

Chronicle of the 2014

Preservation Matters III Symposium: The Economics of Authenticity

*Co-sponsored by the Preservation Resource Center of New Orleans
and Tulane School of Architecture Preservation Studies Program*

by Richard Campanella
Tulane School of Architecture

~ A Welcome ~

Since its founding forty years ago, the Preservation Resource Center has regularly partnered with the Tulane School of Architecture toward our mutual goal of revitalizing historic neighborhoods. The latest fruit of this collaboration was the 2014 Preservation Matters III Symposium, where attendees learned of compelling new economic evidence backing up our case for historic preservation—even as we also learned that the programs catalyzing these lucrative returns-on-investment are threatened. Symposium speakers brought to bear numerous case studies and indisputable data demonstrating not only the environmental and cultural benefits of historic preservation, but also the jobs, income, property value and tax revenue gains. For those unable to attend, this chronicle presents symposium findings and next steps so that preservationists everywhere may mobilize to maintain critical preservation policies and programs.

—Patty Gay, Executive Director, Preservation Resource Center of New Orleans

—John Stubbs, Director, Tulane School of Architecture Preservation Studies Program

—Kenneth A. Schwartz, Dean, Tulane School of Architecture

“Preservation doesn’t harm our economy; it *ignites* it.” These were not the words of an activist predisposed to such calculus, but rather a big-city politician, the likes of which all too often harbor—and act on—sentiments to the contrary. They came from the longest-serving chief executive of one of the nation’s oldest cities, Thomas M. Menino of Boston, guest of honor at the 2014 Preservation Matters III Symposium. Setting aside his 44-ounce Red Sox baseball bat fashioned into a walking cane, the recently retired mayor backed up his conviction with decades’ worth of case studies, among them the Theater District, South End, Dudley Square, the Ferdinand Building, Boston Common, Olmsted’s Emerald Necklace, Converse Sneakers’ return to the city, and Main Street programs throughout Massachusetts.

Mayor Menino’s testimony, plus that of Mayor Mitch Landrieu, who offered comparable examples from his terms in New Orleans’ City Hall and as Lieutenant Governor of Louisiana, laid out economic evidence which later speakers would iterate with hard data. Together, the findings of the two-day conference, held in New Orleans’ French Quarter on two beautiful spring days, may be summarized in one sentence: **Because historic preservation imbues a sense of “authenticity” which in turn stimulates economic activity, it returns investment dollars at positive ratios—not marginally but five, ten, a hundred, sometimes 250 times over costs, and that’s not including the social, cultural, and environmental benefits.**

Co-sponsored by the Preservation Resource Center (PRC) and the Tulane School of Architecture, this third Preservation Matters gathering since its 2009 inception coalesced around the theme of The Economics of Authenticity. Held April 16-17 in The Historic New Orleans Collection’s Williams Research Center, the symposium commenced with a circuitous downtown New Orleans tour of successes and challenges, conducted by co-organizers



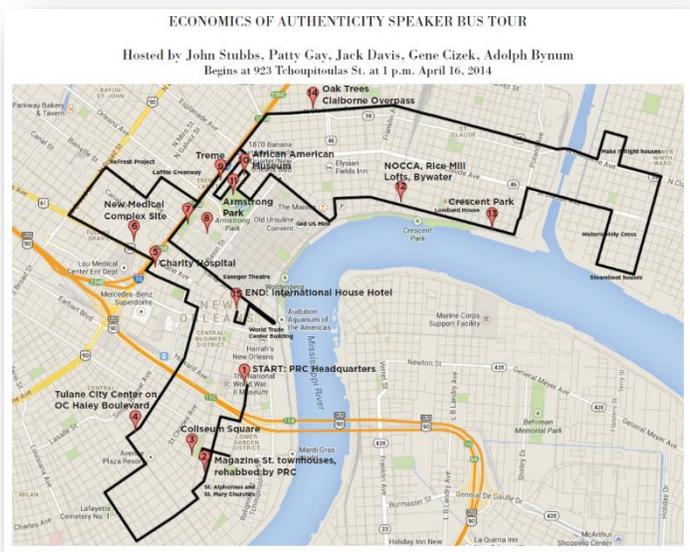
Mayor Mitch Landrieu of New Orleans

Patty Gay of the PRC and Prof. John Stubbs of Tulane's Masters of Preservation Studies Program along with local preservation pioneers Prof. Gene Cizek, Jack Davis, Grady Knight, and Adolph Bynum. Narratives both spoken and observed during the eye-opening ten-mile route would inform conversations and presentations over the next two days, among them:

- how vastly improved the downtown historic cityscape appeared compared to immediately after Hurricane Katrina in 2005;
- how significant a role tax credits and other incentive programs have played in motivating and buying down the costs of historic renovation, starting in the 1970s, when much of the visited neighborhoods (the Lower Garden District and Faubourg Marigny, for example) suffered divestment and blight;
- how renovation as well as gentrification has recently spread into areas such as the Irish Channel, Central City, and St. Roch, which until a few years ago roughly resembled the Lower Garden District and Marigny of a generation ago;
- how the likely preordained decision not to reopen circa-1939 Charity Hospital, and instead to shift the fulcrum of the medical district out of downtown and expand it into an adjacent 27-block tract in the historic Third Ward at the expense of 263 vintage buildings, represented the single biggest defeat of the preservation movement in decades—and among the largest transformations of the cityscape in New Orleans history;
- how tax credits and the Main Street Program led to the establishment of Rouse's and Whole Foods in two historic neighborhoods previously unserved by quality grocery stores;
- how Faubourg Tremé restoration pioneer Adolph Bynum, who has restored sixteen homes in Tremé since 1978 plus ten elsewhere, testified he "took a lot of flak...from militants [regarding] gentrification," but once neighbors realized that the alternative was structural decay, "no one accused [him] of gentrification anymore;"
- how proposed high-rises along the riverfronts of Marigny, Bywater, and Holy Cross have caused factions among neighborhood associations, and how, according to Gene Cizek, respecting the zoning ordinance limiting heights to 50 feet, instead of developer-driven proposals of 60, 75, and up to 130 feet, is critical to maintaining the integrity of these pedestrian-scale nineteenth-century districts;

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- how residential overlay districts wisely allowed historically commercial/residential corner stores to return to mixed-use status despite being technically contrary to residential zones;
- how, according to Jack Davis, the Congress for New Urbanism is attempting to change the HUD, FHA and Fannie Mae/Freddie Mac regulations restricting lending to mixed-use commercial/residential projects in downtown areas, despite that these areas historically operated as such and would benefit from the pedestrian-scale local economic activity.



Route of tour through historic downtown New Orleans

That evening, Dean Kenneth Schwartz of the Tulane School of Architecture welcomed an oversold audience of 180 attendees to the formal commencement of the symposium, and brought forward Dean Alkis Tsolakis of the LSU College of Art and Design to introduce the keynote speaker, Charles Birnbaum, founder and president of The Cultural Landscape Foundation and a widely published advocate of expanding the preservationist mission to the landscape scale. In his talk, formally titled “How US Cities Are Reserving Decline Through Historic Preservation” and jestingly subtitled “Authenticity and You,” Birnbaum set the mood for the symposium by handling rather cautiously the notorious buzzword “authenticity,” which, he noted, has become a premier marketing brand of this era (think “artisanal”). Instead he shifted the conversation toward the importance of ephemeral, experiential, and sensual phenomenon—smells, soundscapes, foliage, scale and granularity, spatial integrity, landscape, a recognition of carrying capacity and when it has been exceeded—in addition to individual historic structures, which he termed “fabric-based” preservation. Birnbaum noted that a 2004 survey of Smithsonian visitors found that three in five respondents rated their “most satisfying experience” as “seeing the ‘real’ thing,” and pointed out that, in cultural heritage tourism, experience is deemed more important than destination. As if to prove the point, Birnbaum moved the audience by testifying how he personally, on his trips to New Orleans, feels “overwhelmed when I hear the bell of the streetcar.” (Two weeks after the symposium, Birnbaum extended his keynote contemplations to a topic long of interest to him, the management of Central Park in Manhattan, and penned an editorial for the *Huffington Post* titled “Here's What's Missing in the Debate Over Central Park's Horses and Carriages.”)



Alkis Tsolakis and Ken Schwartz, deans at LSU and Tulane respectively

“We must move beyond fabric-based authenticity, beyond brick-and-mortar, toward the landscape, the experiential, to something that honors all the types of intelligences.”

—Charles Birnbaum

A “good morning” from PRC Executive Patty Gay and a welcome from THNOC Executive Director Priscilla Lawrence commenced the main agenda of April 17, in which Mayor Menino and Mayor Landrieu testified to the transformative role played by preservation in their respective cities. Mayor Menino, for example, spoke of how historic structures serve as “anchors” for larger-scale revitalization, and how they inspire “a collective sense of who we are.” He minced no words in calling Boston’s City Hall “the ugliest building in the world,” lamented the disappearance of brickwork in modern structures, and criticized unimaginative “shoebox” street lighting and boxy flat-topped skyscrapers. Mayor Landrieu embraced Mayor Menino as a mentor—the two had met in Boston after the former’s 2010 inauguration and conferred yesterday with City Hall officials—and marveled at the fact that fully 60 percent of Bostonians had reported personally meeting Mr. Menino during the course of his administration. Turning to Louisiana, Landrieu recounted the marquee success of the preservation of the Warehouse District in New Orleans, and how tax abatement, Cultural Products districts, Main Street programs, and other mechanisms had helped articulate the notion of a “cultural economy”—that culture means business, and preservation returns investment.

