

Federal Tax Incentives for Rehabilitating Historic Buildings

Annual Report for Fiscal Year 2019



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 45,000 completed projects since its enactment in 1976, the program has leveraged over \$102.64 billion in private investment in the rehabilitation of historic properties—spurring the rehabilitation of historic structures of every period, size, style, and type in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

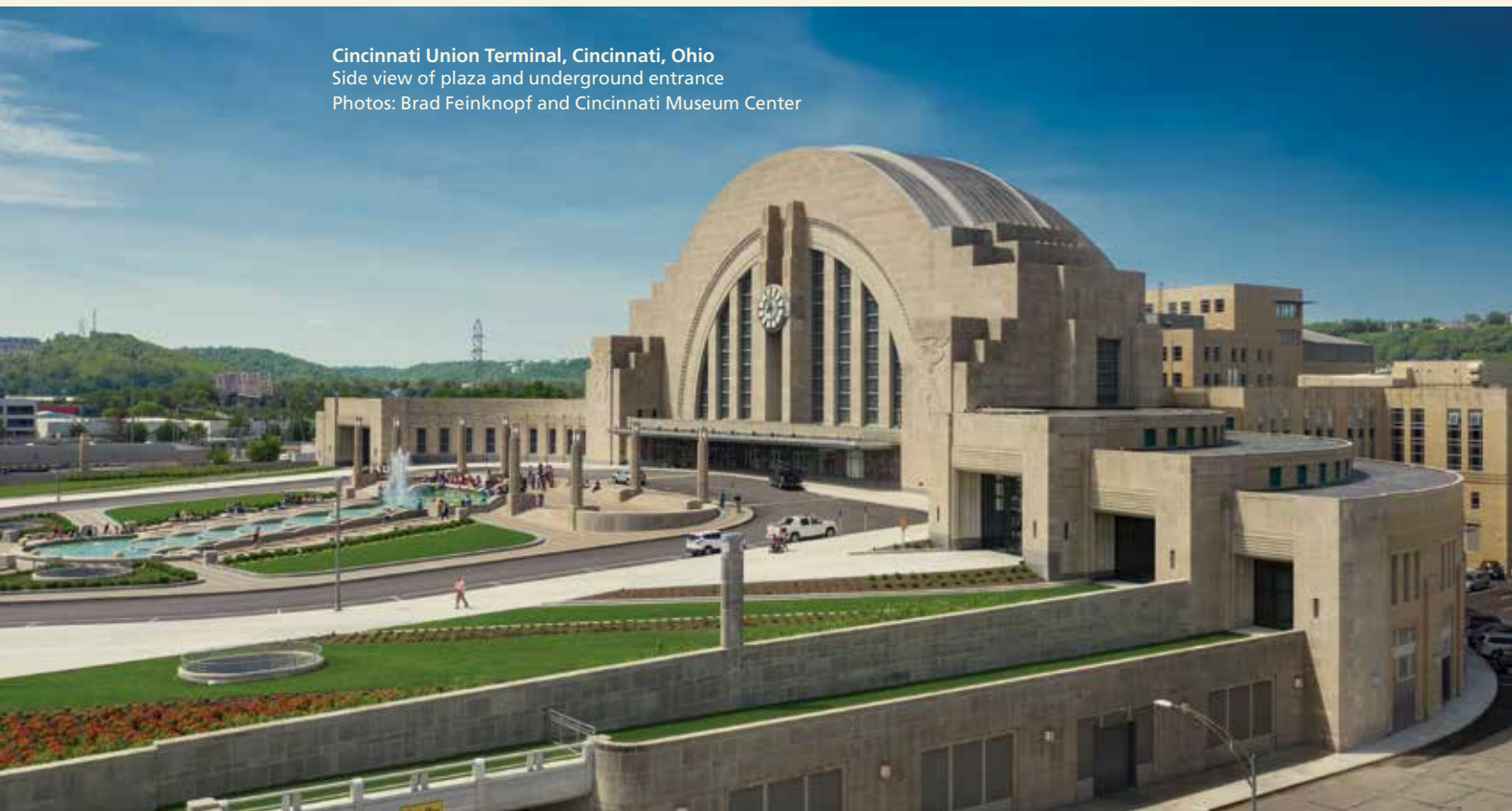
Commonly known as the Historic Tax Credit, the program provides a 20-percent Federal tax credit to property owners who undertake a substantial rehabilitation of a historic building in a business or income-producing use, while maintaining its historic character. In a three-part application process, the National Park Service certifies that a building is historic, and therefore eligible for the program, and that its rehabilitation meets preservation standards.

