



GEORGIA
DEPARTMENT OF NATURAL RESOURCES

HISTORIC PRESERVATION DIVISION

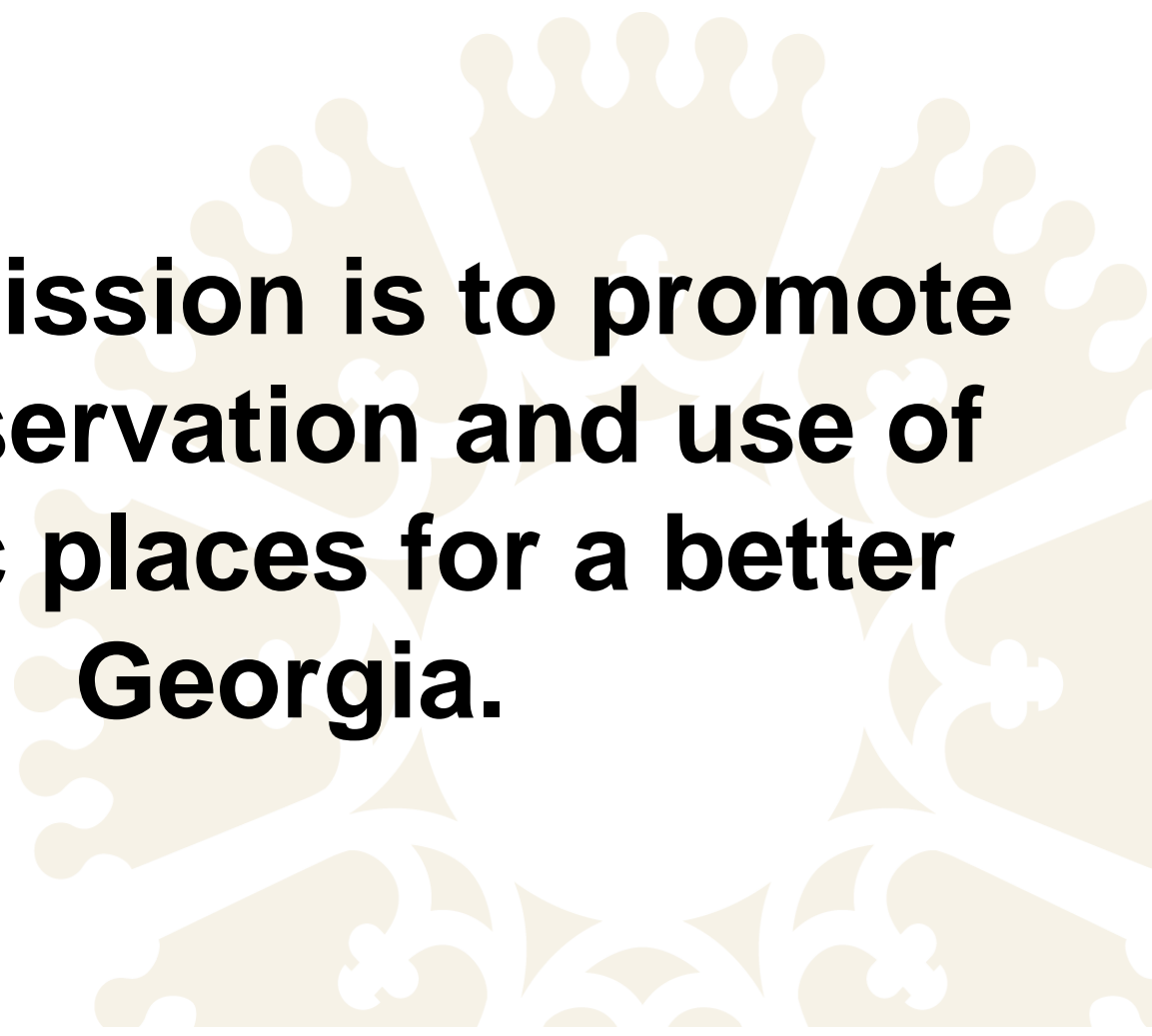
Georgia's Preservation Tax Incentives



1-28-16

Carole Moore, Tax Incentives & Grants Coordinator

Mission Statement



**HPD's mission is to promote
the preservation and use of
historic places for a better
Georgia.**

Georgia Department of Natural Resources



State Parks & Historic Sites Division



HISTORIC PRESERVATION DIVISION

Historic Preservation Division



Coastal Resources Division



Environmental Protection Division



Wildlife Resources Division



Law Enforcement Division

Department of Natural Resources
Historic Preservation Division

Historic Preservation Division

- A Division of the Georgia Department of Natural Resources
- State Historic Preservation Office, known as the SHPO
- 30+ dedicated staff with academic backgrounds and professional expertise in Archaeology, Architecture, History, Historic Preservation, Planning, and other related fields
- Funded through the Federal Government via the National Park Service, as well as through appropriations of the Georgia State Legislature

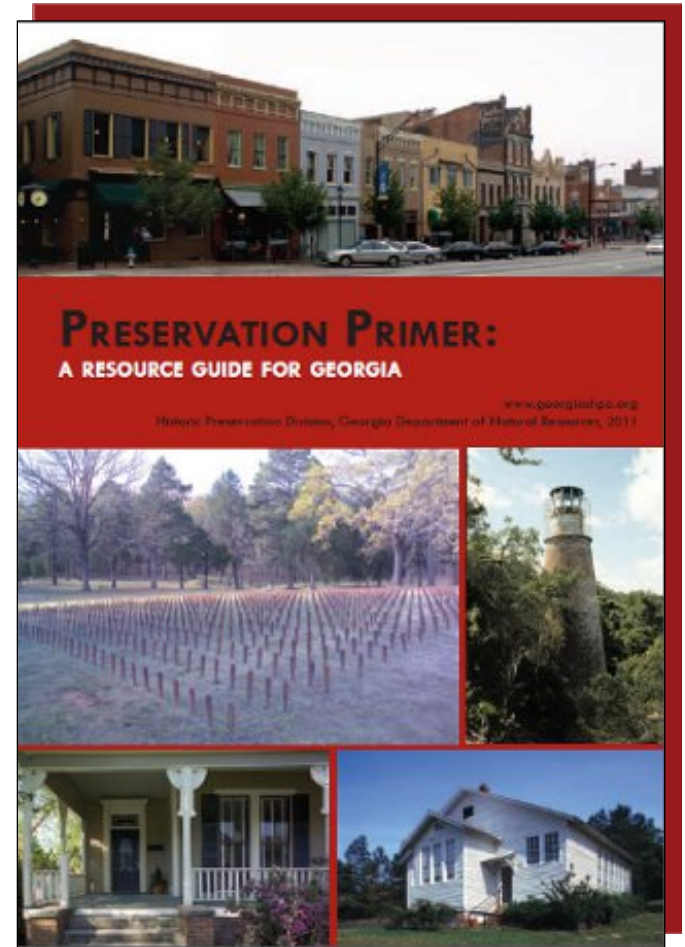
HPD Programs & Tools for Preservation Activities

- **Historic Resources Survey**
- **National Register of Historic Places**
- **Archaeological Education & Protection**
- **Environmental Review**
- **Certified Local Governments**
- **Regional Historic Preservation Planning Services**
- **Centennial Farm Program**
- **African American Preservation Network & Program**
- **Federal and State Grants**
- **Preservation Tax Incentives**

Why Preserve?

Historic buildings, structures and sites are tangible evidence of our shared history and bring that history to life in ways that no written or audiovisual materials ever could. Historic resources provide a link with the past and serve to remind and educate the present generation about those who came before them.

- Historic preservation will preserve your community's character and help maintain its sense of place.
- Historic preservation will help your community plan and manage change while preserving its historic and cultural resources. (*often called "smart growth"*)
- Historic preservation is "green" and environmentally sustainable.
- Historic preservation will generate economic development

