

CHAPTER 215
SPORTS TOURISM PROGRAM: MARKETING FUND

261—215.1(15F) Definitions. When used in this chapter, unless the context otherwise requires:

“Accredited colleges and universities” means any college, university, or institution of higher learning that is accredited by the Higher Learning Commission or any other college, university, or institution of higher learning that is accredited by an accrediting agency that is recognized by the U.S. Department of Education.

“Authority” means the economic development authority created in Iowa Code section 15.105.

“Bid fees” means fees paid as part of proposing a location for an event.

“Board” means the economic development authority board as created in Iowa Code section 15.105.

“Convention and visitors bureau” or *“CVB”* means an organization engaged primarily in the marketing and promotion of a local community or communities to businesses and to leisure travelers interested in the area’s facilities. Such organizations are typically engaged in a wide range of activities including but not limited to assisting businesses and leisure travelers in identifying meeting locations and convention sites; providing maps and other travel information; providing information on local attractions, lodging, and restaurants; and organizing tours of local historical, recreational, and cultural attractions.

“District” means a regional sports authority district certified under Iowa Code section 15E.321.

“Financial assistance” means assistance provided only from the funds available to the authority or the board and includes assistance in the form of grants, loans, and forgivable loans.

“Infrastructure” means land acquisition and construction; major renovations of buildings; and all appurtenant structures, utilities, and site development that are related to the operation of a sporting event.

“Marketing” means planning for or implementing efforts to publicize a sporting event using a range of strategies, tools and tactics.

“Marketing fund” means the fund established pursuant to Iowa Code section 15F.403 for purposes of financing sports tourism marketing projects.

“Organization” means a corporation, conference, association, or other organization which has as one of its primary purposes the sponsoring or administration of extracurricular intercollegiate athletic contests or competitions, or professional sporting events.

“Professional sporting events” means any sporting events for which the competing athletes receive payment for their participation in such sporting event.

“Program” means the portion of the sports tourism marketing and infrastructure program administered pursuant to this chapter and funded by the marketing fund.

“Promote” or *“promotion”* means to undertake specific identifiable actions that encourage greater awareness of and attendance at a sporting event. This includes the planning, organizing, advertising, marketing, managing, hosting, and sponsoring of a sporting event.

“Public organization” means a not-for-profit economic development organization or other not-for-profit organization including one that sponsors or supports sporting events.

“Sporting event” means an athletic activity requiring skill or physical prowess, usually competitive in nature and governed by a set of rules provided by a nationally recognized sanctioning body. A sporting event typically includes the placing of competitors into a fixed order of finish, depending upon their respective athletic performance within the rules provided for that activity.

“Sports tourism program review committee” or *“review committee”* means the committee established by Iowa Code section 15F.402(2) and shall consist of members of the board, with one member from each congressional district under Iowa Code section 15F.102(2)“a” and one member from the state at large under Iowa Code section 15F.102(2)“b.”

[ARC 2980C, IAB 3/15/17, effective 4/19/17; ARC 6107C, IAB 12/29/21, effective 12/2/21; ARC 6612C, IAB 11/2/22, effective 12/7/22; Editorial change: IAC Supplement 7/10/24]

261—215.2(15F) Eligible applicants. Eligible applicants for financial assistance from the marketing fund include cities or counties in the state or public organizations, including convention and visitors bureaus.

[ARC 2980C, IAB 3/15/17, effective 4/19/17; ARC 6612C, IAB 11/2/22, effective 12/7/22]

261—215.3(15F) Eligible marketing projects. Eligible projects must actively and directly promote sporting events for accredited colleges and universities, professional sporting events, and other sporting events in the area served by an eligible applicant as defined in rule 261—215.2(15F). Only projects that promote sporting events occurring in Iowa are eligible for assistance.

215.3(1) An eligible applicant may apply for and receive financial assistance for more than one project. The board may require additional information to substantiate the financial need for awarding more than one project in any fiscal year.

