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Senator James Beach, Chair
Members of the State Government, Tourism, Gaming and
Historic Preservation Committee
Statehouse Annex
Trenton, New Jersey

Re: "Historic Property Reinvestment Act" (S1740/S2031)

Dear Senator Beach and Members of the Committee,

I am Michael Hanrahan, Past-President and current Board member of Preservation New Jersey. Founded in 1978, Preservation New Jersey (PNJ) advocates for and promotes historic preservation as a sustainable strategy to protect and enhance the vitality and heritage of New Jersey's richly diverse communities. PNJ is a statewide non-profit organization with members from the development communities, architecture and planning professions, historians, and enthusiastic residents. I am here to express our support for S1740 & S2031, the Historic Property Reinvestment Act.

As you know, historic places in New Jersey distinguish each community and provide character and a sense of place that contribute significantly to the quality of life and the market "edge" enjoyed by each community. Preserving and rehabilitating these historic buildings – whether commercial buildings on Main Street in Boonton, Camden or Paterson, or homes in residential historic districts in Hackettstown or Edison -- contributes to the viability, character and economic vitality of New Jersey communities.

Thirty-five states have a historic preservation tax credit. New Jersey is not one of them. Without a historic preservation tax credit, New Jersey is missing out on a proven tool for economic growth and revitalization. Between 1978 and 2015, the National Park Service's federal Historic Tax Credit for income-producing buildings led to \$28.1 billion in federal tax receipts, a significant net gain over the \$23.1 billion in allocated credits. States that have their own historic preservation tax credits see similarly strong returns on investment at the local level. Each has seen significant, positive and direct impacts on neighborhood and community revitalization, skilled jobs creation, affordable and market-rate housing preservation and creation, and hundreds of millions of dollars in new private investment in historic buildings and the areas surrounding these tax-credit-driven revitalization projects. Maryland, Virginia and Rhode Island have also, for example, measured the fiscal impacts of their state historic tax credit programs on the relevant state treasuries. These states have seen immediate and measurable positive impacts on state tax revenues, with tax credits returning as much as \$8.00 to state treasuries for every dollar of credit given.

In 2011, the NJ Legislature passed the Historic Property Tax Credit Act with strong bipartisan support. However, included as part of the Democratic package for economic development, Governor Christie vetoed the state historic preservation tax credit. Governor Murphy has expressed support for a historic tax credit in both the Urban and Regional Growth Transition Report released in January 2018, and in his Economic Development Plan announcement earlier this month. Now is the time to move on a NJ historic tax credit, so we can stay competitive with our neighbors.

PRESERVATION NEW JERSEY

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NJ Future and Preservation New Jersey worked together to formulate the attached white paper demonstrating the benefits of a NJ historic tax credit. We hope you will support this important preservation and revitalization tool. We thank you for this opportunity to present PNJ's priority policy initiative. Please do not hesitate to contact PNJ for additional information on this, or other matters related to historic preservation.

Sincerely,



Michael J. Hanrahan, AIA
Past-President



Courtenay D. Mercer, PP, AICP
Director

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