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## INTRODUCTION

This research project for Oregon Heritage is part of the preparation for their first ever Heritage Summit held on April 26 and 27, 2017. The purpose of the research project was to identify state, county, and local incentive and funding programs for the broad heritage community in Oregon including historic sites, Main Street organizations, preservation organizations, historic cemeteries, archeological sites, and museums. The goal of this effort is to inspire Oregon stakeholders to undertake additional research to possibly implement a few of these programs in their town, county, or at the statewide level.

For each of the funding sources we profile in this publication, we describe the funding available each year (if known),

which projects are eligible to use the funding/incentive, a brief description about how the funding/incentive works, a photo/graphic and caption describing a project that used the funding/incentive, and a link to the website with the most comprehensive information to learn more about the funding/incentive program. The information in these profiles is meant as a starting point for those who might be curious to learn more about them.

We hope these 22 profiles will inspire Oregon community leaders to replicate some of these creative funding programs across the nation at the state, county, and local level to support more heritage activity in Oregon.

## OVERVIEW OF PROFILED PROJECTS

Heritage Consulting Inc. undertook this research in February and March 2017 and uncovered a wide variety of funding and incentive programs for heritage projects being used at the state, county, and local level across the country. Our initial research was meant to provide an overview of the funding and incentive programs for heritage work nationwide.

For our research, we checked the websites of the following organizations for information to compile our spreadsheet: National Trust for Historic Preservation, National Park Service, National Council of Preservation Commissions, Advisory Council on Historic Preservation, and Preservation Action. We were hoping to find if any one of these entities maintained any kind of national database or list of preservation funders or local or statewide incentives, and were surprised that there was fragmentary information available from each source.

We undertook Google searches for “state funds for historic house museums” for example, and were surprised to find that mostly federal funding programs such as the Institute of Library and Museum Services and the National Endowment for Humanities were listed. When we searched further down in the listings, we noted that some preservation or heritage funders have specific program that support house museums or cemeteries, or archeology and have noted these in the profiles. State Arts and Humanities Councils are also funders of collections care and programming at historic sites and museums. The Utah Division of State History was one of the few places that offered \$10,000 matching grants to historic cemeteries, but these were for digitization of cemetery records.<sup>1</sup> Much more time would be needed to identify funders of cultural entities at the state or local level.

1 <https://heritage.utah.gov/history/cemetery-grants-program>

The private website Preservation Directory was helpful. So was the web site for the Wisconsin Historical Society, which offered a selection of 42 mostly Wisconsin based public and private foundation funding programs and incentives, as well as some national sources.<sup>2</sup> This web site appears to be kept up to date, so it would be a good resource for anyone looking for other funding ideas and resources. Maryland Historical Trust has a similar list of local, statewide, and national funding sources on their web site as a PDF document.<sup>3</sup>

In our research, we also looked for Master’s Theses for several of the older and larger historic preservation programs, thinking that surely a student had written a thesis that covered this topic. But we were surprised that there were only a handful of thesis topics on preservation incentives or funding programs, mostly limited in time frame, state, or building type. We learned through our research that few states offer as wide a range of grant support as Heritage Oregon offers now for Oregon historic properties, Main Streets, museums, historic cemeteries or archeology.

Our research was undertaken entirely online and was not exhaustive, but uncovered about 150 incentive or funding programs worthy of review. We captured basic information on each of these programs on a spreadsheet. This base line research can be found at <http://www.oregon.gov/oprd/HCD/FINASST/Pages/index.aspx>.

The 22 programs that we profile in this document were chosen by both Donna Ann Harris of Heritage Consulting Inc. and Kuri Gill, Grants & Outreach Coordinator with

2 <http://www.wisconsinhistory.org/Content.aspx?dsNav=Ro:20,N:1210&dsNavOnly=N:1210>

3 [http://mht.maryland.gov/documents/PDF/grants/Grants\\_Funding\\_Sources.pdf](http://mht.maryland.gov/documents/PDF/grants/Grants_Funding_Sources.pdf)

# OVERVIEW OF PROFILED PROJECTS

Oregon Heritage. We chose these programs to profile because they were considered the best example of their type by noted experts, used an out of the ordinary revenue source, or would be a new incentive or funding type that might be useful in Oregon.

The funding/incentive programs that support historic preservation we profile seemed to fall into the following categories.

1. State Income Tax Credits
2. State Business Tax Credits
3. State Special Taxing Districts
4. Property Tax Freezes/ Local Property Tax Surcharge
5. Gaming Revenues
6. Direct Funding from State Governments
7. Direct Funding from Statewide Preservation Organizations
8. Loan Funds for Preservation Activities
9. Matching Funds for Endowments for History Organizations
10. Other Incentives or Funding for Heritage Projects

## Application Forms

These funding programs/incentives all have application forms. Some must be filled out online, while others are still paper based. The application forms themselves vary widely. Some seem to be easy to complete by a local advocate while others will require architects, consultants, or someone with highly specialized knowledge. We note in the profiles if we think the application is particularly difficult, such as the Cook County Class L Permit Fee Waiver Program, which requires a proforma schedule.<sup>4</sup>

All the tax credit programs we profile here have substantial application packets. The Property Tax Freeze Program for Residential Properties in Illinois permits “do it yourself” rehabbers to value their labor at the minimum wage or at a professional wage for their projects (i.e. a plumber can charge his hourly rate for plumbing only, not for hanging drywall) to meet a minimum requirement for investment in the property.

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4 [https://www.cityofchicago.org/content/dam/city/depts/zlup/Historic\\_Preservation/Publications/Class\\_L\\_Application\\_Document\\_2014.pdf](https://www.cityofchicago.org/content/dam/city/depts/zlup/Historic_Preservation/Publications/Class_L_Application_Document_2014.pdf).

## Matching Funds

None of the programs profiled here offer outright grants with no matching requirement. Most programs require cash match on a one to one basis or have matching formulas based on the size of the applicant organization. The paperwork required for substantiating the cash match can be substantial. A few states permit volunteer labor to match their grants, and Maryland provides paperwork that explains how to fill out volunteer timesheets to substantiate this requirement using Independent Sector’s value of a volunteer hour amount for that state.<sup>5</sup>

## Project Eligibility

The funding programs/incentive programs we profile here all have minimum requirements for support. For cultural funding programs, there are requirements about the types of organizations or collections that these funders will support. If the project is for an historic building, then most of the funders require that the historic property/site/museum must be eligible or listed on the National Register of Historic Places or be considered contributing to a National Register Historic District. Some of these programs we profile permit the property to be a local landmark or have may other requirements. We note these requirements in the profile

## State Income Tax Credits

Oregon is one of 16 states that does not yet have a State Income Tax Incentive Program for commercial properties that mirrors the Federal 20% Historic Preservation Tax Credit Program for income producing properties. Our profile of the Oklahoma Historic Preservation Tax Credit Program identifies why it is considered one of the best of the 34 state tax credit programs across the county. Oklahoma’s state tax credit program is also used frequently for small scale rehabilitation projects as would be found in local Main Street programs, making it flexible for all types of commercial rehabilitation projects.

We learned in our research that 23 states now have State Income Tax Credit Programs for Residential Properties, and we profile Virginia’s program here. These state tax credit programs for residential historic properties are highly popular as there is no parallel federal tax credit for homeowners.

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5 <http://independentsector.org/resource/the-value-of-volunteer-time/>.

# OVERVIEW OF FUNDING PROGRAMS

## State Business Tax Credits

Three of the state business tax credit programs in Washington, Missouri, and Philadelphia offer unrestricted operating support for downtown organizations to promote their Main Street efforts.

The Missouri Neighborhood Assistance Program is especially generous, offering **\$16 million** in tax credits annually. A wide group of businesses are eligible to participate. Their donations can go to local nonprofits engaged in economic development, as well as arts, health, or other programs. Applications are made yearly. The Washington State Main Street Tax Credit Program provides up to **\$1.5 million** annually for local Main Street programs and for the statewide coordinating program. Philadelphia, PA's Community Development Corporation Tax Credit Program offers **\$100,000** in business tax credits yearly through a ten-year partnership with 42 Community Development Corporations undertaking economic development programs throughout the city.

In 2014, 65% of voters approved a ballot referendum to change the New Jersey state constitution to permit a small portion of the NJ corporate business tax to be allocated yearly to the New Jersey Historic Trust and other open space, farmland preservation organizations to provide matching grants. The New Jersey Historic Trust uses their four percent (4%) of the allocation each year for planning and capital construction projects for historic properties, cemeteries, house museums including churches.

## State Special Taxing Districts

The Oregon law that allows for the creation of "heritage districts" is not widely used, and we profile it here to bring it more attention. This law permits local historical societies and museums in one or multiple counties to band together to create a heritage district and ask voters to fund it by an annual tax for all residents of the district.

## Property Tax Freezes / Local Property Tax Surcharge

Several states have developed highly successful local property tax freeze programs to encourage rehabilitation of historic structures. The Illinois Property Tax Freeze program encourages rehabilitation of residential landmark properties by fixing the property taxes to pre-rehabilitation rates for up to 12 years. Massachusetts Community Preservation Act permits local government to increase the local property tax surcharge by up to 3% to fund matching grants that support historic preservation projects among other local programs. In Illinois, the Class L Property Tax Incentive program

permits several classes of designated landmarks, including commercial, industrial, not-for-profit, and multi-family residential buildings (but not homeowners), the opportunity to reduce their property tax assessments for 12 years.

## Gaming Revenues

Colorado State Historical Fund Program Matching Grants for Preservation Projects has existed since 1990 and has funded more than **\$273 million** in grants from gaming revenue. A very wide variety of projects including archeology is supported with these grant funds.

## Direct Funding from State Governments

The highly-regarded Minnesota Historical Society offers Minnesota Historical and Cultural Heritage Grants that support history collections care and management, reproduction, interpretive programs and public education, museum and archives environments, oral history, research and writing, and publications.

## Direct Funding from Statewide Nonprofit Organizations

Landmarks Illinois is a statewide preservation organization. Since 2004, they have offered small matching grants (under \$2500) from their annual operating budget through their Preservation Heritage Fund Grant Program. These grants fund preservation efforts for historically, culturally, or architecturally significant structures across the state.

