



IOWA ECONOMIC DEVELOPMENT AUTHORITY

ANNUAL REPORT

IOWA[®]
economic development

KAWASAKI
35012-0036
RH



UNCLE
HARRYS

5 and DIME
TAVERN

BACK
HALL

TELEPHONE

One Eleven Main
11

MAIN
SECOND ST.
PARKING
CITY HALL
OVERMAN PARK

SEASON & FLEX
NOW ON S
277 528

SUSHI BAR & DR

004-XTL



The Iowa Economic Development Authority (IEDA) was created in 2011 to replace the Iowa Department of Economic Development as part of the complete overhaul of Iowa's economic development delivery model.

Our mission is to strengthen economic and community vitality by building partnerships and leveraging resources to make Iowa the choice for people and business. Through our two main divisions – business development and community development – IEDA administers several state and federal programs to meet its goals of assisting individuals, communities and businesses.

OVERALL RESULTS

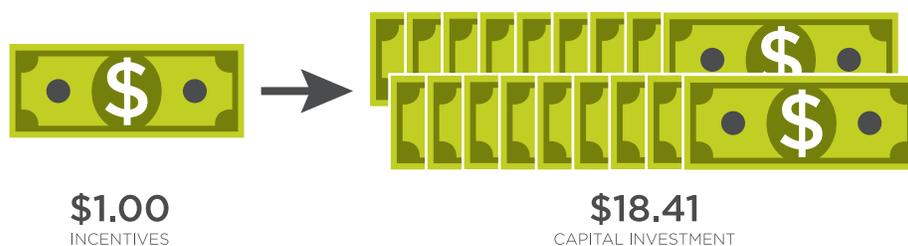
Iowa's economy is strong and growing steadily. Iowa's GDP in 2015 was \$154 billion. During the past five years, Iowa experienced a 9 percent growth rate – the tenth largest in the nation. As the 6th best run state in the country, Iowa is in a great position to attract new businesses and to encourage expansions of already existing companies. Since January 2011, many great companies have found Iowa the perfect place to set up shop or expand.

Since January 2011, the Iowa Economic Development Authority has assisted 358 projects using the programs and funds authorized by the Iowa Legislature. From January 2011 through June 2016, the IEDA board awarded incentives to projects that are expected to result in 48,346 (direct, indirect and induced) jobs and \$13.3 billion in capital investment for Iowa's economy. During this time period (Jan. 2011 – June 2016), for every \$1 in state financial assistance, both direct financial assistance and tax benefits, these projects will provide a return of \$18.41 in capital investment. These awards help companies of all sizes locating in communities around our state from the most rural counties to Iowa's largest cities.

It is important to note that of those projects awarded since January 2011, 50 percent of them remain in the performance period, leaving time for these projects to meet the agreed-upon contractual obligations including job creation, wage thresholds and capital investment targets.

RETURN ON INVESTMENT

AMOUNT OF CAPITAL INVESTMENT GENERATED FOR EVERY DOLLAR OF INCENTIVES, JANUARY 2011 - JUNE 2016





FINANCIAL ASSISTANCE AWARDS

(July 2003 through June 2016)

Each year, IEDA's contract compliance team compiles a report of the status of each business project awarded or under contract. The FY16 annual report measures status and progress of projects awarded since July 2003 and tracked by the compliance team. Below is an explanation for each status as well as an explanation on how they appear within the report.

Contract Pending

Projects in this category can include those projects that have received an award by the IEDA board but, as of the final compilation of this report, were still in contract negotiations or were awarded so recently, the business receiving the award won't be required to report in this cycle. These would encompass the most recent awards made prior to the annual report date cut-off of June 30, 2016.

These projects will appear under the heading titled "Contract Pending" and will include only the initial project information.

Projects not Proceeding

This category encompasses projects that were awarded incentives but have selected not to move forward in receiving funding. This doesn't necessarily mean that the project won't take place, only that the business chose to decline state assistance. Projects in this category include those for which awards were declined, rescinded or terminated.

