

## Economic Development

### Introduction

A diverse vibrant regional economy is a critical component of the foundation of a sustainable community. Good jobs that pay a living wage and access to goods and services are important factors in measuring a community's quality of life. This chapter describes the data, policies, and organizations that address issues of employment, industry, and commerce in a sustainable way.

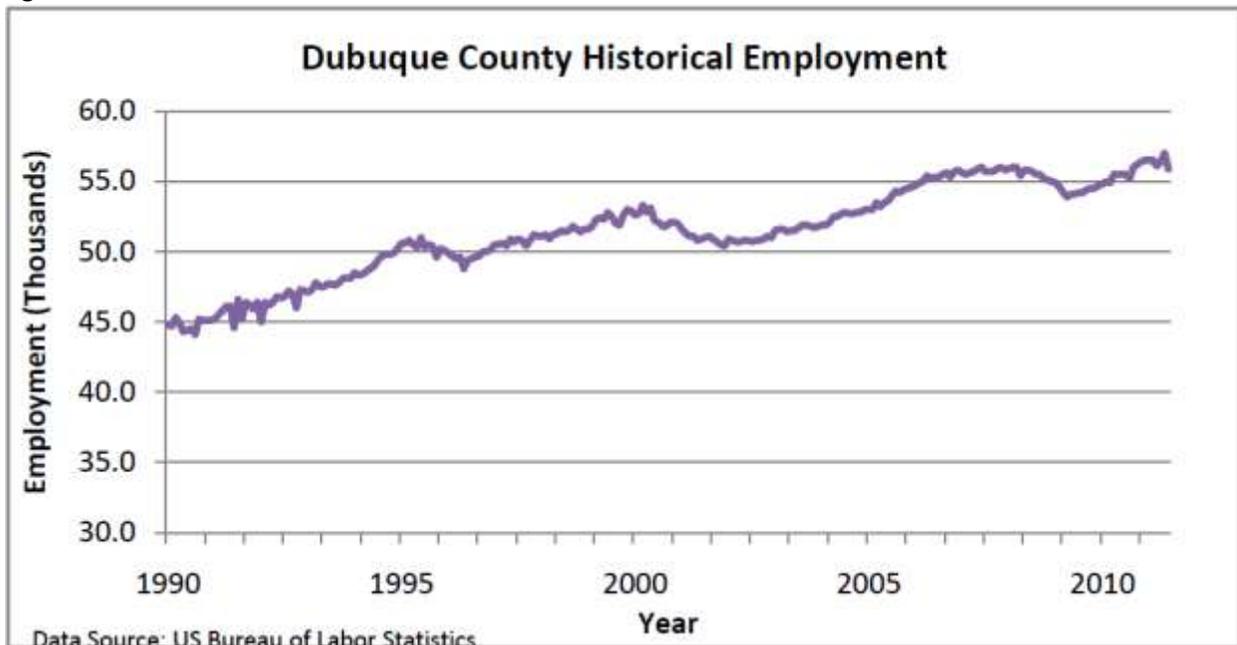
### Data Analysis

As Dubuque County strives to build a more vibrant economy through more effective local policies, local governments need to have informative data and maps that illustrate the economic forces at work. The US Census Bureau, Bureau of Economic Analysis (BEA), and the Bureau of Labor Statistics (BLS) provide a wide variety of economic data through the Decennial Census and the American Community Survey (ACS). The following charts and tables are selections from the Census that depict the most important aspects of the Dubuque County economy.

### Employment

Over the last 20 years, Dubuque County has experienced positive growth in total employment. The total number of jobs has increased from 44,800 in 1990 to 56,500 in August 2010. Figure 1.1 illustrates the overall positive growth in employment since 1990.

