



United States Department of the Interior

NATIONAL PARK SERVICE

1849 C Street, N.W.
Washington, DC 20240

September 4, 2012

Re: **Palmetto Building, 1400 Main Street, Columbia, South Carolina**
Project Number: **18479**

Dear

I have concluded my review of your appeal of the decision of Technical Preservation Services (TPS), National Park Service (NPS), denying certification of the rehabilitation of the property cited above. The appeal was initiated and conducted in accordance with Department of the Interior regulations (36 CFR Part 67) governing certifications for Federal income tax incentives for historic preservation as specified in the Internal Revenue Code. I thank you and _____ for meeting with me in Washington on June 21, 2012, and for providing a detailed account of the project.

After careful review of the complete record for this project, including the project file for the 1986 rehabilitation, which I retrieved from the National Archives at your request, and the information submitted by _____ in a letter dated June 19, 2012, and in several e-mails, the last of which was dated August 1, 2012, I have determined that the rehabilitation of the Palmetto Building is not consistent with the historic character of the property, and find that the project does not meet Standards 2, 5, 6, and 9 of the Secretary of the Interior's Standards for Rehabilitation (the Standards). Therefore, the denial issued on February 15, 2012, by TPS is hereby affirmed.

Built circa 1913, the Palmetto Building was listed individually in the National Register of Historic Places on November 25, 1980. The rehabilitation of this "certified historic structure" was found not to meet the Standards owing to a number of issues. On the exterior, TPS cited the addition of granite panels. On the interior, TPS cited modifications to the two-story banking hall and the apparent demolition of the corridors and general circulation spaces on the upper floors.

With regard to the granite panels cited by TPS, I acknowledge, based on the 1986 rehabilitation photographs, that similar granite panels existed prior to the beginning of this rehabilitation. Although you could have left those existing, non-historic, granite panels in place, choosing to replace the panels triggered the requirements of Standard 6, which states, "*Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.*" I have determined that these new granite panels do not comply with Standard 6 in that they are not based on documentary evidence of the historic conditions, that the polished granite is not a compatible material with the adjacent unpolished limestone, and that the color of the granite does not match the color of the adjacent limestone.

Consequently, I agree with TPS that the new granite panels have diminished the historic character of the Palmetto Building, and contravene Standard 6. At our meeting, you offered to remove the panels if doing so would bring the project into conformance with the Standards. Although this change could potentially improve the project, it would not suffice to bring the overall project into compliance with the Standards.

With regard to the former banking hall, like almost every banking structure in the late-nineteenth and early twentieth century, these spaces were meant to impress customers with the bank's size and solidity, and thus to inspire confidence in the institution's permanence and the security of its deposits. By design, the space was the most impressive in the building. I note that the historic character of the banking hall remained substantially intact prior to rehabilitation.

In its February 15, 2012, denial letter TPS described the changes to the banking hall in great detail. I find that TPS' description is an accurate assessment of the impact of the rehabilitation on the principal and most significant interior space in the building. These modifications resulted in both extensive loss of decorative finishes and significant modifications to the proportions and volume of the space. With regard to the extensive loss of decorative finishes, the only historic finishes surviving in the banking hall are the floor, the interior (north) wall of the space, and the face of the mezzanine. The other historic finishes—on the exterior walls, columns, ceilings, and mezzanine—were removed or covered in the course of the rehabilitation. The replacement finishes are new and, in the case of the coffered ceilings and the mezzanine railing, are not adequately differentiated from the old, thereby creating a false sense of history.

With regard to modifications of the proportions and volume of the banking hall, in order to accommodate new HVAC ductwork, the historic ceiling of the banking hall and the underside of the mezzanine were removed and a new, coffered ceiling was installed below the ductwork and well below the historic ceiling heights. The lowered ceilings changed the proportions of the space and thickened the lower edge of the mezzanine. A colonnade historically demarcated a centerline of the banking hall, but the individual columns were small enough in cross section that they did not visually divide the volume of the hall into two distinct spaces. The rehabilitation appears to have doubled the cross section of the columns, thus reducing the space between them. Although a later addition, the historic edge of the mezzanine was shallow enough that it was not a prominent feature. The rehabilitation added a new railing on top of the historic face of the mezzanine which, combined with the dropped ceiling below the face, significantly increased its depth, making it a newly prominent feature. In each instance, these modifications reduced the volume of the banking hall space and significantly altered its proportions. The openings between the columns have been so reduced in size both horizontally and vertically that, especially on the mezzanine, they are more like window openings in a wall rather than an open colonnade.