Within this report, these projects will be displayed under the following headings:

- Contract Terminated
- Declined/Rescinded

Projects under Contract

This category encompasses the projects that have been awarded incentives through IEDA programs, have signed contracts with the state and are in either the “performance” period or the “maintenance” period. In most cases, a project is required to meet job, wage and capital investment obligations by the “Project Completion Date.” Beyond the completion date, a project is required to maintain the obligated jobs and investment through the “Maintenance Date.”

Within this report, these projects will be displayed under the following headings:

- Performance Period
- Maintenance Period

Projects in Default

Projects in this category were considered “in default” at the time of the annual report. The status of “in default” is temporary, since businesses are allowed a contractually designated cure period to correct the default. Reasons for being considered “in default” range from not filing required reports to not creating the obligated jobs or investment required by the contract.

These projects will appear under a heading titled “Projects in Default.”

Closed Projects

Projects in this category are considered “completed” at the time of the annual report. Each has been evaluated to determine if the project met all the terms of the contract. If so, projects are categorized as successful and are under no additional obligation to report information to IEDA regarding the project. If a project meets the required obligations, it is categorized as “successful.” If a project did not meet all terms required in the contract, the IEDA compliance team notifies the business of the amount it must forgo or pay back to the state based on contractual provisions. Sometimes that consists of paying back all or a portion of the direct assistance provided by the state or returning (or not claiming) some or all tax credits that had been awarded. These projects would be categorized as either “full repayment required” or “partial repayment required.”

Within this report, these projects will be displayed under the following headings:

- Closed Projects - Successful
- Closed Projects - Full Repayment Required
- Closed Projects - Partial Repayment Required

COMPLIANCE CUMULATIVE DATA BY STATUS

	Sum of Capital Investment	Sum of Total Direct Funding Awarded	Sum of Tax Benefits Awarded	Sum of Total Contracted Jobs	Sum of Total Project Completion Jobs	Sum of Total Final Numbers Jobs	Sum of Total Project Cost at Project Completion
Full Payment Required	\$1,319,022,286.00	\$37,089,250.00	\$84,826,604.00	5,915	432	97	\$1,245,813,861.63
Contract Pending	\$746,966,925.00	\$5,338,500.00	\$45,377,482.00	3,848	N/A	N/A	N/A
Projects in Default	\$117,004,783.00	\$3,246,500.00	\$8,840,582.00	564	499	0	\$185,022,189.00
Projects Not Proceeding - Contract Terminated	\$1,378,354,116.00	\$16,399,000.00	\$103,094,783.00	4,751	296	105	\$155,309,791.00
Projects Not Proceeding - Declined/ Rescinded	\$6,021,279,965.00	\$62,642,000.00	\$365,356,955.00	10,788	81	N/A	N/A
Projects Under Contract - Performance Period	\$10,157,019,332.00	\$40,964,500.00	\$402,640,458.00	12,212	82	N/A	\$25,627,730.00
Closed Projects - Successful	\$4,923,443,652.00	\$93,613,062.00	\$336,093,581.48	18,846	18,772	18,166	\$7,331,692,692.78
Projects Under Contract - Maintenance Period	\$3,812,068,165.00	\$40,238,354.00	\$218,900,791.00	7,289	6,524	65	\$6,223,725,723.09
Partial Repayment Required	\$637,947,225.00	\$40,642,350.00	\$33,008,195.00	5,687	4,696	3,906	\$1,024,047,368.54
Grand Total	\$29,113,106,449.00	\$340,173,516.00	\$1,598,139,431.48	69,900	31,382	22,339	\$16,191,239,356.04

