



## Department of Development

**Ted Strickland**, Governor  
**Lee Fisher**, Lt. Governor  
Director, Ohio Department of Development

November 30, 2007

Honorable Bill Harris, President, Ohio Senate  
Honorable Jon Husted, Speaker, Ohio House of Representatives

Dear President Harris and Speaker Husted:

We are pleased to provide you the first annual report of the Ohio Historic Preservation Credit program. This report tracks the first year of this recently enacted program to rehabilitate historic properties across Ohio.

The Ohio Historic Preservation Tax Credit ("OHPTC") program was enacted by the General Assembly on December 13, 2006 (Sub. H.B. 149). The legislation became effective on April 4, 2007. The legislation created a two-year pilot program to be implemented during FY 2008 and FY 2009. The Ohio Department of Development ("ODOD") was tasked with the responsibility of administering the program, with the assistance of the Ohio Tax Commissioner ("Commissioner") and the Ohio Historic Preservation Office ("OHPO").

The OHPTC legislation required the Director of ODOD and the Commissioner, beginning on December 1, 2007, to submit to the President of the Ohio Senate and to the Speaker of the Ohio House of Representatives an annual report containing (1) an overview of the program, (2) the number of rehabilitation tax credit certificates issued during each application period, (3) an update on the status of each building for which an application was approved, (4) the dollar amounts of tax credits approved, (5) and any other information that the Director or Commissioner deem relevant to the topics addressed in the report.

### Overview of the Program

The owner of a historic building may apply to the Director of ODOD for a tax credit certificate. The tax credit can be applied to the owner's personal income tax, corporate franchise tax, or dealers-in-intangibles tax liability. The credit is available for both commercial properties and non-commercial properties. The credit is equal to 25% of the owner's qualified rehabilitation expenses incurred to rehabilitate the historic building. "Qualified rehabilitation expenses" are hard construction costs that meet the requirements of the US Secretary of the Interior's Standards for the Rehabilitation of Historic Properties, along with certain soft costs. The tax credit is fully refundable (but is not transferable), must be claimed after rehabilitation work is completed, and must be taken within the first tax year after a tax credit certificate is issued.

Administrative regulations to implement the program were developed by ODOD, in consultation with the Commissioner and OHPO. The regulations became effective on June 18, 2007. Application forms were developed by ODOD in consultation with the Commissioner and OHPO. Forms were made available on June 22, 2007 on the Ohio Historic Preservation Tax Credit website (<http://www.odod.state.oh.us/edd/ohptc>). The first date that applications could be filed was Monday, July 2, 2007. Applications were filed with, and logged by, OHPO as of the date and time that the application was received. A copy of each application was required to be filed by the applicant with ODOD.

Both the statute and the administrative code require applications to be reviewed by ODOD in the order in which they were filed with OHPO. ODOD is given some discretion within the statute and the administrative rules to deviate from reviewing applications in the order in which they were filed to ensure that a mixture of high and low cost applications are approved. In the administrative code, ODOD defined "low cost" as those applications

whose estimated qualified rehabilitation expenses were below the statewide average qualified rehabilitation expenses of approved federal historic preservation tax credits during the preceding five years. Of the 103 applications filed as of November 19, 2007, only three (3) of the applications are such "low cost" applications.

The OHPTC legislation permits the Director of ODOD to approve not more than 100 applications per fiscal year. Approval of an application requires the Director to find that:

- The applicant is the fee simple owner of the building described in the application.
- The building is listed on the National Register of Historic Places; is located in a registered historic district and is certified by Ohio's Preservation Officer as being of historic significance to the district; or is listed as a historic landmark by a certified local government.
- The rehabilitation work as described in the application is consistent with the United States Secretary of the Interior's Standards for Rehabilitation.
- The issuance of an Ohio Historic Preservation Tax Credit is a major factor in the applicant's decision to rehabilitate the historic building or to increase the level of investment in the rehabilitation of the historic building.
- Rehabilitation of the historic building will result in a net revenue gain in state and local taxes once the historic building is used.

To measure the extent to which rehabilitation of a historic building will result in a net revenue gain in state and local taxes ODOD, in consultation with the Commissioner, developed a cost and benefit ("CB") model for measuring net revenue gain. Applicants were required to submit detailed information regarding the existing tax base at the building and projected tax revenues that would result from the rehabilitation of the building. Future (projected) tax revenue is based on the intended post-rehabilitation use of the building. A hypothetical calculation illustrating the CB analysis was included in the OHPTC application.

