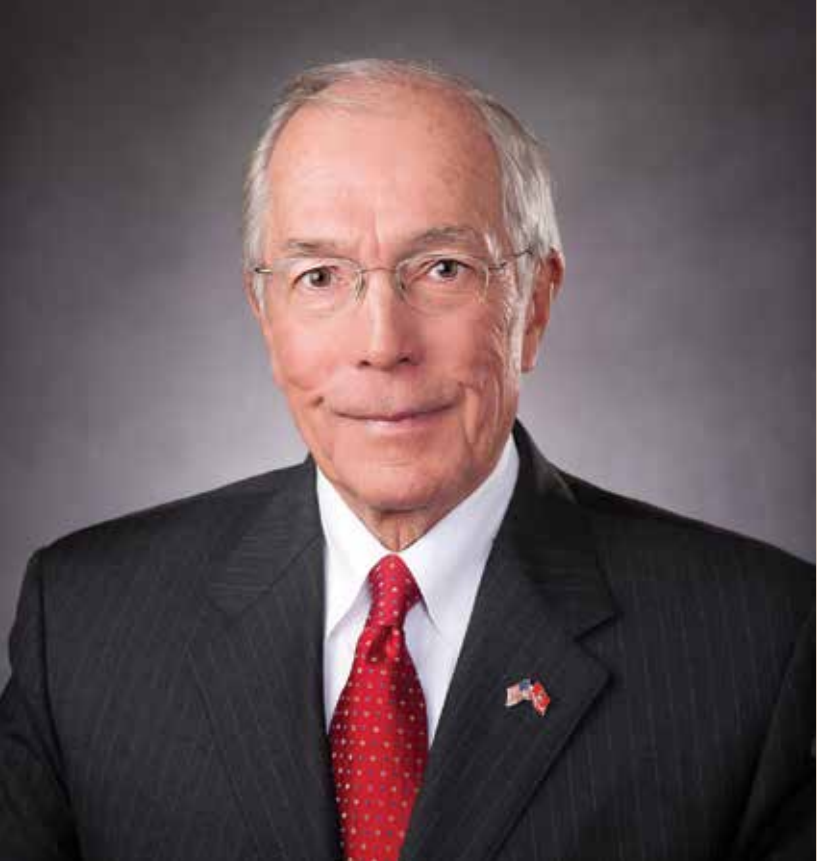


REPORT ON HISTORIC PRESERVATION TAX CREDITS IN TEXAS

FISCAL YEARS 2022-24 UPDATE

TEXAS
HISTORICAL
COMMISSION 
REAL PLACES TELLING REAL STORIES

thc.texas.gov



THC CHAIRMAN JOHN L. NAU, III ON HISTORIC PRESERVATION TAX CREDITS

In Houston, the nation's fourth-largest city, locals and visitors from across the world gather at the former Barbara Jordan Post Office Building to enjoy sunset views of the skyline from a 5.5-acre rooftop park at the new POST Houston.

About 150 miles away in tiny, rural Martindale, music lovers from throughout Central Texas fill Duett's Texas Club, a restaurant, bar, and live music venue housed in what was once a service station and car dealership.

Although these nights out are very different, the Texans and tourists who enjoy these places share something in common: they're experiencing the vibrant new life of buildings that once stood vacant but are now transformed through the power of historic preservation.

The Texas Historic Preservation Tax Credit, enacted in 2013, drives economic development and creates jobs, with a positive net effect on the state's economy. The program's impact spans from our largest cities to our smallest towns, breathing new life into buildings that might otherwise have been lost. Through fiscal year 2024, the program facilitated nearly 500 distinct projects that were completed in 67 Texas cities, generating more than \$5 billion in investments across the state. These projects create high-paying local jobs, strengthen community bonds, boost property values, and enhance heritage tourism opportunities.

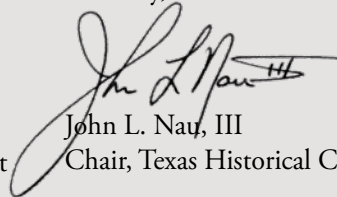
In the following pages, you will find an overview of some of the amazing projects completed during the last biennium and the impacts they are making all across Texas. You'll learn more about the multi-use projects in Houston and Martindale and see many photos that showcase the breadth of the tax credit projects and architecture.

