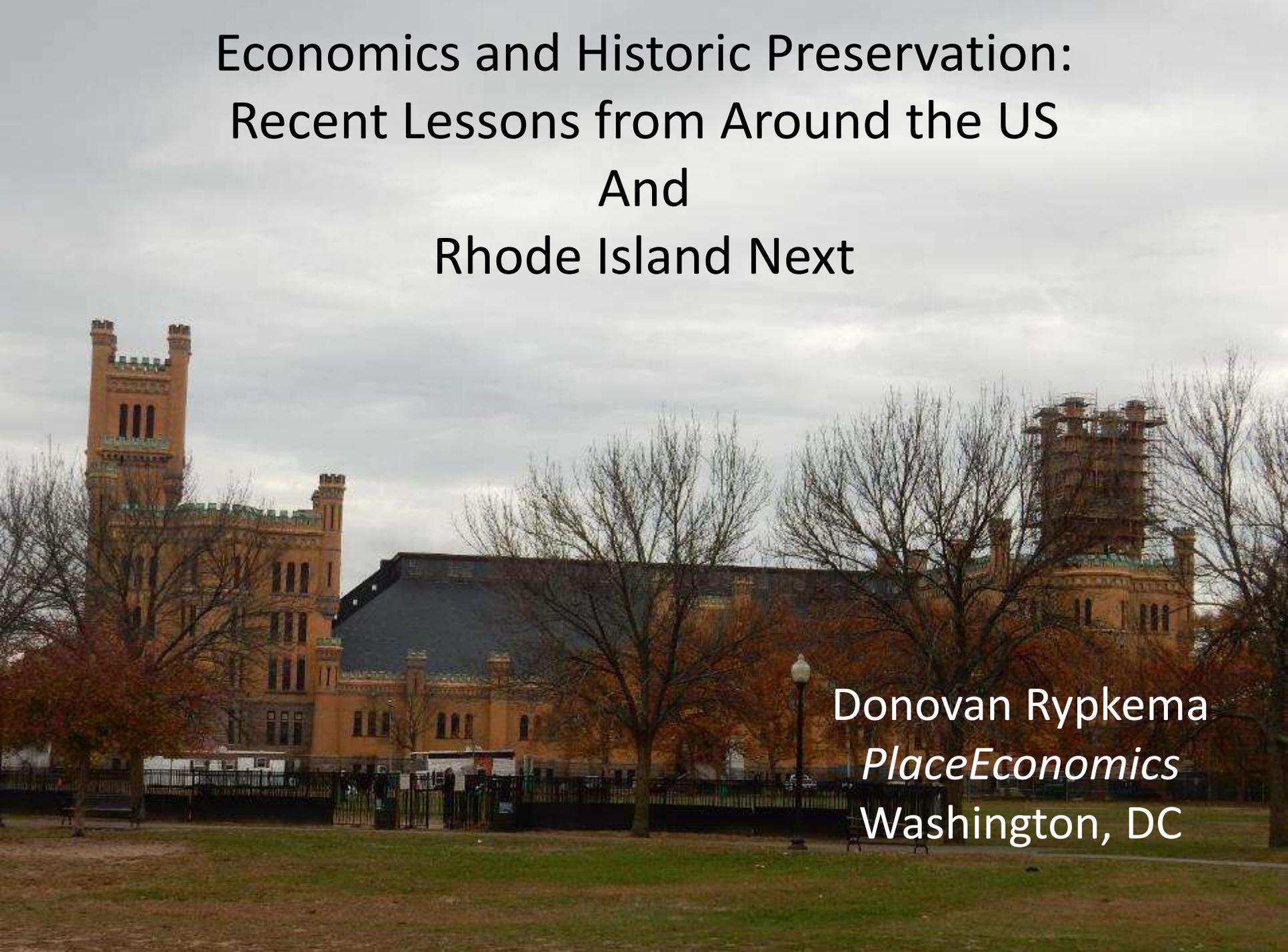


# Economics and Historic Preservation: Recent Lessons from Around the US And Rhode Island Next



Donovan Rypkema  
*PlaceEconomics*  
Washington, DC

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



# 25 Years of Preservation/Economic Studies

## The Big Four

Downtown  
Revitalization

Heritage  
Tourism

Jobs and  
Income

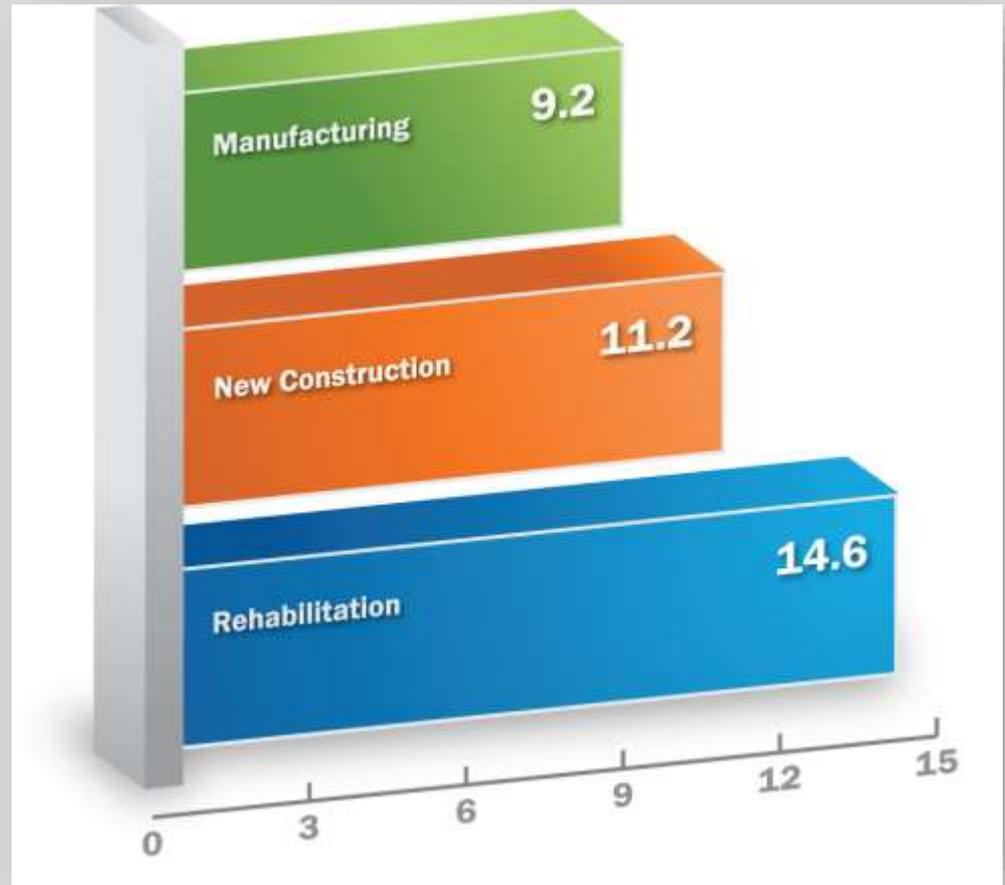
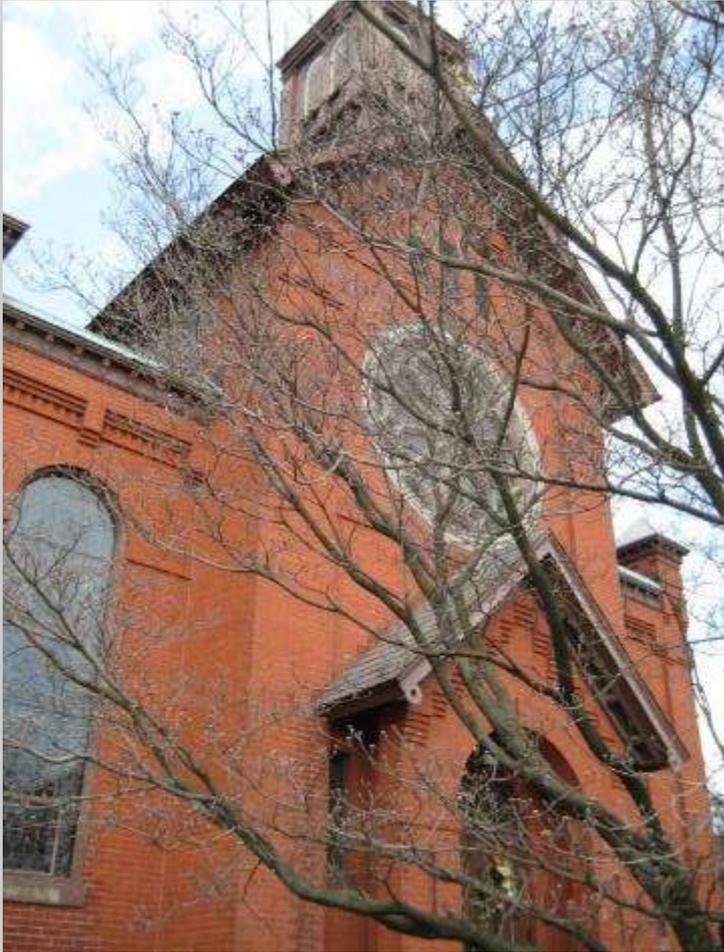
Property  
Values

Jobs and  
Income



# Jobs

## Jobs in Delaware Per \$1 Million of output



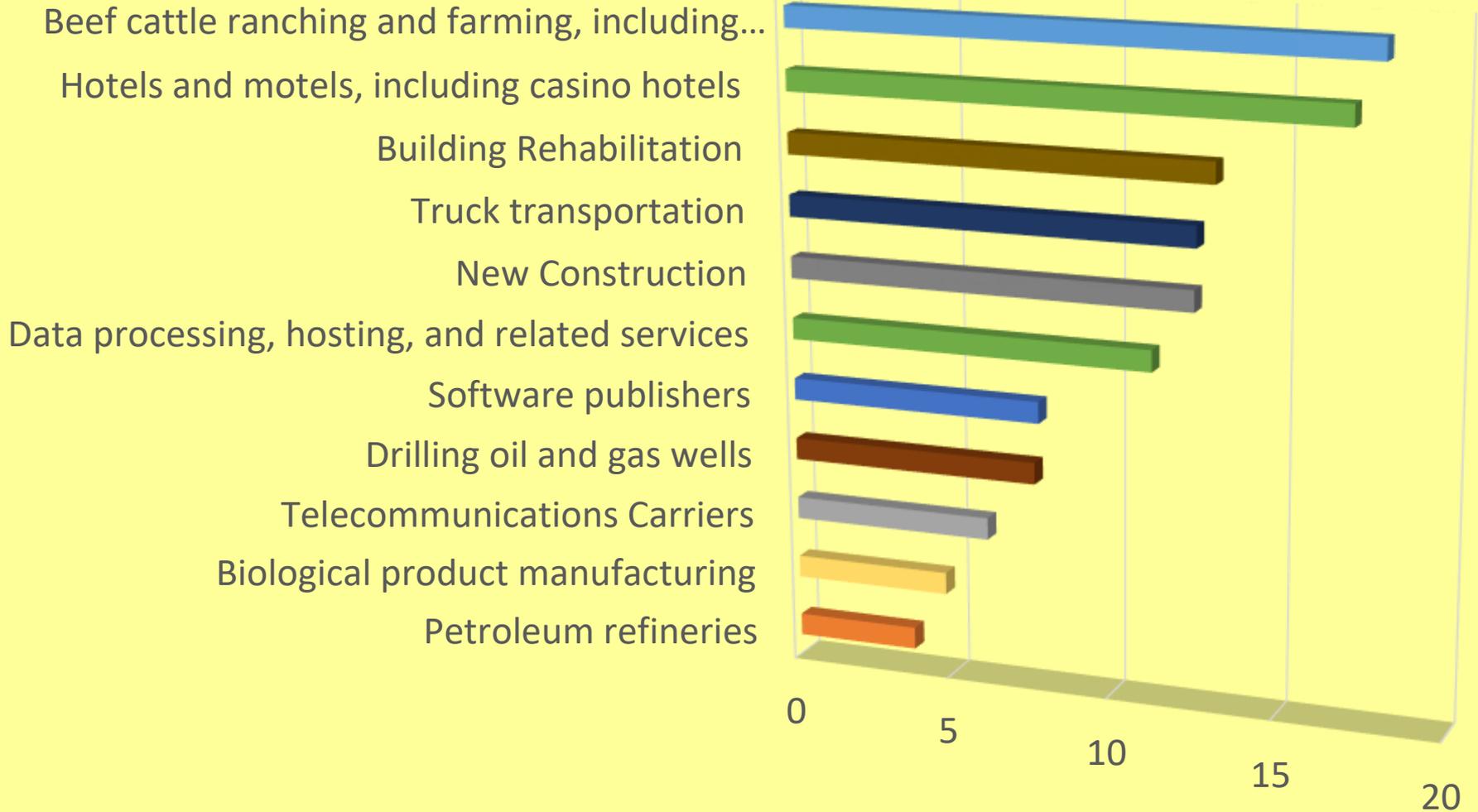
## Jobs

# Household Income in Delaware Per \$1 Million of output



# Jobs

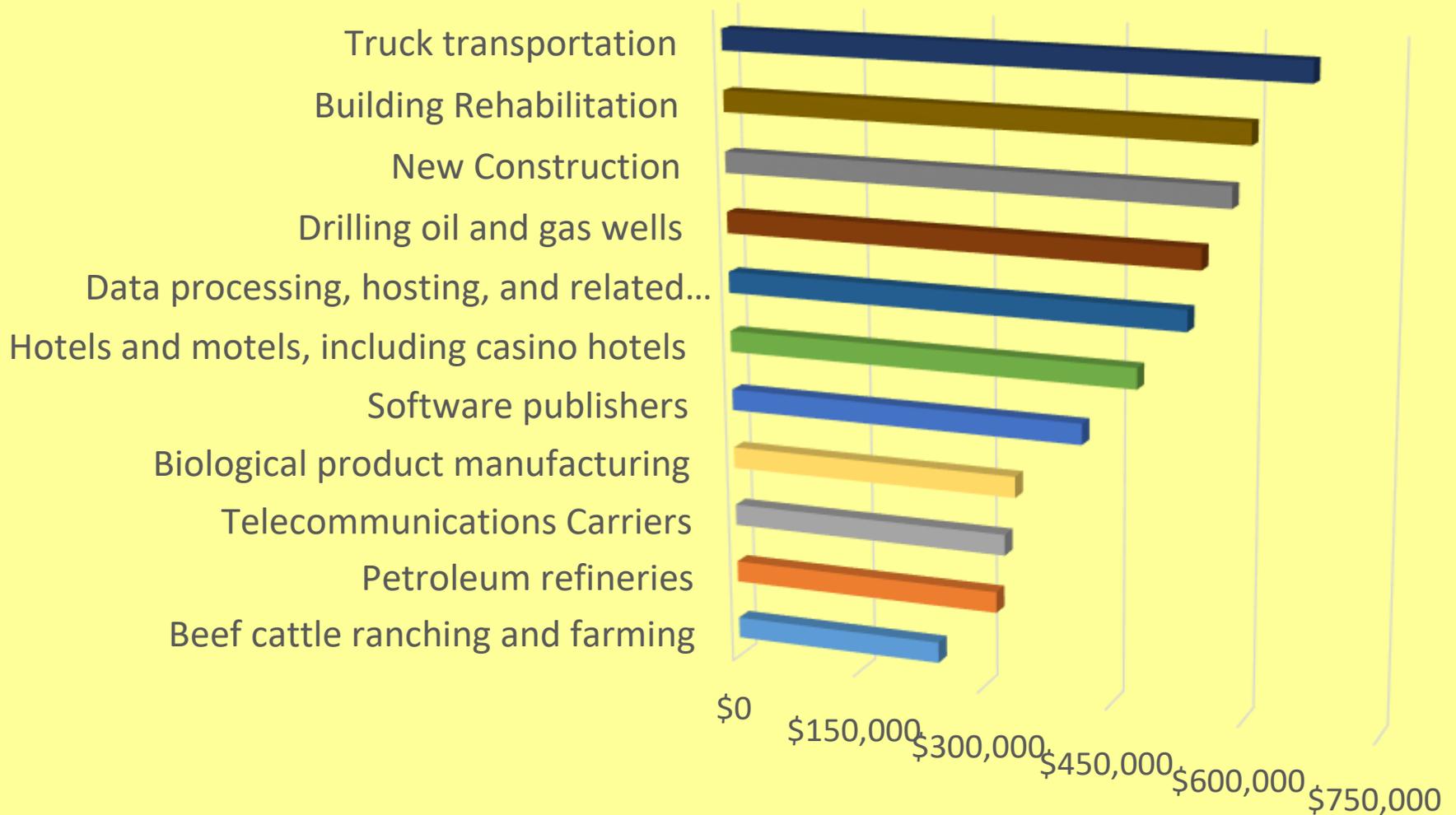
## Oklahoma Jobs/\$1,000,000 Output Direct, Indirect, Induced



# Jobs

## Oklahoma

Salary and Wages/\$1,000,000 Output  
Direct, Indirect, Induced

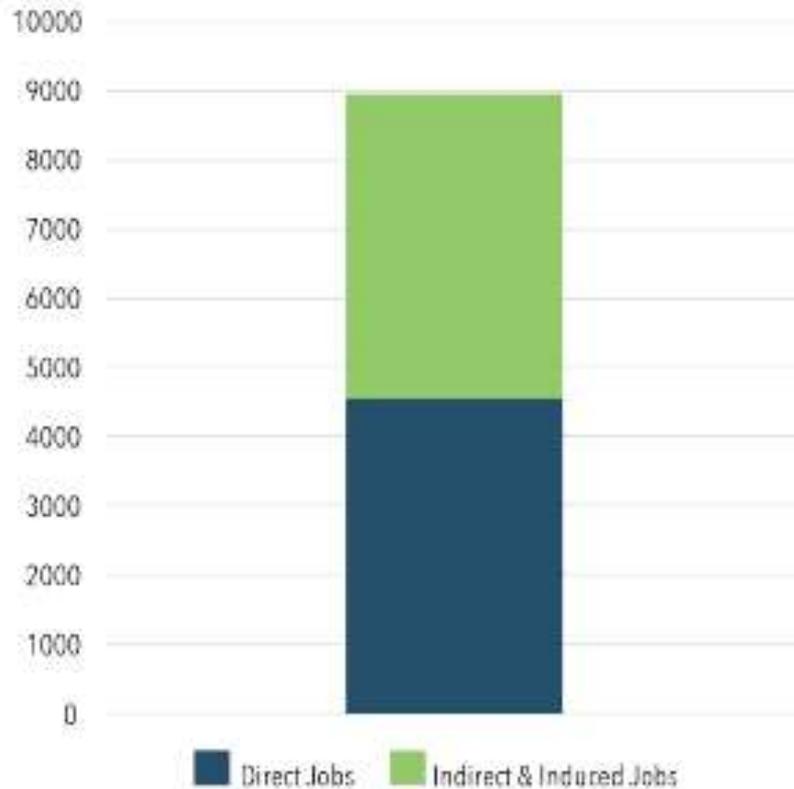


# Impact per \$1,000,000 of Output - Connecticut

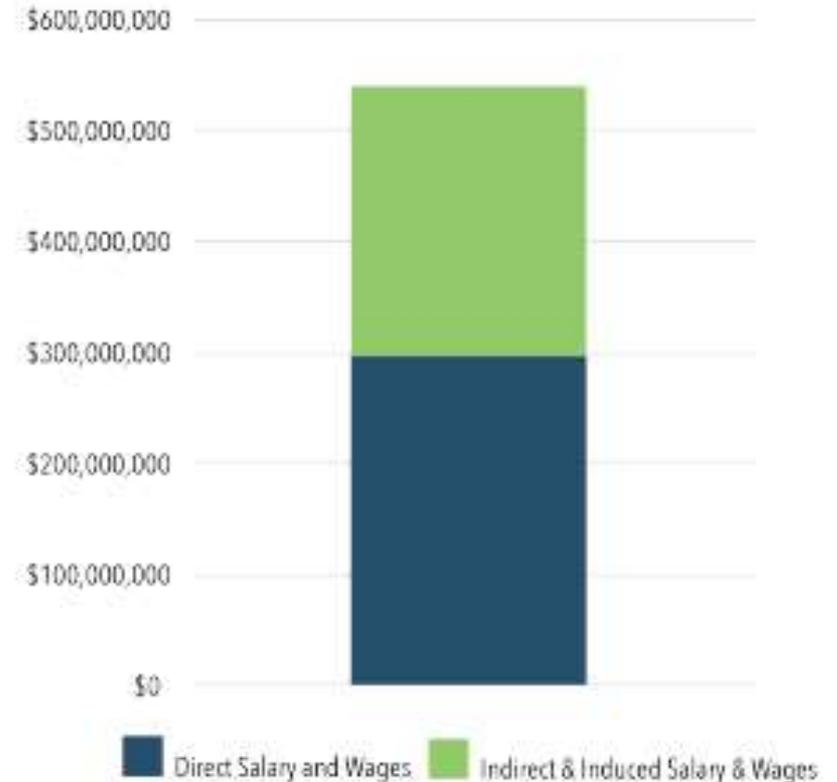
	Historic Rehabilitation	New Construction	Steel Mfg	Computer Mfg	Medical Mfg
Direct Jobs	9.3	6.7	1.4	0.9	1.4
Indirect Jobs	5.1	5.2	3.1	2.2	3.5
TOTAL JOBS	14.4	11.9	4.5	3.1	4.9
Direct Salary & Wages	\$542,929	\$418,441	\$119,924	\$68,128	\$296,006
Indirect Salary & Wages	\$288,917	\$308,128	\$203,109	\$171,257	\$237,497
TOTAL SALARY & WAGES	\$831,896	\$726,659	\$323,033	\$239,385	\$533,503

# \$865,000,000/year investment in Historic Districts

## Annual Jobs Construction in NYC Historic Districts



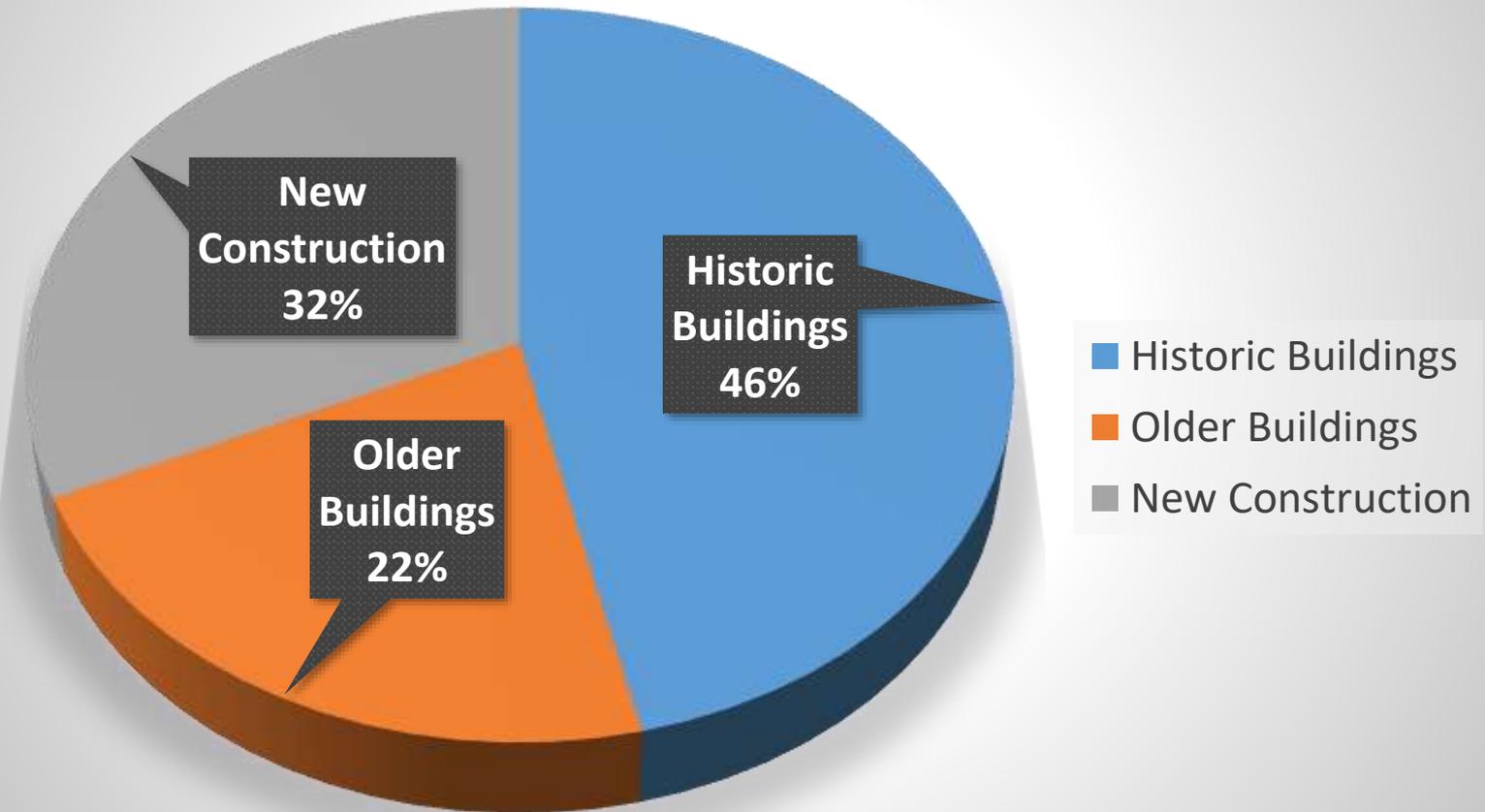
## Annual Salary and Wages From Construction in NYC Historic Districts