Mayor Landrieu's economic emphasis was picked up by the next speaker, Marsh Davis, president of Indiana Landmarks, but not before Davis first addressed the other half of the symposium's Economics of Authenticity theme. Like Birnbaum, Davis treaded skeptically here, pointing out the murky ground between "authentic" and "authentic reproduction" and recognizing that a trip to Wal-Mart may well be a more spontaneous and unaffected experience in many people's lives, and a significant element of the American landscape, than, for example, the authentic "pueblo look" (made of wire and plaster) mandated for all structures in Santa Fe, despite that it only dates to the 1920s. "If authenticity means overzealous purity," Davis cautioned, "it can work against us." Transitioning to his experiences in Indiana, he expounded, "We don't want to be the organization that tells you what you cannot do. We want to tell you what you *can* do." With that came economic support for the preservationist argument, Returns-on-Investment regularly in the ten to 100 range, the envy of anyone in either the public or private sector. Among Marsh Davis' case studies and key points:

- Citing a side-by-side comparison of five historic neighborhoods similar in every way except local historic district designation, Davis reported equal or higher homeownership, length of occupancy, and occupant diversity for those within district boundaries.
- Citing some heavy-handed renovation of historic houses done by a community development corporation, Davis reminded the audience that CDC's do not necessarily have the same goals as preservationists, prioritizing for energy efficiency and cost savings.
- Citing Indianapolis' Bush Stadium, which had declined into a Cash-for-Clunkers parking lot until its brilliant renovation into lofts courtesy state tax credits—yet was nonetheless declined by the National Park Service for federal credits—Davis persuaded attendees to examine exactly how tax credits get granted, particularly for challenging adaptive reuses such as a stadium. "We are getting too hung up on architectural authenticity," he warned.
- Citing cases across Indianapolis, Davis noted that buildings across the city's 17 protected districts comprised 0.6% of all properties but accounted for nearly triple that percentage (1.7%) in property value.
- Citing the remarkable West Baden Springs Hotel in French Lick, Davis illustrated how federal tax credits motivated a stunning restoration of a truly unique building, converting it from literal ruins to an economic anchor and cultural icon of southern Indiana.

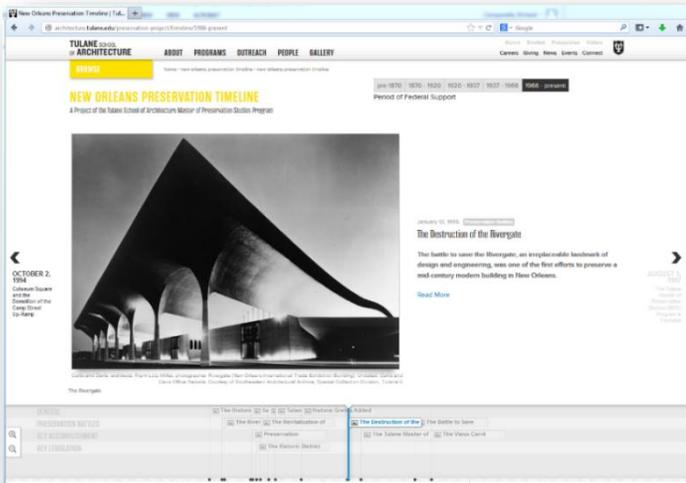
*"We need to examine just how tax credits are granted.
Sometimes we get too hung up on architectural authenticity... If
authenticity means overzealous purity, it can work against us."
—Marsh Davis*

Davis concluded with one of the most important agenda items of the symposium: ensuring that the proposed Tax Reform Act of 2014 does not end or weaken federal historic rehabilitation tax credits. Such a change would severely raise the cost of renovation while robbing communities of the massive ROI resulting from renovations. To the argument that such an elimination would increase charitable contributions for preservation, Davis scoffed. He advised that the onus is on preservationists to make their economic argument, and to take deserved and rightful credit for the stunning reversal of the decline of American downtowns in recent years.

Shifting to a local perspective, co-organizer John Stubbs and local preservationist Jack Davis spoke of the preservation movement in New Orleans, with Stubbs unveiling Tulane Preservation Studies students' work on an online timeline (<http://architecture.tulane.edu/preservation-project>) and Davis recalling his forty-plus years in

preservation, starting at the time of the first-of-its-

kind defeat of the proposed Riverfront Expressway. Davis explained how New Orleans in the 1970s began to reinterpret its history and culture, "discovering" half its population (this being the first full decade after segregation), its food (Richard Collins, author of the influential *Underground Gourmet*, may be thought of as the first local food critic), its music (Jazz Fest came of age in this era), and last but not least its architectural treasures (as wanton razing led to a demolition moratorium and helped birth the city's first historic districts outside the Vieux Carré). But these halcyon days soon gave way to the oil bust and decline of port employment



Tulane Preservation Studies timeline of preservation in New Orleans

coupled with crime waves and a middle-class exodus (1980s), an increased dependency on tourism (1990s), and, in 2005, the devastation of Katrina's floodwaters followed by a problematic recovery. Amid a thousand small preservation victories, Davis reported, were all too many major defeats, chief among them the abandonment of the downtown medical district in favor of the University Medical Center / Veterans Administration superblocks. Attendees departed for lunch mulling the fate of other major elements of the streetscape: Charity Hospital? The World Trade Center? The I-10 Overpass through historic Tremé? These milestones have yet to be inscribed on the timeline.

