

# **COMMUNITY REINVESTMENT ACT**



## **PUBLIC FILE**



The following deposit products or services of Denver Savings Bank are available at all locations (unless noted):

Checking Accounts – *Ask an employee or call 319-984-5635 for a current Truth-in-Savings disclosure*

Money Market- *Ask an employee or call 319-984-5635 for a current Truth-in-Savings disclosure*

Savings Account - *Ask an employee or call 319-984-5635 for a current Truth-in-Savings disclosure*

Individual Retirement Accounts (IRAs) - *Ask an employee or call 319-984-5635 for a current Truth-in-Savings disclosure*

Certificates of Deposits (CDs) - *Ask an employee or call 319-984-5635 for a current Truth-in-Savings disclosure*

ATM Cards

VISA Credit Card

Online Banking/Business Online Banking

Mobile Banking

Transfer NOW (A2A) transfers

Night Depository

Bank by Mail

ACH Originations

Wire Transfers

Automatic Funds Transfers

U.S. Savings Bonds Redemption

Notary Services

Foreign Currency Order

Online Account Opening for Deposit Accounts

Account Related Alerts available through Online Banking and Mobile Banking

ATM Machine

only)

Debit Cards/Digital Wallet

Merchant Services

Remote Deposit Capture

Bill Pay

E-statements

Safe Deposit Boxes

Overdraft Protection

Direct Deposit

Telephone Banking

Cashier's Checks

Copies/ Fax Services

Card Hub – Debit Card Management

Mobile Deposit

Online Chat

Trust Services (Main Office



The following loan products or service Denver Savings Bank are available at all locations (unless noted) from 8am to 4:30pm CST:

- Personal/Consumer
- Auto
- Real Estate
  - Home Equity Line of Credit (HELOC)
  - Construction Loans
  - 1-4 Family Home
  - Multiple Dwelling Buildings (5+ families)
  - Commercial Real Estate
  - Farm Land
  - Home Improvement
- Farm Operating & Machinery
- Commercial Operating & Equipment
- Business Loans
- SBA Guaranteed Loans
- Online Consumer Real Estate Loan Application
- Automatic Loan Payments
- Online Banking



## Fee Schedule Effective January 1, 2023

<b>Account Closed within 6 months</b>	<b>\$25.00</b>
<b>ATM/debit card replacement</b>	<b>\$12.00</b>
<b>Blank checks each (maximum 10)</b>	<b>\$0.50</b>
Cashier's checks each	\$5.00
Check cashing (non-customer)	\$10.00
Coin counting (non-customer) 5% of amount or	\$5.00 minimum
Deposited items returned each presentment	\$7.00
Dormant account fee (balance < \$500.00) per month <b>after 12 months of inactivity</b>	\$7.00
Foreign currency ordering actual cost plus	\$10.00
Garnishment/Levy	\$100.00
<b>IRA Transfer Fee</b>	<b>\$25.00</b>
<b>Overdraft Fees per item per presentment</b> (daily maximum \$174) *	<b>\$29.00</b>
<b>Returned Item Fee per item per presentment</b> (daily maximum \$174) *	<b>\$29.00</b>
(Applies to transactions created by check, in-person withdrawal, or electronic means)	
For overdrafts \$5 and under there will be no charge	
Research/Reconcile statement per hour (\$25.00 minimum)	\$25.00
<b>Return Mail per item</b>	<b>\$7.00</b>
Additional Statements (per statement)	\$5.00
<b>Stop payment</b>	<b>\$32.00</b>
Wire transfers (incoming and outgoing)	\$20.00
International Wires (Incoming and Outgoing)	\$50.00
Lock Box Per Year                      3X5	\$30.00
3X10	\$40.00
5X10	\$55.00
Lock Box replacement key (s)	Actual Cost
<b>Lock Box drill actual cost plus</b>	<b>\$50.00</b>
Lock Box One Time Late Fee 30 Days Past Due	\$10.00

Fees may be subject to Iowa state and local sales tax

**\*Be aware that an item may be presented multiple times which may result in multiple Overdraft Fees or Returned Item Fees charged for the same item. We do not monitor the number of times an item is presented for payment.**

Bold indicates clarification or change in fee



## COMMUNITY REINVESTMENT ACT

### Branch Listing

#### Denver Office (Main Location) – Located in Census Tract 46

Denver Savings Bank 121 S State St Denver, IA 50622	Phone: 319-984-5635 Fax: 319-984-6123
<b>Hours Lobby:</b>	<b>Drive-Up</b>
Mon – Thu 9:00 A.M. – 6:00 P.M.	Mon – Thu 8:00 A.M. – 6:00 P.M.
Fri 9:00 A.M. – 6:00 P.M.	Fri 8:00 A.M. – 6:00 P.M.
Sat 9:00 A.M. – 12:00 P.M.	Sat 9:00 A.M. – 12:00 P.M.

#### Waverly Office – Located in Census Tract 42

DSB (Denver Savings Bank) 1810 4 <sup>th</sup> St. SW Waverly, IA 50677	Phone: 319-559-2670
<b>Hours Lobby:</b>	<b>Drive-Up</b>
Mon – Fri 9:00 A.M. – 4:30 P.M.	Mon – Fri 8:00 A.M. – 4:30 P.M.



## **COMMUNITY REINVESTMENT ACT**

Branch Opened & Closed | 2023, 2024, 2025

### **Branches opened:**

Waverly Branch – Opened July 1, 2024  
1810 4<sup>th</sup> St. SW, Waverly, IA 50677  
Census Tract: 42

### **Branches closed:**

Brother's Market Branch – Branch Consolidation on February 17, 2024  
1022 Skyler St, Suite A, Denver IA 50622  
Census Tract: 46





## COMMUNITY REINVESTMENT ACT

### Loan to Deposit Ratios

<u>Date</u>	<u>Ratio</u>
March 31, 2024	96.38%
June 30, 2024	100.02%
September 30, 2024	91.10%
December 31, 2024	88.97%



# **PUBLIC DISCLOSURE**

April 24, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Denver Savings Bank  
Certificate Number: 12857

121 South State Street  
Denver, Iowa 50622

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Kansas City Regional Office

1100 Walnut Street, Suite 2100  
Kansas City, Missouri 64106

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## TABLE OF CONTENTS

INSTITUTION RATING .....	1
DESCRIPTION OF INSTITUTION .....	2
DESCRIPTION OF ASSESSMENT AREA .....	3
SCOPE OF EVALUATION .....	5
CONCLUSIONS ON PERFORMANCE CRITERIA.....	6
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	11
APPENDICES .....	12
SMALL BANK PERFORMANCE CRITERIA.....	12
GLOSSARY .....	13

## INSTITUTION RATING,

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. Denver Savings Bank (DSB)'s satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following points summarize the institution's performance:

- The loan-to-deposit ratio is reasonable, given the institution's size, financial condition, and assessment area credit needs.
- The institution made a substantial majority of its small business and small farm loans and a majority of its home mortgage loans inside the assessment area.
- The geographic distribution of borrowers reflects a reasonable dispersion of lending throughout the assessment area.
- The distribution of borrowers reflects a reasonable penetration among businesses and farms of different revenue sizes and individuals of varying income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

DDSB is headquartered in Denver, Iowa, and is wholly owned by PSB Corporation, a two-bank holding company based in Wellsburg, Iowa. PSB Corporation also owns Peoples Savings Bank, Wellsburg, Iowa. DSB received a rating of “Satisfactory” at the previous FDIC CRA evaluation dated May 3, 2018, based on Interagency Small Institution Examination Procedures. DSB did not open or close any branch offices, and no acquisition activity has occurred since the previous CRA evaluation. However, since the previous evaluation, the institution consolidated the retail activities of its branch office located at Brothers Market in Denver, Iowa, into the main office.

DSB continues to offer commercial, home mortgage, agricultural, and consumer loan products, with a primary business focus on commercial lending. DSB also offers and originates loan products through the Small Business Administration. Further, the bank continues to sell long-term home mortgage loans on the secondary market.

DSB provides a variety of deposit account products, including checking, savings, money market accounts, and certificates of deposit. The institution offers alternative banking services such as online and mobile banking, mobile deposit, bill pay, electronic statements, and debit cards. The institution also has an automated teller machine onsite at its main office.

As of December 31, 2023, assets totaled approximately \$237.5 million, loans totaled \$176.9 million, and deposits totaled \$181.9 million. DSB’s loan portfolio distribution is illustrated in the following table.