Figure 1.1

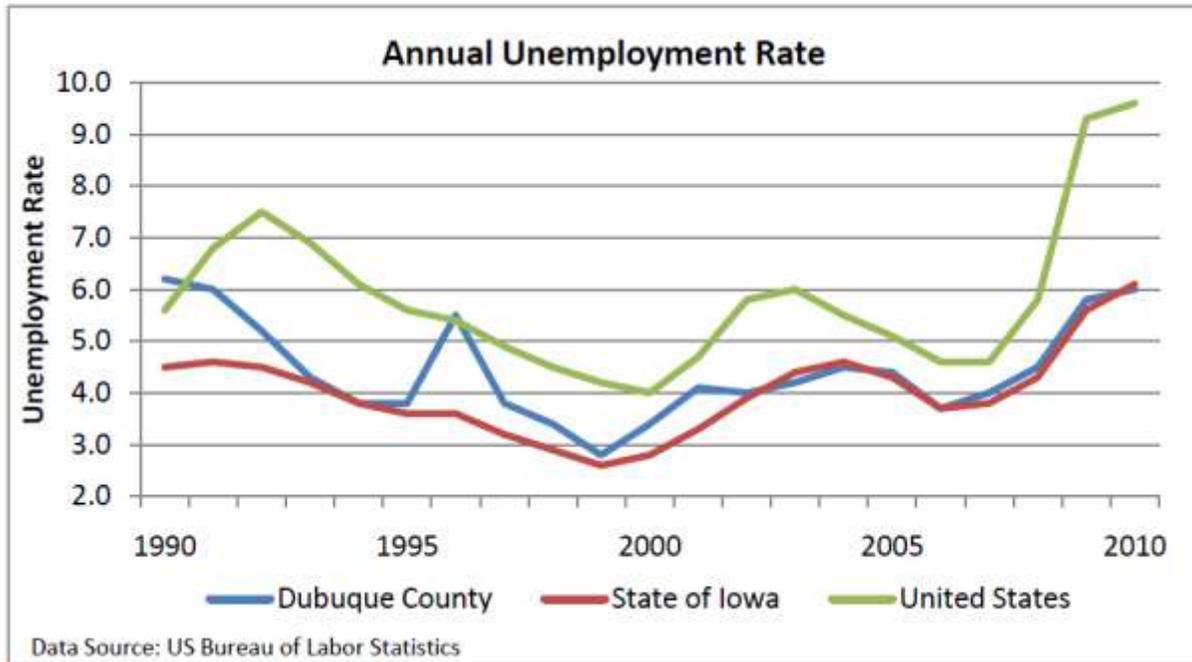


Since 2000, Dubuque County's unemployment rate has mirrored the State of Iowa's rate. Based on the BLS data presented in the Figure 1.2, both Dubuque County and the State of Iowa have fared well in the recession. Current unemployment rates are approximately 3 percentage points lower than the national

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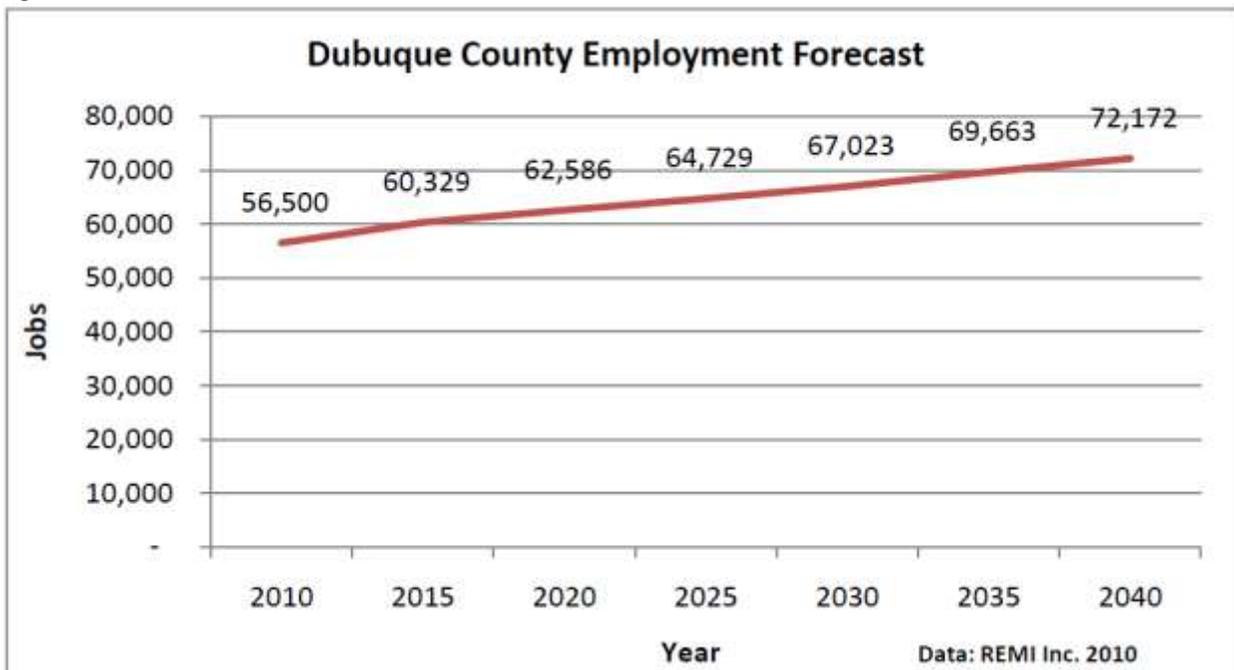
average. Figure 1.2 shows the Annual Unemployment Rate for Dubuque County, the State of Iowa, and the United States.

