



McIntyre offered; O'Donnell seconded:

**ESCANABA HISTORIC PRESERVATION COMMISSION
RESOLUTION No. 24-06**

**RESOLUTION TO SUPPORT THE EXPANSION
OF THE MICHIGAN STATE HISTORIC PRESERVATION TAX CREDITS**

Whereas, The historic buildings, residential neighborhoods, traditional downtowns, and older manufacturing facilities in Michigan's cities, towns, villages, and rural areas distinguish each community and provide character, beauty, and a sense of place that contribute to the quality of life enjoyed by each community and its residents and visitors;

Whereas, The preservation and rehabilitation of these historic buildings, residential neighborhoods, traditional downtowns, and older manufacturing facilities contribute to the economic vitality of Michigan's cities, towns, villages, and rural areas;

Whereas, Michigan greatly benefitted from the state historic preservation tax credit program available from 1999-2011 that leveraged \$71 M in credits to generate \$1.46 B of investment in rehabilitation projects, leveraged \$251 M in federal tax credits that brought back federal dollars that would not otherwise have returned to the state, created 36,000 jobs, and resulted in each \$1.00 of credit leveraging \$10.56 in direct economic impact;

Whereas, preservation projects help meet Gov. Gretchen Whitmer's housing goal of building or rehabilitating 10,000 housing units, providing options at all price-points of affordable and market-rate housing, accommodating all age-groups, and sustainably recycling all types of historic buildings – from schools to mills to factories;

Whereas, Preservation projects are often the best fit for rural areas, small towns, and mid-sized cities where funding gaps are left unaddressed, thus complimenting the big economic development programs needed in Michigan's larger cities;

Whereas, A preservation project's return on investment provides local benefits because smaller projects tap local suppliers for construction materials, employ professionals and skilled tradespeople who spend locally and pay local taxes, and have greater economic impact than equivalent new construction because rehabilitation is more labor-intensive;

Whereas, Preservation projects are recognized for advancing sustainability by keeping demolition waste out of landfills, curbing urban sprawl by utilizing existing infrastructure, eliminating the carbon released during both demolition and new construction, conserving the embodied energy invested during initial construction, retrofitting older buildings to make them energy efficient, and recycling all kinds of historic buildings for new uses;

Whereas, Preservationists have succeeded in keeping traditional downtowns and neighborhoods vibrant, returning valuable real estate to local and state tax rolls, attracting both young professionals and retirees – and everyone in between – to authentic, walkable places that become cultural centers for their regions and heritage tourism destinations;

Whereas, The historic preservation tax credit is the only program singularly focused on the state's oldest real estate that often exhibits the most intractable problems deemed too risky for



Resolution No. 24-06

traditional financing, providing a program underpinned by the simple provision of tax credits made available only after the owner has incurred all the risk, covered all the costs, and returned their property to use;

Whereas, While the current historic preservation tax credit program under Public Act 343 of 2020 did reinstate the 25% credit for both historic income-producing and residential projects, it did so with a \$5 M annual credit cap, and within hours of its on-line portal opening, there were applications representing \$368 M in qualified work translating into \$92 M of credit requests – over 18 times what was available;

Whereas, The Michigan Legislature presently is considering House Bill 5430 that will increase the annual credits from \$5 M to \$100 M made available to owners of both historic income-producing and residential properties who complete their work in keeping with the U.S. Secretary of the Interior's Standards for Rehabilitation; and

Whereas, House Bill 5430 proposes additional improvements to the current tax credit program such as sorting applicants into four groups so their applications are compared with projects of similar size, increasing the 25% credit to 30% for residential and small income-producing projects, expanding eligibility so that projects from the smallest towns and unincorporated, often rural, areas of the state have access to the program, and more; therefore, be it

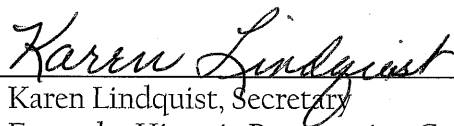
RESOLVED, That the Escanaba Historic Preservation Commission supports House Bill 5430 and calls upon the Michigan Legislature to vote approval of this important legislation and Gov. Whitmer to sign it, to stimulate economic development while also protecting irreplaceable historic buildings and enhancing the quality-of-life in Michigan; and

RESOLVED, that the Preservation Director shall forward a copy of this Resolution to the Michigan Historic Preservation Network.

A voice vote was taken;

RESOLUTION PASSED.

I, Karen Lindquist, Secretary of the Escanaba Historic Preservation Commission, do hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Historic Preservation Commission of the City of Escanaba, County of Delta, State of Michigan, at the regular meeting held on the 17th day of June 2024.



Karen Lindquist, Secretary
Escanaba Historic Preservation Commission