

NORTH IOWA AREA COUNCIL OF GOVERNMENTS
REGION 2
OF THE IOWA ASSOCIATION OF REGIONAL COUNCILS

**Comprehensive
Economic
Development
Strategy**



PREPARED BY NIACOG AND
THE CEDS STRATEGY COMMITTEE

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NIACOG CEDS



A. Background: Current Conditions

1) Economy

The NIACOG (Region 2) Area acts as a fairly independent, but smaller, regional economy or Micropolitan area with its own job centers and retail activity. This section of the CEDS report will focus on several aspects of the regional economy including both historic trends and comparisons with state and/or federal statistics. Specific elements of the economy that will be discussed include:

- a) Income
- b) Wages
- c) The Farm Economy
- d) Retail Sales
- e) Business Development

a) Income

Income Executive Summary: Even after adjustment for inflation, personal income in the NIACOG region rose by 31% between 2005 and 2012. Every county in the NIACOG region experienced an increase in per capita income. Per capita income for the NIACOG region (\$47,548) exceeded both statewide (\$43,935) and federal (\$43,735) levels by a notable margin of 8%.

As documented in the following table, personal income for the NIACOG region increased from \$4 million in 2005 to \$6 million in 2012. With an inflation adjustment of 18%, the effective increase in overall personal income was 31%. Personal income is defined as including the sum of compensation of employees (received), supplements to wages and salaries, proprietors' income, personal income receipts on assets, and personal current transfer receipts, less contributions for government social insurance.

Personal Income: Total & Per Capita

County	Per Capita Income		Population		Total Personal Income (1,000's)			Adj. For Inflation
	2005	2012	2005	2012	2005 (1,000's)	2012 (1000's)	Change	
Cerro Gordo	32,790	45,497	44,594	43,788	\$ 1,462,237	\$ 1,992,223	36%	18%
Floyd	28,731	39,003	16,453	16,056	\$ 472,711	\$ 626,232	32%	14%
Franklin	31,707	52,652	10,759	10,554	\$ 341,136	\$ 555,689	63%	45%
Hancock	30,920	47,514	11,758	11,134	\$ 363,557	\$ 529,021	46%	28%
Kossuth	34,358	63,360	16,181	15,346	\$ 555,947	\$ 972,323	75%	57%
Mitchell	28,738	53,267	10,872	10,725	\$ 312,440	\$ 571,289	83%	65%
Winnebago	27,460	40,192	11,360	10,600	\$ 311,946	\$ 426,035	37%	19%
Worth	26,146	40,570	7,755	7,519	\$ 202,762	\$ 305,046	50%	32%
Region	\$31,008	\$47,548	129,732	125,722	\$ 4,022,736	\$ 5,977,857	49%	31%
Iowa	\$32,204	\$43,935	2,965,524	3,074,186	\$ 95,501,735	\$ 135,064,362	41.4%	23.4%
U.S.	\$35,452	\$43,735	296,507,061	316,128,839	\$10,511,768,327	\$13,825,894,774	31.5%	13.5%

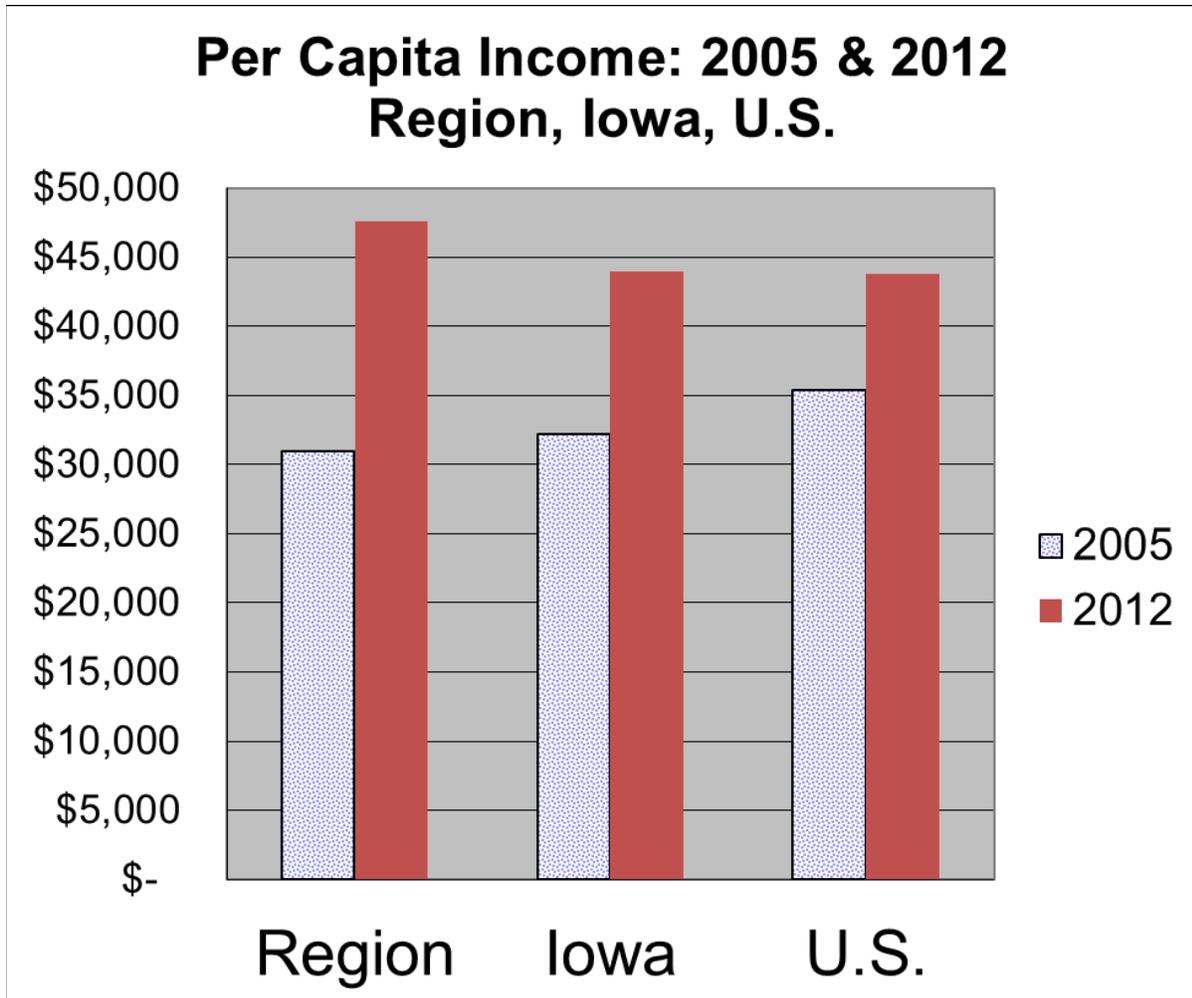
Notes/Sources:

1. Per Capita Income Source: U.S. Bureau of Economic Analysis, as compiled by the Iowa Community Indicators Program of ISU, November 2013 release, <http://www.icip.iastate.edu/tables/income/per-capita-income>
2. Population Estimates: Annual Estimates of the Total Population for Counties, U.S. Census Bureau, as compiled by the Iowa Community Indicators Program of ISU, <http://www.icip.iastate.edu/tables/population/popest-counties>
3. Inflation rates reported by the Bureau of Labor Statics for the U.S. were 195 in 2005 and 230 in 2012 for an increase of 35 points (18%). Source: U.S. Department Of Labor, Bureau of Labor Statistics, January 16, 2014, <ftp://ftp.bls.gov/pub/special.requests/cpi/cpi.ai.txt>

As illustrated by the chart above, per capita income increased for the region from \$31,008 to \$47,548 (a 49% increase). When reduced by 18 percentage points to adjust

for inflation, the statistics still show a 31% increase in per capita. Particularly notable increases of over 45% occurred in Franklin County, Kossuth, and Mitchell County. Unlike 2005, in 2012 the per capita income for these counties exceeded the per capita income of Cerro Gordo County, which is the center for much of the business and retail for North Central Iowa. This may illustrate the strong farm economy and successfulness of value added industries in the rural sectors of the region.

Per capita income also increased for the United States and Iowa, but by a lesser degree for both.



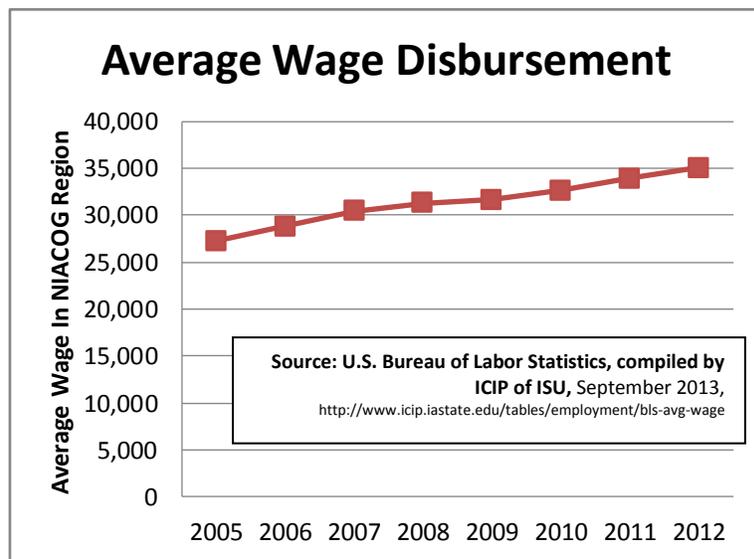
Per Capita Income Source: U.S. Bureau of Economic Analysis as compiled by the Iowa Community Indicators Program, November 2013, <http://www.icip.iastate.edu/tables/income/per-capita-income>

In 2005 the NIACOG region's per capita income was less than the per capita incomes for Iowa and the U.S. as illustrated in the graph above by the speckled bars. However, the 2012 per capita income for the NIACOG region (\$47,548) exceeds that for both the State (\$43,935) and U.S. (\$43,735) as illustrated by the solid bars in the graph above.

b) Wages

Wages Executive Summary: Steady wage increases were experienced by the region from 2005 to 2012. With inflation adjustment, wages increased 11% for the region, during the period. That increase was more than that of the State and Nation, but despite these gains the average wage in the region (\$35,001) remains substantially less than average wage for the State and Nation by 13% and 30%, respectively. Manufacturing, Education/Health Services, and Local Government make up the largest share of wages. All sectors experienced healthy increases in gross wages, except for a 13% decline in the construction industry.

The steady increase in gross wages from 2005 to 2012 resulted in a 29% increase in average wage disbursements for the NIACOG region. This positive change is illustrated by the 'Average Wage Disbursement' chart to the right. However, to get an accurate picture of the change we must remove 18 percentage points for inflation, leaving a notable improvement of 11% in real dollars during the 7 year period. (Please note that the wage and salary disbursements included in these figures are the "monetary remuneration of employees, including commissions, tips, bonuses, and receipts in kind, or pay-in-kind, such as the meals furnished to the employees of restaurants" and do not include self-employment, farm income, etc.)



This increase in 'regular wage' is one of the contributing factors toward the increase in increase in per capita income illustrated in the previous section of this report (A.1.a. Income).

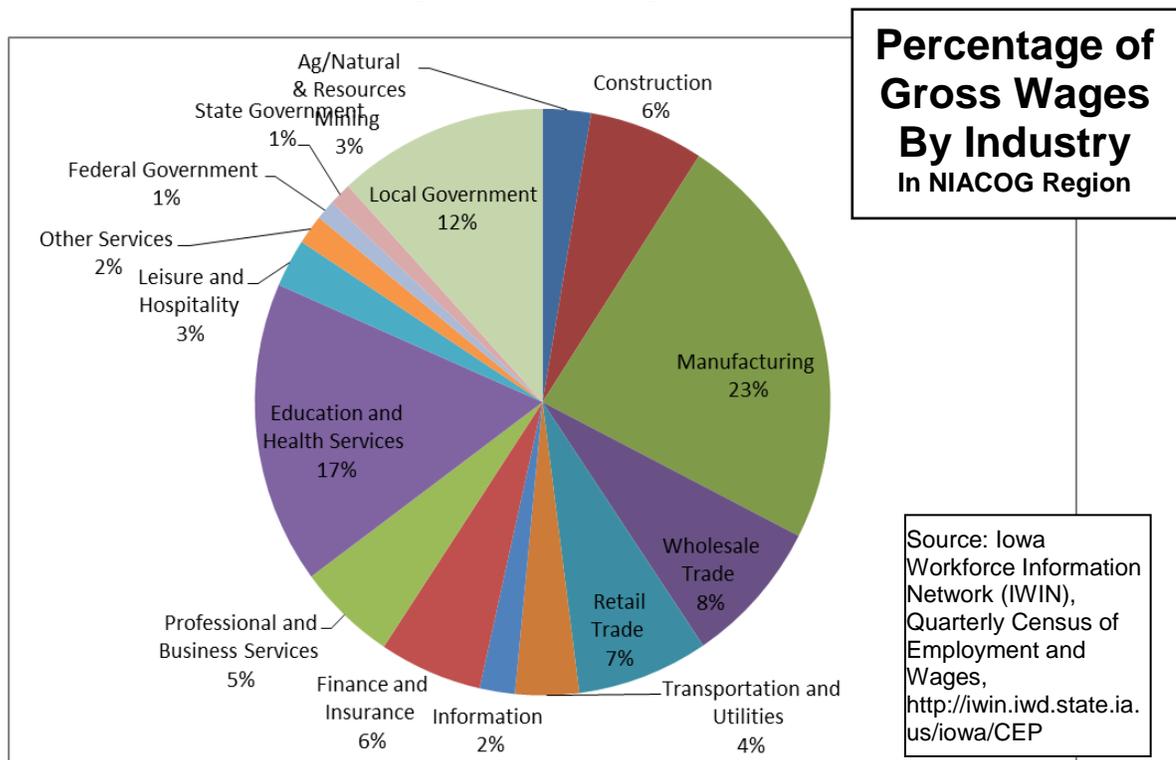
Similar to the per capita income comparison, average wage growth for the NIACOG region (29% increase) outpaced the state (22% increase) and the nation (22% increase) in its growth in average wage disbursement. Despite this gain, the average wage per job is still substantially less for the NIACOG region (\$35,001), when compared to the State (\$40,343), and for the nation (\$49,808). This is true for every County in the NIACOG region.

By comparison, the average wage per job in the NIACOG region is 13% less than the statewide average, and 30% less than the national average. This is helpful for recruitment of businesses, but creates general difficulties with encouraging people to stay in the area or move to the area for employment, which can contribute substantially to population loss.

Average Wage and Salary Disbursements Per job in Nominal Dollars (not adjusted for inflation) (\$)								
	2005	2006	2007	2008	2009	2010	2011	2012
Cerro Gordo County	30,177	31,261	32,346	33,213	34,041	34,978	35,665	36,747
Floyd County	26,577	28,412	29,629	31,156	31,352	32,680	34,235	35,869
Franklin County	27,472	29,522	30,791	31,882	32,274	34,519	35,559	36,366
Hancock County	30,278	32,982	34,313	33,956	33,314	34,660	36,014	38,495
Kossuth County	26,638	27,952	29,425	30,379	30,741	31,824	34,078	35,875
Mitchell County	26,634	28,350	30,461	31,586	33,113	33,101	34,220	34,845
Winnebago County	25,259	26,732	29,411	29,679	29,660	30,298	31,110	31,767
Worth County	24,825	25,305	26,902	28,660	28,856	28,772	30,251	30,043
NIACOG Region	27,233	28,815	30,410	31,314	31,669	32,604	33,892	35,001
State of Iowa	33,070	34,320	35,738	36,964	37,158	38,146	39,204	40,343
United States	40,807	42,703	44,692	45,778	45,767	46,982	48,301	49,808

Source: U.S. Bureau of Labor Statistics, Compiled by ICIP of ISU, September 2013 Release, <http://www.icip.iastate.edu/tables/employment/bls-avg-wage>

The chart below illustrates 'Gross Wages By Industry In The Region' in the 4th Quarter of 2012. On the chart you will find that Manufacturing, Education/Health Services, and Local Government make up the largest share of wages.

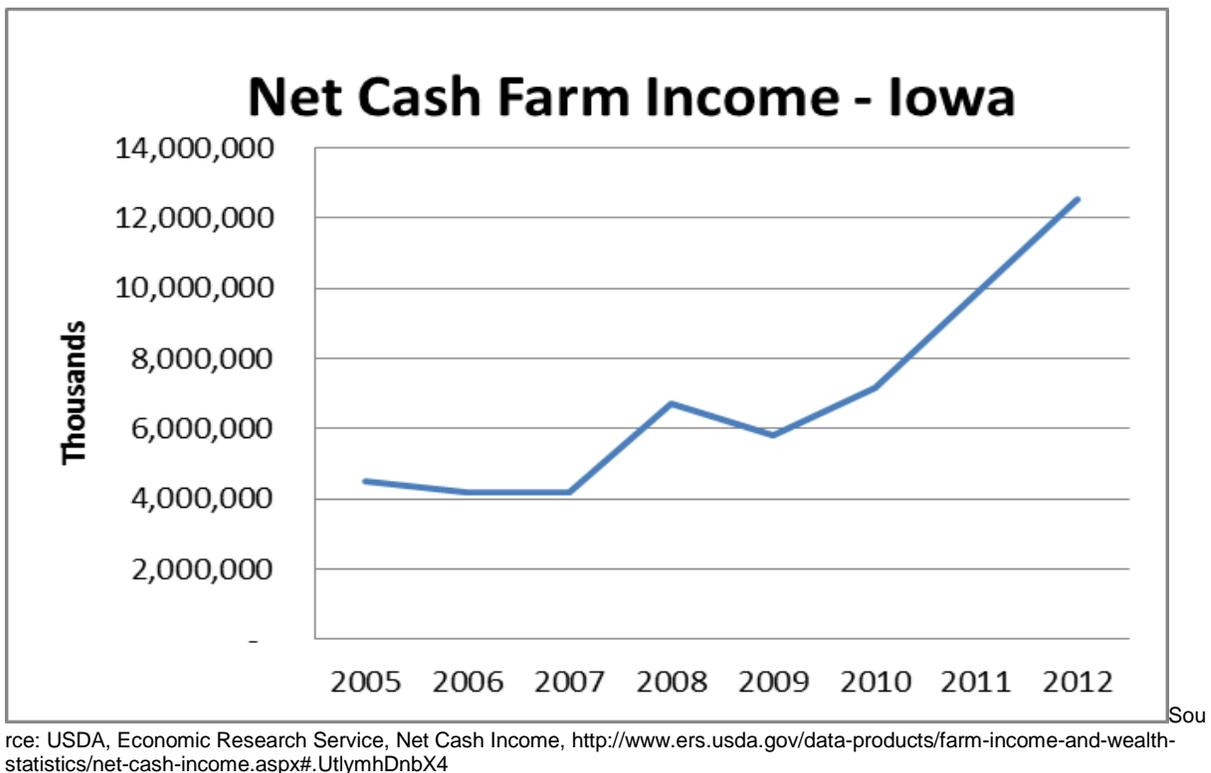


Between 2005 and 2012, the industries that increase most in whole dollar wages were Wholesale Trade (\$18 million), Education & Health Services (\$12 million) and Professional/Business Services (\$9 million). The one industry that experienced a decline between 2005 and 2012 was Construction with a \$5 million reduction in wages.

c) Farm Economy

Farm Economy Executive Summary: Net Cash Income from farming in Iowa nearly tripled between 2005 and 2012. This income is helping substantially to boost the per capita income in the NIACOG region. In just 6 years the cost of farmland skyrocketed from \$3,407 to \$9,355 for the region. The State is experiencing similar increases. Iowa is second only to California in Net Cash Farm Income in the U.S. The ERS is predicting a 4% decline for 2013.

For 27 years (between 1980 and 2007), net cash farm income in Iowa hovered around \$2 to \$4 billion dollars. Between 2007 and 2012, net cash farm income has skyrocketed to over \$12 billion, despite substantial increases in farm input costs (seed, fertilizer, etc.). The more recent growth is illustrated below by the 'Net Cash Farm Income' chart.



Since the economy in North Central Iowa is largely agricultural, we are seeing significant gains in personal income as compared to both the statewide and national economies as reported in section 'A.1.a. Income'. Unfortunately the ERS is forecasting a 4% decline for 2013.

The USDA, Economic Research Service, further reports that Iowa is second in the nation for Net Farm Income, second only to California.

Not surprisingly, with the skyrocketing income from farming, the value of farmland has likewise skyrocketed. It had hovered between \$1,000 and \$4,000 per acre for several years in the North Central Iowa Region until it started escalating in 2007 and is now nearing \$10,000/acre.

Farmland Price/Acre

	Farmland Price/Acre (\$)	
	2006	2012
Cerro Gordo	3,567	9,611
Floyd	3,320	9,203
Franklin	3,518	9,606
Hancock	3,592	9,739
Kossuth	3,707	10,407
Mitchell	3,252	9,123
Winnebago	3,238	9,145
Worth	3,268	9,063
NIACOG REGION	3,407	9,355
Iowa	3,204	8,296

Source: Historical Agricultural Land Values in Nominal Dollars Per Acre, Department of Economics, Iowa State University, Annual Farmland Value Survey, Released December 2012

Statewide the value of farmland has seen similar increases in price per acre.

