

FINANCIAL ASSISTANCE PROGRAMS

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Investing in Iowa Business Growth

➤ FINANCIAL ASSISTANCE PROGRAMS CREATED WITH YOUR BUSINESS IN MIND

Iowa is committed to the quality of life of its citizens. That's why we seek to enhance job opportunities by helping companies find innovative ways to finance operations. | Iowa offers an array of financial investment programs specifically designed to promote growth and profitability for Iowa companies while creating quality job opportunities for Iowans. After all, we recognize that the success of your business is important to Iowa's future. | The Iowa Department of Economic Development (IDED) coordinates and administers assistance programs and can help you throughout the application process. We're ready to help you identify the most appropriate programs for your needs. | In addition, experienced IDED staff will provide confidential site selection counseling and community data that best meet your company's needs. By making a difference for your company, we're helping to make a difference for all Iowans.

BUSINESS DEVELOPMENT FINANCIAL ASSISTANCE

Iowa Values Fund (IVF)

The Iowa Values Fund is the state's premier 10-year economic development program designed to transform Iowa's economy by creating high-quality jobs through business development and expansion across Iowa. With a \$35 million dollar annual appropriation for business development and marketing, the IVF assists Iowa companies to expand, as well as attract new businesses to the state. To be eligible, a business must provide a wage, plus specified benefits, that is equivalent to 130 percent of the county average. Eligible businesses include those in the state's targeted industries: biosciences, information solutions/financial services and advanced manufacturing.

The Community Economic Betterment Account (CEBA)

The CEBA program provides financial assistance to businesses that plan a major capital investment that will create new job opportunities and/or retain existing jobs in Iowa. Assistance may be provided to encourage new business start-ups, expand or retain existing businesses, or recruit out-of-state businesses to Iowa. CEBA also contains a modernization project component, specifically designed for businesses making equipment and technology upgrades and employee-training investments to maintain their competitive advantage.

Assistance is provided in the form of loans and/or forgivable loans, up to a maximum award of \$1 million, based in part on job creation, capital investment, the ability to meet certain regional/county wage standards, quality of employment, and economic benefits for the state and local community. Applications are filed by cities, counties or community colleges on behalf of eligible businesses.

The Economic Development Set-Aside (EDSA) Program

The EDSA program provides assistance to businesses that plan to make a capital investment and create and/or retain quality employment opportunities for low- and moderate-income individuals. Assistance may be provided to encourage business start-ups, the expansion or retention of existing businesses, or the recruitment of out-of-state businesses into Iowa. EDSA funds business projects located in Iowa cities of less than 50,000 population.

Assistance is provided in the form of loans and/or forgivable loans. The maximum award is \$1 million per project. Applications are filed by cities or counties on behalf of eligible businesses, which need to meet certain regional/county wage standards.





➤ BUSINESS IN MIND: FINANCIAL ASSISTANCE PROGRAMS CREATED TO MEET YOUR NEEDS

Loan and Credit Guarantee Fund

The Iowa Loan and Credit Guarantee Fund is designed to assist businesses that might not have access to conventional financing. The fund provides lenders with additional security, thereby encouraging greater lender activity to Iowa businesses. In agreeing to guarantee a business loan, the Iowa Department of Economic Development assumes responsibility for up to 50 percent of a loan made by a lender should the business default or otherwise be unable to make scheduled payments.

Iowa Value-Added Agricultural Products & Processes Financial Assistance Program (VAAPFAP)

The VAAPFAP provides financial assistance to new or existing companies that utilize the state's agricultural commodities to create new, innovative products or to produce renewable fuels (including soy diesel, ethanol and other renewable fuels). VAAPFAP can also assist those companies engaged in organic processing, bio-mass and the creation of alternative energies. Financial assistance is provided in the form of loans and forgivable loans.

TAX INCENTIVES

High Quality Job Creation Program (HQJC)

The HQJC program is designed to promote the creation of quality jobs by assisting businesses locating, expanding or modernizing their facilities in Iowa. To be eligible, businesses must meet criteria relating to targeted industries, employee benefits, and building specifications, among others.

The program offers a package of tax credits, exemptions and/or refunds to approved businesses. The level of assistance is based on the amount of qualifying investment and the number of new jobs that meet wage targets.

Enterprise Zone Benefits

To encourage investment in Iowa's economically distressed areas, local and state tax credits, refunds and exemptions are available for qualifying companies that expand or locate in designated Enterprise Zones. Businesses must plan to make a capital investment of at least \$500,000 and create at least 10 new jobs over three years that meet Enterprise Zone wage and benefit targets.

JOB TRAINING ASSISTANCE

Iowa New Jobs Training Program (260E)

The Iowa New Jobs Training Program was developed to assist businesses that are creating new jobs. If the company is expanding Iowa operations or locating a new facility in the state, the New Jobs Training Program can provide flexible funding to meet the wide variety of training and employee development needs for its new employees. The assistance available ranges from highly specialized educational programs to basic skills training for new positions. This program is administered through Iowa's Community College Network.

Iowa Jobs Training Program (260F)

The Iowa Jobs Training Program invests in customized training for existing Iowa employers. Businesses with employee development or training needs should contact their local community college.

