



WATERLOO INCENTIVE PROGRAMS

WATERLOO'S INCENTIVES

TIF– Tax Incremental Finance Districts

New construction or improvements to existing structure- typically 5-years @50% but is negotiable depending on each project

Tax increment financing is a method of reallocating property tax revenues which are produced as a result of an increase in taxable valuation above a "base valuation" figure within a tax increment area. Until the tax increment debt within an area has been repaid, tax revenues produced by property tax levies imposed on the increased taxable valuation by a city, county, school district, area school or any other taxing jurisdiction are all allocated back to the city or county which has established the tax increment area, and must be spent by that jurisdiction for projects within that area.

Local Examples: Logan Plaza Redevelopment, Singlespeed, VGM, ConAgra and Grand Crossing

CURA—Consolidated Urban Revitalization Area Abatement

Tax abatement for any added value on the property. Choice of 3-years @ 100% abatement or 10 gradual percentage. (CURA and TIF rebates cannot be used together)

The Consolidated Urban Revitalization Area (CURA) allows property tax exemptions on improvements to property located within its boundaries that meet the following criteria:

At least a 10% improvement to the value of the residential property. At least a 15% improvement to the value of commercial property if a building was previously on the site. If commercial property was previously vacant, all actual value added by the improvements is eligible for tax exemption.

Be located within the CURA boundaries (a map of which can be obtained from the City of Waterloo Community Planning & Development Department.)

Local Examples: Johnny B's Construction, Care Initiatives, Finery.

BLACK HAWK ECONOMIC DEVELOPMENT

The SBA 504 Loan Program is an economic development program designed to facilitate capital investment and job creation and/or retention in conjunction with the U.S. Small Business Administration (SBA) by providing reasonable fixed interest rate financing is available for qualifying small business projects.

(BHED) Revolving Loan Fund (RLF) Program is to promote new business start up, expansion, and/or retention projects. In fulfilling its purpose, the organization seeks to foster capital investment, as well as, job creation and retention.

Black Hawk IRP Loan Fund Program (IRP Program) is to promote new business startup, expansion, and/or retention projects in rural areas.

www.bhed.org



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STATE & FEDERAL INCENTIVES

Workforce Housing Tax Credit

State program, incentives include a refund of sales, service or use taxes paid during construction. This can only be utilized with housing projects with 4 or more units involved.

Projects must meet one of four criteria:

- Housing development located on a grayfield or brownfield site
- Repair or rehabilitation of dilapidated housing stock
- Upper story housing development
- New construction in a greenfield (only communities with demonstrated workforce housing needs or a project qualifying under the Small Cities set aside)
- Developer must build or rehabilitate at least four single-family homes or at least one multi-family building containing three or more units or at least two upper story units
- Total project costs may not exceed \$200,000 per unit for new construction or \$250,000 per unit for historic rehabilitation. Total project costs for projects under the Small Cities set aside may not exceed \$215,00 per unit
- The housing project must be completed within three years from the date the project is registered for benefits

As a result of recent Iowa Administrative Code changes, IEDA is not accepting new Workforce Housing tax incentive applications until further notice. The Workforce Housing Tax Credit program currently has a waitlist for credits. Available credits for fiscal years 2018-2020 and a portion of 2021 have been committed. Available credits under the Small Cities Set Aside have been committed through fiscal year 2022.

<https://www.iowaeconomicdevelopment.com/WHTC>

Local Examples: Grand Crossing, Arts mall, Black Hawk Contracting, Hammond Hills Development, and High Development

EPA Brownfield Program

Brownfields are abandoned, idled, or under-used industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination.

Available to fund environmental site assessments. Further cleanup funding may be possible if necessary.

<http://www.iowadnr.gov/Environmental-Protection/Land-Quality/Contaminated-Sites/Brownfields>

Local Examples: Singlespeed, Cedar Valley Sportsplex, Grand Crossing, River Trail Development, Riverloop Expo Plaza, and Rath Redevelopment Area.

HISTORIC TAX CREDITS

A 20% income tax credit is available for the rehabilitation of historic, income-producing buildings that are determined by the Secretary of the Interior, through the National Park Service, to be “certified historic structures.”

<https://www.nps.gov/tps/tax-incentives.htm>

Local Examples: JSA Development, Singlespeed, Russel Lamson, and Masonic Temple



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Capital Gains Reduction

Opportunity Zones

Opportunity Zones program offers investors a capital gains tax reduction in exchange for investing capital gains income into designated census tracts, known as opportunity zones.

The zones are comprised of U.S. Census tracts where the poverty rate is 20 percent or greater and/or family income is less than 80 percent of the area's median income. The governor of each state is permitted to designate 25 percent of its "low income community census tracts" (LIC) as Opportunity Zones, subject to approval from the U.S. Treasury. Iowa has 247 eligible LICs, of which a maximum of 62 can be nominated. The tracts will be in place for 10 years.