In addition to the traditional agricultural income of farmers, ethanol (and to a lesser degree biodiesel) manufacturing plants continue to boost local corn prices. At least seven plants are located within NIACOG's 8-county region. These plants typically employ about 30-40 people each, many of whom are white collar workers hired to operate the plant, implement the sophisticated systems, negotiate sales, or provide quality control services. These plants have a positive effect on the tax base although most have received some sort of long term financial incentive.

d) Retail Sales

Retail Trade Executive Summary: Retail sales totaled \$1.3 billion dollars for the NIACOG region in FY 2013. Between FY 2005 and FY 2013, retail sales effectively increased by 6% in inflation adjusted dollars. This gain is likely directly attributable to the increase in per capita income that allows North Iowa residents to purchase more retail goods.

Between FY 2005 and FY 2013, retail sales increased by an average of 24% across the NIACOG region. After adjustment for 18% inflation, a 6% gain is identified.

Taxable Retail Sales			
	FY 2005	FY 2013	Increase
Cerro Gordo	\$ 568,273,139	675,239,488	19%
Floyd	\$ 93,934,979	113,565,019	21%
Franklin	\$ 48,953,128	70,479,830	44%
Hancock	\$ 61,649,214	80,163,720	30%
Kossuth	\$ 113,898,953	151,700,543	33%
Mitchell	\$ 53,631,345	65,552,782	22%
Winnebago	\$ 64,424,274	75,433,115	17%
Worth	\$ 23,647,207	42,098,025	78%
REGION	\$ 1,028,412,239	1,274,232,522	24%
State of Iowa	\$ 29,805,300,584	34,800,587,136	17%

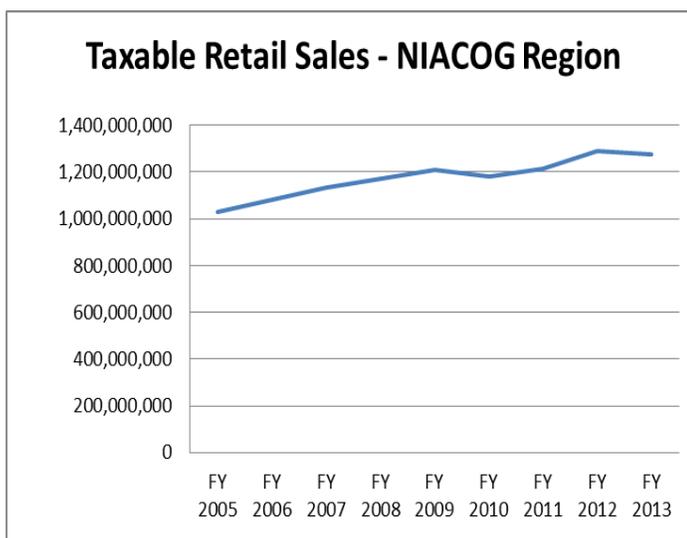
‘Taxable Retail Sales’ measure the reported sales of goods and services that are subject to the statewide retail sales tax. Because many retail transactions are exempt or otherwise excluded from the state sales tax, the values reported here do not capture all retail activity occurring within a given locality.

Source: Annual taxable retail sales in nominal dollars by county, Iowa Department of Revenue, Annual Sales and Use Tax Reports, Latest publication date: December, 2013, <http://www.icip.iastate.edu/tables/business/county-total-sales>

The table to the right illustrates the fairly consistent upward trend in retail sales between FY 2005 and FY 2013.

The upward trend may be the result of increasing per capita income (see section 1.a), which provides residents with more disposable income.

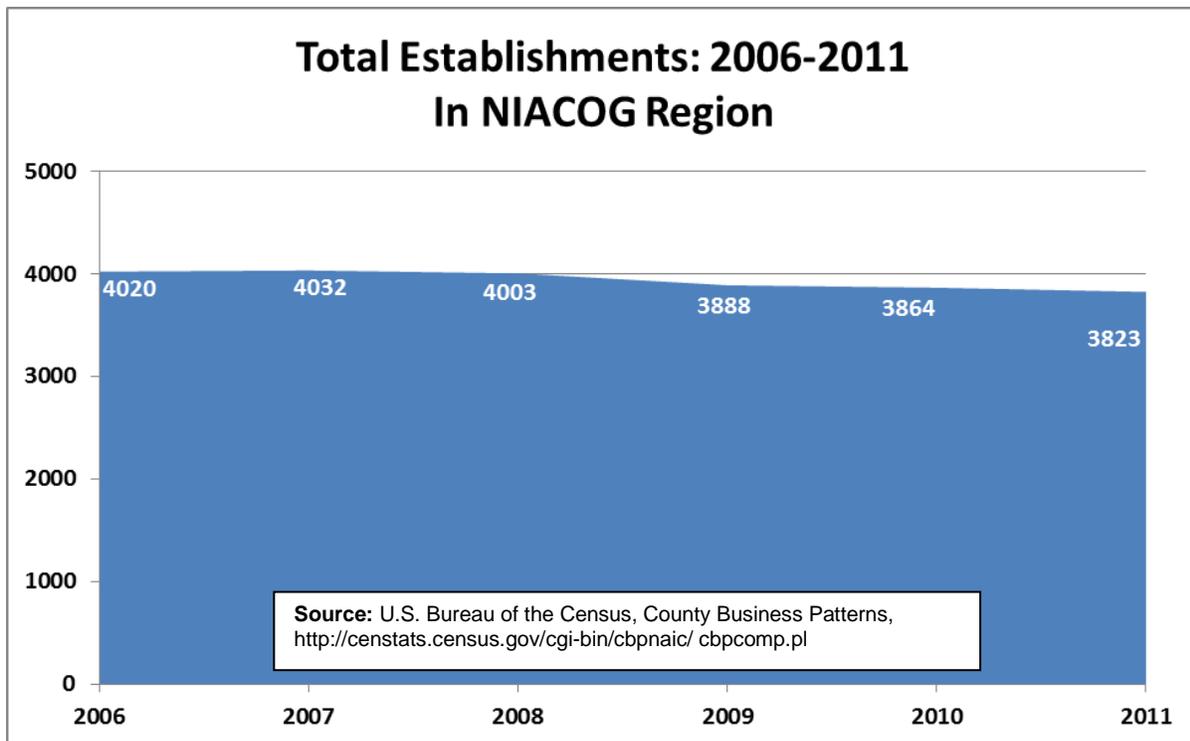
Likewise, annual gross wages also increased in both wholesale and retail trade over this 5 year period.



e) Business Development

Business Development Executive Summary: Between 2006 and 2011, the number of businesses (with employees) fell from 4,020 to 3,823 for a net loss of 197 business establishments (5% of business establishments).

As shown in the graph below, the number of business establishments with employees experienced a subtle decline from 2006 to 2011. Overall, the number of business establishments fell from 4,020 in 2006 to 3,823 in 2011 for an overall reduction of 197 business establishments (5%).



Most of the loss was experienced between 2008 and 2010 when the number of businesses dropped by 139. Severe flooding occurred in 2008, which could be the cause for some of the business loss, but that is not certain.

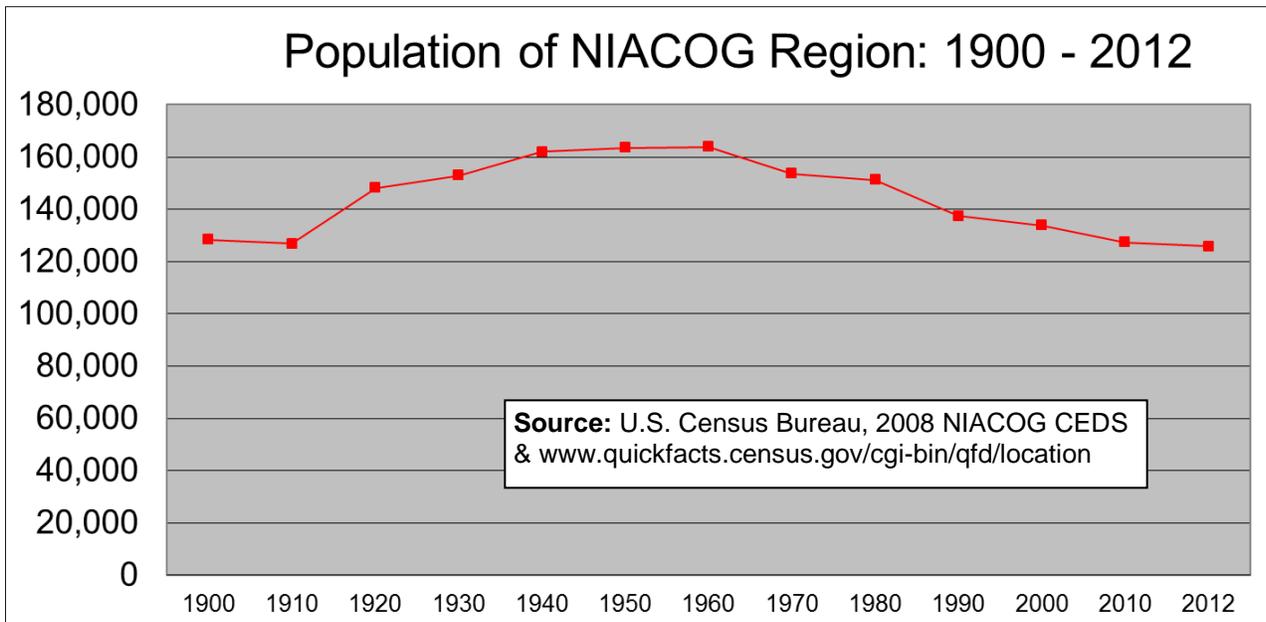
2) Population

Population Executive Summary: The population of the region was estimated at 125,722 for 2012. It has declined with every decennial Census since 1960 and is now lower than its 1910 population. However, Woods & Poole is predicting slow steady growth for the next 30 years. Workforce availability will decline sharply after 2010 as baby boomers begin to retire, and the number of younger workers continues to decline. The decline of the younger workforce is largely caused by outmigration of over 1/3rd of young adults and a steadily declining rate of births.

a) Total Population

Total Population Executive Summary: The population of the region declined by about 2.5% in the 1990's followed by a doubled decline of 5% in the 2000's. Woods & Poole predict slow steady growth in the population of the NIACOG region through 2030.

As illustrated by the following table/chart, the NIACOG region's population peaked in 1960 and has declined since then through the most recent Census estimate in 2012.

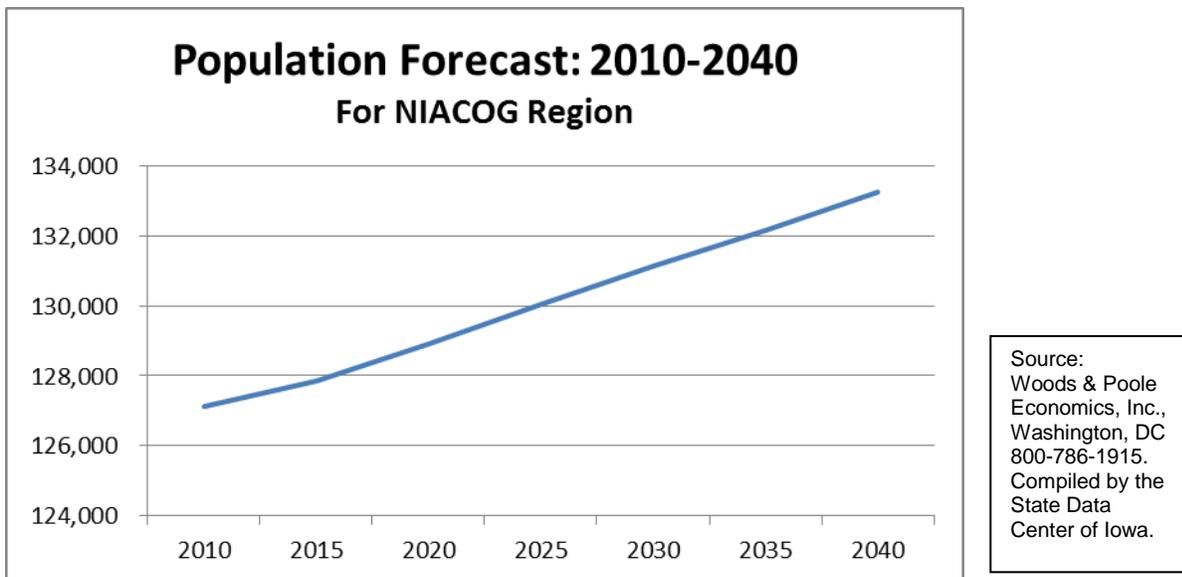


The region's decline in population slowed from 9% during 1980's to 2.5% during 1990's. Then, in the 2000's the population declined by about 5%. The region's historical population is reported in the table below. The population is now at its lowest point since 1910.

HISTORIC POPULATION FOR NIACOG REGION 1910-2012													
County	1900	1910	1920	1930	1940	1950	1960	1970	1980	1990	2000	2010	2012
Cerro Gordo	20,672	25,011	34,675	38,476	43,845	46,053	49,894	49,335	48,458	46,733	46,447	44,151	43,788
Floyd	17,754	17,119	18,860	19,524	20,169	21,505	21,102	19,860	19,597	17,058	16,900	16,303	16,056
Franklin	14,996	14,780	15,807	16,382	16,379	16,268	15,472	13,255	13,036	11,364	10,704	10,680	10,554
Hancock	13,752	12,731	14,723	14,802	15,402	15,077	14,604	13,227	13,833	12,638	12,100	11,341	11,134
Kossuth	22,720	21,971	25,082	25,452	26,630	26,241	25,314	22,937	21,891	18,591	17,163	15,543	15,346
Mitchell	14,916	13,435	13,921	14,065	14,121	13,945	14,043	13,108	12,329	10,928	10,874	10,772	10,725
Winnebago	12,725	11,914	13,489	13,143	13,972	13,450	13,099	12,990	13,010	12,122	11,723	10,866	10,600
Worth	10,887	9,950	11,630	11,164	11,449	11,068	10,259	8,968	9,075	7,991	7,909	7,598	7,519
Region	128,422	126,911	148,187	153,008	161,967	163,607	163,787	153,680	151,229	137,425	133,820	127,254	125,722
% Change	n/a	-1.2%	16.8%	3.3%	5.9%	1.0%	0.1%	-6.2%	-1.6%	-9.1%	-2.6%	-4.9%	-1.2%

The population loss is widespread throughout the region with every County having lost population in the 2000 to 2010 decade and even in the most recent two year estimate. The average rate of population decline for the region is fairly steady at about 0.5% per year.

However, as illustrated below, Woods and Poole Economics, Inc. projects slow, steady population growth from 2010 through 2040. Historical decennial Census figures for each county from 1900 through 2000 are included at the end of this section.



The following table includes the specific population figures forecasted for future population as calculated by Woods & Poole for 5-year incremental periods. The population for the NIACOG region is forecasted to increase from 127,134 in 2010 to 133,228 in 2040. This increase is only 6,094 people over the course of 30 years (roughly 2% per decade); however, it is highly significant in that it predicts an increase in population after what has been 5 decades of population decline.

POPULATION FORECAST							
County	2010	2015	2020	2025	2030	2035	2040
Cerro Gordo	44,104	44,778	45,559	46,376	47,182	47,968	48,771
Floyd	16,310	16,314	16,357	16,411	16,460	16,501	16,546
Franklin	10,683	10,536	10,413	10,298	10,179	10,055	9,933
Hancock	11,321	11,413	11,532	11,660	11,784	11,903	12,026
Kossuth	15,500	15,550	15,637	15,735	15,829	15,914	16,005
Mitchell	10,781	10,824	10,893	10,970	11,043	11,111	11,183
Winnebago	10,841	10,829	10,842	10,864	10,881	10,893	10,908
Worth	7,594	7,621	7,666	7,717	7,765	7,809	7,856
NIACOG Region	127,134	127,865	128,899	130,031	131,123	132,154	133,228
Iowa	3,049,883	3,097,674	3,152,734	3,210,201	3,266,749	3,321,744	3,377,782
USA	309,349,689	324,847,014	341,069,539	357,547,516	373,924,268	390,114,318	406,416,632

Source: Woods & Poole Economics, Inc., Washington, DC 800-786-1915. Compiled by the State Data Center of Iowa.

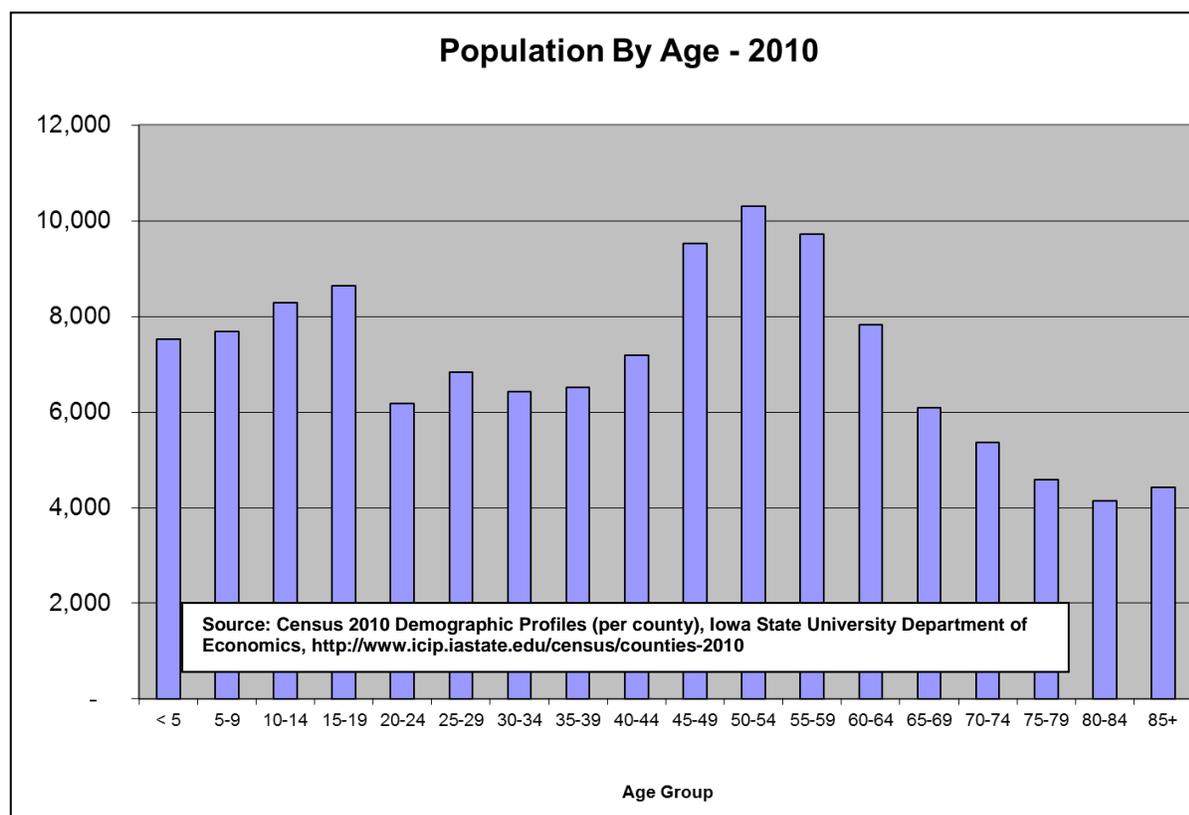
During this same period, Woods & Poole predicts growth for the state of about 4% per decade and 10% growth per decade at the national level.

b) Population By Age

Population By Age Executive Summary: The number of people of workforce age declined by 1% between 2000 and 2010. Workforce numbers are expected to decline sharply (as baby boomers come begin to retire) for the following 25 years. In addition, the number of youth (0-19) declined by 13% between 2000 and 2010, dwindling the numbers available for the region's future workforce.

While the last section described the change in total population, this section addresses the age of the residents and explains a significant shift that is a critical issue regarding future workforce shortages.

