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NEWS RELEASE

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FOR RELEASE April 10, 2006

Auditor of State David A. Vaudt today released a report conducted in accordance with Chapter 11 of the *Code of Iowa* on the Revitalize Iowa's Sound Economy (RISE) program administered by the Department of Transportation (DOT). The review was conducted to determine whether the RISE program is properly administered and meeting legislative intent by evaluating whether funds provided to local governments have resulted in measurable economic development.

The RISE program was created for the establishment, construction, improvement and maintenance of roads and streets for the promotion of economic development in the State. Specifically, a RISE project should improve or maintain highway access:

- To specific development sites, including existing and future industrial locations.
- Between urban centers or between urban centers and the interstate road system.
- To economically depressed areas of the state.
- To points of shipment or processing of products.
- To trucking terminals and places of embarkation or shipment by other transportation modes.
- To scenic, recreational, historic and cultural sites or other locations identified as tourist attractions.

The program is funded by a portion of the excise tax on motor fuel and special fuel. The *Code of Iowa* provides for allocation of 20/31 (approximately 65%) of RISE funds to the Primary Road Fund for DOT's use on highways which have been identified as part of the commercial and industrial highway network, 10/31 (approximately 32%) for use by cities on street projects, and 1/31 (approximately 3%) for use by counties on secondary road projects. The following table summarizes RISE funding for fiscal years 2001 through 2005, including the allocation among DOT, cities and counties.

| Fiscal Year | DOT | Cities | Counties | Total |
|--------------------|------------------|---------------|-----------------|----------------|
| 2001 | \$ 20,914,114.42 | 10,457,057.21 | 1,045,705.72 | 32,416,877.35 |
| 2002 | 21,009,332.62 | 10,504,666.31 | 1,050,466.63 | 32,564,465.56 |
| 2003 | 21,764,061.40 | 10,882,030.70 | 1,088,203.07 | 33,734,295.17 |
| 2004 | 21,947,236.94 | 10,973,618.47 | 1,097,361.84 | 34,018,217.25 |
| 2005 | 22,118,638.72 | 11,059,319.36 | 1,105,931.95 | 34,283,890.03 |
| Total | \$107,753,384.10 | 53,876,692.05 | 5,387,669.21 | 167,017,745.36 |

For DOT projects, RISE funding is deposited into the Primary Road Fund where it loses its identity as RISE funding. Local government projects funded through the RISE program are either Immediate Opportunity or Local Development projects. Immediate Opportunity projects require an immediate commitment of funds in order to influence an entity's decision to locate or expand in a particular area. Local Development projects may be speculative in nature and do not require an immediate commitment of funds. Funding for Immediate Opportunity and Local Development projects may be awarded in the form of a grant or a loan.

Successful applicants receive RISE funding on a reimbursement basis as the project progresses. The recipient is not required to submit any reports to the DOT until two years from the date the road has been completed and opened to traffic. At that time, an Accomplishment Report is to be submitted and used by DOT to measure the economic development achieved by the project. For Immediate Opportunity projects, economic development is measured by comparing the actual number of jobs created to the estimated number of jobs specified in the project application. However, for Local Development projects, DOT has not defined a measurement tool to determine whether economic development was achieved. Local governments not achieving the economic development specified in the application are required to reimburse a portion of the RISE funding received. For DOT projects funded through the Primary Road Fund, no direct evaluation of the impact on economic development is performed.

Since the DOT's share of RISE funding and awards made to Local Development projects do not have job contingencies, it is not possible to measure the economic development achieved. While Immediate Opportunity projects do have a job contingency, there is no requirement the new jobs be retained for a specified period. Therefore, it is not possible to determine whether the RISE program is meeting the Legislative intent.

Vaudt recommended several improvements in the administration of the program, including performing independent verification of information provided on applications and Accomplishment Reports, creating economic development measurement criteria for Local Development projects, evaluating the reasonableness of the repayment formula used for defaulted projects, performing long-term monitoring of economic development achieved and preparing an annual report which evaluates and summarizes the economic development achieved by the program. Implementation of the recommendations will enhance the ability of the DOT staff to measure the economic development impact of the RISE program within the State.

A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/specials.htm>.

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**A REVIEW OF THE
REVITALIZE IOWA'S SOUND ECONOMY PROGRAM
ADMINISTERED BY THE
DEPARTMENT OF TRANSPORTATION
JULY 1, 1986 THROUGH JUNE 30, 2004**

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To the Governor, Members of the General Assembly,
the Director of the Department of Transportation and
the Members of the Iowa Transportation Commission:


In accordance with Chapter 11 of the *Code of Iowa*, we have conducted a review of the Revitalize Iowa's Sound Economy (RISE) Program administered by the Department of Transportation (DOT). We reviewed compliance with program requirements specified in the *Code of Iowa* and Iowa Administrative Code and identified areas where improvements should be made to increase the efficiency and effectiveness of the program. We reviewed selected projects approved for RISE funding for the period of July 1, 1986 through June 30, 2004. In conducting our review, we performed the following procedures:

- (1) Interviewed representatives of the Office of Systems Planning within DOT to obtain an understanding of the procedures and internal controls over administration of the RISE program and evaluated the adequacy of those procedures and controls.
- (2) Reviewed program requirements included in Chapter 315 of the *Code of Iowa* and Iowa Administrative Code [761] Chapter 163.
- (3) Reviewed the policies and procedures established for application evaluation, project selection and approval, project construction and measurement of economic development.
- (4) Reviewed the policies and procedures established for revoking RISE funding awarded and for declaring a project in default.
- (5) Reviewed Iowa Transportation Commission minutes for actions taken by the Commission related to the RISE program.
- (6) Obtained a listing of RISE projects, including applicant entity, RISE funding awarded and project status.
- (7) Reviewed selected cash flow statements to evaluate the reasonableness of the fund balance.
- (8) Tested selected applications for Immediate Opportunity and Local Development projects to determine compliance with application requirements.
- (9) Tested selected applications for Immediate Opportunity projects to determine compliance with the threshold requirements for project approval.
- (10) Reviewed selected Accomplishment Reports to determine whether reported economic development met the level projected.
- (11) Performed site visits at selected Local Development projects to determine project status and economic development achieved.
- (12) Examined loan agreements and default agreements for payment status and terms.

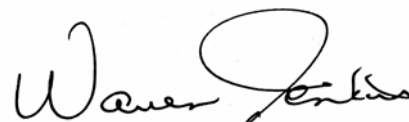
- (13) Tested selected revoked and defaulted projects to determine compliance with application and project selection requirements.
- (14) Examined loans between the RISE Fund and the Primary Road Fund within DOT for proper approval and repayments within specified time frames.
- (15) Compared the RISE program to similar economic development highway programs administered by other states.

Based on these procedures, we developed certain recommendations and other relevant information we believe should be considered by the Department of Transportation, the Members of the Iowa Transportation Commission, the Governor and the General Assembly.

We extend our appreciation to the personnel of the Department of Transportation for the courtesy, cooperation and assistance provided to us during our review.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

September 1, 2005

Executive Summary

The Revitalize Iowa's Sound Economy (RISE) program was established to promote economic development within the state through the establishment, construction, improvement and maintenance of roads and streets. Specifically, a RISE project should improve or maintain highway access:

- To specific development sites, including existing and future industrial locations.
- Between urban centers or between urban centers and the interstate road system.
- To economically depressed areas of the state.
- To points of shipment or processing of products.
- To trucking terminals and places of embarkation or shipment by other transportation modes.
- To scenic, recreational, historic and cultural sites or other locations identified as tourist attractions.

The program is funded by a portion of the excise tax on motor fuel and special fuel. The *Code of Iowa* provides for allocation of 20/31 (approximately 65%) to the Primary Road Fund for the Department of Transportation's (DOT) use on highways which have been identified as part of the network of commercial and industrial highways, 10/31 (approximately 32%) for use by cities on city street projects and 1/31 (approximately 3%) for use by counties on secondary road projects. See **Appendix A** for the definition of the network of commercial and industrial highways. The *Code* also allows temporary transfers of RISE funds to the Primary Road Fund under specific circumstances. The following table lists total RISE funding for fiscal years 2001 through 2005, as well as the allocation among DOT, cities and counties.

| Fiscal Year | DOT | Cities | Counties | Total |
|--------------------|--------------------------|----------------------|---------------------|-----------------------|
| 2001 | \$ 20,914,114.42 | 10,457,057.21 | 1,045,705.72 | 32,416,877.35 |
| 2002 | 21,009,332.62 | 10,504,666.31 | 1,050,466.63 | 32,564,465.56 |
| 2003 | 21,764,061.40 | 10,882,030.70 | 1,088,203.07 | 33,734,295.17 |
| 2004 | 21,947,236.94 | 10,973,618.47 | 1,097,361.84 | 34,018,217.25 |
| 2005 | 22,118,638.72 | 11,059,319.36 | 1,105,931.95 | 34,283,890.03 |
| Total | \$ 107,753,384.10 | 53,876,692.05 | 5,387,669.21 | 167,017,745.36 |

Once a project has been approved, other funding sources, such as federal aid, general obligation bonds, road use tax or private source funds, may be combined with RISE funding for the project.

There are two types of projects eligible for RISE assistance for local governments. Immediate Opportunity projects require an immediate commitment of RISE funds in order to influence an entity's decision to locate or expand within the state. Local Development projects do not require an immediate commitment of funds and may be speculative in nature. Cities and counties must submit applications to the Office of Systems Planning within the DOT to be considered for RISE funding. The application specifies whether the local government is seeking funding as an Immediate Opportunity project or a Local Development project, as well as whether they are requesting a grant, loan or combination. The following table summarizes the number of Immediate Opportunity and Local Development projects awarded since the inception of RISE and the total dollar amount awarded for those projects. In addition, fiscal year 2005 information has been included in the table for comparative purposes.

A Review of the Revitalize Iowa's Sound Economy Program

| Fiscal Year | Immediate Opportunity | | Local Development | | Total | |
|--------------------|------------------------------|-----------------------|--------------------------|-----------------------|----------------------|-----------------------|
| | # of Projects | Amount Awarded | # of Projects | Amount Awarded | # of Projects | Amount Awarded |
| Prior to 2001 | 207 | \$ 48,208,545 | 269 | \$ 150,868,859 | 476 | \$ 199,177,404 |
| 2001 | 7 | 3,812,894 | 11 | 3,345,822 | 18 | 7,158,716 |
| 2002 | 10 | 3,188,454 | 18 | 12,802,948 | 28 | 15,991,402 |
| 2003 | 6 | 1,206,400 | 20 | 9,936,528 | 26 | 11,142,928 |
| 2004 | 10 | 12,001,803 | 10 | 7,005,521 | 20 | 19,007,324 |
| 2005 | 9 | 3,641,466 | 23 | 7,045,331 | 32 | 10,686,797 |
| Total | 249 | \$ 72,059,562 | 351 | \$ 191,105,009 | 600 | \$ 263,164,571 |

DOT projects are administered through the Primary Road Fund. However, once deposited into this fund, RISE funding loses its identity, making it impossible to determine the direct impact on economic development of the state share of RISE.

Personnel within Systems Planning evaluate the applications based on established criteria, which differ depending on whether the application is for an Immediate Opportunity or Local Development project. The criteria include: the impact on other businesses in competition with the business being considered for assistance, the economic impact to the State and the quality of jobs to be provided. In addition, for Immediate Opportunity projects, Iowa Administrative Code [761] Chapter 163.8(2) requires the applicant to indicate the projected number of jobs to be created or retained. Projects selected by personnel from Systems Planning are then recommended to the Iowa Transportation Commission for approval.

Once the Commission approves an application, Systems Planning personnel prepare a RISE project agreement which includes any job creation or retention contingencies associated with the project. During construction, personnel from Systems Planning attempt to send an inspector to the site at least once. Upon project completion, an inspection is performed to ensure the project has met all specifications. After the project passes inspection, the RISE payments for project costs are reimbursed to the local government. The project agreement also identifies a compliance period, which extends two years beyond the date the road is open to traffic. An Accomplishment Report must be submitted to Systems Planning at the end of the two year compliance period detailing the economic development achieved.

If the conditions specified in the RISE project agreement have been fulfilled, the project is considered complete and Systems Planning closes out the project file. If the project conditions have not been met, the applicant must file an extension request or the project is considered in default. Once a project has been declared in default, personnel from Systems Planning calculate the amount of RISE funding to be reimbursed to DOT by the local government using a repayment formula.

Occasionally, an approved project fails to progress for various circumstances. In these instances, the local government submits a letter to Systems Planning requesting revocation of RISE funds. Commission approval is required for defaults and revocations.

For our detailed testing, we selected fifteen Immediate Opportunity projects and fifteen Local Development projects. In addition, we tested six revoked projects (two Immediate Opportunity and four Local Development) and six defaulted projects (four Immediate Opportunity and two Local Development). We also reviewed the status of all loan and default repayment agreements and evaluated the economic development measurement techniques for adequacy. As stated earlier, RISE funding loses its identity once deposited into the Primary Road Fund. Therefore, we were unable to identify specific DOT projects funded in part by RISE.

A Review of the Revitalize Iowa's Sound Economy Program

The findings we identified during our review include the following:

- DOT does not perform independent verification of the information submitted by local governments on the RISE applications or the Accomplishment Reports.
- Local Development projects are typically speculative in nature and there are often no contingencies or other suitable economic development measures placed on the projects.
- There currently is not a system in place to allow for continued monitoring of RISE projects to evaluate their long-term economic success.
- The current formula used to calculate the reimbursement amount for unsuccessful projects needs modification. The percentage of RISE funds to be reimbursed is a very small portion of the total amount awarded.

A summary of all findings is included in the following table. More detail regarding each of the findings and items for further consideration is included in the Findings and Recommendations section of this report.

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We also identified two items for further consideration related to administration of the RISE program and reporting requirements of program results. Specifically, because the DOT administers only limited economic development programs, it may be feasible to shift administration of the RISE program to the Department of Economic Development, the agency with primary responsibility for providing assistance to potential developers. Also, DOT should consider whether an annual report of RISE program results would be beneficial to the Commission and the Legislature.

In addition, for the DOT's share of RISE funding and awards made to Local Development projects, it is not possible to measure the economic development achieved. While Immediate Opportunity projects do have a job contingency, there is no requirement the new jobs have to be retained for a specified period. Therefore, a determination cannot be made whether the RISE program is meeting the legislative intent of the program. Also, there are currently no reporting requirements related to the overall economic development achieved by RISE-funded projects.

Introduction

The Revitalize Iowa's Sound Economy (RISE) program is established in Chapter 315 of the *Code of Iowa* and is administered by the Department of Transportation (DOT). The program is funded by a portion of the excise tax on motor fuel and special fuel, except aviation gasoline, as specified in section 312.2 (12) of the *Code of Iowa*. Section 315.3 of the *Code* states, in part, the funds shall be used in the establishment, construction, improvement and maintenance of roads and streets which promote economic development in the state by improving or maintaining highway access:

- To specific development sites, including existing and future industrial locations.
- Between urban centers or between urban centers and the interstate road system.
- To economically depressed areas of the state.
- To points of shipment or processing of products.
- To trucking terminals and places of embarkation or shipment by other transportation modes.
- To scenic, recreational, historic and cultural sites or other locations identified as tourist attractions.

RISE funds may also be used for the reimbursement or payment to cities and/or counties for all or part of the interest and principal on general obligation bonds issued by the cities or counties for the purposes of financing approved road and street projects meeting the objectives stated above. According to a DOT representative, RISE funds have never been awarded for this purpose. In addition, Iowa Administrative Code [761] Chapter 163.2 states "the RISE program shall be targeted toward value-adding activities to provide maximum economic impact to the state." DOT personnel from the Office of Systems Planning evaluate this objective during the application process discussed later in this report. See **Appendix A** for the definition of value-adding activities.

Currently, the *Code* provides for allocation of 20/31 (approximately 65%) to the DOT Primary Road Fund exclusively for use on highways which have been identified as part of the network of commercial and industrial highways, 10/31 (approximately 32%) for use by cities on city street projects and 1/31 (approximately 3%) for use by counties on secondary road projects. See **Appendix A** for the definition of the network of commercial and industrial highways. In addition, in accordance with section 315.4 of the *Code*, all uncommitted moneys in the RISE fund on June 30 of each year which are allocated for the use of counties on secondary road projects shall be credited to the secondary road fund.

The secondary road fund is distributed to all counties based on the allocation of statewide road use tax and the "quadrennial needs study" performed by DOT. Section 312.2 of the *Code* mandates the distribution of 24.5 percent of statewide road use tax revenues to the secondary road fund. These funds are further distributed among the counties on the basis of each county's construction, maintenance and related administrative needs, as well as each county's land area. Section 307.22(6) of the *Code* requires DOT to prepare a "quadrennial needs study" to evaluate the estimated construction, maintenance and administrative needs of the secondary road system by jurisdiction. The secondary road fund is then divided, with 30 percent being distributed based on each county's relative share of the state's total area and 70 percent being distributed based on each county's relative share of statewide total secondary road construction, maintenance and administrative needs. According to a representative of DOT, there have been few, if any, uncommitted funds at fiscal year end.

A Review of the Revitalize Iowa's Sound Economy Program

The *Code* also allows temporary transfers of RISE funds to the Primary Road Fund under two circumstances.

- If the Director of Transportation files a letter with the State Transportation Commission certifying federal funding is not forthcoming due to failure of the U.S. Congress and the President to provide long-term federal transportation funding to the state, the Commission may authorize a temporary transfer to the Primary Road Fund, which must be repaid within three months of the transfer.
- If the Director of Transportation files a letter with the Commission certifying the cash flow funding of the Department may be inadequate to meet anticipated road construction costs, the Commission may authorize a temporary transfer to the Primary Road Fund, which must be repaid within six months of the transfer.

The Commission is to ensure adequate RISE funds are available to meet RISE contract obligations.

Objectives, Scope and Methodology

Objectives

Our review was conducted to determine whether the RISE program is meeting legislative intent by determining whether the use of RISE funds resulted in measurable economic development. Our review was also conducted to determine whether the RISE program is properly administered.

Scope and Methodology

To gain an understanding of the RISE program, we:

- interviewed staff from the DOT,
- reviewed program requirements included in Chapter 315 of the *Code of Iowa* and Iowa Administrative Code [761] Chapter 163,
- reviewed the policies and procedures established for application evaluation, project selection and approval, project construction, economic development measurement, revocation of RISE funding awarded and default of projects,
- reviewed Iowa Transportation Commission minutes for actions taken by the Commission related to the RISE program,
- obtained a summary of RISE projects, including applicant entity, RISE funding awarded and project status,
- reviewed selected cash flow statements to evaluate the reasonableness of the fund balance,
- examined selected applications for Immediate Opportunity and Local Development projects for compliance with application and project selection requirements,
- reviewed selected Accomplishment Reports to determine whether projected economic development was achieved,
- performed site visits at selected Local Development projects to determine project status and economic development achieved,
- examined loan and default agreements for payment status and terms,
- examined selected revoked and defaulted projects for compliance with application and project selection requirements,
- examined loans between the RISE Fund and the Primary Road Fund within DOT for proper approval and repayments within specified time frames, and
- compared the RISE program to similar economic development highway programs administered by other states.

To select projects for detailed testing, we obtained the database of all approved RISE projects since inception of the program in fiscal year 1986. The database is maintained by personnel within the DOT's Office of Systems Planning and it includes project number, grant amount awarded, loan amount awarded, project description, economic development type and project status. Because our testing was completed prior to June 30, 2005, the projects selected for testing were approved during or prior to fiscal year 2004.

Schedule 1 summarizes project descriptions listed in the RISE database for fiscal years 2001 through 2005. **Appendix B** lists the projects and award amounts by County and **Appendix C** illustrates the number of projects awarded by County for the same time period. While fiscal year 2005 information was not included in our testing, it is

A Review of the Revitalize Iowa's Sound Economy Program

included in **Schedules 1** and **2** for informational purposes. **Schedule 1** summarizes the economic impact of each project in terms of the number of jobs listed in the database for fiscal years 2001 through 2005. Job information presented in **Schedule 1** is obtained from the RISE application rather than actual jobs created or retained as reported in the Accomplishment Report.

