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# Historic Preservation 101

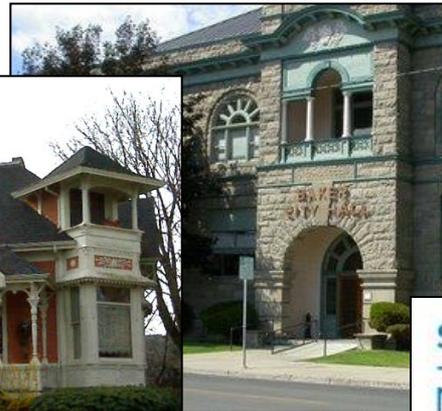
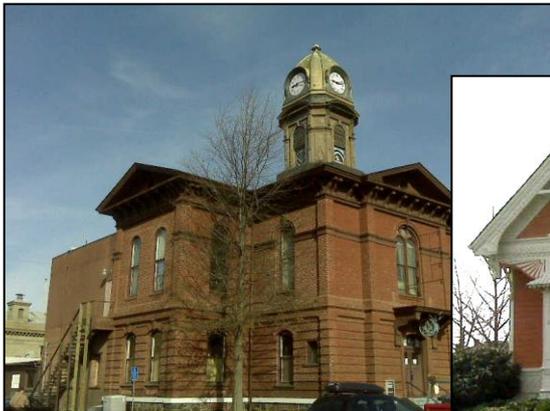
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*An Introduction to the What,  
When, Why, Who, and How of  
Preservation in Oregon*



# Who is Restore Oregon?

- 501(c)(3) founded in 1977 with mission to “preserve, reuse, and pass forward Oregon’s historic resources to ensure livable, sustainable communities”
- Formerly the Historic Preservation League of Oregon
- Publishes annual list of Oregon’s Most Endangered Places and offers DeMuro Awards
- Partner of the Oregon Main Street Program



STATEWIDE PARTNER  
NATIONAL TRUST FOR  
HISTORIC PRESERVATION®



# Restore Oregon's Mission Statement

***Preserve, reuse, and pass forward  
Oregon's historic places  
to ensure livable, sustainable communities***





# What We're Doing

- Saving Oregon's Most Endangered Places  
2015 list will be announced November 5<sup>th</sup>
- DeMuro Awards for Excellence in Preservation, Reuse, and Community Revitalization  
Announced November 5<sup>th</sup> in Portland
- Local programs such as Energy Efficiency on Main Street and Preservation Pub<sup>®</sup>
- Legislative advocacy in Salem and DC
- Advocating for reuse of pioneer (1840-1865) homesteads of the Willamette Valley
- Annual Mid-Century Home Tour in May
- Co-sponsor of the Main Street Conference!

**Oregon's Most  
ENDANGERED  
PLACES**

**Preservation 101**



**2013 DEMURO AWARDS**

*Excellence in Preservation, Reuse, and Community Revitalization*

*Mid-Century*  
**MODERN**  
Saul Zaik House Tour



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# What is Preservation?





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# Preservation Defined

**Preservation** is simply having the good sense to hold on to things that are well designed, that link us with our past in a meaningful way, and that have plenty of good use left in them.



Photo via PreservationNation





# Many Places, Many Meanings

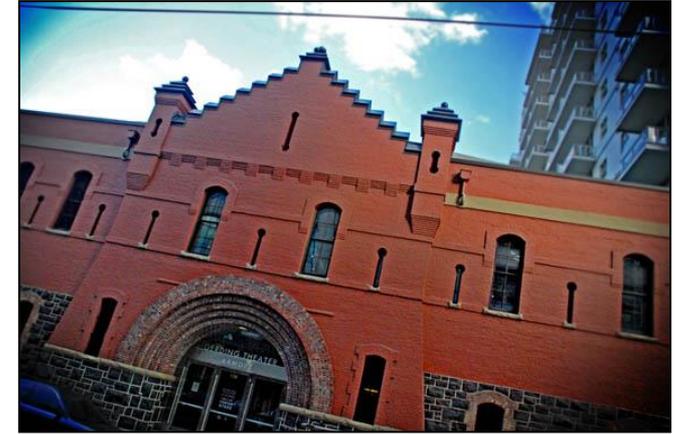
- Historic homes & neighborhoods
- Commercial buildings & historic districts
- Bridges
- Barns
- Monuments
- Landscapes, roads, and trails
- Archeological sites
- Tribal and ethnic heritage sites





# Many Places, Many Strategies

- Snapshot-in-time (restoration)
- To update or adaptively reuse for a new purpose (rehabilitation)
- Single structures to entire districts





# Preservation Is...

**This...**



# Preservation Is...

**This...**



**Not This!**





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# When did it Start?

WASHINGTON'S MANSION, MOUNT VERNON, VA.





