

Iowa Incentive Programs

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Webster City Economic Development

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Economic Development



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Who We Are

Webster City Economic Development exists to support expanding and relocating businesses in Webster City, Iowa.

It's our goal to help you identify and secure financial incentives for your project. This document is meant to provide an overview of incentive programs offered in Iowa at the local, regional and state level.

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[How To Contact Us](#)

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Disclaimers

- All incentives are subject to approval by the program administrator (city council, board, state agency, administrator)
- Incentive programs and eligibility requirements may change after the date of publication due to legislative changes or availability of funds
- Please contact your [local economic developer](#) to discuss your project and obtain a more in-depth review of available incentives



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Getting Started: What We Need From You

We can help you evaluate potential incentives for your project. Here's the information we need in order to start our evaluation:

- Brief description of the project
- A summary of the estimated number of new jobs to be created or jobs to be retained and the timing of such actions
- Details on the types of jobs to be created and their estimated starting wages
- A summary of the benefits provided to your employees
- An estimate of your total project capital expenditure

The easiest way to provide us with this information would be to fill out an [Iowa New Project Questionnaire](#).



Current Wage Thresholds

Meeting certain wage and benefit thresholds is often a qualifying criteria for the granting of project incentives. The following are the most current wage thresholds for Webster City, Iowa:

90% of Average Wage - \$13.87

120% of Average Wage – \$18.49



Grow Iowa Values Fund

- Available As
 - Loans or forgivable loans
- Can Be Applied Towards
 - Building construction or remodeling
 - Land or building acquisition
 - Site preparation
 - Machinery and equipment purchases
 - Furniture and fixtures
- Eligibility
 - Must be located in Iowa
 - Must create jobs that meet the 130% county wage threshold
 - Must have a company capital investment into the projects
 - Must have a demonstrated need
 - Must contribute to employee medical coverage
 - Must not start project prior to approval of the application for funding



Enterprise Zone

- Eligibility

- Must be located in a designated Enterprise Zone
- Must make a minimum qualifying investment (building, land, machinery, equipment, computers) of \$500,000 over 3 years
- Must create or retain 10 full time jobs over 3 years and maintain for 2 more years
- Must provide medical and dental benefits or a monetarily equivalent package
- Must meet 90% county avg. wage

- Limitations

- Can't be a retail business whose entry is limited by membership or coverage card
- Business can't close in one part of the state and relocate the same business to an Enterprise Zone.
- Application must be approved by local Enterprise Zone Commission and IDED prior to initiation of the project



Enterprise Zone Benefits

- Property tax exemption of up to 100% for up to 10 years
- Additional funding for new employee training beyond the new jobs training program
- Refund of state sales, service or use taxes paid to contractors or sub contractors during construction
- For distribution center projects, a refund of sales, service and use taxes paid on shelving, racks and conveyor equipment
- Investment Tax Credit of up to 10% of the qualifying investment amortized over 5 years. Credit is earned when the qualifying asset is placed in service and can be carried forward up to an additional 7 years or until depleted



Economic Development Set Aside

- Purpose
 - To create jobs for low and moderate income individuals
 - Used to leverage other financing
- Available As
 - Loans
 - Forgivable Loans
- Can Be Applied Towards
 - Land or Building Acquisition
 - Construction or Reconstruction
 - Equipment Purchases
 - Operating and Maintenance Expenses
 - Site Development
 - Working Capital
- Eligibility
 - Must be located in Iowa and meet county wage thresholds
 - Business must make a capital investment and demonstrate a need
 - Advanced manufacturing, biosciences and IT systems targeted
- Criteria
 - Quality of jobs and impact on the community and in-state competitors
- Limitations
 - Special consideration to start ups and modernization
 - Communities less than 50,000 population targeted
 - \$1 million of traditional assistance



Public Facilities Set Aside

- Type of Assistance
 - Grants
- Limitations
 - Cities less than 50,000 population
 - Must be tied to businesses creating jobs
 - 51% of persons benefitting must be low to moderate income
- Can Be Applied Towards:
 - Sanitary sewer improvements
 - Water improvements
 - Street improvements
 - Storm sewer improvements
- Match Requirements
 - Local match of at least 50%; higher % of match increases application score
- Application Process
 - Funding decisions can be made in 60 days. If awarded, environmental review must be completed within 30 days
- Other Information
 - Priority given to projects that create manufacturing jobs, add value to Iowa resources and/or increase out of state exports



