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NEWS RELEASE

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State of North Iowa Event

An Update to the Community on the Vision North Iowa Strategic Plan

Last January, the inaugural State of North Iowa event was held at the newly-opened Mason City Multipurpose Arena. State and local officials touted the progress made on the county-wide *Vision North Iowa* strategic plan and the positive direction of the local economy.

- 2019 was a banner year for local tourism thanks to consistent promotion, growth, and momentum in the region. Local hotel occupancy rates were at record highs, and average daily room rates were on the rise.
- Visitor spending positively impacts retail sales and restaurant/lounge trade which was reflected in 2019 sales tax receipts.
- In 2019, 317 building permits totaling nearly \$61 million in valuation were issued by the City of Mason City alone and construction was brisk throughout the county.
- Unemployment in Cerro Gordo county hovered at 2.8%, even lower than record-breaking state and national low rates.

While much work remained, the *Vision North Iowa* partnership was definitely making progress in its collective mission to improve the lives of all North Iowans and promote economic and population growth in the region. Then the pandemic hit.

Pandemic Response

Thankfully, the relationships built during the strategic planning process enabled North Iowa leaders to quickly convene to organize the local pandemic response. Early on, *Vision North Iowa* partners vowed

to keep North Iowa open for business and essential workers safe. Local business led the way in these efforts.

- NIACC, the Pappajohn Entrepreneurial Center, and the Small Business Development Center operated a Small Business Help Line which served 737 clients and connected them to recovery funding programs and resources.
- Local chambers of commerce worked with *Vision North Iowa* partners to launch the “Mask of Wellness” campaign to distribute disposable masks and signage to local businesses.
- The North Iowa Corridor Economic Development Corp. established the North Iowa Small Business Grant Recovery Program and assisted 124 local businesses with a financial boost.
- Area banks and accounting firms assisted hundreds of small businesses with Paycheck Protection Program applications—saving thousands of North Iowa jobs.
- Chambers connected businesses to resources and rallied community support. Gift cards, Chamber Bucks, and social media campaigns encouraged local spending. These efforts generated more than \$100,000 in sales at local retailers and restaurants.
- Several private businesses launched their own campaigns to support local restaurants and merchants including distributing local gift cards and Chamber Bucks to customers, employees, and essential workers.

All the while, essential workers from grocery store clerks to UPS drivers kept the North Iowa economy moving.

Tourism and Visitor Spending

Without a doubt, the pandemic took the greatest toll on tourism and related retail industries. Small retail businesses deemed “non-essential” were shuttered without warning amidst safety concerns, and many incurred great expense to procure PPE, install new safety equipment, and establish new protocol for employees and customers.

- The hotel occupancy rate dropped to 44.2% and the average daily rate (ADR) sank to \$86.26 from \$93.30.
- Locally, retail sales decreased 4.29% in the fourth quarter (April-June 2020) of the state’s fiscal year, but the strong economy in the months prior to the pandemic led to a total increase in sales of 3.68% over the previous fiscal year.

Economic Development

Despite the devastating financial impact of mandated closures and capacity limitations, private investment in the region remained strong, and several projects were completed.

- Kraft-Heinz continued work on its \$63 million expansion to accommodate a new product line and added 55 jobs.
- The \$40 million new facility for Bushel Boy Farms opened and began hiring for 50 new jobs.
- Golden Grain Energy completed a \$25 million expansion with 5 new positions.
- The River, a 133-unit housing complex, was completed—an investment of \$15 million.

The pandemic did little to dampen enthusiasm for new projects. The construction sector was a highlight of the 2020 economy, and most projects in the pipeline moved forward without so much as a pause.

- Construction began on the \$15 million Fairfield Inn at the I-35/Hwy 122 exit in Clear Lake.

- Work began on the NIACC Solar Array Project at an estimated investment of \$6.6 million.
- 220 building permits totaling nearly \$66 million in valuation were issued in Mason City.
- Mason City Community Schools started work on a \$26 million natatorium/gymnasium project and Clear Lake Community Schools began work on an \$18 million wellness center.

Workforce

Attracting and retaining a qualified workforce continues to be the primary concern of North Iowa employers of all sizes.

- On the workforce front, county unemployment spiked to 11.5% in April, but quickly declined. In December, the unemployment rate stood at 3.4%, which is very near pre-pandemic levels.
- The Pappajohn Center reported 20 new business starts among its clients in the last fiscal year, which compares to 23 the previous year. In addition, those businesses created nearly 200 new jobs, more than doubling job creation in the prior fiscal year.

Looking Ahead

Vision North Iowa partners are in the process of reviewing the current strategic plan to take the impacts of the pandemic into consideration going forward. Economic recovery will be a long process, but appropriate planning and working together is the key to growth and prosperity.

Since the last recession, urban areas experienced renewed economic vitality. However, much of rural America has been left behind: declining and aging population, stagnant wages, rising social problems such as opioid addiction, and increasing workforce automation put traditional jobs in rural areas at risk.

During the pandemic, it became clear many rural communities were positioned better than their urban counterparts for the rapidly changing world of work. Regions such as North Iowa have unique assets which create social and economic opportunity: affordable housing; low cost of living; strong work ethic; and increasingly prevalent high-speed internet access.

Vision North Iowa partners are working to seize this opportunity. Utilizing the resources of the Center on Rural Innovation, they are developing new action strategies to build a future-oriented local economy. Plans are underway to develop a Digital Economy Ecosystem.

This will require a cooperative approach between local educational institutions, increasing access to investment capital, and encouraging inclusive community engagement throughout the region. The collective goal is to provide the programs and structure to encourage tech job creation and create an environment in which technology-based businesses and workers thrive. Expanding the digital economy will generate good jobs and build wealth in North Iowa.

Community input is critical to the ongoing strategic planning process. As local leaders work to position the region for future prosperity, they ask for the assistance of the entire community in completing surveys and participating in feedback and input sessions.

VISION NORTH IOWA

Vision North Iowa Partners:

- Cerro Gordo County
- CG Public Health
- Chamber of Commerce
- City of Clear Lake
- City of Mason City
- Clear Lake Chamber of Commerce
- North Iowa Corridor EDC
- Iowa Works
- John Pappajohn Entrepreneurial Center
- North Iowa Area Community College
- United Way
- Visit Mason City