



# United States Department of the Interior

NATIONAL PARK SERVICE  
1849 C Street, N.W.  
Washington, D.C. 20240



December 16, 2013

Re: Properties: **122, 124, and 126 West Evans Street, Florence, South Carolina**  
Project Numbers: **27505, 27506, 27507**

Dear

I have concluded my review of your appeal of the decision of Technical Preservation Services (TPS), National Park Service, denying certification of the rehabilitation of the three properties 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 November 12, 2013, and for providing a detailed account of the projects.

After careful review of the complete record for these projects, I have determined that the rehabilitations of 122, 124, and 126 West Evans Street are not consistent with the historic character of the properties, and that the projects do not meet the Secretary of the Interior's Standards for Rehabilitation (the Standards). Therefore, the denial of these projects issued by TPS on June 14, 2013, and reiterated on October 22, 2013, is hereby affirmed.

The property at 122 West Evans Street is located in the Downtown Florence Historic District and was certified as contributing to the significance of the district on July 25, 2012. The structures at 124 and 126 West Evans Street are located in an area proposed for inclusion in the district via a boundary increase, but the process for expanding the district has not been completed. Consequently, the National Park Service issued a preliminary determination on August 7, 2012, that these two structures appeared "to contribute to the significance of a potential historic district, which will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer." The in-progress rehabilitations of all three buildings were found not to meet the Standards owing to the removal of features and finishes and the reconfiguration of floor plans, and in the case of 124 West Evans, the demolition of about half of the building itself.

I agree with TPS that these treatments in general have caused the rehabilitations not to meet the Standards. Because there was no historic functional relationship among these structures, the regulations stipulate that they are considered three separate projects for purposes of the program. [36 CFR § 67.6(b)(4)]. However, since they were rehabilitated at the same time to create a single business enterprise—the “Florence Hotel”—with physical interconnections between the three buildings, I am issuing the individual appeal decisions in a single letter. I also note that the work had been completed and the projects placed in service prior to TPS issuing its June 14, 2013, decisions.

### **122 West Evans Street (Project # 27505)**

In its denial of this rehabilitation, TPS cited significant changes to both the ground floor and the upper floor. On the ground floor, the large open banking/retail space behind the storefront was truncated to less than a third of its original depth by the insertion of guest rooms. In addition, the party wall on the west side of the truncated space was removed to connect this new room with the adjoining building at 124 West Evans. On the upper floor, the historic plan and the deteriorated materials comprising it were demolished and replaced with a new plan (in new material, partially replicating the historic materials removed) that does not match the original configuration. At the appeal meeting, you proposed to fill in a significant portion of the opening that had been cut in the west party wall, leaving only an opening for circulation between the two buildings. Also at the appeal meeting, I questioned the character of the replacement storefront, which is significantly heavier and consequently less open than the historic storefront, particularly when viewed from the interior. Following the appeal meeting, you offered to make changes that would improve the design of the replacement storefront. I have determined that the cumulative impact of these changes, despite the remedial work you have proposed, causes the project to contravene Standards 2, 5, and 6. 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 6 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.”*

### **124 West Evans Street (Project # 27506)**

The rehabilitation of this modest one-story structure involved the construction of a wall behind the inset storefront flanked by display cases that is even closer to the storefront than was the case in 122 West Evans, as well as the removal of the east party wall shared with 122 West Evans, to connect the two buildings immediately behind their storefronts. These changes have reduced the original commercial space to an anteroom adjoining the front room of 122 West Evans. Moreover, the entire back half of the building was demolished to form an outdoor courtyard, and a bridge was constructed above the roof of 124 West Evans, connecting the second floor of 122 West Evans to the second floor of 126 West Evans. With the exception of the street facade, which was preserved substantially intact, these changes have destroyed nearly every indicator of the building as a late-19<sup>th</sup>/early-20<sup>th</sup> century commercial structure. At the appeal meeting, you proposed to reduce the size of the east party wall opening and to construct a wing wall in the location of the original rear wall of the building. With regard to the size of the party wall opening (discussed above for 122 West Evans), although it would improve the design, it would not remediate the severe truncation of the original commercial space. With regard to the wing wall, while it would create a reference to the location of the original rear wall, it would also create a security concern for hotel guests arriving at that entrance, and thus is not a practical consideration. As a result, I have determined that the overall impact of the rehabilitation on the historic character of the building contravenes Standards 2, 5, and 6, cited above.

