

Valuation Incentive Program

VIP Instructions

Application Process



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Revised 6.25.2021

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This guidance document is advisory in nature but is binding on the Nebraska State Historical Society until amended by such agency. A guidance document does not include internal procedural documents that only affect the internal operations of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

Introduction

The Valuation Incentive Program (VIP) is a program administered by the Nebraska State Historic Preservation Office (NeSHPO). The program promotes the rehabilitation and reuse of historically significant properties through a freeze on the assessed value of the property for eight years. Once the eight years is completed, the assessed value increase incrementally for four years until the post rehabilitation assessed value is met.

The VIP application consists of three parts. The three parts, summarized below, are administered by History Nebraska (HN) and are covered by this application.

Part 1 collects general information regarding the subject property, applicant, and project contact (if applicable), and certifies the subject property as "historically significant real property" or is potentially historically significant.

Part 2 determines that the proposed substantial rehabilitation work meets the Secretary of the Interior's Standards for Rehabilitation (Standards), and thus the project qualifies for the program. A Part 2 application must be submitted *prior* to beginning rehabilitation.

Part 3 is the final certification that all work meets the Standards and is submitted within 12 months after the applicant completes the rehabilitation work and the property is placed in service. The freeze on the assessed value does not occur until the calendar year after the project is completed.

A copy of each approved application and written correspondence of approval of the application will be transmitted to the appropriate county assessor's office.

A property is not eligible for the VIP if the property has received a final certificate of rehabilitation within twelve years prior to the application. Therefore, if a property is within the twelve year valuation period, it cannot apply for the VIP.

A substantial rehabilitation means interior and exterior rehabilitation work. Therefore, all work on the interior and exterior will be reviewed. The total cost of the substantial rehabilitation must equal or be greater than *twenty-five percent* of the assessed value of the property as certified by the county assessor's office.

The rehabilitation period shall not exceed two years unless the NeSHPO finds, it is economically infeasible to complete the rehabilitation in two years or the magnitude of the project is such that a good faith attempt to complete the rehabilitation in two year would not succeed.

Any changes to an applicant or project contact's information, or changes to submitted or approved Part 1, 2 or 3 applications, please contact the NeSHPO. These changes may necessitate an amendment.

Valuation Process

Commencing on the calendar year following the approval of a Part 3 application, the valuation shall be no more than the base-year valuation recorded by the assessor's office in the Part 2 application. This base year valuation shall exist for a period of eight years. For four years following the expiration of the eight year period, the assessed valuation will increase incrementally until reaching the actual post rehabilitation value. The valuation for the four year incremental increase shall be as follows.

First Year is the base year valuation plus twenty five percent of the difference in the base year valuation and the current year actual value.

Second Year is the base year valuation plus fifty percent of the difference in the base year valuation and the current year actual value.

Third Year is the base year valuation plus seventy five percent of the difference in the base year valuation and the current year actual value.

Four Year is the current year actual value.

Before You Apply

Applicants should consult with an accounting or tax professional prior to applying for the Valuation Incentive Program in order to determine if participation in the program will result in a benefit to the applicant. In addition, applicants are encouraged to consult early and often with the NeSHPO in the planning stages of the project in order to learn and understand the historic preservation standards utilized in the evaluation of applications.

NeSHPO Tax Coordinator Contact Information:

Ryan Reed
Tax Incentive Coordinator
History Nebraska
1500 R Street
Lincoln, NE 68508

402.540-3925
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Part 1: Historically Significant Real Property

The VIP Application Part 1 determines the subject property as a “historically significant real property” for the purposes of the VIP program. All applicants must fill out a Part 1 application, including those properties individually listed on the National Register of Historic Places. As some of the sections below require substantial written narratives, please prepare beforehand and save often while completing the application. The Part 1 application can be submitted simultaneously with the Part 2 application.

Required Materials

Prior to completing the Part 1 application, prepare the following materials:

- A statement of significance for the subject property. This statement can typically be found in Section 8 of the National Register of Historic Places nomination or within the local landmark designation.
- One set of current interior and exterior photographs. The photos must be clear, color and printed on 4x6 photo paper. The photos must be labeled on the reverse side with the name of the property, a photo number, location within the property and date.
- A photo site key. The numbers on the reverse side of the photographs must coordinate with the numbers on the site key.
- A map with the subject project clearly labeled. This can be as simple as a Google map with the property highlighted.

Completing the Application

1. PROPERTY

VIP #: Take no action. This will be filled out by NeSHPO staff

NeHRSI #: Take no action. This will be filled out by NeSHPO staff.

