

# of Preservation Historic Winchester, Inc.



Spring 2008

Volume 31, No. 1

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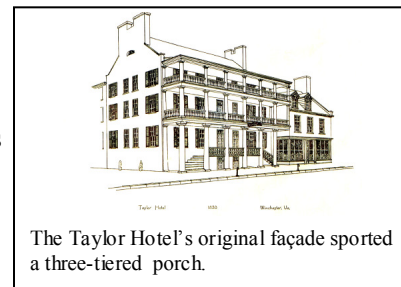
## UPDATE FRANKLIN WRIGHT

### 404-418 SOUTH KENT STREET

As you know, PHW filed suit to prevent the demolition of these buildings. While the suit is pending, the demolition cannot proceed. We have no estimate presently when the suit may be resolved. We have been informed these properties are under contract for sale to an undisclosed buyer, with closing expected by the end of March. When the identity of the buyer is learned, we will contact the new owner about the plans for these properties.

### TAYLOR HOTEL

The owner proposes to restore the three-tiered columned façade familiar to those who have seen representations in Mort Künstler's Civil War scene of Stonewall Jackson's entry into Winchester on May 25, 1862.



The Taylor Hotel's original façade sported a three-tiered porch.

### NEW ARCHITECTURAL INVENTORY

PHW was instrumental in obtaining and conducting the first Architectural Inventory of the Historic District in 1976, which in turn was key to the establishment of the District and its placement on the National Register. Now, PHW once again has been instrumental in obtaining a new/updated inventory. We entered into a cost-sharing arrangement with the City in successfully applying for a DHR grant to conduct a new survey, which will take three years to complete. The survey is currently underway. The results of the survey will be on file with both PHW and the City, and will be available to our members.



The Old Church Wall at Mt. Hebron Cemetery has been stabilized. Landscaping and grounds repair is ongoing.

### OLD CHURCH WALL

Stabilization and restoration of the Wall has been completed, though landscaping and grounds repair is ongoing. PHW contributed \$15,000 to the effort, and several of you have separately contributed. Grace Lutheran still needs help reaching its fund-raising goals so it's not too late for you to help. Please send contributions to Old Church Wall Fund, Grace Lutheran Church, 26 W. Boscawen Street, Winchester, VA 22601. Please make note of your PHW affiliation.

### RECEPTION FOR THE NEW CITY MANAGER

On February 19, PHW hosted a reception at the Hexagon House for Winchester's new City Manager, Brannon Godfrey. Many of you took the opportunity to meet Mr. Godfrey and welcome him to our community. As Spring does, Mr. Godfrey's investiture brings hope and promise. We look forward to working with Mr. Godfrey in pursuing PHW's charter. ♦

### INSIDE THIS ISSUE

Tax Credits	2
Got (Good) Junk?	2
Historic Plaques	3
What Have You . . .	3
Holiday House Tour	4

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# HISTORIC REHABILITATION TAX CREDITS

RICHARD BELL

Historic Rehabilitation Tax Credits have been a deciding factor in a number of local redevelopment projects. Not from the standpoint of how to put more money to the bottom line for the person or entity doing the project (though nothing is wrong with that) but, in reality, it is the factor that has made many projects supportable enough to even get off the ground. The fact is that without the state and federal tax credit program we would not have the benefit of much of the redevelopment of properties within the Historic District.

Tax credits are a wonderful tool to educate those considering a redevelopment of eligible property. To not use them is often leaving a good bit of money just sitting on the table. Eligibility is not all that complex. First, the property must be approved as a contributing property in an existing historic district. Second, "... the rehabilitation must be substantial. That is, during a 24-month period selected by the taxpayer, rehabilitation expenditures must exceed the greater of \$5,000 or the adjusted basis of the building and its structural components. The adjusted basis is generally the purchase price, minus the cost of land, plus improvements already made, minus depreciation already taken." (IRS Code). Unless the proposed renovation is a "band aid" project, or the unfortunate and all too common problem of people paying way too much for properties in need of redevelopment, most projects will qualify.