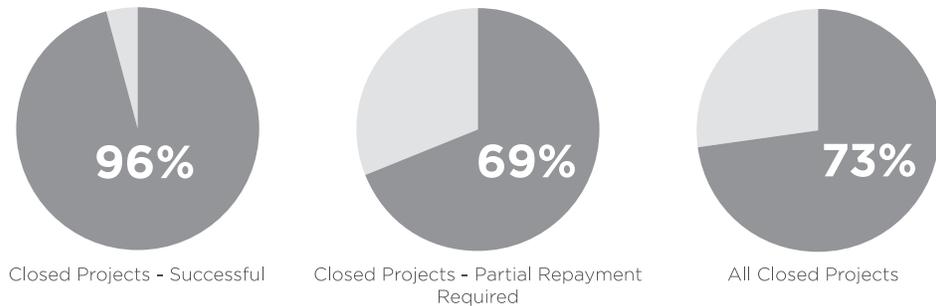
ANALYSIS

Of the closed projects, additional analysis can be completed. Most projects are successful, in that they meet the obligations set forth in the contract. But sometimes, projects are not able to meet all of those obligations and some kind of repayment is required. Despite that, among all of the closed projects, 73 percent of the jobs pledged at time of award had been created by the end of the performance and maintenance periods.

For the time period July 2003 – June 2016, for every \$1 in incentives (direct financial assistance and tax benefits) awarded, the state realizes a return of \$7.82 of capital investment (made by the company).

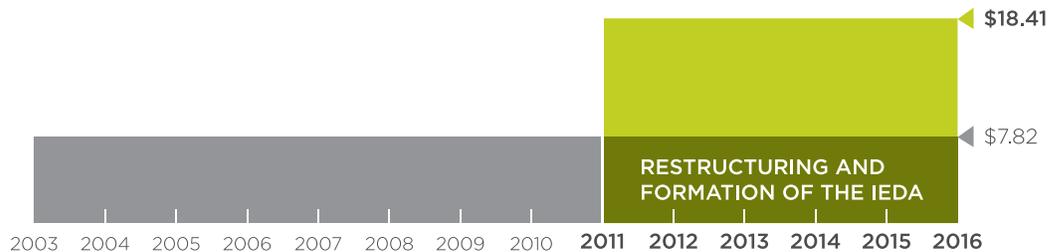
JOBS COMPLETION RATE

PERCENTAGE OF CONTRACTED JOBS CREATED



RETURN ON INVESTMENT

AMOUNT OF CAPITAL INVESTMENT GENERATED FOR EVERY DOLLAR OF INCENTIVES



CONSIDERATIONS

It is important to note that multiple business assistance programs have been in effect during the time period covered in this report. Additionally, program requirements have changed over the time period covered, either due to legislative or administrative rule changes or internal contracting and policy modifications. For example, some programs when originally created did not have job requirements, but later were changed to include job obligations.

During the 13 years covered in this report, multiple governors, economic development directors and programs like the Grow Iowa Values Fund and others, have come and gone. Many projects outlined in this report were also caught in the “Great Recession” of 2008, putting them in the middle of the worst market conditions of our time.

