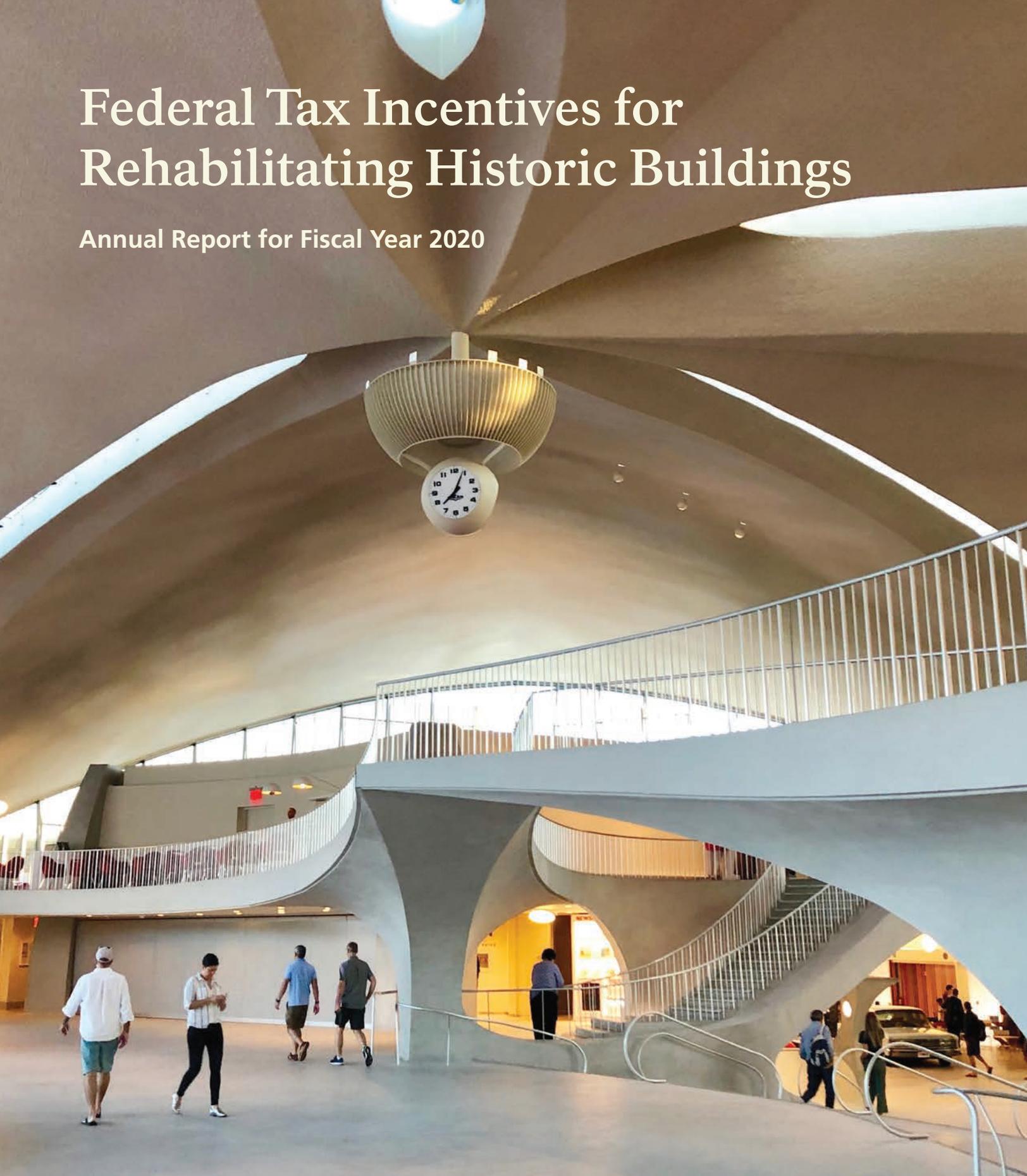


Federal Tax Incentives for Rehabilitating Historic Buildings

Annual Report for Fiscal Year 2020



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 46,000 completed projects since its enactment in 1976, the program has leveraged over \$109.18 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% 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 2021

**TWA Flight Center,
John F. Kennedy International
Airport, Queens, New York**
The pendant and clock mark the
meeting point of the four curved
concrete shells that form the roof.
Photo: TWA Hotel/Morse
Development



This report cost \$13,760 to prepare.

