DOWNTOWN REVITALIZATION

After World War II, Utah’s downtown economies were hugely impacted by widespread highway construction. The new mobility offered by the automobile transformed the landscape of commercial development. New commercial centers began rising at the edge of town in a rush to capture modern Utah consumers. At one point in the early 1960s, The Salt Lake Tribune called shopping mall development in Salt Lake County a “war.”

Oriented to cars rather than pedestrians, strip malls and shopping malls generated stiff competition for downtowns around the state. The new commercial centers lacked the character of historic business districts, but they offered selection and pricing that most downtown retailers could not match—and acres of parking that downtowns could not provide. Consequently, they captured large trade areas, with customers traveling long distances to do business, from Helper to Provo, Panguitch to Cedar City, or Tremonton to Logan.

Downtown business and property owners tried to compete with the new commercial centers on the new terms. Property owners replicated the neutral design of malls and giant retailers by installing “slipcovers” on their buildings. Merchants installed billboard-sized signs to attract passing motorists. And communities demolished historic buildings to create space for more parking. In fact, the “modernization” only worsened downtowns’ economic decline by diminishing their inherent competitive advantages: unique historic character and pedestrian environment.

In the last 30 years, the concept of downtown revitalization has received attention from across the country. It is increasingly recognized as a viable, cost-effective approach to local economic development. Both public officials and private-sector leaders have come to recognize that “the health and economic vitality of a community is best reflected in its downtown, the heart of the city.” And there is proof: communities that have engaged in downtown revitalization based in historic preservation have not only achieved substantial economic growth—they have established a strong identity that has led to further economic opportunities.

WHY DOES DOWNTOWN MATTER?

The importance of downtown is not always obvious to communities that have seen their downtowns decline. It is especially hard to see in communities where extensive strip development, big box retail, or a regional mall has generated substantial public revenues. Why reinvest in downtown?

- Downtown is an incubator for local entrepreneurs. Their businesses create a stable foundation for economic growth, because they do not rely on economic interests based elsewhere. In addition, the multiplier of local businesses—that is, the percent of business income returned to the local economy—is much higher than that of national corporations. A 2012 study in Salt Lake City concluded that local businesses returned over 50 percent of their income to the local economy, while national chains returned less than 15 percent.44
- Historic buildings and public places tell the story of the community and give a sense of its current direction. A clear sense of community identity has very real economic impacts. In marketing terms, it creates differentiation by establishing a clear brand for downtown and the broader community. This brand increases a community’s ability to compete economically.
- Focusing on downtown helps to manage growth in the entire community. Communities throughout Utah—even those that would have recently been considered remote—are experiencing the

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44 Civic Economics, “Indie Impact Study Series: A National Comparative Survey with the American Booksellers Association” (Salt Lake City, Utah: Summer 2012).
pressures of population growth. Concentrating development in the urban core allows for more cost-effective allocation of public resources like infrastructure and preserves open land for productive long-term alternatives. In other words, communities are economically healthier when they grow from the inside out.

- Local economies work better when they are based on a density of activity. When economic activity is concentrated in a smaller area like downtown, consumer activity intensifies and businesses can feed one another more effectively.

DOWNTOWN REVITALIZATION IN UTAH

This section of the report will assess the impacts of downtown revitalization based in historic preservation. This approach to restoring downtown’s physical and economic vitality is based on restoring a business district’s historic character, primarily by returning its buildings to their original, historic appearance and by creating an environment that promotes pedestrian activity.

However, it should be noted that some communities in Utah have taken different approaches to addressing the economic decline of their downtowns. Most have simply ignored downtown or taken a laissez-faire approach, allowing downtown to essentially remain dormant. For these communities, however, the real issue is not necessarily that they don’t want to revitalize their downtowns—it’s that they don’t know how.

There are other approaches to downtown revitalization. In a few cases, revitalization efforts have focused more on new construction than on preservation and reuse of historic buildings. In Salt Lake City, Downtown Rising seeks to create a new downtown identity through the creation of new spaces and buildings like the mixed-use City Creek Center, the Utah Performing Arts Center, and the planned public market. Sugarhouse’s business district will be characterized more by new construction than by the rehabilitation of its historic buildings, many of which have been inappropriately modified. Provo and Cedar City have tried to balance new construction with historic preservation.

And some communities seek to create centers of commerce and civic life from whole cloth. South Jordan has constructed a new “Towne Center” that includes public and commercial uses in a downtown-like setting. Other communities, including Draper, West Valley City, and Holladay have considered or are attempting to do the same. Ironically, these alternatives mimic the physical qualities of historic downtowns: distinctive architecture in a mixed-use, pedestrian-friendly environment.

The challenge of approaches that are not based in preservation lies in their uncertainty. This is especially true as commercial development has become more competitive. The cycles of commercial design are growing shorter, which means that commercial center concepts that may have been successful 10 or 15 years ago are no longer competitive. Recently, the Gateway Shopping Center in Salt Lake City announced a $2 million renovation project—and it is not even 20 years old. But there is one exception: commercial development based in historic preservation. This is embodied in the Main Street Approach. Downtowns that have fully and actively engaged in the Main Street Approach have not only regained their economic competitiveness—they have maintained it.
Main Street
In the late 1970s, the National Trust for Historic Preservation conducted a pilot project in several Midwest communities to better understand the dynamics of downtown and how to restore its economic value. The Trust learned that effective economic revitalization of downtown was based in restoring its historic character through a holistic approach. The resulting Main Street Approach addresses downtown’s physical condition, its business environment, and its brand. It incorporates four points:

- **Design:** Design focuses on restoring downtown’s primary competitive advantage: its historic character. Design is not simply beautification, though. It addresses both aesthetic and functional elements with very clear economic objectives. It requires the private sector to actively reinvest in downtown’s historic commercial buildings and the public sector to actively reinvest in downtown’s civic buildings and public spaces.

- **Promotion:** Through Promotion, communities work to rebrand downtown and reposition it in a constantly changing marketplace. Promotion includes public relations, innovative retail events, and distinctive community events.

- **Economic Restructuring:** Economic Restructuring initially involves creating an environment that supports local businesses while welcoming compatible national businesses. It also works to stimulate reinvestment on the part of downtown’s property owners (both private and public). This point addresses the two most immediate impacts of downtown’s decline: decreased business activity and lower property values.

- **Organization:** Organization is the management structure for the Main Street Approach. This element focuses on organizing and managing the revitalization process over the long term. To accomplish this, it brings together key players from local government and the business community, as well as interested residents.

The National Trust established the National Main Street Center in 1980 to help communities undertake effective downtown revitalization. Since then, over 1,000 communities in the U.S. and several foreign countries have adopted the Main Street Approach. The results are impressive. From 1980 through 2012, Main Street communities saw a cumulative reinvestment of $55.7 billion, with nearly 110,000 net new businesses and more than 470,000 net new jobs.45

In 1992, the Utah legislature established the Utah Main Street Program in the Department of Community and Economic Development. Until the program’s termination in 2006, Utah Main Street provided a range of services to over 40 communities. Fifteen partner communities received a full set of services—funding, training, and technical assistance—to implement the Main Street Approach.

This chapter examines the impacts of historic preservation on the economies of Utah downtowns. Using case studies, it analyzes downtowns on two levels:

- The impacts of preservation-based downtown revitalization through (1) the Main Street Approach and (2) a less holistic process that incorporates historic buildings as a key element of downtown revitalization; and

- The impacts of the historic rehabilitation of individual properties on downtown economic activity.

IMPACTS OF PRESERVATION-BASED REVITALIZATION INITIATIVES

Communities in Utah have taken a number of different approaches to downtown revitalization. Most have simply allowed downtown to evolve without actively directing its development. Some have attempted to balance the preservation and reuse of a few historic buildings with extensive demolition and new construction. Some have integrated historic buildings into their downtown revitalization strategies. And others have undertaken preservation-based revitalization through the holistic process of the Main Street Approach.

Successfully implementing the Main Street Approach is not easy. The primary challenge is managing expectations, as preservation-based revitalization happens by degrees. Many communities lack the patience, persistence, or ability to contemplate a process of incremental change that takes place over a period of years. Economic development has become focused on creating jobs through short-term recruitment projects. But sustainable economic change takes time to develop.

The second challenge of the Main Street Approach is that it requires the active collaboration of both the public and private sectors. Each sector has particular interests in downtown and brings specific strengths and resources to the revitalization effort. But achieving this collaboration can be difficult. Long-term disinvestment and failed past attempts at revitalization have generated skepticism and mistrust between local government and the business community. Even within the local business community itself, relationships are often dysfunctional.

The final challenge lies in the mistaken perception that historic preservation not only does not generate economic growth—it inhibits economic progress. Communities often wrongly assume that the source of downtown’s decline is its historic buildings, and that removing those buildings will successfully reinvent downtown. Investing resources in the rehabilitation and reuse of historic buildings is not seen as an option.

Because of these challenges, only a handful of communities in Utah have undertaken the Main Street Approach for an extended period of time. Those communities include American Fork, Brigham City, Heber City, Helper, Logan, Midvale, Mt. Pleasant, Panguitch, Parowan, Price, Provo, Roosevelt, Springville, and Tooele. These communities have undertaken the Main Street Approach to varying degrees, with different levels of commitment to historic preservation as the foundation for downtown revitalization.

The first part of this section focuses on case studies of Mt. Pleasant and Panguitch, two Utah communities that have undertaken the Main Street Approach for the longest period of time and that have most fully embraced historic preservation as the basis for their downtown revitalization efforts. The economic impacts of those efforts may appear to be modest. However, given the economic challenges that both of these communities have faced, they are substantial. Local revitalization efforts have allowed Mt. Pleasant and Panguitch to support stable, sustainable economic activity—no small accomplishment.

The second part of this section examines St. George, Ogden, and Brigham City. These communities have not adopted the Main Street Approach, but they have made historic preservation a linchpin of downtown revitalization initiatives.

