

# QUARTERLY REPORT

## *FEBRUARY 2016*

Angela Connolly, Polk County  
Kristi Knous, Community Foundation of Greater Des Moines  
Jay Byers, Greater Des Moines Partnership

Capital Crossroads is **a bold but achievable vision** pushing Central Iowans to dream big, not settle for good enough, think long term, and work together.

## CAPITAL CORE

*Russ Cross and Scott Sanders*

The Capital Core strategies are based on the philosophy that a strong, growing region needs a healthy central city in order to thrive. The Capital Core work focuses on three main areas: neighborhoods, downtown Des Moines, and public safety.

For the **Neighborhood Improvement** subcommittee, Viva East Bank! partners have developed work plans for 2016 to continue work revitalizing the Capitol Park, Martin Luther King Jr. Park, and Capitol East neighborhoods. Major goals include improvements to 165 homes, establishing a land-banking mechanism, infrastructure repairs in Capitol Park, park upgrades in Capitol East, branding for the E Grand Ave business district, increasing resident engagement through consistent events, and expanding participation in youth-serving programs.

Friends of SW 9<sup>th</sup> are working to establish a SSMID (self-supporting municipal improvement district) to finance ongoing improvements and maintenance.

For the **Downtown Des Moines** team, the convention hotel continues to make progress. Financing is in the final stages of review by Banker's Trust. Changes have been made to the funding structure; due to federal indecisiveness on the EB-5 funding program, Polk County has taken actions to support this \$20M portion of the project funding, with the City transferring its guarantee to a portion of the IRA funding. The IEC Hotel Corporation is in the final stages of negotiating with Hilton to operate the hotel. The IEC Hotel Board reviewed design progress and a budget update on February 3. Demolition of the existing building is underway; construction is expected to commence in March 2016, with hotel opening planned for March 2018.

The downtown residential population continues to grow. With an almost non-existent vacancy rate, housing development continues to expand. Approximately 2,500 housing units are planned for 2016-2017 construction.

Walnut Street recovery is underway. Favorable bids were received on the Walnut Street reconstruction project. The \$5.4M Walnut Street streetscape project from 5<sup>th</sup> to 8<sup>th</sup> Streets will be in construction this spring through early 2017, with funding equally coming from private owners along Walnut Street and the City of Des Moines. Blackbird Investments began construction earlier this year to convert the existing Wilkins building to housing and restore the tea room. EMC's corporate expansion is under construction. Retail options continue to be explored, though securing these opportunities continues to be elusive.

Construction throughout downtown on many of the "key development sites" identified in the Downtown Core implementation plan, including:

- AC Hotel in the East Village
- 201 E. Locust (full block redevelopment including extended stay hotel and market rate housing)
- 420 Court (Hy-Vee and market rate housing)
- Wilkins Building (western half of the former Younker's block)
- Hotel and housing in Gray's Landing
- The Bridge District (formerly River Hills)

- Artisan Row townhomes
- Polk County Courts district
- R&T Lofts (conversion of former Register Building to affordable and market rate housing)
- Randolph Hotel conversion to market rate housing
- 7<sup>th</sup> and Grand (demolition)
- Principal Financial campus blueprint projects, including major renovation of corporate headquarters at 711 High

Approximately \$1B will be invested in downtown during 2016-2017, including all residential, commercial, and public projects.

## BUSINESS CAPITAL

*Kathryn Kunert, Mark Miller, and Mike Crum*

With a continued focus on targeted industries, partners, entrepreneurship, and international, the Business Capital took on many activities over the past quarter.

The region advanced its global connectivity in Q4 by the announcement that Kosovo will establish its Midwest consulate office in Des Moines. Other international activities included:

- City of Des Moines officials and the business community celebrated the 30-year anniversary of Des Moines' Sister City relations with Shijiazhuang, China.
- Cultivation Corridor, Global Insurance Accelerator and Partnership staff were in Chicago meeting with foreign trade and consulate offices from Australia, Japan, United Kingdom, Italy, Canada and Korea.
- The Partnership hosted the Hong Kong Trade Development Council.
- Partnership team members attended the Brookings Global Cities Initiative Exchange and Foreign Direct Investment working session in Washington, D.C.