The chart to below illustrates age distribution for the NIACOG region's residents in 2010 in 5-year age increments. Ideally, an age distribution chart starts high at the left side of the chart (youth) and then tapers down to the right (elderly) as, over time,

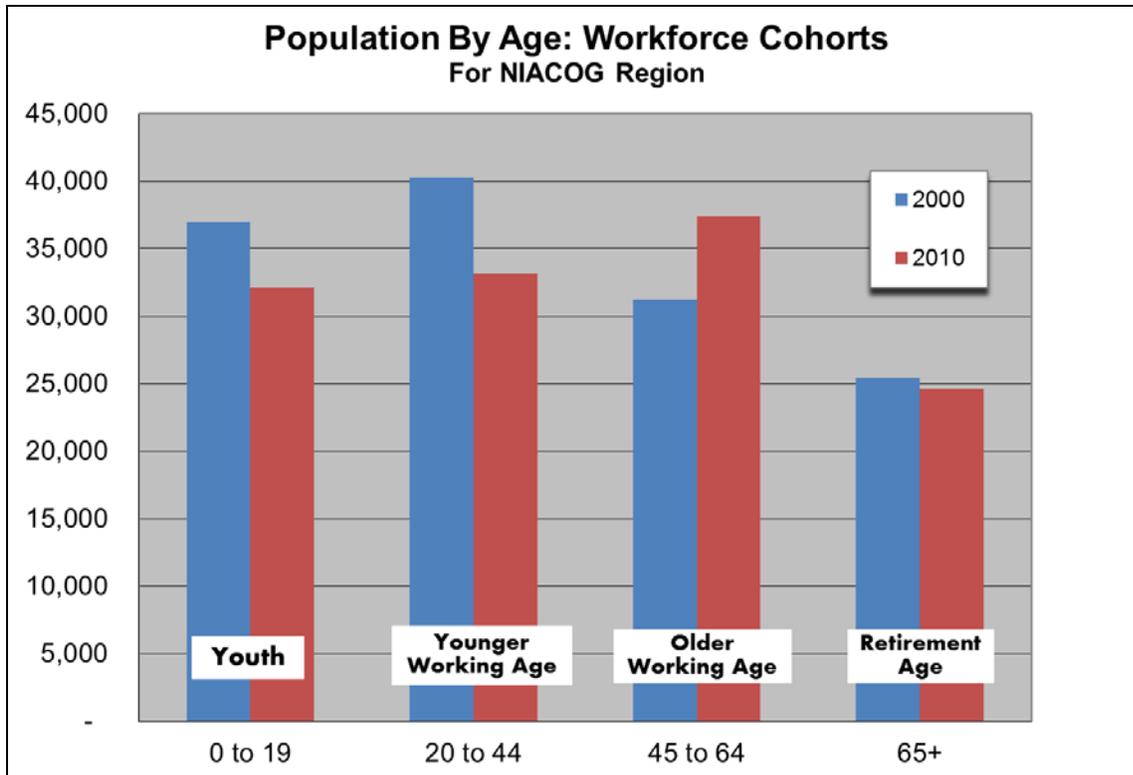


youth gives way to age and mortality. However, as you can see from the chart, the age distribution illustrates some areas of concern, especially for the youth which tapers down from right to left, rather than left to right, which means a dwindling number of youth for the region. The drop off at age 20-24 is primarily a result of outmigration; outmigration will be further illustrated in the next section of this report. A complete table

of age distribution figures is included at the end of this section in a chart entitled “Population By Age By County - 2000 & 2010”.

The age groupings used in the chart below were chosen relative to work force dynamics; they include:

- ❖ Future Workforce Age: 0 to 19
- ❖ Younger Workforce Age: 20 to 44
- ❖ Older Workforce Age: 45 to 64
- ❖ Retirement Age: 65+



Source: Census 2010 Demographic Profiles (per county), Iowa State University Department of Economics, <http://www.icip.iastate.edu/census/counties-2010>

The chart graphs the number of people in the four age groupings in 2000 and in 2010. The chart illustrates the following issues:

- A reduction of 13% in the youth (future workforce)
- A significant decrease for those in the younger workforce age with a similar significant increase in older workforce. This is largely caused by baby boomer and baby burp generation workers are funneled from the younger workforce age category to the older workforce category.

Overall, the workforce aged population decreased by 1% between 2000 and 2010.

The chart below reports the base population by age data in the workforce related age cohorts (Future Workforce Age: 0 to 19, Younger Workforce Age: 20 to 44, Older Workforce Age: 45 to 64, Retirement Age: 65+).

Population By Workforce Cohort: 2000-2005								
Age Cohort	0 to 19		20 to 44		45 to 64		65 years+	
County / Year	2000	2010	2000	2010	2000	2010	2000	2010
Cerro Gordo	12,515	10,802	14,951	12,162	10,762	13,268	8,219	7,919
Floyd	4,658	4,283	4,897	4,209	4,096	4,548	3,249	3,263
Franklin	2,894	2,778	3,056	2,854	2,558	3,011	2,196	2,037
Hancock	3,522	2,864	3,569	2,830	2,839	3,481	2,170	2,166
Kossuth	4,841	3,856	4,816	3,595	4,052	4,693	3,454	3,399
Mitchell	3,151	2,922	3,022	2,586	2,355	2,926	2,346	2,342
Winnebago	3,297	2,684	3,505	2,934	2,703	3,155	2,218	2,093
Worth	2,089	1,941	2,428	1,965	1,860	2,302	1,532	1,390
Region	36,967	32,130	40,244	33,135	31,225	37,384	25,384	24,609

Source: Census 2010 Demographic Profiles (per county), Iowa State University Department of Economics, <http://www.icip.iastate.edu/census/counties-2010>

For the future, the population of working age is expected to decline sharply as fewer people are available to enter the workforce due to the dwindling youth populations and the enlarged *older* workforce comes of retirement age and leaves the workforce.

Population By Age By County – 2000 & 2010

YOUTH												
	Under 5		5 to 9		10 to 14		15 to 19		YOUTH			
	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010
Cerro Gordo	2,757	2,543	3,045	2,484	3,187	2,754	3,526	3,021			12,515	10,802
Floyd	1,045	1,046	1,176	1,034	1,237	1,064	1,200	1,139			4,658	4,283
Franklin	601	672	701	716	745	690	847	700			2,894	2,778
Hancock	737	684	846	722	978	760	961	698			3,522	2,864
Kossuth	931	902	1,157	935	1,363	1,002	1,390	1,017			4,841	3,856
Mitchell	662	665	817	723	887	790	785	744			3,151	2,922
Winnebago	654	594	734	648	883	677	1,026	765			3,297	2,684
Worth	448	414	556	419	541	554	544	554			2,089	1,941
Region	7,835	7,520	9,032	7,681	9,821	8,291	10,279	8,638			36,967	32,130

YOUNGER WORKERS												
	20 to 24		25 to 29		30 to 34		35 to 39		40 to 44		YOUNGER WORKERS	
	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010
Cerro Gordo	2,705	2,410	2,466	2,601	2,646	2,345	3,423	2,269	3,711	2,537	14,951	12,162
Floyd	766	762	843	803	974	823	1,137	884	1,177	937	4,897	4,209
Franklin	484	495	513	605	553	572	700	556	806	626	3,056	2,854
Hancock	482	457	588	611	608	586	909	582	982	594	3,569	2,830
Kossuth	640	582	713	770	834	706	1,190	692	1,439	845	4,816	3,595
Mitchell	393	479	479	505	546	471	773	525	831	606	3,022	2,586
Winnebago	676	705	576	520	557	550	792	572	904	587	3,505	2,934
Worth	349	290	403	410	427	376	610	432	639	457	2,428	1,965
Region	6,495	6,180	6,581	6,825	7,145	6,429	9,534	6,512	10,489	7,189	40,244	33,135

OLDER WORKERS												
	45 to 49		50 to 54		55 to 59		60 to 64		OLDER WORKERS			
	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010
Cerro Gordo	3,573	3,377	2,917	3,653	2,216	3,481	2,056	2,757			10,762	13,268
Floyd	1,221	1,182	1,100	1,152	930	1,173	845	1,041			4,096	4,548
Franklin	786	720	705	841	567	802	500	648			2,558	3,011
Hancock	930	916	755	949	590	904	564	712			2,839	3,481
Kossuth	1,231	1,153	1,062	1,383	851	1,177	908	980			4,052	4,693
Mitchell	715	823	580	822	541	705	519	576			2,355	2,926
Winnebago	964	763	708	870	548	894	483	628			2,703	3,155
Worth	607	599	483	639	400	578	370	486			1,860	2,302
Region	10,027	9,533	8,310	10,309	6,643	9,714	6,245	7,828			31,225	37,384

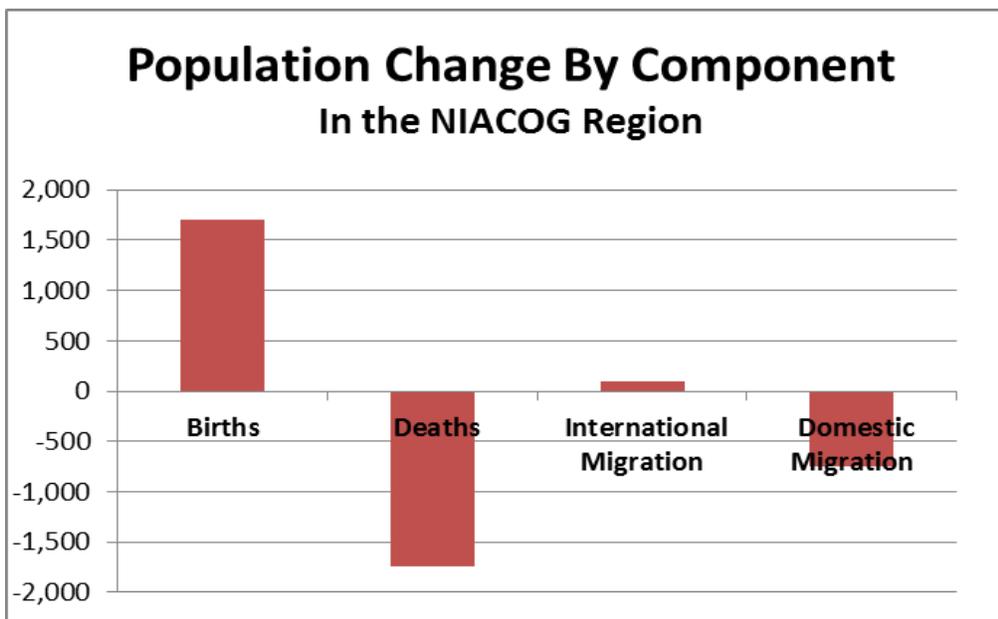
RETIREMENT AGE												
	65 to 69		70 to 74		75 to 79		80 to 84		85+		RETIREMENT AGE	
	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010
Cerro Gordo	1,971	1,994	2,063	1,734	1,753	1,506	1,225	1,356	1,207	1,329	8,219	7,919
Floyd	703	876	749	703	654	556	594	550	549	578	3,249	3,263
Franklin	505	514	541	420	473	387	362	345	315	371	2,196	2,037
Hancock	480	537	504	490	481	391	361	336	344	412	2,170	2,166
Kossuth	867	755	788	799	738	671	528	575	533	599	3,454	3,399
Mitchell	515	544	549	482	480	440	368	398	434	478	2,346	2,342
Winnebago	475	504	516	427	428	380	389	368	410	414	2,218	2,093
Worth	345	374	351	306	325	253	227	206	284	251	1,532	1,390
Region	5,861	6,098	6,061	5,361	5,332	4,584	4,054	4,134	4,076	4,432	25,384	24,609

Source: Census 2010 Demographic Profiles (per county), Compiled by Iowa State University
Department of Economics, <http://www.icip.iastate.edu/census/counties-2010>

c) Migration

Migration Executive Summary: The region experienced net outmigration of about 0.5% in 2010-2011, which is substantially lower than reported in the previous CEDS report. Outmigration is substantial at more than one-third of young adults who leave the area for employment or the excitement of metropolitan areas.

As depicted by the following graph, in 2010-11, the number of births is somewhat similar to the number of deaths, but overall results in a net loss of just under 2%. International migration has resulted in a small, but positive influx of people from other countries. Unfortunately, the effect of Domestic Migration is quite the opposite. Substantially more people are moving out of the NIACOG region *into other parts of the United States* than are moving into the region.



Source: Cumulative Estimates of the Components of Resident Population Change for Counties of Iowa: April 1, 2010 to July 1, 2011, U.S. Census Bureau, April 2012 release, Compiled by Iowa State University Department of Economics, <http://www.icip.iastate.edu/tables/population/popest-components>

Although this trend of outmigration

is similar to what was reported in the previous CEDS (Comprehensive Economic Development Strategy of 2008), the rate of migration was substantially less during the 2010-2011 year. Overall, the NIACOG region experienced net *outmigration* of 0.5% between April 1, 2010 and June 30, 2011 according to the more recent figures. Whereas, in the previous CEDS outmigration was ten times as much at 5%.

Of the 20,100 kids in the 10 to 19 year old age group, only 13,005 of them were still in the region 10 years later (as 20 to 29 year olds in 2010). This means that over one-third of the youth in the NIACOG region migrated out of the region as young adults. (See more detailed population figures on the previous page of this report.) As reported in the last CEDS report, this age group is the primary source of outmigration although a modest amount of migration is also occurring at older ages as retired residents move to warmer climates or to be near their adult children to help with grandchildren.

Area residents are empirically aware of the ‘brain drain’ as many of the region’s promising youth move to larger cities for employment reasons or for the excitement of a more metropolitan lifestyle.

The following table provides detailed figures relative to changes in population due to natural change (births and deaths) and migration (international and domestic). As reported in the table below, outmigration was experienced in 6 of the 8 counties in the NIACOG region.

POPULATION CHANGE BY COMPONENT							
Area Name	Total Change	Natural Change	Vital Events		Net Total Migration	Net Migration By Source	
			Births	Deaths		International	Domestic
Cerro Gordo	-213	-20	588	608	-192	33	-225
Floyd	-233	-32	218	250	-201	4	-205
Franklin	50	33	167	134	20	39	-19
Hancock	-54	-35	128	163	-18	4	-22
Kossuth	-147	12	210	198	-158	1	-159
Mitchell	11	6	164	158	7	5	2
Winnebago	-77	-17	138	155	-60	5	-65
Worth	-54	10	88	78	-61	0	-61
NIACOG REGION	-717	-43	1,701	1,744	-663	91	-754
State of Iowa	15,959	13,396	47,724	34,328	2,638	3,999	-1,361

Source: Cumulative Estimates of the Components of Resident Population Change for Counties of Iowa: April 1, 2010 to July 1, 2011, U.S. Census Bureau, April 2012 release, Compiled by Iowa State University Department of Economics, <http://www.icip.iastate.edu/tables/population/popest-components>

The State of Iowa experienced a net gain in population due to natural change; however, the State’s domestic migration was negative much like that of the NIACOG region.

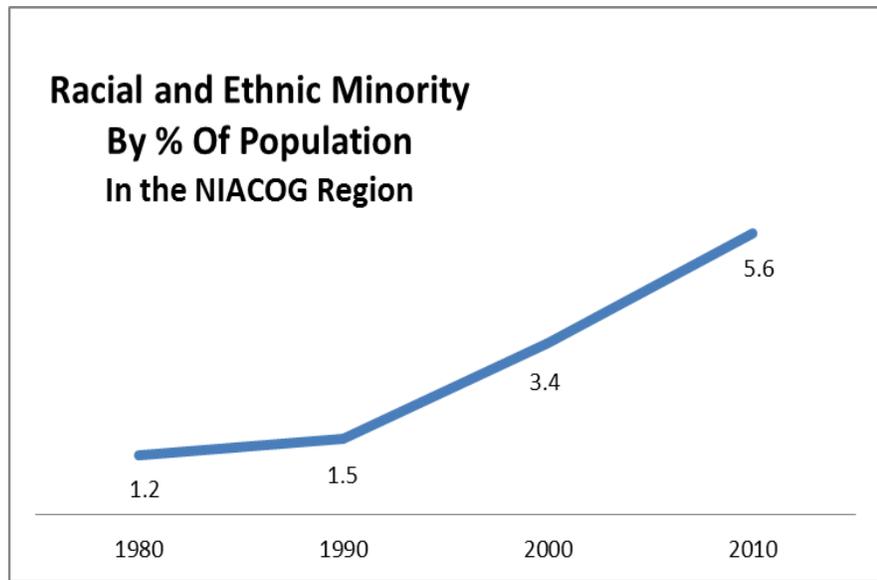
d) Minority Population

Minority Population Executive Summary: The minority population has approximately doubled for two consecutive decades, but still makes up only 5.6% of the overall population. Since international in-migration continues to be higher than international out-migration, the area's diversity is expected to continue to grow.

The following chart illustrates the minority population for the NIACOG region as a percentage of the overall population. The minority population includes all race groups other than White alone, plus all individuals of Hispanic or Latino origin, regardless of race.

The percentage of minority persons has been growing steadily since 1980 in the NIACOG region. The increase in minority persons is primarily Hispanic and has been critical in meeting employment needs for new and expanding industries especially in light of outmigration of many young adults.

Source: Racial and Ethnic Minority Group Percentage of the Population, Historical,



U.S. Census Bureau, 1980, 1990, 2000, 2010

Racial & Minority Group Percentages	1980	1990	2000	2010
Cerro Gordo County	3.0	3.4	5.3	7.4
Floyd County	0.7	0.9	2.6	5.3
Franklin County	1.1	1.6	6.6	12.6
Hancock County	0.9	1.4	3.3	5.3
Kossuth County	0.8	0.9	1.7	2.7
Mitchell County	0.4	0.6	1.1	2.0
Winnebago County	1.2	1.8	3.6	5.7
Worth County	1.2	1.5	2.7	3.5
NIACOG Region	1.2	1.5	3.4	5.6
State of Iowa	3.1	4.1	7.4	11.3

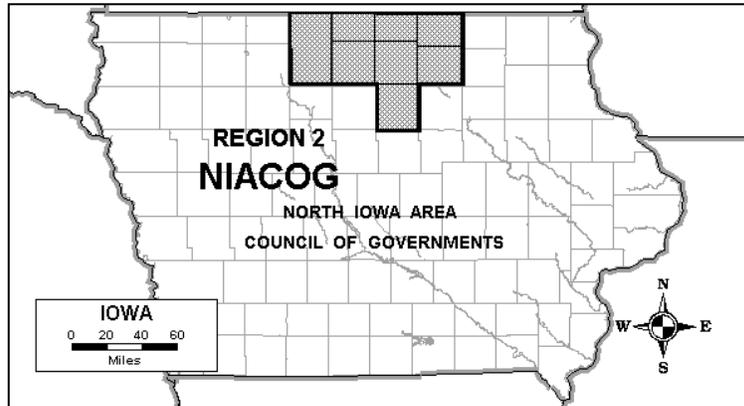
Source: Racial and Ethnic Minority Group Percentage of the Population, Historical,

The table at left provides more detailed data, showing that minority populations have increased in every county in the region, especially Franklin County.

Similar steady growth has likewise occurred statewide.

3) Geography

Region 2 is located in north-central Iowa and consists of eight (8) counties and sixty-seven (67) cities. The northerly four counties are adjacent to the Iowa-Minnesota border, and the other four counties are located adjacent to the first four, and to the south. The counties are similar in size and area, with the exception of Kossuth County on the west side which is approximately twice the size of the other counties, with a longer north-south dimension. The total land area of the eight counties is 2,868,914 acres.



The region has been influenced by two distinct geological characteristics. The westerly portion of the Region is in the Wisconsin Cary Drift; which is fresh glacial drift, no loess cover, arcuate bands of knob and kettle terrain, areas of level terrain, poor drainage, and natural lake areas. The easterly portion of the Region is in the Kansan Glacial Drift; thin discontinuous loess or loam over drift, bedrock near surface, Karst topography, and gently rolling terrain. (Source: 'From Rift to Drift, Iowa's Story in Stone', Iowa State University Press, 1983)

Topography is generally not an issue. The land elevation in the northwest corner of the Region is approximately 100 feet higher than in the southeast corner of the Region. Drainage in the Region is generally from north to south, and northwest to southeast. Several larger waterways collect the drainage in the Region; the Des Moines River in Kossuth County, the Iowa River in Winnebago and Hancock Counties, the Shell Rock and Winnebago Rivers in Worth and Cerro Gordo Counties, and the Cedar River in Mitchell and Floyd Counties. Otter Creek drains Franklin County easterly into the Cedar River. Clear Lake, located at the westerly edge of Cerro Gordo County in the center of the Region is a spring-fed lake formed by glacial action some 14,000 years ago. It has a surface area of approximately 3,600 acres and measures seven miles long and two and a half miles wide. The outlet of Clear Lake flows easterly across the county as Willow Creek, through Mason City where it merges into the Winnebago River. Several of the counties have smaller lakes utilized for recreational purposes.

The natural resources resulting from the geology and drainage of the Region provide generous areas of limestone formations, several areas of useful sand and gravel material, and a few peat material deposits. A very productive cover of rich, black soil exists in each of the counties, making this part of Iowa one of the best farming areas in the state. Wooded areas generally follow the drainage systems, and still exist in several

of the farming areas to provide shelter from the winter winds. The Iowa Department of Natural Resources (DNR) assists the counties and communities in the management of the lakes, woods and wetland areas, for preservation and recreation. Also, each County has an active Conservation Commission that assists in the preservation and uses of these areas. Wind erosion of the farming soils has been a serious problem in past years. However, more recent practices of 'no-till farming' and crop rotations have made a substantial positive impact on the wind loss of these valuable soils.

In addition to its prime agricultural soils, the Region is fortunate to have nonrenewable resources of clay, sand, gravel and limestone. These resources are being utilized by local area contractors for construction materials. The limestone and blue clay is used to produce Portland Concrete Cement which is shipped to many concrete companies in the region, and often shipped to far away users. Timber in the area is utilized for limited logging, but is safeguarded as a recreational and aesthetic feature. The climate of the Region is typical of north central Iowa: warm in the summer and cold in the winter. Average summer temperatures are approximately 70 degrees F, and average winter temperatures are approximately 19 degrees F. This temperature range allows for a frost free construction season of approximately 140 days. Annual precipitation is approximately 30 inches. Of this, 20 inches or 70 percent usually falls in April through September. Thunderstorms occur on about 40 days each year, normally during summer months. The average snowfall is approximately 35 to 40 inches.

