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Giving Back: An Update

By John M. Tess, President, Heritage Consulting Group

As anyone who has undertaken the historic tax credit (HTC) certification process can attest, getting a property listed on the National Register of Historic Places can be a difficult hurdle to clear. Designation on the National Register is the gateway for eligibility to use the HTC, which means that each potential tax credit project must first nominate a building, or certify its listed status. The designation process can be time consuming, costly and uncertain, leading even seasoned developers to shy away from rehabilitating unlisted buildings. Developers can mitigate uncertainty by working with a project team experienced in preparing nominations. But what resources are available for older buildings that are ideal rehabilitation candidates, but lack the professional support or funding to complete a National Register nomination?

Heritage Consulting Group's Giving Back Program was established to address this gap between a building's rehabilitation potential and the resources available to initiate the rehabilitation process. Created in 2012 in honor of the Heritage Consulting Group's 30th anniversary, the program identifies properties with strong community support and rehabilitation potential, and prepares National Register nominations pro bono. Heritage was founded in 1982 and is based in Portland, Ore., with a second office in Philadelphia. For more than 30 years, Heritage specialized in securing local, state and federal tax incentives and in preparing nominations for the National Register. This work has led to strong relationships with local preservation nonprofits that are working to save historic buildings from demolition. By offering services in partnership with these nonprofits and stakeholders, the hope is that Giving Back's National Register nominations will streamline the HTC process

for future developers and better position these significant properties for reuse.

The National Register of Historic Places

The National Register of Historic Places is the official list of the country's historic buildings, sites, structures, objects and districts. It was established under the National Historic Preservation Act of 1966 (NHPA) and is administered by the National Park Service (NPS). In the nearly 50 years since the program was created, the National Register has grown to include more than 1.4 million resources, with nearly every county represented by at least one resource. Each year, approximately 30,000 properties are added to the National Register under one of four criteria:

- ♦ Criterion A, Event: the property must make a contribution to the major pattern of American history;
- ♦ Criterion B, Person: the property is associated with a significant person of the American past;
- ♦ Criterion C, Design/Construction: the property represents the distinctive characteristics of an architectural movement, style or architect;
- ♦ Criterion D, Information Potential: the property has yielded, or is likely to yield, information important to prehistory or history.

With a few exceptions, properties nominated under these criteria must be at least 50 years old.

The purpose of the National Register is two-fold: It commemorates a resource's historic significance and it serves as an eligibility threshold for grants and HTCs. To be eligible for the HTC, a property must either be nominated individually under one (or more) of the four criteria, or it

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must be listed within a designated National Register historic district. (This designation is different from inclusion within a locally or state designated historic district, in those communities with local preservation ordinances.) The simplest scenario for an HTC project is when a property is already individually listed on the National Register; this allows the project to skip Part 1 of the application process and proceed to Part 2, a description of the proposed work.

Part 1 and the National Register

For properties not listed individually, the project team must submit a Part 1 application, which both the State Historic Preservation Office and the NPS must approve before the NPS will review the Part 2 application. There are two opportunities for National Register designation as part of the Part 1 application. The less costly and time-consuming is when the building is included within the boundaries of an existing historic district; in these cases, the Part 1 simply certifies that the property contributes to the district's significance. For properties not included within the boundaries of a historic district, however, the Part 1 application must include an individual National Register nomination.

The National Register nomination process for an individual resource can be lengthy and costly, as it involves review and administration at both the state and federal levels. The nomination includes both a thorough architectural description of the resource, as well as an in-depth statement of its significance and an assessment of its integrity, which is defined according to seven physical and associative aspects. Once state officials have reviewed and revised the nomination, it is submitted to a state review board. The state review board considers whether the resource meets the evaluation criteria for significance. Because most state review boards meet only a few times a year, the timing of the nomination's submission is critical and can have a considerable effect on the project timeline. Once the state review board has approved the nomination, it is forwarded to the NPS for listing in the National Register.

Giving Back

The Giving Back program's first three nominations — the Joe Frazier Gym in Philadelphia, Pa.; the Portland Open Space Sequence in Portland, Ore.; and the William Penn Memorial Museum and Archives in Harrisburg, Pa. — represent the broad spectrum of properties that the National Register recognizes. These nominations benefited from strong networks of stakeholders who had come together to save these sites, but they lacked the resources to prepare nominations. The Giving Back program was able to fill that gap by donating Heritage's services, which built on the initial research and advocacy of these partner organizations.

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One of the Giving Back program's first nominations was for Joe Frazier's Gym in Philadelphia. The building, originally constructed circa 1895 as a window warehouse, became famous as Frazier's training gym after his legendary title fights with Muhammad Ali, George Foreman and others. (Read more about the building in "America's Endangered Properties: An Avenue to Potential Projects" in the October 2012 issue of the Novogradac Journal of Tax Credits.) Heritage's work on the property's nomination built on the advocacy of the Preservation Alliance for Greater Philadelphia and the National Trust for Historic Preservation — organizations that included the gym on their annual "Most Endangered" lists but did not have the resources to prepare a National Register nomination. The Giving Back program stepped in, eliminating the first obstacle for future developers looking to rehabilitate the building and utilize the HTC. After a year-long nomination process, the Joe Frazier Gym was successfully listed on the National Register on April 30.

National Register designation can also call attention to a site's significance in order to rally public support for its contributions to history, as is the case for the Portland Open Space Sequence. Famed landscape architect Lawrence Halprin designed and built the eight-block sequence of parks, fountains and plazas between 1966 and 1970. (Read more about the property in "America's Endangered Properties: An Avenue to Potential Projects" in the October 2012 issue of the Novogradac Journal of Tax Credits.) Partnering with a local developer and the Halprin Landscape Conservancy, the Giving Back program assisted in formalizing recognition of the landscape's importance by preparing a National Register nomination for the sequence. The park was formally listed on the National Register on March 6.

Heritage's most recent Giving Back nomination is for the William Penn Memorial Museum and Archives in Harrisburg, Pa. Designed in 1961, this Mid-Century Modern complex was built to commemorate the 300th birthday of William Penn and the 275th anniversary of his landing in Pennsylvania. The complex's two buildings and plaza represented a significant shift in the architecture of the state capitol, which until then had been dominated by early 20th century architectural styles. The nomination is currently under review.

Conclusion

The HTC is a critical tool for the rehabilitation of the country's viable historic properties. The timeline and costs of the HTC application process, however, must be factored into the timeline for any rehabilitation project. For projects that require National Register nominations but have limited resources, this process can present a significant, and perhaps insurmountable, barrier.

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By offering our services and expertise pro bono, Heritage hopes to ensure the rehabilitation and the future of the country's significant, underutilized historic properties. ♦



John M. Tess is president and founder of Heritage Consulting Group, a national firm that assists property owners seeking local, state and federal historic tax incentives for the rehabilitation of historic properties. Since 1982 Heritage Consulting Group has represented historic projects totaling more than \$3 billion in rehabilitation construction. He can be reached at 503-228-0272 or jmtess@heritage-consulting.com.

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