Global Insurance Accelerator staff is developing an innovation track for 2016 Global Insurance Symposium which will be held on April 26 - 28. In other entrepreneurial news, Clinic Note and Workhound joined the Square One DSM Accelerator in Q4. Also, the following Square One DSM clients received Q4 funding from the Iowa Economic Development Authority's innovation programs:

- Lil'Sidekick received a \$100,000 innovation acceleration launch fund loan.
- AthenaGTX received a \$250,000 innovation acceleration expansion fund loan.
- Icon Laboratories received a \$100,000 demonstration fund loan.
- Pablow received a \$25,000 proof of commercial relevance award (member of the GIA inaugural class).
- UpCraft Club received a \$25,000 proof of commercial relevance award.
- Men's Style Lab received a \$300,000 acceleration propel award.

The Partnership assisted its local, state and utility partners on the following projects during Q4:

- The Wittern Group's, based in Clive, is expanding the company's existing software platform that will necessitate the creation of a new product line and offerings from a standard vending machine. The Wittern Group will invest \$17.75 million and create three jobs at a qualifying wage of \$26.72 per hour. The company plans to invest \$11.2 million on research and development, \$3 million on machinery and equipment, \$1.3 million on computer hardware, \$500,000 on building remodeling and \$400,000 on computer hardware. For this investment and job creation, the company was awarded a \$168,000 research tax credit, a \$95,500 investment tax credit and a \$15,000 credit on sales and use taxes for construction materials. The regional economic development team assisted with the IEDA application and City of Clive sponsorship.
- Fastpath (Square One DSM client) is an Urbandale-based software development company specializing in audit, compliance and security solutions that enable organizations to automate audit processes. The company has over 1,000 customers in more than 30 countries. The proposed \$175,000 expansion includes additional space for help desk support and a large application development team. It allows the company to more than double its workforce. The project will create 12 jobs and receive HQJ tax credit assistance.
- EFCO is a vertically integrated form manufacturer through the sales and service process, providing forming and shoring concrete and concrete support systems. Products produced in Des Moines are used in the construction of commercial high rise buildings, oil and energy applications, bridges and highways, utilities and water treatment and home building. The proposed project consists of a new 154,000 square foot facility that will allow for additional production capacity. The expansion will also allow for the modernization of standard product manufacturing processes, resulting in productivity increases. The board awarded the project tax benefits through HQJ for the projected \$11 million capital investment. The expansion will create 40 jobs and retain 88.

## CULTIVATION CORRIDOR

*John May*

Cultivation Corridor continued to move forward and see achievements in the last quarter, including the release of a new and comprehensive data resource, the release of a biofuels whitepaper, new ag tech and biotech awards, and domestic and international travel.

After more than 12 months in the making, the statewide [Iowa Ag/Bioscience Asset Database](#) was formally released and made public in December. The first-of-its-kind comprehensive database tool offers diverse and searchable information on subject matter critical to the plant, animal and human bioscience industries in Iowa. The database is the product of a strategic partnership led by the Corridor which includes the Iowa Biotechnology Association, Iowa Economic Development Authority, Iowa State University and University of Iowa.

This quarter also saw the completion and official release of [Biobased Chemicals: The Iowa Opportunity](#), a white paper prepared by three prominent Iowa State University researchers in the biorenewables field. The report examines the promise of the biochemical industry in Iowa, and the corresponding importance of a production tax credit to stimulate industry investment in Iowa. Leaders from the Corridor and Iowa Biotechnology Association gathered at the Capitol in January for a media conference to release report findings. The event included remarks from industry, economic development and academic leaders as well as legislators.