To conduct detailed project testing, we obtained the individual project files maintained at the DOT. We examined the applications submitted for compliance with the application and project selection criteria. We also examined the Accomplishment Reports submitted, as applicable, for compliance with project agreement contingencies.

We also evaluated controls and procedures over the application and project selection process, as well as procedures for revoking or defaulting a project. We identified weaknesses with the controls and procedures over these processes. As a result, RISE funds may be awarded to projects with a higher risk of being unsuccessful.

Program Administration

In accordance with Iowa Administrative Code [761] Chapter 163.3(1), the RISE program is administered by the Department of Transportation (DOT) as a statewide program, with projects evaluated primarily on the basis of economic development criteria rather than solely on the basis of transportation criteria. The Office of Systems Planning within the DOT has established application and reporting processes to assist them in the administration of the program. These processes are discussed later in this report. In carrying out their responsibilities, the DOT has six main objectives:

- To involve local officials in program development and periodic program review and evaluation, including evaluation of the accomplishments and effectiveness of the program. However, all project funding decisions remain the responsibility of the Commission.
- To simplify the application processes and administrative procedures to the maximum practicable extent.
- To design the program administrative procedures so they are flexible enough to meet city and county needs.
- To ensure neutrality and fairness in the treatment of all applications submitted for funding under the program.
- To promote intergovernmental cooperation on economic development.
- To promote the use of innovative financing mechanisms for RISE projects.

Prior to January 1, 2003, Systems Planning was not involved in project development and implementation for projects funded by RISE. Currently, prior to the start of project construction, Systems Planning personnel verify a project agreement has been completed and signed by the city or county. The project agreement outlines the project plan and which costs are eligible to be reimbursed and which costs are ineligible. DOT specified certain activities as either eligible for RISE assistance or ineligible within Iowa Administrative Code [761] Chapter 163.7. Any of the eligible activities may be considered as part of the non-RISE financial participation. Eligible activities include:

- Roadway resurfacing, rehabilitation, modernization, upgrading, reconstruction or initial construction, including grading and drainage, paving, erosion control, pavement overlays and shoulder widening and stabilization.
- Bridge and culvert repair, modernization, replacement or initial construction.
- Roadway intersection and interchange improvements, including warranted traffic signalization when it is integral to the improvement.
- Right-of-way purchase.
- Construction or improvement of motorist rest areas, welcome centers and information centers.
- Design engineering costs and construction inspection costs associated with RISE-financed projects.
- County and city bond principal and interest payments associated with RISE projects. Financing expenses incurred prior to an approved funding commitment are not eligible.

Ineligible activities may not be considered as part of the non-RISE participation and are not eligible for RISE funding. Ineligible activities include:

A Review of the Revitalize Iowa's Sound Economy Program

- Any and all costs incurred prior to a funding commitment by the Commission, except for advance right-of-way acquisition costs necessary to protect or preserve a project corridor.
- Routine roadway, bridge and culvert maintenance, including snow plowing, sanding and salting.
- Winter roadway and bridge maintenance, including snow plowing, sanding and salting.
- Overhead and operating costs associated with eligible project activities, including auditing.
- Expenses associated with the preparation and submission of an application for RISE funding.
- Pre-design engineering expenses.
- Traffic signalization, except as an integral part of a roadway project.
- Pavement marking and traffic signs, except as an integral part of a roadway project.
- Electric, water, natural gas, telephone and other utility construction, reconstruction or adjustment, except when utilities located on private property are replaced or relocated for project construction.
- Safety appurtenances, except as an integral part of a roadway project.
- Lighting, except as an integral part of a roadway project.
- Lighting energy and maintenance costs.
- Sidewalks, bicycle paths and railroad-highway crossings, except when replacing those facilities in service and affected by the project or as an integral part of a roadway project.
- Parking expenditures, including those for structures, lots, meters and marking.
- Nonroadway transportation expenditures, including those for railway, aviation, public transportation and inland waterway facilities and equipment.
- Purchase of furnishings, construction equipment and personal property.
- General government expenses and expenses associated with the provision of any public service which are not eligible for RISE program assistance.
- Sanitary sewers.
- Water mains.
- Donated right-of-way.

The *Code* allows the DOT to transfer RISE funds to the Primary Road Fund for cash flow needs under specified circumstances as identified on page 9. However, according to a DOT representative, one annual authorization for RISE-related transfers is obtained from the Commission rather than obtaining authorization for each individual transfer. The blanket approval grants permission for transfers to be made as needed in amounts sufficient to meet cash flow needs. By granting one annual approval, the Commission is not able to ensure transfers are only being made for the purposes specified in the *Code*. It is also more difficult for the Commission to ensure RISE funds are available for RISE projects. See **Finding 1**.

To assist the Commission in monitoring the balance of available RISE funds, a monthly cash flow statement is prepared by personnel within DOT's Office of Finance. As of June 30, 2005, the RISE Cash Flow report shows funds obligated for use on city projects were approximately \$4,310,926 less than the available balance. However,

A Review of the Revitalize Iowa's Sound Economy Program

funds obligated for use by counties on secondary road projects were overcommitted by approximately \$1,243,904. See **Finding 2**. Because the state allocation of RISE loses its identity once deposited into the Primary Road Fund, we are unable to determine what portion of these RISE funds have been used, what projects were completed and what portion is available for future projects.

In accordance with Iowa Administrative Code [761] Chapter 163.3(4), the DOT is to annually prepare a written report summarizing the amount and percentage of funds expended during the previous year on primary roads, secondary roads, city streets, state park roads and county conservation parkways. This information is included in the five-year transportation plan, which is updated annually. However, the 2003 to 2007 plan, which reports on fiscal year 2002 RISE activity, is the most current.

The RISE information presented in the plan includes a background of the program, applicable definitions, the number of projects approved for the year being reported, the specific Immediate Opportunity and Local Development projects funded (including RISE funds, total road cost, non-RISE participation, jobs assisted, total capital investment and date of Commission approval) and a state map showing the exact geographic location of each project. This does not appear to meet Iowa Administrative Code requirements.

In addition, because the State's share of RISE funding loses its identity upon deposit to the Primary Road Fund, it is impossible to report the amount and percentage of funds expended during the previous year by the DOT on RISE projects and determine whether those projects had a direct impact on economic development and met the intent of the program. See **Finding 3**.

RISE PROGRAM

APPLICATION PROCESS

All incorporated cities and all counties in the state are eligible to apply for and receive funds under the RISE program. Private firms, developers or other agencies may not apply for funds directly, but are encouraged to work with a city or county government in seeking RISE funds. Joint applications from two or more counties or cities are also encouraged.

There are two types of projects eligible for RISE assistance at the local government level. An Immediate Opportunity project requires an immediate commitment of RISE funds in order to influence an entity's decision to locate or expand. A Local Development project is intended for projects not requiring an immediate commitment of funds or projects not meeting the threshold criteria of Immediate Opportunity projects. The demonstrated relationship of a project to economic development is the primary criteria to determine the priority for funding. Immediate Opportunity projects normally have first priority for all available RISE funds.

Table 1 summarizes the number of Immediate Opportunity and Local Development projects awarded since the inception of the RISE program. The **Table** also includes the total dollar amount awarded for those projects.

Table 1

| Fiscal Year | Immediate Opportunity | | Local Development | | Total | |
|--------------------|------------------------------|-----------------------|--------------------------|-----------------------|----------------------|-----------------------|
| | # of Projects | Amount Awarded | # of Projects | Amount Awarded | # of Projects | Amount Awarded |
| Prior to 2001 | 207 | \$ 48,208,545 | 269 | \$ 150,868,859 | 476 | \$ 199,177,404 |
| 2001 | 7 | 3,812,894 | 11 | 3,345,822 | 18 | 7,158,716 |
| 2002 | 10 | 3,188,454 | 18 | 12,802,948 | 28 | 15,991,402 |
| 2003 | 6 | 1,206,400 | 20 | 9,936,528 | 26 | 11,142,928 |
| 2004 | 10 | 12,001,803 | 10 | 7,005,521 | 20 | 19,007,324 |
| 2005 | 9 | 3,641,466 | 23 | 7,045,331 | 32 | 10,686,797 |
| Total | 249 | \$ 72,059,562 | 351 | \$ 191,105,009 | 600 | \$ 263,164,571 |

Immediate Opportunity Projects

In accordance with Iowa Administrative Code [761] Chapter 163.8(3), cities and counties may submit applications for Immediate Opportunity projects at any time throughout the year. Chapter 163.8(1) also makes general provisions applicable to Immediate Opportunity projects, including:

- Immediate Opportunity projects may be located on primary roads, secondary roads, city streets, state park roads or county conservation parkways.
- There is no restriction on the number of applications per county or city that will be considered for funding.
- Counties and cities may apply for single-year or multi-year funding. Multi-year funding is limited to commitments from no more than three program years' allocations.

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The project must also meet five threshold criteria. The project must:

- be an immediate, nonspeculative opportunity for permanent job creation or retention,
- demonstrate an immediate funding commitment is essential to the job creation or retention activity being supported,
- demonstrate necessary arrangements have been made for essential nonroadway factors (See **Appendix A** for the definition of nonroadway factors.),
- have at least 20% non-RISE financial participation, and
- demonstrate a strong likelihood total development can be completed in a timely manner.

A project may either create new jobs or retain current jobs. The job creation or retention activity specified in the application becomes the project contingency upon Commission approval. If a project application does not meet the threshold criteria, it may be resubmitted under the Local Development application process, which is defined in the next section of this report.

Three of twenty-one projects tested did not meet the threshold criteria. One appears to have been a speculative project which should have been submitted under the Local Development application process. For the second project, the application did not contain two required elements: assurance of at least 20% non-RISE financial participation and demonstration necessary arrangements were made for essential nonroadway factors. The third project application also did not demonstrate necessary arrangements were made for essential nonroadway factors and an application was submitted without a resolution from the local government. (See application requirements below.) The second and third projects were eventually declared in default. (The process for defaulting a project is defined within the "Monitoring" section of this report.) See **Finding 4**.

According to the instructions included with the Immediate Opportunity application packet, the following information must be submitted with the application:

1. A resolution by the local government endorsing the project, certifying the immediate, nonspeculative opportunity exists, stating why an immediate commitment of RISE funding is necessary, stating the roadway involved is currently or will be dedicated to public use and stating the proposed jurisdictional responsibility,
2. A narrative describing the potential economic development and its transportation relationship,
3. A narrative assessing existing conditions,
4. A map of the project location,
5. A plan and cross-section of the roadway project,
6. A time schedule for total development,
7. Assurance of at least 20% non-RISE financial participation,
8. Documentation arrangements have been made for nonroadway factors,
9. An itemized breakdown of total capital investment (See **Appendix A** for definition of total capital investment.),

10. An itemized breakdown of total roadway project costs,
11. A narrative prepared by the business to be directly assisted, and
12. Documentation the proposed road project and economic development are consistent with any regional or metropolitan area long-range transportation plans.

In addition, Iowa Administrative Code [761] Chapter 163.8(2) specifies the application must contain applicant name, contact person and address, total RISE funds requested and the number of jobs to be created or retained.

We tested twenty-one Immediate Opportunity applications and identified seven resolutions, submitted as part of the application, without all the required elements. Also, three of twenty-one applications tested did not contain documentation the proposed road project and economic development were consistent with any regional or metropolitan area long-range transportation plans. Two of these projects were later revoked and one project defaulted. See **Finding 4**.

The applicant must also indicate whether it is requesting a grant, loan or combination of the two and whether it is seeking single-year or multi-year funding. In accordance with Iowa Administrative Code [761] Chapter 163.5(1), applicants may choose to propose grant financing for any project. However, applicants are encouraged to propose below market rate interest loans, no interest loans or partial principal payback rather than requesting a grant. The extent to which a project will return moneys to the RISE fund is considered in the project evaluation process. Final financial terms are subject to negotiation between DOT and the applicant, with Commission approval. See **Finding 5. Schedule 2** summarizes the award amounts and loan terms for those with a loan component. **Schedule 2** summarizes the economic impact of each project with a loan component in terms of the number of jobs projected by the applicant.

Based on our review of the RISE database maintained by Systems Planning personnel, thirteen of the approved Immediate Opportunity projects were funded through a grant and loan combination. Seven of the thirteen were approved between fiscal years 1988 and 1998 and received a loan portion to assist with the 20% participation required for an Immediate Opportunity grant. Six of the seven received 100% of the local match in this manner, while one of the seven received 50% of the local match through a RISE loan. Although these projects were approved over seven years ago, there are currently no procedures in place to prevent a similar funding combination from being approved in the future. See **Finding 6**.

Iowa Administrative Code [761] Chapter 163.8(5) states complete applications are to be reviewed to verify the figures and statements in the applications, which may include site visits. Personnel within Systems Planning review the applications for completeness and compliance with the threshold criteria. However, the information contained in the applications is not verified or certified as accurate by the DOT. The DOT requires the applicant to sign a certification statement as part of the application. See **Finding 7**.

In addition to the application and threshold criteria, Iowa Administrative Code [761] Chapter 163.8(7) states Systems Planning personnel are to consider the following factors: consistency with the state economic development plan; diversification of the state economy; impact on in-state suppliers, competitors and import substitution; percentage of out-of-state sales; quality of employment positions; and record of law violations. (See **Appendix A** for the definition of the state economic development plan and import substitution.) Information is requested from the applicant to aid the DOT in evaluating these factors. The additional factors reviewed are evaluated, in part, to

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comply with section 315.11 of the *Code of Iowa* which requires the DOT to consider the impact of the proposed project on other businesses in competition with the business being considered for assistance, economic impact to the state of the proposed project and the quality of jobs to be created.

The DOT is to make a good faith effort to identify existing Iowa businesses and determine the probability proposed assistance will displace employees of existing businesses. To accomplish this, Systems Planning includes impact on in-state competitors as one of the evaluation factors during project selection. Jobs created as a result of displaced jobs are not considered direct jobs created. (See **Appendix A** for the definition of direct jobs created.) The *Code* specifies more points are to be awarded to projects having greater consistency with the State Strategic Plan (also known as the state economic development plan), a greater percentage of out-of-state sales or import substitution, a higher proportion of in-state suppliers, fewer in-state competitors, potential for future job growth, providing greater diversification of the state economy and which are not retail operations. Jobs with a higher wage scale, lower turnover rate and full-time or career-type positions are considered higher quality.

Complete applications meeting all criteria are submitted to the Transportation Commission for review and approval. When reviewing the recommended projects, the Commission may approve non-RISE participation in an amount less than 20% if the applicant is determined to be economically distressed. If the application is not approved, the applicant is notified of the reason by letter. Once denied, an applicant may continue to apply and be considered for the same project. However, Systems Planning currently does not have a formal tracking method to determine whether an application is a re-application and which criteria were not satisfied on previous submissions causing the project denial. See **Finding 4**.

Local Development Projects

Iowa Administrative Code [761] Chapter 163.9(3) states, "Applications may be submitted at any time. However, in order to be considered in the current round of programming, complete applications must be received by the department no later than February 1 or September 1." Chapter 163.9(1) also makes general provisions applicable to Local Development projects, including:

- Local Development projects may be located on primary roads, secondary roads, city streets, state park roads or county conservation parkways.
- There is no restriction on the number of applications per county or city that will be considered for funding.
- Counties and cities may apply for single-year or multi-year funding. Multi-year funding is limited to commitments from no more than three program years' allocations.

Local Development application requirements are the same as those for the Immediate Opportunity applications with the following exceptions:

- The resolution only has to endorse the project, state the roadway will be dedicated to public use and state the proposed jurisdictional responsibility.
- A letter of commitment from the business or developer is required if there is a firm commitment or current negotiations.
- Assurance of 20% non-RISE financial participation is NOT required.
- Documentation that arrangements have been made for nonroadway factors is NOT required.
- An itemized breakdown of total capital investment is NOT required, and

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- A narrative is to be included if the project involves the remediation or redevelopment of a brownfield site. (See **Appendix A** for the definition of a brownfield site.)

The primary difference between the two types of projects is that Local Development projects are competitive and speculative in nature. The Office of Systems Planning ranks the Local Development applications. The Commission then considers the highest ranking project for approval first. (The ranking process is described later in the report.)

Given the often speculative nature of Local Development projects, a job contingency or other specific condition is rarely included in the project agreement. It is difficult to measure the true economic development achieved by these projects without a tangible means of assessment. According to a special study conducted by the DOT in February 2002, over 76% of RISE funding awarded had been received by Local Development projects. It is unclear whether this type of project and speculative investment of State funding meets the intent of the program. See **Finding 8**.

We tested twenty-one Local Development applications and identified seven resolutions, submitted as part of the application, not containing all the required elements. Also, three of twenty-one applications tested did not contain documentation the proposed road project and economic development were consistent with any regional or metropolitan area long-range transportation plans. In addition, one application indicated there was a firm commitment from a developer but did not include a letter of commitment from the builder or developer, as required. One of the twenty-one applications tested could not be located. Three of these projects were later revoked and one project defaulted. See **Finding 9**.

Iowa Administrative Code [761] Chapter 163.9(5) states complete applications are to be reviewed to verify the figures and statements in the applications, which may include site visits. As with Immediate Opportunity applications, Systems Planning personnel review the applications for completeness but do not verify the information or certify the applications as accurate since the applicant must sign a certification statement as part of the application. See **Finding 7**.

During System Planning's review, the applications are ranked in the following five areas:

- Development potential (35 points) – measures the degree of certainty involved in the economic development activity to be supported by the proposed project and the potential for future job growth.
- Economic impact (20 points) – measures the economic impact of the development activity, including the number of direct job assisted, investment leveraging, percentage of out-of-state sales and in-state suppliers, impact on competition and diversification and the quality of job factors.
- Local commitment and initiative (35 points) – measures the level of effort put forth by the applicant to attract economic development and the adequacy of the supporting infrastructure.
- Transportation need (4 points) – measures the condition and quality of existing road or street service.
- Area economic need (6 points) – measures the economic condition of the area.

In addition to the application criteria and ranking factors, Iowa Administrative Code [761] Chapter 163.9(7) states Systems Planning personnel are to consider the following factors: consistency with the state economic development plan; diversification of the state economy; impact on in-state suppliers, competitors, and import substitution; percentage of out-of-state sales; quality of employment positions; and record of law violations. As with Immediate Opportunity applications, the additional factors reviewed are evaluated, in part, to comply with section 315.11 of the *Code of Iowa* which requires the DOT to consider the impact of the proposed project on other businesses in competition with the business being considered for assistance, economic impact to the state of the proposed project and the quality of jobs to be created. Based on our review

of the project files, there is no written documentation of the evaluation of these factors for Local Development projects. For Immediate Opportunity projects, there is a standard form used by Systems Planning personnel to demonstrate the assessment of these factors. See **Finding 10**.

Complete applications are submitted to the Transportation Commission for review and approval. All applications are evaluated, with strongest consideration given to the highest ranked projects. The Commission also considers the type of funding (i.e., grant, loan, combination) being requested. As with Immediate Opportunity projects, if the application is not approved the applicant is notified of the reason by letter. Once denied, an applicant may continue to apply and be considered for the same project. However, Systems Planning currently does not have a formal tracking method to determine whether an application is a re-application and which criteria were not satisfied on previous submissions causing the project denial. See **Finding 9**.

For either type of application, a component of the Commission's review process involves consideration of the cost-effectiveness of the proposed project. Primarily, the amount of economic development promoted for each RISE dollar invested is assessed. By calculating the ratios of jobs created and/or retained for each RISE dollar requested and total capital investment to RISE funding requested, the Commission is able to perform this assessment. In addition, although it is presumed an applicant would always request a grant, there is incentive to request a loan or a combination of the two. From DOT's perspective, loan financing reduces the cost of a project, as the funds are repaid and made available for other applicants. Therefore, the cost-effectiveness of a loan-financed project is increased. Grant applications ranked low can increase their approval chances by adding a loan component to the requested financing. As stated earlier, final financial terms for a RISE project are subject to negotiation between DOT and the applicant. See **Finding 5**. The agreed-upon terms are then presented to the Commission for approval. Once a project is approved by the Commission, a project agreement is completed, including the approved funding amount, time schedule and any applicable contingencies on the project.

