

ECONOMIC DEVELOPMENT STRATEGIC PLAN

PREPARED FOR THE CITY OF COUNCIL BLUFFS, IOWA



APRIL 2009



T · I · P S T R A T E G I E S

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About Us

TIP Strategies, Inc. (TIP) is a privately held Austin-based business and economic development consulting firm committed to providing quality solutions for both public and private-sector clients.

Established in 1995, the firm's areas of practice include economic development consulting, strategic planning, site selection, economic impact analysis, regional economic development, target industry analysis, cluster analysis, technology audit, transit-oriented development, workforce analysis, feasibility studies, market analysis, and redevelopment analysis and planning.

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EXECUTIVE SUMMARY

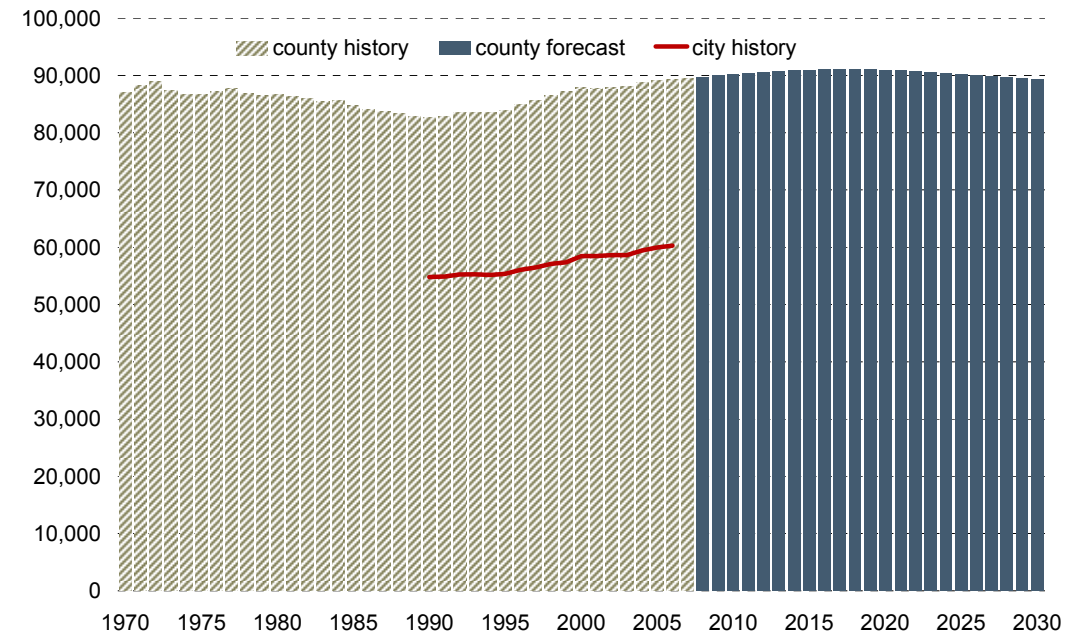
After an extended period of population decline in the 1970s and 1980s, Council Bluffs experienced steady employment and population growth. It benefited from its central location within the growing Omaha metro area. Its proximity to critical transportation nodes has brought more employers, workers, goods, residents, visitors, and shoppers. Its successful gaming industry has boosted financial resources and employment opportunities.

Economic development assets include Iowa Western Community College, the Iowa West Foundation, the Mid-America Center, MidAmerican Energy and other area utility providers, as well as Alegent Health Mercy and Jennie Edmundson hospitals. The Council Bluffs Area Chamber of Commerce and the Pottawattamie County Growth Alliance (PCGA) are committed to the long-term economic growth and development of the community and surrounding region. Evidence of their aggressive efforts includes the successful recruitment of the \$600 million Google data center.

The continued growth of Council Bluffs, however, is not a given. The community faces real economic development challenges. There is a lack of shovel-ready sites for industrial development, as well as commercial office space to accommodate professional services. The community must find a way to retain its best talent and make itself more attractive to new talent. Many of the city's core neighborhoods are in need of rehabilitation. The city's job base is too dependent on lower-paying, blue collar jobs that require minimal education and skill levels.

Finally, the citizens must elevate the image and expectations of what Council Bluffs could be. It should not be enough to live in the shadow of Omaha. Encouraging high educational achievement must be a top priority. The private, public, and non-profit sectors must take a more active role in raising educational standards in the community. In addition, Council Bluffs must take a more active role in defining its image, inside and outside the region.

Pottawattamie County & Council Bluffs Population



SOURCE: US Census Bureau (history); Moody's Analytics (projections)



Like all communities, Council Bluffs must meet these challenges in increasingly troubled economic times. As this plan is being written, the U.S. is facing its most dire economic difficulties in at least three decades, perhaps longer. The prospect of a long, deep recession is very real. Nationally, struggling industries are laying off hundreds-of-thousands of workers. Unemployment nationally is growing at the fastest rate of the last 30 years. Healthier industries are also suspending new capital investments. Locally, there will be fewer opportunities to attract new employers, and some existing employers may face hardships. Consequently, regional economic development partners must adapt their economic development efforts to the realities of current conditions, while positioning the community to capitalize on longer term opportunities.

Within this context, TIP Strategies, Inc. (TIP) worked with stakeholders and citizens in Council Bluffs to develop a comprehensive economic development plan for the city. The plan is a response to the City of Council Bluffs' desire to understand how public and private resources stimulate private investment and employment.

In broad terms, the objectives are:

- Active promotion of economic development through:
 - increasing the availability of commercial and industrial land,
 - aggressive business retention and recruitment,
 - encouraging new mixed-use developments, and
 - enhancing talent attraction and development efforts.
- Re-positioning Council Bluffs in relationship to the Omaha metro area.

Our Approach: COMMUNITY ASSESSMENT

TIP took an asset-based approach to this work, focusing on strategies designed to maximize Council Bluffs' existing advantages. We began by conducting an economic assessment of the community, (published as an appendix). In addition to this quantitative analysis, our work was informed by interviews with local businesses and community leaders. The findings from this phase, refined based on input from public visioning and opportunity workshops held in August and October 2008, provided the foundation for this plan.

The following table highlights some of Council Bluffs' strengths, weaknesses, opportunities, and threats, commonly referred to as a SWOT analysis. The full SWOT table can be found in the Economic Assessment Appendix. Broadly speaking, economic development strategies emerge directly from the SWOT analysis. Weaknesses – even if not directly related to economic development – must be addressed, and strengths must be supported and reinforced. Similarly, threats to the economic well-being of the community must be anticipated and responded to before they become crises. Opportunities, on the other hand, should be acted upon aggressively and, wherever possible, collaboratively.

STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> – Large regional labor shed – Proximity to downtown Omaha – Transportation network & infrastructure – Gaming related tourism and retail – Iowa West Foundation 	<ul style="list-style-type: none"> – Leveraging the presence of Google – Emerging industry recruitment – Expansion of retail, hospitality, and entertainment options – New mixed-use developments in the urban core
WEAKNESSES	THREATS
<ul style="list-style-type: none"> – Lack of shovel-ready industrial sites and professional office space – Lack of community-wide vision and direction – Business tax climate in Iowa – Low educational attainment and graduation rates 	<ul style="list-style-type: none"> – Permanent loss of brightest talent – Tolerance of economic status quo – Spread of neighborhood blight in older areas – Inability to compete for larger investment projects



VISION AND GOALS

Economic development goals, strategies, and actions must be driven by a clear vision. While conceptually this makes sense, the more practical value of the vision is in directing community resources. As a result, successful vision statements are bold but provide a clear direction and can be supported by goals and strategies. We believe that the following vision achieves those objectives for Council Bluffs:

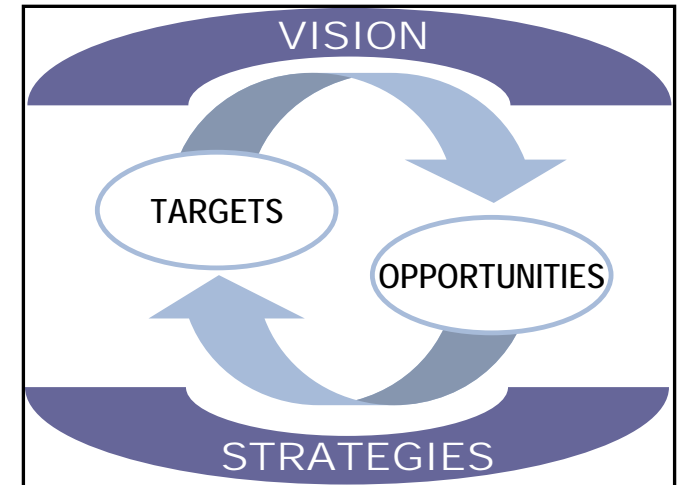
Council Bluffs is a dynamic community providing opportunity for business growth and regional vitality.

This vision statement presents a clear focus for Council Bluffs' economic development efforts with aggressive, yet attainable, goals. Council Bluffs will solidify its position within the Omaha metro area and Southwestern Iowa as a magnet for investment and talent. This process will be driven by creating new development opportunities, supporting the existing business base, strengthening regional educational institutions and attainment levels, and raising the image of Council Bluffs within the region.

This vision, however, can only be reached if goals are established as pillars to support its key proposals. We believe that the following three goals will support the proposed vision and provide a strong framework for strategies and actions:

- **Stimulate and grow the economy through business development.**
- **Develop, retain, attract, and engage talent.**
- **Promote and enhance quality of place.**

In the report that follows, we outline strategies and actions and discuss the priority projects for each goal. We then provide a plan to guide the implementation of the strategies and projects. Following the implementation guide are detailed profiles of the recommended target industry and business sectors. Finally, we include the results of the economic assessment and the retail study executive summary.



that local partners explore options for acquiring available property with the goal of future industrial and commercial development.

One option is to acquire property in or near the city and establish a new shovel-ready business park that can accommodate large-scale industrial developments. Another is to acquire private land suitable for industrial development and set it aside for future industrial/commercial development when market conditions improve. This practice, commonly referred to as land banking, is a viable option for communities seeking to preserve undeveloped land for a specific future purpose. The goal of increasing commercial and industrial land in and around Council Bluffs should be a cooperative effort between the City, the County, the Council Bluffs Industrial Foundation (CBIF), and other community partners.

The timing of a land assembly strategy is an important consideration. The current economic environment will mean fewer large investment prospects for 2009 and perhaps into 2010. The recession may also present a prime opportunity to assemble land for future industrial and commercial development. Real estate prices will fall or remain flat as long as demand is low and credit is tight. Once the economy recovers, however, land costs will inevitably increase and communities with shovel-ready sites will be at a competitive advantage for new investment. Therefore, there is some urgency for local partners to act quickly on this strategy.



3. Enhance the image of Council Bluffs within the metropolitan region.

A challenge mentioned frequently to the consulting team during interviews and community forums is the need to improve the community's image – both within the region and within the community. While not as prevalent as in the past, many residents still feel that Council Bluffs is held in low regard. Moreover, some claim the perception of Council Bluffs as being Omaha's lesser neighbor is perpetuated by Omaha media outlets by dwelling on negative stories about Council Bluffs and ignoring positive ones.

To combat these perceptions, Council Bluffs must take a more active role in defining its own image. This entails more coordinated and professional communications activities, the use of non-traditional venues and tools, and a more effective word-of-mouth



campaign by existing residents. A positive image and outlook must begin locally. If local residents can't make a convincing case for living and working in Council Bluffs, then even the most polished marketing campaign will not succeed.

An additional goal of a regional marketing effort is to position Council Bluffs as a destination for new investment by Omaha-based businesses. The prospect of an extended economic downturn may cause some Omaha companies to consider consolidating operations and facilities closer to home. Such a scenario may represent Council Bluffs' best prospect for new business recruitment in the current environment.

4. Support and strengthen the mission of Iowa Western Community College.

One of Council Bluffs most valuable economic development assets is Iowa Western Community College (IWCC). The two-year campus is a tremendous provider of post-secondary education and skills training for residents in Southwest Iowa. The economic downturn places even greater importance on the presence of IWCC. Traditionally, in times of high unemployment, enrollment in community colleges increases as more workers and students seek additional training, skills, and education to prepare for future opportunities. Many education officials refer to community colleges as "recession insurance." Indeed, IWCC's enrollment for the 2008 fall semester increased by 6 percent over the previous year, rising to 5,617 full- and part-time students.

Regional economic development partners should continue working closely with IWCC leadership and faculty to develop innovative curricula and programs that address both current and future education and skills needs. Programs which may see greater demand include healthcare, computer sciences, education, business, and accounting. Local partners should also encourage regional businesses, non-profits, and the State of Iowa to ensure that IWCC and its clients receive the financial support needed to meet current and future demand.

5. Redevelop the urban core of Council Bluffs.

Despite the expansion of residential development to the northeast of town, the heart of Council Bluffs remains its urban core. For most U.S. cities, it is not a sustainable model to



continue unabated growth on the fringes while the center dies. Eventually, the erosion in tax base, residential base, and employment base in the city's core will negatively affect the entire community. The same is true for Council Bluffs. The long-term economic vitality of the entire community depends on a healthy and vibrant downtown, West Broadway corridor, central neighborhoods, and riverfront.

The significance of Council Bluffs' urban core is enhanced by its proximity to downtown Omaha. With downtown Omaha developing as a commercial and residential center, there will likely be additional demand for alternative options for housing, retail, and entertainment. Council Bluffs is well positioned to capture spill-over growth due to its lower property costs, uncongested traffic, expanding retail sector, and good physical infrastructure. To capitalize on this long-term opportunity, the Council Bluffs must offer improved and expanded options for housing, public education, office space, dining, and amenities.

These five strategies address some important short-term and long-term economic development needs of Council Bluffs. However, they alone don't meet all the community's needs and challenges. The plan also recommends strategies to address other critical issues. These include engaging the business sector in public education issues, creating a new generation of leaders, and enhancing the community's physical appearance.

TARGET INDUSTRIES

To support the Pottawattamie County Growth Alliance's economic development recruitment efforts, TIP identified target business and industry sectors (*see right*). We chose potential targets using a combination of quantitative, qualitative, and strategic approaches. The recommended industries capitalize on existing and emerging assets in Pottawattamie County and the metro region, such as the transportation network, large regional labor shed, and competitive utilities. These industries were also chosen in light of the current economic environment, as they are likely to endure recessionary times and could possibly benefit from governmental support.

Recommended Industry Targets

- *Specialty Foods*
- *Packaging*
- *Energy Equipment*
- *Data Centers*
- *Shared Service Centers*
- *Logistics & Distribution*
- *Healthcare*



ORGANIZATIONAL CONSIDERATIONS

Organizational issues arise in virtually any planning effort, and particularly in economic development. This plan is no exception. Its purpose is to provide the City and its partners with specific guidance regarding the *commitment of resources for enhancing Council Bluffs' economic vitality*. The City of Council Bluffs does not currently have an economic development department and this plan does not recommend it create one. The existing organizations, structures, and partnerships in the county are adequate to pursue Council Bluffs' economic development goals.

Since the City of Council Bluffs does not itself have an economic development department, many of the recommendations and responsibilities raised in the plan will fall to its partner organizations and will require a coordinated approach. Many of the affected organizations are existing partner members of the Pottawattamie County Growth Alliance. Consequently, the City and the PCGA should draft and sign memorandums of understanding to implement the plan.

FINAL THOUGHTS

Several factors have shaped this plan. First and foremost is TIP's definition of economic development. While most definitions focus on indicators, such as jobs or wealth creation, we have distilled the practice to its essential goal: economic development is *the application of public resources to stimulate private investment*. With this in mind, the role of the public sector gains a clarity that other definitions obscure. Public officials and local government employees do not create jobs or generate wealth, but they do control significant resources. Directing these resources effectively and efficiently is their paramount duty. Effective programs should be judged by how well public resources can create a response from private investors.

Our work is also shaped by our understanding of trends affecting the practice of economic development across the U.S. As a result, we have framed the discussion in terms of the factors that we believe have the greatest impact on economic vitality: **stimulating the economy through business development, enhancing and promoting a sense of place, and attracting and retaining talented workers**. These challenges are not unique to Council



Bluffs; indeed, they are the concern of literally every community in the country. The response, however, must be tailored to Council Bluffs' specific circumstance. Moreover, they must simultaneously address the short-term challenges of the current economic environment, while positioning the community to take advantage of its longer-term opportunities.

In the near term, the plan stresses meeting more traditional economic development needs such as additional financial resources, sites, and retention tools. These priorities are prescribed by the competitive environment for new investment and the current economic climate. Successful implementation of these strategies can be accomplished within the next 12-18 months. However, the more deep-seated challenges of improving the talent base of the community and making it more attractive to new residents are vitally important and will require a more sustained effort. New business development cannot be accomplished at the expense of talent and place.

The economic development field – even in the best of times – faces a quandary. Concentrate on industry, on the sites and incentives businesses expect, or focus on the quality of place that attracts talented individuals? While it may be true that a community should do both, that is never easy. Not everything can be done at once. It is also true that neither approach should be undertaken exclusively. Council Bluffs faces this dilemma as well. It must improve its ability to attract talent while attending to basic industry infrastructure and site requirements.

Faced with the practical requirements of an economic development plan, TIP was forced to take note of the community in light of actual circumstances. The following considerations guided our approach:

The Regional Perspective

How is it possible to build “quality of place” when competing directly for talent with a larger metropolitan area that is similarly engaged in talent recruitment? The fact is that Omaha has made substantial investment on the river, both in the Old Market District and in improvements throughout the east side. From the perspective of education, the arts, entertainment, recreation, and housing stock, Omaha has a dramatic advantage. From a competitive standpoint, it would be ill-advised to invest too heavily in, e.g., an entertainment district when



Omaha is billing their own district with a much larger captive demographic. Without the existing elements of social networks and downtown housing (to name just two), Council Bluffs is hard-pressed to create a similar environment. This does not, however, mean that Council Bluffs should neglect its own needs, and its ability to draw talent to the community. For this reason, we recommended a “catalyst project” along West Broadway rather than relying entirely on incremental improvements to the downtown.

Commercial and Industrial Growth

Council Bluffs enjoys logistics advantages and the potential for land assembly of region-wide significance. In the “chicken or egg” question of whether sites precede talent, the answer lies with having the employment potential available in the community. Currently, this is lacking. While it may be possible to anchor talent in a metropolitan area like Austin or Omaha – even absent immediate employment opportunities – that is more difficult in Council Bluffs. This is why the plan emphasizes a near-term strategy of assembling resources for future industrial and commercial development.

Image

Our emphasis on image is not a small point. Concurrent with any community investment – for downtown improvements, arts and entertainment, or similar projects – a determined marketing and image campaign is well-advised. The immediate target audience will certainly have to draw on Omaha. If the long-standing perception of Council Bluffs is not changed, it is unlikely that increased investment will pay off.

This plan seeks to capture these elements and build on them. We do not take lightly the question of “quality of place” and of how important it is to the economic vitality of Council Bluffs. The investments made by the Iowa West Foundation and by the City make possible a different future from that of other Iowa communities. Nevertheless, an economic development plan must pay equal attention to business fundamentals. Making room for both elements and phasing them accordingly, is our express goal. The willingness to address Council Bluffs’ future in a holistic way will go far in determining the success of the Plan.



STRATEGIC PLAN

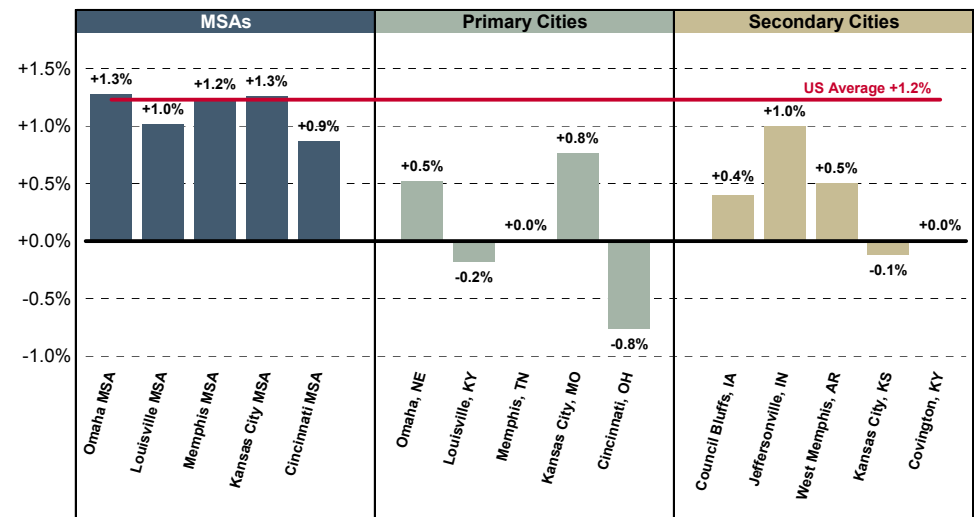
METHODOLOGY AND APPROACH

To better understand Council Bluffs, its challenges and opportunities, the consulting team focused on collecting both qualitative and quantitative data through site visits, interviews, and primary and secondary data sources. These research activities included:

Data collection, analysis, and assessment:

- Analysis of demographic and economic trends of Council Bluffs, Pottawattamie County, and the Omaha-Council Bluffs MSA compared to peer communities
- Analysis of occupation and industry employment data to identify areas in which Council Bluffs and the county hold a competitive advantage in attracting new investment.
- Retail Analysis
- Stakeholder interviews
- Public Input
 - Visioning workshop
 - Opportunities workshop

Projected Annualized Population Growth, 2008-2013



SOURCE: ESRI



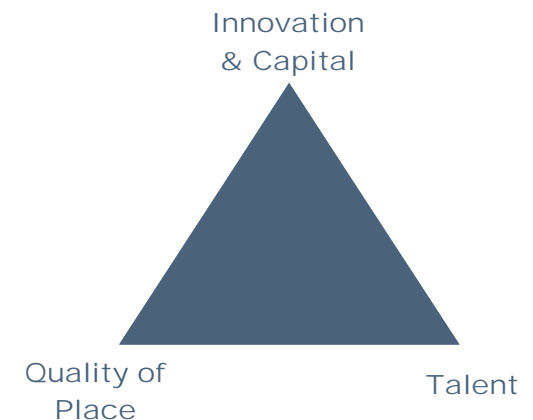
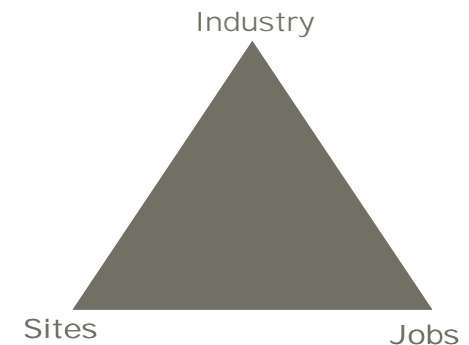
OUR APPROACH

Economic development is undergoing major structural changes, ranging from site requirements to talent to livability to regional planning. Working within the vacuum of traditional economic development is becoming increasingly untenable, as the benefits of primary industries, retail growth and professional services have shifted, requiring new analytical approaches.

Economic development planning has failed to keep pace with global economic changes. A graphic representation of the old economic planning models might envision a triangle representing the following goals: industry, sites, and jobs (top right figure). This model assumes that the recruitment of new businesses could be best accomplished by providing sites in industrial parks, which in turn would result in the creation of new jobs. For many regions, this remains the default economic development strategy. Unfortunately, this approach depends heavily on tax abatements and the availability of fully serviced land. As a result, the benefits of attracting new industry and “creating new jobs” is often compromised by a lack of services, reduced land for housing and open space, and increasingly compromised economic vitality.

Economic development planning that is responsive to new opportunities—an approach championed by TIP Strategies—sees the same “triangle” with different goals: innovation and capital, quality of place, and talent (bottom left figure).

Rather than relying on incentives and cheap land to recruit industry, this approach recognizes the increasing importance of quality of place in the attraction and retention of business. This approach keeps quality of place on equal footing with innovation and capital. It recognizes that community development initiatives may generate a return that is as significant as that of industrial parks (which are often disconnected from the community and require huge public investment). We also see “jobs” as something more than just a reduction of unemployment—looking instead at the duration of those jobs, the wages they pay and their impact on the community. This broader perspective is what we describe as “talent.” It holds the view that retaining and attracting younger workers is not synonymous with job training or current workforce programs.



TIP defines economic development as the application of public resources to stimulate private investment. This definition recognizes that decisions regarding everything from telecommunications to workforce development must be informed by the response they will receive from the private sector. Since private investment is increasingly linked to technology and knowledge workers, it is only sensible for public entities to respond in kind. This approach frequently requires infrastructure investment, making it congruent with the site selection and expansion goals of private companies.

What we have learned from our team's experience in cities, counties, regions, and states underscores the benefits of a more holistic approach. There are, regrettably, too many examples in which a project is evaluated only on a fiscal basis, only to leave residents of the community dissatisfied and neighborhoods more economically fragmented and less economically viable than before the project was undertaken. As a result, an economic development methodology based on TALENT, INNOVATION, and PLACE helps redefine the types of business as well as the types of public resources under consideration, and provides for the basis of a more realistic evaluation of options to stimulate private investment.

