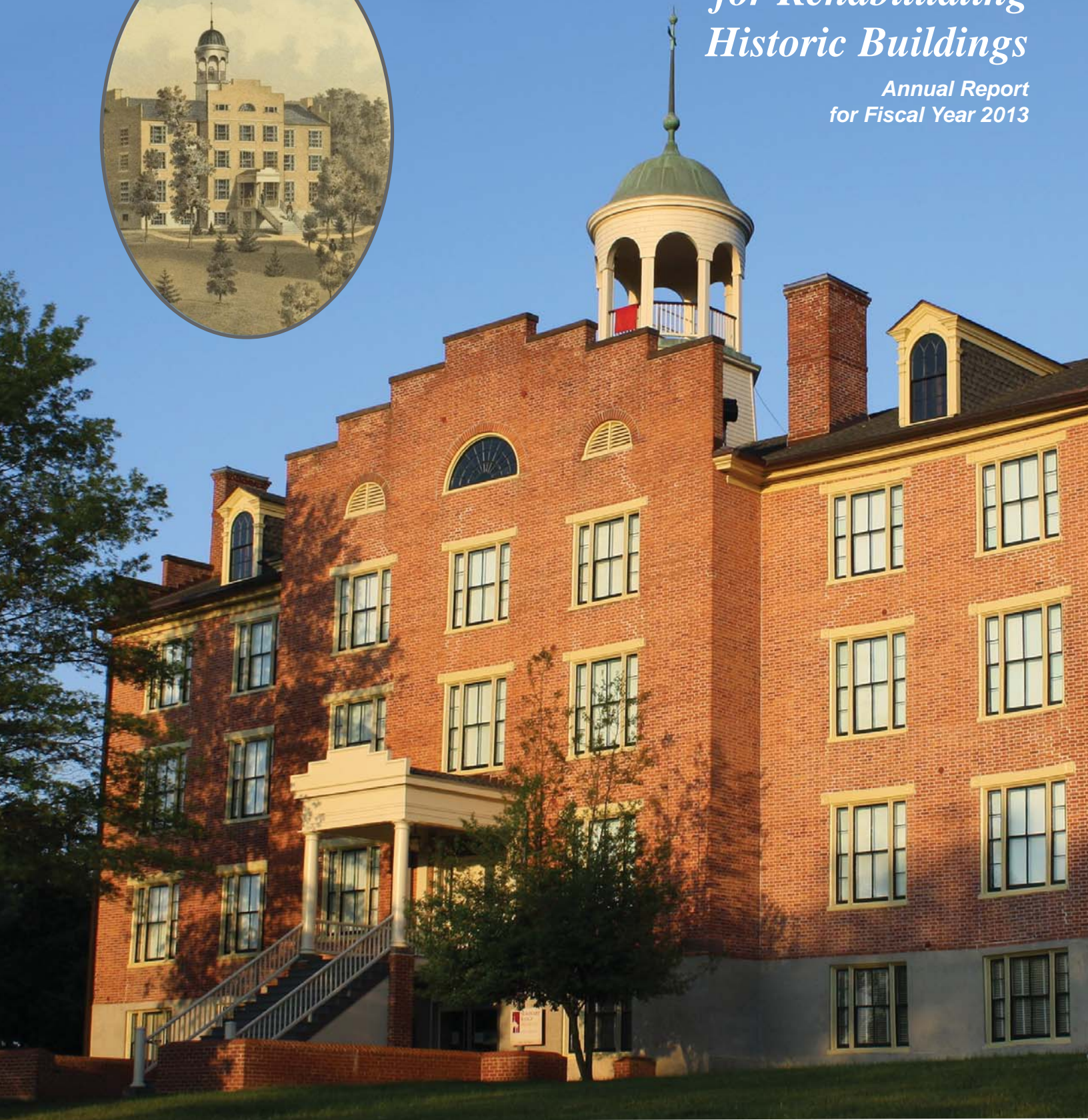


Federal Tax Incentives for Rehabilitating Historic Buildings

*Annual Report
for Fiscal Year 2013*



Schmucker Hall, Gettysburg, Pennsylvania



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

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Federal Tax Incentives for Rehabilitating Historic Buildings

A Successful Federal/State Partnership Since 1976

The Federal Historic Preservation Tax Incentives Program, administered by the National Park Service in partnership with the State Historic Preservation Offices, is the nation's most effective program to promote historic preservation and community revitalization through historic rehabilitation. With over 39,600 completed projects since its inception in 1976, the program has generated over \$69 billion in the rehabilitation of income-producing historic properties. The largest federal program specifically supporting historic preservation, the historic tax credit also generates much needed jobs, enhances property values in older communities, creates affordable housing, and augments revenue for Federal, state and local governments. The widely recognized program has been instrumental in preserving historic places that give cities, towns, and communities their special character.