I hope that, like me, you will be inspired by the energy and vitality of these efforts that are bringing new opportunities to communities great and small across the Lone Star State and are preserving the dramatic history of these unique places.

The Texas Historic Preservation Tax Credit continues to demonstrate that economic progress and historic preservation can work hand in hand, creating vibrant communities that honor our past while building for the future.

Thank you for your support of this program and for your dedication to Texas history.

Sincerely,



John L. Nau, III
Chair, Texas Historical Commission



Front cover:
POST/Barbara Jordan Post Office Building, O Atrium, Houston
Photo by Leonid Furmansky

This page:
Drone view of POST/Barbara Jordan Post Office Building
Photo by Steve Hyde
Both courtesy of Lovett Commercial

BUILDING TEXAS, PRESERVING ITS PAST

January 1, 2025, marked the 10-year anniversary of the Texas Historic Preservation Tax Credit (THPTC). In achieving this milestone, our state tax credit program has made a far-reaching impact by spurring private investment in rehabilitating historic buildings, small and large, across Texas. From January 1, 2015, when the program began accepting applications, to January 1, 2025, the Texas Historical Commission (THC) received initial applications to determine a building's eligibility for about 1,100 projects. Of these, 496 have been successfully completed and certified, representing total investments of \$5.3 billion. Of those gross investments, \$3.9 billion qualified for the tax credits.

The flexibility and practicality of the THPTC has driven significant increases in historic preservation projects. Enacted by the 83rd Texas Legislature in 2013, the THPTC offers a freely transferable credit certificate equal to 25 percent of qualifying expenses. Subsequent legislation expanded the state program to allow applications for properties used by nonprofits in addition to for-profit companies, and to allow the credits to apply to insurance premium taxes in addition to business franchise taxes. Other recent legislation has helped refine and protect the program.

The state credit was designed to dovetail with the Federal Rehabilitation Tax Credit, a program that had previously been underutilized in Texas. Now, while many applicants use the state tax credit alone due to its versatility, more than half of state projects also seek federal tax credits to maximize benefit. The federal program is only open to income-producing properties and offers a federal income tax credit equal to 20 percent of qualified expenses. In Texas, the National Park Service and THC jointly administer the federal program. Both historic tax credit programs require proposed plans to conform with the Secretary of the Interior's Standards for Rehabilitation, with reviews made by both agencies. Credits are processed by the Texas Comptroller of Public Accounts and the U.S. Internal Revenue Service following project completion and certification.

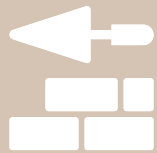
The THPTC program maintained substantial use in fiscal years 2023 and 2024 while our state recovered from construction slowdowns that began in 2020. THC staff certified 111 completed architectural projects at 104 historic properties in the biennium. Qualified rehabilitation expenses for these properties totaled over \$540 million, with full development and construction expenses of over \$710 million. This report presents an overview of projects certified in fiscal years 2023 and 2024.

TEXAS HISTORIC PRESERVATION TAX CREDIT PROGRAM

THE WORKS*



467
TEXAS PROJECTS CERTIFIED
(Completed)



\$3.7 B
CUMULATIVE QUALIFIED
REHABILITATION EXPENSES**



\$5 B
CUMULATIVE TOTAL SPENDING

* Since implementation of the State Tax Credit on January 1, 2015, through August 31, 2024.

** Qualified rehabilitation expenses are the limited project costs that count toward credit value, as defined by the Internal Revenue Service.

THE IMPACTS

ESTIMATED FIGURES, BASED ON
CERTIFIED PROJECTS

127 K+ TEXAS JOBS SUPPORTED
BY REHABILITATION WORK

\$9.27 B TOTAL WAGES
AND INCOME EARNED IN TEXAS
THROUGH REHABILITATION PROJECTS

\$159 M GENERATED IN STATE TAXES

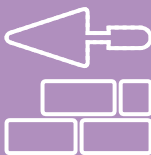
\$524 M GENERATED IN LOCAL TAXES
(NOT INCLUDING PROPERTY TAX IMPACTS)

\$11.74 B ADDED TO TEXAS GROSS
DOMESTIC PRODUCT

IN THE WORKS



185+
PENDING PROJECTS*
AT PART 2 OF 3-PART REVIEW



\$1.4 B
ESTIMATED QUALIFIED
REHABILITATION EXPENSES



\$2.4 B
ESTIMATED TOTAL COSTS
FOR THESE PROJECTS

* Having plans approved by the THC does not ensure that projects will be completed or receive certification.

