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Details:

(FORM UPDATED: 08/11/2010)

**WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS**

2009-10

(session year)

Senate

(Assembly, Senate or Joint)

Committee on ... Economic Development (SC-ED)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Gigi Godwin (LRB) (July/2011)

Senate

Record of Committee Proceedings

Committee on Economic Development

Senate Bill 55

Relating to: the regulation, preservation, and restoration of historic buildings; the supplement to the federal historic rehabilitation tax credit and the state historic rehabilitation tax credit; requiring the certification of downtowns; promoting certain downtown areas in this state; highway projects involving business and downtown areas; granting rule-making authority; and making appropriations.

By Senators Lassa, Erpenbach, Risser, Taylor, Plale, Harsdorf, Vinehout, Lehman, Schultz, Darling and Leibham; cosponsored by Representatives Shilling, Hintz, Molepske Jr., Lothian, Seidel, Dexter, Clark, Ballweg, Spanbauer, Jorgensen, Bernard Schaber, Strachota and Davis.

February 12, 2009 Referred to Committee on Economic Development.

March 31, 2009 **PUBLIC HEARING HELD**

Present: (6) Senators Lassa, Lehman, Vinehout, Kanavas,
Darling and Leibham.
Absent: (1) Senator Kreitlow.

Appearances For

- Julie Lassa — Senator
- Michael Stevens, Madison — Wisconsin Historical Society

Appearances Against

- None.

Appearances for Information Only

- Sherrie Gates-Hendrix — Department of Revenue

Registrations For

- Tom Larson, Madison — Wisconsin Realtors Association
- Curt Witynski, Madison — League of Wisconsin Municipalities
- Alice O'Connor — Gorman Company
- Jennifer Shilling — Representative
- Jeff Plale — Senator

Registrations Against

- None.

Registrations for Information Only

- None.

October 22, 2009

EXECUTIVE SESSION HELD

Present: (7) Senators Lassa, Lehman, Vinehout, Kreitlow,
Kanavas, Darling and Leibham.

Absent: (0) None.

Moved by Senator Lehman, seconded by Senator Kanavas that
Senate Amendment a0655 be recommended for introduction and
adoption.

Ayes: (7) Senators Lassa, Lehman, Vinehout, Kreitlow,
Kanavas, Darling and Leibham.

Noes: (0) None.

INTRODUCTION AND ADOPTION OF SENATE
AMENDMENT A0655 RECOMMENDED, Ayes 7, Noes 0

Moved by Senator Lehman, seconded by Senator Kanavas that
Senate Amendment a0916 be recommended for introduction and
adoption.

Ayes: (7) Senators Lassa, Lehman, Vinehout, Kreitlow,
Kanavas, Darling and Leibham.

Noes: (0) None.

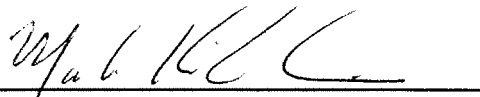
INTRODUCTION AND ADOPTION OF SENATE
AMENDMENT A0916 RECOMMENDED, Ayes 7, Noes 0

Moved by Senator Lehman, seconded by Senator Kanavas that
Senate Bill 55 be recommended for passage.

Ayes: (7) Senators Lassa, Lehman, Vinehout, Kreitlow,
Kanavas, Darling and Leibham.

Noes: (0) None.

PASSAGE RECOMMENDED, Ayes 7, Noes 0



Mark Knickelbine
Committee Clerk

Vote Record Committee on Economic Development

Date: _____ *Lehman Kanavas*
 Moved by: _____ Seconded by: _____

AB _____ SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt SB 55
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

- Be recommended for:
- Passage Adoption Confirmation Concurrence Indefinite Postponement
 - Introduction Rejection Tabling Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Julie Lassa, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator John Lehman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Kathleen Vinehout	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Pat Kreitlow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Ted Kanavas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Alberta Darling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Joseph Leibham	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>7</u>	<u>0</u>	_____	_____

Motion Carried Motion Failed

Vote Record Committee on Economic Development

Date: _____

Lehman Kanavas

Moved by: _____

Seconded by: _____

AB _____

SB _____

Clearinghouse Rule _____

AJR _____

SJR _____

Appointment _____

AR _____

SR _____

Other _____

A/S Amdt 90655

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

- | | | | | |
|---------------------------------------|------------------------------------|---------------------------------------|---|--|
| <input type="checkbox"/> Passage | <input type="checkbox"/> Adoption | <input type="checkbox"/> Confirmation | <input type="checkbox"/> Concurrence | <input type="checkbox"/> Indefinite Postponement |
| <input type="checkbox"/> Introduction | <input type="checkbox"/> Rejection | <input type="checkbox"/> Tabling | <input type="checkbox"/> Nonconcurrence | |