Physical Infrastructure Assistance Program (PIAP)

- Available As
 - Loans
 - Forgivable Loans
 - Cost Indemnification Agreements
- Can Be Applied Towards
 - Capital intensive infrastructure projects that create high quality, high wage jobs. This includes remediation and redevelopment to create potential opportunities.
- Eligibility
 - Iowa cities
 - New or Existing Business
- Other Requirements
 - Must meet applicable wage thresholds as set by the state
 - Must demonstrate that the project will have a statewide impact



High Quality Jobs Program

- Available As
 - Tax Credits or Exemptions
- Can Be Applied Towards
 - Cost of locating, expanding or modernizing an Iowa facility
- Eligibility
 - Must meet 120% of county average wage threshold
 - Not applicable to retail or service businesses
- Evaluation Criteria
 - Quality of the jobs
 - Level of assistance requested
- Type of Incentives
 - Local property tax exemption up to 100% for up to 20 years
 - Refund of state sales, service or use taxes paid to contractors and subs during construction
 - Refund of state sales, service and use taxes on shelving, racks and conveyor equipment
 - Investment tax credit based on % of qualifying investment over 5 year period
 - Doubling of the State's refundable research activities credit if applicable



Cornbelt Power Fund

- Available As
 - Technical Assistance
 - Low Interest Loans
- Can Be Applied Towards
 - Financial Assistance
 - Acquisition, construction or expansion costs, equipment and machinery purchases, start-up operating costs, and working capital
 - Technical Assistance
 - Site Selection, Financial Packaging, Marketing Assistance, Business Support Services
- Eligibility
 - New and expanding business, local governments, non-profits
- Evaluation Criteria
 - Jobs created, diversification of the local economy, skill development of the workforce, public infrastructure upgrades
- Other Limitations
 - Minimum \$50,000, Max \$150,000
 - Can not exceed 49% of project
 - Loan terms of 3-10 years
 - Interest rates set relative to prime
 - Ag, Community Cable Systems and Financial Services Ineligible



Intermediary Relending Program (IRP)

- Available As
 - Loans for revolving loan programs at 1% interest
- Can Be Applied Towards
 - Revolving loan fund programs operated by non-profits that provide loans for business facilities and development in rural areas
- Eligibility
 - Private non-profit corporations, public agencies, state or local governments, Indian groups and certain cooperatives
 - 51% of ownership must be US citizens
- Evaluation Criteria
 - Other funds and programs available
 - Availability of IRP funds
 - Median household income served
 - Local unemployment rate
 - Equity and experience
 - Community Representation
- Limitations
 - Must be authorized to carry loan, give security, and repay
 - Proven track record of success
 - Staff expertise and sufficient capital
 - No delinquent debt to Federal Govt
 - \$2 million with 25% local match



Rural Business Opportunity Grant

- Available As
 - Grants
- Can Be Applied Towards
 - Money for technical assistance for business and economic development in rural areas
- Application Deadlines
 - Typically in March or April
- Eligibility
 - Public bodies
 - Cooperatives
 - Private, non-profit corporations
- Evaluation Criteria
 - Sustainability
 - Improvements to quality of economic activity and commitment of other sources of funding
 - Natural disaster designation
 - Poverty levels, long term population decline, long term job deterioration
 - A new best practice
- Limitations
 - Must be reasonable, be able to be measured for success, consistent with local plans and obtainable within 2 years.
 - \$50,000 maximum



Rural Economic Development Loans

- Available As
 - Zero Interest Loans
- Can Be Applied Towards
 - Start up venture costs
 - Business expansions
 - Business incubator
 - Technical assistance
 - Feasibility studies
 - Advanced telecom
 - Community facilities
- Eligibility
 - Rural Electric/Telephone Borrowers
- Evaluation Criteria
 - Type of project and number of jobs to be created within 3 years
 - Supplemental funds
 - Per capita personal income
 - Rural location and population decline
 - Loss of major employer, long term unemployment
 - Located in disaster area
 - Consistency with USDA plan
- Limitations
 - Nationally competitive process
 - Up to \$740,000 with 10 year term
 - Utility is guarantor
 - Monthly payments



