

To: Historic Landmarks Board

From: James Reitz (AICP) Senior Planner
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Re: July 24 Agenda

Date: July 18, 2018

Memorandum

NOTE - Councilor Johnston and Larissa are excused from this meeting. If anyone else can't make it, please advise as soon as possible.

ACTION ITEMS -

- A. National Night Out Planning. This will be your final meeting before the event.
- B. Media Outreach and Editorial Calendar: Kelsey will provide an update.
- C. RLS/Context Statement Recap and Next Steps. The survey, context statement and proposed downtown district boundary are all complete; the final deliverables were submitted July 13th... But before the Board can proceed with preparing a grant application to fund a downtown district nomination, there's a bit of background work to be completed. Topics for this meeting -
 1. Motion and vote on whether to proceed with the nomination effort. *If the vote is affirmative* –
 2. Decide who is going to lead this effort.
 3. In addition to the printed material available from SHPO (attached; there is more available from their website) begin to prepare a list of talking points (so you're all consistent in the information you provide).
 4. Recruit Kaylene Toews to help with refining this work plan, along with any press releases.
 5. Consult with SHPO staff on how best to conduct a successful public outreach program for a commercial district.

Then in the following months –

August – Refine the written materials; prepare packets for distribution to the property owners. Obtain a list of the property owners from the City (there are 33 buildings, a smaller area than the residential districts). Learn and understand the nomination process; learn and understand the incentives available to owners of income-generating properties in a historic district. Know why HPNW recommended the proposed boundary, and why buildings are in or out. Be prepared to discuss design standards and the City's/Board's role in the design review process.

September – Begin canvassing. Schedule meetings with the chamber of commerce and the city club (downtown association); consider doing a dress rehearsal before the Board first. Prepare a press release for the *News Times*. Meet periodically to discuss questions that have arisen (again, to be sure you're giving consistent answers). Schedule a public open house for October. Make note of what questions are being asked, and your responses. The Council will want to know this.

October – Continue canvassing. Host an informational open house (invite a SHPO representative, and others from cities with downtown districts to offer their perspectives). Include a sign-in-sheet, but also keep track of how many attendees (not everyone will sign in). Perhaps Roman Ozeruga (or other downtown property owner) would be willing to provide a space. Maybe schedule this for First Wednesday (the 3rd) to get general public comments (not just from the property owners).

November – Continue canvassing. Provide staff a list of all the people you've spoken to (and whom you haven't), the questions asked and answered, and a summary of the informational meeting. The outreach effort will need to be completed by month's end.

December – Staff will prepare a report to the Council, including a PowerPoint presentation. These will summarize your outreach efforts and their results. There is required lead time to every CC agenda: If this is on the January 14 agenda, the materials will have to be completed by January 4 (including department head and city manager review).

January 2019 – Staff presentation to the Council and a request that it endorse the SHPO grant application to prepare a downtown district nomination. The Board chair or whoever has been leading this effort should also testify. Assuming the endorsement is given -

February 2019 – File the SHPO grant request. If successful, a consultant could be under contract as early as April.

INFORMATION ITEMS -

Original Town Resurvey: HPNW completed the edits and returned the final document on July 13th. Staff is working on the final invoice and the final SHPO grant close-out process. Once that is complete, the survey data will be uploaded to the SHPO Historic Sites Database. The context statement will be uploaded to the City website

Preservation Grants: For FY 2018-19, the City Council awarded the Board **\$7,975**. No new applications have been filed.

Funding Opportunities: Kelsey and Holly have begun investigating additional funding options; they'll report on their progress to date.

2018-19 CALENDAR - UPCOMING AGENDA ITEMS

August 21, 2018

- Public Safety Open House planning (October 13)
- Downtown District

September 25, 2018

- Public Safety Open House planning (October 13)
- Downtown District

October 23, 2018 (fourth Tuesday)

- Downtown District

November 27, 2018

- Downtown District

December 18, 2018 (third Tuesday)

- Prepare annual report and presentation for January boards and commissions reception (not to exceed 5 minutes)
- Annual website review
- Discuss 2019 work plan
- Prepare January-June 2019 Editorial Calendar
- Downtown District

January 22, 2019 (fourth Tuesday)

- Review and adopt 2019 work plan
- Downtown district - SHPO Grant Application
- Review and adopt January-June 2019 Editorial Calendar
- Photo contest planning
- Annual officer elections

