

CHAPTER 175  
APPLICATION REVIEW AND APPROVAL PROCEDURES

**261—175.1(15) Applicability.** This chapter shall apply to the programs listed in rule 261—173.1(15) and to other state and federal programs identified in this chapter. This chapter describes the application review and approval procedures and the role of the advisory groups or board committees and identifies the final decision maker for each program.

[ARC 7970B, IAB 7/15/09, effective 7/1/09; ARC 8145B, IAB 9/23/09, effective 10/28/09; ARC 0442C, IAB 11/14/12, effective 12/19/12]

**261—175.2(15) Application procedures for programs administered by the authority.**

**175.2(1) Financial assistance programs.** The authority administers a number of programs that provide direct financial assistance of various types for approved projects. This includes ongoing administration of agreements executed under certain prior programs, such as the grow Iowa values fund and the power fund, that have been repealed. The authority will receive applications for direct assistance under current programs and will continue to receive amendment requests for contracts entered into under former programs. Beginning on July 1, 2012, most new applications for direct assistance will be received as requests for project completion assistance under HQJP.

**175.2(2) IVF (2005).** Rescinded IAB 7/15/09, effective 7/1/09.

**175.2(3) Projects funded by program funds (“old money”).** Rescinded IAB 7/15/09, effective 7/1/09.

**175.2(4) Tax credit programs.** The authority administers tax credit programs that provide tax incentives for approved projects. The authority will review an application to ensure that the project meets the requirements for the tax credit programs through which an applicant is applying.

**175.2(5) Federal programs.** The authority administers federal programs including, but not limited to, the CDBG program. EDSA is the job creation component of the CDBG program. The authority will review an application to ensure that the project meets the requirements for the programs through which an applicant is applying.

**175.2(6) Other state programs.** In addition to the programs described herein, the authority administers other state programs. The authority will review an application to ensure that the project meets the requirements for the tax credit programs through which an applicant is applying.

**175.2(7) Application required.** A business or community seeking financial assistance or tax credit benefits from an authority program shall submit an application to the authority. The applicant shall comply with the authority’s application procedures, processes, rules, and, as applicable, the wage and benefit requirements for that program and its funding source. Application forms and directions for completing the forms are available online at the authority’s Web site at [www.iowalifechanging.com](http://www.iowalifechanging.com) or at the authority’s offices located at 200 East Grand Avenue, Des Moines, Iowa 50309.

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**261—175.3(15) Standard program requirements.** In addition to the eligibility requirements of the individual programs applicable to the financial assistance sought, an applicant shall be subject to all of the following requirements which the authority shall also incorporate into each agreement as continuing obligations and conditions for the receipt of incentives or assistance under the program:

**175.3(1) Environmental and worker safety.** The applicant shall submit to the authority with its application for financial assistance a report describing all violations of environmental law or worker safety law within the last five years. If, upon review of the application, the board finds that a business has a record of violations of the law, statutes, rules, or regulations that tends to show a consistent pattern, the board shall not make an award of financial assistance to the business unless the board finds either that the violations did not seriously affect public health, public safety, or the environment or, if such violations did seriously affect public health, public safety, or the environment, that mitigating circumstances were present.

**175.3(2) Sustained operations.** The applicant shall comply with the provisions of 261—subrule 68.2(2) regarding relocations within the state and reductions in operations.

**175.3(3) Competition.** The proposed project shall not negatively impact other businesses in competition with the business being considered for assistance. The authority shall make a good faith effort to identify existing Iowa businesses within an industry in competition with the business being considered for financial assistance. The authority shall make a good faith effort to determine the probability that the proposed financial assistance will displace employees of the existing businesses. In determining the impact on businesses in competition with the business being considered for financial assistance, jobs created or retained as a result of other jobs being displaced elsewhere in the state shall not be considered direct jobs created or retained.

**175.3(4) Legally authorized employment.** The applicant shall only employ individuals legally authorized to work in this state. In addition to any and all other applicable penalties provided by current law, all or a portion of the assistance received by a business which has received financial assistance under the program and is found to knowingly employ individuals not legally authorized to work in this state is subject to recapture by the authority.

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## **261—175.4(15) Review and approval of applications.**

**175.4(1) Staff review for eligibility.** Applications received by the authority will be reviewed by program staff to ensure that documentation of minimum program eligibility requirements has been submitted by the applicant. Complete applications will be forwarded to the appropriate decision maker for action.

**175.4(2) Additional review factors.** In addition to reviewing an application for eligibility, the authority and the board may consider additional factors. Upon review of these additional factors, the board may determine that the applicant is ineligible to receive assistance until such time as the pending resolution of any outstanding issues identified by the board. Additional factors to be considered include:

*a. Applicant's past or current performance.* If an applicant has received a prior award(s) from the authority, the authority and board will take into consideration the applicant's past or current performance under the prior award(s).

*b. Results of due diligence review.* This review will include, but is not limited to, lien searches, reports of violations, lawsuits and other relevant information about the applicant.

*c. Report on environmental law compliance.* This report is required by rule 261—172.1(15A) and applicable program statutes.

*d. Report on violations of law.* This report is required by rule 261—172.2(15A) and applicable program statutes.

**175.4(3) Negotiations.** Authority staff may negotiate with the applicant concerning dollar amounts, terms, collateral requirements, conditions of award, or any other elements of the project. The board or director may offer an award in a lesser amount or that is structured in a manner different from that requested. Meeting minimum eligibility requirements does not guarantee that assistance will be offered or provided in the manner sought by the applicant.

