

Gregg;

What follows are the qualifying criteria for an Enterprise Zone:

a.Requirements.

To be eligible for enterprise zone certification, a designated area within a city which includes at least three census tracts with at least 50 percent of the population in each tract located in the city, as shown by the 2000 certified federal census, must meet at least two of the following criteria:

X(1)The area has a per capita income of \$12,648 or less based on the 2000 census.

(2)The area has a family poverty rate of 12 percent or higher based on the 2000 census.

(3)Ten percent or more of the housing units are vacant in the area.

X (4)The valuations of each class of property in the designated area is 75 percent or less of the citywide average for that classification based upon the most recent valuations for property tax purposes.

(5)The area is a blighted area, as defined in Iowa Code section 403.17.

b.Population limits.

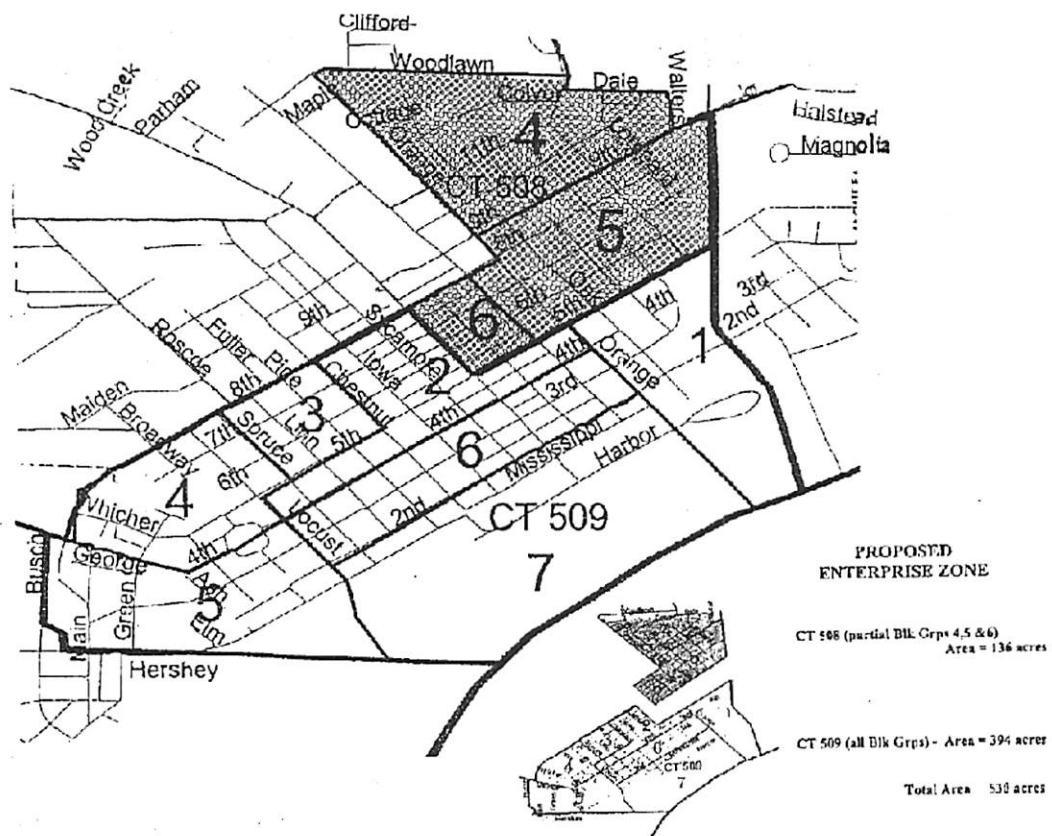
A city which includes at least three census tracts with at least 50 percent of the population in each tract located in the city, as shown by the 2000 certified federal census, may request enterprise zone certification by the board. The zone shall consist of one or more contiguous census tracts, as determined in the most recent federal census, or alternative geographic units approved by the department, for that purpose. In creating an enterprise zone, an eligible city may designate as part of the area tracts or approved geographic units located in a contiguous city if such tracts or approved geographic units otherwise meet the criteria on their own and the contiguous city agrees to be included in the enterprise zone.

c.Zone parameters.A city may establish more than one enterprise zone. The area meeting the requirements for eligibility for an enterprise zone shall not be included for the purpose of determining the 1 percent aggregate area limitation for enterprise zones. If there is an area in the city which meets the requirements for eligibility for an urban or rural enterprise community under Title XIII of the federal Omnibus Budget Reconciliation Act of 1993, such area shall be certified by the state as an enterprise zone.

This is the proposed Enterprise Zone for renewal.



Current Enterprise Zone, Expiring June 2011



ENTERPRISE ZONE PROGRAM

IOWA
economic DEVELOPMENT

Promoting Development in Economically Distressed Areas

HELPING BUSINESS TO UTILIZE DESIGNATED ENTERPRISE ZONES

Enterprise Zones are designed to stimulate development by targeting economically distressed areas in Iowa. Through state and local tax incentives, businesses and developers are encouraged to make new investments and create or retain jobs in these areas. The goal of the program is to revitalize these areas and make them competitive with other locations throughout the state. View a map of Iowa counties and cities that have established Enterprise Zones at www.iowalifechanging.com/business/enterprise_zones.aspx.