<b>Loan Portfolio Distribution as of December 31, 2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	10,925	6.2
Secured by Farmland	11,361	6.4
Secured by 1-4 Family Residential Properties	31,676	17.9
Secured by Multifamily (5 or more) Residential Properties	11,816	6.7
Secured by Nonfarm Nonresidential Properties	70,816	40.0
<b>Total Real Estate Loans</b>	<b>136,594</b>	<b>77.2</b>
Commercial and Industrial Loans	25,072	14.2
Agricultural Production and Other Loans to Farmers	3,238	1.8
Consumer Loans	2,162	1.2
Other Loans	9,820	5.6
<b>Total Loans</b>	<b>176,886</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income. Due to rounding, totals may not equal 100.0%</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet the credit needs of its assessment area.

## DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. DSB has defined its assessment area to be all of Black Hawk County and all of Bremer County, with the exception of census tract 47. The counties that make up the assessment area are part of the Waterloo-Cedar Falls, Iowa Metropolitan Statistical Area (MSA). The assessment area delineation has not changed since the previous evaluation. However, the census tracts that make up the assessment area have been updated based on 2020 U.S. Census data.

Specifically, the assessment area now includes 46 census tracts comprised of five low-, eight moderate-, 26 middle-, and seven upper-income census tracts. At the prior evaluation, based on 2015 American Community Survey data, the assessment area included 45 census tracts and was comprised of four low-, nine moderate-, 21 middle-, and ten upper-income census tracts, as well as one census tract without an income designation. DSB's main office is located in an upper-income census tract.

### **Economic and Demographic Data**

The following table illustrates select demographic characteristics of the assessment area based on 2020 U.S. Census data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	46	10.9	17.4	56.5	15.2	0.0
Population by Geography	154,065	6.7	13.4	58.3	21.6	0.0
Housing Units by Geography	67,652	7.9	14.6	57.2	20.2	0.0
Owner-Occupied Units by Geography	42,295	4.2	11.3	61.2	23.2	0.0
Occupied Rental Units by Geography	19,773	14.6	19.3	50.2	15.8	0.0
Vacant Units by Geography	5,584	12.4	22.9	51.8	13.0	0.0
Businesses by Geography	19,152	6.3	20.4	52.5	20.8	0.0
Farms by Geography	1,162	1.5	9.0	66.3	23.2	0.0
Family Distribution by Income Level	37,513	21.5	17.7	21.4	39.4	0.0
Household Distribution by Income Level	62,068	23.9	16.6	19.1	40.5	0.0
Median Family Income - Waterloo-Cedar Falls, Iowa MSA		\$76,924	Median Housing Value			\$156,922
			Median Gross Rent			\$821
			Families Below Poverty Level			9.0%
Source: 2020 U.S. Census and 2023 D&B Data. (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0%						

According to 2023 D&B data, service industries represent the largest portion of business and farm operations in the assessment area at 32.1 percent, followed by non-classifiable establishments at 23.7 percent, and finance, insurance, and real estate at 12.4 percent. In addition, 62.4 percent of

assessment area businesses and farms have less than five employees, and 92.2 percent operate from one location.

The FFIEC provides updated median family incomes that are used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the assessment area during the presented year of the evaluation period are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2022 (\$90,100)	<\$45,050	\$45,050 to <\$72,080	\$72,080 to <\$108,120	≥\$108,120
Source: FFIEC				

### **Competition**

The assessment area is a highly competitive market for credit products and financial services. According to 2023 Reports of Condition and Income data filed by financial institutions, there were 28 financial institutions operating 52 locations within the assessment area. These institutions range from small community banks to larger national financial institutions. DSB is ranked 8<sup>th</sup> with approximately 2.0 percent deposit market share.

According to 2022 aggregate CRA data (the most recent available), 66 CRA data reporters collectively reported 1,919 small business loans within the assessment area. The top five lenders by number originated 55.3 percent of the market share. These figures do not include a high number of loans originated by smaller or mid-sized institutions, such as DSB, that are not required to report small business lending data but operate within the assessment area. The overall volume of small business lending reflects a highly competitive market.

According to 2022 aggregate Home Mortgage Disclosure Act (HMDA) data (the most recent available), 153 HMDA data reporters collectively reported 5,846 home mortgage loans within the assessment area. These institutions range from small community banks to larger national financial institutions. The top five lenders by number originated 66.7 percent of the market share. DSB is ranked 14<sup>th</sup> with approximately 1.0 percent of the home mortgage loan market share. The overall volume of home mortgage lending reflects a highly competitive market.

According to 2022 aggregate CRA data (the most recent available), 20 CRA data reporters collectively reported 296 small farm loans within the counties in the assessment area. The top five lenders by number originated 80.1 percent of the market share. These figures do not include a high number of loans originated by smaller or mid-sized institutions, such as DSB, that are not required to report small farm lending data but operate within the assessment area. The overall volume of small farm lending reflects a competitive market.

### **Community Contacts**

As part of the evaluation process, examiners contact third parties active in the assessment area to help identify credit needs. This information helps determine whether local financial institutions are responsive to community credit needs and provides context regarding available opportunities for

area financial institutions. For this evaluation, examiners reviewed a recently completed community contact interview with a representative from an economic development organization that serves a portion of the assessment area.

The contact stated that the local economy is driven by agriculture, has a low unemployment rate, and current economic conditions are stable. No major employers have ceased operations or had significant layoffs. Commercial and community employers look for people to move into the community to fill job openings. Most of the small towns and rural areas of Bremer and northern Black Hawk counties are bedroom communities. People commute to jobs in Waterloo, Cedar Falls, and Waverly, Iowa. Housing prices have steadily risen, and affordable housing is in short supply. Most affordable homes are old and in disrepair; however, they are on the market for a very short time, as buyers need to act immediately to purchase. These factors make it difficult for people with fewer resources to own a home. Agricultural operating, equipment, and land costs are high, which makes it hard for smaller farmers to be successful. Farmers anticipated 2023 yields to be low due to the dry spring and summer. Small business expansion and startups have been limited. The contact specifically mentioned agriculture and affordable housing as primary community credit needs. The contact stated that local banks are successfully meeting the credit needs of their communities.

### **Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business, home mortgage, and small farm loans are primary credit needs of the assessment area. Reports of Condition and Income filed by area financial institutions also support this assertion.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated May 3, 2018, to the current evaluation date. Examiners used Interagency Small Institution Examination Procedures to evaluate DSB's CRA performance, which includes the Lending Test. Refer to the Appendices for a summary of the criterion evaluated under the Lending Test.

### **Activities Reviewed**

The institution's major product lines are commercial, residential real estate, and agricultural loans. Examiners based this conclusion on the institution's business strategy, loan portfolio distribution, and the number and dollar volume of loans originated or renewed during the evaluation period. Therefore, examiners reviewed small business, home mortgage, and small farm lending to evaluate DSB's lending performance. Overall, examiners gave greater weight to small business lending when drawing conclusions since it is the bank's primary lending focus.

For the Assessment Area Concentration analysis, examiners evaluated all 38 small business loans totaling approximately \$5.7 million, and all 14 small farm loans totaling approximately \$1.2 million that were originated or renewed in 2023. Management indicated the loan activity reviewed was representative of the institution's performance during the evaluation period. For the Geographic Distribution and Borrower Profile criterion, examiners evaluated lending performance based on all small business and small farm loans originated or renewed inside the assessment area. D&B data

for 2023 provided a standard of comparison for the bank's small business and small farm lending performance.

Examiners also evaluated all home mortgage loans reported on the bank's 2022 and 2023 HMDA Loan Application Registers (LARs). Specifically, 68 home mortgage loans totaling approximately \$12.5 million for 2022, and 66 home mortgage loans totaling approximately \$16.1 million for 2023 were reviewed. Examiners reviewed all home mortgage loans located inside the assessment area to conduct the Geographic Distribution and Borrower Profile analyses. Examiners analyzed home mortgage lending performance for 2022 using 2022 aggregate lending data and 2020 U.S. Census data as standards of comparison. Further, examiners compared 2023 home mortgage lending performance to 2020 U.S. Census data. However, examiners placed more weight on the comparisons to aggregate lending data since it is typically a better indicator of market conditions and loan demand. Examiners presented all years of data for the Assessment Area Concentration analysis. Examiners did not identify any trends or anomalies between the two years of HMDA data that materially affected overall conclusions. Consequently, this evaluation only presents information for 2022, the most recent year for which aggregate data is available, under the Geographic Distribution and Borrower Profile criteria.

Examiners analyzed lending performance by both the number and dollar volume of loans; however, examiners emphasized the performance by number of loans, as it is generally a better indicator of the number of businesses, farms, and individuals served.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

DSB demonstrated satisfactory performance under the Lending Test. The institution's overall performance under Loan-to-Deposit Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile supports this conclusion.

