

APPLICATION AND CLOSEOUT GUIDE

REDEVELOPMENT TAX CREDIT PROGRAM

Updated 6-19-25

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INTRODUCTION

The **Iowa Economic Development Authority (IEDA)** administers the **Redevelopment Tax Credit Program** to encourage the revitalization of brownfield and grayfield sites across the state. By providing financial incentives to offset redevelopment costs, the program helps transform underutilized, vacant, or environmentally impaired properties into productive assets that contribute to Iowa's economic growth and community well-being.

This guide is designed for **developers who have questions about submitting an application, project compliance, and closing out an award**. It outlines the key eligibility requirements, application process, supporting documentation, and best practices for submitting a successful proposal.

With planning and attention to program guidelines, the Redevelopment Tax Credit Program can assist in financing an awarded project, while advancing the State's community vitality and development goals.

SECTION 1: REDEVELOPMENT ELIGIBILITY AND OVERVIEW

1.1 APPLICANT ENTITY

Eligible applicants for the Redevelopment Tax Credit Program are...

- Limited Liability Company
- Non-profit
- Individual
- S-Corporation
- Estate
- Trust

Applicants can **NOT** be governing bodies

1.2 MAXIMUM AWARD AMOUNTS

Type of Site	Maximum award	With Sustainable Design Guidelines
Grayfield	Up to 12% of qualifying costs	Up to 15% of qualifying costs
Brownfield	Up to 24% of qualifying costs	Up to 30% of qualifying costs

- Applicants can receive up to \$1.5 million dollars per award
- \$15 million dollars per year are allocated to this program

- In addition, awards from previous years that were not accepted roll into the forthcoming year

1.3 SITE ELIGIBILITY AND DEFINITIONS

Applicants must have site control upon application of one of the following to be eligible for this program. To demonstrate site control, applicants must own the project site or have an agreement with the site owner that includes certain provisions. The agreement between the applicant must include the cost of the project remediation, and agreement to transfer ownership upon project completion and agreement that upon subsequent sale by the applicant to a new owner the original owner shall not receive more than 75% of the cost of the project costs.

Projects must be located on a brownfield or grayfield site to be eligible for tax credits. Please see definitions below.

GRAYFIELD

- Site is an abandoned public or industrial or commercial property that meets these requirements
 - Property's infrastructure is outdated or prevents efficient use, site is vacant, blighted, obsolete, or otherwise underutilized
 - Property improvements and infrastructure are at least 25 years old AND one or more of the following is true
 - At least 30% of building is available for occupancy
 - The assessed value of a property's improvements has decreased by at least 25%
 - Property is a parking lot
 - Improvements on property no longer exists

BROWNFIELD

- Abandoned, idled or underutilized industrial or commercial properties where real or perceived environmental contamination prevents productive expansion or redevelopment
- Often gas stations or dry cleaners, or other commercial use with materials hazardous to the environment
- Sites that are placed on the national priorities list (CERCLA site) are ineligible

1.4 GREEN DEVELOPMENT AND SUSTAINABLE DESIGN STANDARDS

To meet the Sustainable Design Standards, projects must first:

- Have the approval of the Building Code Commissioner at the time of Application Submission.
- Have building code approval.
 - Construction plans must be approved by either:
 - The building Code Commissioner (for projects using state building code that do not have an applicable local building code), or
 - the applicable local building department.

RESIDENTIAL PROJECTS

- Satisfy the mandatory criteria of the Iowa Green Streets program, or
- Comply with ICC-700-2008, National Green Building Standards at the Bronze Level, or
- Satisfy an alternative set of criteria that was submitted in advance to the commissioner and approved by the commissioner as equivalent to the requirements of either of the top two bullets.

COMMERCIAL PROJECTS

- Receive certification from the United States Building Council at the gold level or better in the LEED rating system, version 3.0 and complies with the requirements of ASHRAE 90.1-2007, Energy Standard for Buildings Except Low-Rise Residential Buildings.
 - There is an exception found in IAC 661-310.5(1).

SECTION 2: APPLICATION PROCESS

2.1 APPLICATION WEBSITE

- Starting July 2025, the application for the Redevelopment Tax Credit Program will be hosted in IowaGrants to align closer with other state tax credit programs. The current link to the application will no longer run through GovConnect for Fiscal Year 2026 and onward.
- Applicants will need to create an lowagrants.gov account to access and complete the application. Instructions for establishing an account can be found here: [How to Log Into IowaGrants.gov](#)

2.2 APPLICATION SCHEDULE

Below is the annual cycle for the Redevelopment Tax Credit Program. Applications are open in July with awards made in the fall.

