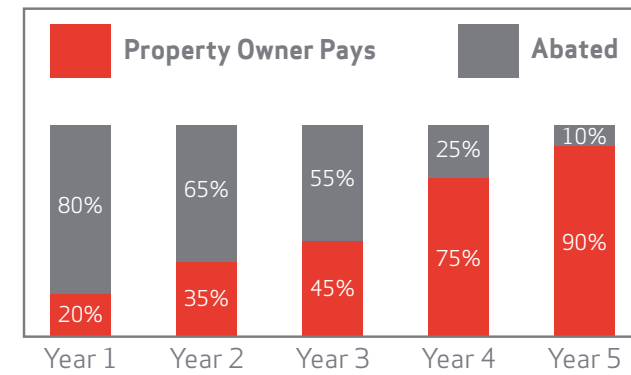


Local and Regional Incentives

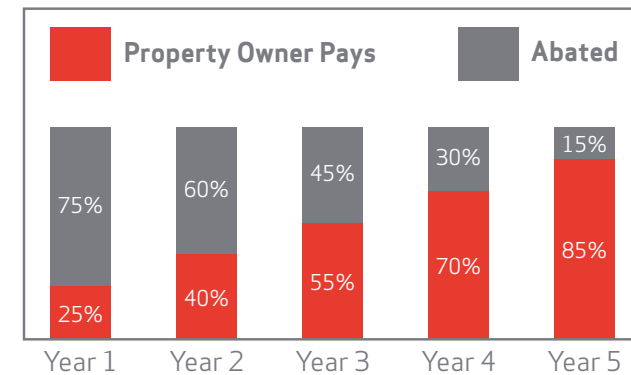
Tax Abatement

The City of Ottumwa and Wapello County, Iowa, have both adopted commercial tax abatement plans as follows:

City of Ottumwa - Industrial Property



Wapello County - Industrial Property



OEDC & Ottumwa Regional Legacy Foundation

Will work with prospects based on target industry, community impact, and high quality (livable wage) jobs.



Tax Increment Financing (TIF)

City councils or county Boards of Supervisors may use property taxes resulting from the increase in taxable valuation due to construction of new industrial or commercial facilities to provide economic development incentives to a business or industry. TIF may be used to pay cost of public improvements and utilities, which will serve the new private development.

Regional Economic Development Investments (REDI)

A loan program designed to support business activities for which conventional financing is not otherwise available (gap financing); the purpose of the program is for business start-ups, expansion or retention of jobs. Funds can be used to modernize facilities, to purchase machinery, equipment, fixtures and leasehold improvements, to finance increased receivables and to augment working capital, to construct new commercial buildings, and to purchase existing land and/or structures. Maximum loan is tied to each job created or retained.

SBA Loan Programs

Loans offered for expansion/renovation; new construction, purchase land or buildings; purchase equipment, fixtures, leasehold improvements; working capital; refinancing debt for compelling reasons; and revolving lines of credit (up to 7 year maturity).

Iowa MicroLoan

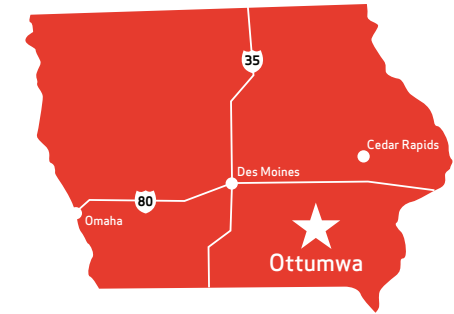
Provides loans for start-up, expansion or refinancing of small business entrepreneurs, as well as a technical assistance action plan tailored to meet the needs of the business.

Pathfinders RC&D Loan Program

Offers a loan program for small and emerging businesses meeting at least one of the following criteria, and will consider funding requests from a variety of businesses: 1) Natural resource based business, 2) Value-added agricultural business, 3) Facilities and services to low income, underemployed or elderly, 4) Small commercial or retail business. The program is made possible through a Rural Development Enterprise Grant from the USDA-Rural Development. The institution is an equal opportunity provider and employer.

