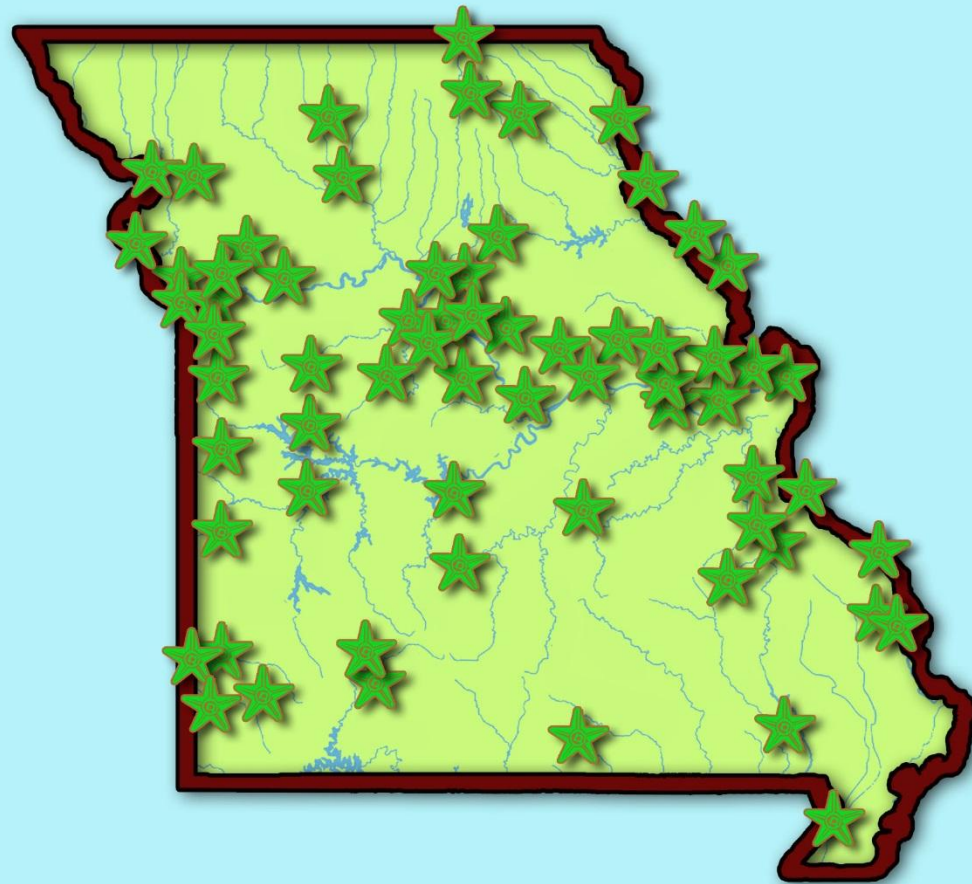


MISSOURI PRESERVATION

*Preserving Place And Community
For Future Generations*

MISSOURI HISTORIC PRESERVATION
TAX CREDITS SINCE INCEPTION:

\$7.3 BILLION IN PRIVATE INVESTMENT
2,700+ PROJECTS IN 72 COMMUNITIES
72,000+ CONSTRUCTION JOBS
22,000+ PERMANENT JOBS



Missouri's Historic Tax Credits

- ❑ Established in 1998
- ❑ Offers 25% tax credit on qualified rehabilitation expenses (QREs)
- ❑ Can be coupled with federal historic tax credits (20%)
- ❑ MO credits may be sold—generally receive \$0.85 per \$1 (feds cannot)
- ❑ Missouri charges administrative fee 2.5% of credit received (federal fee on sliding scale, minimum \$0, \$6500 maximum)

☐ **The Basics**

- ☐ **PROPERTY MUST BE LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES OR BE PART OF A CERTIFIED HISTORIC DISTRICT**
- ☐ **AT LEAST 50% OF THE BASIS OF THE PROJECT MUST BE REINVESTED IN THE SUBJECT PROPERTY (100% FOR FEDERAL)**
- ☐ **ALL WORK MUST CONFORM TO THE SECRETARY OF THE INTERIOR'S STANDARDS FOR HISTORIC BUILDING REHABILITATION**

- QREs generally--all permanent improvements to the historic building & associated construction costs
- Not QREs—any additions, acquisition or marketing costs, site work, non-permanent building improvements
- QREs based upon Section 47 IRS code and DED guidelines
- Generally QREs equal 90% *or more* of project costs

