**Brief Overview**
- Economic Benefits of Historic Preservation
- Washington Main Street Program
- Special Tax Valuation and Federal Historic Tax Credits

**OVERVIEW OF PROGRAMS AND PARTNERSHIPS**
- Certified Local Government (CLG)
- Main Street Program
- Financial Incentives
- Many more...
  - WA Commerce
  - WSDOT
  - USDA
  - PAW
  - IACC

**SPECIAL VALUATION: WHAT IS IT?**
- Special Valuation is the revision of the assessed value of a historic property which subtracts, for up to ten years, such rehabilitation costs as are approved by a local review board.

**Example:**
- Property is assessed pre-rehab at $200,000
- Owner invests $50,000 in “qualified rehabilitation expenditures” (must be at least 25% of assessed value prior to rehab) according to preservation standards
- Property is re-assessed after renovation at $250,000, a 25% increase in property value
- Special Valuation is the re-assessed value of $250,000 minus qualified rehabilitation expenditures of $50,000. $250,000 - $50,000 = $200,000

**Result:**
Property taxes will not reflect substantial improvements made to the historic property for a period of up to ten years.

**SPECIAL VALUATION AND YOU**
- Property tax relief for up to ten years
- Inclusion on the local historic register or the National Register of Historic Places
- Pride in cultural heritage
SPECIAL VALUATION AND YOUR NEIGHBORS

For complete report, go to: http://www.dahp.wa.gov/economic-benefits

- Increase property values
- Increase heritage tourism
- Job creation
- Pride in cultural heritage

SPECIAL VALUATION
STATS IN WASHINGTON STATE

Since 2000 when data started being tracked:

447 projects statewide
$809 million Total Rehab Expend.

FEDERAL HISTORIC TAX CREDITS

20% Federal Tax Credit on Qualified Rehabilitation Expenditures

Example: For $1,000,000 in rehab expenditures a $200,000 credit can be taken.

VALUE OF FEDERAL HISTORIC TAX CREDITS

- Property must be individually LISTED on National Register of Historic Places or be certified as a contributing property in a National Register listed Historic District
- Rehabilitation must meet the Secretary of the Interior’s STANDARDS
- The project must be SUBSTANTIAL, i.e. >$5,000 or exceed the IRS definition of the adjusted basis of the building
- Property must be INCOME PRODUCING, including business, rental residential, industrial, etc
- Cannot be a non-profit or government entity unless a private entity is established (limited partnership, LLC, etc)

FEDERAL HISTORIC TAX CREDIT
STATS IN WASHINGTON STATE

Since 1977 when the program began:

260 projects statewide
$900 million Total Rehab Expend.

120 Seattle projects for
$632 million Total Rehab Expend.
Since 1977 when the program began:

- **38,700 projects nationwide**
- **$66 Billion Total Rehab Expend.**
- ***$106.1 Billion* (adjusted for inflation)
- ~1,100 projects / year
- ~$3 billion / year (adjusted for inflation)

FEDERAL HISTORIC TAX CREDIT
NATIONWIDE

- 2.4 million jobs created
- $106 billion spent; $44,000 rehab investment / job
- average $8,800 tax credit / job
- 38,700 total projects
- average 60 jobs / certified project

FEDERAL HISTORIC TAX CREDIT
NATIONWIDE

- Project potential?
- 1.42 million buildings NR listed
- 20% income producing (284,000)
- (38,700 rehabbed buildings 1977-2012)
- =13% of total

FEDERAL HISTORIC TAX CREDIT
SOCIOECONOMIC IMPACTS

- Jobs created (2.4 million 1977-2012; ~60,000 in 2012)
- Increased property values – reuse vs. blight
- Cumulative Economic Impact = $245.2 billion in output
  - GDP = $172.2 billion – Government, Services, Finance/Ins., Real Estate, Retail, Wholesale, Transportation, Manufacture, Construction, Mining, Agriculture
  - Personal income = $81.1 billion
- Cost of program vs. net gain in Federal tax receipts
  - ($20.5 billion in tax credits vs. NET GAIN $25.9 billion in Federal tax receipts)
- Environmental impact – "the greenest building"
- Social impact – maintaining community character / sense of place
FEDERAL HISTORIC TAX CREDIT  
MISSED OPPORTUNITIES?

260 projects statewide  
$900 million Total Rehab Expended.  

3 Walla Walla projects for  
$1.8 million Total Rehab Expended.  

0.2% of total rehab expenditures

FEDERAL HISTORIC TAX CREDIT  
MISSED OPPORTUNITIES?

Since 2001 in downtown Walla Walla:  
18 projects potentially eligible for Tax Credits  
$4,175,590 unclaimed rehab expenditures  

6 additional projects potentially eligible for Special Valuation  
$1,388,000 additional unclaimed rehab expenditures  

24 total projects  
$5,563,590 missed opportunity  
*$231,816 per project

QUESTIONS?  
DAHP Website: www.dahp.wa.gov  
WA Trust Website: www.preservewa.org

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The Department of Archaeology and Historic Preservation (DAHP) is Washington State's primary agency with knowledge and expertise in historic preservation.

We advocate for the preservation of Washington’s irreplaceable cultural resources (historic and archaeological) which include significant buildings, structures, sites, objects, and districts. Through education and information, we provide leadership for the protection of our shared heritage.

In 2010 the Main Street Program was moved from the Department of Commerce to the Department of Archaeology & Historic Preservation. The program is managed (under contract) by the Washington Trust for Historic Preservation.

