

February 1, 2021

The Honorable Bill Lee
Tennessee Governor
Tennessee State Capitol
600 Dr. Martin Luther King, Jr. Blvd
Nashville, TN 37243

Subject: Tennessee Mayors Supporting the Historic Rehabilitation Credit

Dear Governor Lee,

As you know, there has been much discussion and broad support across Tennessee to implement a state historic tax incentive. As our communities' elected leaders, we ask that you include funding in your FY2021-2022 proposed budget for a state Historic Tax Credit program. Although money needs to be budgeted this year, the state will not issue credits for at least 12 months following enactment and not before historic rehabilitation projects are completed, certified according to historic preservation standards, and primed for generating tax revenue back to the state.

Funding this incentive would promote adaptive reuse of our historic buildings in Tennessee, many of which are located in downtowns and main streets. These areas have served for generations as the center of spiritual, social, cultural, and economic life. Reinvestment in these communities is made difficult, however, by market forces that compel the highest rate of return and neglect to factor the very attributes that make our state unique. With a state historic rehabilitation incentive, we believe we can "harness our heritage" to spur economic growth in our towns and cities, which is more important than ever due to the negative effects caused by the Covid-19 pandemic.

Many of these commercial buildings are in poor condition and require significant investment to bring the electrical, mechanical, plumbing, and roofing needs up to code. Most also require significant upgrades to meet fire safety and handicap accessibility needs. We hear time and again how property owners, especially those in areas with smaller populations, are unable to finance the needed repairs for their older and historic buildings. A tax incentive for the rehabilitation of historic buildings will attract investment and breathe new life into our communities. The construction, redevelopment, and jobs start now while the state realizes no fiscal impact until a tax liability is generated one to three years from now. Federal audits and state reports show that once the program is up and running, more revenue is generated than spent. The initial credit is repaid in an average of four to nine years and the businesses continue to pay taxes for years to follow.

President Ronald Regan understood the benefits of incentivizing small-town reinvestment, and he chose to make the federal historic tax credit a permanent part of the tax code, which has supported thousands of adaptive reuse projects ever since. The federal historic tax credit has helped more than 43,000 historic building owners across the country bridge the financing gap between restoration costs and financial viability. **Thirty-eight states, including all those surrounding Tennessee, have enacted legislation to provide state tax relief for owners wanting to restore older buildings.** We believe it is time for Tennessee to encourage stronger economic growth in all our communities through a tax-based incentive for historic rehabilitation, and your support of this incentive would mark the start of a new chapter of growth for our state.

We appreciate your efforts to strengthen communities across the state and believe historic tax credits are an important tool for accomplishing that goal.

Sincerely,

The following Tennessee Mayors and County Executives

Tennessee Mayors Supporting A Historic Rehabilitation Credit for Tennessee, page 2

Mayor Rogers Anderson
Williamson County

Mayor BW Beasley
City of Milan

Mayor Rick Bell
City of Lebanon

Mayor Cliff Berry, Jr.
City of Tiptonville

Mayor Robin Brandon
Stewart County

Mayor Kevin Brooks
City of Cleveland

Mayor Paige Brown
City of Gallatin

Mayor Randy Brundige
City of Martin

Mayor Casey Burnett
City of Friendship

Mayor Jake Bynym
Weakley County

Mayor David M. Byrd
Grainger County

Mayor Stephen Chambers
Trousdale County

Mayor Gary D. Chesney
City of Morristown

Mayor Jamie Clary
City of Hendersonville

Mayor Douglas Collins
City of Ducktown

Mayor John Cooper
Nashville/Davidson County

Mayor Omer Cox
Town of Oliver Springs

Mayor Jim Durrett
Montgomery County

Mayor Roland A. Dykes, III
City of Newport

Mayor Rick Graham
City of Spring Hill

Executive Jimmy Haley
Warren County

Mayor Jimmy Harris
Madison County

Mayor Diane Harrison
Town of Slayden

Mayor Randy Heady
Jackson County

Mayor Jim Hill
Town of Gibson

Mayor Anthony Holt
Sumner County

Mayor Randall Hutto
Wilson County

Mayor Mitch Ingram
Monroe County

Mayor Ricky Jackson
City of Trenton

Mayor Dale R. Kelly
Town of Huntingdon

Mayor Bill Ketron
Rutherford County

Mayor Jerry Kirkman
City of Westmoreland

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Mayor Rhea E. Little, III
City of Brentwood

Mayor Mark Potts
Jefferson County

Mayor Mahlon Luttrell
City of Bristol

Mayor Gary Reasons
Crockett County

Mayor Jeff Mason
Smith County

Mayor Dwayne Reynolds
City of Bradford

Mayor Shane McFarland
City of Murfreesboro

Mayor John Penn Ridgeway
Henry County

Mayor Karen Melton
City of Sunbright

Mayor Jim Strickland
City of Memphis

Mayor Chaz Molder
City of Columbia

Mayor Fred A. Sykes
City of Rutledge

Mayor Dr. Ken Moore
City of Franklin

Mayor Jeff Tibbals
Scott County

Mayor E.L. Morton
Campbell County

Mayor Becca Werner
Town of Coopertown

Mayor Bill Newman
Lincoln County

Mayor Chris Young
Dyer County

Mayor Joe Pitts
City of Clarksville

Mayor Chris Younger
City of Dyer

Cc: The Honorable Blake Harris, Chief of Staff to Governor Lee
The Honorable Butch Eley, Commissioner of Finance and Administration