Cedar Rapids Target Industry Report & Business Case Analysis

Comprehensive Economic Development Strategy
Phase 3

June 1, 2014

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Introduction

Cedar Rapids has long been a community known for resilience and a spirit of innovation. As the city emerges from the aftermath of a devastating 2008 flood with new infrastructure and fresh direction, visionary city leaders are looking at ways of ensuring future economic vitality.

AngelouEconomics is proud to partner with Cedar Rapids to develop an economic strategic plan that will help coordinate efforts toward economic growth, provide a plan for workforce development and ensure the quality of life and success of the community in the times ahead.

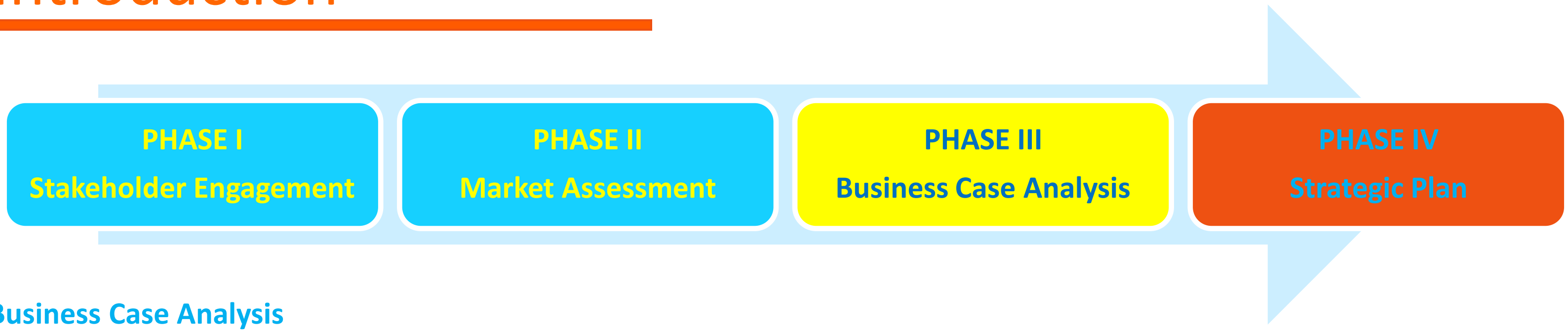
Stakeholder Engagement

In November, AE team members visited Cedar Rapids to launch the first phase of a four-part economic development project. That stakeholder engagement phase of the project included interviews and focus group discussions with more than 150 community members and a presentation to the project Steering Committee outlining the project process and timetable. In January, a project website opened providing information to the public about Cedar Rapids' vision and the economic development project. A successful set of online surveys were added to the website, running from Jan. 15–31, eliciting participation from 1,484 residents and 136 businesses in Cedar Rapids.

Market Assessment

During the second phase of the project, information from the interviews, focus groups and surveys was added to information obtained through quantitative economic research on the Cedar Rapids market area. A report of that combined analysis, the Cedar Rapids Market Assessment, was delivered to city staff, steering committee members and other city stakeholders on Feb. 26.

Introduction



Business Case Analysis

This Business Case Analysis report constitutes the third phase of our economic development project. It includes a Target Industries Analysis, an assessment of prime industries that Cedar Rapids might attract by using available assets and leveraging the clustering activity of industries already a part of the local economy.

Within this report, we also examine the health of retail activity in Cedar Rapids, comparing the sales of local businesses to the purchasing activity of residents. Such **Retail Leakage Analysis** allows us to determine whether the city is “leaking” revenue to businesses outside the area or experiencing a “surplus” by bringing outside money into the city perimeters.

The Business Case Analysis also provides information on the Cedar Rapids **Commercial Real Estate Market** to help determine how effective the city can be in leveraging infrastructure assets to attract high-value corporate investments.

A final component of the Business Case Analysis is a summary of surveys conducted with top national and international site selectors to glean insight into their current perception of Cedar Rapids as a potential site for client businesses. The **Site Selectors Perception Survey Summary** will help clarify areas of competitive advantage for Cedar Rapids, as well as areas that need to be addresses to attract target industries.

Next Steps . . . Strategic Recommendations

In July, AE will provide Cedar Rapids with the **Strategic Recommendations** report, a three-tiered policy framework of goals, strategies and actions that will help pave the way for successful economic development. The report will include a toolbox to guide Cedar Rapids for the coming four to six year time period, and a performance evaluation to help determine the success of ongoing economic development actions.

Strategic Recommendations will also include best practice case studies – a look at other cities implementing similar strategies and actions successfully. Finally, the report will include a review of the city’s marketing strategy and recommendations to help make those marketing efforts more effective through stronger content and better communication.

Once the Strategic Recommendations have been delivered and reviewed and AE has implemented feedback from the city and its project steering committee, we recommend two further steps that could effectively strengthen Cedar Rapids’ economic development efforts. First, a Cost of Operations analysis will help clearly identify the costs target industries face operating their businesses within Cedar Rapids and benchmark communities. Secondly, we recommend a reverse site selection, allowing the review of Cedar Rapids in light of a site selection request.

What We've Learned

Cedar Rapids is not your average community. Since a major flood in 2008 hit the city, leaving a damaged downtown and other destruction in its wake, residents and businesses of the Midwest community have worked together effectively and with spirit to restore the city and add protections against a future recurrence. New, more modern infrastructure replaces much of that destroyed by water, including a new City Hall, County Courthouse, Public Works facility, two fire departments, central library, county jail and Public Service Center.

Both residents and business owners responded in strong numbers to community surveys, indicating a high level of engagement and an equally high level of understanding of the importance of economic development. Three themes arose repeatedly during stakeholder interviews, focus groups and surveys. These three themes echoed the concerns of city leaders and those involved in regional economic development organizations.

- ***The first was a concern about the lack of retention and ability to attract young professional workers in the 25 – 44 year age bracket.***
- ***The second was a determination to address the development and attraction of a skilled workforce.***
- ***The third dominant theme was a desire for Cedar Rapids to focus a wide array of economic development efforts and involvement with regional organizations through a well-devised city strategic plan.***

Residents and businesses were in agreement with another key point – Cedar Rapids is a great place to live, but the city does not do a good job of telling its story to the outside world. Cedar Rapids can do a better job of articulating its strong assets to businesses looking for a new place to locate.

CEDAR RAPIDS STRATEGIC FOCUS

VISION

To ensure future economic prosperity and continue to build upon exemplary quality of life for Cedar Rapids residents and businesses

OBJECTIVES

- Organize economic development efforts
- Cultivate and Attract Skilled Workforce
- Improve Quality of Place to Attract Young Professionals
- Create Powerful Cedar Rapids Brand

During the assessment of the Cedar Rapids market area, elements within the city were compared to three benchmark areas: Eau Claire, WI; Grand Rapids, MI; and Lincoln, NE. Market factors in Cedar Rapids were also compared to those of Iowa and the U.S.

Quality of Life

Those who live and do business in Cedar Rapids benefit greatly from an exceptionally strong quality of life. Highly-educated residents enjoy high household incomes and lower than average cost-of-living expenses, affording them more buying power than average U.S. residents. The local housing market is strong, violent crime is low, and property crime is not significantly higher than benchmark communities. On the swing side, Cedar Rapids,

What We've Learned

like most of Iowa, is limited in the cultural and racial diversity needed to keep Young Professionals engaged and happy. Survey responses indicated a desire for more entertainment and recreational activities.

The overall exceptional quality of life in Cedar Rapids comes with a price tag. Residents pay combined property taxes that are nearly double those of Eau Claire and Lincoln. Both state and local taxes are high, including sales taxes.

Workforce and Education

Cedar Rapids is in the early stages of a declining workforce. The city's higher paid wages and strong wage growth can be viewed as a detriment to industries looking at the cost of doing business. With a median age of 35.1, Cedar Rapids has a slightly older workforce population than benchmark cities, but is still lower than the U.S. average of 35.9 years. Residents benefit greatly from the area's strong public schools and nearby colleges and universities. Surveys indicate that both residents and businesses would value improved communication with the local school district.

Business Climate

Just as residents pay to maintain excellent quality of life factors, local businesses also pay relatively high state and local taxes. Corporate income tax is high and the per-capita cost of government in the city is higher than Grand Rapids and Lincoln.

Cedar Rapids experienced a net loss in area businesses from 2002-2012, but that decline was impacted by the flood and the global recession. The city is experiencing a switch in business growth from construction, manufacturing and information industries to service establishments that include financial, professional and health categories. Businesses are mostly small in size, with nine out of 10 employing less than 50 workers. Cedar Rapids is ranked high in capital investment, patent activity and entrepreneurial support.

SWOT Analysis

During the Market Assessment process, AE conducted an analysis of the Strengths, Weaknesses, Opportunities and Threats that could have the most impact on future economic development efforts. SWOT Analysis allows for a detailed understanding of Cedar Rapids' competitive strengths, as well as weaknesses that must be addressed to attract and grow target industry clusters.

Target Industries

Through a cluster analysis of Linn County, AE has identified and refined five target industries to which Cedar Rapids can leverage assets for attraction and which could help the city develop successfully. Those industries are:

* **Life Sciences**
* **Logistics and Distribution**
* **Food Sciences and Processing**
* **Entrepreneur Business Services**
* **Finance, Insurance and Real Estate**

An explanation of the Target Industries selection process and an in-depth look at the industries chosen is included in the following section.

What We've Learned

Cedar Rapids SWOT

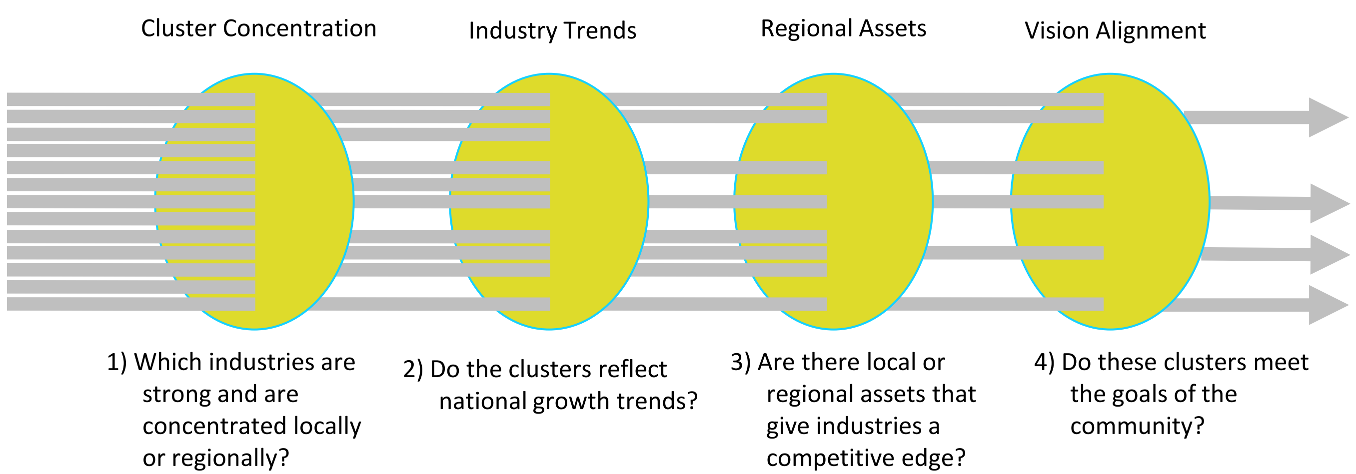
Strengths	Weaknesses
• Grain processing capital of the U.S. • Diverse industries • High quality of life • High levels of innovation and venture capital • Quality primary and secondary education • Strong regional universities and colleges • MedQuarter medical district alliance • Developing destination zones – Czech Village, New Bo • Access to raw agricultural materials • New infrastructure • Funding of Flood Mitigation	• Lack of city-centric ED strategic plan • Multiple disconnected regional ED organizations • High local corporate tax climate • Declining labor force • Insufficient skilled workforce • Downtown offices under-occupied • Perception of inadequate downtown parking • Unwelcoming to newcomers /social walls
Opportunities	**Threats**
• Continued development of business incubators and venture capital funding programs to support innovation • Promotion of high quality of life and low cost of living to attract skilled labor • Regional student population • Flood recovery funding and improvements • Second tier businesses • Rockwell engineers • Medical sector expansions • Riverfront development • Public transportation expansion, improvement	• Decline of labor force, young professionals, and employers • Loss of major employer • Social walls that could impact workforce retention • Flood-related building/housing vacancies • Challenging flood protection • Multi-stop air transportation • Newer urban areas with more modern infrastructure • Downtown flood plain location • State and city tax structures

Target Industry Selection Process

AE has conducted a cluster analysis of Linn County to determine the relative strength and dominance of its industries. These clusters are reviewed within the context of national, regional, and local growth trends and prioritized according to Cedar Rapids assets. In conjunction with the community vision identified through the fieldwork process and the understanding of key assets, this analysis provides a basis for the identification of target industries for the city of Cedar Rapids.

Our approach includes four processes, each acting as a filtering mechanism by which industries are screened for suitability. In many ways, target industry selection is best described as target industry "elimination." The following chart illustrates a systematic process by which an industry is selected as a target.

Through the cluster analysis provided in this report, we can determine the unique strengths Cedar Rapids can leverage over other locations to attract the attention of industries the community would like to draw to the area. The focus on target industries allows the cities to address any weaknesses that may be significant to the selected businesses. Policies can be developed to ease the process and the cost of doing business in Cedar Rapids for industry-specific companies.



Target Industry Selection Process

Step One: Which industries are strong and are concentrated locally or regionally?

Industry clusters are highly integrated groups of businesses with strong vertical and horizontal linkages. Vertical linkages include the suppliers and customers in a region that combine to create a competitive business model, whereas "horizontal" linkages include the relationships between competing companies, which often recruit from the same labor pool of talent, and supporting public institutions. Clusters often mature when businesses expand their relationships with existing supplier firms in a region. As the clusters grow, additional supplier firms are attracted to the region, eventually creating a well-diversified "critical mass" of production, labor, and information.

To assess the strength of a cluster in a regional economy, AE has calculated a location factor (or quotient) for each. These factors are calculated by comparing the cluster's share of total local employment to its national share. This location quotient will yield a value generally between 0 and 5. A result of "1" demonstrates that the cluster commands an average or expected share of the local economy. Cluster location factors greater than 2 indicate a strong cluster agglomeration. Factors less than .5 indicate weak clusters.

Linn County Industry Concentration: 10 Strongest Industries (By Location Quotient, 2011)

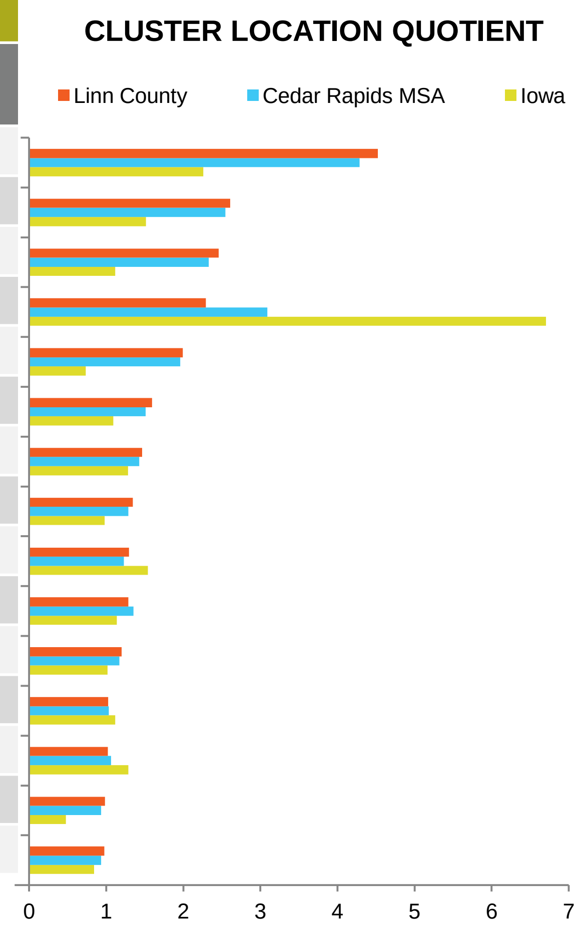
Industry	Employees	LQ
Food Processing	3,535	4.52
Logistics & Distribution	6,426	2.61
Mass Media	2,836	2.46
Agriculture	401	2.29
Communication Services	1,394	1.99
Industrial Machinery	963	1.59
Financial Services	8,788	1.47
Business Support Services	7,905	1.35
Elementary and Secondary Schools	5,983	1.30
Construction Manufacturers & Suppliers	6,677	1.29

Location Quotient (LQ)
A calculated ratio between the local economy and the national economy that indicates industry concentration.

LQ = 1.0 indicates average concentration
LQ > 2.0 indicates a strong cluster
LQ < 0.5 indicates a weak cluster

Target Industry Selection Process

Industry Cluster Concentrations			
SECTOR (RESIDENTS EMPLOYED IN SECTOR)	Linn County	Cedar Rapids MSA	Iowa
Food Processing (3,535)	4.52	4.29	2.26
Logistics & Distribution (6,426)	2.61	2.54	1.52
Mass Media (2,836)	2.46	2.33	1.12
Agriculture (401)	2.29	3.09	6.71
Communication Services (1,394)	1.99	1.96	0.74
Industrial Machinery (963)	1.59	1.51	1.09
Financial Services (8,788)	1.47	1.43	1.28
Business Support Services (7,905)	1.35	1.29	0.98
Elementary and Secondary Schools (5,983)	1.30	1.23	1.54
Construction Manufacturers & Suppliers (6,677)	1.29	1.35	1.14
General Services (3,839)	1.20	1.17	1.02
Retail (13,051)	1.02	1.03	1.12
Wholesale (4,468)	1.02	1.06	1.29
Software & Computer-Related Services (592)	0.98	0.93	0.48
Civic Enterprises (1,255)	0.97	0.93	0.84



Target Industry Selection Process

Balance of Labor Imports / Exports		
SECTOR	2011 LABOR IMPORT/EXPORT QUOTIENT	CHANGE 2002-2011
Manufacturing	0.55	-49.5%
Health Care and Social Assistance	0.62	-3.0%
Retail Trade	0.59	-17.4%
Educational Services	0.70	-7.3%
Accommodation and Food Services	0.66	-3.1%
Finance and Insurance	0.56	-17.0%
Waste Management and Remediation	0.63	2.0%
Construction	0.72	-7.5%
Transportation and Warehousing	0.39	-30.1%
Information	0.70	6.2%
Wholesale Trade	0.64	-1.8%
Public Administration	0.61	-11.6%
Professional, Scientific, and Technical Services	0.57	-15.4%
Other Services (excluding Public Administration)	0.59	-12.7%
Real Estate and Rental and Leasing	0.51	-20.0%
Utilities	0.70	-18.1%
Arts, Entertainment, and Recreation	0.56	-15.8%
Management of Companies and Enterprises	0.74	-4.7%

Source: BLS

BALANCE OF LABOR IMPORTS/EXPORTS

The Balance of Labor Imports / Exports table to the left illustrates the proportion of residents who live in Cedar Rapids and work in a particular industry relative to the number of jobs located within Cedar Rapids for that industry. A quotient of 1.00 means that for every Cedar Rapids citizen working in an industry, there is a corresponding job in that industry within the county's borders. If the quotient is less than 1.00, it means there are more jobs than workers in Cedar Rapids, and outside labor must be brought in, or "imported," to fill those jobs. Conversely, a quotient greater than 1.00 implies that more Cedar Rapids residents work in an industry than there are jobs in that industry and thus, the excess labor is "exported" to surrounding areas.

Key Findings:

- Cedar Rapids imports large amounts of labor from the surrounding areas. There are no major Cedar Rapids industries where labor is exported.
- The largest importer of labor as a percentage of its workforce is the Transportation and Warehousing industry, which has direct implications on target industries. Management of Companies and Enterprises imports the least labor.
- The trend of labor importation has grown in recent years. Only two industries, Information and Waste Management and Remediation, import less labor than they did in 2002.

Target Industry Selection Process

Step Two: Do Local Industry Clusters Reflect National Growth Trends?

To provide a visual basis for the recommended sectors, the analysis on the following pages has been prepared to illustrate which industry sectors in Cedar Rapids have registered solid performance over the last decade, and which have declined or are at a risk to decline.

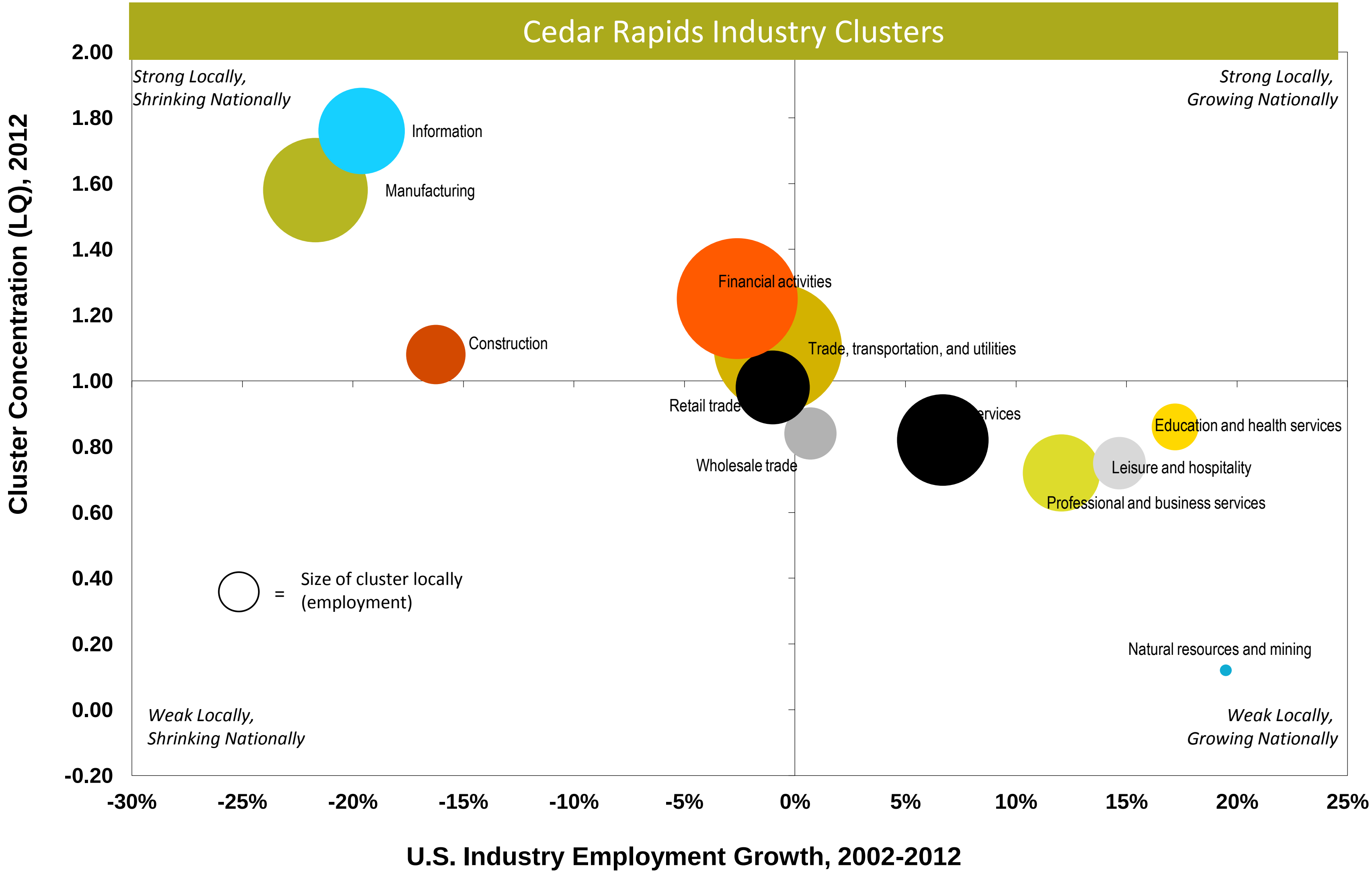
Local leadership should place greater focus on economic development efforts which will (1) support investment and employment growth in emerging, private-sector driven industry clusters; (2) help to strengthen and diversify the regional economy by offering jobs at a variety of skill levels; and (3) leverage Cedar Rapids' existing assets, facilities, infrastructure, and character.

