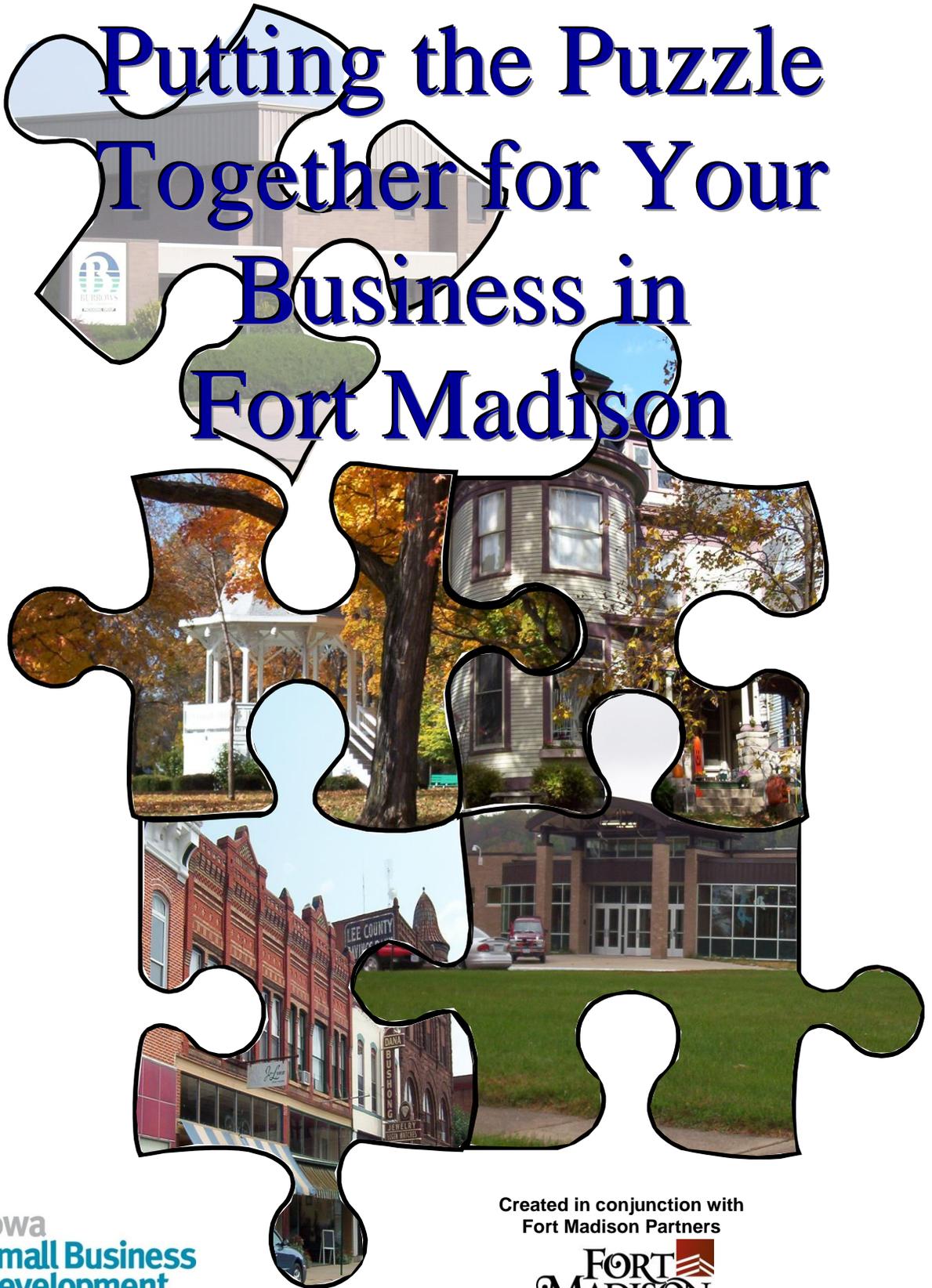


Putting the Puzzle Together for Your Business in Fort Madison



Created in conjunction with
Fort Madison Partners



TABLE OF CONTENTS

Welcome City of Fort Madison	3
Iowa—A Great Place for Business.....	4
Iowa Small Business Development Center	
Checklist: What to Do When Starting a New Business	5
Resources and Contacts for Small Businesses	6-7
Market Research	8
Licenses and Permits.....	9
Utilities	10
Development Process & Permits	11-13
Taxes	13
Rebates	14
Resource Centers	15
Tax Incentives.....	16-20
Iowa Small Business Financial Assistance Programs.....	21-24
Grants.....	25

A Guide to Opening A Business In Fort Madison, Iowa

The City of Fort Madison, the Fort Madison Economic Development Corporation, Chamber of Commerce and the Fort Madison Main Street, serve as information brokers for you and your business. This includes demographic information, employee recruitment, service organizations, business directory, visitor's guides, relocation guides and others. If we do not have the information at our fingertips, chances are we can connect you with the best source. We also serve as a resource for newcomers and visitors to the community, provide business referrals and are active in local, state and national legislative issues.

Feel free to contact us at any time. We welcome new and expanding business in our communities and will do our best to help any way possible.

City of Fort Madison

City Offices

811 Avenue E

Fort Madison, IA 52627

www.fortmadison-ia.com

Ph: 319-372-7700

Fort Madison Partners

Fort Madison Economic Development

Fort Madison Chamber of Commerce

614 7th Street

Fort Madison, IA 52627

www.fortmadison.com

319-372-5471

Iowa – A Great Place for Business



Congratulations on your decision to make Louisa County, Iowa, the home for your business! Opening a new business is an exciting endeavor and we are here to help you. The information on the following pages will help you get started, but we know that you may have additional questions.