#### **Loan-to-Deposit Ratio**

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and credit needs in the assessment area. The institution's ratio, calculated from Reports of Condition and Income data, averaged 85.3 percent over the past 23 calendar quarters from June 30, 2018, to December 31, 2023. The ratio ranged from a high of 96.2 percent as of December 31, 2023, to a low of 78.2 percent as of June 30, 2021. DSB maintained an average ratio that is the second highest of the similarly-situated institutions shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.



Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net Loan-to-Deposit Ratio (%)
<b>DSB, Denver, Iowa</b>	<b>237,458</b>	<b>85.3</b>
Community Bank Oelwein, Oelwein, Iowa	106,158	63.4
Peoples Savings Bank, Wellsburg, Iowa	169,066	84.8
Readlyn Savings Bank, Readlyn, Iowa	140,179	95.4
<i>Source: Reports of Condition and Income 6/30/2018 through 12/31/2023</i>		

### **Assessment Area Concentration**

DSB made a substantial majority of its small business and small farm loans, as well as a majority of its home mortgage loans, by number and dollar amount, within the assessment area. Overall, this concentration demonstrates the institution's willingness to meet the credit needs of the assessment area. See the following table for details.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total  #	Dollar Amount of Loans \$(000s)				Total  \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2022	59	86.8	9	13.2	68	11,281	89.9	1,268	10.1	12,549
2023	54	81.8	12	18.2	66	14,636	90.7	1,500	9.3	16,136
Subtotal	113	84.3	21	15.7	134	25,917	90.4	2,768	9.6	28,685
Small Business	38	100.0	0	0.0	38	5,734	100.0	0	0.0	5,734
Small Farm	14	100.0	0	0.0	14	1,193	100.0	0	0.0	1,193
Source: Bank Data										
Due to rounding, totals may not equal 100.0%										

### **Geographic Distribution**

The geographic distribution of loans reflects an overall reasonable dispersion, indicating DSB's willingness to extend small business, home mortgage, and small farm loans throughout the assessment area. This conclusion is supported by overall reasonable performance among all three loan products reviewed. Emphasis under this criterion is placed on the institution's record of lending in low- and moderate-income geographies.

### ***Small Business Loans***

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area, given mitigating factors. The following table indicates that the institution's lending performance in the low-income census tracts is comparable to demographic data. However, the institution's performance in the moderate-income census tracts in the assessment area is lower than demographic data. As stated previously, there is significant competition for small business loans that affect lending opportunities in the assessment area, which was confirmed by management

and aggregate CRA data. Specifically, the aggregate CRA data filed by financial institutions confirmed that 64 competing lenders originated small business loans in the low- and moderate-income census tracts of the assessment area. Further, management stated, and demographic data confirmed that DSB's branch structure and location relative to the low- and moderate-income census tracts makes it challenging to meet lending needs in these areas when considering competition and distance. Management also noted the bank has increased its pricing based on the cost of funds, which has resulted in the loss of some accounts, as competitors have been able to stay below DSB's rates. Given these factors, DSB's performance is reasonable.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	6.3	1	2.6	40	0.7
Moderate	20.4	2	5.3	115	2.0
Middle	52.5	20	52.6	2,744	47.9
Upper	20.8	15	39.5	2,835	49.4
<b>Totals</b>	<b>100.0</b>	<b>38</b>	<b>100.0</b>	<b>5,734</b>	<b>100.0</b>
Source: 2023 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%					

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, DSB's volume of home mortgage lending to low-income census tracts greatly exceeds that of demographic and aggregate data, while lending in the moderate-income census tracts of the assessment area also exceeds comparative benchmark data, but to a lesser extent.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.2	4.3	9	15.3	4,868	43.2
Moderate	11.3	11.3	9	15.3	741	6.6
Middle	61.2	62.3	29	49.2	4,267	37.8
Upper	23.2	22.1	12	20.3	1,405	12.5
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>59</b>	<b>100.0</b>	<b>11,281</b>	<b>100.0</b>
Source: 2020 U.S. Census; Bank Data; 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%						

### ***Small Farm Loans***

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area, given mitigating factors. The following table reveals that DSB did not originate any small farm loans in the assessment area's low- and moderate-income census tracts. However, the distribution is reasonable when considering that the low- and moderate-income census tracts are

located within the city limits of Waterloo, Iowa, where very limited agricultural land and opportunities exist. Further, as stated previously, there is competition for small farm loans that affect lending opportunities in the assessment area, which was confirmed by management and aggregate CRA data. Specifically, the aggregate CRA data filed by financial institutions confirmed that 16 competing lenders operate in the low- and moderate-income census tracts that also engage in small farm lending. Also, management confirmed that small farm lending is not a major focus of the institution. Given these factors, DSB's performance is reasonable.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	1.5	0	0.0	0	0.0
Moderate	9.0	0	0.0	0	0.0
Middle	66.3	11	78.6	1,125	94.3
Upper	23.2	3	21.4	68	5.7
<b>Totals</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>	<b>1,193</b>	<b>100.0</b>
Source: 2023 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					

### **Borrower Profile**

The distribution of borrowers reflects overall reasonable penetration among businesses and farms of different revenue sizes and individuals of different income levels. The institution's reasonable performance in small business and home mortgage lending and excellent small farm lending performance supports this conclusion. Emphasis under this criterion is placed on the institution's record of lending to businesses and farms with gross annual revenues of \$1 million or less, and on the record of home mortgage lending to low- and moderate-income borrowers.

### ***Small Business Loans***

The distribution of small business loans reflects reasonable penetration among businesses with gross annual revenues of \$1 million or less. As shown in the following table, DSB's lending to businesses with gross annual revenues of \$1 million or less is comparable to demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	88.7	32	84.2	3,799	66.3
>\$1,000,000	3.1	6	15.8	1,935	33.7
Revenue Not Available	8.2	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>38</b>	<b>100.0</b>	<b>5,734</b>	<b>100.0</b>
Source: 2023 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					

### ***Home Mortgage Loans***

The distribution of home mortgage loans to borrowers of different income levels is reasonable, given mitigating factors. As shown in the following table, the institution's level of lending to low- and moderate-income borrowers is lower than the associated percentage of families in the assessment area and aggregate performance data. However, 32 of the 59 home mortgage loans reviewed were to borrowers without an income designation. Examiners confirmed with management that the institution has very strong commercial rental real estate activity, and those loans are reported on the bank's HMDA LAR. When commercial residential real estate loans are excluded from the 2022 HMDA LAR, 27 consumer-purpose residential real estate loans remain. When considering only the consumer-purpose residential real estate loans, DSB's lending to low-income borrowers was 18.5 percent, and lending to moderate-income borrowers was 22.2 percent. These percentages are comparable to the demographic and aggregate data. Overall, DSB's consumer-purpose home mortgage lending within the assessment area reflects a reasonable penetration of loans to borrowers of differing income levels.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	21.5	17.9	5	8.5	454	4.0
Moderate	17.7	26.2	6	10.2	434	3.8
Middle	21.4	20.7	5	8.5	672	6.0
Upper	39.4	23.0	11	18.6	1,603	14.2
Not Available	0.0	12.3	32	54.2	8,118	72.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>59</b>	<b>100.0</b>	<b>11,281</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data; 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Farm Loans***

The distribution of small farm loans reflects excellent penetration among farms with gross annual revenues of \$1 million or less. As shown in the following table, the bank's lending to farms with gross annual revenues of \$1 million or less exceeds demographic data.

<b>Distribution of Small Farm Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	98.8	14	100.0	1,193	100.0
>\$1,000,000	0.6	0	0.0	0	0.0
Revenue Not Available	0.6	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>	<b>1,193</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

**Response to Complaints**

The institution did not receive any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the CRA rating.

**DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit needs.

## **APPENDICES**

### **SMALL BANK PERFORMANCE CRITERIA**

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary



counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area (also known as non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.



## HOME MORTGAGE DISCLOSURE ACT NOTICE

HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age and income of applicants and borrowers; and information about loan approvals and denials. These data are available online at the Consumer Financial Protection Bureau's Web site ([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)). HMDA data for many other financial institutions are also available at this Web site.



## **COMMUNITY REINVESTMENT ACT**

### Written Comments

Written comments received from the public related to the bank's performance in helping to meet community credit needs.



