

North Carolina
MAIN STREET
Community



Mount Airy Downtown, Inc.

Fighting For Historic Preservation

A MAIN STREET INTERVENTION TO SAVE HISTORIC BUILDINGS

Fighting For Historic Preservation:

- Understanding & Guiding Developers through Historic Tax Credits
- Playing the Long Game: Planning & Persistence
- Leaning into NC Main Street, UNCG Main Street Fellows, SHPO, NCDDA, & Other Resources for Assistance
- Preservation's Economic Impact
- Making Lemonade Out of Lemons
- Prioritize Preservation in Your Work Plan



Understanding & Guiding Developers Through Historic Tax Credits

North Carolina Credit for Rehabilitating Income-Producing Historic Structure:

- 15 percent of qualified rehabilitation costs of up to \$10 million for historic income-producing properties; 10 percent for \$10 million to \$20 million; no credit for more than \$20 million.
- 5 percent additional credit with \$20 million project cap for projects located in either Tier One or Tier Two areas or on an eligible targeted investment site on expenditures made prior to Dec 31, 2016.
- Transaction Cap: \$4.5 million, based on \$20 million project of vacant mill in distressed county.

North Carolina Mill Tax Credit for Rehabilitating Income-Producing Historic Mills:

- The mill rehabilitation credit allows a state credit of 40% for a taxpayer who is allowed a federal HTC on QREs of at least \$10 million with respect to the certified rehabilitation of an eligible railroad station. That credit also has a Jan. 1, 2030, sunset date.

North Carolina Historic Preservation State Tax Credits for Non-Income Producing Properties:

- The state offers an income tax credit equal to 15 percent of eligible rehabilitation expenses for properties on National Register or contributing to a National Register-listed Historic District.
- These properties do not qualify for the federal credit. You must apply only for the state credit.
- Transaction Cap: \$22,500

Federal Credit for Rehabilitating Income-Producing Historic Structure:

- To qualify for the 20 percent credit, a building must be a certified historic structure (buildings individually listed on the National Register of Historic Places or listed as a contributing building in a National Register or state or local historic district certified by the Secretary of the Interior.
- The National Park Service determines if a building is a certified historic structure by approving Part 1 of the application.

Historic Tax Credit Resources: NC State Historic Preservation Office



https://www.ncdcr.gov/about/history/division-historical-resources/nc-state-historic-preservation-office/restoration-5



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Historic Rehabilitation Tax Credits

Historic Rehabilitation Tax Credits

Income tax incentives for the rehabilitation of historic structures are important tools for historic preservation and economic development in North Carolina. A federal income tax credit for the rehabilitation of historic structures first appeared in 1976 and today consists of a **20% credit** for the qualifying rehabilitation of **income-producing** historic properties. Since 1976, over **3,100** completed "certified rehabilitation" projects have been reviewed by the N.C. State Historic Preservation Office, representing almost **two billion dollars** of investment in historic properties. The spinoff from all this activity includes job creation, downtown and neighborhood revitalization, improved community appearance, and greater community pride. Historic

Restoration Services

[Assistance for Owners](#)

[Historic Rehabilitation Tax Credits](#)

[Income-Producing](#)

[Non-Income Producing](#)

[The Secretary of the Interior's Standards for Rehabilitation](#)

Historic Tax Credit Resources: NC State Historic Preservation Office



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NCDC Bundle with Historic Tax Credit Option

The Novogradac Community Development Certificate (NCDC) is an education program hosted by Novogradac that focuses on providing an entry-level knowledge base in community development tax incentives including the low-income housing tax credit (LIHTC) and new markets tax credit (NMTC) with an additional course in one of the following community development areas: the historic rehabilitation tax credit (HTC); renewable energy tax credits (RETCs); and the opportunity zones (OZ) incentive.

[Historic Tax Credit Option Curriculum](#)

[About the NCDC](#)

[Pricing](#)

The **Historic Tax Credit Option** for the NCDC is provided as a bundle here.

- [Click here to view the NCDC Bundle with OZ Option](#)
- [Click here to view the NCDC Bundle with RETC Option](#)

ENROLL TODAY

1 seat: \$375.00

\$375.00

NovocoTraining Member Price (individual Member only): \$135.00

[Enroll Now](#)