# Downtown Revitalization

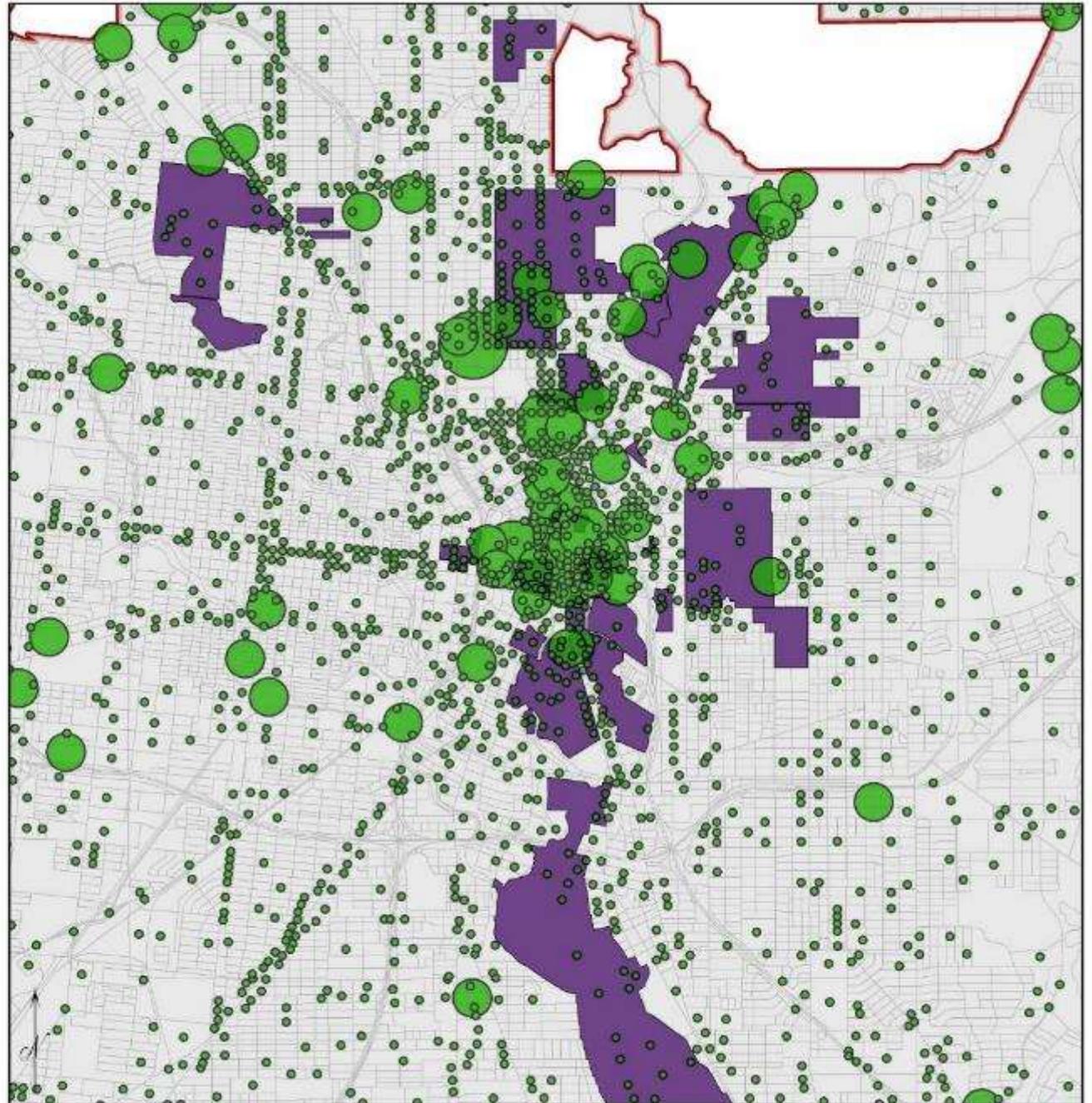
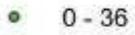
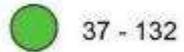
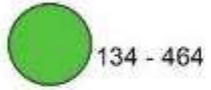


## Location of New Business in Downtown Raleigh - 2013

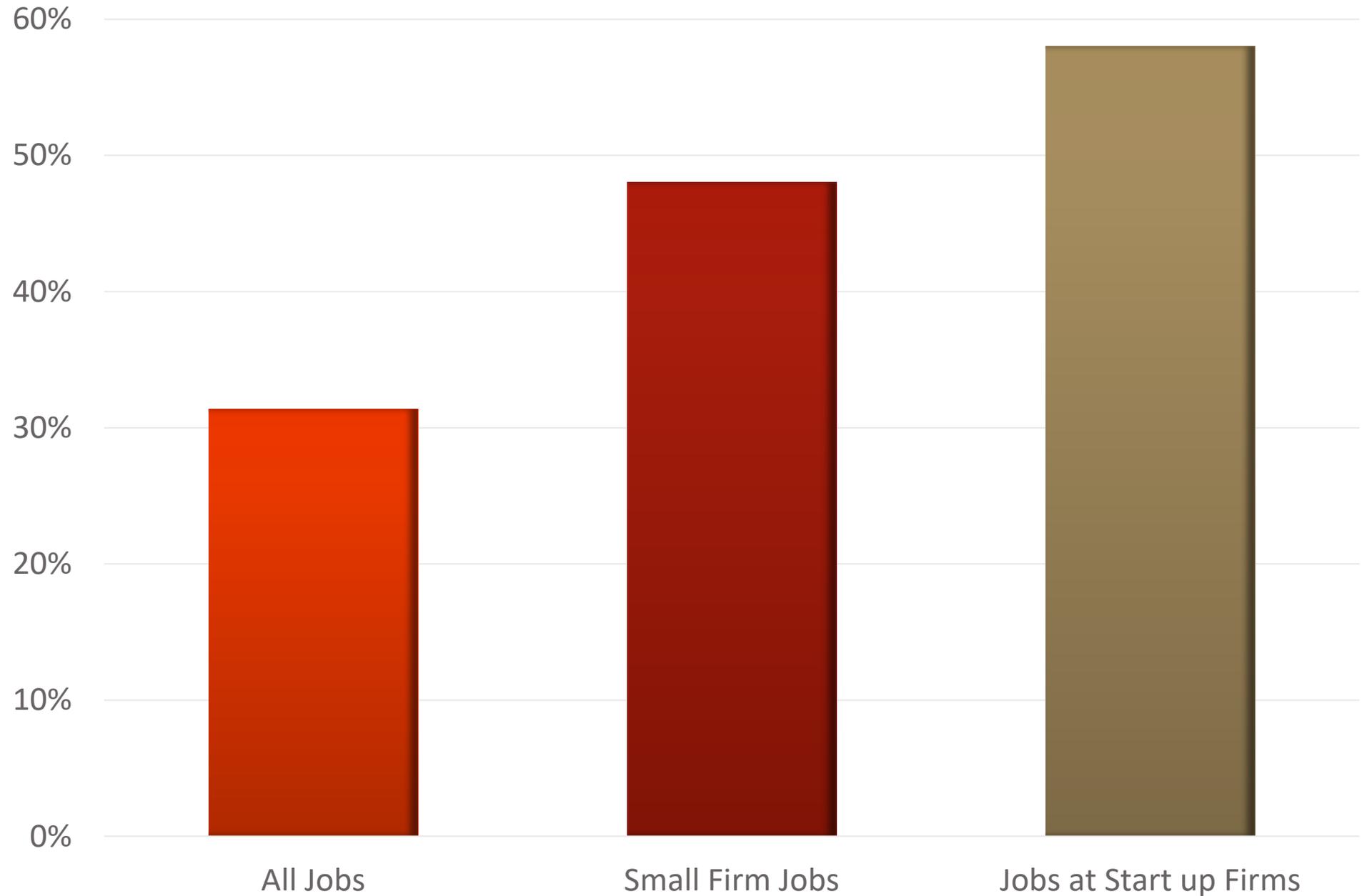


# Jobs at Small Firms

## Number of Jobs



# Jobs in Historic Districts - Savannah



A photograph of a downtown Pittsburgh street scene. In the foreground, a yellow fire hydrant is visible on the left. A streetcar with "G2 WEST BUSWAY" on its destination sign is moving down the street. The background features a mix of historic brick buildings and modern glass-fronted structures. One prominent brick building has a faded sign that reads "GAS RANGES". The sky is blue with light clouds. A semi-transparent yellow text box with rounded corners and decorative scroll-like edges is overlaid on the right side of the image.

*Historic preservation has been  
key to downtown's growth.*

Jeremy Waldrup, Downtown  
Pittsburgh Partnership

COMPLIMENTARY  
VALET

*The Pit*

AUTHENTIC BARBEQUE



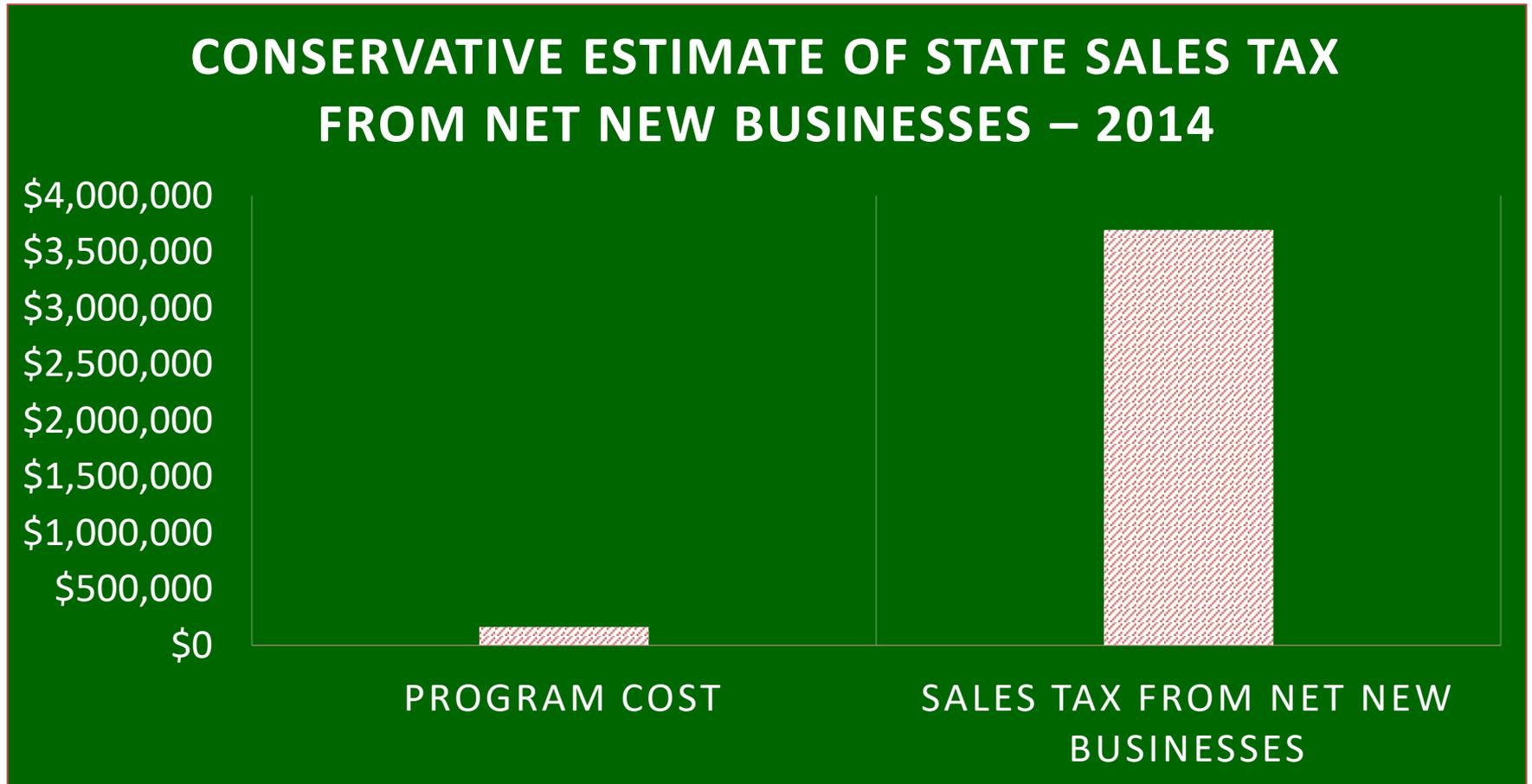
Of Raleigh's top 20 restaurants on Yelp, nine—nearly half—are located in historic districts.

# Florida Main Street

Estimated Program Total Budget  
1985 – 2014  
\$6,073,000

Private Sector  
Investment  
Rehabilitation and New  
Construction  
\$1,390,406,000

# Taxpayers Getting Their Money's Worth



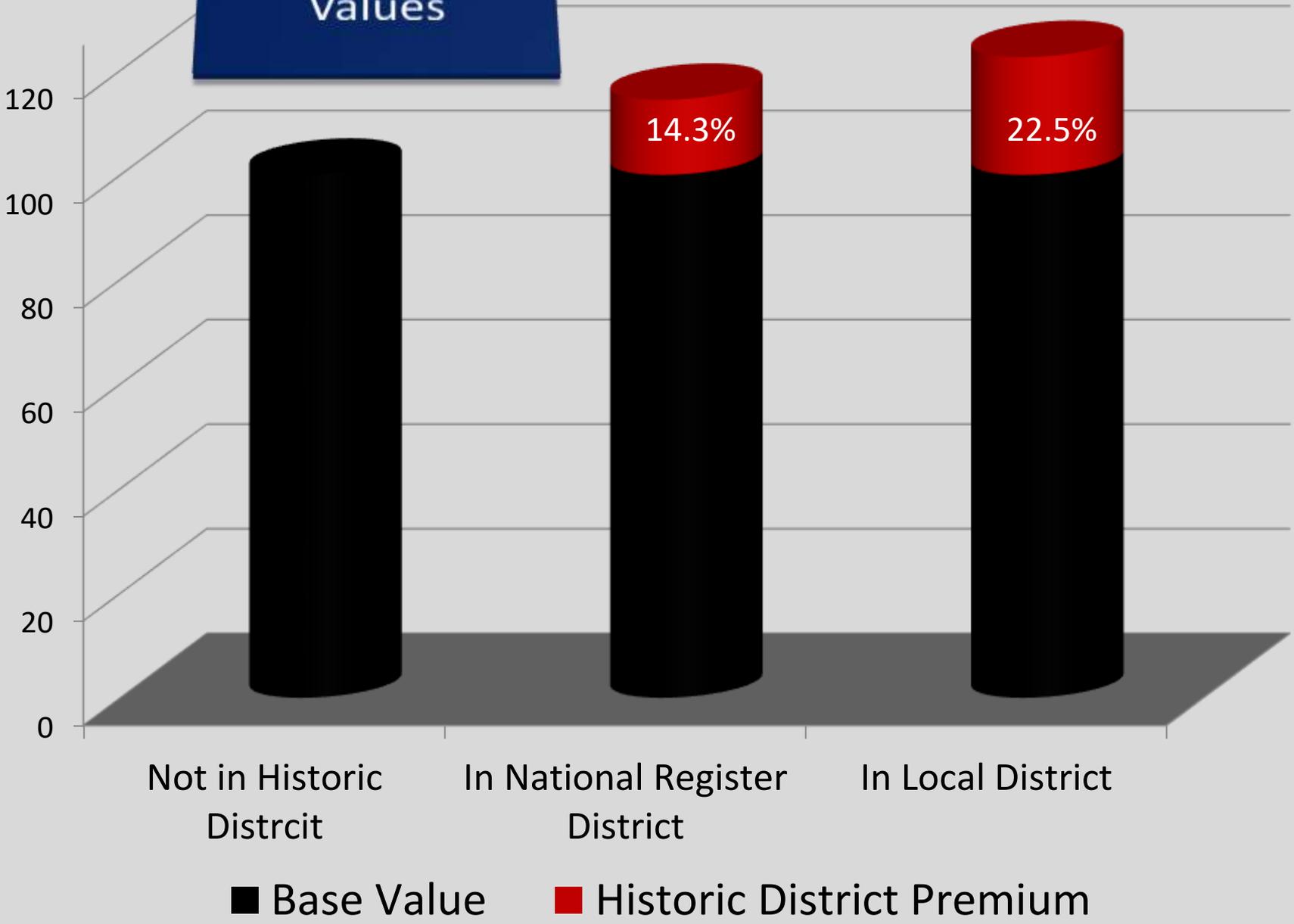
In 2014 Estimated Sale Tax Receipts from Net New Businesses in Main Street Communities was approximately 22 times the budget of the State Main Street Program



Property  
Values

04.28.2017

# Property Values



# Property Values

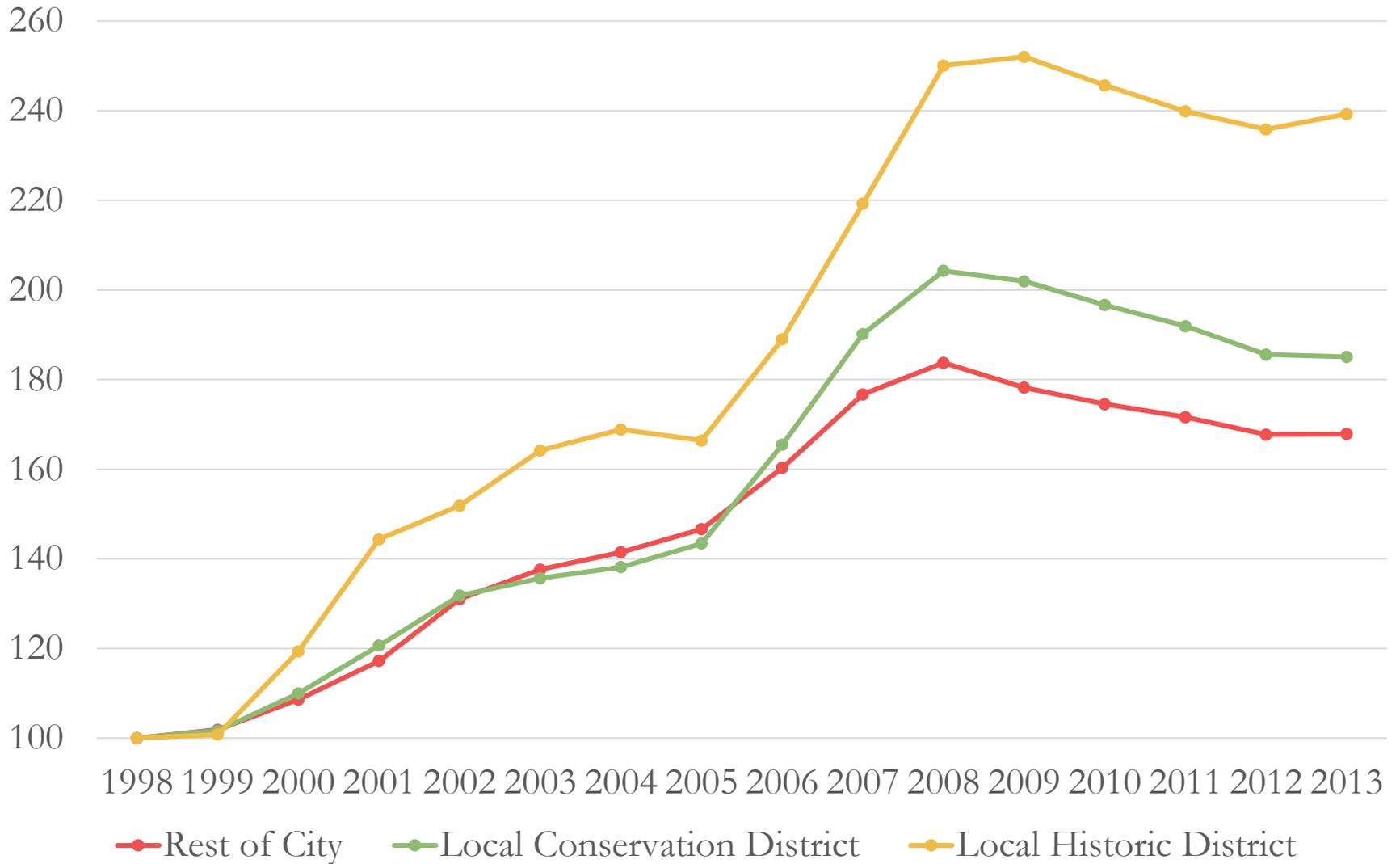


2000 – 2007

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

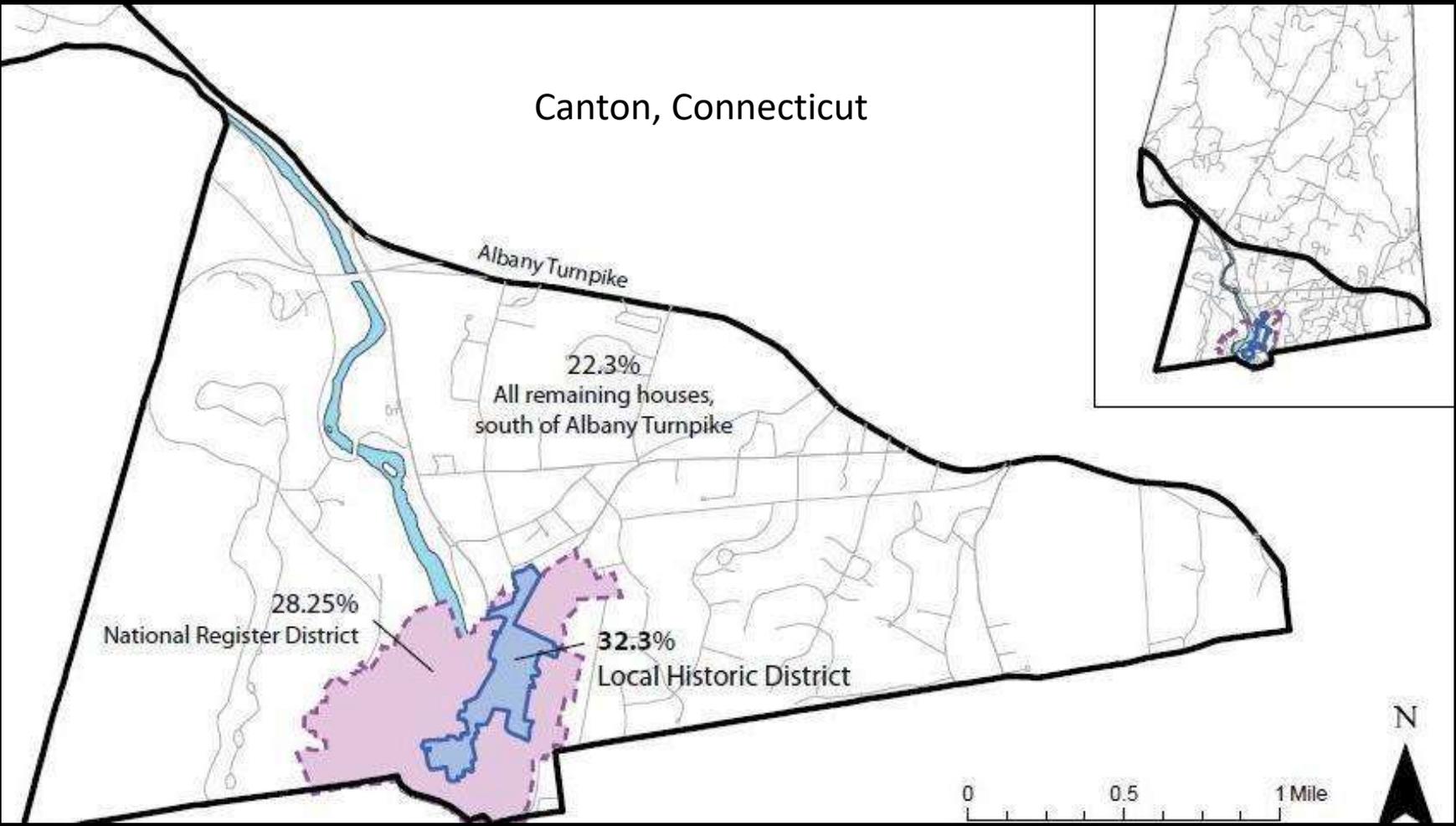
# Annual Change in Value San Antonio 1998 - 2013