Figure 1.2



Employment growth is expected to continue over the next 30 years. According to projections made by Regional Economic Model Inc (REMI), total employment in Dubuque County will reach 72,000 by the year 2040. Figure 1.3 depicts the REMI 30-year employment projection.

Figure 1.3



## DUBUQUE COUNTY SMART PLAN

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Information on employment by industrial sector is available through the US Census Bureau's County Business Patterns (CBP) dataset. The CBP is an annual series of data that provides county economic data by industry. County Business Pattern data excludes most government employees, railroad employees, and self-employed persons. Figure 1.4 contains the most recent CBP data from 2009. According to the CBP data, the Manufacturing, Health Care, and Retail Trade industries are the largest employers in the region. These three industries account for almost 50% of the employment in Dubuque County.

Figure 1.4  
2009 County Business Patterns\*

Industry	Paid Employees	Percentage of Total Employees	Annual payroll (\$1,000)	Total Establishments
Total for all sectors	52,354	-	\$ 1,721,358	2,745
Manufacturing	8,499	16.2%	\$ 363,589	155
Health care and social assistance	7,666	14.6%	\$ 302,535	255
Retail trade	7,280	13.9%	\$ 143,440	441
Accommodation and food services	4,399	8.4%	\$ 42,820	249
Finance and insurance	2,793	5.3%	\$ 125,054	207
Educational services	2,656	5.1%	\$ 52,368	40
Wholesale trade	2,613	5.0%	\$ 102,417	166
Other services (except public administration)	2,284	4.4%	\$ 46,867	251
Transportation and warehousing	2,210	4.2%	\$ 80,099	120
Construction	2,078	4.0%	\$ 91,706	304
Information	1,985	3.8%	\$ 87,706	54
Arts, entertainment, and recreation	1,912	3.7%	\$ 35,788	57
Professional, scientific, and technical services	1,851	3.5%	\$ 67,785	170
Administrative and Support and Waste Mgmt. and Remediation Svcs	1,723	3.3%	\$ 40,327	123
Management of companies and enterprises	1,468	2.8%	\$ 100,481	22
Real estate and rental and leasing	441	0.8%	\$ 12,426	105
Utilities	346	0.7%	*	7
Forestry, fishing, hunting, and Agriculture Support	112	0.2%	\$ 2,266	16
Mining, quarrying, and oil and gas extraction	19	0.0%	*	1
Industries not classified	19	0.0%	*	2

US Census Bureau, 2009

\* Data withheld to avoid disclosing data for individual companies

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Figure 1.5 shows the total employment for each city within Dubuque County. The chart shows that the majority of the jobs within the county are concentrated in the City of Dubuque.

