



The Economic Impact
of
Historic Resource Preservation

by Mimi Morris

Executive Officer
California Cultural and Historical Endowment

November 2012



TABLE OF CONTENTS

Introduction	1
Executive Summary	3
Historic Preservation.....	5
Historic Designation.....	9
The Three Most Common Impacts of Historical Preservation.....	11
Increased Property Values	13
Creation of Jobs	17
Increased Heritage Tourism	19
Conclusion.....	21
Endnotes.....	23

Introduction

In the past few decades, there has been increasing recognition and study of the value brought to an economy by historic preservation efforts which preserve beautiful things and give them new life when adapted for re-use in our communities. The restored buildings, and the inputs required to restore them, have the power to revitalize those communities in the process.

This paper is an analysis of several of the studies that have been done throughout the country on the economic impact of preservation efforts. The results are overwhelmingly consistent regarding the beneficial impacts to a community's economy from rehabilitation activities. We hope that this report will lead to increased support for historic preservation throughout California's communities.

Mimi Morris

Executive Officer
California Cultural and Historical Endowment

November 2012

Executive Summary

The California Cultural and Historical Endowment (CCHE) was tasked in its enabling legislation, AB 716 (Firebaugh), with evaluating the economic impacts of historic preservation.

CCHE approached this task by evaluating several of the studies done in recent years on the positive economic impacts of preservation. During the last 15 years, 22 states conducted studies to assess the economic benefits of historic preservation¹.

These studies cite multiple economic benefits, but in this report we focus on the three benefits which we found to be the most common and the most significant: job creation, property value stabilization and growth, and cultural tourism. All three of these areas demonstrate a strong return on the investment in restoring historic properties, while also furthering other policy objectives like environmental sustainability and smart growth.

We found that the economic impacts of historic preservation are extensive and transformative to all communities and therefore recommend that the State pursue policies that fully support historic preservation in order to maximize the economic benefit to California's communities.

###

Historic Preservation

Historic preservation in the United States hasn't always been warmly embraced. There have been periods of divisiveness and conflict between preservationists and developers. Preservationists have often been criticized as being opposed to change. But, over time, historic preservation has evolved and changed, like any movement or practice. It is also important to understand that historic preservation has in the past been seen as an avocation of the elite. Preservationists were "once viewed as elitists who wanted to save only a narrow slice of American history. Today preservation is integrated into the very fabric of community development."² Preservation is increasingly being practiced by the average person and is also including more diverse sites with greater social and cultural importance.

Historic preservation is also more likely to be seen today as a green solution, a way to make significant environmentally and economically responsible decisions and produce truly sustainable development.³ This represents great progress in considering the broader implications of historic preservation for all involved.

The Los Angeles Conservancy (The Conservancy), the nation's largest preservation membership association, has helped increase understanding and awareness of historic preservation. The Conservancy published a document intended to clarify some of the commonly held misbeliefs about historic preservation. That document, *Top Ten Myths About Historic Preservation*, includes these helpful thoughts: "Historic preservationists do care deeply about the past – generally not just to wallow sentimentally in a bygone era, but as a way of anchoring ourselves as we move forward into the future. Historic preservation is not about stopping change and is certainly not about squeezing out creative and exciting new architecture and development. Preservation allows us to retain the best of our shared heritage to preserve sites of unique quality and beauty, revitalize neighborhoods, spur economic revitalization, and, quite simply, create better communities."⁴

On the other side of the nation, in a most compelling statement, the Preservation League of New York State writes that it is:

*committed to a New York where all citizens recognize the intrinsic value of historic sites and cherish them as a vital part of everyday life. We envision New Yorkers who promote careful use of our diverse historic resources and understand the economic and social benefits of historic preservation. The League aspires to create a universal preservation ethic that prevents losing our past through neglect, ignorance, or momentary expediency.*⁵

The Preservation League also goes into a lengthy and beautiful recitation of different manifestations of historic preservation in New York that make it clear that historic preservation greatly enriches life in New York. They very rightly claim that:

Historic preservation is attending a City Council meeting in Buffalo's Art Deco style City Hall; applauding a performance at Carnegie Hall in Manhattan; living in a converted office building on Wall Street, or a restored brownstone in Albany. Historic preservation is borrowing a book from the 1911 East Hampton Free Library, cashing a check at the National Bank in Aurora, or watching a movie at the Joyland Theater in Springville. Historic preservation is thrilling to the rides at Rye's Playland Amusement Park or dining in a former train station in Ithaca or pursuing a degree at

Columbia, Colgate, Cornell, or any one of three dozen New York college and university campuses that are listed on the National Register of Historic Places...⁶

The National Trust for Historic Preservation (National Trust), the entity created in 1949 to help preserve and administer sites, buildings, and objects significant in American history and culture and the organization which helped develop the National Historic Preservation Act, provides a more traditional definition of historic preservation, calling it the “process of identifying, protecting, and enhancing buildings, places, and objects of historical and cultural significance. This process embraces many phases including the survey and evaluation of historical, architectural, and cultural resources in an area; the development of planning and legal measures to protect these resources; the identification of public and private funding sources applicable to preservation projects; the design for the restoration, rehabilitation, and/or adaptive use of historic structures; and the ongoing maintenance of these resources.”⁷

For the purposes of understanding the economic impact of historic preservation in this report, it is perhaps best to focus on the physical changes resulting from historic preservation – the retention, renovation and rehabilitation of neglected buildings, adaptive use of historic structures and the transformation of blighted buildings into active elements of the cityscape once again. The beautiful, charming, and even poetic reuses of old buildings, though, are part of what makes the economic transformation viable. All of us as human beings respond to beauty and these older buildings, in addition to being more solidly built than today’s structures, are usually graced with architectural design elements and materials that are innately beautiful, just obscured by decay or rot or graffiti. The unearthing of the beauty and the economic potential in old neighborhoods and urban cores is part of the challenge of historic preservation, but a challenge with major economic, social, and community benefits to a region.

To summarize, the economic impact of historic and cultural preservation has been the subject of multiple studies, articles and reports in the past few decades. The findings of all these writings bear, perhaps not surprisingly, very similar results: historic preservation leads to significant economic impacts. All the reports reviewed indicate that historic preservation encompasses many purposes and objectives, but ultimately, preservation activity results in the betterment of the community on almost every possible factor. This report is an analysis and summary of only a small portion of the abundance of information that already exists about the economic impact of historic preservation about other states in the U.S. (Alabama, Arkansas, Colorado, New York, Pennsylvania, Tennessee, and Texas).

The resources of the CCHE were not sufficient to underwrite a new study on the topic of the economic impact of historic preservation, but the accumulated body of evidence makes it very clear that preservation activities should be encouraged in California because of the very strong economic impacts that result. The CCHE has funded over 150 capital improvement projects, many of which were in blighted urban centers where the project helped contribute to the revitalization of the area.

These include, in the Los Angeles area: the Paul R. Williams Center which rose out of the old Angelus Funeral Home designed by the nation’s first African-American architect, the Plaza de la Raza Cultural Center, the San Dimas Walker House, the Los Angeles Theater Center, the Angels Flight Railway, the Vision Theater, La Plaza de Cultura y Artes, the Chinese American Museum, and the Breed Street Shul.

In San Francisco, the renovation of the Palace of Fine Arts stabilized the surrounding neighborhood and restored an iconic landmark. Across the city, in the Mission district of San Francisco, CCHE funding helped the burgeoning Yerba

Economic Impact of Historic Preservation

Buena district grow and flourish with the initial seed money to develop a home for SPUR, and invest in the renovation of the Old U.S. Mint. The Geneva Office Building and Power House was also saved from the wrecking ball and given new life as an art center.

On the other side of the Bay, in Oakland, CCHE projects helped spur the revitalization of the neighborhoods surrounding the Oakland Fox Theater, the Oakland Museum, and the EastSide Cultural Center. The City of Richmond got an infusion of support through three projects: the beloved indoor swimming pool, the Richmond Plunge, the Winters building – home of the East Bay Center for the Performing Arts, and the Maritime History Center.

