



Community Leadership Visit

Des Moines, Iowa

August 18-20, 2005

Background

A group of 39 business, education and government leaders representing the Springfield area traveled to Des Moines, Iowa in August 2005 as part of the 12th annual community leadership visit coordinated by the Springfield Area Chamber of Commerce.

The delegation spent three days in Des Moines studying the capital city's success in a variety of areas. The Springfield community leaders learned how the communities of central Iowa approach the topic of regional economic development. They discussed air transportation issues with officials at Des Moines International Airport. The delegation also studied the downtown revitalization that has transformed Des Moines in recent years, and the community's collaborative approach to education and workforce development.

The goal of the Chamber's community leadership visit program is to learn from the experiences of other communities and bring home ideas that will benefit the Springfield region. Previous intercity visits have served as catalysts for important local projects like the Ozarks Regional Economic Partnership, Jordan Valley Park and the annual publication of a community report card.

Regional Partnership in Central Iowa

The Des Moines example demonstrates that a city can only be as successful as the region that surrounds it. Des Moines is surrounded by strong, growing municipalities that as a group have much more to offer than each has individually. As a result, regional collaboration is a key part of the central Iowa success story.

The Greater Des Moines Partnership is the regional economic development organization for the Des Moines region. The Partnership pools resources to provide benefits to all the central Iowa cities and counties. They provide regional research and regional marketing on behalf of the entire region, establishing an identity for the area. They also provide a single point of contact for economic development projects, although they work as a team on each project.

"Choose Des Moines Communities" is the message they use to broaden their reach to the cities in the metropolitan area. They are supported by joint funding with member communities and counties. For example, West Des Moines contributes \$25,000

annually. Pooling their resources allows them to compete as one location for new business location and expansion. However, they also have a policy understanding between members in the region dictating “thou shall not steal,” referring to the relocation of businesses within the metropolitan area.

Although there is a difference in the allocation of resources and the scale of activities, our region is conducting very similar activities through the Ozarks Regional Economic Partnership and the Springfield Business and Development Corporation.

Two other items that are important to the success of the Des Moines region are aggressive annexation and tax increment financing (TIF) policies. The region has established annexation agreements that assist in the long-term growth and land use planning for the region. This is similar to some of the urban service area boundaries established in Greene County.

TIF is consistently used to finance projects for community and economic development activities. This successful model involves consulting with the school board upfront on all projects before moving forward. Despite high property tax rates in Iowa, TIFs continue to be a successful financing tool for local jurisdictions.

Doing the Math at DSM

The Des Moines International Airport (DSM) is a key part of the economic development success of central Iowa. The numbers tell part of the story as DSM has surpassed the two million mark in passengers departing or arriving at the airport. The airport has enjoyed a steady spiral of success in recent years with the addition of new service, more airline connections, more passengers and increases in cargo shipping. The success of Springfield-Branson National Airport, which served nearly 900,000 total passengers in 2005, is strikingly similar although on a smaller scale.

An important part of understanding the success of DSM is realizing that Des Moines doesn't simply view promotion of the airport as the “airport's job.” In particular, the Greater Des Moines business community has taken a strong leadership role in supporting and marketing the airport.

It all starts from the premise laid out by Steve Chapman, president of ITA Group and a longtime booster of the Des Moines airport. “If you are going to be in economic

development, you need a quality air transportation system,” said Chapman. In Des Moines, the business community has stepped forward to help achieve that goal. “We didn’t just turn it over to the city and say ‘do your best.’ We have the city and business community working together closely,” added Chapman.

One example of the business community’s commitment is the airport’s recent effort to land Southwest Airlines. Although unsuccessful in their bid, Chapman marshaled business commitments for \$4 million to fund incentives to lure the popular low-cost carrier. Ultimately, Des Moines lost out to Omaha but it was not due to the lack of community support.

