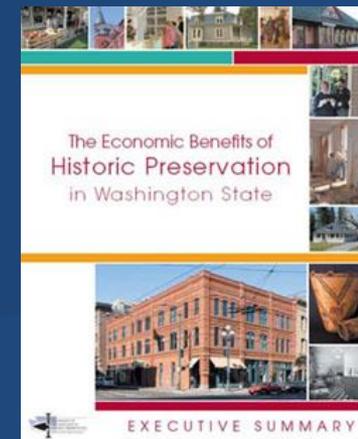
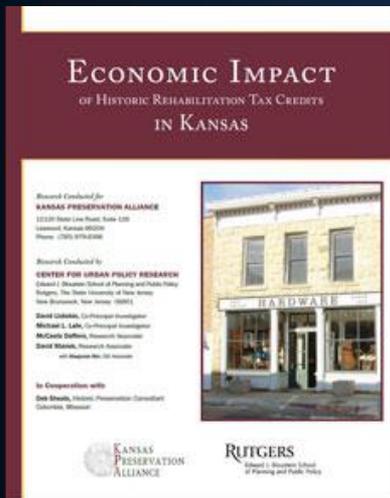
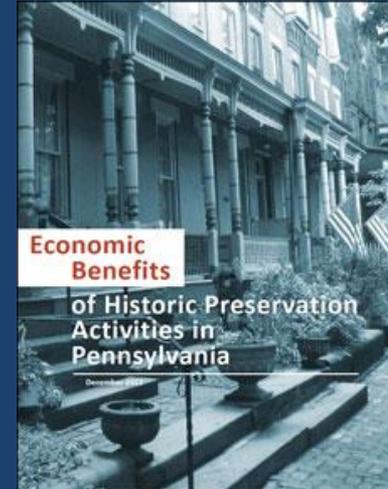
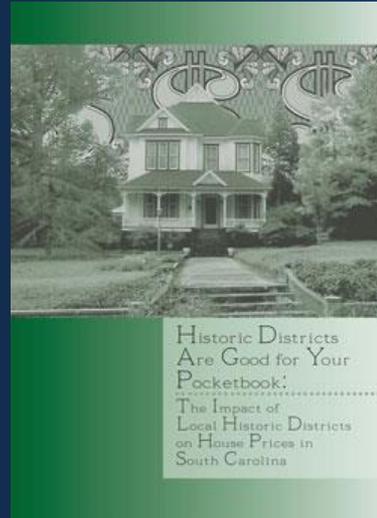
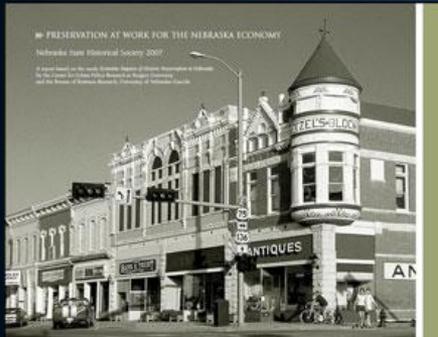


# The Economic Benefits of Historic Preservation



**California Office of Historic Preservation  
Local Government Preservation Training  
Benicia, CA 2016**

# Measuring Economic Impacts of Historic Preservation

1. Job Creation
2. Property Values & Historic Districts
3. Increased Heritage Tourism
4. Environmental Impact
5. Investment in Underserved Communities
6. Urban Revitalization
7. Economic Competitiveness

# Job Creation Overview

- Historic rehabilitation creates more domestic jobs than other industries.
- Historic rehabilitation jobs can not be outsourced like other industries.
- Historic rehabilitation projects are more reliant on higher paid skilled craftsman than new construction.
- Historic rehabilitation is more reliant on labor than raw materials.
- A greater percentage of money invested in historic rehabilitation becomes household income, which has a greater benefit to the local economy.