The Iowa Small Business Development Center (SBDC), hosted by Southeastern Community College, is a non-profit organization founded in 1981. The Iowa SBDC provides **free and confidential** business management assistance to owners of small for-profit businesses and individuals interested in starting their own small business. We can assist with developing a business plan, creating financial projections, analyzing demographics, determining the target market, defining a marketing plan, helping you get necessary information about state and federal taxes, registering the business name, licensing information, and much more! We also teach courses and workshops – at a nominal charge – on a variety of business topics to help you grow your business. One-on-one counseling is available by appointment. Please contact us at 319-208-5381 for available dates and times.

Once again, congratulations on your new venture. We look forward to building a strong relationship with you.

Janine Clover, Director

Iowa Small Business Development Center

610 North 4th Street, Suite 209

Burlington, IA 52601

319-208-5381 or 866-722-4692 extension 5381

Web site: www.iowasbdc.org – E-mail: jclover@scciowa.edu

A Guide to Opening A Business In Fort Madison, Iowa

CHECKLIST: WHAT TO DO WHEN STARTING A NEW BUSINESS

Before Start-up

- Develop a business plan, including cash flow projections
- Choose management advisers—an accountant, an attorney, and a banker
- Choose an appropriate name for the business
- Using the business plan, establish a relationship with a banker. Possible bank services include:
 - ◊ Credit-card merchant account
 - ◊ Business checking account
 - ◊ Working capital loan
 - ◊ Equipment loan
 - ◊ Lock-box services
- Select the legal entity and year-end for the business
- Register the business name with County Recorder if the business is a sole proprietor
 - Find a location for the business and verify proper zoning with City
 - Negotiate a lease
 - Design the layout of the facility
 - Prepare all the necessary legal documents as applicable:
 - ◊ Partnership agreements
 - ◊ Articles of incorporation and first organizational minutes
 - ◊ Bylaws
 - ◊ Federal identification number (SS-4)
 - ◊ State and local license applications
 - ◊ Sales tax identification number
 - ◊ Industry-specific license
 - ◊ Register the business with the Secretary of State if incorporated or partnership
- Obtain quotes for and then order office furnishings and equipment
- Order office supplies
- Order business cards and business stationery
- Order an appropriate sign or indoor signage for the business
- Purchase adequate insurance **as applicable**:
 - ◊ Health
 - ◊ Malpractice
 - ◊ Liability
 - ◊ Workers' Compensation
 - ◊ Life
 - ◊ Fidelity bond
 - ◊ Computer and equipment
 - ◊ Umbrella
 - ◊ Employee dishonesty

*This list may not be all-inclusive

Start-Up

- Establish prices for your goods and services
- Promote the business's opening through:
 - ◊ Press releases to local and national media
 - ◊ Advertising
 - ◊ Direct-mail announcement
 - ◊ Chamber memberships
 - ◊ Promotional items such as pens or hats
 - ◊ Other
 - Seek, interview and make offers to job candidates
 - Select and implement a financial record-keeping system
 - ◊ Accounts payable
 - ◊ Account receivable
 - ◊ Inventory tracking
 - ◊ Order entry

Ongoing Operations

- Develop personnel policies and procedures
- Prepare quarterly payroll returns and verify timely tax deposits
- Prepare quarterly or monthly financial statements
- Perform year-end tax planning, at least one month before the year-end
- Prepare annual federal, state and payroll returns
- Develop employee job descriptions
- Review existing insurance coverage at least once a year
- Prepare and maintain personnel files
- Establish a petty cash fund and policy
- Establish answering mechanism for after hours
- Join industry associations and groups
- Verify listing in the yellow pages of area phone directories
- Register trademarks

Prepared by:

Iowa Small Business Development Center
Southeastern SBDC SCC/Center for Business
866-722-4692 ext. 5381 or 319-208-5381
www.iowasbdc.org

Funded in part with a Cooperative Agreement with the U.S. Small Business Administration
Revised 06/25/13



A Guide to Opening A Business In Fort Madison, Iowa

RESOURCES AND CONTACTS FOR SMALL BUSINESSES

Local Resources

City of Fort Madison City Offices

811 Avenue E
Fort Madison, IA 52627
www.fortmadison-ia.com
Ph: 319-372-7700

Fort Madison Partners

Economic Development; Chamber of Commerce

614 7th Street
Fort Madison, IA 52627
Web site: www.fortmadison.com
tgobble@fortmadison.com
319-372-5471

Fort Madison Public Library

1920 Avenue E
Fort Madison, IA 52627
319-372-5721

Regional Resources

Lee County Economic Development Group

2495 280th Street, Montrose, IA 52639
(319) 463-9030
Web site: www.leecountyedg.com

Small Business Development Center

One-on-one counseling, business plans and financial projections

Janine Clover, Director
River Park Place
610 N. 4th St., Ste. 200
Burlington, IA 52601
319-208-5381

jclover@scciowa.edu

Web site: www.iowasbdc.org

Center for Business & Industry (CBIZ)

Don Weiss
610 N 4th Street, Suite 220
Burlington, IA 52601
319-208-5384

dweiss@scciowa.edu

Web site: www.scciowa.edu

Southeast Iowa Regional Planning Commission

Tracy Lamm
Assistant Director, SEIRPC
RLF Administrator
211 North Gear Avenue, Suite 100
West Burlington, IA 52655
Direct: 319-753-4316
Fax: 319-754-4763
tlamm@seirpc.com
Web site: www.seirpc.com

State of Iowa Resources

Iowa Small Business Resource Office

800-532-1216

Venture Network of Iowa (VNI)

515-242-4740

Iowa Procurement Outreach Center

515-242-4888

Iowa Economic Development Authority

200 East Grand Avenue, Des Moines, IA 50309
515-725-3000

Web site: www.iowaeconomicdevelopment.com

Iowa Secretary of State

First Floor, Lucas Building, 321 E 12th Street, Des Moines, IA 50319

515-281-5204

Web site: www.sos.state.ia.us

Iowa Dept. of Revenue & Finance

Hoover Building, Des Moines, IA 50309
800-367-3388

Web site: www.iowa.gov/tax

Center for Industrial Research & Services (CIRAS)

