Iowa's Redevelopment Tax Credit

Tax Credit Program Evaluation Study

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By
Ryan Pautsch

Research and Policy Division
Iowa Department of Revenue

Preface

Iowa Code section 2.48 directs the Department of Revenue to review certain tax expenditures it administers. The schedule provided in this section requires a review in 2023 of the Redevelopment Tax Credit available under section 15.293A. This is the Department of Revenue's third evaluation study completed for this expenditure. Prior studies of the Redevelopment Tax Credit were completed in 2013 and 2018.

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:

Peter Orazem, PhD	Iowa State University
Matt Rasmussen	Iowa Economic Development Authority
Mel Pins	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 Robin Anderson, PhD, State Chief Economist and Division Administrator of the Research and Policy Division. This study and other evaluations of Iowa tax credits can be found on the Tax Credits 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 the redevelopment of a brownfield or grayfield site located in Iowa. 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. The definition of 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 (GDS), the tax credit equals 15 percent of the qualified expenses for a grayfield project and 30 percent for a brownfield project. A cap is in place for the Redevelopment Tax Credit that limits the amount one project can receive to 10 percent of the $15 million annual program cap. 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, 2031.

The major findings of the study are these:

Redevelopment Tax Credit Awards

- Prior to 2015, the tax credits were awarded on a first-come, first-served basis. Starting in 2015 the Brownfield Redevelopment Advisory Council was tasked with reviewing the applications. This Council was already established, as it had previously worked with a brownfield program that had offered forgivable loans to cities in Iowa. The Council consists of specialists from IEDA, the Department of Natural Resources, the Professional Developers of Iowa, and the Iowa League of Cities. This group reviews each application and then assigns scores to each application separately 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 then recommends the projects 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.

- Between FY 2010 and FY 2022, $92.2 million of Redevelopment Tax Credits were allocated to 202 projects. It is important to note that redevelopment work must be completed within 30 months after receiving an allocation, although IEDA has the authority to grant extensions.

- Of the 202 tax credits allocated, 100 credits went to brownfield projects, with the remaining 102 going to grayfield projects.

- Green development standards were met in seven of the 100 brownfield projects, while 13 of the 102 grayfield projects met this standard. However, only two projects ultimately achieved the designation.

- As of the end of FY 2022, 126 projects had been completed and received over $55.4 million in issued Redevelopment Tax Credits.

Redevelopment Tax Credit Transfers

- The Redevelopment Tax Credit is allowed to be transferred by the recipient, unless the project investor is a non-profit organization, in which case the credit is refundable.

- By the end of FY 2021, 118 transferrable awards totaling $50.0 million had been issued. Of the awards issued, 98 had been transferred. The total amount transferred was $45.5 million, which equates to 91.1 percent of the amount issued.

- An analysis of the final transferees by dollar amount revealed that insurance premium tax is the largest group, while individual income tax is the smallest.

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.

- For tax years 2010 through 2022, 473 claims were made totaling $43.5 million. Nonrefundable claims accounted for $38.7 million, with refundable claims from non-profit entities making up the remaining $4.8 million.

- The $38.7 million in nonrefundable claims consists of four different tax types. Claims against insurance premium tax comprise the largest dollar amount at $13.8 million. Claims against franchise tax and individual income tax liability were nearly the same at $8.6 million. Corporation income tax claims were the smallest category by dollar amount at $7.5 million.

Economic Impacts of the Redevelopment Tax Credits

- The redevelopment of a brownfield or grayfield property is expected to result in increased assessed values for the subject property, as well as neighboring properties.

- While all projects selected for this study were positively associated with the surrounding property values, the degree of the impact varied.

- In general, the redevelopment projects studied in rural counties had a stronger positive relationship on property values than those located in an urban county.

Equity of Tax Credit Between Urban and Rural Counties

- Residents in urban counties received $37.14 per capita in Redevelopment Tax Credits. Residents in rural counties that have a single city with a population over 20,000 received $34.73 per capita. Residents in rural counties received $11.20 per capita.

- Of the $92.2 million allocated and issued between FY 2010 and FY 2022, $71.2 million went to urban counties. The remaining $21.0 million went to counties that are classified as either a rural county or a rural county with a single city with a population over 20,000.

- 48.1 percent of rural projects presented to the IEDA Board were allocated funding, compared to 38.8 percent of urban projects.

I. Introduction

The Redevelopment Tax Credit was formed to encourage investment in brownfield or grayfield properties. The purpose of these investments is to eliminate environmental risks and promote redevelopment as a means to revitalize economically blighted areas. The Iowa Economic Development Authority (IEDA) administers the tax credit through the Redevelopment Tax Credit Program for Brownfield and Grayfield Sites.

Section II describes the Redevelopment Tax Credit. The federal brownfield program and brownfield tax credit programs from other states and cities are examined in Section III. Section IV briefly reviews previous research on the effects of brownfield and grayfield projects. Section V provides descriptive statistics of tax credit awards, transfers, and claims. In Section VI, an economic analysis of the Iowa Redevelopment Tax Credit Program is presented. The final section is the conclusion of this report.

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 is overseen by the Iowa Economic Development Authority. The process 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.[1]

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, vacant factories 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 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. These conditions are tracked on the tax credit application. For the projects that were allocated between fiscal years 2010 and 2022, 41.6 percent reported the site as abandoned. Over 71 percent reported the site as underutilized, 65.3 percent reported that site improvements were 25 years or older and nearly 59 percent reported the site to be at least 30 percent vacant. Additionally, 29.2 percent declared that the site value had decreased by 25 percent. Finally, 18 percent of the projects reported that the sites current use was a parking lot. For a visual summary of how these projects reported the questions on the application, see Figure 1.

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: [2]
- 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 an individual tax credit cap of 10 percent of the overall program cap.

[1] The tax credit program statutory language is found in Sections 15.291, 15.292, 15.293, and 15.294, Code of Iowa with administrative rules in 261 IAC 65.
[2] 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).

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.[3] 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 2014, the tax credit cap of the program was increased to $10 million per fiscal year and the project maximum rose to $1 million. The current tax credit cap is $15 million per fiscal year. However, in 2021 the law was changed regarding reallocation.[4] In addition to the $15 million annual allocation, the IEDA now has the ability to reallocate tax credits for previously approved projects that did not come to fruition. The sunset date for the program is the end of fiscal year 2031.