# Federal Rehabilitation Tax Credit Local Impact in Massachusetts (2012)

Amount of Investment =  
\$115,000,000

Local Taxes = \$3,090,000 Pays  
the starting salary for 88 new  
teachers

Jobs = 1,505

Salary & Wages  
\$81,300,000

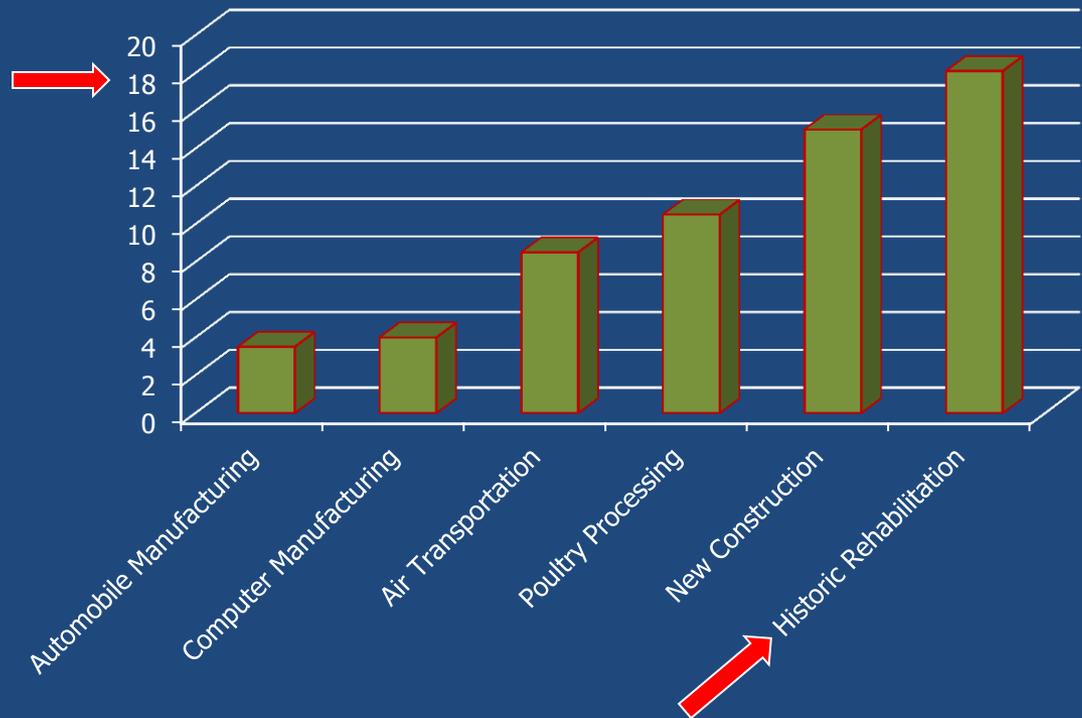
State Taxes = \$3,728,000  
Pays salary for 57 mid-career  
highway patrolman

Counted as a single industry,  
historic preservation is the  
larger among the top 1% of  
industries in Mass.