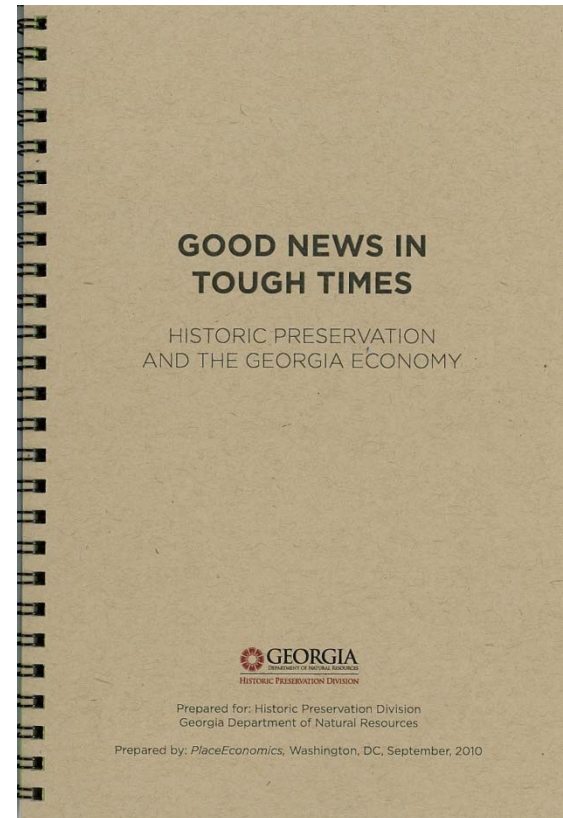


Economic Benefits of Historic Preservation

To find out exactly how historic preservation was generating economic development in communities all across Georgia, in 2011 HPD produced *Good News in Tough Times: Historic Preservation and the Georgia Economy*.

In this study, noted researcher and authority Donovan Rypkema of PlaceEconomics found that between 2000 and 2010, Georgia property owners invested **\$560 million** in the rehabilitation of over **700** historic buildings using the preservation tax incentives.

During SFY 2011-2015, an additional **\$190+ million** has been spent rehabilitating **228** properties in Georgia.



Preservation Tax Incentives

- Generates jobs
 - 2000-2015
 - ✓ Over **15,000** jobs for Georgia workers
 - ✓ **\$497 million** in income for Georgia workers
- Spurs neighborhood & downtown revitalization
 - Enhances property values
 - Generates increased tax revenues
 - Creates new & affordable housing
 - Encourages local \$ invested
- Increases/supports cultural & heritage tourism
- Returns historic buildings to new & sustainable use



Preservation Tax Incentives

Range of Types of Historic Properties for the Three Programs:

Residential and Income-Producing

Community Landmarks

- auditoriums
- theaters
- schools
- hotels
- post offices
- department stores
- warehouses
- factories

Other historic resources

- train depots
- bus depots
- textile mills
- commercial/office buildings
- apartment buildings
- houses

National Register of Historic Places

- Established by NHPA of 1966
- An official list maintained by the U.S. Department of the Interior.
- Over **2,000** listings in Georgia/includes over **550 historic districts**.
- Almost **75,000** historic buildings, structures, sites, and objects in Georgia are listed.



Atlanta's National Register Districts

- **Adair Park**
- Adams Park
- **Ansley Park**
- Atkins Park
- Atlanta Univ. Center
- **Avondale Estates**
- Berkeley Park
- Brookhaven
- Brookwood Hills
- Cabbagetown
- Capitol View Manor
- Castleberry Hill
- College Park
- Collier Heights
- **Druid Hills**
- East Point Industrial
- Fairlie-Poplar
- Fox Theatre
- Garden Hills
- Georgia Tech
- **Grant Park**
- Hotel Row
- Howell Station
- **Inman Park**
- MLK, Jr.
- Lakewood Heights
- Lindridge-Martin Manor
- Means St
- Midtown
- Mozley Park
- Oakland City
- P'tree Highlands-P'tree Park
- Pittsburgh
- Reynoldstown
- Ft. McPherson
- **Sweet Auburn**
- Techwood Homes
- Virginia-Highland
- Washington Park
- West End
- Whittier Mills

