



Labor Council resolution urges support

Almost 50 percent of monies generated by tax credit program goes to wages

St. Louis — The need to preserve the Missouri Historic Preservation Tax Credit program now under attack by Republicans in Jefferson City became even more evident last week with the release of data showing almost 50 percent of the money spent on rehabbing historic buildings under the program goes directly to wages for construction workers, providing jobs and economic activity in a time of job stresses across Missouri.

Additionally, the political effort received a major boost with a strong Resolution of Support from the Greater St. Louis Labor Council last week.

A report by local construction officials compiled from numerous tax-credit projects found that while 48.5 percent of the costs go to worker wages, the balance goes to architects, engineers, suppliers, materials, local governments, financing, developers, and contractors. (See chart below).

“Historic tax credits, which are used heavily in the St. Louis area, have created millions of hours of work for our members and preserved historical buildings for use as housing, business and public spaces,” said Jerry Feldhaus, executive secretary-treasurer of the St. Louis Building and Construction Trades Council. An estimated 40,000 jobs have been created since the inception of the historic tax credit program in 1998.

“The program has been used to leverage over \$4 billion in other investment in Missouri

projects,” said Bob Soutier, president of the Greater St. Louis Labor Council. “Could it be that because a great portion of the funds have been used in the urban areas of Kansas City and St. Louis that out-state legislators are so opposed?” Soutier asked.

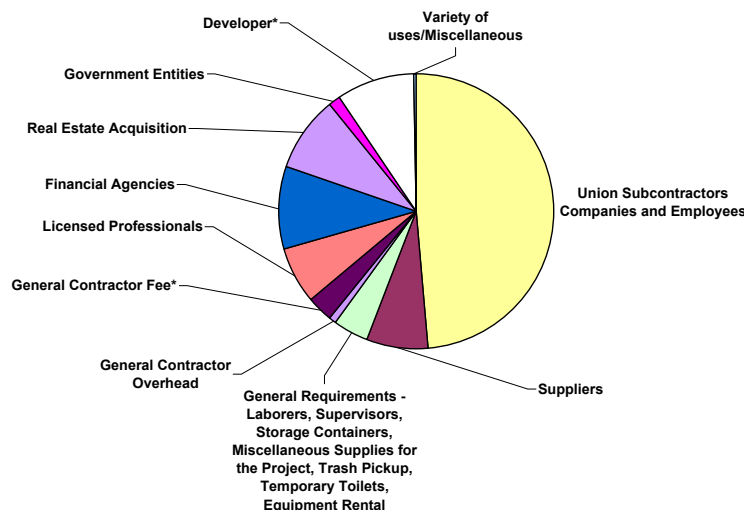
Opposition to the successful tax credit program is coming from Republicans who, for the most part, represent rural constituencies. They are seeking to put a \$50 million cap on the tax credits that last year were \$170 million. Such a reduction would bring remodeling of historic buildings to all but a screeching halt, and with it the loss of millions of hours of work and thousands of local and statewide construction jobs.

The current tax credit program has breathed life into dozens of key area projects which would not have been done without the tax credits: The Old Post Office, the Washington Avenue loft district, Cupples Station, Chase Hotel, and homes in Benton Park, Fox Park and Forest Park Southeast. Some of the buildings were in areas that were once devastated by blight and are now among the most-sought-after areas to buy a home.

“The Greater St. Louis Labor Council supports legislation that improves the lives of working men and women throughout Missouri by creating employment opportunities,” said the council’s resolution. It urges the Missouri legislature to make no changes in the tax credit program and send the bill to the governor for signature.

Chart of Participants in a Typical Development Project

Rev. 4/17/2009 3:08 PM



48.49% of Construction Dollars are spent towards Union Subcontractors and their Employees
 *Developer and General Contractor Fees are Maximum Allowed on State Tax Credit Projects