# Georgia Jobs

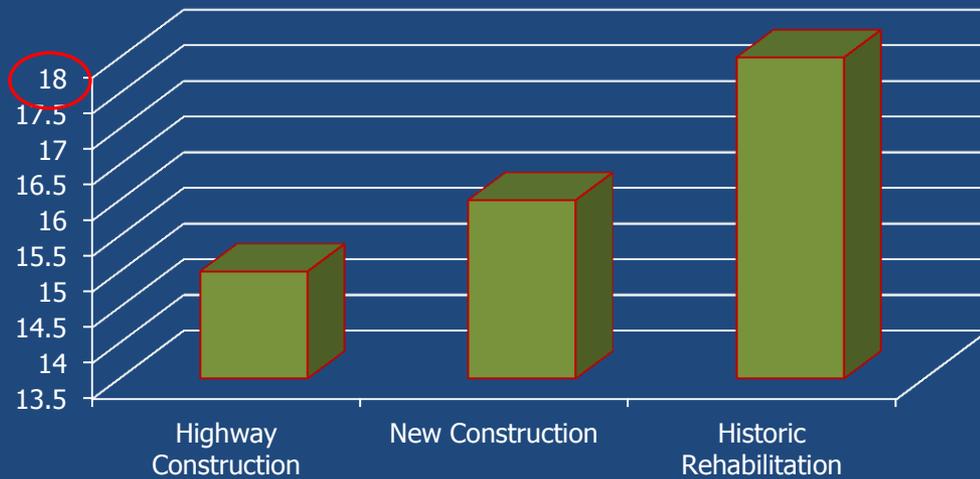


## Jobs Created per \$1 Million



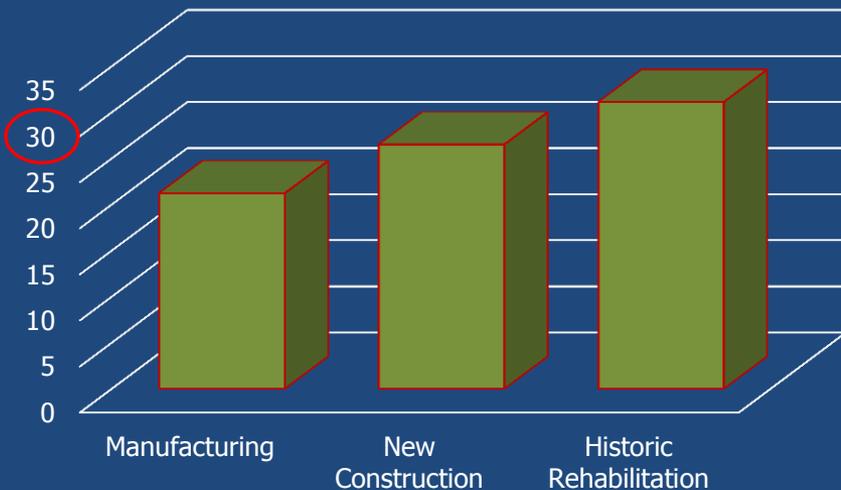
# New Jersey Jobs

**Jobs Created for Every \$1 Million Dollars Invested in New Jersey**



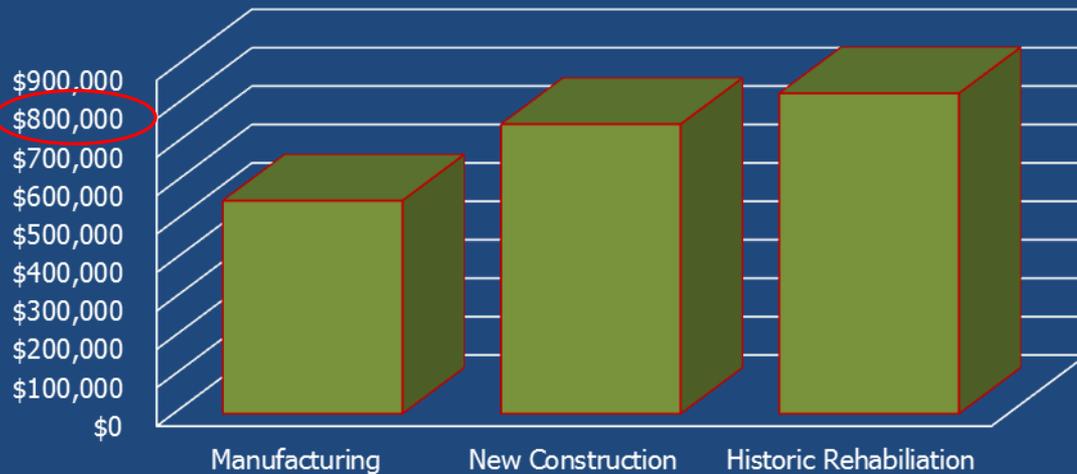
# How Many Jobs Will \$1 Million get you in California?

**Jobs Created per \$1 Million Dollars Private-sector Investment in California**



# \$1 Million California Dollars will Translate to Household Income

**A Company Spends \$1 Million, how much goes towards household Income in California?**



# Property Values

- Historic District properties routinely outperform similar properties without historic designation
- Local designation results in a greater rise in property values than State or National designation
- Historic District properties appreciate at a greater rate than non-designated properties
- Historic neighborhoods typically have elements that come with good urban planning principals (public transit, walkability, trees, attractive architecture, etc.)

