

***Federal Tax Incentives
for Rehabilitating
Historic Buildings***



35th anniversary

American Brewery, Baltimore, Maryland



The Federal Historic Preservation Tax Incentives Program was created as a result of the Tax Reform Act of 1976, and certified its first project as part of the program in 1977. This report (covering the years 1977 through fiscal year 2012) marks the 35th anniversary of that first certified rehabilitation project.

On the Cover: American Brewery

This five-story Gothic Revival structure in Baltimore, Maryland, was built in 1877 for the J.F. Wiessner & Sons Brewing Co. and was originally one of two dozen buildings in a five-acre brewery complex. The brewery was sold to American Brewing, Inc., in 1933 and continued as a brewery until closing in 1973. In 1977 the property was donated to the City of Baltimore. Vacant for 30 years, all attempts to revive the building failed until 2008, when a private developer undertook a \$25-million rehabilitation to convert the building into offices and create a home for Humanim, a social services organization with roots in the community.

Federal and state historic tax credits and private donations helped finance the transformation of the bat-infested brew-house, while retaining key historic elements including the vats that now serve as the office's "think tank."

The American Brewery building is located in the Broadway East neighborhood, a low-income area of row houses and small commercial storefronts that suffers from a high degree of abandonment and blight. From its new home, Humanim is providing workforce development services and job creation opportunities directly to the surrounding neighborhood. In addition to relocating its 250 employees there, the organization made 40 local hires. Meanwhile, new development is taking place, signaling greater developer confidence in the community. The successful historic rehabilitation preserves a piece of the city's manufacturing past while demonstrating that historic preservation can spark new investment and economic development in challenging urban neighborhoods. (photos: Kaaren Staveteig, National Park Service)



Many thousands of historic buildings have been saved and rehabilitated over the past 35 years utilizing a program administered and promoted by the National Park Service, in partnership with the State Historic Preservation Offices, and a tax incentive provision in the Internal Revenue Code. These buildings are being used for business or other income-producing purposes, such as apartments, hotels, offices, farms, factories, and stores, and can be found in every state as well as the District of Columbia, the U.S. Virgin Islands, and Puerto Rico. Often underutilized for years, vacant, or threatened with demolition, these now-rehabilitated buildings have become catalysts for economic revitalization in our older cities, towns, and rural areas.



Quapaw Bathhouse, Hot Springs National Park, Arkansas, a certified rehabilitation project. (photo: National Park Service)

The Federal Historic Preservation Tax Incentives Program has generated over \$66 billion in private investment in the rehabilitation of historic buildings since 1977. Fiscal Year 2012 marked the 35th anniversary of the first certified rehabilitation project under this highly-successful program. In this past year alone, the National Park Service approved over 1,000 proposed projects, representing more than \$5.3 billion in private investment in historic preservation.

The Federal tax credit not only helps preserve historic buildings, it is also a cost-effective tool in the ongoing efforts to revitalize our older urban neighborhoods, communities and Main Streets across America. The more than 38,000 certified projects approved since 1977 have generated much-needed jobs—an estimated 2.4 million to date. The public benefits are far-reaching, creating affordable housing, enhancing property values, and stimulating other rehabilitation activity in the surrounding community.

There is no question that the Federal historic tax credit, currently a 20% credit on the qualified rehabilitation costs, has had a profound impact on how historic buildings are viewed. And since passage of the Federal tax credit, over half of the states have built upon its success and implemented their own state historic tax credit. Designed so that they can be used in tandem with the Federal credit, these state credits have helped further the effectiveness of the Federal program.

While the past accomplishments of the program are considerable, now is also the time to look forward. There are over 1.4 million buildings listed in or contributing to historic districts in the National Register of Historic Places, and an estimated 20% of these buildings qualify as income-producing. Every year the lists of endangered historic buildings and countless news stories about historic buildings lost to fire because of antiquated mechanical or electrical systems or proposed for demolition are vivid reminders that much work still needs to be done.

In the pages that follow, you will see some of the varied achievements of the program. At the same time, consider its potential for turning around other historic properties in your community, town or center city. The National Park Service is proud of the role that it has played for the past 35 years and looks forward to continue working with property owners, businesses and community leaders in fulfilling the full potential of this premier Federal historic preservation program.

Jonathan B. Jarvis

Director, National Park Service

Fire stations, office buildings, train stations, libraries, theaters, power stations, barns, factories, hotels, schools, apartment buildings, courthouses, warehouses, carriage houses, opera houses, and rowhouses—from the very beginning, the Federal Historic Preservation Tax Incentives Program has spurred the rehabilitation of every imaginable building type throughout the country. The 35th-anniversary report highlights some of the many ways that the tax incentives program has been helping to preserve these historic buildings, stimulate private investment, and revitalize communities. For the people who live and work in these buildings, and in the surrounding neighborhoods and communities, the program has continued to serve them well.



Trackside Depot, Middlebury, VT



Portland Fire Station No. 7, Portland, OR



Cranberry Processing Barn, Greene, RI

Abandoned manufacturing and industrial sites were early beneficiaries of the tax credits. Mills across New England, for example, were converted to residential apartments, retail establishments, office complexes, or a combination of uses. Old train stations and vacant schools were also ready candidates for rehabilitation and soon became rehabilitation success stories. The rehabilitation of these prominent but decaying buildings brought a renewed vitality to many urban centers. Historic properties of a more recent vintage, such as gas stations and modernist high-rise apartments, are now joining these older building types and undergoing the same kind of renaissance.

The rebirth of individual historic buildings can have a dynamic effect on entire neighborhoods. The transformation of a large abandoned warehouse into offices can create a demand for a local office supply store and coffee shops. An empty downtown office building converted into apartments brings new residents, and in turn new customers for shops and restaurants. The rehabilitation of entire blocks in historic districts or along Main Street can be the welcome aftermath of a single noteworthy project spurred by the historic tax credits. Increasingly the renovation of buildings has fostered heritage and cultural tourism—witness, for example, the revived theaters in Time Square, jazz sites in New Orleans, and the Art Deco hotels of South Beach, Miami.

Nearly 40% of projects involve either low-income or market-rate housing. Residential conversion has always been an important part of the program and accounts for nearly half of the 450,000 housing units that have been renovated or created. A recent surge in downtown buildings undergoing conversions to apartments allows workers to abandon long commutes for the convenience of urban living. This development has accompanied a growing national awareness of the impacts of suburban sprawl.



