



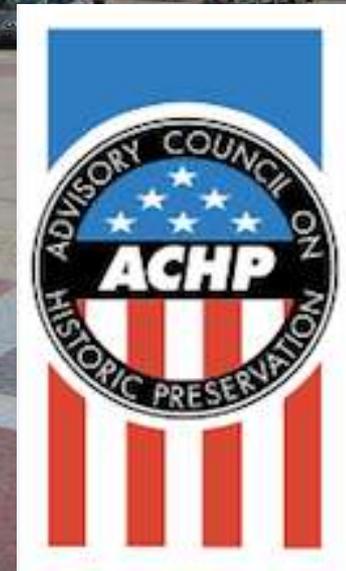
Historic Preservation and Economic Development: Recent Lessons

Donovan Rypkema

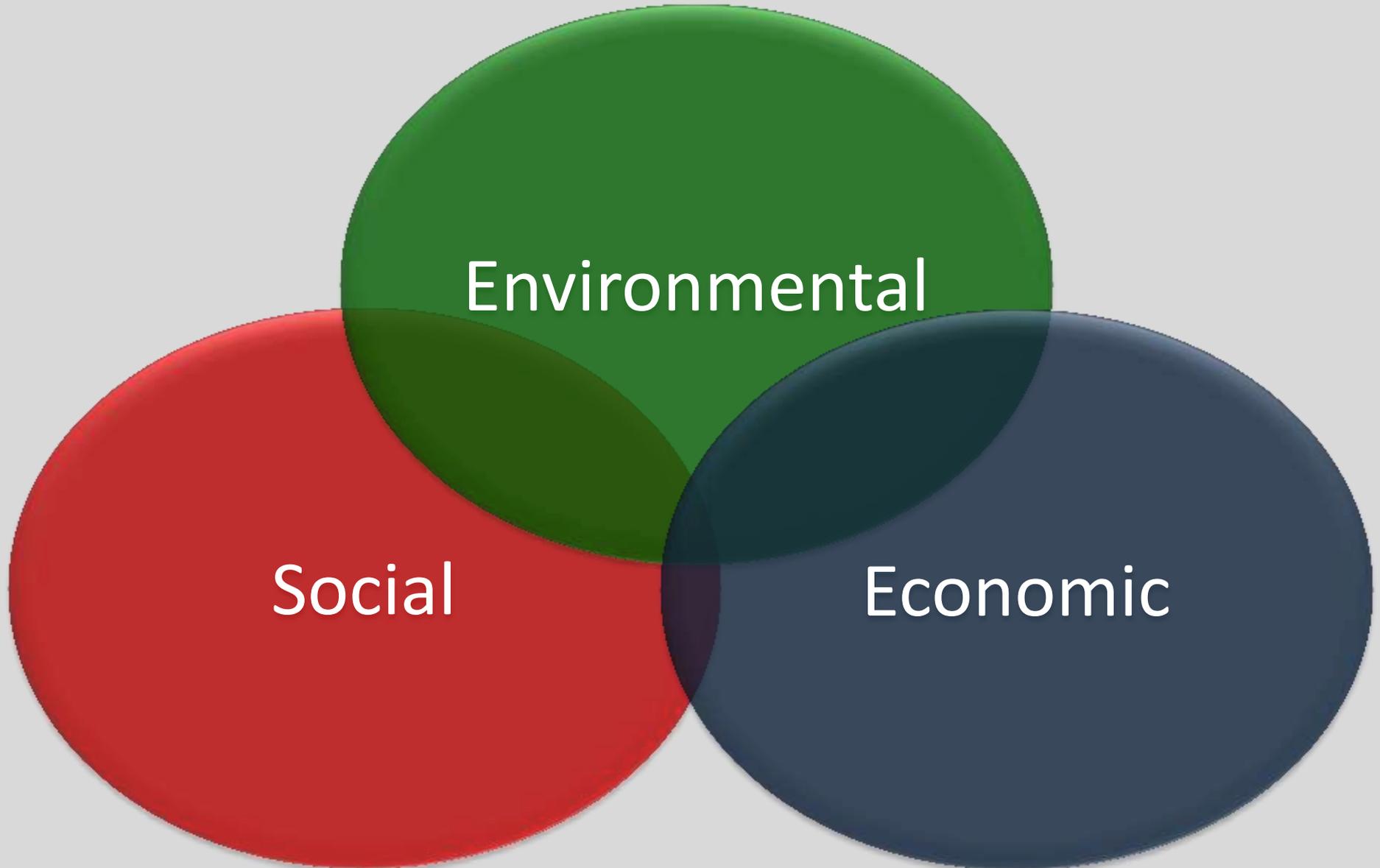
PlaceEconomics

October 19, 2011

Measuring Economics Impacts Of Historic Preservation



Sustainable Development



Environmental

Social

Economic

Environmental

Environmental

Social

Economic

Economic

Social

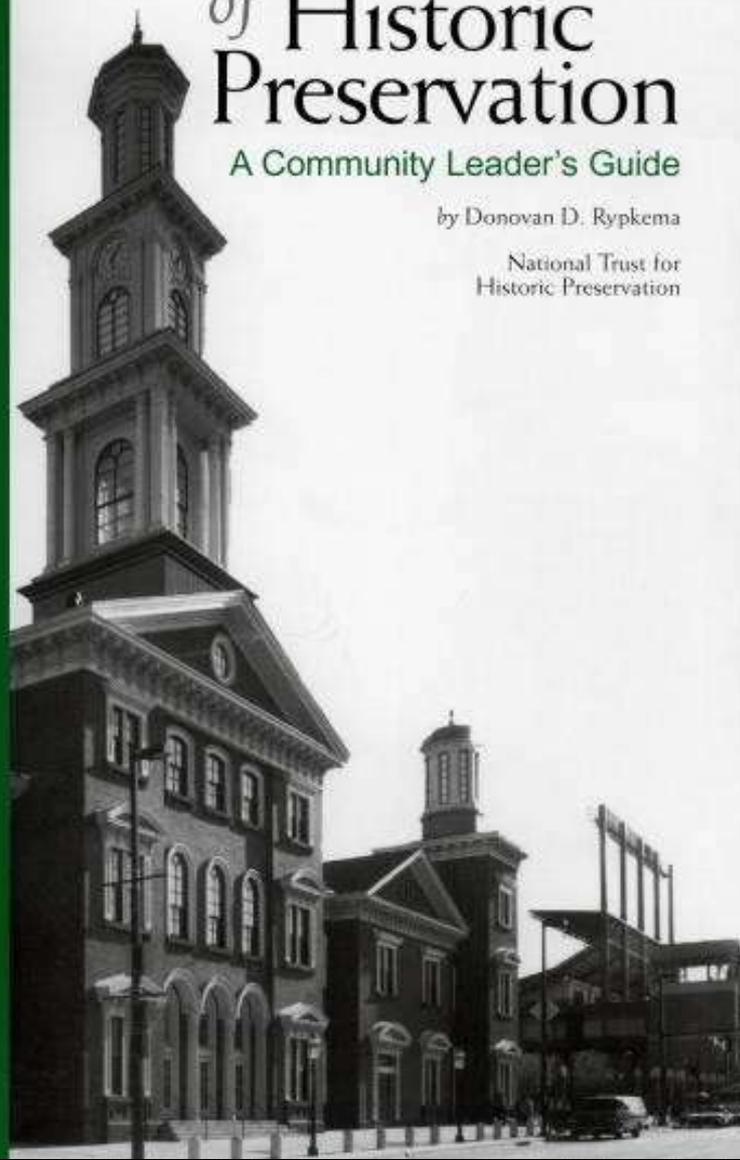


The Economics *of* Historic Preservation

A Community Leader's Guide

by Donovan D. Rypkema

National Trust for
Historic Preservation



OH, MAN...
IT'S EVEN
WORSE
THAN I
THOUGHT



The *Big Four* Economic Impacts of Historic Preservation

Jobs and
Household
Income

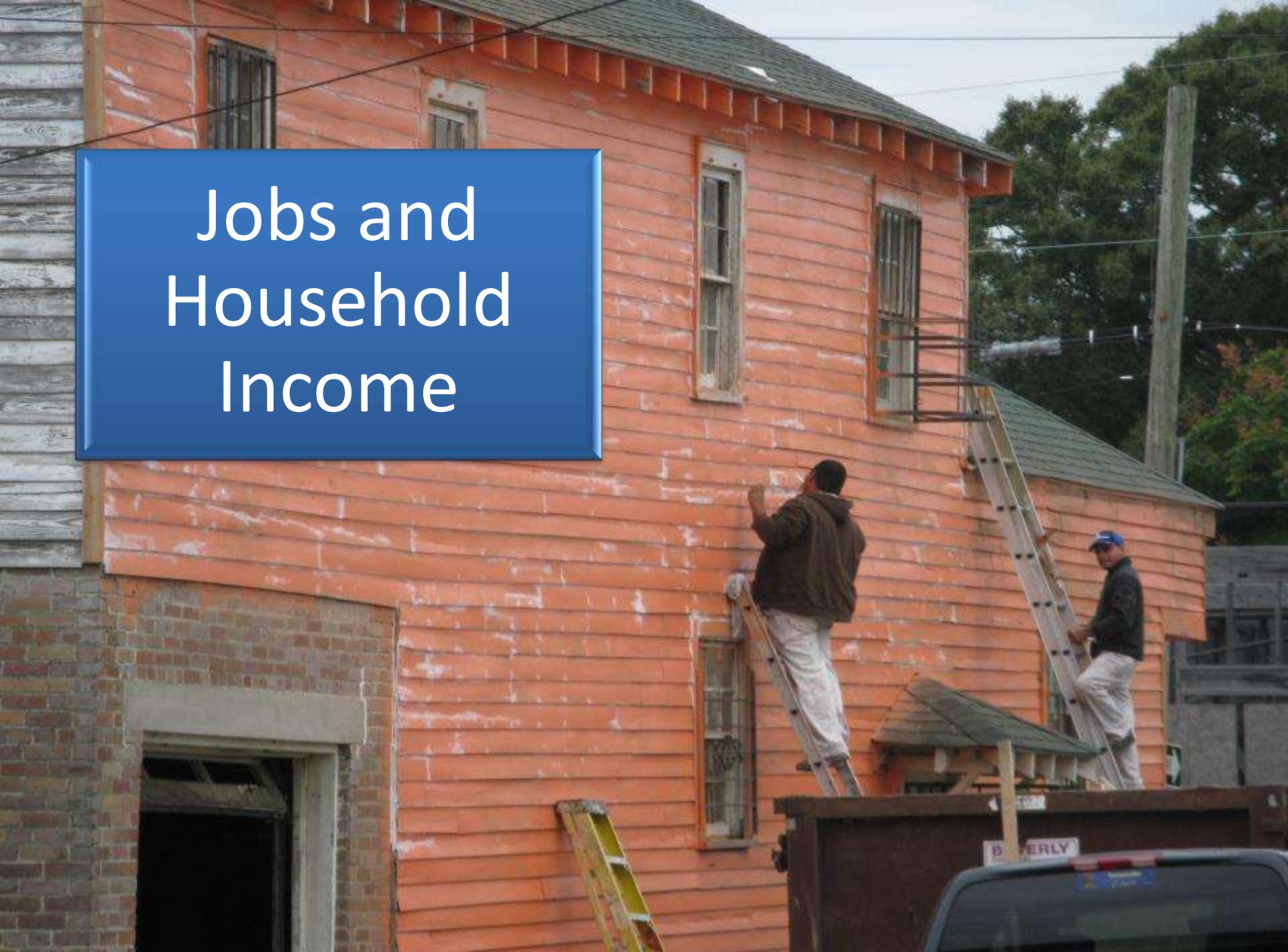
Property
Values

Heritage
Tourism

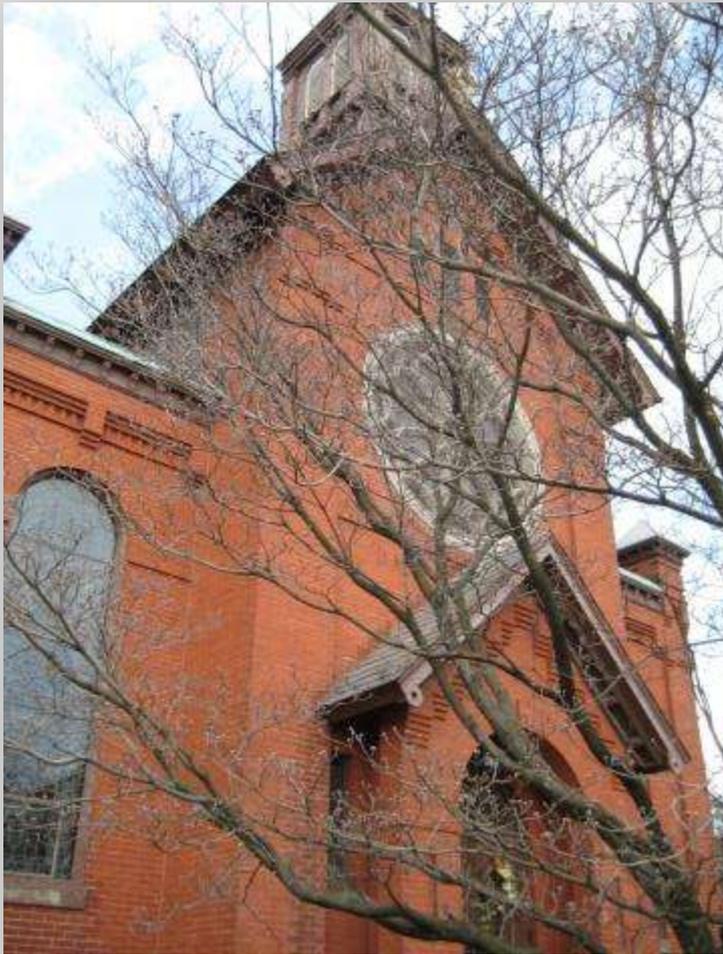
Main Street

Economic

Jobs and Household Income



Jobs in Delaware Per \$1 Million of output



Economic

Household Income in Delaware Per \$1 Million of output



Economic

Jobs in Georgia

In Georgia, \$1,000,000 in output from Various Industries means.....