Cedar Rapids has cluster strength in several different industries, some of which are strong locally, and some of which are currently weak but growing nationally.

The Trade, Transportation and Utilities industry is growing both nationally and in the Cedar Rapids area, as is Retail Trade to some extent. The Financial Activities industry is beginning to show both local and national growth. Manufacturing, a strong local industry, is listed as a declining national industry per 2012 data. However, manufacturing is beginning to show evidence of a resurgence in the U.S., especially in specialty manufacturing sectors.

Industry clusters that are weak locally, but growing nationally could represent opportunities for economic development in Cedar Rapids. Service industries, including Business and Professional Services, currently indicate strong potential for such opportunity.

Target Industry Selection Process



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Target Industry Selection Process

Step Three:
Do Local Assets Exist that Give the Industry a Competitive Advantage?

Every community has unique strengths that companies can leverage to create competitive advantages. These strengths can include such things as tax structure, infrastructure, market proximity, and workforce skills, among others.

The challenge is to identify key assets in the city and region that will support a wide range of industries to thrive, while working to improve the Cedar Rapids brand.

The location scorecard included in this report for each target industry section identifies key assets in Cedar Rapids and opportunities for improvement with regard to specific industry location requirements.

CEDAR RAPIDS ASSETS

- High Level of ED Support
- Highly Engaged Business Community
- Exceptionally Strong Quality of Life
- Strong Wage Earnings
- Evolving Cultural Destinations
- Growing Medical Core
- World-Class Institutions of Higher Education
- University Partnership Opportunities
- Strong Entrepreneurial Culture
- Strong Clusters/Industry Diversification
- Developable Sites
- New City Infrastructure

Target Industry Selection Process

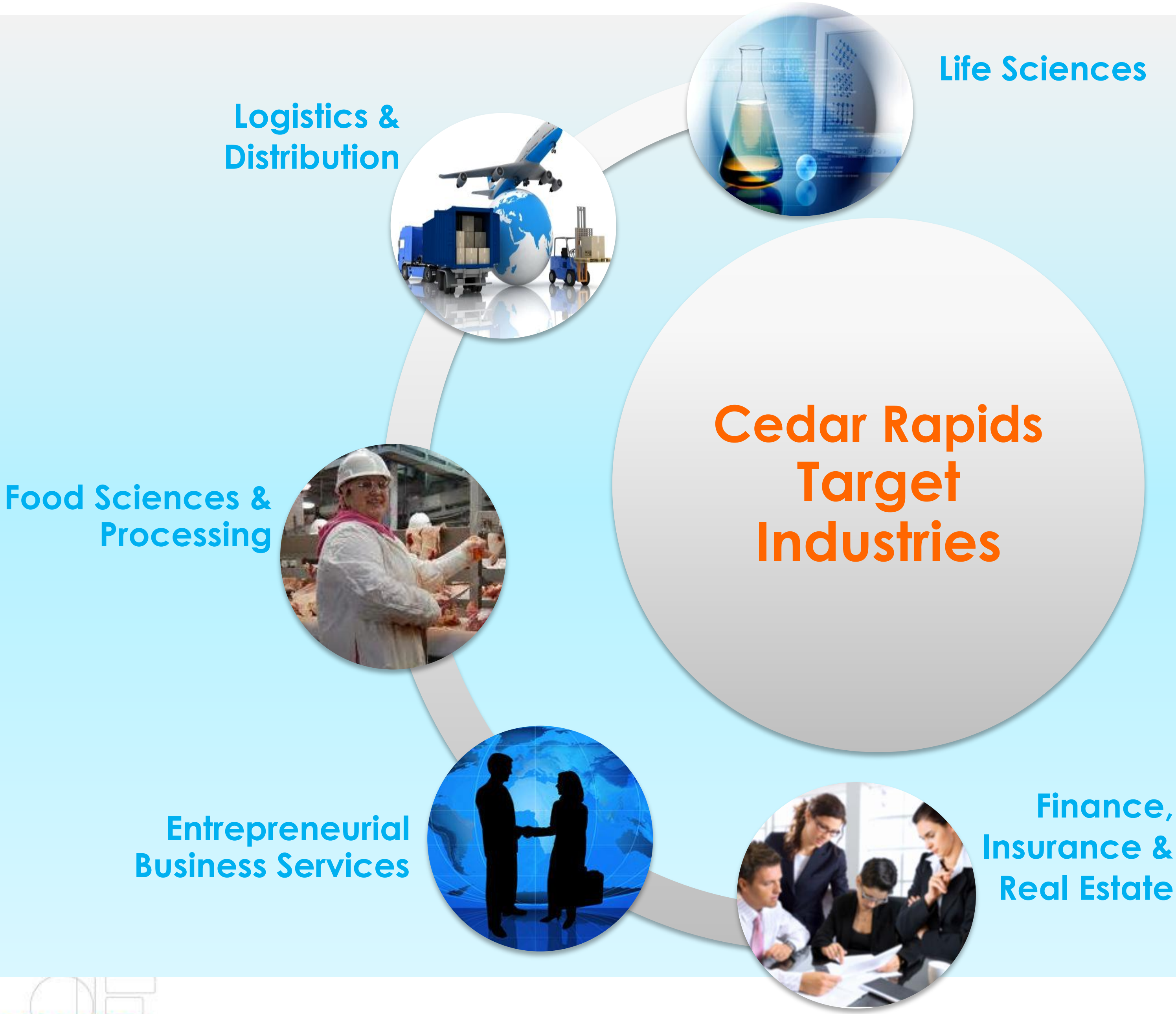
Step Four: Do the Targets Meet Community Goals?

The growth of industry clusters requires a coordinated effort. Government officials, economic developers, business leaders, and the public must be united in their vision and enthusiastic in their support to grow industry clusters that are considered a good fit for Cedar Rapids.

This consensus and broad support is particularly critical when a city lacks a strong local concentration in a targeted cluster. The lack of cluster concentration does not rule out an industry as a target, but it does indicate that local efforts must be more focused and enhanced to successfully grow the desired industry with limited resources.

During the course of this project, AngelouEconomics conducted numerous interviews with public and private sector leaders. Many of these leaders represented key industries currently located in Cedar Rapids. Through this public input process, AE received a great deal of information regarding the types of businesses that local residents desire to retain and attract.

With these steps completed, AE identified five target industries, each with its own corresponding niches that are likely to provide the best mix of employment to meet community goals, while being achievable within larger economic trends.


Life Sciences
Logistics & Distribution
Cedar Rapids Target Industries
Food Sciences & Processing
Entrepreneurial Business Services
Finance, Insurance & Real Estate

LIFE SCIENCES

INDUSTRY OVERVIEW

This sector encompasses services that provide care and support the well being of the body and mind. It also consists of those businesses that support but do not directly participate in Health Care. These include research into new technologies and innovations, manufacturing of medical devices, and the development of "Health IT" software which consolidates and streamlines access to medical records and other important information.

- ☑ **Young Professionals**
- ☑ **Creative**
- ☑ **Business Retention**
- ☑ **Entrepreneur Friendly**
- ☑ **Downtown Redevelopment**

The Life Sciences industry is currently one of the largest in the U.S. economy and is projected to experience rapid growth in employment and wages over the next decade. This industry relies on high levels of scientific and technology research and, as such, draws heavily from research institutions such as universities. Moreover, funding requirements within the industry are substantial, placing companies and entrepreneurs that work within the industry in particular need of readily accessible venture capital, government funding, and other sources of capital.

In Cedar Rapids, this industry also meets many of the theme elements:

- Many Life Sciences jobs pay competitively and are attractive to young professionals
- Life Sciences is creative in that new technologies, processes, and knowledge are constantly emerging, which also presents an opportunity for entrepreneurs
- Cedar Rapids, as a major population center, already has a strong health care cluster
- Many Life Sciences establishments, such as specialty clinics or Health IT software developers, can be integrated into a revitalized downtown

A BROADER PERSPECTIVE ON LIFE SCIENCES

International players in Life Sciences have seen their stock rise through some combination of government investment, talent-attraction policies, and linkages with related industries.

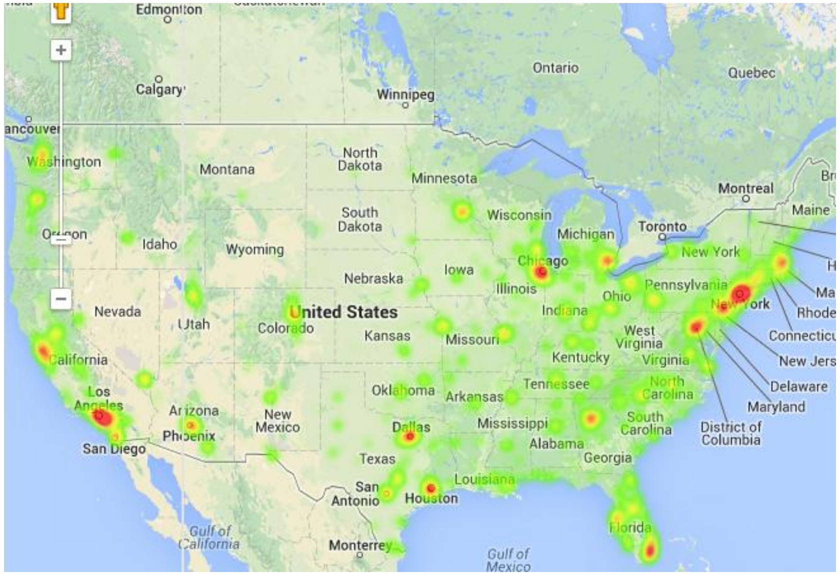
China's go-to strategy has been to trade market access to foreign companies for technology transfer. The city-state of Singapore makes it a point to outbid rivals for the world's best talent.

Countries with a high overall technological aptitude, like Sweden, Japan, the UK, and Germany, are able to link Life Sciences with other fields, such as agricultural sciences and food production.

Leading life science countries tend to adopt policies that improve their innovation ecosystems. These might include tax incentives, short drug approval times, and friendly immigration policies.

Looking ahead, more complex forms of innovation will be a determinant of success, as a bulk of life science products are derived from low-molecular-compound technology. This has produced a shortage of high-molecular compound technology.

US Industry Concentration



Sources: AE, ReferenceUSA

Global Industry Clusters
United Kingdom
France
Switzerland
Malta
South Korea

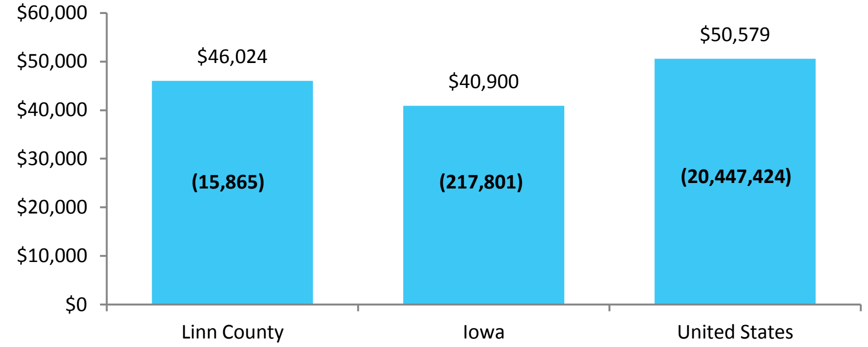
LIFE SCIENCES CHARACTERISTICS

As the second largest population center in Iowa and the major regional economic hub, Cedar Rapids is well positioned to capitalize on the continued boom within the Health Care industry. This is evidenced by the presence of an already healthy industry cluster. Its proximity to the University of Iowa and its associated medical school and research institutions is a huge asset for remaining modern and relevant within the industry.

As of 2012, Linn County employed nearly 16,000 people in the Life Sciences Industry. The average salary for these workers was well above the state average. While the average wage is $4,000 less than the national average, cost of living differences give local wages a high purchasing power and to quality of life.

While Life Sciences has already proven to be a successful industry for Cedar Rapids, there is also much untapped potential. As with many of Cedar Rapids' industries, attracting and retaining skilled Young Professionals remains problematic. Additionally, the close proximity to the University of Iowa remains an underleveraged asset in so far as a lack of existing partnerships and commercialization endeavors.

Average Wages in Life Sciences, 2012 (Employment Level)

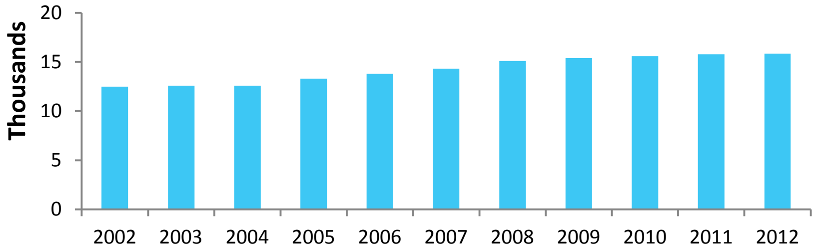


INDUSTRY CRITERIA
☒ Appropriate regional demographics
☐ Workforce Retention
☒ Access to appropriate market
☒ Existing Medical Presence
☒ Proximity to major institution for academic medicine
☒ Potential venture capital and commercialization opportunities
☒ Proximity to institutional research and development
☐ Existing partnerships with research institutions or commercialization entities
☐ Availability of affordable lab space
☐ Existing professional and industry organizations

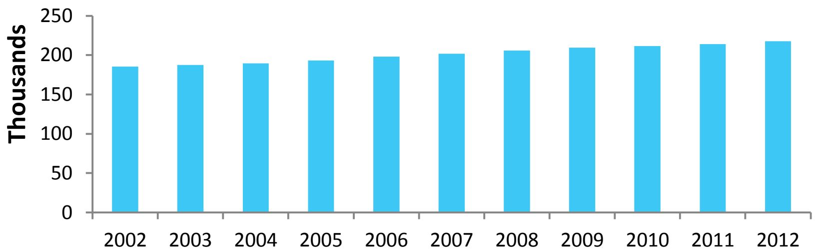
Sources: BLS, AE

LIFE SCIENCES EMPLOYMENT

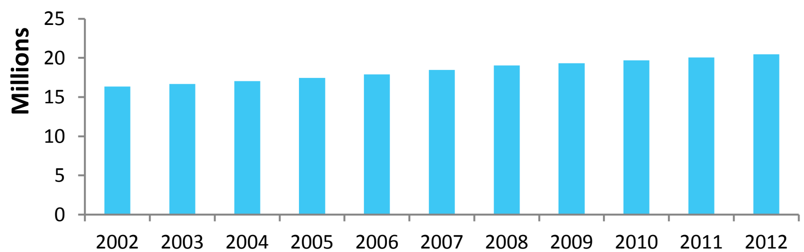
Linn County Employment



Iowa Employment



United States Employment



Sources: BLS, AE

Local Employment Trends

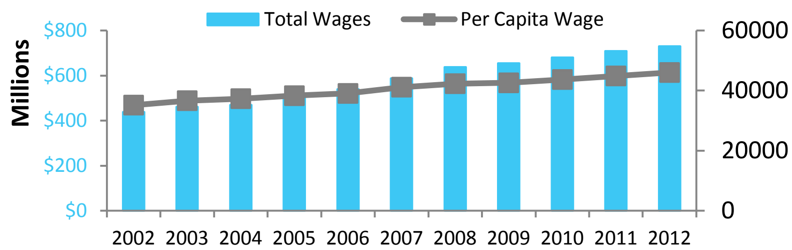
Linn County's Life Sciences sectors has added more than 3,000 jobs since 2002. This is not particularly surprising as Life Sciences is one of the fastest growing industries in the nation. However, Linn County's employment growth of 26% over the past decade surpasses both the state and national growth rates, indicating that Cedar Rapids is well positioned to take full advantage of this industry's continued success. Growth in Linn County Life Sciences has slowed some since the 2008 Recession.

Regional and National Employment Trends

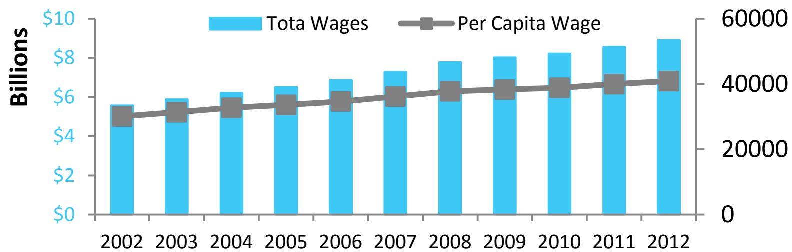
Like Linn County, employment grew consistently and healthily in both Iowa and the entirety of the United States. Though the rate of growth slowed as a result of the 2008 Recession, it is a testament to the heartiness of the industry that the U.S. did not experience employment losses in this sector during that time of economic uncertainty.

LIFE SCIENCES WAGES AND PAY

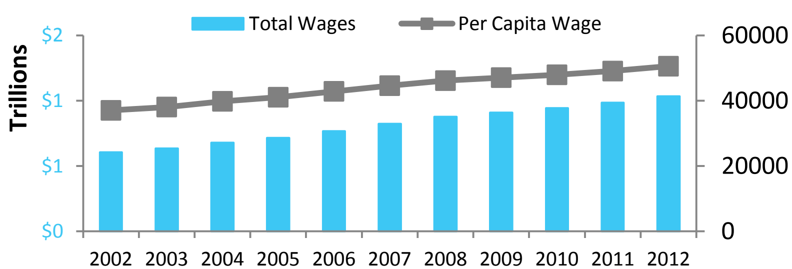
Linn County Wages and Pay



Iowa Wages and Pay



United States Wages and Pay



Sources: BLS, AE

Local Wage Trends

Like employment, industry pay has grown steadily since 2002. Linn County's average pay has grown by 31% and total wages have grown by over 60%.

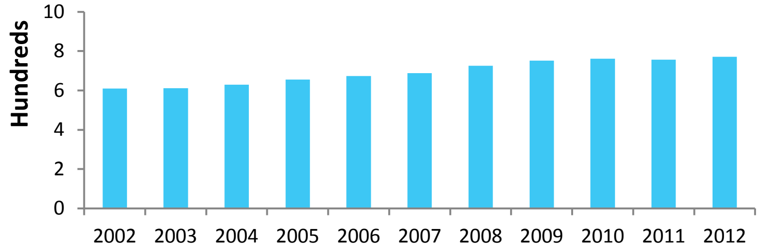
Regional and National Wage Trends

Regional and National growth rates for average wages are similar but slightly higher than Linn County's, at 33% and 35% respectively. Linn County's average wage has historically been lower than the national average, although the gap has increased slightly over the past decade. Likewise, the Iowa average wage remains nearly $6,000 less than that found in Linn County.

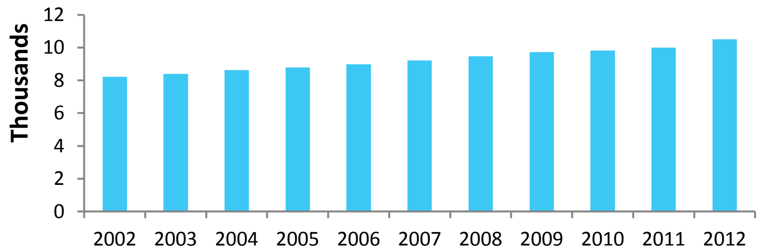
When looking at only wages, Cedar Rapids has competitive labor costs at the national level, but faces a cost disadvantage within its own state.

LIFE SCIENCES ESTABLISHMENTS

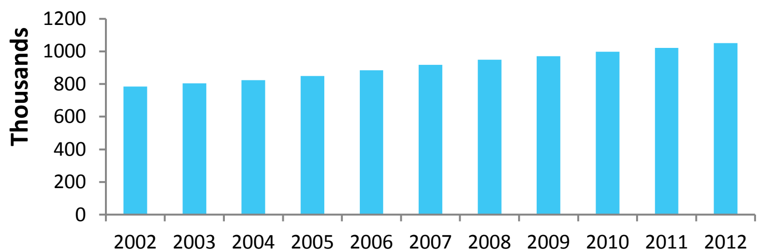
Linn County Establishments



Iowa Establishments



United States Establishments



Sources: BLS, AE

Local Establishment Trends

Linn County's 10-year establishment growth of 26% almost perfectly matched its 10-year employment growth. This is interesting as establishment numbers are generally slower to respond to economic changes than employment. It is, however, indicative of rapidly expanding industry with entrepreneurial underpinnings.

