

## Financial Assistance

Sioux City and the state of Iowa offer a variety of financial assistance options to help with relocations and expansions. The Sioux City Economic Development staff will work with your company to identify what support is available based in part on job creation, capital investment, ability to meet certain wage standards and economic benefits for the state and community.

## City Of Sioux City Resources

### ***Tax Increment Financing (TIF)***

TIF is the City's most versatile and useful tool for encouraging economic development. The increase in taxes generated by a project within a TIF district can be captured by the City for use in financing public improvements. TIF funds have often spurred development in areas which would otherwise lack proper streets, sanitary sewer, or water.

### ***Low-Interest Loan Program***

A portion of the City's 1% local option sales tax is committed to economic development programs. The City uses these funds to provide direct loans to businesses based on job creation or gap financing needs for the project. Loans are typically at 4% for a term of 5 years and up to \$1,000 per job created and/or retained.

### ***Special Assessment Program***

Through its power to assess property taxes, the City can provide assistance to developers and businesses to construct public improvements such as streets and utilities. The City can complete the improvements and finance the improvements through a loan which will be repaid by a special assessment on the property taxes associated with the development.

### ***Property Tax Abatement***

The City may abate the property taxes on new developments for a period of years. In Urban Revitalization Zones, the program has spurred the growth of new housing developments and renovations of existing homes. In other cases, the State of Iowa has granted the City the authority to abate property taxes for new industrial developments.

### ***Property Tax Rebate***

In TIF districts, an alternative to up front financial awards traditionally associated with TIF, the City can provide a rebate of property taxes. The developer will pay the taxes and receive an immediate rebate from the City. Developers find this tool especially beneficial over the traditional upfront award because the entire amount of the property taxes are rebated. In upfront situations where the City must finance the cost, the cost of financing (usually 30%) is subtracted from the amount of the award.

### ***Urban Renewal***

Urban Renewal in Iowa gives the City the power to acquire private property through condemnation and sell the property to a private redeveloper. Usually this program is used to clear slum and blighted areas, the City will many times use Urban Renewal in conjunction with TIF to clear slum properties and sell the land to a developer.

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## Local Partners

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### [\*\*\*Siouxland Economic Development Corp. \(SEDC\) Revolving Loan Fund\*\*\*](#)

Loan fund providing \$100,000 or 25% of total project costs, whichever is less. The proceeds can be used for capital or fixed assets. The term is based on collateral available and the rate is 2% below that of the participating lender.

### [\*\*\*Siouxland Economic Development Corp. \(SEDC\) Micro Loan Fund\*\*\*](#)

Loan fund providing up to \$35,000 which can be used for working capital, equipment, inventory, supplies, furniture, fixtures, leasehold improvements, and machinery. The rate is fixed currently at 10% for a maximum term of 6 years.

### [\*\*\*SEDC/SBA 504 Loan Program\*\*\*](#)

Up to \$1,500,000 (\$2,000,000 in certain situations) or 40% of the eligible project costs, whichever is less. Certain manufacturers are eligible for up to \$4,000,000. Proceeds may be used only for Fixed assets. The interest rate is 1 1/2% above the 5 and 10 year treasury notes on the SBA portion and the term is 10 or 20 years based on the life of the asset. A typical loan will have a first mortgage of 50%, a 504 debt of 40% and equity of 10%. A one-time fee applies and can be financed as part of the loan.

### [\*\*\*Small Business Development Center\*\*\*](#)

The Small Business Development Center, hosted at Western Iowa Tech Community College, conducts research, counsels, and trains business people in management, financing, and operating small businesses, and provides comprehensive information services and access to experts in a variety of fields. Each SBDC encourages unique local efforts, region to region, state to state, and community to community to meet small business needs in its area.

### [\*\*\*MidAmerican Energy\*\*\*](#)

MidAmerican Energy offers a unique energy efficiency program which provides rebates for building with efficient products including windows, HVAC systems, and other mechanical infrastructure. For larger projects, the rebates and energy savings derived from the efficient building methods have made the difference in the site selection process for many companies.

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State of Iowa

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### [Targeted Jobs Withholding Tax Credit Program](#)

A pilot program providing a withholding tax credit equal to 3% of qualifying wages paid to employees for a ten-year period. The funds can be used for most expenses incurred by a business related to their project.

### [Small Business Innovation Research/Small Business Technology Transfer Outreach Program](#)

This program reviews ideas, offers professional proposal assistance and matching funds for awarded companies.

### [New Job Training Program \(260E Program\)](#)

The Industrial New Jobs Training Program provides businesses, which are expanding their Iowa workforce, with new employee training. Available via Iowa's 15 community colleges, the program is financed through bonds sold by the colleges. Depending on wages paid, the business then diverts 1.5 or 3 percent of the Iowa state withholding taxes generated by the new positions to the community college to retire the bonds.

### [High Quality Job Creation Program](#)

The High Quality Job Creation Program provides qualifying businesses tax credits to off-set the cost incurred to locate, expand or modernize an Iowa facility. To qualify for this very flexible assistance package that includes tax credits, exemptions and/or refunds, a business must be a non-retail or non-service business and meet at least four of the eligibility requirements.

### [Targeted Small Business Program](#)

The Targeted Small Business Program is designed to assist in the creation and expansion of Iowa small businesses that meet all of the following criteria: operating for a profit, annual gross sales of less than \$4 million, and at least 51% owned, operated and managed by women, minorities or persons with a disability.

### [Demonstration Fund](#)

Provides financial and technical assistance to encourage high technology prototype and concept development.

### [Revitalize Iowa's Sound Economy \(RISE\)](#)

The RISE program provides funding for road infrastructure for immediate project needs or for assisting communities in preparing for future development. The program can provide up to 80% of the project's costs in certain situations.

### [Rail Revolving Loan & Grant Program \(RRLG\)](#)

The Railroad Revolving Loan and Grant program (RRLGP) provides assistance to improve rail facilities that will spur economic development and job growth and provide assistance to railroads for the preservation and improvement of the rail transportation system.

### [Iowa Workforce Development](#)

Iowa Workforce Development provides employers and prospective employers in Iowa with all the tools they need to succeed. Everything from employment advertising to job training to customized laborshed analysis and other reports can be obtained through Iowa Workforce Development.

### [Center for Industrial Research and Service of Iowa State University \(CIRAS\)](#)

The Center for Industrial Research and Service provides research, education and technical assistance to manufacturers.

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## Federal Government

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### [Historic Preservation Tax Credit Program](#)

Provides income tax credits for rehabilitation of historically-significant properties. Many properties in Sioux City's downtown district have been the beneficiary this program.

### [New Market Tax Credit Program](#)

The New Market Tax Credit Program provides tax credits to projects in depressed areas. The program's tax credits can be sold providing an infusion of capital into the project. This program was first used by Sioux City officials in conjunction with the redevelopment of a downtown property to serve as a corporate facility for Northwest Airlines.

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