ECONOMIC DEVELOPMENT (N)

1. the application of public resources to stimulate private investment

- TIP Strategies, Inc.



GOAL ONE: STIMULATE AND GROW THE ECONOMY THROUGH BUSINESS DEVELOPMENT.

It is no secret that American manufacturers, and their host communities, have suffered greatly in the face of stiff global competition. The challenge to American manufacturing is further magnified by the current global economic slump. Rural America has been especially hard hit, due to its traditional reliance on low-wage manufacturing. The results of this struggle have littered much of the rural landscape with shuttered factories. Recognition of these wider global trends and their effects on investment decisions should influence the decisions that Council Bluffs makes regarding industrial recruitment and other economic diversification efforts.

Fortunately for Council Bluffs, its existing economic base is relatively diversified. The manufacturing sector is led by major food processors such as ConAgra and Tyson. Food processing is a sector that traditionally weathers hard economic times better than other sectors. The three major casinos (Ameristar, Horseshoe, and Harrah's) also serve as a major anchor of the local economic base. Health services, transportation, and retail further provide balance to Council Bluffs economic base.

However, while several of these firms have expanded in recent years, they are still vulnerable to the economic pressures being felt across the U.S. No industry or company is 100 percent safe. Even healthcare services, traditionally one of the most recession-proof sectors, are vulnerable as consumers put off medical procedures and non-paying patients increase.

With the global economic recession, it is critical that the City of Council Bluffs, the PGCA, the Chamber of Commerce, the Council Bluffs Industrial Foundation, and other economic development partners give urgent attention to understanding and addressing issues affecting the competitiveness of local industry. There will likely be fewer prospects for new investment over the next 12-24 months, as both U.S. and foreign-based companies constrain spending on capital and labor. Consequently, time and resources that ordinarily would have been allocated for new business recruitment should be diverted to solidifying Council Bluffs existing employment base.

Redefining INDUSTRY

The U.S. manufacturing industry continues a transformation that has profound effects on the practice of economic development. It is forcing us to rethink what we mean by a primary job, how we measure economic impact, and how we design incentives. This is due, in large part, because manufacturing employment continues to decline. It is no overstatement to say that you cannot build an economic strategy around manufacturing jobs.

For this reason, our understanding of industry considers the full complement of economic activities—ranging from traditional industrial employers to advanced research to entrepreneurship —as well as the physical infrastructure (industrial parks, sites, transportation etc.) and business climate to support those activities.

Understanding the role of innovation, the opportunities for expansion of existing companies, and the best targets for recruitment is an important building block of the plan.



In addition to global economic pressures, the ability of Council Bluffs to accommodate business expansion and relocation is limited by competitiveness factors. The lack of shovel-ready industrial land limits the City's ability to maintain and expand its existing base. Iowa's disproportionate tax burden on commercial and industrial tax payers places Council Bluffs at a competitive disadvantage with competitors in other states. There is a need for financial incentives to offset the high effective commercial property tax burden.

The use of tax increment financing (TIF) has been the city's primary economic development tool for leveling the property tax playing field between Council Bluffs and communities in Nebraska. A TIF uses future gains in property taxes to finance the current improvements that will create those gains. The increased property tax revenues are the "tax increment." Tax increment financing dedicates property tax increments within a certain defined district to finance debt issued to pay for the project. For Council Bluffs, about a 50 percent TIF rebate is required to offset lower commercial property tax rates in Nebraska.

This plan recommends Council Bluffs commit significant resources to overcome these challenges and position the community for future investment opportunities. Ironically, the economic shock of a global recession may be the opportune time to increase commitments to economic development. Privately-held land will likely be more affordable. Rising unemployment may increase public sentiment for allocating greater public resources to attract new employers. Shuttered storefronts highlight the need for low interest loans to help small businesses.

Council Bluffs, like most of the nation, has experienced relatively good economic times over the last several years. Its population has increased, retail sales and construction have fared well, and employment has risen. Consequently, there has not been a sense of urgency in the community to be more aggressive in attracting new investment. An extended global economic slump may provide the impetus.



Strategy 1A: Concentrate on the needs of existing businesses. In the context of the private sector, a business retention program is like the adage that says you must attend to your existing customers first. If you don't do that, you jeopardize your base. Focusing on existing business should be the heart of any economic development program. This is especially true in light of the recession, where there will be fewer recruitment prospects and more existing businesses in distress.

1A.1: Continue business retention and expansion (BRE) program.

Having a clear understanding of the businesses already in the community, in addition to keeping tabs on new locations, is critical to on-going economic development efforts. Creating formal mechanisms for gathering information on a company-by-company basis is recommended, where possible.

- Inventory. Maintain inventory of existing businesses and available properties. Publicly available business records, such as tax records, utility hookups, and ownership transfers, can be good sources for information.
- Survey. A BRE program has two objectives: to determine which companies are at risk of leaving the community (for whatever reason) and those that are expanding. Being able to identify those targets quickly and accurately requires some form of survey. This is different from visitations, which may (or may not) gather that information. TIP recommends an annual employer survey addressing those two questions specifically.
- Visitation. The PCGA should meet its goal of making 30 businesses visits per year. The purpose of the visits should be to gauge the ability and needs of local businesses to operate, profit, and possibly expand in Council Bluffs.

A bird in the hand

The expansion and retention of existing businesses should be at the heart of any economic development strategy. Existing businesses form the backbone of a thriving economy. They typically represent the best opportunity for increasing the employment and tax base of a community and the greatest economic threat if they close or relocate. But local firms are often overlooked in a community's enthusiasm to recruit new, headline-generating businesses.

Given the fiercely competitive environment for business attraction and the myriad of issues facing most communities with regard to the recruitment of new business, business retention should be a baseline activity for economic development organizations. In other words, all other initiatives, including business recruitment, should be considered in light of their ability to complement and support the existing business network.



- Forum. Provide opportunities for local businesses to meet regularly with economic and community development staff. The purpose of these meetings is similar to that of the employer survey, but the face-to-face approach often stimulates discussion that a survey cannot. This could be accomplished by holding a general quarterly business forum or in conjunction with existing PCGA industry roundtables.
- Intervention. Council Bluffs should develop a “rapid response” strategy for dealing with potential layoffs or plant closures. Under the Federal Worker Adjustment and Retraining Notification Act (WARN) of 1989, companies with 100 or more employees must notify local governments and state workforce organizations about plant closings or mass layoffs at least 60 days in advance of the event. However, at this point, it is frequently too late to do anything. The PCGA, the Chamber of Commerce, and the City of Council Bluffs should identify “at-risk” companies and develop an aggressive intervention strategy.

As part of this effort, the PCGA should identify the tools available to help avert such actions or ameliorate their impact. Examples of these tools include:

- Understanding the role of financial tools, such as Employee Stock Ownership Programs (ESOPs).
- Identifying companies who can benefit from customized assistance, such as the manufacturing modernization services offered through the U.S. Department of Commerce's Manufacturing Extension Partnership (MEP) program.



- In the event of a layoff or plant closing, helping to coordinate services for affected workers, including re-training and career counseling.

To be effective, intervention must occur early. As such, this strategy relies heavily on the information-gathering steps outlined above.

1A.2: Promote small business and entrepreneurship development.

Promoting and ensuring that small businesses and entrepreneurs are connected with available technical and financial assistance is an appropriate part of a business retention program. This task should be led by the Iowa Western Entrepreneurial Center (IWECE) and supported by the PGCA and the Chamber. The IWECE, part of Iowa Western Community College, includes the Iowa Western Small Business Development Center (SBDC) and the Office of Entrepreneurial Education & Training.

- Tools. The IWECE should continue offering small businesses and entrepreneurs the tools they need to succeed. Currently, the SBDC offers small business owners traditional counseling and training in such areas as business plan development, marketing, accounting, and loan application assistance. The Entrepreneurial Center offers FastTrac® entrepreneurship training programs for new ventures as well as growth ventures. Additional tools and services the Entrepreneurial Center should consider offering include:
 - Access to information resources and databases to provide entrepreneurs with knowledge of resources available (financing, business services, educational opportunities) to them as well as competitive information.
 - Personalized technical assistance for both existing and new businesses.

Entrepreneurship Training Curricula

One popular entrepreneurial training program currently offered by the Entrepreneurial Center is FastTrac. Founded by the Kauffman Foundation of Kansas City, Missouri, FastTrac is a boot camp for entrepreneurs. According to the foundation's materials, 70 percent of companies that go through the program succeed beyond three years – the oft-touted threshold by which the majority of small businesses fail. The program can be brought to any town provided there is an organization willing to become certified to teach the program. <http://www.fasttrac.org/>

Another popular program is NxLevel, a curriculum developed by the University of Colorado at Denver. NxLevel includes 7 different curriculum tailored for different types of entrepreneurs. Since 1996, over 80,000 students have participated in NxLevel trainings. A third-party evaluation of the program shows that over 90 percent of business start-ups that participated in the program were still in business after 3 years. The program is taught by certified trainers in over 600 communities in 48 states. <http://www.nxlevel.org/>



- Continuing education geared towards entrepreneurs on topics such as starting a business, basic and advanced financial management, accessing capital, marketing on a shoe-string, legal issues, and human resource management.
- Succession planning and business transfer services to help aging and retiring business owners find successors for their businesses.
- Access to an entrepreneur mentor network and angel investor network, if available.
- Networking. Establish a regular meeting schedule, such as a quarterly business and industry meeting hosted jointly by the Chamber of Commerce and the PCGA, where small business owners can discuss issues on a topical basis (such as workforce, supplier networks, start-up resources). Joint sponsorship of existing events held by organizations such as the chamber could accomplish this task. Thought should be given to providing support on a regional basis and the relationship with entrepreneurship.
- Barriers. Taking steps to ensure that local government entities are “business-friendly” can go a long way to enhancing the environment for small business owners. This could include:
 - Conducting a review of development regulations, ordinances and approval processes to ensure that they do not pose an undue burden on small businesses.
 - Appointing a City small business ombudsman to serve as the primary point of contact for new and small business. This person would serve as a liaison between the business community and relevant City departments and commissions.

SCORE: Counselors to America’s Small Business

The IWCC Entrepreneurial Center is the new home to the Council Bluffs SCORE Office. SCORE “Counselors to America’s Small Business” is a nonprofit association dedicated to educating entrepreneurs and the formation, growth and success of small business nationwide. SCORE is a resource partner with the U.S. Small Business Administration (SBA).

SCORE is headquartered in Herndon, VA and Washington, DC and has 389 chapters throughout the United States and its territories, with 10,500 volunteers nationwide. Both working and retired executives and business owners donate time and expertise as business counselors. SCORE was founded in 1964.



- **Capital.** Working with the local financial community to improve access to capital should be a top priority of business retention and expansion programs. Examples could include the formation of a capital network (see box), as well as encouraging new lending models in conjunction with banks to meet the technology needs of businesses. Such models would provide loans to companies seeking to implement new technology. As part of this work, contacts should be established with the angel and venture capital community in the Omaha metropolitan area, as well the state and nationally.
- **Leverage funds.** Assist private companies in securing government funds relative to innovation, including the Small Business Innovative Research or SBIR program. Identify local recipients of such awards to learn more about the constraints faced in competing. Information on award recipients and other resources is available from the Small Business Administration's website. (<http://www.sba.gov/>).
- **Promotion.** Celebrate entrepreneurship in the region by profiling area entrepreneurs ("success stories") – current and past – and inform residents of entrepreneurial activity and initiatives. This will help foster an entrepreneurial spirit and a community that values entrepreneurship. In addition, organize an annual business plan contest to identify promising entrepreneurial ventures in the community. Reward the contest winner a grant to help defray start-up costs.

Definition: CAPITAL NETWORKS

Capital networks are an important part of small business development. They vary from an informal group of potential lenders – including local banks, foundations, and individual investors – to a highly formal, federally regulated investment consortium. At all levels, however, their purpose is to increase the flow of capital to local businesses who do not readily meet the criteria of traditional lending. As a result, capital networks typically encourage flexible rates for loans, or, in the case of investment, a wide range of indirect assistance (including management expertise).

The formation of a capital network consists of some of the following:

- identifying potential angel investors
- linking with existing loan and investment funds (such as Venture Network of Iowa)
- enfranchising existing lenders in the value of non-traditional investment (banks and REITs)

Strategy 1B: Position Council Bluffs for future investment opportunities. The recession should not deter Council Bluffs from positioning the community for future opportunities. Indeed, as with any business cycle, the current downturn will eventually reverse and the economy will recover. It may be a matter of months or years. However, once the recession is over, Council



Bluffs must be in a position to compete for new investment prospects. To do this, the community must find innovative solutions for overcoming its competitive disadvantages relative to its regional competitors (i.e., lack of 40-acre shovel-ready sites, the high commercial property tax burden in Iowa, and the lack of financial incentives needed to offset high commercial taxes).

1B.1 Explore the feasibility of establishing a strategic investment fund for economic development. To overcome barriers, the community's economic development partners should consider a new strategic investment fund dedicated to spurring economic development.

- **Purpose.** The purpose of the fund would be to provide capital and financing for business development projects the community deems beneficial for stimulating long-term private investment and job creation. Potential uses for the fund include:
 - Land assembly and development
 - Recruitment incentives
 - Revolving business loans for small and medium-sized businesses
- **Management.** The fund should be managed by a diverse board consisting of representatives of government, the private sector, and economic and community development organizations in Pottawattamie County.
- **Initial Funding.** Initial funding sources could include area governmental agencies, non-profits, grants, and existing businesses. Raising money for economic development can be difficult, especially in times of economic distress. It would require a sustained cooperative commitment from the public and private

State of Iowa Incentive Programs (cont.)

Enterprise Zone: EZ program offers a range of tax breaks to firms that meet thresholds of new investment and new employment in economically distressed areas. In order to qualify for public subsidies, those doing business in the enterprise zone must create at least 10 new jobs and invest at least \$500,000 within their first three years enrolled in the program.

- Council Bluffs has one of the largest EZ programs in Iowa. It has been used extensively for single-family and multi-family housing developments. It has been used less frequently for industrial development projects, usually smaller in nature.

High Quality Jobs Creation: HQJC provides tax exemptions and tax credits to large projects that create and/or retain high value, high paying jobs. Tax abatement authorization can extend to 20 years. HQJC is not geographically based.

- Used in Google's incentive package.

Community Economic Betterment Account: CEBA offers forgivable and low-interest loans to companies that create new jobs (20+ jobs to be competitive) and make new capital investment. Requires a 20% local match.

- CEBA has been used in Council Bluffs for some larger projects.

Targeted Jobs Program: This is a state pilot program that offers a 50% rebate on payroll taxes for firms creating 10+ jobs and \$500,000 investment in an urban renewal area.



sectors in Council Bluffs to making the community competitive for new investment and jobs.

- *Incentives Policy.* The managing board should develop a formal incentives policy to guide the use of the funds. This policy should provide clear guidance on the standards that must be met to qualify for incentives. As a general guideline, the incentive policy should emphasize investment in addition to “jobs created.” Investment should be measured by direct capital investment (machinery and equipment, buildings, and aggregate payroll). Emphasis should be placed on employers that create higher wage jobs (i.e., some percentage above the median wage for the region). “Clawback” provisions, i.e., those conditions under which an incentive would be withdrawn, should be clearly stated.

Council Bluffs was able to use State of Iowa incentive programs, as well as local incentives, to attract Google Phase I. The City originally provided a 16-year TIF property tax rebate. Later, Google opted to replace the TIF rebate with a tax abatement of equal value under the State of Iowa’s High Quality Jobs Program (HQJP). Google opted for the HQJP benefits and received an abatement of approximate value to the TIF, plus a refund of sales tax estimated at \$1,406,000 in value. They also participated in the state’s Targeted Jobs Withholding Tax Credit Program, which allows for a diversion of up to 3 percent of employee withholding taxes to be diverted to the City which then funnels the dollars back into the project (a \$936,000 benefit).

More crucial to Google was a change in state law in how computers, cooling equipment, and back up generators were treated for sales tax and property tax purposes. The Iowa legislature was approached by local economic development partners to request updating the code to reflect these changes. The legislature complied and provided for sales tax and property tax exemptions for computers, racking and shelving, cooling equipment, and back-up generation equipment.



Finally, the City of Council Bluffs negotiated a cap to the franchise fee that Google will pay on the use of electricity.

The table on the following page contains examples of how a few Midwest communities structure, fund, and approach economic development. The information in the table comes from a January 2008 survey of 19 communities conducted by the City of Lawrence, Kansas. While not comprehensive, the table provides some context to the competitive environment and the resources competing for new investment in the region.



Economic Development Efforts of Some Selected Midwest Cities

City	Local Economic Development Structure	Funding	ED Tools Used	Other Info
Ames, Iowa	Ames Economic Development Coalition (AEDC) organizes ED efforts. There is also Ames Seed Capital, LLC.	AEDC is working on a five year plan to accelerate ED activities through private sector fund raising. The City allocates hotel/motel tax funds as follows: \$90K/year for AEDC projects requiring Council approval and \$70K for staff time on ED projects; City also has \$800K in loan fund for ED projects (no new money)	Ames offers tax abatements on a declining scale. Additionally, Ames has several matching loan funds and seed capital funds.	The AEDC is becoming more aggressive as evidenced by fundraising efforts. Active in bioscience activities, including recruitment trip to Europe.
Lincoln, Nebraska	The Lincoln Economic Development Corporation heads up ED efforts. City contracts with the agency.	City contributes up to \$600,000 on a dollar for dollar match with private sector; so \$600,000 from City and \$600,000 from private sector annually.	Nebraska law prohibits cities from directly providing cash for economic development except for TIF. Therefore, there are two major incentives, a private fund and TIF.	City provides redevelopment assistance program that enables revitalization of older commercial centers, also façade program. They have a Downtown Lincoln recruitment packet.
Manhattan, KS	City, Chamber and University work as a close team. City contracts with Chamber	\$125,000 annually to Chamber; \$2 million per year is raised from special ½ cent sales tax for economic development. There is also a significant private sector funding element generating over \$2 million for economic development through a Chamber "Advantage Manhattan" program.	TIF, TDD, tax abatement, IRBs are all used. Exploring use of neighborhood revitalization act.	Recruitment and retention are both important, as well as "grow your own" through local incubators and university spin-offs. Strong partnership with Kansas State University.
Topeka, KS	Joint Economic Development Organization (JEDO) makes decisions regarding use of ED funds; Go Topeka administrates it.	Special county-wide ½ cent sales dedicated for economic development will generate \$100 M in 12 years.	TIF, tax abatement, starting on one TDD, Neighborhood Revitalization (includes downtown)	Topeka is positioning itself to be an ED leader in the Midwest given its dedicated funding

Source: City of Lawrence, Kansas

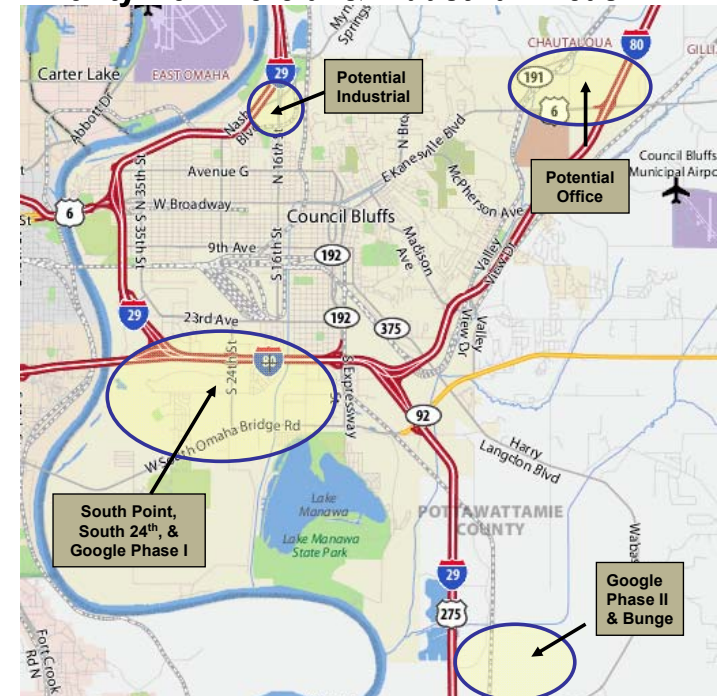
http://www.lawrenceks.org/study_sessions/2008/01-14-08/01-14-08h/survey_matrix.html

1B.2: Assemble land for industrial/commercial expansion. The availability of land for business expansion and recruitment continues to be a major economic development challenge for Council Bluffs. Currently, the industrial foundation does not control any shovel-ready sites that can accommodate developments requiring 40-plus acres. The 35-acre South Point Business Park is the only fully served business park within the city of Council Bluffs. Located south of the intersection of S. 24th Street and Hwy 275, the park offers industrially zoned lots ranging from 1 to 11 acres. The MidAmerican Commerce Park offers 25 acres for flex-type light industrial development. Other available sites suitable for industrial development include the North 25th Street (24 acres) and Avenue Q (4 acres) sites located in northwest Council Bluffs, as well as the EJS Property (130 acres) southeast of Council Bluffs near I-29. Land adjacent to Iowa Western Community College has been mentioned as a potential location for office and commercial uses (*see map right*).

In order for Council Bluffs to be more competitive in attracting larger employers, increasing the availability of commercial land should be a high priority. The availability of developable industrial and commercial sites in and around Omaha places Council Bluffs at a competitive disadvantage even within the metro area. Therefore, TIP recommends that local partners explore options for acquiring available property with the goal of future industrial and commercial development.

One option is to acquire property in or near the city and establish a new shovel-ready business park that can accommodate large-scale industrial developments. Another is to acquire private land suitable for industrial development and set it aside for future industrial/commercial development when market conditions improve. This practice, commonly referred to as land banking, is a viable option for communities seeking to preserve undeveloped land for a

Priority Commercial & Industrial Areas



specific future purpose. The goal of increasing commercial and industrial land in and around Council Bluffs should be a cooperative effort between the City, the County, the Council Bluffs Industrial Foundation (CBIF), and other community partners.

If capital can be raised to assemble greenfield sites suitable for large scale industrial expansion, priority should be given to 1) available property in south Council Bluffs near the South Point Business Park, and 2) available land southwest of Council Bluffs near I-29.

Strategy 1C: Continue a targeted industry recruitment strategy. The primary purpose of traditional economic development marketing is to generate interest from companies with expansion or relocation plans. The PCGA and the Chamber of Commerce already do a quality job of marketing the region to industry decision-makers and site location consultants, especially those representing target industries. Their programs are managed by an experienced and highly regarded team of economic development and marketing professionals. The PCGA should continue its business recruitment efforts and include the target industries listed below and outlined in Appendix A.

- Specialty foods
- Wind energy equipment and machinery
- Packaging
- Data Centers
- Shared service centers
- Logistics and distribution
- Healthcare

Consideration must be given, however, to the land availability and property tax issues discussed above. Some of the target industries will be difficult to attract in the near term if these barriers are not overcome.

Recent Corporate Investments

Relocations or expansions affecting over 50 employees over the past three years

Company	FTEs
Omaha Standard	290
Google	200
Diamond Marketing Solutions	83
ConAgra Frozen Foods	50
SIRE Ethanol Facility	50
Katelman's Steel Facility	43
Rasmussen Mechanical	34



1C.1: Build awareness among decision-makers in target industries.

The text box right and on the following page outlines the basic campaign components for a targeted industry marketing campaign. While basic, it is still an ambitious marketing strategy for targeting investment prospects and full implementation requires a significant marketing budget. The PGCA currently engages in some of the activities based on the available marketing budget. If it should have more resources at its disposal, the PGCA would be able to employ a more aggressive marketing campaign.

1C.2: Build awareness among corporate site selectors. Many businesses (medium to large market) hire site consultants to assist in their evaluation of potential expansion sites. The PGCA and Chamber should create a database of consultants in the Midwest, target them through direct marketing and a visitation program, and invite them to Council Bluffs to see specific projects.

- Database. Update and maintain a database of developers, brokers, and site consultants in the Midwest.
- Information. Continue to maintain and update information typically of interest to commercial and industrial developers on the regional partnership website.
- Newsletter. Distribute the quarterly newsletter. In addition to highlighting PGCA and Chamber of Commerce achievements, the letter should highlight a different opportunity each month.
- Visitation Program. To the extent feasible, Chamber staff should call on site consultants in major metropolitan areas in the upper Midwest (e.g., Omaha, Kansas City, Minneapolis, and Chicago). While a formal program of visits (i.e., quarterly) is most effective,

Targeted Marketing Campaign Basics

- Database. Develop and maintain a database of companies in each target industry. Keep track of contacts made with each company.
- Letter Campaign. Using this database, the PCGA should initiate a direct mail program to companies in each target sector. The mailings would consist of a one-page marketing letter designed specifically for each target industry that highlights the advantages of Council Bluffs. Mailings should include only those companies for whom the PCGA has contact information for specific individuals. These mailings should occur monthly and continue for at least six months.
- Postcard Campaign. In addition to the letter campaign, the Chamber should initiate a more general campaign. This campaign would consist of a visually appealing postcard with a three to five points highlighting the county's strengths and a highly visible Web address that directs prospects to the Greater Council Bluffs Regional website. Digital postcards may be used as a lower cost and highly effective option. These mailings should occur anytime a large number of new contacts are obtained.
- Follow-up. Direct mail campaigns should be followed up with telephone calls to increase effectiveness. The purpose of these calls is to 1) identify companies with expansion plans, and 2) assess their interest in Council Bluffs as a location for expansion. These follow-up calls can be conducted by staff. However, given the number of calls required to conduct such campaigns, use of a service agency with economic development appointment-setting experience may also be an option.



resources may limit this action to visits made in conjunction with attendance at trade shows or other events.

