

ENHANCE IOWA

FREQUENTLY ASKED QUESTIONS

What is Enhance Iowa?

Enhance Iowa is a financial assistance program established to fund vertical infrastructure (construction) projects related to recreation, education, entertainment and cultural activities. A board of volunteers review applications and make funding decisions.

What are the grant programs that fall under Enhance Iowa?

The EI Board oversees the Community Attraction and Tourism (CAT), River Enhancement Community Attraction and Tourism (RECAT), Sports Tourism, and CAT Marketing programs. The EI Board also administers all open projects that were awarded under the former Vision Iowa Board.

How much funding is available?

The CAT program provides financial assistance for community attraction and tourism projects. The CAT program is funded at \$5 million for FY2017. Please see the most recent Program Manager's Report for the current amount of available funding.

The RECAT and Sports Tourism programs do not have funds available at this time.

What is a vertical infrastructure project?

Eligible CAT and RECAT projects must be "primarily vertical infrastructure," which is defined as land acquisition and construction, major renovation and major repair of buildings, all appurtenant structures, utilities, site development, and recreational trails. Vertical infrastructure does NOT include routine, recurring maintenance or operational expenses or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement.

What project costs are eligible for CAT funding?

Generally, all vertical infrastructure costs of the project are eligible. Eligible expenses could also include fixtures or equipment that are integral to the structure of the building.

Work already completed on a project is not eligible for CAT funding. Other ineligible expenses include operational expenses, endowments, marketing and advertising, and fundraising expenses including grant writer fees. Utilities specifically put in place to support the project (i.e. water, sewer, gas, electric, communications) are eligible for funding, but if they also support non-project facilities, only a reasonable percentage of the cost should be allocated to the project.

The acquisition of real estate is the only pre-award expense that is eligible for CAT funding.

Who is eligible to apply for CAT?

- City or County (may cooperate with a school district)
- Nonprofit Organizations

What is a typical CAT Award?

CAT awards average 16-18% of the final negotiated project cost, with \$1 million being the largest award made in the past several years.

What level of matching funds is required?

Applications must document at least 50 percent of the total project cost have been committed to the project. Commitments must be in writing.

The Board leverages non-state funds as much as possible in order to invest in projects throughout Iowa. Applicants should NOT assume a 50 percent match is adequate. Applicants should strive to have as many matching funds as possible before submitting an application.

What can be included as match?

Match can be financial (cash or pledges) or non-financial (in-kind contributions). Non-financial contributions may comprise no more than 25% of the total matching funds and may include, but are not limited to, the value of labor and services, real and personal property donated for purposes of the project, and the use of real and personal property for purposes of the project.

Any real property donated to the project must have a current appraisal or assessment document to establish the value.

What things are ineligible as match?

Operational expenses or endowments to fund operations, and funds already spent on the project or work already completed are ineligible as match. An expense that is ineligible for CAT funding is also ineligible for match.

Other state funds cannot be used as match until the applicant can document at least 50 percent of the funds have been raised.

What about funding from the City and the County?

The EI Board expects to see cash contributions from the city and the county in every project. These contributions can be a pledge with payments spread out over several years.

How must matching funds be documented?

Matching funds need to be in the form of enforceable commitments, ensuring the funds pledged toward the project will be available when needed. Written documentation of all matching funds should be included in the application.

Examples of enforceable commitments include resolutions to commit municipal funding streams (i.e. hotel/motel tax, local option sales tax, TIF revenues, or property tax revenues) or contracts (i.e. promissory notes, letters of credit, or the applicant's pledge to commit money in the bank).

Is there a deadline for applying for funds?

CAT applications are reviewed quarterly. Deadlines for application submission are January 15, April 15, July 15, and October 15.

Is there a required format for my application?

Application forms are available electronically at the EI webpage. Applications should be printed in a font no smaller than 10-point type, and may not be submitted electronically. Applications must be bound or provided in a three-ring binder.

A clearly marked original plus 16 copies of the application should be submitted to:

Enhance Iowa Program Manager
Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, Iowa 50309-1819

What is the application review process?

There are four steps to the CAT application review process:

- Step 1: Application submission
- Step 2: Staff review for eligibility
- Step 3: CAT Committee Review and scoring
- Step 4: Board review and consideration (may include negotiations)

The CAT Committee will not score an application until it and the full Board is confident the applicant can raise the remaining match within a given timeframe, usually 30-60 days.

Please be aware that if a project is started during the review process, work done and funds spent during this time cannot be counted as match.

Who is on the Enhance Iowa Board?

The Enhance Iowa Board has 11 voting members and 4 ex officio members. The Governor appoints the voting members, who represent:

- One person selected by the Board of the Iowa Natural Heritage Foundation
- One person with professional experience in finance or investment banking
- One person with professional experience in the tourism industry
- One person with professional experience in architecture, landscape architecture, or historic preservation
- One person with professional experience in cultural attractions and programming
- Six people actively employed in the for-profit sector of the economy with substantial expertise in economic development

If you are interested in serving on the EI Board, please go to <https://openup.iowa.gov/>.

When and where does the Board meet?

The EI Board typically meets the second Wednesday of the month. Most meetings are held in Des Moines, but may be held at any place in the state.

All Board and review committee meetings are open to the public. Meeting notices with the date, time, and place of the meeting are sent to the media and are posted on the EI webpage.

What is the role of the Iowa Economic Development Authority?

IEDA assists the EI Board with administrative functions, such as providing staff and contract compliance.

Should I hurry to apply because I'm worried funds will run out?

The best assurance of serious consideration of your application is that your proposal be thorough and address all requirements. This includes all matching funds being in place and showing an exhaustive search of funding sources. The proposal must show that the community has demonstrated significant foresight and vision for the project. This level of planning takes time. When you are able to demonstrate these requirements in your proposal, you are ready to submit an application.

How likely am I to receive the amount for which I apply?

Most applicants receive awards that are less than the amount originally requested. There is a better chance to receive the amount requested if an applicant can truly demonstrate that all other funding sources have been exhausted.

Should an award be less than the amount requested, the Board expects that the project will

be completed in its entirety, as proposed in the application. The Board does not allow a project to be reduced in scope.

Are any contingencies allowed when an award is made?

Yes, the Board may agree to an award contingent upon the applicant obtaining additional funds from other sources. A deadline to meet the contingency may be set.

Are we eligible for another CAT award if we have already received one?

While the Board must consider geographic diversity when making funding decisions, a community may apply for funds for more than one project. However, a project may not receive more than one award, unless there is a separate or substantial addition or new phase to the project. The subsequent phase must be a separate project, and funds previously committed to the project cannot be counted as match toward an additional phase.

Is a business plan necessary for my small project?

Yes. A business plan helps determine the feasibility of the project. Many applicants report this requirement has improved their project because it forced necessary planning.

What makes a good project?

Of course, all of the eligibility criteria must be met. Beyond that, here are a few areas that can be very important:

- **Good planning and vision.** The Board wants to do more than fund projects; they want to be participants in helping communities achieve a vision of community identity.
- **Financial participation from a variety of public and private partners.** This helps demonstrate both financial and philosophical commitment to the project. Sources to explore include city funding, county funding, private sector funding (individuals and businesses), and community organizations.
- **Creativity and uniqueness.** Projects should attract people to live and work in an area, and bring visitors from the region, state, nation, or world.
- **Complimentary to other attractions.** The project should compliment other projects in the community, region, or state and not duplicate existing facilities.
- **Readiness.** Projects should have all other funds for the project in place and be able to finish construction within two years from the award date.