

Economic Benefits of Historic Preservation



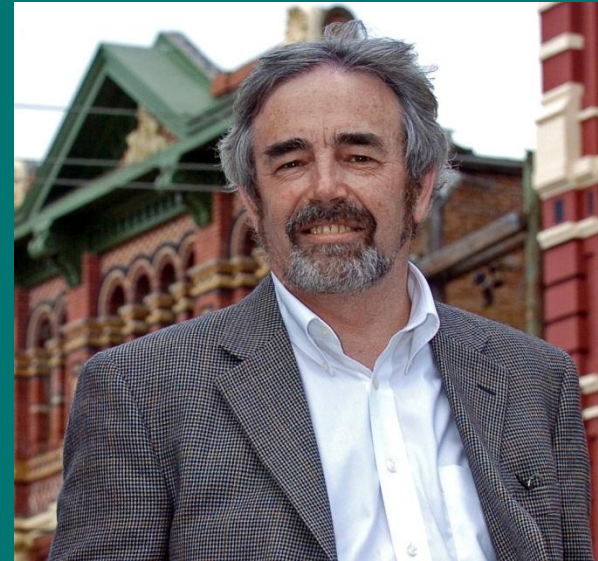
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Measuring Economic Impacts of Historic Preservation

1. Job Creation
2. Property Values
3. Increased Heritage Tourism
4. Environmental Impact
5. Social Impacts
6. Urban Revitalization
7. Economic Competitiveness

Job Creation

Federal Historic Tax Credit (1978-2011, 30 years)

Spent: \$19.2 billion

Jobs Created: 2,216,000

Cost Per Job: \$8,868

Source: Third Annual Report on the Economic Impact of the Federal Historic Tax Credit (2012)

VS.

Federal Stimulus Package (Feb. 2009-March 2011)

Spent: \$878 billion

Jobs created or saved: 3.6 million

Cos per job: \$244,000

Source: www.recovery.gov (2011)

Tax Credit: Types of Projects



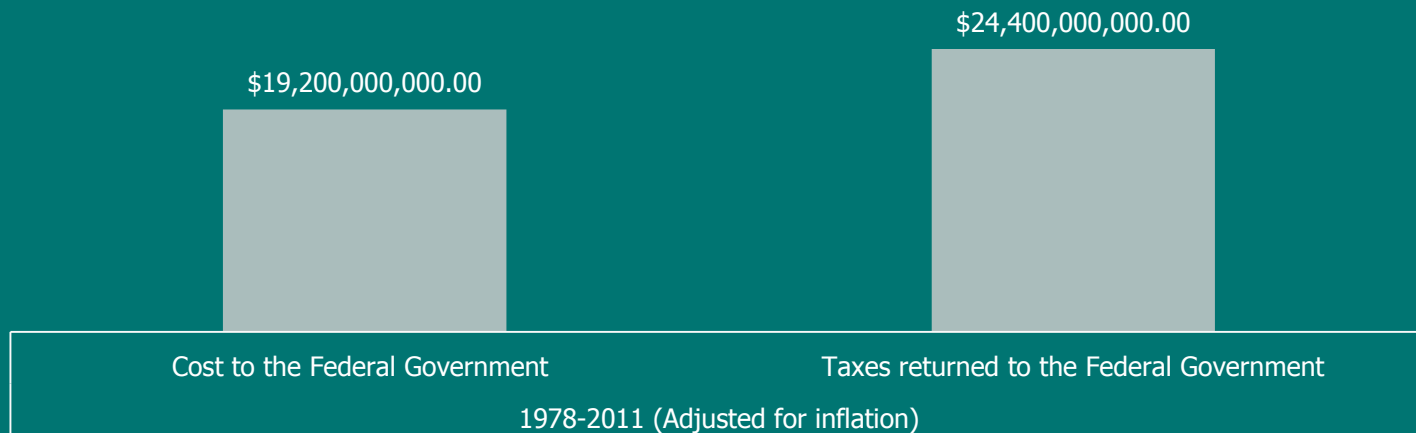
Self-funding

A Self-funding Incentive (1978-2011): Inflation Adjusted Dollars (Billions)

