



Debi V. Durham, Director  
Iowa Economic Development Authority

# **TARGETED JOBS WITHHOLDING TAX CREDIT “PILOT CITY” PROGRAM WITHHOLDING AGREEMENT APPLICATION**

Business Development Division  
Iowa Economic Development Authority  
200 East Grand Avenue  
Des Moines, Iowa 50309  
[iowaeconomicdevelopment.com](http://iowaeconomicdevelopment.com)

# TARGETED JOBS WITHHOLDING TAX CREDIT “PILOT CITY” PROGRAM WITHHOLDING AGREEMENT APPLICATION

**(This program is limited to projects located in a designated “Pilot” City, which includes the cities of Burlington, Council Bluffs, Fort Madison, Keokuk, and Sioux City)**

## **Instructions**

1. Please visit the IDED Web site, [www.iowalifechanging.com](http://www.iowalifechanging.com) or contact IDED at 515.725.3133 to see if this version of the application is still current.
2. Before filling out this application form, please read all applicable sections of the 2009 Iowa Code and Iowa Administrative Code (rules). [www.legis.state.ia.us/IowaLaw.html](http://www.legis.state.ia.us/IowaLaw.html)
3. Only typed or computer-generated applications will be accepted and reviewed. *Any material change to the format, questions, or wording of questions presented in this application, will render the application invalid and it will not be accepted.*
4. Complete the sections of the application fully; if questions are left unanswered or required attachments are not submitted, an explanation must be included.
5. Use clear and concise language. Attachments should only be used when requested or as supporting documentation.
6. Any inaccurate information of a significant nature may disqualify the application from consideration.
7. The following must be submitted to Business Finance at IDED in order to initiate the review process:
  - One **original**, signed application form and all required attachments
  - One **electronic** copy of the application form and all required attachments

### **Facsimile copies will not be accepted.**

Business Finance  
Iowa Department of Economic Development  
200 East Grand Avenue  
Des Moines, IA 50309-1819

Telephone: 515.725.3133  
[businessfinance@iowa.gov](mailto:businessfinance@iowa.gov)

**Applications must be submitted to IDED Business Finance before 4:00pm on the fourth Monday of the month.**

## Public Records Policies

---

**Information Submitted to IDED.** The Iowa Department of Economic Development (IDED) is subject to the Open Records law ([Iowa Code, Chapter 22](#)). Treatment of information submitted to IDED in this application is governed by the provisions of the Open Records law. All public records are available for public inspection. Some public records are considered confidential and will not be disclosed to the public unless ordered by a court, the lawful custodian of the record, or by another person duly authorized to release the information.

**Confidential Records.** IDED automatically treats the following records as confidential and they are withheld from public disclosure:

- Tax Records
- *Quarterly Iowa Employer's Contribution and Payroll Report* prepared for the Iowa Workforce Development Department
- Payroll Registers
- Business Financial Statements and Projections
- Personal Financial Statements

Other information supplied to IDED as part of this application may be treated as confidential under Iowa Code section 22.7. Following are the classifications of records which are recognized as confidential under Iowa law and which are most frequently applicable to business information submitted to IDED:

- Trade secrets [Iowa Code §22.7(3)]
- Reports to governmental agencies which, if released, would give advantage to competitors and serve no public purpose. [Iowa Code §22.7(6)]
- Information on an industrial prospect with which the IDED is currently negotiating. [Iowa Code §22.7(8)]
- Communications not required by law, rule or regulation made to IDED by persons outside the government to the extent that IDED could reasonably believe that those persons would be discouraged from making them to the Department if they were made available for general public examination. [Iowa Code §22.7(18)]

**Information supplied to IDED as part of this application that is material to the application and/or the state program to which the applicant is applying including, but not limited to the number and type of jobs to be created or retained, wages for those jobs, employee benefit information, and project budget, are considered open records and will not be treated as confidential.**

**Additional Information Available.** Copies of [Iowa's Open Record law](#) and IDED's [administrative rules](#) relating to public records are available from the IDED upon request.

**Certification & Release of Information**

I hereby give permission to the Iowa Department of Economic Development (IDED) to research the Business' history, make credit checks, contact the Business' financial institutions, insurance carriers, and perform other related activities necessary for reasonable evaluation of this application. I also hereby authorize the Iowa Department of Revenue to provide to IDED state tax information pertinent to the Business' state income tax, sales and use tax, and state tax credits claimed.

I understand that all information submitted to IDED related to this application is subject to Iowa's Open Record Law (Iowa Code, Chapter 22).

I understand this withholding agreement application is subject to final approval by IDED and that the withholding agreement for the Project may not be executed until final approval is secured.