**Main Street Case Study: Mt. Pleasant**

Located in agricultural Sanpete County, Mt. Pleasant’s economy has historically been based on farming, initially of sheep and later of turkeys. In 1993, Mt. Pleasant was designated one of Utah’s first Main Street Partner communities. At the time of the designation, however, Mt. Pleasant’s downtown revitalization efforts were already well underway.
In 1989, the community approved a $500,000 bond to install streetscape improvements along Main Street, including lighting, benches, sidewalk enhancements, and trash receptacles. City leaders added to that investment with an $83,000 Community Development Block Grant. This money funded architectural drawings of buildings along Main Street and served as seed funding for matching grants with downtown property owners.

Private property owners undertook 17 historic building rehabilitation projects totaling an estimated $200,000. Most of these individual projects were relatively simple, focusing on restoring facades to their original historic character. Still, their collective impact was significant. By 2000, Mt. Pleasant had seen as much public and private reinvestment per capita in its downtown as any community in Utah.

Over the past 20 years, downtown vacancy has decreased and the use of buildings has intensified. But perhaps the best measure of downtown Mt. Pleasant’s economic health is the increasing diversification of the business mix. What once was a fairly typical inventory of small retail and service businesses now includes a violinmaker, a technology retailer, the offices of distributors of recreational equipment, and the offices of a home healthcare company. In addition, longtime businesses—including a home furnishings store, a clothing store, a florist, and a pharmacy—have continued to flourish. As with any investment, a more diverse downtown “portfolio” is a more stable portfolio.

This diversity of economic activity includes a key ingredient for downtown economic health: housing. Housing intensifies the density of local activity while allowing the community to manage residential growth more efficiently. This is essential in communities like Mt. Pleasant, where the population has increased by approximately 60 percent since 1990. With the upcoming completion of the rehabilitation of the Wasatch Block building, Mt. Pleasant will have 23 housing units downtown.

But the primary economic impact of Mt. Pleasant’s revitalization efforts has been to position its business community against major changes in the regional retail environment. In 1998, a regional mall with 800,000 square feet of leasable space opened in Provo, less than an hour’s drive from Mt. Pleasant. A couple of years later, Wal-Mart opened a “Supercenter” in Ephraim, 15 miles to the south.

Based on the experience of communities in other parts of the country, the effects of these changes should have been immediate and catastrophic. For example, sales in Iowa communities with less than 4,000 residents dropped by nearly 30 percent within five years of Wal-Mart’s entering their trade areas. As a similar small rural community, Mt. Pleasant should have anticipated similar impacts.

But Mt. Pleasant’s experience was different. In the five years following Wal-Mart’s opening, downtown businesses in Mt. Pleasant did experience a decrease in sales. However, the drop was only 14 percent—half of what happened in Iowa.

Another way to measure the relative effects of Mt. Pleasant’s revitalization efforts is by comparing its experience with that of Manti and Gunnison, two similarly sized Sanpete County communities that did not

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47 Calculation based on retail sales data obtained from the Utah State Tax Commission.
undertake downtown revitalization. Manti and Gunnison had significant market advantages as the county seat and the location of the Utah State Prison, respectively, but downtown sales in Mt. Pleasant outperformed them. In the five years after Wal-Mart opened in Ephraim, Manti and Gunnison both saw their downtown sales fall by about 24 percent. Taking a longer comparative view, between 1997 (the first year for which detailed data are available) and 2010, downtown sales in Mt. Pleasant increased by 33 percent, while those in Gunnison increased by 14 percent and those in Manti actually decreased by 6 percent.48

While the private sector should certainly be applauded for the success of downtown Mt. Pleasant, local government also deserves credit. In addition to substantial public investment in the streetscape, Mt. Pleasant City has also undertaken its own building rehabilitation projects, including the Carnegie library, City Hall, and the Armory. The city currently is completing rehabilitation of one of downtown’s most significant buildings, the Wasatch Block, capitalizing on a unique public-private partnership that will result in the addition of four apartments on Main Street. In addition, the city is rehabilitating historic Liberal Hall across from the Wasatch Block. These two projects alone have brought over $1 million in outside funds into the community.49

Beyond monetary impacts, the economic value of downtown Mt. Pleasant can be measured by a different kind of investment: the collaboration of the city and downtown property owners in the designation of downtown Mt. Pleasant as a national historic district. The city and the business community have also adopted a historic overlay zone to protect downtown’s historic character and help sustain property values.

Main Street Case Study: Panguitch

With a population of approximately 2,400, Panguitch is one of the more remote communities in Utah. Located in a high mountain valley in south central Utah, Panguitch grew up around farming and ranching. In recent decades, its economy has become increasingly dependent on tourism. So when Panguitch was designated a Main Street partner community in 1996, one of the community’s goals was to increase visitor spending by strengthening Panguitch’s identity, or brand.

That goal revolved around the rehabilitation of buildings along Main Street. Over the next 15 years, a range of projects was undertaken, from the relatively simple restoration of the façade of the state liquor store to the comprehensive rehabilitation of the Gem Theater. The City of Panguitch added to the investment of private property owners when it rehabilitated the historic Social Hall that, according to retired City Manager Allen Henrie, sees “constant use.” The city also obtained $650,000 in funding to install streetscape improvements along Main Street and Center Street, including “gateway” welcome signs.

Panguitch’s Main Street organization complemented these projects by organizing business development programs and creating events that highlight and reinforce the character of the community. One of the most prominent is the Quilt Walk, a quilting festival based on the story of early residents who saved the community during a particularly harsh winter. Started in 1998, the Quilt Walk attracted 65 participants in its first year. It now brings over 200 participants from around the west for four days, filling motel rooms, restaurants, and local shops.

48 Ibid.
49 Based on information provided by Monte Bona, Mt. Pleasant City, via email, February 5, 2013.
This combination of projects—building rehabilitations, streetscape enhancements, business assistance, and promotional events—closely aligned with the holistic structure of the Main Street Approach. The primary effect was to intensify Panguitch’s brand as a historic destination. And the impacts on the local tourism-based economy have been significant. In the first ten years of the Main Street organization’s existence, sales at Panguitch’s motels and bed-and-breakfast inns increased by nearly 60 percent. By contrast, transient room tax revenues (a comparable measure of activity in the lodging industry) in the whole of Garfield County grew by just 18 percent during this period.\textsuperscript{50} These included Ruby’s Inn, a large hotel next to Bryce Canyon. In the state of Utah, those revenues increased by 35 percent—half of Panguitch’s growth rate.

Several pieces of additional information make the increase even more impressive. First, during these ten years, no new motels were constructed in Panguitch. Second, due to Panguitch’s elevation at 6,600 feet, the economy is seasonal, with high season for tourists generally beginning in May and ending in September. This makes the fiscal year for local businesses essentially five months long.

At the same time that Panguitch was capturing more visitor dollars, its economy was also diversifying. For the same ten-year period (1996-2005), sales in Miscellaneous Retail expanded by over 300 percent, even as large-scale retail development intensified in nearby Cedar City and Richfield.\textsuperscript{51} Given the nature of development in Panguitch, it is reasonable to conclude that almost all of these sales occurred on Main Street.

Some of this increase can be attributed to Panguitch’s growing population, which increased by 32 percent between 1990 and 2010. But the only change in the local business community was the Main Street Approach.

**Preservation-based Case Study: St. George**

In the 1970s, St. George began to transform from a quiet desert community into a haven for retirees. From 1970 to 2010, its population grew by nearly 900 percent—an average of over 20 percent per year. This dramatic increase naturally led to higher commercial demand, which generated significant large-scale commercial growth in the form of malls and big-box retailers. These expanded commercial activity and drew dollars from the community’s historic center.

But St. George did not ignore its downtown. Instead, the community focused on downtown as an important economic and cultural resource. The first step was the designation of a downtown historic district in 1980 and the establishment of a façade grants program to encourage property owners to restore the historic character of their buildings. Both worked: Over the past 30 years, over two dozen façade rehabilitations have been completed downtown, and more than $10 million of private investment has gone into historic rehabilitation and compatible new construction.

The City of St. George has been an active partner. To date, municipal investment in downtown totals well over $10 million and includes historic renovations of the Washington County Courthouse, Dixie Academy Building, and St. George Opera House; as well as architecturally compatible new buildings such as the St. George...
Library. The City’s investments have been complemented by other government entities, with the Washington County School District and the State of Utah constructing compatible new buildings in downtown at an estimated total cost of over $15 million.

In one of the more innovative public design projects in Utah, the City turned the need to update aging downtown infrastructure into the opportunity to create Town Square and Water Walk, a public space that now hosts festivals, concerts, and outdoor movies. As the local paper noted in 2012, “Town Square, on the southwest corner of the intersection of Main and Tabernacle streets, has been the city center’s biggest attraction…”

This range of projects reflects the diversity and intensity of use in downtown St. George. Perhaps more than any other community in Utah, St. George has successfully integrated commercial, civic, and cultural uses. They serve as both a reflection of and a catalyst for downtown’s economic vitality.

That vitality continues to intensify as downtown businesses expand. Even more telling, however, is the fact that existing local businesses are relocating to downtown. Newcomers include a technology company, medical offices, and an ophthalmology practice. As ophthalmologist Dr. Sharon Richens explained, “St. George has such a sense of character. I wanted our new building to have a sense of place, to be within walking distance of the downtown.”

But perhaps the strongest evidence of the impacts of historic preservation on downtown is found in Ancestor Square, a shopping center developed more than 30 years ago at the intersection of Main Street and St. George Boulevard. Its developers characterize it as “an example of architecture, entrepreneurship, and history nicely interwoven.” Ancestor Square contains 12 buildings, half of which are listed on the National Register of Historic Places and half of which are new. Its website proclaims that “visitors to this park-like area might have a challenge deciding which of the buildings are historic and which are new. Talented architects have worked to make it that way.” While specific sales data for Ancestor Square businesses are unavailable, the most salient indicator of its economic success is its vitality. Ancestor Square houses over 15 businesses in its fourth decade, including retail, personal and professional services, and restaurants; it is also the site for the Downtown Farmers Market.

This economic growth throughout downtown is the direct result of a sense of place, which grew from the business community and local government’s focus on sustaining the historic character of downtown. That focus is articulated in and regulated by design guidelines for downtown that serve to “ensure the creation of an environment, blending the existing and new developments into a harmoniously functioning area.”