Urbanist and author Prof. Anthony Tung next expanded the symposium's scope to the international level, drawing upon material from his book *Preserving the World's Great Cities: The Destruction and Renewal of the Historic Metropolis* as well as his experiences as a New York City Landmarks Preservation Commissioner and academic at Columbia and MIT. Tung noted the vast majority of preservationist legislation worldwide came about during the last third of the twentieth century, representing "a global-wide eruption of municipal policy that occurred in response to a global-wide tsunami of unchecked development...by which were erased about 50-percent of the significant historic structures that existed earth in the year 1900." New York, for example, legislated its Landmarks Law in 1965, even as its downtown was about to be radically transformed over the next decade. France legally strived to save select monumental buildings as early as 1840, but "a zoning statute to guard the entwined architectural center of Paris wasn't enacted until 1974," the same year that London solidified protection of its Conservation Zones. Kyoto did not designate Traditional Building Preservation Districts until 1995. Historical urban cores by the new millennium comprised slightly more than 7 percent of all metropolitan areas, Tung said, but indiscriminate demolition had already claimed half their structures, reducing that proportion to about 3.65 percent. Moreover, if current trends of population growth and urbanization continue, the surviving historic core will likely shrink to one percent by 2100. Meanwhile, ironically, officially protected districts disproportionately account for the economic vigor and cultural iconography of their respective cities.

Witness SoHo in Manhattan, which successfully integrated historic streetscapes with Modernist infill development by the likes of Aldo Rossi within the Cast Iron Historic District boundaries, becoming one of the city's top tourist attractions—though not without the effects of hyper-gentrification and disastrous development outside its boundaries.

Witness also Singapore, which in the early 1980s aggressively modernized its infrastructure—a new airport, a new airline, skyscrapers, thousands of new hotel rooms, a mall by I.M. Pei—with an eye on international tourist dollars in the emerging global economy. But what it got, by 1986, was dashed expectations and disappointed visitors. When interviewed, “foreign tourists responded: Why travel cross the world to visit a mall? Where is the Singapore of legend?” So the government created a \$20 million Tourism Product Development Program to invest in heritage conservation, in areas such as Boat Quay, Chinatown, Kampong Glam, and Little India. “By 1994,” Tung reported, “6.9 Million tourists spent \$10.9 billion foreign exchange dollars, meeting the targets in the planned economy of the often brilliant, often humanistic, and widely popular authoritarian government.”

Then there is the case of Venice. Years of perilous subsidence thanks to an over-tapped aquifer, inadequate sewerage system, acidification of rain, and eutrophication of canals plus the devastating 1966 flood, cast doubt on the ancient gem's future. UNESCO intervened with an unprecedented international campaign and succeeded in stabilizing Venice's precarious geography at a cost of two billion dollars. Afterwards, tourists came in droves: 7 million visitors in 1995, or 20,000 per day, pumping enormous sums into the service economy. “Yet one of the central problems identified by UNESCO consultants,” Tung told the audience, “was not addressed. As Venice's mono-economy of tourism pushed its residential population out of the historic center, numerous buildings were not being repaired and maintained.” The 178,000 residents of the historic core in 1945 had dwindled to 70,000 fifty years later, well outnumbered by the 300,000 living elsewhere in the municipality. “The inhabitants of historic Venice no longer constituted a voting majority in their city's government.” Tourism commerce, meanwhile, had raised real estate values, and the “non-subsidized middle class was being squeezed out by the higher rents.” With fewer working families came fewer services: “businesses that catered to residential needs decreased, [and] the quality of life for residents grew worse. More residents left and more shops disappeared. Soon, in many neighborhoods, schools closed.” Tung called it the Venice Syndrome, and it demonstrates what happens when, as Charles Birnbaum had explained last evening, a historic district's carrying capacity is not built into policies regulating tourism. It did not go unnoticed by local attendees that the neighborhood just outside their door felt at times like it had caught Venice Syndrome; indeed, as attendee George Schmidt pointed out, over three-quarters of a million people had trod its sidewalks just a few days earlier, during the annual French Quarter Fest.

An alternative to Venice Syndrome, Tung suggested, can be found in a comparable old European port, Amsterdam. After the catastrophe of World War II, the ancient Dutch city, though spared large-scale bombing, found its ancient rowhouses disheveled and stripped of wood for fuel. Public sentiment leaned toward full-scale modernization, to the point of eliminating its signature canals. A few voices rose in opposition, among them a young Amsterdammer named Geurt Brinkgreve, who as an art student in pre-war Rome had witnessed the impact of ham-fisted road modernization on architectural treasures. Brinkgreve, Tung said, “understood a similar terrible loss might occur in Amsterdam if its canals were filled to accommodate automobiles. So, after the war, once back home, he founded a citizen's group to resist such initiatives.” Brinkgreve helped reposition historic preservation from an elite to a mainstream sentiment. “He also anticipated to some degree,” Tung added, “the phenomena of tourism-driven gentrification that swallowed Venice and made it less inhabitable.” Toward resolving both problems, Brinkgreve launched in 1956 Stadsherstel, literally “The Firm That Mends the City,” to buy, restore, and