PROJECT DEVELOPMENT AND IMPLEMENTATION

The Office of Systems Planning also reviews all project plans and ensures all necessary permits have been properly obtained. Once these steps are completed, the city or county can begin construction on the project.

During construction, Systems Planning attempts to send a DOT staff member to the project site for inspection at least once. However, this is not always achieved depending on the location and size of the project. The city or county may request reimbursement from the DOT for expenditures incurred anytime after a payment has been made to the contractor. The local government is required to submit a copy of the invoice and a copy of the cancelled check with its request for reimbursement. Once project construction is completed and a Project Completion Form has been prepared by the city or county, DOT personnel perform an inspection to verify construction was completed according to the project agreement and was done in good quality. Final reimbursement will not be made until the construction is completed and the final inspection is performed. If the inspector determines rework is necessary for the project to conform to specifications, Systems Planning contacts the local government engineer and informs him/her a work order must be completed. Systems Planning reimburses the city or county for final RISE eligible project costs immediately if no rework is required. Otherwise, final reimbursement is made after the necessary rework has been completed.

Occasionally, approved projects fail to move forward as scheduled or are unable to follow the submitted time schedule. When that occurs, the DOT contacts the applicant and requests a letter be submitted requesting the approved funds be revoked and stating the reason for the request. The request letter is filed in the project file upon receipt, and the project is flagged as revoked in the RISE database. This allows the funding obligated for the project to be returned to the available funding pool. Most revoked projects have not yet been reimbursed for eligible expenses with RISE funds. However, in rare cases, funds have been provided to the local government from RISE funds, in which case the funds must be fully repaid to the DOT. Of the twenty-one Local

Development projects tested, one project, which had been scheduled for completion in the winter of 1999, had not yet begun construction as of June 2005. According to a DOT representative, the funding on this project has not been revoked as the DOT has been in communication with the local government and there are pre-construction and zoning complications which have slowed the progress of the project. See **Finding 11**.

While conducting visits for current projects, Systems Planning inspectors will also perform periodic inspections of former projects to verify whether the project site is being maintained and used for its intended purpose. Personnel from the DOT satellite offices may also perform limited monitoring on primary road projects receiving a small portion of RISE funding in relation to the total project costs. However, since Systems Planning became involved in project planning and construction on January 1, 2003, satellite office staff have not had any involvement in projects receiving a majority of their funding through RISE.

A formal inspection form is not currently used by Systems Planning inspectors to document their visits or findings. Inspectors may take notes during a visit, depending on items noted during the inspection. Occasionally, the inspector will take photographs to document the condition of a project. Any available documentation is maintained in the project file. However, there are no procedures in place to ensure consistent documentation among inspectors or projects. See **Finding 12**.

MONITORING

Systems Planning is also responsible for the monitoring functions associated with the RISE program. Each applicant provides a time schedule for completion of the project, which is included in the project agreement once the Commission has approved the application. The project agreement also indicates the compliance period for the project, which begins upon the date the roadway is open to traffic and extends over the next two years. Satellite office personnel notify Systems Planning when a project has been opened to traffic. The project is then flagged in the RISE database as a completed project.

At the end of a project's compliance period, no more than two years after the date the road opened to traffic, the applicant is required to submit an Accomplishment Report to Systems Planning. Systems Planning reviews the report to determine whether the project conditions have been fulfilled. The Accomplishment Report details the economic development achieved, including job creation and/or retention information. If the project conditions have been fulfilled, the project is considered complete.

For Immediate Opportunity projects, the Accomplishment Report is based on the builder's or developer's peak employment within the two-year compliance period. There are currently no job retention or job maintenance requirements placed on these projects, and the DOT does not perform any subsequent monitoring after the Accomplishment Report has been submitted. For example, one Immediate Opportunity project tested had a job contingency of 50 full-time equivalents (FTE's). The Accomplishment Report submitted within five months of the date the roadway was open to traffic reported 50 FTE's had been created. Seventeen months after the Accomplishment Report was submitted, an article in a local newspaper stated the same company was laying off 70 employees. However, since the contingency had been met at one point in time within the two-year compliance period, the project was still considered successful. See **Finding 13**.

Currently, the Accomplishment Report for Local Development projects only relates to road completion as there is usually no job contingency. Three of twenty-one Local Development projects tested are past the end of the compliance period, but an Accomplishment Report has not been submitted. Based on our discussion with a DOT representative, Systems Planning personnel are lenient with Local Development Accomplishment Reports as there is rarely a job contingency associated with this type of project. In addition, the DOT does not perform any subsequent monitoring after the Accomplishment Report has been submitted. See **Finding 13**.

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The information provided in the Accomplishment Report is not directly verified by Systems Planning. Department staff do not travel to the project sites to review payroll records to verify the number of jobs created and/or retained. The Accomplishment Report requires a certification statement, which must be signed by an official of the local government applying for funding. Therefore, the DOT does not consider it necessary or efficient for staff to perform direct verifications. See **Finding 13**. According to a DOT representative, since a number of Accomplishment Reports received indicate a failure to meet the job creation and/or retention requirements, DOT believes applicants are truthful regarding their project success. It was further stated repayment of a portion of the RISE funding received is required if an applicant is unsuccessful. However, according to a DOT representative, the DOT still considers defaulted projects to have had an impact on economic development as some jobs were created and/or retained, and the local government gained new infrastructure largely funded by RISE.

If project conditions have not been fulfilled, the applicant may request a one-year extension for the project. The extension request must include a revised work plan and time schedule. Systems Planning personnel review the request and approve the extension, if deemed appropriate. Additional extensions, beyond the one-year extension granted by Systems Planning, require Commission approval. Systems Planning personnel review requests for additional time in order to provide a recommendation to the Commission. The primary criterion is whether the applicant has demonstrated a high probability of fulfilling its required agreement conditions. The agreement is considered in default if either the applicant does not request an extension or the extension request is denied.

If the agreement is considered in default, the applicant is required to repay a portion of the RISE funding received. The repayment amount is determined through the following calculations:

1. A RISE differential is calculated by subtracting 50% of the total eligible project costs from the RISE grant funds paid to the applicant. See **Finding 14**.
2. The percent of contingency unfulfilled is calculated by dividing the number of jobs created by the number of jobs required by the agreement. The result is subtracted from 100.
3. The percentage of contingency unfulfilled is applied to the RISE differential and compared to an amount equaling 5% of the RISE grant funds paid to the applicant.
4. Projects in default must repay an amount equaling the greater of 5% of the RISE grant funds paid to the applicant or the repayment amount calculated using the RISE differential.

For example, the City of Anywhere receives a RISE grant for project costs totaling \$435,000 and has received \$378,000 in RISE payments. Two years after the project is complete and open to traffic, the City of Anywhere submits its Accomplishment Report indicating 17 jobs have been created. The contingency in the project agreement required the creation of 26 jobs. The City of Anywhere does not request an extension. Therefore, it is considered in default. The City of Anywhere would be required to repay \$56,175, calculated as follows:

1. RISE Differential: $\$378,000 - (\$435,000 * 50\%) = \$160,500$
2. Percent of Unfulfilled Contingency: $100 - (17/26) = 35\%$
3. Comparison of Percentage of Unfulfilled Contingency Applied to the RISE Differential (a.) to 5% of RISE Grant Funds Paid (b.):
 - a. $\$160,500 * 35\% = \$56,175$
 - b. $\$378,000 * 5\% = \$18,900$
4. Repayment Amount = Greater of the Amounts in Step 3: \$56,175

The applicant is provided several options for repayment. The amount can be repaid in a lump sum, installments which include an interest component or the amounts can be deducted from the road use tax allocations due the applicant. Final terms of the default agreement are subject to negotiation between the local government and the DOT. Once an agreement is reached, the terms are presented to the Commission for approval. See **Finding 5**.

According to a DOT representative, the differential was designed to ease the burden of repayment for Immediate Opportunity projects by reducing the final eligible project costs by 50%. Generally, Immediate Opportunity projects are funded at 80% of final eligible project costs while Local Development projects are funded at 50% of final eligible project costs. The differential allows the repayment calculation for Immediate Opportunity projects to be based on 30% of final eligible project costs (80% originally funded less the 50% that would have been funded if the project had been a Local Development project). The calculated amount is compared to 5% of actual RISE funds paid to ensure defaulted projects repay at least 5% of RISE funds received.

It is less likely for a Local Development project to be declared in default as there is usually not a contingency for job creation in the project agreement due to the speculative nature of the project. Likewise, defaulted Local Development projects almost always are required to repay the minimum 5% as there is not a job contingency requirement to be used in the calculation of Steps 2 and 3 (listed above). See **Finding 14**.

PROGRAM RESULTS

Currently, the Office of Systems Planning does not prepare any formal reports evaluating the economic development achievements of the RISE program. No long-term monitoring is performed on the projects supported by RISE funding. Therefore, it is not possible to substantiate the economic impact or the number of jobs created or retained by the program, whether through Immediate Opportunity or Local Development projects. There are also no retention requirements in place to ensure jobs created remain in Iowa. In addition, given the speculative nature of Local Development projects, it is not possible to determine whether this type of project is meeting the legislative intent of the program. These projects rarely have a job contingency or other specific economic impact requirements placed on them. Therefore, there is no tangible means to measure the economic development achieved. Since inception of the program, \$191,105,009 has been awarded to Local Development projects.

As stated earlier, since the state share of RISE loses its identity upon deposit to the Primary Road Fund, it is not possible to evaluate whether economic development is being achieved through DOT projects. Since fiscal year 2001, \$107,753,384 has been deposited to the Primary Road Fund for the State share of RISE. However, there is no way to determine which projects have been funded with these dollars and whether those projects impacted economic development.

DOT does not currently report on program results. Therefore, neither the Commission nor the Legislature has a means to evaluate whether the projects funded through RISE are impacting economic development and meeting the legislative intent of the program.

Comparative Information

In fiscal year 2002, the Federal Highway Administration (FHWA) conducted a study related to state economic development highway programs. In its report, the FHWA stated thirty-nine of the fifty states have a formal method of utilizing highway economic development projects. The FHWA identified four main categories to define the state programs.

Category A was defined as "Funding Programs for Local Access Roads". Generally, these programs have a formal application process with eligibility requirements covering a) private sector investment, b) local government matching and c) cooperation with state economic development departments. The FHWA placed nineteen states in this category, including Iowa. There are an additional three states which have set-aside funding sources with no formal program.

Category B was defined as "Funding Programs for Inter-City Connector Routes". Four states were placed in this category.

Category C was defined as "Policies Recognizing Economic Development as a Factor in Funding Decisions". This category includes the Statewide Transportation Improvement Project selection and benefit-cost assessment. There are thirteen states with formal policies. Another three states are in the process of developing similar policies.

Finally, Category D was defined as "No Formal Economic Development Highway Policies or Programs". Eleven states have no formal program or policy.

The FHWA report focused on Categories A and B, which meet three fundamental criteria:

1. The programs have a formal application process, eligibility criteria and project selection criteria.
2. They rely on funds directly allocated by the states providing direct financial support for capital investment.
3. The projects supported are justified primarily based on economic development.

The FHWA further identified five subcategories to define the state programs. The first subcategory was defined as "State Road Programs with Specific Economic Development Requirements". These states earmark funding for construction of local road projects needed so target businesses can expand or locate in the state. The state's Department of Transportation provides the state funding contingent on the promise of matching private investment to create a specific number of new jobs or provide a specific dollar amount of private capital investment in new business facilities. Generally, there is a provision for private reimbursement to the state if the expected number of jobs does not materialize. Ten states fell within this subcategory, including Iowa.

The second subcategory was defined as "State Road Funding for Targeted Local Areas". These states earmark funding for local transportation projects to serve new or expanding industrial parks or facilities in areas of economic need. They do not place a job creation or private sector investment requirement on the project. They do require the local government to apply for the project and remain as a partner. There are four states within this category.

The third subcategory was defined as "State Road Funding in Partnership with Economic Development Offices". These states provide grants to local projects, generally made on the basis of local applications and assessment by the staff of the state economic development department. Six states fall within this category.

The fourth subcategory was defined as "Planned Economic Development Highway Corridors". These states focus on improving specific highway connections. Four states fall within this category.

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Finally, the fifth subcategory was defined as the “Multi-State Appalachian Regional Commission (ARC) Program”. Thirteen eastern states participate in ARC, which is a federal-state partnership. There are two programs within ARC: the Appalachian Development Highway System (similar to Category D) and Local Roads Portion of Public Works Program (similar to Category A).

Based on our review of the FHWA report, ten of the thirty-nine states with a formal program use job creation and/or job retention as a direct criteria or decision factor. In addition, five states do not consider speculative projects when evaluating eligible projects, and nine of the states work in conjunction with the state economic development department when assessing the viability of proposed projects. Three states fund only state road projects and focus on interstate or intrastate highway construction. Two of the states also require long-term reporting to demonstrate jobs were not only created but retained for a specified period of years.

When providing funding, two states provide a loan/grant combination, seven are direct state construction, two fund projects through their Transportation Improvement Program, ten provide grant funding and eighteen did not provide enough information to determine how projects are funded. Of the ten providing grant funds, seven require a certain percentage to be a local match or private sector investment, one provides federal pass-through funding, one provides one hundred percent reimbursement and one provided no specification on funding requirements.

Specifically, Minnesota focuses on connecting the State's important regional trade centers at a State level and Nebraska utilizes a statewide highway needs assessment. Illinois, Michigan and Wisconsin do not allow speculative projects. In addition, Illinois requires the local community to report annually on the project's progress and the specified employment for the subsequent five years, while Wisconsin requires the specified number of jobs be created within three years and retained for another four years. Illinois also does not allow local communities to use grant funds from another agency as their local match.

FINDINGS AND RECOMMENDATIONS

As a result of our review, we identified the following findings and recommendations that should be considered by the Department of Transportation (DOT), the Members of the Iowa Transportation Commission, the Governor and the General Assembly. While some of our findings result from testing of specific projects, we believe the DOT should consider these findings when developing and implementing controls and procedures related to the RISE program.

FINDING 1 – Interfund Transfers – Section 315.3(3) of the *Code of Iowa* allows for temporary transfers between the RISE Fund and the Primary Road Fund within the DOT. Such transfers are to be requested of and approved by the Iowa Transportation Commission. The DOT obtains an annual authorization from the Commission granting permission to transfer funds as necessary in sufficient amounts to meet cash flow needs. Each individual transfer is not reviewed and approved by the Commission.

Recommendation – In order to ensure compliance with the *Code*, procedures should be established to require the Commission be presented a request for each individual transfer. The Commission's evaluation and approval of each transfer should be documented.

Response – The annual Transportation Commission authorization of temporary transfers of RISE funds to the primary road fund meets the requirements of *Code* Section 315.3(3). The *Code* does not require Transportation Commission approval of each individual transfer. The annual authorization is documented in the Transportation Commission meeting minutes.

Conclusion – Response acknowledged. Section 315.3(3) of the *Code* allows for transfers of RISE funds to the primary road fund under two specific circumstances. In each case, the *Code* specifies the Director of Transportation is to file a letter with the Commission certifying the reason for the transfer. By making one blanket authorization for transfers to be made as needed, the Commission is not complying with the requirement a letter from the Director be received stating the reason for the specific transfer; therefore, the recommendation stands as written.

FINDING 2 – Overcommitment of County RISE Funds – Of the total RISE allocation, 20/31 (approximately 65%) is placed in the Primary Road Fund for DOT's use on highways which have been identified as part of the commercial and industrial highway network. Of the remaining portion, 10/31 (approximately 32%) is allocated to cities for street projects and 1/31 (approximately 3%) is allocated for secondary road projects.

Local governments seeking RISE funding submit either an Immediate Opportunity or Local Development project application, which is subjected to the project selection and approval process. The Commission is responsible for final approval of all projects.

As of June 30, 2005, the county projects approved by the Commission totaled \$1,243,904 more than the counties' portion of the RISE allocation.

Recommendation – The Commission should monitor the projects approved for counties and utilize the Cash Flow Report prepared by the DOT's Office of Financial Management and Reporting to ensure funding is available for all approved projects.

Response – The Cash Flow Report is reviewed and monitored by the Department of Transportation (DOT). The commitment of funds and the anticipated expenditure of obligated funds based on project development schedules are taken into consideration prior to any recommendation for funding presented to the Transportation Commission. DOT staff frequently shares the status of RISE obligations with the Transportation Commission as they consider action on future RISE projects. No additional monitoring by the Transportation Commission is warranted.

Conclusion – Response acknowledged. In most cases, funding would not be provided to all approved projects in a short time frame. However, if the funding of the program was discontinued, the Commission could not fulfill all county obligations without using RISE funds allocated by the Legislature to other purposes.

FINDING 3 – RISE Annual Report – Iowa Administrative Code [761] Chapter 163.3(4) requires a written annual report on the amount and percentage of RISE funds expended on primary roads, secondary roads, city streets, state park roads and county conservation parkways. This information is contained in the five year transportation plan. However, the 2003 through 2007 plan, which reports on fiscal year 2002 RISE activity, is the most recent. The information reported includes the program background, applicable definitions, the number of approved projects in the year being reported, specific project information and a state map with exact geographic locations. This does not appear to meet Iowa Administrative Code requirements.

In addition, because the State's share of the RISE appropriation loses its identity upon deposit to the Primary Road Fund, it is not possible to report the amount and percentage of funds expended on primary roads or any other RISE project completed by the DOT and determine whether those projects had a direct impact on economic development and met the intent of the program.

Recommendation – The Office of Systems Planning should design and implement a report which meets the requirements of the Iowa Administrative Code and ensure it is prepared on an annual basis. In addition, a system should be developed for identifying DOT projects using RISE funds, as well as the economic development impact of such projects.

Response – The DOT's transportation improvement program (TIP) currently serves as documentation of the annual report requirements for the RISE program. Beginning next year, the text in the TIP will be updated to clearly meet the reporting requirements. In addition, the DOT will produce a separate annual report in the event a TIP is not published.

By *Code* Section 315.4(1), the primary road portion of the RISE funding is directed to programming on the Commercial and Industrial Network (CIN). The RISE funding for the CIN is programmed along with the other state road use tax funds and Federal-aid. To efficiently manage the funds the DOT does not identify the funding source for each individual project. The DOT can demonstrate that the RISE funding directed to the CIN is spent each year on CIN projects along with a significant level of other road use tax funds and Federal-aid. No further action will be taken by the DOT.

Conclusion – Response acknowledged. Revising the wording of the TIP and producing a separate annual report in the event a TIP is not published should satisfy the requirements of the Iowa Administrative Code, in part. However, these requirements also specify the written report shall indicate the amount and percentage of funds expended during the previous year on primary roads. DOT cannot comply with this requirement unless the primary road portion of RISE funding is separately identified and tracked.

FINDING 4 – Immediate Opportunity Applications – The DOT has established specific application and project selection requirements for Immediate Opportunity projects. The Office of Systems Planning is to review applications to ensure completeness and compliance with required elements. The following items were identified during our testing:

- Three of twenty-one projects tested did not meet the threshold criteria for project approval. One project was speculative in nature, which should have been submitted as a Local Development project. The second project's application did not provide assurance of at least 20% non-RISE financial participation and demonstrate necessary arrangements were made for essential nonroadway factors. The third project's application did not contain either a resolution from the local government or demonstrate necessary arrangements were made for essential nonroadway factors. The second and third projects were eventually declared in default.

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- Local government resolutions are required to be submitted with the applications. Seven of the twenty-one resolutions did not contain all of the required elements.
- Three of twenty-one applications tested did not contain required documentation the proposed road project and economic development were consistent with any regional or metropolitan area long-range transportation plans.

In addition, while re-applications are acceptable, DOT currently does not have a formal tracking method to determine whether the criteria not satisfied originally has since been fulfilled.