1998 = 100



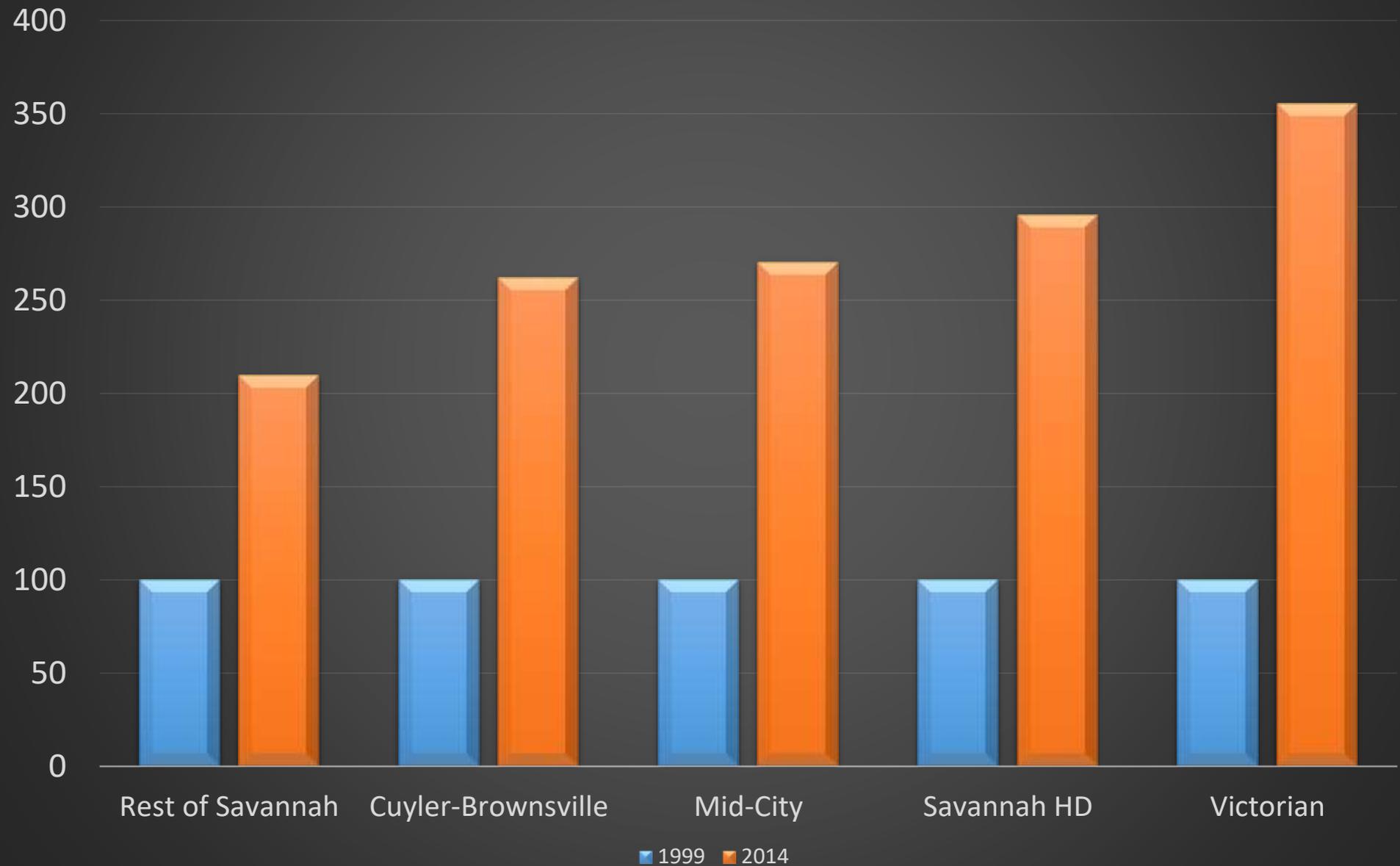
# Property Values

## Canton, Connecticut



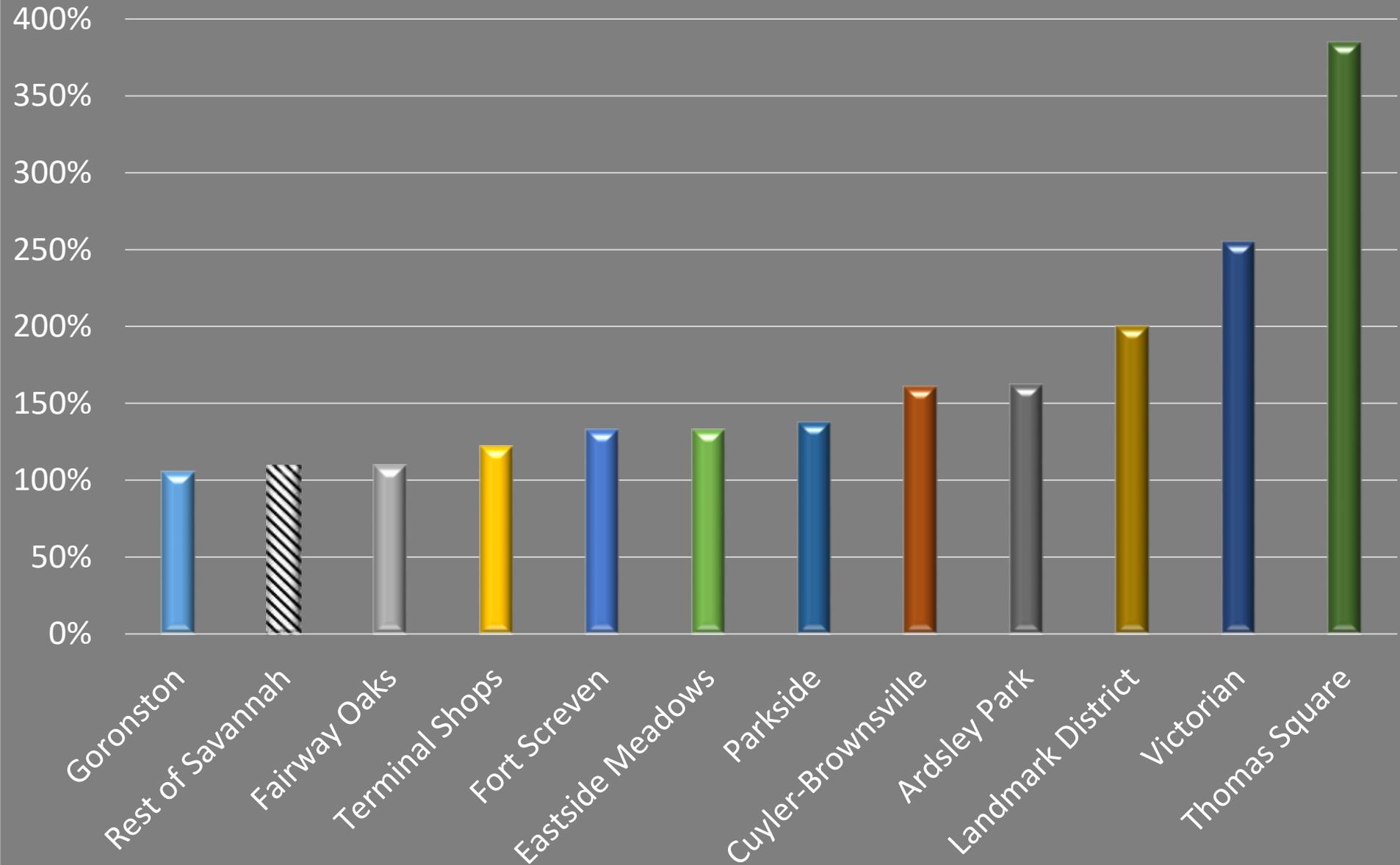
# Value Change 1999 - 2014

## Savannah Local Historic Districts



# Value Change 1999 – 2014

## Savannah National Register Districts





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.

## 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

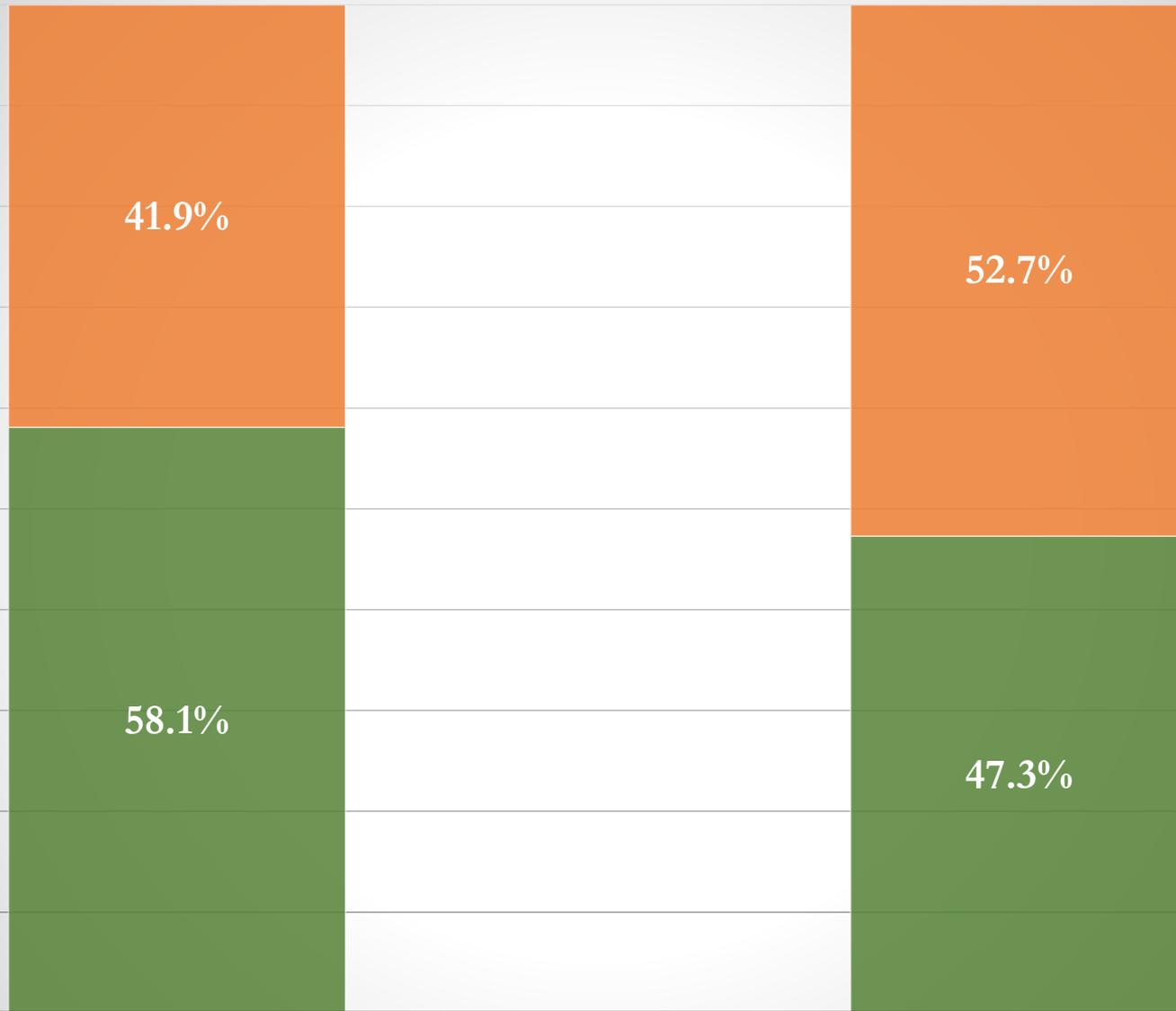
- Supports 21,552 Jobs
- Adds \$319 Million in income
- Generates \$74 million in tax revenues

## Heritage Tourism

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



# Share of Heritage Visitors in San Antonio



OVERNIGHT VISITORS

DAY VISITORS

■ Heritage Visitors

■ Non-Heritage Visitors

# Per Person Per Trip Overnight Visitors to San Antonio



---

# HERITAGE VISITORS

TO NYC ACCOUNT FOR

# 31.2%

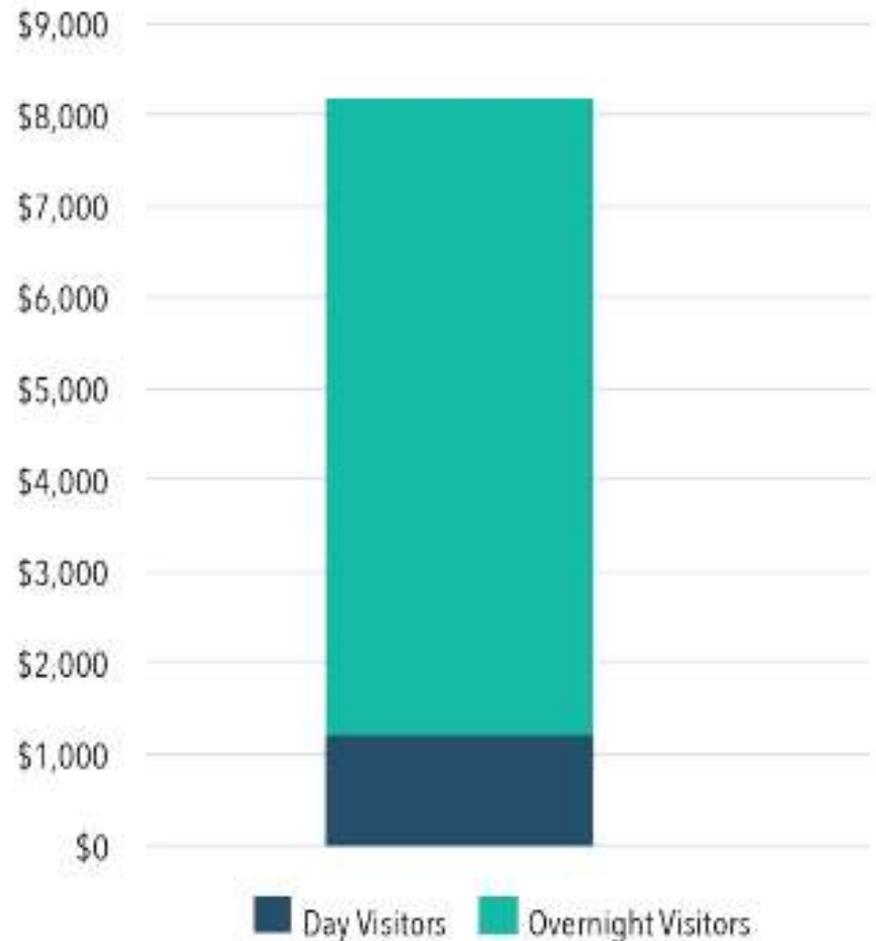
OF DAY VISITORS

# 39.7%

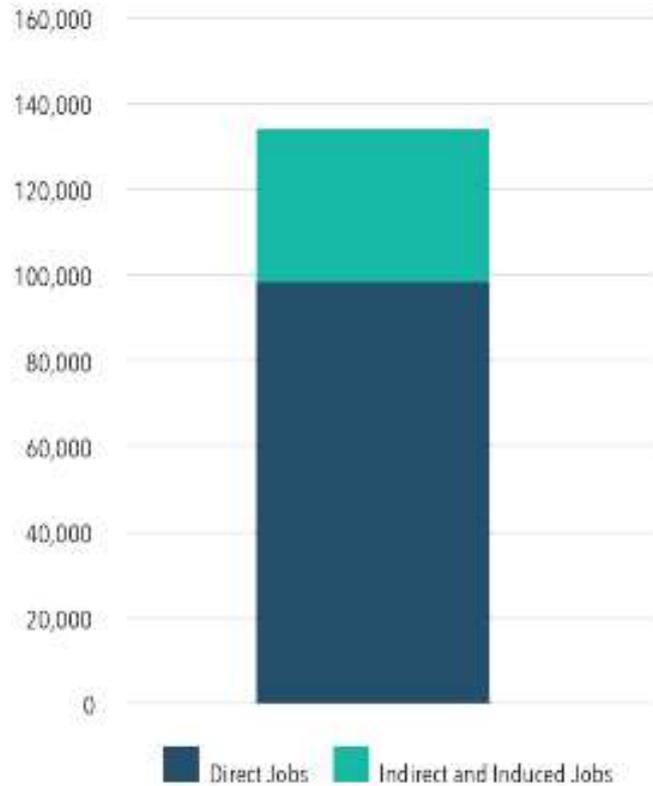
OF OVERNIGHT VISITORS

---

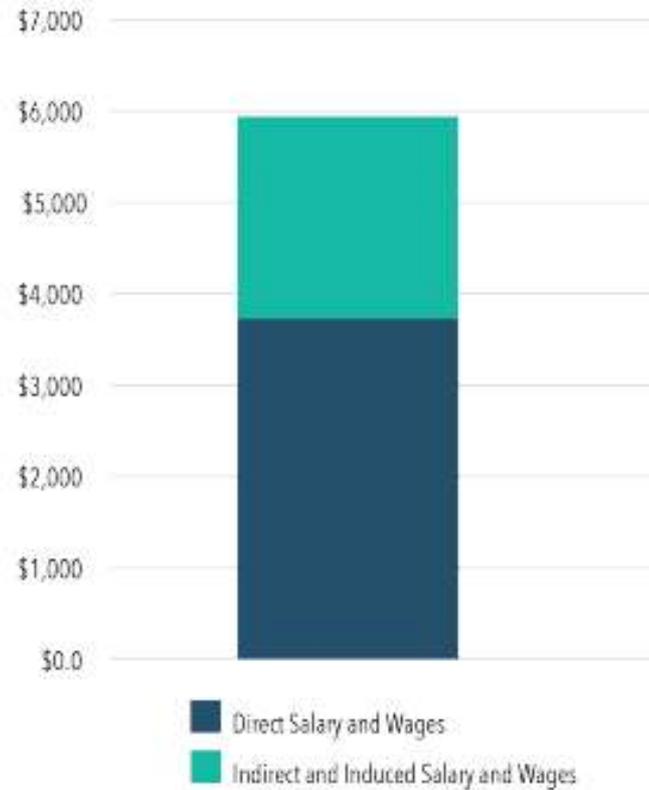
## Expenditures by Domestic Heritage Visitors (In \$Million)



### Jobs Generated by Domestic Heritage Visitors



### Salaries and Wages from Domestic Heritage Visitation



City tax revenues from Heritage Visitors \$738 Million

Heritage  
Tourism

# Hotel Room Nights

Cultural  
Tourists



Others



**+470,000 Visitors**

Heritage  
Tourism

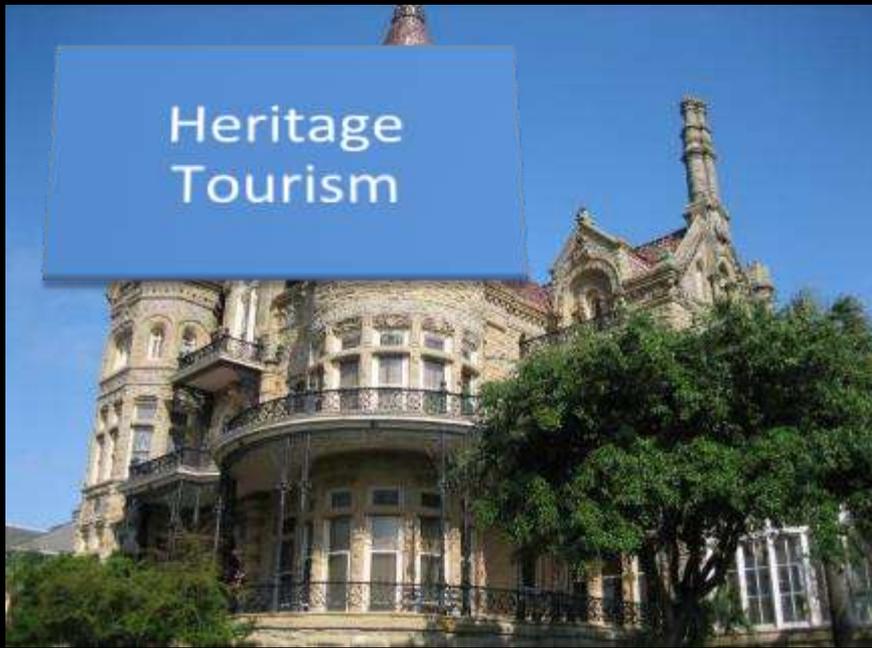


**+785,000 Visitors**

Heritage  
Tourism



Heritage  
Tourism



# Heritage Tourism



# Heritage Tourism

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



# The New Ten

Foreclosure

Stability on the Downside

Density

Walkability

Knowledge/Creative Industries

Business Births/Deaths

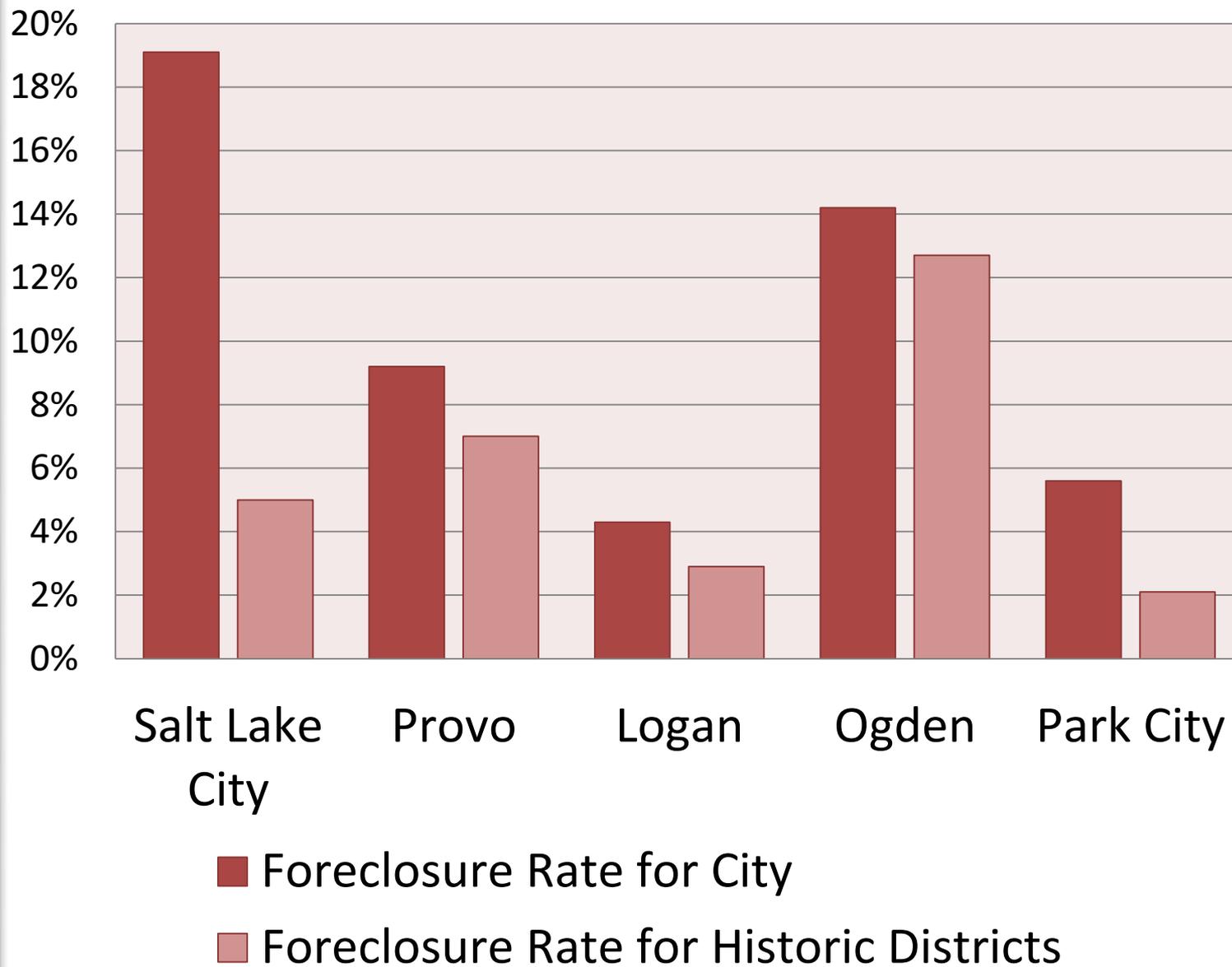
Demographic /Economic Mirror

The Environment

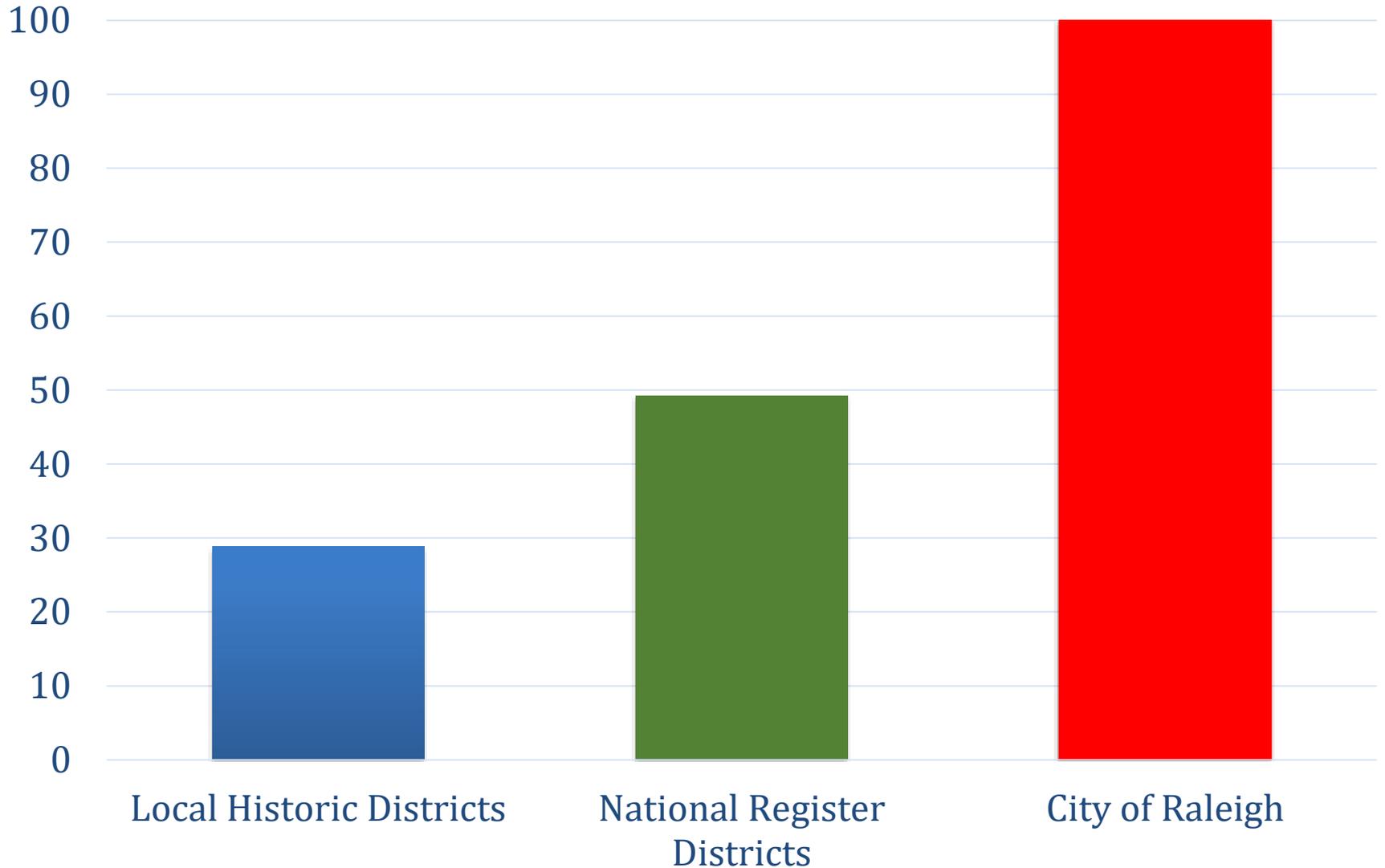
The First Place of Return

Preservation as Catalyst

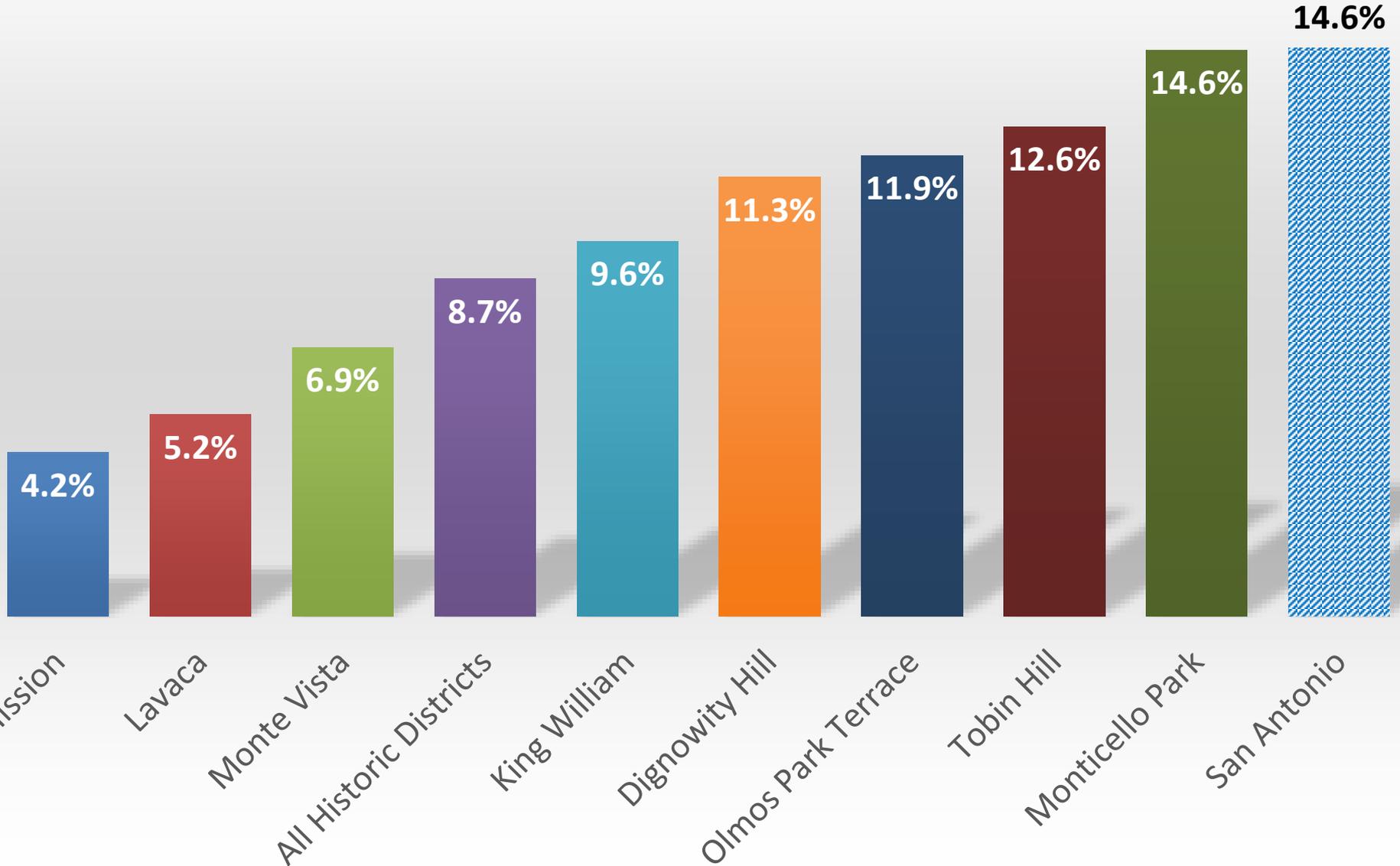
# Single Family Foreclosure Rates 2008-2012



