

Border cities test business incentive

A pilot program is underway to test new tax credits for business expansion as a way of making border cities more competitive with adjoining states. Under this pilot program Sioux City, Council Bluffs, Burlington, Keokuk and Fort Madison are offering the Targeted Jobs Withholding Tax Credit incentives for business expansion in their urban renewal areas.

This program could mean hundreds of thousands of dollars for business expansion, depending on the size of payroll and investment.

Companies interested in the incentives should move quickly if they are creating 10 or more jobs meeting local wage targets, or investing \$500,000 or more in urban renewal areas of the five cities. Possible projects might be manufacturing facilities, corporate headquarters, or research facilities.

For example, Staber Meats Inc. became the first company to qualify in Iowa by expanding in Sioux City. Marty Dougherty, city development director, estimates use of the program could mean \$275,000 for Staber, if they do the projected hiring over a 10 year period.

"We believe in the value of this new program, and we worked hard to get it adopted by the legislature. We have already seen its value in several projects, and there is a great deal of interest being generated in the business community," said Dougherty.

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Building wind turbine plant

Acciona Energia of Spain, the world's largest wind power developer, has chosen the state of Iowa for its first wind turbine production plant in the United States. Expected to provide 110 new jobs in West Branch, the project represents an investment of more than \$23 million and will produce approximately 250 wind turbines in 2008, a figure that is expected to rise over the next few years.

Construction of the new plant is underway and is scheduled for completion in late 2007.

"We welcome Acciona to West Branch and look forward to the economic opportunities this strategic partnership will create for our citizens," said Iowa Governor Chet Culver.

"Thanks to announcements like this and programs like the Iowa Power Fund, we are taking the lead in the race to become the renewable energy capital of the world and building a brighter future for our state," the Governor said.

The 215,000 sq. ft. facility is under construction on a 25 acre site. As part of its international expansion efforts, this will be Acciona's fourth wind turbine assembly plant; two currently operate in Spain and one in China.

"West Branch is ideally situated, being central to wind power resources in North America," said Peter Duprey, CEO of Acciona Energy North America Corp. "We greatly appreciate the support that the State and the city of West Branch have provided us for our investment, and we look forward to working with their highly skilled workforce as we expand our operations to provide wind energy benefits to communities worldwide."

Acciona's West Branch plant will supply wind turbines for wind farms located throughout North America.

"Today, Iowa's renewable energy economy

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WELCOMING ACCIONA TO IOWA

"We are thrilled that Acciona has chosen the state of Iowa for its first production facility in the United States," Governor Chet Culver told Peter DuPrey (left), chief executive officer of Acciona, at ground breaking ceremonies for Acciona's wind turbine plant in West Branch. *Photo courtesy: West Branch Times*



NGI moves to bricks & mortar

Construction is underway on a 90,000 sq. ft. research laboratory and business incubator building at the University of Iowa's Oakdale Research Park in Coralville, housing projects awarded financial and tax benefits from the Iowa Department of Economic Development.

National Genecular Institute (NGI), subsidiary of Dermacia, Inc. expects to use 55,000 sq. ft. of the building for laboratories to



NEW CORALVILLE RESEARCH LABORATORIES

An architect's drawing shows the \$20 million building under construction in Coralville to house the research and development facility of National Genecular Institute and a University of Iowa biotechnology business incubator. The Iowa Department of Economic Development assisted project is expected to open in May of 2008. (Photo: NGI)

advance innovative research in customized medicine. The University of Iowa will use the other 35,000 sq. ft. for the BioVentures Center, a biotechnology and technology incubator for new venture companies. The building will be owned by Ryan Companies and leased to NGI and the University of Iowa.

NGI plans to hire 35 people in the next year to get its research laboratory up and running and expects to employ 180 persons in scientific fields in the years ahead.

"The University of Iowa is recognized as one of the premiere scientific research universities in the nation," said Matt Nicosia, Dermacia's chief executive officer and co-founder. "NGI's mission will benefit greatly from this partnering and our research efforts will usher in the next generation of cosmeceuticals and skin care."

Beyond the Coralville facility, NGI plans to purchase 3.86 acres in Iowa City to build a BioTrust facility, a repository for genetic and cellular materials, which will be one of the largest and most sophisticated in the world.

The Iowa Department of Economic Development awarded NGI \$655,000 from Community Economic Betterment Account (CEBA) and tax benefits from the High Quality Jobs Creation (HQJC) for the projects.

CML USA chooses Iowa

Construction is under way in the Eastern Iowa Industrial Park on the new North American headquarters building for CML USA. The Iowa Department of Economic Development awarded the expansion \$60,000 from the Community Economic Betterment Account (CEBA) and tax benefits from the High Quality Jobs Creation (HQJC) program.

CML is a leading distributor of industrial equipment for precision bending of pipes and tubes. To keep pace with expanding sales CML is embarking on a \$2.5 million expansion which will add 15 to 20 jobs after it moves into the new 50,000 sq. ft. building. Completion of the new building on the nine-acre site is expected later this summer.

The company needs more space to upgrade equipment and technical services, expand research and development and increase exports.

"We had opportunities to move away from the state of Iowa, which is something that we didn't want to do, so we're really happy to stay here," said Scott Tunis, CML President and General Manager. The company relocated to Iowa from Florida in the year 2000 for a more central location to its customers.



NEW CML USA HEADQUARTERS

Architect's sketch of new CML USA headquarters, Davenport.

