

261—53.10(15) Venture project components.**53.10(1) Eligible applicants; projects; coordination with PROMISE JOBS.**

a. Eligible businesses. Eligible businesses include start-up companies, early-stage companies, and existing companies that are developing a new product or new technology.

b. Form and amount of assistance. The CEBA award will be in the form of an equitylike investment (e.g., royalty agreement or deferred loan). The maximum award amount shall not exceed \$250,000.

c. Eligible applicants. Applications will be accepted from cities, counties, and community colleges on behalf of eligible businesses. Applications shall be submitted on the CEBA venture project application form provided by the department. If an application is approved, the department will contract directly with the business on whose behalf the application was submitted.

53.10(2) Ineligible applications. The department will not rate and rank ineligible applications. An application may be determined to be ineligible if:

- a.* It is submitted by an ineligible applicant; or
- b.* The project consists of a business relocation from within the state unless unusual circumstances exist which make the relocation necessary for the business's viability; or
- c.* The CEBA application is not properly signed by the applicant and the business; or
- d.* The business has a record of violations of the law over a period of time that tends to show a consistent pattern as described in 261—Chapter 172.

53.10(3) Rating system. Eligible applications will be reviewed and rated using the following criteria:

a. Jobs associated with the project. Factors considered include, but are not limited to, the following:

- (1) The number of jobs created, if any, by the project;
- (2) The potential for job creation as a result of the project;
- (3) The quality of the wages and benefits for jobs actually or potentially created as a result of the project.

NOTE: For the venture project component, CEBA funds will not be leveraged on a per job basis. Maximum — 10 points.

b. Additional funding sources. The amount of the total project costs coming from sources other than CEBA venture funds including, but not limited to, private equity investment, conventional loans, owner equity investment, or other acceptable forms of investment as determined by the department. Maximum — 10 points.

c. Strength of the business plan. Factors to be considered include, but are not limited to, the following:

- (1) A description of the business and the overall industry;
- (2) The experience level of the business management team;
- (3) A description of the product and production plan;
- (4) Project financial projections;
- (5) Feasibility of the product and project;
- (6) Market identification and marketing strategy.

Maximum — 60 points.

d. Potential return on investment of the CEBA venture award. Maximum — 10 points.

e. Potential for future growth of the business. Maximum — 5 points.

f. Local financial support. The amount of the total project costs attributable to local funding sources including, but not limited to, city, county, community college, chamber of commerce, economic development groups, utilities, or other local sources, compared to the resources reasonably available from those sources. Maximum — 10 points.

g. A project in a brownfield, blighted or distressed area or a business with a good neighbor agreement or an Iowa great places agreement, as described in 261—Chapter 171 will receive 5 extra points.

Applications must receive a minimum of 60 points to be recommended for funding.

53.10(4) Application review and approval. Rescinded IAB 7/4/07, effective 6/15/07.