



Legislation Details (With Text)

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**Sponsors:** Sabra Briere, Chip Smith, Christopher Taylor, Graydon Krapohl, Chuck Warpehoski, Kirk Westphal, Jane Lummm

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Resolution Opposing SB720 and HB5232

**Background**

HB5232 was introduced on January 26, 2016 by Rep Chris Afendoulis (R-Grand Rapids Township) and was referred to the House Committee on Local Government. It was deliberated in Committee the next day and currently remains in committee.

SB720 is an identical bill that was introduced by Sen Peter MacGregor (R-Rockford) on January 26, 2016. It was referred to the Senate Committee on Local Government and has not yet been deliberated by the committee.

**Historic Districts in Ann Arbor**

The City of Ann Arbor has supported the establishment and enforcement of historic districts and historic district designation for over 50 years. The first historic district in Ann Arbor was established in 1973 and the City now has 14 different historic districts. One of these, the Main Street Historic District, has been cited as one of America’s best main streets - in part because the historic district designation has encouraged reinvestment in historic properties. Reinvestment in historic buildings has enhanced the quality of life in Ann Arbor for many, and helps to ensure our city will remain attractive and vital.

**Benefits of Historic Preservation**

Historic preservation has significant and positive effects on our community; owner consent provisions are short-sighted. Establishing and maintaining historic places in Michigan communities - including Ann Arbor - is a long-term effort. Historic places, especially buildings, are dependent on their historic character to tell their stories - to be places people that want to visit, and places where people want to live. As our City embraces the technology of the 21<sup>st</sup> Century, it also respects its 19<sup>th</sup> and 20<sup>th</sup> Century roots. History and historic buildings and spaces are a vital part of our collective placemaking efforts.

Historic properties also need to be economically viable. They may need to be adapted to modern uses and newer

technology - but they need to retain their historic character. This is precisely the balance that our historic district ordinances seek to achieve.

Property owners come and go. In some areas, properties change hands regularly. National statistics indicate that real estate changes hands every seven years (on average). As historic properties change hands and change uses, design standards are in place to help those new owners maintain the historic character of the building over time. In Ann Arbor, that means that buildings such as the one-time furniture factory on William and Second can become Liberty Lofts.

Many studies about the economic impact of historic district designation on property values have concluded that local regulation of historic districts - both commercial and residential - tends to stabilize and even increase property values in those districts. Property owners have a shared interest in the appearance and quality of their historic district neighborhood. All owners share the reward that comes with a well-regulated neighborhood, and all owners share the risk of allowing the deterioration of the character of their districts. Owners who have no interest in maintaining the character of their property bring a risk - not only to their own property values - but to the stability and value of their neighbors' properties.

### **Summary of Proposed Legislation**

Missing from the discussion about HB 5232 and SB 720, which address changes in legislation governing the establishment and enforcement of historic districts, is the economic and cultural cost such legislative changes would have. Specifically, passage of this legislation means: .

- If this legislation were approved, local government could eliminate historic districts without guidelines, justification, or community input.
- If this legislation were approved, the City would be required to hold city-wide elections to ratify existing historic districts every decade. Potentially, these city-wide elections could be 'special' elections that would cost significant amounts for the City to hold. In addition, the community - through its governmental or non-governmental organizations - would need to routinely expend significant amounts of revenue and labor in order to educate the public about historic districts.
- If this legislation were approved, it would have an immediate and significantly chilling effect on property values, new investment and redevelopment in historic districts. Property owners would lose confidence in the regulatory climate and the protections afforded by an historic district designation.
- If this legislation were approved, it would politicize the process for appealing decisions of the Historic District Commission, as the elected representatives - inevitably responsive to pressures from development interests as well as the public - would become the appeals board for any decision. Currently, such appeals are sent to a neutral board of the State of Michigan, which has appellate jurisdiction because of its expertise.

Whereas, The city of Ann Arbor has established 14 historic districts in the 45 years since Public Act 169 was passed in 1970;

Whereas, These districts, once approved, have stabilized neighborhoods and increased reinvestment in historic buildings and the neighborhoods;

Whereas, This reinvestment has significantly benefited the City of Ann Arbor, increasing both property values and placemaking; and

Whereas, SB 720 and HB 5232 put these benefits at risk by increasing the insecurity of property owners about the long-term continued value and economic stability of their property;

RESOLVED, That the City of Ann Arbor opposes both SB 720 and HB 5232;

RESOLVED, That a copy of this resolution be forwarded to State Senator Rebekah Warren, State Representatives Jeff Irwin and Adam Zemke, the House Committee on Local Government, the Senate Committee on Local Government, and the Governor of the State of Michigan; and

RESOLVED, That the City Council directs the City Administrator to cooperate with other municipalities, organizations, and

the City's lobbyist in opposing these bills.

Sponsored by: Councilmembers Briere, Smith, Krapohl, Warpehoski, Westphal, Lumm, and Mayor Taylor