Opening Corning ethanol plant

“The region is gaining one of the most efficient facilities in the ethanol industry,” said Jeff Broin, CEO of Poet Biorefining at the opening of the new \$85 million ethanol production plant in Adams County. With the 60 million gallons of production coming online in Corning, Poet becomes one of only two ethanol companies with an annual production capacity over one billion gallons. Poet has seven biorefining plants in Iowa, all of which have received assistance from the Iowa Department of Economic Development. The Corning project was awarded Enterprise Zone tax benefits to create 40 jobs. It provides a new market for 21 million bushels of corn annually.



FIRST PLACE FOR IOWA BIOSCIENCE

Growing leadership in agricultural biosciences has propelled Iowa to a first in the nation biotechnology ranking, according to the “2007 Rankings Report” published in the July issue of *Business Facilities* magazine

The U.S. State Biotechnology Rankings show that the overall winner for depth of biotechnology leadership is Iowa, which far and away dominates the competition in the field of Agricultural Feedstock and Chemicals. Iowa’s lead over other states in this particular sector far exceeds any lead held by other states in the other major bioscience fields.

In its indexing formulas, the magazine used state and national statistics for businesses and employees in the four sectors of biotechnology: Agricultural Feedstock and Chemicals; Drugs and Pharmaceuticals; Medical Devices and Equipment; and Research, Testing, and Medical Laboratories. Most states tend to be strong in only one or two of these categories.

“We purposely created an overall depth-of-proficiency ranking where a state would be rewarded for opening a big lead on the competition,” said Karim Khan, editor in chief of *Business Facilities*. “Iowa is so far ahead of every other state in Agricultural Feedstock and Chemicals that it overshadows Iowa’s rankings in other biotechnology sectors.”

Iowa ranked 13th in Pharmaceuticals, 35th in Medical Devices and 42nd in Research and Testing.

The Agricultural Feedstock and Chemicals category includes firms that seek industrial applications geared toward production agriculture, energy, industrial commodities and specialty health products. It includes Iowa’s growing and nation-leading biofuels industry.

Business Facilities is a leading monthly magazine serving the site selection and economic development field.

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Under this program, the five cities must submit an application to the Iowa Department of Economic Development for each project and enter into agreements that return to the company up to three percent of state income tax withholding on the payroll. Agreements may last up to 10 years. Every dollar involved in the withholding agreement is matched by the city in dollars or services.

The money may be used for typical expansion expenses including infrastructure improvements.

Companies moving to Iowa or already operating in Iowa can qualify for the Targeted Jobs Withholding Tax Credit by meeting the program criteria.

For more information, contact local economic development offices in any of the five border cities or the Iowa Department of Economic Development, 515.242.4896, 800.245.4692.

E-mail: business@iowalifechanging.com

Laser Technology doubling in size

Iowa Laser Technology is moving ahead with an expansion that will more than double the size of the plant in Cedar Falls, adding 30 jobs to the current workforce of 127 people in the years ahead.

To help Cedar Falls compete with aggressive proposals to move the company to the southeastern United States, the Economic Development Board awarded \$75,000 from the Community Economic Betterment Account (CEBA) and tax benefits from the High Quality Jobs Creation (HQJC) Program.

An 81,000 sq. ft. addition will be built to meet customer needs and serve new markets for automated laser cutting, welding, heat treating, machining and other advanced manufacturing services.

The project is expected to generate \$11 million in new capital investment and solidify the company’s continuing presence in Cedar Falls, where it was founded in 1978.

CALENDAR

- JULY 28-AUG. 2 INTERNATIONAL FOOD TECHNOLOGIES EXPO
CHICAGO
- OCTOBER 10 IOWA VENTURE CAPITAL AND ENTREPRENEUR
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Economic Development
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Building wind turbine plant

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grows even stronger,” said Mike Tramontina, Director of the Iowa Department of Economic Development. “This collaboration between Acciona and the state of Iowa creates high-quality jobs for Iowa workers and generates clean energy for our communities. We are excited to play a significant role in that effort.”

To secure Acciona’s investment and plans to create 110 jobs, the Iowa Department of Economic Development awarded the company loans, investments, and tax benefits.

West Branch will utilize Acciona’s proprietary technology to produce 1.5 megawatt turbines, with rotor diameters of more than 250 feet. The plant will be capable of manufacturing the company’s future three megawatt turbine.

Retooling for the future in Algona

Snap-on Inc., which manufactures tool storage boxes in Algona for professional mechanics and service technicians, has broken ground on a \$12 million expansion. About 31 new employees will be hired and 320 employees retained because of new investments to keep the plant globally competitive.

The Iowa Department of Economic Development leveraged local and regional participation by awarding \$1-million from the Physical Infrastructure Assistance Program (PIAP) and tax benefits from Iowa’s Enterprise Zone program.

“Snap-on tool boxes are the best in the world because of you,” Nicholas Pinchuck, Snap-on President and Chief Operating Officer, told plant workers during ground breaking ceremonies.

“For 51 years, Snap-on has been dedicated to being the employer of choice in Algona, devoted to the community and steadfast in

producing the best tool storage products on the market,” said Scott Marienau, manager of Snap-on’s Algona plant.

“Closing this deal is just like hitting the jackpot for our area,” said Maureen Elbert, director of the Kossuth-Palo Alto County Economic Development Corp.

“Snap-on is the largest employer in Kossuth County. They draw workers from all around the area so that their impact extends throughout north Iowa,” says Elbert. “We couldn’t be more pleased with their decision to invest in this facility.”

Snap-on is adding 51,000 sq. ft. of supply chain improvements to the Algona plant for distribution of professional tool boxes to customers in this region and elsewhere.

Headquartered in Kenosha, Wisconsin, Snap-on Inc. is a \$2.4 billion, Standard & Poor’s 500 company with approximately 11,500 employees worldwide.