

# **Winston-Salem's Local Historic Landmark Program Financial Impact Study**

## **Introduction**

In 2011, the Winston-Salem City Council held a public hearing and subsequently adopted an ordinance designating the Robert M. Hanes House as a Local Historic Landmark property. During the Council's discussion, Historic Resources staff was asked to study the financial impact of the Local Historic Landmark program in Winston-Salem, specifically with regard to the effect of the 50% local property tax deferral, which is authorized by the North Carolina General Statutes.

Over the past several months, Historic Resources and Planning staff have researched and compiled tax and other related information pertaining to the landmark program. The following report encompasses the result of that study.

## **Purpose and History of the Local Landmark Program**

During the 1970s, the North Carolina General Assembly enacted a statute establishing the designation of certain properties as Local Historic Landmarks. Winston-Salem's landmark program was inaugurated October 4, 1976, when 32 properties were designated by the Winston-Salem Board of Aldermen.

A Local Historic Landmark is a building, structure, site, area, or object that has individual historical, architectural, archaeological, or cultural significance and has retained a strong degree of its original physical integrity. Generally, a property must be 50 years old to qualify for landmark designation, although there are exceptions for properties of outstanding significance.

Two things happen after a property has been designated a local landmark. First, the property becomes subject to architectural/site review and approval by the Historic Resources Commission (HRC). Before making changes to any portion of a designated landmark (including interiors, when designated), the property owner must obtain what is called a Certificate of Appropriateness from the HRC to ensure that alterations to the property are in keeping with its historical and architectural character.

Second, under State law, an owner of a local landmark is eligible to receive a 50% property tax deferral from the Forsyth County Tax Assessor. According to State statute, the tax deferral runs in perpetuity, unless the integrity of the property is lost, substantially impaired, or if the designation ordinance has been repealed.

When the General Assembly enacted the statute for a Local Historic Landmark property tax deferral, it did so for a specific reason. Local landmarks are designated because of their outstanding individual significance to the community. These are the properties that if demolished or inappropriately altered would negatively affect the community as a whole. As such, retaining these properties over time in a manner that respects their physical integrity is paramount. In short, the tax deferral was established not as a reward or a prize, but to help offset the often higher cost of conducting appropriate restoration or repair work on a landmark. Current property owners may not need public financial assistance in the proper maintenance of landmark properties. However, there is no guarantee that subsequent owners would have the same situation. Therefore, the tax deferral has been seen statewide as being highly important in retaining these pivotal properties for future generations.

According to the Forsyth County Historic Resources Commission's (HRC) landmark designation *Guidelines*:

*Local Historic Landmark designation is one of several tools to help preserve a part of our history. A property granted Local Historic Landmark designation should be so important that material alteration or demolition would have a negative impact on local cultural and/or architectural history... These are the properties over which local government, with the support of the community, wants to maintain some control in order to preserve the community's heritage. These are the properties that if removed or changed would remove a resource important for ... the community's past.*

Local Historic Landmarks are important, irreplaceable properties that enrich people's daily lives. Landmarks bring strong character to a community. Recognizing and protecting a city's significant historic properties allows citizens to understand where they have been and shows a respect for the community's past accomplishments. Landmark properties help people to understand what has happened in the past and give the community a sense of understanding and hope for the future. People can shape the course of a community by remembering its history. Landmark properties not only educate a city about its history; they also educate us about our past accomplishments. In short, these resources serve as the building blocks of a community's identity.

Data from Visit Winston-Salem's 2011 Visitor Intercept Study found that more than one third of Winston-Salem's visitors (36%) come to attend an attraction, museum, historic site, or winery. Respondents to the study listed the city's history and architecture as primary attributes that make Winston-Salem unique from other communities. Additionally, the North Carolina Department of Commerce found that in 2011, 10% of the state's visitors came to visit historic sites and churches; 5.3% to visit "old homes" and "mansions." These statistics show that the value of historic resources is not just intrinsic, but also positively impacts the local economy.

### **Research/Studies from Other Jurisdictions**

Throughout the nation, there have been numerous studies regarding the financial impact of historic preservation. Many of these studies relate to the impact of historic preservation programs on a community's overall economy, e.g., economic development, job creation, downtown revitalization, and tourism. Still others have researched the effect of locally-zoned historic districts on property values. However, there have been extremely few studies regarding the impact of individual landmark designation on local property taxes.

Durham completed a small study several years ago that examined 12 of the City's landmark properties. Ten of the properties were commercial; two were residential. The finding was that most, if not all, of the properties examined had more than doubled their tax value so there was no net loss in taxes even after the 50% deferral was granted.

In Georgia, the Historic Macon Foundation looked at the values at the time acquired of all the residential buildings it had ever owned. The average property appreciation rate in Macon was 1.5% and the total value of the properties, when acquired, was approximately \$3.5 million. Multiplied out by Macon's average appreciation rate, the properties should have been worth \$3.9 million at the time of the study. However, instead of being worth that amount, the property values totaled nearly \$14 million. Additionally, according to the Foundation, had it not intervened and acquired the properties, more than likely, many of them would have been condemned, demolished, and valued as empty lots.

### **Basic Data on Winston-Salem's Landmarks**

#### A. Number of Local Historic Landmarks

Currently there are 126 Local Historic Landmarks in Forsyth County, as the table below indicates:

| <b>Jurisdiction</b> | <b>Number of Landmarks</b> |
|---------------------|----------------------------|
| Winston-Salem       | 103                        |
| Forsyth County      | 15                         |
| Kernersville        | 8                          |
| Clemmons            | 0                          |
| <b>TOTAL</b>        | <b>126</b>                 |

Winston-Salem has, by far, the greatest number of landmark properties, representing 82% of the total number.

B. Property Use

For the purposes of this study, Winston-Salem’s landmark properties were broken down into the following use categories:

| Use                     | Percentage of Winston-Salem Landmarks |
|-------------------------|---------------------------------------|
| Residential             | 54%                                   |
| Commercial              | 22%                                   |
| Institutional/Mixed Use | 4%                                    |
| Non-Taxed               | 22%                                   |
| <b>TOTAL</b>            | <b>(100%)</b>                         |

C. Anomalies

During the research phase of the project, several irregularities became evident.

