

Jobs & Economic Development on Main Street



Many of Oregon's historic downtowns are suffering from a downward spiral of disinvestment and neglect. Its time to turn that around. We can attract new investment to revitalize our Main Streets as desirable places to live, work, and shop.

SB 565: The Revitalize Main Street Act

- **A 25% rebate for certified rehabilitation of historic commercial buildings** – stores, hotels, theaters, apartments, fraternal lodges, factories, mills, etc. (Would not apply to single family homes.)
- Requires a minimum investment of \$10,000; targets the most important properties – those listed on the National Register of Historic Places; must retain historic character.
- Funded by the auction of state income tax credits at a capped amount. (Like the film production credit, and we end up with a tangible asset that lasts for decades.)

Why Do We Need It?

- The high cost of **restoration, code upgrades, and seismic reinforcement** often creates a funding gap, making rehabilitation financially out of reach.
- The state rehab rebate can be **paired with the federal Historic Tax Credit (20%)** to close the financial gap keeping many buildings from being restored.
- **Oregon's current financial toolkit falls short.** Federal and local incentives are available, but the state is the missing partner needed to attract more investment.
- **Investment in rural communities** is especially important. Approx. **2,600 buildings** in **77 towns** could use the credit. Two-thirds are outside of Portland.

How Would Our State Benefit?

- **Job creation.** Rehabilitation of old buildings creates more jobs dollar-for-dollar than new construction, manufacturing, mining, and most other industries.
- **Reactivated Main Streets.** Upper floors become occupied, new businesses move in, tourists pull off the highway to eat and shop.
- **More income tax revenues.** New jobs will be created through construction, suppliers, services, and the businesses that move into the refurbished buildings.
- **More local tax revenues** from improved property values to pay for local services.
- **Safer, seismically upgraded buildings** with ADA and fire code compliance.
- **Reuse of existing infrastructure.** Saves money and the environment.
- **Productive, tangible assets** that contribute to their community for decades.

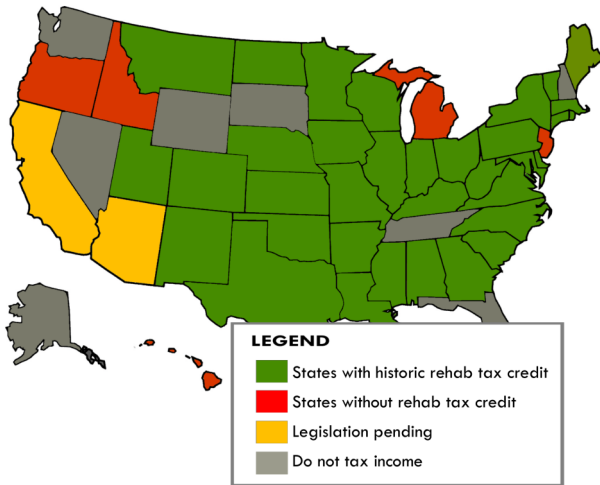
Our Main Streets Matter. Raise Your Voice!

Rehab incentives have a **proven track record for economic development in 35 states.** It's time Oregon had one, too!

- **Add your name** to the list of those endorsing the Historic Rehabilitation Incentive at www.restoreoregon.org/rehab-tax-incentive.
- **Join Restore Oregon and make a donation** to support our legislative effort.
- **Contact your state Representative and Senator,** tell them you need this, and ask them to support the Revitalize Main Street Act (SB 565).
- **Share examples** of historic buildings on your Main Street that can't be refurbished without the help of a state incentive.



Rehabilitation Incentives are Well-Tested in 35 States



- 35 states offer a rehabilitation incentive or tax credit. In 2013 Texas and Alabama added one, Wisconsin quadrupled their credit, and California passed a bill unanimously that takes effect in 2015.
- The Federal Historic Tax Credit (HTC) has generated a 26% return for the government's investment. \$21 billion in credits generated \$26.6 billion in federal tax revenues.
- State incentives create a ripple effect in local economies. In North Carolina, every dollar generates \$12.51 in economic benefit.
- According to a 2013 Rutgers University study, a \$1 million investment in historic rehabilitation yields markedly better effects on employment, income, Gross State Product, and state and local taxes than an equal investment in new construction, manufacturing, or services.

VIRGINIA: In 10 years, \$355M in state credits spurred:

- Rehabilitation of more than 1,200 landmark buildings.
- An economic impact of nearly \$1.6 billion in the state.
- More than 10,700 jobs.
- 93% of property owners indicated state tax credits were essential to their decision to undertake the project.

MINNESOTA: The first year after passage in 2010, an investment of \$49.1M in rehab credits generated:

- 14 rehabilitation projects totaling \$343M of expenditures.
- Every \$1 of state investment was matched by \$7 in private investment, and generated \$8.32 in economic activity.
- State economic output increased \$451M.
- 2,948 new jobs were created with income of \$152.4M.

MARYLAND: From 1996–2008, \$213M in tax credits resulted in:

- Commercial project expenditures over \$1B.
- Each \$1 tax credit yielded \$8.53 in total economic output
- 15,120 new jobs
- Over one-third of state's investment was paid back before construction was complete or the credits paid out.

OHIO: For the \$246.4M invested between 2007–2013:

- Every \$1 in rehab credits generated \$8.24 in construction spending
- Every \$1M in credits created 83 new construction jobs.
- 6,976 new jobs annually with wages totaling \$5.41B.

PROJECTED FOR OREGON:

– 2018 snapshot with a state investment of just \$10.6M –

- 4X more buildings rehabbed than without the state incentive.
- 1,369 jobs per year generating income of \$25.5M.
- \$2.3M net increase in property taxes per year to pay for schools and services.
- \$13.3M new federal Historic Tax Credit dollars spent in Oregon per year.
- \$35.8M net gain per year in direct development spending.



Brought to you by Restore Oregon and the Coalition to Revitalize Main Street
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Sources: Economic Impact of Historic Preservation Tax Credits in Virginia; Virginia Commonwealth University Center of Urban & Regional Development, January 2014. An Analysis of Economic & Environmental Impacts of the Maryland Historic Tax Credit Program by Joseph Cronyn and Evans Paul, Abell Foundation, 2009. Maryland Dept. of Planning, Jan. 2014. Economic Impact of Projects Leveraged by Minnesota Historic Rehabilitation Tax Credit; University of Minnesota Extension Center for Economic Vitality, 2011. Estimates of the Economic Impact of the Ohio Historic Tax Credit Program on the State of Ohio; Great Lakes Environmental Finance Center, Cleveland State University, May 2011. Rutgers University, Annual Report on the Economic Impact of the Federal Historic Tax Credit for FY 2012 (Washington: National Park Service, 2013). Economic Impact of a Historic Rehabilitation Incentive in Oregon, 2014, EcoNorthwest; data cited is projection for 2018.