Iowa State University

Mark Reinig
2272 Howe Hall Suite 2620
Ames, IA 50011-2272

mreinig@iastate.edu

Web site: www.ciras.iastate.edu

Iowa Dept. of Natural Resources

Wallace Building, Des Moines, IA 50309
515-281-5145

Web site: www.iowadnr.gov

Iowa Dept. of Inspections & Appeals

A Guide to Opening A Business In Fort Madison, Iowa

Lucas State Office Building
Des Moines, IA 50309
515-271-7250
Web site: www.iowa.gov

Iowa Workforce Development
1000 East Grand Avenue, Des Moines, IA 50309
515-281-5387/800-562-4692
Web site: www.iowaworkforce.org

Small Business Administration
215 - 215 - 4th Avenue SE., Suite 200
Cedar Rapids, IA 52401-1806
319-362-6405
Web site: www.sba.org

USDA - Rural Development
873 Federal Building
210 Walnut Street
Des Moines, IA 50309
515-284-4714
Web site: www.rurdev.usda.gov

Federal Resources

Small Business Administration (SBA)
Web site: www.sbaonline.sba.gov

US Federal Statistics
Web site: www.fedstats.gov

U.S. Business Advisor
Web site: www.business.gov

U.S. Census
Web site: www.census.gov

Internal Revenue Service
Web site: www.irs.gov
Publication 334 *Tax Guide for Small Businesses (For Individuals Who Use Schedule C or C-EZ)*
Publication 463 *Travel, Entertainment, Gifts, and Car Expenses*
Publication 535 *Business Expenses*
Publication 541 *Partnerships*
Publication 542 *Corporations*
Publication 583 *Starting a Business and Keeping Records*
Publication 587 *Business Use of Your Home (Including Use by Daycare Providers)*
Publication 3402 *Taxation of Limited Liability Companies*

A Guide to Opening A Business In Fort Madison, Iowa

MARKET RESEARCH SERVICES

SBDC Market Research

Iowa Small Business Development Centers provide high quality, free market research that is applicable to small business. From identifying likely customers and industry trends to analyzing direct competition, SBDC Market Research services can help you get the edge you need to be successful in your industry. Call 319-208-5381 for more information or visit our Web site at www.iowasbdc.org

Center for Industrial Research and Service (CIRAS)

The Center for Industrial Research and Service (CIRAS) works to enhance the performance of Iowa companies through research, education, and technical assistance. The Iowa State University-based organization develops numerous company assistance programs in areas such as biorenewables, engineering, government procurement, management practices, productivity, and quality systems. Visit www.ciras.iastate.edu or call 515-294-3420 for more information.

Institute for Physical Research and Technology (IPRT)

IPRT has worked on over 2,300 technical assistance and research projects with Iowa companies since 1998. Their expertise helps Iowa companies solve technical problems; create new products, and increase productivity and quality. IPRT's efforts also lead to the development of new, high-tech companies.

For more information, visit www.iprt.iastate.edu or call 515-294-8902.

Strategic Marketing Services (SMS)

A division of the University of Northern Iowa's Business and Community Services, SMS provides insight and actionable solutions to meet marketing and business objectives. Strategic Marketing Services offers a full range of qualitative and quantitative marketing research and analysis services to respond to a wide variety of challenges. More information may be obtained at www.sms.uni.edu

Business Education Services [MyEntre.Net](http://www.myentre.net)

Provided by the University of Northern Iowa's Regional Business Center, MyEntre.Net is a community of entrepreneurs and service providers, who grow, learn and share online. Webinars provide members with free, interactive presentations by business experts. Visit www.myentre.net and get started!

ESRI©

Fort Madison Main Street, in collaboration with Main Street Iowa, can provide 2009 and 2010 ESRI© data free of charge to businesses located in the historic commercial district.

A Guide to Opening A Business In Fort Madison, Iowa

LICENSES AND PERMITS

Business Licenses

Fort Madison does not require a general business license. However, some businesses are required to obtain a license or permit to operate. The following is a brief description of permits and licenses that are required.

Home Businesses and Occupations

Fort Madison does not require permits for home businesses. However, the nature of such businesses located in residential zoning districts is strictly regulated by the Zoning Code. In all such cases, the home business and occupation must be a secondary use, which is clearly incidental to the use of the home for residential purposes.

Contact: Planning Department 319-372-7700 x 212

Alcoholic Beverages

A liquor license or beer permit is required for all businesses that involve the sale of alcoholic beverages. The city Council and the State of Iowa need to approve all liquor licenses and beer permits. An application can be obtained from the City Clerk's Office.

Contact: City Clerk 319-372-7700 x 206

Cigarettes

A Cigarette Permit is required to sell, dispense or dispense cigarettes. This includes cigarettes sold in a vending machine. An application can be obtained through the City Clerk's office and includes a fee. The permit will be issued through the state; however the City Clerk will print it out.

Contact: City Clerk 319-372-7700 x 206

Soliciting and Peddling

The Fort Madison City Code requires all persons engaged in peddling or soliciting to first register with, and obtain a permit for the Chief of Police.

Taxicabs

A permit is required to own/operate a taxicab in the City of Fort Madison. A number of requirements must be met, including an application fee. The Police Department will follow-up with a background check of the applicant.

Contact: City Clerk 319-372-7700 x 206

A Guide to Opening A Business In Fort Madison, Iowa

UTILITIES

Water and Sewer

The procedure for a new business to connect to water and sewer is as follows:

Fort Madison Water Department: 319-372-1602

Fort Madison Sewer Department: 319-372-7700

- 1. Existing Building:** For a new business, the owner or tenant will be required to stop at the Fort Madison Water department, located at City Hall 811 Avenue G, to request services to be turned on. This requires general information such as business name, contact person and when the service is desired. There will be a \$10.00 turn on charge at this time. After the paperwork is completed, the Water Department will make an appointment with the business to turn on the services. Meters are read and billed monthly or quarterly.
- 2. New Construction:** New Construction will be required to work with the City of Fort Madison Planning Department for all site planning. All permits will be required for building and infrastructure. After all permits have been acquired the business developer will be required to go to the Water Department and pay for service to be connected. The fee for this can be obtained at the Fort Madison Water Department, located at 811 Avenue G, 319-372-7700.