1. As described in the *Methodology* section below, this comparative study can only include Winston-Salem’s landmark properties that were designated between 1986 and 2011, since 1986 is the first year that property values in the year of designation were tracked.
2. The Forsyth County Tax Office does not retain historic property tax information for individual properties. Therefore, it was not possible to obtain accurate property value comparisons of landmark properties with adjacent “non-landmarked” properties. Additionally, there are too many hypothetical variables to be able to make valid comparisons between landmarked and non-landmarked properties. Some landmark properties are isolated on their own; others are located within historic districts where nearby resources may also be landmarked or classified as “contributing” to the significance of the district as a whole.
3. There are a few cases where a property owner has not taken advantage of the tax deferral.
4. The vast majority of properties are designated in their entirety, meaning the complete exterior, interior, and site. Therefore, for those properties, the 50% tax deferral is exactly half of the property’s value. However, in a few instances the entire property was not designated. For example, in some cases only the exterior of a property was designated, or only certain structures on the site were landmarked. The 50% deferral is based on the value of only the designated portions of the property. Parts of a property that are not designated are taxed based on the full value. Properties not

designated in their entirety are denoted with asterisks in the Appendix, Tables 1-4.

### **Methodology used to Study the Financial Impact of the Landmark Program**

To effectively examine the financial impact of the Local Historic Landmark program, comparative tax information must be utilized. As stated above, the Forsyth County Tax Office does not retain historical tax information, such as the past tax value of a property and the taxes paid on it. However, beginning with the landmark designation applications submitted in 1986, data on current year assessed value and the taxes paid was obtained by Historic Resources staff to include as part of the applications' files. Thus, comparative data is available from 1986-2011 and includes 43 LHL properties (Appendix, Tables 1-4). The tables are sorted by land use and tax status: twenty (20) residential properties; twelve (12) commercial properties; four (4) institutional or mixed use properties; and seven (7) properties that are not taxed.

Each property's tax value and taxes paid in the year it was designated as a Local Historic Landmark was compared to the property's 2011 value and the taxes paid.

The primary question analyzed was: ***Did the landmark's property tax value in 2011 equal or exceed the property tax value before it attained landmark status?*** This question can be answered for each non-residential landmark in Tables 2-4 in the Appendix by comparing if column 6 is greater than column 4 (whose headings are shaded in gray). For example, the first property listed in Table 2, the Conrad-Starbuck House, 118 S. Cherry Street (LHL #68) was valued at \$112,100 in 1986 (column 4) prior to landmark designation. Today, the property is valued at \$628,500, and even though the deferred tax amount is \$314,250, the taxes paid are almost three times the total amount paid in the year of designation. For these non-residential landmarks, there is no standard appreciation measure with which to compare, as there is for residential properties.

For residential properties, a different question was examined: ***Has the landmark appreciated at a rate greater than the average appreciation for Winston-Salem and Forsyth County residential properties over the time it has been designated as a landmark?*** As shown in Table 1 in the Appendix, the monetary totals in columns six and eight show that overall, the residential landmark properties appreciated at a faster rate than the average property appreciation in the city and county. These totals indicate that eight properties (rows shown in green) have substantially increased in value (i.e., column 6 deferred tax values is greater than column 8 hypothetical tax values). Five of these are larger adaptive reuse properties that have benefited from both the local landmark property tax deferral and the federal and state income tax credits available for the rehabilitation of National Register properties.

Ten other landmark properties (rows shown in pink) have appreciated faster than the average city/county rate (i.e., the 2011 non-deferred tax values in column 5 are greater than the 2011 hypothetical average home appreciation value shown in column 8). Only two of the twenty residential landmark properties (LHL #77, the John Ackerman House and LHL #104, the William Milton Scott House, whose rows are shown in red) have appreciated slower than the average city/county rate (i.e., the 2011 non-deferred tax values in column 5 are less than the hypothetical average appreciation value shown in column 8).

### **Results**

Of all the 35 taxed landmark properties for which comparative data is available, currently 24 (69%) have either equaled or exceeded their pre-designation taxes paid. These values indicate that the properties have appreciated in value by at least 100% since designation. Thus the City is, at a minimum, recouping the taxes deferred by landmark designation.

Of the structures evaluated, 60% of the residential landmarks, 75% of the commercial landmarks, and 100% of the institutional or mixed use landmarks have currently equaled or exceeded the pre-designation taxes paid. More than 80% of the residential landmarks have appreciated in value at a rate greater than the average home appreciation in Winston-Salem.

### **Summary/Conclusion**

To conclude, most of the non-residential landmarks appear to have recouped the deferred loss of tax values within a 10-12 year time frame. Results for the residential landmarks are too varied to predict a time frame when the deferred loss of tax values is recouped, but at least 60% have recouped their pre-designation tax values. Based on this information and the significant community benefit of the Landmark program, a continuation of the program is recommended.

## **Appendix**

- Comprehensive List of Local Historic Landmarks in Winston-Salem
- Chart 1: Winston-Salem Housing Appreciation Rates (1986-2011)
- Table 1: Residential Landmark Properties
- Table 2: Commercial Landmark Properties
- Table 3: Institutional/Mixed Use Landmark Properties
- Table 4: Non-Taxed Landmark Properties



## WINSTON-SALEM LOCAL HISTORIC LANDMARKS

| Site Number | Historic Date | LOCAL HISTORIC LANDMARK<br>Name & Address  | Designation Date       |
|-------------|---------------|--|------------------------|
| 1           | 1766*         | <b>First House</b><br>446 S. Main St., Winston-Salem, 27101  | 10/04/76               |
| 2           | 1767*         | <b>Third House</b><br>440 S. Main St., Winston-Salem, 27101  | 10/04/76               |
| 3           | 1768          | <b>Fourth House</b><br>438 S. Main St., Winston-Salem, 27101   | 10/04/76               |
| 4           | 1772*         | <b>Anna Catharina House</b><br>8 West St., Winston-Salem, 27101  | 10/04/76               |
| 5           | 1775          | <b>Community Store</b><br>626 S. Main St., Winston-Salem, 27101  | 10/04/76               |
| 6           | 1787          | <b>Lick-Boner House</b><br>512 Salt St., Winston-Salem, 27101  | 10/04/76               |
| 7           | 1787*         | <b>Traugott Bagge House</b><br>10 West St., Winston-Salem, 27101   | 10/04/76 &<br>12/07/87 |
| 8           | 1797          | <b>Christoph Vogler House</b><br>710 S. Main St., Winston-Salem, 27101<br><br><b>Christoph Vogler House</b><br>(portion of historic Salem Lot 65)<br>710 S. Main St., Winston-Salem, 27101 | 10/04/76               |
| 9           | 1800          | <b>Winkler Bakery</b><br>527 S. Main St., Winston-Salem, 27101   | 10/04/76               |
| 10          | 1802          | <b>Vierling House</b><br>463 S. Church St., Winston-Salem, 27101   | 10/04/76               |