215.3(2) An eligible applicant may apply for financial assistance for a project that spans two fiscal years. If financial assistance is approved for two fiscal years, financial assistance will only be provided for the second fiscal year if all applicable contractual requirements are met. When considering whether to award financial assistance for two fiscal years, the board shall evaluate metrics including the amount of revenue generated by ticket sales, the estimated economic impact, and the number of overnight stays at hotels in the city or county where the sporting event is being held. For example, economic impact may be calculated as total estimated attendance multiplied by daily attendee spending multiplied by average length of stay. If an eligible applicant wishes to supply an alternative formula for calculating economic impact, the applicant must supply a credible source for using an alternative formula. The authority may include such metrics and estimates in a program agreement executed pursuant to Iowa Code section 15F.401.

215.3(3) A convention and visitors bureau shall not in the same fiscal year receive financial assistance under the program created in this chapter and financial assistance as part of a district created pursuant to 261—Chapter 38.

215.3(4) An eligible applicant shall demonstrate matching funds in order to receive financial assistance pursuant to this rule. The amount of matching funds that may be required shall be at the board's discretion. An applicant under the program shall not receive financial assistance in an amount exceeding 50 percent of the total cost of the project.

215.3(5) A city, county, or public organization may use financial assistance received under the program for marketing and promotions. Whether an activity or individual cost item is directly related to the promotion of the sporting event shall be within the discretion of the authority.

215.3(6) A city, county, or public organization shall not use financial assistance received under the program as reimbursement for completed projects.

215.3(7) The total amount of financial assistance provided to an applicant in any one fiscal year shall not exceed \$500,000.

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261—215.4(15F) Eligible and ineligible marketing expenses.

215.4(1) *Eligible expenses.* Expenses directly related to the active promotion of a sporting event will be eligible for reimbursement under the program. Examples of eligible expenses include, but are not limited to:

- a. Sponsorships;
- b. Payments to vendors;
- c. Advertising;
- d. Equipment rental;
- e. Promotional materials;
- f. Production costs.

215.4(2) *Ineligible expenses.* Expenses that are not directly related to the active promotion of a sporting event will be ineligible for reimbursement under the program. Examples of ineligible expenses include, but are not limited to:

- a. Bid fees, rights fees, solicitation efforts or lobbying fees;
- b. Travel costs or compensation of applicant staff;
- c. Meals, dining, or alcoholic beverages;
- d. Items that are purchased for resale;
- e. Prizes given to participants;
- f. Costs related to infrastructure or ongoing costs of a facility;

g. Other costs that the board determines to be ineligible.

[ARC 6107C, IAB 12/29/21, effective 12/2/21; ARC 6612C, IAB 11/2/22, effective 12/7/22]

261—215.5(15F) Threshold application requirements. To be considered for funding under the program, an application must meet the following threshold application requirements:

215.5(1) There must be demonstrated local support for the proposed activity.

215.5(2) A detailed description of the project, outlining the sporting event and the plan for promoting it.

215.5(3) The proposed project budget must be spent on marketing and promotions directly related to the promotion of the sporting event.

215.5(4) Detailed information and projections sufficient to enable the authority to accurately assess the economic impact of the sporting event described in the application. Such information shall include the estimated number of spectators and estimated quality and quantity of advertising and media coverage the sporting event will generate. If the applicant has previously held substantially similar events, the information shall include actual attendance figures from past events and a summary of the advertising and media coverage generated.

[ARC 2980C, IAB 3/15/17, effective 4/19/17; ARC 6107C, IAB 12/29/21, effective 12/2/21]

261—215.6(15F) Application process.

215.6(1) Applications for assistance under the program shall be submitted to the authority. For those applications that meet the threshold application requirements and the eligibility criteria, the authority shall forward the applications to the board and provide a staff review analysis and evaluation to the sports tourism program review committee and to the board.

215.6(2) All applications to the authority for financial assistance shall be made at least 90 days prior to a sporting event's scheduled date.