How much money are we talking about? Well, of the Qualified Rehabilitation Expenses (QRE) you can use 20% of that value as a tax credit for federal income taxes, and 25% of that value for Virginia income taxes. What defines a QRE? I won't bore you with details in this article but suffice it to say it covers a broad range of expense, both inside and outside, even including architectural fees and the application fee for the tax credit application itself. So, as an example, your redevelopment project creates \$100,000 in QREs. With 20% for Federal taxes and 25% for Virginia taxes the incentives amount to about \$45,000! As you can see, the magnitude of these numbers can impact the viability of many projects.

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## GOT (GOOD) JUNK?

Do you have architectural gewgaws moldering in your attic or basement? Why not donate these items to PHW? For several months, PHW has discussed starting a local architectural salvage service to recycle unwanted but useable items. Architectural salvage is a "green" way of recycling bits and pieces of older buildings, keeping these relics in the community and in use. All agree that this is an excellent idea and a service that is lacking in Winchester. Recently, Stan Corneal, Cee Ann Davis, and Darla McCrary were appointed to a committee to investigate starting such a service.

The first task is to determine if there is enough "stuff" to stock a salvage service. Contact PHW so one of our Board Members can evaluate your items. All donations to PHW are tax-deductible. You have nothing to lose through your generous donation of items that are taking up space in your attic or basement. Donate today!

Contact the PHW office at (540) 667-3577 or [phwi@verizon.net](mailto:phwi@verizon.net) if you would like to donate. ♦

One additional benefit that redevelopment projects have experienced is that the combined federal and state tax credits actually provide an economic incentive to invest in higher quality material and equipment. As an example, if you are installing a heating and cooling system and the top of the line in energy efficiency and durability costs you \$10,000 more, the net increase to the project is only \$5,500 when the tax credits are factored into the equation. Often the energy and maintenance savings makes this a fairly easy decision if you think in terms of total project lifecycle and not just what do I need to do to finish the @%\$& project!

Now tax credit projects are not for everyone. It requires a certain level of investment in pre-planning as well as time and energy and financial resources to track and adhere to the guidelines and approval process. This program does not support doing projects "on the fly". It also does not support developers who don't like being "told what to do" on their projects. I have successfully completed four tax credit projects to date with a total tax benefit of over \$750,000 with another project in the planning phases. In my personal experience the process has been pretty manageable and the guidelines and requirements have been fairly reasonable with enough flexibility to make most projects succeed.

In summary, I would encourage PHW and its membership to work to educate the market as to the benefits of Historic Rehabilitation Tax Credits. Through this process we all can win with redeveloped buildings following historic guidelines. Isn't that what we are all about?

The Federal program is managed by the Department of the Interior through the National Park Service - <http://www.nps.gov/history/hps/tps/tax/>

The Virginia program is managed by the Department of Historic Resources - [http://www.dhr.virginia.gov/tax\\_credits/](http://www.dhr.virginia.gov/tax_credits/) ♦



Is your basement or attic a wash in spare architectural parts?

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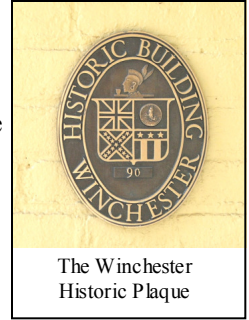
## HISTORIC PLAQUES TO CELEBRATE OUR HERITAGE

Have you ever wondered how buildings in the Winchester Historic District come to have historic plaques? These plaques are awarded once a year, during the first Board of Architectural Review (BAR) session in May, to coincide with nation-wide celebrations of National Preservation Month. The National Trust for Historic Preservation will commemorate the 2008 National Preservation Month with the theme of *This Place Matters*. While each year's theme is new, the idea behind the National Preservation Month remains the same: Celebrating the country's diverse and irreplaceable heritage by participating in local events throughout the nation.