\* Reconstructed Property

| Site Number | Historic Date | LOCAL HISTORIC LANDMARK<br>Name & Address   | Designation Date |
|-------------|---------------|---|------------------|
| 11          | 1805*         | <b>Schroeter House</b><br>520 S. Main St., Winston-Salem, 27101   | 10/04/76         |
|             | 1809*         | <b>Schroeter Wash-Bake House</b><br>(a portion of historic Salem Lot 57)<br>520 S. Main St., Winston-Salem, 27101 |                  |
| 12          | 1815          | <b>Blum House</b><br>724 S. Main St., Winston-Salem, 27101  | 10/04/76         |
| 13          | 1815          | <b>Zevely House</b><br>901 W. 4th St., Winston-Salem, 27101   | 10/04/76         |
| 14          | 1816          | <b>Volz House</b><br>916 S. Main St., Winston-Salem, 27101  | 10/04/76         |
|             |               | <b>Volz House</b><br>(portion of historic Salem Lot 96)<br>916 S. Main St., Winston-Salem, 27101                  |                  |
| 15          | 1816          | <b>Salem Tavern Dining Room</b><br>736 S. Main St., Winston-Salem, 27101  | 10/04/76         |
| 16          | 1819          | <b>Shultz House</b><br>714 S. Main St., Winston-Salem, 27101  | 10/04/76         |
|             | 1827          | <b>Shultz Shop</b><br>712 S. Main St., Winston-Salem, 27101   |                  |
| 17          | 1820*         | <b>Levering House</b><br>516 S. Main St., Winston-Salem, 27101  | 10/04/76         |
|             |               | <b>Levering House</b><br>(portion of historic Salem Lot 56)<br>516 S. Main St., Winston-Salem, 27101              |                  |
| 18          | 1821          | <b>Herbst House</b><br>511 S. Main St., Winston-Salem, 27101  | 10/04/76         |

\* Reconstructed Property

| <b>Site Number</b> | <b>Historic Date</b> | <b>LOCAL HISTORIC LANDMARK<br/>Name &amp; Address</b>   | <b>Designation Date</b> |
|--------------------|----------------------|---|-------------------------|
| 19                 | 1822                 | <b>Solomon Lick House</b><br>524 Salt St., Winston-Salem, 27101   | 10/04/76                |
| 20                 | 1824*<br><br>1827*   | <b>Traugott Leinbach House</b><br><br><b>Leinbach Wash-Bake House</b><br>807 S. Main St., Winston-Salem, 27101              | 10/04/76                |
| 21                 | 1824                 | <b>Philip Reich House</b><br>813 S. Church St., Winston-Salem, 27101  | 10/04/76                |
| 22                 | 1825                 | <b>Jacob Christman House</b><br>500 Salt St., Winston-Salem, 27101  | 10/04/76                |
| 23                 | 1825*                | <b>Butner Hat Shop</b><br>521 S. Main St., Winston-Salem, 27101   | 10/04/76                |
| 24                 | 1827                 | <b>Hall House</b><br>421 S. Main St., Winston-Salem, 27101  | 10/04/76                |
| 25                 | 1829                 | <b>Butner House</b><br>517 S. Main St., Winston-Salem, 27101  | 10/04/76                |
| 26                 | 1832                 | <b>Timothy Vogler House</b><br>909 S. Main St., Winston-Salem, 27101  | 10/04/76                |
| 27                 | 1832                 | <b>Philip Reich Shop</b><br>817 S. Church St., Winston-Salem, 27101   | 10/04/76                |
| 28                 | 1832*<br><br>1834*   | <b>Eberhardt House</b><br>921 S. Main St., Winston-Salem, 27101<br><br><b>Shop</b><br>919 S. Main St., Winston-Salem, 27101 | 10/04/76                |
| 29                 | 1840                 | <b>Theophilus Vierling House</b><br>327 S. Main St., Winston-Salem, 27101   | 10/04/76                |
| 30                 | 1841*                | <b>Beitel-Van Vleck House</b><br>427 S. Main St., Winston-Salem, 27101  | 10/04/76                |
| 31                 | 1845                 | <b>Jacob Siewers House</b><br>823 S. Main St., Winston-Salem, 27101   | 10/04/76                |

\* Reconstructed Property

| <b>Site Number</b> | <b>Historic Date</b> | <b>LOCAL HISTORIC LANDMARK<br/>Name &amp; Address</b>  | <b>Designation Date</b> |
|--------------------|----------------------|--|-------------------------|
| 32                 | 1847                 | <b>Bank of Cape Fear</b><br>500 S. Main St., Winston-Salem, 27101<br><br><b>Bank of Cape Fear</b><br>(portion of historic Salem Lot 54)<br>500 S. Main St., Winston-Salem, 27101 | 10/04/76                |
| 35                 | 1827                 | <b>Anna Johanna Vogler House</b><br>823 S. Church St., Winston-Salem, 27101  | 11/02/81                |
| 36                 | 1836, 1880           | <b>Brookstown Mill</b><br>200 Brookstown Ave., Winston-Salem, 27101  | 11/02/81                |
| 37                 | 1925                 | <b>Gilmer Building</b><br>416-424 W. 4th St., Winston-Salem, 27101   | 11/02/81                |
| 40                 | c. 1885              | <b>Rogers House</b><br>102 S. Cherry St., Winston-Salem, 27101   | 12/21/81                |
| 41                 | c. 1894              | <b>Lloyd Presbyterian Church</b><br>748 N. Chestnut St., Winston-Salem, 27101  | 12/21/81                |
| 42                 | c. 1893              | <b>David Reid House</b><br>1820 S. Main St., Winston-Salem, 27127  | 06/07/82                |
| 45                 | 1768*                | <b>Fifth House</b><br>434 S. Main St., Winston-Salem, 27101  | 12/06/82                |
| 46                 | 1769                 | <b>Single Brothers House</b><br>600 S. Main St., Winston-Salem, 27101  | 12/06/82                |
| 47                 | 1771                 | <b>Miksch Tobacco Shop</b><br>532 S. Main St., Winston-Salem, 27101  | 12/06/82                |
| 48                 | 1784                 | <b>Salem Tavern</b><br>800 S. Main St., Winston-Salem, 27101   | 12/06/82                |
| 49                 | 1794                 | <b>Boys' School</b><br>3 Academy St., Winston-Salem, 27101   | 12/06/82                |
| 50                 | 1793                 | <b>Ebert-Reich House</b><br>731 S. Main St., Winston-Salem, 27101  | 12/06/82                |

