

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 15.106A, 15F.104, and 15F.401, the Economic Development Authority hereby gives Notice of Intended Action to adopt new Chapter 214, “Enhance Iowa Board,” and new Chapter 215, “Sports Tourism Program,” Iowa Administrative Code.

The proposed rules in Chapter 214 establish the Enhance Iowa Board, describe the composition of the Board, describe the Board’s voting procedures, designate the programs that the Board will oversee, and establish review committees for the programs the Board will oversee.

The proposed rules in Chapter 215 establish the Sports Tourism Program, add program definitions and set forth eligibility criteria for applicants. The proposed rules also describe the application process, establish an application review committee, set forth the application review criteria and describe the manner in which the program will be administered.

The Enhance Iowa Board approved this rule making at a Board meeting on November 9, 2016, and the Economic Development Authority Board approved this rule making at a Board meeting on November 18, 2016.

Interested persons may submit comments on or before January 10, 2017. Comments may be submitted to Kristin Hanks-Bents, Economic Development Authority, 200 East Grand Avenue, Des Moines, Iowa 50309; telephone (515)725-0440; e-mail kristin.hanks-bents@iowa.gov.

These rules do not have any fiscal impact to the state of Iowa.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code sections 15F.102, 15F.103, 15F.104, 15F.203, 15F.304, 15F.401, and 15F.402 and 2016 Iowa Acts, chapter 1117.

The following amendments are proposed.

ITEM 1. Adopt the following new 261—Chapter 214:

CHAPTER 214
ENHANCE IOWA BOARD

261—214.1(15F) Definitions. When used in this chapter, unless the context otherwise requires:

“*Authority*” means the economic development authority created in Iowa Code section 15.105.

“*Board*” means the enhance Iowa board as created in Iowa Code section 15F.102.

261—214.2(15F) Enhance Iowa board.

214.2(1) Composition.

a. The board is composed of 11 voting members appointed by the governor. These 11 members include 2 members from each of the 4 United States congressional districts in the state and 3 members selected at large. In addition, the appointed members represent certain industry sectors and have certain business expertise as described in Iowa Code section 15F.102(3).

b. The board also includes 4 ex officio, nonvoting legislative members as described in Iowa Code section 15F.102(4).

214.2(2) Terms. Members of the board are appointed for staggered terms of two years beginning and ending as provided in Iowa Code section 69.19. A person appointed to fill a vacancy serves only for the unexpired portion of the term. A member is eligible for reappointment.

214.2(3) Quorum and voting requirements. A majority of the total voting membership of the board constitutes a quorum. The affirmative vote of a majority of the quorum is necessary for any action taken by the board members.

214.2(4) Board officers. The governor designates the chairperson and vice chairperson of the board from the members appointed pursuant to Iowa Code section 15F.102(2). In the case of absence or disability of the chairperson and vice chairperson, the members of the board shall elect a temporary chairperson by a majority vote of those members who are present and voting.

214.2(5) Duties. The board shall do all of the following:

a. Organize.

b. Oversee the administration of the following programs:

(1) Community attraction and tourism;

(2) Sports tourism;

(3) River enhancement community attraction and tourism; and

(4) Vision Iowa.

c. Review baseball and softball complex sales tax rebate applications and make awards.

214.2(6) Committees. Each voting member of the board shall serve on at least one of three review committees for the following programs: community attraction and tourism, river enhancement community attraction and tourism, and sports tourism.

261—214.3(15F) Authority duties.

214.3(1) The authority, subject to approval by the board, shall adopt administrative rules pursuant to Iowa Code chapter 17A necessary to administer the programs established pursuant to Iowa Code chapter 15F.

214.3(2) The authority shall provide the board with assistance in implementing administrative functions, marketing the programs, providing technical assistance and application assistance to applicants under the programs, negotiating contracts, and providing project follow-up.

214.3(3) The authority may conduct negotiations on behalf of the board with applicants regarding terms and conditions applicable to awards under the programs.

These rules are intended to implement Iowa Code sections 15F.101 to 15F.107.

ITEM 2. Adopt the following new 261—Chapter 215:

CHAPTER 215
SPORTS TOURISM PROGRAM

261—215.1(15F) Definitions. When used in this chapter, unless the context otherwise requires:

“*Accredited colleges and universities*” means any college, university, or institution of higher learning that is accredited by the higher learning commission or any other college, university, or institution of higher learning that is accredited by an accrediting agency that is recognized by the U.S. Department of Education.