A Corn Suitability Rating (CSR) has been established in several counties to indicate the farm productivity of a particular area of land. The CSR is an index that can be used to rate one soil's potential yield production against another soil over a period of time. CSR's are used to quantify the productivity potential and value of a tract of land or farm. CSR's are also being used as a comprehensive planning tool to preserve valuable farm land in urban growth areas.

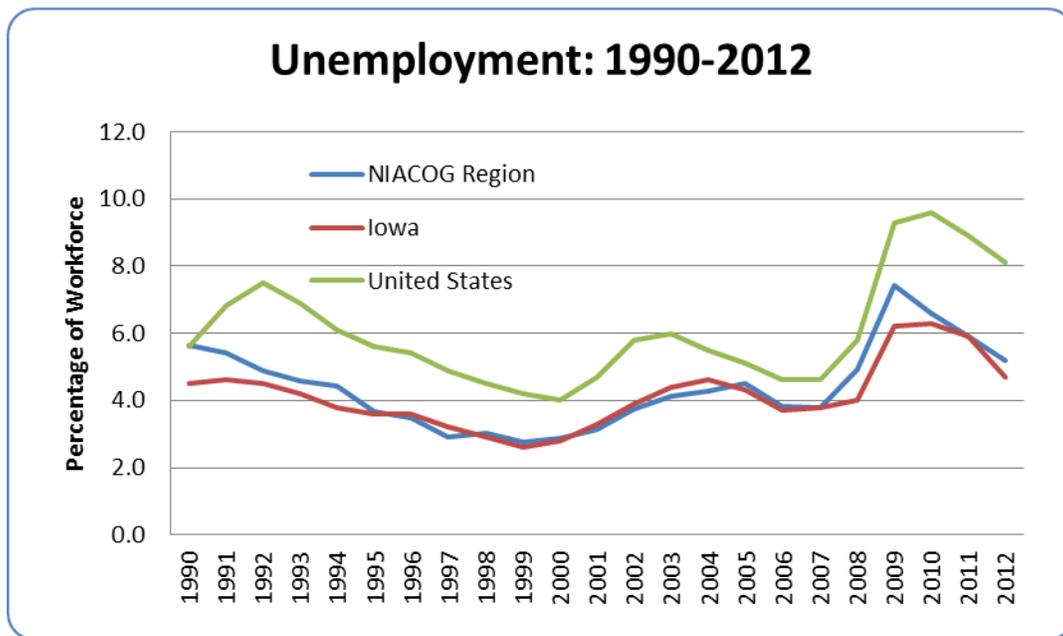
4) Workforce Use And Development/Education

a) Unemployment

Unemployment Executive Summary: The unemployment level for the NIACOG region spiked sharply in 2009 to 7.4% (during the national recession) and reached its highest level in 20 years. Since then, it has declined at a good steady pace and is expected to reach its pre-spike level by 2015.

The unemployment level for the NIACOG region reached a 20 year high in 2009, spiking at 7.4%. It has declined sharply since then, dropping by a full 2 percentage points to 5.2% in 2012. Although the pre-spike level of about 4% has not been reached as yet, early 2013 figures are showing a continued drop into the mid-4% range for the region.

The unemployment rate measures the unemployed percentage of the civilian labor force. Persons are classified as unemployed if they do not have a job, are currently available for work, and have actively looked for work in the prior four weeks, or if they are waiting to be recalled to a job from which they have been laid off.



Source: Average Annual Unemployment Rates, U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, <http://www.icip.iastate.edu/tables/employment/unemployment-counties>

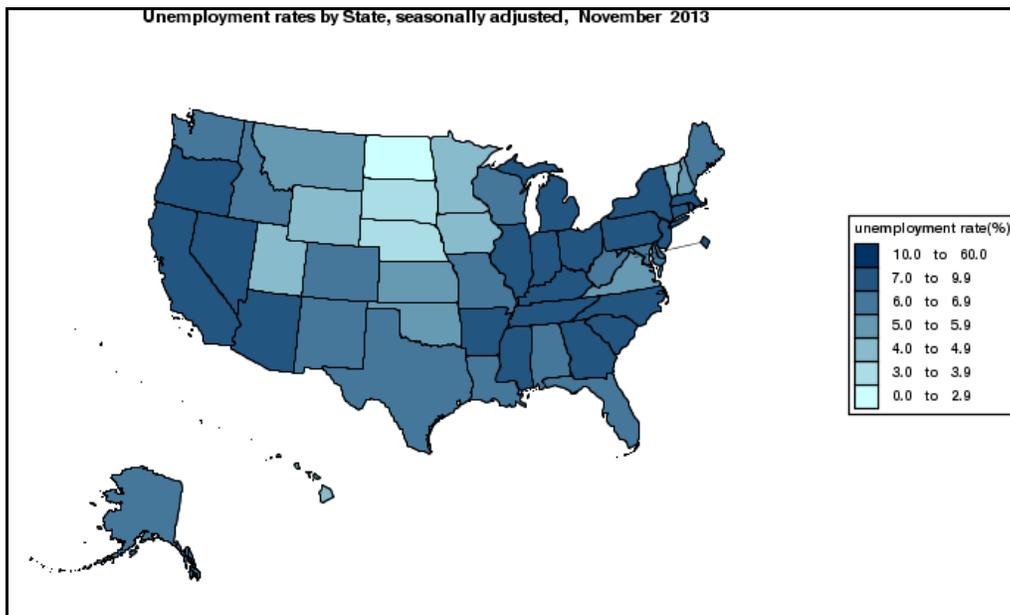
When compared to the national level of 9.6 percent unemployment in 2010, it is evident that our region was somewhat buffered from the full impact of the national unemployment issue. The unemployment level for the NIACOG region roughly mirrors Iowa's statewide rates, but has been substantially lower than the national level for 20 years.

A chart is provided below that lists the specific rates of unemployment in recent history. Every county in the region, the statewide average, and the national average, all peaked for unemployment in 2009 or 2010 and every year since that time have seen declines in unemployment.

UNEMPLOYMENT: 2006 - 2012							
	2006	2007	2008	2009	2010	2011	2012
Cerro Gordo County	4.0	4.0	4.6	6.7	7.0	6.4	5.7
Floyd County	4.8	4.5	5.6	8.5	7.5	6.8	6.4
Franklin County	3.9	3.6	4.3	7.2	6.6	5.5	4.7
Hancock County	3.7	3.8	6.1	9.7	7.3	6.3	5.1
Kossuth County	3.3	3.6	3.8	5.7	4.9	4.3	3.7
Mitchell County	3.4	3.4	3.9	5.7	5.5	5.0	4.8
Winnebago County	3.6	3.5	6.1	9.1	7.2	6.6	5.8
Worth County	3.8	3.8	5.0	6.9	7.1	6.6	5.5
NIACOG Region (AVG)	3.8	3.8	4.9	7.4	6.6	5.9	5.2
Iowa	3.7	3.8	4.0	6.2	6.3	5.9	4.7
United States	4.6	4.6	5.8	9.3	9.6	8.9	8.1

Source: Average Annual Unemployment Rates, U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, <http://www.icip.iastate.edu/tables/employment/unemployment-counties> Source

From a national perspective, the Midwestern states tend to have lower unemployment rates than the other states in the union as illustrated by the following map.

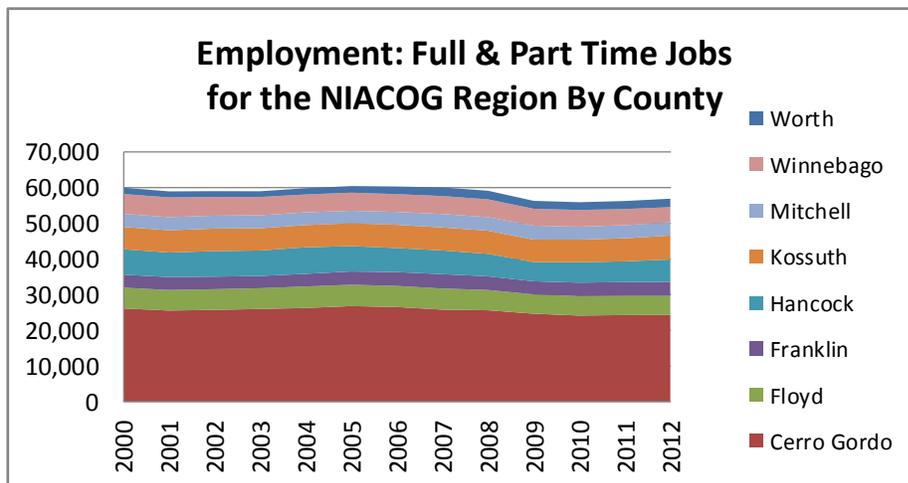


b) Employment

Employment Executive Summary: The number of jobs held in the region experienced a significant 5% decline during the national depression in 2009. The number of jobs had not recovered from that loss by 2012, but the number of jobs has at least remained fairly steady since then. The percentage of the population that is working has remained fairly stable at 44% to 45% for the past 12 years because both the number of jobs and the population declined at similar rates.

Where unemployment looks at the number of people who are in the workforce but not working, employment looks at the number of jobs available for people who ARE working.

The chart below illustrates the trend for the number of jobs between 2000 and 2012 for the NIACOG region. Overall, the number of jobs was fairly steady except for a dip in 2009 during the national depression when about 4,000 jobs were lost. Since that time there has been a fairly stable or gradual increase in the number of jobs.



Source: Total (covered) wage and salary employment by county, in number of jobs, U.S. Bureau of Labor Statistics, Quarterly Census of Employment & Wages, September 2013 release, <http://www.icip.iastate.edu/tables/employment/bls-tot-counties>

In 2012 the number of jobs reached 56,931 for the NIACOG region. The trends are fairly constant throughout counties in the region.

When we compare the number of employed people to the overall population (not just the workforce), we can gauge the propensity for recruiting additional workforce from within the region's population who are (at the moment) neither employed nor looking for employment. For example, a non-working spouse may choose to work if a part-time position in their profession was available, or if their children have graduated, or if the right training were available to get them into a professional position, etc.

Although the region's employment experienced a 5% decline in 2009 during the national recession, the region's population experienced a similar decline (6%). For this reason the percentage of the population that is employed has stayed fairly constant at 44% to

45%. The table below provides the specific numbers for employment and population, as well as, the percentage of the population that is employed.

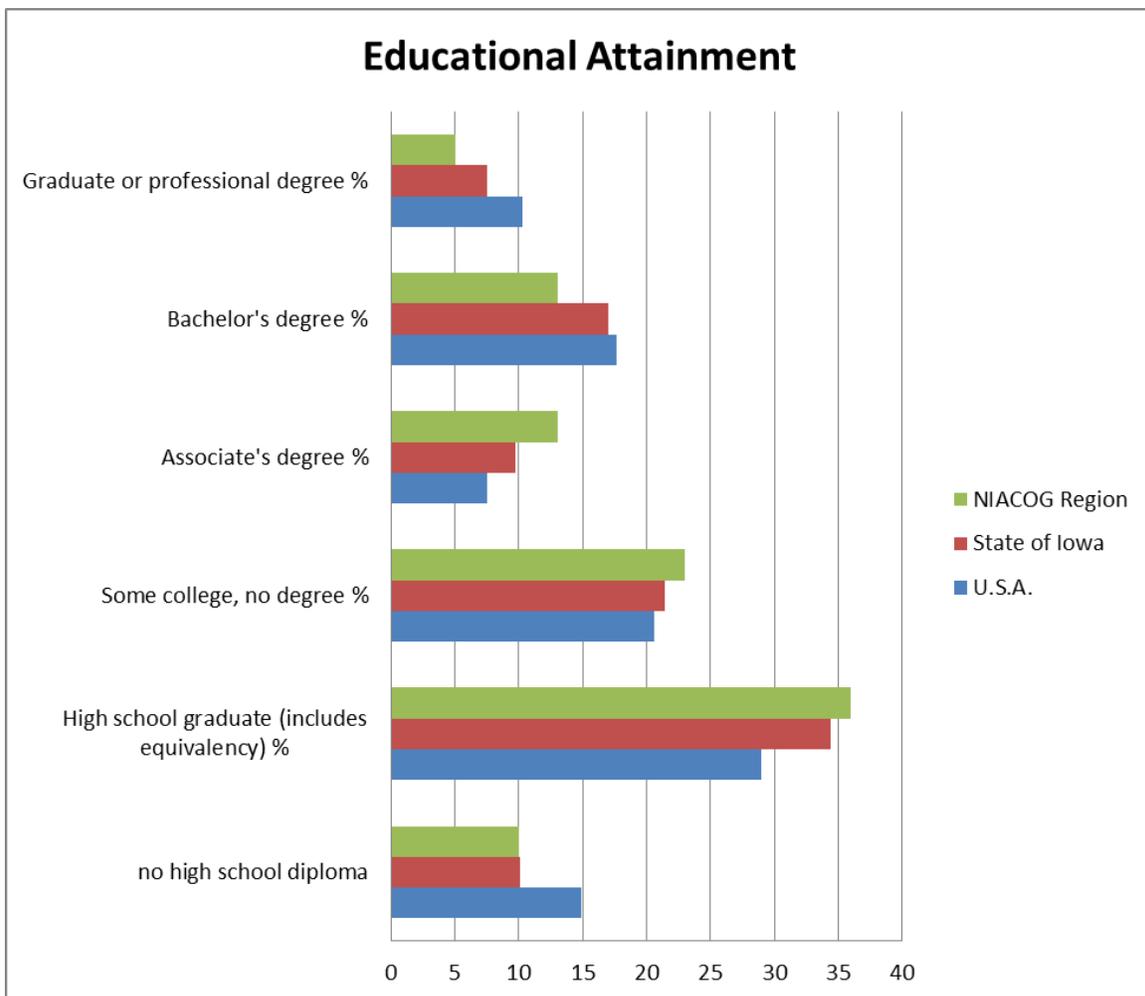
Employment As a Percentage of Population For The NIACOG Region			
Year	Employment	Population	% Employed
2000	60,019	133,820	45%
2010	55,938	127,254	44%
2012	56,931	125,722	45%

Source: Total (covered) wage and salary employment by county, in number of jobs, U.S. Bureau of Labor Statistics, Quarterly Census of Employment & Wages, September 2013 release, <http://www.icip.iastate.edu/tables/employment/bls-tot-counties> and Census Bureau Population Profiles

c) Workforce Development / Education

Education Executive Summary: Although the region exceeds the statewide and national high school graduation rates and associate degree rates, the state and nation are significantly exceeding the region in both bachelor and graduate degrees. College educated young adults are moving out of the area at alarming rates to: obtain higher paying jobs, find jobs in their field, pay off high student debt, and/or experience the excitement of big city life. Beyond traditional educational attainment, education and training are also available in the region for soft skills, basic skills, technical skills, and small business / entrepreneurial.

The Educational Attainment chart below illustrates the relative position for education levels of residents of the NIACOG region as compared to the state and nation. Although the region exceeds the statewide and national high school graduation and associate degree rates, the state and nation have a higher percentage for both bachelor and graduate/professional degrees.



Source: Educational Attainment of the Adult Population, 2006-2010 American Community Survey, U.S. Census Bureau

College educated young adults are moving out of the area at alarming rates to obtain higher paying jobs, find jobs in their field, pay off high student debt, and/or experience the excitement of big city life. See more on the outmigration of young adults in Section 2.C. Migration.

Several universities offer beginning courses on the North Iowa Area Community College (NIACC) campus: Buena Vista University, Iowa State University, University of Iowa, and University of Northern Iowa. Credits for courses taken on the NIACC campus can be transferred to the main university. All of these universities are within a few hours drive. Business, Liberal Arts, Trade Skills, and Religious schools are also readily available in the eight-county region. Also, short courses and on the job training opportunities are offered by the area universities, colleges, trade schools, the Small Business Development Center and the Center for Industrial Research and Services.

Iowa is a top 10 importer of college students in the nation because of the esteemed quality education offered by its colleges/universities. Approximately 30% of NIACC's students, 30% of Iowa Lakes Community College's students, and 50% of Waldorf College's students are from out of state. Unfortunately, it also 'exports' one of its finest products, that is, well educated high school, college and university graduates. Iowa's students rank among the highest in S.A.T. (Scholastic Achievement Testing) scores nationally.

Soft Skills Development

The following are some of the resources available in the region addressing the development of soft skills.

Action for Career Employment (ACE) – In this two-day motivational workshop participants will learn how to successfully deal with change, set goals, think positively about their future, and take control of their lives. Customers may also take advantage of an additional three days of job search skills training.

Life Orientations (LIFO) - An applied behavioral science system which fosters individual and organizational productivity. It begins by identifying the individual's basic orientation to life, or personal style. Based on this foundation of self-knowledge, it offers six powerful strategies that enable individuals and groups to be more productive in their work and more influential when dealing with people.

Job and Career Options Workshop – This 2-hour workshop will provide participants with information regarding options available when returning to work or school. Workshop topics include returning to work; job readiness; transferable skills; work experiences; barriers to employment; returning to school; benefits and costs; school readiness; enrollment procedures; financial aid; and balancing school, work and family.

Budgets and Finance – This 3-hour workshop will provide participants with information regarding: community resources, reviewing your finances, working with creditors, health insurance, unemployment insurance

Coping With Change Workshop – During this 2-hour workshop, participants are provided with information and methods for dealing with change related to unemployment. Workshop topics include change zones, unemployment blues, managing stress, family concerns, and self esteem and support.

Manufacturing Skills Training – A 4-week workshop which meets Monday through Thursday, 6:00 – 9:30 p.m. in which punctuality and attendance is required for successful completion. Training topics presented by area business partners and college faculty include: Behaviors in the Workplace, Quality and Problem Solving, Math and Measurements, Computer Basics, Job Search Techniques, Communications, Teamwork, Blueprint Reading and a 10-hour OSHA Safety Certification.

Basic Skills Development

Adult Basic Education - Employees may enhance their workplace basics including reading, writing, and math skills.

GED - NIACC instructors provide study assistance to obtain a General Equivalency Diploma.

English for non-English Speakers – Public and private training programs are available for workplace or general needs to help employees communicate better at work and in non-work settings.

Technical Skills Development

Regional post-secondary institutions provide a solid source of technical instruction for:

- Computer Skills
- Communication Skills
- Business Management
- Manufacturing Skills & Processes
- Health & Wellness

Career Link

North Iowa Area Community College, in partnership with area high schools, provides exciting educational opportunities that prepare high school students for fast growing occupations. Students participate and earn college credit while still in high school.

Career Link programs prepare high school students for careers in:

- Agriculture: Ag Sales & Service, Ag Marketing & Finance, Ag Operations Management.
- Business: Accounting, Entrepreneurship, General Business, Hospitality & Food Service Management, Retail Management, Sport Management, and Professional Administrative Services.
- Information Technology: E-Commerce, Web Design & Development, and Information Systems Technology.
- Health: Medical Assistant, Nursing, Physical Therapist Assistant, Medical Lab Technician, plus many other career options requiring four or more years of college.
- Industrial Technology: Automotive, Building Trades, Climate Control, and Tool & Die.

Customized Training

IWD and NIACC work together to create customized educational packages to meet the needs of each business. Private providers also provide customized educational packages.

Satellites, Online, ICN & Facilities

NIACC's Continuing Education Division has satellite downlink capabilities providing the ability for businesses to benefit from programs across the country. NIACC and other institutions offer a wide variety of online educational opportunities from short-term courses to courses leading to advanced degrees. The statewide fiber optics capability (ICN) allows businesses and their employees to attend seminars and workshops and take graduate courses without leaving town.

IWD itself functions under the direction of a Coordinating Service Provider (CSP). The CSP members include the Department of Human Services, North Iowa Area Community College and Iowa Workforce Development. This partnership has served to provide business services.

NIACC has many formal partnerships including:

Regional Health Education Center

This partnership between NIACC and Mercy Health Center North Iowa was formed January 1, 1987 to avoid duplication of effort, time and money while increasing opportunities for the health care professional and consumer of health. The efficiencies created by combining the resources of both institutions allow Mercy and NIACC to maintain their commitment of continuing education for employees, at a time when diminishing resources have forced many hospitals to reduce their educational offerings.

Murphy Manufacturing Technology Center

In 1997, a substantial gift from NIACC alumni David and Phyllis Murphy provided the impetus to create the Murphy Manufacturing Technology Center. The

Center, a partnership between local industries, local school districts, and NIACC serves the community's economic development needs by offering local training, employees seeking customized training as well as degree-seeking students preparing to become high performance technicians.

The \$3 million Murphy Manufacturing Technology Center and its programs embody a vision of world-class advanced technology education. An Advisory Board of 25 industries in the NIACC service area joined with educational leaders in a yearlong process to envision and craft the center.

The Murphy Center offers existing employees the opportunity to retrain and retool through continuing education and customized training courses. At the present time, six local industries are financial partners of the Murphy Center.

In addition, nine local school districts are supporting partners of the Murphy Center. Through the unique high school partnership, NIACC hired two full-time first-year Tool & Die instructors. This entrepreneurial effort allowed the college to soften the effect of the lack of state fiscal support for new career programs.

Making Connections

The North Iowa Career Center at NIACC administers this database system designed to link students and educators with businesses willing to provide tours, classroom speakers, job shadowing, mentoring, work experiences and internships. This is an Internet database so students and educators can search the database for appropriate work-based learning opportunities and apply on-line.