The Corridor and Iowa Biotechnology Association also teamed up to sponsor the [Cultivation Corridor Iowa Biotech Leadership Award](#) for this year's Partnering for Growth forum in March. The award will be presented to an individual who has demonstrated leadership, innovation, advocacy and commitment to advancing Iowa's biotech industry.

Cultivation Corridor announced in December that it will be sponsoring another award- [Ag Technology Company of the Year](#)- at this year's Technology Association of Iowa's annual Prometheus Awards. The statewide technology award will recognize an organization demonstrating leadership in the development and deployment of hardware and software technologies.

In November, Brent served as moderator for a [forum](#) on agriculture and bioscience between Sen. Chuck Grassley and Sen. Joni Ernst. The event, an installment of the 2016 Caucus Federal Series, featured discussion between the two senators on subjects including the Renewable Fuels Standard, federal patent reform, Medicare Part D, the Trans-Pacific Partnership trade pact, water equality and more.

The Corridor was also represented at Agritechnica, the world's largest equipment show, in Hanover Germany in November. Several Corridor companies also exhibited at the weeklong show that draws in more than 5,000 exhibitors and 450,000 attendees.

In December, the Corridor partnered with the Ames Economic Development Commission and the Greater Des Moines Partnership to serve as a major sponsor of the Consultant's Forum in Orlando. The Corridor developed new [collateral print material](#) for the forum, which is a gathering of more than 25 top site location consultants from across the country.

Facility and personnel updates from the last quarter include the progress of the Research Park's ISU Economic Development Hub building and its June 2016 completion date, and the hiring of a new Corridor Communications Intern- 'ISU public relations student Audrey Regan.

The Corridor elected Gage Kent as Vice Chairman. His term begins July 1.

The Corridor will partner with the Greater Des Moines Partnership, Iowa Economic Development Authority, Ames Chamber of Commerce and Iowa State University on a special reception during the 2016 World Food Prize on Wednesday, October 12.

## WELLNESS CAPITAL

*Jami Haberl and Rick Kozin*

The Wellness Capital is focused on developing a Healthy Community Toolkit, ensuring effective coordination, and conducting a Wellness and Community Study. The Wellness Capital took on several activities to support these goals during the last quarter.

Through discussions with Age Friendly Cities and the Community Health Needs Assessment Steering Committee, the Wellness Capital is facilitating alignment among a number of community health initiatives.

The regional community health needs assessment for Polk, Dallas and Warren Counties has been completed, and the Wellness Capital is working to move forward with implementation. The public release of the community health needs assessment is set for March 7.

Healthiest State Initiative has completed a strategic planning/priority setting process, and Age Friendly Cities devoted its "report to the community" meeting to health. The 2015 Well-Being Index State Rankings have been released; Iowa moved from #16 to #14. It is expected that the Well-being Index Community Rankings will be released by the end of February.

## HUMAN CAPITAL

*Dave Wilkerson and Chris Littlefield*

The Human Capital is divided into two focus areas: 1) a comprehensive Cradle thru Career approach to education and talent preparation called EDGE – Education Drives our Great Economy; and 2) talent retention & attraction. The EDGE initiative is a collaboration of the Business Education Alliance and the Greater Des Moines Partnership and is under the direction of the EDGE Board of Director. The talent attraction & retention work is being directed and implemented through the Partnership's Workforce Development/Education Board and staff. Over the last quarter, the two groups have taken on a number of efforts:

### **EDGE (EDUCATION DRIVES OUR GREAT ECONOMY)**

Education Drives Our Great Economy (EDGE) is preparing to officially launch its "75x25" campaign to ensure that 75 percent of Central Iowans have postsecondary certificates, credentials or degrees by 2025 that align with workforce needs. The rollout of this plan will call on business leaders and education leaders to work together to improve the odds that all citizens will have the education they need to effectively match their skillsets with workforce needs.