Garbage Collection

The City of Fort Madison provides garbage collection and recycling collection services to all residents. The owners of multiple family residential buildings and all commercial buildings must obtain this service on their own.

Recycling

The City of Fort Madison doesn't offer curb side recycling to businesses, however a free drop off is located outside the recycling facility at the top of 15th street across from Rodeo Park. Contact the Great River Regional Waste Authority directly with recycling questions at 319-372-6140 as well as opportunities with other businesses in the area for your business recycling needs.

Gas and Electric

- MidAmerican Energy serves the City of Fort Madison for natural gas. The telephone number for MidAmerican Energy 24 Hour Customer Service is 888-427-5632 or at www.midamericanenergy.com
- Alliant Energy serves the City of Fort Madison with electrical service. The telephone number for Alliant Energy's 24-Hour Customer Service is 800-822-4348 or at www.alliantenergy.com

Telephone

Centurylink serves the City of Fort Madison for local telephone service. The telephone number for Centurylink residential customers is 877-720-3428 and the number for business customers is 877-744-4416. Centurylink has bundle options that combine home phone, internet, Direct TV & Verizon Wireless services. Contact them by phone or at: www.centurylink.com

Cable

Mediacom serves the citizens of Fort Madison with cable service-digital, internet and phone service is also available through Mediacom. Contact: 800-332-0245 or on the internet at: www.mediacomcc.com

A Guide to Opening A Business In Fort Madison, Iowa

DEVELOPMENT PROCESSES & PERMITS

Before You Dig:

You must notify Iowa One Call of your excavation plans at least 48 hours (normal business hours, excluding Saturdays, Sundays and legal holidays) prior to digging or excavating. If you are planning to dig or excavate on Saturday or Sunday, you will need to notify One Call prior to 5 p.m. on Wednesday of that week. By simply dialing **811** any time of day, 24-7, you will reach an *Iowa One-Call* customer service representative.

Keep the 811 number handy and call it before all excavating projects. For more information on Iowa One Call, go to www.iowaonecall.com.

Zoning

The city of Fort Madison has designated areas for commercial and industrial uses for land. New business development will only be allowed in these areas and will need to be reviewed by the Development Department for all use and code requirements.

Contact: Planning Department 319-372-7700 x 212

Rezoning

In the event that a business location is desired on property that is not suitably zoned, the City may in some cases change the zoning of that area. The developer must first meet with the City Planner to discuss proposed use of land and building. The developer will then receive a Rezoning Application, which should be filled out and returned along with the legal description, a map/drawing to scale, and a filing fee. Public hearings will be held before the Planning Commission and the City Council.

The City's decision to grant a rezoning application will be based on the comprehensive plan's goal to control; development, maintain compatibility of land uses and manage historical and cultural resources.

Contact: Planning Department 319-372-7700 x 212

Special Uses

Each zoning district contains a list of permitted land uses that are allowed by right. Each zoning district also contains a list of special uses that require the approval of the Board of Adjustments. The developer must first meet with the City Planner to discuss code requirements. The developer will then receive a copy of a Special Uses Application, which should be filled out and returned along with a drawing of the property, buildings and parking areas and a filing fee. Staff will then review the application and a public hearing will be scheduled.

Contact: Planning Department 319-372-7700 x 212

Site Plan Approval

Site plans are required for construction of new buildings or additions to an existing building. The Building Department will approve construction within the City of Fort Madison Corporate Limits. The property owner or developer must first meet with the City Planner to discuss proposed construction or expansion to a structure. A site plan for construction should be a drawing to scale showing location, all measurements, setbacks, and existing features.

Contact: Planning Department 319-372-7700 x 212

A Guide to Opening A Business In Fort Madison, Iowa

Building Permits

All physical changes to residential or commercial development require a building permit. A building permit is necessary for any new construction, any change in use, and most remodeling. A demolition permit is required for the demolition of part or all of a structure. Building permits may be issued in a timely manner to allow construction to begin in phases if sufficient plans and specifications are submitted for an overall understanding of the project.

Prior to issuance of a permit, site plans must be reviewed, depending on type of project, by the appropriate department. The City of Fort Madison Building Code requires that all site plans, specifications and construction documents be drawn to scale on substantial paper and be of sufficient clarity to indicate location, nature and extent of work proposed. Plans must also show in detail that the project will conform to the provisions of all-relevant codes, laws, ordinances, rules and regulations. Site plans must include but are not limited to existing features, setbacks and measurements, location, utilities, drainage and signs of existing and new construction.

Contact: Building Department 319-372-7700 x 212

Plumbing, Electrical or Heating Permits

Most plumbing, electrical, heating or mechanical changes to a building require a permit. Remodeling, additions to and new commercial, industrial or multi-family structures require these permits. Prior to issuance of one of these permits, an engineered plumbing, electrical or mechanical plan must be submitted.

Contact: Building Department 319-372-7700 x 212

Sign Permits

The purpose of the City of Fort Madison's Sign Ordinance is to keep with the safety, health and welfare of the citizens of the community by reducing traffic distractions, obstructions and hazards that may be caused by the display of signs. These include, but not limited to, banners billboards, ground signs, illuminated signs and promotional signs. Sign permits are required for any signage on or about a structure. For commercial use, the total surface area of all signs on lot is determined by the total linear foot of lot frontage; however, no total signage for that lot may exceed a total square footage given in specifically zoned areas.

Contact: Planning Department 319-372-7700 x 212

Certificate of Occupancy

The City of Fort Madison issues these certificates upon request.

Contact: Building Department 319-372-7700 x 212

Construction Trade Licenses

Journeyman Electricians must pass the respectful Block and Associates Exam with a score of at least 75% and then they must be approved before the Board of Electrical Examiners. If the Board grants them a license, then the license is obtained through City Hall.

