

ECONOMIC DEVELOPMENT AUTHORITY [261]

Notice of Intended Action

Pursuant to the authority of Iowa Code section 15.106A, the Iowa Economic Development Authority gives Notice of Intended Action to adopt new Chapter 42, “Iowa Tourism Grant Program,” Iowa Administrative Code.

The rules in Chapter 42 describe the Iowa Tourism Grant Program. The purpose of the Iowa Tourism Grant Program is to promote tourism in Iowa by funding tourism-related marketing initiatives and meetings, events, and professional development efforts that benefit both local economies around the state and the state’s economy. These rules describe the nature and the amount of the grant awards to be made, the program eligibility requirements, the application requirements and process, the scoring process, and the administration of grant contracts under the program.

The Economic Development Authority Board approved these rules at a Board meeting on February 21, 2014. Interested persons may submit comments on or before April 8, 2014. Comments may be submitted to: Shawna Lode, Economic Development Authority, 200 East Grand Avenue, Des Moines, Iowa 50309; telephone number (515) 725-3090; e-mail: shawna.lode@iowa.gov.

These amendments do not have any fiscal impact to the state of Iowa.

After analysis and review of this rulemaking, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 15.106A.

The following amendments are proposed.

Item 1. Adopt the following **new** 261—Chapter 42:

261 –42.1 Definitions.

For purposes of this chapter unless the context otherwise requires:

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

“Collaborative application” means an application in which either multiple partners are providing monetary support for the project or multiple partners are actively participating in the project or both.

“Head applicant” means the applicant on a collaborative application who is both the recipient of the funds and the administrator of the project.

“Marketing” means planning for or implementing efforts to publicize a community, event or destination using a range of strategies, tools and tactics.

“Meetings, Events & Professional Development” means the acquisition of or attendance at regional or national tourism-related meetings and conventions; execution of local festivals or similar tourism events that positively impact the local and state economy; or execution of local or regional tourism-related education opportunities.

“Project” means a tourism-related marketing initiative; or meeting, event or professional development effort that benefits both the state and local economy.

“Tourism” means a site or event that attracts people from beyond a 50 mile radius or people who spend the night away from home to visit a site or event.

“Rural Area” means either a city with a population of 10,000 or less, or a county that is among the 33 least populated in Iowa based on the latest data from the US Census Bureau.

261 – 42.2 Program description.

42.2(1) The authority will accept competitive applications for tourism-related projects in each fiscal year in which funding is available. Projects will be awarded based on the criteria

described in subrule 42.4(1) and the authority will award projects in a manner designed to prioritize those projects that provide the greatest benefit to the state and local economy.

42.2(2) The maximum grant award is \$5,000 per application. The minimum grant award is \$500 per application.

42.2(3) The authority will make awards based on the total amount of funding available each fiscal year. Funds will be awarded as reimbursement for expenditures that are directly related to the implementation of an eligible project.

42.2(4) There are two classes of applications: 1) tourism-related marketing initiatives and 2) event-based applications, which include meetings, events or professional development efforts. An applicant may submit two applications within a class type or one application within each class type but shall not submit more than two applications each fiscal year. If one of the applications submitted by the applicant is a collaborative application, it will be included among the head applicant's total number of allowed applications. An applicant shall not receive more than two awards per fiscal year.

261 – 42.3 Program eligibility and application requirements.

42.3(1) Eligibility. To be eligible under the program, an applicant shall meet all of the following requirements:

a. The applicant must be a tourism-related entity based in the state of Iowa, including a nonprofit or for-profit organization; or city, county or regional government or planning entity.

b. The applicant shall demonstrate an amount of local match equal to at least twenty-five percent of the amount of grant funds to be received by the applicant under the program. The local match shall be in the form of cash.

c. The applicant shall submit a completed application including all of the information

described in subrule 42.3(2).

d. The applicant shall submit the application on or before the application deadline established in subrule 42.3(3).

