

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 Governor-appointed board reviews applications and makes 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. The Baseball Softball Complex Sales Tax Rebate is also awarded by the EI 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 FY2020. 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.

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 and water 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 for CAT funding. Eligible expenses could also include fixtures or equipment that are integral to the structure and operation of the building.

All work already completed on a project is not eligible for CAT funding. This includes design and architectural fees and site preparation expenses. 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 costs can be allocated to the CAT 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
- Nonprofit Organizations
- School District as a co-applicant with a City or County

What is a typical CAT Award?

Historically, CAT awards range between 10-20% of the final negotiated project cost, though recent awards about averaged 14-16% of project costs. The EI Board has a policy of not awarding more than a \$1 million to a single project.

What level of matching funds is required?

Applications must document at least sixty-five percent (65%) of the total project cost has been committed to the project. Commitments must be in writing.

The EI Board leverages non-state funds as much as possible to invest in projects throughout Iowa. Applicants should NOT assume a 65% match is adequate. To be competitive in the application process, applicants should strive to have as many matching funds as possible before applying. CAT funding is “last dollar in,” which means the EI Board will not make an award until the funding gap is closed or they are confident the applicant can close the gap within 30-60 days.

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. All in-kind donations must be documented with signed pledges. Any real property donated to the project must have a current appraisal or assessment document to establish the value.

Short term loans and/or financing cannot be used to help an applicant reach the 65% fundraising threshold.

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 do not count as match until the applicant can document at least 50% of the funds have been raised.

What about funding from the City and the County?

The EI Board requires cash contributions from the city and the county in which the project will be located. These contributions can be a multi-year pledge and must be documented in writing.

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, subject to available funds. Deadlines for application submission are January 15, April 15, July 15, and October 15.

When should a Notice of Intent to Apply be submitted?

When you have a good estimate of when you plan to apply and for how much, you should submit the Notice of Intent to Apply. A Notice of Intent to Apply is required, before submitting a CAT grant application.

Is there a required format for my application?

A new application form was released on May 8, 2019. This form is available by contacting the EI Program Manager. Prior to submitting an application, please submit a Notice of Intent to Apply. Applications should be printed in a font no smaller than 10-point type in a three-ring binder. One original and one copy along with one electronic version should be submitted.

A clearly marked original plus one copy 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)

If construction is started during the review process, work done and funds spent are ineligible for funding and must be excluded from the CAT application. Failure to disclose funds spent prior to receiving an award may result in the return of all grant funds.

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 anywhere 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 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 application 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 EI Board expects that the project will be completed in its entirety, as proposed in the application.

Are any contingencies allowed when an award is made?

Yes, the EI Board may make 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 a CAT award if we have already received one?

While the EI 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 the 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 the eligibility criteria must be met. Beyond that, here are a few areas that can be very important:

- **Good planning and vision.** The EI 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 complement 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.