

FOR IMMEDIATE RELEASE

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**"Applications for \$12 million Development Incentive
Available September 9"**

**Commercial Revitalization Deduction part of City of Yakima's
Renewal Community designation.**

On September 9, 2002, the City of Yakima Department of Community and Economic Development will release applications for up to \$12 million in federal tax credits through the Commercial Revitalization Deduction incentive. The CRD is intended to increase economic development in federally designated Renewal Communities (RC's).

Businesses that construct or rehabilitate commercial property in an RC can deduct a portion of the costs of acquisition and rehabilitation over a shorter period of time than permitted under standard depreciation rules.

A business can elect a deduction of one-half of "Qualifying Revitalization Expenditures " in the year the building is placed in service, or can deduct all QRE pro rata over 10 years. QRE for a particular building cannot exceed the actual qualifying costs and there is an overall limit per building of \$10 million. QRE include the depreciable costs of a new building or the costs associated with an existing building that is substantially rehabilitated.

A project may only receive the allocation from the state by completing the local application process. In order to qualify, a building must have been placed in service after December 31, 2001.

Businesses must be located within the Renewal Community, which includes the City of Yakima east of the BNSF Railroad tracks from Highway 12 on the north to Mead Avenue on the south, plus an area west of the tracks bordered by Walnut and Lincoln Avenues.

Applications are due by 5:00 p.m. on October 11, 2002.

Applications and information on the Commercial Revitalization Deduction or other Renewal Community tax incentives may be obtained by calling Michael Morales at 575-6113, or may be downloaded from the City of Yakima web site at www.ci.yakima.wa.us.

Yakima is one of only 40 federal Renewal Communities nationwide designated by the Secretary of the U.S. Department of Housing and Urban Development, effective January 1, 2002. The designation makes available a number of development and employment tax incentives for businesses, and is in effect through 2009.

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