# Property Values in Dubuque

Average annual growth rate for:

- Historic rehabilitation property values: 51%
- Value of neighboring historic properties: 9.7%
- All properties: 5%
- Other properties in downtown Dubuque: 3.7%



Source: Iowa's Historic Preservation and Cultural and Entertainment District Tax Credit Program Evaluation Study (2009)

# National Register District property Values

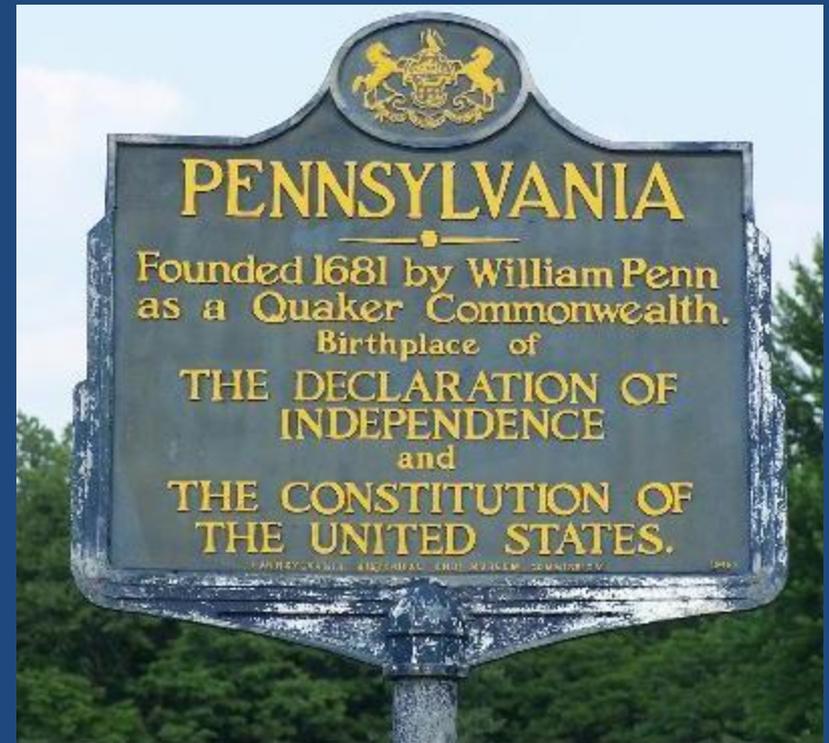
Philadelphia, Pennsylvania

14.3%

Premium commanded by National  
Register historic district houses

22.5%

Premium commanded by local  
historic district houses



Source: The Economic Impact of Historic Preservation in Philadelphia (2010)

# Louisville, KY Property Values

Properties in local historic districts were worth between \$59,000 and \$67,000 more than comparable properties not in historic districts.

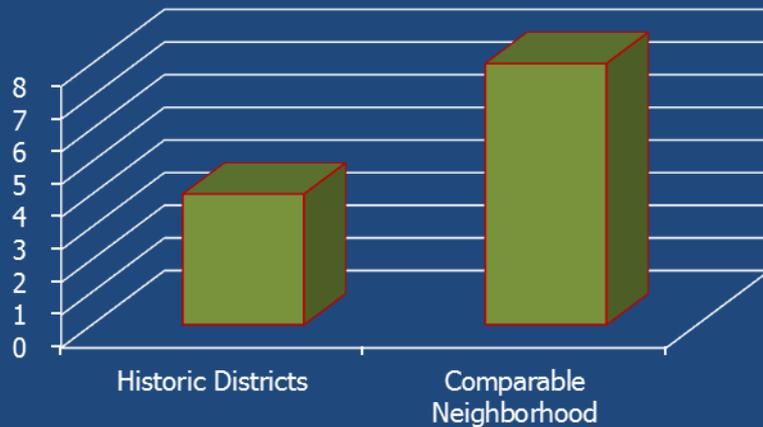
Between 2000 and 2007 houses in local historic districts appreciated 21% more than the rest of the housing market



Source: Historic Preservation's Impact on Job Creation, Property Values, and Environmental Sustainability (2009)

