

**Report to the Illinois General Assembly:  
Illinois Historic Preservation Tax Credit Pilot Program**

Provided by the Illinois Department of Commerce and  
Economic Opportunity

December 31, 2013





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**Illinois  
Department of Commerce  
& Economic Opportunity**

Pat Quinn, Governor

December 31, 2013

Dear Members of the General Assembly:

The enclosed information fulfills the statutory directive requiring the Illinois Department of Commerce and Economic Opportunity (DCEO) to report annually to the members of the Illinois General Assembly on the status of the Historic Preservation Tax Credit Pilot Program Act (35 ILCS 30/).

The Historic Preservation Pilot Program officially became effective on January 1, 2010. Moreover, the purpose of the pilot program is to encourage the revitalization of a hotel that is located in the City of Peoria and that is defined as a certified historic structure. The substantial rehabilitation investments placed into the hotel will create permanent jobs, indirect construction jobs; increased economic activity in the Peoria area, and it would include revenue effects to local taxing bodies. The Illinois Historic Preservation Tax Credit Pilot Program is operated by DCEO, in consultation with the Illinois Historic Preservation Agency (IHPA).

I trust you will find the Historic Preservation Tax Credit Pilot Program Report useful.

Sincerely,

Adam Pollet  
Director

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### **III. Introduction**

The Historic Preservation Tax Credit Pilot Program provides a state income-tax credit equal to 25% of a project's qualified expenditures to the owner of the Peoria based hotel. The substantial rehabilitation investments create jobs in Illinois, stimulate the economies of the affected Peoria community, and revitalize a historic structure. The program's lone qualified historic structure is the Pere Marquette Hotel in Peoria. The revitalization of the Pere Marquette Hotel in Peoria generated over \$43 million in qualified expenditures. Knowing that their qualified expenditures were just over \$43 million, 25% of that amount would exceed the program tax credit cap of \$10 million. Therefore, we were able to issue \$10 million in tax credits.

The Pilot Program allows DCEO to collect a 2% issuance fee of the amount of the credits issued by the certificate. The statutory language of the pilot program explains that, 'If collected, this issuance fee shall be evenly divided between the Department and the Agency.' DCEO collected the 2% tax credit issuance fee of \$200,000.00 – which has to be evenly split between DCEO & IHPA and that fee was deposited into the dedicated Historic Property Administrative Fund.

#### **Effectiveness**

A preliminary Economic Impact Projection for Peoria Downtown Hotel was prepared by Robert C. Scott, Ph. D., Bradley University.

A preliminary analysis of the data provided on the Peoria Downtown Hotel project shows the following potential impacts:

Construction Phase (direct plus indirect effects):

Economic Activity in the Peoria area = \$131,000,000.

Jobs (job years) Created in Peoria = 840.

Operations Phase (annual effects, direct plus indirect effects):

Annual Economic Activity in the Peoria area = \$30,800,000.

Annual Jobs (job years) Created in Peoria = 250.

Additional effects to be considered would include revenue effects to local taxing bodies (city, county, library, etc.) as well as possible additional synergistic effects.



**III. Qualified Project**

<b>Project</b>	<b>Address</b>	<b>Contact</b>	<b>Contact Number</b>	<b>Total Qualified Expenditures</b>	<b>Tax Credit Amount</b>
Pere Marquette Hotel, LLC	501 Main Street Peoria, IL 61602	Gary Mathews	309-644-1596	\$43,307,348	\$10,000,000