The CB model comprises several variables, each of which were researched and debated in building the model. The final model: (1) uses a 15-year "revenue recovery period" to capture future tax revenue, (2) applies an average discount rate to calculate present value future tax streams to the date of application approval, and (3) treats the cost of the tax credit as "booked" in the year in which the application is approved (the Office of Budget and Management treats the credit as a liability in the approval year). Tax benefits/incentives, including abatement of local taxes, are deducted from tax revenue. An application passes the CB model as long as the net new revenue exceeds the cost of the preservation tax credit by at least 1 cent.

### **Applications Approved During FY 2008**

As of November 13, 2007, OHPO and ODOD received 103 applications for the OHPTC. Fourteen (14) applications were withdrawn. Of the eighty-nine (89) remaining projects, the Director of ODOD approved eleven (11) applications and disapproved three (3) applications, leaving seventy-five (75) applications still pending. A summary description of each application filed is attached to this report. No tax credit certificates have been issued as of the date of this report.

If you have any questions regarding this report, please contact us at your convenience.

Sincerely,



Lee Fisher  
Lt. Governor of Ohio  
Director, Ohio Department of Development



Richard Levin  
Ohio Tax Commissioner  
Ohio Department of Taxation



**Department of  
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ODOD PROJECT NUMBER	PROJECT/BUILDING NAME	CITY	COUNTY	TOTAL ESTIMATED PROJECT COSTS	ESTIMATED QUALIFIED REHABILITATION EXPENDITURES	ESTIMATED TAX CREDIT	TIMELINE: "NON-STAGED" (24 MONTHS OR LESS) OR "STAGED" (60 TO 25 MONTHS)	APPLICATION STATUS AS OF 11/19/2007 *
	Port Clinton City Hall	Port Clinton	Ottawa	\$3,700,000	\$2,500,000	\$625,000	Non-Staged	Complete
	Selle Gear Company	Akron	Summit	\$3,730,395	\$3,207,252	\$801,813	Staged	Approved
	The Gothic Building	Akron	Summit	\$1,500,000	\$1,300,000	\$325,000	Staged	45-day Notice Issued
	Hercules Motors Corporation Industrial Complex	Canton	Stark	\$178,093,209	\$147,847,407	\$36,961,852	Staged	Incomplete-Denied
	Sunshine Cloak Company Building	Cleveland	Cuyahoga	\$7579,720	\$6,472,220	\$1,618,055	Staged	Approved
	M.T. Silver Building	Cleveland	Cuyahoga	\$9,680,000	\$9,005,000	\$2,251,250	Staged	Approved
	Ford Motor Company Cleveland Plant, Cleveland Institute of Art - McCullough Building	Cleveland	Cuyahoga	\$54,285,900	\$22,707,000	\$5,678,750	Staged	45-day Notice Issued
	William Taylor, Son & Co. Department Store - The 668 Euclid Building	Cleveland	Cuyahoga	\$55,992,884	\$85,617,753	\$16,404,438	Staged	Approved
	John Hartness Brown Building	Cleveland	Cuyahoga	\$27,498,200	\$23,023,200	\$5,755,800	Staged	Approved
	Toledo Traction Company Power Station (Water Street Station)	Toledo	Lucas	\$21,943,103	\$12,551,885	\$3,137,971	Staged	45-day Notice Issued
	The Cleveland Athletic Club Building	Cleveland	Cuyahoga	\$23,283,900	\$16,586,400	\$4,146,600	Staged	Approved
	Second National Bank Building	Hamilton	Butler	\$972,608	\$937,888	\$234,472	Non-Staged	Approved
	Howell-Sohngan Building	Hamilton	Butler	\$3,221,764	\$3,106,754	\$776,889	Non-Staged	Approved
	Davis-McCrory Building	Hamilton	Butler	\$1,884,428	\$1,817,158	\$454,290	Non-Staged	Approved
	Hotel Onesto	Canton	Stark	\$6,088,200	\$5,803,200	\$1,450,800	Non-Staged	Approved
	Olney House and Gallery	Cleveland	Cuyahoga	\$4,861,079	\$3,921,079	\$980,270	Staged	45-day Notice Issued
	Higbee House	Cleveland	Cuyahoga	\$813,395	\$788,395	\$197,099	Staged	45-day Notice Issued
