



Iowa Business Development Incentives

State Offered Incentives:

Incentives are components of the **Grow Iowa Values Financial Assistance Program (GIVFAP)**. To receive incentives, projects must meet some standard minimum criteria for job creation and compensation package. More details can be provided as more information is learned about a specific project.

High Quality Jobs Program

Encourages creation of new, high-quality jobs. Applications for assistance must be made prior to project initiation. This includes, purchase of property or equipment or placement of a permanent structure.

- Starting wages must be $\geq 100\%$ of the average county wage
- 20% local match required
- Local match components can be: cash, revolving loan, tax abatement/exemption, bonding, direct investment, subsidies etc.
- 100% wages must be paid at start of project
- 130% wages must be achieved by project completion (year 3)
- 130% wages must be maintained through project maintenance (year 5)
- Subject to minimum fringe benefits requirement
- Subject to SF 483 tax credit cap

Entrepreneurial Component

- Company seeking benefits must have < 3 years in the industry
- Endorsement from recognized business accelerator or entrepreneurial development association
- Targeted industry funding priorities
- No job creation/retention requirement
- No local funding match requirement

Infrastructure Component

- Physical infrastructure project required
- No job creation/retention requirement
- 20% local match required

Value-Added Ag. Component

Seeks to increase the innovative utilization of Iowa's agricultural commodities. It accomplishes this by investing in the development of new agri-products and new processing technologies.

- Support for project development or project creation , for non-production facility
- No job creation/retention requirement
- No local funding match requirement



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Economic Development Set-Aside (EDSA)

The EDSA program provides financial assistance to companies that create new employment opportunities and/or retain existing jobs, and make new capital investment in Iowa. The amount of funding is based, in part, on the number of jobs to be created/retained. Funds are provided in the form of loans and forgivable loans. Projects eligible for EDSA funding include, but are not limited to, the following:

- Building construction or reconstruction
- Land or building acquisition
- Equipment purchases
- Operating and maintenance expenses
- Site development — clearance, demolition and building removal

EDSA investments should not be considered a sole funding source. The program leverages other financial support such as bank financing and private investment.

The EDSA program assistance is targeted toward business projects located in communities of fewer than 50,000 populations. At least 51 percent of the created/retained employment opportunities must be made available to individuals presently earning wages defined as low-and-moderate income. The EDSA program can provide assistance up to \$500,000

260 E Training Assistance

It is a unique training program that is designed to assist companies to become productive and profitable as soon as possible by substantially reducing their start up costs. It is a State program, administered through the Eastern Iowa Community College District.

The New Jobs Training Program will:

- Reimburse the company for up to 50 percent trainee's salaries and fringe benefits while they are learning on the job.
- Enable the company to contract for training with the community college, or other contracted services.
- Cover 100 percent of direct training costs including but not limited to:
 - Instructional development
 - Prescreening and assessment costs
 - Instructor salaries, travel and housing, even if they are your employees
 - Training facilities, equipment, materials and supplies

In addition, companies that participate in the New Jobs Training Program and increase their employment by 10 percent qualify for a corporate income tax credit.

The program is funded through a contract that is entered into between the company and EICCD. The District issues tax exempt certificates which are paid back over ten years through the diversion of a portion of the company's employer payroll withholding taxes.

A supplemental 1 ½ % withholding is available to companies that pay above the lesser of the area or county wage. It should be emphasized that these are estimates for planning purposes only.



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ACCELERATED CAREER EDUCATION (260G)

Partnerships for an Educated Workforce — The Accelerated Career Education (ACE) program is designed to provide businesses with an enhanced skilled workforce. This innovative program assists Iowa's community colleges to either establish or expand programs that train individuals in the occupations most needed by Iowa businesses.

East Central Intergovernmental Association

E.C.I.A. Business Growth, Inc. operates business loan programs including the SBA 504 program and several Revolving Loan Funds (RLFs): Economic Development Administration Revolving Loan Fund, and ECIA Regional Revolving Loan Fund. The RLFs were capitalized from various sources including the U.S. Economic Development Administration (EDA) and the U.S. Department of Agriculture (USDA).



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Local Incentive Options

Clinton has a century old reputation of receptivity. This is evidenced by the large number Fortune 500 company operations that are located here in our labor shed area. Dozens of small manufacturers, distributors, high-tech industries and service industries enjoy excellent labor/management relationships based on a multi-generational rural work ethic.

Clinton Regional Development Corporation (CRDC), the City of Clinton, and County of Clinton will endorse, promote and cooperate with any companies needing incentives to locate their viable project to our community. Some of these options can be used in conjunction with each other. Others are meant for exclusive use.

Past incentives have been used to locate/expand/retention such businesses as Nestle-Purina, Archer Daniels Midland, Blue Ridge Paper and Lamson & Sessions.

Enterprise Zones

Business locating or expanding in an Enterprise Zone may receive the following tax benefits:

- A local property tax exemption on the value added to the property.
- Additional funding for training new employees. If applicable, these funds would be in addition to those authorized under the Iowa New Jobs Training Program.
- A refund of state sales, service, or use taxes paid to contractors or subcontractors during construction.
- An investment tax credit of up to a maximum of 10% of the new investment in machinery and equipment, land, buildings, and improvements to existing buildings. This Iowa tax credit may be carried forward for up to seven years or until depleted.
- An additional research and development tax credit of up to 6.5%, which may be refundable. This Iowa tax credit is based on increasing research activities within the state and is available while the business is participating in the program for up to 10 years.

The local Enterprise Zone Commission and the Iowa Department of Economic Development must approve the business' proposed project prior to project initiation. All of this proposed sites/buildings are in Enterprise Zones.

Tax Increment Financing (TIF)

The City of Clinton City Council may use the property taxes resulting from the increase in taxable valuation caused by the construction of new industrial or commercial facilities to provide economic development incentives to a business or industry. Tax Increment Financing may be used to offset the cost of public improvements and utilities that will serve the new private development, to finance direct grants or loans to a company, or to provide the local match for federal or state economic development assistance programs. Currently, all the properties are in TIF zones except the Lincoln Rail port property.

Local Tax Abatement

Iowa law allows cities and counties to abate local property taxes for value added to industrial real estate.

Local Tax Rebate

The City of Clinton allows for rebate local property paid to the company for re-disbursable expenses.