February 26, 2019

- Begin CEP application preparation
- Discuss potential Stewart Award recipient
- Mock Design Review Hearing
- Photo contest planning

March 26, 2019

- Review and finalize CEP grant application
- Select Stewart Award recipient
- Preservation Month / photo contest planning

April 23, 2019 (fourth Tuesday)

- Preservation Month / photo contest planning (continued)

May 28, 2019

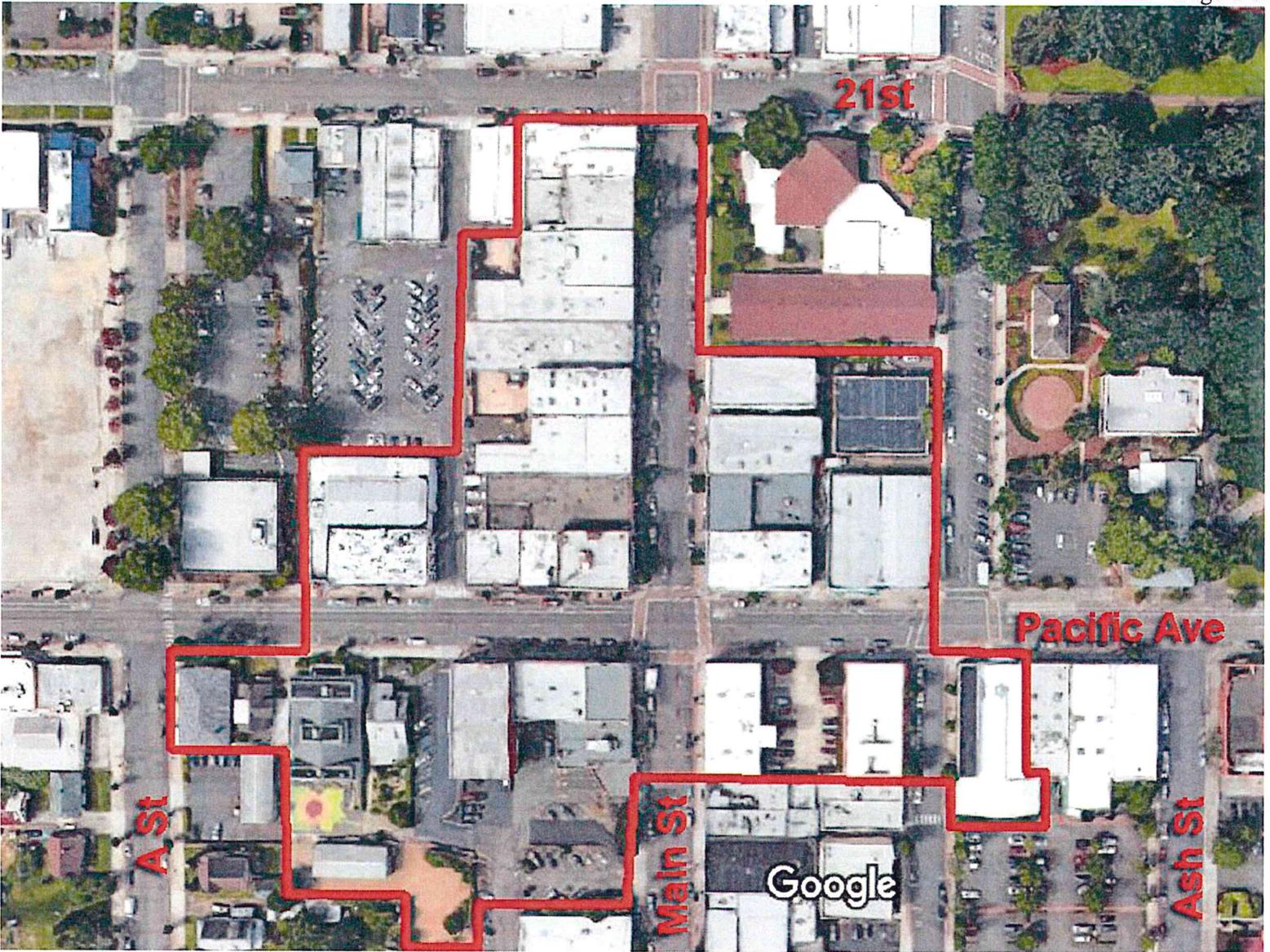
- Historic Month Proclamation (May 13 CC meeting)
- Honor Stewart Award recipient (May 13 CC meeting)
- Honor photo contest winners (May 13 CC meeting)
- Review July-December 2019 Editorial Calendar