August 14, 2023

Dear Grow Cedar Valley Financial Institution Investor,

The investment and support you make in the work of Grow Cedar Valley is greatly appreciated. As you know, the mission of Grow Cedar Valley is to:

***Elevate the economic vitality of our businesses and communities.***

Over the past year, Grow Cedar Valley along with our partners and Board of Directors, have developed a five-year Strategic Plan. The Strategic Priority Areas identified in that plan are:

- **Workforce Development & Talent** – Grow and diversify the quality and quantity of the Cedar Valley's workforce.
- **Placemaking/Image** – Elevate the Cedar Valley as a place of choice for individuals and businesses.
- **Diversifying the Cedar Valley Economic Base** – Enhance the diversity of the Cedar Valley economic base.
- **Organizational Structure** – Secure adequate financial and human resources to ensure long-term organizational success.

The Mission and Strategic Priority Areas are very well aligned with our financial institutions, the role you play in our economy, and the potential returns we offer from our success. As you will note in this letter, our work spans from Business Development, Workforce Development, Entrepreneurship, and Special Projects.

The Cedar Valley economy finds its center of gravity in the Waterloo and Cedar Falls communities of the Metro, where most of the commercial activity occurs. At the same time, Waterloo is recognized as the most diverse city, on a per capita basis, in Iowa. It also is the location of the most low-moderate income tracts in the Metro, indeed the BEA defined Economic Area. The Waterloo Community Schools serves a student population that is 55% minority, compared to the Iowa public school average of 26%. Metro cities also benefit from an impressive diversity of student and faculty of the University of Northern Iowa, Wartburg College, and Hawkeye Community College.

Grow Cedar Valley undertakes an aggressive program of work to increase the success and growth of business, which leads to new capital investment and quality jobs. Some of these are directly impacting the areas of higher presence of low-moderate income individuals and families.

#### **BUSINESS DEVELOPMENT**

A fundamental part of economic development work is to attract new businesses and support existing businesses to diversify the economy and reduce the region's vulnerability. Grow Cedar Valley (GCV) works very closely with the city's economic development staff and many other public and private partners with these collaborative efforts.

GCV regularly stays in contact with both businesses through GCV's business visitation program and became aware of both projects during regular outreach. GCV is currently working with several other companies in the Cedar Valley often these timelines can become years before they are fully announced.

Grow Cedar Valley also conducts external lead generation to continue to attract a diversified business base.



### **Cedar Valley TechWorks Campus**

- 30-acre redevelopment project adjacent to Waterloo's CBD, in the US 63 corridor, owned and managed by a subsidiary of Grow Cedar Valley.
- The goal of the TechWorks project is to improve the low to moderate income areas of the NE area of Waterloo, particularly along the US 63 corridor from Hwy 218 to the north city limit.
- New uses include:
  - The Advanced Manufacturing Hub assists Iowa and US firms to learn and apply state of the art Additive Manufacturing CAD methods and production (3D printing in the industrial environment) to propel manufacturers into greater global competitiveness.
  - John Deere Waterloo Tractor and Engine Museum (a STEM educational site).
  - Marriott Courtyard hotel, meeting/conference space and Starbeck's Smokehouse opened in July.
  - Cedar Valley Makers Group has a dual mission of creating a new generation of startup manufacturers and industrial services, and engaging students in STEM and manufacturing activities to encourage advanced manufacturing and design as a career option.
  - Lincoln Savings Bank purchased the top three floors of one of the buildings for an \$18M renovation to turn the space into their LSBX FinTech division and LSB operations. This expansion will add nearly 200 high-paying jobs.
  - The Volunteer Center of the Cedar Valley is the latest new tenant, occupying a built-out space of 1,000 square feet on the 3<sup>rd</sup> floor bringing four new employees to the building.
  - Hawkeye Community College has expanded IGNITE opening in September 2023: Introduction to Advanced Manufacturing Lab to 20,000/sf on the 2nd floor of the Techworks Building. The \$5.12M investment will train future manufacturing workforce in skills that include mechatronic and digital manufacturing systems, advanced materials and designs and data analytics and networking. The program is 8 weeks long and students could earn up to 20 stackable credentials. Program has already been lauded by John Deere, Doerfer Engineering, Iowa Laser and Technology, Kryton Engineering and Viking Pump.

### **Advocacy**

Grow Cedar Valley staff attends Council meetings as needed, will speak on projects relevant to the growth and development of the cities. GCV staff regularly review council, county supervisor and planning & zoning agendas.

### **Legislative**

Grow Cedar Valley keeps the Cedar Valley informed on key issues and ensures our region is top of mind with legislators. Current legislative priorities include Talent Attraction, Retention and Recruitment; Placemaking; and Economic Growth.

<https://www.growcedarvalley.com/business/government-affairs/>

### **Airport**

GCV's advisory committee for the airport initially raised money to retain an airport consultant, Volaire Aviation, to help guide the Airport Director, Airport Board and the city on airport service, industry trends and introductions and conversations with other carriers. The city has now retained the consultant to continue to work on these important items.



### **Industry 4.0**

Grow Cedar Valley is reaching out to Cedar Valley manufacturers to identify the level of factor innovation in place and the need to compete in the global economy. This includes opportunities and threats to supply chain needs. This initiative is based on the State's release of the "Seizing the Manufacturing 4.0 Opportunity: A Strategic Plan for Iowa's Manufacturing Industry" January 2021.

### **Cedar Valley Manufacturing Association**

Manufacturing is the largest industry across the Cedar Valley, employing almost 17,000 people directly. Recognizing the importance of our manufacturing industry's success to our region.

The industry-led association, with the support of GCV, Hawkeye Community College, University of Northern Iowa, and Iowa State University-CIRAS will be a peer association of industry leaders to prioritize common issues and opportunities within the region's manufacturing community. Key among them is educational support for upcoming workforce, as well as ensuring the demographics of the manufacturing industry workforce match the demography of our community at large.

### **WORKFORCE DEVELOPMENT**

Grow Cedar Valley has been addressing disparity issues in the workforce facing our low-moderate income population as part of our economic development work for many years. We seek to address the workforce needs of our employers and community members through three main areas, including workforce attraction and retention, improving training and alignment with our schools and businesses, and helping to reduce barriers to employment for all people to be active participants in our region's economy.

Specifically, Grow Cedar Valley's economic inclusion strategy focuses on long-term change, which drives the direct actions we take today. Our priorities are committed to economic inclusion for all using strategies that respond to specific barriers to employment and dynamics at work for different groups of people.

### **Talent Attraction & Retention**

Attracting and retaining talent in our community has become one of our top priorities, both in terms of helping employers directly with talent attract efforts as well as looking ahead to the quality-of-life amenities we're investing in as a community over the next 5 to 10 years. Current programs & resources being developed include:

- New bi-annual newcomer events & summer student socials, the first one to be held May 2024
- New Cedar Valley quality of life publication "Livability" to use in talent attraction by employers and with newcomers. A second publication will be released in October 2023
- Enhanced focus on quality of life & placemaking as regional economic development priorities
- Expanded job marketing & career awareness
- Better engagement of young professionals to retain them in the Cedar Valley

### **Economic Inclusion:**

The Cedar Valley's talent shortage and economic inclusion are tied together and require a mix of strategies aimed at individuals (employees) and employers. All these efforts are intended to result in decreasing the unemployment rate and increasing the median income level. Grow Cedar Valley is addressing this through several priority areas, including:

- Addressing barriers to employment (such as childcare, transportation, etc.). Current priority conversations include childcare and transportation barriers. We are currently in conversations with INRCOG, MET Transit, the



City of Waterloo, and our region's nonprofit funds to review both short-term and long-term opportunities to reduce transportation as a barrier for employment.

- Improved inclusion practices in the workplace increase advancement opportunities for diverse populations. We are addressing this through an active network of partner businesses, our annual Economic Diversity & Inclusion Summit, and an Economic Inclusion Toolkit that will be updated this year with new information & resources
- Advocating at the local legislative level for equitable employment opens new doors for minority populations.
- With the increasing needs and opportunities for welcoming newcomers to our community, we're working through discussions with the Iowa DHS, Catherine McAuley Center, and other immigrant & refugee support organizations to identify where we have gaps in support and can better connect newcomers with community resources, support, and long-term needs like employment to help them settle into Iowa as their new home.

### **Economic Inclusion Conference**

The Economic Inclusion Conference is Iowa's premier conference on Diversity, Equity, and Inclusion. This joint conference is between the University of Northern Iowa and Grow Cedar Valley and is made possible with the tremendous collaboration of other area stakeholders and organizations. In October 2022 we hosted more than 250 attendees at the newly renovated Waterloo Convention Center in downtown Waterloo.