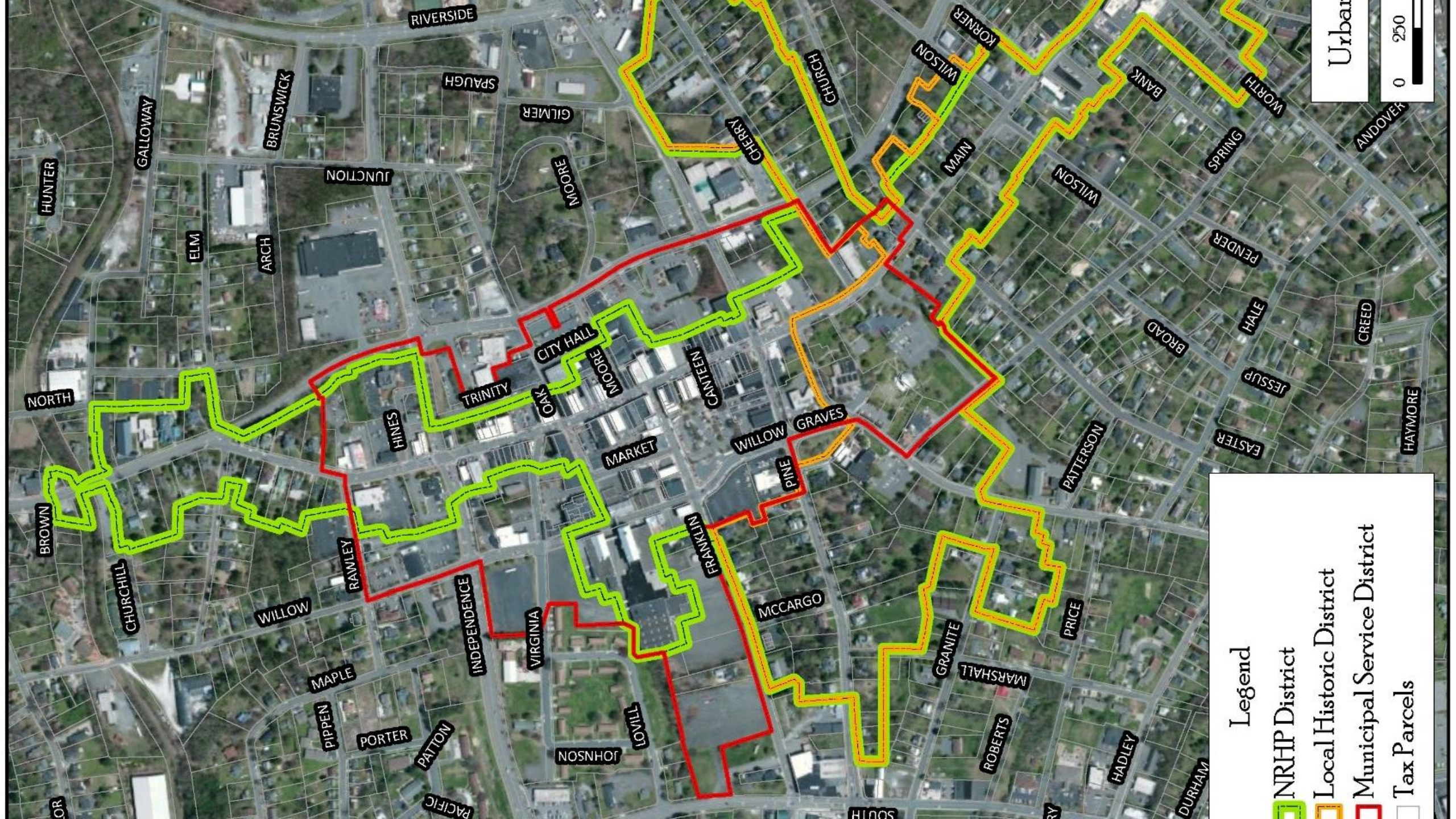
Gift this content (not permitted for NovocoTraining Members)

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Nonprofit organization?

Log in to your dashboard to see nonprofit pricing.



