



Iowa Department of  
**REVENUE**

**Iowa's Redevelopment Tax Credit  
Tax Credits Program Evaluation Study**

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## **Preface**

During the 2005 Legislative Session the Iowa Department of Revenue received an appropriation to establish the Tax Credits Tracking and Analysis Program to track tax credit awards and claims. In addition, the Department was directed to assist the legislature by performing periodic economic studies of tax credit programs. This is the second economic study completed for the Redevelopment Tax Credit.

As part of the evaluation, an advisory panel was convened to provide input and advice on the study's scope and analysis. We wish to thank the members of the panel:

Bulent Uyar	Professor of Economics, University of Northern Iowa
Peter Orazem	Professor of Economics, Iowa State University
Matt Rasmussen	Program Manager, Iowa Economic Development Authority
Sam Wagner	Brownfield Redevelopment Advisory Council Member (Representing Professional Developers of Iowa); Business and Community Development Manager, MidAmerican Energy Company
Mel Pins	Brownfield Redevelopment Advisory Council Member; Brownfield Program Coordinator, Iowa Department of Natural Resources

The assistance of an advisory panel implies no responsibility for the content and conclusions of the evaluation study.

This report was also reviewed by Laura Schneider and Amy Rehder Harris. This study and other evaluations of Iowa tax credits can be found on the [Tax Credit Tracking and Analysis Program web page](#) on the Iowa Department of Revenue website.

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## Executive Summary

The Iowa Redevelopment Tax Credit was enacted in the 2008 Legislative session. The tax credit is awarded to non-governmental entities for investing in redeveloping a brownfield or grayfield site located in Iowa. A brownfield site is an abandoned, idled, or underutilized industrial or commercial facility where expansion or redevelopment is complicated by real or perceived environmental contamination. A grayfield site is a property that has been developed and has infrastructure in place but the property's current use is vacant or unoccupied.

The tax credit equals 12 percent of the qualified redevelopment expenses for grayfield projects and 24 percent for brownfield projects. If a project meets green development standards, the tax credit equals 15 percent of the qualified expenses for a grayfield project and 30 percent for a brownfield project. The Redevelopment Tax Credit for any one project is limited to 10 percent of the total annual credit cap that currently equals \$10 million. The tax credit, which is administered by the Iowa Economic Development Authority (IEDA), is nonrefundable, but transferable, for for-profit entities. The credit is refundable for non-profit organizations. The tax credit is set to be repealed June 30, 2021.

The major findings of the study are these:

### Redevelopment Tax Credit Awards

- Before 2015, the awarding process was first-come, first-served. After 2015, a Brownfield Redevelopment Advisory Council, comprised of experts from IEDA, the Department of Natural Resources, the Professional Developers of Iowa, and the Iowa League of Cities, reviews each application. Council members assign scores to each application separately. Those scores are averaged across the five members and the applications are ranked. Using those ranks, the Council determines the priority of each project and the potential amount of the tax credit.
- The Brownfield Redevelopment Advisory Council recommends the projects to be allocated tax credits to the IEDA Board who makes the final decisions. Upon approval of the application by the Board, IEDA registers the project and allocates the preliminary tax credit award amount under the program cap.
- Between FY 2010 and FY 2019, \$68.6 million of Redevelopment Tax Credits were allocated to 157 projects. Redevelopment work must be completed within 30 months after receiving an allocation, although IEDA can grant multiple 12-month extensions.
- By the end of FY 2018, 78 projects have been completed and received final Redevelopment Tax Credit awards totaling \$31.0 million. For these completed projects, the average effective Redevelopment Tax Credits issued equal 9.3 percent of qualified project costs.

- For FY 2017 through FY 2019, 64 projects received allocations of the Redevelopment Tax Credit. The total estimated project costs of these 64 projects is \$734.6 million, including nearly \$30 million of the Redevelopment Tax Credit allocations and \$243.3 million funded by other government credits or grants.

### **Redevelopment Tax Credit Transfers**

- For awards issued for FY 2010 and FY 2017 allocations, \$24.9 million of tax credits have been transferred, accounting for 81.3 percent of all transferrable tax credit awards during that period.
- In the last three fiscal years, transferors reported they sold credits for an average 93 cents on the dollar.

### **Redevelopment Tax Credit Claims**

- Tax credits are awarded only for investments made after the Redevelopment Tax Credit is allocated. The award is issued after the project has been completed, which can result in a significant lag between the date of the tax credit allocation and when the tax credit can be claimed. There were 200 claims made through November 2018, totaling \$21.3 million, accounting for 69 percent of awards issued to-date. The latest project for which credits have been claimed was allocated in FY 2017.
- There were 138 claims against Iowa individual income tax liability (\$3.1 million), 19 claims against franchise tax (\$6.5 million), 20 claims against corporation income tax (\$3.8 million), and 25 claims against insurance premium tax (\$7.7 million). These tax types largely reflect the entities that bought the credits after transfers. Note that non-profit entities make the refundable Redevelopment Tax Credit claims against the corporation income tax.

### **Economic Impacts of the Redevelopment Tax Credits**

- The redevelopment of a contaminated property or “eyesore” should result in increased assessed values for the project property; it is also expected that neighboring properties would see an increase in assessed values. In a case study of Redevelopment Tax Credit projects in Grinnell and Fort Dodge, comparing neighboring property values of Redevelopment project properties (focus group) and properties slightly farther away (control group), the growth rates of property values of the focus group between 2012 and 2018 were higher than those of the control group in both cities.
- About 90% of allocated projects had been redeveloped. Of the 100 properties not receiving a Redevelopment Tax Credit allocation and being placed on the waitlist one or more times, beginning with the FY 2015 through the FY 2018 scoring round, investors proceeded to redevelop 40 properties. Because bonus points are given to repeated applications, it appears that applicants who already had a strong commitment to redevelop those properties are more likely to reapply for the Redevelopment Tax Credit awards and proceed even if an allocation is not granted.

## **I. Introduction**

The Redevelopment Tax Credit was created to encourage investment in brownfield or grayfield properties. These investments in redevelopment eliminate environmental hazards, clean up neighborhood eyesores, and promote general economic health in communities. The Iowa Economic Development Authority (IEDA) administers the tax credit through the Redevelopment Tax Credit Program for Brownfield and Grayfield Sites.

The Section II describes the program. The federal brownfield program and brownfield tax credit programs from other states are introduced in Section III. Section IV provides descriptive statistics of tax credit awards, transfers, and claims. Section V briefly reviews previous research on the impacts of brownfield/grayfield projects. Economic analysis of the Iowa Redevelopment Tax Credit Program is discussed in Section VI. The final section concludes.

## **II. Description of the Redevelopment Tax Credit**

The Redevelopment Tax Credit, which was first available July 1, 2009, is awarded to investors who redevelop a brownfield or grayfield site in Iowa. Administration of the Redevelopment Tax Credit Program for Brownfield and Grayfield Sites, overseen by the Iowa Economic Development Authority, includes an annual scoring and allocation process, registration of projects, review of qualified investment costs on completed projects, and awarding of the final tax credit.<sup>1</sup>

A brownfield site is defined as an abandoned, idled, or underutilized industrial or commercial facility where expansion or redevelopment is complicated by real or perceived environmental contamination. Examples of brownfield sites include former gas stations, dry cleaners, and other commercial operations that may have utilized products or materials potentially hazardous to the environment.

A grayfield site is defined as an abandoned public building or an industrial or commercial property that meets all of the following requirements:

1. Infrastructure on the property is outdated or prevents an efficient use of the property, including vacant, blighted, obsolete, or otherwise underutilized property.
2. Property improvements and infrastructure are at least 25 years old and one or more of the following conditions exists: (1) 30 percent or more of a building located on the property that is available for occupancy has been vacant or unoccupied for a period of 12 months or more; (2) the assessed value of the improvements on the property has decreased by 25 percent or more; (3) the property is currently being used as a parking lot; or (4) the improvements on the property no longer exist.

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<sup>1</sup> The tax credit program statutory language is found in Sections 15.291, 15.293A, 15.293B, and 15.294, Code of Iowa with administrative rules in 261 IAC 65.

The maximum Redevelopment Tax Credit equals one of the following:

- 12 percent of the qualified investment in a grayfield site; or
- 24 percent of the qualified investment in a brownfield site.

If the redevelopment meets green development standards, the maximum amount of the Redevelopment Tax Credit equals one of the following:<sup>2</sup>

- 15 percent of the qualified investment in a grayfield site; or
- 30 percent of the qualified investment in a brownfield site.

In addition, there is individual tax credit cap of 10 percent of the overall program cap.

IEDA has discretion regarding the tax credit amount allocated and issued, as long as the amount does not exceed the maximum limits based on the tax credit rates and individual cap. The increase in the basis of the redeveloped property that would otherwise result from the qualified redevelopment costs, for the purposes of income tax calculations, shall be reduced by any Redevelopment Tax Credit received.<sup>3</sup> Thus the investor cannot gain a tax benefit through depreciating the amount of the property value increase that was subsidized through a tax credit.

The tax credit was first available in fiscal year 2010 with an award cap of \$1 million and the individual tax credit cap of \$100,000. Due to budgetary constraints the tax credit program was not extended beyond its initial year, but in fiscal year 2012 the program was re-enacted. The tax credit cap was raised to \$5 million and the maximum award amount for a single project rose to \$500,000. Effective in fiscal year 2013, the tax credit cap of the program was increased to \$10 million per fiscal year and the project maximum rose to \$1 million. The sunset date for the program is the end of fiscal year 2021.

The Redevelopment Tax Credit is nonrefundable and can be carried forward for up to five years. The tax credit is also transferrable. During the 2014 Legislative session, an eligible grayfield site was expanded to include an abandoned public building, although a city or county may not apply.<sup>4</sup> In addition, the tax credit was made refundable and non-transferable if the project investor is a non-profit organization. Because those investors have no Iowa income tax liability, making the credit refundable saves them the discount that is lost during the transfer process.