Each of Iowa's community colleges assists businesses with funding. The maximum award is \$25,000 for each project, provided the company offers a minimum 25 percent cash match. A business site may be approved for multiple projects — with maximum funding over three years not to exceed \$50,000 per site. Business consortiums may also apply.





New Jobs Tax Credit

Businesses entering into an agreement under the state's training program and which increase their workforce by at least 10 percent, qualify for this credit to their Iowa corporate income tax. The credit is equal to 6 percent of the state unemployment insurance taxable wage base. The maximum credit for 2005 is \$1,278 per new employee. The tax credit can be carried forward up to 10 years.

ENTREPRENEURIAL FINANCIAL ASSISTANCE PROGRAMS

Entrepreneurial Ventures Assistance (EVA) Program

The EVA program is designed to encourage and support the development of entrepreneurial ventures in Iowa, focusing mainly on high-growth, technology-based companies. The program provides financing to entrepreneurs for early-stage business start-up and expansion activities as well as technical assistance.

Applicants must identify a specific project and associated costs. EVA funds may be used to finance up to 50 percent of the total project costs, not to exceed the \$250,000 maximum. In addition, eligible applicants must have successfully completed a recognized entrepreneurial venture development curriculum or have equivalent business experience.

SMALL-BUSINESS FINANCIAL ASSISTANCE

Targeted Small-Business Financial Assistance Program (TSBFAP)

The TSBFAP is designed to assist in the creation and expansion of Iowa small businesses that are at least 51 percent owned, operated and managed by minorities, women, persons with disabilities or low-income individuals. The program provides low-interest loans or equity grants of up to \$50,000 to eligible small businesses with \$3 million or less in annual sales. Equity grants are available only to leverage additional project financing (SBA or conventional financing).

Entrepreneurs With Disabilities (EWD) Program

The EWD program helps qualified individuals with disabilities establish, acquire, maintain or expand a small business by providing technical and financial assistance. Each entrepreneur can qualify for up to \$10,000 in financial assistance.

Additional funding may be available for technical assistance, which includes business-related services provided by a consultant, such as accounting, legal services and business-plan development.

This program is a collaborative effort of the Iowa Department of Education, Division of Vocational Rehabilitation Services, Department for the Blind, Iowa Finance Authority and Iowa Department of Economic Development.

INFRASTRUCTURE FINANCIAL ASSISTANCE

Physical Infrastructure Assistance Program (PIAP)

The PIAP is designed to financially assist capital-intensive infrastructure projects that create unique opportunities for quality, high-wage jobs and demonstrate a statewide impact. Both Iowa communities and new or existing businesses are eligible for this innovative program.

PIAP is designed to take a comprehensive approach to address a wide variety of critical infrastructure needs. This program may also be used to remediate contaminated sites that have potential development opportunities contingent on the cleanup. Assistance is provided in the form of loans, forgivable loans and cost indemnification agreements.



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➤ IOWA BUSINESS TAX ADVANTAGES

- No corporate income tax on profits from sales outside of Iowa
- 50% deductibility of federal taxes from Iowa corporate income tax
- New jobs tax credit
- No property tax or sales and use taxes on manufacturing machinery, equipment and computers used in processing
- Property tax exemptions for the construction of manufacturing and distribution facilities
- No personal property (inventory) tax



Public Facilities Set-Aside (PFSA) Program

The PFSA program provides financial assistance to cities with less than 50,000 in population and to counties for public infrastructure improvements that enable businesses to create new job opportunities. Projects that will create manufacturing jobs, add value to Iowa resources and/or increase out-of-state exports will be given priority.

Eligible projects include adding or improving sanitary sewer systems, water systems, streets, roads, and storm sewers.

Rail Infrastructure Funding Programs

For rail projects that are key to the creation or retention of jobs, the Iowa Department of Transportation (DOT) can provide grant funding through this program for construction or rehabilitation of rail spurs to serve new or existing industries. For specific information on rail funding, contact the DOT at 515.239.1052.

Revitalize Iowa's Sound Economy (RISE) Program

This program, administered by the Iowa Department of Transportation (DOT), provides funding for expenditures on city and county highways to help attract new development or support growth with existing developments. Projects are evaluated on economic potential and impact. RISE funding may be used in conjunction with other sources of federal, state, local and private financing to improve area highways and specific access to roads. Assistance is provided in the form of grants and/or loans.

ADDITIONAL ASSISTANCE FOR YOUR BUSINESS

IDED staff can help you with these and other programs, as well as business regulatory assistance that may benefit your business. Our assistance extends beyond our department's programs to those offered by other Iowa departments, community/county programs and programs offered through the federal government. From assistance in working with the U.S. Small-Business Administration to venture capital assistance to USDA programs, we can guide you through the qualification process and help create the optimum package of assistance for your individual needs.

For more detailed information about how your company can qualify for these innovative programs, call us at **1.800.245.IOWA** or visit our Web site at www.iowalifechanging.com. | The Iowa Department of Economic Development is eager to help your business grow in Iowa through the use of these financial assistance programs.