



Ohio Historic Preservation Tax Credit

Program Overview

The Ohio Historic Preservation Tax Credit provides the owners of historic buildings 25 percent of qualified expenses towards rehabilitation. The program has proven to be an economic driver for the state, leveraging private investment, creating jobs, and reoccupying once vibrant buildings. Annually, \$60 million is available to applicants during two competitive application cycles. Applications are scored based on past regional distribution amounts and economic impact and undergo a cost-benefit analysis.

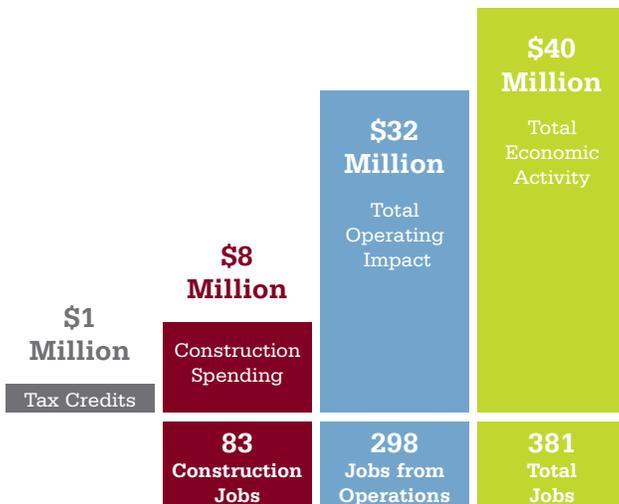
Economic Impact Study

Cleveland State University, in partnership with TeamNEO, completed an economic impact study of construction and selected operating impacts for all rounds of the program. The study found that during the construction period alone, the first \$246 million in tax credits approved will lead to the following:

Construction Period Impacts

- \$2 Billion in Economic Impact
- 20,594 Full-Time Jobs (annual average of 2,942 jobs)
- \$80.5 Million Expansion of Public Revenues
- \$8.24 of Construction Spending for Every Dollar of State Tax Credits

Impact of \$1 Million in Tax Credits



Leverages Significant Investment

The program generates \$8.24 of economic impact from construction spending for each dollar of state tax credits and has a proven track record of attracting private and federal investments to Ohio. The 35 projects completed as of July 2011 attracted more than \$339 million in other investments.

Creates Construction Jobs

National studies have found that up to 70 percent of historic rehabilitation project expenditures go toward local labor costs. Labor costs for new construction typically average 40 percent of construction costs. Additional job creation is fueled offsite, as an industry of professional services, architects, and suppliers are required to complete projects.

Performance Based

The program is structured so that the State of Ohio approves applications up front but realizes no financial impact until after projects are completed and all construction related investments have been made. In fact, the recently completed economic impact study found that \$.31 cents of additional state tax revenues are generated for every dollar of tax credits invested during construction prior to any financial impact to the state.

Revenue Generating for Governments

More than 80 percent of the approved projects to date have been vacant buildings prior to rehabilitation. Returning these buildings to productive use generates new property, income, and sales tax revenues for state and local governments.

Attracts Federal Investment

The program is designed to be easily paired with the 20 percent federal historic tax credit. Despite the current economic environment, federal historic tax credit investment in Ohio during 2010 totaled \$195.5 million, the highest amount in five years.

Rejuvenates Communities Across Ohio

Cities across the state have found the program critical to turning the corner in urban redevelopment. Smaller cities, including Piqua and Springfield, used the credit to rehabilitate anchor buildings and spur additional reinvestment in their downtowns. Larger cities transformed entire districts by concentrating use of the credit, such as Euclid Avenue in Cleveland or Over-the-Rhine in Cincinnati.



John R. Kasich, Governor

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