## Loan Funds

Maryland and several other states and municipalities have loan funds for preservation projects. The Maryland Heritage Area Authority Loan Program offers loans to nonprofit organizations, local jurisdictions, individuals, and businesses located within the 13 state designated heritage areas to further preserve the area's history, enhance heritage attractions, or support visitor services. The Maryland Historical Trust Capital Loan Program was created to encourage the preservation of historic properties by providing a source of funding. Loans are offered to local jurisdictions, nonprofit organizations, business entities, and individuals that assist and encourage efforts to acquire and preserve historic properties.

## Endowments

We also looked for programs that incentivized the creation or expansion of permanent endowments for historic organizations, especially local preservation organizations,

# OVERVIEW OF FUNDING PROGRAMS

historic sites, or house museums. The New Jersey Cultural Trust offers matching grants to history organizations that receive large gifts (\$100,000 or more) for their endowments.

## Other Incentives or Funding for Heritage Projects

The final category is a host of funding and incentive programs, but they are all quite interesting.

Oregon Cultural Trust is funded through donations made by members of the public in exchange for a **100% state income tax credit** for their charitable giving to the Trust. Grants are made to a wide variety of cultural and heritage organizations/tribes through three annual grant programs.

All but two of the 21 New Jersey counties have enacted county bond funds to provide matching grants for a broad range of preservation projects. We highlight the Bergen County NJ Trust Fund because they permit a very wide range of planning and preservation projects including house museums. Snohomish County, WA in Washington state allocates an amount of the document recording fees collected by the Snohomish County Auditor to fund their historic preservation projects throughout the county. In Maryland, the Maryland Traditions Program offer small grants for folklore and folklife programs around Maryland's traditional arts and crafts.

In Vermont, the state Downtown Development Board permits new construction projects in 24 downtowns to reallocate sales taxes on commercial building materials to the municipality to be used for infrastructure improvements for the new construction project. And finally, in Cook County Illinois, the Permit Fee Waiver Program allows landmark properties to forgo the fees paid for certain construction permits.

## Learn More

These profiles represent a wide range of funding types and approaches to encourage owners to rehabilitate and improve the interpretation of historic sites and museums, historic cemeteries, Main Street organizations, and archeological sites. We invite you to learn more about each program by using the live links in the PDF version of this document.

# STATE INCOME TAX CREDITS FOR COMMERCIAL PROPERTIES

## Oklahoma 20% State Historic Preservation Tax Credits - Commercial

In 1992, the Oklahoma Legislature enacted the Local Development Act to provide state rehabilitation tax credits to historic hotels and newspaper plants. The program was expanded in 2005 by HB 3024 to allow other income-producing historic buildings to take advantage of a 20% state income tax credit for eligible commercial and rental residential properties that qualify for the federal 20% historic preservation tax credit. To qualify for the state tax credit, which is often used in conjunction with the federal 20% historic preservation tax credit, the application must first receive written approval from the National Park Service that the project will be a “certified rehabilitation” of a “certified historic structure.”<sup>6</sup>

Oklahoma is one of 34 states with a state tax credit, and is among the most successful owing to several key factors: no aggregate annual caps, no individual project caps, transferability, and carry forward. Unlike other state tax credit programs, one of the benefits of the Oklahoma tax credit is the absence of a statewide aggregate or per-project caps.<sup>7</sup> The Oklahoma tax credit is also freely transferable for five years, which allows the party that earns the credit to sell it outright to a third party with an adequate tax liability to use it. It is furthermore also able to be applied against state taxes due for 10 years, in what is called a “carry forward.”<sup>8</sup>

In 2016, PlaceEconomics analyzed the impact of the Oklahoma state tax credit program between 2001 and 2015. Their report found that, during that period, 77 historic

**“The study found that every \$1 awarded in tax credits catalyzed \$11.70 in economic activity.”**

buildings across 18 counties had been rehabilitated using the tax credit, with \$415 million in rehabilitation expenditures and a total project investment of \$520 million. Although the average project investment was over \$6.8 million, one-third of the projects had budgets of less than \$500,000, indicating its success for smaller-scale commercial properties as well as large properties. In addition to spurring additional investment, the rehabilitation of these buildings generated more than 3,230 direct jobs and 3,500 indirect and induced jobs, for

6 <http://www.okhistory.org/shpo/factsheets/fs14tax.pdf>.

7 <http://forum.savingplaces.org/HigherLogic/System/DownloadDocumentFile.ashx?DocumentFileKey=54e27df7-1135-ce87-4bc7-41ea6e55f70d&forceDialog=0>.

8 <http://www.okhistory.org/shpo/taxcredits.htm>.



*The 21c Museum Hotel, Oklahoma City, rehabilitated using Oklahoma's 20% state historic preservation tax credit. Source: NewsOk.com. <http://newsok.com/article/5499488>.*

an average of 450 jobs per year. Overall, the rehabilitation of these buildings generated direct salaries and wages of almost \$167 million and indirect and induced wages of almost \$143 million. The study found that every \$1 awarded in tax credits catalyzed \$11.70 in economic activity, and the Oklahoma treasury received more than 50% of the money back before the credit was even awarded. The study concluded that, if historic preservation tax credit projects were a single industry, it would be among the largest five percent of all firms in Oklahoma.<sup>9</sup>

Learn more at <http://www.okhistory.org/shpo/factsheets/fs14tax.pdf>.

## Virginia State Historic Preservation Tax Credits - Residential

Virginia is one of only 23 states that offers a state tax credit for residential property rehabilitation.<sup>10</sup> This is especially important given the lack of a federal tax credit for non-income-producing properties. Virginia's 25% tax credit is available for owner-occupied residential properties that are on the national and Virginia state registers of historic places. To qualify for the VA state credit, reconstruction and/or other improvements must amount to at least 25% of the assessed value of the owner-occupied building, and follow *the Secretary of the Interior's Standards for Rehabilitation*.<sup>11</sup>

9 <http://www.placeeconomics.com/wp-content/uploads/2017/01/TFA-OklahomaHistoricTaxCredit-ImpactStudy-Web.pdf>.

10 <http://forum.savingplaces.org/HigherLogic/System/DownloadDocumentFile.ashx?DocumentFileKey=54e27df7-1135-ce87-4bc7-41ea6e55f70d&forceDialog=0>.

11 [http://dhr.virginia.gov/tax\\_credits/tax\\_credit\\_faqs.htm](http://dhr.virginia.gov/tax_credits/tax_credit_faqs.htm).

## STATE INCOME TAX CREDITS FOR COMMERCIAL PROPERTIES

Virginia's program has the advantage of a 10-year carry forward, and no cap that limits the number of properties that can use the state tax credit. Although more likely intended for commercial properties, the Virginia state tax credit program offers additional flexibility through "syndication" of the credit. This provision allows a taxpayer to acquire the state tax credit while a national corporation not doing business in the state acquires the federal tax credit.<sup>12</sup> Nonprofit organizations may also take advantage of the state tax credit under a limited partnership arrangement and maintaining minority ownership interest in a property.<sup>13</sup>

When Virginia initiated its state tax credit program in 1997, it was mostly projects for commercial properties that combined the state tax credit with the federal 20% historic preservation tax credits. That trend changed in the early 2000s, when both homeowner/owner occupants and developers began taking advantage of the state tax credit for non-income-producing property rehabilitation. This trend reversed again following the Great Recession of 2007-2009. Nevertheless, a 2014 study found that 43% of the properties redeveloped using the state historic preservation tax credit were single-family residences.<sup>14</sup>

Learn more at [http://dhr.virginia.gov/tax\\_credits/tax\\_credit\\_faq.htm](http://dhr.virginia.gov/tax_credits/tax_credit_faq.htm).



*Residential property in Staunton, Virginia, rehabilitated using Virginia state historic preservation tax credits. Source: Miller & Associates, <http://www.robinmillerassociates.com/historic-tax-credit>.*

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12 Schwartz, 2016.

13 [http://dhr.virginia.gov/tax\\_credits/tax\\_credit\\_faq.htm#B](http://dhr.virginia.gov/tax_credits/tax_credit_faq.htm#B).

14 [http://www.dhr.virginia.gov/pdf\\_files/VCU\\_Historic%20Tax%20Credit%20Report\\_FINAL\\_21-1-2014.pdf](http://www.dhr.virginia.gov/pdf_files/VCU_Historic%20Tax%20Credit%20Report_FINAL_21-1-2014.pdf).

# STATE BUSINESS INCOME TAX CREDITS

## Missouri Neighborhood Assistance Program

The Missouri Neighborhood Assistance Program provides funding to community-based organizations to support neighborhood projects in the areas of community service, education, crime prevention, job training, and physical revitalization. This program is available statewide for nonprofit organizations with a 501(c)(3) IRS ruling. Many local Main Street programs have used this funding source to bolster their operating budgets, as has the state coordinating program Missouri Main Street Connection.



*In 2012 the Council for Healthy Dent County received \$347,620 in NAP tax credits to renovate their community center, the Salem Freedom Activity Center.<sup>15</sup>*

For any eligible business that makes a qualified contribution toward a Neighborhood Assistance Program (NAP) project, the Department of Economic Development (DED) will issue 50% or 70% state tax credits. Eligible businesses are varied and may include individuals who operate a sole proprietorship, operate a farm, have a rental property, have royalty income, are shareholders in an S-corporation, are partners in a Partnership, or are members of a Limited Liability Corporation.

The total amount of tax credits is capped at \$16 million per fiscal year. The awarded tax credit is also varied and can be applied to one of the following MO taxes paid by businesses:

- Income tax, excluding withholding tax
- Corporate franchise tax

<sup>15</sup> [http://www.thesalemnewsonline.com/news/local\\_news/article\\_fa35997a-17a2-11e2-a46a-001a4bcf6878.html](http://www.thesalemnewsonline.com/news/local_news/article_fa35997a-17a2-11e2-a46a-001a4bcf6878.html)

- Bank Tax
- Insurance Premium Tax
- Other Financial Institution Tax
- Express Companies Tax

Organizations may apply to receive a maximum of \$250,000 in 50% tax credits per project or \$350,000 in 70% tax credits per project, if the organization is in a qualifying rural area.