A **Master Electrician** receives a license through the same procedure as the Journeyman; however, the fees are set higher.

A Guide to Opening A Business In Fort Madison, Iowa

Journeyman Plumbers are also licensed with the same Block and Associates Exam; however, they must go before the Board of Plumbing Examiners. Master Plumbers receive the same as the Journeyman Plumbers, apart from a higher fee scale.

Apprentice Electricians and Plumbers have no exam but they must fill out an Apprentice Application Form, which lists education and experience from the Building Department and must be approved by the City Inspector before a license will be issued.

Contact: Building Department 319-372-7700 x 212

TAXES

Sales and use Taxes

Anyone making a retail sale in the State of Iowa must obtain a retail sales tax permit from the Iowa Department of Revenue and Finance.

Contact: Iowa Department of Revenue and Finance,
Taxpayer Services 800-367-3388
City Clerk 319-372-7700 x 206

Hotel/Motel Tax

A 7% Hotel/Motel Tax is collected from hotels/Motels and Bed and Breakfast's located in the city limits of Fort Madison, Iowa

Contact: Iowa Department of Revenue and Finance, 515-281-3204
Fort Madison City Clerk, 319-372-7700 x 206

Property Tax

Property tax rates for properties located in Lee County can be obtained from the Lee County Assessor in the **Lee County Office Buildings, 933 Avenue H, Fort Madison or 25 N. 7th Street, Keokuk.**

Contact:
Lee County Assessors 319-524-1375 in **Keokuk** for evaluation of property
Lee County Treasurer 319-372-3405 in **Fort Madison** for collection

Other Resources and Contacts for Small Businesses:

**Great River Regional Waste
Recycling Center**
2092 303rd Avenue
Fort Madison, IA 52627
319-372-6140

A Guide to Opening A Business In Fort Madison, Iowa

REBATES

Both Alliant Energy and MidAmerican energy offer Rebates and incentives for Small Business Owners.

Alliant Energy

Before you let any more energy dollars go out the window, ask for your free business audit from Alliant Energy-IPL. They will send a certified energy expert to inspect your business. The energy expert will help you identify ways to reduce your energy use, give you estimates on how much improvements will cost and how much you can expect to save. Before you let any more energy dollars go out the window, ask for your free business energy audit from Alliant Energy-IPL.

How does the program work?

The energy expert will analyze many features of your business, including:

- Building construction and tightness
- Heating and cooling systems
- Insulation levels
- Lighting
- Water heating equipment
- Windows and doors

You will learn how to save energy throughout your business, plus if applicable, the energy expert may install one or more of the following energy-efficient technologies:

- Retrofit LED exit sign
- Occupancy sensor
- Compact fluorescent light bulbs
- Water heater insulation blanket
- Vending machine controller
- Pre-rinse sprayer

Schedule your free energy audit now by calling: 866-ALLIANT (866-255-4268) Monday - Friday.

Other small business rebates and incentives are available by [clicking here](#) or downloading their [brochure](#).

MidAmerican Energy

Looking to replace your existing lighting with energy efficient lighting? Or installing energy efficient windows and doors? Then MidAmerican Energy offers rebates that can help! [Click here](#) to see a list of all of their rebates and incentives for small businesses. Call 800-894-9599 to speak with a representative.

A Guide to Opening A Business In Fort Madison, Iowa

RESOURCE CENTERS

Fort Madison Partners

Fort Madison Partners can offer technical assistance through access to tools, databases and other resources made possible. Whether you are looking to start a small business or microenterprise, or have owned a business for 10+ years, Fort Madison Partners can help. Please direct all inquiries to Fort Madison Partners Director.

614 7th Street
Fort Madison, IA 52627
319-372-5471 or tgobble@fortmadison.com
Web site: www.fortmadison.com

Fort Madison Public Library

1920 Avenue E
Fort Madison, IA 52627
Phone 319-372-5721
Web site: www.fortmadison.lib.ia.us/

Lee County Economic Development Group

LCEDG in collaboration with local, regional, state and federal economic development partners are available to make your expansion and relocation successful. Lee County Economic Development Group, Inc. is a one-stop contact for confidential referrals.

Lee County Economic Development Group
2495 280th Street, Montrose, IA 52639
(319) 463-9030
Web site: www.leecountyedg.com

Iowa Small Business Development Center – Southeastern Community College

<http://www.iowasbdc.org/regional-centers/burlington.aspx>

Hosted by Southeastern Community College, the **Southeastern Small Business Development Center** is located in downtown Burlington at River Park Place, formerly the Mercy Hospital Building. The Center offers more than loan packaging, financial projections, feasibility and business plan writing assistance. Counselors are available to coach a new or existing business with all aspects of managing a business, from setting up and managing a record keeping system, to marketing and sales. The Southeastern Center offers a wide variety of business classes including Basic Business Accounting, Writing a Winning Business Plan, and QuickBooks. The Center serves Des Moines, Henry, Lee and Louisa counties.

Janine Clover, SE Iowa Director
Southeastern Iowa SBDC
River Park Place, 610 N. 4th Street, Suite 201
Burlington, IA 52601
319-208-5381 or 866-722-4692, ext 5381
jclove@scciaowa.edu

A Guide to Opening A Business In Fort Madison, Iowa

TAX INCENTIVES

LOCAL

City of Fort Madison Tax Abatement

Iowa law allows cities and counties to abate local property taxes for value-added to industrial real estate. The maximum amount of actual value-added at a new or expanded facility, which is eligible to be exempt from taxation, is:

- Year One: 75%
- Year Two: 60%
- Year Three: 45%
- Year Four: 30%
- Year Five: 15%

The city of Fort Madison offers tax abatement if an owner adds at least 25% of the property's assessed value worth of construction. The property taxes are then abated for three years.

Contact: Lee County Assessor's Office
933 Avenue H, Ft. Madison, IA 52627
319-372-6302

County/State Temporary Historic Property Tax Exemption

This is a local property tax incentive for the sensitive, "substantial rehabilitation" of historic buildings. Property taxes remain the same (a freeze) for four years followed by increases of 25% per year for the following four years. Two applications are required – one from SHPO and one from the county assessor.

