



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
HISTORICAL PRESERVATION & HERITAGE COMMISSION
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MINUTES

RHODE ISLAND HISTORICAL PRESERVATION & HERITAGE COMMISSION
October 8, 2008

I. MEMBERS PRESENT

Mr. Robert E. Cusack
Mr. Robert Goff
Mr. John Grosvenor, AIA
Mr. Karst Hoogeboom
Dr. Patrick Malone
Dr. E. Pierre Morenon
Dr. Ronald Onorato
Mr. Jared L. Rhodes, Chief of Statewide Planning representing Kevin Flynn
Mr. Frederick C. Williamson, Chairman & SHPO

STAFF PRESENT

Ms. Roberta Randall, Principal Architect
Mr. Edward F. Sanderson, Executive Director
Ms. Sarah Zurier, Sr. Special Projects Coordinator

GUESTS

Mr. Michael Hogan, House Policy Office

MEMBERS ABSENT

Dr. Michael Sullivan, Director DEM
Dr. James Garman, NR Review Board
Ms. Patrice O'Malley Hagan
Mr. Saul Kaplan, Executive Director, EDC
Mr. Bradford Kopp
Mr. Michael Hebert, NR Review Board
John P. Leyden, State Building Commissioner
Dr. Patricia Rubertone

II. AGENDA

1. Call to Order

The meeting was called to order at 9:35 A.M.

2. Minutes of September 10, 2008

On a motion by Mr. Goff, seconded by Dr. Onorato, the Commission unanimously

VOTED to approve the Minutes of September 10, 2008.

3. Executive Director's Report

a) Sarah Zurier reported that the National Park Service has awarded two Preserve America grants to RIHPHC:

\$150,000 for "Preservation Is Local" assistance to local preservation activities

\$125,000 for "Fort Adams Plan" to conduct structural evaluation of the fort and develop a historic landscape plan.

b) Sarah Zurier reported that the annual Statewide Historic Preservation Conference will be held at the University of Rhode Island Kingston Campus on Saturday April 25, 2009.

c) Mr. Sanderson reported on discussions between National Grid, West Broadway Neighborhood Association, elected officials, and RIHPHC regarding placement of gas meters on the exterior fronts of historic houses in the Broadway-Armory National Register Historic District.

4. Approval of Regulations: Historic Preservation Investment Tax Credit

Mr. Sanderson presented revised regulations for the RI Historic Preservation Investment Tax Credit (RIGL33-33.2) for the Commission's approval. The changes to the regulations incorporate legislative amendments enacted in the 2008 General Assembly. The new bill as passed by the General Assembly allows most projects that are already in the pipeline to continue with a reduced credit amount and higher fee. A moratorium on new projects is imposed of January 1, 2008.

Summary of H-8016 Sub A

1. Provide the full 30% tax credit for projects that were completed by December 31, 2007, with no caps placed on credit redemption. Part 3 Applications must be submitted to RIHPHC and fee paid on or before May 15, 2008. Projects that fail to meet this deadline will be treated under the new rules.

2. Restrict future eligibility to projects that submitted a Part 1 application to RIHPHC prior to January 1, 2008. Projects that submitted a Part 1 application to RIHPHC after December 31, 2007 will not be eligible for the program.
3. Require projects that want to continue in the program to pay an up-front processing fee ranging from 3% to 5% of Qualified Rehabilitation Expenditures, with 2.25% due on or before May 15, 2008, and the balance due on or before March 5, 2009.
4. Reduce the tax credit to between 27% to 25%, depending on other options chosen by developers. They would be given the option of paying a 3% processing fee and receiving a 25% credit; paying a 4% fee and receiving a 26% credit; or paying a 5% fee and receiving a 27% credit. (By comparison, through 2007 developers paid a 2.25% fee upon project completion and received a 30% credit).
5. On or before May 15, 2008, every project that continues in the program will enter into a contract with the Division of Taxation stating the amount of project Qualified Rehabilitation Expenditures, the tax credit percentage, and the amount of fees. The contract will constitute a State guaranty that the stated amount of tax credits will be available when earned. In a significant change from current law, projects will not be allowed to claim additional tax credits based on an increase in the Qualified Rehabilitation Expenditures. If final Qualified Rehabilitation Expenditures should be less than the amount stated in the contract, overpayment of fees will be refunded by the Division of Taxation.
6. RIHPHC will continue to review projects and certify compliance with the Secretary of the Interior's Standards for Historic Rehabilitation. The Division of Taxation will take over review of cost certifications, collect fees, and administer tax credit contracts for each project.