Committee Member

Senator Julie Lassa, Chair

Senator John Lehman

Senator Kathleen Vinehout

Senator Pat Kreitlow

Senator Ted Kanavas

Senator Alberta Darling

Senator Joseph Leibham

Aye No Absent Not Voting

Totals: 7 0 _____ _____

Motion Carried

Motion Failed

Vote Record Committee on Economic Development

Date: _____

Lehman Kanavas

Moved by: _____

Seconded by: _____

AB _____

SB _____

Clearinghouse Rule _____

AJR _____

SJR _____

Appointment _____

AR _____

SR _____

Other _____

A/S Amdt *a 0916*

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

- Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrence

Committee Member

	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Julie Lassa, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator John Lehman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Kathleen Vinehout	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Pat Kreitlow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Ted Kanavas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Alberta Darling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Joseph Leibham	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u> <i>7</i> </u>	<u> <i>8</i> </u>	_____	_____

Motion Carried

Motion Failed



JULIE LASSA

STATE SENATOR

**TESTIMONY for Senate Bill 55
The Downtown Wisconsin Act
Senate Committee on Economic Development
Tuesday, March 31, 2009
Room 201 Southeast**

Good morning. I would like to thank members of the committee for their consideration of this bill. I appreciate the opportunity to speak about the importance of SB 55 – the Downtown Wisconsin Act.

The 2009-2010 Downtown Wisconsin Act is the culmination of a seven-year effort of discussions by downtown planners, business owners, historic preservationists and developers across the state.

Representative Shilling began to work on this legislation during the 2002-03 session with former Representative Dan Schooff; since that time, she and I have spent a great deal of time working with key stakeholders to address their concerns and craft a bill that we strongly believe will help spur economic development in Wisconsin's downtowns. We feel that Senate Bill 55 will accomplish just that, and we are hopeful that members of the committee will agree.

The Downtown Wisconsin Act includes several provisions intended to grow the state's economy at the local level, foster small business development, and prevent urban sprawl.

This proposal includes:

- Creating a definition and certification process for downtowns interested in economic development efforts.
- Establishing guidelines to assist communities in reconstructing central business districts that are destroyed or severely damaged in major disasters.

- Facilitating the preservation and restoration of historic buildings through a more flexible interpretation of the State Historic Building Code.
- Language to improve Community Sensitive Design (CSD) consideration for Main Street Communities and Dept. of Commerce Certified Downtowns. Community Sensitive Design is a current DOT initiative to identify and consider the physical, environmental, social, cultural, aesthetic and transportation elements in the planning, design, construction, operation and maintenance of transportation projects. CSD is an enhancement program with a percentage of project dollars used to improve the landscape along the highway or the character of a local community. CSD funds could be used to improve the physical appearance of the Main Street business districts. Projects in the downtown area could include: decorative lighting, landscaping, planting, bicycle and pedestrian facilities, park benches, banners and signage.
- Allowing the improved tax credit is applicable to all properties that are eligible for the income producing credit, instead of only providing the tax credit to properties in certified downtown districts. This would increase the preservation of historic buildings by eliminating the differential treatment of historic properties that fall outside of the certified downtown districts.

Our downtowns are the heart and soul of our communities. They traditionally have been the economic hubs of our communities. Their strength is vital to the overall health of the community. This is especially true in the current economic downturn, when boarded-up storefronts and strained community resources may contribute to the decay of Wisconsin's downtowns.

As the legislature focuses on strategies to reinvigorate the state's economy, it is absolutely necessary that the development and revitalization of our downtowns be part of this debate. Any comprehensive economic development initiative must include a downtowns component that focuses on the growth of our central business districts.

If we do not make the development of our central business districts a primary goal of our economy strategy, we are severely limiting our potential throughout this state for economic growth and job creation.



WISCONSIN STATE LEGISLATURE





WISCONSIN
HISTORICAL
SOCIETY

**Testimony before the Economic Development Committee.
2009 Senate Bill 55
March 31, 2009**

I am Michael Stevens and am State Historic Preservation Officer and Administrator of the Division of Historic Preservation and Public History at the Wisconsin Historical Society.

The Wisconsin Historical Society supports SB55. This bill will not only help save Wisconsin's historic buildings, but at the same time will encourage investment and create jobs in Wisconsin. The federal government currently provides a 20% historic rehabilitation tax credit. Last year this credit generated \$55 million in investment in Wisconsin. According to a report from the National Park Service, Wisconsin ranked 17th in the nation in investment in historic properties using the federal credit.

