



CITY OF MUSCATINE

PRESS RELEASE

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TWO MUSCATINE TRACTS NOMINATED FOR OPPORTUNITY ZONES

Two of three submitted tracts are among 62 nominated by state of Iowa

MUSCATINE, Iowa – Two of the three census tracts submitted by the City of Muscatine were among the 62 Iowa census tract nominations that were submitted to the U.S. Department of the Treasury for Opportunity Zones designation. The announcement was made Friday by Gov. Kim Reynolds and Lt. Gov. Adam Gregg along with the Iowa Economic Development Authority (IEDA).

The Opportunity Zones program was established within the Tax Cuts and Jobs Act of 2017. The program, administered by the U.S. Department of Treasury, encourages long-term investments in low-income zones by providing investors with a capital gains tax deferral.

“I am pleased we were able to quickly mobilize a fair, robust and competitive process to select these communities,” Gov. Reynolds said. “I’m looking forward to seeing the Iowa Opportunity Zones experience investment and growth that might not otherwise occur in these deserving areas.”

The approved Muscatine tracts, the Grandview Avenue Tract and the Park Avenue Tract, were among 108 tract applications submitted to the IEDA and reviewed by a seven-member committee. The tracts were scored on the communities past successes, unemployment rate, economic hardship, and their vision for leveraging the program to make meaningful improvements.



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“This is another great tool in our tool belt that will be used to benefit the businesses and residents of these areas and of Muscatine in general,” Dave Gobin, Community Development Director for the City of Muscatine said.

Those tools also include the Small Business Forgivable Loan Program and the Building Improvement Loan Program that are part of the city’s Small Business Creation Project. Tax abatements for residential and for commercial and industrial are other tools that can be used along with Tax Increment Financing (TIF).

The City of Muscatine is also fully vested in improving the critical infrastructure throughout the city including the revitalization of the Grandview Avenue Corridor starting in 2019.

“All these tools that we have are geared toward energizing the economic development of our community,” Gobin said. “From some of the potential investors that I have talked with, this Opportunity Zone program makes investment in these areas even more appealing.”

Opportunity 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. Muscatine is divided into five census tracts but only two met all the criteria for nomination. Once designated, the tracts will be in place for 10 years.

The program encourages long-term investments into the designated zones by providing tax incentives for qualified investors who reinvest unrealized capital gains into the zones.

“We need to take advantage of all the tools and resources we have at our disposal to spur economic growth,” Gov. Reynolds said. “I am optimistic that Iowa’s participation in the Opportunity Zones Program will serve as a catalyst for investment and job creation and result in prosperity for Iowa communities statewide.”



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Iowa has 247 eligible low income census tracts with a maximum of 62 (25 percent) allowed to be nominated. A total of 108 tract applications were submitted to the IEDA before the March 19, 2018 deadline.

Investments into these zones can be in the form of new business development, strengthening existing businesses, or investing in residential properties according to Gobin.

“There are a number of opportunities in these zones and we are working to create more,” Gobin said.

The vision statement for economic development as stated in the Comprehensive Plan for the City of Muscatine (adopted in 2013) states that the goal is to have a strong, growing, durable, and diverse economy in Muscatine. Expansion and retention of existing businesses, the creation of new, locally-owned businesses, and the relocation of businesses into the Muscatine area is vital to the successful implementation of that vision.

Opportunity zones will assist that implementation by allowing investors to take advantage of any of the local incentive programs along with other state and federal sources and programs.

The U.S. Department of the Treasury and the Internal Revenue Service will review from the nominations from Iowa before officially certifying the Opportunity Zones. Additional information on the process that will follow after the tracts receive designation status is still being written by the U.S. Treasury office.