215.6(3) When reviewing the applications, the review committee and the authority shall consider, at a minimum, all of the following:

a. Impact of the project on the local, regional, and state economies. Economic impact will be determined by using the following calculation: Applicants will estimate the number of hotel room nights generated by each proposed sporting event and multiply the number of estimated hotel room nights by the average daily room rate for Iowa hotels. The average daily room rate will be provided by the authority based on information obtained from a hotel market data service. Intentionally inflated estimates of attendance or a history of providing inaccurate estimates will negatively affect the scoring of an application.

b. Potential to attract Iowans and out-of-state visitors. Projects that market or promote a sporting event that is new to Iowa will receive a higher score. Established events will receive a lower score.

c. Amount of positive advertising or media coverage the project generates.

d. Quality, size, and scope of the project.

e. Ratio of public-to-private investment.

f. The extent to which the sporting event to be marketed or promoted is unique, innovative, or diverse.

215.6(4) Upon review of the recommendations of the review committee, the board shall make final funding decisions on each application. The board may approve, defer, deny, or modify applications for financial assistance under the program, in its discretion, in order to fund as many projects with the moneys available as possible. The board and the authority may negotiate with applicants regarding the details of projects and the amount and terms of any award. In making final funding decisions pursuant to this subrule, the board and the authority are exempt from Iowa Code chapter 17A.

[ARC 2980C, IAB 3/15/17, effective 4/19/17; ARC 6107C, IAB 12/29/21, effective 12/2/21]

261—215.7(15F) Administration.

215.7(1) *Administration of awards.*

a. Each applicant receiving an award of financial assistance from the board shall enter into an agreement with the authority. The agreement shall contain such terms and conditions as the board may

place on the award or the authority may deem necessary for the efficient administration of the program established in this chapter. The agreement will also include the terms and conditions under which financial assistance must be repaid or penalties incurred in the event the applicant does not fulfill all obligations under the agreement.

- b. These rules and applicable state laws shall be part of the agreement.
- c. The applicant must execute and return the contract to the board within 90 days of the transmittal of the final contract from the board. Failure to do so may be cause for the board to terminate the award.
- d. Awards may be conditioned upon commitment of other sources of funds necessary to complete the project.
- e. Awards may be conditioned upon authority receipt and board approval of an implementation plan for the funded project.

215.7(2) Reports. An applicant receiving financial assistance shall provide an annual report to the authority for years in which it receives financial assistance under this rule. The report shall include the information the authority deems relevant. The report shall be submitted in the manner and on forms prescribed by the authority. The authority may perform any reviews or site visits necessary to ensure performance by the applicant.

215.7(3) Requests for funds. Recipients shall submit requests for funds in the manner and on forms prescribed by the authority. Individual requests for funds shall be made in an amount equal to or greater than \$500 per request, except for the final draw of funds.

215.7(4) Record keeping and retention. The recipient shall retain all financial records, supporting documents and all other records pertinent to the sports tourism award for three years after contract closeout. Representatives of the authority shall have access to all recipient records that pertain to sports tourism funds.

215.7(5) Amendments to contracts. Any substantive change to a contract shall be considered an amendment. Substantive changes include time extensions, budget revisions and significant alteration of the funded project that change the scope, location, objectives or scale of the approved project. Amendments must be approved by the economic development authority board. The authority may execute nonsubstantive or ministerial changes to the contract without board approval.

215.7(6) Project closeout. Upon expiration of the agreement, the authority shall initiate project closeout procedures.

215.7(7) Compliance. If the board finds that an applicant is not in compliance with the requirements of this program or the terms and conditions of the agreement, the board may find the applicant noncompliant. Remedies for noncompliance may include penalties up to and including the return of program funds to the board. Reasons for a finding of noncompliance include but are not limited to the applicant's use of funds for activities not described in the contract, the applicant's failure to complete funded projects in a timely manner, the applicant's failure to comply with applicable state or local rules, or the lack of a continuing capacity of the applicant to carry out the approved project in a timely manner.

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These rules are intended to implement Iowa Code sections 15F.401, 15F.402, and 15F.403 as amended by 2022 Iowa Acts, House File 2579.

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