COMPLIANCE CUMULATIVE DATA BY IEDA PROGRAM

Program	# Projects	Sum of Capital Investment	Sum of Total Direct Funding Awarded	Sum of Tax Benefits Awarded	Sum of Total Contracted Jobs	Sum of Total Project Cost at Project Completion
100% Component	27	\$169,855,883.00	\$9,145,100.00	\$13,643,711.00	2,108	\$155,363,484.70
130% Component	76	\$2,613,033,148.00	\$28,181,900.00	\$156,801,290.00	4,404	\$1,371,959,271.00
Community Economic Betterment Account (CEBA)	126	\$663,755,426.00	\$38,859,000.00	\$21,724,164.00	7,216	\$498,204,617.53
Disaster Recovery Component	7	\$9,725,783.00	\$1,495,000.00		285	\$9,697,853.00
Economic Development Set-Aside (EDSA)	46	\$133,958,141.00	\$9,367,850.00	\$4,743,724.00	2,565	\$118,056,697.00
Enterprise Zone	170	\$3,602,405,287.00	\$21,094,500.00	\$277,660,271.00	8,770	\$4,897,870,192.72
Entrepreneurial Component	13	\$10,156,271.00	\$2,375,000.00	\$536,204.00	103	\$3,625,884.00
Entrepreneurial Ventures Assistance (EVA)	41	\$15,790,888.00	\$4,380,000.00		554	\$26,485,247.00
Entrepreneurial Ventures Assistance Financial Assistance	8	\$3,757,200.00	\$625,000.00		193	N/A
Grow Iowa Values Fund	19	\$333,280,000.00	\$54,638,561.00	\$35,199,325.00	4,887	\$756,757,364.00
Grow Iowa Values Fund Infrastructure Component	8	\$27,389,818.00	\$3,731,854.00		N/A	\$28,144,362.00

COMPLIANCE CUMULATIVE DATA BY IEDA PROGRAM (Cont.)

Program	# Projects	Sum of Capital Investment	Sum of Total Direct Funding Awarded	Sum of Tax Benefits Awarded	Sum of Total Contracted Jobs	Sum of Total Project Cost at Project Completion
High Quality Jobs Program (HQJP)	365	\$18,362,231,646.00	\$63,820,000.00	\$848,721,446.48	25,276	\$6,162,191,407.91
Infrastructure Component	3	\$107,140,000.00	\$14,000,000.00	\$4,818,400.00	1,638	\$20,174,074.00
Iowa Innovation Acceleration Fund	3	N/A	\$460,000.00		N/A	N/A
Loan and Credit Guarantee	7	\$1,900,000.00	\$3,316,250.00		21	N/A
Modernization	6	\$17,142,900.00	\$951,000.00	\$165,617.00	187	\$21,693,739.00
New Capital Investment Program	41	\$399,895,792.00	\$2,172,750.00	\$25,531,476.00	2,439	\$565,281,503.29
New Jobs and Income Program	10	\$651,049,449.00	\$1,600,000.00	\$75,207,029.00	588	\$639,167,497.89
Opportunities and Threats	11	N/A	\$1,375,000.00		N/A	\$4,299,210.00
Physical Infrastructure Assistance Program (PIAP)	27	\$528,208,938.00	\$49,509,351.00	\$51,111,985.00	6,357	\$389,063,564.00
Proof of Commercial Relevance Fund	2	N/A	\$200,000.00		N/A	N/A
Public Facilities Set Aside	1	\$181,000.00	\$82,500.00		25	\$142,242.00

COMPLIANCE CUMULATIVE DATA BY IEDA PROGRAM (Cont.)

Program	# Projects	Sum of Capital Investment	Sum of Total Direct Funding Awarded	Sum of Tax Benefits Awarded	Sum of Total Contracted Jobs	Sum of Total Project Cost at Project Completion
Targeted Jobs	17	\$88,664,727.00	N/A	\$1,912,518.00	811	\$420,000.00
Value-added Agricultural Products and Process Financial Assistance Program (VAPPFAP)	62	\$1,069,409,262.00	\$13,443,900.00	\$66,132,103.00	970	\$434,410,008.00
Value-Added Agriculture Component	23	\$304,174,890.00	\$15,349,000.00	\$14,230,168.00	503	\$88,231,137.00
Grand Total	1119	\$29,113,106,449.00	\$340,173,516.00	\$1,598,139,431.48	69,900	\$16,191,239,356.04

ACCESS FULL COMPLIANCE DATA

View the complete annual report compliance data by:

Company*

www.iowaeconomicdevelopment.com/userdocs/documents/ieda/IEDAAnnualReport_ByCompany.pdf

Status

www.iowaeconomicdevelopment.com/userdocs/documents/ieda/IEDAAnnualReport_ByStatus.pdf