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.[5] In addition, the tax credit was made refundable and non-transferable if the project investor is a non-profit organization. An additional change was made regarding refundability in 2022. The percentage of a tax credit that is to be considered refundable is reduced annually beginning January 1, 2023 to 95 percent. This percentage continues to decline in subsequent years per the following schedule: 90 percent on January 1, 2024, 85 percent on January 1, 2025, 80 percent on January 1, 2026 and 75 percent on January 1, 2027.

Another change that was implemented with the 2014 law changes was a shift from a first-come, first-served process for allocating tax credit applications to a competitive scoring process. Each fiscal year, applications must be completed online from July through September 1. Applications are ranked by assigning up to 25 points based on feasibility, 25 points based on financial need and 25 points based on quality of the project.

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

[3] 15.293A, Code of Iowa
[4] 15.293B, Code of Iowa
[5] 261 IAC 65.11(2)

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 the Board of Directors of the 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, plus any tax credits from a prior year's allocation that have gone unused. When the total allocations reach the maximum for the year, 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. 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 a waiver 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 cost certification that was performed 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. Other Brownfield Tax Credit Programs

The Federal Brownfields Tax Incentive was originally signed into law as part of the Tax Relief Act of 1997 but allowed to expire on January 1, 2012. Although there have been bills introduced to restore this credit, it has not been reenacted as of the date of this study. 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.

Other states were examined to determine if there were programs in place that were similar to what is offered in Iowa. The findings concluded that while almost all states have some sort of assistance in place, only a small number offer a tax credit that would be comparable to Iowa. The majority of states provide assistance in the form of grants, low interest loans, or both. In addition to Iowa, there are eight additional states: Colorado, Florida, Kentucky, Massachusetts, Mississippi, Missouri, New York and South Carolina, that have income tax credit programs in place to address the redevelopment of contaminated or abandoned sites (see Table 1).

Of the states that are contiguous to Iowa, Missouri is the only state that offers a brownfield tax credit program. The tax credit is generous at a rate of 100 percent of the remediation cost. However, the tax credit is unique due to its job creation requirement. The program requires applicants to create at least ten new jobs or retain at least 25 existing jobs to be eligible for the tax credit. Missouri’s tax credit is not refundable; however, it is transferable. The credit can be carried forward for up to 20 years, which is the longest option offered by any of the states in the group.

Florida offers a tax credit offsetting 75 percent of eligible costs for affordable housing, healthcare properties or properties receiving a ‘No Further Action Order’. For all other properties, Florida offers a tax credit of 50 percent. Colorado, Massachusetts and South Carolina also have programs that provide a tax credit of 50 percent for certain properties. Kentucky is distinctive due to the fact they do not have a specific tax credit percentage determined, rather it is negotiated between the state agency and the recipient of the tax credit.

When comparing the nine states that have a brownfield tax credit in place, only two states do not place a cap on the amount of tax credit that can be awarded. The two states without a cap are Massachusetts and Missouri. Iowa’s project cap of $1.5 million and program cap of $15 million is higher than all of the other states, with the exception of New York. New York places a maximum of $35 million for non-manufacturing projects and $45 million for manufacturing projects.

New York is the only state that has a refundable tax credit for all entities. A refundable tax credit is one that provides a refund if the credit amount is larger than the tax owed. As discussed previously in this study, Iowa's tax credit is only refundable for non-profit organizations. This benefit for non-profit organizations was put in place during the 2014 Iowa Legislative session.

Transferability is another aspect that varies by state. Of the nine states listed in Table 1, six allow the credit to be transferred to another entity. The remaining three states, Kentucky, Mississippi and South Carolina, do not allow the tax credit recipients to transfer the credit to another tax payer. Additionally, all states but New York have some sort of carry forward provision in place. Missouri allows the longest carry forward period at 20 years and Kentucky has a 10-year carry forward in place. The remaining states in the group have all established a 5-year carry forward period.

A brief review was conducted to see if any cities in the United States offer brownfield redevelopment programs. Based on publicly available information, it appears that a number of cities have experimented with some type of brownfield program. However, due to the sheer number of cities in the United States, this study will speak to Des Moines, along with two major cities that are in close proximity to Iowa, Chicago and St. Louis.

The City of Des Moines does not specifically offer a brownfield or grayfield program, however the Office of Economic Development does provide assistance with the hopes of spurring urban renewal. The City has designated a number of urban renewal areas that allow investors to qualify for Tax Increment Financing if the property is located within one of the defined areas. While specifics of the program are not provided publicly on their website, they have listed a large number of successfully completed projects, along with projects that are in the planning or construction phase, so it would appear the program has had a certain level of success.

Based on information on the City of Chicago's website, they piloted a modest cleanup and redevelopment program in 1993 known as the Chicago Brownfields Initiative. This pilot program led to a larger program that partnered with the United States EPA and the Department of Housing and Urban Development. Although specific information on the number of projects was difficult to find, what is available suggests the program was somewhat successful for the time it was in place. The City's website currently states that funding is no longer available for the program and suggests that interested parties contact the United States EPA and the Illinois EPA.

St. Louis currently offers assistance through the St. Louis Brownfields Cleanup Fund. To qualify for the program, the property must be located within the City of St. Louis

Empowerment Zone and the developer must contribute at least 20 percent of the cleanup cost. The Fund offers low-interest loans, along with grants for non-profit organizations. There are a large number of factors considered for the project selected, including the number of jobs created or retained, reduction or elimination of environmental threats, and the amount of community involvement and support. Specific information on the number of projects is not readily available, although a number of current and previous projects are highlighted on the website.

IV. Literature Review

While literature specific to the State of Iowa is limited, there is research at the national level that addresses brownfield and grayfield redevelopment. The research suggests that the complex and costly issue of brownfield and grayfield redevelopment is faced in many communities across the United States, with brownfields typically concentrated in areas with an industrial history. In regards to brownfields, Laitos & Helms Abel (2011) explain the actual number of underused or abandoned industrial complexes is difficult to tally, but the problem is significant and pervasive. Some experts have suggested that nearly 1 million sites nationwide – ranging from obsolete manufacturing complexes to abandoned corner gas stations – show evidence of at least some contamination which could trigger regulatory concerns and ultimately inhibit their owners from selling the site, securing financing or proceeding with reuse.

Kotval-K (2016) points out that due to numerous social, economic, and political forces, brownfields are becoming increasingly concentrated in previously industrial cities and urban areas in the United States. When these urban areas become derelict, developers respond by focusing their time and investment in areas away from the city center. This expansion requires public services and infrastructure to be extended, utility lines to be lengthened, and longer and wider roads are constructed at the expense of the utility. Many of these infrastructure costs are paid for publicly, and hence are not considered by private developers, but these costs are real and can be large. Brownfield redevelopment often significantly reduces municipal costs with regard to infrastructure and the provision of public services. Laitos & Helms Abel (2011) indicate when local patterns emphasizing a non-integrated, use-separated approach to land development, dominate growth management and regional planning programs, resource and energy consumption are accelerated and infrastructure costs are increased.

