

St. Aidan's, the Brookline, MA, church where John F. Kennedy was baptized, is now home to nine condominiums. The church is the centerpiece of the development of adjacent property into mixed-income housing.



Everything Old Is New Again

Robert Verrier, AIA, NCARB

An award-winning architect discusses critical considerations in adapting older buildings for modern needs—and earning tax credits in the process.

Everyone wins when abandoned or neglected historic buildings return to service. Communities see neighborhood revitalization and solidify a connection to the past. Construction stimulates economic and job growth, and the expanded lifecycle of the existing building materials brings environmental benefits.

Since 1976, one of the major drivers of investment in historic preservation has been the Federal Historic Preservation Tax Incentives Program, touted by the National Park Service (NPS), Washington, as the country's largest, most successful, and most cost-effective revitalization program. Through six presidential administrations and more than 35 years, the program has leveraged some \$58 billion in private investment to preserve and reuse 37,000 historic properties.

These tax credits allow development in historic districts and city centers that might otherwise be impossible. They also help developers and investors offset some of the financial risk associated with rehabilitating older buildings. To benefit from the tax credits, the building under consideration must achieve certain criteria:

- the building must be historic
- the project must spend more than the adjusted basis of building, *i.e.*, the purchase price minus land costs and improvements already made, minus depreciation already taken
- the completed project must adhere to a set of guidelines for historic rehabilitation laid out by the U.S. Secretary of the Interior.

Additionally, many states have their own tax credits that may be piggybacked onto the federal tax credits.

Simple? Not usually. As with any large, long-running program, the Federal Historic Preservation Tax Incentives Program offers great

opportunities. However, success requires expert planning, design, creativity, and execution.

Below are 10 things to keep in mind when considering investing in a historic preservation project:

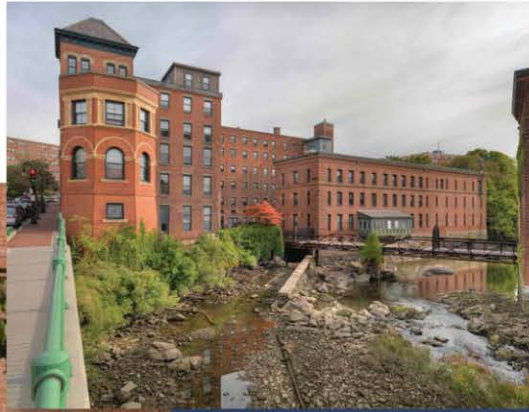
1. Get registered. To qualify for the federal tax credits, a building must be on the National Register of Historic Places, which is administered by the NPS. Often buildings that aren't on the register can be added, but you need to know the right questions to ask. Architectural significance is a common qualification, but it's not absolutely necessary. Buildings located within national or state historic districts qualify, as do buildings where historic events took place. A former bakery in New England, for example, won historic status because it had been the site where the Fig Newton was first produced.