Photos from left: Comal Power Station, Comal, TX, and Standard Oil Company Gas Service Station, Detroit, MI. (All photos this page from NPS project files.)

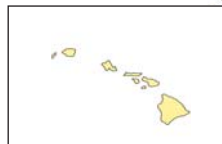
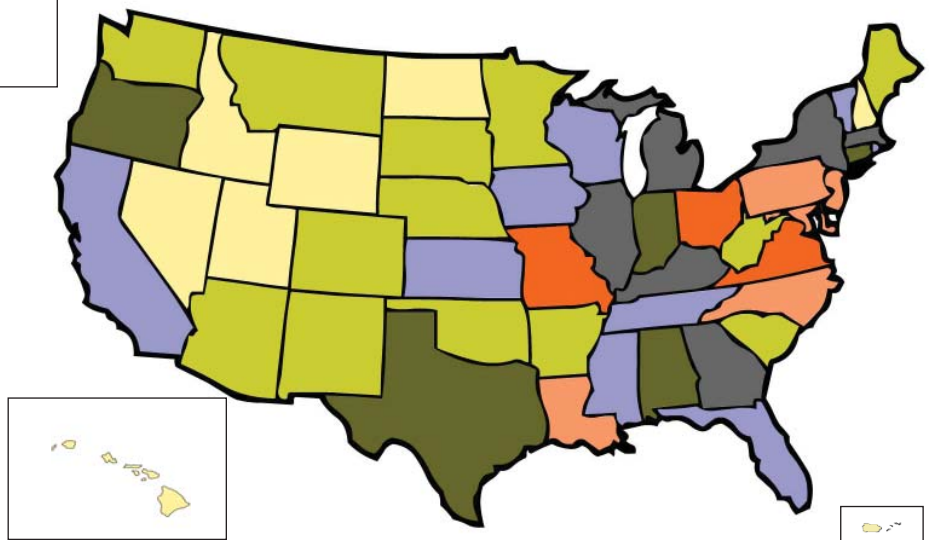
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The Federal Historic Preservation Tax Incentives Program

- The National Park Service, in partnership with the State Historic Preservation Offices, determines whether a historic building qualifies as a certified historic structure and whether the rehabilitation work preserves the historic character of the building, and thus qualifies as a certified rehabilitation.
- Buildings listed in the National Register of Historic Places or contributing to registered historic districts may qualify as certified historic structures.
- A historic building must be used for income production and the rehabilitation work needs to be substantial—a minimum of \$5,000 or exceeding the building’s depreciable basis by at least one dollar, whichever is greater.
- The work must meet the Secretary of the Interior’s Standards for Rehabilitation.
- A 3-part Historic Preservation Certification Application is used by property owners seeking the required certifications from the National Park Service.
- Owners are encouraged to work with the State Historic Preservation Offices and obtain National Park Service approval of proposed work prior to construction. Certifications of rehabilitation are based on completed work.
- The Internal Revenue Service deals with all financial matters involving the historic tax credits.
- Building rehabilitation must take place within a 24-month period or 60 months if phased.



A 10-Year Look at State-by-State Certified Project Activity FY 2003-2012

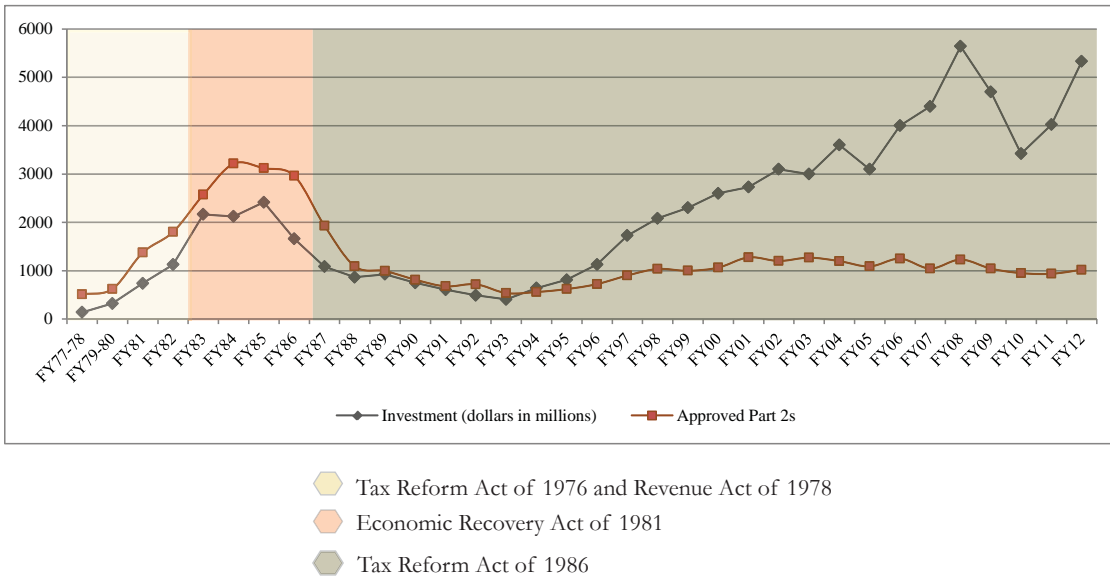


In the mid-1970s, Senator Glenn Beall of Maryland worked tirelessly to help secure passage of the first Federal tax incentives for rehabilitating income-producing historic buildings as part of the Tax Reform Act of 1976. Early in 1977 the National Park Service received its first of what would become many requests from property owners to certify completed rehabilitation projects for the purposes of the Federal Historic Preservation Tax Incentives Program.

By 1981 the tax incentives to encourage the rehabilitation of income-producing historic buildings were modified and enhanced to include a 25% tax credit for certified rehabilitations of certified historic structures. The changes to the incentives provided by the Economic Recovery Act of 1981 led to a dramatic increase in the number of certified rehabilitation projects across the country.

In 1984 President Ronald Reagan gave special recognition to the Historic Preservation Tax Incentives Program, stating “Our historic tax credits have made the preservation of our older buildings not only a matter of respect for beauty and history, but of course for economic good sense.” Two years later, working with Representative Dan Rostenkowski, then-Chairman of the House Ways and Means Committee, President Reagan signed into law the landmark Tax Reform of 1986. While sharply curtailing many real estate tax benefits, the tax reform law largely retained the historic preservation tax incentives, setting the credit at 20%.

