



PROFITS THROUGH PRESERVATION: The Economic Impact of Historic Preservation in Utah

Study for the Utah Heritage Foundation

PlaceEconomics

June, 2013





Downtown
Revitalization

Environment

Property
Values

Fiscal
Responsibility

Heritage
Tourism

Jobs and
Income

Jobs and
Income



Private Investment in Historic Buildings Using Tax Credit 1990-2012

	Federal	State	Total
Projects	109	1,128	1,237*
Investment	\$177,276,310	\$119,273,302	\$296,549,642

* A few projects used both credits

Jobs and Income

\$1,000,000 Spent on Historic Rehabilitation



Jobs

10.2 Direct

7.5 Indirect

17.7 TOTAL



Income

\$536,894 Direct

\$310,660 Indirect

\$847,554 TOTAL



Economic Activity Elsewhere in the Economy

\$998,772

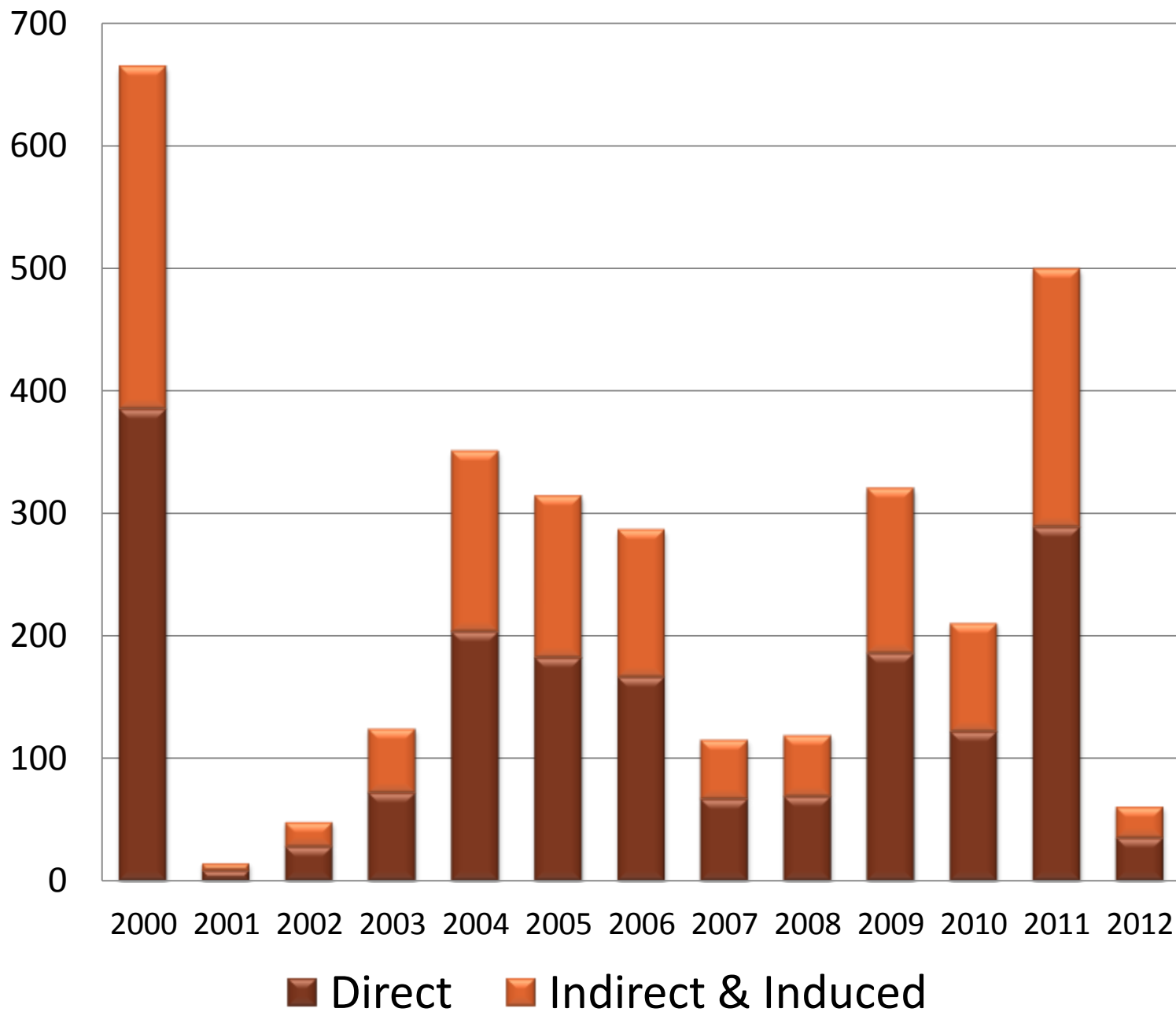


Money that otherwise would have gone to Washington, D.C.

