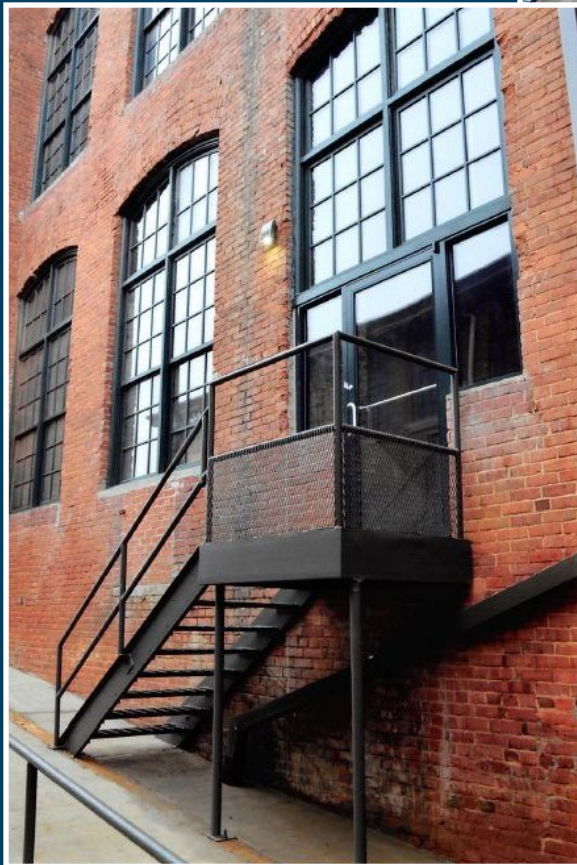


SOUTH CAROLINA DEPARTMENT
OF ARCHIVES & HISTORY
State Historic Preservation Office

HISTORIC TAX CREDIT PROGRAMS
ANNUAL REPORT
FY 2016-2017



STATE HISTORIC PRESERVATION OFFICE
8301 PARKLANE ROAD
COLUMBIA, SC 29223
SCDAH.SC.GOV

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HISTORIC TAX CREDIT ANNUAL REPORT: FISCAL YEAR 2016-2017

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Introduction

THE SOUTH CAROLINA DEPARTMENT OF ARCHIVES AND HISTORY State Historic Preservation Office (SHPO) has had a very busy year! Fiscal year (FY) 2016-2017 has seen an increase in both income-producing (36%) and residential (7%) tax credit applications over the previous year. The SHPO received **54 new tax credit project applications** from twelve counties, covering all seven congressional districts. Historic tax credit projects continue to make a significant contribution to the South Carolina economy with over **\$180 million dollars** in total project costs spent by tax credit projects completed in FY 2016-2017. Together, these applicants **earned a combined \$48.4 million dollars in historic tax credits**.

The SHPO office is responsible for reviewing applications for income-producing projects seeking the 20% Federal Historic Tax Credit and/or the 10% (optional 25%) State Historic Tax Credit, and applications for residential projects seeking the 25% Historic Residential Tax Credit. Each tax credit program is a 3-part application process. The applications for the income-producing projects are denoted with a P, and the applications for residential projects are denoted with a S. The first part of the application process is the *determination of eligibility* with a P1 or S1 application. The second part is the *description of work* submitted for review on a P2 or S2 application. The third part is *certification of the project* once the work is complete and is submitted via a P3 or S3 application. During the course of the project, if the proposed work is revised, added, or removed from the project scope a P2 Amendment or S2 Amendment form must be submitted to the SHPO for review. In FY 2016-2017, the SHPO reviewed **116 total** P1, P2, P2A, and P3 tax credit applications for income-producing projects and **80 total** S1, S2, S2A, and S3 tax credit applications for residential projects.

In addition to conducting application reviews, the SHPO team has been working hard to inform the public about tax credit opportunities for historic properties in South Carolina. We have traveled to various locations throughout the state to present on tax credit programs at conferences like the Traditional Building Conference in Charleston,

to preservation organizations like Historic Rock Hill, and to graduate students studying Historic Preservation at the College of Charleston/Clemson University joint Graduate Program.