The applicable provisions of the 1986 tax law were effective January 1, 1987, and shaped the historic tax credits as used today. In the ensuing twenty-five years since the 20% tax credit became effective, the historic preservation tax incentives have encouraged the rehabilitation of thousands of vacant and underutilized historic buildings across the country. It has been called a “model of governmental initiative” (*Architecture magazine*) and has received a Presidential Design Award. From Main Streets to center cities, certified rehabilitation projects have brought to older communities much needed new jobs, stimulated local economic growth, provided needed affordable housing and desirable places to work and shop, and helped preserve our Nation’s rich architectural and cultural heritage.



A Proven Program

The State Historic Preservation Offices are an invaluable partner in the administration of the Federal Historic Preservation Tax Incentives Program. Besides being the initial point of contact with property owners intending to utilize the Federal historic tax credits, the state offices actively promote the use of tax incentives to foster historic preservation through economic development. The success of the Federal program is reflected in that over half of the states now offer state historic tax credits that can be piggybacked with the Federal credit.

If you were asked to develop a new incentive program to meet the needs of a 21st-century America facing economic crises, unemployment, rising energy costs, climate change, and an ever-diverse population, would you not aim to design a program that spurs private investment, creates jobs, promotes sustainability and energy conservation, while recognizing and celebrating the heritage of a country with a rich history of immigration? Fortunately, this program already exists! For thirty-five years the historic preservation tax credit program has provided an increasingly important tool for individuals, developers and community leaders across America. What better sales pitch could a State Historic Preservation Office wish for?



The Empire State Building; Watertown Public Square (photos: National Park Service)

The program has a proven record of success. The premise that using tax credits as an economic development policy will produce benefits far exceeding the investment has been well-documented in the historic tax credit program – over the life of the program, the credit has helped rehabilitate nearly 40,000 vacant or underutilized structures, created 221,000 new housing units, leveraged over \$66 billion in private investment, created 2.4 million jobs and generated federal tax revenue exceeding its original cost. This success has been the catalyst for dozens of states to adopt state tax credit legislation, both to augment the commercial program and to extend a similar benefit to homeowners.

New York has successfully used the Federal historic tax credit program since its inception. In fact, our 2012 project submissions alone totaled nearly \$1 billion in private investment – a possible record-breaker! We have a parallel state commercial credit that has encouraged smaller-scale projects and a homeowner credit that is being used to revitalize neighborhoods across the state.

It is no exaggeration to say that entire sections of New York City have been reinvented and repurposed using the financial edge that the credit provides. Now, upstate villages, towns and cities, most notably Buffalo, are also seeing a renaissance, with the tax credits playing a large part in attracting investment. Our projects range from major energy improvements to the Empire State Building and the conversions of vacant industrial buildings into fully-occupied residential spaces in downtown Buffalo to the transformation of Watertown's Public Square into a vibrant commercial hub and the rehabilitation of a hurricane-damaged inn in the tiny Catskill community of Prattsville.

We have been given a great tool to safeguard our historic resources, while engaging an array of partners interested in stimulating economic development, job creation, smart growth and sustainability. Our challenge is to continue to publicize the program's tremendous return on investment so that it continues to grow to meet the needs of smaller-scale projects as well as expanding and diversifying to keep pace with 21st-century America!

Ruth Pierpont

Deputy New York State Historic Preservation Officer
Past-President of the National Conference of State Historic Preservation Officers

The Federal historic tax credits are not just about saving historic buildings, but are also about people and older communities. Vacant or otherwise neglected and deteriorated buildings affect local property values, attract crime, foster health hazards, and hurt the livelihood of a community. In older communities in towns and cities, such conditions can involve a large number of historic buildings. Often with the encouragement of local non-profit groups, various developers have been adept at undertaking the rehabilitation of historic buildings scattered throughout one or adjacent historic districts, utilizing the historic tax credits. Rather than singling out a group of buildings in a block, the scattered-site development can have an even broader impact on the stabilization or revitalization of a community.



Columbus Properties of Ohio tax credit projects (photos, above: Judy Williams; left: Community Properties of Ohio)

Columbus, Ohio, is well known for its historic neighborhoods and a downtown commercial center with a large concentration of historic buildings. With a population of 800,000, the city has more than 20 historic districts. Community Properties of Ohio (CPO), a subsidiary of the nonprofit Ohio Capital Corporation for Housing, recently completed a multi-year citywide rehabilitation of 71 historic buildings in seven urban historic neighborhoods utilizing the historic tax credits. Their overall effort centered on the acquisition and subsequent rehabilitation of 209 buildings of Section 8 housing, the majority of which were located in neighborhoods suffering from disinvestment and criminal activity. One neighborhood with a significant concentration of these properties is adjacent to the Ohio State University, which served as a critical partner in this reinvestment effort.

The CPO portfolio within these seven communities consisted of vacant buildings and dilapidated housing, with units in extremely poor physical condition. The revitalization and preservation of the existing Section 8 housing was considered key to helping stabilize and stimulate community renewal. Upon completion, all the historic buildings rehabilitated by Community Properties of Ohio were certified by the National Park Service.

The renovation work included groups of historic buildings and other scattered-site properties, of varying architecture and building materials. Missing porches were replaced and exterior repairs made, which, along with new landscaping, blended into and contributed to the stability of the respective city neighborhoods. At the same time the interiors of the affordable housing units were modernized, adding amenities that were previously nonexistent such as showers and air conditioning. Residents who had been temporarily relocated while the work took place were provided the opportunity to return to the newly-renovated buildings.

The award-winning work of Community Properties of Ohio did not end following the investment of more than \$100 million. As the quality of housing improved, CPO established a 501(c)3 non-profit foundation, CPO Impact, and began to focus on building resident relationships with community partnerships to address resident needs, stabilize housing, increase neighborhood safety, and identify ways to help residents move beyond poverty. CPO Impact has partnered with local law enforcement to launch a public safety program, help send kids to summer camp, implemented an at-risk resident program, and added senior/disabled supportive services, as well as many other programs which support their resident and community objectives

While promoting the rehabilitation and preservation of historic buildings, the Federal Historic Preservation Tax Incentives Program also serves as an important economic catalyst in helping revitalize older communities.

One of the important immediate benefits is job creation. More labor intensive than new construction, rehabilitating historic buildings has the added economic benefit of usually involving a faster start to completion time than new construction. Job creation is realized not only through the immediate rehabilitation work, but when the underutilized or vacant building is once again placed in service in the community.

With the creation of an estimated 2.4 million jobs in the construction, service, and retail sectors, the program is a proven job stimulant in today's recovering economy.