\$112,000 Total Project Costs

- ❑ \$100,000 QREs (approximately)
- ❑ \$25,000 MO historic tax credit
(\$625 state administrative fee)
- ❑ \$20,000 federal credit (if applicable)
(\$875 federal review fees)
- ❑ Sell state credits, receive \$21,250
- ❑ Or use against taxes owed (until used up)—
current year, then 3 years prior and 10 years
after project completion

Basic Requirements

- ❑ QREs exceed 50% of purchase price of property (Federal is 100% of basis in building)
- ❑ Listing on National Register of Historic Places or Certification as Contributing Building in Designated Historic District
- ❑ Design Review/Meets Secretary of the Interior Standards for Rehabilitation
- ❑ Application submittal before project begins with complete photos, floorplans and scope of work
- ❑ Submission of documentation at end with complete set of photos for comparison before/after to approve finished work
- ❑ Detailed cost accounting to verify expenses and payments before credit issued

Application Process

- ❑ Determine historic eligibility
 - ❑ Prepare NR nomination if not yet listed
 - ❑ Provide proof with tax application
- ❑ Estimate project costs—meet basis test
- ❑ Gather ownership information
 - ❑ Legal Description
 - ❑ Owner's name/tax ID/contact information
 - ❑ Copy closing/settlement statement-proof of purchase amount
- ❑ Complete Part 1a of MO application



HTC Preliminary Form 1 – Part 1A

LOG NUMBER (DED INTERNAL USE ONLY)

HISTORIC PRESERVATION TAX CREDIT PROGRAM PRELIMINARY APPROVAL FORM 1 – PART 1A

1a. APPLICANT INFORMATION (PERSON OR ENTITY CLAIMING THE TAX CREDIT)

NAME OF INDIVIDUAL OR ENTITY

1b. TYPE OF ENTITY

IF APPLICANT IS A BUSINESS ENTITY:

Partnership

☐ General

☐ Limited

Corporation

☐ Regular

☐ Subchapter S

☐ Trust

☐ LLC

IF APPLICANT IS AN INDIVIDUAL TAXPAYER:

☐ Property Owner

☐ Other (specify) _____

NAME OF AUTHORIZED COMPANY OFFICIAL

TITLE

MAILING ADDRESS

BUSINESS ADDRESS

CITY/TOWN

CITY/TOWN

STATE

ZIP CODE

STATE

ZIP CODE

TELEPHONE

FAX

TELEPHONE

FAX

TAXPAYER IDENTIFICATION NUMBER (OR SOCIAL SECURITY NUMBER)

SOCIAL SECURITY NUMBER

NAICS CODE (See Definitions in
Guidelines)

BUSINESS SIZE (Number of Employees
Including Company Owners)

SPOUSE SOCIAL SECURITY NUMBER (if applicable)

EMAIL ADDRESS

EMAIL ADDRESS

ARE YOU THE PROPERTY OWNER? IF NOT, PLEASE LIST OWNER

ARE YOU THE PROPERTY OWNER? IF NOT, PLEASE LIST OWNER

2. PROJECT CONTACT

☐ Applicant ☐ Owner ☐ Other (Consultant, etc.)

NAME

ADDRESS

CITY/TOWN

STATE

ZIP CODE

TELEPHONE

EMAIL ADDRESS

FAX

3. PROPERTY INFORMATION

NAME OF PROPERTY

ADDRESS

CITY/TOWN

STATE

ZIP CODE

COUNTY

PROPERTY (CURRENT)

☐ Residential

☐ Commercial

☐ Residential/Commercial

☐ Governmental

PROPERTY (AFTER REHABILITATION)

☐ Residential

☐ Commercial

☐ Residential/Commercial

☐ Governmental

PROPERTY LEGAL DESCRIPTION

4. OWNER INFORMATION (IF DIFFERENT FROM APPLICANT)

NAME _____

ADDRESS _____

CITY/TOWN _____

STATE _____

ZIP CODE _____

PHONE _____

FAX _____

5. HISTORIC ELIGIBILITY

IS THE PROPERTY CURRENTLY ON THE NATIONAL REGISTER?

☐ YES ☐ NO

If yes, the historic name should be listed as "Name of Property" in Section 3.

IS THE PROPERTY LOCATED IN A CERTIFIED HISTORIC DISTRICT?

☐ YES ☐ NO If yes, enter name of Historic District below.

Name of District: _____

AGE OF STRUCTURE (IN YEARS) _____

6. APPLYING FOR FEDERAL PROGRAM?

☒ YES ☐ NO

(If applying for federal program in addition to state program, you may submit a copy of Federal Part 2 instead of State Part 1B.)