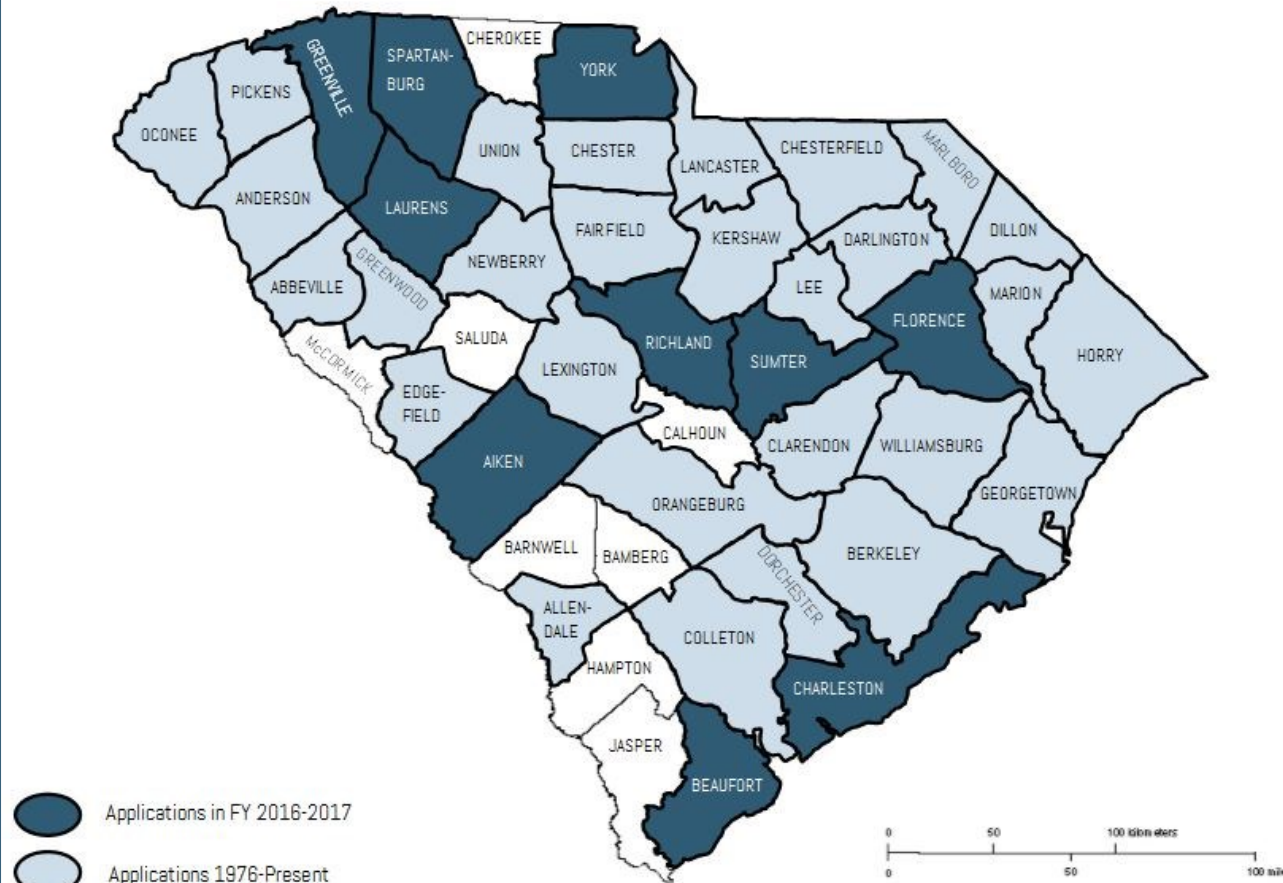
Over the last year, the SHPO has increased our attention to the potential impact of sea-level rise on historic buildings seeking tax credits. Our staff members attended several conferences and workshops throughout the year to learn about appropriate resiliency measures. In FY 2016-2017 we began an examination of our current tax credit design standards to evaluate how tax credit projects may accomplish mitigation efforts like elevating buildings. We also established working relationships with key officials in the cities most affected by sea-level rise. Evaluation, connections with city/county staff, and possible revision of our tax credit standards will continue into the next fiscal year.

