Positive Impacts of Historic Preservation: Indianapolis and Beyond

Columbus, Indiana
April 19, 2018
Donovan Rypkema
PlaceEconomics
Oh, man... it's even worse than I thought.
States with Economic Impact of Historic Preservation Studies
1995 - 2017
30 Years of Preservation/Economic Studies
The Big Four

Downtown Revitalization
Heritage Tourism
Property Values
Jobs and Income
Downtown Revitalization
Estimated Program Total Budget
1985 – 2014
$6,073,000

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

Florida
Florida 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.
Cumulative Net Business Growth Iowa
Year to Year Job Change
Main Street Districts vs North Carolina (00)
Cumulative Investment in New Mexico Main Street Buildings

- Rehabilitation
- New Construction
Location of New Business in Downtown Raleigh - 2013

- Historic Buildings: 46%
- Older Buildings: 22%
- New Construction: 32%
Of Raleigh’s top 20 restaurants on Yelp, nine—nearly half—are located in historic districts.
Historic preservation has been key to downtown’s growth.

Jeremy Waldrup, Downtown Pittsburgh Partnership
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.
16% of Arkansas Tourists are Heritage Tourists

Heritage Tourism generates $891 Million/year

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

- Supports 21,552 Jobs
- Adds $319 Million in income
- Generates $74 million in tax revenues
Share of Heritage Visitors in San Antonio

<table>
<thead>
<tr>
<th></th>
<th>Overnight Visitors</th>
<th>Day Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heritage Visitors</td>
<td>41.9%</td>
<td>47.3%</td>
</tr>
<tr>
<td>Non-Heritage Visitors</td>
<td>58.1%</td>
<td>52.7%</td>
</tr>
</tbody>
</table>

Legend:
- Heritage Visitors
- Non-Heritage Visitors
Per Person Per Trip
Overnight Visitors to San Antonio

<table>
<thead>
<tr>
<th>Category</th>
<th>Heritage Visitors</th>
<th>Other Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>$60</td>
<td>$40</td>
</tr>
<tr>
<td>Transportation within San Antonio</td>
<td>$20</td>
<td>$30</td>
</tr>
<tr>
<td>Food &amp; beverage</td>
<td>$50</td>
<td>$40</td>
</tr>
<tr>
<td>Retail</td>
<td>$30</td>
<td>$20</td>
</tr>
<tr>
<td>Recreation</td>
<td>$20</td>
<td>$10</td>
</tr>
</tbody>
</table>
HERITAGE VISITORS TO NYC ACCOUNT FOR

31.2% OF DAY VISITORS

39.7% OF OVERNIGHT VISITORS

Expenditures by Domestic Heritage Visitors (In $Million)

- Day Visitors
- Overnight Visitors
<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>$326,000,000</td>
</tr>
<tr>
<td>Transportation within Rhode Island</td>
<td>$166,000,000</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>$423,000,000</td>
</tr>
<tr>
<td>Retail</td>
<td>$265,000,000</td>
</tr>
<tr>
<td>Recreation, Entertainment, Admissions</td>
<td>$192,000,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,371,000,000</strong></td>
</tr>
</tbody>
</table>
+785,000 Visitors
Less than 7% of Heritage Tourism Dollars are spent at the Heritage Sites that attracted them.
Jobs and Income
### Impact per $1,000,000 of Output - Connecticut

<table>
<thead>
<tr>
<th></th>
<th>Historic Rehabilitation</th>
<th>New Construction</th>
<th>Steel Mfg</th>
<th>Computer Mfg</th>
<th>Medical Mfg</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct Jobs</strong></td>
<td>9.3</td>
<td>6.7</td>
<td>1.4</td>
<td>0.9</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Indirect Jobs</strong></td>
<td>5.1</td>
<td>5.2</td>
<td>3.1</td>
<td>2.2</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>TOTAL JOBS</strong></td>
<td>14.4</td>
<td>11.9</td>
<td>4.5</td>
<td>3.1</td>
<td>4.9</td>
</tr>
<tr>
<td><strong>Direct Salary &amp; Wages</strong></td>
<td>$542,929</td>
<td>$418,441</td>
<td>$119,924</td>
<td>$68,128</td>
<td>$296,006</td>
</tr>
<tr>
<td><strong>Indirect Salary &amp; Wages</strong></td>
<td>$288,917</td>
<td>$308,128</td>
<td>$203,109</td>
<td>$171,257</td>
<td>$237,497</td>
</tr>
<tr>
<td><strong>TOTAL SALARY &amp; WAGES</strong></td>
<td>$831,896</td>
<td>$726,659</td>
<td>$323,033</td>
<td>$239,385</td>
<td>$533,503</td>
</tr>
</tbody>
</table>
Rhode Island Labor Income from Historic Tax Credit Projects