# Single Family Home Foreclosures

**Forclosures Per 1000 Households**



Graduate Study City of Philadelphia

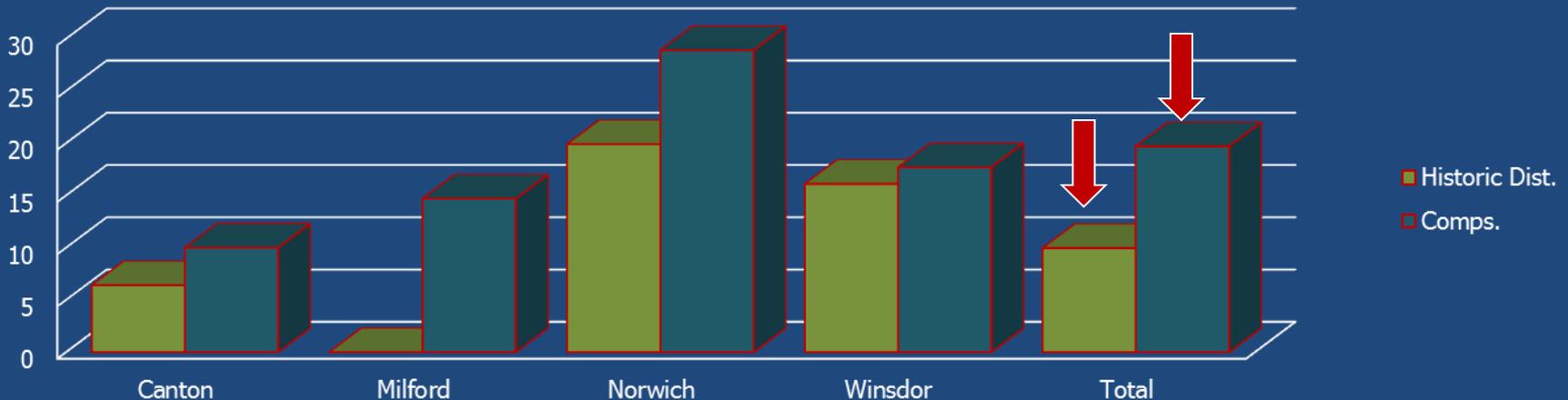
Study compared 6 historic districts vs. 10 comparable neighborhoods

# Connecticut Foreclosure Comparison

Connecticut comparison study showed similar results as the Pennsylvania graduate study.

Foreclosure rates were roughly 50% less in historic districts than comparable neighborhoods, which lacked historic designation.

Connecticut<sup>®</sup>  
*still revolutionary*



# Property Values in California?

There is NO formal economic evaluation of how historic designation affects property values in California, but Texas has completed one.

The Texas report says:

“in general, a property in a Texas city that is designated historic may expect a 5-20 percent increase in property value.”



# Heritage Tourism Overview

- Stay longer, visit more places, and spend more per day than other tourists.
- 2.6 million more visited a historic place than went to an amusement park.
- 4.1 million more visited a historic place than went to the beach.
- 4x as many visited a historic place than went to a casino.
- For every international visitor who played golf, 14 visited a historic place.



Source: Profile of Overseas Travelers to the United States (2010); Heritage Tourism Guidebook (2007)