### **TALENT ATTRACTION**

**IMMIGRATION INITIATIVE KICKS OFF:** The Greater Des Moines Partnership has begun plan development for the Des Moines Immigration Initiative, an effort to make Central Iowa a premier destination for foreign-born talent and continued economic advancement. The plan is being developed with support from the Partnership for a New American Economy. The initiative includes a task force of government, business and community leaders that will put forth policy recommendations for Greater Des Moines that draw on the experience of other cities with similar initiatives and partnerships across the country.

**WORKFORCE RANKING:** Greater Des Moines was the #2 metro for "opportunity occupations" according to a study conducted by the Federal Reserve Banks of Philadelphia, Cleveland, and Atlanta. Des Moines was #2 among the largest 100 economies in the country in offering workers without a four-year degree the opportunity to earn at least the median wage. Approximately one in three job openings in the region can be classified as opportunity occupations, compared with a national average of 27 percent. Other rankings that show momentum in our region's workforce attraction and retention efforts include "7 Best American City to Work in Tech" by SmartAsset and the "#4 Best City

in America For Young Adults to Get Rich” by Money Under 30. Additionally, we continue to outpace other Midwest metros in employment growth metrics.

**CARPEDM SEIZE DES MOINES:** Utilization of our region’s key attraction/retention tool, the CarpeDM website [www.SeizeDesMoines.com](http://www.SeizeDesMoines.com), continues to grow in terms of number of users. The Partnership’s Communications and Marketing team is in the process of updating the website to enhance user experience and boost search engine optimization. Below are analytics comparing 2014 statistics through November of the site to 2015 activity through November.

Analytics	2014 (11 months)	2015 (11 months)
Unique Visitors	16,451	31,192
Overall Visits/Sessions	23,928	50,859
Pages/Visit	4.03	4.42
Returning Visitors	31.2%	29.6%
Average Time on Site	3:38	3:56
States Reached	50 + DC	50 + DC
Iowa Cities	189	254
Cities	1598	2376
Countries	66	102

## SOCIAL CAPITAL

*Angie Dethlefs-Trettin and Phil Hodgkin*

The Social Capital team is focused on leadership, diversity, and civility. The committee has subgroups for the Regional Leadership Council, Community Connect, the Diversity & Inclusion Council, the Civility Initiative, and the Emerging Leaders Collaborative; their respective reports are as follows.

LeadershipLink launched in the fall of 2015. The **Regional Leadership Council (RLC)** has identified tools to ensure incorporation of this tool into the leadership programs’ planning throughout the year. The tools will be developed in the first quarter of 2016. The RLC continues to work with the Association of Leadership Programs (ALP) on the 2016 conference to be held in Des Moines, and the group is exploring other ideas to bring programs together around community issues. Please stay tuned for the ALP Regional Council information in June.

**Community Connect** has engaged Christi Hegstad to facilitate their sessions. Her experience and style better match the program goals. Community Connect also is adding small group experiences to the program to help connect mentors with participants in a comfortable setting. Community Connect selected 30 excellent participants for the next session, which starts February 22.

The **Diversity & Inclusion Council** hosted a career fair with 42 employers seeking diverse candidates; 200 people attended. The Multicultural Reception drew 380 attendees, and the Diversity & Inclusion Roundtable included 45 attendees discussing military-related issues. The Youth Leadership Initiative (YLI) had a day focused on inclusion in Central Iowa. The next Multicultural Reception will be held on February 25.

The **Civility Initiative** presented to the Greater Des Moines Partnership's affiliate presidents and provided members with strategies on conducting respectful meetings. In partnership with the Des Moines Register, the Civility Initiative held a panel discussion on January 13. Featuring Michael Josephson, the founder of CHARACTER COUNTS!, the panel discussed civility in politics. The group submitted an op-ed about civility in politics to the Des Moines Register. Finally, the Civility Initiative is analyzing the data from its respect survey.

The **Emerging Leaders Collaborative (ELC)** continues to hold extremely productive monthly meetings. There currently are 37 direct and indirect stakeholders in the group. The ELC has covered a wide range of topics relevant for emerging professionals groups and is developing a robust back catalog of best practices. There has been dynamic dialogue between a broad range of young professional groups about shared resources, cross-pollination of events, and growth. The ELC also has seen an increase in collaborative efforts between the young professional groups.

