



City of Boyne City
Founded 1856

319 N. Lake Street

Boyne City, Michigan 49712
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BOYNE CITY HISTORIC DISTRICT COMMISSION

Tuesday February 19, 2013, 7:00 p.m.
Boyne City Hall
319 North Lake Street

1. **CALL TO ORDER AND ROLL CALL**
2. **APPROVAL OF MINUTES**
Minutes of the July 11, 2012 special meeting.
3. **PUBLIC COMMENT ON NON-AGENDA ITEMS**
4. **OLD BUSINESS**
5. **NEW BUSINESS**
 - A. Accept the letter of resignation from Mary Dunn
 - B. Election of Officers
 - C. Federal tax credit information
6. **ANNOUNCEMENTS**
7. **ADJOURNMENT**
8. **NEXT MEETING: April 16, 2013**



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*INDIVIDUALS WITH DISABILITIES REQUIRING AUXILIARY AIDS OR SERVICES IN ORDER TO PARTICIPATE IN MUNICIPAL MEETINGS MAY
CONTACT THE BOYNE CITY HALL FOR ASSISTANCE:
CINDY GRICE, DEPUTY CLERK, 319 NORTH LAKE STREET, BOYNE CITY, MI 49712. (231) 582-0334.*

SPECIAL MEETING
BOYNE CITY
HISTORICAL DISTRICT COMMISSION
July 11, 2012

Call to Order: 10:07 am

Present: Wellman, Hewitt, Bandy, Dunn.

Not Present: Sheets

Guests: Lisa Beeman, Giles Litzener and Dale Jacobs.

Approval
of Minutes: Minutes of the May 22, 2012 meeting, Wellman motioned to accept, Dunn second, all ayes.

Public Comment: None

Old Business: None

New Business: Review certificate of appropriateness for 429 Pearl St., refer back to Dan Chapp-property owner to include both properties, need application for both not just one.

Consumers Power review of plans to relocate utility poles. Jacobs informs those present that the plan is to do improvements with little impact to street.

Discussion continued on location of current poles and a review of proposed sites for new poles. Discussion regarding having service placed underground. Litzener will get back to us with an estimate on underground service, further discussion we would still need poles for the other utility services such as cable, and phone. We would need price from these other utility company on going underground. Cost was a big concern and it was mentioned that perhaps we see if any money would be available from Main Street. Costs for cable and phone would also need to be sought out to get true overall cost.

Use current poles and upgrade them and remove pole with service coming across river.

Tree trimming concerns, make sure they only remove what is necessary to help maintain look.

447 Pearl is planning to put service underground.

Restoration on river bank location will be done once the pole is removed. Consumers to notify homeowner in advance.

Tree trimming debris to be removed by Consumers.

Litzener will contact Hewitt when he has new information on prices for underground and updated proposal of pole locations.

Announcements: Dunn presented letter of resignation.

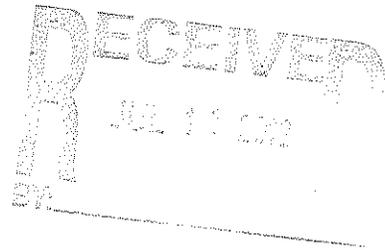
Adjournment: Bandy motioned to adjourn at 10:55 am, second by Wellman, all ayes.

Next Meeting: October 16, 2012

July 11th 2012

I, Mary Dunn, am submitting
my resignation as a member of
the Historical district commission,
due to a conflict of interest with
my friends and neighbors on
Pearl Street.

Mary Dunn



FEDERAL TAX CREDITS

Federal tax incentives are available to stimulate private investment in the rehabilitation of income-producing historic buildings. The State Historic Preservation Office administers provisions of the Tax Reform Act of 1986 in partnership with the National Park Service. The Tax Reform Act of 1986 establishes:

- A 20% tax credit for the substantial, certified rehabilitation of certified historic structures for commercial, industrial and rental residential purposes,
- A straight-line depreciation period of 27.5 years for residential property and 31.5 years for nonresidential property for the depreciable basis of the rehabilitated building reduced by the amount of the tax credit.
- Eligible projects may be a 24 month project period or 60 month phased project

Rehabilitation of a historic building is defined as: *The act or process of making possible a compatible use for a property through repair, alterations and additions while preserving those portions or features which convey its historical, cultural, or architectural values.* A **certified rehabilitation** is any rehabilitation that utilizes the Secretary of the Interior's Standards for Rehabilitation to ensure that the historical character of the building is preserved through the process of rehabilitation.

Eligibility Requirements

To be eligible, the building must be a **certified historic structure**, which is any building that is listed individually in the National Register of Historic Places, or located in a National Register Historic District and certified as being of historic significance to the district (also called a contributing structure). It may be a commercial, industrial or income-producing residential building, but cannot be an owner-occupied residence.

The rehabilitation project must also meet a **substantial investment requirement**. The minimum expenditures must be greater than the adjusted base of the building.

Adjusted base is calculated accordingly:

Purchase price minus land value, plus improvements and minus depreciation. Example:

| | |
|----------------------------------------------------|-----------------|
| Purchase price of property and land: | \$100,000 |
| Minus land value (determined by assessor's office) | - \$10,000 |
| Plus improvements | + \$20,000 |
| Minus depreciation | - \$30,000 |
| Minimum rehab expenditure required | \$80,000 |

Terms

- Credits calculated based on capital costs including: HVAC, painting, electrical, plumbing, roof work, new kitchen or bathroom, etc. Also, some soft costs are eligible including architectural drawings and permits.
- Cannot use federal grants for funding of work
- End use must be income-producing.

- Rehabilitation work must be pre-approved by the State Historic Preservation Office
- Rehabilitation work must conform to the *Secretary of the Interior's Standards for Rehabilitation*
- Credits may be carried forward for 20 years on federal income tax returns or syndicated
- Federal rehab tax credits may be used with Brownfield credits, low-income housing, and other incentive programs.

Application Process

- **Part 1** – Verifies the resource is eligible to participate. The State Historic Preservation Office (SHPO) reviews the application and the National Park Services (NPS) makes the determination of eligibility. **Part 1** is sometimes done in conjunction with a National Register of Historic Places application.
- **Part 2** – Provides a description of the rehabilitation project including how and what will be done, including a submission of “before” pictures. SHPO and the NPS review **Part 2** of the application and evaluate the project for conformance with the *Secretary of the Interior's Standards for Rehabilitation*.
These first two parts may be done together and should be done and approved prior to beginning any rehabilitation work. It can take approximately 70 days for approval. Work done in advance of written NPS approval of the Part 1 and 2 applications is done at the applicants' own risk.
- **Part 3** – Request for certification of completed work is submitted when work is complete. The property owner has no timeline compulsion regarding this part of the application. Once approved by SHPO and NPS, the certified rehabilitation project is approved for purposes of the tax credit and both the applicant and the Internal Revenue Services are notified. Like **Part 2**, it can take approximately 70 days for approval of **Part 3**. The property owner may begin to claim the federal tax credits on the first filing after the **Part 3** approval.

For more information about federal tax credits, please contact: Dan Schneider, SHPO program administrator. His contact info is 517-373-7653, SchneiderD2@michigan.gov or SHPO website: <http://www.michigan.gov/hpcredit>



Michigan Historic Preservation Network
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517-371-8080 info@mhpn.org

Field Representative, Nan Taylor
231-920-6901 or taylor@mhpn.org

NATIONAL TRUST FOR HISTORIC PRESERVATION