Process Step	Date
Date Application Opens	July 1
Application Submission Deadline	September 1
Date Awarded by IEDA Board	October or November IEDA Board Meeting Date
Signed Contracts due to IEDA	30 days after contract is sent
Project Completion Deadline	30 months from IEDA Board Award Date
Closeout Documents Due	90 days after Project Completion Date

2.3 APPLICATION QUESTIONS AND SCORING CRITERIA

Each application has a maximum score of 75 points, broken down by the following three categories...

Category	Points Allocated
Project Quality	25
Feasibility	25
Financial Need	25

Below are the questions that will be required to answer to submit an application and their associated point values. This will be grouped by category, hence they will be in a different order on the application.

PROJECT QUALITY

Questions	Points
<i>Please provide a description of the proposed redevelopment project.</i>	6
<i>Describe how the project will be appealing to the neighborhood and impact it will have.</i>	8
<i>Describe the potential for the project to promote viable community reuse and/or economic development in the area of the site using a 5-year timeframe</i>	8

<i>Current Assessed Value vs. Estimated Assessed post project - Change in %</i>	3
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Scoring the Quality Section

Questions in this category are scored on thorough description, scope, and context, favoring clear project purpose and how the proposed project will benefit the community. Community benefits may be: Revitalizing Property, Building/retaining Workforce, Housing Development, Population Growth, and Resilient Communities.

FEASIBILITY

<i>Questions</i>	<i>Points</i>
<i>Describe the Timeline and Implementation Schedule</i>	8
<i>Describe construction schedule and how this project will be completed in a 30-month timeframe</i>	8
<i>Is this property zoned properly for this project?</i>	2
<i>Are there architectural drawings for this project?</i>	3
<i>Briefly explain the financing for your project</i>	4

Scoring the Feasibility Section

Questions in this category are scored on the presentation of a clear and realistic project timeline with milestones. This should include a well-thought-out construction timeline with projected milestone completion dates within the timeframe of the program. More competitive applications will demonstrate readiness to proceed upon award.

FINANCIAL NEED

Questions	Points
<i>Briefly explain the financing for your project</i>	5
<i>Secured Financing</i>	15
<i>Gap Points</i>	5

Scoring the Financial Need Section

This section will be scored on the amount of funding the applicant has secured in relation to the total project costs required to complete this project. Ideally, the Redevelopment Tax Credit award should be the final financing to close the funding gap to reach your total project cost.

SECTION 3: POST-AWARD

3.1 CONTRACT WITH IEDA

AWARD LETTER

- All awards recipients will receive an award letter via email notifying them of the award, award amount, basic program expectations, and next steps prior to IEDA sending out the contract. This email will be sent to the person listed as the “grantee” in the application

CONTRACT

- The IEDA will send the Redevelopment contract via AdobeSign for signature, and Recipients should return contracts within 30 days of receiving the contract. Until the contract has been fully executed by the recipient and IEDA, the Redevelopment Tax Credit award is not fully committed.

AMENDMENT REQUESTS

- For the Recipient to amend the contract after execution, they must submit a request in writing to the Redevelopment Program Manager. The request shall include the type of amendment requested and the reason(s) for the amendment.
- Contract amendments are required to...
 - Extend the Project Completion Deadline
 - Change the Scope of Work
 - Change the Contract Recipient
- Contract amendment requests must be submitted as a separate document on company letterhead, signed by the Recipient, and uploaded to the Contract Amendment tab in IowaGrants. All requests must include at least:
 - Reason for requesting an extension, if applicable
 - Change in Scope of Work, if applicable
 - Explanation of delay
 - Updated Project budget, including any changes since Application
 - Updated project schedule through completion, including benchmarks

SECTION 4: CLOSEOUT

Upon completion of the project, the applicant must closeout their contract by submitting all required documentation through Iowa Grants. IEDA will contact the Recipient if there are questions or missing information from submitted documentation.

NOTE: The IEDA no longer requires submission of physical documents for the Redevelopment Program. All submissions will be made electronically through IowaGrants.