The Historic Tax Credit is the largest Federal program specifically supporting historic preservation. It generates much needed jobs and economic activity, enhances property values in older communities, creates affordable housing, and augments revenue for Federal, state, and local governments, leveraging many times its cost in private expenditures on historic preservation. This widely-recognized program has been instrumental in preserving the historic buildings and places that give our cities, towns, Main Streets, and rural areas their special character and has attracted new private investment to communities small and large throughout the nation.

Technical Preservation Services, National Park Service

March 2020

Cincinnati Union Terminal, Cincinnati, Ohio
Side view of plaza and underground entrance
Photos: Brad Feinkopf and Cincinnati Museum Center



Fiscal Year 2019 at a Glance

1,501 Certifications of significance for rehabilitation (Part 1)

1,317 Preliminary certifications of rehabilitation (Part 2)

Estimated rehabilitation costs \$7.44 billion
 Median project QRE \$900,000
 Average project QRE \$5.65 million

1,042 Certifications of completed work (Part 3)

Estimated rehabilitation costs \$5.77 billion
 Median project QRE \$1.03 million
 Average project QRE \$5.54 million
 Rehabilitated housing units 6,564
 New housing units 9,716
 Low and moderate income housing units 6,206

QRE=Qualified rehabilitation expenditures

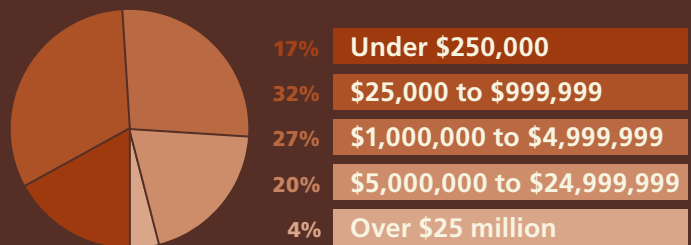
Over \$5.77 billion in private investment in historic preservation and community revitalization.

Unusual building types in rehabilitated in FY 2019 include: a jewelry store, several convents, a naval air station, a laundry supply building, a cigar factory, a filling station, an armory, three opera houses, a brewery, a sheep ranch, a sports arena, and a saloon.

New National Register nominations – about 15% of projects involved properties not yet listed in the National Register of Historic Places.

Thirty-seven states have state historic tax credits that can be used in tandem with the Federal historic tax credit.

FY 2019 Size of Projects



FY 1977 – FY 2019 Program Accomplishments



\$102.64 billion

Estimated Rehabilitation Investment



45,383

Historic Rehabilitation Projects Certified

291,828

Rehabilitated Housing Units

312,176

New Housing Units

172,416

Low- and Moderate-Income Housing Units



FISCAL YEAR 2019 SELECT PROJECTS

Joseph Schmidt
Brewing Company
Keg House, St. Paul,
Minnesota Photo:
Geoffrey George of
R62Pictures and the
Keg and Case Team



Bank of Italy Building (now The NoMad Hotel
Los Angeles), Los Angeles, California
Photo: KFA and Jim Simmons Photography



Dollar Bank,
Pittsburgh,
Pennsylvania
(Exterior)
Photo: Dollar
Bank



Turner Todd Motor
Company, Mobile, Alabama
Photo: Rogers & Willard, Inc.