For more information on this program please visit the DED's Neighborhood Assistance Program webpage: <https://ded.mo.gov/programs/community/NAP>.

## Washington State Main Street Tax Credit Program

Since 2006, Washington state has offered local Main Street programs an incentive called the Main Street Tax Credit Program. This incentive permits a business with either Business and Occupation (B&O) or Public Utility Tax (PUT) liability to obtain a tax credit for making a private contribution to a Washington Main Street Program Network Member. In addition, private contributions can be made to the Department of Archaeology and Historic Preservation's Main Street Trust Fund for downtown and neighborhood commercial district revitalization efforts. The Main Street Tax Credit program permits business owners to essentially self-direct their business taxes to a local Main Street program.<sup>16</sup>

After receiving approval from the WA Department of Revenue, a business may receive a tax credit for 75% of the value of a contribution made to an eligible downtown or neighborhood commercial district revitalization program, or 50% of the value of the contribution made to DAHP's Main Street Trust Fund.<sup>17</sup> Businesses may take advantage of the tax credit up to \$250,000 per calendar year. An individual downtown and neighborhood commercial district can receive tax credit contributions up to \$100,000 per calendar year. All applications are submitted electronically.<sup>18</sup>

The tax credits for a business are not guaranteed, as the total statewide allocation is just \$1.5 million a year and the approvals are given annually on a first come first served basis, starting January 1. This is not considered a stable form of funding for local Main Street programs, as applications

<sup>16</sup> <http://www.dahp.wa.gov/main-street-tax-credit-program>.

<sup>17</sup> <http://www.dahp.wa.gov/main-street-tax-credit-program>.

<sup>18</sup> [http://www.dahp.wa.gov/sites/default/files/Applying%20for%20Credits-StepbyStep\\_1.pdf](http://www.dahp.wa.gov/sites/default/files/Applying%20for%20Credits-StepbyStep_1.pdf).

# STATE BUSINESS INCOME TAX CREDITS

## THE BASIC FACTS

- Eligible community organizations can receive donations totaling up to \$153,333.33 per calendar year.
- You need to be sure that your downtown organization is part of the state Main Street program. If you're not sure, please contact Washington's Main Street Program at 206.624.9449.
- Donating to the Main Street Trust Fund helps support revitalizing downtowns across the state! Building the capacity of the statewide program provides services to existing and future downtown organizations.



## HOW IT WORKS

The Main Street Tax Credit Incentive Program provides a Business & Occupation (B&O) or Public Utility Tax (PUT) credit for private contributions given to eligible downtown organizations. Once your business's donation request is approved by the Department of Revenue, you are eligible for a tax credit worth 75% of the contribution to your downtown revitalization organization. Businesses statewide can also donate to the Main Street Trust Fund. In this case, the tax credit is worth 50% of your donation. In fact, a business can donate to both up to \$250,000. Additionally, if your downtown organization is a 501(c)(3) you may be eligible for a federal income tax deduction as a charitable contribution.



*Local Main Street programs in Washington can participate in a tax credit program to fund their operations. Photo courtesy Washington Main Street Tax Credit Program. <http://www.dahp.wa.gov/sites/default/files/MSTCI%20Brochure.pdf>.*

are made each year.<sup>19</sup> The business cannot carry forward the credit, nor can the credit be refunded if the Business and Occupation or Public Utility Tax liability is not equal or greater than the credit approved for the year.<sup>20</sup> The contributions from the business can be spread out through the year.

The Washington Main Street Program administers the program and the Trust Fund, and expenditures from the account may be used only for the operation of the Washington Main Street Program.<sup>21</sup> To learn more, visit <http://www.dahp.wa.gov/main-street-tax-credit-program>.

## New Jersey Historic Trust State Corporate Income Tax Funds Preservation Grants

Since 1990, The New Jersey Historic Trust (NJHT) has distributed grant funds for preservation planning and brick and mortar construction throughout NJ to worthy preservation projects. Green Acres Bond issues from the state were the source of revenue for matching grants from 1990 until 2012. In November 2014, a state ballot referendum was passed by 65% of the voters to change the New Jersey Constitution to permit a portion of the state's

Corporate Business Tax to be used for a stable, annually dedicated revenue source of funds for open space, farmland, and historic preservation matching grants.

The corporate income tax revenue source is new, and continues the work of two bond funds: the Garden State Historic Preservation Trust fund, which operated from 2000-2012, and the Historic Preservation Bond Program, which operated from 1990-1997. Per the 2015 annual report, the NJHT has distributed more than \$137 million to 734 preservation projects across the state since 1990.<sup>22</sup>

This switch from using occasional bond funds to using the state corporate income tax to fund open space, farmland, and historic preservation grants was viewed as providing a stable and predictable revenue source for these grants. The NJHT was a member of the Keep It Green Coalition, a coalition of more than 180 park and conservation organizations working to create a long-term, dedicated source of funding for the preservation and stewardship of New Jersey's natural areas, waterways, parks, farmland, and historic sites.<sup>23</sup>

The historic preservation grants are five percent (5%) of the revenue pool, and are likely to generate between \$3 and \$4 million annually. This is a sharp cut to the historic preservation grant pool from previous bond fund grant

19 [http://www.dahp.wa.gov/sites/default/files/Just%20the%20FAQs\\_1.pdf](http://www.dahp.wa.gov/sites/default/files/Just%20the%20FAQs_1.pdf).

20 [http://www.dahp.wa.gov/sites/default/files/Just%20the%20FAQs\\_1.pdf](http://www.dahp.wa.gov/sites/default/files/Just%20the%20FAQs_1.pdf).

21 [http://www.dahp.wa.gov/sites/default/files/Main%20StreetTax%20Credit%20Incentive%20Overview%20%20Legislation\\_2.pdf](http://www.dahp.wa.gov/sites/default/files/Main%20StreetTax%20Credit%20Incentive%20Overview%20%20Legislation_2.pdf).

22 [http://www.njht.org/dca/njht/resources/annual/2015\\_Annual\\_Report\\_forweb.pdf](http://www.njht.org/dca/njht/resources/annual/2015_Annual_Report_forweb.pdf).

23 <https://www.nynjtc.org/news/governor-chris-christie-conditionally-vetoes-s969a780-preserve-new-jersey-act>.

## STATE BUSINESS INCOME TAX CREDITS

rounds, where between \$5 to \$10 million were allocated to historic preservation grants. The NJHT estimates that eligible historic sites throughout the state need more than

**“Per the 2015 annual report, the NJHT has distributed more than \$137 million to 734 preservation projects across the state since 1990.”**

\$800 million in repairs over the next ten years for preservation and restoration projects. Planning grants under the Historic Site Management Projects can fund a wide variety of interpretation projects as well as planning for restoration of historic house museums. Several historic cemeteries have received planning funds in the past. Eligible properties must be listed on the State or National Register, or be a contributing building in a National Register historic district. The annual application process is highly competitive, and requests are often three times greater than the available amount of funding.

Learn more <http://njht.org/dca/njht/programs/>.

### Philadelphia, PA Community Development Corporation Tax Credit Program

The City of Philadelphia uses the Community Development Corporation (CDC) Tax Credit Program to encourage and reward local businesses making a contribution and commitment to Philadelphia CDCs and their economic development efforts in distressed parts of the city.<sup>24</sup> The program is simple: In return for contributing \$100,000 per year to a CDC for ten years (with yearly renewals) a business or two businesses partnering for the total grant amount of \$100,000 receive a credit of \$100,000 per year against their Philadelphia Business Income and Receipts Tax obligation.

The local tax credit is available to a maximum of 42 businesses in any given tax year. Of the 42 available program slots, 40 are reserved for businesses that contribute to qualifying CDCs that undertake economic development activities and to nonprofit intermediaries. The remaining two slots are reserved for contributions to nonprofit organizations engaged in developing and implementing healthy food initiatives.<sup>25</sup>

Due to the popularity of the program, the city advertises open slots when they become available. Once an opening has

24 <http://www.phila.gov/commerce/neighborhoods/Pages/CommunityDevelopment.aspx>.

25 <https://beta.phila.gov/services/payments-assistance-taxes/tax-credits/community-development-corporation-cdc-tax-credit/>.



*The Tacony Community Development Corporation in Philadelphia uses the CDC Tax Credit to pay staff salaries and to match a portion of the merchant's contribution to the city's storefront grant program. Some completed storefront programs are shown here. Photos by Donna Ann Harris.*

been announced, applications are reviewed and accepted. If there are more applicants than slots available on the deadline for submission, then a random drawing/lottery takes place by the Revenue Department to assign the tax credit slot.<sup>26</sup>

A business is eligible to receive a tax credit of \$100,000 per year if it:

- Sponsors a qualifying organization that is not already participating in the tax credit program;
- Pledges to contribute \$100,000 per year to that qualifying organization for 10 consecutive years; and
- Applies for a renewal each year to establish continued eligibility.<sup>27</sup>

A host of CDCs engaged in commercial corridor revitalization projects use the CDC tax credit to undergird their operating budget. The funds must be matched dollar for dollar, but can be used for any purpose including staff salaries, promotional activities, rent, etc. To learn more, visit

<https://beta.phila.gov/services/payments-assistance-taxes/tax-credits/community-development-corporation-cdc-tax-credit/>.

26 <https://business.phila.gov/cdc-tax-credit-lottery-application-is-due-january-12-2017/>.

27 <https://beta.phila.gov/services/payments-assistance-taxes/tax-credits/community-development-corporation-cdc-tax-credit/>.