**Figure 1.5**  
**Total Primary Jobs by City 2009**

	Total Dubuque County Primary Jobs <sup>†</sup>
Asbury	404
Cascade*	970
Dubuque	38,582
Dyersville*	2,343
Epworth	258
Farley	810
Peosta	1,338
Dubuque County	49,331
US Census Bureau, 2009	

\*Cities in more than one county, jobs totals include portions of city outside of Dubuque County.

<sup>†</sup> Public and Private sector jobs, one job per worker. A primary job is the highest paying job for an individual worker.

### Maps

To better understand the distribution of employment across Dubuque County, employment data has been mapped using the US Census Bureau *On the Map* service. *On the Map* uses data derived from Unemployment Insurance Wage Records reported by employers and maintained by each state for the purpose of administering its unemployment insurance system.

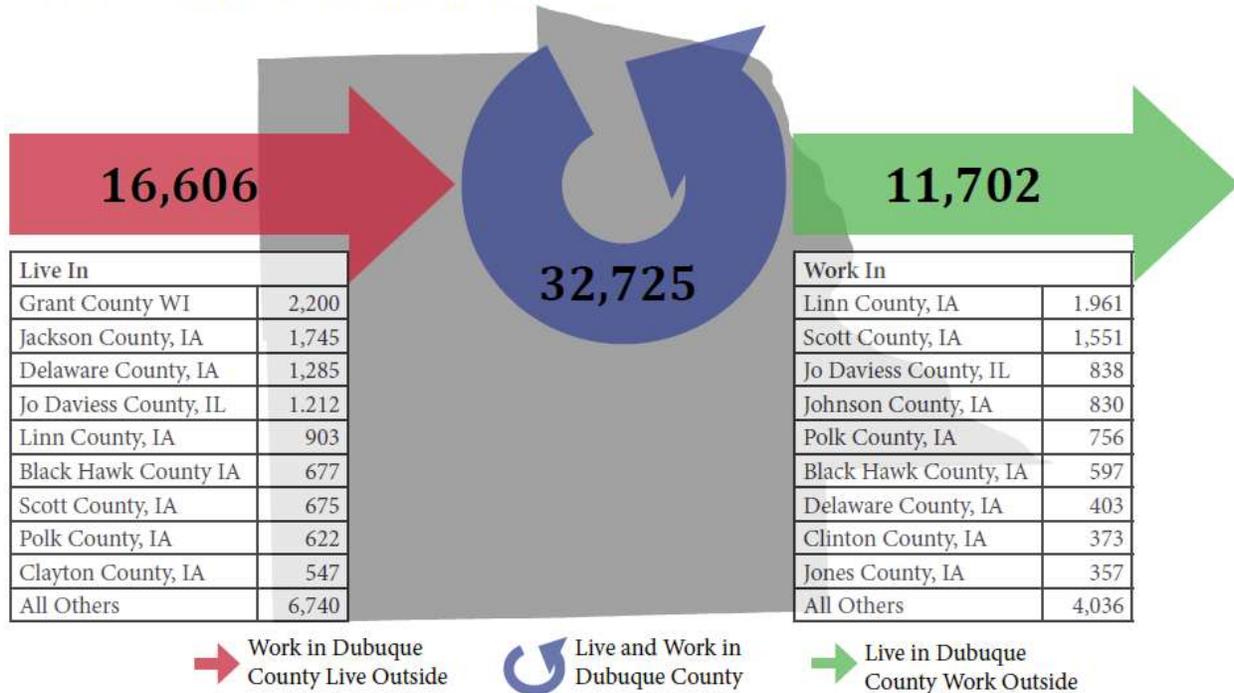
Map 1 (at the end of the chapter) was created using *On the Map*. The map shows the density of employment across the county. According to the map, the highest density of employment in the county is located in and around Dubuque’s Downtown. Employment density is also high in Dubuque’s west end commercial area. Other areas of moderate employment density occur at locations across the County with the larger densities mainly within the larger cities.

Map 2 shows the employment inflow and outflow for Dubuque County. Inflow and Outflow maps for individual cities can be found at the end of the chapter. This series of maps that shows the flow of workers in and out of each community. The arrows show the numbers of workers that commute to the city to work, the number of workers that live and work in the city, and the number of workers that live in the city but work elsewhere. The tables below the arrows show where workers who commute to the city come from, and where the workers who leave for work go. These maps are important for understanding the complex interactions among communities within Dubuque County.