7. PRELIMINARY TAX CREDIT REQUEST

ANTICIPATED COST OF REHABILITATION

YEAR

ESTIMATED COST

YEAR

ESTIMATED COST

ANTICIPATED TOTAL COST OF PROJECT (INCLUDE ALL YEARS)

ANTICIPATED TOTAL LABOR COST (INCLUDE ALL YEARS)

BASIS OF PROPERTY (ACQUISITION COST) - PROVIDE PROOF OF BASIS

PROJECT START DATE (m/d/yr)

PROJECT COMPLETION DATE (m/d/yr)

ARE THERE OTHER LOCAL, FEDERAL, STATE OF MISSOURI TAX CREDITS OR GRANTS BEING APPLIED TOWARD THIS PROJECT?

☐ YES

☐ NO

IF YES, WHICH FEDERAL OR STATE PROGRAM? (SPECIFY AMOUNT IN SPACE PROVIDED.)

☐ Missouri Housing Development Commission \$ _____

☐ Brownfield \$ _____

☐ Enterprise Zone \$ _____

☐ New Business Facility \$ _____

☐ Federal Historic Preservation \$ _____

☐ Neighborhood Assistance \$ _____

☐ Neighborhood Preservation \$ _____

☐ Youth Opportunity \$ _____

☐ Local Community Development Block Grant \$ _____

☐ Community Development Block Grant \$ _____

☐ Other (please specify program(s) and amount) _____

8. USE OF PROPERTY: Complete one or both of the sections below, depending on the end use of the property.

8a. If property will be entirely or partially commercial, retail, wholesale, or business use:

ANTICIPATED NUMBER OF JOBS CREATED AS A RESULT OF REHABILITATION (DO NOT INCLUDE CONSTRUCTION JOBS DURING PROJECT)

WILL THE PROPERTY RECEIVE TAX ABATEMENT?

☐ YES ☐ NO

If yes, for how long? _____

8b. If property will be entirely or partially residential use:

ANTICIPATED NUMBER OF HOUSING UNITS

TYPE OF HOUSING

☐ SINGLE-FAMILY OWNED

☐ MULTI-FAMILY OWNED

☐ RENTAL

WILL THE PROPERTY RECEIVE TAX ABATEMENT?

☐ YES ☐ NO

If yes, for how long? _____

ANTICIPATED NUMBER OF JOBS CREATED AS A RESULT OF REHABILITATION (DO NOT INCLUDE CONSTRUCTION JOBS DURING PROJECT)

Application Process

- ❑ Take and label complete photos of building
 - ❑ Show all exterior walls
 - ❑ Show entire site
 - ❑ Provide details of exterior features/damage
 - ❑ Show all 4 walls of every interior room
 - ❑ Provide details of special interior features
 - ❑ Provide examples of damage
 - ❑ Provide photos of representative windows (exterior views)
 - ❑ Provide good documentation for window damage
- ❑ Prepare floorplans as is (key photos to plans)
- ❑ Prepare floorplans showing proposed changes
- ❑ Provide elevation drawings/details of changes

Application Process

- ❑ Prepare Part 1b (or Federal Part 2) describing scope of work
 - ❑ Create items of work for each component of building (site work, roof, exterior walls, windows, display windows, exterior trim, porches, interior walls, interior ceilings, mechanical systems, floors, staircases, etc.)—do not describe by room or by side of the building
 - ❑ List example photos for each item of work
 - ❑ List plan pages for each item of work

PART 1B.

Detailed Description of Work: Includes site work, new construction, alterations, etc. Complete blocks below.

ITEM NUMBER: 1

Describe existing feature and its condition:

MASONRY AND FOUNDATIONS: The foundation is of limestone rubble. It is for the most part in good, sound structural condition, but in need of tuckpointing. The exterior brick surfaces are in fair to poor condition. Front sidewalks in poor condition. Some marble at front entry is broken and in need of repair/replacement.

Describe work and proposed impact on existing feature.

The foundation will be tuckpointed as needed on both interior and exterior surfaces. Minor repairs to interior concrete after sewer and water line replacement, if needed. The front of the building will be "restoration cleaned" and tuckpointed solid in original composition and color of mortar. Side walls shall be "spot" tuckpointed as needed. The rear of the building will be raked and tuckpointed solid, in original mortar composition and color. The center brick parapet separating 1903 and 1905 McNair Avenue/Serbian Drive shall be extended and additional 12 inches to meet fire code for fee-simple townhouse production. Marble will be replaced or repaired as needed at front entry.