# STATE SPECIAL TAXING DISTRICTS



*Beekman Bank and other wooden buildings on West California Street in downtown Jacksonville, OR. Historic Jacksonville, Inc., which operates tours of Beekman Bank, was part of the proposed Rogue Valley Heritage District which was defeated in a November 2016 ballot. Photo by Joe Mabel, via Wikimedia.*

## Oregon Heritage Districts

Oregon law allows for the creation of “heritage districts,” which support local historical societies and museums and are funded by an annual tax for all residents of the district. To be approved, a district, which may stretch across multiple counties, must elect a board and be discussed at a public hearing (in each county, if applicable). The heritage district board must be composed of five members, elected by electors of the district by either election at large or by zone. The board must include a representative of the museums. Any elector residing within the district is qualified to serve as a board member.<sup>28</sup>

Among other things, the enabling legislation authorizes the heritage board to assess, levy, and collect taxes to pay the costs of:

- Acquiring, constructing, reconstructing, altering, operating and maintaining heritage sites and structures
- Accepting gifts/donations or purchasing to preserve historical objects, real and personal property of historical interest, and records, artifacts, photographs, documents, material, and data of historical importance
- Establishing and maintaining programs for heritage societies within the district
- General operating expenses of the district

The board must determine and fix the amount of money to be levied and raised by taxation each year. The total amount may not exceed .00025% of the real market value of all taxable property within the district. When authorized by the electors, the board may also issue general obligation bonds, the aggregate amount of issues and outstanding which may not

exceed 2.5% of the real market value of all taxable property of the district. The board may establish a sinking fund to defray the costs of acquiring and restoring historic properties. The sinking fund may be created through the inclusion annually within the tax budget of the district of items representing the yearly installments to be credited to the fund. The legislation notes that the heritage district boundaries may need to be adjusted periodically by the board to make them as nearly equal in population as the latest federal census.

This program does not appear to have been utilized often. Oregon’s Jackson County Board of Commissioners placed a proposal for a heritage district on the November 2016 ballot, which was defeated by a two-thirds margin.<sup>29</sup> The Rogue Valley Heritage District would have provided permanent funding to the Southern Oregon Historical Society and around 15 other historical societies and museums scattered throughout Jackson County.<sup>30</sup> **The heritage district would have cost five cents per \$1,000 of assessed property value, or \$10 per year for a home assessed at \$200,000. The proposed heritage district, had it passed, would have generated about \$800,000 to \$850,000.**

28 <https://www.oregonlaws.org/ors/2013/358.444>.

29 <http://www.mailtribune.com/news/20161109/jackson-county-city-measure-results>.

30 <http://www.mailtribune.com/news/20160524/jackson-county-to-put-heritage-district-measure-on-november-ballot>.

# PROPERTY TAX FREEZES/LOCAL PROPERTY TAX SURCHARGE

## Massachusetts Community Preservation Act

Massachusetts Community Preservation Act (CPA) was designed to help communities preserve open space and historic sites, create affordable housing, and develop outdoor recreational facilities. Since the law was passed in 2000, the CPA has strengthened the state and local workforce by supporting the tourism industry through preservation of historic and natural resources.<sup>31</sup>

Cities and towns that adopt CPA obtain community preservation funds from two sources - a local property tax surcharge and a yearly distribution from the statewide CPA Trust Fund.<sup>32</sup>

The local property tax surcharge cannot be more than three percent (3%) of the tax levy against real estate property and is adopted by a municipality through a ballot referendum. Trust fund revenues are derived from a surcharge placed on all real estate transactions at the state's Registries of Deeds.<sup>33</sup> The surcharge for most documents filed at the Deed Registries is \$20, which is immediately deposited the CPA Trust Fund held at the Department of Revenue (DOR). Municipal lien certificates are subject to a \$10 surcharge. Depending upon the state of the real estate market, the \$20/\$10 fees add up to anywhere between \$24 million and \$53 million per year.<sup>34</sup>

The local property tax surcharge is described this way on the Community Preservation Coalition web site: A home is assessed at \$380,000. After subtracting the first \$100,000 in residential property value (assuming the community has adopted this optional and very popular CPA exemption), the homeowner's net value to be surcharged equals \$280,000. After applying this sample municipality's tax rate of \$11.47 per \$1,000, the amount subject to the CPA surcharge would be about \$3,200. With a 1.5% CPA surcharge applied, the CPA surcharge for this homeowner would be approximately \$45 per year. This \$45 would be transferred to the neighborhood's Community Preservation fund by the City or Town Accountant or Tax Collector.

The other source of funds comes from the statewide CPA Trust Fund, though the receipt of the annual matching of funds at variable rates from a statewide CPA Trust Fund was created by the Act. Only communities that have adopted CPA are eligible to receive these matching funds each year. In March of each year, every CPA community receives

31 <http://www.communitypreservation.org/content/cpa-overview>.

32 <http://www.communitypreservation.org/content/trustfund>.

33 <http://www.communitypreservation.org/content/trustfund>.

34 <http://www.communitypreservation.org/content/trustfund>.



*In 2015, a unique Island-Wide CPA collaboration preserved The Gay Head Lighthouse, saving the 160 year old relic.<sup>35</sup> (photo:<http://www.communitypreservation.org/successstories/historic-preservation/9242>).*

their distribution from the trust fund at a formula-based percentage of what they raised locally. Historic burial ground restoration projects have been funded with CPA monies.<sup>36</sup>

The local Community Preservation Committee reviews grant applications, or issues bonds or leverages CPA funds for larger projects.<sup>37</sup> As of November 2016, 172 municipalities in the state have adopted CPA.

### Community Preservation Act Accomplishments To-Date:<sup>38</sup>

- **49% of the Commonwealth's cities and towns have adopted CPA**
- **Nearly 60% of the state population live in a CPA community**
- **Just over \$1.75 billion has been raised for community preservation funding statewide**
- **Over 9,000 projects have been approved by local legislative bodies**
- **Over 4,200 affordable housing units have been built**
- **26,297 acres of open space have been preserved**
- **Over 4,400 appropriations have been made for historic preservation projects**
- **Over 1,700 outdoor recreation projects have been initiated<sup>39</sup>**

For more information on the Massachusetts

35 <http://www.communitypreservation.org/successstories/historic-preservation/9242>.

36 <http://www.preservationmass.org/burial-grounds>.

37 <http://www.bostonpreservation.org/advocacy/community-preservation-act.html>.

38 <http://www.communitypreservation.org/content/cpa-overview>.

39 <http://www.communitypreservation.org/content/cpa-overview>.

## PROPERTY TAX FREEZES/LOCAL PROPERTY TAX SURCHARGE



Frank Lloyd Wright designed the Mary Adams House in Highland Park, which used the Property Tax Freeze Program in Illinois. Photo Landmarks Illinois.

Community Preservation Act, please visit: <http://www.communitypreservation.org/content/cpa-overview>.

### Illinois Residential Property Tax Freeze

The Illinois Property Tax Assessment Freeze Program freezes the assessed value of a historic, owner-occupied, principal residence for eight years while the owner undertakes a substantial, approved rehabilitation project. The assessed value is returned to market level over a period of four years. The program is administered by the Illinois Historic Preservation Agency (IHPA), and is free to Illinois homeowners.

To qualify for the program, a property must be a certified historic structure by being listed on the National Register of Historic Places individually or in a district, or by local landmark designation in a community with an approved historic-preservation ordinance. It can be a single-family, owner-occupied, principal residence, a condominium building, a cooperative building, or a residential building with up to six units if the building owner resides in a unit. Eligible structures are undergoing rehabilitation with a budget that exceeds 25% of the property's assessor's fair market value within a 24-month period. The rehabilitation process must meet *The Secretary of the Interior's Standards for Rehabilitation*.

The application consists of Parts 1 and 2, which must be submitted prior to beginning any work. If the scope of work changes during construction, the owner must consult the agency to ensure the work continues to meet the *Standards*. Applications must be submitted within two years of a project's completion.<sup>40</sup>

<sup>40</sup> <https://www2.illinois.gov/iHPA/Preserve/Pages/freezefaq.aspx>.

The exterior front and usually the sides including their historic windows must be retained. We encourage adding weather-stripping and storm windows. The house's main rooms (i.e., living and dining rooms, vestibule, stairs, halls) and their important elements (i.e., wood floors, mantels, tile surrounds, hearths, built-in cabinets, doors, trim and casings, and decorative ceilings and coves) must be retained. Most kitchens, baths, attics, basements, and back bedrooms can be changed as the owner desires.

An interesting component is that "do it yourself" labor can qualify for the rehab budget. Applicants must submit a "Do-It-Yourself Labor Report" with Part 3. The allowable rate is the Illinois state minimum wage (\$8.25/hour). Professionals can charge their own rate for work done in their professions. For example, plumbers can claim their professional rate for plumbing work on their house but can only count minimum wage for plastering or roofing. A letter certifying your professional rate must accompany the form.

Learn more at <https://www2.illinois.gov/iHPA/Preserve/Documents/summary-taxfreeze.pdf>.

### Cook County IL, Class L Property Tax Incentive

Like many states and municipalities, Cook County, IL, which includes the city of Chicago, offers landmark commercial, industrial, types of not-for-profits, and multi-family residential buildings the opportunity to reduce their property tax assessments for 12 years.<sup>41</sup> Homeowners are not permitted to use this incentive. Called the Class L (for landmarks) incentive, it is not a tax-freeze program.

<sup>41</sup> [https://www.cityofchicago.org/city/en/depts/dcd/provdrs/hist/svcs/class\\_l\\_propertytaxincentive.html](https://www.cityofchicago.org/city/en/depts/dcd/provdrs/hist/svcs/class_l_propertytaxincentive.html).

## PROPERTY TAX FREEZES/LOCAL PROPERTY TAX SURCHARGE



*The iconic Wrigley Building in Chicago has taken advantage of the Class L property tax incentive. (Photo: [https://en.wikipedia.org/wiki/Wrigley\\_Building](https://en.wikipedia.org/wiki/Wrigley_Building)) CC BY-SA 3.0, <https://commons.wikimedia.org/w/index.php?curid=781572>.*

The property continues to be reassessed, but at the lower assessment levels.<sup>42</sup> Municipalities and other taxing entities (school districts, park districts, etc.) must opt into the program by resolution. Not every municipality or taxing district in Cook County has done so.<sup>43</sup>

Eligible properties have been individually designated as a landmark, or as contributing buildings in a designated historic or landmark district.<sup>44</sup> If the building is in Chicago, the building must be an individually-designated city of Chicago landmark or a contributing building in a city of Chicago landmark district. The Commission on Chicago Landmarks must certify that the rehabilitation meets The Secretary of the Interior's Standards for Rehabilitation of Historic Buildings, and the Chicago City Council must support granting the

incentive by resolution.<sup>45</sup>

The property tax assessment is reduced for a 12-year period, if owners have invested at least half of the assessor's full market value of the landmark building in an approved rehabilitation project. In Cook County, commercial and industrial buildings are typically assessed at 25% of their fair market value. Buildings using the Class L incentive are reduced to 10% of the assessed value for the first ten years, then 15% in the eleventh year, 20% in the twelfth year, and then back to the regular assessment rate in year thirteen. The land portion of the assessment is also eligible for the incentive if the building has been vacant or unused continuously for the two years prior to the rehabilitation.

