



Community and Economic Development in North Carolina and Beyond Blog: Designating Local Historic Landmarks in North Carolina

By CED Program Interns & Students

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A historic school building in AnyPlace, North Carolina was recently left vacant

when the local school district moved its administrative offices to a new space. The local governing board is interested in preserving the historic character of the school building, while also encouraging private redevelopment of the property to ensure it does not remain vacant. One member of the governing board suggests that designating the school as a local historic landmark would support both of these goals. The member explains that local landmarks are eligible for a property tax deferral as long as the historic integrity of the property is preserved. Other members of the board are not familiar with the program and request that city staff investigate whether this designation would be appropriate to encourage protection and redevelopment of the school.

What is a Local Historic Landmark?

Category	Description	Examples
Buildings	Constructed primarily to shelter human activity	Houses, schools, churches, theaters
Structures	Constructed for a purpose other than shelter	Roads, bridges, lighthouses
Sites	Location of significant event, activity or structure (regardless of current structures on site)	Battlefields, cemeteries, natural landscapes
Areas	A portion of a large parcel or property that encompasses multiple parcels to be designated	A few buildings on a parcel plus portion of surrounding areas
Objects	Small/simple or artistic structures in an appropriate historic setting	Statues, fountains, boundary markers

From the **Handbook for Historic Preservation Commissions in North Carolina** (published jointly by Preservation North Carolina and the State Historic Preservation Office).

Local historic landmarks are sites designated by a local governing board following the study and recommendation of the site by an appropriately appointed local historic preservation commission. Unlike historic districts which generally include a number of historic buildings within a designated area, landmark designation is generally reserved for a specific historic property, which can include any of the following categories: individual buildings, structures, sites, areas or objects. The chart includes descriptions and examples of the types of property that might be designated as a landmark within each category. For AnyPlace, NC, the relevant category for the historic school property is an individual building. However, the broad range of property that can be designated as a local historic landmark offers communities the opportunity to think



broadly about leveraging and preserving diverse historic assets in the local area.

What are the benefits and limitations conferred by Local Historic Landmark status?

Conferring landmark status implies that a property has significant historic value to a community and that the historic significance and integrity of the property should be preserved into the future. In order to preserve local landmarks, owners of these properties are limited in their ability to make exterior alterations, but are eligible for property tax benefits for preserving the landmark.

Owners of landmark properties must receive approval in the form of a certificate of appropriateness from their local historic preservation commission before making any changes to the exterior of the property. State law defines the exterior of a landmark property as the “exterior portion of any building or other structure (including masonry walls, fences, light fixtures, steps and pavement, or other appurtenant features), [or] above-ground utility structure [or] any type of outdoor advertising sign”. Such features may not be “erected, altered, restored, moved, or demolished” without receiving a certificate of appropriateness from the preservation commission. Certificates of appropriateness are required prior to the issuance of building permits by local governments and are required even when a building permit is unnecessary. State law defines the process for review of projects and granting (or denying) certificates of appropriateness for landmark properties, as well as properties in local historic districts.

In general, local preservation commissions are limited to considering exterior changes to landmark properties. (For projects utilizing federal historic rehabilitation tax credits, both interior and exterior renovations must meet the Secretary’s Standards for Rehabilitation.) When a landmark property is publically owned or when consent has been given by a private owner, the preservation commission may review proposed changes to “specific interior features of architectural, artistic or historical significance”. Features subject to this review must be included in a landmark designation ordinance. Additionally, consent given by a private owner for interior review is binding on future owners as long as the consent is “filed in the office of the register of deeds of the county in which the property is located and indexed according to the name of the owner of the property in the grantee and grantor indexes”.

A benefit to owners of designated landmark properties is a 50% property tax deferment, as long as the property maintains its historic significance. Owners of landmark properties must apply annually for this deferment, which essentially reduces the taxable value of the property by 50%. Because the taxable value is reduced, any special taxes are also reduced; for example, a landmark property located in a Municipal Service District would see its MSD tax reduced by 50%, as well. The value of the deferred property taxes are held as a lien against the property. In the event that the property loses landmark status, due to loss or impairment of historical significance or changes in the designating ordinance, the deferred taxes for the previous three years are payable by the owner. Should a property lose historic significance due to fire or natural disaster, no recapture of past tax deferments will occur.

How are Local Historic Landmarks established?