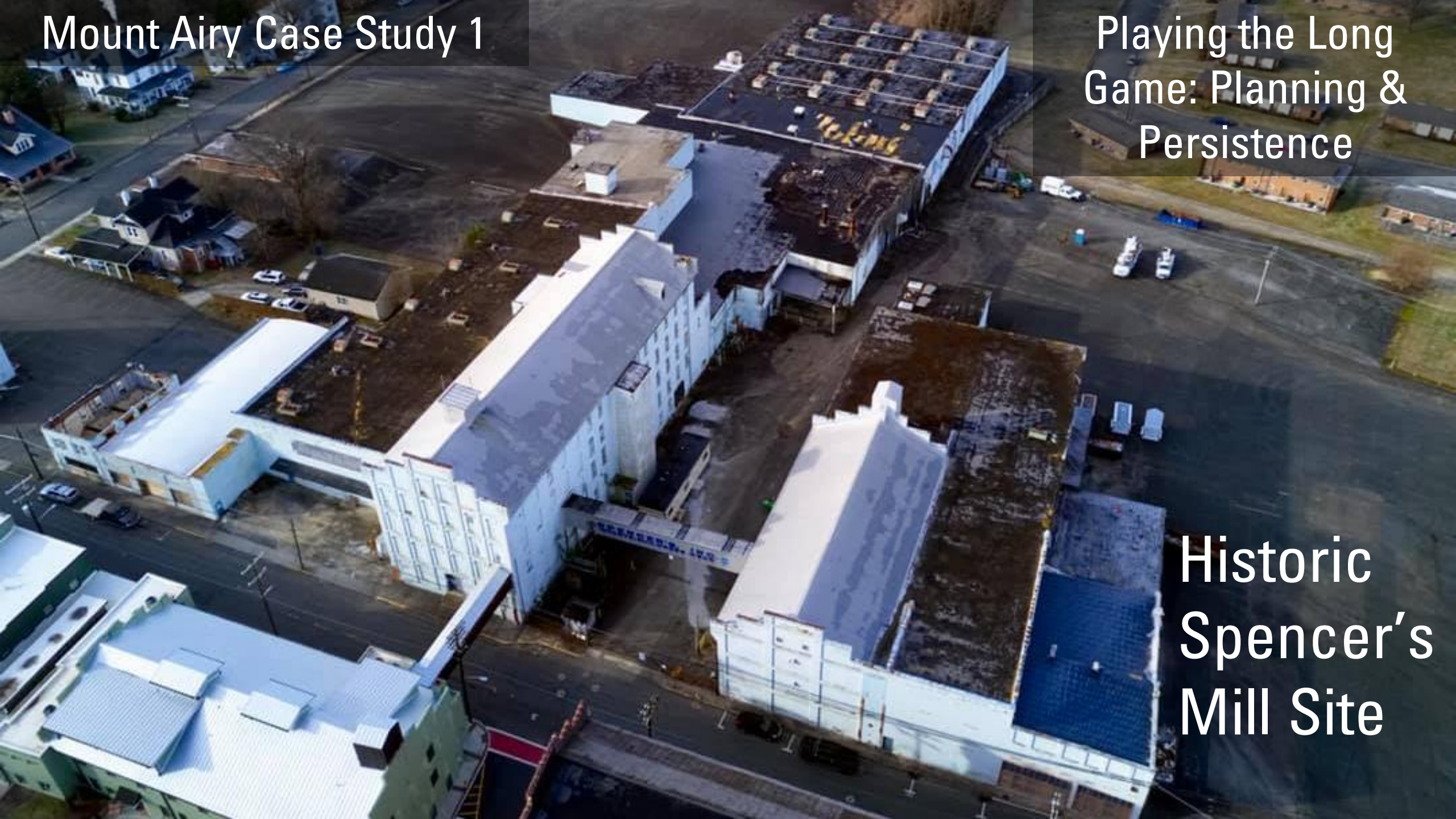
Urban
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Legend

- NRHP District
- Local Historic District
- Municipal Service District
- Tax Parcels