The city of Chicago's Class L application form is quite complicated and requires submission of proformas, internal rate of return and tax analysis, an economic disclosure statement and affidavit, and proof of compliance with the Department of Zoning and Land Use Planning Sustainable Development Policy Matrix.

See information for the city of Chicago application form at: [https://www.cityofchicago.org/content/dam/city/depts/zlup/Historic\\_Preservation/Publications/Class\\_L\\_Application\\_Document\\_2014.pdf](https://www.cityofchicago.org/content/dam/city/depts/zlup/Historic_Preservation/Publications/Class_L_Application_Document_2014.pdf)

<sup>42</sup> [https://www.cityofchicago.org/content/dam/city/depts/zlup/Historic\\_Preservation/Publications/Class\\_L\\_Application\\_Document\\_2014.pdf](https://www.cityofchicago.org/content/dam/city/depts/zlup/Historic_Preservation/Publications/Class_L_Application_Document_2014.pdf).

<sup>43</sup> <http://www.landmarks.org/resources/preservation-news/property-tax-assessment-freeze-program-now-available-historic-homes-district-113/>.

<sup>44</sup> <http://www.cookcountyassessor.com/assets/forms/clsla.pdf>.

<sup>45</sup> [https://www.cityofchicago.org/content/dam/city/depts/zlup/Historic\\_Preservation/Publications/Class\\_L\\_Application\\_Document\\_2014.pdf](https://www.cityofchicago.org/content/dam/city/depts/zlup/Historic_Preservation/Publications/Class_L_Application_Document_2014.pdf).

## Colorado State Historical Fund

The Colorado State Historical Fund is supported by gambling revenue. Gambling was legalized in Central City, Cripple Creek, and Black Hawk in 1990 and a portion of gambling revenues from these locations is used for historic preservation grants. Since 1990, more than 4,200 historic preservation projects in every county of Colorado have been funded with gaming money. Since its establishment, the fund has awarded \$273,421,244 in grants.<sup>46</sup> The grant program has helped to create jobs, restore structures for reuse as businesses and affordable housing, and boost tourism all while preserving Colorado's history for future generations. State Historical Fund grants are administered by History Colorado, an agency of the State of Colorado under the Department of Higher Education.<sup>47</sup>

**“Since its establishment, the fund has awarded \$273,421,244 in grants.”**

The State Historical Fund is bolstered by 28% of the total tax revenue created by gambling. The gaming towns themselves receive 20% of the 28%, which they put towards their own historic preservation efforts. The State Historical Fund receives the other 80%. The State Historical

Fund assists in a wide variety of preservation projects including restoration and rehabilitation of historic buildings, architectural assessments, archeological excavations, designation and interpretation of historic places. Preservation planning studies and education and training programs.<sup>48</sup>

Grant amounts are based on project needs. The largest grant, which amounted to \$625,000, was issued to the Colorado Springs Housing Authority for their adaptive use of the Lowell School into their office space. Most grants are less than \$200,000.<sup>49</sup>

The grant application is online at [http://www.historycolorado.org/sites/default/files/files/OAHP/crforms\\_edumat/pdfs/1412a.pdf](http://www.historycolorado.org/sites/default/files/files/OAHP/crforms_edumat/pdfs/1412a.pdf).



*The Colorado Springs Housing Authority received a \$625,000 grant from the Colorado State Historical Fund, supported by gambling proceeds, to rehabilitate the historically-designated Lowell School into their office space. (Photo: [http://www.quantumcommercial.com/historic-lowell-school-listing\\_detail-394.aspx](http://www.quantumcommercial.com/historic-lowell-school-listing_detail-394.aspx)).*

46 <http://www.historycolorado.org/oahp/state-historical-fund>.

47 <http://www.historycolorado.org/about-us/about-us>.

48 <http://www.historycolorado.org/oahp/state-historical-fund>.

49 <http://coloradogambler.com/historic-preservation-gaming-revenue-supports-multimillion-dollar-historic-preservation-efforts/>.

### Minnesota Historical Society Historical and Cultural Grants

The Minnesota Historical Society is one of the great Midwestern history organizations that has both a public and private sector focus to bring history to life for all Minnesotans. Their mission is simple: Using the Power of History to Transform Lives.<sup>50</sup> The organization houses the Minnesota History Center with their famed library, well known to genealogists, the center's collections, and the Minnesota SHPO. It manages 26 historic sites and museums and offers educational programs for adults and school children across the state. The Minnesota Historical Society Press is the oldest publisher in the state and the largest historical society press in the nation. Finally, the MHS funds exhibits and programs.<sup>51</sup>

When Minnesota voters passed the Clean Water, Land and Legacy Amendment, the state legislature created the Arts and Cultural Heritage Fund (H.F. 1231), a portion of which was appropriated to the Minnesota Historical Society for history-related projects around the state.

Minnesota Historical and Cultural Heritage Grants support a wide range of projects in history collections care and management, reproduction, interpretive programs and public education, museum and archives environments, oral history, research and writing, and publications.<sup>52</sup>

Historic Preservation grants can fund heritage tourism, historic properties, National Register nominations, local designation, preservation planning, survey, inventory and evaluation.<sup>53</sup>

Finally, there are structured grants which deal with specific activities or projects at sites and historical societies/archives. The structured option for small grants (\$10,000 or less) provides a simplified, short form application for projects tailored to common needs of historical organizations. These needs can include acquiring primary resources on microfilm, purchasing and maintaining microfilm readers, printers, and scanners, developing a disaster plan, and the evaluation of building mechanical systems (HVAC). These grants can also fund general conservation assessments, long range preservation plans, Minnesota Encyclopedia entries, funds to pay for Minnesota history, historic preservation, museum bookshelves, fees for the American Association for State and Local History's StEPs Assessment program, and planning for

the redesign of museum lighting. In addition, grants can be used towards National Register property evaluations and the scholarships to professional meetings.

For the FY 2016-2017 biennium beginning on July 1, 2015, \$11.5 million is available: \$5,525,000 for FY 2016 and \$6,000,000 for FY 2017. Grants over \$10,000 have a preapplication process. Eligible applicants include nonprofit 501(c)(3) organizations, governmental units, tribes, and educational institutions. Partnership projects and collaborations are encouraged.

Awarded projects generally can commence eight weeks after small grant application deadlines and approximately 12 weeks after final application deadlines for large proposals. Commencement is contingent upon grantee response to contracts.

Learn more: <http://legacy.mnhs.org/grants>.

**“For the FY 2016-2017 biennium beginning on July 1, 2015, \$11.5 million is available: \$5,525,000 for FY 2016 and \$6,000,000 for FY 2017.”**

50 <http://www.mnhs.org/about/mission>.

51 <http://www.mnhs.org/about>.

52 <http://legacy.mnhs.org/grants>.

53 <http://legacy.mnhs.org/grants>.

### Landmarks Illinois Preservation Heritage Fund Grant Program

Landmarks Illinois is a statewide nonprofit preservation organization, and they offer a Preservation Heritage Fund Grant Program that provides matching grants ranging from \$500-\$2,500 to fund preservation efforts for historically, culturally, or architecturally significant structures in the state. Established in 2004, the fund is allocated from Landmarks Illinois' budget annually and offers financial aid to significant sites in Illinois that are in danger of being demolished, are deteriorating, need to be structurally stabilized, or have re-use potential.<sup>54</sup> Grants can also be used to fund studies that determine whether sites should be designated as landmarks. Priority consideration is given to structures that are on the most recent "Eleven Endangered Properties in Illinois," released annually by Landmarks Illinois, as well as the "Chicago Watchlist," released by local preservation organization Preservation Chicago.

Applicants must be a nonprofit or governmental organization that owns the structure in question. Exceptions are made if the only way to preserve the eligible structure is through issuing the grant, and if the public good achieved by preserving the site is greater than the benefits to the applicant. The grant must be used for projects that are related to the preservation efforts of an eligible structure, not for expenses related to regular maintenance or ownership.<sup>55</sup>

The application for the Preservation Heritage Fund Grant requests elaboration on the significance of the structure and an action plan, as well long-term preservation plans. To review the application, visit [http://www.landmarks.org/wp-content/uploads/2016/08/1\\_\\_APPLICATION\\_Heritage\\_Fund.pdf](http://www.landmarks.org/wp-content/uploads/2016/08/1__APPLICATION_Heritage_Fund.pdf).



*Second Presbyterian Church in Chicago was a recipient of the Landmarks Illinois Preservation Heritage Fund Grant. (<http://www.2ndpresbyterianfriends.org/preservation/previous-projects>) (photo by Martin Cheung, <http://www.chicagoarchitecture.org/2013/06/13/the-south-loops-revival-brings-new-appreciation-for-chicagos-landmark-second-presbyterian-church/second-exterior-modern/>).*

54 <http://www.landmarks.org/resources/financial-resources/landmarks-illinois-grants-landmarks-illinois/>.

55 [http://www.landmarks.org/wp-content/uploads/2016/08/2\\_GUIDELINES\\_Heritage\\_Fund.pdf](http://www.landmarks.org/wp-content/uploads/2016/08/2_GUIDELINES_Heritage_Fund.pdf).

