



**REQUEST FOR COMMISSION ACTION**  
**CITY OF INDEPENDENCE**  
**February 14, 2019**

**Department** Administration

**Director Approval** Craig Whitehead

**AGENDA ITEM** TreanorHL Proposal for preparing the State Historic Tax Credit Parts 1, 2 and 3 Application Services for City Hall Renovation Phase 1.

**SUMMARY RECOMMENDATION** Staff recommends the City Commission accept the proposal submitted by TreanorHL.

**BACKGROUND** The City has begun the rehabilitation of the 1916 Historic City Hall. A key part of the funding for this is the eligibility for State Historic Tax Credits. The City Hall facility is on the National Register as part of an historic district. TreanorHL's design complies with the Secretary of the Interior's Standards for Treatment of Historic Properties. This gives the project eligibility for the Tax Credits valued at 25% of the qualifying expenditures. These tax credits are transferrable and may help with project funding.

**Schedule** The preparation of Part 1 and Part 2 application is estimated to take two weeks to complete. With construction likely to start in early March, there will be a minimum of 30 days for Kansas State Historical Society (KSHS) review. Approval of the Part 1 and Part 2 from KSHS will need to occur before the start of construction.

**BUDGET IMPACT** TreanorHL's Historic Preservation Consulting Fee Proposal: \$8,500. There will also be Reimbursible costs that would include estimated costs for mileage, rental car and lodging, if incurred.

**SUGGESTED MOTION** I move to approve the proposed consulting agreement with TreanorHL for State Historic Tax Credits Part 1, 2, and 3 Application Services for City Hall Renovation Phase 1.

**SUPPORTING DOCUMENTS** TreanorHL Proposed Consulting Services for City Hall Historic Tax Credit.

January 22, 2019

Craig Whitehead, City Manager  
City of Independence  
811 West Laurel Street  
Independence, KS 67301

Re: Proposal for Part 1, 2, and 3 Application Services for City Hall Renovation Phase I

Dear Mr. Whitehead,

We appreciate the opportunity to provide a proposal for services for preparing the State Historic Tax Credit Part 1, 2, and 3 applications for the renovation work being performed on the historic City Hall. As requested, we are providing this proposal as an additional service to our existing contract for design and construction administration services for the first phase of the renovation project.

#### **SCOPE OF SERVICES:**

We have included in our proposal time to address preparation of the Part 1 and 2 applications and photographic documentation for the Part 3 application. As the City Hall is on the National Register as part of an historic district our design has complied with the Secretary of the Interior's Standards for Treatment of Historic Properties. Therefore, the project is eligible for the State Historic Tax Credits valued at 25% of the qualifying expenditures. These tax credits are transferrable and may help with project funding.

Because the building is eligible for tax credits as being contributing to an historic district, and not individually listed, a Part 1 Qualified Historic Structure Certification will be required in addition to the Part 2 application package. This application consists of exterior photos of the entire structure, including all additions. The Part 1 enables the reviewer to confirm the building is still eligible for tax credits and no alterations have been made that remove its status as a contributing resource of the historic district. We will utilize photographs already obtained during previous site visits to complete the photographic documentation requirements of this part of the application process.

We will prepare the Part 2 Qualified Rehabilitation Certification application to clearly and concisely document the property's existing conditions, its significant historic features, and the changes proposed as part of the initial project. We recently met with SHPO staff and they reiterated that many of the expenses outlined in this phase of work would not be an issue if the interior rehabilitation work were part of the current package. Because of the City's need to phase the work, the Part 2 preparation requires skill and judgement to receive timely approval from the SHPO and in order for the majority of the work to be considered as a qualifying expenditure for historic tax credit purposes. We will utilize photographs already obtained during previous site visits to complete the photographic documentation requirements of this part of the application process.





The Part 3 photographs will be taken and submitted to the City within 30 days of notice that construction is complete and the building is ready for "after" photographs.

#### OWNER'S RESPONSIBILITY

Provide tax advisor or personnel to complete Part 3 application to claim the Kansas State Historic Tax Credit. (TreanorHL will provide photo documentation necessary to accompany the application.) Not all expenses incurred as part of the City Hall Renovation – Phase I project will be eligible for tax credits. Submission of the Part 3 requires that accounting during the project, including the schedule of values, be aligned to document costs for the project and differentiate between those that are eligible and those that are not. Please review the program requirements with your financial office and legal team:

- a. <http://kshs.org/p/tax-credit-basics/14673>
- b. <http://kshs.org/p/state-historic-rehabilitation-tax-credit/14666>

If there are additional questions regarding the scope described or included, or if changes to the scope are requested please contact us to revise the proposal. Upon receipt of acceptance we will prepare the appropriate amendment to our current AIA Owner-Architect Agreement.

Sincerely,



K. Vance Kelley AIA  
PRINCIPAL

719 SW Van Buren Street, Suite 200  
Topeka, KS 66603

[vkelly@treanorhl.com](mailto:vkelly@treanorhl.com)

- c 785.221.3748
- o 785.235.0012
- d 785.350.650

Cc: file