Regional & National Establishment Trends

Impressive establishment growth is also present nationally and statewide. In 2012, Iowa had 10,500 healthcare and related businesses, up from 8,228 in 2002. Likewise, the United States currently has over 1 million establishments, up from 785,000 in 2002. This rapid industry expansion reflects both increased demand from the aging Baby Boomer population as well as new technologies and healthcare opportunities.

LIFE SCIENCES SECTORS AND AREAS OF GROWTH

For Linn County, this industry is broken into three sectors: Health Care, Medical Devices, and Health IT. The table to the right shows which sectors have experienced **employment growth** in five- and 10-year time periods.

Looking at past growth trends:

The Health Care sector, including hospitals, nursing homes, and other health providers, has seen universal growth over the last five and ten years.

Medical device manufacturing has declined recently in Linn County, although unlike the state or nation it has shown positive growth since 2002.

Health IT has also declined in Linn County since 2007. However, healthy 5-year growth in Iowa and the United States as well as net 10-year growth in the county indicate that this industry has strong growth potential.

	Positive 5-Year Growth (2007-2012)			Positive 10-Year Growth (2002-2012)		
Sector	**County**	**State**	**US**	**County**	**State**	**US**
Health Care	X	X	X	X	X	X
Medical Devices		X	X	X		
IT		X	X	X	X	X

SECTOR COMPONENTS
Health Care
Ambulatory Health Care Services
Hospitals
Nursing and Residential Care Facilities
Social Assistance
Medical Devices
Medical Equipment and Supplies Manufacturing
IT
Custom Computer Programming Services
Computer Systems Design Services

Sources: BLS, AE

Key Occupations in the Life Sciences Industry						
Occupation	U.S. Occupational LQ	Cedar Rapids MSA LQ	10-year U.S. Growth Projection (%)	U.S .Salary	Cedar Rapids MSA Salary	Education Needed
Dental Laboratory Technicians	347.53	2.56	0.80	$39,320	$38,430	High school diploma or equivalent
Grinding, Lapping, Polishing, and Buffing Machine Tool Setters, Operators, and Tenders	16.55	0.54	1.40	$33,070	$41,280	High school diploma or equivalent
Team Assemblers	15.32	1.16	5.50	$29,910	$26,540	High school diploma or equivalent
Structural Metal Fabricators and Fitters	15.06	1.20	15.70	$37,260	$33,620	High school diploma or equivalent
Industrial Engineering Technicians	14.93	0.56	4.20	$53,100	$42,950	Associate's degree
Industrial Engineers	13.14	1.41	6.40	$82,100	$70,560	Bachelor's degree
Multiple Machine Tool Setters, Operators, and Tenders	12.57	0.55	3.80	$35,060	$41,250	High school diploma or equivalent
Assemblers and Fabricators, All Other	10.61	0.97	11.30	$29,070	$25,700	High school diploma or equivalent
Computer-Controlled Machine Tool Operators	10.57	1.15	19.20	$36,810	$39,960	High school diploma or equivalent
Molding, Coremaking, and Casting Machine Setters, Operators, and Tenders	10.37	N/A	5.10	$30,400	$32,420	High school diploma or equivalent
Inspectors, Testers, Sorters, Samplers, and Weighers	10.22	0.83	8.00	$37,240	$39,640	High school diploma or equivalent
Industrial Production Managers	8.35	1.64	9.10	$97,490	$109,000	Bachelor's degree
Machinists	8.23	0.61	8.50	$40,860	$39,010	High school diploma or equivalent
First-Line Supervisors of Production and Operating Workers	7.60	1.06	1.90	$57,420	$55,560	Postsecondary non-degree award
Computer Numerically Controlled Machine Tool Programmers	7.40	3.92	10.80	$48,640	$48,400	High school diploma or equivalent
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	5.03	0.65	16.40	$85,690	$91,430	Bachelor's degree
Mechanical Engineers	4.86	1.57	8.80	$84,770	$76,000	Bachelor's degree
Commercial and Industrial Designers	4.81	1.95	10.50	$62,430	$55,050	Bachelor's degree
Architectural and Engineering Managers	4.71	2.31	8.60	$133,240	$117,400	Bachelor's degree
Opticians, Dispensing	4.56	0.73	28.90	$35,010	$34,100	High school diploma or equivalent

Source: BLS, AngelouEconomics

LIFE SCIENCES BUSINESS DEVELOPMENT

Based on the recommended target industry, AE suggests attending the following or similar conferences in order to gain a firmer understanding of industry trends as well as to establish industry contacts and market the region's available assets related to the industry. Host cities of each conference may change year to year.

Life Sciences Conferences, 2014		
Conference	**Description**	**Date**
MEDICAL DEVICE SUMMIT WEST	This event focuses on reducing risk and increasing return through cutting-edge business strategies and technological innovation.	July 2014
BIO INTERNATIONAL CONVENTION	The convention, featuring 1,700 exhibitors, is where high-level executives and influential decision makers come to discover new players in the industry, form partnerships and evaluate emerging technologies.	June 23-26, 2014
PITTCON CONFERENCE & EXPO	This is world's largest annual conference and exposition for laboratory science, offering the latest technology and instrumentation from nearly 950 exhibitors, a diverse Technical Program of over 2,000 sessions, and unique networking opportunities with colleagues from 87 countries.	March 2-6, 2014
PHARMA FORUM	An educational conference dedicated to the professional development needs of meeting professionals in the life sciences industry, this program features keynote addresses, case studies, panel discussions and the latest regulatory developments.	March 23-26, 2014
BIO-IT WORLD CONFERENCE & EXPO	This conference unites 2,500+ life sciences, pharmaceutical, clinical, healthcare, and IT professionals from 30+ countries. The Expo provides a platform to share information and discuss enabling technologies that are driving biomedical research and the drug development process.	April 29-May 1, 2014
HOSPITAL MEDICINE 2014	HM14 offers a comprehensive array of educational and networking opportunities focusing on the practice of hospital medicine.	March 24-27, 2014
INTERNATIONAL CONFERENCE ON PROTEOMICS AND BIOINFORMATICS	This event promotes exchange of knowledge and research techniques with experts from pharmaceutical and biotech companies, academicians from leading universities, and scientists from research institutions.	August 4-6, 2014

RANKING OF CEDAR RAPIDS LIFE SCIENCES					
Assessment Rationale	**Life Sciences Variable**	**Leading**	**Strong**	**Average**	**Weak**
• Higher than regional and national employment growth • Appropriate regional characteristics for continued growth	Employment Trends		●		
• Wages remain below the national average, but significantly higher than the state average • Wages have grown at a consistent, healthy rate	Wage Trends		●		
• Business establishments have experienced healthy growth despite the recession • Business establishment trends are in line with state and national trends	Business Establishments		●		
• Cedar Rapids region has excellent educational institutions to train work force • Current conditions present some problems for workforce retention	Employee Skill Set			●	
	Overall Life Sciences Industry		●		

Source: AE

LIFE SCIENCES NICHE MARKETS

Biotechnology: Biotechnology is the development of living organisms into useful products. Research and development are essential for the success of this industry. While the proximity of the University of Iowa presents a great resource for Cedar Rapids, the lack of partnerships, collaboration, or commercialization endeavors is limiting success within this industry.

Health IT: Automated healthcare information systems can lower costs while boosting efficiencies, consumer care and profits. The niche is in high demand as the healthcare system undergoes a dramatic restructuring and online healthcare verges on becoming a disruptive industry. President Obama is investing $56 billion over the next five years in “paperless medicine,” to transition doctors toward electronic health records (EHRs). Health IT on the whole is expected to produce between 50,000-100,000 jobs within the near future. Cedar Rapids has already experienced success in this niche with the expansion of Geonetric.

Senior Care Services: It is no secret that Iowa’s population is aging rapidly. As the population becomes older and less independent, Senior Care facilities will rise in importance and prevalence. Cedar Rapids, as a major population center, can provide a centralized location for these services.

Medical Devices: As with Health IT, modern technological advances are revolutionizing the uses and production of medical devices and equipment. As medical knowledge continues to rapidly expand, this niche will also remain prevalent. Cedar Rapids, with its existing logistics and manufacturing infrastructure, can be regionally and nationally competitive in this niche.

Health Care Networks: : Health care is currently the largest sector in the nation. One of the greatest opportunities in this industry lies in entrepreneurship. As services offered in hospitals became unaffordable, specialized clinics started opening that offer services at cheaper rates. These types of clinics include specialization in many different areas, including diabetes, oncology, and cardiovascular diseases. Specialized health care networks can be clustered together to provide even greater efficiencies and cost advantages. As Cedar Rapids is already a regional health care center, it is well positioned to support the development of small health care networks to augment and compete with major health care providers.

LOGISTICS AND DISTRIBUTION

INDUSTRY OVERVIEW

Logistics and distribution is the process of moving a good from producer to consumer including all of the planning, storage, and transportation that process requires.

While traditionally manufacturers managed the storage and distribution of their own goods, increasingly efficient yet complicated logistics processes and technologies have led to the rise of third party distributors. These businesses specialize in supply chain management and have greatly streamlined global transportation and logistics networks.

The industry as a whole suffered from the 2008 recession. However, the improving global economy and innovative new methods ensure this industry will remain exciting and expanding for years to come.

Logistics & Distribution in Cedar Rapids also meet many of the theme elements:

- Supply chain management is a growing field of study in both undergraduate and graduate level studies. The high wages associated with these fields will be attractive to Young Professionals. In 2013, the national average wages for logisticians and supply chain managers were $76,000 and $91,000 respectively.
- Cedar Rapids' has a strong and quickly growing foundation of logistics establishments which is developing into a strong cluster to provide both stable employment and promote future industry growth.
- The highly competitive and constantly evolving environment of the logistics industry mean creative and innovative thinking are essential for success.

- [x] **Young Professionals**
- [x] **Creative**
- [x] **Business Retention**
- [ ] **Entrepreneur Friendly**
- [ ] **Downtown Redevelopment**

A BROADER PERSPECTIVE ON L & D

In the World Bank's latest ranking of logistic hubs, all Organization for Economic Cooperation and Development (OECD) countries landed in the top third – communicating the inevitable "logistics gap" between low- and high-income countries. The gap typically results from discrepancies in infrastructure, technology, stability, and good governance. Still, there is significant variance in the quality of logistics among OECD countries.

Germany landed the top spot on the Bank's list through well-planned infrastructure, hassle-free customs, responsive tracking, and fast delivery of goods.

Hong Kong's cargo-friendly airport, its massive container seaport and its free port status have ensured its reputation as leading Logistics hub. Singapore has helped distinguish itself through efficiency and competitive costs.

The Netherlands, the world's second ranked port, is part of the "Blue Banana," a corridor of economically vibrant European cities. To maximize this geographical advantage, the country has established dense infrastructure for all modes of transport, including 2,500 kilometers of roads with direct, easy access to all major towns and cities in the Netherlands; distribution centers with a regional focus and specific to one type of transport only; and large open ports that cluster their activities.

US Industry Concentration

Global Industry Clusters
Port of Amsterdam
Dubai
Singapore
Shanghai
United Kingdom Ports

Sources: AE, ReferenceUSA

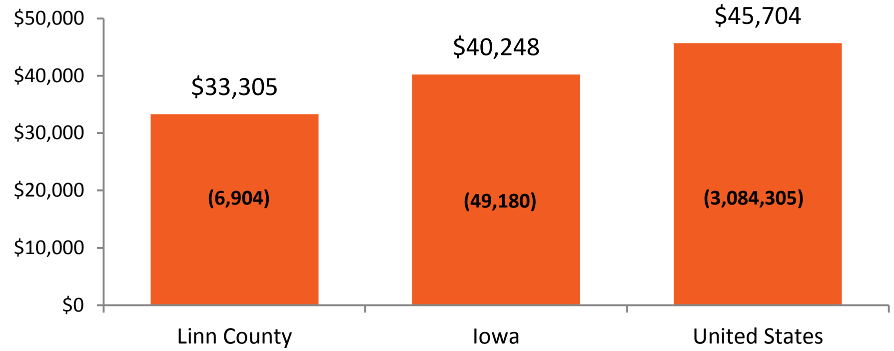
L & D CHARACTERISTICS

Cedar Rapids is positioned strategically to serve as a major logistics hub for the Midwest. It's presence on the I-380 corridor and proximity to I-80 provide access to major markets in all directions. Cedar Rapids also serves as a major rail hub which can quickly serve several major cities including Chicago and St. Louis.

Linn County logistics establishments currently employ over 6,900 people. The average wage for a logistics employee in Linn County is well below both the state and national averages. The lower labor costs will be attractive to employers who are looking to relocate or expand their operations.

Cedar Rapids' may be a regional player within the logistics industry, but much can be done to broaden its appeal as a national logistics center. The lack of a hub airport greatly limits potential for expedited shipping and similar endeavors. Likewise, the lack of a major intermodal transport facility restricts the city's shipping capacity and broader market appeal.

Average Wages in Logistics & Distribution, 2012 (Employment Level)



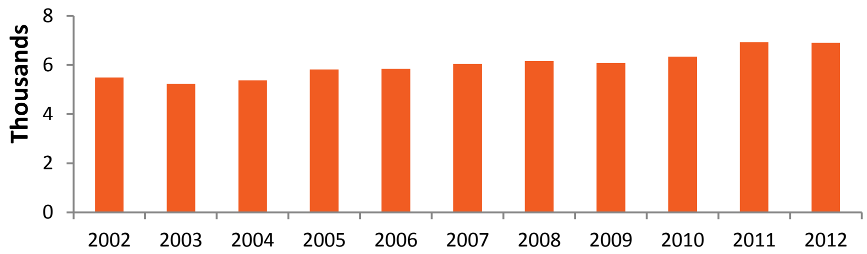
INDUSTRY CRITERIA

- ☒ Direct access or proximity to interstate highways
- ☒ Rail access to major markets
- ☐ Hub airport access
- ☐ Presence intermodal transport infrastructure
- ☒ Proximity to major markets
- ☒ Availability of inexpensive land
- ☒ Low utility and labor costs
- ☒ Public policy support?
- ☐ Appropriate regional demographics
- ☐ Skilled professional workforce

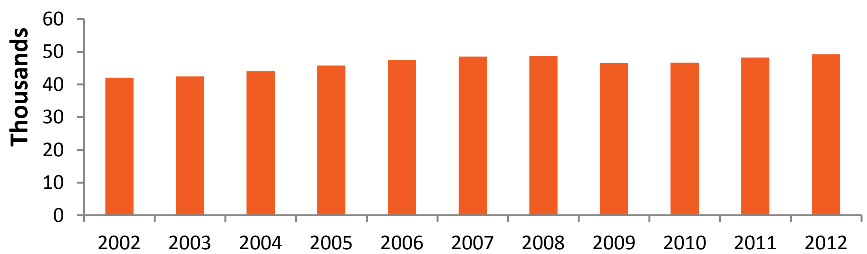
Sources: BLS, AE

L & D EMPLOYMENT

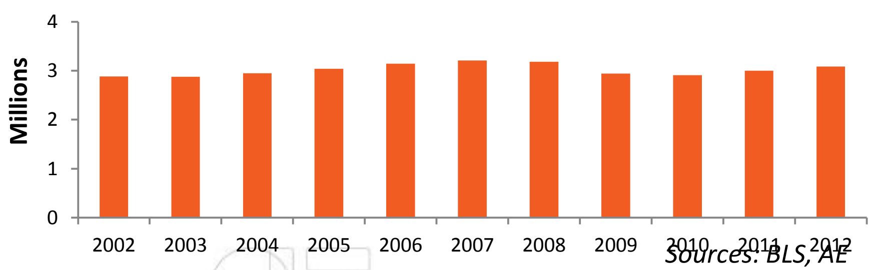
Linn County Employment



Iowa Employment



United States Employment



Sources: BLS, AE

Local Employment Trends

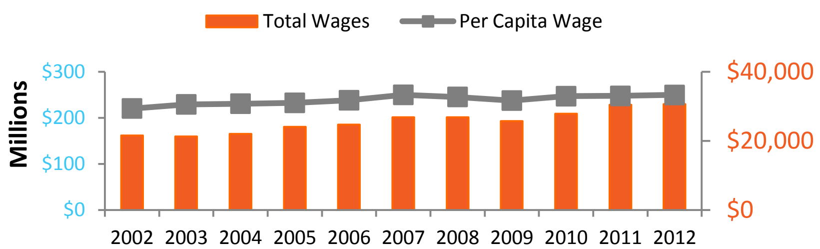
Employment within Linn County's logistics industry has fluctuated significantly from year to year but has shown a healthy net growth of over 1,400 jobs. Moreover, industry employment weathered the recession impressively, declining only slightly from 2008 to 2009 before a strong rebound in 2010. This shows a successful logistics and distribution industry in Cedar Rapids, especially when contrasted with state and national trends.

State and National Employment Trends

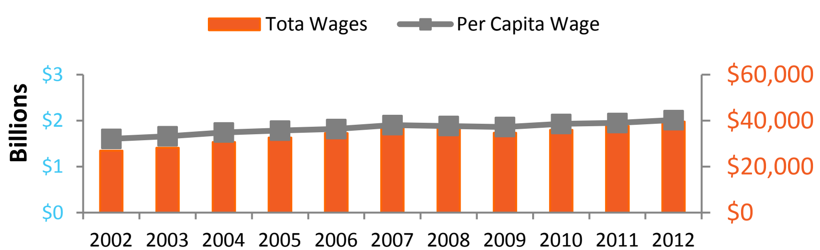
Logistics employment in Iowa and the nation as a whole fared less well than Linn County. While both levels exhibited positive 10-year growth, it was at a much lower rate than Linn County. Furthermore, while Linn County employment has grown 12% from it's pre-recession peak, Iowa employment has just barely surpassed its peak and the national employment has yet to fully recover.

L & D WAGES AND PAY

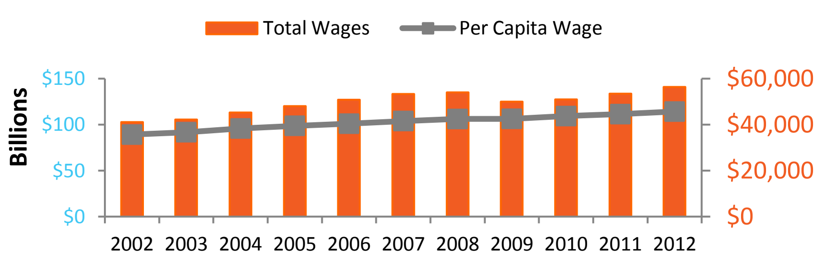
Linn County Wages and Pay



Iowa Wages and Pay



United States Wages and Pay



Sources: BLS, AE

Local Wage Trends

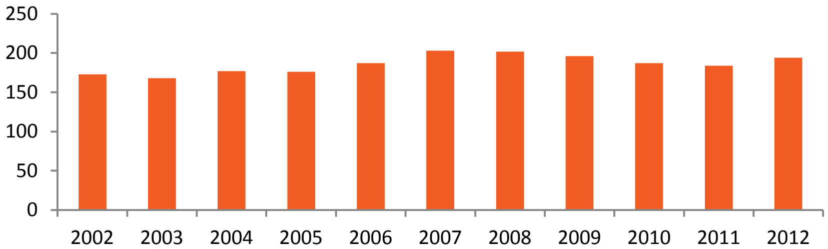
While logistics employment trends in Linn County have been generally positive, wage trends have been less stable. The average wage grew steadily until 2007. Between 2007 and 2009 the average industry wage declined by over 5%. While wage growth has since resumed, average wages have yet to return to their 2007 level and still lag significantly behind state and national averages.

State and National Wage Trends

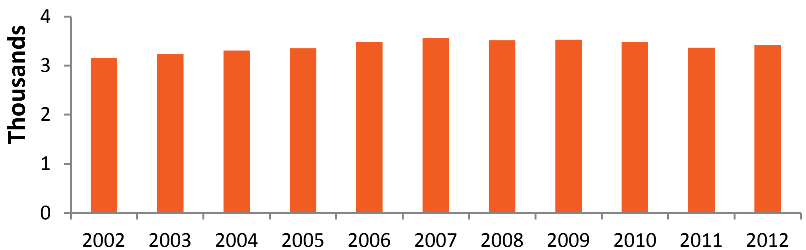
As in Linn County, Iowa's average industry wage declined from 2007 to 2009, but only by 2%. It has since surpassed the 2007 peak by nearly $2,000. Nationally, wages have grew consistently from 2002 to 2012. With a 10-year growth of over 28%, national industry wages have significantly outgrown local wages.

L & D ESTABLISHMENTS

Linn County Establishments



Iowa Establishments



United States Establishments

Sources: BLS, AE

Local Establishment Trends

Logistics and Distribution is another industry where Linn County exhibits an interesting relationship between employment and establishment growth rates. Whereas the employment level only suffered a mild recessionary loss and recovered quickly, the number of establishments declined every year from 2008 to 2011. While 2012 brought a healthy reversal of this trend, establishment numbers still fall short of their 2007 level. The increase in employment while establishments declined suggests that organizations within this industry merged and consolidated to better face the economic conditions of the recession.

Regional & National Establishment Trends

State and national establishment trends generally mirror Linn County. At both levels the number of establishments grew steadily in the first half of the decade, followed by a decline during the recession. Both the state and country have also shown recent signs of recovery, with the U.S. gaining establishments starting in 2011, Iowa in 2012.

L & D SECTORS AND AREAS OF GROWTH

The two primary sectors of Cedar Rapids' Logistics and Distribution industry are Distribution, which covers shipping, shipping support, and logistics management, and Warehousing. The table to the right shows which sectors have experienced **employment growth** in 5- and 10-year time periods.

Looking at past growth trends:

As stated before, employment growth has been healthy in Linn County's Logistics and Distribution industry. Both industry sectors exhibited positive employment growth on the five and ten year horizons.

While the Warehousing sector also saw net five year growth in Iowa and the U.S., the Distribution sector saw employment losses for both during the same time period. Both sectors, have however, increased total employment from the 2002 levels.