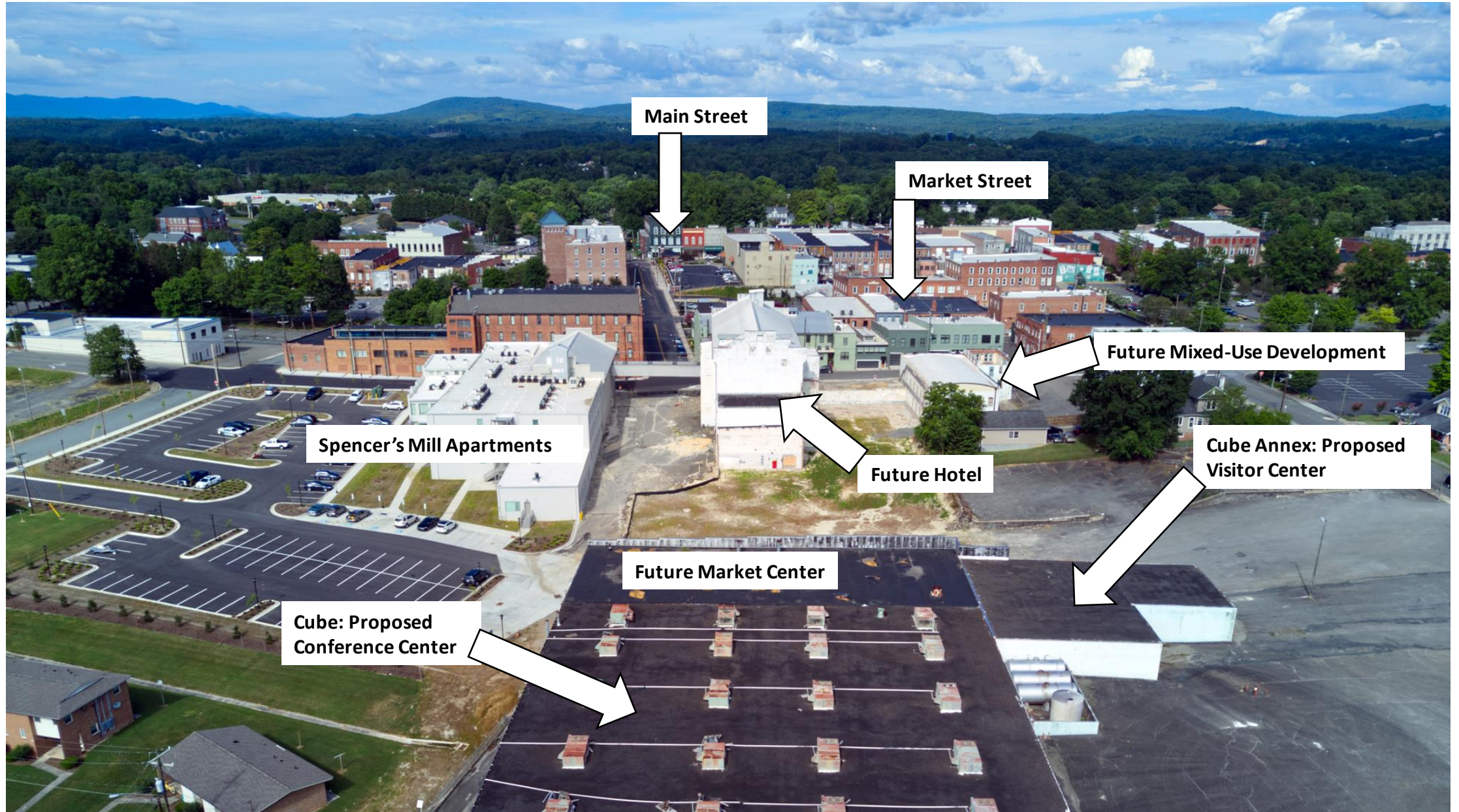
Mount Airy Case Study 1

Playing the Long
Game: Planning &
Persistence



Historic
Spencer's
Mill Site

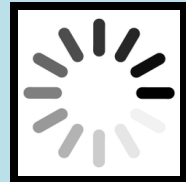
Aerial of Spencer's Mill Looking East to Main Street



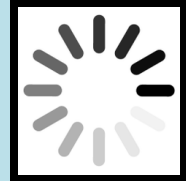
SPENCER'S MILL REDEVELOPMENT INITIATIVE



Phase I: Downtown Residential



Phase II: Hotel & Market Center



Phase III: Visitor & Conference Center

Playing the Long Game: Planning & Persistence: Historic Spencer's Mill

- 2013: MAD, Inc. joins the Main Street Program.
- 2014: MAD, Inc. expands the MSD to include the Spencer's property.
- 2014: The Spencer's property is auctioned off in two parcels: one purchased by local developer, Gene Rees, the other by the City.
- 2014 – 2018: The redevelopment process is driven by the City and a local redevelopment commission made up of volunteers. They recruit an apartment developer, a hotel developer, and a professional theater.
- 2017: Gene Rees completes the Spencer's Loft Condominiums (16 units), \$4.7 Million investment.
- 2018: The City dissolves the volunteer redevelopment commission. Barter Theater negotiations come to an impasse. First hotel developer backs out. The apartment development moves forward.

Playing the Long Game: Planning & Persistence: Historic Spencer's Mill

- 2019: MAD, Inc. funds a conceptual site plan for the Spencer's property. Offers to manage and RFP and the development process on behalf of the City. The City allows MAD to manage the project moving forward.
- 2019: City approves selective demolition of non-historic/unsound structures on the property.
- 2020: Spencer's Mill Apartments are completed (65 units), \$10.5 Million investment.
- 2020: RFP is issued for remaining parcels on the property.
- 2021: Proposal Accepted for Boutique Hotel & Market Center. MAD manages option and development agreement negotiations.
- MAD, Inc. begins planning for phase 3 (remaining buildings on the property) & funds updated conceptual site plan, schematic renderings, and floor plans for a visitor & conference center complex.

