

Redevelopment Tax Credit Program for Brownfields and Grayfields



Matt Rasmussen
Program Manager

Redevelopment Tax Credit Program for Brownfields and Grayfields

- » Provides tax credits for redevelopment of distressed property
- » Commercial, Industrial, Abandoned Public Buildings
- » Based on Owner's equity investment
- » Maximum of \$1.5 million per project

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What is a Brownfield?

What is a Grayfield?

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Brownfield

- » “...an abandoned, idled, or underutilized industrial or commercial facility where expansion or redevelopment is complicated by real or perceived environmental contamination.”

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» Grayfield

- » “...an abandoned public building or an industrial or commercial property that is vacant, blighted, obsolete, or otherwise underutilized. A grayfield has been developed and has infrastructure in place but the property's current use is outdated or prevents a better or more efficient use of the property.”

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» Grayfield

“...having improvements and infrastructure that are at least twenty-five years old and one or more of the following conditions exists:

- » Thirty percent or more of a building located on the property that is available for occupancy has been vacant or unoccupied for a period of twelve months or more.
- » The assessed value of the improvements on the property has decreased by twenty-five percent or more.
- » The property is currently being used as a parking lot.
- » The improvements on the property no longer exist.”

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» The Program:

- » Applicants range from individuals to corporations
- » Provides transferable investment tax credits
- » Refundable for Non-Profits- Established in application***
- » Good for 5 years from date of issue
- » Based on owner's equity investment only
- » Purchase price, cleanup costs, redevelopment costs

- » **Grayfield = 12% (15% if green)**
- » **Brownfield= 24% (30% if green)**

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» The Program:

- » Competitive Awards
- » \$15 million annual allotment
- » Only costs incurred and paid after IEDA Board approval
- » Cost Certification required by independent Iowa CPA
- » Maximum of \$1.5 million per project (10% of allotment)
- » 30 months to complete project

- » **Grayfield = 12% (15% if green)**
- » **Brownfield= 24% (30% if green)**

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» Apply:

- » Annual Application period -July and August with September 1 deadline
- » Considered competitively by Brownfield Advisory Council who makes recommendations to IEDA Board
- » APPLY ONLINE ONLY: <https://govconnect.iowa.gov/>

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Elmira Cellars, Inc.- West Branch

Brownfield \$440,000 Project, \$100,000 Tax Credits

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1248 8th Street, LLC- West Des Moines

Brownfield \$1,156,446 Project, \$83,036 Tax Credits

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Raining Rose, Inc.
Cedar Rapids

Grayfield \$13,500,000 Project, \$500,000 Tax Credits

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Kerker Lofts, LLC- Davenport

Brownfield \$1,331,074 project, \$319,458 Tax Credits

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503 Walker, LLC- Woodbine

Grayfield \$1,035,000 project, \$100,000 Tax Credits

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» Questions?

» Matt Rasmussen

» Iowa Economic Development Authority

» 515-348-6196

» matt.rasmussen@iowaeda.com