	Jobs	Salary & Wages
Automobile Manufacturing	3.5	\$245,000
Computer Manufacturing	4.0	\$255,000
Air Transportation	8.7	\$476,000
Poultry Processing	10.4	\$426,000
New Construction	14.9	\$616,000
Rehabilitating Historic Buildings	18.1	\$750,000

Economic

Household Income: *Paychecks for Local Workers*

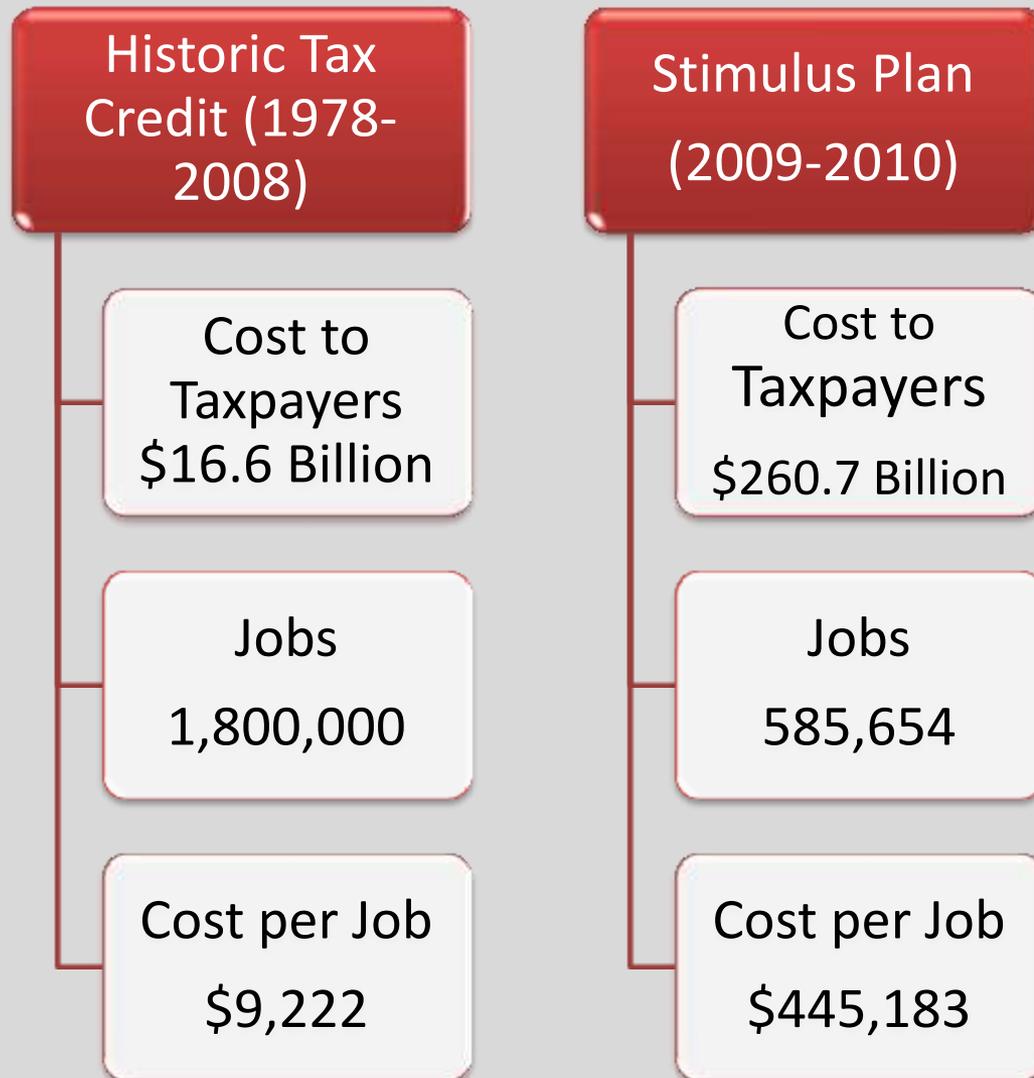
Historic preservation projects using State or local tax credits have meant nearly **\$349 Million** in income for Connecticut households over the last decade

*Every **\$100** spent rehabilitating an historic building ultimately means **\$80** in the pockets of Connecticut workers*



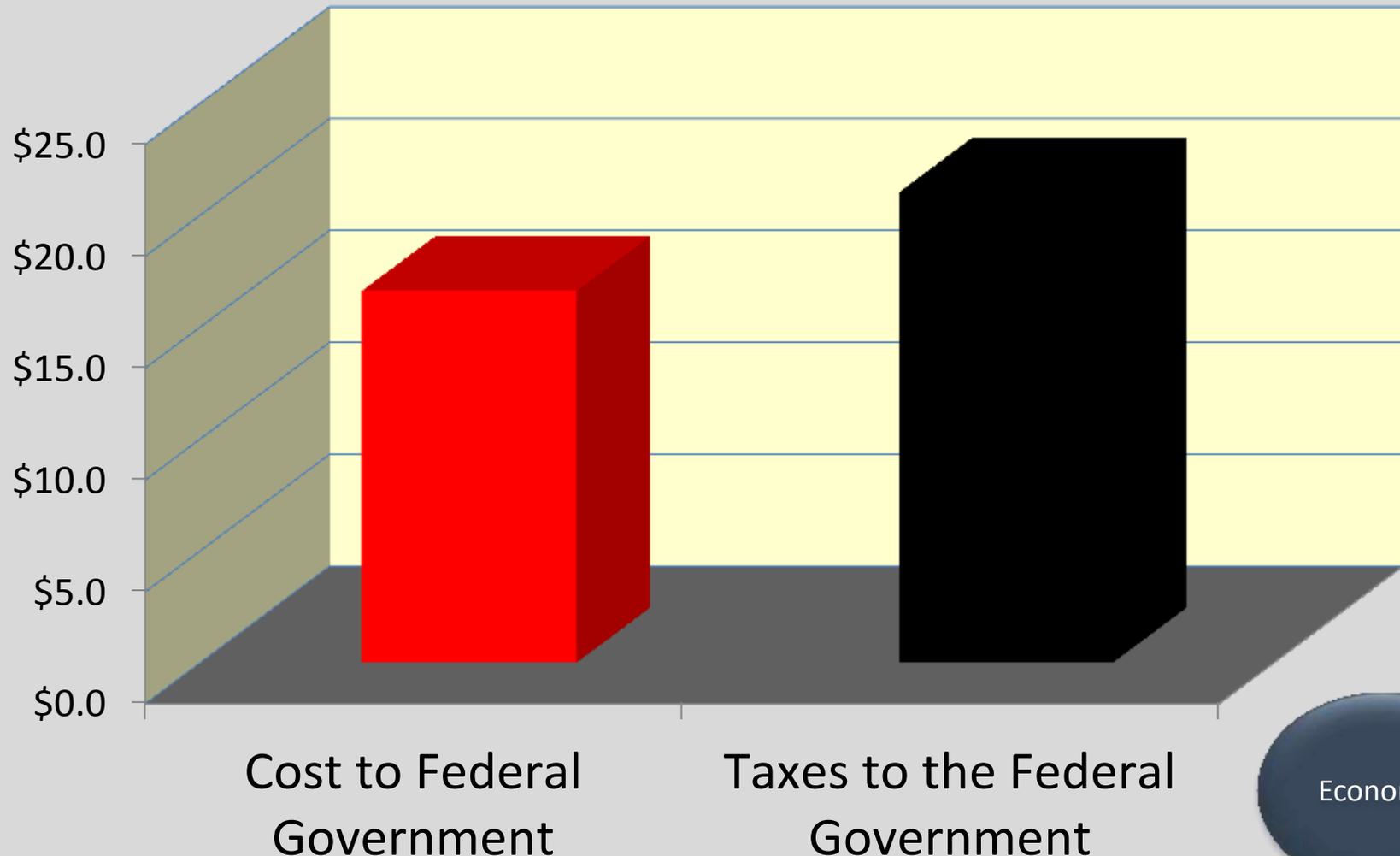
Economic

Historic Tax Credit and Job Stimulation



The Federal Tax Credit: A Self-Funding Incentive (1978-2008)

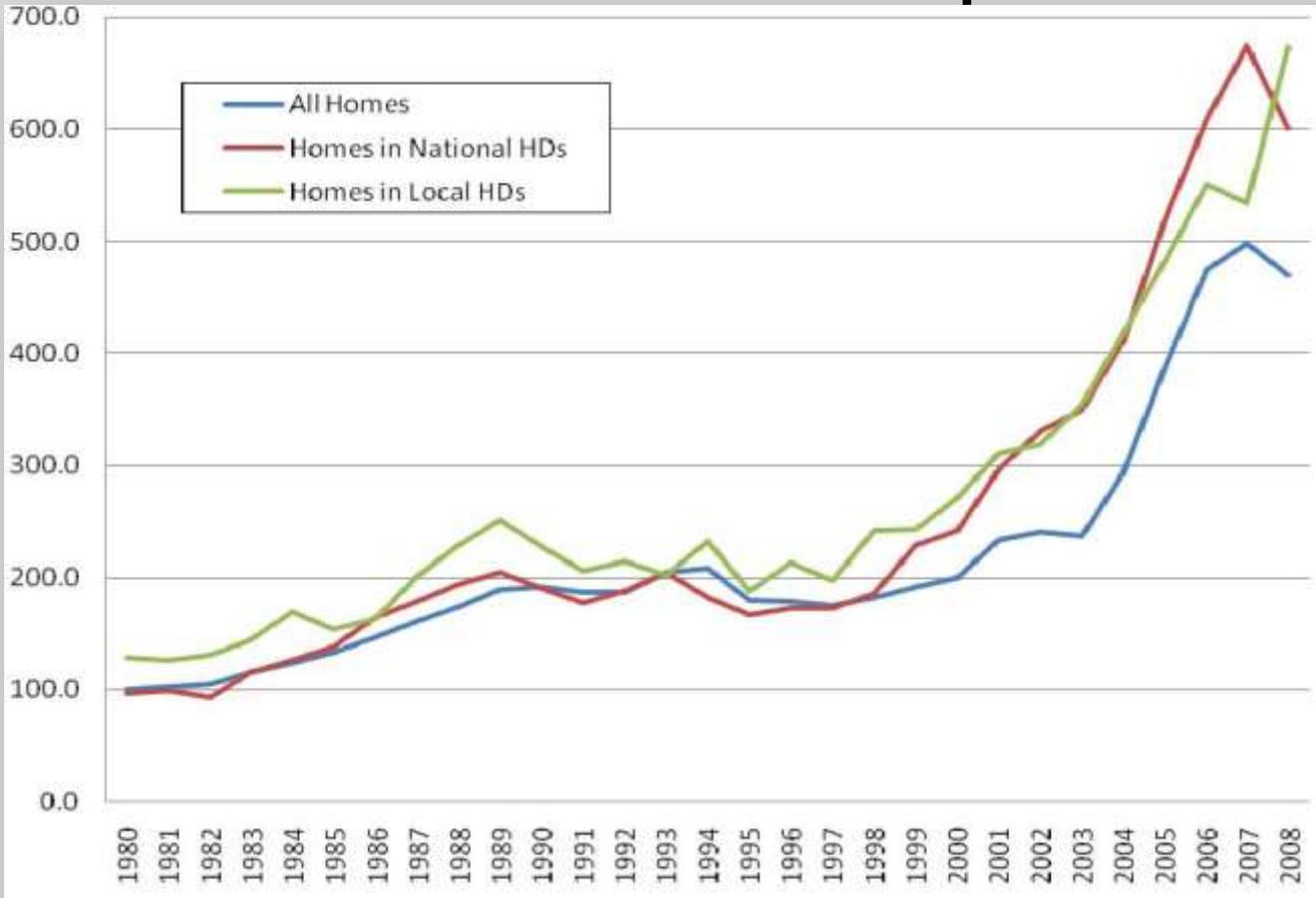
Inflation Adjusted Dollars (Billions)



A photograph of a large, multi-story house with a well-manicured lawn and various plants. In the foreground, there is a large, ornamental grass plant. The house has a prominent porch with columns and a gabled roof. The scene is set in a lush, green environment with many trees and shrubs.

