



VIEW*S* & VISIONS

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Historic Tax Credits and the Promise of West Virginia Cities

The Honorable Glenn F. Elliott, Jr., Mayor
City of Wheeling, West Virginia

Glenn F. Elliott, Jr., as a first-time candidate for office, was elected Mayor of the City of Wheeling, West Virginia in 2016. Under his leadership, the city has focused on economic development initiatives, revitalization efforts and quality-of-life improvements to attract and maintain a quality workforce.

From 1994 to 1999, Elliott served as Legislative Assistant for U.S. Senator Robert C. Byrd. In 2001, he joined international law firm Baker Botts LLP in Washington, D.C. He returned home to Wheeling in 2009 and set up practice as an independent contractor attorney.

Elliott turned his focus to revitalization and preservation efforts in 2012 with the formation of Market Street Now, LLC. In 2015, he opened Elliott Law Office, PLLC to assist local clients with real estate transactions and estate planning needs.

He is a graduate of the University of Pennsylvania's Wharton School with a bachelor's in economics. Elliott earned his law degree from Georgetown University Law Center in Washington, D.C.

Elliott serves as director of the Regional Economic Development Partnership, Wheeling National Heritage Area Corporation, Wheeling Symphony Society and Friends of Wheeling. In 2017, Governor Jim Justice appointed him to the Board of Directors of the West Virginia Affordable Housing Trust Fund.

Throughout American history, cities have seen their fortunes ebb and flow. By the early 20th century, cities were the place to be for culture, entertainment, shopping and beyond. But with the advent of the automobile, many American cities yielded the "it" factor to the suburbs and saw their downtown business districts decline. West Virginia cities – including Wheeling – were no exception, with many once-vibrant downtown streetscapes throughout the Mountain State succumbing to vacancy and blight.

Today, cities are once again in vogue – particularly for graduates entering the workforce and for companies seeking to employ them. Authenticity matters, and smart cities have realized that the once-overlooked historic buildings dotting their landscape are non-renewable resources that can provide residents, employees and tourists with an authentic experience not found in the cookie-cutter architecture that has infected suburban sprawl. Old buildings have character. They have stories to tell. They provide historical context. They matter.

But old buildings are not easy. Few were built in a way that satisfies 21st century fire codes. Many suffer from deferred maintenance issues. Renovating them tends to be more expensive than new construction and presents greater cost uncertainty. Without economic tools to level the playing field, many of our most precious historic structures would likely be in jeopardy.

Fortunately, those tools exist, and none have had a greater impact than state and federal historic tax credits. Since 1978, a federal historic tax credit has been available for qualified rehabilitation expenditures on properties listed



on the National Register of Historic Places (either individually or as a contributing building in a historic district). Today, that credit stands at 20 percent. Likewise, West Virginia has offered a comparable historic tax credit that can be paired with the federal credit. On January 1, 2018, this credit was increased from 10 to 25 percent, meaning that up to 45 percent of approved rehabilitation expenses can be offset with tax credits. The playing field has been leveled.*

