

## Red Tape Review Rule Report (Due: September 1, 2025)

<b>Department Name:</b>	IEDA	<b>Date:</b>	6/4/24	<b>Total Rule Count:</b>	8
<b>IAC #:</b>	261	<b>Chapter/ SubChapter/ Rule(s):</b>	Chapter # 118	<b>Iowa Code Section Authorizing Rule:</b>	15.313
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**PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE**

**What is the intended benefit of the rule?**

The intended benefit of chapter 118 is to describe the policies and procedures applicable to the strategic infrastructure program. The program to assists projects that develop commonly utilized assets that provide an advantage to one or more private sector entities or that create necessary physical infrastructure in the state, and such projects are not adequately provided by the public or private sectors.

**Is the benefit being achieved? Please provide evidence.**

Yes, IEDA is able to efficiently administer the program.

**What are the costs incurred by the public to comply with the rule?**

Entities interested in applying for financial assistance may require staff time to complete an application. Recipients may similarly incur costs to comply with reporting and monitoring requirements of the program. Some applicants may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary, depending on the compensation of staff or service providers involved.

**What are the costs to the agency or any other agency to implement/enforce the rule?**

IEDA staff time is required to review and approve applications, draft and execute program contracts, disburse funds, review reports, and communicate with program applicants and recipients.

**Do the costs justify the benefits achieved? Please explain.**

Yes. Only entities that will potentially benefit from the program incur any costs. The costs to the state to administer the program are proportional to the activities supported by financial assistance.

**Are there less restrictive alternatives to accomplish the benefit?  YES  NO**

**If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.**

The application and administrative requirements of the rules are no more than necessary to thoroughly evaluate applications and administer financial assistance.

**Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]**

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Yes.

Rule 261.118.1 is unnecessary and should be rescinded.

Rule 261.118.3 should be updated so that the definition of “council” includes a committee appointed pursuant to Iowa Code section 15.117A, subsection 7, as enacted by 2024 Iowa Acts, Senate File 2385. The definition of “eligible project” is unnecessary and can be eliminated from the rule. The definition of “strategic infrastructure” should be amended to refer to Iowa Code section 15.313 which defines the term.

Rule 261.118.4 should be rescinded. Portions of the rule relevant to award administration can be incorporated into rule 261.118.8.

Rule 261.118.5 should be updated to remove language that is duplicative of statutory language and to be more concise.

Rule 261.118.6 should be updated to be more concise and to clarify the current review process.

Rule 261.118.7 should be updated to be more concise and to eliminate the assignment of specific point values to the scoring criteria.

Rule 261.118.8 should be updated to incorporate portions of rule 261.118.4 that relate to award administration.

**RULES PROPOSED FOR REPEAL (list rule number[s]):**

261.118.1  
261.118.4

**RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):**

CHAPTER 118  
STRATEGIC INFRASTRUCTURE PROGRAM

**261—118.1(15) Purpose.** The purpose of the strategic infrastructure program is to assist projects that develop commonly utilized assets that provide an advantage to one or more private sector entities or that create necessary physical infrastructure in the state, and such projects are not adequately provided by the public or private sectors.

**261—118.2(15) Definitions.**

“*Authority*” means the economic development authority created in Iowa Code section 15.105.

“*Board*” means the members of the economic development authority appointed by the governor and in whom the powers of the authority are vested pursuant to Iowa Code section 15.105.

“*Council*” means the Iowa innovation council established pursuant to Iowa Code section 15.117A, or any panel or committee composed of members of the council, or a committee appointed pursuant to Iowa Code section 15.117A(7) as enacted by 2024 Iowa Acts, Senate File 2385.

“*Director*” means the director of the economic development authority.

“*Financial assistance*” means the same as defined in Iowa Code section 15.102.

“*Program*” means the strategic infrastructure program established in this chapter.

“*Strategic infrastructure*” means the same as defined in Iowa Code section 15.313.

“*Vertical improvement*” means the same as defined in Iowa Code section 15J.2.

