



Webinar – Business Finance Program Changes

Tuesday, June 23, 2009

Monday, June 29, 2009

Wednesday, July 1, 2009

Webinar Housekeeping

- We will not use audio interaction
 - Use “Chat” box on right toolbar to comment
 - Send directly to Host
- Call-in toll-free number: 866-469-3239
- Meeting access codes
 - Tuesday, June 23: 924 778 247
 - Monday, June 29: 920 043 260
 - Wednesday, July 1: 924 311 668



Webinar Agenda

- Background Information
- Standard Program Requirements
- Direct Financial Assistance Program
- Tax Credit Programs
 - High Quality Jobs
 - Enterprise Zones
- Additional Changes



Background Information

- 2009 Legislative Session – SF 344
 - All past and present GIVF programs combined into one fund – Grow Iowa Values Financial Assistance Program
 - Commits to an annual appropriation through FY 2015
- Sub-allocations to Regents, state parks, Cultural Trust Fund, community colleges, ED regions, and IDED Commercialization Division



Standard Requirements

- Former programs are now “components” of the GIVFAP
- IDED Board allocation to components
- All awards negotiable by IDED
- Annual wage calculations
- Highest wage threshold used
- IDED Board review and approval



Standard Requirements (cont.)

- Uniform Contracting Periods
 - Three-year Performance Period
 - Two-year Maintenance Period
- Standard Benefits
 - Some level of medical benefits required
 - 80% Medical and Dental (single), OR
 - 50% Medical and Dental (family), OR
 - Monetary equivalent of other benefits (retirement; profit sharing; life; disability; HSA; etc.)



Standard Requirements (cont.)

Summary of Benefits Requirements

Option 1 80% Single Coverage	Option 2 50% Family Coverage	Option 3 Monetary Equivalent	Benefits Counted Towards Monetary Equivalent
Pay 80% of premium costs for a standard medical and dental plan, single coverage. \$750 deductible	Pay 50% of premium costs for a standard medical and dental plan, family coverage. \$1,500 deductible	Offer medical coverage Pay the monetary equivalent in supplemental employee benefits	Dental Coverage Vision Insurance H.S.A. Life Insurance Pension 401(k) STD/LTD Child care services

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130% Component

➤ Job Creation

- Starting wage – 100% of qualifying wage
- End of Project Completion (Year 3) – 130% of qualifying wage
- End of Project Maintenance (Year 5) – 130% of qualifying wage

➤ Job Retention

- 130% throughout entire project (Years 1-5)

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130% Component (cont.)

Summary of 130% component wage requirements

Project Jobs	Project Start (Year 1)	Project Completion (Year 3)	Project Maintenance (Year 5)
Created	100% R	130% R (with benefits credit)	130% R (with benefits credit)
Retained	130% R (with benefits credit)	130% R (with benefits credit)	130% R (with benefits credit)



130% Component (cont.)

➤ Sufficient Benefit Credit (130% wage only)

(R=Regional wage)	90%R Enterprise Zone	100%	100%R	130%R	130%R (with benefit credit)
Adair	\$12.07	\$13.41	\$13.41	\$17.44	\$15.69
Black Hawk	\$14.07	\$17.75	\$15.63	\$20.32	\$18.28

➤ 20% local match required

- Cash; revolving loan funds; tax abatement and exemption; TIF; bonding; direct investment; subsidies; etc.
- Terms matched by IDED



100% Component

- Job Creation and Retention
 - 100% wage through entire project (Years 1-5)
- 20% local match required

Project Jobs	Project Start (Year 1)	Project Completion (Year 3)	Project Maintenance (Year 5)
Created	100% R	100% R	100% R
Retained	100% R	100% R	100% R

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Entrepreneurial Component

- Less than three years in industry
- Endorsement from recognized business accelerator or entrepreneurial development organization
- Targeted funding priorities
- No job requirement
- No local match requirement

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Infrastructure Component

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

Value-Added Ag Component

- Support for project development or project creation
 - Non-production facility
- No jobs required
- No local match required

Disaster Recovery Component

- Federal disaster area
 - Must apply within 12 months of declaration
- Business has closed due to substantial physical damage
- Plan for reopening with at least 90% of pre-disaster employment
- Pay pre-disaster wage levels

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High Quality Jobs Program

- Job Creation
 - Starting wage – 100% of qualifying wage
 - End of Project Completion (Year 3) – 130% of qualifying wage
 - End of Project Maintenance (Year 5) – 130% of qualifying wage
- Job Retention
 - 130% throughout entire project

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High Quality Jobs Program (cont.)