## Maryland Heritage Area Authority Loan Program

Maryland Heritage Areas are places that connect people, water, and land to exemplify a unique aspect of Maryland's history. Thirteen sites, comprised of stretches of land and buildings in the state, are designated as Heritage Areas. They range in size from a small part of a county to an entire regional area and include Baltimore National Heritage Area, Heart of the Civil War Heritage Area, and Stories of the Chesapeake Heritage Area, among others.<sup>56</sup>

The Maryland Heritage Areas Authority is operated by the Maryland Historical Trust, which acts as the SHPO, and oversees the Maryland Heritage Areas Loan Program. The authority offers loans to nonprofit organizations, local jurisdictions, individuals, and business located within heritage areas.<sup>57</sup> Projects within a Maryland Heritage Area that further preserve the area's history, enhance heritage attractions, or support visitor services are considered eligible.<sup>58</sup>



*Maryland Heritage Areas connect people, water, and land to tell a unique story about Maryland's history. (<https://mht.maryland.gov/heritageareas.shtml>).*

Loans are issued on a first come, first served basis for all projects. Their interest rates vary. Principal amounts are at the discretion of the Maryland Heritage Areas Authority. Repayment occurs on a monthly plan and may be deferred with permission.<sup>59</sup> Maryland Heritage Areas can use the loans for a wide variety of purposes:

- To acquire additional property, rehabilitate and restore structures within their heritage area
- Conduct leasehold improvements
- Purchase equipment, inventory, or furnishings to enhance sites.<sup>60</sup>

The guidelines for the Maryland Heritage Areas Loan Program can be found at <http://mht.maryland.gov/documents/PDF/grants/MHAA%2014.29.04-Loans.pdf>.

## Maryland Historic Preservation Loan Program for Capital Projects

The Maryland Historical Trust (MHT) Capital Loan Program was created to encourage the preservation of historic properties by providing a source of funding. Loans are offered to local jurisdictions, nonprofit organizations, business entities, and individuals that assist and encourage efforts to acquire and preserve historic properties<sup>61</sup>. Eligible projects that are covered by the loans may include acquisitions, refinancing, rehabilitation, and predevelopment costs (i.e. studies, surveys, plans, and specifications).

Properties must be listed, or eligible for listing, on the National Register for Historic Places. A perpetual preservation easement on the assisted property must also be provided to MHT. Additionally, religious purpose buildings, or places of worship, are generally eligible for assistance for exterior work only. However, spaces used primarily for religious purposes or elements bearing religious imagery are not eligible for funding.<sup>62</sup>

The amount, interest, and term of the loans provided can vary based off several factors. A short overview is listed below. For more detailed information, please visit: <http://mht.maryland.gov/loans.shtml>.

- The principal amount of the loan is limited by the available uncommitted balance in the loan fund at the time of application and the borrower's ability to repay the loan.
- For acquisition projects, the loan amount cannot exceed 80% of the appraised value of the assisted property or 90% of the purchase price, whichever is less.
- For rehabilitation projects, the loan amount typically cannot exceed 80% of the after rehabilitation appraised value of the assisted property (minus existing mortgage balances) or 100% of the project

<sup>56</sup> <http://mht.maryland.gov/heritageareas.shtml>.

<sup>57</sup> <https://mht.maryland.gov/heritageareas.shtml>.

<sup>58</sup> <http://mht.maryland.gov/documents/PDF/grants/MHAA%2014.29.04-Loans.pdf>.

<sup>59</sup> <http://mht.maryland.gov/documents/PDF/grants/MHAA%2014.29.04-Loans.pdf>.

<sup>60</sup> [http://mht.maryland.gov/heritageareas\\_partners.shtml](http://mht.maryland.gov/heritageareas_partners.shtml).

<sup>61</sup> <http://mht.maryland.gov/loans.shtml>.

<sup>62</sup> [http://mht.maryland.gov/documents/PDF/grants/MHT%20Capital%20Loans\\_Guidelines\\_2-17-17.pdf](http://mht.maryland.gov/documents/PDF/grants/MHT%20Capital%20Loans_Guidelines_2-17-17.pdf).

# LOAN FUNDS

costs, whichever is less.

- For refinancing projects, the loan typically cannot exceed 80% of the appraised value of the assisted property.
- The maximum loan principal amount for ANY proposed project is the after-rehabilitation value of the historic property to be assisted, less the outstanding amount of any pre-existing indebtedness secured by the historic property.
- The loan term is defined by project type.
- Loans to non-profit organizations and political subdivisions may bear interest, if any, at a rate not to exceed that for business entities or individuals.

Complete information on the MHT loan application, guidelines, and regulations can be found at <http://mht.maryland.gov/loans.shtml>.

The screenshot shows the website for the Maryland Historical Trust, part of the Department of Planning. The page is titled "Historic Preservation Loan Program for Capital Projects". It includes a search bar, navigation links (HOME, FUNDING, RESEARCH AND SURVEY, PROJECT REVIEW, ARCHEOLOGY, GET INVOLVED), and social media icons. The main content area is divided into three sections: "Resources" with links to Application Instructions, Guidelines, Proposed Loan Program Regulations, Manual of Program Requirements, and Financial Reporting Requirements; "Forms" with a link to Loan Application; and "Eligible Applicants" which lists Nonprofits, Local governments, and Business entities. A note states that individuals are often not competitive unless they have exceptional historical significance. A footer note mentions that business entities and individuals must demonstrate that private-sector financing for the project could not be obtained.

*Screenshot of the Capital Projects Loan Program section of the Maryland Historic Trust website. <http://mht.maryland.gov/loans.shtml>.*

# ENDOWMENTS

## New Jersey Cultural Trust Matching Endowment Funds for History Organizations

The New Jersey Cultural Trust was established in July 2000 in order to create a permanent, interest-generating fund to be an additional source of revenue to nonprofit arts, history, and humanities organizations, specifically for the building of endowments, the improvement of institutional and financial stability, and the capital improvement of cultural facilities.<sup>63</sup> The NJCT is a public-private initiative that has been trying to develop through equal contributions from state and outside sources at least \$200,000,000 that can be invested either in the Fund or the endowments of qualified organizations. However, to date, the state has contributed \$29,021,000 toward the purposes of the Trust.<sup>64</sup>

The Cultural Trust encourages large gift donations to endowments of qualified groups, such as history organizations or house museums. When a qualified organization receives, and certifies a single endowment gift of over \$100,000, the gift is matched, subject to available appropriation, with state dollars into the Fund. Twenty percent (20%) of the state's match then goes to that organization. The other eighty percent (80%) is kept in the Cultural Trust Fund. This is a powerful way for cultural groups to encourage the private sector to make larger gifts. As of October 2013, the principal in the Fund itself reached just over \$20 million and earned over \$4 million in interest. Certified donations to endowments of qualified organizations plus 20% large gift matching dollars from the Fund exceed \$43 million.

To qualify for endowment matching through the New Jersey Cultural Trust, an organization must be a private, nonprofit, tax-exempt, arts, humanities, or history organization, incorporated in New Jersey and operating for at least four years. Funding is awarded based on the recommendations from the New Jersey Council on the Arts, the New Jersey Historical Commission, and the New Jersey Historic Trust.<sup>65</sup> Private donors have the option to make a "restricted donation" directly to qualified organizations for endowment, which are

**“As of October 2013, the principal in the Fund itself reached just over \$20 million and earned over \$4 million in interest.”**

matched by the Cultural Trust once certified.<sup>66</sup> The NJCT seeks every endowment contribution certified. They build the Cultural Trust Fund faster, bolster interest earnings, and increase its grant making impact.<sup>67</sup>

For more information on New Jersey Cultural Trust funding please visit [http://nj.gov/state/culturaltrust/dos\\_ct\\_information.html](http://nj.gov/state/culturaltrust/dos_ct_information.html).

**WHAT IS THE PURPOSE OF THE CULTURAL TRUST FUND?**

The New Jersey Cultural Trust Fund is a permanent investment fund whose earnings will be given in grants to support three specific purposes:

- Build the endowments of nonprofit arts, history and humanities organizations
- Finance important capital projects, and
- Improve the organizational and financial management of cultural organizations.

**ARE GRANTS BEING AWARDED?**

Yes, with the FY 2016 grant awards, the Cultural Trust has distributed nearly \$6.9 million to qualified organizations throughout the State for financial stabilization and historic preservation projects. (See a listing of grant recipients under "Grants Awarded" in this website.)

**HOW CAN CULTURAL ORGANIZATIONS APPLY FOR GRANTS?**

Organizations must first be designated "qualified" in order to be eligible to participate in the programs of the Trust.

Any private, nonprofit, tax-exempt, arts, humanities, or history organization that is incorporated in New Jersey and has been operating for at least 4 years, and has appropriate financial records is eligible to be designated a "qualified" organization. Applications are accepted several times each year and forms may be obtained from the office by calling 609-984-6767 or from this website - see Programs Section

As called for in the Cultural Trust Act, grants are made based on the recommendations from the New Jersey Council on the Arts, the New Jersey Historical Commission and the New Jersey Historic Trust.

The recommending agencies establish criteria and guidelines for the grants programs, manage the process and make recommendations annually to the Cultural Trust. Sample applications are available on this website - see programs Section.

Qualified organizations will be notified when new grant programs are announced.

**BUILDING THE FUND, HOW DOES IT WORK, WHAT IS THE FINANCIAL GOAL?**

The Cultural Trust is a public-private initiative that seeks over ten years to develop through equal contributions from state and outside sources at least \$200,000,000 that can be invested either in the Fund or the endowments of qualified organizations.

**HOW DO DONORS GIVE TO THE TRUST?**

Website of the New Jersey Cultural Trust describing endowment matching program. [http://www.nj.gov/state/culturaltrust/dos\\_ct\\_information.html](http://www.nj.gov/state/culturaltrust/dos_ct_information.html).

63 <http://nj.gov/state/culturaltrust/pdf/rules.pdf>.

64 [http://nj.gov/state/culturaltrust/dos\\_ct\\_information.html](http://nj.gov/state/culturaltrust/dos_ct_information.html).

65 [http://nj.gov/state/culturaltrust/dos\\_ct\\_information.html](http://nj.gov/state/culturaltrust/dos_ct_information.html).

66 <http://nj.gov/state/culturaltrust/pdf/rules.pdf>.

67 [http://nj.gov/state/culturaltrust/dos\\_ct\\_information.html](http://nj.gov/state/culturaltrust/dos_ct_information.html).