The financial impact of redevelopment on surrounding properties has been addressed in the studies and is often named as one of the main benefits. The main aspect considered is how a redevelopment project increases assessed values in the area, which in turn generates higher property tax revenue. Kotval-K (2016) confirms this idea that redevelopment supports a real and perceived increase in property values surrounding a brownfield site. However, the journal article cautions that the increase in property values can be dependent on a number of additional factors, including, but not limited to, the site’s location, proximity to roads, access to utilities and employment opportunities in the area. There are financial benefits to working with brownfield and grayfield sites for developers if they educate themselves about the process. Shier (2015) states that a developer who acquires a thorough understanding of the property and environmental issues, will be able to identify a real opportunity. Having knowledge of the clean up standards, along with an active real estate market and experience means that some contaminated sites can present attractive financial opportunities.

Psychological benefits are another factor that needs to be considered and is addressed in the literature. While the issue is addressed, it is very difficult to quantify the benefits. Berman, Morar, Unkart & Erdal (2022) state few frameworks exist that measure public health impacts associated with land reuse and brownfield sites. Kotval-K (2016) submits that Brownfield redevelopment provides psychological benefits for community residents who live in urban areas of concentrated vacant sites and buildings. The author suggests that the residents of these communities are already subject to other challenges, mainly high unemployment and meeting daily economic needs, which on their own can be extremely stressful. Furthermore, by returning sites to historic conditions and adding educational and experiential elements, a city could draw visitors, stimulate its tourism industry, and celebrate its previous success. This would provide a psychological boost to the community as a whole.

Public Health is yet another item that should be studied when looking at brownfield redevelopment. Berman, Morar, Unkart & Erdal (2022) explain that brownfields can pose environmental exposure risks to community members via access to the sites or contamination of soil, air, and/or water at the site. Site contaminants can migrate on-site and off-site, such as from vapor intrusion, surface runoff, or fugitive dust. This exposure to harmful contaminants from a brownfield site can occur before, during, or after redevelopment via numerous exposure pathways. Common brownfield contaminants, such as lead-based paint, asbestos, or petroleum-based products can have serious health implications. These implications are further complicated due to the various approaches and reporting structures used by each state. BenDor, Metcalf & Paich (2011) assert that every state has different types of cleanup standards, procedures for identifying sites and provisions for apportioning liability. Additionally, many states do not require the results of the site cleanup to be made public. If the results are made public, the information can be so complex that the average developer or property owner can't interpret the results. Schilling (2022) proposes that communities take a step further when considering public health issues related to brownfields and look at the creation of *healthfields*, which is the redevelopment of brownfields for community health centers and health promotion through revitalization (e.g., urban agriculture to address food insecurity or parks, trails and bikeways that promote active living.) Schilling (2022) continues with a discussion of *brightfields* which is a partnership with the Department of Energy to reclaim brownfields for renewable energy generation.

V. Descriptive Statistics for Redevelopment Tax Credit Awards and Claims

A. Redevelopment Tax Credit Awards

As mentioned previously in this report, in the initial years of the program the Redevelopment Tax Credits were awarded on a first-come, first-served basis. A change was made starting in 2015 when the Brownfield Redevelopment Advisory Council was tasked with reviewing applications. The Council reviews each application and then assigns scores, which are then ranked to determine the priority of each project and the potential amount of the tax credit. The Brownfield Redevelopment Advisory Council then recommends the projects to the IEDA Board who is tasked with making the final decisions, registering the projects and allocating the preliminary tax credit awards. Once the project receives its allocation, the redevelopment work is to be completed within 30 months. However, the Iowa Economic Development Authority reserves the right to grant extensions.

The first fiscal year the Redevelopment Tax Credit was in place was 2010. In fiscal year 2011, the program was not extended due to budgetary constraints. The following year the program was revived and a $5 million program cap was put into place. The program cap was doubled to $10 million in FY 2014. The $10 million limit was in place until fiscal year 2022, when an additional $5 million in funding was approved. In FY 2023, a further change was made, which allows for the program cap to exceed $15 million. Keep in mind, the program can now add dollars that were allocated to projects in prior years, but were never issued or subsequently revoked, to the current fiscal year's funding pool.

Table 2 of this report outlines the awards allocated and issued between fiscal years 2010 and 2022. Allocated award amounts represent the amounts allotted to projects by the IEDA at the end of the annual application process. Amounts listed in columns labeled as issued signify projects that have been completed and verified as such by the IEDA. Please note that once a project is completed and issued the tax credit, it is moved from allocated status to issued status. This is the reason that many of the earlier fiscal years show a zero in the allocated column, and the most recent fiscal year shows a zero in the issued column. Once the tax credit has been issued, it is then eligible to be claimed by the recipient. In the time frame detailed, $92.2 million of Redevelopment Tax Credits were allocated to 202 projects. By the end of FY 2022, 126 projects have been completed and received over $55.4 million in issued Redevelopment Tax Credits. The average award has ranged from a low of $78,073 in FY 2010 to a high of $799,102 in FY 2016. Over the entire period displayed in Table 2, the average amount is $456,420. From FY 2010 to FY 2022, the number of total awards by year has increased from seven to 28, which would be expected due to the program cap increasing during that time.

The 202 tax credits that were allocated between FY 2010 and FY 2022 can be classified between brownfields and grayfields. Furthermore, the projects can be categorized as projects that meet green development standards and those that do not. All of this information is specified in Table 3 of this study. The split between brownfield and grayfield projects is nearly identical, as 100 credits went to brownfield projects, with the remaining 102 going to grayfield projects. The average award of $546,585 for a brownfield was considerably higher than the $368,023 reported for a grayfield. In general, there are two likely reasons for this disparity. The first could simply be that the brownfield projects were of a larger scale than the grayfields and thus received a larger award. The second possible explanation could be that the brownfield projects needed to address environmental contamination, which was an expense that does not apply to grayfields.

The information shown in Table 3 indicates that a vast majority of projects presented for the Redevelopment Tax Credit do not meet green development standards (GDS). Seven of the 100 brownfield projects met GDS, while 13 of the 102 grayfield projects met the standards. When this is examined on a total award level, 4.2 percent of brownfields and 6.7 percent of grayfields were classified as green projects. Keep in mind that meeting these standards does not necessarily mean that the projects achieve the final designation.