June 25, 2019

- Preservation Grant reviews
- National Night Out planning (August 6)
- Adopt July-December 2019 Editorial Calendar

July 23, 2019 (fourth Tuesday)

- Preservation Grant reviews
- National Night Out planning (August 6)



HERITAGE BULLETIN

Tips, Ideas & More to Help Preserve Oregon's Heritage

5

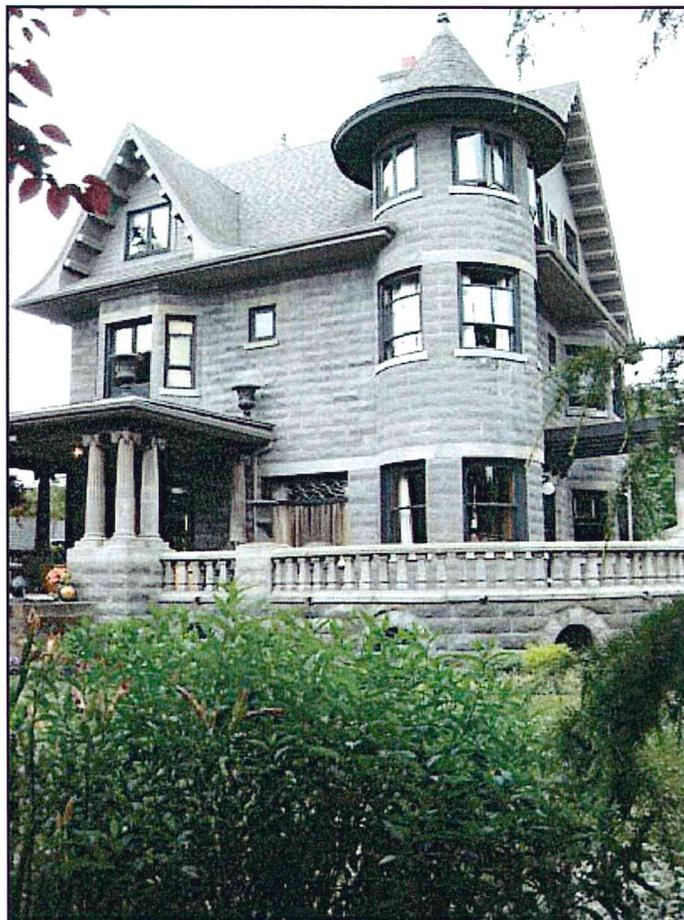
NATIONAL REGISTER BENEFITS AND RESTRICTIONS

JUNE 2015

The National Register of Historic Places is the official federal list of properties that are significant in American history, architecture, archaeology, and engineering. This is primarily an honorific designation intended to recognize important buildings, structures, objects, sites and districts to encourage their preservation. The National Register program is a federal program administered at the state level by the State Historic Preservation Office (SHPO). The regulation of National Register-listed properties in Oregon takes place at the local level. The following benefits and restrictions apply to National Register-listed properties.

Benefits:

- *Recognition*
- *Federal tax credit eligibility*
- *State tax benefit*
- *Grant eligibility*
- *Building code leniency*
- *Consideration in planning for federal projects*



Jennie Bramhall House, Multnomah County



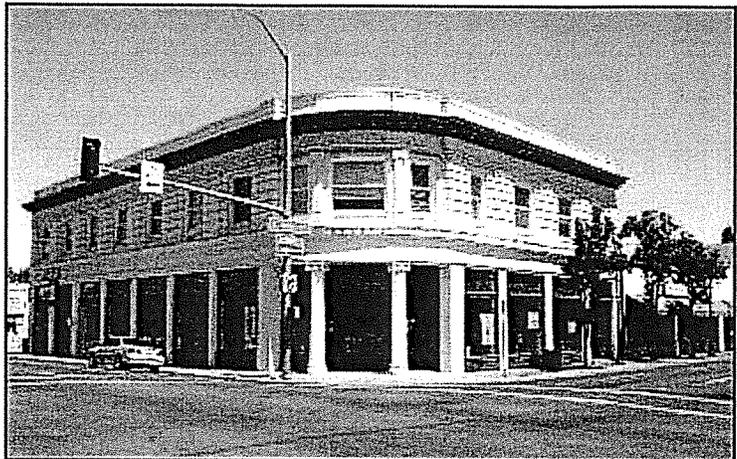
BENEFITS

Recognition

Owners may purchase a plaque that can be placed on the building. Please contact Joy Sears at (503) 986-0688 for a list of plaque manufacturers.