**Preservation-based Case Study: Brigham City**

More than any other element, the signature feature in Brigham City is the historic arch that spans Main Street, welcoming people to the downtown. The steel and glass arch was constructed in 1928 with resident donations and restored in 1984. Its restoration is a compelling metaphor for the revitalization of downtown Brigham City. This began as early as 1978, when the city established a redevelopment agency that funded streetscape improvements and grants and loans for façade rehabilitations downtown.

Since then, the city has invested nearly $4 million in downtown through a combination of redevelopment funds, city general funds, and federal funds. One indicator of downtown’s economic value is that the city

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55 #10-13C-6: Design Guidelines,” City of St. George ordinance.
continues to commit ongoing funding of loans and grants for rehabilitation of downtown buildings. The private sector has invested over $500,000 in property improvements, with significant impacts. Over the past 35 years, the total assessed value of downtown property has increased by over 300 percent, and downtown businesses have generated $13 million in sales taxes.

These figures are especially notable given a few key facts. First, downtown Brigham City comprises a very small geographic area—only nine square blocks. Second, the city has purchased several privately owned properties, reducing the number of properties in downtown that might generate property and/or sales taxes. Finally, over the same 35-year period, numerous large-scale retail developments have been constructed within an hour’s drive of Brigham City, which has seen its own share of large-scale retail development outside downtown.

For several years, Brigham City participated in Utah Main Street as a partner community. Although the local Main Street organization was unable to sustain itself for various reasons, its presence and activities intensified and accelerated revitalization efforts. In particular, it encouraged historic façade rehabilitations and creating promotional events that strengthened downtown’s role as center of community activity.

As in St. George, the mix of private and public uses in Brigham City has strengthened the economic impacts of restoring downtown’s historic character. As a counterpart to private-sector reinvestment, Brigham City’s government has maintained both the historic and functional vitality of its public buildings, including the library, historic City Hall/fire station, and county courthouse. The City’s commitment to downtown revitalization is evidenced by the ongoing planning for the reuse of the Christensen Dance Academy building, a structure that many communities might have deemed an unusable “white elephant” building and demolished.

Design guidelines are an essential part of Brigham City’s downtown growth. These guidelines provide property owners with clear standards for building rehabilitations that make economic sense, given the historic context of downtown. As city planner Paul Larsen said, “The economy of downtown is tied directly to its desirability as a business destination and/or center, and historically appropriate development, rehabilitation, and other activity is directly related to this desirability.”56 Perhaps even more importantly, the design guidelines provide an objective basis for city officials and property owners to work collaboratively to find the nexus between responsible preservation and economic growth.

THE SUSTAINED ECONOMIC IMPACTS OF HISTORIC BUILDING REHABILITATION

Preservation-based downtown revitalization depends on the rehabilitation of historic buildings. This section provides an overview of historic commercial buildings and historic character. It then presents a series of rehabilitation case studies from 12 communities in Utah that demonstrate the impacts of projects ranging from the simple to the complex, in small and large communities, and by private- and public-sector property owners.

56 Paul Larsen, Brigham City, via email February 11, 2013.
Ultimately, the goal of this section is to provide a broad picture of how historically appropriate rehabilitation work benefits downtown’s economy. The case studies demonstrate the value of restoring an individual building’s historic character.

What Happened To Downtown’s Historic Commercial Buildings?

Historic buildings have always been defining features of the downtown landscape. Traditionally, they communicated a distinctive physical image through architectural style and detail. But in an effort to compete with new commercial centers, many downtown business and property owners “modernized” their buildings with bland materials and designs that imitated corporate design formulas for shopping malls and strip malls. Other property owners tried to link their buildings to the Wild West or the American frontier by installing kitschy wood or vinyl siding.

These treatments obscured or altered important historic features and compromised functional design elements. In many cases, confronted by increasingly intense competition, downtown property owners simply abandoned their buildings, leaving them to suffer neglect and deterioration. Rather than making downtown buildings more competitive, these various responses—modernization, contrived history, or neglect—had the opposite effect. They actually diminished the historic character that distinguishes older downtown buildings from contemporary commercial centers. These treatments did not only cause cosmetic or structural damage—they reduced the marketability and functionality of the buildings.

As the buildings became less marketable, their rents decreased. Consequently, maintenance was deferred or ignored altogether. The collective impact of this cycle of disinvestment was a gradual physical deterioration and economic stagnation that caused customers, residents, elected officials, and business owners to redirect funding and energy away from downtown.

The cycle of disinvestment leads to vacant or underutilized downtown buildings. Some buildings that are vacant often appear to be occupied. In other cases, buildings can be functionally vacant: they may be occupied, but by tenants who are not actively conducting business and/or are not paying rent. Or they may simply be underutilized, as when upper floors are used for storage.

The situation varies, but the costs are always high. And they affect diverse stakeholders, not just the property owner. Costs include the loss of:

- Rents
- Property taxes
- Payroll and related spending
- Business spending
- Utility payments
- Property taxes
- Sales taxes
- Utility payments
- Property value

The total value of lost economic activity due to vacancy can exceed $200,000 per year, even in a small community. But as demonstrated by the case studies below, historic building rehabilitation has an immediate and direct impact on vacancy rates, converting former liabilities into community assets.

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57 Getting Results: The Economic Impact of Main Street Iowa, 1986-2012, PlaceEconomics for the Iowa Economic Development Authority, 2013
Downtown revitalization begins with breaking the cycle of disinvestment and reestablishing the functionality of historic buildings. Although the public sector can and should be an active participant in rehabilitating public buildings, the most important ingredient in downtown revitalization is private-sector reinvestment.

**What’s The Value of Historic Character?**

The general problem with the treatments applied to historic commercial buildings in Utah and elsewhere is that they have compromised the buildings’ functionality as commercial spaces. As a result, the buildings’ economic potential is limited. Rents are diminished and functional elements in the building are marginalized or rendered useless.

Rehabilitation is the process of restoring a building’s historic character—and functionality. The primary goal of rehabilitation is to return a building to its full use and maximize the property owner’s financial return. Generally, this process involves the removal of non-historic or inappropriate materials (e.g., aluminum siding) and the repair and restoration of a building’s historic features. More specifically, rehabilitation seeks to:

- Enhance a building’s marketability as distinctive retail or office space;
- Mitigate damage caused by inappropriate modifications; and
- Restore functional elements of the building.

To assess the impacts of historically appropriate rehabilitations in Utah, the Utah Department of Community and Economic Development conducted an analysis of 67 such projects from around the state in 2003. It concluded that every dollar invested in rehabilitation generated $11.84 in economic impacts, including payroll, property values, and spending; and that these impacts generated $1.53 in public revenues. These are exceptional returns. And they are even more impressive given the average cost of a project (slightly less than $12,000) and the size of the communities in which the rehabilitations took place (slightly over 14,000 residents, on average). It’s reasonable to assume that, given economies of scale, larger investments would lead to exponentially greater impacts.

The analyzed projects were drawn from more than 100 rehabilitation projects that received matching grants from Utah Main Street between 1995 and 2002. The interest in the grants program is another indicator of the value of rehabilitation. During the seven years of its existence, Utah Main Street received over 300 applications from around the state, even with stipulations that projects had to comply with historic rehabilitation standards and a maximum grant size of $5,000.

In some ways, historic rehabilitation is a “back to the future” approach to downtown real estate development. The historic character of a building—whether simple or grand—has a timeless market value. Utah developer Ben Logue refers to this quality as a “constant” whose sustained value has been demonstrated by thousands of historic rehabilitation projects across the country.58

More than half of the following case studies involve buildings that were vacant for an extended period before rehabilitation transformed them into commercial space that has seen continuous use since. And these examples are not rare—they are representative of the long-term impacts of historic building rehabilitation.

The immediate effects are also dramatic. In 2001, Utah Main Street surveyed recipients of its rehabilitation grants. Twenty-nine owners responded to a range of questions about the grants program, most of which addressed how the program actually worked. But two questions generated responses that are particularly instructive for the purposes of this study: Was the building vacant before the project? Is it vacant now [after the project]? The responses indicated that the rehabilitation projects reduced the overall vacancy rate from 27 percent to 10 percent.

58 Ben Logue, interview conducted on March 19, 2013.
One of the goals of any downtown revitalization initiative is to stimulate reinvestment by downtown property owners. Of the 29 property owners who responded to the Utah Main Street survey, 23 stated that their project stimulated interest among other property owners. One respondent noted that his downtown neighbor did “work on his building for the first time in 30 to 40 years.” Another observed an even more extraordinary event: collaboration among downtown property owners, who “grouped together…and shared ideas” about restoring their buildings.

In a telling turnaround, the commercial development industry is now attempting to incorporate the traditional design principles of historic commercial buildings into new commercial centers. With commercial design trends cycling ever more quickly over the past 30 years, shopping centers have increasingly been configured to imitate historic downtowns in an effort to achieve historic buildings’ timeless—and highly marketable—qualities. New commercial centers such as Riverwoods in Provo and Gateway in Salt Lake City have incorporated an open-air, pedestrian-oriented “Main Street” lined by individual storefronts that attempt to recreate the feel of historic facades. The shift is occurring in existing centers as well. University Mall in Orem, Fashion Place Mall in Murray, and Red Cliffs Mall in St. George have functionally turned themselves inside out, applying facades to exterior walls that were previously blank.

While these examples indicate the inherent competitive advantages of historically rehabilitated buildings, the value of historic rehabilitation is made most directly and succinctly with a simple anecdote. Paul Larsen, Community and Economic Development Director for Brigham City, tells the story of a downtown historic building that initially went through a plain, non-historic rehabilitation that had little impact on the business inside the building. In fact, the building eventually fell into vacancy. The current owner then purchased the building and opened a store. After a few years, he undertook a historically appropriate rehabilitation. After the project was completed, people walked in the store and remarked that they didn’t know a business had even been operating in the building. One visitor offered to buy the building on the spot as a location for a restaurant.