B. Redevelopment Tax Credit Transfers

Recall that the Redevelopment Tax Credit is transferrable by the recipient, unless the project is being led by a non-profit organization. Table 4 expounds on the number of awards issued to entities that are allowed to transfer their tax credit. The table does not provide data after fiscal year 2021, as no transferrable awards have been issued in FY 2022 or after.

By the end of FY 2021, 118 transferrable awards have been issued, with award amounts totaling $50.0 million. Of the 118 awards issued, all but 20 had been transferred. The total amount transferred was $45.5 million, which equals just over 91 percent of the amount issued.

Transfers by tax type is presented in Table 5 of this report and is based on the final or end transferee. The transfers are divided into four categories: corporation income tax, franchise tax, individual income tax and insurance premium tax. Note that the Redevelopment Tax Credit can be transferred multiple times. Additionally, a single tax credit can be divided into multiple pieces and sold to multiple transferees. The table shows that of the 176 transfers received by final transferees, 75 were bought by individuals, 49 by insurance companies, 28 by financial institutions subject to franchise tax and 24 by corporations. When examining the transfers by dollar amount, insurance premium tax makes up the largest amount at $17.7 million, followed by franchise tax at $13.2 million. The total for corporation income tax was $8.8 million and individual income tax showed the lowest total at $5.8 million.

In the data available on these transferred credits, some insight was provided about the price received when a recipient decides to sell. Of the 176 transfer records referenced in Table 5, 100 records had summary information on the cash consideration received by the transferor. This summary information suggested that the practice of selling tax credits at a discount does ring true, as transferors received approximately 92 cents on the dollar.

C. Redevelopment Tax Credit Claims

Only outlays made after the Redevelopment Tax Credit is allocated are considered as eligible expenses. Furthermore, the credit is issued after the project has been completed and all required documentation has been submitted, which can often result in a substantial gap between the date of the tax credit allocation and when the tax credit can be claimed. As briefly discussed earlier in this report, the IEDA has a detailed procedure on what items are needed to be issued a valid certificate. In general, the entity must have successfully applied to the program, been approved by the IEDA Board and entered into a contract with the IEDA. Upon completion of the project, certain records are required to certify the project is finished, as well as prove that expenses were incurred and paid. The most significant of these records is a written certification statement from the recipient, a schedule of project expenses with supporting documentation and a cost certification report from an independent Certified Public Accountant licensed to practice in Iowa.

For tax years starting with 2010 through 2022, 473 claims were made (see Table 6). The total of these claims was $43.5 million. It is important to remember that recipients of the Redevelopment Tax Credit need not claim the entire credit in one year. Rather, Iowa allows the credit to be carried forward and claimed against tax liabilities in future years. Additionally, a single tax credit can be divided into multiple pieces if it is transferred. These two facts are the reason that the number of claims made can be much higher than the number of tax credits issued.

Table 7 provides further detail about claims made in conjunction with the Redevelopment Tax Credit. Recall that the refundable credits are not allowed to be transferred, while the nonrefundable credits can be transferred. The total number of claims would include any that have been transferred. The table illustrates that refundable claims accounted for only 11.2 percent of the total dollar amount of claims made between tax year 2010 and 2022. Nonrefundable claims accounted for $38.7 million, with refundable claims from non-profit entities making up the remaining $4.8 million. A further breakdown of nonrefundable claims can be examined based on tax type. Claims against insurance premium tax make up the largest dollar amount at $13.8 million. Claims against franchise tax and individual income tax liability were both $8.6 million. While both of these tax types claimed approximately the same total dollar amount, the number of claims were drastically different. There were only 25 franchise tax claims, compared to 326 individual income tax claims. This is due to individual tax liability amounts typically being a much smaller dollar amount than franchise tax liabilities. Claims by corporations were the lowest category based on amount at just over $7.5 million.

VI. Economic Analysis

A. Economic Impact on Surrounding Property Values

An appropriate analysis to conduct regarding the Redevelopment Tax Credit is to explore the impact a redevelopment project has on its community. More specifically, it is valuable to know the economic impact the project has on the assessed value of neighboring properties. In order to measure this impact, redevelopment projects were selected in five counties around Iowa (see Figure 2). The projects selected were allocated their tax credit from the Iowa Economic Development Authority between fiscal years 2017 and 2020. The logic used for picking projects from this time frame is that the 2017 fiscal year is recent enough that it will somewhat eliminate the usual tendencies of property values to increase on their own with time. The 2020 fiscal year was deemed an appropriate ending year, as it is important to have some time pass since the award allocation to allow the project to be completed and surrounding properties to react to the project investment. The location of the counties was also a consideration, as it was important to make sure that they were not all located in the same area of the state. Finally, the population of the counties was also taken into account in order to have a mix of counties located in large urban areas, as well as smaller rural areas.

The historical assessed values for the surrounding parcels were obtained through a combination of information available on the county websites and working with the assessor's staff directly. Two groups of assessed values were obtained for each property. The first group is for parcels that are located within 330 feet of the subject, which is approximately one block. The second group of parcels contains those that are between 330 and 1,000 feet from the subject. The two groups provide a way to compare those that are essentially bordering the subject to those that are slightly further away. It would be prudent to assume that the influence on property values would dissipate as you moved further away from the redevelopment project. The base assessed value for each property is its value as of the year the tax credit was allocated. This starting value was then compared to the most recent assessed value available, and the growth in value was annualized to allow for a more uniform comparison.

The Iowa Department of Management provides historical information on taxable property valuation by class. Their data covers assessment years from 1977 to 2021 and separates the data into a number of different property classes. To provide a reference point, the valuation data regarding residential, commercial, industrial and multi-residential was analyzed for years 2017 through 2021. Property categories such as agricultural land and buildings, railroads and utilities were omitted. The data showed that during that time period taxable valuations increased by an average of 4.62 percent on an annualized basis. Attempts were made to obtain the average increase in taxable valuations at the county level, however this data could not be obtained for a number of reasons. Data could be obtained that shows the total assessed value for all classes within the county for each year. However, that would not allow for an accurate representation of the annualized increase in taxable values for a number of reasons, most notably the value of new parcels or improvements to existing parcels would be included in these annual totals.

The first redevelopment project studied is located in Ottumwa, which is the county seat of Wapello County. Wapello County is situated in the southeast corner of the state and had a population of 35,437 as of the 2020 Census. Ottumwa's population as of 2020 was approximately 25,000 residents. The project to be detailed is a three-story 52-unit apartment complex which is on a former grayfield site. The project was allocated its tax credit during the 2018 fiscal year, and the total amount of the credit was $197,862. Recent assessed values of the property have been over $4,700,000, so the amount of the tax credit represents a small fraction of the total investment. The annual property tax for the parcel is currently over $72,000. Due to this fact, it is difficult to quantify the specific impact the tax credit had on the increase in assessed value and property tax revenue. This is an obstacle that was faced in the other projects presented in this study.