Federal tax credit eligibility

The SHPO administers a federal tax credit program that can save building owners twenty percent of qualifying costs of rehabilitating their National Register-listed, income-producing building. Requirements include submitting an application form with accompanying photos and plans and performing only work that meets the rehabilitation standards. Because tax requirements are complex, individuals should consult legal counsel, an accountant, or the appropriate local Internal Revenue Service office for assistance in determining the tax consequences of the above provisions.



Sparta Building, Jackson County

State tax benefit

This program allows owners of properties listed in the National Register of Historic Places to apply to apply for a special assessment of the assessed value of the property for a 10 year peorion. The program is designed as an incentive to assist property owners in the preservation of historic resources. As a condition of the property tax benefit the owner must provide a preservation plan for the building that meets SHPO standards.

Grant eligibility

When funds are available, Preserving Oregon grant applications are invited. Contact the SHPO for the grant schedule. Grants are awarded competitively since demand invariably exceeds availability of funds.

Building code leniency

Under Section 3409.1 of the Oregon Structural Specialty Code, National Register properties and other certified historic buildings are eligible for consideration of waivers of certain code requirements in the interest of preserving the integrity of the property.

Consideration in planning for federal projects

Section 106 of the National Historic Preservation Act of 1966 requires that federal agencies take into consideration the effects of their projects on properties eligible for or listed in the National Register. This program is administered by the SHPO.



RESTRICTIONS

No restrictions on listed properties are imposed by the state or federal governments; however, state law in Oregon requires local governments to offer some level of protection to National Register properties. Local jurisdictions (county or city) regulate National Register-listed properties per their local ordinances, which means restrictions will vary from jurisdiction to jurisdiction. Contact your local planning department to determine the level of regulation in your community.



Rinehart Building, Multnomah County

No restrictions are imposed by the state or federal government. Local jurisdictions regulate National Register-listed properties per their local ordinances.

Historic district listing

Private property owners may object to the listing of their property by sending a notarized letter to that effect to the SHPO prior to final review. In the case of a historic district, a majority of property owners must object to listing in order to stop a nomination. Individual property owners within a historic district may not “opt out” if the majority of owners have not objected. National Register-listed historic districts, just like individually listed buildings, are subject to whatever local regulations may apply (as described above).

Public property listing

Public property owners may support or object to the listing of a publicly owned property, but owner consent is not required for nominations of public properties to move forward.





Fire Station No. 7, Multnomah County

If you wish to comment on the nomination of a property to the National Register, please send your comments to the State Historic Preservation Office before the next scheduled meeting of the State Advisory Committee on Historic Preservation.

ADDITIONAL INFORMATION

If you wish to comment on the nomination of a property to the National Register, please send your comments to the SHPO before the next scheduled meeting of the State Advisory Committee on Historic Preservation. A copy of the nomination and information on the National Register is available from the SHPO upon request.

State Historic Preservation Office
 Oregon Parks and Recreation Department
 725 Summer Street, N.E., Suite C
 Salem, OR 97301

Oregon Heritage website: www.oregonheritage.org
National Register website: www.nps.gov/nr

For **general information** about the National Register of Historic Places, contact Tracy Zeller by calling (503) 986-0690 or by emailing tracy.zeller@oregon.gov.