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### Map 2

#### Dubuque County Employment Inflow & Outflow 2009



U.S. Census Bureau. 2011. OnTheMap Application. Longitudinal-Employer Household Dynamics Program. <http://lehdmap.did.census.gov/>

### Economic Development Agencies

Several public and private organizations are working within Dubuque County to help improve the local economy. These organizations provide aid to small businesses, administer state programs, and help create and implement effective local policies to foster economic growth and prosperity.

### Community Economic Development

Cities in Dubuque County are working to encourage business growth in their communities. When businesses expand or relocate, they usually are pushing the financial limits and they need financial support packages from communities they are considering for expansion or relocation. Communities provide access to several programs which can be tapped to encourage business development. Some of the tools used by communities include:

- **Tax Increment Financing (TIF)** - An incentive program which captures the increased property taxes a business pays from improving their property. This incentive can be used to help pay for needed infrastructure improvements or to provide grants/rebates to the business. Businesses must commit

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to job creation in the community or must have an extraordinary positive impact for the community to offer this incentive.

- **Low Interest Loans** - Loans for building improvements are available if a qualified project locates within certain areas of the community.
- **Land Discount** - Communities provide a land discount if the business commits to significant job creation in the community.
- **State of Iowa Programs** - Programs like the Community Economic Betterment Account (CEBA), Enterprise Zone Benefits, Revitalize Iowa's Sound Economy (RISE), and the Iowa Values Fund are available from the State of Iowa for qualifying projects.
- **Jobs Training** – the State of Iowa’s 260E and 260F programs provide employee training through the state’s 15 community colleges. 260E provides training to businesses that are expanding their Iowa workforces, and 260F provides training to existing Iowa businesses. Northeast Iowa Community College administers these programs in Dubuque County.

### East Central Intergovernmental Association (ECIA)

ECIA manages a number of economic development programs. ECIA Business Growth Inc., a non-profit corporation formed in 1982, provides low-interest loans to businesses for expansion that creates new or retains current jobs. The Small Business Administration is the primary funding source. ECIA Business Growth Inc. has extended loans in excess of \$68,518,199 and has created or retained more than 4,615 jobs. ECIA Business Growth Inc. also assists local communities in the administration of Revolving Loan Funds. These funds are loaned to businesses and industries, and the proceeds are returned to the local governments for future loans. Other economic development initiatives managed by ECIA include:

- Prosperity Eastern Iowa is a four-county economic development region including Delaware, Dubuque, Jackson, and Jones Counties and the cities of DeWitt and Marion.
- Buyer Supplier is an organization dedicated to connecting buyers and suppliers of all types of products and services in Eastern Iowa.
- The Petal Project is a green business certification program that provides organizations with a framework for reducing their energy, water, and natural resource use to benefit the environment and their bottom line.
- AccessMyFuture.com is an interactive website that explores careers in the region and provides links to a variety of job search sites within the region, including: [accessdubuquejobs.com](http://accessdubuquejobs.com), DeWitt Delivers Careers, Delaware County job listings, Iowa Workforce Development and a host of others. This project is a collaboration between a number of organizations in the region with the main focus of increasing the number of skilled trade professionals.

### Chambers of Commerce

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Chambers of commerce play an important role in economic development in Dubuque County. Chambers are organizations of businesses that work to further the needs of other businesses and promote tourism activities. Chambers work on the local level to bring businesses together and develop strong social networks. Chambers also work with the local government to help create pro-business initiatives. In Dubuque County the Dubuque Area Chamber of Commerce, the Dyersville Area Chamber of Commerce, the Cascade Chamber of Commerce and the West Side Business Association of Dubuque work to promote and protect local businesses and work to make their communities better places to live.