Name (if applicable): Use the name provided in the National Register of Historic Places nomination or local landmark designation for the subject property. Note that historic names are typically given only to individual landmarks and not to properties located in historic districts.

Address: The street address of the subject property. Make sure the address coincides with the address in the National Registration of Historic Property nomination or the local landmark designation. Please indicate the city, county, state and 9 digit zip code of the property.

Landmark Designation: Select the historic status of the subject property from the options presented. Select only one option. If the subject property is designated at multiple levels, select only one option corresponding to the highest level of designation, where individual listing on the National Register is the highest level. Once a selection is made, please indicate the date of designation.

Listed individually on the National Register: The subject property has completed the nomination process and was individually listed on the National Register of Historic Places by the National Park Service.

Please provide the date of listing.

Listed individually as a Local Landmark: The subject property has been locally landmarked by a city or county under a Certified Preservation Ordinance. Please provide the date of listing.

Name of National Register District: The subject property is located within the boundaries of a historic district listed on the National Register of Historic Places. Please specify the name of the historic district as well as the date the district was listed on the National Register.

Name of Local Landmark District: The subject property is located within the boundaries of a local historic district designated by a Certified Local Ordinance. Please provide the name of the local historic district as well as the date the district was designated.

2. PROPERTY OWNER

Owner and Organization: Enter the name of the owner and organization (if applicable) of the historically significant real property.

Address: The applicant's mailing address. Please indicate the city, county, state and 9 digit zip code.

Telephone and Email: A 10 digit telephone number and email address where the applicant can be reached. This information will be the primary means of communication with the applicant.

Please sign and date the attestation within this section. The signature must be a wet ink signature.

3. PROJECT CONTACT

If the Project Contact is the same as the applicant this section of the application does not need to be completed.

Name and Company: Enter the name and company (if applicable)

Address: Project contact's mailing address. Please indicate the city, county, state and 9 digit zip code.

Telephone and Email: A 10 digit telephone number and email address where the project contact can be reached. This information will be the primary means of communication with the project contact.

4. STATEMENT OF SIGNIFICANCE

Provide a thorough description of the subject property's individual historic significance, how the subject property contributes to the significance of the historic district, or how additional buildings contribute to the significance of the individual landmark. Include similarities between other buildings within the district (such as architectural style, building materials, scale of buildings, etc.), association with historically significant individuals, former uses, and how the subject property relates to the period of significance established in the nomination or local designation. A Statement of Significance can be found within Section 8 of a National Register of Historic Places nomination or within the local landmark documentation.