The Wapello assessor's data for the surrounding properties showed that for those within a one block radius of the subject property had an average annualized increase in assessed value of 5.3 percent, with the median being 4.4 percent, since the credit was allocated. For the parcels located between one and three blocks from the subject, the average was 5.7 percent and the median increase was 4.9 percent. When compared to the data from the Iowa Department of Management, the increases in Ottumwa compare favorably. However, the fact that the parcels more than a block from the subject showed a higher median increase than those within a block of the subject is somewhat unexpected.

The next county to be discussed is Pottawattamie in southwest Iowa. There were two redevelopment projects that occurred between fiscal years 2017 and 2020, both of which were in Council Bluffs. Council Bluffs is the county seat of Pottawattamie County and part of the Omaha-Council Bluffs Metropolitan Area. The 2020 Census showed that Pottawattamie County had a population of 93,667, with Council Bluffs accounting for 62,799 of the county's residents.

The first Pottawattamie property was allocated its $800,000 tax credit in 2018. The project is located on a former brownfield site and is now the home of a large arts and culture center. The Pottawattamie County assessor's office provided assessed value data for properties located within one block of the site, as well as properties located between one block and three blocks from the site. For those locations within a one block radius, their assessed value increased by an average of 4.0 percent on an annual basis, with a median of 2.3 percent. For those parcels between one and three blocks from the subject, the mean increase was 3.5 percent and the median increase was 2.1 percent. Both of these groups display increases lower than what was seen by the Iowa

Department of Management study. Nevertheless, the numbers do suggest the redevelopment project had a greater impact on its immediate neighbors.

The second Pottawattamie property was allocated its tax credit in 2020 in the amount of $750,000. The project is located on a former brownfield site and has been developed into a mixed-use space. The ground floor of the building offers retail space, while floors two and three are apartment space. The assessor's data shows that since the time the tax credit was allocated, the parcels within one block of the property have shown and annualized average increase of just 0.09 percent, with a median of 0.0 percent. The one block to three block zone displays the same median of 0.0 percent, while the mean increase is slightly higher at 3.6 percent. All of these figures are lower than the state-wide average referenced above. The results could simply be a result of the project being somewhat recent, thus the assessed values have not had time to react to the development. Moreover, there may be other neighborhood forces at play that would require an intimate knowledge of the area and its history. A final thought is that the project is in a large urban area, thus a single property does not have significant influence.

Two projects in Mahaska County were selected for review as part of this study. Mahaska County is located in the southeast portion of the state. Both projects are located in the City of Oskaloosa. Oskaloosa is the county seat and had a population of 11,558 as of the 2020 Census. Mahaska County had a population of 22,190 as of the 2020 Census.

The first Mahaska County project was allocated funds for the Redevelopment Tax Credit in 2017 and is a brownfield site. The amount of the tax credit was $149,055. The property is a two-story brick building with retail space on the main floor and apartments on the second level. Based on county assessor's data, properties within 330 feet had an annualized average assessed value increase of 5.6 percent, with a median of 5.3 percent, since the project was allocated funds. Those parcels located between 330 and 1,000 feet showed an average increase in value of 4.2 percent, with a 3.4 percent median increase. These results fall in line with the expectation that properties closer to the subject will see a greater increase.

The second project in Mahaska County was allocated $500,000 in tax credit funds in 2020 and is located on a brownfield site. The property is a former post office building and has recently been added to the National Register of Historic Places. For the properties located within 330 feet of the subject, the annualized average increase in property values was 11.4 percent since the project was allocated the tax credit. The median increase for the same time period was 12.1 percent. For the real estate located greater than 330 feet from the subject, but less than 1,000 feet, the average increase in value was 8.0 percent, with a median of 5.8 percent. This property appears to have had a substantial associated gain on its surroundings in a relatively short period of time.

Jackson County is the location of the next redevelopment project to be examined. Jackson is a rural county located in east central Iowa, near the Illinois border. The county's population was 19,485 as of the 2020 census. The redevelopment project is located in Maquoketa, which had a 2020 population of 6,128. The subject property is a two-story building with retail space on the first floor and apartments on the second floor. The project was allocated its tax credit amount in 2019 and was a former brownfield site. The amount of the tax credit was $63,978. For those properties within a one block radius, their assessed value increased by an average of 11.7 percent on an annual basis, with a median of 10.7 percent. For those parcels between one and three blocks from the subject, the mean increase was 6.8 percent and the median increase was 6.7 percent. These figures are meaningful and support the proximity idea presented earlier.

The final county is Scott County, where three redevelopment projects in Davenport were examined. Scott is an urban county located on Iowa's eastern border and the county seat is Davenport. Scott County's population was 174,170 as of 2020, which makes it the third largest county in Iowa. Davenport reported a population of 101,724 as of the 2020 Census.

The first Scott County project is a mixed-use commercial building that was allocated its credit in 2017 in the amount of $500,000. For the properties located within 330 feet of the subject, the annualized average increase in property values was 4.6 percent since the project was allocated the tax credit. The median increase for the same time period was 4.8 percent. For the properties located greater than 330 feet from the subject, but less than 1,000 feet, the average increase in assessed value was 6.7 percent, with a median of 3.5 percent.

The second Scott County project was allocated an $81,068 tax credit in 2018. The building is a three-story brick structure built in 1900, which has been converted into an 18-unit apartment building. The data shows that since the time the tax credit was allocated, the parcels within one block of the project have shown and annualized average increase of 5.7 percent, with a median of 6.9 percent. The one block to three block region displays a mean increase of 6.4 percent, with a median of 5.8 percent.

The final property from Scott County was allocated its tax credit in 2019 and the amount was $1,000,000. The building is a ten-story building that has been transformed into studio, one and two-bedroom apartments. Data from the Davenport Assessors office for the surrounding properties showed that for those within a one block radius of the subject property had an average annualized increase in value of 6.3 percent, with the median being 3.0 percent, since the credit was allocated. For the parcels positioned between one and three blocks from the subject project, the average was 5.9 percent and the median increase was 4.0 percent.

Based on the discussion above, it appears that the Redevelopment Tax Credit is associated with a gain in property values, but as expected this gain varies by project. It also appears that projects in smaller rural communities may have a larger associated gain, when compared to projects in urban areas. The data presented could also suggest that associated gains occur more rapidly in the smaller communities. This data is summarized in Table 8 below.