Another change that was implemented with the 2014 law changes was a shift from a first-come, first-served process for allocating tax credits to applications to a competitive scoring process. Each fiscal year, applications must be completed online from July

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<sup>2</sup> Green development standards means that projects must receive certification at the Gold level in the Leadership in Energy and Environmental Design (LEED) Green Building Rating System, developed and administered by the U.S. Green Building Council, or certification at the Silver level in the LEED Green Building Rating System, with demonstration to the satisfaction of the Building Code Commissioner that a good faith effort was made to obtain Gold level certification and that the project emphasizes energy conservation, or any alternative demonstrated to be equivalent to the satisfaction of the Building Code Commissioner (661 Iowa Administrative Code Chapter 310).

<sup>3</sup> 15.293A, Code of Iowa

<sup>4</sup> 261 IAC 65.11(2)



through September 1. Applications are ranked by assigning up to 25 points based on feasibility, 25 points based on financial need, 25 points based on quality of the projects, and 25 bonus points given to projects which had applied but not received allocations in a prior year.<sup>5</sup>

Once the project investor has submitted an application to IEDA and the application window is closed, the Brownfield Redevelopment Advisory Council, comprised of experts in various fields of economic development, reviews each application. Per the code, the Council includes one member from IEDA, one member from the Department of Natural Resources, one person selected by the Board of Directors of the Professional Developers of Iowa, one person selected by the Board of Directors of the Iowa League of Cities, and one member selected by IEDA. Each member separately assigns scores to each application based on the categories noted above and based on their expertise. Those scores are averaged across the five members and the applications are ranked. Using those ranks, the Council jointly determines the priority of each project among all applicants and the potential amount of the tax credit based on the estimated investment in qualified expenses included with the application.

IEDA can allocate tax credits up to the annual award cap each fiscal year. When the total allocations reach the fiscal year cap, the Advisory Council stops the group review process. The Council then recommends the projects and the tax credits amounts to be allocated under the program to the IEDA Board who makes the final decisions. Upon approval of the application by the Board, IEDA registers the project and allocates the preliminary tax credit award amount under the program cap for the fiscal year when the project is registered. Any projects that are eligible under program requirements but do not receive an allocation are put on a waitlist for the following fiscal year and given an additional 25 points in the following year's scoring if the investor does reapply. If an applicant who received an allocation irrevocably declines the tax credit allocation before June 30 of the fiscal year after the award fiscal year, IEDA can reallocate those tax credits to other applicants during the fiscal year when the declination occurred.

The project may already be underway at the time of application, but only costs incurred and paid for after the project receives approval from the IEDA Board qualify for the tax credit. If the redevelopment project receives other federal, State, and local subsidies, such as the Iowa Historic Preservation Tax Credit or Workforce Housing Investment Tax Credit, grants, or forgivable loans, those public subsidies are excluded from the determination of the qualified expenses to calculate the Redevelopment Tax Credit award amount.

A registered project must be completed within 30 months after Board approval. The project may receive an extension on the allowed completion time, usually as a 12-month extension, although there is no statutory limit on the length or number of extensions. After completion of the project and the submission of a project audit that was performed

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<sup>5</sup> IEDA intends to revise the scoring process and eliminate the 25 bonus points for waitlisted applications through a modification of the administrative rules, pending approval from the Legislature.

by an independent certified public accountant licensed in the state of Iowa, the final amount of the tax credit is determined by IEDA, and the tax credit certificate is issued to the investor. The final tax credit award cannot exceed the preliminary tax credit allocated amount.

Because the project must be completed before the award can be claimed, there is often a significant lag between when the tax credit is allocated and the tax credit award is issued. There is also often a lag between when the tax credit certificate is issued and the tax credit is claimed against tax liability. The tax credit can be claimed against individual and corporate income taxes, franchise tax (owed by banks operating in Iowa), insurance premium tax, and moneys and credits tax (owed by credit unions operating in Iowa).

### **III. Federal and Other States' Brownfield Tax Credit Programs**

The Federal Brownfields Tax Incentive was created by the Tax Relief Act of 1997 but allowed to expire on December 31, 2011. As of the publication of this study, the incentive has not been reenacted. The Brownfields Tax Incentive allowed investors to fully deduct environmental cleanup costs in the year incurred, rather than spread over time. The U.S. Environmental Protection Agency (EPA) currently offers a Brownfield Grant program that is administered in Iowa by staff at the Department of Natural Resources. Non-profit entities and local governments are eligible to receive grants to pay for the assessment of a brownfield site or for clean-up of the site. Because a county or city cannot receive a Redevelopment Tax Credit, projects eligible for the federal program rarely overlap with projects eligible for the Iowa tax credit.

Many states have established public assistance programs for cleaning up and redeveloping brownfield sites. Most of those programs are grant programs or property tax relief programs. Eight states (Florida, Iowa, Kentucky, Massachusetts, Missouri, Mississippi, New York, and South Carolina) have established income tax credit programs dedicated to the cleanup and the redevelopment of brownfield or polluted properties (see Table 1).

Missouri's brownfield tax credit program provides a tax credit offsetting 100 percent of the cost of remediating the project property, which is the highest among all eight states. The tax credit programs in Florida and South Carolina provide a 50 percent tax credit for most eligible projects. Florida's program provides an additional 25 percent tax credit if the use of the finished project site is affordable housing or healthcare. Iowa's Redevelopment Tax Credit offers a top rate of 30 percent for brownfield redevelopment meeting green development standards.

Florida, Iowa, Kentucky, Mississippi, and South Carolina have set a maximum amount of tax credits that any project can receive. Mississippi's program only allows a project to receive a tax credit up to \$40,000 in a year and \$150,000 overall. Kentucky also sets

the maximum amount of tax credit as \$150,000 for each project. In South Carolina, the amount of tax credits that an eligible brownfield project can receive cannot exceed \$50,000 in a year, but there is no limit on total credits received by a multi-year project. Florida's program allows an eligible project to receive up to \$500,000 of tax credits and the annual limit for all credits awarded by the program is \$5 million. The maximum amount of tax credit award received by a single project in Iowa is 10 percent of the annual tax credit cap for the Redevelopment Tax Credit. For fiscal years 2013 and later, the annual tax credit cap is \$10 million, resulting in a \$1 million project limit.

New York offers the only fully refundable tax credit, which allows credits that cannot be applied against tax liability to be refunded to the taxpayer. Iowa only allows participating non-profit organizations to apply for refundable tax credits, and tax credit received by for-profit organizations are nonrefundable. The six other state programs offer nonrefundable tax credits. Mississippi allows the tax credit to be carried forward for an unspecified number of years. Tax credit recipients in Florida, Iowa, Massachusetts, and South Carolina can carry forward their unused tax credits forward for five years. Kentucky's program allows a 10-year carry forward period. Missouri's program has a carry forward period of 20 years. Florida, Iowa, Massachusetts, and Missouri's programs allow the tax credit to be transferred, which means taxpayers can sell the credits to other taxpayers. Those sales are often made at a discount.

Missouri is the only neighboring state of Iowa with a brownfield tax credit program. Missouri's Brownfield Remediation Program offers a nonrefundable, transferable tax credit for the costs of remediating contaminated commercial or industrial sites. Along with offering the highest credit rate of 100 percent, Missouri is also the only state that has a job-creation requirement for applicants. Missouri's program requires applicants to create at least ten new jobs or retain at least 25 existing jobs to be eligible for the tax credit.

#### **IV. Summary Statistics for Redevelopment Tax Credit Awards and Claims**

##### **A. Redevelopment Tax Credit Awards**

Through fiscal year 2019, 157 projects received a Redevelopment Tax Credit award including both allocated and issued, totaling \$68.6 million (see Table 2). Among these awards through fiscal year 2019, 79 projects, totaling \$37.7 million in tax credit allocations and accounting for 54.9 percent of all allocations under the program, are allocated for projects still under development. Once an allocated project is completed, the final award amount is calculated based on actual, verified qualifying expenditures and issued to the project investors. Through November 2018, 78 projects have been completed and issued \$31.0 million in tax credit awards.

Redevelopment Tax Credits originally allocated to projects by IEDA have always equaled the annual award cap of the program except in fiscal year 2010 (see "Original Allocated" in Figure 1). Once the redevelopment for approved projects is completed,

awards are issued based on actual qualifying costs where tax credits issued are below the original allocation if actual costs are below estimated costs. Thus, current allocated and issued awards are lower than the original allocations except for the last two fiscal years where no projects have been finished and issued awards; in addition, one project allocated \$700,000 in fiscal year 2017 later declined the award (see “Current Allocated and Issued Awards” in Figure 1). Another reason that final awards will fall below the original allocation is that some tax credits could be revoked because projects are never completed. As noted above, projects have 30 months to complete from the time of allocation with the option to request extensions. At this time, it is well beyond 30 months for those projects not yet awarded that received allocations for fiscal years 2012 through 2015. Based on discussions with the IEDA program manager, seven project allocated awards for fiscal years 2012 through 2015 were identified as not likely to be completed and issued an award, but at the time of this study, those allocations have not officially been revoked. Eliminating those allocations along with the lower final awards, it is estimated that final allocations and awards, excluding the potential failed projects, would be \$4.7 million for projects approved in both 2012 and 2013, \$9.6 million for projects approved in 2014, and \$7.4 million for projects approved in 2015 (see “Estimated Awards” in Figure 1).

For those 157 awarded projects during program fiscal years 2010 through 2019, the total qualified project costs were estimated to be \$950.9 million, where qualified costs exclude any expenses covered by other government funds or expenses that are not deemed to be remediation costs (see Table 3). The average ratio of original allocations to qualified project cost is 7.4 percent, reflecting the discretion IEDA has to set the award below the maximum tax credit rate and those projects that are subject to the project award cap. The ratio for 2014 was 13.1 percent, the highest among all years.