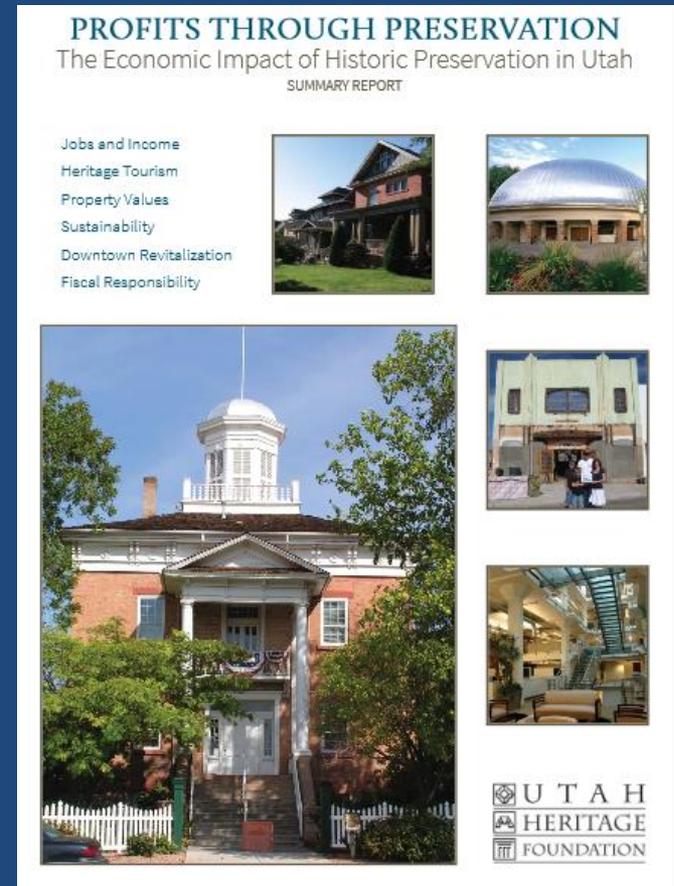
# Heritage Tourism In Arkansas

- 16% Of Tourists can be defined as Heritage Tourists
- Heritage Tourism generates \$891 Million Per Year
- Spent 30% more than other tourists
- Support 21,552 jobs
- Generates \$74 million in tax revenue



# Heritage Tourism in Utah

Less than 7% of Heritage Tourism Dollars are spent at the Heritage Sites that attracted them.



# Environmental Savings

- Reduces overall Vehicle Miles Traveled (VMTs)
- CO2 consumption reduced relative to suburban construction
- Embodied Energy Retained
- Greenfield land preserved for agricultural/recreation
- Less Construction debris in landfills
- Local infrastructure cost reduced

# Hartford, Connecticut Case-Study

615,777 gallons of gas in embodied energy wasted (at \$2.00/gallon = \$1,231,554.00)

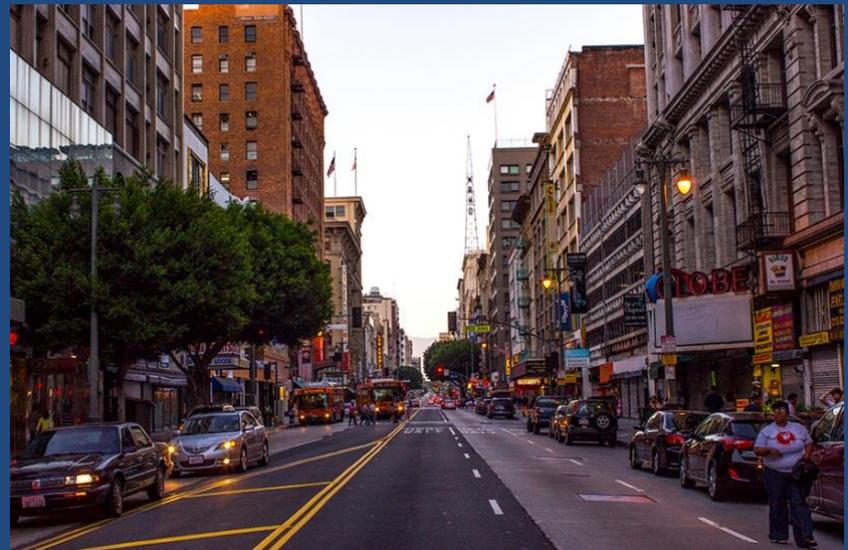
- 9,986 gallons of gas expended to transport material to the landfill (at \$2.00/gallon = \$19,972.00)
- Generated waste equal to 21 days of trash from the City of Hartford.
- Debris could fill 39 boxcars.
- Landfill impact would cancel out recycling of 21,211,680 aluminum cans.