\* Reconstructed Property

| <b>Site Number</b> | <b>Historic Date</b> | <b>LOCAL HISTORIC LANDMARK<br/>Name &amp; Address</b>  | <b>Designation Date</b> |
|--------------------|----------------------|--|-------------------------|
| 51                 | 1816                 | <b>Hagen House</b><br>520 Salt St., Winston-Salem, 27101   | 12/06/82                |
| 52                 | 1819                 | <b>John Vogler House</b><br>700 S. Main St., Winston-Salem, 27101  | 12/06/82                |
| 53                 | 1822                 | <b>Leinbach House</b><br>508 S. Main St., Winston-Salem, 27101<br><br><b>Leinbach House</b><br>(portion of historic Salem Lot 55)<br>508 S. Main St., Winston-Salem, 27101 | 12/06/82                |
| 54                 | 1822*                | <b>Leinbach Granary &amp; Stable</b><br>508 S. Main St., Winston-Salem, 27101  | 12/06/82                |
| 55                 | 1831                 | <b>Kuehn House</b><br>901 S. Main St., Winston-Salem, 27101  | 12/06/82                |
| 56                 | 1831                 | <b>Timothy Vogler Shop</b><br>913 S. Main St., Winston-Salem, 27101  | 12/06/82                |
| 57                 | 1832                 | <b>Denke House</b><br>498 Salt St., Winston-Salem, 27101   | 12/06/82                |
| 58                 | 1834*                | <b>Charles A. Cooper Shop</b><br>419 S. Main St., Winston-Salem, 27101   | 12/06/82                |
| 59                 | 1839                 | <b>Christian F. Sussdorff House</b><br>448 Factory Row, Winston-Salem, 27101   | 12/06/82                |
| 60                 | 1844                 | <b>John Siewers House</b><br>832 S. Main St., Winston-Salem, 27101   | 12/06/82                |
| 61                 | 1842                 | <b>Siewers Shop</b><br>15 Walnut St., Winston-Salem, 27101   | 12/06/82                |
| 62                 | 1844                 | <b>Zevely Inn</b><br>803 S. Main St., Winston-Salem, 27101   | 12/06/82                |
| 63                 | 1902                 | <b>Peter Blum House</b><br>111 N. Poplar St., Winston-Salem, 27101   | 12/06/82                |

\* Reconstructed Property

| <b>Site Number</b> | <b>Historic Date</b> | <b>LOCAL HISTORIC LANDMARK<br/>Name &amp; Address</b>  | <b>Designation Date</b> |
|--------------------|----------------------|--|-------------------------|
| 64                 | 1884                 | <b>Hylehurst</b><br>224 S. Cherry St., Winston-Salem, 27101  | 07/05/83                |
| 65                 | 1912                 | <b>Salem Town Hall</b><br>301 S. Liberty St., Winston-Salem, 27101   | 11/19/84                |
| 68                 | 1884                 | <b>Conrad-Starbuck House</b><br>118 S. Cherry St., Winston-Salem, 27101  | 12/15/86                |
|                    | c. 1910              | <b>Conrad-Starbuck Carriage House</b><br>119 S. Marshall St., Winston-Salem, 27101                                     | 11/15/93                |
| 69                 | c. 1915              | <b>Main Post Office Building</b><br>101 W. 5th St., Winston-Salem, 27101   | 02/19/87                |
| 71                 | 1873                 | <b>Dr. John Francis Shaffner House</b><br>428 S. Main St., Winston-Salem, 27101  | 12/07/87                |
| 72                 | c. 1932              | <b>Graylyn</b><br>1900 Reynolda Rd., Winston-Salem, 27106  | 12/07/87                |
| 73                 | c. 1875              | <b>Nathaniel Shober Siewers House</b><br>715 S. Main St., Winston-Salem, 27101   | 01/03/89                |
| 74                 | 1911                 | <b>Cicero Francis Lowe House</b><br>204 Cascade Ave., Winston-Salem, 27127   | 04/17/89                |
| 76                 | c. 1915              | <b>Fourth Street Rowhouses</b><br>840-848 W. 4th St. &<br>807-809 Burke St., Winston-Salem, 27101                      | 12/18/89                |
| 77                 | 1822*                | <b>John Ackerman House</b><br>500 Factory Row, Winston-Salem, 27101  | 10/01/90                |
| 79                 | 1907                 | <b>Brickenstein-Leinbach House</b><br>426 Old Salem Rd., Winston-Salem, 27101  | 05/06/91                |
| 81                 | 1856                 | <b>Edwin Theophilus Ackerman House</b><br>440 Factory Row, Winston-Salem, 27101  | 11/04/91                |
| 82                 | 1913                 | <b>Winston-Salem Southbound Railway Freight<br/>Warehouse &amp; Office</b><br>300 S. Liberty St., Winston-Salem, 27101 | 11/04/91                |