DSM operates an aggressive and effective marketing program, with a strong focus on research and education. The airport’s marketing program is outsourced to consultant Roy Criss who works on a contract basis to represent DSM in the community and with the media. According to Criss, the important thing is to “not be shy about telling the story” of the airport’s success. Although the airport uses print, radio and billboard advertising to tell the story, Criss said the most effective form of communication is face-to-face. “We’re trying to educate a half million people – one at a time,” he said.

A great example of the airport’s focus on education in their marketing efforts is the ongoing “Do the Math” campaign. Des Moines, like many other mid-sized airports, is facing the challenge of potential passengers driving to a more distant airport to take advantage of flights with less expensive fares. This “leakage” problem is also one that confronts the Springfield-Branson National Airport.

Criss has devised an educational and advertising campaign that asks passengers to calculate all the costs associated with driving to another airport rather than flying out of Des Moines. He asks business and leisure travelers to consider the additional costs such as: (1) fuel for their automobile, (2) parking at the other airport, (3) drive time that could have been productively used otherwise and (4) additional meal and hotel expenses that might be required. When travelers “Do the Math,” it often doesn’t make sense to undertake a two- or three-hour drive in order to save a couple hundred dollars on airfare.

The key part of the message is that “it’s all about enplanements,” according to Criss. The more passengers you have, the better service you can attract, so “flying local” starts a positive spiral that results in more options, better connections and lower fares.

Des Moines International's goal is to draw passengers from 80 percent of their catchment area 80 percent of the time.

Another important part of DSM's marketing program is outreach to the airlines, based on the premise of treating carriers as "customers." They make quarterly visits in an effort to stay in touch and better understand the challenges and demands facing the airline industry. Likewise, the Des Moines airport places a heavy emphasis on communication with local businesses so they can be aware of their travel needs and business trends.

Center City Des Moines – “The Region’s Downtown”

Downtown Des Moines has undergone a dramatic renaissance in recent years. During the past decade Des Moines community leaders have planned and prepared, laying the groundwork for major improvements that have become visible in the past year. These new facilities that have added greatly to the attraction of downtown Des Moines include:

- The \$62 million Science Center of Iowa, with 110,000 square feet of education and entertainment space for children and adults.
- The \$99 million Wells Fargo Arena, a 17,000-seat arena that opened in July and has already hosted a sold-out Paul McCartney concert and is home to the minor league hockey Iowa Stars.
- The arena is part of an overall facility called the Iowa Events Center that includes the HyVee Hall convention center and the Iowa Hall of Pride, a high-tech hall of fame of Iowa's athletic and academic standouts.
- The Pappajohn Higher Education Center and a new facility for the Des Moines Public Library round out the new downtown venues.

These projects are now a reality in Des Moines because of a collaborative and focused planning process, strong community leadership, and innovative funding methods.

The impetus for these and other projects in Des Moines came from a group called the Major Projects Task Force. This task force defined the “dream” vision for Des Moines and then worked through the difficult steps of prioritizing those projects on the wish list – a list that included many more ideas than could be realistically pursued.

Turning the dream into reality took strong leadership and significant funding. The leadership provided by the Greater Des Moines Partnership was a key part of the equation. The Partnership coordinated the Major Projects Task Force and its successor organization, Project Destiny, which focuses on the sustainability and operational continuity of these venues. Aside from the organizational leadership, the Partnership also plays an important role in promoting the vision for downtown Des Moines as part of the broader region. “This is the region’s downtown,” said Partnership CEO Martha Willits, in providing a tagline that has already been put to frequent use in Springfield and Greene County.

Funding for a revitalized downtown came from a variety of sources, including a tremendous level of corporate support from some of the leading businesses in the Des Moines area – The Principal Financial Group, Meredith Corporation and Wells Fargo were cited most frequently. State funding was a vital part of the plan. The Iowa legislature created a program called “Vision Iowa” that provides funding for economic development and community betterment projects throughout the state. Des Moines leaders were able to secure \$70 million in Vision Iowa funds, an amount that leveraged more than \$300 million in capital expenditures to go toward these projects. Tax credit programs and tax increment financing also were important pieces of the funding stream. The arena, owned by Polk County, is being funded primarily by gambling proceeds from Prairie Meadows Racetrack and Casino in nearby Altoona.