Playing the Long Game: Planning & Persistence: Historic Spencer's Mill

- 2021 – 2022: HTC Application Process/Design & Pre-Construction Work for phase 2 (boutique hotel and market center).
- Completion of Willow Street Improvements: Fall 2022
- Developer: Early Work on the Sparger Building, Construction Documents, Codes Applications, Building Permits: Early 2023 – Summer 2023 (Phase II)
- City: Initial Site Work, Finished Grade / Installed Utilities to Accommodate General Construction: Early 2023 – Summer 2023 (Phase II)
- Hotel General Construction and Completion of Site Work: Summer 2023 – Early 2025 (Phase II)
- Hotel Opening: Spring 2025

Phase 1: Before



Phase 1: After

Spencer's Loft Condominiums,
Completed November 2017



Phase I Before





Spencer's Loft Condominiums,
Completed November 2017

Phase I: After

Phase I: Before



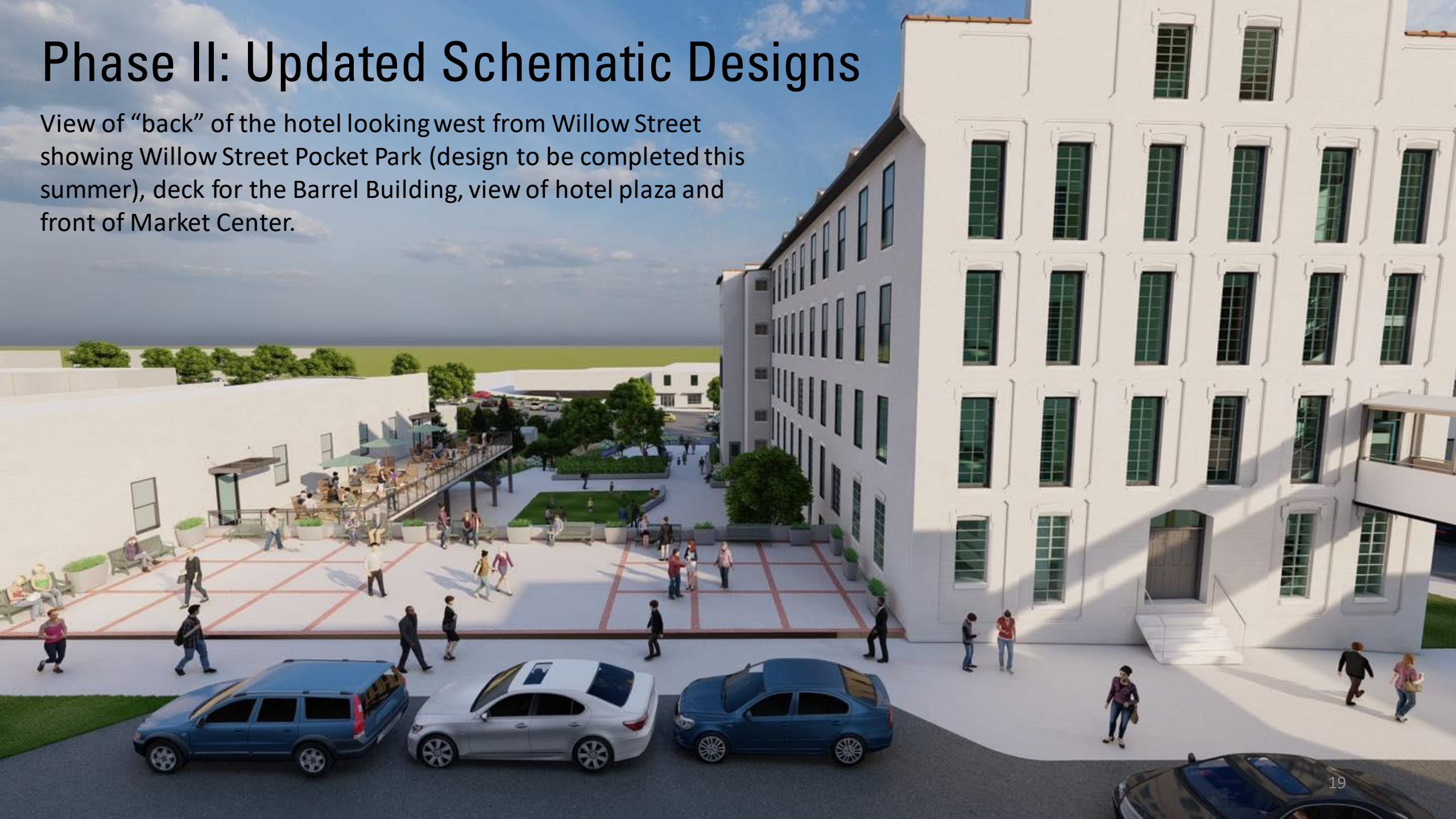
Phase I: After



Spencer's Mill Apartments,
Completed May 2020

Phase II: Updated Schematic Designs

View of “back” of the hotel looking west from Willow Street showing Willow Street Pocket Park (design to be completed this summer), deck for the Barrel Building, view of hotel plaza and front of Market Center.