Average $50 Million Direct & $34 Million Indirect/Induced Per Year

- Direct Income
- Indirect/Induced Income
$865,000,000/year investment in Historic Districts
2000 – 2007

- In local historic district = + $59,000 to $67,000
- Historic district properties + 21% in appreciation
Demand for Homes in Historic Districts

- Value of Home Sales: 34.0%
- Home Sales: 19.0%
- Parcels: 5.0%
Value Change 1999 - 2014
Savannah Local Historic Districts

<table>
<thead>
<tr>
<th>District</th>
<th>1999</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rest of Savannah</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>Cuyler-Brownsville</td>
<td>200</td>
<td>250</td>
</tr>
<tr>
<td>Mid-City</td>
<td>150</td>
<td>200</td>
</tr>
<tr>
<td>Savannah HD</td>
<td>250</td>
<td>300</td>
</tr>
<tr>
<td>Victorian</td>
<td>300</td>
<td>350</td>
</tr>
</tbody>
</table>
Change in Value 2003 - 2015
Local Historic Districts vs City
2003 = 100

Not in a District | Irvington | Meridian Street District | Woodruff Place | Lockerbie Square | Chatham-Arch & Old Northside | St. Joseph | Herron-Morton Place | Fletcher Place
---|---|---|---|---|---|---|---|---
100 | 110 | 120 | 110 | 120 | 130 | 120 | 130 | 150

- 2003
- 2015
The New Ten

- Foreclosure
- Stability on the Downside
- Density
- Walkability
- Catalytic Impact of HP Projects
- Knowledge/Creative Industries
- Business Births/Deaths
- Demographic /Economic Mirror
- The Environment
- The First Place of Return
Single Family Foreclosure Rates
2008-2012

Foreclosure Rate for City
Foreclosure Rate for Historic Districts
Foreclosures per 1000 Single Family Houses
2008 - 2013

- Local Historic Districts
- National Register Districts
- City of Raleigh
Foreclosure Rate Single Family Houses
2008 - 2014

- Mission: 4.2%
- Lavaca: 5.2%
- Monte Vista: 6.9%
- All Historic Districts: 8.7%
- King William: 9.6%
- Dignowity Hill: 11.3%
- Olmos Park Terrace: 11.9%
- Tobin Hill: 12.6%
- Monticello Park: 14.6%
- San Antonio: 14.6%
Foreclosure Rate – Single Family Houses
Indianapolis (2008-2012)
Stability on the Downside
Real Estate Values in Up Years

Historic Districts

Rest of Savannah
Real Estate Values in Down Years

Historic Districts

Rest of Savannah
Population Density
Population/Sq Mi

City of Raleigh: 2,528
Local Historic District: 0
All Historic Districts: 0
Population Density
Population/Sq Mi