Preserving our historic places through advocacy, education, collaboration and stewardship.

Since its founding in 1980, The National Trust Main Street Center® has been the leader of a coast-to-coast network now encompassing more than 2,000 programs and leaders who use the Main Street approach to rebuild the places and enterprises that create sustainable, vibrant communities.

Since 1984, the Washington State Main Street Program has been helping communities revitalize the economy, appearance, and image of their downtown commercial districts using the successful Main Street Approach®.

The Main Street Four-Point Approach®

Comprehensive. A single project cannot revitalize a downtown or commercial neighborhood. An ongoing series of initiatives is vital to build community support and create lasting progress.

Incremental. Small projects make a big difference. They demonstrate that things are happening on Main Street and hone the skills and confidence the program will need to tackle more complex projects.

Self-Help. The state can provide valuable direction and technical assistance, but only local leadership can breed long-term success by fostering and demonstrating community involvement and commitment to the revitalization effort.

Public/Private Partnership. Every local Main Street program needs the support and expertise of both the public and private sectors. For an effective partnership, each must recognize the strengths and weaknesses of the other.

The Eight Guiding Principles

Since 1984, the Washington State Main Street Program has been helping communities revitalize the economy, appearance, and image of their downtown commercial districts using the successful Main Street Approach®.
The Eight Guiding Principles

**Identifying & Capitalizing on Existing Assets.** Unique offerings and local assets provide the solid foundation for a successful Main Street initiative.

**Quality.** From storefront design to promotional campaigns to special events, quality must be instilled in the organization.

**Change.** Changing community attitudes and habits is essential to bring about a commercial district renaissance. A carefully planned Main Street program will help shift public perceptions and practices to support and sustain the revitalization process.

**Action Oriented.** Frequent visible changes in the look and activities of the commercial district will reinforce the perception of positive change. Small, but dramatic, improvements early in the process will remind the community that the revitalization effort is underway.

Image Promotion
- Enhancement and education about downtown
- Holiday events, Shop local campaigns

Retail Promotion
- Rings cash registers for local businesses
- Discounts, sidewalk sales, Girls Night Out

Special Events
- Festivals, Celebrations
- Raise money for organization

Architecture & Preservation Issues
- Storefront improvements & rehabilitations
- Infill construction/new construction
- Design guidelines/ordinances
- Merchandising

Signage
- Retail/Office
- Way-finding
- Gateway
- Lighting

Streetscaping
- Planters, flower baskets, street trees
- Sidewalks, Crosswalks
- Traffic calming, parking
- Pocket parks

Compass
108 communities are part of the Washington Main Street Network

- 13 Nationally Designated Main Street Communities
- 29 Main Street Tax Credit Incentive Program participants
- 79 Affiliate communities

For every $1 the state invests in the Washington State Main Street Program, an additional $41 in private investment is generated in the 13 Nationally Designated Main Street Communities.

Washington State Main Street Resources:

- Tier System
- Main Street Tax Credit Incentive Program
- Trainings and workshops statewide
- RevitalizeWA Conference
- Excellence on Main Awards
- Main Street Mentoring Program
- New Program Guide & Handbook

Affiliate Level

The purpose of the affiliate level is to provide access to resources and networking opportunities for community groups and individuals that have an interest in revitalizing their downtown or neighborhood commercial district, but may not have the capacity at this time to meet the Washington State Main Street Community Requirements.

Main Street Tax Credit Incentive Program Level

The purpose of this tier level is to provide access to resources, networking opportunities and training to communities that have a non-profit organization dedicated solely to downtown revitalization. These communities already have a track record of success in downtown revitalization and are committed to following the Main Street 4-Point Approach®.

Washington State Main Street Program Level

The purpose of the Main Street Community level is to provide access to resources, networking opportunities, training and advanced resources and opportunities to communities who have a non-profit organization dedicated solely to downtown revitalization. These communities have committed the necessary time and training to develop community support, financial and human resources, and are implementing the Main Street Four-Point Approach®.
2012 Revitalization Statistics

13 Nationally Certified Main Streets: 2012
- 184 new businesses
- $6,494,407 in private investment
- $4,857,348 in public improvement investment
- 491 new jobs

14 Main Street Tax Credit Incentive Program Communities: 2012
- 132 new businesses
- $6,714,426 in private investment
- $9,790,647 in public improvement investment
- 237 new jobs

Main Street Tax Credit Incentive Program

How it works:
A business applies online through the Department of Revenue to make a donation.

A business is approved (instantaneous) and will be able to choose an organization to donate to and the donation amount. The business will also see how much credit the organization has left.

The business writes a check for the donation amount to their local Main Street organization prior to December 31st.

Main Street Tax Credit Incentive Program

• Eligible community organizations can receive donations totaling up to $133,333.33 per calendar year.
• Businesses can donate up to $250,000.
• The program for the entire state is capped at $1.5 million.

$1,701,650.21 in contributions
$1,275,737.69 in credits

Largest contribution: $100,000 to Port Townsend Main Street Program

Main Street Tax Credit Incentive Program

• Eligible community organizations can receive donations totaling up to $133,333.33 per calendar year.
• Businesses may break up their contribution throughout the year.

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Main Street Tax Credit Incentive Program

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• Businesses can donate up to $250,000.
• The program for the entire state is capped at $1.5 million.

$1,387,221.29 in contributions
$1,020,515.99 in credits

Largest contribution: $75,000 to the Sumner Downtown Association

Questions?

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preservewa.org/Main-Street.aspx