- *Marketing Assistance.* Offer assistance to aggressively market developers' and land owners' properties and buildings to future tenants.
- *Event.* The Chamber of Commerce and the PGCA should periodically host luncheons that showcase specific assets, such as available land and buildings or new projects. Local and regional developers, site consultants and industrial and commercial brokers may be invited to attend. In addition, luncheons centered around a specific target industry should include potential prospects.

1C.3: Build awareness among the corporate base in Omaha. The PGCA and the Chamber of Commerce should raise the profile of Council Bluffs in the region and position it to capture potential business consolidation and expansion activities of Omaha companies.

- *Regional publications.* Implement a public relations campaign targeted at regional publications. TIP recommends identifying key regional publications and sending press releases on recent business successes. The initial press release should promote the success of the economic development plan and how local leadership worked together to determine the best opportunities for Council Bluffs.
- *Visitation.* Call on executives of Omaha-based companies to present the benefits of Council Bluffs as a location for future expansion or for consolidation of facilities/operations closer to Omaha.

Targeted Marketing Campaign Basics (cont.)

- *Call Trips.* Based on the results of the direct mail and telephone campaigns, the PGCA should conduct four call trips per year (one each quarter) to regions where industry concentration is highest. These trips can be conducted separately or in conjunction with the trade shows or other events. Where appropriate, include area business leaders on these trips.
- *Intelligence.* The PGCA should compile and maintain resource information for each target industry sector. This would include identifying associations for each industry sector as well as following industry trends by monitoring trade publications or purchasing industry data and reports from private sources, such as Hoover's, Economy.com, or relevant trade associations. Participation in industry trade events (trade shows) should be part of this effort, as it provides a means for increasing the region's exposure as well as staying current on industry needs.
- *Metrics.* The PCGA should track the success of the target industry campaign using a contact management system. This system should be flexible enough to allow staff to evaluate the effectiveness of each marketing channel (mail-outs, telemarketing, trade events) and adjust marketing activities accordingly. The same CRM program used to track contacts for BREP may be used to track contacts for this campaign.



- Other sources for leads. Engage new partners for lead referral. Specifically:
 - local and regional construction firms,
 - real estate brokers,
 - banks and service firms (legal and accounting),
 - regional industry associations, and
 - area colleges and universities.

Strategy 1D: Pursue federal funding assistance for economic development investments. The federal government recently crafted and passed a massive economic stimulus plan intended to jumpstart the U.S. economy. Officially titled the American Recovery and Reinvestment Act, the legislation allocates \$787 billion in new federal appropriations in the form of direct spending and tax cuts. While the specific funding mechanisms are still in the process of being finalized, the plan emphasizes new investments in the following areas:

- Science and technology
- Renewable energy production and energy efficiency
- Public infrastructure
- Education
- Business and individual tax cuts
- Health care
- Unemployment assistance
- State budget assistance



In advance of the stimulus package, the City of Council Bluffs Community Development Department prepared a comprehensive list of 55 projects eligible for possible federal assistance. The City estimates that funding all of these projects would require a total investment of about \$230 million and would create 2,419 jobs as a result. The project categories identified in the list include flood control, streets/roads, energy efficiency, public safety, parks, and water/wastewater.

In addition, the City has prepared a document outlining five high priority development areas where federal assistance could be concentrated. The priority development areas include:

- River's Edge Project
- South Point Industrial Park
- Little Pony Creek Sewer Extension
- Highway 6 and Interstate 80 Development
- Southlands Industrial Park Development

These areas have significant economic development potential for Council Bluffs, but lack varying levels of infrastructure and utility improvements needed for completion. While it is highly unlikely Council Bluffs would receive sufficient funding from the federal government to pay for all of the projects, any federal assistance directed to economic development would help to position Council Bluffs for future private investment.

1D.1: Submit grant requests to the Economic Development Administration (EDA) for assistance in developing industrial and commercial sites. The City should compete for EDA grants to fund infrastructure and utility improvements for Phase II of the South Pointe Industrial Park, development of the Southlands Industrial



Park, and I-80/Hwy 6 development. If funded and developed, these projects would significantly increase the capacity of Council Bluffs to compete for small, medium, and large employers.

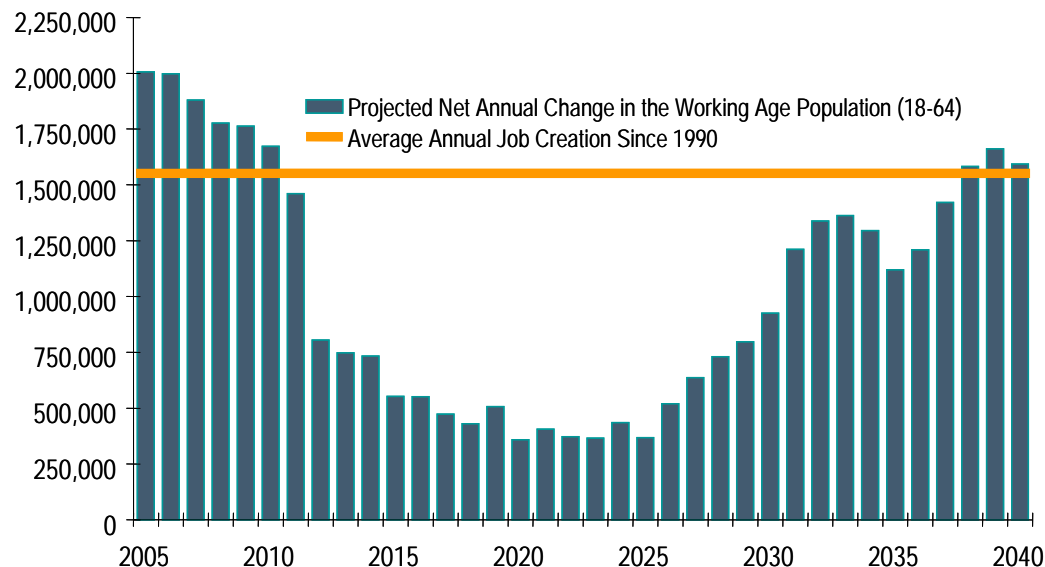
1D.21: Emphasize energy conservation and sustainability in federal funding requests. One of the highest priorities of the federal stimulus package will be in supporting local energy conservation initiatives. Accordingly, the City of Council Bluffs has included a number of public and private building renovation and energy efficiency projects in its list of public stimulus projects. Such projects have a number of benefits for the community. They will stimulate hiring, investment, innovation, and profitability among local companies. In addition, communities that are seen as promoting sustainability will be more attractive to younger, more educated professionals.



GOAL TWO: DEVELOP, RETAIN, ATTRACT, AND ENGAGE TALENT.

Nurturing and attracting talent is perhaps the most fundamental issue for creating long-term, sustainable economic vitality in the 21st century. As worker shortages loom nationwide (see *graphic below*) and competition for workers increases, attracting and retaining talent has become the focus of economic development organizations across the country. Much of this is due to the changing needs of U.S. employers as the economy transitions from manufacturing to services. More importantly, shifting demographic patterns are changing the way employers evaluate areas they are considering for possible relocation or expansion. Workforce availability is now the predominant site-selection criterion for most industries.

The Approaching Deficit of Workers in the U.S.



Since 1990, the US has added more than **1.5 million jobs annually**. However, we are nearing a point when the annual net increase in the working age population will fall to about 500,000.

SOURCES: TIP Strategies; U.S. Census Bureau; U.S. Bureau of Economic Analysis

Redefining TALENT

The concept of talent means more than a skilled workforce. It means recruiting talented people as well as cultivating the current talent pool represented by students.

It means ensuring that the employees and companies that have been responsible for Council Bluffs' growth see a reason to remain in the area.

National trends, most notably the aging of the baby boomers, suggest that demand for workers will soon outstrip supply. This trend is particularly acute in older industrial regions, such as the Northeast and Midwest.

As a result, competition for labor is expected to increase. Focusing on the attraction and retention of talent should be an important part of any economic development strategy.



With unemployment rates reaching levels not seen in decades and older workers putting off retirement in order to rebuild their nest eggs, it might be difficult to see the urgency in attracting and retaining talent as a priority goal. However, while national economic conditions are less certain, future demographic trends are clear. The largest generation of workers in U.S. history will soon begin reaching retirement age and there will be fewer working age people to replace. Once the economy recovers, educated and skilled workers will again be in high demand.

The resulting phenomenon has become known as “the war for talent.” It is a “war” that stretches across geographies and industries. But a “talent” goal implies more than the typical workforce development and training issue. For Council Bluffs, which must compete with the diverse amenities and higher wages offered in Omaha, it means developing creative strategies for developing, retaining, and attracting people.

Council Bluffs’ most crucial talent asset is Iowa Western Community College. The two-year campus is Southwestern Iowa’s primary provider of high-quality post-secondary, vocational, adult, and workforce education and training. In addition, like community colleges across the country, IWCC serves as a resource for workers impacted by the recession. During difficult economic times, unemployed or underemployed workers commonly look to community colleges to improve their education and skills. Such an asset helps to retain some workers who otherwise might have been forced to relocate elsewhere for job or educational opportunities. Consequently, the City and its partners should provide every support to IWCC to help it meet the education and training needs of area residents.

Other critical talent retention and development challenges for Council Bluffs include raising educational excellence within the public schools and developing and encouraging younger leaders to take a more active role in economic development and civic affairs.

Impending Worker Shortage

There are no widely accepted numbers regarding the impending shortage of workers nationally. In fact, there are those who doubt the problem exists. However, absent significant changes in the federal immigration policy or massive, long-lasting shocks to the nation’s employment picture, the pure demographics are hard to ignore. In the past 10 years, the working-age population in the U.S. grew by an average of 2.1 million annually. In the next 10 years, the average annual increase will be 1.1 million workers, and in the 10 years after that, fewer than 350,000 workers annually. This declining pool of new workers reflects two simple facts: 1) the nation’s largest generation of workers, those born between 1946 and 1964, have begun retiring, and 2) the generations that are in line to replace them – Generations X and Y – are significantly smaller. That means, for at least some period of time beginning in the not-too-distant future, labor markets will be tight. Even more dramatic declines are on the horizon for a number of the world’s developed countries, which will further compound the problem.



Strategy 2A: Reestablish ties to former residents. Council Bluffs must continue to attract new residents to ensure an adequate talent base for existing and future employers. TIP recommends targeting individuals and former residents with existing ties to Council Bluffs. We believe this is likely to garner increased success for several reasons. First, the target audience already has a familiarity with Council Bluffs, requiring less education about the community. Second, individuals with strong ties to Council Bluffs, especially young professionals with families, may already desire to relocate if given a clear opportunity. Third, these individuals would presumably be easier to reach through existing social networks and, therefore, less expensive to target.

2A.1: Establish a marketing campaign urging former residents to “Come Home to Council Bluffs.”

- Work with alumni organizations for Iowa Western Community College and area high schools; career placement offices at the various schools; and key allies to assist in the development of a database of former students to whom marketing materials should be sent.
- Develop marketing materials and a quarterly newsletter to inform former residents of opportunities and current events in Council Bluffs (e.g., job postings, business expansions, investment opportunities, planning initiatives).
 - Consideration should be given to creating an electronic form of the newsletter for easier and less expensive transmittal.
 - Consideration should be given to distributing the newsletter to job placement counselors at area institutions of higher education as means for informing existing and former residents of local opportunities.

Best Practice: *Return to Roots*

Return to Roots is a campaign aimed at the estimated 15,000 alumni who have graduated from Southwest Virginia's high schools in the last 20 years and may have moved away from the region.

Return to Roots is an information portal highlighting the exciting job opportunities that exist today in Virginia's Great Southwest region.

www.returntoroots.org



- Information on local events and opportunities can also be communicated via web-based social networking sites such as Facebook and MySpace.
- Alumni publications such as IWCC's *Stepping Stones* can provide a channel for communicating with alumni. This could include paid advertising, but the community would be best served by drafting articles on topics of interest to the alumni. The focus of these articles would mirror that of the mail and e-mail campaigns outlined above.
- Enlist the support of the *Council Bluffs Daily Nonpareil* in providing information about the newsletter or actually posting it directly to its website. In many cases, viewing of the "hometown newspaper" is the sole source for information about Council Bluffs for former residents.

Strategy 2B: Strengthen Council Bluffs' leadership base and involvement in economic development. Promoting and retaining leadership is a long-term, invaluable component to economic development. Without committed leaders, economic development practitioners often find themselves lacking the necessary support to undertake needed initiatives. Not only can local leaders aid in the improvement of the local business climate, but they can also be effective in marketing Council Bluffs outside the city in the course of their business-related interactions.

2B.1: Raise awareness of economic development issues and build support among Council Bluffs' leadership and citizenry.

- *Economic Summit.* Establish an annual Council Bluffs Economic Summit to keep leaders and citizens informed of economic opportunities and challenges in the community, metropolitan area, and Southwestern Iowa. The summit should include

Developing New Generations of Leaders

This is a challenge faced by communities across the nation. Many traditional social and volunteer organizations (e.g., Lions, Rotary, and Altrusa clubs) are no longer popular among the X, Y, and millennial generations. Younger people often choose more informal social networks linked by common interests. Technology now allows people to network and engage in civic issues via the Internet. Moreover, younger families coping with the time demands of two-income households and longer commutes tend to have less time for community leadership and volunteer activities.



information regarding economic trends and business climate issues (e.g., taxation, initiatives, and business announcements).

- Meet quarterly with existing leadership organizations, key individuals, and other decision makers to provide opportunities for private discussions and input on Council Bluffs' business climate issues.
- Establish a long-term planning process for updating progress on specific goals and priority projects.
 - Consider coordinating process with annual economic summit.

Strategy 2C: **Develop a new generation of leaders.** A concern often expressed to the consulting team by many long-serving leaders is an apparent generational gap among the region's political, civic, and business leaders and volunteers. Most have been actively involved in the region's affairs for years or decades. They fear that without a younger generation prepared and motivated to succeed them these and other initiatives will fail over the long term.

2C.1: **Create a Next Generation Leadership Initiative.** Council Bluffs, like hundreds of communities, is currently served by a Leadership Council Bluffs organization, as well as a Youth Council Bluffs organization. While programs such as these provide a valuable service to both participants and the community, there is a need to elevate the issue of generational leadership to a higher plane. The issue of long-term civic engagement by younger generations should be addressed at the community level. Most importantly, in order to succeed, this initiative must be organized and led by young people themselves.

Local economic development partners should form a Next Generation Task Force comprised of professionals and volunteers in

Generations in America

- **Veterans:** Born 1922 to 1945 – 75 million
- **Boomers:** Born 1946 to 1964 – 80 million
- **Gen. X:** Born 1965 to 1980 – 46 million
- **Gen. Y:** Born after 1980 – 76 million



their 20s and 30s. The purpose of the task force is twofold: (1) understand the primary barriers to this generation's civic engagement; and (2) design innovative methods of outreach and engagement.

- Needs Assessment. The task force should conduct a needs assessment that identifies the issues and barriers to civic engagement by young adults in Council Bluffs. The needs assessment should include a regional survey and focus groups to identify the primary issues and barriers to civic engagement.
- Social mapping. A young adult social network mapping initiative should also be a goal of the survey and focus groups. The idea is to map relationships between people, groups, and places in order to identify common interests, relationships, and locations for interaction. Once the nodes are identified, targeted strategies for engaging young adults can be designed.

Strategy 2D: Raise level of educational excellence. Many residents voiced concern about high drop-out rates and low educational attainment within the community. The perception and performance of Council Bluffs Community School District was cited as one of the chief barriers to economic growth in Council Bluffs. From an economic development perspective, high-performing schools are the lifeblood to supporting existing businesses and attracting new employers. Innovative companies seeking new locations for investment favor communities offering educated and skilled workers. Moreover, executives and professionals with families are less likely to move to Council Bluffs if they are not confident in the quality of local schools.

To raise the level of educational excellence, fresh leadership was brought in to reinvigorate the district's efforts. The Iowa West Foundation has also provided increased financial support for academic programs and facilities. For instance, the foundation provided a \$1.4 million grant to Pottawattamie



County schools for a county-wide pre-school education program. Indeed, there have been some recent gains in educational performance and attainment. However, for educational performance to dramatically improve, the community as a whole, especially the business community, must raise awareness of the importance of public education to overall economic vitality in Council Bluffs.

2D.1: Business Task Force for Public Education. Consider creating a Public Education Task Force dedicated to engaging the local business sector in local educational issues, identifying new opportunities for business/school partnerships, and providing resources for improving student performance. The purpose of the task force is not to interfere in the management of Council Bluffs Public Schools; rather, it is to increase the amount of support for the district's efforts.

- Identify Task Force Chair. Identify a well-known business or education leader in Council Bluffs to chair the task force. The chair should take the lead in assembling a task force composed of business, education, training, government, and economic development leaders within Council Bluffs.
- Set an agenda. Once the panel is assembled, schedule in advance an agenda for meetings, the scope of work to be undertaken, specific tasks, and expected deliverables.
 - The task force may consider forming subcommittees to study and report on specific issues.

2D.2: Align economic development and education programs – K-12, vocational, adult, and post-secondary. The regional economic development partners should work with regional higher education institutions (e.g., IWCC) and area school districts to align vocational



education and professional certification programs with PCGA industry cluster development efforts.

- Internships/apprenticeships. Establish internship/apprenticeship programs to aid in the transfer of vocational students to entry-level positions among existing industrial employers and/or targeted industries.
- K-12/higher education partnerships. Enhance and expand partnerships between area school districts and local higher education institutions, including programs such as developing institutes geared towards gaining vocational education and experience in specific target industries.

Strategy 2E: Support and strengthen the mission of Iowa Western Community college. One of Council Bluffs most valuable economic development assets is Iowa Western Community College (IWCC). The two-year campus is a tremendous provider of post-secondary education and skills training for residents in Southwest Iowa. The economic downturn places even greater importance on the presence of IWCC. Traditionally, in times of high unemployment, enrollment in community colleges increases as more workers and students seek additional training, skills, and education to prepare for future opportunities. Many education officials refer to community colleges as “recession insurance.” Indeed, IWCC’s enrollment for the 2008 fall semester increased by 6 percent over the previous year, rising to 5,617 full- and part-time students.

Community leaders should explore ways to enhance the relationship of the local economic development partners and the college and continue to improve the flow of information between leadership. IWCC leadership and faculty should be encouraged to develop innovative curricula and programs that address both current and future education and skills needs. Programs which may see greater demand include healthcare, computer sciences,



education, business, and accounting. Local partners should also encourage regional businesses, non-profits, and the State of Iowa to ensure that IWCC and its clients receive the financial support needed to meet current and future demand.

2E.1: Encourage joint participation. In addition to cross-representation on relevant boards and commissions, this task should identify opportunities for partnerships between the IWCC and the City of Council Bluffs.

2E.2: Engage in joint marketing efforts. IWCC and the Chamber should establish a coordinated marketing message highlighting the area's post-secondary education assets.

- Marketing materials. Incorporate information regarding specific programs (especially those that might support Council Bluffs' economic development goals) at IWCC in economic development marketing materials.

2E.3: Continue developing education and workforce training programs. Regional economic development partners should continue working with IWCC leadership and faculty to develop innovative curricula and programs addressing the current and future needs of students, workers, and businesses in the region. A good example of such support is the \$1.1 million grant from the Iowa West Foundation to the Iowa Western Community College Foundation for expansion of the health care education program.

- Findings and analysis of information gathered from business visitation and survey activities should be provided to IWCC leadership and faculty.

2E.4: Support capital expansion. Continue to support IWCC's long-range plans for expanding plant and facilities.



- Continue cooperative efforts by local governmental, economic development, and IWCC officials to advocate for needed resources from the State of Iowa.
- Encourage local businesses and nonprofits to financially support IWCC's capital and program needs.

2E.5: Explore best practices for economic development and higher education. Published in 2006, *Tools and Insights for Universities Called to Regional Stewardship* provides guidance on this recommendation (available for download at: www.regionalstewardship.org). This document and related works are notably weak on specific strategies. They are, however, strong on case studies. The critical elements include the following:

- ensuring that entrepreneurial strategies are part of the economic development mix,
- enfranchising businesses in the broader goals of the community and the college(s), especially as they relate to innovative practices and training, and
- defining a “stewardship” role for colleges.



GOAL THREE: PROMOTE AND ENHANCE QUALITY OF PLACE.

Increasingly, companies rely on the skills and talent of their workforce to retain or gain a competitive advantage. Only recently have employers discovered that one way to tap into talented workers is by locating operations in communities with a strong sense of place. This is because communities offering a multitude of amenities are the ones attracting many of today's skilled and talented workers. Likewise, a community that is attractive to talent will in turn be more likely to attract companies. A company will be less likely to locate where workers refuse to live. While there is no set definition for "quality of place", the common factors are the wide availability of choices in housing, entertainment, culture, recreation, retail, and employment.

Council Bluffs does enjoy a number of "quality of place" assets, which if revitalized or fully developed, would make the community more attractive to new residents and investment. Its natural assets include the physical beauty of the Bluffs overlooking town, the Missouri River, and Lake Manawa. Anchored by the Mid-America Center, the casinos, and the IMAX Theater, the I-29/I-80 corridor in south Council Bluffs is also emerging as a regional entertainment destination for residents and visitors.

Council Bluffs' proximity to Omaha also enhances the community's attractiveness to new residents. Council Bluffs offers easy access to the employers and amenities of downtown Omaha and to Omaha Eppley Airport. Council Bluffs' own downtown area has undergone a noticeable facelift in recent years.

However, for Council Bluffs to truly serve as an alternative destination to Omaha for new residents and employers, the community will have to make a serious and sustained effort at revitalizing the urban core of Council Bluffs. The central area bounded roughly by the river, West Broadway, downtown, and 23rd Avenue still suffers from underdevelopment and blighted neighborhoods. Moreover, physical improvements to the city must be accompanied by efforts to improve the image of Council Bluffs, both within the community and the wider region.

Redefining PLACE

Much has been written about the importance of **quality of life** to the site selection process. Communities throughout the nation have positioned themselves by touting their advantages in this regard—good schools, safe streets, pleasant weather. We agree these factors are important. We take issue only with the narrowness of the focus. Quality of life assumes that everyone thrives in the same environment and is attracted to the same amenities. It assumes that current residents' view of what makes a community would be shared by all.

By contrast, **quality of place** considers what is attractive to a range of residents, both old and new. The idea of quality of place accommodates growth and recognizes the benefits of change. It recognizes that one person's "good place to raise a family" might translate into another's "there's nothing to do in this town." Quality of place is about providing options, not just for current residents, but for those who will be residents in the future.



Strategy 3A: Revitalize the West Broadway corridor. As the primary artery between downtown Omaha and central Council Bluffs, a vibrant and attractive West Broadway is both economically and symbolically important to the vitality of the community. As a primary gateway, it provides a substantial first impression to visitors. Currently, development on West Broadway consists mainly of low-end retail stores and strip centers, with some additional public and industrial properties. The addition of public art and some improvements to streetscapes have enhanced the appearance of West Broadway, but its overall visual appeal still suffers.

On the west end of the corridor, the City has already begun the revitalization process with the River's Edge Playland Park redevelopment. The 110-acre mixed-use redevelopment will serve as the future Iowa landing site for the Missouri River Pedestrian Bridge. When developed, Playland Park will involve a mix of residential development and open space.

The River's Edge Playland Park development is an example of redevelopment that can transform the West Broadway corridor and enhance the aesthetic appeal of the community. However, it by itself is not enough to anchor substantial revitalization. That will require a more ambitious project that expands the tax base and spurs additional growth in adjacent areas.

3A.1: Develop a new “blue ribbon” mixed-use project on the site currently occupied by the Bunge grain elevators. The City should encourage and facilitate the redevelopment of the Bunge property along West Broadway. The focus of this work should be on development of a mixed-use “blue ribbon” project that can help diversify the city's economic base while advancing the transformation of West Broadway. Initially, the project's uses should include residential and retail development. Later, as market conditions warrant, other commercial and professional office space can be incorporated into the development. Steps to the development of new mixed use development along West Broadway include:



- Level of City involvement. There are several different development options available requiring varying levels of public sector involvement. These can be broadly outlined along two paths based on ownership of the land:
 - City ownership. In general terms, City ownership of the chosen property would improve the City's ability to attract a developer and provide significant flexibility in negotiating terms. If it is decided that the public sector should take an active role in developing specific properties, a long-term horizon for development is necessary. This typically occurs using one of two approaches (see box): a master developer strategy or some form of public-private partnership.
 - Private ownership. In this scenario, the City serves primarily as a facilitator. For example, a developer agrees to make an investment in a property in return for City-financed improvements. While the level of cooperation varies dramatically, this approach is most successful when the City has a clear vision of how it wants the property to develop and uses public improvements to guide private investment. This can be accomplished by zoning and codes, by design standards, and by the scale and location of physical improvements – from roads to water and sewer.