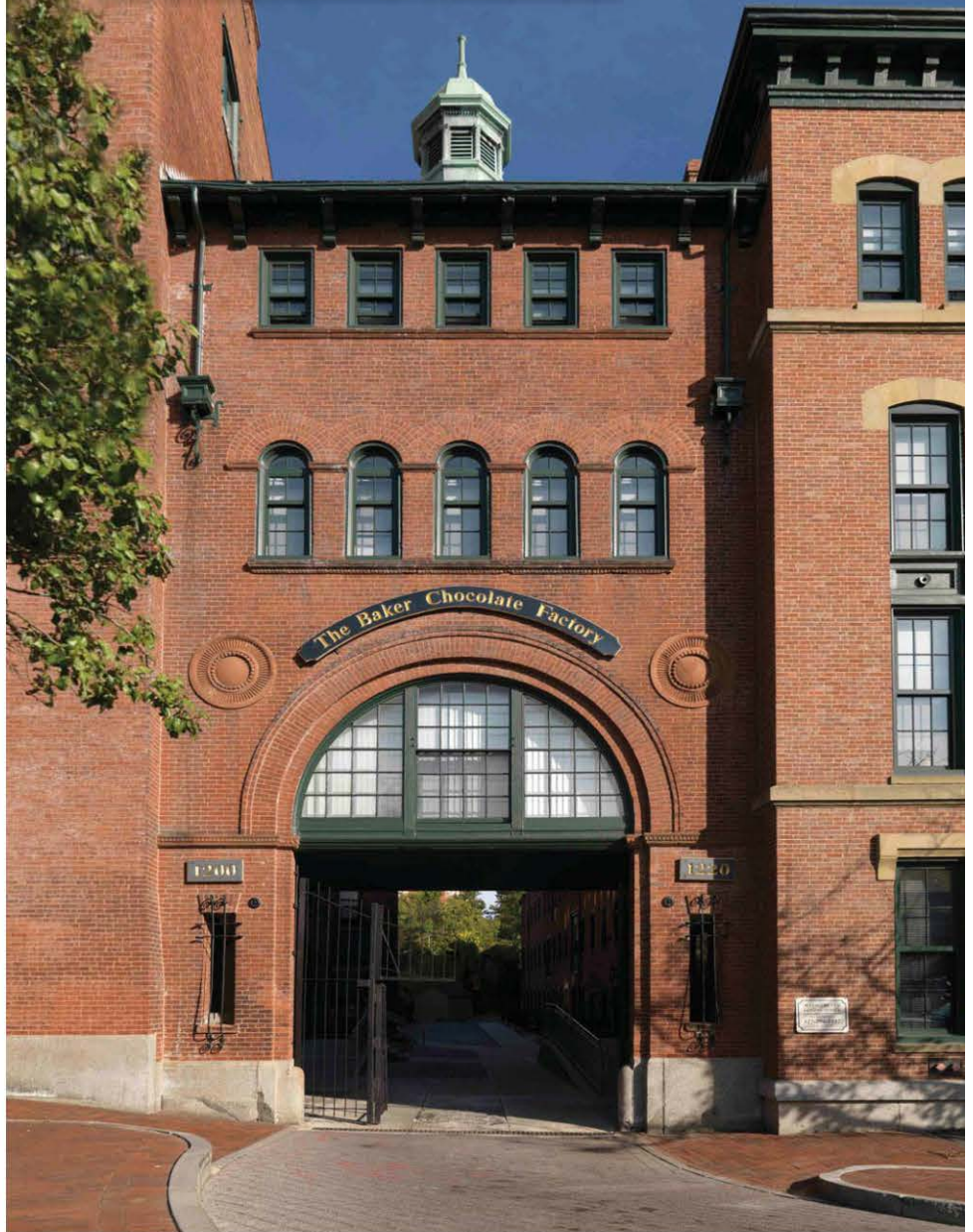
The Silver LEED Bourne Mill Apartments, Tiverton, RI, are the result of a project that converted eight mill buildings into a 165-unit residential complex. Many of the original features remain, including the locally quarried granite exteriors, the clock tower, and deep roof overhangs on the main building.

2. Understand liability. As the owner of a historic property, you are responsible for complying with guidelines regarding the building's historic nature, but you're also responsible for environmental and contamination compliance. It's essential to work with a team that understands what to test—and the full implications of the test results.

Understanding liability also means understanding when to walk away. Sometimes a once-beautiful building in a great location presents too much risk to rehab, such as early 20th-century buildings built or renovated with asbestos and PCB materials. The cost of mitigation makes the buildings too expensive



The former Baker chocolate factory in Lower Dorchester Mills, MA, dates to the first half of the 19th century. At one time, the original buildings included grist and textile mills as well as a cocoa-bean mill. It now houses luxury condominiums on the banks of the river that powered the mills.



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for renovation, and many of them remain undeveloped and deteriorating.

3. Crack the codes. Along with understanding liability, prospective owners must understand how current building codes will affect the project. Adherence to the U.S. Secretary of the Interior's guidelines sometimes runs afoul of today's building codes, and workarounds must be addressed thoughtfully and deliberately.

Other criteria, such as those that qualify a building for LEED certification, can be even more elusive, but proper understanding and upfront planning can guide the process and bring about solutions that meet historic-preservation guidelines while complying with federal, state, and local building codes for energy efficiency, accessibility, and life safety.