B. Equity of Tax Credits Between Urban and Rural Counties

Another consideration that is explored in this study is whether or not all citizens of the State are being equally served by the Redevelopment Tax Credit. Based on information from the 2020 United States Census, the total population of Iowa was 3,190,369. When the population is compared with the tax credit amounts allocated and issued between fiscal years 2010 and 2022, the per capita amount is $28.90 (see Table 9). However, a further analysis was conducted to determine if those citizens living in a rural area of the State are impacted by the tax credit at the same level as residents of urban areas. The definition of an urban versus rural county is based on information found on the Iowa Economic Development Authority website that classifies counties into three categories. Twenty-one of Iowa's counties are classified as urban, with the remaining 77 counties being listed as some form of rural. The IEDA suggests breaking down rural counties into two categories. The first of which are counties that are entirely rural and 71 counties fall into this designation. The second category are counties that are rural with the exception of a single city within the county that has a population of over 20,000. This counties and cities that make up this category are listed below:

County	**City**
Cerro Gordo	Mason City
Clinton	Clinton
Des Moines	Burlington
Marshall	Marshalltown
Muscatine	Muscatine
Wapello	Ottumwa
Webster	Fort Dodge

Source: Iowa Economic Development Authority

Table 9 of this report provides more detail on the amount received by the three classifications of counties. For counties that are considered Urban, they received $71.2 million of the overall $92.2 million allocated and issued during the time period. This equals just over 77 percent of the total tax credit amount or $37.14 per resident. For those seven counties that are considered rural with a single city over 20,000 people, they received $9.9 million or $34.73 per resident. For the seventy-one rural counties, the total tax credit amount was $11.1 million or $11.20 per person. This data would on the surface suggest that the residents of rural counties may not be seeing the benefits from the Redevelopment Tax Credit that their counterparts in other areas of the State are.

While the information presented above is valid and important, it may not represent all of the factors that are in play. An argument could be made that rural areas simply do not have the commercial and industrial space of urban areas, thus there are not as many brownfield or grayfield sites available. An additional case to be made is that rural areas across the country have experienced population decline in recent decades, therefore redevelopment projects are not attractive to developers in those areas.

Yet another question that can be addressed in the urban versus rural discussion is whether or not a majority of the rural projects are being approved when presented to the IEDA Advisory Council. A review was completed of rural projects presented between fiscal years 2010 and 2022. The rural projects examined were either from purely rural counties or from towns with populations under 20,000 in Cerro Gordo, Clinton, Des Moines, Marshall, Muscatine, Wapello or Webster counties. The results showed that 37 of 77 projects received funding, which equates to 48.1 percent. This same measurement was computed for urban counties for the same time period. The outcome for urban counties was 146 of 376 projects presented received funding, which is 38.8 percent. A final look was given to projects in the cities with populations over 20,000 in the seven “rural” counties referenced in this paragraph. There were 32 projects presented from those communities, of which 19 received funding, thus a percentage of 59.4. This analysis would support the idea that no preference was given to projects that are from large urban counties.

VII. Conclusion

This evaluation study provides detailed information about the Iowa Redevelopment Tax Credit, along with providing updates to the program that have occurred since the evaluation study conducted in 2018. As previously mentioned, the motivation of the tax credit is to encourage investment in brownfield or grayfield properties. Investment in these properties should invigorate communities, remove environmental risks and increase property values in the areas adjacent to the redevelopment projects. Since the tax credit’s inception in the 2010 fiscal year, the program cap has been fully utilized every year. Additionally, the annual cap amount has been increased from its initial maximum of $1 million to its current cap of $15 million. This would suggest that there is strong demand for the program. Based on the projects examined, the data suggests that the tax credit is associated with gains in the property values in the communities that have undertaken redevelopment projects. However, the magnitude of the increase varies from project to project. Moreover, while developers have completed projects in rural communities, the tax credit amount per capita is considerably lower when compared to urban counties. The Redevelopment Tax Credit is set to be repealed in 2031, which will allow for additional projects to be completed, which in turn will provide more data to measure the effectiveness of this program.

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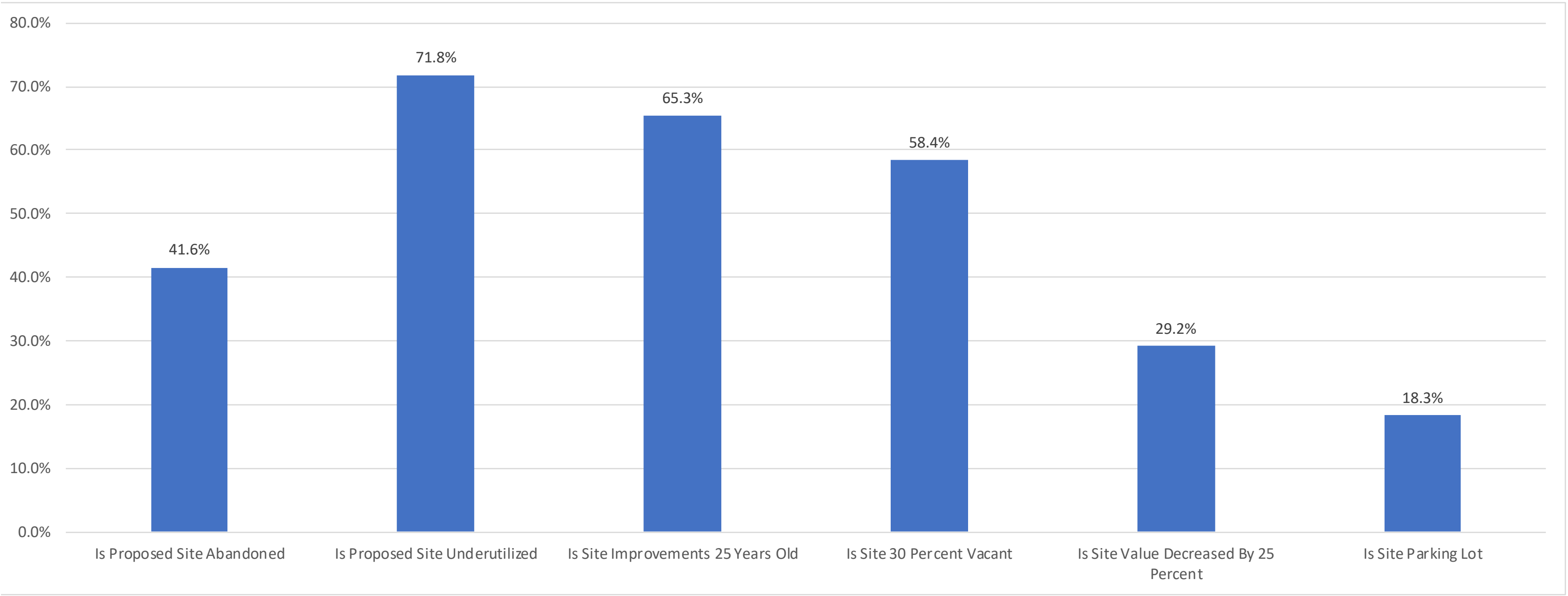
Iowa Redevelopment Tax Credit Program

