

CHAPTER 165
ALLOCATION OF GROW IOWA VALUES FUND

[Prior to 7/4/07, see 261—Ch 2]

261—165.1(15G) Purpose. The purpose of the grow Iowa values fund is to provide financial assistance for business incentives, marketing efforts, and other programs and activities designed to spur the economy and improve the quality of life of Iowans. Moneys in the grow Iowa values fund provide financial assistance for programs administered by the department; for state parks pursuant to a plan from the department of natural resources (DNR); for the cultural trust fund; for workforce training and economic development funds of the community colleges; for economic development region initiatives; and for financial assistance to the regents for the University of Northern Iowa, Iowa State University, the University of Iowa, a bioscience organization, and private universities. The rules in this chapter apply to financial assistance awarded from the grow Iowa values fund by the department and the board.

261—165.2(15G) Definitions. The definitions located in 261—Chapter 173 apply to this chapter.

261—165.3(15G) Grow Iowa values fund (2005). The grow Iowa values fund (2005) refers to the fund established on July 1, 2005, pursuant to Iowa Code Supplement section 15G.111(2) and (3). The fund includes moneys appropriated to the department by the general assembly for the fund, interest earned, repayments, and recaptures of loans and grants. Pursuant to Iowa Code section 15G.108, the fund is under the control of and administered by the department.

261—165.4(15G) Allocation of grow Iowa values fund moneys. Pursuant to Iowa Code section 15G.110, \$50 million is appropriated from the grow Iowa values fund to the department each fiscal year for the fiscal period beginning July 1, 2005, and ending June 30, 2015. The fund moneys are allocated as follows:

\$35M (except as set forth in “1” to “3” below)—For programs administered by the department, marketing and other specified uses.

1. For each fiscal year beginning July 1, 2005, and ending June 30, 2006, the amount available is \$35M.

2. For each fiscal year beginning July 1, 2006, and ending June 30, 2007, the amount available is \$33M.

3. For each fiscal year beginning July 1, 2007, and ending June 30, 2009, the amount available is \$30M.

4. For each fiscal year beginning July 1, 2009, and ending June 30, 2015, the amount available is \$32M.

\$ 3M—For the fiscal period beginning July 1, 2007, and ending June 30, 2015, this amount is available for commercialization services described in Iowa Code Supplement section 15.411(2) and (3).

\$ 2M—For the fiscal period beginning July 1, 2006, and ending June 30, 2009, this amount is available for deposit in the renewable fuel infrastructure fund as provided in Iowa Code section 15G.205.

\$ 5M—To the state board of regents for institutions of higher learning under the control of the state board of regents, for specific activities.

\$ 1M—For projects in targeted state parks, state banner parks and destination parks.

\$ 1M—For the cultural trust fund administered by the department of cultural affairs.

\$ 7M—For workforce training and economic development funds of the community colleges.

\$ 1M—For economic development region initiatives.

165.4(1) Funding for programs administered by the department, marketing, other specified uses.

a. *IDED programs.* Pursuant to Iowa Code section 15G.111, funds are appropriated to the department for each of the fiscal years identified above for deposit in the fund for programs administered by the department. The grow Iowa values fund moneys can be used to fund projects and activities under the value-added agricultural products and processes financial assistance program (VAAPFAP) (261—Chapter 57), the community economic betterment (CEBA) program (261—Chapter 53), the entrepreneurial ventures assistance (EVA) program (261—Chapter 60), the targeted small business

financial assistance program (TSBFAP) (261—Chapter 55), the physical infrastructure assistance program (PIAP) (261—Chapter 61), the brownfield redevelopment program (261—Chapter 65), commercialization services described in Iowa Code Supplement section 15.411(2) and (3) and other programs administered by the department.

b. Administrative costs. The department may use for administrative purposes up to one and one-half percent of the amount in rule 261—165.4(15G) that is allocated for programs administered by the department, marketing and other specified uses.