The process of awarding Winchester Historic Plaques is fairly straightforward. The BAR considers the eligibility of buildings with several points in mind, mainly that the building should have architectural and/or historic interest to justify consideration, contributes to the streetscape, is well-maintained and shows sensitiv-

ity in prior restorations. Substantially altered or reconstructed buildings and those in a state of disrepair may not be eligible.

If you would like to apply for your historic home or office to proudly sport a plaque and join approximately 130 buildings with this honor in the Winchester Historic District, download a PDF form from the Winchester City Government (at <http://www.winchesterva.gov/planning/documents/hplqappl.pdf>) or visit the Planning and Zoning Department at Rouss City Hall. For more information on the Historic Building Plaque guidelines, visit <http://www.winchesterva.gov/planning/documents/hplqguide.pdf>. The PHW office is ready to help you research your building's history for your application. Remember: Applications must be filed before **April 1** for consideration for the 2008 session! ♦



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## WHAT HAVE YOU BEEN DOING, PHW? RICHIE PIFER, JR.

As I move in to my second year as a member of the PHW Board of Directors, I reflect on the reasons I wanted to join an organization with an incredible track record of preservation in the Winchester area. However, at that point PHW seemed to be in period where membership and activity was relatively static. Thus, I went on a mission of due diligence to determine what PHW was truly about and in what direction they were heading.

Without a doubt, PHW in years past had successfully worked to preserve an integral part of Winchester's local history, but had not for quite some time been on the front lines of local preservation on such a grand scale as years past. By no means am I implying that PHW was not engaging its members within the organization and community with preservation initiatives, but simply, PHW was focusing on itself as an organization and what action it needed to take in order to operate dynamically, adjusting to the current social and economic trends of the area. If an organization or an individual does not adapt to current environmental conditions, their mere existence is threatened.

One of the many questions I'm asked on a regular basis is, "What does PHW do besides the Holiday House Tour?" Some would be quick to point out that they feel there is nothing else PHW does besides the house tour. However, I urge those to pause and look deeper into what PHW is doing. PHW might not be purchasing properties by the dozen for historic preservation, but they did make an attempt to purchase numerous properties on S. Kent Street. Upon further examination, we see that a new tour series began in 2007, Winchester Underground, which started when a single person, who was not yet a member of the organization, made a suggestion to have an event to allow people to tour and learn about areas they may not ordinarily be able to visit. The event was an enormous success thanks to the initial idea, local groups opening of their facilities and a board of directors who deeply wish to expand the presence and education of preservation

at work. The tour series will continue in 2008 with locations potentially including S. Kent Street and other local buildings and infrastructure that the public would typically not have access to.

There are a handful of other larger events including saving the Old Church Wall at Mt. Hebron Cemetery, in which PHW successfully worked alongside Grace Lutheran Church and other members of the community to save. There is also the re-surveying of the Historic District where PHW teamed up with the City of Winchester and Department of Historic Resources to better document the historic fabric of our community.

Then, there are many other activities that occur on a daily basis that are not as grandiose as those previously mentioned and much less well known (if at all), but still keep PHW in the limelight of preservation. PHW has worked to save historic stone walls, historic building material and supplies, build its databases of suppliers and contractors so that PHW can better assist its members and the general public with historically appropriate repairs and construction. We've also been working to build our relationship with other organizations in the community as well as committees and boards of the City of Winchester itself. PHW is working harder at trying to maintain and enforce its covenants on many of its properties. There have been numerous examples where this difficult and tedious work of Franklin Wright has come to fruition. Examples of these houses include: 707-711 S. Loudoun Street and 220 S. Kent Street.

PHW also has a presence at all BAR meetings where we are constantly monitoring and interacting as required with various requests of property owners in the historic district. Over the last twelve months, other than the annual meeting and Underground tours, PHW (co) hosted four other events!

(cont. page 4)