Across all the years of the program, 35 projects (22%) have been awarded the maximum credit cap. Among these 35 projects, 18 projects (43% of the number of awards in these three years) were allocated in FY 2010, FY 2012 and FY 2013, when the project award cap was \$100,000 and \$500,000 at the time of allocation. Between FY 2014 and FY 2019, there were 17 projects (15% of the number of awards in these six years) allocated the maximum tax credit of \$1 million.

The total original allocations for the 78 completed projects were \$32.2 million, 8.8 percent of the estimated qualified project costs of \$363.9 million. Issued awards, based on actual qualified project costs, totaled \$31.0 million, 9.3 percent of the actual qualified project costs of \$333.7 million. The issued awards are \$1.2 million below the original allocations, reflecting the lower actual qualified costs for some projects.

Besides the Redevelopment Tax Credit, some awarded projects also reported receiving public incentives from other federal, state, and local government agencies or programs. However, data about those other public incentives received by projects applying for Redevelopment Tax Credit allocations in award years prior to FY 2017 are not available. The total reported federal incentives (for example, the Federal Historic

Preservation Tax Credit Program) received by those projects were \$58.3 million between 2017 and 2019 (see Table 4). Reported incentives from other Iowa tax credit programs (such as Iowa Historic Preservation Tax Credit Program and Workforce Housing Tax Incentive Program) totaled \$134.6 million between award years 2017 and 2019. Local incentives, usually property tax abatements or Tax Increment Financing agreements, were reported to total \$50.4 million. The share of all public incentives, including the Redevelopment Tax Credit and all other reported government incentives, accounted for 37.1 percent of the total estimated project costs (\$272.6 million) between 2017 and 2019 (see Figure 2).

The information on all government funding sources must be reported on the Redevelopment Tax Credit application. At the time of application, those funding sources might only be expected and not actually granted, thus the amounts could change by the time the project is completed and the actual, final project costs are reported to IEDA. At this time, the final project funding for Redevelopment Tax Credits are not captured in the program database. Therefore, to compare the estimated with actual government funding received by Redevelopment Tax Credit projects, final project financing data was reviewed for a project receiving both the Redevelopment Tax Credit and the Iowa Historic Preservation Tax Credit; project owners receiving the Historic Preservation Tax Credit are required to submit actual financing data by source into the program database after projects are completed. In addition, the Workforce Housing Investment Tax Credit database, which contains actual awards after project completion, was reviewed.

There were only some slight differences between the Redevelopment Tax Credit application and the Historic Preservation Tax Credit financing data on the example project (see Table 5). The final project cost was slightly higher than the \$6.5 million reported on the Redevelopment Tax Credit application. Before the project completion, the project owner expected five government funding sources on the Redevelopment Tax Credit application: Workforce Housing Investment Tax Credit, Workforce Housing Sales Tax Rebate, Federal Historic Preservation Tax Credit, State Historic Preservation Tax Credit, and the Redevelopment Tax Credit, totaling \$2.75 million. After the project completion, the same five government funding sources were reported, totaling \$2.78 million. The estimated share of government funding to total project cost was 42.3 percent before the project completion while the actual share reported after the project completion was 42.5 percent, with increases reported for both federal and State historic tax credits.

When investors submit their Redevelopment Tax Credit applications, they need to provide a detailed description of the properties they want to redevelop. Applications indicate 27.5 percent of applicants reported that the proposed sites were abandoned at the time of application and more than half of applicants reported that the proposed sites were underutilized, both of which are potential qualifications under the brownfield definition (see Figure 3). In addition, 44.3 percent of applicants reported that the proposed sites had not been repaired or renovated for at least 25 years, 38.2 percent of applicants reported at least a 30 percent vacancy rate at the proposed site, and nearly

30 percent of applicants reported the assessed value of proposed sites had dropped by at least 25 percent, all of which are potential qualifications under the grayfield definition.

Between fiscal year 2010 and 2019, 82 allocations were for brownfield projects, totaling \$42.2 million, accounting for 61.6 percent of total awards (see Table 6). Among the brownfield projects, 94.1 percent (\$39.6 million) were for non-green projects and 5.9 percent (\$2.5 million) were for green projects. Grayfield projects accounted for 38.4 percent of all allocations (\$26.4 million). The share of green projects awards for grayfield projects was similar to that for brownfield projects. About \$25.4 million (96.2%) were awarded to non-green grayfield projects and about \$1.0 million (3.8%) were awarded to green grayfield projects. Average allocations for brownfield projects exceed \$0.5 million, 8.4 percent of estimated project costs, while average allocations for grayfield projects were lower at \$0.4 million, 5.9 percent of estimated project costs. Those projects indicating they will meet green development standards, the average allocations were lower, but the shares of award to estimated projects costs were higher, reflecting the higher maximum tax credit rate allowed for those projects.

Projects that have received the Redevelopment Tax Credit Program allocations are located in 38 out of 99 counties in Iowa (see Figure 4). Using the 2010 Census population information, the per capita tax credit award is calculated for these 38 counties. Iowa County has per capita awards of \$127, which is the highest in all counties. Linn County has the second highest per capita award (\$88) and Poweshiek has the third highest amount (\$74). Carroll County (\$0.70) and Cerro Gordo County (\$0.50) have the lowest per capita awards of the 38 counties with any awarded projects.

## **B. Redevelopment Tax Credit Transfers**

Recall that nonrefundable Redevelopment Tax Credit awards are transferrable. Program participants are willing to sell their awarded tax credits to third parties to receive cash payments immediately, instead of waiting to file tax returns, or they choose to transfer the tax credit because they do not have adequate Iowa tax liability. Awards issued between fiscal year 2010 and 2017 total \$30.6 million, excluding \$0.3 million in awards issued to non-profit organizations since those awards are refundable and non-transferrable. Among these transferrable awards, participants have transferred 52 awards (66.7%) and sold \$24.9 million worth of the tax credits (81.3%) (see Table 7).<sup>6</sup> All awards issued for fiscal year 2016 allocations were transferred. Transferors often sell the tax credits at a discount to the transferee; beginning in 2016, transferors were required to report the amount of consideration received for the tax credit. For those recent transactions, transferors reported receiving \$13.8 million for the total transferred tax credits of \$14.8 million. Thus, on average they received 93 cents on every dollar of the transferred tax credit.

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<sup>6</sup> Credits can be transferred multiple times allowing transferees to sell tax credits to other buyers in subsequent transactions. Transactions made by final transferees who make tax credit claims are defined as “final transfers”.

Insurance companies purchased the largest share of Redevelopment Tax Credits. They bought \$9.5 million, accounting for 38.3 percent of all transferred tax credits (see Table 8). Banks are the second largest group, purchasing \$7.6 million (30.5%). Corporations bought \$5.6 million (22.5%) and individuals bought \$2.2 million (8.7%).

### **C. Redevelopment Tax Credit Claims**

Between tax years 2010 and 2017, where tax year 2017 claim collection and verification are incomplete, there have been 204 claims to the Redevelopment Tax Credit, with \$21.3 million applied against Iowa tax liability (see Table 9). Total claims filed against tax year 2017 tax liability was \$7.1 million, the highest between tax years 2010 and 2017. An additional \$1.9 million of Redevelopment Tax Credits was claimed but exceeded tax liability, so will be carried forward and claimed against tax liability in a future tax year.

Redevelopment Tax Credits claimed in tax years 2010 and 2017 account for 68.9 percent of the \$31.0 million of tax credit awards issued for allocations made in fiscal years 2010 through 2017 (see Table 10).<sup>7</sup> For tax credit awards issued for fiscal year 2010, 95.8 percent of the awarded tax credits (\$0.52 million) have been claimed and applied against tax liability. For fiscal year 2012 through 2015 awards, more than 60 percent of awards issued have been claimed. A smaller 53.6 percent of awarded tax credits issued for fiscal years 2016 and 2017 have been claimed; the claims against awards issued for 2017 were not separately listed due to confidentiality.

Nearly all Redevelopment Tax Credits were nonrefundable tax credit claims, reflecting that all but two issued awards were nonrefundable (see Table 11). The two refundable tax credit claims were claimed against Iowa corporation income tax, the tax type that non-profits use to make their claims.

More than half of nonrefundable Redevelopment Tax Credits were claimed by insurance companies and banks, reflecting the transfers noted above. Claims against the insurance premium tax totaled \$7.7 million (36.2%) and \$6.5 million (30.3%) were claimed against the franchise tax. The number of claims against individual income tax was 138, higher than any other tax type, reflecting claims by shareholders of pass-through entities receiving the tax credit awards. These claims totaled \$3.1 million (14.4%). The remainder of nonrefundable Redevelopment Tax Credits, totaling \$3.8 million, were claimed by corporations (17.6%).

## **V. Literature Review**

Unlike other Iowa economic development tax incentives, the Redevelopment Tax Credit is primarily targeted to provide environmental and aesthetic benefits such as cleaning

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<sup>7</sup> Two credits totaling \$0.5 million were transferred to taxpayers for 2012 awards, but any tax credit claims made on the tax year 2012 returns for those taxpayers were not captured prior to purging of the returns.

up contaminated properties and removing eyesores. In the process, the program is also expected to generate economic benefits for the local community.

Jin (2013) reviewed existing studies on the economic and environmental impacts of programs incentivizing the redevelopment of brownfield and grayfield properties. More recent studies focused on the effect of redevelopment projects on surrounding property values. Mihaescu and vom Hofe (2012) used a spatial model to estimate the impact of brownfields on nearby properties based on the distance of properties to the brownfields in Cincinnati, Ohio. They found evidences that properties located less than 1,000 feet from a brownfield site experienced a significant depreciation, up to a nearly 20 percent decrease, in property values.

