February 5, 2015

The Honorable Gina M. Raimondo
Office of the Governor
State House, Room 224
82 Smith Street
Providence, RI 02903

Dear Governor Raimondo:

We, the undersigned municipal leaders, write to urge you to include multi-year funding for the Historic Tax Credit in your budget this year.

According to the Rhode Island Historical Preservation and Heritage Commission (RIHPHC), in its report on January 22, 2015 to the Special Legislative Committee to Study Commercial Development and Redevelopment of Historic Buildings in Rhode Island, $1.5 Billion has been invested in 258 completed historic rehabilitation projects and phases of projects, thanks to the Historic Tax Credit, while $500 Million is planned to be invested in 61 active historic rehabilitation projects and phases of projects. Of that $500 Million of projects planned for cities and towns across our state, developers say that, conservatively, some 30% of that $500 Million represents the cost of construction sales tax going into state coffers. Payroll- and income-tax revenue from the construction, architectural, engineering, and other support jobs generated by these active projects is additional. We think these figures demonstrate clearly that the Historic Tax Credit is not, as some budget hawks have claimed, “an expense in the budget without associated revenue to offset the expense.”

Furthermore, since 2001, projects fueled by the Rhode Island Historic Rehabilitation Tax Credit have leveraged an additional $179 Million in Federal Historic Tax Credits, additional investment in our state that would not occur but for the State Historic Tax Credit program.

Our communities are grappling with underfunded pensions and aging infrastructure. Abandoned buildings generate no tax revenues and put major burdens on our public safety resources. These stark realities increase our need for state aid. The Historic Tax Credit is a proven incentive for developers to repurpose these buildings and put us on a path toward greater self-sufficiency and community revitalization.

Here are just a few examples of what happens to our tax rolls when a developer turns a disused factory into offices, shops, and residences:

- Slater Cotton Mill, Pawtucket, assessment increased 578%
- Riverfront Lofts, Pawtucket, assessment increased 869%
- Rising Sun Mills, Providence, assessment increased 660%
- Allen Streets Lofts, Woonsocket, assessment increased 1,876%
We need this added revenue and we need it now. Reinstating the Rhode Island Historic Rehabilitation Tax Credit is an investment in cities and towns that the state cannot afford to ignore.

Here are a few other reasons why we are urging you to include the Historic Tax Credit in your budget:

- Developers go where the climate is favorable. Connecticut, Maine, and Massachusetts offer tax credits to make their historic property restoration financially feasible.
- Tourists from New England and the world come to Rhode Island to experience our rich fabric of historic buildings and neighborhoods. The more we can preserve, invest in, and revitalize these assets, the more marketable we will become to the outside world.
- Jobs are created during the rehabilitation of these buildings and then by the businesses that occupy them. Consider:
  - Hope Artiste Village, Pawtucket
  - Rumford Center, East Providence
  - Aquidneck Mill, Newport
  - Greenwich Mills, Warwick
  - Elizabeth Webbing Mill, Central Falls
  - St. Ann’s Community Center, Woonsocket

The past success of the Rhode Island Historic Rehabilitation Tax Credit cannot be overstated. Let’s work together to put this incentive back to work for the future of our great state.

Mayor Scott Avedisian, Warwick

Mayor Lisa Baldelli-Hunt, Woonsocket

Mayor James A. Diossa, Central Falls

Mayor Jorge O. Elorza, Providence

Mayor Allan Fung, Cranston

Mayor Donald R. Grebien, Pawtucket

Mayor Charles A. Lombardi, North Providence

Mayor Jeanne-Marie Napolitano, Newport

Town Manager Frederick Presley, West Warwick

Town Administrator Antonio A. Teixeira, Bristol

cc: M. Teresa Paiva Weed, Senate President
Nicholas A. Mattiello, Speaker of the House of Representatives
Stefan Pryor, Secretary of Commerce
Michael DiBiase, Director, Department of Administration
Stephen Neuman, Chief of Staff, Office of the Governor
Matthew Appenfeller, Director of Policy Development, Office of the Governor
David Cruise, Legislative Director, Office of the Governor