Dollar Bank,
Pittsburgh,
Pennsylvania
(Interior)
Photo: Dollar Bank



Kenosha Elk Club (Now The Stella Hotel and
Ballroom), Kenosha, Wisconsin
Photo: MJ Freund



The Virginian Hotel, Lynchburg, Virginia
Photo: John Bellenis Photography



Charles O. Sigglin Flats, Portland, Oregon
Photo: Chris Botero





Southern Cotton Oil Mill (Now Cane River Brewing Company), Natchitoches, Louisiana
Photo: Brian Davis, Louisiana Trust for Historic Preservation



O.T. Bassett Tower (Now Aloft El Paso Downtown), El Paso, Texas
Photo: WDArchitects (WDA)



F.S. King Brothers Ranch, Laramie, Wyoming
Photo: NPS File



Saginaw News Building, Saginaw, Michigan
Photo: Moreau Visuals and WTA Architects



R.J. Reynolds Tobacco Factory Power Plant, Winston-Salem, North Carolina
Photo: Triggs Photography



51 West Union Street, Kingston, New York
Photo: Charlie Reynolds



East Side Firehouse, Sioux Falls, South Dakota
Photo: Cipher Imaging and Stone Group Architects



Casa Cheruy, Tucson, Arizona
Photo: Jude Ignacio and Garadine Vargas



Park Fulton Filling Station, Cedar Rapids, Iowa
Photo: NPS File



CASE STUDY

Jackson Street Freedman's Cottages Charleston, South Carolina



Jackson Street Freedman's Cottages: before (left), after (middle), Interior (right).
Before Photo: Megan Olson. After and Interior Photos: Cameron Glaws, Mount Vernon Partners

The Freedman's Cottages are an example of the most common worker housing built in the late 19th century in Charleston. Following the end of the Civil War, newly-freed slaves along with Irish and German immigrants came to Charleston to work in the mills and the phosphate industry. The cottages were often built in a row and then rented to individuals and families. They are typically one-story buildings, one room wide and two to three rooms deep, with gabled roofs and side piazzas. While usually associated with freed African American communities, the Freedman's Cottages on Jackson Street housed people from different ethnic backgrounds.

It is believed that there were thousands of these worker cottages throughout Charleston; today, however, due to redevelopment pressures, the numbers are dwindling. These four Freedman's Cottages are among the most intact examples remaining in the city. With the help of Federal and State Historic Tax Credits, Mount Vernon Partners rehabilitated the buildings for use as offices and event spaces. Rehabilitation work included extensive repairs to the roof, structure, siding, windows, and interior finishes.

The tax credit program helps push the needle for us as developers. It makes historically significant rehabilitation projects possible that otherwise might not be financially viable. We're saving cultural assets and generating economic activity in tandem.

—Jackson Street Cottages, South Carolina

CASE STUDY

Knightly's Parking Garage Wichita, Kansas

Constructed in 1949, Knightly's Parking Garage is a rare-surviving example of a post-war, privately-owned, attendant-operated garage. The garage also housed the headquarters for owner D. R. Lauck's Lauck Oil Company. Bokeh Development creatively converted the garage, with its open-air design, exposed skeletal structure, and concrete construction, into office space on the first floor and market-rate apartments on the upper floors. Each floor contains ten units, with a parking spot at the front door and recessed balconies behind the historic four-story neon "Parking" sign. The \$5 million-dollar rehabilitation was completed using both the Federal and State Historic Tax Credits.

