

Connecticut Preservation Action

For Immediate Release
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Governor Signs Historic Rehab Tax Credit into Law *Measure will Lead to Job Creation & Preservation of Historic Structures*

Thousands more historic buildings now qualify for Connecticut's state historic rehab tax credits, thanks to new measures just signed into law by Governor Dannel P. Malloy.

Connecticut Preservation Action (CPA), a state-wide lobbying organization for historic preservation issues, developed the idea for expanding the types of "certified historic structures" after an inquiry to the National Trust for Historic Preservation revealed that Connecticut is the only state in the nation that limits the types and uses of historic buildings in its state tax credit program.

That restriction and the severe recession of the past few years combined to create a shortfall in developers' subscribing to the measure. "We were basically trying to create jobs and neighborhood revitalization with one hand tied behind our backs," said CPA president Anita Mielert. "With credit from banks very difficult, this tax credit became even more important as a source for 'gap funding,' but the narrow definitions in the law were further reducing our chances for successful projects."

CPA pitched their suggested changes to Gov. Malloy's transition team, the Connecticut Commission on Cultural and Tourism and to Sen. Gary LeBeau (D-East Hartford) and Rep. Jeff Berger (D-Waterbury), co-chairs of the Commerce Committee. Sen. LeBeau and Rep. Berger quickly recognized the dramatic impact the proposed changes would have on job creation and made this their top priority for this legislative session. Sen. LeBeau and Rep. Berger were instrumental in building support for this initiative in their respective chambers.

Job Creation was the mantra of this year's session and in this area, historic rehabilitation projects are a proven winner. A recent study out of Rutgers University determined that, for every \$1 million in a project, a rehab creates 36.1 jobs, new construction creates 30.6 jobs, and manufacturing creates 23.9 jobs.

Now "certified historic structure" means an historic industrial, commercial, institutional, former municipal, state or federal government property, cultural building, or residential property of more than four units, or mixed residential and nonresidential property. Only industrial and commercial were included previously.

This structure may be rehabbed into a use for residential (in the first measure) or nonresidential or mixed residential and nonresidential (in the second measure). Purely nonresidential was never included prior to this change.

"We know that there are projects waiting in the wings," said Mielert. "We started a list of projects that never happened because of the previous narrow definitions, and it includes categories like former schools and post offices, theaters, churches, and buildings that simply are not conducive to residential use."

Approximately \$30 million in state tax credits is available every year. This legislation does not require any new funding, very important in this economy, but will potentially access more federal dollars because state credits are often "twinned" with the federal rehab tax credits.

For more information on the credits, contact the Commission on Culture and Tourism. For more information on CPA, check out the website www.ctpreservationaction.org or find us on Facebook.

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