

CHAPTER 31
ECONOMIC DEVELOPMENT REGION INITIATIVES

261—31.1(15E) Purpose. Authority resources may be available to assist an economic development region that has established a focused economic development effort. This effort shall include a regional development plan relating to one or more of the following areas:

1. Regional marketing strategies.
2. Development of the information solutions sector.
3. Development of the advanced manufacturing sector.
4. Development of the life sciences and biotechnology sector.
5. Development of the insurance or financial services sector.
6. Physical infrastructure including, but not limited to, horizontal infrastructure, water and sewer infrastructure, and telecommunications infrastructure.
7. Entrepreneurship.
8. Development of the alternative and renewable energy sector.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

261—31.2(15E) Types of assistance. The following types of assistance are governed by the divisions of this chapter:

1. Establishment of economic development regions.
2. Economic development revolving loan funds.
3. Business accelerators.
4. Small business development center assistance.
5. Iowa business resource assistance.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

261—31.3(15E) Financial assistance. Financial assistance under the economic development region initiative comes from the moneys allocated for such purposes by the authority pursuant to Iowa Code section 15.335B.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

261—31.4(15E) Definitions.

“Economic development region” shall consist of three or more contiguous counties or two or more contiguous counties and one or more public or private, nonprofit entities that have entered into an agreement to pursue mutual economic development goals with a regional focus.

“Economic development region assistance fund” means a fund created pursuant to Iowa Code section 15.335B.

“Economic development region revolving fund” means a fund established to benefit development efforts in an economic development region.

“Regional economic development revenue sharing pilot project” means a pilot project for one or more approved regions.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

DIVISION I
ECONOMIC DEVELOPMENT REGION INITIATIVE—FINANCIAL ASSISTANCE

261—31.5(15E) Uses of funds under the economic development region initiative. Financial assistance from the economic development region assistance fund may be used for the following:

31.5(1) Physical infrastructure. The installation of physical infrastructure needs including, but not limited to, horizontal infrastructure, water and sewer infrastructure, and telecommunications infrastructure, related to the development of fully served business and industrial sites by one or more of the region’s economic development partners or for the installation of infrastructure related to a new business location or expansion. Match is one dollar of local funds for every two dollars received

from the economic development region assistance fund. The economic development region must demonstrate all of the following:

- a. The ability to provide matching moneys on a basis of dollars received from the economic development region assistance fund.
- b. The commitment of the specific business partner including, but not limited to, a letter of intent defining a capital commitment or a percentage of equity.
- c. That all other funding alternatives have been exhausted.

31.5(2) *Regional economic development revenue sharing pilot project.* Establishment and administration of a regional economic development revenue sharing pilot project for one or more regions.

31.5(3) *Entrepreneurial initiative.* Establishment of an approved entrepreneurial initiative. Match is one dollar of local funds for every two dollars received from the economic development region assistance fund.

31.5(4) *Business closure due to consolidation.* An existing business threatened with closure due to a potential consolidation to an out-of-state location. The economic development region may apply for financial assistance from the economic development region assistance fund for the purchase, rehabilitation, or marketing of a building that has become available due to the closing of an existing business as a result of a consolidation to an out-of-state location. Match is one dollar of local funds for every three dollars received from the economic development region assistance fund.

31.5(5) *Business succession assistance program.* Match is one dollar of local funds for every two dollars received from the economic development region assistance fund.

31.5(6) *Unique or innovative regional projects.* Match is on a one-to-one basis.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

261—31.6(15E) Application process and approval process.

31.6(1) *Application process.* The authority will only accept competitive applications submitted during the filing window. For the purpose of this rule, the filing window shall start on July 1 and end on July 15 of any fiscal year in which the authority opens the application process. If July 15 falls on a weekend, the deadline shall be extended to the next business day. The authority has developed an application process and will post all relevant application information on iowagrants.gov.

31.6(2) *Approval process.* The director of the authority will establish a review committee consisting of the authority's industry partners. The committee may recommend full or partial funding or no funding of any or all applicants.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

261—31.7(15E) Reporting requirements. Award recipients in economic development regions shall provide a close-out report to the authority outlining how the funds were invested in Iowa's future. The authority shall develop the reporting format for all required close-out reports.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

DIVISION II ECONOMIC ENTERPRISE AREAS

261—31.8(15E) Description. An "economic enterprise area" means a designated "economic development region" that shall consist of at least one county containing no city with a population of more than 23,500 and shall meet at least three of the following criteria:

1. A per capita income of 80 percent or less than the national average.
2. A household median income of 80 percent or less than the national average.
3. Twenty-five percent or more of the population of the economic enterprise area with an income level of 150 percent or less of the United States poverty level as defined by the most recently revised poverty income guidelines published by the United States Department of Health and Human Services.
4. A population density in the economic enterprise area of less than ten people per square mile.

5. A loss of population as shown by the 2000 certified federal census when compared with the 1990 certified federal census.

6. An unemployment rate greater than the national rate of unemployment.

7. More than 20 percent of the population of the economic enterprise area consisting of people over the age of 65.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

261—31.9(15E) Funding.

