

Iowa Innovation Acceleration Fund



Iowa PROPEL, a seed capital co-investment program, is designed to accelerate private investment in Iowa-based start-up companies and to increase the overall investment impact. Through this program, Iowa will award seed capital funds that match qualified private capital investments. The seed capital may be used by the start-up company for advanced intellectual property development and evaluation, including in-depth analysis of market potential; conducting competitive analysis, advanced proof of concept work for a scientific discovery; advanced prototype design and development; research and development needed to attract venture capital financing, hiring key personnel and related activities.

Program Goals

The Iowa PROPEL Co-Investment Program seeks to achieve the following goals:

- Accelerate the commercialization of research discoveries and growth of start-up companies
- Increase the number of investment-grade start-up companies launched
- Accelerate private capital investment
- Position more Iowa-based companies to attract venture capital investment
- Create sustainable high-paying, private sector jobs

Eligible Applicants

An Iowa-based start-up company that meets the following minimum requirements:

- a) Has a committed leadership team with significant experience related to the technology being commercialized or committed collaborators and/or mentors with such experience
- b) Has a committed leadership team with significant experience successfully launching a start-up technology business or a committed collaborator and/or mentor with such experience, which may include a relationship with an entrepreneurial support organization that can provide expertise appropriate to the project.
- c) Has a commitment to successfully growing a start-up company that commercializes a discovery aligned with one of the following Iowa innovation clusters: advanced manufacturing, biosciences and information technology.
- d) Has a viable plan for securing follow-on venture capital financing needed to successfully grow the start-up company.
- e) Has less than 500 existing employees
- f) Has not previously been awarded Iowa PROPEL funding

Evaluation Criteria

The submissions by Eligible Applicants will be evaluated based on dimensions of the quality of the submission and a demonstrated likelihood to achieve the following outcomes in Iowa:

- a) Accelerate the growth of an innovation, start-up company.
- b) Increase research and capital investment funding.
- c) Leverage private investment.
- d) Create successful collaborations and partnerships needed to commercialize technology and accelerate the growth of an innovation start-up company.
- e) Develop solutions to solve key business and technical milestones to position the start-up company and its core technology for additional venture capital funding and marketplace penetration.
- f) Strengthen one or more of Iowa's targeted innovation clusters.

Funding Available

The request for financial support should be specifically and narrowly tailored to the plan outlined in the application. Individual awards shall not exceed \$300,000 or 50 percent of the project costs. Awards will be in the form of low interest loans or royalty agreements.

Matching Requirement

Each one dollar (\$1) of requested funds from the Iowa Innovation Acceleration Fund must be matched by a minimum of one dollar (\$1) of private funds (no federal or state funds). The Iowa Economic Development Authority Board will consider the amount of private moneys leveraged in excess of the minimum matching amount and award financial assistance to those projects that most efficiently leverage the amount of moneys available in the Iowa Innovation Acceleration Fund.