“*Authority*” means the economic development authority created in Iowa Code section 15.105.

“*Board*” means the enhance Iowa board as created in Iowa Code section 15F.102.

“*Convention and visitors bureau*” or “*CVB*” means an organization engaged primarily in the marketing and promotion of a local community or communities to businesses and to leisure travelers interested in the area’s facilities. Such organizations are typically engaged in a wide range of activities including but not limited to assisting businesses and leisure travelers in identifying meeting locations and convention sites; providing maps and other travel information; providing information on local attractions, lodging, and restaurants; and organizing tours of local historical, recreational, and cultural attractions.

“*District*” means a regional sports authority district certified under Iowa Code section 15E.321.

“*Financial assistance*” means assistance provided only from the funds available to the authority or the board and includes assistance in the form of grants, loans, and forgivable loans.

“Infrastructure” means equipment, appurtenant structures, or site development that is related to the operation of a sporting event that is the subject of the project.

“Marketing” means planning for or implementing efforts to publicize a sporting event using a range of strategies, tools and tactics.

“Organization” means a corporation, conference, association, or other organization which has as one of its primary purposes the sponsoring or administration of extracurricular intercollegiate athletic contests or competitions.

“Promote” means to undertake specific identifiable actions that encourage greater awareness of and attendance at a sporting event. This includes the planning, organizing, advertising, marketing, managing, hosting, and sponsoring of a sporting event.

“Public organization” means a not-for-profit economic development organization or other not-for-profit organization including one that sponsors or supports sporting events.

“Sporting event” means an athletic activity requiring skill or physical prowess, usually competitive in nature and governed by a set of rules provided by a nationally recognized sanctioning body. A sporting event typically includes the placing of competitors into a fixed order of finish, depending upon their respective athletic performance within the rules provided for that activity.

“Sports tourism program review committee” or *“review committee”* means the committee established by Iowa Code section 15F.402(2) and shall consist of members of the board, with one member from each congressional district under Iowa Code section 15F.102(2)“a” and one member from the state at large under Iowa Code section 15F.102(2)“b.”

261—215.2(15F) Eligible applicants. Eligible applicants for sports tourism financial assistance include cities or counties in the state or public organizations, including convention and visitors bureaus.

261—215.3(15F) Eligible projects. Eligible projects must actively and directly promote sporting events for accredited colleges and universities and other sporting events in the area served by an eligible applicant as defined in rule 261—215.2(15F).

215.3(1) An eligible applicant may apply for and receive financial assistance for more than one project.

215.3(2) An eligible applicant may apply for financial assistance for a project that spans multiple fiscal years.

215.3(3) An eligible applicant may apply for renewal of financial assistance awarded in a prior year if all applicable contractual requirements are met. The decision as to whether to renew an award shall be at the discretion of the board. When considering whether to renew an award, the board shall evaluate metrics including the amount of revenue generated by ticket sales, the estimated economic impact, and the number of overnight stays at hotels in the city or county where the sporting event is being held. For example, economic impact may be calculated as total estimated attendance multiplied by daily attendee spending multiplied by average length of stay. If an eligible applicant wishes to supply an alternative formula for calculating economic impact, the applicant must supply a credible source for using an alternative formula. The authority may include such metrics and estimates in a program agreement executed pursuant to Iowa Code section 15F.401.

215.3(4) A convention and visitors bureau shall not in the same year receive financial assistance under the program created in this chapter and financial assistance as part of a district created pursuant to 261—Chapter 38.

215.3(5) An eligible applicant shall demonstrate matching funds in order to receive financial assistance pursuant to this rule. The amount of matching funds that may be required shall be at the board’s discretion.

215.3(6) A city, county, or public organization may use financial assistance received under the program for marketing, promotions, and infrastructure. Whether an activity or individual cost item is directly related to the promotion of the sporting event shall be within the discretion of the authority.

215.3(7) A city, county, or public organization shall not use financial assistance received under the program as reimbursement for completed projects.

261—215.4(15F) Threshold application requirements. To be considered for funding under the sports tourism program, an application must meet the following threshold application requirements:

215.4(1) There must be demonstrated local support for the proposed activity.

