

2010 Community Vitality Center Annual Report

“A catalyst for identifying and demonstrating innovative strategies for stimulating economic vitality of non-metro communities and rural areas.”

The Community Vitality Center (CVC) is an Iowa Board of Regents Approved Center organized in 2002 as a result of a recommendation from the Governor’s Strategic Planning Commission and interest among rural community leaders and two ISU Deans. The mission is to serve as a catalyst in identifying innovative strategies for enhancing the economic vitality of Iowa Communities. All CVC policies and projects are approved by a board of 27 leaders that meet quarterly and represent diverse interests and ISU Administration. CVC is housed in the Department of Economics and ISU Extension serves as the Administrative host and fiscal agent. CVC annually receives approximately \$200,000 plus from Congressionally-Directed Appropriation through USDA NIFA and its Center Operations Budget typically supports one ¼ time Graduate Assistance and one ¾ time senior P&S researcher. CVC identifies, supports, and conducts demonstration projects, dialogue initiatives, and policy studies on the rural-urban differential that leads to actionable strategies for enhancing rural vitality.

Rural-Urban Policy Studies Initiative

CVC has sponsored over a dozen studies of original research related to the economic vitality of rural communities that have been instrumental in the adoption of various community development strategies. The 2003 “Modernization of County Real Estate Records” contributed to decisions regarding the legislative adoption of an online system for accessing official real estate documents across Iowa. The 2004 Wealth Transfer Study contributed to decisions regarding passage of the Endow Iowa Act and subsequent County Endowment Act in the following legislative session, providing county foundations in non gaming counties with a share of gaming revenues for annual distribution to local nonprofits and public projects. CVC has also conducted case studies on selected models of entrepreneurial rural communities with national reputations, a series of ten community entrepreneurship forums across Iowa, and a study eight paired communities to examine differential factors in population growth and decline. More recent studies include Iowa Tax and Fiscal Facts and Factors Influencing Decisions of Recent Movers into and out of Selected Nonmetro Counties in Iowa.

Community Entrepreneurship Initiative.

CVC has sponsored over 60 community-based and regional entrepreneurship minigrant demonstration projects across the state in nonmetro communities and rural areas. This CVC initiative was instrumental in demonstrating the first Business Plan Competition (BPC) concept Iowa in 2004. First adopted by Mount Pleasant Chamber with a matching CVC mini-grant, this model has since been adopted by six other communities in Southeast Iowa and other parts of the state. In addition, a meeting of CVC leaders with Iowa Philanthropist John Pappajohn was a precursor for development of the annual Business Plan Competition sponsored by the five John Pappajohn Entrepreneurial Centers (JPECs) and Small Business Development Centers (SBDCs) statewide.

Community Philanthropy Initiative.

CVC has sponsored over 30 community-based philanthropy capacity migrant demonstration projects across Iowa nonmetro communities and rural areas. CVC also organized four statewide satellite broadcasts of Community Foundation Board Training programs to county extension sites which culminated in organization of 85 county endowment community foundation entities that annually leverage \$3 million in state tax credits with \$12 million in donations to permanent endowments and \$10 million in distributions to local nonprofits and public purposes addressing county needs. As a result of its efforts, CVC received the Distinguished Research and Engagement Partnership Award at the 2007 ISU Extension Annual Meeting.

Iowa Micro-Finance Initiative

Starting in 2006, CVC organized a steering committee of Iowa lending and entrepreneurial development interests to examine the gaps in Iowa's entrepreneurial development system. The four gaps identified were: (1) access to loans less than \$50,000, (2) disconnects between local entrepreneurs and technical assistance networks, (3) access to loans up to \$250,000 for unique enterprises for which there was no local underwriting expertise, and (4) access to equity capital. Under direction of the steering committee, CVC led the development of a statewide microfinance intermediary foundation called "Iowa MicroLoan" that was organized in 2008. Iowa Microloan is an SBA Microloan Program participant and has approved 31 loans for entrepreneurs in 17 of Iowa's 99 counties that were denied conventional credit and has approved 25 loans since August 1st under a new Iowa Small Business (ISB) Loan Program approved by the 2010 Legislature. This program is a collaboration with Iowa's Small Business Development Centers (SBDCs) and the Iowa Department of Economic Development. During 2010, Iowa Microloan assisted in funding or leveraging \$2.5 million in new investment and creating or retaining approximately 102 direct jobs and 179 direct, indirect and induced jobs.

CVC continues to provide technical assistance to Iowa Microloan. CVC facilitated a \$50,000 partnership grant with Rural Development Partners/Ag Ventures Alliance which led to approval of a \$500,000 revolving loan and \$105,000 technical assistance grant under the new USDA Rural Microentrepreneur Assistance Program (RMAP). Through CVC's assistance, Iowa Microloan has received approximately \$1 million in grants for operating and technical assistance, developed current loan capacity of \$2.5 million and now has a maximum loan program capacity of \$8 million.

Iowa Community Capital (ICC)

CVC has recently rejuvenated a dormant U.S. Treasury certified Community Development Financial Institution (CDFI) called Iowa Community Capital (ICC) which has authority to serve statewide needs. ICC has applied for a \$600,000 equity fund to assist 10 low income, high unemployment, and low food access counties in Southeast Iowa to take the next steps in developing its regional local food system network. For its efforts, the Community Vitality Center was recently presented the 2010 Iowa Venture Award for Distinguished Leadership by Lieutenant Governor Kim Reynolds at the 25th Awards Ceremony of the Iowa Area Development Group and the 75th annual meeting of the Iowa Rural Electric Cooperative Association.