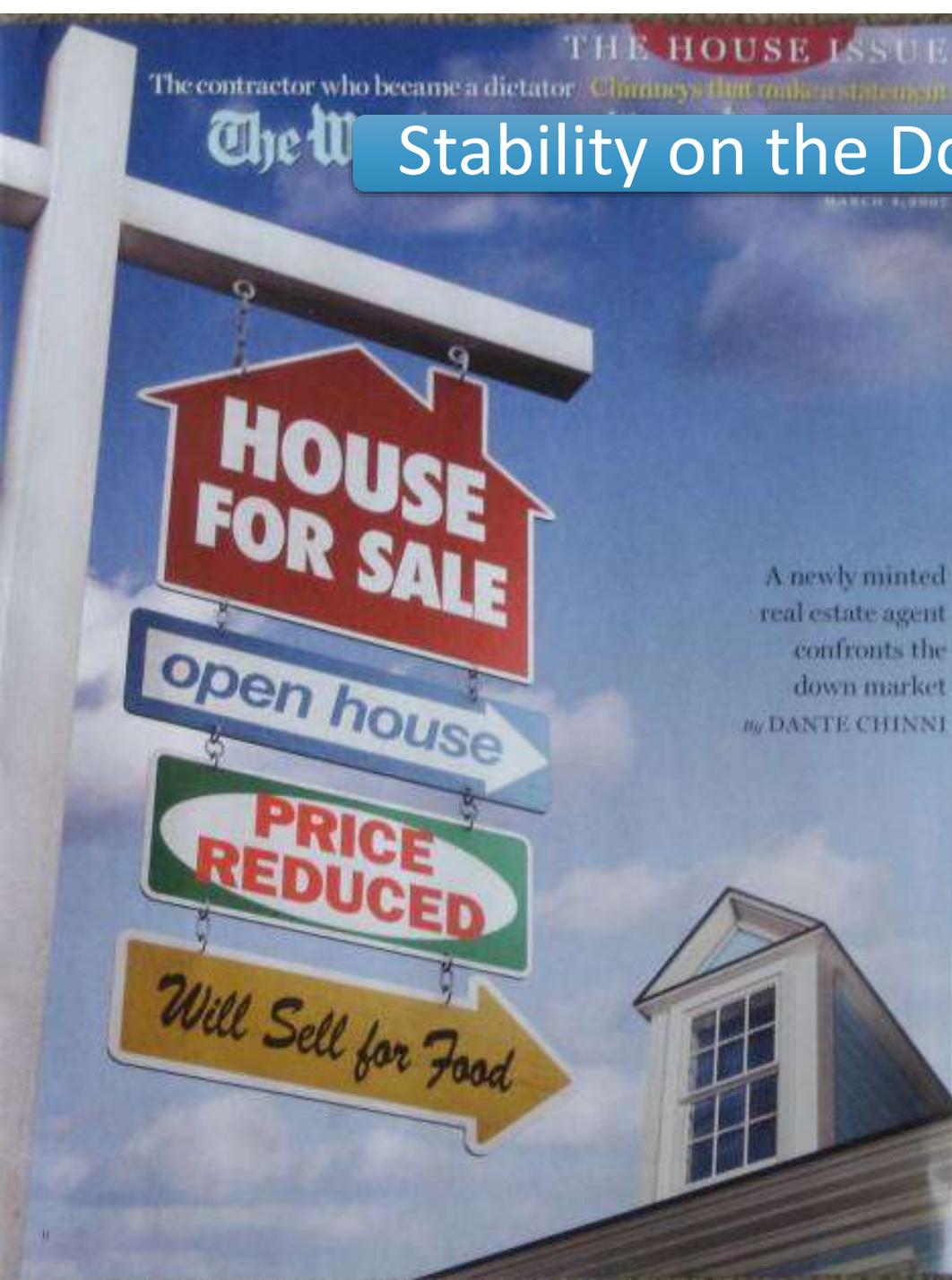
# Foreclosures per 1000 Single Family Houses Raleigh 2008 - 2013



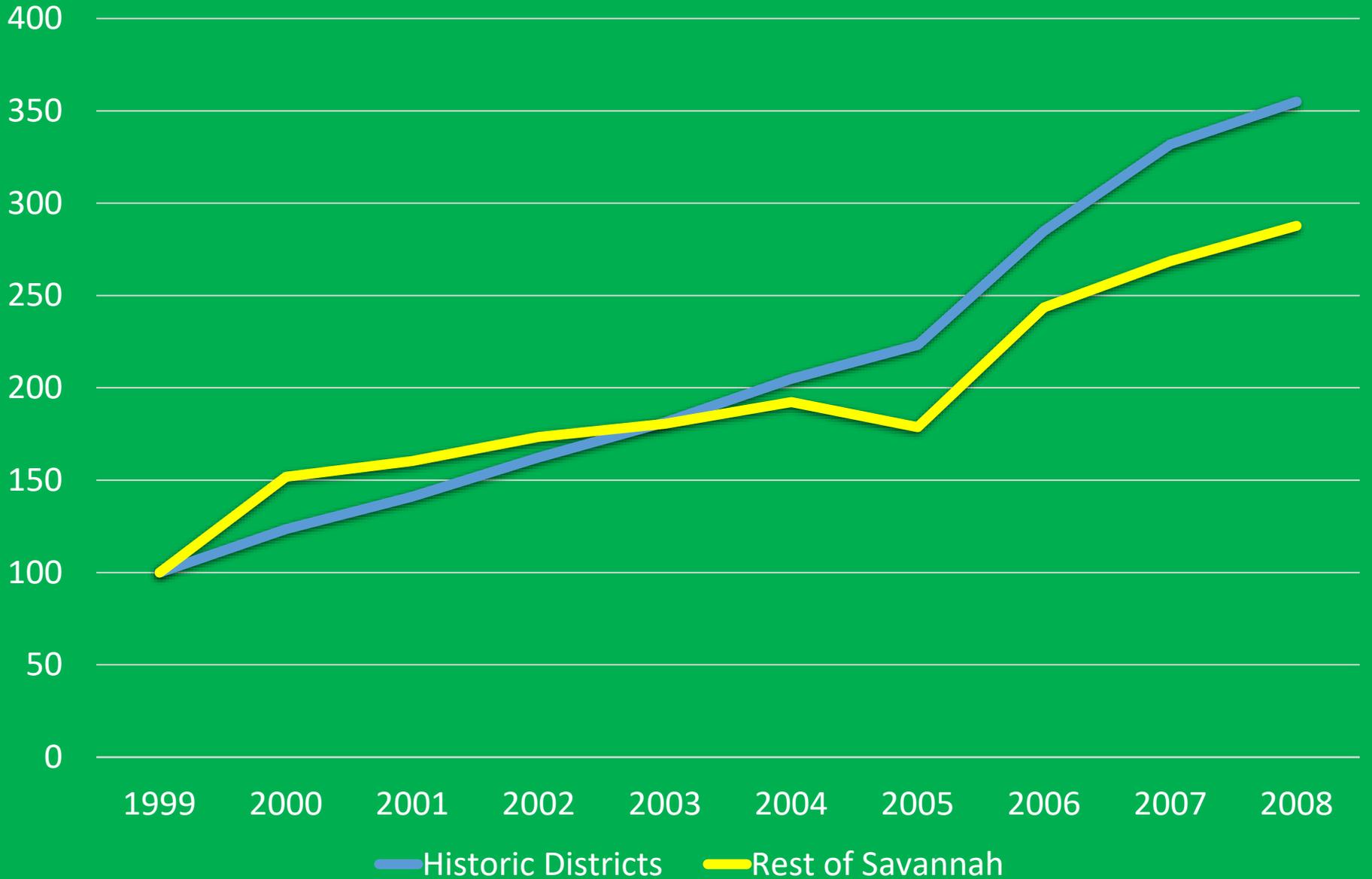
# Foreclosure Rate Single Family Houses San Antonio 2008 - 2014



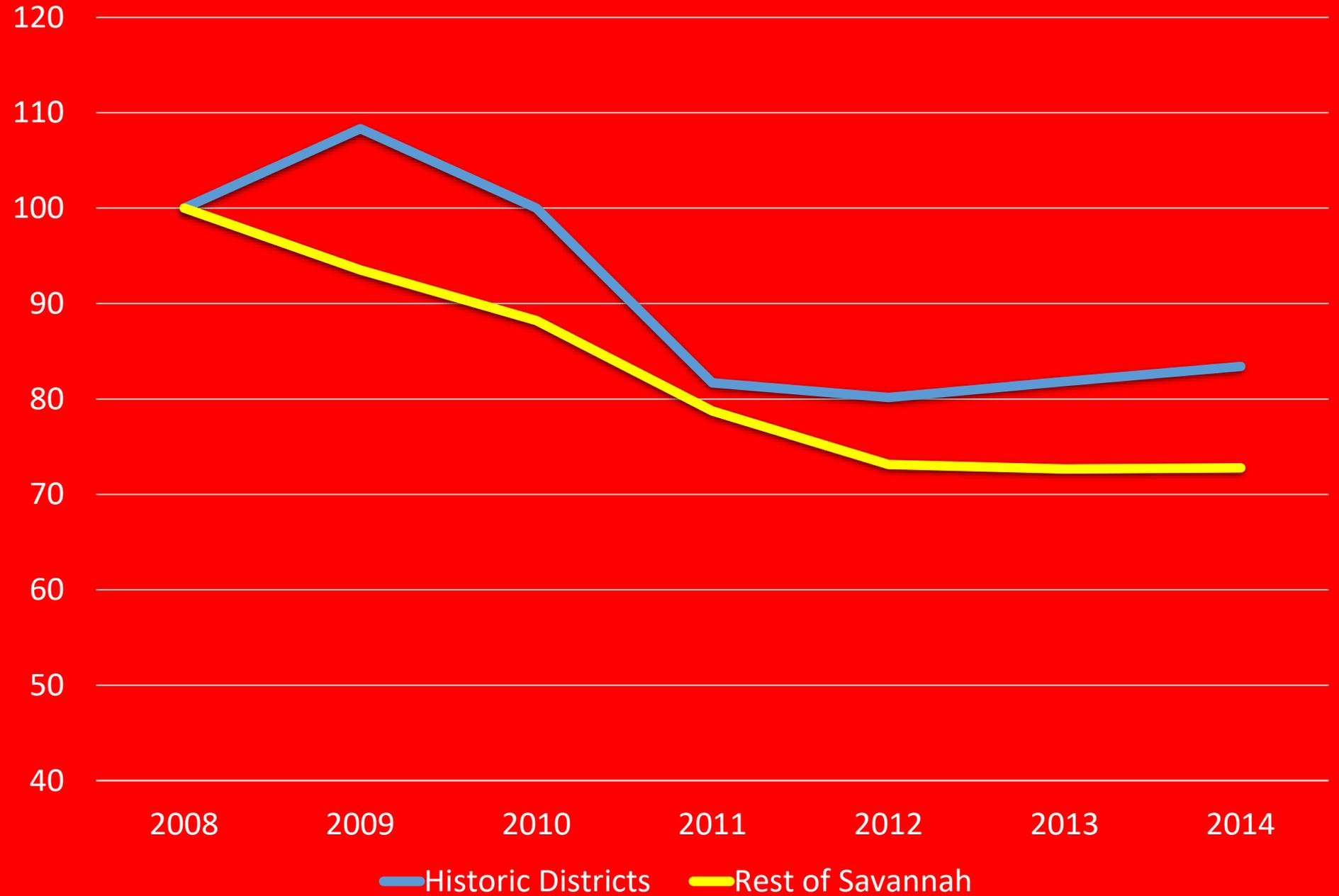
# Stability on the Downside



# Real Estate Values in Up Years



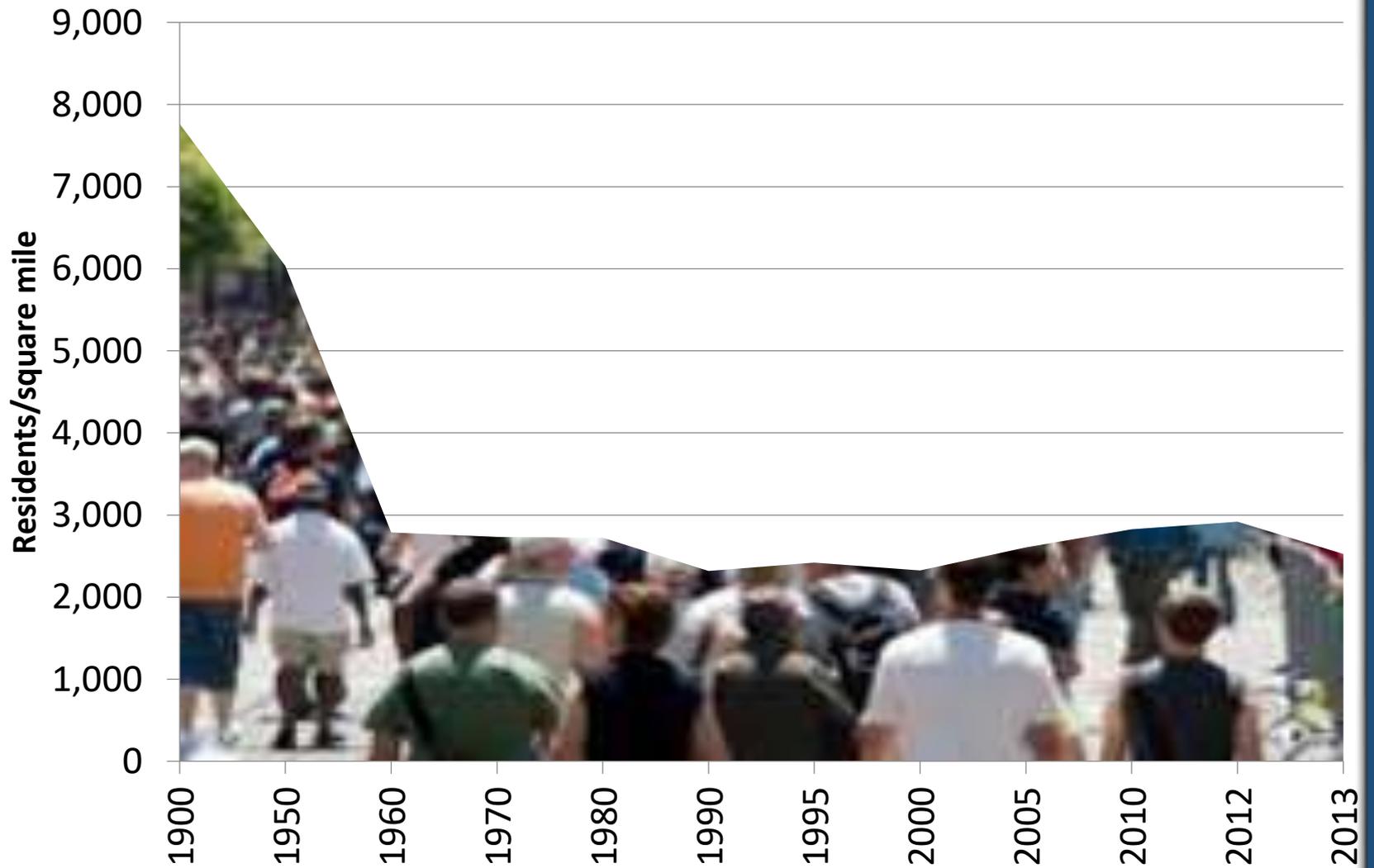
# Real Estate Values in Down Years



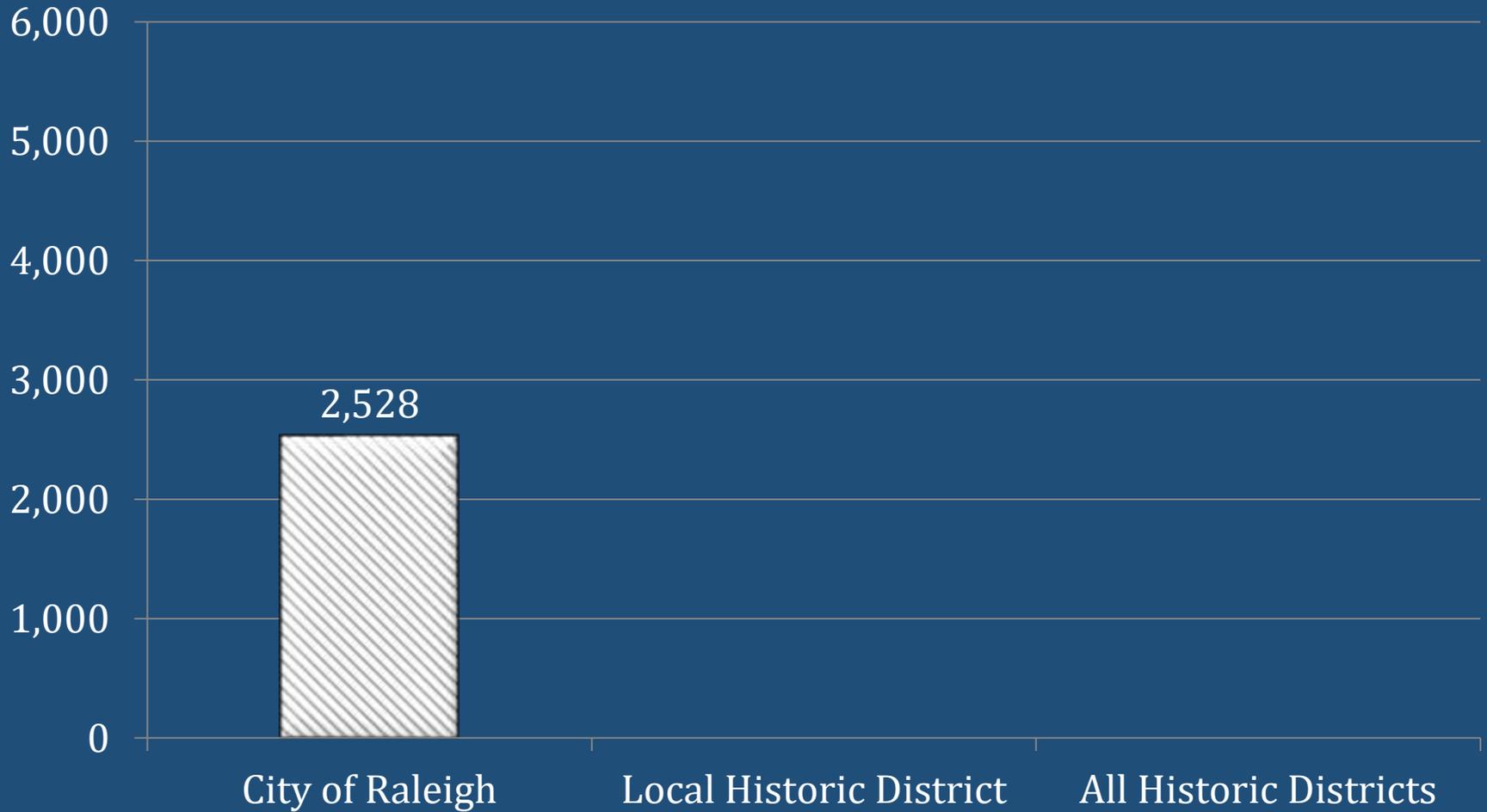
# Density



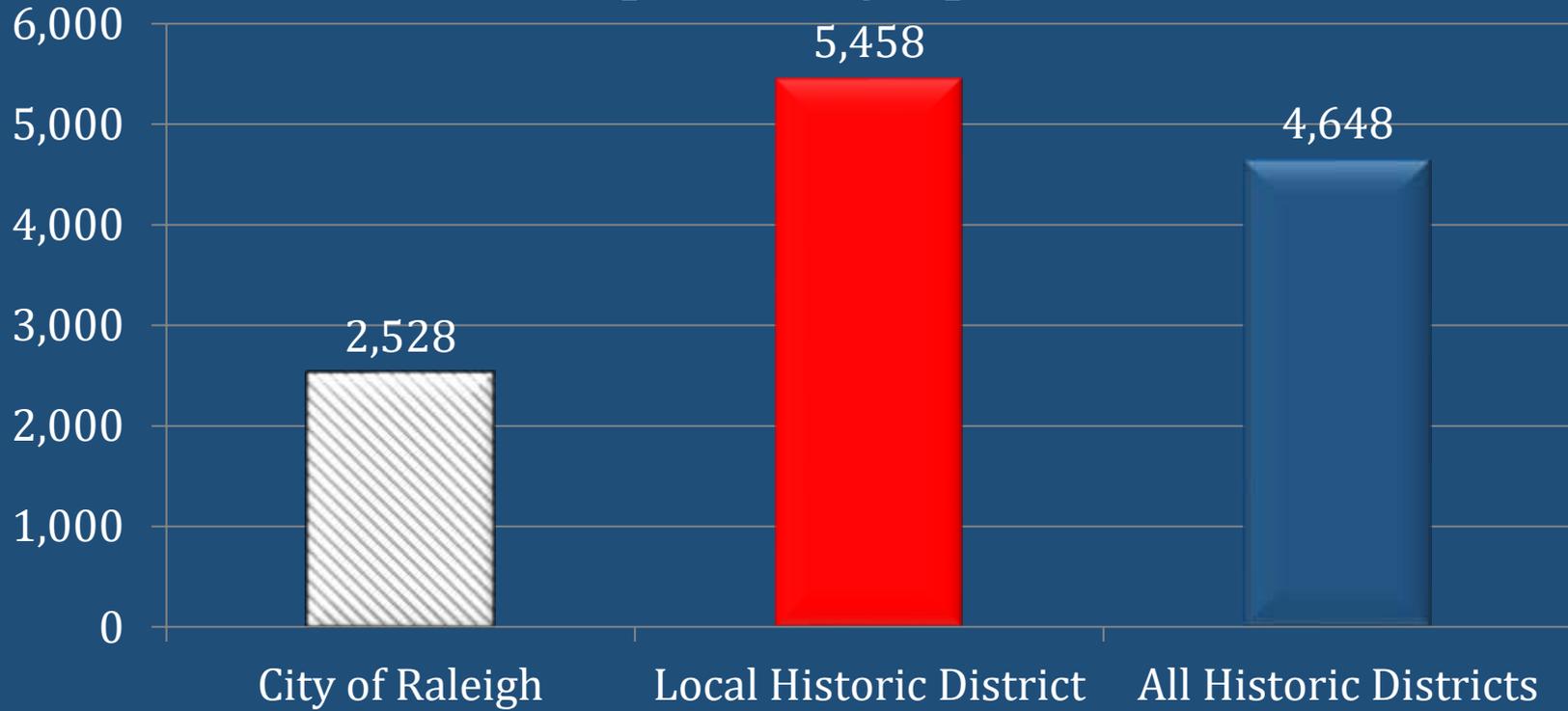
# Raleigh Population Density, 1900-2013



# Population Density Population/Sq Mi



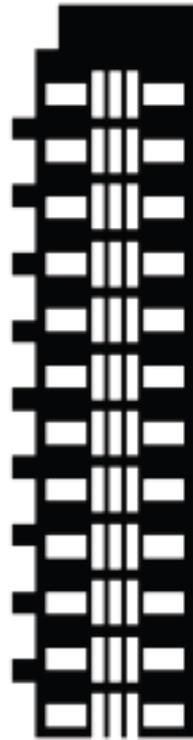
# Population Density Population/Sq Mi



<b>The Tale of Two Neighborhoods</b>	<b>Oakwood</b>	<b>Reedham Oaks/Wyndham</b>
<b>Population</b>	1664	507
<b>Size (acres)</b>	114.5	114.0
<b>Housing Units</b>	794	127
<b>Average Year of Construction</b>	1925	1992
<b>Average Size of House (square feet)</b>		
<b>Average Value</b>		
<b>Taxes per Unit</b>		
<b>Population per acre</b>		
<b>Square feet of Road per Unit</b>		
<b>Taxes per acre</b>		
<b>Water/Sewer Line Replacement Cost per Unit</b>		
<b>Annual Property Taxes</b>		