	Positive 5-Year Growth (2007-2012)			Positive 10-Year Growth (2002-2012)		
Sector	**County**	**State**	**US**	**County**	**State**	**US**
Distribution	X			X	X	X
Warehousing	X	X	X	X	X	X

SECTOR COMPONENTS
Distribution
General Freight Trucking
Specialized Freight Trucking
Support Activities for Air Transportation
Support Activities for Road Transportation
Freight Transportation Arrangement
Couriers and Express Delivery Services
Local Messengers and Local Delivery
Process, Physical Distribution, and Logistics Consulting Services
Warehousing
Warehousing and Storage

Sources: BLS, AE

Key Occupations in the Logistics & Distribution Industry						
Occupation	**U.S. Occupational LQ**	**Cedar Rapids MSA LQ**	**10-year U.S. Growth Projection (%)**	**U.S. Salary**	**Cedar Rapids MSA Salary**	**Education Needed**
Cargo and Freight Agents	33.31	1.20	29.30	$42,310	$42,260	High school diploma or equivalent
Heavy and Tractor-Trailer Truck Drivers	25.38	3.95	20.60	$40,360	$37,960	High school diploma or equivalent
Light Truck or Delivery Services Drivers	13.56	0.99	14.70	$33,940	$31,450	High school diploma or equivalent
Aircraft Mechanics and Service Technicians	13.32	0.32	6.30	$55,690	$57,030	Postsecondary non-degree award
First-Line Supervisors of Helpers, Laborers, and Material Movers, Hand	13.29	0.72	27.20	$47,180	$49,040	High school diploma or equivalent
Dispatchers, Except Police, Fire, and Ambulance	13.15	1.63	18.60	$38,450	$34,740	High school diploma or equivalent
Conveyor Operators and Tenders	12.96	2.14	11.50	$31,360	$30,050	Less than high school
First-Line Supervisors of Transportation and Material-Moving Machine and Vehicle Operators	11.52	1.00	14.30	$55,430	$55,870	High school diploma or equivalent
Transportation, Storage, and Distribution Managers	11.45	1.24	10.00	$88,920	$91,050	High school diploma or equivalent
Bus and Truck Mechanics and Diesel Engine Specialists	10.51	1.76	14.50	$43,660	$38,940	High school diploma or equivalent
Baggage Porters and Bellhops	9.41	2.09	12.40	$23,090	$20,640	High school diploma or equivalent
Industrial Truck and Tractor Operators	9.23	1.46	11.80	$32,090	$31,690	Less than high school
Laborers and Freight, Stock, and Material Movers, Hand	8.68	0.65	15.40	$26,410	$27,920	Less than high school
Packers and Packagers, Hand	3.62	1.85	8.60	$22,470	$20,390	Less than high school
Logisticians	2.10	0.94	25.50	$75,670	$63,330	Bachelor's degree
Sales Representatives, Services, All Other	1.92	1.08	18.80	$60,770	$56,220	High school diploma or equivalent
Production, Planning, and Expediting Clerks	1.80	2.06	6.60	$45,450	$44,350	High school diploma or equivalent
Order Clerks	1.52	2.80	7.40	$31,280	$29,770	High school diploma or equivalent
Driver/Sales Workers	1.42	0.62	10.30	$27,730	$29,050	High school diploma or equivalent
Helpers--Installation, Maintenance, and Repair Workers	1.37	0.45	18.40	$26,780	$26,780	High school diploma or equivalent

Source: BLS, AngelouEconomics

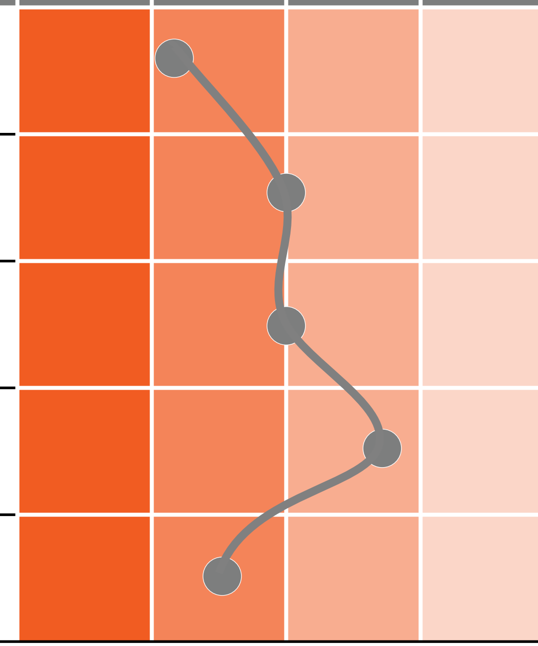
L&D BUSINESS DEVELOPMENT

Based on the recommended target industry, AE suggests attending the following or similar conferences in order to gain a firmer understanding of industry trends as well as to establish industry contacts and market the region's available assets related to the industry. Host cities of each conference may change year to year.

Logistics & Distribution Conferences, 2014		
Conference	**Description**	**Date**
INTERNATIONAL WAREHOUSE LOGISITICS ASSOCIATION CONVENTION & EXPO	The expo assists members to create more profitable third-party logistics companies, and promises great networking and education for 3PL leaders - or anyone involved in independent warehousing and logistics.	March 23- 25, 2014
WAREHOUSING EDUCATION & RESEARCH COUNCIL	WERC offers resources that help distribution professionals compete successfully, including educational events, performance metrics for benchmarking, practical research, expert insights and peer-to-peer knowledge exchange.	April 27 - 30, 2014
SUPPLY CHAIN CONFERENCE	This forum helps retailers and manufacturers establish collaborations that foster supply chain efficiency, reduce costs, and improve their bottom line. The conference seeks to disseminate real-world strategies through interactive discussions and content-rich sessions.	February 17 -19, 2014
RETAIL SUPPLY CHAIN CONFERENCE	This conference features programming designed by industry professionals for international sourcing, transportation, distribution, omni-channel, inventory management, and leadership and development.	February 23 - 26, 2014

RANKING OF CEDAR RAPIDS LOGISTICS AND DISTRIBUTION INDUSTRY

Assessment Rationale	Logistics and Distribution Variable	Leading	Strong	Average	Weak
• Strong employment growth relative to Iowa and the United States • Only minor losses during recession years	Employment Trends				
• Lower wages make Cedar Rapids attractive to employers compared to the state and nation • A lack of stable wages can create problems for workforce retention	Wage Trends				
• Number of establishments has declined since 2008, consistent with state and national trends • Number of establishments has recently resumed growth	Business Establishments				
• Cedar Rapids' currently faces a shortage of lower skilled technical workers • Strong presence of educational institutions for workforce training	Employee Skill Set				
	Overall Logistics and Distribution Industry				



Source: AE

L & D NICHE MARKETS

Freight Trucking: Freight trucking continues to be one of the most important methods of shipping cargo throughout the U.S. Both traditional freight trucking utilizing standard trailers or more specialized trucking involving tankers, flatbeds, or other job specific equipment. Cedar Rapids, as a major logistical hub with access to major highways, should continue to target freight trucking.

Intermodal Transport Services: Several factors determine what the most efficient method of shipping cargo. Oftentimes, the most efficient method will change depending on which portion of the journey it is. As such, intermodal transport centers are vital to a successful supply chain in that they allow the efficient and organized transfer of cargo from one method of transportation to another. Cedar Rapids has potential to ship cargo by rail, truck, and even air but currently lacks a major, centralized intermodal transport center. Such a center could not only improve efficiency but also attract additional logistics operations to the area.

Maintenance and Support Services: Modern logistics operations require a lot of machinery and equipment, both for warehouse operations and transportation. The maintenance and upkeep required to keep this equipment running safely and effectively is niche that provides jobs across a wide spectrum of skill levels. With the continued success of Cedar Rapids' logistics industry, this niche can grow both internally within existing businesses and with the creation of third party service providers.

Supply Chain Analytics / Services: As in many industries, the growth of big data has changed modern logistics and distribution methods. Large scale data collection and analysis not only creates better shipping optimization, but also allows for better modeling of future economic conditions and logistical needs. This niche presents an opportunity to attract high end jobs to Cedar Rapids' logistics industry.

FOOD SCIENCES AND PROCESSING

INDUSTRY OVERVIEW

Food Sciences and Processing (FSP): *Food Processing is the transformation of livestock and agricultural products into products for intermediate or final consumption. Food Sciences encompasses the research and development efforts to increase industry efficiency as well as the regulatory and quality control practices used to ensure product safety. Bio-agriculture is the niche of this industry that complement agricultural projects but is not directly related to food production. This could include ethanol production facilities or pesticide manufacturers.*

- [ ] **Young Professionals**
- [x] **Creative**
- [x] **Business Retention**
- [ ] **Entrepreneur Friendly**
- [ ] **Downtown Redevelopment**

As the global population continues to increase, it places greater demands on the available food supply. In response, innovators in the industry continue to develop ways to not only increase the quantity of food produced, but also the quality.

Food processing firms in Cedar Rapids possess traits that align with several themes:

- Growing demand and changing preferences require food producers to be creative in producing healthy, environmentally sustainable food at reasonable prices.
- Historically, food processing has been a major industry for the Cedar Rapids area and existing firms will continue to be essential for future economic development.

A BROADER PERSPECTIVE ON FSP

Global population growth is increasing demand for food products, which in turn is pressuring food makers to boost output and develop new ways to ensure their products reach appropriate markets. Some estimates project that global food production will have to increase 60-110% by 2050 to match demand.

For countries with developed infrastructures, maximizing output is achieved largely through new technologies, such as genetically modified crops.

Less industrialized nations are focusing on infrastructure improvements to increase output. Irrigation systems can free producers from dependence on weather cycles while better roads decrease time and cost of shipping goods to market.

Populous underdeveloped nations like India and China still manage to produce and process food on a massive scale. However, total exports are limited due to enormous domestic demand, and, in the case of China, safety concerns surrounding its food processing facilities.

Globalization and improvements in transportation have led to unprecedented levels of food export and trade. Simultaneously, GMO endeavors by both corporations seeking to maximize crop yields and non-profits looking to improve nutritional options in developing countries are revolutionizing the industry. Although many industry trends are controversial, especially in increasingly health conscious industrialized nations, the food industry must continue to adapt to growing demand and shifting tastes moving into the future.

US Industry Concentration

Global Industry Clusters
United States
China
India
Germany
Brazil

Sources: AE, ReferenceUSA

FSP CHARACTERISTICS

It is not by accident that Cedar Rapids is one of the largest food processing centers within the United States. It's centralized location within the "Corn Belt", as well as its developed logistics infrastructure make it ideal for consolidating raw grain and distributing the processed products.

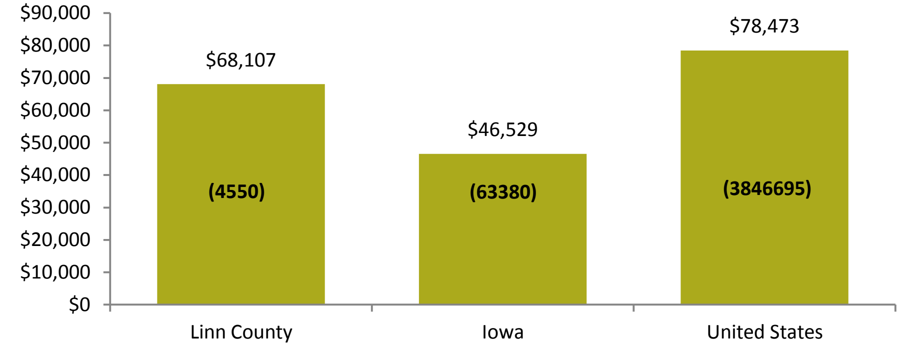
Its close proximity to major academic institutions provides a ready labor force to develop the technology and processes that will define the next generation of American food production.

Currently this industry employs 4,550 Linn County Residents at an average annual wage of approximately $68,000 dollars. This is much higher than the Iowa state average but falls about $10,000 short of the national average.

Many cross-establishment synergies are already found within Cedar Rapids' corn and soy processing sectors. However, the industry could seek to diversify more, both in exploiting alternative, innovative uses for corn and soy products and in attracting additional types of food and ingredient manufacturers.

Likewise, while many of the existing industries have their own private research and development branches, there is a dearth of broader spectrum, entrepreneur-driven research and development, existing partnerships and collaborations.

Average Wages in Food Sciences and Processing, 2012 (Employment Level)



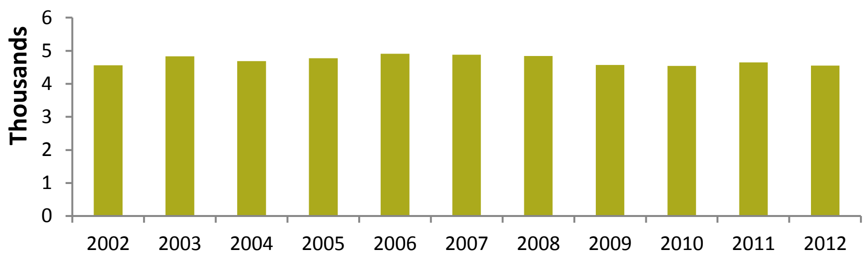
INDUSTRY CRITERIA

- [x] Skilled professional workforce
- [x] Appropriate regional demographics
- [x] Low utility and wage costs
- [x] Existing industry cluster
- [x] Appropriate logistics infrastructure
- [x] Strategic access to agricultural products
- [x] Proximity to higher education institutions
- [ ] Public Policy Support
- [ ] Industry diversity
- [ ] Existing industry research and development presence
- [ ] Partnerships with higher education institutions

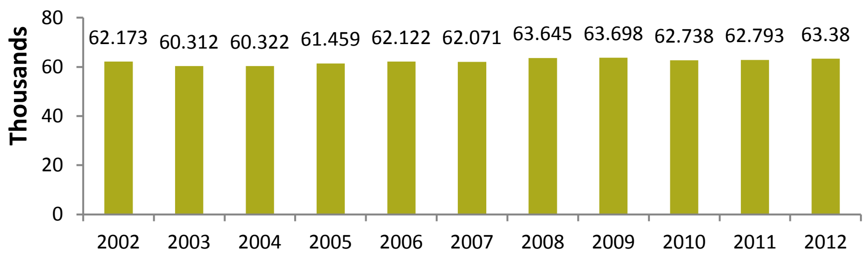
Sources: BLS, AE

FSP EMPLOYMENT

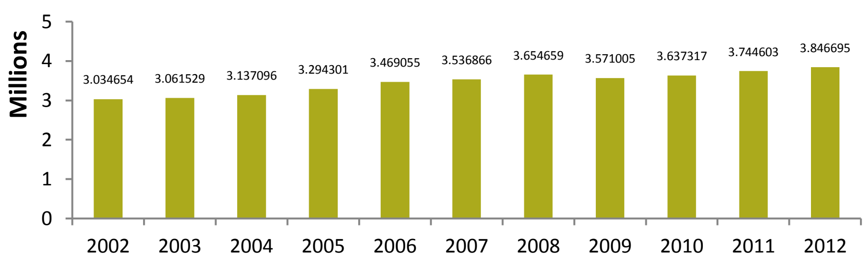
Linn County Employment



Iowa Employment



United States Employment



Sources: BLS, AE

Local Employment Trends

FSP employment in Linn County remained remarkably stable since 2002. While employment is generally lower in the latter half of the decade, industry employment never dropped below 4,500 jobs and always stayed within 200 jobs of the 10 year average of 4,709 jobs.

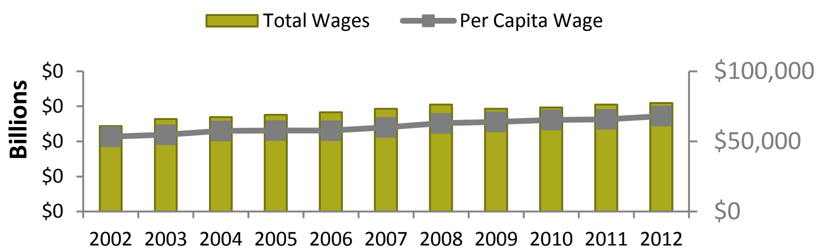
National Employment Trends

While net employment remained virtually unchanged at the County level over the past decade, Iowa saw a modest increase of 1.9% while industry employment surged by over 25% at the national level.

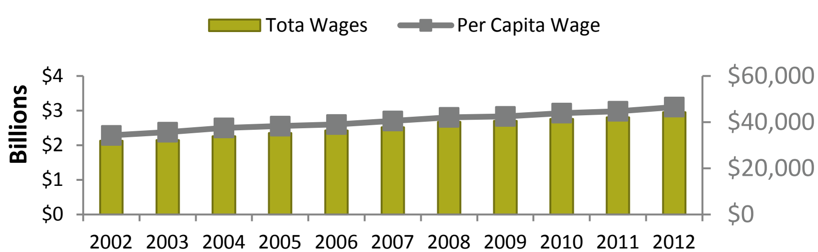
This indicates strong industry growth potential that Cedar Rapids' can utilize as part of its economic revitalization plan.

FSP WAGES AND PAY

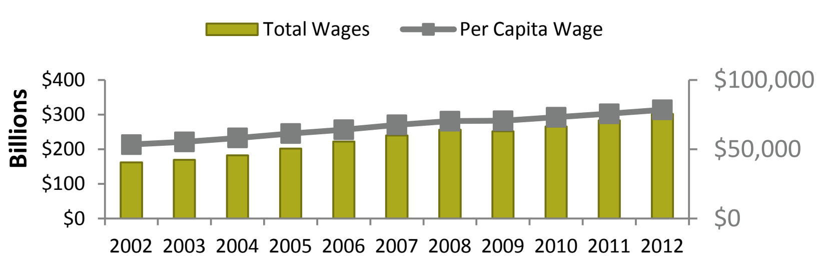
Linn County Wages and Pay



Iowa Wages and Pay



United States Wages and Pay



Sources: BLS, AE

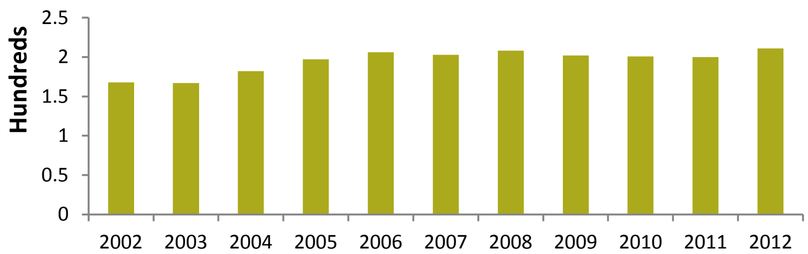
Local, Regional and National Wage Trends

While average wages may decrease from year to year, overall average wages increased steadily at all levels from 2002 to 2012.

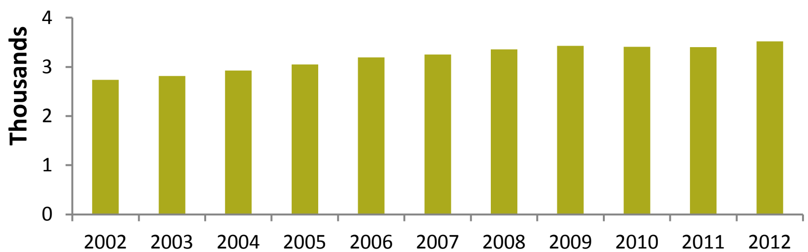
While wage growth in Linn County has been strong, it is lagging in industry wage growth. While county average wages nearly equaled national average wages in 2002, they were over $10,000 lower in 2012. Likewise, while county wages are still over $20,000 higher than the state average, the county saw 6% less wage growth than Iowa as a whole.

FSP ESTABLISHMENTS

Linn County Establishments



Iowa Establishments



United States Establishments

Sources: BLS, AE

Local Establishment Trends

FSP establishments grew rapidly in the prerecession years before leveling off in 2006. A significant increase in 2012 brought the number of establishments to it's highest level in recent history, up over 25% from the 2002 level.

Regional & National Establishment Trends

Iowa and the U.S. both experienced similar establishment trends, with net 10 year growth for the nation reaching almost 50%. This is not particularly surprising as the nation's rising population and increasingly diverse food preferences ensure high industry demand.

FSP SECTORS AND AREAS OF GROWTH

The sectors of the Food Sciences and Processing industry that pertain to Cedar Rapids include Food and Beverage Production and Research and Development. The table to the right shows which sectors have experienced **employment growth** in 5- and 10-year time periods.

Looking at past growth trends:

Food and beverage production grew nationally for both the past five and 10 years, but only exhibited 10-year growth in Linn County. While Iowa only shows five-year employment growth in this sector, the 10-year decline was less than one percent from the 2002 level.

The Research and Development sector is less promising for Linn County, which suffered considerable employment losses over the past five and 10 years. This is in sharp contrast to Iowa and the U.S., which experienced healthy growth over both time periods.

	Positive 5-Year Growth (2007-2012)			Positive 10-Year Growth (2002-2012)		
Sector	County	State	US	County	State	US
Food and Beverage Production		X	X	X		X
Research and Development		X	X		X	X

SECTOR COMPONENTS
Food and Beverage Production
Beverage Manufacturing
Food Manufacturing
Research and Development
Management, Scientific, and Technical Consulting Services
Scientific Research and Development Services
Other Professional, Scientific, and Technical Services

Sources: BLS, AE

FSP BUSINESS DEVELOPMENT

Based on the recommended target industry, AE suggests attending the following or similar conferences in order to gain a firmer understanding of industry trends as well as to establish industry contacts and market the region's available assets related to the industry. Host cities of each conference may change year to year.

