

# Industry News

## WV Rehabilitated Building Investment Credit

The purpose of this publication is to provide information regarding the requirements for the Rehabilitated Building Investment Credit. In summary, it describes a State Tax Credit of ten percent (10%) of the qualified expenditures for the rehabilitation of residential and nonresidential buildings, designated by the National Park Service, United States Department of the Interior as "certified historic structures," and further defined as a "qualified rehabilitated structure." This credit may be taken against West Virginia Personal Income Tax and West Virginia Corporation Net Income Tax. Excess credits may be carried back for one year and then carried forward for twenty years in a method identical to that provided for in the federal credit

law. Only those credits qualifying after June 5, 1990 qualify for carry back and carry forward treatment. The statute requires that the building or area be located within West Virginia to be eligible for the credit, and rehabilitation expenditures must be reviewed and approved by the West Virginia Department of Culture and History in order to qualify for credit. The West Virginia Department of Culture and History administers the historic preservation programs and assists federal and State agencies, local governments, and the general public in identifying and preserving the physical historic resources of West Virginia.

This program enables the owner(s)-lessee of a certified historic structure to receive a State tax credit for 10%

of the costs of restoration which are certified as complying with the Secretary of the Interior's Standards for Rehabilitation. Applications for certification are available from the West Virginia Department of Culture and History. Copies of the National Parks Service certification or a copy of the request for final National Park Service certification are submitted with the owner's West Virginia Personal or Corporate Income Tax return when claiming the tax credit.

For more information, see WV Publication TSD-380 at <http://www.state.wv.us/taxrev/taxdoc/tsd380.pdf> or call the WVDC&H at 304-558-0220. ■

## Federal Tax Credits for Historic Renovation

Under the provisions of the Tax Reform Act of 1986, a 20% tax credit is available for the substantial rehabilitation of commercial, agricultural, industrial, or rental residential buildings that are certified as historic. The credit may be subtracted directly from federal income taxes owed by the owner. The U.S. Internal Revenue Service is the final judge of economic matters relative to certified rehabilitations. Therefore, it is advisable that you consult with a tax accountant or lawyer before completing your tax return.

To qualify for the Investment Tax Credit, a property owner must:

- Have a certified historic structure. To be certified, the building must be listed individually on the National Register of Historic Places or be a contributing part of a historic district that is either listed on the National Register or certified as eligible for the National Register
- Use the building for an income-

producing purpose such as rental-residential, commercial, agricultural, or industrial

- Rehabilitate the building in accordance with the Secretary of the Interior's "Standards for Rehabilitation" and "Guidelines for Rehabilitating Historic Buildings." The National Park Service (NPS), with advice from our office (State Historic Preservation Office), determines whether a project meets the standards.
- Spend an amount greater than the building's adjusted basis (roughly the current depreciated value of the building not including land value) on the approved rehabilitation project
- Complete the work in a timely manner. Projects must meet the minimum expenditure test within a two-year measuring period, but applicants may take up to five years to complete a phased project if the plans and specs are approved in advance of

construction.

- Pay a fee to the NPS; the fee shall be no less than \$250 and no greater than \$2,500 and shall be based upon the qualifying rehabilitation expenditures.
- The Historic Preservation Tax Credit Program benefits the owner, the occupants, and the community by:
  - Encouraging protection of landmarks through the promotion, recognition, and designation of historic structures
  - Increasing the value of the rehabilitated property and returning underutilized structures to the tax rolls
  - Upgrading downtowns and neighborhoods and often increasing the amount of available housing within the community.

Information on the Certification Process can be found on-line at [www.state.il.us/hpa/ps/taxcredits.htm](http://www.state.il.us/hpa/ps/taxcredits.htm). ■

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## Staff News

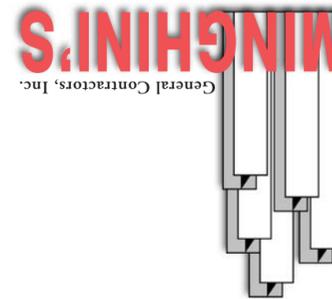


Jacob Collis married Tia Shroades on Sunday, September 7, 2008 at the Stone Manor Country Club in Middletown, Maryland. The couple honeymooned in Curacao. Jacob and Tia will be residing in their newly built home located on the Collis' family farm in Shepherdstown, West Virginia.



Berniece Collis (right) stands with two Shawnee Girl Scouts and Council CEO Maggie Witherbee at the Young Women of Achievement Ceremony in late Spring. Berniece is serving as Board Chair of the SGSC for a 3-year term.

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# BLUEPRINT for Progress

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WINTER 2009

CONSTRUCTION NEWS & INFORMATION FROM MINGHINI'S GENERAL CONTRACTORS, INC.

Enjoy Our 50th Newsletter! Wishing All a Prosperous and Happy New Year!