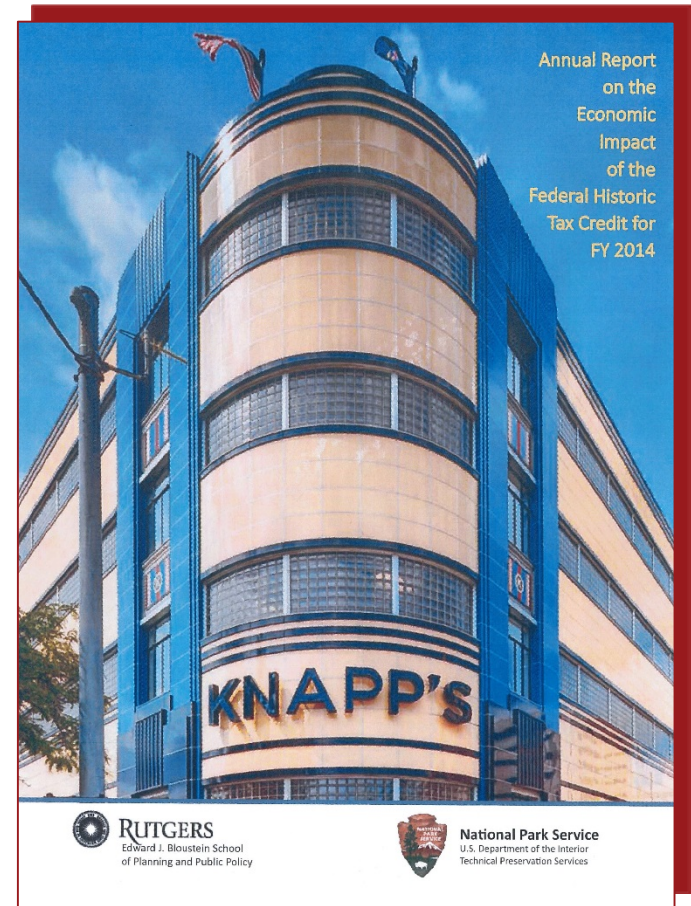
Preservation Tax Incentives

- **Federal Rehabilitation Investment Tax Credit**
- **Georgia Income Tax Credit**
- **Georgia Preferential Property Tax Assessment**

Federal Rehabilitation Investment Tax Credit

FFY 1977-2014 At a Glance

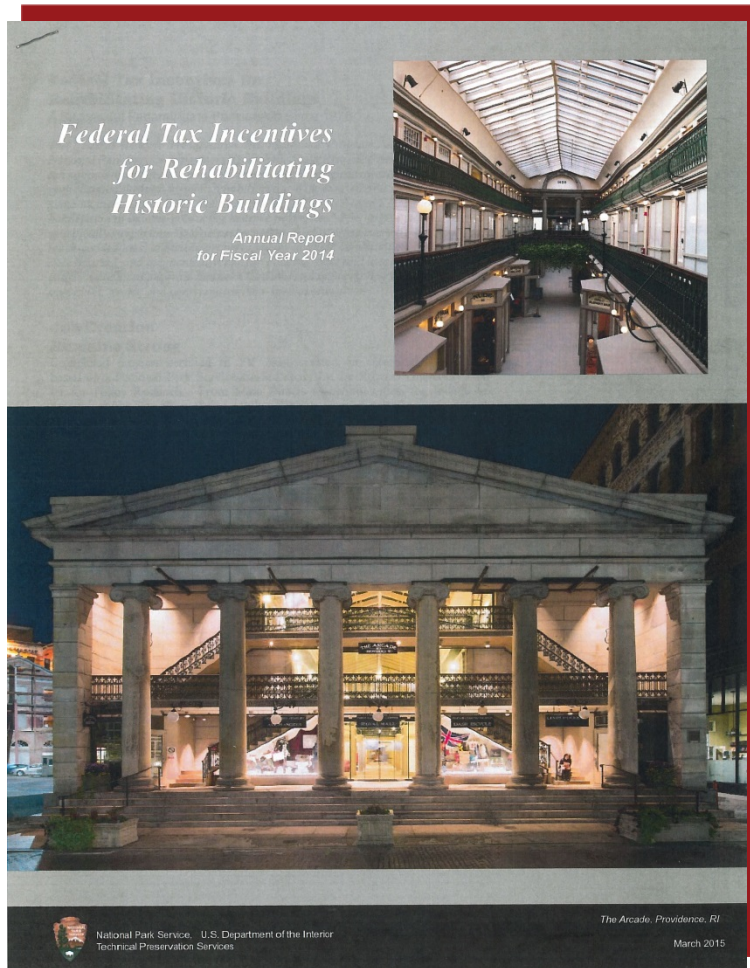
- **\$73 billion** in total rehabilitation expenses
- **40,384** total projects certified
- **2.47 million** jobs created