Property Values

Property Values – Philadelphia



Homes in both local and national historic districts appreciated in value at a higher rate than houses outside historic districts

**House Price Appreciation Over Time
(Indexed, 1980 = 100)**

Economic

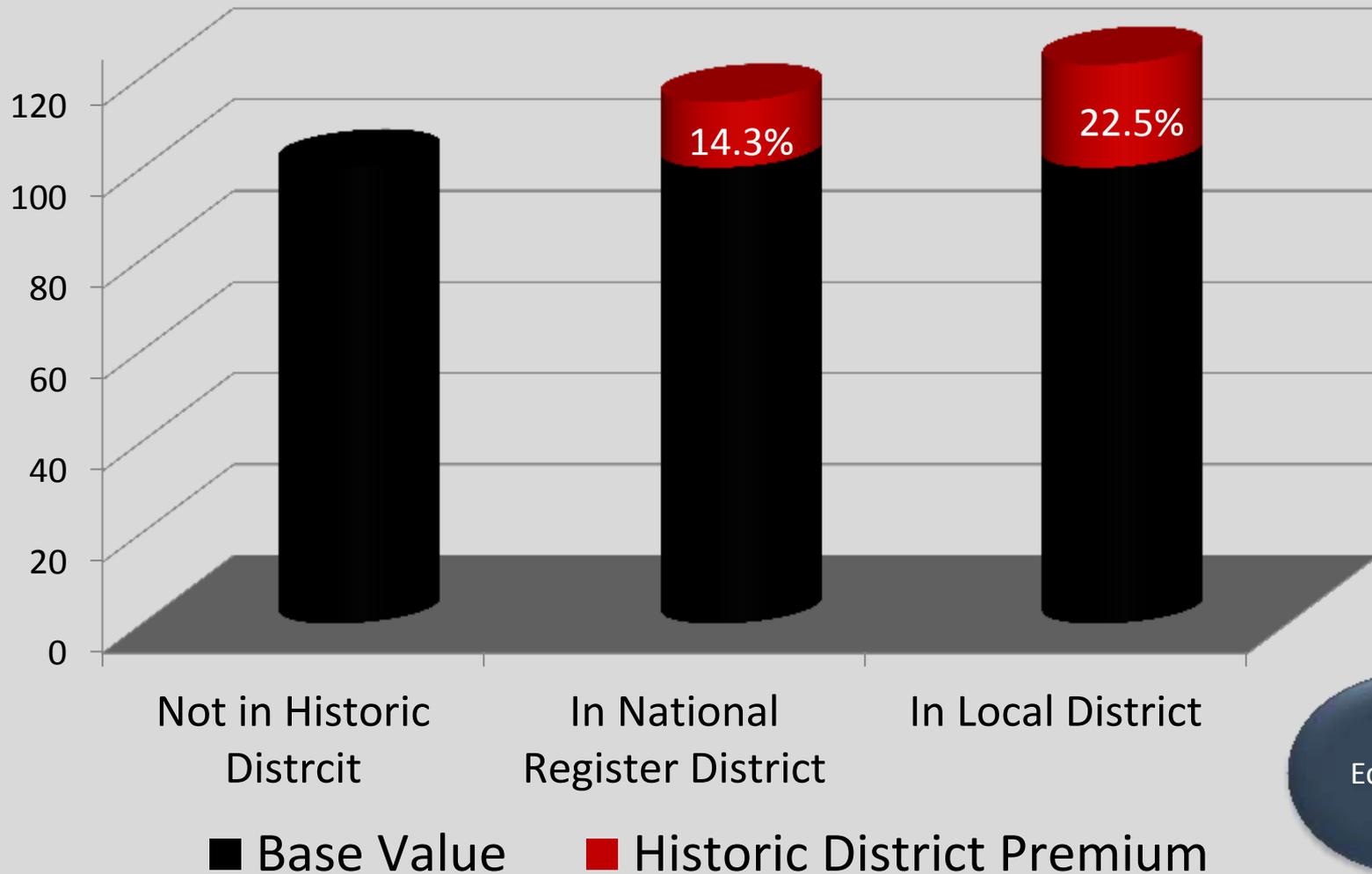
Property Values

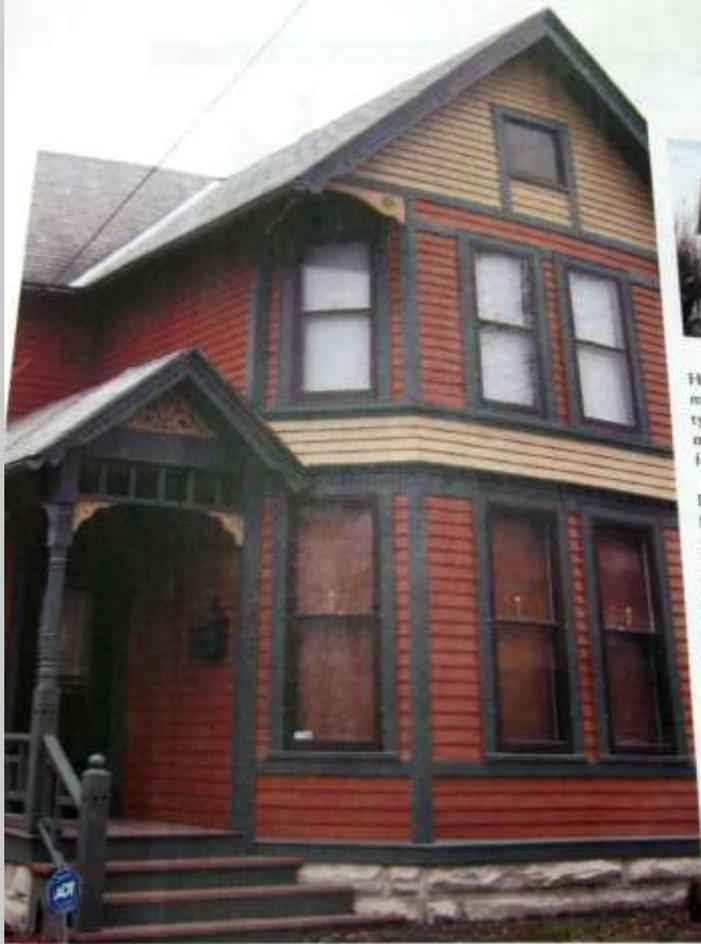
Homes in local historic districts enjoy an immediate 2 percent increase in values relative to the city average, once local designation has taken place; and thereafter, they appreciate at an annual rate that is 1 percent higher than the city average.

Economic



Premium for Properties in Historic Districts (Philadelphia)





Historic preservation investments are meant to save and protect a community's architectural past. However, they may also come with financial benefits for today and the future.

Loans to help homeowners rehabilitate older homes may ultimately boost neighborhood property values. A new study by Cleveland State University's Center for Housing Research & Policy has quantified gains in market value among homes participating in local historic preservation programs, as well as in nearby participating homes.

The CSU center examined from home equity loan programs administered by the Cleveland Restoration Society (CRS). Since CRS's Neighborhood Historic Preservation Program has overseen more than 900 projects totaling \$20 million in neighborhood reinvestment. Heritage Home Program provides low-interest home improvement rehabilitation loans to owners of homes built at least 50 years old in five Cleveland wards and participating communities in Cuyahoga County. Since 2001, the Heritage Home Program has funded 320 projects valued at \$11 million. Currently, the Neighborhood Historic Preservation Program provides loans as small as \$5,000 up to \$100,000 for residents of nine Cleveland wards. The Heritage Home Program provides loans of \$3,000 to \$10,000 to rehabilitate qualifying homes.

DOES PRESERVATION PAY?

Assessing Cleveland Restoration Society's Home Improvement Program

By Brian Mikelbank
Associate Professor of Urban Studies at
Cleveland State University and Director of the
Center for Housing Research & Policy



Economic



2000 – 2007

- In local historic district = + \$59,000 to \$67,000
- Historic district properties + 21% in appreciation