Job Creation Remains Strong

Completed projects certified in FY 2013 created an estimated 62,923 jobs based on a National Park Service-funded study by the Rutgers University Center for Policy Research. From Main Streets to central cities, the federal tax credits are consistently a strong catalyst for job creation and economic growth.

FY 2013 at a glance

- 1,155 proposed projects and \$6.73 billion in rehabilitation work approved
- 803 completed projects and \$3.39 billion in rehabilitation work certified
- 62,923 jobs created by completed projects
 - 7,097 new low and moderate income housing units / 25,121 new or renovated housing units overall

Serving the Community: New Uses for Historic Buildings Fargo, North Dakota, and Detroit, Michigan

The historic tax credit not only encourages the preservation and reuse of historic buildings, but it often helps provide new homes for community-based groups providing invaluable local services. Rehabilitating historic buildings and serving those in need can go hand-in-hand, helping to strengthen and revitalize older communities, towns, and cities.

Family HealthCare in Fargo, North Dakota, was formed 20 years ago to improve community access to healthcare. As their services grew over time at scattered locations, consolidation to a more central location became a priority in order to best serve those most in need. In 2011 Family HealthCare acquired the historic **Pence Automobile Company Warehouse**, listed in the National Register, and three smaller adjacent buildings and undertook a \$7 million rehabilitation project in under 18 months, saying "It fit perfectly with our mission because it allowed us to treat this forgotten building with dignity and respect, creating a tribute to the health and wellness of our community." The high ceilings, large window openings, terrazzo floor, and the original pink marble staircase were all historic features that the new owners capitalized on while creating their new medical center.

Built in 1929 as offices and distribution center for telephone and communication supplies, the **Michigan Bell & Western Electric Warehouse** provided essential communication services to Detroit and surrounding areas. The Neighborhood Services Organization (NSO), a community-based human service organization, acquired the building and began a \$48 million rehabilitation in 2011 to create permanent supportive housing for the formerly homeless. With the grand opening of the NSO Bell Building in the fall of 2013, NSO now provides 155 one-bedroom units with onsite supportive services for the formerly homeless. Serving a critical need in the community within a newly rehabilitated historic building, NSO has created an award-winning project, certified by the National Park Service for the Federal historic tax credit.



Pence Automobile Company Warehouse, Fargo, ND
Photo: Michael J. Burns Architects, Ltd.



Michigan Bell & Western Electric Warehouse, Detroit, MI
Photo: NPS file

Over \$6.7 Billion Investment in Historic Rehabilitation

While the historic preservation tax credits 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 and small towns across the country rely upon the historic tax credit program as an important marketing tool to foster economic revitalization. In FY 2013 the number of approved proposed projects was 1,155. The investment in these projects totaled an estimated \$6.73 billion, while the investment in the 803 certified completed projects totaled \$3.39 billion.

Nearly 1.46 Million Buildings Listed

Nearly 1.46 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 registered historic district are eligible for tax credits.

“Piggybacked” State Credits

Last year over 40% of the completed projects certified by the National Park Service were reported to have also benefited from the use of state historic tax credits. Over half of the states now offer historic tax credits that can be used in tandem with the Federal historic tax credit. The four states with the most rehabilitation activity in FY 2013 (Ohio, Virginia, Louisiana, and Missouri) all have piggybacked state historic credits. Piggybacking state credits have proven to be an invaluable additional incentive for rehabilitating vacant and deteriorated historic buildings.

Economic Revitalization Utilizing Federal Historic Preservation Tax Incentives

For over 35 years the Federal historic preservation tax incentives have spurred the rehabilitation of historic structures of every period, size, style, and type. Abandoned or underutilized schools, warehouses, factories, churches, barns, retail stores, apartments, hotels, houses, offices, and theaters throughout the country have been given new life in a manner that maintains their historic character. In FY 2013, 46% of the completed projects provided housing, with a third of these being for affordable units. Office space accounted for 21% of the new uses while 16% were other commercial uses. This year, 63% of the historic structures undergoing rehabilitation work are for continued use rather than an adaptive reuse.



Photo: Richard Weis



Photo: Will Crocker Photography



Photo: Carleton Hart Architecture, PC



Photo: Doug Kelleher, Epsilon Associates, Inc.