Rural Economic Development Grants

- Available As
 - Grant
- Can Be Applied Towards
 - Technical assistance
 - Feasibility studies
 - Advanced telecom
 - Community facilities
- Eligibility
 - Rural Electric/Telephone Borrowers
- Limitations
 - Grant to utility must be lent out to a non-profit public project with focus on health or education
 - \$300,000 limit
 - 20% local match required
 - Grant can be used to fund up to 80% of a project, but target range is 5% to 35%
- Terms of Loan
 - 0% interest
 - 10 year term, 2 years deferred



Community Facilities Loan

- Available As
 - Loans
 - Loan Guarantees
- Can Be Applied Towards
 - Public entities, non-profit and tribal governments for essential community facilities (health care, child care, community buildings, fire stations, equipment, etc..)
- Eligibility
 - Population less than 20,000
 - Public use
 - Financial soundness
- Limitations
 - Repayment period limited to the useful life of the facility up to a max of 40 years
 - Interest rates set based on median household income
 - Loan guarantees are for up to 90% with eligible lenders
 - Security required
 - Must apply with USDA Rural Development Office



Hamilton County Revolving Loan Fund

- Available As
 - Low interest loans
- Can Be Applied Towards
 - Construction, purchase or improvements to land and buildings
 - Equipment
 - Working Capital
- Eligibility
 - Non-agricultural, private, for-profit businesses located or locating in Hamilton County
 - Development Organizations
- Evaluation Criteria
 - Priority to job creation and
 - Addition to tax base
 - Preference to creating the most jobs with the least amount of assistance
 - Conventional financing must have been declined
- Limitations
 - Can not apply to costs incurred before application
 - Refinancing of debt excluded
 - Maximum of 30% of project cost
 - Minimum loan of \$5,000
 - 5% interest with 5 year term
 - Collateral Required



Rural Business Enterprise Grant

- Available As
 - Grants
- Can Be Applied To
 - Acquisition, development, easements, rights-of-way
 - Construction, conversion, enlargement, repairs and modernization of buildings
 - Loans for operating costs
 - Technical assistance
- Eligibility
 - Public bodies
 - Rural Areas
- Evaluation Criteria
 - Must support development of small and emerging business enterprises in a rural area of less than 50,000 population
 - Must be able to show specific benefit to small business
 - Population, economic conditions, unemployment, applicant's experience, commitment of non-federal funding sources
 - Evidence of a need
 - Included in a community plan
 - Size of grant



MIDAS Revolving Loan Fund

- Available As
 - Gap financing
- Can Be Applied Towards
 - Fixed asset financing for land, buildings, equipment and inventory
- Eligibility
 - Local business
 - Must have a primary loan
 - Industrial projects preferred
- Evaluation Criteria
 - Need and impact of the project
 - Ability of the applicant to repay
 - Number of jobs per \$'s requested
 - % of other funds in the project
 - Quality and completeness of application materials
- Limitations
 - Amount from \$5,000 to \$70,000
 - Can not exceed 15% of the project
 - Owner must have at least 10% equity in the project
 - Up to 10 year term with fixed rates not less than 4%, but below prime



Webster City Area Development Revolving Loan Fund

- Available As
 - Low interest loans
- Can Be Applied Towards
 - Gap financing or equity investment
 - Fixed assets (machinery, equipment, land, buildings)
- Eligibility
 - Must be located in Webster City
- Limitations
 - Loans average \$25,000 but could be for more depending on the project and jobs to be created



USDA Business & Industry Guaranteed Loans

- Available As
 - Loan guarantee
- Can Be Applied Towards
 - Loans by eligible lenders to businesses benefitting rural areas less than 50,000 population
 - Must finance: business or industrial acquisitions, construction, repair, modernization, development costs, equipment, supplies, start up costs, working capital, and etc.
- Eligibility
 - A legal entity, individual, public or private organization, or federally recognized tribe
- Evaluation Criteria
 - Borrower eligibility, repayment assurance, sufficient collateral & equity
 - Eligible loan's purpose
- Limitations
 - \$25 million maximum
 - Pre-approval review required
 - Fixed loan to value limitations based on appraised value of asset
 - 10% equity requirement for existing companies, 20% for new companies
 - Personal and corporate guarantees required
 - Appraisals required