Fiscal Year 2020 at a Glance



1,376 Certifications of significance for rehabilitation (Part 1)

Over **\$6.54 billion** in private investment in historic preservation and community revitalization.

1,282 Preliminary certifications of rehabilitation (Part 2)

Projects both big and small—almost half (46%) of all completed projects (Part 3) were under \$1 million QRE and 19% were under \$250,000 QRE.

Estimated rehabilitation costs \$7.72 billion
 Median project QRE \$975,000
 Average project QRE \$6.02 million

New National Register nominations—about 17% of projects involved properties not yet listed in the National Register of Historic Places.

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

989 Certifications of completed work (Part 3)

FY 2020 Size of Projects

Estimated rehabilitation costs \$6.54 billion
 Median project QRE \$1.22 million
 Average project QRE \$6.61 million
 Rehabilitated housing units 5,730
 New housing units 10,894
 Low and moderate income housing units 5,889



QRE=Qualified rehabilitation expenditures

FY 1977 – FY 2020 Program Accomplishments



\$109.18 billion

Estimated Rehabilitation Investment

297,558

Rehabilitated Housing Units

323,070

New Housing Units

178,305

Low- and Moderate-Income Housing Units



46,372

Historic Rehabilitation Projects Certified

FISCAL YEAR 2020 SELECT PROJECTS

Wrigley Field, Chicago, Illinois
Photo: Chicago Cubs



McDonogh School No. 30,
New Orleans, Louisiana
Photo: L+M Development Partners



Dr. Ferguson's Office, Glens Falls, New York
Photo: Darren Tracy



Ponemah Mill, Taftville, Connecticut
Photo: Epsilon Associates Inc. /
OneKey LLC



First Avenue Hotel, Denver, Colorado
Photo: Heritage Consulting Group



Sinclair Building, Fort Worth, Texas
Photo: Brandon Barré Photography



Forty-Four & Sixty-Six Service Station, Boise, Idaho
Photo: Idaho State Historical Society





Nurses Quarters, Charleston Naval Hospital, Charleston, South Carolina
Photo: BVL Historic Preservation Research



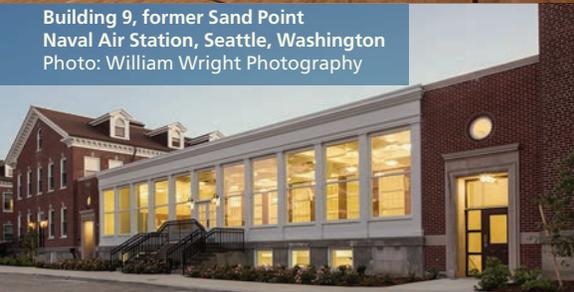
Red John Cabin, Talkeetna, Alaska
Photo: Travis Rannals



Governor's Mansion Inn and Café, Madison, Wisconsin
Photo: David Waugh



Wittenberg University Field House, Springfield, Ohio
Photo: Heather Rudge, Historic Preservation Group, LLC



Building 9, former Sand Point Naval Air Station, Seattle, Washington
Photo: William Wright Photography



