

TENNESSEE HISTORIC REHABILITATION INVESTMENT INCENTIVE:

A Proven Strategy to Create Jobs and Revitalize Tennessee's Main Streets

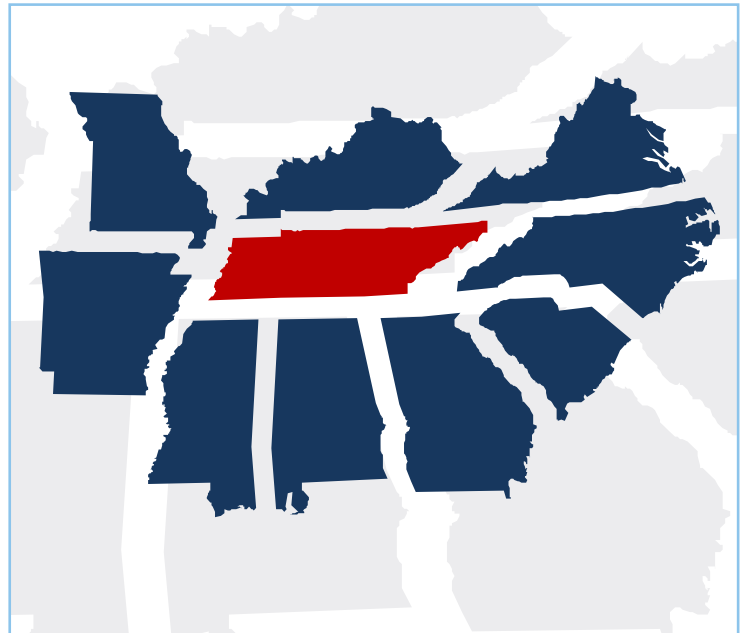
In communities throughout Tennessee – large and small, rural and urban – there are armies of citizens eager to revitalize downtown main streets, re-purpose old buildings for local businesses, transform warehouses into lofts, convert old theaters into local art centers, and open restaurants in locations that tell the unique history of our beloved state. These armies lack one thing: A Complete Financial Toolset. The missing piece is a state historic rehabilitation incentive to compete with the successful state historic rehabilitation programs in all of our neighboring states. It's time we seize the opportunity to invest in the economic future of our historic downtowns and communities.

THE GOAL:

- Attract capital investment to revitalize historic main street communities and buildings, creating desirable places to live and work.
- Create jobs and boost economic development in communities throughout Tennessee.

WHO WOULD BENEFIT:

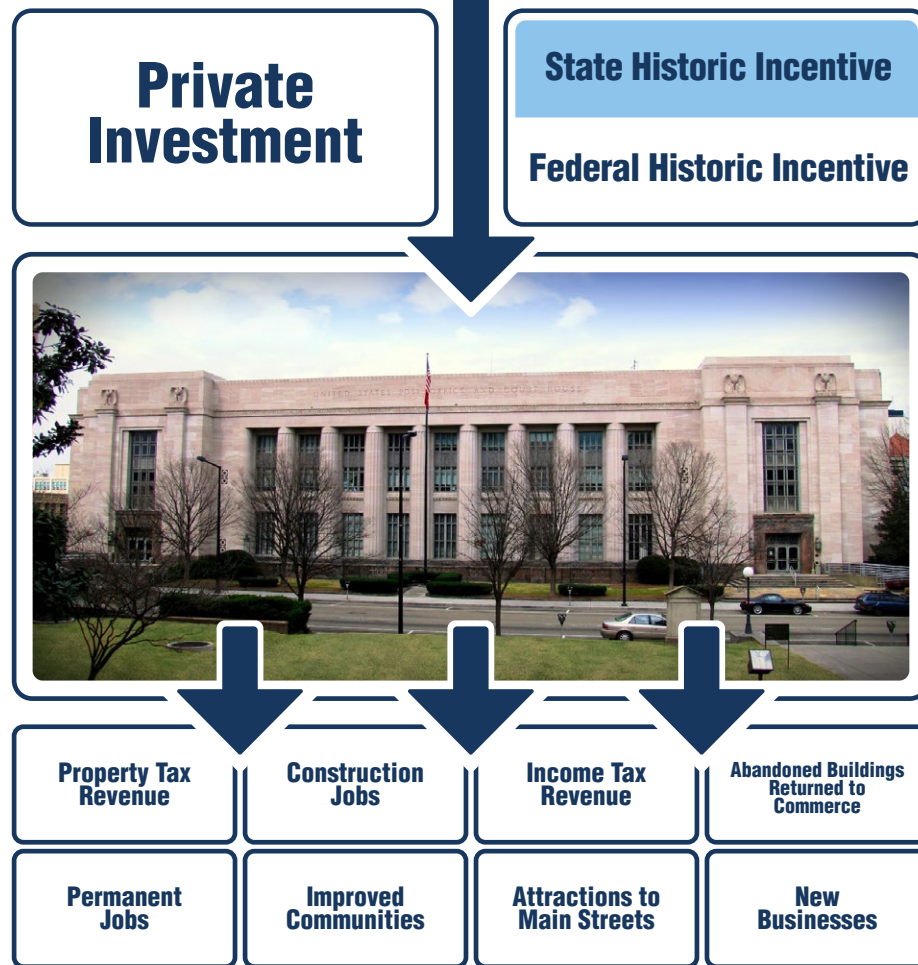
- Historic downtowns seeking to revitalize historic buildings and communities with new businesses, housing and tourist attractions.
- Property owners who currently cannot afford to rehabilitate storefronts, convert upper floors or bring historic buildings to code.
- Small businesses seeking an attractive space for their customers.
- Civic leaders who want to see property values and tax revenues increase to pay for local services.
- State leaders who want to see economic growth throughout the state, increased state revenues and job creation.



36 states, including all of the states surrounding Tennessee, have enacted historic rehabilitation tax incentives to encourage the rehabilitation of historic buildings and revitalization of established communities. We need to be competitive!

WHY A TAX INCENTIVE?

- Rehabilitation incentives work. Their effectiveness is proven in 36 other states.
- Tennessee is failing to attract the private capital attracted by neighboring states with state historic tax incentive programs.
- Because a state rehabilitation incentive is often paired with a federal historic tax incentive, Tennessee will capture a larger share of federal dollars.
- It supports our state's goals of preserving and reusing our state's historical landscape and culture.
- In addition to preserving history, a historic rehabilitation incentive creates jobs and often has a positive, catalytic effect on the surrounding neighborhood and community, generating new state and local tax revenue that more than pays for the cost of the incentive.



A PROVEN EFFECTIVE TOOL FOR JOB CREATION AND ECONOMIC DEVELOPMENT, WITH A POSITIVE ROI TO THE STATE:

Historic rehabilitation incentives have proven to be effective tools for job creation and economic development in other neighboring states, with a positive ROI:

- **Louisiana** – provided 6,538 direct construction jobs and 4,008 operational jobs from 2004-2015; \$2.77 present value increase on total tax collections for every \$1.00 invested by the state, resulting in a ROI of more than 2:1.¹
- **Alabama** – 2,133 direct construction jobs and 1,373 operational-phase jobs created in the 3-year history of the program; \$3.90 returned to state/local sales tax collections for every \$1.00 of credit allocated by the state over a 20-year period, resulting in a ROI of almost 4:1.²
- **Virginia** – provided 31,000 jobs and generated \$133 million in state and local tax revenues over the 17-year history of the program.³

If you have any questions or would like to become involved in the effort to enact a TN state historic rehabilitation investment incentive, please reach out to Mackenzie Ledet with the Coalition for Tennessee Redevelopment at coalitiontnredevelopment@gmail.com.

¹ Economic Impact Analysis, Louisiana Historic Tax Credit Program, Novogradac & Company, LLP (May 1, 2015).

² Alabama Historic Rehabilitation Tax Credit Program Comprehensive Economic Impact Study, Novogradac & Company, LLP (January 2016).

³ Economic Impact of Historic Rehabilitation Tax Credit Programs in Virginia, VCU Center for Urban and Regional Development (January 2014).