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## FISCAL UPDATE Article

Fiscal Services Division

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### IOWA ECONOMIC DEVELOPMENT AUTHORITY BOARD MEETING — JUNE 2023

**Board Meeting.** The [Iowa Economic Development Authority \(IEDA\) Board](#) met on June 16, 2023.

**Compliance Report.** The Board approved the following contract amendment requests:

- Traffix Devices, based in Fairfield, requested a seven-month extension on its project completion date due to COVID-19 and employment issues. The company was previously awarded approximately \$150,000 in tax credit benefits through the High Quality Jobs Program. The project represents a capital investment of \$4.8 million and the creation of 5.0 qualified full-time equivalent (FTE) positions.
- Marion Process Solutions, based in Marion, requested mutual termination of \$67,400 in tax credit benefits through the High Quality Jobs Program. The project represents a capital investment of \$1.6 million and the creation of 3.0 qualified FTE positions. No incentives have been claimed.
- Northcote Meats, based in Melcher, requested termination of a \$50,000 Butchery Innovation and Revitalization Grant that was awarded in March 2022. The company is no longer moving forward with the project, and no disbursements have been made.

**Financial Assistance Applications.** The Board approved financial assistance applications for the following companies:

- Dignity Apparel, based in Waterloo, manufactures garments with domestically sourced fabrics for Image Pointe, its wholly owned subsidiary that offers design and distribution services. The company was awarded a \$134,000 Investment Tax Credit and a \$9,000 Sales, Services, and Use Tax Refund through the High Quality Jobs Program, which will be used to acquire a facility and purchase equipment. The project represents a capital investment of \$4.5 million and is expected to create seven jobs at a qualifying wage of \$21.01 per hour.
- Osmundson Manufacturing Co., based in Perry, designs agricultural disc, coulter, and seeding blades for original equipment manufacturers and distributors worldwide. The company was awarded a \$382,000 Investment Tax Credit and a \$407,000 Sales, Services, and Use Tax Refund through the High Quality Jobs Program, which will be used to increase manufacturing capacity and employee amenities. The project represents a capital investment of \$19.1 million and is expected to create 17 jobs, of which 2 are incented at a qualifying wage of \$28.70 per hour.
- Parker Hannifin Corporation, based in Red Oak, specializes in motion and control technologies, providing precision-engineered solutions for a wide variety of mobile, industrial, and aerospace markets. The company was awarded a \$125,000 Investment Tax Credit and an \$18,000 Sales, Services, and Use Tax Refund through the High Quality Jobs Program, which will be used to expand capacity with the purchase of manufacturing machinery and equipment. The project represents a capital investment of \$2.5 million and is expected to create 65 jobs, of which 35 are incented at a qualifying wage of \$22.60 per hour.

**Butchery Innovation and Revitalization Program.** The [Butchery Innovation and Revitalization Program](#) provides grants to businesses for projects relating to small-scale meat processing, licensed custom lockers, and mobile slaughter units. The Board approved the following Butchery Innovation and Revitalization grants:

- Woudstra Meat Market, LLC, based in Orange City, was awarded \$40,000.
- Premium White Meat, LLC, based in Bloomfield, was awarded \$100,000.

**Entrepreneurial Investment Awards (EIA) Program.** The [EIA Program](#) provides grants to service providers that deliver technical and financial assistance to entrepreneurs and start-ups seeking to create, locate, or expand a business in Iowa. The Board approved the following two EIA grants:

- Pi515, based in Des Moines, was awarded \$200,000 for its Girls' Entrepreneurship Incubator, which is a comprehensive education-based initiative that supports aspiring young women in their entrepreneurial pursuits through mentorship, workshops, resources, and networking opportunities. The program aims to foster economic development and create pathways for success by providing tailored technical assistance, helping refine market strategies, making industry connections, and assisting in overcoming challenges for effective business launch and growth.
- Landus, based in Des Moines, was awarded \$120,000 for its Landus Innovation Connector. The company will provide mentorship to entrepreneurs and start-ups with innovative agricultural technologies, assist with market strategy, make industry connections, and provide a space for entrepreneurs to directly share the best solutions to challenges farmers are facing.

**Technology Commercialization Committee (TCC) Recommendations.** The Board approved the following TCC recommendations:

- Rescind approval of a \$100,000 Demonstration Fund award with standard loan terms for Zymosense that was awarded at the [May 2023 Board meeting](#).
- Approve a \$100,000 Demonstration Fund award with standard royalty terms for Zymosense. The conversion of award repayment terms from standard loan terms to a royalty arrangement was recommended because a loan would negatively impact an assessment of the business's financial fitness by the National Science Foundation in relation to its application for other funds.

**Redevelopment Tax Credit Program.** The [Redevelopment Tax Credit Program](#) for Brownfields and Grayfields provides financial assistance for acquisition, remediation, and redevelopment of eligible Brownfield and Grayfield sites. Eligible Brownfield properties include abandoned, idled, or underutilized industrial or commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination. Eligible Grayfield properties include industrial or commercial property that has been developed and has infrastructure in place, but the property's current use is outdated or prevents a better or more efficient use of the property. The Board approved the following contract amendments:

- A seven-month contract extension to Ridge Development Company for a Brownfield site project in Oskaloosa due to COVID-19-related staffing and supply chain issues.
- A 12-month contract extension to TWG Development for a Brownfield site project in Davenport due to COVID-19.
- A 21-month contract extension to 11th Avenue I for a Grayfield site project in Grinnell due to supply chain issues. The Board also approved a reduction in project scope from an estimated qualified investment of \$10.3 million to \$5.6 million due to project financing issues.

**Vendor Approvals.** The Board approved the following seven vendor contracts:

- A \$91,800 contract with Orissa International Pte. Ltd. for trade and investment services for Taiwan and Southeast Asia.
- A \$84,000 contract with Covered Bridge Consulting, LLC, for investment services for Japan.
- A \$160,000 contract with CDS Global, Inc., for tourism fulfillment services.
- A \$265,000 contract with Tractus Asia, Ltd., for trade and investment services for East and South Asia.
- A \$6.5 million contract with FleishmanHillard for advertising, marketing, and public relations services for the IEDA.
- A \$650,000 contract with Qwest Site Solutions for a two-year contract to continue the IEDA Certified Sites program.
- A \$124,000 contract with Destination Analysts to develop and conduct a visitor profile study and analyze trends to assist the IEDA with marketing strategy development.

**Tax Credit Limit.** The Board approved tax credit limits for FY 2024 at levels specified by Iowa Code.

**Report.** The Board heard the following reports:

- Terry Roberson, Accounting Director, provided an update regarding the budget and finances for the IEDA.
- Amy Ziegler, State Tourism Manager, provided an update regarding IEDA tourism programs.
- Deanna Triplett, Senior Policy and Partnership Manager, provided an update on legislation regarding the IEDA.
- Debi Durham, Executive Director, provided an update regarding IEDA programs and activities, as well as changes resulting from State government realignment.

**Next Meeting.** The next Board meeting will take place on July 21, 2023.

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