Though we don't have a comprehensive economic report on the impact of these CCHE-funded historic preservation projects, these grantees can all attest to the property value stabilizations and even increases resulting from the renovations. For many of them, job creation and heritage tourism also increased, making it very clear that preservation activities should be encouraged in California because of the very strong economic impacts that result.

Historic Designation

Before delving into the primary economic impacts, an understanding of the historic designation process is in order. Historic preservation can begin at any time, but the efforts are most likely to succeed when the area or building being preserved is protected by a historic designation. Historic designations can occur at the local, state or national levels. Typically historical significance is first designated at the local level, then proceeds up to the state level and/or national level, depending on the resource.

However, according to *The 2011 California Planner's Book of Lists*, only 126 out of 482 incorporated California cities have historic preservation elements as part of their General Plans so not all local entities in California would be able to designate sites as historic. There is no uniformity at the local level regarding historic preservation efforts because, according to California state law, historic preservation is an optional rather than mandatory element of a city or county's General Plan. This is true despite research from as long ago as 2001 which states that local designation results in a positive effect on house values in all cities.⁸

At the state level, the California Register is the state record which offers public recognition and protection of resources of architectural, historical, archaeological, and cultural significance in California. The Office of Historic Preservation (OHP) under the direction of the State Historic Preservation Officer (SHPO), a gubernatorial appointee, and the State Historical Resources Commission, a body of nine commissioners appointed by the governor, oversees the California Register. OHP is also responsible for administering federally and state mandated historic preservation programs to further the identification, evaluation, registration and protection of California's irreplaceable archaeological and historical resources. OHP actually manages three different registration programs: California Historical Landmarks, California Points of Historical Interest, and the National Register of Historic Places, which is administered by the National Park Service with nomination assistance from each of the 50 states.

Historic designation is an important component of the economic impact of historic preservation because the designation itself can increase property values by "setting it apart from ordinary properties."⁹ In Robin Leichenko's 2001 article, *Historic Preservation and Residential Property Values: An Analysis of Texas Cities*, the authors conclude that "local historic designation has a positive effect on house values in all cities, ranging from a 5%-20% price premium over non-designated residences. National and state designation conferred a greater price premium than did local listing, all other variables held constant."¹⁰

Historic designation also leads to greater receptivity from traditional lenders and investors for long term loans,¹¹ thereby paving the way for further economic activity. Accordingly, historic designation is a critical first step in historic preservation efforts.

The Three Most Common Economic Impacts of Historic Preservation

The dozens of reports written on the topic of the economic impact of historic preservation all identify these three main economic impacts resulting from historic preservation:

1. Increased Property Values;
2. Job Creation; and
3. Increased Heritage Tourism

Related social impacts that have a lesser but still important economic impact include decreased criminal activity, increased housing supply, better quality of life and increased pride in cultural assets and communities.

There is general consensus in the reports reviewed that preservation activities have been primarily positive, but there is also awareness that some of the benefits, most notably increased property values, can have the unintended impact of displacing low-income individuals and families out of their traditional neighborhoods.

Increased Property Values

There are a wide range of historic buildings that are preserved each year. Examples include commercial buildings that are restored for commercial usage and commercial buildings that are restored and adapted for residential use as both high-end and moderate-end housing units. Conversely, residential buildings can be restored for residential usage and they can also be restored and adapted for commercial usage.

Accordingly, there is no uniform increase that can be described or documented in property valuations. Additionally, regional variations in property values make across the nation studies impossible. However, city or regional studies, where historic districts are compared to non-historic districts have provided generally conclusive data regarding the history of property value increases over time in historic districts that exceed the rate of growth in non-historic districts.