Updated Schematic Designs

Aerial view looking east showing hotel entrance, rooftop terrace, courtyard, and barrel building porch/rear facade.



Updated Schematic Designs

View of south side and west side (entrance) of hotel showing parking and partial view of Market Center.



Front
MARKET
CENTER

Updated Schematic Designs

Front façade view of Market Center.



Considering the Economic Impacts of the Spencer's Projects

Phase 1 – Residential Developments (Condos and Apartments)

- Private Capital Investment \$15.25 million
- Full Taxable Valuation \$10.71 million
- Annual Discretionary Spending (140 Residents) \$2.52 million

Phase 2 – Hotel and Market Center

- Private Capital Investment \$15.00 million+
- Full Taxable Valuation \$10.61 million+

Phase 3 – Visitor and Conference Center

- Capital Investment (Visitor Center) \$2.00 million
- Capital Investment (Conference Center) TBD

What does managing a large historic preservation project look like?

- A dedicated team willing to see things through.
- Meetings. Meetings. Meetings. MAD had 348 Meetings in 2021. We've had 90 technical meetings on the Spencer's project from September 2021 – June 2022.
- Growing thick skin: carrying the load of political pressure and public criticism.
- Drive the bus – and understand that there will be dead ends and failures. Drop activities and tasks that are keeping you from preserving your historic structures.
- Lobby for partnerships & public investment.



Mount Airy Case Study 2: Kazoku Sushi & Bar

The Kazoku Redevelopment Project was supported through the MAD, Inc. HTC mentorship, a façade grant, and UNCG Free Design Assistance.



Before



After

Kazoku Sushi & Bar

- 2016: MAD, Inc. begins meeting with property/business owner to talk about preservation.
- 2017: MAD submits building to UNCG Main Street Fellows for FREE design assistance.
- 2017: Property owner loves the design and decides the best path forward is to sell the building to someone who could implement the design.

SW 6214
Underseas
Interior
Color Number: 216-C1

SW 0037
Marble Room Grey
Interior / Exterior

SW 2810
Rockwood Sash Green
Interior / Exterior

SW 0038
Library Pewter
Interior / Exterior

SW 2803
Rockwood Terra Cotta
Interior / Exterior

SW 2839
Raymond Copper Red
Interior / Exterior

SW 2802
Rockwood Red
Interior / Exterior

Facade Enhancement Description

121 Franklin St. is a contributing building in the Downtown Wilkesboro Historic District. The two story commercial building was constructed between 1896 and 1900 and has since been significantly altered. The original transom and storefront has been replaced with a metal storefront with flat awning. The upper story features a triple sash window with fanlight and a decorative arched surround.

A conceptual facade rendering for both the street and rear facades is included. A view without the awning is included to illustrate new storefront system. We have included an approximation of the rear facade that addresses window and door openings, however, until more understanding of rear access and use is identified, a more detailed write-up cannot be created. The proposed street enhancements include brick repair, repair of upper story window, removal of existing storefront, installation of new wooden storefront, new paint scheme, awning, lighting and signage. Before any changes are made, it is highly recommended to consult with a structural engineer to inspect and assess the current condition of the building.

All proposed facade enhancements are intended to be consistent with the Secretary of the Interior's Standards for Rehabilitation.

Work Description

- Consult with a structural engineer to inspect and assess the condition of the brick facade and the beam supporting the storefront opening. Once the cause of the stress crack in the brickwork is remedied, repair brickwork as necessary and replace missing or damaged brickwork at cornice and mid-cornice. Ensure any replacement brick matches existing brick in size and texture. Repoint masonry mortar joints as necessary to match the existing mortar joints in strength and profile. For more information on repairing mortar joints, see National Park Service Brief two: <https://www.nps.gov/tps/how-to-preserve/briefs/2-repoint-mortar-joints.htm>
- The rendering illustrates wooden pilasters flanking the new storefront. However, it is not clear whether brick pilasters remain behind the current wood panels on either side of the storefront opening. If removal of the current panels reveals brickwork that was originally a part of the street facade, repair the brickwork as necessary and repaint to match the color of the brick facade.
- Remove existing storefront, flat awning, and wooden panels from transom and plaster area.
- Clean masonry surface of stains and discoloration using the gentlest effective method. It is recommended to first clean with low-pressure water before utilizing a chemical cleaner. Water cleaning should start at the bottom of the building and move towards the top, keeping all surfaces