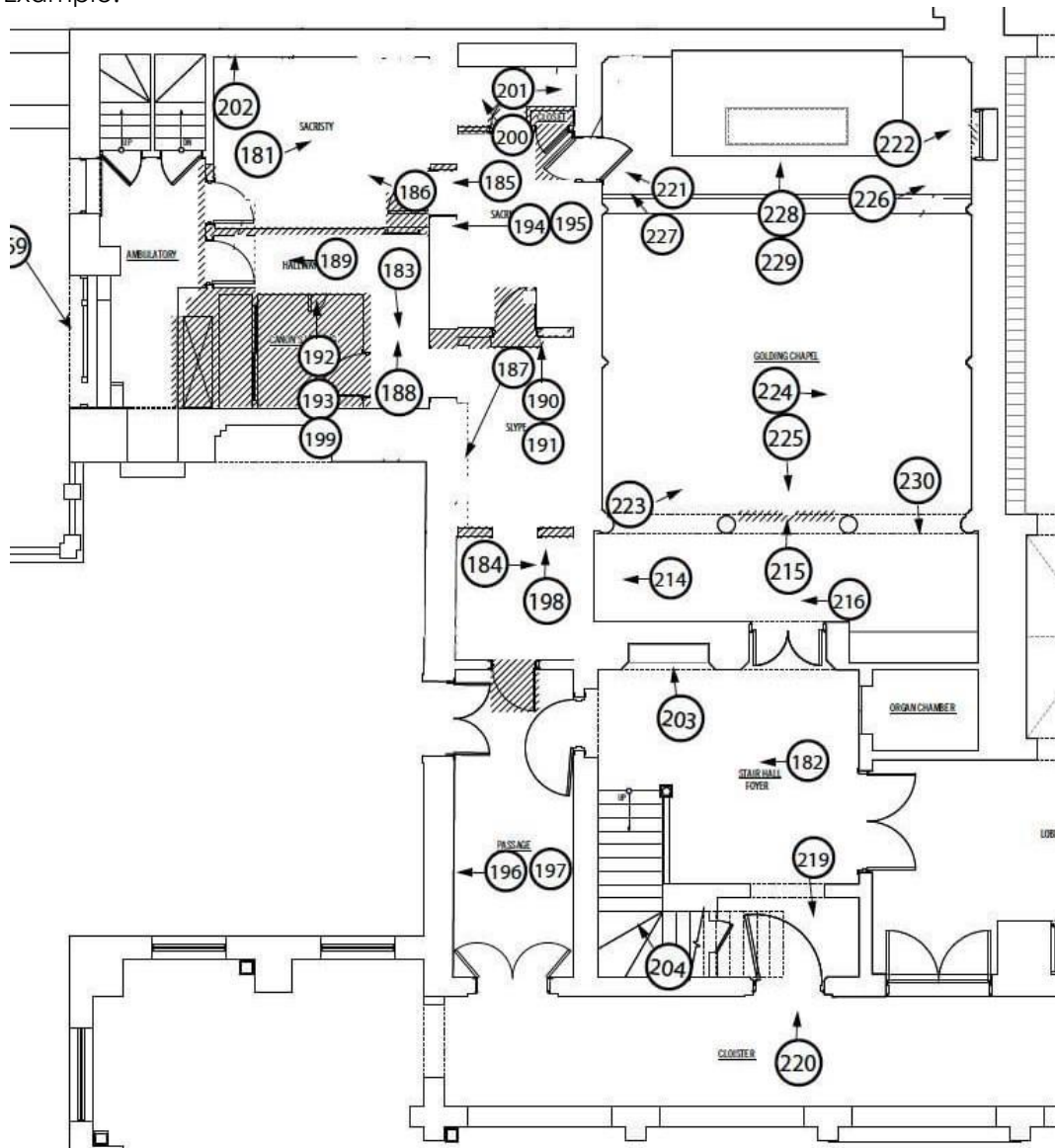
5. PHOTOGRAPHS, SITE KEY AND MAPS

Photographs: One set of interior and exterior photographs must be included with the application packet. The photos must be clear, color and printed on 4x6 photo paper. The photos must be labeled on the reverse side with the name of the property, a photo number, location within the property and date.

Example: Hastings Brewery, 001, First Floor Lobby, 03/24/2021

Photo Site Key: A photo site key must be labeled with the property name, property address, floors (such as basement, first floor, etc.) with all photograph locations numbered to correspond with the photographs.

Example:



Maps: A map should clearly show the subject property within its surroundings. The subject property must be labeled. This can be as simple as a Google street map with the property highlighted.

Review Timeline:

Once the application is complete and materials are collected, mail the application packet to the address listed on page 3. Within 30 days after the receipt of an application, the NeSHPO will determine whether an individual property is Historically Significant Real Property and therefore eligible for the program. The review of incomplete applications may be placed on hold for additional information. The NeSHPO may extend the review up to an addition 45 days if it is determined a site visit is necessary.

Part 2: Preliminary Certification of Rehabilitation

Prior to commencing work, a person shall submit a Part 2 application. ***If work commences before the submittal of a Part 2, the project is ineligible for the VIP program.*** The Part 2 determines if the proposed rehabilitation will meet the Secretary of the Interior's Standards, and will thus qualify for the Valuation Incentive Program.

Required Materials

Prior to commencing a Part 2 application, prepare the following materials:

- A narrative description of both the existing conditions of a work item and the proposed rehabilitation work of that item.
- One set of current interior and exterior photographs. The photos must be clear, color and printed on 4x6 photo paper. The photos must be labeled on the reverse side with the name of the property, a photo number, location within the property and date.
- A photo site key. The numbers on the reverse side of the photographs must coordinate with the numbers on the site key.
- A copy of architectural plans and drawings. The drawings must be legible.

Completing the Application

1. PROPERTY

VIP #: Take no action. This will be filled out by NeSHPO staff

NeHRSI #: Take no action. This will be filled out by NeSHPO staff.

Name (if applicable): Use the name provided in the National Register of Historic Places nomination or local landmark designation for the subject property. Note that historic names are typically given only to individual landmarks and not to properties located in historic districts.

Address: The street address of the subject property. Make sure the address coincides with the address in the National Registration of Historic Property nomination or the local landmark designation. Please indicate the city, county, state and 9 digit zip code of the property.

2. PROJECT DATA

Project Start Date: Estimate the date the project will start. Please use MM/DD/YYYY format.

Project Completion Date: Estimate the date the project will be completed. Please use MM/DD/YYYY format.

Estimated Rehabilitation Cost: Estimate the total cost of the entire rehabilitation project. This should include architectural and engineering fees.

3. PROPERTY OWNER

Owner and Organization: Enter the name of the owner and organization (if applicable) of the historically significant real property.