County

www.iowaeconomicdevelopment.com/userdocs/documents/ieda/IEDAAnnualReport_ByCounty.pdf

A listing of the programs, abbreviations used, and definitions of column headings used in the full annual report tables can be found online at:

www.iowaeconomicdevelopment.com/userdocs/documents/ieda/Report_Definitions_Key.pdf

**Company data is aggregated*



ACCOUNTING INFORMATION

Another important aspect of IEDA's responsibilities in administering business incentives is the accounting side of the equation. Some incentives awarded by the state include low interest loans that are paid back throughout the life of a project. When projects do not meet the obligations set forth in the contract, it is necessary to recapture incentives.

Our accounting team, a separate department within IEDA with a distinct function, is responsible for handling loan repayments, working with companies to set up payment plans and, in some cases, working with outside counsel to take legal action if a company is not complying with repayment requirements. While that is the exception and not the norm, it is IEDA's responsibility to pursue these avenues to the best of its ability to ensure that taxpayer dollars are returned when contractual obligations are not met.

The accounting team and compliance team categorize projects differently, using different statuses, due to their distinct functions. Below is a definition for each accounting status.

Closed – Collections

Projects in this category are closed and are working with our in-house collections staff to repay the required amount.

Closed – Converted

Projects in this category at some point had a forgivable loan that was converted to a loan. A project in this status is currently paying back the loan.

Closed – Legal

Projects in this status have been referred to our outside counsel to seek legal recourse for repayment.

Closed – Paid in Full

These projects have fully paid their obligation to the state.

Closed – Write-Off

A project in this category has been through the in-house collections process, the legal process or has in some other way demonstrated that collection of the required obligation is not possible. These accounts have been written off by IEDA and the agency is no longer seeking repayment.

Open

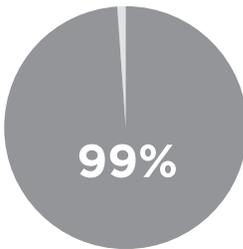
A project in this category is still open but may be paying the loan portion of its award.

ACCOUNTING ANALYSIS

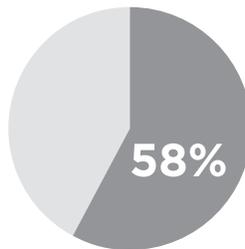
A review of the accounting statuses shows that, over the course of the annual report timeframe (January 2003-June 2016), IEDA has closed projects with a 94 percent repayment rate. A summary of the accounting metrics by status and by program can be viewed in the following tables.

CLOSED PROJECT REPAYMENT RATE

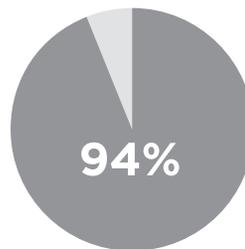
PERCENTAGE OF PAYMENTS MADE



Closed - Paid in Full



Closed - Collections



All Closed Projects

INTEREST PAYMENTS

AMOUNT OF INTEREST GENERATED FROM 2003 - 2016

\$935,029

ACCOUNTING CUMULATIVE DATA BY STATUS

	Count of Status	Sum of Beginning Balance	Sum of Additions/New Loans	Sum of Adjustments	Sum of Principal Payments	Sum of Interest Payments	Sum of Balance as of 6/30/2016
Closed - Collections	6		\$1,189,556.50	\$(0.33)	\$685,880.93	\$4,031.20	\$503,675.24
Closed - Converted	22	\$267,500.00	\$2,173,529.99	\$(1,395,315.02)	\$1,045,714.98	\$41,551.70	
Closed - Legal	11		\$2,065,158.00		\$920,506.68	\$19,939.10	\$1,144,651.32
Closed - Paid in Full	182	\$1,293,255.33	\$25,197,972.57	\$(1,905,001.03)	\$24,426,722.18	\$426,298.08	\$157,549.00
Closed - Write-Off	38	\$147,500.00	\$4,143,157.47	\$(3,616,702.08)	\$700,595.79	\$75,970.42	
Open	102	\$150,000.00	\$26,356,585.07	\$40.09	\$5,173,944.02	\$367,238.74	\$21,331,856.14
Grand Total	361	\$1,858,255.33	\$61,125,959.60	\$(6,916,978.37)	\$32,953,364.58	\$935,029.24	\$23,137,731.70

