

Federal Tax Incentives for Rehabilitating Historic Buildings

Annual Report
for Fiscal Year 2015



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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 41,250 completed projects since its inception in 1976, the program has generated over \$78 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 our cities, towns, and communities their special character.

Job Creation Remains Strong

Completed projects certified in FY 2015 created an estimated 85,058 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.

Hotel Doors Reopen

Floridan Hotel, Tampa, FL



Vacant hotels are being rehabilitated utilizing the Federal historic tax credit, creating jobs and economic activity, and returning these buildings back to productive use. The tallest building in Florida for many years, the Floridan Hotel opened in 1927 and soon became a popular gathering place in Tampa. By 1989, the hotel had closed and went through a succession of ownership changes. Still vacant when purchased by a local developer in 2005, a \$15 million rehabilitation has brought back its former glory. Work has included restoration of the well-known Crystal Lounge dining room and the re-erection of the historic rooftop sign found stored on the property. The 213-room Floridan Palace Hotel once again is providing an economic boost to the city.

The Southern Hotel, Covington, LA

Opened in 1907, this Mission Revival-style hotel in Covington, LA, soon became a prominent health retreat. It later served as county offices, and in 2005 was damaged by Hurricane Katrina. Unoccupied when purchased in 2011 by two local families, the Southern Hotel reopened its doors in 2014 following a multi-million dollar rehabilitation. Work included exterior repairs and retention of historic wood windows, installation of new mechanical systems, and refurbishing non-historic interior features and finishes. The boutique hotel offers 42 guest rooms, banquet facilities, and a Southern bistro, providing what city officials view as a huge economic stimulus to Covington.



Photos: NPS files

FY 2015 at a glance

- 1,283 proposed projects and \$6.63 billion in rehabilitation work approved
- 870 completed projects and \$4.47 billion in rehabilitation work certified
- 85,058 jobs created by completed projects
- 8,096 new low and moderate income housing units / 23,569 new or renovated housing units overall

Nearly 1.6 Million Buildings Listed

Nearly 1.6 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 48% of the completed projects certified by the National Park Service were estimated to have used both Federal and state historic tax credits. Over half of the states offer historic tax credits that can be used in tandem with the Federal historic tax incentives. The four states with the most rehabilitation activity in FY 2015 (Louisiana, Virginia, Missouri and Ohio) all have “piggyback” state historic credits. Piggybacking state credits has proven to be an invaluable additional incentive for rehabilitating vacant and deteriorated historic buildings.

Economic Revitalization Utilizing Federal Historic Preservation Tax Incentives



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For 39 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 2015, 50% of the completed projects included housing, with a third of those units for affordable units. Office space accounted for 21% of the projects, while 14% was for other commercial uses. This year, 72% of the historic structures undergoing rehabilitation work are for a continued use rather than an adaptive reuse.

1. The Ohio Institution for the Education of the Deaf and Dumb/The Deaf School, Columbus, OH; 2. Hill Building, Durham, NC; 3. Waters Building, Florence, SC; 4. Davenport Apartments, Detroit, MI; 5. Powers Warehouse, Portland, OR (Elliott Schofield Photography). Photos: NPS files unless otherwise listed.



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Over \$6.6 Billion Investment in Historic Rehabilitation

While the historic preservation tax credit encourages the rehabilitation of historic buildings of national, state, and local significance, it also stimulates 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 tool to foster economic revitalization. Sometimes it takes only a single project to be a catalyst for other development on a Main Street or in a downtown neighborhood. Other times, several historic tax credit projects scattered within a community are needed to have a similar effect.

In FY 2015 the number of approved proposed projects was 1,283. The investment in these projects totaled an estimated \$6.63 billion, while the investment in the 870 certified completed projects totaled \$4.47 billion. The median cost for proposed projects was \$937,865 and \$950,000 for certified projects.

Historic Revival into Senior Housing

With their neighborhood locations and handsome architecture, former monasteries, convents, and parochial schools are being adapted to help meet the growing need for senior housing, utilizing the Federal historic tax credit. Both of the projects shown here were certified by the National Park Service in FY 2015.

The Blessed Sacrament School, Louisville, KY

In Louisville, Kentucky, locally-based Housing Partnership, Inc., joined with Catholic Charities of Louisville to renovate the Blessed Sacrament School into 30 desirable senior apartments. At the same time, the building was made more energy efficient while preserving its historic character. The former convent wing was rehabilitated as a community service facility, providing financial literacy and housing/rental counseling for the community. *Photo: David Dutschke, Catholic Charities of Louisville*



Passionist Brothers Monastery, Chicago, IL



In the Norwood Park community of Chicago, a former Passionist Brothers Monastery now provides 84 apartments for senior citizens following a \$34 million rehabilitation and expansion of the circa 1910 Classical Revival-style building. The property features such amenities as a fitness center, library, chapel, and gardens—all part of the independent living experience of this Senior Lifestyle Corporation community. *Photo: NPS file*

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 Website <<http://www.nps.gov/tps>> has detailed information about the program. For the phone number or website of your state preservation office, call the National Conference of State Historic Preservation Officers at (202) 624-5465 or visit their website at www.ncshpo.org.

on the cover:

Vacant for nearly 40 years and left to decay

Lowe's Kings Theater, Brooklyn, NY

Kings Theater was one of five "wonder theaters" built by the Lowe's Theatre chain in and around New York City in the late 1920s. It featured a progression of lavish spaces that led the audience from the sidewalk into an opulent fantasy world. Vaulted ceilings, ornate plaster walls, gold-leaf ornament, crystal chandeliers, rich wood paneling, embroidered fabrics and tapestries, marble floors, and highly styled woven carpets all celebrated a high-style French Renaissance influence.

The theater initially offered both film screenings and live vaudeville performances. With the rise of sound film and the decline of vaudeville, it was converted to an all-film format, and by the mid-30's offered double features for as little as 25 cents. Due to low attendance, high maintenance costs, and the decline of the surrounding neighborhood, it closed in 1977. Seized for back taxes, the theater was acquired by the City in 1983. Neglected over time, the theater fell into a state of disrepair suffering from extensive water damage and vandalism.

In 2009, after many false starts, ACE Theatrical Group was awarded the right to redevelop the building as a live performance venue by the New York City Economic Development Corporation. The historic rehabilitation effort restored the exterior and the most important interior public spaces, while making carefully planned modifications to accommodate a modern performing arts venue. Exterior work included repairs to the terra cotta facade, roof replacement, and recreation of the historic marquee. Work in the lobbies included the reproduction of the historic carpeting, restoration of the chandeliers, and creation of additional refreshment and restroom facilities. In the auditorium, the ornamental plaster was restored and the tapestries and curtains were recreated. Wood finishes were reglazed and restored. A decorative paint scheme, drawn from the original, included glazes and gilding. To accommodate modern codes and ADA compliance, the orchestra floor and mezzanine were re-raked, and the number of seats reduced by 20 percent.

Utilizing the Federal Historic Preservation Tax Incentives, this successful public/private partnership brought the magnificent building back to life. The \$95-million project was certified by the National Park Service in 2015. The rehabilitation generated over 500 construction jobs, with 100 full-time positions created with the completion and in-service operation of the building. Today, it is the largest indoor performing arts venue in Brooklyn and fourth largest in New York City.

Cover photo: Lowes Kings Theater, Brooklyn, NY

Photo: Whitney Cox



Before photo of auditorium: Whitney Cox



After photo of auditorium: Whitney Cox



After photo of lobby: Kings Theater