Knightly's Parking Garage (Now Broadway Autopark Apartments): Exterior (top), Interior view of apartment balconies (bottom). Photo: Brenda Spencer



FY 2019 STATE-BY-STATE PROJECT ACTIVITY

Estimated Qualified Rehabilitation Expenditures (QRE) and Five-Year Cumulative Totals

State	Applications Received			Applications Approved			Estimated QRE at Part 2	Estimated QRE at Project Completion (Part 3)	Cumulative Totals FY 2015–FY 2019	
	Part 1	Part 2	Part 3	Part 1	Part 2	Part 3			Part 3	QRE
Alabama	24	19	8	23	23	5	\$73,658,334	\$12,213,842	42	\$222,040,129
Alaska	0	0	0	0	0	0	0	0	1	90,000
Arizona	1	4	4	2	3	3	2,652,721	2,438,981	17	101,204,610
Arkansas	24	29	18	24	31	22	77,689,515	28,078,860	100	177,662,455
California	13	6	8	14	8	9	228,311,420	206,099,108	34	704,352,063
Colorado	10	9	5	6	7	5	32,921,401	23,955,406	18	122,226,510
Connecticut	29	16	1	29	21	2	61,782,450	13,068,008	48	463,732,437
Delaware	6	5	1	6	5	2	20,818,923	9,611,167	11	46,981,658
District of Columbia	8	3	4	9	4	3	100,067,042	26,537,428	18	460,228,323
Florida	13	6	9	8	5	8	25,777,880	24,968,677	38	117,739,305
Georgia	53	42	52	56	38	41	110,672,914	96,417,935	158	388,793,650
Hawaii	2	2	1	2	2	0	4,400,000	0	3	6,679,870
Idaho	1	1	1	1	1	1	8,500,000	1,300,000	4	12,401,761
Illinois	28	26	16	28	29	16	575,140,889	51,437,538	81	1,130,479,206
Indiana	15	13	20	12	15	13	158,397,856	64,670,023	61	291,178,900
Iowa	27	22	20	26	28	19	118,062,757	96,977,099	137	739,696,880
Kansas	26	30	23	22	25	19	54,960,808	38,354,833	75	246,877,073
Kentucky	37	34	33	35	23	27	61,776,256	61,006,459	159	355,158,699
Louisiana	144	122	89	149	118	95	279,217,593	291,159,548	525	1,473,060,143
Maine	14	19	5	12	16	4	49,658,787	23,073,342	45	211,925,303
Maryland	24	24	30	23	21	25	232,762,733	51,638,708	193	506,007,352
Massachusetts	136	148	34	116	96	35	526,739,627	223,085,952	227	1,531,997,190
Michigan	29	22	23	26	22	24	561,517,589	305,826,488	127	1,100,805,640
Minnesota	16	15	14	16	14	13	106,768,779	119,410,699	68	973,169,633
Mississippi	25	17	12	23	18	14	60,573,026	15,115,157	67	85,589,542
Missouri	89	119	88	75	86	118	218,337,595	371,599,346	421	1,745,992,380
Montana	4	2	0	4	2	0	7,406,000	0	7	13,659,591
Nebraska	4	8	4	3	7	4	93,884,000	23,150,501	38	184,110,962
Nevada	1	1	0	1	1	0	75,000	0	1	1,148,850
New Hampshire	2	2	4	2	4	5	33,695,396	62,041,950	10	80,005,393
New Jersey	5	8	5	6	7	2	80,928,424	109,638,616	25	570,130,254
New Mexico	3	1	0	3	0	0	0	0	2	10,810,194
New York	161	134	83	149	117	85	738,173,690	520,135,045	357	3,676,406,364
North Carolina	63	66	56	56	56	51	181,373,313	381,243,164	219	1,089,039,553
North Dakota	0	0	0	0	0	1	0	192,000	3	21,912,123
Ohio	104	101	64	93	95	65	386,869,416	520,921,475	424	2,395,125,909
Oklahoma	16	13	12	13	14	12	93,808,514	76,335,464	63	353,921,355
Oregon	8	7	12	7	12	10	46,330,340	137,302,791	34	246,744,306
Pennsylvania	117	105	67	117	94	68	524,350,110	584,278,642	204	1,757,503,328
Puerto Rico	6	4	0	1	0	0	0	0	0	0
Rhode Island	8	4	9	7	2	9	18,500,000	47,006,926	52	452,593,418
South Carolina	34	25	29	28	22	29	50,120,694	152,847,481	77	404,040,417
South Dakota	0	0	2	0	0	2	0	1,717,093	7	10,527,593
Tennessee	14	7	6	13	5	7	24,199,080	52,309,296	37	431,818,863
Texas	50	41	26	48	46	26	463,773,682	259,586,977	78	1,162,186,579
Utah	7	7	6	7	5	4	5,498,000	1,992,232	20	20,620,665
Vermont	10	6	14	9	5	15	15,875,000	15,330,565	64	82,795,350
Virgin Islands	1	0	0	0	0	0	0	0	0	0
Virginia	133	121	95	126	122	82	265,570,086	302,328,804	435	1,630,092,605
Washington	7	4	10	6	6	8	562,225,590	111,582,780	34	306,755,648
West Virginia	15	12	6	16	14	5	27,775,161	25,991,187	22	67,833,023
Wisconsin	42	32	31	42	22	28	67,590,934	226,112,769	105	631,409,240
Wyoming	1	0	3	1	0	1	0	455,000	3	2,846,520
Total	1,610	1,464	1,063	1,501	1,317	1,042	\$7,439,189,325	\$5,770,454,362	4,999	\$28,820,108,816