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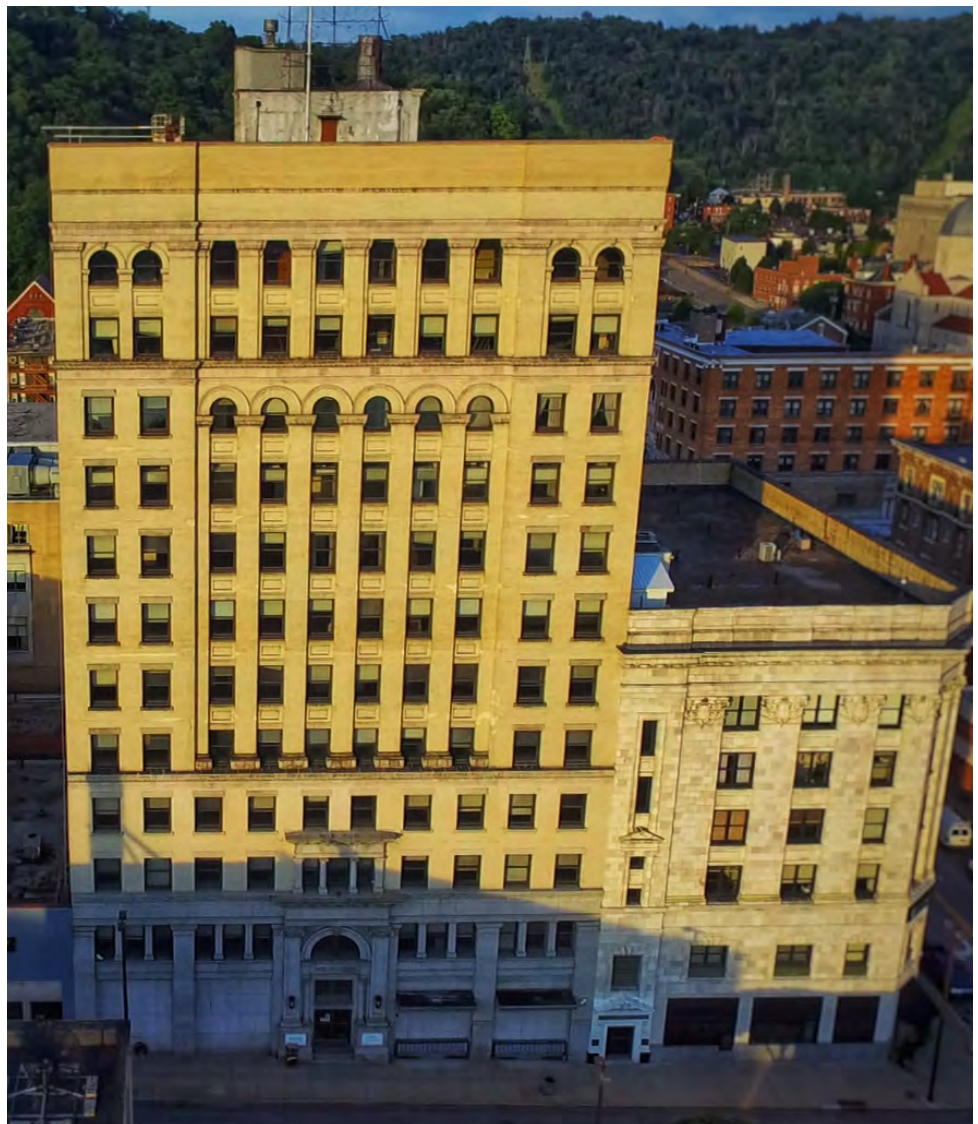
When I was running for Mayor of the City of Wheeling, I emphasized the role that tax credit-enabled historic preservation had played in the Friendly City in recent decades and must play in the years to come. I said then – and still believe – that no city in America of fewer

than 30,000 people has a greater stock of extant Victorian architecture. Our glorious historic buildings give Wheeling a unique identity and an authentic feel that you cannot recreate in a suburban retail megaplex. They remind residents and visitors alike of Wheeling's rich history and promising future. They inspire. And now, thanks to a higher state historic tax credit, these properties afford developers the same competitive advantages that have been available for historic preservation in our five bordering states. Structures that may have been seen as liabilities are once again positioned as opportunities. Regional developers are paying close attention.

Our challenge is to help make these opportunities realities. In Wheeling, we have several historic structures – including the 144,000-square-foot Wheeling Pittsburgh Steel Building – in the early stages of redevelopment. Along with partners like Wheeling Heritage, we are working with developers to supplement the state and federal historic tax credits with other tools at our disposal, including tax increment financing and a newly enacted façade improvement program. We see preserving our past as prologue to a brighter future.

For West Virginia, these opportunities could not be more timely. Nationally, young professionals are flocking to cities that afford them vibrant, walkable downtowns, urban living options and authentic experiences. As one of the only states to continue to have a declining population, it is long past time that we looked to our cities for the solution. By spurring investment in the hundreds of historic buildings still sitting empty throughout our state, we can revitalize our main streets into authentic, cultural hubs where people can live, work and play.

And let's not forget that cultural and heritage tourism is a growing industry. West Virginia's combination of natural beauty and historic architecture, along



The Wheeling-Pittsburgh Steel Building in downtown Wheeling is currently in the early stages of redevelopment.

with its close proximity to roughly two-thirds of the U.S. population, make it a logical destination for travelers seeking to experience not only our great outdoors but also our magnificent built heritage.

What is past can very well be prologue.

**It should be noted that many thanks are due to those who helped make this the case. It took a sustained effort of city leaders across the state, Wheeling Heritage, the West Virginia Municipal League, as well as state delegates, senators and the governor himself to get the increased state credit signed into law in 2017. No sooner was that victory notched, however, than there appeared a federal tax reform bill that would have zeroed out the federal historic tax credit and, by extension,*

all supporting state credits. I am particularly thankful to Representative David McKinley from West Virginia's 1st Congressional District for his efforts to restore the 20 percent federal credit in the final version of the tax reform bill signed into law last year. ▽