\$200,000

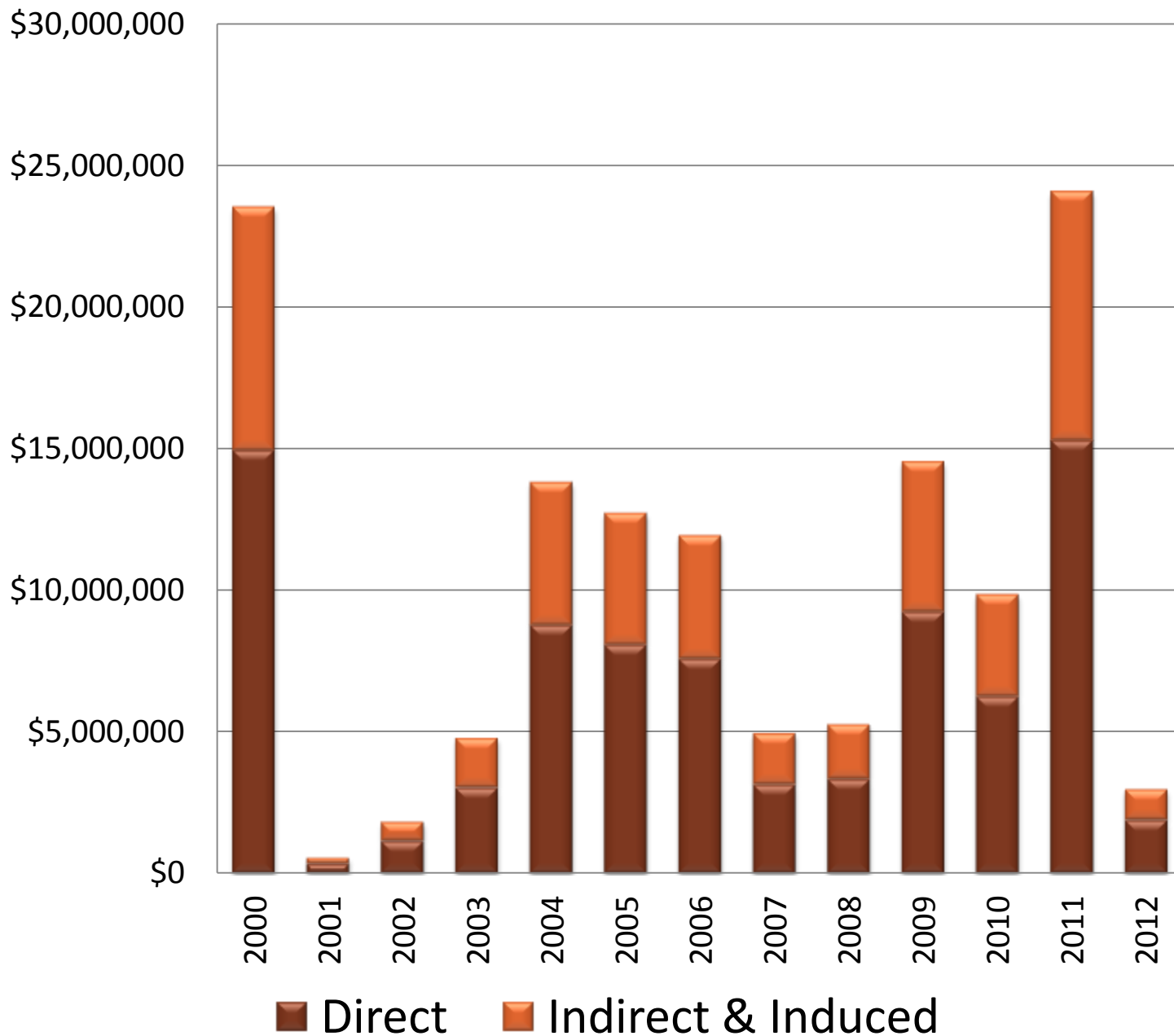
Jobs and Income

Jobs - Federal Historic Tax Credit Projects



Jobs and Income

Income - Federal Historic Tax Credit Projects



Jobs and Income

Jobs from Historic Rehabilitation Projects 1990-2012

	Federal	State	Combined
Direct	2,114	737	2,851
Indirect/ Induced	1,539	580	2,118
TOTAL	3,653	1,317	4,969