Recommendation: TIP recommends that the City gain ownership of the site from Bunge. To accomplish this, a new redevelopment authority may be formed. An example of a successful redevelopment authority (Jefferson Davis Association) is provided in the text boxes on the following two pages. Gaining ownership can be accomplished through various means, ranging from direct purchase to land transfer to lease arrangements. TIP further recommends the formation of a public-private partnership with a master developer.

Approaches to City Ownership

Under a master developer scenario, the city serves as a primary participant. The city acquires land, and then leases or sells land to a private developer and allows that party to develop the land according to pre-approved guidelines. In return, the developer is allowed to realize the long-term revenue streams. Under this approach, the city of Council Bluffs would purchase the property, then set forth specific standards for the development and invite developers (through a competitive bidding procedure) to meet those standards. The community (including existing companies) could then serve an advisory role to the city and developer. Additional funding (state or federal) could be sought if the development were designed to include research-related facilities.

Formation of a public/private partnership is another option. In this case, the city serves as both a participant and a facilitator. The city could choose to develop a portion of a development on its own or could confer the rights to a property in exchange for certain improvements. This is similar to the approach employed by the city in "The Crossings" project.



- **Engage development community.** Engaging the development community early in the process can help ensure that the project incorporates the most current thinking. TIP recommends the City consider pursuing one or both of the following:
 - *Developer's forum.* Hosting a developers' forum to discuss relevant issues regarding the design, construction, or positioning of the project can provide guidance in the planning process. The event could be organized using a round-table format, with developers leading the discussion, or a charrette approach (see box), which emphasizes public input in the design of a specific project. Council Bluffs has already used the charrette approach to guide the Playland Park redevelopment project.
 - *Request for proposal (RFP).* Issue a formal RFP to local and regional developers for a site plan for one of the preferred development sites. The RFP should ask developers to provide a detailed concept plan that accommodates the initial residential and retail development, as well as future commercial expansion.
- **Develop area plan.** Once a concept is established for the development, the City should prepare and implement a specific plan for the area to guide development of the project. The planning process should include a broad range of stakeholders, including the members of the PCGA, the Iowa West Foundation, citizen and neighborhood groups, and local employers, including those who may be prospective tenants of the development. The following elements should be considered in the plan:
 - *Barriers.* Identification of barriers to development and, where possible, actions for alleviating them prior to marketing the property.

Redevelopment Authority Best Practice: Jefferson Davis Association

Along the Jefferson Davis Highway Corridor in Chesterfield County, Va., neighborhoods were deteriorating, the crime rate was high, and reinvestment was minimal. However, this older residential and commercial area was an important resource because of its neighborhoods, nearby employment centers, usable land, and established infrastructure. Then, in 1992, local civic and business leaders formed the nonprofit Jefferson Davis Association, comprising member businesses, to address revitalization of the historic corridor.

Working collaboratively with the county, the JDA has developed long-term solutions to improve residents' quality of life; invigorate existing commercial, industrial, and manufacturing sites; spur new development opportunities; and promote the corridor's historic attributes. Current priorities include redevelopment of existing blighted sites, visual connectivity and streetscape improvements, historic preservation, housing improvements, and additional access to capital. In the past, the JDA's projects along the corridor have included streetlights, median landscaping, pro-active code enforcement, housing improvements, and long-range planning.



- Market. A market-driven approach that considers the competitive environment and helps determine the appropriate mix of uses at the time of construction.
- Funding. The full array of financing tools should be brought to bear on this project. This includes the creation of a tax-increment financing district to bond issues to general fund appropriations. Additional details on options must be linked to specific projects.
- Linkages. Consideration should be given to understanding the project's relationship to the rest of the Council Bluffs. Development plans must be coordinated with other relevant plans, including the City's comprehensive plan.
- Impacts. Performance standards should be developed for the project, including an analysis of traffic impacts associated with the project, provisions for buffering of uses, as well as the protection of any natural areas. The plan should consider how these natural elements can be integrated into the development to create a "green" feel and provide an amenity for tenants.
- **Position property as a "blue ribbon" project.** The resulting project should be viewed not simply in terms of its ability to generate employment and tax revenues, but also as a project that can transform the West Broadway corridor and serve as a catalyst for additional development along the road and in the surrounding neighborhoods. This can be accomplished through the following tasks:
 - Mixed use. The creation of a mixed-use development, one that includes housing, retail, office, and flex space can

Jefferson Davis Association (cont.)

The JDA also has partnered with other local nonprofit organizations to provide safe, affordable housing and neighborhoods, attract new businesses through the state Enterprise Zone program, and preserve historic resources.

The association's 15-member volunteer board collaborates with county economic development and planning staff to implement the Jefferson Davis Corridor Plan. The Chesterfield County Revitalization Office provides part-time staff support to the JDA. This collaborative relationship has had significant results, including:

- The area now contributes more than \$4.3 million of additional real estate tax revenue.
- More than 590 businesses have been established or expanded, more than 3,383 jobs have been created, and more than \$475 million has been invested in commercial properties in the Jefferson Davis Corridor Enterprise Zone.
- The crime rate along the corridor has dropped 11 percent over the last 7 years.
- BizWorks has directly assisted 30 businesses, creating more than 100 new jobs.



position the project to compete with other sites in Omaha. The inclusion of uses that generate income quickly, such as housing and retail, can help cover “carrying costs” in the short-term, making the project more feasible from a financing standpoint (*see box at right*). Furthermore, by positioning Council Bluffs as a development-friendly community, this project could spur additional activity in other parts of the urban core, including the riverfront and downtown.

- Opportunity. In addition to a residential and commercial uses, the development should build on other opportunities in the community. For example, linkages with the Iowa West Foundation, IWCC, the hospitals, and other regional initiatives could provide a basis for positioning the project.
- **Develop marketing and recruitment strategy**. Once the development process has been decided and the project is ready to move forward, a formal marketing process should be implemented to support the project.
 - Strategy. The City should consider the preparation of marketing materials, including a brochure and website or webpage on the City’s existing site, specifically for the proposed development. Although it is much larger in scale (700 acres), the website created by the City of Tustin, California for the Tustin Legacy redevelopment is a good example. (<http://www.tustinlegacy.com/>).

Definition: Carrying Costs

Also known as “holding costs,” carrying costs are the total expenses associated with property ownership. The term is generally used during that period when the property is not producing income.

Since all properties have a variety of expenses associated with them (from tax payments to debt service to maintenance costs), this is a critically important issue for real estate developers.

Without an income-producing development option (typically housing or retail), the costs associated with a long-term build-out scenario can be prohibitively high.



Strategy 3B: Maintain and enhance the existing downtown. Downtown is a unique *quality of place* asset that—if fully leveraged—can enhance the Council Bluffs’ overall image within the Omaha metro region. While this may appear to be an intangible benefit, an enhanced image can be translated into direct economic benefit for the community. The continued revitalization and redevelopment of downtown would serve several functions, including:

1. attracting baby boomer retirees,
2. retaining and attracting young talent,
3. capturing increased tourism spending, and
4. protecting the significant private and public investments that have already occurred downtown.

The ongoing efforts of organizations such as the City, the PCDC, and the Iowa West Foundation to enhance Council Bluffs’ downtown should continue.

3B.1: Support the Downtown Revitalization Fund. The PCDC, the Iowa West Foundation, and other partners should continue supporting the capitalization of the downtown revitalization fund. In addition, Information about the fund should be made more widely available to existing and prospective businesses. For example, the PCGA website should provide details about eligibility and application procedures.

3B.2: Encourage retail development. Support private and public efforts in developing a retail strategy for existing business and for the attraction of new specialty retail stores in downtown Council Bluffs.

- Understand needs challenges of existing businesses. Meet with existing retailers to better understand their product offerings, customer profiles, store traffic, as well as their needs and challenges in their present locations.



“A healthy and vibrant downtown boosts the economic health and quality of life in a community. Specifically, it creates jobs, incubates small businesses, reduces sprawl, protects property values, and increases the community’s options for goods and services. A healthy downtown is a symbol of community pride and history.”

- The Pew Partnership for Civic Change



- 3B.3: Promote special events.** Consider establishing new special events and support existing ones to bring activity downtown (e.g., festivals, live music, outdoor movies, farmers market, and crafts fairs.). For example, First Night Council Bluffs brings many members of the community to the downtown to celebrate New Year's Eve and local arts.
- 3B.4: Expand Parking.** One barrier to downtown redevelopment, especially new office and commercial development, is the relatively limited amount of public and private parking in the downtown. The City and downtown property owners should examine new ways for increasing the number of downtown parking spaces.
- 3B.5: Encourage professional services.** The City and the PCGA should actively recruit professional services and business support firms to the downtown. This means identifying gaps, targeting specific firms capable of, and interested in, expanding, and offering incentives, particularly for those firms that locate downtown. The ideal target for this effort would be firms that have high levels of “face time,” such as law firms, medical and dental offices, architects, engineers, and real estate brokers. In addition to being high-wage industries, these businesses can generate additional foot traffic, benefiting downtown merchants.
- *Creative financing.* Professional service firms who pay wages above the median income and who are in an expansion mode should have access to incentives. These incentives can include low interest loans for building improvement and capital equipment (machinery and equipment ranging from copiers to computers). The Downtown Revitalization Fund provides some funding for building renovation. Other creative financing options might consist of favorable lease rates in downtown buildings that are currently unoccupied. The City, the PCDC, and the Iowa



West Foundation could assist in this effort by subsidizing rents for desired targets.

3B.6: Expand entertainment and cultural amenities. The City and its downtown partners, including the Iowa West Foundation, should continue to support and encourage the establishment of new downtown entertainment and cultural amenities. Iowa West has already provided significant support for cultural amenities, including a \$1.78 million grant to Artspace, Inc., to support the planned renovation of a warehouse into live/work space for artists.

Strategy 3C Improve older neighborhoods. A major challenge to revitalizing the urban core of Council Bluffs is to stem the decline of the city's oldest neighborhoods. While much of the new housing growth has occurred to the northeast, several older neighborhoods populated largely by low and middle income residents have suffered from disrepair and abandonment of the housing stock. The economic recession will aggravate need for low income housing assistance programs targeted to the central neighborhoods.

The City's Department of Community Development offers residents two housing rehabilitation programs: the Home Improvement Program and the Emergency Repair Program. In addition, the department assists the Community Housing Investment Corporation to manage the Housing Infill Program, which provides assistance to low or moderate income families for the purchase of a newly constructed single family residential property. The Iowa West Foundation also provides funding support for community housing rehabilitation and assistance efforts.

3C.1: Support current programs. Ensure the continuation and expansion of current programs.

3C.2: Explore creating a new Housing Redevelopment Authority. To meet the growing need for neighborhood revitalization, the City should explore the potential for a new housing redevelopment

Example: Hope IV Program in Duluth, MN

In March 2003 the Housing and Redevelopment Authority of Duluth received a \$20M grant from the Department of Housing and Urban Development. This grant leverages another \$136M of State and other Federal funds as well as private mortgages and tax credit funds for the development of the neighborhood along with off site development activities. The HOPE VI program was developed to transform severely distressed public housing into neighborhoods of choice. Typically the HOPE IV program demolishes severely distressed public housing units and replaces them with new housing units in a revitalized neighborhood. The newly built neighborhood includes public housing rental units, private rental units for low, moderate and market rate renters and homeownership units that are affordable to low income families, as well as moderate income and market rate homeowners.

(<http://www.duluthhousing.com/programs/program.php?sect=H6>)



authority to address the broader housing needs in Council Bluffs. Such an authority could be established to address such issues as:

- Affordable housing assistance for families
- Senior housing
- Rental housing
- Home and rental rehabilitation
- Neighborhood revitalization

Strategy 3D: Enhance the image of Council Bluffs within the metropolitan region. A challenge mentioned frequently to the consulting team during interviews and community forums is the need to improve the community's image – both internally and externally. Some claim the perception of Council Bluffs as being Omaha's lesser neighbor is perpetuated by Omaha media outlets by dwelling on negative stories about Council Bluffs and ignoring positive ones.

To combat these perceptions, Council Bluffs must take a more active role in defining its own image. This entails more coordinated and professional communications activities, the use of non-traditional venues and tools, and a more effective word-of-mouth campaign by existing residents. A positive image and outlook must begin locally. If local residents can't make a convincing case for living and working in Council Bluffs, then even the most polished marketing campaign will not succeed.

3D.1 Designate an individual to coordinate and manage community-wide marketing and public relations efforts. To manage an effective marketing and image campaign (internal and external), the community must have an individual devoted to coordinating community marketing and public relations efforts of the economic development partners.



- Hire a marketing and public relations coordinator. This position should be under the umbrella of the City of Council Bluffs and should be responsible for coordinating all marketing and public relations plans, campaigns, themes, and materials developed by local economic development partners.

3D.2 Initiate a local positive image campaign. One of the most important targets of any marketing effort should be the people and businesses already in the community. They are the ones who have already made an investment in the area and they represent Council Bluffs on a daily basis. Making sure existing residents and local leaders have a positive image of their community is critical to the success of any external campaign, as these are the people who can best tell the Council Bluffs story to the outside world.

- Develop and implement an internal marketing effort. This is designed to promote a positive image of Council Bluffs among residents and build awareness regarding current economic and community development initiatives. This effort should promote a positive image of Council Bluffs not only to local residents, but those living throughout the wider Omaha-Council Bluffs metropolitan area.
 - Work with local media. The economic development partners should work with the local media, including both print and broadcast media, to promote positive stories about the community. Something as simple as highlighting local business achievements or including human interest stories can help create a positive image of the community for local residents.



- Image profile. Create a brief profile promoting Council Bluff's positive aspects to be used by area community and business leaders.

Strategy 3E: Promote additional riverfront development. A prime location for high value infill development is Council Bluff's riverfront. New types of development could include single-family and multi-family residential, office, and new entertainment and recreation facilities. Such development would mirror the significant investments being made on the Nebraska side of the Missouri River, especially in downtown Omaha.

3E.1 Continue the River's Edge Playland Park development. As mentioned under Strategy 3A, the River's Edge Project is a mixed-use, pedestrian oriented infill project that integrates well with the surrounding neighborhood and incorporates a variety of sustainable elements. It will feature over 300 new residential units appealing to a mix of income levels. Additionally, it will include a 92-acre regional park east of the levy and will incorporate two existing neighborhood parks. Over 30,000 sq. ft. of commercial space is also envisioned. The site is located at the base of the Missouri River Pedestrian Bridge, linking downtown Omaha to Council Bluffs and the regional trail network. In support of the project, the Iowa West Foundation provided \$2 million for site preparation and infrastructure improvements.

- Pursue federal stimulus funding to accelerate the project's completion. The City estimates infrastructure improvements and park development will cost \$24.5 million. Given the scale, the City is phasing the project in over a period of five years. However, the project's completion could be accelerated by several years if federal stimulus assistance is provided.



3E.2 Encourage new residential, office, entertainment, recreation, and hospitality development. Council Bluff's riverfront is a premier location for new developments allowing people to "live, work, and play." The City and its economic development partners should work with existing land owners to encourage and support new types of development (e.g., condominiums, Class A office, water recreation) attracting new residents, workers, and visitors to Council Bluffs.

While this is not the City's only opportunity to promote new development, it is an important anchor for future growth. Collaboration with the Iowa West Foundation on this project has clearly been hugely beneficial and its economic benefits can be direct (commercial Class A office space) and indirect (attracting talent to the community).

Strategy 3F: Enhance Council Bluffs' physical appearance. To instill both community and investor confidence in the local economy, efforts should be devoted toward improving Council Bluffs' physical appearance. The image that the area portrays to local and regional residents, as well as visitors plays an important role in how the community is perceived. If Council Bluffs is to attract new residents and investment, the community must work to create a more inviting appearance.

3F.1 Improve Gateways. Focal points for these efforts should include major arterials and gateways. Their appearance is inextricably linked with perceptions of Council Bluffs itself, because gateways and transportation corridors form the primary visual medium through which the community's image is presented to both residents and out-of-towners alike. In addition to their impact on perceptions, gateways and arterials also offer some of the best opportunities for newer developments.



- West Broadway. The physical appearance of the West Broadway corridor requires the greatest amount of attention. It serves as the primary gateway from Omaha to the urban core of Council Bluffs. The City and the Iowa West Foundation have already undertaken some noticeable beautification efforts. Iowa West has provided over \$3 million in financial support for corridor beautification in Council Bluffs through its Streetscape Initiative. The public artwork funded by the Iowa West Public Art project on the west end of the corridor is another example. The City has attempted to strengthen building and development codes along the corridor to improve and align the appearance of commercial and retail properties. Additional efforts and investments, however, are needed to enhance the appearance of the city's primary gateway.



IMPLEMENTATION MATRIX

The following guide outlines potential partners and allies as well as a recommended time horizon for implementation.

STRATEGY / ACTION ITEMS			TIMELINE				
Description		Regional Partner(s)	0-6 mos.	6-12 mos.	2-3 yrs.	4-5 yrs.	On-going
City – City of Council Bluffs; PCGA – Pottawattamie County Growth Alliance; CBACC – Council Bluffs Area Chamber of Commerce; IWF – Iowa West Foundation; IWCC – Iowa Western Community College; ISDs – Area School Districts; PC – Pottawattamie County; CBIF – Council Bluffs Industrial Foundation; PCDC – Pottawattamie County Development Corporation; DEV – Developers & Brokers; IWEC – Iowa Western Entrepreneurial Center; CVB – Convention and Visitors Bureau							
GOAL ONE: STIMULATE AND GROW THE ECONOMY THROUGH BUSINESS DEVELOPMENT.							
1A	Concentrate on the needs of existing businesses.						
1A.1	Continue business retention and expansion (BRE) program.	PCGA, CBACC					X
1A.2	Promote small business and entrepreneurship development.	IWEC, PCGA, CBACC					X
1B	Position Council Bluffs for future investment opportunities.						
1B.1	Explore the feasibility of establishing a strategic investment fund for economic development.	City, PCGA, CBACC, IWF, CBIF, PC	X				
1B.2	Assemble land for industrial/commercial expansion.	City, PCGA, CBACC, IWF, CBIF, PC		X			
1C	Continue a targeted industry recruitment strategy.						
1C.1	Build awareness among decision-makers in target industries.	PCGA, CBACC	X				
1C.2	Build awareness among corporate site selectors.	PCGA,		X			



STRATEGY / ACTION ITEMS			TIMELINE				
Description		Regional Partner(s)	0-6 mos.	6-12 mos.	2-3 yrs.	4-5 yrs.	On-going
City – City of Council Bluffs; PCGA – Pottawattamie County Growth Alliance; CBACC – Council Bluffs Area Chamber of Commerce; IWF – Iowa West Foundation; IWCC – Iowa Western Community College; ISDs – Area School Districts; PC – Pottawattamie County; CBIF – Council Bluffs Industrial Foundation; PCDC – Pottawattamie County Development Corporation; DEV – Developers & Brokers; IWEC – Iowa Western Entrepreneurial Center; CVB – Convention and Visitors Bureau							
		CBACC					
1C.3	Build awareness among the corporate base in Omaha.	PCGA, CBACC	X				
1D	Pursue federal funding assistance for economic development investments.						
1D.1	Submit grant requests to the Economic Development Administration (EDA) for assistance in developing industrial and commercial sites.	City	X				
1D.2	Emphasize energy conservation and sustainability in federal funding requests.	City	X				
GOAL TWO: DEVELOP, RETAIN, ATTRACT, AND ENGAGE TALENT.							
2A	Reestablish ties to former residents.						
2A.1	Establish a marketing campaign urging former residents to “Come Home to Council Bluffs.”	CBACC, IWCC, ISDs, CVB			X		
2B	Strengthen Council Bluffs’ leadership base and involvement in economic development.						
2B.1	Raise awareness of economic development issues and build support among Council Bluffs’ leadership and citizenry.	City, CBACC, PCGA	X				
2C	Develop a new generation of leaders.						
2C.1	Create a Next Generation Leadership Initiative.	City, CBACC,	X				



STRATEGY / ACTION ITEMS			TIMELINE				
Description		Regional Partner(s)	0-6 mos.	6-12 mos.	2-3 yrs.	4-5 yrs.	On-going
City – City of Council Bluffs; PCGA – Pottawattamie County Growth Alliance; CBACC – Council Bluffs Area Chamber of Commerce; IWF – Iowa West Foundation; IWCC – Iowa Western Community College; ISDs – Area School Districts; PC – Pottawattamie County; CBIF – Council Bluffs Industrial Foundation; PCDC – Pottawattamie County Development Corporation; DEV – Developers & Brokers; IWEC – Iowa Western Entrepreneurial Center; CVB – Convention and Visitors Bureau							
		IWCC, ISDs, PCGA, IWF					
2D	Raise level of educational excellence.						
2D.1	Business Task Force for Public Education.	City, CBACC, IWCC, ISDs, PCGA, IWF		X			
2D.2	Align economic development and education programs – K-12, vocational, adult, and post-secondary.	CBACC, PCGA, IWCC, ISDs,			X		
2E	Support and strengthen the mission of Iowa Western Community college.						
2E.1	Encourage joint participation.	City, IWCC	X				
2E.2	Engage in joint marketing efforts.	CBACC, IWCC		X			
2E.3	Continue developing education and workforce training programs.	IWCC, PCGA, CBACC	X				
2E.4	Support capital expansion.	City, CBACC, IWCC	X				
2E.5	Explore best practices for economic development and higher education.	IWCC	X				
GOAL THREE: PROMOTE AND ENHANCE QUALITY OF PLACE.							
3A	Revitalize the West Broadway corridor.						



STRATEGY / ACTION ITEMS			TIMELINE				
Description		Regional Partner(s)	0-6 mos.	6-12 mos.	2-3 yrs.	4-5 yrs.	On-going
City – City of Council Bluffs; PCGA – Pottawattamie County Growth Alliance; CBACC – Council Bluffs Area Chamber of Commerce; IWF – Iowa West Foundation; IWCC – Iowa Western Community College; ISDs – Area School Districts; PC – Pottawattamie County; CBIF – Council Bluffs Industrial Foundation; PCDC – Pottawattamie County Development Corporation; DEV – Developers & Brokers; IWEC – Iowa Western Entrepreneurial Center; CVB – Convention and Visitors Bureau							
3A.1	Develop a new “blue ribbon” mixed-use project on the site currently occupied by the Bunge grain elevators.	City, PCDC, CBACC			X		
3B	Maintain and enhance the existing downtown.						
3B.1	Support the Downtown Revitalization Fund.	PCDC, IWF					X
3B.2	Encourage retail development.	PCDC, CBACC, City					X
3B.3	Promote special events.	CVB, City, CBACC					X
3B.4	Expand Parking.	City			X		
3B.5	Encourage professional services.	PCDC, CBACC, PCGA, City, IWF					X
3B.6	Expand entertainment and cultural amenities.	PCDC, City, IWF					X
3C	Improve older neighborhoods.						
3C.1	Support current programs.	City, IWF					X
3C.2	Explore creating a new Housing Redevelopment Authority.	City			X		
3D	Enhance the image of Council Bluffs within the metropolitan region.						
3D.1	Designate an individual to coordinate and manage	City		X			



STRATEGY / ACTION ITEMS			TIMELINE				
Description		Regional Partner(s)	0-6 mos.	6-12 mos.	2-3 yrs.	4-5 yrs.	On-going
City – City of Council Bluffs; PCGA – Pottawattamie County Growth Alliance; CBACC – Council Bluffs Area Chamber of Commerce; IWF – Iowa West Foundation; IWCC – Iowa Western Community College; ISDs – Area School Districts; PC – Pottawattamie County; CBIF – Council Bluffs Industrial Foundation; PCDC – Pottawattamie County Development Corporation; DEV – Developers & Brokers; IWEC – Iowa Western Entrepreneurial Center; CVB – Convention and Visitors Bureau							
	community-wide marketing and public relations efforts.						
3D.2	Initiate a local positive image campaign.	All partners		X			
3E	Promote additional riverfront development.						
3E.1	Continue the River’s Edge Playland Park development.						X
3E.1	Encourage new residential, office, entertainment, recreation, and hospitality development.				X		
3F	Enhance Council Bluffs’ physical appearance.						
3F.1	Improve Gateways.	City, IWF					X



TARGET INDUSTRIES

As part of our planning process, TIP was charged with recommending industry recruitment targets for Council Bluffs. Unlike traditional approaches, which focus on a limited array of factors (e.g., workforce, available sites, and incentives), we identify target sectors using a three-pronged approach: **quantitative**, **qualitative**, and **strategic**.

