Imagine tax incentives that would make the rehabilitation of the historic buildings of your downtown enticing to developers and that would spur investment in decaying houses and neighborhoods. Imagine there was no limit to the number of projects that could use these tax incentives, and that each and every project would be undertaken in accordance with the National Park Service’s “Standards for the Treatment of Historic Buildings”.

Now would you be surprised to learn that such incentives already exist? In fact, the Historic Rehabilitation Tax Credits have promoted reinvestment in our historic buildings since 1976! During the past calendar year, the Historic Preservation Office received thirty-eight applications for the incentives, through what is known as the Investment Tax Credit (ITC) Program. Rehabilitation work was proposed in 15 municipalities covering thirteen counties. Yet many...
more projects could have taken advantage of the program, if the property owners had been aware of this important incentive for the preservation of New Jersey’s historic resources.

In this issue of the “Bulletin”, you will learn how the ITC program works and view examples of how it has been used throughout the State. Then you can encourage greater participation in the program by helping us pass the information along to property owners and potential investors who could benefit from the credits.

The historic preservation tax incentives provide a credit of 20% of the cost of the rehabilitation of the historic building. For example, a qualified rehabilitation with an overall cost of $100,000 would generate $20,000 in tax credits. These credits are not a deduction, they are actual credits that can be used to offset federal income taxes owed by the property owner(s). With the recent adoption of New Jersey’s new Rehabilitation Subcode to facilitate the reuse of older buildings, the economic benefits of preserving historic buildings in our state have never been greater.

To be eligible for the rehabilitation tax credits, the building must be historic. That is, the building must be listed individually on the National Register of Historic Places, or listed as a contributing building in a listed historic district within 30 months of claiming the credit. The building must also be used to produce income, whether commercial or residential rental property. The rehabilitation of the building must meet the Secretary of the Interior’s Standards for Rehabilitation. There are also requirements about minimum expenditures, income limits, and passive investment. For complete information, including an application form, call Margaret Westfield at the Historic Preservation Office at 609-984-6014 or e-mail at mwestfie@dep.state.nj.us.

Using a 20% Investment Tax Credit, the Haddon Heights Freight Station was rehabilitated in 1989 for a new use that complemented its location in the middle of Haddon Heights’ commercial main street district. The exterior was restored with new roof, woodwork repairs, masonry repointing, and new double-leaf sash doors in the altered loading dock openings. On the interior, the unfinished brick walls and exposed ceiling structure were retained. Now the “Hair Station,” the old freight station has contributed both to the aesthetics and the economy of the historic district for the past decade.

In Paterson, George McLoof led the rehabilitation of the Cooke Mill which is located in the Society for Useful Manufacturers Historic District. This $10 plus million dollar project rehabilitated the abandoned Cooke Mill into two floors for use as a Medical Center and two floors of affordable housing (the historic preservation tax credits can, and often are, combined with the low income housing credits). According to Mr. McLoof, investors do not think of historic preservation tax incentive projects as real estate deals; rather, the immediate return of 20% on the investment fundamentally alters the sense of the risk of the project. In the case of the Cooke Mill, the value of the credits attracted the investment dollars needed to make the project happen.
Join historic roads advocates from across North America and overseas for four days of tours, educational sessions, dialogue and debate during the second biennial (and only national) conference addressing the identification, preservation and management of historic roads.

Preserving the Historic Road in America will be your opportunity to catch up on the latest information on roadway liability; receive expert advice on developing a preservation plan; or learn the secrets of successful road preservation projects. You will also have the opportunity to visit, firsthand, and with the experts, historic roads in the metropolitan New York region.

Or you may simply decide to stroll one block from the conference hotel to Morristown’s historic square and reflect on cutting-edge engineering alternatives under the new leaves of ancient shade trees.

Whether you are a highway engineer, transportation specialist or historic preservationist, you will benefit from this extraordinary assemblage of people and ideas.
Swedesboro was once a bustling regional center in Gloucester County, but has experienced an economic downturn over the years. While the main street through town, Kings Highway, is still populated by a mix of residential and commercial structures, some of the storefronts are empty, while other businesses struggle to stay open. Yet much of the historic building stock that gives Swedesboro its special character remains, and there is a growing interest in revitalizing the area.

