

Report:
WEST DES MOINES ECONOMIC DEVELOPMENT PLAN:
ECONOMIC SCAN OF WEST DES MOINES



REPORT:

West Des Moines Economic Development Plan: Economic Scan

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	2
INTRODUCTION	3
ECONOMIC SCAN	4
DEMOGRAPHIC TRENDS	9
ECONOMIC TRENDS	15
BUSINESS CLIMATE AND SITES & INFRASTRUCTURE	22
HUMAN CAPITAL AND INNOVATION	31
QUALITY OF LIFE	37
PROJECT NEXT STEPS: IDENTIFYING INDUSTRY CLUSTERS	41
SWOT ANALYSIS AND STRATEGIC IMPLICATIONS	42
SWOT ANALYSIS	42
STRATEGIC IMPLICATIONS	43
APPENDIX	47
APPENDIX A: METHODOLOGY	47
APPENDIX B: COMMUNITY SURVEY RESULTS	48

Delivered to:
The City of West Des Moines, IA

Prepared by:



ACKNOWLEDGEMENTS

AngelouEconomics would like to express our appreciation to the numerous individuals that contributed to this process for their invaluable input on key issues identified in the West Des Moines area.

City Staff:

Clyde Evans, *City of West Des Moines Department of Community & Economic Development*

Naomi Hamlett, *City of West Des Moines Department of Community & Economic Development*

Jo Eckert, *City of West Des Moines Department of Community & Economic Development*

Jeff Pomeranz, City Manager, *City of West Des Moines*

Project Steering Committee:

Steve Gaer, Mayor, *City of West Des Moines*

Ted Ohmart, *City of West Des Moines City Council*

Charles Schneider, *City of West Des Moines City Council*

Bob Brownell, *Polk County*

Deb Calvert, *MidAmerican Energy*

John Clarke, *City of West Des Moines Planning and Zoning Commission*

Rob Denson, *Des Moines Area Community College*

Bob Folkestad, *Warren County*

Mark Hanson, *Dallas County*

Mike Kammerer, *West Des Moines Chamber of Commerce*

David Maahs, *Greater Des Moines Partnership*

Tom Narak, *West Des Moines Community Schools*

Gerry Neugent, *Knapp Properties*

Paula Nissen, *Iowa Workforce Development*

Kurt Pearson, *West Des Moines Development Corporation*

Forrest Ridgway, *City of West Des Moines Parks and Recreation Advisory Board*

Bill VanOrsdel, *BAVO*

We would also like to thank the numerous other members of the community who participated in the process by attending focus groups, granting interviews, completing surveys and providing feedback.

INTRODUCTION

INTRODUCTION

In West Des Moines, much has changed since the city undertook its 2003 economic development strategic plan. The city has grown tremendously, with nearly 11,000 more residents, 20,000 new jobs, and, in Wells Fargo, Aviva, Mercy Medical Center West Lakes and Methodist West among others, a number of new major corporate operations. The \$200 million Jordan Creek Town Center, opened in 2004, has helped bolster West Des Moines' reputation as a regional-wide retail destination and now the state's highest retail sales per capita. In 2008, CNNmoney.com named West Des Moines as one of the 100 Best Places to Live and Launch – further proof that the city's status is now more than a simple bedroom community of Des Moines but a significant employment center in its own right. Even in the face of the current economic recession, West Des Moines, and the larger region, have fared relatively well with no significant layoffs and an unemployment rate of consistently less than half of that of the rest of the nation.

This growth and economic development success can be attributed to a number of factors including a superior location along two major interstates, available land, an affordable and attractive place to reside, and strong city leadership in providing infrastructure and an environment that is highly conducive to business. The city now benefits from high incomes, a very educated workforce, and a significant young professional population all of which will be critical to maintaining this economic growth in the future.

This 2009 planning effort presents an opportunity for the community to take an important step back, and amidst this growth, assess its environment, and plan for how that economic development growth will occur most effectively in the future. This is particularly critical today given the current economic recession that has created an increasingly more competitive landscape that requires municipalities to have to do more with fewer resources. Economic development success now, for West Des Moines, will be measured on how well it competes not just within the region but how it takes advantage of key regional assets (e.g. Iowa-5 Corridor, Iowa State University, etc.) to compete globally for both talent and high-growth businesses.

This effort will also address some of the pointed economic development challenges West Des Moines' faces. Even with recent strong performances, income levels in the area are not rising as fast as competitor cities, a "macro" indication that more strategic, aggressive, and targeted economic development efforts will be required in the years to come to maintain the city's competitive advantage.

WEST DES MOINES PROJECT BACKGROUND

The City of West Des Moines has launched a broad study to chart a course for the future of economic development in the City. The **West Des Moines Economic Development Plan Update** is a multi-faceted project led by the City's Community & Economic Development department to create high-value jobs and retain young talent through sustainable approaches.

AngelouEconomics (AE), an economic development consulting firm based in Austin, Texas, will manage the project and its four objectives:

1. Assess the region's current competitiveness
2. Identify specific high-impact target industries
3. Develop specific strategies to improve city efforts:
 - Attract new business
 - Retain and expand existing businesses
 - Retain young professionals and grow a skilled workforce
 - Revitalize older commercial areas
 - Encourage entrepreneurship
4. Build a shared vision and catalyze collective action through a detailed implementation plan

ECONOMIC SCAN

REPORT ORGANIZATION & KEY ISSUES

This Economic Scan is the first in a series of reports and is designed to examine demographic, economic, and labor market trends in West Des Moines. The report evaluates the current state of affairs most critical to industry growth, incorporating survey data, qualitative data collected from residents, business and community leaders and quantitative data independently compiled by AngelouEconomics.

This report provides a baseline assessment of the region's current economic situation and the dynamics that have shaped it. The document analyzes the West Des Moines area across a broad range of economic and demographic variables.

The report is broken into two sections:

- An **Economic Scan of West Des Moines** that evaluates the demographic and economic trends shaping its current situation and compares West Des Moines to competitor communities
- A **SWOT Analysis** and discussion of **Strategic Implications** that identifies key strengths, weaknesses, opportunities and constraints and sets the framework for issues to be addressed in the Target Industry Report and Strategic Plan.

The Strategic Implications section identifies the core strengths and competitive advantages of West Des Moines as well as fourteen (14) Economic Development "Issue Areas" for the city. A summary of this information is presented here:

ECONOMIC SCAN

Economic Development Factors	West Des Moines Strengths and Challenges Summary
Business Attraction	City has developed a strong financial services and retail industry cluster. Opportunity exists to build on that while also diversifying into other strategic opportunities. City's incentive tools may be limited. Compared nationally, business climate is good. However, property taxes are high, as a state, often creating an impediment for small business development.
Sites and Infrastructure	Superior location along two interstates, and city has an exceptional reputation for infrastructure development and efficient city regulatory processes – all of which has supported a historically strong office market. The current comp planning efforts provides opportunity for city to align zoning and land use to new target industries – and ensure future infrastructure development is coordinated. Growing office and industrial presence along I-5 Corridor will be important to creating a more “global” presence.
Workforce Development	City benefits from strong education and workforce components (K-12 system, DMACC). As the city grows and diversifies its industry base, it must integrate economic and workforce development efforts to ensure that a local workforce has the right competencies to feed into new growing businesses (e.g. new hospitals, IT firms, etc) that will require a number of highly skilled professionals.
Entrepreneurship & Innovation	Although the Des Moines region has an emerging strong technology foundation, the availability of capital and other resources for emerging start-ups are limited. This type of activity requires considerable resources including venture capital, angel funding, and support networks. The region lags in each of these categories. Relationship with Iowa State around “innovation” facilitation is just developing.
Quality of Life	Additional cultural amenities (e.g. performing arts center, convention center, etc) could be an avenue for attracting additional visitors and, as importantly, creating a destination for younger adults. Limited strategy exists for the city to better connect retail, hospitality, cultural events, and enhanced public transit. Older commercial areas in need of redevelopment to support small business while providing “sense of place” for young professionals.
Business Retention and Regionalism	City has reached a size where economic development efforts (business retention, expansion) can be done in a more targeted fashion and with more active engagement regionally. Cultivating small business growth, in particular, will be critical. Economic development-specific funding is very limited.

ECONOMIC SCAN

INTRODUCTION TO THE ECONOMIC SCAN

This Economic Scan is the first in a series of reports and is designed to examine demographic, economic, and labor market trends in West Des Moines. The report evaluates the current state of affairs most critical to industry growth, incorporating survey data, qualitative data collected from residents, business and community leaders and quantitative data independently compiled by AngelouEconomics.

In order to gauge where West Des Moines stands relative to other competitive communities, this report assesses its performance against a number of benchmark communities including Eagan, MN, Lee's Summit, MO, Naperville, IL, and Waukesha, WI. These communities, like West De Moines, are growing suburbs of larger Midwest cities and share similar economies and markets, including household incomes, rates of population growth via annexation, and retail activity. Additionally, the study benchmarks West Des Moines against the Des Moines-West Des Moines MSA, Iowa and the U.S.

In its effort to provide an understanding of the current economy and potential for future growth, the Economic Scan is built around a set of indicators organized into 6 areas:

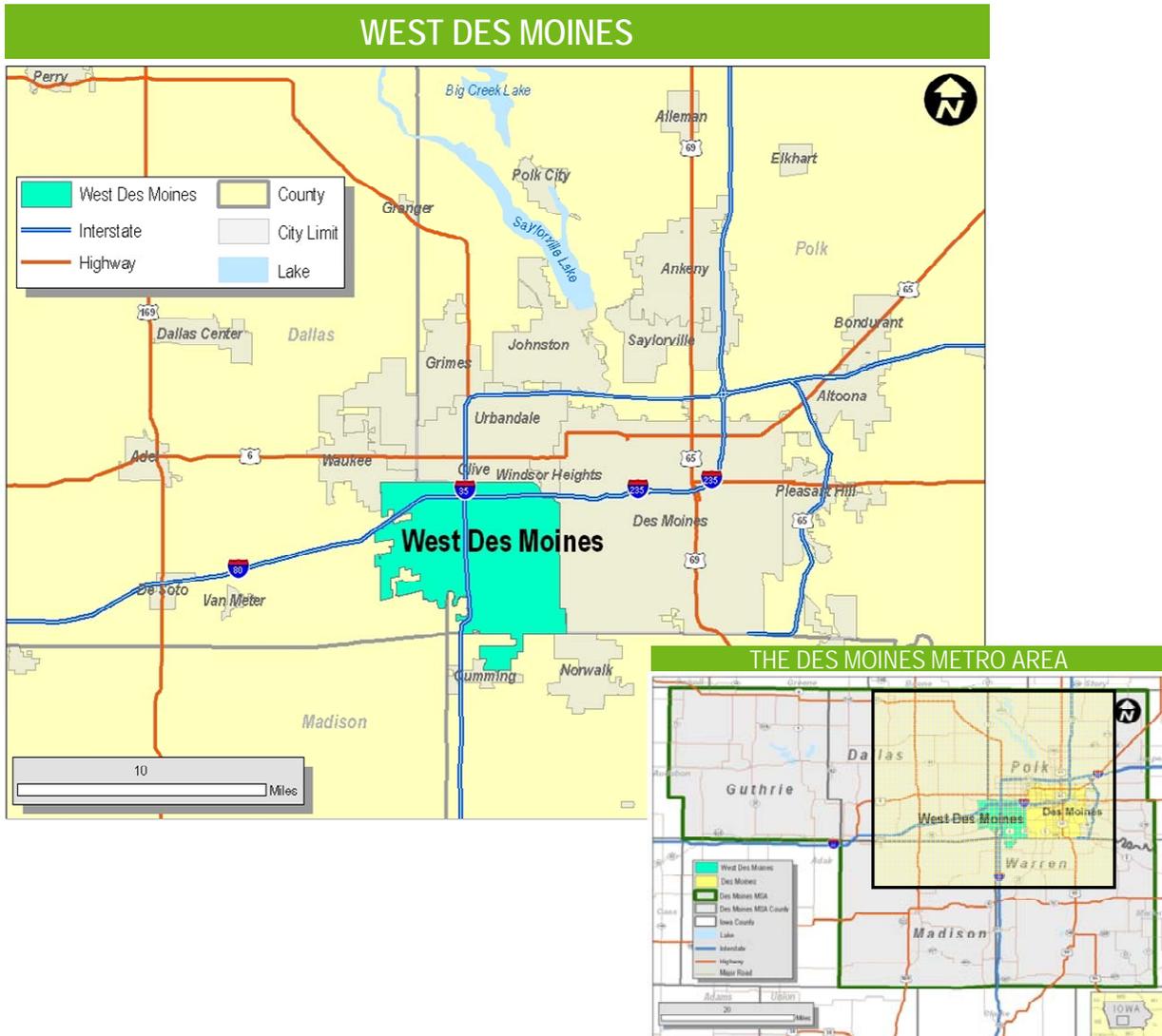
- Demographics Trends
- Economic Trends
- Business Climate and Infrastructure
- Human Capital and Innovation
- Quality of Life
- Review of Industry Cluster Base (Project Next Steps)

The data analyzed in the Economic Scan provide an understanding of West Des Moines' strengths and assets as a community, which can be built upon to grow the economy from within and to attract businesses to the city.

ECONOMIC SCAN

West Des Moines “At a Glance”

The City of West Des Moines, IA is part of the larger Des Moines metro area and is located less than 10 miles west of downtown Des Moines. Situated at the intersection of interstates 35 and 80, the city now includes portions of three counties – Polk, Dallas, and Warren – and is one of the fastest growing communities in the state of Iowa. The 39.5 square mile incorporated city includes 55,426 residents with a daytime population of 116,461 due to the daily influx of non-resident employees, visitors and shoppers.



The At-A-Glance table is a brief summary of many of the data points that will be discussed in further detail throughout this report. By and large, West Des Moines performs very well against benchmark communities. Although it is not quite the size of the other areas, West Des Moines is growing more rapidly, particularly within its labor force – a sign of steady job growth and younger residents, which are critical to the city’s tax base. Not only is the labor force growing but the percentage of educated residents (nearly 50 percent) stacks up well with the other areas and is significantly higher than the state and the nation. Finally, its unemployment rate is well below other

ECONOMIC SCAN

competitors. A potential issue for West Des Moines is its median household income. While it remains high – its growth over recent time has been slower than its benchmarks, the state and the nation.

AT A GLANCE

	West Des Moines, IA	Eagan, MN	Lee's Summit, MO	Naperville, IL	Waukesha, WI	Iowa	USA
Population (2008 Estimate)	55,426	63,985	84,208	143,117	68,008	3,002,555	304,059,724
Population Growth ('90-'08)	74.8%	35.0%	81.4%	67.7%	19.4%	8.1%	22.3%
Unemployment Rate, May 2008*	3.4	6.2	4.6	7.1	10.8	5.1	8.6
Labor Force Growth ('90-'08)	73.0%	26.1%	50.0%	63.4%	15.6%	14.9%	22.6%
Median Household Income (2008)	\$66,469	\$86,066	\$80,270	\$112,781	\$62,100	\$49,201	\$52,599
Median Household Income Growth ('00-'08)	21.4%	26.5%	32.2%	27.5%	23.0%	24.6%	24.5%
% Bachelor's Degree + (2008)	49.8%	52.0%	41.4%	60.5%	36.5%	24.9%	27.8%
% in 25-44 Age Group (2008)	32.1%	31.7%	28.8%	29.5%	26.6%	25.1%	27.4%

* Not Seasonally Adjusted

Source: U.S. Census Bureau, Bureau of Labor Statistics, Decision Data Resources

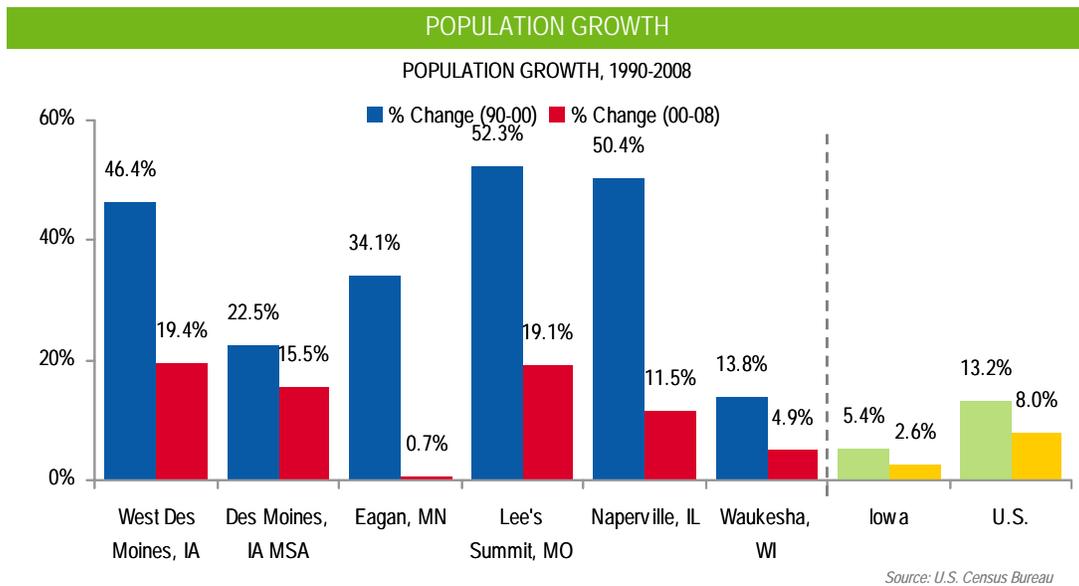
ECONOMIC SCAN

DEMOGRAPHIC TRENDS

This assessment of West Des Moines' demographic trends serves as a snapshot of the population dynamics shaping the region.

POPULATION GROWTH

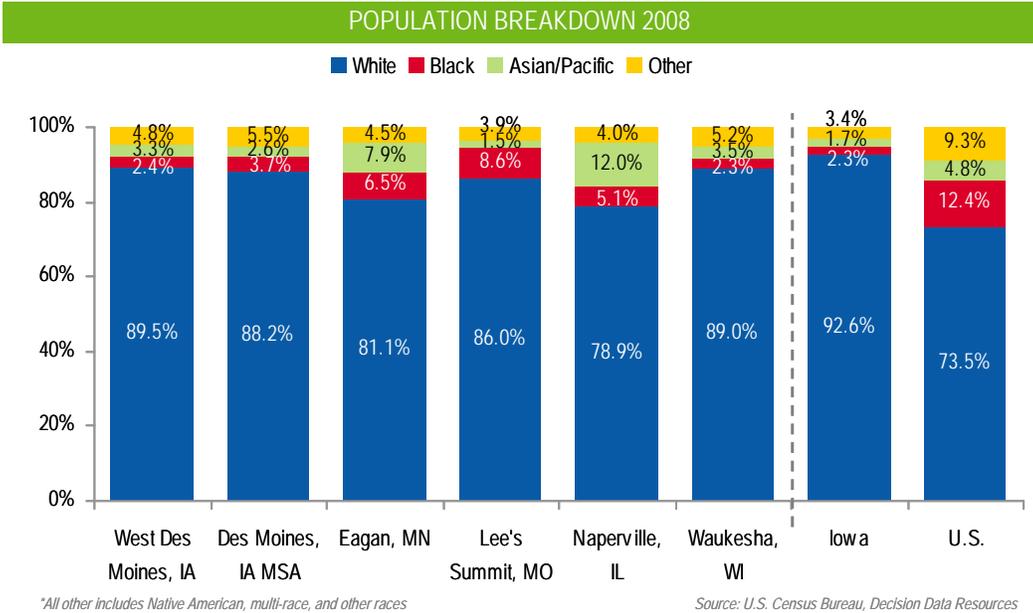
Since 1990, population growth in West Des Moines has far outpaced state and national figures. The West Des Moines population is estimated to be 55,426, an increase of 74.8 percent since 1990. The U.S. population grew just over 23 percent in that time. When compared to the national benchmark communities over the same 18-year period, only Lee's Summit, MO has grown faster than West Des Moines. Between 2000 and 2008, West Des Moines' rate of growth was over double the growth rate of the Des Moines-West Des Moines MSA and over eight times that of the State of Iowa.



