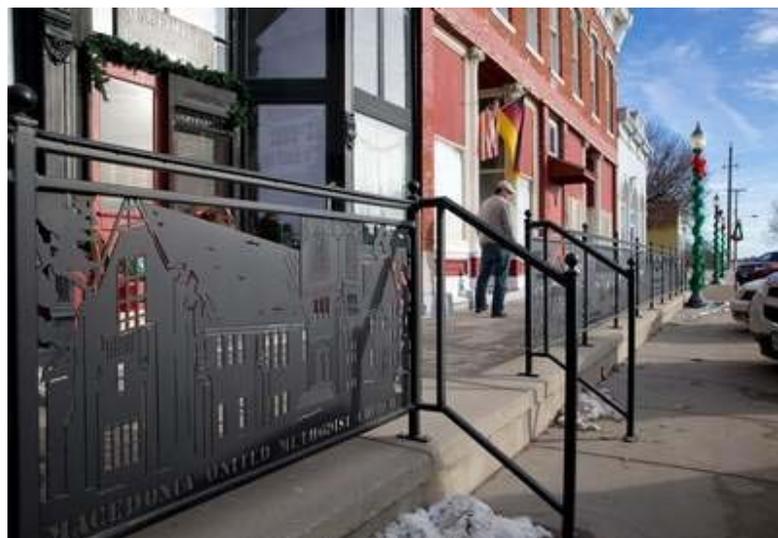


Published Jan 3, 2014

Published Friday January 3, 2014

Nebraska, Iowa reach across state line to cooperate on economic development

By [Steve Jordon](#) / World-Herald staff writer



JAMES R. BURNETT/THE WORLD-HERALD

Melvyn Houser, a Pottawattamie County Board member, takes a stroll in downtown Macedonia, Iowa, whose leaders want to attract more small businesses. He said the Iowa towns that are part of the regional partnership offer small-town living with “a awful lot of amenities” just a short drive from Omaha's attractions.

MACEDONIA, IOWA — The big economic news in this town of about 250 people is the Painted Camel, a studio, classroom and retail store that potter Paul Koch is opening in a vacant building on Main Street.

That's just across from the Back 40, the tavern and restaurant where taco nights draw a crowd, and down the block from the museum that holds Dr. Guido Stempel's 312-bird, 100-year-old taxidermy collection and the 132-seat Grist Mill McCready Theatre and its new black curtain.

Macedonia, named after a biblical reference and located where the West Nishnabotna River is perfect for kayaking, some of the time, is about to become part of a six-county, \$6.3 million-a-year, 872,000-person economic development zone.

Starting today, the Greater Omaha Economic Development Partnership expands its full array of services into Iowa for the first time, adding the two-week-old Advance Southwest Iowa Corp. to its Nebraska partners.

The linking of big city, small towns and everything in between is designed to broaden the options for job creators, and places like Macedonia say they've got things to offer their urban cousin, too.

The fully cooperative two-state partnership is unique, its organizers say, and comes at a time of intense competition between states to recruit employers. Kansas and Missouri, for example, are locked in a tax incentive border war, paying companies to move from one neighborhood of the Kansas City metro area to another.

But economic developers in five Nebraska counties and Pottawattamie County in Iowa say they will work together on business recruiting, expansion and retention; marketing and branding the region's image; improving the business climate; and developing talent.

“Nobody else is doing full-service like we're planning,” said David Brown, chief executive officer of the Greater Omaha Chamber of Commerce.

Jeff Finkle, president and CEO of the International Economic Development Council in Washington, D.C., said Omaha has some characteristics that can make a two-state organization viable.

Omaha dominates the market but has a good-size community in the next state, and is somewhat isolated from other large cities. He said the region's leaders have the Midwestern affinity for cooperation.

“It's going to be rare places that have the same set of ingredients,” Finkle said. “But I guarantee you that it'll be a case study many people will watch.”

The cross-border courtship hasn't been 100 percent smooth, and some experts warn that no matter how friendly the new partners seem now, competing interests between the two states could endanger the relationship.

But starting with today's official kickoff, the partnership will have 37 staffers working both sides of the Missouri River, all sharing leads on new businesses and cooperating on projects large and small.

“What's driving it is the feedback that we're getting from site selectors and corporate real estate professionals,” said Bob Mundt, CEO of the Council Bluffs Chamber of Commerce. “They want to work with regions that cooperate and work together.”

Over the past year, the Iowa West Foundation helped convene meetings with four other southwest Iowa groups: the City of Council Bluffs, the Bluffs chamber, the Western Iowa Development Association and Pottawattamie County.

The groups quickly agreed on the concept of regional cooperation and eventually created a new group to make it work: Advance Southwest Iowa Corp.

With today's formal announcement, an event scheduled to attract the governors of both states, Advance Southwest Iowa becomes a full member of the regional partnership.

"Maybe somebody would like to separate us out, but when we're talking about jobs, we're a metro region," said Pete Tulipana, president and CEO of Iowa West Foundation, which gets funding from the Bluffs' casinos.

The Omaha chamber has been cooperating with neighboring Nebraska groups for about 20 years but had to hand off prospective clients when it wanted to cross the Missouri River, sometimes changing cars and introducing them to different chamber recruiters.

