

April 16, 2024

The Honorable Kevin Hertel
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 Hertel

Owners of historic buildings in Michigan greatly benefitted from the state historic preservation tax credit available from 1999-2011 when they completed restoration work on 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 reach a wider constituency. I am writing to ask your support of HB 5430.

I come from a small town in Ohio which has a rich history of canals and manufacturing and unfortunately, the funding to preserve its buildings and the knowledge of how to do so was lacking. Sadly, the town is now widely spread out with the majority of the historic assets now being condemned or modified to such an extent that most people within the community are unaware of the cultural and economic loss.

When I visit cities that have valued their historic assets and cared for them, a sense of community and pride is forever present. Tourism increases which benefits communities economically while standing as a witness to the community's history. Funding preservation saves our treasures, gives us a sense of pride, and stops filling our landfills.

My interest in an expanded historic preservation tax credit program extends beyond my community. 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 to mills to factories. Preservation incentives can help revitalize rural areas, small towns, and mid-sized communities, but also be folded into large economic development programs in the aging cores of big cities. A preservation project's return on investment provides enormous local benefits because it can use professionals, tradespeople, and suppliers who 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, can 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 tell me if you will be supporting HB 5430. I would be happy to talk further with you about it.

Sincerely,

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