rent heritage buildings at affordable rates. Exploiting liberal governmental subsidies in social housing and preservation sectors, the limited liability company (LLC) also raised revenue by attracting investments from leading financial institutions (the city itself became a shareholder in 1970), paying low but consistent dividends of a five-percent tax-exempt annual return. As the volume of their activity increased, managers soon realized they “might foster the renewal of whole neighborhoods by purchasing select combinations of canalhouses: corner buildings, pairs of buildings, or dilapidated structures whose restoration was prohibitive for market-rate investors.” As a result, Stadsherstel became a prototype for architectural restoration working hand-in-hand with affordable housing—two phenomenon generally viewed as opposing forces elsewhere. In the past six decades, Stadsherstel has created thousands of subsidized apartment units in both renovated and new structures, seamlessly integrated into the historic cityscape, running in parallel with a for-profit private-sector market. Brinkgreve’s idea, which has since spread throughout the Netherlands, has largely circumscribed gentrification as well as the proliferation of empty investment properties, while at the same time restoring historic structures and spatially integrating low-income and market-rate residences into the general population. Today, Amsterdam Centrum hosts 12 million tourism visitor days per year and is home to 80,000 residences, fully 35 percent of whom live in social housing—“the result of a decades-long communal commitment, but also [the] individual human creativity in the person of Herr Brinkgreve.”

Could the Dutch answer to the preservation/gentrification question work in the United States? Tung offered Charleston as an American counterpart of sorts. When Joseph P. Riley, Jr. was first elected mayor of this gracious South Carolina port in 1975—in what would be the first of his record ten terms—he appointed Donald Cameron to head the city’s Housing Authority. Charleston had enjoyed success in historic preservation since the 1930s and built a diverse and stable economy on, among other things, a vibrant heritage-based tourism sector. Cameron sought to offset one of the costs of this success, gentrification in the historic core. Among those displaced were members of the African American population who had long occupied its more modest historic abodes, and whose ancestors had built many of the city’s gems. Worse, superblock public housing dating from the 1930s had spatially isolated and socially stigmatized the city’s residential poor, as had happened also in New Orleans and elsewhere. What Cameron aimed to do was spatially integrate subsidized housing into the larger market-rate environment while architecturally disguising it within that historical milieu. “Mr. Cameron’s Scattered Site Housing initiative was urbanistically smart,” Tung said, “assuming semi-traditional architectural forms, always replacing intrusive buildings in the protected historic zone—thereby adding harmony when once there had been dissonance, always carefully maintained, and not wearing a label.” Tung concluded his stirring lecture saying,

The beautiful city is built by human volition.
It is destroyed by human volition . . .
It is restored by human volition . . .
It is renewed by human volition.
It always has been, and always will be, subject to our choices.

Urbanist Roberta Gratz next moderated a Q&A session and began by picking up where Tung left off. “What policies may help people in transitioning neighborhoods,” she asked, “stay in those neighborhoods?” Mayor Menino looked askance at one solution, rent control, calling it “divisive,” and instead held out Massachusetts’ tactic of “classification,” in which real property is sorted into four classes (residential, open



Roberta Gratz with Mayor Menino of Boston

space, commercial, and industrial) and taxed differently, with residents paying less than commercial and bearing less of the cost of remaining in economically ascendant neighborhoods. Others, recognizing that for poor homeowners gentrification represented not an income problem but a cash-flow problem (that is, property taxes rise at a faster rate than income), discussed mechanisms to delay or accrue property taxes until a title transfer, or to peg property taxes to income rather than property value. With regard to renters, all seemed to concede that a free-market solution was not forthcoming, and that some form of subsidy would have to be in place for working-class residents to continue to live in transitioning downtowns. Best to look to examples such as Amsterdam and Charleston, Tung recommended. Developer Neal Morris, who was in the audience, testified to the success he's had in New Orleans using affordable housing tax credits for infilling new single-family homes for low-income folks into otherwise gentrifying neighborhoods. President of Indiana Landmarks Marsh Davis spoke for many if not most preservation cases when he said gentrification is not viewed as a problem in Indianapolis and elsewhere in the mostly rural state, where moneyed outsiders are a rarity and the historic renovation they bring is viewed as almost entirely beneficial. John Stubbs and Jack Davis suggested that the thousands of blighted houses in New Orleans, many of which are historic, could absorb much of the rising pressure on inner-city housing prices. Regarding the question of carrying capacity and the balancing of residents' needs with those aimed to promote the hospitality industry, Gratz weighed in: "If you do it for the residents, the tourists will come. If you do it for the tourists, the residents will go—and the tourists will follow them."