While a fully regional plan may be convenient for site selectors, combining two states is "fraught with potential drawbacks, particularly at a time when (tax) incentives are such an important component in a company's decision," said site consultant John Boyd of Princeton, N.J., who is familiar with the two states.

Nebraska and Iowa have "fundamentally different incentive programs," he said, aimed at competing to build up the tax base, not at interstate cooperation. "For high-profile projects where the participants are going to go right up the food chain to the governors, it's going to create some high drama."

Although today's leaders may agree on the plan, Boyd said, "let's see how long the honeymoon lasts. There's only a limited number of projects out there each year and you have every politician running on the platform of new jobs, on both sides of the aisle."

Omaha chamber CEO Brown said the partners have fully discussed such concerns and are working out ways to recognize the states' separate interests.

When really big projects arise, the partnership will be ready, Brown said. "We're going to have some complicated processes sometimes, where neither of the states is going to want to show its cards to the other state. I would love to have that problem."

On 95 percent of the work, transparent sharing of information will be a benefit, he said. Location decisions are up to each business, and the partnership's role is to offer the best options anywhere in the region.

When Google located its data center in Council Bluffs, Brown said, "at first blush, you'd say we lost the jobs to Iowa." But many Nebraskans work there and bring their paychecks into the Nebraska economy, and Google's Iowa employees shop and attend events in Omaha.

If a company looks to build in Iowa, Brown said, "we're going to help Iowa land the project," and Iowa staffers will chip in even if the decision ends up west of the Missouri.

"In the grand scheme of things, both sides are going to grow," Brown said.

The partnership will depend on cultivating and maintaining trusting relationships among leaders in the region and the two states, he said. "If you lose that trust relationship, it just doesn't work. If that happens, shame on us for not doing our job right."

As for neighboring states trying to lure away each other's employers, Brown said, "We've decided we're not going to do that. That's the death knell of a regional partnership."

The partnership came close to missing one key member: The vote last month by the Pottawattamie County Board was 3-2 to join and provide \$100,000 a year to the partnership.

Board members Lynn Leaders and Loren Knauss said they favor working with Omaha on economic development but voted no because of unanswered questions about an incident last year between Iowa groups. Word about a potential new manufacturer wasn't passed along so that communities could compete for its 250 jobs.

"If we're going to get into a partnership with somebody and there's a question, I want to know where we're at," said Leaders, from Underwood. "I'm concerned because I want it to work, but you've got to have buy-in from everybody involved. If there's no trust, you don't have anything."

"Everybody's excited to create something new and shiny," said Knauss, from the Bluffs. But faulty communications is a serious concern and "might create bigger problems in the future. I'm hoping it works well."

Another backer of the partnership is Lori Holste, executive director of the Western Iowa Development Association in Avoca, which works with Pottawattamie County's rural communities.

"I absolutely love all the help that they've already offered in my direction, and hopefully we'll be able to offer as much help in their direction," she said. "In a rural setting, we have land. Sometimes cities start to get kind of landlocked."

"We're going to grow faster and make a stronger case for both sides of the river."

Mills and Harrison Counties in Iowa also are potential members of the partnership. "It's our job here in Pottawattamie County to show them it's working," Holste said. "As it works for us, I think other people will want to join."

Back on Macedonia's Main Street, Pottawattamie County Board member Melvyn Houser, who voted for joining Advance Southwest Iowa, said small

towns have “an awful lot of amenities” just a short drive of Omaha's events and venues.

City Council member Susan Goos and Ruby Bentley, president of the Macedonia Historical Preservation Committee, said they hope the partnership will spread the word about Macedonia's attractions. “At least they'll know what we offer,” Bentley said.

Macedonia isn't competing for the same businesses as Omaha, said Goos. “We would like to have small businesses come in,” maybe a bakery, an ice cream parlor or a bookstore. “We want to keep our small-town charm, and we want people to shop locally.”

How will the new partnership affect Macedonia?

“There's a certain amount of discomfort because of change,” she said. “We've never worked with Omaha, so we don't know. But we think it's going to work.”

Copyright ©2014 Omaha World-Herald®. All rights reserved. This material may not be published, broadcast, rewritten, displayed or redistributed for any purpose without permission from the Omaha World-Herald.

We Recommend

- [‘Forgotten tax cut’ a reality for Nebraskans in 2014](#)
- [‘This stuff is worse than cocaine,’ dad of teen who died of K-2 overdose says at seminar](#)
- [Police: 129 arrests, 380 citations during holiday motor-vehicle crackdown](#)
- [Video: Husker postgame press conference](#)
- [Driver in pedestrian's death has had two DUIs](#)
- [Annie, I'm in love with a 92-year-old man](#)

From Around the Web

- [Can't Miss Photos of HOT Sportscaster Kristen Ludlow](#) Rant Sports
- [Top 10 Highest-Paid Coaches in College Football](#) The Richest
- [Weird but Beautiful: 13 Alternative Kitchen Countertops](#) HGTV Remodels
- [Conn. football captain charged with killing male lover](#) theGrio
- [Top 5 Dirtiest Restaurants From Restaurant Impossible](#) Food Network
- [Stop Paying So Much For Your Hotel Room. 4 Simple Steps to Cheaper Rates](#) A Luxury Travel Blog

Recommended by