

**261—68.3 (15) Application process and review.**

**68.3(1) Application.** The authority shall develop a standardized application and make it available to a business applying for tax incentives and assistance. The application procedures are as follows:

*a.* The project shall not be initiated prior to application. The authority will accept applications only for projects proposed to begin after application and board approval.

*b.* A signature from an official authorized to represent the affected local community is required on the application as an indication that the community is aware of and supports the project. For a project with a qualifying investment of \$10 million or more, the application shall include an ordinance or resolution of the community's governing body approving the project.

*c.* Each application will be reviewed by the authority. The authority may request additional information from the business that is applying for tax incentives and assistance or may use other resources to obtain the needed information.

*d.* If the business meets the eligibility requirements, the authority will prepare a report which includes a summary of the project and a recommendation on the amount of tax incentives and assistance to be offered to the business.

**68.3(2) Wage waiver.** Rescinded IAB 7/4/07, effective 6/15/07.

**68.3(3) Benefit values.** Rescinded IAB 7/4/07, effective 6/15/07.

**68.3(4) Negotiations.** The authority may negotiate with the business regarding the amount of tax incentives and assistance the business is to receive under the program. All forms of tax incentives and assistance available under the program are subject to negotiations. The authority shall consider all of the following factors in negotiating with the business:

*a.* Level of need. The following factors will determine the authority's assessment of need:

(1) Whether the business can raise only a portion of the debt and equity necessary to complete the project. The existence of a gap between the financing required and the financing on hand indicates that tax incentives or assistance may be needed to fill the gap.

(2) Whether the likely returns of the project are inadequate to motivate a company decision maker to proceed with the project even if sufficient debt or equity can be raised to finance the project. The existence of such a condition indicates that the project's risks may outweigh its rewards and that tax incentives or assistance may be needed to reduce the project's risks.

(3) Whether the business is deciding between a site in Iowa ("Iowa site") and a site in another state ("out-of-state site") for its project and the cost of completing the project at the out-of-state site is demonstrably lower. Such a condition indicates that tax incentives or assistance may be needed to equalize the cost differential between the two sites. The authority will attempt to quantify the cost differential between the sites.

(4) Whether the project has already been initiated. Initiation of a project indicates that additional financing is not necessary to complete the project, and the authority will not provide incentives or assistance to a project that has been initiated prior to application.

*b.* Quality of the jobs. The authority shall place greater emphasis on projects involving created or retained jobs that:

(1) Have a higher wage scale. Businesses that have wage scales substantially higher than those of existing Iowa businesses in that industry shall be considered as providing the highest quality of jobs.

(2) Have a lower turnover rate.

(3) Are full-time or career-type positions.

*c.* Percentage of created jobs defined as high quality jobs. The authority will consider the number of high quality jobs to be created versus the total number of created jobs in determining what amount of tax incentives and assistance to offer the business.

*d.* Economic impact. In measuring the economic impact to this state, the authority shall place greater emphasis on projects which demonstrate 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.

[**ARC 7970B**, IAB 7/15/09, effective 7/1/09; **ARC 8145B**, IAB 9/23/09, effective 10/28/09; **ARC 0442C**, IAB 11/14/12, effective 12/19/12]