In all the studies on property valuation there is a uniform pattern of some percentage of increase to property values resulting from rehabilitation efforts to historic properties or properties located in historic designation districts. For some of these, the increase over time is extremely significant. For example, in the 1979 report by the Advisory Council on Historic Preservation, *The Contribution of Historic Preservation to Urban Revitalization*, in a case study on preservation in Savannah, Georgia, 14 of 18 blocks surveyed experienced an increase in value at a greater rate than the rest of the county with percentage changes well in excess of 200% over a 12 year period. Similarly impressive rates of growth in property values are shown for the historic properties featured in the report in Seattle, WA; Alexandria, VA; and Galveston, TX.¹²

Another report, *Banking on Tennessee's History: The Economic Value of Historic Preservation to the People of Tennessee*, states that property values in designated historic areas appreciated at a greater rate than in an undesignated area. The Tennessee report also references a 2001 Rutgers University report regarding Memphis which states that "historic designation means a higher average value, a higher value in comparison to similar homes, and a greater return on investment.... Between 1998 and 2002, property values climbed 27.2% in historic districts but only 18.6% in the non-designated neighborhoods."

The report describes more impressive valuation differences in one of Chattanooga's historic districts where a "rate of appreciation... revealed a 19% increase outside the historic district compared to a 49% increase inside the historic district."¹³

In *Economic Benefits of Historic Preservation Activities in Pennsylvania*, December 2011, the authors found immediate and sizeable (15-63%) increases in house prices in historic districts in the year immediately following historic designation and annual appreciation rates of 3 to 4 percentage points higher than the average increases in surrounding non-historically designated neighborhoods.¹⁴

Colorado, in its recently updated report, *The Economic Power of Heritage in Place: How Historic Preservation is Building a Sustainable Future in Colorado*, 2011, examined the impact that local historic district designation programs have on property values. They were particularly focused on those programs that included design review requirements which they state typically lead to "property value appreciation rates that are consistent with, and often greater than, rates in similar, non-designated areas. By encouraging sensitive development that maintains the integrity of the historic district, design review programs effectively preserve the distinguishing characteristics of historic areas and lead to increases in property values within such areas. In turn, higher property values generate increased property taxes for local governments and encourage private reinvestment."¹⁵

A similar report also from Colorado reinforces the theme of economic prosperity through cultural heritage and incentive programs. Colorado's authors state that, "in addition to creating jobs and increasing household earnings, historic rehabilitation pays off in many other ways, for example, by providing space for new and existing businesses. Additionally, historic rehabilitation reuses and improves existing public infrastructure, and tax-paying rehabilitated properties pay dividends back to the community year after year. And, as demonstrated by the impacts of the tax credit programs and the State Historical Fund, even relatively modest public incentives can be extremely effective at leveraging private-sector dollars for historic preservation. Reinvestment in historic business areas generally reduces vacancy, enhances the local economy, attracts new and expanding businesses, and can help to revitalize depressed areas. These same types of benefits occur in historic residential areas, as homes are updated and property values are enhanced."¹⁶

Another study conducted by a professor of economics from Auburn University in Montgomery, Alabama, looking at the impact of historic designation on property values in five historic districts in Alabama concluded that, "in all cases, ... historic designation has a positive and substantial impact on the value of properties located in a historic neighborhood."¹⁷

Alabama might be as unlike California as any state, in both size and composition, so it is perhaps not the best comparison to California for economic activity. But Texas has often been compared to California in size and Texas is often the state cited as the potential destination for businesses fleeing California's "unfriendly" business environment. Their report, *Historic Preservation at Work for the Texas Economy*, might offer some insights on how California can use historic preservation as a key component of economic growth, just like Texas has.

That report states that, "in general, a property in a Texas city that is designated historic may expect a five to 20 percent increase in property value."¹⁸ The report continues with this anecdotal quote:

Historic designations reversed the trend of neglecting and abandoning older houses to attracting urban pioneers who restored the homes and stabilized the neighborhoods. As these historic districts restored confidence in the area, adjacent neighborhoods began to improve and started a ripple effect in the next layer. What were slums 20 years ago are now prestige neighborhoods.¹⁹

One of New York's success stories began in 1974 when the city of Corning set a national standard for historic downtowns, forming the Market Street Restoration Agency, and halting the deterioration of 150 buildings. The agency inspired reinvestment in the properties and ultimately showed that "a long-term commitment to historic preservation yields permanent results."²⁰

The report from the Preservation League of New York cites similar successes in the cities of Saratoga Springs, Syracuse, Homer, Wyoming, Troy, Utica, and credits the use of historic designations for these revitalized communities.