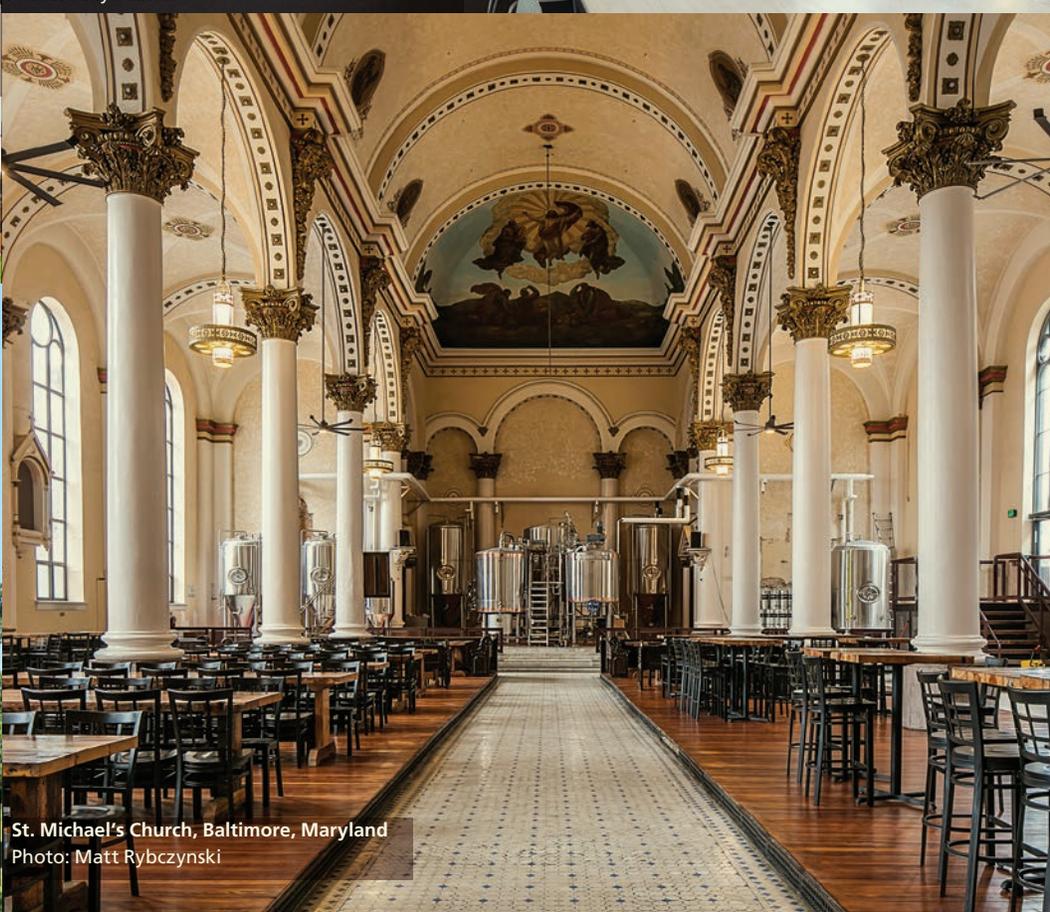
Postal Employees Credit Union, Portland, Oregon
Photo: Sally Painter



Washington School, Independence, Kansas
Photo: TPS/NPS file



Georgiana Plantation, Cary, Mississippi
Photo: Katherine Anderson, Mississippi Department of Archives & History



St. Michael's Church, Baltimore, Maryland
Photo: Matt Rybczynski

CASE STUDY

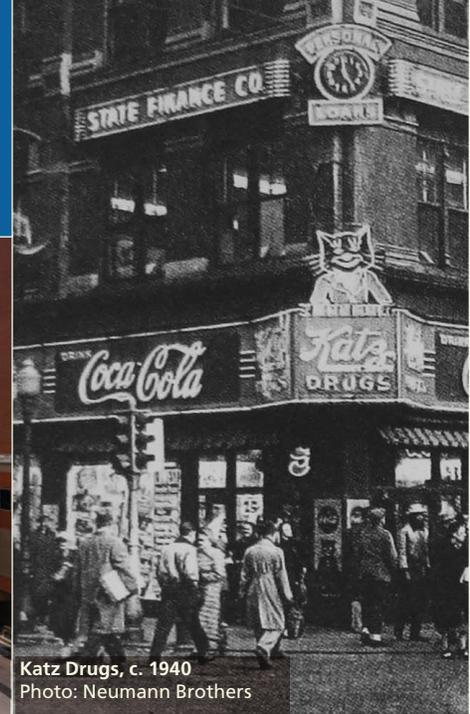
Flynn-Griffin Building DES MOINES, IOWA



Before rehabilitation
Photo: Alexa McDowell



After rehabilitation
Photo: Neumann Brothers



Katz Drugs, c. 1940
Photo: Neumann Brothers

The Flynn-Griffin Building is significant for its association with Edna M. Griffin, whose lunch counter sit-in and sidewalk picketing of a Katz Drug Store in the building during the summer of 1948 led to an Iowa Supreme Court decision that broadly tested the strength of the 1884 Iowa Civil Rights Act and, more specifically, forced the desegregation of the Katz Drug Store chain.

The six-story office building was constructed in 1885, with a major renovation and the addition of four stories in 1906. The building was rehabilitated using the Federal and State historic tax credits, with the ground floor converted into commercial tenant spaces and the upper floors into apartments and other uses. Replacement of non-historic windows with more historically-compatible windows and the return of full height storefronts were significant in returning the building to its historic appearance. Rehabilitation work was completed in the spring of 2020.