ECONOMIC SCAN

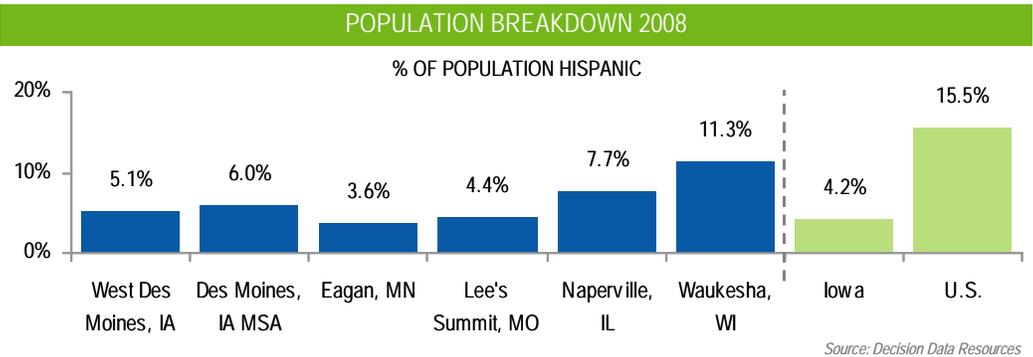
RACIAL DIVERSITY

Workforce diversity can provide a competitive advantage as creative and innovative firms increasingly seek out locations with pools of diverse, creative people. Businesses have found that homogenous communities are less attractive to an innovative and creative workforce.



Overall, West Des Moines is much less diverse than the nation as a whole, but is in line with regional trends for the Des Moines-West Des Moines MSA and the state of Iowa. Also, the city has a greater white population percentage-wise than any of the benchmarks.

While the percentage of Hispanics¹ among the total population is much lower in West Des Moines than in the U.S., the Hispanic population in West Des Moines is growing. The city's Hispanic population has grown from 1.9 percent in 1990 to just over 5 percent in 2008.

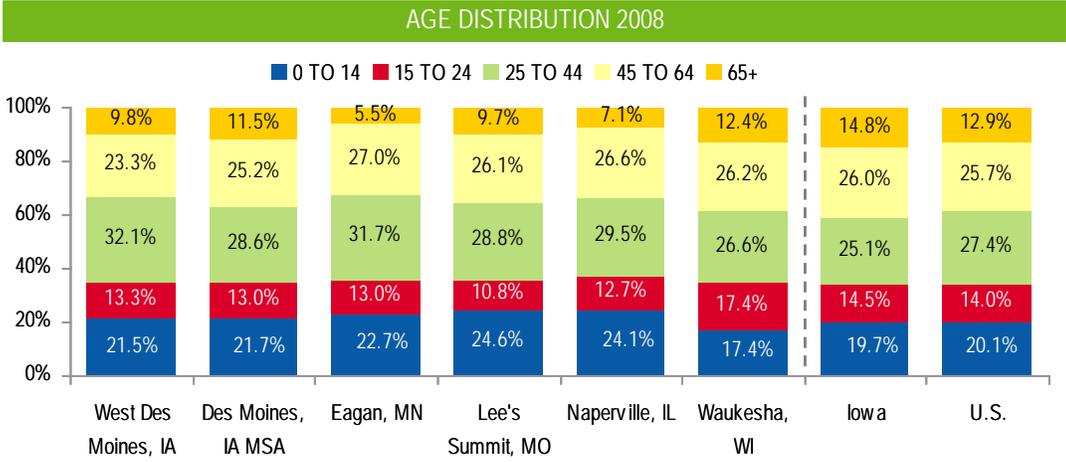


¹ The US Census considers Hispanic descent to be an ethnicity rather than a race. This allows survey respondents to claim both race and ethnicity, such as a person reporting to be a white Hispanic. For this reason, Hispanic ethnicity must be examined independently of racial population distribution.

ECONOMIC SCAN

AGE DISTRIBUTION

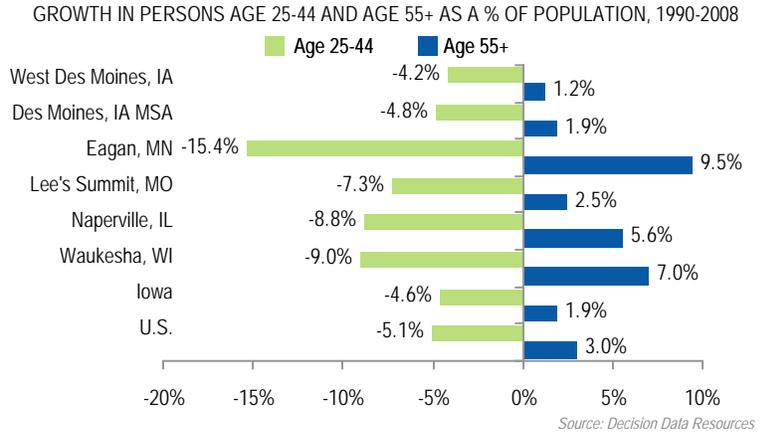
An aging population is a nationwide challenge with significant economic and workforce development implications. The State of Iowa, in particular, has been highly affected by this trend. West Des Moines, however, while aging, has not been impacted nearly as hard. While the young professional cohort (ages 25 to 44) represents a smaller percentage of the population now than in 1990, this percentage today (32 percent) is higher than any of the national benchmarks, the state or the nation. This age group, often part of a community's "creative class" and



Source: U.S. Census Bureau ACS, Decision Data Resources

almost always the engine of innovation, is very important for economic growth. In addition, West Des Moines has a lower median age than all considered benchmarks. While its population age may be increasing, it is still well below local, state and national median ages.

AGING POPULATION



Source: Decision Data Resources

MEDIAN AGE 2008

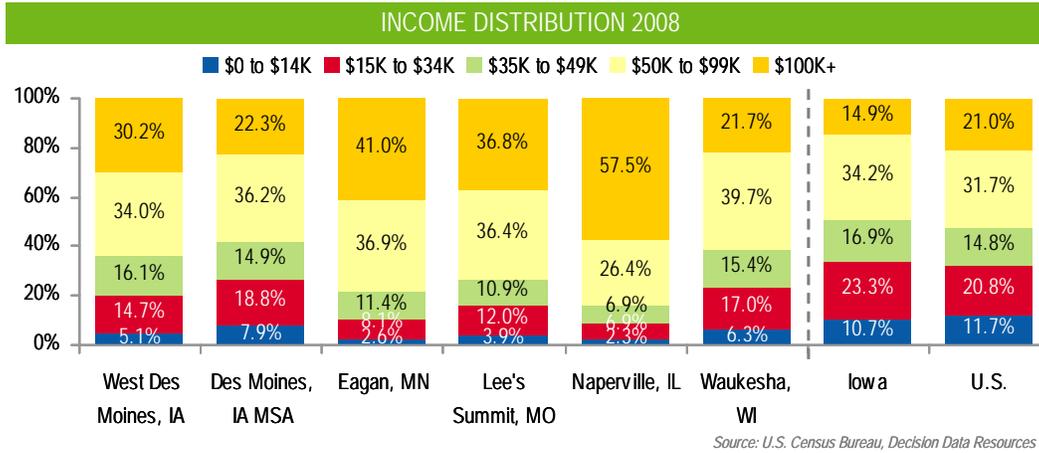
West Des Moines, IA	33.8
Eagan, MN	35.4
Naperville, IL	35.7
Waukesha, WI	35.9
Des Moines, IA MSA	36.1
Lee's Summit, MO	36.5
Iowa	37.9
U.S.	36.9

Source: U.S. Census Bureau

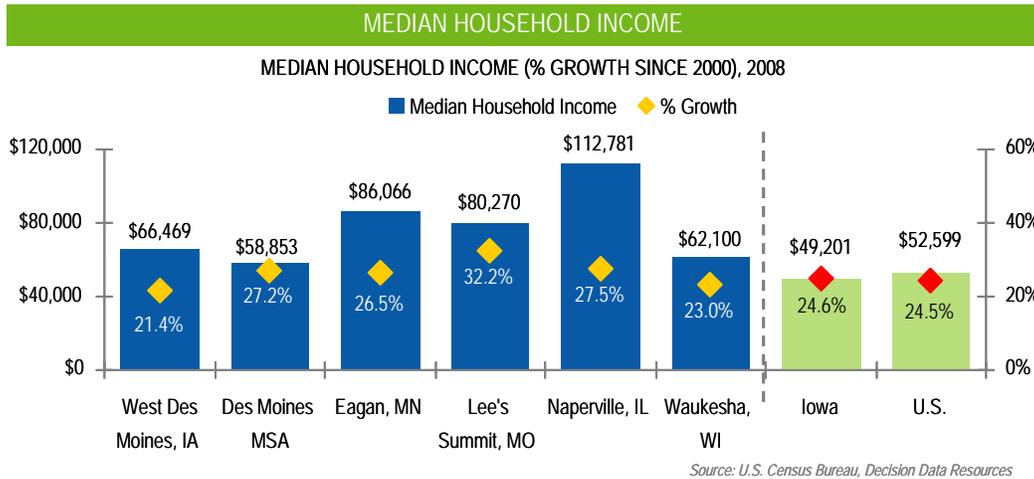
ECONOMIC SCAN

INCOME LEVELS

Several important findings emerge regarding income levels in the area. Positive indicators as well as potential challenges are present. Local per capita income (\$36,401) is significantly higher than state and national incomes. West Des Moines has a higher percentage of the population earning over \$50K than the Des Moines-West Des Moines MSA, Waukesha, WI, the State of Iowa or the U.S.



The median household income for West Des Moines in 2008 was \$66,469, which is much higher than the median income for the Des Moines-West Des Moines MSA; it is also higher than comparable figures on the state and national levels. These higher incomes are due in part to the types of businesses that are located in the area, namely finance, insurance, and health care, as well as the city's overall attractiveness as a place to live for older professionals and high earning executives.



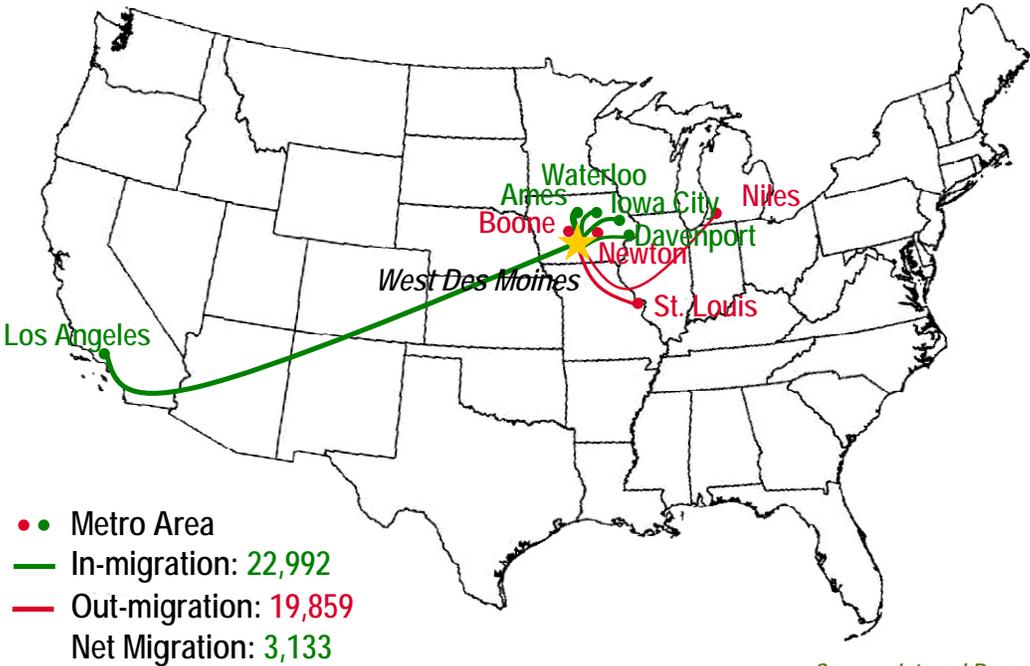
However, incomes may not be growing as quickly as some other areas. West Des Moines median household incomes have grown 21 percent since 2000 as compared with a rate of 27 percent for the greater metro area – and were also outpaced by all other benchmarks, the state and the nation. While not a concern yet (incomes are still quite high), it does provide justification for seeking to diversify the economy into other high growth industry opportunities in order to maintain the city's economic competitive advantage.

ECONOMIC SCAN

MIGRATION

One of the concerns expressed during focus groups was the loss of people from the area to larger cities in the Midwest as well as major East and West Coast cities. Using IRS tax return data on the county level, migration in-flows and out-flows were aggregated for Polk and Dallas counties and the results (which provide just a snapshot for 2007) show that the Des Moines area actually experienced a net gain of people from many major U.S. cities.

WEST DES MOINES (POLK & DALLAS COUNTY) - 2007 MIGRATION



Source: Internal Revenue Service

The Des Moines-West Des Moines area is gaining population from many other cities in Iowa, such as Ames, Waterloo, Iowa City and Davenport.

In addition, while there are a number of people leaving the Des Moines area each year for other major Midwest, East Coast and West Coast cities, there are more people coming in from these cities, so the net result is positive migration to the Des Moines region.

NET MIGRATION TO POLK & DALLAS COUNTIES FROM MAJOR MSAs

CITY	FLOW IN TO POLK/DALLAS COUNTIES	FLOW OUT OF POLK/DALLAS COUNTIES	NET MIGRATION
Chicago	528	401	127
Omaha	347	323	24
Minneapolis	428	392	36
New York	23	36	-13
Los Angeles	297	145	152

Source: Internal Revenue Service

The cities included in the table are given as examples of places mentioned by West Des Moines residents during interviews and focus groups that were perceived as attracting people from the community.

By far, the largest net gains to Polk County and Dallas County came from other Iowa cities.

ECONOMIC SCAN

DEMOGRAPHIC TRENDS SUMMARY

- ✓ The population of West Des Moines has increased significantly over the past several years due to a combination of annexation, steady regional job growth, and its increasing popularity as a place to live.
- ✓ Despite statewide trends of an aging population, West Des Moines, specifically, is aging at a much slower rate and has a high percentage of young professionals among the general population.
- ✓ While income indicators for the area are high, median household income is not growing as quickly as that of the benchmarks, the state or the nation.

ECONOMIC SCAN

ECONOMIC TRENDS

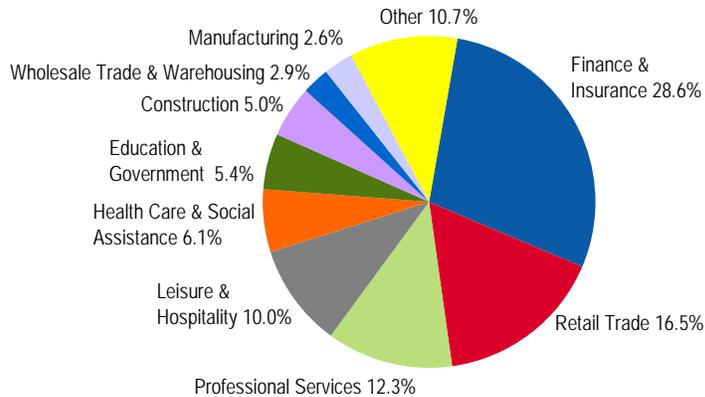
This section highlights economic trends in West Des Moines, including the composition of the existing employment base and local industry growth patterns. This information will set a foundation for exploring different industry niche sectors that will be important for the city to build upon.

CURRENT ECONOMIC BASE

While employment in West Des Moines covers a mix of industry sectors, compared nationally, two findings emerge: 1) the percentage of Finance and Insurance jobs within its economy is more than four times that of the U.S.; and 2) employment in every other private industry sector (outside of Retail and Professional Services) is less than that of the nation's percentages as a whole. On the positive side, West Des Moines' concentrated clusters (excluding retail) generally rely upon a base of high-wage workers. Of potential concern – and which will be explored more deeply in the next stage of this project – is that these are also sectors that are losing jobs nationally.

INDUSTRY EMPLOYMENT

% OF TOTAL JOBS IN WEST DES MOINES BY SECTOR, 2006



Source: US Census Bureau LEHD

INDUSTRY MIX, 2006

Industry	WEST DES MOINES		IOWA		UNITED STATES	
	Employment	Share	Employment	Share	Employment	Share
TOTAL	47,571	100%	1,431,208	100%	119,702,316	100%
Finance and Insurance	13,575	28.6%	97,935	6.9%	8,162,063	6.8%
Retail trade	7,850	16.5%	177,402	12.4%	15,370,040	12.8%
Professional Services	5,849	12.3%	87,881	6.2%	12,218,684	10.2%
Other	5,103	10.7%	129,206	9.0%	14,979,760	12.5%
Leisure and Hospitality	4,771	10.0%	129,040	9.0%	13,024,615	10.9%
Health care and social assistance	2,890	6.1%	188,241	13.2%	14,709,028	12.3%
Education and Government	2,556	5.4%	207,299	14.4%	9,435,607	7.9%
Construction	2,397	5.0%	69,043	4.8%	7,602,148	6.4%
Wholesale Trade and Warehousing	1,357	2.9%	120,947	8.5%	10,089,708	8.4%
Manufacturing	1,223	2.6%	224,213	15.7%	14,110,663	11.8%

Source: U.S. Census Bureau LEHD: BLS

ECONOMIC SCAN

Looking at the largest private sector employers in West Des Moines, it is easy to see the strong cluster that has developed around financial services and insurance. The two new Wells Fargo campuses alone account for over 4500 local jobs.

The largest public sector employers in the area are West Des Moines Community Schools, with 1200 employees, and the City of West Des Moines, which employs about 400 people.

LARGEST WEST DES MOINES PRIVATE SECTOR EMPLOYERS		
Name	Employees	Type of Business
Wells Fargo Home Mortgage	3336	Financial Services
Wells Fargo Card Services	1205	Financial Services
Farm Bureau Insurance & Financial	1085	Life Insurance
Hy-Vee, Inc.	767	Grocery
Iowa Foundation for Medical Care	671	Health Care
ADP National Service Center	525	Data Processing
GuideOne Insurance	508	Life Insurance
MetLife	500	Insurance
Sears Holding Management Corporation	420	Retail
The Iowa Clinic	405	Health Care

Source: City of West Des Moines

ECONOMIC SCAN

JOB AND BUSINESS CREATION

Sustained business growth has been a staple and no doubt helped cushion West Des Moines' local economy during this period of steep national recession. The city lost about a thousand jobs between 2007 and 2008, a very slight decline considering the severity of national events.