Business and Industry Group

The NIACC Continuing Education Division and IWD's Employer Council of Iowa has joined forces with the Business and Industry Group (formerly NIAD Business and Industry) to provide training to businesses and industries in North Iowa. The collaborative efforts of all three organizations working together provide quality educational offerings and networking opportunities to common constituents.

Small Business And Entrepreneur Training

Through the John Pappajohn Business & Entrepreneurial Center, NIACC has been able to offer degrees and additional coursework in entrepreneurship.

John Pappajohn Business & Entrepreneurial Center

The mission of the John Pappajohn Business and Entrepreneurial Center is to enhance the quality of life for people in North Iowa by: educating aspiring entrepreneurs, small business owners and managers, and students; providing service and support to

increase the probability of success for new ventures and expansions; and partnering with other area organizations to stimulate entrepreneurial activity. Recently, funding has been established to offer the NIACC Revolving Loan Fund, North Iowa Venture Capital Fund, and the Wellmark Venture Capital Fund

Small Business Development Center

The North Iowa Area Small Business Development Center (SBDC) is one of 16 Centers across Iowa. The SBDC program is currently the largest management and technical assistance program servicing the small business sector in the U.S. All SBDC offices are operated under cooperative agreements with the U.S. Small Business Administration. The Iowa SBDC program is administered by Iowa State University College of Business.

North Iowa Accelerator

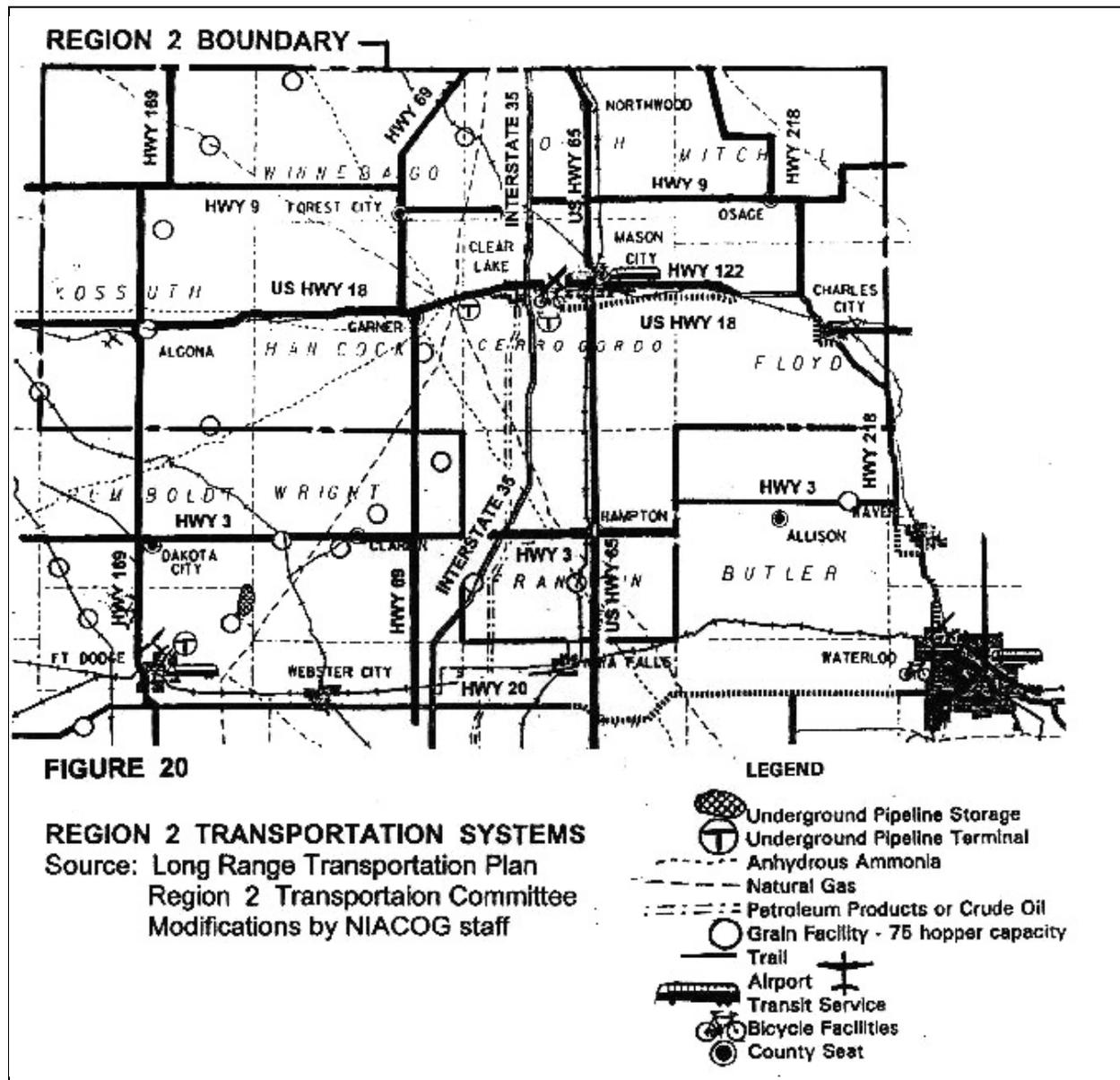
NIACC was awarded a grant on January 7, 2005 by Michael Blouin, director of the Iowa Department of Economic Development for the North Iowa Accelerator. Mason City's Pappajohn Center is one of four sites in the state chosen for this business accelerator. The goal is to help businesses start up, expand or relocate to North Iowa. This will help the North Iowa area move to the next area of growth in profitability, employment and efficiency. Iowa Workforce Development worked with NIACC to conduct an existing business survey across Region 2. Over 200 north Iowa businesses were visited and surveyed, with survey results being shared with service providing partners (IWD and NIACC) for appropriate follow up to address the identified needs of the business. Results from this business survey have also served to lay the groundwork for the business accelerator.

NIACC John Pappajohn Entrepreneurial Center Business Incubator

In addition to traditional services of an incubator, the NIACC JPEC Business Incubator includes monthly review of financial records, business coaching, and overall strong experienced support. Another unique feature are the additional resources available through NIACC such as modern manufacturing equipment for prototyping, wet lab space for biotechnology and chemistry, access to both on and off site research libraries, specialized and general business training, access to different types of debt and equity financing, high speed wireless internet connectivity and opportunities to network with other entrepreneurs.

5) Transportation Access

The map below, entitled Region 2 Transportation Systems, illustrates transportation systems in the Region 2 area. The systems elements include airports, major highways, railroads, grain facilities, transit service, bicycle facilities, trails; and underground pipelines for anhydrous ammonia, natural gas, petroleum products or crude oil. The county seat community is also shown for each of the eight Region 2 counties.



The Region 2 area is very well served by Transportation Systems. Interstate 35 runs north to Minneapolis / St. Paul, Minnesota and south to Des Moines, the capitol city of Iowa. Note that highway, railroad, air, and pipeline facilities converge near the

intersection of Interstate 35, Highway 18, and Mason City Municipal Airport. This provides an 'intermodal transportation' opportunity somewhat unique in the state of Iowa, and provides the opportunity to transfer products from one type of transportation system to another. This would make both imports and exports very convenient to the Region 2 area.

Region 2 is divided by two major 4-lane divided highways, Interstate 35 traveling north and south, and State Highway 18 traveling east and west. The State constructed a major 4 lane divided highway from Interstate 35 to the east and south connecting to Interstate 80 near Iowa City. This route is called the 'Avenue of the Saints' because it will connect St. Paul, Minnesota and St. Louis, Missouri. The old Highway 18 route east of Interstate 35 is now called Highway 122 and connects to the new Highway 18 corridor near the center of Floyd County. Other major east / west highways are Highway 9 running through the northerly portion of the Region in Kossuth, Winnebago, Worth, and Mitchell Counties. Existing Highway 18 runs west of Interstate 35 through Cerro Gordo, Hancock and Kossuth Counties. Highway 3 runs through Franklin County in the southerly portion of the Region. Highways running in a north / south direction, named from west to east, are Highway 169 through Kossuth County, Highway 69 through Hancock and Winnebago Counties, U.S. Highway 65 through Franklin, Cerro Gordo, and Worth Counties, and Highway 218 through Floyd and Mitchell Counties.

Also, north central Iowa has a network of what are called 'farm to market' roads that are almost every mile through the rural countryside, jogging only to avoid a river or creek. Most of these roads are paved or hard surfaced. This road system is generally well maintained by the counties, because it is very important to the agricultural traffic that utilizes them during nine months of the year. Cities and counties depend heavily on 'road use taxes' to support the maintenance of their road systems.

Region 2 is served by six railroad lines. The Chicago-Northwestern track running north / south through Mason City in the center of Cerro Gordo County is the only high speed rail line, traveling at speeds up to 60 mph. The other rail lines travel at much lower speeds, up to 40 mph. The railway system serves many of the grain facilities shown on the map on the previous page. The Iowa Department of Transportation has classified grain facilities into four categories, depending on the quantity of grain they can store at each location. Each rail car can hold 100 tons of commodities. A grain facility will have a specific storage capacity. However, these Hopper rail car capacities indicate the number of cars a grain facility can handle at one given time. A facility would need adequate track capacity to serve 75 rail cars at one time. The railroad company may only allow so much time for a train to sit at a grain facility. They may choose grain facilities according to the track capacity. Obviously, the railroad system is very important to the agricultural uses in Region 2.

Airports depend on efficient highway access, for both passengers and the shipping of products. The different travel modes: air, highway, and rail are all needed to operate as efficiently as possible to move freight. These modes must be coordinated at the planning level to allow efficient movement. Air passengers, as well as freight tonnage,

have increased dramatically in the last two decades. Smaller airports help to serve markets and ease the pressure on larger airport hubs. The access and efficiency thus trickles down to the regional and local level.

Iowa ranks its airports in four categories:

Level 1: System of National / Regional Significance – Commercial Service

Level 2: System of National / Regional Significance – General Aviation

Level 3: System of Statewide Significance

Level 4: System of Local Significance

In Region 2, the Mason City Municipal Airport in Cerro Gordo County is in the Level 1 category. The nearest other Level 1 airports are located outside of the Region in Spencer to the west, Ames to the south, and Waterloo to the southeast. This Airport is undergoing a regionalization campaign. For years the airport has received federal funding assistance for maintenance and operation of the facility because the number of enplanements exceeds the federal minimum threshold levels.

However, in January of 2014 the commercial air service carrier (Great Lakes Airlines) suspended its service to Mason City and five other communities, due to a Congressional change in rules that required a minimum flight time of 1500 hours for pilots. Shortly after that, their number of pilots plummeted from 304 to 98, which resulted in a shortage of pilots. In March 2014, two airlines had submitted proposals to provide commercial air service including Great Lakes Airline and Air Choice One. The board is now deciding which proposal to accept.

The Algona airport in Kossuth County and the Charles City airport in Floyd County are in Level 2. The Forest City airport in Winnebago County and the Hampton airport in Franklin County are in Level 3. The Lake Mills airport in Winnebago County, the Northwood airport in Worth County, and the Osage airport in Mitchell County are in Level 4. Hancock County is the only county in Region 2 without a recognized airport facility. However, the Iowa Department of Transportation is encouraging the regionalization and merging of airport facilities.

Also, illustration on the Region 2 Transportation Systems map, the area is criss-crossed by several major underground pipeline systems. These lines carry a variety of products ranging from petroleum and crude oil to natural gas and anhydrous ammonia. The map also shows underground storage and terminal facilities along the routes, and there are also some very large above ground storage facility locations. These pipelines provide services to the area wholesale suppliers who then make the products available to the users. As the map indicates, the pipelines are located primarily in the central and westerly part of the Region. These are an important factor in the overall economic development of the NIACOG area.

Region 2 Transit provides demand response and subscription services in all eight counties under 18 providers. Approximately 425,000 rides are served each year, mainly to elderly and disabled persons. Each provider has a contract with NIACOG and

receives federal and state money for operating, as well as capital improvements such as vehicles and related equipment. All services are open to the public. The transit system is staffed by one full-time Transit Administrator and partly by the NIACOG Executive Director and Secretary, all located at the NIACOG office. Each provider has its own facilities and employees on site. The vehicles are on the road generally from 8:00 am to 5:00 pm on weekdays. Also, there are other transit providers in the Region 2 area. The City of Mason City has its own fixed route system within the City.

Trail systems and bicycle facilities are increasing in the Region 2 area. They are being funded in part by grants from the Iowa Department of Natural Resources (IDNR), by the Iowa Department of Transportation (IDOT), and by county and community fund raising events. Cerro Gordo County and Franklin County have received ownership of an abandoned railroad line from the Iowa Department of Transportation and are now working toward creation of a multi-county trail. Each of the eight counties has some amount of trail system for hiking, bicycles, bridle paths, and nature walks. A large regional trails map is maintained at the NIACOG offices as part of the organization's transportation planning efforts.

6) Resources

This section describes resources in the region that relate to the ability to recruit, maintain, and grow businesses and/or workforce and include:

- a) Water and Sanitary Sewer Systems
- b) Housing
- c) Health Services
- d) Educational Services
- e) Public Safety Services
- f) Recreation & Cultural Services
- g) Wind Currents

a) WATER AND SANITARY SEWER SYSTEMS

The existing infrastructure systems in the Region 2 communities and counties are very important to economic development. Many communities in Region 2 have opted to install water systems and sewage treatment facilities to create a more adequate supply of water and avoid potential underground water contamination situation. The Iowa Department of Natural Resources (IDNR), reviews permits and monitors the conditions related to water quality. NIACOG has assisted many communities in Region 2 in the application for financial assistance from several of the State programs for sewer and water infrastructure improvements. As these systems age there is a growing need for improvements and upgrading of the existing systems.

The following tables illustrate the Percent of Water Facilities and the Percent of Sewage Disposal Facilities in each of the counties in Region 2, and in the State of Iowa.

All of the cities having a population of 400 or more in the NIACOG region are served with both city water and sewer services.

In some cases, these water and sewer systems are in need of repairs or upgrades to either increase capacity or decrease inflow and infiltration. Some are also extending lines to facilitate new development. A summary of the communities that are doing projects to correct issues types and/or extend lines is included in Appendix H.

b) HOUSING

The region's housing vacancy rate was higher than the State's by about 1 percentage point, but lower than the U.S. rate by about 6 percentage points, which is a very significant difference. The table below illustrates the specific quantity and vacancy rate for housing in the Region 2 area, as well as, for the State of Iowa and the United States.

HOUSING	NIACOG		Iowa		United States	
	Units	%	Units	%	Units	%
Total housing units	55,612		1,332,487		131,034,946	
Occupied housing	50,274	90.4%	1,219,137	91.5%	114,761,359	87.6%
Vacant housing units	5,338	9.6%	113,350	8.5%	16,273,587	12.4%

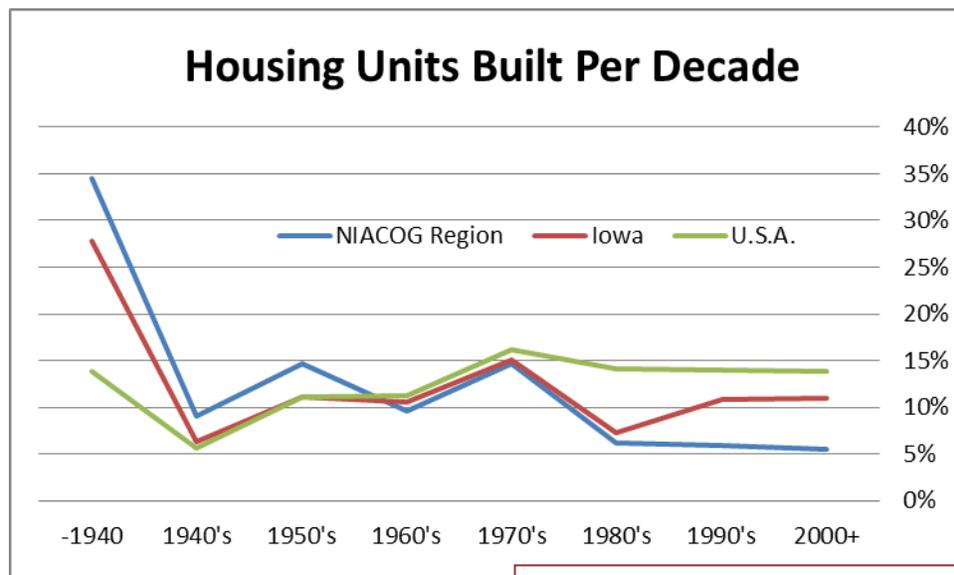
Source: U.S. Census Bureau, 2007-2011 American Community Survey

Although homeowner vacancy rates vary little between the region, state, and U.S.A., the rental vacancy rates, vary significantly. The NIACOG region has the lowest vacancy rate with significantly higher rates by the state and nation. This shows a potentially greater need for additional rental housing in the region as compared to the state or nation. The following table illustrates provides the specific rates for both owner-occupied (homeowner) and rental rates for region, State, and U.S.A.

VACANCY BY TYPE OF OCCUPANCY	NIACOG REGION	IOWA	U.S.A.
Homeowner vacancy rate	2.2%	2.0%	2.4%
Rental vacancy rate	4.7%	6.6%	7.8%

Source: U.S. Census Bureau, 2007-2011 American Community Survey

In spite of the downtrend in population, the low vacancy rates for the region are in part due to the limited amount of construction occurring in recent history. As illustrated by the chart (at right), new housing units in the region have been vastly surpassed by the State of Iowa and the nation since the 1970's.



Source: U.S. Census Bureau, 2007-2011 American Community Survey

One-third of the region’s housing was built prior to 1940. Only 17% of the region’s housing was built within the past 30 years. This is significantly less than the 29% built in the State during the past 30 years and 42% for the nation.

Housing Units Built By Decade						
Decade	NIACOG REGION		STATE OF IOWA		UNITED STATES	
	units	%	units	%	units	%
2000+	3,048	5%	146,757	11%	18,073,687	14%
1990's	3,259	6%	143,845	11%	18,307,034	14%
1980's	3,432	6%	97,165	7%	18,428,096	14%
1970's	8,161	15%	201,792	15%	21,251,589	16%
1960's	5,314	10%	141,103	11%	14,747,639	11%
1950's	8,185	15%	148,086	11%	14,605,273	11%
1940's	5,031	9%	83,954	6%	7,440,302	6%
-1940	19,182	34%	369,785	28%	18,181,326	14%

Source: U.S. Census Bureau, 2007-2011 American Community Survey

Housing construction has been fairly evenly distributed over time for the United States as a whole. The State is somewhat close to the national levels, but the NIACOG region is heavily weighted toward older housing.

Brett Schoneman, a noted local commercial Realtor and rental property owner, reported that the condition of rental housing is one of the key reasons that professionals choose to move out of, rather than continue to stay in, the area.

NIACOG is very active in assisting communities and individuals with several types of housing programs. The largest percentage of grant dollars go towards owner-occupied housing rehabilitation. Other active projects in the region have received awards from housing grant/loan programs are rental housing rehabilitation, rental housing new construction, home ownership assistance, and tenant based rental assistance. Under the Home Buyer Assistance program, home buyers throughout the NIACOG Region are eligible to receive down-payment and/or closing cost assistance up to a maximum of 5% of the sales price.

The NIACOG Housing Trust Fund was created in 2011 and offers financial assistance to make repairs to owner-occupied and rental property. All assistance is limited to housing where the occupant’s income and assets are less than set limits.

Housing Needs Assessment Studies have been conducted in all eight of the Region 2 counties by the NIACOG staff. The staff is currently in the process of updating them upon request.

c) HEALTH SERVICES

The eight counties have public health departments and a County Board of Health. North Iowa Mercy Center is headquartered in Mason City and offers complete medical and surgical facilities. Mercy Family Health Line is a telephone service for callers to obtain free medical information and physician referrals from a registered nurse 24 hours a day. Hospitals are also located in Charles City in Floyd County, Hampton in Franklin County, Britt in Hancock County, Algona in Kossuth County, and Osage in Mitchell County. Communities in Winnebago County and Worth County are in close proximity to the facilities in Mason City.

Several public and privately operated ambulance services cover all of the Region 2 area, with trained medical assistants at each ambulance location. Hospice of North Iowa is headquartered in Mason City with branch operations in Charles City, Forest City and Hampton. The North Iowa Cancer Center and the North Iowa Eye Clinic are also located in Mason City. A public transit system operated by NIACOG provides ride services from any community in the Region to any of the health service providers described above.

d) EDUCATION SERVICES

Region 2 is served by 24 school districts. The larger cities have a community school system; however, several of the smaller communities have merged two or more school districts into a shared district. Two mergers have occurred since the last CEDS was written just 5 years ago. Some districts include areas outside of counties in Region 2. Present enrollment in grades K through 12 is estimated to be between 19,325 students for the 2012-2013 school year. According to the Iowa Department of Education, the enrollment in K-12 public schools has declined by 2.5% during the past five years, which is not surprising given the decline in population.

The graduation rates in the NIACOG region are impressive. Of the 24 school districts reporting graduation rates, 14 had graduation rates above 95% and 1/4th (6 districts) had 100% graduation rates in the 4-year cohort for 2010-11 graduation year. The average graduation rate for school districts in the region is 96%. The State average is 93%.