# OTHER INCENTIVES OR FUNDING FOR HERITAGE PROJECTS



## DOUBLE YOUR DONATION FOR FREE!

**DONATE**  
TO A QUALIFIED  
OREGON  
NONPROFIT

+

**DONATE**  
THE SAME  
AMOUNT TO  
THE TRUST

=

**DEDUCT**  
THAT AMOUNT  
FROM YOUR  
STATE TAXES!

*If an individual donates to a qualified Oregon nonprofit and donates the same amount to the Oregon Cultural Trust, they qualify for a state income tax credit. 40% of funds raised goes back to the permanent fund for growth and the remaining funds are distributed through grants. Learn more by visiting the FAQ page: <http://culturaltrust.org/resources/faq/>.*

### Oregon Cultural Trust Matching Grant Programs

Created in 2002 by the Oregon Legislature, the Oregon Cultural Trust is funded through donations made by members of the public in exchange for a 100% state income tax credit for their charitable giving to the Trust. Individuals may take the OR state tax credit up to \$500, couples up to \$1,000, and C corporations (but not S corporations) up to \$2,500 for contributions to the Trust. The Trust raises more than \$4.5 million annually, 40% of which goes back into the permanent fund to foster continued growth. The remaining 60% raised, plus investment income from the permanent fund, is distributed through three annual grant programs-- Cultural Development grants, Cultural Coalition grants, and Cultural Partner grants.



*The National Society of the Colonial Dames in Oregon was awarded a \$40,000 grant to support the structural stabilization of the Hoover-Minthorn House Museum in Newberg, Oregon in 2016. Photo source: <http://www.hooverminthorn.org/>.*

In fiscal year 2016-17, the Cultural Trust will award 149 grants totaling \$2.9 million to cultural nonprofits.<sup>68</sup> Every Trust donor gives first to any of Oregon's 1,400 participating

68 <http://culturaltrust.org/blog/news/cultural-trust-awards-2-9-million-to-oregon-cultural-organizations/>.

cultural nonprofits, then matches that gift with a contribution to the Trust.<sup>69</sup> There are 326 organizations on the Heritage Nonprofits list, including some Main Street programs.

Cultural Development grants are awarded in four categories and are intended to fund arts, heritage, history, preservation, and humanities projects. Applying organizations must be registered as a "Cultural Nonprofit" with the Cultural Trust. To do so, an organization must provide services in Oregon and either be a registered 501(c)(3), a cultural entity within a federally recognized Indian Tribe based in Oregon, or an institution of higher learning. Grants generally range from \$5,000 to \$40,000 with a maximum request amount of \$50,000, and a one to one match is required.<sup>70</sup>

Cultural Coalition grants fund Oregon's 45 county and tribal Cultural Coalitions, which in turn distribute grant dollars through their own grant programs to address community needs and priorities. These programs fund a broad range of cultural work that includes arts education, local history preservation projects, community theater, and library programs for toddlers and elders.<sup>71</sup>

The Cultural Trust works directly with five Statewide Partners who receive a percentage of the funds distributed by the Trust each year to support the programs and services they provide across the state. These partners are the Oregon Arts Commission, Oregon Humanities, Oregon Heritage Commission, the State Historic Preservation Office, and the Oregon Historical Society.<sup>72</sup>

To learn more, go to: <http://culturaltrust.org/>.

69 <http://culturaltrust.org/grants/what-we-fund/>.

70 [http://culturaltrust.org/wp-content/uploads/CDV\\_FY18\\_GuidelinesBudgetForms\\_20170119.pdf](http://culturaltrust.org/wp-content/uploads/CDV_FY18_GuidelinesBudgetForms_20170119.pdf).

71 <http://culturaltrust.org/about-us/coalitions/>.

72 <http://culturaltrust.org/about-us/statewide-partners/>.

## OTHER INCENTIVES OR FUNDING FOR HERITAGE PROJECTS

### Bergen County, NJ County Bonds for Open Space and Historic Preservation

Established in 1998, Bergen County, New Jersey's Trust Fund program supports open space, recreation, floodplain protection, farmland and historic preservation projects. Bergen County's Trust Fund is one of 19 (of 21) counties in New Jersey that have used bond funds to pay for open space, farmland, and historic preservation purposes.<sup>73</sup> Located in Northern New Jersey, Bergen County is a wealthy suburban community where many people commute to NYC for work.



*The 11-year restoration and reuse of the 1891 Darlington Schoolhouse in Mahwah, NJ was supported with funds from the Bergen County Open Space and Historic Preservation Trust Fund. Photo source: NorthJersey.com More information: <https://www.nynjtc.org/content/darlington-schoolhouse>.*

The Trust Fund is supported through a property tax assessment determined annually by the governing board of the county, at a rate not to exceed .01% of the total county equalized real property valuation.<sup>74</sup> The Trust Fund is divided into two separate programs: The County Program, which receives 70% of the money, and the Municipal Park Improvement Program, which receives the remaining 30%. Historic preservation funding falls under the County Program. Trust Fund dollars are used countywide to preserve land, maximize recreational opportunities, acquire flood-prone properties, and preserve farmland and historic buildings.

Bergen County Trust Fund matching grants are available to fund many things including the acquisition, stabilization,

73 <http://www.anjec.org/pdfs/PublicFinancingOpenSpace.pdf>.

74 <http://www.co.bergen.nj.us/index.aspx?NID=203>.

rehabilitation, restoration, and preservation of historic sites and house museums as well as the preparation of plans and reports associated with the implementation of historic preservation capital projects by the county, municipalities, and qualified non-profit organizations.

Each year, potential applicants file an Intent to Apply form.<sup>75</sup> Funding is only available for properties listed on or eligible for the New Jersey or National Register of Historic Places either individually or as a contributing part of a historic district. Other requirements include a cash match of 50% for organizations with an annual budget of \$100,000 or more, or a 25% match for organizations with a budget of less than \$100,000. All grant projects must offer public access. For properties that receive an acquisition grant, the grant recipient/owners must execute a permanent historic preservation easement. All professionals, contractors, and craftspeople that are to perform work funded by the grant must be approved by the program, and all funded projects must be reviewed by the New Jersey Historic Preservation Office (SHPO) to ensure compliance with *The Secretary of the Interior's Standards*.<sup>76</sup>

Learn more at <http://www.co.bergen.nj.us/index.aspx?NID=205>.

### Snohomish County, WA Community Heritage Grant Program

The Historic Preservation Commission of Washington's Snohomish County operates a grant program to bolster the county's heritage. The Community Heritage Program offers matching grants to public and non-profit organizations to support Snohomish County's historic preservation projects. The matching grants can be issued in amounts up to \$10,000.<sup>77</sup> The grant program is funded with an allocated amount of the document recording fees collected by the Snohomish County Auditor. According to legislation, a portion of these fees are to be used for projects that promote historic preservation and programming.<sup>78</sup>

Snohomish County's Historic Preservation Commission awards the matching grants to projects that increase public access to county history. They may be used for a variety of purposes including structural improvements, staff development, public education, and curatorial needs such as the acquisition and conservation of material culture.<sup>79</sup> Grants

75 <http://www.co.bergen.nj.us/index.aspx?NID=205>.

76 <http://www.co.bergen.nj.us/DocumentCenter/View/3190>.

77 <http://www.preservewa.org/News178.aspx>.

78 <https://app.leg.wa.gov/rcw/default.aspx?cite=36.22.170>.

79 <http://snohomishcountywa.gov/147/Historic-Preservation-Commission>.

## OTHER INCENTIVES OR FUNDING FOR HERITAGE PROJECTS

may also fund productions and distribution costs for books, oral histories, and documentaries, that shed light on county history.<sup>80</sup> The application and guidelines for Community Heritage Grants can be found at <http://www.preservewa.org/News178.aspx>.

### Maryland Traditions Project Grants

Maryland Traditions Project Grants support research and programming that adds significance to Maryland communities by encouraging and funding professionals as well as community scholars, organizations, and artists to document, preserve, sustain, and present Maryland's traditional arts and culture.<sup>81</sup>

Maryland Traditions Project Grants support nonprofit, tax exempt organizations in their arts programming and projects. Grants are awarded by the Maryland State Arts Council, which is a Maryland state agency run by the Department of Commerce. The awarded amount ranges from \$1,000-\$5,000. These grants are funded with monies from the State of Maryland, the National Endowment for



*Dia de los Muertos Traditions, produced by Creative Alliance and Artesanas Mexicanas, received an award of \$5,000 from the Maryland Tradition Project Grants for 2017. The program honors Day of the Dead beliefs and its folkloric art forms. (<http://www.creativealliance.org/events/2016/community-altars-dia-de-los-muertos>).*

the Arts, and private sponsors.<sup>82</sup> All grant applications are completed online.

Maryland Traditions was established in 2001 as the statewide folklife infrastructure program of the Maryland State Arts Council (MSAC) with support from the National Endowment

for the Arts (NEA) Folk Arts Infrastructure Initiative.

Projects receiving grants have included an old-time fiddle competition, a row house arts festival, an oral history of oyster workers, a documentary focusing on traditional river baptisms on the Eastern Shore, and a recording of a master traditional Irish button accordion player. In addition to the awarded money, grant winners receive technical and networking assistance through the Maryland State Arts Council.<sup>83</sup>

Learn more at: <https://www.msac.org/grants/maryland-traditions-project-grant>.

### Vermont Downtown & Village Center Sales Tax Reallocation

The State of Vermont offers a unique program to incentivize new construction in Vermont's 24 designated downtowns. Vermont's sales reallocation program allows municipalities and developers to jointly apply to the state's Downtown Development Board to reallocate sales tax on construction materials used on the project. The state Downtown Development Board, located within the Agency of Commerce and Community Development, is composed of 11 members representing various state agencies and planning and development fields. It is responsible for strengthening and improving downtown areas.<sup>84</sup>

To qualify, new construction projects must be in one of 24 state designated downtown districts, and projects must spend over \$100,000 on construction materials. The reallocated sales taxes are then awarded to the municipality to support the project, and typically go towards infrastructure improvements such as expanded sewer and water service, new storm water controls, and sidewalks.<sup>85</sup>

Applications must be submitted just prior to construction or during construction, but not after construction has been substantially completed. Applications also must demonstrate that the construction project will be completed within 12 months of the award date, and the municipal project must be completed within 30 months.

As of the beginning of 2017, five sales tax allocation projects have been funded since the program's inception in 2011, all in conjunction with hotel construction. The program notes

80 <http://snohomishcountywa.gov/DocumentCenter/View/40218>.

