

261—71.4(403) Project approval.

71.4(1) *Request for board approval form.* To request board approval of a proposed withholding agreement, an employer and pilot project city shall utilize a standardized application developed by the authority. The form will include but not be limited to the following:

- a. A general description of the project, including how the pilot project city will utilize withholding funds generated by the project.
- b. The employer's base employment level.
- c. Information regarding the number of targeted jobs in the project, the wages of the targeted jobs, and the types of jobs created by the project.
- d. A budget for the project, showing the total project cost, the amount of local matching funds committed to the project, and the amount of withholding funds the pilot project city will receive from the project.
- e. A letter or resolution of support from the local government showing support for the project.

71.4(2) *Timing of submittal.* Requests for board approval of a proposed withholding agreement may be submitted at any time. The authority will review requests for approval of a proposed withholding agreement in as timely a manner as possible.

71.4(3) *Project initiation.* The authority will not accept applications for projects that have been initiated or will be initiated prior to board consideration of the employer's application for the program unless the employer establishes that not initiating the project prior to board consideration of the application would result in undue hardship or that extenuating circumstances necessitate initiating the project prior to board consideration of the employer's application for the program. Whether an undue hardship or extenuating circumstance exists will be determined by the authority.

- a. Any one of the following may indicate that a project has been initiated:
 - (1) The start of construction of new or expanded buildings;
 - (2) The start of rehabilitation of existing buildings;
 - (3) The purchase or leasing of existing buildings; or
 - (4) The installation of new machinery and equipment or new computers to be used in the operation of the project.
- b. The following shall not indicate a project has been initiated:
 - (1) The purchase of land or signing an option to purchase land;
 - (2) Earthmoving or other site development activities not involving actual building construction, expansion or rehabilitation; or
 - (3) Acquisition of a business as a going concern.
- c. Any costs incurred prior to the award date are not eligible qualifying investment expenses.

71.4(4) *Board action on requests for approval.* The board, on behalf of the authority, may approve or deny a withholding agreement according to the provisions of Iowa Code section 403.19A and this chapter. A pilot project city and employer will be notified in writing of the board's decision regarding the proposed withholding agreement.

[ARC 0001D, IAB 1/21/26, effective 2/25/26]