Eligibility Requirements: Properties must be listed on or eligible for listing on the National Register, contributing to National Register or local historic districts, or designated by a county or municipal landmark ordinance. The property must also be eligible based on the specific county's priority list for that tax year. The County Board of Supervisors will establish priorities for which an exemption may be granted and will annually designate real property in the county for a historic property tax exemption. A public meeting must be held, with notice given, at which the proposed priority list will be presented.

Contact: Lee County Assessor's Office
933 Avenue H, Ft. Madison, IA 52627
319-372-6302

STATE

State Historic Property Tax Credit

Description: 25% of qualified rehabilitation costs are available as a credit against the owner(s) state income taxes. Properties do not need to be income-producing. The SHPO cannot reserve credits for more than three years into the future. For a residential property or barn constructed before 1937, the cost of a qualified rehabilitation project must exceed either \$25,000 or 25% of the assessed value (less the land value) - whichever is less. For commercial properties, the rehabilitation project must exceed 50% of the assessed value of the property (less the land value) before rehabilitation. If there is no assessed value the insured value can be used. Rehabilitation work must meet the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings.

A Guide to Opening A Business In Fort Madison, Iowa

Eligibility Requirements: Properties must be listed on or eligible for listing on the National Register of Historic Places or barns constructed before 1937 or barns that are eligible or listed on the National Register of Historic Places.

Contact: Fort Madison Partners
614 7th Street
Fort Madison, IA 52627
319-372-5471

Web site: www.fortmadison.com

FEDERAL

Federal Historic Property Tax Credit

Description: 20% of qualified rehabilitation costs are available as a credit against federal income taxes on income-producing historic properties. Rehabilitation work on historic properties must be “substantial” (an IRS test) and meet the Secretary of the Interior’s Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings. Applications and photos must be reviewed by the SHPO and be approved by the National Park Service.

Eligibility Requirements: Properties must be listed on the National Register or be evaluated as National Register eligible and then listed within 30 months after claiming the credit on IRS tax forms. (A 10% tax credit is also available for non-historic, non-residential, income producing properties built before 1936. These properties can neither be listed on the National Register nor be a contributing resource in a National Register-listed historic district.)

Contact: Fort Madison Partners
614 7th Street
Fort Madison, IA 52627
319-372-5471

Web site: www.fortmadison.com

Federal Architectural & Transportation Barrier Removal Tax Deduction

What is it? Businesses may take an annual deduction for expenses incurred to remove physical, structural, and transportation barriers for persons with disabilities at the workplace. The cost of an improvement to a business asset is normally a capital expense. However, you can choose to deduct the costs of making a facility or public transportation vehicle more accessible to and usable by those who disabled or elderly. Business may take an annual deduction for expenses incurred to remove physical, structural, and transportation barriers. All taxpaying businesses are eligible. Deduction up to \$15,000 per year for qualified architectural and transportation barrier removal expenses.

Who is eligible? All businesses are eligible.

What is the amount? Businesses may take a **tax deduction of up to \$15,000 a year for expenses** incurred to remove barriers for persons with disabilities. Amounts in excess of the \$15,000 maximum annual deduction may be depreciated.

A Guide to Opening A Business In Fort Madison, Iowa

What expenses are covered? The deduction is available every year. It can be used for a variety of costs to make a facility or public transportation vehicle, owned or leased for use in the business, more accessible to and usable by persons with disabilities. Examples include the cost of:

- providing accessible parking spaces, ramps, and curb cuts;
- providing telephones, water fountains, and restrooms which are accessible to persons using wheelchairs;
- making walkways at least 48 inches wide.

What expenses are not covered? The deduction may not be used for expenses incurred for new construction, or for a complete renovation of a facility or public transportation vehicle, or for the normal replacement of depreciable property.

May I use the tax credit and tax deduction together? Small businesses may use the credit and deduction together, if the expenses incurred qualify under both Sections 44 and 190. For example, if a business spent \$12,000 for access adaptations, it would qualify for a \$5,000 tax credit and a \$7,000 tax deduction.

Are there limits on annual usage? Although both the tax credit and deduction may be used annually, if a business spends more than may be claimed in one year, it cannot carry over those expenses and claim a tax benefit in the next year.

How can this credit be deducted? The amount spent is subtracted from the total income of a business to establish its taxable income. In order for expenses to be deductible, accessibility standards established under the Section 190 regulations must be met.

Contact: Office of Chief Counsel, IRS
1111 Constitution Avenue, NW
Washington, DC 20224
202 622-3110

Small Business Disabled Access Tax Credit

What is it? Small businesses may take an annual tax credit for making their businesses accessible to persons with disabilities. The disabled access credit is a nonrefundable annual tax credit for an eligible small business that pays or incurs expenses to provide access to persons with disabilities.

Who is eligible? Small businesses that in the previous year earned a maximum of \$1 million in revenue or had 30 or fewer full-time employees are eligible.

What is the amount? The credit is 50% of expenditures over \$250, not to exceed \$10,250, for a maximum benefit of \$5,000. The credit amount is subtracted from the total tax liability after calculating taxes.

A Guide to Opening A Business In Fort Madison, Iowa

What expenses are covered? The credit is available every year and can be used for a variety of costs such as:

- sign language interpreters for employees **or** customers who are hard of hearing;
- readers for employees or customers who have visual impairments;
- the purchase of adaptive equipment or the modification of equipment;
- the production of print materials in alternate formats (e.g., Braille, audio tape, large print);
- the removal of architectural barriers in buildings or vehicles.

What expenses are not covered? The tax credit does not apply to the costs of new construction, and a building being modified must have been placed in service before November 5, 1990.

May I use the tax credit and tax deduction together? Small businesses may use the credit and deduction together, if the expenses incurred qualify under both Sections 44 and 190.

For example, if a business spent \$12,000 for access adaptations, it would qualify for a \$5,000 tax credit and a \$7,000 tax deduction.