Cost to Federal government: \$19.2

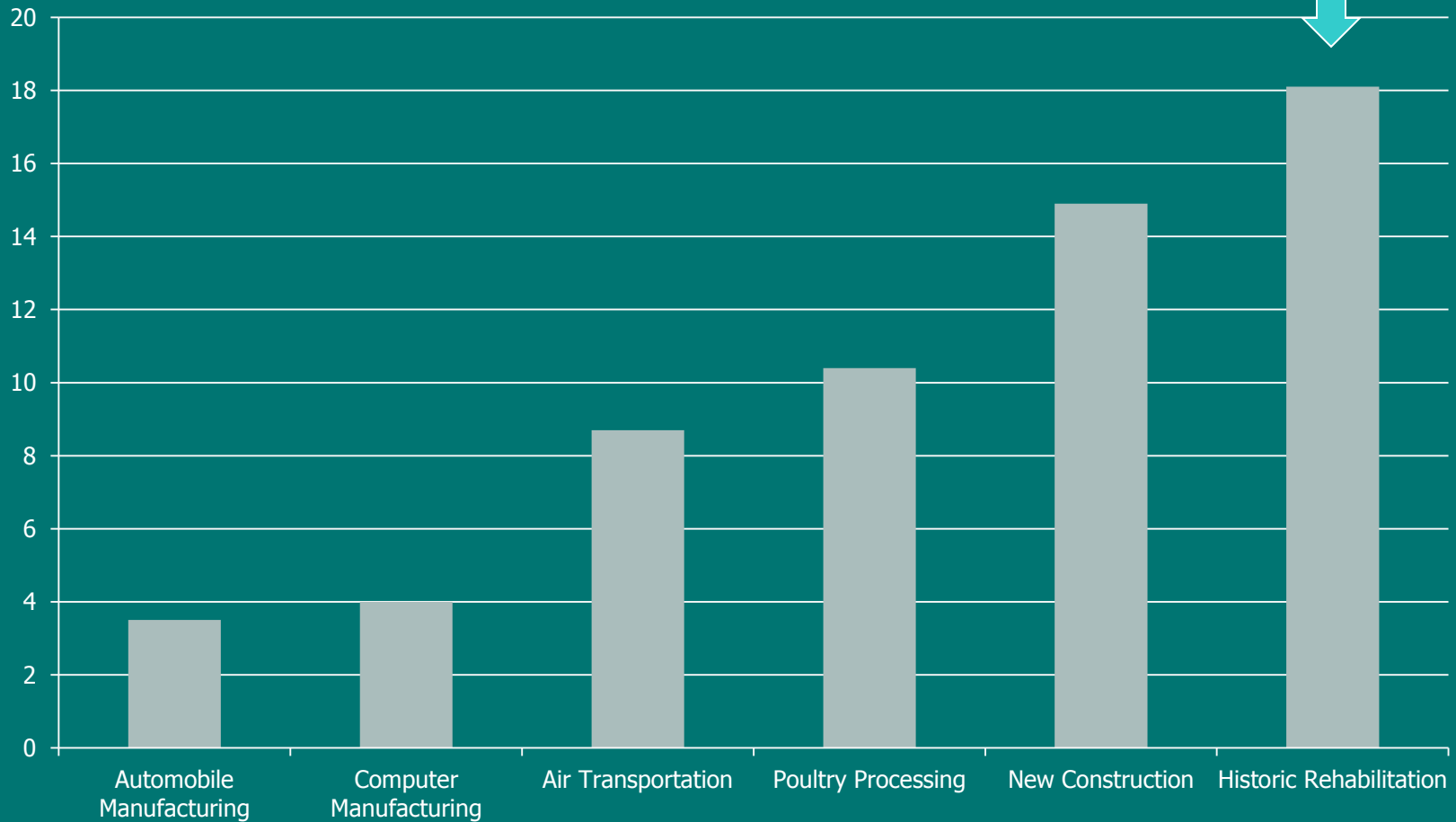
Taxes to the Federal Government: \$24.4

Federal Tax Credit By the Numbers



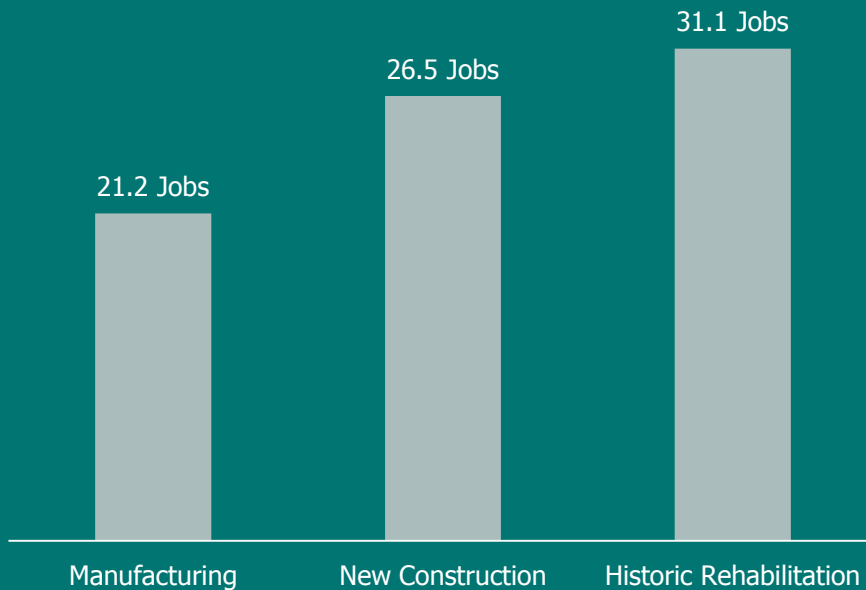
Georgia Jobs Creation Study

Jobs Created Per 1\$ Million Dollars Jobs



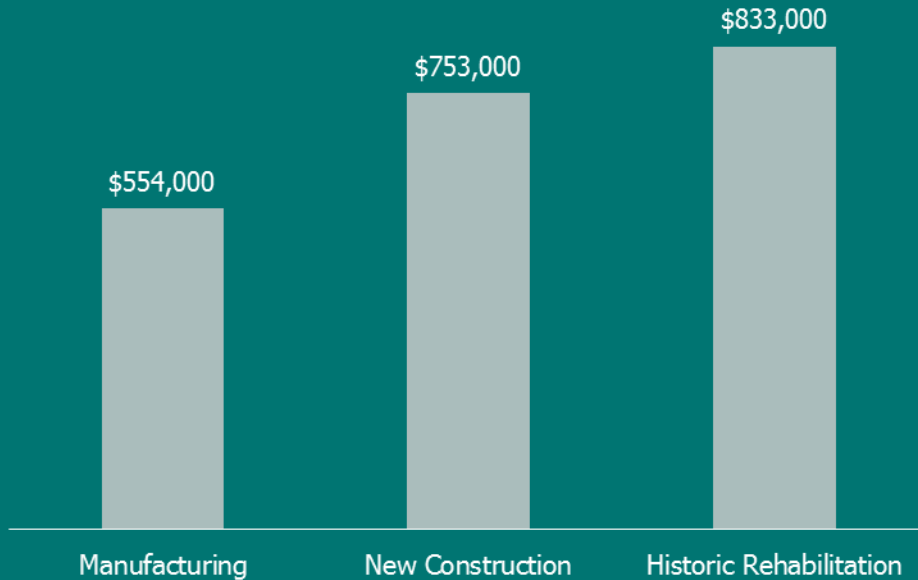
What about California?

**If a Company in California
Spends \$1 Million?**



California Jobs

**If a California Company Spends
\$1 Million, how much goes
towards household income?**