Compare that to the rankings of states that have a similar credit to what is proposed here. Missouri ranked first in 2008 with \$376 million in investment and the impact of historic preservation on the economy has been demonstrated. A 2001 Rutgers University study of the Missouri historic preservation tax credit program demonstrates the substantial impact on that state's economy. The Rutgers study reports that Missouri's credits, in addition to creating jobs in the building trades, also increased tourism spending and jobs and the generation of more taxable income as additional benefits. The total economic impact identified 8,060 direct jobs and a total of 28,496 jobs and \$582 million in economic activity.
(<http://www.dnr.mo.gov/shpo/RutgersStudy.pdf>)

Similar results can be seen in reports from Virginia, Maryland, and Rhode Island, which ranked 4th, 6th, and 11th in the nation, all with strong state tax credit programs. My written remarks contain internet links to these economic reports that report the creation of 10,000 jobs in Virginia, 8,000 jobs in Maryland, and 5,000 jobs in Rhode Island as well as hundreds of millions of dollars in economic activity in these states.

Virginia: http://www.dhr.virginia.gov/pdf_files/Prosperity%20through%20Preservation.pdf

Maryland: http://www.preservationmaryland.org/pdf/PM_Value_scn.pdf

Rhode Island:

http://www.preservation.ri.gov/pdfs_downloads/credits_pdfs/hpirc_pdfs/hpirc-study_pdfs/hpirc_analysis-2005.pdf

One of the challenges for Wisconsin is that there is a national market for federal historic preservation tax credits and that the financing and development on historic preservation projects go to states that have more favorable supplemental state credits.

Historic preservation work can't be shipped off-shore or even out of state. Most of the work on a historic property in Wisconsin is done in Wisconsin, which means jobs for our citizens. Since the federal tax credit program began 30 years ago, more than one and a quarter billion dollars of investment has been made in historic properties in Wisconsin, an investment that created jobs that stayed in this state. A recent report from the National Park Services estimated that 67,705 jobs were created nationally as a result of the federal historic preservation tax credit program.

There will be increased expenses associated with reviewing any increase in tax credit applications, but these will be recovered by a fee on applicants, not from GPR. The bill initially provides for authorization of 1 program revenue position, which should be sufficient in the first year of credit, although that number may need to rise to about five positions if the Wisconsin experience matches those of other states. In that event, the cost of administration could still be covered from applicant fees, not general purpose revenue.

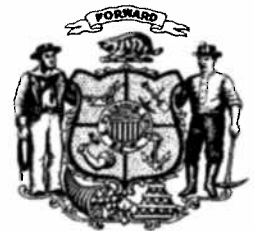
In addition, the legislation does two other important things that will help preserve historic properties. For the first time, Wisconsin's credit will be decoupled from the federal credit, which will allow some small projects to become eligible. Because of this change, projects in smaller communities will become financially viable.

In addition, the legislation provides for transfer of 50 percent of the fees generated from reviewing applications for income-producing properties to the Department of Commerce's Main Street program, which will help promote economic activity in downtowns across the state.

In summary we believe that this legislation is good both for history in Wisconsin and for Wisconsin's economic development.



WISCONSIN STATE LEGISLATURE



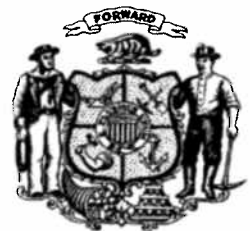
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SB 55 – What’s left after amendments

- **Makes it easier for buildings to be declared historic sites**
- **Procedure to deal with conflicts between local ordinances and state historic code**
- **Allows local communities to pass ordinances that allow variances from local building codes to facilitate historic preservation.**
- **Commerce creates guidelines to help communities restore downtowns destroyed in disasters.**
- **Provisions to declare certified downtowns for preservation, Tourism promotion**
- **Promotes citing of new state buildings in downtowns**
- **DOT must consult with communities on the potential effect of highway projects on downtowns.**



WISCONSIN STATE LEGISLATURE



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SECTION	2009 SENATE BILL 55	CURRENT LAW/ACT 28/SENATE BILL 10
44.02 (24)	renumber portion of 44.02 (24) affecting 71.07 (9r)	amend 44.02 (24) to relate to certification for 71.07 (9m), 71.28 (6), & 71.47 (6)
	- \$150 certification fee for 71.07 (9r)	- no fees
	create (24d) relating to certification for 71.07 (9m), 71.28 (6), & 71.47 (6)	No similar provision
	- 2% (between \$300 and \$20,000) certification fee	
71.07(9m)	renumber (a) to (a) 1.	No similar provision
	- (a) 1. relates to 1988 to 2009	
	create (a) 2. a.	No similar provision
	- Increase credit to 20% for 2010 and beyond	
	create (a) 2. b.	No similar provision
	- secondary qualification for expenditures that don't meet adjusted basis requirement of s. 47 (c) (1) of IRC	
	amend (c)	amend (c)
	- rehabilitation must be recommended by the state historic preservation officer prior to work	- rehabilitation must be recommended by the state historic preservation officer prior to work - rehabilitation must be approved by secretary of interior
	- claimant must claim credit in same taxable year as federal claim	create (cm) - claimant must claim credit in same taxable year as federal claim
	create (g)	Amend (f)
	- transfer of credits by agreement	- allocation of credits by agreement for partnerships and LLC's