West Des Moines has had great success in recent years with regards to business attraction projects. In the finance industry, major projects include two completed Wells Fargo campuses and an Aviva site that will be the future home of approximately 1500 employees. The city has also attracted a number of healthcare facilities, including two hospitals, Mercy Medical Center West Lakes and Methodist West, which are slated to open in the fall of 2009. Significant relocation and expansion projects have been drivers for the local economy in general and for job creation in particular. The most recent expansion and relocation projects alone have brought nearly 7000 jobs to the city. In 2008, there were 52,674 total jobs in West Des Moines, up nearly 72 percent since 2000.

In 2004, the Jordan Creek Town Center shopping mall and West Glen – a mixed-use development – opened in West De Moines. These developments, and other retail centers that have emerged, have cemented West Des Moines as major retail destination with a significant regional draw. The growing retail sector has spurred not only job creation within the industry, but has also lead to more jobs in the hotel and leisure industry as major hotel chains have opened to meet the demand of the increasing numbers of visitors. *Note: The chart above, "New Jobs in West Des Moines, 2001-2008" identifies job losses in the retail sector, reflecting the broader Polk and Dallas County geographies.*

BUSINESS AND JOB GROWTH

CHANGE IN NUMBER OF WEST DES MOINES EMPLOYERS AND JOBS, 2000-2008

	2000	2004	2008	% Change ('00-'08)
Number of Employers	1,175	2,286	2,541	116.3%
Number of Jobs	30,674	45,068	52,574	71.7%

Source: Iowa Workforce Development, City of West Des Moines

NEW JOBS IN WEST DES MOINES*, 2001-2008



* Dallas and Polk Counties
Source: BLS Quarterly Census of Employment and Wages

ECONOMIC SCAN

EMPLOYMENT & UNEMPLOYMENT

Labor force figures reflect the number of West Des Moines residents who are either employed or unemployed and looking for work; this is different than the number of jobs. The labor force in West Des Moines has grown steadily for the past twenty years. Since 2000, the labor force of the city has grown by 16.2 percent.

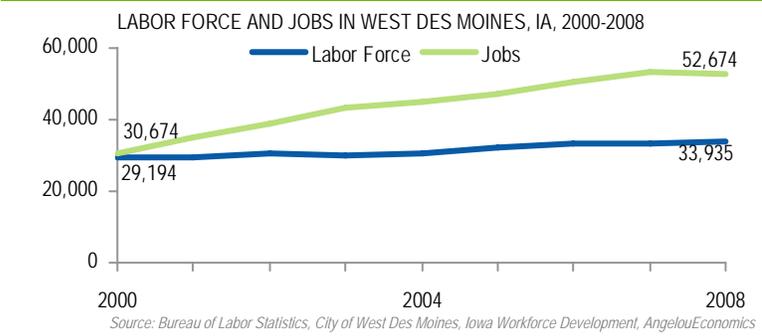
The number of jobs in the city has far outpaced the resident labor force, growing 72 percent between 2000 and 2008.

Local unemployment rates during the recession are further evidence of the strength of the city's economy. While the nation's unemployment has climbed upwards of 9 percent in recent months, West Des Moines' current unemployment rate – 3.7 percent for May 2009 – is remarkably low.

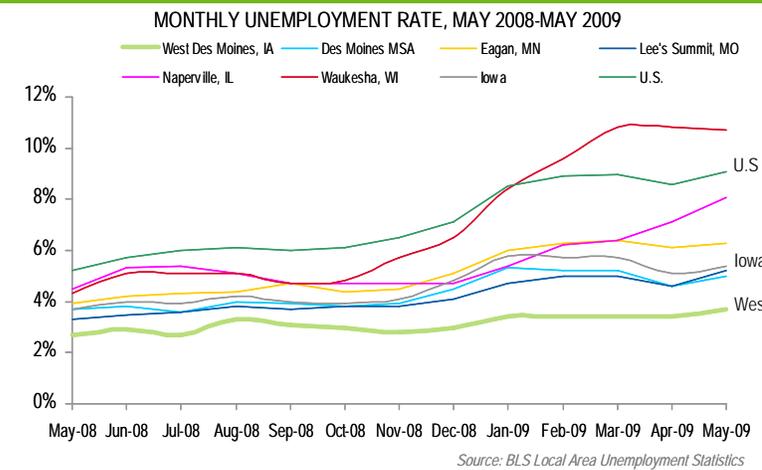
West Des Moines has fared far better than both the Des Moines-West Des Moines MSA and the State of Iowa. During the past year, West Des Moines has had considerably lower rates of unemployment than any other benchmark community and has remained unusually stable considering the current environment of economic uncertainty.

Historically, West Des Moines has maintained lower unemployment than any other benchmark community for nearly the entire duration of the period from 1990 to 2008, marking an important accomplishment for the city. West Des Moines unemployment has remained well below state and national figures as well.

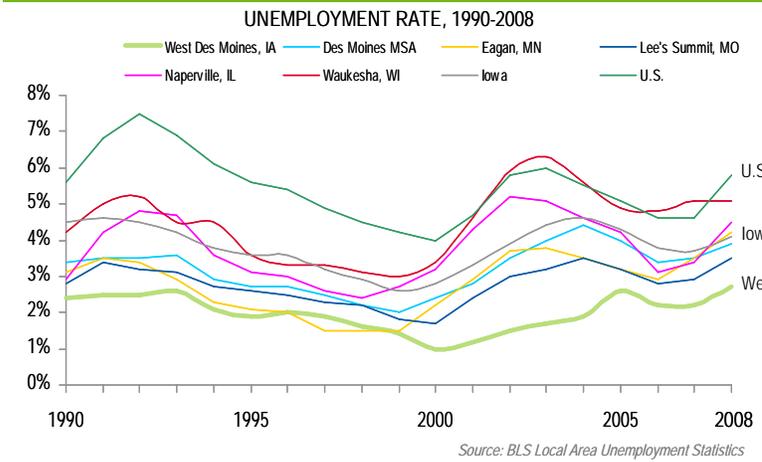
LABOR FORCE AND JOBS



UNEMPLOYMENT RATE



UNEMPLOYMENT RATE



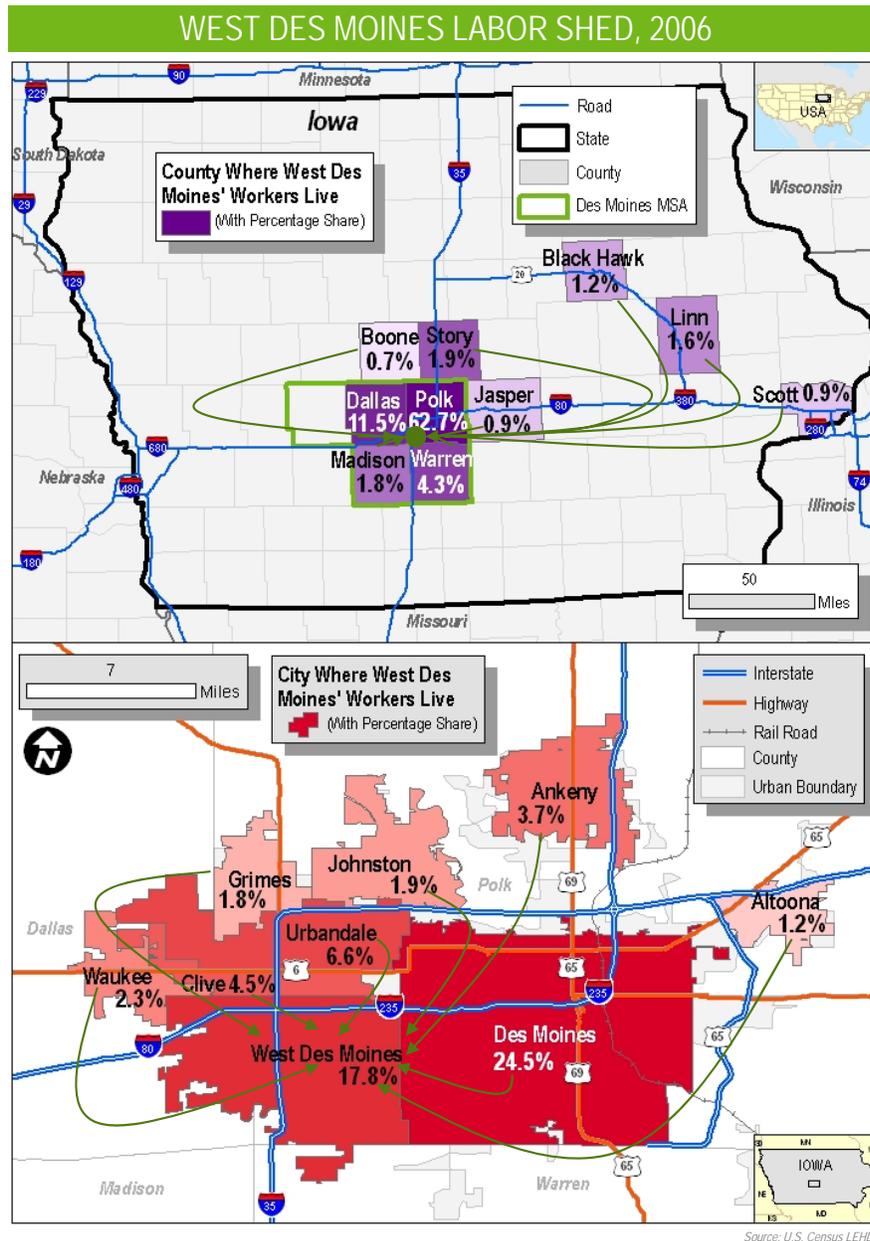
ECONOMIC SCAN

COMMUTING PATTERNS

This section examines the city's labor shed and commuter shed, both of which are indicators of regional interdependencies. With over 80 percent of West Des Moines' workforce coming from other cities in the region, it is clear that the health of West Des Moines' economy is closely tied to the health of the larger area.

A community's *labor shed* is the area from which it draws its commuting workers. The maps below portray where people who work in West Des Moines actually reside.

West Des Moines' largest employers pull their workforce from across the region. Over 24 percent of workers employed in West Des Moines live in Des Moines, almost 7 percent live in Urbandale and 4.5 percent commute from Clive. Approximately 18 percent of West Des Moines' workforce is made up of West Des Moines residents.



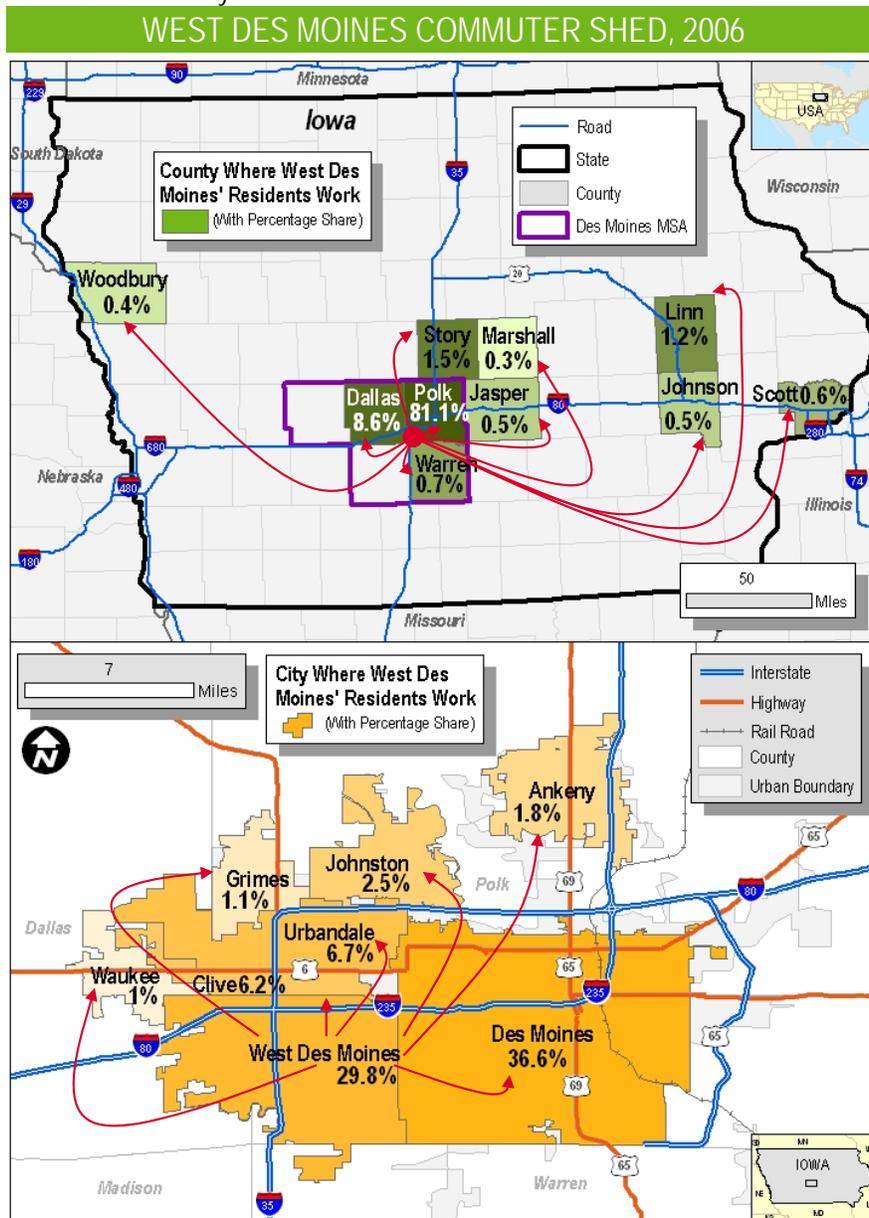
ECONOMIC SCAN

A community's *commuter shed* is comprised of all the areas where residents work. The maps below portray where West Des Moines residents are employed.

West Des Moines is a community that functions as part of a larger region—the Des Moines-West Des Moines Metropolitan Statistical Area (MSA). Workers from throughout the region commute to other cities to work every day. About 70 percent of working West Des Moines residents leave the city for work, again emphasizing the interdependent nature of the local and regional economies.

"[P]artnering with the city of Des Moines in [a regional effort] to increase overall quality of life for residents of metro."
Business owner, in a survey response, identifying the most important issue to her business success

Many people who live in West Des Moines commute to Des Moines, Urbandale or Clive for work. Thirty-seven percent of West Des Moines' employed residents commute to Des Moines, almost 7 percent work in Urbandale and over 6 percent work in Clive. Just 30 percent of West Des Moines residents work within the city.



Source: U.S. Census LEHD

ECONOMIC SCAN

ECONOMIC TRENDS SUMMARY

- ✓ West Des Moines has a strong industry concentration in financial services which, with its high wage base and historically high earnings, is a major asset for the community. Additional opportunities are already arising in the city in emerging sectors with ties to finance and insurance (e.g. health care IT, software, etc)
- ✓ West Des Moines, and the larger region, have experienced strong cross-sector job growth in recent years, although, as in many communities throughout the state, have also experienced a decline in manufacturing.
- ✓ The strength of labor force conditions are a clear advantage, specifically the percentage of employed workforce. Unemployment rates are exceptionally low in this recessionary climate and are consistently lower than state and national averages.
- ✓ Existing regional interdependencies, evidenced by the labor and commuter shed analyses, will play an important part in the economic future of West Des Moines.

ECONOMIC SCAN

BUSINESS CLIMATE AND SITES & INFRASTRUCTURE

This indicator area measures the capacity of the region to support business expansion and development opportunities. It identifies factors (outside of workforce development) most critical to small, medium, and large employers in deciding where to locate or expand operations.

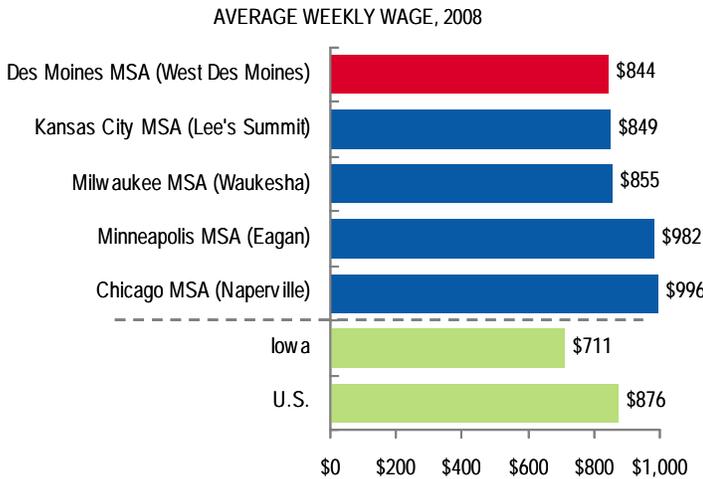
Overall, the business climate in West Des Moines is very good. Costs are relatively low and most importantly, the city has been out in front on significant major infrastructure projects. Stakeholder groups – from regional real estate developers to utility representatives to private sector leaders – overwhelmingly praised the city for its responsiveness and its efforts in creating an environment that is favorable to responsible growth.

LABOR COSTS

Average weekly wages in the Des Moines-West Des Moines MSA² are the lowest of all the benchmarks and the national average, although they are much higher than the state average. While the Des Moines wages are only very slightly lower than in Kansas City or Milwaukee, they are 15.3 percent less than wages in the Chicago MSA.

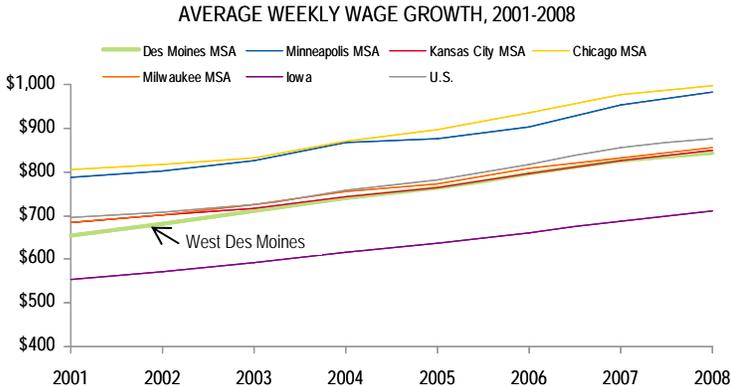
Importantly, however, wage growth has followed a similar growth trajectory. Wages in the Des Moines-West Des Moines MSA grew 29 percent between 2001 and 2008, faster than wage growth in any other benchmark, the state or the country. This is most likely due to the area's successful efforts to fortify its economic base over the past several years particularly by recruiting and expanding higher-paying health care, insurance and financial sector firms.