### Economic Development Corporations

Economic Development Corporations are not-for-profit organizations that work closely with government, business, and other partner organizations to promote economic development through recruitment and retention of industry, tourism promotion, workforce development, and employee recruitment and retention. There are several active economic development corporations in Dubuque County including: Asbury Area Development Corporation, Cascade Economic Development Corporation, Greater Dubuque Development Corporation, Dyersville Economic Development Corporation, Epworth Economic Development Corporation, Farley Development Corporation, and Dubuque Main Street.

### Economic Challenges, Strengths, and Opportunities

ECIA produces a Comprehensive Economic Development Strategy (CEDS) every five years to monitor and evaluate long-term economic goals and strategies and to coordinate the development activities in a five-county region that includes Dubuque County. In its most recent edition, completed in January 2010, the CEDS outlines the most important economic development challenges and opportunities that are facing the region. The following list contains the challenges, strengths, and opportunities that were listed in the 2010-2014 CEDS and the 2011 CEDS Annual Update.

### Challenges

#### *Future Shortage of Skilled Workers*

The Dubuque County regional economy faces a future shortage of skilled workers because of retirements. In October 2011, Iowa Workforce Development (IWD) released the *Iowa Workforce Needs Assessment* for the region that includes Dubuque, Delaware, Jackson, and Jones Counties. The Needs Assessment found that as the baby boomer generation begins to retire, employers in Dubuque County will be forced to replace and train thousands of skilled workers. According to the IWD, several industries in Dubuque County will have large percentages of their workforce eligible to retire in the next five years. The industries with the highest retirement eligibility include Educational Services (30.4%), Health Care and Social Services (25.9%), Manufacturing (14.0%), and Wholesale and Retail Trade (6.5%).<sup>1</sup> The report

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<sup>1</sup> <http://www.iowaworkforce.org/lmi/labsur/vacancy/prosperityeasterniowaworkforceneedsassessment2011.pdf>  
p. 13

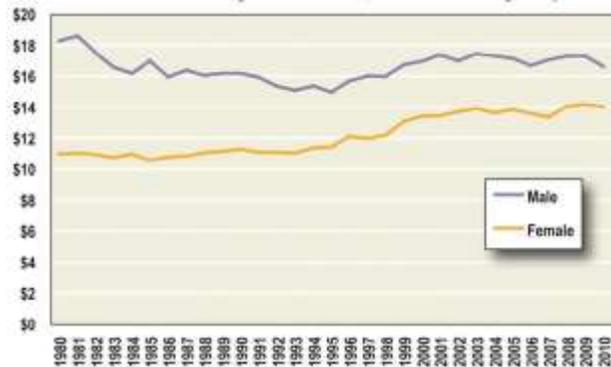
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detailed what employers are doing to replace workers who retire. Of the employers who replied to IWD’s survey, 33.4 % plan to use a combination of outside workers and promoting within the company, 31.0 % do not currently plan on filling these positions, 29.1 % plan only to hire workers from outside the company, and 6.5 % plan only to promote from within the company.

### *Gender Wage Gap*

Wage inequality between men and women is another issue that is facing Dubuque County. According to the Iowa Policy Project’s 2011 report *The State of Working Iowa*, “the gap between women’s and men’s earnings has narrowed with time, nationally as well as in Iowa. The lowest gap of \$2.60/hour was measured in 2010. However, this appears to be largely due to a decline in the earnings of men.”<sup>2</sup> Figure 1.6 shows a chart depicting the results from the Iowa Policy Project’s analysis.

Figure 1.6 Gender Wage Gap



Source: Iowa Policy Project

### *Natural Disasters*

In recent years, the region has been hit hard by natural disasters. In the past five years, tornadoes and floods have caused billions of dollars in damage across the State of Iowa. Many communities in Dubuque County are still working with federal and state agencies to rebuild damaged homes and businesses. Since 2008, Dubuque County has been included in three federal disaster declarations. These disasters include:

2008: Severe Tornadoes and Flooding FEMA-1763-DR - Cedar, Clinton, Delaware, Dubuque, and Jackson Counties.

2010: Severe Storms, Flooding, and Tornadoes FEMA-1930-DR - Delaware, Dubuque and Jackson Counties.