## MAKING HISTORY COUNT

There are many local examples of visionaries in our community, who have opted to take the path of adaptive reuse of older and abandoned properties. Chatfield Taylor, for example, spearheaded the renovation of old textile mill buildings into an extraordinary outlet mall in the late 1980s, later re-adapted by the Berkeley County Government and Shepherd College for government offices and classrooms. Banks, lawyers, dentists, social services, and businesses have also taken up the preservation banner, renovating older homes for current usage as offices and businesses.

Adaptive reuse of those abandoned buildings was a positive development bringing to life the assets of our past. The alternative, demolition of these buildings, would have been a significant loss to our community's character and history of which they are a part.

Abandoned buildings and vacant lots have been proven to drive down property values, create a sense of economic decline, and invite criminal activity. Reusing these "diamonds in the rough" can clearly enhance the character of our cities and bolster our civic identity.

As there are many societal and economic benefits to reusing historic properties, we are fortunate to still have an inventory of many wonderful historic homes and former industrial buildings. Quality historic renovation is also critical to developing tourism. Yet another advantage of adaptive reuse is environmental. The resources and energy that were once used to create our buildings and factories are squandered when we demolish them. While adaptive reuse may require fewer construction materials, it often requires more time in master craftsmanship. This additional labor means that, dollar for dollar, a renovation project will provide more funds to the local work force than a new construction project.

Our Federal and State governments support historic renovation with the creation of special tax incentive districts and smart planning policies. ■



Award-winning renovated historic Charles Town City Hall.



Craig Collis, President of Minghini's receives Charles Town Historical Society's 2008 Action Award from CTHS Chairman.

## MINGHINI'S WINS 2008 ACTION AWARD

Minghini's along with Helbing Lipp Architects were awarded the 2008 Action Award from the Charles Town Historic Landmarks Commission for renovating the main floor of City Hall in Historic Downtown Charles Town.

Craig served as construction supervisor and David A. Lipp, AIA, ASID served as architect on the adaptive re-use project. Katie See, Associate Planner for the City of Charles Town (see Client Profile) managed the project working closely with the Charles Town Building Commission.

States See, "We are extremely pleased with the results as well as the working process with these professional firms. It was not a simple project because what started as a major repair due to a burst pipe evolved into the renovation of the entire first floor. In the process of the redesign and construction, they were able to preserve many of the original historic features of the building and provide useful new work spaces."

Minghini's is currently working on remodeling the downstairs floor of 105 South George Street in Charles Town to improve the Water Department's customer service. ■

## Other Historic Renovation Projects



Marc Layover Facility for CSX in Martinsburg  
(Winner of ABC's Award of Excellence in 2005)



Caperton Train Station for The City of Martinsburg

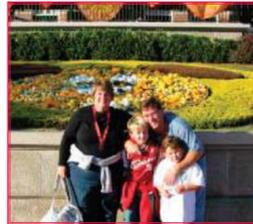


Alpha Associates Office, Martinsburg  
(former train depot)

## Professional Associate

Del Carden, formerly a stock broker in Hagerstown, joined Tischer Surety three years ago as its Bond Manager. The majority of the business that the firm writes is for contract performance and payments and licensing permits for contractors in MD, WV, VA, DC, PA, and DE. Established in 1997, the company used to be Tischer & Associates, a full-service insurance and bonding agency, but sold its insurance business to Wright Gardner nine years ago and now specializes only in bonding services. Del is married to Traci (see sidebar below) and they have 2 sons, 6 and 8 years old.

According to Del, Minghini's has an automatic seven million dollar aggregate bonding line (2 million per job), but because of its excellent relationship with the bonding underwriters "due to their integrity, ability to finish jobs on time and within budget, their impeccable craftsmanship and financial stability" on larger jobs, Minghini's simply has to apply for the bonding level they need. ■



Traci, Del, James and Del Sr.

Del Carden, Bond Manager  
Tischer Surety Inc.  
Hagerstown 301-733-3801  
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dcarden@wrightgardner.com

## Professional Associate

Traci Carden has given the gift of healing to a little three year old boy in the Midwest through a painful bone marrow transplant operation. In fact, the native of Williamsport has dedicated her life to youth and currently serves as the Drop-out Prevention Specialist at North Hagerstown High School. Traci signed up as a potential bone marrow donor at a drive held at Hagerstown Community College because a close friend's two year old son needed a

transplant. After thorough testing, she was later called into a Washington, DC hospital where she underwent surgery to give her marrow to the child in the Midwest.

Initially, all that is needed is a blood test to get on the Bone Marrow Transplant Registry. It's brave, committed people like Traci that make our world a special place. For information to become a donor, contact [www.marrows.org](http://www.marrows.org). ■

## Client Profile



Katie See,  
Associate Planner,  
City of Charles Town  
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304/ 725-2311 x244

When Katie See was getting her degree in Public and Urban Affairs at Virginia Tech, she was gearing her career toward Environmental Law. She said she always enjoyed her planning classes but she didn't think planning was what she wanted to do.

The job offer at the City of Charles Town in the summer of 2006 and her subsequent years of on-the-job experience have certainly galvanized her interest in planning and preservation. Currently, the City's Associate Planner, along with fellow staff, are focused on rewriting the Charles Town Zoning Ordinance and developing a Subdivision Ordinance for the City.

