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Study finds economic vigor in Ames, and signs of change

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This year's economic downturn happened too fast and too recently to have an effect on some 40 area businesses and industries.

But, according to the Ames Economic Development Commission, conversations with business leaders show that even though 2008 was another robust year for local industry, some warning signs are starting to show up.

"From the late summer into the fall, we saw the comments changing," Ron Hallenbeck, AEDC vice president for existing business and industry, said Friday.

Hallenbeck and other Chamber personnel addressed about 40 AEDC member business representatives at a breakfast meeting at the Iowa State University Foundation.

AEDC members have invested their own money in "Breaking New Ground," a five-year public-private partnership that aims to add 1,000 new jobs and \$500 million in capital investment to the local economy.

The survey featured hour-long, face-to-face conversations between Hallenbeck and area business leaders, and covered everything from the work force to planned employment, building and production growth.

"We used to do these executive calls as volunteers, but Ron is doing so much better with organizing the information and drilling down to the important data," Pat Brown, AEDC member, said after the meeting.

It was the second time Hallenbeck met with industry leaders since joining AEDC in May 2007.

"We ask questions designed to help us understand our businesses, how they evolved, what's happening in their marketplace, their plans to expand and what kind of capital investment they plan to make," he told the group.

What he found was encouraging, Hallenbeck said. Forty-three percent of his contacts said they were looking to increased growth and sales, for example.

Eve Doi, vice president for communications and operations for the Ames Chamber of Commerce, said business leaders who responded to the survey said they had added 192 jobs in 2008, and 46 percent of them "still have planned expansions totaling 66,000 square feet of new space and more than 100 additional employees over the next three

years.”

Hallenbeck said that while he did his visits from late summer into the fall, business owners got more cautious with their responses.

When asked “what are you doing proactively, the comments started out with: We are implementing cost-savings; although we’re not directly affected yet,” he told the group.

But later responses indicated that companies were “closely monitoring their employee levels (and) working with suppliers and customers to insure a win-win scenario.”

Ames City Council member Jami Larson, who attended Friday’s meeting, said the importance of existing industry to the Ames economy is hard to overstate.

“A group of local business people has asked me to pose a question: If you take property taxes paid by business and industry, and the local option sales tax, would that represent a majority of taxes collected by the city?” Larson said.

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