HB 1190 COLORADO JOB CREATION & MAIN STREET REVITALIZATION ACT
2018 Reauthorization Effort
Representative Esgar and Representative McKean
Senator Tate and Senator Garcia

BACKGROUND
The Commercial Historic Preservation Tax Credit was established in 2014 following the passage of HB14-1311. The credit was initially set at $10 million annually, with $5 million for small projects and $5 million for larger projects. The credit aimed at spurring investment in communities throughout the state, and the specific carve out for small projects helps ensure that rural communities are well represented. It is jointly administered by History Colorado and the Office of Economic Development and International Trade.

SUCCESSES SINCE INCEPTION
Although the tax credit has only been in place for two and a half years, the impacts from the program are visible throughout rural and urban Colorado. Since the program went into effect, tax credit recipients have used the credit to kick start 48 commercial projects across the state. Tax credit projects span the state from Trinidad to Telluride, Greeley to Walsenburg, and across the Front Range. Cities utilizing the program range in population from Victor (403) to Denver (682,000).

Economic impact from the $17.4 million in credits reserved by applicants to date includes:
- $131 million in rehabilitation costs
- 759 new full-time jobs with $34 million payroll added
- $10.3 million in total sales tax (in addition to the sales taxes generated by the economic activity of these revitalized buildings)
- $178 million increase in property values post rehab
- $17 million income generated for property owners
- $33.3 million spent by owners on additional capital improvements after initial rehab

WHY REAUTHORIZE?
The program is already on track to leverage the full amount approved by the legislature’s initial establishment of the program. As the program has gained traction, interest from rural communities has continued to blossom. We know of potential projects under consideration in the communities of La Junta, Brush, Leadville, and Yuma. The program has proven to be valuable in spurring economic development in communities big and small. Continuation and expansion of this program will help additional rural and blighted communities across Colorado utilize this credit as a tool for rehabilitation to preserve the past and drive future economic potential.

The 2018 reauthorization and expansion effort includes:
- Continue the credit at $10 million annually, with $5 million for small projects and $5 million for larger projects.
- Additional incentives (35% credit) for projects in rural areas.
- Adjustments to current qualifiers for the program to remove obstacles for small projects in rural areas such as adjusting the lease requirement for rural projects and replacing a complicated formula to determine ‘qualified rehabilitation expenditures’ with a flat amount.
- Separating the residential and commercial tax credit in statute to provide clarity to taxpayers about the specific rules for each program.
- Technical program changes to increase efficiency and reduce the cost of program administration.

SUPPORTING ORGANIZATIONS
Colorado Preservation Inc., City of Cripple Creek, American Institute of Architects Colorado Chapter

AIA Colorado members interested in learning more or helping with our efforts to support this bill are encouraged to contact Nikolaus Remus, AIA at 303-228-3914 or nikolaus@aiacolorado.org.