104,750



Density After Skyscraper

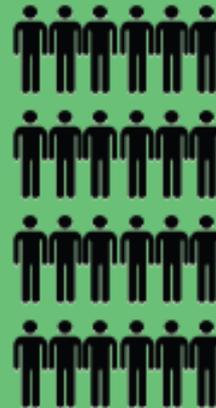
9,718



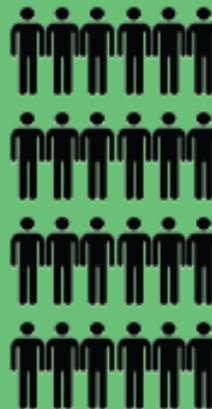
Density Before Skyscraper (non-historic blocks)

...HISTORIC  
DISTRICTS HAVE  
THE GREATEST  
DENSITY IN EVERY  
BOROUGH

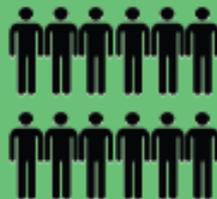
144,835



104,750



80,739



NON-HISTORIC  
RESIDENTIAL AREAS

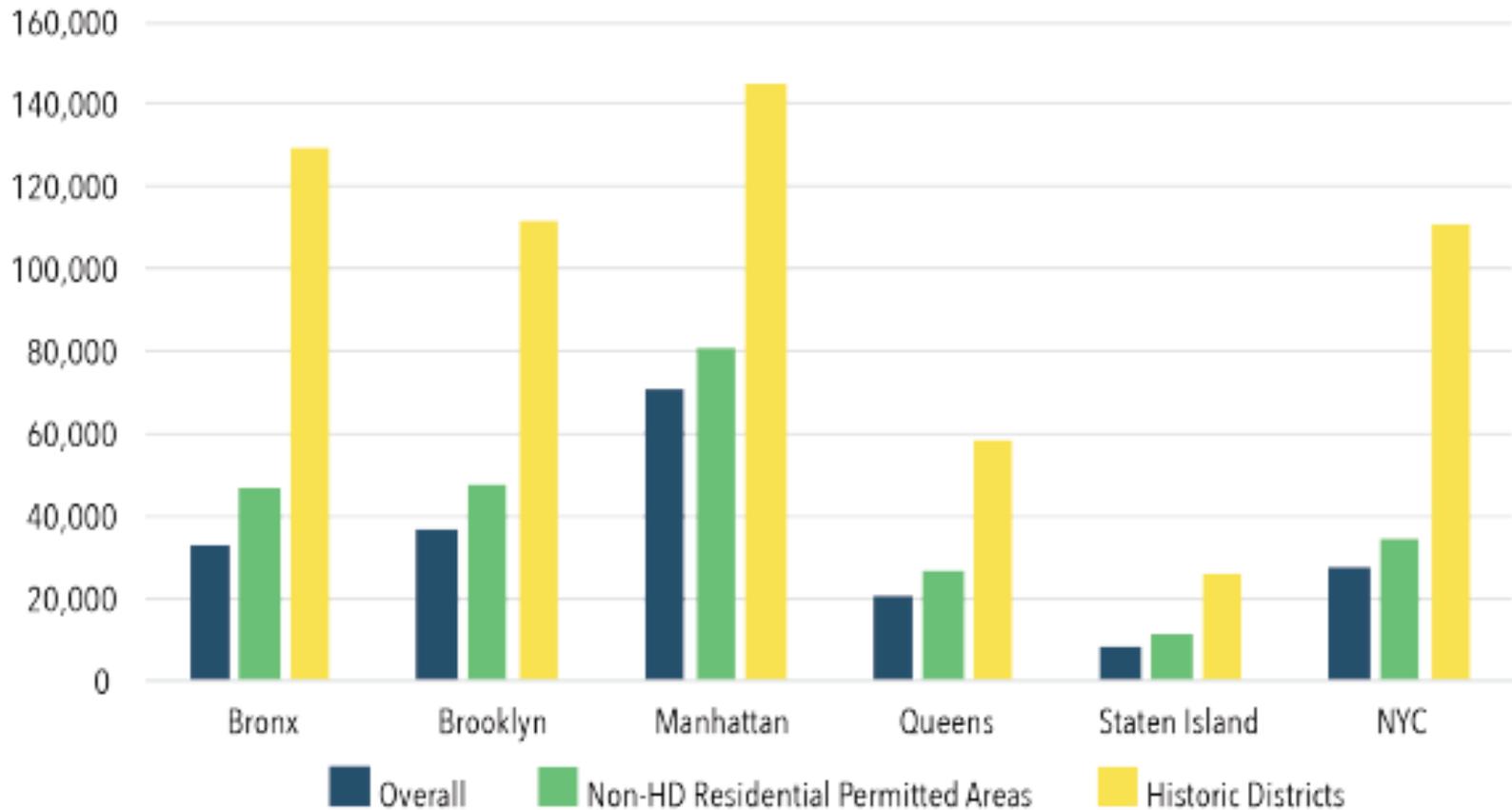
SKYSCRAPERS

HISTORIC  
DISTRICTS

---

IN MANHATTAN  
PEOPLE PER SQUARE MILE

# Population Density per Square Mile



# Walkability



# Historic Preservation in Connecticut:

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

## ■ Walker's Paradise:

Daily errands do not require a car.

## ■ Very Walkable:

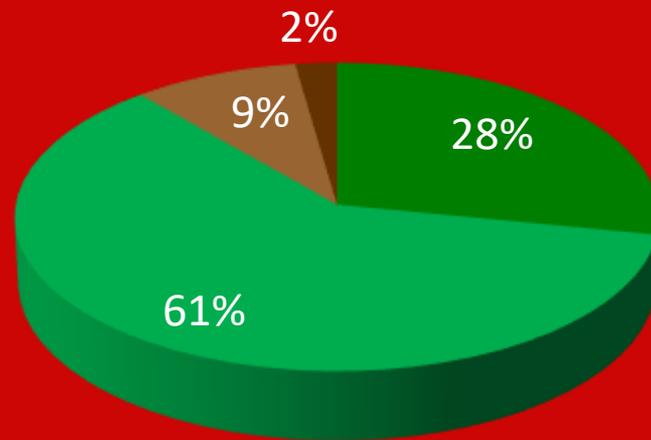
Most errands can be accomplished on foot.

## ■ Somewhat

Walkable: Some amenities within walking distance.

## ■ Car Dependent:

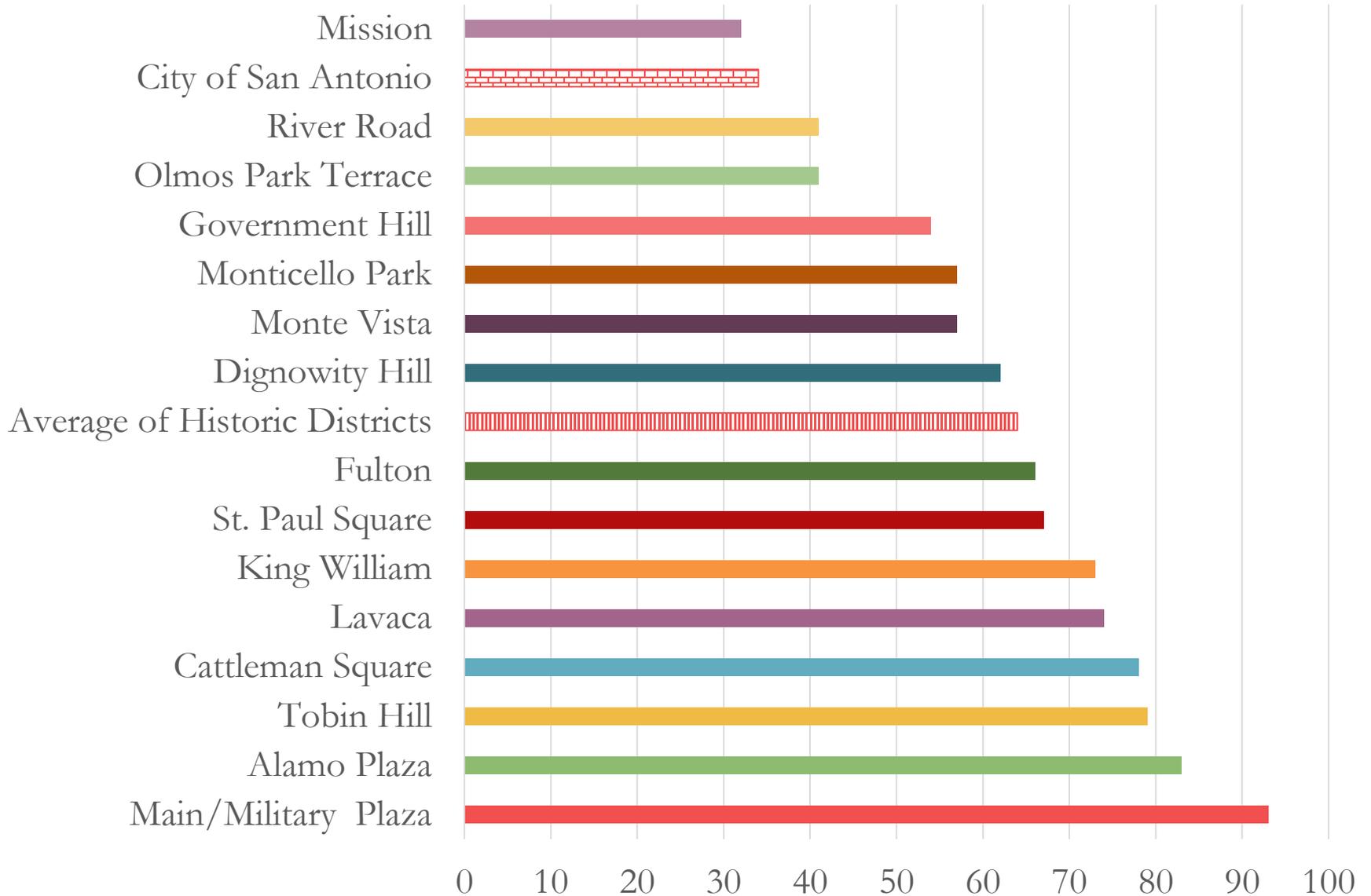
Almost all errands require a car.



Scores from *Walkscore.com*

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

# Walk Scores for San Antonio Historic Districts

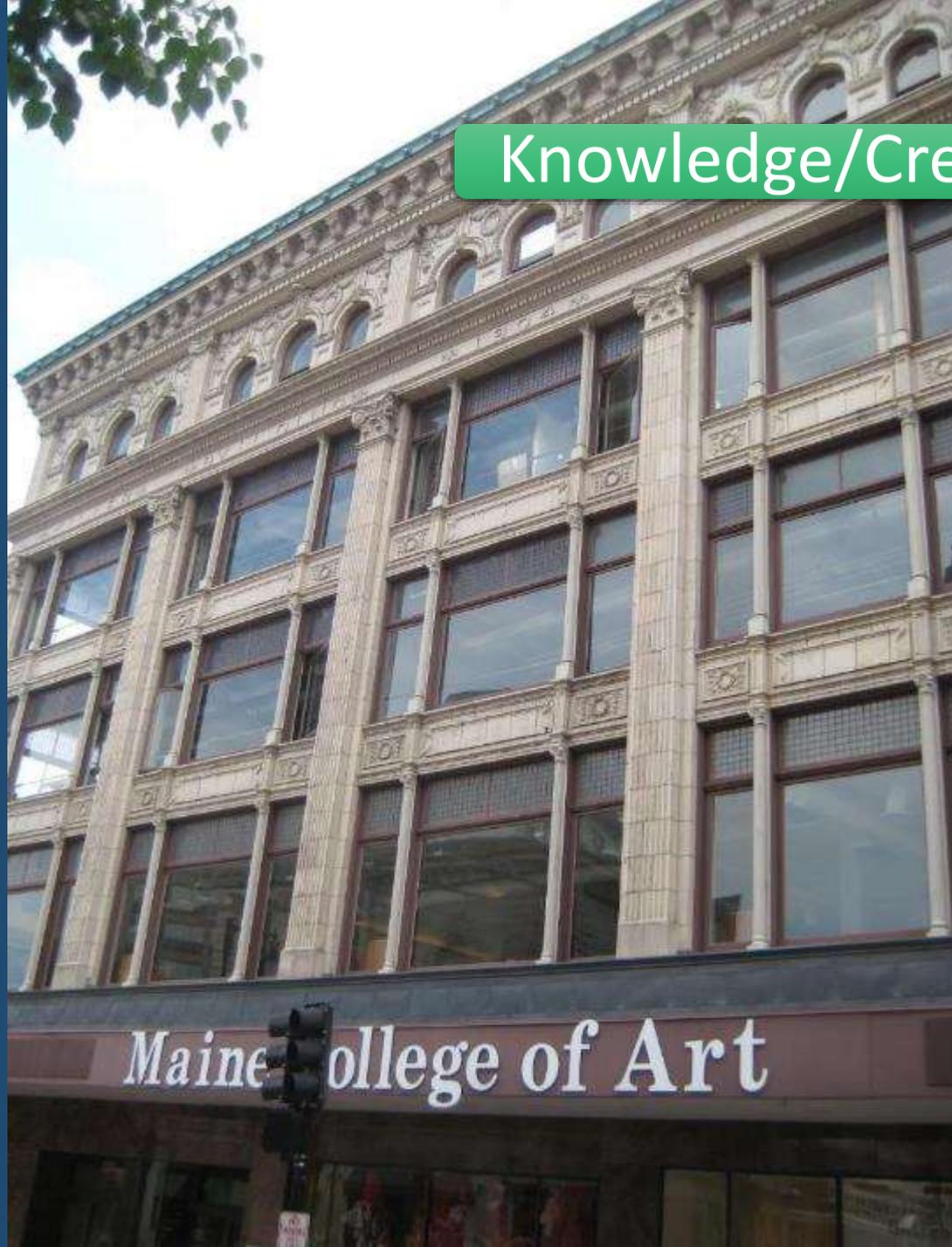


# Walkability

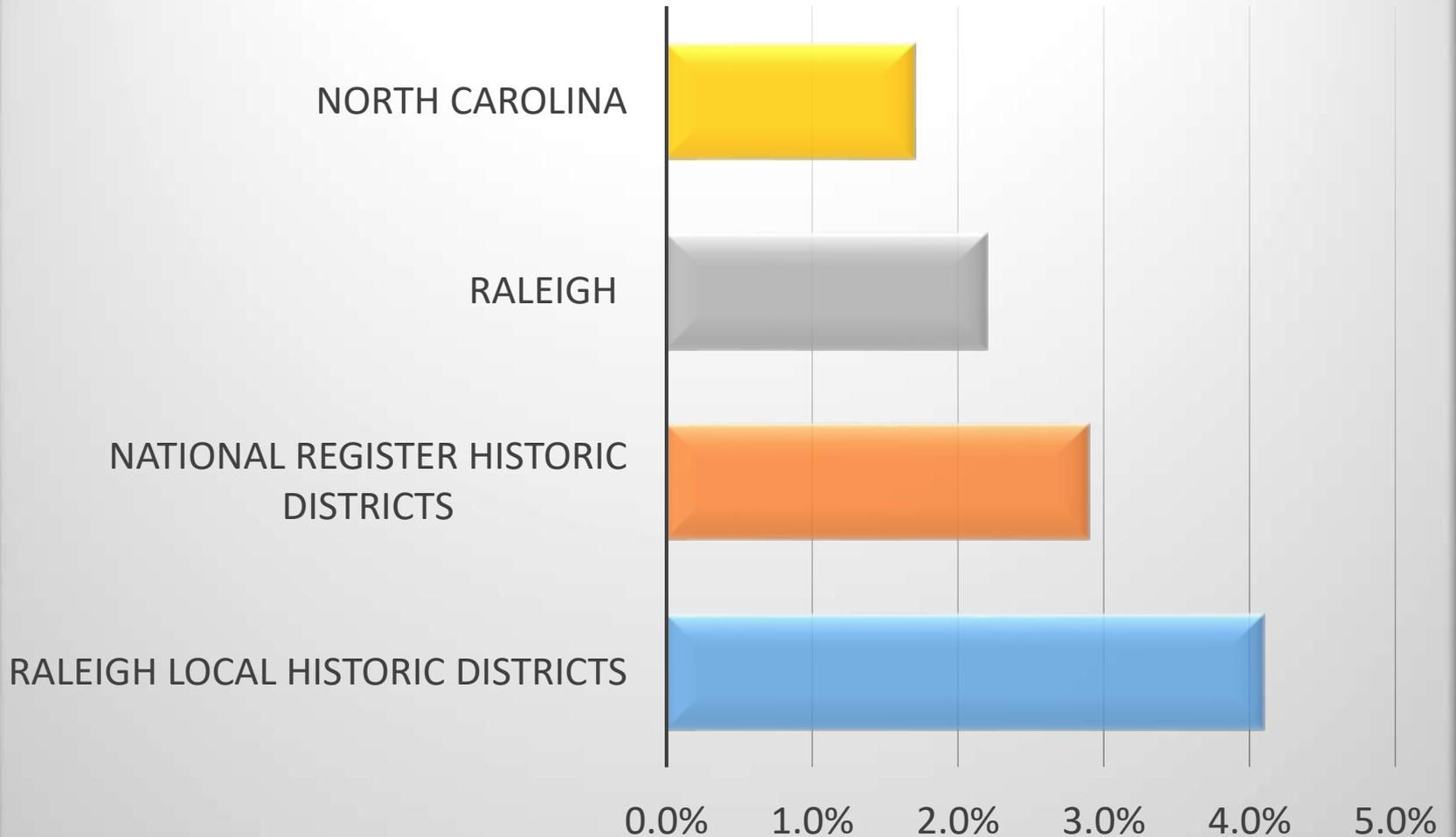
	<i>Average Walk Score</i>	<i>Designation</i>
Raleigh	29	Car-dependent
Local historic districts	82	Very walkable
National Register historic districts	64	Somewhat walkable
<b>All historic districts</b>	<b>73</b>	<b>Very walkable</b>



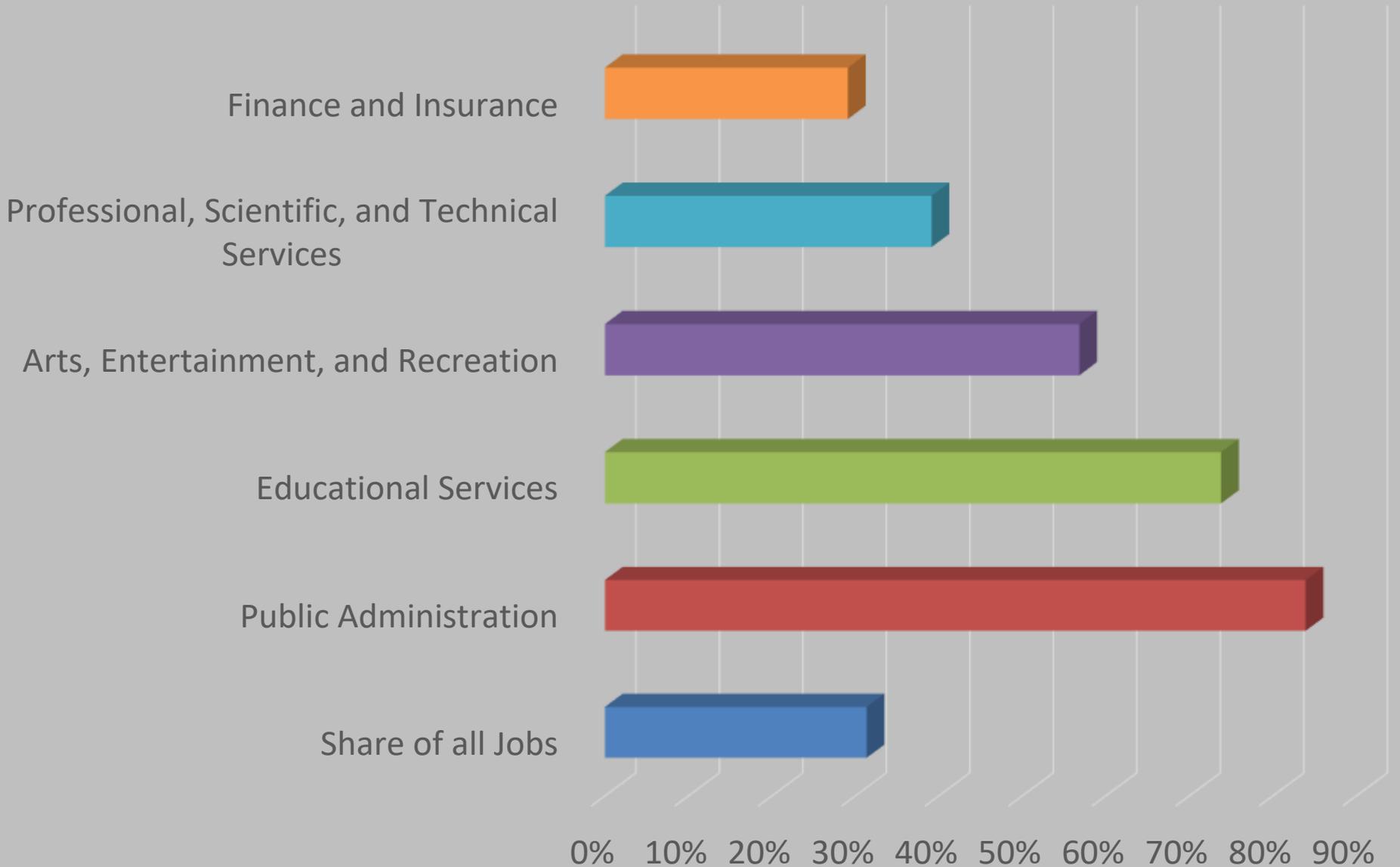
# Knowledge/Creative Industries



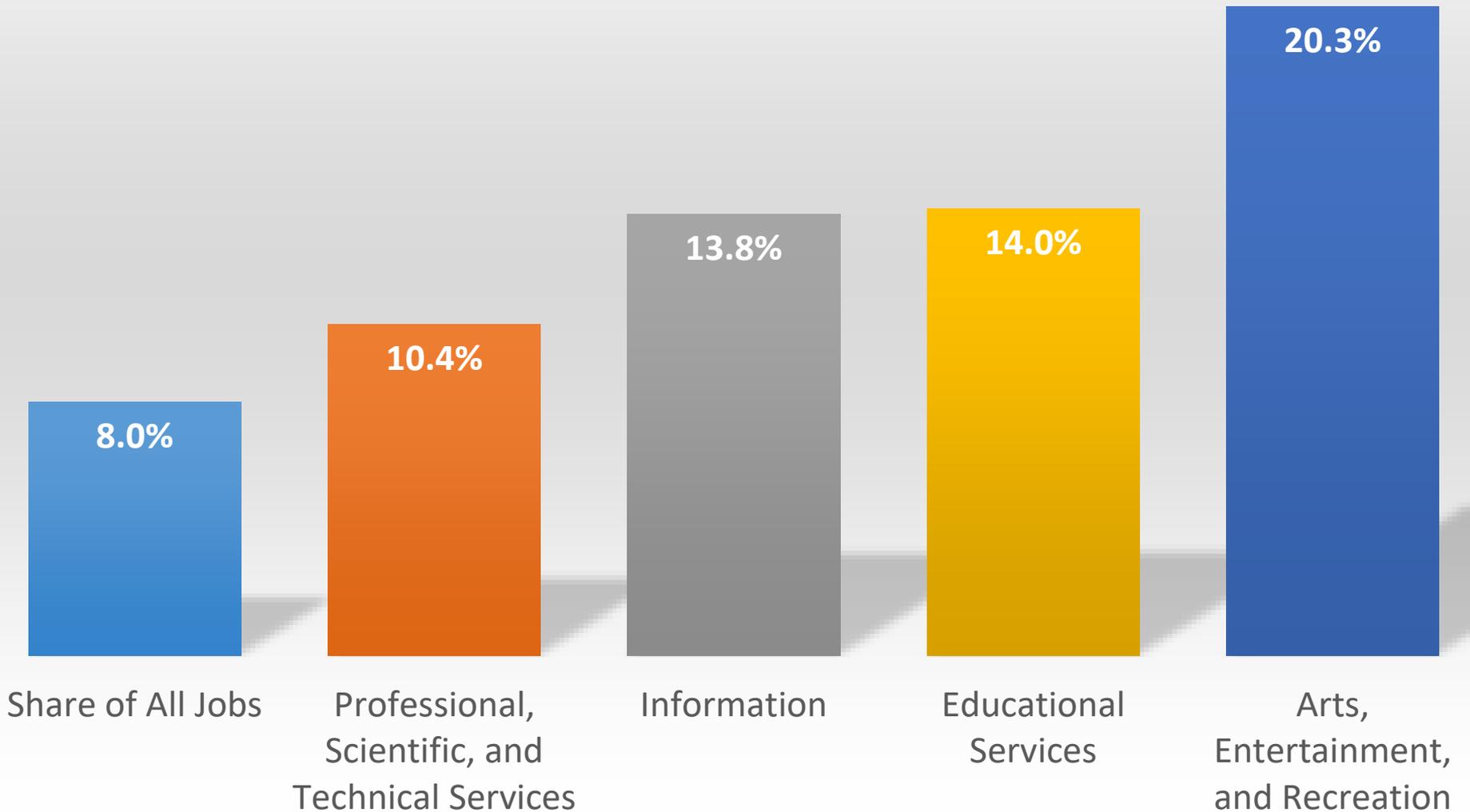
## % of Workforce in Arts/Entertainment/Recreation