Federal Rehabilitation Investment Tax Credit

FFY 2014 At a Glance

- **\$4.32 billion** total rehab expenses for completed projects
- **762** completed projects
- **77,762** jobs created



Federal Rehabilitation Investment Tax Credit



Delaney Hotel, Covington

\$1,280,000.00 spent for rehabilitation

FFY 2014 in Georgia

- **17** completed projects
- **\$30.4 million** was spent in rehabilitation expenses
- **\$6 million** in estimated tax credits
- **666** jobs created

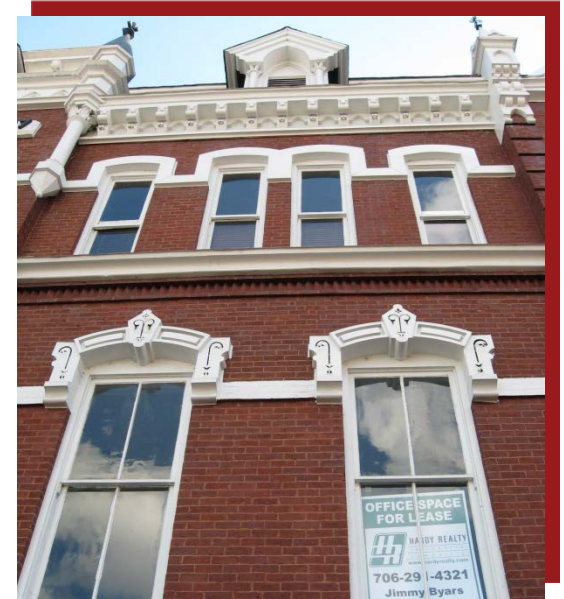
Federal Rehabilitation Investment Tax Credit (RITC)

- Properties must be income-producing
- Properties must be listed in or eligible for the National Register of Historic Places
- Projects must meet the Secretary of the Interior's *Standards for Rehabilitation*
- Projects must meet the substantial rehabilitation test
- Must retain ownership of property for five years
- Federal credit is equal to **20%** of the eligible rehabilitation costs for the project

Georgia Preservation Tax Incentives

SFY 2015 At a Glance

- **82** Preliminary Certification applications (Part As/Part 2s)
- **\$287.8 million** estimated proposed rehab costs
 - **\$8.9 million** in potential state tax credits for preliminary certification
- **47** projects Final Certification applications (Part Bs/Part 3s)
- **\$42 million** estimated completed rehabilitation costs
 - **\$4.9 million** in potential state tax credits



Georgia Income Tax Credit

- Properties can be income-producing or residential
- Projects must be listed in the Georgia Register of Historic Places
- Projects must meet DNR's *Standards for Rehabilitation*
- Projects must meet the substantial rehabilitation test
- Must retain ownership of property for three years
- State income tax credit equal to **25%** of the rehabilitation expenses, capped at
 - **\$100,000** for residential properties
 - **\$300,000** for income-producing properties
 - **HB 308**

Georgia HB 308

- “Georgia Prosperity Through Preservation Bill”
- Cap raised (only for income-producing projects) to
 - **\$5 million**
 - **\$10 million**
 - ✓ *Must create within 2 years of project completion*
 - ✓ *200 or more full-time permanent jobs*
 - ✓ *or \$5 million in payroll*
- Authorized for years 2017-2021
- \$25 million in credits awarded per year
- Credits may be sold
- Credits are allocated by Ga. DOR after HPD/DNR project approval of Part A application

Georgia HB 308

15 projects have applied for years 2017 and 2018, totaling \$55 million in credit requests:

Athens-Southern Manufacturing Co., \$28 million

Atlanta

Candler Bldg., \$32 million; Cleremont Hotel, \$19 million; Atlanta Dairies, \$8.9 million, Faith School, \$7 million; Kiser Bldg., \$4.9 million

Augusta

Miller Theatre, \$18.8 million; Lamar Bldg., \$18 million; VA Hospital #7, \$4 million; Va Hospital #76, \$11.2 million