Recommendation – The Office of Systems Planning should ensure applications submitted contain all the required elements prior to recommending approval to the Commission. Also, a tracking method should be developed to allow Systems Planning to recognize re-applications and determine the reason for denial of the original application submitted and whether it has been corrected.

Response – Due to the time pressures associated with immediate opportunity applications, at times applications may not include all required information when first submitted. Consistent with the administrative rules, staff contacts the applicant to obtain the necessary information. A recommendation is not taken to the Transportation Commission for approval until staff is confident all the criteria have been met. The DOT will assure that our project files document the additional information that is received which results in a complete application.

Due to the one-time nature of immediate opportunity applications, we do not receive immediate opportunity re-applications as indicated in the finding. Therefore, no further action is warranted.

Conclusion – Response acknowledged. Sufficient supporting documentation for all criteria should be maintained in the project file. However, if an alternate form of support is acceptable, the certification page of the application should be reviewed to determine whether any modifications need to be made to the “Documentation Information” checklist. In addition, regarding the one-time nature of immediate opportunity applications, according to the “RISE Application Process Flowchart” contained in the “RISE Packet”, Immediate Opportunity applications not approved are “returned to applicant with explanation. Applicant may revise and resubmit the application at any time”. During our testing, we observed correspondence from a local government indicating they would “continue to work...to secure this project. One we are successful in this endeavor, we will re-apply to the Iowa DOT with another application.”

FINDING 5 – Loan Agreements and Default Agreements – Local governments may request RISE funding in the form of a grant, loan or a combination of the two. When requesting a loan, the final financial terms are subject to negotiation between the DOT and the applicant. The agreed-upon terms are then presented to the Commission for approval. Likewise, final terms of default agreements are subject to negotiation and approval by the Commission.

Recommendation – Standard terms should be developed and applied to all applicants requesting a loan and/or all projects which default. A tiered schedule could be developed to allow for different terms based on the dollar value of the RISE award.

Response – There has not been a RISE loan for several years. If a RISE loan is provided in the future, staff will discuss with the Transportation Commission the terms of the loan and whether standard terms and/or tiered schedules should be developed. Discussions have recently been completed with the Transportation Commission to define standard terms for default installment payments. It is anticipated these changes will be approved by the Transportation Commission in February of 2006.

Conclusion – Response accepted.

FINDING 6 – Immediate Opportunity Local Government Match – Five threshold criteria have been established for Immediate Opportunity projects. One of those criteria is the local government must provide assurance of at least 20% non-RISE participation in order for the project to be recommended for approval.

Local governments have the option of receiving their funding through a grant, loan or a combination of the two. Based on our review of the RISE database maintained by the Office of Systems Planning, thirteen of the approved Immediate Opportunity projects were funded through a grant and loan combination. Of those thirteen, seven projects received a RISE loan to help meet the 20% non-RISE participation requirement. The seven projects were approved between fiscal years 1988 and 1998. Six of the seven projects received 100% of their local match in this manner, and one of the seven received 50% of its local match with the RISE loan. There are currently no procedures in place to prevent a similar funding combination from being approved in the future.

Recommendation – In the future, the Office of Systems Planning should ensure the local governments have provided assurance of at least 20% non-RISE participation using local funds or other resources. RISE funds should not be awarded in the form of a loan to provide a government's local match because the State then accepts 100% of the risk.

Response – A RISE loan is considered part of the local match since it is to be paid back with local funds. There is very little risk to the fund because the city or county, by agreement, is responsible for repayment of loans or any default. There would not need to be a RISE loan provision if the local government was required to provide the full match. No further action by the DOT is warranted.

Conclusion – Response acknowledged. However, the Iowa Administrative Code specifies “20% non-RISE financial participation”. Providing the local match with RISE funds obligates those funds when they could be available for a project that does have 20% non-RISE financial participation by the local government. In addition, the Administrative Code states the Commission may approve a participation amount less than 20%. This should be the alternative employed rather than providing RISE funds for the local match.

FINDING 7 – Verification of Applications – Applications submitted for both Immediate Opportunity projects and Local Development projects are reviewed by the Office of Systems Planning for completeness and compliance with required criteria. However, no direct, independent verification of the information submitted is performed.

Recommendation – The DOT should implement procedures to independently verify the information submitted on Immediate Opportunity and Local Development project applications.

Response – Under penalty of perjury, the local government is required to certify the application is true and accurate. As part of the monitoring of immediate opportunity projects, public records are evaluated to assure job contingencies are met. Staff also communicates with the Iowa Department of Economic Development to discuss applications and associated economic development. In the event of a default, the local government is responsible for default payments; thus, they are motivated to assure the application is in compliance with the criteria. No further action by the DOT is warranted.

Conclusion – Response acknowledged. While we realize the local government is required to certify the application is true and accurate, we identified some applications that did not include all required elements, which would have been readily apparent had the application been verified.

FINDING 8 – Economic Impact of Local Development Projects – Local Development projects are often speculative in nature and rarely have a job contingency or other specific condition included in the project agreement. It is difficult to assess whether individual projects achieve true economic development and whether the Local Development project type is meeting the legislative intent of the program.

Recommendation – The DOT should review Local Development projects and determine whether they are meeting the legislative intent of the program by increasing economic development in the project areas. If Local Development projects continue to be funded, DOT should develop and implement methods of evaluating the economic development achieved by the projects, such as occupancy rate of industrial parks, job contingencies or marketing efforts of the local government.

Response – DOT requires accomplishment reports for local development projects and recently conducted a review of all past local development projects and their associated economic development activities. Staff found the local development program to be successful, and will consider additional measures to monitor associated economic development.

Conclusion – Response acknowledged. However, the review conducted by DOT indicates most of the jobs created, as well as the capital investment, are associated with Immediate Opportunity projects. The review then goes on to say that over 76% of the total RISE funds have been committed to local development, for which actual jobs and capital investment are not routinely monitored. In addition, the review states “the success of Local Development projects may be less clear-cut and longer term.” The review also recommends more continuous, long-term monitoring of Local Development projects be conducted, as well as evaluating whether the accomplishment reports should be expanded to assist with better monitoring.

As stated, we agree with the consideration of additional measures to monitor associated economic development.

FINDING 9 – Local Development Applications – The DOT has established specific application and project selection requirements for Local Development projects. The Office of Systems Planning is to review applications to ensure completeness and compliance with required elements. The following items were identified during our testing:

- Local government resolutions are required to be submitted with the applications. Seven of the twenty-one resolutions did not contain all of the required elements.
- Three of twenty-one applications tested did not contain required documentation the proposed road project and economic development were consistent with any regional or metropolitan area long-range transportation plans.
- One of twenty-one applications tested indicated there was a firm commitment from a developer but did not include a letter of commitment from the builder or developer as required.
- One of twenty-one applications tested could not be located.

In addition, while re-applications are acceptable, DOT currently does not have a formal tracking method to determine whether the criteria not satisfied originally has since been fulfilled.

Recommendation – The Office of Systems Planning should implement procedures to ensure applications contain all the required elements prior to recommending approval to the Commission. Also, a tracking method should be developed to allow Systems Planning to recognize re-applications and determine the reason for denial of the original application submitted.

Response – During the review process, rather than rejecting the application as incomplete, staff will contact the applicant to obtain the necessary information. A recommendation is not taken to the Commission for approval until staff is confident all the criteria have been met. The DOT will assure that our project files document the additional information that is received which results in a complete application.

Past applications are kept on file and referred to when necessary. Developing a tracking system to identify re-applications is not necessary. Each application is reviewed thoroughly and an appropriate recommendation is developed based on the current circumstances, therefore, no further action is warranted.

Conclusion – Response acknowledged. Sufficient supporting documentation for all criteria should be maintained in the project file. However, if an alternate form of support is acceptable, the certification page of the application should be reviewed to determine whether any modifications need to be made to the “Documentation Information” checklist. In addition, while a formal tracking system for re-applications may not be necessary, DOT should have a process to ensure the criteria previously unsatisfied has since been fulfilled.

FINDING 10 – Local Development Project Selection Criteria – In addition to the application criteria and ranking factors, the DOT has identified further factors to be taken into consideration when evaluating which projects to recommend to the Commission for approval. For Immediate Opportunity projects, the Office of Systems Planning uses a standard form, which is maintained in the project file, to demonstrate assessment of these factors. However, for Local Development projects, there is no written documentation maintained in the project files demonstrating evaluation of these additional factors.

Recommendation – The DOT should develop a standard form, similar to the one used for Immediate Opportunity projects, to be used by the Office of Systems Planning when evaluating the additional project selection factors for Local Development projects.

Response – All criteria used to evaluate projects is documented and included in the file. For local development projects, a points system is used. The evaluation form lists each criterion with a short description. In specific cases, additional comments are included to explain the rationale for the rating. All of this information is contained in the project file; therefore, no additional action is warranted.

Conclusion – Response acknowledged. When reviewing the project files, auditors observed the documentation of the points system and related criteria. However, no documentation was observed related to the additional factors listed in Iowa Administrative Code (761) Chapter 163.9(7). Therefore, the recommendation stands as written.

FINDING 11 – Outstanding Project Obligations – Once a project has been approved by the Commission, the project is listed in the RISE database maintained by the Office of Systems Planning. This internal database allows Systems Planning to allocate RISE funds to specific projects. These funds remain obligated until the project is considered complete. At that time, the project is flagged as complete in the database and any remaining funds are “returned” to the available funding pool.

As part of the project application, the local government submits a time schedule for completion of the project. On occasion, if the time schedule cannot be maintained, the funding for the project will be revoked. Of the twenty-one Local Development projects tested, one project which had been scheduled for completion in the winter of 1999 had not yet begun construction as of June 2005. Systems Planning has not yet revoked funding for this project as it has been in communication with the local government and is aware of certain pre-construction and zoning difficulties encountered.

Recommendation – The Office of Systems Planning should implement procedures to periodically evaluate the current status of all outstanding projects to determine whether the submitted time schedule is being followed. If a project has been unable to move

forward, Systems Planning should contact the local government and request a revocation letter be submitted. If, at a later date, the local government feels it is able to proceed with the project, it should resubmit an application and obtain Commission approval at that time.

Response – The recommendation describes the process that has been and is currently in place. Using the project monitoring database, the development of all RISE projects is continuously tracked. Each project is evaluated on a case-by-case basis and appropriate action is taken from revoking funding to extending the schedule as appropriate. No further action is warranted.

Conclusion – Response acknowledged. However, any follow-up action should be documented and maintained in the project file. For the project specified in the finding, no such documentation could be located. Therefore, it appeared as though no monitoring or follow-up had been performed.

FINDING 12 – Project Inspection – Starting January 1, 2003, responsibility for project development and implementation moved to the Office of Systems Planning. Inspectors from Systems Planning attempt to visit project sites during construction. Any available documentation of the visit, such as the inspector's notes, photographs or other supporting documentation, is maintained in the project file. However, there are no procedures in place to ensure consistent documentation among inspectors or projects.

Recommendation – Systems Planning should develop a standard inspection form, questionnaire or comparable documentation to be used during all site visits to ensure consistency of procedures performed and documented by inspectors.

Response – By agreement with the DOT, the local government assumes the responsibility for daily project inspection and associated record keeping. The Office of Systems Planning does not routinely inspect projects during construction but does complete a field review following project completion.

On projects involving a primary roadway, the DOT District Office monitors the portion of the project in the primary road right-of-way.

Because the DOT does not routinely inspect projects during construction there is no need to develop forms, questionnaires, etc. The DOT utilizes standard documentation to close-out projects upon completion.

Conclusion – Response acknowledged. However, even though RISE projects are not the subject of routine visits, standards should be put in place to ensure, when an inspection is performed, it is consistent with other inspections of its type. This would also allow more consistent documentation to be maintained in project files.

FINDING 13 – Accomplishment Reports – Once a project is complete and the roadway is open to traffic, the two-year compliance period begins. At the end of the two-year compliance period, the local government is required to submit an Accomplishment Report indicating whether the conditions specified in the project agreement have been met.

For Immediate Opportunity projects, the Accomplishment Report is based on the builder's or developer's peak employment within the two-year compliance period. There are currently no job retention or job maintenance requirements placed on these projects.

In addition, the DOT does not perform any subsequent monitoring after the Accomplishment Report has been submitted. One Immediate Opportunity project tested had a job contingency of 50 full-time equivalents (FTE's), which were created within the two-year compliance period. However, also within the two year compliance period, 70 FTE's were laid off. As the contingency had been met within the two-year compliance period, the project was considered successful even though the jobs created were later displaced.

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For Local Development projects, the Accomplishment Report is based on road completion as there is usually no job contingency for this type of project. Three of twenty-one projects tested are past the end of the compliance period but have not submitted an Accomplishment Report. In addition, DOT does not perform any subsequent monitoring of economic development achieved after the Accomplishment Report has been submitted.

The information provided by the local government in the Accomplishment Report is not directly, independently verified by DOT personnel.

Recommendation – The Office of Systems Planning should implement procedures to independently verify the information submitted on the Accomplishment Reports for both Immediate Opportunity and Local Development projects and ensure all Accomplishment Reports are submitted within the specified time frame. Furthermore, long-range monitoring of economic development should be implemented in order for the DOT to determine whether the RISE program is achieving legislative intent.

Response – Job criteria must be illustrated by documentation of payroll records and/or other state employment reports. Staff time requirements do not allow for long-term monitoring of hundreds of projects. No further monitoring is required.

Conclusion – Response acknowledged. However, the true economic development impact of a project cannot be measured without monitoring beyond two years. As in the case stated in the finding, the company laid off more employees than were hired subsequent to completing a two-year accomplishment report. In addition, in order to determine whether the project is meeting legislative intent, the projects should be monitored long-term to ensure jobs created are retained.

FINDING 14 – Repayment Formula – If the conditions specified in the project agreement are not fulfilled, the project is considered to be in default. At that time, the Office of Systems Planning performs a calculation based on a defined formula to determine what portion of RISE funding should be repaid by the local government. Part of the formula includes the calculation of a RISE differential designed to ease the burden on Immediate Opportunity projects. With the use of the differential, the consequences to the local government of a project default are not very substantial.

In addition, the minimum repayment percentage has been established at 5% of RISE funds received. Due to the lack of a job contingency for Local Development projects, those declared in default most often repay the 5% minimum.

Recommendation – The DOT should modify the default repayment formula to provide a more substantial consequence for projects not meeting their contingencies. In addition, DOT should consider the reasonableness of the 5% minimum.

Response – RISE local development projects typically receive 50 percent funding with no job contingencies because the projects are speculative in nature. RISE immediate opportunity projects typically receive up to 80 percent funding with job contingencies. The default policy for RISE immediate opportunity projects only considers the funding received beyond the first 50 percent they could have received with no job commitments. To require a more substantial consequence for projects that create jobs when compared with speculative projects with no job commitments does not make sense. In addition, RISE local development projects rarely default due to their speculative nature. The five percent minimum typically only applies to RISE immediate opportunity projects that have met over 95 percent of their job contingency. No changes to the repayment formula are warranted.

Conclusion – Response acknowledged. However, the ratio of RISE funds to be repaid to RISE funds received is nominal using the differential. In essence, a failed project has received a constructed road at minimal cost to the local government. In addition, it is true speculative projects rarely default. However, this is, in part, due to the lack of economic development measurement capability, not the lack of job commitments. In the event a speculative project would default, the local government would only pay the 5% minimum as there is no job contingency to use against the calculated differential.

ITEMS FOR FURTHER CONSIDERATION

The RISE program was established to promote economic development within the state through the establishment, construction, improvement and maintenance of roads and streets. The following points should be considered by the Legislature to help ensure the program is as effective as possible and meets Legislative intent.

- When RISE funding allocated to DOT is deposited to the Primary Road Fund for use on highways, it becomes homogenous with other funding sources. In accordance with Chapter 315 of the *Code of Iowa*, RISE funds provided to DOT should be used for the establishment, construction, improvement and maintenance of roads and streets that contribute to economic development in the State.

Currently, DOT does not have a method by which the economic impact of RISE funding can be demonstrated. If the Legislature deems it appropriate, procedures should be implemented to allow DOT to identify which projects RISE funds are used for and what impact those projects have on Iowa's economy.

Alternatively, if the Legislature finds RISE dollars are simply an additional funding stream to the Primary Road Fund and are used to enable DOT to make necessary additions and repairs to the State's highway systems, the economic development portion of the RISE funding should be lifted from the allocation made to DOT. Because the RISE program is funded by a portion of the excise tax on motor fuel and special fuel, if the Legislature determines the RISE dollars currently allocated to DOT are simply an additional funding source, those funds could be allocated directly from the excise tax to the Primary Road Fund.

The Legislature needs to determine the most appropriate use of funds allocated from the fuel excise tax to the RISE program. If it is important for the funds to clearly impact economic development, the tax should continue to be allocated to the RISE program and DOT should implement procedures to track and document the economic impact of projects funded with RISE dollars. Otherwise, the portion of RISE funding DOT currently receives could be allocated directly from the fuel excise tax to the Primary Road Fund.

- While RISE funds are granted to local governments, they often are assistance packages provided indirectly to developers and businesses in an effort to encourage economic development. For Immediate Opportunity grants and loans, RISE funding is likely only one component of a larger economic development incentive package provided to the developer or business. Examples of other funding provided to applicants are Community Development Block Grants (CDBG), Community Economic Betterment Account (CEBA) and Economic Development Set-Aside (EDSA).

The RISE program is one of only two economic development programs administered by the DOT. The other program, Rail Economic Development (RED) focuses on maintaining or providing rail service to companies that create or retain jobs. The Department of Economic Development (DED) has primary responsibility for providing assistance to potential developers. As a result, DED should be aware of other funding associated with given projects and should have more expertise in evaluating the economic development viability of the projects for which applications have been submitted.

According to officials from both the DOT and the DED, it would be feasible to shift the administration of the RISE program to the DED. This would allow DED to more closely monitor the amount and types of funding received by a project. In addition, it would allow for better coordination of state-funded economic development programs. Representatives of DED could "bundle" a total package of financial assistance for economic development for a project rather than a local government

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having to apply to various state agencies. DED representatives would also be able to perform long-term monitoring of the projects to determine the long-range economic development achieved.

Because the purpose of the RISE program is to fund roadway construction, there would still be a need for the DOT to be involved to some extent. The appropriate personnel from DOT should be responsible for evaluating and assessing the roadway plans and specifications. DOT personnel could also assess the reasonableness of the cost estimates included in applications. After its assessment was complete, DOT could provide a recommendation regarding the potential award of RISE funds. In addition, DOT inspections would still need to be performed throughout construction and after construction to ensure the roadway met appropriate standards.

- DOT currently does not have a formal process in place to report the results of the RISE program or the economic developments achieved by the projects funded with RISE dollars. Legislative and DOT officials should consider whether an annual report would be beneficial. A periodic report should include items such as:
 - the number of Immediate Opportunity and Local Development projects funded,
 - current outstanding projects and project status,
 - economic development projected and achieved, and
 - the number of revoked and/or defaulted projects

A periodic report, presented to the Commission and Legislature, could be useful for assessing the success of the program.