Are there limits on annual usage? Although both the tax credit and deduction may be used annually, if a business spends more than may be claimed in one year, it cannot carry over those expenses and claim a tax benefit in the next year.

How can this credit be deducted? Businesses can claim this credit on [IRS Form 8826](#).

Contact: Office of Chief Counsel, IRS
1111 Constitution Avenue, NW
Washington, DC 20224
202-622-3110

Web site: www.iowaworkforce.org/access/smallbustaxcredit.html

Work Opportunity Tax Credit

What is it? The Work Opportunity Tax Credit (WOTC), which replaces the Targeted Jobs Tax Credit (TJTC) program, provides a tax credit for employers who hire certain targeted groups. The Work Opportunity Tax Credit (WOTC), provides a tax credit for employers hiring individuals from certain targeted groups (see detailed information). An employer may take a tax credit of up to 40% of the first \$6,000 in the first year wages per qualifying employee. The maximum per employee is \$2,400 per tax year.

Who is in the targeted groups? Low-income, vocational rehabilitation referrals, former AFDC recipients, veterans, ex-felons, food stamp recipients, and SSI recipients.

How does it apply to persons with disabilities? Employers that hire individuals who are SSI recipients or certified vocational rehabilitation (VR), State agency, Employment Network, or U.S. Department of Veterans Affairs referrals and meet all of the criteria described below may claim the WOTC. Employers that hire individuals who received Social Security Disability Insurance and have a Ticket to Work assigned to an Employment Network may also claim the WOTC.

A Guide to Opening A Business In Fort Madison, Iowa

- having a physical or mental disability resulting in a barrier to employment, and
- referred to an employer upon completion of or while receiving rehabilitative services, pursuant to the Vocational Rehabilitation Act of 1973, as amended.
- signed employment plan with a state agency, Employment Network, U.S. Department of Veterans Affairs.

Who is eligible? All businesses are eligible.

What is the amount? An employer may take a tax credit of up to 40% of the first \$6,000, or up to \$2,400, in wages paid during the first 12 months for each new hire.

What are the Minimum Employment Requirements? Eligible employees must work 180 days or 400 hours; summer youth must work 20 days or 120 hours. A partial credit of 25% for certified employees who worked at least 120, but less than 400 hours may be claimed by the employer.

Contact: WOTC Unit
Workforce Development Administrative Center
430 E Grand Ave., Room 336
Des Moines, IA 50319
(515) 281-9336
E-mail: John.McDonald@iwd.iowa.gov

IOWA SMALL BUSINESS FINANCIAL ASSISTANCE PROGRAMS

Funding programs for small businesses can generally be viewed as coming from the three levels of government: local, state and federal. The following is a list of Iowa Financial Assistance programs; this list is not all inclusive, and there may be other programs available in different regions and counties in Iowa.

Banks and Credit Unions: Banks lend commercially, (in-house), or they use a guaranteed loan program such as SBA 7(A). Before approaching the bank or credit union, be prepared by completing a business plan and financial projections. Approach your bank or credit union FIRST; they know you and you have an established history with them.

Federal

The SBA does not make direct loans to small business. The SBA sets the guidelines for loans which are made by its partners and guarantees that these loans will be repaid, thus eliminating some of the risk for the lending partners. Please note; the Small Business Administration (SBA) **does not** provide any grant programs for small businesses. Financial assistance is given through loan programs only.

SBA 7(A) Guarantee Loan Program

The 7(A) Loan Program is the SBA's primary business loan program. The SBA offers loans from \$100,000 to \$2 million. Terms of loans:

- Real Estate – up to 90%, up to 25 years, fully amortizing
- Business Acquisition – up to 85%, up to 10 years, fully amortizing
- Debt Refinance – up to 100%, 7 to 25 years fully amortizing depending on the use of loan proceeds
- Equipment, Inventory and Working Capital – up to 100%, 7 to 10 years fully amortizing

SBA guaranty fees range from 2% to 3.75% depending on the size of the loan. Additional fees for loan packaging, appraisal, environmental, title/escrow, construction, etc. may apply.

SBA 504 Loan Program

This SBA program offers loans from \$500,000 to \$8 million for financing the acquisition or construction of owner occupied properties and equipment.

- Terms of Loans:
 - Bank first trust deed - 25 Years, fully amortizing, competitive fixed and floating rates available
 - SBA second trust deed – 20 Years, fully amortizing, fixed rates
- Loan Advance Rates:
 - General purpose real estate – up to 90%
 - Special purpose real estate – up to 85%
- Loan Costs:
 - 1.5% of the first trust deed loan
 - Additional fees for SBA/CDC second trust deed loan
 - Loan packaging, appraisal, environmental, title/escrow, construction fees vary depending on size of project, etc.

A Guide to Opening A Business In Fort Madison, Iowa

SBA Patriot Express Loan

The Patriot Express Loan is for veterans and their spouse wanting to establish or expand a small business. Loans have a 7-year term. For loans of \$5,000 to \$25,000 at Prime +4.75% and loans of \$26,000 to \$50,000 at prime + 3.75%. The loans are unsecured and no collateral is required. The SBA guarantee fee of 2% of the guaranteed portion (85%) of the loan will be deducted from the loan proceeds. Loan payments are automatically drafted from the business checking account at borrowers established institution.

For more information on loans offered through the SBA visit the Web site www.sba.gov or Borrego Springs Bank at <http://www.borregospringsbank.com/>

USDA Business and Industry Loan Guarantee Program

The USDA guarantees loans to eligible lenders to businesses to benefit rural areas, up to 80 percent of the original loan amount. These loans can be guaranteed in cities up to 50,000 population with priority to applicants in rural communities of 25,000 or less. Visit www.rurdev.usda.gov

State of Iowa

Iowa MicroLoan

This program offers small loans and technical assistance grants for small businesses with no more than 10 full time employees. Iowa MicroLoan offers Iowa residents loans of \$5,000 up to \$50,000 for start-up, expansion or refinancing of micro businesses. Applicants must have applied for a loan at a traditional credit source and have been denied before this opportunity is available. The maximum loan term is six years. For more information call 515-212-0182 or visit www.iowamicroloan.org.