Our analysis is based on a more detailed, cluster-based approach that examines employment and occupational trends in the region. However, our target recommendations are not based solely on these factors. We supplement this quantitative analysis with the information gathered in interviews conducted with area leaders. Through these interviews, we are better able to understand potential opportunities and challenges that are often not readily identifiable through secondary data sources. In addition, TIP brings to bear an appreciation of broader socioeconomic trends such as capital investment trends, emerging markets, and demographic shifts.

Finally, we strongly consider how targets might fit within the overall strategic framework of the plan, as well as their affect on Council Bluffs' ability to attract talent to the area.

Once potential targets are identified, we consider economic development trends in each sector. We avoid recommending targets that have been "fashionable" or that are over-saturated with interest from economic development organizations. For this reason, we have not recommended sectors such as biotechnology or semiconductors.

Rather, building off the existing Council Bluffs' existing targets, we have identified sectors with the potential to capitalize on area assets and help the region differentiate itself from others competing for talent and jobs. We have also recommended some non-traditional economic sectors and development opportunities that are not typically targeted by economic development organizations, yet are becoming increasingly important to local and regional economic growth throughout the nation.

TIP recommends that the following targets represent the best (both long- and short-term) opportunities for the county's economic development efforts. We believe these represent the best opportunities for business startup, retention, expansion, and attraction activities. These

LABOR

Specific characteristics, including regional talent/labor (i.e., availability, wage rates, and level of qualifications) and access to educational infrastructure (i.e., higher education and workforce development programs) play an important role in site selection.

ECONOMY

Economic considerations, including access to markets (local, regional, and global), suppliers and customers, public policies (e.g. incentives, taxation, regulations etc.), and availability of capital (investment, venture capital) strongly affect these site location decisions.

INFRASTRUCTURE

Factors, such as availability of land, buildings, raw materials, utilities, visibility, and access to transportation (such as the proximity to highways, rail, and airports) also have an important effect on a site's suitability.



sectors are selected for their ability to serve a dual purpose: 1) to bolster and diversify the regional economy over the short-term by taking advantage of existing assets and 2) to provide a pathway to sustained economic vitality over the long-term.

TARGETS	LABOR	ECONOMY	INFRASTRUCTURE	SCORE
SPECIALTY FOODS	◇	◇	◇	◇ ◇ ◇
PACKAGING	◇	◇	◇	◇ ◇ ◇
WIND ENERGY EQUIPMENT	◇	◇	◇	◇ ◇ ◇
DATA CENTERS	◇	◇	◇	◇ ◇ ◇
SHARED SERVICE CENTERS	◇	◇	=	◇ ◇
LOGISTICS & DISTRIBUTION	◇	◇	=	◇ ◇
HEALTHCARE	◇	◇	=	◇ ◇

KEY: ◇ local competitive advantage = no local competitive advantage



SPECIALTY FOODS

Industry Trends:

The food processing industry remains one of the few manufacturing sectors expected to increase employment in the U.S. during the next decade. This is, in large part, a result of growing U.S. and international consumer demand stemming from overall population growth. Food processing—much like the remainder of manufacturing—is undergoing a significant degree of transformation. Changes in the U.S. food processing industry are the result of two primary challenges: shifts in U.S. consumer preferences and increasing globalization. U.S. consumers' food preferences are becoming increasingly fractured, as America is no longer a homogenous marketplace where Wonder Bread, Oscar Mayer, and Folgers dominate. While these products remain recognized household name brands, others such as Great Harvest, Hebrew National, and Starbucks have risen to become formidable forces. Their emergence is a direct reaction to the increasing diversity of tastes of U.S. market segments. In addition, time constraints on American households have risen dramatically in the last 20 years allowing families fewer opportunities to cook traditional meals, resulting in the increased consumption of prepackaged foods.

Changing demographics are also greatly influencing the eating habits of Americans—of all ethnicities. We are more willing to sample a greater diversity of exotic “foreign” foods introduced by new immigrants from far-flung places. Americans are also continuously searching for the latest diet fad that will make us healthier and skinnier. Nothing suggests these trends will diminish. America is increasingly more ethnically and racially diverse. Americans in general are aging and are more food conscious. The constant churn in American food preferences forces U.S. processors to remain nimble and opportunistic. This, in turn, makes them highly competitive players in the global marketplace. While the American marketplace remains their bread and butter, U.S. processors are increasingly relying on emerging markets to sustain growth in exports and revenue. All of these trends and forces are constantly forcing processors to seek new industrial sites and products.

DEFINITION

The specialty foods industry includes companies that process, manufacture, distribute, market, and/or sell niche market foodstuffs for consumption, including candy and confections, canned and frozen foods, dairy products, edible oils, fish and seafood, grains, meat products, sauces and condiments, snack foods, and sugar and other sweeteners.



Selection Criteria:

- Business costs, including labor and taxes.
- Abundant semi-skilled labor.
- Proximity to consumer markets.
- Abundant water/wastewater.
- Large industrial sites with access to transportation.

Rationale:

- Central location with easy access to Mid-Western consumer markets.
- History of food processing industry in the region.
- Availability of skilled and semi-skilled workers in the region.
- Upgrading of skills, technology, and wages in production processes for specialty foods.
- Food processing one of only a few manufacturing industries expected to increase in employment in the U.S. during the coming decade.
- Multitude of food processors constantly seeking new locations translating into a larger pool of potential recruits.

Strategic Considerations & Recommendations:

- Despite upgrade in skills and wages, food processing remains a relatively low-wage industry.
- Council Bluffs will need to carefully select which specialty food processors it recruits. Special considerations should be given to:

NICHE OPPORTUNITIES

- *Operations that complement existing processors*
- *Foods incorporating local/regional crops*

Related NAICS codes

NAICS	DESCRIPTION
311412	Frozen Specialty Food Manufacturing
311422	Specialty Canning
311712	Fresh and Frozen Seafood Processing
311813	Frozen Cakes, Pies, and Other Pastries Manufacturing
311919	Other Snack Food Manufacturing
311991	Perishable Prepared Food Manufacturing
311999	All Other Miscellaneous Food Manufacturing
311412	Frozen Specialty Food Manufacturing



- Types of food processors that may damage Council Bluff's image and make it more difficult to attract professional talent.
- Ensuring that labor shortages at existing food processors do not occur as a result of the competition of a newer company in this industry.
- Opportunities for entrepreneurial specialty food processing and agricultural ventures (e.g., wineries, "natural" and/or organic foods, and festival-like farmers markets) should also be explored.



PACKAGING

Industry Trends:

Packaging is essential to a wide range of market sectors, including most consumer products and many industrial sectors. As a result, the packaging industry as a whole is sensitive to changes in economic activity. In other words, the consumption of goods creates demand for packages and containers. The World Packaging Organization estimates the global packaging market to be approximately \$500 billion.

While the current economic recession is expected to put downward pressure on demand for packaging, several trends create opportunities for growth in the industry and for innovation to meet changes in consumer preferences. Lifestyle changes have led to a greater demand for packaging types suitable for smaller households and consumers seeking convenience to support on-the-go lifestyles. Furthermore, a more competitive market place requires brand differentiation of which packaging is a major component. Finally, rising climate change awareness has stimulated demand for less resource intensive, sustainable packaging products. These trends will continue to lead research and development efforts in the packaging industry and drive growth in the demand for packaging.

Selection Criteria:

- Business costs, including labor and taxes.
- Availability of semi-skilled labor.
- Industrial sites with access to ground transportation (primarily roads)
- Proximity to manufacturers (i.e., customers for packaging materials and products).

Rationale:

- Availability of semi-skilled labor in the surrounding region.
- Proximity to food processors in the area.

DEFINITION

The packaging industry is comprised of companies that manufacture and distribute packaging products made from paper, plastic, metal, and/or glass. Products can include corrugated boxes, cardboard containers, bottles, cans, and plastic and foam containers.

NICHE OPPORTUNITIES

- Contract packaging and manufacturing
- Food and agricultural products packaging
- Plastics packaging products
- “Green” or sustainable packaging



- Competitive production labor wage rates.
- Linkages to specialty foods target.

Strategic Considerations & Recommendations:

- Good transportation access and close proximity to existing processing plants place Council Bluffs at a competitive advantage.
- Packaging, like specialty foods, is a relatively low wage industry that could adversely affect the county's ability to attract higher income professionals.

Related NAICS codes

NAICS	Description
322211	Corrugated & solid fiber boxes
322212	Folding paperboard boxes
322215	Non-folding sanitary food containers
322221	Coated & laminated packaging paper & plastic films
322223	Plastics, foils, & coated paper bags
326111	Plastic bags
326112	Plastic packaging films & sheets
326160	Plastic bottles



WIND ENERGY EQUIPMENT

Industry Trends:

Wind power generation capacity increased 45 percent in 2007. As a result of this record-setting growth, the U.S. wind power fleet now numbers 16,818 MW and spans 34 states. American wind farms will generate an estimated 48 billion kilowatt-hours (kWh) of wind energy in 2008, just over 1 percent of U.S. electricity supply, powering the equivalent of over 4.5 million homes. According to the American Wind Energy Association, this growth pattern should continue, depending on the timing and duration of the federal production tax credit.

As of September 2007, Iowa had 992 MW of installed wind capacity, which ranks Iowa third among all states (behind Texas and California). An addition 380 MW of wind energy capacity was under construction. The Iowa Office of Energy Independence estimates that Iowa has the potential to support 5,500 MW of wind capacity.

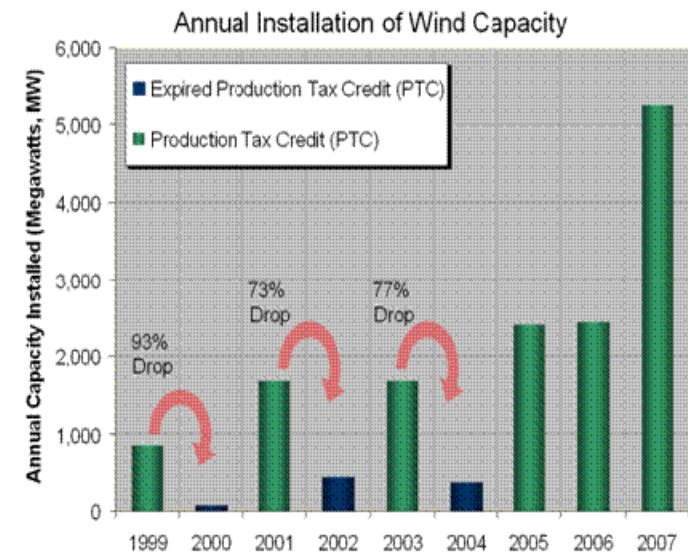
Iowa already has established a wind energy equipment manufacturing sector. MidAmerican Energy has invested in several wind power projects throughout Iowa, including its completed Walnut Wind project in Pottawattamie County. The company currently plans to install 102 wind turbines at the site, generating a total of 153 megawatts of power. In addition, Clipper Windpower, Siemens Power Generation, Acciona Windpower, Hendricks Industries, and TPI are currently operating or plan to commence operations in Iowa.

Selection Criteria:

- Proximity to market due to high transportation costs
- Available workforce with advanced manufacturing skills (welders, machinists, solders, engine assembly & repair)
- Access to raw materials
- Access to transportation networks (highway & rail)
- Affordable electrical power

DEFINITION

Wind power is a form of renewable energy by which wind is converted to electricity by a turbine. The sector is comprised primarily of power project developers, equipment suppliers, services providers, parts manufacturers, and utilities.



• Source: AWEA 2008 "Community listening"



- Industrial / light industrial & warehouse space for product assembly
- Proximity to research & development facilities

Rationale:

- Growing interest in Iowa for wind turbine manufacturing.
- Available skilled workforce in the region
 - Welders, cutters, solderers, and brazers
 - Structural metal fabricators and fitters
 - Computer-controlled machine tool operators, metals, & plastics
 - General and operations managers
- Availability of suitable industrial land
- Good access to highways and rail

Strategic Considerations & Recommendations:

- There is a growing interest by wind energy companies for investing in Iowa, both for power generation and windmill manufacturing. MidAmerican Energy currently operates several hundred wind turbines in Iowa.
- Wind energy is a fast-growing industry with bright long-term growth potential.
- The industry is still dependent on subsidies and tax credits. The current economic climate, tightening of the credit markets, and rapidly declining energy prices may delay new investments by the industry.

Related NAICS Codes

NAICS	Description
221119	Power generation, wind electric
325211	Plastics Material and Resin Manufacturing
333611	Windmills, electric power, generation-type, manufacturing
335312	Motor and Generator Manufacturing
335314	Relay and Industrial Control Manufacturing
334513	Instruments and Related Products Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables
333415	Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment Manufacturing
333999	All Other Miscellaneous General Purpose Machinery Manufacturing



DATA CENTERS

Industry Trends:

Data centers were in high demand throughout the late 1990s as information technology-related business growth accelerated. After the dot.com bust, hundreds of data centers were on the market with few, if any, takers. Since the beginning of 2006, the demand for data storage facilities has reignited and is reaching a level unmatched since the tech boom. This demand is primarily being generated by mid- to large size private companies, as well as federal, state, and local agencies. Unlike the speculative construction of the 1990s, actual demand is driving new growth in this sector.

The glut of data center space that had been previously on the market was the result of a number of centers that had been constructed for dot.com companies and space that was built in anticipation of a never-to-arrive “Y2K event.” The over-supply at the turn of the century prevented newer, more modern data storage space from coming on line for nearly five years. Over the last couple years, demand for ultra-modern space has far outstripped supply. This demand is largely the product of the introduction of new information technologies that are transforming a multitude of industry sectors, including: the high adoption rate of wireless technologies by consumers and businesses, implementation of records digitization by financial intuitions and healthcare providers, and the myriad new uses of the internet-based businesses and processes (e.g., video on demand, music download sites, online auction sites, etc.). All of these have been enabled by the wide availability of broadband internet connections. In 2000, for example, only 5.3 million U.S. households had broadband connections; by 2005, 42.8 million did. According to California Data Center Design Group, nearly 95 percent of existing data centers are not equipped to meet today’s technologies. As a result, the vast majority of data centers will need to be remodeled, replaced, or outsourced.

In 2007, Council Bluffs successfully negotiated the location of a \$600 million Google data center in the city. The data center is expected to be operational by the spring of 2009. Once operational, the center will be housed in two buildings and will employ about 200 people. Google also purchased several hundred additional acres to allow for future expansion of its data center presence in Council Bluffs. The company cited the large quantity of renewable

DEFINITION

A data center is a facility used for housing a large amount of electronic equipment, typically computers and communications equipment. As the name implies, a data center is usually maintained by an organization for the purpose of handling the data necessary for its operations. A bank for example may have a data center, where all its customers' account information is maintained and transactions involving these data are carried out. Practically every company that is mid-sized or larger has some kind of data center with the larger companies often having dozens of data centers.

Typically there are two types of data centers: 1) company owned-single user centers, and 2) Internet Data Centers (IDC) which serve multiple customers.



wind energy offered by MidAmerican Energy, as well as the adjacent 660-acre Lake Manawa to accommodate the center's cooling requirements as factors in the decision to locate in Council Bluffs.

In addition, Yahoo recently announced plans to locate a \$100 million data center in nearby La Vista, Nebraska that will create 100 jobs.

Selection Criteria:

- Sufficient electricity capacity, with redundancy, at low prices
- Ample telecom infrastructure with multiple fiber carriers
- Specially constructed buildings with sufficient HVAC, raised floors, open space, etc.
- Information technology professionals, experienced in data center operations
- Generous tax incentives

Rationale:

- Demonstrated interest for locating data centers in the region by Google and Yahoo
- Data centers typically offer much higher than average wages.
- The introduction of data centers (and other IT operations) could alter Council Bluff's image within the region.
- This sector offers a gateway to other professional services business sectors.

Strategic Considerations & Recommendations:

- Many cities/regions are directly targeting data centers as part of economic development activity. As a result, Council Bluffs will face stiff competition and must be prepared to provide a generous tax incentives package.

NICHE OPPORTUNITIES

- *Mid-size companies already present in Omaha*
- *Internet data centers (IDCs)*



- Council Bluffs should execute a direct recruiting campaign for data centers (targeting both mid-size companies already present in the Omaha region and IDCs).
- Council Bluffs should consider identifying additional potential sites for data center development in partnership with MidAmerican and local telecom providers.



SHARED SERVICE CENTERS

Industry Trends:

Shared service centers have proven to be effective models to reduce costs and increase productivity for organizations managing large-scale operations. Organizations in both the private and public sector have embraced this model to improve their efficiency.

The move towards shared services began in the 1980s and has accelerated ever since. While the first generation of shared service centers were typically single-function centers, today's shared service centers are moving towards a multi-function model. The functions most commonly consolidated in shared service centers are finance and accounting, human resources, information technology, and procurement. Facilities, customer service, real estate, supply chain, order management, and legal are also functions that are sometimes included in a multi-function shared service center.

Shared service centers reduce costs primarily by reducing redundancies, streamlining and standardizing processes, and realizing economies of scale that may not be possible under a decentralized service model. The centers deliver their services by treating each department they serve as internal clients or customers.

Council Bluffs may be an attractive location for Omaha-based firms seeking to consolidate operations or locate back office operations closer to company headquarters. Therefore, targeting and recruitment activities should initially be focused on such companies.

Council Bluffs major competitive disadvantage in attracting a large shared service center operation is the current lack of available Class A office space, as well as the state property taxes on commercial property. The ability of Council Bluffs' to successfully recruit a shared service center will depend on whether suitable land close to Omaha can be positioned and marketed for office park development and incentives can be devised to offset commercial property taxes.

DEFINITION

Shared Service Centers (SSCs) reduce costs by consolidating one or more back-office operations used by multiple divisions of the same company—such as finance, information technology, customer service and human resources—into a shared operation. By creating a stand-alone or semi-autonomous Shared Service Center, companies can eliminate redundant activities and improve efficiency, services and customer satisfaction.



Selection Criteria:

- Available workforce with professional services skills
- Reliable communications infrastructure
- Availability of high quality office space
- Comparatively low-cost overhead
- Low natural disaster risk

Rationale:

- Reliable communications with access to fiber optics and multiple service providers
- Business programs at area higher education institutions
- Proximity Omaha-based companies that may consider locating back office operations closer to home

Strategic Considerations & Recommendations:

- First target Omaha companies that may be considering consolidation of operations closer to company headquarters
- Potential for customized training programs provided by Iowa Western Community College

NICHE OPPORTUNITIES

- *Back office operations for Omaha-based companies*



LOGISTICS AND DISTRIBUTION

Industry Trends:

Once known as “warehousing and distribution,” the process of moving goods to market has evolved significantly in recent years. What was once a matter of simply storing large quantities of goods and shipping them in bulk (when end-users placed orders) is now an increasingly sophisticated science. This process seeks to minimize inventories and respond to the growing demand for next-day – or even several-times-a-day – delivery. Competitive shifts within the industry have been accelerated by global trade, containerization and standardized packaging, just-in-time (JIT) inventory management, outsourcing of delivery services, and increased technological capabilities.

The primary goal for transportation and logistics companies is to increase efficiencies through the standardization of packaging and the increased use of technology. Also, firms are beginning to geographically cluster their activities, spurring a new trend in the development of multi-modal logistics parks. Another major trend is the increased outsourcing of services by manufacturers to maintain low inventories in-house, prompting the proliferation of third-party logistics providers.

Standardized packages and containers allow for inter-modal shipments of cargo. Goods can remain in the same container whether towed on a truck, stacked on a railcar, or placed on a ship. In addition, tracking cargo electronically permits time-specific delivery. Since the beginning of the 1990s, manufacturers have increasingly depended on just-in-time inventory management, stimulating the use of scheduled freight contracts in the U.S. trucking industry. These factors have also played a strong role in recent logistics merger and acquisition activity, as cargo carriers seek to improve efficiencies and cut costs through inter-modal partnerships.

Selection Criteria:

- Proximity to major population centers and consumer markets.
- Access to manufacturers.

DEFINITION

Logistics and distribution includes establishments engaged in the transport, storage, and distribution of goods, as well as affiliated services such as logistics and supply-chain management. Establishments include those involved in railroad and highway freight, marine shipping, and air cargo, as well as warehousing and storage and other fixed facilities and services.

The Council of Supply Chain Management Professionals (formerly the Council of Logistics Management) defines logistics as “the process of planning, implementing, and controlling the efficient, effective flow and storage of raw materials, in-process inventory, finished goods, services and related information from the point of origin to the point of consumption for the purposes of conforming to customer requirements.”



- Quality of regional transportation network, especially air, interstate, and rail.
- Availability of large tracts of affordable industrial land with access to multimodal transportation infrastructure.
- Availability of warehouse and distribution space.
- Availability of semi-skilled labor.

Rationale:

- Multiple rail lines
- Crossroads of I-29 and I-80.
- Access to manufacturers and major retailers throughout the region.
- Availability of workforce from the surrounding rural areas.
- Ability to link with Specialty Foods and Packaging targets.

Strategic Considerations & Recommendations:

- Area leaders should remain mindful that an increase in truck traffic tends to stress local roadways. As a result, logistics and distribution facilities should be placed as closely as possible to freeways and away from residential developments and downtown.
- To garner attention from export/import-oriented distributors and logistics providers, Council Bluffs should be positioned as a platform to and from the Omaha metropolitan area.
- Improvements of sites with rail and highway access should continue to remain a priority.

NICHE OPPORTUNITIES

- *Food distribution and warehousing*
- *Regional retail distribution*
- *Refrigerated warehousing and storage*
- *Logistics/supply chain management*

Related NAICS codes

NAICS	Description
482111	Railway transportation, line-haul
484121	General freight trucking, long-distance, truckload
484220	Specialized freight trucking, local
484230	Specialized freight trucking, long-distance
493110	General warehousing & storage
493120	Refrigerated warehousing & storage
493430	Farm product warehousing & storage



HEALTHCARE

Industry Trends:

Access to healthcare, both primary care and emergency care, is viewed as both a quality of life issue for residents and an economic issue for communities. The presence of healthcare facilities is also seen as key in location decisions for most industries. While access to healthcare is an important factor in corporate location decisions (67.2 percent of respondents in Area Development's annual corporate survey rated health facilities as "important" or "very important" in 2002—up from 65.3 percent in 2001), it is less critical than other business-related factors, such as availability of skilled labor (90.9 percent) and highway accessibility (86.6 percent).

With the continued loss of manufacturing jobs, once the most critical driver in local economic development, communities are becoming more reliant on the healthcare industry as a source of employment and tax revenue. Growth in the U.S. healthcare sector is largely driven by two major factors: population growth and an aging population. As the baby boom generation approaches retirement age, a larger share of all consumer-spending in the nation is being spent on healthcare related expenses. This increase is also related to rising healthcare costs, which in turn is partially related to the high number of uninsured persons in the nation. In addition, healthcare includes many occupations that offer relatively high wages and abundant career-ladder opportunities.

Council Bluffs is home to two full-service hospitals – Alegent Health Mercy Hospital and Jennie Edmundson Hospital. These facilities employ approximately 350 physicians and house over 500 patient beds. In addition, Omaha is home to a substantial healthcare sector employing thousands of healthcare professionals. Council Bluffs major barrier to attracting additional physicians and facilities is Nebraska's cap on financial damages resulting from medical liability lawsuits.

We recognize that the broadness of this sector as well as the disparity in medical malpractice insurance between Nebraska and Iowa complicate the targeting effort. Nevertheless, Council Bluffs has the potential to tie traditional health care to more sophisticated research capability.

DEFINITION

This sector includes establishments providing health care for individuals, including ambulatory health care services and hospitals. The services provided by establishments in this sector are delivered by trained professionals. All industries in the sector share this commonality of process, namely, labor inputs of health practitioners with requisite expertise. Many of the industries in the sector are defined based on the educational degree held by the practitioners included in the industry.



Attracting medical and diagnostic labs and specialty clinics in support of the hospitals represents this connection (*see box*).

Selection Criteria:

- Access to primary healthcare facilities
- Proximity to population growth centers and retiree destinations
- Availability of trained or trainable healthcare workforce (i.e., semi-skilled healthcare aides, registered nurses, healthcare technicians, highly trained doctors)
- Proximity to institutions of higher learning and medical schools (research and development and healthcare training facilities)
- Availability of medical and professional office space
- Quality of place

Rationale:

- Expectation for continued growth at local healthcare service providers.
- Higher wages in industry.
- Continued growth in employment expected for the foreseeable future, nationally, with the aging of the Baby Boomer population, coupled with strong population growth forecasts for the region.
- Proximity to large healthcare labor force in Omaha.

Strategic Considerations & Recommendations:

- Assist in marketing Alegant and Jennie Edmundson hospitals.

