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June 4, 2018

Mr. Chris Coffman  
City Manager  
City of Granbury  
600 W. Bridge St.  
Granbury, TX 76048

Dear Chris,

This report is a summary of preservation tools that I recommend be utilized to preserve and rehabilitate the historically and architecturally significant 1945 Granbury General Hospital building, which is designated as a City of Granbury Historic Landmark and located within a city historic district.

Planning Grants

The following are grants that could fund adaptive use plans and construction estimates for Granbury General Hospital prepared by a historic preservation architect. Either the city or a 501(c)3 organization may apply for these grants, but private owners are not eligible to apply.

I highly recommend that a decision be made about the long-term use of Granbury General Hospital before submitting grant applications for planning. It would be most difficult for a preservation architect to prepare adaptive use plans without knowing the future use of the property. Also, grantors will want to know proposed future uses of the building before they consider funding preservation plans.

All of the grants below require a determination of eligibility for listing in the National Register of Historic Places, which I will begin preparing next week. My proposed fee to prepare each of these applications is included in parentheses after the name of the grant.

- I. Certified Local Government (CLG) Grant available through the Texas Historical Commission (THC), which the city qualifies for because it is a CLG in good standing (\$350).
  - a. Application is due November 5, 2018. Grants will be announced in January 2019 and awarded in April.
  - b. Requires a 50/50 cash or in-kind match by applicant.

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- c. Grant amounts are typically \$2,000 to \$35,000.
  - d. A CLG training session is being conducted in Uvalde August 17. THC staff members will conduct one-on-one meetings there with potential grant applicants to discuss their projects, so the commission's CLG coordinator recommends that someone attends the training.
- II. Planning Grants available from the National Trust for Historic Preservation (\$350).
- a. Application is due October 1, 2018 or Feb. 1, 2019. Notification to recipients is within eight weeks, and work must begin within six months of award date. Funding provided upon completion of report after work is completed.
  - b. Requires a 50/50 cash match by applicant, and the applicant must join the National Trust as a Forum organizational member, which is \$250 per year.
  - c. Grant amounts are typically \$2,500 to \$5,000.
  - d. Preservation architect must be approved by National Trust and plans must meet the Secretary of Interior's Standards for the Treatment of Historic Properties.

### Rehabilitation Grants

Following are grants that could fund bricks-and-mortar work for the rehabilitation of Granbury General Hospital. Either the city or a 501(c)3 organization may apply for the first two grants, which will require a determination of eligibility for listing in the National Register of Historic Places. My proposed fee to prepare each of these applications is included in parentheses after the name of the grant.

- I. Certified Local Government (CLG) Grant available through the Texas Historical Commission (\$450), which could be submitted in 2019, after planning is completed and funded. See above for further details.
- II. Texas Preservation Trust Fund Grant available through Texas Historical Commission (\$800).
  - a. Initial application due in Spring 2019, with an award date of October 2019. More information will be posted on the commission's website in December.
  - b. Requires a 50/50 cash match.
  - c. The building's owner must grant an easement to the state for the property for 10 to 30 years, depending upon the funded amount. The easement ensures the long-term preservation of the building.
- III. Private foundation grants are available, but because foundations have different priorities for funding, knowing the future use of the building will be important in determining which foundations to contact. Most foundations accept grant

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applications from 501(c)3 organizations only. The Meadows Foundation will accept applications from public entities.

- a. Use of the hospital building as a dormitory for drama students and interns might be of particular interest to the Meadows Foundation in Dallas, which supports arts and culture and education.
- b. Use of the hospital building as a museum might be of particular interest to the Summerlee Foundation in Dallas, which supports Texas history.

### Tax Credits

Public entities like the City of Granbury are not eligible to receive either state or federal tax credits for rehabilitation of historic properties.

Non-profit, 501(c)3 organizations may apply for Texas preservation tax credits for rehabilitation, if the property is eligible for and then listed in the National Register of Historic Places and used for income-producing or non-profit purposes.

Private owners or developers may apply for both federal and state credits for rehabilitation, if the historic property is eligible for and then listed in the National Register and is used for income-producing purposes.

Following is a brief summary of both programs.

- I. Federal Historic Preservation Tax Incentives—A federal tax credit worth 20 percent of eligible costs is available for someone who rehabilitates a historic building. The property must be eligible for listing in the National Register of Historic Places and then officially listed in the register by the end of the rehabilitation project. The building must be used for income-producing purposes. The work undertaken as part of the project must meet the Secretary of the Interior's Standards for Rehabilitation.
- II. Texas Historic Preservation Tax Incentives—A state tax credit worth 25 percent of eligible costs is available for owners or non-profit organizations rehabilitating a historic building. The property must be eligible for listing in the National Register of Historic Places and then officially listed in the register by the end of the rehabilitation project. The building must be used for income-producing or non-profit purposes. The work undertaken as part of the project must meet the Secretary of the Interior's Standards for Rehabilitation. Because there is no state income tax, this credit comes to the owner or non-profit as cash, purchased by a company that pays franchise taxes.

My recommendation is that the city move forward with a determination of eligibility for listing in the National Register of Historic Places for Granbury General, which will make it qualify for either grants or tax credits. In the meantime, I think the city should consider the community's

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needs and desires and work with local non-profit organizations to determine a long-range goal for use of the historic hospital building. Once that process is completed, I recommend that the city apply for the Certified Local Government grant and National Trust for Historic Preservation planning grant to fund the preparation of plans and cost estimates by a qualified historic preservation architect. Once those plans are completed, the city and the community will have a financial goal to reach to preserve this important historic landmark.

Thank you very much for the opportunity to present these preservation tools to you and the city. Please let me know if you have any questions.

Sincerely,

Mary G. Saltarelli