<table>
<thead>
<tr>
<th>Category</th>
<th>Population/Sq Mi</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Raleigh</td>
<td>2,528</td>
</tr>
<tr>
<td>Local Historic District</td>
<td>5,458</td>
</tr>
<tr>
<td>All Historic Districts</td>
<td>4,648</td>
</tr>
<tr>
<td>The Tale of Two Neighborhoods</td>
<td>Oakwood</td>
</tr>
<tr>
<td>----------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Population</td>
<td>1664</td>
</tr>
<tr>
<td>Size (acres)</td>
<td>114.5</td>
</tr>
<tr>
<td>Housing Units</td>
<td>794</td>
</tr>
<tr>
<td>Average Year of Construction</td>
<td>1925</td>
</tr>
<tr>
<td>Average Size of House (square feet)</td>
<td></td>
</tr>
<tr>
<td>Average Value</td>
<td></td>
</tr>
<tr>
<td>Taxes per Unit</td>
<td></td>
</tr>
<tr>
<td>Population per acre</td>
<td></td>
</tr>
<tr>
<td>Square feet of Road per Unit</td>
<td></td>
</tr>
<tr>
<td>Taxes per acre</td>
<td></td>
</tr>
<tr>
<td>Water/Sewer Line Replacement Cost per Unit</td>
<td></td>
</tr>
<tr>
<td>Annual Property Taxes</td>
<td></td>
</tr>
</tbody>
</table>
...HISTORIC DISTRICTS HAVE THE GREATEST DENSITY IN EVERY BOROUGH

IN MANHATTAN
PEOPLE PER SQUARE MILE

80,739
NON-HISTORIC RESIDENTIAL AREAS

104,750
SKYSCRAPERS

144,835
HISTORIC DISTRICTS
Population Per Square Mile

- Historic Districts: 4,409
- Rest of the Compact Area: 3,251
Total Value Per Square Mile

$1,000,000,000
$900,000,000
$800,000,000
$700,000,000
$600,000,000
$500,000,000
$400,000,000
$300,000,000
$200,000,000
$100,000,000
$

Historic Districts
Urban Compact Area
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**.
# Walkability

<table>
<thead>
<tr>
<th></th>
<th>Average Walk Score</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raleigh</td>
<td>29</td>
<td>Car-dependent</td>
</tr>
<tr>
<td>Local historic districts</td>
<td>82</td>
<td>Very walkable</td>
</tr>
<tr>
<td>National Register historic districts</td>
<td>64</td>
<td>Somewhat walkable</td>
</tr>
<tr>
<td>All historic districts</td>
<td>73</td>
<td>Very walkable</td>
</tr>
</tbody>
</table>
Catalytic Impact of Historic Preservation Projects
One small project in 2006 is now 12 projects in 2016. This approach is not singular, it gets repeated all around the state.

Dyke Nelson, Architect/Developer
New Orleans – Rouses Market

Cumulative Investment
Rouses Market Area

$140,000,000
$120,000,000
$100,000,000
$80,000,000
$60,000,000
$40,000,000
$20,000,000
$0

Indiana Landmarks Easement Program
Percent Change in Total Assessed Value
2000-2015

City as a Whole

Rest of the City

Nearby Indiana Landmarks Investment Properties
<table>
<thead>
<tr>
<th>Category</th>
<th>Up to $400</th>
<th>$400 - $800</th>
<th>$800 - $1200</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food at Home</td>
<td>$1,607</td>
<td>$2,307</td>
<td>$3,758</td>
</tr>
<tr>
<td>Food away from Home</td>
<td>$562</td>
<td>$899</td>
<td>$1,560</td>
</tr>
<tr>
<td>Furniture, Appliances, Household Equip</td>
<td>$331</td>
<td>$435</td>
<td>$787</td>
</tr>
<tr>
<td>Apparel &amp; Footwear</td>
<td>$306</td>
<td>$429</td>
<td>$739</td>
</tr>
<tr>
<td>Fees &amp; Admissions</td>
<td>$67</td>
<td>$101</td>
<td>$216</td>
</tr>
<tr>
<td>Personal Care Products &amp; Services</td>
<td>$225</td>
<td>$311</td>
<td>$518</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$7,867</td>
<td>$11,480</td>
<td>$18,773</td>
</tr>
</tbody>
</table>
Knowledge/Creative Industries
% of Workforce in Arts/Entertainment/Recreation

- North Carolina
- Raleigh
- National Register Historic Districts
- Raleigh Local Historic Districts

0.0% 1.0% 2.0% 3.0% 4.0% 5.0%
Share of Knowledge Worker Jobs in Savannah Historic Districts

- Finance and Insurance
- Professional, Scientific, and Technical Services
- Arts, Entertainment, and Recreation
- Educational Services
- Public Administration