Given this information and the outcomes of the projects described below, a natural question arises: Why aren’t there more historic building rehabilitations in Utah? The answer is complex, but generally stems from a misperception of risk among property owners and developers. To be sure, rehabilitating a historic commercial building can be an uncertain undertaking. However, as the eight case studies below demonstrate, the outcome can be a substantial, sustained economic return.

148 South Main Street, Helper
In 2002, Mark Stuckenschneider and Julie Hunt purchased the Mutual Building on Helper’s Main Street. Formerly a furniture store, the building had sat vacant for four years before Mark and Julie opened Balance Rock Eatery. At the same time, they undertook a two-month rehabilitation process that included removal of aluminum siding and restoration of the upper façade with a total cost of $22,000. Their work was guided by local design guidelines, as well as guidelines associated with a Utah Main Street Program rehabilitation grant.

Prior to and during rehabilitation, gross sales for the restaurant totaled $200,000. After the project was completed, sales grew regularly until the owners sold the building and the business in 2008 at a significantly higher value than the purchase price.

Balance Rock Eatery still thrives in the building—a remarkable achievement for a business in a very
small market that is part of an industry that anticipates failure. A recent study by the Perry Group concluded that a majority of restaurants close within the first year and, of those that survived the first year, 70 percent closed within three to five years.\(^{59}\)

A specific cause-and-effect relationship between the rehabilitation and the restaurant’s success is difficult to determine. But it is worth noting that online reviewers of the restaurant—generally visitors from far away—consistently remark on the building. “Very well maintained older building” writes one, while another notes “the charm of the historic building…and adds to the dining experience.” A third simply says, “What a cool old place.”\(^{60}\)

**1 North Main Street, Tooele**

For decades, the Crystal Drug Store building at 1 North Main Street in Tooele housed the community’s pharmacy. By 2004, however, it had become underutilized. The latest tenant, a video game store, had been evicted for failing to pay rent. The building was functionally vacant.

In 2005, owner Darrell Moore removed the metal slipcover from the façade, restored the brick, replaced windows and doors, and updated the interior with new floors and other finishes at a total cost of $40,000. According to Moore, restoring the building’s historic character was more cost-effective than applying another treatment such as aluminum siding.

Before the rehabilitation was completed, Moore had rented the building to Homebodies, a new home décor and consignment store. Becki Bryant, the original owner of Homebodies, said, “When I saw the renovation progress, I really wanted the space.”\(^{61}\) Perhaps more important for Bryant, the “beauty of the building helped [her] feel confident to move forward” in starting the business.

Bryant and current Homebodies owner Ada Goodworth agree that the building’s character has had a significant impact on Homebodies’ success. As Goodworth said, “We are a home decor business. The restoration of the building impacts our business because it is more attractive to our customers. Usually people who are shopping for their home are looking for something aesthetically pleasing, and this building is interesting and holds many memories for some of our customers.”\(^{62}\) A once-underutilized building now houses a growing business and generates sales, public revenues, and rent 40 percent higher than its pre-rehabilitation levels.

**4841 South State Street, Murray**

In 1997, Bruce and Thelma Parsons purchased the historic Warenski Home at 4841 South State Street in Murray. Built in 1898, the house had been converted into apartments that were increasingly underutilized and

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\(^{61}\) Becki Bryant, email to Bim Oliver, March 7, 2013.

\(^{62}\) Ada Goodworth, email to Bim Oliver, February 26, 2013.
eventually became the home for one of the children of the previous owner. The building itself generated no economic activity. A concrete addition to the front of the home created a storefront that was rented to several businesses, but the rents generated only modest income. In effect, both structures were functionally vacant.

Rehabilitation of the building included removal of the concrete commercial structure, removal of a lean-to on the rear of the building, removal of an exterior stair on the north side of the building, and extensive interior renovations, including installation of modern heating and cooling systems. The project was guided by design guidelines from the City of Murray, as well as architectural assistance from the Utah State Historic Preservation Office. In total, the rehabilitation cost approximately $50,000.

For the six years after rehabilitation, the building was occupied by a sequence of several tenants. Then in 2002, Capri Salon signed its first lease and has remained in the building ever since. A once functionally vacant building has now seen regular economic activity six days a week for over ten years. It generates jobs and wages, sales dollars, and public revenues. Not least, the Warenski Home now brings in $2,000 per month in rent—up from no rent in 1997.

47 South Main Street, Payson
When Dennis and Tim Morganson purchased the building at 47 South Main Street in 2001, it had been vacant for more than four years. They first undertook a ten-month rehabilitation of the exterior and interior of the building. The building’s structural integrity was strengthened, masonry was repaired, a new roof was constructed, and both floors of the interior were totally remodeled. The total cost of the project was $275,000, including installation of state-of-the-art restaurant equipment.63

The result was a building that went from not being used to one that was fully occupied. According to the Morgansons, the rehabilitation “dramatically increased the marketability of the building.” The second floor apartment rented for $500 per month, while the ground floor was initially rented to the Morgansons’ restaurant for $1,200 per month. In 2004, they sold their interest in the building to their partner, who later sold the building to another owner. Even with these changes in ownership, the building has seen almost continuous use since the rehabilitation. It currently houses Boudreaux’s Bistro, a Cajun restaurant.

126 North Main Street, Richfield
In some cases, the rehabilitation of a historic commercial building is undertaken by a business owner who simply seeks to make a good thing better. Such was the case with Scott Jensen, owner of Gary’s Shoes. Gary’s Shoes has been a Richfield institution since 1958, with sales well over $600,000 by 1999.

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In the early 1970s, the previous owner installed aluminum siding and a billboard-sized sign in an effort to modernize the building and the identity of the shoe store. While the business was highly successful even as these treatments aged, a matching grant encouraged Jensen to rehabilitate the building’s historic character in 1999.

On the advice of a historic architect from the Utah State Historic Preservation Office, Jensen removed the siding and sign. When these materials were removed, Jensen discovered that the building had previously been covered with stucco. Given the likelihood that removing the existing stucco would damage the building, Jensen applied fresh stucco but retained the historic proportions, character, and details of the building. The project exemplifies some of the challenges property owners often confront in undertaking historic rehabilitation. The goal is often about returning the building to its original character as much as is practically possible rather than fully restoring that character.

The impacts of the rehabilitation were dramatic. Jensen estimates that he recovered the $33,000 in project costs within two years. By 2007, his annual sales had doubled, compared with a total increase of five percent for the eight years before the rehabilitation. The project also stimulated additional interest and reinvestment in downtown Richfield. According to Jensen, eight other buildings have since been remodeled, though not all to historic standards.

111 South State Street, Fairview

In September 2008, Phil and Katie Shell purchased the historic Reece’s Service Station at the south end of Fairview’s Main Street. The Shells and their daughter Christine envisioned a family-run gift, toy, and home décor store in this central Utah community of about 1,200 residents.

The rehabilitation of the property had begun several years earlier, when David and Jenny Smith replaced the roof and heating system and opened an artisan blacksmith shop. The ancillary Fairview Dairy Association building served as a retail storefront for pottery, soaps, and metalwork. When the Smiths sold the property to another owner, the buildings went into a period in which they were underutilized. By the time the Shells purchased the property, it had changed to residential use and generated no rent, sales, or public revenues—another functionally vacant building.

Over a six-month period in 2008, the Shells undertook an extensive rehabilitation of the Service Station building. They overhauled the mechanical, electrical, and plumbing systems; replaced non-historic windows and doors; and upgraded interior finishes. According to Katie Shell, all of the labor was local and approximately 90 percent of materials were purchased from local vendors.

The Shells are currently rehabilitating the Dairy Association building, which had been subjected to some historically inappropriate modifications that compromised its structural integrity. Although they currently use
this building as storage, the Shells intend to use it as retail space after rehabilitation is complete. The total cost for the service station rehabilitation is approximately $35,000 plus the family’s sweat equity. According to Katie Shell, the costs for a non-historic remodel would have been roughly equivalent to the historically appropriate rehabilitation.

Reece’s Service Station now sees more traffic than comparable retail outlets in the county and even draws customers from outside of town. A local planner says that the store draws customers from other towns, and generates significant sales tax revenues.64 According to Katie Shell, the authentic character of the property is essential: “There is no question we owe much of our success to the history, appeal and architecture of the station. We branded our business identity around it.” In fact, says Shell, “We likely would have faced hostility from the community if we had inappropriately altered the building.” As for the property itself, the Shells have fielded purchase inquiries from potential buyers.

202 South Main Street, Salt Lake City

The Continental Bank Building was constructed at the corner of South Main Street and South Street in Salt Lake City in 1924. One of Salt Lake’s earliest skyscrapers, the 13-story building served as a center of commerce for nearly forty years. But after the death in 1961 of Walter Cosgriff, President of Continental Bank, the building went through a series of changes in ownership. Eventually, it fell into vacancy compounded by neglect.

Proposals were submitted to Salt Lake City for the building’s demolition as early as 1981. Developers claimed that the building’s narrow footprint severely limited its potential uses and that the costs of upgrading mechanical and safety systems made rehabilitation prohibitively expensive. By the mid-1990s, the Salt Lake Tribune described the building as “shuttered” and “destined for destruction”, observing that “real estate brokers predicted any deal would hinge on first tearing down the Continental Bank building, because it is too old and would cost too much to renovate.”65

But in 1998, the Kimpton Group of San Francisco purchased the building and several others to the south on Main Street. Investing an estimated $35 million, including a low-interest loan from the Salt Lake Redevelopment Authority, Kimpton converted the Continental Bank Building into the Hotel Monaco. Upper floors were remodeled to accommodate hotel rooms. The lobby was restored with historic elements incorporated into contemporary uses.

For nearly fifteen years, the Hotel Monaco has offered 225 luxury lodging rooms and 3,100 square feet of meeting spaces in a building that once seemed destined to become a vacant lot. In addition, the ground floor houses the upscale Bambara Restaurant. A conservative estimate is that these two businesses now generate close to $1 million per year in lodging, restaurant, and sales taxes, while property taxes exceed $350,000 annually.66 Of the property’s $22 million assessed value, $20.5 million is attributed to the building value. And the hotel filled a critical market gap in Salt Lake’s lodging inventory, focusing on a target segment of business executives.

