

April 7, 2024

The Honorable John Damoose
Michigan Senate
Post Office Box 30036
Lansing, MI 48909-7536

RE: A request for your support of HB 5430 to expand the Michigan Historic Preservation Tax Credit

Dear Senator Damoose:

Owners of historic buildings in Michigan greatly benefitted from the state historic preservation tax credit available from 1999-2011 when they did restoration work on their income-producing and residential properties. It was a highly successful program with each \$1.00 of credit leveraging \$10.56 in direct economic impact. Public Act 343 of 2020 reinstated the credit but with a \$5M annual cap making the program so small as to be inconsequential. House Bill 5430 will correct this by raising the cap to \$100M and making other changes to benefit a wider constituency. I am writing to ask your support of HB 5430.

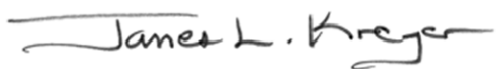
I am a resident of the Bay View Association during the summers, and have been there for almost 40 years. As you know, Bay View is an unparalleled collection of over 400 19th- and early-20th-century cottages and campus buildings. This Victorian-era gem is not only recognized on the State Register of Historic Sites and the National Register of Historic Places, but is one of only 42 National Historic Landmarks in Michigan. Not only does Bay View bring an infusion of summer residents who pay local taxes, shop locally, and maintain their cottages with local contractors and trades, but the campus draws an enormous number of tourists who leave their tourist dollars in Petoskey and around the region.

My interest in an expanded historic preservation tax credit program extends beyond Bay View, however, because it will benefit your entire district as well as the entire state. Preservation projects help meet Gov. Whitmer's goal of building *or rehabilitating* 10,000 housing units. Preservation work provides housing at all price-points, sustainably recycling all types of historic buildings – from schools and mills to factories and office buildings. Preservation incentives can be folded into large economic development programs in the aging cores of big cities, but also can help revitalize rural communities, small towns, and mid-sized communities. A preservation project's return on investment provides enormous local benefits. Often being smaller, these projects tap local contractors and suppliers that spend locally and pay local taxes.

Furthermore, preservation projects keep demolition waste out of landfills. They curb sprawl by utilizing existing infrastructure. They eliminate carbon released during both demolition and new construction. They conserve the embodied energy invested during initial construction and, with retro-fitting, make any building energy efficient. The success of preservation includes keeping traditional downtowns and neighborhoods vital. In addition to attracting both young professionals and retirees – and everyone in between – these authentic, walkable places are cultural centers for their regions and heritage tourism destinations. In every case, valuable real estate is back on local and state tax rolls.

Please let me know if you will be supporting the passage of HB 5430. I would be happy to call or visit with you or your staff if you would like to talk further.

Sincerely,



Janet L. Kreger
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