Lookout Mountain-Covenant College/Lookout Mtn. Hotel, \$16.4 million

Macon-A.L. Miller School, \$11 million

Savannah

Power Plant, \$80 million; Telfair Arms, \$4.7 million; Gibbons Block, \$2.9 million

Georgia Preferential Property Tax Assessment Program

- Freezes the property tax assessment for 9.5 years
- Both income-producing & residential properties are eligible
- Must increase fair market value of building by
 - **100%** if income-producing
 - **50%** if residential
- Properties must be listed in the Georgia Register of Historic Places
- Projects must meet DNR's *Standards for Rehabilitation*
- Is transferable to new owners/stays with the property

Examples of Preservation Tax Incentives Projects in Atlanta

Fulton Bag & Cotton Mill

- **Fulton County**
- **Complex of about over a dozen buildings & structures built 1880-1965 on 14 acres**
- **\$42 million spent in 3-phase rehabilitation of 200,000 sq. ft.**
- **After rehabilitation—loft apartments**
- **Used federal tax credit and the property tax freeze programs**
 - **Over \$8 million in federal credits**



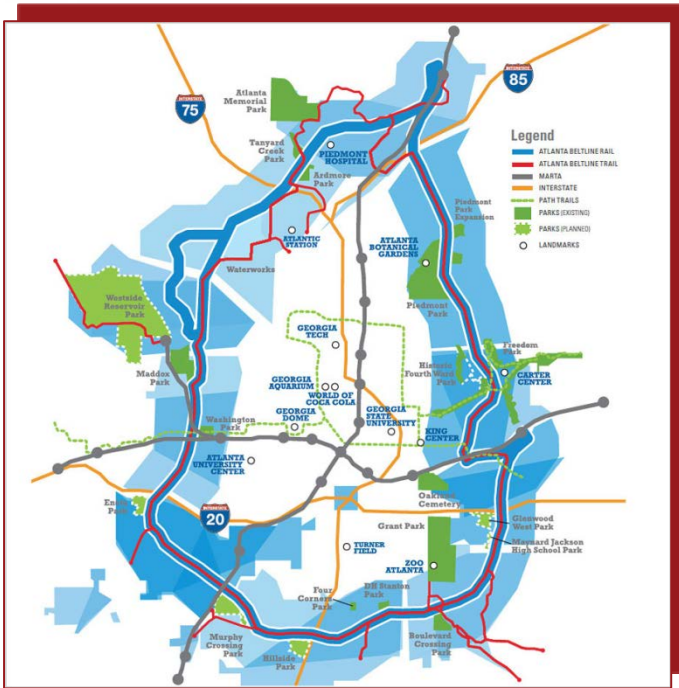
**Fulton Bag & Cotton Mill, Atlanta,
\$42 million spent in rehabilitation,
now Fulton Cotton Mill Lofts**

Sears, Roebuck & Company Bldg., Atlanta

- **Fulton County**
- **Built circa 1925**
- **Circa 1991-City Hall East**
- **\$200+ million spent in rehabilitation; 2 million sq. ft., largest brick structure in the Southeast**
- **Overall green mission/Leed certification**
- **used federal and state tax incentives**
- **Now called Ponce City Market, a mixed-use facility—retail, offices, residential. Intersects with \$2.8 billion Atlanta Beltline redevelopment project and \$50 million Old Fourth Ward park**



The Atlanta Beltline



- 22 miles/44 neighborhoods
- 88+ projects since 2007
- \$1 billion/\$350 million public/priv. invest.
- \$20 billion tax base potential
- 200 acres new/renewed parks & greenspace
- 70 acres brownfields remediated
- 259 units of affordable housing
- \$18 million fed. TIGER V grant



