

Community Attraction and Tourism (CAT) Fund Program Guidelines

Iowa Economic Development Authority

FY 2026

Fiscal Year Allocation: \$10 million – Rebuild Iowa Infrastructure Fund (RIIF)

Application Release Date: July 1, 2025

Purpose

The Community Attraction and Tourism (CAT) Grant Program is designed to assist communities in the development and creation of multiple-purpose attraction and tourism facilities. The Program is governed by Iowa Code Chapter 15F, Subchapter II and 261 Iowa Administrative Code 211.

Eligible Applicants

A city, county, or public organization (not-for-profit organization) is eligible to apply for CAT grant funds. A school district, in cooperation with a city or county, may submit a joint application. A school district cannot apply as a single applicant. Joint applications should include a 28E Agreement outlining the roles and responsibilities of each entity.

Ineligible Applicants:

- For-Profit businesses
- State Agencies, Community Colleges and Regent Institutions
- Casinos and Gaming Organizations

Eligible Projects:

- Eligible projects must be primarily Vertical Infrastructure and create or expand recreational, cultural, entertainment and educational opportunity within the community.
 - “Vertical infrastructure” means land acquisition and construction, major renovation and major repair of buildings, all appurtenant structures, utilities, site development, 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.
- Projects must be open to the public upon completion.
- Applicants must own the improvements made with the grant during construction and after completion.

- Funded projects must position a community to take advantage of economic development opportunities in tourism and strengthen a community's competitiveness as a place to work and live.

Ineligible Projects

The following projects are ineligible for funding:

- Routine or recurring maintenance
- Leasing of a building
- Events, marketing or promotion

Projects underway are not eligible to apply. The CAT Committee may consider exceptions to this requirement when extenuating circumstances can be articulated. Such considerations will be made during the application review and award recommendation.

Requirements for application:

- Project shows broad local support with financial investments by City, County and private funders.
- Project scope has been defined and Architect/Engineer cost estimates received not more than six-months prior to applicant.
- Financing/Fundraising on project has reached at minimum 65% of total estimated cost, before the use of financing.

Eligibility Requirements

Requirements for CAT grant awards include but are not limited to the following:

- Project must be primarily vertical infrastructure; including major renovations and trails
- Applicant must own or intend to own the property that is the subject of the project.
- Applicants who have previously received funding from IEDA shall have demonstrated acceptable past performance, including the timely expenditure of funds.
- Applications shall demonstrate the feasibility of completing the proposed activities with the funds requested within grant timeline. Eligible projects must be under contract for construction within 12-months of award
- Applications shall identify and describe any and all other sources of funding for the proposed activities.
- Projects shall demonstrate broad public support including city, county and local private dollars.
- Eligible projects must have 65% of financing/fundraising secured at time of the application
- No more than 50% of the project can be funded by state dollars, including the amount awarded with CAT Fund funding.

Eligible Expenses

Only expenditures directly related to the awarded project will be reimbursed. Only expenditures made after the date of an award are eligible for reimbursement. Examples of eligible expenses include, but are not limited to:

- Construction supplies, materials and labor
- Purchase of real property, Engineering, Architectural and Design Fees
- In-Kind donations are acceptable expenses for materials and contracted services – up to 25% of total project cost.

Ineligible Expenses

Ineligible expenses include, but are not limited to:

- Intangible assets
- Operating costs including employee wages for administering grant or contracted grant administration
- Marketing, fundraising, promotional or event costs
- Leasing of a building
- Re-financing a loan

CAT Review Committee

- Iowa Code requires the Director appoint a review committee with relevant expertise to review applications and make award recommendations to the IEDA Board.

Application Review Process

- A Notice of Intent to Apply must be submitted prior to a formal application. IEDA staff will use the Notice of Intent to Apply to provide technical assistance and guidance to applicants prior to application submittal.
- Applications accepted on a rolling basis, subject to availability of funds. A new application will be available July 1, 2025 for fiscal year 2026.
- Full applications will be reviewed by IEDA staff for eligibility and completeness.
- Applicants that meet all eligibility criteria will be forwarded to the CAT Review Committee. One committee member will be assigned to each project to work with IEDA staff to bring an award recommendation to the committee.
- CAT committee members will utilize the following criteria to determine whether to recommend an award and the level of assistance:
 - 1) *Breadth of fundraising*
 - *A broader base of fundraising support will be considered more favorably. A range of size and scope of funding sources will be considered.*
 - 2) *Community/Regional/Statewide Impact*
 - *A larger award will be considered when the project has an impact that goes beyond the local community.*

- 3) *Catalyst for additional development*
 - *The ability for the project to spur additional development will be viewed favorably.*
- 4) *Sustainability*
 - *Consideration will be given to the feasibility and sustainability of the proposed project. Does the applicant demonstrate an ability to complete the project as proposed? Are plans in place to run the facility into the foreseeable future? How will revenues be generated to meet the operating expenses? How were projected operational costs generated?*
- 5) *Geographic Diversity and small population areas*
 - *Projects located in an area that has not received recent CAT or Destination Iowa awards will be viewed favorably.*

- 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.
- CAT Committee recommendations will be forwarded to the Iowa Economic Development Authority (IEDA) Board for final approval.
- One-third of program funds are allocated to "Small Population Areas". Small population funds not awarded by April 1, 2026 may be awarded to any eligible project.

