Measuring the Economic Benefits of Historic Preservation

11:20 a.m.—12:30 p.m.
Friday, April 22, 2005
Sturm College of Law

Moderator: Matt Goebel, Esq., AICP
Vice President
Clarion Associates
Denver, Colorado

Panelists: Kathleen Brooker
President
Historic Denver
Denver, Colorado

Nancy Kramer
Executive Director
Steamboat Springs Art Council
Steamboat Springs, Colorado
Making the Economic Case for Historic Preservation:

Lessons from Denver and Steamboat Springs/Routt County

Historic preservation adds value to the lives of all Colorado residents.

Historic preservation also yields significant economic benefits.

Who Needs to Hear the Message?

- **State Officials**
  - Need to be convinced of the merits of existing and potential policies and programs.

- **Local Officials**
  - Need a simple economic development model that can be applied in their communities.
  - Need preservation examples as they face major economic development challenges.

- **Owners of Historic Properties**
  - Need to be encouraged to invest in historic structures, instead of demolish.

2001 Colorado Study

- **THEME 1:**
  - Preservation supports economic development across Colorado
    - Rehabilitation of historic properties
    - Heritage tourism

- **THEME 2:**
  - Preservation benefits the owners and users of historic properties
    - Property values
    - Affordable housing

What’s New in 2005?

- **Updated data on heritage tourism and building rehabilitation**

- **A property values case study in a commercial historic district (Fort Collins)**

- **Economic achievements of the new Colorado Main Street program**
Rehabilitation of Historic Resources

• Incentives for Rehabilitation
  – State Historical Fund
  – Federal Rehabilitation Tax Credit
  – State Rehabilitation Tax Credit

Summary of Economic Impacts from Rehabilitation Projects

Federal Tax Credit 1981-2004: $493.8M
State Tax Credit 1991-2004: $48.9M
SHF A&D projects and matching dollars 1993-2004: $611.5M

DIRECT IMPACT: $1,154.2M
(reduced for projects that used multiple incentives) $918.4M

INDIRECT IMPACT: $1,175.5M
TOTAL IMPACT: $2,093.9M

Also included in this total are 28,966 jobs and $709.9 million in household earnings!

Heritage Tourism

In 2003, heritage tourists in Colorado spent $1.5 billion in five major categories:

- Transport 17%
- Eating & Drinking 23%
- Lodging 28%
- Retail 24%
- Recreation 8%

This $1.5 billion generated an additional $1.9 billion in related expenditures for a total of $3.4 billion.

Heritage Tourism

• Heritage tourists are different than other Colorado tourists
  – Spend more ($58 vs. $55)
  – Stay longer (5.3 nights vs. 5.1 nights)
  – More likely to visit National and/or State parks, to watch birds and wildlife, and to visit a museum
  – Usually older and more likely to be retired
  – 30% have incomes over $75,000 per year

Property Values

Does local historic designation affect property values?
**Property Values**

- **2001 Case Studies**
  - 4 locally designated districts examined
  - 3 in Denver, 1 in Durango
  - All historic, single-family detached dwellings

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**New Fort Collins Case Study**

**Key Findings in All Districts:**

Local historic designation does not decrease property values. Property values in the designated areas increased in value either more than, or the same as, nearby undesignated areas.

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**Colorado Main Street**

- Linking historic preservation and downtown economic development in smaller communities across Colorado.
  - Arvada
  - Berthoud
  - Brush
  - Canon City
  - Central City
  - Cortez
  - Greeley
  - Gunnison
  - Lake City
  - Montrose

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**Colorado Main Street**

- The Main Street Approach™:
  - Design
  - Organization
  - Promotion
  - Economic Restructuring
Colorado Main Street

• From 2001 to 2003:
  – $570,806 for 52 façade rehabilitations
  – $11,470,434 for 208 rehabilitation and new construction projects
  – $9,509,966 for the purchase of 43 buildings

Conclusion

Historic preservation makes Colorado a better – and richer – place to live, work, play, and visit!

Speakers

• Matt Goebel
  Vice President, Clarion Associates

• Kathleen Brooker
  President, Historic Denver

• Nancy Kramer
  Executive Director, Steamboat Springs Arts Council

The Downtown Threat: Demolition

Building A Better Tool Box

Kathleen Brooker, President Historic Denver Inc.
The Opportunity: Reinvestment with Protection

The Approach

DISTRICT FACTS
- 43 historic buildings protected from demolition via unique “chocolate chip cookie” recipe
- Additional buildings may be added in the future
- Period of significance from 1880’s – 1950’s
- District ordinance and companion property tax rebate adopted by Denver City Council in December 2000.

PROPERTY TAX REBATE INCENTIVES
- Applies to local portion of taxes only; Does not apply to bonds or bids
- Available only to qualified historic buildings in good repair
- Rebate increases each year for 20 years, then remains constant
- If a building is demolished, rebated property taxes are returned to the City.

The Results: A Chocolate Chip District

The Neighborhood Threat

Under Designated and Over Zoned
Summary of Platt Park Characteristics

- Pre-WWII neighborhood
- Diverse housing types and styles
- Brick construction and front porches
- Detached garages
- Spacious back yards
- Mature trees, especially along streets

Styles: Grand to Modest

Detached Garages

Historic Block Development Pattern
What is Driving New Development?