National Register Program Staff:
 Diana Painter, Architectural Historian
 (503) 986-0668
diana.painter@oregon.gov

Jason Allen, Historic Preservation Specialist
 (503) 986-0579
jason.allen@oregon.gov



HERITAGE BULLETIN

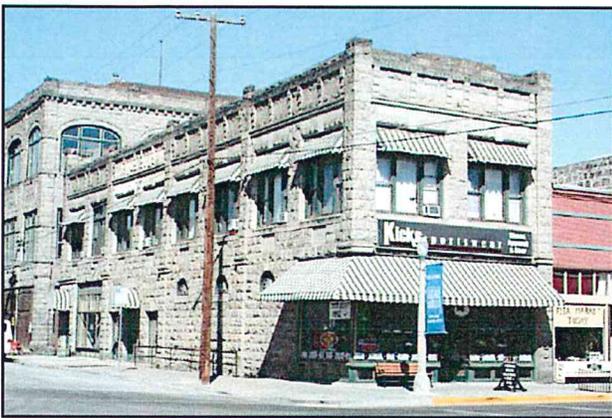
Tips, Ideas & More to Help Preserve Oregon's Heritage

6

PLANNING A NATIONAL REGISTER HISTORIC DISTRICT

JUNE 2015

A historic district is an area or neighborhood that has a concentration of buildings and associated landscape and streetscape features (50 years or older) that retain a high degree of historic character and integrity, and represent an important aspect of an area's history.



Palmer Brothers Building, Baker County

What is required for documenting an historic district?

A historic district is treated as one property by the National Register. A district nomination is prepared using the same National Register Bulletins (instructions), form and continuation sheets that one would use to document an individual property, and processed in generally the same manner as an individual property, but there are some additional considerations.

Survey documentation is required for proposed districts. This involves photographing and describing all buildings and related features in the district, recording their basic characteristics, and assessing whether or not they contribute to the historic character of the district. Contributing properties retain and exhibit sufficient integrity (materials, design, setting) to convey a sense of the area's history. In those cases where a jurisdiction already has an updated survey of the proposed district area, a list of the buildings that includes their addresses, pertinent descriptive information, and contributing status may be substituted for new survey information.

An historical overview of the entire district based on the survey of the district, its history, and its architectural and urban design character is required. This narrative historic context statement provides a basic background history of the area and justifies the significance of the district.

The National Register requires a map showing the boundaries of the district and each building and structure in the district, with the contributing properties distinguished from the non-contributing properties. Mapping requirements are described in more detail in National Register Bulletin #16A, "How to Complete the National Register Registration Form." Having the properties mapped early in the process will often help determine district boundaries, since concentrations of contributing buildings can be seen at a glance.

Please contact the staff of the Oregon National Register program for more information on how to document potential historic districts.





Oak Hills Historic District, Washington County

What are the implications of historic district designation?

One of the primary benefits of National Register designation is the fostering of community awareness and pride in one’s heritage and the neighborhood. Designation tends to help stabilize a neighborhood, stimulate increased owner-occupancy by making it a more distinct and desirable place to live and work, and generate increased property values as buildings are rehabilitated. These beneficial effects vary, of course, depending on the area and the economy at the time. Overall, however, historic district designation has produced positive results both in Oregon and throughout the country.

Historic designation provides financial benefits for qualifying properties. Under provisions of the Economic Recovery Tax Act, owners of listed properties may qualify for a 20 percent investment tax credit for the certified rehabilitation of income-producing property such as commercial, industrial, or rental residential buildings.

One of the primary benefits of National Register designation is the fostering of community awareness and pride in one’s heritage and the neighborhood.

In Oregon, under state law, owners of listed properties may apply for a property tax benefit – a “freeze” of the assessed value of the property for a 10-year period, provided the property will be rehabilitated. There are also limited funds available annually on a competitive basis to owners of listed properties through the Oregon SHPO’s Preserving Oregon grant program. In historic districts, these financial incentives are only available to contributing properties in the district. If your building is considered non-contributing, you must still comply with local preservation ordinances, even though you do not qualify for the financial benefits mentioned above.

Buildings listed in the National Register may be given more leniency in complying with building code requirements in order to protect their historic qualities. Listed buildings may often qualify more easily for conditional use permits or other code exemptions or variances.

There are no restrictions imposed by federal or state regulations on private property owners in a historic district, provided the property is not benefiting from state or federal grants or tax incentives. money.

Restrictions and controls in a historic district are set forth by the local jurisdiction. Contact your local planning office for a copy of its preservation ordinance and for details about any regulations that may be in place for property owners in historic districts. There are no restrictions imposed by federal or state regulations on private property owners in a historic district, provided the property is not benefiting from federal money through federally funded projects or tax incentive programs.



Can a property owner object to a listing?