Award Consideration

- For FY26, Small Population projects will be considered for an award of up to 30% of the total project cost. Larger population areas will be considered for an award of 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. Larger population areas will not receive funding for aquatic center, libraries or splash pads.
- 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.

Grant Administration

Agreement

The Authority will notify successful applicants in writing of an approved request for funding. IEDA will issue an agreement, which will be between the Recipient and the Authority, with a standard term of two-years. The Recipient(s) must execute and return the agreement to the Authority within 45 days of the transmittal of the agreement from the Authority. Failure to return the executed agreement may be cause for the Board to terminate the award. Failure to enter into a construction contract within the 12-months following an award is an event of default with opportunity to cure.

Amendments

Any substantive change to a funded CAT project, including time extensions, budget revisions, and alterations to proposed activities, will be considered a modification that requires an amendment to the agreement. The Recipient shall request an amendment in writing. No amendment will be valid until approved by the board and signed by all parties.

A typical extension will not exceed one year.

To request a contract amendment, the Recipient shall initiate the amendment process in writing. Once the amendment request is received, staff will place the amendment request on the agenda for the next scheduled Board meeting.

Disbursement of Funds/Claims

Disbursements will be made on a reimbursement basis by calculating a grant to total project cost ratio that is adjusted for in-kind allowance. The reimbursement process is designed to allow state funds to be released at approximately the same rate as the state's participation in the total project. No advance disbursements will be allowed.

Disbursement claims must be for an amount equal to or greater than \$500 per request, except for the final draw of funds. No more than four requests for disbursements can be submitted per calendar year. When submitting a claim, the following items will be required:

- Disbursement request form with detailed description of the expenditures and their corresponding amounts as well as:
 - Product invoices and proof of payment for any equipment, supplies, materials, or subcontractor payments.
 - The Authority may request additional documentation as needed.
 - A General Account Expenditures (GAX) Form with a Vendor Code
 - A status report for the claim period. If no funds are requested during the year, Recipients will file an annual status report pursuant to Iowa Code 8.57.
- Final claim must be received within 120 days of project completion as defined in the project agreement.
 - The Authority will withhold 10% of award funds until the final report is received and approved by the program manager.
- Any funds not claimed within 120 days of project completion may be considered de-obligated.
- Contract will require a project to be under construction contract within 12-months following award.
- No disbursement of funds will occur prior to the execution of the agreement and completed conditions to disbursements, as outlined in the agreement.

Status Report Requirements

Recipient Reports

Annual Status Reports – RIIF Required

- Annually, on or before December 31 of each year, a recipient of moneys from the CAT fund shall report the status of all projects completed or in progress, on a form prescribed by the

Authority. Pursuant to Iowa Code section 8.57, the report shall include a description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

Final Report

- The final report will be submitted on a form prescribed by the Authority, within 120 days of the project completion date.
- The Authority will withhold 10% of award funds until the final report is received and approved by the program manager.

Monitoring

IEDA will use the following process to monitor the CAT grant activities:

Desktop monitoring

- IEDA will review the claims and status reports.
- IEDA will identify performance and expenditure issues and will contact the Recipient to address any concerns.
- Program manager will notify the IEDA board of any ongoing performance and/or reporting issues.

Formal Monitoring

- Staff retains the right to visit the site, if necessary, in the sole discretion of the Authority
- If any additional information is requested during the site visit, the Recipient will provide in the format requested.

Closeout Procedures

- Final report will be submitted by grant Recipient within 120 days of project completion.
- Final payment will be made after the program manager has determined all contract requirements have been satisfied.
- IEDA will provide a final closeout document stating that contracted funds have been spent in accordance with the agreement.
- If a balance remains after the final claim has been received and payment has been made, the unused funds shall be de-obligated.

Noncompliance

Noncompliance may include, but are not limited to the following:

- Use of IEDA funds for activities not described in the application.
- Failure to complete approved activities in a timely manner.

- Failure to comply with any applicable state or federal rules, regulations, or laws.
- Lack of a continuing capacity of the Recipient to carry out the approved project in a timely manner.

Penalties for noncompliance include, but are not limited to, return of grant funds to the IEDA.