# Share of Knowledge Worker Jobs in Savannah Historic Districts

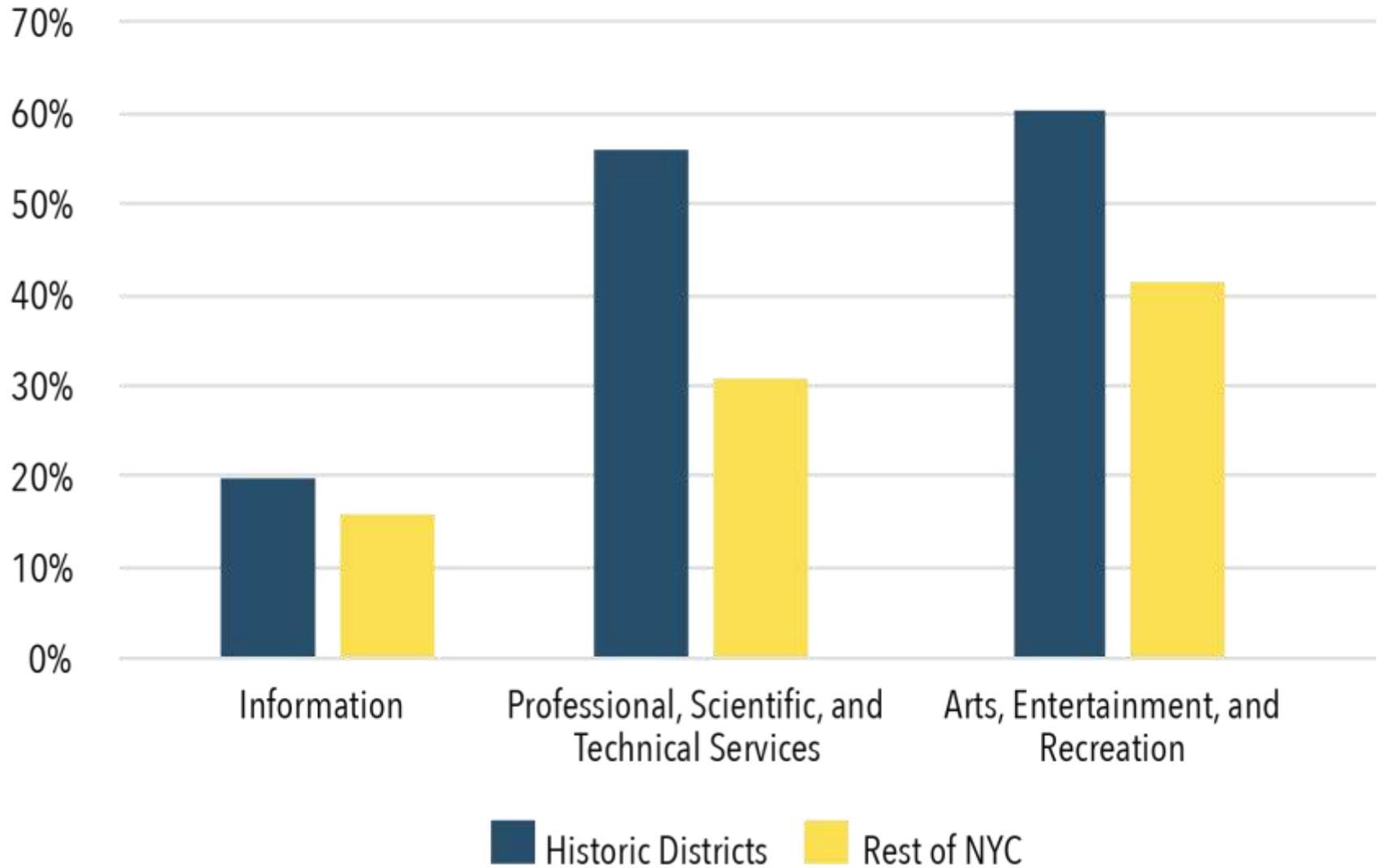


# Jobs in Knowledge and Creative Industries New York City



# Rate of Job Growth 2003 - 2013

## Historic Districts and the Rest of NYC

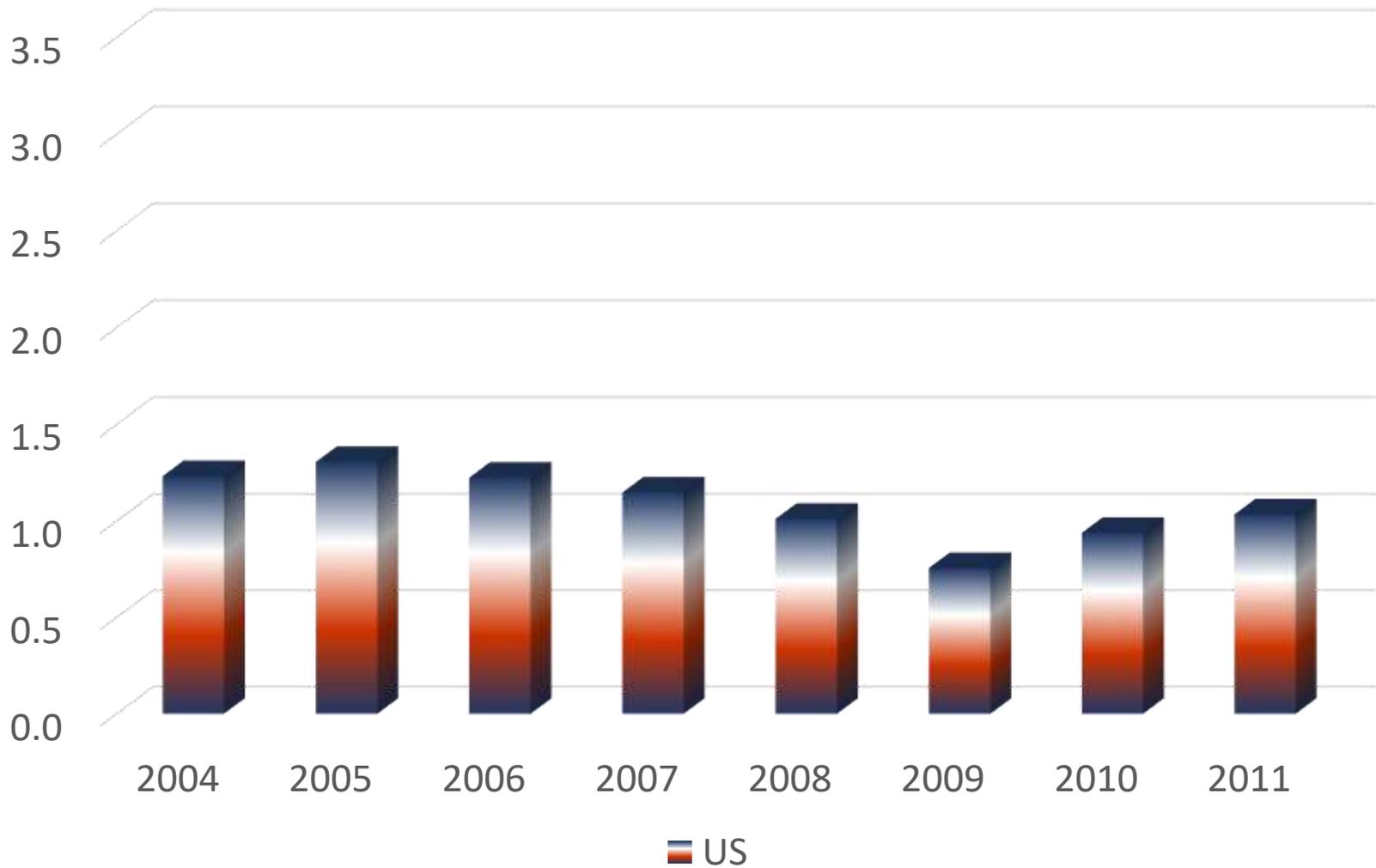


## Business Births/Deaths

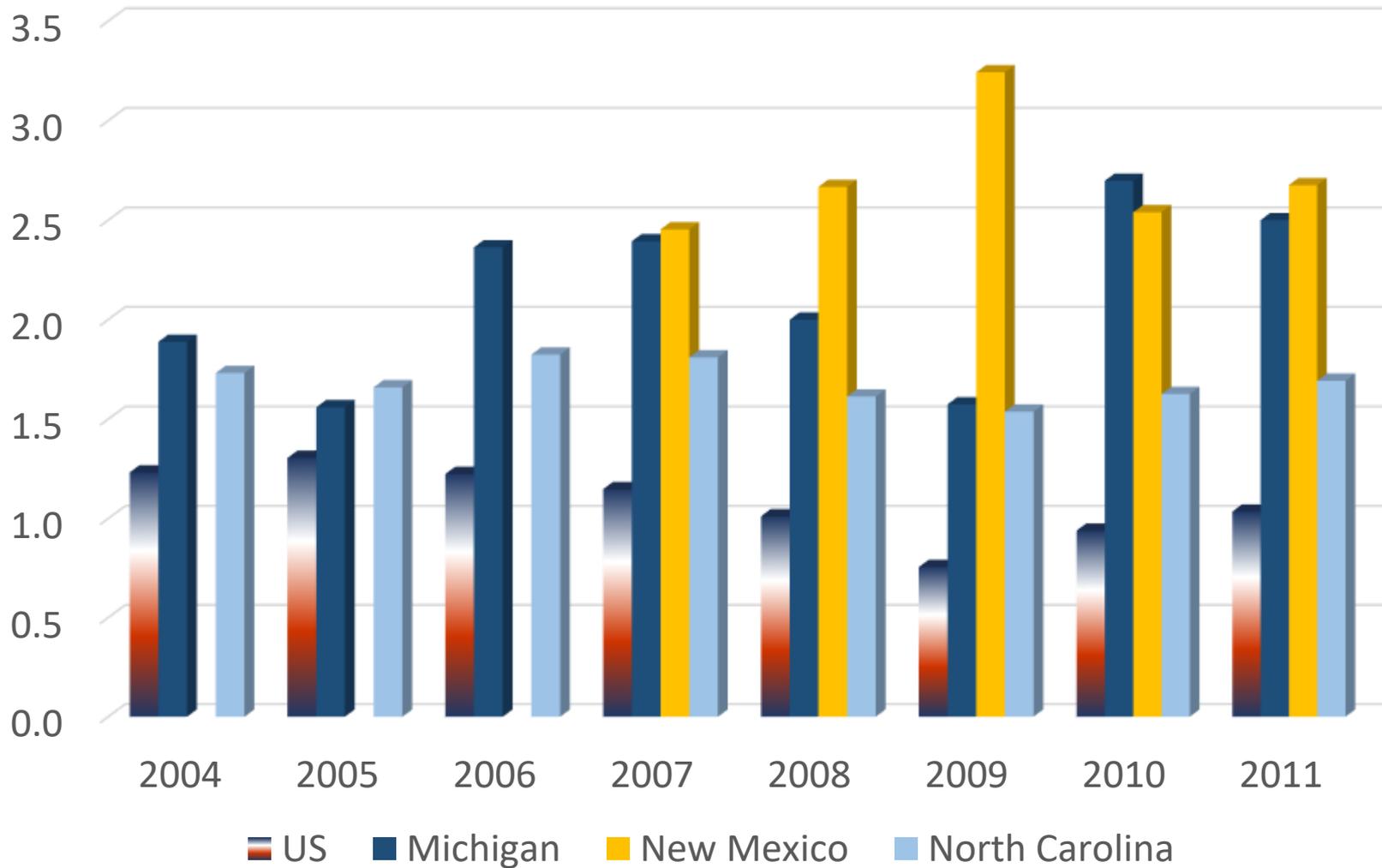
**GOING OUT OF BUSINESS SALE  
SAVE FROM 30% TO 70%**

**LIC  
TION SALE**

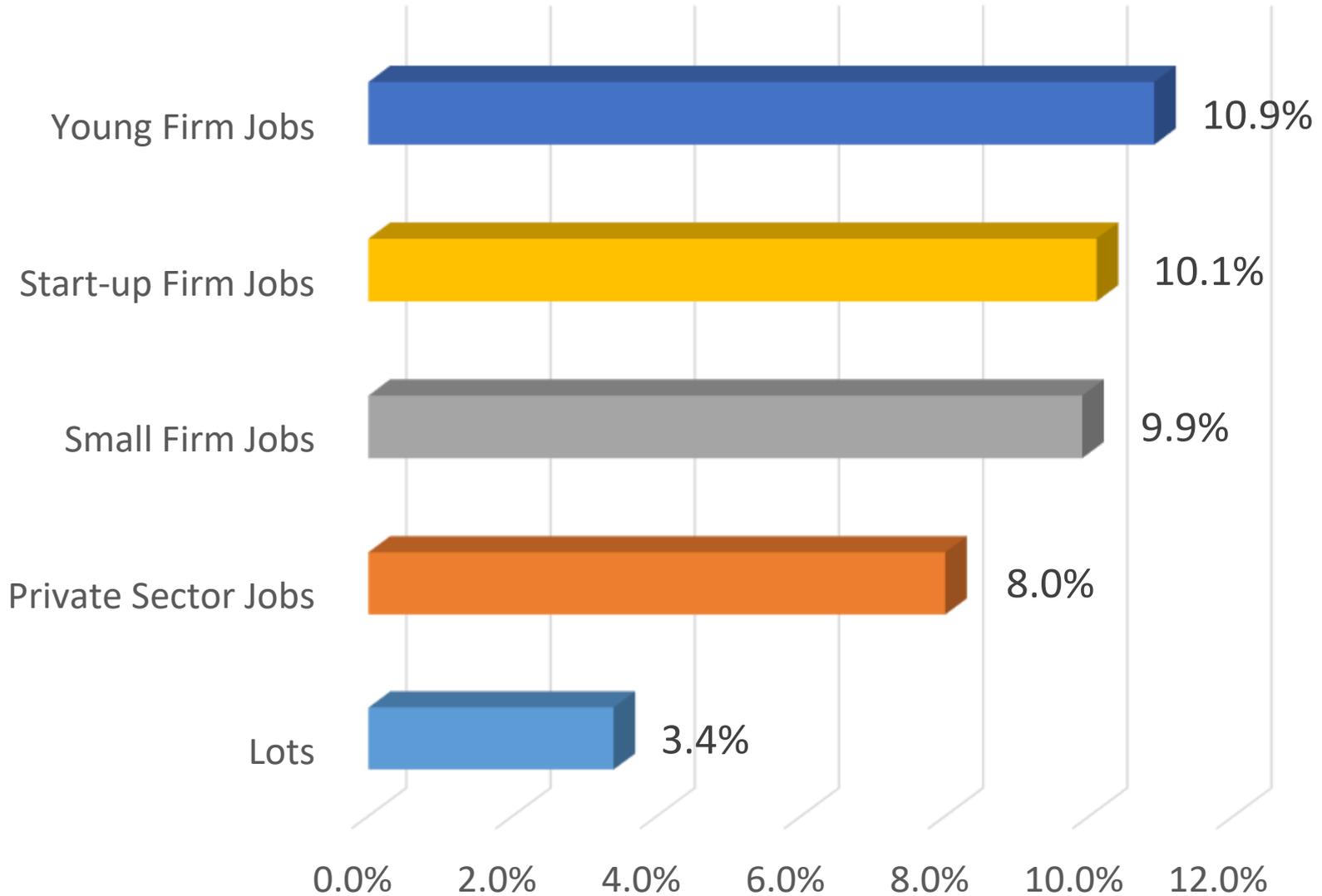
# Ratio of Business Openings to Business Closings



# Ratio of Business Openings to Business Closings



# Historic Districts as Job Attractors New York City



# Demographic /Economic Mirror

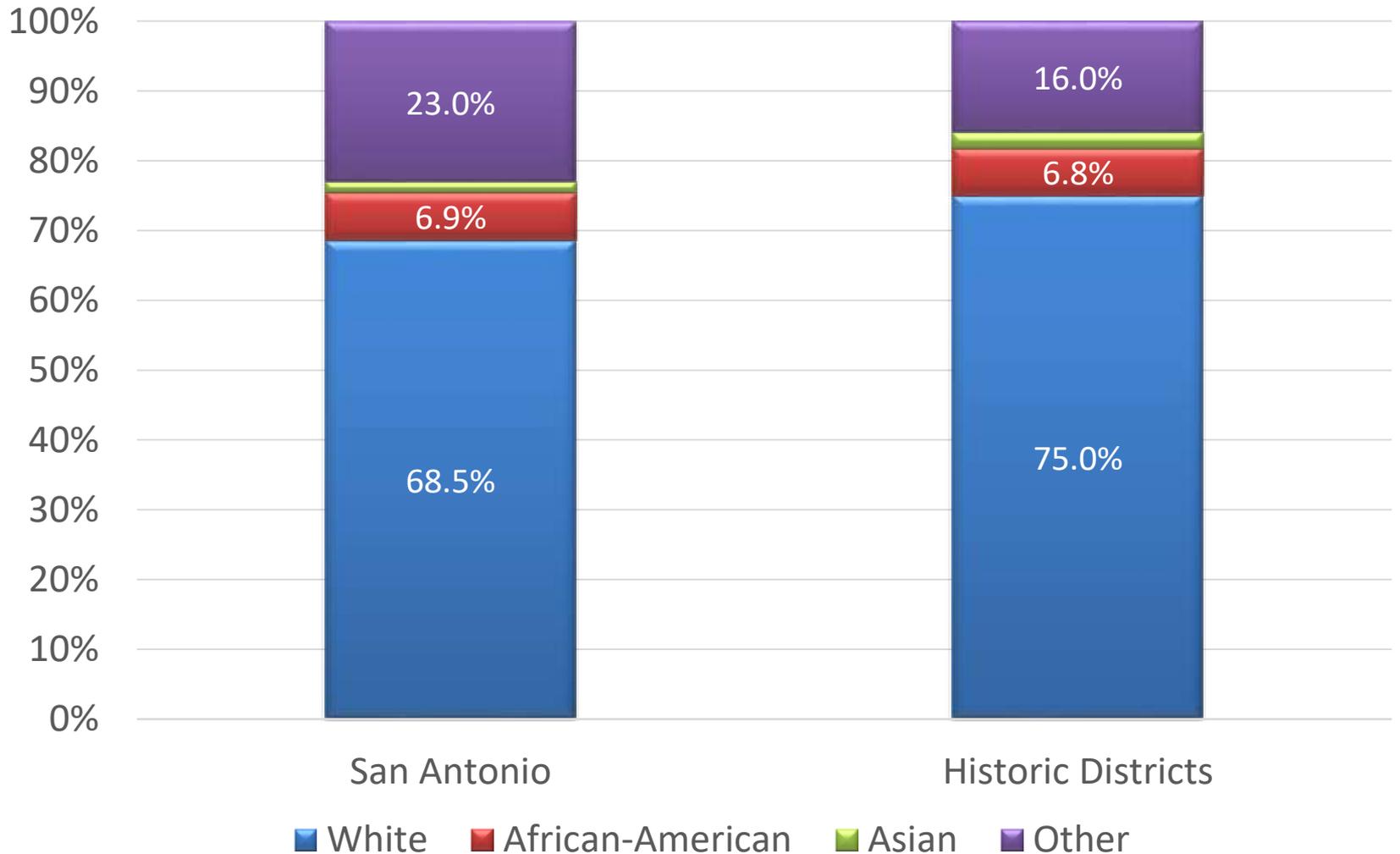


# Household Income Distribution San Antonio and Historic Districts

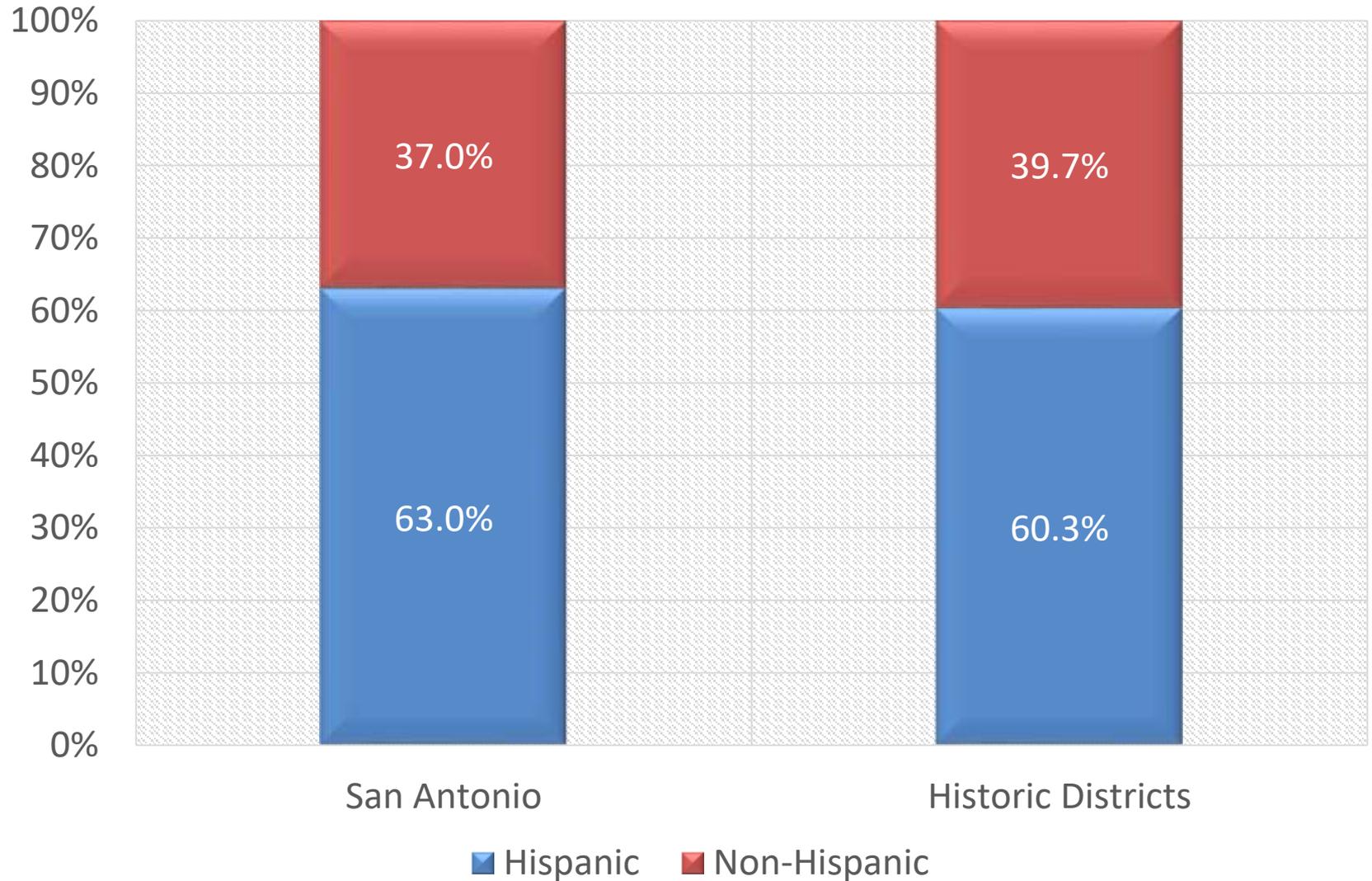


# Racial Distribution

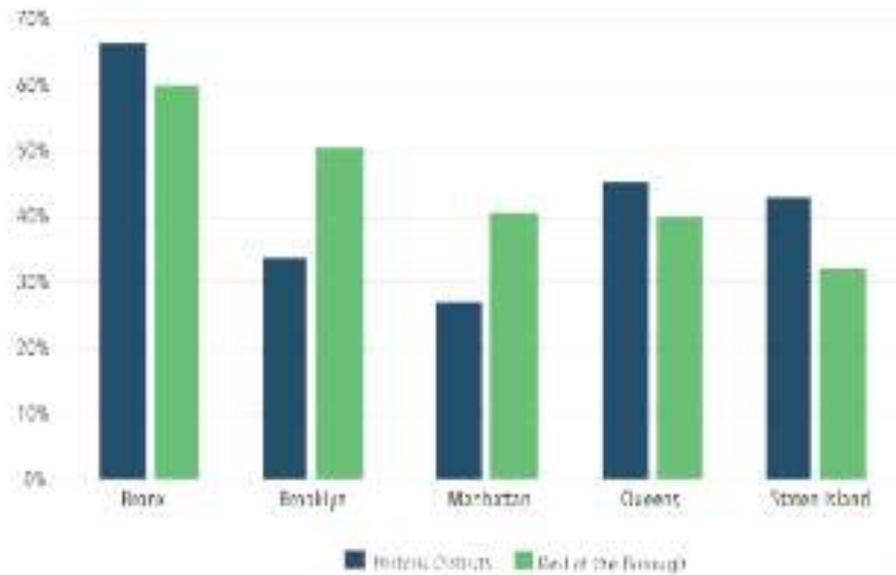
## San Antonio and Historic Districts



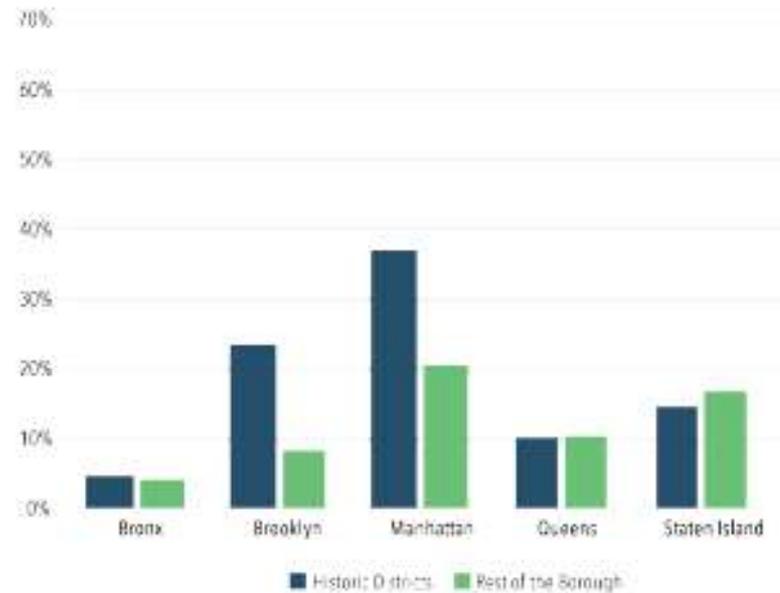
# Hispanic Population San Antonio and Historic Districts