Property Values

Economic

Property Values

Historic District Parcels
+ \$31,000

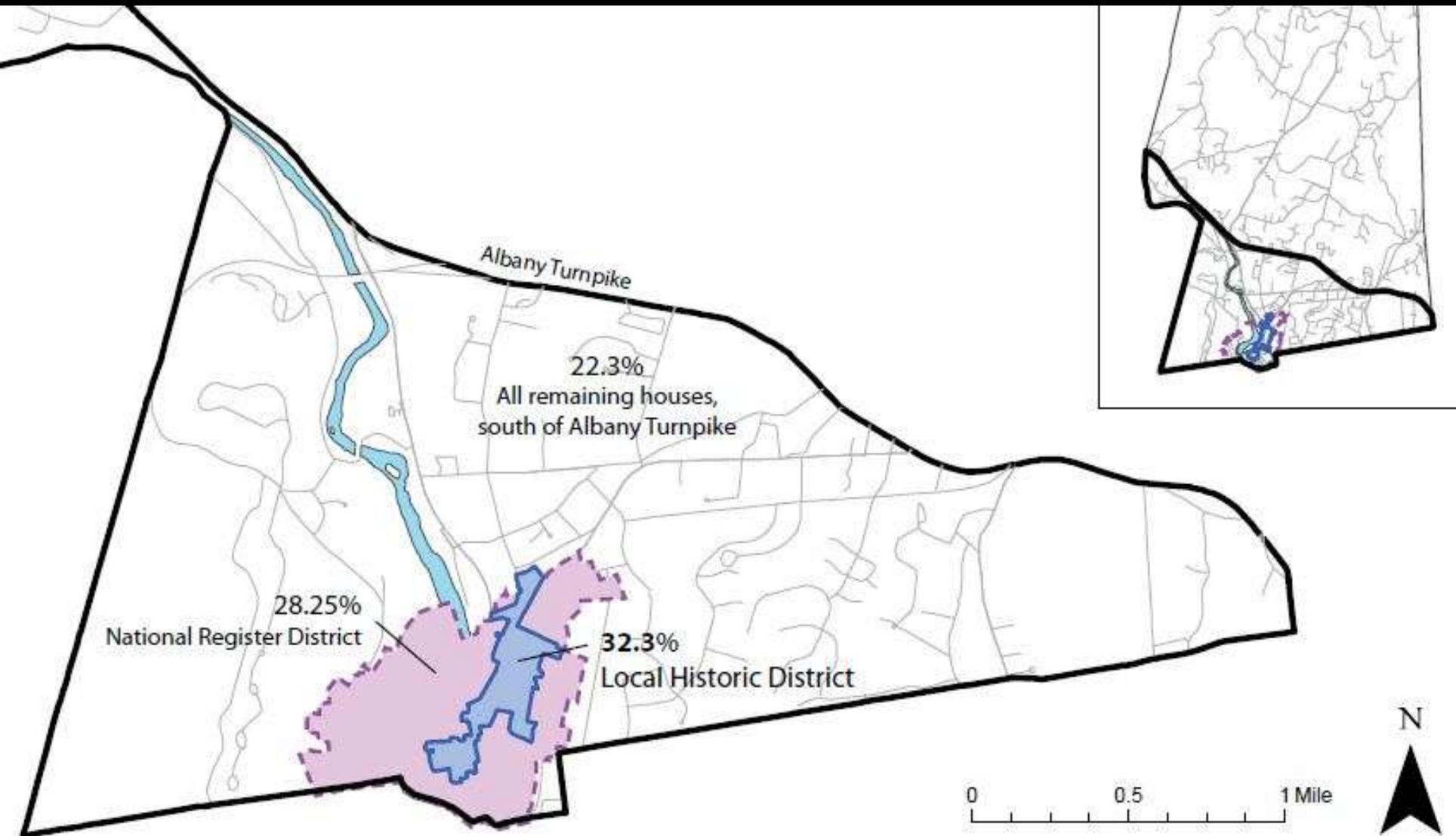
\$40,000 more revenue for
County

\$50,000 more revenue for
City

\$200,000 more revenue for
Schools

Analysis of North Little Rock, Arkansas

Economic



THE HOUSE ISSUE

The contractor who became a dictator / Chimneys that make statements

The Washington Post Magazine

MARCH 4, 2008

HOUSE FOR SALE

open house

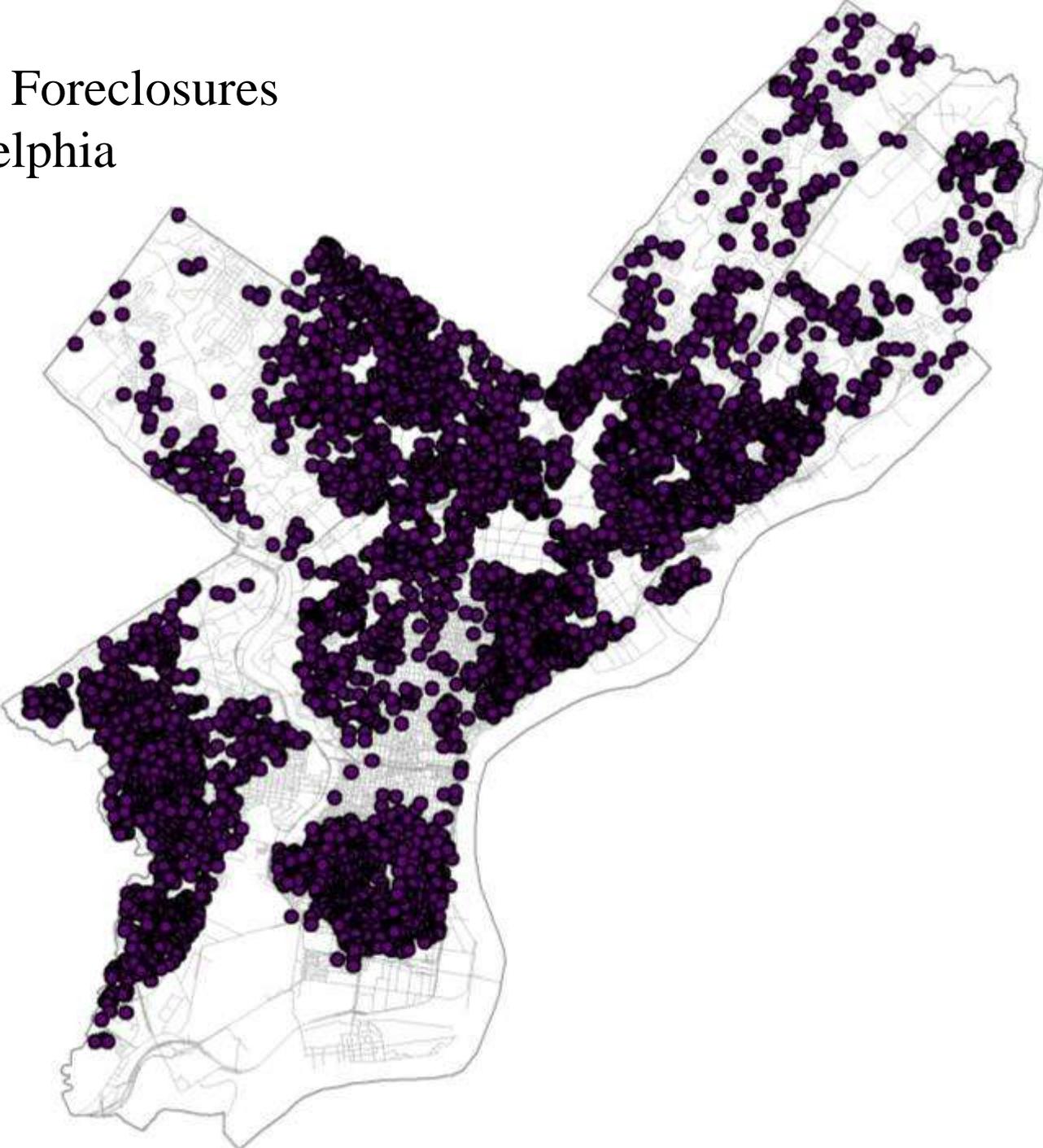
PRICE REDUCED

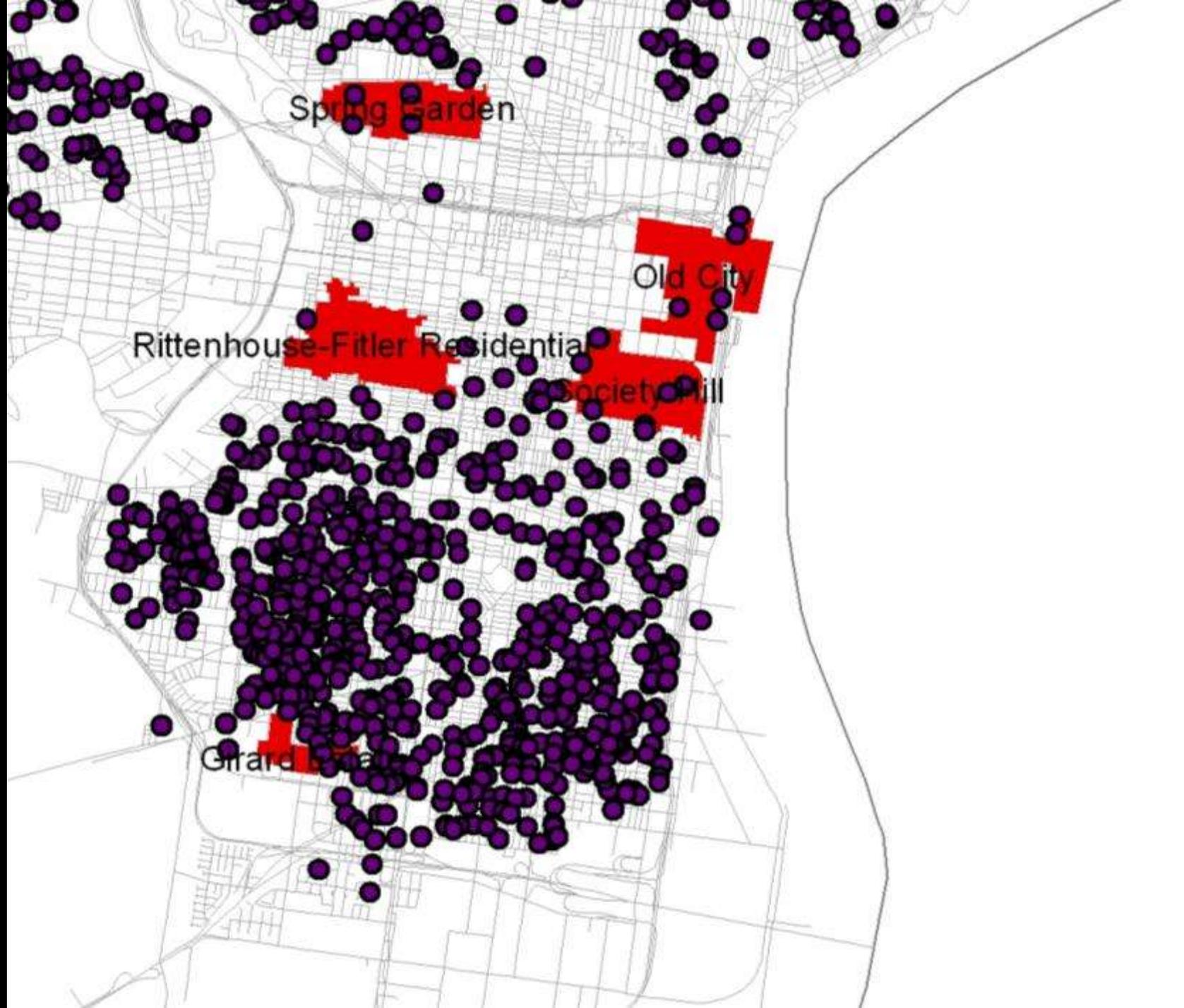
Will Sell for Food

A newly minted real estate agent confronts the down market
by DANTE CHINNI



Single Family Foreclosures Philadelphia





Philadelphia

Analysis of:

Single Family Houses

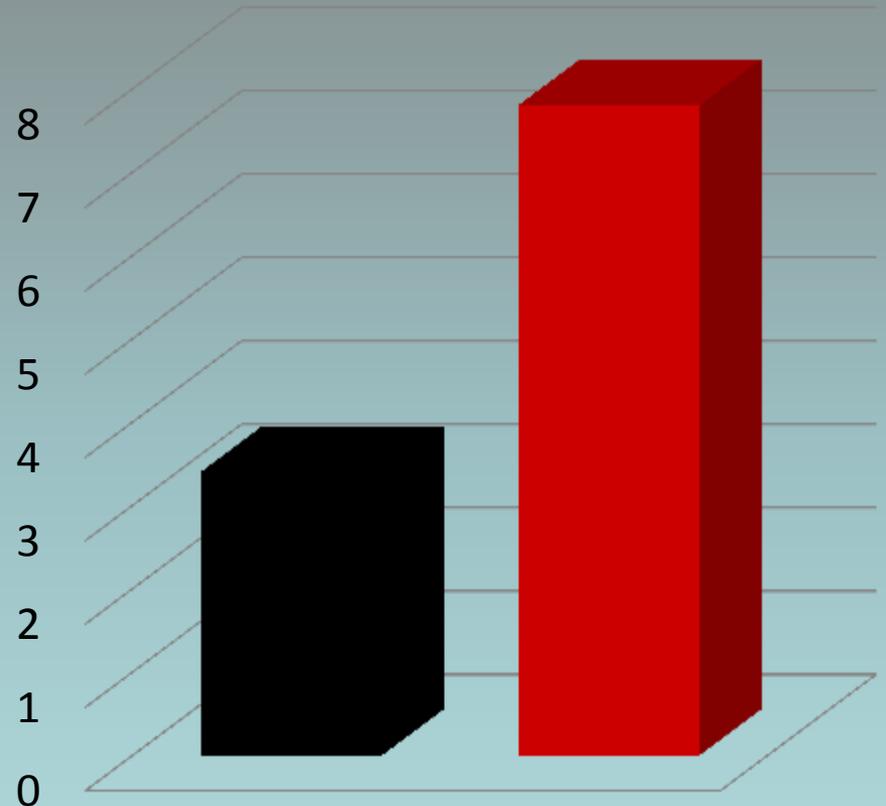
6 Historic Districts

10 Comparable Neighborhoods

10/09 – 9/10



Foreclosures per 1000 Housing Units



■ Historic Districts

■ Comparable Neighborhoods

Foreclosures per 1000 Properties

	Overall	In Local Historic Districts
Canton	10.0	6.4
Milford	14.7	0.0
Norwich	28.9	19.9
Windsor	17.7	16.1
Composite Total	19.70	9.96



Main Street

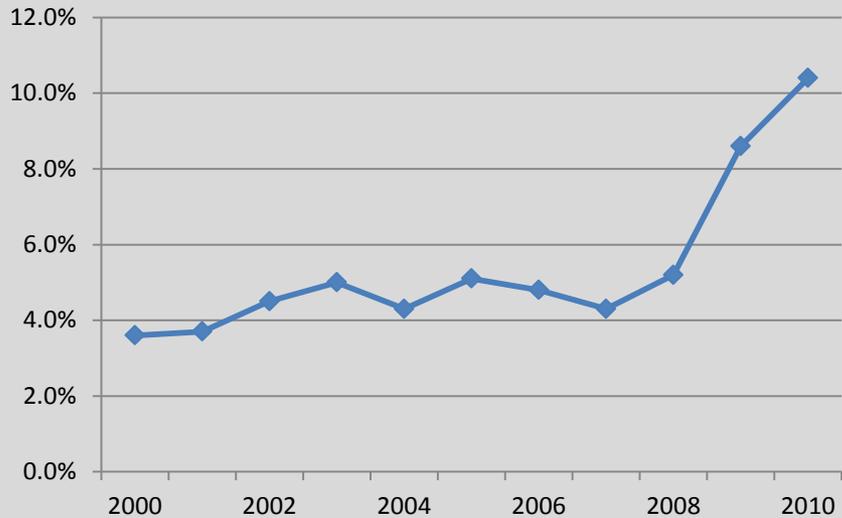
Main Street

Over the past 25 years in *Main Street* Communities

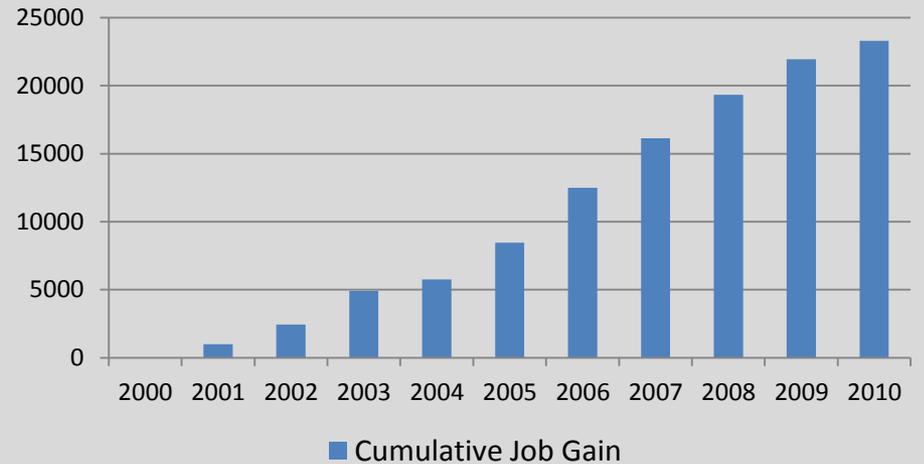
- **\$45 Billion invested in Physical Improvements**
- **83,000 Net New Businesses**
- **370,000 Net New Jobs**
- **199,000 Building Rehabilitation & Construction Projects**
- **Cost per Job Created – \$2,394**
- **Leverage of Public Funds – \$26.67 to \$1.00**

Main Street: Success against the Trend

Georgia January Unemployment Rate



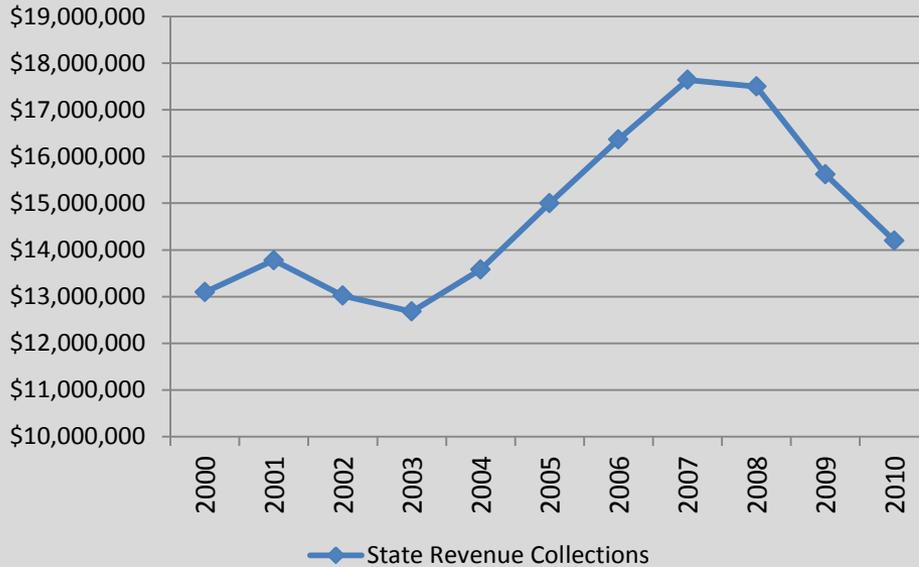
Cumulative Job Gain Georgia Main Street and Better Hometown Communities



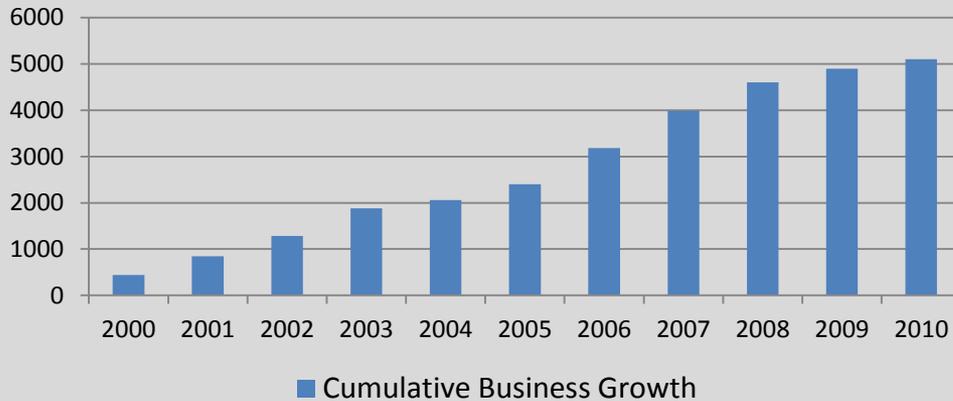
Economic

Main Street: Success against the Trend

State Revenue Collections (000)



Cumulative Business Growth Georgia Main Street and Better Hometown Communities



Economic

Main Street – Business Creation

Ratio of Business Openings to Business Closings



Economic





Inter-American Development Bank

MIF - IIC

*The Sustainability of Urban
Heritage Preservation*

Symposium 23-24
September 2010
Washington, DC

Valparaiso, Chile
Oaxaca, Mexico
Porto, Portugal
Syracuse, Italy
Medinas of Morocco
Aleppo, Syria
Edinburgh, UK
Verona, Italy
Quito, Ecuador
Salvador, Brazil
Veracruz, Mexico

Economic



Measures of Success

- Private investment
- New middle class residents
- Increasing property values
- More businesses
- Higher tax generation
- Better property maintenance
- Lower vacancy



Economic



Heritage Tourism

Heritage Tourism



Heritage tourism in the Philadelphia 5-county area contributes over \$3 billion in total output, supporting over 45,000 jobs and \$975 million in earnings, within the Commonwealth of Pennsylvania each year.

