

261—58.3(15) Agreement prerequisites. Before the department and a business or group of businesses enter into an agreement for program benefits, the following steps must be completed:

58.3(1) The business or group of businesses submits an application in compliance with the provisions of these rules.

58.3(2) The department determines that the business or group of businesses has met the threshold requirements for program participation.

58.3(3) The department enters into negotiations with the business or group of businesses regarding the amount of tax incentives and assistance the business or group of businesses may be eligible to receive. The department reserves the right to negotiate the amount of all program benefits except the following benefits: The new jobs supplemental credit; the value-added property tax exemption; the refund of sales, service and use taxes paid to contractors and subcontractors; the sales and use tax exemption; and the exemption from land ownership restrictions for nonresident aliens. The criteria to be used in the negotiations to determine the amount of tax incentives and assistance include but are not limited to:

a. The number and quality of jobs to be created. Factors to be considered include but are not limited to full-time, career path jobs; turnover rate; fringe benefits provided; safety; skill level.

b. The wage levels of the jobs to be created.

c. The amount of capital investment to be made.

d. The level of need of the business. Factors to be considered include but are not limited to the degree to which the business needs the tax incentives and assistance in order for the project to proceed. Methods of documenting need may include criteria such as financial concerns; risk of the business's locating in or relocating to another state; or return on investment concerns.

e. The economic impact and cost to the state and local area of providing tax incentives and assistance in relation to the public gains and benefits to be provided by the business. Factors to be considered include but are not limited to the amount of tax credits likely to be used by the business and the impact on the local and state tax base and economic base.

f. Other state or federal financial assistance received or applied for by the business for the project.

58.3(4) The board approves the application and the amount of tax incentives and assistance negotiated by the department that the business or group of businesses shall receive and authorizes the department to execute an agreement with the business or group of businesses.