Last spring when the last historic single family home on Kings Highway was put up for auction, I purchased the house with the intention of restoring it as a single family home which I would then rent as an investment property. Knowing that there might be historic preservation incentives of which I might not be aware, I contacted the State Historic Architect, Margaret Westfield, for advice. She suggested that I apply for the Historic Rehabilitation Tax Credit. She explained that it is a reduction of income tax liability equal to twenty percent of the rehabilitation expenditures.

Delighted to learn of this opportunity, I asked what I would have to do. She explained that there are four criteria to be eligible for the tax credit. First, the building must be a certified historic structure. That is, it must be listed individually or as a contributing building in a historic district on the National Register of Historic Places or it must be a contributing building in a designated local historic district that has been certified as substantially meeting the criteria for listing on the National Register. Second, the project must constitute a substantial rehabilitation, meaning it must cost the greater of $5,000 or my adjusted basis in the building (the value of the property not including the land). Third, the building has to be a depreciable property held for use in trade or business as an investment property. Finally, the project must be certified by the National Park Service as having been rehabilitated according to the Secretary of the Interior’s “Standards for Rehabilitation”.

Right away I knew I met criteria two and three. Nearly twenty years of deferred maintenance by the previous owner had left the building looking shabby, allowing serious deterioration of the front porch, as well as brick and mortar deterioration, a dangerously leaning chimney, and an unstable and inaccessible rear porch. Water was beginning to penetrate the five layers of roofing material installed over the past one hundred twenty years. The interior finishes, while almost completely intact, were also in need of some tender loving care. Thus I knew I would have little trouble meeting the financial requirement. As for the use of the building, my intention in buying it was always to restore it and rent it as an investment.

The other two criteria would require some work. Swedesboro, unfortunately, has only recently become interested in protecting its historic resources. A local landmark, Old Swedes Church, has been on the National Register for many years, owing to its historic and architectural importance, but otherwise there has been little interest in historic preservation in the town until lately. The house I bought had not been listed individually on the Register, nor was there a National Register or local district within the town.

I realized I would have to nominate the house to the New Jersey and National Registers. So with the help of a preservation consultant, I
began to research the history of the house, evaluate its architecture, and write a National Register Nomination.

We discovered that the house has an interesting history that was closely linked with the growth of Swedesboro. The first section of the house, built circa 1813, was a two-story, two-bay structure with a single room on the first floor and possibly two or three rooms on the second floor. The house changed hands three times over the next twenty years, as each new owner died within a short time of purchasing the property. In 1832 it came into the hands of Dr. Charles Garrison. Garrison and his son, Dr. Joseph Garrison, would live in the house for more than forty years, becoming well-known throughout the community in their roles as doctors. Soon after he purchased the property, Dr. Charles Garrison built a large addition to the house, creating a two story house with a center hall, a dining room in the original section, and two parlors in the newer section. The dining room apparently served as the office, as indicated by a small marble and porcelain sink set in a niche in the wall, together with a small wood towel bar supported by cast iron brackets. Garrison may have built a one-story porch across the center three bays of the newly expanded house.

After Charles Garrison died, Joseph sold the house to John Rulon in 1881. Rulon, who was newly arrived in town, quickly set about developing Swedesboro into a fashionable late nineteenth century town. Although the train came through town more than ten years earlier, Swedesboro had not yet experienced an influx of modern conveniences. During his nearly thirty years of residency, Rulon dominated the development of the town. He established the bank at Swedesboro, even donating the land adjacent to his house for the building. He was one of the promoters and incorporators of the Swedesboro Electric Light, Heat & Power Company, also serving as a director. He established the telephone system in town and opened and improved the Lake Park Cemetery, including an access road to reach the cemetery. Rulon’s stature in town was reflected in his house. His renovations to the building were extensive and comprehensive. He added a third section to create a rectangular floor plan and updated the appearance of the house on the exterior and interior in the latest style, Gothic Revival.