# Preservation Timeline

- 1853: Saving of George Washington's home, Mount Vernon
- 1876: The Centennial International Exposition in Philadelphia
- 1906: Antiquities Act & National Monuments Program
- 1909: John McLoughlin House Saved by Oregon City Citizens
- 1926: Williamsburg Restoration and Reconstruction Begins





# Preservation Timeline

- 1931: Charleston Creates Nation's First Historic District
- 1949: National Trust for Historic Preservation Chartered by Congress
- 1966: National Historic Preservation Act/ Department of Transportation Act
- 1973: Statewide Land use Planning
- 1975: Oregon Special Assessment
- 1976: Federal Rehabilitation Tax Credit
- 1977: Restore Oregon Founded
- 1998: Lottery Dollars Directed to State Parks and Preservation
- 2008: Oregon Main Street resurrected





# Why Does it Matter?

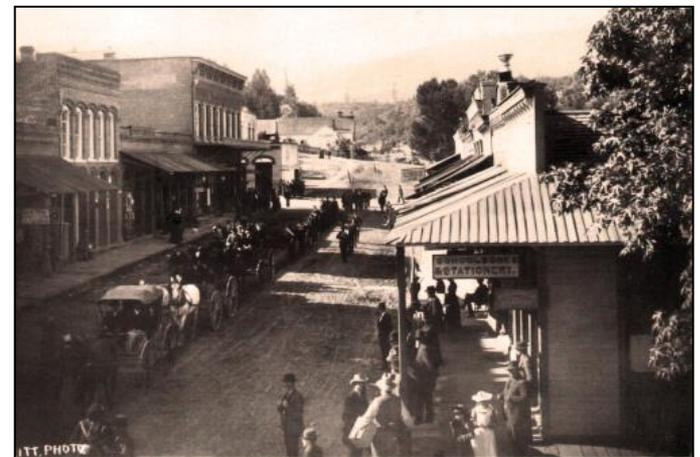
“We shape our buildings, and then our buildings shape us.”

*-Winston Churchill*



# Cultural Benefits

- Preservation is **the story of place**
  - People (prominent and representative)
  - Community identity
  - Values
  - Commerce
  - Events
  - Local resources
  - Technological advances
  - Talents & craftsmanship
- Preserved in homes, buildings, neighborhoods, barns, bridges, monuments





# Social Benefits

- Historic areas provide creative opportunities for **affordable housing** and **small business** generation
- Many historic districts are **socio-economically diverse**, housing and employing people from all walks of life
- Over half of recent historic rehabilitation projects have taken place in **below-average income** neighborhoods
- Pioneer and streetcar-era main streets and neighborhoods are **walkable**
- Historic places and traditional downtowns foster **community pride**





# Economic Benefits

- Rehabilitation is **labor intensive**: 60-65% of rehabilitation expenses go towards labor
- 75% of the economic benefits generated by rehabilitation stay within the **local** community
- Per dollar spent, investing in the rehabilitation of buildings creates **more jobs** than:
  - Manufacturing,
  - Mining,
  - Wood products, or
  - New construction
- Preservation stabilizes **property values** and the **local tax base**



# Economic Benefits

- Historic preservation fosters heritage tourism:
  - Oregon's tourism industry employs 90,000 and generates **\$7 billion** annually.
  - **83% of tourists** to Oregon consider themselves cultural and heritage travelers
  - The average cultural/heritage traveler spends **\$1,618** on a leisure visit to Oregon
  - **39%** of travelers will pay more for lodging that reflects the culture of the destination they are visiting





# Environmental Benefits

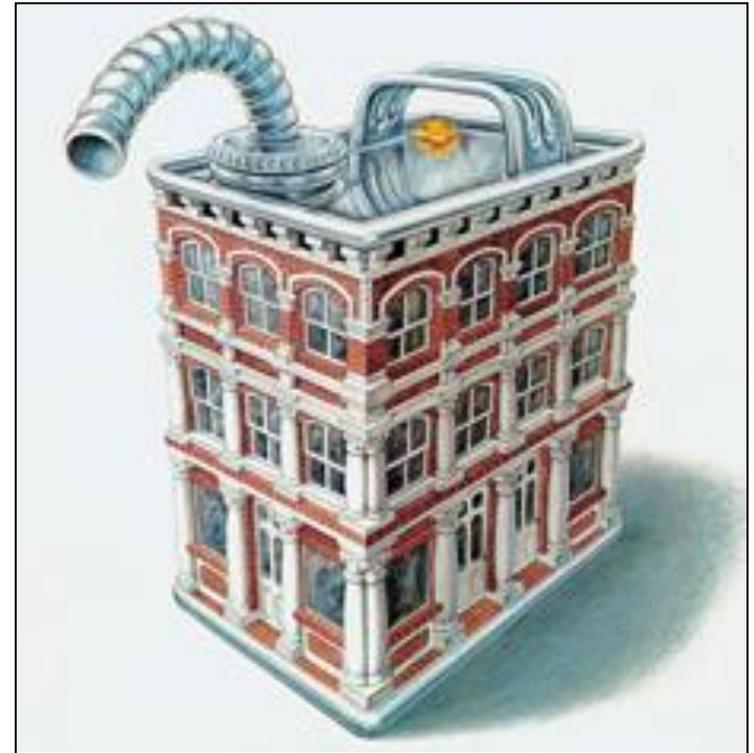
- Every historic building represents an enormous amount of **embodied energy**—tangible resources that have already spent:
  - Materials/manufacturing
  - Transportation/fuel
  - Construction
- Most older buildings were built with **inherent design efficiencies**:
  - Appropriate site orientation
  - Operable windows
  - Passive heating and cooling systems
  - Light maximization