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Schedules

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Projects Approved in Fiscal Years 2001 through 2005

| Applicant | Project Description** | RISE Type | Total Project Cost | RISE Funds per Agreement | | |
|---------------------------------|--|-----------|--------------------|--------------------------|-------------|-------------|
| | | | | Grant Amount | Loan Amount | Local Match |
| Sigourney | Grade/pave 2,000' of Kramer Ave and Cherry Ave. | I | \$ 454,000 | 282,669 | 86,833 | - |
| Edgewood | Grade/pave 600' of E William St. | L | 106,000 | 53,000 | - | 53,000 |
| Iowa Falls/ Hardin County | Grade/pave approx. 7,200' of Commercial St and Cadet Rd. | I | 1,294,738 | 966,027 | - | 328,711 |
| Maquoketa | Reconstruct approx. 2,295' of 200th Ave; grade/pave approx. 2,225' of 100th St. | I | 1,635,475 | 1,308,380 | - | 327,095 |
| Winneshiek County | Grade/pave 1,390' of road in business park and 400' of Oil Well Rd; add 55' right turn lane on IA 9. | L | 754,530 | 377,265 | - | 377,265 |
| Humboldt | Grade/pave 1,150' of 22nd St N. | L | 255,000 | 127,500 | - | 127,500 |
| Cedar Falls | Grade/pave approx. 1,270' of Nordic Dr and 315' of Performance Dr. | L | 595,000 | 297,500 | - | 297,500 |
| Oskaloosa | Grade/pave approx. 1,320' of 23rd Ave. | L | 351,184 | 175,592 | - | 175,592 |
| Denison | Reconstruct approx. 630' of Industrial Dr. | I | 430,340 | 310,000 | - | 120,340 |
| Coralville | Grade/pave approx. 1,300' of Jones Blvd. | L | 618,750 | 309,375 | - | 309,375 |
| Ida County | Grade/pave 1,200' of roadway. | L | 382,781 | 191,391 | - | 191,390 |
| Burlington | Grade/pave 650' of roadway. | L | 162,580 | 81,290 | - | 81,290 |
| Cedar Rapids | Grade/pave 4,764' of Wright Brothers Blvd. | L | 2,545,162 | 1,272,581 | - | 1,272,581 |
| Kossuth County | Improve 860' of 160th Ave. Grade/pave 600' of future county road. | I | 356,370 | 178,185 | - | 178,185 |
| Waverly | Construct 700' of 10th Ave and turning lane and signals on IA 3. | I | 606,000 | 484,800 | - | 121,200 |

| Date Approved | Status | Jobs per Application | | | | Industry Type | Company |
|--------------------------|----------------------------|-----------------------------|-----------------|------------|-----------------|--------------------------|--|
| | | Assisted | Existing | New | Retained | | |
| 07/18/00 | Default approved 12/09/03. | 150 | - | 150 | - | Modular Homes | Heartland Handcrafted Home |
| 07/18/00 | Closed 09/15/03. | - | - | - | - | Industrial Area | Industrial Park |
| 08/15/00 | - | 200 | - | 200 | - | Steel Trusses | SMI Joist |
| 08/15/00 | Closed 02/13/04. | 485 | - | 485 | - | Product Distribution | Family Dollar Stores |
| 09/12/00 | Closed 09/15/03. | - | 67 | - | 67 | Industrial Area | Industrial Park |
| 10/10/00 | Closed 02/13/04. | - | - | - | - | Industrial Area | Industrial Park |
| 12/05/00 | Closed 02/13/04. | - | - | - | - | Industrial Area | Industrial Park |
| 12/05/00 | Closed 08/23/04. | - | - | - | - | Industrial Area | Industrial Park |
| 01/09/01 | Revoked 09/08/03. | 110 | - | 110 | - | Meat Processing | Mechanized Distribution Service |
| 01/09/01 | Pending close | - | - | - | - | Industrial Area | Industrial Park |
| 02/06/01 | Closed 02/13/04. | - | - | 28 | - | Ethanol | Quad County Corn Producers Cooperative |
| 02/06/01 | Revoked 05/21/01. | - | - | - | - | Industrial Area | Flint Ridge Business Park |
| 03/06/01 | Closed April 2005. | - | - | - | - | Industrial Area | Regional Airport |
| 04/10/01 | Closed 02/13/04. | 30 | - | 30 | - | Ethanol | Midwest Grain Processors |
| 04/10/01 | Closed 02/13/04. | 185 | 740 | 185 | - | Insurance | CUNA Mutual Insurance Co |

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Projects Approved in Fiscal Years 2001 through 2005

| Applicant | Project Description** | RISE Type | RISE Funds per Agreement | | | |
|------------------------------|---|-----------|--------------------------|--------------|-------------|-------------|
| | | | Total Project Cost | Grant Amount | Loan Amount | Local Match |
| Garner/ Hancock County | Grade/pave 2,250' of roadway, 1,650' of N State St and 600' of Touchstone Dr. | L | 480,000 | 240,000 | - | 240,000 |
| Grundy County | Grade 1,350' and pave 520' of 170th St. Grade/pave 1,106' of Market Ave. | L | 440,655 | 220,328 | - | 220,327 |
| Guthrie County | Grade/pave approx. 5,280' of Grant Ave. | I | 1,117,314 | 196,000 | - | 921,314 |
| Tipton | Grade/pave 850' of S Industrial Dr. | L | 350,475 | 175,238 | - | 175,237 |
| Earling | Grade/pave 350' of new roadway. | I | 121,506 | 81,400 | - | 40,106 |
| Coon Rapids | Grade/pave approx. 500' of North St. | I | 92,610 | 74,088 | - | 18,522 |
| Waterloo | Reconstruct E 18th St, incl. 1,740' of new roadway and 710' of bridge. | L | 6,062,000 | 2,121,700 | - | 3,940,300 |
| Keokuk | Grade/pave approx. 1,400' of Royal Rd. | I | 475,000 | 335,000 | - | 140,000 |
| Council Bluffs | Grade/pave extension of 35th St; reconstruct portion of 29th Ave (4,600' total); improve signal/turn lanes at 4 23rd Ave intersections. | L | 2,621,034 | 1,310,517 | - | 1,310,517 |
| Cedar Falls | Grade/pave approx. 3,030' of Viking Rd. | I | 1,218,152 | 974,522 | - | 243,630 |
| Hardin County | Grade/pave approx. 1,100' of new county road. | I | 192,031 | 120,000 | - | 72,031 |
| Ankeny/ Polk County | Construct I-35/NE 66th Ave interchange. | L | 11,097,500 | 5,530,500 | - | 5,571,500 |
| Peosta | Grade/pave 2,500' of Kapp Ct. | L | 383,640 | 191,820 | - | 191,820 |
| Grinnell | Grade/pave 1,350' of Blakely Circle. | L | 302,280 | 151,140 | - | 151,140 |
| Waukee | Pave 1,650' of Brick Dr and Laurel St. | L | 652,478 | 326,239 | - | 326,239 |

| Date Approved | Status | Jobs per Application | | | | Industry Type | Company |
|---------------|--|----------------------|----------|-----|----------|----------------------------|-------------------------------|
| | | Assisted | Existing | New | Retained | | |
| 05/08/01 | Closed 02/13/04. | - | - | - | - | Industrial Area | Touchstone Energy Park |
| 05/08/01 | Closed 02/13/04. | - | - | - | - | Industrial Area | Industrial Park |
| 05/08/01 | Closed 02/13/04. | 33 | - | 33 | - | Ethanol | Tall Corn Ethanol Cooperative |
| 07/17/01 | Closed 08/23/04. | - | 24 | - | 24 | Industrial Area | Industrial Park |
| 07/17/01 | N/A | 23 | - | 23 | - | Physical Aids Distributers | Enhanced Living Technologies |
| 08/14/01 | Closed 02/13/04. | 18 | 32 | 18 | 32 | Videos | ET Video |
| 08/14/01 | Under construction. | - | - | - | - | Industrial Area | Industrial Park |
| 08/14/01 | Closed 02/13/04. | 61 | 453 | 18 | 43 | Manufacturing | Mississippi Blending |
| 08/14/01 | Closed 02/13/04. | - | - | - | - | Tourism | Riverboat Casino (MARCC) |
| 09/18/01 | Closed 02/13/04. | 445 | - | 445 | - | Product Distribution | Target Corporation |
| 11/06/01 | No costs, February 2005. | 20 | - | 20 | - | Ethanol | Pine Lake Corn Processors |
| 11/06/01 | Under construction. | - | - | - | - | Industrial Area | Industrial Development |
| 12/11/01 | Closed 02/13/04. | - | - | - | - | Industrial Area | Industrial Park |
| 12/11/01 | Closed 08/23/04. | - | - | 100 | - | Industrial Area | Industrial Park |
| 12/11/01 | Default letter 06/06/03; City agreed to repay \$35,569.25. | - | - | - | - | Industrial Area | Industrial Park |

A Review of the Revitalize Iowa's Sound Economy Program

Projects Approved in Fiscal Years 2001 through 2005

| Applicant | Project Description** | RISE Type | RISE Funds per Agreement | | | |
|-----------------------------------|--|-----------|--------------------------|--------------|-------------|-------------|
| | | | Total Project Cost | Grant Amount | Loan Amount | Local Match |
| Washington | Grade/pave 757' of Industrial Park Dr. | L | 243,212 | 121,606 | - | 121,606 |
| Delaware County | Construct 1,530' of 270th Ave. | I | 156,757 | 125,406 | - | 31,351 |
| Dubuque | Grade/pave 1,122' Chavenelle Rd. | L | 395,002 | 197,501 | - | 197,501 |
| Wayland | Grade/pave 1,065' of roadway. | L | 251,738 | 125,869 | - | 125,869 |
| Elk Horn | Grade/pave 703' of High St. | L | 138,637 | 69,319 | - | 69,318 |
| Cherokee County | Grade/pave 5,280' of existing F Ave. | I | 719,750 | 240,000 | - | 479,750 |
| Cedar Rapids | Grade/pave 4,240' of 76th Ave SW, incl. turn lanes and signals at the intersection of 76th Ave and 6th St. | L | 1,683,552 | 841,776 | - | 841,776 |
| Grimes | Grade/pave 2,265' of NW 66th Ave, approx. 565' of Mercantile Dr and 610' of Gateway Dr. | L | 1,619,754 | 809,877 | - | 809,877 |
| Cerro Gordo County/ Clear Lake | Grade/pave 2,769' of Jonquil Ave. | L | 678,626 | 339,314 | - | 339,312 |
| Mason City | Grade/pave approx. 1,675' 9th St SW extension. | L | 425,340 | 212,670 | - | 212,670 |
| Elkader | Grade/pave approx. 508' of Johnson St and 480' of Miller St. | I | 154,097 | 123,278 | - | 30,819 |
| Floyd County | Grade/pave approx. 4,750' of 215th St. | I | 1,246,544 | 997,120 | - | 249,424 |
| Mount Pleasant | Grade/pave a 435' extension of Commerce Dr. | I | 147,050 | 117,640 | - | 29,410 |
| Spencer | Grade/pave approx. 750' of 37th Ave W. | L | 128,966 | 64,483 | - | 64,483 |

| Date Approved | Status | Jobs per Application | | | | Industry Type | Company |
|--------------------------|---------------------------|-----------------------------|-----------------|------------|-----------------|--------------------------|---------------------------------|
| | | Assisted | Existing | New | Retained | | |
| 12/11/01 | Closed 08/23/04. | - | - | 60 | 20 | Industrial Area | Washington Industrial Park |
| 12/11/01 | Revoked 11/12/04. | 23 | - | 23 | - | Ethanol | Northeast Iowa Grain Processor |
| 12/11/01 | Closed February 2005. | - | 77 | - | 77 | Industrial Area | Industrial Park-Chavenelle Road |
| 02/12/02 | Closed June 2005. | - | - | - | - | Industrial Area | Industrial Park |
| 02/12/02 | Closed 02/13/04. | - | - | - | 2 | Business Park | World Cal Inc |
| 03/12/02 | Closed March 2005. | 40 | - | 40 | - | Ethanol | Little Sioux Corn Processors |
| 05/07/02 | Closed. | - | - | - | - | Industrial Area | Industrial Park |
| 05/07/02 | N/A | - | - | - | - | Business Park | Grimes Business Park |
| 05/07/02 | Open to traffic 07/07/03. | - | - | - | - | Industrial Area | Industrial Park |
| 05/07/02 | Closed July 2005. | - | - | 750 | - | Industrial Area | Industrial Park |
| 05/07/02 | Closed | 30 | - | 30 | - | Heavy Equipment | E-ject Systems |
| 06/18/02 | Closed 02/13/04. | 300 | 228 | 300 | - | Motor Homes | Winnebago Industries |
| 06/18/02 | Closed 08/23/04. | 250 | - | 250 | - | Processed Meats | West Liberty Foods |
| 06/18/02 | Closed | - | - | - | - | Industrial Area | Spencer Technical Park |

A Review of the Revitalize Iowa's Sound Economy Program

Projects Approved in Fiscal Years 2001 through 2005

| Applicant | Project Description** | RISE Type | Total Project Cost | RISE Funds per Agreement | | |
|-----------------|--|-----------|--------------------|--------------------------|-------------|-------------|
| | | | | Grant Amount | Loan Amount | Local Match |
| Sanborn | Grade/pave approx. 700' of First St. | L | 228,715 | 114,358 | - | 114,357 |
| Fort Dodge | Grade/pave Midway Blvd. extension. | L | 152,340 | 99,021 | - | 53,319 |
| Dunlap | Grade/pave 543' of Industrial Dr. | L | 110,925 | 55,463 | - | 55,462 |
| Clarinda | Grade/pave approx. 850' of Davison Dr. | I | 271,050 | 216,840 | - | 54,210 |
| Parkersburg | Construct 1,250' of new streets. | L | 253,308 | 126,654 | - | 126,654 |
| Council Bluffs | Grade/pave approx. 9,600' of E Manawa Dr. Add approx. 1,800' of turning lanes. | L | 2,944,954 | 1,472,477 | - | 1,472,477 |
| Independence | Grade/pave 2,600' of Enterprise Dr. | L | 605,575 | 302,787 | - | 302,788 |
| Grundy Center | Grade/pave 494' of N Park Ave, incl. a right turn lane on IA 14. | I | 156,238 | 124,990 | - | 31,248 |
| Ames | Grade/pave approx. 1,370' of Armstrong St, Glidden Ave and SE 5th St. | L | 365,547 | 182,774 | - | 182,773 |
| Iowa Falls | Grade/pave approx. 1,445' of Westview Dr. | L | 404,102 | 202,051 | - | 202,051 |
| Webster City | Grade/pave approx. 2,300' of roadway. | L | 608,453 | 304,227 | - | 304,226 |
| Wright County | Grade/pave 2,500' of new roadway with 6' granular shoulders. | I | 209,887 | 167,910 | - | 41,977 |
| Waterloo | Grade/pave a 1,740' extension of TG Dr. | L | 603,145 | 301,572 | - | 301,573 |
| Jesup | Grade/pave 1,453' of Innovative Dr. | I | 351,325 | 281,300 | - | 70,325 |
| West Burlington | Grade/pave 2,100' of Division St. | L | 651,500 | 325,750 | - | 325,750 |

| Date Approved | Status | Jobs per Application | | | | Industry Type | Company |
|---------------|--|----------------------|----------|-----|----------|-----------------|----------------------------|
| | | Assisted | Existing | New | Retained | | |
| 06/18/02 | N/A | - | - | - | - | Industrial Area | Industrial Park |
| 06/18/02 | N/A | - | - | - | - | Industrial Area | Fort Dodge Industrial Park |
| 07/10/02 | Closed 08/23/04. | - | - | - | - | Industrial Area | Dunlap Industrial Park |
| 07/10/02 | Closed June 2005. | 100 | 99 | 100 | - | Trailers | H & H Trailer |
| 08/06/02 | Closed May 2005. | - | - | - | - | Industrial Area | Industrial Park |
| 09/10/02 | Under construction. | - | - | - | - | Industrial Area | Industrial Park |
| 08/06/02 | Under construction. | - | - | - | - | Industrial Area | Industrial Park Phase 1 |
| 10/08/02 | Funding revoked 02/19/04. Reapplied and refunded as Local Development project. | 30 | 120 | 30 | - | Industrial Area | R.S. Bacon Veneer |
| 11/07/02 | Revoked | - | - | - | - | Industrial Area | Industrial Park |
| 11/07/02 | Closed June 2005. | - | - | - | - | Industrial Area | Southview Industrial Park |
| 11/07/02 | N/A | - | - | - | - | Industrial Area | Industrial Area |
| 11/07/02 | Closed January 2005. | 55 | 48 | 55 | - | Egg Processing | Sparboe Companies |
| 12/10/02 | N/A | - | - | - | - | Industrial Area | Industrial Park |
| 01/10/03 | Revoked 03/31/03. | 52 | - | 52 | - | Industrial Area | Coating Innovations |
| 02/18/03 | Under construction | - | - | 80 | - | Industrial Area | Industrial Park |

A Review of the Revitalize Iowa's Sound Economy Program

Projects Approved in Fiscal Years 2001 through 2005

| Applicant | Project Description** | RISE Type | Total Project Cost | RISE Funds per Agreement | | |
|---|---|-----------|--------------------|--------------------------|-------------|-------------|
| | | | | Grant Amount | Loan Amount | Local Match |
| Des Moines County/West Burlington | Pave US 34/ Beaverdale Rd ramps. Grade/pave 4,160' of 103rd St. | L | 1,125,227 | 500,000 | - | 625,227 |
| Pottawattamie County/ Council Bluffs | Grade/pave 10,538' of Secondary Road G-60 and Cedar Ln. | L | 4,713,453 | 2,356,727 | - | 2,356,726 |
| Bancroft | Grade/pave 430' of new roadway. | I | 219,200 | 175,360 | - | 43,840 |
| De Witt | Grade/pave 1,064' of E Industrial St. | L | 272,530 | 136,265 | - | 136,265 |
| Worth County | Grade/pave 2,000' of Fir Ave. | I | 488,308 | 240,000 | - | 248,308 |
| Polk City | Grade/pave 4,800' of new city street. | L | 2,306,800 | 900,000 | - | 1,406,860 |
| Forest City | Grade/pave 1,334' of Nerem Dr. | L | 269,387 | 134,693 | - | 134,694 |
| Colo | Grade/pave 1,360' of 695th Ave and 1,280' of new frontage road. | L | 378,000 | 189,000 | - | 189,000 |
| Monroe County | Grade/pave 4,960' of County Road T-55 and 2,640' of new industrial park road. | L | 1,566,838 | 783,419 | - | 783,418 |
| Sioux Center | Grade/pave 1,106' of 20th St NW. | L | 210,020 | 105,010 | - | 105,010 |
| Sioux City | Grade/pave 3,775.5' of Terminal Dr. | L | 1,400,000 | 700,000 | - | 700,000 |
| Sheldon | Grade/pave 678' of 35th Ave. | L | 185,905 | 92,953 | - | 92,952 |
| Cerro Gordo County | Grade/pave 7,920' of 240th St. | L | 1,529,412 | 764,706 | - | 764,706 |
| Boone County | Grade/pave 12,040' of Peach Ave. | L | 1,221,000 | 331,000 | - | 890,030 |
| Keokuk | Grade/pave 2,200' of new roadway (an extension of Commercial St). | I | 1,125,000 | 246,000 | - | 879,000 |

| Date Approved | Status | Jobs per Application | | | | Industry Type | Company |
|------------------|--------------------------------|----------------------|----------|-------|----------|------------------|--|
| | | Assisted | Existing | New | Retained | | |
| 03/18/03 | N/A | 40 | - | 40 | - | Ethanol | Big River Resource Cooperative |
| 03/18/03 | Bid pending | - | - | 2,700 | - | Business Park | Business Park |
| 04/15/03 | N/A | 10 | 50 | 10 | 50 | Industrial Area | Aluma Ltd. |
| 04/15/03 | Closed June 2005. | - | - | - | - | Industrial Area | Industrial Area |
| 04/15/03 | Repairs needed. | 40 | - | 40 | - | Ethanol | Iowa Ethanol Plant |
| 05/06/03 | Project let in June 2005. | - | - | 132 | 4 | Tourism | Big Creek/ Jester Park |
| 05/06/03 | N/A | - | - | - | - | Industrial Area | Forest City Industrial Development |
| 05/06/03 | Closed January 2005. | - | - | - | - | Business Park | Business Park |
| 05/06/03 | N/A | - | - | 200 | - | Construction | New Industrial Park Roadway |
| 06/03/03 | Closed 11/17/04. | - | - | - | 104 | Manufacturing | Sioux Automation |
| 06/03/03 | Construction started May 2005. | - | - | 690 | - | Industrial Area | Hoeven Valley Corridor |
| 06/03/03 | Closed 02/13/04. | - | - | - | - | Business Park | Industrial Park |
| 06/03/03 | N/A | - | - | 30 | - | Ethanol | Golden Grain Energy LLC |
| 07/15/03 | Closed December 2004. | - | - | - | - | Tourism | Iowa Arboretum |
| 07/15/03 | Active. | 41 | 209 | 41 | - | Industrial Area | Roquette America Inc. |