71.07 (9m) (cont.)	<i>create (h)</i>	<i>Create (g) 1. and 2.</i>
	- penalties for sale, conveyance, or non-compliance	- election to claim credit based on expenditures paid rather than completion of rehabilitation
		- DOR disallowance of credit within 4 years after notice of non-compliance from historical society
71.07 (9r)	<i>Renumber (a) to (a) 1.</i>	No similar provision
	<i>Create (a) 2.</i>	
	- increase credit to 30% for 2010 and beyond	
Initial Applicability	-taxable years beginning Jan. 1, 2010	- Property placed in service June 30, 2008

Note Treatments affecting 71.07(individual taxpayers) are repeated in substance for 71.28 (corporate taxpayers) and 71. 47 (insurance company taxpayers).





Found in SB55 folder -
date?

Preserving America's Heritage

ECONOMIC REASONS FOR INVESTING IN HISTORIC PRESERVATION

The economic impacts and benefits of historic preservation are both far-reaching and profound. Preservation is a vital economic development tool for communities and regions, while at the same time it is a proven means for creating jobs, attracting investment, generating tax revenue, and supporting small business and affordable housing.

The following statistics from recent studies are typical of the positive findings of preservation's economic benefits:

- Rehabilitation of historic properties in Georgia during a five-year period created 7,550 jobs and \$201 million in earnings.
- Historic preservation activities generate more than \$1.4 billion of economic activity in Texas each year.
- Each dollar of Maryland's historic preservation tax credit leverages \$6.70 of economic activity within that State.
- In one year, direct and indirect expenditures by heritage tourists in Colorado reached \$3.1 billion.

Studies conducted in a number of states over the last fifteen years support some general findings:

Job Creation. Historic preservation projects create jobs, especially in the manufacturing, retail trade, services, and construction sectors. In FY 2008, projects approved for federal tax credits had average budgets of \$4.58 million and generated 55 jobs each.¹

Tax Revenue. Historic preservation makes a substantial contribution to tax collections for state and local governments as well as the federal government.

Investment Leveraging. Public funds as well as other public investment in historic preservation projects through grants, revolving funds, loans, and tax credits are matched many times over with private investment in local rehabilitation projects. In 2008, for example, approximately \$1.128 billion in federal tax credits stimulated private investment totaling \$5.64 billion.²

¹ *Federal Tax Incentives*, National Park Service, February 2009.

² *Federal Tax Incentives*, p. 3.

Property Values. Historic preservation in localities and neighborhoods generally helps to maintain property values. For example, while complex and locality-specific, research in both commercial and residential areas in several locations in Colorado concluded that historic designation did not decrease property values, but increased value or maintained it at the same level as nearby undesignated areas.³

Small Business Development. Main Street, local and regional heritage tourism initiatives, and similar community programs generate small business investment and strengthen other public investments. Many state-wide studies have found the National Main Street program highly effective, and extremely cost-effective.

Heritage Tourism. Visitors to states, localities, and regions spend billions of dollars while visiting historic sites and cultural attractions. Visitors to historic sites and cultural attractions stay longer and spend more money than other kinds of tourists, and therefore make an important contribution to local lodging and restaurant taxes, suppliers of goods and services, and other businesses. Projects that advance heritage tourism are proven economic generators, leveraging existing resources to achieve immediate results for a wide range of local and small businesses. As reported in 2002, in Florida more than \$3.7 billion was spent by tourists visiting historic and cultural sites.

Public Property Management. Publicly-owned historic properties help anchor and sustain communities, attract investment, and may provide a visitor destination in addition to their other uses. They support local and regional economies through ongoing facility operations, repair and maintenance, concessions, and other related enterprises.