The Roshek Building
(photos: Aaron DeJong)

The c. 1929 **Roshek Building in Dubuque, Iowa**, is an outstanding

example of the economic impact of the historic tax credits. Formerly the Roshek Department Store building, the building has had a long history of job creation. Built during the early years of the Great Depression, the work provided much-needed jobs for construction workers, and the department store became a major retail employer and served as a key component of downtown Dubuque's final pre-World War II building expansion.

The tallest building in the city, it remained remarkably intact through 1970 when the department store relocated and the building was converted to office use. By 2008 with the loss of major tenants, the Roshek Building was on the verge of becoming a 'white elephant' in the central downtown.

Through the efforts of the City, the developer Dubuque Initiatives, Inc., and others, an ambitious and successful turnaround for the building was achieved, beginning in 2009 when IBM selected the city and the Roshek Building for its new regional service headquarters. A fast-track rehabilitation of the building was essential, since IBM would be creating 1,000 well-paying technical and support jobs by 2011.

With a commitment to preserving the historic character of the building and making the building a model of sustainability, rehabilitation work started in 2009, providing employment to more than 200 during the construction phase. Cast-iron canopies, ornamental millwork, plaster ceilings, and decorative columns were restored or carefully replicated. Historic steel windows and terrazzo floors were repaired and new system furniture installed, providing desirable office space while respecting the building's historic open floor plan.

Over \$45 million in rehabilitation work took place, resulting in nearly 260,000 square feet of leasable space. Today, the first floor includes restaurants and retail stores, comprising new businesses and others which relocated into expanded spaces. Besides the 1,000 new jobs at IBM, commercial and retail tenants in the building added over 40 additional new jobs.

As industry and manufacturing has undergone a major transformation in America in recent years, one of the by-products is the closing of older facilities. While 'retooling' is usually associated with modernization of industry and manufacturing, the concept adapts itself quite easily to the rehabilitation of old and obsolete plants for new uses. Often benefiting from their location, access to transportation, and volume of space, former manufacturing buildings can, with the help of the historic tax credits and other local financial incentives, be converted to viable and quite desirable new uses that serve as centers of employment and robust economic activity.



Research and development in the science and technology fields is one of the key components of America's future economic growth and an increasingly attractive reuse of historic manufacturing buildings. Still, it can take visionaries to look beyond a historic factory as being more than just old and no longer of use.

R.J. Reynolds Tobacco Co.,
Building 91
(photos: MacRostie
Historic Advisors LLC)



That vision has been realized in **Winston-Salem, North Carolina**, where Building 91 of the former R.J. Reynolds Tobacco Co. manufacturing plant, has been transformed by developer Wexford Science and Technology LLC of Baltimore into the BioTech Place. Opened in 2012 after a \$100-million rehabilitation, 85% of the 242,000-square-foot building is being occupied by the research departments of the Wake Forest University Baptist Medical Center, with additional space for wet laboratories for start-up companies.



Part of the Winston-Salem Tobacco Historic District, Building 91 is one of 13 historic buildings remaining from the Reynolds Tobacco factory which closed in 1990. Donated by the company, and now part of the Piedmont Triad Research Park, Building 91's most distinctive feature is its glass-block curtain wall—seen from both inside and out. While a unique challenge to retain, Wexford Executive Vice President Dan Cramer appreciated its historic significance. "The glass blocks, in my opinion, are the coolest part of the building. They shine during the day and glow at night . . . They're truly a stunning architectural element."

Despite a good location and the support of the city, the economic transformation of the building would not have occurred without the Federal historic and state mill-rehabilitation tax credits. According to Cramer, "We could not, and they [Wake Forest Baptist] could not, do this project without these historic tax credits." Winston-Salem Mayor Allen Joines probably best sums up the retooling of Building 91: "It's been extremely gratifying to watch this solid old building bounce back to life. It lets us preserve some of the city's tobacco heritage while putting us on a path toward a knowledge-based future."

A commonly-quoted phrase, “The greenest building is the one that’s already built,” succinctly expresses the relationship between preservation and sustainability. The repair and retrofitting of existing and historic buildings is considered by many to be the ultimate recycling project, and projects containing ‘green’ design and historic preservation have added benefits for the larger community. Many of the recent projects appearing in this report have obtained LEED certification.

Traditional building materials are generally durable, the continued maintenance of historic buildings and features relies on local craftsmen rather than replacement parts, and these structures generally make up the heart of our towns and cities. For 35 years the Historic Preservation Tax Incentives have assisted community efforts to sustain and reinvigorate their existing built environment.



Sears, Roebuck and Company Power House
(photos: David Kindler and
The Foundation for Homan Square)



The original **Sears, Roebuck and Company** world headquarters was constructed on the west side of Chicago in **North Lawndale, Illinois**, at the beginning of the 20th century to serve the blossoming mail-order business. The 55-acre site included a number of buildings at the time, among them the five-story administration building; the largest privately-owned laboratory building in the country; the Catalog House, the world’s largest wood-frame structure; a 1,000-car garage; and a 55,000-square-foot power house that electrified, heated, and cooled the entire complex.

Starting in the late 1980s after Sears vacated the site, developer Charlie Shaw and the Homan Arthington Foundation, in partnership with the City of Chicago and neighborhood residents, created over 300 units of housing and a community center, and began to renovate the remaining buildings to serve new purposes. One of their recent projects involved converting the power house into the Charles H. Shaw Technology and Learning Center, the new home for the Henry Ford Power House Charter High School. The adaptation of the power house to classroom facilities has enabled the school enrollment to grow to more than 400 high school students, largely drawn from the neighboring African-American community.

Utilizing the Federal historic tax credit, the \$31-million rehabilitation included the retention of the monumental north hall; the repair and energy improvements to the original window frames and sashes; the addition of two new floor levels within the south hall; and the installation of a new

elevator and connecting stairs. As part of a classroom experience that focuses on the environment, elements of the original energy production technology were preserved, while at the same time modern sustainable energy technology was utilized including geothermal heating and cooling. Exterior work provided new multilevel egress, incorporated within the original railroad hopper structure attached to the building. Additional work included the reconstruction of sidewalk vaults and the main entry stairs. The 14-foot-wide and 185-foot tall radial brick chimney is also being fully restored and incorporated into the future life of the education facility, including a planned introduction of a wind turbine within it. The project was also awarded LEED Platinum certification.