A Review of the Revitalize Iowa's Sound Economy Program

Projects Approved in Fiscal Years 2001 through 2005

| Applicant | Project Description** | RISE Type | RISE Funds per Agreement | | | |
|-----------------|--|-----------|--------------------------|--------------|-------------|-------------|
| | | | Total Project Cost | Grant Amount | Loan Amount | Local Match |
| West Des Moines | Grade/pave portions of S 74th St, 68th St, Grand Ave, and a connector between S 68th St and Mills Civic Parkway. | I | 13,836,200 | 9,900,000 | - | 3,936,200 |
| Roland | Grade/pave 600' to extend existing roadway. | I | 143,210 | 114,568 | - | 28,642 |
| Anamosa | Grade/pave 1,700' of new roadway. | L | 488,000 | 244,000 | - | 244,000 |
| Waterloo | Relocate a portion of River Rd. Construct a Commerical St extension. | L | 2,718,847 | 1,359,424 | - | 1,359,423 |
| Mahaska County | Pave approx. 474.5' of 140th St. | I | 142,455 | 113,964 | - | 28,491 |
| Sioux Center | Grade/pave approx. 800' of 4th Ave NE. | I | 264,660 | 211,728 | - | 52,932 |
| Grundy Center | Grade/pave 1,180' of N Park Ave, including a 120' right-turn lane on IA 14. | L | 318,555 | 159,278 | - | 159,277 |
| Coralville | Grade/pave portions of 2nd Ave, 9th St and the 1st Ave/9th St intersection improvements. | L | 7,005,644 | 3,502,822 | - | 3,502,822 |
| Durant | Grade/pave a 125' extension of W 2nd St. | L | 97,575 | 48,788 | - | 48,787 |
| Grinnell | Grade/pave 2,400' of new roadway. | L | 1,076,530 | 538,265 | - | 538,265 |
| Marcus | Grade/pave approx. 1,530' of roadway. | L | 453,323 | 226,662 | - | 226,661 |
| Monroe County | Grade/pave 1,200' of 534th St. | I | 210,498 | 168,398 | - | 42,100 |
| North Liberty | Grade/pave 773' of Alexander Way, incl. Penn St turn lane improvements. | I | 661,125 | 360,000 | - | 301,125 |

| Date Approved | Status | Jobs per Application | | | | Industry Type | Company |
|---------------|-----------------------|----------------------|----------|-------|----------|------------------------------|-------------------------------------|
| | | Assisted | Existing | New | Retained | | |
| 09/16/03 | Active. | 3,300 | - | 1,000 | 2,300 | Business Park | Wells Fargo |
| 11/18/03 | Revoked and replaced. | 31 | 13 | 31 | - | Manufacturing | Ja Max Machine Company, Inc. |
| 12/09/03 | N/A | - | - | 350 | - | Industrial Area | Anamosa Commercial Park Addition |
| 12/09/03 | Active. | - | - | - | 1,074 | Technology Park | John Deere & Co |
| 01/13/04 | Closed January 2005. | 27 | - | 27 | - | Industrial Area | Pro-Line Building Company |
| 03/09/04 | N/A | 47 | 78 | 47 | - | Agri Business | Trans Ova |
| 03/09/04 | Currently active. | - | - | - | - | Commercial/Office/Industrial | Business Park |
| 04/13/04 | Pending agreement. | - | - | 5,325 | - | Tourism | Business Park |
| 04/13/04 | N/A | - | - | - | - | Industrial Area | Industrial Area |
| 04/13/04 | N/A | - | - | - | - | Industrial Area | Lang Creek Development |
| 04/13/04 | N/A | - | - | - | - | Agri Business | Marcus Business Park |
| 04/13/04 | N/A | 55 | - | 55 | - | Manufacturing | Relco Locomotives |
| 04/13/04 | Active. | 66 | 10 | 66 | 10 | Distribution | Maytag Regional Distribution Center |

A Review of the Revitalize Iowa's Sound Economy Program

Projects Approved in Fiscal Years 2001 through 2005

| Applicant | Project Description** | RISE Type | Total Project Cost | RISE Funds per Agreement | | |
|--|---|-----------|--------------------|--------------------------|-------------|-------------|
| | | | | Grant Amount | Loan Amount | Local Match |
| Rock Valley | Grade/pave 1,675' of Westview Dr. | I | 503,999 | 403,199 | - | 100,800 |
| Tiffin | Grade/pave 1,134' of Ireland Ave and 1,130' of new roadway. | L | 972,964 | 486,482 | - | 486,482 |
| Orange City | Grade/pave a 983' extension of 14th St SE. | I | 229,932 | 183,946 | - | 45,986 |
| Sioux Center | Grade/pave 700' of 14th St NE. | L | 217,600 | 108,800 | - | 108,800 |
| Webster County | Grade/pave 2,000' of Hayes Ave. | I | 566,952 | 300,000 | - | 266,952 |
| Le Mars | Grade/pave 6,030' of Keystone Ave, 1,760' of 200th St and 1,210' of 24th St SW. | I | 3,159,305 | 1,937,174 | - | 1,222,131 |
| Huxley | Grade/pave 1,825' of S Main Ave and Snyder Dr. | L | 510,094 | 255,047 | - | 255,047 |
| Mills County/ Pottawattamie County | Grade/pave approx. 9,240' of 189th St. | L | 541,000 | 247,800 | - | 293,200 |
| Cedar Falls | Grade/pave approx. 4,400' of Viking Rd, Production Dr and Capital Way. | L | 1,443,738 | 721,869 | - | 721,869 |
| Council Bluffs | Grade/pave approx. 1,815' of S 19th St. | L | 646,770 | 323,385 | - | 323,385 |
| Fort Dodge | Grade/pave 1,000' to extend County Road P-59. | I | 759,937 | 276,500 | - | 483,437 |
| Laurens | Grade/pave 1,220' of Charles St and East St. | I | 224,400 | 179,520 | - | 44,880 |
| Alton | Grade/pave approx. two blocks of 1st Ave. | L | 190,200 | 95,100 | - | 95,100 |
| Orange City | Grade/pave 984' of 19th St SE. | L | 443,993 | 221,996 | - | 221,997 |
| Nevada | Grade/pave approx. 500' of 600th Ave. Add turn lanes on Lincoln Way. | I | 468,250 | 234,000 | - | 234,250 |
| Story City | Grade/pave approx. 1,100' of new roadway. | I | 338,200 | 170,000 | - | 168,200 |

| Date Approved | Status | Jobs per Application | | | | Industry Type | Company |
|---------------|---------------------------------|----------------------|----------|-----|----------|------------------|--------------------------------------|
| | | Assisted | Existing | New | Retained | | |
| 05/11/04 | N/A | 115 | - | 115 | - | Manufacturing | APL Pallet |
| 05/11/04 | Road is open. | - | - | - | - | Business Park | Business Park |
| 06/02/04 | Active. | 55 | - | 55 | - | Manufacturing | CFMT Manufacturing |
| 06/02/04 | Active. | - | - | - | - | Industrial Area | Sioux Center Industrial Park B |
| 06/02/04 | N/A | 50 | - | 50 | - | Ethanol | VeraSun Fort Dodge |
| 07/13/04 | Active. | 539 | - | 152 | 387 | Business Park | Wells Dairy Inc |
| 07/13/04 | Pending signed agreement. | 151 | - | 151 | - | Industrial Area | Huxley Industrial Park |
| 07/13/04 | N/A | - | - | - | - | Business Park | MidAmerican |
| 08/10/04 | Active. | 127 | 97 | 30 | 97 | Industrial Area | Viking Road Industrial Park |
| 08/10/04 | N/A | 108 | - | 100 | 8 | Industrial Area | Federal Express |
| 08/10/04 | June 2005, grading has started. | 79 | - | 4 | 75 | Industrial Area | Decker Truck Line Inc |
| 08/10/04 | N/A | 97 | - | 97 | - | Food Products | Jack Link's Beef Jerky |
| 10/12/04 | Let Spring 2005. | 10 | - | 10 | - | Industrial Area | Alton Plastics |
| 10/12/04 | Let May 16, 2005. | - | - | - | - | Industrial Area | Industrial Park |
| 10/12/04 | Active. | 39 | - | 39 | - | Ethanol | Lincolnway Energy |
| 10/12/04 | Active. | 41 | - | 41 | - | Trailers | M.H. Eby Inc |

A Review of the Revitalize Iowa's Sound Economy Program

Projects Approved in Fiscal Years 2001 through 2005

| Applicant | Project Description** | RISE Type | Total Project Cost | RISE Funds per Agreement | | |
|----------------------------------|--|-----------|--------------------|--------------------------|-------------|-------------|
| | | | | Grant Amount | Loan Amount | Local Match |
| Roland | Grade/pave an 880' extension of Industrial St. | L | 201,952 | 100,976 | - | 100,976 |
| North Liberty | Grade/pave an approx. 937' extension of Alexander Way. | L | 355,947 | 177,974 | - | 177,973 |
| Mount Pleasant | Grade/pave approx. 1,300' of Industry Ave. | L | 225,000 | 112,500 | - | 112,500 |
| Grimes | Grade/pave 1,875' of 134th St and 650' of 134th Circle. | L | 887,550 | 443,775 | - | 443,775 |
| Dubuque | Grade/pave a 4,850' extension of Chavenelle Rd. | L | 2,517,148 | 1,258,574 | - | 1,258,574 |
| Waterloo | Grade/pave a 945' extension of Winn St. | L | 489,310 | 244,655 | - | 244,655 |
| Ellsworth | Grade/pave 100' of Detroit St, 754' of Brinton Ave and 540' of an unnamed street. | L | 552,667 | 276,334 | - | 276,333 |
| Hamilton County/ Webster City | Grade/pave 5,350' of 320th St and turning lanes on US 69. | L | 1,886,038 | 943,019 | - | 943,019 |
| Marshall County | Grade/pave 1,360' of roadway. | L | 274,074 | 137,037 | - | 137,037 |
| Shelby County | Widen US 59 to create turning lanes. | I | 201,940 | 161,552 | - | 40,388 |
| Webster County | Grade/pave 3,500' of 320th St and a north-bound right turn lane on County Road P-33. | L | 662,200 | 331,100 | - | 331,100 |
| Durant | Grade/pave a 435' extension of W 2nd Ave. | L | 232,762 | 116,381 | - | 116,381 |
| Eldon | Grade/pave 750' of new roadway. | L | 125,000 | 62,500 | - | 62,500 |
| Grimes | Grade/pave 1,800' of Destination Dr and 350' of Stoneridge Dr. | L | 781,338 | 390,669 | - | 390,669 |
| Manchester | Grade/pave 825' of Schram Dr. | L | 237,080 | 118,540 | - | 118,540 |

| Date Approved | Status | Jobs per Application | | | | Industry Type | Company |
|----------------------|---------------------------|-----------------------------|-----------------|------------|-----------------|-------------------------------|--------------------------------|
| | | Assisted | Existing | New | Retained | | |
| 10/12/04 | Active. | 40 | 58 | 40 | - | Industrial Area | Unnamed |
| 11/09/04 | Active. | - | - | - | - | Industrial Area | Maytag Distribution Center |
| 11/09/04 | Active. | 250 | - | 250 | - | Industrial Area | Speculative |
| 11/09/04 | Active. | 43 | - | 43 | 179 | Industrial Area | Grimes Industrial Park |
| 12/14/04 | Active. | 913 | - | 913 | - | Industrial/ Manufacturing | Industrial Area |
| 12/14/04 | Active. | 219 | - | 219 | - | Commercial/ Office/ Wholesale | CBE Group. Cedar Valley Med As |
| 03/08/05 | N/A | 15 | - | 15 | - | Soybean Processing | Pure Soy |
| 03/08/05 | Pending signed agreement. | 40 | - | 40 | - | Ethanol | Horizon Ethanol |
| 03/08/05 | Pending signed agreement. | 50 | - | 50 | - | Business Park | Marshalltown Gateway Centre |
| 03/08/05 | Pending agreement. | 200 | - | 200 | - | Food Products | Shelby County Cookers |
| 03/08/05 | Paving - July 2005. | 40 | - | 40 | - | Ethanol | Frontier Ethanol |
| 04/12/05 | Pending agreement. | - | - | - | - | Industrial Area | Industrial Park South American |
| 04/12/05 | Pending agreement. | 2 | - | 2 | - | Tourism | Gothic Welcome |
| 04/12/05 | Pending agreement. | 132 | - | 132 | - | Business Park | Crossroads Business Park |
| 04/12/05 | Pending agreement. | 153 | - | 43 | 110 | Industrial Area | X-L Specialized Trailers Inc. |

A Review of the Revitalize Iowa's Sound Economy Program
 Projects Approved in Fiscal Years 2001 through 2005

| Applicant | Project Description** | RISE Type | Total Project Cost | RISE Funds per Agreement | | |
|--------------|--|-----------|-----------------------|--------------------------|---------------|-------------------|
| | | | | Grant Amount | Loan Amount | Local Match |
| New Hampton | Grade/pave 1,000' of 225th St and 575' of new roadway. | I | 408,400 | 326,720 | - | 81,680 |
| Sioux Center | Grade/pave a 614' extension of 7th Ave NE. | L | 211,900 | 105,950 | - | 105,950 |
| Oskaloosa | Grade/pave 1,135' of new roadway. | L | 443,670 | 221,835 | - | 221,835 |
| Fort Madison | Grade/pave a 300' extension of Crabtree Ln. | I | 125,000 | 100,000 | - | 25,000 |
| St. Ansgar | Grade/pave 1,845' of new roadway. | I | 606,857 | 256,000 | - | 350,857 |
| Waterloo | Grade/pave 600' of new roadway. | L | 276,630 | 138,315 | - | 138,315 |
| | | | \$ 119,408,173 | 63,900,334 | 86,833 | 55,341,397 |

I = Immediate Opportunity Project
 L = Local Development Project
 ** = Abbreviated descriptions presented.
 N/A = Not applicable.

Source: RISE Database prepared by the DOT.

| Date Approved | Status | Jobs per Application | | | | Industry Type | Company |
|--------------------------|--------------------|-----------------------------|-----------------|------------|-----------------|------------------------------------|--|
| | | Assisted | Existing | New | Retained | | |
| 04/12/05 | N/A | 150 | - | 150 | - | Aluminum Castings | Progress Casting Group Inc. |
| 05/10/05 | Pending agreement. | - | - | - | - | Industrial Area | Industrial Park B and C |
| 05/10/05 | Pending agreement. | - | - | - | - | Industrial Area | Industrial Park |
| 06/07/05 | Pending agreement. | 25 | 325 | 25 | - | Tooling and Fabricated Parts | Industrial Tooling and Fabrication |
| 06/07/05 | Pending agreement. | 64 | 122 | 44 | 20 | Oat Byproducts | Grain Millers, Inc |
| 06/07/05 | Pending agreement. | 140 | - | 140 | - | Medical Services | VGM |
| | | 10,184 | 2,850 | 17,589 | 4,683 | | |

A Review of the Revitalize Iowa's Sound Economy Program

Projects With A Loan Component
Fiscal Years 1986 through 2005

| Applicant | Project Description** | RISE Type | RISE Funds | | | | Loan Information | |
|----------------|--|-----------|------------|--------------|---------------------|-------------|--------------------------|--------------------|
| | | | Total Cost | Grant Amount | Loan Amount Awarded | Local Match | Total Loan Amount Draw n | Loan Date |
| Dyersville | Construct .6 miles of Beltline Rd. | L | \$ 691,300 | 491,300 | 200,000 | - | 180,781 | 10/1988 to 10/1997 |
| Hartley | Improve 2nd St SE. | L | 697,650 | 415,000 | 225,000 | 57,650 | 196,762 | 9/1989 to 9/1993 |
| Sergeant Bluff | Widen, reconstruct and construct streets incl. 1st St, S D St, Warrior Rd and Pioneer Dr. | L | 1,539,500 | 1,116,500 | 100,000 | 323,000 | 63,317 | 10/1990 to 10/1999 |
| Haverhill | Resurface 1st St, 4th Ave, 2nd St and 1 block of 2nd Ave for a total of .3 miles. | L | 66,000 | - | 46,000 | 20,000 | 39,891 | 9/1986 to 9/2001 |
| Ankeny | Pave Hulsizer Ave .3 miles. | L | 220,000 | 110,000 | 66,000 | 44,000 | 39,207 | 9/1988 to 9/1997 |
| Ankeny | Extend Shurfine Dr approx. .5 miles. | L | 450,000 | 225,000 | 135,000 | 90,000 | 135,000 | 6/1990 to 6/1999 |
| Webster City | Pave Closz Dr. | L | 443,277 | - | 270,000 | 173,277 | 143,404 | 4/1989 to 4/1998 |
| Manchester | Reconstruct .8 miles of Grant St. | I | 438,022 | 305,522 | 132,500 | - | ## | ## |
| Davenport | Construct diamond interchange at E 53rd St/I-74; add 2 lanes, grade 4 lanes and pave 2 lanes on E 53rd St; grade 4 lanes and pave 2 lanes on Utica Ridge Rd. | L | 10,200,000 | 2,500,000 | 2,500,000 | 5,200,000 | 2,155,107 | 10/1992 to 10/2001 |
| Sioux City | Extend Sunnybrook Dr and Sergeant Rd. | L | 2,537,000 | 1,380,000 | 170,000 | - | @ | @ |
| Dubuque County | Extend Kapp Dr 1,600'. | I | 184,000 | 146,250 | 5,250 | 32,500 | 5,250 | 9/1988 to 9/1993 |
| Maquoketa | Construct approx. 225' of city street extension. | I | 40,894 | 30,794 | 9,050 | 1,050 | ## | ## |
| Waverly | Improve 1,200' of Industrial St and 350' of 5th Ave NW. | L | 167,700 | 40,000 | 100,000 | 27,700 | 100,000 | 8/1989 to 8/1993 |
| Waukon | Extend Third Ave approx. 1,200'. | L | 158,950 | 53,000 | 63,600 | 42,350 | 48,572 | 12/1989 to 12/1998 |

| Interest Rate | Approved Date | Jobs per Application | | | | Remarks** | Industry Type | Company |
|---------------|---------------|----------------------|----------|-----|----------|--|---------------------|--------------------------------------|
| | | Assisted | Existing | New | Retained | | | |
| 1.0% | 04/01/86 | 35 | - | 35 | - | Complete. | Trucking | Jack Link Truck Lines |
| 3.0% | 04/01/86 | - | - | - | 115 | Complete. | Industrial Area | Beef Specialists |
| 3.0% | 04/01/86 | 600 | - | 600 | - | Complete. <i>Loan paid in full March 1997.</i> | Communications | Pioneer Tele Technologies (Now MCI) |
| 6.5% | 04/01/86 | - | - | - | - | Complete. | Tourism | Blacksmith Shop |
| 0.0% | 04/01/86 | - | - | 49 | - | Complete. | Distribution | Younkers Warehouse |
| 0.0% | 04/01/86 | - | - | - | - | Complete. | Industrial Area | Industrial Park-Shurfine Drive |
| 0.0% | 04/01/86 | - | - | - | - | Complete. | Industrial Area | Webster City Industrial Park |
| ## | 04/29/86 | 200 | 100 | 100 | 100 | Complete. | Electronics | Rockwell-Collins |
| 2.0% | 04/29/86 | - | - | - | 37 | Complete. | Commercial/Business | Office facilities |
| @ | 05/13/86 | ## | ## | - | - | Revoked. | Commercial/Business | Sunnybrook Square |
| 4.0% | 05/13/86 | 65 | - | 65 | - | Complete. | Plastics | Captive Plastics |
| ## | 06/17/86 | 25 | - | 25 | - | Complete. | Boat Trailers | Chessline Manufacturing |
| 2.0% | 10/21/86 | 10 | 50 | 10 | 50 | Complete. | Printing | Waverly Publishing Company |
| 0.0% | 10/21/86 | 18 | 29 | 18 | 29 | Complete. | Industrial Area | G & S Machine Co & Impro Products Co |