A 2005 synthesis of research on economics and historic preservation has concluded that “very few of the 500 or so categories of economic activity” has as much economic impact (measured as jobs created, increase in household income, and demand created on other industries) as the rehabilitation of historic buildings. The author goes on to note that “virtually every example of sustained success in downtown revitalization—regardless of the size of the city—has included historic preservation as a key component of the strategy.” The Main Street approach of small business development in historic areas is singled out as an extraordinarily cost-effective strategy for commercial revitalization.⁴

Over the last fifteen years, there have been studies conducted at the statewide level in at least 22 states on the economic benefits of historic preservation.⁵ These studies provide substantial support to these general findings and, in local real estate markets, point to enhanced property values and tax revenue associated with both commercial and residential historic districts.

The most recent statewide study, prepared by The Rutgers University Center for Urban Policy Research, Edward J. Bloustein School of Planning and Policy in cooperation with Professor Dan Rickman of Oklahoma State University, was published in 2008 for the state of Oklahoma. The study found that in Oklahoma, a total of \$357 million annually in direct spending (including rehabilitation of historic structures, heritage tourism, and the Main Street program) created over 8,000 jobs in Oklahoma. These jobs generated \$460 million in output, \$166 million in labor

³ Clarion Associates, *The Economic Benefits of Historic Preservation in Colorado*, prepared for Colorado Historical Foundation, Denver, July 2005.

⁴ Donovan Rypkema, *The Economics of Historic Preservation*, National Trust for Historic Preservation, Washington, DC, 2005 (2nd edition), pp. 2-3.

⁵ Alabama (2002); Arkansas (2006); Colorado (2002, 2005); Florida (2003); Georgia (1999); Kentucky (1996); Maryland (2000, 2003); Massachusetts (2002); Michigan (2002, 2006); Missouri (2001, 2002); Nebraska (2007); New Jersey (1997, 1998); New York (2000); Oklahoma (2008); Rhode Island (1996, 2005); South Carolina (2003); Tennessee (2005); Texas (1999); Virginia (1995, 2008); Washington (2006); and West Virginia (1997).

income, \$243 million in gross state product (GSP), and \$25 million in Oklahoma state and local tax revenues.⁶

Studies show that building rehabilitation outperforms new construction in creating economic activity, and that “Dollar for dollar, historic preservation is one of the highest job-generating economic development options available.”

In Michigan, \$1 million in building rehabilitation creates 12 more jobs than does manufacturing \$1 million worth of cars. In West Virginia, \$1 million of rehabilitation creates 20 more jobs than mining \$1 million worth of coal. In Oklahoma \$1 million of rehabilitation creates 29 more jobs than pumping \$1 million worth of oil. In Oregon \$1 million of rehabilitation creates 22 more jobs than cutting \$1 million worth of timber. In Pennsylvania \$1 million of rehabilitation creates 12 more jobs than processing \$1 million worth of steel. In California \$1 million of rehabilitation creates 5 more jobs than manufacturing \$1 million worth of electronic equipment. In South Dakota \$1 million of rehabilitation creates 17 more jobs than growing \$1 million worth of agricultural products. In South Carolina \$1 million of rehabilitation creates 8 more jobs than manufacturing \$1 million worth of textiles.⁷

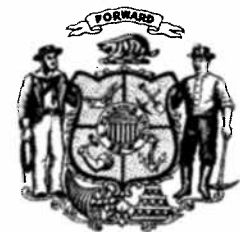
These are not just temporary construction jobs, but also permanent jobs of various types, including continuing building repair and maintenance. As past studies have found, there are both direct and indirect economic effects from historic preservation, and there is an economic multiplier effect that ripples through the economy.

⁶ David Listokin, Michael L. Lahr, Bryan Grady, and Dan S. Rickman, *Economic Impacts of Historic Preservation in Oklahoma*, Preservation Oklahoma, Inc. and Center for Urban Policy Research, Rutgers, the State University, Trenton, N.J., 2008, p. 4.

⁷ Rypkema, 2005, pp. 11-12.



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The Historic Preservation Fund Annual Report

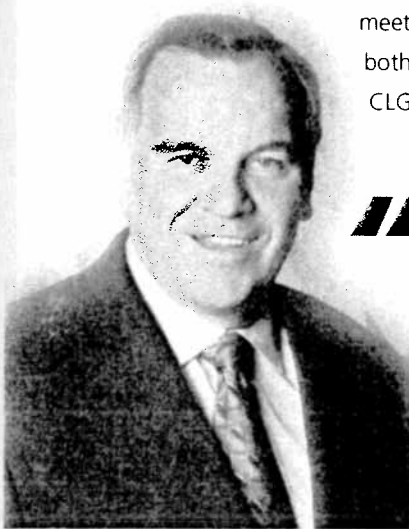
2008

Making Preservation Work at the Local Level: The Certified Local Government Program

2008 was an important year for the Certified Local Government (CLG) Program as it welcomed 51 new communities, for a program total of 1,661 across the country, and worked with its preservation partners to establish two pilot programs to support local preservation. The CLG Program is a preservation partnership between Federal, state, and local governments focused on promoting historic preservation at the grass roots level. The program is jointly administered by the National Park Service (NPS) and the State Historic Preservation Offices (SHPOs) in each state, and involves communities that have worked through a certification process to become recognized as a CLG, an active partner in the Federal Historic Preservation Program.