Economic

Heritage Tourism



16% of Arkansas
Tourists are
Heritage
Tourists

- But they spend 30% more than other visitors
- More likely to be out-of-state visitors

Heritage
Tourism
generates \$891
Million/year

- Supports 21,552 Jobs
- Adds \$319 Million in income
- Generates \$74 million in tax revenues

Economic

Heritage Tourism

A photograph of a yellow and white tower with a red-tiled roof, surrounded by palm trees. The tower has a decorative facade with arches and columns. The background is a clear blue sky.

Heritage tourists to Florida in 2007 spent an estimated \$4.13 billion, and 46.7% of all U.S. visitors to Florida reported visiting an historical site during their stay

Economic

How Washington State Heritage Visitors Spend Their Money

- Lodging \$163.8 million
- Eating/Drinking \$170.1 million
- Retail \$138.6 million
- Transportation \$81.9 million
- Recreation/Entertainment \$25.2 million
- Other \$50.4 million
- Total \$629.9 million

Heritage Tourism – Georgia

Spending - \$6,147,282,000

- International \$514,102,000
- Domestic \$5,633,180,000

Jobs – 117,000

Salaries & Wages - \$203,850,000

Taxes Generated

- State - \$252,496,000
- Local - \$209,933,000

Economic

Hotel Room Nights

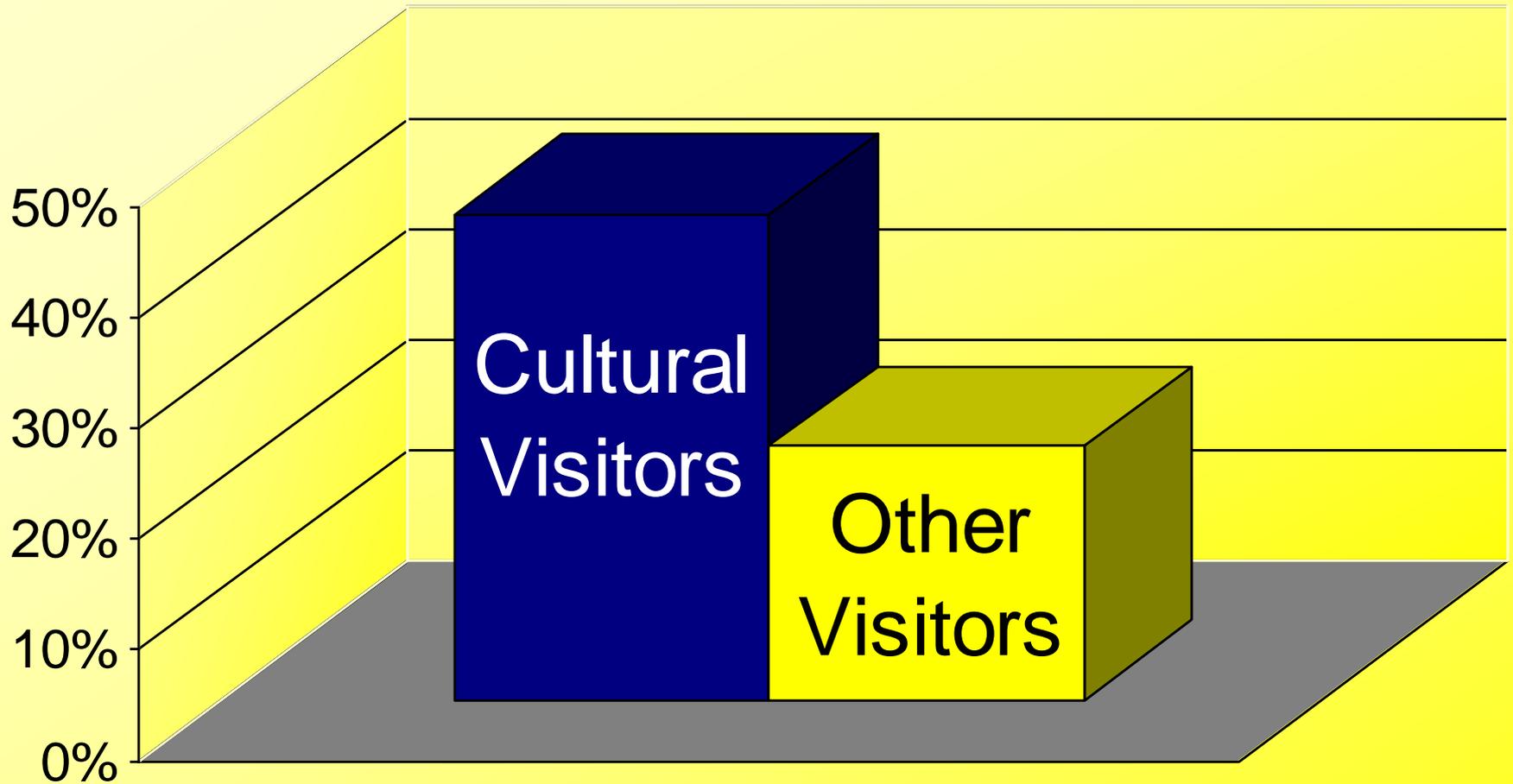
Cultural
Tourists



Others

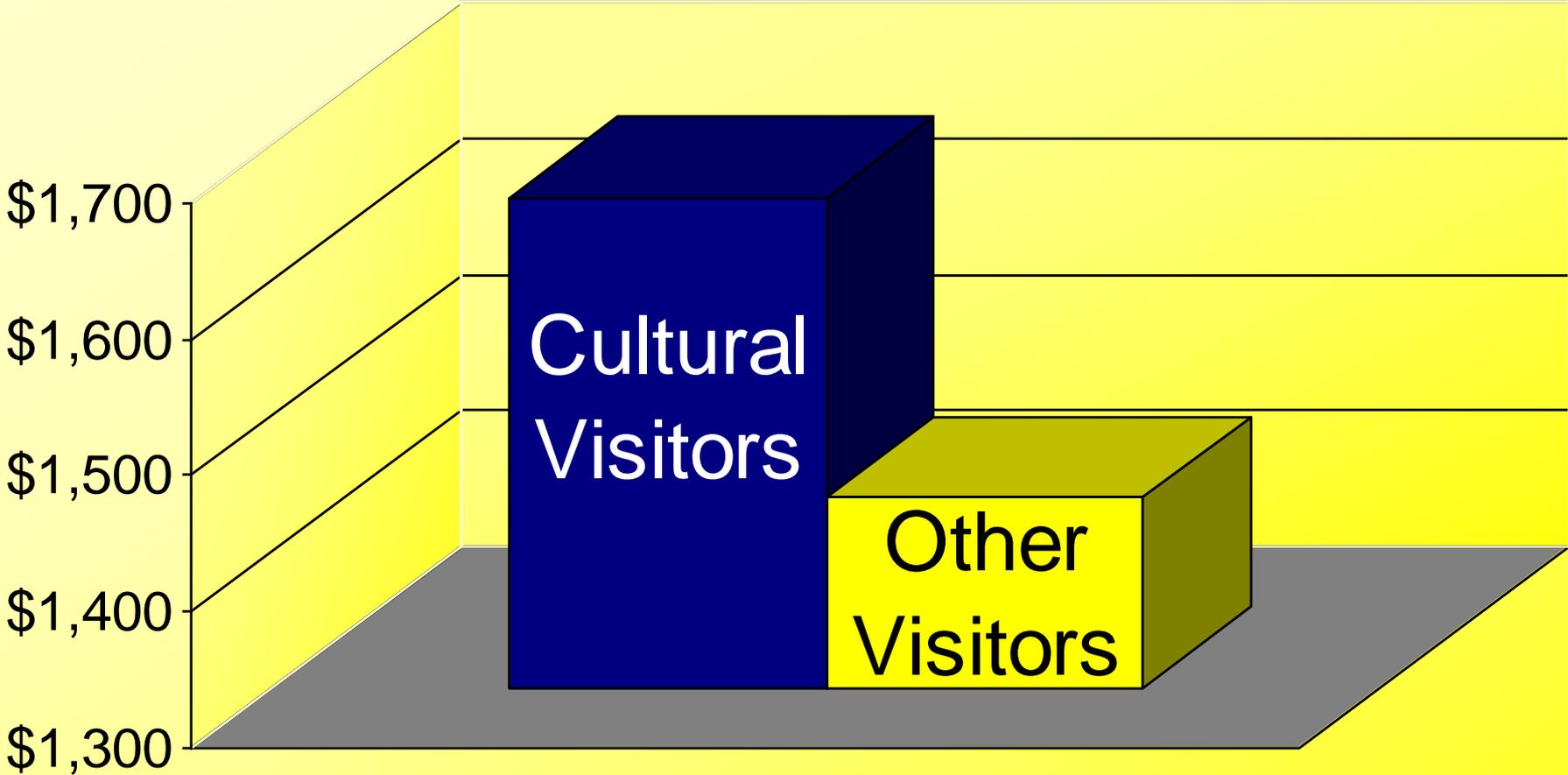


Visited 2 or More States



■ Cultural Visitors ■ Other Visitors

Per Visitor US Expenditure



■ Cultural Visitors ■ Other Visitors

+470,000 Visitors



+785,000 Visitors

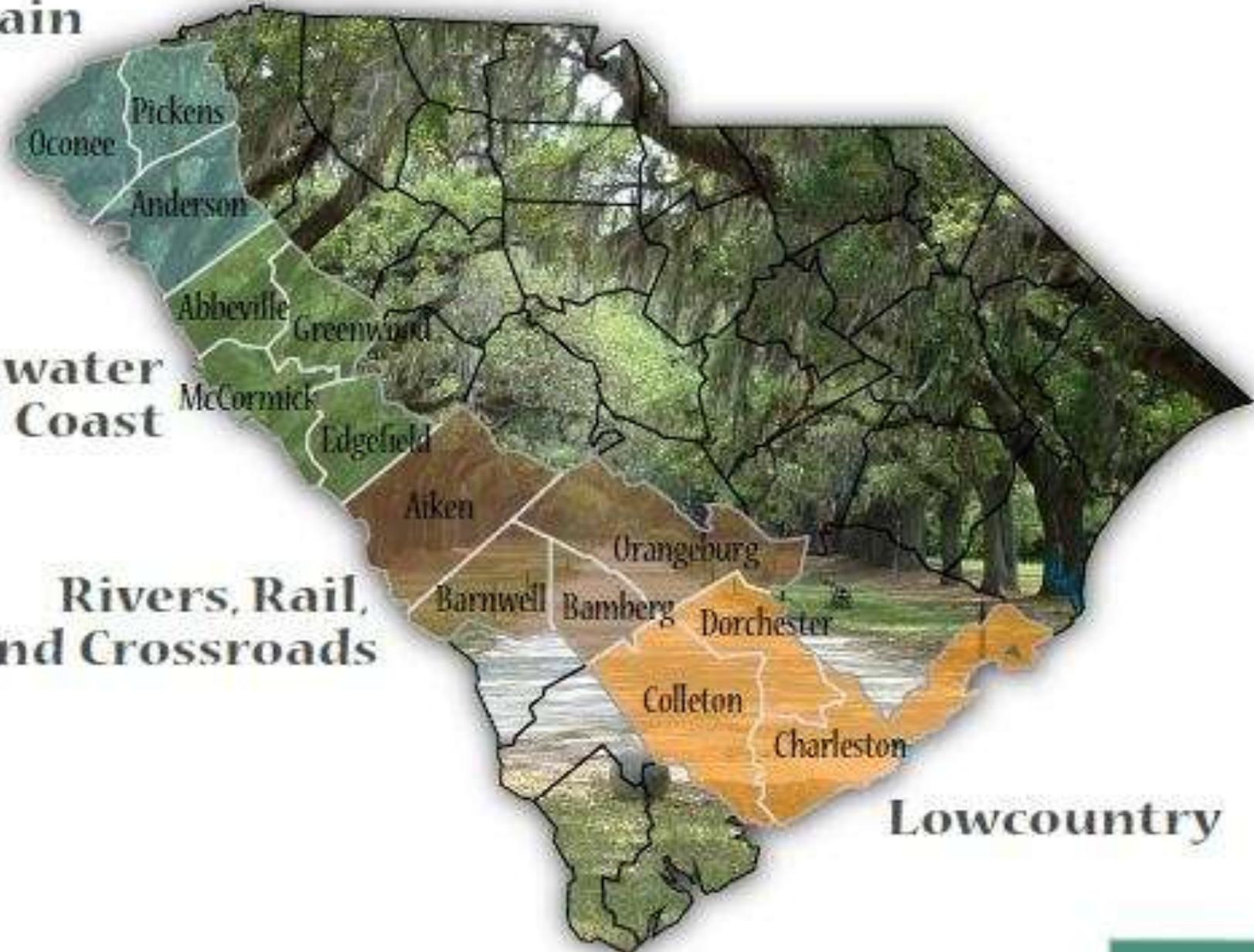






South Carolina National Heritage Corridor

**Mountain
Lakes**



**Freshwater
Coast**

**Rivers, Rail,
and Crossroads**

Lowcountry

South Carolina National Heritage Corridor Findings

- Visitors: 9,300,000
- Economic Impact
 - \$ 624,272,000 Direct
 - \$ 379,227,000 Indirect
 - \$1,003,499,000 Total
- Earnings: \$375,252,000
- Jobs: 17,866
- Business Taxes: \$91,355,488