The most basic requirement for establishing a local historic landmark is the existence of a historic preservation commission (or historic landmark commission) appointed by the local governing board in accordance with state law. A primary responsibility of a local preservation commission is the identification, study and recommendation of areas to designated as historic districts or historic landmarks (historic landmark commissions focus solely on landmarks). These commissions also have responsibility for reviewing changes proposed by property owners of buildings in historic districts and historic landmark properties. In AnyPlace, NC, the local governing board has already established a historic preservation commission that has expressed an interest in preserving the school property.

Before the preservation commission in AnyPlace may make any recommendation to the local governing board about the landmark potential of the school, however, it must find the property to be of “special significance in terms of its historical, prehistorical, architectural, or cultural importance, and to possess integrity of design, setting, workmanship, materials, feeling and/or association.” The preservation commission must find that the property meets **both** the significance and integrity requirements in order to consider recommending a property for landmark status. The North Carolina State Historic Preservation Office provides detailed information about understanding and evaluating the significance and integrity of potential historic landmarks, as well as how to incorporate these findings into a local landmark report.

If the preservation commission in AnyPlace finds that the school property is both significant and maintains integrity, state law mandates a multistep procedure



for designating it as a local landmark. This process is summarized below:

1. **Rules of procedure and guidelines** for “altering, restoring, moving or demolishing” landmark properties must be established by preservation commission.
2. **Local landmark report**, detailing the historic significance of proposed landmark, is produced by the preservation commission and sent to the North Carolina Office of Archives and History in the Department of Cultural Resources.

(Though not required by statute, owners of potential landmarks are typically contacted during this stage of the designation process; consent is not necessary for designation, but it is typical to gain the cooperation of property owners during the process.)

3. **Review and comment period** for the Department of Cultural Resources (via the State Historic Preservation Officer) lasts 30 days; failure to provide comments/recommendations within the 30-day window relieves the preservation commission and local governing board of the responsibility to consider comments from the Department.
4. **Public hearings**, conducted in accordance with North Carolina Open Meetings Law, must be held by the preservation commission and local governing board. The commission and governing board may hold joint or separate hearings and reasonable notice of any public hearing is required.
5. **Adoption of an ordinance** designating a local landmark may occur after the public hearings. The governing board may adopt the ordinance as proposed, adopt with amendments or reject the proposed designation completely.
6. **Written notification of the ordinance**, if adopted, is provided to all owners and occupants of designated landmark property. Copies of the ordinance (and any amendments) are also filed with the county register of deeds, office of city or town clerk (if applicable) and the city or county building inspector. Additionally, all tax maps maintained by the city and county will indicate that a property has been designated a landmark.
7. **Notice provided to county tax supervisor** regarding the newly designated landmark; tax appraisals will consider landmark designation and “any recorded restrictions limiting its use for preservation purposes.”

This process requires a significant commitment by members of the preservation commission, particularly in the investigation and report that must accompany any property recommended for landmark status. However, for properties individually listed on the National Register of Historic Places, the process can be streamlined by using the National Register nomination as the body of the local landmark report. The State Historic Preservation Office suggests that National Register nominations compiled prior to 1990 may need to be augmented with more recent research. In AnyPlace, NC the school was individually listed on the National Register in 1989 indicating that additional research will be needed to complete a local landmark report.

Community Considerations

In AnyPlace, NC, members of the local governing board and preservation commission will need to consider a number of factors when determining whether to move forward with landmark designation for the historical school building. Among the factors that they'll need to consider:

- Do members of the preservation commission have the capacity to move forward with the process of designating a local historic landmark? Particularly, can they dedicate the time and resources to compiling the local landmark report?
- Will the development limitations placed on the property as a landmark deter private developers from considering the property for redevelopment/reutilization? Or will the 50% property tax deferment entice developers who might otherwise not consider the project?
- Is the benefit of preserving the landmark property greater than the loss of 50% of the property taxes that would have been collected without landmark status?



Communities will have varying answers to these questions, depending on the unique situation of the potential landmark property, surrounding neighborhood and larger municipality impacted by a potential designation. It is important for community members, elected officials and other stakeholders interested in preservation and reuse of historic properties to have a full understanding of the benefits, limitations and procedural requirements of landmark designation. Careful consideration of the questions posed above, as well as other issues unique to a locality, will help ensure that the landmark designation is used in a way that best supports local community development goals.

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