



Historic Resource Preservation

incentivizing property owners to preserve
historic properties

Middletown Planning Board
Public Workshop Meeting, November 19, 2019



Purpose

- **Comprehensive Plan Goal C-I:** “Save National Register and other historically or architecturally significant properties and natural heritage sites.”
Action Item C-I.A.1: “Adopt ordinances to require historically correct restoration of historic buildings and to discourage demolition or inappropriate use of valuable historic resources.”
- Incentivize owners of historic resources to preserve them
 - Structures
 - Landscapes
 - Sites (e.g. military, cemeteries)
 - Landmarks (e.g. stone walls)
 - Archeological sites





Incentives, not Regulations

- This ordinance does not create a regulatory historic district
- Instead, it encourages good stewardship of historic resources via incentives to property owners
- Property owners may take advantage of the incentives or continue to operate as if nothing has changed





Ordinance Overview

- Creates a Historic Resources Board
- Board creates a Historic Resources List
- Three preservation incentives available
 - 1. Annual Tax Credit
 - 2. Rehab One-time Tax Credit
 - 3. Density Bonus for Developers





Administration

- The Town Council shall appoint a five-member Historic Resources Preservation Board.
- The board shall meet monthly to review applications for incentives and perform its other duties.





Eligible Properties

- The Board shall develop “The Middletown Historic Resources List.”
- Properties on the list shall be eligible for the incentives described in this ordinance.
- The Historic Resources List shall be divided into Primary and Secondary Resources.



Primary vs. Secondary Resources



Primary Resources are eligible for more and greater incentives than Secondary Resources.

- Primary Resources:
 - Historic and architecturally significant structures
- Secondary Resources:
 - Designed Landscapes
 - Sites (e.g. military, cemeteries)
 - Landmarks (e.g. stone walls)
 - Archeological sites

Incentives



#1

Annual Historic Resource Preservation Property Tax Exemption

- Property owners enter a 10-year contract with the Town to preserve their historic resource in return for an annual property tax exemption.
 - Primary: 10% of assessed value exempted
 - Secondary: 5% of assessed value exempted
- Limit: 10% of the Town's median single family property valuation, recalculated annually
- Town to recoup exemption if contract is broken

Incentives



#1

Annual Historic Resource Preservation Property Tax Exemption

- Exterior maintenance and rehab must be approved by the Board
- Property owner may terminate the contract by agreeing to repay property tax exemptions
- Upon sale to new owner the contract is dissolved without penalty, new owners may re-enter new 10 year contract

Incentives



#1

Annual Historic Resource
Preservation Property Tax
Exemption

Maximum Credit

- Town's Median assessed value = \$345,000
- Annual property tax = \$4,744
- Annual 10% tax reduction = **\$474**
- Over 10-year term = \$4740

Incentives



#1

Annual Historic Resource
Preservation Property Tax
Exemption

Ineligible resources

- Stone walls protected by the town's stone wall ordinance (Title IX, Chapter 97) or that have shared ownership between neighboring properties.
- Historic cemeteries, which are offered significant protection under State regulation.
- Historic Resources already protected by deed restrictions, easements, or other preservation methods.

Incentives



#2

Historic Resource Rehabilitation Property Tax and Fee Reduction

- For historically appropriate exterior maintenance on a historic resource
- One-time property tax reduction equal to 10% (Primary) and 5% (Secondary) of the project cost
- Limit: 100% of the property's annual property tax or 100% of the median home's property tax, whichever is less

Incentives



#2

Historic Resource Rehabilitation Property Tax and Fee Reduction

- Must receive a certificate of appropriateness by the Board prior to project (Public Hearing)
- Board issues Certificate of Completeness after project
- 50% reduction of the construction permit fees via the refunding of half of the applicable fees
- May be used after a disaster towards rebuilding if sufficient photographs or detailed drawings are submitted

Incentives



#2

Historic Resource Rehabilitation Property Tax and Fee Reduction

Example

- Assessed Value = \$300,000
- Property tax = \$4,125

- Maintenance Project 1 = \$40,000
- Tax Reduction 1 = \$4,000 (10% of project)

- Maintenance Project 2 = \$60,000
- Tax Reduction 2 = 4,125 (100% of property tax)

Maximum Credit = \$4,744

- Based on median home price of \$345,000

Incentives



#2

Historic Resource Rehabilitation
Property Tax and Fee Reduction

Ineligible project

- Window flower boxes
- Replacement or addition of exterior lighting or flagpoles
- Replacement or addition of fencing or gates on the property of an historic structure

Incentives



#3

Density Bonus

- A developer proposing a Major Subdivision/Land Development Project (6+ units) that elects to preserve and rehabilitate an existing historic structure instead of demolishing it shall be allowed to build one more dwelling than otherwise allowed by zoning.
- Preserved structure must be rehabilitated to historic preservation standards set by the Board.
- Preserved structures shall be subject to deed restrictions prohibiting removal or inappropriate alteration.

Cost



Annual Credit

- Assumptions:
 - median assessed value \$345,000
 - mill rate \$13.74
 - 144 historic structures
 - each receiving the maximum exemption
- Impact on Revenue
 - \$68,310 @ 100% participation
 - \$34,155 @ 50% participation
 - \$17,078 @ 25% participation

Project-Based Credit

- Assumptions:
 - 14 projects annually
 - Half at \$15,000 project cost
 - Half at \$50,000 project cost
- Impact on Revenue
 - \$43,708

Additional Items



- Property owners may receive both the annual property tax reduction and the project-based property tax reduction.
- Enforcement done through Building Official's department
- Publicly-owned resources shall be preserved. If sold, the Town shall ensure preservation in perpetuity.
- The Board may develop additional education or informational programs



Questions?