Summit content included a keynote speaker, Kate Hightshoe, Asst. VP, QCR Holdings Inc, Community Bank & Trust (CB&T), a division of Cedar Rapids Bank & Trust (CRB&T). Also presenting was Dr. Kyle Christiason, Founder of the Inaugural UnityPoint Health LGBTQ+ Clinic in Cedar Falls.

### **Unemployment Assistance**

Unfortunately, when a business does close, those most immediately affected are those in the low-moderate income bracket. Grow Cedar Valley has aided employers and employees in finding the resources to navigate the unemployment process. Grow Cedar Valley's Business and Retention Program also assists any business that closes or reduces its workforce by connecting the former employees with resources to find new employment or training opportunities here in the Cedar Valley.

### **IGNITE Quality Pre-Apprentice Program**

Grow Cedar Valley is a support partner in implementing and expanding the IGNITE Introduction to Manufacturing program through Hawkeye Community College. The program, currently running cohorts both within Waterloo Schools and a pilot to train & connect ex-offenders with manufacturing employment opportunities. Both programs reach a historically excluded group of students not typically represented in manufacturing occupations.

The program has graduated and placed over 30 students in employment since its launch in 2020, with current discussions in place to reach a much larger portion of students through a deeper partnership with Waterloo Community Schools.

### **2023 Cedar Valley Wage & Benefit Survey**

Grow Cedar Valley led a regional collaborative effort to collect wage and benefit data from existing businesses in the six-county region and published the 2023 Cedar Valley Wage and Benefits Survey. The survey was in response to business requests for real-time data on wages and benefits to keep them competitive in a market where finding employees is extremely competitive.





## ENTREPRENEURSHIP

### **24/7 Black Leadership Advancement Consortium**

Grow Cedar Valley partners with the 24/7 Black Leadership Advancement Consortium and the Minority Businesses and Entrepreneur Accelerator Program. Danny Laudick (staff) serves on the advisory committee for the program, having been one of the founding partners to help fund and launch the program in 2020.

The first cohort graduated 12 minority-owned businesses and is now on the fourth cohort the program coming up on 40 graduates total this next month. This program has attracted the attention of the State of Iowa as they work to improve the business environment so that minority groups aren't restricted from growing as well as the Kauffman Foundation – having received over \$600,000 in funding from the two combined to expand the program.

### **Sponsored Businesses**

Grow Cedar Valley now offers an opportunity for minority or Veteran-owned businesses to receive a free one-year membership - providing valuable exposure, access to networking and professional development, and business support. Grow Cedar Valley investors at the Innovator level (\$10,000 and above) can "sponsor" a member of their choice. To date, we have 31 sponsored members.

## SPECIAL PROJECTS

### **Emerging Healthcare Trends**

Grow Cedar Valley's Community Development Council held its first lunch and learn regarding healthcare on November 10, 2022. There were 130 in attendance. Healthcare has been significantly impacted over the past few years, resulting in a need for the industry to modify its preexisting idea of how care should be delivered. How are healthcare organizations adapting to the "new normal" care model. The panelists provided information regarding the shift of patient care in the Cedar Valley and beyond. They also discuss the nature and extent of the challenges the healthcare industry has experienced since the pandemic, how the industry is responding to healthcare inequities and emerging trends in design and delivery of care.

Panel Moderator; Mike McMahan, Executive Vice President, Healthcare, Ryan Companies. Panel members included:

- Pamela Delagardelle, President/CEO, UnityPoint Health – Allen Hospital
- Jean Firman, CEO, The Surgery Center
- Gil Irely, CEO, Cedar Valley Medical Specialists
- Ryan Meyer, Chief Operating Officer, MercyOne Northeast Iowa

### **Culture and Climate: The Keys to Thriving Organizations**

Grow Cedar Valley is planning a next lunch and learn with the Robert D. and Billie Ray Center out of Drake University in September 2023.

This list should be considered an overview. I'll be glad to provide additional information about any of these and other Grow Cedar Valley initiatives that not only deliver value to you as an employer and a return to you as a financial institution, but also deliver opportunities to participate in activities improving the marketplace in which you operate.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cary Darrah".

Cary Darrah, CEO, Grow Cedar Valley



May 28, 2024

Dear Grow Cedar Valley Financial Institution Investor,

The investment and support you make in the work of Grow Cedar Valley (GCV) is greatly appreciated. As you know, the mission of Grow Cedar Valley is to:

***Elevate the economic vitality of our businesses and communities.***

Grow Cedar Valley along with our partners and Board of Directors, have developed a five-year Strategic Plan. The Strategic Priority Areas identified in that plan are:

- **Workforce Development & Talent** – Grow and diversify the quality and quantity of the Cedar Valley's workforce.
- **Placemaking/Image** – Elevate the Cedar Valley as a place of choice for individuals and businesses.
- **Diversifying the Cedar Valley Economic Base** – Enhance the diversity of the Cedar Valley economic base.
- **Organizational Structure** – Secure adequate financial and human resources to ensure long-term organizational success.

The Mission and Strategic Priority Areas are very well aligned with our financial institutions, the role you play in our economy, and the potential returns we offer from our success. As you will note in this letter, our work spans from Business Development, Workforce Development, Entrepreneurship, and Special Projects.

The Cedar Valley economy finds its center of gravity in the Waterloo and Cedar Falls communities, where most of the commercial activity occurs. At the same time, Waterloo is recognized as the most diverse city, on a per capita basis, in Iowa. It also is the location of the most low-moderate income tracts in the Metro, indeed the BEA defined Economic Area. The Waterloo Community Schools serves a student population that is 55% minority, compared to the Iowa public school average of 26%. Metro cities also benefit from an impressive diversity of students and faculty of the University of Northern Iowa, Wartburg College, and Hawkeye Community College.

## **BUSINESS DEVELOPMENT**

A fundamental part of economic development work is to attract new businesses and support existing businesses to diversify the economy and reduce the region's vulnerability. Grow Cedar Valley (GCV) works very closely with the city's economic development staff and many other public and private partners with these collaborative efforts.



GCV regularly stays in contact with businesses through GCV's business visitation program as a function of business retention and expansion and conducts external lead generation to continue to attract a diversified business base.

### **Recent Economic Achievements**

In 2023, **\$1.00** in invested in Grow Cedar Valley's economic development projects completed yielded impressive returns:

- **\$642** in economic output.
- **\$31.12** in net benefits for state and local taxing districts.

**Take that \$1.00 and stretch that out over the next 10 years the economic impact is even greater!**

\$266,636,325 in total economic output over the next 10 years.

\$12,920,465 in total additional net benefit for state and local districts over the next 10 years.

### **Looking at a Broader Timeline: 4-Year Impact**

Over a four-year span of projects, **\$1.00** in investment in Grow Cedar Valley's ED projects completed have been even more substantial:

- **\$2,470** in economic output per dollar invested.
- **\$61.61** in net benefits for local governments.

**Take that \$1.00 and stretch that out over the next 10 years the economic impact is even greater!**

\$3,647,339,897 in total economic output over 10 years.

\$69,302,766 in total additional net benefit for state and local districts over 10 years.

### **Cedar Valley TechWorks Campus**

- 30-acre redevelopment project adjacent to Waterloo's CBD, in the US 63 corridor, owned and managed by a subsidiary of Grow Cedar Valley.
- The goal of the TechWorks campus is to serve as a hub, to foster and support innovation and industry 4.0 initiatives in the cedar Valley.
- Users include:
  - The Advanced Manufacturing Hub - assists Iowa and US firms to learn and apply state of the art Additive Manufacturing CAD methods and production (3D printing in the industrial environment) to propel manufacturers into greater global competitiveness.
  - John Deere Waterloo Tractor and Engine Museum (a STEM educational site).
  - Marriott Courtyard hotel, meeting/conference space and Starbeck's Smokehouse.
  - Cedar Valley Makers Group has a dual mission of creating a new generation of startup manufacturers and industrial services, and engaging students in STEM and manufacturing activities to encourage advanced manufacturing and design as a career option.



- Lincoln Savings Bank purchased the top three floors of one of the buildings for an \$18M renovation to turn the space into their LSBX FinTech division and LSB operations. INVISION is currently leasing at least half of the fourth floor owned by LSB.
- Hawkeye Community College has opened the Introduction to Advanced Manufacturing Lab to 20,000/sf on the 2nd floor of the TechWorks Building. The \$5.12M investment will train future manufacturing workforce in skills that include mechatronic and digital manufacturing systems, advanced materials and designs and data analytics and networking.

### **Advocacy**

Grow Cedar Valley staff attends Council meetings as needed, will speak on projects relevant to the growth and development of the cities. GCV staff regularly review council, county supervisor and planning & zoning agendas.