	The Hotel Reiger	Sandusky	Erie	\$7200,000	\$7000,000	\$1,750,000	Staged	Approved
	Continental Baking Company	Toledo	Lucas	\$3,678,500	\$2,228,000	\$566,500	Staged	45-day Notice Issued
	Allerton Hotel	Cleveland	Cuyahoga	\$17,629,114	\$8,895,695	\$2,223,924	Staged	Incomplete-Denied
	The Swetland Building	Cleveland	Cuyahoga	\$16,547,818	\$3,585,400	\$896,350	Staged	45-day Notice Issued
	Cleveland Trust Company	Cleveland	Cuyahoga	\$6,050,738	\$4,342,298	\$1,085,575	Staged	45-day Notice Issued
	Union Gospel Press	Cleveland	Cuyahoga	\$20,821,275	\$17,541,145	\$4,385,286	Non-Staged	Complete
	Krathier Block	Cleveland	Cuyahoga	\$1,922,243	\$1,532,993	\$383,248	Non-Staged	Complete
	Neal Terrace Apartments	Cleveland	Cuyahoga	\$6,916,800	\$4,768,900	\$1,192,225	Non-Staged	Complete
	Boulevard Terrace Apartments	Cleveland	Cuyahoga	\$14,229,300	\$9,889,400	\$2,472,350	Non-Staged	Complete
	Colony Theater	Marietta	Washington	\$10,967,983	\$9,262,457	\$2,315,614	Non-Staged	Incomplete-Denied
	Exhibit Builders, Inc. complex, originally the Baehr Brewing Company @ the Odd Fellows Hall	Cleveland	Cuyahoga	\$6,192,302	\$4,968,532	\$1,242,133	Non-Staged	45-day Notice Issued
	Scott A. Rogers Co. Building	Cleveland	Cuyahoga	\$5,912,302	\$5,456,610	\$1,364,153	Staged	Complete
	Liberty Building	Cleveland	Cuyahoga	\$2,077,295	\$1,917,187	\$479,297	Staged	45-day Notice Issued
	Hanna Building Complex	Cleveland	Cuyahoga	\$19,271,000	\$18,459,999	\$4,615,000	Staged	45-day Notice Issued
	Cogswell Hall	Cleveland	Cuyahoga	\$7,174,275	\$2,553,062	\$638,266	Non-Staged	Complete
	Capitol Theater	Cleveland	Cuyahoga	\$6,405,500	\$4,575,000	\$1,143,750	Non-Staged	Complete
	Fort Pique Hotel	Piqua	Miami	\$19,673,703	\$14,702,251	\$3,875,563	Non-Staged	Complete
	Wick Building	Youngstown	Mahoning	\$8,850,000	\$8,150,000	\$2,037,500	Staged	Complete
	Erie Terminal	Youngstown	Mahoning	\$7721,634	\$7,158,133	\$1,789,533	Staged	45-day Notice Issued
	Realty Building	Youngstown	Mahoning	\$8,337,622	\$7,581,121	\$1,895,280	Staged	Complete
	Douglas Hotel	Urbana	Champaign	\$3,500,000	\$3,177,000	\$794,250	Non-Staged	Complete
	Higbee Building	Cleveland	Cuyahoga	\$31,223,000	\$31,223,000	\$7805,750	Non-Staged	45-day Notice Issued
	Terminal Tower	Cleveland	Cuyahoga	\$26,671,335	\$26,671,335	\$6,667,834	Staged	45-day Notice Issued
	Andrew Jackson Residence	Akron	Summit	\$3,200,000	\$2,666,240	\$666,560	Non-Staged	Complete
	Seneca Hotel	Columbus	Franklin	\$23,396,400	\$21,509,400	\$5,377,350	Non-Staged	Complete
	St. Luke's Hospital	Cleveland	Cuyahoga	\$49,295,895	\$45,548,897	\$11,387,224	Non-Staged	45-day Notice Issued
	Amasa Stone Home for the Aged	Cleveland	Cuyahoga	\$8,483,046	\$3,268,116	\$817,029	Staged	45-day Notice Issued
	Dayton Power and Light Company Building	Dayton	Montgomery	\$8,587,000	\$6,192,898	\$1,548,225	Staged	45-day Notice Issued
	C.F.Ware Coffee Company Building	Dayton	Montgomery	\$7,409,806	\$5,132,066	\$1,283,017	Staged	45-day Notice Issued
	Cleveland Club / Tudor Arms	Cleveland	Cuyahoga	\$26,289,091	\$12,460,000	\$4,365,000	Staged	Complete
	Central National Bank / United Office Building	Cleveland	Cuyahoga	\$14,484,138	\$7,180,790	\$1,795,198	Staged	Complete
	McCroly/Kresge/Petrie Plus Buildings	Cleveland	Cuyahoga	\$6,750,000	\$5,515,000	\$1,378,750	Staged	Withdrawn
	FW. Woolworth Building (Haig - Avetisian Building)	Cleveland	Cuyahoga	\$6,785,736	\$4,434,890	\$1,108,723	Non-Staged	45-day Notice Issued
	Shawnee Hotel	Springfield	Clark	\$14,287,743	\$11,921,719	\$2,980,430	Non-Staged	Complete
	The American Can Building	Cincinnati	Hamilton	\$20,315,000	\$18,000,000	\$4,500,000	Non-Staged	Withdrawn



