

Memo

To: Village Board, Historic Preservation Committee

Fr: Trevor Fuller, Planning and Zoning Administrator

Re: ACTION RE: RESOLUTION 2017-32 IN SUPPORT OF THE FEDERAL HISTORIC TAX CREDIT PROGRAM

Date: 16 October 2017

The federal historic tax credit (HTC) is a program, which provides incentive to reinvest into historic properties. Historic properties often have a historic and cultural significance in the communities and regions in which they are located. Historic properties also, tend to require more time and labor in renovating and maintaining than newer properties. To curb this investment gap and encourage the private sector to preserve these community resources, the HTC program was created over 35 years ago.

The HTC program offers 20 percent tax credit on qualifying renovation and maintenance projects to historic properties. Qualifying projects can include replacing or repairing windows, roofs, doors, masonry and siding, and plumbing or electrical systems (including water heaters, boilers, electrical panels, etc.).

The HTC program has numerous economic benefits in redeveloping underutilized properties: leveraging more than \$131 million in private investment, creating more than 2.4 million jobs, and preserving more than 42,000 historic buildings since its inception. The program also generates revenue for the United States Treasury, an average of \$1.20 for every one credit dollar allocated, or \$29.8 billion in federal tax revenues compared to \$25.2 billion in credits allocated.

The HTC program was not included in the outline for the proposed United States tax reform legislation. According to sources, removing the program from the outline was a way to re-evaluate all tax credit programs, as almost all tax credit programs were removed. The resolution is meant to simply call attention to a tax credit program that fiscally benefits the federal government and could have similar future effect in the village, should public property in the Village of Allouez on the National Register sell.

The Village Board approved the attached resolution at their October 17th meeting, because sources indicated a vote on the proposed legislation is likely to happen before their next scheduled meeting. The Historic Preservation Committee is asked to discuss the resolution and make a motion if further action is desired.



Resolution 2017-32

Supporting the Federal Historic Tax Credit Program

WHEREAS, the historic tax credit was incorporated into the tax code more than 35 years ago and was supported by President Reagan as a way to make "economic good sense" for preserving old buildings; and

WHEREAS, the federal historic tax credit was not included in the outline of the proposed United States tax reform legislation; and

WHEREAS, the historic tax credit is a widely used redevelopment tool for underutilized properties, leveraging more than \$131 million in private investments, creating more than 2.4 million jobs, and preserving more than 42,000 historic buildings since its inception; and

WHEREAS, the historic tax credit has returned an average of \$1.20 to the United States Treasury for every one credit dollar allocated, or \$29.8 billion in federal tax revenues compared to \$25.2 billion in credits allocated; and

WHEREAS, over 40 percent of projects financed in the last 15 years are located in communities of less than 25,000; and

WHEREAS, mid-size and smaller communities traditionally have limited levy ability and fewer economic development tools to aid in making historic tax credit projects viable on their own, as compared to larger communities; and

WHEREAS, public property in the Village of Allouez, specifically the Green Bay Correctional Institution, is on the National Register, that if sold, could benefit from the historic tax credits and create an estimated \$80million in assessed value and generate about \$1.7 million in state and local tax revenue annually; and

WHEREAS, the historic tax credit program provides an incentive to the private sector to preserve and maintain cultural and historical resources that would otherwise be demolished or placed directly on the taxpayers to preserve; and

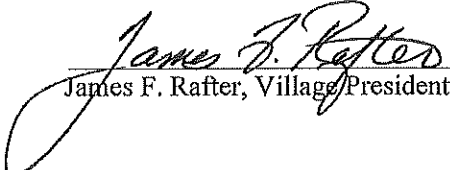
WHEREAS, the historic tax credit encourages reinvestment into downtowns, main streets, and inner-ring suburbs like Allouez.

Now, Therefore, Be It Resolved, that the Village of Allouez Board of Trustees supports the federal historic tax credit program and requests the House Ways and Means Committee and Senate Finance Committee retain the historic tax credit in the reformed tax code.

Passed and Approved this 17th day of October, 2017

Attest:


Debbie Baenen, Village Clerk


James F. Rafter, Village President