I hereby certify that all representations, warranties, or statements made or furnished to IDED in connection with this application are true and correct in all material respect. I understand that it is a criminal violation under Iowa law to engage in deception and knowingly make, or cause to be made, directly or indirectly, a false statement in writing for the purpose of procuring economic development assistance from a state agency or subdivision.

**For the Business:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title (typed or printed)

**For the Pilot City:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title (typed or printed)

IDED will not provide assistance in situations where it is determined that any representation, warranty, or statement made in connection with this application is incorrect, false, misleading or erroneous in any material respect. If assistance has already been provided prior to discovery of the incorrect, false, or misleading representation, IDED may initiate legal action to recover incentives and assistance awarded to the Business.



11. Provide a brief description and history of the Business. Include information about the Business' products or services and its markets and/or customers.

**Pilot City Information**

**Name of Pilot City:** \_\_\_\_\_

Official Contact (e.g. Mayor, Chairperson, etc.): Title:

Address:

City, State & ZIP Code:

Phone: Fax: E-mail:

If IDED needs to contact the sponsor organization with questions, should we contact the person listed above?

Yes

No, please contact the following person:

Name: Title:

Address:

City, State & ZIP Code:

Phone: Fax: E-mail:

If necessary, please list additional contact information on an attachment.

Please identify the name and location of the City's urban renewal area that the proposed project will be located in and the date the urban renewal area was created or established.

Name: \_\_\_\_\_

Date Created: \_\_\_\_\_

Please describe how the city will utilize the withholding taxes generated as a result of this project:

Is the City allocating withholding fund into a designated account in the special fund for the urban renewal area where the project will take place?

Yes

No

**Project Information**

Briefly describe the proposed project for which assistance is being sought. (Include project timeline with dates, facility size, infrastructure improvements, proposed products/services, any new markets, etc

Project Address (Street Address, City, and County):

Type of Business Project:

Startup

Expansion of Iowa Company

New Location in Iowa

Relocation from another State

Has any part of the project started?  Yes  No  
 If yes, please explain.

Is the Business actively considering locations outside of Iowa?  Yes  
 No  
 If yes, where and what assistance is being offered?

Is the Business? Check one of the following:  
 Relocating from another state  
 Currently located in Iowa

If the business is currently located in Iowa, is the business?  
 Creating at least 10 new jobs, or  
 Making a qualifying investment of at least \$500,000 within the urban renewal area

**Job Information:**

Will any of the current Iowa employees lose their jobs if this project does not proceed in Iowa?  
 Yes  No

If yes, please explain why and identify those jobs as “retained jobs” in the following question.

List the jobs that will be retained and/or created as the result of this project. (A retained job is an existing job that would be eliminated or moved to another state if the project does not proceed in Iowa.) For retained jobs, include the current hourly wage rate. For jobs to be created, including the starting hourly wage rate.

Job Title	Skills, Education, or Experience Required	Number of Jobs	Retained (R) or Created (C)	Starting or Current Hourly Wage Rate
Subtotal				

Total Number of Retained Jobs:  
 Total Number of Created Jobs:

**Project Budget:**

AMOUNT BUDGETED								
Use of Funds	Cost	Source A	Source B	Source C	Source D	Source E	Source F	Source G
Land Acquisition								
Site Preparation								
Building Acquisition								
Building Construction								
Building Remodeling								
Mfg. Machinery & Equip.								
Other Machinery & Equip.								
Racking, Shelving, etc. <sup>1</sup>								
Computer Hardware								
Computer Software								
Furniture & Fixtures								
Working Capital								
Research & Development								
Job Training								
<b>TOTAL</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

<sup>1</sup> Racking, shelving and conveyor equipment used in distribution center projects only

Does the Business plan to lease the facility?     Yes  No    If yes, please provide the Annual Base Rent Payment (lease payment minus property taxes, insurance, and operating/maintenance expenses) and the length of the lease agreement.

PROPOSED FINANCING					
Source of Funds	Amount	Form of Funds	Rate and Term	Commitment Status	Conditions/Additional Information
(List tax benefits separately below, not as a source of direct financing)		(Loan, Grant, In-Kind, Donation, etc.)			Include when funds will be disbursed; If loan, whether payments are a level term, balloon, etc
Source A: IDED*	\$				
Source B: Other State (Community College, IDOT, etc.)	\$				
Source C: Local Government	\$				
Source D: Business	\$				
Source E: Other Private Sources	\$				
Source F:	\$				
Source G:	\$				
<b>TOTAL</b>	<b>\$</b>				

What is the total dollar amount of Qualifying Investment in the project? \$ \_\_\_\_\_  
 (Purchase price of land and buildings; site preparation; improvements to real property; building construction; long-term lease costs; and depreciable assets.)

**Withholding Tax Credit:**

What is the total dollar amount of withholding taxes the city expects to receive as a result of this project?

