

# Quad Cities Built for Business

*With certified sites of up to 600 acres available for shovel-ready projects and innovative targeted tax credits, the Hawkeye State is soaring above the competition.*

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**By the BF Staff**

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Finding a suitable piece of land for business relocation can be a fast, painless undertaking in Iowa where a unique program has certified sites in 12 communities as ready for development.

Each of the certified sites which range from 150 to almost 600 acres was inspected by an independent site selection consultant to assure it meets national site selection standards, and has ready access to major transportation infrastructure, energy, water and zoning that to meet the industry needs of advanced manufacturing, financial services, information technology and biosciences companies. Certified site locations include Cedar Rapids, Davenport, Dexter, Forest City, Fort Dodge, Iowa Falls, Marion, Mason City, Middletown, Norwalk, Perry, and Van Meter. As many as 12 additional sites are undergoing inspection this year.



Aerial view of Ag Processing Inc. complex in western Iowa. The Ag Processing facility is the world's largest farmer-owned soybean processor.

With access to rail, interstate and connection highways, several sites are ideally situated for large-scale industrial biorenewable processing, advanced manufacturing or high-tech data centers.

"By introducing certified sites to the market Iowa is better able to compete for large-scale projects," said Debi Durham, director of the Iowa Economic Development Authority. "We offer shovel ready locations and we have the shovels to get you started."

Iowa's newest certified site, just west of the city of Burlington, is on the grounds of a military installation—the Iowa Army Ammunition Plant. The site therefore has no zoning restrictions and ambulance, EMT, fire rescue and security on site.

Named the Commerce Center of Southeast Iowa, the site is a 152.9-acre plot of land that's five miles from two U.S. highways and is served by rail. It's also near a barge terminal on the Mississippi River. It's an ideal location for manufacturers with unique security needs.

## FINDING THE RIGHT CHEMISTRY WITH INCENTIVES, RESOURCES

Iowa ranks second nationally in the availability of biomass, which brings the potential to transform the chemical business from one based on oil to one based upon renewables. For companies seeking to develop chemicals and compounds from biorenewable sources, Iowa offers a first-of-its kind Renewable Chemical Production Tax Credit. Enacted in 2016, this refundable tax credit offers up to \$500,000 for established companies and \$1 million for startups to incentivize production of high-value building block chemicals from agricultural co-products and biomass.

"The competition to attract job-creating projects is steep, so looking for every possible advantage is critical," said Gov. Terry Branstad. "We are moving Iowa to the top of the list for projects that are looking for a home."

Iowa's production incentives are just the beginning. Iowa also excels in providing businesses with access to markets in the U.S. and around the world and a tax climate that appeals to global businesses. The state has earned a national reputation as the fourth best managed state in the U.S. It makes smart investments of taxpayer money, recently launching an ambitious program to invest more than \$3 billion in highway, rail and air transportation infrastructure within five years.

The state also exempts income earned outside Iowa from the state's corporate income tax. It's no wonder Iowa has attracted \$11 billion of private capital investment over the last four years. It also is a leading exporter, shipping more than \$15.1 billion in manufactured and value-added goods to markets around the world in 2014—an increase of 39 percent since 2011.

Today Iowa generates more of its electricity from wind than any other state—more than 31 percent. This leadership in sustainable energy will continue, as Iowa utilities have pledged to spend billions to add more wind capacity in the coming years. At the same time, industrial electricity rates in Iowa are more than 20 percent below the national average.

The widespread availability of affordable, renewable electricity has attracted companies who have made commitments to sustainable energy usage like Google, Facebook and Microsoft to Iowa. With ever increasing wind energy capacity, Iowa will continue to be an affordable and sustainable location for companies with energy-intensive operations.

Iowans are an educated people. Last year Iowa ranked fifth in the nation in STEM (science, technology, engineering and math) degrees conferred per 1,000 residents. In addition, Iowa is fourth in the nation in the percentage of residents with an associate's degree. The state also has the highest high school graduation rate and the second highest average ACT score in the country (among states where a majority of students take the ACT).

This high achievement level is one reason a 2016 Chief Executive magazine survey of CEOs placed Iowa in the top six in worker quality. Due to the state's relatively low cost of living, those high quality workers are also available at a good value. The average salary for a manufacturing employee in Iowa is more than 21 percent below the national average.

Today, as the nation deals with critical infrastructure issues, Iowa has a leg up. Iowa also boasts one of the nation's most productive workforces, another leg up. It offers a cost of doing business that is among the lowest in the U.S. and a unique site-selection certification program that assures companies of perfect locations to expand.

In short, Iowa offers the closest thing to a "risk free investment."

To learn more about Iowa's Certified Sites, or the state's Renewable Chemical Production Tax Credit, visit [iowaeconomicdevelopment.com](http://iowaeconomicdevelopment.com).