Wellmark Community Ventures Fund

Applicant Company must be an Iowa based for-profit company. Typical funding will provide \$10,000 to \$100,000 in convertible debt financing. The loan term is 5 years at a rate of 7% interest. Interest is payable at the end of 5 years. A request may be made to extend the loan for an additional two years. For an application or more information visit www.jpec.org/wellmark.

Iowa Targeted Small Business Program

This financial assistance program is available to women, minorities and disabled individuals who own or are starting a business. This IDED program offers:

- A low interest loan, up to \$50,000, at an interest rate of 0-5%, to be repaid in monthly installments over a five to seven year period. The first installment can be deferred for three months for a start-up business and one month for an existing business.
- Loan guarantees up to \$50,000. Loan guarantees can cover up to 80% of a loan obtained from a bank or other conventional lender. The interest rate is at the discretion of the lender.
- In limited cases, an equity grant, to be used to leverage other financing, SBA or conventional, in amounts up to \$50,000.

In order to apply for financing, the business has to be certified as a Targeted Small Business first through the Iowa Department of Inspections and Appeals, www.state.ia.us/government/dia/index.html. The second step is to complete TSB application, found at the www.iowaeconomicdevelopment.com

A Guide to Opening A Business In Fort Madison, Iowa

Iowa Self-Employment (ISE)

This program allows qualified individuals with disabilities to establish, acquire, or expand a small business by providing technical and financial assistance. Technical Assistance funds of up to \$10,000 may be used to pay for any specific business-related consulting service, such as developing a feasibility study or business plan, or accounting and legal services. Financial Assistance funds of up to \$10,000 may be used to purchase equipment, supplies, rent or other start-up, expansion or acquisition costs identified in an approved business plan. Expenditures for financial assistance cannot exceed \$10,000 and applicants must provide 50% of the of the equipment or working capital needed to start, expand or acquire a business by providing a dollar-for dollar match of the financial assistance requested. To be eligible for the program, applicants must be active clients of the Iowa Department of Education, Iowa Vocational Rehabilitation Services, or the Iowa Department for the Blind. To learn more, 515-281-4211 or DVRS.Webmaster@iowa.gov

Demonstration Fund

Provides grants and loans to accelerate commercialization of products by companies in three targeted industry clusters — Bioscience, Advanced Manufacturing and Information technology. The purpose of the fund is to encourage commercialization of innovation thereby fostering competitive, profitable companies that create high paying jobs and wealth in Iowa. Funding is approved by the IDED Board of Directors. Go to www.iowalifechanging.com for application.

Community Economic Betterment Account

This program is structured to provide financial assistance to businesses and industries that require such assistance in order to create new job opportunities. Retail businesses are ineligible for this program. CEBA funds are intended to be only a small piece of the financial package with the majority of the investment coming from private and local public resources. For more information call IDED at 515-242-4795 or 800-532-1215 or www.iowalifechanging.com for application.

Value Added Processes/Products Financial Assistance Program

This program is to encourage the increased utilization of agricultural commodities produced in the state of Iowa. The two components to the program relate to: 1. operations which are involved in the development of new and innovative products or processes related to agriculture and 2. renewable fuel productions facilities with a priority given to those renewable fuel facilities which produce a co-product which directly supports livestock production operations. For more information call IDED at 515-242-4795 or 800-532-1215 or www.iowalifechanging.com for application.

Local

Local & Regional – Southeast Iowa Regional Planning

Regional RLF

The SEIRPC RLF was funded by a \$600,000 loan from USDA and a \$150,000 local match from each of the four member counties and cities. For-profit businesses from all four counties (excluding businesses located in the city limits of Burlington, Iowa) are eligible to apply for loans up to \$125,000 at a competitive interest rate. The regional fund targets manufacturers and has a goal of creating or retaining one job for each \$10,000 lent.

A Guide to Opening A Business In Fort Madison, Iowa

Economic Development Administration RLF

The EDA RLF was funded by a \$450,000 grant from EDA and a \$150,000 local match. Businesses from all four counties are eligible to apply for loans up to \$125,000 at a competitive interest rate. The primary objective of the program is private sector job creation and capital formation for expansion or start-up projects and has a goal of creating or retaining one job for each \$10,000 lent.

RLF Contact: Tracy Lamm, Assistant Director, SEIRPC
RLF Administrator
211 North Gear Avenue, Suite 100
West Burlington, IA 52655
DIRECT: 319-753-4316
FAX: 319-754-4763
tlamm@seirpc.com

Grant Information

Grants can be found from three sources:

1. Federal or State Government
2. Private Foundations
3. Business Plan Writing Contests

The Federal Government has a web-site that lists all of the grant money available for education, housing, health care, elderly care, child care, non-profit businesses, and some, but very few, for-profit businesses.

The Web site www.grants.gov, lists all federal grant programs, how to apply, application deadlines, and eligibility requirements. DO NOT BUY GRANT INFO ON THE WEB!

Most publications on “free money” are outdated as soon as they are published. Why? Grants are available for a limited time period; they are not on-going.

Private Foundations may either be publicly held companies, such as Dell, Microsoft, General Mills, privately held businesses, or individuals. The best place to find out if a company has a foundation, is to look up the company on the internet, (most large corporations have a web-site) and look under their foundation tab on their web-site. Most foundations give to non-profit organizations, very few give to for-profit organizations.

Business Plan Writing Contests are increasing becoming a popular way to “win” grant money. Check your local Iowa SBDC office for more information.

For further assistance with any of these programs or to learn how to write a business plan contact the Iowa Small Business Development Center at Southeastern Community College, 319-208-5381 or 866-722-4692 ext. 5381. Visit our Web site at www.iowasbdc.org.

*These programs are not inclusive—there may be financial assistance available for a particular situation.