More than 170 municipalities, ranging in size from the Village of Owego to New York City, have ordinances establishing local landmarks and historic districts. Approximately 80,000 individual properties in New York are on the National Register. These landmarks and historic districts are

*the pride of their communities, and their designation encourages local investors to put their money to work at home.*²¹

The New York report credits historic preservation for contributing hundreds of millions of dollars annually to New York's economy through industries such as tourism, construction, housing, transportation, films, arts and culture, education, and community development. Historic preservation is seen not as an end to itself, but as something that is central to all of those industries and through those industries it creates jobs, generates taxes, enhances property values and adds to household incomes.²²

Creation of Jobs

According to the noted economist Donovan Rypkema, “at the top of the list for economic development measurements are jobs created and increased local household income. The rehabilitation of older and historic buildings is particularly potent in this regard. As a rule of thumb, new construction will be half materials and half labor. Rehabilitation, on the other hand, will be sixty to seventy percent labor with the balance being materials.”²³ Rypkema goes on to explain that this labor intensity has a dual effect on the economy. First, the services of the laborer are local, thus having a local impact on the economy, and second, the laborer spends his pay within the community, recirculating the income.

He compares rehabilitation of historic resources to manufacturing, “In California for every million dollars of production, the average manufacturing firm creates 21.2 jobs. A million dollars spent in new construction generates 26.5 jobs. But that same million dollars in the rehabilitation of an historic building? 31.1 jobs.”²⁴

Rypkema suggests further that, in California, a million dollars of manufacturing in output will add on average about \$554,000 to local household incomes and a million dollars of new construction will add \$753,000 to local household incomes, but the same investment in rehabilitation will yield over \$833,000 to local household incomes.

24

According to the Colorado report, *The Economic Power of Heritage in Place: How Historic Preservation is Building a Sustainable Future in Colorado*, 2011, “the estimated total household earnings of employees directly or indirectly involved with preservation projects is substantial. Household earnings represent employment income that is spent on consumer goods and services such as clothing, food, transportation, and utilities. Between 1981 and 2010, historic preservation activities generated \$418.8 million in household earnings that, when spent, indirectly generated \$424.3 million. Combined, these direct and indirect impacts generated \$843 million in household earnings.”²⁵

The Contribution of Historic Preservation to Urban Revitalization by the National Advisory Council cites the creation of jobs as one of the many results of historic preservation efforts that ultimately revitalized urban areas in the cities studied. The study states, “Architects, unskilled laborers, craftsmen, realtors, engineers, and administrators are only a few of the categories of jobs resulting from the preservation-stimulated revitalization efforts. Also, the number of new shops, businesses, restaurants, and tourist-related activities has created a number of new jobs, adding stability to the area.”²⁶

In Colorado, in 2002, a study found that rehabilitation of historic buildings has put \$1.5 billion dollars into the state's economy over the past 20 years, creating 21,327 jobs that generated \$522.7 million in household earnings.²⁷ An updated report, released barely ten years later, states that approximately 32 new jobs are created for every \$1 million spent on the preservation of historic buildings. The total jobs created and attributed to preservation of historic buildings in Colorado in the 30 year period since 1981 has grown to 35,000.²⁸

Texas also cites job creation as “one of the most important aspects of economic activity in modern economies” and credits historic rehabilitation for creating jobs within the state. Specifically, investment of \$192 million in 1997 created more than 4,200 jobs in Texas in construction, manufacturing, transportation, retail trade, services, and finance, real estate, etc.²⁹ An additional 32,000 jobs result from heritage tourism in Texas.³⁰

Arkansas credits historic building preservation with adding \$75 million of private investment and providing 1,500 jobs. It calculates separately an additional 21,500 jobs supported annually by heritage tourism activity.³¹

The Los Angeles Conservancy credits the National Main Street Center historic preservation program with creating over 231,000 new jobs and over \$17 billion in reinvestment since its inception, with every dollar spent on the program yielding \$40 in economic reinvestment.³²

To return again to economist Donovan Rypkema, "historic preservation excels as a creator of jobs and as a generator of local economic growth."³³