81 <https://www.msac.org/grants/maryland-traditions-project-grant>.

82 [https://www.msac.org/sites/default/files/files/maryland\\_traditions\\_FY2018\\_project\\_grant\\_guidelines.pdf](https://www.msac.org/sites/default/files/files/maryland_traditions_FY2018_project_grant_guidelines.pdf).

83 <https://www.msac.org/grants/maryland-traditions-project-grant>.

84 [http://governor.vermont.gov/boards\\_and\\_commissions/downtown\\_development](http://governor.vermont.gov/boards_and_commissions/downtown_development).

85 <http://accd.vermont.gov/community-development/funding-incentives/sales-tax-reallocation>.

## OTHER INCENTIVES OR FUNDING FOR HERITAGE PROJECTS



*Construction of this 84-room Hampton Inn on a former vacant brownfield site in the heart of downtown St. Albans, VT cost \$11 million, and resulted in a sales tax reallocation of \$103,492. Reallocated sales taxes will support utility and storm water improvements, lighting, and landscaping along the street. Rendering source: St. Albans Messenger. <http://www.samessenger.com/downtown-city-to-rescue-for-hotel/>.*

that not long ago, construction of new multi-story downtown buildings was limited. Over the last five years, however, the improving economy and a “renewed public interest in the

**“The five projects generated \$1.2 million in reallocated sales taxes and \$80 million in private investment.”**

convenience and charm of Vermont’s traditional main streets” has led to an interest in hotel construction in Vermont’s downtowns. The five projects generated \$1.2 million in reallocated sales taxes and \$80 million in private investment.<sup>86</sup>

A \$19.7 million, four-story, mixed-use development is also underway that will include retail and office space, as well as a 1,500-person performing arts center. The nearly \$400,000 sales tax reallocation will fund the cleanup for a brownfield site for use as a public gathering space.

Learn more: <http://accd.vermont.gov/community-development/funding-incentives/sales-tax-reallocation>.

### City of Chicago, Permit Fee Waiver Program

Since 1997, the city of Chicago has offered all individually landmarked buildings, as well as all buildings and new construction in landmark districts, the option to waive the cost for permit fees. Only fees for permits that require approval from the Commission on Chicago Landmarks can

be waived. Barricade, canopy, and water tap permits and fees are not eligible for the waiver.<sup>87</sup> The Permit Fee Waiver can save preservation projects hundreds of dollars.

The Permit Fee Waiver is presented to the city department issuing the permit at the time of final approval, and at the issuance of the permit prior to the payment of the permit fees. The fee waiver application process typically takes 90-120 days, so the application needs to be filed well in advance of the issuance of the permit. Permit Fee Waiver applications are not accepted after the permit has been issued.

The application has three parts: Personal Profile Information, Economic Disclosure Statement (EDS), and Affidavit of Child Support Compliance. Applicants must file these forms to show they comply with city ordinances governing disclosure of ownership information. This process also determines whether the applicant has any outstanding debts to the city (i.e., parking tickets and water bills) or child support obligations. The EDS, Affidavit of Child Support Compliance, and scofflaw clearances are valid for a limited time and may have to be repeated. The application is then forwarded to the alderman of the ward in which the property is located for introduction to the City Council.

Before it is valid, a Permit Fee Waiver must be introduced at one City Council meeting, referred to the committee, and then passed by the City Council at a subsequent meeting and published. A copy of the City Council Journal Pages for the Permit Fee Waiver is then obtained from the City Clerk’s office by the commission and given to the property owner, along with a cover memo releasing the waiver to the Department of Buildings.

Learn more at [https://www.cityofchicago.org/content/dam/city/depts/zlup/Historic\\_Preservation/Publications/Permit\\_Fee\\_Waiver\\_Info\\_Sheet\\_2014.pdf](https://www.cityofchicago.org/content/dam/city/depts/zlup/Historic_Preservation/Publications/Permit_Fee_Waiver_Info_Sheet_2014.pdf).

<sup>86</sup> <http://accd.vermont.gov/sites/accdnew/files/documents/CD/CPR/DHCD-HTC-STR-Annual-Report.pdf>.

<sup>87</sup> [https://www.cityofchicago.org/content/dam/city/depts/zlup/Historic\\_Preservation/Publications/Permit\\_Fee\\_Waiver\\_Info\\_Sheet\\_2014.pdf](https://www.cityofchicago.org/content/dam/city/depts/zlup/Historic_Preservation/Publications/Permit_Fee_Waiver_Info_Sheet_2014.pdf).

## CONCLUSION

Heritage organizations are a creative lot. For generations, they have identified traditional and out of the ordinary funding sources to support their local projects.

Virtually every state offers direct grant support for historic preservation or heritage projects beyond the federal Certified Local Government Program (CLG). Other traditional funders include state Arts and Humanities Councils. Some states offer tens of millions of dollars in matching grants every year for program, planning, or construction matching grant projects, like Oregon, Minnesota, Maryland, and New Jersey. We know that these funding resources change from year to year due to budget concerns and political whim, creating backlogs of unmet needs and projects that are simply never finished. States with business or income tax incentives most often cap these incentives yearly to assure that the incentive does not drain the state budget of revenue.

We also found that there were very few new incentives enacted in the last five years. The 1980s saw the advent of state tax credit programs to mimic the Federal Historic Preservation Tax Credits, and now 34 states have them for income producing properties. Advocates in some states like Oregon and New Jersey continue to actively pursue such state tax credits because they see the clear impact they have had in neighboring states.

Main Street managers are often told that the downtown revitalization movement relies on R and D, meaning “rip-off and duplicate,” to fuel innovation at the local level. It is not necessary to reinvent the wheel when someone has done a superlative job on a similar incentive program just two states away. The programs we profile here are excellent candidates for such R and D in Oregon. It is just a matter of deciding what is possible at the local, county, and statewide level and gathering advocates together to press forward.

## NEXT STEPS

Oregon is a special place, an array of regions with their own characters and stories. Together those regions share the value of this place. Whether the people who live in and visit Oregon recognize local history as part of that value or not, it is key to Oregon’s character. When people shop in a historic downtown, enjoy a beer in a historic building, catch an exhibit at the local library, take visitors to a museum, read an interpretive panel on a trail, explore a historic cemetery, or attend a local festival they are appreciating Oregon Heritage. In fact, they are heritage activists.

It is our job as organizations doing heritage work to help those people recognize their appreciation of local historic resources. We must also encourage them to share the value with community members, elected officials, tourism organizations, and others to ensure a groundswell of support for heritage.

This report is intended to stimulate action. As a group of heritage proponents, we must use the tools available now and develop additional tools in order strengthen financial support for heritage efforts regionally and statewide. We need to think beyond our individual organizations, for the benefit of our organizations as well as others. Through this report and the results of the Oregon Heritage Summit, Oregon Heritage is committed to providing technical assistance to such efforts.

### Actions you can take:

- Tomorrow have a board member, member or visitor give a letter, email or call to your city council members or

state representatives about how important the work you do is.

- For your next event, invite local elected officials.
- For your next grant award or completed project send a press release.
- Schedule a brown bag lunch or coffee meeting with other heritage organizations in your area and talk about options to initiate or support.
- Support funding options that already exist.
- The Oregon Cultural Trust is a great mechanism to increase funding for local projects. As the fund grows, so does the funding available for heritage projects.
  - Be sure your organization is listed as a nonprofit partner
  - Promote the tax credit in your funding appeals and thank you letters.
- Local county funding is a great local opportunity
  - Ensure your supporters understand the benefit of the program.
  - Let county officials know the value to your organization.
  - Work to make sure heritage is part of the work supported by tourism funding.

The Oregon Heritage Commission will take input from the Oregon Heritage Summit to understand what tools are needed to forward the effort to fund heritage. They will work to find partners and resources to develop those tools. Together we can strive to rally heritage activists across the state to better support Oregon heritage efforts.

## CREDITS

Donna Ann Harris was the primary author of this report with the assistance of interns Helen Gassmann and Sarah Johnson, who conducted initial research and wrote profiles for review.

**Donna Ann Harris** is the principal of Heritage Consulting Inc., a Philadelphia-based Women's Business Enterprise (WBE) consulting firm that aids non-profit organizations and government agencies nationwide in the following practice areas: downtown and commercial district revitalization, historic preservation, tourism product development, and non-profit organizational development.

Prior to starting her firm thirteen years ago, Ms. Harris was the state coordinator for the Illinois Main Street program for two years and the manager of the Illinois suburban Main Street program for four years. Prior to her Main Street career, Ms. Harris spent 15 years as an executive director of three start-ups and two mature preservation organizations, each with its own organizational and fundraising challenges.

Since starting her firm, Ms. Harris has worked with state, regional, and local Main Street programs in 23 states. She has written six feature articles in the National Main Street Center's quarterly publication *Main Street Now* and is a regular contributor to their *Main Street Week* blog. She has also spoken at the Main Street Center's annual conference for the last dozen years and has conducted webinars for the Center on fundraising and organizational development topics. Ms. Harris has authored scholarly articles in the American Association for State and Local History's *History News* and the National Trust's *Forum Journal*. Ms. Harris's book *New Solutions for House Museums: Ensuring the Long-Term Preservation of America's Historic Houses* was published by AltaMira Press in 2007. Ms. Harris is a Certified Main Street Manager.

*Interns and consultants who undertook research and writing for this project.*

**Helen Gassmann** is a public historian and museum professional based in Philadelphia, PA. Helen is a graduate of Temple University with a BA in History, and of Villanova University with an MA in Public History. She has held roles in membership coordination, communications, and public engagement at museums and heritage organizations in Philadelphia. Helen specializes in connecting people to history through guided tours and educational programming.

**Sarah Johnson** is a public historian focused in community revitalization and historic preservation. Sarah is a graduate of University of Wisconsin-Milwaukee with a BA in History, and of Villanova University with a MA in Public History and Graduate Certificate in Nonprofit Management. Sarah has held positions in both the historic preservation field and nonprofit settings around the Philadelphia region. She continues to dedicate her time and passion toward neighborhood revitalization through community outreach, historic preservation, and sustainability practices. Sarah is a native of Chicago, and a proud transplant of Philadelphia.

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