Eligibility Requirements:

- The business must make a minimum qualifying investment of \$500,000 within a three-year period. A qualifying investment includes the cost of land, buildings, improvements to buildings, manufacturing machinery and equipment and/or computer hardware.
- The business must create or retain at least 10 full-time, project-related jobs within a three-year period and maintain them for an additional two years.
- The business must provide some level of medical benefits to all full-time employees. Additionally, the business must also provide all full-time employees with a standard medical and dental insurance plan of which the business pays 80 percent of the premiums for employee-only coverage, pays 50 percent of the premiums for family coverage or provides a monetarily-equivalent benefit package.
- The business must pay new or retained employees a starting wage which is equal to or greater than 90 percent of the average county or regional wage, whichever is lower. Wage thresholds requirements are available at <http://www.iowalifechanging.com/business/wagerates.aspx>.
- The business cannot be a retail establishment or a business whose entrance is limited by coverage charge or membership.
- The business cannot close or relocate its operation in one area of the state and relocate substantially the same operation in an Enterprise Zone.
- The local Enterprise Zone Commission and the Iowa Department of Economic Development must approve the business' application for Enterprise Zone program incentives prior to project initiation.



IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT

200 East Grand Avenue
Des Moines, Iowa 50309-1819 U.S.A.

International: +1.515.725.3100
Domestic: 1.800.245.4692



An Incentive for Business Expansion

Businesses locating or expanding in an established Enterprise Zone may be eligible to receive certain local and state tax incentives:

- A local property tax exemption of up to 100 percent of the value-added to the property to a period not to exceed 10 years may be available.
- Funding for training new employees. If applicable, these funds would be in addition to those authorized under the Iowa New Jobs Training Program.
- A refund of state sales, service or use taxes paid to contractors or subcontractors during construction.
- A refund of sales and use taxes paid on racks, shelving and conveyor equipment for distribution center projects.
- An investment tax credit of up to a maximum of 10 percent of the qualifying investment, amortized over five years. This tax credit is earned when the corresponding asset is placed in service and can be carried forward for up to seven additional years or until depleted, whichever occurs first.
- The State's refundable research activities credit may be increased while the business is participating in the program.

Businesses locating or expanding in an Enterprise Zone may apply for benefits by completing an application (download available below). Local Enterprise Zone Commissions review applications and, upon approval, forward them to the Iowa Department of Economic Development (IDED) for final approval. Access the financial assistance application process at <http://www.iowalifechanging.com/applications/bus-dev/default.aspx>.

Learn More

Iowa is a right to work state with a superior business climate that offers flexible assistance for qualifying business expansions or relocations. Its low cost of doing business, pro-business government, central geographic location and world class workforce and education systems make Iowa a great place to do business.

Contact the Iowa Department of Economic Development at any time with questions or to discuss your business. Our staff will provide technical assistance to your business and offer confidential site consultation services.

For more information on these and other programs, contact the Iowa Department of Economic Development (IDED)
1.800.245.IOWA +1.515.725.3100 businessfinance@iowa.gov

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Department of Economic Development

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Housing Enterprise Zones

An Incentive for Housing Development

Developers and contractors building or rehabilitating housing in an established Enterprise Zone may be eligible to receive certain state tax incentives.

Eligibility Requirements

- The developer or contractor must build or rehabilitate at least four single-family homes or at least one multi-family building containing three or more units in a certified Enterprise Zone.
- The housing must, when completed and made available for occupancy, meet HUD Housing Quality Standards and local housing codes.
- The housing project must be completed within two years of the start of construction or rehabilitation.
- The local Enterprise Zone Commission and IDED must approve the developer or contractor's application for Enterprise Zone program incentives prior to project initiation.

Tax Incentives

- A refund of state sales, service or use taxes paid during construction.
- An investment tax credit of up to a maximum of 10% of the investment directly related to the construction or rehabilitation of the housing.* The tax credit is based on the new investment used for the first \$140,000 of value for each home or unit. This tax credit is earned when the home or unit is certified for occupancy and can be carried forward for up to seven additional years or until depleted, whichever occurs first.

*If the project is, in part, financed through federal, state, and local government tax credits, grants, and forgivable loans, these monies can not be included for purposes of calculating the investment tax credit.

Application and Other Materials

- Housing Enterprise Zone Application [[MS Word: 74 KB](#)]
- Housing Enterprise Zone Report [[MS Word: 31k](#)] — January 1 - December 31, 2009
- Sales and Use Tax Refunds [[MS Word: 30k](#)]
- Requesting a Replacement Tax Credit Certificate [[MS Word: 29k](#)]
- Instructions for Requesting a Replacement Tax Credit Certificate [[MS Word: 30k](#)]

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Contact Us

To learn how Enterprise Zones can benefit your housing development:

Phone: 515.725.3082

E-mail: housing@iowalifechanging.com

IowaLifeChanging.com is the official website of the Iowa
Department of Economic Development | 515.725.3000 | [Partner
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 Export Trade Assistance (ETAP)
 Grow Iowa Values (GIVFAP)
 High Quality Jobs Information
 Technology Joint Venture Fund
 International Business & Trade
 Iowa Film Office
 Networking Fund
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 SmartCareer Move TM
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