The New York report echoes these sentiments stating,

the rehabilitation of historic structures is an extraordinarily effective job creator because of the labor intensity of the work. This is particularly true when compared with new construction.... The Lower Manhattan Task Force of the City of New York estimates that \$1 million invested in preservation construction in the city creates five more construction jobs and three more permanent jobs than does \$1 million spent in new construction.³⁴

Clearly the kinds of expenses that come with renovating old buildings have a lasting and exponential impact on job creation in a region. One can't help but think of the movie The Money Pit, with the very decrepit, but historic and potentially charming old mansion in need of repair – and its endless supply of subcontractors revolving through the tattered front door. While those costs and related jobs are perhaps not good news to the homeowner, the impact to the regional economy is a good thing!

Increased Heritage Tourism

While property values and job creation are both significantly impacted by historic preservation, both are eclipsed by the enormous economic impact of historic preservation on heritage tourism.

Cultural heritage tourism, an expanding niche of the tourism market, is of clear benefit to communities. In a recent report on cultural heritage tourism over 15 state-specific reports attest to the positive economic impact of cultural heritage tourism.³⁵ Though there is no report from California, the other reports include significant economic impacts of preservation-related tourism activities.

A cultural heritage preservation program benefits all the current and future citizens of a state. It gives the public an understanding of the values of the people of the past. It fuels the aspirations of the people of tomorrow. It also is a magnet for cultural heritage tourists.

Arizona's report offers many descriptions of how Arizona's rich array of cultural heritage attractions brings the state's residents and visitors qualitative benefits. In-state cultural heritage visitors brought the state \$6 million and out-of-state cultural heritage travelers brought it \$2 billion. Further, the Arizona report states that, "Perhaps the biggest benefit of cultural heritage tourism is that opportunities increase for diversified economies, ways to prosper economically while holding on to the characteristics that make communities special."³⁶

In Colorado, heritage tourists -- travelers that incorporate at least one visit to a historic site or landmark or whose primary reason for traveling is to visit historic places -- made 4.6 million trips to Colorado in 1999, generating in that year alone a total of \$3.1 billion for the state economy.

Texas identifies over 11 percent of all of its travelers as heritage travelers and estimates an annual expenditure level of about \$1.45 billion.³⁷ The Alamo is Texas' number one heritage tourism site, leading one to wonder if developing a catchphrase akin to *Remember the Alamo!* for one of California's historical sites might be a worthwhile endeavor!

Tourism is the second largest industry for Tennessee, generating \$10.3 billion in direct revenues in 2003, and Tennessee believes it has benefitted substantially from the recent growth of "heritage tourism." The Tennessee report cites an economic impact from heritage tourism in all the industries that service heritage tourists such as lodging, transportation, and food service. The 2001 economic impact report showed that heritage tourism not only generated \$1.2 billion in direct revenue, but also created 16,700 jobs.³⁸

Many states' studies cite the results of a 2003 Travel Industry Association of America's survey which describe the desirable spending patterns of historic and cultural tourists -- these travelers spend more money than other tourists, take longer trips, and visit multiple destinations, and stay more frequently in commercial lodgings. They typically spend at least \$166 more per trip than other U.S. travelers³⁹, clearly making this an important touristic niche resulting from historic preservation efforts.

The four cities included in the 1979 Advisory Council report examining historic preservation's impact on urban revitalization all experienced a significant and positive increase in tourism following the preservation activity. The city of Alexandria saw visitors increase from 22,200 to over 106,000 within just six years. Savannah, Georgia, does not have visitor attendance figures from before the historic preservation efforts, but credits the historic preservation efforts with increasing visitor spending from \$26 million in 1969 to \$75 million in 1977, an increase of 227%.⁴⁰

Arkansas calculates that 16% of all of its tourists will visit a cultural or historic site and will contribute \$890 million to the state's economy each year.⁴¹

New York's economic boost from tourism dwarfs all other states (excluding California), with an estimated \$30 billion in travel expenditures in the state in 1997, about ten times the figure of Colorado in 1999 and over 15 times the size of Texas in the same year. New York draws 115 million visitors from across the country each year and surveys have shown that historic sites like the Statue of Liberty and Niagara Falls are important destinations. New York state has over 300 historic visitor attractions and credits these resources with bringing major economic benefits to neighboring areas.⁴²

California's total direct travel spending was \$102.3 billion in 2011⁴³ a figure almost twice that of the next closest state, New York, which reported tourism revenues of almost \$54 billion in the same year.⁴⁴

While California doesn't currently track the percentage of the travel spending that is attributable to cultural heritage travelers, it is clearly in our state's best interests to ensure that the iconic landmarks that draw people to California each year in such large numbers are preserved and protected for years to come.