Haninger, Ma, and Timmins (2017) used the EPA's Brownfield grant application data and real estate transactions data from commercial sources. They selected properties located within a radius of five kilometers of contaminated properties for which applications were filed. The focus group included those properties in the neighborhood of brownfield properties receiving EPA grants. The control group included properties in the neighborhood of brownfield properties not receiving EPA grants. The results, using the difference-in-differences method, showed that receiving an EPA grant and cleaning up the contamination increased the selling prices of neighboring properties in the focus group between 5.0 percent and 11.5 percent.

## **VI. Economic Analysis**

### **A. Economic Impacts on Property Values in Neighboring Communities**

A measurement of the environmental impact of the program is out of the scope of this study. However, this section uses the case study method to analyze the secondary economic impacts of the program on a project's neighboring properties within the community. Specifically, the property value growth in properties adjacent to the property receiving the tax credit (focus property) is compared with the property value growth for properties farther from the project property of the neighborhood in the same city (control property). The hypothesis is that the growth rate in property values of focus properties should be higher than that in the control properties, similar to the results found by Haninger, Ma, and Timmins (2017).

Fort Dodge and Grinnell were chosen for this case study because both are relatively small cities located in rural areas and are the home of multiple completed Redevelopment Tax Credit projects. Although metropolitan areas such as Des Moines and Cedar Rapids also have multiple completed projects, they were not selected because the value of the incentives provided to those projects relative to the economic activity in these areas is small, and it would prove difficult to separate the impacts of the Redevelopment Tax Credit program from other economic development programs and general economic activity.



Between 2012 and 2018, there were two completed Redevelopment Tax Credit program projects in Fort Dodge and three completed Redevelopment Tax Credit program projects in Grinnell. The two completed grayfield projects in Fort Dodge are now both office buildings, totaling \$2.1 million of project costs, under \$1.5 million of other government funding, and approximately \$100,000 in Redevelopment Tax Credit awards. The three completed projects in Grinnell are two retail businesses (one grayfield and one brownfield) and one apartment complex (brownfield), totaling \$14.8 million of project costs, \$9.1 million of other government funding, and \$1.2 million of Redevelopment Tax Credit awards.

Because the investment in these selected projects is not large, the spillover impacts on neighboring properties are expected to be narrowly experienced. Therefore, only neighboring commercial properties within a one-block radius surrounding each of the five project properties were selected as focus properties.

The next step in the analysis was the selection of control properties. Not all commercial properties in Fort Dodge and Grinnell are suitable to be used as the control properties. Control properties must be similar to the focus properties, but not directly impacted by the project under study. Because economic activity in different areas of each city could have a significant difference on property values, it was necessary to select control properties in the same general neighborhood. Commercial properties within the 0.1 mile radius of each project property, but outside the one-block radius, were selected as control properties. Thus, control properties are close to focus properties so that general economic factors within the city should be the same. At the same time, control properties are far enough away from the project property receiving the Redevelopment Tax Credit award such that the program should have little impact on the control properties' assessed values.

The observations used to measure the impact of the project are the assessed property values of focus properties and control properties in 2012 and 2018. Recall these five awarded projects were started and completed between those years. There were nine properties in the focus group in Grinnell and thirteen properties in the focus group in Fort Dodge (see Table 12). In the control group, there were 40 properties in Grinnell and there were 28 properties in Fort Dodge. For the focus group, properties located within a one-block radius of project properties, the average assessed value and the median assessed value increased between 2012 and 2018 in both cities. In Grinnell, the median assessed value of focus properties grew by 40.9 percent between 2012 and 2018 (see Figure 5). In Fort Dodge, the median assessed value of focus properties grew by 14.0 percent between 2012 and 2018. For the control group, the average assessed values in Grinnell declined between 2012 and 2018, but increased in Fort Dodge. At the median, the control group in Grinnell experienced a 0.7 percent increase in assessed value. The median assessed value of the control group in Fort Dodge experienced a 4.3 percent increase between 2012 and 2018.

The results of the case study are largely consistent with conclusions from previous research on economic impacts of brownfield and grayfield redevelopment programs in other states. The awarded projects, aided by government funding including the Redevelopment Tax Credit, help improve property values for adjacent properties, in addition to a nearly 200 percent increase in the total assessed values for the five completed project properties.

## **B. Impacts of the Redevelopment Tax Credit on Redevelopment Investment**

The Redevelopment Tax Credit program is shown to have positive economic impacts on local communities. State funding, however, cannot satisfy all the demands. IEDA currently uses a scoring process which ranks applications based on their merits and selects the most qualified applications.<sup>8</sup> Thus, an important question is how the program influences applicants' decisions about redeveloping the brownfield and grayfield properties. This section examines the investment decisions of applicants receiving awards and those without awards.

For 112 projects originally receiving allocated tax credit awards between FY 2010 and FY 2017, only one project had officially changed its investment decision and abandoned the award and another seven are expected to not complete the project. Thus over 90 percent of projects with allocated awards proceed with the redevelopment investment as planned.

There are two scenarios for projects do not receive a Redevelopment Tax Credit award: either the application is rejected, or the project is put on the waitlist for the next application round. Information on rejected projects before 2017 was not available. For 2017 and later, only a handful of projects were rejected by the Brownfield Redevelopment Advisory Council and the IEDA Board due to ineligibility. For example, an application to redevelop a residential property was rejected because residential properties are not eligible.

Projects on the waitlist that reapply in a future year are given an additional 25 points, providing an advantage over first time applicants in the competitive scoring process the following year. However, even with this advantage of 25 points, there is no guarantee that repeat applicants receive awards in the next scoring round.

Between fiscal years 2015 and 2017, there were 142 unique properties on the waitlist at least once (see Figure 6).<sup>9</sup> Among these 142 properties on the waitlist, 71 properties applied for the Redevelopment Tax Credit award once, were put on the waitlist, but did not apply for a second time.

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<sup>8</sup> As previously discussed in Section II, the scoring process assigns up to 25 points based on feasibility, 25 points based on financial need, 25 points based on quality of the projects, and 25 bonus points given to projects which had applied but not received allocations in a prior year.

<sup>9</sup> There are nine projects which were on the waitlist both in 2017 and 2018. These nine projects were excluded in the analysis.

In contrast, 71 of the 142 properties that were put on the waitlist after the first application applied for an award for a second time. Among these 71 properties, 39 properties were awarded a Redevelopment Tax Credit as a result of their second application, one property was rejected because it was deemed ineligible for the program due to changing circumstances, and 26 properties were put on the waitlist for the second time but they did not reapply for the third time. There were also five properties which applied for the tax credit at least three times. Two of these five properties were awarded as a result of their third application and the other three were put on the waitlist again.

In summary, through the FY 2018 application round, 41 of these 142 properties were eventually awarded the Redevelopment Tax Credit. One of these 142 was rejected because it was determined to be ineligible. The other 100 properties did not reapply for the award after they were put on the waitlist the last time. The future redevelopment activities at the 100 properties which did not receive a Redevelopment Tax Credit award is examined in this section.

To determine if applicants of the Redevelopment Tax Credit award proceeded with the investment and redevelopment efforts without receiving an award, the assessed property values of the properties in 2015 and 2018 were collected from county assessor offices. If the assessed value of the property (excluding the land value) in 2018 exceeded that value in 2015 or 2014, whichever was available, by 20 percent or more, then it was determined that the property was redeveloped between assessment year 2014/2015 and assessment year 2018.<sup>10</sup> Otherwise, it was determined that the property was not redeveloped during this period.

Based on this analysis, for those 100 properties once on the waitlist but not reapplying as of the FY 2018 application round, 40 were redeveloped even though they did not receive the Redevelopment Tax Credit award. Although high, this share is well below the over 90 percent of those receiving an allocated awards and proceeding with redevelopment investment, suggesting that the credit does raise the likelihood of investment in redevelopment projects.

Among these 100 properties once on the waitlist and not reapplying, 71 properties were on the waitlist once, 26 were on the waitlist twice, and five were on the waitlist at least three times. While 31.0 percent of those 71 properties (22) were redeveloped after they were put on the waitlist once, 69.2 percent of those 26 properties (18) that were on the waitlist twice but not receiving an award, were later redeveloped (see Figure 7). It

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<sup>10</sup> As a comparison, across Iowa, total assessed commercial property values (the multiresidential property classification is also included as most of those properties used to be a part of the commercial property classification before 2015), including the land value and building value, increased by 18.6 percent between assessment year 2014 and assessment year 2017, where assessment year 2017 is the most recent year for which statewide assessed property values are available. In this analysis, redevelopment is considered to have occurred if the assessed value of the considered commercial property, based on the value of the building only, increased by 20% or more over a similar period.

seems that applicants who already had a strong commitment to redevelop those properties are more likely to reapply for the Redevelopment Tax Credit awards, possibly because of the advantage of the additional 25 points in the scoring process.

## **VII. Conclusion**

This evaluation study provides more detailed information of the Iowa Redevelopment Tax Credit, expanding on the last evaluation study conducted in 2013. This report analyzes all government funding sources received by redevelopment projects, along with the Redevelopment Tax Credit. Specifically, it shows that the Redevelopment Tax Credit only accounts for a small portion of government financing received by projects receiving State support for redevelopment of brownfield and grayfield projects.

This study examines the impacts of the tax credit in encouraging redeveloping investment by assessing the economic activity at properties that did not receive a Redevelopment Tax Credit. Among those properties not receiving tax credit awards and being put on the waitlist, 40 percent were found to still have undertaken some redevelopment. The study also considers the spillover impacts of Redevelopment Tax Credit investment through a case study. For projects receiving tax credit awards in Grinnell and Fort Dodge, redevelopment projects appeared to increase assessed property values of neighboring properties.

The Redevelopment Tax Credit program is increasingly popular with investors and often oversubscribed during the annual application period. It is hoped that this evaluation study can contribute to the understanding of the effectiveness of the program.