Food Sciences and Processing Conferences		
Conference	**Description**	**Date**
Food Safety Summit	The Food Safety Summit is a solutions based conference designed to educate industry professionals in all fields from food production and processing to retail. The summit provides educational opportunities, specialized training and certifications, and network opportunities to food industry professionals.	April 28-30, 2015
IFT Food Expo	The IFT Food Expo bills itself as "the single most important trade show of the year" for food professionals. The expo showcases new products, trends, and technologies within the food industry and allows attendees to meet face to face with the companies that are revolutionizing the food industry.	June 21-24, 2014
Food Technology-2014	Run by the OMICS, this conference focuses on technologies relating to food production and processing. Highlights from this conference include exploring the frontiers in food science, food safety and preservation, and agricultural biotechnology.	July 21-23, 2014

RANKING OF CEDAR RAPIDS FOOD PROCESSING SCIENCES AND SAFETY INDUSTRY

Assessment Rationale	FPS Variable	Leading	Strong	Average	Weak
• Employment has remained relatively stable over the last decade • Local employment has not matched national trends for employment growth in recent years	Employment Trends			●	
• Wages are competitive nationally, but significantly higher than the state average • Wage growth has been slow relative to Iowa and the U.S.	Wage Trends			●	
• In keeping with state and national trends, establishment numbers have increased significantly since 2002. • Establishment growth stagnated during the recession, but has since resumed	Business Establishments		●		
• Appropriate educational and job training establishments present to provide a skilled industry workforce	Employee Skill Set		●		
	Overall FPS Industry		●		

Source: AE

Key Occupations in the Food Sciences and Processing Industry						
Occupation	U.S. Occupational LQ	Cedar Rapids MSA LQ	10-year U.S. Growth Projection (%)	U.S. Salary	Cedar Rapids MSA Salary	Education Needed
Veterinary Technologists and Technicians	30.71	0.79	52.00	$31,470	$31,320	Associate's degree
Veterinarians	30.37	1.34	35.90	$93,250	$77,200	Doctoral or professional degree
Food Batchmakers	28.14	4.68	0.70	$28,340	$44,200	High school diploma or equivalent
Food and Tobacco Roasting, Baking, and Drying Machine Operators and Tenders	26.38	1.85	8.10	$29,580	$42,030	Less than high school
Photographers	22.18	1.01	12.50	$36,330	$26,580	High school diploma or equivalent
Food Scientists and Technologists	21.26	2.75	8.00	$64,140	$52,220	Bachelor's degree
Packaging and Filling Machine Operators and Tenders	12.28	2.10	3.80	$28,160	$34,490	High school diploma or equivalent
Soil and Plant Scientists	11.20	3.03	12.10	$63,290	$60,730	Bachelor's degree
Bakers	10.53	0.66	2.30	$25,060	$25,820	Less than high school
Management Analysts	9.20	0.73	21.90	$88,070	$81,300	Bachelor's degree
Environmental Scientists and Specialists, Including Health	8.77	0.34	18.70	$68,970	$54,090	Bachelor's degree
Chemists	7.50	0.55	3.80	$76,870	$73,700	Bachelor's degree
Nonfarm Animal Caretakers	6.22	1.07	27.80	$22,370	$22,250	Less than high school
Market Research Analysts and Marketing Specialists	5.39	0.82	41.20	$67,380	$52,290	Bachelor's degree
Technical Writers	4.72	1.84	17.20	$67,910	$52,280	Bachelor's degree
Conveyor Operators and Tenders	4.45	2.14	11.50	$31,360	$30,050	Less than high school
Industrial Machinery Mechanics	3.88	1.97	21.60	$48,690	$46,560	High school diploma or equivalent
Operations Research Analysts	3.63	2.72	14.60	$79,830	$69,510	Bachelor's degree
Occupational Health and Safety Specialists	3.63	0.79	8.50	$67,960	$63,140	Bachelor's degree
Logisticians	3.60	0.94	25.50	$75,670	$63,330	Bachelor's degree

Source: BLS, AngelouEconomics

FSP NICHES

Bio-Agriculture: Bio-agriculture is the niche of this industry that complement agricultural projects but is not directly related to food production. This could include ethanol production facilities or pesticide manufacturers. Cedar Rapids has great potential to be a Bio-Ag hub as these businesses are complements to the existing food processing and broader agriculture industry of the region.

Animal Oriented Food and Health Services: Food sciences and processing applies not only to products for human consumption, but also products designed for animals. This niche is already present in Cedar Rapids, with Diamond V producing nutritional products for animals. Further developing this niche will both expand and diversify the existing food sciences industry.

Agricultural Research and Development: Cedar Rapids' Food sciences industry stands to benefit greatly from additional research and development. This R&D should focus not only on increasing output of existing products, but also developing new and innovative uses for corn and soy beans. While there is already a strong cluster of agricultural R&D in Cedar Rapids, improved partnerships with Iowa State and other academic institutions as well as better commercialization opportunities could improve existing efforts.

Food Processing and Organic Foods: Food processing, especially of corn and soy products, is already a driving force in Cedar Rapids' economy. Retention of this existing cluster is essential for future economic success. Consideration should also be given to diversifying this niche, especially through expansion of organic food output. As Americans become more health conscious, the market for organic and natural foods will grow, representing a potential opportunity for Cedar Rapids.

Food Safety: Cedar Rapids, like any other food processing hub, already has a prevalent food safety cluster. This niche employs both private, business internal inspectors as well as state and federal regulators. This niche also provides a research and development opportunity for businesses or individuals to find and develop new, more efficient food safety or inspection processes.

ENTREPRENEURIAL PROFESSIONAL BUSINESS SERVICES

INDUSTRY OVERVIEW

Entrepreneurial Professional Business Services- *Business and professional services are, in their broadest sense, occupations geared toward providing services in the business world, including but not limited to management, administration, legal, accounting, and architecture services. While these services are often provided by major firms or internally by major companies, they also represent an excellent opportunity for entrepreneurs.*

- **Young Professionals**
- **Creative**
- **Business Retention**
- **Entrepreneur Friendly**
- **Downtown Redevelopment**

This industry is vital for a dynamic, growing economy. Not only is it a source of well paying jobs itself, but it can contribute to the success of businesses across the broader economy.

EPBS in Cedar Rapids also meets many of the theme elements:

- These businesses provide excellent entry level opportunities for young professionals entering the workforce.
- A large and diverse clustering of EPBS establishments are already present in Cedar Rapids. These establishments will be essential to economic development and the future success of the industry.
- Entrepreneurs have many options within the Business Services industry, whether it is architects or lawyers starting their own firm or
- These businesses have great potential for participating in downtown revitalization through relocation, partnered redevelopment projects, and community outreach.

A BROADER PERSPECTIVE ON EPBS

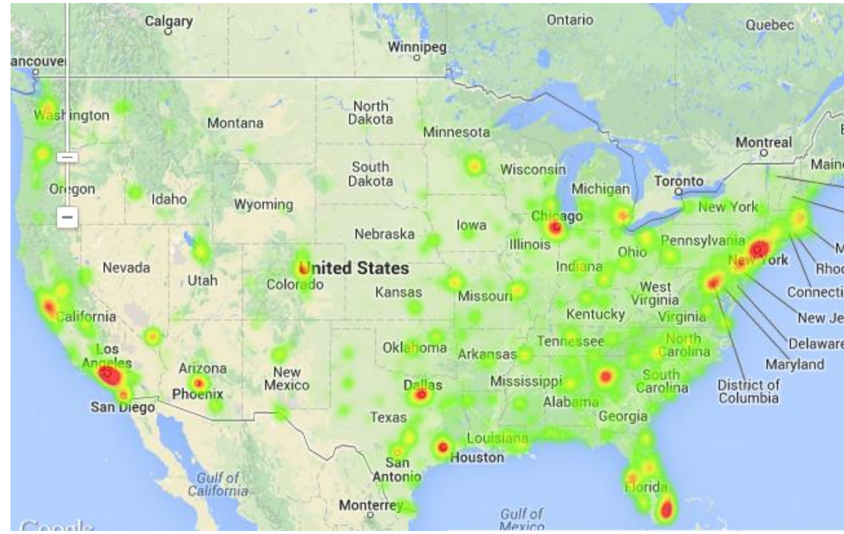
Professional and Business Services is the largest sector of the U.S. economy. The industry, which covers everything from computer systems design and engineering to telemarketing and law, helps determine a business' global competitiveness. Economies with this industry are able to attract technologically advanced companies that require high-skill jobs. The result is an improved quality of life and a higher standard of living. A large percentage of regional PBS companies are started and run by entrepreneurs.

In a globalized world, they can also account for a sizable share of exports too: In 2009 the UK's treasury estimated that professional services accounted for half of the country's service exports.

Emerging countries looking to integrate into the global marketplace often turn to nations with mature service sectors like Canada, Germany, the U.S., and the Netherlands for guidance. It's one reason that 57,000 professional and business service jobs were added to the US economy in March, and 1.2 million over the last two years, according to the Labor Department.

Law professionals with fluency in English are a hot export in this industry, as are accountants and management consultants.

US Industry Concentration



Global Industry Clusters
London
Frankfurt
Hong Kong
Shanghai
Singapore

Sources: AE, ReferenceUSA

EPBS CHARACTERISTICS

Cedar Rapids currently is not likely to attract major professional and business service firms. However, the entrepreneur-friendly business environment makes it accommodating to start-ups and smaller firms that can become major local and regional players within the industry. Broad government and EDO support, proximity to the University of Iowa, and an abundance of available space all indicate that Cedar Rapids will increasingly become a regional entrepreneurial hub.

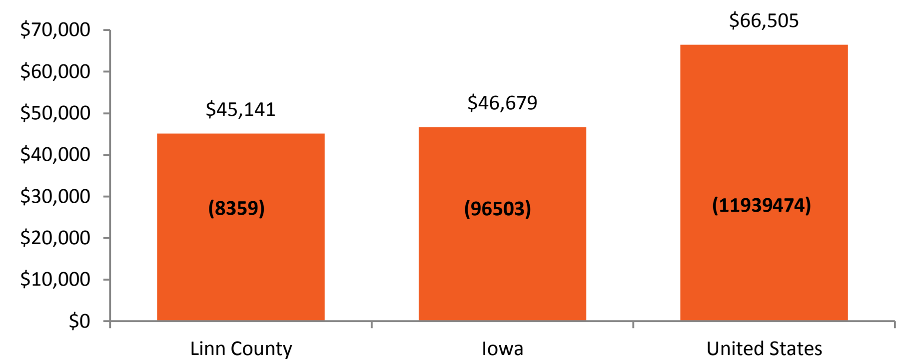
The success of local entrepreneurs can already be seen in Geonetric's expansion. Success of EPBS endeavors will not only support job growth but can also play a vital role in downtown redevelopment.

Professional and business services employ over 8,300 local employees. The average wage of these employees is $45,000. This is slightly below the state average and over $20,000 below the national average.

Despite a healthy entrepreneur climate, the EPBS industry still faces several hurdles. The difficulty to attract and retain the skilled professionals that are essential to this industry remains a problem.

Likewise, the city's aging inventory of office space is discouraging business expansion.

Average Wages in Entreprenuer Business Services, 2012 (Employment Level)

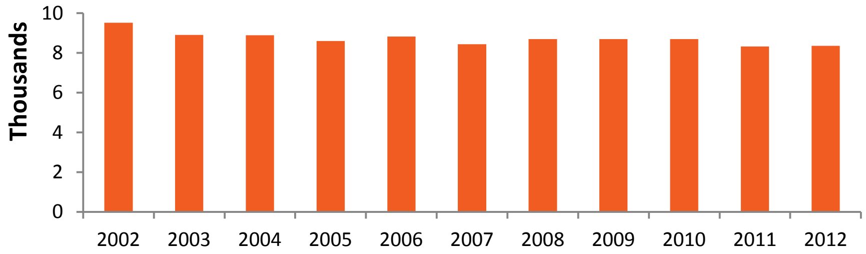


INDUSTRY CRITERIA
☐ Skilled professional workforce
☐ Appropriate Regional Demographics
☒ Quality and Scope of Available Infrastructure
☒ Proximity and Abundance of client businesses
☒ Budding Entrepreneurial Climate
☒ Public Policy and EDO Support for Entrepreneurship
☒ Proximity higher education and research institutions
☒ Appropriate Physical Site Availability
☐ Low Risk of Business Interruption
☒ Communications / technology infrastructure
☒ Low utility and wage rates
☒ Positive Business Climate

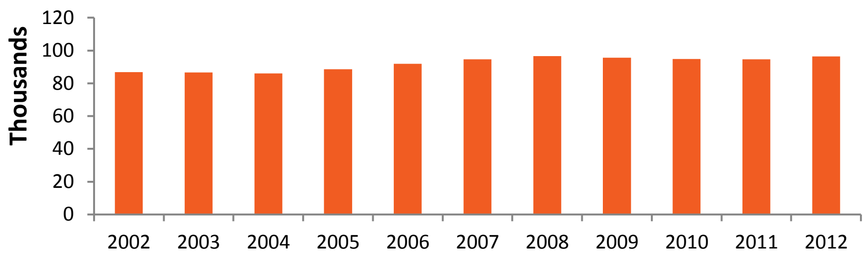
Sources: BLS, AE

EPBS EMPLOYMENT

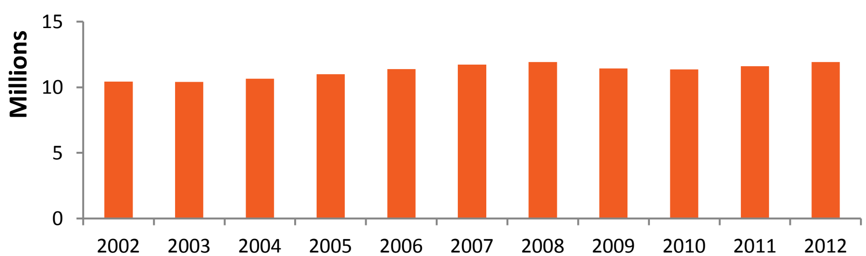
Linn County Employment



Iowa Employment



United States Employment



Sources: BLS, AE

Local Employment Trends

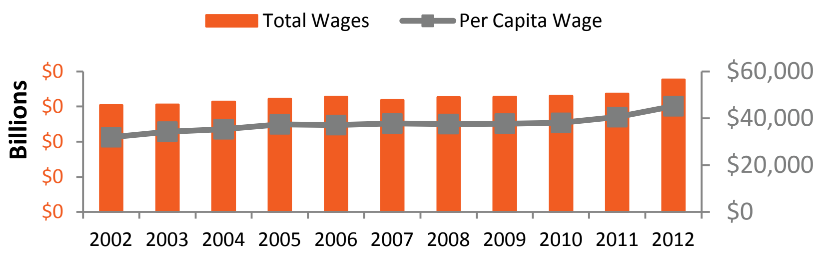
The EBS industry in Linn County has seen a decline since 2002. However, though employment has decreased by over 1,500 jobs in the last decade, it has remained relatively stable through the recession and subsequent recovery, fluctuating around 8,500 jobs since 2007.

State and National Employment Trends

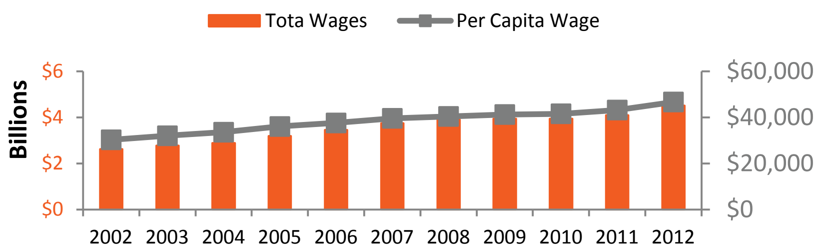
Employment in the EBS industry has grown at both the state and national levels since 2002. While it is somewhat disappointing that Linn County has not matched this growth, it demonstrates the industry's growth potential for the County.

EPBS WAGES AND PAY

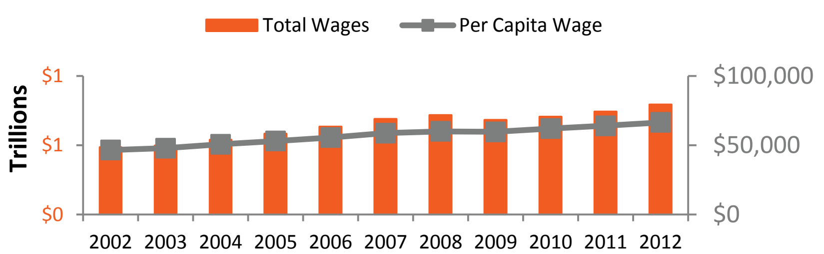
Linn County Wages and Pay



Iowa Wages and Pay



United States Wages and Pay



Sources: BLS, AE

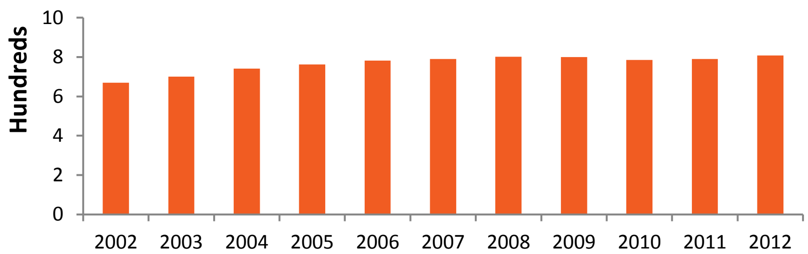
Local, Regional and National Wage Trends

While both have demonstrated consistent growth, Linn County's EPBS wages have historically lagged behind the Iowa average. In 2012, a significant increase in Linn County's average industry wage closed the gap considerably, although a difference of over $1,500 dollars still exists.

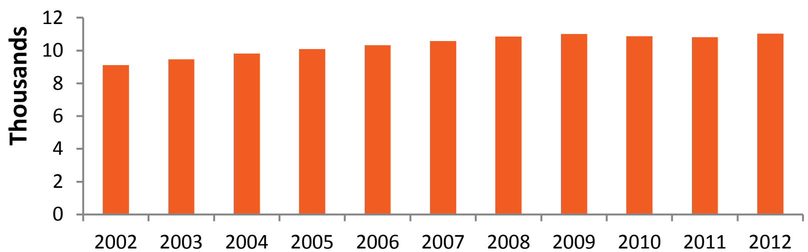
Both Linn County's and Iowa's average pays are dwarfed by the national average within the EPBS industry. This can be explained in large part by the lower regional cost of living in Iowa and the fact that many EPBS type jobs are usually found in major urban centers. This lower average wage is an advantage for Linn County as employers making location decisions during the economic recovery look to keep labor costs down, although a thriving entrepreneurial atmosphere is still the strongest draw for EPBS firms.

EPBS ESTABLISHMENTS

Linn County Establishments



Iowa Establishments



United States Establishments

Sources: BLS, AE

Local Establishment Trends

While EPBS employment has declined in Linn County, the number of EPBS establishments has grown by 18% since 2002. This indicates a strong foundation and growth potential for the EPBS industry within the county, although it has yet to truly thrive.

Regional & National Establishment Trends

Not surprisingly, EPBS establishments grew by 13% and 20% at the state and national levels respectively. This is further evidence of industry's success nationwide and growth potential for Cedar Rapids.

EPBS SECTORS AND AREAS OF GROWTH

The sectors of the Entrepreneur Business Services important to Cedar Rapids are: Administrative, Management, and Other Support Services, Accounting, Legal and Business Support Services, and Creative Support Services. The chart to the left shows **employment growth** over the past five and 10 years.

Looking at past growth trends:

The Administrative, Management, and Other Support Services sector experienced universal growth on both the five and 10 year horizons, and will likely continue to grow moving forward.

The Accounting, Legal, and Business Support Services sector declined by every measure except for positive 10-year growth nationally. This is a well documented trend, as many of these services have been automated or outsourced to foreign countries.

Employment within the Creative Support Services sector also grew healthily, showing a net decline only on the five year horizon nationally. This can likely be attributed to lingering impacts of the global recession.

	Positive 5-Year Growth (2007-2012)			Positive 10-Year Growth (2002-2012)		
Sector	County	State	US	County	State	US
Administrative, Management, and Other Support Services	X	X	X	X	X	X
Accounting, Legal, and Business Support Services						X
Creative Support Services	X	X		X	X	X

SECTOR COMPONENTS
Administrative, Management, and Other Support Services
Office Administrative Services
Management of Companies and Enterprises
Management, Scientific, and Technical Consulting Services
Services to Buildings and Dwellings
Other Professional, Scientific, and Technical Services
Other Support Services
Accounting, Legal, and Business Support Services
Business Support Services
Investigation and Security Services
Legal Services
Accounting, Tax Preparation, Bookkeeping, and Payroll Services
Creative Support Services
Advertising, Public Relations, and Related Services
Architectural, Engineering, and Related Services
Specialized Design Services

Sources: BLS, AE

Key Occupations in the Entrepreneur Professional Business Services Industry						
Occupation	U.S. Occupational LQ	Cedar Rapids MSA LQ	10-year U.S. Growth Projection (%)	U.S. Salary	Cedar Rapids MSA Salary	Education Needed
Architects, Except Landscape and Naval	9.82	0.68	24.50	$78,690	$70,440	Bachelor's degree
Legal Secretaries	9.70	0.61	3.50	$44,380	$37,910	High school diploma or equivalent
Architectural and Civil Drafters	8.80	0.79	3.20	$50,550	$49,120	Associate's degree
Paralegals and Legal Assistants	8.64	1.02	18.30	$50,220	$43,370	Associate's degree
Surveyors	8.15	0.94	25.40	$59,180	$54,390	Bachelor's degree
Photographers	7.72	1.01	12.50	$36,330	$26,580	High school diploma or equivalent
Lawyers	7.53	0.52	10.10	$130,880	$100,780	Doctoral or professional degree
Interior Designers	7.10	0.92	19.30	$52,970	$42,610	Bachelor's degree
Telemarketers	6.97	4.41	7.40	$25,570	$20,270	Less than high school
Security and Fire Alarm Systems Installers	6.94	0.87	33.00	$43,210	$39,390	High school diploma or equivalent
Security Guards	6.57	0.74	18.80	$27,240	$21,610	High school diploma or equivalent
First-Line Supervisors of Landscaping, Lawn Service, and Groundskeeping Workers	6.49	0.67	15.10	$45,100	$44,630	High school diploma or equivalent
Landscaping and Groundskeeping Workers	6.18	0.63	20.90	$25,870	$26,340	Less than high school
Civil Engineers	6.04	0.73	19.40	$84,140	$86,710	Bachelor's degree
Civil Engineering Technicians	5.12	0.67	12.00	$49,220	$52,330	Associate's degree
Accountants and Auditors	4.71	1.11	15.70	$71,040	$59,870	Bachelor's degree
Mail Clerks and Mail Machine Operators, Except Postal Service	4.68	1.01	12.10	$28,140	$25,900	High school diploma or equivalent
Advertising Sales Agents	4.57	1.75	13.00	$57,270	$43,220	High school diploma or equivalent
Bill and Account Collectors	4.53	0.39	14.20	$34,320	$34,910	High school diploma or equivalent
Environmental Scientists and Specialists, Including Health	4.27	0.34	18.70	$68,970	$54,090	Bachelor's degree

Source: BLS, AngelouEconomics

EPBS BUSINESS DEVELOPMENT

Based on the recommended target industry, AE suggests attending the following or similar conferences in order to gain a firmer understanding of industry trends as well as to establish industry contacts and market the region's available assets related to the industry. Host cities of each conference may change year to year.

