

2017 Most Endangered Historic Places in Illinois

Federal Historic Tax Credit

Statewide



Credit: Gary Anderson Architects

The Federal Historic Tax Credit (FHTC) is at risk! This vital incentive is encouraging the reuse and rehabilitation of historic buildings throughout the nation. In Illinois, from 2002 to 2015, the National Park Service approved and the Internal Revenue Service awarded \$509 million in federal historic tax credits. The 253 completed projects statewide have leveraged over \$2.5 million in historic redevelopment, an estimated \$3 billion in total development and created approximately 40,000 jobs (17,000

construction jobs and 23,000 permanent positions).

A top priority of the House Ways and Means Committee of Congress is to release a tax reform bill that lowers the corporate income tax and eliminates many tax credit programs. Targeted for elimination is the FHTC program – the backbone of historic preservation efforts throughout the nation and our state. If eliminated, it would bring a virtual halt to historic rehabilitation projects in Illinois.

In addition to revitalizing communities and spurring economic growth throughout the nation, the FHTC returns more to the Treasury than it costs. The Treasury receives \$1.20-\$1.25 in tax revenue for every dollar invested. According to a study by the National Park Service, since inception, \$23.1 billion in federal historic tax credits have generated more than \$28.1 billion in federal tax revenue from historic rehabilitation projects.

Several key projects in Illinois are in the planning phase and dependent on the FHTC for gap financing in order to be successful. They include:

Hotel Belleville
16 S. Illinois Street
Belleville, St. Clair County

In 2016, developers announced plans to invest \$12 million in the vacant Hotel Belleville to convert the historic building into ground-floor commercial and upper-story senior housing. While previous efforts at redevelopment had failed, Landmarks Illinois helped to have the building determined eligible for the National Register of Historic Places, opening the door to the FHTC. Cited as a critical source of funding for the project, the loss of the tax credits would halt this project and place the Hotel Belleville's status back in jeopardy.



Credit: Landmarks Illinois



Credit: Landmarks Illinois

Bresee Tower
4 N. Vermilion Street
Danville, Vermilion County

In late 2016 and early 2017, developers toured the vacant former office tower in downtown Danville and are considering options for rehabilitation. The high-rise building's slender floor plan creates a challenge to make a rehab project profitable, and incentives like the FHTC are key components toward making a project possible. Recent discussions have appeared to be the most promising since the building closed in 2006, but could stall without the FHTC.

Chic Manufacturing Building
1001 SW Adams Street
Peoria, Peoria County

Building off of the excitement surrounding several recent rehabilitation projects in Peoria's Warehouse District, local developer The Kim Group, Ltd., is targeting the Chic Manufacturing Building as the next project in the historic district. The 40,000-square-foot building would be converted to retail/restaurant and office space on the



Credit: IHPA

first floor with apartments on the second and third floors. The FHTC and the pilot State Historic Tax Credit have spurred revitalization throughout the Warehouse District and are essential tools for the rehabilitation of the Chic Manufacturing Building and other projects in the district.



*Proposed Ziock Building reuse
Credit: Gorman & Company*

Ziock Building

416 S. Main Street

Rockford, Winnebago County

The largest privately funded rehabilitation project in Rockford history is nearing final approval (as of April 6, 2017). Built in 1913, and tied to the knitting and knitting machine industry that launched major commerce at the top of Illinois, the 13-story, 225,000-square-foot manufacturing facility was named for William Ziock, Sr. A development agreement with Gorman & Company,

Inc., expects to transform the existing structure into a Hilton Embassy Suites Hotel featuring 160 guest suites, restaurant, swimming pool, business center, retail space and a 12th-floor cocktail lounge with open-air deck and private dining areas. The project positively impacts the city and the region by bringing jobs, new economic activity and acts as a catalyst for further investment and businesses. It satisfies a long-standing need for hotel rooms to serve entertainment venues in the city core and the nearby UW Health Sports Factory (96,000 square feet of basketball and volleyball courts and amenities) that attracts 50,000 new visitors a year. New development attached to the hotel includes a state-of-the-art conference center. The project would not be possible without the federal and state historic tax credit portions that combine with other components of the capital stack.

What you can do:

- Reach out to your U.S. Representative: U.S. Rep. Danny Davis and U.S. Rep. Peter Roskam are Illinois members of the House Ways & Means Committee. Please contact your U.S. Representative and ask him/her to reach out to these Illinois members. Ask your member of Congress to let these members know that the FHTC program is vital to the economic health of Illinois. Encourage Illinois committee members to protect the FHTC as the Ways and Means Committee considers tax reform. Also encourage your members of Congress to vocalize their support for the FHTC as the House of Representatives work toward final passage of comprehensive tax reform.
- Please encourage you U.S. Representative to support H.R. 1158, which would improve the FHTC and make it more easily usable for smaller, main street projects. ([PDF](#))

Additional Links:

- The FHTC is often layered with Low Income Housing Tax Credits and state level historic tax credits to provide needed gap financing for the rehabilitation of historic buildings with challenging budgets and markets. Below are examples of successful projects that have layered the FHTC with other important incentives.
 - [Related Companies for Parkway Gardens Homes: Outstanding For-Profit Neighborhood Real Estate Project](#) (Chicago Neighborhood Development Awards, 2014)
 - [Parkway Gardens Homes – A successful project that used federal historic and low-income housing tax credits together](#)
 - “New Aurora senior living center called 'a gem',” *Aurora Beacon-News*, Jan. 31, 2017: <http://www.chicagotribune.com/suburbs/aurora-beacon-news/news/ct-abn-aurora-stcharles-st-0201-20170131-story.html>
- FHTC Fact Sheet ([PDF](#))
- FHTC Improvement Act fact sheet ([PDF](#))
- FHTC Letter of Support from Peoria Mayor Jim Ardis ([PDF](#))