410 Asylum Street, Hartford, CT

# Historic Preservation vs. New Suburban Development

Preservation projects save 50-80% in infrastructure costs compared to new suburban development



Source: "Heritage Tax Credits: Maryland's Own Stimulus to Renovate Buildings for Productive Use and Create Jobs, and \$8.53 Return on Every State Dollar Invested", The Abell Report (2009)

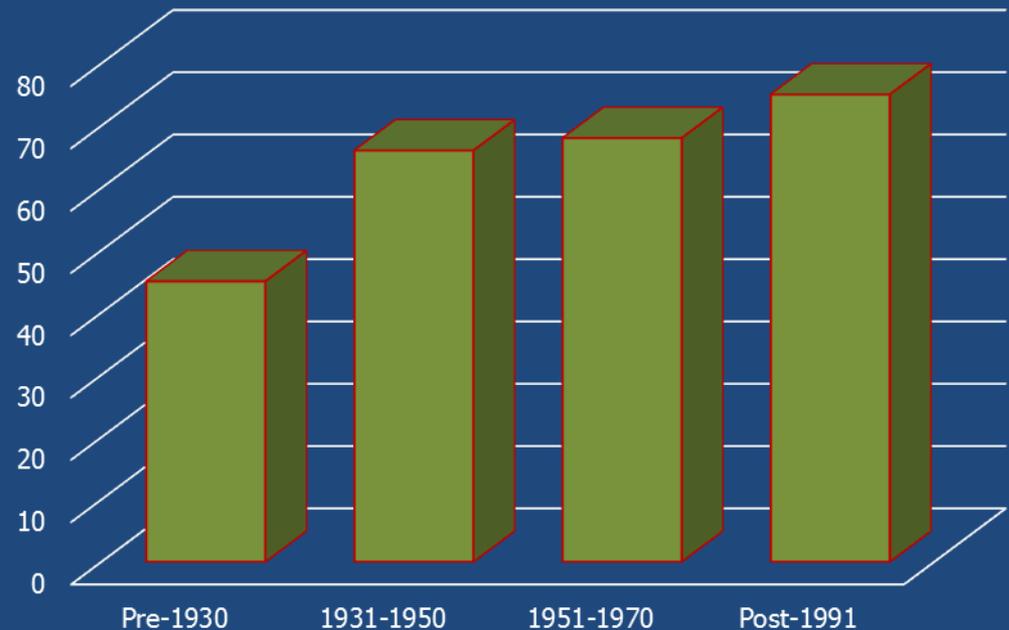
# Energy = Money

## Median Energy Use Per Square Foot by Building Type and Age Group

Office buildings built before 1930 use one third less energy per square foot than buildings built after 1991.



### New York Median kBTU/Sq



# Investment in Underserved Communities

- Historic Preservation projects tend to benefit underserved communities
- Historic Preservation incentive programs (such as state and federal tax credits) tend to benefit underserved communities

# Social Impacts

Rhode Island: State historic preservation tax credit created 409 affordable housing units

