

Angie Lake

From: Jim Winter-Troutwine <jim@winter-troutwine.com>
Sent: Tuesday, December 15, 2020 2:36 PM
To: Angie Lake; Rep. Lee Chatfield (District 107); Rep. Jason Wentworth (District 97); Rep. Jason Sheppard (District 56); Rhonda Baker
Cc: MHPN; mrodman@mhpn.org; Michael Jaskula; Jay Fowler; Ed Bolt; wayne Norlin; Maggi Rivera; Jonathon Bradford; Director Denny sturtevant; Bouwens; Steven Jasman; Sander; Diane Stoneman; dotticlune@gmail.com; Brad Farrugia; Tom Logan; Amy Miller; Tim Berghuis; Casey Lockwood; Cathy Neis; Delores W Deen; eheuer@igc.org; Kevin McCurren; Luke Rader; Kirsten Lundeen; Bill Russell; Christopher Reader; Tom Simmons; Sarah Yoder
Subject: SB 54 SUPPORT

The Honorable Mr. Lee Chatfield, Mr. Jason Wentworth and Mr. Jason Sheppard,

My name is Jim Winter-Troutwine a preservation architect and property owner in the Fairmount Square neighborhood in Grand Rapids Michigan. In spite of economic implications of COVID-19, I am writing you to encourage your support of SB 54, which will reinstate Michigan's historic preservation tax credit (Michigan's HTC).

The historic preservation tax credit had been an integral part of restoration projects from Grand Rapids, Detroit to Menominee. It was phased out in 2011 to eliminate most tax carve-out programs. In its 11-year life, \$206.8 million in credits were awarded. Following is a list of spin-offs, namely:

- \$1.98 billion in investment in Michigan rehabilitation projects were generated;
 - \$316 million in federal tax credits were leveraged;
 - 32,000 jobs were created; and
- \$9.58 in direct economic impact was initiated by every dollar awarded.

The program creates a **25 percent credit** on all rehabilitation expenses against state income tax. These credits fill gaps in the financing of rehabilitation projects and are issued only after rehabilitation expenses are incurred and the projects completed. As a result, projects generate significant economic impact and state and local tax revenue **before** the credits are issued.

Prior to its abandonment, the Michigan's HTC program was one of the state's most useful tools for revitalizing older communities. The credits made rehabilitation projects possible, and those projects drove economic growth in Michigan.

SB 54 caps the total number of credits per year at **\$5 million** in order to have minimal initial impact on the State budget. To ensure the Historic Preservation Tax Credit will help our smaller communities and neighborhoods across the state, \$2 million of that amount is set aside for commercial projects with total rehab costs under \$2 million. Typical credits range from \$10-25K, which are significant when funding an interior and/or exterior renovation project.

To analyze the bill's economic impact, the legislation has both a **10-year sunset** and the requirement that an annual report be issued detailing for each project, the **total rehabilitation costs, labor hours generated, jobs added, payroll**

added, total capital investments, gain in property value after rehabilitation and the amount of income and sales tax generated.

Michigan's HTC was once one of the State's most useful tools for revitalizing our downtowns, business districts and residential neighborhoods. With your support, it can again make a difference in Grand Rapids and throughout our great state. This program along with local, state and other incentives makes rehabilitation projects possible, and those projects drive economic growth in Michigan.

As a local architect, I encourage your support for this Bill. Our communities and quality of life will be improved...and make our communities a better place to live, work, play and visit. I invite you, if you wish, to join me for a walking tour of our neighborhood at your convenience.

Thank you and stay healthy,

Jim Winter-Troutwine RA

Cc

Jim Winter-Troutwine RA

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