Parochial schools are also available in the Region for preschool through 12th grade. In addition to the several parochial preschool programs available throughout the NIACOG region, the region also has at least two parochial high schools and seven elementary/middle school programs.

Region 2 provides excellent opportunities for those wishing to continue with their education. In addition to recent high school graduates, many older students are participating in the classes and degrees offered. North Iowa Area Community College (NIACC) is located on a campus east of Mason City in Cerro Gordo County, and has a branch location in Floyd, Franklin, Hancock, Mitchell and Winnebago Counties.

Several universities offer beginning courses on the NIACC campus: Buena Vista University, Iowa State University, University of Iowa, and University of Northern Iowa. Credits for courses taken on the NIACC campus can be transferred to the main university. All of these universities are within a few hours drive. Business, Liberal Arts, Trade Skills, and Religious schools are also readily available in the eight county area. Also, short courses and on the job training opportunities are offered by the area universities, colleges, trade schools, the Small Business Development Center and the Center for Industrial Research and Services. About 30% of students at NIACC are from out-of-state.

Waldorf College also offers a 4-year degree programs. Approximately, 50% of the students at Waldorf are from out of state. Kaplan University in Mason City offers career-oriented advanced education.

Iowa is a top 10 importer of college students in the nation because of the esteemed quality education offered by its colleges/universities. Unfortunately, it also 'exports' one of its finest products, that is, well educated high school, college and university graduates. Iowa's students rank among the highest in S.A.T. (Scholastic Achievement Testing) scores nationally. An effort to find and create jobs for these graduates is a very high priority on the economic development strategy list.

e) PUBLIC SAFETY SERVICES

Each county has a sheriff's department, and most communities have a full-time or part-time police officer. Similarly, most communities have fire service which may be full-time, part-time or volunteers. Fire training classes are held regularly and the person serving must have a certificate of training. These groups are also being trained in the awareness of hazardous materials, called Hazmat. NIACOG staff provides administrative support to the North Central Regional Emergency Response Commission (NCRERC), which is instrumental in securing funding for training and community awareness.

Each community is tied into a safety communication system which allows them to respond and assist other counties and communities when needed. First responders react to medical emergencies and provide treatment until trained emergency medical technicians and ambulance crew members arrive and transport the patient to a care facility. First responders must be certified by the State of Iowa and must keep up to date with their CPR accreditation. Also, many fire departments in the Region have mutual aid agreements with other surrounding departments or the entire county in which they are located. If a large fire should occur and a department would need additional assistance, they could call other nearby departments to lend aid.

NIACOG has also been active with communities in developing Hazard Mitigation Plans to help local governments prepare for possible emergency situations.

f) RECREATION AND CULTURAL SERVICES

Public recreation facilities are well provided in the Region 2 area. In 1955, the Iowa Legislature passed a law permitting individual counties to establish County Conservation Boards for the purpose of acquiring and developing lands for parks, hunting, fishing, recreation, and other conservation purposes within the County. Region 2 offers many state, county, and local parks and open spaces for recreation. Also, there are many cultural points of interest throughout the Region. A group called the Top of Iowa Tourism Committee, representing 10 counties in the north Iowa area, are working together to attract visitors and tourists to the area and encourage them to stay for several days to see and do all that is available. NIACOG staff plays a supporting role with the Top of Iowa Tourism Committee to coordinate and cooperatively operate as a group to make tourism and cultural attractions an important part of the north Iowa area economic development strategy. Tourism is now the third largest industry in Iowa, and growing.

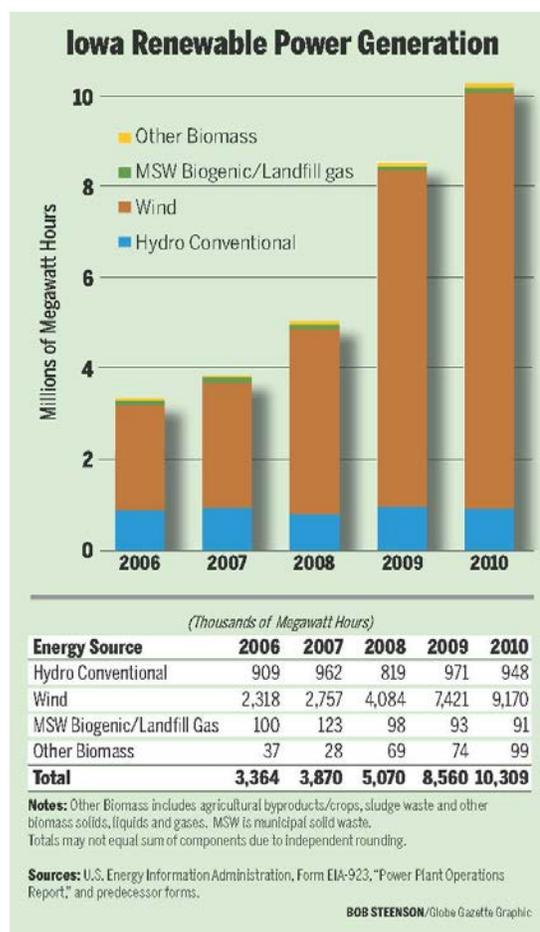
Historic preservation is a growing activity throughout Iowa. A number of grant and assistance programs are available for counties and communities to preserve and restore historic buildings and sites. NIACOG staff is providing grant assistance to several of the communities to preserve and restore historic and cultural assets within the Region. Mason City is home to the only remaining hotel in the world that was designed as such by Frank Lloyd Wright.

g) WIND CURRENTS

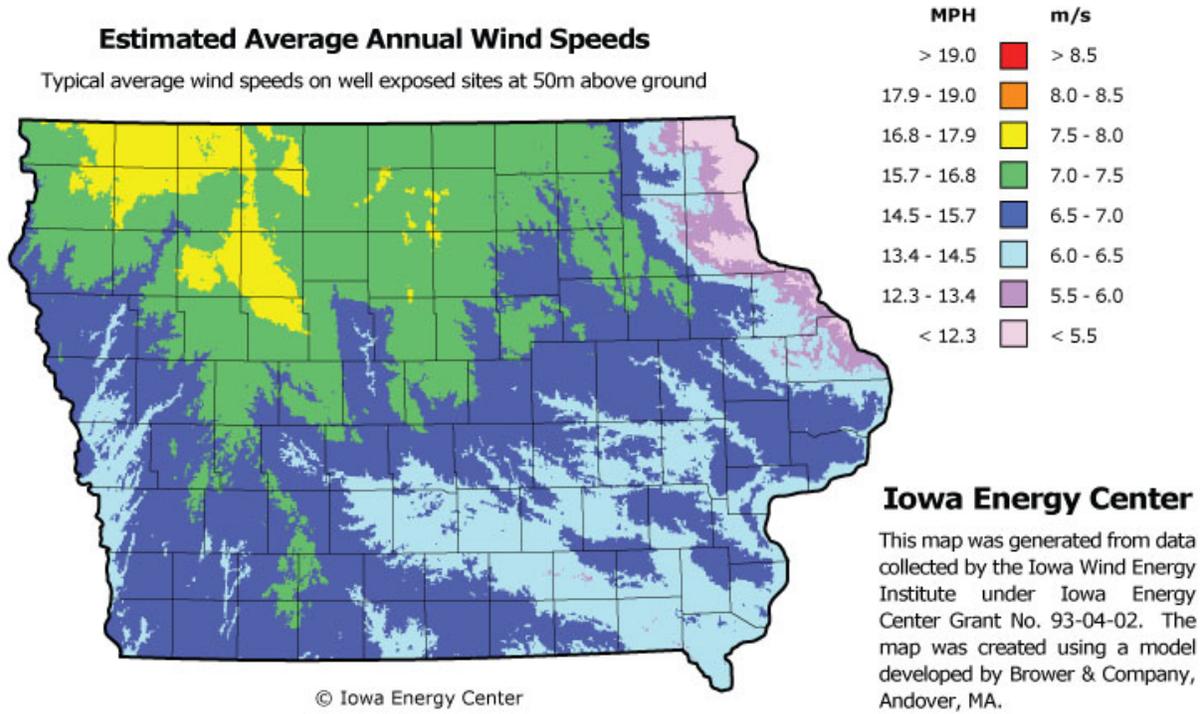
One other important resource for the local economy is the availability of significant wind currents. These wind currents have spawned the establishment of wind farms in the Region. These wind farms have created a revenue stream for farmers who lease the land to energy companies.

Iowa leads the U.S. in the percentage of electricity generated by wind with 24.5 percent of its electricity in 2012 coming from wind power, according to the American Wind Energy Association. Now that's saying something. (December 17, 2013, Globe Gazette)

As illustrated by the table at the right Iowa's renewable energy supply for power generation is dominated by wind.



And as shown by the following map, north Iowa offers the highest annual average wind speeds in the state.



Iowa Energy Center

This map was generated from data collected by the Iowa Wind Energy Institute under Iowa Energy Center Grant No. 93-04-02. The map was created using a model developed by Brower & Company, Andover, MA.

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7) Environment

1. **PARKS.** The only designated National Park in Region 2 is the Union Slough Area in Kossuth County near Bancroft. The region contains no National Game Preserves; however, all eight counties have designated public hunting areas administered by the Iowa Department of Natural Resources (IDNR). Source: IDNR

Designated State Parks are located in Cerro Gordo County on Clear Lake (3 parks), Hancock County near Forest City (1 park), and Kossuth County (1 park) near Algona. Numerous county and city parks and conservation are available throughout the region.

2. **WILDERNESS ACT.** The region contains no designated or proposed wilderness areas under the Wilderness Act. (Source: IDNR)
3. **WILD AND SCENIC RIVERS ACT.** The region contains no wild or scenic rivers under the Wild and Scenic Rivers Act. (Source: IDNR)
4. **ENDANGERED SPECIES.** Endangered plants and animals were researched on the U.S. Fish And Wildlife Service's (Midwest office) website at http://www.fws.gov/midwest/endangered/lists/iowa_cty.html.

The region has one endangered *animal* species; the endangered species is the Topeka shiner. It is a type of fish that is located in prairie streams and rivers and has been found in both Hancock County and Kossuth County. No habitat conservation plans have been developed. The Topeka shiner was first listed in 2004.

The region also has two threatened plant species - the western prairie fringed orchid and the prairie bush clover. Both of these species are in every county in the region 2 area. The western prairie fringed orchid is found in wet prairies and sedge meadows. The prairie bush clover is found in dry to mesic prairies with gravelly soil. The U.S. Fish And Wildlife Service has developed no habitat conservation plans or published critical habitat rules for either of these species. Both plants were both listed in the late 1980's.

5. **PRIME AGRICULTURAL LAND.** Approximately 80% of the farmland in the Region 2 area is 'prime / unique agricultural land', although not officially designated by the U.S. Department of Agriculture (Natural Resources Conservation Service) under the Federal Farmlands Protection Act. Several of the counties utilize a CSR (Corn Suitability Rating) zoning criteria to determine whether or not the land should be allowed to be used for non-agricultural use. The type and location of agricultural soils is monitored by the use of a Soils Survey document prepared for each county by the United States Department of Agriculture Soil Conservation Service in cooperation with the Iowa Agriculture

and Home Economics Experimental Station Cooperative Extension Service of Iowa State University, and the Department of Soil Conservation, State of Iowa. (Source: U.S. Department of Agriculture Soil Survey Reports & NIACOG)

6. SUPERFUND/RCRA/LUST/BROWNFIELD SITES. The EPA maintains a National Priority List Sites of contaminated sites needing attention (The EPA list does not include LUST sites). A detailed summary for each of the 6 listed sites in the NIACOG region is included in Appendix A. These documents were obtained at www.epa.gov/region07/cleanup/npl_files/index.htm#lowa. All of the sites have been cleaned up, and four of them have been deleted from the list. The two that remain under monitoring include the former site of the Mason City Coal Gasification Plant in Mason City and the Shaw Avenue Dump located on the North border of Charles City.

RCRA sites are located in 5 of the Region's 8 counties as follows with the number of sites in parenthesis: Cerro Gordo (4), Floyd (2), Franklin (2), Hancock (3), and Kossuth (2). Appendix C contains information about each of the sites and their respective handler types which includes whether they are subject to corrective action, whether they corrective action workloads, and whether they are small or large generators of hazardous waste. Source: EPA on their website with the following address: http://www.epa.gov/enviro/html/rcris/rcris_query_java.html.

A list of active LUST sites in the region is included in Appendix B. The status of these active sites whether low or high risk is specified for each of the sites. Source: IDNR, <https://programs.iowadnr.gov/tanks/pages/advanced.aspx>.

The region contains at least 4 known brownfields. They include:

- The site of a former Vulcan Iron Works; the land is being recycled for use as open space/park, but could also potentially be used for commercial (but not residential) use according to IDNR.
- Tom Thumb Facility; an active grain elevator owns the land and is recycling it after an ag chemical spill
- Snap-On Tools; the tool company owns the land and is recycling it for their purposes
- Lake Mills Landfill; the City of Lake Mills owns land that was the site of a landfill about 30 years ago, but is buried; it has been used informally as a park for many years and was recently tested for contaminants by IDNR and determined that it was okay for park use as long as no excavation is done

The state offers funding for economic development on brownfield sites to assist with assessment and development costs. Communities may not call certain sites brownfields by name; however any site where redevelopment interest has been hindered by known or suspected contamination can be called a brownfield.

7. MANUFACTURERS AND USERS OF HAZARDOUS CHEMICALS / STORAGE OF CHEMICALS. The region has several manufactures and users of hazardous chemicals. Each of the eight counties in Region 2 is served by a local Emergency

Coordinator who works closely with the IDNR to monitor these hazardous chemical sites.

The Iowa DNR is responsible for the collection and management of Tier II data reported by regulated facilities. The purpose of Tier II data is to provide state and local officials with specific information on hazardous chemicals present at a facility.

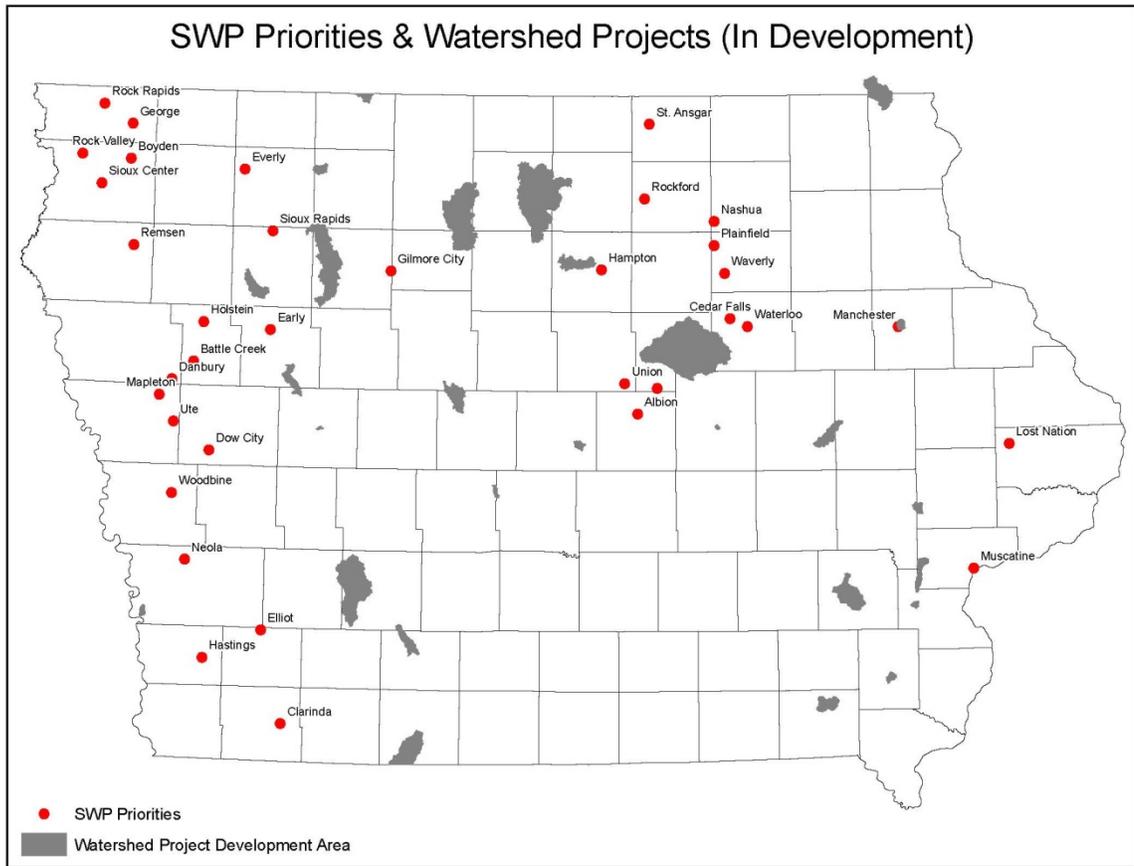
Source: Steve O'Neil, Emergency Management Coordinator, Cerro Gordo County Emergency Management Agency; Iowa Department of Natural Resources

8. MANUFACTURERS/USERS OF PESTICIDES. The region has major manufacturers and users of pesticides. These sites are monitored by the county Emergency Management Coordinators and IDNR. Source: EPA at the web address www.epa.gov/enviro/html/rcris/rcris_query_java.html and Steve O'Neil, Emergency Management Coordinator, Cerro Gordo County Emergency Management Agency.
9. SINGLE SOURCE AQUIFERS. Region 2 contains several single source (drinking water) aquifers in Region 2, such as the Jordan and Cedar Valley aquifers. These aquifers are monitored by the local users in accordance with the IDNR's regulations.

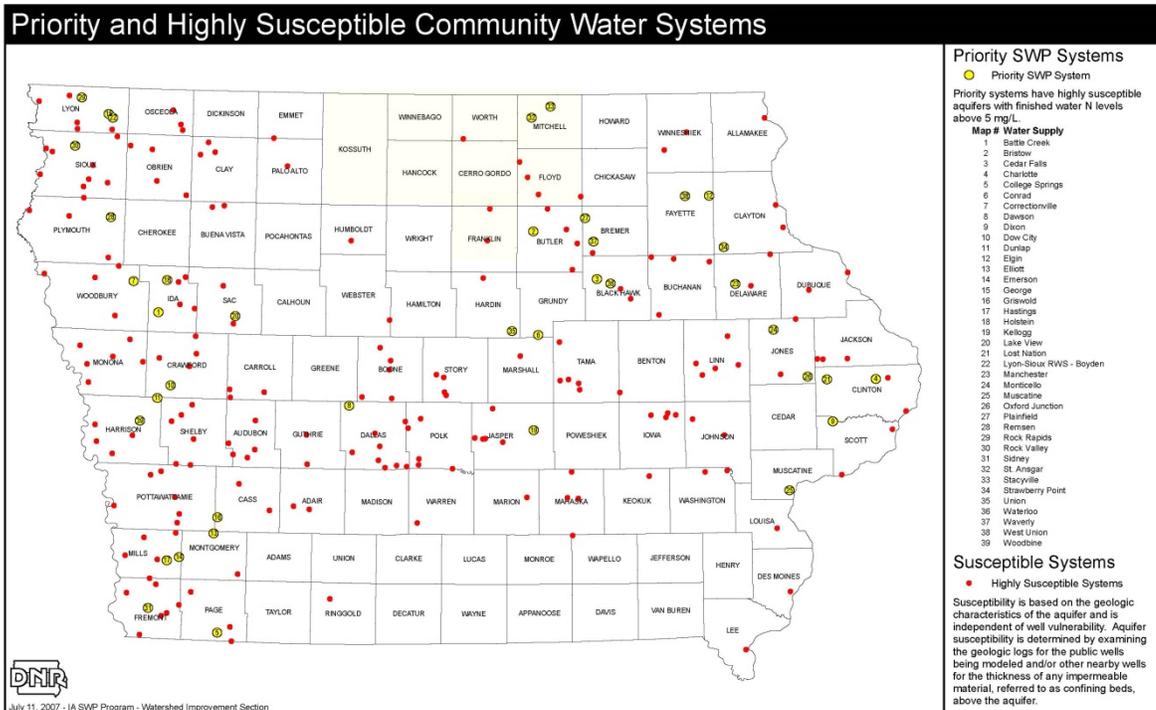
The U.S. Environmental Protection Agency coordinates the Sole Source Aquifer Protection Program. EPA defines a sole or principal source aquifer as an aquifer that supplies at least 50 percent of the drinking water consumed in the area overlying the aquifer. These areas may have no alternative drinking water source(s) that could physically, legally and economically supply all those who depend on the aquifer for drinking water. For convenience, all designated sole or principal source aquifers are referred to as "sole source aquifers" (SSA's). SSA designation is one tool to protect drinking water supplies in areas where there are few or no alternative sources to the ground water resource and where, if contamination occurred, using an alternative source would be extremely expensive. None of the sole source aquifers in the NIACOG region (or the entire state of Iowa) have been listed on the 'Sole Source Aquifer Protection Program. (Source: <http://water.epa.gov/infrastructure/drinkingwater/sourcewater/protection/solesourceaquifer.cfm>)

10. WELL-HEAD PROTECTION AREAS.

As illustrated on the map below, the NIACOG region has three cities that have made IDNR's Source Water Protection priority list. There are also three areas where watershed projects are under development in Kossuth County, Hancock/Cerro Gordo County and Franklin County.