Also, new additions to historic buildings have to be carefully planned, acknowledging change while protecting historical significance to meet the NPS preservation standards. Further, any addition must also be compatible with the size, scale, color, material, and character of the building to which it is attached.

4. Describe the work and

save historic details. Dismantle a deteriorating chimney and your tax credit will disappear with it. Propose a window replacement that doesn't replicate the profile of the original, and you'll disqualify the whole project. Major architectural features are considered the historic fabric of preservation projects, and altering them substantially is not an option. But turning architectural features into visual and practical assets is often possible with the right planning and vision.

All owners and developers of a certified historic structure who are seeking the 20% tax credit must complete a comprehensive description of the proposed work. The NPS reviews the description to ensure conformity with the Secretary of the Interior's Standards for Rehabilitation. If the proposed work meets the standards, the NPS issues a preliminary decision approving the work. If not, the proposed work may be given a conditional approval that outlines specific modifications required to bring the project into accordance with the standards.

NPS has produced numerous briefs on all aspects of building preservation prepared by its in-house department, Technical Preservation Services. These briefs should be used as guides in preparation of documents presented to NPS.

5. Investigate and advocate. The guidelines for historic rehabilitation are not always applied consistently, so it's critical to understand the spirit of the guidelines, where they may be flexible, and the hot buttons that most concern those who will evaluate your solutions. Analyze and determine how the needs of the owners and occupants overlap with the character-defining materials and spaces, and look for artful ways to mitigate any conflict.

Then, after thoroughly investigating the options, be prepared to defend your solutions. Knowing precedents and what worked

to the guidelines. If the evaluation process has been ongoing, through planning and advocacy, this step can be relatively easy. If not, it can be rife with complications.

8. Use insulation wisely. Insulation is almost always the single most effective and least expensive way to improve the energy efficiency of old buildings. Use it well. Compressed thin-wall insulation, caulk on window gaskets, and the use of vapor barriers to control moisture migration are all standard practice. Even spray-applied insulation can be used in certain unobtrusive locations.

9. Know when to wait. Historic buildings are not easily adapted to house modern mechanical systems, which, along with electrical and fire-suppression systems, can occupy significant square footage and demand as much as 30% to 40% of an overall rehabilitation budget. Sometimes it's possible to delay installation of new systems and phase in modifications and new systems later in the project.

10. Stick to a five-year plan.

Keep in mind that once a qualified historic-preservation project has been completed, government oversight remains in effect for five years. Any changes made in that time must comply with NPS guidelines. After five years, modifications can generally be made without governmental approval.



A community room in the Bourne Mill Apartments, Tiverton, RI, reveals a modern sensibility inside buildings that were built beginning in 1881 in the heart of the nation's largest cotton-milling region.

successfully in other buildings can also help strengthen your case.

6. Act locally. Be sure to involve the relevant local and state preservation entities as early as possible in the design process, seeking preliminary approval of the project for the tax-credit program.

In addition to federal tax credits, determine the opportunities to qualify for state and even local incentives. Applying for those means gaining the approval of additional evaluators. As with evaluators on the federal level, it's critical to start working with local authorities from the beginning.

7. Say what you'll do, and do what you said.

After the rehabilitation work is completed, you'll have to submit an application form and photographic documentation requesting final approval of the completed work. The NPS evaluates the completed project and compares it with the work proposed and determines whether it adheres

Every big city has historic buildings that were built well but have outlived their usefulness. Abandoned mills, warehouses, and plants offer enormous opportunity to honor the past while planning for the future.

Renovating these structures for today's needs—whatever they might be—saves resources and provides a link to the city's legacy while building for the future. With the help of tax credits, adapting buildings for uses that their original architects never imagined can be cost-effective and rewarding on almost every level. ☐

Robert J. Verrier, AIA, NCARB, is the founding partner of The Architectural Team Inc., a Boston-based architecture firm specializing in master planning, hospitality, mixed-use, multifamily housing, historic preservation, and adaptive reuse. The Architectural Team has completed more than 50 projects restoring buildings found on the National Historic Register.

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