\* Reconstructed Property

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|--------------------|----------------------|---|-------------------------|
| 85                 | 1901                 | <b>Col. William Allen Blair House</b><br>210 S. Cherry St., Winston-Salem, 27101              | 10/19/92                |
| 86                 | 1929                 | <b>Sosnik's/Morris-Early Commercial Block</b><br>500 W. 4th St., Winston-Salem, 27101         | 01/04/93                |
| 87                 | c. 1875              | <b>Livingston N. Clinard House</b><br>512 Factory Row, Winston-Salem, 27101                   | 01/04/93                |
| 90                 | c. 1928-30           | <b>Mamie Gray Galloway House</b><br>1040 Arbor Rd., Winston-Salem, 27104                      | 11/15/93                |
| 91                 | c. 1930              | <b>Joseph Franklin Bland House</b><br>1809 Virginia Rd., Winston-Salem, 27104                 | 11/15/93                |
| 92                 | c. 1930              | <b>Shell Service Station</b><br>1111 Sprague St., Winston-Salem, 27107                        | 05/02/94                |
| 95                 | c. 1815              | <b>Bethabara Log House</b><br>Historic Bethabara Park, Winston-Salem, 27106                   | 12/18/95                |
| 96                 | 1788                 | <b>Bethabara Gemeinhaus</b><br>Historic Bethabara Park, Winston-Salem, 27106                  | 12/18/95                |
| 97                 | 1782                 | <b>Bethabara Dyer's &amp; Potter's House</b><br>Historic Bethabara Park, Winston-Salem, 27106 | 12/18/95                |
| 98                 | 1803                 | <b>Bethabara Distiller's House</b><br>Historic Bethabara Park, Winston-Salem, 27106           | 12/18/95                |
| 99                 | 1927                 | <b>(Former) Spruce Street YMCA</b><br>315 N. Spruce St., Winston-Salem, 27101                 | 12/18/95                |
| 102                | c. 1816, 1879        | <b>John and Matthew Clayton Farm</b><br>5809 Stanleyville Dr., Rural Hall, 27045              | 11/03/97                |
| 104                | 1925                 | <b>William Milton Scott House</b><br>1941 Georgia Ave., Winston-Salem, 27104                  | 12/15/97                |
| 105                | 1926                 | <b>Former Union Station</b><br>300 Martin Luther King, Jr. Blvd., Winston-Salem,<br>27101     | 12/15/97                |
| 106                | c. 1906              | <b>Rosenbacher House</b><br>848 W. Fifth St., Winston-Salem, 27101                            | 12/21/98                |

\* Reconstructed Property

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|--------------------|----------------------|---|-------------------------|
| 107                | c. 1890              | <b>W. F. Smith and Sons Leaf House</b><br>406 E. Fourth St., Winston-Salem, 27101                                   | 12/06/99                |
| 109                | c.1850,<br>1929      | <b>Burton Craige House</b><br>134 Cascade Ave., Winston-Salem, 27127  | 07/16/01                |
| 110                | 1926                 | <b>Nissen Building</b><br>310-314 W. Fourth St., Winston-Salem, 27101   | 02/17/03                |
| 111                | c. 1829<br>1930      | <b>Middleton House</b><br>2721 Robinhood Rd., Winston-Salem, 27106  | 11/19/03                |
| 112                | c. 1910              | <b>Oak Grove School</b><br>2637 Oak Grove Circle, Winston-Salem, 27106  | 11/19/03                |
| 113                | 1917                 | <b>Charles R. Fogle House</b><br>29 Cascade Ave., Winston-Salem, 27127  | 11/19/03                |
| 114                | 1924                 | <b>Henry L. Mickey House</b><br>1162 Waughtown St., Winston-Salem, 27107  | 11/19/03                |
| 115                | 1926                 | <b>Winston-Salem City Hall</b><br>101 N. Main St., Winston-Salem, 27101   | 05/17/04                |
| 116                | 1966                 | <b>Wachovia Building</b><br>301 N. Main St., Winston-Salem, 27101   | 05/17/04                |
| 117                | c. 1895              | <b>Brown Brothers Tobacco Prizery</b><br>401 E. Fourth St., Winston-Salem, 27101                                    | 12/08/04                |
| 118                | 1911                 | <b>(Former) Wachovia Bank &amp; Trust Company Building</b><br>8 W. Third St., Winston-Salem, 27101                  | 08/07/06                |
| 119                | 1940                 | <b>P.H. Hanes Knitting Company – Warehouse &amp; Shipping Building</b><br>600 N. Chestnut St., Winston-Salem, 27101 | 02/05/07                |
| 120                | c. 1911              | <b>Odd Fellows Cemetery</b><br>2881 Shorefair Dr., Winston-Salem, 27105   | 02/05/07                |
| 121                | 1920                 | <b>P.H. Hanes Knitting Company – Knitting Building</b><br>675 N. Main St., Winston-Salem, 27101                     | 05/07/07                |

\* Reconstructed Property

| <b>Site Number</b> | <b>Historic Date</b> | <b>LOCAL HISTORIC LANDMARK<br/>Name &amp; Address</b>   | <b>Designation Date</b> |
|--------------------|----------------------|---|-------------------------|
| 122                | 1928                 | <b>P.H. Hanes Knitting Company – Mill Building</b><br>101 E. Sixth St., Winston-Salem, 27101  | 10/04/10                |
| 123                | 1895, 1953           | <b>S.J. Nissen Building</b><br>310 E. Third St., Winston-Salem, 27101   | 10/04/10                |
| 124                | 1926                 | <b>Robert M. Hanes House</b><br>140 N. Stratford Rd., Winston-Salem, 27104  | 07/18/11                |
| 125                | c. 1900              | <b>George Black House &amp; Brickyard</b><br>111 Dellabrook Rd., Winston-Salem, 27105   | 10/17/11                |
| 126                | c. 1916              | <b>R.J. Reynolds Tobacco Company Factory<br/>Complex 64</b><br>500 E. Fifth St., Winston-Salem, 27101<br><b><i>NOTE: Property not included in study</i></b> | 05/21/12                |