\$ \_\_\_\_\_

Please provide calculations of withholding tax amount (including the identification of any "built-in" pay increases):

**Example:**

<b>Qualified jobs hourly payroll</b>	<b>440.19</b>
	<b><u>x 2080</u></b>
<b>Annual payroll</b>	<b>\$915,595.20</b>
<b>Length of withholding agreement</b>	<b><u>x 10 yrs</u></b>
	<b>\$9,155,952.</b>
	<b><u>x 3% withholding tax</u></b>
<b>Total est. withholding tax credit</b>	<b>\$274,678.56</b>

**Local Match:** The required local match provided has to be in an amount equal to one dollar for every one dollar of withholding tax credit received by the pilot city. (\* Local match may come from the city, private donor, the business or a combination of sources and may be provided in the form of cash or in-kind.)

- a. Please identify the total dollar amount of the required the one-to-one local match:  
\$ \_\_\_\_\_.

In addition, if the tax collections to the pilot city, at the completion of the project, increases by an amount equal to 10% of the total dollar amount of withholding tax credits, then the pilot city is required to provide 10% of the total required one-to-one local match.

- a. When completed, will the project increase the tax collections to the pilot city?  Yes  No

If yes, what is the total dollar amount of the taxable increase? \$ \_\_\_\_\_

- b. Is this amount equal to at least 10% of the total amount of withholding tax to be received by the pilot city?  Yes  No

If yes, the pilot city is required to provide 10% of the total required one-to-one local match.  
(\*The pilot city's required contribution may include the dollar value of any new tax abatement provided by the pilot city to the business for new construction)

- c. Please identify the dollar value or amount and form of the pilot city's required contribution to the one-to-one local match: Dollar value or amount: \$ \_\_\_\_\_ Form: \_\_\_\_\_
- d. Is the Pilot City making any contribution to the project that is not included in the one-to-one local match?  Yes  No

If yes, please provide: Dollar value or amount: \$ \_\_\_\_\_ Form: \_\_\_\_\_

- e. Please identify the entity that will be providing the required one-to-one match, the total value or dollar amount, and the form of the match to be provided:

Name of Entity	Dollar value or amount of one-to-one local match	Form of one-to-one local match
Business		
Pilot City		
Other		
Total One-to-One Local Match		

**Please note that per Program requirements that: a) the total amount of required one-to-one local match has to be at least equal to the total dollar amount of withholding tax credits to be received, and b) the total dollar amount of withholding tax credits to be received has to at least equal to the total dollar amount of Qualifying Investment in the project**

Therefore, you must be able to answer “yes” to both of the following questions; if not then the necessary revisions need to be made so that both statements can be answered in the affirmative):

- f. Is the total amount of required one-to-one local match at least equal to the total dollar amount of withholding tax credits to be received?  
 Yes       No
- g. and, the total dollar amount of withholding tax credits to be received is not greater than the total dollar amount of Qualifying Investment in the project?  
 Yes       No

**Withholding Agreement Checklist:**

Does the proposed withholding agreement contain and/or include the following language/ attachments:  
*(\* Please note that all of the following information is required to be included within withholding agreements and this information shall be disclosed to the public)*

- Copy of the development agreement between the city and business, including how the withholding funds will be used
- List of all other incentives or financial assistance the business has requested or is receiving from other federal, state, or local economic development programs, including loans, grants, forgivable loans and tax credits
- Amount of assistance provided by the City for this project
- Documentation of the approval of the project by local participating authorities
- Identify the total amount of withholding tax credits awarded
- Identify the number of created or retained jobs included in the project
- Identify the required county-wide average wage
- Identify the total dollar amount of qualifying investment

- The total required one-to-one local match for the project, identification of the entity providing the one-to-one local match and form of funding, with any required local match by the pilot city clearly specified
- Term of agreement

**Attachments**

Please attach the following documents:

- A1 Resolution or letter from the City indicating support for this project
- A2 Copy of the draft withholding agreement to be entered into between the City and the business (to include copy of development agreement)
- A3 **Affidavit** that states the Business has not, within the last five years, violated state or federal statutes, rules, and regulations, including environmental and worker safety regulations, or, if such violations have occurred, that there were mitigating circumstances or such violations did not seriously affect public health or safety or the environment.  
[http://www.iowalifechanging.com/applications/bus\\_dev/downloads/sampleaffidavit.doc](http://www.iowalifechanging.com/applications/bus_dev/downloads/sampleaffidavit.doc)
- A4 Current payroll for one pay period to be provided in the below required excel spreadsheet format:  
[http://www.iowalifechanging.com/applications/bus\\_dev/downloads/payroll\\_template.xls](http://www.iowalifechanging.com/applications/bus_dev/downloads/payroll_template.xls)
- A5 Map of Urban Renewal Area with project/business site identified