



In The Corridor

February 2012



Serving Mason City, Clear Lake and Cerro Gordo County

A quarterly publication of the North Iowa Corridor Economic Development Corp.

A time of transition

EDC merger complete

The North Iowa Corridor EDC recently announced the completion of its formal merger with the Clear Lake EDC and the Mason City EDC, folding economic development efforts throughout Cerro Gordo County into a single public/private entity.



Heralding the results of an organizational alliance initiated nearly three years ago, economic development leaders from the area characterized the merger transaction as a final step in a more than decade-long effort to unite the economic development efforts of Mason City and Clear Lake, which sit only eight miles from one another and serve as regional trade centers.

“We are simply a better, more competitive product together than apart,” said Corridor President Randy Cram, who oversaw the merger as a

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Office relocation set

Corridor staff members are preparing to change locations on March 1. Continuing to lease space from the Mason City Chamber of Commerce, the Corridor



office will re-locate to the North Iowa Regional Commerce Center at 9 North Federal.

The Commerce Center will house Main Street Mason City and the North Iowa Builders Exchange in addition to the Corridor and the Chamber.

“We are looking forward to operating from this newly updated facility,” said Corridor Executive Director Brent Willett.

Computers and phones are expected to be down on March 1 but fully operational by the 2nd. The office phone number will remain the same (641-423-0315).

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Landfill rejects CES contract; Red Power grows

Creative Energy Systems (CES), a company interested in building a \$35 million, 50+ job waste-to-energy facility in Mason City will now be looking elsewhere due to the Landfill of North Iowa (LNI) rejecting a proposed contract with CES at their February 2 meeting.

In order to make their business viable, CES would have required an agreement to divert municipal solid waste from LNI to their facility, where they would have converted it into electricity, which would have been sold to Alliant Energy.

This development occurs on the heels of CES receiving approval from the Mason City Zoning Board of Adjustment for a conditional use permit, which included thirty conditions, requiring constant emissions monitoring and reporting as well as adherence to immediate state and federal environmental regulations [eliminating the possibility of grandfathering].

“We felt strongly that this project provided a significant opportunity for North Iowa by not only traditional measures like job creation and capital investment, but also through its potential to grow our region’s renewable energy industry cluster capabilities,” Corridor Executive Director Brent Willett said. “We were disappointed in the decision by the landfill board and feel the landfill was presented a fair and exceptionally well-structured contract agreement for consideration. As it stands, however, the board elected not to become an early adopting pioneer in what is near-universally recognized as an emerging waste handling technology. We thank them for their consideration.”

Red Power expands in County

Red Power, an implement dealer in Cerro Gordo County between Mason City and Clear Lake, has begun work on an expansion to the west of their current Hwy. 122 location.

Cerro Gordo County has approved a five-year tax abatement to off-set some of the necessary infrastructure improvements.

As a result, the County is working toward establishing a tax increment financing (TIF) district immediately west of Mason City.

In Other News...

JPEC Micro Enterprise Program moves forward

In January the Mason City City Council approved an agreement with the John Pappajohn Entrepreneurial Center (JPEC) at NIACC to create and administer the Micro Enterprise Program.



The program, which will be launched in the upcoming months, is designed to help retain, grow and develop small businesses in Mason City. It will provide eligible businesses with up to 50% of their associated property tax payments in payments as reimbursement for additional staff or for goods and services purchased within the city limits.

The City of Mason City will provide \$10,000 to the JPEC to create and administer the program. The City is providing up to \$150,000 in total direct grant aid to microbusinesses within city limits. The City will act as the disbursing agent to the program participants and will provide oversight of the reimbursement process. JPEC will serve as administrator of the program, determining eligibility of applicants and approving reimbursement of approved expenses.

Applicants for the program must meet the following guidelines for eligibility:

- Be a for-profit business
- Have fewer than nine full-time employees in the 12 months prior to entering the program
- Be located within the city limits of Mason City. Home-based businesses are not eligible.
- Will have been in business less than five years or have under \$500,000 in annual revenues.

For more information about the Micro Enterprise Program, contact the JPEC at 641.422.4111.