\* Reconstructed Property

| <b>Chart 1:</b>   |                                 |                |                                    |
|---|---------------------------------|----------------|------------------------------------|
| <b>Winston-Salem Housing Appreciation Rates (1986-2011)</b> |                                 |                |                                    |
| <b>Year</b>   | <b>Annual Appreciation Rate</b> | <b># Years</b> | <b>Cumulative Appreciation (%)</b> |
| 1986  | 5.98%                           | 25             | 72%                                |
| 1987  | 4.19%                           | 24             | 66%                                |
| 1988  | 2.19%                           | 23             | 62%                                |
| 1989  | 2.91%                           | 22             | 59%                                |
| 1990  | 1.55%                           | 21             | 57%                                |
| 1991  | 2.66%                           | 20             | 55%                                |
| 1992  | 2.42%                           | 19             | 52%                                |
| 1993  | 3.42%                           | 18             | 50%                                |
| 1994  | 3.90%                           | 17             | 47%                                |
| 1995  | 4.62%                           | 16             | 43%                                |
| 1996  | 3.57%                           | 15             | 38%                                |
| 1997  | 4.41%                           | 14             | 34%                                |
| 1998  | 4.22%                           | 13             | 30%                                |
| 1999  | 1.98%                           | 12             | 26%                                |
| 2000  | 4.37%                           | 11             | 24%                                |
| 2001  | 4.87%                           | 10             | 19%                                |
| 2002  | 2.88%                           | 9              | 15%                                |
| 2003  | 2.30%                           | 8              | 12%                                |
| 2004  | 3.76%                           | 7              | 9%                                 |
| 2005  | 4.70%                           | 6              | 6%                                 |
| 2006  | 2.58%                           | 5              | 1%                                 |
| 2007  | 1.69%                           | 4              | -2%                                |
| 2008  | -0.44%                          | 3              | -3%                                |
| 2009  | -1.29%                          | 2              | -3%                                |
| 2010  | 0.23%                           | 1              | -2%                                |
| 2011  | -1.85%                          | 0              | -2%                                |
| <b>Totals</b>   | <b>71.82%</b>                   | <b>25</b>      |                                    |

Note: Winston-Salem Appreciation data taken from House Price Index (HPI) at [www.forecastchart.com](http://www.forecastchart.com)

| Table 1: Residential Historic Landmark Properties Real Property Value Comparison with Hypothetical Average Residential Appreciation |   |                         |   |  |   |   |   |  |   |
|---|---|-------------------------|---|--|---|---|---|--|---|
| (1)<br>LHL #  | (2)<br>Local Historic Landmark (LHL) Name & Address                                       | (3)<br>Designation Year | (4)<br>Pre-LHL Designation Tax Value (100%) | (5)<br>Appraised Tax Value (100%) (2011 Dollars) | (6)<br>Deferred Tax Value (50%*) (2011 Dollars) | (7)<br>Hypothetical W-S/FC Cumulative Appreciation Since Designation (% change) | (8)<br>Hypothetical W-S/FC Cumulative Residential Appreciation Real Property Tax Value (2011 Dollars) [Column 4 x (1+Column 7)] | (9)<br>Hypothetical W-S/FC Cumulative Residential Appreciation Property Taxes (2011 Dollars) | (10)<br>Actual W-S/FC Property Taxes Paid (50%*) (2011 Dollars) |
| 71  | Dr. John Francis Shaffner House<br>428 S Main St  | 1987                    | \$179,000                                   | \$973,300  | \$486,650                                       | 66%   | \$297,140   | \$3,414  | \$5,592   |
| 73  | Nathaniel Shober Siewers House<br>715 S Main St   | 1988                    | \$158,300                                   | \$580,800  | \$290,400                                       | 62%   | \$256,446   | \$2,947  | \$3,337   |
| 74  | Cicero Francis Lowe House<br>204 Cascade Ave  | 1988                    | \$189,900                                   | \$410,300  | \$205,150                                       | 62%   | \$307,638   | \$3,535  | \$2,357   |
| 77  | John Ackerman House<br>500 Factory Row  | 1990                    | \$244,100                                   | \$338,200  | \$169,100                                       | 57%   | \$383,237   | \$4,403  | \$1,943   |
| 81  | Edwin Theophilus Ackerman House<br>440 Factory Row  | 1991                    | \$211,300                                   | \$375,300  | \$187,650                                       | 55%   | \$327,515   | \$3,763  | \$2,156   |
| 87  | Livingston N. Clinard House<br>512 Factory Row  | 1992                    | \$177,600                                   | \$512,100  | \$256,050                                       | 52%   | \$269,952   | \$3,102  | \$2,942   |
| 90  | Mamie Gray Galloway House<br>1040 Arbor Rd*   | 1993                    | \$861,500                                   | \$1,749,600                                      | \$874,800                                       | 50%   | \$1,292,250   | \$14,848   | \$10,051  |
| 91  | Joseph Franklin Bland House<br>1809 Virginia Rd   | 1993                    | \$762,600                                   | \$1,550,100                                      | \$775,050                                       | 50%   | \$1,143,900   | \$13,143   | \$8,905   |
| 102   | John & Matthew Clayton Farm<br>5809 Stanleyville Dr                                       | 1997                    | \$142,091                                   | \$325,900  | \$162,950                                       | 34%   | \$190,402   | \$2,188  | \$1,872   |
| 104   | William Milton Scott House<br>1941 Georgia Ave  | 1997                    | \$710,700                                   | \$780,100  | \$390,050                                       | 34%   | \$952,338   | \$10,942   | \$4,482   |
| 107   | W.F. Smith & Sons Leaf House<br>406 E Fourth St   | 1999                    | \$203,917                                   | \$1,589,000                                      | \$794,500                                       | 26%   | \$256,935   | \$2,952  | \$9,129   |
| 109   | Burton Craige House<br>134 Cascade Ave  | 2001                    | \$355,006                                   | \$652,200  | \$326,100                                       | 19%   | \$422,457   | \$4,854  | \$1,549   |
| 113   | Charles R. Fogle House<br>29 Cascade Ave  | 2003                    | \$194,819                                   | \$260,000  | \$130,000                                       | 12%   | \$218,197   | \$2,507  | \$618   |
| 114   | Henry L. Mickey House<br>1162 Waughtown St  | 2003                    | \$107,502                                   | \$222,600  | \$111,300                                       | 12%   | \$120,402   | \$1,383  | \$529   |
| 117   | Brown Brothers Tobacco Prizery<br>401 E Fourth St   | 2004                    | \$360,700                                   | \$6,984,600                                      | \$3,492,300                                     | 9%  | \$393,163   | \$4,517  | \$40,127  |
| 119   | P.H. Hanes Knitting Company Building - Warehouse & Shipping Building<br>600 N Chestnut St | 2006                    | \$970,600                                   | \$10,263,400                                     | \$5,131,700                                     | 1%  | \$980,306   | \$11,264   | \$58,963  |
| 121   | P.H. Hanes Knitting Company - Knitting Building<br>675 N Main St                          | 2007                    | \$1,183,200                                 | \$10,308,300                                     | \$5,154,150                                     | -2%   | \$1,159,536   | \$13,323   | \$59,221  |
| 122   | P.H. Hanes Knitting Company - Mill Building<br>101 E Sixth St                             | 2010                    | \$1,583,900                                 | \$3,167,800                                      | \$1,583,900                                     | -2%   | \$1,552,222   | \$17,835   | \$18,199  |
| 124   | Robert M. Hanes House<br>140 N Stratford Rd   | 2011                    | \$1,436,200                                 | \$1,436,200                                      | \$718,100                                       | -2%   | \$1,407,476   | \$16,172   | \$3,411   |
| 125   | George Black House & Brickyard<br>111 Dellabrook Rd                                       | 2011                    | \$37,900                                    | \$75,800   | \$37,900  | -2%   | \$37,142  | \$427  | \$435   |
| <b>TOTALS</b>   |   |                         | <b>\$10,070,835</b>                         | <b>\$42,555,600</b>                              | <b>\$21,277,800</b>                             |   | <b>\$11,968,655</b>   | <b>\$137,520</b>   | <b>\$235,818</b>  |