AVERAGE WEEKLY WAGES



Source: Bureau of Labor Statistics

WAGE GROWTH



Source: Bureau of Labor Statistics

² Wage data from the Bureau of Labor Statistics is not available on the local level so to analyze labor costs, the MSA is used

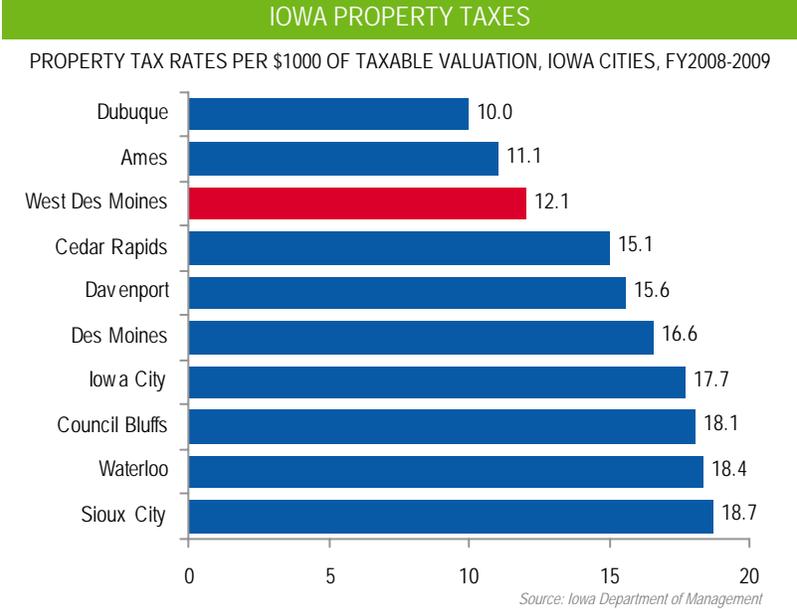
ECONOMIC SCAN

TAX STRUCTURE

Tax burden can be a pivotal factor in a company's site location decision. Competitive tax rates are important to business attraction at varying degrees based on a company's stage of development. Manufacturers and many service companies, for example, are highly sensitive to tax rates and incentives.

According to The Tax Foundation's annual analysis, Iowa, in general, has a favorable tax burden, ranking near the top (42nd, 40th) in state/local corporate income tax and sales tax receipts, respectively. The state is not as competitive in terms of property tax (21st) receipts per capita.

Community stakeholders identified a concern regarding the city's real and personal property tax that residents face. While the property taxes in West Des Moines are competitive when compared to other major cities in Iowa, property taxes in the state are higher than many other states in the nation.



Property taxes in West Des Moines are collected at the city, school district, and county levels. For citizens of West Des Moines, this means that the average total property taxes levied per \$1000 of assessed value in 2008 ranged from \$36.79 to \$41.07 depending on the county where the property is located.

WEST DES MOINES AND BENCHMARK TAX STRUCTURE

	West Des Moines, IA	City of Des Moines, IA	Eagan, MN	Lee's Summit, MO	Naperville, IL	Waukesha, WI
Corporate Excise Tax (State)	Up to 12%	Up to 12%	9.8%	6.3%	7.3%	7.9%
Personal Income Tax (State)	Up to 9%	Up to 9%	Up to 7.9%	Up to 6%	3%*	Up to 7.6 %
Sales Tax (Effective)	7.00%	7.00%	6.50%	7.60%	7.25%	5.10%
City Property Tax Per Capita	\$448.20	\$594.04	\$296.34	Not available	\$122.85	\$683.57

* Note: Illinois personal income tax is applied to federal adjusted gross income with modification.

Sources: City of West Des Moines, City of Des Moines, City of Eagan, City of Lee's Summit, City of Naperville, City of Waukesha, The Tax Foundation

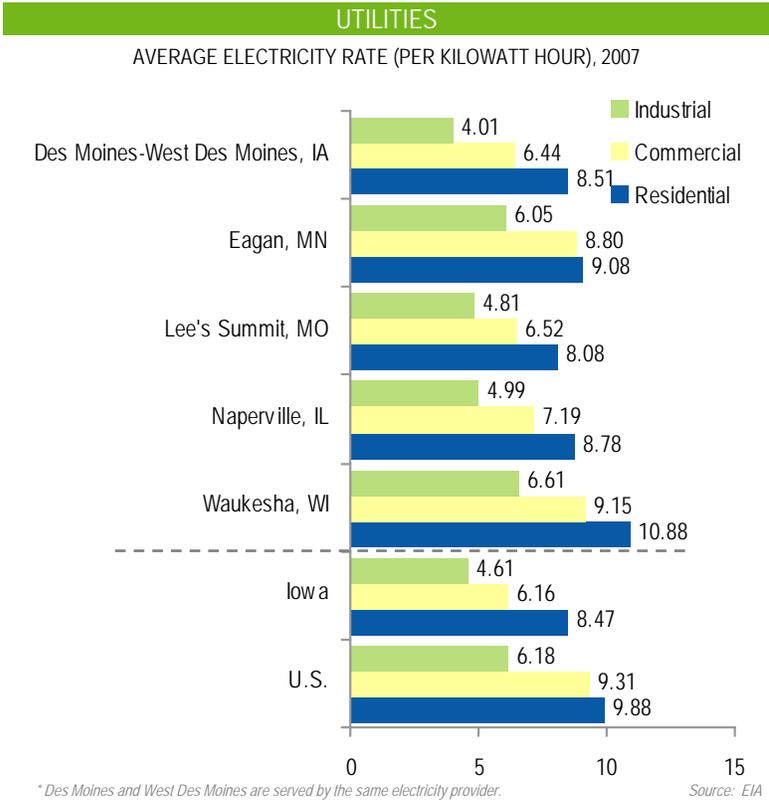
The City of West Des Moines relies heavily on property taxes for revenue. Property taxes account for \$29.5 million, over 71 percent, of the city's general fund operating revenues for the FY 2009-2010 budget. TIF revenues make up just over half of the \$24.7 million special revenues fund.

ECONOMIC SCAN

UTILITIES

Companies today work in the digital world and consume large amounts of power; therefore, affordable and reliable electricity is of utmost importance. Reliable telecommunications can be equally important for certain industries. Utilities are even more important to high value-added manufacturers and data centers, the latter of which can use 50 megawatts of electricity, and more than three million gallons of water per day.

MidAmerican Energy is the electricity provider for both the Des Moines and West Des Moines areas. These cities enjoy extremely competitive electric rates for all levels of service. Such competitive industrial and commercial electricity rates are very attractive to companies seeking to relocate and are part of the reason that Microsoft identified West Des Moines as a potential target for a large data center project. West Des Moines area commercial and residential rates also compare favorably with rates in benchmark cities.



* Des Moines and West Des Moines are served by the same electricity provider.

Source: EIA

INCENTIVES

In recent years, the use of incentives to attract jobs and investment has become widespread throughout the country. While companies base their relocation and expansion decisions on the underlying characteristics of the site and the surrounding workforce, the competitiveness of an incentive package will often be the decisive factor, taking a community from the "short list" to the final target in a firm's site selection process.

Competitive incentives utilized by West Des Moines – the Industrial Tax Abatement program, tax rebate program for office projects, Tax Increment Financing (for public infrastructure), and the state Community Economic Betterment Account (CEBA) are important. However, several issues arise: 1) these programs have been used sparingly (tax abatement and rebate programs haven been used only a handful of times); 2) in the case of CEBA , they require matching funds yet there is no dedicated source of city funding; 3) most programs are tied specifically to job growth – and not to commercial redevelopment efforts which is a particularly important issue for West Des Moines; and 4) incentive programs are not yet strongly tied to the attraction and retention efforts of specific targeted industries including for small business purposes.

While West Des Moines has fared quite well with business attraction efforts, incentive options may need to be expanded as the city continues to grow and attempts to stay competitive.

ECONOMIC SCAN

Incentive options – aimed at business attraction as well as retention and expansion – will be reviewed in more depth in the next steps of this project. Targeted property tax abatement, real estate incentives and purchase options, and infrastructure provision are common incentive packages being offered by cities of similar sizes and may make sense for West Des Moines.

ECONOMIC SCAN

SITES & INFRASTRUCTURE

The decision to locate or expand in a region is first predicated by the availability of the land and real estate necessary to accommodate the new business. Clearly, manufacturing and distribution companies are most sensitive to site availability and cost, while service companies tend to prefer existing buildings. Economic development efforts to attract certain industries should be aligned with the inventory of sites available to serve those industries' requirements.

WEST DES MOINES REAL ESTATE (Q1 2009)

	Rentable Area (SF)	Vacant (SF)	Vacancy Rate	Net Average Asking Lease Rate (\$ per sq ft per year)	Net Absorption (sq ft)
Office	8,645,080	951,969	11.0%	\$13.64	-139,419
Retail	7,109,544	329,245	4.6%	\$16.64	14,817
Industrial	1,780,284	0	0%	\$6.10	0

Source: CoStar, City of West Des Moines

Overall, West Des Moines' real estate market is very strong, especially within the context of the larger national recession that has severely impacted demand across office, retail and industrial sub-markets. The city has a substantial amount of office and retail inventory with upcoming office construction for Aviva USA headquarters which consists of 394,000 SF in the first phase of the 1,300,000 SF of the ultimate campus and a Hy-Vee corporate headquarters expansion adding 21,445 SF of space. Vacancy rates within retail and industrial markets are extremely low.

DES MOINES MSA OFFICE SPACE (Q1 2009)

Regional Market	Total Office Space (SF)	Class A Office Space (SF)	Total Buildings	Occupancy Rate (%)	Absorption (SF)
Western Suburbs	12,452,639	7,871,815	329	87.4%	-66,203
CBD Core	9,898,392	5,629,982	56	92.5%	352,757
CBD Fringe	2,361,941	254,862	64	88.8%	-138,243
Northwest Des Moines	908,429	79,296	60	84.0%	-46,794
Northeast Des Moines	395,422	0	25	94.3%	9,552
South Des Moines	452,133	0	23	96.4%	7,544
Ankeny	416,069	0	31	86.8%	67,599
Greater Des Moines (total)	26,885,025	13,835,955	588	89.6%	186,212

Source: CBRE

The office market vacancy rates have climbed from 7 percent in 2007 to 11 percent in the first quarter of 2009, certainly a reflection of the down economy as well as the movement of some company operations into built-to-suit headquarters and vacating their previous rental space. This is an issue of growing importance because a significant amount of office space is continuing to come online. New office space was also delivered recently in

ECONOMIC SCAN

West Glen's Promenade Plaza, the Jordan Creek Office Park, the River Glen development near DMACC West and the Greenway Crossing Development, where a LEED certified office building is slated to open this year. The Western Suburbs submarket is the strongest in Des Moines for office space, offering far more office buildings than any other micro-area.³ West Des Moines' office space dominates the Western Suburbs submarket, accounting for 70 percent of the inventory.

DES MOINES MSA RETAIL SPACE (Q1 2009)

Regional Market	Neighborhood & Community Center Inventory (SF)	Neighborhood & Community Center Occupancy Rate (%)	Neighborhood & Community Center Absorption (SF)	Big Box Inventory (SF)	Big Box Occupancy Rate (%)	Big Box Absorption (SF)
Western Suburbs	3,453,634	74.6%	7,422	4,754,873	95.3%	164,159
CBD Core	98,000	96.7%	-2,842	N/A	N/A	N/A
CBD Fringe	N/A	N/A	N/A	N/A	N/A	N/A
Northwest Des Moines	727,573	84.0%	357	428,431	90.2%	-4,284
Northeast Des Moines	768,759	74.4%	63,886	1,464,904	97.9%	92,829
South Des Moines	616,938	71.1%	-41,248	1,302,093	91.7%	7,813
Ankeny	605,738	81.0%	24,530	1,280,270	97.5%	42,523
Greater Des Moines (total)	6,270,642	76.4%	52,105	9,230,571	95.3%	303,040

Source: CBRE

West Des Moines also dominates the Western Suburbs submarket in retail space inventory, accounting for 87 percent of all retail square footage in the area. In fact, West Des Moines' retail space makes up 46 percent of the Greater Des Moines retail inventory. Despite the economic down turn, new inventory has continued to come online and as a result, occupancy rates are suffering, especially in neighborhood and community centers. Big box retail occupancy rates in Western Suburbs are consistent with MSA trends, although they are lower than the occupancy rates in either Northeast Des Moines or Ankeny.

Much of the retail activity of late has taken place in close proximity to Jordan Creek Town Center. Occupancy rates in Jordan Creek are much higher than any of the other regional malls in Des Moines. Valley West Mall, while experiencing higher occupancy than most other malls, has a lagging occupancy rate. To ensure the sustainability of West Des Moines' retail sector, it is crucial that continuing attention be paid to older neighborhood and community centers, such as Valley Junction and more established retail centers, such as Valley West.

DES MOINES MSA REGIONAL MALL OCCUPANCY (Q1 2009)

Regional Mall	Inventory (SF)	Total Stores	Occupancy
Southridge Mall (Des Moines)	891,000	119	77.8%
Valley West Mall (West Des Moines)	910,000	132	90.5%
Jordan Creek Town Center (West Des Moines)	979,000	138	97.2%
Merle Hay Mall (Des Moines)	1,163,000	135	86.0%
Greater Des Moines (total)	3,943,000	524	88.0%

Note: These figures reflect only the enclosed mall sites and do not include detached sites.

Source: CBRE

³ The Western Suburbs submarket encompasses West Des Moines, Clive, Urbandale, Windsor Heights, Johnston, Grimes, Waukee and some unincorporated areas of Polk, Dallas and Warren Counties.

ECONOMIC SCAN

With only 1.8 million square feet of industrial space, the inventory in West Des Moines is limited. However, the space that does exist has extremely high occupancy rates. In 2008, there was no available space as the occupancy rate was 100 percent every quarter.

DES MOINES MSA INDUSTRIAL SPACE (Q1 2009)

Regional Market	Warehouse Inventory (SF)	Warehouse Occupancy Rate (%)	Warehouse Absorption (SF)	Manufacturing Inventory (SF)	Manufacturing Occupancy Rate (%)	Manufacturing Absorption (SF)
Western Suburbs	8,601,882	92.1%	136,897	3,002,824	98.9%	56,156
CBD Core	0	N/A	N/A	0	N/A	N/A
CBD Fringe	2,272,253	70.3%	-192,870	342,371	85.7%	62,672
Northwest Des Moines	1,314,065	89.3%	64,999	846,444	94.0%	0
Northeast Des Moines	12,201,840	91.1%	101,426	5,983,779	98.1%	197,639
South Des Moines	3,481,298	97.4%	-37,409	1,169,662	88.3%	-61,627
Ankeny	2,846,335	96.9%	81,282	1,534,913	99.8%	0
Greater Des Moines (total)	30,717,673	91.0%	154,325	12,879,993	97.0%	254,840

Source: CBRE

Both the number and value of permits were on the rise in West Des Moines in 2008; the value of all permits that year was \$490 million. Also in 2008, over 1.6 million square feet of office space was constructed, the most office construction ever experienced in one year in West Des Moines.

Residential construction in West Des Moines was at its greatest level in 2002, when over a thousand units were constructed. Commercial construction in the city was strongest during 2003 and 2004, with another building boom in 2008.

The current recessionary environment has had an adverse impact on new construction across the country. Figures for the first half of 2009 (January through July) indicate that construction in West Des Moines will have slowed significantly compared to the previous year. If construction continues at its current pace, there will be \$52 million and \$12 million in residential and commercial valuation respectively, as few as 270 residential permits issued and just 46,000 square feet of commercial space permitted.

WEST DES MOINES RESIDENTIAL BUILDING PERMITS



Source: City of West Des Moines

WEST DES MOINES COMMERCIAL BUILDING PERMITS



Source: City of West Des Moines

ECONOMIC SCAN

PHYSICAL INFRASTRUCTURE

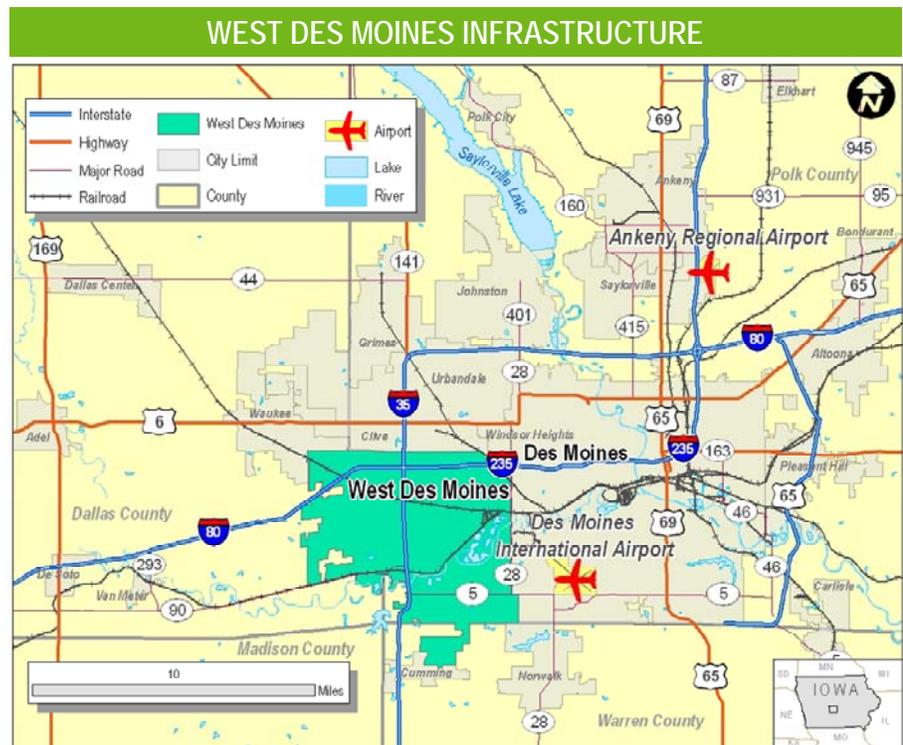
There is no doubt that investments in basic infrastructure components such as railroads, highways, and ports, as well as communication infrastructure such as broadband and wireless, are critical to addressing complicated local and regional economic development challenges. Technology companies and professional services firms (highly prevalent in West Des Moines) look for high quality buildings in office parks that provide a high level of infrastructure and service. Many progressive companies will desire a cluster of like-minded firms and buildings, with adequate buffer from non-compatible uses, clear access to major highways, and often on-site amenities such as hike and bike trails, fitness centers, and cafeteria and nearby entertainment amenities.

The city has an exceptional reputation for being out in front on infrastructure development and for its efficient city regulatory processes – all of which have supported a historically strong office market. Real estate developers, utility representatives, and private sector leaders overwhelmingly agree that the city has done an excellent job in anticipating and coordinating efforts and identified few water, wastewater, broadband, or road issues currently.

As the city continues to grow, however, (in population, square miles, and in new/expanded businesses) and build out the city, increased coordination will be critical. This is especially true for strategic areas like the Iowa-5 corridor and the additional office and industrial opportunities that it provides.

Transportation accessibility and ease of mobility is one of West Des Moines' most important strengths. Many people cite good transportation access as one of the advantages of living and doing business in West Des Moines. Short commutes, about 17 minutes on average, are evidence of the ease of moving both within West Des Moines and from West Des Moines to other parts of the Des Moines area. The West Des Moines area is served by all major modes of transportation, including three major interstate highways (I-35, I-235, and I-80).