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EDC, Chamber to host Business Leaders Lunch

The Mason City Chamber of Commerce and North Iowa Corridor EDC are teaming up to host a Business Leaders Luncheon from 12:00-1:00pm on Friday, March 2 at the North Iowa Regional Commerce Center, 9 N. Federal in Mason City. Guest speakers will be John Stineman from the Iowa Chamber Alliance and Craig Patterson from Professional Developers of Iowa. Stineman and Patterson will share their perspective on pending legislation and the potential impact to business.

All employees of chamber member or EDC investor businesses, as well as North Iowa Connect members, are invited to attend. Please register in advance by calling 641.423.5724 or e-mailing chamber@masoncityia.com. The cost is \$8 to

cover lunch.

ABOUT THE SPEAKERS

Craig Patterson is in his 11th legislative session in 2011, also his eighth as PDI's Lobbyist. As a partner at Campbell/Patterson Consulting, he lobbies for 10 clients representing a variety of professions, from volunteer firefighters to community health centers to economic developers. Patterson graduated from the University of Arizona in his hometown of Tucson with degrees in Political Science and Sociology.

John Stineman has been a public affairs and marketing consultant for the last twelve years and

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Want to get connected...

NORTH IOWA
CONNECT

during which a local business leader addresses the group.

Know any young people who have just moved to the area or are looking to get more involved in the community? Direct them to North Iowa Connect!

North Iowa Connect provides professional development and social activities to create a more connected and dynamic area for tomorrow's leaders.

Some of North Iowa Connect's events include:

Dinner Connect: A monthly informal dinner at a pre-arranged restaurant in Mason City or Clear Lake. (Each attendee is responsible for his/her expenses.)

BLT (Bigwig Lunch Talks): A monthly brown bag lunch

Business After Hours: A partnership with the Chambers of Commerce in Mason City and Clear Lake. Connect members come to the Chambers' Business After Hours events, and North Iowa Connect leaders help them meet people and become more comfortable in a business networking setting.

City Council 101 Meetings: On a quarterly basis, Connect leaders conduct a meeting immediately prior to a City Council meeting, during which copies of that night's agenda are available and Connect leaders brief attendees about meeting procedures.



Dinner Connect provides a great opportunity to get together with friends and meet new people.

Event Connect: A different social outing every other month, like miniature golfing, bowling, etc. (Each attendee is responsible for his/her own expenses.)

For more information, please visit NorthIowaConnect.com, find the group on Facebook, or email info@NorthIowaConnect.com. Membership is free.

From the Director...

By Brent Willett, NICEDC Executive Director

Nationally, rapt attention is being paid by the chattering class and by everyday Americans on federal political and legislative issues and processes, from debates over job creation and environmental stewardship evidenced by the controversy surrounding Keystone XL pipeline issue to a clash of personalities and priorities seen in the current Republican presidential primary fight.

Partisan gridlock is awesome fodder, especially when it's complemented by trillion dollar deficit quarrels which focus on how many reams of paper your congressman went through last year and members of congress refusing TSA pat downs. Our national political conversation seems a bit small in the face of all this, doesn't it?

At our state's level of government, while the disagreements and philosophical divides are no less intense in some instances, much work is underway and issues critical to the growth of our regional and state's economy are at the forefront. And unlike the outlook for our federal political process, major things highly germane to economic development are expected to get done in the Iowa Legislature this year- good and bad.

From commercial property tax reform to tax increment financing reform to the core funding of our state's economic development efforts- the 84th Iowa General Assembly is poised to leave and enduring mark on

this state's ability to compete globally for job creation projects.

Commercial Property Tax reform: Governor Branstad as well as the Iowa House have released separate bills targeting major commercial and industrial property tax rollbacks in an effort to position Iowa's commercial and industrial property tax rates. While both bills reach a 40% rollback for the commercial and industrial property tax classes, the House bill [HSB 500] implements the reduction over a

“From commercial property tax reform to tax increment financing reform to the core funding of our state's economic development efforts- the 84th Iowa General Assembly is poised to leave and enduring mark on this state's ability to compete globally for job creation projects.”

span of fourteen years and the Governor's would see the full rollback by year eight. Among other disparities, the Governor's bill [HSB 519] provides some backfill relief for local governments, which the House bill does not. There is no Senate bill yet.

