

Annual Report for Fiscal Year 2007

# Federal Tax Incentives for Rehabilitating Historic Buildings



First National Bank, Flint, Michigan



National Park Service  
U.S. Department of the Interior  
Technical Preservation Services

FEBRUARY, 2008

## Federal Tax Incentives for Rehabilitating Historic Buildings

### A Successful 31 Year Federal/State Partnership

*The Historic Preservation Tax Incentives Program, administered by the National Park Service in partnership with the State Historic Preservation Officers, is the nation's most effective Federal program to promote urban and rural revitalization and to encourage private investment in rehabilitating historic buildings. The tax credit applies specifically to preserving income-producing historic properties and has generated over \$45 billion in historic preservation activity since its inception in 1976. With a 5 to 1 ratio of private investment to federal tax credits, the program is an outstanding means of leveraging private investment in adaptive reuse and preservation of our nation's historic buildings. With over 34,800 approved projects, the tax incentives program has attracted private investment to historic cores of cities and Main Street towns across America and generates jobs, enhances property values, creates affordable housing and augments revenues for Federal, State and local governments. (Cover image: courtesy of Uptown Developments, LLC.)*

### Widespread Economic Benefits

Projects approved in 2007 by the National Park Service created on the average 39 jobs each with a total of 40,755 new jobs nationwide. Besides Federal income tax generated from these new jobs, taxes generated from other activities involving these rehabilitations provide further tax revenues to Federal, State and local governments. These projects also result in enhanced property values, and economic rejuvenation of older neighborhoods.