Jobs and Income



Income from Historic Rehabilitation Projects 1990-2012

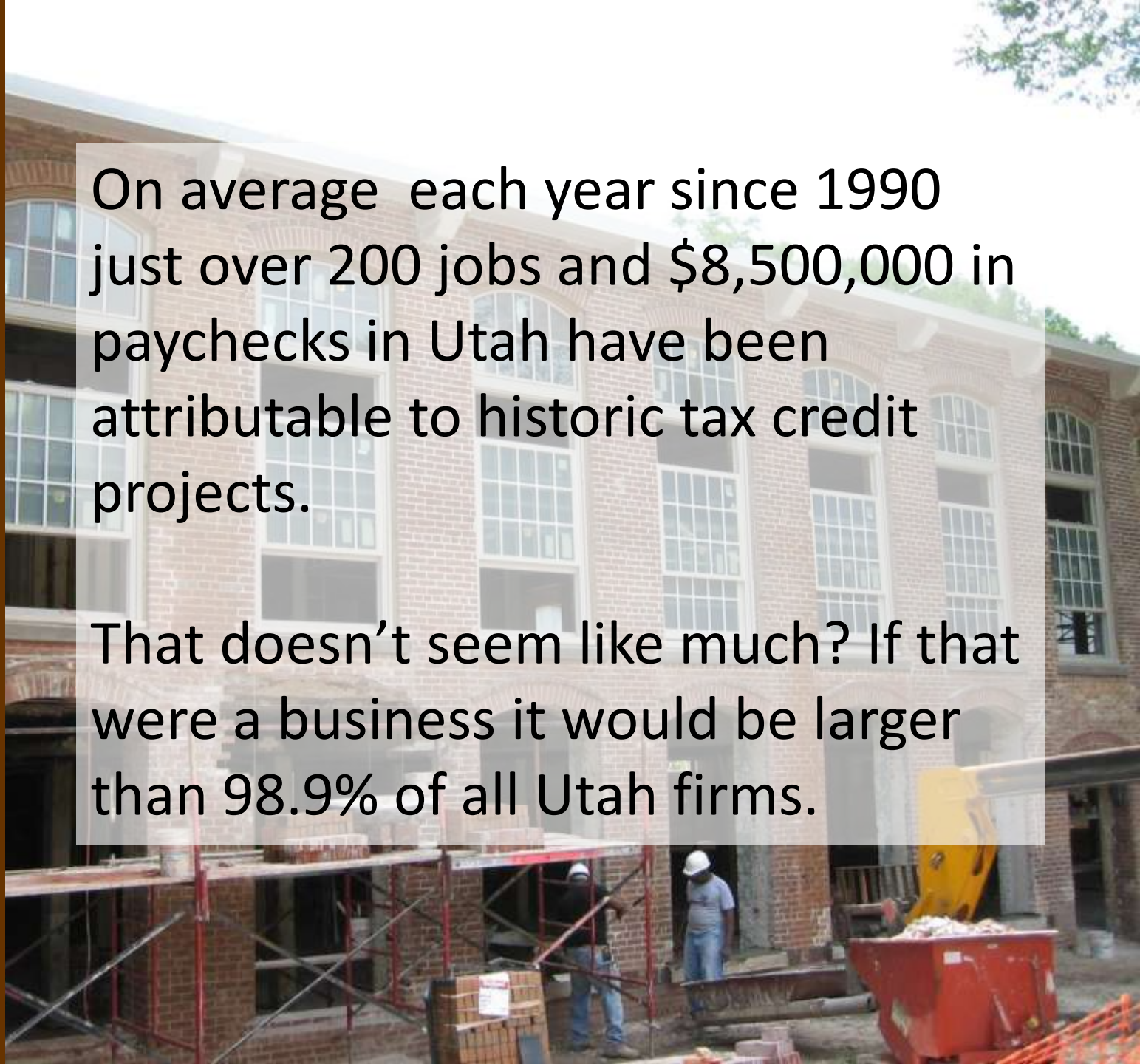
	Federal	State	Combined
Direct	\$93,039,882	\$32,303,365	\$125,343,247
Indirect/ Induced	\$53,835,258	\$19,200,767	\$73,036,025
TOTAL	\$146,875,140	\$51,504,132	\$198,379,272



Jobs and Income

On average each year since 1990 just over 200 jobs and \$8,500,000 in paychecks in Utah have been attributable to historic tax credit projects.

That doesn't seem like much? If that were a business it would be larger than 98.9% of all Utah firms.



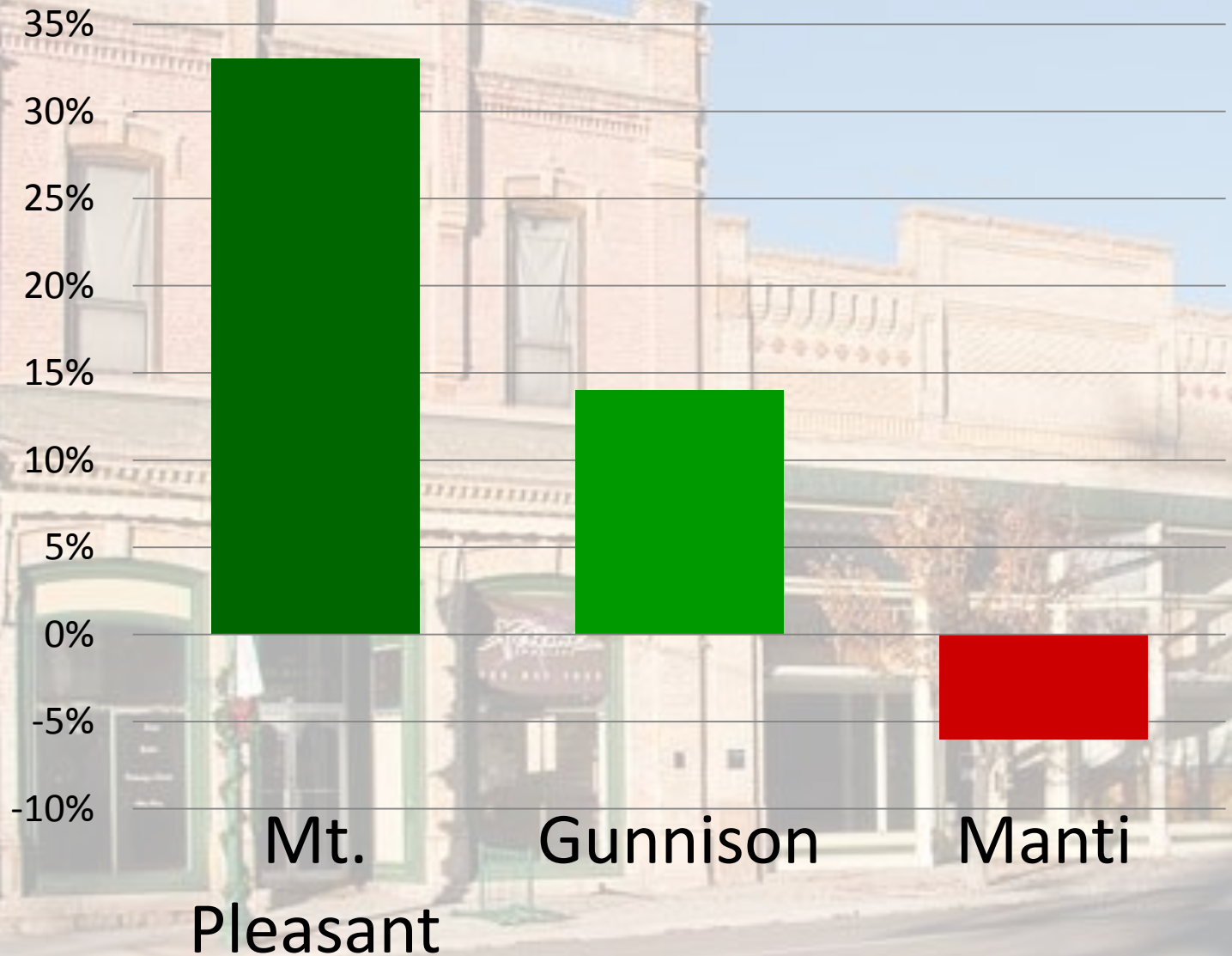
Jobs and Income	Industry Comparisons in Utah Jobs and Income/\$1 Million in Production			
	Industry	Jobs	Income	Income/Job
	Oil & gas extraction	7.5	\$358,859	\$47,956
	Computer manufacturing	3.4	\$181,593	\$54,157
	Gasoline station	16.7	\$612,350	\$36,752
	Data processing, web hosting	8.9	\$435,748	\$49,108
	Legal services	13.6	\$731,663	\$53,831
	Home health care services	26.3	\$985,310	\$37,451
	Restaurants & Bars	25.6	\$621,447	\$24,300
	New Construction	16.8	\$809,808	\$48,203
	Historic Building Rehabilitation	17.6	\$847,555	\$48,026