National Bohemian Brewery
(photos: National Park Service)



The **National Bohemian Brewery in Baltimore, Maryland**, was established in 1885 and was closely associated with Baltimore’s strong German-American community. The brewery was famous for its National Bohemian brand (known in ‘Baltimorese’ as ‘Natty Boh’); and also for its National Premium Beer, Colt 45 malt liquor, and the introduction of the nation’s first six-pack in the 1940s. The original brewery Baltimore facility ceased operations in 1978.

During the past decade, the owners of the Natty Boh brewery site undertook a successful mixed-use rehabilitation of the 11-story brewery building and other historic buildings in the complex, converting 737,000 square feet of vacant industrial space into commercial and office use. The rehabilitation included environmental clean up of the Brownfield site; the adaptive reuse of historic structures consistent with smart growth policies; and the use of Federal and State historic tax credits and the Maryland Green Building tax credit programs.

The owners integrated green features into the newly-rehabilitated buildings to make them more sustainable. and to achieve LEED Silver certification. Among the new green features included as part of the project are green roofs located on several of the brewing buildings. The buildings are tall and have sufficient parapets so that the green roof plantings are not visible from the streets and sidewalks and do not detract from the historic character. In addition to the green roofs, the project incorporated sections of cool roof and some high albedo concrete which will further reduce the heat-island effect of the property. The former beer-brewing tanks were also converted to store storm water, which in turn is redistributed throughout the building for various grey-water uses such as flushing toilets and irrigation of the green roof.

Historic buildings come in all shapes and form, reflecting the prevailing architectural styles and building technologies of the time, their historic function, local building traditions, geographic and climatic conditions, and sometimes the just plain quirkiness of the builder or owner. Some are hundreds of years old, and others may be less than 50 years. What these historic buildings all have in common is that they comprise the rich architectural heritage of the country and are vivid reminders of our shared cultural past. At the same time, historic buildings can be part of our vibrant future when rehabilitated and once again returned to a state of utility. The preservation of the historic character of buildings, while promoting rehabilitation and economic revitalization, is one of the principal goals of the Federal historic tax credits. This sampling of past projects reveals the broad range and adaptability of the program in helping to preserve and renew historic buildings of all shapes and sizes. (All photographs on these pages are from NPS files unless otherwise noted.)



Earliest . . .

Sibley House, Rochester, New York, is the first historic tax credit project to be approved, certified in 1977.

. . . Most recent

ASM International Headquarters and Geodesic Dome, in Material Park, Ohio, are modernist structures that were built in 1958.

One of the most recent historic buildings, the project was certified in 2012. (photo: Jeff Goldberg/Esto Courtesy of The Chesler Group, Inc.)



Oldest . . .

Snodgrass Tavern, Hedgesville, West Virginia, is one of the oldest buildings in the tax credit program, built around 1742. The project was certified in 2002.

. . . Highest number

New Orleans, Louisiana, has one of the highest number of completed projects in one city over the past 20 years, with over 560 certified projects.





Biggest investment. . .

Fenway Park in Boston, Massachusetts, is one of the biggest tax act projects to be completed using the program, with an estimated \$227 million investment. The project was certified in 2012.

. . . Smallest

The Pure Oil Station in Geneva, Illinois, is one of the smallest buildings to use the Federal tax credits. Built in 1937, the service station was converted to a drive-through facility for the bank in the adjacent building. (photo: CVG Architects/JLA)



Largest . . .

Goodyear Airdock in Akron, Ohio, remains among the largest buildings ever designed in terms of obstruction-free interior square footage. A certified rehabilitation in 1978, it covers an area larger than eight football fields set side-by-side and is roughly as tall as a 22-story building.

Longest . . .

The Ford Motor Company Assembly Plant in Richmond, California, is one of the longest buildings certified by the program—one quarter mile in length. (photo: Neil Mishalov, Berkeley, CA)



Historic buildings come in many forms and shapes, differing according to style and function, local cultural traditions and influences, prevailing climate, and numerous other factors. Some may be very unique in design, while others may exhibit similar characteristics due to a corporate association such as with many 1950s gas station chains; or buildings may be quite replicative, even in detail, as with many rowhouse blocks of the 1920s. A building's appearance usually reflects its function, some quite recognizable such as a barn, movie house, or railroad station, while others, such as an old brewery, may not be easily recognized without the smell of hops or a signature logo on the building.

While an estimated 31% of certified historic rehabilitation projects are rehabilitated and upgraded for a continuing use, the majority of the projects, approximately 69%, involve buildings being adapted to a new use. A new use is often the only economically viable approach to saving and renewing many historic buildings that are obsolete, vacant or underutilized.



Fort Baker (photo: Shannon Koy)

An entire complex of historic buildings may be considered obsolete for its original function, but can find new life through rehabilitation and innovative use. In such cases, the historic tax credits are often an important catalyst for such a transformation, returning vitality to a group of historic buildings while preserving their historic character.

In 2009, a major rehabilitation project was completed at historic **Fort Baker, near Sausalito, California**. Using the Federal historic tax credit, a private investment group successfully integrated historic preservation requirements, modern amenities and life/safety improvements, and green performance to transform this former army post into an award-winning project.

First used for coastal defense of San Francisco Bay in the late 19th century, permanent buildings for Fort Baker were initially constructed between 1902 and 1910 and remained part of an active military post until the mid-1990s. By 2001, the transfer of the decommissioned site to the National Park Service was completed. Now part of the Golden Gate Recreation Area, the historic fort encompasses 91 acres surrounding a parade ground and a collection of over two dozen historic military buildings.

The National Park Service and a private investment entity, the Fort Baker Retreat Group, began working together in 2006 to convert a portion of the military base to a first-class retreat and conference center, Cavallo Point—the Lodge at the Golden Gate. Plans called for the post's main barrack buildings to be converted into assembly, dining, and office spaces; the officer housing into 68 guest rooms; and various other structures into buildings that could provide modern and sustainable support services.

During the rehabilitation, the exteriors of 27 historic buildings were sensitively repaired, and a significant percentage of the historic interior features and fabric, including pressed tin ceilings, cast-iron columns, stairs, fireplaces, and built-in wood cabinets, were preserved. The historic windows were repaired and made operable again to allow in fresh bay breezes and eliminate the need for air conditioning. Porches and verandas were rebuilt on the barrack buildings using early photographs and physical evidence for the design. The parade ground was taken back to its 1939 appearance. Research to determine the most appropriate vegetation was undertaken.