One hundred and eighteen years later, the house still reflects the work John Rulon put into it. The brick masonry house has a symmetrical five-bay front facade featuring a one-story, full-length, hipped-roof wood porch with cast iron posts, brackets, and balustrade. The posts and brackets are a grapevine design, while the balusters are a harp pattern. The lattice below the porch floor is decorated with pointed arches. The front facade is further highlighted by a cross gable, introduced by Rulon, with a tripartite, triangular-arched window. The cornices of the house, cross gable, and porch are all decorated with cyma recta moldings on the fascia and wood brackets under the soffit. The windows are one-over-one, double-hung sash, which would have been the newest fashion at the time Rulon was renovating. The second floor center window upper sash is stained glass. The front entrance has double-leaf doors with two raised panels on each leaf. The astragal has the appearance of a turned post. The front entrance has its original door knob and key plate, as well as its original pull doorbell, which still functions.

On the interior, the house retains a similar high degree of integrity. While some modern finishes were applied over the historic finishes, we have only lost the baseboard in three rooms and a doorknob from a second floor door. The Victorian details remaining include embossed doorknobs and escutcheons, embossed hinges, window locks and pulls, four-panel, five-panel, and seven panel doors with bolection moldings, and plaster ceiling medallions for gas chandeliers. Two of the original three chandeliers remain in place. One has been fully converted to electric, while the second has three electric and three gas fixtures. One of the two retains all but one original glass globe. In the front hall, a gas light fixture mounted atop and wired
through the newel post also remains, together with its glass globe. This fixture has also been wired for electricity.

Having established the importance of the house through criteria B, association with people, namely John Rulon who was so important to the development of Swedesboro, and criteria C, architecture, for its incredible integrity from its period of significance, 1883-1908, we are in the process of completing the National Register nomination. I am also currently at work on the last criteria for eligibility, preparing Parts 1 and 2 of the Historic Preservation Certification Application. Part 1 is the Evaluation of Significance. I am using the Narrative Description and Narrative Significance from the National Register Nomination for the Part 1 since the property will not be actually listed on the Register until after the construction project has been completed. I will include photographs illustrating the before conditions of the property.

At the same time I am submitting the Part 2 — Description of Rehabilitation based on the scope of work I developed in consultation with the State Historic Architect to ensure that the work will meet the Secretary of the Interior’s “Standards for Rehabilitation”. The work will involve new roofing, rebuilding the chimney, repair and painting of the decorative cast iron balustrade, localized brick repointing, window repairs, painting the woodwork, new building systems, and cosmetic interior repairs. When the work is completed, I will submit the Part 3 — Request for Certification of Completed Work, along with photographs of the finished work. With an anticipated rehabilitation cost exceeding $60,000.00, the tax credit will be worth more than $12,000.00.

I have found that for the time investment it has taken to establish the historic and architectural importance of this house and to document our rehabilitation work, the tax credit is a valuable historic preservation tool that makes preserving our built heritage both practical and desirable.

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**Applying Preservation on the Local Level**

**A Training Workshop at Drew University**
Madison, New Jersey
Saturday, June 17, 2000
9:00 a.m. - 4:00 p.m.
$75.00 (includes coffee and lunch)

This course is designed to assist local historic preservation commission members to become more effective in identifying and protecting historic resources. The course will cover the master plan elements, municipal land use law, authority and requirements for forming a local commission, the commission's relationship to the governing body and to planning & zoning officials. Training will include conducting a formal meeting, precedent setting, conflict of interest, and keeping records of decisions. Using case studies, participants will receive hands-on training in how to use the Secretary of the Interior's Standards in reviewing application, and tips on how to deal with difficult people and situations. Ample time will be allotted for group discussion and one on one problem solving.

Topics will be most relevant to the beginner and intermediate.