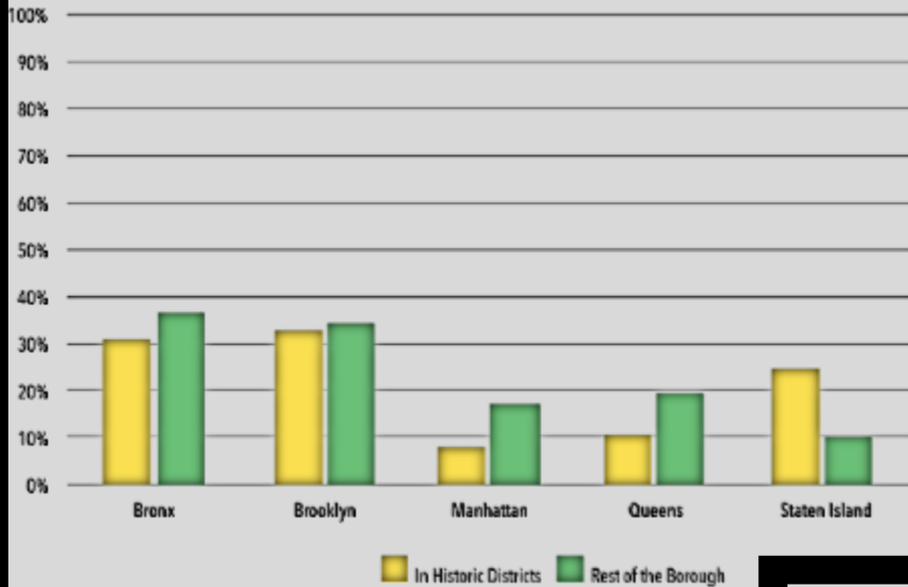
### Share of Households with Income Less than \$50,000



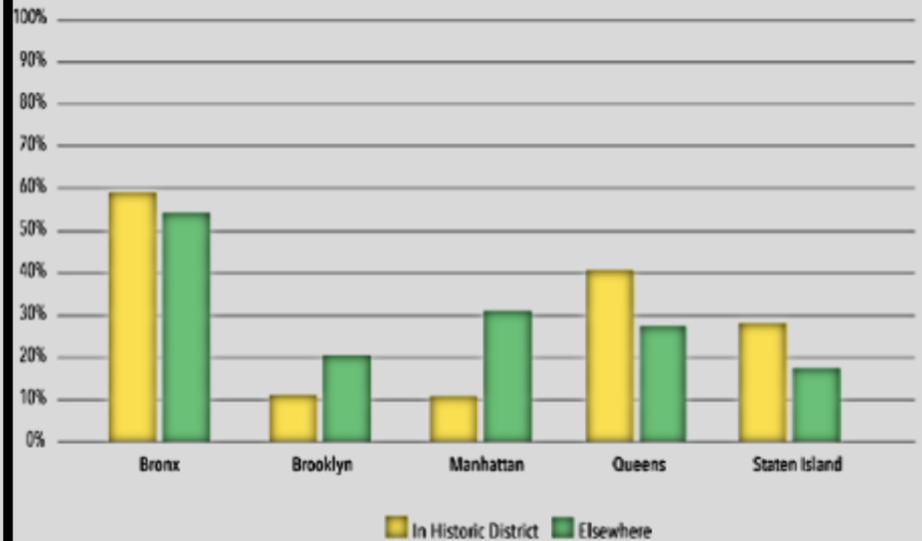
### Share of Households with Income Greater than \$150,000



### Share of Black Population in Historic Districts by Borough



### Hispanic Population in Historic Districts



# The Environment



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

## The Environment

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

Reduction of  
travel related  
CO<sub>2</sub>  
Emissions by  
92 – 123  
Metric Tons

CO<sub>2</sub> “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  
invest-  
ment  
“saved”  
\$500,000  
to  
\$800,000

## The Environment

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





The  
Environment

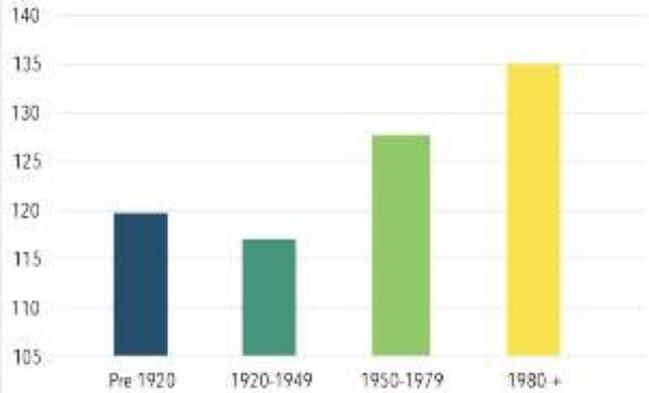
**PRESERVATION GREEN LAB:**

**Looking for the Greenest Building?**  
Start with the one that already exists.

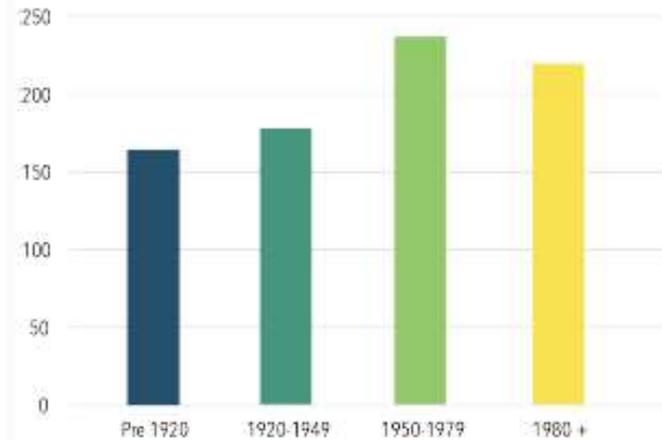
*It takes 10 to 80 years of an energy efficient new building to make up for the negative climate change impacts of construction*

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

**Energy Use Intensity  
Multifamily Buildings by Year of  
Construction**



**Energy Use Intensity  
Office Buildings by Year of Construction**



A multifamily structure built since 1980 uses 13% more energy per square foot than one built before 1920



# Material Flows



# Material Flows



**Rehabilitation**

47.3 Tons



**Suburban Construction**

182.4 Tons



**Demolition and Infill**

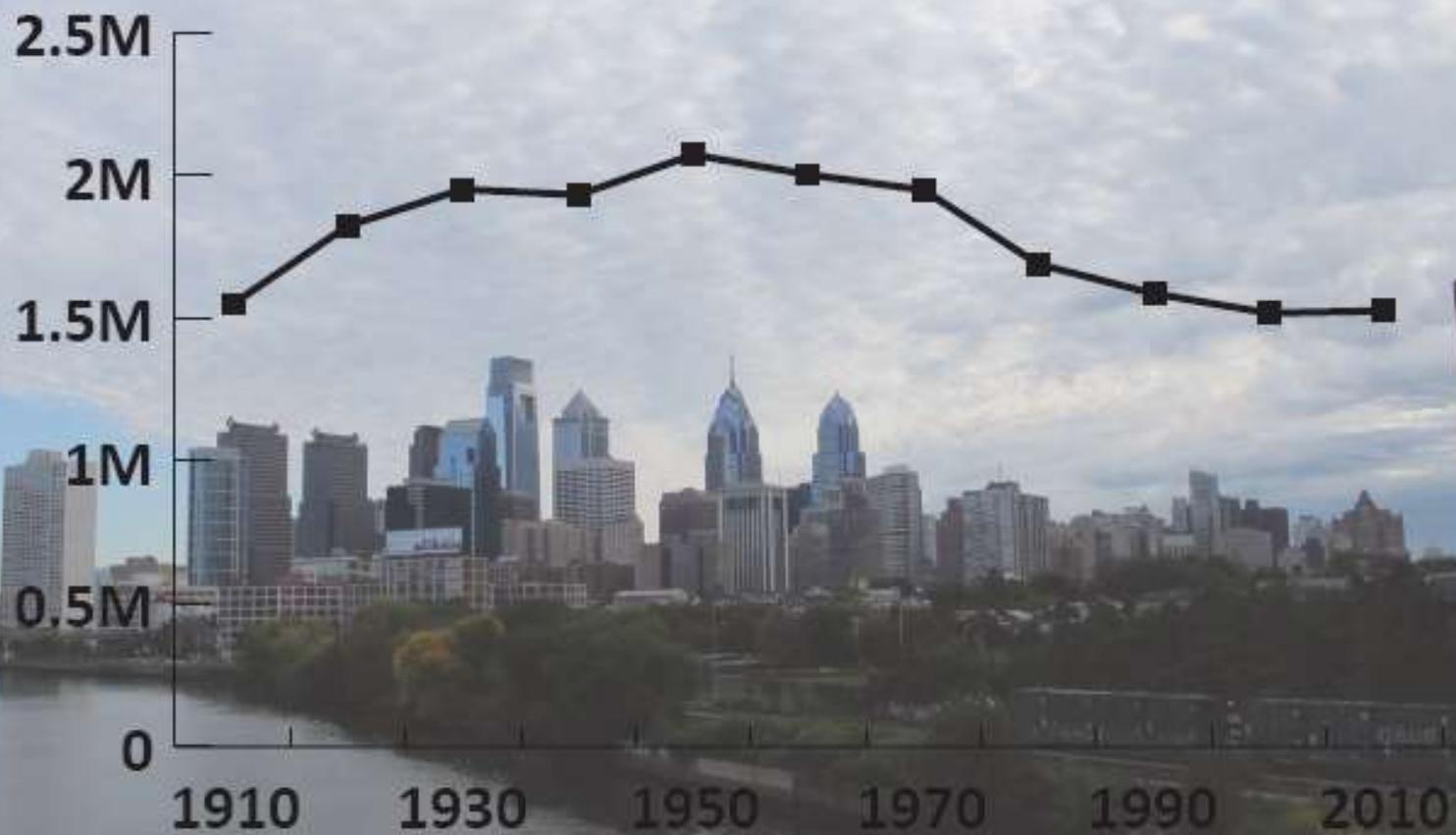
351.8 Tons



The average Historic House that was Retained rather than Razed reduced the impact on the landfill by 116.6 Tons

# The First Place of Return

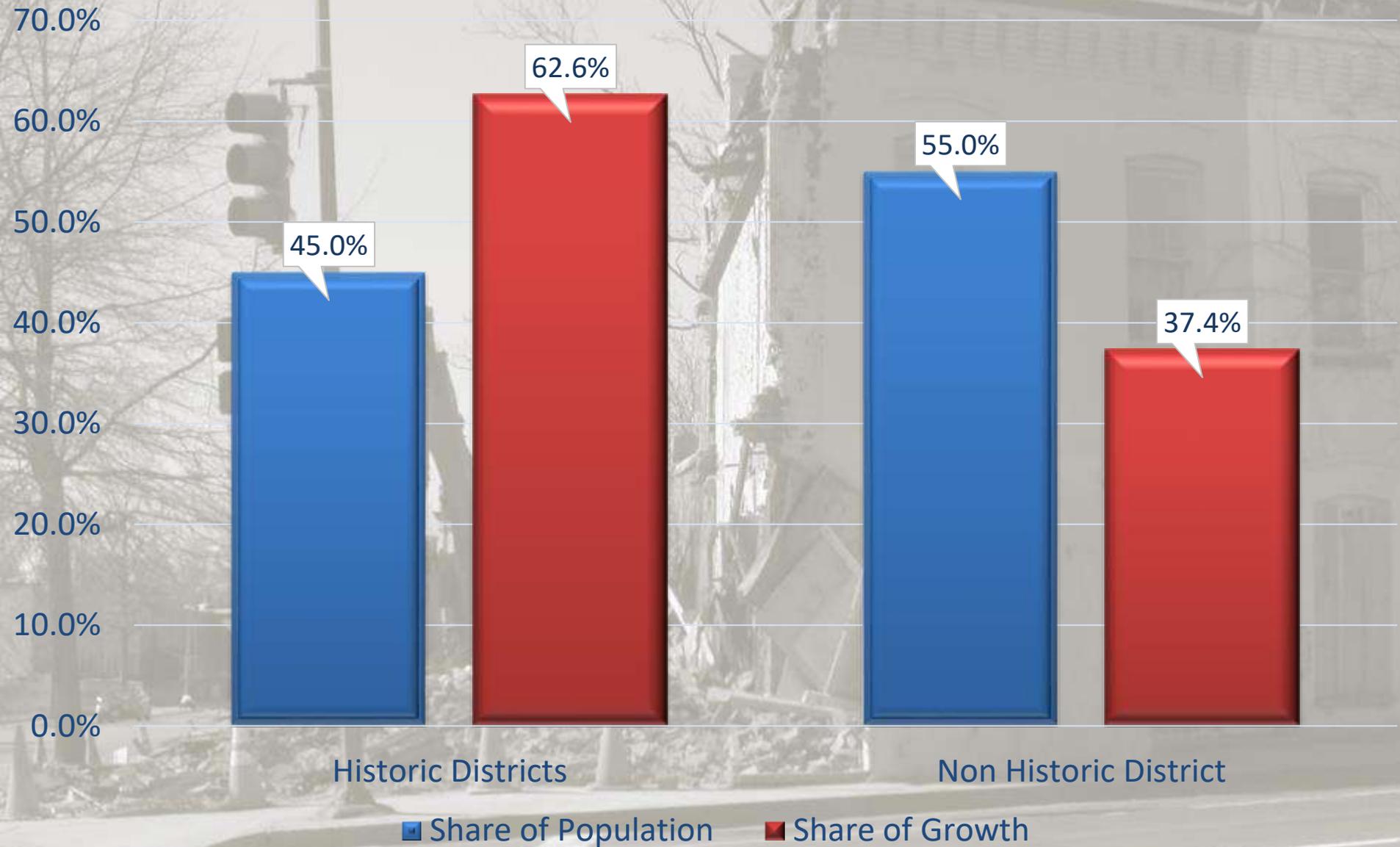




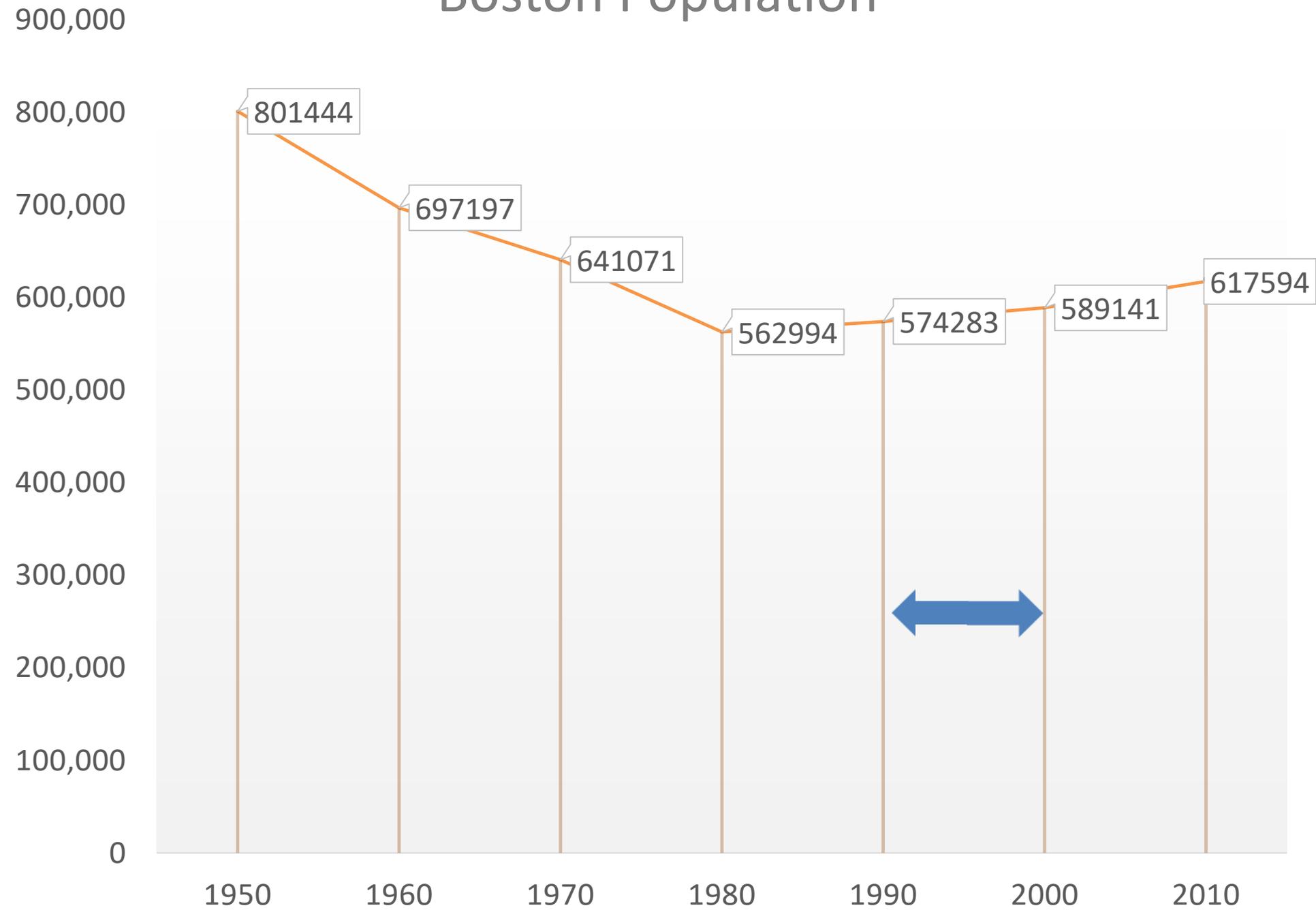
# Change in Philadelphia Population 2000 - 2010



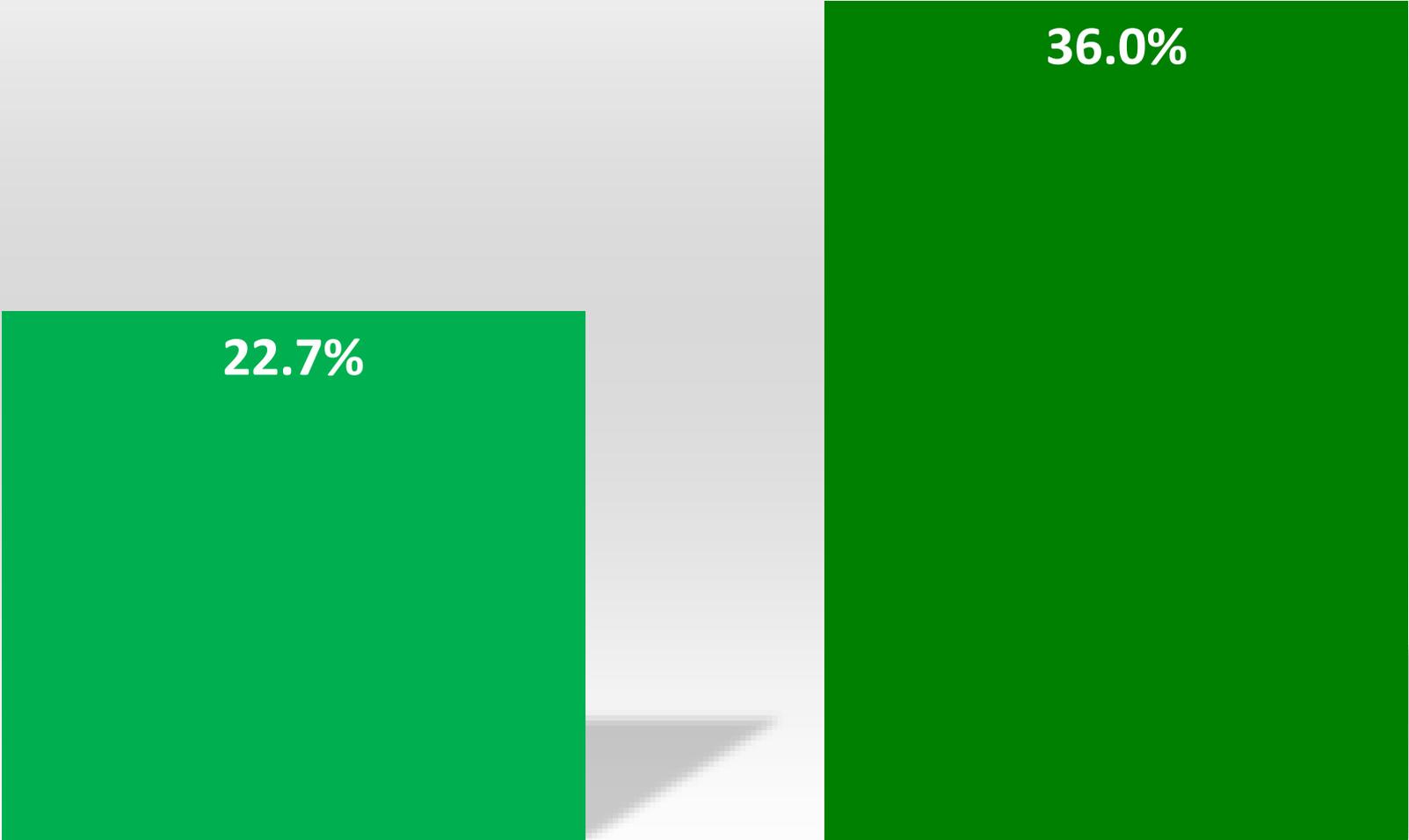
# Back to Where in the City? Washington, DC 2000 - 2010



# Boston Population



# Back to *Where* in the City? Boston 1990 - 2000



A bar chart with two green bars. The left bar is shorter and labeled '22.7%'. The right bar is taller and labeled '36.0%'. Both bars have a slight shadow to their right.