The Iowa Department of Natural Resources monitors the safety of source water for municipal water systems and well head protection areas. They issued the map (below) in July 2007 to illustrate the location of municipal water systems that had some susceptibility related to the aquifers that serve their respective systems. IDNR used a two-tiered classification system for identifying susceptible systems including Priority Systems and Susceptible Systems.



Source: IDNR, Priority and Highly Susceptible Community Water Systems map, July 11, 2007.

Priority Systems are defined as having highly susceptible aquifers with finished water that exceeds accepted standards. Two Region 2 cities are included on the Priority Systems list including St. Ansgar and Stacyville.

Susceptible Systems are defined based upon geologic characteristics of the aquifer *independent of well vulnerability*. Aquifer susceptibility is determined by examining the geologic logs for the public wells being modeled and/or other nearby wells for the thickness of any impermeable material, referred to as confining beds, above the aquifer. Susceptible Systems in Region 2 include Fertile, Nora Springs, Rockford, Marble Rock, Charles City, Sheffield, and Hampton.

Future development should be sensitive to the watershed protection areas in the cities listed above.

11. NONATTAINMENT AREAS. Although the region had a nonattainment area in the last CEDS plan, the cement plant causing the emissions has installed multi-million dollar filter/scrubbing equipment and is no longer listed. The region now has no nonattainment areas. Source: IDNR staff member Sean Fitzsimmons of the Air Quality Services Bureau and the EPA website with nonattainment area listing

Source: (<http://www.epa.gov/oaqps001/greenbk/ancl.html>)

12. 100-YEAR FLOOD PLAIN & AFFECT ON FUTURE DEVELOPMENT. The existence of 100-year flood plains has been determined by FEMA (Federal Emergency Management Agency) for participating communities. The 100-year flood plains have been identified and mapped for the cities and counties participating in the National Flood Insurance Program (NFIP) as identified in the following lists as of March 2014. The maps are available at <https://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1>

Development projects will avoid flood plain areas unless essential to the project. If essential (such as an existing building in the flood plain seeking reuse), all rules will be followed to minimize flood hazard to the business and prevent any additional permanently fixed mass from being added to the 100-year flood plain.

- **Franklin County**
 - Franklin Co. (Unincorporated)
 - Hampton
 - Sheffield
 - Latimer
 - Coulter
 - Hansell
- **Kossuth County**
 - Kossuth Co. (Unincorporated)
 - Bancroft
 - Titonka
 - Fenton
 - Algona
 - LuVerne
- **Winnebago County**
 - Winnebago Co. (Unincorporated)
 - Scarville
 - Thompson
 - Forest City
- **Hancock County**
 - Hancock Co. (Unincorporated)
 - Woden
 - Corwith
 - Kanawha
- **Worth County**

- Worth Co. (Unincorporated)
- Hanlontown
- Fertile
- Manly
- Northwood

- **Mitchell County**
 - Mitchell Co. (Unincorporated)
 - Stacyville
 - St. Ansgar
 - Mitchell
 - Riceville
 - McIntire

- **Floyd County**
 - Floyd Co. (Unincorporated)
 - Charles City
 - Marble Rock
 - Nora Springs
 - Rudd
 - Floyd
 - Rockford

- **Cerro Gordo County**
 - Mason City
 - Clear Lake
 - Ventura
 - Thornton
 - Rockwell
 - Rock Falls

The following cities and counties have special *flood hazard areas* identified as of March 2014, but do not participate in the National Flood Insurance Program.

Franklin County – Popejoy, Geneva, and Alexander

Cerro Gordo County – Swaledale and Dougherty

Worth County – Joice and Kensett

Source: FEMA at website address <http://www.fema.gov/cis/IA.pdf>.

13. ARCHEOLOGICAL, HISTORIC, PREHISTORIC, & CULTURAL SITES TO AVOID AS A MAJOR CONSTRAINT TO DEVELOPMENT

Archeological Sites are tracked by the Office of the State Archaeologist. Maps of archaeological and historical sites for each county are mapped by the OSA. Copies of the maps for each county are included in Appendix G. Please note that Kossuth County was broken into two maps because of its large size. Source: Office of the State Archaeologist at website address: <http://ags.gis.iastate.edu/IsitesPublicAccess/>

Historic sites are located in every county of the region. Appendix D includes a list for each county of all of the sites listed on the National Register of Historic Places.

Source: National Register listing obtained from the State Historical Society of Iowa website in March 2014 and located at the following web address: <http://www.iowahistory.org/shsi/historic-preservation/national-register-of-historic-places/properties-in-iowa.html>

Cultural sites, not listed on the National Register of Historic Places, include the following list. Some of these sites are historic and Location Dependent (LD); others are simply the location where significant cultural events occur but are not necessarily tied to a location (Location Independent - LI).

- Cerro Gordo County:
 - LD - MacNider Art Museum, Clear Lake Fire Museum
 - LI - Stebens Children's Theatre, Kinney Pioneer Museum, Mason City Community Theatre, Clear Lake Arts Center, Music Man Square, Cannonball 457
- Floyd County:
 - LD - Charles City Art Center, Carrie Chapman Catt girlhood home, Chapin Elevator, Floyd County Museum
- Franklin County:
 - LD – REA Power Plant Museum, Pleasant Hill Village & Grandpa's Farm,
 - LI - Rock Island Depot, Franklin County Historical Museum, Gatehouse and Tool Display, Latimer Historical Museum
- Hancock County:
 - LD – Larson-Armstrong House
 - LI - Heritage Park, Hancock County Agricultural Museum, Hobo Museum and Gift Shop
- Kossuth County:
 - LI - Internationally famous Kaib Nativity Scene (half-sized figures of the Nativity crafted by German Prisoners of War while interned at the Algona Prisoner of War Camp in 1944.)
- Mitchell County:
 - LD - Artesian Well, Cedar Valley Memories Museum,
 - LI - St. Ansgar Museum
- Winnebago County:
 - LD – Burnap Country School, Mansion Museum

- LI - Waldorf College Art Gallery, Museum, Leland Museum & Reading Center
- Worth County:
 - LD – Alois Lang carved altar at Emmanuel Lutheran Church in Grafton, Hanlontown Community Bank Museum, Old Creamery Museum, Caboose Museum,
 - LI - Gladys Pixely Memorial Cabin, Kensett Log Cabin Museum, Machine Museum, Swensrud School

Source: Top of Iowa Tourism's website located at the following address
<http://www.visittopofiowa.com/>.

14. COASTAL ZONE. The Region has no Coastal Zones because Iowa is not a coastal state.

15. GENERAL CONSTRAINTS. During the Strategy Committee's evaluation of the weaknesses for the region, they prioritized the following as significant constraints to economic development: infrastructure barriers and airline access which was cut suddenly in January 2014 by the Mason City Regional Airport's commercial air service carrier. The process of installing and repairing/replacing infrastructure is ongoing and requires regular repair and maintenance. The Mason City Regional Airport Commission's board is actively pursuing proposals to provide the passenger air service again.

16. SOCIAL IMPACTS / ENVIRONMENTAL JUSTICE (MINORITY / LOW INCOME POPULATIONS). Households with lower incomes can be negatively affected when urban renewal seeks to redevelop an area that is currently populated by people of lower incomes. The private sector must pay market rate for these acquisitions and only from willing sellers because they do not have the power to condemn properties. If the government is involved, they do have the power to condemn in some cases, but are required to adequately notify and inform area residents/businesses and pay market rate for properties acquired and for moving expenses as mandated by federal regulations. Because of the prevalence of undeveloped land; however, urban renewal is seldom used in the region.

8. Disaster and Economic Recovery and Resiliency

Background

Rain water caused devastating flooding in the north Iowa area in June, 2008. The devastation was evident in new record flood levels, impact on businesses, shut down of municipal water/sewer services, and transportation interruptions. Record flood levels were experienced with the flood. Prior to June 8th, the record crest for the Winnebago River in Mason City was 15.7 feet, a record set in 1933. The new record set on June 8th was 18.74 feet – 3 FEET above the old record. Waters swelled over levies and even flooded into areas far beyond flood hazard areas established by FEMA. In a report by the National Weather Service, Mason City was specifically named as one of the three ‘larger’ cities in Iowa hardest hit by the flood. The President declared disasters for every county in the NIACOG region including Cerro Gordo, Floyd, Franklin, Hancock, Kossuth, Mitchell, Winnebago, and Worth County.

The North Iowa Area Council of Governments received funding from EDA for hiring a Disaster Recovery Coordinator in order to provide dedicated technical assistance to the needs of communities in our eight county region– particularly those that stemmed from the Flooding and Disasters of 2008 (FEMA 1763). A second person was also hired through a senior worker program offered by Elderbridge Agency On Aging to assist with processing applications. The capacity of the communities in our rural region is limited and many of the Federal assistance programs have provisions that are difficult to surmount. Few rural communities have the financial capacity to hire the dedicated staff necessary to manage and administer these kinds of programs. NIACOG and the Disaster Recovery Coordinator have provided the necessary information and services to our communities in order to recover from the damage of these disasters and to mitigate the impacts of future events. Furthermore, this investment and the CEDS Planning Program are both part of a larger strategy to drive coordination and cooperation between local economic development service delivery agencies. This holistic strategy is a catalyst through which future job creation can be facilitated and private investments can be leveraged.

The EDA Recovery Coordinator support and other public and private expenditures were essential to the long-term economic health of the region as a whole. Recovery from the Disasters of 2008 and mitigation of future impacts are essential to both the private and public sectors as NIACOG region moves forward.

Regional Implementation Strategy

The strategy detailed below is a product of the local recovery efforts in the NIACOG region, and the needs expressed by local community leaders. The Regional Implementation Strategy is intended to serve as a framework for ongoing recovery and mitigation activities.

Goal 1: Hazard Mitigation

Objective 1: Substantially and permanently reduce the region’s vulnerability to natural and man-made hazards.

Action Steps:

1. Preparation and Update of Multi-Jurisdictional Hazard Mitigation Plan with HMPG Funds: Coordinate with county governments as lead jurisdictions and local emergency management coordinators. Ensure that all jurisdictions, including school districts, participate. Assist cities in implementing plan recommendations in current planning processes and evaluating the effectiveness of those actions and overall planning process.
2. (Weather) Safe Rooms Projects: Encourage local governments and community school districts to pursue FEMA Funding for safe rooms at public facilities. These projects include construction of safe rooms in new buildings and the retrofitting of existing buildings.

Objective 2: Improve the integrity and resiliency of infrastructure within the region

Action Steps:

1. Implement Identified Infrastructure Projects: Apply for funding for previously identified recovery and mitigation projects. These projects include road repairs, the enhancement of back-up generators, storm and sanitary sewer systems, wastewater treatment facilities, power transmission, among others. Potential funding sources include USDA, HMGP, CDBG, I-JOBS, FEMA, and other funding sources as appropriate.

Goal 2: Housing Recovery

Objective 1: Replace Housing Stock Damaged by 2008 Floods & Severe Storms

Action Steps: These program will replace

1. Single-Family New Production, Replacement Housing Program: NIACOG is accepting applications from potential homebuyers. 70 units have been built from previous rounds of funding, and up to 65 remain available at this point. The Iowa Economic Development Authority provides funds for this program.
2. Multi-Family New Construction, Replacement Housing Program: NIACOG has received funding for 3 projects in the region and is ramping up to apply for several more in the summer of 2014. Thus far, this program has approved 53 units that are under construction or will be within the coming few months.

Goal 3: Business Recovery

Objective 1: *Improve the resiliency of the private sector to disaster situations*

Action Steps:

1. *Promote Business Continuity Planning:* Maintain resources and example plans for interested businesses. Promote Business Continuity Planning through local Chambers of Commerce and Development Corporations.
2. *Promote Business Continuity and Continuity of Operations planning to critical assets and major employers identified in the Hazard Mitigation Planning process.*
3. *Recapitalize Revolving Loan Fund: Support business expansions and improvements to existing buildings.* Funds could be sought from the Iowa finance Authority and Economic Development Administration. RLF

investments support the general economic health of the region and its resiliency during and after disaster events.

Goal 4: Coordination and Capacity Building

Objective 1: *Enhance the capacity of and coordination between recovery partners*

Action Steps:

1. Continue to participate in Community Organization Active In Disasters (COAD), a regional multi-organizational group that brings together service providers from a very wide array of background to allow quick integrated approaches to pre-disaster preparedness and post disaster responses.

Regional Recovery Strategy

The purpose of the Regional Recovery Strategy is to provide a framework in which the North Iowa Area Council of Governments and its partner communities can respond to the immediate demands of recovery efforts and mitigate the impacts of future disaster events. This Recovery Strategy establishes responsibilities for communities and recovery partners during the immediate and intermediate stages of recovery.

This framework was developed from NIACOG's experience with the recovery efforts that followed the multiple disaster events of 2008. It addresses many of the obstacles that NIACOG and other regional partners faced in 2008, and builds on the successes of those recovery efforts as well. This strategy is intended to be a "living document"—one in which the included action steps and enumerated responsibilities are reconsidered on a regular basis. Additional input from regional recovery partners and local leaders will be incorporated into this strategy as it is reconsidered and evolves. A regular review schedule for this strategy and the associated documents will allow information about new programs to be incorporated into the strategy, and address any salient issues that arise.

The following strategy is outlined at two levels: an overarching regional strategy and strategies for individual communities. The recovery strategy is constructed with municipalities and counties in mind, providing guidance for the community as a whole. However, in the event of a disaster, individual residents and businesses also require guidance as well. These issues are addressed by specific action items in the Recovery Strategy and by additional resources to be developed over time. The final two sections of the current Recovery Strategy serve as a brief guide to addressing the immediate needs of homeowners and businesses, and provide guidance to help ensure that these individuals and businesses are positioned to make the most of disaster funding.

Regional Strategy

Immediate Regional Recovery Efforts & Coordination

1. *Meet together with the existing COAD group (city, emergency management, charitable, and social service agency representatives) designed to address disaster issues on a community wide basis.* This group will coordinate information to ensure that channels of communication between communities and recovery organizations are open. E-mail distribution lists and regular meetings would be

used to promote inter-coordination of efforts.

Responsible Entities: Community Organization Active In Disasters (COAD)

2. *Collect and manage disaster-related data.* Create a data management system to identify needs and measure progress of the recovery effort. Data should be collected on housing needs, infrastructure failures, and damage to public property. This information is critical for future planning efforts and mitigation projects.

Responsible Entities: Local governments, Emergency Management Officials, non-profits, NIACOG

3. *Incorporate disaster recovery and mitigation into planning activities.* Identify disaster recovery and mitigation projects in long-term, regional strategies such as the Comprehensive Economic Development strategy and any broad infrastructure study that is completed in the future.

Responsible Entities: NIACOG, local governments, development corporations, Chambers of Commerce

Business & Industry

1. *Provide affected businesses with list of available recovery resources.* Utilize contacts made through the distribution of surveys and referrals from communities, chambers of commerce, development corporations, and other recovery partners.

Responsible Entities: NIACOG, Chambers of Commerce, Development Corporations, local governments

2. *Recapitalize RLF to support economic growth in the regional economy.* Support projects throughout the region that foster job growth and enhance the economic health following disaster events. Revolving Loans Fund programs should be considered to provide assistance to disaster affected businesses and non-profits.

Responsible Entities: NIACOG, local financial institutions, Chambers of Commerce, local development corporations, EDA, IFA

Homeowners

1. *Provide Recovery Checklists and recovery resources to affected homeowners.* Disseminate checklists for disaster recovery through community canvassing or with utility bills. Checklists should provide information on potential financial assistance available, and documentation for homeowners to retain in order to ensure their eligibility for recovery programs.

Responsible Entities: NIACOG, non-profits, local governments, ISU Extension, volunteers

Local Strategies

Infrastructure & Public Property

1. *Apply for Infrastructure Assistance.* Local governments should track and report disaster damage to FEMA and IDOT following disaster events. City officials should coordinate with County Emergency Management Coordinators to submit applications for FEMA Public Assistance to repair damage from disaster events.

Responsible Entities: Local governments, FEMA, IDOT

2. *Assess opportunities for mitigation and recovery projects.* Local infrastructure projects related to mitigation and recovery should be identified and incorporated into existing capital improvements programming.

Responsible Entities: Local governments

Business & Industry

1. *Survey local businesses to measure impact of the disaster event.* Coordinate with local Chambers of Commerce and development corporations to survey local businesses about the effects of a disaster event. Surveys should solicit information regarding the types of impacts experienced, and the estimated costs of those impacts.

Responsible Entities: Chambers of Commerce, local development corporations, local governments, NIACOG

2. *Identify projects to enhance the resiliency of the regional economy to disaster events.* Strengthening local businesses enhances the capacity of a community to recover from disaster events. Promote and develop economic development initiatives, infrastructure projects, job creation activities, and business continuity planning to local businesses.

Responsible Entities: Local governments, local development corporations, local governments, NIACOG, NIACOG RLF

Housing

1. *Stabilize existing housing stock.* Address health and safety concerns in local housing, and work to bring housing back to pre-disaster condition. Coordinate with recovery partners to match the needs of affected homeowners with available local, state, and federal funding.

Responsible Entities: Local governments, non-profits, IEDA, IFA, Federal Home Loan Bank (FHLB), NIACOG Housing Trust Fund

2. *Participate in replacement housing programs.* Work with cities, local development corporations and builders to utilize state funding for replacement housing programs. Regional allocations of funding provided to NIACOG should be utilized to maximize housing opportunities for residents of the Region.

Responsible Entities: NIACOG, NIACOG Housing Trust Fund, IDED, IFA, Development Corporations

9) Other Pertinent Information: FY 2013 Accomplishments

The FY 2013 (July 1, 2013 to June 30, 2014) that fulfill the goals, objectives, and implementation plan of the 2008 CEDS are included in together with the Implementation Plan & Evaluation Report in Appendix H.



NIACOG CEDS



B. Analysis of Economic Development Problems And Opportunities

Planning Process: The CEDS Strategy Committee reviewed pertinent historical factors including: population, migration, unemployment, income status, farm statistics, retail, and business establishments. Then, they added their experiences in the region's economic development climate to provide input as to the strengths, weaknesses, vision, and implementation methods for this document. This Section of the plan analyzes economic development problems and opportunities in light of their input on the region's strengths and weaknesses.

1) Analysis of Problems/Weaknesses - Human and Economic Assets / External & Internal Forces

The Strategy Committee identified the following listed items as the most prevalent barriers to economic development (weaknesses) for the Region. The items are listed in prioritized order starting with their greatest priority.

- a. Aging population & Low Workforce #'s; younger folks moving away; Key factors relative to insufficient workforce numbers include
 - Dwindling workforce supply as baby boomers begin to retire.
 - Outmigration of young adults. Over 1/3rd of the youth in the NIACOG region migrated out of the region as young adults.
 - Dwindling numbers of youth. The number of youth (0-19) declined by 13% between 2000 and 2010, reducing the number for the region's future workforce.

b. Low wages

- Although some ground had been gained since 2005, a significant gap still exists between the region and statewide (13%) and national (30%) wage levels.
- Lower wages affect the area's attractiveness to potential workforce. In a study completed by the 'Generation Iowa Commission', a commission of the state of Iowa, they found that 'low wages and high student debt are the biggest reasons young people leave Iowa'. The Globe Gazette reported the findings on January 12, 2008, further quoting Commission Chair Kyle Carlson as saying, '..the top problem is financial with recent college graduates fleeing the state in search of higher wages. Many of those people need high pay because they are buried in student loans from Iowa Colleges'.

c. Lack shovel ready industrial sites

- Having shovel ready sites for new business development plays an important role in recruiting business. Businesses often first look for what is available even if they ultimately decide to build instead. Also, the State's definition of a shovel ready site is a very large site that also offers prescribed amenities so getting onto the site is a real challenge for North Iowa communities.

d. Limited number of white collar jobs and high tech jobs

- The former chair of the Generation Iowa Commission noted, "For college educated young adults, the Iowa Dream is not about any old job, it is about a fulfilling career". The region is losing most of its college graduates for job opportunities.
- Recruiting new talent is often made more difficult because a college educated spouse is unable to find a position.

e. Other weaknesses/problems (in no particular order)

- Perception that rural areas lack capacity
- Financial resources to market strengths (partly because fewer businesses are locally owned) / A lack of staff time and funding to execute new economic development strategies
- Infrastructure Barriers (Fiber, natural gas, etc.)
- Mason City / Clear Lake needs to grow to feed the outlying areas
- Airline Access

2) Analysis of Opportunities & Strengths - Human and economic assets / External & Internal Forces

a. Lowest overall cost of doing business

- In a 2010 study Forbes Magazine identified Iowa as having the lowest cost of doing business.

b. Major medical facilities

- Having major medical facilities within a reasonable distance affects company safety ratings and insurance costs and can be on a company's 'must haves' list for site selections.
- The hospital is one of the largest employers in the region and offers many professional / white collar jobs.

c. Education: K-12 and College

- The college/schools are working toward meeting the needs of industry and is being assisted in doing so by Iowa Workforce Development – Region 2.
- The schools and colleges produce one of our most sought after commodities – our well-educated youth.
- Academic excellence is evident in Basic Skills testing and SAT scores.

d. High Quality of Economic Development through partnered efforts

- A strong network of banks in the region are jointly loaning/capitalizing deals to make risks manageable.
- The efforts put into economic development in the NIACOG region are top notch because of the commitment and professionalism of the EDC's, volunteers, elected officials, Region 2 Workforce Development, NIACOG, John Pappajohn Entrepreneurial Center, etc.

e. Other Strengths

- Low Cost of Living – Iowa is ranked 11th in the nation for cost of living. Of the 6 states surrounding Iowa, Nebraska is the only state with a lower cost of living.
- Transportation Infrastructure – The region offers significant resources in terms of both rail and interstate travel.