Conclusion

The preservation of historic resources should be a primary goal for those who seek a healthy economy in California or any community. Historic preservation preserves and increases property values and enhances the overall beauty of any setting. It creates a thriving urban environment that offers safe, attractive, vintage character, and affordable housing options for people and businesses. It also can lead to social transformations, increasing pride in the community.

The studies reviewed in this report cite multiple economic benefits, but in this report we focused on the three benefits which we consider to be most common and most significant: job creation, property value stabilization and growth, and cultural tourism growth. All three of these areas demonstrate a strong return on the investment in historic property restorations, while also furthering many policy objectives like environmental sustainability and smart growth. The economic impacts of historic preservation are extensive and transformative to all communities and the CCHE recommends that the State pursue policies that fully support historic preservation in order to maximize the economic benefit to California's communities.

Preservation results in increased heritage tourism, a necessary and profitable part of every state economy. Tourism generates jobs and further fuels the economic engine of an area.

Today's historic preservation activities can be part of smart community development that encompasses charming walkable neighborhoods, open space protection, urban sprawl containment, and sustainable economic activity. Historic preservation does all this while also ensuring that the legacy of beautiful, historic buildings of the past is preserved for future generations to enjoy as museums, libraries, banks, city halls, schools, homes, restaurants, colleges, etc.

Historic resource and cultural heritage preservation grow the economy of every local community where an historic building is preserved by creating construction, engineering, and architecture jobs. Preservation also benefits communities by introducing them to the ultimate in green practices: by recycling yesterday's structures for today's adaptive reuse, restoring historic buildings helps revitalize neighborhoods, and sustains cultural heritage with less waste, and, usually a smaller carbon footprint than new construction.

Life in California, like life in New York, is greatly enriched by the following examples of historic preservation. Let's keep adding to the list and building on the many economic and other benefits from preservation.

Historic preservation in California is swimming in a Julia Morgan-designed pool in the Berkeley City Club; it is getting transported to medieval times while reading a story to a child in the Ivanhoe Room of Los Angeles' Central Library with its ornate frieze murals of knights and ladies dating back to 1926. Historic preservation is watching a movie, concert, or live performance in any of a number of beautifully restored theaters throughout California: the Oakland Fox, the Merced Theater, the Fullerton Fox Theater, the Pasadena Theater, the Old Globe in San Diego;

Historic preservation in California is camping along the shore in an old beach house at Crystal Cove; it is visiting a lighthouse in Point Arena and learning how critical those lights were to ships navigating California's rocky northern coastline. Historic preservation is saving the monumental City Halls of Pasadena and Atascadero

Historic preservation is converting an old building on Richmond's former main street into a state of the art education center for the performing arts; it is restoring an old palace in San Francisco to its former glory; Historic and cultural preservation is bringing back to life a decaying public pool and creating a treasure and building community at the same time.

