

Bringing High-Impact Investment to Distressed Community Areas

What does the New Markets Tax Credit (NMTC) program Do?

The NMTC Program helps community development organizations attract private sector capital to communities and rural areas where new investment is needed most—low-income and distressed census tracts. The goal of a NMTC award is to fill a financing gap for transformative projects which bring new opportunities to qualifying areas.

How do NMTCs work?

A Certified Development Entity, such as Iowa Community Development, attracts capital for investment in these census tracts by monetizing a seven year, 39% Federal Tax Credit on behalf of the qualifying project. The funds raised by the sale of these tax credits are then invested into the project with other sources of capital to fill the financing gap and make the project a reality. All with the goal of fostering investment, providing jobs and creating new opportunities where it is needed most.

Visit www.iowacommunitydevelopment.com for additional information.

Qualifications?

To qualify, a project must be 1) located in a qualifying census tract, 2) be of the size and scale to be transformative to the (re)development of the distressed area and 3) be adaptable to the unique structure and requirements of the program.

Example

Project: Business Expansion



Project Total: \$10 million
Bank Loan: \$5.2 million
Owner Capital: \$2 million
Gap: \$2.8 million



Monetized Tax Credit = \$2.8 Million
Fills Gap

Criteria:

- Transformative Project
- Large Single Investment
- Job Creation/Retention
- Low-Income Census Tract
- Unique Structure
- 7-Year Compliance

ABOUT ICD

Iowa Community Development is a certified Community Development Entity (CDE), or intermediary vehicle, for the provision of loans, investments, or financial counseling in low-income communities. Benefits of being a CDE include being able to apply to receive New Markets Tax Credit allocations to support transformational, job creation projects in designated low income areas.

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New Markets Tax Credit Success Stories

Iowa Community Development has assisted with 28 different projects across the state since July 2007, by allocating New Markets Tax Credit dollars to fill a funding gap. These projects have significantly and uniquely benefited each of the communities they have impacted by creating thousands of jobs, reusing existing structures, and rejuvenating and adding new value to existing neighborhoods.

Below are a few examples. View more at www.iowacommunitydevelopment.com

Impacts:

- 18.6% poverty rate
- Median income 74.2% of area median income
- Metro
- Project cost: \$46.5 million
- 920 direct jobs
- NMTC allocation: \$13.8 million

Impacts:

- 20.0% poverty rate
- Median income 75.3% of area median income
- Unemployment 13.7
- Rural
- Project cost: \$8.66 million
- 43 direct jobs
- NMTC allocation: \$8.6 million

Impacts:

- 42.4% poverty rate
- Unemployment 13.6
- Median income 52.1% of area median income
- Metro
- Project cost: \$43.6 million
- 398 direct jobs
- NMTC allocation: \$15.8 million

Impacts:

- 20.6% poverty rate
- Unemployment 8.2
- Median income 70.1% of area median income
- Metro
- Project cost: \$27.9 million
- 300 direct jobs
- NMTC allocation: \$12 million

Impacts:

- 30.9% poverty rate
- Unemployment 9.7
- Median income 64.8% of area median income
- Metro
- Project cost: \$4.7 million
- 20 direct jobs
- NMTC allocation: \$2 million



ArenaCo in Coralville

This project constructed a multi-purpose facility with the flexibility to host athletic events and tournaments, from wrestling and basketball to indoor football and soccer, in addition to concerts and special events. This one-of-a-kind facility in the midwest is located at the Iowa River Landing in Coralville, Iowa.



ContiTech in Mount Pleasant

This project supported the expansion of the Mount Pleasant plant and creation of a North American PVC Center of Excellence. The 36,000 sq. ft. expansion brings the facility to more than 200,000 sq. ft. and expands its North American PVC hose capacity by more than 20 percent. ContiTech USA is a producer of rubber and plastics technology with locations across the globe.



CRST in Cedar Rapids

This project re-purposed a parking structure that was destroyed during the 2008 flood. CRST constructed an building along the river in downtown Cedar Rapids to accommodate their office headquarters and free up space allowing them to expand their training facilities at their existing location in Cedar Rapids.



Eastern Iowa Community College Urban Campus in Davenport

This project created an urban campus for the Eastern Iowa Community College (EICC). This transformational initiative consisted of the renovation of two vacant buildings and supported the expansion of EICC services. The project revitalized this historic business district in Davenport, Iowa.



Hoyt Sherman Place in Des Moines

This is a 9,000 sq. ft. addition to the Hoyt Sherman Place Theater provides an update to the concession area, additional space on the balcony level, and additional kitchen storage area. The improvements will be owned by Hoyt Sherman Place Foundation, an Iowa nonprofit corporation.