



Financial Resources



Partners in Progress for Business and Community Success

Iowa Area Development Group (IADG) has a broad knowledge of the financial resources available at the federal, state, and local levels. Rural Iowa offers some particular advantages that should be considered. Below are programs that IADG frequently uses to assist businesses with location or expansion projects.

FEDERAL PROGRAMS

Rural Economic Development Loan (REDL)

0% Rural Economic Development Loan

Designed to assist job creation projects in rural areas. Rural utilities can apply to this unique USDA program that allows for up to \$2 million in 0% interest financing to assist with business expansion.

- Maximum Loan Amount: \$2 million*
*Maximum amount subject to change by USDA
- Maximum Term: 10 years
- Interest Rate: 0%
- Maximum Payment Deferral: 24 Months

New Markets Tax Credit

The New Markets Tax Credit (NMTC) program was created to address the lack of capital available to business and economic development ventures in federally defined "distressed census tracts" throughout the country. The NMTC provides the incentive resulting from an associated 39% federal tax credit to a qualifying investor.

STATE

The State of Iowa offers assistance in the form of loans and/or forgivable loans, as well as tax credits; based in part on job creation, capital investment, the ability to meet certain wage standards, quality of employment, and economic benefits for the state and local community. Funds are also available for job training initiatives.

LOCAL

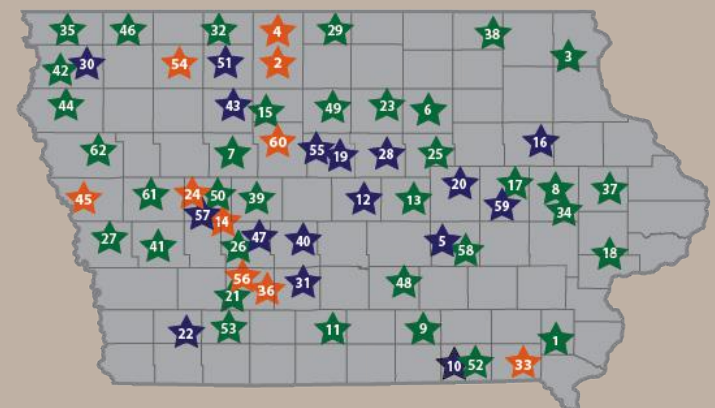
Tax Increment Financing (TIF)

Tax Increment Financing may be used to offset the cost of public improvements and utilities that will serve the new private development, to finance direct grants or loans to a company, or to provide the local match for federal or state economic development assistance programs.

Revolving Loan Funds

Locally administered revolving loan funds (RLFs) are available to support business expansions and other community development projects. IADG members operate 62 individual revolving loan funds across Iowa, capitalized at \$62 million.

IOWA UTILITY PARTNER REVOLVING LOAN FUNDS



Rural Electric Cooperatives
Municipal Utilities
Independent Telecommunications Companies

IOWA BUSINESS ADVANTAGES

Sales Taxes:

- Special Sales Tax Exemption on Services
- Sales Tax Exemption for Machinery & Equipment
- Replacement Parts for Processors
- Dock to Dock Machinery & Equipment Exemptions
- Sales Tax Exemptions on Utility Usage

Income Taxes:

- Single Factor Apportionment
- S-Corps Can Apportion
- Refundable Research & Development Credit
- Federal Income Tax Deductibility

Credit & Incentives:

- Refundable Research Activities Credit
- Sales Tax Exemption on New Construction Materials
- Job Training Credit

Other Tax Benefits in Iowa:

- No Property Tax on Machinery & Equipment
- Fuel Tax Exemption for Truck Idling
- Fuel Tax Exemption for Off-Road and Refrigeration Trailer Usage

IADG PROGRAMS

The IADG Energy Bank Revolving Loan Fund

The IADG Energy Bank provides low interest financing for energy efficiency projects for commercial businesses; including equipment replacement, energy efficiency upgrades through facility modernization, and renewable energy initiatives. Preference will be given to manufacturers.

- **Rate:** Currently 1%
- **Loan Amount:** Determined by project energy savings. \$50,000 – \$300,000
- **Origination Fee:** 1% of loan amount which can be financed
- **Servicing Fee:** None, electronic payments required
- **Term:** Up to 10 years
- **Timeline:** Determined by application readiness and borrower initiative
- **Reporting Requirements:** Federal and State regulatory compliance and reporting required

Ripple Effect

Ripple Effect works to advance the vitality of rural Iowa by partnering with Independent Telecommunication Companies (ITCs) in their business and community development initiatives.

- Direct loan assistance to business and industry
- Grants available to communities
- Financial contributions provided by Aureon are intended to match assistance provided by an ITC
- Local public or private sector investment required for all projects
- Flexible program with low-interest rates, other favorable terms for applicants



CUSTOM BUSINESS ANALYSIS

IADG has identified up to 8 categories that are critical to location decisions, and can offer a custom analysis and accurate comparison of the annual tax and business costs of your current location compared to a potential Iowa location.

These categories are:

- Income Taxes
- State Sales Tax
- Workers Compensation Rates
- Property Tax
- Wage Comparisons by Classification
- Utilities
- Building and Land Costs
- Incentives and Applicable Tax Credits



IADG SERVICES AND SUPPORT

At IADG, we are committed to providing consultation and assistance that helps communities and businesses achieve their project development goals. With over three decades of success, IADG has assisted with over **2,100 projects**, resulting in over **\$12 billion** in capital investment; creating and retaining over **53,000 jobs**.

We can assist with:

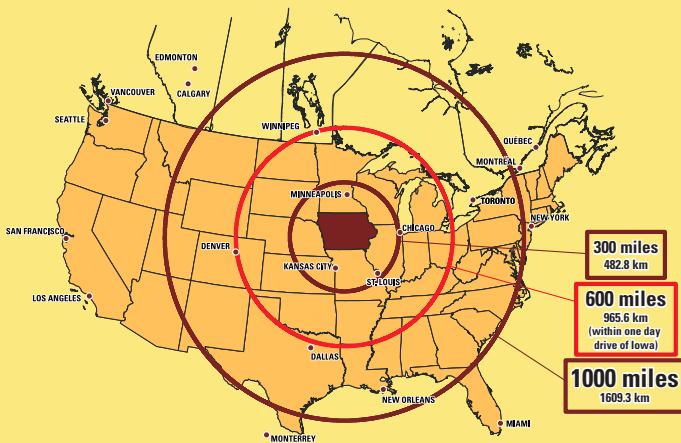
- Site and Building Selection
- Financial Incentive Packaging
- Technical Assistance
- Data Resources
- Marketing and Communication Services
- Community Resources and Services

IADG SPONSORS AND MEMBERS

IADG is the business and community development leader for over 220 member-owned electric cooperatives, municipal utilities and independent telecommunication companies throughout the state. This network provides direct access to energy and telecommunication resources to support business growth.



LOCATIONAL ADVANTAGES



Iowa sits in the center of an eight-state market of nearly one million businesses and thirty-five million people. With three Interstate highways (I-35, I-80 and I-29) and a network of highways, rail freight track, statewide airport coverage and barge terminals, Iowa provides efficient and cost-effective transportation choices.

- Nearly 4,000 miles of rail freight track
- 491 miles of navigable waterways
- 175 million pounds of cargo transported through Iowa's airports annually
- I-35 and I-80 are two major coast-to-coast, border-to-border interstates passing through Iowa

2600 Grand Avenue, Suite 430
Des Moines, IA 50312

800.888.4743
www.IADG.com
iadg@iadg.com

IADG
Iowa Area Development Group

PARTNERS IN PROGRESS