The "you" in Gratz's syllogism referred to government as empowered through the democratic process, and governance was the next topic on the agenda. Pioneer preservationist and Inter-American Development Bank urbanist Prof. Eduardo Rojas, now of the University of Pennsylvania, argued that "the sustainable conservation of historic urban cores requires the involvement of a multiplicity of actors...playing simultaneously the roles of promoters, financiers and beneficiaries...and willing to contribute knowledge and financing in consonance with the public funds." Among those actors are civil society and community organizations, conservators and scholars, individual concerned citizens, tourism operators and tourists, businesses and real estate, international organizations, and every level of government, from local to regional to central. When some actors are not properly engaged, resistance to historic preservation foments, which Rojas illustrated by giving voice to typical grievances: "Why are we preserving THEIR heritage with MY taxes?" "Why are you leaving OUR monument out?" "Why not invest in health? Or education? Or the future [instead of the past]?" Such questions can be addressed, and decisively answered, when skeptical but nonetheless important actors are included in the conversation from the outset. Rojas presented case studies from Salvador, Brazil and Quito, Ecuador demonstrating what happens when they are not—and what could happen when the full spectrum is properly engaged. "The process is fragile," Rojas acknowledged, but if you want to hedge your bet on creating sustainable historic districts, include "more actors [and] more values [and] coordinate actions" through judicious governance.

*"Looking for the greenest building?
Start with the one that already exists."
—Preservation Green Lab*

The concluding lecture, delivered by PlaceEconomics principal and Heritage Strategies International founder Donovan Rypkema, also a University of Pennsylvania professor, brought the Economics of Authenticity theme full-circle—by demolishing the very notion. "There is no economics of authenticity!," Rypkema declared. "Don't talk to me about authenticity unless you're willing to live without safety, without electricity, without indoor

plumbing....” Immediately the audience understood his point. The authenticity trope, Rypkema explained, came out of preservation’s roots in monument and artifact conservation (i.e., “seeing the real thing,” as Birnbaum recounted from the Smithsonian survey). When we cite authenticity in the context of historic districts, what we really mean is integrity (what in the French Quarter is termed intact *tout ensemble*), and, ideally, a respect for proper zoning, carrying capacity, and other administrative controls. That settled, Rypkema had one other matter to clear: “There is no historic preservation industry.” Rather, historic preservation is a set of actioned values (cultural, aesthetic, social, symbolic, educational, and environmental) which trigger certain consequences, most of which are beneficial and many of which do entail specific economic sectors, and while they are tough to measure, they are not impossible, as he would soon demonstrate.

Heritage is by definition vulnerable, Rypkema said, and it’s at greatest risk when investment is too low (abandonment, demolition by neglect) or too high (gentrification, the Venice Syndrome). To get investment “just right,” two mindsets must be aligned. First, preservationists must “think beyond the monument” and avoid the sort of “overzealous [architectural] purity” that Marsh Davis had warned against earlier in the day. Second, preservationists must commit to adaptive reuse. It’s through these channels that historic preservation at the urban scale generates economic activity, and it does so directly (functionally, through the employ of architects, artisans, building managers, etc.) and indirectly, by providing context for downtown livability, walkable neighborhoods, pedestrian activity, local businesses, festivals, and cultural tourism. Rypkema spent the rest of his lecture putting numbers on these values.

On Jobs: Research from Delaware indicated that for every \$1 million in output, the manufacturing sector produced 9.2 jobs, new construction generated 11.2, and historic rehabilitation accounted for 14.2 jobs. It also found that for every \$1 million in output, historic rehab yielded \$539,532 in household income, compared to \$477,668 from new construction and \$343,728 in manufacturing.

- Similar results were found in Georgia, where rehabilitating historic buildings generated 18.1 jobs per million output, by far the most of six sectors examined (over five times that of auto manufacturing), and also tops in salary and wages (\$750,000 per million output, more than triple auto manufacturing).
- In Connecticut, historic preservation projects using state or local tax credits have generated nearly \$349 million in household income in the last decade. Stated another way, every \$100 spent on historic rehabilitation puts \$80 in Connecticut workers’ pockets.

On Property Values: Studies have shown that homes in both local and national historic districts appreciated at a higher rate than houses outside district limits, with an average margin of 15-25% higher value in recent years.

- Homes in local historic districts gain 2 percent increase in value immediately after designation compared to city average; thereafter, they appreciate annually 1 percent higher than the city average.
- Another study found that national historic district designation produced a 14.3% property value premium, while local historic district designation yielded a 22.5% premium.
- Another case in Connecticut: Canton’s property values rose 22.3% throughout town—but 28.25% in its national register district and 32.3% in its downtown local historic district.

On Mitigating Foreclosure: How many preservationists take credit for mitigating home foreclosures? They should. An analysis of single-family homes in sixteen comparable neighborhoods in Philadelphia, of which six were historic districts, found the foreclosure rate to be more than double outside district boundaries (over 7 per thousand units) compared to inside (3 per thousand).