2011: Severe Storms and Flooding FEMA-4018-DR - Dubuque and Jackson Counties.

See the Hazard Mitigation Chapter for more information on natural disasters.

### *Adequate Transportation Infrastructure*

Adequate transportation infrastructure funding is a challenge for the region and the State of Iowa. Transportation challenges that impact Iowa and Dubuque County include: increased traffic demands and freight movements, changing demographics, increased biofuels production, increased construction and maintenance costs, flattened revenues, and aging infrastructure. According to the Iowa DOT 2011 Road

<sup>2</sup> <http://www.iowapolicyproject.org/2011docs/110902-SWI2011.pdf> p. 11-12

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*Use Tax Fund Study*, the transportation system will need a minimum of \$215 million per year in additional funding to meet the “most critical stewardship needs on existing infrastructure.”<sup>3</sup> State legislators have debated a state gas tax increase to cover the funding gap, but the region also must work to stretch its limited transportation budget by investing its funds wisely. See Transportation Chapter for more information on the County’s transportation infrastructure.

#### *Lack of Quality Rental Housing*

Quality rental housing has become an issue for the region with the addition of IBM and their 1,300 new employees. Rental units in the region are sparse. The average year of construction for rental units in the region is 1951, which means that many of the units are close to 60 years in age. Of the total housing units in the region, less than 30% are rental units. The IBM workforce population in search of housing is looking for rental housing. The demographic for this population is between the ages of 25-30, recent college graduates, one to two years of work experience, making \$30,000 to \$35,000 per year. The vacancy rental rate for the region is 1.1%, and in the Dubuque area, it is less than .05%. In the near future, the region must address the shortage of workforce rental housing. See Housing Chapter for more information on Dubuque County housing issues.

#### *Innovation*

The wildcard for the region is innovation and entrepreneurship. The State New Economy Index ranked Iowa 45th in the nation when it comes to economic dynamism and its ability to rejuvenate itself through the formation of new innovative companies. The study focused on several indicators including the number of entrepreneurs starting businesses and the number of patents issued. The study found that the region lacks a significant institutional source for innovation such as a tier one research university or major private research and development facility. Leaders in the region agree that the region’s economic future will be founded on a strong seedbed of entrepreneurs and a steady stream of talented individuals who are willing to take on the risk associated with starting new businesses. The region must find ways to integrate entrepreneurship into the K-12 curriculum to encourage it at a young age and provide a way to change the culture over time. The region must find new mechanisms to harness some of the indigenous wealth in the region and recycle it into new businesses. The region needs to pursue equity capital to fund new business start-ups. Finally, the region needs to improve delivery of support services for entrepreneurs.

### **Strengths**

#### *Manufacturing*

Dubuque County’s deep industrial and manufacturing roots make it attractive to employers. According to the US Census Bureau’s 2009 County Business Patterns data, 16.2% of workers in Dubuque County are employed in the manufacturing sector. Many of the firms are locally owned. A 2009 study for the region completed by Rural Policy Research Institute (RPRI) indicates that manufacturing employment is

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<sup>3</sup> [http://www.iowadot.gov/pdf\\_files/RUTFStudy2011.pdf](http://www.iowadot.gov/pdf_files/RUTFStudy2011.pdf) p. 12

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24-30% of the employment base in Dubuque County.<sup>4</sup> The surrounding counties of Delaware, Jackson, Cedar, and Clinton have only a 0-6% manufacturing base. According to RPRI Manufacturing in areas such as truss manufacturing, motor vehicle seating and trim, residential electric lighting fixture manufacturing, and cut stone product manufacturing, will all experience a 60%+ growth in the 2007 to 2017 time frame. This growth presents employment opportunities for residents in the region and provides a basis for educational programs to fit the needs and the demands in the region looking out to 2017.

#### *Business Services*

Business Services remains a strong employment sector in the region. The business and professional services sector provides needed services such as consulting, processing, legal, management support, etc. to all of the other industries in the region. This sector has grown rapidly over the last several years and remains one of the fastest growing sectors nationally. Leaders in the region realize that more emphasis on growing service companies within the region will be crucial to sustaining future growth in the business services sector. Nearly 27% of the residents in the region are employed in the business services sector.