Of these funding mechanisms, Des Moines leaders consistently pointed to the state support through Vision Iowa as the key to making things happen. When asked about the reasons for the success of this program, one of the panelists said the statewide distribution of Vision Iowa funding is critical to making the program politically viable. “It’s spread like peanut butter (across the state),” said Rick Newman, a Des Moines attorney and moderator of the downtown development panel discussion.

Looking forward, Des Moines leaders see their primary challenge as keeping downtown relevant and creating events that will attract people in a way that makes them want to come back again and again. The Downtown Community Alliance is the organization that tackles this task of making downtown Des Moines an attractive place to live, work and play. One of Des Moines' downtown strengths is its strong employment base. More than 65,000 people work downtown, but the challenge has been keeping people downtown after business hours. Even more daunting has been the challenge of getting people to consider living downtown. Several loft developments and other housing units have recently opened or are under construction. However, the DCA remains focused on the further development of a downtown housing base and attracting additional retail businesses to the center city.

Education Partnerships

Iowa is well-known for its strong education system and the Des Moines area is particularly committed to maintaining that high standard. One example of this commitment to educational excellence is the Des Moines Higher Education Collaborative. This consortium was formed in 2000 by seven colleges and universities, and has since added the Des Moines Public Schools as a partner.

With a goal to turn Iowa's "Brain Drain" into a "Brain Gain," the partnership has focused on serving the continuing education needs of central Iowa businesses and their employees. Combined, the eight institutions offer courses in 15 locations with the centerpiece being the new John and Mary Pappajohn Center in downtown Des Moines. Kent Sovern, executive director of the Higher Education Collaborative, emphasized the importance of being located in the central business district in order to provide convenient access to the many employees who work in the area.

The organization's continued emphasis on lifelong learning takes the form of higher education course offerings, professional development seminars and corporate training. The education leaders acknowledged the risks associated with forming such a collaborative, saying they created a joint entity that actually competes with our own institutions. But they quickly added that their motivation is to serve the community and not necessarily the self-interests of each individual institution.

This entrepreneurial attitude has also been shown by Drake University in the creation of the University's Center for Professional Studies. The Center works to better understand the educational and professional development needs of area businesses and then assesses and adjusts Drake's programs in order to meet those needs. Drake President David Maxwell said such adaptability is essential in order to succeed in our rapidly-changing, global society because the key to being adaptable is the ability to "learn how to learn."

Themes / Summary

The Des Moines area has evolved and improved in remarkable ways during the past decade. When looking at the community's success in recent years, several themes emerge that could be instructive for leaders in southwest Missouri.

Des Moines has been disciplined in its process for long-range visioning and planning. Community leaders were inclusive and expansive in this planning process. They made sure the vision was regional and not parochial. The Major Projects Task Force was the vehicle they used to prioritize the many improvement projects on their list of "dreams." This task force considered "what is practical?" and "what will work?" and in doing so helped the community better define the ideal vision for Des Moines' future.

But a lot of great "visions" simply sit on the table and collect dust. The community leaders of Des Moines stand out because they have successfully coupled the visioning process with the commitment to follow-up and build the infrastructure to support that vision. In making that happen, four points stand out as the main "takeaways" for the Springfield delegation:

- Des Moines is goal driven community. They developed a plan through the Major Projects Task Force and then focused on implementing that plan, which has provided \$2 billion worth of capital improvements. Now, they are building on that infrastructure to focus on quality of life improvements through the "Destiny Vision" plan aimed at arts, culture and early childhood education.

