

Economic Doldrums? HISTORIC PRESERVATION HAS \$OLUTION\$

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WAAPA Conference | Bellevue WA

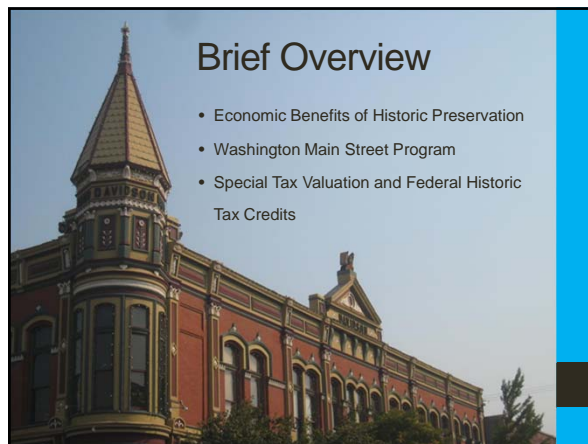


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Brief Overview

- 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.



before Coleman Automotive, Seattle



after

SPECIAL VALUATION: WHAT IS IT?

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 rehab expenditures of \$50,000. **\$250,000 - \$50,000 = \$200,000**

Result:

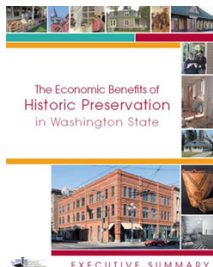
Property taxes will not reflect substantial improvements made to the historic property for a period of up to ten years.

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



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

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

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

By Federal Mandate DAHP serves as State Liaison to NPS for the Federal Investment Tax Certification Program

So that: applicants receive program assistance and advice at the state level

So that: projects meet or exceed the Secretary of the Interior's Standards for Rehabilitation

So that: applicants are justly compensated for appropriately rehabbing historic income producing properties

So that **ULTIMATELY**: increased numbers of historic properties are preserved and placed into useful service to the community

FEDERAL HISTORIC TAX CREDIT

ELIGIBILITY

- 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.

FEDERAL HISTORIC TAX CREDIT

MISSSED OPPORTUNITIES?

260 projects statewide
\$900 million Total Rehab Expend.

3 Walla Walla projects for
\$1.8 million Total Rehab Expend.

0.2% of total rehab expenditures

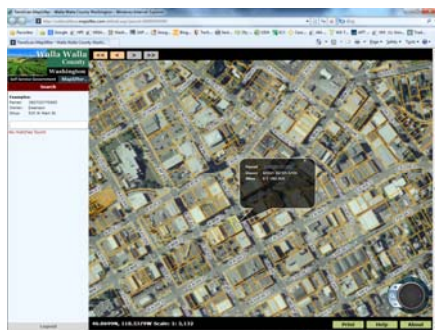
FEDERAL HISTORIC TAX CREDIT

MISSSED OPPORTUNITIES?



FEDERAL HISTORIC TAX CREDIT

MISSSED OPPORTUNITIES?



Walla Walla County Assessor Parcel Search

FEDERAL HISTORIC TAX CREDIT

MISSSED 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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Washington State MAIN STREET PROGRAM

Department of Archaeology & Historic Preservation
Washington Trust for Historic Preservation

WASHINGTON MAIN STREET



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.

WASHINGTON MAIN STREET



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

The Washington Trust helps make local historic preservation work. We build an ethic that preserves Washington's historic places through advocacy, education, collaboration and stewardship.



WASHINGTON MAIN STREET

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®.



WASHINGTON MAIN STREET

The Main Street Four-Point Approach®



WASHINGTON MAIN STREET

The Eight Guiding Principles

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.

WASHINGTON MAIN STREET

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.

WASHINGTON MAIN STREET



WASHINGTON MAIN STREET

ORGANIZATION COMMITTEE

Communication
Newsletters, Social Media, Newspapers, Radio

Fundraising

Building Partnerships (public relations)
Stakeholders
Public presentations

Volunteer recruitment & management



WASHINGTON MAIN STREET

PROMOTION COMMITTEE

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



Winslow in White, Bainbridge Island

WASHINGTON MAIN STREET

DESIGN COMMITTEE

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



Ellensburg



Coupeville

WASHINGTON MAIN STREET

ECONOMIC RESTRUCTURING COMMITTEE

Business Retention

Build & expand on existing businesses

Business Recruitment

Recruit new, appropriate retail & office

Understanding the market

Building & Business Inventory
Market analysis



Prosser

WASHINGTON MAIN STREET

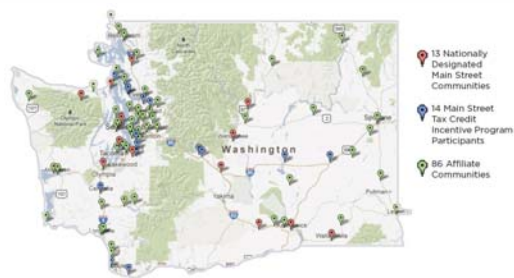
108 communities are part of the Washington Main Street Network

- 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.

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Washington State Main Street Program



WASHINGTON MAIN STREET

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



WASHINGTON MAIN STREET

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.



Waterville



Aberdeen

WASHINGTON MAIN STREET

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®.



Vancouver



Camas



Issaquah

WASHINGTON MAIN STREET

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®.



Walla Walla



Pybus Market, Wenatchee

WASHINGTON MAIN STREET

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

WASHINGTON MAIN STREET

Main Street Tax Credit Incentive Program



The business gets a tax credit for 75% of their donation the following year.

The business may be eligible for a deduction on their Federal taxes in the year the donation is made.

Businesses may break up their contribution throughout the year.

<u>If your 2013 donation is:</u>	<u>Your 2014 tax credit is:</u>	<u>Your IRS deduction may be:</u>
1,000.00	750.00	1,000.00
5,000.00	3,750.00	5,000.00
7,500.00	5,625.00	7,500.00
10,000.00	7,500.00	10,000.00
25,000.00	18,750.00	25,000.00

WASHINGTON MAIN STREET

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.



WASHINGTON MAIN STREET

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.

WASHINGTON MAIN STREET

Main Street Tax Credit Incentive Program

2011

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

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

2012

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

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

WASHINGTON MAIN STREET

Questions?

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preservewa.org/Main-Street.aspx

WASHINGTON MAIN STREET