Atlanta Daily World Building

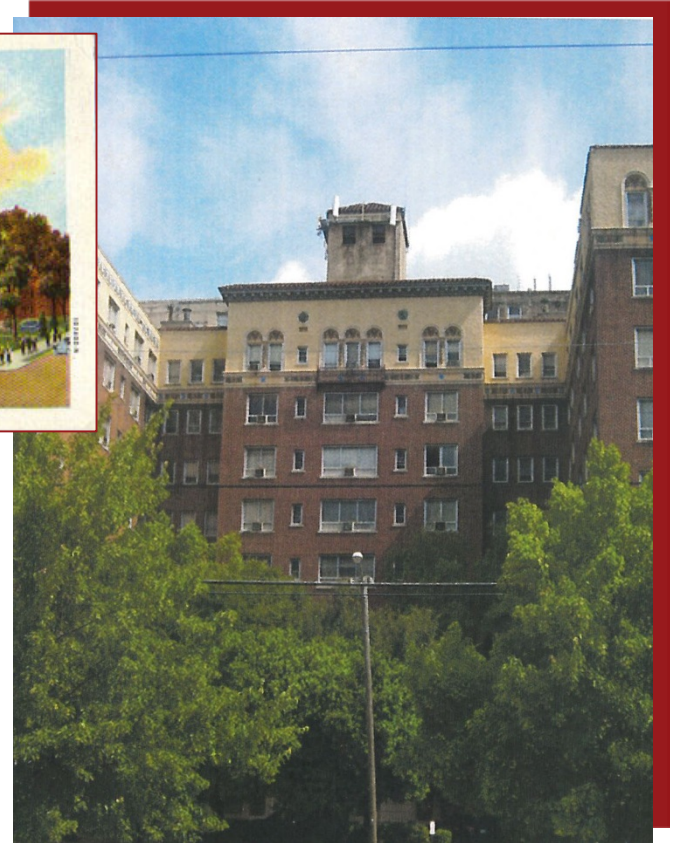


- **MLK, Jr. Historic District, Fulton County**
- **Built 1912 as commercial building**
- **\$400,000 spent in rehabilitation**
- **Used federal and state tax incentives**
- **New use as retail and residential**



Briarcliff Hotel

- **Atkins Park Historic District, Atlanta, Fulton County**
- **Built 1924-1925 as a luxury apartment building**
- **\$16.4 million spent in rehabilitation**
- **After rehabilitation--affordable housing apartments**
- **Used both federal and state tax incentives & a 9% affordable housing tax credit from GA DCA in amount of \$1,375,000**



Imperial Hotel

- Atlanta, Fulton County
- Built circa 1911 as a hotel
- 1995 tax rehabilitation project for low-income apartments
- \$14.2 million rehabilitation
- Used state/federal tax incentives
 - 9% low-income tax credit from DCA of \$1.1 million
- New use as Columbia Residential low-income special needs apartments



Highland School



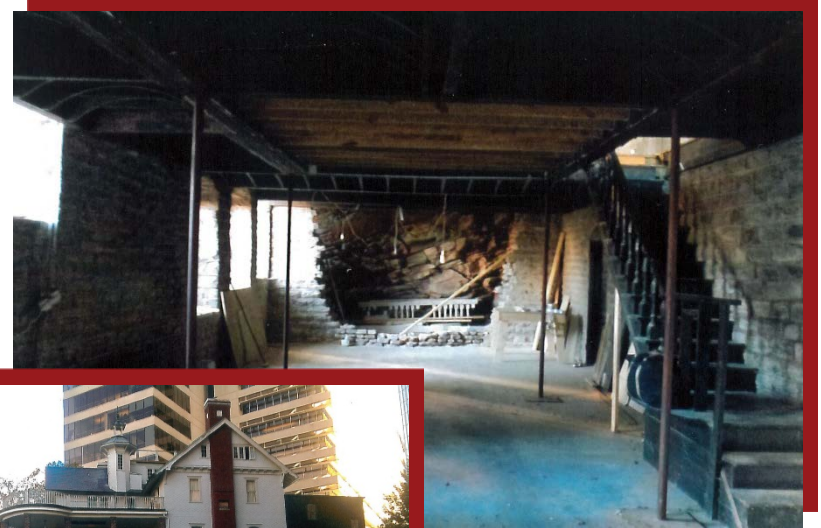
- Poncey Highlands Historic District
Fulton County
- Built circa 1911 as a school
- \$3.5+ million spent in rehabilitation
- Now condominium residences
- Used federal and state tax incentives



