

PLANNING DIVISION STAFF REPORT

March 10, 2020



PREPARED FOR THE LANDMARKS ORDINANCE REVIEW COMMITTEE

Legistar File ID # [56918](#), Draft Historic Preservation Ordinance, Parking Lot Issues
Memo #3: Expedited Tax Credit Review Process

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Background

As part of the committee's ongoing discussion of topics in our discussion "parking lot" list, staff has gathered information about the subject of having an expedited review process for properties pursuing state or federal preservation tax credits, which is of interest to some property owners.

Preservation Tax Credits

Properties that are listed in the National Register of Historic places are potentially eligible for federal preservation tax credits for rehabilitation of the building for new or an ongoing use. Likewise, properties listed in the State and/or National Register are potentially eligible for state preservation tax credits for the rehabilitation work. That process involves first filing paperwork to determine if your property is still eligible for tax credits by either being individually designated or contributing to a state or national historic district (called filing your Part 1). The next step is submitting building plans that meet the Secretary of the Interiors Standards for Rehabilitation (called filing your Part 2). Once the work is complete, you file your Part 3, which is providing evidence that all work completed was in compliance with the approved plans.

If that work was not in compliance, there is the opportunity for the applicant to make corrections or to appeal the determination that the work does not comply with the SOI. Ultimately if the work is not in compliance, there is no penalty other than not receiving the tax credit. The tax credit program is an incentive to encourage reinvestment in historic buildings, but it does not require compliance. This is in contrast to our local historic designations where all exterior alterations require a Certificate of Appropriateness (COA) and compliance with the standards in the historic preservation ordinance.

If we offered an expedited review process where in lieu of providing a COA for securing a building permit, the property owner could provide their Part 2 approval letter from the Wisconsin Historical Society or the National Park Service (depending on if it is state or federal tax credits). The City would need some sort of mechanism to verify that the work was completed in a way that was in compliance with federal or state approvals.

A possible compromise could be that for projects with state or federal tax credit approval could qualify for administrative approval by staff to issue a COA. This would still require a formal submittal for the preservation file for the property in order to document the changes to the property and provide the documentation for enforcement of the COA if work is not completed per the approved plans.

As a matter of policy, staff would recommend that projects that currently require a public hearing (additions over 100 sq. ft. and demolitions) not be eligible for administrative review. The public should still be able to provide comment on those projects regardless of if preservation tax credits are involved.