



COUNTY ADMINISTRATOR
220 NORTH MAIN STREET, P.O. BOX 8645
ANN ARBOR, MICHIGAN 48107-8645
(734) 222-6850
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TO: Jason Morgan, Chair
Washtenaw County Board of Commissioners

THROUGH: Gregory Dill,
County Administrator

FROM: Teresa Gillotti, Director
Office of Community and Economic Development

DATE: May 1, 2019

SUBJECT: Resolution Supporting the Reinstatement of State Historic Tax Credits
Senate Bill 54/ House Bill 4100

BOARD ACTION REQUESTED:

It is requested that the Washtenaw County Board of Commissioners express their support of Senate Bill 54/ House Bill 4100, the Reinstatement of State Historic Tax Credits.

BACKGROUND:

The bills are available here:

- [Senate Bill 54:](#)
- [House Bill 4100:](#)

Since its establishment in 1974 under the Washtenaw County Historic Preservation Ordinance, the mission of the County Historic District Commission has been to protect the buildings, sites, objects, and landscapes of Washtenaw County and to promote a culture of historic preservation. This entity has offered local historic ordinance protection to property owners in a manner which allows them to provide for historic resource protection in perpetuity, through a mutually beneficial relationship with the County with the support of their Township.

Accordingly, the BOC has established 15 local historic districts across Washtenaw County:

<u>Washtenaw Local Historic District</u>	<u>Municipality</u>
2018 Thornoaks Neighborhood	Ann Arbor Township
2017 Kramer-Kuebler-Adler Farmstead	Freedom Township
2013 Jarvis Salem Stone School	Salem Township
2008 Conant Farm	Salem Township
2007 East Delhi Bridge	Scio Township
2004 William & Jane McCormick Farm	Superior Township
2004 McMahan Springs	Ann Arbor Township
2004 Merriman Farm	Manchester Township
2003 Old Zion Parsonage	Freedom Township
2001 Milton & Kittie Geer House	Superior Township
2001 Gordon Hall	Scio & Webster Townships
2000 Esek Pray House	Superior Township
1989 Geer School	Superior Township
1981 Popkins School	Ann Arbor Township
1978 USS Washtenaw County Artifacts	Housed in the Clerk/Treasurer's Building

At their May 7, 2019 meeting, the Washtenaw County Historic District Commission requested that the Washtenaw County Board of Commissioners express their support of Senate Bill 54/ House Bill 4100, the Reinstatement of State Historic Tax Credits.

DISCUSSION:

In 2011, the Michigan Historic Tax Credit program was eliminated. Michigan has measured the economic impacts of the former Michigan Historic Tax Credit programs between their enactment in 1999 and their elimination in 2011 and seen significant positive direct impacts on the revitalization of neighborhoods and communities, the preservation and creation of affordable and market-rate housing, the creation of skilled local jobs, and the subsequent private investment in areas surrounding tax-credit-driven revitalization projects. Each \$1.00 of credit issued leverages \$11.37 in direct economic impact, such that the former Michigan Historic Tax Credit programs during their twelve-year history have leveraged \$251 million in Federal historic tax credits that otherwise would not have returned to Michigan, spurred \$1.46 billion in direct rehabilitation activity, and created 36,000 jobs.

If approved, Senate Bill 54/ House Bill 4100 would reinstate these tax credits and once again provide these economic benefits to Washtenaw County's local historic districts. This in turn would benefit the County as a whole.

IMPACT ON HUMAN RESOURCES:

None.

IMPACT ON BUDGET:

None.

IMPACT ON INDIRECT COSTS:

None.

IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:

None.

CONFORMITY TO COUNTY POLICIES:

The requested Board Action is in conformity with County policies.

ATTACHMENTS/APPENDICES:

- Resolution
- Letter of Support

A RESOLUTION IN SUPPORT OF THE REINSTATEMENT OF THE STATE
HISTORIC TAX CREDITS AS PROPOSED IN SENATE BILL 54
AND HOUSE BILL 4100 OF 2019

WASHTENAW COUNTY BOARD OF COMMISSIONERS

May 1, 2019

WHEREAS, the historic buildings, neighborhoods and places in Michigan villages, towns and cities distinguish each community and provide character and a sense of place that contribute significantly to the quality of life and the economic benefits enjoyed in and by each community; and

WHEREAS, the preservation and rehabilitation of historic buildings, places and neighborhoods contributes to the beauty, character, and economic vitality of Michigan communities; and,

WHEREAS, the labor-intensive nature of historic rehabilitation creates jobs and investment in local businesses and has been proven to generate more economic activity than equivalent investment in new construction; and