# Environmental Benefits

- We can't build our way to sustainability - we have to conserve our way.
- Our current building stock (**300 billion square feet**) may be our most renewable resource.
- Building and demolition waste represents **1/3 of all landfill** materials.
- It takes up to **80 years** for a new energy-efficient building to recoup the environmental impact of construction.
- Today's luncheon: *Historic Preservation & Energy Efficiency: A Guide for Historic Commercial Buildings*



**“Why spend all this effort recycling cans and bottles... and throw away entire buildings?”**

- Donovan Rypkema



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# Who Preserves Places?





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# Who's Who in Preservation

*Public*

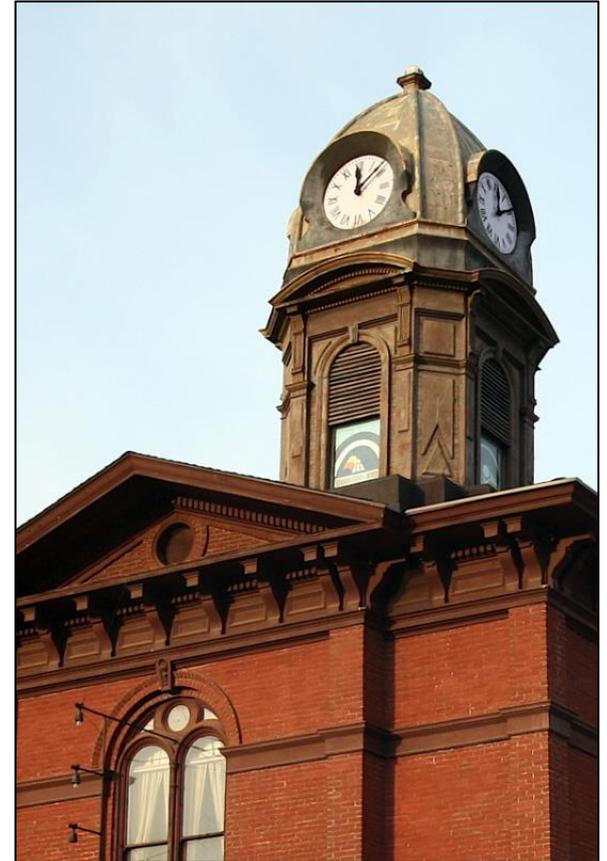
*Private*

	<i>Public</i>	<i>Private</i>
<i>National</i>	National Park Service	National Trust for Historic Preservation
<i>State</i>	State Historic Preservation Office (SHPO) <ul style="list-style-type: none"><li>• Oregon Main Street Program</li><li>• Heritage Commission</li><li>• State Advisory Committee</li></ul>	Restore Oregon
<i>Local</i>	Certified Local Gov's (CLGs) <ul style="list-style-type: none"><li>• Landmarks Commissions &amp; Historic Review Boards</li></ul>	Local Preservation Organizations <ul style="list-style-type: none"><li>• Bosco-Milligan Foundation</li><li>• Lower Columbia Preservation Society</li><li>• Historical Societies &amp; Museums</li></ul>



# State Historic Preservation Office (SHPO)

- State agency headquartered in Salem
- Manages state and federal preservation regulations in Oregon
- Houses Oregon Main Street Program and Heritage Commission
- Convenes State Advisory Committee on Historic Preservation
  - Review and approval of National Register nominations
- Manages Oregon Historic Sites Database
- Matching grants for preservation and heritage activities





# Certified Local Government

- Designed to promote historic preservation at the local level
- Federal program administered by the SHPO
- Requirements:
  - Preservation Commission
  - Preservation Ordinance
  - Survey and Inventory Places
  - Review National Register Nominations
- Benefits:
  - Annual matching grants for preservation activities and programs
  - SHPO technical assistance





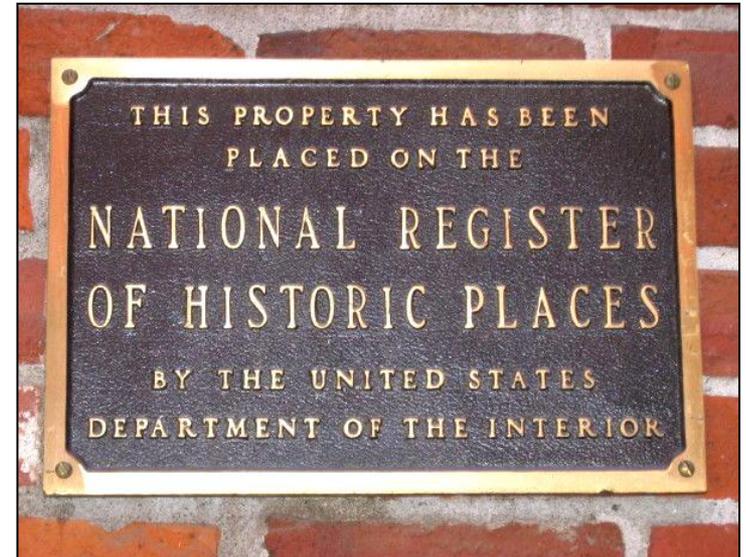
# How do we Preserve Places?