- The leaders of Des Moines have shown the ability to leverage resources, particularly state funding, to make the vision a reality. The Vision Iowa program for economic development and community betterment came into being in part due to the foresight and lobbying strength of Des Moines leaders. Once in place, the program has benefited communities throughout the state. And to a person, the Des Moines leaders told us their community's vision wouldn't have become the reality without such a high level of state financial support.
- Likewise, Des Moines is blessed to have a tremendous amount of private sector support and business leadership that makes things happen. Although rarely out front, the area's corporate leadership is a behind-the-scenes, quiet force pushing everyone in the right direction. The downtown investments made by Meredith Corporation, Principal Financial Group and Wells Fargo are three of the best examples we observed during our time in Des Moines. A great benchmark for the level of corporate giving in a community is the annual United Way campaign. Springfield exceeded its goal last year of \$3.2 million. Des Moines, a community only slightly larger in population, reached its \$18 million goal.
- Partnership is the word that ties all these points together. No doubt there are sometimes challenges in working together, but in Des Moines we noticed a concerted effort among community leaders to emphasize the value of partnerships and collaboration. It's even the name of the organization credited with bringing everyone together around the shared vision and serving as a catalyst for action – the Greater Des Moines Partnership.

Recommendations and Accomplishments to Date

Aside from the hopeful wish that Springfield could use a river and a larger corporate base, the community leadership delegation identified some specific recommendations for action in Springfield and southwest Missouri. Many of those have already been addressed or accomplished, so this section will be presented in the form of an achievements checklist.

- Recommendation to consider changing the name of Springfield-Branson Regional Airport to better reflect the airport’s national reach and the scope of air service currently offered. **The Airport Board voted to change the name to Springfield-Branson National Airport at its December 15, 2005 meeting.**
- Recommendation to pursue a stronger airport marketing program, especially with regard to outreach and education to the business community. **Discussions are currently underway to work with the Springfield Business and Development Corporation to develop an air service educational outreach program to communicate with Springfield area businesses.**
- Recommendation to consider a program similar to the “Do the Math” campaign at Des Moines International Airport. **As a first step, the Airport Board commissioned and has received a “Traffic Capture Analysis” to assess the level of leakage to other airports by potential travelers through SGF.**
- Recommendation to incorporate the term “the region’s downtown” when referring to Springfield’s center city. **Presiding Commissioner Dave Coonrod and other community leaders have been quoted saying just that at various meetings and events.**
- Recommendation to continue our focus on seeking state and federal funding support for key Springfield area improvement projects. **This effort is ongoing, but Springfield has been successful in building partnerships with state and federal lawmakers to support a wide variety of projects. Selected recent examples include Jordan Valley Park, regional highway improvements, the Midfield Replacement Terminal at Springfield-Branson National Airport, Jordan Valley Innovation Center, a proposed regional crime lab and water quality improvements.**

A byproduct of the community leadership visit is also the realization that we are doing a lot of things right in the Springfield region. The Des Moines trip reminded us of the value of partnerships . . . that is also a strength of community leaders here. Des Moines is working hard to attract people to live in their revitalized downtown . . . Springfield is doing the same, and possibly a bit ahead in terms of developing downtown housing.

Des Moines is keenly aware of the interaction between “quality of life” and economic development. They realize that being a good place to live makes their community a desirable place to work or start a business or locate a major corporate headquarters. Some of the quotes we heard during our short time in Des Moines really underscore the point:

“People don’t want to come here (to Des Moines) at first, but when they are here they don’t want to leave.”

-- Suku Radia, chief financial officer, Meredith Corporation

“Des Moines is becoming the city where I always wanted to live.”

-- Kent Sovern, executive director, Des Moines Higher Education Collaborative

Springfield believes in striking the same sort of balance between quality of life and economic development. The two goals are really inseparable, but they are oftentimes a challenge to achieve. As quoted by one of the education panelists, Mark Oman of Wells Fargo said it best in a statement that fits for Missourians as well: “Iowans love progress but hate change.” Our challenge is to keep looking forward to create change that moves Springfield in the direction of progress. Three days in Des Moines moved us closer to that goal.