



# AIA Virginia

Monday, August 29, 2016, 1:00 p.m.

Joint Subcommittee to Evaluate Tax Preferences

House Room D, General Assembly Building, 201 N. 9th Street Richmond VA 23219

Mr. Chairman and members of the committee, I am Nick Vlattas, president of AIA Virginia, a Society of the American Institute of Architects.

AIA Virginia represents the voice of the architecture profession in the Commonwealth and we strongly support Virginia's Historic Rehabilitation Tax Credit as an important tool for economic development and a critical driver in the preservation of Virginia's rich cultural and architectural heritage.

On behalf of our 2,300 members and the thousands more we employ, we urge the committee to reject a repeal, sunset or cap to the credit.

As you all know, Virginia holds a special place in our nation's history. That history is anchored in the spaces where we live, work, learn, play and worship. Each generation is a steward of our history for the next, and once our treasured buildings are lost they are impossible to replace.

There is tangible value in preserving the past by reusing our historic building stock, where millions upon millions of dollars of infrastructure investment has already been made by previous generations.

Rehabilitation of historic buildings uses fewer materials than new construction thereby contributing to a more sustainable environment. It preserves Virginia's open spaces by reducing sprawl.

Studies indicate that on almost all levels, historic preservation-based revitalization programs yield higher economic benefits and are more cost effective than other economic development initiatives.

In a survey of our membership, 73% of respondents believed that their businesses would be harmed if the credit were eliminated or capped.

More than 70% report that they've worked on historic tax credit projects.

My own firm, Hanbury based in Norfolk, has worked on HTC projects in communities around the Commonwealth - - from the Cavalier Hotel in Virginia Beach to the State Theatre in Culpeper, to the Prizery in South Boston.

Currently under restoration, the historic Cavalier Hotel in Virginia Beach is part of our treasured history and one of the few historic hotels left from the roaring 1920's heritage. The project would not be possible without historic tax credits. The economic impact to our area including construction, tourism and jobs created will be significant when finished.

The Prizery, a tobacco warehouse in South Boston, Virginia, was rehabilitated as a community arts and visitor center. We tracked the impact of that project on South Boston and Halifax County for five years past its

completion and it was phenomenal. There was a noticeable increase in meal tax, tourism, jobs, and educational opportunities. Without the Rehabilitation Tax Credit Program, none of this would have been possible. The rehabilitation of the Prizery not only saved a beloved historic building, it also created a new economic engine for Halifax County.

Since its inception, more than 2,375 historic buildings in Virginia have been preserved and put to use. Not only does this mean work for architects and architecture firms, but these projects also generate state and local tax revenue, create jobs, and act as an incredible catalyst for community revitalization.

When we preserve our heritage for future generations, we also invest in tourism. Research shows that heritage visitors stay longer, spend more per day, and, therefore, have a significantly greater economic impact.

Virginia Historic Rehabilitation Tax Credit is exactly the kind of market-based incentive needed to leverage investment in our historic infrastructure. It attracts critical private dollars and helps secure bank financing for these kinds of important rehabilitation projects.

Mr. Chairman and members of the committee, I once again urge you to reject a repeal, sunset or cap to the credit.

Thank you.

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SURVEY DATA: 244 Responses, 97% support HTC, 70% worked on HTC projects. 105 shared success stories