According to Katie, "Updating and developing these ordinances will enable us to do the planning necessary to keep Charles Town a unique city that will attract people to come here to live and work. It is our hope that these planning tools will protect the special historic small-town character of our community for the generations who have grown up here, as well as provide a peaceful retreat for those who have moved here more recently and must commute elsewhere to work during the week."

"Our planning will accommodate the needs and desires of all types of residents while incorporating more innovative principles to ensure that our infrastructure matches the growth and development that is bound to come. With solid ordinances in place, Charles Town will be able to take advantage of opportunities without diminishing the great quality of life we cherish, or abandoning the historic character of our property. Planning for the future will also help us meet the services challenges of providing clean air and water, sewers, schools, utilities, police and fire protection, recreation and entertainment, and, last but not least, convenient shopping."

Katie, who grew up in nearby Moorefield, WV, is married to Matt, who enjoys his active position as Marketing Coordinator at Whitetail Ski and Golf Resort in Mercersburg, PA. They enjoy playing golf, going to Dave Matthews Band concerts, and cheering on their rival alma maters – Virginia Tech and WVU.

According to the entire Minghini's team that worked on the Charles Town City Hall renovation project, Katie's ability to work through practical solutions on the spot by keeping in mind the preservation potential of the project was the critical keystone. ■

## Subcontractor



Glenn Martin, President  
Martin Millwork Inc.  
Mercersburg, Pa  
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or 866-533-2336  
marmill@pa.net

Glenn Martin started Martin Millwork in 1986 following a career as a cabinetmaker and finish carpenter. The company today employs 15 in design and fabrication of millwork, including cabinetry, doors, trim, door jams, windows, furniture and anything else made of wood. They can fabricate any exposed wood (millwork) from entertainment centers to historic profiles. Additionally, the company does a lot of laminate for commercial jobs and medical facilities. The company specializes in historic restoration millwork as well, matching the trim profiles, wainscoting, door jams and windows of existing buildings for an authentic historical look. Some of his more notable renovation projects include the Charles Town City Hall and the MARC Train Station for Minghini's. The company also has done major renovation millwork for the Harriet Lane House (owned by President James Buchanan's niece—the First Lady) and Mercersburg Academy. States Glenn, "Working with Minghini's is always a pleasure. Their field supervisors are a great help and Berniece and Craig are such pleasant people." ■

## Editor's Insights

By Berniece Collis



Berniece Collis  
Vice President

## History in the Making

With the current financial crunch, I wonder if people will continue to see the value of restoring historic buildings to adapt them to current-day uses? It would be a shame to see our past edifices sacrificed to the wrecking ball ... just to save a few dollars. And as the feature article explains, with the tax credits and savings on building materials, adaptive re-use may be the most economical option.

To my way of thinking, it's important for us to look at the long-term value of preserving our historic material culture, which after all, is part of our identity as West Virginians and Americans. When I travel to Europe, I can't help but marvel at their wonderfully preserved historic buildings and cities, some with their origin in Medieval times. Cities, villages and even rural countrysides in the British Isles, Italy, Belgium and France have stringent building and land-use ordinances preserving for the future their collective past.

This preservation isn't whimsical; it creates a wonderful living history that attracts tourists, builds pride, and reflects to all that heritage is a highly marketable, sustainable resource. The prices for properties in these preserved areas is much higher because people want to live in

places where the historic integrity is still intact. They certainly want to operate businesses in places wherein visitors flock to experience their stories.

Admittedly, the history of our buildings isn't thousands of years old, still it tells of our past as a railroad hub, a textile powerhouse, and a cherished region where the Washington families chose to settle and raise their families. In fact, we came close to becoming the nation's capitol! Every old building has a story worth revealing. Our devoted friends at the Historical Societies of each of the Eastern Panhandle Counties have labored long and hard to unearth and reveal our illustrious past.

The least we can do is to learn as much as we can about our older properties and use all the resources available – from government tax incentives to archival information – to make the decision whether to restore or destroy. We at Minghini's are here to serve as a practical resource for how you can preserve and adapt your historic building making it a worthwhile investment that will last for many more centuries. How exciting to be a part of history in the making! ■

## Supplier

LDH Electrical  
Contractors Inc.  
Falling Waters, WV  
304/ 274-2754  
Drohrer.ldh@comcast.net

Through the resourceful sourcing of LDH Electrical, the subcontractor on the Charles Town City Hall Project exterior lighting, Minghini's was able to purchase era reproduction fixtures for this historic renovation. ■

*New  
Year's  
Greetings  
from our  
family to  
yours!*

## New Projects

- Dr. Agbayani's New Medical Office Building
- Washington High School Athletic Facilities Restrooms
- Berkeley County Schools Central Office Interior Renovations

## Completed Projects

- James Rumsey Technical Institute HVAC Renovations
- Ranson Elementary School HVAC Renovations
- ROCs Convenience Store