- Similar results were determined in four communities in Connecticut, which suffered nearly 20 foreclosures per thousand units overall but under 10 within local historic districts, as well as for five cities in north Utah, the biggest of which (Salt Lake City) saw a 19%-to-5% differential between citywide and historic district foreclosure rates. Not only did these areas weather well the real estate and banking crisis of 2007-2009, they also saw their property values increase.

On Heritage Tourism: Preservation-based heritage tourism accounts for \$3 billion total output in the five counties in and around Philadelphia, supporting 45,000 jobs and nearly a billion dollars in statewide earnings.

- Arkansas, despite having a different type and scale of heritage tourism compared to Philadelphia, nonetheless earns \$891 million (21,552 jobs, \$319 million in income, and \$74 million in tax revenue) through this sub-sector of the travel and tourism economy, and while heritage tourists made up 1 of 6 total visitors, those visitors spent nearly 1 of 3 tourist dollars and were more likely to bring them into Arkansas from out-of-state. Similar figures have been measured in Florida, Utah, and elsewhere.

On Environmental Sustainability: Rypkema reported the environmental effects of rehabilitating a 50,000-square-foot historic warehouse in Maryland, compared to new suburban construction. Generally he reported that “preservation projects save 50 to 80 percent in infrastructure costs compared to new suburban development.” Rehabilitation of this particular warehouse yielded:

- 20 to 40% reduction in Vehicle Miles Traveled;
- reduction of travel-related CO₂ emissions by roughly 100 metric tons (CO₂ “saved” relative to suburban construction amounted to 18,700-22,000 gallons of gasoline);
- 55,000 MBTU worth of embodied energy retained;
- 5.2 acres of greenfield land preserved;
- 2500 fewer tons of construction debris in landfills; and
- \$500,000 to \$800,000-worth of additional infrastructure saved.

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

—Donovan Rypkema

On Commercial District Revitalization: Evidence from Georgia’s Main Street and Better Hometown Communities programs shows dramatic job gains in these designated area—23,000 new jobs in a decade—even as the statewide unemployment rate more than doubled over the same period. State revenue collections followed suit: businesses flourished in these areas and paid more tax revenue, even as state coffers declined in the late 2000s.

- In New Mexico’s Main Street districts, the business-openings-to-closings ratio ranged between 2.4:1 and 3.3:1 during the Great Recession of 2007-2011, roughly triple the nationwide rate, which had dropped below 1:1 during two of those years. Every year, property taxes from buildings renovated on Main Streets provide an additional \$10,800,000 to local governments.
- In Iowa, towns in the Main Street program sent an additional \$43 million to state tax coffers annually.
- In North Carolina, Main Street programs bring 3.7 times more to the state in sales tax compared to costs.
- Norwich, England’s commercial district revitalization instigated a 60% to 300% increase in pedestrian traffic, a 40% increase in the length of stay of pedestrians, an increase of visitation frequency on the part of 24% of

pedestrians, significant reduction in noise and air pollution—and the programmatic support of 80% of elderly residents and 98% of families with children. Similar results were reported from Ghent, Belgium.

On Economic Competitiveness: For most of human history, people followed jobs. Now, increasingly, jobs follow people—namely young knowledge workers—who in turn select their spaces of residence based on quality-of-life factors such as walkability, localism, historicity, and heritage. In a collaboration with Erasmus University in Rotterdam, researchers measured these phenomenon in (1) World Heritage Cities which belonged to the Organization of World Heritage Cities and (2) comparable nonheritage cities. They found that “between 2003 and 2013, heritage cities typically attracted 41 more instances of Direct Foreign Investment than the non-heritage cities.” Concluded Rypkema, “All evidence demonstrates that investment in heritage is an inherently sustainable, long term, and measurably successful solution to economic recession.”

On Mitigating Shrinkage: Rypkema and his students looked at twenty older industrial cities, all of which had National Register districts and most of which had local districts, and overlaid those boundaries on block-level population data from the 2000 and 2010 censuses. They found that while cities in the study lost 11.6% of their population, local historic districts lost only 6.6%. In Philadelphia, National Register districts gained 12,000 in population between 2000-2010 while the rest of the city lost almost 4000. Similarly, in Washington D.C., historic districts comprised 45% of the population but represented 63% of the city’s growth. Returning to Mayor Menino’s Boston, 23 percent of the population lived in historic districts in the 1990s, but they accounted for 36% of the growth—and this was generally prior to the great rediscovery of the inner city ongoing in the 2000s-2010s.

