

Date: Thursday, February 24, 2010
To: Senator LeBeau, Rep. Berger and Members of the Commerce Committee
From: Kim Morque, President Spinnaker Real Estate Partners

Re: **Support of the Raised Bill 1023 with amendment to 19-41(a)**
Commerce Committee Public Hearing

Our firm is involved in urban redevelopment in Stamford, Norwalk and Bridgeport. In addition we have one of the largest historic rehab's in the county in development in St. Louis, Missouri. I also serve as Vice Chair of the Bridgeport Downtown Special Services District and as committee chairman was responsible for recommending that the three historic district reports covering downtown Bridgeport be updated which is in process.

Urban redevelopment cannot happen without an economic development strategy. In most cases, it requires a many pronged approach with several stakeholders working in a public private partnership to move a project forward. Historic Tax Credits play a vital role in revitalizing our downtowns and the overall redevelopment strategy. Historic buildings form the foundation of revitalization efforts in communities and have special needs because of their age and configuration.

Many historic properties do not lend themselves to residential uses because of lack of windows or adequate parking. Most importantly, downtowns should have a mix of uses that allow people to live, work and find cultural and entertainment venues without traveling by auto. Please expand the use of State Historic Tax credits to include commercial buildings and track the Federal Historic Tax Credit Program.

Currently both Statutes 10-416a and 10-416b restrict their utilization to buildings which have been either commercial or industrial, and which will become either residential under (a) or mixed residential and commercial under (b). CPA supports Raised Bill 1023 which proposes to open both measures to a more market-based approach. In addition, the types of buildings should be expanded to include historic structures which have been government (federal, state or municipal), mixed residential and nonresidential, residential of more than 4 units, or cultural properties. Finally, the post-rehabilitation uses should be expanded to any use, residential or nonresidential. The reasons for this proposal are many:

1. Historic rehabs create at least 12-percent **more jobs** per dollar invested than either new construction or manufacturing. **More qualified buildings will create more jobs.**
2. We will access **more federal dollars** into the state, as most rehabs twin this with the federal historic rehab tax credit, which are open to any project that is income-producing.
3. We will encourage **more private dollars** to be invested into real estate.
4. Of the 31 states with a historic rehab tax credits, **only our state limits** the types of buildings available to use the credit. Under current law, our statute does not permit the



conversion of a church into a performing arts center, or a school into senior housing, the rehab of a historic city hall, or even an old apartment building into a new one.

5. Many historic structures simply do not lend themselves to conversion into housing, but they are very appropriate for light manufacturing, offices, art galleries or libraries.
6. Residential will continue to be a desired use for many projects. Among the projects done under the federal historic rehab tax credit over the past 31 years, approximately 30 percent have residential use because the federal measure can be twinned with Low Income Historic Tax Credit and New Markets programs.

Prior to final approval, CPA requests that Commerce Committee amend this legislation to clarify that government structures must be historic to qualify for the historic rehab tax credit. On line 10 the words "or government" should be deleted and inserted in line 11. If uncorrected the ramifications are significant, as it completely changes focus of the program away from historic preservation. I've attached a proposed amendment which delineates our changes and rationale.

Thank you for raising this important bill which we know will deliver good results for our state. More qualified buildings will create more jobs and our buildings will never be out-sourced.

