City of Jacksonville
Historic Preservation Commission
SPRING/SUMMER 2013 NEWSLETTER

Incentives: *How Would Illinois' Historic Tax Credit Help?*

A coalition of developers, investors, building industry reps, and nonprofit organizations actively promotes the Illinois Rehabilitation and Revitalization Tax Credit to encourage private investment in historic properties. Urban, suburban, and rural communities in Illinois will benefit from jobs and economic development made by the Tax Credit, similar to provisions in 30 other states.

How Does It Work?

• Allows credit up to $3 million per project on state income taxes equal to 20% of the qualified historic rehabilitation cost.

• Useful for income-producing properties including commercial, residential, and industrial developments (not owner-occupied residential.) Properties must be designated as historic.

• Parallels 20% federal historic preservation tax credit, creating more development opportunities in Illinois and leveraging millions of dollars in federal funds not currently coming to Illinois.

Economic, Environmental, and Community Benefits

• Impressive Return on Investment (ROI)

⇒ A University of Illinois-Springfield study found that this credit is expected to return up to $7 for every $1 invested.

• Targeted Program

⇒ Only National Register listed or certified properties are eligible and must meet functional obsolescence and financial needs tests.

• Measurable Impact

⇒ The bill provides for an annual program report to the Assembly listing job creation, private investment, and ROI to the State.

• Creates jobs & economic activity far beyond level of tax credit.

⇒ Historic rehab is more labor intensive than new construction with 60-70% of the investment in labor versus materials.

⇒ Increased labor costs creates more jobs than new construction resulting in greater income and sales tax revenue.

⇒ Maryland, Missouri, and Virginia have seen over $1 billion in economic activity by state tax credits.

• Refills tax base by increasing payroll, sales, and property taxes

⇒ The program begins to return income and sales tax dollars to states many years before credit redemption. Maryland captured $.34 for each $1 before credit was awarded and $1.02 within the first year.

⇒ Encourages private investment in vacant or underutilized buildings returning neglected properties to the tax rolls at higher values and catalyzing investment in surrounding areas.

• Government efficiency

⇒ By pairing with the Federal Historic Tax Credit process administered by IHPA, the state program will run efficiently.

RETURN ON INVESTMENT
The Illinois Rehabilitation and Revitalization Tax Credit is expected to return $7 for every $1 invested

STATE REHAB TAX CREDITS & JOB CREATION

⇒ A total of 6,871 jobs and $60 million in tax revenue was created in the first four years of Missouri's tax credit.

⇒ Rhode Island rehab credit projects generated 5,334 direct construction jobs over 2 years.

⇒ In Minnesota, historic rehab projects create 5.7 more jobs per $1 million in output than manufacturing and 2 more jobs per $ 1 million than new construction.

Specific Bill Provisions/Senate Amendments (April, 2013)

• Section 5. Definitions

⇒ Program administered by IHPA and DCEO;

⇒ "Qualified expenditures" follows Federal Historic Rehabilitation Tax Credit definitions; "Qualified structures" include a building listed in the National Register of Historic Places or within certified historic district.

⇒ Applicants incur qualified expenditures "at their own risk;"

• Section 10. Functional obsolescence test

⇒ Uses language found in several Illinois statutes dating back to 1947;

⇒ Projects with expenditures over $1,000,000 must prove that they are legitimately in need of the incentive;

⇒ These tests are designed to attract private investment to projects that would have significant community impact, but that will not attract or qualify for typical private investment.

• Section 15. Program Time Limitation

⇒ Enacts the IRRTC program for 5 years, to end December 31, 2018;

• Section 20. Economic needs test (i.e. "but, for" test)

⇒ For projects expending over $1 million, DCEO determines if development will only benefit from private investment with public intervention.

• Section 25. Transfer of credits

⇒ The credit may be transferred allowing for maximum private investment into the project.

• Section 30. Maximum limits

⇒ Each applicant is limited to a maximum of a $3 million state income tax credit per project.

• Section 35. Annual Program Cap

⇒ Provides for annual aggregate program cap beginning at $10 million with yearly stepped increases reflecting the growing number of shovel-ready projects and capture of continued tax revenue from past recipients;

• Section 40. Application process

⇒ The application process is first-come, first-served and applicants must prove eligibility and ownership and estimate qualified expenses, project start and completion date to enable program meets set legislative goals;

⇒ Allows for rescission of preliminary IRRTC, and reallocation to other projects, if applicant fails to comply with guidelines;

⇒ If qualified expenses incurred are more than estimated, applicant must submit a new application for the excess amount;

⇒ Applicant pays $1,000 upfront application fee divided between IHPA and DCEO to administer the program and pays up to 2% of the amount of credits issued after final approval;

⇒ To qualify, the National Park Service must certify the rehabilitation plan meets Secretary of the Interior's Standards for Rehabilitation;

⇒ Rehabilitation must start within 2 years of IRRTC allocation preliminary approval, which is awarded to qualified, completed projects only;

⇒ DCEO will require an outside audit of the applicant's cost certification if the rehabilitation plan is over $250,000;

⇒ DCEO shall work with Revenue to capture outstanding state tax liability by applicant that can be satisfied by the IRRTC.