Federal Preserve America grant funding enabled the Arkansas Historic Preservation Program (SHPO) to establish a pilot CLG program in 2008 to hire the first statewide Preserve America Agent in the country. In a partnership between the Historic Preservation Alliance of Arkansas, the SHPO, NPS, and Arkansas' Main Street and Tourism programs, a unique opportunity for CLG communities and those just getting started down the road to preservation was created. This Agent has targeted priority communities that are either CLGs or involved in the Main Street program to encourage being a part of the Preserve America program, tapping into the funding provided, and learning how their historic resources can foster and promote economic development.

The Wyoming SHPO wanted to address a need for basic preservation training among their existing CLGs, and with funding from Preserve America and the National Trust for Historic Preservation, a second pilot CLG program was created in 2008. Seventeen of Wyoming's CLGs took part in training sessions conducted across the state from May to September 2008, enabling over 200 community members to receive an introduction to preservation. This pilot was an active working partnership between NPS, the National Alliance of Preservation Commissions, and the National Trust, as well as Wyoming's SHPO, Main Street, and Arts Council programs. The community of Riverton stated the best thing about the training was, "energizing our CLG and meeting historic preservation people face to face." For the national CLG program the best thing about both of these pilots is the ability to share them with other states and bring renewed energy to CLG programs across the country.



Preserving Chicago's past is critical to our city's economic development - it strengthens neighborhoods, promotes tourism, demonstrates sustainable leadership, and improves the quality of life for all our residents.

Programs supported through the Historic Preservation Fund are an important tool to assist in the rehabilitation of buildings and neighborhoods across the city. I'm proud that the City of Chicago has benefited from programs like the Federal Historic Rehabilitation Tax Credit program, which has supported more than 300 projects in Chicago during the last 25 years, totaling hundreds of millions of dollars in preservation assistance."

Mayor RICHARD M. DALEY, Chicago, Illinois

The rebirth of Spokane, Washington's Fox Theater was an idea that arose from its proposed destruction and was supported by the programs of the Historic Preservation Fund (HPF). In 2000, the Fox was to be demolished for parking, but the Spokane Symphony, looking for a permanent home, negotiated to save the impressive Art Deco masterpiece and turn it into a performing arts venue.

The opulent Fox Theater opened in 1937, seating over 2,000 people. The auditorium, lobby, and mezzanine murals created the illusion of moving through an undersea world into a forest canopy of dense foliage, to the uppermost level with castles and clouds, all illuminated by a huge sunburst in the ceiling. By the 1970s, it had fallen into disrepair and was split into a multiplex in the 1980s.

To fund the Theater purchase and \$30 million rehabilitation, a combination of preservation incentives were used including \$246,919 in Save America's Treasures funding and almost \$3 million in Historic Preservation Tax Credits, both programs of the HPF.

Rehabilitation began at the end of 2005, with jackhammers dismantling the concrete that divided the theater. Depression-era murals were cleaned of 75 years of popcorn grease, grime, and smoke, many once covered with layers of white and red paint. Amazingly, the historic integrity remains, and after the multi-million dollar restoration, the building reopened in November of 2007. This art deco icon now has a new lease on life in Spokane's thriving downtown.



Origins of the Historic Preservation Fund

In 1966, the Special Committee on Historic Preservation of the U.S. Conference of Mayors addressed the need to establish a national historic preservation program. The result was the National Historic Preservation Act (NHPA) which authorized a State Historic Preservation Officer for each State and created the National Register of Historic Places, a

mechanism for better Federal agency planning. The Historic Preservation Fund (HPF) was established in 1977 as a matching grant program, currently authorized at \$150 million per year,

and funded by Outer Continental Shelf oil lease revenues. The idea being the exploitation of one resource should benefit another. Subsequent amendments to the Act in 1980 created the Certified Local Government program and in 1992 established Tribal Historic Preservation Officers.

How Does The Historic Preservation Fund Work?

The National Park Service (NPS) administers the Historic Preservation Fund (HPF) on behalf of the Secretary of the Interior, and uses the majority of appropriated funds to provide matching grants to State and Tribal Historic Preservation Officers to assist in their efforts to protect and preserve their historic resources. Each State Historic Preservation Officer (SHPO), appointed by the Governor for each state, manages this annual appropriation to perform the Federal preservation responsibilities required by the NHPA. Preservation activities may be carried out directly by States, or in the form of subgrants and contracts to public and private agencies, nonprofit organizations, educational institutions, and individuals. HPF grants to Indian Tribes help them assume SHPO responsibilities on Indian land and undertake preservation activities.

