



**JOINT LEGISLATIVE BUDGET HEARING ON
FY 2022 EXECUTIVE BUDGET PROPOSAL:
TOPIC ENVIRONMENTAL CONSERVATION**

**Testimony of the Preservation League of New York State on the
New York State Office of Parks, Recreation and Historic Preservation**

Wednesday, January 27, 2021

**Testimony given by Erin Tobin, Vice President for Policy and Preservation, Preservation League of
New York State**

Chairwoman Krueger, Chairwoman Weinstein, and distinguished members of the Senate and Assembly, thank you for the opportunity to speak with you today on the topic of historic preservation and the New York State FY 2022 Budget.

As New York State's only statewide historic preservation nonprofit organization, the Preservation League of New York State invests in people and projects that champion the essential role of preservation in community revitalization, sustainable economic growth, and the protection of our historic buildings and landscapes. We lead advocacy, economic development, and education programs across the state and partner with local preservation organizations throughout New York.

My testimony today includes support of the proposed budgets for the New York State Council on the Arts, New York State Office of Parks, Recreation and Historic Preservation, as well as support of the Governor's proposed allocation for the Environmental Protection Fund, the Governor's proposal to expand our green economy, and support of legislatively-proposed improvements to the New York State Historic Tax Credit.

Historic Preservation as Economic Stimulus in Post-COVID NYS

The Preservation League seeks to improve the New York State Historic Tax Credit, renewing New York's Main Streets and neighborhoods, and bringing economic stimulus to our state with an out-year fiscal impact. As part of economic recovery, an increase in our NYS Historic Tax Credit from 20% to 30% of qualified rehabilitation costs for projects under \$2.5 million will create community revitalization, sustainable economic growth, and the protection of historic buildings and landscapes. The timeline of



Historic Tax Credit projects means that while the investment will be immediate, the fiscal impact to our state will not occur until FY 2022-23, at the earliest.

The Historic Tax Credit has been a proven stimulus mechanism federally and in New York State. Following natural disasters such as Hurricane Katrina, the Federal Historic Tax Credit was temporarily increased from 20% to 26% in affected zones. Data has shown that increasing the Historic Tax Credit leads to job creation, increased rehabilitation, and additional community investment. In Federal Fiscal Year 2019, the Historic Tax Credit created over 8,600 jobs, with \$520 million of rehabilitation investment generating over \$151 million in federal, state, and local tax revenue.

Indeed, in Congress the House passed the infrastructure bill H.R. 2, which included an increase in the Federal Historic Tax Credit for projects under \$2.5 million. Unfortunately, that bill is stalled in the U.S. Senate. As New York State has led the way in responding to COVID-19 and is a model for our nation, increasing the NYS Historic Tax Credit for small projects would again demonstrate national leadership in post-COVID economic recovery.

The economic impact of this increase would be about \$2.7 million, based on the most recent National Park Service data.

Preservation and Affordable Housing

Governor Cuomo noted the important of tax credits in restarting our economy and helping communities recover from the pandemic. We could not agree more and were pleased to see the Governor extend the Low-Income Housing Tax Credit, providing an additional \$400 million over five years. The NYS and Federal Historic Tax Credit has been a key partner with the Low-Income Housing Tax Credit, providing affordable housing throughout New York State. Since 2011, the Historic Tax Credit program has incentivized 3,619 units of affordable housing, a third of all housing units receiving Historic Tax Credit incentives. Our NYS Historic Tax Credit program has helped drive affordable housing development in Upstate New York (86% of the affordable housing receiving Historic Tax Credits) and in economically distressed neighborhoods in New York City.

Capital Investment at OPRHP and DEC

The Governor's proposed investment in capital projects at both OPRHP and DEC are greatly appreciated, in particular the focus on our New York State Historic Sites, as well as historic buildings and structures located within our NYS Parks. We know that OPRHP is in the midst of a systemwide survey of buildings within its parks, which will help inform their capital program. This survey could also help with expansion of future public/private partnerships and park investment.



Environmental Protection Fund

The Preservation League supports the renewal of the Environmental Protection Fund at \$300 million and notes the significance of the historic preservation grants. The crucial historic preservation projects funded through the EPF include municipal and nonprofit restoration of courthouses, town halls, libraries, historic houses of worship that frequently serve multiple functions, and nonprofit arts and cultural centers. These grants then leverage private fundraising to preserve community anchors and centers of cultural tourism.

Renewable Energy and Environment

The Preservation League believes in the importance of renewable energy to ensure a sustainable future and fight climate change. We also believe that renewable energy and sensitivity to our state's culturally significant places can work together as complementary goals. As our state develops a standard methodology for assessment of wind and solar project impacts, we trust that the state will continue to follow our NYS and Federal Historic Preservation Acts, avoiding impacts to National Register-eligible and listed cultural and historic resources.

Proposed infrastructure investment and large-scale new development in New York City must also take our NYS and Federal Historic Preservation Acts into consideration. Demolition of a single standard Main Street building (25 feet by 120 feet deep) negates the environmental benefit of recycling over 1.3 million aluminum cans. The Governor's proposed Empire Station District will be one of the largest demolition and urban renewal projects in recent history. In addition to the landfill and associated greenhouse gas impact of demolition, construction of new buildings accounts for 25% of that building's carbon emissions. Operational carbon produced by existing buildings can be reduced with energy efficiency improvements and renewable energy, whereas new construction has a locked-in carbon emissions due to building material manufacturing, material transport, and the construction process. In the interest of environmental sustainability and historic preservation, we urge the state to consider rehabilitation and reuse of the historic buildings surrounding Penn Station, in particular those that qualify for the State and National Register of Historic Places.

Reimagine the Canals

The Governor proposes a FY 2022 \$40 million investment in "economic development and climate resilience and sustainability projects along the canal to stimulate tourism and recreational activity, restore wetlands, and provide grants to farmers to develop irrigation systems that access canal waters for the production of high-value crops."



The power of our New York State Canal System is rooted in its history, authenticity as a continuously operating end-to-end canal system, vibrancy, and ability to leverage tourism now and in the future. We welcome the opportunity to work with the New York Power Authority to capitalize on this history of success for the benefit of all New Yorkers, in a way that makes it more inviting to boaters, protects its functional infrastructure, and grows its connection to the many vibrant and active waterfront communities.

Interventions proposed in the Reimagine the Canals report, if not done in a way that closely follows the New York State Historic Preservation Act and the National Historic Preservation Act, could significantly diminish the historical integrity of our National Historic Landmark NYS Canal System, limiting its use as a navigable waterway. Furthermore, we suggest that before valuable funds are spent to study those environmental issues, a full and thorough review of the extensive prior studies takes place, with consideration given to their findings before moving forward. We would like to call the Legislature's attention to the many previously-produced reports on important environmental issues such as Aquatic Invasive Species, Mohawk River watershed restoration, and flooding throughout the Mohawk Valley. We believe the best use of NYS funds would incorporate the findings and recommendations of those reports issued by the NYS Department of Environmental Conservation as part of the Mohawk River Basin Action Agenda.

We believe that the best future for our NYS Canal System lies in capitalizing on its authenticity as the oldest, continuously-operating canal system in the nation. We also hope that the proposed renaming of our Erie Canal Corridor as the "Empire Line" is reconsidered, as the Erie Canal is one of New York State's most authentic and iconic landmarks. I would imagine we would no sooner wish to rename the Erie Canal than we would Niagara Falls or the Brooklyn Bridge.

Thank you for your time and attention today and for inviting the Preservation League to testify. We are happy to provide additional information about the above testimony or any other historic preservation issue at the Committee's request.