Fort Baker (photos: Shannon Koy)

In the laundry facility, a filtering system was introduced to reduce water use by about 60%. This contributed to an overall 30% water-use reduction for the project. New construction sited

on the footprints of noncontributing buildings that had been removed provided 74 new guest rooms. Energy-saving systems were chosen as well as green building materials, including insulation made from recycled denim and environmentally friendly paints and carpets. The National Park Service certified the rehabilitation work at this newest National Park lodge.

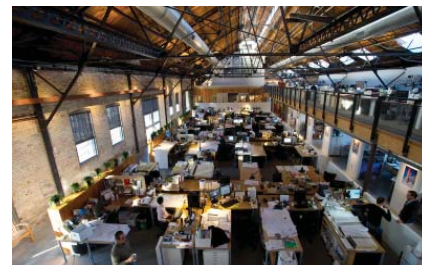
Unlike new construction, which often takes a cookie-cutter approach to interior spaces, historic building rehabilitations can involve more unusual or unique spaces. When creative new design successfully blends with the qualities that help give a building its historic character, the results can be dramatic and rewarding.



Bogue Supply Company Building (photo: copyright Paul Richer, Richer Images 2010)

The Salt Lake Engineering Works/Bogue Supply Company Building, constructed in 1904, is Salt Lake City's earliest-known industrial warehouse entirely supported on a steel frame. While the outside of the building appears to be more of traditional mill construction, the exterior masonry walls are largely non-bearing. On the inside, the fairly delicate soft-steel roof trusses, which span 60 feet, allowed for a large open plan below. This was ideal for the assembly and storage uses of the building over the years.

In 2001, the firm of FFKR Architecture acquired the property with plans to adapt the building to serve as their offices. The distinctive historic materials and features of the building were carefully preserved. The original wood windows were refurbished and skylights were reintroduced in their historic locations. Impressed by the simple yet elegant volume of the interior, FFKR subordinated new design without sacrificing their vision for a dynamic workplace. To provide for additional office space, the historic mezzanine was extended while still preserving the open qualities of the interior. Modern systems were selected that maintained the industrial/warehouse character of the building, and sustainable features were incorporated that helped the building to obtain LEED-EB Silver certification—the first in Utah. Located in an historic industrial neighborhood, the success of this project has been followed by other rehabilitations in the area.



Bogue Supply Company Building - interior (photo: copyright John Sturr, J. Sturr Photography, 2010)

In the past 7 years, this country has witnessed several major natural disasters leading to not only the loss of lives, but widespread damage to the economic well-being of entire communities, towns, and cities across multiple states. Thousands of buildings have been damaged or destroyed, including many historic buildings, and entire historic districts have been affected as seen in New Orleans in the aftermath of Hurricane Katrina; in Greensburg, KS, as a result of a deadly tornado; and in Cedar Rapids, IA, due to major flooding. In the case of widespread natural disasters, Congress has responded with disaster assistance that has included at times an enhanced historic preservation tax credit of 6%, raising the credit to 26% for specific periods of time. The enhanced incentive has proven to be quite successful in assisting property owners with the rehabilitation of damaged historic buildings and in community rebuilding.

Post-Katrina — New Orleans, Louisiana (2005)

Hurricane Katrina was the costliest natural disaster, as well as one of the five deadliest hurricanes, in the history of the United States. As part of the Federal relief assistance, the Gulf Opportunity Act of 2005 provided economic development incentives for the areas of the Gulf States most severely impacted by hurricanes Katrina, Rita and Wilma. In Louisiana, property owners of income-producing historic buildings in 31 parishes were eligible to take advantage of the 26% historic rehabilitation tax credit.



Mandeville Street Firehouse (photo: NPS project file)

Originally constructed in 1916 to serve the city of New Orleans, the Mandeville Street Firehouse spent the second half of the century as a community center, theater, costume shop, dance academy, and storage space until it was severely damaged during Hurricane Katrina in 2005. The Tudor Revival firehouse sat derelict for several years, suffering further from severe water damage. Between 2010 and 2012, the owners of the building undertook a \$615,000 rehabilitation, funded in part through the historic tax credit program. Returning the exterior of the building to its former glory, and preserving interior spaces and features, the building now houses a film and arts incubator space with offices available for rent to artists.. The firehouse was just one of many historic buildings in the Gulf states that have been saved, aided by the 26% historic credit.



S.D. Robinett Building (photo: NPS project file)

Tornado damage recovery — Greensburg, Kansas (2007)

In May 2007, multiple tornadoes spawned by the same synoptic-scale weather system devastated portions of the central United States, including in the states of Oklahoma, Colorado, Kansas, and South Dakota. The most destructive tornado in the outbreak occurred on the evening of May 4th in western Kansas, where about 95% of the city of Greensburg in Kiowa County was destroyed. The supercell killed 11 people and injured at least 60 in Greensburg alone.

The only downtown building in Greensburg that remained standing after the tornado was the S.D. Robinett Building, constructed in 1915. As part of the massive rebuilding of the downtown, the owners of the historic buildings undertook a \$124,600 rehabilitation. Though the building survived the tornado, the brick parapet had to be partially rebuilt and considerable interior damage due to water infiltration needed to be addressed. The rehabilitation included numerous sustainable features, including new energy efficient windows to replace those damaged in the tornado, upgraded insulation, an efficient HVAC system, and bamboo flooring. The completed rehabilitation houses an antique store on the first floor and an apartment on the upper floor. The rehabilitation of the S.D. Robinett Building serves as an important bridge to the past as the town rebuilds and recovers.

Midwestern flood recovery — Cedar Rapids, Iowa (2008)

After months of heavy precipitation, rivers overflowed their banks in the summer of 2008 for weeks in the midwestern section of the United States. The high water broke through levees at numerous locations affecting areas of Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, and Wisconsin. Central Iowa, and Cedar Rapids in particular, were the hardest hit. When the Cedar River crested on June 13th, it extended well beyond the 500-year floodplain, covering more than 10 square miles of the city. The water swept through neighborhoods and flowed through nearly every downtown business and most public buildings, displacing city and county services. In Cedar Rapids alone, 5,390 houses were damaged, dislocating more than 18,000 residents, and 310 commercial and/or industrial buildings were damaged.