4.1 REQUIRED CLOSEOUT DOCUMENTATION

Written Certification Statement

A written certification signed by an authorized representative of the Recipient (entity named in the contract) must be submitted. The statement must certify all of the following (verbatim):

1. All work for which Tax Benefits are being requested has been completed;
2. Such work conforms to and complies with any applicable specifications, terms, requirements, and provisions contained in the Contract, including but not limited to Exhibit A (the Recipient's Application) and Exhibit B (Description of the Project)
3. All costs and expenses submitted by Recipient have been incurred and paid by Recipient in accordance with the terms and provisions of the Program

and the Contract, including but not limited to Exhibit A (the Recipient's Application) and Exhibit B (Description of the Project)

4. All costs and expenses submitted by Recipient are: (a) allowable and eligible for Tax Benefits
5. All such submitted costs and expenses have been paid timely in accordance with the terms of any applicable agreements, contracts, or other documents
6. Recipient has complied with and continues to be in compliance with all terms and provisions of the Contract, and Recipient has not breached or violated any term or provision of the Contract; and all information provided in the Schedule of Project Expenses form, supporting documentation, and this written certification is true, accurate, and complete.

Articles of Incorporation / Certificate of Organization

Certified copies of the articles of incorporation, articles of organization, or certificate of organization for the entity listed on the contract, whichever applies

Certificate of Existence

A copy of a certificate of existence from the State in which the entity is incorporated or organized as well as a certificate of authority documenting the business is authorized to do business in Iowa.

Solid or Hazardous Waste Audit

To comply with Iowa Code section 15A.1(3)"b," you must submit one of the following: a) a copy of your existing in-house plan to reduce the amount of waste and safely dispose of the waste based on an in-house audit conducted within the past 3 years; b) an outline of a plan to be developed in-house (this can be in narrative form on company letterhead, for example); or c) documentation that you have authorized the Iowa Department of Natural Resources or Iowa Waste Reduction Center to conduct the audit.

Release Form – Confidential Tax Information

A signed Authorization for Release of Confidential State Tax Information form as found on the IEDA to permit IEDA to receive your state tax information directly from the Iowa Department of Revenue for the purpose of evaluation and administration of tax credit programs and other state financial assistance programs

Release Form – Due Diligence

A signed and fully completed Due Diligence Certification and Release of Information Form as found on the IEDA website to permit IEDA to conduct due diligence checks on the entity under contract. IEDA requires due diligence checks on all awardees at contract and at close out

Exhibit C: Schedule of Claimed Expenses

The Exhibit C lists Vendor and amount(s) by category and needs to reflect all claimed invoices and proofs of payment that are submitted. This will be reviewed by a CPA.

An audit report from a CPA licensed and practicing in Iowa

The CPA must determine and certify the amount of qualifying expenses from the submitted claimed expenses. The CPA must certify that all qualifying expenses were incurred and paid by the Recipient within the timeframe established in the contract, that expenses were directly related to the project (as defined in application and contract) and that qualifying expenses include only the acquisition, cleanup, and redevelopment of the project.

Green Development Designation (if applicable)

To be eligible to claim the higher percentage of credits associated with green development, the project must have included this designation in their application. If a recipient elected green development designation at the time of application, the recipient must submit official written proof from the Iowa Building Code Commissioner stating that the completed project meets or exceeds the sustainable design standards. Approval of a redevelopment project as sustainably designed is only granted by the Iowa Building Code Commissioner.

4.2 NON-QUALIFYING COSTS

The following expenses do not qualify for a tax credit reward and should not be included on the Exhibit C: Schedule of Expenses.

- Non-arm's length transactions per Contract 3.5(c)
- Snow Removal
- Utility Payments
- Non-permanent landscaping
- Temporary Signage
- Appliances
- Internet Bills and network related hardware
- Interest expenses
- Property taxes
- Insurance payments
- Payroll expenses and costs to administer payroll
- Accounting costs

4.3 ADDITIONAL STATE AWARDS FOR A PROJECT

In the case that your project has been coupled with other state financial incentives, IEDA will remove those award amounts prior to issuing a tax credit certificate.

4.4 TAX CREDIT CERTIFICATE

Once review is complete and accepted, the Program Manager will issue the Tax Credit Certificate and it will be available for download via the Iowa Grants system. Once the Tax Credit Certificate is issued, all future processes take place between the Iowa Department of Revenue and the Recipient. The IEDA does not process the Certificate; If you have any questions, please contact the Iowa Department of Revenue.