THE FEES

THC CHARGES FEES FOR PROCESSING
TAX CREDIT APPLICATIONS

FEES ASSESSED ON SLIDING SCALE
BY PROJECT SIZE

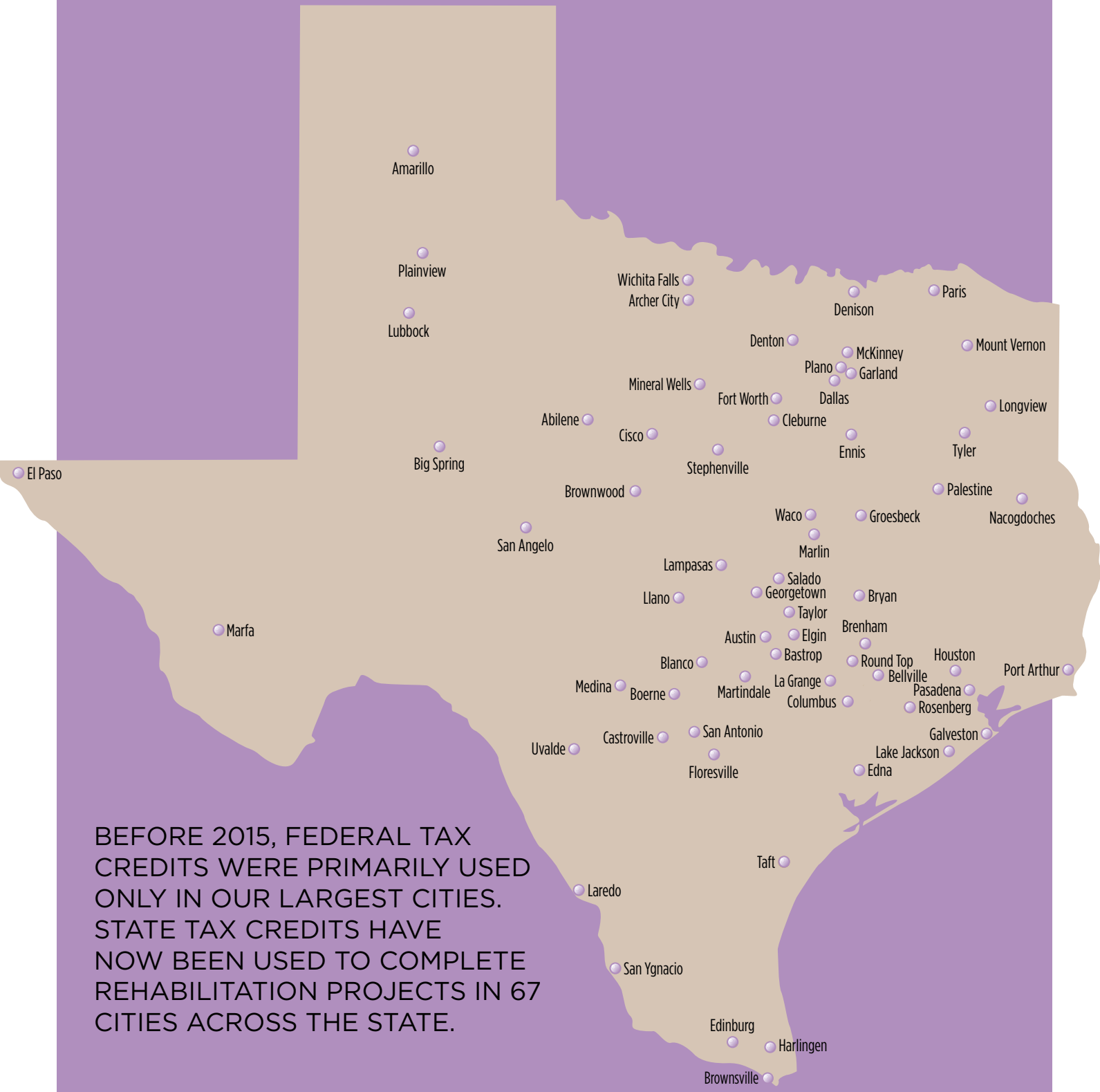
\$9 K MAXIMUM FEE,
LARGE PROJECTS

\$1.1 M TOTAL FEES COLLECTED
IN FY 2021-22

\$4.83 M TOTAL FEES COLLECTED
SINCE JANUARY 1, 2015

\$947 K TOTAL FEES APPROPRIATED
TO THE THC TO DATE TO OFFSET
PROGRAM COSTS

TEXAS HISTORIC PRESERVATION TAX CREDIT PROGRAM



BEFORE 2015, FEDERAL TAX CREDITS WERE PRIMARILY USED ONLY IN OUR LARGEST CITIES. STATE TAX CREDITS HAVE NOW BEEN USED TO COMPLETE REHABILITATION PROJECTS IN 67 CITIES ACROSS THE STATE.

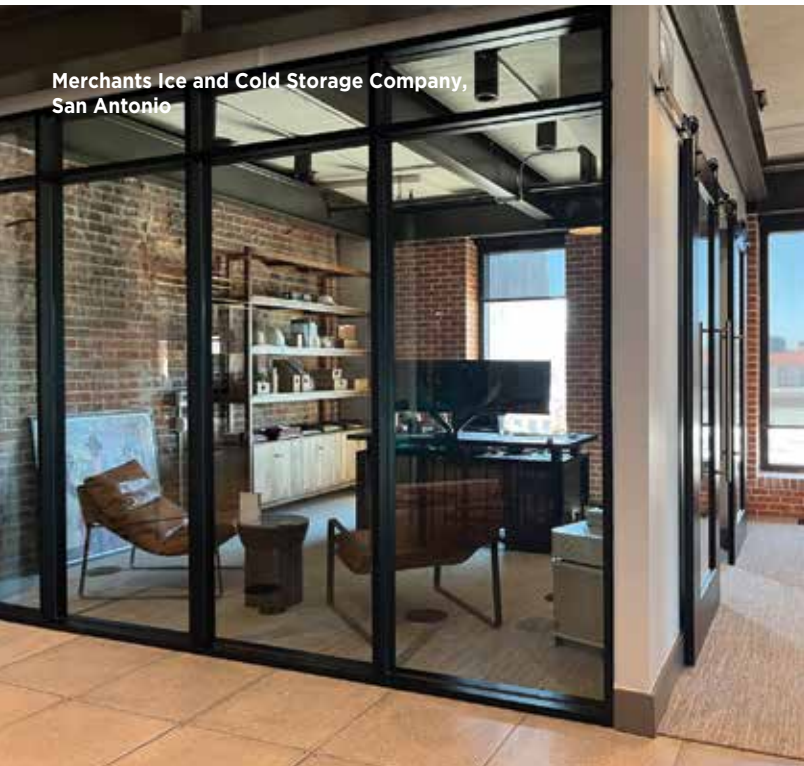
**George Witte Building,
San Antonio**
Photo by Dror Baldinger
Courtesy of Fisher Heck Architects



**ANICO Tower,
Galveston**
Courtesy of Ryan, Inc.



**Merchants Ice and Cold Storage Company,
San Antonio**



**Karem Shrine Temple/Hotel 1928,
Waco**
Courtesy of Ryan, Inc.



**Miller-Webb Building,
Brownsville**
Courtesy of Ramiro Gonzalez



POST HOUSTON

POST is a new icon of modern life in downtown Houston. Locals and tourists alike are drawn to the bright and busy food hall, the 5,000-person capacity concert venue, extensive commercial space, and the “Skylawn,” an expansive 5.5-acre rooftop park that offers unparalleled views of the skyline. This groundbreaking project revitalized the colossal vacant warehouse of the former Barbara Jordan Downtown Houston Post Office, a 1961 complex that once processed and distributed all of the city’s mail.

Developed by Lovett Commercial with designs by architecture firm OMA, this ambitious project breaks the mold for a historic rehabilitation. Some of the most dramatic new features of the redesign, including oversized atrium spaces connecting multiple floors of the warehouse and topped with large skylights, were deemed appropriate given the massive scale of the building. Collaboration between the THC and the project team ensured the authentic industrial features are still on display throughout the building, from the exposed concrete structure to historic painted signage and original supervisor tunnels where managers observed operations on the sorting floor below.