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YMCA	Cleveland	Cuyahoga	\$3,750,000	\$3,100,000	\$775,000	Staged	Complete
John T. Wilson Home and Farm	Peebles	Adams	\$347,900	\$207,900	\$51,975	Staged	45-day Notice Issued
Courtyard	Cincinnati	Hamilton	\$1,891,025	\$1,371,021	\$342,755	Staged	Withdrawn
Belmain	Cincinnati	Hamilton	\$2,115,817	\$1,934,292	\$483,573	Non-Staged	Withdrawn
The Cincinnati Enquirer Building	Cincinnati	Hamilton	\$30,431,907	\$28,569,593	\$7,142,398	Staged	Complete
The Golden Lamb	Lebanon	Warren	\$4,000,000	\$1,757,000	\$439,250	Staged	Complete
East Ohio Gas Company Bldg.	Cleveland	Cuyahoga	\$25,753,000	\$20,060,000	\$5,015,000	Non-Staged	Complete
Marion County Telephone Company Building	Marion	Marion	\$2,750,000	\$2,600,000	\$650,000	Non-Staged	Complete
Cole Avenue Housing Project (Park Lane Manor)	Akron	Summit	\$4,000,000	\$4,000,000	\$1,000,000	Non-Staged	Withdrawn
University Tower Apartments (originally the Sovereign Hotel)	Cleveland	Cuyahoga	\$24,713,383	\$20,081,587	\$5,020,397	Non-Staged	Withdrawn
Hilton Apartments	Dayton	Montgomery	\$523,000	\$523,000	\$130,750	Non-Staged	Complete
Shawnee Hotel	Springfield	Clark	\$14,287,743	\$11,921,719	\$2,980,430	Non-Staged	Withdrawn
Arrow Apartments	Cincinnati	Hamilton	\$1,806,897	\$1,410,784	\$352,696	Non-Staged	Complete
Belmain	Cincinnati	Hamilton	\$2,415,817	\$1,934,292	\$483,573	Non-Staged	Complete
Courtyard	Cincinnati	Hamilton	\$1,891,025	\$1,371,021	\$342,755	Non-Staged	Withdrawn
C.F. Ware Coffee Company Building	Dayton	Montgomery	\$7,409,806	\$5,132,066	\$1,283,017	Staged	Withdrawn
Dayton Power and Light Company Building	Dayton	Montgomery	\$8,587,000	\$6,192,898	\$1,548,225	Staged	Withdrawn
Germania Beer Hall	Cincinnati	Hamilton	\$7,720,898	\$7,164,071	\$1,791,018	Staged	Withdrawn
The AC&Y Building, The Herberich Building	Akron	Summit	\$600,000	\$600,000	\$150,000	Staged	Complete
Ohio Institution For Education For the Deaf and Dumb	Columbus	Franklin	\$14,970,000	\$14,968,986	\$3,742,247	Non-Staged	Withdrawn
Broadwin Condominium	Columbus	Franklin	\$3,522,900	\$2,617,026	\$654,257	Non-Staged	Complete
The American Can Building	Cincinnati	Hamilton	\$20,315,000	\$18,000,000	\$4,500,000	Non-Staged	Complete
Ohio Institution for Education for the Deaf and Dumb	Columbus	Franklin	\$14,970,000	\$14,968,986	\$3,742,247	Non-Staged	Complete
The McCory Building	Cleveland	Cuyahoga	\$3,184,063	\$2,585,156	\$646,289	Non-Staged	Complete
Kresge Building	Cleveland	Cuyahoga	\$2,320,313	\$1,895,781	\$473,945	Staged	Complete
Petrie Plus Building	Cleveland	Cuyahoga	\$1,285,625	\$1,034,062	\$258,516	Non-Staged	Complete
The Metropolitan Building (Chemstress Courtyard Building)	Akron	Summit	\$1,000,110	\$1,000,110	\$250,028	Staged	Complete
Courtyard I	Cincinnati	Hamilton	\$945,515	\$685,511	\$171,378	Non-Staged	Complete
Courtyard II	Cincinnati	Hamilton	\$945,513	\$685,511	\$171,378	Non-Staged	Complete
Cole Avenue Housing Project	Akron	Summit	\$12,500,000	\$12,500,000	\$3,125,000	Non-Staged	Withdrawn