\* Some properties may have a deferred tax value of less than 50 percent due to only a portion of a property being designated as a landmark or tax deferral not taken. Such properties are indicated with an asterisk after the LHL name and address.

|   |
|---|
| Landmark Appreciated & Deferred Tax Value > Hypothetical Average Appreciation Tax Value (Column 6 > Column 8) |
| Landmark Appreciated Tax Value > Hypothetical Average Appreciation Tax Value (Column 5 > Column 8)            |
| Landmark Appreciated Tax Value < Hypothetical Average Appreciation Tax Value (Column 5 < Column 8)            |

**Table 2: Commercial Landmark Properties**

| (1)<br>LHL #  | (2)<br>LHL Name & Address  | (3)<br># Years in Program | (4)<br>Pre-LHL Designation Tax Value (100%) | (5)<br>Appraised Tax Value (100%) (2011 Dollars) | (6)<br>Deferred Tax Value (50%*) (2011 Dollars) | (7)<br>Tax Value Change Since Designation (% change) | (8)<br>Average W-S/FC Cumulative Appreciation Since Designation (% change) | (9)<br>Actual W-S/FC Property Taxes Paid (50%*) (2011 Dollars) | (10)<br>Actual Year of Designation W-S/FC Property Taxes Paid (100%) |
|---------------|--|---------------------------|---|--|---|--|--|--|--|
| 68            | Conrad-Starbuck House<br>118 S Cherry St   | 25                        | \$112,100                                   | \$628,500  | \$314,250                                       | 180%   | N/A  | \$3,611  | \$1,228  |
| 68A           | Conrad-Starbuck Carriage House<br>119 S Marshall St                              | 18                        | \$56,300                                    | \$271,500  | \$135,750                                       | 141%   | N/A  | \$1,560  | \$750  |
| 69            | Main Post Office Building<br>101 W Fifth St                                      | 24                        | \$0   | \$711,100  | \$355,550                                       | N/A  | N/A  | \$0  | \$0  |
| 76            | Fourth Street Rowhouses<br>840-848 W Fourth St & 807-809 Burke St                | 22                        | \$504,700                                   | \$1,467,300                                      | \$733,650                                       | 45%  | N/A  | \$8,430  | \$5,698  |
| 79            | Brickenstein-Leinbach House<br>426 Old Salem Rd                                  | 20                        | \$91,500                                    | \$1,172,200                                      | \$586,100                                       | 541%   | N/A  | \$6,734  | \$1,139  |
| 82            | Winston-Salem Southbound Railway Freight Warehouse & Office<br>300 S Liberty St* | 20                        | \$666,000                                   | \$4,893,200                                      | \$2,446,600                                     | 267%   | N/A  | \$28,112   | \$8,791  |
| 85            | Col. William Allen Blair House<br>210 S Cherry St                                | 19                        | \$297,400                                   | \$1,313,000                                      | \$656,500                                       | 121%   | N/A  | \$7,543  | \$3,963  |
| 86            | Sosnik's/Morris-Early Commercial Block<br>500 W Fourth St                        | 19                        | \$2,815,400                                 | \$3,423,200                                      | \$1,711,600                                     | -39%   | N/A  | \$19,666   | \$37,515   |
| 92            | Shell Service Station<br>1111 Sprague St   | 18                        | \$9,600                                     | \$15,600   | \$7,800   | 63%  | N/A  | \$179  | \$128  |
| 106           | Rosenbacher House<br>848 W Fifth St  | 13                        | \$326,600                                   | \$436,200  | \$218,100                                       | -33%   | N/A  | \$2,506  | \$3,793  |
| 116           | Wachovia Building<br>301 N Main St*  | 7                         | \$2,971,771                                 | \$11,977,700                                     | \$5,988,850                                     | 287%   | N/A  | \$132,128  | \$35,273   |
| 118           | (Former) Wachovia Bank & Trust Company Building<br>8 W Third St*                 | 6                         | \$4,658,000                                 | \$5,379,200                                      | \$2,689,600                                     | 5%   | N/A  | \$55,943   | \$53,614   |
| 123           | S.J. Nissen Building<br>310 E Third St*  | 1                         | \$1,195,800                                 | \$1,195,800                                      | \$597,900                                       | -50%   | N/A  | \$6,870  | \$13,740   |
| <b>TOTALS</b> |  |                           | <b>\$13,705,171</b>                         | <b>\$32,884,500</b>                              | <b>\$16,442,250</b>                             |  |  | <b>\$273,283</b>   | <b>\$165,632</b>   |