#### *Tourism*

Tourism has remained strong in the region and will continue to be a priority with the National Mississippi River Museum and Aquarium, the Grand River Center, the Field of Dreams, the National Farm Toy Museum, Sundown Mountain, Heritage Trail, and the synergies that have been created between the counties in the region and the communities across state lines into Wisconsin and Illinois. Wineries have begun to crop up throughout the region as well as opportunities for eco and agri-tourism. Local tourism experts in the Tri-State region indicate that high gas prices, recent credit crunch, and the nation's plunge into the recession actually might boost small town tourism and fewer miles traveled can equal more fun. According to the CEDS, "Overall tourism dollars in our region increased by 1.98% from 2007 to 2008." Although the national average was 3.29% ([www.poweroftravel.org](http://www.poweroftravel.org)), rural counties outpaced the national average. This is likely due to less than ideal economic conditions that cause people to stay in their own areas for entertainment rather than travelling longer distances. For example, Cedar, Clinton and Jackson Counties had over a 5.00% change in travel impact dollars from 2007 to 2008 ([www.traveliowa.com](http://www.traveliowa.com)).

### **Opportunities**

#### *Workforce*

Workforce remains a double-edged sword for the region. The region is known for its highly skilled and educated workforce, but as noted in the challenges section, retaining and recruiting younger workers to replace retiring experienced workers remains a challenge. Local economic development groups and employers have initiated efforts to address workforce issues for their communities. One such initiative

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<sup>4</sup> Drabenstott, Mark. "Strategic Opportunities for the RiverLands" Rural Policy Research Institute. Spring 2009.

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is the recruitment website Accessmyfuture.com. Accessmyfuture.com is an interactive website targeting the 14-25 year old population exploring careers in the region and providing links to a variety of job search sites. Local firms have partnered with the area colleges and community colleges by connecting students to internship programs funded by the local companies. Companies in the region are also offering more flexible work schedules, telecommuting, incentives, etc. to attract and retain employees. Local communities in the region need to continue build off these initiatives to create opportunities to attract and retain a skilled workforce.

#### *Passenger Rail*

The proposed return of Amtrak passenger rail service from Chicago to Dubuque is a transportation related opportunity that has excited the region and has the support of both Iowa and Illinois. Amtrak completed a feasibility study in 2006. The study estimated an annual ridership of over 75,000 passengers on one round-trip per day. According to the study, the project will require \$32 million in track improvements and a \$3 million annual operating subsidy. The Iowa and Illinois Departments of Transportation have applied for grant funding to assist with the initial track improvement costs. Public support for the project is widespread. Over 8,000 Iowa residents and over 15,000 Illinois residents have signed a petition in support of the Amtrak service. Anticipated implementation of the new Amtrak line is 2014.

#### *Sustainability*

Sustainable development initiatives have created new business opportunities in Dubuque County. IBM was initially attracted to the Dubuque area in part because the area was already engaged in sustainability efforts. IBM created a new opportunity for the region when it announced plans to make Dubuque the first American city to participate in its Smarter Planet initiative. The Smarter Sustainable Dubuque effort involves improving sustainability on a variety of city systems. IBM will use its technological resources to improve the efficiency of water, energy, and transportation. Smarter Sustainable Dubuque is a national model for more than 1,000 other cities. Other businesses in the area have also used sustainability to grow their business. A.Y. McDonald, a Dubuque based manufacturer of water works brass and valves, produced new sustainable water meters for the City of Dubuque. The Unmeasured-Flow Reducer meter measures and accounts for small leaks throughout the home, making the homeowner more aware of unintended water usage.

The recent focus on sustainability in the region has increased investment in the manufacturing and business service sectors. According to the CEDS, "Partnerships from across the region were crucial to attracting IBM and will remain critical in the future. Part of the attraction to the region was the concentration of the educational institutions in the region that provide a ready supply of high-quality workers. Additionally, the workforce development arena remains aligned consistently with the region's employment needs and its strategic opportunities."