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**Iowa Redevelopment Tax Credit Program  
Tax Credits Program Evaluation Study  
Tables and Figures**

**Table 1. State Brownfield Income Tax Credit Programs**

State	Name	Enactment Date	Tax Credit	Cap	Refundable	Transferable	Credit Carry Forward
Florida	Voluntary Cleanup Tax Credit	1998	75% of investment for affordable housing or healthcare properties and 50% of investment for other projects	Yes, \$500,000 per project per year, \$5 million for the program per year	No	Yes	Yes, 5 years
Iowa	Redevelopment Tax Credit	2009	At most 12% of the investment in a grayfield site or 15% if the project meets the green development standards ; 24% of the investment in a brownfield site or 30% if the project meets the green development standards	Yes, \$1 million per project per year, \$10 million for the program per year	No, except for non-profit organizations	Yes	Yes, 5 years
Kentucky	Kentucky Brownfield Redevelopment Program	2004	Negotiated	Yes, \$150,000 per project	No	No	Yes, 10 years
Massachusetts	Brownfield Site Cleanup Credit	1999	25% of investment if the cleaned-up site has an activity and use limitation, 50% of investment if there is no activity and use limitation	No	No	Yes	Yes, 5 years
Missouri	Brownfield Remediation Program	2001	100% of the cost of remediating the project property	No	No	Yes	Yes, 20 years
Mississippi	Brownfield Sites Credit	2005	25% of the remediation costs	Yes, \$40,000 per project per year and the overall credit for multiple years under an agreement can not exceed \$150,000	No	No	Yes, not defined
New York	Brownfield Redevelopment Tax Credit	2005	From 22% to 50% of investment, depending on the level of the cleanup	No	Yes	No	No
South Carolina	Brownfields Voluntary Environmental Clean Up Credit	2002	50% of the qualifying clean up costs and in the final year of cleanup an additional 10% of costs	Yes, \$50,000 per project per year	No	No	Yes, 5 years

Source: Various state revenue department websites

**Table 2. Redevelopment Tax Credit Awards by Award Fiscal Year, 2010-2019**

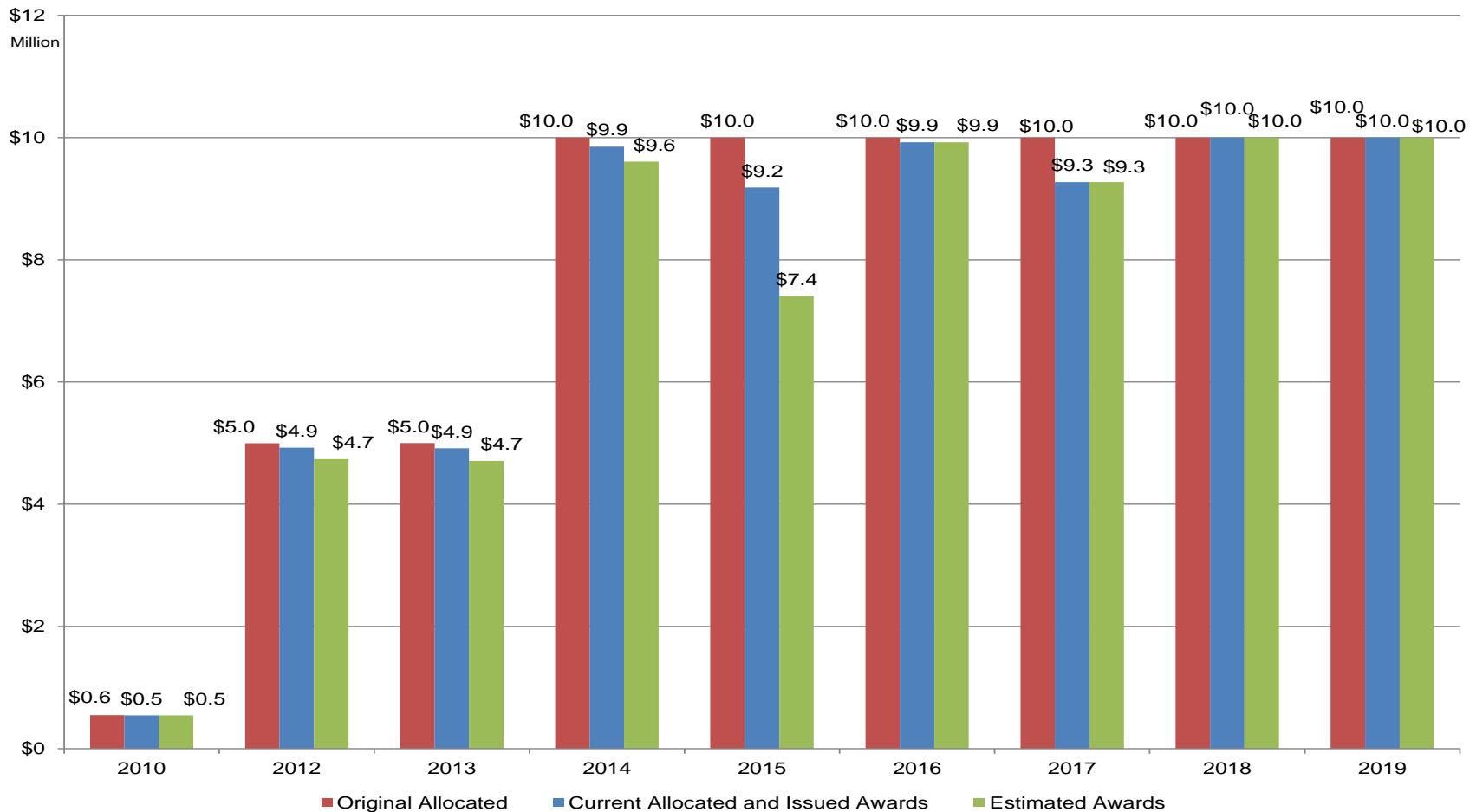
Fiscal Year	Number of Allocated Awards	Allocated Awards	Share of Allocated Awards	Number of Issued Awards	Issued Awards	Share of Awards Issued	Number of Total Awards	Current Allocated and Issued Awards	Average Award
2010	0	\$0	0.0%	7	\$546,510	100.0%	7	\$546,510	\$78,073
2012	5	\$687,246	14.0%	14	\$4,237,857	86.0%	19	\$4,925,103	\$259,216
2013	2	\$640,965	13.0%	14	\$4,274,723	87.0%	16	\$4,915,688	\$307,231
2014	2	\$244,491	2.5%	18	\$9,606,892	97.5%	20	\$9,851,383	\$492,569
2015	5	\$2,607,873	28.4%	13	\$6,574,431	71.6%	18	\$9,182,304	\$510,128
2016	7	\$6,334,818	63.8%	6	\$3,589,225	36.2%	13	\$9,924,043	\$763,388
2017	13	\$7,147,496	77.1%	6	\$2,123,855	22.9%	19	\$9,271,351	\$487,966
2018	20	\$10,000,000	100.0%	0	\$0	0.0%	20	\$10,000,000	\$500,000
2019	25	\$10,000,000	100.0%	0	\$0	0.0%	25	\$10,000,000	\$400,000
Total	79	\$37,662,889	54.9%	78	\$30,953,493	45.1%	157	\$68,616,382	\$437,047

Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer Administration System

Note: Allocated award represents the tax credits allocated for incomplete projects. Issued award represents awards issued to completed projects.



**Figure 1. Original Tax Credit Allocations, Current Tax Credit Allocations and Awards, and Estimated Awards, FY 2010-2019**



Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer Administration System

Note: Amounts reflect status of projects as of December 2018. Original allocated represents the sum of credits allocated by IEDA; Current allocated and issued awards represent the sum of credits allocated for incomplete projects and actual awards issued to complete projects, less any declined tax credits; Estimated awards removes tax credits allocated to projects not likely to be completed.

**Table 3. Redevelopment Tax Credit Awards and Project Costs by Award Fiscal Year, 2010-2019**

Fiscal Year	Original Allocations	Estimated Total Project Costs	Estimated Qualified Project Costs	Share of Original Allocations to Qualified Project Costs	Original Allocations for Completed Projects	Estimated Qualified Costs for Completed Projects	Share of Original Allocations to Estimated Costs for Completed Projects	Issued Awards	Actual Qualified Costs of Completed Projects	Share of Issued Awards to Qualified Project Costs of Completed
2010	\$551,036	\$13,108,946	\$12,279,483	4.5%	\$551,036	\$12,279,483	4.5%	\$546,510	\$12,279,483	4.5%
2012	\$4,999,257	\$190,269,899	\$87,027,328	5.7%	\$4,312,011	\$70,888,113	6.1%	\$4,237,857	\$72,409,669	5.9%
2013	\$5,000,000	\$111,737,197	\$61,609,039	8.1%	\$4,359,035	\$58,938,350	7.4%	\$4,274,723	\$58,818,997	7.3%
2014	\$10,000,000	\$112,367,871	\$76,161,492	13.1%	\$9,755,509	\$74,362,749	13.1%	\$9,606,892	\$67,915,205	14.1%
2015	\$10,000,000	\$180,418,871	\$110,943,245	9.0%	\$7,392,127	\$72,193,269	10.2%	\$6,574,431	\$66,954,948	9.8%
2016	\$10,000,000	\$240,755,734	\$145,818,231	6.9%	\$3,665,182	\$34,953,261	10.5%	\$3,589,225	\$30,853,883	11.6%
2017	\$10,000,000	\$151,492,776	\$113,922,394	8.8%	\$2,152,504	\$40,258,358	5.3%	\$2,123,855	\$24,462,338	8.7%
2018	\$10,000,000	\$311,815,418	\$170,590,551	5.9%	\$0	\$0	NA	\$0	\$0	NA
2019	\$10,000,000	\$271,256,222	\$172,547,144	5.8%	\$0	\$0	NA	\$0	\$0	NA
Total	\$70,550,293	\$1,583,222,934	\$950,898,907	7.4%	\$32,187,404	\$363,873,583	8.8%	\$30,953,493	\$333,694,523	9.3%

Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer Administration System  
 Note: Total awards reflect issued awards and thus may be below the initial allocations by the IEDA Board.