**261—118.3(15) Program eligibility and application requirements.** To be eligible for financial assistance under the program, an applicant shall do all of the following:

**118.3(1)** The applicant must propose to invest in strategic infrastructure and describe how each element in Iowa Code section 15.313(4) “b” is satisfied.

**118.3(2)** The applicant must describe in detail the nature, scope, design, and goals of the strategic infrastructure project, including the relationships of the entities and individuals involved.

**118.3(3)** The applicant must describe the strategic infrastructure project’s proposed financing structure, including the sources of funds and the proposed uses of the funds.

**261—118.4(15) Application submittal and review process.**

**118.4(1)** The authority will develop a standardized application process and invite applicants with projects that may be eligible for the program to apply. To apply for assistance under the program, an applicant shall submit an application to the authority in the form and manner prescribed by the authority.

**118.4(2)** Applications will be accepted on a continuing basis and processed by authority staff. Applications will be reviewed in the order received by the authority.

**118.4(3)** The authority may refuse to accept incomplete applications or may refuse to accept applications because of insufficient funds.

**118.4(4)** The council will score applications according to the criteria specified in rule 261—118.7(15) and make recommendations to the board pursuant to Iowa Code section 15.313(3). The board will take final action on all applications for financial assistance.

**261—118.5(15) Application scoring criteria.** The criteria under which each application will be scored are:

**118.5(1)** The overall quality of the project. The council will consider a project’s estimated economic impact and the extent to which it contributes to the overall quality of the project. The council will also consider the structure of the proposed project and the nature of the partnerships proposed to be formed as part of the proposed project.

**118.5(2)** The extent to which the commonly utilized asset proposed by the project benefits one or more private sector entities and the extent to which the commonly utilized asset creates necessary physical infrastructure in the state. More points will be awarded to projects demonstrating greater benefits or benefits to more entities and to projects demonstrating more critical necessary physical infrastructure.

**118.5(3)** The extent to which the proposed project provides benefits that are not adequately provided by the public or private sectors.

**118.5(4)** The importance of the vertical infrastructure improvement developments, facilities and equipment upgrades, or the redevelopment or repurposing of underutilized property or other assets that are proposed, the extent to which the proposed project will attract additional public or private sector investment, and the likelihood that the project will result in broad-based prosperity in the state.

**118.5(5)** The sufficiency of the proposed project’s financing structure, the feasibility of the sources of funds, and the appropriateness of the proposed uses of the funds. The council will consider a proposed project’s overall financing gap and the total amount of funds leveraged from other sources.

**261—118.6(15) Award administration and reporting.**

**118.6(1) Notice of award.** Successful applicants will be notified in writing of an award of financial assistance, including any conditions and terms of the award.

**118.6(2) Contract administration and amendments.** The authority will prepare a contract for each project receiving an award from the board. The contract will reflect the terms of the award and may include other terms and conditions reasonably necessary for implementation of the program pursuant to this chapter. Substantial amendments to a contract must be approved by the board. Substantial amendments include the amount of financial assistance, the length of the contract, and the terms of a settlement following an event of default. Other changes or amendments to the contract may be negotiated by the authority with the approval of the director.

**118.6(3) Disbursement of funds.** The authority will disburse funds to a project only after a complete application has been received, an award has been recommended by the council and approved by the board, a contract has been executed between the applicant and the authority, and all applicable conditions for disbursement have been met, including the submission of documentation pertaining to the eligible expenditures. Disbursement of funds under the contract will be on a reimbursement basis for expenses incurred by the applicant as provided under the contract.

**118.6(4) Reporting.** An applicant receiving assistance under the program shall submit any information reasonably requested by the authority in sufficient detail to permit the authority to prepare any reports required by the authority, the board, the general assembly or the governor’s office.

These rules are intended to implement Iowa Code section 15.313.

**\*For rules being re-promulgated with changes, you may attach a document with suggested changes.**

**METRICS**

<b>Total number of rules repealed:</b>	<b>2</b>
<b>Proposed word count reduction after repeal and/or re-promulgation</b>	<b>659</b>
<b>Proposed number of restrictive terms eliminated after repeal and/or re-promulgation</b>	<b>12</b>

**ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?**

No.