64 Katie Shell, email to Bim Oliver, March 4, 2013.
66 Based on 2012 property tax data obtained from the Salt Lake County Assessor, assessor.slco.org/cfml/Query/valuationInfo.cfm.
The Kimpton Group’s approach seems to be working well beyond Salt Lake: It currently operates 58 hotels in 24 cities, many in historic properties. It has been recognized in the Wall Street Journal, Bloomberg, and Smart Business.

WHAT HAPPENED TO DOWNTOWN’S HISTORIC NON-COMMERCIAL BUILDINGS?

The same cycle of disinvestment that affected downtown’s historic commercial buildings affected historic non-commercial buildings as well. Civic buildings, schools, cultural buildings, and churches were neglected and abandoned as downtown’s overall vitality diminished.

While the viability of commercial buildings is generally related to their marketability, the viability of non-commercial buildings is related directly to their perceived usefulness as public space. In many communities, historic non-commercial buildings were abandoned and/or demolished as their uses moved into newer modern structures. For example, as the community expanded, so too did local government, eventually outgrowing the historic city hall. As local demographics changed, so too did the need for the historic school. As the congregation grew, the historic church could no longer accommodate everyone. As these uses moved to new buildings, their historic counterparts appeared to lose their functionality. When they survived—most often because the community lacked the funds to dispose of them—they remained architectural afterthoughts.

Another key distinction between downtown’s commercial and non-commercial buildings is that the latter were never intended to generate economic activity in and of themselves. But they do represent “activity centers.” That is, they can serve as anchors that feed activity to nearby businesses. They are the equivalent of large department stores in a mall, such as Macy’s, Nordstrom, and Sears.

Thus, downtown’s non-commercial buildings have significant economic impacts on the business district. But those impacts can be more difficult to measure. A library patron may extend her trip to the library by shopping at a downtown store or eating dinner at a nearby restaurant. Unless the library and/or the restaurant are tracking her activity—say, through surveys taken at either location—the connection between the two places is unclear.

The other economic impact of downtown’s non-commercial buildings is even less direct but no less significant. For many communities, the historic library or city hall or theater serves as an iconic statement of community identity. Salt Lake City features the City-County Building in its logo. The community image projected from the City of Provo’s webpage is that of the Brigham Young Academy, now the city library. Parowan’s logo highlights the Old Rock Church, now a community museum.

The following five case studies explore the economic impact of rehabilitating non-commercial buildings on the broader downtown.

**Casino Star Theatre, Gunnison**

Constructed in 1913, the Casino Star Theatre is the oldest continuously operating theatre in Utah. Although its original uses included both movies and live performances, it eventually was used only to show movies. For many years, it operated only three days a week. Even when the screening schedule was expanded to six days a week in 1991, patronage declined due to the theatre’s visibly deteriorated condition. The building included two rental retail spaces, but only one was occupied. In short, the theatre was neglected and underutilized.

In 2004, the Casino Star Theatre Foundation acquired the building with the intent of restoring it and intensifying its use. Over the next several years, the foundation invested over $1 million in a complete restoration of the theatre’s interior and exterior, with the majority of funds secured from outside Gunnison.
The City of Gunnison contributed vital matching funds as well as logistical support. Approximately 50 percent of the expenses for the project went to vendors and contractors from Sanpete County.

The result is an anchor not only for downtown, but for the entire community. The theatre's screening schedule has been expanded significantly. Now, first-run movies are complemented by midnight screenings of “fad” movies like Harry Potter and the Twilight series, as well as matinees for school groups and private parties. And its uses have diversified. For the first time in 80 years, live music and dance performances take the stage. Live performances often include workshops for local schools. In addition, the theatre hosts heritage programs in conjunction with the Mormon Pioneer National Heritage Area.

The theatre currently maintains two full-time employees and has an annual budget of $185,000. The theatre breaks even financially. But as with many public venues, its economic significance revolves more around its impacts on local businesses. Its events are a consistent attraction for residents, creating a steady stream of traffic for local businesses that rely on Gunnison residents. In the past, residents would go elsewhere for entertainment, but now they stay in Gunnison—and their spending stays there too.

This change in behavior is reflected in sales patterns in the business sectors that are the most common downtown tenants: restaurants, apparel and accessories, and general/miscellaneous retail. Between 2003 and 2010, gross sales in these categories increased by nearly 25 percent, even as per capita income in Gunnison was declining. For the two sectors for which detailed data are available—restaurants and miscellaneous retail—the contrast is striking: In the six years before the theatre’s rehabilitation, sales in these categories increased by approximately $60,000. In just the two years immediately following completion of the rehabilitation, sales in these two categories increased by more than $350,000.

The rehabilitation of the theatre has also had direct impacts on downtown properties. As a result of the project, the City of Gunnison instituted a façade rehabilitation program. To date, 25 projects totaling more than $250,000 have been completed through this program. Sanpete County is now extending the program to other communities in the county, and communities in neighboring Juab and Sevier Counties are developing similar programs.

**Midvale City Hall**

In 1976, the City of Midvale moved its offices from the 1939 City Hall to new offices just down the street. The historic City Hall, one of few Art Moderne buildings in the entire state of Utah, then sat dormant for nearly 30 years. To its credit, Midvale City maintained the building, rather than neglecting or even demolishing it. However, its use diminished and the building became a storage unit for city property.

By 2000, the City of Midvale had begun a conversation about the building’s use, or lack thereof, and options for disposition. To determine what to do with the building, the city surveyed residents. Alternatives included demolition, green space, and a center for the arts. The third option was the overwhelming favorite, so the city undertook a rehabilitation of the interior. (The exterior had remained essentially intact.) Investing nearly $500,000, the city extended the existing stage, installed new seating, added two basement dressing rooms, updated the electrical system, and replaced the roof.

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67 Calculation based on retail sales data obtained from the Utah State Tax Commission.
In 2004, the historic City Hall reopened as the Midvale Center for the Performing Arts, serving as a home for the Midvale Arts Council. The theater has permanent seating for 100 people and temporary seating for up to 50 more. Ironically, the primary pressure on the building now is not from potential demolition, but excess demand. According to Suzanne Walker, vice president of the Midvale Arts Council, the theater is overbooked, with demand coming from local and regional arts organizations in addition to the Midvale Arts Council.

The building also houses a community outreach program, Community Building Community (CBC). As a result, the building sees almost constant use. During the day and into the evening, CBC hosts community engagement activities, including classes in ESL, parenting, and preschool. In the evening and on weekends, arts organizations such as the Midvale Arts Council, Pinnacle Acting Company, and the New Horizon Orchestra hold rehearsals and performances. In addition, the building hosts private events such as dance groups and piano recitals.

The building generates economic activity through facility rentals, ticket sales, and concessions. Individual performances generate more than $500 per night in ticket sales, with concessions supplementing this income. (Ticket sale revenues could as much as double if tickets were priced at market value.) The value of the facility is also reflected in the fact that Murray, Taylorsville, and Salt Lake City are currently planning new performing arts facilities.

What was essentially a storage unit is now a center of community activity that is constantly in use. On a typical day, the historic City Hall attracts hundreds of people to downtown Midvale throughout the day and into the evening. From employees and clients of CBC to performers and audience members for theater productions, downtown businesses now have a ready market to capture. And a corner in downtown Midvale’s most prominent intersection that could have become a vacant lot now communicates a clear sense of activity to residents and potential customers.

**Ephraim United Order Cooperative Building**

By the late 1860s, an increasing non-Mormon population threatened to destabilize Utah’s utopian economy, which was developed by leaders of The Church of Jesus Christ of Latter-day Saints to ensure that its members did business with each other and limited business with non-Mormons. As a response, the LDS Church sponsored the construction of over 150 local cooperative stores across the state, including the Ephraim United Order Cooperative Building constructed in 1871. Over the years, the United Order Cooperative Building served as Ephraim’s first post office as well as a community store. The second floor housed a dance hall and was the site of the Sanpete Stake Academy, town meetings, and educational activities.

By the 1960s, the Co-op could no longer sustain itself, and the building was transferred to private ownership and housed various retail enterprises, from a general store to a farm implement store to an auto repair center to a granary. In the 1950s, the building was abandoned. Over the following decades, it deteriorated to the point that residents considered it not only a safety hazard, but an embarrassment. Sandra Lanier, president of the Sanpete Trade Association, recalls that “when Highway 89 became a ‘backwater’ route,” residents of Ephraim dismissed “everything old and wanted to join the ‘modern’ world.”68 That modern world, says Lanier, “did not include old dilapidated buildings” like the Co-op. In fact, she says, residents of Ephraim “had been

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68 Sandra Lanier, email to Bim Oliver, March 7, 2013.
ashamed of it in its forlorn state.” Even during this period of uncertainty—from the late 1960s through the 1970s—a small group of residents unsuccessfully sought financing to purchase and restore the Co-op.

In the late 1980s, the building’s owners threatened to demolish it and replace it with a car wash. But in 1989, the City of Ephraim purchased the property for $32,000. It then transferred ownership to the nonprofit Sanpete Development Corporation. With active participation from the city, the corporation began to restore the building. The interior was gutted from the bottom of the trusses to the bare floor. The oolite stone exterior was thoroughly examined and repaired. (At one time, the building had been used to store large bins of grain, causing the thick walls to bow in some places.) The total costs to purchase the property and restore the building exceeded $350,000.

The Ephraim Co-op reopened in 1990 as the home of the Sanpete Trade Association, a cooperative of local artisans. In addition, the second floor Social Hall was restored as a reception center and event space. The first impact of the rehabilitation was a dramatic shift in attitude among Ephraim residents. According to Sandra Lanier, “Suddenly people were telling us stories of how their grandmother and grandfather met there at a dance and other wonderful tales of how much the old building had meant to their past. It was literally as if seeing it now in its beautifully restored Greek Revival splendor awoke them to the heritage that they suddenly remembered they cherished.” For many years following the rehabilitation, the Co-op was featured in the City of Ephraim’s logo.