## CULTURAL CAPITAL

*Mary Cownie and Brian Lorenzo*

The Cultural Capital is focused on three key components: communication, collaboration, and sustainable funding and capacity.

The region received results from Bravo-commissioned report on the Economic Value of Arts, Culture and Heritage Organizations to the Central Iowa Economy. Top level results include:

- Combined regional economic output of Bravo-funded organizations reached \$120.9 million in 2015
- 2,336 people employed (direct and indirect)
- Engaged over 3.7 million attendees and participants; of those, nearly 765,000 were non-regional visitors

State Historical Building enhancements are estimated at the amount of \$79.6 million. The Department of Cultural Affairs is asking for \$65 million from the state and raising \$14.6 million privately. The renovation will not only address the existing building issues but better enable the museum to preserve the collection, be the educational resource for Iowa history, and connect Iowans to the people, places, and points of pride that define our state.

Conversations about enhancing the traveler's experience in Des Moines have continued with the Des Moines International Airport. These conversations center around adding music, art, and other key messaging about Des Moines' culture at the airport.



## PHYSICAL CAPITAL

*Michael Sadler and Dave Caris*

The Physical Capital committee is focused on three key components: transportation, stormwater and flood control, and communications.

The Des Moines Area Metropolitan Planning Organization was selected to participate in a yearlong Transportation Leadership Academy. The academy is a first-of-its-kind training for ambitious metro regions beginning to use performance measurement to better assess the impacts of transportation investment. This includes more carefully measuring the impacts of transportation spending decisions to ensure that every dollar is aligned with the public's goals and brings the greatest return possible for citizens. This is an emerging practice that forward-looking metropolitan areas of all sizes are beginning to use. This program, created by Transportation for America, in partnership with the Federal Highway Administration, will educate teams of local business, civic, elected leaders, and transportation professionals at the early stages of performance measure development, prepare participants to act on opportunities within their communities, and plug them into a dynamic national network of like-minded leaders throughout the country.

The Iowa Soil and Water Future Task Force, originated by the Greater Des Moines Partnership and part of the work of the Capital Crossroads, released their report after capturing input from more than 115 advisory committee members. The report recommends that the primary pathway to success is public/private investment in the state's Nutrient Reduction Strategy, by identifying ten recommendations for addressing the goals of the Strategy. The report is available at <http://www.capitalcrossroadsvision.com/iowas-water-future/>.

The Walnut Creek Watershed Plan is nearing completion. An early draft of the plan, still a work in progress, can be found <http://dmampo.org/walnut-creek-wma> for review and comment by members of the public. The Walnut Creek Watershed Management Authority was created in 2014 to address environmental concerns including high nitrate levels, high bacteria levels, high turbidity, flash flooding, and stream bank erosion. The new entity subsequently received a \$123,000 grant from the Iowa Department of Natural Resources to develop a watershed plan. The Walnut Creek watershed is one of the most quickly urbanizing watersheds in Iowa, encompassing 52,643 acres in Dallas and Polk Counties and including portions of Clive, Dallas Center, Des Moines, Grimes, Johnston, Urbandale, Waukee, West Des Moines and Windsor Heights. The watershed is approximately 60 percent urban land use and 40 percent agricultural land use.

The work-in-progress Walnut Creek Watershed Management Plan will be presented publicly at a series of meetings of member government of the Walnut Creek WMA as follows:

- Monday, Feb. 8, at 7:30 a.m.** — Des Moines City Council Workshop
- Tuesday, Feb. 9, at 7 p.m.** — Dallas Center City Council
- Monday, Feb. 15, at 6 p.m.** — Windsor Heights City Council
- Tuesday, Feb. 16, at 9 a.m.** — Polk County Soil and Water Conservation District
- Tuesday, Feb. 16, at 6 p.m.** — Johnston City Council
- Wednesday, Feb. 17, at 9:30 a.m.** — Polk County Board of Supervisors

The region's master plan for public transit, DART Forward 2035, is ready for its first update, and everyone from the Greater Des Moines area is invited to help. Adopted in 2011, the long-range plan is being updated at this five-year mark to ensure it meets the needs of the community's growing and changing population. A DART Forward 2035 Advisory Committee, made up of representatives from businesses, human service agencies, chambers, and other organizations across the community, will help ensure the industries and people they represent are heard throughout the process, and the plan developed meets the needs of the region.

