

**Commerce Committee
Public Hearing Date February 23, 2017**

**SUPPORT FOR RAISED BILL 819
AN ACT RAISING THE ANNUAL CAP ON TAX CREDITS
FOR THE REHABILITATION OF CERTIFIED HISTORIC STRUCTURES**

TO: The Honorable Joan Hartley, Co-Chair, The Honorable L. Scott Frantz, Co-Chair, The Honorable Caroline Simmons, Co-Chair, The Honorable Geraldo C. Reyes, Vice Chair, The Honorable Art Linares, Vice Chair, The Honorable Timothy D. Larson, Vice Chair, The Honorable Dave W. Yaccarino, Ranking Member members of the Commerce Committee

I wish to submit my unequivocal support for the request before the Commerce Committee to raise the annual allocation of the Historic Rehabilitation Tax Credits. As a community economic development partner in the Capitol City, the Hartford Preservation Alliance relies on the financial power provided by equity attracted to historic preservation projects. In a city with a poverty rate at roughly 39 % and a property base with 5,300 buildings identified as historic or existing in historic districts, **Historic Rehabilitation Tax Credits provide the glue that weds investment to preservation.**

Historic Rehabilitation Tax Credits provide a crucial resource to help the cities and towns throughout the state turn economic and community development dreams into reality.

Take as an example the high-profile (literally) reuse of 777 Main Street, commonly known as the Bank of America Building. Previously viewed as testament to the failed economy of downtown Hartford, successful historic preservation developer, Bruce Becker, had the vision to see the building emerge as a residential beacon in the Downtown. When opened in 2014 the building leased at a phenomenal pace and exceeded all projections to reach full-occupancy within its first year of operation. Now routinely cited as a new residential landmark whose renaissance is helping to bring people back to live in Hartford, 777 Main Street could not have happened without the addition of equity provided by Historic Rehabilitation Tax Credits.

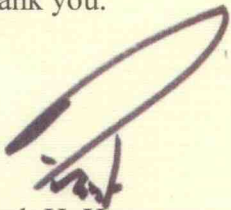
Overall greater than 1,500 units of housing have been developed in Hartford utilizing Historic Rehabilitation Tax Credits with nearly half of the units defined as being affordable. There was a list of vacant and abandoned buildings, those not contributing real estate taxes to Hartford, which sat as the sentinels of the death of a city. Much acknowledgment needs to go to the State Legislature's wisdom in creating the Central Region Development Authority (CRDA) however approximately 30% of the cost of reconstruction has been underwritten by the equity generated through tax credits.

Due to its ability to be **an economic development engine** the annual allocation for this Fiscal Year has already been committed. Projects which have been vetted by the State Historic Preservation Office are now being inventoried as they await a new tax credit allocation to be approved during this legislative session. New projects being proposed and those already in the pipeline will swallow the current annual allocation and create a backlog of worthy projects which will last into the next several legislative years. **These contributions to community economic development throughout the state will be opportunities lost as developers and investors seek alternative projects in other states.**

It has been proven that of every \$100 brought to historic rehabilitation projects, \$83 remains in the local economy. Increased property values raise the tax base and job training opens the possibility of new job creation, particularly in skilled trades. As we are witnessing in Hartford, **when vacant, abandoned and blighted buildings are brought back to life, a new economic and community vitality is infused in the neighborhood and the entire community.**

I truly appreciate your time given to SB 819 and ask that you consider an increase in the annual allocation to \$60 million.

Thank you.

A handwritten signature in dark ink, appearing to read 'Frank H. Hagaman', written in a cursive style.

Frank H. Hagaman
Executive Director