This dynamic rehabilitation, made possible with state and federal tax credits, turned a vacant expanse of warehouse into a vibrant hub of activity and commerce. Phase 2, still in planning, proposes to revitalize the attached office tower as a new hotel.

POST/Barbara Jordan Post Office Building, Z Atrium
Houston

Photo by Leonid Furmansky
Courtesy of Lovett Commercial





**Chamberlain Building,
Marfa**
Photo by Alex Marks
Courtesy of the Chinati Foundation



**St. David's Episcopal Church,
Austin**



**Cottage 3, River Oaks Courts,
Medina**
Courtesy of Ashley Heinen



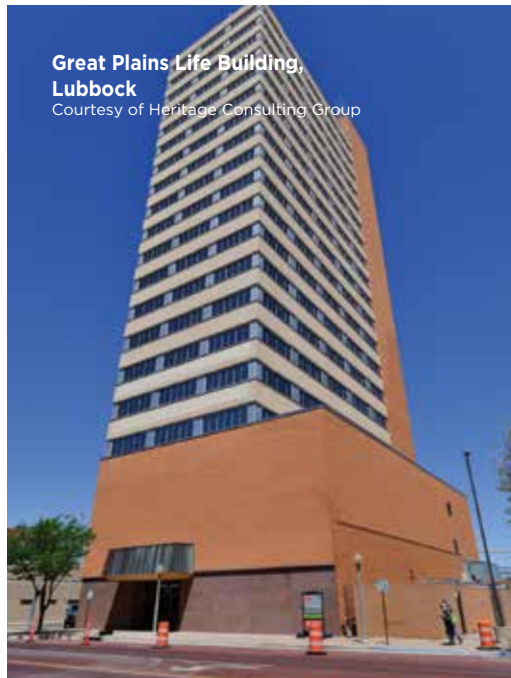
**Fairmount Hotel,
San Antonio**
Courtesy of Fairmount Hotel



**Houston Fire Station No. 7/Houston Fire Museum,
Houston**
SWCA Environmental Consultants



**Tyler Union Station,
Tyler**
Courtesy of David White of White Photography



**Great Plains Life Building,
Lubbock**
Courtesy of Heritage Consulting Group



**Knapp Chevrolet/Mont Art House,
Houston**



**Wedgwood Tower/Skyline at Kessler Park,
Dallas**
Photo by Jay Firsching
Courtesy of HRTC Services, LLC and Architexas

**Kelso House,
San Antonio**



**212 N. Main St.,
Elgin**
Courtesy of Amy Miller, City of Elgin



**Holy Rosary Catholic Church,
Rosenberg**
Courtesy of SWCA
Environmental Consultants

**Eldorado Ballroom,
Houston**
Courtesy of Ryan, Inc.



MARTINDALE MOTOR COMPANY

By 2018, the largest anchor building in Martindale's diminutive Main Street district—the 1923 Martindale Motor Company—had fallen into ruin and was condemned. At the 11th hour, entrepreneur Maury Domengeaux and partners stepped in to purchase the property and prove it could be saved. Although large portions of the roof and most windows were missing, they could see the property's charming character and envisioned it as a business investment and asset to the small community. State and federal historic tax credits were integral to that plan.

The derelict building required intensive stabilization, as the back of the structure had sunk more than eight and a half inches and was falling away from the main section. The four walls were stabilized with a series of wall braces and masonry ties. The back wall was lifted with jacks, followed by foundation and extensive brick repair and mortar repointing. The metal canopy across the front was reconstructed to match its original appearance.

The building now houses Duett's Texas Club, a cozy bar and restaurant that turns into a vibrant venue that welcomes musicians to a full house most weekends. Crowds love the back patio with its sweeping view of the San Marcos River. The second floor has five luxury apartments that are in high demand.

Domengeaux, who now serves as chair of Martindale's Historic Landmark Commission, said of the project, "The Martindale Motor Company Building has undergone a remarkable transformation, evolving from an eyesore that once detracted from our city to its cornerstone of economic vitality. Since the start of its rehabilitation in 2018, this historic landmark has generated over \$6 million for the Texas economy, with the vast majority of those contributions benefiting our small community of 1,500 residents."

Martindale Motor Company
Courtesy of Ryan and Katie Grametbaur, Duett's Texas Club





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