c. Business incentives, marketing, and research and development. Each fiscal year the department shall allocate a percentage of the fund moneys for business start-ups, business expansions, business modernization, business attraction, business retention, marketing, and research and development. The department may adjust the allocation during the year if it determines that it is necessary to do so to ensure the availability of funds in those categories in which a greater need is demonstrated to exist or to respond to investment opportunities.

d. Technical assistance, labor shed study and transportation purposes. A portion of the allocation for programs administered by the department, marketing and other specified uses may also be used to procure technical assistance from the public or private sectors, for information technology purposes, for a statewide labor shed study, and for rail, air, or river port transportation-related purposes. For applications involving rail, air, or river port transportation-related purposes, fund assistance is only available if the activity is directly related to an economic development project and the values fund moneys are used to leverage other financial assistance moneys.

e. E-85 blended gasoline financial incentive program. The department may allocate a maximum of \$325,000 each fiscal year for the fiscal period beginning July 1, 2005, and ending June 30, 2008, to provide financial incentives for an E-85 blended gasoline financial incentive program. Financial incentives are available for the installation or conversion of infrastructure used by service stations to sell and dispense E-85 blended gasoline and for the installation or conversion of infrastructure required to establish on-site and off-site terminal facilities that store biodiesel for distribution to service stations. The department shall provide for an addition of at least 30 new or converted E-85 retail outlets and 4 new or converted on-site or off-site terminal facilities. The department may provide for the marketing of these products in conjunction with this infrastructure program. The department will issue a request for proposal (RFP) to seek qualified applicants for this program. The RFP will identify the maximum amounts available, eligibility requirements, evaluation criteria, due dates and other information necessary to evaluate the responses to the RFP.

f. Board approval. The board shall approve or deny financial assistance applications and other activities funded with moneys provided through this allocation from the grow Iowa values fund.

165.4(2) *Funding to the state board of regents for institutions of higher learning under the control of the state board of regents for specific activities.*

a. Use of funds. Five million dollars is available for financial assistance to institutions of higher learning under the control of the state board of regents (Iowa State University (ISU), University of Iowa (U of I), University of Northern Iowa (UNI)). These funds must be used for capacity building infrastructure in areas related to technology commercialization, for marketing and business development efforts in areas related to technology commercialization, entrepreneurship, and business growth, and for infrastructure projects and programs needed to assist in the implementation of activities under Iowa Code chapter 262B.

(1) In allocating moneys to institutions under the control of the state board of regents, the state board of regents shall require the institutions to provide a one-to-one match of additional moneys for the activities funded with moneys provided under this subrule.

(2) The state board of regents may allocate moneys available under this subrule for financial assistance to a single biosciences development organization determined by the department to possess expertise in promoting the area of bioscience entrepreneurship. The organization must be composed of representatives of both the public and the private sector and shall be composed of subunits or subcommittees in the areas of existing identified biosciences platforms, education and workforce development, commercialization, communication, policy and governance, and finance. Such financial

assistance shall be used for purposes of activities related to biosciences and bioeconomy development under Iowa Code chapter 262B and to accredited private universities in this state.

b. Annual state board of regents report. Each fiscal year, the state board of regents shall report how the funds were used and allocated among ISU, U of I, UNI, a bioscience organization, and private universities. The report shall be submitted to the department by July 31. In order to determine the impact of the funding applied to accelerate research leading to commercial products/processes and to measure activities that demonstrate successes, the annual report shall include, at a minimum, the following information:

- (1) Research and development commercialization agreements executed with Iowa companies (the number, the dollar amount).
- (2) Corporate sponsored funding for R&D by Iowa companies (the number, the dollar amount).
- (3) University centers and institutes: core laboratory equipment utilized and services provided (hours, samples, dollar amount).
- (4) License and option agreements executed with Iowa companies (the number).
- (5) New Iowa companies formed and jobs created from the result of licensed technologies (the number).
- (6) Revenue to Iowa companies (based on sales) as a result of licensed technologies (the dollar amount).

c. Board action. The board shall review the annual report from the state board of regents and accept, or request additional information regarding, the use of the \$5 million allocation from the grow Iowa values fund to the state board of regents. The board will include in its annual grow Iowa values fund report that is required to be submitted by January 15 each year pursuant to Iowa Code section 15.104(9) an evaluation of the annual report received from the state board of regents.