NICHE OPPORTUNITIES

- *Allied health (general medicine, healthcare support)*
- *Medical and diagnostic laboratories*
- *Outpatient care centers*
- *Specialty clinics (i.e. wellness centers, sports medicine, vocational & rehabilitation, geriatrics)*



- Assist in the development, retention, and attraction of healthcare talent, such as supporting allied health programs at Council Bluffs Community Schools and IWCC to assist in supplying labor force for healthcare.
- Support the construction of medical office space in Council Bluffs to assist in attracting small healthcare service providers and private-practice physicians.
- Assist in the development of business plans for physicians setting up independent clinics as part of entrepreneurship program.
- Continue to support housing products and other amenities (cultural and recreational) to assist in recruiting healthcare professionals to the area.

Related NAICS codes

NAICS	Description
621111	Offices of physicians
6213-	Offices of other health care practitioners
62149-	Other outpatient care centers
621511	Medical laboratories
621512	Diagnostic imaging centers
622310	Specialty (except psychiatric and substance abuse) hospitals
6243-	Vocational rehabilitation services



DEMOGRAPHIC & ECONOMIC ASSESSMENT

METHODOLOGY

The primary goal for the following assessment is to arrive at a common understanding of Council Bluffs' unique economic strengths, weaknesses, opportunities, and threats. This analysis is expressed in the context of the metropolitan, regional, and national economies as a means for understanding the community's relative position and highlighting its latent and potential competitive advantages.

TIP has drawn upon our knowledge of current economic and demographic trends affecting Southwestern Iowa and the Great Plains, as well as our experience working in metropolitan areas throughout the nation. We have applied this knowledge and experience to both qualitative and quantitative analysis methods for developing a full understanding of the Council Bluffs economy, including specific barriers to growth and development.

Background > TIP reviewed reports, studies, and other material that impact economic development planning and activities in Council Bluffs. With assistance from the client, TIP solicited materials from various sources, such as the City of Council Bluffs, the Council Area Chamber of Commerce, the Iowa West Foundation, and other organizations.

Input > For any plan to be effective, it must respond to the needs of those who will be affected by the plan (residents and businesses) and to the community leaders charged with its implementation. Throughout the Discovery phase, we capitalized on opportunities presented by interviews, town hall meetings, and focus groups to solicit input from key stakeholders. In addition to the individual business and community leaders who gave their valuable time to participate in this process, TIP would like to thank representatives of the organizations listed on the previous page.

Assessment > After reviewing past plans and studies and meeting with local partners and interested parties, we completed a targeted analysis of demographic and economic factors that are of greatest concern to business leaders, site selectors, and other economic decision makers.

Assessment Components

Demographics

- *Population patterns*
- *Population flows*
- *Age structure*
- *Educational attainment*
- *Income and affordability*

Economy and Workforce

- *Unemployment*
- *Total employment*
- *Sectoral employment*
- *Occupational distribution*
- *Business & banking growth*
- *State tax climate & structure*



Benchmarks > To provide a context for understanding demographic and economic trends in Council Bluffs, TIP chose four metropolitan statistical areas (MSA) to serve as statistical benchmarks. The four benchmark MSAs are Louisville, KY-IN; Memphis, TN-MS-AR; Kansas City MO-KS; and Cincinnati-Middletown OH-KY-KY.

These MSAs are similar to Omaha-Council Bluffs MSA in that they consist of a larger (primary) city and a smaller (secondary) city, span two states, are separated by a river, and are centrally located in the continental U.S. While the peer MSAs and their component cities vary in demographic composition, population distribution, and economic structure, they represent credible competitors to the Omaha-Council Bluffs MSA for new talent and investment.

Figure 1: Primary Cities & Cross-State Counterparts

MSA	Pop.	Primary City	Pop.	Cross-State City	Pop.
Omaha-Council Bluffs NE-IA MSA	851,300	Omaha, NE	391,942	Council Bluffs, IA	60,662
Louisville KY-IN MSA	1,257,272	Louisville, KY	247,069	Jeffersonville, IN	28,573
Memphis TN-MS-AR MSA	1,324,150	Memphis, TN	638,082	West Memphis, AR	28,191
Kansas City MO-KS MSA	2,031,215	Kansas City, MO	463,429	Kansas City, KS	144,847
Cincinnati-Middletown OH-KY-IN MSA	2,142,271	Cincinnati, OH	305,560	Covington, KY	42,015

SWOT

TIP conducted a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis for Council Bluffs to create a framework for understanding the area's issues. This assessment was based on interviews, site visits, data analysis, and our experience. The table on the next page captures the major findings of this analysis.

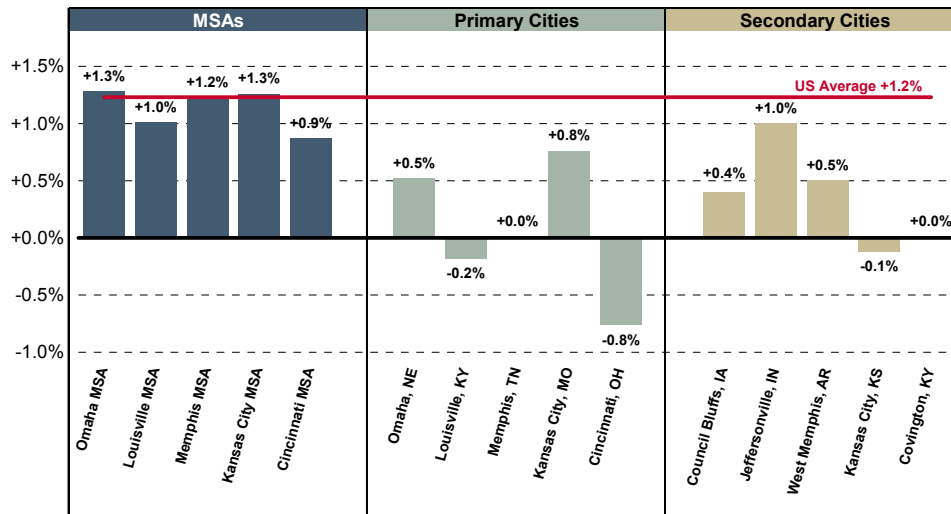


	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
TALENT	<ul style="list-style-type: none"> Iowa Western Community College Healthcare institutions Large regional labor shed (350,000+) Proximity and access to downtown Omaha Educational leadership 	<ul style="list-style-type: none"> Lack of community-wide vision and direction Low educational and vocational expectations among existing residents Image (external and internal) of Council Bluffs schools Recruiting/retaining skilled and educated professionals Lack of medical malpractice cap in Iowa 	<ul style="list-style-type: none"> Expansion of higher education opportunities Investing in soft infrastructure, especially youth development Reconnecting to former residents Providing alternative housing options for professionals working in downtown Omaha Community commitment to K-12 excellence 	<ul style="list-style-type: none"> Permanent loss of brightest talent Workforce pressures due to aging population Continued pervasiveness of lower income households Inability to attract young professionals (doctors, engineers) Failure to raise educational expectations within the community
INDUSTRY & INNOVATION	<ul style="list-style-type: none"> General employment growth in recent years Experienced and active economic development professionals Proximity to Omaha Eppley Airport Transportation network & infrastructure Utility infrastructure Recruitment of Google Strength of existing manufacturing base Casino-driven economic growth Gaming related tourism and retail 	<ul style="list-style-type: none"> Lack of community-wide vision and direction Iowa West Foundation, city, county, and chamber not maximizing collaboration Lack of shovel-ready industrial sites Heavy reliance on blue collar and service sector occupations Lack of professional office space State tax climate, especially commercial property tax rates 	<ul style="list-style-type: none"> Potential Phase II Google investment and possible spin-offs Emerging industry recruitment Development of small business and entrepreneurial infrastructure Development of new commercial and office space sites Expansion of professional services employment base Expansion of retail and entertainment options around Casinos and MAC 	<ul style="list-style-type: none"> Loss of existing businesses to Omaha Lack of collaboration between leading industries and public initiatives Over-dependence on gaming industry for employment and revenue
PLACE	<ul style="list-style-type: none"> Iowa West Foundation Riverfront Lake Manawa Proximity to cultural amenities offered in Omaha Unique beauty of the Bluffs Affordable housing stock Mid-America Center (MAC) Uncongested traffic mobility Planned improvements to Interstate 29 	<ul style="list-style-type: none"> Lack of community-wide vision and direction Haphazard development patterns Negative image of Council Bluffs portrayed by regional media outlets Derisive perception of Council Bluffs among Omaha residents Lack of community-wide design standards Depressed downtown market rents and lack of parking High property crime rates Blighted neighborhoods Residual rail infrastructure that physically divides city 	<ul style="list-style-type: none"> Coordinated media and marketing strategy aimed at changing the internal and external impressions of Council Bluffs Downtown revitalization New mixed-use developments nearer to downtown Omaha (e.g., Playland Park development) Additional retail outlets Downtown art space 	<ul style="list-style-type: none"> Residential and commercial sprawl Abandonment of downtown Spread of neighborhood blight in older areas



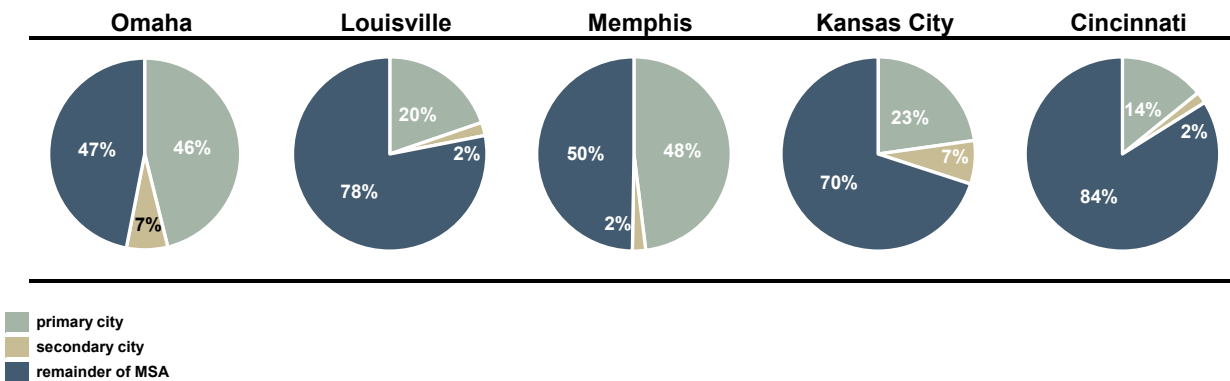
PROFILE: DEMOGRAPHICS

Figure 2: Projected Annualized Population Growth, 2008-2013



SOURCE: ESRI

Figure 3: MSA Population Distribution, 2008



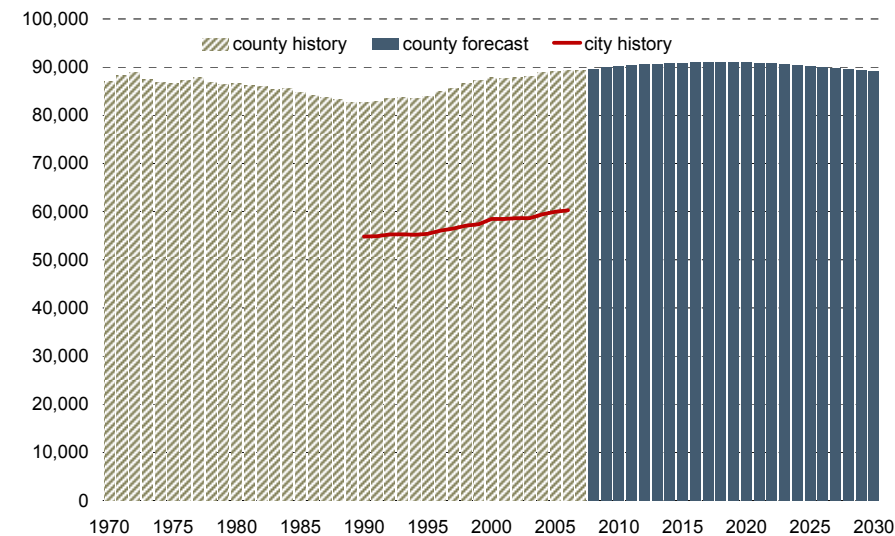
Population Patterns

The figure to the left shows the projected annual rate of population growth for the peer MSAs and the U.S. between 2008-2013. Projected population growth for the Omaha-Council Bluffs MSA compares favorably to the others. Over the next five years, the Omaha-Council Bluffs MSA is projected to experience a population growth rate just above the U.S. rate of 1.2 percent. Of the MSAs, only Kansas City is expected to grow at an equal pace. Among primary cities, Louisville and Cincinnati are projected to lose population over the next five years, while the population of Memphis should remain flat.

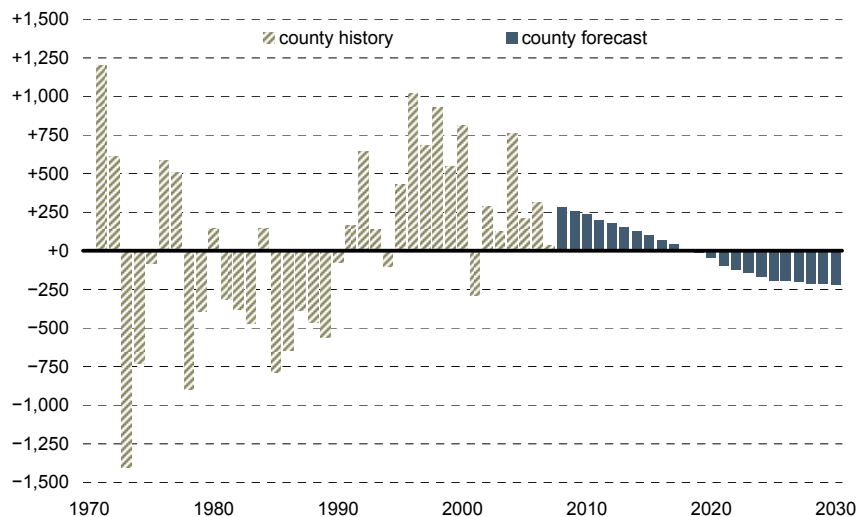
Within the MSAs, the Omaha-Council Bluffs MSA is projected to experience the most balanced growth among primary and secondary cities. Omaha is projected to grow by 0.5 percent and Council Bluffs by 0.4 percent. In contrast, the internal growth differentials for the other MSAs are much wider, ranging from 0.5 percent for Memphis and West Memphis to 1.2 percent for Louisville and Jeffersonville.

Figure 3 illustrates the population distribution within each MSA. It shows a significant portion of the population within these five MSAs resides outside the primary and secondary cities. This is a clear indication of the impact of suburban and exurban growth on regional population trends.



Figure 4: Pottawattamie County & Council Bluffs Population

SOURCE: US Census Bureau (history); Moody's Analytics (projections)

Figure 5: Pottawattamie County's Net Population Change

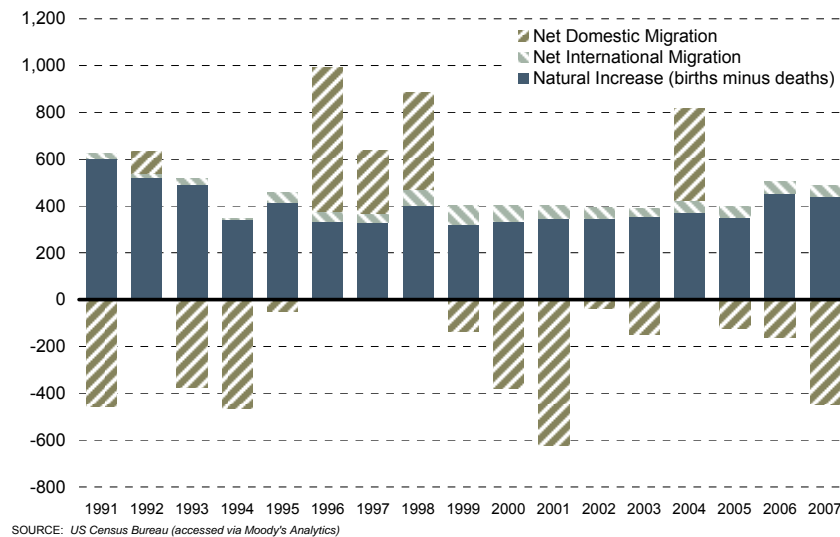
SOURCE: US Census Bureau (history); Moody's Analytics (projections)

Longer term growth trends for Pottawattamie County show a more uneven picture. Figure 4 reveals two distinct eras of population growth in the county since 1970: a period of steady population decline during the 1970s and 1980s, followed by nearly two decades of healthy population growth in the 1990s and 2000s. From a peak of 88,897 residents in 1972, the population of Pottawattamie County fell to a low of 82,697 residents in 1990. Beginning in 1991, however, the county's population experienced a sustained period of expansion, culminating with a Census estimated population of 89,409 residents in 2007.

Since 2000, Pottawattamie County's net population change has remained generally positive, yet slower than the previous decade. As Figure 5 shows, the population is projected to continue a trend of declining net growth through 2018. Then, beginning in 2019, as the county's baby boomers age into their 70s, the population is projected to enter a sustained period of annual net losses.

The reason is due to a demographic shift. As Pottawattamie County's population ages, with more seniors and fewer adults of child bearing age, population growth due to natural increase (births minus deaths) will decline. Therefore, without a surge in domestic or international migration to compensate, the prospects for continued long-term population growth in Pottawattamie County are questionable.



Figure 6: Pottawattamie County's Components of Net Population Change**Figure 7: Origins of Migrants* Moving Into Pottawattamie County**

The top 10 "origin" counties in 2006 (and how they fared in past years)

	1990	2000	2006
Douglas County, NE	+1,063	+1,437	+1,252
Sarpy County, NE	+157	+204	+323
Mills County, IA	+159	+182	+170
Harrison County, IA	+156	+155	+141
Shelby County, IA	+63	+98	+134
Polk County, IA	na	+88	+62
Lancaster County, NE	na	+38	+61
Woodbury County, IA	+48	+48	+53
Cass County, NE	na	+51	+50
Fremont County, IA	na	+50	+45

Destinations of Migrants* Leaving Pottawattamie County

The top 10 "destination" counties in 2006 (and how they fared in past years)

	1990	2000	2006
Douglas County, NE	+1,099	+1,230	+1,150
Sarpy County, NE	+192	+212	+307
Mills County, IA	+133	+220	+215
Shelby County, IA	+78	+107	+121
Harrison County, IA	+123	+178	+113
Polk County, IA	+92	+56	+88
Cass County, IA	+71	+104	+71
Montgomery County, IA	na	+37	+55
Lancaster County, NE	+64	+27	+38
Maricopa County, AZ	+34	+66	+31

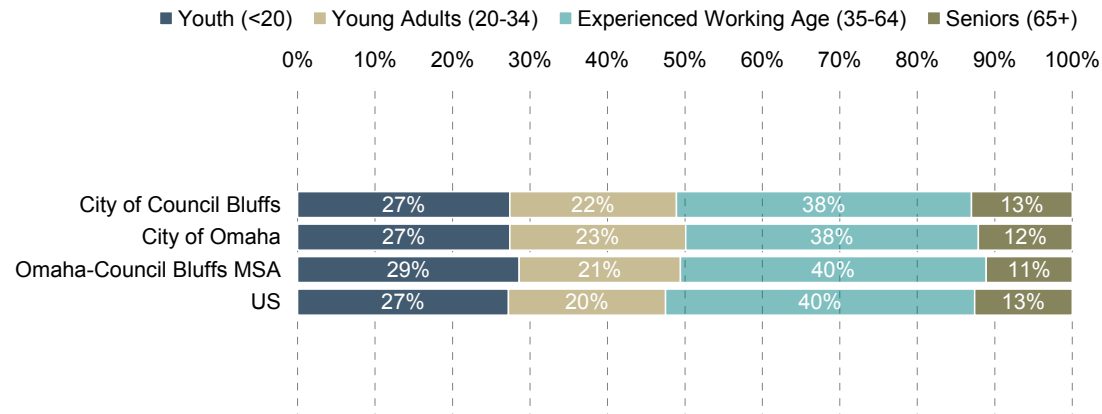
SOURCE: US Internal Revenue Service (accessed via Moody's Analytics)

*NOTE: data represent the gross (rather than net) number of movers into and out of Pottawattamie County as based on the county-level change in the number of exemptions counted by the IRS

Figure 6 depicts Pottawattamie County's recent difficulty in attracting new domestic residents. While the county has experienced stable population growth due to natural increase since 1991, it has seen a net domestic outmigration of residents in eight out of the last nine years. Net international migration, while steady, has been minimal.

Figure 7 shows the origins and destinations of those moving into and out of Pottawattamie County for the years 1990, 2000, and 2006 using IRS tax return data. Not surprisingly, nearby Douglas County has been the largest source and recipient of Pottawattamie County residents. In 2006, Pottawattamie County enjoyed a net gain of 102 Douglas County residents. Maricopa County, Arizona (Phoenix) is the only top 10 destination for Pottawattamie residents outside of Iowa or Nebraska.



Figure 8: Distribution of Population by Major Age Group, 2007

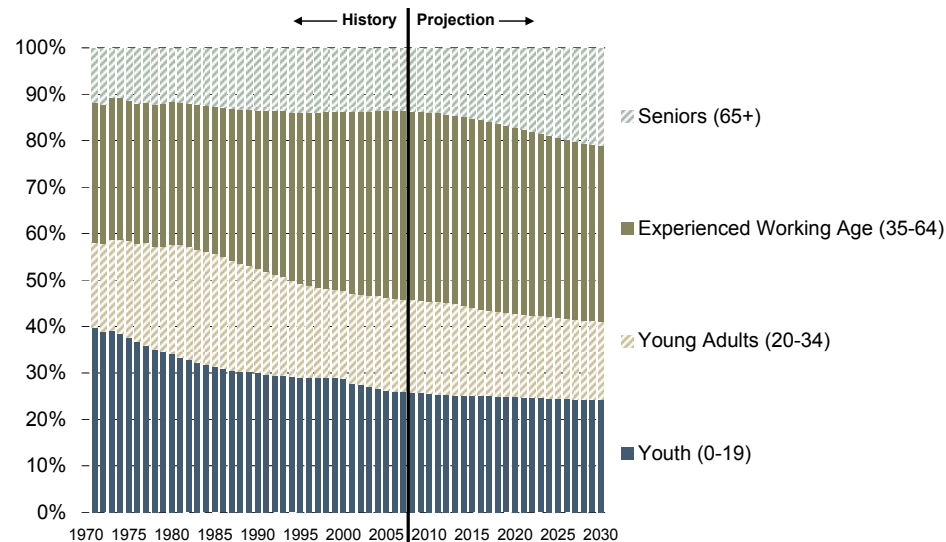
SOURCE: ESRI

Age Structure

The region shares a similar age distribution with the nation as a whole. Indeed, the most recent Environmental Systems Research Institute (ESRI) estimate shows the populations of Council Bluffs and Omaha to be slightly younger than the U.S. population.

Figure 9 illustrates the projected future aging of the Pottawattamie County population. It shows a declining proportion of the population below the age of 35 over the next two decades. By 2030, Pottawattamie residents age 35 and up will account for about 60 percent of the population, with seniors accounting for about 20 percent.

An aging population is not unique to Council Bluffs or the region. However, it does present challenges – especially with regard to available workforce – that many other cities will be able to overcome due to their ability to attract new domestic and international residents.

Figure 9: Age Distribution of Pottawattamie County, 1970-2030

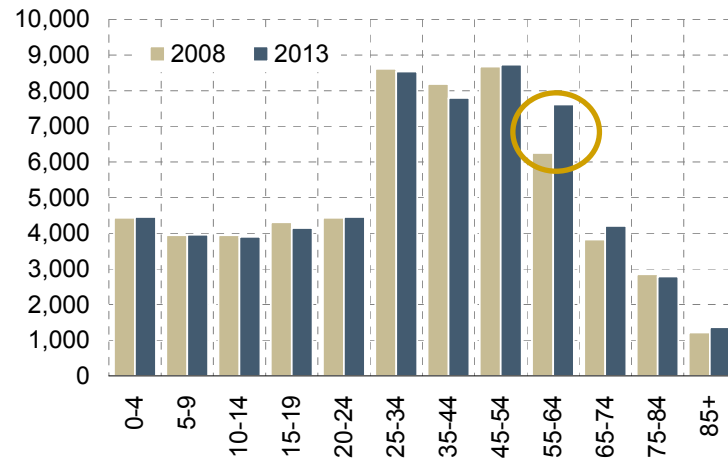
SOURCE: US Census Bureau (history); Moody's Analytics (projections)



The figures left depict how Council Bluff's age structure is projected to change over the next five years. Both show a surge in the city's 55-64 age cohort by 2013. The number of residents in the 65-74 and 85+ cohorts should also increase moderately.

If these trends continue, a significant number of Council Bluffs residents will be over the age of 65 by 2019. In addition to meeting future workforce needs, this prospect will likely place an increasing strain on community health and social services.