3) Relevant Material From Other Government Plans (State/Local) And Consistency With State/Local Workforce Strategies

Government plans, obtained from Iowa Workforce Development, North Central Iowa Marketing Alliance, and the Generation Iowa Commission, have established varying, but related, goals for the region relative to workforce issues. An industry cluster analysis, completed by Iowa Workforce Development, is included later in part 5 of this section.

- a. **Iowa Workforce Development – Region 2 Office (IWD-R2)**. As noted earlier in this section the Strategy Committee identified workforce availability as the most prevalent barrier to economic development. In 2013 the Iowa Workforce Development (IWD) and its local Region 2 office adopted a strategy to continue to enhance the area's workforce.

Much of the plan focuses on a new initiative, adopted in June 2012, called 'Skilled Iowa'. This program has been orchestrated through a combined efforts of Iowa Workforce Development, the Governor's Office and the National Career Readiness Certification in partnership with ACT, the Iowa STEM Advisory Council and many business partners throughout the state.

The Skilled Iowa initiative is now the umbrella for workforce programs and solutions in the State of Iowa. It recognizes that low skilled Iowans (33% of the workforce) greatly outnumber the number of low skilled job opportunities (12% of available jobs in Iowa). On a closely related matter a shortage of workers exists who have skills for preferred industries that are a target for future development. And finally, 'middle skill' opportunities are rapidly growing in Iowa; however, the educational requirements differ within the emerging areas. Skilled Iowa works to shorten the gap by identifying skills needed and preparing students to fill the job needs by testing, rating, and training them in key areas.

More specifically, in Skilled Iowa, employers identify the skill levels need for potential employees in their companies. The students prepare for the labor force by taking an assessment that can be taken in place of the ACT exam. The test focuses on the three key areas of readiness that employers site as a most commonly critical in their respective places of business. The three areas include: reading for information, locating information, and applied mathematics. After taking the test, individuals receive a certificate based upon their level of understanding in a given area (platinum, gold, silver, or bronze). They can then use the certificate as a credential in securing a position. Which is a win-win for the employer and the employee.

For the students who do not score well on the test, IWD-R2 offers the KeyTrain training module, which helps students to improve their skills and achieve a certificate. The program also offers internships.

The CEDS is consistent with IWD strategies in the following areas:

1. Improves workforce numbers – slow outmigration!!
2. Increase wages
3. Educate/train workforce
4. Effective partnership in economic development – IWD/schools/business/etc.

b. North Central Iowa Alliance. The North Central Iowa Alliance (NCIA) completed a strategic planning session in June 2012 to set its course of direction for the coming years. The NCIA is made up of the economic development commissions/corporations in the North Central Iowa area. The group includes every county in the NIACOG region except for Kossuth County.

The NCIA developed the following goals/objectives.

- Continue and enhance trade show attendance and follow-through in a smarter, more efficient way
 - A possible quicker and more unique way to reach out to trade show contacts
 - Split up calls to follow-up list between partners instead of hiring out
- Keep website up-to-date / Drive traffic to website with a possible campaign
- Make Corporate/Home Company visits
- Workforce Initiative - Develop strategy to find work for the large pool of skilled trade workers / Understand own unemployed people and why they don't have marketable skills– discuss increase in drug issues.
- Management/Technical job campaign - Include a database of possible jobs in entire region (to avoid poaching) / Assist trailing spouses / Discussed IowaJobs.org and it's non-user friendly format / Need for pool of resumes to provide prospective companies

The CEDS is consistent with NCIA strategies in the following areas:

1. Improves workforce numbers – slow outmigration!!
2. Increase wages
3. Educate/train workforce
4. Effective partnership in economic development of EDC's

4) Past, Present And Projected Future Economic Development Investments In The Region

The following list details economic development investments that span the past, present, and future in the region.

- a. Financial Incentives For Businesses
 - Development Funding Pools – Funding pools are available through some economic development agencies, cities, the Entrepreneurial Center, and state/federal grants.
 - Tax Increment Financing – TIF has been / is /will be used to provide tax rebates and/or direct grants to businesses.
 - Enterprise Zone benefits include income tax credits and sales tax refunds.
 - Tax Abatements allow businesses to pay no tax or a prorated tax for a number of years.
 - Cities/counties have/are/will provide direct grants from their general fund or other income streams especially to businesses that will offer a number of high paying jobs.
 - Local foundations – Some businesses are eligible for funding from local foundations.
- b. Infrastructure Installation/Repairs/Extension – water, sewer, sanitary sewer, storm sewer, streets, subdivisions, airports, rail, housing stock, etc. Cities, counties, and state/federal loans/grants typically fund these projects.
- c. Institutional Controls – zoning ordinance, subdivision regulations, urban renewal areas, urban revitalization areas, watershed protection. Cities and counties typically finance these efforts.
- d. Marketing/Business Recruitment – trade shows, websites, distributed materials, direct contact with businesses (new and existing to promote expansion). Governments, EDC's, and utility companies typically fund these efforts.
- e. Quality Of Life Enhancements – establishments/enhancement of parks, trails, community events/attractions, museums, historic properties, entertainment venues, libraries, child care, etc. Public/private partnerships are particularly prevalent in funding projects in this area.
- f. Economic Development Professionals/Agencies - Economic development commissions/corporations, NIACOG, city/county staff, workforce development, John Pappajohn Entrepreneurial Center, etc. are funded to create a suitable environment for economic development activities.

5) Identify And Analyze Economic Clusters Within The Region

Background

Representatives from the North Central Iowa Alliance contacted the Institute for Decision Making (IDM) asking IDM to assist the organization in identifying targeted industries for its proactive marketing efforts for its seven county region. As part of the project, IDM analyzed the industries that have a presence in the seven counties and a broader region, and the characteristics of industries that could complement existing industries and may have potential buyer and/or supplier linkages with key industries in the broader region. Additionally, IDM matched the region's labor assets with industry staffing patterns, identified available sites and buildings within the North Central Iowa Region, identified key transportation assets and examined how those assets match with industries that could be targeted for recruitment. IDM also gathered input from a number of key employers in the seven counties regarding their ideas for potential industry linkages and their perspectives on the strengths and weaknesses of the region.

Targeting Criteria Used

The process IDM utilized in identifying potential targeted industries involved an analysis of information and data that relate to an industry's structure, an industry's past performance and future growth potential, and how the North Central Iowa Region's characteristics and assets match with the industry. The core variables utilized in the filtering of industries include the following:

- Skill levels/occupations of the region's potential available workforce
- Labor requirements of industries
- Industry growth rates
- Projected growth rates for industries
- Industry wage levels
- Potential buyer-supplier relationships with key existing industries
- Average establishment size
- Industry presence in the region and the Midwest
- Available sites and buildings in North Central Iowa Region

The results of this narrowing process led to the identification of the following targeted industries.

Targeted Industries

Manufacturing

- NAICS 311412 – Frozen Specialty Food Manufacturing
- NAICS 332322 – Sheet Metal Work Manufacturing
- NAICS 332323 – Ornamental and Architectural Metal Work Manufacturing
- NAICS 332911 – Industrial Valve Manufacturing
- NAICS 333413 – Industrial & Commercial Fan & Blower Manufacturing
- NAICS 333995 – Fluid Power Cylinder and Actuator Manufacturing

Warehousing and Distribution

NAICS 493110 – General Warehousing and Storage
NAICS 493120 – Refrigerated Warehousing and Storage

<i>Financial/Business Service Industries</i>

NAICS 518210 – Data Processing, Hosting and Related Services
NAICS 524290 – Third-Party Administrators & Insurance Claims Adjusters
NAICS 561110 – Office Administrative Services
NAICS 561422 – Telemarketing and Call Centers

The Institute for Decision Making is the community economic development group in the Business and Community Services Division of the College of Business Administration at the University of Northern Iowa (UNI). IDM has completed over 70 Targeted Industry studies for communities and county groups across Iowa and beyond. IDM has also completed numerous economic development research projects, strategic plans, marketing plans, economic development plans and provides a variety of economic development services.

The Institute for Decision Making is part of the University of Northern Iowa that was recently added as a university center by the Economic Development Authority.



NIACOG CEDS



C. CEDS Goals and Objectives: Defining Regional Expectations

1) Vision

As part of the planning process, the Strategy Committee assemble the following vision for the region in preparation for developing a list of goals/objectives. The priorities for their vision included the following items in rank order.

- Population Growth of 5-10%
- New Buildings – Increased tax base/investment – increase of 5% in valuation from new development
- New Housing – owner-occupied and rental
- Major airline carrier again providing commercial air service for area residents and business people
- NI Electronic Hub Site – jobs and events/recreation listings (free access)
- Other
 - Abundant recreation opportunities – bike trails, water park, etc.
 - Doubled # of business starts
 - High paying jobs are available
 - Advanced Agriculture Startups
 - Avenue of Saints Marketing Corridor – Saint Paul to NIACOG region to Saint Louis
 - Middle Skills Taught to develop more skilled labor

2) Goals

After the Strategy Committee developed and prioritized lists of strengths, weaknesses, and vision, the following goals and objectives were selected to speak to those items.

Goal 1: Economic Development

Explanation: Stabilize, develop, and expand businesses

Goal 2: Infrastructure Development

Explanation: Maintain, renovate, and expand both public and private physical environment including utilities, commercial/industrial buildings/structures, housing, etc.

Goal 3: Workforce Development

Explanation: Increase the number of workers, train/educate workforce, and increase wages.

Goal 4: Quality Of Life Development

Explanation: Maintain, enhance, and add new buildings/structures/venues and activities that enhance lifestyle for all ages

Goal 5: Resources Development

Explanation: Maintain, enhance, and develop financial resources, human resources, laws, planning documents, organizations, and partnerships that assist with goals 1 through 4 above.

3) Goals/Objectives

Goal 1: Economic Development Objectives (Increasing the number of skilled workers is highly important to business recruitment/expansion, but it is such a significant and complicated issue, that it was isolated as a separate goal of its own.)

- a. Encourage stability and/or expansion of existing businesses/industries by offering financial incentives, expertise, quality sites, and positive marketing/communication
- b. Increase the number of businesses by recruiting new businesses that offer high paying enjoyable jobs, especially those in identified industry clusters

Goal 2: Infrastructure Development Objectives:

- a. Repair, replace, and add municipal infrastructure such as transportation related improvements, storm sewer, wastewater distribution/treatment, water distribution/treatment, communication, community facilities, and amenities. Create planning documents that balance resources and provide for sound management of physical development

- b. Repair, replace, and add privately held buildings/structures/utilities including commercial/industrial properties, housing, telecommunications, etc.

Goal 3: Workforce Development Objectives:

- a. Promote & make middle skills education available
- b. Provide educational opportunities that meet the needs of employees and employers including connection of workforce and employers and/or off hour classes

Goal 4: Quality of Life Development

- a. Maintain, create, and market 'things to do' and venues for 'things to do' including recreational and cultural opportunities for people of all ages and incomes in all four seasons

Goal 5: Resources Development

- a. Disseminate information about economic and community development efforts that can educate communities about what is available and help them to develop projects to improve
- b. Maintain and create new partnerships in and between the public and private sectors to track economic development and workforce issues and develop and implement strategies
- c. Use city codes and planning and zoning tools to maximize the impact of limited resources, create orderly development, and a positive environment to live, work, and play
- d. Develop and administer funding pools (Grants received for individual projects will be reported under Goals 1 through 4 respectively.)

The strategic projects, programs, and activities identified in the following sections work to fulfill these goals and objectives.

- Section E: Strategic Regional Projects, Programs, and Activities
- Section F: CEDS Plan of Action
- Appendix H: Implementation Plan & Evaluation Report



NIACOG CEDS



D. Community And Private Sector Participation

After NIACOG staff presented background population and economic information to the Strategy Committee, the Strategy Committee provided input into the Strengths, Weakness, and Opportunities/Vision for economic development in our region. They also voted on which issues were most important. After reviewing the prioritized issues from their first meeting, the Strategy Committee then moved on to the goals and implementation for the CEDS document. Their findings are found in the respective sections of this document including B.1. Analysis of Problems / Weaknesses, B.2. Analysis of Opportunities/Strengths, C.1. CEDS Goals, C.2. Objectives, E. Strategic Projects, Programs and Activities, and F. CEDS Plan of Action. You will find that the membership of the committee, the goals, and the implementation methods involve both public and private sectors in partnership.

The make up of the Strategy Committee includes representatives from areas prescribed by the 13 CFR § 300.3 including Public Officials, Community Leaders, Representatives of Workforce Development Boards, Representatives of Institutions of Higher Education, Minority and Labor Groups, and Private Individuals. A majority of the Strategy Committee's membership was senior management and executives holding key decision making positions. A delineation of the membership is included in Appendix F, entitled 'Strategy Committee Membership'. Three tables outline the committee's makeup in terms of CFR categories (public official, community leader, workforce, education, minority/labor), private sector executives, and economic interests represented.

Furthering the relationship and partnership of organizations, communities and business are clearly a priority of the Strategy Committee and evident in the projects (both vital and other suggested projects) that were selected by the Committee. The 'Vital Project' that focuses on partnership specifically states, "Maintain/create regional partnerships - 28E, North Central Iowa Alliance, etc.; reduce competition mentality between communities; work as a team." And, one of the 'Suggested Projects' includes partnering with local businesses to use testimonials from local companies to recruit new businesses.



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E. Strategic Regional Projects, Programs, and Activities

The Strategy Committee developed the following list of **regional** strategies to capitalize on the NIACOG region’s strengths, overcome weaknesses, and implement their vision.

Project	Priority Level	Funding	Responsible Entity	Jobs Created
Continued education, recruitment, training, and matching underemployed to jobs	High	IWD	Iowa Workforce – Region 2	Indirectly
Broadband Expansion	High	Tax / Grants	North Central Iowa Alliance	Indirectly
Physical improvements – housing, bike trails, infrastructure, etc.	High	Tax / Grants	NIACOG for grant writing	Indirectly
Expansion of existing Industries	High	Priv/ TIF/ Grants	North Central Iowa Alliance	Create 1000 Jobs
Nontraditional new skills training – offering courses during ‘off’ hours for those unable to attend during normal class hours	Medium	NIACC	North Iowa Area Community College	Indirectly
Develop partnerships of EDC’s/ businesses/schools/banks/NIACOG	Medium	NCIA	North Central Iowa Alliance	Indirectly
Retain/Attract younger adults (up to 52) by promoting mid-level jobs, developing mid-level skills, social media, summer internship	High	IWD	IWD	Indirectly
Promote/organize/share best practices (how to’s) for economic development and community development efforts throughout NIACOG region	Low	NIACOG	NIACOG	Indirectly
Create a community foundation to assist with community development	Low	Public/ Private	NCIA	Indirectly



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F. CEDS Plan of Action

1. Implementation Plan

A list of specific projects, programs, and activities are included in Appendix H in a table called the 'Implementation Plan and Evaluation Report'. As required by the CEDS program, the projects listed:

- a. Promote economic development and opportunity
Goal 1 – Economic Development
- b. Foster effective transportation access
Goal 2: Infrastructure & Goal
- c. Enhance and protects the environment
Goal 5: Resources Development – pre-disaster mitigation plans
- d. Use workforce consistent with State & local workforce plans
Goal 3: Workforce Development
Goal 4: Quality of Life Development
- e. Promote use of technology in economic development, including access to high-speed telecommunications
Goal 1: Economic Development
Goal 2: Infrastructure Development under Objective B: Repair, replace, and add privately held buildings/structures/utilities including commercial/industrial properties, housing, telecommunications, etc.
- f. Balance resources through sound management of physical development
Goal 2: Infrastructure Development
Goal 5: Resources Development – updating plans, zoning documents, codes
- g. Obtain and utilize adequate funds and other resources
All Goals

2. Integration Of The State's Economic Development Priorities (Iowa Workforce Development)

The State's Economic Development Priorities focus on:

- IWD Goal 1: Growing Iowa's skilled workforce – This is consistent with our CEDS goal 3, which involves Workforce Development. After reviewing statewide strategies relative to the Skilled Iowa program. The CEDS strategy committee consistently emphasized the need to grow middle skills in education and its connection to local businesses.

- IWD Goal 2: Improve products and services based on customer input – This is an internal goal to the agency.
- IWD Goal 3: Improve data and performance measurement systems for informed decision-making – This is an internal goal for the agency.
- IWD Goal 4: Improve communications both internally and externally – This goal became part of Goal 4 as the CEDS Committee consistently felt a need to share Best Practices in Economic Development. IWD will be the first partner to prepare an article for the NIACOG region that highlights economic development and community development efforts in the region.



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G. Performance Measures

The effectiveness of this CEDS document will be measured in two ways including 1) the quality of development of the base document (planning process) and 2) the implementation of the goals/objectives/strategies. These two processes will ensure a good base document as well as effective use of the base document's strategies.

First, the Strategy Committee rated and commented on the planning process through the use of an anonymous survey. The Committee was asked to rate or provide input in six areas including:

1. Was your input valued during the planning process?
2. Was the process for identifying strengths, weaknesses, and opportunities effective?
3. Were the meeting arrangements sufficient (location, time, pre-meeting information, refreshments, handouts, etc.)?
4. What did you like about the CEDS planning process?
5. What could we do better next time?
6. Overall, how would you rate the quality of the CEDS planning process?

According to the survey results, Strategy Committee members felt that their input was valued (Score: 4.7), rated the process for identifying strengths, weakness, and opportunities as good or excellent (Score: 4.3), and rated the overall quality of the CEDS planning process as either good or excellent (Score: 4.4). Several Committee members commented that the process was a really great opportunity to collaborate and discuss with peers from various backgrounds. For improvements one committee member suggested having bigger dots, another suggested digging further into action items and being even more specific, a third expressed frustration that our region is generally not eligible for much EDA funding beyond the planning partnership grants.

The CEDS plan was also posted on NIACOG's website for comment. The Strategy Committee, NIACOG board, and the public were requested to provide input on the document. Input on the final document was incorporated into this document.

Second, the impact of the implementation of the CEDS will be measured in the future. Effective measures are defined in the CEDS program rules including the following:

- Number of jobs created after implementation of the CEDS
- Number and types of investments undertaken in the region

- Number of jobs retained in the region
- Amount of private sector investment in the region after implementation of the CEDS
- Changes in the economic environment of the region



NIACOG

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Appendices

A. Superfund Sites

B. Leaking Underground Storage Tanks

C. RCRA Sites

D. National Register Sites

E. Cluster Analysis

F. Strategy Committee Membership

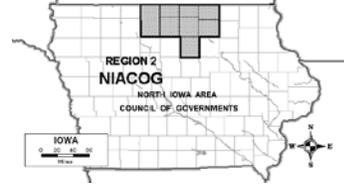
G. Archaeological Sites

H. Implementation Plan & Evaluation Report



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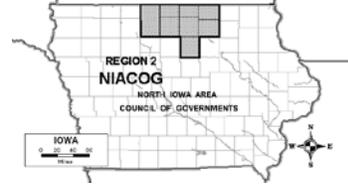
APPENDIX A

SUPERFUND SITES



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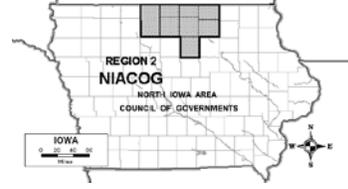
APPENDIX B

LEAKING UNDERGROUND STORAGE TANK SITES



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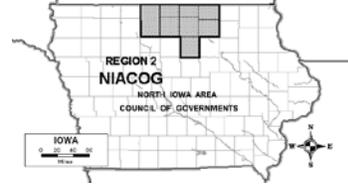
APPENDIX C

RCRA SITES



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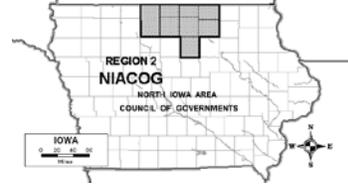
APPENDIX D

NATIONAL REGISTER SITES



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APPENDIX E

CLUSTER ANALYSIS



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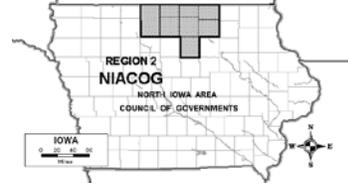
APPENDIX F

STRATEGY COMMITTEE MEMBERSHIP



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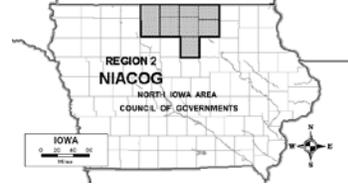
APPENDIX G

ARCHAEOLOGICAL SITES



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APPENDIX H

IMPLEMENTATION PLAN & EVALUATION REPORT