Funding is used by States and Tribes to pay for HPF eligible preservation projects including: survey and inventory, National Register nominations, preservation education, architectural planning, historic structure reports, community preservation plans, and bricks and mortar repair to buildings. The HPF allows each State the flexibility to shape a program according to its needs, as long as they are meeting the overall responsibilities outlined by the NHPA. Ten percent of each SHPO's allocation must be subgranted to assist Certified Local Governments, local governments certified by NPS and the state as having made a local commitment to historic preservation. These funds are spent locally on projects like those listed above, with selection decisions made at the State level. All HPF assisted projects must follow the Secretary of the Interior's *Standards for Archeology and Historic Preservation*.

// We know that six jobs are created for every \$250,000 of direct private investment in historic building rehabilitation and an additional \$282,500 is pumped into the economy."

Brian Conway, State Historic Preservation Officer, Michigan

The Historic Preservation Fund in 2008

In fiscal year 2008, the U.S. Congress appropriated \$70.38 million from the HPF for historic preservation grants. HPF matching grants serve as catalysts for preserving and protecting our Nation's irreplaceable heritage. HPF-funded grants and programs also encourage private and non-Federal investment in historic preservation efforts nationwide and assist State, Tribal and local governments with expanding and accelerating their historic preservation activities.

Also in 2008, Congress appropriated an additional \$7.38 million for the Preserve America grant program. These funds are dedicated to increasing economic development through historic preservation and heritage tourism.

Fiscal Year 2008 at a Glance

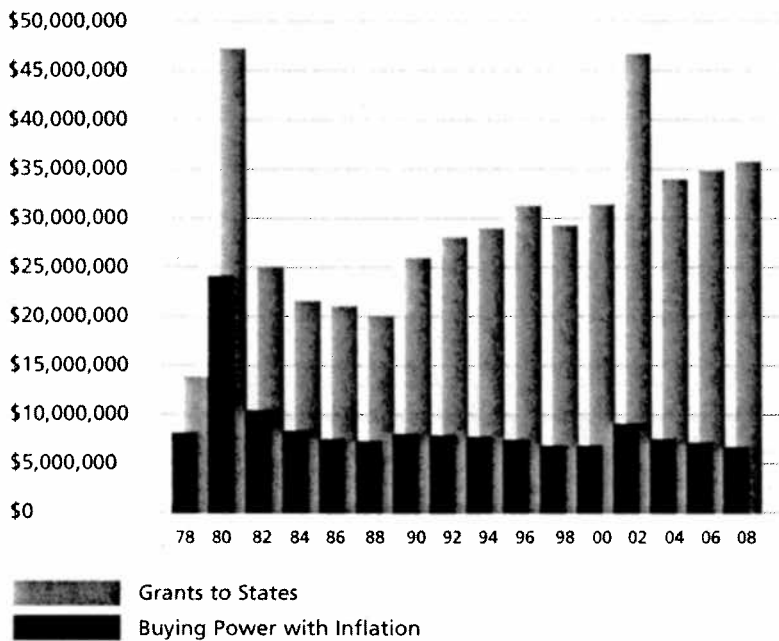
- Over \$5.64 billion of private investment in the rehabilitation of commercial historic properties under the Federal Historic Preservation Tax Program; a total of \$50.82 billion since 1977.
- 10,392 low and moderate income housing units created through the Federal Historic Preservation Tax Credit program, a total of 187,088 units since 1977.
- An estimated 67,705 jobs created by Federal Historic Preservation Tax Program rehabilitation projects.
- Approximately 11 million acres surveyed for cultural resources, with over 132,300 properties evaluated for their historical significance and added to State inventories. Approximately 176,780 acres surveyed and 2,800 properties added to Tribal inventories.
- 1,319 new listings to the National Register of Historic Places, including 291 historic districts, bringing the cumulative total to 83,884 listings in the National Register. Approximately 3,600 new listings were added to the Tribal Register.
- State Historic Preservation Offices reviewed 114,000 Federal undertakings providing 93,700 National Register eligibility opinions. Tribal Historic Preservation Offices reviewed 31,100 undertakings and made 5,300 eligibility opinions.
- 51 new communities became Certified Local Governments (CLGs), bringing the cumulative total to 1,661 CLGs throughout the nation.
- Under local law, CLGs newly designated 48,200 properties, and 86,600 properties took part in local preservation review, programs, and incentives.
- Save America's Treasures was funded for the tenth year at \$24.6 million to support the restoration of nationally significant properties and collections. A total of 110 projects in 40 States and the District of Columbia were awarded, over \$83 million was requested.
- Preserve America was funded for the third year at \$7.38 million to support planning for heritage tourism development and preservation in local communities. A total of 82 projects in 36 states were awarded, over \$20 million was requested.
- Indian Tribes, Alaska Native Groups, and Native Hawaiian Organizations were awarded \$678,300 to 19 projects as part of the Tribal Grant program, over \$2.2 million was requested.