Downtown
Revitalization



Downtown Revitalization

Change in Downtown Sales 1997 - 2010



Downtown Revitalization

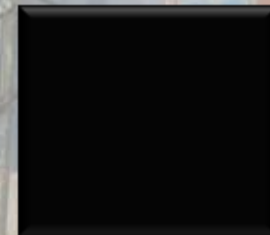
Impact of Historic Rehabilitation on Vacancy Levels

27%



Before Rehab

10%



After Rehab

Survey of property owners in 14 rural Utah communities

Downtown Revitalization



Richfield

Sales doubled in 8 years after rehab



Tooele

Rent increased 40% after rehab



Payson

Vacant before rehab

After rehab \$1,700 rents from ground & upper floor rentals

Downtown Revitalization



Catalytic Impact – Gunnison

Between 2003 and 2010 restaurants,
apparel and accessories and
miscellaneous retail up 25%

Downtown Revitalization



35 years of preservation-based downtown revitalization – Brigham City

Property values up 300%

\$13 million of sales tax generation from 9 square blocks

Downtown Revitalization

Was: vacant and threatened with demolition



Today: \$22 Million assessed value; \$350,000 property taxes; \$1 million in restaurant, lodging, sales taxes

Environment



Material Flows



Material Flows



Rehabilitation

47.3 Tons



Suburban Construction

182.4 Tons



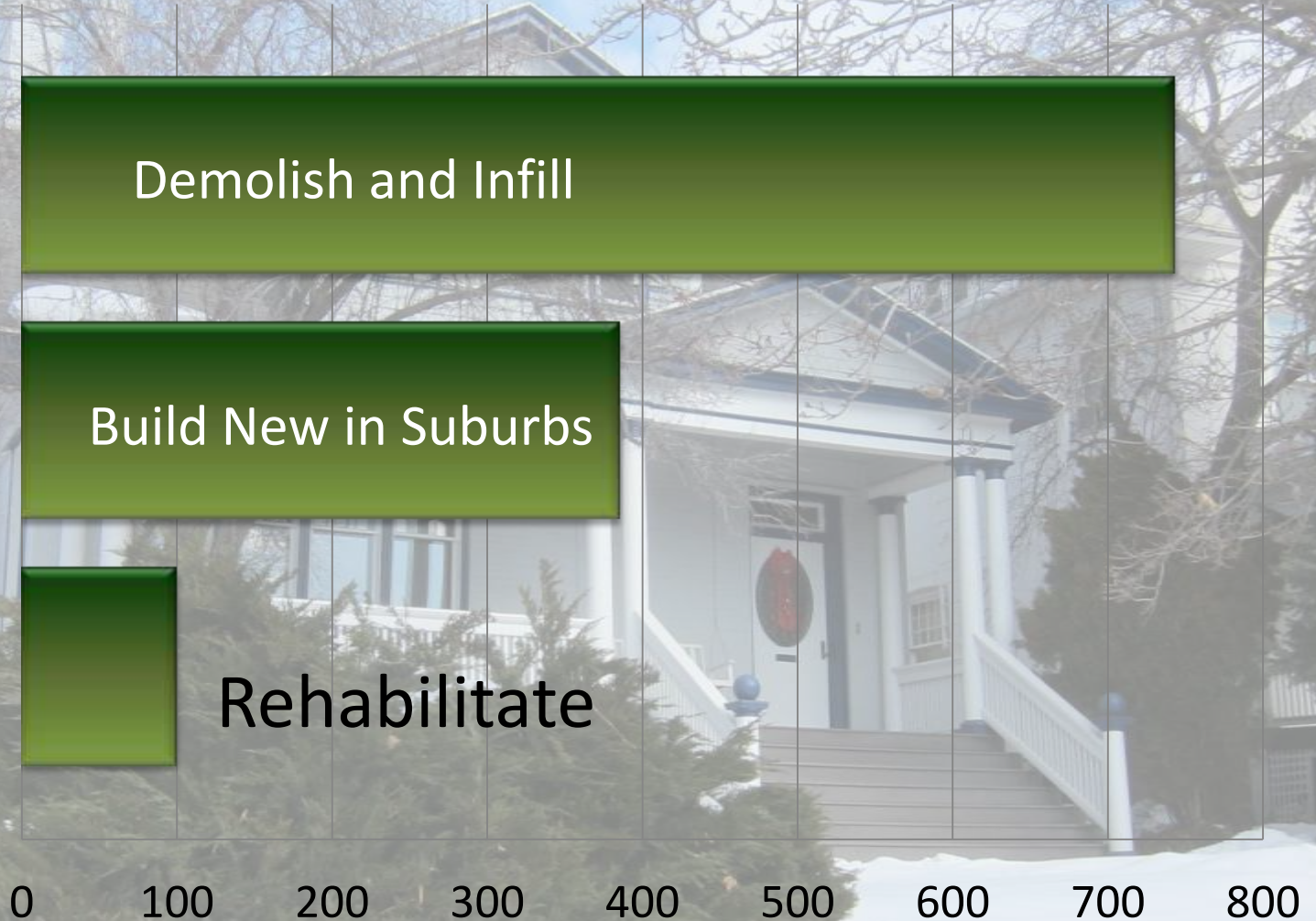
Demolition and Infill

351.8 Tons

Environment

Tons of Material Flows

Rehabilitation = 100



Environment



The average Utah historic house that was retained rather than razed reduced the impact on the landfill by 116.6 tons.



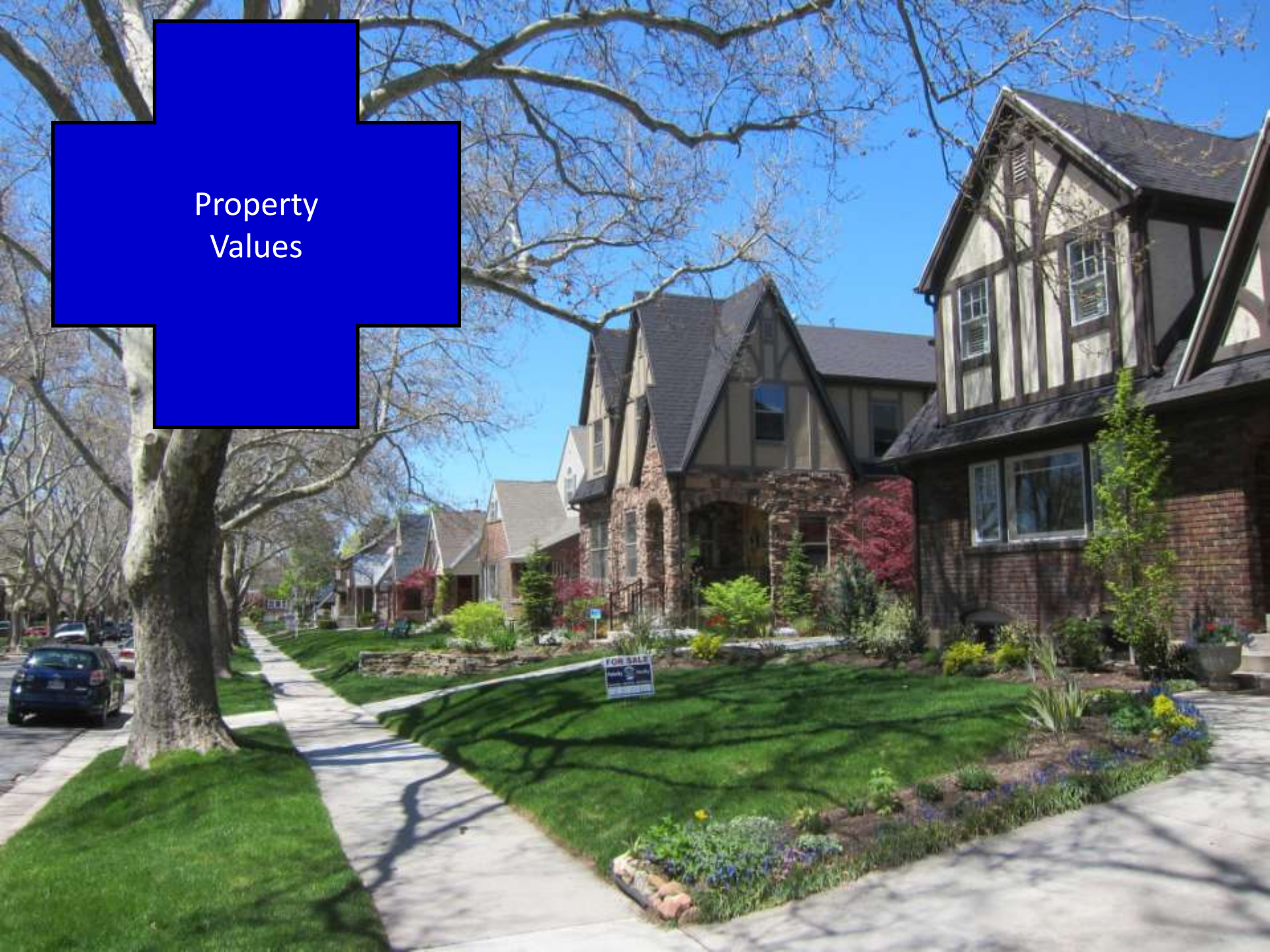
The Environmental Cost of Demolition Utah Historic House

- Throwing away equivalent of 12,338 gallons of gasoline
- Waste equal to what it would take one person 139 years to generate

If houses rehabilitated using Utah Historic Tax Credit had been razed instead...

