

CHAPTER 70
PORT AUTHORITY GRANT PROGRAM

261—70.1(81GA, HF2782) Purpose. The purpose of the Iowa port authority grant program is to provide support for programs that enhance, foster, aid, provide, or promote transportation, economic development, recreation, governmental operations, culture, or research within the jurisdiction of a port authority pursuant to Iowa Code Supplement chapter 28J.

261—70.2(81GA, HF2782) Definitions.

“Authorized purposes” means activities that enhance, foster, aid, provide, or promote transportation, economic development, housing, recreation, education, governmental operations, culture, or research within the jurisdiction of a port authority.

“Board” means the board of directors of a port authority established pursuant to Iowa Code Supplement section 28J.2.

“City” means the same as defined in Iowa Code section 362.2.

“Construction” means alteration, creation, development, enlargement, erection, improvement, installation, reconstruction, remodeling, and renovation.

“Contracting governmental agency” means any governmental agency or taxing district of the state that, by action of its legislative authority, enters into an agreement with a port authority pursuant to Iowa Code Supplement section 28J.17.

“Cost” as applied to a port authority facility means any of the following:

1. The cost of construction contracts, land, rights-of-way, property rights, easements, franchise rights, and interests required for acquisition or construction.

2. The cost of demolishing or removing any buildings or structures on land, including the cost of acquiring any lands to which those buildings or structures may be moved.

3. The cost of diverting a highway, interchange of a highway, and access roads to private property, including the cost of land or easements, and relocation of a facility of a utility company or common carrier.

4. The cost of machinery, furnishings, equipment, financing charges, interest prior to and during construction and for no more than 12 months after completion of construction, engineering, and expenses of research and development with respect to a facility.

5. Legal and administrative expenses, plans, specifications, surveys, studies, estimates of cost and revenues, engineering services, and other expenses necessary or incident to determining the feasibility or practicability of acquiring or constructing a facility.

6. The interest on the revenue bonds and pledge orders during the period or estimated period of construction and for 12 months thereafter, or for 12 months after the acquisition date, reserve funds as the port authority deems advisable in connection with a facility and the issuance of port authority revenue bonds and pledge orders.

7. The costs of issuance of port authority revenue bonds and pledge orders.

8. The cost of diverting a rail line, rail spur track, or rail spur track switch, including the cost of land or easements, and relocation of a facility of a utility company or common carrier.

9. The cost of relocating an airport’s runways, terminals, and related facilities including the cost of land or easements, and relocation of a facility of a utility company or common carrier.

“Department” means the Iowa department of economic development.

“Facility” or *“port authority facility”* means real or personal property owned, leased, or otherwise controlled or financed by a port authority and related to or in furtherance of one or more authorized purposes.

“Governmental agency” means a department, division, or other unit of state government of this state or any other state, city, county, township, or other governmental subdivision, or any other public corporation or agency created under the laws of this state, any other state, the United States, or any department or agency thereof, or any agency, commission, or authority established pursuant to an interstate compact or agreement or combination thereof.

“*Person*” means the same as defined in Iowa Code section 4.1.

“*Pledge order*” means a promise to pay out of the net revenues of a port authority, which is delivered to a contractor or other person in payment of all or part of the cost of a facility.

“*Political subdivision*” means a city, county, city-county consolidation, or multicounty consolidation, or combination thereof.

“*Political subdivisions comprising the port authority*” means the political subdivisions which created or participated in the creation of the port authority under Iowa Code Supplement section 28J.2, or which joined an existing port authority under Iowa Code Supplement section 28J.4.

“*Port authority*” means an entity created pursuant to Iowa Code Supplement section 28J.2.

“*Port authority revenue bonds*” means revenue bonds and revenue refunding bonds issued pursuant to Iowa Code Supplement section 28J.21.

“*Public roads*” means all public highways, roads, and streets in this state, whether maintained by the state or by a county or city.

“*Revenues*” means rental fees and other charges received by a port authority for the use or services of a facility; a gift or grant received with respect to a facility; moneys received with respect to the lease, sublease, sale, including installment sale or conditional sale, or other disposition of a facility; moneys received in repayment of and for interest on any loans made by the port authority to a person or governmental agency; proceeds of port authority revenue bonds for payment of principal, premium, or interest on the bonds authorized by the port authority; proceeds from any insurance, condemnation, or guarantee pertaining to the financing of the facility; and income and profit from the investment of the proceeds of port authority revenue bonds or of any revenues.

261—70.3(81GA, HF2782) Program procedures.

70.3(1) Iowa port authority grants shall not exceed \$80,000 per port authority unless the port authority demonstrates a multiple port authority or regional approach to other government agencies, private individuals or companies beyond the geographic boundaries of the political subdivisions comprising the port authority.

70.3(2) Iowa port authority grants may be awarded on an annual basis with not more than two grants awarded to a single port authority in a single fiscal year.

70.3(3) Not more than 10 percent of any moneys received by a port authority shall be used by the port authority for administrative purposes.

261—70.4(81GA, HF2782) Eligibility.

70.4(1) Eligible applicants. Only Iowa port authorities are eligible to apply to the department for funding under this program. Iowa port authority grant funds may be awarded to qualified port authorities that do all of the following:

- a. Provide the department with all information required by the department.
- b. Demonstrate a dollar-for-dollar funding match. Assistance is limited to 50 percent or less of the total project costs.
- c. Provide a plan to the department demonstrating the method for distributing grant moneys received from the department in accordance with Iowa Code Supplement chapter 28J.

70.4(2) Eligible projects. Projects eligible for Iowa port authority grant funding include, but are not limited to, the following:

- a. Start-up or early-stage growth activities to be used to leverage conventional financing from commercial lenders or private investors. Assistance will generally be made in stages with amounts to be determined by port authority development, growth, and defined milestones. Port authority grant moneys may not be used to cover payroll or payroll expenses for a port authority.
- b. Feasibility, environmental, or engineering studies to be utilized by the port authority for costs relating to the development, expansion, or redevelopment of new, existing, or potential port authority facilities. Assistance will generally be made in stages with amounts to be determined by the progress of the study and completion of study objectives.

261—70.5(81GA, HF2782) Application and review criteria. Subject to the availability of funds, applications will be due to the department no later than the close of business on October 1, or the first following business day if that day falls on a nonbusiness day. In ranking applications for grants, the department shall consider a variety of factors including, but not limited to, the following:

1. The demonstration of need for financial assistance.
2. The proportion of the funding match being provided.
3. Previous Iowa port authority grant performance.
4. Identification and achievability of program objectives, with measurable milestones to evaluate the effectiveness of financial assistance.

261—70.6(81GA, HF2782) Monitoring, reporting and follow-up.

70.6(1) Monitoring. The department reserves the right to monitor port authority records to ensure compliance with the terms of the award. Department staff will contact the port authority to arrange such visits at a mutually agreeable time.

70.6(2) Reporting. Port authorities shall submit to the department reports in the form and on a schedule as required by the department. The department retains the right to request information on a more frequent basis at any time during the period of the project as a condition of the use of department moneys.

70.6(3) Misuse of funds. Any person receiving funds under the Iowa port authority grant program is subject to criminal penalties under Iowa Code section 15A.3 if it is determined that the person knowingly made a false statement to procure financial assistance from the state.

These rules are intended to implement 2006 Iowa Acts, House File 2782, section 1(4).

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