



BIRMINGHAM

MAINSTREET ALABAMA GUIDE TO INCENTIVES / FUNDING

(BASED ON THE MAINSTREET ALABAMA ONLINE GUIDE) THESE RESOURCES PROVIDE THE FOLLOWING SUPPORT:

- Example of assistance, incentives, tools and resources that can support a developer, and at the same time, promote the type of quality development desired in the downtown district include;
- Provide market data
- Assist with pro forma analysis/project feasibility
- Review of business plan to see if incentives are needed and what is available
- Low-interest loans, grants and technical assistance to incentivize appropriate design and improvements, such as free or low-cost design assistance, sign and awning grants, façade improvements loans or grants, etc.
- Technical and/or assistance to make needed infrastructure improvements, such as a water tap to a building for upper-story residential, grease trap or vent hood for a restaurant, etc.

BANK FINANCING

Local and regional banks are the key source for financing any development. Share your concept plan, project development budget and pro forma with one or more financial institutions, discuss options and work to understand each institution's lending parameters for financing.

HISTORIC TAX CREDITS

Properties listed or eligible for listing, on the National Register of Historic Places or located within a designated historic district, might qualify for historic reinvestment tax credit that can be significant to making a project financially feasible. A federal income tax credit may be available and equal to 20 percent of the amount spent to rehabilitate income producing historic buildings at least 50 years old which are listed in the National Register of Historic Places. Rehab costs must be "substantial" and protect the historic character and materials of the building according to the National Park Service standards and IRS rules. There is also a 10 percent federal income tax credit available for rehabilitating income producing buildings built before 1936 but not listed in the National Register. (Visit incentives.amazingalabama.com or preservationnation.org/main-street/#.Vju3_ulCjs0)

FEDERAL NEW MARKET TAX CREDITS

Established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects in low income communities. The program permits individual or corporate investors to receive federal income tax credit in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). Credit totals 39 percent of original investment amount, claimed over 7 years.