One critical asset for the region, the Des Moines International Airport (which handles nearly a million enplaned passengers each year) is less than 10 miles away from the center of West Des Moines. However, the airport is not a hub and experiences far less traffic than other regional airports in the Midwest, such as Kansas City International and General Mitchell International in Milwaukee. Des Moines International has initiated an expansion that includes building an additional runway and acquiring surrounding property; the \$57 million project is not expected to begin until 2011.⁴



⁴ "DSM among many Iowa airports getting federal funds", *The Globe Gazette* (online edition), May 30, 2009.

ECONOMIC SCAN

SMALL BUSINESS AND ENTREPRENEURSHIP DEVELOPMENT

Although discussed more broadly in other sections of this report, one of the most critical opportunities as identified by survey respondents and community leaders was for increased support (e.g. financial and other) for small businesses and “lifestyle” entrepreneurs (in addition to higher-tech start-ups). This becomes an increasingly important sub-group in a down economy, as attracting “new” business locates becomes even more competitive. The city

“I would like to see programs to get more independently and locally owned businesses and restaurants in West

Des Moines.”

Small business owner and survey respondent

has had great success in attracting larger corporate operations but there is some sentiment among business owners and other stakeholders that business retention and expansion efforts with smaller, locally-owned companies may be less of a priority for the city.

“There is...very little assistance for small businesses. If I am not Aviva or Wells Fargo - I [don't always get my voice heard].”

Small business owner and survey respondent

BUSINESS CLIMATE AND SITES & INFRASTRUCTURE SUMMARY

- ✓ Historically, the city enjoys a reputation as having a very strong business climate. The city has done an excellent job of staying ahead of growth by ensuring appropriate infrastructure is in place. As the city grows it will need to ensure that it has the necessary water, electricity, and gas to meet demand.
- ✓ Labor costs are low which can be appealing for new and existing businesses – however, lower wages also mean difficulty in attracting and retaining talent who can pursue similar opportunities elsewhere for higher wages.
- ✓ West Des Moines has a competitive tax structure, especially when compared to regional competitors. However, property taxes in the Midwest are higher than in some other areas in the U.S.
- ✓ Utilities are generally inexpensive although new federal policies (e.g. cap-and-trade) may create some volatility.
- ✓ Additional incentive tools may be required as target industries are identified.
- ✓ The proximity of West Des Moines to the Des Moines International Airport is an advantage and is certainly a crucial asset toward developing along the Iowa-5 corridor. There is concern, however, about the lack of direct national and international flights.
- ✓ The real estate market in West Des Moines is strong, especially in office and retail space.

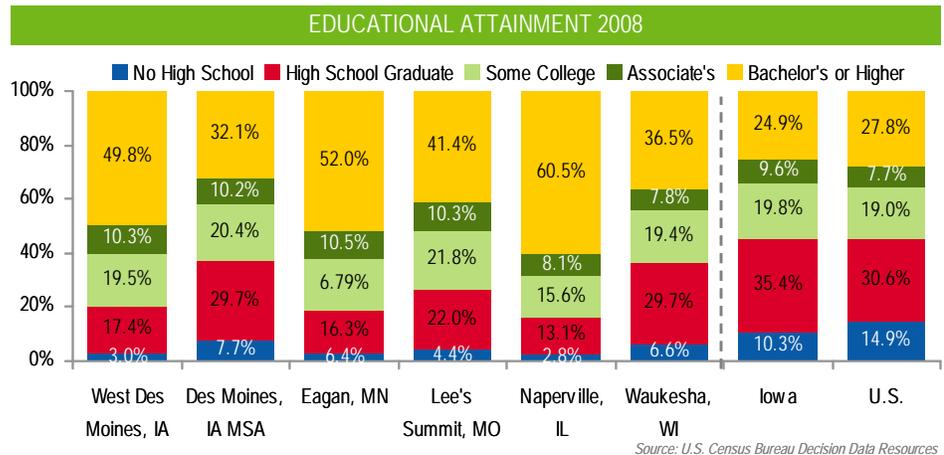
ECONOMIC SCAN

HUMAN CAPITAL AND INNOVATION

This section assesses West Des Moines' base of available and skilled professionals to support an innovation-driven economy. Educational attainment – the number and percentage of residents receiving an advanced degree – is one indicator, as is the type of degree received. Areas with an established pipeline of young professionals with advanced degrees in science, technology, engineering and math programs, for example, will provide a deep talent base upon which to recruit and nurture high-impact and competitive industries. In addition, the quality of K-12 systems that provide young people foundational skills and expose them to different career options is critical to developing the region's overall human capital.

EDUCATIONAL ATTAINMENT

With nearly 50 percent of the adult population holding a bachelor's degree or higher, West Des Moines has higher levels of educational attainment than the MSA, Iowa, and the U.S. The city also has higher levels of educational attainment than two of the benchmarks – Lee's Summit, MO and Waukesha, WI.



West Des Moines, the percentage of the population holding a bachelor degree or higher has gone up from 41.9 percent in 1990 to 49.8 percent in 2008. This increase of 7 percentage points is consistent with state and national higher education trends.

WEST DES MOINES HIGHER EDUCATION INSTITUTIONS				
Institution	Location	Type	Awards offered	Student population
Drake University	Des Moines, IA	4-year, Private	Bachelor's degree; Master's degree; Post-master's certificate	5,617
Mercy College of Health Sciences	Des Moines, IA	4-year, Private	Less than one year certificate; One but less than two years certificate; Associate's degree; Bachelor's degree	680
Grand View University	Des Moines, IA	4-year, Private	Less than one year certificate; Associate's degree; Bachelor's degree	1,748
Simpson College	Indianola, IA	4-year, Private	Bachelor's degree; Postbaccalaureate certificate; Master's degree	2,039
Iowa State University	Ames, IA	4-year, Public	Bachelor's degree; Master's degree; Doctor's degree; First-professional degree	26,160
Central College	Pella, IA	4-year, Private	Bachelor's degree	1,605
Des Moines Area Community College - West Campus	West Des Moines, IA	2-year, Public	Less than one year certificate; One but less than two years certificate; Associate's degree	9,558 (West Campus) 62,573 (system-wide)
Upper Iowa University	Fayette, IA	4-year, Private	Less than one year certificate; Associate's degree; Bachelor's degree; Master's degree	5,143
William Penn University	Oskaloosa, IA	4-year, Private	Associate's degree; Bachelor's degree; Master's degree	1,949

Source: National Center for Education Statistics; DMACC

ECONOMIC SCAN

West Des Moines has numerous higher education assets in and around the community. Drake University, Iowa State University, and the Des Moines Area Community College (DMACC) system are excellent institutions that draw students from around the world. The DMACC West Campus, located in West Des Moines, is a state-of-the-art campus with a focus on technology simulation programming – and potentially a major asset with which to further build a technology cluster based in health care and financial services.

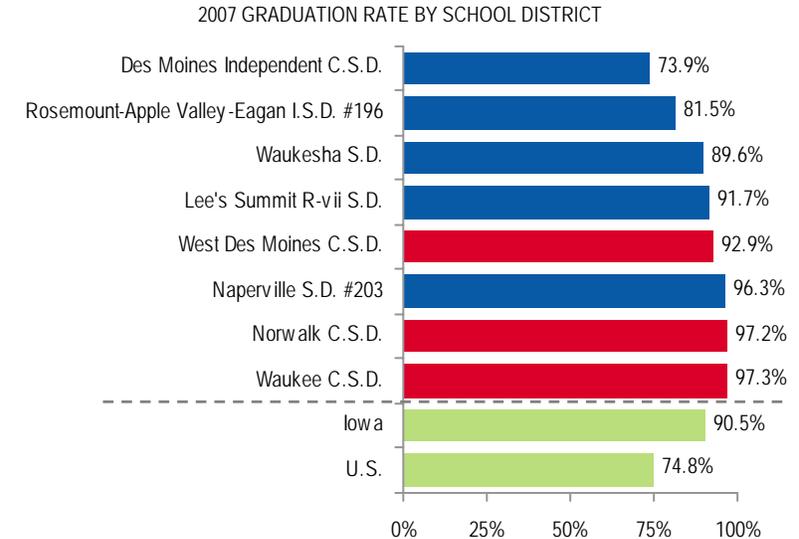
K-12 PERFORMANCE

School performance affects a community's capacity to grow its own internal workforce as well as its ability to attract new people from other areas. These in turn affect the ability of local businesses to hire and recruit top talent.

One of the most valuable assets in the West Des Moines community is the K-12 educational system. West Des Moines schools are very well regarded by community members and employers alike as indicated by survey respondents. High school graduation rates in all three districts serving West Des Moines residents, West Des Moines Community School District, Norwalk Community School District and Waukee Community School District, are exceptionally high when compared to the graduation rates of the Des Moines Independent School District and the U.S. average; it also exceeds the State of Iowa's average.

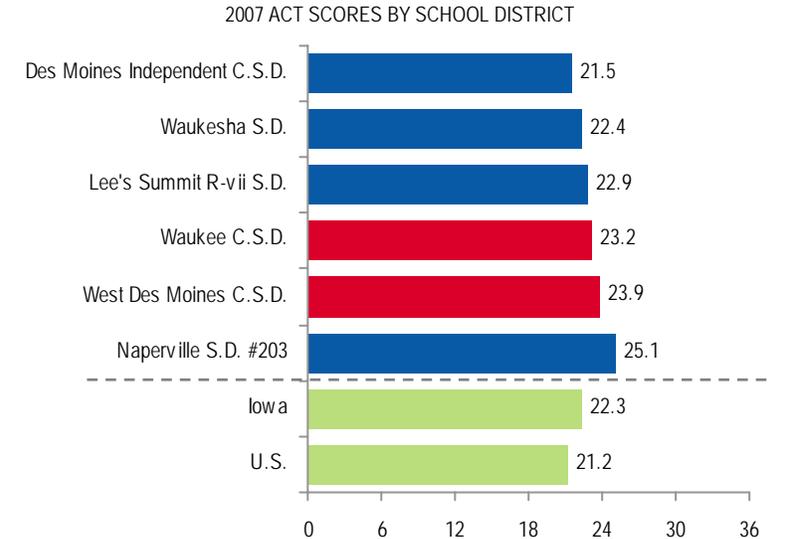
West Des Moines School District high school students taking the ACT in 2007 scored an average composite score of 23.9, higher than state and national averages. Waukee School District students also had high scores, averaging 23.2. When comparing this score to the benchmark communities, only Naperville students scored higher.

HIGH SCHOOL GRADUATION RATE



Sources: Iowa Department of Education; Digest of Educational Statistics; Wisconsin Department of Public Instruction; Illinois State Board of Education; Minnesota Department of Education; Missouri Department of Elementary & Secondary Education

HIGH SCHOOL ACT SCORES



*Scores not available for Norwalk, IA or Eagan, MN.

Sources: ACT, West Des Moines Community Schools, Des Moines Independent Community School District, Wisconsin Department of Public Instruction, Illinois State Board of Education, Missouri Department of Education

ECONOMIC SCAN

REGIONAL INNOVATION

From renewable energy to creative media, all high-wage, growing industries are dependent on technological innovation. During economic downturns, the opportunity costs of innovation are dramatically lower: commercial and industrial space cost less, workers are available, and traditional employment opportunities are diminished. Communities can successfully foster innovation by supporting human capital (education), funding pre-commercial technology (research and development), fostering intellectual property (patents), and encouraging company start-ups through venture capital.

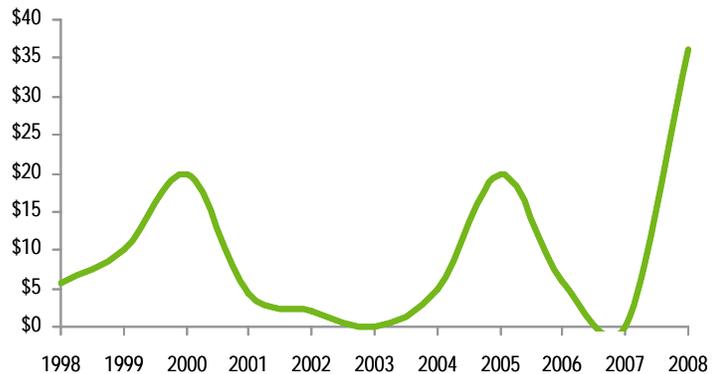
VENTURE CAPITAL FUNDING

Technology inventors and start-ups require access to business and entrepreneurial networks to get the support they need to move new technology from conception to the marketplace. Furthermore, entrepreneurs and start-ups need early stage funding to support their development, and later stage funding for hiring workers and product launches. The amount of venture capital investment, or private equity to early stage high-growth companies in exchange for company shares, is a particularly telling measure of innovation.

With recent economic challenges, investors have rebalanced portfolios and reworked investment ratios, so that less VC funding is available nationally. While 2008 was a particularly strong year for West Des Moines (due to a \$31.1 million GeoLearning Inc., deal⁵), the area has historically underperformed when compared to most of the benchmark community areas. In both 2003 and 2007, there was no venture capital funding in the area.

VENTURE CAPITAL FUNDING

DES MOINES AREA VC FUNDING (\$ MILLIONS), 1998-2008

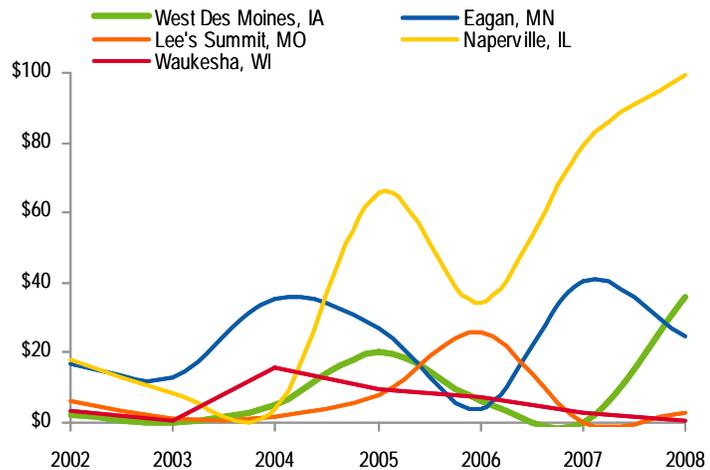


* Data represents Iowa Congressional Districts 3 & 4

Source: PWC Money Tree

VENTURE CAPITAL FUNDING

VC FUNDING (\$MILLIONS), 2002-2008



* Data represents the Congressional District(s) encapsulating the city

Source: PWC Money Tree

⁵ Dow Jones Public Equity Analyst, April 2008.

ECONOMIC SCAN

PATENTS

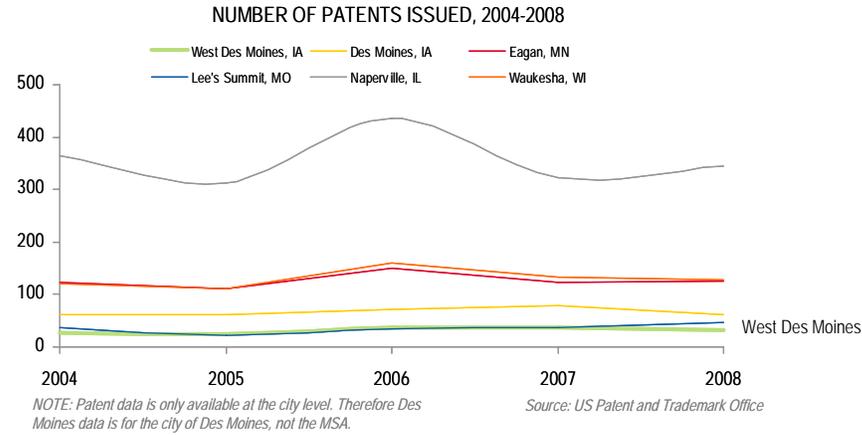
Patents play a vital role in the advancement of science and technology, fostering innovation through intellectual property. They also provide another indication of the level of research and development activities taking place in a region.

In terms of the sheer number of patents being issued, West Des Moines and Lee's Summit, MO both appear to be lagging behind other communities. In 2007, 38 patents were issued to inventors in West Des Moines, the most patents per year between 2004 and 2008.

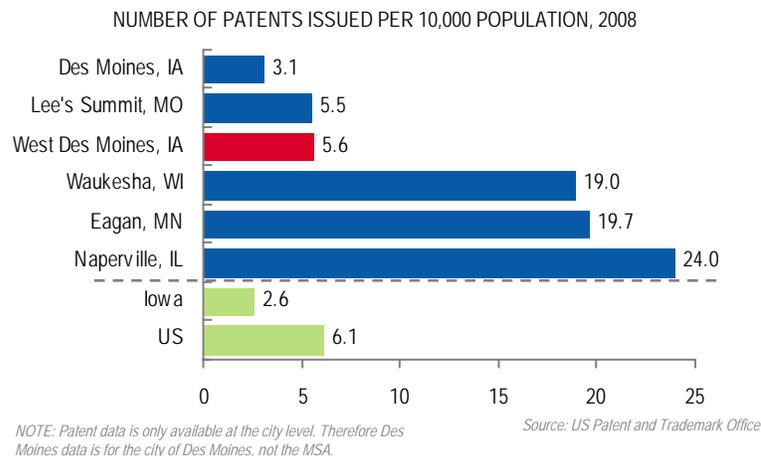
When taking into account the size of the population, West Des Moines has more patents per 10,000 people than both the city of Des Moines and the State of Iowa. However, West Des Moines trails far behind the majority of benchmarks and is even slightly behind the national figure.

Thanks in part to the state university system, Iowa ranks very high in patent generation specific to biotechnology disciplines (7th nationally) according to a leading industry research firm, Battelle. Stronger connections to this innovation opportunity may significantly benefit West Des Moines locally.

PATENTS



PATENTS



ECONOMIC SCAN

RESEARCH AND DEVELOPMENT

Funding for research and development primarily flows through universities, where new technologies are tested and often incubated before they emerge on the commercial market.

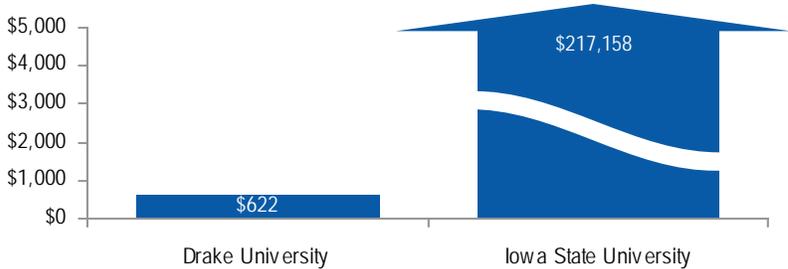
R&D expenditures for each area reflect the sum of R&D expenditures for all universities within a 50-mile radius. In the case of West Des Moines this radius includes two schools, Drake University and Iowa State University. While Drake's R&D expenditures are rather limited, Iowa State spent over \$217 million on R&D in 2007, ranking 79th nationally.

In terms of total R&D dollars spent, institutions in the West Des Moines area are bested by three of four benchmarks.

Per capita, R&D expenditures for West Des Moines exceed those in two of the benchmark communities, but fall significantly behind Naperville, IL and Eagan, MN, both of which have a number of large research institutions located within close proximity.