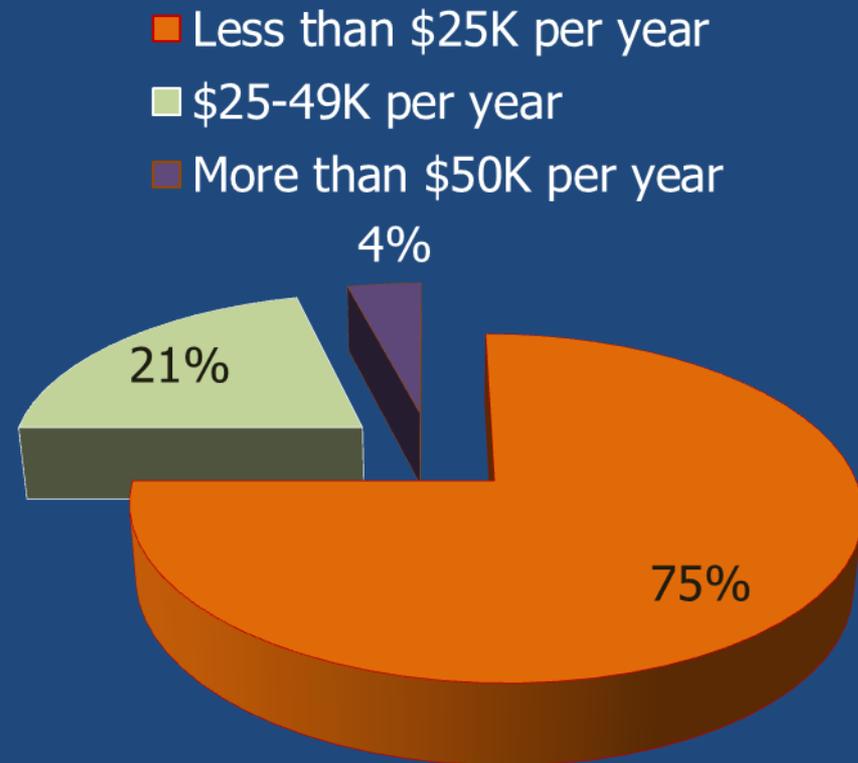


Source: Rhode Island Historic Preservation Investment Tax Credit Economic and Fiscal impact Analysis (2005)

# Federal Tax Credit and Social Justice

## Federal Tax Credit Projects by Income Bracket

95% of Federal Rehabilitation tax Credit projects have taken place in neighborhoods with a concentration of households with a low to moderate annual income.



# Community Revitalization

- Historic Preservation has consistently proven a key component to downtown revitalization.
- When downtown revitalization fails, you will usually find some kind of tear-down development strategy.

# Downtown Revitalization



| <b>Main Street Program Cumulative Reinvestment Statistics</b> | <b>1980 to 2014</b> |
|---|---------------------|
| Dollars Reinvested  | \$61.7 billion      |
| Number of Rehabilitations                                     | 251,838             |
| Net Job Gains   | 528,557             |
| Net gain in businesses  | 120,510             |
| Reinvestment Ratio  | \$26.5 : \$1        |

# Oklahoma Main Street

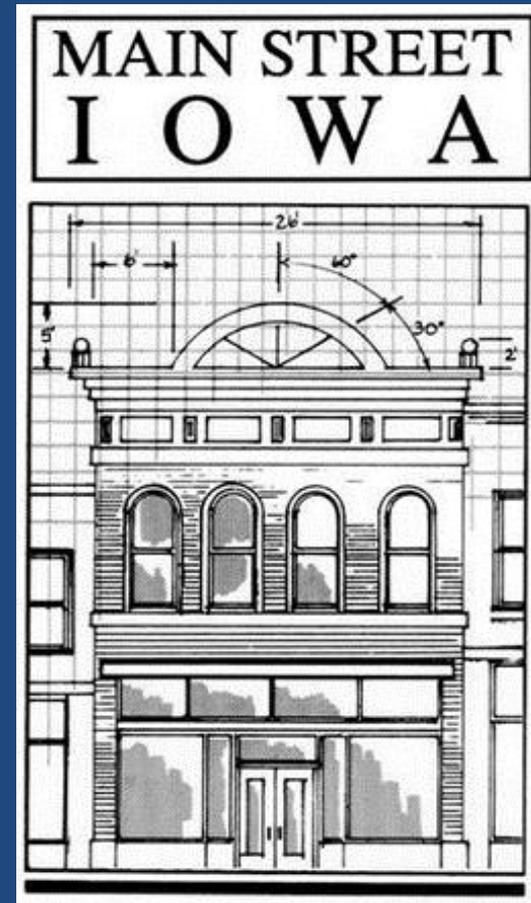
More than two decades of Main Street activity have created 24,437 jobs, equal to roughly 1.5% of the state's entire non-farm workforce.



Source: Economic Impacts of Historic Preservation in Oklahoma (2008)

# Iowa Main Street

- Net new Businesses generated **\$43 Million** in state sales tax last year – 48 times the cost to the state
- Added net new jobs 25 of 26 years
- Every year the property taxes from buildings renovated on Iowa Main Streets provide an additional **\$10,800,000** to local governments.



Source: Getting Results: main Street Iowa, 1986-2012 (2013)

# Economic Competitiveness

Case study: Dublin, Ireland  
Sound Familiar? San Francisco



# Does Heritage Matter?

Between 2003 and 2014 Heritage Cities typically attracted 41 more instances of direct foreign investment than the non-heritage Cities.



Vs.



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