Existing Facade



Conceptual Rendering with Awning

121 Franklin St., Mount Airy, NC

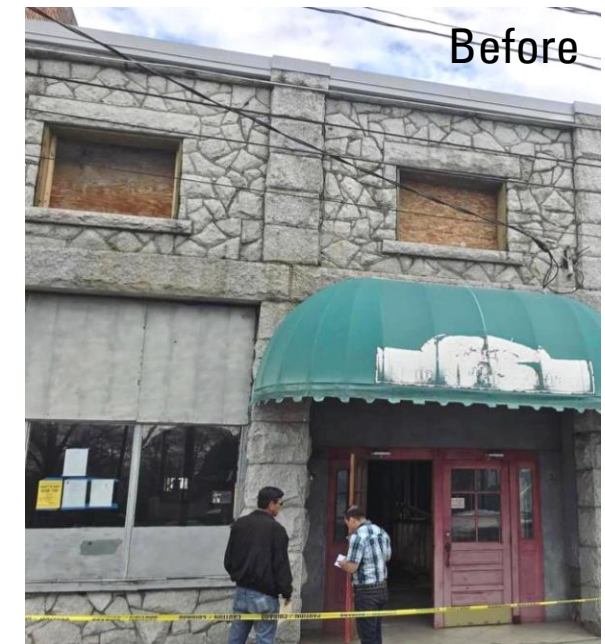
Kazoku Sushi & Bar

- 2017: Building sells to local developer with experience, but not HTC experience.
- 2017: MAD mentored developer through the HTC process.
- 2018: Building reopens as a new sushi restaurant with two Airbnb units upstairs creating 6 full-time and 25 part-time jobs.
- 2018: Developer joins MAD as board member/serves in a mentor role to other property owners.

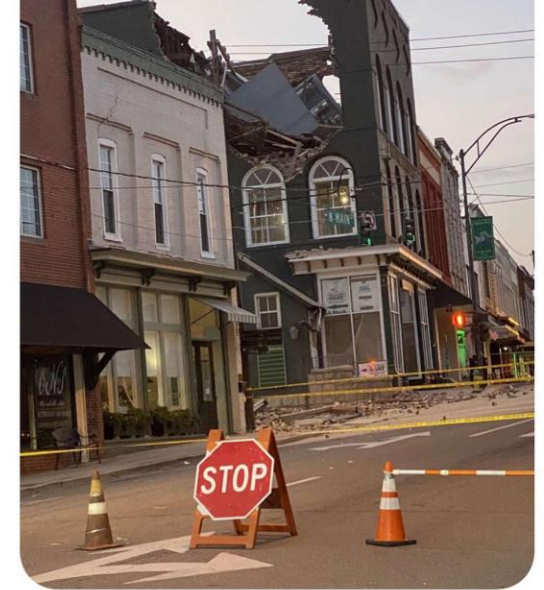


Considering the Economic Impact:

- Following the completion of the project, next door (Adrian's Hairtique) received a MAD, Inc. façade grant and mural grant.
- Soon after, a building directly across the street was purchased and upfitted into a new restaurant (Soho Bar and Grill). This building received a façade grant.
- The Dickson Building was purchased and renovated into 4 new retail spaces. It received HTC mentorship through MAD, a façade grant, and UNCG Free Design Assistance.
- This very small public investment of \$8,000 spurred \$1.55 million in private investment.



Mount Airy Case Study 3: Partial Collapse of the Historic Main Oak Building



Have you seen the emporium??!!

OH NOOOO!!

Grant us the serenity to accept the things we cannot change, courage to change the things we can, and wisdom to know the difference.

Acceptance: We Cannot Change That this Pivotal Building has Collapsed.

HOME > NEWS > Airbnb project eyed for Main-Oak site

Airbnb project eyed for Main-Oak site

October 19, 2021 Thomas Joyce News, Top Stories 0

By Tom Joyce tjoyce@mtairynews.com



The project is planned for the Main-Oak Emporium building at 245 City Hall St. in Mount Airy, which is pictured, and its sister structure, the Main-Oak Building at 248 N. Main St.

October 2021: Two Main Oak Buildings Sell for \$1.7 Million for a phased Airbnb/Mixed Use Redevelopment




July 5, 2022: Sudden-collapse of the Pivotal Main Oak Building causing major structural damage.

Partial Collapse of the Historic Main Oak Building: A Pivotal Historic Structure



The Main Oak Building (Pivotal) was constructed between 1905 and 1910 as the Midkiff Hardware Store. It was a virtually intact three-story, four-bays wide, eight-bays deep brick commercial building with random coursed granite foundation/basement. Prior to the collapse, the building retained its cast iron shop front columns, round arched windows with fanlights, diamond paneled cornice, and recessed double-leaf entrance. The interior retained its row of decorative reeded cast iron support columns and pressed metal coffered ceiling. Information courtesy of the National Register of Historic Places.

The Courage to Change the Things We Can: We CAN Change the Narrative. This Building Is Worthy of Preservation. It Is Our Shared Built Heritage.