### **Legislative Affairs**

Grow Cedar Valley keeps the Cedar Valley informed on key issues and ensures our region is top of mind with legislators. Current legislative priorities include Talent Attraction, Retention and Recruitment; Placemaking; and Economic Growth.

<https://www.growcedarvalley.com/business/government-affairs/>

### **Cedar Valley Manufacturing Association**

There are seventeen (17) companies that make up the Cedar Valley Manufacturing Association, along with several support partners in the Cedar Valley including Grow Cedar Valley. Dennis Schilling from Power Engineering and Manufacturing is the current President. CVMA meets quarterly to support the below priorities that manufacturers in the Cedar Valley have identified.

Priority Areas Identified by Manufacturers:

- Support the alignment of the IGNITE program between lower and higher education.
- Provide educational support for upcoming workforce starting at grade school to ensure the demographics of the manufacturing workforce match the demographics of the community.

The workforce shortage isn't expected to improve over the next several years and is even worse for manufacturers as it is estimated 20% of manufacturing workforce will retire over the next 5-10 years while incoming workforce is short to fill the demand unless CVMA does something about it. CVMA's leadership has developed a plan and will be executing with support from Grow Cedar Valley, Hawkeye Community College, Waterloo Career Center, and University of Northern Iowa.



## WORKFORCE DEVELOPMENT

One of the main goals of Workforce & Talent at Grow Cedar Valley is to be an expert in the workforce space and a resource and connector to HR professionals and business owners throughout the Cedar Valley for all things that have to do with workforce. Here are some ways we have continued to make this a focus in 2023/2024:

- We have positioned ourselves as an expert in workforce data in a couple of different ways.
  1. In 2023, we began a subscription to Lightcast, which is a data source that is a global leader in labor market analytics. We have been able to use this data for many different things, but one of the most important ways has been defining our 4 key industries (Manufacturing, Distribution & Transportation, Finance & Insurance and Healthcare) in the Cedar Valley and determining the highest-in demand occupations within the next 10 years (Industrial/Mechanical Engineers and Nurse Practitioners). We will be utilizing this information to support programs doing work in this space and to support talent pipelines into those industries and roles.
  2. We have now partnered with UNI's Strategic Marketing Services and the Cedar Valley Regional Partnership for a 3<sup>rd</sup> year to conduct a Cedar Valley Wage & Benefit survey. The goal of this survey is for Cedar Valley employers to complete the survey for their company and then have the ability to see the results/report. The results will help employers better attract and retain talent to their company by being more competitive when it comes to wages and benefits.
- Another way we accomplish the goal of being an expert in workforce is to continue to utilize the Workforce Advisory Council that was created in December 2022. The goal of the council is to give feedback and input to the Director of Workforce & Talent on ideas and initiatives in regard to attracting and retaining workforce. Currently there are 11 businesses represented on the Workforce Advisory Council, with 5 of the 11 businesses newly added in mid to late 2023. The current companies represented on the council are Advanced Heat Treat, John Deere, Kryton, K & W Electric, Lincoln Savings Bank, PDCM, Target Food Distribution Center, The Accel Group, UnityPoint Health, VGM and Western Home Communities.
- To ensure alignment and reduce redundancy with other entities/organizations that are centered around workforce, the Director of Workforce & Talent now sits on several boards/committees in the community and region including: Leader Valley Council, Iowa Workforce Board's Northeast Iowa Planning & Operations Committee, Advancing Equity in the Cedar Valley and the Cedar Valley SHRM (Society of Human Resource Management) Board as the Work Readiness Chair. She also put together a peer group of workforce professionals from all around the state of Iowa who meet on a quarterly basis to share ideas and align where necessary- this group is called the Iowa Workforce Alliance Group.



- In 2024, the Director of Workforce & Talent started conducting HR Listening Sessions by key industry. The purpose of each listening session is to share key data about the Cedar Valley to HR professionals, but more importantly, to hear from HR professionals about their biggest challenges with workforce in that industry. The summary of information shared in the listening session, will help GCV know how to best support workforce efforts in that industry.

### **Talent Attraction & Retention**

Grow cedar Valley is helping employers directly with talent attract efforts as well as looking ahead to the quality-of-life amenities we're investing in as a community over the next 5 to 10 years. Current programs & resources are:

- Live the Valley magazine
  - We are currently in our 2<sup>nd</sup> year of a 3-year contract with Livability media for our Cedar Valley quality of life publication "Live the Valley". The purpose of the magazine is for businesses to use it in talent attraction efforts and for newcomers to the area to learn about all the great things we have to offer in the Cedar Valley.
- Cedar Valley Intern Connect Program
  - We have a new program for summer interns this year: the Cedar Valley Intern Connect. Its aim is simple yet impactful – to foster connections among interns and immerse them in the vibrant community of the Cedar Valley, enticing them to consider it as their future home post-college. The summer interns will participate in two sessions this summer, scheduled for Tuesday, June 18th and Tuesday, July 16th, both running from 11:30 am to 5 pm. During these sessions, they'll engage in networking activities, forge meaningful relationships with fellow interns, and connect with other young professionals in the Cedar Valley. Additionally, they'll learn a little bit about the history of the area, discover exciting local attractions, and gain valuable insights into housing options for their post-college transition.
- Live the Valley marketing
  - In 2023, we began our Influencer campaign. We currently have 9 influencers who represent many of the different demographics and career fields in the Cedar Valley. The Influencers help promote all of the great reasons to live in the Cedar Valley by naturally sharing their life and the things we do.

Additionally, throughout the year we provide a variety of events designed to foster connection and promote community within Cedar Valley. These include our Business After Hours and Good Morning Cedar Valley, among others. Programs like Cedar Valley Leadership Institute (CVLI) and Leadercast provide opportunities for personal development and serve as a valuable retention tool for our businesses.



### **Economic Inclusion:**

The Cedar Valley's talent shortage and economic inclusion are tied together and require a mix of strategies aimed at individuals (employees) and employers. All these efforts are intended to result in decreasing the unemployment rate and increasing the median income level. Grow Cedar Valley is addressing this through several priority areas, including:

- Addressing barriers to employment (such as childcare, transportation, etc.). Current priority conversations include childcare and transportation barriers.
- Improved inclusion practices in the workplace increase advancement opportunities for diverse populations. We are addressing this through an active network of partner businesses, our annual Economic Diversity & Inclusion Summit, and an Economic Inclusion Toolkit that will be updated this year with new information & resources.
- Advocating at the local legislative level for equitable employment opens new doors for minority populations.
- With the increasing needs and opportunities for welcoming newcomers to our community, we're working through discussions with the Iowa DHS, Catherine McAuley Center, and other immigrant & refugee support organizations to identify where we have gaps in support and can better connect newcomers with community resources, support, and long-term needs like employment to help them settle into Iowa as their new home.

### **Economic Diversity and Inclusion Summit**

Over 200 professionals attended the Seventh Annual Economic Diversity and Inclusion Summit hosted by Grow Cedar Valley and the University of Northern Iowa that took place on Friday, October 20, 2023, at the Waterloo Convention Center. The summit provided valuable insights and strategies for promoting diversity and inclusion in the Cedar Valley region, fostering a more inclusive and economically vibrant community. It served as a platform for networking, sharing ideas, and celebrating the diverse and inclusive spirit of the community and addressed the importance of tapping into the consumer and workforce potential of the region's diverse population.

Waterloo Mayor Quentin Hart and Cedar Falls City Administrator Ron Gaines each gave a welcome speech along with Grow Cedar Valley President/CEO Cary Darrah and UNI Assistant to the President/Chief Diversity Officer Gwenne Berry. ONE Cedar Valley Executive Director Joy Briscoe shared opening remarks about how far the Cedar Valley has come regarding diversity equity and inclusion since the 27/7 Wall Street report in 2018.

Morning keynote speaker Dr. LaDrina Wilson, Quad Cities Chamber of Commerce CEO shared insights and experiences from her role as CEO and founder of Iman Consulting, emphasizing the importance of diversity and equity in inclusive leadership. Lunch keynote speaker Dr. Arvid Osterberg, Iowa State University





Professor provided perspectives and findings on the Americans with Disabilities Act accessible design standards and requirements.

The summit included a series of informative breakout sessions covering various aspects of diversity, equity, and inclusion. These sessions were led by knowledgeable professionals and experts:

**Allyship: How to be a Strong Ally** - Shelley Price-Williams, Ph.D. (UNI) provided valuable insights into the concept of allyship and offered practical advice on how individuals can be strong allies in promoting diversity and inclusion.

