

261—58.7(15) Eligibility requirements. Retail business shall not be eligible to receive benefits under this program. To be eligible for program participation a business shall meet all of the threshold requirements of subrule 58.7(1) and at least three of the elements listed in subrule 58.7(2). If an application is submitted by a group of businesses, the group must meet the capital investment requirement and the job creation requirement of at least 75 full-time nonmanagement production positions. Each business within the group shall individually meet the other eligibility criteria.

58.7(1) Mandatory six elements. A business shall meet all of the following requirements in order to be eligible for program benefits:

a. The community has approved by ordinance or resolution the start-up, location, or expansion of the business for the purpose of receiving program benefits. If community approval is by resolution rather than ordinance and the business is requesting the exemption from land ownership restrictions for nonresident aliens under subrule 58.4(8), the community shall submit documentation that the public was afforded an opportunity to comment on the business's application and land ownership exemption request.

b. The business has not closed or substantially reduced its operation in one area of the state and relocated substantially the same operation in the community. This requirement does not prohibit a business from expanding its operation in the community if existing operations of a similar nature in the state are not closed or substantially reduced.

c. The business must provide and pay at least 80 percent of the cost of a standard medical and dental insurance plan for all full-time employees working at the facility in which the new investment occurred.

d. The business shall agree to pay a median wage for new full-time hourly nonmanagement production jobs of at least \$11 per hour indexed to 1993 dollars based on the gross national product implicit price deflator published by the Bureau of Economic Analysis of the United States Department of Commerce or 130 percent of the average wage in the county in which the community is located, whichever is higher. The business shall compute its median wage for all new full-time employees to include compensation in the form of hourly wages and salaries. Bonuses, commissions or overtime pay may also be included in the calculation if the business has a history of paying bonuses, commissions or overtime pay and will provide a guarantee that this type of additional compensation will continue while the business is participating in the program.

e. The business will make a capital investment of at least \$10 million indexed to 1993 dollars based on the gross national product implicit price deflator published by the bureau of economic analysis of the United States Department of Commerce. If the business is occupying a vacant building suitable for industrial use, the fair market value of the building shall be counted toward the capital investment threshold.

f. The business shall agree to create at least 50, or the group of businesses at least 75, full-time nonmanagement production positions at a facility located in Iowa or expanded under the program for a specified period which will be negotiated with the department and the community, but which shall be a minimum of five years. The jobs must be created within five years of the application approval date and the jobs must be maintained for a period of at least five years from the date the business first meets its job creation obligation.

58.7(2) Additional required elements. To be eligible for incentives under the program, a business or group of businesses shall do at least three of the following:

a. Offer a pension or profit-sharing plan to full-time employees.

b. Produce or manufacture high value-added goods or services or be in one of the following industries:

- (1) Value-added agricultural products.
- (2) Insurance and financial services.
- (3) Plastics.
- (4) Metals.
- (5) Printing paper or packaging products.
- (6) Drugs and pharmaceuticals.
- (7) Software development.

- (8) Instruments and measuring devices and medical instruments.
- (9) Recycling and waste management.
- (10) Telecommunications.
- c. Make day care services available to its employees.
- d. Invest annually no less than 1 percent of pretax profits from the facility located to Iowa or expanded under the program in research and development in Iowa.
- e. Invest annually no less than 1 percent of pretax profits from the facility located to Iowa or expanded under the program in worker training and skills enhancement.
- f. Have an active productivity and safety improvement program involving the management and worker participation and cooperation with benchmarks for gauging compliance.
- g. Occupy an existing facility at least one of the buildings of which shall be vacant and shall contain at least 20,000 square feet.

58.7(3) Further evaluation factors. After a business has certified compliance with the threshold requirements of subrules 58.7(1) and 58.7(2), the board will consider a variety of additional factors in determining the eligibility of a business to participate in the program including, but not limited to, the following:

a. The quality of jobs to be created. The department shall place greater emphasis on those jobs that have a higher wage scale, have a lower turnover rate, are full-time or career-type positions, provide comprehensive health benefits, or have related factors which could be considered to be higher in quality than to other jobs. Businesses that have wage scales substantially below that of existing Iowa businesses in that area will be considered as providing the lowest quality of jobs and will be given the lowest consideration in determining program eligibility.

b. The impact of the proposed project on other businesses in competition with the business being considered for program participation. The department shall make a good faith effort to identify existing Iowa businesses within an industry in competition with the business being considered for program incentives. The department shall also make a good faith effort to determine the probability that the proposed financial assistance will displace employees of existing businesses. In determining the impact on businesses in competition with the business seeking program benefits, jobs created as a result of other jobs being displaced elsewhere in the state shall not be considered direct jobs created.

c. The impact to the state of the proposed project. In measuring the economic impact the department shall place greater emphasis on projects which have greater consistency with the state strategic plan than other projects. Greater consistency may include any or all of the following:

- (1) A business with a greater percentage of sales out of state or of import substitution.
- (2) A business with a higher proportion of in-state suppliers.
- (3) A project which would provide greater diversification of the state economy.
- (4) A business with fewer in-state competitors.
- (5) A potential for future job growth.
- (6) A project which is not a retail operation.

d. If the business has, within three years of application for program participation, acquired or merged with an Iowa corporation or company, whether the business has made a good faith effort to hire the workers of the acquired or merged company.

e. Whether a business provides a preference for hiring residents of the state or of the economic development area, except for out-of-state employees offered a transfer to Iowa or to the economic development area.

f. Whether all known required environmental permits have been issued and regulations met.

58.7(4) Waiver of program qualification requirements. A community may request a waiver of the requirement for the number of jobs listed in paragraph 58.7(1)“f.” However, in no event shall the minimum number of jobs created be fewer than 15 full-time, nonmanagement production positions.

a. The department may grant a waiver only when good cause is shown.

- (1) “Good cause shown” includes the following economic distress criteria:
 - 1. A county family poverty rate higher than the state average.
 - 2. A county unemployment rate higher than the state average.

3. A unique opportunity to use existing unutilized facilities in the community.
4. A significant downsizing or closure by one of the community's major employers.
5. An immediate threat posed to the community's workforce due to business downsizing or closure.

(2) "Good cause shown" may also include a proposed project by a business that shall meet all of the following criteria:

1. The business is in one of the state's targeted industry clusters: life sciences, information solutions, and advanced manufacturing.

2. The business will make a higher than average capital investment.

3. The business will pay an average starting wage for all the new jobs created as the result of the project that is significantly higher than the wage requirement in paragraph 58.7(1)"d."

- b.* A request for a waiver shall be made in writing on the form provided by the department. A request for a waiver shall be submitted with the application to request program benefits. The board will review the request for a waiver when it reviews the application and may approve, deny, or defer the request for a waiver. If the request for a waiver is approved, the board may proceed with its final decision on the application.