# National Register of Historic Places

- The National Register of Historic Places is the nation's official list of significant historic places
- Listing requires a formal nomination and approvals at the state and federal level
- Consent is required for private owners
- Physical integrity and historic significance must be present for a property to be eligible
- Benefits include honorific value, ability to apply for state and federal tax incentives, and increased grant eligibility (for non-private owners)



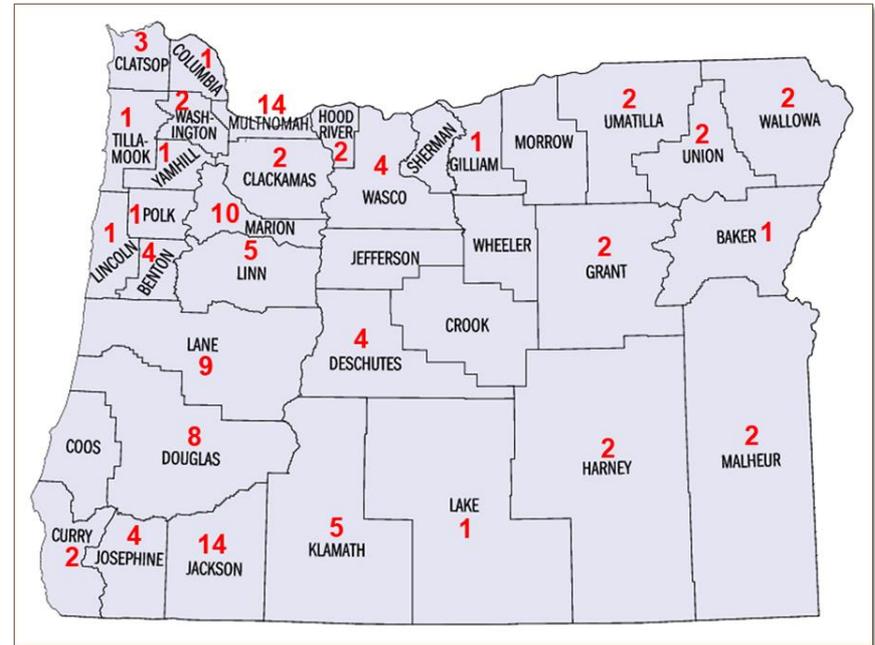
**National Register listing itself does not guarantee regulatory protection--protections are codified at the local level**



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# National Register Districts

- 123 historic districts in Oregon
- Approx. 35 commercial districts
- Historic districts are made up of “contributing” and “non-contributing” properties
- All “contributing” properties are technically listed in National Register of Historic Places and eligible for incentive programs
- 15,000 properties located within districts (about 75% are classified as “contributing”)
- Eligible districts determined through historic resource survey



**McMinnville’s downtown was listed as a National Register District in 1987. It consists of 52 contributing buildings and 14 non-contributing buildings**



# Secretary of the Interior Standards

## Preservation

- Stabilize & maintain

## Rehabilitation

- Adaptively reuse, maintain historic elements

## Restoration

- Bring back to a certain point in time

## Reconstruction

- Rebuild from scratch



# Standards for Rehabilitation

1. Choose an Appropriate Use
2. Preserve Character-Defining Features
3. Retain the Sequence of Historical Development
4. Retain Changes that Have Acquired Their Own Historic Significance
5. Preserve Distinctive Materials, Features, Finishes, & Craftsmanship
6. Repair Rather than Replace
7. Avoid Destructive Physical or Chemical Treatments
8. Protect Archeological Resources
9. Make New Additions or Alterations Compatible Yet Differentiated
10. Make New Additions Reversible





# Preservation Regulations

- In general, regulations are adopted at the **local level**:
  - City or county **preservation ordinances** define what owners can and cannot do with designated historic places
  - Without a local preservation ordinance, even properties on the National Register are not protected from demolition
- State and local **government activities** that impact historic properties require SHPO review (ORS 358.653)
- **Federal activities** that impact historic properties require SHPO review and public consultation to define mitigation (Section 106)





# We Love These Places... How Do We Pay For Them?

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# Types of Incentives

- **Grant (Cash Allocation)**
  - Dollar amount provided by nonprofit or government
- **Deduction (Taxable Income)**
  - Reduction in amount of income subject to taxation
- **Credit (Income Taxes)**
  - Reduction in the amount of income taxes owed
- **Assessment (Property Taxes)**
  - Freeze or reduces the assessed value of a property





