

I'd like to thank all the members of the Committee for allowing us to present our findings on the effectiveness of the State Historic Preservation and Cultural and Entertainment District Tax Credit.

With me today is Zhong Jin from the Iowa Department of Revenue. Zhong has been responsible for developing and analyzing the quantitative data provided in the report presented here today and I'm Steve King. I oversee the activities of the State Historic Preservation Office where we administer this Tax Credit on behalf of the Dept of Cultural Affairs.

Zhong will walk you through the quantitative component of the report after I take just a couple of minutes to provide a progress update on the program changes put into effect last session and to talk about the importance of Historic Preservation to Iowa's overall quality of life.

DCA's Mission is to **Empower Iowa to build and sustain culturally vibrant communities by connecting Iowans to the people, places and points of pride that define our State.**

...and **Historic Preservation** can play an important role in making sure that Iowa is recognized as a state that fosters creativity and serves as a catalyst for innovation.

Studies show that there are Environmental, Cultural and Economic Benefits to Preservation:

Environmentally

On its most basic level, historic preservation is the practice of **conserving resources**. Not only do restoration and redevelopment consume less energy than demolition and new construction, but preservation also recovers the value of past energy investment. Preservation is **Smart, Sustainable Growth**.

Culturally

Unlike fine and performing arts, historic buildings are a piece of our shared heritage that we can interact with and adapt to our changing needs. There are in effect **"everyday culture"**. **They are Landmarks that tie Iowans to their communities**. Through the wisdom of the legislature - State Preservation Tax Credit helps communities retain their resources and preserve them for future generations

Historic buildings help create vibrant, cultural downtowns that draw tourism, art, festivals, and other activities which in turn draw investment, revenue, and economic growth. A dynamic historic downtown can be the centerpiece of community life: a place to shop, invest, create and live. Simultaneously, preservation can be a tool to boost economy and quality of life.

The more the community is involved, the more successful effective an area will become for locals and visitors.

Before we get into the Economic benefits... a quick update on the changes to the administration of the program **and** word of thanks to Senator Dotzler and Representative Hagenow for sponsoring the legislation.

DCA/IDR and the AG's office have been writing rules that will be shared with stakeholders prior to going through the rule approval process. (mid-April)

Since July roughly \$28 to 32M of previously reserved, but un-used Tax Credits have been voluntarily returned to the DCA. Those unused credits will be re-assigned through the Registration process scheduled to begin on January 26.

In anticipation of that Registration Period, the SHPO staff has had 51 pre-application meetings with prospective owners and developers. A handful of those prospective applicants have actually been able to proceed with construction even before the project is registered.

As a result of DCA/IDR collaboration, **and for the first time ever**, applicants will be able to submit their applications electronically. We expect this process not only to be more efficient as the program moves into the future, but also more transparent...giving program-users the opportunity to track their projects' progress through what can be a pretty involved application process.

...and with that, I'll ask you to turn your attention to Zhong.