Address: The applicant's mailing address. Please indicate the city, county, state and 9 digit zip code.

Telephone and Email: A 10 digit telephone number and email address where the applicant can be reached. This information will be the primary means of communication with the applicant.

Please sign and date the attestation within this section. The signature must be a wet ink signature.

4. PROJECT CONTACT

If the Project Contact is the same as the applicant this section of the application does not need to be completed.

Name and Company: Enter the name and company (if applicable)

Address: Project contact's mailing address. Please indicate the city, county, state and 9 digit zip code.

Telephone and Email: A 10 digit telephone number and email address where the project contact can be reached. This information will be the primary means of communication with the project contact.

Certification by Assessor

A certification from the county assessor stating the assessed valuation of the property that was last certified by the county assessor or as finally determined if appealed. This will be the base valuation that will be used over the course of eight years starting the calendar year after the project is completed and approved. **The valuation, signature, and date must be signed in wet ink by the assessor.**

5. DETAILED DESCRIPTION OF REHABILITATION WORK

All proposed work to the interior and exterior of the subject property must be described in this section. All work will be reviewed against the Secretary of Interior's Standards for Rehabilitation. Describe the work from the exterior to the interior, starting with site work, then exterior work, new construction, and then all interior work.

Example:

Number 1	Feature Veneer Stone	Date of Feature 1888
Describe existing feature and its condition		
<p>The facade of the Weber Bros Building is constructed of four inch veneer sandstone over brick backup. The unique sandstone is composed of two different colors of block; white and purple/pink. The purple/pink sandstone is marbled with lighter color striations. The sandstone was originally quarried somewhere in the vicinity of Buffalo Gap, South Dakota; however matching replacement stone is no longer available. Although the roofing is currently sound, at some point water was able to run from the roof behind the metal cornice and down the face of the sandstone facade. The resulted in significant erosion of the stone surface. In particular, portions of the north window jambs are missing as much as two inches of stone. There are also significant cracks in many of the stone blocks. At the window heads, some of the arch stones have shifted. The keystone of the southern most window is protruding significantly beyond the facade face. Additionally, the sandstone piers flanking the storefront have been painted.</p>		
Photo Numbers 8,9, 12-16	Drawings Numbers 1/1	
Describe work and impact on feature		
<p>All broken sandstone will be patched with Jahn Historic M70 patching material to match the color of the existing sandstone. The texture of the patches will be tooled to match the surface texture of the sandstone block on which the patch is required. The purple stone patches will additionally be stained to better simulate the appearance of the original stone. All mortar joints will be cut out and repointed with Jahn M110 Historic mortar. The entire stone facade will be sealed with Jahn Mason RE R-97 water repellent. The paint on the storefront piers will be chemically removed. Gary Keshner of Creative Sculpture and Restoration Inc. in Lee Summitt, Missouri will be performing the proposed work.</p>		

6. PHOTOGRAPHS, SITE KEY AND ARCHITECTURAL DRAWINGS

Photographs: One set of current interior and exterior photographs must be included with the application packet. The photos must be clear, color and printed on 4x6 photo paper. The photos must be labeled on the reverse side with the name of the property, a photo number, location within the property and date.

Example: Hastings Brewery, 001, First Floor Lobby, 03/24/2021

Photo Site Key: A photo site key must be labeled with the property name, property address, floors (such as basement, first floor, etc.) with all photograph locations numbered to correspond with the photographs. An example of a site key can be found on page 6.

Drawings: Send architectural drawings or sketches showing the existing conditions and the proposed rehabilitation work and any new additions or new construction. Include floor plans and, where necessary, sections and elevations. Dimensions and notes must be clearly legible. For small projects, sketches may suffice. Drawings must be numbered and keyed to the application narrative.

Review Timeline:

Once the application is complete and materials are collected, mail the application packet to the address listed on page 3. Within 30 days after the receipt of an application, the NeSHPO will determine whether the proposed work adheres with the Secretary of Interior's Standards for Rehabilitation. A copy of the determination will be sent to the applicant, project contact and the county assessor. The review of incomplete applications may be placed on hold for additional information. The NeSHPO may extend the review up to an addition 45 days if it is determined a site visit is necessary.

Secretary of Interior's Standards for Rehabilitation:

Rehabilitation projects must meet the following Standards to qualify as a certified rehabilitation eligible for the Valuation Incentive Program. The Standards are applied to projects in a reasonable manner, taking into consideration economic and technical feasibility.

The Standards, codified in 36 CFR 67.7, and as applied in Nebraska State Statute 77-1388 Section 2(a), apply to historic buildings of all periods, styles, types, materials, and sizes. They apply to both the exterior and the interior of historic buildings. The Standards also encompass related landscape features and the building's site and environment as well as attached, adjacent, or related new construction.

