



SOUTH DAKOTA STATE HISTORICAL SOCIETY

Department of Tourism and State Development

September 1, 2010

PW091410-05

900 Governors Drive | Pierre, SD 57501-2217

Phone 605-773-3458 | Fax 605-773-6041 | www.history.sd.gov

Aaron Costello
City Council Liason, Rapid City CLG
921 11th St
Rapid City, SD 57701-3528

Re: Financial Incentives for Rehabilitation of Historic Buildings
Application Deadline Nov. 1, 2010 for State Property Tax Moratorium

Dear Mr. Costello,

To promote the cultural and architectural heritage of South Dakota, I am writing to you about the financial incentives for historic preservation for use by the citizens of your community, and to introduce myself as the new Restoration Specialist that administers these programs.

“Why should my town care about historic preservation?” It promotes tourism and brings in revenue dollars for your town. As we have moved into the 21st century, we have watched our world get smaller and more complex through faster communication, and better transportation systems for goods and services. As more corporate chain businesses moved into our communities, our architecture has become homogenized, affecting the places we live, work and shop. The stores have become big boxes that are no longer personal, our homes have become “cookie-cutter-vinyl-covered-oatmeal-colored,” and the majority of our office buildings have no memorable character that leaves us feeling flat. We are a nation that has lost too much of our individual character in our communities.

What makes my town special? We need to look at our historic downtown to see where it all began, and re-discover that it is unique, along with the older neighborhoods that surround it. In some towns, these areas have been well kept and preserved, and in other towns, these things have been neglected. In well cared for towns we find neat little shops in unique historic buildings, with local restaurants in charming historic settings in which to dine, and neighborhoods with creative old house designs in towns that attract visitors and customers. We can have communities with the *revenue generating aesthetic of tourism and historic preservation working together hand-in-hand.*

What do the tax incentive programs do? The Federal Tax Credit Program gives your citizens a **20% tax credit** for rehabilitating income producing historic properties. This gives them a wide variety of uses or adaptive reuses for historic buildings! This is their chance to be creative and



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Office of Tourism TravelSD.com
Governor's Office of Economic Development SDreadytowork.com
Tribal Government Relations SDtribalrelations.com
Arts Council artscouncil.sd.gov
State Historical Society history.sd.gov
Housing Development Authority SDHDA.org

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think about generating income through small businesses in your community. *What's the catch?* The rehabilitation has to meet the *Secretary of Interior's Standards*, which are *10 easy factors* to follow to create a successful rehabilitation. In addition, the property owner has to agree to own and maintain the historic building they have rehabilitated for 5 years. The State Property Tax Moratorium program gives property owners an **8-year property tax moratorium**, which gives them more money to invest in rehabilitating their property. The state program can also be used for non-income producing residential properties. *What's the catch with the state program?* The property owner needs to promise to maintain the building for that 8-year period. In both instances, ***the buildings need to be listed in the National Register of Historic Places.***

We have three staff members (divided by region, NE, SE and W) at the South Dakota Historic Preservation Office that are ready, willing, and able to assist the citizens of your community with the National Register nomination process. I am the dedicated staff member to assist your community members with applying for the State and Federal tax incentive programs. I will serve as their guide throughout the process.

If you think about it, ***by implementing historic preservation ideals in your town, everyone wins!*** You get to have a rejuvenated downtown district, more commerce for small business owners, more money being spent in your community, and a broader tax base to support community essential services and special projects. Historic preservation will create a better quality of life for your town's inhabitants by helping to ***increase property values*** over the long term, ***strengthen your local economy*** and achieve a more attractive, livable community.

Why keep giving your hard earned money to some nameless, faceless big box corporation based in another state? You can help your neighbors and yourself by taking advantage of these programs!

Enclosed please find a copy of ***"Historic Preservation Tax Incentives"*** published by the National Park Service for your review. Please share this information with your small business owners, historic home owners, your historic preservation commissions (if applicable) and with the city building and zoning permit personnel. ***The more we talk about this subject, the more we can accomplish in our communities across the state.*** The contacts in our office are as follows:

Paul Porter, Restoration Specialist (605) 773-6005, Paul.Porter@state.sd.us
Federal and State Tax Incentive Programs

Jennifer Brosz, Historic Preservation Specialist (605) 773-2906, Jennifer.Broz@state.sd.us
National Register Coordinator Northeast Region

Jason Biggins, Historic Preservation Specialist (605) 773-6056, Jason.Biggins@state.sd.us
National Register Coordinator Southeast Region

Chris Nelson, Historic Preservation Specialist (605) 773-3103, ChrisBNelson@state.sd.us
National Register Coordinator West Region

Thank you very much for your time and consideration of our programs. Visit
www.history.sd.gov and click on "historic preservation" to learn more. Thank you.

Best regards,



Paul Porter

Restoration Specialist