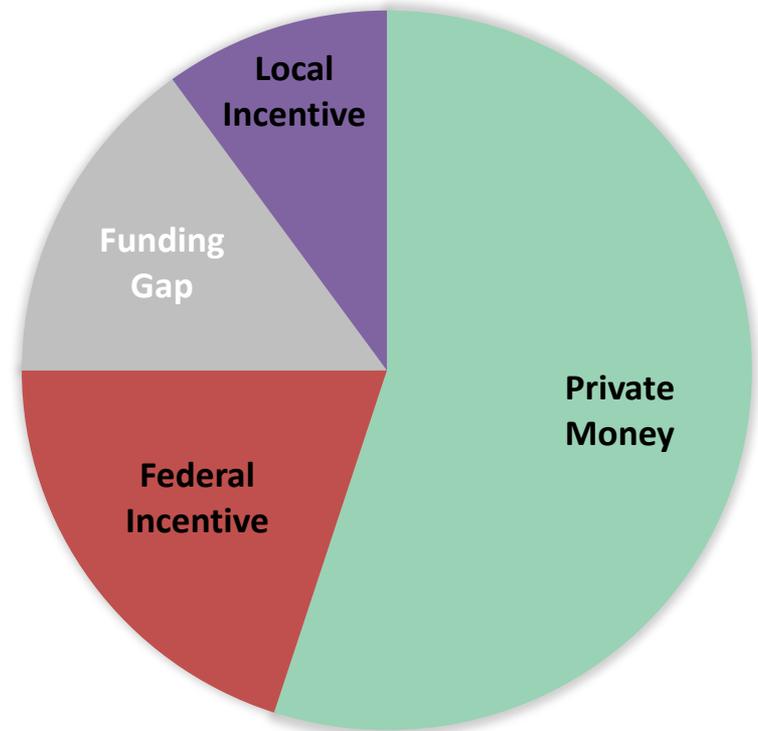
# Typical Sources of Financing Historic Rehab's

## Nonprofit/Government

- Public dollars
- Foundation grants
- Major donors

## Private/Corporate

- Owner cash/equity
- Construction loan
- Federal historic tax credit
- Special assessments (historic and farm)





# Preservation Grants

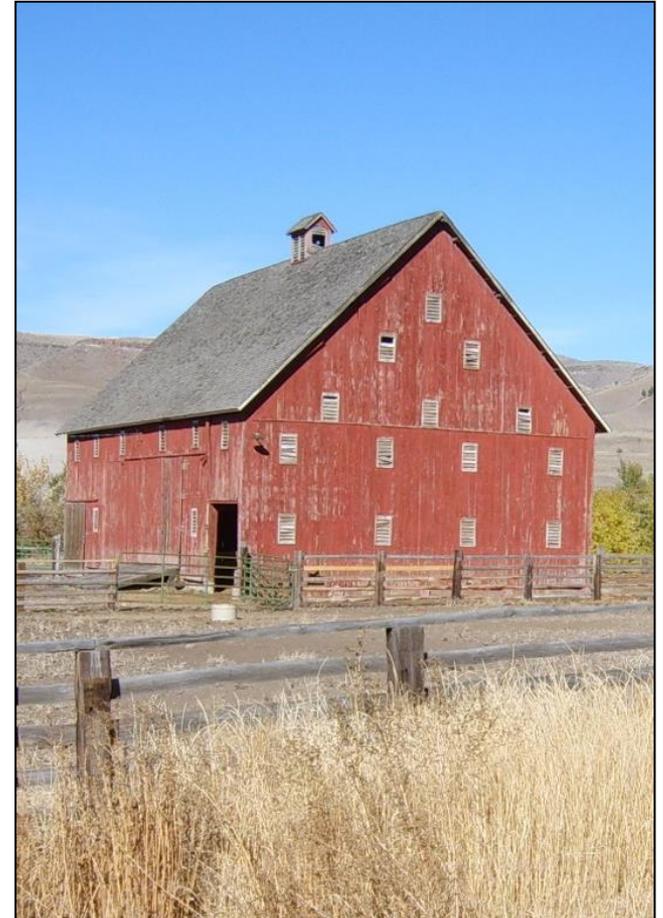
- Typically available only to nonprofit or public owners
- Sources:
  - Foundations (Kinsman, Oregon Cultural Trust, others)
  - Certified Local Government (CLG) Grants
  - Preserving Oregon Grants
  - Restore Oregon Grants
  - Rural Economic Development Programs (USDA, etc.)





# Federal Rehab Tax Credit

- 20% income tax credit for certified rehabilitation of structures listed in the National Register.
  - Use must be commercial, office, industrial, agricultural, or rental residential
  - All work must meet the Secretary Standards
- 10% tax credit for rehabilitation of non-residential buildings built before 1936





# Federal Tax Credit Eligibility

- Property must be on the National Register
- SHPO and NPS must approve rehabilitation work, ideally before work starts
- The SHPO and NPS must approve completed work
- Rehab expenditures must exceed \$5,000 or the *adjusted basis*