ACADEMIC R&D FUNDS

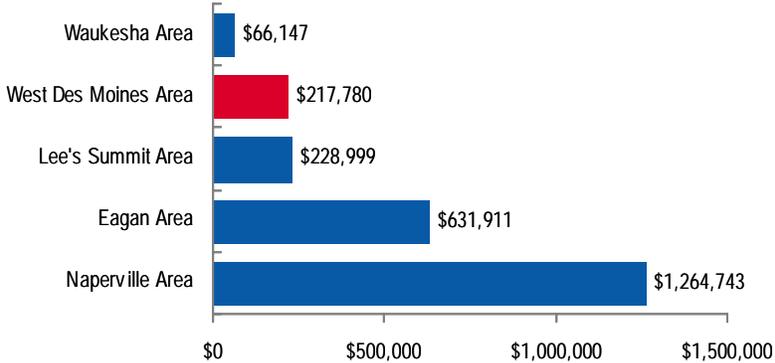
R&D EXPENDITURES BY WEST DES MOINES AREA INSTITUTION (THOUSANDS), 2007



Source: National Science Foundation

ACADEMIC R&D EXPENDITURES

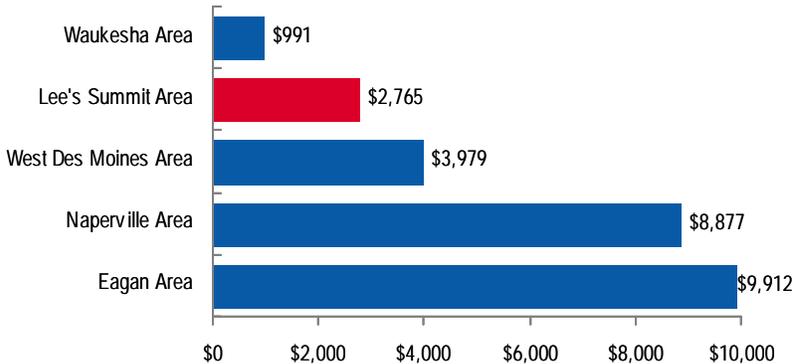
R&D EXPENDITURES BY AREA ACADEMIC INSTITUTIONS (THOUSANDS), 2007



Source: National Science Foundation

ACADEMIC R&D EXPENDITURES

PER CAPITA R&D EXPENDITURES BY AREA ACADEMIC INSTITUTIONS, 2007



Source: National Science Foundation

ECONOMIC SCAN

HUMAN CAPITAL AND INNOVATION SUMMARY

- ✓ West Des Moines has very high educational attainment levels and, with a number of premiere 2- and 4-year higher education institutions in the area, significant workforce development assets as well.
- ✓ The K-12 school systems serving West Des Moines are excellent, achieving high graduation rates and ACT scores.
- ✓ Innovation indicators for West Des Moines are mixed. Iowa ranks high as a state in terms of patent activity (especially around bio-tech and life sciences), but West Des Moines has very few patents issued each year. The city may be able to play a more active role in taking advantage of Iowa State University and other research outlets to increase local patent and innovation generation. The city's early plans to develop an incubator may play a key role in a larger entrepreneurship plan.
- ✓ There is a significant amount of R&D money flowing into the region and West Des Moines may need to strengthen partnerships with Drake and Iowa State and other systems to leverage this funding.

ECONOMIC SCAN

QUALITY OF LIFE

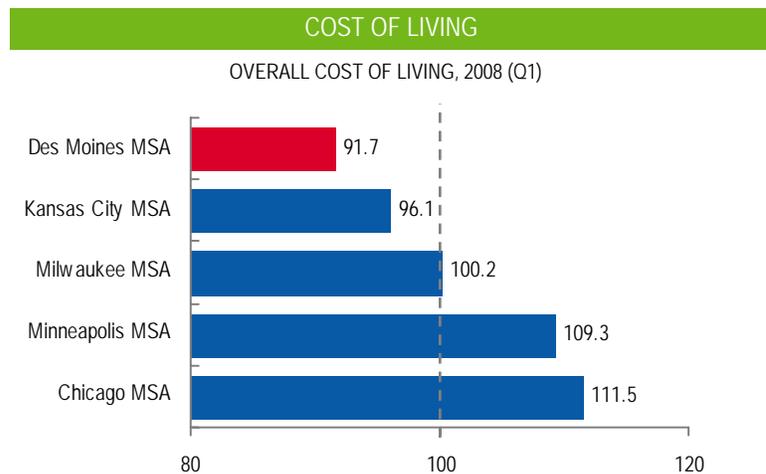
Quality of life indicators are a combination of several factors, some that are quantifiable and some that are not. Taken together they provide a picture of how attractive a place is to both live and work – a critical factor for attracting and retaining both industry and talent.

COST OF LIVING

The ACCRA Cost of Living Index identifies the composite cost of living in urban areas by examining how they compare to national averages in grocery, housing, utilities, transportation, and other costs. For example, a composite index of 95 indicates that the cost of living in the area is 95 percent of the national average.⁶ ACCRA data is provided on the metropolitan statistical area level. This is an area where the Des Moines area holds a significant advantage.

The Des Moines-West Des Moines MSA has a lower cost of living than the surrounding MSAs of any of the benchmark communities. If 100 is the national average, Des Moines' composite index score of 91.7 means that the city is quite affordable. The closest benchmark is Kansas City, which scores 4.4 points higher on the index.

Cost of living data is also broken down into more specific categories: groceries, housing, utilities, transportation, health care and miscellaneous goods and services.



Note: 100 is the national average cost of living

Source: ACCRA

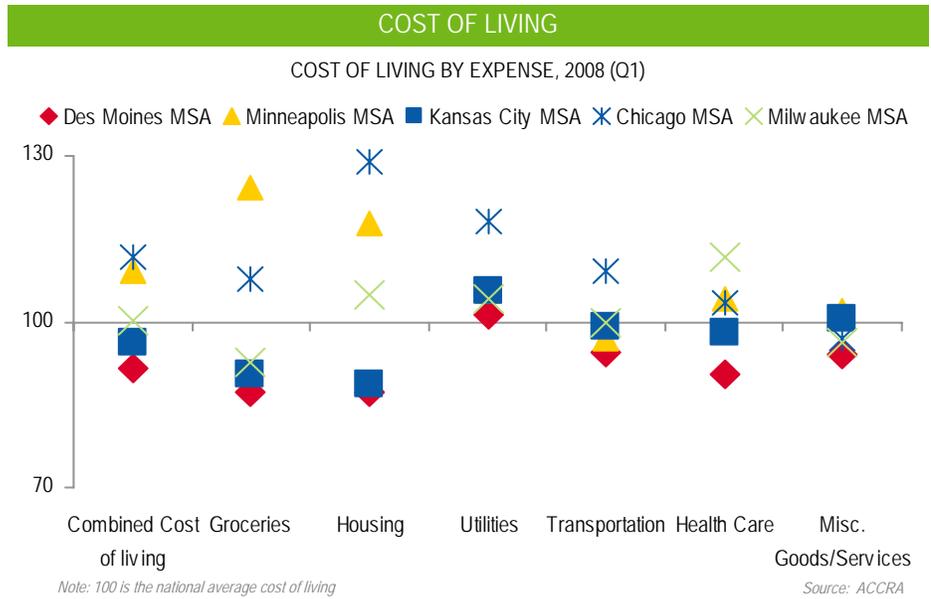
COST OF LIVING							
Urban Area	Combined Cost of Living	Groceries	Housing	Utilities	Transportation	Health Care	Misc. Goods/Services
Des Moines IA	91.7	87.4	87.2	101.4	94.4	90.3	93.9
Minneapolis MN	109.3	124.4	117.7	105.4	96.8	104.2	101.8
Kansas City MO-KS	96.1	90.5	88.8	105.4	99.2	98.0	100.7
Chicago IL	111.5	107.9	129.0	118.0	109.2	103.3	96.9
Milwaukee-Waukesha WI	100.2	92.6	104.8	104.2	99.8	111.8	96.3

Source: ACCRA

⁶ Prices are self-reported by chambers of commerce or similar organizations and participation in the survey is optional.

ECONOMIC SCAN

The Des Moines metro area not only has the lowest composite score of all the benchmarks, but it also has the most affordable scores in each individual category. Utilities in Des Moines are just over the national average, but in all other categories, Des Moines is below the 100 point average. Housing and groceries are especially affordable in the area.

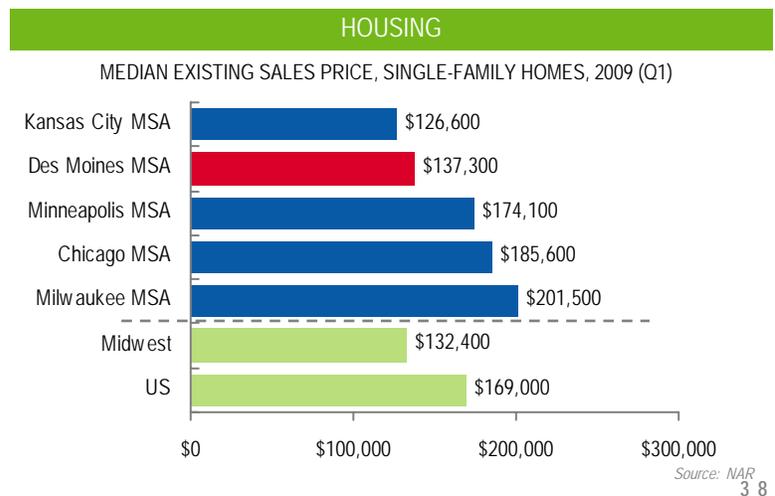


COST OF HOUSING

Housing, one of the most regionally variable costs, is also one of the largest determinants of cost of living. Rental rates and owner-occupied values must both be taken into account when evaluating the cost of housing.

With a median contract rent of \$718 per month, West Des Moines has competitive housing rental rates. Of the benchmarks, only Waukesha, WI rental units are less expensive. While West Des Moines rent is affordable when considered against national benchmarks, the Des Moines-West Des Moines MSA's average rent is \$125 per month less than in West Des Moines. This could have implications for the retention of young professionals who may consider rental costs when choosing where to live in the area.

The National Association of Realtors maintains a database of median existing sales price of single-family homes on the MSA level. The Des Moines area offers more affordable housing options than many other Midwest markets, such as Minneapolis,

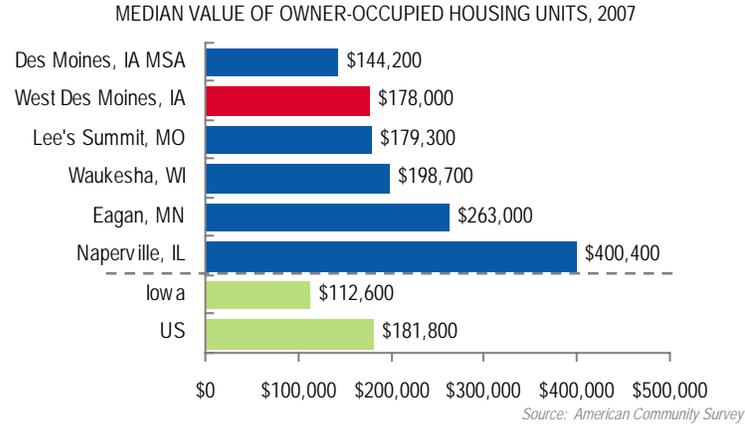


ECONOMIC SCAN

Chicago and Milwaukee. With a median existing sales price of \$137,300 in Q1 of 2009, Des Moines area homes are much more affordable than the national median price of \$169,000. Home sales prices in Des Moines are in line with the regional Midwest value.

Sales price data on the more localized level is available through the American Community Survey, but this data is self-reported so may not reflect exact market values. It does however provide insight into which markets are most expensive and which are more affordable. According to ACS data, West Des Moines is more affordable than any of the benchmarks, but more expensive than the Des Moines-West Des Moines MSA and the median value in the State of Iowa.

HOUSING

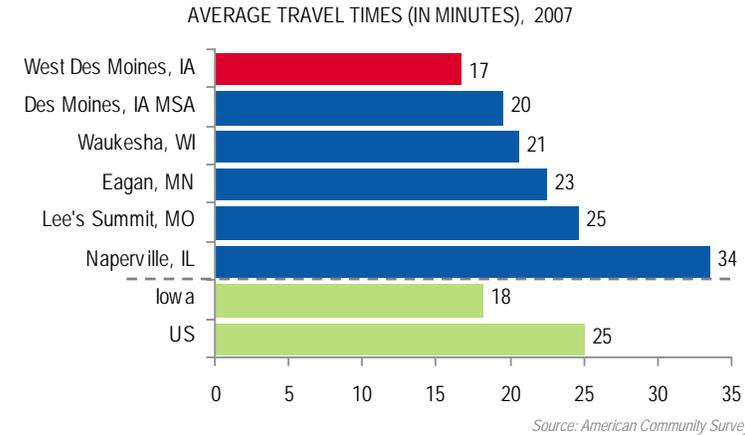


TRAVEL TIME TO WORK

The average commute in West Des Moines is 17 minutes, 8 minutes shorter than the national average. Seventeen minutes is a relatively short period of time for workers to get to their place of employment when compared to the national benchmarks.

Regionally, the commute for West Des Moines residents is less than that of residents in the entire Des Moines-West Des Moines MSA and is nearly equal to the state average.

AVERAGE TRAVEL TIME TO WORK



CULTURAL AMENITIES

Without a doubt one of the strengths of the West Des Moines' community is the availability of retail and dining options that attract residents and visitors from across the state as well as Minnesota and Missouri. Through both the construction of new centers, such as Jordan Creek and West Glen, and the redevelopment of more established centers, such as Valley Junction, the city has focused efforts on maintaining its viability as a commercial center and regional destination.

Despite the wealth of these offerings, focus group participants spoke overwhelmingly about the need for more arts in the area that could be an avenue for attracting additional visitors and, as importantly, creating a destination for younger adults. A performing arts center, more unique retail offerings, additional festivals, and a conference center were all ideas that community members contributed when discussing their desire for expanded cultural

"Older West Des Moines retail areas [need] support and promotion."
Small business owner and survey respondent

ECONOMIC SCAN

amenities. The possibility of a mass transit option linking cultural and retail amenities was also brought up as a way to maximize use of all community facilities and centers.

"We...need the arts and greenspace and bike paths and emphasis on unique but affordable living space options...to compete with other cities for youth and active retirees."

Resident survey respondent

In addition, redevelopment and revitalization of older commercial areas may be an important component of the city's economic development efforts, especially as a tool to promote small businesses and attract young professionals. As the city continues to support and promote Valley Junction's redevelopment and preservation as a local destination, other sites, such as Clock Tower Square and Governors Square can also ultimately be an important part of the city's efforts.

QUALITY OF LIFE SUMMARY

- ✓ The cost of living in West Des Moines is very competitive compared to other major Midwest cities.
- ✓ One of the area's biggest economic development competitive advantages is its transportation access and ease of mobility. Commutes in West Des Moines are short, which can be attractive to potential businesses.
- ✓ The City of West Des Moines boasts a number of excellent retail and hospitality amenities, but there is a growing demand for increased cultural and quality of life offerings that will both attract more visitors as well as create a unique "sense of place" for current residents.

PROJECT NEXT STEPS: IDENTIFYING INDUSTRY CLUSTERS

This section of the report is a window onto the next steps of the project, which involve identifying and analyzing target industries. The next report will identify which industries and specific niche industries are not only strong today, but will continue to grow in the future – thus making them potential economic development targets. The following industries are introduced because they represent *current* strengths in West Des Moines and will be considered when choosing future targets.

Industry Cluster Information

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 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.

AngelouEconomics has defined 35 standard industry clusters to categorize businesses according to their final product and how these products are related to each other and integrated along the vertical supply chain. To assess the strength of a cluster in a regional economy, AngelouEconomics has calculated location factors (or quotients) for each cluster. These factors are calculated by comparing the cluster’s share of total local employment to the cluster’s national share. This location quotient will yield a value generally between 0 and 2, where a result of “1” demonstrates that the cluster commands an average (expected) share of the local economy. Cluster location factors greater than 2 indicate a strong cluster agglomeration, while those less than .5 indicate extremely weak clusters.

West Des Moines currently enjoys key cluster strength in the following industries, including:

Financial Services

With a location quotient of 3.98, financial services is the most concentrated industry cluster in West Des Moines, accounting for 14.6 percent of jobs in the city. Many national financial and insurance corporations including Wells Fargo and Aviva have chosen to expand business operations in West Des Moines, making the city a regional hub for this industry.

2009 WEST DES MOINES INDUSTRY CONCENTRATION: SIX STRONGEST INDUSTRIES (BY LOCATION QUOTIENT)

Industry	Employees	Businesses	LQ
Financial Services	4,806	320	3.98
Software & IT Services	1,714	72	3.26
Retail	5,945	467	1.52
Hotels & Entertainment	1,472	98	1.42
Eat/Drink	2,341	170	1.38
Business & Prof. Services	6,032	1,194	1.24

*Note: Aerospace & Defense has an LQ of 3.35 but is not included because there is only one business establishment in West Des Moines.

Source: Duns & Bradstreet

Software & IT Services

While Software & IT Services represent only a small percentage of West Des Moines’ business establishments, a location quotient of 3.26 indicates a local specialization in the area. Microsoft is set to break ground on a large data center project in West Des Moines soon which will drive future growth in this sector.

Retail

Employing nearly 6,000 people and accounting for 18 percent of local jobs, the retail industry is a large cluster for West Des Moines. In the past five years, with the construction of the Jordan Creek Town Center, the Galleria at Jordan Creek, the Village of Ponderosa and West Glen Town Center, West Des Moines has become a regional retail destination. Many national brands, such as Target, and Wal-mart, as well as many specialty stores, such as Sharper Image and Pottery Barn, have locations in West Des Moines.

SWOT ANALYSIS & STRATEGIC IMPLICATIONS

SWOT ANALYSIS AND STRATEGIC IMPLICATIONS

The final section of the report highlights the strengths, weaknesses, opportunities, and threats for West Des Moines, as collected through stakeholder discussions, survey information, and quantitative databases – as well as a discussion of Strategic Implications – challenges and opportunities that may be explored during the strategy development phase of this project.

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT) ANALYSIS

We define the four aspects of “SWOT” in these terms:

- **Strengths:** Issues or characteristics that can be built upon to advance current and future economic growth opportunities in West Des Moines.
- **Weaknesses:** Issues or characteristics that, if not addressed effectively, could limit current or future growth opportunities.
- **Opportunities:** Assets, events, or trends that offer West Des Moines the potential for economic growth and attraction of new industry.
- **Threats:** Obstacles, events or trends that, if not addressed effectively, could threaten the city’s economic potential and its ability to attract new industry.