“[If] at any time I forget my strength, I have a place I can walk to, a building that I can stand in front of, to remind myself visually that there is a lot worth fighting for.”

— Tiffany Johnson, Artistic Director, Pyramid Theatre Company, from “Everyone is Served,” a virtual event celebrating the building’s rehabilitation and its significance in civil rights history

CASE STUDY

Kutztown Silk Mill KUTZTOWN, PENNSYLVANIA

Looking to expand its operations, toothbrush manufacturer Radius purchased the building in the 2010s. The biggest obstacle to reusing the building was getting building code approval under the local 100-year flood plain ordinance. The project team worked with the Pennsylvania State Historic Preservation Office to come up with a solution that met both the flood plain requirements and the Secretary of the Interior’s Standards for Rehabilitation. They limited the use of the first floor to storage, designed the space to resist water damage, used waterproof materials, and raised mechanical and electrical components above the flood line.

Assisted by the Federal and State historic tax credits, the mill now houses the company’s corporate offices and an increased manufacturing capacity that has added new jobs in the community. It is the first historic tax credit project in Kutztown in over 30 years and may inspire others looking to rehabilitate the town’s historic buildings.



After rehabilitation
Photo: Kevin Foley



Interior, after rehabilitation
Photo: Kevin Foley

FY 2020 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 2016–FY 2020	
	Part 1	Part 2	Part 3	Part 1	Part 2	Part 3			Part 3	QRE
Alabama	36	36	14	36	31	10	\$149,317,290	\$19,335,071	47	\$221,553,592
Alaska	0	0	1	0	0	1	0	48,000	2	138,000
Arizona	3	3	1	3	4	2	3,460,000	12,681,385	18	111,885,995
Arkansas	18	20	22	19	18	22	18,561,100	88,387,024	109	254,760,766
California	10	18	5	10	14	4	640,311,097	38,946,787	29	534,596,959
Colorado	9	0	8	6	2	7	37,212,600	40,500,000	22	91,461,130
Connecticut	21	31	10	19	32	4	139,209,734	88,283,884	45	456,340,195
Delaware	5	7	7	5	4	4	10,718,136	11,946,951	14	58,533,263
District of Columbia	8	2	1	8	2	2	41,125,993	65,898,274	17	500,312,599
Florida	13	12	6	15	7	3	77,874,093	2,878,880	35	73,602,107
Georgia	47	55	42	27	26	35	102,398,298	115,383,871	171	462,470,179
Hawaii	0	0	0	0	0	0	0	0	3	6,679,870
Idaho	2	2	3	2	1	2	160,000	10,281,786	6	22,683,547
Illinois	21	21	18	24	20	20	352,436,752	1,084,226,605	88	2,025,622,883
Indiana	16	10	12	17	13	20	263,722,472	61,743,955	68	266,858,198
Iowa	18	26	32	14	19	32	98,326,126	117,971,885	143	754,875,851
Kansas	31	25	17	25	25	18	171,402,267	56,710,045	84	270,815,421
Kentucky	40	37	23	26	21	20	80,422,000	54,292,000	150	374,864,286
Louisiana	141	130	93	127	111	84	264,372,032	164,273,726	482	1,398,738,129
Maine	18	8	11	14	7	12	19,512,709	22,032,878	43	184,209,927
Maryland	44	25	29	42	22	36	65,934,334	201,499,631	189	658,468,390
Massachusetts	77	73	36	94	116	32	508,713,145	266,352,545	205	1,522,816,505
Michigan	37	27	18	28	25	15	222,024,204	148,340,298	114	983,012,651
Minnesota	12	16	9	14	14	8	167,830,781	52,825,135	64	816,231,026
Mississippi	21	17	11	20	17	10	18,823,903	38,884,207	61	105,335,798
Missouri	102	123	98	103	122	92	603,265,455	515,920,161	447	2,071,651,504
Montana	4	1	2	3	1	2	7,500,000	9,600,000	8	22,954,319
Nebraska	4	5	2	3	4	2	28,287,378	6,490,000	36	150,268,191
Nevada	0	0	0	0	0	0	0	0	1	1,148,850
New Hampshire	4	4	4	4	2	2	23,500,000	17,300,000	10	81,161,950
New Jersey	11	2	4	3	4	5	54,227,912	54,876,857	25	595,277,159
New Mexico	0	2	0	0	3	0	11,928,570	0	1	5,250,000
New York	122	120	92	136	121	77	1,333,160,981	905,146,058	399	4,037,721,677
North Carolina	63	54	46	58	53	45	173,489,480	178,054,215	215	1,137,022,454
North Dakota	1	1	1	1	1	1	18,685,121	7,319,688	3	18,510,170
Ohio	94	90	47	90	88	47	332,880,670	392,874,563	420	2,392,450,598
Oklahoma	16	13	14	16	10	13	17,728,692	69,177,233	68	351,139,707
Oregon	6	6	7	5	4	5	41,315,173	21,824,525	35	214,838,580
Pennsylvania	55	68	73	63	76	72	386,496,672	288,954,958	245	1,796,975,753
Puerto Rico	2	1	0	2	0	0	0	0	0	0
Rhode Island	7	7	9	8	7	10	56,400,000	140,819,213	51	522,336,518
South Carolina	57	32	8	60	29	8	163,883,185	23,741,486	72	401,176,769
South Dakota	0	0	1	0	0	1	0	9,934,513	7	16,962,106
Tennessee	6	26	23	6	23	20	22,590,500	15,825,962	49	416,708,987
Texas	44	38	26	40	24	26	237,820,372	404,697,645	101	1,535,361,928
Utah	8	12	8	8	10	7	17,908,008	27,839,781	24	47,643,805
Vermont	11	13	4	10	14	4	12,250,734	7,798,503	51	52,746,389
Virgin Islands	0	0	0	0	0	0	0	0	0	0
Virginia	103	84	108	98	79	108	449,948,866	264,168,354	456	1,502,872,177
Washington	7	10	11	7	10	12	27,566,207	189,391,250	42	475,828,435
West Virginia	22	14	6	22	14	5	56,959,331	2,089,645	25	63,170,566
Wisconsin	33	30	26	34	32	22	188,651,779	220,029,011	115	812,154,340
Wyoming	1	1	0	1	0	0	0	0	3	2,846,520
Total	1,431	1,358	1,049	1,376	1,282	989	\$7,720,314,152	\$6,537,598,445	5,118	\$30,883,046,719