# Calculating Adjusted Basis

Purchase Price

- Cost of land
- + Improvements made
- Depreciation

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= Adjusted Basis

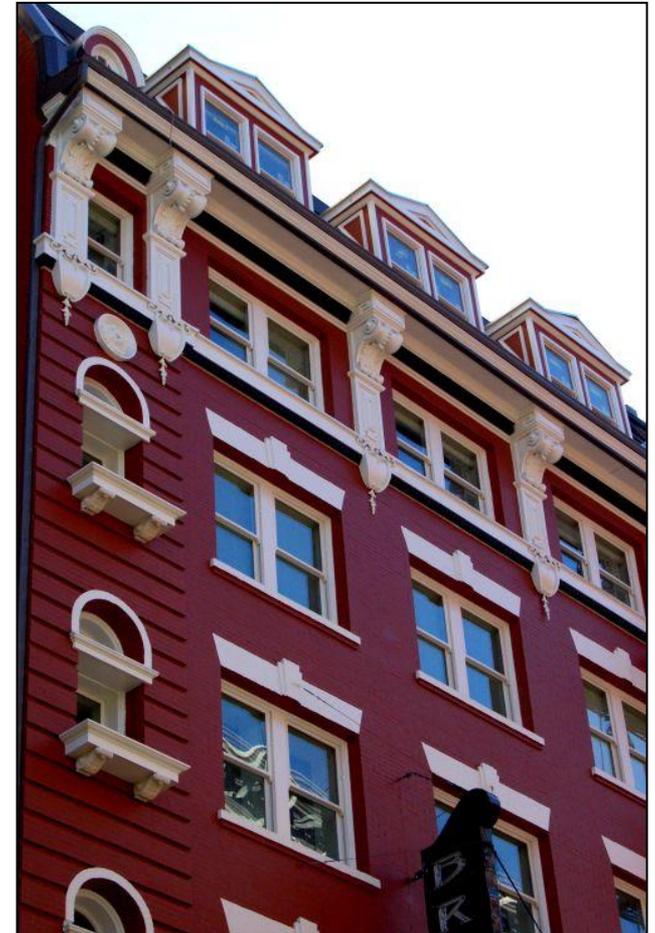
*Generally, only larger-scale projects qualify for the Federal Tax Credit*





# Oregon's Special Assessment Program

- Property tax “freeze” passed in 1975
- Must be listed in National Register
- Initially froze assessed value for 15 years; now 10 years
- Requires approved preservation plan adhering to Secretary Standards
- Must spend 10% of Real Market Value in first five years
- Properties eligible for two terms if seismic, ADA, or sustainability upgrades are made