Further, although the rooftop bridge addition is set back from the street facade and is relatively transparent, I have determined that it introduces a prominent new element that is incompatible with the modest building beneath, as well as one that completes the subordination of this independent structure to its neighbors, thereby causing the rehabilitation to fail the test of Standard 9 as well. Standard 9, governing new additions, 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.*" TPS did not cite this last item in its review of this project. However, Department of the Interior regulations governing the program state that "*The Chief Appeals Officer may base his decision in whole or part on matters or factors not discussed in the decision appealed from.*" [36 CFR § 67.10(c)(4)].

### **126 West Evans Street (Project # 27507)**

Although 126 West Evans had served for many years as a hardware store with storage on the second and third floors, its original use as a hotel was still evident on those upper floors, with hotel rooms situated around the perimeter of a large central space, a common configuration for hotels of that era. On both upper floors a new plan was inserted featuring larger rooms around a much reduced central space. At the same time, the extant stair from the second to the third floor was moved to a new location within the space. Photographs of the completed work show that the new plan bears only a superficial resemblance to the old plan—and in virtually all new materials, save for original flooring and guest room doors, now reused as bathroom doors within the enlarged guest rooms. Furthermore, the additional information presented at our meeting, and after it, does not convincingly establish that the stair—relocated and rotated 90 degrees—had been moved previously and was merely being returned to its original location; in this I agree with TPS. As modified here, these spaces purport to be historic but are in fact almost entirely new. Together these changes have caused this rehabilitation to fall short of Standards 2, 5, and 6, cited above, as well as Standard 3, which states "*Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.*" Even should it be conclusively proven that the stair had in fact been relocated to its original position, the other changes made here would preclude certification of the completed work.

### **Conclusions**

The regulations require that the overall impact of the rehabilitation on the historic character of a property be the primary consideration in reviewing a project for certification purposes. The issues discussed above are the deficiencies that preclude certification of the project. There are positive aspects of the rehabilitations that must be considered to assess the overall impact of the completed work. In general, the facades of the three buildings were acceptable, with the exception of the (correctable) design of the new storefront of 122 West Evans. The window treatments are acceptable. Consequently, when considering the exteriors, the overall impact of the rehabilitations on the Downtown Florence Historic District (for 122 West Evans) and its possible expansion (for 124 and 126 West Evans) is consistent with the historic character of the district. And, support from the local community indicates that the Florence Hotel will have a beneficial economic impact on the city of Florence.

In weighing the both the positive and detrimental impacts of the rehabilitations on the three buildings, I note that the regulations state that, "*A rehabilitation project for certification purposes encompasses all work on the interior and exterior of the certified historic structure(s) and its site and environment, as determined by the Secretary.*" [36 CFR §67.6(b)]. In addition to the issues discussed above for each individual property, the overall work included installation of new materials matching deteriorated historic

materials that were removed, an acceptable treatment under Standard 6. However, in many instances, the replacement materials were not installed in their original locations or configurations, creating a false sense of history that is not consistent with Standard 3 (cited above). The completed work may look historic but, in fact, it is not historic. Consequently, for all of the reasons discussed above, I find that the overall impact of the detrimental changes to the interiors of all three projects outweighs the treatment of their exteriors.

With regard to the impact of the rehabilitations on the historic district in which they are located, the regulations state that, "*In situations involving the rehabilitation of a certified historic structure in a historic district, the Secretary will review the rehabilitation project first as it affects the certified historic structure and second as it affects the district and makes a certification decision accordingly.*" [36 C.F.R. §67.6(b)(6)]. In all three cases, although I have determined that their overall impact is consistent with the historic character of the district, under the regulations, that is not sufficient to compel certification.

In the end, the Hotel Florence appears to be a successful—perhaps exemplary—economic development project. However, it is not a successful rehabilitation project under the regulations governing the investment tax credits established to incentivize historic preservation.

Finally, it is unfortunate that the work on these properties had progressed so far before the National Park Service received the applications, since it is the experience of the National Park Service that such buildings can be rehabilitated in a manner that conforms to the Standards. Given the fact that the projects are complete, I can see no practicable way to correct the deficiencies identified above. 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 decisions are the final administrative decisions with respect to the June 14, 2013, and October 22, 2013, denials that TPS issued regarding rehabilitation certification. A copy of these decisions will be provided to the Internal Revenue Service. Questions concerning specific tax consequences of these decisions or interpretations of the Internal Revenue Code should be addressed to the appropriate office of the Internal Revenue Service.

Sincerely,

A handwritten signature in blue ink, appearing to read "John A. Burns".

John A. Burns, FAIA  
Chief Appeals Officer  
Cultural Resources

cc: SHPO-SC  
IRS