165.4(3) Funding for projects in targeted state parks, state banner parks and destination parks.

a. Use of funds. One million dollars is available for purposes of providing financial assistance for projects in targeted state parks, state banner parks, and destination parks. For purposes of this subrule, “state banner park” means a park with multiple uses and which focuses on the economic development benefits of a community or area of the state.

b. Annual DNR plan. The department of natural resources shall submit a plan to the department for the expenditure of moneys allocated under this subrule. The plan shall focus on improving state parks, state banner parks, and destination parks for economic development purposes.

c. Board action. The board shall approve or deny the proposed plan for use of the \$1 million allocation from the grow Iowa values fund for state parks. Upon approval of the plan, a contract shall be executed between the department and the department of natural resources to provide financial assistance to the department of natural resources for support of state parks, state banner parks, and destination parks.

165.4(4) Funding for the cultural trust fund administered by the department of cultural affairs. One million dollars is appropriated to the office of the treasurer of state for deposit in the Iowa cultural trust fund created in Iowa Code section 303A.4 and administered by the department of cultural affairs. The department shall transfer the moneys allocated from the grow Iowa values fund for this purpose to the treasurer of state.

165.4(5) Funding for workforce training and economic development funds of the community colleges. Seven million dollars is allocated for deposit into the workforce training and economic development funds of the community colleges created pursuant to Iowa Code section 260C.18A. The department shall transfer the moneys allocated from the grow Iowa values fund to the workforce training and economic development fund.

165.4(6) Funding for economic development region initiatives.

a. Funds available. One million dollars is available for providing assistance to economic development regions. These moneys are allocated as follows:

\$350,000—To ISU, for establishment of small business development centers in certain areas of the state.

\$ 50,000—To the department, for assistance to Iowa business resource centers authorized in 2007 Iowa Code section 15G.111(6)(c).

\$600,000—To the department, for financial assistance to economic development regions, for the establishment of a regional economic development revenue-sharing pilot project.

b. Allocation of \$600,000 for economic development region initiatives. The department shall annually allocate the \$600,000 available under this subrule for economic development region initiatives. The department may adjust the allocation during the year if it determines that it is necessary to do so to ensure the availability of funds in those categories in which a greater need is demonstrated to exist. The \$600,000 is available for the following:

(1) Financial assistance to economic development regions. A portion of the \$600,000 may be allocated for financial assistance to economic development regions. An economic development region may apply for:

1. Financial assistance for physical infrastructure needs;
2. Financial assistance to assist an existing business threatened with closure due to the potential consolidation of an out-of-state location;
3. Financial assistance to establish and operate an entrepreneurial initiative.

(2) Regional economic development revenue-sharing pilot project. The department may establish and administer a regional economic development revenue-sharing pilot project for one or more regions. The department shall take into consideration the geographical dispersion of the pilot projects. The department shall provide technical assistance to the regions participating in a pilot project.

(3) Designation as an economic enterprise area. An economic development region may apply to the department for approval to be designated as an economic enterprise area. The department shall approve no more than ten regions as economic enterprise areas.

These rules are intended to implement Iowa Code chapter 15G and Iowa Code Supplement section 15G.111(2) and (3).

[Filed emergency 7/7/05—published 8/3/05, effective 7/7/05]

[Filed 10/21/05, Notice 8/3/05—published 11/9/05, effective 12/14/05]

[Filed emergency 7/19/06—published 8/16/06, effective 7/19/06]

[Filed 9/22/06, Notice 8/16/06—published 10/11/06, effective 11/15/06]

[Filed emergency 6/15/07—published 7/4/07, effective 6/15/07]

[Filed 8/22/07, Notice 7/4/07—published 9/26/07, effective 10/31/07]

[Filed 2/22/08, Notice 12/19/07—published 3/12/08, effective 4/16/08]