The SHPO staff examined the application and review processes for historic tax credits and identified ways to increase ease of submitting an application and ways to decrease application review time. We implemented several internal changes to our review process which will result in quicker review times for project applicants for both the Federal and State historic tax credits. **The average application review time decreased from 26.7 days in FY 2015-2016 to 18.9 days in FY 2016-2017.**

The following report provides greater detail on the income-producing and residential historic tax credit applications from FY 2016-2017. Thank you to the property owners that have participated in the historic tax credit programs in years past. If you have questions about the tax credit programs please visit our website at scdah.sc.gov, contact Dan Elswick at 803-896-617 with questions about income-producing projects or contact Pam Kendrick at 803-896-5938 for questions about residential projects.

INCOME-PRODUCING TAX CREDIT OVERVIEW

FEDERAL HISTORIC TAX CREDIT PROGRAM



41

Number of years the federal HTC has been available

38

Number of counties that have submitted applications

\$738M

Est. Total Eligible Rehabilitation Costs since 1976

\$148M

Est. Tax Credits earned through the 20% federal HTC

\$24.2M

Est. Tax Credits Earned through the 10%/25% S.C. HTC

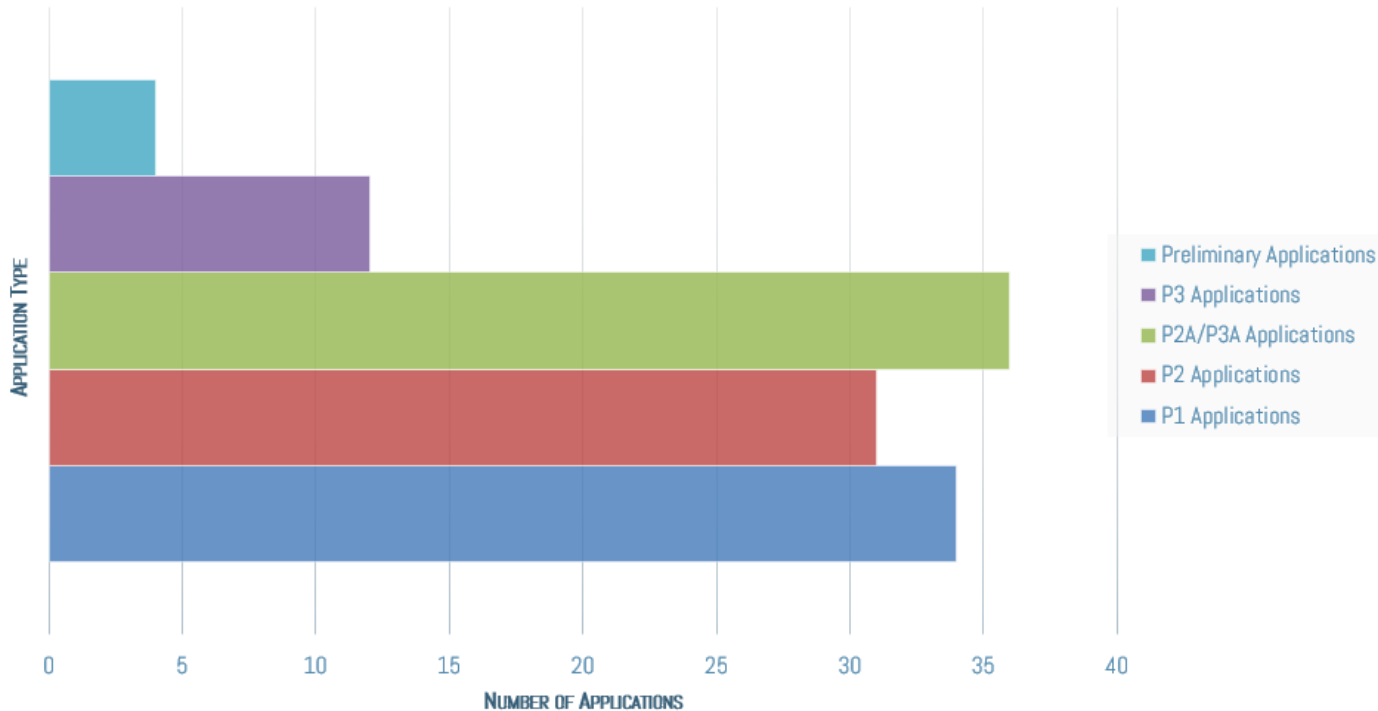
HTC = Historic Tax Credit

All numbers shown are approximate

INCOME-PRODUCING TAX CREDIT STATS

| Fiscal Year 2016-2017 |

FEDERAL HISTORIC TAX CREDIT REVIEWS
FY 2016-2017



36%

Increase in reviews
from FY 15'-16'
(incl. amendments)