Tax Credits Program Evaluation Study

Tables and Figures

Figure 1. Share of Awarded Projects Reporting “Yes” to Questions on Redevelopment Tax Credit Application



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

Table 1. State Brownfield Income Tax Credit Programs

State	Name	Enactment Date	Tax Credit	Cap	Refundable	Transferable	Credit Carry Forward
Colorado	Colorado Brownfields Tax Credit	2014	40% credit on the first $750,000, 30% credit on the amount between $750,000 and $1.5 million (50% and 40% for rural areas)	Yes, $525,000 per project ($675,000 for rural)	No	Yes	Yes, 5 years
Florida	Voluntary Cleanup Tax Credit	1998	75% of investment for affordable housing, healthcare properties or properties receiving a 'No Further Action Order'. 50% of investment for other projects.	Yes, $500,000 per project per year, $10 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, $1.5 million per project per year, $15 million for the program per year	No, except for non-profit organizations	Yes	Yes, 5 years
Kentucky	Kentucky Brownfield Tax Incentive Program	2004	Negotiated	Yes, $150,000 per project	No	No	Yes, 10 years
Massachusetts	Brownfields Tax 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
Mississippi	Brownfields Tax 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
Missouri	Brownfield Remediation Program	2001	100% of the cost of remediating the project property	No	No	Yes	Yes, 20 years
New York	Brownfield Cleanup Program Tax Credit	2005	10 to 34% of investment, depending on the level of the cleanup	Yes, $35M non-manufacturing, $45M manufacturing	Yes	Yes	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, can not exceed $100,000 per project	No	No	Yes, 5 years

Source: Various state revenue department websites

Table 2. Redevelopment Tax Credit Awards by Fiscal Year, 2010-2022

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	0	$0	0.0%	15	$4,737,857	100.0%	15	$4,737,857	$315,857
2013	0	$0	0.0%	15	$4,709,123	100.0%	15	$4,709,123	$313,942
2014	0	$0	0.0%	18	$9,606,892	100.0%	18	$9,606,892	$533,716
2015	1	$837,876	10.6%	15	$7,055,196	89.4%	16	$7,893,072	$493,317
2016	0	$0	0.0%	12	$9,589,225	100.0%	12	$9,589,225	$799,102
2017	2	$149,430	1.9%	15	$7,643,554	98.1%	17	$7,792,984	$458,411
2018	4	$1,477,640	23.3%	11	$4,864,525	76.7%	15	$6,342,165	$422,811
2019	5	$2,803,507	32.5%	15	$5,811,782	67.5%	20	$8,615,289	$430,764
2020	16	$7,360,000	99.1%	1	$63,677	0.9%	17	$7,423,677	$436,687
2021	20	$9,155,000	91.8%	2	$819,010	8.2%	22	$9,974,010	$453,364
2022	28	$14,966,000	100.0%	0	$0	0.0%	28	$14,966,000	$534,500
Total	76	$36,749,453	39.9%	126	$55,447,351	60.1%	202	$92,196,804	$456,420

Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer System
Note: Allocated award represents the tax credits allocated for incomplete projects. Issued award represents awards issued to completed projects.

Table 3. Redevelopment Tax Credit Awards by Project Type and Green Status, Fiscal Years 2010-2022

Project Type	Green Status	Number of Awards	Total Award	Distribution of Awards	Average Award
Brownfield	Non-Green	93	$52,356,568	95.8%	$562,974
	Green	7	$2,301,905	4.2%	$328,844
	Sum	100	$54,658,473		$546,585
	Share		59.3%		
Grayfield	Non-Green	89	$35,027,455	93.3%	$393,567
	Green	13	$2,510,876	6.7%	$193,144
	Sum	102	$37,538,331		$368,023
	Share		40.7%		
	Total	202	$92,196,804		$456,420

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

Table 4. Redevelopment Tax Credit Transfers by Award Fiscal Year, 2010-2021

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	15	12	$4,737,857	$4,614,909	97.4%
2013	15	11	$4,709,123	$4,520,890	96.0%
2014	18	14	$9,606,892	$8,412,975	87.6%
2015	14	11	$6,862,974	$5,621,963	81.9%
2016	9	9	$7,457,225	$7,457,225	100.0%
2017	14	14	$5,943,554	$5,943,554	100.0%
2018	10	9	$4,064,525	$3,314,525	81.5%
2019	13	12	$5,201,782	$5,107,355	98.2%
2020	1	1	$63,677	$63,677	100.0%
2021	2	1	$819,010	$174,010	21.2%
Total	118	98	$50,013,129	$45,544,557	91.1%

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 5. Redevelopment Tax Credit Transfers by Tax Type, Fiscal Years 2010-2021

Tax Type	Number of Transfers Received by Final Transferees	Total Transferred Amount	Average Transferred Amount	Distribution of Transferred Tax Credits
Corporation Income Tax	24	$8,811,796	$367,158	19.3%
Franchise Tax	28	$13,188,758	$471,027	29.0%
Individual Income Tax	75	$5,839,425	$77,859	12.8%
Insurance Premium Tax	49	$17,704,578	$361,318	38.9%
Total	176	$45,544,557	$258,776	100.0%

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

Table 6. Redevelopment Tax Credit Claims by Tax Year, Tax Years 2010-2022

Tax Year	Number of Claims	Total Claim Applied	Average Claim	Distribution of Claims	Carry Forward
2010	5	$80,505	$16,101	0.2%	$102,531
2011	11	$383,665	$34,879	0.9%	$74,366
2012	9	$523,749	$58,194	1.2%	$114,885
2013	27	$1,672,235	$61,935	3.8%	$98,218
2014	35	$4,813,272	$137,522	11.1%	$258,169
2015	24	$2,020,960	$84,207	4.6%	$418,268
2016	55	$4,456,242	$81,023	10.2%	$2,471,602
2017	59	$7,595,665	$128,740	17.4%	$2,636,695
2018	59	$8,813,003	$149,373	20.2%	$1,441,514
2019	65	$4,128,626	$63,517	9.5%	$2,296,822
2020	60	$5,569,889	$92,831	12.8%	$1,263,608
2021	47	$2,412,296	$51,325	5.5%	$874,386
2022	17	$1,067,547	$62,797	2.5%	$9,440
Total	473	$43,537,654	$92,046	100.0%	