Rail Revolving Loan & Grant Program

- Available As
 - Loans or grants
- Can Be Applied Towards
 - Building spurs, building or rebuilding sidings, purchasing or rehabilitating existing rail, other rail development
- Eligibility
 - Targeted job creation projects
 - Jobs must be created or retained within 2 years of the project
 - Must meet 100% of county average wage
- Evaluation Criteria
 - Announced when notice of funding availability and application is made by the State
- Limitations
 - Limited funding, not funded every year
 - Required local matches of 50% for grants, 20% for loans
 - Loans are for 10 years at 0% interest



Rail Rehabilitation and Improvement Financing

- Available As
 - Loans
- Can Be Applied Towards
 - Acquire, improve or rehabilitate intermodal rail equipment of facilities including tracks, track components, bridges, yards, buildings and shops
 - Refinancing existing debt for purposes listed above
 - Developing or establishing new intermodal rail facilities
- Eligibility
 - State and local government
- Evaluation Criteria
 - Must submit an application
 - NEPA review
 - Contact administrator for more information
- Limitations
 - Applicant with need to provide loan fees, including any premium and investigative fees
 - Direct loans can be for up to 100% of cost.
 - Terms up to 35 years
 - Interest based on what it costs the government to borrow money



Iowa Micro Loan Program

- Available As
 - Micro Loan
 - Technical Assistance
- Can Be Applied Towards
 - Financing of a start up, expansion, or refinancing of micro business in Iowa
- Eligibility
 - Must be Iowa resident
 - Must be an Iowa based business
 - 18 years or older
 - Denied by financial institution
 - No more than 5 full time employees
- Evaluation Criteria
 - Contact Craig Downs, Loan Administrator at 515-212-0182
- Limitations
 - Total loan must be for less than \$35,000
 - Approvals in ten working days
 - Interest rates higher than conventional financing, but less than credit cards
 - Grants for technical assistance are also available of up to \$500 per year per client



260E Iowa Industrial New Jobs Training

- Available As
 - Diversion of Iowa withholding tax to compensate the community college for the training program
- Can Be Applied Towards
 - Training for new employees
- Eligibility (Business)
 - Must be in or locating to Iowa
 - Must be engaged in interstate commerce (manufacturing, processing, assembling, warehousing, wholesaling or conducting research)
 - Service providing businesses must have non-Iowa customers
- Eligibility (Employee)
 - Must be a new position
 - Must pay withholding tax
 - Must occupy a position that did not exist 6 months prior to engagement
- Evaluation Criteria
 - Contact Iowa Central Community College
- Limitations
 - Depending on wages paid to the employees, the company would divert either 1.5% or 3% of their Iowa withholding for each qualifying position
 - Cannot have closed one Iowa location to reopen in another



260F Iowa Jobs Training Program

- Available As
 - Reduced or no cost job training
- Can Be Applied Towards
 - Job training for existing employees
- Eligibility (Business)
 - Must be located in Iowa and engaged in interstate commerce for manufacturing, processing, assembling, warehousing, wholesaling or conducting research and development
 - Service business must have non-Iowa customers
- Eligibility (Business cont.)
 - Business must not have reduced its employment base by more than 20% in the 36 month period prior to application
- Eligibility (Employee)
 - Must be currently employed by the company
 - Must pay Iowa withholding tax
- Additional Information
 - Contact Iowa Central Community College



New Jobs Tax Credit

- Available As
 - Per employee tax credit
- Can Be Applied Towards
 - Iowa corporate income tax
- Eligibility
 - Companies that have entered into a New Jobs Training Agreement (260E) and expanded their employment base by more than 10%
- Evaluation Criteria
 - Contact Iowa Central Community College
- Limitations
 - One time credit
 - Up to \$1482 per employee (FY 20011)
 - Unused credits can be carried forward for up to ten years
 - Credit depends on wages a company pays in the year they first claim the credit



Urban Revitalization Tax Exemption

- Available As
 - Property tax exemption in accordance with Iowa Code Section 404
- Can Be Applied Towards
 - New or expanded facilities in designated “urban revitalization areas”
- Process Required
 - Urban revitalization plan must be adopted separate from the project
 - Project must be approved as conforming to plan
- Limitations
 - Owner must separately apply for the exemption after the project is completed
 - Application must be before February 1 of assessment year in which the exemption will be first claimed
 - Full Exemption is 100% for 3 years
 - Partial Exemption is a sliding scale over 10 years



