



Presentation to the Regional Marketing Groups

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LOIS Update

LOIS Update

- **IDED contracts with KCP&L for the LocationOne Information System (LOIS) software license.**
- **IDED contracts with UNI's Institute for Decision Making for the compilation of certain data loaded annually into LOIS for Counties, MSA's, and Regions.**

LOIS Update

- **Cost to Contract with UNI-IDM:**
 - FY 06: \$19,245
 - FY 07 & FY 08: \$34,245
 - The aggregation of data on behalf of the regions was added to the contract starting in FY 07.
 - FY 09: \$24,500
 - Contract was scaled-back due to State's budget reductions.

LOIS Update

- **IDM will no longer be providing updates on the following data:**
 - Education data (on Labor Force Screen)
 - Leading Employers
 - Military Bases
 - Transportation Data
- **Current data not being updated by IDM should not be overwritten when upload occurs this Summer.**
- **Individual Counties, MSA's, and Regions will need to update these fields, as needed.**



Legislative Update

FY 2010 Appropriations

- **IDED's Budget - \$15.86 million**
 - Represents approx. 12% cut from FY 2009
- **Grow Iowa Values Fund - \$45 million**
 - Represents 10% cut from previous FYs
- **RECAT - \$10 million / CAT - \$12 million**
- **Regional Sports Authorities - \$500,000**

Tax Credits, Refunds & Exemptions

- **Certain tax credit award programs capped at \$185 million per FY**
 - Assistive Device, Enterprise Zone (Business and Housing), Film, and High Quality Jobs Programs
- **Targeted Jobs Withholding Tax Credit**
 - Pilot extended until 2013
 - Clarifies administration / Additional reporting

Tax Credits, Refunds & Exemptions

- **Film Promotion Tax Credit**

- May now include costs associated with the salaries of the Producer, Director, and Principal Talent (w/ limits tied to overall spending)
- Tax exemptions now amortized over 4 years
- Iowa Film Office may charge an “application fee” to fund marketing and industry training activities

Tax Credits, Refunds & Exemptions

- **Endow Iowa**
 - Increases credit from 20 to 25%; no longer deductible for state income taxes
- **Research Activities Credit**
 - Claims exceeding \$500,000 will be public record

Tax Credits, Refunds & Exemptions

- **Data Centers**

- Provides a graduated scale of incentives based on the relative size of the investment.
- Associated with taxes on computers and equipment, back-up fuel, and electricity
- Refund of 50% of certain sales taxes paid for defined periods of time based on level of investment.
- Permanent tax **exemptions** for \$200 million+ projects (similar to web portal exemptions used for Google and Microsoft)
- Administered by Dept. of Revenue

Simplification of Incentive Programs

- **SF 344 – Signed into law on May 22, 2009**
- **Effective on July 1, 2009**
- **Administrative Rules will be available after IDED's June Board Meeting (6/18)**
- **Upcoming Training sessions:**
 - Later this month...schedule will be available soon!
 - Webinar (or ICN sessions) are being planned
 - Watch your e-mail in-box for more information.

Goals of the Simplification Legislation

- **Simplify**
 - Make economic development assistance easier to understand.
 - Reduce funding complexity.
- **Standardize**
 - Standardize financial assistance requirements.
- **Synchronize**
 - Eliminate the need for separate programs.
 - Streamline economic development initiatives.
 - Focus funds where growth is needed most.

Simplification: Direct Financial Assistance Programs

- **Two Forms Available**
 - Grow Iowa Values Financial Assistance Program
 - Economic Development Set Aside (EDSA)
- **Grow Iowa Values Financial Assistance Program will be separated into components.**
 - IDEED Board will manage how the monies are divided among the components
- **“Old monies” will be added to the fund and used for the Grow Iowa Values Financial Assistance Program.**

Simplification: Grow Iowa Values Fund Financial Assistance Program Components



- 130% Wage Component
- Infrastructure Component
- 100% Wage Component
- Entrepreneurial Component
- Value-Added Ag Component
- Disaster

Simplification: Standardized Requirements

- **Standard employee benefit requirement**
 - Company must provide medical & dental and pay 80% for single or 50% for family; or provide a monetarily-equivalent benefit (current CEBA requirement)
- **Three-year project performance period**
- **Two-year project maintenance period**
- **IDED may negotiate all award amounts.**
- **IDED Board will act on all applications.**

Simplification: Wage Thresholds

- **90%, 100%, or 130% of the average county wage or the average regional wage (whichever is lower)**
- **Wage thresholds will be adjusted annually on July 1st**
- **If using 130% wage threshold - 10% “credit” for having the standard benefit package**
- **Created Jobs: Will have the 3-year performance period to meet the 130% wage threshold (@ time of application)**
 - Starting wages must be equal to/greater than 100 percent of the average county or regional wage.
- **Business will contract for and be measured against the highest wage threshold if seeking more than one form of assistance**

Simplification: Tax Credit Programs

- **Standardized requirements – same as direct financial assistance programs**
- **High Quality Jobs Program**
 - Allows retained jobs to be equal to created jobs for purposes of determining incentives.
 - Eliminates the “4 of 8” requirements
 - Eliminates the 160% wage threshold
 - Can no longer apply for assistance after project initiation.
- **Enterprise Zone Program**
 - Allows retained jobs to be considered.



FY 2010 Travel Plan

July 1, 2009 – June 30, 2010

**** Subject to DOM's Approval ****

Sell Iowa Trips

- **Minneapolis/St. Paul**
- **Dallas**
- **Southern California**
- **New York**
- **Chicago**

International Trade Missions

- **China**
- **Japan/Korea**
- **Mexico**
- **Africa**
- **Eastern Europe**
- **Cuba**

Trade Shows – Advanced Mfg.

- **Agritechnica**
- **AWEA's Fall Symposium**
- **Bauma**
- **European Wind Energy Conference**
- **Farm Progress Show**
- **Wind-related Supply Chain Event (TBD)**
- **Windpower 2010**
- **Worldwide Food Expo**

Trade Shows – Biosciences

- **BIO International 2010**
- **BIO Japan 2009 World Business Forum**
- **BIO World Congress**
- **Biofuels Int'l Exp & Conference *or* World Biofuels Markets 2010**
- **European Forum for Industrial Biotechnology**

Trade Shows – IT

- **7 x 24**
- **AFCOM**
- **Data Center Dynamics**

Additional Trade Shows

- **AFCI Locations (Film)**
- **American Council on Life Insurers Annual Conference**
- **Food Ingredient - Europe**
- **National Association of Insurance Commissioners**

Questions?

- **Contact us at...**

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THANK YOU!

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