

**261—175.5 (15) Local match requirements for project awards.**

**175.5(1) Requirements.** An applicant seeking tax incentives or assistance under one of the programs subject to this chapter shall include a local match for the project. The amount of the local match shall be as follows:

*a.* For projects seeking direct assistance under any program except EDSA, the amount of the local match shall be 20 percent of the amount of direct financial assistance requested. For projects seeking direct financial assistance under EDSA, the amount of the local match shall be 10 percent of the amount requested.

*b.* For projects seeking tax incentives, the local match shall be one of the following:

(1) A tax abatement or exemption for the project as provided under Iowa Code chapter 427B. The amount of such a local abatement or exemption will be determined according to the period of partial exemption described in Iowa Code section 427B.3.

(2) Any other acceptable form of local match, as described in this rule, provided the amount of such match is equal to or greater than the value of the tax abatement or exemption described in subparagraph (1).

*c.* For projects seeking both direct assistance and tax incentives, the amount of local match will be based on the amount required for each form of assistance.

**175.5(2) Entities that may provide a local match.** When a local match is required, the match may come from a local government entity, a local development organization or chamber of commerce, a utility company, a local nonprofit entity such as a foundation, institution, or endowment, or a council of government.

**175.5(3) Acceptable forms of local match.** The following types of contributions to a project qualify as acceptable forms of local match:

*a.* Cash contributions such as grants, loans, forgivable loans, gifts, and endowments.

*b.* Revolving loan funds provided that if a revolving loan fund is the only form of local match the interest rate and term match the terms of the direct assistance to be provided by the authority.

*c.* Tax abatement or exemption.

*d.* Industrial property tax exemption.

*e.* Tax increment financing, including rebates.

*f.* Bond financing, including general obligation bonds, tax increment financing bonds, and revenue bonds.

*g.* Direct investment in infrastructure that supports a business such as water and sewer extensions, gas and electric service, or street improvements.

*h.* Differentials in space or building costs such as subsidized building acquisitions or lease costs.

*i.* Differentials in rates provided by service providers, including water and sewer service, electric service, and gas or other services.

**175.5(4) Exception.** If a project is seeking only tax incentives and the project will not increase local tax revenues, then a local match is not required.