PHOTO NUMBER

A,B,C,EE,FF

DRAWING NUMBER. (IF NO PHOTO)

ESTIMATED REHABILITATION COSTS

\$33,000..00

ITEM NUMBER: 2

Describe existing feature and its condition:

WINDOWS AND DOORS: The building has been abandoned and the windows and doors have suffered damage and neglect. Many of the windows have broken panes and rotted stiles and side rails. Doors have suffered similarly, and there is damage to the door frames from forced entry. Much of the wood composition has suffered dry rot from lack of paint coverage.

Describe work and proposed impact on existing feature.

The old window sash will be removed. New windows to match historic profile to be installed in existing frames, where possible. Where the old frames are rotten, new members will be constructed to precisely match the originals. Wood doors at the front of the building will be repaired and repainted in historic colors. Rear doors and basement entry doors, while keeping an eye toward safety and security, will match as closely as possible the originals being replaced.

PHOTO NUMBER

D,E,F,G,HH,II,JJ,KK,LL

DRAWING NUMBER. (IF NO PHOTO)

ESTIMATED REHABILITATION COSTS

\$22,590.00

ITEM NUMBER: 3

Describe existing feature and its condition:

OFF STREET PARKING: There is currently no off-street parking at this building.

Describe work and proposed impact on existing feature.

Two new 1-car garages will be constructed at the rear/side of the property.

PHOTO NUMBER

N/A

DRAWING NUMBER. (IF NO PHOTO)

C1

ESTIMATED REHABILITATION COSTS

\$31,000.00

Describe existing feature and its condition:

Historic display window system is only partially intact, with aluminum replacement window frames. It retains the original recessed wood framed entries and the wood framed transom above the storefronts, but the glass has been removed and the openings boarded with vertical aluminum siding.

The cast iron support columns at each corner to a recessed entry appear to be in good condition, but the steel beam above the transom is failing.

The kick plates have been modified.

The transomed, wooden storefront doors with the large rectangular glass light are the original doors with the original wood storefront framing somewhat intact around them, including the wood paneled ceilings in the recessed entryway. The concrete flooring in the recessed entries appears original and in good condition.

The original wood, transomed, stairway door is intact, with a rectangular light in the upper third divided into 6 lights above two vertical recessed panels. This recessed opening also has wood paneled ceilings and wood framing.



Describe work and impact on existing feature:

The display window systems will be carefully dismantled to allow for any structural repairs. The remaining historic details in the framing and finish have been carefully documented and measured and all finish framing and kick plates will be designed to replicate the original configuration and details. The display windows will be insulated glass units.

The transoms will be repaired, with new glass and repainted.

The historic doors will be stripped, repaired, and painted, with missing glass replaced and have new hardware installed as needed. Severely damaged doors will be replaced with doors milled to match the historic doors. The original wood ceilings on the recessed entries will be scraped, primed and painted.

The concrete entry floors will be re-poured to meet ADA requirements.



Application Process

- ❑ Submit application—original signature required
 - ❑ With documentation required about ownership
 - ❑ With proof of historic designation
 - ❑ With photos and plans
 - ❑ Submit 2 sets if MO only to DED; 3 sets if also federal
- ❑ If Federal, submit Credit Card form for half of filing fee
- ❑ Expect 2 months for approval (state) and 3 months total if also federal
- ❑ Amend application to provide further details or if scope changes

Application Process When Finished

- ❑ Take photos of finished work from same views as before
 - ❑ Label photos and key to finish floor plans
- ❑ Complete Part 2 (MO) and Part 3 (fed)
- ❑ Prepare credit card form for balance of federal filing fee
- ❑ Submit Final Application for review of work
 - 2 sets if MO; 3 sets if also federal
- ❑ You will not receive MO approval—only hear if there are conditions before it can be approved
- ❑ You will receive signed federal approval
- ❑ Design approval from SHPO takes 2 months (MO); 3 months total if also federal

Application Process When Finished.....

- ❑ Prepare Cost Certification
 - ❑ Under \$250,000 project costs, assemble invoices and proof of payments, prepare Exp Form; hire Mo. CPA to review and make sure the materials are assembled properly and add up
 - ❑ Over \$250,000, take information to Mo. CPA to assemble and conduct 100% audit
- ❑ Submit Cost Certification—identified by address and project # to Dept. of Economic Development
- ❑ Answer queries (done by e-mail) from DED accountant and staff or application put on hold!!!
- ❑ DED accountant reviews cost certification, makes sure bills paid by applicant

Application Process When Finished.....

