Introduction

The federal historic Preservation Tax Incentives program has generated over 25,000 projects and more than $17 billion in private investment in the rehabilitation of historic buildings over the past 20 years. Behind these impressive statistics are thousands of individual stories of interested property owners, new occupants of the rehabilitated buildings, and the communities that benefited from taking often vacant buildings and turning them into treasured assets.

In addition to the sheer number of tax credit projects, the Preservation Tax Incentives program represents a successful model for federal government programs. The program sets forth a framework for private decision-making and serves as a catalyst for leveraging private investment. As demonstrated in several studies, the program plays a key role in enhancing state and local tax revenues, increasing property values, generating jobs, and improving the quality of life in communities. The program is administered in partnership with the State Historic Preservation Offices, which deliver program services to the public. This is the model to which many other governmental programs aspire.

The purpose of this special issue of *CRM* is to provide a better understanding of the broad impacts of the Preservation Tax Incentives program. Charles E. Fisher summarizes the achievements of the Preservation Tax Incentives program over the past 20 years. His essay traces the development of tax legislation that encouraged preservation, the current status of the program, new directions, and how the program pioneered now accepted methods and approaches to rehabilitation.

The provision of housing for all income levels is one of the great success stories of the preservation tax incentives. Brooks Prueher describes how community organizations and developers have used the Rehabilitation Tax Credit and the Low Income Housing Tax Credit to transform historic buildings into attractive affordable housing. Frequently, these buildings are located in central cities and are close to transportation, employment, and shopping, making them strong contributors to community sustainability. Sharon Park follows this essay with guidance on how to incorporate housing units into rehabilitated historic buildings.

The Preservation Tax Incentives program is one of the most important tools to the thousands of communities that participate in the national historic preservation partnership. The tax credits have been important to the national parks as well. Guy Lapsley describes several key tax credit projects in parks or adjacent to them, including Grand Canyon National Park, Lowell National Cultural Park, the Presidio, and Independence National Historical Park. These projects provide visitor services and help protect the environment around parks.

The Main Streets of America have been beneficiaries of thousands of tax credit projects. These include often modest buildings that serve as anchors in small communities, as well as whole groups of commercial buildings that pro-

From "The New Urban Agenda"

"While a $1 million rehabilitation expenditure would cost the Treasury $200,000 in lost tax revenues, it would at the same time generate an estimated $779,478 in wages. Taxed at 28%, the investment would produce $218,254 in federal tax revenue. Corporate income, capital gains, and real estate taxes would further complement gains in household income tax. Thus, while the Congressional Joint Committee on Taxation estimates that restoration of the credit [to its status prior to the Tax Reform Act of 1986] would result in a loss of $1.4 billion in federal revenue from 1993–1998, these offsetting factors make the Historic Rehabilitation Tax Credit a largely self-funding program. Best of all, it would provide cities with much-needed private investment capital for redevelopment and housing."

—Mayor Edward G. Rendell
City of Philadelphia
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vide character and definition to central business districts. Numerous tax credit projects have been undertaken in cities and towns that are participants in formal Main Street programs associated with the National Trust for Historic Preservation, as well as many that are using the Main Street lessons without formal ties to the national program.

In his essay on former "white elephants," Michael Crowe describes the process by which "problem" historic buildings have found new life in successful adaptive uses. Turning schools, mills, churches, and departments stores into housing, entertainment facilities, and restaurants is an important aspect of historic rehabilitation work because it is unlikely that the original uses could have continued. Rather than having the buildings sit vacant, these white elephants have been turned into "white knights."

The Preservation Tax Incentives program also has been a critical tool in ensuring the continued life and use of landmark buildings that appear in standard architectural textbooks. Rosemary Infante describes the use of the tax credit in the rehabilitation of the famed Rookery Building in Chicago, Union Station in Washington, DC, and the New Amsterdam Theater, part of the world famous Times Square area in New York City. These are the "icons" of American architectural history that might not have been so carefully rehabilitated without the Preservation Tax Incentives program.

The Rehabilitation Tax Credit is one of the most important tools in the preservation "toolbox." It also has served to spur broad community interest in historic preservation. In their article on Wisconsin's experience with the tax credit program, Jim Sewell and Brian McCormick describe the tremendous spin-off effect that is felt throughout the state. Not only did the state enact its own historic preservation tax program, it also established the Wisconsin Main Street program and encouraged a more sensitive treatment of all historic properties in the state.

In her second essay, Sharon Park outlines how National Park Service experience with the program over two decades provided the basis for developing technical assistance, while Kay Weeks describes the evolution of the Technical Publications Services publications series. These publications have become indispensable references because they provide guidance not only for tax credit projects, but also for the treatment of historic properties throughout the nation and abroad.

Finally, David Listokin and Michael Lahr describe the studies on the economic benefits of historic preservation that they are undertaking with the New Jersey Historic Trust, with funding from the National Center for Preservation Technology and Training, Natchitoches, Louisiana. This project and its resultant reports will provide more ways to analyze the impacts of the Rehabilitation Tax Credits.

The Preservation Tax Incentives program often has been described as "one of the most successful urban revitalization tools implemented by the federal government." These essays are a testimony to this statement.

—Antoinette J. Lee
National Park Service

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