1. A property shall be used for its historic purpose or be places in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
2. The historic character of a property shall be retained and preserved. The removal of historic materials and alteration of features and spaces that characterize a property shall be avoided.
3. Each property shall be recognized as a physical record of its time, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
4. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.

6. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive features, the new feature shall match the old in design, color, texture and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
7. Chemical or physical treatments, such as sandblasting, that cause damage to historical materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
8. Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale and architectural features to protect the historic integrity of the property and its environment.
10. New additions and adjacent or related new construction shall 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.

Part 3: Request for Final Certification of Rehabilitation

The VIP Part 3 application determines if all the completed work on the subject property conforms to the Secretary of the Interior's Standards. Once the Part 3 is approved, a copy of the approval will be transmitted to the county assessor. The following calendar year after approval, the assessed valuation documented in the Part 2 application, shall be the base year valuation for the taxation of the property for eight years after the issuance of the final certificate of rehabilitation.

Required Materials

Prior to commencing a Part 3 application, prepare the following materials:

- One set of current interior and exterior photographs. The photos must be clear, color and printed on 4x6 photo paper. The photos must be labeled on the reverse side with the name of the property, a photo number, location within the property and date.
- A photo site key. The numbers on the reverse side of the photographs must coordinate with the numbers on the site key.

Completing the Application

1. PROPERTY

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Address: The street address of the subject property. Make sure the address coincides with the address in the National Registration of Historic Property nomination or the local landmark designation. Please indicate the city, county, state and 9 digit zip code of the property.

2. PROJECT DATA

Project Start Date: The date the project started. Please use MM/DD/YYYY format.

Project Completion Date: The date the project was completed. Please use MM/DD/YYYY format.

Estimated Rehabilitation Cost: The total cost of the entire rehabilitation project. This should include architectural and engineering fees.

3. PROPERTY OWNER

Owner and Organization: Enter the name of the owner and organization (if applicable) of the historically significant real property.

Address: The applicant's mailing address. Please indicate the city, county, state and 9 digit zip code.

Telephone and Email: A 10 digit telephone number and email address where the applicant can be reached. This information will be the primary means of communication with the applicant.

Please sign and date the attestation within this section. The signature must be a wet ink signature.

4. PROJECT CONTACT

If the Project Contact is the same as the applicant this section of the application does not need to be completed.

Name and Company: Enter the name and company (if applicable)

Address: Project contact's mailing address. Please indicate the city, county, state and 9 digit zip code.

Telephone and Email: A 10 digit telephone number and email address where the project contact can be reached. This information will be the primary means of communication with the project contact.

5. PHOTOGRAPHS AND SITE KEY

Photographs: One set of current interior and exterior photographs must be included with the application packet. The photos must be clear, color and printed on 4x6 photo paper. The photos must be labeled on the reverse side with the name of the property, a photo number, location within the property and date.

Example: Hastings Brewery, 001, First Floor Lobby, 03/24/2021

Photo Site Key: A photo site key must be labeled with the property name, property address, floors (such as basement, first floor, etc.) with all photograph locations numbered to correspond with the photographs. An example of a site key can be found on page 6.

Review Timeline:

Once the application is complete and materials are collected, mail the application packet to the address listed on page 3. Within 30 days after the receipt of an application, the NeSHPO will determine whether the completed work adheres with the Secretary of Interior's Standards for Rehabilitation. A copy of the determination will be sent to the applicant, project contact and the county assessor. The review of incomplete applications may be placed on hold for additional information. The NeSHPO may extend the review up to an addition 45 days if it is determined a site visit is necessary.

Revocation

If, during the eight year period and the four year period of the tax freeze, the Nebraska State Historic Preservation Office determines that the historically significant real property for which a final certificate of rehabilitation has been issued:

1. Has been the subject of repair, renovation, remodeling, or improvement but not in accordance with the Secretary of Interior's Standards for Rehabilitation...
2. Is no longer of historical significance to a qualified historic district...
3. No longer possesses the qualifications for listing on the National Register of Historic Places...

The Office will revoke the final certificate of rehabilitation by written notice to the applicant and transmit a copy of the revocation to the county assessor.

Upon disqualification of any real property receiving a tax freeze under this program, the county assessor shall change the value of the property to its actual value in the assessment year following the revocation of the final certificate of rehabilitation.

If a change of work occurs after the approval of a Part 2 or Part 3 application, please contact the Nebraska State Historic Preservation Office prior to starting the change of work to avoid revocation.