The next Transit Future Work Group meeting is set for February 29. This meeting will be an input session for the DART Forward 2035 update.

## GOVERNANCE CAPITAL

*Gretchen Tegeler and Bob Andeweg*

The Governance Capital continues its Local Government Collaboration Project efforts. The groups is wrapping up its third year of working to optimize the delivery of services and performance of certain key functions. This year's efforts have focused on libraries and human resources. The library group has focused on shared training and a central union catalog. The human resources group has focused on information sharing and shared training.

Metro area parks and recreation directors continued to meet following the 2014-2015 LGC work. Their continued work focused on trail maintenance, policies, signage, and design standards.

The Central Iowa Code Consortium (CICC) is working to finalize its recommendations. The CICC includes government and business/industry representatives working together to improve consistency among metro communities in the development, adoption, and enforcement of construction and maintenance codes. Through the CICC code review process, a metro model code that promotes uniformity and consistency for all participating communities will be created. The project does not intend to make recommendations on the permit process, code administration, appeals process, or local amendments deemed necessary by local code officials.

The CICC Executive Committee established a deadline of March 1 for the code committees to complete their review of the codes and have their recommendations to the Executive Committee. The Executive Committee will complete their review and plan to have a draft code for final public comment and review available to the participating communities in May or June.

The Executive Committee noted, "This effort would not have progressed without the vision of the Capital Crossroads initiative, the support of the Mayors and City Council members and Board of Supervisors from the Participating Communities and the dedicated committee members representing government officials and business and industry on the Executive and Code Committees."

## NATURAL CAPITAL

*Larry James, Jr., and Adam Hammes*

The Natural Capital continues to make great strides in its four focus areas: land use, zoning, and climate; outdoor recreation and trails; air/water/soil; and, marketing and education.

The new co-chairs of the group held meetings with all engaged sub-committee chairs during the last quarter and developed a focused list of project priorities for 2016:

The land use, zoning, and climate team will support the Urban Land Institute – Iowa priorities and develop a business climate statement.

The outdoor recreation and trails team will focus on prioritizing new connections through the greenway mapping work, partnering with Change in the Works on their regional park initiative, and improving parks & trail maintenance and signage.

The air/water/soil group is supporting the Iowa Soil and Water Future Task Force stakeholder priorities, passing Iowa's Water & Land Legacy (IWILL), and supporting Watershed Management Authorities (WMAs), such as Walnut Creek, Fourmile Creek, and Mud, Camp & Spring Creek. Finally, the air/water/soil group is supporting flood mitigation with green infrastructure.

In 2016, the marketing & education team will finalize and promote the Environmental Educators Plan, participate in the Urban Environmental Educations & Midwest Environmental Education Conference, and increase visibility of the Natural Capital committee and its projects with graphics, video, and public relations efforts.

The team is building a network of resource partners at local universities and other aligned organizations to bring in people to the committee to work on these priorities.

Related to the Iowa Soil and Water Future Task Force, the State of Iowa will receive \$96,887,177 in NDRC funding to support the Iowa Watershed Approach, a holistic watershed-scale program designed to sustain its valuable agricultural economy while protecting vulnerable residents and communities. The Iowa Nutrient Research Center at Iowa State University has funded 11 new projects related to water quality, and Governor Branstad proposed a plan to extend the sales tax scheduled to expire in 2029 through 2049. It would provide about \$20.7 billion for schools and more than \$4.6 billion for water quality.