David Mead - Michigan's Historic Tax Credit

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To: <dmead@house.mi.gov>
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Subject: Michigan's Historic Tax Credit

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The Honorable Judson S. Gilbert II, Chair
Michigan House Tax Policy Committee
Anderson House Office Building, Room 519
Lansing, Mi 48909-7514

Dear Chairman Gilbert and Members of the Committee:

The Friends of the Historic East Campus (FOHEC) of Western Michigan University united over a decade ago to seek the preservation and productive re-use of the buildings and grounds that comprise the university's birthplace.

East Campus, highly visible atop Prospect Hill, on Kalamazoo's west side was gifted to the State of Michigan by the citizens of Kalamazoo in the early 1900s. The campus was a bustling place until after World War 2 when the university's enrollment exploded and more space and buildings were needed. That new construction took place across Old US 12 to the west and then to the south and, over time, East Campus became isolated from active university life. In the past decade, most of the buildings have been partly or entirely emptied and closed. The few uses remaining are ill-serviced as the buildings receive nothing but emergency attention.

As the cradle of Western Michigan University, these East Campus buildings should be actively used and honored for the legendary role they have played in the life of the university and the Kalamazoo community but, until recently, re-use discussions have stalled. Within the past two years, however, new options have arisen and development by a partnership of the university and private entrepreneurs is a real possibility.

FOHEC has worked with the university to promote these options. Long-term leases to developers who undertake rehabilitation and productive use of the buildings using federal and Michigan preservation tax credits, as well as a number of other Michigan and local credits and incentives, can bring active sustainable lives to these legacy buildings. After long years of discussion, at the end of 2010, WMU issued a Request for Proposals for the re-development of the historic East Campus site which was met with enthusiastic response from qualified developers.

Now, however, it appears that several of the state's most important business incentives that this project MUST have in order to be viable-may be eliminated. At a time when new business needs to be attracted to the state, incentives to do so might be snatched away.

Michigan's historic tax credit and it's brownfield credit are not tax waivers. They are tools for re-building communities. They have worked in cities in all corners of the state and are strong, effective, development tools.

FOHEC strongly opposes the elimination of the historic preservation tax credit. It has well-demonstrated success; leverages significant private investment for every public dollar spent and sparks further redevelopment in communities where it is used.

Sincerely,

Joshua G. Willson ,Vice Chair
Friends of the Historic East Campus