- **131,471 Tons of Construction Debris**
- **Enough to fill 3 football fields 40 feet deep**
- **Embodied energy equivalent to 13,917,264 gallons of gasoline**

Property Values



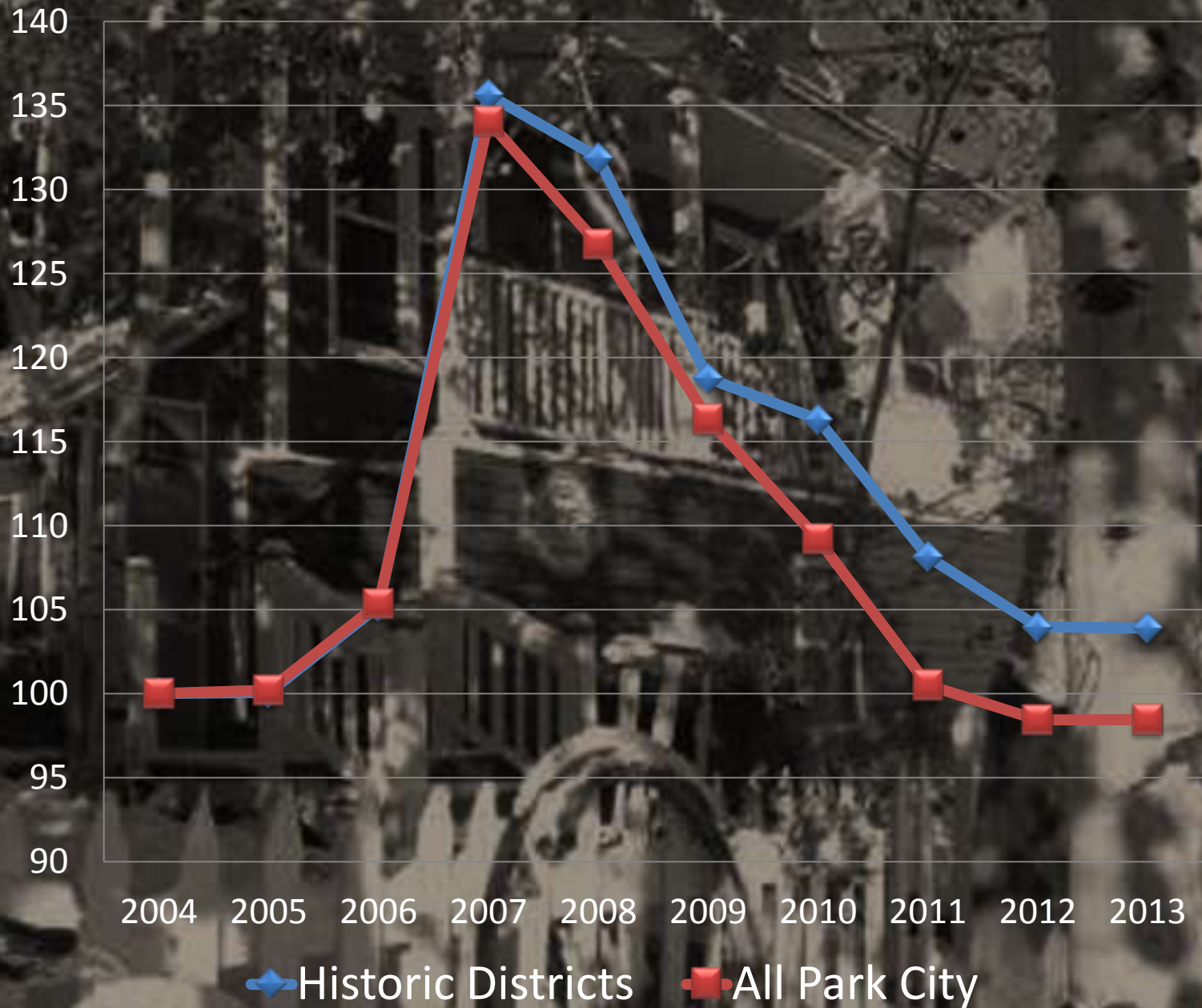
Property Values

Provo



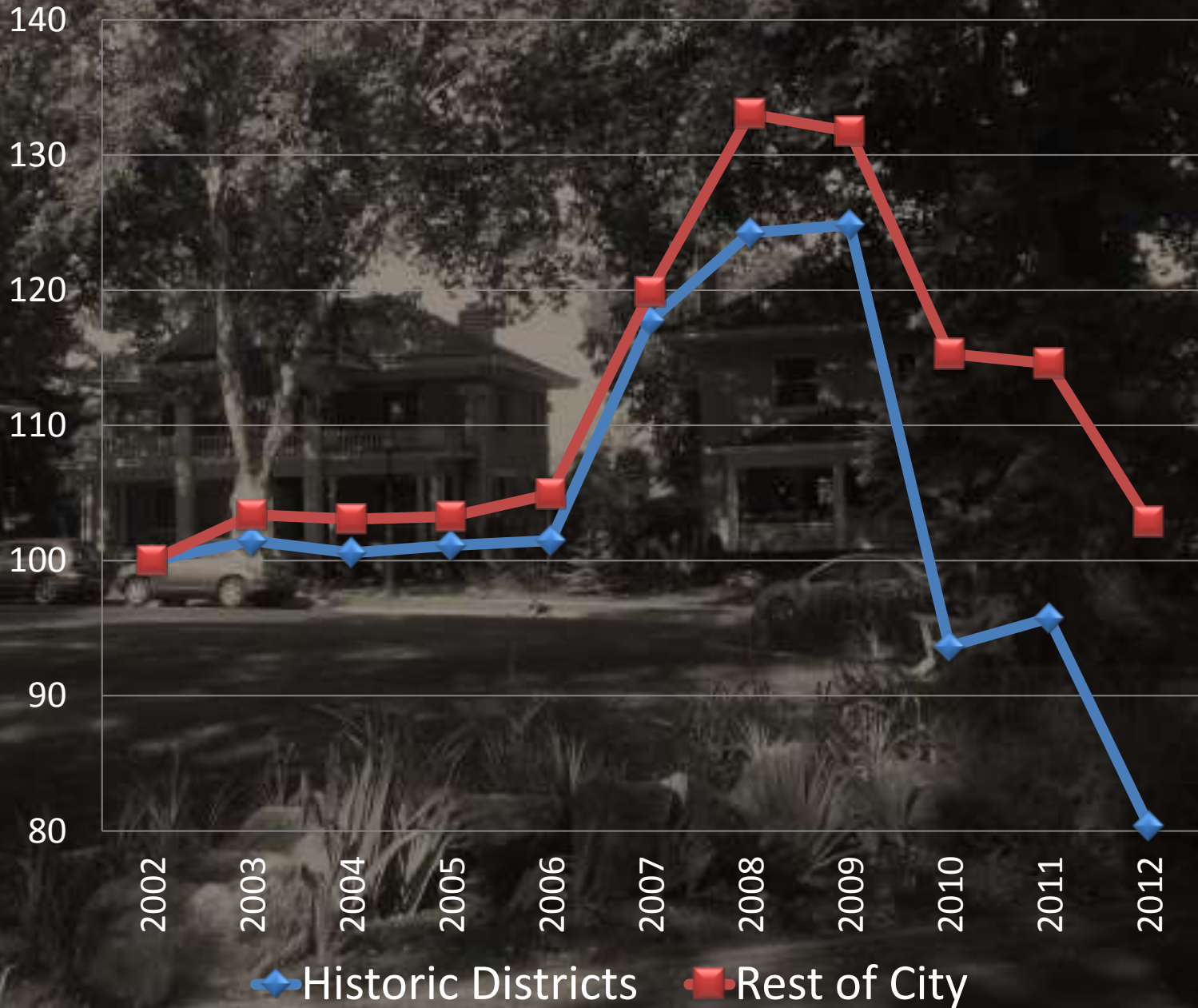
Property Values

Park City