 **Downtown Mount Airy is in Mount Airy, North Carolina.**
July 5 at 7:57 AM · Instagram · 🌐

Friends, we are shocked and saddened by the partial collapse of the pivotal and historic Main Oak Building. Please stay away from the corner of Oak St and Main St today as the area is secured. Thank you for your understanding. #downtownmountairy ❤️




182,924 People reached 32,309 Engagements ↑ +16.5x higher Distribution score [Boost post](#)

👍👎👏 Venturing Vippermans and 1.9K others 451 Comments 1.4K Shares

 **Downtown Mount Airy**
Published by Lizzie Morrison · July 5 at 1:43 PM · 🌐

Mount Airy Downtown, Inc. is relieved to know there were no injuries reported and no loss of life occurred with the partial collapse of the Main Oak Building. We feel so fortunate that everyone is okay. At the same time, we are saddened by the sudden partial loss of a pivotal historic building in the Mount Airy National Register Historic District. The Main Oak Building was built between 1905 and 1910 as the Midkiff Hardware Store. It is an invaluable and irreplaceable part of our history here in Mount Airy. The community and visitors alike will be mourning a monumental loss if the front facade cannot be saved. Preservation of our historic structures is of utmost importance to retaining the character, charm, and history of Mount Airy. We will keep you all updated as we receive updated information.

 **Downtown Mount Airy is in Mount Airy, North Carolina.**
Published by Instagram · July 7 at 4:34 PM · Instagram · 🌐

Update on the historic Main Oak Building:
We have received word that demolition is done for now. There is hope that most of the remaining parts of the building can be saved.

Mount Airy Downtown, Inc. and the City of Mount Airy met with the North Carolina Main Street & Rural Planning Center and the State Historic Preservation Office who all share our desire to see the Main Oak Building saved. We have a team in place that cares deeply about preservation of our historic structures. We know how to make lemonade out of lemons. Something good will happen because people here care about this place.

At this time, the official cause of the partial collapse hasn't been released. As soon as we have that information we will share it with you.

*Edit: Major DH Griffin equipment will be moved by tonight, but there will still be a closure in the 200 Block of North Main Street. The area will be secured and sidewalk access will be restored to downtown businesses by tomorrow. PLEASE show them some major LOVE as they reopen. ❤️

This has been and will continue to be a traumatic event in our shared history. The great relief we all feel that no one was hurt or killed is immeasurable. We are SO thankful.


We also see and feel the deep emotional response from the community. Our historic structures represent the physical expression of past generations. Downtown is our built heritage. We have childhood memories from walking these streets and patronizing these shops. Our parents do. Our grandparents do. Our great grandparents do. These historic structures mean so much to all of us. They are our shared community heartbeat. That's why we are all feeling some heartbreak right now. Keep hope. #downtownmountairy


35,985 People reached 7,004 Engagements ↑ +3.4x higher Distribution score [Boost post](#)

👍👎👏 906 65 Comments 158 Shares

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Most relevant ▾

 Comment as Downtown Mount Airy 🗨️ 📷 🧠 🗑️

 **Sherry Vernon Riddle**
My mother bought my tricycle at Midkiff's Hardware around 1952-1953. She said they didn't have one the size she wanted on the sales floor and the sales person had her to ride with him on the freight elevator to the third floor to pick out the one she wanted. I remember riding that tricycle around in the yard and on the driveway.

[Love](#) [Reply](#) [Hide](#) 3w Edited 👍👎 18

The Courage to Change the Things We Can: We CAN Insert Ourselves in the Conversation.
We CAN Push for Preservation.

- If you have a catastrophe, IMMEDIATELY reach out to NC Main Street and the State Historic Preservation Office. Lean into your resources.
- Quickly make contact with the private development team/property owners.
- Communicate with the City.
- Send the message that preservation is of utmost importance.



The Wisdom to Know the Difference: We Knew We Couldn't Overrule the Structural Engineers & the Private Property Owner Who Determined the 3rd Floor Façade & Parapet Wall Needed to be Removed. We Can Push, but Ultimately Cannot Control the Private Developers, Their Lawyers, Their Insurance Adjusters.



What's Next? We Continually Check In with Development Team & City Staff for Updates.
We Will Continue to Advocate for Preservation & Will Serve as a Resource.



Prioritize Preservation in Your Work Plan:

- Your Economic Development Strategies, Goals, and Actions Should Be Preservation-Based.
- Drop the Low Impact Activities & Events that are Holding You Back from High Impact Preservation Work.
- No Amount of Promotional Activity Will Shape Your Brand Like Preserving Your Historic Buildings.

Contact Information:



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336-401-0885