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

Premium commanded by National
Register historic district houses =
14.3%

Premium commanded by local
historic district houses = 22.5%



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

Graduate Study at Pennsylvania University

Foreclosures per 1000 Housing Units

Historic District: 4

Comparable Neighborhood: 8

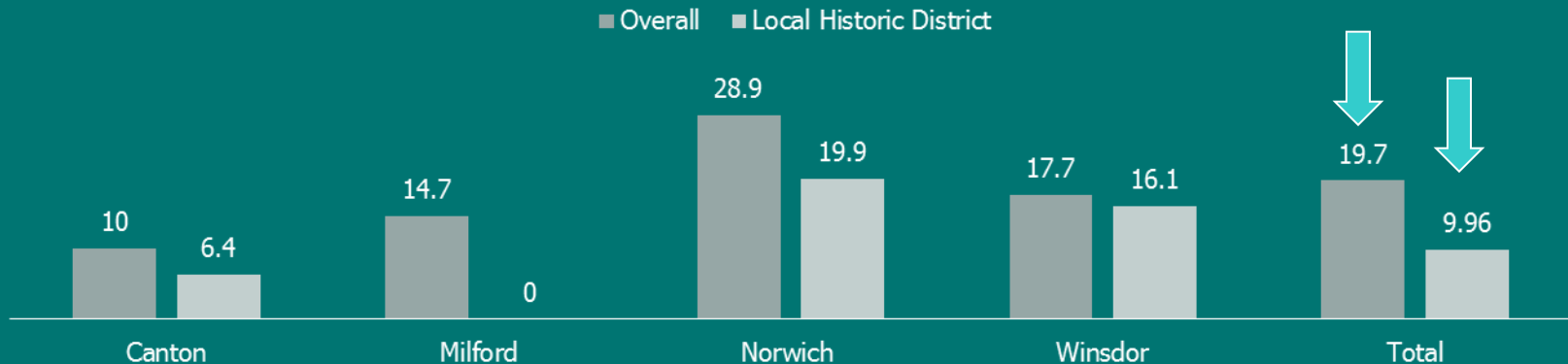
Study compared 6 historic districts vs. 10 comparable neighborhoods