It is important to address Iowa's relative lack of competitiveness regarding commercial and industrial property tax rates- indeed, Iowa ranks in the 40s nationally among state levy rates- while ensuring the preservation

of local government service models. There's a way to get there.

While it is dangerous to assume local communities should be expected to be made full whole by way of a property tax rollback, it is correspondingly dangerous to assume that growth and growth alone will pace backfill at a sustainable rate statewide. Last year, the Professional Developers of Iowa advocated for a compromise position resting in the huge gulf between House and Senate property tax bills at the end of the session.

The bottom line is the fact that nowhere in the world will you find a growing, healthy regional, state or national economy that is without an exceptionally strong private sector working with an intelligent, capable public sector. This year's property tax fight should embrace this truth at each turn.

Tax Increment Financing: The practice of utilizing tax increment financing, or TIF to motivate development in cities and counties as a way to capture growth in property tax revenue to pay for city or county investments in new development projects has come under intense scrutiny from lawmakers this



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session, some of whom see the tool as being an unchecked and unnecessary boondoggle for local communities.

The fact is TIF is the only tool in the proverbial toolbox of economic development in Iowa which has allowed major projects in Mason City and Clear Lake to happen through the extension of infrastructure to sites and to create tax-related incentives to spur growth.

The Iowa House and Iowa Senate each have released study bills on TIF [HSB 54; SSB 3118] which both seek to reign in local communities' ability to deploy the tool, but do so at significantly differing scales. The House bill would shred TIF and render the tool virtually useless until it is phased out all together in about fifteen years. It proposes vast changes to TIF, including ending the school backfill and the availability of the \$5.40 increment altogether, elimination of use of the tool for public projects and providing veto power over every project to each taxing body. The Senate bill proposes significant changes to the law, but is much more moderate in its approach.

Outcome on TIF is highly uncertain at this stage of the session, but it is important to stress how incredibly crucial this tool is to communities and regions like North Iowa. As I said to a legislator the other day, there is simply no Plan B if TIF is significantly weakened; there is not another tool in the toolbox for Iowa communities to leverage growth.

IEDA priorities:

The Iowa Economic Development Authority, newly reorganized via last year's legislation to create a public-private partnership model for the agency, is pursuing an aggressive legislative agenda with priorities critical to our own economic development efforts here in North Iowa. Most importantly, Governor Branstad has included in his budget a \$25 million appropriation for IEDA to utilize for programming and project assistance awards.

Some legislators have scoffed at the price tag, but it is critically important to understand the field upon which Iowa competes for projects. Just last week,

the Ohio legislature authorized a plan which will see \$100 million annually appropriated to that state's new private economic development agency. The state of New York is moving forward on a billion-dollar [with a 'B'] economic development plan. Last week the Nebraska legislature advanced a plan to allow public power districts to set special, lower economic development rates on electricity to attract more telecommunication companies to the state [something we can't do in Iowa].

The list goes on. \$25 million sounds like a lot, but it's merely a ticket to play in the business of global competition. We urge the legislature to fund this request.



IEDA is also pursuing legislation to create assistance mechanisms for Iowa companies to convert to employee stock option plans [HF2085] in order to allow more Iowa companies to remain locally-owned upon the exit of a founder or major shareholder.

In addition, the Authority has announced plans to pursue targeted tax incentives programs designed to assist in the attraction of supply-chain investment.

All told, at this stage it is an Iowa legislative session which could result in being highly beneficial to job creation in our state or could as likely become one which is highly damaging.

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worked in the public affairs/political sector for seventeen. John specializes in strategy and strategic planning, market segmentation and business development initiatives as well as public affairs/issue management. Over the course of his consulting career, John has been privileged to work for such notable clients as AT&T, Verizon, McDonald's, Pfizer, Novartis and the American Medical Association. He is frequently quoted in the news as a political analyst and Iowa Caucus veteran. John was in The Des Moines Business Record's "Forty Under 40" class of 2011 and lives in West Des Moines with his wife and two children.

Merger — continued from page 1

member of a task force named to facilitate the effort.

Mason City EDC President Dennis Reidel, also a member of the merger task force, added, “The days of parochialism in economic development are gone. To win in the business of job creation today for this region, the North Iowa Corridor is the right group to lead a unified effort, which is why the Mason City EDC board unanimously endorsed this merger.”