## INDUSTRY 4.0 IN QUAD CITIES

Industry 4.0 is quickly changing the manufacturing industry, and manufacturers in the Quad Cities region have a unique competitive advantage to help them embrace the onslaught of new technologies. The Quad Cities Manufacturing Innovation Hub (the Hub) is an initiative of the Quad Cities Chamber of Commerce that helps companies evaluate and implement new technologies, and identify ways to optimize operations.



The Digital Manufacturing and Design Innovation

Institute (DMDII) and the Quad Cities Chamber announced a Quad Cities Chapter of DMDII that is housed at the Quad Cities Manufacturing Lab. (Photo: quadcitieschamber.com)

Curtis Burnett, the executive director of the Quad Cities Manufacturing Innovation Hub, is a loaned executive from Deere & Company with over 30 years of corporate manufacturing experience. Burnett explains that when local industry leaders saw the rise of Industry 4.0, and the potential impact it would have on the small and medium manufacturers (SMEs) that make up their global supply chain, they quickly recognized the need to build a support network to help SMEs evaluate and implement new technologies.

The Hub will guide manufacturers through those changes, whether it is in processes, technology, equipment, or skilled workforce, all with the help of the network of resource partners the Hub has established. With efforts focused in the three areas of operational excellence, leveraging technology, and sustained growth, work underway now will maintain and grow the region's strength in manufacturing.

The Hub is partnering with the Iowa State Center for Industrial Research and Services (CIRAS) and the Illinois Manufacturing Excellence Center (IMEC) to complete operational assessments on small- to medium-sized manufacturers. The assessments evaluate a company's strengths, weaknesses, opportunities and threats, and identify areas in which to differentiate and grow.

Burnett said assessments will allow the Hub to identify common, systematic problems that can be solved for many regional manufacturers at once. That creates economy of scale and will help small manufacturers stay up-to-date.

"When we understand what the opportunities are for improvement, the Hub becomes a connecting machine. Our role is to find the right partners to work with the manufacturers on the right opportunities," Burnett said.

CIRAS and IMEC are federally-funded agencies that serve to provide education, training, and seminars based on regional needs.

The Hub hired Washington-based consulting firm, NewEdge, to complete a study and technology roadmap. This roadmap will guide manufacturers through changes needed in the next three years in areas such as investment, training and education.

“We need to start training now and investing now in emerging technology,” Burnett said. “Many of our discussions focus on the tsunami of technology that is about to hit the factory floor. You can’t pick up an industrial manufacturing magazine without reading about the manufacturing revolution. There are new manufacturing processes, new materials, new machine forms,” Burnett continued, adding that integration is also highly important.

“Once we are clear on the technologies that will impact us, we need to understand the manufacturing supply chain and create a diversification strategy based on our technology roadmap,” Burnett says. The Hub has hired SDG consulting to support the supply chain analysis. Their economic analysis experience and deep understanding of the Department of Defense (DoD) and private sector will be critical to identifying new opportunities.

The work is being funded with a \$5.5 million Department of Defense DIA program grant, awarded to support economic revitalization in the bi-state region. The Chamber partnered with the University of Illinois on the grant, and offered the Quad-Cities to be pilot site for implementing a diversification strategy.

“The whole intent of the grant is to replicate the strategy throughout the state of Illinois,” Burnett said, adding about half of the funds will be used to launch strategies in East St. Louis, Peoria, Chicago and Rockford.

Burnett said there are growing opportunities for regional manufacturers and new companies who move into the region.

“There are many economic forces at play right now that will bring the focus back to local manufacturing,” he said. “If you choose to do business, you should always choose to do it across town rather than across the globe. Transportation costs are less and response time is quicker,” he said.

Burnett said the Quad Cities region plays a large role in the existing manufacturing ecosystem. “We have one of the highest densities in the country when it comes to manufacturers of parts and assembly for industrial equipment. We have people working here who can do any type of fabrication. We have a deep and capable supply chain,” Burnett said.

The Quad Cities is a six-county bi-state region in eastern Iowa and western Illinois. More than 350 manufacturers are located in the Quad Cities region, including international industry leaders Deere & Company and Alcoa. Manufacturing generates about 20 percent of the region’s gross domestic product and employs roughly 18 percent of the workforce.

In addition, the region has a pool of dedicated “enablers” who support manufacturers. Those include providers of materials, technology, support, workforce and higher education.

“This is a journey. I am not sure we will ever know when we are at the end of it,” Burnett said. “We are trying to continually look at and improve services and the offerings we have. Our mission is to help manufacturers grow, diversify and stay competitive.”

To learn more about the Quad Cities Manufacturing Innovation Hub and the Quad Cities region, visit [QuadCitiesFirst.com](http://QuadCitiesFirst.com).