

# Federal Tax Incentives for Rehabilitating Historic Buildings

Annual Report Fiscal Year 2010



The Ford Richmond Plant, Richmond, California



National Park Service  
U.S. Department of the Interior  
Technical Preservation Services

December, 2010

# Federal Tax Incentives for Rehabilitating Historic Buildings

A Successful 34 Year Federal/State Partnership

*The Historic Preservation Tax Incentives Program, administered by the National Park Service in partnership with the State Historic Preservation Officers, is the nation's most effective Federal program to promote urban and rural revitalization and to encourage private investment in rehabilitating historic buildings. The tax credit applies specifically to preserving income-producing historic properties and has generated over \$58 billion in historic preservation activity since its inception in 1976. With a 5 to 1 ratio of private investment to Federal tax credits, the program is an outstanding means of leveraging private investment in the adaptive reuse and preservation of our nation's historic buildings. With over 37,000 approved projects, the tax incentives program continues to attract private investment to historic cores of cities and Main Street towns across America and generates needed jobs, enhances property values, creates affordable housing, and augments revenues for Federal, state and local governments. Cover photo taken by Michael Layefsky, Great Heights Photography, Berkeley, CA.*

## Record Number of Jobs Created

Completed projects certified in FY 2010 by the National Park Service created a total of 41,641 new jobs nationwide. Despite the downturn in the economy and particularly the real estate market, the program continues to be a strong catalyst for job creation and economic recovery in older communities with 47 jobs created on the average per project in FY 2010.

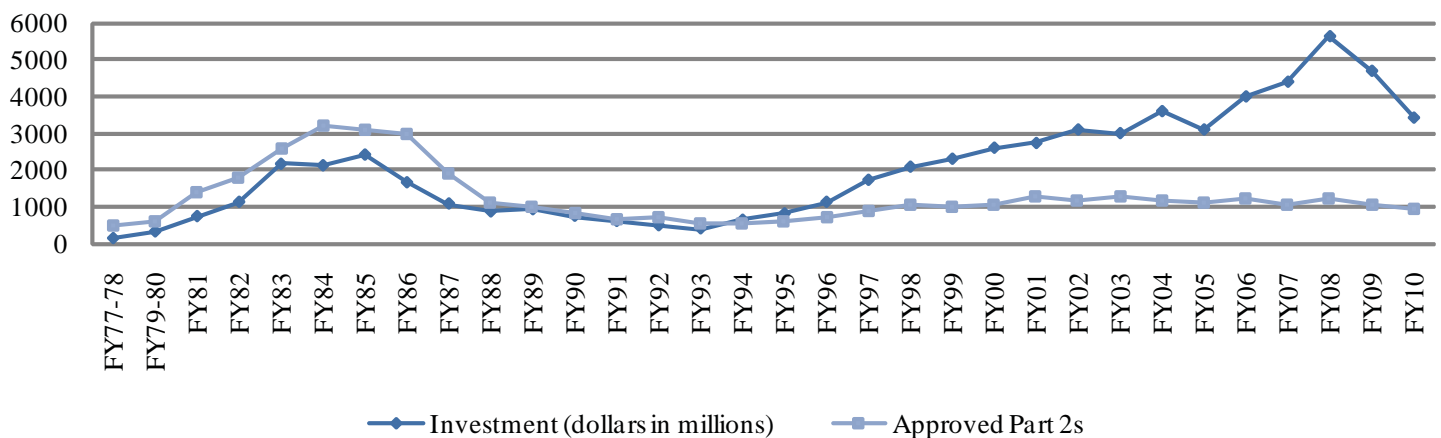
## Over 1.36 Million Buildings Listed

Over 1.36 million historic buildings are listed in or contribute to historic districts in the National Register of Historic Places, with thousands of contributing resources added each year. The National Park Service estimates that 20% of these buildings qualify as income-producing. Income-producing buildings listed individually or certified as contributing to a historic district are eligible for tax credits.

