

CHAPTER 61
PHYSICAL INFRASTRUCTURE ASSISTANCE PROGRAM (PIAP)

261—61.1(15E) Purpose and administrative procedures.

61.1(1) Purpose. The purpose of the physical infrastructure assistance program (PIAP) is to provide financial assistance for the physical infrastructure necessary to aid in community or business development or redevelopment projects which involve substantial investment; provide for the opportunity for creating quality, high-wage jobs; and have statewide impact.

61.1(2) Administrative procedures. The PIAP program is subject to the requirements of the department's rules located in 261—Chapters 171 through 175 and 261—Chapters 187 through 189.

261—61.2(15E) Eligible activities.

61.2(1) Eligible activities for assistance include, but are not limited to, physical infrastructure improvements of:

- a. Any mode of transportation infrastructure; or
- b. Public works and utilities such as water, sewer, power, or telecommunications; or
- c. Physical improvements which mitigate, prevent, or eliminate environmental contaminants.

61.2(2) The department may also fund other activities deemed appropriate and consistent with program purposes.

261—61.3(15E) Eligibility requirements. To be eligible for program funds a business shall, as a result of the proposed project, demonstrate that it meets each of the following requirements:

61.3(1) Quality, high-wage jobs. A business shall create or retain quality, high-wage, full-time jobs or provide the foundation for creation of such jobs. The quality of the jobs will be measured by factors such as the wage level and benefits provided.

61.3(2) Substantial capital investment. A business shall make a substantial private capital investment in the project. Capital investment is defined as the costs associated with land acquisition, site development, building construction or improvements, fixtures, machinery and equipment.

61.3(3) Statewide impacts. An applicant shall show, as a result of the proposed project, significant beneficial impacts to the state.

61.3(4) No closure or reduction in operations. A business shall not close or substantially reduce operations at one location in Iowa and relocate substantially the same operation elsewhere in the state if the closure or reduction results in loss of employment.

61.3(5) Other funding sources unable to assist. The business's project must be of a size, nature or scope that the project could not be assisted through, or eligible for, financial assistance for the entirety of the project from other existing private, local, or state funds or programs.

261—61.4(15E) Application procedures.

61.4(1) Application required. To access program funds, an application must be submitted in the format specified by the department. Applications will be accepted from a city or county on behalf of the city or county, a nonprofit local development corporation, publicly owned utility, private utility, private developer or redeveloper. A business may also submit an application on its own behalf. Applicants other than a city or county shall obtain formal support from the city or county where the project is to be located.

61.4(2) Application contents. Applications shall include the following:

a. A project description including the private activity involved and the physical infrastructure affected.

b. A description of the consistency of the proposed project with state and local policies and plans for development. Project coordination with other physical infrastructure projects in the area shall also be included in this project description.

c. An identification of the number of jobs to be created or retained as a result of the project and an explanation of why they are considered quality, high-wage jobs. The explanation shall include the job classifications, the number of jobs that meet or exceed the qualifying wage threshold described in

261—Chapter 174, and benefits to be provided to the employees. If no jobs are to be created or retained as a direct result of the project, the applicant shall provide a description of how the project creates the foundation for the creation of high-quality jobs in the future.

d. An identification of the amount, terms, and sources of all proposed public and private investments that the project will leverage and a statement concerning whether the other financing has been secured or is still to be arranged.

e. Cost estimates for all project activities.

f. A time frame within which the project will be completed.

g. A description of the immediate (within 24 months) impacts as a result of the project.

h. A description of the long-term (beyond 24 months), speculative impacts as a result of the project.

i. A description of statewide impacts as a result of the project.

j. An explanation as to why the project could not be entirely assisted through, or is not eligible for, financial assistance from other existing private, local, or state funds or programs.

k. The type of financing (e.g., loan, forgivable loan) sought and the amount of assistance requested.

l. Signed acknowledgements from the city or county, or both, and the business stating that the project is supported and will occur if PIAP funding is provided.

m. Current company financials.

261—61.5(15E) Application review criteria, performance measures.

61.5(1) Quality of the jobs. In determining the quality of the jobs, the department will consider the wage levels, benefit package, turnover rate, full-time and career positions, and other relevant factors.

61.5(2) Substantiality of the capital investment pledged by the business.

61.5(3) Closure or relocation of the business's operations and any resulting loss of employment.

61.5(4) Access to other funding. The department will review the application to assess whether the project could reasonably be funded under other existing private, local, or state funds or programs.

61.5(5) The number of jobs to be created or retained or how the project contributes to the future creation of high-quality jobs.

61.5(6) The amount, terms, and sources of all proposed public and private investments that the project will leverage.

61.5(7) The immediate and long-term impacts the proposed project will have on the economy of the community and the state.

61.5(8) The financial need of the business.

61.5(9) The degree of coordination the project has with state and local development plans.

61.5(10) The feasibility of the project.

61.5(11) Any other information about the business that has a bearing on the likely success of the project.

61.5(12) Each fiscal year the department may allocate up to \$5 million from the Iowa values fund to the PIAP program for eligible projects that shall not be subject to job and wage requirements established in Iowa Code section 15G.112. The department will establish performance measures for projects funded through this allocation. Performance measures may include but are not limited to the requirement of tenant businesses involved in business infrastructure projects to meet minimum job and wage requirements pursuant to Iowa Code section 15G.112, the requirement that a certain percentage of building space resulting from the project be leased to business tenants, documentation that the project is part of a larger redevelopment effort, or other measures deemed appropriate by the department. Performance measures for such projects will be determined at the time of award and incorporated into any contract between the department and the applicant. Performance measures shall be met within three years of the completion of the project.

261—61.6(15E) Award process. Rescinded IAB 7/4/07, effective 6/15/07.

261—61.7(15E) Forms of assistance available; award amount.

61.7(1) *Forms of assistance.* Funding is available for providing assistance in the form of a loan, forgivable loan, loan guarantee, cost-share, or any combination deemed to be the most efficient in facilitating the infrastructure project.

61.7(2) *Amount of award.* The maximum award per project shall not exceed \$1 million. The director may waive this award limit upon a showing that the business exceeds the eligibility requirements for the program; or the wages to be paid are in excess of those paid in the community or the industry; or the project will bring a substantial economic benefit to the community or the state. If an award would exceed the \$1 million level, the director shall advise and consult with the IDEED board prior to approving a waiver of the award limit. Any award in excess of \$1 million shall be secured by an irrevocable letter of credit, unless funded through special allocation of PIAP funds, up to \$5 million, established in subrule 61.5(12).

261—61.8(15E) Program administration. Rescinded IAB 7/4/07, effective 6/15/07.

These rules are intended to implement Iowa Code section 15E.175.

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