



February 27, 2014

Commerce Committee
Senator Gary LeBeau, co-chair
Representative Chris Perone, co-chair

My name is Helen Higgins and I serve as Executive Director of the Connecticut Trust for Historic Preservation, a non-profit state wide preservation assistance organization chartered by the Connecticut General Assembly in 1975. The Trust is a statutory partner of the State Office of Culture and Tourism, DECD.

I am testifying today in favor of two bills:

- **HB 5004 AN ACT CONCERNING AN EXPANSION OF THE HISTORIC HOMES TAX CREDIT** to increase the amount of tax credits available under the historic homes tax credit program
- **SB 5272 AN ACT CONSOLIDATING CERTIFIED HISTORIC STRUCTURE REHABILITATION TAX CREDITS** to expand eligibility for and consolidate existing certified historic structure rehabilitation tax credits in order to increase efficiency in the use and administration of such tax credits.

That these two bills are in front of the Connecticut General Assembly this session demonstrates that using historic tax credits to invest in our downtowns, neighborhoods and suburbs is an option that is increasing desirable for developers and building owners to use to keep the costs of rehabilitating a building reasonable and affordable. Though it may or may not be true, we have all heard that historic rehabs can be very costly.

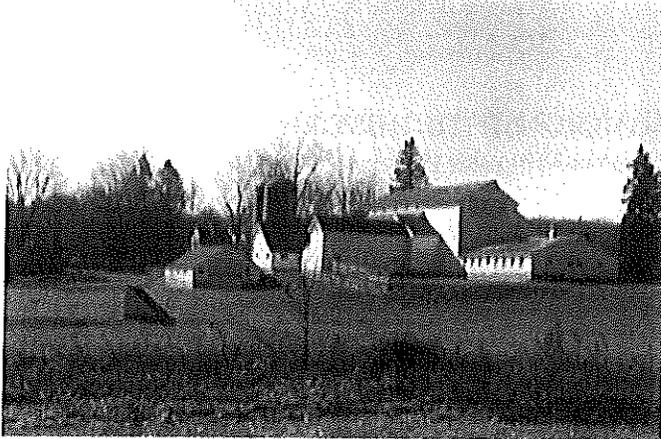
Historic tax credits are not an expense to the state; they provide excellent return on investment – rehabbed buildings add to the local tax rolls, provide jobs and housing. Historic rehab creates more jobs than new construction. Historic preservation is an economic driver.

Regarding HB 5004: Connecticut's Historic Homes Tax Credit benefits owners of historic homes, a completely underserved constituency. 2013 statutory changes to the Historic Homes Tax credit will open up eligibility for use of these credits to owners of certified historic structures listed on the State or National Register of Historic Places in any town or city. Originally the credit was limited to owners in lower income, urban areas. The expansion of eligibility doesn't go into effect until July, 2015, but it's not too early to plan for an expected major pent up demand to emerge from homeowners. The current cap of \$3 million will not be enough to address the demand for this credit. A cap of \$13 million would certainly address need.

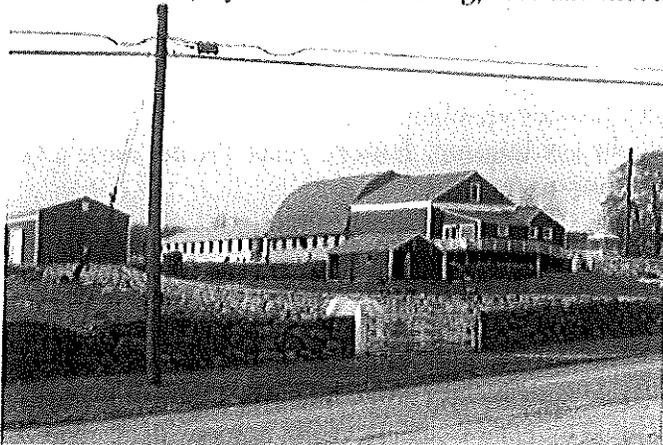
Regarding SB 5272: this bill which aims to merge two existing state historic tax credits into one seamless unit will make applying for a credit more user friendly for a developer/owner as well as the State Historic Preservation Office.

Under the current historic structures tax credits, historically certified barns are not eligible. Language in the new bill eliminates restricting the types of buildings eligible. Any building listed on the State or National Register of Historic Places, including in a district, is eligible. At the Connecticut Trust we have recently nominated 200 barns to the State Register of Historic Places. Under the revised tax credit they will be eligible for historic tax credits for substantial rehabilitation. As farming declines we want to provide incentives for a barn owner or developers to invest in a major rehab to re-use their barns as a commercial enterprise, a mini-apartment house, or a mix of retail and housing. This will go a long way to help keep these structures as useful, viable components of our historic landscape. Below, you can see images of two farms where the entrepreneurial owners are developing creative ideas for re-use for their multiple barns complexes. Each owner would greatly benefit from access to the historic tax credit.

Samuel Palestky Homestead, Morris



Ashlawn Farm, Lyme: coffee roasting, café and more.



Section 1 (a) 5: An additional note regarding Placed in Service to determine when the tax credit voucher is issued: buildings using the historic tax credit should be allowed to be occupied, that is not taken out of service, during the rehab. For example, if rehabbing a barn, one does not want to take the cows out to do the rehab.

Thank you for the opportunity to testify on these two important bills.

Heather Higgins