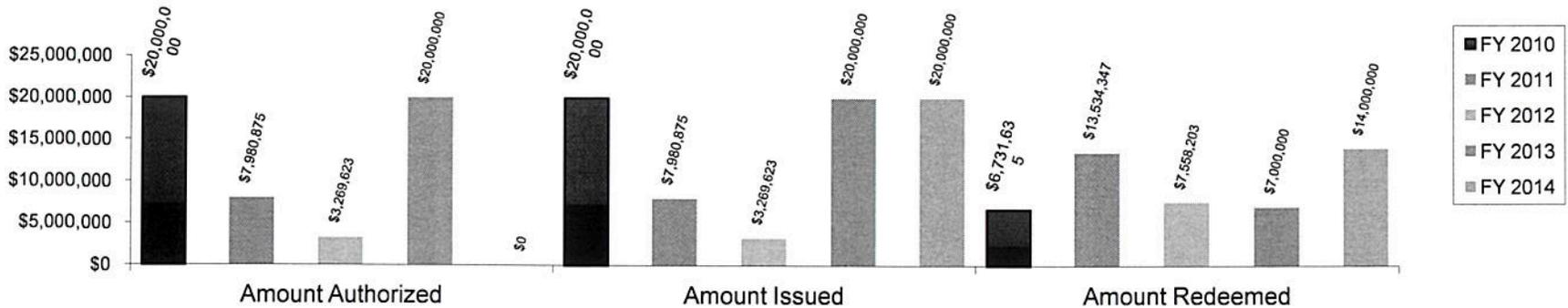


## TAX CREDIT ANALYSIS

<b>Program Name:</b> Distressed Areas Land Assemblage		
<b>Department:</b> Economic Development	<b>Contact Name &amp; No.:</b> Nathan Potter 522-8006	<b>Date:</b> October 2012
<b>Program Category:</b> Redevelopment	<b>Type:</b> Tax Credit <input checked="" type="checkbox"/> Other (specify) _____	
<b>Statutory Authority:</b> 99.1205	<b>Applicable Taxes:</b> Income tax, bank tax, insurance premium tax, other financial institutions	
<b>Program Description and Eligibility Requirements:</b> Applicant that has incurred, within an eligible project area, acquisition costs for the acquisition of 50 acres of at least seventy-five acres and whom has been appointed by the local municipality as the redeveloper of the redevelopment area is entitled to a tax credit of fifty percent of the acquisition costs and one hundred percent of the interest costs incurred for a period of five years after the acquisition of an eligible parcel.		
<b>Explanation of How Award is Computed:</b> Entitlement <input checked="" type="checkbox"/> Discretionary _____ Tax credit amount equal to fifty percent of the acquisition costs which includes environmental assessments, closing costs, real estate brokerage fees, reasonable demolition costs of vacant structures, and reasonable maintenance costs. The tax credit amount is equal to one hundred percent for interest costs for a period of five years which include interest, loan fees, and closing costs. This is a calendar year credit.		
<b>Program Cap:</b> Cumulative \$ _95M_____ (remainder of cumulative cap) \$ _____ Annual \$ _20M_____ None _____		
<b>Explanation of cap:</b> Tax credits that will exceed the \$20M in any year shall either be issued to one applicant, if there is only one applicant, or issued on a pro rata basis to all applicants entitled to receive		
<b>Explanation of Expiration of Authority:</b> No tax credits shall be authorized after 8/28/2013.		
<b>Specific Provisions:</b> (if applicable) Carry forward <u>6</u> years Carry Back _____ years Refundable _____ Sellable/Assignable <input checked="" type="checkbox"/> Additional Federal Deductions Available _____		
<b>Comments on Specific Provisions:</b>		

	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 (current year)	FY 2014 (budget year)
Certificates Issued (#)	3	1	2	2	2
Projects (#)	1	1	1	2	2
Amount Authorized	\$20,000,000	\$7,980,875	\$3,269,623	\$20,000,000	\$0
Amount Issued	\$20,000,000	\$7,980,875	\$3,269,623	\$20,000,000	\$20,000,000
Amount Redeemed	\$6,731,635	\$13,534,347	\$7,558,203	\$7,000,000	\$14,000,000
EST. Amount Outstanding	N/A	N/A	\$3,293,580	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A

### HISTORICAL AND PROJECTED INFORMATION



## TAX CREDIT ANALYSIS

**Program Name:** Distressed Areas Land Assemblage

**Comments on Historical and Projected Information:**

### BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2012 ACTUAL	Other Fiscal Period (5-Year)	Derivation of Benefits:
<b>BENEFITS</b>			<b>Investment:</b> (a) \$3,797,247 in Acquisition Costs resulting in Real Estate Fees of \$227,835, (b) \$1,227,516 in brokerage, loan, and interest fees to banking authorities through 2016, (c) \$363,998 in Maintenance costs between 2012-2016. <b>Employment:</b> (a) n/a <b>Other Assumptions:</b> (a) n/a <b>Incentives/Credits:</b> (a) \$3,269,623.12 in authorized DALA credits, redeemed between 2012-2013. Impacts estimated using the REMI model for the Statewide Region. Assumptions provided by DED.
Direct Fiscal Benefits	\$23,253	\$44,421	
Indirect Fiscal Benefits	\$8,274	\$15,806	
<b>Total</b>	<b>\$31,527</b>	<b>\$60,227</b>	
<b>COSTS</b>			
Direct Fiscal Costs	\$2,452,217	\$3,255,847	
Indirect Fiscal Costs	\$0	\$0	
<b>Total</b>	<b>\$2,452,217</b>	<b>\$3,255,847</b>	
<b>BENEFIT: COST</b>	<b>0.01</b>	<b>0.02</b>	

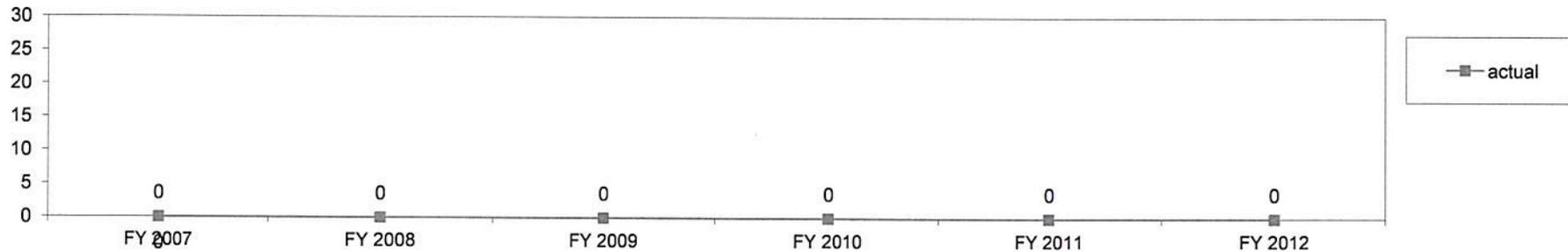
**Other Benefits:**

**In FY 2012, every dollar of authorized program tax credits returns**  
 \$0.07 in new personal income totaling \$0.18 million  
 \$0.32 in new value-added/GSP totaling \$0.79 million  
 \$0.46 in new economic output totaling \$1.13 million

**Over 5 YEARS, every dollar of authorized program tax credits returns**  
 \$0.18 in new personal income totaling \$0.58 million  
 \$0.53 in new value-added/GSP totaling \$1.74 million  
 \$0.82 in new economic output totaling \$2.66 million

### PERFORMANCE MEASURE(S)

#### Parcels of land redeveloped



**Comments on Performance Measure:**