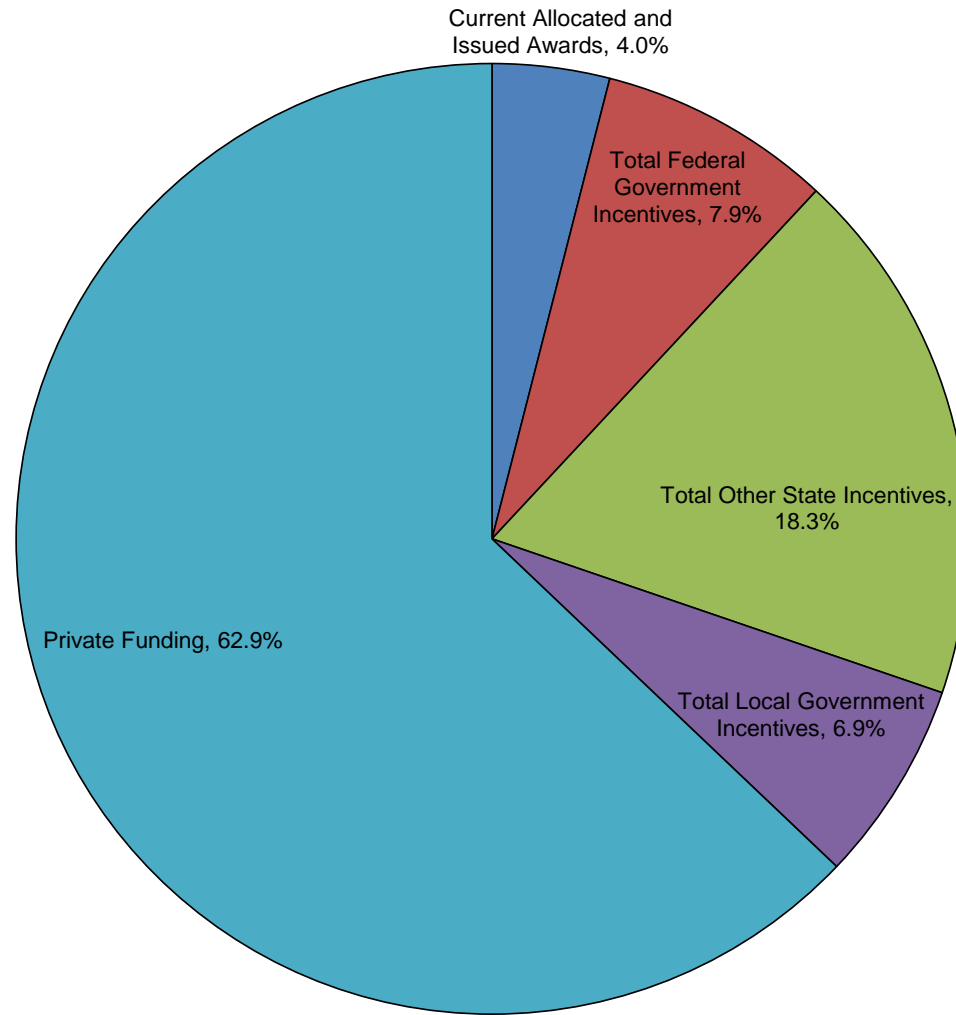
**Table 4. Estimated Government Incentives for Redevelopment Tax Credit Projects by Award Fiscal Year, 2017-2019**

Fiscal Year	Current Allocated and Issued Awards	Number of Projects	Total Estimated Project Costs	Total Federal Government Incentives	Number of Projects Reporting Federal Incentives	Total Other State Incentives	Number of Projects Reporting Other State Incentives	Total Local Government Incentives	Number of Projects Reporting Local Incentives	Total Other Government Incentives	Government Incentives Including Redevelopment Tax Credit	Share of All Incentives to Project Cost
2017	\$9,271,351	19	\$151,492,776	\$11,768,575	6	\$26,667,485	12	\$7,641,685	5	\$46,077,745	\$55,349,096	36.5%
2018	\$10,000,000	20	\$311,815,418	\$25,299,891	10	\$78,332,843	16	\$20,620,550	9	\$124,253,284	\$134,253,284	43.1%
2019	\$10,000,000	25	\$271,256,222	\$21,278,112	9	\$29,573,056	17	\$22,127,701	11	\$72,978,869	\$82,978,869	30.6%
Total	\$29,271,351	64	\$734,564,416	\$58,346,578	25	\$134,573,384	28	\$50,389,936	25	\$243,309,898	\$272,581,249	37.1%

Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer Administration System

Note: Major federal government incentives include federal Historic Preservation Tax Credit. Major other state incentives include Iowa Historic Preservation Tax Credit, Iowa Workforce Housing Tax Incentive Program, and IEDA grants. Major local government incentives include property tax abatements, tax increment financing, and city grants.

**Figure 2. Distribution of Funding Sources Reported on Redevelopment Tax Credit Applications**



Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer Administration System

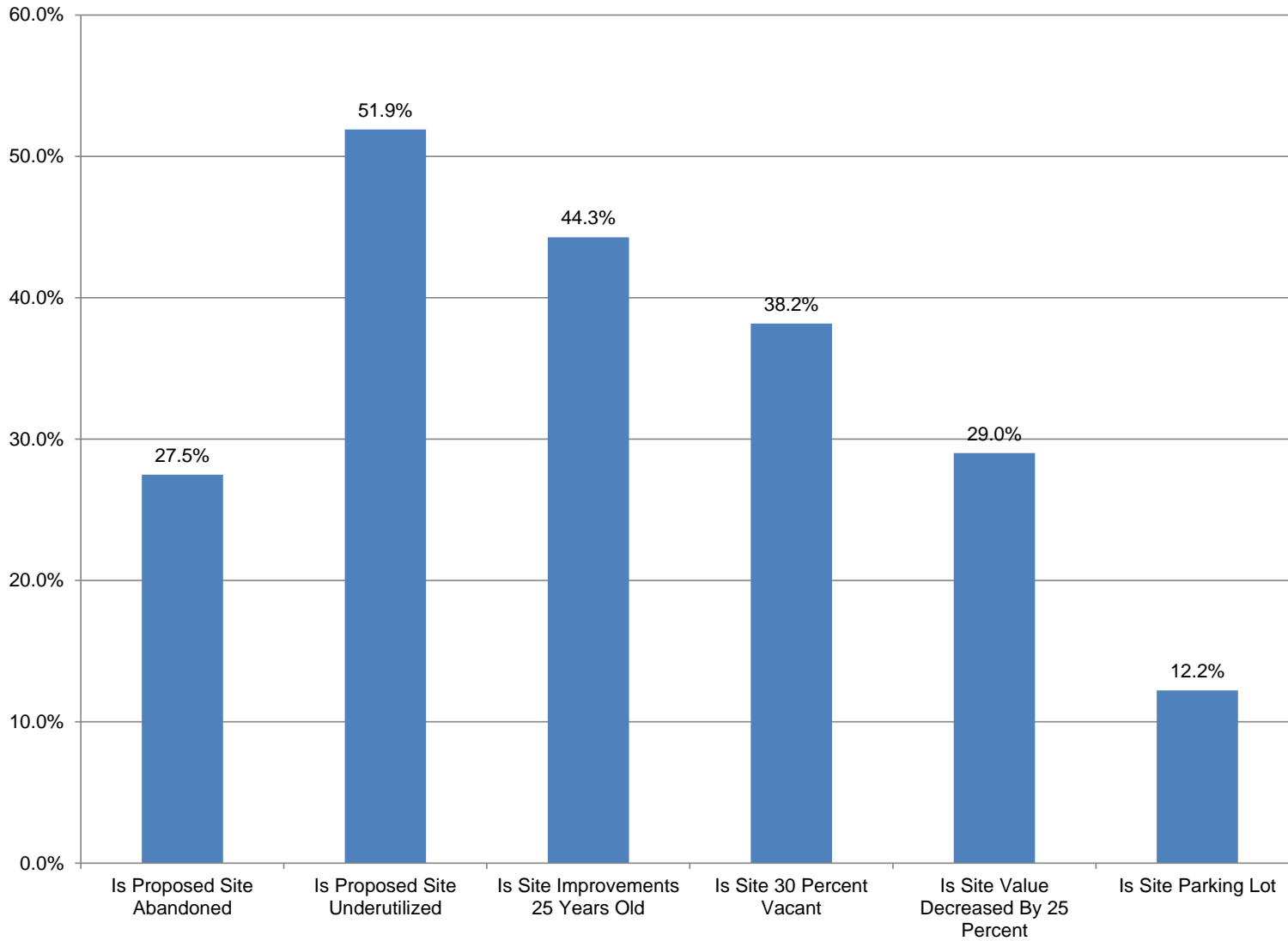
**Table 5. An Illustration of Government Funding for A Project Receiving Multiple Incentives**

	Redevelopment Tax Credit Application (Before Project Completion)	Historic Preservation Tax Credit Database and Workforce Housing Tax Credit Program (After Project Completion)
Workforce Housing Investment Tax Credit	\$431,153	\$383,317
Workforce Housing Sales Tax Rebate	\$57,740	\$79,367
Federal Historic Tax Credit*	\$891,442	\$956,899
State Historic Preservation Tax Credit*	\$1,114,300	\$1,196,123
Redevelopment Tax Credit	\$256,117	\$217,699
Total Government Funding	\$2,750,752	\$2,833,405
Total Project Cost	\$6,500,000	\$6,539,959
Share of Government Funding to Total Project Cost	42.3%	43.3%