Photo: Lisa Mausolf

1. Cleveland's Hall and Blacksmith Shop, Albany, WI; 2. John Gish Barn, Rittman, OH; 3. The Saint Hotel (Audubon Building), New Orleans, LA; 4. Baum-Trinstich Building, Great Falls, MT; 5. Kessler Theater, Dallas, TX; 6. Odd Fellows Hall, Portland, OR; 7. State Normal Training School, Westfield, MA; 8. Amoskeag New Mills, Manchester, NH. All photos NPS files unless otherwise credited.

Finding Out More About the Program

Information on the historic rehabilitation tax credits and copies of technical publications that explain methods of repairing and maintaining historic buildings are available from the Technical Preservation Services office of the National Park Service and from State Historic Preservation Offices. Our Web site <<http://www.nps.gov/tps>> has detailed information about the program.

State Historic Preservation Offices (SHPOs) are the first point of contact for property owners. Contact them to help determine if a building is eligible for Federal or state historic tax credits; to obtain guidance before the project begins regarding the proposed work and program requirements; and to seek advice on appropriate preservation work. For the phone number or website of your state office, call the National Conference of State Historic Preservation Officers at (202) 624-5465 or visit their website at www.ncshpo.org.

Tax Credits at Work Helping to Preserve Our Nation's Heritage

A historic building may be listed individually in the National Register or qualify as a certified historic structure because of its contribution to a historic district. Its significance may be because of its architecture or history—and often both. The Mohawk Niagara Building, acclaimed for its architecture, and Schmucker Hall, a witness to the Battle of Gettysburg and best known for its historic significance, reflect quite different aspects of our heritage worthy of preservation.

Niagara Hudson Building (National Grid building), Syracuse, New York

Completed in 1932, the highly sculpted and richly detailed building is an outstanding example of American Art Deco architecture. Constructed in a ziggurat form, its modern design by Syracuse architect Melvin L. King, masterfully integrated black Vitrolite glass, cast stone, aluminum, terra cotta, aluminum coated concrete, and stainless steel expressed in stylized geometric patterns. A utility company headquarters, it had sophisticated neon/helium exterior lighting, making it a standout both day and night. Acquired by the National Grid Group, the building had suffered from years of deferred maintenance, inappropriate alterations, and poor workmanship. Correcting the major deficiencies on the exterior with an emphasis on preservation of materials and design required the commitment of the owners, expertise of the design team, and quality workmanship of the contractors.



Niagara Hudson Building
Photo: Ted Bartlett, Crawford & Stearns

As part of the \$10 million rehabilitation, previously shortened windows were replaced with energy efficient units, matching the original appearance. Where Vitrolite had been replaced with painted aluminum panels, now faded and decomposing, new frit glass with sandblasted details like the original were installed, returning the long-missing shiny black appearance of the original design. The chrome-nickel metal detail work was repaired, cleaned and polished, returning the crisp contrast between shiny metal and black glass. The result was an award-winning project.

Schmucker Hall (Gettysburg Seminary Ridge Museum), Gettysburg, Pennsylvania

Constructed in 1823 as a dormitory and classroom building, Schmucker Hall is located on the campus of the Lutheran Theological Seminary of Gettysburg, just outside Gettysburg National Historical Park. During the opening day of the Battle of Gettysburg, July 1, 1863, the Seminary was part of the Union Army line, and the building's cupola used as an observation post. Changing hands to Southern forces, the building served as a field hospital for more than 600 Union and Confederate soldiers. One of the most important Civil War sites not in public ownership, the building was rehabilitated as a museum through the cooperative efforts of the Seminary, the Adams County Historical Society, and the Seminary Ridge Historic Preservation Foundation. Over 200 construction jobs were supported during the nearly \$9 million rehabilitation and additional museum and tourism jobs were created as a result of the museum opening.



Schmucker Hall
Photo: Bonnie Wilkinson Mark, Delta Development Group, Inc.

Among the project work, the historic windows were repaired, the 1914 Peace Portico was restored, and the roof replaced. A geothermal system was installed for heat and cooling and, along with other green features, led to LEED certification. While installing new restrooms, elevator, fire suppression, electrical system, and interactive exhibits, significant interior features were preserved. Opening on the 150th anniversary of the battle, the museum is expected to generate \$5 million in new tourism.

Front cover features a detail from a commemorative print produced in 1876 for the 50th anniversary of the Lutheran Theological Seminary of Gettysburg; post-rehab photo by Bonnie Wilkinson Mark, Delta Development Group, Inc.

This annual report includes information from Federal Tax Incentives for Rehabilitating Historic Buildings, Statistical Report and Analysis for FY 2013 prepared by Technical Preservation Services and an economic impact report on the Federal historic tax credit for FY 2013, a National Park Service-funded study prepared by the Rutgers University Center for Policy Research. Both reports can be found on our website: <<http://www.nps.gov/tps>>.