Connecticut Foreclosure Comparison



Connecticut Foreclosures



Property Values in California

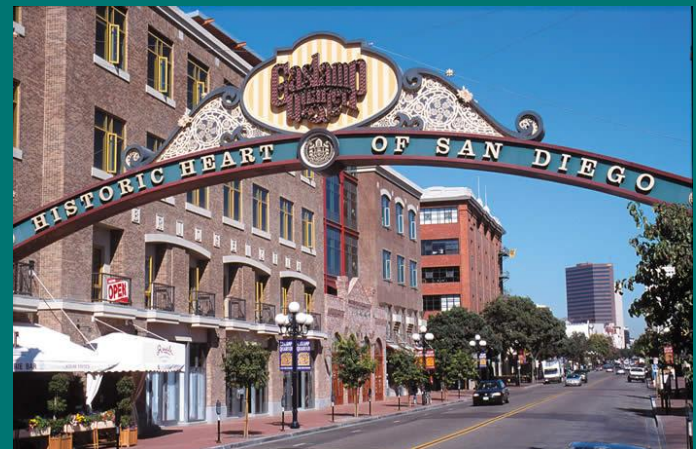
There has yet to be a formal economic evaluation of how historic designation affects property values in California, but Texas has.

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

- 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 Georgia

Heritage tourism supports 117,000 jobs and \$203,850,000 in salaries and wages.



Source: Good News in tough Times: Historic Preservation and the Georgia Economy (2011)

Example: Civil War Battlefields

Spending by visitors to 20 Civil War Battlefields generated: \$21 million in state taxes; \$11.7 million in local government revenues

This amounts to: \$5.22 per visitor at the state level; \$2.92 to pay for local services



Source: Blue, Gray, and Green: A Battlefield Benefits Guide for Community Leaders (2006)

Cost to the Environment

Hartford, Connecticut

410 Asylum Street: Demolition permit denied, what if...

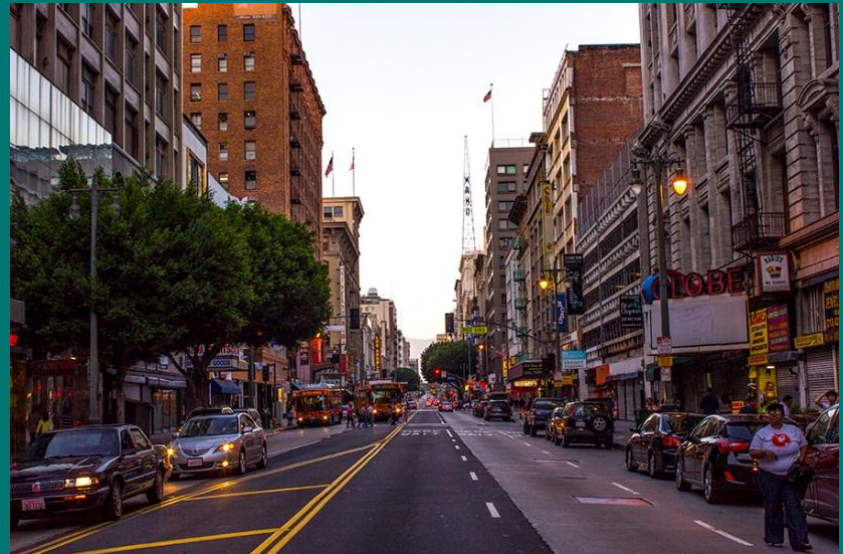
- 615,777 gallons of gas in embodied energy wasted (at \$3.50/gallon = \$2,155,219.50)
- 9,986 gallons of gas expended to transport material to the landfill (at \$3.50/gallon = \$34,951.00)
- Generated waste equal to 21 days of trash from the City of Hartford.
- Debris could fill 39 boxcars.
- Landfill impact would cancel out recycling of 21,211,680 aluminum cans.

Source: Investment in Connecticut: The Economic Benefits of Historic Preservation (2011)



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)

National Trust Green Lab

Looking for the greenest building? Start with the one that already exists.

It takes 10-80 years of an energy efficient new building to make up for the negative climate change impacts of construction.

Building reuse almost always offers environmental savings over demolition and new construction.



Energy = Money

New York Energy Efficiency

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.



Energy Star Rating



Do we lose these sustainable development benefits with Facadism?