Those Numbers Reconsidered

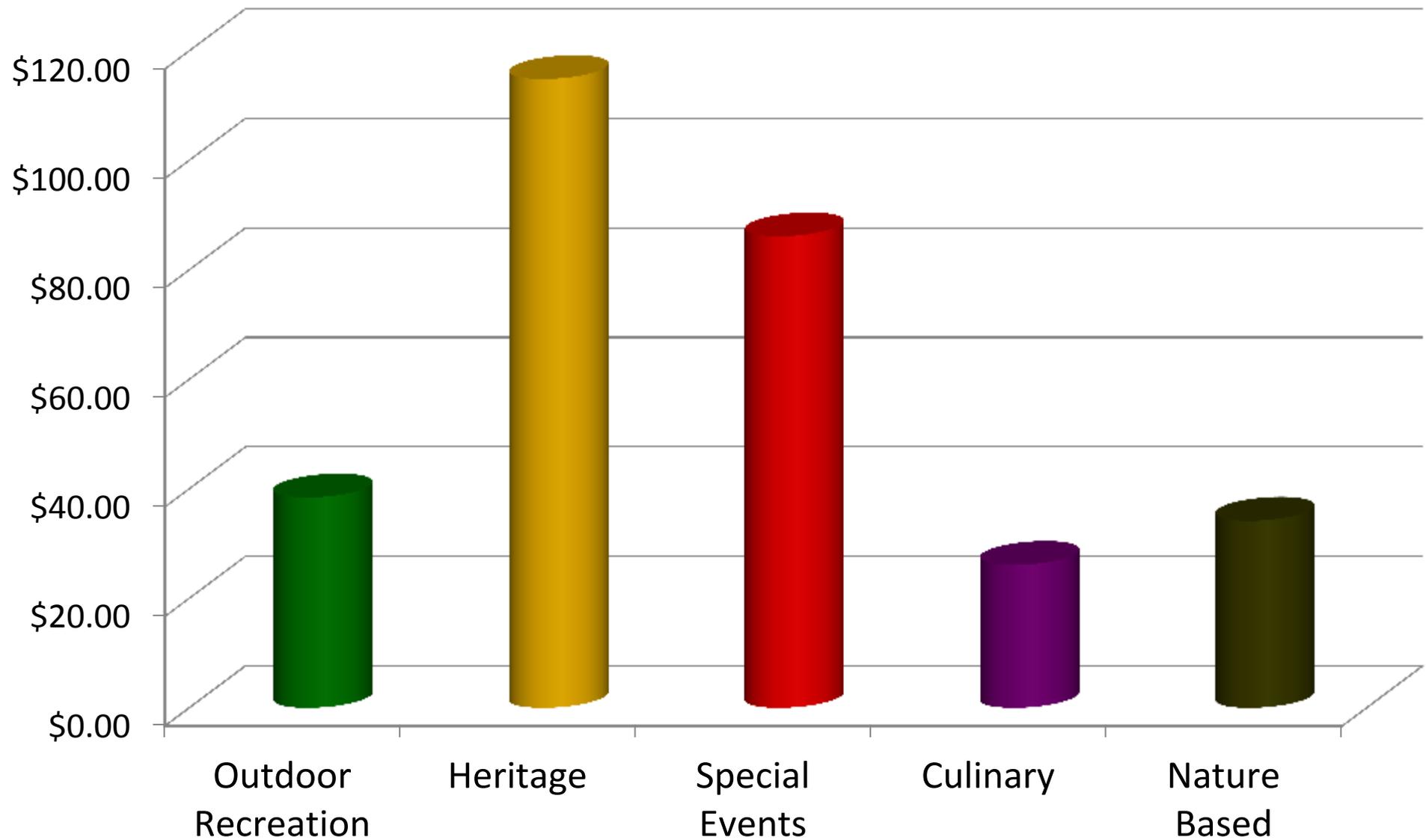
- Each visitor = \$9.82 in taxes
- Each visitor = \$40.35 in earnings
- Each 520 visitors = 1 job

South Carolina National Heritage Corridor Targeted Visitor Groups



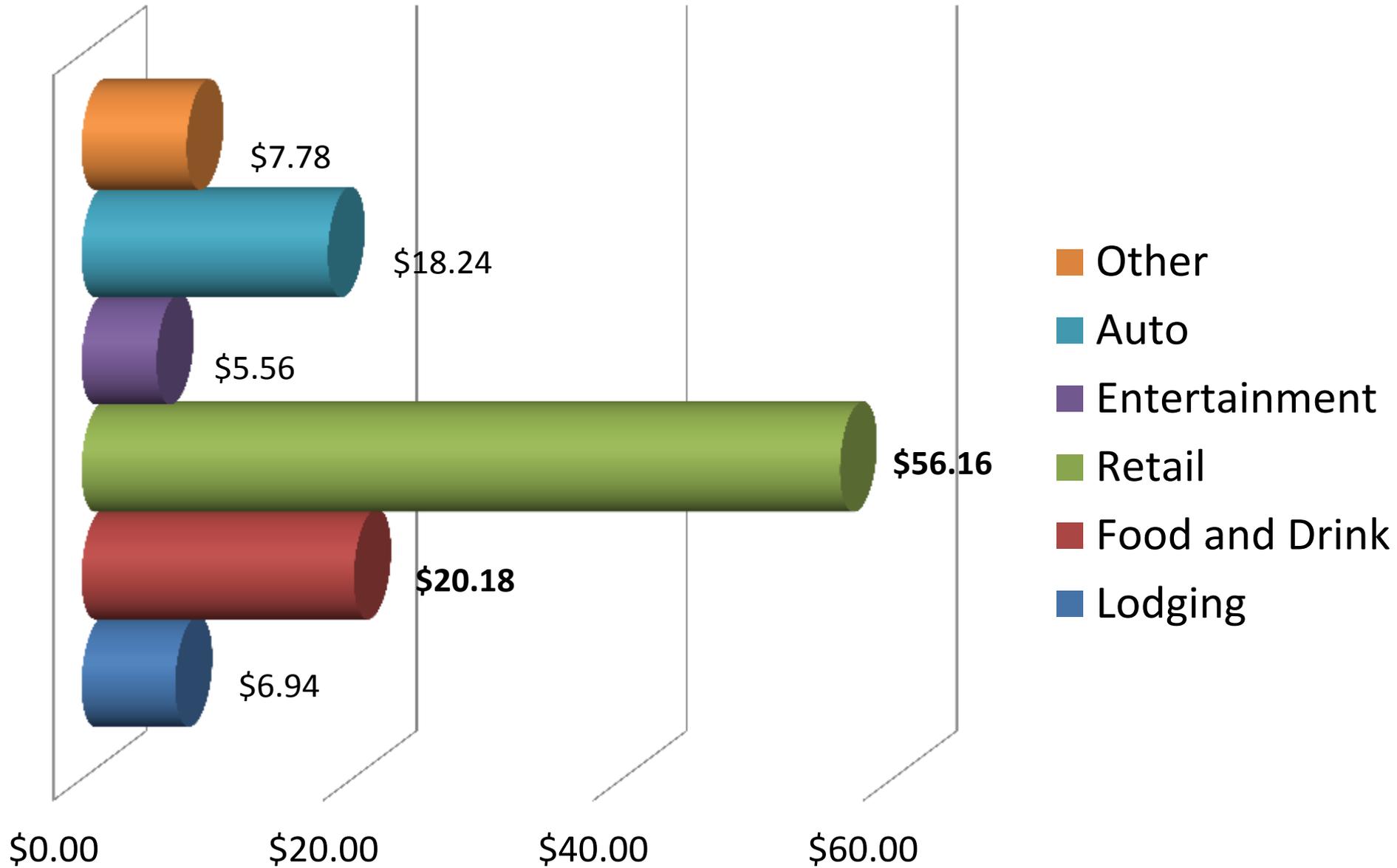
Daily Expenditure/Person

South Carolina National Heritage Corridor



Daily Expenditures - Heritage Visitors

South Carolina National Heritage Corridor



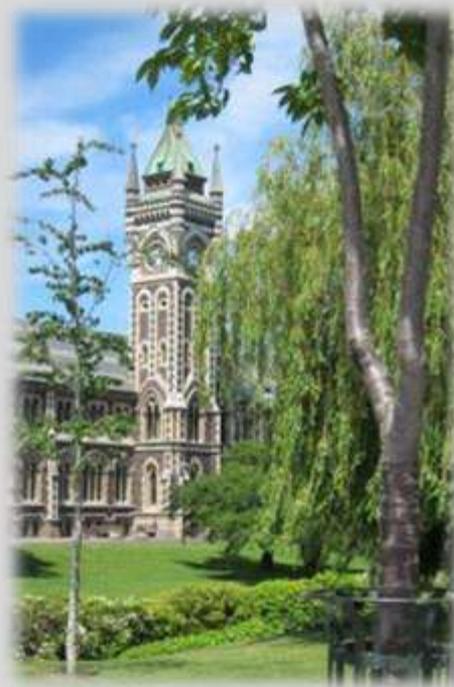
Comprehensive Impact where you might not expect them

Historic Preservation adds \$170 million per year to the Nebraska economy.



Economic

Historic Preservation and Economics in the Rest of the World



Economic

HEARING

THE ECONOMIC ROLE OF HERITAGE
IN A TIME OF FINANCIAL CRISIS
CRISTINA GUTIÉRREZ-CORTINES
THURSDAY, 5 MARCH 2009
FROM 09.30 TO 13.00 HRS
EUROPEAN PARLIAMENT
BRUSSELS ROOM JAN 2009

EPP-ED HEARING
THE ECONOMIC
ROLE OF HERITAGE
IN A TIME OF
FINANCIAL CRISIS
CRISTINA GUTIÉRREZ-CORTINES
THURSDAY, 5 MARCH 2009
FROM 09.30 TO 13.00 HRS
EUROPEAN PARLIAMENT
BRUSSELS ROOM JAN 2009

EPP-ED HEARING
THE ECONOMIC
ROLE OF HERITAGE
IN A TIME OF
FINANCIAL CRISIS
CRISTINA GUTIÉRREZ-CORTINES
THURSDAY, 5 MARCH 2009
FROM 09.30 TO 13.00 HRS
EUROPEAN PARLIAMENT
BRUSSELS ROOM JAN 2009

WATCH THE HEARING
LIVE ON OUR WEBSITE!
www.epp-ed.tv



EPP-ED

ARSCIVILIS

Economic



All the evidence demonstrates that investment in heritage is an inherently sustainable, long term, and measurably successful solution to economic recession.

Economic

Historic Preservation and Economics in the Rest of the World

Economic





*Value the
Heritage!
Heritage during
the recession –
luxury or
necessity?*





*Heritage: The
Driver of
Development*

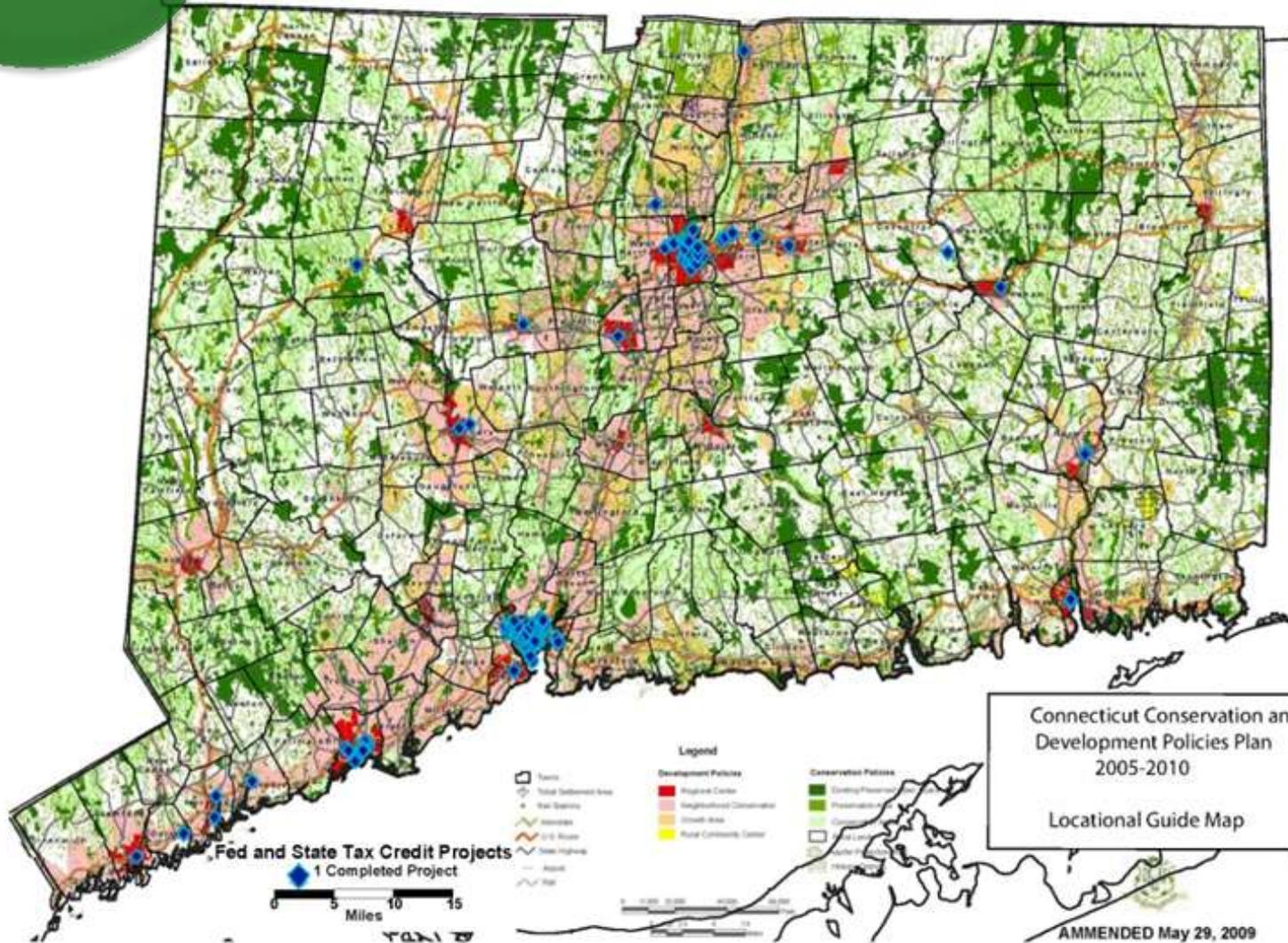




Environmental



Environmental



Historic Preservation in Connecticut:

Encouraging development consistent with comprehensive development and conservation principles

Virtually every grant funded activity and historic preservation project tax credit project advances all six of the **Connecticut Growth Management Principles**



Redevelop and revitalize regional centers and areas with existing or currently planned physical infrastructure



Expand housing opportunities and design choices to accommodate a variety of household types and needs



Concentrate development around transportation nodes and along major transportation corridors to support the viability of transportation options



Conserve and restore the natural environment, cultural and historical resources, and traditional rural lands



Protect and ensure the integrity of environmental assets critical to public health and safety



Promote integrated planning across all levels of government to address issues on a statewide, regional and local basis.