**For historic preservation commission members, planning & zoning officials, elected officials, engineers, consultants, and planners.**

To register, and for more information, call Drew's Office of Continuing Education at (973) 408-3185 or e-mail owl@drew.edu

Co-sponsored by the New Jersey Historic Preservation Office & Drew University, this course will be taught by professionals practicing historic preservation in New Jersey.

Scholarship assistance will be available to residents of Morris County; contact the Morris County Trust for Historic Preservation at (973) 267-4717.

The New Jersey State Historic Preservation Office will provide tuition fees for the first 10 CLG members who sign up. Contact George Chidley at (609) 984-6017 to verify eligibility before registering with Drew.
No one famous ever slept at the Thomas Hollinshead House. In fact, during the decade before we bought the property, no one would have wanted to sleep there. Or even step inside the derelict, boarded-up eyesore. More than 200 years old and surrounded by a modern industrial park, the building did not suggest that it would eventually become a profitable investment in Evesham’s future.

At that time, most of our work revolved around the purchase and management of modern office space. Yet, we also had significant remodeling experience with older buildings. A certified rehabilitation would be a new challenge, but with appropriate professional involvement (we hired an architectural firm that specialized in historic preservation), the project offered great opportunities.

My background is in accounting, and I was quick to recognize the potential of an investment project where the federal government was offering to pay twenty percent of the rehabilitation costs. For in effect, that was what was being proposed—I buy the building, my limited partners put up the equity for the rehabilitation (totaling $165,920), and we share the government’s 20% preservation tax credit of $33,184. With the rental income covering the debt service and operating expenses, the project looked like a winner.

There was more to entice me—the windowless structure with “1776” in glazed header bricks in the gable end still had its historic character. And character is something that I can market; something unique that would make this office space stand out in a competitive market. I could present the distinct advantages of a newly rehabilitated historic building to prospective tenants who wanted to make an impression on their clients. I could sell some local history, give interpretive tours, and gain a marketing edge that could ultimately bring quicker rentals and higher rents. People are drawn to historic settings.

The availability of the tax credits puts historic buildings in direct competition with the modern office buildings that had once been the only option people considered. Granted, there were strings attached to the project. We had to follow the Secretary of the Interior’s Standards—the ten commandments of preservation—and we had to seek project approvals at three levels—local, state, and federal governments. Thanks to the experience of our

Listed on the National Register as part of a multiple resource nomination, the Thomas Hollinshead House was built in 1776. Typifying traditional Burlington County colonial construction, the two-story, three-bay farmhouse is laid in Flemish bond red brick. The date of construction and the initials of the builders are shown in patterned brickwork on the gable end. Located on an early Indian trail that became Evesham Market Road in the eighteenth century, the Hollinshead’s 450 acres were farmed until the twentieth century. But in 1980, the farm was sold for development as a corporate industrial park and the house was slated for demolition. It was only through the intervention of Evesham Township’s Historic Preservation Commission and the local historical society that this building was saved and offered for rehabilitation.
A new developer, Leed Hudson, purchased the Thomas Hollinshead House in 1989. At that time, it had been sitting vacant and deteriorating for nearly a decade. Despite the building’s poor condition, the developer proceeded with the restoration of the exterior and the rehabilitation of the interior for office use. Following the Secretary of the Interior’s Standards, the developer and his partners earned a direct credit against taxes of $33,184 representing 20% of the qualified rehabilitation expenses.

Working with the Township, the owners of the industrial park agreed to donate the building to the Township who, in turn, sold it for $1 to a developer who was to preserve the historic house. However, the developer was unable to undertake the project and left the windowless building, full of construction materials, untouched for years.

architect, the state and federal reviews were no problem, and at the local level, Evesham Township’s Historic Preservation Commission was extremely supportive. They made me feel like a white knight come to save the Township’s history. The members may also have thought of the new property taxes our project would generate and the jobs it would provide. From the four craftsmen we hired and the salesman at the local lumberyard, to the guy selling sandwiches at the lunch truck, everyone seemed to benefit from our project.