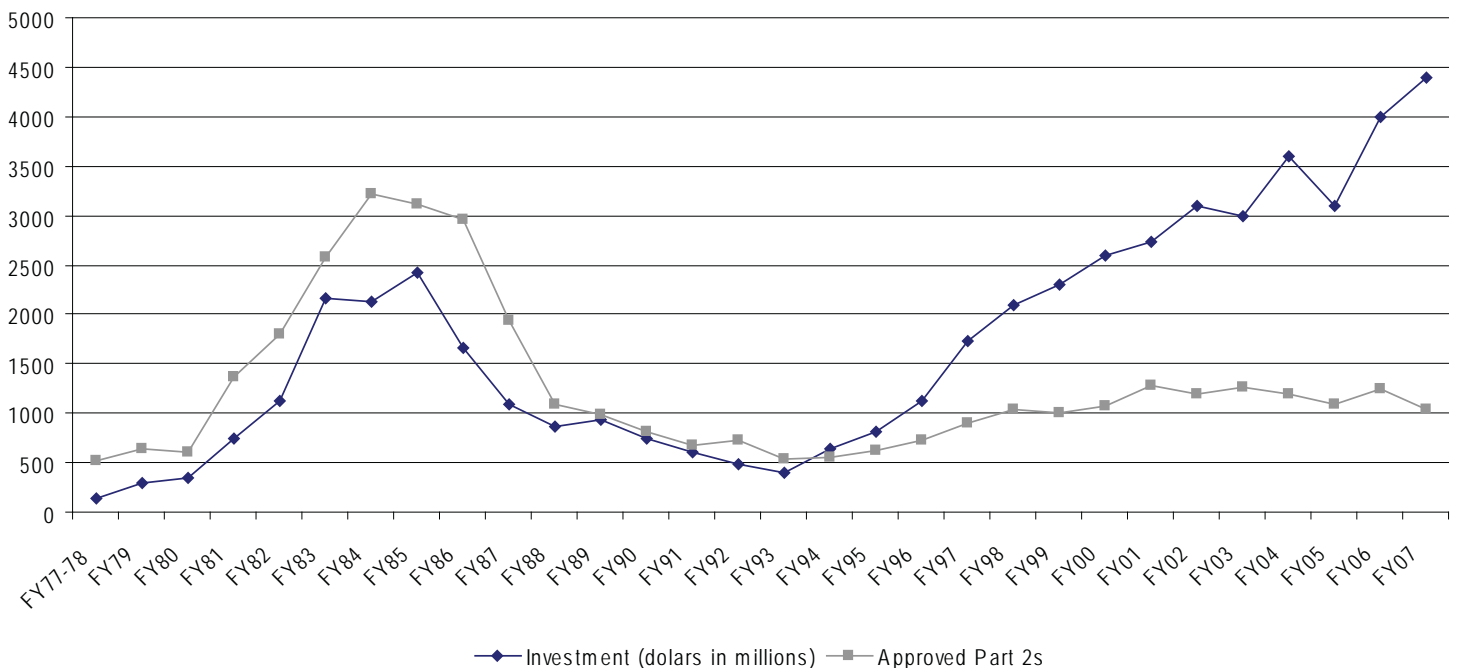
### Over One Million Buildings Listed

Over one million historic buildings are listed in or contribute to historic districts in the National Register of Historic Places, with thousands of contributing resources added each year. The National Park Service estimates that 20% of these buildings qualify as income-producing. Under current tax law, income-producing buildings listed individually or certified as contributing to these historic districts are eligible for historic preservation rehabilitation credits.

## 2007 at a glance

- More than \$ 4.34 billion in private investment leveraged
- 40,755 jobs created
- 1,045 projects approved
- 6,553 low and moderate income housing units created
- 18,006 housing units created or renovated overall

## Federal Tax Incentives For Rehabilitating Historic Buildings 1977-2007



## 1,045 Projects Approved in 2007

The Historic Preservation Tax Incentives Program continues to be the Federal government's largest program to stimulate the preservation and reuse of historic buildings that give our older communities their unique character. In Fiscal Year 2007, the National Park Service approved 1,045 projects--continuing an 8 year trend outpacing the previous decade. Many of these projects involved multiple historic buildings. This high level of activity can be attributed, in part, to an increase in public awareness of the benefits of the Federal Historic Preservation Tax Incentives Program as well as the existence of various state and local preservation tax incentives that can be piggybacked onto the Federal incentives.

## A Record \$4.34 Billion in Private Funds

While the Federal historic preservation tax incentives encourage the rehabilitation of historic buildings, they also stimulate major private investment in our older communities. Rehabilitation projects approved by the National Park Service last year represented a private investment of \$4.34 billion at a cost to the Federal Treasury of less than \$868 million in the form of tax credits. Taking into account new construction, which often takes place in conjunction with approved rehabilitations and is ineligible for the credit, the program leverages far greater than 5 to 1 in private to public investment in the preservation and renewal of our old communities.

## Making A Good Program Better

The National Park Service has adopted a plan designed to improve the Federal Historic Preservation Tax Credit Program. The plan, "Making A Good Program Better, Final Guidance and Implementation of National Park Advisory Board Recommendations for the Federal Historic Rehabilitation Tax Credit Program," implements recommendations made by the National Park System Advisory Board following a two-year effort. The implementation plan was effective December 2007. At that time, new features were added to the National Park Service's Tax Incentives website, including a topical index to historic preservation tax incentives and technical information, and to help in planning successful rehabilitation projects, there is expanded guidance on interpreting and applying the Secretary of the Interior's Standards.

## Historic Preservation Tax Credits Save Many Types of Buildings and Create a Variety of New Use Programs

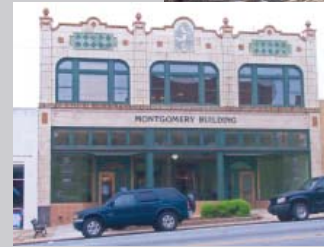
For over thirty-one years the historic preservation tax incentives have spurred the rehabilitation of historic structures of every period, size, style and type. Abandoned or under used schools, warehouses, factories, churches, retail stores, apartments, hotels, houses and offices throughout the country have been given new life in a manner that maintains their historic character. In FY2007, 45% of the new use programs provided housing with a third of these being affordable housing units, 21% created new office spaces, and 27% provided new commercial facilities.



1.



2.



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4.

1. Pisgah Home Historic District, Los Angeles, CA
2. Hope Street School, Woonsocket, RI
3. Montgomery Ward Building, Statesville, NC
4. Henry Denhart & Co. Bank, Washington, IL
5. The Oliver Building, Billings, MT
6. Comal Power Plant, New Braunfels, TX.



5.



6.