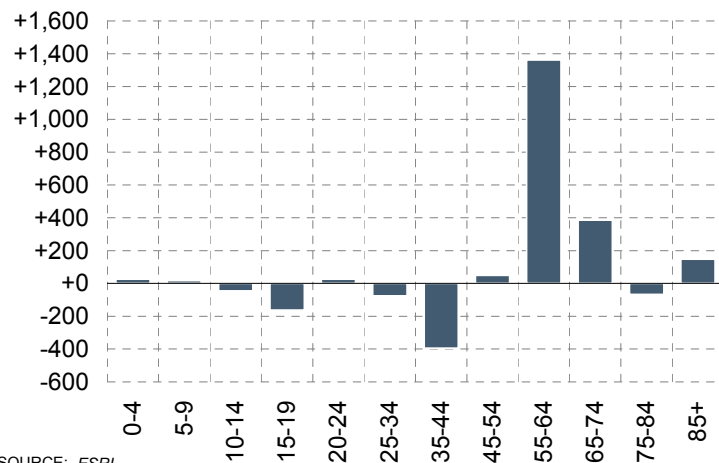
Figure 10: Council Bluff's Population by Age Cohort



SOURCE: ESRI

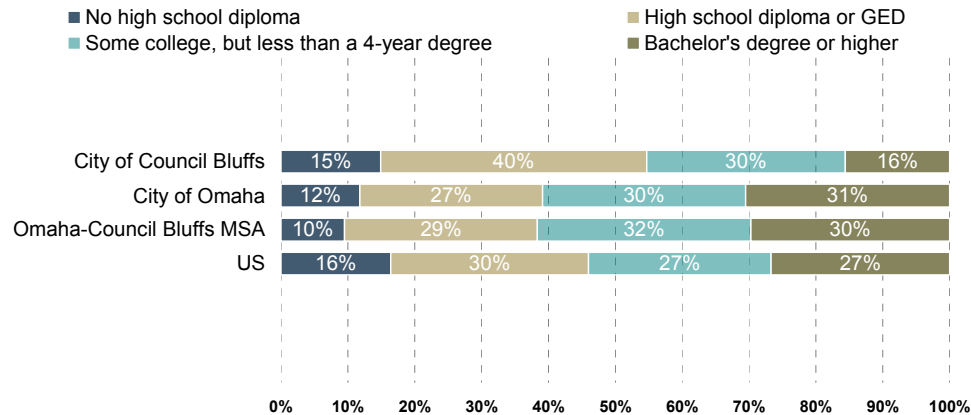
Figure 11: Net Population Chg. by Age Cohort

Council Bluffs, 2008-2013



SOURCE: ESRI



Figure 12: Educational Attainment, 2008

SOURCE: ESRI

Educational Attainment

An issue often raised during stakeholder interviews is low educational attainment as well as low educational expectations in the community. Lower educational attainment often translates into lower income levels and a greater difficulty in attracting employers requiring advanced skills.

Indeed, data estimates show a larger share of Council Bluffs residents age 25 or older rely on a high school education than for either the Omaha MSA or U.S. as a whole. Moreover, a substantially lower percentage of Council Bluff residents has earned a bachelor's degree or higher.

Council Bluffs, however, compares more favorably to the benchmark cities. Among the five peer cities, it has a lower percentage of residents with no high school degree. It also has a higher percentage of residents with at least a high school diploma and is equal or better in the percentage attaining of a four-year degree.

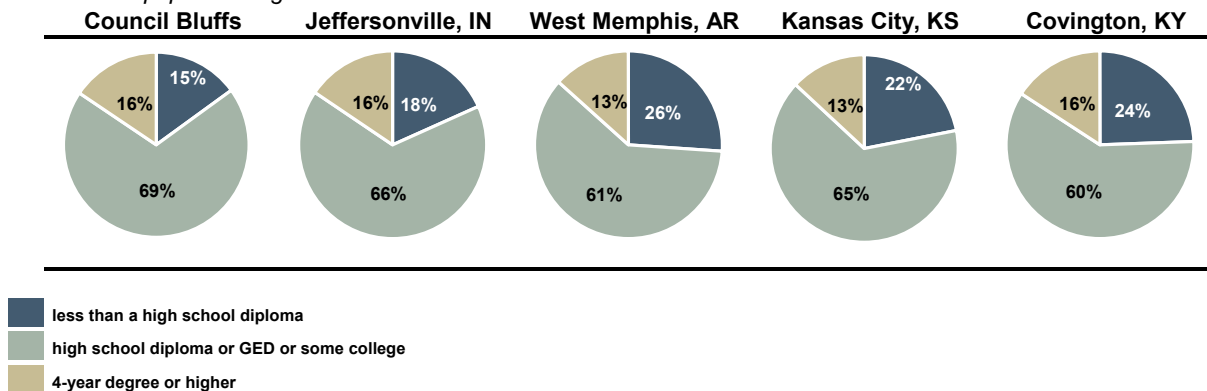
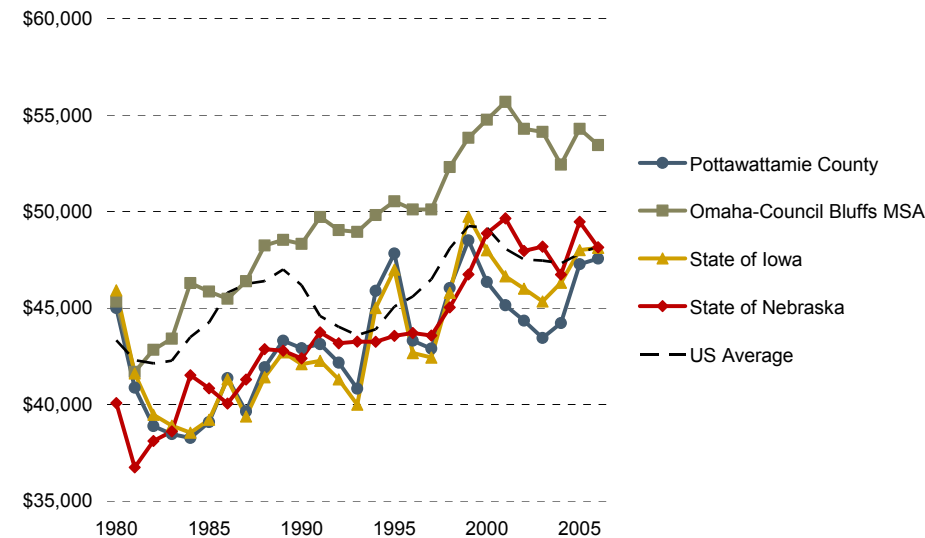
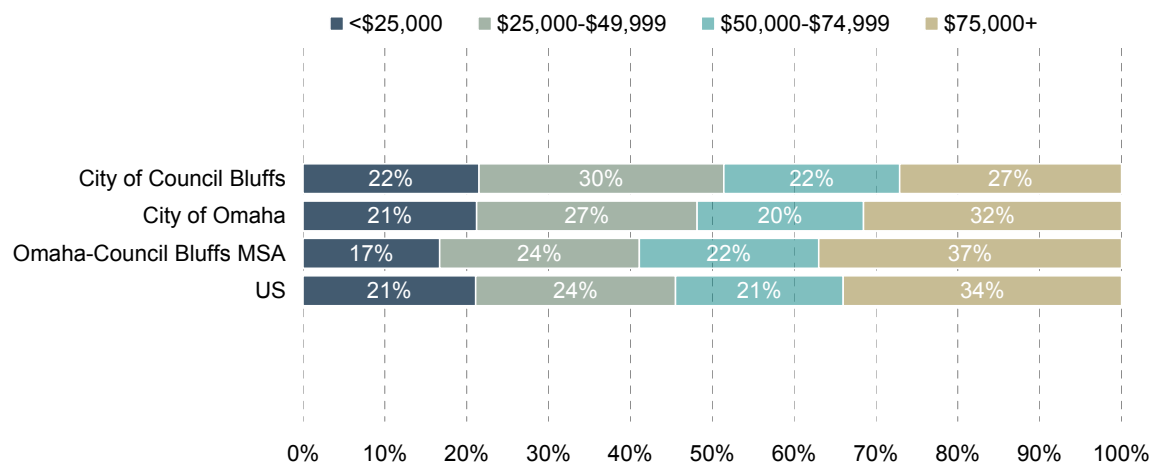
Figure 13: Highest Educational Attainment among Benchmarks, 2008*Share of population age 25 or older*

Figure 14: Inflation-Adjusted Median Household Income

SOURCE: US Bureau of Economic Analysis & US Bureau of Labor Statistics (accessed via Moody's Analytics)

Figure 15: Distribution of Households by Income Range

SOURCE: ESRI

Income & Affordability

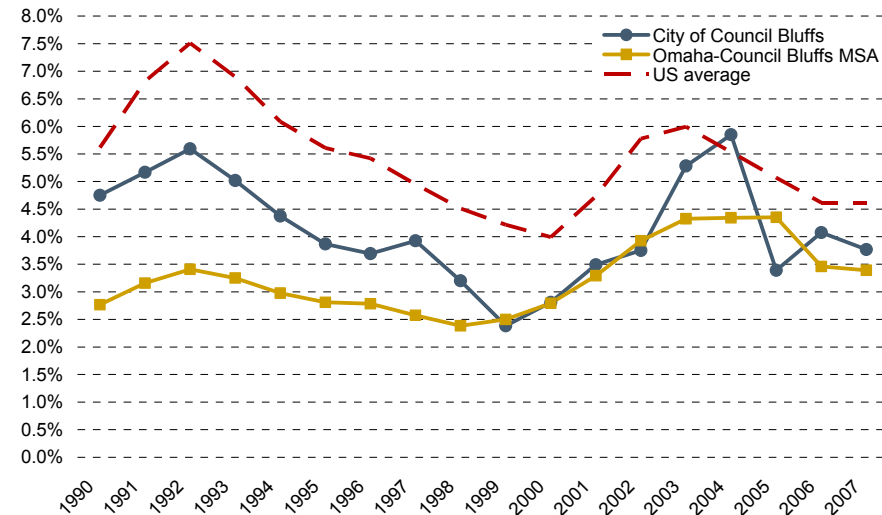
Despite lower educational attainment levels, inflation-adjusted median household income for Pottawattamie County has risen in recent years to a level on par with Nebraska, Iowa, and the nation. In 2006, the most recent year for which data is available, median household income in Pottawattamie County stood at \$47,566, just below the U.S. figure of \$48,201. Median household income for the Omaha-Council Bluffs MSA, however, is about 10 percent higher than for the nation.

Figure 15 shows that Council Bluffs is home to a higher percentage of middle income residents than the MSA or the nation. Whereas 52 percent of Council Bluffs households earn between \$25,000 and \$74,999, only 45 percent of U.S. households and 41 percent of MSA households fall within that income range, respectively. The primary difference between Council Bluffs, the region, and the U.S. lies in the percentage of households earning greater than \$75,000. Only 27 percent of households in Council Bluffs fall into the highest income bracket, which is significantly lower than the percentage of households regionally and nationally.



PROFILE: ECONOMY

Figure 16: Average Annual Unemployment Rate



SOURCE: US Bureau of Economic Analysis (accessed via Moody's Analytics)

Figure 17: Unemployment Rates, 1995-2008 (latest monthly rate vs. historical range)



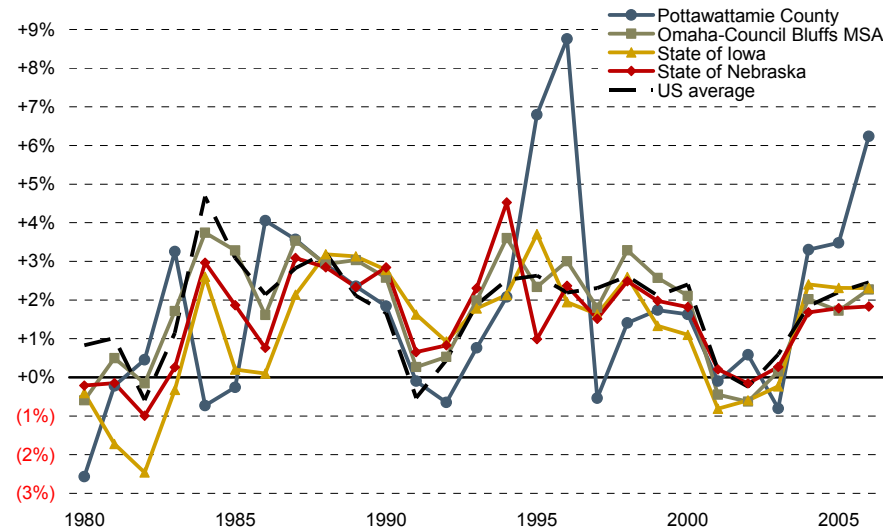
SOURCE: U.S. Bureau of Labor Statistics (accessed via Moody's Analytics)

Unemployment

Average annual unemployment rates for Council Bluffs have generally run lower than the national rates over the last two decades. Figure 16 illustrates that between 1990 and 2007, the unemployment rate for Council Bluffs surpassed the U.S. in only one year – 2004. This corresponded with a brief two-year jump in local unemployment, which quickly retreated to more historic levels. In 2007, the average annual rate for Council Bluffs was 3.8 percent, compared to 3.4 percent for the MSA and 4.6 percent for the U.S.

Unemployment in the region also compares favorably to the benchmark metropolitan areas and cities. Figure 17 reveals that the MSA, Omaha, and Council Bluffs all have the lowest historical ranges (1995-2008) and most recent monthly rates among the peers.

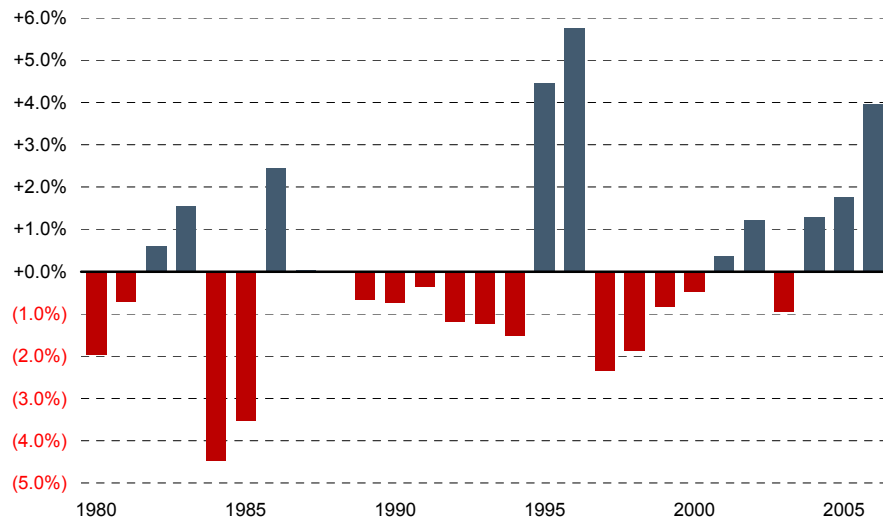


Figure 18: Average Annual Nonfarm Employment Growth

SOURCE: US Bureau of Economic Analysis (accessed via Moody's Analytics)

Figure 19: Average Annual Nonfarm Employment Growth Differential

Pottawattamie County's Annual Avg. Job Growth Rate Minus the Omaha-Council Bluffs MSA Avg.



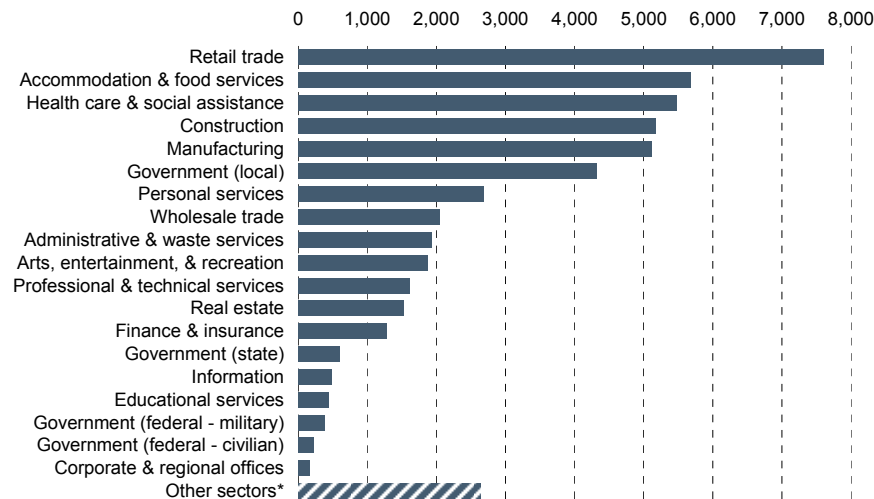
SOURCE: US Bureau of Economic Analysis (accessed via Moody's Analytics)

Total Employment

Another positive indicator for Pottawattamie County in recent years is job growth. Since 1980, the county's average annual rate of employment growth has followed regional, state, and national trends, with the exception of two periods. There was a large employment spike in 1995 and 1996, followed by a collapse in 1997. Employment growth then recovered to more normal levels until 2004-2006, when county job growth once again surged past regional, state, and national levels. For 2006, Pottawattamie County's average annual rate of employment growth stood at a healthy 6.2 percent.

The surge in county employment growth versus the region in the mid-90s and more recently is clearly visible in Figure 19. It shows the differential between Pottawattamie County's average annual job growth rate minus the MSA average. The blue bars represent years when job growth in the county has outpaced the region's overall growth



Figure 20: Pottawattamie County Employment by Economic Sector, 2006

SOURCE: US Bureau of Economic Analysis (accessed via Moody's Analytics)

*NOTE: Other (suppressed) sectors include agricultural services, oil/gas/mining, utilities, and transportation/warehousing

Industry Employment

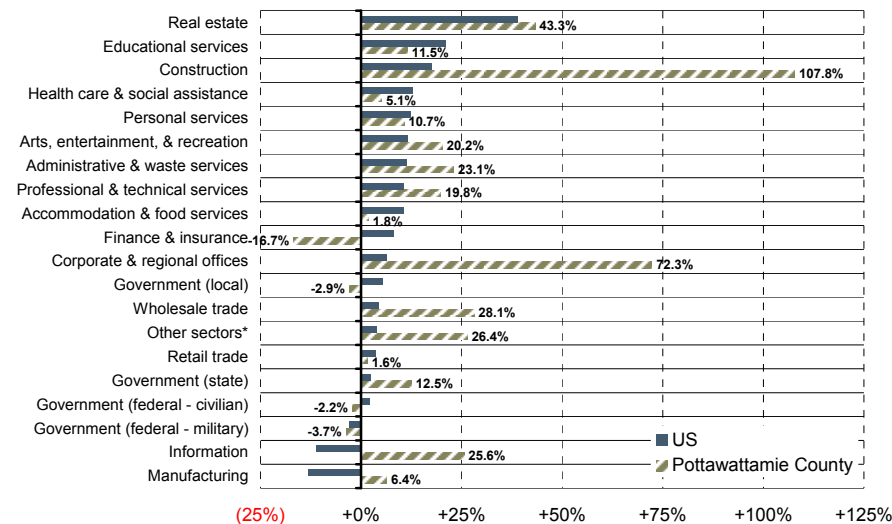
With over 7,600 jobs, retail trade was the largest employment sector in Pottawattamie County in 2006. Other significant employment sectors in the county include accommodation/food services, healthcare, construction, and manufacturing. Government (federal & state), education services, and information employ relatively few people in the county.

While retail may be the largest, it has not been the county's fastest growing employment sector. Between 2001 and 2006, the employment in the construction sector grew most rapidly, both in percentage and in total numbers. The sector swelled by almost 2,688 jobs, which represented an increase of 108 percent. The high figure for the corporate and regional offices sectors is somewhat misleading, as the sector only added 73 jobs to a low starting base of 101. Sectors registering disappointing growth rates include healthcare; finance, insurance, and real estate; and retail trade.

Sectors that registered significant numeric and percentage growth included real estate; wholesale trade; administrative and waste services; and arts, entertainment, and recreation. Percentage growth in each of these sectors was significantly higher than for the U.S. as a whole. Of note, Pottawattamie County's manufacturing sector grew by 6 percent; while manufacturing employment for the nation declined by 13 percent.

Figure 21: Job Growth by Economic Sector

5-year change (2001-2006) in Pottawattamie County's compared to the US average



SOURCE: US Bureau of Economic Analysis (accessed via Moody's Analytics)



UNDERSTANDING LQs

A location quotient (LQ) is calculated as a local occupation's share of total local employment divided by the same occupation's share of employment at the national level:

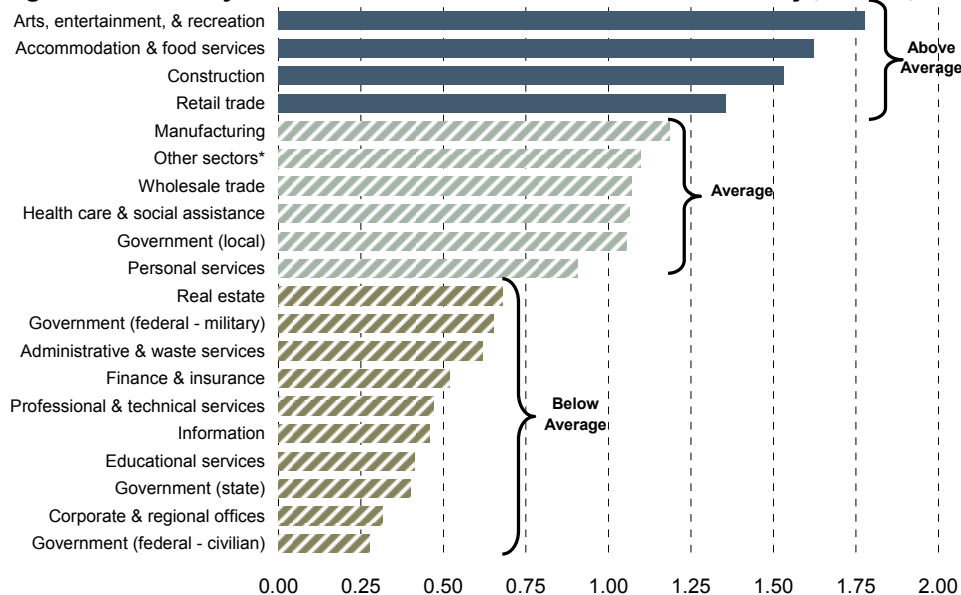
$$LQ = \frac{\text{Local jobs in occupation} / \text{Total local jobs}}{\text{U.S. jobs in occupation} / \text{Total U.S. jobs}}$$

If the local occupation and national occupation are perfectly proportional, the location quotient will be 1.00. If an occupation is heavily concentrated at the local level, then the location quotient will be higher than 1.00. Conversely, if the occupation is sparsely concentrated at the local level, the location quotient will be lower than 1.00.

Another method for analyzing a local area's employment base is through the use of location quotients (LQ). The text box left describes what a location quotient is and how it is calculated. Figure 22 below presents the Pottawattamie County's LQs for each of the major industry sectors. Relative to the U.S., Pottawattamie County has high employment concentrations in arts, entertainment, and recreation; accommodation and food services; construction; and retail trade. The two highest ranking sectors reflect the presence and influence of the three major casinos in the community.

Several professional and business services sectors show below-average location quotients in Pottawattamie County. This indicates a general area of economic weakness for the county, especially given the growing importance of these sectors to the nation's overall economy.

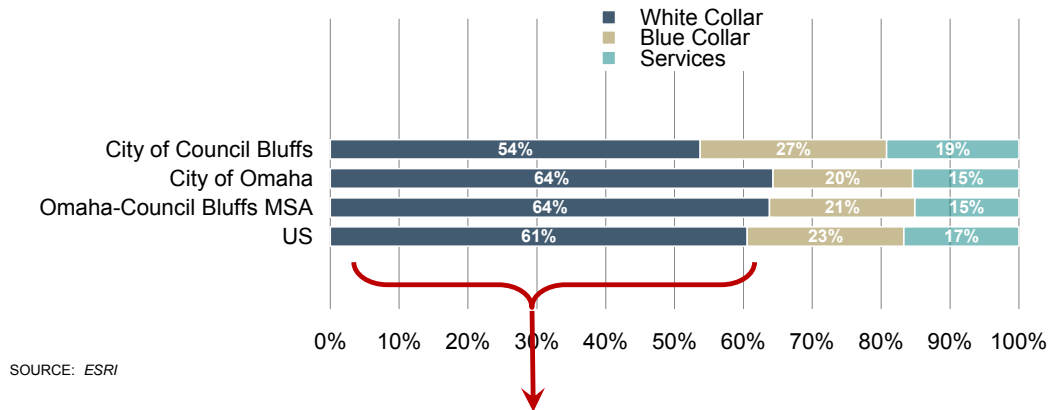
Figure 22: Industry Location Quotients for Pottawattamie County (US = 1.00)



SOURCE: US Bureau of Economic Analysis (accessed via Moody's Analytics)

*NOTE: Other (suppressed) sectors include agricultural services, oil/gas/mining, utilities, and transportation/warehousing



Figure 23: Occupational Distribution of Total Employed Population, 2008

Occupational Distribution

The occupational distribution of Council Bluffs is more concentrated in blue collar and service jobs than the rest of the region or the nation. Likewise, a smaller percentage of workers in Council Bluffs are employed in white collar occupations.