- ❑ DED staff reviews contracts and other legal documents such as developer fee agreements, promissory notes, corporate structure/members
- ❑ Other MO agencies check to see if you owe back taxes (will deduct credit from it) and business in good standing with MO state
- ❑ Pay Administrative Fee when billed—2.5% of credits earned
- ❑ GET TAX CREDIT (looks like a certificate or letter from DED)
- ❑ USE Tax Credit or Sell (all or some) Credits
- ❑ Take pride in your accomplishment!! And in saving and reusing an historic building!!!

HOW TO PLAN YOUR WORK – THE 10 COMMANDMENTS



The Secretary
of the Interior's
Standards for
Rehabilitation &

Illustrated Guidelines for Rehabilitating Historic Buildings



U.S. Department of the Interior
National Park Service
Cultural Resources
Heritage Preservation Services

Secretary of the Interior's Standards for the Treatment of Historic Properties: Rehabilitation vs. Restoration

“Rehabilitation is defined as the act or process of making possible a compatible use for a property through repair, alterations, and additions, while preserving those portions or features which convey its historical, cultural or architectural values.”

“Restoration is defined as the act or process of accurately depicting the form, features, and character of a property as it appeared at a particular period of time...”

THE SECRETARY OF THE INTERIOR'S STANDARDS

1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
2. The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
3. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
4. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.

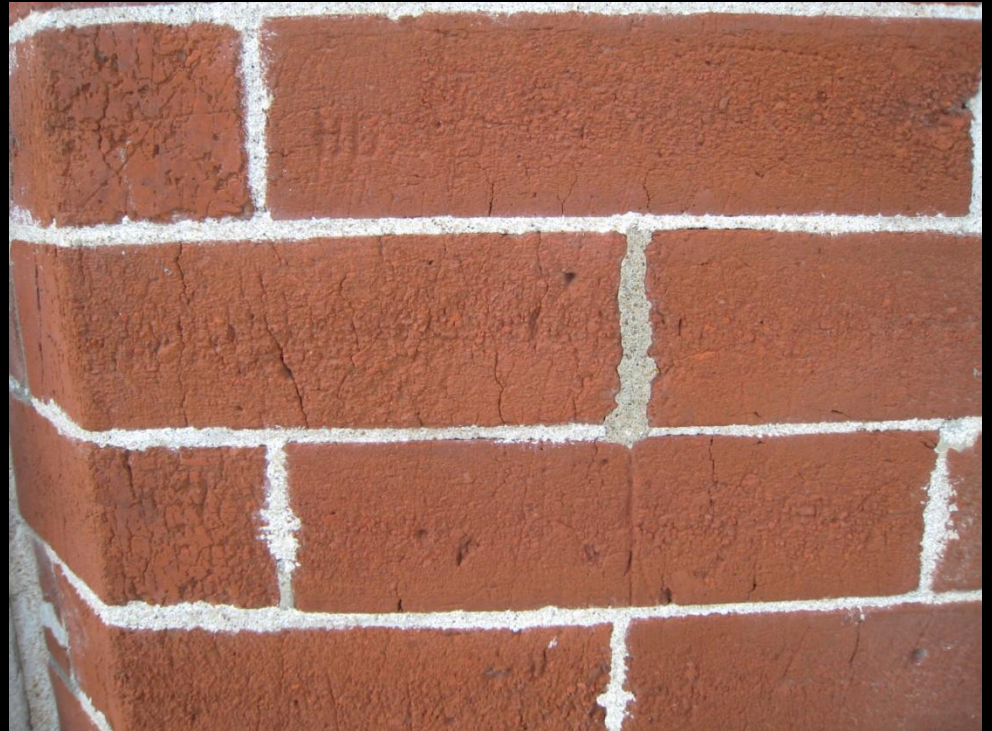
THE SECRETARY OF THE INTERIOR'S STANDARDS

5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a property shall be preserved.
6. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
7. Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.

THE SECRETARY OF THE INTERIOR'S STANDARDS

8. Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
10. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

THOU SHALT NOT SANDBLAST



Match Your Mortar



Sash Replacement



The Devil is in the Details



Porch Railings



Porch railings



Additions



Bad Additions



THANKS

- KAREN BODE BAXTER
- ROSIN PRESERVATION
- DEBBIE SHEALS