Urban Renewal Program

- Available As
 - Tax increment financing
- Can Be Applied Towards
 - Acquisition and disposition of real property
 - Construction or reconstruction of public improvements
 - Demolition and removal of buildings
- Eligibility
 - Must be in a designated urban renewal area
- Limitations
 - Tax increment financing agreement required
 - Council approval needed



Industrial Property Tax Exemption

- Available As
 - Partial property tax exemption for actual value added to industrial real estate
- Can Be Applied Towards
 - New construction of industrial real estate, research-service facilities, warehouses, distribution centers, and machinery or equipment assessed as real estate
- Eligibility
 - See Iowa Code Section 427B
- Exemption Schedule
 - Year 1: 75%
 - Year 2: 60%
 - Year 3: 45%
 - Year 4: 30%
 - Year 5: 15%
 - Council may adopt a different schedule, but cannot give more (total) than permitted above
- Limitations
 - Does not include reconstruction or replacement
 - Requires public hearing
 - Requires City Council approval



Municipal Support of Projects

- Available As
 - To “acquire by construction, purchase, gift or lease and to improve and equip one or more projects; buy, sell or lease property; enter into loan agreements; or issue bonds to finance or retire debt of certain projects”
- Can Be Applied Towards
 - Interest in land, building or improvements whether existing or not
- Eligibility
 - Manufacturing, processing or assembling
 - Storing, warehousing or distribution
 - National, regional or division headquarters of a multi-state business
 - Beginning business person with total assets of less than \$100,000
- Other Information
 - Equipment included by this section applies to machinery, HVAC, fixtures, utilities and building service equipment
- Limitations
 - Public hearing must be held before any bonds can be issued



Land Grants

- Available As
 - Direct or indirect financial assistance
- Can Be Applied Towards
 - Property acquisition or assemblage
- Eligibility
 - Project must create jobs in Webster City
 - Preference to projects with the highest and best use of property, especial with municipal owned properties
- Evaluation Criteria
 - Review by Economic Development
 - Review by City Council
- Other Information
 - City can gift, lease or sell property
 - City can acquire property on behalf of a project
 - City can provide financial assistance to buy down acquisition costs



Local Financial Assistance

- Available As
 - Grants
 - Loans or forgivable loans
- Can Be Applied Towards
 - Very flexible, but generally:
 - Land or building acquisition
 - Tenant improvement permits
 - Equity to leverage other financial assistance
 - Job training
- Eligibility
 - Must create new jobs or retain existing jobs in Webster City
 - New or existing businesses
- Evaluation Criteria
 - Number of jobs to be created
 - Financial need of the company
 - Size of the project
- Limitations
 - Must create jobs within 3 years and retain them for another 2 years
 - Loans require collateral and a 1st or shared 1st position is desired
 - Company must submit information on its finances, business plan, and other items requested for review by City



Municipal Utility Assistance Program

- Available As
 - Technical support
 - Thermography
 - Load and demand management analysis
 - Efficiency reviews
 - Energy efficiency rebates
 - Rate credits
- Eligibility
 - Must be a customer of Webster City's municipal utility
 - Must meet program eligibility, including any requirements established by the Cooperative
- Technical Support
 - Commercial or industrial rate customer
 - By request
- Efficiency Rebates
 - See program requirements
 - Applies to light
- Rate Credits
 - See program requirements
 - Applies to new, large and non-agricultural loads only



Energy Efficiency Loan Program

- **Terms**
 - A loan up to \$50,000
 - 0% interest
 - Repaid in 12 equal installments
- **Eligibility**
 - Must be a commercial or industrial customer of Webster City's municipal utility and have a demand > than 50 KW/month
 - Must have a qualifying energy efficiency project
 - Must not have started the project
- **Technical Support**
 - City can assist with helping the business evaluate potential projects
- **Efficiency Rebates**
 - Applicable energy rebates may still also apply
- **Deadline**
 - Although this program expired in 2012, the City would consider reauthorizing it for a specific project.



Links to More State Incentives

- [Financial Incentives](#), including the demonstration fund, targeted small business program, entrepreneurial assistance and more.
- [Tax Incentives](#), including brownfield tax credits, Endow Iowa, investor tax credits, and more.



Contact Us

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