## 2010 at a glance

- \$ 3.42 billion in new rehabilitation work approved
- 41,641 jobs created
- 951 new projects approved
- 5,514 low and moderate income housing units created
- 13,273 housing units created or renovated overall

Federal Tax Incentives For Rehabilitating Historic Buildings, 1977-2010



The chart above shows proposed dollar investment and number of proposed projects approved by the National Park Service. Since the passage in 1976 of the first Federal Tax Incentives for Rehabilitating Historic Buildings, there have been a number of changes in the tax laws. Notably, there was the Economic Recovery Act of 1981 which resulted in the most favorable incentives in the program's history followed by the Tax Reform Act of 1986 which reduced the historic preservation tax credits from 25% to 20% and imposed several significant restrictions on all forms of real estate investment.



## A \$3.42 Billion Investment in Older Communities

While the historic preservation tax incentives encourage the rehabilitation of historic buildings of national, state, and local significance, they also stimulate major private investment in our older, disinvested neighborhoods. Older cities across the country rely upon the historic tax credits program as an important marketing tool to foster community revitalization. In FY 2010 the number of approved projects was 951. The investment in proposed projects totaled \$3.42 while the investment in approved completed projects totaled \$3.43 billion. This continuing level of activity can be attributed, in part, to an increase in public awareness of the benefits of the Historic Preservation Tax Incentives Program as well as the existence of various Federal, state, and local preservation tax incentives that can be piggybacked with the Federal historic tax credits.

### Piggyback State Credits

Helping to promote the rehabilitation of historic buildings are the many states that provide state tax incentives for historic preservation. Last year, over 47% of the completed projects receiving certifications from the National Park Service also benefited from the use of state historic tax credits, an increase of 27% from the previous year and the largest percentage use ever. Thirty states now offer such historic tax credits that can be used in tandem with the Federal historic tax credit. Piggybacking state credits have proven to be an invaluable additional incentive for rehabilitating historic buildings, especially considering the current real estate market conditions.

## Economic Community Revitalization Utilizing Federal Historic Preservation Tax Incentives

Investing in older communities, providing local jobs, and stimulating neighborhood revitalization are all signature features of the Federal Historic Preservation Tax Incentives Program. An essential financial tool for historic building rehabilitation, the Federal tax incentives help preserve historic structures of every period, size, style, and type. Abandoned or under-utilized schools, warehouses, factories, churches, retail stores, apartments, hotels, houses, agricultural buildings, and offices throughout the country have been given new life in a manner that maintains their historic character. In FY 2010, 43% of the new use programs provided housing, including 5,514 affordable housing units. Commercial and office accounted for the second and third most common new uses.



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1. Barclay-Vessey Building, New York, NY (Photo: Christopher M. Crans, WFC Architects); 2. IOOF Hall, Dunlap IA (Photo: John Zeller); 3. TB Bright Farmstead, Danville, KY (Photo: Amy Potts); 4. Sunbrite Apartments, Miami Beach, FL (Photo: Sunbrite Apartments, South Beach Group); 5. Bellingham National Bank Building, Bellingham, WA (Photo: Michael Sullivan); 6. Old Hilton Hotel, Albuquerque, NM (Photo: Hotel Andaluz).



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## Finding Out More About the Program

Information on the historic rehabilitation tax credits and copies of technical publications that explain cost-effective methods of repairing and maintaining historic buildings are available from the National Park Service and from State Historic Preservation Offices. Our Web site <[www.nps.gov/history/hps/tps](http://www.nps.gov/history/hps/tps)> helps explain the program. The Web site also has a wealth of information on the preservation and rehabilitation of historic buildings. Technical Preservation Service's catalog of publications, entitled *Caring for the Past*, provides a listing of free and for sale publications currently available from the National Park Service and the Government Printing Office. The more than 100 publications are the most comprehensive source of information available on the care and reuse of historic buildings. The publications catalog can be obtained by writing to Technical Preservation Services, National Park Service, 1201 Eye Street, NW, Washington, DC 20005 or by emailing your request to <[nps\\_hps-info@nps.gov](mailto:nps_hps-info@nps.gov)>.