As a result of the merger, the North Iowa Corridor EDC emerges as the largest economic development organization in the region, representing a market of more than 45,000 people featuring diverse interstate commerce, agricultural and retail economies.

Clear Lake EDC President Dave Ricken said, “When we interface with new or existing businesses considering growth in our region, municipal or other geographic boundaries are of little importance to their decision-making process.

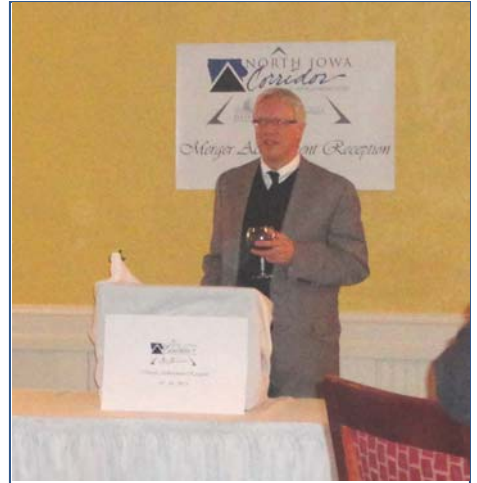
“The Clear Lake EDC fully endorsed and executed this merger because we are, as has been said many times before, better together than apart.”

Members of the existing Corridor board of directors will remain in their immediate roles and will begin transitions to a new appointment schedule in 2013, Cram said, adding that existing Corridor staff will also remain in place. Structural funding of the new Corridor will continue in its

current form, which includes support from private investors as well as from the City of Mason City, City of Clear Lake and Cerro Gordo County.

A regional, public/private economic development model has been in development for many years, first finding firm structure in the 2003 formation of the North Central Iowa Growth Partnership, which was created to jointly market the Mason City and Clear Lake economies for projects. In 2008, the Mason City EDC and Clear Lake EDC folded their organizational efforts into the NCIGP, but retained separate boards of directors and governance structures. The North Iowa Corridor, successor to the NCIGP, now represents the successor entity to the two other EDCs.

“Day one, we become immediately more operationally, administratively and fiscally efficient,” said Willett when asked



Corridor Board President Randy Cram addresses the crowd at the Merger Achievement Reception on January 24.

about immediate impacts of the merger. “Day two, we realize significant economies of scale and begin to leverage a regional footprint. From there, it’s about delivering results.”

More information on this merger is available in the Special Edition of *In The Corridor*, available at NorthIowaCorridor.com.

RLF coverage territory grows

The recent merger of the North Iowa Corridor Economic Development Corporation with the Mason City EDC and Clear Lake EDC has resulted in the economic development revolving loan fund previously administered by the MCEDC being regionalized and becoming accessible to qualified businesses throughout Cerro Gordo County, including Clear Lake. The loan fund was previously available only to Mason City companies.

“The benefits gained through unification of the economic development efforts of the whole of Cerro Gordo County is well-represented by the regionalization of the revolving loan fund,” Brent Willett, Corridor Executive Director, said. “Now, qualifying projects which meet RLF standards may be assisted by the fund throughout the Corridor region.”

Capitalized in 1993 through the

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2011 BRE program completed

Corridor staff recently wrapped up its 2011 Business Retention & Expansion (BRE) program, presenting a final report at the December Board of Directors meeting.

This program serves as the cornerstone of the Corridor's programming, as studies show that approximately 80% of growth comes from existing businesses.

The Corridor's 2011 program included a survey to leading industries, follow-up visits by Corridor staff with company top executives, "Team Visits" by a group of local stakeholders, and meetings with local entities to convey feedback from companies.

Survey data collected from 52 leading Mason City and Clear

Lake businesses was used to initiate support efforts directly to businesses and in aggregate form to inform the Corridor of local business climate. A report featuring this data was released in June and is available at NorthIowaCorridor.com.

Corridor staff met with 33 companies individually to identify local business needs and provide additional support.

In addition, the Corridor continued "Team Visits" which were originally introduced in 2010. This initiative includes visits to select companies by a team of leaders from that community. In 2011 there were nine Team Visits completed.