The Lima Trust Company Building	Lima	Allen	\$10,500,000	\$10,500,000	\$2,625,000	Staged	Complete
Glencoe - Auburn Row Houses and Glencoe - Auburn Hotel National Historic District	Cincinnati	Hamilton	\$20,502,507	\$15,995,541	\$3,998,885	Staged	Complete
1419 Vine Street	Cincinnati	Hamilton	\$805,609	\$715,433	\$178,858	Staged	Complete
1417 Vine Street	Cincinnati	Hamilton	\$612,559	\$542,725	\$135,681	Staged	Complete
1413 Vine Street	Cincinnati	Hamilton	\$717,908	\$582,437	\$145,609	Staged	Complete
1411 Vine Street	Cincinnati	Hamilton	\$942,088	\$764,263	\$191,066	Staged	Complete
1405 - 1409 Vine Street	Cincinnati	Hamilton	\$2,148,788	\$1,739,817	\$434,954	Staged	Complete
1422 Race Street	Cincinnati	Hamilton	\$969,149	\$831,191	\$207,988	Staged	Complete
1418 Race Street	Cincinnati	Hamilton	\$1,151,666	\$1,008,895	\$252,224	Staged	Complete
1412 - 1416 Race Street	Cincinnati	Hamilton	\$1,019,570	\$860,413	\$215,103	Staged	Complete
1406 - 1416 Race Street	Cincinnati	Hamilton	\$1,908,056	\$1,615,308	\$403,827	Staged	Complete
1400 - 1404 Race Street	Cincinnati	Hamilton	\$2,240,150	\$1,891,290	\$472,823	Staged	Complete
1422 Pleasant Street	Cincinnati	Hamilton	\$384,542	\$321,476	\$80,369	Non-Staged	Complete
1411 Pleasant Street	Cincinnati	Hamilton	\$555,806	\$483,617	\$115,904	Non-Staged	Complete
1420 Race Street	Cincinnati	Hamilton	\$627,490	\$569,821	\$142,455	Staged	Complete
Erie Building	Cleveland	Cuyahoga	\$7804,684	\$4,375,888	\$1,093,972	Non-Staged	Withdrawn
Erie Building	Cleveland	Cuyahoga	\$7804,684	\$4,375,888	\$1,093,972	Non-Staged	Complete
Park Lane Manor (Cole Avenue Housing Project)	Akron	Summit	\$12,500,000	\$12,500,000	\$3,125,000	Non-Staged	Complete
1311 Vine Street	Cincinnati	Hamilton	\$776,889	\$714,826	\$178,707	Staged	Complete
Germania Beer Hall	Cincinnati	Hamilton	\$6,808,797	\$6,433,430	\$1,608,358	Staged	Complete
Carlisle Building	Chillicothe	Ross	\$3,948,114	\$3,000,846	\$750,212	Non-Staged	Complete

\* ODD assigns a "status" to each application. "Pending" means that the application has been received. "Complete" means that the application has been checked by OHPO and by ODD and has been found to contain sufficient information to proceed with the review and evaluation of the application. "45-day Notice Issued" means that ODD or OHPO has determined that an application is deficient in some manner, or that additional information is required. If the deficiency is not resolved, or if the additional information is not provided, the application is subject to denial. "Approved" means that the application meets the requirements of the OHPTC program and that the historic preservation project is authorized to proceed. "Incomplete-Denied" means that the application does not meet the requirements of the OHPTC program. "Complete - Certificate Issued" means that the approved project has been completed and that a Tax Credit Certificate has been issued. "Expired" means that the application was not approved during the fiscal year and therefore expired by operation of law at the end of the fiscal year.