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# GROW PELLA PROGRAM

Farmland has always been a crucial part of Pella; it's part of the reason for our founding and it's part of our legacy as a community. Grow Pella allows farmland owners to create a lasting legacy that will benefit the community.

## **Create a Lasting Legacy for Pella**

Grow Pella allows landowners the ability to make a gift of farmland either as an outright gift or a retained life interest. The Pella Community Foundation is committed to retaining the farmland and keeping it in production for many years. The land continues to be farmed and donor selected charities will benefit from this legacy.

Grow Pella provides a number of options for landowners to structure the gift of farmland:

- Make an outright gift of farmland in which the rental income benefits charities of the donor's choice immediately.
- Make a gift of farmland as a retained life interest and receive farm income for lifetime.

## **What are benefits of Grow Pella?**

Grow Pella is an important tool for retaining one of our communities' greatest assets, farmland, while providing these benefits:

- Landowners receive a tax deduction for the charitable portion of the gift.
- The gift may be eligible for a 25% Endow Iowa Tax Credit depending on how the endowment funds are structured.
- It removes the asset from the possibility of estate taxes.
- The landowner can recommend a tenant farmer to continue farming the land.



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Establish the type of fund to use for the rental income which include:

Donor Advised Fund

Designated Fund

Field of Interest Fund

The gift will benefit favorite charities and the Pella Community Foundation.

Charitable organizations, as directed by the donor, will receive a legacy of sustainable funding.

Pella Community Foundation will benefit from long-term support through funding of permanent endowment funds.

Grow Pella will keep farmland in production as farmland.

County governments will continue to maintain the tax base as the farmland will stay on the property tax roll.

## How it Works

Grow Pella provides a vehicle to keep valuable farmland producing and providing a lasting legacy to the Pella area community. Farmland gifts can be made as outright gifts or as a retained life interest based on the landowners desire.

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## Outright Gifts

A gift of farmland is used to provide charitable giving opportunities and tax benefits for the donor.

The landowner gifts ownership of the land to the Pella Community Foundation where the land stays in production and is managed by the Grow Pella program.

The annual rental income is used to fulfill the landowner's charitable wishes through a fund at the Pella Community Foundation.

Donors receive an immediate charitable tax deduction and are potentially eligible for Endow Iowa Tax Credit.

The landowner can recommend a tenant farmer to continue farming the land.

The Pella Community Foundation will manage the property using best practices.

## Retained Life Interest

The donor makes a gift of farmland but maintains the ability to live on the farm and/or retain the income from the farmland for life, while receiving a tax deduction on the charitable portion of the gift immediately.

Upon the demise of the donor, the rental income from the land is used to fulfill the donor's charitable wishes through a fund at the Pella Community Foundation.

The remainder interest is passed to the Pella Community Foundation and the land stays in production with the property being managed by the Grow Pella program.

The landowner can recommend a tenant farmer to farm the land.

The Pella Community Foundation will manage the property using best practices.