State Historic Preservation Offices (SHPOs) are the point of contact for property owners wishing to use the rehabilitation tax credit. They can be contacted to help determine whether a historic building is eligible for Federal or state historic preservation tax incentives; to provide guidance before the project begins so as to make the process as fast and economical as possible; and to advise on appropriate preservation work. For the phone number or address of a state office near you, call the National Conference of State Historic Preservation Officers at (202) 624-5465 or visit their Web site at <[www.ncshpo.org](http://www.ncshpo.org)>.

On the cover:

### Ford Motor Company Assembly Plant Richmond, CA

A major rehabilitation project of the former Ford Motor Company Assembly Plant in Richmond, California was certified for the purposes of the Federal Tax Incentives for Rehabilitating Historic Buildings. Respecting the original passive solar design of Albert Kahn's "daylight factory," the owners successfully integrated contemporary applications of green performance and sustainability to create an award winning project.

In 1930, the plant was the largest automobile assembly plant of its time on the West Coast. It consisted of 520,000 square feet of assembly space and was a quarter mile in length. The expansive window and bay door openings along with glazed monitors optimized natural daylight for both light and heat. The plant contained both single and two story sections, a craneway, and a boiler house.

During the Depression, workers at this plant assembled Model A and Model T Ford cars from parts shipped from Detroit via freight trains. When America became involved in World War II, President Franklin D. Roosevelt banned the production of civilian automobiles and workers at the Richmond Ford Assembly Plant retooled to produce light tanks and assorted military vehicles. Women moved into this workforce and Rosie the Riveter emerged as an American iconic symbol of women across the country that rolled up their sleeves to support the war effort. Many of these women worked at the assembly plant in Richmond, producing over 49,000 jeeps and outfitting tanks. After the War, the plant resumed production of Ford automobiles until 1953 when it closed. Later the building served briefly as a film set and book depository. Following the Loma Prieta earthquake of 1989, the City of Richmond made some repairs and sold the property to Orton Development.

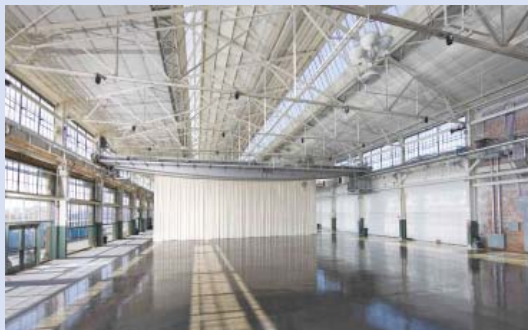


Photo: Bill Hustace.



Photo: Neil Mishalov, Berkeley, California.

The rehabilitation work began in 2004 and was implemented in three phases. Although seismic retrofits were required, special care was taken to retain historic features such as the craneway, windows, sawtooth light monitors and the smokestack as well as some of the historic mechanical systems like those housed in the Boiler house. Administrative areas were updated and the historic lobby was restored. The large assembly space with its north and south mezzanines was kept largely intact and open as it had been during its life as an assembly plant.

After \$55 million of rehabilitation work, the building is now home to several manufacturers of environmentally sustainable products as well as Craneway Pavillion, a 45,000 square-foot meeting and entertainment venue designed to accommodate up to 5,000 guests.

The Ford Motor Company Assembly Plant is part of the National Park Service's Rosie the Riveter National Historic Park with a soon to be completed visitor education center and interactive museum to interpret the WWII homefront movement and orient visitors to Richmond's history from the era.

### For Additional Information:

Please contact Kaaren Staveteig, Technical Preservation Services, Heritage Preservation Services Division (2255), National Park Service, 1201 Eye Street, NW, Washington, DC 20005, (202) 354-2053. Information on Federal Tax Incentives for Rehabilitating Historic Buildings is available on the National Park Service's Technical Preservation Services Web site at <<http://www.nps.gov/history/hps/tps/index.htm>>.