As with the Midvale City Hall, the rehabilitation and reuse of the Ephraim Co-op transformed what could have become a valueless vacant lot into a downtown activity center. The retail store features crafts produced by 60 to 100 local artisans and is open six days a week. The Social Hall sees regular use for receptions, luncheons, recitals, and other events. In 2012, revenues for the Co-op totaled nearly $70,000, including income from merchandise sales and rental fees for the Social Hall.69 And nearly 100 local artisans were paid over $50,000 for sale of their crafts. Based on these figures, a reasonable estimate would conclude that the Ephraim Co-op has generated nearly $1 million in total sales in return for the city’s investment of approximately $350,000.

Those returns have not gone unnoticed. In 2012, the U.S. Small Business Administration awarded the Ephraim Co-op with its Home-based Business Advocate Champion of the Year award for Region 8, an area covering Utah, Wyoming, Colorado, Montana, North Dakota and South Dakota. More broadly, the Co-op building stands as one of the icons of the Mormon Pioneer National Heritage Area and is the primary outlet in the heritage area for local arts and crafts.

300 West Block, Pierpont Avenue, Salt Lake City
Located at the edge of Salt Lake’s downtown, the Eccles Browning Warehouse was constructed in 1910. For many years, it housed wholesale grocery companies. However, by 1983 only about 60 percent of the space was being used—as a warehouse for auto parts and sales, a shoe repair supply store, an antique store, and a photography studio. The largest tenant, the auto parts store, was in receivership. At that time, Artspace, a cooperative of local artists led by sculptor Stephen Goldsmith, leased the property.

69 Revenue data (including sales data) provided by Sandra Lanier via email March 7, 2013.
The 300 West block of Pierpont Avenue (stretching from 300 West to 400 West) was an unlikely prospect for reinvestment. Located outside the core of economic and cultural activity, it was geographically isolated from the rest of downtown. Pierpont Avenue is not a continuous street; the 300 block is accessed from 300 West or 400 West, not from Pierpont Avenue (the most direct route downtown).

Artspace looked past these factors and, over the next 10 years, invested $1.5 million in the warehouse. Approximately half of its investment was in the form of low-interest loans from Salt Lake City. All interior systems were brought up to code, the building was seismically stabilized, and the interior was rehabilitated into live-work spaces. Exterior work included reconstruction of the loading dock and creation of an exterior garden area. In a textbook example of adaptive reuse, a space that had degenerated into functional vacancy was transformed into a 24/7 live-work community with a mix of uses, including residences, studios, professional offices, and educational facilities.

That round-the-clock activity continues to the present, with the result that a historic building in what was once an “edge district” has now exceeded the City’s goal that rehabilitated buildings in downtown remain economically viable for at least 20 years. But Artspace’s economic impact is more pronounced in its influence on the broader redevelopment of the west side of Salt Lake City. The success of Artspace demonstrated the viability of development on Salt Lake’s west side and stimulated extensive rehabilitation activity as well as new construction. Notable rehabilitation/reuse projects include the Kimball Electronics building, the Firestone building, the Salt Lake Stamp building, the California Tire and Rubber building, and the Fuller Paint building. New construction includes the Gateway shopping center and various hotels.

Ironically, as with the historic Midvale City Hall, the success of Artspace’s Pierpont development has created challenges. The Eccles-Browning Warehouse now has an assessed value of $1.5 million, but the development value may be far greater than the artist live/work uses originally envisioned by Artspace. Local blog utahstories.com interviewed Salt Lake real estate agent Babs De Lay several years ago. De Lay estimated that Artspace contained 15 units worth over $1 million per unit.70

Moab City Center
Moab City undertook the rehabilitation of the historic Central School in 2004 with the goal of consolidating city services. Built in 1934, the building was converted to a middle school in the 1960s before being closed by the Grand County School District in 1997.

Though the city obtained ownership in 1998 through a land exchange with the school district, the building sat vacant until the rehabilitation project started. The city had two architectural goals: to preserve as much as possible of the building’s historic fabric and character, and to incorporate environmentally sustainable technologies and materials. Through the rehabilitation, the city was able to preserve 95 percent of the original structure and achieve LEED Silver certification.

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The historic school, now called the City Center, houses programs and services that were formerly dispersed throughout the community. Municipal uses include the city council chambers, the mayor’s office, offices of administrative city staff, and police administrative offices. In addition, the Moab Chamber of Commerce, the Utah State School and Institutional Trust Lands Administration, and the Utah State probation and parole administration have offices in the building.

The most obvious immediate impact is more efficient delivery of services from a “one-stop” location. But there are many other benefits as well. The city achieves greater administrative efficiencies through lower utility bills and receives nearly $50,000 in revenues annually for rented offices in the building. Additionally, it was able to sell the building that formerly housed its administrative offices to Utah State University (USU) for $650,000. The sale offset the city’s rehabilitation costs for the historic school and allowed USU to expand its academic offerings in Moab, thereby achieving one of its long-term goals.

Broader advantages of the rehabilitation and sale include the preservation of future development options and sustainability benefits. Rather than constructing two new buildings (a new city hall and campus) on open land, Moab was able to save those open sites for future development scenarios. Meanwhile, reuse of the two existing buildings helps to concentrate development, reduce sprawl, and intensify economic activity in the existing urban core.
FISCAL RESPONSIBILITY

There are many good causes in the world. But the reality is, particularly in times of shrinking public budgets, economic challenges, and a cloudy financial future, fiscal responsibility should be a priority for both taxpayers and elected officials across the political spectrum. Not every cause that deserves public-sector support will receive it.

How does historic preservation rate on the fiscal responsibility scale? The most direct public financial support for private-sector investment in historic properties comes through the Utah Historic Preservation Tax Credit, so it merits a special look.

In 1992, the Utah Legislature enacted a 20% historic preservation tax credit to encourage private investment in historic residential properties, both rental and owner-occupied. The goal of the Legislature was to leverage $4 of private investment for every $1 of state tax credit.

As with any tax incentive, it is appropriate to ask three questions:

1) Does it work?
2) Does it advance the public purpose for which it was enacted?
3) Is it cost-effective for Utah taxpayers?

The answer to all three questions is a resounding Yes.

In the last 20 years, over 1,100 historic residential properties have been rehabilitated under this program, representing private-sector investment of nearly $120 million.

The Utah Historic Preservation Tax Credit program was designed by the Legislature to encourage substantial investment—there is a $10,000 project minimum—and requires that only projects that are consistent with good preservation practice receive the credit. These two provisions mean that the program has long-term benefits for Utah citizens.

When the State of Utah provides $200,000 in tax credits:

- A minimum of $1,000,000 is invested by the private sector;
- That investment spurs an additional $674,481 of economic activity in the state’s economy;
- This results in the creation of 5.9 jobs directly and another 5.2 jobs indirectly;
- Those workers receive paychecks totaling $550,095;
- Business owners receive $177,495 in proprietors’ income and $107,958 in profits;
- Local governments receive $16,762 in sales tax and $15,000 each year in additional property taxes; and
- The state receives $40,940 in income taxes, $39,390 in sales taxes, and $10,127 in indirect business taxes.

When the additional economic activity is included and the money returned to the State Treasury is considered, over $15 of economic activity is generated in the private sector for every $1 provided by the state tax credit. The Utah Historic Preservation Tax Credit was enacted to save historic buildings, not as an economic development tool. But its effectiveness in leveraging private-sector investment is a model for economic development professionals around the country.
But it is not just the historic preservation tax credit that meets the fiscal responsibility test.

- 100 percent of the Federal Historic Rehabilitation Tax Credit stays in Utah rather than being sent to Washington. Since 1990, that means that more than $35 million remained in Utah instead of in the coffers of the U.S. government.
- Local governments receive more than $4 million each year in additional property tax revenue from projects that used the federal or state historic tax credits. That amount is enough to pay for 121 new teachers or 150 new police officers.
- In Salt Lake City, if properties in historic districts had declined as much as houses outside historic districts, there would be $175 million less in property value in the city.
- Occasionally, historic preservation is accused of being excessively expensive. But data shows that simply isn’t the case. The average investment under the Utah Historic Preservation Tax Credit is $23.03 per square foot.
- Projects using the Federal Historic Rehabilitation Tax Credit tend to be larger, are generally commercial rather than residential, and are more frequently complete renovations. Even so, the rehabilitation costs for these projects ranged from $44.89 to $273.31, with an average of $133.12 per square foot.
- On average, each homeowner in a local historic district in Salt Lake City saved $11,646 in property value decline between 2008 and 2012.

Fiscal responsibility certainly means that governments spend taxpayers’ money judiciously. It also means recognizing that we are beneficiaries today of investments that others made in the past. That understanding brings with it the responsibility of making decisions today that benefit citizens not just through the next election, but the next generation.

For the citizens of Utah, historic preservation meets both definitions.
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4841 South State Street, Murray: Credit Google Maps Streetview  
111 South State Street, Fairview: Credit Google Maps Streetview  
202 South Main Street, Salt Lake City: Credit Expedia; Found at http://www.expedia.com/Salt-Lake-City-Hotels-Hotel-Monaco-Salt-Lake-City.h284793.Hotel-Information
APPENDIX B

Project Team

This report was prepared and written by Donovan D. Rypkema with research assistance from Courtney Williams. Rypkema is principal of PlaceEconomics, a Washington, D.C.-based real estate and economic development consulting firm. The firm specializes in services to public and non-profit sector clients who are dealing with downtown and neighborhood commercial district revitalization and the reuse of historic structures. Rypkema is author of The Economics of Historic Preservation: A Community Leader’s Guide and an adjunct professor in the Historic Preservation Program at the University of Pennsylvania. Courtney Williams was the principal researcher; Chelsea Gauthier also assisted with research. The report was edited and designed by Cara Bertron, Director of the Rightsizing Cities Initiative at PlaceEconomics.

Lynn Knight of Management Analysis, Incorporated in Vienna, Virginia, conducted tourism research.

Bim Oliver of Bim Oliver Consulting in Salt Lake City was responsible for research and case studies on downtown revitalization.