WEST DES MOINES SWOT ANALYSIS	
<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Planning of infrastructure/utilities has stayed ahead of growth • Quality-of-life amenities • Destination for retail (Jordan Creek, West Glen) • Strong educational system (K-12; DMACC) • Highly educated workforce • Proximity to downtown Des Moines and greater metro area • Located at the intersection of two interstates • Impressive business attraction successes • City has fared extremely well during recession • Good roadway system • Strong financial services/insurance cluster • Growing health care cluster • Many business owners reside in WDM • City government is conducive to needs of development and business communities • Low utility rates 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • No unique image • Lack of well-designed affordable housing options • High cost of land restricts certain kinds of businesses (i.e. small business) and development • Some older commercial areas are in need of attention • Chains dominate retail/restaurant offerings • High property taxes • Little support for entrepreneurship • Disconnect between job-seekers and employers • Relatively few jobs for those with an undergraduate degree • Leapfrog development • Limited engagement between young professionals and city leadership • No easy way to move between the various retail centers on public transit
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Create more diverse housing options • Offer more tax incentives • Redevelopment/revitalization of older commercial/retail areas • Encourage diversity of population and workforce • Expand the hike-and-bike trails and connect them with the systems of surrounding neighborhoods • Increase external awareness of the City’s offerings • Facilitate a supportive environment for small businesses, entrepreneurs and start-ups • Take advantage of strategic location near the airport and along the new Iowa-5 Corridor • Increase corporate involvement in the community • Diversification of the local economy • Increase cultural amenities 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Competition with Des Moines for large office projects • Perception of West Des Moines as a generic suburb • Loss of young people to urban areas • Intermediate/business class hotel markets may be saturated (especially in down economy). Opportunities arise in more full-service areas • City will be challenged to balance residential and industry growth • Local economy could become vulnerable without diversification • Income levels, while high, are growing at a slower rate than the state and the U.S.

SWOT ANALYSIS & STRATEGIC IMPLICATIONS

STRATEGIC IMPLICATIONS

Overall, West Des Moines' recent economic development efforts have been extremely successful:

- Named by CNNmoney.com as one of the 100 Best Places to Live and Launch
- New major corporate locates and expansions including Aviva, Wells Fargo, Iowa Clinic, and Mercy West Lakes and Methodist West hospitals
- Excellent synergies between private sector, city, and development community with regard to infrastructure development and growth

However, to build on this success and maintain its competitive advantage, West Des Moines will need to address certain challenges and take advantage of specific opportunities.

The first report of the West Des Moines Economic Development Planning project evaluates the current state of affairs in West Des Moines most critical to industry growth, incorporating survey data, qualitative data collected from residents, business and community leaders and quantitative data independently compiled by AngelouEconomics. **The full report provides a baseline assessment** of the region's current economic situation and the dynamics that have shaped it.

Following is a summary of fourteen "**Issue Areas**" that fall within the report that have strategic implications for West Des Moines as it seeks to foster an economically competitive environment. Specifically, the focus is on quantitative and qualitative issues that will influence the location and retention decisions of businesses and relevant site selection consultants. Important factors include the ability to attract and retain a qualified workforce, the presence of reliable infrastructure, and a favorable business climate. The analysis is not designed to be all-inclusive, nor are the issues intended to be viewed as critical problems. Rather, it is a concise assessment of challenges and *opportunities* that can be used to develop realistic recommendations regarding the community's economic development strategy (to come at a later point in the project).

Business Attraction

Issue 1: Need for industry diversification

At 21 percent, the finance and insurance industry makes up a significant portion of West Des Moines' industry base. New locates such as Wells Fargo and Aviva have helped the city create more than 8,000 (mostly high-paying) jobs in this sector over the past eight years. However, although these firms appear to remain strong locally, the sector, nationally, has shed 300,000 jobs since June of 2008. In addition, other sectors that form the base of the West Des Moines economy (namely retail and software/IT) have also slowed significantly in the face of the recession – all of which bring to light the importance of economic "diversification" for the city.

The city's competitive advantage will lie in its ability to strengthen these existing sectors while expanding into other high-wage-job- and tax-generating industries in order to mitigate the susceptibility to future economic shocks. The next AngelouEconomics report will closely examine which mix of business sectors provides West Des Moines the best opportunities for long-term, sustainable high-wage job creation. Based on current regional strengths, as well as feedback gathered through the project survey, industries such as Hospitality/Leisure, Health Care, Life Sciences (plant science), Renewable Energy, Software/Information Technology, Light Manufacturing, and Transportation and Distribution will be reviewed closely.

SWOT ANALYSIS & STRATEGIC IMPLICATIONS

Issue 2: Limited incentives for new and existing business

In recent years, the use of incentives to attract jobs and investment has become widespread throughout the country. While companies base their relocation and expansion decisions on the underlying characteristics of the site and the surrounding workforce, the competitiveness of an incentive package will often be the decisive factor, taking a community from the “short list” to the final target in a firm’s site selection process. Competitive incentives utilized by West Des Moines – the Industrial Tax Abatement program, tax rebate program for office projects, Tax Increment Financing (for public infrastructure), and the state Community Economic Betterment Account (CEBA) are important. However, several issues arise: 1) these programs have been used sparingly (tax abatement and rebate programs have been used only a handful of times); 2) they require matching funds (CEBA) yet there is no dedicated source of city funding; 3) most state incentive programs are tied specifically to job growth – and not to commercial revitalization efforts which is a particularly important issue for West Des Moines; and 4) incentive programs are not yet strongly tied to the attraction and *retention* efforts of specific targeted industries or for small business purposes.

Issue 3: Friendly business climate with concern over tax structure

The city enjoys a reputation as having a very strong business climate including inexpensive utilities and labor, along with an efficient city regulatory process. High property taxes, in particular, however, create an increasing impediment for business, and small businesses in particular.

Workforce Development and Entrepreneurship & Innovation

Issue 4: Retaining young professionals

While the perception is that West Des Moines is losing young professionals to other communities around the country, the data suggests otherwise (e.g. favorable migration patterns, the highest percentage of 25-44 year olds of all benchmark communities, etc.). However, anecdotally, stakeholders report a difficult time in attracting and retaining educated twenty-somethings due to lower wage levels, limited diverse job opportunities, and few cultural amenities targeted to that population.

Issue 5: Meeting specific skill needs

In the past eight years West Des Moines has created over 20,000 jobs in industries that require a mix of highly skilled workers. With two new hospitals, expansions in the finance industry and the prospect of a Microsoft data center in the city, West Des Moines should be proactive in ensuring that its workforce has the skills and competencies to take advantage of these job opportunities. As the Des Moines Area Partnership, DMACC, and other area institutions continue to assess specific occupational demand for these industries and identify potential program enhancements, West Des Moines must be an active player to ensure that its own employers can find qualified workers within the local region. Jobs such as nurse practitioners, physicians, risk management officers, financial managers, systems architects, and database engineers were all mentioned by West Des Moines employers as occupations that are growing and difficult to fill locally. (The next AngelouEconomics report will also look more closely at high-growth occupations within target industries).

Issue 6: Limited access to capital and resources are inhibiting entrepreneurial activity

Although the West Des Moines region has a growing technology foundation, particularly as it relates to health care and financial services, the availability of capital and other resources for emerging high-tech start-ups are limited. This type of activity requires considerable resources including venture capital, angel funding, and support networks. Data trends indicate (and local stakeholders validated) that the region lags in each of these categories. Future efforts must focus on identifying capital and resource opportunities to assist these emerging, high impact opportunities. Regional progress has been made, but mainstream support is needed to improve success. The incubator concept that the city is exploring may be an important strategic component of a larger entrepreneurship plan.

SWOT ANALYSIS & STRATEGIC IMPLICATIONS

Issue 7: Tapping into Iowa State University innovation

West Des Moines' relationship with higher education institutions, especially Iowa State University, will be critical to the city's economic future. With \$217 million of R&D funding and scientific breakthroughs in disciplines such as plant and animal science, the University provides a great regional asset with which to leverage via technology transfer opportunities, supplier relationships, and workforce development.

Issue 8: Working with K-12 to ensure students are exposed to available regional careers

As the city continues to position itself for growing and retaining high-wage industry opportunities, it will be important to better integrate the K-12 system into larger economic development initiatives – especially as the city continues to pursue and retain businesses (health care, high technology, advanced manufacturing, financial services) that need workers with critical engineering, technology, and math backgrounds. Cultivating this talent, locally, from an early age will be important. Private sector representatives unanimously agreed that more can be done to connect area employers to the K-12 school systems to get students interested in region-specific careers.

Sites & Infrastructure

Issue 9: Ensuring infrastructure development continues to be coordinated and out in front of near-term business attraction efforts, while in line with the longer-term updated comprehensive plan

The city has an exceptional reputation for being out in front on infrastructure development and for its efficient city regulatory processes – all of which has supported historically strong office and retail markets. The timing of this economic development plan and the city's comprehensive plan is fortunate ensuring that foundational assets including utilities, zoning, land use, transportation, and housing align with the needs of West Des Moines' targeted industries as well as support the competitive position of the city in attracting, retaining, and growing businesses and human capital. This coordination of efforts will be particularly important around the I-5 Corridor to generate strategic office and industrial space that will be important to creating a more "global" presence for the city.

Coordinated infrastructure development that aligns to these larger plans can be an effective means of minimizing "leapfrog development" – a concern identified by a number of community stakeholders who want to limit intervening vacant parcels of land between developments that often add to the cost of additional infrastructure.

Quality of Life

Issue 10: Commercial redevelopment and additional cultural amenities should be considered as a means to create a dynamic environment

Redevelopment and revitalization of older commercial areas is an important component of the city's economic development efforts, especially as a tool to promote small businesses and attract young professionals, all of whom identified an interest in seeing additional locally-owned and "unique" stores and restaurants within the city limits. As the city continues to support and promote Valley Junction as a major destination for the region, other sites, such as Clock Tower Square and Governors Square can also ultimately be an important part of the city's efforts. Similarly, many community stakeholders identified a strong need for additional cultural facilities (e.g. performing arts center, convention center) that can create a strong draw and "sense of place" for the community. Additional promotion of these factors – especially tying them to more mixed-use development, can be important to draw additional outside visitors as well as ensure a more dynamic work/live/play quality emerges. Similarly, given the industry's presence in the community, the city could benefit from a leisure/hospitality-specific strategy that identifies ways to better connect all of its retail, hospitality, and cultural events, including through enhanced public transit.

SWOT ANALYSIS & STRATEGIC IMPLICATIONS

Issue 11: Opportunity for enhanced community engagement

The city has at its disposal some important “human assets” (i.e. private sector leaders within global companies, existing active young professional groups, etc.) who could be better mobilized to engage in a number of different community-wide economic development efforts. West Des Moines-specific communication channels may need to be expanded.

Business Retention and Regionalism

By and large, the city’s economic development efforts – as evidenced by recent job growth that has occurred and overwhelming satisfaction levels articulated by the private sector, developers, and utilities representatives – have been very effective. However, as the city prepares to build on its success and “take the next step” toward a more strategic and targeted economic development approach, certain internal functions can be enhanced:

Issue 12: Opportunity for greater role in regional efforts

The city is now of a size where it can play a larger, more active role in regional economic development (business attraction, retention, and expansion) initiatives. While the Greater Des Moines Partnership (GDMP) leads marketing and business attraction efforts for the entire region, the city’s⁷ active participation in events (e.g. attending trade shows, site visits, etc) will only help city personnel generate leads and gain crucial expertise on certain targeted industries.

In addition, the city, primarily because of limited resources, is not particularly active in other regional initiatives such as Central Iowa Works, a public-private initiative led by GDMP and DMACC to strengthen ties between the region’s economic and workforce development systems. Again, while GDMP represents West Des Moines in these types of initiatives, the city can greatly benefit from more active participation. This particular initiative is important because it provides an outlet for city personnel to more actively engage with key private sector (e.g. Wells Fargo) senior leaders who sit on the Central Iowa Works sector boards.

Overall, stronger engagement with the City of Des Moines and GDMP members in terms of sharing of information, leads, and resources will be increasingly important for West Des Moines as competition for new economic development projects becomes tighter and state and local financial support become more limited.

Issue 13: Expanded business retention/expansion efforts

Important business retention and expansion efforts are not aggressively or consistently performed. While useful employer data (e.g. perceptions of regional workforce quality, expansion needs, technology requirements) is gleaned from survey information and business calls and visits, only a limited number of employers are met with yearly. Data collected and analyses from these efforts can also be shared with a wider regional audience to ensure issues are addressed.

Issue 14: Need for a consistent budget for ED efforts

Most of the “Business Retention and Regionalism” issues identified here require a dedicated source of funding and staffing to plan for and engage in critical economic development activities (e.g. trade shows, developing marketing materials, retention efforts, regional meeting attendance, etc.). West Des Moines’ funding for economic development activities and programs is limited. As the city continues to grow and economic development becomes more critical to its competitiveness, funding may need to be reviewed closely.

⁷ The “city” refers to city-specific personnel as well as the Greater Dallas County Alliance which is under contract with the city for many West Des Moines business attraction and retention activities.

APPENDIX

APPENDIX A: METHODOLOGY

OUR APPROACH

The Market Assessment evaluates the current state of affairs in West Des Moines in areas that are most critical to business and industry growth and job creation. Using data that was provided by the City of West Des Moines, regional partners, or collected independently by AngelouEconomics, this report allows us to take a step back and evaluate trends, data, and businesses' and residents' perceptions of the community.

This report assesses the city's current economic situation and the trends that have shaped it. Specifically, we evaluate its readiness to attract and direct future economic development. We analyze the community in a range of economic and demographic variables by comparing it against a group of national benchmark communities.

OUR METHODOLOGY

AngelouEconomics used a variety of sources to collect the quantitative and qualitative information used in our analysis. To begin, the consulting team collected numerous studies and plans developed for the City of West Des Moines.

Quantitative data was collected from national and state sources, including the U.S. Bureau of Labor Statistics, the U.S. Census Bureau, Decision Data Resources (Demographics Now), the National Science Foundation, the Internal Revenue Service, the National Center for Education Statistics, and numerous private sector sources. AngelouEconomics also gathered qualitative data through numerous focus groups, one-on-one interviews, and community tours.

Two surveys were conducted to provide further insight into the economy of West Des Moines; one survey was aimed at area employers, the other was intended for community residents.

AngelouEconomics met with community leaders representing the following groups: major employers, education and workforce development, local government and staff, real estate and development, and business association members.

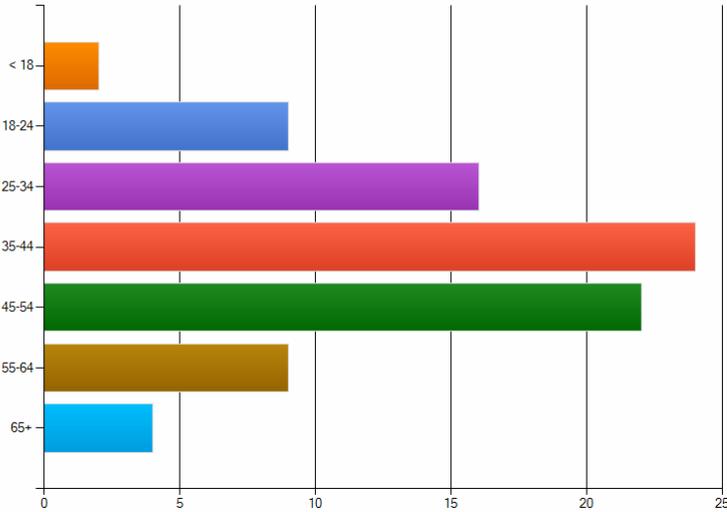
In order to gauge where West Des Moines stands relative to other nationally competitive communities, **this report assesses its performance against a number of benchmark communities** selected based on similar size or economic characteristics. These benchmarks are identified in the Economic Scan.

APPENDIX

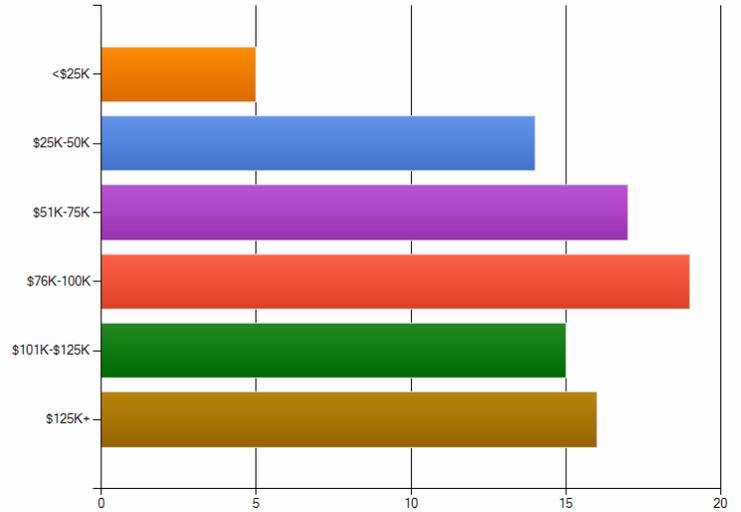
APPENDIX B: COMMUNITY SURVEY RESULTS

As part of the data collection process, two surveys were posted on the project's website to glean insight from West Des Moines Community members on topics related to economic development. One survey was direct to community members, the other was for employers. The following pages present the survey responses of the community survey, which had 86 respondents.

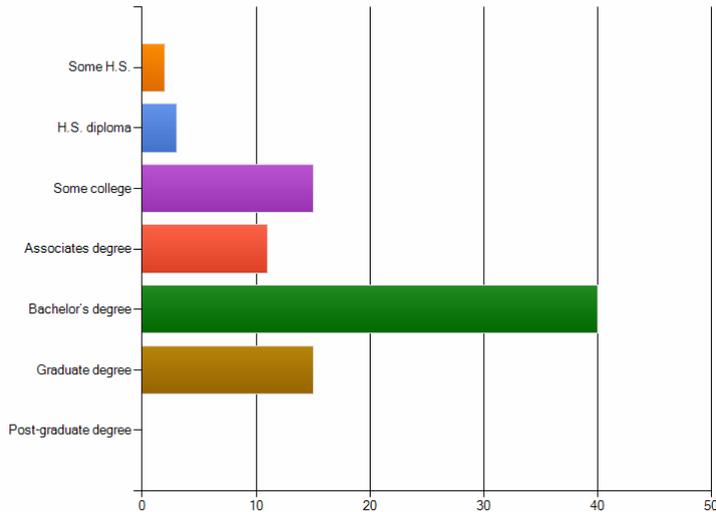
What is your age?



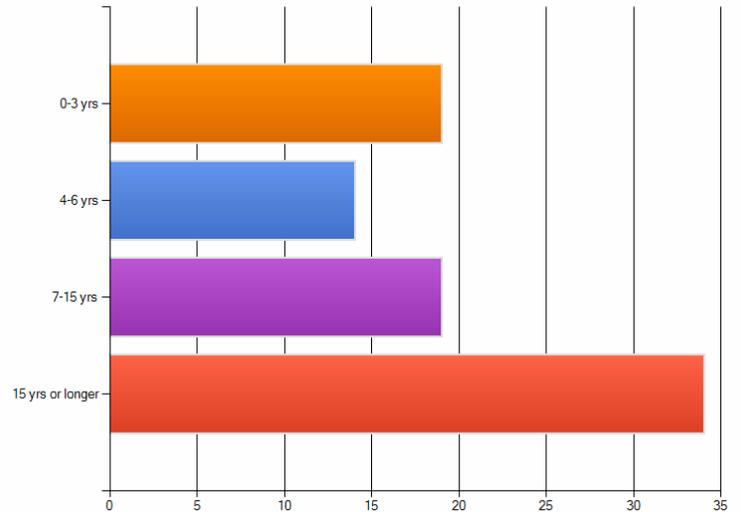
What is your annual household income?