Figure 24 breaks down the distribution of white collar occupations for Council Bluffs, the region, and the nation. White collar workers in Council Bluffs are more concentrated in administrative support and sales occupations, and less so in management and professional occupations.

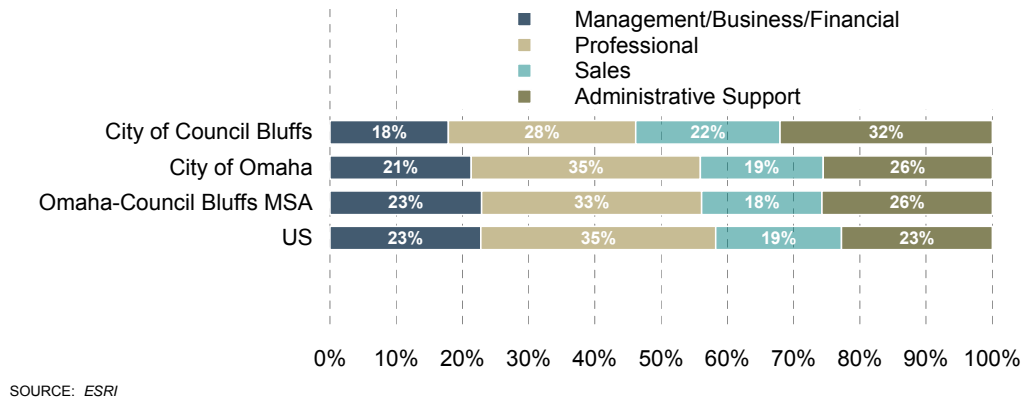
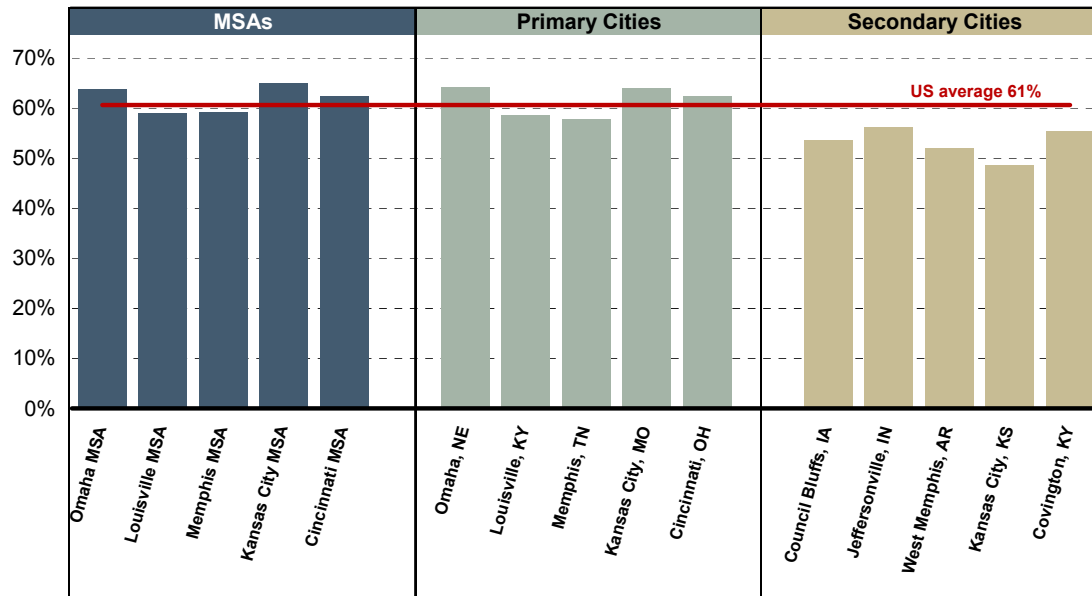
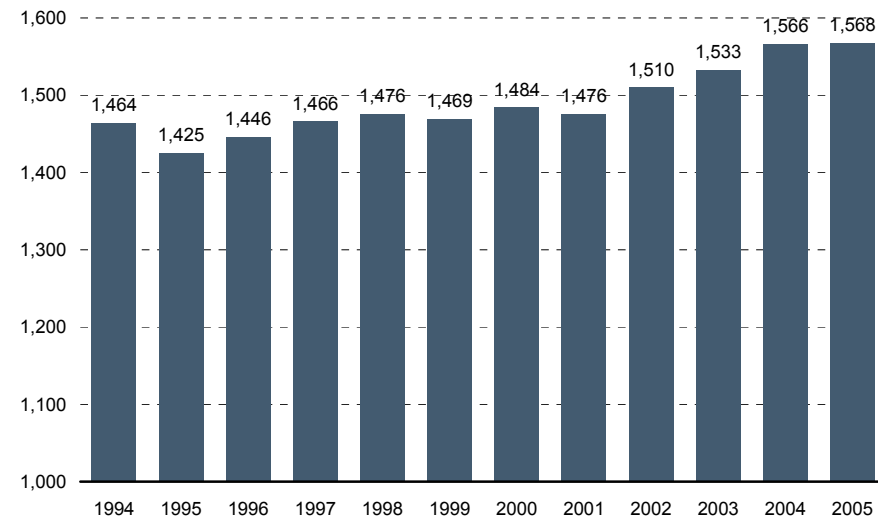
Figure 24: Occupational Distribution of Employed White Collar Population, 2008

Figure 25: White Collar Share of Employed Residents, 2008

SOURCE: ESRI

Due to the strong presence of insurance, finance, and information processing companies, Omaha and the MSA compare favorably in the share of white collar residents among the benchmark metropolitan areas. The percentage of white collar occupations in Council Bluffs falls in the middle among its peer cities.



Figure 26: Private-Sector Businesses in Council Bluffs*

SOURCE: US Census Bureau, ZIP Code Business Patterns (via Moody's Analytics)

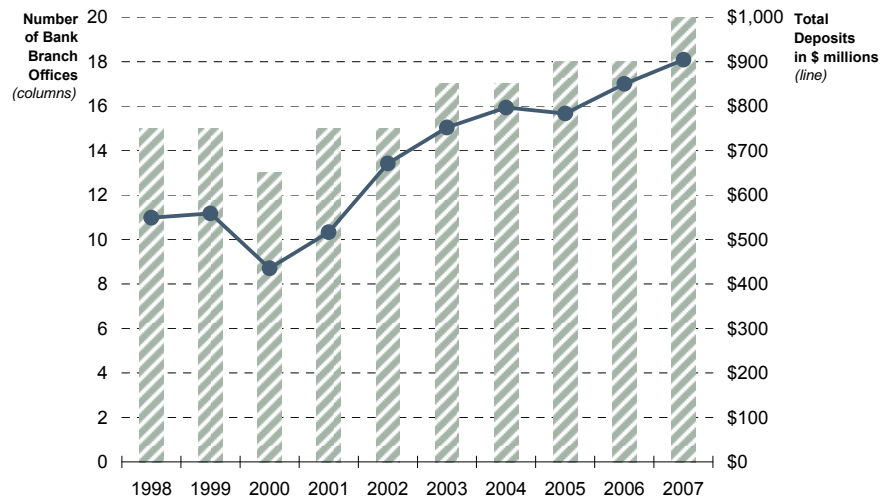
*NOTE: Establishment data represent zip codes 51501, 51502, & 51503; missing data for 1996 has been filled with a midpoint estimate

Business and Banking Growth

Other related measures of economic vitality in Council Bluffs include the expansion of new businesses and financial deposits.

While languid during the latter portion of the 1990s, the number of private-sector businesses in Council Bluffs grew by 6 percent between 2001 and 2005.

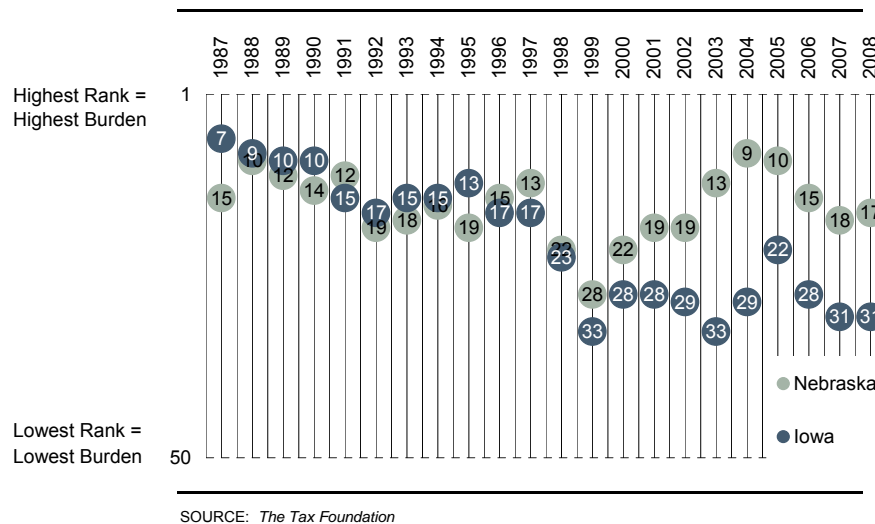
Similarly, both the number of bank branches and banking deposits rose steadily over the first seven years of the decade. The number of bank branches located in Council Bluffs increased by one-third to reach 20. Total deposits surged from \$517 million in 2001 to \$904 million in 2007, representing an increase of 75 percent.

Figure 27: Total FDIC-Insured Deposits in Council Bluffs*

SOURCE: FDIC Annual Summary of Deposits (via Moody's Analytics)

*NOTE: Data represent total deposits and branches within the 51501, 51502, & 51503 zip codes



Figure 28: Annual Ranking for Combined State/Local Tax Burden

State Tax Climate and Structure

To get a better sense of the regional business climate, TIP compared the combined state and local tax burden for Iowa and Nebraska. The state-local tax burden measures the percentage of income that taxpayers in each state pay in state and local taxes. Data tabulated by the Tax Foundation, a non-partisan tax education organization, was used to identify where each state ranks among the 50 states. For 2008, Iowa ranks 31 and Nebraska ranks 17 among the 50 states in highest tax burden. Iowa's tax burden ranking has come down over the last two decades, while Nebraska's has remained relatively steady. For 2008, the national average for combined state and local tax rate is 10.3 percent; Iowa's rate is 10.4 percent and Nebraska's rate is 10.9 percent.

Both states also fare poorly in the Tax Foundation's state tax climate index rankings for 2008. The index is intended to measure the "tax-friendliness" to business of a state's tax system. According to the organization, low ranking states have tax systems with "complex, multi-rate corporate and individual tax codes; above-average sales tax rates that exempt few business-to-business transactions; high state tax collections; and few institutional restraints on the level of taxation or spending." The organization ranks Iowa and Nebraska among the bottom 10 states, with Iowa (45) receiving a lower overall ranking than Nebraska (43). Individual indicators for which Iowa ranked poorly include corporate tax index and individual income tax index. These, of course, are issues over which local communities have very little control and are at the mercy of the state legislature.

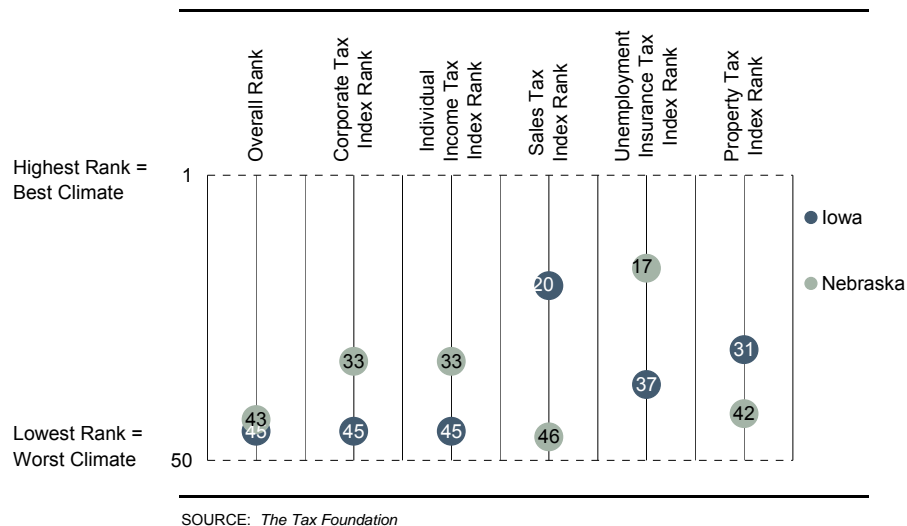
Figure 29: State Tax Climate Rankings, 2008

Figure 30 shows that among the nine different benchmark states, Iowa has the highest top personal income tax rate (9.0%) and top corporate tax rate (12.0%). The state does compare more favorably on state franchise tax and state sales tax rate.

Figure 30: Comparative Tax Structures Across State Lines, 2008

	Omaha		Louisville		Memphis		Kansas City		Cincinnati	
	NE	IA	KY	IN	TN	AR	MO	KS	OH	KY
Top Personal Income Tax Rate	6.8%	9.0%	6.0%	3.4%	6.0%	7.0%	6.0%	6.5%	6.6%	6.0%
Top Corporate Tax Rate	7.8%	12.0%	6.0%	8.5%	6.5%	6.5%	6.3%	7.4%	8.5%	6.0%
Top Franchise Tax	\$30,000 fee	\$45 fee	repealed	fin. inst. only	0.025% of stock	0.030% of stock	0.033% of stock	0.009% of stock	0.004% of stock	repealed
Sales Tax - State Rate	5.5%	5.0%	6.0%	6.0%	7.0%	6.0%	4.2%	5.3%	5.5%	6.0%
Sales Tax - Local Add-Ons	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Avg. Unemployment Insurance Tax Rate	1.6%	1.6%	2.7%	2.8%	1.7%	2.3%	2.2%	2.8%	2.8%	2.7%
Workers Compensation Rate (per \$100)	\$3.94	\$3.39	\$4.41	\$2.06	\$4.58	\$2.37	\$4.69	\$3.46	na	\$4.41
Right-to-Work State	Yes	Yes	No	No	Yes	Yes	No	Yes	No	No

SOURCE: Commerce Clearinghouse (CCH) Toolkit; Actuarial & Technical Solutions, Inc.; *Bankrate.com*; *state departments of revenue*; *Nebraska Department of Economic Development*;



RETAIL ANALYSIS EXECUTIVE SUMMARY

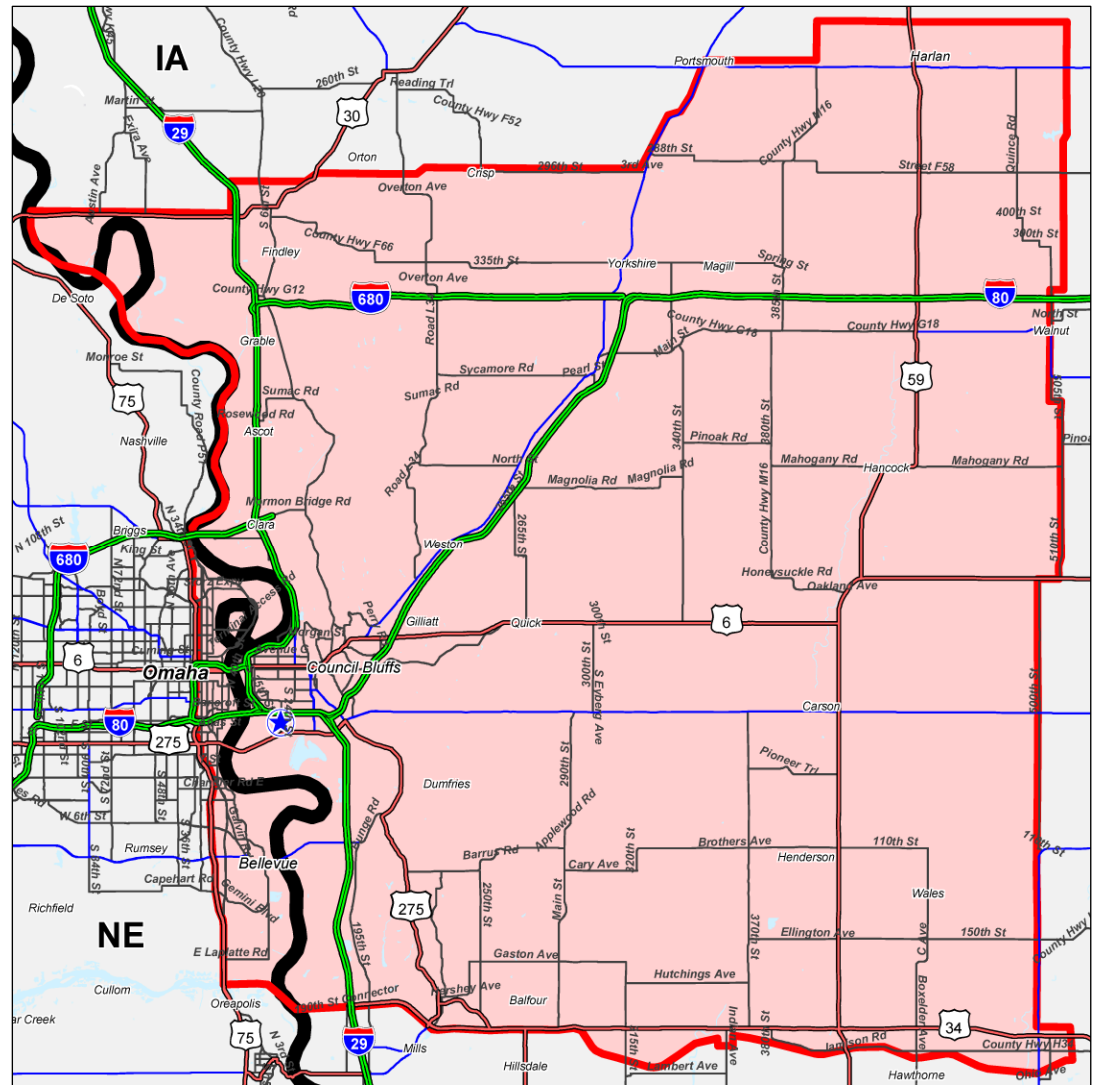
As part of the consulting team, the Retail Coach, LLC, was engaged to complete a retail study for the City of Council Bluffs, Iowa. The intent of this study was to provide a better understanding of Council Bluffs' retail sector in order to improve opportunities for existing retailers and to provide a foundation for attracting new retailers and restaurants to Council Bluffs. After speaking with retailers such as Bass Pro Shops, we were able to gain a better understanding of the retail dynamics of Council Bluffs. The study consisted of four phases:

- Primary & Regional Retail Trade Areas (RTA) Determination & Analysis
- Primary & Regional RTA Demographic Profiling
- Primary & Regional RTA Retail Gap (or "Leakage") Analyses
- Outlet Mall Study



PRIMARY RETAIL TRADE AREA

The primary retail trade area for Council Bluffs was determined to be approximately 196,876 persons. The profiled trade area boundaries extend west approximately 2 miles to include parts of Omaha, and south to the small Iowa communities of Balfour, Hillsdale, and Hawthorne. The boundaries then extend eastward to include the Walnut area. To the north/northeast the RTA includes Harlan, Portsmouth and Crisp areas. The exterior boundaries of the trade area were determined by personally driving the area road systems, cataloging area retailers & restaurants, interviews with community and governmental leadership and interviews with retailers and restaurants in Council Bluffs and other local communities.



PRIMARY & REGIONAL RTA DEMOGRAPHIC PROFILING

The following Demographic Profile Summaries provide a brief glimpse of the demographic makeup for the Council Bluffs Primary and Regional Retail Trade Areas.

Primary Retail Trade Area

Retail Trade Area Population	196,876
Average Household Income	\$54,397
Per Capita Income	\$21,344
Population by Race/Ethnicity	
White	82.50%
Black or African American	6.67%
Other	10.83%
Hispanic Origin	11.81%
Median Age	35.53

Regional Retail Trade Area

Retail Trade Area Population	905,815
Average Household Income	\$65,834
Per Capita Income	\$25,996
Population by Race/Ethnicity	
White	85.42%
Black or African American	7.08%
Other	7.50%
Hispanic Origin	6.93%
Median Age	35.76



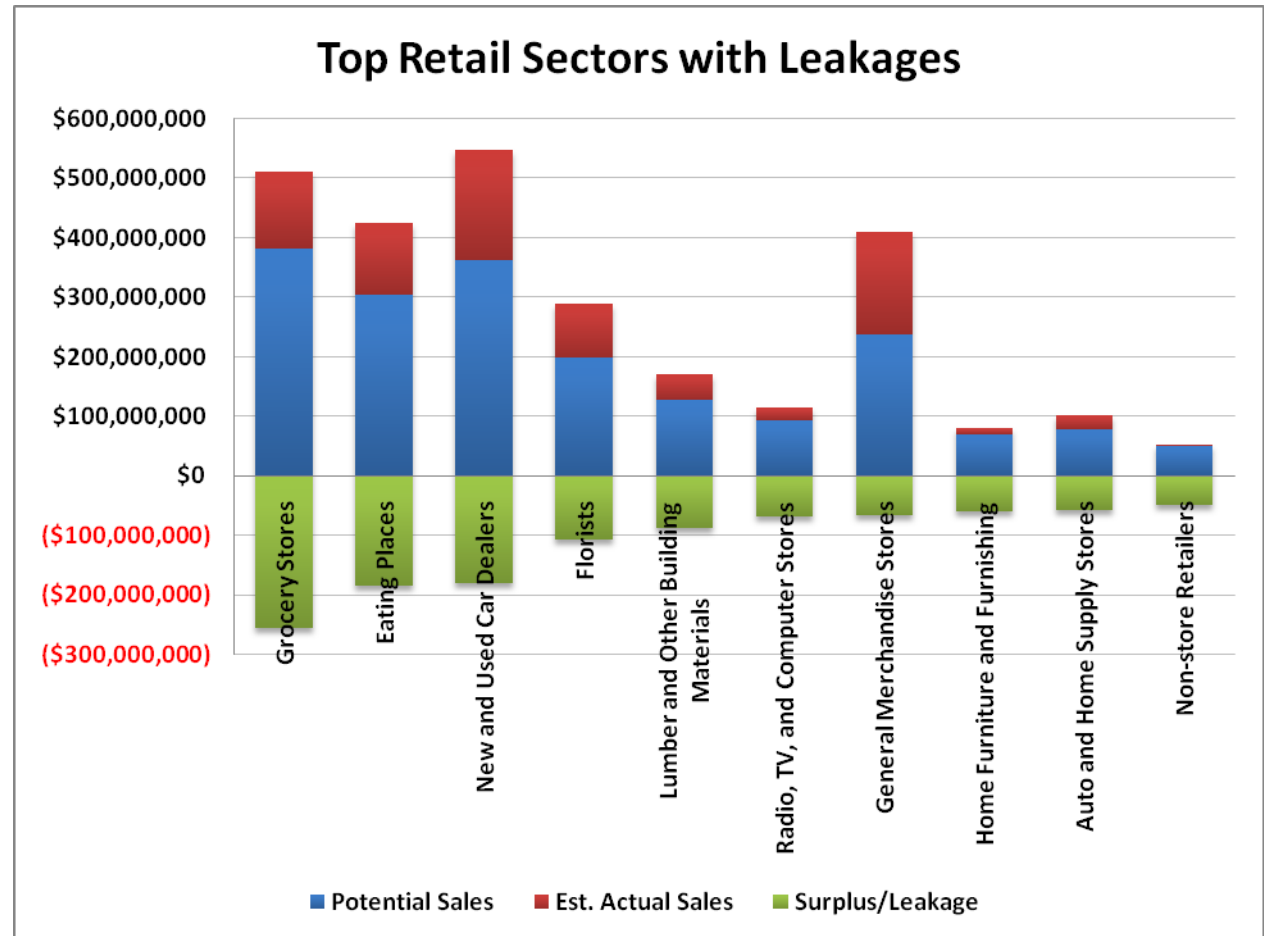
PRIMARY & REGIONAL RTA RETAIL GAP (OR “LEAKAGE”) ANALYSES

A Retail Gap (or “Leakage”) Analysis is the foundational tool used in developing a sound retail recruitment and development strategy. The information provided in these reports will enable Council Bluffs to:

- Identify specific retail sectors that are underserved.
- Identify which retailers can successfully fill these “gaps.”
- Identify retail opportunities for product or service expansion.

Primary RTA Retail Gap Analysis

According to the Primary RTA Retail Gap Analysis, Council Bluffs is leaking approximately \$1,416,521,000 of retail sales to neighboring communities. Of the 52 retail sectors studied (see the SIC Code Detail Listing and Council Bluffs Retailer Listing in the appendices for descriptions of these sectors), Council Bluffs shows only two with sales surpluses: Recreational vehicle Dealers and Motorcycle Dealers. The chart right reflects some of the retail sectors that have major leakages.



Regional RTA Retail Gap Analysis

According to the Regional RTA Retail Gap Analysis, Council Bluffs is leaking approximately \$13,299,890,000 in retail sales to neighboring communities in the larger region surrounding Council Bluffs. The chart right reflects some of the retail sectors that have major leakages.