ENTREPRENEURIAL BUSINESS SERVICES CONFERENCES, 2014		
Conference	**Description**	**Date**
IEEE INTERNATIONAL CONFERENCE ON SERVICES COMPUTING	This international conference looks at how services computing is affecting business modeling, business consulting, solution creation, service delivery, and software architecture design, development and deployment.	June 27 - 29, 2014
NATIONAL FORUM ON BALANCING INNOVATION WITH CONSUMER PROTECTIONS IN EMERGING PAYMENT SYSTEMS	Experts at this conference provide insights and tools necessary to navigate the legal, compliance, technical, and business hurdles arising from new payment products and technologies.	March 24- 25, 2014 2015 Dates TBD
THE AMERICAN INSTITUTE OF ARCHITECTS 2014 CONVENTION	This key conference for architecture and design professionals places a heavy emphasis on sustainable innovation designed to better living conditions globally. This three-day event will give exposure to the cutting edge of architectural advances, and bring together top architecture, design, and construction professionals.	June 26-28, 2014
GLOBAL CONFERENCE ON SERVICE MANAGEMENT	This conference will look at the changes in strategic thinking for businesses worldwide. It will mainly discuss topics like hospitality and tourism management, education management and delivery and banking and financial services.	January 2015

RANKING OF CEDAR RAPIDS ENTREPRENEURIAL PROFESSIONAL BUSINESS SERVICES INDUSTRY					
Assessment Rationale	**EBS Variable**	**Leading**	**Strong**	**Average**	**Weak**
• Significant negative job growth since 2002, compared to healthy growth for Iowa and U.S. • Recent stabilization of county EPBS employment	Employment Trends			●	
• Wages fall below state and national averages, but have shown consistent and healthy growth • Lower wages offset by lower cost of living and make region attractive to employers	Wage Trends		●		
• Business establishment numbers have grown substantially since 2002 • Establishment numbers suffered minimally from recession and continue to match larger trends of growth.	Business Establishments		●		
• Existing educational institutions and employers provide and attract appropriately skilled workers • High turnover and employee retention issues	Employee Skill Set			●	
	Overall EBS Industry		●		

Source: AE

EPBS NICHE MARKETS

Creative Design: Creativity can add value to a product or service, solve problems, attract tourists – if not energize an entire community. It is integral to a range of sectors, including media, graphic design, film and music, while technological advances provide myriad new ways to apply and market creativity. Being that creativity is less the domain of individuals and more a social process that blossoms through collaboration and competition (and often in urban areas), Cedar Rapids is regionally positioned to enlarge its creative footprint.

Custom Computer Services: While large-scale software publishers like Microsoft allow many businesses to streamline their processes, other computing tasks require more specific programming than is available on the broader market. By creating software to process anything from a hospital's patient data base to a retailer's billing, custom software designers are fulfilling an increasingly vital need of the economy. Requiring more on a good idea than startup capital for success, this niche provides an excellent entrepreneur opportunity.

Accounting and Legal Services: Increased computerization has dramatically changed the nature of legal and accounting services. While services like TurboTax and LegalZoom have automated many traditional functions provided by accountants and lawyers, many people still prefer human interaction, especially to fulfill more complex services. Moreover, lawyers and accountants who can adapt and capitalize on this trend of increased automation stand to benefit greatly.

Engineering / Architecture: As the economy continues to recover from the recession, architectural and engineering firms are expected to experience an increase demand for their services. Much of this is due to the backload of construction projects and developments that were once halted or delayed. As a result, analysts predict that the market for these services could reach up to $1 trillion dollars globally by 2020. Cedar Rapids, still recovering from the flood and with an aging infrastructure, has much redevelopment potential. This translates directly into an opportunity for independent service providers or start ups branching off from larger firms.

FINANCE, INSURANCE, AND REAL ESTATE

INDUSTRY OVERVIEW

Finance, Insurance, and Real Estate – *This industry encompasses money and investments. Finance describes banking, credit, and securities investments, Insurance involves the underwriting, issuance, and fulfillment of insurance policies or employee benefits, and Real Estate covers the buying and selling of commercial and residential buildings or land.*

- [x] **Young Professionals**
- [ ] **Creative**
- [x] **Business Retention**
- [x] **Entrepreneur Friendly**
- [x] **Downtown Redevelopment**

Despite drastic declines following the 2008 global recession, successful cultivation of the Finance, Insurance, and Real Estate industry is essential for economic prosperity. While specific practices and trends may change, finance and investment will always be a vital part of the American economy, and Cedar Rapids can benefit from this industry.

FIRE firms in Cedar Rapids align with the following themes:

- This industry appeals to young professionals and provides many entry level jobs and opportunity for advancement.
- Cedar Rapids' hundreds of FIRE establishments, which employ thousands of residents, are a large element of the local economy and will be important for future economic development and diversification.
- Establishments within the FIRE industry are often those that define the business side of any downtown and are essential for redeveloping the city's economic center.

A BROADER PERSPECTIVE ON FINANCE, INSURANCE, AND REAL ESTATE

The free flow of information created by the internet and other technologies has had a profound impact on the finance and insurance industries. The global recession and subsequent restructuring also dramatically changed the way these industries operate. Many of the traditional hubs have maintained their importance while newer clusters have emerged to serve younger and emerging markets.

Despite suffering greatly from the 2008 recession, New York City and London have retained their status as the "Finance Capitals" of the world. New York still hosts the world's most important stock exchange and the headquarters of several major investment banks while London dominates the currency exchange market.

Hong Kong has become the "Gateway to China". As China's importance in the global economy continues to grow, Hong Kong's financial activities will as well. Likewise, Dubai has positioned itself as the financial heart of the Middle East and has grown rapidly over the last several decade.

The finance industry is at a crossroads. In many ways, the industry is still reeling from the recession. Simultaneously, emerging trends such as digital currency have yet to establish themselves as revolutionary or just a passing fad. The future of the insurance industry is likewise uncertain. Changing demographics have altered consumer preferences while new software and cloud computing have lowered the cost of entry for new insurance businesses and increased competition. What is certain for these industries is that they will remain a vital part of the global economy for the foreseeable future.

US Industry Concentration

Global Industry Clusters

New York City
London
Frankfurt
Hong Kong
Dubai

Sources: AE, ReferenceUSA

FINANCE, INSURANCE & REAL ESTATE INDUSTRY CHARACTERISTICS

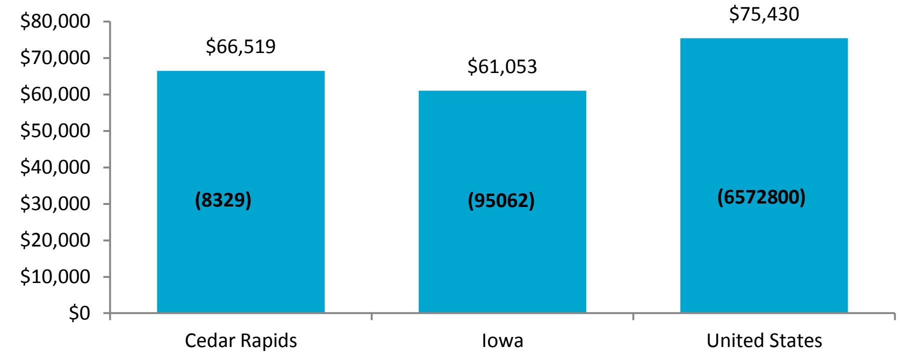
As many businesses place greater emphasis on cost reduction and improved efficiency, there is an increasing trend to expand or relocate away from big cities.

Cedar Rapids' lower labor and utility costs, abundance of available real estate, and access to broader markets all make it a viable expansion or relocation site for these cost conscious businesses. In fact, Cedar Rapids is already a significant hub for the insurance industry.

As of 2012, there are approximately 8,300 FIRE employees in Linn County. Those employees make above regional earnings but fall short of the national average by over 10%.

Cedar Rapids, for all its cost advantages and virtues, is lacking several key characteristics for broader industry appeal. Like the EBS and Life Sciences industries, the lack of readily available skilled Young Professionals is a liability for the industry's expansion. A lack of direct air transportation options is also a detriment to future growth in it limits access to major industry hubs such as New York and Los Angeles.

Average Wages in Finance, Insurance, and Real Estate, 2012 (Employment Level)

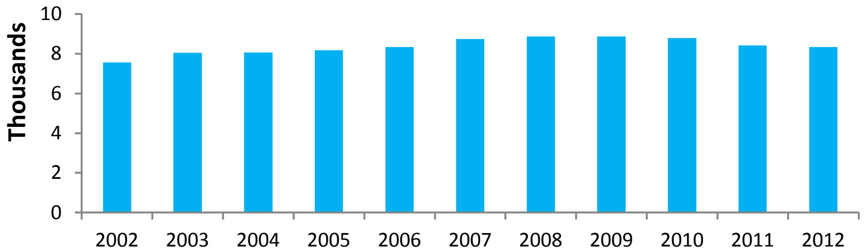


INDUSTRY CRITERIA
☐ Skilled professional workforce
☐ Appropriate Regional Demographics
☒ Access to broader markets
☐ Direct air transportation options
☒ Quality and Scope of Available Infrastructure
☐ Low Risk of Business Interruption
☒ Physical Site Availability
☒ Communications / technology infrastructure
☒ Low utility and wage rates
☐ Positive Business Climate

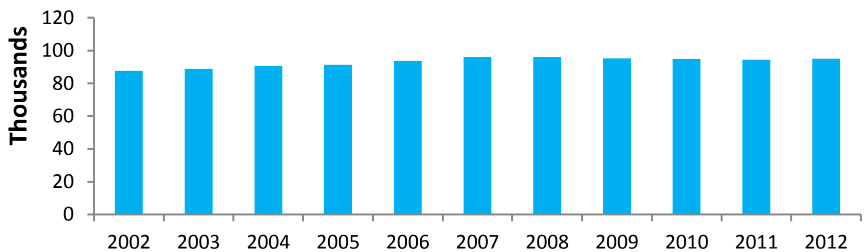
Sources: BLS, AE

FIRE EMPLOYMENT

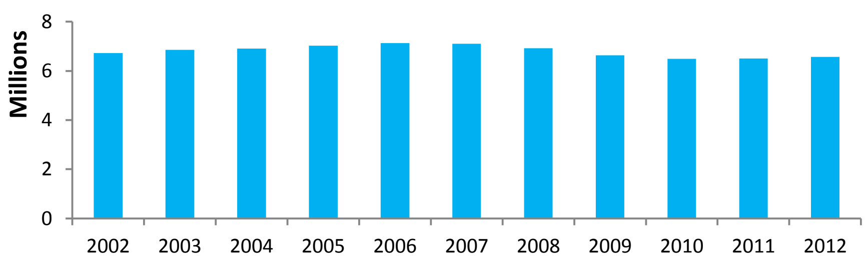
Linn County Employment



Iowa Employment



United States Employment



Sources: BLS, AE

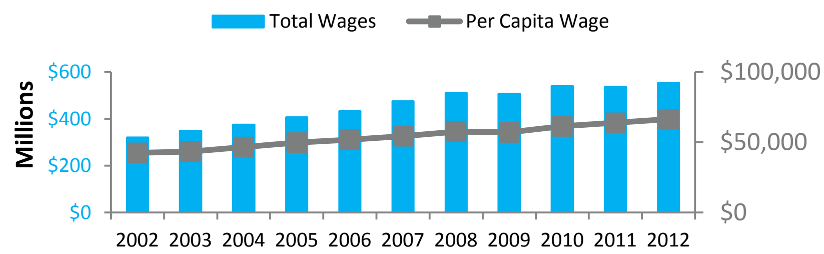
Employment Trends

Employment within the FIRE industry has grown 10% overall since 2002, but has lost over 500 jobs since the start of the recession.

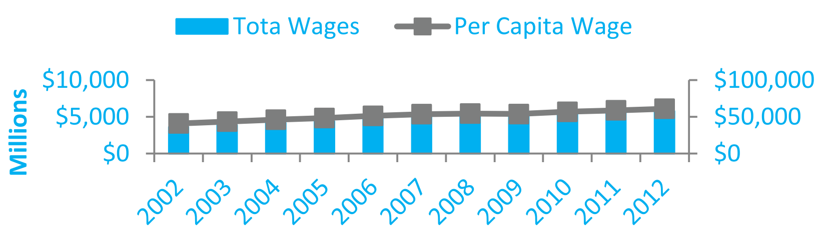
Similar recessionary losses have occurred at the state and national levels. However, whereas employment in Iowa and the U.S. has begun to turn around, the FIRE industry has steadily shed jobs in Linn County since 2009.

FIRE WAGES AND PAY

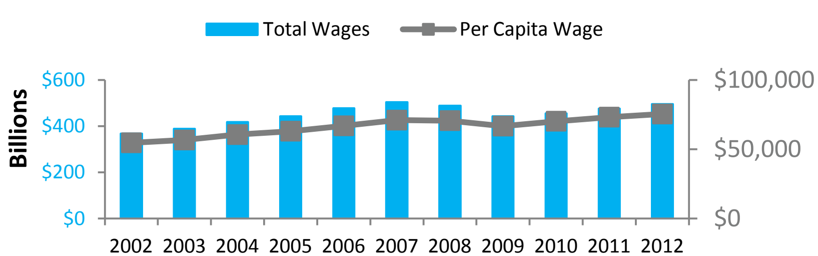
Linn County Wages and Pay



Iowa Wages and Pay



United States Wages and Pay



Sources: BLS, AE

Local Wage and Pay Trends

Despite anemic employment trends for the FIRE industry within Linn County, total and average pay have grown consistently. Average pay growth slowed down from 2008 to 2009, but 10-year net growth still exceeded 50%.

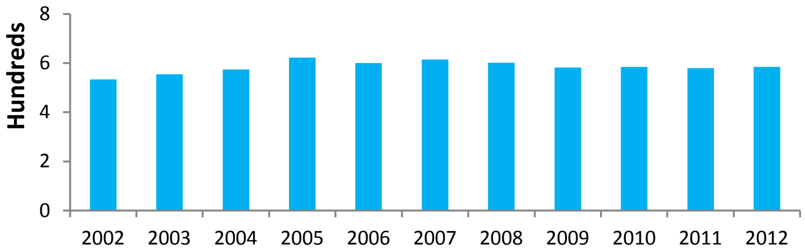
State and National Wage and Pay Trends

As with many industries, national pay within this industry is significantly higher than state or local averages. However, national average pay declined significantly during the recession.

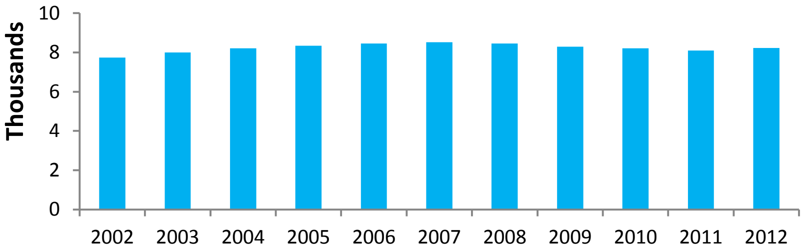
Iowa state average pay trends correlate strongly with those of Linn County, although statewide average pay is still over $5,000 less than Linn County's average.

FIRE ESTABLISHMENTS

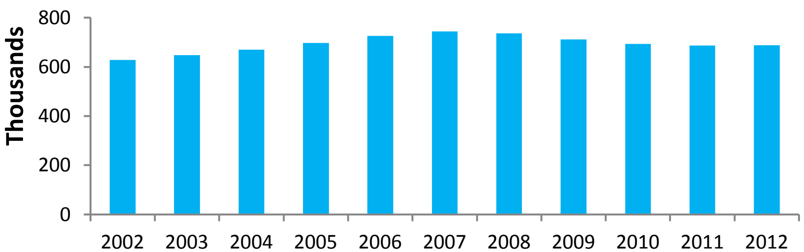
Linn County Establishments



Iowa Establishments



United States Establishments



Sources: BLS, AE

Establishment Trends

The number of FIRE establishments within Linn County correlates strongly with industry employment levels. However, whereas the industry has continued to lose employment, establishment numbers have essentially stabilized since the recessionary losses between 2007 and 2009. Both Iowa and the U.S. as a whole exhibit similar trends.

FINANCE, INSURANCE, AND REAL ESTATE SECTORS AND AREAS OF GROWTH

The sectors of the FIRE industry relevant to Cedar Rapids include Finance, Insurance, and Real Estate. The table to the right shows which sectors have experienced **employment growth** in 5- and 10-year time periods.

Looking at the past growth trends:

Employment within the Financial sector has generally declined, unsurprising as it was one of the first and hardest hit by the 2008 recession. Interestingly, looking back both five and ten years, employment grew statewide .

Insurance employment also declined at all levels on the five-year horizon, although it grew both county and statewide since 2002.

Real Estate is the only sector for which Linn County exhibits positive five-year growth, although 10-year growth is only seen at the national level.

	Positive 5-Year Growth (2007-2012)			Positive 10-Year Growth (2002-2012)		
Sector	County	State	US	County	State	US
Finance		X			X	
Insurance				X	X	
Real Estate	X					X

SECTOR COMPONENTS
Finance
Depository Credit Intermediation
Nondepository Credit Intermediation
Activities Related to Credit Intermediation
Securities and Commodity Contracts Intermediation and Brokerage
Insurance
Insurance Carriers
Agencies, Brokerages, and Other Insurance Related Activities
Real Estate
Lessors of Real Estate
Offices of Real Estate Agents and Brokers
Activities Related to Real Estate

Sources: BLS, AE

Key Occupations in the Finance, Insurance, & Real Estate Industry						
Occupation	**U.S. Occupational LQ**	**Cedar Rapids MSA LQ**	**10-year U.S. Growth Projection (%)**	**U.S. Salary**	**Cedar Rapids MSA Salary**	**Education Needed**
Tellers	19.79	1.13	1.30	$25,790	$26,360	High school diploma or equivalent
Insurance Sales Agents	19.51	1.15	21.90	$63,400	$58,650	High school diploma or equivalent
New Accounts Clerks	19.27	2.38	2.00	$32,950	$34,720	High school diploma or equivalent
Insurance Underwriters	18.97	1.33	5.90	$69,200	$58,280	Bachelor's degree
Loan Officers	17.86	1.25	14.20	$70,350	$65,340	High school diploma or equivalent
Loan Interviewers and Clerks	17.23	0.78	-3.10	$36,180	$34,210	High school diploma or equivalent
Real Estate Sales Agents	17.02	0.52	12.20	$51,930	$60,170	High school diploma or equivalent
Securities, Commodities, and Financial Services Sales Agents	16.35	0.63	15.20	$100,910	$86,570	Bachelor's degree
Brokerage Clerks	16.05	0.76	5.90	$44,390	$40,000	High school diploma or equivalent
Property, Real Estate, and Community Association Managers	15.05	1.65	6.00	$63,570	$52,380	High school diploma or equivalent
Claims Adjusters, Examiners, and Investigators	14.38	1.07	3.00	$61,530	$54,320	High school diploma or equivalent
Personal Financial Advisors	11.20	0.70	32.10	$90,820	$109,690	Bachelor's degree
Appraisers and Assessors of Real Estate	9.91	0.79	7.40	$55,180	N/A	High school diploma or equivalent
Financial Specialists, All Other	7.42	0.45	6.10	$67,020	$56,280	Bachelor's degree
Financial Analysts	5.90	1.26	23.00	$89,410	$70,210	Bachelor's degree
Financial Managers	5.64	1.38	8.80	$123,260	$117,300	Bachelor's degree
Bill and Account Collectors	4.72	0.39	14.20	$34,320	$34,910	High school diploma or equivalent
Operations Research Analysts	4.48	2.72	14.60	$79,830	$69,510	Bachelor's degree
Customer Service Representatives	4.32	1.29	15.50	$33,110	$30,130	High school diploma or equivalent
Counter and Rental Clerks	4.19	1.11	12.20	$26,900	$23,420	Less than high school

Source: BLS, AngelouEconomics

FINANCE, INSURANCE, AND REAL ESTATE BUSINESS DEVELOPMENT

Based on the recommended target industry, AE suggests attending the following or similar conferences in order to gain a firmer understanding of industry trends as well as to establish industry contacts and market the region's available assets related to the industry. Host cities of each conference may change year to year.

FINANCE, INSURANCE AND REAL ESTATE CONFERENCES, 2014		
Conference	**Description**	**Date**
EMERGE: THE FORUM ON CONSUMER FINANCIAL SERVICES INNOVATION	The conference attracts critical decision makers concerning credit and collections from all facets of financial services, including cards, mortgage, home equity, auto, overdraft/DDA, personal loan, commercial, small business, student loans, and alternative lending.	Oct 27-29, 2014
FINANCE, CREDIT, AND INTERNATIONAL BUSINESS ASSOCIATION GLOBAL CONFERENCE	This conference, billed as the "premier event for international credit and trade finance professionals worldwide," will focus on the challenges and trends of today's credit markets. Attendees will gain access to current market intelligence, learn practical solutions, and build knowledge of credit and business skills.	October 12-14, 2014
NAMIC COMMERCIAL LINES SEMINAR	Designed for mid-to senior level underwriters, managers, and executives of commercial line insurance providers, this industry leading event will feature numerous presentations from insurance industry experts and consultants as well as provide numerous networking opportunities.	February 26-28, 2014 2015: TBD
REALTORS CONFERENCE AND EXPO	Featuring over 17,000 realtors, 100 education sessions, and 400 exhibitors, this conference hosted by the National Association of Realtors is the one stop shop for developing Real Estate understanding and networking.	November 7th-10th, 2014

RANKING OF CEDAR RAPIDS FINANCE, INSURANCE, and REAL ESTATE INDUSTRY					
Assessment Rationale	**IRE Variable**	**Leading**	**Strong**	**Average**	**Weak**
• Positive 10-year growth, offset by gradual but consistent decline since 2009 • Evidence of industry employment resurgence at state and national level	Employment Trends			●	
• Consistent average income growth, with only minor stagnation during recessionary years • Average wage well below national average	Wage Trends		●		
• Net Positive 10-year growth • Stabilized establishment numbers following decline during recession	Business Establishments		●		
• Attracting appropriately educated employees, especially for lower paying jobs is an issue	Employee Skill Set			●	
	Overall FIRE Industry		●		

Source: AE

FINANCE, INSURANCE, AND REAL ESTATE NICHE MARKETS

E-Commerce: Business conducted over the Internet, or e-commerce, is forecast to grow 13% this year, with US online shoppers spending $262 billion. Growth, in fact, is expected to outstrip traditional brick-and-mortar retailers, and startup costs are usually far lower. Cedar Rapids, with its strong telecommunications infrastructure and lower than average labor costs is positioned well to grow as an E-commerce hub.