Category	Percentage
Historic Districts Share of Population	22.7%
Historic Districts Share of Growth	36.0%

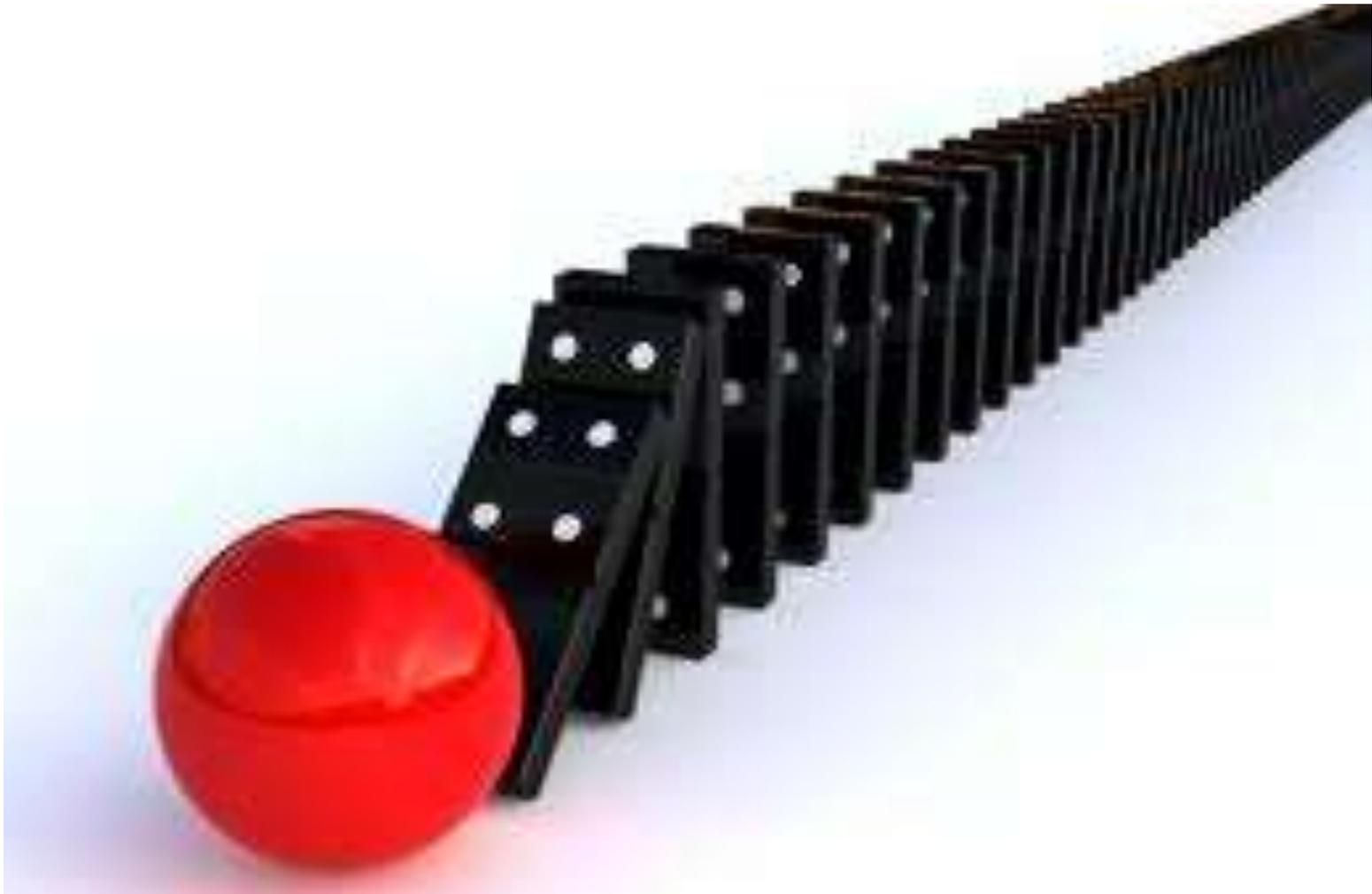
22.7%

36.0%

Historic Districts Share of Population

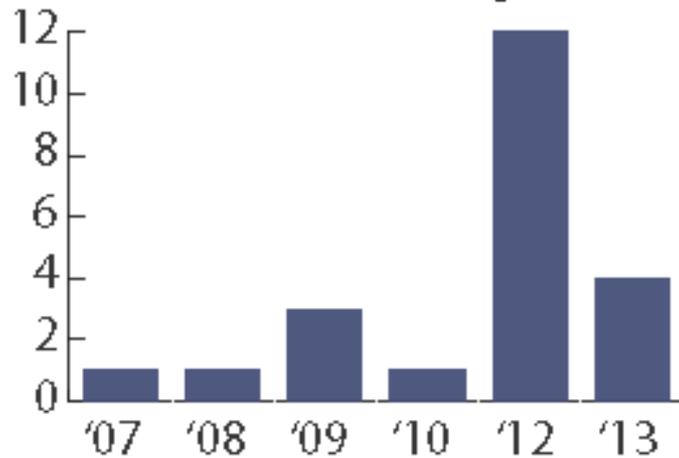
Historic Districts Share of Growth

# Historic Preservation as Catalyst

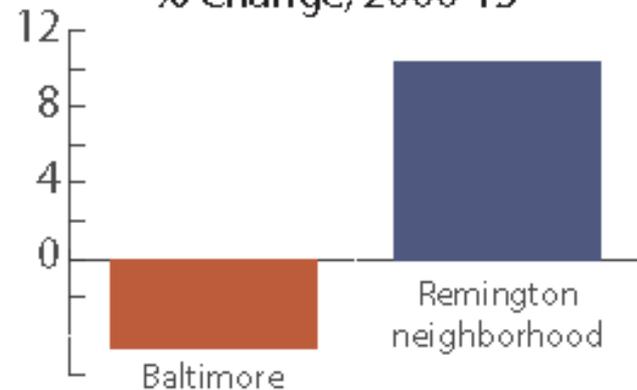


# Baltimore – Miller's Court

Residential Building Permits

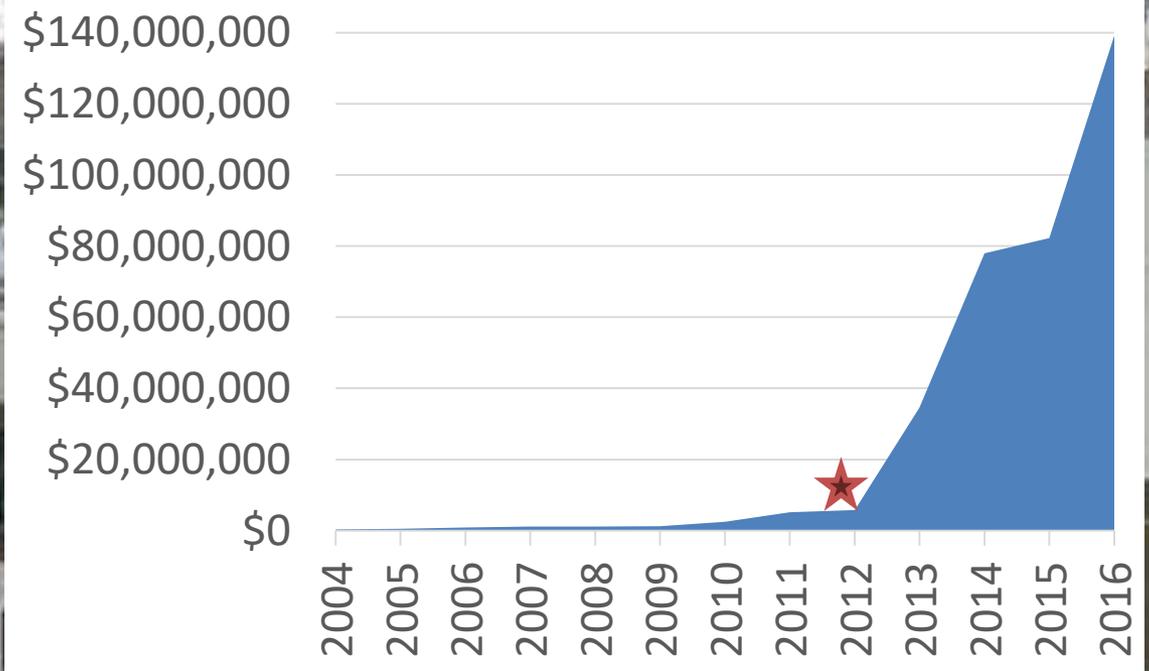


Population Change  
% Change, 2000-13

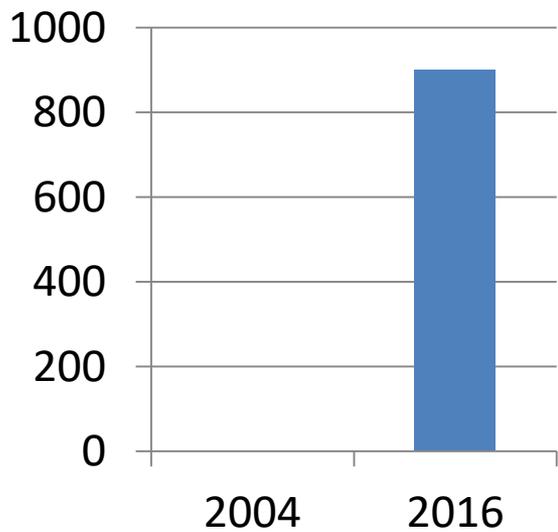


# New Orleans – Rouses Market

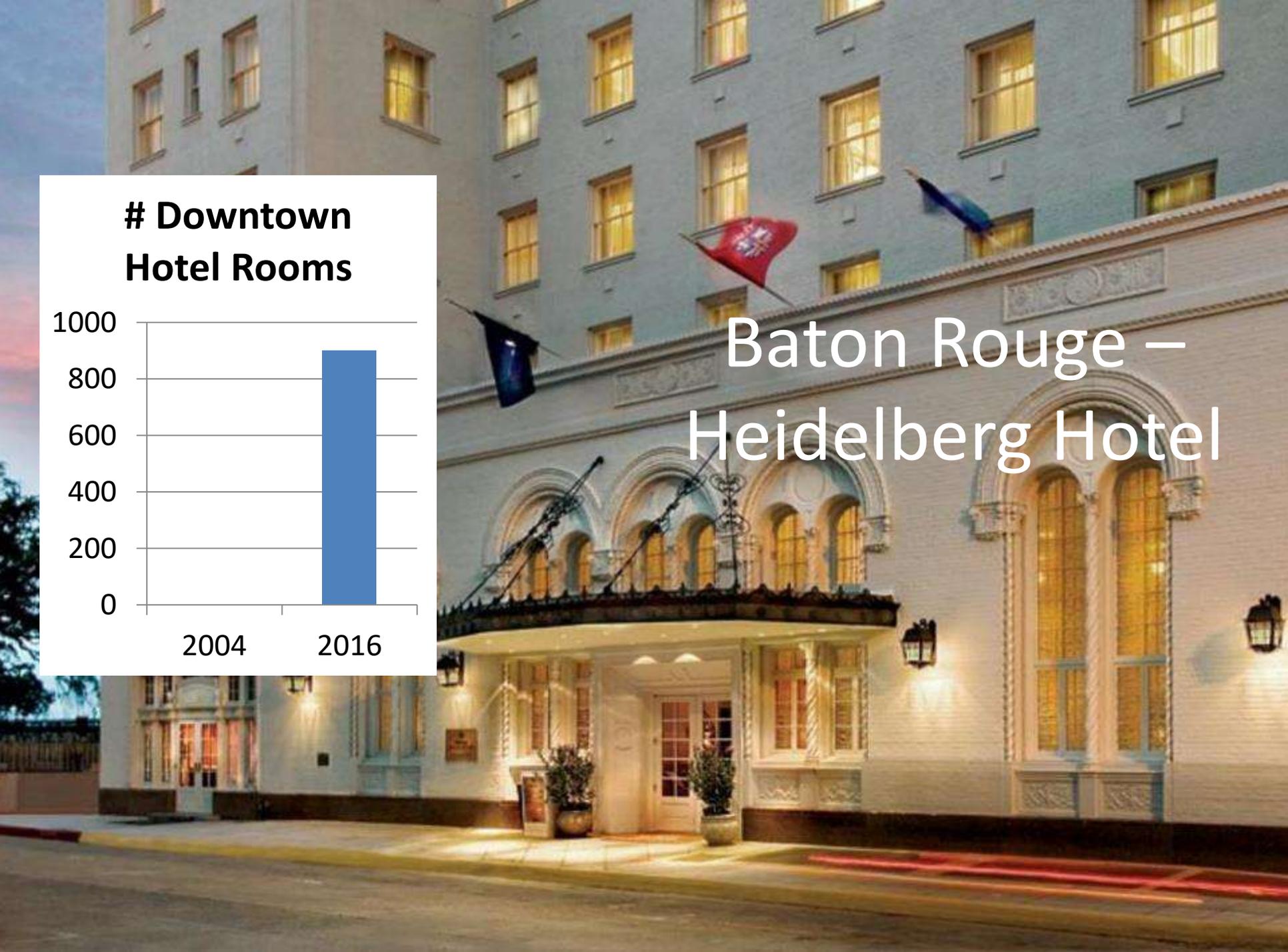
## Cumulative Investment Rouses Market Area



## # Downtown Hotel Rooms

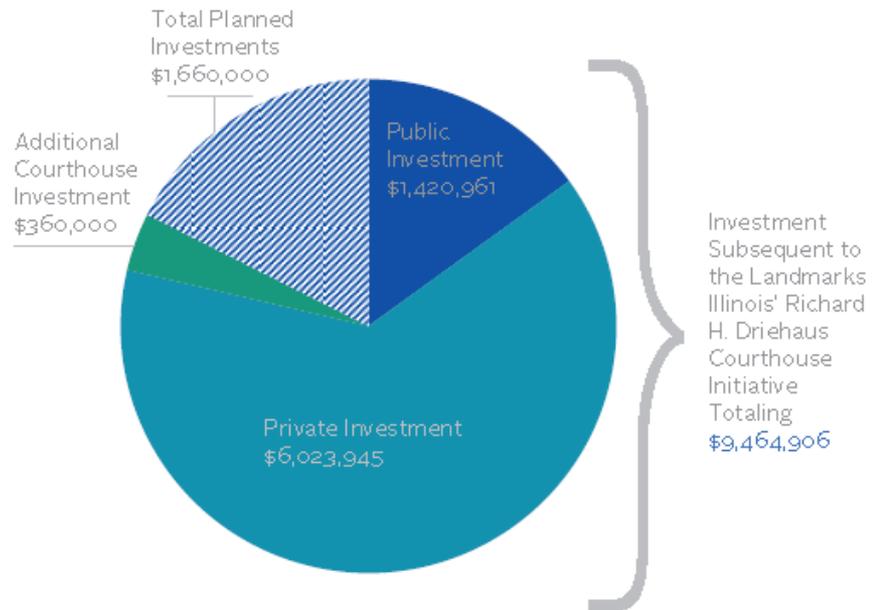
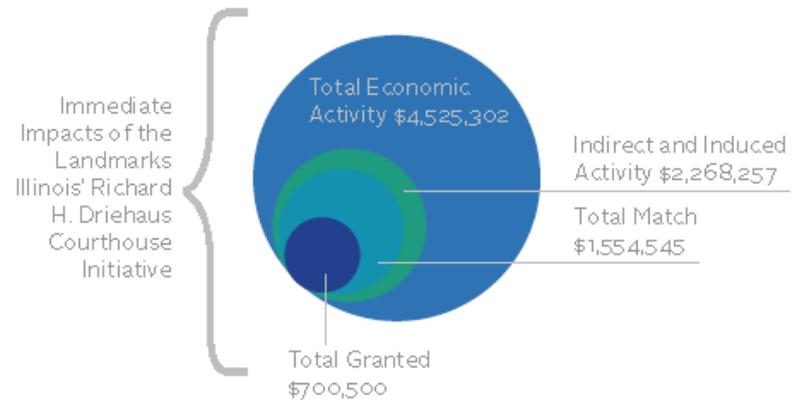


Baton Rouge –  
Heidelberg Hotel



# Landmarks Illinois – Dreihaus Courthouse Grants

## LANDMARKS ILLINOIS' RICHARD H. DRIEHAUS COURTHOUSE INITIATIVE IMPACTS





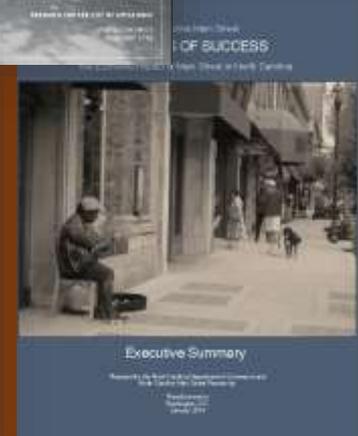
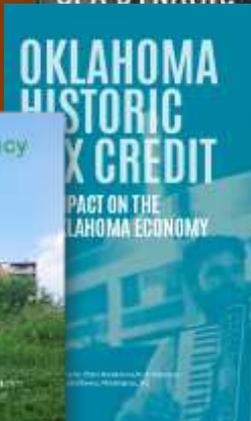
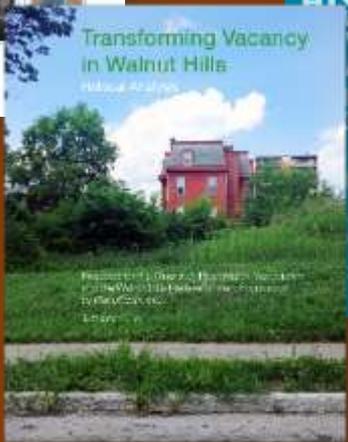
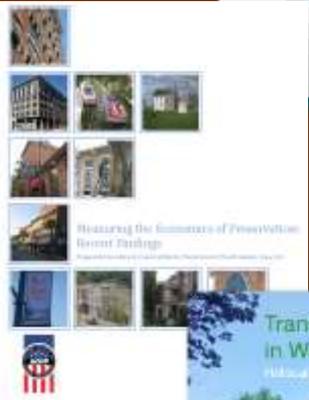
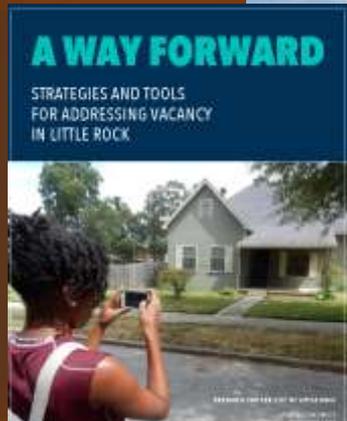
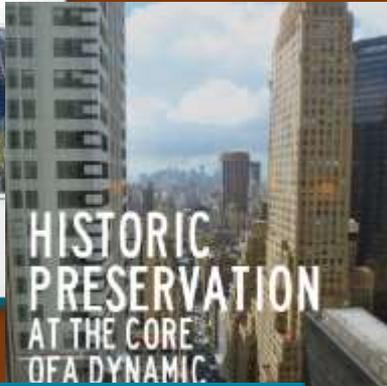
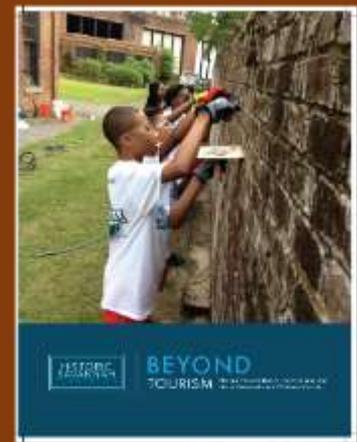
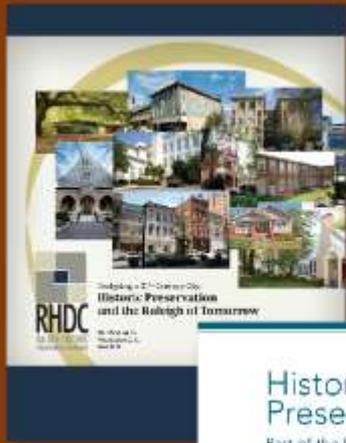
So What About  
Rhode Island?



# Research Areas (tentative)



# But Here's What We've Learned Elsewhere for Making Studies Useful

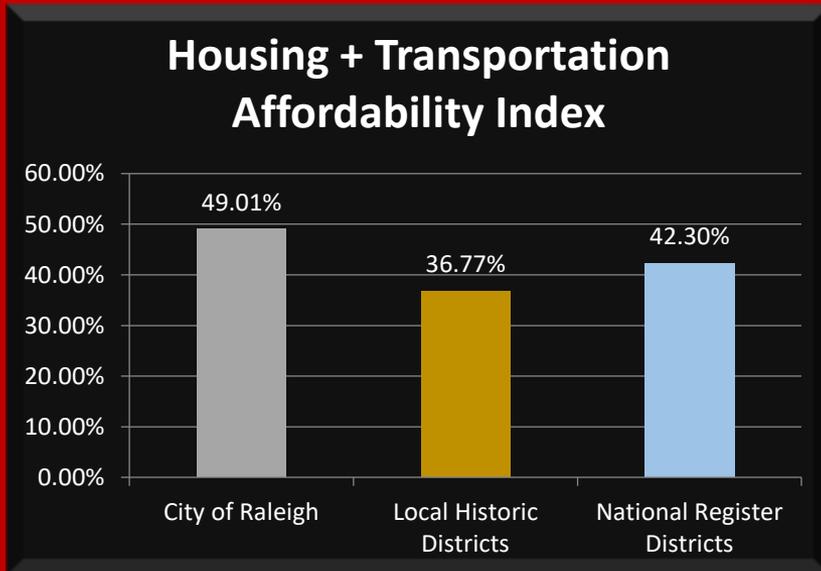


# Lessons Learned

Tell story in words, pictures and numbers

Relocal category	What it measures	North	Northwest	Central	Southwest
Real estate	Past disinvestment and prospective reinvestment	🔴	🟡	🟢	🟡
Stability	Population trends and related quality-of-life issues	🟡	🔴	🔴	🟢
Neighborhood character	Sense of place through the built environment	🔴	🟡	🟢	🔴
Walkability	Proximity to community assets and condition of bike-ped infrastructure	🟡	🟡	🟡	🔴
Fiscal	Economic costs and contributions of neighborhood elements to City	🔴	🟡	🟢	🟢
Economic opportunity	Wealth-generating opportunities for residents	🔴	🔴	🔴	🟢
Engagement	Resident participation in neighborhood	🔴	🟢	🔴	🟡
Environment	Past land uses, natural resources, and current quality-of-life factors	🔴	🟡	🟡	🟢

Neighborhood score: 🟢 Above average   🟡 Average   🔴 Below average





# Lessons Learned

Actively  
distribute  
information  
through  
multiple  
channels

# Lessons Learned

Use advisory panel



# Lessons Learned

Make  
publication  
attractive  
and reader  
friendly



# Lessons Learned

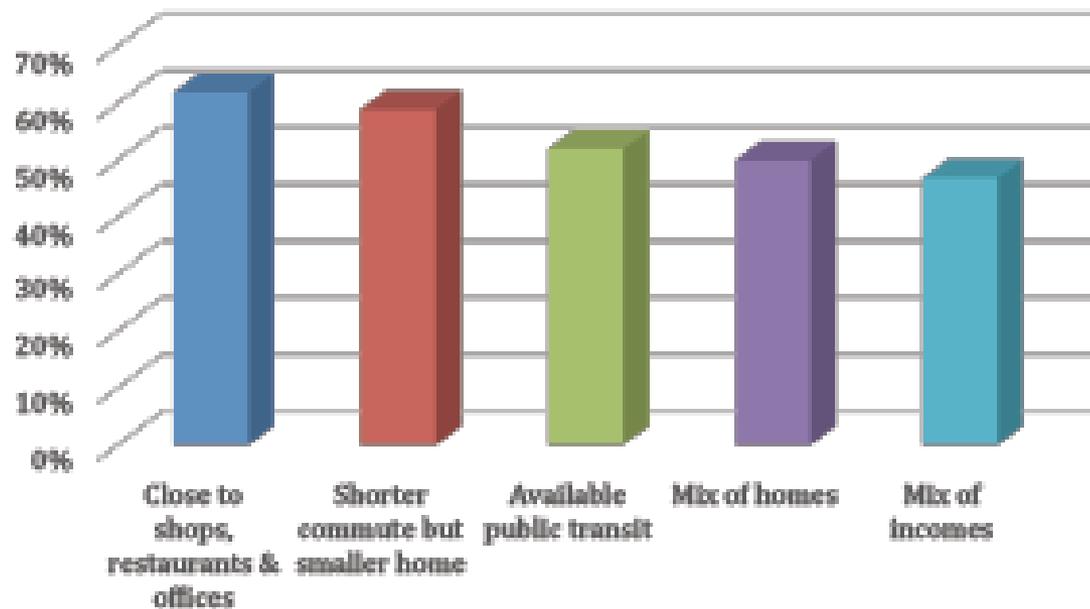
Convert  
numbers to  
understandable  
example

What could be done with that much money?

- The School District could pay the salaries of 86 teachers
- The City could provide a \$200/month rental subsidy every month for 1,283 families
- The County could pay a fourth of the total budget of the Sheriff's Office

# Lessons Learned

Preferences of Those Planning to Buy within 5 Years



Use other people's data

# Lessons Learned

Use qualitative vignettes as well as quantitative data



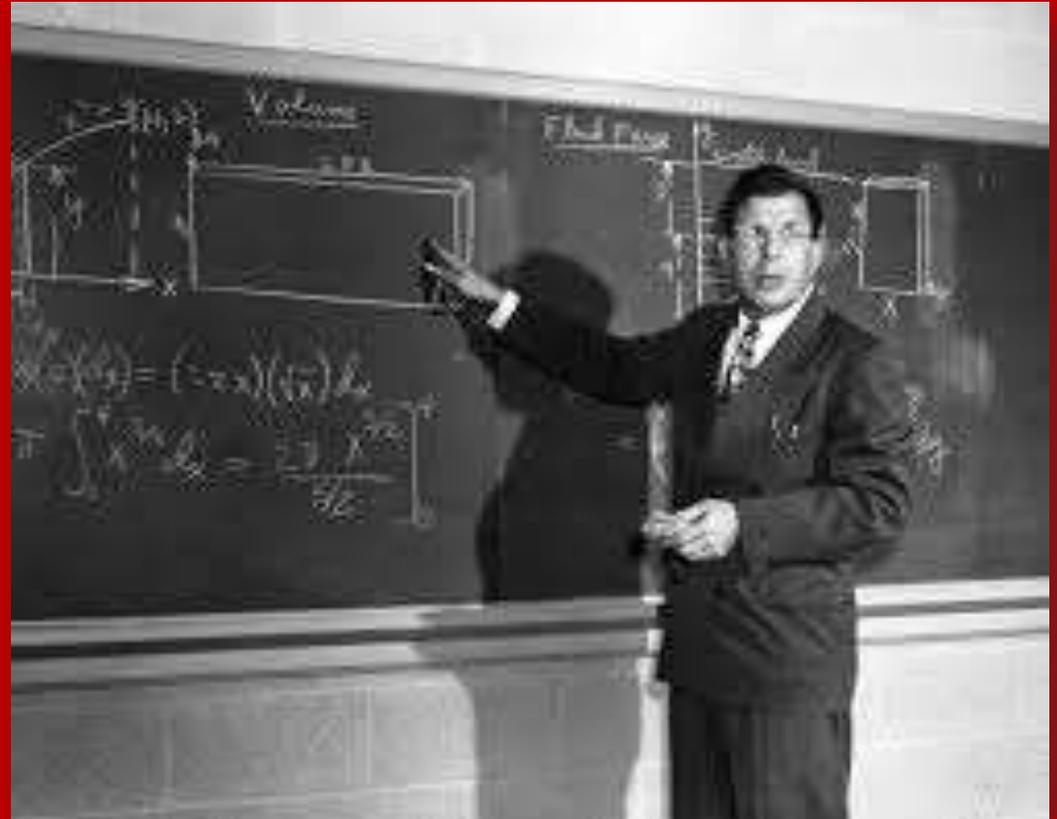


# Lessons Learned

Actively involve  
potential  
influencers  
during research  
process

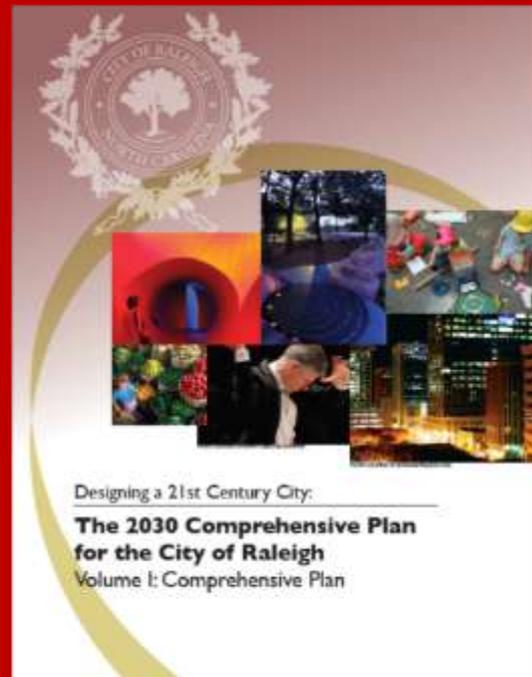
# Lessons Learned

Make sure  
research is  
robust and  
academically  
defensible



# Lessons Learned

Frame argument  
to advance  
someone else's  
priorities





Thank you  
very much