\* Some properties may have a deferred tax value of less than 50 percent due to only a portion of a property being designated as a landmark or tax deferral not taken. Such properties are indicated with an asterisk after the LHL name and address.

| Key           | Status  | # Properties | Percent     |
|---------------|---|--------------|-------------|
|               | Positive Tax Change   | 9            | 69%         |
|               | Neutral Tax Change  | 0            | 0%          |
|               | Negative Tax Change   | 3            | 23%         |
|               | Change of status from Non-profit to Profit, or vice versa (N/A) | 1            | 8%          |
| <b>Totals</b> |   | <b>13</b>    | <b>100%</b> |

**Table 3: Institutional/Mixed Use Landmark Properties**

| (1)<br>LHL #  | (2)<br>LHL Name & Address                       | (3)<br># Years in Program | (4)<br>Pre-LHL Designation Tax Value (100%) | (5)<br>Appraised Tax Value (100%) (2011 Dollars) | (6)<br>Deferred Tax Value (50%*) (2011 Dollars) | (7)<br>Tax Value Increase Since Designation (% change) | (8)<br>Average W-S/FC Cumulative Appreciation Since Designation (% change) | (9)<br>Actual W-S/FC Property Taxes Paid (50%*) (2011 Dollars) | (10)<br>Actual Year of Designation WS/FC Property Taxes Paid (100%) |
|---------------|---|---------------------------|---|--|---|--|--|--|---|
| 72            | Graylyn<br>1900 Reynolda Rd*                    | 24                        | \$0   | \$12,517,450                                     | \$6,258,725                                     | 12517%   | N/A  | \$0  | \$0   |
| 99            | (Former) Spruce Street YMCA<br>315 N Spruce St* | 16                        | \$1,680,600                                 | \$4,313,900                                      | \$2,156,950                                     | 157%   | N/A  | \$30,754   | \$22,124  |
| 110           | Nissen Building<br>310-314 W Fourth St          | 8                         | \$5,032,300                                 | \$14,900,000                                     | \$7,450,000                                     | 196%   | N/A  | \$85,600   | \$59,733  |
| 111           | Middleton House<br>2721 Robinhood Rd            | 8                         | \$1,028,600                                 | \$1,475,100                                      | \$737,550                                       | 43%  | N/A  | \$16,949   | \$12,209  |
| <b>TOTALS</b> |   |                           | <b>\$7,741,500</b>                          | <b>\$33,206,450.00</b>                           | <b>\$16,603,225.00</b>                          |  |  | <b>\$133,303</b>   | <b>\$94,066</b>   |

\* Some properties may have a deferred tax value of less than 50 percent due to only a portion of a property being designated as a landmark or tax deferral not taken. Such properties are indicated with an asterisk after the LHL name and address.

| Key           | Status  | # Properties | Percent     |
|---------------|---|--------------|-------------|
|               | Positive Tax Change   | 3            | 75%         |
|               | Neutral Tax Change  | 0            | 0%          |
|               | Negative Tax Change   | 0            | 0%          |
|               | Change of status from Non-profit to Profit, or vice versa (N/A) | 1            | 25%         |
| <b>Totals</b> |   | <b>4</b>     | <b>100%</b> |

**Table 4: Non-Taxed Landmark Properties**

| (1)<br>LHL<br># | (2)<br>LHL Name & Address                                       | (3)<br># Years in<br>Program | (4)<br>Pre-LHL<br>Designation<br>Tax Value<br>(100%) | (5)<br>Appraised Tax<br>Value (100%)<br>(2011 Dollars) | (6)<br>Deferred Tax<br>Value (50%*)<br>(2011 Dollars) | (7)<br>Tax Value<br>Increase<br>Since<br>Designation<br>(% change) | (8)<br>Average<br>W-S/FC<br>Cumulative<br>Appreciation<br>Since<br>Designation<br>(% change) | (9)<br>Actual<br>W-S/FC<br>Property Taxes<br>Paid<br>(50%*)<br>(2011 Dollars) | (10)<br>Actual Year of<br>Designation<br>WS/FC<br>Property Taxes<br>Paid<br>(100%) |
|-----------------|---|------------------------------|--|--|---|--|--|---|--|
| 95              | Bethabara Log House<br>Historic Bethabara Park                  | 16                           | \$0  | \$0  | \$0   | 0%   | N/A  | \$0   | \$0  |
| 96              | Bethabara Gemeinhaus<br>Historic Bethabara Park                 | 16                           | \$0  | \$0  | \$0   | 0%   | N/A  | \$0   | \$0  |
| 97              | Bethabara Dyer's & Potter's<br>House<br>Historic Bethabara Park | 16                           | \$0  | \$0  | \$0   | 0%   | N/A  | \$0   | \$0  |
| 98              | Bethabara Distiller's House<br>Historic Bethabara Park          | 16                           | \$0  | \$0  | \$0   | 0%   | N/A  | \$0   | \$0  |
| 105             | (Former) Union Station<br>300 Martin Luther King, Jr. Dr        | 14                           | \$275,800  | \$0  | \$0   | 0%   | N/A  | \$0   | \$3,245  |
| 115             | Winston-Salem City Hall<br>101 N Main St                        | 7                            | \$0  | \$0  | \$0   | 0%   | N/A  | \$0   | \$0  |
| 120             | Odd Fellows Cemetery<br>Shorefair Dr                            | 5                            | \$0  | \$0  | \$0   | 0%   | N/A  | \$0   | \$0  |
| <b>TOTALS</b>   |   |                              | <b>\$275,800</b>                                     | <b>\$0</b>   | <b>\$0</b>  |  |  | <b>\$0</b>  | <b>\$3,245</b>   |

\* Some properties may have a deferred tax value of less than 50 percent due to only a portion of a property being designated as a landmark or tax deferral not taken. Such properties are indicated with an asterisk after the LHL name and address.

| Key           | Status  | # Properties | Percent     |
|---------------|---|--------------|-------------|
|               | Positive Tax Change   | 0            | 0%          |
|               | Neutral Tax Change  | 6            | 86%         |
|               | Negative Tax Change   | 0            | 0%          |
|               | Change of status from Non-profit to Profit, or vice versa (N/A) | 1            | 14%         |
| <b>Totals</b> |   | <b>7</b>     | <b>100%</b> |