Summary of HQJP wage requirements

Project Jobs	Project Start (Year 1)	Project Completion (Year 3)	Project Maintenance (Year 5)
Created	100% R	130% R (with benefits credit)	130% R (with benefits credit)
Retained	130% R (with benefits credit)	130% R (with benefits credit)	130% R (with benefits credit)



HQJ Program (cont.)

Schedule of the Maximum Tax Incentive Award Available to a Business Based on Qualifying Jobs, Wages, & Investment

Amount of Qualifying Investment	No Jobs*	Number of Jobs Created or Retained with a Qualifying Wage including Sufficient Employee Benefits equal to 130% of the County Wage			
		1-5	6-10	11-15	16-30
Less than \$100,000	Up to 1% ITC	Up to 2% ITC	Up to 3% ITC	Up to 4% ITC	Up to 5% ITC
\$100,000 - \$499,999	Up to 1% ITC Sales Tax Refund	Up to 2% ITC Sales Tax Refund	Up to 3% ITC Sales Tax Refund	Up to 4% ITC Sales Tax Refund	Up to 5% ITC Sales Tax Refund
\$500,000 +	Up to 1% ITC Sales Tax Refund Research Activities Tax Credit	Up to 2% ITC Sales Tax Refund Research Activities Tax Credit	Up to 3% ITC Sales Tax Refund Research Activities Tax Credit	Up to 4% ITC Sales Tax Refund Research Activities Tax Credit	Up to 5% ITC Sales Tax Refund Research Activities Tax Credit



HQJ Program (cont.)

Schedule of the Maximum Tax Incentive Award Available to a Business
Based on Qualifying Jobs, Wages, & Investment

Amount of Qualifying Investment	Number of Jobs Created or Retained with a Qualifying Wage including Sufficient Employee Benefits equal to 130% of the County Wage				
	31-40	41-60	61-80	81-100	101+
\$10,000,000 or More	Up to 6% ITC	Up to 7% ITC	Up to 8% ITC	Up to 9% ITC	Up to 10% ITC
	Sales Tax Refund	Sales Tax Refund	Sales Tax Refund	Sales Tax Refund	Sales Tax Refund
	Research Activities Tax Credit	Research Activities Tax Credit	Research Activities Tax Credit	Research Activities Tax Credit	Research Activities Tax Credit
	Local Property Tax Exemption	Local Property Tax Exemption	Local Property Tax Exemption	Local Property Tax Exemption	Local Property Tax Exemption



HQJ Program (cont.)

- Must apply prior to project initiation
 - Purchase of property, equipment
 - Placement of permanent structure
- Eight Required Elements eliminated
- Sufficient Benefit Credit
- Local match based on property tax increase
- Subject to SF 483 tax credit cap
 - No “true-up” period at end of project



Enterprise Zone Program

- Job Creation and Retention
 - 90% wage through all periods
 - Subject to highest wage threshold if used with direct financial assistance component
- Uniform contracting period
- \$500,000 direct capital investment
- Local match based on property tax increase
- Subject to SF 483 tax credit cap

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Additional Changes

- EDSA and PFSA are back
 - 90% wage threshold
 - Funding of last resort
- Opportunities and Threats
 - Unique to Iowa's economic prosperity
 - Funding of last resort
 - Based on need and leveragability

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Additional Changes (cont.)

- Loan & Credit Guarantee fund dissolved
- Update of IDED materials
 - Project Review Form
 - Application for Financial Assistance
 - Marketing Materials
 - www.iowalifechanging.com



Questions?

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