



How Places Important to Our Past Can Contribute to Our Future - the Economics of Preservation

J. Ryan Duddleson

The special places in any community help define its character and reflect its past. The places created by human interaction with the natural environment provide a physical record of our history and a connection to those who came before us, shaping our community. Sometimes these places are obvious - a historic monument, a downtown square, or a battlefield. At other times the value of these places can be obscured by development, threatened by neglect, or simply concealed by lack of awareness. But even popular places can be at risk simply because of the lack of a long-term legal mechanism in place to preserve the resource.

These places are part of our modern community and through the identification, public officials and citizens will gain an understanding of the places central to the identity of their communities. By proactively identifying these places, communities can effectively incorporate the places that reflect their past into the plans for their future development. Considering culturally important places in planning provides not only aesthetic, educational, or social value, but can also provide direct, specific economic value to a community.

A proactive approach to managing important cultural places would allow proponents of redevelopment projects to make more informed decisions about development prior to finalizing plans and enable them to identify opportunities when places with cultural or historical value can enhance their project, rather than acting as a roadblock.

Despite the challenging economics of the last decade and a half, dozens of studies in communities across the United States show, time and again, that incorporating important historic and cultural places in planning is good for the economy. A recent report for the Advisory Council on Historic Preservation (ACHP) found economic benefits in six areas¹:

- Jobs - Federal, State and Local historic tax credit programs create jobs in construction, services, retail and manufacturing, with comparably less investment;
- Property Values - Property values in historic districts tend to be worth more and experience half the foreclosure rate of similar properties outside historic districts;

- Heritage Tourism - The majority of domestic and international travelers report visiting an historic site during their trip and spend most of their funds in the surrounding community;
- Environmental Impact - Projects incorporating important cultural places can save 50-80% in infrastructure costs compared to new suburban development. The energy efficiency gained by new construction is offset by the 30-50 years necessary to recoup the energy lost demolishing an existing building. Minimizing construction debris also reduces costs as this accounts for 25% of annual municipal waste.
- Social Impact - Historic neighborhoods tend to maintain more stable populations than the surrounding city as a whole.
- Downtown Revitalization - Historic neighborhoods tend to have more favorable ratios of business openings to business closings, and create more jobs with comparably less private and public funds.

By identifying these places, public officials and citizens gain a deeper understanding of the broad range of the cultural and natural resources central to the identity of our communities. These places convey aspects of our shared history, reflect environmental conservation, affect the real estate market, and attract tourism and recreation. Think about all the special places that make our communities unique - the places where we live and work, the places where we spend time with friends and family. Unfortunately, most of these places lack any formal mechanism to protect the quality of the resource. But by proactively identifying these resources community members and leaders can learn the value and vulnerability of the character-defining places that can have such a profound effect on the local economy.

¹ Measuring the Economics of Preservation: Recent Findings (2011)
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