Environmental Impact of Rehabilitating 50,000 s.f. Warehouse in Maryland

20 – 40%
reduction
in Vehicle
Miles
Traveled
(VMTs)

Reduction
of travel
related CO₂
Emissions
by 92 – 123
Metric Tons

CO₂ “saved”
relative to
suburban
construction
= 18,700 to
22,000
gallons of
gasoline

Embodied
energy
retained
55,000
MBTU

Greenfield
land
preserved
5.2 acres

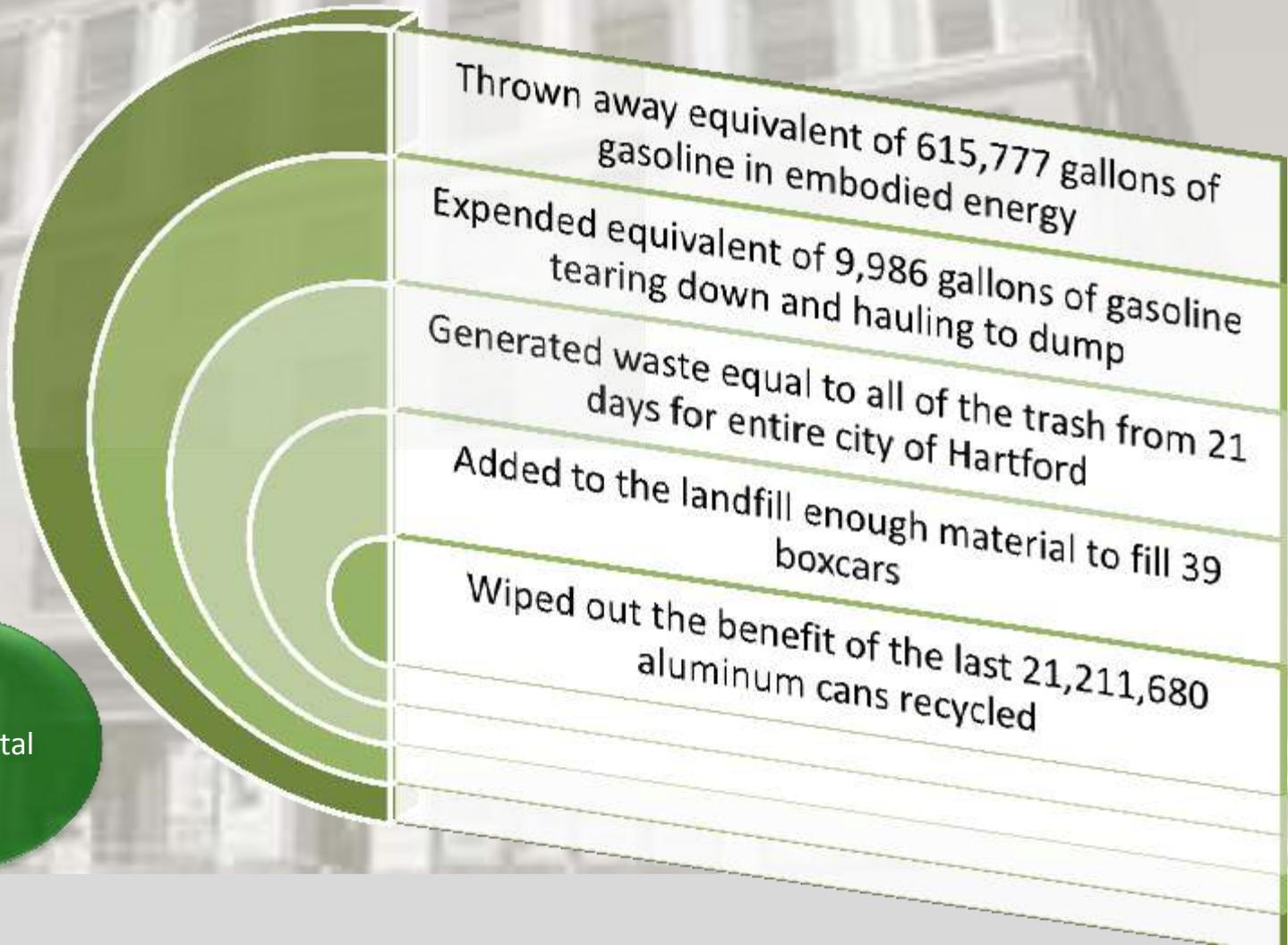
Less
construction
debris in
landfills 2500
Tons

Infra-
structure
investment
“saved”
\$500,000
to
\$800,000

Environmental

410 Asylum, Hartford, Connecticut

If razed instead of restored...

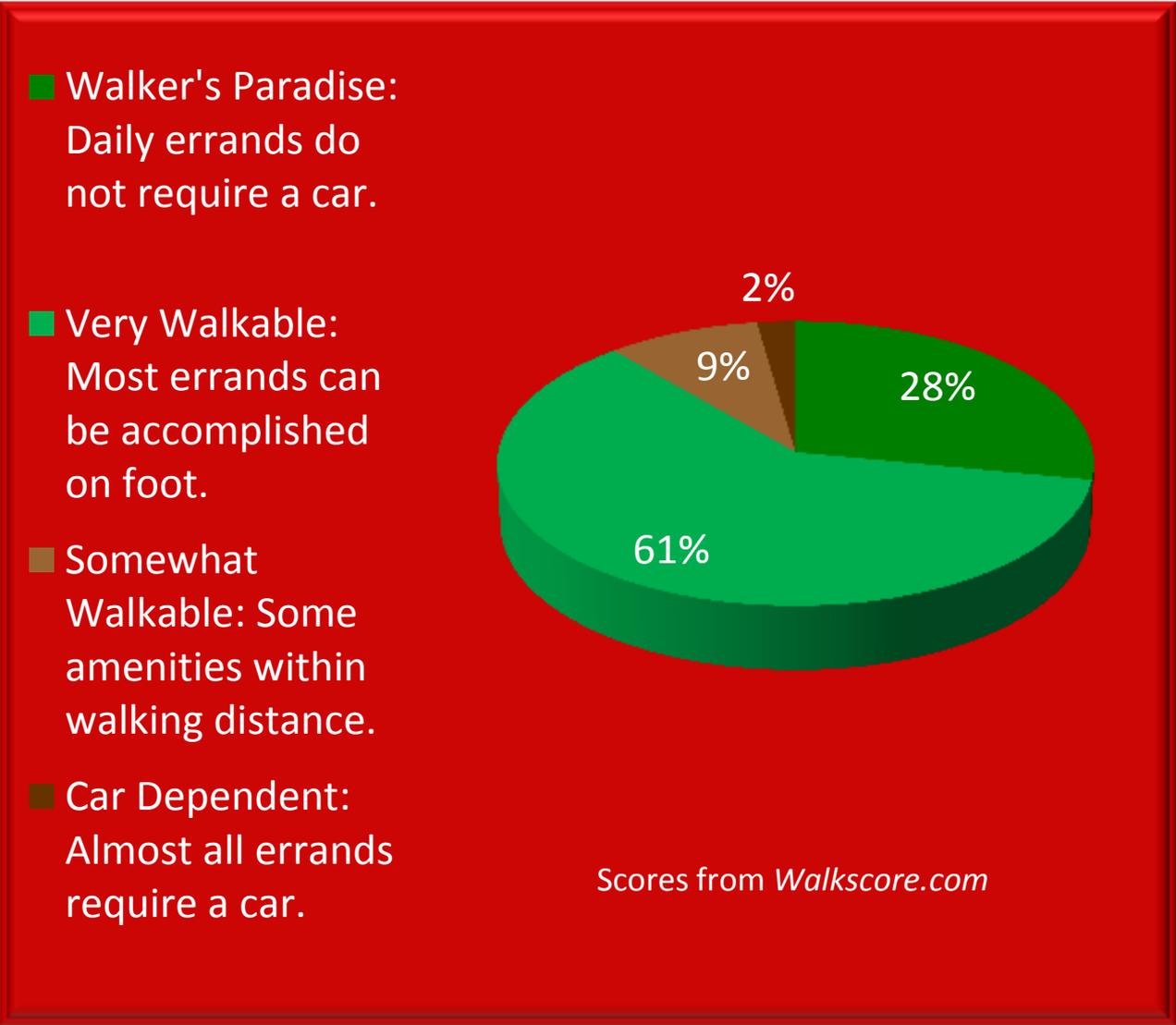


Historic Preservation in Connecticut:

Advancing good urban design principles in towns and cities of every size



Good urban neighborhoods are walkable. Nearly **90%** of historic preservation tax credit projects are in neighborhoods described as *Very Walkable* or *Walker's Paradise*

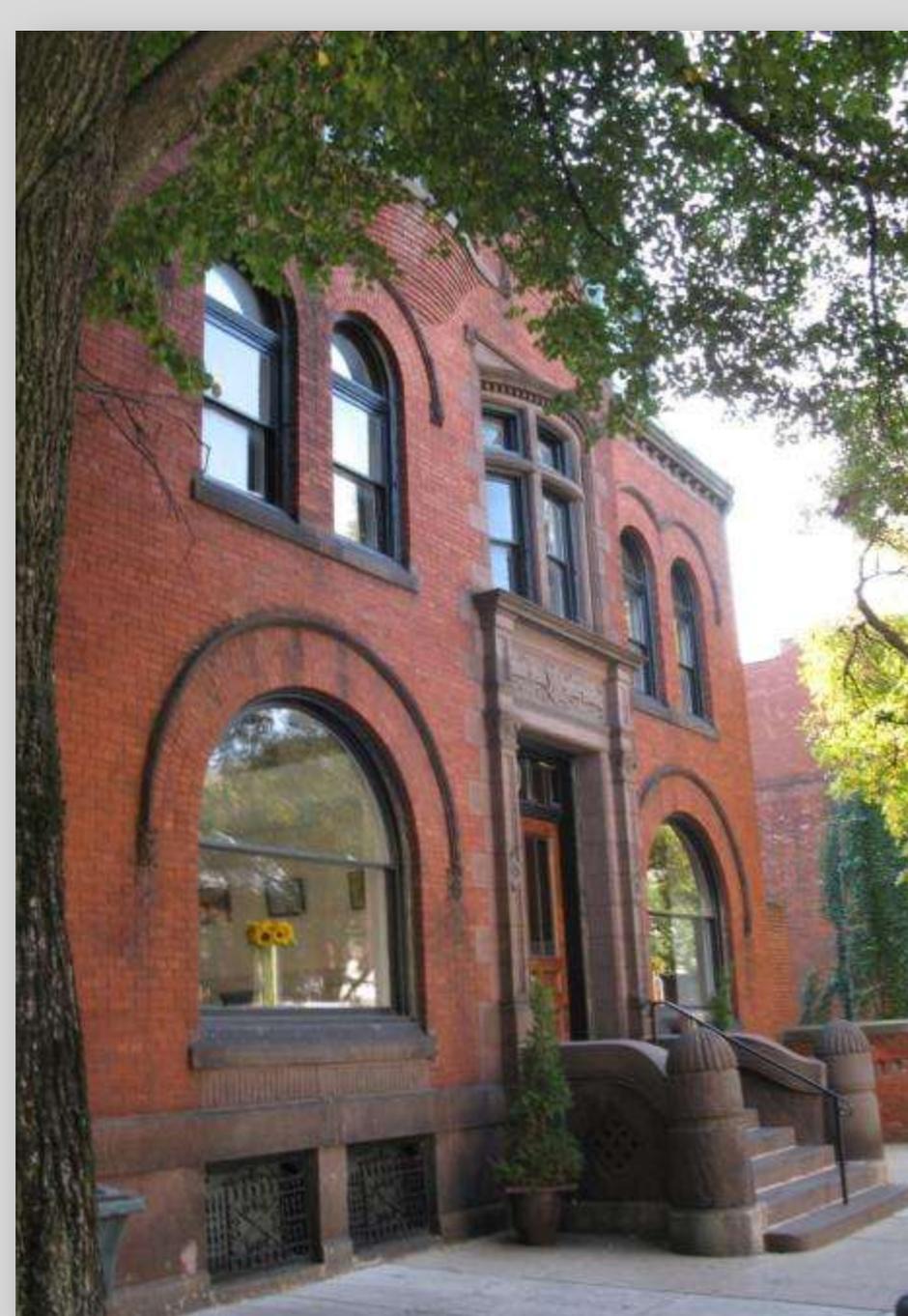


- Walker's Paradise: Daily errands do not require a car.
- Very Walkable: Most errands can be accomplished on foot.
- Somewhat Walkable: Some amenities within walking distance.
- Car Dependent: Almost all errands require a car.

Maryland's Tax Credit and the Environment

The state's investment in historic commercial properties has "saved" 387,000 tons of material from landfills over the past 12 years. This amount of landfill material is the equivalent of filling a football stadium to a depth of 50-60 feet.

