21—52.6(175A) Grape and wine development programs.

52.6(1) The programs may provide for all of the following:

a. Technical assistance which may include all of the following:

(1) Viticultural assistance in order to increase the size of vineyards, improve yield, and enhance the character, composition, and condition of grapes. The department may provide technical assistance regarding the selection and management of vines suitable for regions of this state; cultivation and harvest practices; the implementation of practices designed to improve grape growing based on soil types, nutrients and minerals, space, climate, and drainage; the use of recommended varieties of native or hybrid cultivars; and disease, weed, and pest control, including the safe and effective application of pesticides or herbicides or the use of organic practices.

(2) Oenological assistance which may be based on oenological study in order to produce, preserve, and transport commercially viable wines, including high-quality wines, wines adapted to particular regions of the state, and wines with distinctive tastes produced from native or hybrid cultivars. The technical assistance may include assistance regarding improving practices or constructing facilities designed to expand or improve processing, cellarage, or bottling.

b. Financial assistance which shall be in the form of a loan, forgivable loan, cost share, indemnification of costs, or any combination of such financing as deemed appropriate by the commission. Financial assistance may be awarded to persons beginning or engaged in grape growing or winemaking in Iowa, based on a sound business plan that demonstrates the viability of the proposed operations. Financial assistance received shall be used within the state of Iowa. Voting members of the commission are ineligible to receive financial assistance while serving on the commission.

(1) Each applicant must complete the documents required in the request for proposals. The applicant must submit the completed forms and requested information to the department at the following address: Iowa Department of Agriculture and Land Stewardship, Wallace State Office Building, Des Moines, Iowa 50319. Copies of the "grape and wine development funding program, request for proposals" are available through the department at the address above or on the designated department Web site.

(2) The deadlines for submission shall be determined by the commission.

52.6(2) Financial assistance caps and eligible costs.

a. Applicants may request up to $10,000, or with the mutual consent of the department and the commission up to $25,000, in financial assistance for costs including, but not limited to:

(1) Planning and implementing educational forums including, but not limited to, workshops;

(2) Developing, printing and distributing educational materials including, but not limited to, handouts for workshops and public awareness/education pamphlets;

(3) Salaries directly related to the implementation and operation of the project;

(4) Research/laboratory equipment and supplies directly related to the implementation and operation of the project;

(5) Vineyard trellising materials, grape plants or cuttings, chemicals, and site preparation costs directly related to the implementation and operation of the project; and

(6) Winery equipment and building costs directly related to the implementation and operation of the project.

b. Applicants may request up to $5,000, or with the mutual consent of the department and the commission up to $10,000, in financial assistance for material loss of grape crop, secondary grape products, and research/laboratory equipment and supplies if the material loss is caused by fire, damaging weather, natural occurrence, or a related condition.

52.6(3) Ineligible costs include, but are not limited to:

a. Land acquisition;

b. Taxes;

c. Vehicle registration;

d. Overhead expenses or indirect costs;

e. Legal costs;

f. Contingency funds;

g. Proposal preparation;

h. Contractual project administration;

i. Costs for which payment has been or will be received under another federal, state or private funding program;

j. Costs for which insurance will cover any loss for which the applicant has requested financial assistance; or

k. Political or lobbying activities.

52.6(4) Criteria for selecting proposals.

a. The commission will approve, disapprove or partially approve applications for financial assistance, after department review and recommendation, based on the following criteria:

(1) Need for the project and the benefits to the Iowa grape growing and winemaking industry;

(2) Soundness of the project information narrative;

(3) Reasonableness of the budget;

(4) Innovation of the project;

(5) Sustainability of the project;

(6) Ease in duplicating project outcomes; and

(7) Degree of collaboration or partnership.

b. Applications for financial assistance may be disapproved for any of the following reasons including, but not limited to:

(1) Insufficient moneys in the fund;

(2) An applicant does not meet the eligibility requirements;

(3) An applicant does not provide sufficient information on forms provided by the department;

(4) An applicant is delinquent on payments for financial assistance already received through the program;

(5) The project goals or purposes are not consistent with this program or the request for proposals; or

(6) The applicant has requested or received funding to indemnify for material loss of grape crop, secondary grape products, and research/laboratory equipment and supplies in either of the past two years.

52.6(5) Financial assistance disbursement limitations.

a. Financial assistance may be offered in an amount less than that requested by the applicant. In such case, the applicant may be requested to document the impact on the proposed project. Reduced financial assistance may be offered in any of the following circumstances:

(1) Moneys in the grape and wine development fund are insufficient to provide for all applicants the level of funding requested;

(2) The applicant can implement the project at a reduced level of financial assistance and achieve the project objectives and goals of this program; or

(3) The term of a proposed project may be reduced, thus affecting the total proposed costs. In such case, the applicant may reapply for financial assistance in future submission periods.

b. Financial assistance shall not be disbursed by the department until:

(1) The department has determined that financing for any cost share amount is ensured by the applicant; reviewed and recommended the application to the commission; executed a written contract with the applicant; and ensured that moneys in the grape and wine development fund are available for disbursement; and

(2) The commission has approved the application.

52.6(6) Contracts and loans.

a. Applicants shall enter into a contract with the department for the purpose of implementing the project for which financial assistance has been awarded. The contract shall be signed by an appointed authority of the department and a representative that has the legal authority to obligate the applicant. The recipient shall be required to submit periodic financial and progress reports as identified in the executed contract. Financial and progress reports are considered part of the public record. The department may terminate any contract and seek the return of any financial assistance released under the contract for material breach under the terms and conditions of the contract. The department may seek the return of

any unused financial assistance under the terms of the contract. Written amendments to contracts may be adopted by mutual consent between the department and the recipient.

b. Loans executed in accordance with these rules shall be determined on a case-by-case basis and shall be based on the specific capital costs financed, as well as the terms of other financing provided for the project. A written contract between the department and the recipient shall establish other conditions or terms needed to manage or implement the project. The recipient shall be required to make regularly scheduled installment payments to retire the loan and any interest assigned to the loan as identified in the executed contract.

52.6(7) Notification. The department will notify applicants regarding the status of their proposals within two months after the applicable submission deadlines. An extension may be necessary if the commission requests additional information from an applicant about any of the proposals under review.