

Mayors Supporting A Historic Rehabilitation Credit for Tennessee

April 3, 2019

The Honorable Bill Lee
Office of the Governor
State Capitol, First Floor
600 Dr. Martin L. King, Jr. Boulevard
Nashville, TN 37243

Dear Governor Lee:

Across Tennessee, historic downtowns and main streets are the heart of our communities. 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.

Promoting the adaptive reuse of Tennessee’s vacant storefronts and historic buildings is difficult. 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.

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-five 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.**

As our communities’ elected leaders, we ask that you include funding in your budget for the Main Street Historic and Tourism Revitalization Act, introduced by Representative Vaughn and Senator Watson. Although money needs to be budgeted this year, the state will not issue credits for at least 24 to 36 months following enactment and not before historic rehabilitation projects are completed, certified according to historic preservation standards, and generating tax revenue back to the state.

The construction, redevelopment, and jobs start now, with 25%-40% of the credit being paid back during the construction phase of the project before the credit is issued by the state. 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.

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

Sincerely,

Tony Aikens, Mayor
City of Lenoir City

Dwayne Dixon, Mayor
Town of Gates

Bernie Ash, Mayor
City of Lebanon

Roland A. Dykes, III, Mayor
City of Newport

Andy Berke, Mayor
City of Chattanooga

John Avery Emison, Mayor
City of Alamo

Cliff Berry, Jr., Mayor
City of Tiptonville

Margaret Feierabend, Mayor
City of Bristol

Tim Boaz, Mayor
City of Parsons

Rick Graham, Mayor
City of Spring Hill

Kevin Brooks, Mayor
City of Cleveland

Joe Grandy, Mayor
Washington County

Paige Brown, Mayor
City of Gallatin

Justin Hanson, Mayor
City of Covington

Chuck Burris, Mayor
Town of Athens

Jeff Harris, Mayor
City of Loudon

Mike Byrd, Mayor
Grainger County

Lee Harris, Mayor
Shelby County

Mack Carter, Jr., Mayor
City of Hornsby

Jill Holland, Mayor
City of McKenzie

William B. Cowan, Jr., Mayor
Town of LaGrange

Jeff Huffman, Mayor
Tipton County

Jonathan Dagley, Mayor
City of Wartburg

Ronnie Lokey, Mayor
Town of Bell Buckle

Ricky Jackson, Mayor
City of Trenton

Denny Johnson, Mayor
Lake County

Stan Joyner, Mayor
Town of Collierville

Dale R. Kelly, Mayor
Town of Huntingdon

Robert W. (Bobby) King, Mayor
City of Henderson

Jack Lay, Mayor
Town of Oneida

Jim Lee, Mayor
Hawkins County

David Livingston, Mayor
Haywood County

Pam Mabry, Mayor
City of Newbern

Cindy McAdams, Mayor
City of Greenfield

Benny McGuire, Mayor
Obion County

Julian McTizic, Mayor
City of Bolivar

Chris Miller, Mayor
City of Philadelphia

Chaz M. Molder, Mayor
City of Columbia

Dr. Ken Moore, Mayor
City of Franklin

Tim Neal, Mayor
City of Kingston

Ronnie Neil, Mayor
City of Somerville

Andy Ogles, Mayor
Maury County

Joe Pitts, Mayor
City of Clarksville

Diana Poole, Mayor
City of Gleason

William D. Rawls, Mayor
City of Brownsville

Madeline Rogero, Mayor
City of Knoxville

Jim Sells, Mayor
Town of Rogersville

Robert E. Shutt, Mayor
City of Savannah

Allan Sterbinsky, Mayor
Town of Stanton

Jim Strickland, Mayor
City of Memphis

Jeff Tibbals, Mayor
Scott County

Mayor Vest, Mayor
City of Jonesborough

Michael Whisenant, Mayor
City of Fayetteville

Ron Williams, Mayor
Town of Farragut