\* Historic tax credit amount after the project completion is estimated based on actual project cost, not actual award amount

Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer Administration System

**Figure 3. Share of Awarded Projects Reporting “Yes” to Questions on Redevelopment Tax Credit Applications**



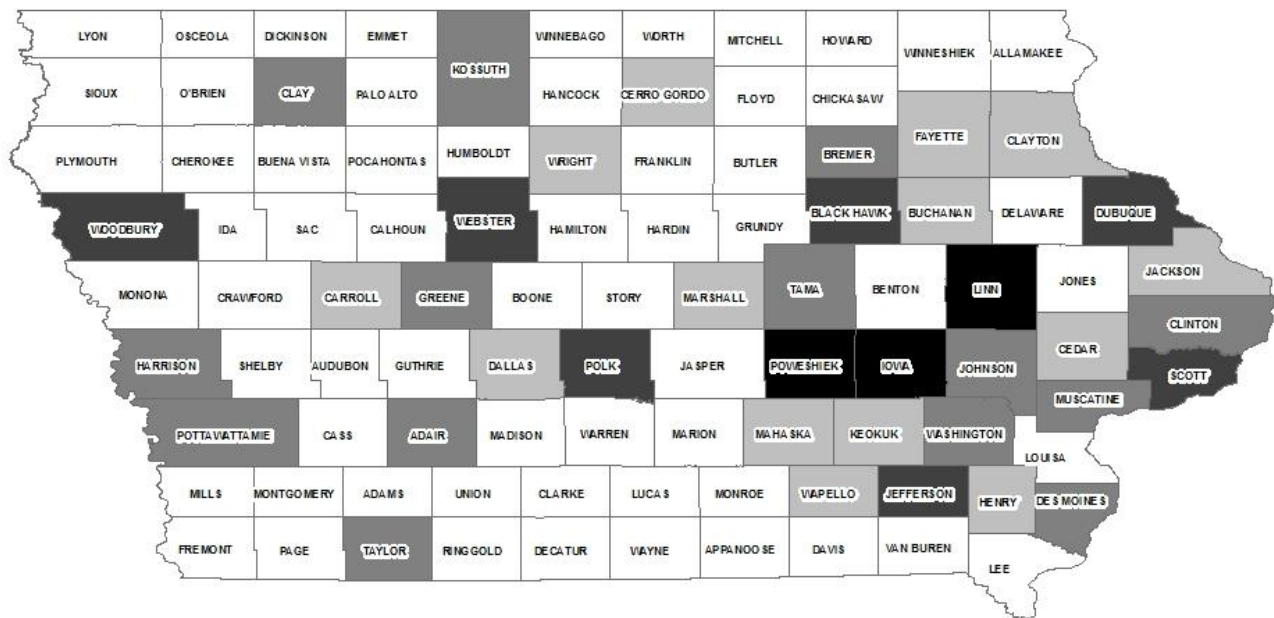
Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer Administration System

**Table 6. Redevelopment Tax Credit Awards and Project Costs by Project Type**

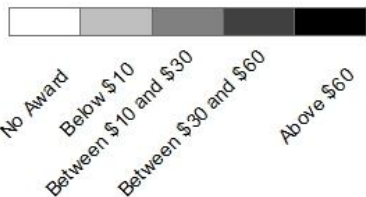
Project Type	Green Status	Number of Awards	Total Qualified Project Cost	Total Award	Distribution of Awards	Share of Award to Project Cost	Average Award
Brownfield	Non-Green	75	\$472,928,858	\$39,751,386	94.1%	8.4%	\$530,018
	Green	7	\$28,039,811	\$2,491,905	5.9%	8.9%	\$355,986
	Sum Share	82	\$500,968,669 52.7%	\$42,243,291 61.6%		8.4%	\$515,162
Grayfield	Non-Green	66	\$440,169,102	\$25,371,980	96.2%	5.8%	\$384,424
	Green	9	\$9,761,136	\$1,001,111	3.8%	10.3%	\$111,235
	Sum Share	75	\$449,930,238 47.3%	\$26,373,091 38.4%		5.9%	\$351,641
Total		157	\$950,898,907	\$68,616,382		7.2%	\$437,047

Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer Administration System

**Figure 4. Per Capita Redevelopment Tax Credit Current Allocated and Issued Awards by County, FY 2010-FY2019**



**Per Capita Award**



Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer Administration System



**Table 7. Redevelopment Tax Credit Transfers by Award Fiscal Year, 2010-2017**

Award Fiscal Year	Number of Issued Transferrable Awards	Number of Original Awards Transferred	Total Issued Transferrable Awards	Total Transferred Amount	Share of Transferred to Issued
2010	7	4	\$546,510	\$313,474	57.4%
2012	14	10	\$4,237,857	\$3,614,909	85.3%
2013	14	10	\$4,274,723	\$4,086,490	95.6%
2014	18	14	\$9,606,892	\$8,412,975	87.6%
2015	12	8	\$6,382,209	\$4,859,217	76.1%
2016	5	4	\$3,457,225	\$3,088,010	89.3%
2017	4	2	\$2,123,855	\$518,683	24.4%
Total	74	52	\$30,629,271	\$24,893,758	81.3%

Note: Awards from non-profit organizations are excluded because their awards are refundable and non-transferrable.

Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer Administration System

**Table 8. Redevelopment Tax Credit Transfers by Tax Type**

Tax Type	Number of Transfers Received by Final Transferees	Total Transferred Amount	Average Transferred Amount	Distribution of Transferred Tax Credits
Corporation Income Tax	16	\$5,603,123	\$350,195	22.5%
Franchise Tax	17	\$7,581,904	\$445,994	30.5%
Individual Income Tax	45	\$2,176,843	\$48,374	8.7%
Insurance Premium Tax	25	\$9,531,888	\$381,276	38.3%
Total	103	\$24,893,758	\$241,687	100.0%

Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer Administration System

**Table 9. Redevelopment Tax Credit Claims by Tax Year, Tax Years 2010-2017**

Tax Year	Number of Claims	Total Claim Applied	Average Claim	Distribution of Claims	Carry Forward
2010	5	\$80,505	\$16,101	0.4%	\$102,531
2011	11	\$383,665	\$34,879	1.8%	\$74,366
2012	9	\$523,749	\$58,194	2.5%	\$114,885
2013	27	\$1,672,235	\$61,935	7.8%	\$98,218
2014	34	\$4,793,805	\$140,994	22.5%	\$258,169
2015	22	\$2,273,784	\$103,354	10.7%	\$167,111
2016	51	\$4,455,293	\$87,359	20.9%	\$2,755,987
2017	45	\$7,140,844	\$158,685	33.5%	\$1,861,182
Total	204	\$21,323,880	\$104,529	100.0%	

Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer Administration System

**Table 10. Redevelopment Tax Credit Claims by Award Fiscal Year, Tax Years 2010-2017**

Award Fiscal Year	Number of Claims	Total Claims Applied	Total Issued Awards	Share of Awards Claimed
2010	32	\$523,390	\$546,510	95.8%
2012	51	\$2,723,072	\$4,237,857	64.3%
2013	38	\$4,061,342	\$4,274,723	95.0%
2014	29	\$6,853,161	\$9,606,892	71.3%
2015	41	\$4,102,776	\$6,574,431	62.4%
2016 and 2017	13	\$3,060,139	\$5,712,813	53.6%
Total	204	\$21,323,880	\$30,953,226	68.9%

Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer Administration System

**Table 11. Redevelopment Tax Credit Claims by Tax Type, Tax Years 2010-2017**

	Tax Type	Number of Claims	Total Claims Applied	Distribution of Claims
Nonrefundable Tax Credit Claims	Corporation	20	\$3,755,644	17.6%
	Franchise	19	\$6,460,750	30.3%
	Individual Income	138	\$3,068,803	14.4%
	Insurance Premium	25	\$7,714,461	36.2%
Refundable Tax Credit Claims	Non-Profit	2	\$324,222	1.5%
Total		204	\$21,323,880	100.0%