A Review of the Revitalize Iowa's Sound Economy Program

Projects With A Loan Component
Fiscal Years 1986 through 2005

| Applicant | Project Description** | RISE Type | RISE Funds | | | | Loan Information | |
|------------------------------------|--|-----------|------------|--------------|---------------------|-------------|--------------------------|------------------------|
| | | | Total Cost | Grant Amount | Loan Amount Awarded | Local Match | Total Loan Amount Draw n | Beginning Date of Loan |
| Dyersville | Construct .2 miles of 15th Ave SE. | L | 78,100 | 52,100 | 26,000 | - | 23,785 | 10/1988 to 10/1997 |
| Waterloo | Construct approx. 1,700' of Greyhound Dr. | L | 478,220 | - | 310,000 | 168,220 | 310,000 | 7/1992 to 7/1994 |
| Chariton | Reconstruct approx. 2,550' of Osceola Ave. | L | 311,658 | 99,658 | 100,000 | 112,000 | ## | ## |
| Farmington/ Van Buren County | Pave 4 blocks of Pearl Ave and .6 miles of County Road J-56. | L | 232,000 | 116,000 | 61,000 | 55,000 | 61,000 | 11/1989 to 11/1998 |
| La Motte/ Jackson County | Reconstruct 1.4 miles of County Road D-57. | L | 301,380 | 180,380 | 120,000 | 1,000 | 120,000 | 10/1989 to 10/2003 |
| Winneshiek County | Reconstruct County Road A-52; improve intersection of IA 9/A-52. | L | 658,566 | 263,426 | 150,000 | 245,140 | 150,000 | 11/1988 to 11/1997 |
| Benton County | Reconstruct 2,650' of County Road W-26. | L | 150,000 | 100,000 | 50,000 | - | @ | @ |
| Guttenberg | Reconstruct approx. 1,175' (and cul-de-sac) of North Hill Dr. | L | 112,277 | 68,000 | 33,495 | 10,782 | 30,618 | 11/1989 to 11/1996 |
| Waterloo | Improve approx. 2,950' of WCFand N Dr. | L | 402,000 | 195,300 | 66,000 | 140,700 | 58,737 | 6/1990 to 6/1999 |
| Carroll/ Carroll County | Construct 4th St and Bella Vista Dr. | L | 1,031,000 | 423,000 | 381,000 | 227,000 | 215,505 | 10/1989 to 10/1998 |
| Hospers | Pave approx. 530' of W Main St; replace the Chicago and North Western RR crossing. | L | 85,760 | 60,032 | 8,576 | 17,152 | 6,347 | 10/1990 to 10/1999 |
| Clayton County | Pave approx. 2.1 miles of local county road. | L | 771,450 | 471,450 | 150,000 | 150,000 | ## | ## |
| Schleswig/ Crawford County | Pave approx. 850' of Willow Rd. | L | 59,206 | 29,603 | 17,762 | 11,841 | ## | ## |

| Interest Rate | Approval | Jobs per Application | | | | Remarks** | Industry Type | Company |
|---------------|----------|----------------------|----------|-----|----------|--------------------------------|------------------------------|--------------------------------|
| | | Assisted | Existing | New | Retained | | | |
| 2.0% | 10/21/86 | 3 | - | 3 | - | Complete. | Tourism | National Toy Farm Museum |
| 0.0% | | - | - | - | - | Complete. | Tourism | Dog Track |
| ## | 10/21/86 | - | 600 | - | 600 | Complete. | Industrial Area | Various Businesses |
| 3.0% | 10/21/86 | - | - | - | - | Complete. | Tourism | Shimek State Forest |
| 2.0% | 10/21/86 | - | 17 | - | - | Complete. | Sawmill | CITCO Inc. |
| 0.0% | 10/21/86 | 20 | 15 | 20 | - | Complete. | Industrial Area | Gemini Inc & Farm Fleet |
| @ | 10/21/86 | 50 | 147 | 50 | - | Loan was refused. Complete. | Trucking | West Side Unlimited |
| 0.0% | 10/21/86 | 150 | 89 | 150 | - | Complete. | Industrial Area | Products Unlimited Corporation |
| 5.0% | 11/04/86 | - | - | - | - | Complete. | Industrial Area | W.C.F. & N. Drive, Phase II |
| 0.0% | 11/04/86 | 10 | - | 10 | - | Complete. | Industrial/ Manufacturing | Sernett Inc |
| 0.0% | 11/18/86 | 10 | 91 | 10 | 91 | Complete. | Meat Processing | Packerland Packing Company |
| ## | 03/31/87 | 5 | - | 5 | - | Complete. | Tourism | Spook Cave/ Campgrounds |
| ## | 03/31/87 | 5 | 9 | 5 | - | Complete. | Food | Schleswig Specialty Meats |

A Review of the Revitalize Iowa's Sound Economy Program

Projects With A Loan Component
Fiscal Years 1986 through 2005

| Applicant | Project Description** | RISE Type | RISE Funds | | | | Loan Information | |
|--|---|-----------|------------|--------------|---------------------|-------------|--------------------------|------------------------|
| | | | Total Cost | Grant Amount | Loan Amount Awarded | Local Match | Total Loan Amount Draw n | Beginning Date of Loan |
| Clive/ Urbandale | Widen/signalize 50th St; widen/connect University Ave to I-35/80; widen, pave and extend 100th St; construct turning lanes and install traffic signals. Signalize | L | 6,758,586 | 1,500,000 | 1,000,000 | 4,258,586 | 1,000,000 | 8/1992 to 7/2001 |
| Bankston/ Epworth/ Dubuque County | Pave the Epworth 5.95 miles, and grade the Bankston 2.98 miles. | L | 1,590,282 | 565,198 | 39,109 | 985,975 | 39,109 | 5/1989 to 5/1998 |
| Indianola | Construct 400' of Orchard Ave, and pave 240' of entrance road. | I | 83,540 | - | 63,540 | 20,000 | 63,540 | 3/1989 to 3/1998 |
| Corydon | Reconstruct .31 miles of English St. | L | 195,000 | 78,000 | 78,000 | 39,000 | 78,000 | 1/1990 to 1/1999 |
| Benton County | Construct 1 mile of new paved road; pave .75 miles of existing gravel road. | L | 680,000 | 383,520 | 255,680 | 275,691 | @ | @ |
| Oelwein/ Fayette County | Pave 2.87 miles of 3rd St NW and 13th Ave NW. | L | 635,300 | 317,650 | 120,000 | 197,650 | 117,358 | 2/1990 to 2/1999 |
| Denver | Pave a section of gravel road, and construct approx. 600' of new road. | I | 100,000 | 75,000 | 25,000 | - | @ | @ |
| Albia | Construct a new access road. | I | 171,323 | 137,058 | 34,265 | - | 34,265 | 2/1992 to 2/2001 |
| Waverly | Reconstruct 1st St and a segment of 6th Ave NW for a total of approx. 700'. | I | 270,000 | 200,000 | 70,000 | - | 70,000 | 10/1989 to 10/1992 |
| Iowa City | Reconstruct approx. .29 miles of IA 1 using a four-lane divided cross section with a 16' raised median and left-turn storage lanes. | I | 557,950 | 312,452 | 133,908 | 111,590 | 133,908 | 8/1991 to 8/2000 |
| Nevada/ Story County | Construct, relocate and extend 19th St approx. 1 mile; relocate approx. 80' of RR crossing; convert gravel road into frontage road; extend H Ave. | L | 884,000 | 442,000 | 265,200 | 176,800 | 226,517 | 2/1992 to 2/1996 |

| Interest Rate | Approved Date | Jobs per Application | | | | Remarks** | Industry Type | Company |
|---------------|---------------|----------------------|----------|-----|----------|--|-----------------------------------|---|
| | | Assisted | Existing | New | Retained | | | |
| 1.0% | 03/31/87 | 625 | - | 625 | - | Complete. | Commercial/ Business | Unnamed Company |
| 4.0% | 05/12/87 | 12 | - | 12 | - | Default. <i>Loan to Bankston for \$1,865 and a loan to Epworth for \$37,244.</i> | Tourism | Horsfield Construction/ Bankston Park |
| 3.0% | 05/12/87 | 2 | - | 2 | - | Complete. | Tourism | National Balloon Museum |
| 3.0% | 06/09/87 | 10 | - | 10 | - | Complete. | Durable Goods | Unnamed Fiberglass Company |
| @ | 12/01/87 | 5 | 45 | 5 | - | Complete. <i>Loan declined per County request.</i> | Manufacturing- Durable | Big Timbers Inc |
| 3.0% | 12/01/87 | 48 | 47 | 48 | - | Complete. | Industrial Area | Iowa Ham Canning Inc |
| @ | 12/15/87 | | 60 | 40 | 60 | Funding revoked 12/12/89. | Freight/ Passenger Elevator | Schumacher Elevator Company |
| 8.3% | 02/02/88 | 100 | - | 100 | - | Complete. | Water Meters | A.Y. McDonald Inc |
| 0.0% | 02/16/88 | 140 | 77 | 63 | 77 | Complete. <i>Loan payable in lump sum in October 1992.</i> | Food Products | Carnation (Now Nestle Beverage Company) |
| 0.0% | 03/29/88 | 115 | 627 | 115 | - | Agreement 1988-R-028A signed 07/11/89. Complete. | Insurance | Unnamed Companies (2) |
| 0.0% | 04/12/88 | - | 750 | - | 750 | Complete. | Print Publishing | Donnelley Marketing |

A Review of the Revitalize Iowa's Sound Economy Program

Projects With A Loan Component
Fiscal Years 1986 through 2005

| Applicant | Project Description** | RISE Type | RISE Funds | | | | Loan Information | |
|-------------------------------------|---|-----------|------------|--------------|---------------------|-------------|-------------------------|------------------------|
| | | | Total Cost | Grant Amount | Loan Amount Awarded | Local Match | Total Loan Amount Drawn | Beginning Date of Loan |
| Chickasaw County/ Fredericksburg | Improve and extend the southern portion of Jefferson St. | L | 254,000 | 116,900 | 38,100 | 99,000 | 28,425 | 5/1991 to 5/1995 |
| Forest City | Reconstruct access. | L | 334,650 | 155,000 | 151,650 | 28,000 | 114,591 | 12/1991 to 5/1999 |
| Manchester | Extend Enterprise St 1,400'. | I | 199,740 | 139,740 | 60,000 | - | 53,837 | 9/1989 to 8/1996 |
| Ankeny | Construct approx. 800' of two-lane boulevard and 2,400' of pavement. | I | 592,048 | 296,024 | 177,615 | 118,409 | 163,008 | 12/1989 to 12/1998 |
| Guttenberg | Widen, resurface and reconstruct Schiller St. | L | 623,670 | 400,655 | 135,285 | 87,730 | 121,735 | 11/1992 to 11/2001 |
| Bettendorf | Construct approx. 475' of Shoreline Dr. | I | - | 86,428 | 20,000 | @ | @ | @ |
| Marshalltown/ Marshall County | Grade, drain and pave 18th Ave. | L | 1,639,000 | 713,000 | 440,000 | 486,000 | 440,000 | 8/1991 to 8/1996 |
| Manchester/ Delaware County | Construct approx. 2,800' of new access road. | L | 369,755 | 210,555 | 159,200 | - | 116,114 | 11/1991 to 7/1996 |
| Cascade | Pave approx. 980' of Washington St SE. | L | 129,642 | 77,822 | 13,900 | 37,920 | 13,900 | 1/1991 to 1/1997 |
| Keokuk | Construct approx. 6,500' of Twin Rivers Industrial Dr. | L | 3,500,000 | 1,390,000 | 75,000 | 2,035,000 | 75,000 | 5/1996 to 5/2005 |
| Albia | Regrade and pave a 700' access road. | I | 125,790 | 85,790 | 40,000 | - | 40,000 | 5/1992 to 5/2001 |
| Vinton | Construct approx. 2,886' of 21st St. | L | 589,925 | 277,325 | 58,000 | 251,600 | @ | @ |
| Missouri Valley | Grade/pave approx. 1,650' of First Ave. | I | 121,600 | 97,280 | 24,320 | - | @ | @ |
| Hartley | Construct 1,100' of 3rd St SE. | L | 155,969 | 31,469 | 124,500 | - | 124,500 | 5/1994 to 5/1998 |
| Waverly | Construct approx. 1,575' of 8th St SW; construct approx. 1,525' of Technology Pl. | L | 608,000 | 366,000 | 197,000 | 45,000 | 155,338 | 2/1994 to 2/2001 |

| Interest Rate | Dates | | Jobs per Application | | | | Remarks** | Industry Type | Company |
|---------------|----------|--|----------------------|----------|-----|----------|--|--------------------------|---|
| | Approval | | Assisted | Existing | New | Retained | | | |
| 0.0% | 04/26/88 | | 402 | 352 | 50 | 352 | Complete. | Food Products | Beatrice Cheese |
| 8.3% | 04/26/88 | | - | 34 | - | - | Complete. | Satellite Communications | CycleSat Inc |
| 1.0% | 04/26/88 | | 70 | 319 | 70 | - | Complete. | Batteries | Exide Corporation |
| 0.0% | 05/13/88 | | 165 | 175 | 165 | 175 | Complete. | Regional Distribution | Casey's General Store Inc |
| 7.5% | 05/24/88 | | - | - | - | - | Complete. | Tourism | GRR/Historical Area/Tourism |
| @ | 06/07/88 | | 20 | - | 20 | - | Revoked 12/12/89. | Cold Storage | Kohr's Cold Storage Corporation |
| 0.0% | 10/18/88 | | - | - | - | - | Complete. | Industrial Area | Industrial Area |
| 7.0% | 11/15/88 | | - | 114 | - | - | Complete. | Industrial Area | Henderson Manufacturing |
| 9.0% | 04/18/89 | | - | 99 | - | 99 | Complete. | Metals | Webber Metal Products |
| 5.0% | 04/04/89 | | - | - | - | - | Complete. <i>Loan paid off in June 1995.</i> | Industrial Area | Iowa Gateway Terminal / Industrial Area |
| 7.0% | 12/12/89 | | 22 | - | 22 | - | Complete. | Mousetraps/Plastics | Kness Mfg/Hawkeye Molding |
| @ | 01/09/90 | | | | - | - | Revoked. | Finance Office Park | Office Park |
| @ | 05/08/90 | | 30 | - | 30 | - | Agreement never signed. Revoked 12/23/92. | | Kelley Industries |
| 3.0% | 09/05/90 | | - | - | - | - | Complete. | Industrial Area | Industrial Park |
| 4.0% | 11/06/90 | | - | - | - | - | Complete. | Industrial Area | Iowa Plastics Technology Center |

A Review of the Revitalize Iowa's Sound Economy Program

Projects With A Loan Component
Fiscal Years 1986 through 2005

| Applicant | Project Description** | RISE Type | RISE Funds | | | | Loan Information | |
|-----------------|--|-----------|------------|--------------|---------------------|-------------|--------------------------|------------------------|
| | | | Total Cost | Grant Amount | Loan Amount Awarded | Local Match | Total Loan Amount Draw n | Beginning Date of Loan |
| Monroe County | Grade/pave approx. 1,340' of County Road H-16. | I | 295,081 | 233,972 | 25,700 | 35,409 | 25,700 | 1/1996 to 1/2000 |
| Urbandale | Construct approx. 3,200' of 114th St. | L | 583,491 | 224,491 | 339,000 | 20,000 | 211,222 | 5/1995 to 5/2004 |
| Dyersville | Grade/pave a 1,130' extension of 6th Ave NW. | L | 195,700 | 89,450 | 100,000 | 6,250 | 89,249 | 11/1994 to 11/1998 |
| Cresco | Improve 1,100' of existing road, and construct 441' of 5th Ave SW. | I | 319,921 | 151,921 | 100,000 | 68,000 | @ | @ |
| Humboldt | Grade/pave 610' of 13th Ave and 110' of N 21st St. | I | 116,125 | 55,900 | 37,000 | 23,225 | @ | @ |
| Garner | Grade/pave 900' of street. | L | 165,000 | 77,380 | 82,000 | 5,620 | 73,165 | 7/1995 to 7/2004 |
| Edgewood | Grade/pave approx. 660' of proposed street. | L | 122,260 | 61,130 | 61,130 | - | 61,130 | 5/1996 to 5/2005 |
| Clinton | Grade/pave approx. 560' of Windsor Dr and 600' of 16th Ave. | L | 429,200 | 199,700 | 229,500 | - | 226,216 | 9/1996 to 9/2005 |
| Sioux Center | Grade/pave approx. 1,650' of 12th St NE and approx. 360' of 4th Ave NE. | L | 542,500 | 269,150 | 118,500 | 154,850 | 92,693 | 10/2000 to 10/2004 |
| Des Moines | Construct 2.2 kilometers of Martin Luther King Jr Parkway. | L | 59,303,200 | 25,203,860 | 4,447,740 | 31,689,130 | 3,076,725 | @ |
| West Des Moines | Construct approx. 1,362' of roadway and a 1,195.5' by 56' pretensioned prestressed concrete beam bridge. | L | 7,617,360 | 3,237,378 | 571,302 | 4,178,158 | 425,871 | 8/1999 to 8/2006 |

| Interest Rate | Dates | | Jobs per Application | | | | Remarks** | Industry Type | Company |
|---------------|----------|--|----------------------|----------|-----|----------|--|-----------------|-------------------------------------|
| | Approval | | Assisted | Existing | New | Retained | | | |
| 5.0% | 04/04/91 | | 60 | - | 60 | - | Defaulted. <i>Loan paid from Farm-to-Market yearly distributions.</i> | Amino Acids | Ajinomoto USA Inc |
| 3.0% | 07/02/91 | | - | - | - | - | Complete. | Industrial Area | Aurora Business Park, Phase II |
| 4.0% | 11/05/91 | | - | - | - | - | Complete. | Industrial Area | Northwest Industrial Park |
| @ | 04/21/92 | | 14 | | 14 | 20 | Agreement never signed. Revoked 12/15/92. | Milling | Brunwell Milling Company |
| @ | 09/15/92 | | 16 | | 16 | - | Revoked. | Metals | Humboldt Precision Industries |
| 5.0% | 05/25/93 | | - | - | 6 | 6 | Complete. <i>Loan paid off in June 1999.</i> | Industrial Area | Zinpro |
| 5.5% | 11/16/93 | | - | - | - | - | Complete. <i>Loan paid off in February 2001.</i> | Business Park | Edgewood Business Park |
| 0.0% | 04/05/94 | | - | - | - | - | Complete. <i>Payments always made late.</i> | Industrial Area | Manufacturing Meadows III |
| 5.0% | 05/17/94 | | - | - | - | - | Complete. | Industrial Area | Sioux Center Industrial Park C |
| 0.0% | 09/07/94 | | - | - | - | - | This agreement was broken into several projects. Need to write regarding the loan terms. When done, write letter to the City to remind them of the loan terms. E-mailed 07/26/05. <i>Loan not in repayment status yet.</i> | Office Park | Riverpoint Dev Area/CBD Development |
| 0.0% | 08/02/94 | | - | - | - | - | Amended agreement due to concept change; balance returned to RISE 09/15/03. Complete. | Office Park | Professional Commerce Park |

A Review of the Revitalize Iowa's Sound Economy Program

Projects With A Loan Component
Fiscal Years 1986 through 2005

| Applicant | Project Description** | RISE Type | RISE Funds | | | | Loan Information | |
|------------|--|-----------|----------------|--------------|---------------------|-------------|--------------------------|------------------------|
| | | | Total Cost | Grant Amount | Loan Amount Awarded | Local Match | Total Loan Amount Draw n | Beginning Date of Loan |
| Dyersville | Grade/pave approx. 1,930' of new city street. | I | 230,470 | 129,294 | 60,595 | 40,581 | @ | @ |
| Farley | Pave 735' of Jamesmeier Rd, and grade/pave approx. 955' of Industrial Park Rd. | L | 301,247 | 139,247 | 90,000 | 72,000 | 62,553 | 6/2000 to 6/2004 |
| Dyersville | Grade/pave 2,800' of new frontage road, and relocate an existing intersection. | I | 497,438 | 347,438 | 150,000 | - | 146,979 | 10/1998 to 10/2002 |
| Osceola | Channelize and signalize the intersection of US 34 and Jimmy Dean Dr. | I | 309,000 | 233,500 | 75,500 | - | 75,205 | 1/2001 to 1/2008 |
| Cascade | Grade/pave a 1,060' extension of Nixon St. | L | 245,300 | 122,650 | 122,650 | - | 60,975 | 10/1998 to 10/2002 |
| Hull | Grade/pave approx. 1,060' of Main St. | L | 598,850 | 299,425 | 149,712 | 149,713 | @ | @ |
| Durant | Grade/pave approx. 910' of W 2nd St. | I | 292,044 | 190,000 | 50,000 | 52,044 | @ | @ |
| Dyersville | Grade/pave approx. 877' of 6th St SW. | L | 163,006 | 81,503 | 81,503 | - | 78,221 | 9/2000 to 9/2004 |
| Mason City | Grade/pave approx. 700' of new city street. | L | 215,000 | 107,500 | 78,500 | 29,000 | 62,689 | @ |
| Oelwein | Grade/pave a 140' extension of Industrial Park Dr SE. | I | 77,561 | 62,049 | 15,512 | - | 12,228 | 12/1999 to 12/2003 |
| Sigourney | Grade/pave 2,000' of Kramer Ave and Cherry Ave. | I | 454,000 | 282,669 | 86,833 | - | 86,833 | 8/2004 to 8/2008 |
| | | | \$ 116,749,434 | 49,126,788 | 16,368,182 | 52,928,293 | 12,160,082 | |

I = Immediate Opportunity Project

L = Local Development Project

** = Abbreviated descriptions presented.

= Loan file could not be located.