Actuary Science and Data Processing: Actuaries, who assess risk probabilities and formulate risk mitigation policy, play an essential role in the finance community, specifically in insurance. Modern technology is revolutionizing these processes, with firms embracing big data gaining a significant competitive advantage. Cedar Rapids already has a strong insurance sector cluster and is a likely candidate for strong growth in this area.

Investment and Asset Management Services: As global financial markets become increasingly fluid and complex, more people are relying on third party asset managers to handle their investments. While Cedar Rapids will likely not attract the headquarters of a major investment bank or similar entity, its location and low business costs can make it a regional finance center.

Retail Leakage Analysis

Retail Leakage Explained:

A retail leakage assessment explores the relationship between the retail sales of Cedar Rapids establishments (local supply) and the retail purchases of Cedar Rapids residents (local demand). To conduct this analysis, the supply and demand of more than 30 retail sectors are reviewed. When retail sales exceed resident purchases, it is considered a "retail surplus." When resident purchases exceed the sales of local retail establishments it is called "retail leakage."

Key Findings:

While a retail leakage is present in some of Cedar Rapids' individual retail sectors, overall the city has a net retail surplus of over $550 million. This translates into a roughly 40% excess of local supply over local demand.

The largest surpluses are found in the following sectors:

- Grocery Stores ($295+ Million)
- General Merchandise Stores ($135+ Million)
- Department Stores($73+ Million)

Conversely, Cedar Rapids' greatest retail leakages are occur in the following sectors:

- Automobile Dealerships ($155+ Million)
- Electronic Shopping ($30+ Million)
- Clothing Stores ($8+ Million)

The tables on the following slides provide a detailed break down of retail sales, purchases, leakages, and surpluses in Cedar Rapids.

Retail Leakage Analysis

Cedar Rapids Retail Leakage Analysis				
Retail Sector	Retail Sales of Cedar Rapids Establishments (Supply-Retail Sales)	Retail Purchases of Cedar Rapids Residents (Demand-Retail Potential)	Retail Leakage	Leakage / Surplus Factor*
Total Retail Sales	$1,948,080,106	$1,392,413,738	$555,666,368	1.40
Motor Vehicle & Parts Dealers	$81,292,340	$243,097,888	-$161,805,548	0.33
Automobile Dealers	$52,016,512	$207,605,739	-$155,589,227	0.25
Other Motor Vehicle Dealers	$29,510,389	$15,051,700	$14,458,689	1.96
Auto Parts, Accessories & Tire Stores	$21,848,386	$20,440,449	$1,407,937	1.07
Furniture & Home Furnishings Stores	$29,510,389	$25,684,682	$3,825,707	1.15
Furniture Stores	$11,971,259	$16,088,707	-$4,117,448	0.74
Home Furnishings Stores	$17,539,130	$9,595,975	$7,943,155	1.83
Electronics & Appliance Stores	$52,476,443	$37,257,635	$15,218,808	1.41
Bldg Materials, Garden Equip. & Supply Stores	$57,299,616	$44,401,366	$12,898,250	1.29
Bldg Material & Supplies Dealers	$52,754,694	$34,250,361	$18,504,333	1.54
Lawn & Garden Equip & Supply Stores	$4,544,922	$10,151,005	-$5,606,083	0.45
Food & Beverage Stores	$532,638,437	$228,634,939	$304,003,498	2.33
Grocery Stores	$517,877,580	$222,215,490	$295,662,090	2.33
Specialty Food Stores	$12,645,368	$2,790,403	$9,854,965	4.53
Beer, Wine & Liquor Stores	$2,115,489	$3,629,046	-$1,513,557	0.58
Health & Personal Care Stores	$161,142,916	$98,289,304	$62,853,612	1.64
Gasoline Stations	$180,350,364	$143,900,458	$36,449,906	1.25

*The Leakage / Surplus provides a snap shot of the relationship between current supply and demand. A factor greater than one indicates a surplus while a factor of less than one indicates a leakage. Moreover, the factor can be used to identify the percentage of surplus or leakage. For example, a factor of 1.4 indicates that supply exceeds demand by 40%, while a factor of .33 indicates that supply is currently only 33% of demand.

Source: ESRI

Retail Leakage Analysis

Cedar Rapids Retail Leakage Analysis				
Retail Sector	Retail Sales of Cedar Rapids Establishments (Supply-Retail Sales)	Retail Purchases of Cedar Rapids Residents (Demand-Retail Potential)	Retail Leakage	Leakage / Surplus Factor*
Clothing & Clothing Accessories Stores	$66,866,065	$70,945,649	-$4,079,584	0.94
Clothing Stores	$39,275,967	$48,223,423	-$8,947,456	0.81
Shoe Stores	$15,664,162	$10,833,962	$4,830,200	1.45
Jewelry, Luggage & Leather Goods Stores	$11,925,936	$11,888,264	$37,672	1.00
Sporting Goods, Hobby, Book & Music Stores	$64,796,073	$30,786,951	$34,009,122	2.10
Sporting Goods/Hobby/Musical Instr Stores	$53,242,578	$23,533,051	$29,709,527	2.26
Book, Periodical & Music Stores	$11,553,495	$7,253,900	$4,299,595	1.59
General Merchandise Stores	$455,540,700	$246,133,603	$209,407,097	1.85
Department Stores Excluding Leased Depts.	$172,353,053	$98,396,954	$73,956,099	1.75
Other General Merchandise Stores	$283,187,647	$147,736,649	$135,450,998	1.92
Miscellaneous Store Retailers	$44,251,997	$39,331,493	$4,920,504	1.13
Florists	$1,631,516	$1,020,652	$610,864	1.60
Office Supplies, Stationery & Gift Stores	$8,802,046	$10,930,853	-$2,128,807	0.81
Used Merchandise Stores	$4,429,476	$5,345,117	-$915,641	0.83
Other Miscellaneous Store Retailers	$29,388,959	$22,034,871	$7,354,088	1.33
Nonstore Retailers	$31,388,303	$49,219,683	-$17,831,380	0.64
Electronic Shopping & Mail-Order Houses	$5,777,274	$35,955,841	-$30,178,567	0.16
Vending Machine Operators	$5,740,799	$3,191,640	$2,549,159	1.80
Direct Selling Establishments	$19,870,230	$10,072,202	$9,798,028	1.97
Food Services & Drinking Places	$190,526,463	$134,730,087	$55,796,376	1.41
Full-Service Restaurants	$53,440,995	$45,001,085	$8,439,910	1.19
Limited-Service Eating Places	$103,147,335	$69,687,549	$33,459,786	1.48
Special Food Services	$21,158,210	$6,612,477	$14,545,733	3.20
Drinking Places - Alcoholic Beverages	$12,779,923	$13,428,976	-$649,053	0.95

Source: ESRI

*The Leakage / Surplus provides a snap shot of the relationship between current supply and demand. A factor greater than one indicates a surplus while a factor of less than one indicates a leakage. Moreover, the factor can be used to identify the percentage of surplus or leakage. For example, a factor of 1.4 indicates that supply exceeds demand by 40%, while a factor of .33 indicates that supply is currently only 33% of demand.

Commercial Real Estate Analysis

Key Findings:

Commercial real estate markets in Cedar Rapids vary significantly in their current standing and outlook. Industrial space is in high demand, with only 3.9% currently vacant relative to approximately 8% nationally.

Likewise, local retail space is also reporting lower vacancy than the national average, with 5.5% currently vacant compared to 8.6% nationally.

Cedar Rapids' office market is less encouraging. While office space does have a higher vacancy rate nationally than industrial or retail space, Cedar Rapids' 22.2% vacancy rate dwarfs the national rate of 16.9%

The higher office vacancy rate is not unexpected considering the flood and broader economic trends. Office space, much of which is located downtown by the river, was impacted more by the flood than other real estate sectors.

Moreover, while retail space has been quick to be redeveloped and reoccupied, the same has not been true for office space. Lingering workforce attraction / retention issues as well as other location-centric problems have hindered the growth of professional, financial, and other services that typically occupy office space.

While Cedar Rapids' poor office real estate market is somewhat disheartening, it can also represent an opportunity. High availability and correspondingly lower rents can be attractive to businesses looking to relocate or expand, albeit appropriate redevelopment and infrastructure improvements will be required to attract them.

Cedar Rapids' multi-family housing market has also shown healthy demand growth. Vacancy is down 1.4% from the five year average and rents have risen accordingly, although they are still affordable.

It should be noted that the scope of this analysis has been greatly limited by the lack of available historical data. The information provided on the following slide provides a knowledge base and understanding of current markets.

However, Cedar Rapids should strongly consider a subscription to a national real estate data service such as the CoStar group to build a historical database that will allow for detailed trend analysis.

Cedar Rapids Office Market

Great America Building

Vital Statistics

Total Rentable Building Area: 2,389,891 SF

Occupied Space: 1,859,578 SF

Vacant Space: 530,313 SF

Available Space*: 1,050,673 SF

Percentage Vacant: 22%

Percentage Available*: 44%

YTD Net Absorption: -24,990 SF

2013 Net Absorption: -122,012 SF

Office Lease Rates by Type of Lease**

Type of Lease	Average Rate per SF
Full Service Gross	$12.24
Modified Gross	$7.44
Net	$11.96
Plus all Utilities	$8.46
Triple Net	$10.07

*Available space refers to both space that is currently vacant and space for which the lease will soon be up and may soon become vacant if the lease is not renewed or a new lessee is found.
**For an explanation on different lease types, click here

Sources: CoStar Group

Cedar Rapids Industrial Market

Rockwell Collins Headquarters Building

Vital Statistics

Total Rentable Building Area: 15,380,068 SF

Occupied Space: 14,781,385 SF

Vacant Space: 598,063 SF

Available Space*: 2,092,844 SF

Percentage Vacant: 3.9%

Percentage Available*: 13.6%

YTD Net Absorption: 9,683 SF

2013 Net Absorption: -231,502

Industrial Lease Rates by Type of Lease**

Type of Lease	Average Rate per SF
Full Service Gross	$2.50
Industrial Gross	$4.83
Modified Gross	$4.30
Net	$6.36
Triple Net	$4.89

*Available space refers to both space that is currently vacant and space for which the lease will soon be up and may soon become vacant if the lease is not renewed or a new lessee is found.

**For an explanation on different lease types, click here

Sources: CoStar Group

Cedar Rapids Retail Market

Westdale Mall Redevelopment Schematic

Vital Statistics

Total Rentable Building Area: 7,848,682 SF

Occupied Space: 7,418,328 SF

Vacant Space: 430,354 SF

Available Space*: 586,038 SF

Percentage Vacant: 5.5%

Percentage Available*: 7.4%

YTD Net Absorption: -117,681

2013 Net Absorption: -91,485

Retail Lease Rates by Type of Lease**

Type of Lease	Average Rate per SF
Modified Gross	$9.90
Net	$12.95
Plus all Utilities	$6.19
Triple Net	$8.89

*Available space refers to both space that is currently vacant and space for which the lease will soon be up and may soon become vacant if the lease is not renewed or a new lessee is found.

**For an explanation on different lease types, click here

Sources: CoStar Group

Multi-Family Housing Market

Bottleworks Loft Condos

Vital Statistics

Total Units: 7,731

Occupied Units: 7,302

Vacant Units: 429

Percentage Vacant: 6.3%

5-Year Average Vacancy Percentage: 7.7%

12-Month Absorption: 194 Units

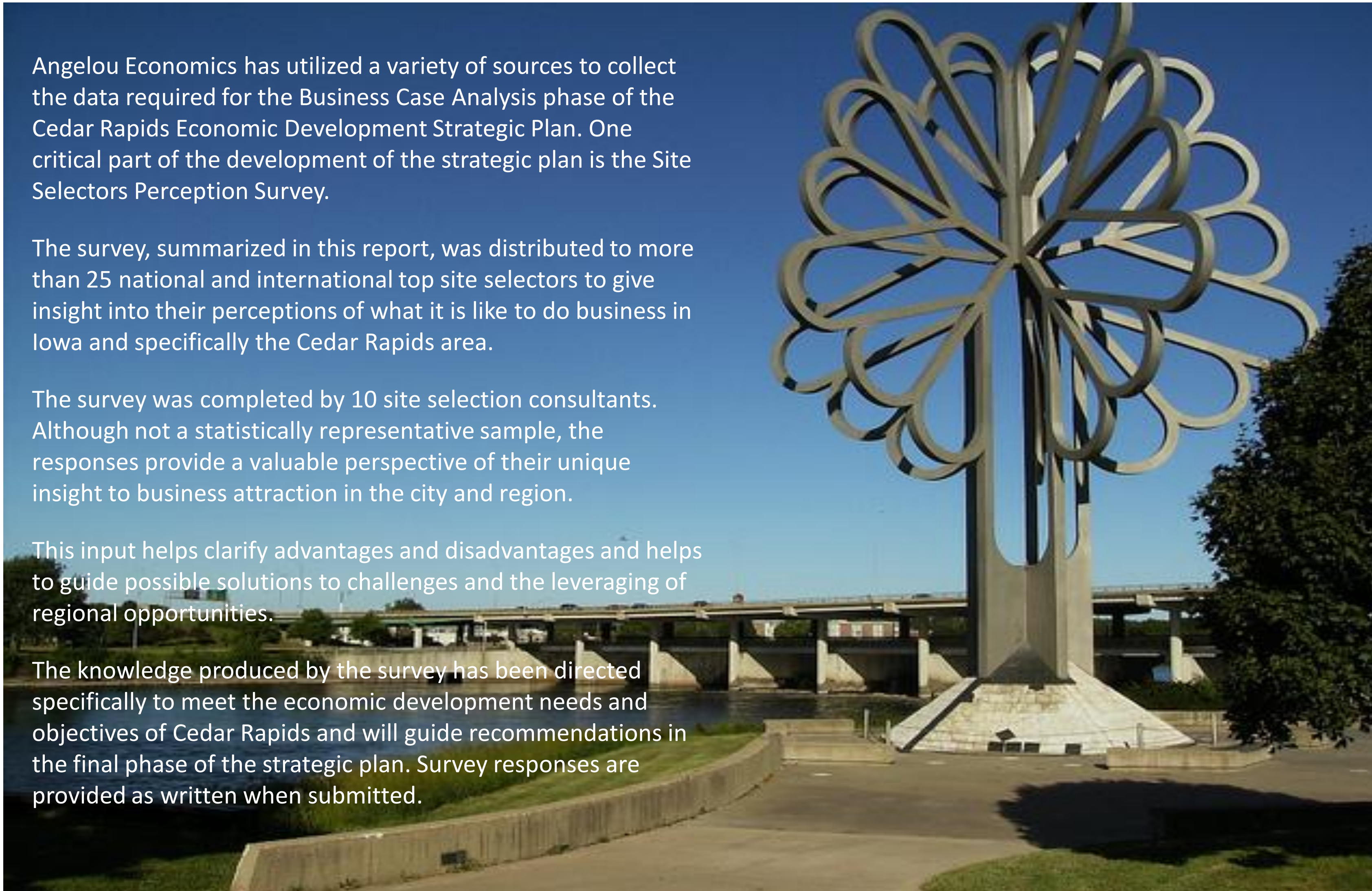
5-Year Average Annual Absorption: 60 Units

Monthly Rent Price by Unit Type

Type of Unit	Monthly Rent Price
Studio	$482
1-Bedroom	$538
2-Bedroom	$698
3-Bedroom	$936

Sources: CoStar Group

Site Selectors Survey Summary



Angelou Economics has utilized a variety of sources to collect the data required for the Business Case Analysis phase of the Cedar Rapids Economic Development Strategic Plan. One critical part of the development of the strategic plan is the Site Selectors Perception Survey.

The survey, summarized in this report, was distributed to more than 25 national and international top site selectors to give insight into their perceptions of what it is like to do business in Iowa and specifically the Cedar Rapids area.

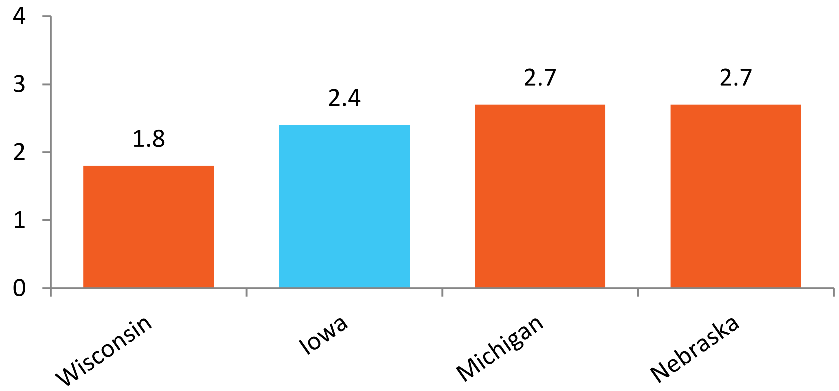
The survey was completed by 10 site selection consultants. Although not a statistically representative sample, the responses provide a valuable perspective of their unique insight to business attraction in the city and region.

This input helps clarify advantages and disadvantages and helps to guide possible solutions to challenges and the leveraging of regional opportunities.

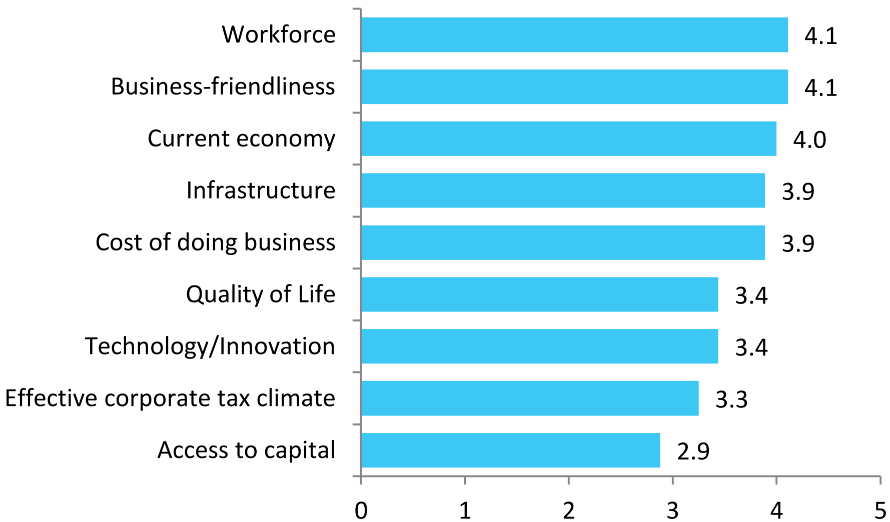
The knowledge produced by the survey has been directed specifically to meet the economic development needs and objectives of Cedar Rapids and will guide recommendations in the final phase of the strategic plan. Survey responses are provided as written when submitted.

SITE SELECTOR STATE RANKINGS

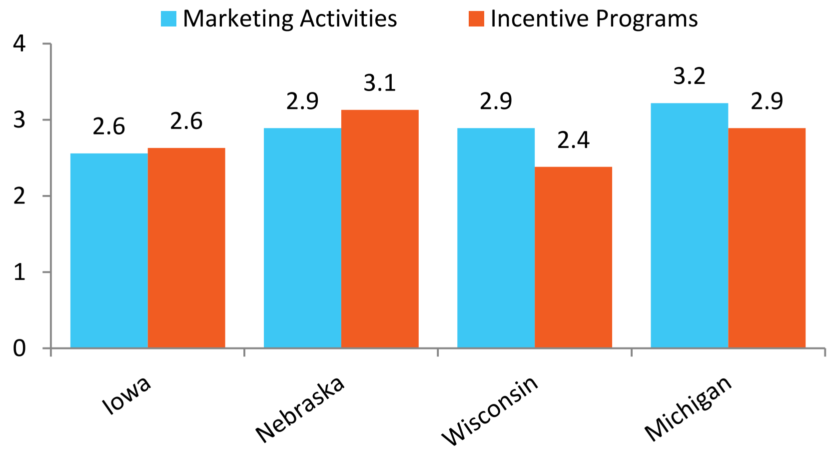
Most Considered for Client Business Location



Iowa Economic Development Factor Ranking



Economic Development Activity Ratings



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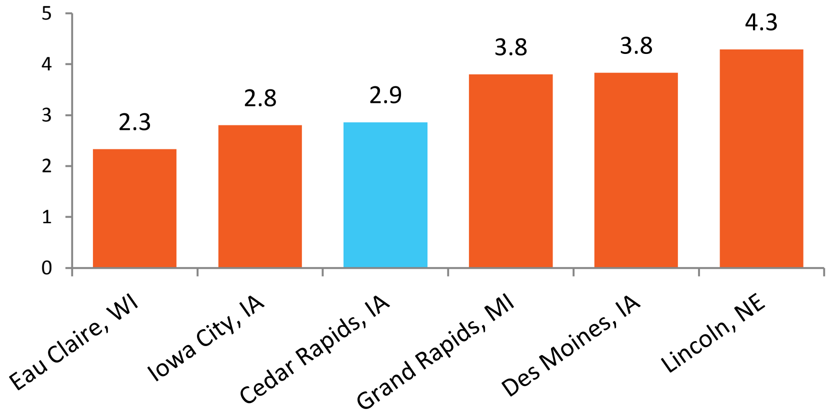
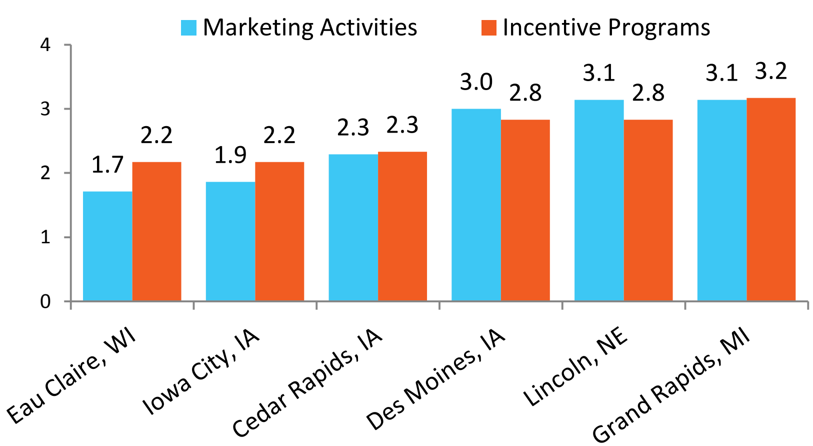
SITE SELECTOR CITY RANKINGS