WHEREAS, demolition or destruction of historic buildings creates costs to Michigan and its communities by destroying the often-irreplaceable construction and ornamental materials of each structure and by adding significantly to landfills, whose makeup is estimated to be more than 40 percent building materials and waste; and

WHEREAS, development and redevelopment within established villages, townships and cities is encouraged by Governor Whitmer; and

WHEREAS, many public policies and financial and lending practices and policies create disincentives or barriers to the preservation, renovation and rehabilitation of historic buildings and resources and create a preferential financial environment for new construction; and

WHEREAS, Michigan has measured the economic impacts of the former Michigan Historic Tax Credit programs between their enactment in 1999 and their elimination in 2011 and seen significant positive direct impacts on the revitalization of neighborhoods and communities, the preservation and creation of affordable and market-rate housing, the creation of skilled local jobs, and the subsequent private investment in areas surrounding tax-credit-driven revitalization projects; and

WHEREAS, each \$1.00 of credit issued leverages \$11.37 in direct economic impact, such that the former Michigan Historic Tax Credit programs during their twelve-year history have leveraged \$251 million in Federal historic tax credits that otherwise would not have returned to Michigan, spurred \$1.46 billion in direct rehabilitation activity, and created 36,000 jobs; and

WHEREAS, the Michigan Legislature is presently considering Senate Bill 54 and House Bill 4100 that would reinstate an up-to-25 percent investment tax credit for owners of historic residential and commercial properties who substantially rehabilitate their properties;

NOW, THEREFORE, BE IT RESOLVED that the Washtenaw County Board of Commissioners endorses and supports both Senate Bill 54 and House Bill 4100 and calls upon the Michigan Legislature to pass this important legislation and Governor Snyder to sign it, in order to stimulate appropriate development and redevelopment and protect the historic character and quality of life of our communities.

BE IT FURTHER RESOLVED THAT a copy of this Resolution be forwarded to the Michigan Historic Preservation Network.



BOARD OF COMMISSIONERS
220 NORTH MAIN STREET, P.O. BOX 8645
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TO: Michigan Historic Preservation Network
313 César E. Chávez Avenue
Lansing, Michigan 48906

FROM: Jason Morgan, Chair
Washtenaw County Board of Commissioners

DATE: May 1, 2019

SUBJECT: Support of the Reinstatement of State Historic Tax Credits
Senate Bill 54/ House Bill 4100

To Whom It May Concern:

I write on behalf of the Washtenaw County Board of Commissioners in support of both Senate Bill 54 and House Bill 4100, and call upon the Michigan Legislature to pass this important legislation and Governor Whitmer to sign it, in order to stimulate appropriate development and redevelopment and protect the historic character and quality of life of our communities. On March 20, 2019, the Washtenaw County Board of Commissioners passed a resolution in support of Senate Bill 54/ House Bill 4100.

Since its establishment in 1974 under the Washtenaw County Historic Preservation Ordinance, the County Historic District Commission has offered local historic ordinance protection to property owners in a manner which allows them to provide for historic resource protection in perpetuity, through a mutually beneficial relationship with the County with the support of their Township. Accordingly, the Washtenaw County Board of Commissioners has established 15 local historic districts across Washtenaw County.

These historic buildings, neighborhoods and places in Washtenaw County distinguish each community and provide character and a sense of place that contribute significantly to the quality of life and the economic benefits enjoyed in and by each community. The preservation and rehabilitation of historic buildings, places and neighborhoods contributes to the beauty, character, and economic vitality of Washtenaw County communities. Also, labor-intensive nature of historic rehabilitation creates jobs and investment in local businesses and has been proven to generate more economic activity than equivalent investment in new construction.

In 2011, the Michigan Historic Tax Credit program was eliminated. Michigan has measured the economic impacts of the former Michigan Historic Tax Credit programs between their enactment in 1999 and their elimination in 2011 and seen significant

positive direct impacts on the revitalization of neighborhoods and communities, the preservation and creation of affordable and market-rate housing, the creation of skilled local jobs, and the subsequent private investment in areas surrounding tax-credit-driven revitalization projects. Each \$1.00 of credit issued leverages \$11.37 in direct economic impact, such that the former Michigan Historic Tax Credit programs during their twelve-year history have leveraged \$251 million in Federal historic tax credits that otherwise would not have returned to Michigan, spurred \$1.46 billion in direct rehabilitation activity, and created 36,000 jobs.

If approved, Senate Bill 54/ House Bill 4100 would reinstate these tax credits and once again provide these economic benefits to Washtenaw County's local historic districts. This in turn would benefit the County as a whole. Please consider this important legislation that will spur development and redevelopment within established villages, townships and cities.

Thank you for your consideration of this important bill.

Jason Morgan, Chair
Washtenaw County Board of Commissioners