The rehabilitation of the Thomas Hollinshead House was a very rewarding experience. From my point of view, the rehabilitation tax credit is the best thing to happen to development since the advent of depreciation.
There are Standards for four distinct, but inter-related, approaches to the treatment of historic properties – Preservation, Rehabilitation, Restoration, and Reconstruction.

Preservation focuses on the maintenance and repair of existing historic materials and retention of a property's form as it has evolved over time. (Protection and Stabilization are considered to be part of this treatment.) Rehabilitation acknowledges the need to alter or add to a historic property to meet continuing or changing uses while retaining the property's historic character. Restoration is undertaken to depict a property at a particular period of time in its history, while removing evidence of other periods. Reconstruction re-creates vanished or non-surviving portions of a property for interpretive purposes. Regardless of the selected treatment, all projects proposed for Historic Preservation Certification are judged by the Secretary of the Interior's “Standards for Rehabilitation.”

Rehabilitation...

...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.

Standards for Rehabilitation

1. A property will be used as it was historically, or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.

2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.

3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.

4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.

6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.

7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.

8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.

9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.

10. New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

For a free copy of The Secretary of the Interior’s Standards for Rehabilitation call the HPO at (609) 984-0543.

1999 Historic Preservation Office Poster Available!

Unveiled for the first time at the Historic Preservation Office annual conference, the poster is now available. If you would like a copy of our new poster, it is free if you pick it up from our office in person. There is a $6 charge to cover the cost of mailing the poster.

To order the poster by mail send your name, address and a check for $6 (payable to the Treasurer, State of New Jersey) to the Historic Preservation Office, P.O. Box 404, Trenton, NJ 08625-0404.
Historic Preservation Workshop

The Creation of Historic Preservation Commissions and Their Role in Local Planning

This workshop will focus on the role of Historic Preservation Commissions in local planning. Hear from experts about how to create a good historic preservation ordinance and explore the options available to each community. Learn about some of the common pitfalls in introducing a historic preservation ordinance in your community. Discover how to make your Historic Preservation Commission user friendly. Review some of the sources of historic preservation technical assistance available to communities in New Jersey.

WHO SHOULD ATTEND

The workshop will be geared to training and educating Mayors, Council Members, Municipal Administrators/Managers, planning and zoning boards, historic preservation commissions, historical societies, housing & neighborhood advocates, realtors, persons in local historic districts and municipal, county and state officials.

FEATURED SPEAKERS

MICHELE R. DONATO, ESQ., graduated from Rutgers Law School in 1977 where she was an editor of Rutgers Law Review. She is the first woman to be elected Associate Counsel for the New Jersey Planning Officials. Ms. Donato represented a number of municipal agencies, developers and citizen groups throughout her career. She currently represents planning boards in Tinton Falls, Shrewsbury, Roosevelt and Plainfield. She frequently acts as Special Counsel on land use, environmental and preservation matters for Plainfield and other municipalities. She represents several Historic Preservation Commissions including Plainfield, Cape May, Tinton Falls, Cranbury Township, Ocean City and Ridgewood. Her practice is almost exclusively devoted to land use, historic preservation and environmental law. Ms. Donato was President of Preservation New Jersey and is currently an Adjunct Professor with Rutgers University Bureau of Local Government Services.

WAYNE T. MCCABE, P.P., A.I.C.P., holds an A.A.S. in Rural & Urban Planning from State University of New York-Delhi, a B.A. in City Planning from Livingston College, Rutgers University and Master of City & Regional Planning from Rutgers University, Graduate Department of Urban Planning and Policy Development with a concentration in historic preservation and American Architectural History.

Mr. McCabe is an architectural historian, with twenty-six years of experience in numerous aspects of professional planning, historic preservation, site design, environmental studies and site remediation, including eighteen years of private practice in the field. He also serves as the consultant to the Newton Historic Preservation Advisory Commission and Evesham Historic Preservation Commission. Mr. McCabe served as Chair to the Newton Historic Preservation Advisory Commission and has his own consulting firm Wayne T. McCabe & Associates, Inc.

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