ACCOUNTING CUMULATIVE DATA BY IEDA PROGRAM

	Sum of Beginning Balance	Sum of Additions/ New Loans	Sum of Adjustments	Sum of Principal Payments	Sum of Interest Payments	Sum of Balance as of 6/30/2016
CEBA	\$448,000.00	\$13,212,796.10	\$(1,018,066.08)	\$12,375,970.41	\$51,086.57	\$293,400.00
Closed - Converted	\$30,000.00	\$1,229,529.99	\$(577,270.54)	\$682,259.45	\$1,505.10	
Closed - Legal		\$400,000.00		\$400,000.00		
Closed - Paid in Full	\$418,000.00	\$10,517,084.11	\$(94,626.86)	\$10,840,457.24	\$45,546.31	
Closed - Write-Off		\$371,182.00	\$(346,168.68)	\$51,653.72	\$4,035.16	
Open		\$695,000.00		\$401,600.00		\$293,400.00
CEBA Modernization		\$170,893.00		\$170,893.04		\$(0.04)
Closed - Paid in Full		\$170,893.00		\$170,893.04		\$(0.04)
Direct Financing		\$550,000.00		\$75,833.35		\$474,166.65
Open		\$550,000.00		\$75,833.35		\$474,166.65
Economic Development Set-Aside		\$681,929.68	\$(20,370.06)	\$589,735.10	\$11,159.30	\$71,624.52
Closed - Collections		\$249,040.00		\$200,615.62		\$48,424.38
Closed - Paid in Full		\$361,889.68	\$46.69	\$361,936.23	\$11,159.30	\$0.14
Closed - Write-Off		\$35,000.00	\$(20,416.75)	\$14,583.25		
Open		\$36,000.00		\$12,600.00		\$23,200.00

	Sum of Beginning Balance	Sum of Additions/ New Loans	Sum of Adjustments	Sum of Principal Payments	Sum of Interest Payments	Sum of Balance as of 6/30/2016
Entrepreneurial Ventures Assistance (EVA)		\$100,000.00	\$(5.81)	\$99,994.19	\$5,160.22	
Closed - Paid in Full		\$100,000.00	\$(5.81)	\$99,994.19	\$5,160.22	
EVA Financial Assistance	\$375,741.47	\$6,865,955.65	\$(2,711,338.68)	\$3,446,219.87	\$107,202.76	\$1,084,138.56
Closed - Collections		\$390,516.50	\$(0.33)	\$250,265.31		\$140,250.86
Closed - Converted		\$550,000.00	\$(485,791.19)	\$64,208.81	\$15,173.32	
Closed - Legal		\$337,500.00		\$155,623.32		\$181,876.68
Closed - Paid in Full	\$78,241.47	\$2,082,500.00	\$(65,812.12)	\$2,094,929.34	\$53,898.69	
Closed - Write-Off	\$147,500.00	\$2,203,301.47	\$(2,159,735.04)	\$191,066.43	\$38,130.75	
Open	\$150,000.00	\$1,302,137.68		\$690,126.66		\$762,011.02
Grow Iowa Value Fund		\$17,774,070.79	\$(709,628.26)	\$6,738,519.56	\$78,027.90	\$10,325,297.97
Closed - Collections		\$525,000.00		\$210,000.00		\$315,000.00
Closed - Legal		\$627,500.00		\$170,900.90		\$456,599.10
Closed - Paid in Full		\$4,597,125.79	\$(634,668.35)	\$3,778,051.19	\$65,790.49	\$184,406.25
Closed - Write-Off		\$147,000.00	\$(75,000.00)	\$72,000.00		
Open		\$11,877,445.00	\$40.09	\$2,507,567.47	\$12,237.41	\$9,369,292.62

ACCOUNTING CUMULATIVE DATA BY IEDA PROGRAM (Cont.)