Owners of private property within a proposed historic district may object to the listing by submitting to the SHPO a notarized statement certifying that the party is the sole or partial owner of the property and objects to the listing. The National Register will not list a district if the majority of property owners object.

Each owner of private property in a district has one “vote” regardless of how many properties or what part of the one property that party owns and regardless of whether the property contributes to the significance of the district. An owner is defined as an entity (individual, partnership, corporation or public agency) holding fee simple title to a property. The right to object is described more fully in the federal regulations governing the National Register program, 36 CFR 60.6.



Irvington Historic District, Multnomah County

Owners of private property within a proposed historic district may object to the listing by submitting a notarized statement certifying that the party is the sole or partial owner of the property and objects to the listing to the SHPO.





Salem Pioneer Cemetery, Marion County

To learn more about planning an outreach process for creating National Register historic districts, see [Heritage Bulletin 26: Outreach for National Register Historic Districts](#). To learn more about the National Register, see [Heritage Bulletin 4: National Register of Historic Places](#). And to learn more about the benefits of being listed in a National Register historic district, see [Heritage Bulletin 5: National Register Benefits and Restrictions](#).

ADDITIONAL INFORMATION

State Historic Preservation Office
Oregon Parks and Recreation Department
725 Summer Street, N.E., Suite C
Salem, OR 97301

Oregon Heritage website: www.oregonheritage.org

National Register website: www.nps.gov/nr

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(503) 986-0668

diana.painter@oregon.gov

Jason Allen, Historic Preservation Specialist
(503) 986-0579

jason.allen@oregon.gov



SUMMARY OF FEDERAL REHABILITATION TAX CREDITS

What are the Rehabilitation Tax Credits?

There is a 20% Investment Tax Credit (ITC) available for rehabilitating historic buildings and a 10% ITC for renovating non-historic buildings constructed before 1936. In both instances the ITC is based on a percentage of the rehabilitation costs and does not include the purchase price. The tax credit applies to the building owner's federal income tax for the year in which the project is completed and approved. If it is not all needed in that year the ITC may be carried back 1 year or forward up to 20 years. Note: this is a tax credit not just a deduction.

Example: 20% of a \$50,000 rehabilitation = \$10,000 tax credit

Which Buildings Qualify?

The historic rehabilitation tax credit (20%) is available for buildings listed in the National Register of Historic Places which, after rehabilitation, are used for commercial or residential rental use. The non-historic tax credit (10%) is available for any pre-1936 building being used for commercial but not residential rental purposes. The work does not have to be reviewed for the 10% credit.

Neither ITC is available for the rehabilitation of a private, owner-occupied residence.

What Rehabilitation Work Qualifies?

Any work on the interior or exterior of the building qualifies for the tax credit. Landscaping or new additions to the building do not qualify. The work must be reviewed by the SHPO and certified by the National Park Service. This is done by completing an application and submitting it to the SHPO along with "before" and "after" photographs showing all work areas (interior and exterior).

How Much Money Must be Spent in Order to Qualify for the ITC?

The rehabilitation expenditures must exceed the greater of either the "adjusted basis" of the building or \$5,000. "Adjusted basis" is the purchase price minus the value of the land minus any depreciation already taken by the current owner plus any capital improvements.

Example (recent purchase): \$60,000 (purchase price) - \$7,000 (land) = \$53,000 (adjusted basis); rehabilitation expenses must exceed \$53,000

Example (long-time ownership): \$60,000 (purchase price) - \$40,000 (depreciation) - \$7,000 (land) + \$5,000 (capital improvement) = \$18,000 (adjusted basis); rehabilitation expenses must exceed \$18,000

When Can a Rehabilitated Building be Sold?

A building must be kept at least five years in order to avoid any recapture of the tax credit by the federal government. The recapture amount ranges from 100% of the tax credit if the building is sold within the first year, to 20% of the tax credit if it is sold within the fifth year.

For more information: http://www.oregon.gov/OPRD/HCD/SHPO/FED_TAXCREDIT_NEW.shtml

Or contact: Joy Sears, Restoration Specialist
Oregon State Historic Preservation Office
725 Summer Street NE, Suite C
Salem, OR 97301
Phone: 503-986-0688 Fax: 503-986-0793
Email: Joy.Sears@state.or.us

Updated 11/30/2009