Endnotes

- ¹ Advisory Council on Historic Preservation, www.achp.gov, *Economic Reasons for Investing in Historic Preservation*, p.2.
- ² *New York: Profiting Through Preservation*, The Preservation League of New York, p. 27.
- ³ Rypkema, Donovan, *Sustainability, Smart Growth and Historic Preservation*, p. 3.
- ⁴ *The Top Ten Myths About Historic Preservation*, The Los Angeles Conservancy, Myth #10, "Preservationists are always fighting new development and only care about the past."
- ⁵ *New York: Profiting Through Preservation*, The Preservation League of New York, p. 1.
- ⁶ *Ibid*, p.1.
- ⁷ National Trust for Historic Preservation website, www.preservationnation.org
- ⁸ Leichenko, Robin M., et al. 2001. "Historic Preservation and Residential Property Values: An Analysis of Texas Cities." *Urban Studies* 38, 11: 1973.
- ⁹ *The Top Ten Myths About Historic Preservation*, The Los Angeles Conservancy, Myth #2: "Historic designation will lower my property values."
- ¹⁰ Leichenko, Robin M., et al. 2001. "Historic Preservation and Residential Property Values: An Analysis of Texas Cities." *Urban Studies* 38, 11: 1973.
- ¹¹ *The Contribution of Historic Preservation to Urban Revitalization*, Advisory Council on Historic Preservation, 1979, p. 8.
- ¹² *ibid*, Exhibit C-33
- ¹³ *Banking on Tennessee's History: The Economic Value of Historic Preservation to the People of Tennessee*, p. 11.
- ¹⁴ *Economic Benefits of Historic Preservation Activities in Pennsylvania*, December 2011, p.24.
- ¹⁵ *The Economic Power of Heritage in Place: How Historic Preservation is Building a Sustainable Future in Colorado*, Technical Report, 2011 Update, p. 35.
- ¹⁶ www.coloradohistory-oahp.org/publications/pubs/1620.pdf, p. 15.
- ¹⁷ Deravi, Kevin M., Ph. D., *Property Value Appreciation for Historic Districts in Alabama*, July 31, 2002, p. i.
- ¹⁸ *Historic Preservation at Work for the Texas Economy*, 1999, p. 4.
- ¹⁹ *ibid*, p. 5.
- ²⁰ *New York: Profiting Through Preservation*, The Preservation League of New York, p. 4.
- ²¹ *Ibid*, p.9.
- ²² *Ibid*, p. 2.
- ²³ Rypkema, Donovan, *Sustainability, Smart Growth and Historic Preservation*, p. 6.
- ²⁴ *Ibid*, p. 7.
- ²⁵ *The Economic Power of Heritage in Place: How Historic Preservation is Building a Sustainable Future in Colorado*, 2011, p. 16.
- ²⁶ *The Contribution of Historic Preservation to Urban Revitalization*, Advisory Council on Historic Preservation, 1979, p. 20.
- ²⁷ *Economic Benefits of Historic Preservation*, History Colorado, 2002.
- ²⁸ *The Economic Power of Heritage in Place: How Historic Preservation is Building a Sustainable Future in Colorado*, , 2011, p. 1.
- ²⁹ *Historic Preservation at Work for the Texas Economy*, 1999, p. 10.
- ³⁰ *Ibid*, p. 11.
- ³¹ A Profitable Past: The Economic Impact of Historic Preservation in Arkansas, p. 3.
- ³² *The Top Ten Myths About Historic Preservation*, The Los Angeles Conservancy, Myth #5, "Historic Preservation is Bad for Business."
- ³³ *Banking on Tennessee's History: The Economic Value of Historic Preservation to the People of Tennessee*, p. 10.
- ³⁴ *New York: Profiting Through Preservation*, The Preservation League of New York, p. 10.
- ³⁵ www.culturalheritagetourism.org/resources/StudiesonEconomicImpacts.htm, pages 5, 8.
- ³⁶ *Ibid*, p.5, 8
- ³⁷ *Historic Preservation at Work for the Texas Economy*, 1999, p. 11.
- ³⁸ *Banking on Tennessee's History: The Economic Value of Historic Preservation to the People of Tennessee*, p. 12.
- ³⁹ *Ibid*, p. 12.
- ⁴⁰ *The Contribution of Historic Preservation to Urban Revitalization*, Advisory Council on Historic Preservation, 1979, p. C29.
- ⁴¹ A Profitable Past: The Economic Impact of Historic Preservation in Arkansas, p. 3.
- ⁴² *New York: Profiting Through Preservation*, The Preservation League of New York, p. 18.
- ⁴³ <http://industry.visitcalifornia.com/Research/California-Statistics-and-Trends/>
- ⁴⁴ www.thebeat.iloveny.com/industry/wp-content/uploads/2012/06/nys-tourism-impact-2011.pdf, p.2.