This house, owned by Neil and Debbie Plass, in Manitou Springs, Colorado, was rehabilitated using Colorado's state historic preservation tax credit. Neil and his son Tim, shown in the photo, were part of the sweat equity put in by the entire family. Due to the success of projects like this one, Colorado's legislature reauthorized its twenty percent state historic preservation tax credit for a third ten-year period. In a year witnessing budget difficulties where no new tax credits were considered, preservationists worked hard to renew this program that is often coupled with the Federal Historic Preservation Tax Credit. Testimony to the legislature included data illustrating the overall economic benefits of

historic rehabilitation as well as statistics proving that ninety percent of projects benefited homeowners doing small projects with a median credit of \$9,000. According to bill sponsor State Representative Claire Levy of Boulder, "The state tax credit is an important incentive for designation and rehabilitation benefiting not only the rich resources in my district but the state as whole."



Grants to States vs. Inflation



Distribution of HPF for FY 2008

State Historic Preservation Offices \$39,376,000

Tribal Historic Preservation Offices \$ 5,720,300

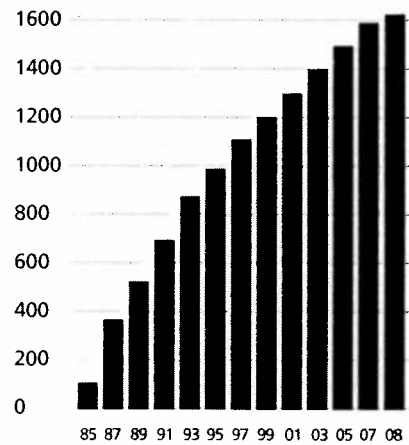
Save America's Treasures \$24,610,000

Tribal Project Grants \$ 678,300

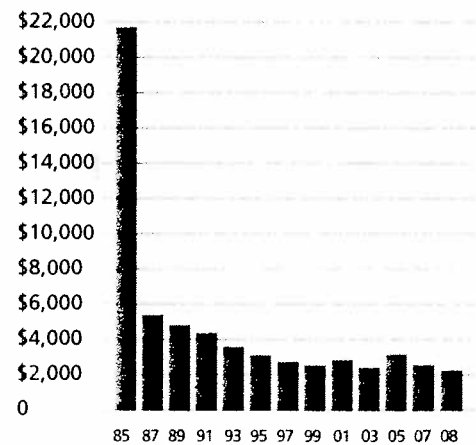
Total \$70,384,600

*Supplemental Preserve America \$ 7,383,000

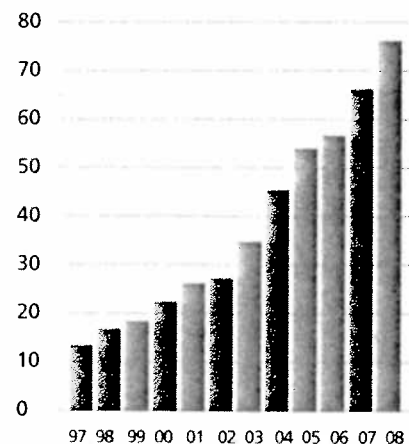
Number of CLGs



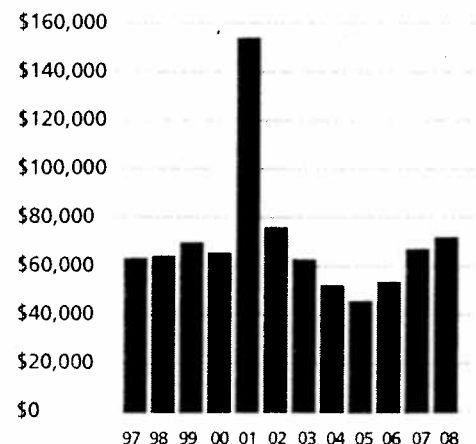
Average CLG Award



Number of THPOs



Average THPO Award



NCSHPO

U.S. Department of the Interior
National Park Service
Historic Preservation Grants Division
Washington, DC
www.nps.gov/history/hps/hpg
(202) 354-2020
Preservation_Grants_Info@nps.gov

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Preservation Officers
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