215.4(2) A detailed description of the project, outlining the sporting event and the plan for promoting it.

215.4(3) The proposed project budget must be spent on marketing, promotions, or infrastructure expenses directly related to the promotion of the sporting event.

215.4(4) Detailed information and projections sufficient to enable the authority to accurately assess the economic impact of the sporting event described in the application. Such information shall include the estimated number of spectators and estimated quality and quantity of advertising and media coverage the sporting event will generate. If the applicant has previously held substantially similar events, the information shall include actual attendance figures from past events and a summary of the advertising and media coverage generated.

261—215.5(15F) Application process.

215.5(1) Applications for assistance under the sports tourism program shall be submitted to the authority. For those applications that meet the threshold application requirements and the eligibility criteria, the authority shall forward the applications to the board and provide a staff review analysis and evaluation to the sports tourism program review committee and to the board.

215.5(2) All applications to the authority for financial assistance shall be made at least 90 days prior to a sporting event's scheduled date.

215.5(3) When reviewing the applications, the review committee and the authority shall consider, at a minimum, all of the following:

- a. Impact of the project on the local, regional, and state economies.
- b. Potential to attract Iowans and out-of-state visitors.
- c. Amount of positive advertising or media coverage the project generates.
- d. Quality, size, and scope of the project.
- e. Ratio of public-to-private investment.

215.5(4) Upon review of the recommendations of the review committee, the board shall make final funding decisions on each application. The board may approve, defer, deny, or modify applications for financial assistance under the program, in its discretion, in order to fund as many projects with the moneys available as possible. The board and the authority may negotiate with applicants regarding the details of projects and the amount and terms of any award. In making final funding decisions pursuant to this subrule, the board and the authority are exempt from Iowa Code chapter 17A.

261—215.6(15F) Administration.

215.6(1) *Administration of awards.*

a. Each applicant receiving an award of financial assistance from the board shall enter into an agreement with the authority. The agreement shall contain such terms and conditions as the board may place on the award or the authority may deem necessary for the efficient administration of the program established in this chapter. Awards may be conditioned upon commitment of other sources of funds necessary to complete the project. The agreement will also include the terms and conditions under which financial assistance must be repaid or penalties incurred in the event the applicant does not fulfill all obligations under the agreement.

b. These rules and applicable state laws shall be part of the agreement.

c. The applicant must execute and return the contract to the board within 45 days of the transmittal of the final contract from the board. Failure to do so may be cause for the board to terminate the award.

d. Awards may be conditioned upon commitment of other sources of funds necessary to complete the project.

e. Awards may be conditioned upon authority receipt and board approval of an implementation plan for the funded project.

215.6(2) Reports. An applicant receiving financial assistance shall provide an annual report to the authority for years in which it receives financial assistance under this rule. The report shall include the information the authority deems relevant. The report shall be submitted in the manner and on forms prescribed by the authority. The authority may perform any reviews or site visits necessary to ensure performance by the applicant.

215.6(3) Requests for funds. Recipients shall submit requests for funds in the manner and on forms prescribed by the authority. Individual requests for funds shall be made in an amount equal to or greater than \$500 per request, except for the final draw of funds.

215.6(4) Record keeping and retention. The recipient shall retain all financial records, supporting documents and all other records pertinent to the sports tourism award for three years after contract closeout. Representatives of the authority shall have access to all recipient records that pertain to sports tourism funds.

215.6(5) Amendments to contracts. Any substantive change to a contract shall be considered an amendment. Substantive changes include time extensions, budget revisions and significant alteration of the funded project that change the scope, location, objectives or scale of the approved project. Amendments must be approved by the enhance Iowa board.

215.6(6) Project closeout. Upon expiration of the agreement, the authority shall initiate project closeout procedures.

215.6(7) Compliance. If the board finds that an applicant is not in compliance with the requirements of this program or the terms and conditions of the agreement, the board may find the applicant noncompliant. Remedies for noncompliance may include penalties up to and including the return of program funds to the board. Reasons for a finding of noncompliance include but are not limited to the applicant's use of funds for activities not described in the contract, the applicant's failure to complete funded projects in a timely manner, the applicant's failure to comply with applicable state or local rules or the lack of a continuing capacity of the applicant to carry out the approved project in a timely manner.

These rules are intended to implement Iowa Code sections 15F.401 and 15F.402.