34

New Projects
(P1/P2 Applications)

12

Completed Projects
(P3 Applications)

\$176M

Total
Project
Costs (P3)

\$35.2M

Est. Fed.
Tax Credits
Earned

\$47.9 MILLION IN TAX CREDITS EARNED

\$12.7M

Est. SC Tax
Credits
Earned

All numbers shown are approximate

INCOME-PRODUCING TAX CREDIT PROJECTS

| Completed* in Fiscal Year 2016-2017 |



Palmetto Compress, 612 Devine Street

Columbia, SC

\$28 Million Total Project Cost

Current Use: Apartments



Trolley Barn, 649 Meeting Street

Charleston, SC

\$4.5 Million Total Project Cost

Current Use: Education



Bailes-Collins Building, 208-210 Trade St

Greer, SC

\$550,000 Total Project Cost

Current Use: Mixed-Use

* Some projects pending final approval from the National Park Service

INCOME-PRODUCING TAX CREDIT PROJECTS

| Completed* in Fiscal Year 2016-2017 |



BEFORE



AFTER

26 Parkwood (Above)

Charleston, SC

\$353,000 Total Project Cost

Current Use: Rental Property

Brandon Mill, 25 Draper St.

(Right) Greenville, SC

\$20.9 Million Total Project Cost

Current Use: Apartments



BEFORE



AFTER



BEFORE



AFTER



AFTER

Miller Bros Cotton Warehouse (Above), 705 West Gervais Street

Columbia, SC

\$214,000 Total Project Cost

Current Use: Commercial



BEFORE



AFTER



AFTER

Gibbes Museum of Art (Above), 135 Meeting Street

Charleston, SC

\$15 Million Total Project Cost

Current Use: Museum

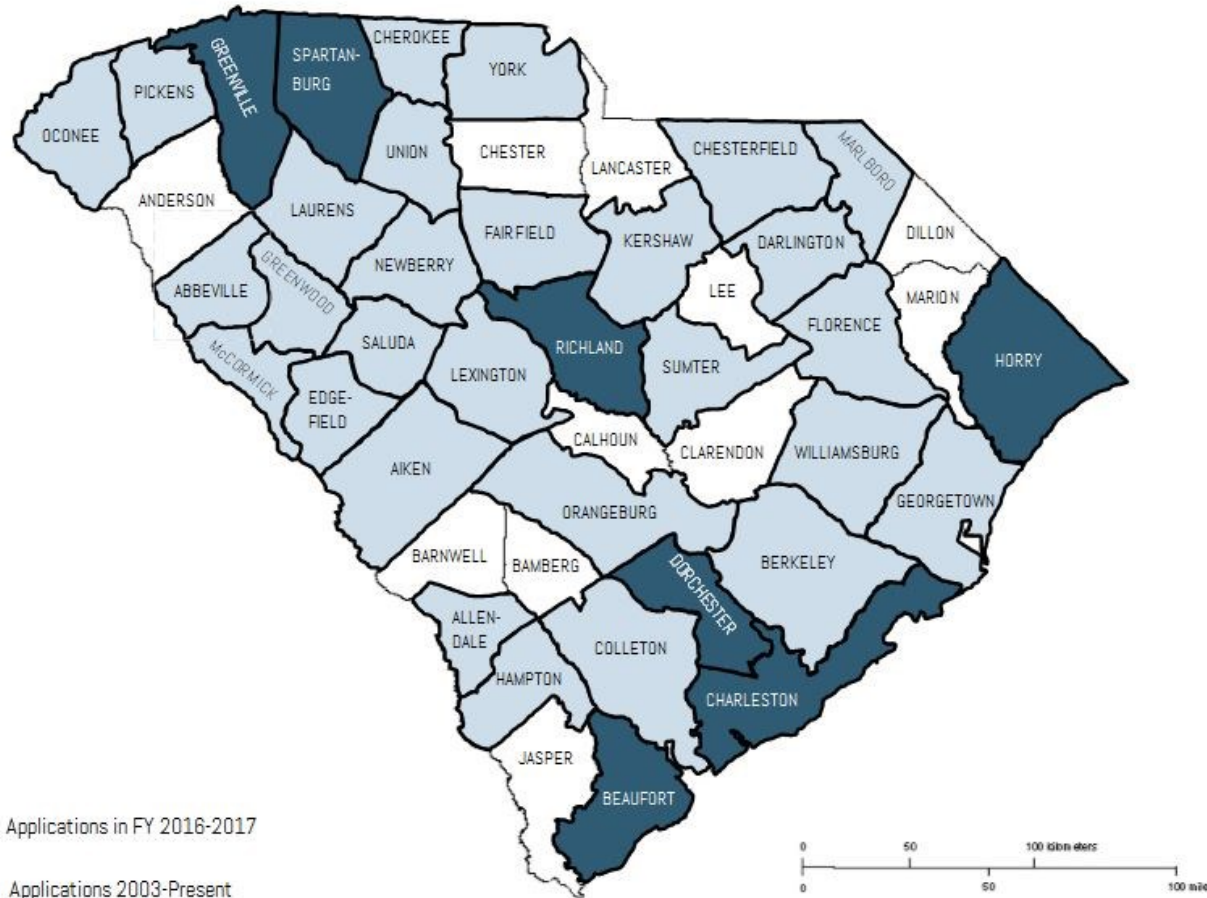


AFTER

* Some projects pending final approval from the National Park Service

HOMEOWNER TAX CREDIT OVERVIEW

HOMEOWNER TAX CREDIT PROGRAM



14

Number of years the tax credit has been available

35

Number of counties that have submitted applications

\$89.6M

Total Project Costs since 2003

\$43.6M

Est. Total Eligible Rehabilitation Costs since 2003

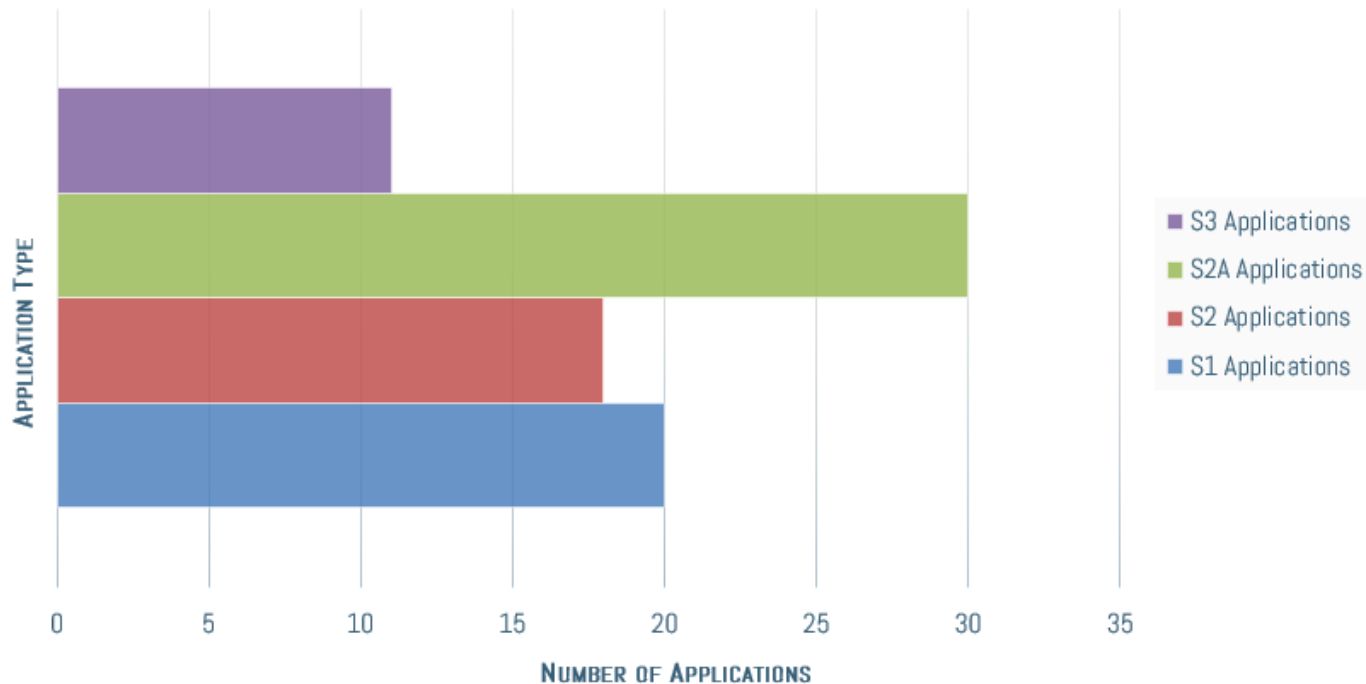
\$10.9M

Est. Tax Credits earned since 2003

HOMEOWNER TAX CREDIT STATS

| Fiscal Year 2016-2017 |

HOMEOWNER TAX CREDIT REVIEWS
