

Case Study:

Plymouth Post Office



Project Background

The project involved the adaptive re-use of the 100-year-old Plymouth Post Office and Courthouse. The building, with its iconic clock tower, has now been completely renovated and updated. The architect for the project was Raymond Design Associates, along with the general contractors Steven A. General Contracting, BOJ Construction Inc., and Heritage Restoration Inc. The rehabilitation work included both interior and exterior treatments to add (with the approval of the Historic Commission) several apartments and new commercial spaces, including a complete build-out of the US Post Office for their new long term lease.

The Plymouth Post Office project received the **2017 Paul & Niki Tsongas Award** on May 10, 2017 for the Best Main Street Project. Since 1988, Preservation Massachusetts' highest honor has been the **Paul & Niki Tsongas Awards**, which recognizes the very best in historic preservation and those who have played an extraordinary role in promoting the preservation of our Commonwealth's past for the benefit of its future.

The project had Qualified Rehabilitation Expenditures (QRE's) of \$3,875,000, generating a Federal Historic Tax Credit of \$775,000 and a state tax credit of \$500,000 (20% of QRE's). Of this Tax Credit, 99% or \$767,250 was allocable to our Investors.

P&R Tax Credit Equity Fund 2017-H, Limited Partnership

Two Investors with passive income and a combined federal tax liability of at least \$379,789 agreed to be a part of the P&R Tax Credit Equity Fund 2017-H, Limited Partnership (the "Limited Partnership"). Once the Limited Partnership was created and funded, the investors funds were able to flow through to the separate management entity created where the Developer was a 1% Member and the Limited Partnership a 99% Member. At the time that funds were received by the separate management entity, construction of the project was underway and with the Limited Partnership's investment was able to reach placed in service status in 2017, generating both federal and state historic tax credits with a 2017 vintage. The Tax Credits flowed from the property to the management entity, in which the Limited Partnership owned 99%, back to the Limited Partnership, and thereafter individually to each Investor. The Limited Partnership was made by and between CTG Holdings, LLC as the General Partner and two Investors as the Limited Partners. Within the Limited Partnership, both Investors contributed a total of \$291,555. For their contribution, the Investors received savings of \$88,234 towards their federal tax liability. Along with these tax savings, each Investor has received \$1,334.56 in preferred return cash flow on a quarterly basis. The state tax credit investor received \$500,000 in tax credits, at an 8% discount.