

## COMMUNITY ATTRACTION AND TOURISM (CAT) GRANT FREQUENTLY ASKED QUESTIONS

### What is Community Attraction and Tourism (CAT) Grant?

A financial assistance program established to fund vertical infrastructure (construction) projects related to recreation, education, entertainment and cultural activities. A Governor-appointed board reviews applications and makes funding decisions.

### How much funding is available?

The CAT program provides financial assistance for community attraction and tourism projects. The CAT program is funded at \$10 million for FY2025. Please see the most recent Program Manager's Report for the current amount of available funding.

### What is a vertical infrastructure project?

Eligible CAT projects must be "primarily vertical infrastructure," which is defined as land acquisition and construction, major renovation and major repair of buildings, all appurtenant structures, utilities, site development, and recreational trails and water trails. Vertical infrastructure does NOT include routine, recurring maintenance or operational expenses or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement.

### What project costs are eligible for CAT funding?

Generally, all vertical infrastructure costs of the project are eligible for CAT funding. Eligible expenses could also include fixtures or equipment that are integral to the structure and operation of the building.

All work already completed on a project is not eligible for CAT funding. This includes design and architectural fees and site preparation expenses. Other ineligible expenses include operational expenses, endowments, marketing and advertising, and fundraising expenses including grant writer fees. Utilities specifically put in place to support the project (i.e. water, sewer, gas, electric, communications) are eligible for funding, but if they also support non-project facilities, only a reasonable percentage of the costs can be allocated to the CAT project.

The acquisition of real estate is the only pre-award expense that is eligible for CAT funding.

### Who is eligible to apply for CAT?

- City or County
- Nonprofit Organizations
- School District as a co-applicant with a City or County

### What is a typical CAT Award?

- Awards will be considered up to 20% of the total project cost, but not more than \$1 million.
- Each award is negotiated by IEDA and CAT Committee members.
- Awards to projects for community amenities such as aquatic center, library, and splashpad projects will be capped at \$500,000.
- Consideration of awards for more than \$500,000 will be reserved for projects that demonstrate a large economic impact and unique opportunities.

- For projects that have been awarded federal Destination Iowa funding, CAT awards of up to \$400,000 will be considered. CAT and Destination Iowa funding combined will not exceed 50% of the project.

#### **When should we submit an application?**

Submit an application before starting construction, and when you can demonstrate that state funding will be “last dollars in”, leaving less than 10% of funding needed to complete the project.

#### **What level of matching funds is required?**

Applications must document at least sixty-five percent (65%) of the total project cost has been committed to the project. Commitments must be in writing. Applicants must demonstrate broad local support with financial investments by City, County, and private funders.

Award recommendations will be considered by the CAT committee once the recommended CAT award brings the applicant’s funding to at least 90% of the proposed project cost. In other words, no award recommendation will be considered that leaves a fundraising gap of more than 10% of the total project cost.

#### **What can be included as match?**

Match can be financial (cash or pledges) or non-financial (in-kind contributions). Non-financial contributions may comprise no more than 25% of the total matching funds and may include, but are not limited to, the value of labor and services, real and personal property donated for purposes of the project, and the use of real and personal property for purposes of the project. All in-kind donations must be documented with signed pledges. Any real property donated to the project must have a current appraisal or assessment document to establish the value.

*Short term loans and/or financing cannot be used to help an applicant reach the 65% fundraising threshold.*

#### **What things are ineligible as match?**

Operational expenses or endowments to fund operations, and funds already spent on the project or work already completed are ineligible as match. An expense that is ineligible for CAT funding is also ineligible for match.

*Other state funds do not count as match until the applicant can document at least 50% of the funds have been raised.*

#### **What about funding from the City and the County?**

Cash contributions from the city and the county in which the project will be located. These contributions can be a multi-year pledge and must be documented in writing.

#### **How must matching funds be documented?**

Matching funds need to be in the form of enforceable commitments, ensuring the funds pledged toward the project will be available when needed. Written documentation of all matching funds should be included in the application.

Examples of enforceable commitments include resolutions to commit municipal funding streams (i.e. hotel/motel tax, local option sales tax, TIF revenues, or property tax revenues) or contracts (i.e. promissory notes, letters of credit, or the applicant’s pledge to commit money in the bank).

**Is there a deadline for applying for funds?**

CAT applications are reviewed on a rolling basis. Contact IEDA staff to discuss the best time to submit your application.

**Is there a required format for my application?**

Application forms are available by submitting the first step, a Notice of Intent to Apply. Applications should be submitted electronically according to the instructions in the application form.

**What is the application review process?**

There are four steps to the CAT application review process:

- Step 1: Application submission
- Step 2: Staff review for eligibility
- Step 3: CAT Committee review
- Step 4: Board review and consideration

**When and where does the Board meet?**

The IEDA Board meets monthly on the third Friday of the month. Most meetings are held at the IEDA office located at 1963 Bell Avenue, Des Moines.

All Board and review committee meetings are open to the public. Meeting notices with the date, time, and place of the meeting are sent to the media and posted on the IEDA webpage.

**Are we eligible for a CAT award if we have already received one?**

While the CAT Committee must consider geographic diversity when making funding decisions, a community may apply for funds for more than one project. However, a project may not receive more than one award, unless there is a separate or substantial addition or new phase to the project. The subsequent phase must be a separate project, and funds previously committed to the project cannot be counted as match toward the additional phase.

**Is it necessary to estimate revenues and expenses for my small project?**

Yes, this information helps determine the feasibility of the project. Many applicants report this requirement has improved their project because it forced necessary planning.

**What makes a good project?**

Of course, all the eligibility criteria must be met. Beyond that, here are a few areas that can be very important:

- **Good planning and vision.** The purpose is to help communities achieve a vision of community identity.
- **Financial participation from a variety of public and private partners.** This helps demonstrate both financial and philosophical commitment to the project. Sources to explore include city funding, county funding, private sector funding (individuals and businesses), and community organizations.
- **Creativity and uniqueness.** Projects should attract people to live and work in an area, and bring visitors from the region, state, nation, or world.
- **Complimentary to other attractions.** The project should complement other projects in the community, region, or state and not duplicate existing facilities.

**Readiness.** Projects should have all other funds for the project in place and be able to finish construction within two years from the award date.