42.3(2) Application Requirements. When submitting an application for grant funds under the program, an applicant shall include all of the following information:

a. The applicant's name, mailing address, email address, telephone number, contact person, and federal employer identification number. If the application is a collaborative application, the head applicant shall identify itself and provide the names of all partner applicants.

b. A detailed description of the project, including an explanation of how the project either markets tourism in Iowa or is a tourism-related meeting, event or professional development opportunity, and an explanation of how state funds will support it.

c. Documentation that the grant request is consistent with the cost of implementing the project.

d. Written documentation establishing the amount and source of the required local cash match.

e. Detailed information sufficient to enable the authority to accurately assess the impact and quality of the project described in the application. Such information shall include how the project is part of an overall plan to increase tourism locally and in the state of Iowa.

f. If the applicant is an event, attraction, restaurant or lodging facility, then the applicant must provide verification that the information about the applicant has been updated at or added to the authority's web site, www.traveliowa.com, within the 18 months preceding the application deadline. The authority may waive this requirement at its sole discretion.

42.3(3) Deadlines. The authority will only consider applications received on or before the applicable deadline. The deadline shall be 4:30 p.m. the first Monday in August of each fiscal year unless the authority, at its sole discretion, provides a different deadline for the submission of applications. The authority may provide a different deadline for the program as a whole, but the authority will not change the deadline at the request of any individual applicant. The authority will develop an application process and post all relevant application information, including deadline changes, on its internet site at www.traveliowa.com.

261 – 42.4 Application scoring and approval process.

42.4(1) Scoring criteria. The authority will not review or score an application unless it meets the requirements and deadlines of rule 42.3. An application meeting the requirements and deadlines of rule 42.3 will be given a numerical score between zero and 100. The higher an application's numerical score, the more likely it will receive funding under the program. The criteria used to score the applications and the maximum number of points that may be attributed to each criterion are as follows:

a. Project information: 15 points. The applicant will explain the project, the timeline for its creation and implementation and how state funds will support it. The authority will view favorably information that clearly articulates the project, sets forth a reasonable timeline for the project's creation and implementation, and fully describes how state funds will be used to support the project.

b. Tourism industry growth: 15 points. The authority will consider how the project supports the mission of the Iowa tourism office and how the project grows the state and local economy. The authority will view favorably applications that are most in line with the mission of the Iowa tourism office and have the most potential to create economic growth.

c. Participation in the tourism industry: 15 points. The authority will view favorably applicants whose representatives are active in the tourism industry. Examples of active participation in the tourism industry include but are not limited to membership in one or more tourism regions; attendance at the Iowa tourism conference; participation in the Iowa tourism office's partnership programs (cooperative and Iowa travel guide advertising); participation in the Travel Federation of Iowa's District Leader Program; and participation in other state-wide tourism-related groups such as the Iowa Group Travel Association and Iowa Destination Marketing Alliance.

d. Need: 15 points. The authority will consider the financial need of an applicant and will recognize the importance of funding projects that would not take place without assistance under the program.

e. Quality & Strategy: 15 points. The authority will favorably view projects that are part of a broader strategy to increase tourism locally and in the state of Iowa.

f. Local Cash Match/Leveraged Funds Ratio: 10 points. The authority will consider the proportion of local cash match to the project's total budget and will view favorably applications with the highest ratio of local cash match to the project's total budget.

g. Collaboration: 5 points. The authority will view favorably applications that represent a collaboration of multiple entities.

h. Iowa tourism office recognition: 5 points. Applicants may determine the most appropriate way to recognize the authority's Iowa tourism office for its investment in the project. The authority will view favorably the applicants with a well-developed plan to recognize the Iowa tourism office.

i. Population diversity: 5 points. Applications from an applicant based in a rural area, as

defined in rule 42.1, will receive 5 points. Applications from applicants not based in a rural area will receive zero points. If the application is a collaborative application, population diversity will be based on the community of the head applicant.

42.4(2) Approval process. The director of the authority will establish a review committee consisting of members of the Iowa tourism industry. The committee will score all completed applications according to the criteria described in subrule 42.2 and 42.3 and will use those scores to determine successful applicants. The committee may recommend partial funding of any and all applicants. If, after initially scoring all of the completed applications, the review committee is not able to allocate all the funds available, the authority may allow one or more additional rounds of applications to be submitted and scored. Before the execution of contracts, the authority will provide an award letter for each successful applicant to indicate acceptance or rejection of the recommended award amount. If any awards are rejected, the authority may allow one or more additional rounds of applications to be submitted and scored. For each additional round of applications, the authority will follow the same eligibility requirements and use the same scoring criteria as used in earlier rounds. The authority may accept as many rounds of applications for awards as it deems appropriate.