Robert A. Young, FAPT, PE, LEED-AP completed research and case studies on environmental sustainability. Young is Professor of Architecture and Director of the Historic Preservation Program at the University of Utah College of Architecture + Planning, where he teaches courses in historic preservation and sustainability. He is the author of Stewardship of the Built Environment: Sustainability, Preservation, and Reuse (Washington, DC: Island Press, 2012).
APPENDIX C

Methodology

HERITAGE TOURISM

Tourism research began with a review of existing sources that quantified the value of heritage tourism in Utah. A review of state, national, and international research reports on relevant topics was also undertaken.

Visitors are defined as people who have traveled 50 miles or more to a destination, with the exception of commuting to work. The terms “tourists,” “travelers,” and “visitors” are often used interchangeably, with “visitor” used most commonly. The World Tourism Organization reserves the term “tourist” to refer to overnight visitors only. Because very few attractions gather data on visitor origin, this study necessarily considered all visitors—whether they were from another part of the state, out of state, or from another country. The researchers made certain assumptions utilizing the studies from the Utah Office of Tourism and TNS TravelsAmerica.

The Utah Office of Tourism under the Governor’s Office of Economic Development is the recognized authority on visitor industries. It collects data and provides statewide reports to the government and the public. However, with the exception of the ski visitor market, there has never been a survey of Utah’s visitors that would allow for the development of niche market profiles.

An annual study of domestic travelers by TNS, a market research firm, provides national and regional data from surveys. This survey provides rich data on traveler expenditures, the size of visitor parties, and duration of stay. Some data is available for Utah specifically, while other data is aggregated into the “Mountain Division,” consisting of Utah, Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, and Wyoming.

The Utah Division of Arts and Museums is required by statute to collect information on Utah’s museums through an annual survey. The survey’s raw data on museums identified as heritage museums was analyzed in this study.

State and national parks count vehicles and make assumptions about visitation based on assumed average vehicle occupancies. In the case of certain heritage sites within parks, Utah State Parks counts visitors to specific areas separately from overall park visitors.

It is important to note that visitation numbers cannot simply be added together to provide a total number of tourists. While traveling, many people do more than one activity to add more value to their trip. This means that aggregating visitation counts for different attractions would considerably exaggerate the number of visitors to the state.

Heritage Attraction Surveys

For research on visitation and employment data, a list of attractions was created that met the definition of heritage sites and events. This list was generated through interviews with the Utah Office of Tourism, representatives of Utah State Parks, listings from the Office of Museum Services of the Utah Division of Arts and Museums, the Utah Museum Association, and interviews with other stakeholders in the tourism sector.

The research team created and circulated a survey to the operators of the heritage attractions on the list. The survey collected visitation numbers and determined whether or not the sites and events capture demographic data on their visitors. It also collected the number of jobs at each site and event. (See Appendix E for survey questions.)
Approximately 60 percent of heritage attractions—including all of the largest sites and special events in Utah—provided data for this study through surveys, interviews, and/or reports. The results were compared to those of a museum survey conducted during the same period in early 2013 by the Office of Museum Services at the Utah Division of Arts and Museums.

Fourteen history and art museums not counted within state and national parks were identified as meeting the definition of heritage tourism sites. Some of these museums may be considered “destination museums” for tourism purposes. But other museums—especially those located in small towns—are open only on a limited basis and do not play a significant role in attracting visitors to the towns. Site visits and interviews with museum docents and paid staff supplemented information from the museum survey. Sites that were visited and/or had personnel interviewed were the Daughters of Utah Pioneers (DUP) in Salt Lake City, Park City Historical Society & Museum, the Brigham Young Winter Home in St. George, the Union Station Railroad Museum in Ogden, and the Heritage Highway 89 Alliance.

Through the survey and stakeholder interviews, it was found that even the largest heritage attractions do not capture data on where their visitors come from or their primary purpose in traveling. Very few heritage sites collect zip codes on a voluntary basis when a visitor is making a purchase, though some sites such as museums have guest books or mailing lists that visitors can choose to sign.

Other Research

The researchers also reviewed tourist brochures and websites from various attractions, site visits, and interviews in key regions of the state that are frequented by tourists. This included a tour through the Mormon Pioneer National Heritage Area, a 400-mile route through central and southern Utah.

Economic Modeling

Visitor spending data and other data from the TNS TravelsAmerica study were used to calculate the total value of direct heritage tourism using the Utah IMPLAN model. The model is explained in the Appendix E.

Another common method of measuring tourism impact is the National Park Service’s Money Generation Model (MGM). MGM utilizes a set of spreadsheets to estimate the impacts that park visitors have on the local economy in terms of their contribution to sales, income, and jobs in the area. The model was updated in 2010. It assigns percentages of visitors to local day, non-local day, and overnight staying factors. MGM was not used in this study because the Utah IMPLAN model generated more state-specific data.

PROPERTY VALUES

This study was conducted with a database composed of the property tax records of 5 communities: Logan, Ogden, Park City, Provo and Salt Lake City. The available data varied among the communities and varied from 6 to 15 years. All data was consolidated into Excel spreadsheets that could be sorted for analysis. The data was then sorted to include only single-family dwellings. The properties were then sorted into: 1) those that were in a local historic district; 2) those within a National Register historic district but not in a local historic district; and 3) those that were not in a historic district.

At the beginning of this project the researchers decided on a relatively straightforward analysis to be done consistently in all five locations. This process was as follows:

1. Convert the values of each property into dollar per square foot based on the above ground square footage reported in the tax records.

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2. For the base year (year of first available data) calculate an average value per square foot for the properties in each of the three categories (within a local historic district; within a National Register historic district but not in a local district; not in a historic district).
3. Convert the base year average into an index number (base year average value per square foot = 100)
4. Calculate the average square foot value for each year subsequent to the base year for all three property categories.
5. Calculate an index number for each subsequent year based on the percentage change of the average value from the average value the Index 100 year represented.

From an analytical standpoint, however, this was also a useful approach for several reasons:
1. The data is a composite of all properties.
2. The high level of competence and expertise of Utah assessors meant that the data was reliable.
3. By their nature, these appraised values are a reflection of the aggregated preferences of individual buyers and sellers.
4. While there are no doubt occasionally erroneous valuations included in the records, the sheer number of data points minimizes the skewing potential for those errors.
5. This approach greatly diminishes the “small sample error” problem that often occurs when property value analysis is done solely on sales transactions.
6. This approach mitigates the problems of using sales data alone, which are exacerbated because of an unprecedented volatility of real estate prices over the last decade.

For the foreclosure analysis, we purchased a database of all of the foreclosures in Utah which included the 5 cities under analysis from RealtyTrac (www.realtytrac.com), a private firm that maintains the most comprehensive foreclosure base in the country. The period of the foreclosures was from January 2008 through December 2012.

DOWNTOWN REVITALIZATION METHODOLOGY

The case studies in the Downtown Revitalization section are revitalization initiatives and rehabilitation projects that, in most cases, were undertaken ten or more years ago. The reason for selecting these projects is that real economic impacts take time to develop. In many cases, the full range of those impacts—both positive and negative—does not appear until 10 or 15 years later.

Data was collected through research and surveys of property owners and local organizers.
APPENDIX D
Heritage Tourism Background

QUICK FACTS

These studies report the results of national surveys of U.S. residents in 2011 and 2012.\textsuperscript{72} They estimate the national and regional activities of domestic visitors throughout the country.

Characteristics of Utah Visitors

- 90% of all travelers were leisure travelers; 10% were business travelers
- 28% traveled on day trips
- 72% traveled overnight

Local Trip Spending and Transportation

- $413 per leisure visitor party, excluding airfares
- 51% of those staying overnight stayed in paid accommodations
- 79% traveled in a car/truck, RV/camper, or rental
- 15% traveled on an airplane
- 6% traveled by other means of transportation, including buses

Characteristics of Mountain Division Visitors

- 79% of all travelers were leisure travelers; 12% were business travelers
- 46% of all travelers were from the same state; 54% of travelers resided out of state
- 19% traveled on day trips
- 30% traveled overnight for 1 to 2 nights; 35% traveled for 3 to 6 nights
- Visitors stayed an average of 3.78 nights (average includes travelers on day trips)
- Visitors who stayed for 1 night or more stayed an average of 4.6 nights
- 16% traveled 7 nights or more
- Mean travel party size for multi-person travel parties was 2.8 persons

Local Trip Spending and Transportation

- $823.80 per business and leisure visitor party, excluding transportation
- 60% staying overnight stayed in a hotel/motel or B&B
- 66% traveled in their own car/truck
- 22% traveled on an airplane
- 5% rented a car
- 8% traveled by other means of transportation, including buses

Heritage Activities\textsuperscript{73}

- 16% visited a state or national park
- 12% visited historic sites/churches
- 10% visited museums
- 5% visited special events/festivals

\textsuperscript{72} “Overview of U.S. Domestic Travel,” by TNS TravelsAmerica (2012) and “Domestic Travel Market Report,” by the U.S. Travel Association and TNS TravelsAmerica (2011).

\textsuperscript{73} Multiple responses were possible. Therefore, percentages cannot be added together.
**Selected Characteristics of All Leisure Visitors in the U.S.**
- $503.39 per visitor party, excluding transportation
- 8% visited a state or national park
- 8% visited historic sites and churches
- 8% visited museums
- 4% visited special events/festivals

**CALCULATIONS FOR DIRECT ECONOMIC IMPACT OF HERITAGE TOURISM**

These calculations are based on visitation to Utah heritage attractions.