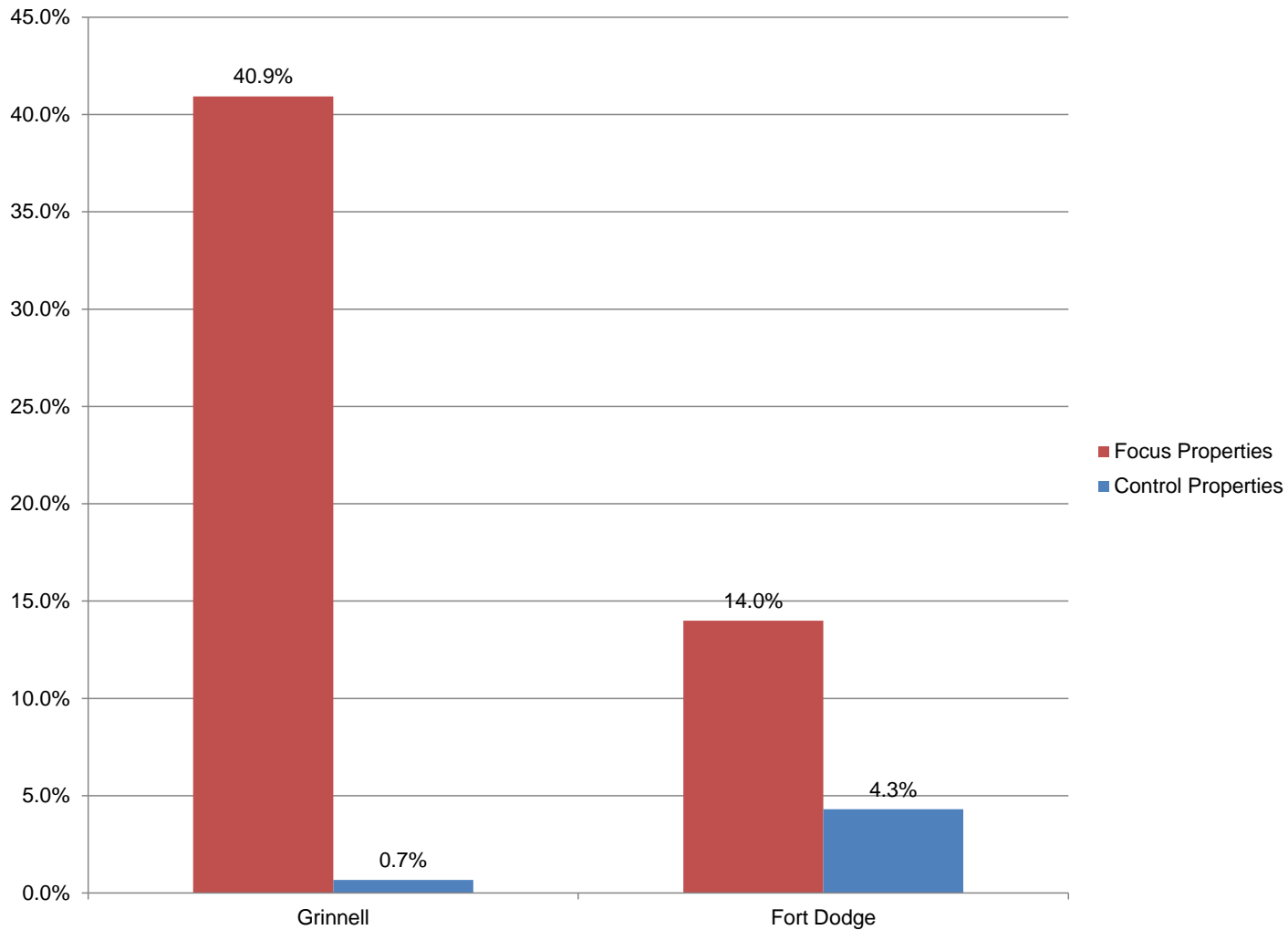
Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer Administration System

**Table 12. Summary Statistics of Focus Group and Control Group in Grinnell and Fort Dodge, 2012 and 2018**

		Grinnell		
		Number of Properties	Average Assessed Value	Median Assessed Value
Focus Group	2012	9	\$125,824	\$95,730
	2018	9	\$156,965	\$134,915
Control Group	2012	40	\$157,256	\$92,990
	2018	40	\$147,011	\$93,612
		Fort Dodge		
		Number of Properties	Average Assessed Value	Median Assessed Value
Focus Group	2012	13	\$122,593	\$61,580
	2018	13	\$141,148	\$70,200
Control Group	2012	28	\$105,596	\$36,975
	2018	28	\$107,686	\$38,565

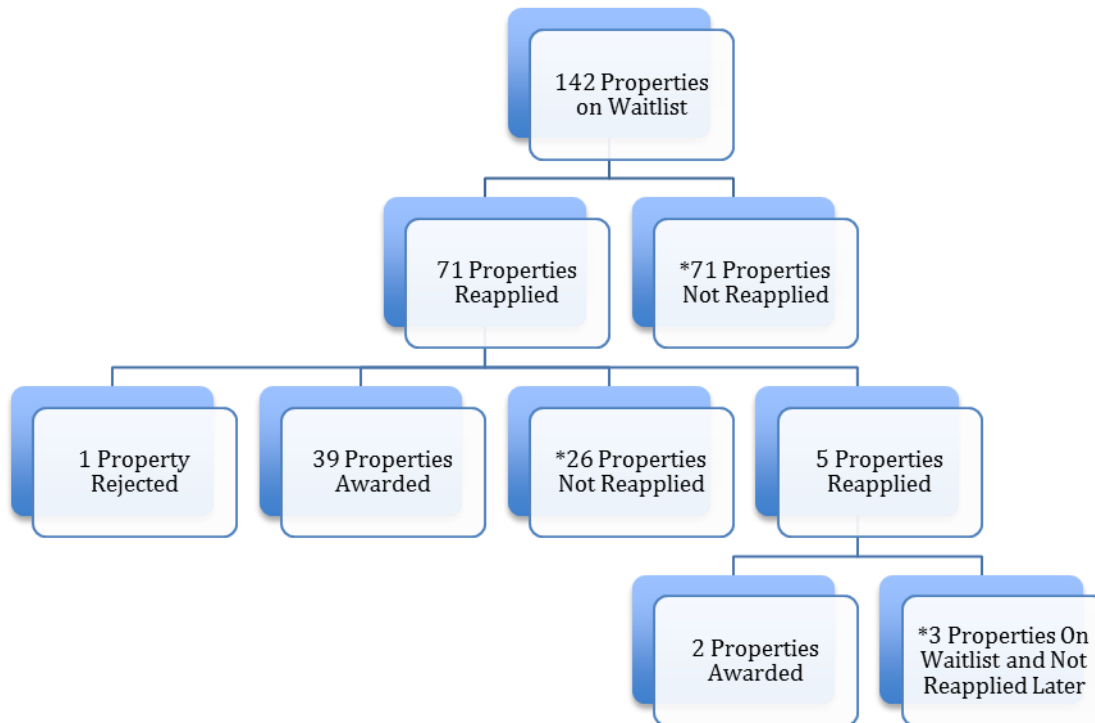
Source: Iowa Economic Development Authority, Property Tax Division, Webster County Assessor Office, and Poweshiek County Assessor Office

**Figure 5. Growth Rates of Median Assessed Value of Focus Properties and Control Properties in Grinnell and Fort Dodge, Between 2012 and 2018**



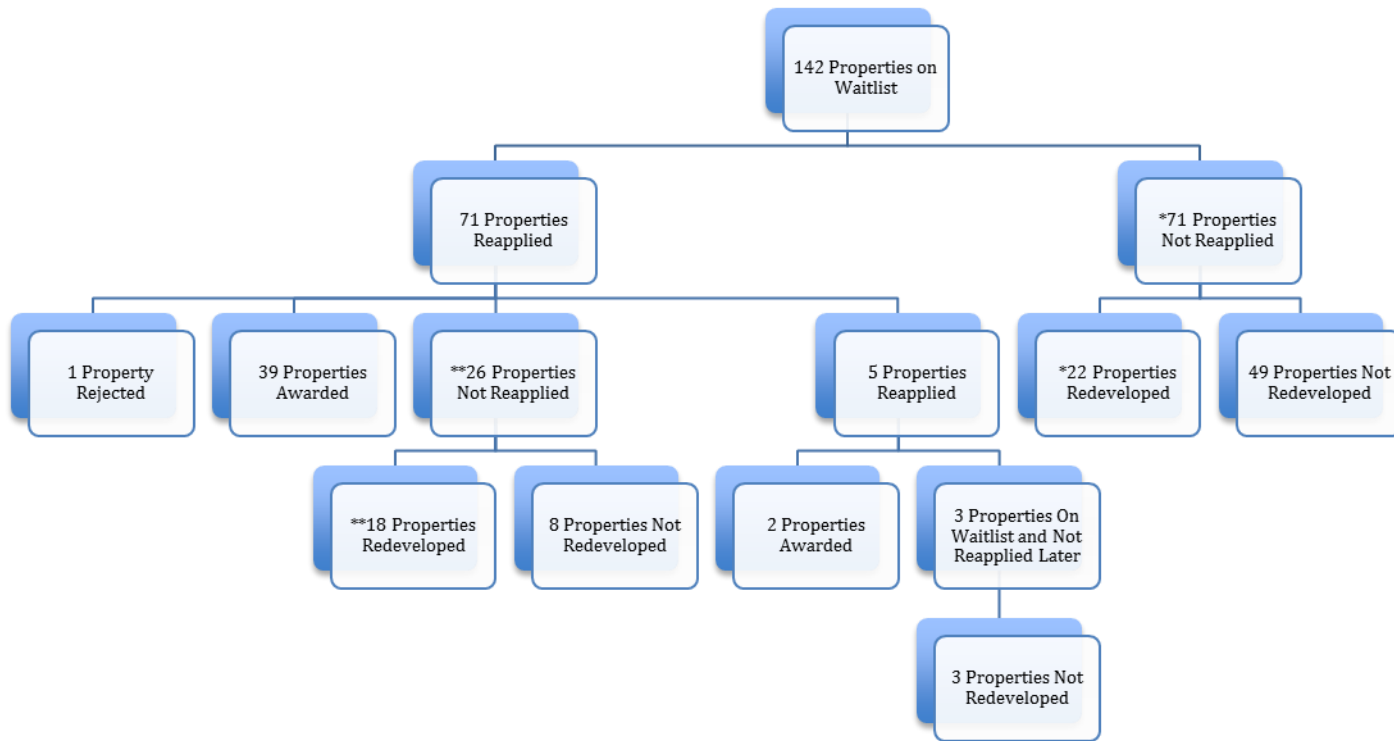
Source: Iowa Economic Development Authority, Property Tax Division, Webster County Assessor Office, and Poweshiek County Assessor Office

**Figure 6. Future Activity of Redevelopment Tax Credit Program Applications of Properties Once on Waitlist**



Note: The total number of properties which were put on the waitlist and did not reapply was 100 (71+26+3).  
Source: Iowa Economic Development Authority

**Figure 7. Future Activity of Redevelopment Tax Credit Program Applications of Properties Once on Waitlist and Follow-Up Investment Determinations**



\* The number of properties which were put on the waitlist once and did not reapply was 71. Among these 71 projects, 22 were redeveloped (31.0%).

\*\* The number of properties which were put on the waitlist twice and did not reapply was 26. Among these 26 projects, 18 were redeveloped (69.2%).

Note: If the assessed value of the property (excluding the land value) in 2018 exceeded that value in 2015 by 20 percent or more, then it was determined that the property was redeveloped between 2015 and 2018.

Source: Iowa Economic Development Authority