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City Denies Tax Break for Shockoe Apartments

BY NED OLIVER @NEDOLIVER

Developer H. Louis Salomonsky thought he'd figured out how to save $2.44 million in taxes on the 131-unit apartment complex he's building.

By incorporating one side of an old 11-by-20-foot brick pump house into the foundation of his massive new building in Shockoe Bottom, as reported in Style Weekly, he planned to be exempted from $280,000 a year in taxes.

It didn't quite work out. Richmond tax assessors disqualified his plan from the program earlier this month, calling it one of the more audacious attempts by a developer to qualify for exemptions.

Salomonsky didn't return a phone call requesting comment.

The tax abatement for rehabilitated real estate program began in 1979 to give homeowners an incentive to fix up run-down buildings. City Assessor Jim Hester says in recent years, developers have used the program to get new construction exempt from taxes by incorporating older structures — the only requirement is that they be 20 years old — into some facet of the project.

Hester says Salomonsky's complex incorporated a building that was deemed historic by the state Department of Historic Resources. But the department found that any historic value was lost after Salomonsky moved the structure to a new foundation and knocked down all but one wall. And under the city program, Hester says, projects that destroy historic buildings aren't eligible for the breaks.

"The issue was that he basically destroyed the majority of the building," Hester says.

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