**Current Political Landscape of DEI** - Jayme Renfro (UNI) discussed the ever-evolving political landscape related to diversity, equity, and inclusion, highlighting the significance of understanding its impact on various initiatives.

**Expanding DEI Within Your Company: Improving Company Engagement** - Amanda Nugent (VFM) and Darian Schmit (VGM) shared strategies for enhancing diversity, equity, and inclusion within corporate settings, emphasizing the importance of engaging employees and stakeholders.

**Mental and Physical Health: Holistic Wellness** - Beauty Fitts (HealthPartners), Nicole Sallis (Grow Cedar Valley), and Shantila Caston (MercyOne) delved into the essential connection between holistic wellness, mental and physical health, and diversity and inclusion, offering guidance on promoting well-being in diverse communities.

To close the event on a musical note, Kevin Burt, an International Blues Challenge Solo/Duo Champion, entertained the attendees during the social hour. His musical performance added a cultural and entertaining dimension to the summit, allowing participants to relax and enjoy the afternoon.

### **Unemployment Assistance**

Unfortunately, when a business does close, those most immediately affected is the disruptions of these individuals affected and their families. Grow Cedar Valley is part of the Rapid Response Team that is led by Iowa Workforce Development and along with our regional economic development partners held a job fair for affected workers for the recent 300 permanent layoffs of John Deere Waterloo.

## **ENTREPRENEURSHIP**

### **Entrepreneurship Service Provider Roundtable**

Grow Cedar Valley, in collaboration with the John Pappajohn Entrepreneurial Center, recently convened a gathering of service providers dedicated to supporting entrepreneurs, start-ups, and small businesses. Participants at the inaugural meeting included representatives from Hawkeye Community College, the University of Northern Iowa, the John Pappajohn Entrepreneurial Center, the Cities of Waterloo and Cedar Falls, the Small Business Development Center, and the 24/7 Black Leadership Advanced Consortium. The meeting highlighted opportunities for enhanced collaboration among these providers, with a focus on addressing resource gaps and other challenges. Discussions also touched upon potential future





involvement of financial institutions. Grow Cedar Valley aims to both amplify and advocate for the impactful efforts of these organizations.

### **Sponsored Businesses**

Grow Cedar Valley continues to offer an opportunity for veteran or minority-owned business, or charitable organization to receive a free one-year membership. This provides valuable exposure, access to networking and professional development, and business support. Grow Cedar Valley investors at the Innovator level (\$10,000 and above) are listed as Sponsors. This year businesses submitted applications and staff reviewed for consideration. To date, we have 32 sponsored member/investors.

### **SPECIAL PROJECTS**

#### **Unlocking the Potential of AI: A Roadmap for Business Leaders and Innovators**

Grow Cedar Valley's Community Development Committee held a lunch and learn on February 29, 2024. There were 86 attendees. As we navigate through the ever-evolving landscape of business and technology, artificial intelligence (AI) has become a central topic in numerous conversations and advertisements. Dr. Amy Igou, Halverson Associate Professor at the University of Northern Iowa and the Director of the Master of Accounting program moderated the discussion. Dr. Igou provided valuable insights into leveraging AI for business growth and discussed the potential benefits and risks.

#### **PANELISTS:**

Brian Haase - Executive Director, Enterprise Imaging Services, UnityPoint Health

Scott Hagberg - Application and Automation Architect, VGM Group

Joe Zuniga - Director of Operations, United Equipment Accessories, Inc.

#### **Culture and Climate: The Keys to Thriving Organizations**

Looking ahead, Grow Cedar Valley is planning a next lunch and learn with the Robert D. and Billie Ray Center out of Drake University on October 3, 2024.

This list should be considered an overview. I'll be glad to provide additional information about any of these and other Grow Cedar Valley initiatives that not only deliver value to you as an employer and a return to you as a financial institution, but also deliver opportunities to participate in activities improving the marketplace in which you operate.

Sincerely,

A handwritten signature in blue ink, appearing to read "Katy Susong".

Katy Susong, President and CEO  
Grow Cedar Valley



January 16, 2025

**Dear Grow Cedar Valley Financial Institution Investor,**

Your investment and continued support of Grow Cedar Valley (GCV) are deeply appreciated. As a valued partner, you play a critical role in advancing our shared mission to:

**Elevate the economic vitality of our businesses and communities.**

Together with our partners and Board of Directors, Grow Cedar Valley has developed a robust five-year Strategic Plan to guide our efforts. The Strategic Priority Areas identified in this plan include:

- **Workforce Development & Talent:** Grow and diversify the quality and quantity of the Cedar Valley's workforce.
- **Placemaking/Image:** Elevate the Cedar Valley as a place of choice for individuals and businesses.
- **Diversifying the Cedar Valley Economic Base:** Enhance the diversity of the Cedar Valley economic base.
- **Organizational Structure:** Secure adequate financial and human resources to ensure long-term organizational success.

These priorities align closely with the critical role financial institutions like yours play in our regional economy and the tangible returns your support fosters.

**Workforce & Talent**

Grow Cedar Valley has made significant efforts to support workforce development and talent attraction in the Cedar Valley through a variety of events, meetings, and programs. Here's a look at some of our key initiatives and engagements:

**Population Study**

In response to forecasted population declines for our area, Grow Cedar Valley will be partnering with an independent consulting firm to conduct an in-depth population study to identify root causes and best practices for solutions. This will form the basis for a public and private sector action plan over the next decade, strategically addressing these challenges to ensure long-term regional growth.

**Community Champion Program**

We are actively participating in Iowa's Community Champion Program. This program is designed to create connections by linking prospective residents directly with local experts who can offer information on job opportunities, help navigate housing options or share the unique lifestyle benefits of the Cedar Valley. Over 1,500 individuals have already shown interest in moving to Iowa by filling out a form on ThisIowa.com, and Stephanie has personally connected with 71 of them.



### **Talent Connection Network**

We designed an exclusive website page to connect highly skilled and experienced professionals with employers seeking top talent in the Cedar Valley. Through this page, we aim to support displaced employees in discovering new career paths and connecting them with organizations seeking their expertise.

### **Cedar Valley Intern Connect**

Our inaugural Cedar Valley Intern Connect program welcomed 30 interns from various businesses for two half-day sessions focused on life in the Cedar Valley and building connections. The interns heard from speakers, including Mayor Danny Laudick, Mayor Hart, Ron Steele from KWWL, and leaders from CF Tourism and Experience Waterloo. Feedback was positive, with over half forming lasting connections and 100% leaving with a stronger connection to the community. Notably, the percentage of interns considering the Cedar Valley as a place to live after college increased by 12%, reflecting the program's impact.

### **Cedar Valley Young Professionals**

Grow Cedar Valley is launching a dedicated young professional program aimed at fostering connection and personal growth among young talent. This initiative is designed to encourage retention of young professionals in the Cedar Valley by creating meaningful opportunities for networking, skill-building, and career advancement. An advisory council has been established, and the program will begin in January 2025.

### **Cedar Valley Manufacturer's Association**

There are approximately 23 companies that make up the Cedar Valley Manufacturer's Association, along with several support partners in the Cedar Valley including Grow Cedar Valley. Dennis Schilling from Power Engineering and Manufacturing is the current President. CVMA meets quarterly to support priorities that manufacturers in the Cedar Valley have identified. Grow Cedar Valley supports CVMA by assisting with the facilitation of the meetings and bringing awareness of the group to manufacturers in the Cedar Valley.

### **Workforce Resource Ecosystem**

Grow Cedar Valley is developing a user-friendly virtual tool to connect businesses and individuals with workforce resources. This accessible ecosystem will help local organizations and talent find opportunities and support, making it easier to navigate resources across the Cedar Valley.

### **Workforce Resource & Expert**

To ensure alignment and reduce redundancy with other entities/organizations that are centered around workforce, the Director of Workforce & Talent sits on several boards/committees in the community and region including: Leader Valley Council, Iowa Workforce Board's Northeast Iowa Planning & Operations Committee, Advancing Equity in the Cedar Valley and the Cedar Valley SHRM (Society of Human Resource Management) Board as the Workforce Readiness Chair.



Stephanie has also put together a peer group of workforce professionals from all around the state of Iowa who meet on a quarterly basis to share ideas and align where necessary- this group is called the Iowa Workforce Alliance Group.

### **Opportunity Summit**

The 2024 Opportunity Summit, co-hosted by Wartburg College, brought together an incredible panel of local experts and inspiring keynote speakers to explore the economic impact of embracing diversity and inclusion. For the 188 attendees that participated, it was a day full of learning, extensive networking with community organizations and leaders, and important discussions on the barriers people face in the Cedar Valley and the efforts underway to overcome them.