Hose Station No. 4 and C.S.P.S. Hall (photo: Emily Myer)

Since the flood of 2008, 25 historic buildings within the Bohemian Commercial Historic District in downtown Cedar Rapids, IA, have benefitted from the enhanced historic tax credit, including the C.S.P.S. Hall and Hose Station No. 4. The 1891 C.S.P.S. Hall, a former Czech social hall, was heavily damaged by the flood and was saved as the result of a \$7 million renovation, completed in 2011. The restored building has become the new home for Legion Arts, which presents cutting edge art, music, theatre, film and other events at a variety of venues. The ground floor was reconfigured to include a new multi-purpose performance studio, classroom and meeting space, two to three compatible retail operations, and an incubator for emerging arts enterprises. The upper-floor gallery theatre and office spaces were upgraded as part of the rehabilitation. Next door, the Hose Station No. 4 has also been brought back to life and converted to a residence and workspace for visiting artists. Important historic features were preserved as part of the rehabilitation, including the historic doors, pressed metal ceilings, and even the old firemen lockers. The building now houses film and arts incubator space with offices available for rent to artists.

Typically when one thinks of education and historic preservation, it involves the theme of learning from our past. The historic tax credit program also helps broaden that connection between education and preservation. One way is through the reuse of historic buildings to serve as charter schools or other education supporting uses. More commonly, community schools no longer in use are also being adapted for affordable and market-rate housing utilizing the historic tax credits. In finding new life such as for housing, a community preserves an important part of its past while providing additional housing and returning properties to the tax rolls. In Kentucky alone, 37 schools have been saved and adaptively used since 1995.

The \$2.5 million rehabilitation of **Beattyville School in Beattyville, Kentucky**, is one of ten historic school buildings across the state that AU Associates has developed in the past 10 years for affordable housing utilizing the historic tax credits, including projects in Glasgow, Buffalo, Winchester, Irvine, Louisville, Jenkins, and Covington, Kentucky.

The Beattyville School was built in 1926 and for 40 years served the small town as a learning center for children in grades 1-12. In 1940 it also became home to the first educational radio station in the country, WBKY, owned and operated by the University of Kentucky. By the early 1970s the school had closed and the building had been converted into the local board of education administrative and maintenance facility.

In 2008 the school property was purchased by AU Associates, and soon the building was being converted to provide 18 affordable housing units in the community. Having a proven track record of historic school rehabilitations, AU Associates considered the historic interior of the school to be an attractive and desirable feature to help foster a distinctive place for people to live. They preserved the wide hallways along with the glazed transoms and sidelights, converted classrooms to apartments, and retained the auditorium for resident use and community activities.

Changing demographics has also led to the closing of a number of historic parochial schools in Kentucky, including the **St. Cecilia School in Louisville**. Suffering from vandalism and disrepair, this 1928 Collegiate Gothic-style elementary school was saved and reused through the efforts of the Catholic Charities of Louisville and The Housing Partnership, Inc., a local non-profit housing developer. Reopened in 2008 as St. Cecilia Senior Housing, the local neighborhood landmark was preserved while creating 30 much needed affordable senior apartments for the community.

The development team successfully created desirable living spaces while preserving the historic character of the building, even saving various blackboards as amenity features. In undertaking the repair of the historic steel windows, the energy performance was enhanced by utilizing special finishes and incorporating modern glazing. Solar panels placed inconspicuously on the roof provide energy for the elevators and common spaces, creating greater energy efficiency for the building. Besides the completed \$3.5 million rehabilitation of St. Cecilia School, the development team is undertaking work on several other historic schools where the Federal historic tax credit will be used.



Beattyville School
(photos: Holly B Weidemann, AU Associates)



St. Cecilia School (photo: The Housing Partnership, Inc.)

The historic tax credits can also help support educational reuses in other quite creative ways. In Baltimore, a local development firm has rehabilitated two large historic properties to provide housing for teachers. By providing reasonably-priced apartments for teachers, the developers are helping the city to attract experienced out-of-town teachers to relocate and work in the city's schools.

Located in the Hampden Historic District in **Baltimore, Maryland, Druid Mill** is listed in the National Register of Historic Places for its association with the industrial history of the Jones Falls.



Druid Mill (photos: Paul Burk Photography)

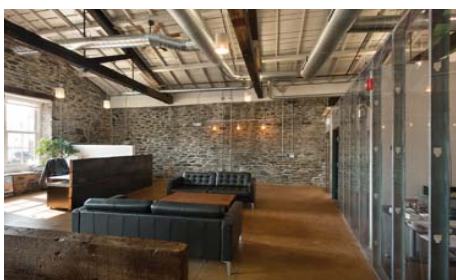
Respecting the massive historic industrial structure with its thick walls of locally quarried stone, heavy timber framing and a very early use of decorative cast iron columns, the owner successfully retained the industrial character of this massive mill complex while integrating green sustainable features to create an award-winning project.

Built in 1866 with a brick addition in 1872, Druid Mill, now known as Union Mill, was once the state's largest stone mill and the largest producer of cotton duck in the

world. It remained a mill into the 1920s, the only one along the Jones Falls that burned coal for steam instead of using water. Later it was converted to a machine shop, then a general warehouse, and, in the 1960s, a plant for making toy train-set accessories. Surviving years of reincarnation and then vacancy, the property was purchased by the Seawall Development Company in 2009. With a \$21-million renovation, the 86,000 square-foot mill and surrounding 3.6 acres were converted into an active and vibrant mixed-use residential and commercial development, providing affordable apartments and office space. The project created 56 one- and two-bedroom apartments designed exclusively for school teachers new to Baltimore, 30,000 square



feet of office space targeted for Baltimore's education, health and human service nonprofit organizations, and a 1,500-square-foot café restaurant in the former boiler house building. The project also included a half-acre central courtyard, for the use of both the commercial and residential tenants.



The rehabilitation work met the Secretary of the Interior's Standards for Rehabilitation, creatively adapting the building to a new use while retaining its historic character and features. The project was also awarded the

Baltimore City Green Standards Two Stars rating – the equivalent of LEED-NC Silver certification from the United States Green Building Council. The preservation and reutilization of this former mill building will serve as an anchor and catalyst to the positive redevelopment momentum in a portion of Baltimore City that is seeing a rebirth in recent years.

'Main Street' represents the heart and center of so many small towns in America that it is used almost synonymously with them. It is not only the traditional commercial center of towns, but also their social center as well. While it is not uncommon to find Main Streets that have consistently retained their historic vitality, changing local economies, big-box stores, bank consolidation, modern by-pass highways, and other factors have generated hardships for businesses and other activities along the main commercial streets of far too many towns. As a consequence, many historic buildings have gone vacant or underutilized, and, at times, even whole blocks of buildings are threatened due to neglect or possible demolition.