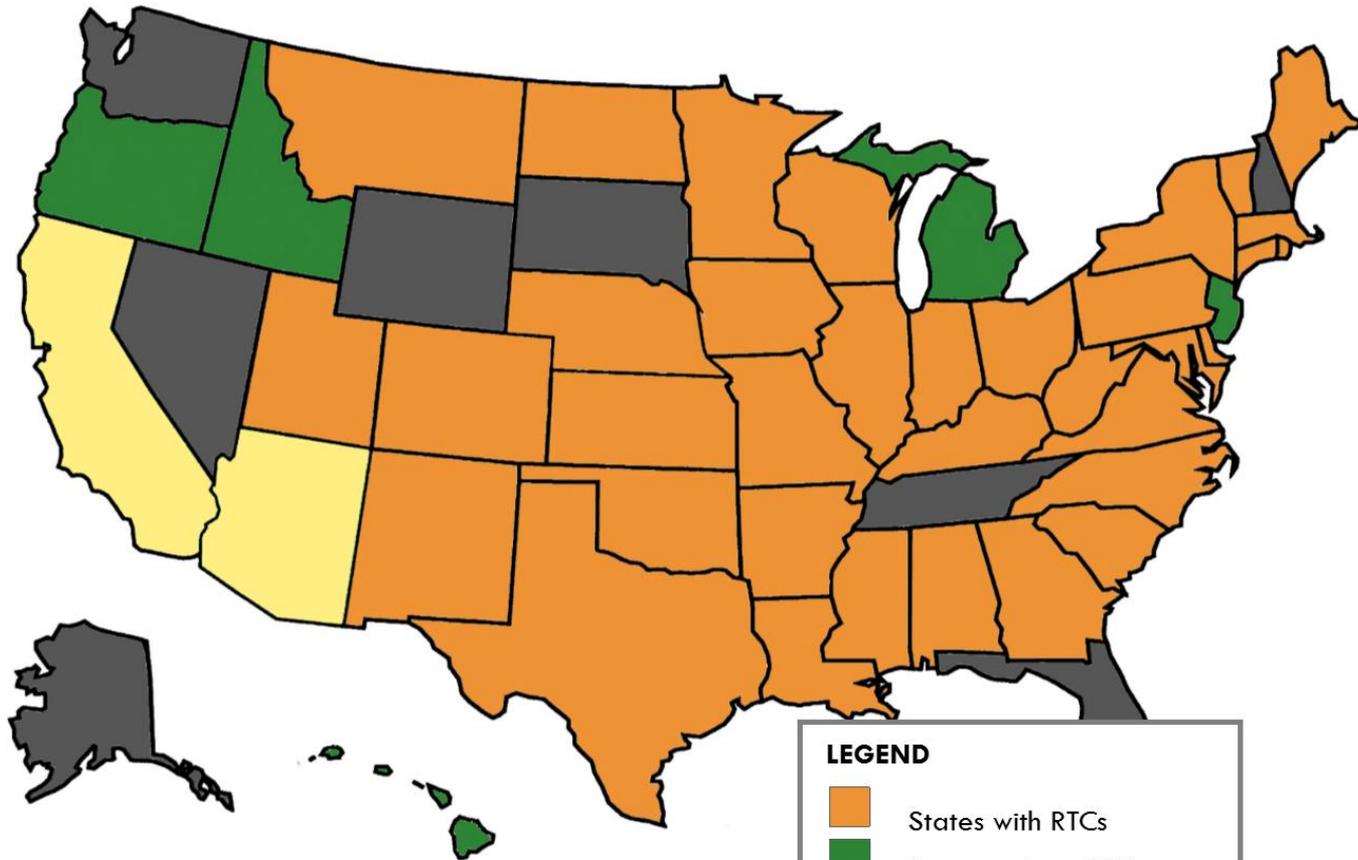


# Missing: A State Rehabilitation Incentive





# 35 States Offer Rehabilitation Tax Credits



## LEGEND

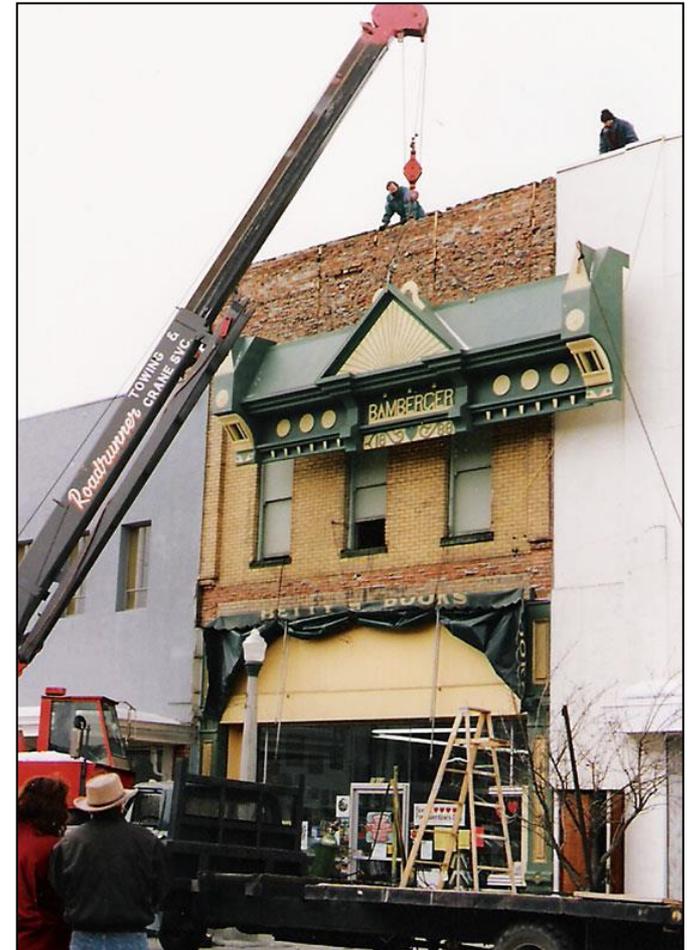
- States with RTCs
- States without RTCs
- RTC legislation pending
- Do not tax income



# Creation of a State Rehabilitation Fund

## Proposal:

- 25% Rebate for Qualified Rehabilitations Expenses (QRE)
  - Design, engineering, construction costs
  - Maximum rebate/project of \$2M
  - Must meet Secretary Standards
- For Historic Commercial Buildings
  - Stores, hotels, theaters, apartments, barns, factories, mills, etc.
  - Listed on National Register
- Funded by Auction of State Income Tax Credits

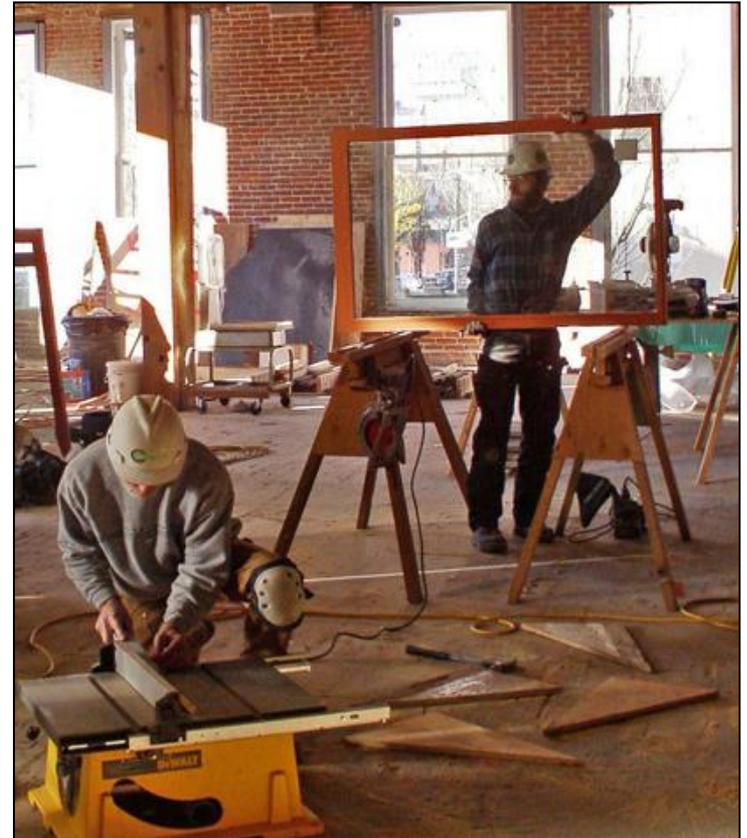




# Creation of a State Rehabilitation Fund

## Proposal, *continued*:

- Dedicated allocation for small, rural communities
- Simple application process
- Minimum expense of \$25,000
- Must measure economic impact