31.9(1) Approved areas may apply for up to \$75,000 each fiscal year until June 30, 2015. The actual amount available each year will be established by the authority in the annual allocation of funds for economic development region initiatives described in 261—paragraph 2.4(7) “b.” No more than ten economic development regions may be approved by the authority as economic enterprise areas.

31.9(2) In order to receive financial assistance under this division, an economic enterprise area must demonstrate the ability to provide local matching moneys on a basis of a one dollar contribution of local moneys for every three dollars received from the economic development region assistance fund.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

261—31.10(15E) Eligible use of funds. Funds available for economic enterprise areas may be used as follows:

1. Economic development-related strategic planning and marketing for the region as a whole.
2. Economic development of fully served business sites.
3. The construction of speculative buildings on a fully served lot.
4. The rehabilitation of an existing building to marketable standards.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

261—31.11(15E) Application process and approval process.

31.11(1) *Application process.* The authority will only accept competitive applications submitted during the filing window. For the purpose of this rule, the filing window shall start on July 1 and end on July 15 of any fiscal year in which the authority opens the application process. If July 15 falls on a weekend, the deadline shall be extended to the next business day. The authority has developed an application process and will post all relevant application information on iowagrants.gov.

31.11(2) *Approval process.* The director of the authority will establish a review committee consisting of the authority’s industry partners. The committee may recommend full or partial funding or no funding of any or all applicants.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

261—31.12(15E) Reporting requirements. Award recipients shall provide a close-out report to the authority outlining how funds were invested in Iowa’s future.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

DIVISION III BUSINESS ACCELERATORS

261—31.13(15E) Description and purpose. The authority may establish and administer a business accelerator program to provide financial assistance for the establishment and operation of a business accelerator for technology-based, value-added agricultural, information solutions, or advanced manufacturing start-up businesses or for a satellite of an existing business accelerator. The program may be designed to foster the accelerated growth of new and existing businesses through the provision of technical assistance.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

261—31.14(15E) Definitions.

“*Business accelerator*” means an organization that fosters the accelerated growth of new and existing Iowa businesses.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

261—31.15(15E) Requirements and qualifications for business accelerator entities. Business accelerator applicants must meet all of the following criteria:

1. The business accelerator must be a not-for-profit organization affiliated with an area chamber of commerce, a community or county organization, or an economic development region.
2. The geographic area served by a business accelerator must include more than one county.
3. The business accelerator must possess the ability to provide service to a specific type of business as well as to meet the broad-based needs of other types of start-up entrepreneurs.
4. The business accelerator must possess the ability to market business accelerator services in the region and the state.
5. The business accelerator must possess the ability to communicate with and cooperate with other business accelerators and similar service providers in the state.
6. The business accelerator must possess the ability to engage various funding sources for start-up entrepreneurs.
7. The business accelerator must possess the ability to communicate with and cooperate with various entities for purposes of locating suitable facilities for clients of the business accelerator.
8. The business accelerator must possess the willingness to accept referrals from the economic development authority.
9. The business accelerator must refer 20 businesses per year to the Venture Network of Iowa.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

261—31.16(15E) Other considerations. In determining whether a business accelerator qualifies for financial assistance, the authority may consider any of the following:

1. The business experience of the business accelerator's professional staff.
2. The business plan review capacity of the business accelerator's professional staff.
3. The business accelerator's professional staff with demonstrated disciplines in all aspects of business experience.
4. The business accelerator's professional staff with access to external service providers including legal, accounting, marketing, and financial services.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

261—31.17(15E) Application procedures.

31.17(1) Application process and approval process.

a. Application process. The authority will only accept competitive applications submitted during the filing window. For the purpose of this rule, the filing window shall start on July 1 and end on July 15 of any fiscal year in which the authority opens the application process. If July 15 falls on a weekend, the deadline shall be extended to the next business day. The authority has developed an application process and will post all relevant application information on iowagrants.gov.

b. Approval process. The director of the authority will establish a review committee consisting of the authority's industry partners. The committee may recommend full or partial funding or no funding of any or all applicants.

31.17(2) All requests for financial assistance must demonstrate the ability to provide matching moneys on the basis of a two dollar contribution of recipient moneys for every one dollar received in financial assistance from the authority.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

261—31.18(15E) Reporting. Business accelerators receiving financial assistance under this rule must submit an annual report to the authority documenting progress.

[ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter]

DIVISION IV
SMALL BUSINESS DEVELOPMENT CENTERS

261—31.19(81GA, HF868, HF809) Small business development center assistance. Rescinded ARC 1626C, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter.

DIVISION V
IOWA BUSINESS RESOURCE CENTERS

261—31.20(81GA, HF868, HF809) Iowa business resource centers. Rescinded **ARC 1626C**, IAB 9/17/14, effective 10/22/14; see Delay note at end of chapter.

These rules are intended to implement 2013 Iowa Code sections 15E.231 to 15E.233; 2011 Iowa Acts, chapter 118, section 20; and 2014 Iowa Acts, Senate File 2359.

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