<table>
<thead>
<tr>
<th>NATIONAL AND STATE PARKS WITH HERITAGE FEATURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitation (days)</td>
</tr>
<tr>
<td>953,181</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SITES OF HISTORIC INTEREST (INCLUDES TEMPLE SQUARE)</th>
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</thead>
<tbody>
<tr>
<td>Visitation (days)</td>
</tr>
<tr>
<td>5,753,372</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>MUSEUMS (NOT COUNTED WITHIN PARKS)</th>
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<tbody>
<tr>
<td>Visitation (days)</td>
</tr>
<tr>
<td>345,268</td>
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</tbody>
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<table>
<thead>
<tr>
<th>HERITAGE EVENTS</th>
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</thead>
<tbody>
<tr>
<td>Visitation (days)</td>
</tr>
<tr>
<td>209,917</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL (with Heritage Events)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total visitation (days)</td>
</tr>
<tr>
<td>7,261,738</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL (without Heritage Events)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total visitation (days)</td>
</tr>
<tr>
<td>7,051,821</td>
</tr>
</tbody>
</table>
2012 UTAH VISITOR SPENDING PER DAY

<table>
<thead>
<tr>
<th>SPENDING CATEGORY</th>
<th>EXPENDITURE PER PERSON PER DAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>$13.31</td>
</tr>
<tr>
<td>Restaurants</td>
<td>$8.39</td>
</tr>
<tr>
<td>Groceries</td>
<td>$3.87</td>
</tr>
<tr>
<td>Shopping / Gifts / Souvenirs</td>
<td>$2.99</td>
</tr>
<tr>
<td>Transportation</td>
<td>$7.94</td>
</tr>
<tr>
<td>Parking</td>
<td>$0.28</td>
</tr>
<tr>
<td>Gasoline</td>
<td>$10.55</td>
</tr>
<tr>
<td>Entertainment</td>
<td>$2.27</td>
</tr>
<tr>
<td>Gaming (Bingo)</td>
<td>$0.34</td>
</tr>
<tr>
<td>Amenities (golf, spa, health club, ski passes, etc.)</td>
<td>$1.36</td>
</tr>
<tr>
<td>Other</td>
<td>$1.66</td>
</tr>
<tr>
<td>Mean cost per day per person</td>
<td>$52.96</td>
</tr>
</tbody>
</table>

HERITAGE SITES AND SPECIAL EVENTS SURVEY

NAME OF ORGANIZATION / SITE / MUSEUM / EVENT ________________________________

We are a (check all that apply):
Site of Historic Interest _____________
Museum _____________
Special Event Held Annually ____________

1) How many visitors came to your site / museum / event? _____________ in 2011 _____________ in 2012?

2) Do you keep demographic information about your visitors? If so, are you able to determine the percentage of visitors that came from: a) Utah, b) out of state, c) international locations? Please estimate the percentage of each.

3) Does your organization have paid staff? If so, how many jobs does your organization fund?

4) Does your site or event charge an entry fee? Yes _____ No _____ If so, what is the fee?

5) How is your site or heritage activity funded? (please check all that apply)
   ____ Visitor or participant fees ____ Private donations ______ Public funding or grants

6) Do you have any additional comments to share about the value of heritage tourism to your local economy?
APPENDIX E
IMPLAN System
From David Mulkey and Alan W. Hodges, University of Florida, IFAS Extension (http://edis.ifas.ufl.edu/fe168)

The economic data for IMPLAN comes from the system of national accounts for the United States based on data collected by the U.S. Department of Commerce, the U.S. Bureau of Labor Statistics, and other federal and state government agencies. Data are collected for 528 distinct producing industry sectors of the national economy corresponding to the Standard Industrial Categories (SICs). Industry sectors are classified on the basis of the primary commodity or service produced. Corresponding data sets are also produced for each county in the United States, allowing analyses at the county level and for geographic aggregations such as clusters of contiguous counties, individual states, or groups of states.

Data provided for each industry sector include outputs and inputs from other sectors, value added, employment, wages and business taxes paid, imports and exports, final demand by households and government, capital investment, business inventories, marketing margins, and inflation factors (deflators). These data are provided both for the 528 producing sectors at the national level and for the corresponding sectors at the county level. Data on the technological mix of inputs and levels of transactions between producing sectors are taken from detailed input-output tables of the national economy. National and county level data are the basis for IMPLAN calculations of input-output tables and multipliers for local areas.

IMPLAN Multipliers. The IMPLAN software package allows the estimation of the multiplier effects of changes in final demand for one industry on all other industries within a local economic area. Multipliers may be estimated for a single county, for groups of contiguous counties, or for an entire state; they measure total changes in output, income, employment, or value added. Definitions are provided below. More detail on the derivations of multipliers is available in the earlier cited IMPLAN Users Guide.

For a particular producing industry, multipliers estimate three components of total change within the local area:
- Direct effects represent the initial change in the industry in question.
- Indirect effects are changes in inter-industry transactions as supplying industries respond to increased demands from the directly affected industries.
- Induced effects reflect changes in local spending that result from income changes in the directly and indirectly affected industry sectors.

IMPLAN allows the analyst to choose from multipliers that capture only direct and indirect effects (Type I), multipliers that capture all three effects noted above (Type II), and multipliers that capture the three effects noted above and further account for commuting, social security and income taxes, and savings by households (Type SAM). Total effects multipliers usually range in size from 1.5 to 2.5 and are interpreted as indicated below:
- Output multipliers relate the changes in sales to final demand by one industry to total changes in output gross sales) by all industries within the local area. An industry output multiplier of 1.65 would indicate that a change in sales to final demand of $1.00 by the industry in question would result in a total change in local output of $1.65.
- Income and employment multipliers relate the change in direct income to changes in total income within the local economy. For example, an income multiplier for a direct industry change of 1.75 indicates that a $1.00 change in income in the direct industry will produce a total income change of $1.75 in the local economy. Similarly, an employment multiplier of 1.75 indicates that the creation of one new direct job will result in a total of 1.75 jobs in the local economy.
• Value added multipliers are interpreted the same as income and employment multipliers. They relate changes in value added in the industry experiencing the direct effect to total changes in value added for the local economy.
APPENDIX F

Walk Score


Street Smart Walk Score calculates a score by mapping out the walking distance to the closest amenity locations of 9 different amenity categories. Different numbers of amenities are counted in each category (for instance the first 10 restaurants and bars are counted, while only 1 park is counted), which are referred to as counts. Each category receives different weights as well, which shows that category’s importance relative to other categories.

The distance to a location, the counts and the weights determine a base score of an address, which is then linearly expanded to range from 0 to 100. After this, an address may receive a penalty for having poor pedestrian friendliness metrics, such as having long blocks or low intersection density.

The following categories, counts and weights are used:

```javascript
amenity_weights = {
    "grocery": [3],
    "restaurants": [.75, .45, .25, .25, .225, .225, .225, .225, .2, .2],
    "shopping": [.5, .45, .4, .35, .3],
    "coffee": [1.25, .75],
    "banks": [1],
    "parks": [1],
    "schools": [1],
    "books": [1],
    "entertainment": [1],
}
```

The numbers after a category indicate the assigned weight and number of counts of that amenity. More than one number means that more than one count of that amenity is included, with the second nearest amenity of that type receiving the weight of the second number, etc. At this point, the weights indicate the relative importance of categories to one another. So having a grocery store nearby is 3 times as important as having a bank nearby.

These weights were determined from the research literature and testing the algorithm. Lee and Moudon (2006) find evidence that nearby grocery stores, restaurants/bars, banks and schools increase walking, as do areas with grocery/retail/restaurant clusters. Moudon et al. (2006) and Cerrin et al. (2007) both cite collected survey data showing that grocery stores, restaurants/bars, retail locations, coffee shops, and banks are common walking destinations. The Cerrin et al. (2007) survey responses find that people frequently walk to parks as well. The categories we use here are also similar to ones used in studies and work on walkability by Lacono et al. (2010), El-Geneidy and Levinson (2010), and Piekarski (2009).

The amenity categories have been determined from the available research to be of either of high importance to walkability, medium importance or low importance. This is reflected in the category weights. Grocery store and restaurants/bars have total category weights summing to 3, while shopping and coffee shops have weights summing to 2, while the other categories sum to 1.

Grocery stores receive the heaviest weight because they have been found to be drivers of walking (Lee and Moudon 2006), as well as the most common walking destination in surveys (Moudon et al. 2006, Cerrin et al. 2007).
Restaurants and bars are combined into a single category due to their overlapping nature: many restaurants have bars and many bars serve food. Restaurants/bars are found to be some of the most frequent walking destinations (Moudon et al. 2006, Cerin et al. 2007), so this category has a combined total weights of 3. Variety and options are important, so 10 counts of restaurants/bars are included, with the first counts receiving greater weight than the later counts to account for diminishing returns. Including 10 counts of restaurants also allows for more differentiation among high scoring locations, as 10 restaurants or bars must be very nearby to receive a 68 perfect score.

The shopping category includes clothing stores and stores categorized as “gift shops”, which defines a broad range of retail locations (e.g. specialty food store, flower store, children’s store, etc.). The “gift shop” category is used as a proxy for the breadth of retail stores near an address.

Shopping and retail are commonly used categories in the research literature, are one of the more common walking destinations (Cerin et al. 2007) and are found to increase walking (Lee and Moudon 2006). The category has a combined total weight of 2, and there are 5 counts included. Giving this category 5 counts demands a certain density of shopping locations for an address to score well. The stores looked at in this category are important in themselves, but are also meant to proxy to a degree for other shopping stores. Not every retail location falls under clothing store or gift shop, but an address that scores well in this category is likely to have these other retail locations close by as well.

For coffee shops, variety is also important, but not to the same degree that it is for restaurants and shopping. Two counts are included, so that in the ideal walkable area some choice is available. Additionally, coffee shops are found by both Cerin et al. (2007) and Moudon et al. (2006) to be important destinations, and the presence of nearby coffee shops gives an indication of the overall walkability of an area. Because of this, we have made the total weight of this category 2.

The other categories are deemed to be more or less equal and all receive a weight of one and have one count. The literature does not give a clear indication of which of these other categories should have a greater weight, while still indicating that they are important. However, they are not generally found to be as important as grocery stores, restaurants/bars, and retail, and it does not seem appropriate to include more than one count for any of them.
APPENDIX G

Acknowledgment of Support

This study was funded in part by the Cedar City Brian Head Tourism Bureau, George S. and Dolores Dorè Eccles Foundation, Salt Lake City Corporation, Southern Utah University Regional Services, Utah Division of State History, Utah State Parks, Utah Transit Authority, and Zions Bank.

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