### **Economic Inclusion**

The Cedar Valley's talent shortage and economic inclusion remain interconnected challenges that require multifaceted strategies targeting both individuals (employees) and employers. These initiatives aim to reduce the unemployment rate and raise the median income level, driving economic growth and equity. Grow Cedar Valley is addressing these priorities through the following efforts:

- **Removing Employment Barriers:**  
Tackling key obstacles such as childcare and transportation. Current efforts focus on facilitating solutions to these critical barriers to workforce participation.
- **Promoting Inclusive Workplace Practices:**  
Supporting improved inclusion practices to create advancement opportunities for diverse populations. This includes engaging an active network of partner businesses, hosting the annual Opportunity Summit, and launching an updated Economic Inclusion Toolkit with new resources and actionable information.
- **Advocating for Equitable Employment:**  
Partnering with local legislative bodies to create policies that open new employment opportunities for minority populations.
- **Welcoming Newcomers:**  
Addressing the increasing need to support immigrants and refugees in our community by collaborating with organizations such as the Iowa DHS, the Catherine McAuley Center and the World Grace Project. These efforts focus on identifying and bridging gaps in community resources, providing support, and facilitating long-term needs like employment to help newcomers successfully integrate into Iowa as their new home.

These efforts reflect Grow Cedar Valley's commitment to fostering a more inclusive and prosperous economic environment for all.

### **Unemployment Assistance**

Unfortunately, when a business does close, those most immediately affected is the disruptions of these individuals affected and their families. Grow Cedar Valley is part of the Rapid Response Team



that is led by Iowa Workforce Development, and along with our regional economic development partners we held job fairs for affected workers for the recent 1,200 permanent layoffs of John Deere Waterloo.

### **Placemaking/ Image**

#### **Live the Valley**

Live the Valley is a talent attraction and retention initiative designed to spotlight the unique advantages of life and work in the Cedar Valley. We are currently developing a new website for Live the Valley to better showcase the area's affordable cost of living, vibrant career opportunities, and high quality of life. Through this platform, Live the Valley connects businesses and potential residents alike to what makes this region exceptional. In the past year, we utilized social platforms to highlight the amenities and events that make the Cedar Valley a great place to call home.

### **Diversifying the Cedar Valley Economic Base**

#### **The Cedar Valley Economy**

The Cedar Valley's economic vitality is anchored in the communities of Waterloo and Cedar Falls, which serve as hubs of commercial activity. Notably, Waterloo is Iowa's most diverse city on a per capita basis and is home to the region's largest concentration of low-to-moderate income tracts. Additionally, the Waterloo Community School District educates a student population that is 60% minority, compared to the state average of 26%. This diversity, along with the contributions of the University of Northern Iowa, Wartburg College, and Hawkeye Community College, strengthens our workforce and community fabric.

#### **Business Development**

At the heart of GCV's economic development efforts is a commitment to attracting new businesses and supporting existing ones to diversify our economy and reduce regional vulnerabilities. Through collaboration with city economic development staff, public and private partners, and other stakeholders, GCV works to ensure a thriving business environment.

Key initiatives include:

- Regular outreach through GCV's business visitation program to support business retention and expansion.
- External lead generation to attract new businesses and industries to the region, fostering a diversified economic base.

Your investment helps make these initiatives possible and fuels our mission to create opportunities that benefit the entire Cedar Valley. Thank you for being an essential partner in this work. We look forward to continuing our collaboration in 2024 and beyond.



### **Recent Economic Achievements**

In 2024, for Every \$1.00 invested in Grow Cedar Valley's Economic Development Programing the economic output of projects assisted generated:

- \$30,898,355 in additional worker earnings over 10 years
- \$181,657,922 in economic output over 10 years
- \$4,070,290 in total taxable sales over 10 years

In 2023 and 2024 combined for every \$1.00 invested in Grow Cedar Valley's Economic Development Programing the economic output of projects assisted generated:

- \$70,042,925 in additional worker earnings over 10 years
- \$448,294,247 in economic output over 10 years
- \$10,186,696 in taxable income over 10 years

Note: 2023 & 2024 represent the first two years of Grow Cedar Valley's 5 Year Strategic Plan for the organization.

### **Entrepreneurship Service Provider Roundtable**

Grow Cedar Valley, in collaboration with the John Pappajohn Entrepreneurial Center, leads a quarterly gathering of service providers dedicated to supporting entrepreneurs, start-ups, and small businesses. Participants include representatives from Hawkeye Community College, the University of Northern Iowa, the John Pappajohn Entrepreneurial Center, the Cities of Waterloo and Cedar Falls, Cedar Falls and Waterloo Main Streets, the Small Business Development Center, and the 24/7 Black Leadership Advanced Consortium. Quarterly meetings are an opportunity to report on individual efforts while also identifying opportunities for collaboration.

### **Sponsored Businesses**

Grow Cedar Valley continues to offer an opportunity for veteran or minority-owned business, or charitable organization to receive a free one-year membership. This provides valuable exposure, access to networking and professional development, and business support. Grow Cedar Valley investors at the Innovator level (\$10,000 and above) are listed as Sponsors. This year businesses submitted applications, and a taskforce of Innovator Level Investors reviewed and recommended applicants for full membership. To date, we have 28 Sponsored Investors.



Beyond our strategic pillars, Grow Cedar Valley serves our community through additional services, programs, and initiatives highlighted below:

### **Legislative Affairs**

Grow Cedar Valley's legislative affairs efforts are focused on advocating for policies and initiatives that strengthen our regional economy, support local businesses, and enhance the quality of life in the Cedar Valley. By maintaining strong relationships with local, state, and federal policymakers, we ensure that the voice of our investors and community leaders is heard on critical issues. Through proactive engagement, regular communication, and organized events such as legislative forums and candidate questionnaires, we create opportunities for meaningful dialogue between our members and decision-makers. These efforts not only influence legislation that impacts our region but also demonstrate the value of collaborative advocacy in driving economic growth, workforce development, and community prosperity.

<https://www.growcedarvalley.com/business/government-affairs/>

### **Cedar Valley TechWorks Campus**

As the innovation arm of Grow Cedar Valley, TechWorks demonstrates a commitment to building a forward-thinking region that attracts talent, fosters innovation, and generates tangible economic value, enhancing the overall strength and sustainability of the Cedar Valley economy.

### **Business Education Series: Lunch n' Learn Events**

#### **Grow Cedar Valley Lunch & Learn: Culture and Climate - The Keys to Thriving Organizations**

On October 3, 2024, Grow Cedar Valley hosted a Lunch & Learn session, "Culture and Climate: The Keys to Thriving Organizations," provided attendees with valuable insights into the critical role organizational culture and workplace climate play in achieving business success. 84 Investors attended the event.

Scott Raecker with Robert D. and Billie Ray Center out of Drake University, delved into strategies for creating environments that promote employee engagement, collaboration, and innovation. He highlighted the importance of fostering inclusivity, aligning company values with actions, and maintaining a positive climate that attracts and retains top talent.

Key takeaways included actionable steps for leaders to assess and improve their organizational culture, tips for navigating change effectively, and real-world examples of how thriving cultures contribute to long-term success.

The session also allowed participants to network and share experiences, emphasizing the importance of peer learning and collaboration within the Cedar Valley business community. It was a dynamic and inspiring event that empowered organizations to unlock their full potential by prioritizing culture and climate.





### **The Future of Work and the Impact of Generational Transformation**

Looking ahead, Grow Cedar Valley is planning a lunch and learn with Robert Frederick from the University of Northern Iowa on January 30, 2025. 80 Investors have registered.

**Business After Hours** and **Good Morning Cedar Valley** are signature events designed to foster connections, strengthen relationships, and celebrate the vibrant business community in the Cedar Valley. Each quarter, Business After Hours offers an informal, evening networking experience where investors can build meaningful connections while showcasing a host business's unique offerings. Good Morning Cedar Valley, held in the morning, provides an engaging platform to share updates on community initiatives, spotlight business successes, and promote collaboration among leaders. These events reflect Grow Cedar Valley's commitment to creating opportunities for relationship-building, amplifying business visibility, and enhancing community engagement to support the growth and prosperity of our region.

This list should be considered an overview. I'll be glad to provide additional information about any of these and other Grow Cedar Valley initiatives that not only deliver value to you as an employer and a return to you as a financial institution but also deliver opportunities to participate in activities improving the marketplace in which you operate.

Sincerely,

A handwritten signature in blue ink, appearing to read "Katy Susong", with a stylized, flowing script.

Katy Susong, President and CEO  
Grow Cedar Valley