The symposium concluded with a panel discussion on themes and lessons of the day. Moderated by former Charlottesville, Virginia mayor and Tulane architecture Prof. Maurice Cox, the panel brought together all symposium speakers and organizers plus University of New Orleans urban planner Jane Brooks. Cox began by returning to Charles Birnbaum’s appeal for the experiential to be integrated into preservation by taking that concept to its logical next realm: to include culture bearers. “This, I believe,” said Cox, “changes the conversation, because it takes [us] beyond the conservation of places to include the conservation of people”—that is, their retention as residents, desiring to remain in their neighborhood for its quality of life, able to remain there because they can afford it, and thus able to practice their culture there. If we can expand the notion of preservation from the structural to the cultural, Cox argued, then you’ve got a lot more preservationists fighting for your cause—and that cause, as other panelists reminded the audience, bears with it economic benefits for that community. This brought the panel back to the case studies presented by Marsh Davis, Tony Tung, Eduardo Rojas, and Donovan Rypkema. How can preservationists marshal this economic evidence to save the tax credits and other state, local and federal mechanisms that yield such high ROIs? Preservationists could learn something from the National Endowment for the Humanities, Charles Birnbaum noted, when it shifted its argument away from “art-for-art’s-sake” and toward art as a catalyst for the cultural economy. From the preservationist standpoint, the numbers are beyond dispute—and yet, as Jack Davis expressed, “I am dismayed that we’ve convinced no one but ourselves that preservation equals jobs.” A consensus emerged that preservationists must expand the domain of their mission, (1) from the structural level to that of the cityscape and culture of the people; (2) from the improvement of destinations to the authenticity of their experience, and (3) perhaps most importantly, from a mission argued principally along cultural lines to one that unabashedly takes credit for jobs, income, and tax revenue. This is likely to be the most effective case preservationists can level against current attempts to curtail or eliminate the Federal Historic Preservation Tax Incentives Program and decrease support for programs such as Main Street and Save America’s Treasures.

Because historic preservation imbues a sense of authenticity which in turn stimulates economic activity, it returns investment dollars at extremely high ratios. Preservationism can and should take credit for “punching above its weight,” bringing jobs and income and tax revenue to communities *in addition to* cultural and architectural enrichment. It’s a strong argument to make, and the Preservation Matters III Symposium demonstrated that it’s got strong data to back it up.

“If the cultural community can show up not with a beggar’s position of ‘won’t you help me because it would be nice to have something beautiful,’ but [rather by] showing Return on Investment, [by showing] you can make more money back...for every tax incentive[,] then you can compete from a muscular position—with any other industry.” –Mayor Mitch Landrieu

Future Directions

Organizers of Preservation Matters III have identified five specific targets for future actions, and recommend that colleagues use the “Preservation = Jobs” message gleaned from this symposium to advocate for them.

1. **Create more historic districts and expand existing boundaries whenever supported by citizenry.** As shown during the symposium, historic districts bear economic fruit in addition to their good urbanism. Sections of St. Charles Avenue in uptown New Orleans, for example, would benefit greatly from such designation.
2. Encourage legislators to **fund and support Main Street Programs**, as these and similar commercial corridor revitalizations have yielded some of the highest and best-sustained ROIs.
3. Advocate for **full federal funding of the Historic Preservation Fund** at its authorized \$150 million nationwide level, rather than the \$60 million it is usually allocated annually.
4. Ensure the **historic rehabilitation tax credit is not eliminated in the name of tax reform**, as this program is absolutely fundamental in buying down the cost of renovation and catalyzing gains afterwards.
5. Embed the notion of **carrying capacity into the management of heritage tourism**, so that high visitation does not get concentrated into vulnerable historic districts but rather spread across the cityscape into new and upcoming revitalized areas.

“Historic buildings are the anchors of a growing city... Historic preservation helped make Boston what it is today.”
–Mayor Tom Menino

Appendix: Agenda

Preservation Matters III
Preservation Resource Center of New Orleans
Tulane School of Architecture Master of Preservation Studies
Symposium: The Economics of Authenticity
April 16-17, 2014
The Historic New Orleans Collection - Williams Research Center
410 Chartres Street, New Orleans, Louisiana 70116
Agenda

Wednesday, April 16

5:30 p.m. Welcome by Kenneth Schwartz, Dean, Tulane School of Architecture
Introduction by Alkis Tsolakis, Dean, LSU College of Art + Design
Keynote Speech by Charles Birnbaum

Reception to follow at The Historic New Orleans Collection, Merieult House - 533 Royal Street

Thursday, April 17

8:30-9:00 Registration and coffee

9:00-9:05 Welcome by Patricia H. Gay, Executive Director of Preservation Resource Center

9:05-9:15 Introduction and remarks by Mayor Mitch Landrieu

9:15-9:55 Boston's Revival and the Impact of Preservation Programs by Mayor Thomas Menino

9:55-10:35 Preservation at Work in Downtown and Neighborhoods by Marsh Davis

10:35-11:05 New Orleans Preservation Timeline and Where We Are Today by John Stubbs and Jack Davis

11:05-11:20 Break

11:20-12:00 The Universality of Preservation Values Around the World by Anthony Tung

12:00-12:30 Q & A and Commentary by Roberta Gratz, Moderator

12:30 -1:40 Lunch

1:45-2:25 Governance Matters in the Sustainable Preservation of Historic Centres by Eduardo Rojas

2:25-3:15 Recent Lessons on the Economic Impact of Historic Preservation by Donovan Rypkema

3:15-3:30 Break

3:30-4:50 Panel, Open Discussion, and Synthesis led by Maurice Cox and Bill Gilchrist, with all speakers

4:50-5:00 Closing Remarks