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RISE

REVITALIZE IOWA'S SOUND ECONOMY

Q&A FOR GRANT APPLICANTS



GRANT FUNDS

Who can apply for RISE funding?

Only counties and cities are eligible to apply for and receive RISE funds. The city/county must let the project for bids. Private developers cannot let the project and be reimbursed by the city or RISE funds.

How much can I apply for?

There is no minimum or maximum award, but funding depends on whether an application is for a Local Development grant (up to 50 percent of total eligible roadway costs) or Immediate Opportunity grant (up to 80 percent, depending on the number of jobs committed). Typical grants awarded have ranged from \$50,000 to over \$1 million depending on the roadway project and type of application submitted.

If awarded, how does my city/county receive the grant funds?

RISE is a reimbursement-based grant program where the city/county would let a project, pay the contractor, and then request reimbursement from the Iowa DOT for those costs. Supporting documentation is required for reimbursement, including invoices, pay estimates, and canceled checks/warrants to verify payment was made.

Does RISE reimburse for only the construction costs?

RISE may reimburse costs associated with design engineering, construction inspection, and right of way needed for the potential roadway improvements.

What is the city/county responsible for if awarded a grant?

1. Paying all initial costs

Pay contractor costs, engineering costs, etc. for which reimbursement will later be requested from the Iowa DOT. However, the city/county may choose to work with a business or developer to be reimbursed for the match through a separate agreement at their discretion.

2. Development of the roadway

Includes hiring a consultant, letting the project through the city/county, and administering the project throughout its entirety.

3. Coordinating with the Local Systems Bureau or District Office

The city/county will need to concur with specific development milestones as the project progresses.

What are the contingencies, or clawbacks, associated with the grant funds?

If the roadway does not remain open for public use for a minimum of 20 years, a payback would be required. The repayment will be pro-rated by the number of years it was open to the public.

Local Development: A city/county is committing that the undeveloped area will be developed with RISE eligible activities. This is a speculative development. A minimum of 50 percent of the project area will need to be developed with RISE-eligible businesses. This percentage may be 100 percent for certain projects.

Immediate Opportunity: A city/county is committing that a specified number of jobs will be created and/or retained at a specific business with average wages meeting or exceeding the laborshed wage rate determined at the time of award. Payroll information from the company will be required.

What are the consequences if the contingency is not met?

Local Development: Payback of all or a portion of the RISE funds expended may be required. The city/county will not be penalized if no development occurs.

Immediate Opportunity: Payback of a prorated portion of RISE funds will be required if the job commitment is not met.

What happens after the project is finished and I have been fully reimbursed?

Three years after the roadway is complete and open to traffic, an Accomplishment Report listing development in the area will be due. For Immediate Opportunity projects, company payrolls to prove the creation and/or retention of committed jobs are required. Additional monitoring of the area's development and roadway condition remains throughout the minimum 20-year life of the project.



› How do I know if my roadway improvement is RISE eligible?

All must apply

- The roadway is open (or will be dedicated) to public use.
- It is a primary highway, secondary road, or city street.
- The roadway improvements will not be used for any private purposes, including the regular parking of semi-trucks, vehicles, or other storage.
- The roadway project has not been let for bids and construction of roadway improvements has not begun.
- The roadway improvements are directly related to the speculative development area or new/expanded business and not just a network improvement.

› What are some examples of RISE-eligible roadway improvements?

- Construction of a new road for a new development area
- Resurfacing of a street to improve access to a location being considered by a business to locate in the community
- Turn lanes, traffic signals or roundabouts needed for trucks or employee vehicles to be routed safely
- Paving of granular roadways
- Bridge and/or culverts needed due to an increase of vehicle traffic from the development area
- The following are also eligible if they are an integral part of a RISE eligible roadway: traffic signals, roundabouts, pavement markings and signs, utilities, safety appurtenances, lighting, sidewalks, railroad-highway crossings, and management of stormwater runoff from the RISE roadway

› What are examples of non-eligible RISE roadway improvements?

- On-street parking
- Parking lots
- Routine maintenance for roadways, bridges, and culverts
- Crack sealing
- Seal coating
- Patching
- Pothole filling
- Shoulder maintenance
- Drainage improvements needed for the development/business
- Gravel or earth roadway maintenance
- Bridge painting

› Can I be awarded RISE funds to overlay or rehabilitate existing secondary roads or city streets?

Only existing secondary roads or city streets that require improvements to support a prospective RISE-eligible business may be eligible for RISE funding. RISE is not available for general secondary road or city street repair and maintenance.

› What are the maintenance requirements for the RISE roadway?

The roadway improvements are required to be maintained by the city/county for a minimum of 20 years. The roadway cannot be used for on-street parking or storage, and no funds from the Iowa DOT will be awarded or allocated to the city/county toward maintenance or rehabilitation of the roadway.

› What kind of businesses are eligible under the RISE program?

Value-adding businesses that bring new dollars to Iowa are eligible for the RISE program. For example, if the dollars exchanged are likely coming from out-of-state, either directly through customers or indirectly as a source of work product for a corporate facility, this would most likely be value-adding and RISE eligible. RISE is focused on a statewide perspective rather than a local, sub-state, or regional perspective.

› What is considered developable land for a local development project?

- Areas zoned to support RISE-eligible development that are designated as light- or heavy-industrial, manufacturing, warehousing, distribution, or professional offices (non-personal service).
- Development-ready lots that seek businesses that collect revenue from outside of Iowa are considered value-adding. Development-ready lot sizes typically range from one acre to over 100 acres.
- Large co-ops that process grain for export out of the state or support a major exported product. Typically, we look at a capital investment of over \$10 million.
- Businesses that contribute to value-added products/outputs to larger RISE-eligible businesses.

› What kind of businesses are typically not eligible under the RISE program?

- Local services such as engineering firms, an independent insurance agent that works only with local customers to secure policies and claims, a local construction company that does work only within the region, or a concrete plant that delivers within the nearby towns.
- Residential development including single-family homes, condominiums, and apartment complexes.
- Health facilities such as assisted living facilities, hospitals, and doctor's offices.
- Retail development including grocery stores, shopping malls, department stores, and downtown redevelopment.
- Local government facilities including the city hall, fire or police station, and local public schools.
- Other commercial businesses such as gas stations, truck washes, and restaurants.

› For an immediate opportunity project, can a company start construction or create jobs before the grant is awarded?

The applicant must demonstrate that an immediate funding commitment is essential to influence the creation and/or retention of jobs. If the company or developer has already started vertical construction or progressed past minor grading for the new/expanded building or has already created the potential jobs before the project is awarded, it would typically not be viewed as an immediate need and would not be eligible for an Immediate Opportunity grant. Jobs created are to be value-adding in nature (e.g. manufacturing, industrial, non-retail). Relocation of jobs within the state does not qualify unless a business was considering relocating those jobs out-of-state.