# How Would It Work?



\$\$ from State  
Income Tax  
Credits Auction



Historic  
Rehabilitation  
Fund



Certified  
Historic Rehab  
Project Rebate



# What Would It Achieve Here?

- Restore & reuse more buildings
- Create and sustain local, living-wage jobs
- Bring housing and businesses downtown
- Generate an economic return
- Attract more Federal dollars to Oregon
- Provide for deep energy retrofits
- Offset costs for seismic upgrades





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# Ideas You Can Use

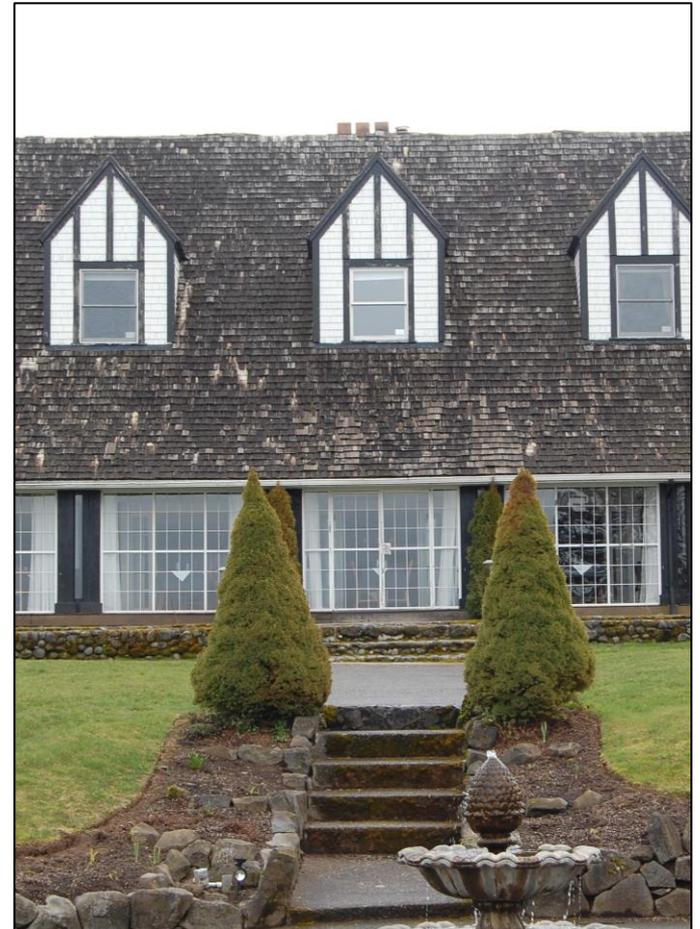




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# How to Save a Place

- Designation
  - Is the property on the National Register?  
Is it a local landmark or eligible?
- Regulation
  - Does the community have a preservation ordinance? Is it adequate?
- Adaptation
  - Is there an economically viable use?
- Communication
  - Have the benefits of preservation been conveyed to owners and policy-makers?
- Organization
  - Are supporters unified and engaged?





# Conservation Easements

- Legally binding agreement between property owner and easement holder
- Only available mechanism for permanent protection of historic properties
- Easement runs with title, as do the monitoring/ assistance responsibilities of the easement holder
- Tax deduction available for National Register properties
- Restore Oregon holds over 40 easements across Oregon





# Healthy Historic Districts

1. District development plans and economic development districts
2. Clear design guidelines and standards for infill
3. Local incentive programs
4. Updated preservation ordinances
5. A single point of contact within local government
6. Tell the story of the district





# Compatible Infill Design

1. Reinforces the history of the district
2. Complements district character
3. Is compatible yet distinct
4. Does not demolish contributing buildings
5. Mitigates the loss of archaeological artifacts





# Resilient Masonry Buildings

1. Educate buildings owners and contractors
2. Create inventory of URMs
3. Reward seismic upgrades
4. Increase finance and insurance options for rehabilitation
5. Change building code to allow phased upgrades
6. Expect government to take care of their masonry buildings





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# Preservation Education

- University of Oregon
  - Undergraduate minor, Master of Science in Historic Preservation
  - Numerous course offerings open to community members
- Clatsop Community College
  - One-year certificate, Associate of Applied Science in Historic Preservation
  - All courses open to community
- Pacific Northwest Field School
  - Annual hands-on program coordinated by University of Oregon





# Preserve, Reuse, and Pass Forward!