**175.4(4) Application approval procedures.**

*a. Approval.* Application approval procedures must comply with the statutory requirements for each individual program or funding source and the applicable administrative rules. In general, the approval process begins with review of a completed application by authority staff. After review by staff, the application may be sent to a committee for further recommendation followed by final action on the application by the board or by the director, as the case may be. The director may take action on any application or activity that is not specifically identified as requiring board action. The authority's various programs and the application procedures are described in paragraph "c," which contains the applicable recommending and approving entities by funding source and program.

*b. Key to table.*

ACE – The accelerated career education program job credits authorized under Iowa Code chapter 260G.

ASSISTIVE – The assistive device tax credits authorized in Iowa Code section 422.33.

BRN – The brownfield redevelopment advisory council established in Iowa Code section 15.294.

BROWN – Redevelopment tax credits for brownfield and grayfield sites and the brownfield redevelopment fund as established in Iowa Code chapter 15.

CDBG – Federal community development block grant funded programs.

DDC – Due diligence committee organized by the board pursuant to 261—Chapter 1.

EDSA – The economic development set aside component of the CDBG program established in 261—Chapter 23.

ETAP – The export trade assistance program established in 261—Chapter 72.

EZ – Enterprise zone program as established in Iowa Code chapter 15E, including both the business and housing development tax credits.

HQJP – High quality jobs program as established in Iowa Code chapter 15, including both tax incentives and project completion assistance.

INNOVATION – Programs related to innovation, commercialization, and targeted industries development, including the programs described in Iowa Code section 15.411 and the program rules in 261—Part V.

NSP – Neighborhood stabilization program as established in 261—Chapter 27.

TCC – Technology commercialization committee organized by the board pursuant to 261—Chapter 1.

TJWTC – Targeted jobs withholding tax credit program for pilot project cities established in Iowa Code section 403.19A.

TSB – Targeted small business advisory council established in Iowa Code section 15.247(8).

TSB LOAN – The targeted small business financial assistance program established in Iowa Code section 15.247.

*c. Recommendation and approval entities for state and federal programs.* The application approval process for applications for tax incentives, project completion assistance, other financial assistance, or other benefits under the authority's various programs is as follows:

| PROGRAM       | STATE/FEDERAL | RECOMMENDATION BY | FINAL DECISION BY |
|---------------|---------------|-------------------|-------------------|
| HQJP          | State         | DDC               | Board             |
| EZ (Business) | State         | DDC               | Board             |
| EZ (Housing)  | State         |                   | Director          |
| INNOVATION    | State         | TCC               | Board             |
| ASSISTIVE     | State         |                   | Director          |
| EDSA          | Federal       | DDC               | Board             |
| CDBG          | Federal       |                   | Director          |
| NSP           | Federal       |                   | Director          |
| BROWN         | State         | BRN               | Director          |
| TSB LOAN      | State         | TSB               | Director          |
| ETAP          | State         |                   | Director          |
| ACE           | State         |                   | Director          |
| TJWTC         | State         |                   | Director          |

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**261—175.5(15) Local match requirements for project awards.**

**175.5(1) Requirements.** An applicant seeking tax incentives or assistance under one of the programs subject to this chapter shall include a local match for the project. The amount of the local match shall be as follows:

*a.* For projects seeking direct assistance under any program except EDSA, the amount of the local match shall be 20 percent of the amount of direct financial assistance requested. For projects seeking direct financial assistance under EDSA, the amount of the local match shall be 10 percent of the amount requested.

*b.* For projects seeking tax incentives, the local match shall be one of the following:

(1) A tax abatement or exemption for the project as provided under Iowa Code chapter 427B. The amount of such a local abatement or exemption will be determined according to the period of partial exemption described in Iowa Code section 427B.3.

(2) Any other acceptable form of local match, as described in this rule, provided the amount of such match is equal to or greater than the value of the tax abatement or exemption described in subparagraph (1).

*c.* For projects seeking both direct assistance and tax incentives, the amount of local match will be based on the amount required for the direct assistance.

**175.5(2) Entities that may provide a local match.** When a local match is required, the match may come from a local government entity, a local development organization or chamber of commerce, a utility company, a local nonprofit entity such as a foundation, institution, or endowment, or a council of government.

**175.5(3) Acceptable forms of local match.** The following types of contributions to a project qualify as acceptable forms of local match:

*a.* Cash contributions such as grants, loans, forgivable loans, gifts, and endowments.

*b.* Revolving loan funds provided that if a revolving loan fund is the only form of local match the interest rate and term match the terms of the direct assistance to be provided by the authority.

*c.* Tax abatement or exemption.

*d.* Industrial property tax exemption.

*e.* Tax increment financing, including rebates.

*f.* Bond financing, including general obligation bonds, tax increment financing bonds, and revenue bonds.

*g.* Direct investment in infrastructure that supports a business such as water and sewer extensions, gas and electric service, or street improvements.

*h.* Differentials in space or building costs such as subsidized building acquisitions or lease costs.

*i.* Differentials in rates provided by service providers, including water and sewer service, electric service, and gas or other services.

**175.5(4) Exception.** If a project is seeking only tax incentives and the project will not increase local tax revenues, then a local match is not required.

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These rules are intended to implement Iowa Code chapters 15 and 15E and 2011 Iowa Code Supplement chapter 15G, subchapter I.

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