Environmental



The Environment *AND* the Budget

*Preservation projects
save 50 to 80
percent in
infrastructure costs
compared to new
suburban
development.*



Environmental

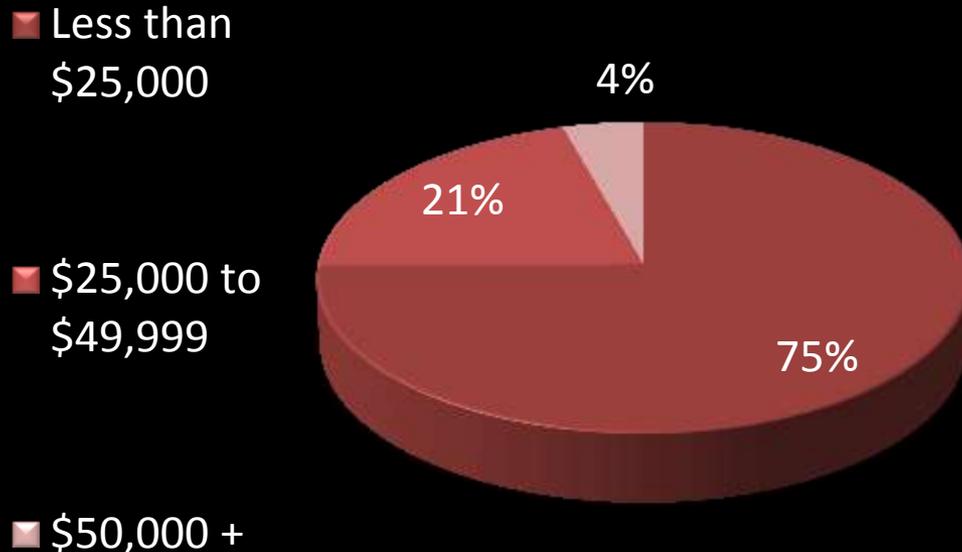
Social Contributions of Heritage



Social

Historic Preservation in Connecticut:

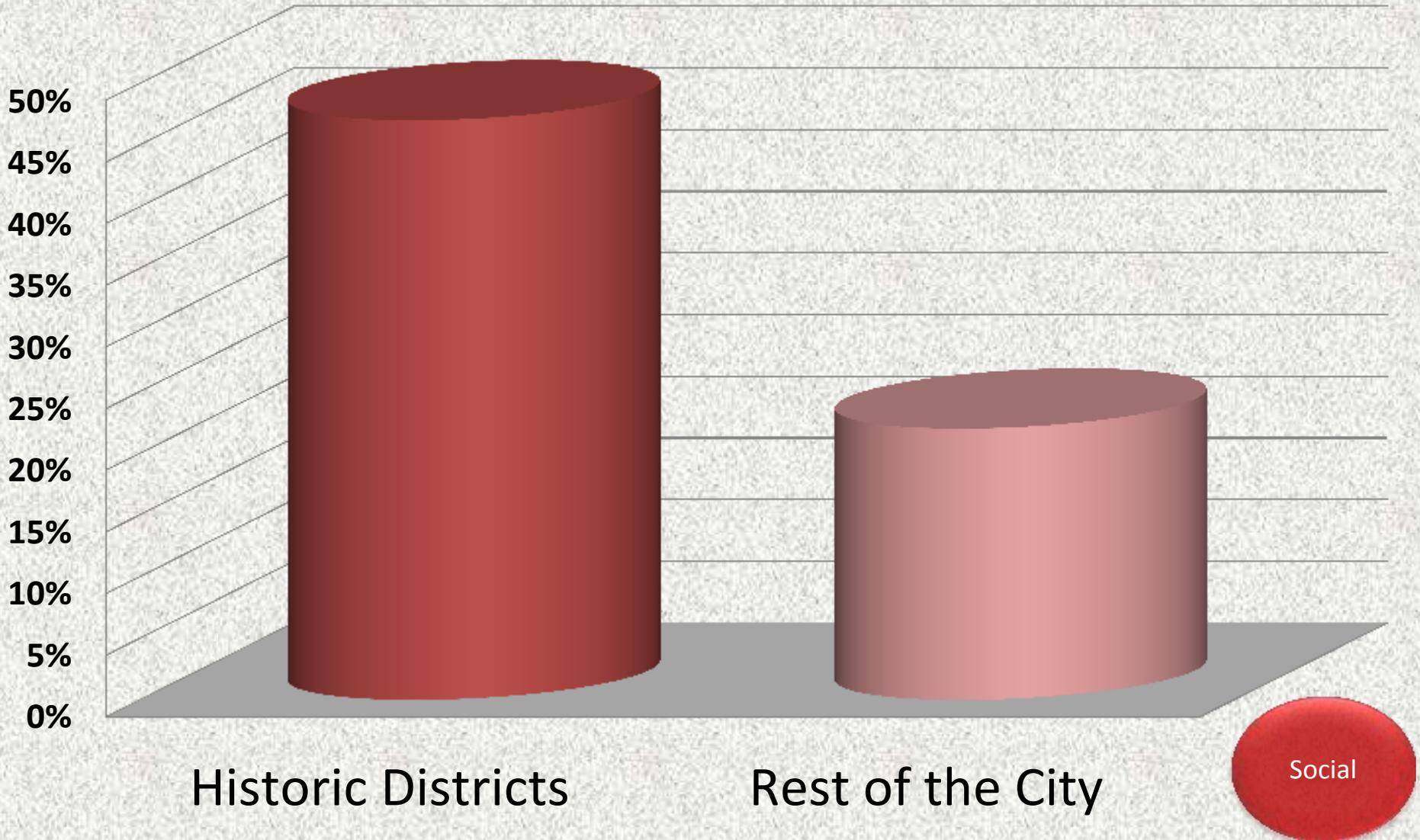
Median Household Income of Census Tract



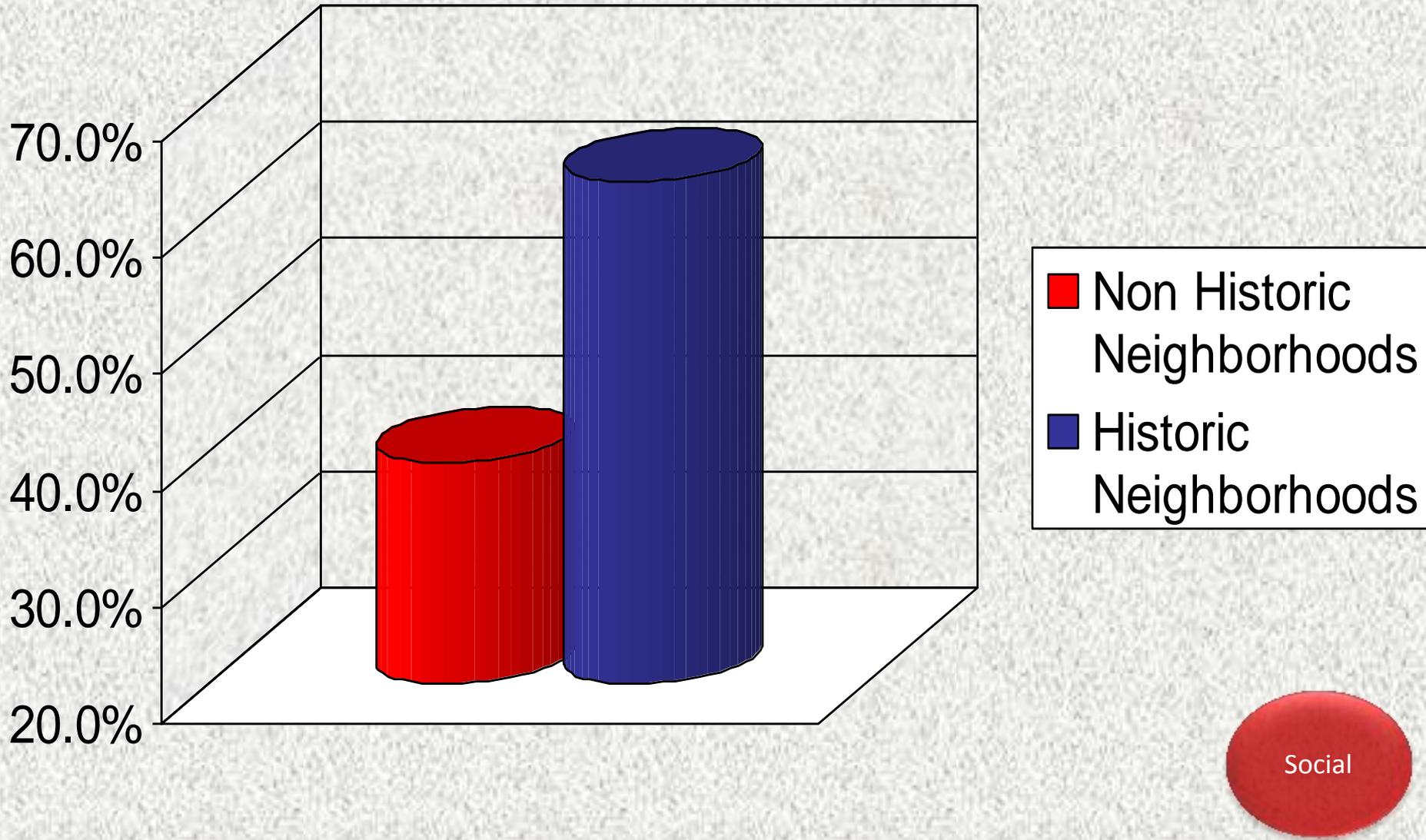
While the Federal Rehabilitation Tax Credit program is not income targeted, in Connecticut **95%** of the projects have taken place in neighborhoods with a concentration of households with modest annual income.

Social

Racially Diverse Neighborhoods Philadelphia



Diverse Neighborhoods in Cleveland



Case Study – Norwich, England

Heritage Based Revitalization Program

Social

Pedestrian flow up 60% to 300%

40% of pedestrians stay longer

24% of pedestrians come more often

80% of elderly and 98% of families with children support project

Significant reduction in noise and air pollution



Case Study – Ghent, Belgium

Heritage Based Revitalization Program

Social

84% of visitors are returning

Reduction of accidents in
immediate area

Access improved for people with
disabilities

Major reduction of vehicle flows

New cultural institutions
established





Sustainable Development: The ability to meet our own needs without prejudicing the ability of future generations to meet their own needs.



HOCPP 1300

Teacher's Manual

In the Hands of a Child

Grades 2 - 5



Project Pack

Reduce, Reuse, Recycle!



A Ready-to-Assemble
Hands-On Unit
Including Reproducibles

Historic Preservation

Reduces

Demand for land
and materials

Reuses

Embodied energy,
skills, labor,
knowledge

Recycles

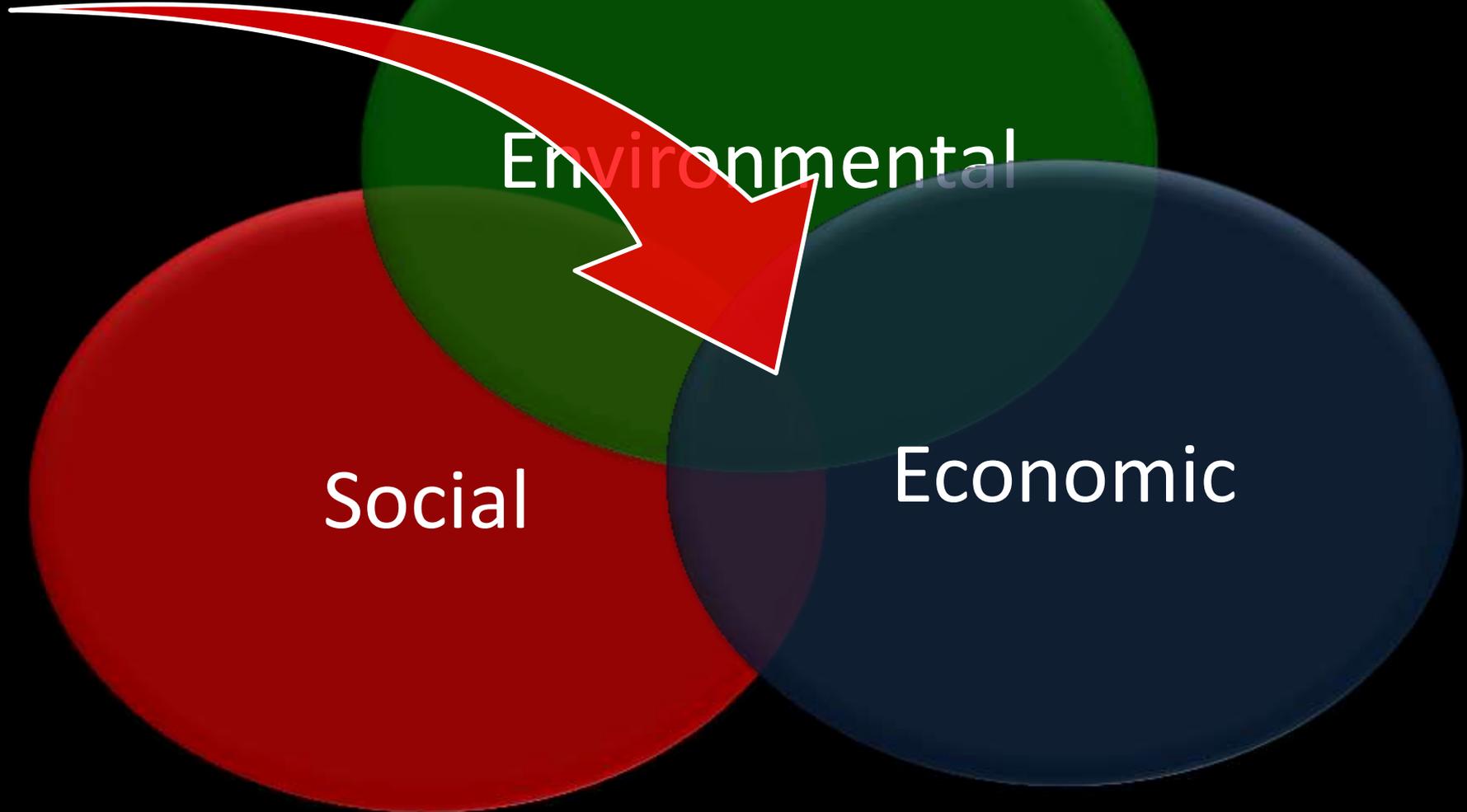
The whole building



Sustainable Development

Historic

Preservation



Environmental

Social

Economic

The preservation movement has one great curiosity. There is never retrospective controversy or regret. Preservationists are the only people in the world who are invariably confirmed in their wisdom after the fact.

John Kenneth Galbraith

*Thank
you very
much*



TERIMA KASIH
ATAS KULIAHNYA
Mr. DONOVAN
!!!
09 JULI '05 JALAKOBEY
#