The goal of the legislation was to reduce the program's cost to the State Budget at a time of serious budget deficits without taking away the value of the tax credits to current and future holders of tax credit certificates.

An Emergency Rule was issued on April 15, 2008.

Public notice of the proposed rule making was published in accordance with the RI Administrative Procedures Act (RIGL 42-35) on the Rhode Island Secretary of State's website on September 4, 2008, and a public hearing was held at the Department of Administration offices on October 6, 2008.

Following review of the proposed changes and discussion, on a motion by Dr. Onorato, seconded by Mr. Goff, the Commission

VOTED, whereas the requirements of the Administrative Procedures Act for rule-making (RIGL 42-35-3) have been followed; and

whereas adoption of these revised rules are needed to implement RIGL 44-33.2 as amended in the 2008 General Assembly and these regulations are needed for the preservation and development of historic buildings in Rhode Island and will provide benefits for the State's economy and citizens; and

whereas there is no alternative approach among the alternatives considered during the rulemaking proceeding which would be as effective and less burdensome to affected private persons as another regulation there is no other state regulation which is overlapped or duplicated by the proposed regulation; and

whereas this action will not have a significant adverse economic impact on small business or any city or town but rather will provide economic benefits for small business and cities and towns;

Now Therefore the RI Historical Preservation & Heritage Commission approves the revised regulations.

The number of Commissioners voting in favor of the resolution was eight (8); the number of votes opposed was none (0).

5. Loan Committee Report

Roberta Randall presented information about a proposed loan to rehabilitate the first floor retail space of the historic Fletcher Building, Union and Weybosset streets, Downtown Providence Historic District. The building is owned by a real estate company affiliated with the RI School of Design, and the retail space will be leased to Cornish Associates of Providence which will develop a grocery store with a sub-lessee. Cornish, which owns and has rehabilitated several historic buildings in the Downtown Historic District, will be the borrower. The project has a loan commitment for partial funding from the Providence Revolving Fund. The project will construct a historically appropriate storefront that will improve the Weybosset streetscape, and the grocery store will assist on-going efforts to establish a Downtown Providence residential area. The Loan Committee was not able to meet and review the loan terms in advance of the Commission meeting.

During discussion, Commissioners expressed support for the proposed project. Dr. Onorato noted that the storefront design should replicate the documented original design if possible or should be based on documented typical storefront elements in the Downtown Providence Historic District. On a motion by Dr. Onorato, seconded by Mr. Grosvenor, the Commission unanimously

VOTED to approve the Fletcher Building loan in concept, subject to final review and approval of all loan terms and requirements by the Loan Committee.

6. Other Business

At the September 10, 2008 meeting, Commissioners requested Mr. Sanderson to draft a

resolution of appreciation to Pamela Kennedy who recently retired from the RIHPHC staff. The following motion was adopted by acclamation:

A RESOLUTION IN HONOR OF PAMELA KENNEDY

WHEREAS, Pamela Kennedy has worked for the Rhode Island Historical Preservation & Heritage Commission for thirty-three years and seven months; and

WHEREAS, Pam was the author of RIHPHC Survey Reports for Central Falls and Lincoln, and she was the editor for West Warwick, South Kingstown, East Side Providence, Little Compton, Cumberland, Narragansett, Smithfield, Barrington, Jamestown, Hope Village, Outdoor Public Sculpture, Historic Landscapes of Rhode Island, and Native American Archaeology; and

WHEREAS, as author, editor, and program supervisor, Pam was responsible for listing more than 14,534 properties on the National Register of Historic Places, enabling their recognition and preservation; and

WHEREAS, Pam has assisted local town planners and historic district commission members and preservation advocates throughout Rhode Island, and she has made RIHPHC responsive to local needs; and

WHEREAS, Commission staff occasionally retire from State service, but they are never permitted to leave the RIHPHC family;

NOW THEREFORE the Members, Staff, and Friends of the Rhode Island Historical Preservation & Heritage Commission

- Congratulate Pam on her well-earned retirement
- We thank her for her outstanding service
- We welcome her to the exalted status of RIHPHC Alumnus
- And we proclaim our unwavering friendship and affection for her always.

There was no other business.

7. Next meeting date: Wednesday November 12, 2008.

8. Adjourn: The meeting adjourned at 11:00 A.M.

Minutes recorded by,

Edward F. Sanderson, Executive Director
Deputy State Historic Preservation Officer