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 technical guidance and publications on preserving and rehabilitating historic buildings is available from TPS at (202) 513-7270 or www.nps.gov/tps.

TWA Flight Center, John F. Kennedy International Airport QUEENS, NEW YORK

Completed in 1962, the TWA Flight Center was the epitome of contemporary, stylish air travel. When given the opportunity to design their own terminal at JFK International Airport, TWA (Trans World Airlines) chose to showcase their forward-thinking ideas and hired architect Eero Saarinen to design what would become one of the most celebrated Mid-Century Modern buildings in the country. The curving, boundary-pushing concrete structure with sleek finishes represents Saarinen's legacy of breaking from the popular International Style of the time and creating something fluid and expressive.

The Flight Center welcomed travelers for four decades, but by 2001 the terminal had outgrown its usefulness and its future was uncertain. The rehabilitation by MCR/Morse Development brought the fantasy and romance of air travel back to life in the form of the TWA Hotel.

The TWA Flight Center was rehabilitated to house the check-in area for the hotel. The preservation efforts focused heavily on the interiors and the retention of important spaces and iconic finishes. The penny tile floor was thoroughly cleaned and repaired, the TWA red carpet and furniture coverings were preserved and replaced in-kind, and the historic split-flap flight board was restored by the original manufacturers. The two Flight Tubes – windowless, elevated pedestrian tubes that once connected to other parts of the airport – were reopened to provide access to the hotel rooms and other airport terminals. The original bars and restaurants were returned to their historic uses and now welcome a new generation of travelers. Two new low-rise buildings for hotel rooms were built behind the Flight Center's wings.

With the help of the Federal and State historic tax credits, this irreplaceable building been rehabilitated and turned into a time machine for modern day travelers.

Courtesy: MacRostie Historic Advisors LLC

Top: Originally a passenger waiting area, the Sunken Lounge is now a restaurant, Photo: Markus Mainka, stock.adobe.com. **Middle:** Solari departures board, Photo: w_lemay, Wikimedia Commons. **Bottom:** TWA Hotel/Morse Development. **Cover:** TWA Hotel interior, Photo: w_lemay, Wikimedia Commons.

