

**Did you know....**

Iowa's State Historic Tax Credit has proven to be the one layer of funding that makes historic rehabilitation projects financially feasible, as evidenced by the enormous increase in projects undertaken since Iowa's program began in 2000.

**Why should we continue (and improve!) the State Historic Tax Credit program?**

**Historic redevelopment...**

- **Bolsters Iowa's Economy**—creates jobs, leverages other public and private dollars, promotes workforce development by creating attractive and affordable housing
- **Creates Tax Revenue Stream**—increases property, income, and sales tax base
- **Promotes Sustainability**—reduces energy and natural resource waste, preserves cultural vibrancy of our communities

**Lifting or significantly raising the annual cap on our State Historic Tax Credit program will stimulate Iowa's economy, while meeting its priorities (job creation, housing, tax revenue, sustainability).**

**What makes a tax credit program the best vehicle for restoring our communities?**

**Grants** create competition and uncertainty. Few developers are willing to undertake a project if unsure it will be funded. The State Historic Tax Credit program funds all qualified projects.

Whereas **incentive programs** often fund projects in their early stages - while outcomes may still be unpredictable - the State Historic Tax Credit is awarded once a project has been completed. The risks have already been mitigated, ensuring the state is investing in a successful project.

Iowa's State Historic Tax Credit program provides a failsafe investment in Iowa's historical buildings due to the program's stringent requirements and structure.



Questions? Contact Jill Connors: [gproperties@mcleodusa.net](mailto:gproperties@mcleodusa.net)

Things are looking up!

**Restoring our communities...**

**Iowa's State Historic Tax Credit**



Photo: Jeff Lawson 2005 - Madison County Courthouse

State Historic Tax Credit Coalition

## Bolsters Iowa's Economy

### Job creation

Rehabilitation work is labor intensive:

- New: 50% of project cost spent on labor
- Rehab: 60%-70% of cost is labor
- Labor is local, and workers re-circulate their paychecks locally as well<sup>1</sup>



Photo: Durable Restoration 2008 - plaster restoration

### Leverage of private investment and federal funds

Iowa Dept. of Revenue study indicates every state dollar leverages:

- almost \$1 of federal funding
- over \$2 of private investment

### Workforce development

- Retains and attracts excellent workers by creating market-rate housing and attractive and unique office space for young professionals who want to live, work, and play downtown
- Creates workforce housing and affordable rent for small businesses when layered with other credits

<sup>1</sup>Rypkema, Donovan. *Downtown Revitalization, Sustainability, and Historic Preservation*. National Main Streets Conference Closing Plenary Session. Seattle, Washington, March 28, 2007.

## Creates a Revenue Stream



Photo: Gronen Restoration 2008 - Security Building, Dubuque

### Property tax increase

Iowa Dept. of Revenue case study shows:<sup>2</sup>

- 51% property value increase for historic rehabilitation projects, as compared with a 5% increase citywide

### Income tax increase

- Higher number of construction jobs for rehabilitation work means more payroll
- Direct result of rehabilitation: new retail and office jobs fill restored spaces
- Indirect result: circulation of laborers' paychecks adds other permanent jobs to local economy

### Sales tax increase

Iowa Dept. of Revenue case study shows over a 7-year period, retail sales increased:

- 13% in Iowa overall
- 34% in the case-study community
- 110% in one-block radius area surrounding historic rehab projects!

<sup>2</sup>All references to Department of Revenue study refer to: Iowa's *Historic Preservation and Cultural and Entertainment District Tax Credit Program Evaluation Study*. March 2009. "Case Study" refers to Dept. of Revenue's study of Dubuque properties from 2000-2007.

## Promotes Smart Growth

### (Sustainability)

#### Waste reduction

Rehabilitation of existing building stock...

- Reduces landfill—15%-20% of current landfill space is composed of construction and demolition waste
- Conserves natural resources—a new energy efficient building requires 40-65 years for energy savings to "break even" with energy consumption used for construction

#### Energy Savings

Restoration of our downtown areas...

- Utilizes existing infrastructure—roads, water/sewer/power/communication lines, schools, services, mass transit
- Provides fuel savings—individual commuting consumes 30%-50% more energy than the office building itself<sup>3</sup>

#### Community reinvestment

- Preserves community's identity
- Creates a "sense of place" downtown



<sup>3</sup>All Energy Savings stats from: Curtis, Wayne. "A Cautionary Tale." *Preservation Magazine*. January/February 2008.