What is the highest level of education you have reached?

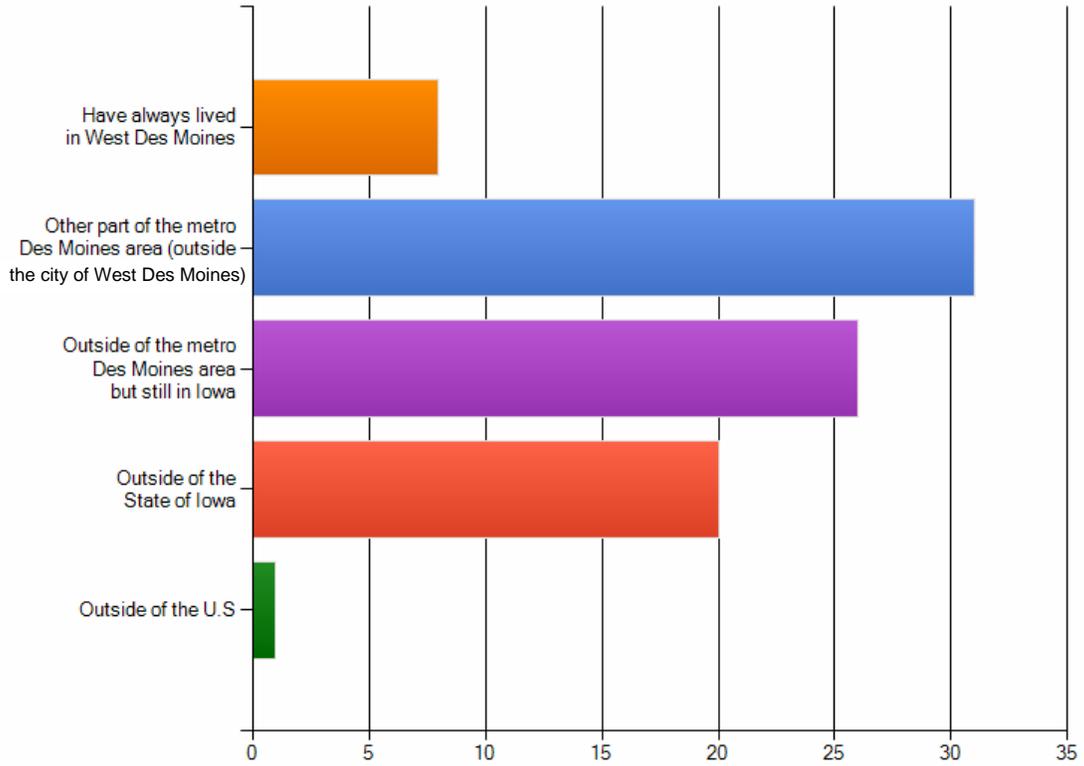


How long have you lived in West Des Moines?

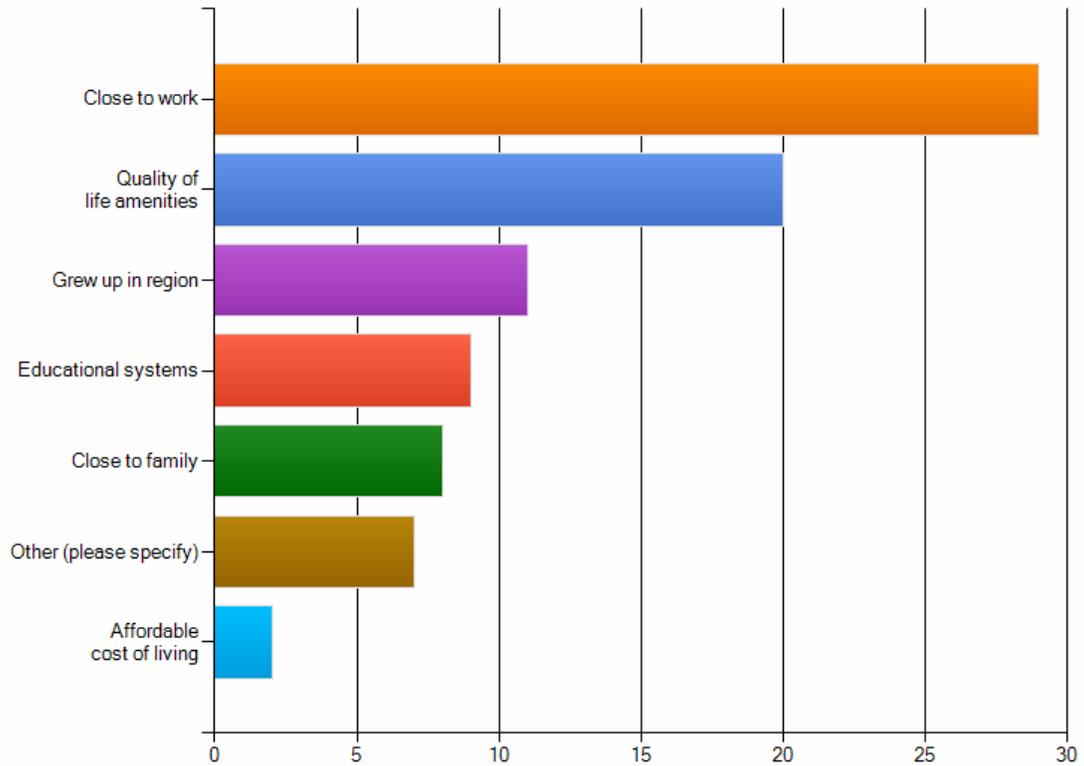


APPENDIX

Prior to living in West Des Moines where did you live?

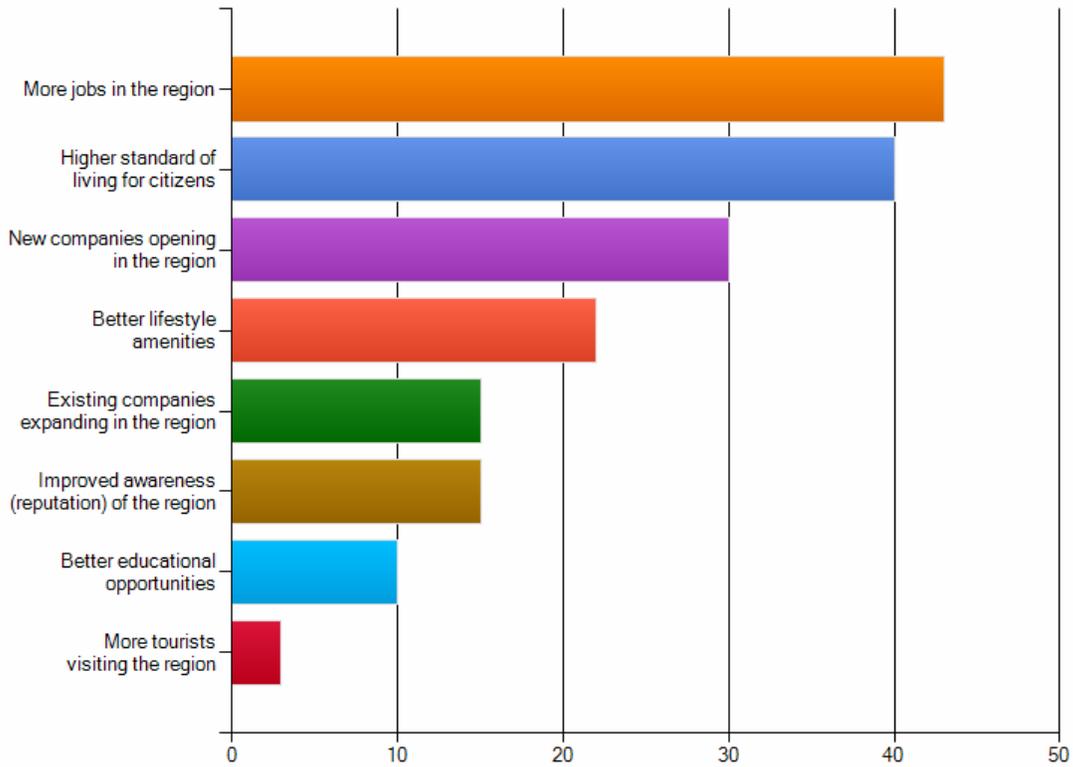


What is the primary reason you have chosen to live in West Des Moines?

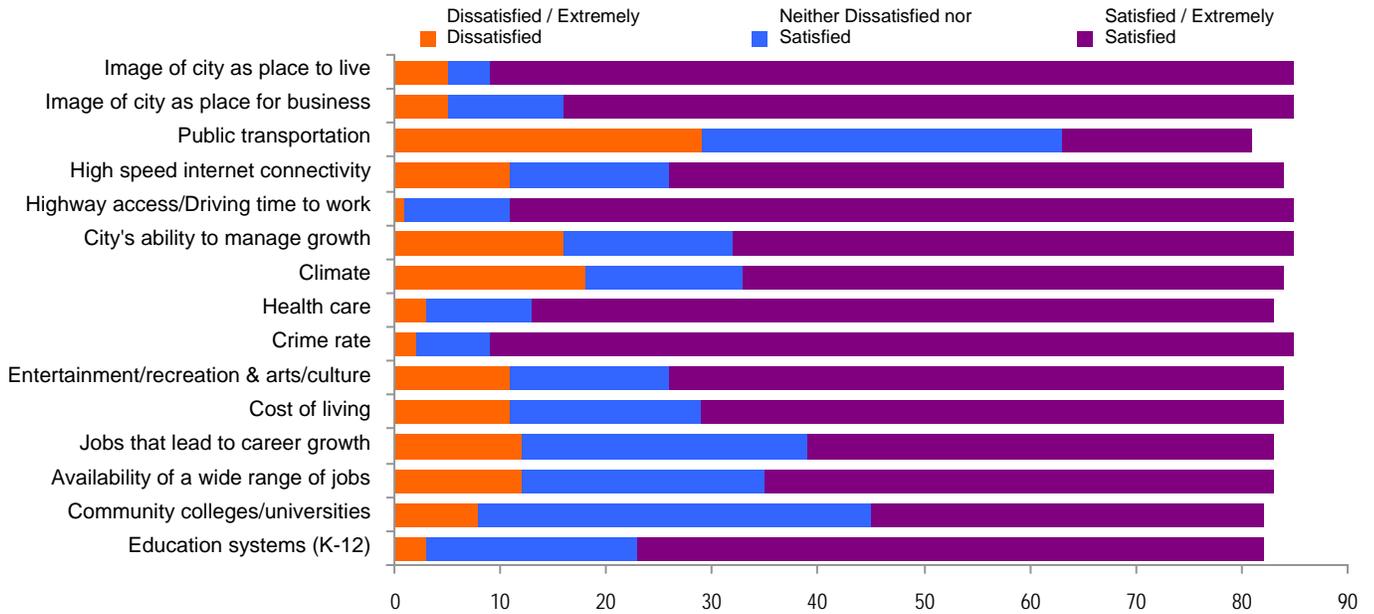


APPENDIX

What does effective economic development mean to you? [Check top two].

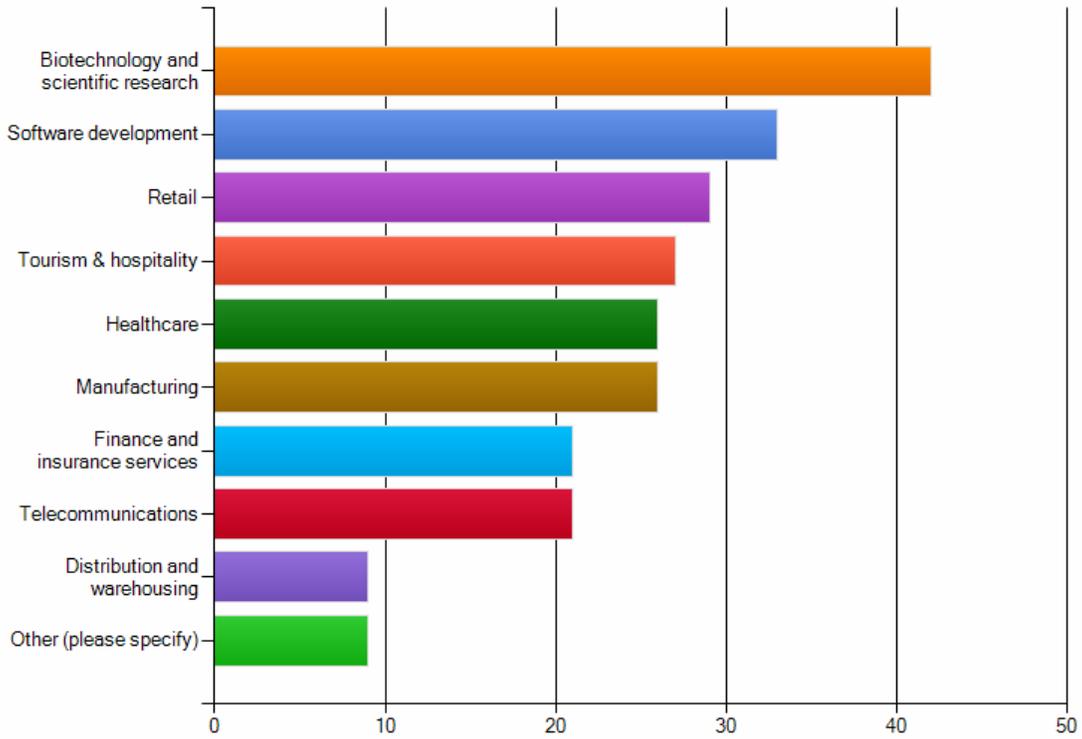


How well does West Des Moines satisfy your needs in the following areas?

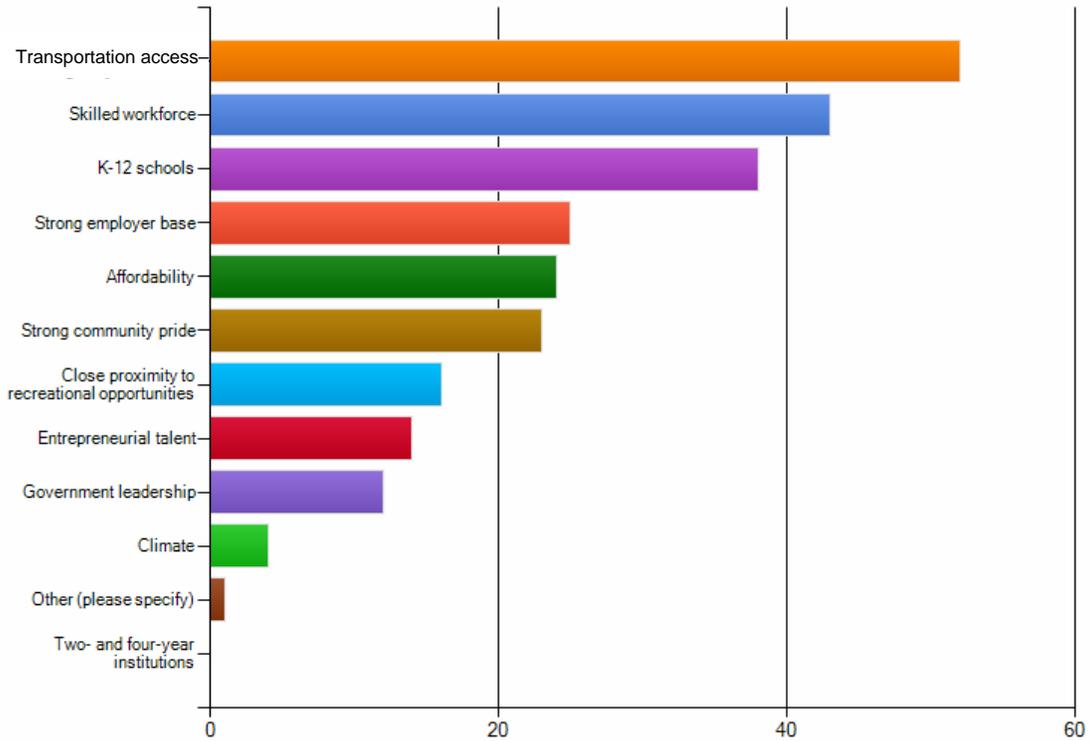


APPENDIX

**What type of businesses would you like to see expand or locate in West Des Moines?
(Choose as many as three.)**

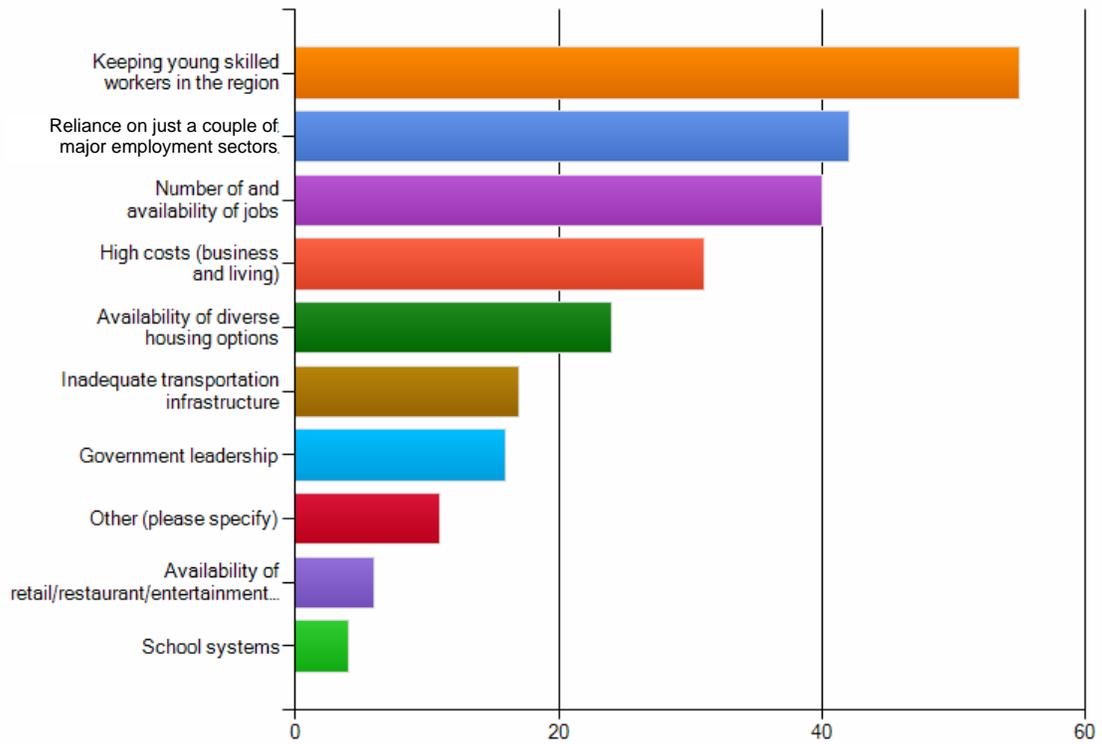


What are West Des Moines' three greatest strengths that CURRENTLY make it a viable place for economic growth? (Check top three)



APPENDIX

What are the three biggest challenges CURRENTLY facing the City as it works to improve job and economic growth? (Check top three)



What should be the top three economic development goals for the FUTURE of West Des Moines? (Check top three)