261 – 42.5 Contract administration.

42.5(1) Notice of approval. The authority will notify successful applicants in writing of an approved request for funding. Such a notification may include the terms or conditions under which approval is granted.

42.5(2) Contract required. Each successful applicant that accepts the recommended award amount shall enter into a contract with the authority. The contract will describe the project that the applicant will institute as described in the application and will include the terms and

conditions under which the grant funds will be disbursed. The contract will also include the terms and conditions under which grant funds must be repaid or penalties incurred in the event the grantee does not fulfill all obligations under the contract.

42.5(3) *Contract amendments.* All requests by a grantee for an amendment to the contract will require the approval of the director of the authority. The director will review each such request and approve or deny it. If a request is approved, the grantee and the director will execute a written amendment to the contract. Only a written amendment duly executed by both parties to the contract will be valid and binding.

42.5(4) *Reports required.* Each grantee shall submit a written report to the authority within 60 days of the end of the project completion date, as specified in the contract.

42.5(5) *Record keeping.* Each grantee shall maintain all records necessary for the verification and validation of the proper use of grant funds under the contract and shall submit such records to the authority upon request.

261 – 42.6 Expenses, records, and reimbursements.

42.6(1) *General.* Each grantee shall at all times incur expenses and be reimbursed for such expenses by the authority only as described in this chapter or in a contract executed hereunder. The authority may deny reimbursement for any expenditure not directly related to the implementation of a tourism-related marketing project; or meeting, event or professional development project.

42.6(2) *Eligible expenses.* Only expenditures directly related to the implementation of a tourism-related marketing project; or meeting, event or professional development project will be reimbursed under the program. Examples of eligible expenses include the following:

- a. The cost associated with all phases of the execution of marketing tactics and strategies,

including planning and design and production of tools such as advertising, print materials, digital tools and exhibits.

b. The cost to register for a tourism-related regional or national conference.

c. The costs associated with producing or hosting a meeting or training that shares best practices or otherwise provides tourism-related education, including but not limited to payments to speakers, payments to vendors, venue rental and equipment rental.

d. The costs associated with acquiring a regional or national meeting, including but limited to bid fees, rights fees, sponsorships, payments to vendors, venue rental and equipment rental.

e. The costs associated with executing a local event or festival, including but not limited to payments to vendors, speakers, or entertainers, venue rental, and equipment rental for new events or existing events in Iowa seeking to augment the event.

42.6(3) *Ineligible expenses.* Expenses that are not directly related to the implementation of a tourism-related marketing effort; or meeting, event or professional development project will be deemed ineligible. Ineligible expenses include but are not limited to solicitation efforts; lobbying fees; items that are purchased for resale; prizes given to participants or event/festival attendees; alcoholic beverages; internships; all travel, meal and lodging costs of applicant staff or its contractor; projects that receive funding from the authority's regional sports authority district program; marketing programs already subsidized by the authority, including but not limited to, advertising in the Iowa travel guide or participation in the cooperative partnership program; or a project of an Iowa tourism region.

42.6(4) *Required records and reimbursements.* A grantee shall submit any records requested by the authority as documentation of the expenditures incurred for implementation of

the project. Such records may include invoices, original receipts, or check copies. If a grantee pays an expense using a credit card, the grantee shall submit a copy of a check register or bank statement indicating that the credit card invoice was paid. The authority will not reimburse expenses included on a non-itemized receipt.

42.6(5) *Repayments of certain funds.* If the authority reimburses a grantee for the cost of a refundable bid fee and the grantee is unsuccessful in the effort to win the right to hold that event, then the grantee shall return the amount of such reimbursement to the authority.

42.6(6) *Reallocation of funds.* If, at the time of a grantee's final reporting of expenses, the grantee cannot adequately document eligible expenses or documents an amount that is less than the awarded amount, the Authority may award additional funds to other grantees, open additional rounds of certification, or revert the moneys to the general fund. If the authority awards additional funds to other grantees, such grantees shall submit documentation establishing how such funds will be expended, and the authority will execute contract amendments providing for the expenditure of the additional funds.