	Sum of Beginning Balance	Sum of Additions/ New Loans	Sum of Adjustments	Sum of Principal Payments	Sum of Interest Payments	Sum of Balance as of 6/30/2016
High Quality Jobs Program		\$3,584,500.00	\$1,666.67	\$1,949,908.30		\$1,634,591.70
Closed - Paid in Full		\$1,100,000.00	\$1,666.67	\$1,100,000.00		
Open		\$2,484,500.00		\$849,908.30		\$1,634,591.70
Opportunities & Threats	\$120,000.00	\$190,828.80	\$(0.02)	\$310,828.78	\$11,177.25	
Closed - Converted	\$120,000.00			\$120,000.00		
Closed - Paid in Full		\$190,828.80	\$(0.02)	\$190,828.78	\$11,177.25	
Physical Infrastructure Assistance Program	\$75,000.00	\$1,250,000.00	\$(1,056,676.66)	\$295,130.67	\$76,861.02	\$(26,807.33)
Closed - Paid in Full	\$75,000.00	\$1,150,000.00	\$(1,008,924.01)	\$242,883.32	\$76,861.02	\$(26,807.33)
Closed - Write-Off		\$100,000.00	\$(47,752.65)	\$52,247.35		
VAPPFAP	\$839,513.86	\$4,734,608.19	\$(655,324.21)	\$4,782,383.32	\$122,513.16	\$136,125.52
Closed - Collections		\$25,000.00		\$25,000.00	\$4,031.20	
Closed - Converted	\$117,500.00	\$100,000.00	\$(53,550.89)	\$163,949.11	\$10,254.85	
Closed - Legal		\$325,158.00		\$188,982.46	\$19,939.10	\$136,175.54
Closed - Paid in Full	\$722,013.86	\$3,477,651.19	\$(102,677.19)	\$4,096,748.88	\$88,288.01	\$(50.02)
Closed - Write-Off		\$806,799.00	\$(499,096.13)	\$307,702.87		

	Sum of Beginning Balance	Sum of Additions/ New Loans	Sum of Adjustments	Sum of Principal Payments	Sum of Interest Payments	Sum of Balance as of 6/30/2016
Iowa Fund		\$12,010,377.39	\$(747,235.26)	\$2,117,947.99	\$471,841.06	\$9,145,194.15
Closed - Converted		\$294,000.00	\$(278,702.40)	\$15,297.61	\$14,618.43	
Closed - Legal		\$375,000.00		\$5,000.00		\$370,000.00
Closed - Paid in Full		\$1,450,000.00	\$(0.03)	\$1,449,999.97	\$68,416.79	
Closed - Write-Off		\$479,875.00	\$(468,532.83)	\$11,342.17	\$33,804.51	
Open		\$9,411,502.39		\$636,308.24	\$355,001.33	\$8,775,194.15
Grand Total	\$1,858,255.33	\$61,125,959.60	\$(6,916,978.37)	\$32,953,364.58	\$935,029.24	\$23,137,731.70

FINAL THOUGHTS

This report is created annually in an effort to aggregate and summarize the business projects receiving incentives through IEDA programs. In reality, each project is unique with its own story, and is treated accordingly. A comprehensive file is maintained for each project and a detailed review is completed for each as part of the compliance process. IEDA is proud of the part it plays in growing Iowa's economy. We welcome the opportunity to discuss this report in its entirety, or by individual projects.





IOWA ECONOMIC DEVELOPMENT AUTHORITY

200 East Grand Avenue
Des Moines, IA 50309

515.725.3000

iowaeconomicdevelopment.com