@ = Information not included because: 1) Project was revoked, 2) Loan was refused or not needed by applicant, or 3) Loan not in repayment status yet.

Note: Items in italics added by auditor.

Source: RISE Database prepared by the DOT.

| Interest Rate | Dates | | Jobs per Application | | | | Remarks** | Industry Type | Company |
|---------------|----------|--|----------------------|----------|-------|----------|---|--------------------------|-----------------------------------|
| | Approval | | Assisted | Existing | New | Retained | | | |
| @ | 10/11/94 | | 20 | | 20 | - | Revoked. <i>Loan declined per City request.</i> | Radio Broadcasting | SportsAmerica Radio |
| 3.0% | 08/15/95 | | - | 20 | - | 20 | Amounts taken from fact sheet. Complete. | Industrial Area | Farley Industrial Park |
| 3.0% | 09/19/95 | | 80 | 25 | 55 | 25 | Complete. <i>Loan paid off in December 1998; no interest paid.</i> | Specialty Farm Equipment | FarmTek |
| 3.0% | 09/19/95 | | 300 | - | 300 | - | Complete. <i>Additional \$4,649 in grant money to be paid back.</i> | Food Products | Hormel Foods Int'l Corp |
| 5.6% | 05/21/96 | | - | - | - | - | Complete. | Industrial Area | Cascade Industrial Park |
| @ | 06/18/96 | | - | - | - | 58 | Loan was removed from agreement. <i>Loan declined per City request.</i> Complete. | Industrial Area | Hull Industrial Park |
| @ | 12/17/96 | | 50 | | 50 | - | Revoked by Commission at the request of the sponsor 07/15/97. | Plastics | Plasticraft Manufacturing Company |
| 6.5% | 03/04/97 | | - | - | - | - | Complete. | Industrial Area | Dyersville Industrial Park |
| @ | 07/15/97 | | - | 70 | - | 70 | Complete. <i>Loan portion not needed; sent back immediately.</i> | Industrial Area | Industrial Park |
| 6.2% | 09/23/97 | | 100 | 790 | 100 | - | Default letter sent 12/17/02. | Cabinets | Bertch Cabinets Mfg |
| 5.0% | 07/18/00 | | 150 | - | 150 | - | Commission approved default 12/09/03. | Modular Homes | Heartland Handcrafted Home |
| | | | 3,762 | 4,751 | 3,303 | 2,734 | | | |

A Review of the Revitalize Iowa's Sound Economy Program

Staff

This review was conducted by:

Annette K. Campbell, CPA, Director
Jennifer Campbell, CPA, Senior Auditor
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Deputy Auditor of State

Appendices

A Review of the Revitalize Iowa's Sound Economy Program

Definition of Terms

Brownfield site – Abandoned, idled or underutilized industrial or commercial facility where expansion or redevelopment is complicated by real or perceived environmental contamination. [Iowa Administrative Code [761] Chapter 163.1]

Direct jobs created – New jobs in firms, developments or sites specifically assisted by a RISE project. [Iowa Administrative Code [761] Chapter 163.1]

Import substitution – Replacing inputs, products or services from out-of-state firms or locations with Iowa inputs, products or services. [Iowa Administrative Code [761] Chapter 163.1]

Network of commercial and industrial highways – Interconnected routes which provide long distance route continuity. The purpose shall be to improve the flow of commerce; to make travel more convenient, safe and efficient; and to better connect Iowa with regional, national and international markets. The network shall not exceed two thousand five hundred miles including municipal extensions of these highways. [*Code of Iowa*, Chapter 313.2A]

Nonroadway factors – Include labor force training, zoning, sewer, water, police and fire protection, financing and permits. [Iowa Administrative Code [761] Chapter 163.8(6)]

State economic development plan – Strategic plan for economic growth developed by the Iowa Department of Economic Development (IDED). Includes a listing of goals for the various state departments that impact outcomes defined by IDED and the Iowa Values Fund (IVF) Board as important to economic growth of the state and a joint strategic plan for IDED and IVF.
[<http://www.iowalifechanging.com/downloads/0304stratplan.pdf>]

Total capital investment – Economic value of all permanent purchases, donations or improvements directly associated with an economic development activity but not funded with RISE moneys, including land; improvements to land; buildings; equipment; furnishings; electric, gas, telephone and other utilities; sanitary sewer and storm sewer extensions and hookups; and railroad spurs, access roads, parking lots and other transportation facilities. [Iowa Administrative Code [761] Chapter 163.1]

Value-adding activities – Activities which feed new dollars into the economy. As the new dollars circulate, economic growth can be seen. Generally, residential developments, local government facilities, local public schools, locally oriented business services and personal services are not seen as value-adding activities and rarely meet the intent of the program. [Iowa Administrative Code [761] Chapter 163.2]

A Review of the Revitalize Iowa's Sound Economy Program
Projects Approved Fiscal Years 2001 through 2005 by County

| | Approval Date | Total Project Cost | RISE Funds | |
|----------------------------------|---------------|--------------------|--------------|-------------|
| | | | Grant Amount | Loan Amount |
| <u>Black Hawk County:</u> | | | | |
| Waterloo | 08/14/01 | \$6,062,000 | \$2,121,700 | \$ - |
| Waterloo | 12/09/03 | 2,718,847 | 1,359,424 | - |
| Cedar Falls | 09/18/01 | 1,218,152 | 974,522 | - |
| Cedar Falls | 08/10/04 | 1,443,738 | 721,869 | - |
| Waterloo | 12/10/02 | 603,145 | 301,572 | - |
| Cedar Falls | 12/05/00 | 595,000 | 297,500 | - |
| Waterloo | 12/14/04 | 489,310 | 244,655 | - |
| Waterloo | 06/07/05 | 276,630 | 138,315 | - |
| <u>Boone County:</u> | | | | |
| Boone County | 07/15/03 | 1,221,000 | 331,000 | - |
| <u>Bremer County:</u> | | | | |
| Waverly | 04/10/01 | 606,000 | 484,800 | - |
| <u>Buchanan County:</u> | | | | |
| Independence | 08/06/02 | 605,575 | 302,787 | - |
| Jesup | 01/10/03 | 351,325 | 281,300 | - |
| <u>Butler County:</u> | | | | |
| Parkersburg | 08/06/02 | 253,308 | 126,654 | - |
| <u>Carroll County:</u> | | | | |
| Coon Rapids | 08/14/01 | 92,610 | 74,088 | - |
| <u>Cedar County:</u> | | | | |
| Tipton | 07/17/01 | 350,475 | 175,238 | - |
| Durant | 04/12/05 | 232,762 | 116,381 | - |
| Durant | 04/13/04 | 97,575 | 48,788 | - |

Appendix B

A Review of the Revitalize Iowa's Sound Economy Program
Projects Approved Fiscal Years 2001 through 2005 by County

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|---|--------------------------|-----------------------------------|-------------------------|------------------------|
| | | | Grant Amount | Loan Amount |
| <u>Cerro Gordo County:</u> | | | | |
| Cerro Gordo County | 06/03/03 | 1,529,412 | 764,706 | - |
| Cerro Gordo County/Clear Lake | 05/07/02 | 678,626 | 339,314 | - |
| Mason City | 05/07/02 | 425,340 | 212,670 | - |
| <u>Cherokee County:</u> | | | | |
| Cherokee County | 03/12/02 | 719,750 | 240,000 | - |
| Marcus | 04/13/04 | 453,323 | 226,662 | - |
| <u>Chickasaw County:</u> | | | | |
| New Hampton | 04/12/05 | 408,400 | 326,720 | - |
| <u>Clay County:</u> | | | | |
| Spencer | 06/18/02 | 128,966 | 64,483 | - |
| <u>Clayton County:</u> | | | | |
| Elkader | 05/07/02 | 154,097 | 123,278 | - |
| Edgewood | 07/18/00 | 106,000 | 53,000 | - |
| <u>Clinton County:</u> | | | | |
| De Witt | 04/15/03 | 272,530 | 136,265 | - |
| <u>Crawford County:</u> | | | | |
| Denison | 01/09/01 | 430,340 | 310,000 | - |
| <u>Dallas County:</u> | | | | |
| Waukee | 12/11/01 | 652,478 | 326,239 | - |
| <u>Note:</u> There is also a West Des Moines project, which extended into Dallas County. See Polk County. | | | | |
| <u>Delaware County:</u> | | | | |
| Delaware County | 12/11/01 | 156,757 | 125,406 | - |
| Manchester | 04/12/05 | 237,080 | 118,540 | - |

A Review of the Revitalize Iowa's Sound Economy Program
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|-----------------------------------|---------------|--------------------|--------------|-------------|
| | | | Grant Amount | Loan Amount |
| <u>Des Moines County:</u> | | | | |
| Des Moines County/West Burlington | 03/18/03 | 1,125,227 | 500,000 | - |
| West Burlington | 02/18/03 | 651,500 | 325,750 | - |
| Burlington | 02/06/01 | 162,580 | 81,290 | - |
| <u>Dubuque County:</u> | | | | |
| Dubuque | 12/14/04 | 2,517,148 | 1,258,574 | - |
| Dubuque | 12/11/01 | 395,002 | 197,501 | - |
| Peosta | 12/11/01 | 383,640 | 191,820 | - |
| <u>Floyd County:</u> | | | | |
| Floyd County | 06/18/02 | 1,246,544 | 997,120 | - |
| <u>Grundy County:</u> | | | | |
| Grundy County | 05/08/01 | 440,655 | 220,328 | - |
| Grundy Center | 03/09/04 | 318,555 | 159,278 | - |
| Grundy Center | 10/08/02 | 156,238 | 124,990 | - |
| <u>Guthrie County:</u> | | | | |
| Guthrie County | 05/08/01 | 1,117,314 | 196,000 | - |
| <u>Hamilton County:</u> | | | | |
| Hamilton County/Webster City | 03/08/05 | 1,886,038 | 943,019 | - |
| Webster City | 11/07/02 | 608,453 | 304,227 | - |
| Ellsworth | 03/08/05 | 552,667 | 276,334 | - |
| <u>Hancock County:</u> | | | | |
| Garner/Hancock County | 05/08/01 | 480,000 | 240,000 | - |

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|--------------------------------|--------------------------|-----------------------------------|-------------------------|------------------------|
| | | | Grant Amount | Loan Amount |
| <u>Hardin County:</u> | | | | |
| Iowa Falls/Hardin County | 08/15/00 | 1,294,738 | 966,027 | - |
| Iowa Falls | 11/07/02 | 404,102 | 202,051 | - |
| Hardin County | 11/06/01 | 192,031 | 120,000 | - |
| <u>Harrison County:</u> | | | | |
| Dunlap | 07/10/02 | 110,925 | 55,463 | - |
| <u>Henry County:</u> | | | | |
| Wayland | 02/12/02 | 251,738 | 125,869 | - |
| Mount Pleasant | 06/18/02 | 147,050 | 117,640 | - |
| Mount Pleasant | 11/09/04 | 225,000 | 112,500 | - |
| <u>Humboldt County:</u> | | | | |
| Humboldt | 10/10/00 | 255,000 | 127,500 | - |
| <u>Ida County:</u> | | | | |
| Ida County | 02/06/01 | 382,781 | 191,391 | - |
| <u>Jackson County:</u> | | | | |
| Maquoketa | 08/15/00 | 1,635,475 | 1,308,380 | - |
| <u>Johnson County:</u> | | | | |
| Coralville | 04/13/04 | 7,005,644 | 3,502,822 | - |
| Tiffin | 05/11/04 | 972,964 | 486,482 | - |
| North Liberty | 04/13/04 | 661,125 | 360,000 | - |
| Coralville | 01/09/01 | 618,750 | 309,375 | - |
| North Liberty | 11/09/04 | 355,947 | 177,974 | - |
| <u>Jones County:</u> | | | | |
| Anamosa | 12/09/03 | 488,000 | 244,000 | - |

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|-----------------------------------|---------------|--------------------|--------------|-------------|
| | | | Grant Amount | Loan Amount |
| <u>Keokuk County:</u> | | | | |
| Sigourney | 07/18/00 | 454,000 | 282,669 | 86,833 |
| <u>Kossuth County:</u> | | | | |
| Kossuth County | 04/10/01 | 356,370 | 178,185 | - |
| Bancroft | 04/15/03 | 219,200 | 175,360 | - |
| <u>Lee County:</u> | | | | |
| Keokuk | 08/14/01 | 475,000 | 335,000 | - |
| Keokuk | 07/15/03 | 1,125,000 | 246,000 | - |
| Fort Madison | 06/07/05 | 125,000 | 100,000 | - |
| <u>Linn County:</u> | | | | |
| Cedar Rapids | 03/06/01 | 2,545,162 | 1,272,581 | - |
| Cedar Rapids | 05/07/02 | 1,683,552 | 841,776 | - |
| <u>Mahaska County:</u> | | | | |
| Oskaloosa | 05/10/05 | 443,670 | 221,835 | - |
| Oskaloosa | 12/05/00 | 351,184 | 175,592 | - |
| Mahaska County | 01/13/04 | 142,455 | 113,964 | - |
| <u>Marshall County:</u> | | | | |
| Marshall County | 03/08/05 | 274,074 | 137,037 | - |
| <u>Mills County:</u> | | | | |
| Mills County/Pottawattamie County | 07/13/04 | 541,000 | 247,800 | - |
| <u>Mitchell County:</u> | | | | |
| St. Ansgar | 06/07/05 | 606,857 | 256,000 | - |
| <u>Monroe County:</u> | | | | |
| Monroe County | 05/06/03 | 1,566,838 | 783,419 | - |
| Monroe County | 04/13/04 | 210,498 | 168,398 | - |

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|--|--------------------------|-----------------------------------|-------------------------|------------------------|
| | | | Grant Amount | Loan Amount |
| <u>O'Brien County:</u> | | | | |
| Sanborn | 06/18/02 | 228,715 | 114,358 | - |
| Sheldon | 06/03/03 | 185,905 | 92,953 | - |
| <u>Page County:</u> | | | | |
| Clarinda | 07/10/02 | 271,050 | 216,840 | - |
| <u>Plymouth County:</u> | | | | |
| Le Mars | 07/13/04 | 3,159,305 | 1,937,174 | - |
| <u>Pocahontas County:</u> | | | | |
| Laurens | 08/10/04 | 224,400 | 179,520 | - |
| <u>Polk County:</u> | | | | |
| West Des Moines | 09/16/03 | 13,836,200 | 9,900,000 | - |
| Ankeny/Polk County | 11/06/01 | 11,097,500 | 5,530,500 | - |
| Polk City | 05/06/03 | 2,306,800 | 900,000 | - |
| Grimes | 05/07/02 | 1,619,754 | 809,877 | - |
| Grimes | 11/09/04 | 887,550 | 443,775 | - |
| Grimes | 04/12/05 | 781,338 | 390,669 | - |
| <u>Pottawattamie County:</u> | | | | |
| Pottawattamie County/Council Bluffs | 03/18/03 | 4,713,453 | 2,356,727 | - |
| Council Bluffs | 09/10/02 | 2,944,954 | 1,472,477 | - |
| Council Bluffs | 08/14/01 | 2,621,034 | 1,310,517 | - |
| Council Bluffs | 08/10/04 | 646,770 | 323,385 | - |
| <u>Note:</u> There is also a joint project with Mills County. See Mills County. | | | | |
| <u>Poweshiek County:</u> | | | | |
| Grinnell | 04/13/04 | 1,076,530 | 538,265 | - |
| Grinnell | 12/11/01 | 302,280 | 151,140 | - |

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| <u>Shelby County:</u> | | | | |
| Shelby County | 03/08/05 | 201,940 | 161,552 | - |
| Earling | 07/17/01 | 121,506 | 81,400 | - |
| Elk Horn | 02/12/02 | 138,637 | 69,319 | - |
| <u>Sioux County:</u> | | | | |
| Rock Valley | 05/11/04 | 503,999 | 403,199 | - |
| Orange City | 10/12/04 | 443,993 | 221,996 | - |
| Sioux Center | 03/09/04 | 264,660 | 211,728 | - |
| Orange City | 06/02/04 | 229,932 | 183,946 | - |
| Sioux Center | 06/02/04 | 217,600 | 108,800 | - |
| Sioux Center | 05/10/05 | 211,900 | 105,950 | - |
| Sioux Center | 06/03/03 | 210,020 | 105,010 | - |
| Alton | 10/12/04 | 190,200 | 95,100 | - |
| <u>Story County:</u> | | | | |
| Huxley | 07/13/04 | 510,094 | 255,047 | - |
| Nevada | 10/12/04 | 468,250 | 234,000 | - |
| Colo | 05/06/03 | 378,000 | 189,000 | - |
| Ames | 11/07/02 | 365,547 | 182,774 | - |
| Story City | 10/12/04 | 338,200 | 170,000 | - |
| Roland | 11/18/03 | 143,210 | 114,568 | - |
| Roland | 10/12/04 | 201,952 | 100,976 | - |
| <u>Wapello County:</u> | | | | |
| Eldon | 04/12/05 | 125,000 | 62,500 | - |

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|----------------------------------|--------------------------|-----------------------------------|-------------------------|------------------------|
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| <u>Washington County:</u> | | | | |
| Washington | 12/11/01 | 243,212 | 121,606 | - |
| <u>Webster County:</u> | | | | |
| Webster County | 03/08/05 | 662,200 | 331,100 | - |
| Webster County | 06/02/04 | 566,952 | 300,000 | - |
| Fort Dodge | 08/10/04 | 759,937 | 276,500 | - |
| Fort Dodge | 06/18/02 | 152,340 | 99,021 | - |
| <u>Winnebago County:</u> | | | | |
| Forest City | 05/06/03 | 269,387 | 134,693 | - |
| <u>Winneshiek County:</u> | | | | |
| Winneshiek County | 09/12/00 | 754,530 | 377,265 | - |
| <u>Woodbury County:</u> | | | | |
| Sioux City | 06/03/03 | 1,400,000 | 700,000 | - |
| <u>Worth County:</u> | | | | |
| Worth County | 04/15/03 | 488,308 | 240,000 | - |
| <u>Wright County:</u> | | | | |
| Wright County | 11/07/02 | 209,887 | 167,910 | - |

Source: RISE Database prepared by DOT.