Source: Technical Preservation Services, National Park Service

The Federal Historic Preservation Tax Incentives Program is administered by the National Park Service in partnership with the State Historic Preservation Offices.

The State Historic Preservation Offices (SHPOs) are the first point of contact for property owners wishing to use the historic rehabilitation tax credit. The SHPOs can help determine whether a historic building is eligible for Federal or State tax credits, provide guidance before beginning a project, and advise on the application requirements and what constitutes appropriate preservation work. For the phone number or website of your SHPO, contact the National Conference of State Historic Preservation Officers at (202) 624-5465 or visit their website at www.ncshpo.org.

The Technical Preservation Services (TPS) office administers the tax incentives program on behalf of the National Park Service. Information about the program and application requirements as well as technical guidance and publications on preserving and rehabilitating historic buildings is available from TPS at (202) 513-7270 or www.nps.gov/tps.

When I purchased this property, I realized it required a lot of work. Having this program provided guidance and allowed me to renovate the building correctly. I feel good about what was accomplished, and my tenants are very pleased with the finished product. This program is making a difference.

—Kingston, New York

Cincinnati Union Terminal

Cincinnati, Ohio

When it opened in March 1933, the Cincinnati Union Terminal astounded travelers with its Art Deco splendor and was quickly dubbed the “Temple to Transportation” by the press. The increasing popularity of car and air travel led to a decline in ridership, and passenger train service to the Terminal ended in 1972. After a brief stint as a mall during the 1980s, in 1990 the Terminal found its permanent tenant with the Cincinnati Museum Center, a non-profit entity consisting of Cincinnati History Museum, Cincinnati History Library & Archives, Duke Energy Children’s Museum, Museum of Natural History & Science, Robert D. Lindner Family OMNIMAX® Theater, and Nancy and David Wolf Holocaust & Humanity Center.

In 2016, the Cincinnati Museum Center began a comprehensive \$228 million rehabilitation of the Terminal to correct more than 80 years of accumulated water damage, deterioration, unsympathetic prior renovations, and deferred maintenance. The project was funded with a combination of Federal and State Historic Tax Credits, a 0.25% county sales tax increase, grants, and private donations. The rehabilitation included extensive structural repairs, repairs to the cascading public fountain and plaza, repairs to the clock on the building’s façade, and all new heating and cooling systems. The glass tile murals in the rotunda’s half-dome ceiling were restored along with the terrazzo flooring, marble walls, the historic windows, and terracotta tiles.

Cincinnati Union Terminal was listed in the National Register of Historic Places in 1972 and designated a National Historic Landmark in 1977.

Photos: Front and back cover, Brad Feinknopf and Cincinnati Museum Center