Share of all Jobs
Jobs in Knowledge and Creative Industries
New York City

- Share of All Jobs: 8.0%
- Professional, Scientific, and Technical Services: 10.4%
- Information: 13.8%
- Educational Services: 14.0%
- Arts, Entertainment, and Recreation: 20.3%
Business Births/Deaths

GOING OUT OF BUSINESS SALE
SAVE FROM 30% TO 70%
Ratio of Business Openings to Business Closings

US
Ratio of Business Openings to Business Closings
Historic Districts as Job Attractors New York City

- Young Firm Jobs: 10.9%
- Start-up Firm Jobs: 10.1%
- Small Firm Jobs: 9.9%
- Private Sector Jobs: 8.0%
- Lots: 3.4%
Demographic / Economic Mirror
Racial Distribution
San Antonio and Historic Districts

- San Antonio: 68.5%
  - White: 68.5%
  - African-American: 6.9%
  - Asian: 23.0%
  - Other: 0%

- Historic Districts: 75.0%
  - White: 75.0%
  - African-American: 6.8%
  - Asian: 16.0%
  - Other: 0%
Hispanic Population
San Antonio and Historic Districts

<table>
<thead>
<tr>
<th></th>
<th>Hispanic</th>
<th>Non-Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Antonio</td>
<td>63.0%</td>
<td>37.0%</td>
</tr>
<tr>
<td>Historic Districts</td>
<td>60.3%</td>
<td>39.7%</td>
</tr>
</tbody>
</table>
Income Distribution by District

Chatham-Arrow & Mass Ave
Fletcher Place
Fountain Square
Herron-Morton Place
Irvington
Lockefield Gardens
Lockerbie Square
Meridian Street
Monument Circle
Old Northside
St. Joseph
Wholesale
Woodruff Place
Rest of Urban Compact Zone
The Environment
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.
Preservation projects save 50 to 80 percent in infrastructure costs compared to new suburban development.
A multifamily structure built since 1980 uses 13% more energy per square foot than one built before 1920.
<table>
<thead>
<tr>
<th>Benefit – 40,000 s.f. warehouse reused rather than razed</th>
<th>Quantification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Vehicle Miles Traveled (20%-40% reduction)</td>
<td>158,000 to 211,200 VMT</td>
</tr>
<tr>
<td>Lower travel-related CO₂</td>
<td>74 – 98 metric tons CO₂</td>
</tr>
<tr>
<td>This is equivalent taking vehicles off the road</td>
<td>24 to 28 vehicles</td>
</tr>
<tr>
<td>Retained Embodied Energy</td>
<td>44,000 MBTUs</td>
</tr>
<tr>
<td>Greenfield Land Preserved</td>
<td>4.2 acres</td>
</tr>
<tr>
<td>Lowered run-off per dwelling unit</td>
<td>70%</td>
</tr>
<tr>
<td>Less demolition debris in landfills</td>
<td>2,000 tons</td>
</tr>
<tr>
<td>Value of natural resources conserved</td>
<td>$80,000</td>
</tr>
<tr>
<td>Infrastructure investment saved</td>
<td>$400,000 - $640,000</td>
</tr>
</tbody>
</table>
The First Place of Return
Change in Philadelphia Population
2000 - 2010

National Register Districts
Rest of City
Back to Where in the City?
Washington, DC 2000 - 2010

Share of Population
Share of Growth

Historic Districts
45.0%
62.6%

Non Historic District
55.0%
37.4%
Boston Population

Year: 1950, Population: 801,444
Year: 1960, Population: 697,197
Year: 1970, Population: 641,071
Year: 1980, Population: 562,994
Year: 1990, Population: 574,283
Year: 2000, Population: 589,141
Year: 2010, Population: 617,594
Back to *Where* in the City?
Boston 1990 - 2000

Historic Districts Share of Population: 22.7%

Historic Districts Share of Growth: 36.0%
Population Growth 2010-2015

Indianapolis
Compact Area
Historic Districts
30 Years of Impact of Preservation Lessons

More of the measurable values of Historic Preservation are demonstrated every year.
Thank you very much