## Finding Out More About the Program

Information on the historic rehabilitation tax credits and copies of technical publications that explain cost-effective methods of repairing and maintaining historic buildings are available from the National Park Service and from State Historic Preservation Offices. Our website <[www.nps.gov/history/hps/tps](http://www.nps.gov/history/hps/tps)> has a wealth of information that helps explain how to utilize the National Park Service's Historic Preservation Tax Incentives Program and on the preservation and rehabilitation of historic buildings. Technical Preservation Service's catalog of publications, entitled *Caring for the Past*, provides a listing of free and for sale publications currently available from the National Park Service and the Government Printing Office. The more than 100 publications are the most comprehensive source of information available on the care and reuse of historic buildings. The publications catalog can be obtained by writing to Technical Preservation Services, National Park Service, 1849 C Street, N.W., Washington, DC 20240 or by emailing your request to <[nps\\_hps-info@nps.gov](mailto:nps_hps-info@nps.gov)>.

State Historic Preservation Offices (SHPOs) are the point of contact for property owners wishing to use the rehabilitation tax credit. They can be contacted to help determine whether a historic building is eligible for federal or state historic preservation tax incentives; to provide guidance before the project begins to make the process as fast and economical as possible; and to advise on appropriate preservation work. For the phone number or address of a state office, you can call the National Conference of State Historic Preservation Officers at (202) 624-5465 or visit the NCSHPO website at <[www.ncshpo.org](http://www.ncshpo.org)>.

photo from NPS file



On the cover:

### The First National Bank and Trust Company Flint, Michigan

The First National Bank and Trust Company in downtown Flint, Michigan was constructed in 1924 during the city's "auto boom". The First National Bank not only proudly represented Flint's early banking system but also had a strong association with the automobile industry. Much of the early wealth of the carriage industry and the fledgling motor companies moved through this bank. Many of the men who sat on the board were also board members in the automobile industry: Arthur G. Bishop, the president of the new bank when it opened, was also the vice president of General Motors Corporation; William S. Ballenger was the treasurer of Chevrolet; William C. Durant was the originator of Durant Motors, Inc. and the founder of General Motors; and Charles Nash was president of both Buick and General Motors.

In 1930, the seven-story bank building was expanded, nearly doubling in size. Three years later, in the midst of the Depression, the First National Bank and Trust Company closed its doors forever. In 1940 the building was sold and the bank space was replaced with a women's clothing store. With this new use, the Saginaw Street façade and three bays along First Street were renovated, effectively removing the elaborate exterior below the second floor level and replacing it with large, modular units of smooth stone and squared-off commercial storefronts. The ornate terra cotta cornice at the top of the seventh floor was also replaced with one of a simple, low relief. In the late 1960s, First Federal Savings and Loan Association purchased the building and once again the exterior of the lower floors was changed. This time historic fabric that extended up through the third floor was removed, classical style windows, terra cotta pilasters and the terra cotta cornice line were completely replaced by a smooth granite façade. The arched window openings were squared off and deeply recessed.

In 2001 the building was donated to Uptown Reinvestment Corporation, a nonprofit organization with a focus on revitalizing downtown Flint. They teamed up with Uptown Developments, LLC, a local real estate development and management group, to preserve and rehabilitate the building as part of a coordinated downtown redevelopment effort. To recapture the beauty of the historic building and also help showcase the historic architecture of downtown Flint as part of a larger revitalization effort, the original exterior appearance of the First National Bank was handsomely brought back. The recreation of such details as the cornice, radius-top windows, terra cotta sheathing, columns and ornamentation was based on both physical and photographic documentation.

On the interior, the ornate coffered ceiling in the two-story atrium was repaired and preserved and the historic bank vault was retained and once again used by the new bank tenant that occupies the first two floors. As part of the \$4,430,194 rehabilitation, the vacant upper floors (3-7) were converted into sixteen one and two bedroom apartment units ranging from 800-1500 square feet. Marketed today as First Street Lofts, the former First National Bank is once again making a contribution to the economic growth of downtown Flint.

*GAV & Associates, Inc., architect of record; Cornerstone Architects, historic consultants; MacMillan Associates, Inc., structural engineer; Sorenson Gross Construction Co., general contractor*

### For Additional Information:

Please contact Kaaren Staveteig, Technical Preservation Services, Heritage Preservation Services Division, National Park Service, (2255), 1849 C Street, N.W., Washington, DC 20240, (202) 354-2053. Information on Federal Tax Incentives for Rehabilitating Historic Buildings is available on the National Park Service's Technical Preservation Services web site at <<http://www.nps.gov/history/hps/tps/index.htm>>.