

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. 18-02

**A RESOLUTION SUPPORTING MICHIGAN SENATE BILL 469 AND HOUSE BILLS
5117 AND 5178 TO RESTORE STATE HISTORIC TAX CREDITS**

Minutes of a regular meeting of the City Commission of the City held on January 2, 2018, at or after 7:00 p.m., local time, at City Hall.

PRESENT: Commissioners: Anderson, Cooney, Cunningham, Urban, Vice Mayor
Knott, Mayor Hopewell

ABSENT: Commissioners: Sykes

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 neighborhood 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 embodied energy present in each structure and 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 to help fulfill Michigan's goals to Restore Our Cities, Protect Our Environment, and Create More and Better Jobs; 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 state historic tax credit programs and seen significant positive direct impacts on neighborhood and community revitalization, affordable and market-rate housing preservation and creation, local skilled jobs creation and additional private investment in areas surrounding tax-credit-driven revitalization projects; each \$1.00 of credit issued leverages \$11.37 in direct economic impact. The Michigan Historic Income Tax Credit, during its twelve-year history has leveraged \$251 million in Federal historic tax credits, and

WHEREAS, the former Michigan Historic Tax Credit has leveraged \$1.46 billion in direct rehabilitation activity and created 36,000 jobs since its enactment in 1999 through its elimination in 2011; and

WHEREAS between 1999 and 2011, when the previous Michigan Historic Preservation Income Tax Credit was in place, property owners in the City of Kalamazoo spent \$17,658,363 on rehabilitation of historic buildings, making Kalamazoo was the largest per-capita user of this credit in the entire state, and

WHEREAS, the Michigan legislature is presently considering Senate Bill 469 and House Bills 5117 and 5178 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 City Commission of the City of Kalamazoo endorses and supports Senate Bill 469 (and House bills 5117 and 5178) 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; and

BE IT FURTHER RESOLVED, that a copy of this resolution be forwarded to Representative Jon Hoadley, Senator Margaret O'Brien, the Senate Finance Committee, and Governor Snyder.

The above resolution was offered by Commissioner Urban and supported by Commissioner Cunningham.

AYES: Commissioners: Anderson, Cooney, Cunningham, Urban, Vice Mayor Knott, Mayor Hopewell

NAYS: Commissioners: None

ABSTAIN: Commissioners: None

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The forgoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on January 2, 2018. Public notice was given and the meeting was conducted in full compliant with the Michigan Open Meetings Act (PA 267,1976). Minutes of the meeting will be available as required by the Act.


Scott A. Borling, City Clerk