I have determined that these changes significantly compromise the historic character of the banking hall that existed prior to rehabilitation and consequently I find that the rehabilitation of the banking hall contravenes Standards 2, 5, and 9, as well as Standard 6, quoted above. Standard 2 states: "*The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.*" Standard 5 states: "*Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.*" Standard 9 states: "*New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be*

differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.” I further find that the changes to the banking hall are sufficient to cause the overall impact of the rehabilitation on the building to fail to meet the Standards.

With regard to the upper floors, the Palmetto Building was originally a shallow “U” in plan—providing daylight to each office—which, as the original floor plan illustrates, resulted in a similar configuration for the corridors on each floor. In the course of this rehabilitation, the light well created by the “U” shape was filled in on every floor, creating new, rectangular, guest room floors. Although TPS did not object to filling in the light well, this is nevertheless a major change to the basic configuration of the building and, whether or not the historic corridor configurations remained, would have prompted new corridor configurations to provide access to the additional space on each floor. In its decision, TPS considered that the reworking of the central corridors had effected a further major and detrimental change to the building's historic character. I agree with TPS that central corridors are in almost every instance character-defining features of historic building interiors, and that altering them extensively or removing them altogether would invariably cause a project to contravene the Standards.

In the file for the 1986 rehabilitation, the only photographs of the upper floors were for the fourteenth and fifteenth floors, which showed materials and finishes consistent with those shown in other photographs of the first floor elevator lobby. There was no information in the file stating if the visible materials and finishes were historic, replacements in kind, or conjectural, and thus provides little information about the overall configuration, condition, and integrity of the upper floors.

I note your statement during our meeting that the building had been gutted on these levels prior to your acquisition of it. However, I find that the documentation you have submitted to substantiate that allegation is not persuasive. Indeed, documentation in the record suggests that demolition of some interior partitions was undertaken as part of this rehabilitation. Consequently, based on the documentation available in the record, I find that the rehabilitation of the upper floors contravenes Standards 2 and 5, quoted above.

The central problem here is that the application lacked—indeed still lacks—adequate documentation of the building prior to the start of work. The material provided to the NPS at every level of this review—to TPS, and to me upon appeal—while voluminous, is inadequate to assess the pre-rehabilitation appearance and condition of the building's upper floors, and thus to objectively weigh the impact of the work done on those floors. I note that TPS had previously denied certification of the project, in letters dated December 7, 2007, and August 30, 2011, on the basis of a lack of information. The regulations state, *“In all cases, documentation, including photographs adequate to document the appearance of the structure(s), both on the exterior and on the interior, and its site and environment prior to rehabilitation must accompany the application. Where necessary documentation is not provided, review and evaluation may not be completed and a denial of certification will be issued on the basis of lack of information.”* [36 CFR § 67.6(a)(1)]. I find that this is still the case here, and is a contributing factor in my decision to affirm the TPS decision. Yet even if it were shown that the corridors had been demolished prior to the start of this rehabilitation, the modifications to the banking hall alone would suffice to render the project ineligible for certification for the reasons set forth above.

Finally, it is unfortunate that the work on this historic property had progressed so far before the NPS received the application. I note that the regulations state, *“Owners are strongly encouraged to submit part 2 of the application prior to undertaking any rehabilitation work. Owners who undertake*

rehabilitation projects without prior approval from the Secretary do so strictly at their own risk.” [36 CFR § 67.6(a)(1)].

As Department of the Interior regulations state, my decision is the final administrative decision with respect to the February 15, 2012, denial that TPS issued regarding rehabilitation certification. A copy of this decision will be provided to the Internal Revenue Service. Questions concerning specific tax consequences of this decision or interpretations of the Internal Revenue Code should be addressed to the appropriate office of the Internal Revenue Service.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Burns". The signature is fluid and cursive, with a long horizontal stroke at the end.

John A. Burns, FAIA
Chief Appeals Officer
Cultural Resources

cc: SHPO-SC
IRS