• Section 45. Biennial report

⇒ The bill adds a biennial reporting mechanism that calculates overall economic impact to the State through the IRRTC program. The Biennial Report shall include the jobs created by the program.

-assembled from Landmarks Illinois data sheets

FOR MORE INFORMATION, GO TO WWW.LANDMARKS.ORG

What Style is Your House?

Gothic Revival (1840-1865)

Started in England in 1749, Gothic Revival first appeared in the United States in the mid-1800s, marking the rise of the Romantic Era. Well-preserved examples of pre-Civil War Gothic Revival houses are relatively rare.

Gothic Revival homes reflect medieval cathedral architecture with adaptations of delicate wooden ornaments and other decorative details without copying authentic Gothic styles. A more complex Gothic Revival style, often called *High Victorian Gothic*, or *Neo-Gothic*, employs heavier stone and ornamental elements like pinnacles and parapets. Later, more modest Victorian Revival homes were at times brick with wooden trim.

Pattern books spread the Gothic Revival style across North America. Some builders lavished the fashionable Gothic details on otherwise humble wooden houses in the roof shape and window moldings.

In America, the Gothic Revival style was deemed best suited for rural areas. Architects of the day thought stately ecclesiastical homes and austere Gothic Revival farmhouses should be set in a natural landscape of rolling green lawns and bountiful foliage.

In towns, smaller and more ornate Gothic Revival homes were common, with trendy details often added to traditional homes that were not, strictly speaking, Gothic at all. The invention of the steam-powered scroll saw allowed builders to apply lacy wooden bargeboards, "gingerbread" trim, scrollwork, and other factory-made ornaments, creating a frivolous version of Gothic Revival known as *Carpenter Gothic.*

Gothic Revival homes usually have these features:

- Steeply pitched roof
- Lacy bargeboards or vergeboards
- Windows with pointed arches
- One story porch, (sometimes multiple porches, often with flattened, Gothic arches)
- Steep cross gables
- Asymmetrical (picturesque) floor plan
- Stained glass or diamond-paned windows (sometimes)
- Gothic windows above entry
- Tall chimneys, sometimes with ceramic chimney pots
- Some Carpenter Gothic homes have:
- Bay and oriel windows
- Vertical board and batten trim

By the late 1800s, the fancifully detailed Gothic Revival style had lost popularity. Gothic Revival ideas didn't die out, but were frequently reserved for churches and large public buildings, even through the 1940s. Graceful Queen Anne architecture became the popular new style, but hints of Gothic Revival styling can often be found on Queen Anne houses. Exterior colors are typically earth tones, such as warm reds, browns and yellows, with complimentary-colored trim.

Cotswold Cottage (c.1890 - 1940)

The small, fanciful Cotswold Cottage is a popular subtype of the Tudor Revival house style. This quaint English country style is based on the cottages built since medieval times in the Cotswold region of southwestern England. The Cotswold Cottage style became especially popular in the United States during the 1920s and 1930s when a fascination for medieval styles inspired American architects to create modern versions of the rustic homes.

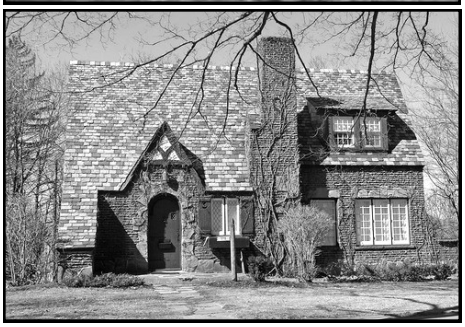
The picturesque Cotswold Cottage is usually asymmetrical with a steep, complex roof line. The floor plan tends to include small, irregularly-shaped rooms, and the upper rooms have sloping walls with dormers. The interior generally makes use of all space and gives a feeling of comfortable coziness rather than a spacious, rambling, or open sensation. The home may have a sloping slate or cedar roof that mimics the look of thatch. A massive chimney often dominates either the front or one side of the house.

The Cotswold Cottage style may also be known by several other names:

- Storybook Style
- Hansel and Gretel Cottage
- Tudor Cottage
- English Country Cottage
- Ann Hathaway Cottage

Over the years, these cottages are often modified with dormers or different siding applications. Cotswold Cottage houses often have many of these features:

- Sloping, uneven roof, sometimes made of pseudo-thatch
- Low doors and arched doors or passageways
- Sloping walls in rooms on upper floor
- Small, irregularly-shaped rooms
- Brick, stone, or stucco siding
- Prominent brick or stone chimney, often at the front near the door
- Very steep cross gables
- Casement windows with small panes
- Small dormer windows
- Asymmetrical design



"What Style is Your House?" was a regular feature of early HPC Newsletters; some information in these articles may have already been published or compiled from other sources like Old House Journal online, Wikipedia, and about.com as well as from our recent Historic Resources Survey of the Jacksonville Historic.