FY 2016-2017



7%

Increase in reviews
from FY 15'-16' (incl.
amendments)

20

New Projects
(S1/S2 Apps)

11

Projects
Completed
(S3 Apps)

\$4.5M

Total
Completed
Project Costs

\$2.0M

Total
Eligible
Rehab Costs

\$511,555 IN TAX CREDITS EARNED

All numbers shown are approximate

HOMEOWNER TAX CREDIT PROJECTS

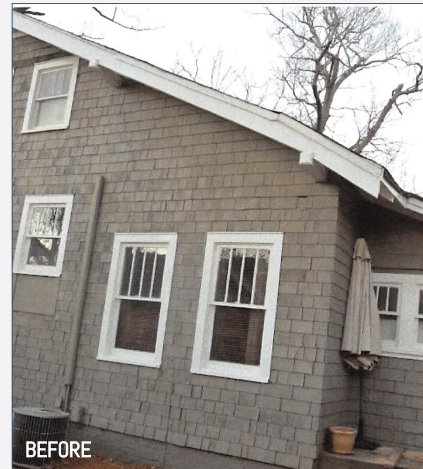
| Completed in Fiscal Year 2016-2017 |



Kuhne-Drews House, c. 1915
Hampton Park Terrace, Charleston, SC



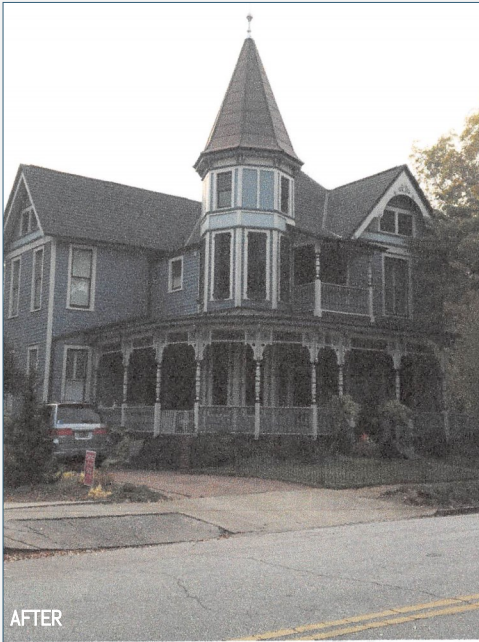
Residence, c. 1884-1886
Charleston, SC



Residence, c. 1920
East Park Historic District, Greenville, SC

HOMEOWNER TAX CREDIT PROJECTS

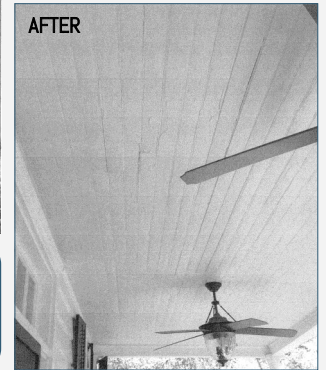
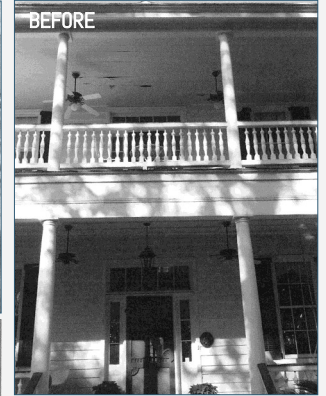
| Completed in Fiscal Year 2016-2017 |



J.M. Geer House, c. 1892
Greenville, SC



Rhett House, c. 1882
Summerville, SC



Residence c. 1909-1910
Charleston, SC



Brushy Creek, c. 1836
Greenville, SC





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