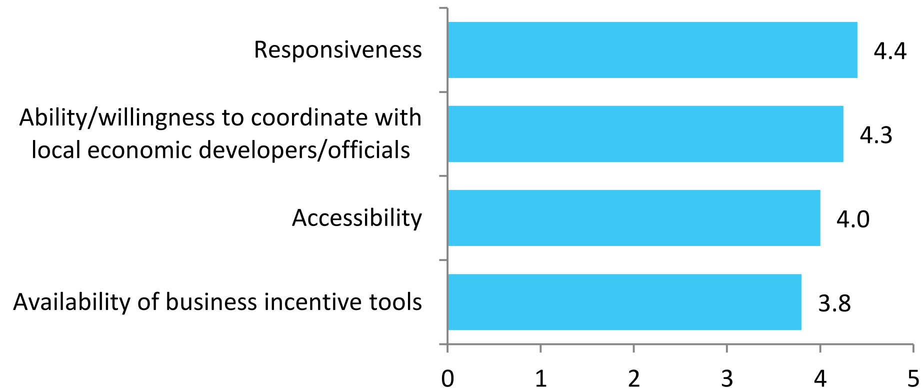
Most Considered for Client Business Location



Economic Development Activity Ratings

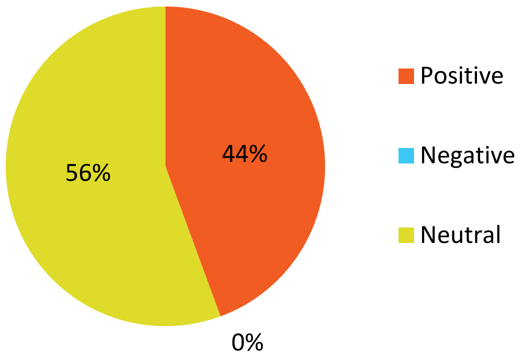


Cedar Rapids' Metro Economic Alliance Satisfaction Rating

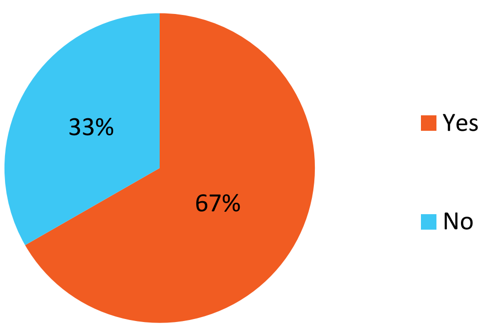


CEDAR RAPIDS SITE LOCATION

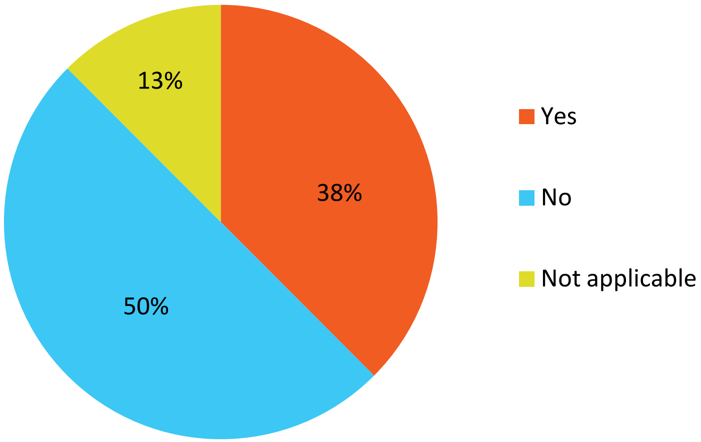
What is your current perception of the City of Cedar Rapids?



Have you ever considered a site in the Cedar Rapids metro area as a potential location for a client?



If you have considered the Cedar Rapids metro area as a potential location, have you ever sited a project there?

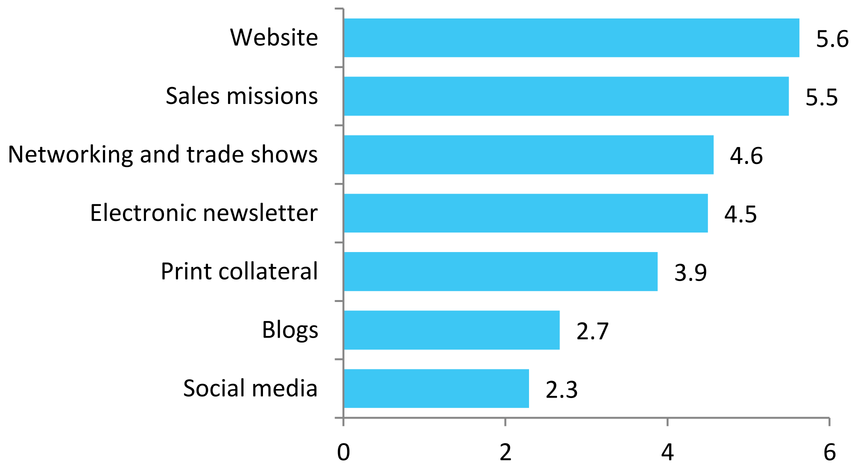


CEDAR RAPIDS SITE LOCATION

As a site selector, what are you looking for in relation to successfully working with a local economic development organization?

- "Timely, accurate responses. Questions as needed. local knowledge and contacts."
- "The ability to work together. This is not always a given because success can vary depending on the personalities involved. Also important is the depth of their ties to local businesses because we may call upon them during a project."
- "Information, ability to solve problems"
- "An educated and client-focused group that can anticipate needs, answer questions well, and really understands how all levels of government and utilities can cooperate to support a project."
- "Let me know who to work with!"
- "A prepared community"
- "Excellent website Setting up field work Providing good information"
- "Responsiveness, quality information and facilitator"
- "Confidentiality, responsiveness, accuracy of information, willingness to consider alternative incentives scenarios, knowledge of local community, relationship with state resources"

Please rank the following economic development marketing tools in the order you find the most useful to your site selection work.



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APPENDIX

I. REPORT METHODOLOGY & NARRATIVE CONTENT

II. OCCUPATIONAL ANALYSIS METHODOLOGY

III. INDUSTRY DEFINITIONS BY NAICS CODES

IV. CEDAR RAPIDS INDUSTRY CLUSTER HEAT MAPS

V. CEDAR RAPIDS CLOSED BUSINESSES AND FLOOD RISK

I. REPORT METHODOLOGY & NARRATIVE CONTENT

As described in the portions of this report titled “Introduction,” and “Target Industry Selection Process,” the project team completed an
in-depth analysis specific to Cedar Rapids that included site visits and interviews with key private and public sector stakeholders.

The results of this analysis formed the basis for the identification and selection of recommended target industries and for the determination of target niches within those industries. Particular emphasis was placed by the project team on the selection of targets that best fit the unique characteristics of Cedar Rapids and offered the best opportunities for success. The research, as well as the recommendations provided, have been directed specifically to meet the economic development needs and objectives of the city and will guide further research and recommendations to be prepared by the project team in future stages of this project

Certain portions of this report draw upon previously completed research conducted by AngelouEconomics for internal use or for separate projects, and were selected for inclusion in this report for their specific relevance to the challenges and opportunities currently affecting Cedar Rapids. In some cases, general narrative remarks or definitions may be included in other documents completed by AE, specifically those relating to the explanation of research processes, definitions, national and global trends, industry-wide conditions and dynamics, and national economic data.

Reasonable efforts have been made to ensure that all data and information that was completed by other organizations and government agencies have been properly sourced throughout this report. Further information about the methods, research, or recommendations featured in this report can be made available upon request by the client.

II. OCCUPATIONAL ANALYSIS METHODOLOGY

For each target industry recommended, AE has completed a regional occupational snapshot, highlighting occupations within each target industry that are in demand nationally, and identifying how a region "measures up" in terms of its current concentration of those jobs.

For each target industry occupational analysis the following information is provided:

- U.S. Occupational LQ *(how prevalent a particular occupation is within the industry studied across the U.S.)*
- Cedar Rapids MSA*LQ *(how prevalent a particular occupation is locally relative to the U.S. as a whole)*
- 10-year growth potential of occupation
- U.S. Salary/Wages
- Cedar Rapids MSA* Salary/Wages
- Required education level of occupation

To ensure that occupational data remains relevant into the future, only occupations with positive projected job growth rates were chosen. Exceptions are made to this rule in the event that a particular occupation is especially important to Cedar Rapids. This importance is defined by a presence of local assets or local growth trends that negate broader occupational trends nationwide.

III. INDUSTRY DEFINITIONS BY NAICS CODES

NAICS Components Life Sciences Industry	
NAICS Code	**Description**
62	Health Care and Social Assistance
3391	Medical Equipment and Supplies Manufacturing
541511	Custom Computer Programming Services
541512	Computer Systems Design Services

NAICS Components of Logistics and Distribution Industry	
NAICS Code	**Description**
4841	General Freight Trucking
4842	Specialized Freight Trucking
4881	Support Activities for Air Transportation
4884	Support Activities for Road Transportation
4885	Freight Transportation Arrangement
4921	Couriers and Express Delivery Services
4922	Local Messengers and Local Delivery
541614	Process, Physical Distribution, and Logistics Consulting Services
4931	Warehousing and Storage

Source: AE

NAICS Components of FSP Industry

NAICS Code	Description
3121	Beverage Manufacturing
5416	Management, Scientific, and Technical Consulting Services
5417	Scientific Research and Development Services
5419	Other Professional, Scientific, and Technical Services
311	Food Manufacturing

NAICS Components of Entrepreneur Business Services

NAICS Code	Description
5411	Legal Services
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services
5413	Architectural, Engineering, and Related Services
5414	Specialized Design Services
5416	Management, Scientific, and Technical Consulting Services
5418	Advertising, Public Relations, and Related Services
5419	Other Professional, Scientific, and Technical Services
5511	Management of Companies and Enterprises
5611	Office Administrative Services
5614	Business Support Services
5616	Investigation and Security Services
5617	Services to Buildings and Dwellings
5619	Other Support Services

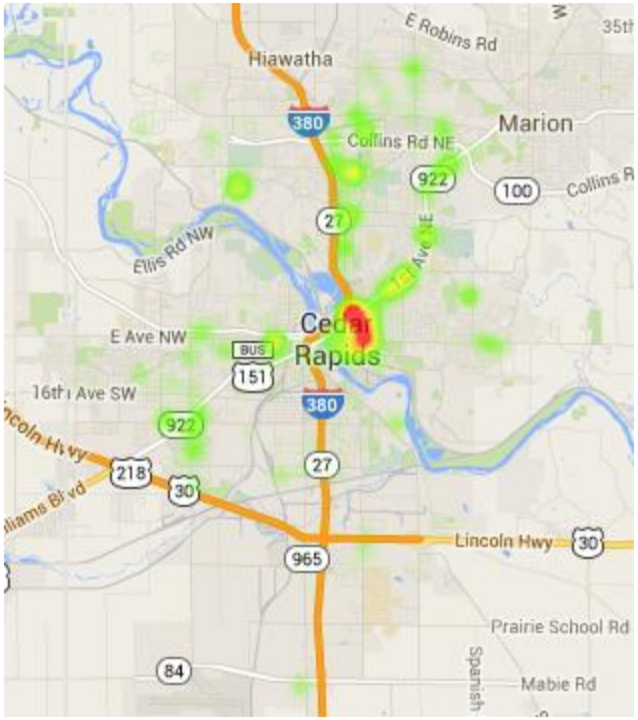
Source: AE

NAICS Components of Finance, Insurance, and Real Estate Industry	
NAICS Code	**Description**
5221	Depository Credit Intermediation
5222	Nondepository Credit Intermediation
5223	Activities Related to Credit Intermediation
5231	Securities and Commodity Contracts Intermediation and Brokerage
5241	Insurance Carriers
5242	Agencies, Brokerages, and Other Insurance Related Activities
5311	Lessors of Real Estate
5312	Offices of Real Estate Agents and Brokers
5313	Activities Related to Real Estate

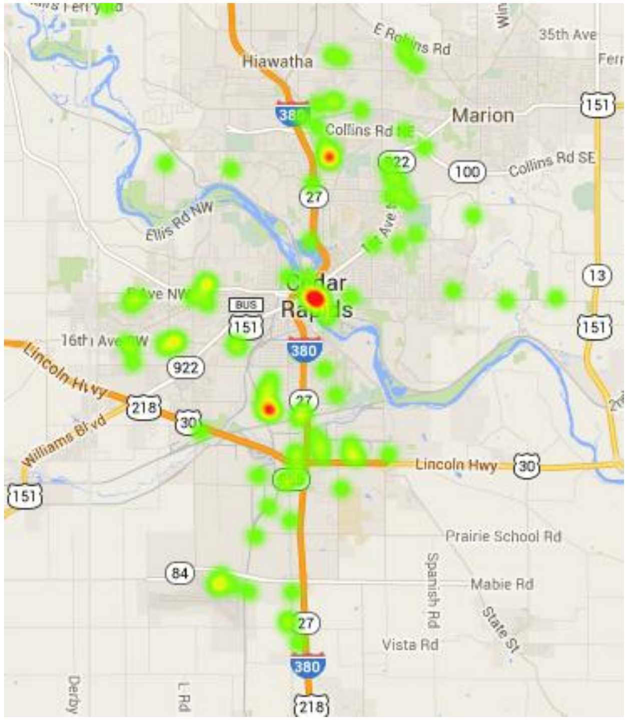
Source: AE

IV. CITY INDUSTRY CLUSTER HEAT MAPS

Life Sciences



Logistics



Sources: AE, ReferenceUSA

"Heat map" of Cedar Rapids Businesses

Lower Density Higher Density

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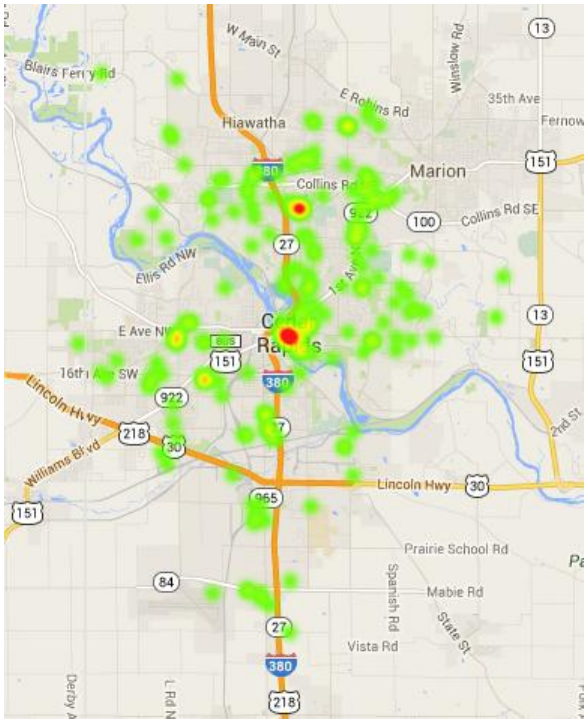
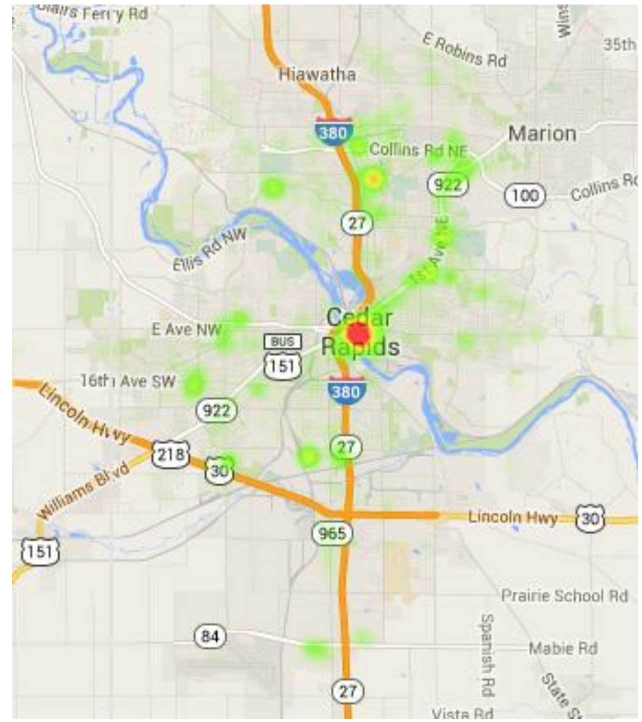
Food Sciences and Processing



Entrepreneur Business Services

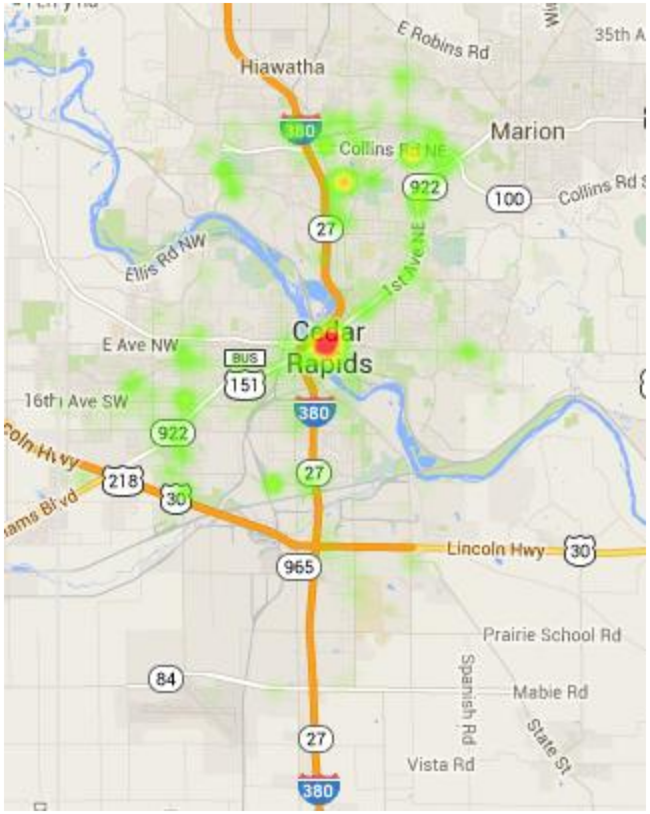


Sources: AE, ReferenceUSA

"Heat map" of Cedar Rapids Businesses

Lower Density Higher Density

Finance, Insurance, and Real Estate



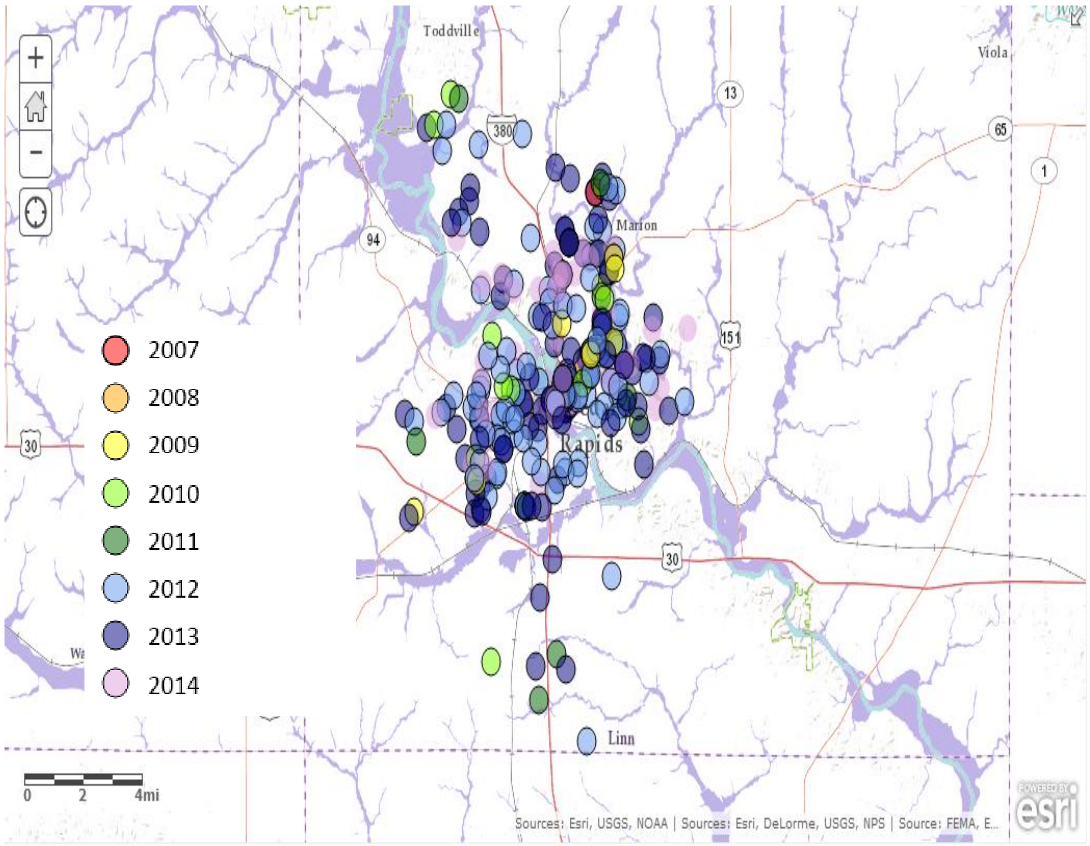
Sources: AE, ReferenceUSA

"Heat map" of Cedar Rapids Businesses

Lower Density Higher Density

CEDAR RAPIDS CLOSED BUSINESSES AND FLOOD RISK

2007 - 2014



Sources: Reference USA / ESRI

USA Flood Risk

100 Year Flood Areas

- 1.0% Annual chance
- 1.0% Annual chance within channel
- 1.0% Annual chance - Future conditions
- 1.0% Annual chance - shallow/ponding
- 1.0% Annual chance - shallow/sheeting
- 1.0% Annual chance - Storm waves
- 1.0% Annual chance - Storm-induced velocity wave action
- 0.2 - 1.0% Annual chance
- 0.2 - 1.0% Annual chance - Protected by levee
- 0.2% Annual chance
- Possible, but undetermined chance
- Area not included
- Open water

Closed Businesses per Year