Social Impacts

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

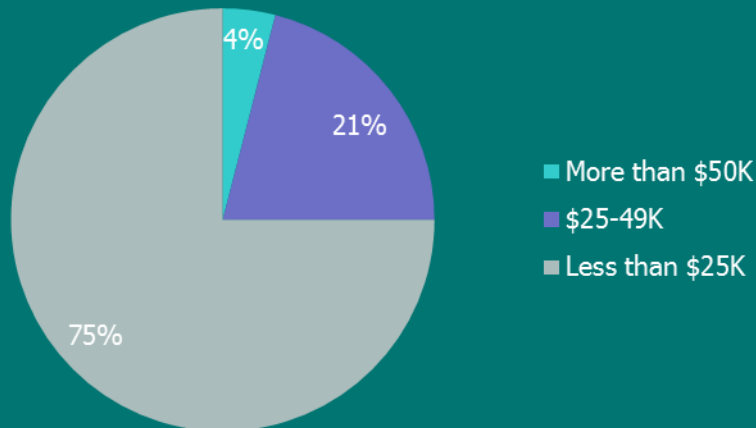


Source: Rhode Island Historic Preservation Investment Tax Credit Economic and Fiscal impact Analysis (2005)

Connecticut, again...

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

Median Household Income in Census Tracts with Federal Historic Preservation Tax Incentive Projects



Source: Investment in Connecticut: The Economic Benefits of Historic Preservation (2011)

Downtown Revitalization



| Main Street Program Cumulative Reinvestment Statistics | 1980 to 2014 |
|--|----------------|
| 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.

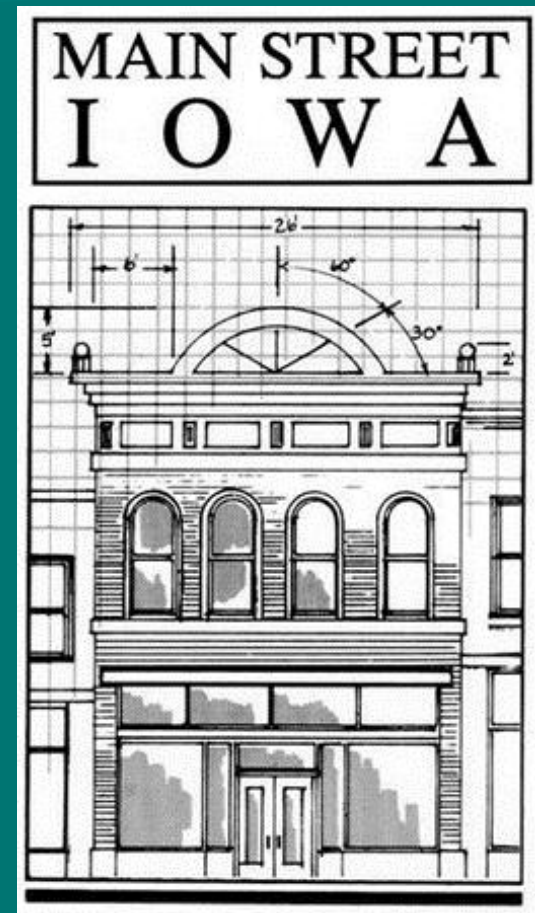


Source: Economic Impacts of Historic Preservation in Oklahoma (2008)

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
- Job and business growth outperformed both Iowa economy and US economy

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



Economic Competitiveness

Case study: Dublin, Ireland

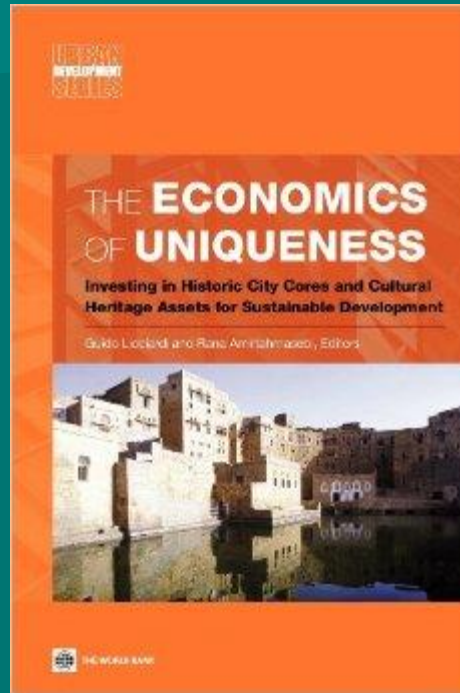


Economic Competitiveness

Case study: San Francisco, California



The Economics of Uniqueness



Published by the World Bank

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