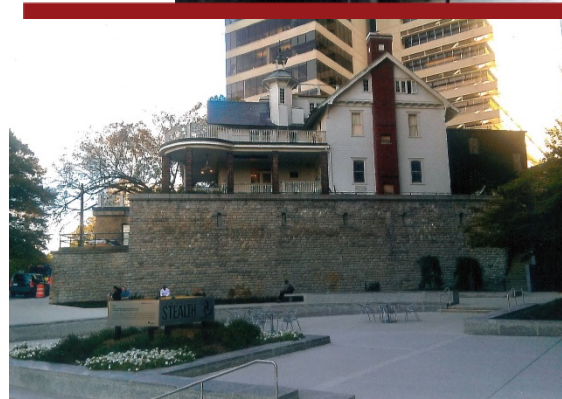
The Castle, Atlanta



- N.R. listed 2015, Fulton County
- Built in 1910-1913 a residence for Ferdinand & Lucy McMillan



- Over \$4.4 million spent in rehabilitation
- New use as restaurant/private club
- Used state & federal tax incentives



Druid Hill's Residence



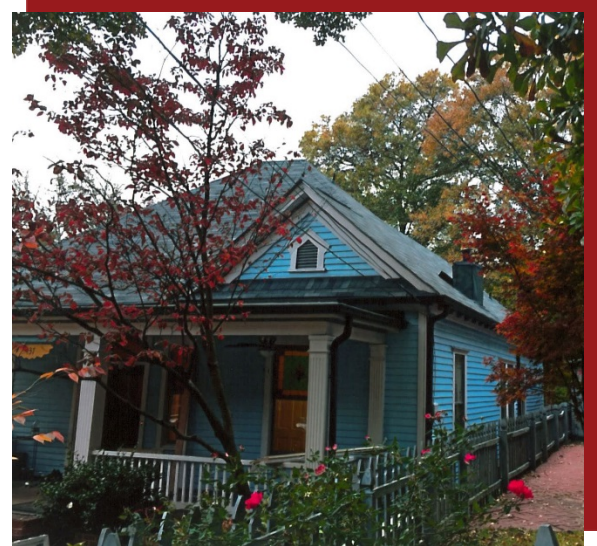
- **Druid Hills Historic District, DeKalb County**
- **Built in 1923 as a residence**

- **\$125,000 in rehabilitation expenses**
- **Continued use as personal residence**
- **Used state tax incentives**



Grant Park Residence

- Grant Park Historic District, Fulton County
- Craftsman bungalow/built in 1904



- Almost \$200,000 spent in rehabilitation
- Continued use as personal residence
- Used state tax incentives

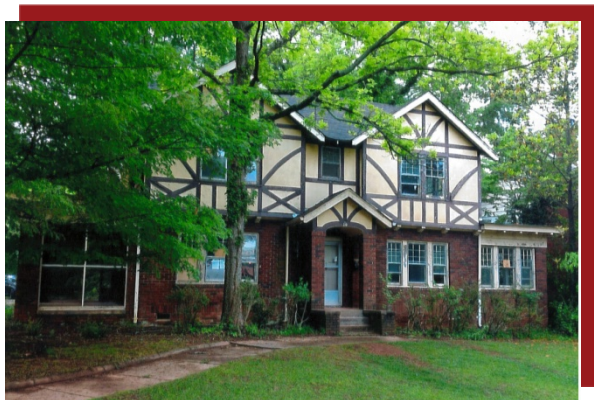
Inman Park Residence



- Almost \$80,000 spent in rehabilitation
- Continued use as personal residence
- Used state tax incentives



Avondale Estates Residence



- Avondale Estates Historic District, DeKalb County
- Built in 1923 as a residence



- Almost \$282,000 in rehabilitation expenses
- Used state tax incentives
 - Approx. \$70,500.00
- Continued use as personal residence

Decatur Residence



- Decatur Downtown Historic District, DeKalb County
- Built circa 1840 as a residence

- \$253,000+ in rehabilitation expenses
- Used state/federal tax incentives
 - Federal credit approx. \$50,600
 - State credit approx. \$63,250
- New use as law offices



Historic Preservation=Good Investment

In Summary:

historic preservation, through the preservation tax incentives

- Create jobs
- Spurs neighborhood & downtown revitalization
- Increases/supports cultural & heritage tourism
- Returns historic buildings to new and sustainable use



Contact Information

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**Department of Natural Resources
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