Corridor Executive Director Brent Willett and Project Manager Erica Genise as well as Terry

Schumaker from NIACC participated in visits both in Clear Lake and Mason City. In Clear Lake, they were joined by Mayor Nelson Crabb, City Administrator Scott Flory and then-Chamber Executive Director Gary Bright. The Mason City team included Mayor Eric Bookmeyer, City Administrator Brent Trout, and Chamber Executive Director Robin Anderson.

In total, the Corridor was able to identify many company-specific issues and are in various stages of assisting. In addition, staff received feedback on a number of more general items, which impact the local business climate in total, and are assimilating that information in creating the Corridor's forthcoming strategic plan.

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charitable contributions of Mason City individuals and businesses, the loan fund was created to promote increased economic activity and growth primarily through the location of new industry or expansion of existing business, with quality job creation and retention the primary goal.

The Corridor Revolving Loan Fund is administered by an independent board of trustees and serves as a gap financing resource for growing primary-sector businesses. It is not intended to compete with other available sources of funding, but rather to provide money necessary to leverage those resources.

Tertiary sector businesses, including those in the retail, entertainment and hospitality industries, do not qualify for the Corridor RLF, but may qualify for the Corridor's Small Business RLF, a separate fund.

Willett said the fund has been used to leverage existing industry growth as well as to assist in the attraction of new business to North Iowa, including Sunny Fresh Foods, Inc., now Cargill Kitchen Solutions, which today employs over 125 people in Mason City.

He added that without the generous contributions of the original seeders of the fund and sound management, this announcement would not be possible.

"The contributors to this fund made an investment in the betterment of North Iowa, and the excellent management of a series of highly capable trustee boards have positioned the Corridor RLF to be one of the strongest in the region," Willett said.

For more information, please contact Willett at bwillett@northiowacorridor.com or 641.423.0315.

“Business Success” seminar offered

Ag Ventures and Iowa Farm Bureau’s Renew Rural Iowa are teaming up with the John Pappajohn Entrepreneurial Center, North Iowa Corridor EDC and ISU’s Center for Industrial Research and Service (CIRAS) to offer a workshop designed to help anyone who wants to grow their business.

The “Business Success” seminar features Curt Nelson, author and president of the Entrepreneurial Development Center in Cedar Rapids. He will present “The Recipe for Business Success” on February 15 at the Muse-Norris Conference Center at NIACC.

The program runs from 8:30am-3:00pm, followed by time for networking. There is no charge to attend, thanks to the Iowa Farm Bureau, Ag Ventures and

other sponsors. Advanced registration is encouraged.

This workshop has proven beneficial for people with an idea, those in start-up phase, as well as business owners looking to innovate and grow. Over 2,000 Iowans have rated this workshop with outstanding marks and several have returned more than once.

This is an interactive workshop filled with examples and case studies with an opportunity to score your own business or idea.

Do you need help taking your business to the next level – or finding appropriate talent or funding?
Then this is the seminar you've been waiting for!

SAVE THE DATE!
Iowa Farm Bureau's Renew Rural Iowa Business Success Seminar
February 15, 2012
Muse - Norris Conference Center
Mason City, Iowa

Accelerate Your Business Success
Seminar Features - The Recipe for Business Success™
Presenter: Curt Nelson, Author and President, Entrepreneurial Development Center, Inc. (EDC)
Baking & Business 101 takes you through an insightful look at what defines successful business ingredients and how to create them. You'll learn how to assemble a balanced and talented leadership team, understand the definition and value of a true business leader, and learn what resources are critical to the overall success of your business.

In association with:

For more information visit us online at www.renewruraliowa.com.

The seminar offers an insightful look at what defines successful business ingredients and how to create them.

To register or for more information, please visit RenewRuralIowa.com or call 800-254-9670.

Other News – continued from Page 2

Great Lakes Airlines to serve North Iowa

Great Lakes Airlines has been approved by the U.S. Department of Transportation to serve the Mason City Airport for the next two years.

Expected to begin service this spring, Great Lakes Airlines will utilize a Beech



1900D 19-seat twin engine turboprop aircraft and is expected to provide four daily arrivals and departures to the Minneapolis/St. Paul International Airport.

The MC Airport Commission recommended Great Lakes out of three carriers that submitted proposals to succeed Delta, which announced last year that it would withdraw its service to Mason City.

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