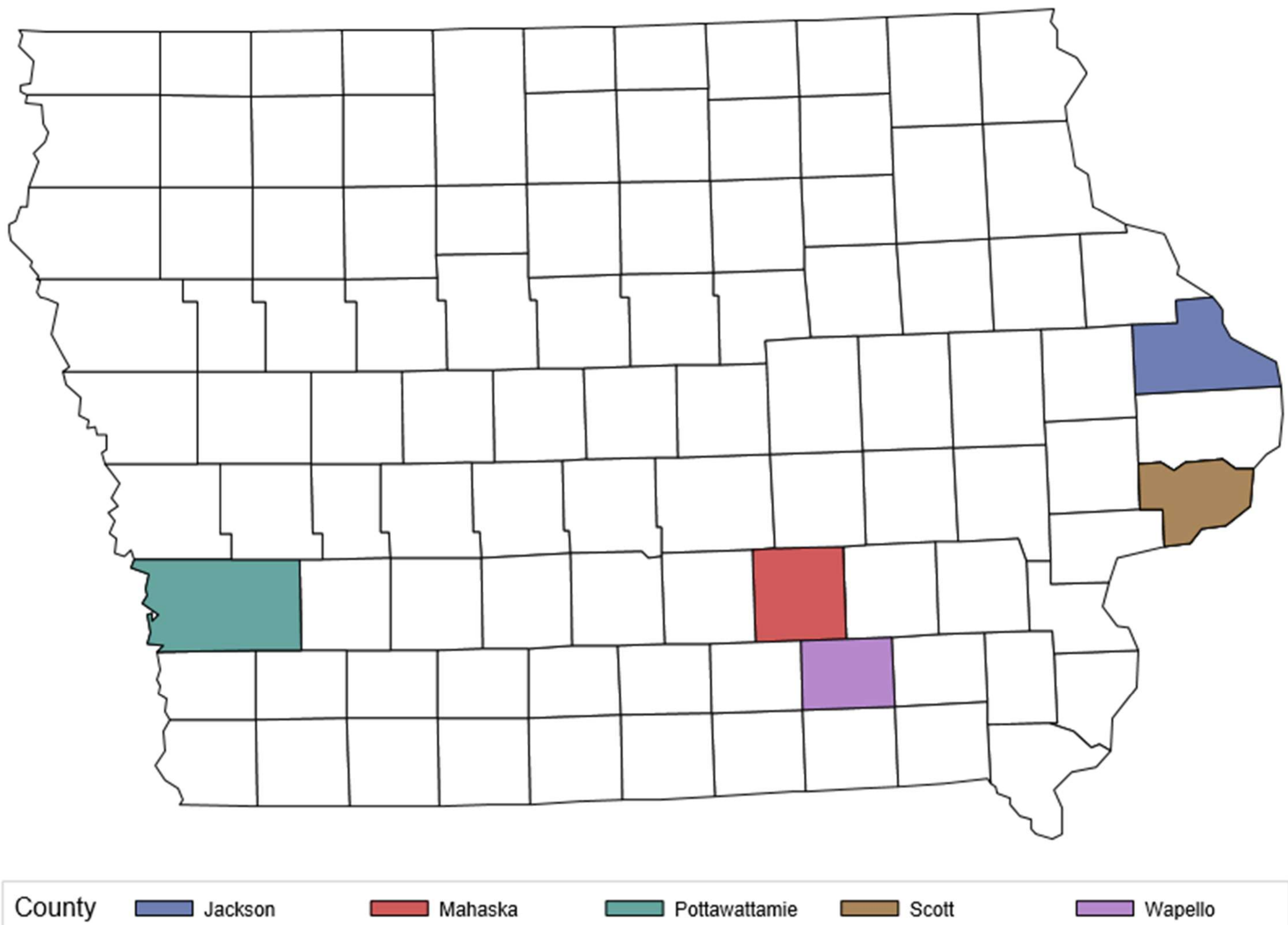
Source: Iowa Economic Development Authority, Tax Credit Award, Claim & Transfer Administration System

Table 7. Redevelopment Tax Credit Claims by Tax Type, Tax Years 2010-2022

	Tax Type	Number of Claims	Total Claims Applied	Distribution of Claims
Nonrefundable Tax Credit Claims	Corporation	31	$7,580,426	17.4%
	Franchise	25	$8,634,986	19.8%
	Individual Income	326	$8,595,435	19.7%
	Insurance Premium	43	$13,871,413	31.9%
Refundable Tax Credit Claims	Non-Profit	47	$4,855,394	11.2%
	Total	472	$43,537,654	100.0%

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

Figure 2. Location of Selected Redevelopment Projects



Source: Iowa Department of Revenue

Table 8. Selected Redevelopment Projects Impact on Assessed Values

County	Year of Tax Credit Allocation	Average Increase - One Block Radius (Annualized)	Median Increase - One Block Radius (Annualized)	Average Increase - One Block to Three Blocks (Annualized)	Median Increase - One Block to Three Blocks (Annualized)
Wapello	2018	5.3%	4.4%	5.7%	4.9%
Pottawattamie	2018	4.0%	2.3%	3.5%	2.1%
Pottawattamie	2020	0.1%	0.0%	3.6%	0.0%
Mahaska	2017	5.6%	5.3%	4.2%	3.4%
Mahaska	2020	11.4%	12.1%	8.0%	5.8%
Jackson	2019	11.7%	10.7%	6.8%	6.7%
Scott	2017	4.6%	4.8%	6.7%	3.5%
Scott	2018	5.7%	6.9%	6.4%	5.8%
Scott	2019	6.3%	3.0%	5.9%	4.0%

Source: County Assessor Data

Table 9. Redevelopment Tax Credit Awards by County Type, Fiscal Years 2010-2022

County Type	Total Population (Per 2020 Census)	Number of Counties	Tax Credit Amount	Tax Credit Amount Per Capita
Rural	987,199	71	$11,052,325	$11.20
Rural County With City Over 20,000	284,273	7	$9,872,792	$34.73
Urban	1,918,897	21	$71,271,687	$37.14
Total	3,190,369	99	$92,196,804	$28.90

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