- Proximity to downtown, light rail, I-25
- Neighborhood amenities, character
- Mature landscaping
- Changing housing preferences
- RR-2 Zoning
- Maximizing square footage allowed
- Speculation

What is Inhibiting Preservation?

- Fear of Landmark Control
- Limited Access to State Historic Fund
- Over Zoning Relative to Neighborhood Identity

A Regulatory Tool: Quick Wins II

- Establishes front and rear buildable zones
- Increases required open space from 50% to 62.5%
- Requires 60% of Open Space to be in rear zone
- Tightens definitions of Open Space
- Provides incentives for detached garages and front porches

What Quick Wins II Does Not Do:

- Address architectural character
  - Orientation of front door
  - Front porches
  - Building materials
  - Rooflines
  - Massing and design quality
- Protect trees in side and rear
- Change side setbacks
- Stop negative impacts on infrastructure
- Change R-2 use by right
An Educational Tool: Historic Denver’s Urban Living Program

- Technical assistance
- Referral of preservation professionals
- Certified Historic Denver Home plaque program
- Educational programs and events

A Financial Tool: Historic Denver’s Easement Program

- Targets individual owners of National Register Properties
- Provides charitable deductions from IRS
- Protects historic buildings in perpetuity
The Economic Benefits of Historic Preservation
The Routt County Story
2005

Presented by
Nancy Kramer
Steamboat Springs City Council Member
Executive Director Steamboat Springs Arts Council

Prepared by
Arianthe C. Stettner
Executive Director, Historic Routt County!
Routt County
First settled 1870’s
Population 18,000

Northwest Colorado:
45% public lands
Mining
Agriculture
Skiing
Tourism

5 Communities:
Steamboat Springs
Oak Creek
Hayden
Hahn’s Peak
Yampa
Mining - Hahn’s Peak
Agriculture – The Carpenter Ranch
Skiing – Mount Werner

The Historic More Family Barn
Tourism:

Cultural Heritage Tourism

Recreational Tourism
Steamboat Springs
Population 10,000
Incorporated 1900

Committed to Historic Preservation

First Preserve America Community
in Colorado 2004

Certified Local Government
Since 1998
Steamboat Springs 1914

Ski Jumping at Howelsen Hill
A “Preserve America” Community

City receives designation
Historic Preservation Evolution

- Grass Roots---citizen initiative
- Non-profit Organizations---private sector
- Local Governments---public sector
- Economic Benefits: direct & indirect
- Measuring success
The Depot 1914
Home of the Steamboat Springs Arts Council

Where Citizen Preservation Efforts Began
Historic Routt County!
Non-Profit Organization since 1997

Five Program Areas:

– Preservation Projects
– Nomination Initiative
– Barns Etc: Documentation, Technical Support, and Resources for rural properties
– Education and Advocacy
– Historic Structure Assessments
Local Government: Routt County

- Established honorary Routt County Register of Historic Properties in 1993

- Voter initiated .3 mil property tax approved in 2003 to help support Routt County museums and Historic Routt County! generates $220,000 annually
Local Government: City of Steamboat Springs

- Certified Local Government since 1998
  - Greater access to Colorado State and Federal Tax credits for restoration projects
  - Access to additional grant funds
  - Comments on National & State Register nominations
  - Comments on Section 106 Review Projects

- City Sales Tax Rebate
  - Available for renovation of historically designated properties
Economic Benefits:

Direct

State Historical Fund Grants:

– Over 59 grants awarded in Routt County since 1993 with a value of over $2,000,000

– Multiplier effect of local grant match plus in kind donations and increase in value of restored properties is significant.
Mesa School House Rehabilitation

Historic Routt County! and City of Steamboat Springs partnership
Routt County National Bank

- Historic Routt County! sponsored project
  - $320,000 project cost
  - $183,500 in economic benefits
    - $82,000 State Historic Fund Grant
    - $50,000 Federal; Income Tax Credit
    - $50,000 State Income Tax Credit
    - $1500 City Sales Tax Rebate on locally purchased materials
  - Façade Easement on Building
  - Partners: City of Steamboat Springs, Historic Routt County!, State Historical Fund, Steamboat Springs Agency, Masonic Lodge
Routt County National Bank Before and After
City of Steamboat Springs

Centennial Hall/Carver Power Plant
Centennial Hall - City Cafe
Economic Benefits
Indirect

Historic resources in the region now recognized as an economic & community development tool:

• Northwest Colorado Cultural Heritage Tourism initiative with Moffat, Routt, and Rio Blanco Counties and 10 rural communities:
  – Program Support from the YVEDC and the National Trust for Historic Preservation

• Emerging programs:
  – National Historic District nomination in process for downtown Steamboat Springs
  – Steamboat Springs commitment to become a “Main Street” Community
Mad Creek Barn

Preservation Partnership with Historic Routt County! & USDA Forest Service
Private Land Conservation & Historic Preservation Project

Lake Catamount, Historic Routt County! and Yampa Valley Land Trust project partners
Historic Designation

The first step to access economic benefits for historic preservation
Measuring Success in Routt County

- Locally designated properties:
  - 1995: 16  
  - 2005: 80

- Historic façade easements:
  - 1995: 0  
  - 2005: 2

- Historic ranches documented:
  - 1995: 0  
  - 2005: 85

- Public properties preserved with State Historical Fund Grants
  - 1995: 1  
  - 2005: more than 12
“Never doubt that a small group of thoughtful, concerned citizens can change the world; indeed, it’s the only thing that ever has.” Margaret Meade