Historic preservation has become a common vehicle to help revitalize Main Streets. Local communities respond favorably to efforts to fix up and reuse historic buildings, but there still needs to be sufficient economic incentives for property owners and businesses to take action. The historic preservation tax credits have proven to be a successful tool for local community efforts to re-invigorate activity along Main Street. Work to restore historic storefronts, repair decorative tin ceilings, correct building code deficiencies, and adapt upper floors to new uses are common to many rehabilitation projects. The ongoing success of such efforts is helping not only to preserve historic buildings, but also to reverse the decline of many Main Streets throughout America.

The **Wilmont Building, Livingston, Montana**, on South Main Street in the city's commercial district is a good example of a historic building being successfully rehabilitated, returning it back to full use. Before the project began, the only principal occupant was the Truex Furniture and Appliance store, a locally-owned firm which utilized the lower floors while the upper floors were unoccupied. The recent rehabilitation work returned the upper floors to their original use as apartments while providing upgraded retail space below. While adding an elevator for access and undertaking work to meet modern building codes, the owners repaired the historic stairs, stripped lead paint, refinished historic doors, and restored the principal historic corridors. Upon completion of the rehabilitation work, the 1902 Wilmont Building once again is fully occupied, with offices and apartments above the thriving furniture and appliance store.



The Wilmont Building
(photo: Dan Kaul)



The City Opera House,
(photo: NPS project file)

The **City Opera House, Traverse City, Michigan**, constructed in 1891, is one of the largest and best-preserved early opera houses in the state. The Opera House served as a performing arts center, banquet and dance facility, and in 1940 was leased by a motion picture company until its doors were closed in 1945. The building was donated to the City of Traverse City in the 1980s, and a major restoration plan was subsequently put in place to restore the facility to its original beauty.

Located within a downtown commercial district with operational businesses on all sides, the restoration project was a logistical challenge. The exterior work involved the restoration of the facade while the interior rehabilitation included work on the vaulted and dome ceiling, reproduction of damaged and missing architectural trim, decorative painting, structural improvements to achieve current capacity standards, installation of new mechanical and sprinkler systems and upgrading restrooms. In December of 2004, the City of Traverse City celebrated the grand reopening of the restored historic Traverse City Opera House.

35
years

Program at a Glance

Historic rehabilitation projects certified (Part 3s): 38,819

Rehabilitation investment: \$66.09 billion

Rehabilitated housing units: 238,258

New housing units: 221,132

Low and moderate income housing units: 124,341

Estimated number of local jobs created: 2.4 million

“ Building Owners

This is a good program. It creates jobs, preserves historic architecture and returns more tax revenue than it costs the federal government. It is essential for the restoration of New Orleans.

New Orleans, LA 2012

Thank you for the financial incentives. The project has been a wonderful addition to the community of Croswell. We are offering housing that is unlike any that existed prior to the project.

Croswell, MI 2007

The possibility of tax incentives enabled us to do the renovation without compromising the building's integrity--we did it right and have repaired the structure and preserved it for another 100 years.

Peoria, IL 2001

This program was very beneficial in allowing us to bring affordable senior housing that was greatly needed to Beloit at the same time as saving a structure that played a significant role in Beloit's history.

Beloit, KS 2005

Choanoke Area Development Association of NC, Inc., has now completed 3 senior housing projects using tax incentives. In this rural, economically distressed area, this would not have been possible without the rehabilitation tax incentives. Jobs were created and much needed standard housing has been provided.

Enfield, NC 2011

Both the State and Federal government employees involved in the project were very helpful and would take time to answer any questions.

Anniston, AL 2001

This program is a government incentive that actually works. It preserves historic buildings while making such preservation economically viable.

Oklahoma City, OK 2011

A great program. My wife and I have done at least 10 projects over the last decade and this has created jobs and improved the neighborhood. The tax incentives are essential.

Richmond, VA 2010

Valuable urban revitalization and economic development tool.

Jefferson City, MO 2012

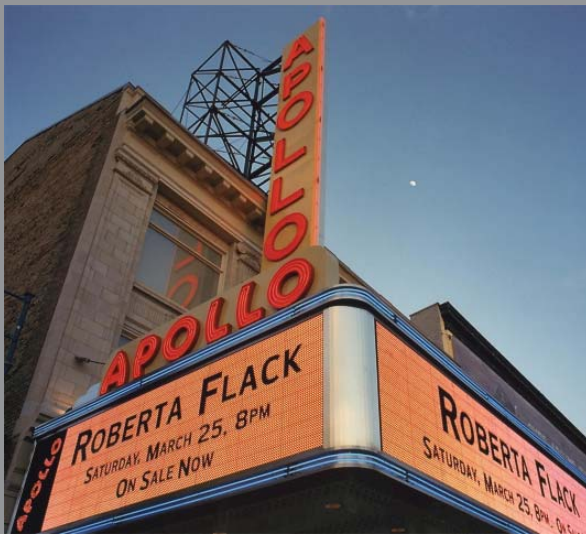
The impact of the incentive cannot be overestimated. Restoration of our historic landscape takes recycling to a whole new level, we save money, we save materials, we create jobs and best of all we save our heritage.

Cambridge, MD 2008

These kind of small incentives are what the country needs!! Small business people need and can use this kind of project!

Saratoga, FL 2010

”



Since 1934, the Apollo Theater has showcased legendary African-American talent. This venerable Harlem landmark in New York City completed a certified rehabilitation in 2006 that included restoration of the exterior and marquee, expansion of the lobby, and improved public facilities and access. It is one of the many buildings across the nation that has been rehabilitated using our Federal Historic Preservation Tax Incentives Program. (photo: courtesy of The Apollo Theater Foundation and Bernstein Associates Photographers)

Some past projects . . .

Arctic Club Building
Seattle, Washington

The Peabody Hotel
Memphis, Tennessee

PSFS Building
Philadelphia, Pennsylvania

Savage Mill
Savage, Maryland

Rock Hill Cotton Factory
Rock Hill, South Carolina

Imperial Hotel
Atlanta, Georgia

Raymond M. Hilliard Center
Chicago, Illinois

Aquila Court
Omaha, Nebraska

Hanney's Building
Phoenix, Arizona

Cordova Hotel
St Augustine, Florida

Humble Oil Company Building
Houston, Texas

Apollo Theater
New York, New York

Woodward & Lothrop Building
Washington, DC

Fox River Mills
Appleton, Wisconsin

Many more examples are on our website at: <http://www.nps.gov/tps/> along with additional reports on the Federal Historic Preservation Tax Incentives Program.



National Park Service, U.S. Department of the Interior
Technical Preservation Services, Washington, DC
March 2013