Business & Industry Guaranteed Loan Program

- To be eligible the borrower must work with a bank, credit union or other commercial lenders who make loans to rural businesses. The borrower should be a business with strong equity and capital.
- Benefit is to provide an incentive for business lending that will save and create jobs. (Typically for larger businesses). The loans guaranteed can be used for real estate, equipment, working capital & refinancing for non-farm businesses.
- Loan guarantees of 80% for loans up to \$5million and guarantees of 70% on loans over \$5 million and less than \$10 million.
- USDA guarantees business loans made by commercial lenders.
- Maturity is negotiated with lender, but no balloon payments allowed.
- Interest rates are negotiated with lender and can be either fixed or variable rates. Typically rates are near the prime rate.
- 3% guaranty fee on the guaranteed amount of the loan. The loan fee can be financed in the original loan amount.
- For more information on USDA programs go to www.rd.usda.gov/programs-services/business-industry-loan-guarantees/ia



Key Incentives

Knowing that development incentives are second only to workforce availability, Ottumwa Economic Development Corp. assures you that our greatest asset is that of a cooperative community. As a client-focused resource, OEDC assembles an appropriate team of representatives that assist new and expanding industry in navigating the financial support options available for your qualifying project. Let our aggressive, experienced, industry-focused partners lead your business to Ottumwa, Iowa.

Target Industries include Food & Beverage Processing, Machinery Manufacturing, Automotive Supply Chain, and Warehouse & Distribution.

Sharon Stroh

VP, Industrial Development & Organizational Communication

Greater Ottumwa Partners in Progress

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Iowa Incentives

Economic Development Set-Aside (EDSA)

The Economic Development Set Aside (EDSA) program provides financial assistance to businesses and industries requiring assistance to create or retain job opportunities in Iowa. EDSA develops viable communities that provide economic opportunities for people, especially those with low- and moderate incomes. Priority is given to projects that create manufacturing jobs, add value to Iowa resources and/or increase exports.

High Quality Jobs

The High Quality Jobs (HQJ) program provides qualifying businesses assistance to offset some of the costs incurred to locate, expand or modernize an Iowa facility. This flexible program includes loans, forgivable loans, tax credits, exemptions and/or refunds.

New Jobs Tax Credit

This one-time, corporate income tax credit is available to participants in the New Jobs Training (260E) Program. Iowa offers this credit as an incentive for businesses that provide additional training to employees and expand their workforce.

Renewable Chemicals Production Tax Credit

Iowa offers the first in the nation Renewable Chemicals Production Tax Credit. The program incentivizes the production of 30 high-value chemicals derived from biomass feedstocks. According to the U.S. Department of Agriculture, the credit represents the “strongest” incentive package for the bio-based chemical industry. It addresses the unique opportunity to advance Iowa’s economy by focusing on the development of biomass as feedstocks for the production of renewable chemicals.

Research Activities Credit

Iowa sets itself apart as being one of the few states to offer a refundable research activities credit. Iowa companies earn refundable tax credits for research and development investments that may be paid directly in cash to the company once its tax liabilities have been met. A company must meet the qualifications of the federal research credit in order to be eligible.

Targeted Jobs Withholding Tax Credit

The Targeted Jobs Withholding Tax Credit is a pilot program that allows diversion of withholding funds paid by an employer to be matched by a designated pilot city to create economic incentives directed toward the growth and expansion of targeted businesses locally. Match is required for every withholding dollar received.

Demonstration Fund

The Demonstration Fund is designed to provide assistance to companies with market-ready innovative technologies or products that have a clear potential for commercial viability. It assists companies with marketing and business development activities and helps businesses with high-growth potential reach a position to attract follow-on private sector funding.

Proof of Commercial Relevance (POCR)

The Proof of Commercial Relevance (POCR) program is designed to define and articulate the opportunity for businesses that demonstrate a proof-of-concept for innovative technology. It provides funds that can be used for validation of marketing potential through beta testing activities, intellectual property development and evaluation, extended competitive analysis, etc.

Iowa Innovation Acceleration Fund

The Iowa Innovation Acceleration Fund promotes formation and growth of businesses that engage in the transfer of technology to competitive, profitable companies that create high-paying jobs. Funds are designed to accelerate the pace of market development, leverage private investment and industrial expansion efforts that result in significant capital investment. The fund provides financing to eligible businesses through two program components that correspond to different stages of growth for investment-grade, high-growth enterprises.

Small Business Innovation Research (SBIR) & Small Business Technology Transfer (STTR) Outreach Program

The Iowa Economic Development Authority has delegated the delivery of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Outreach Program to the Iowa Innovation Corporation to help companies apply for federal small business funding. This program reviews ideas, offers professional proposal assistance and matching funds for awarded companies. This program assists Iowa companies by reviewing SBIR/STTR grant proposal applications and providing commitments to matching grant funds for Phase I SBIR/STTR awards.

New Market Tax Credits Program

In qualifying tracts, the program works to spur loans and capital investments in business in underserved area. An individual or corporation can receive a tax credit worth 39% of the investment distributed over 7 seven years.