Property Values

Ogden



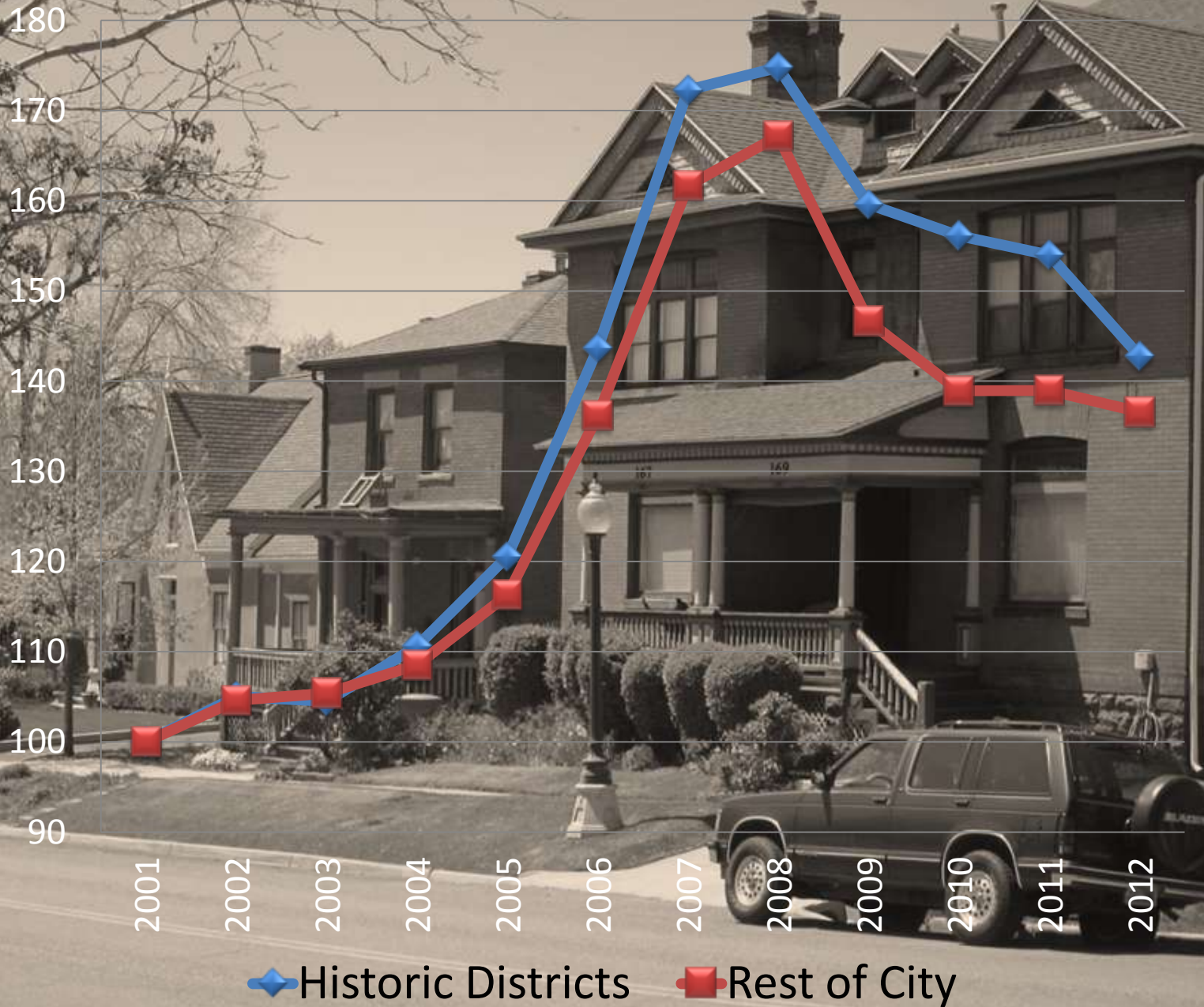
Property Values

Logan



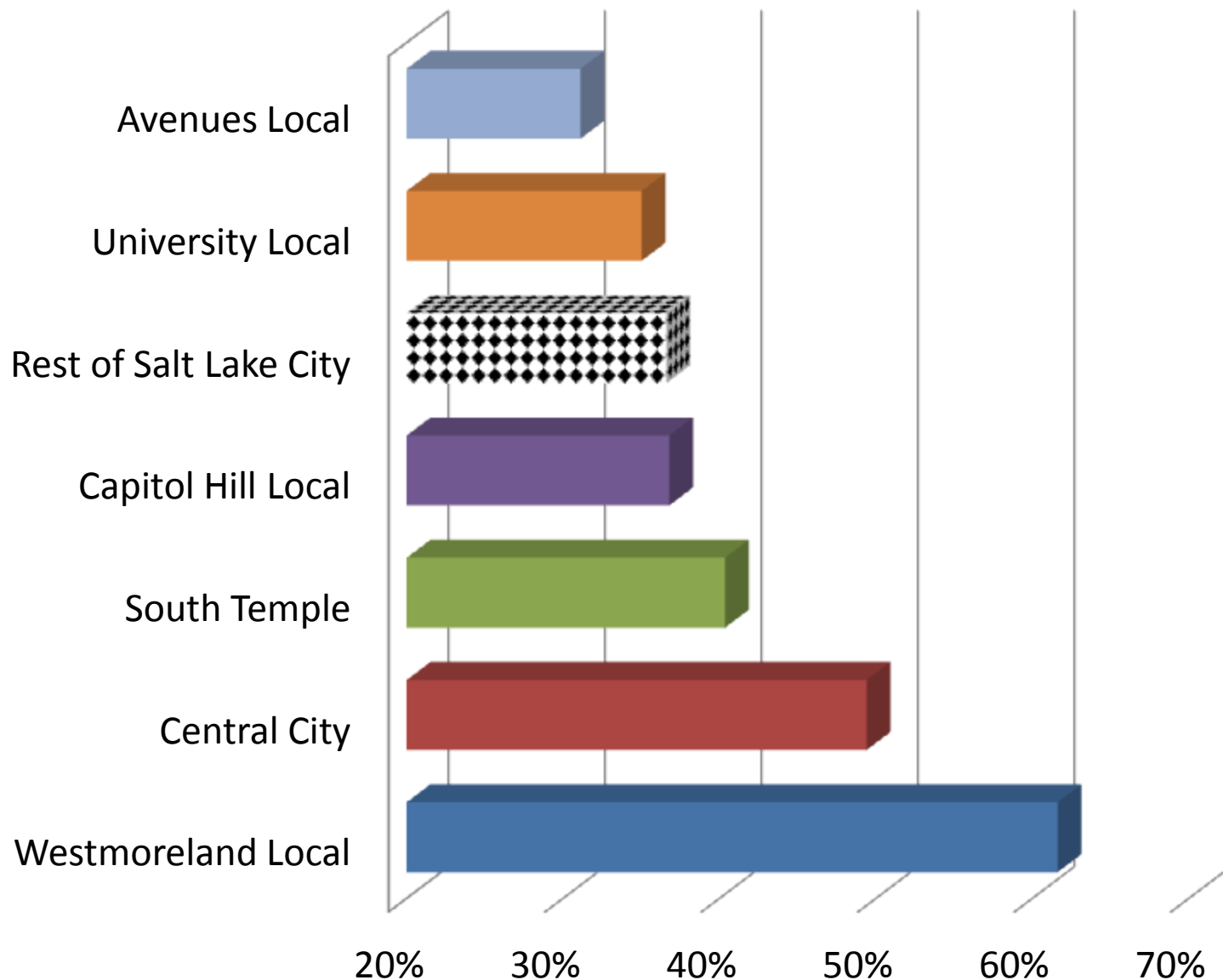
Property Values

Salt Lake City



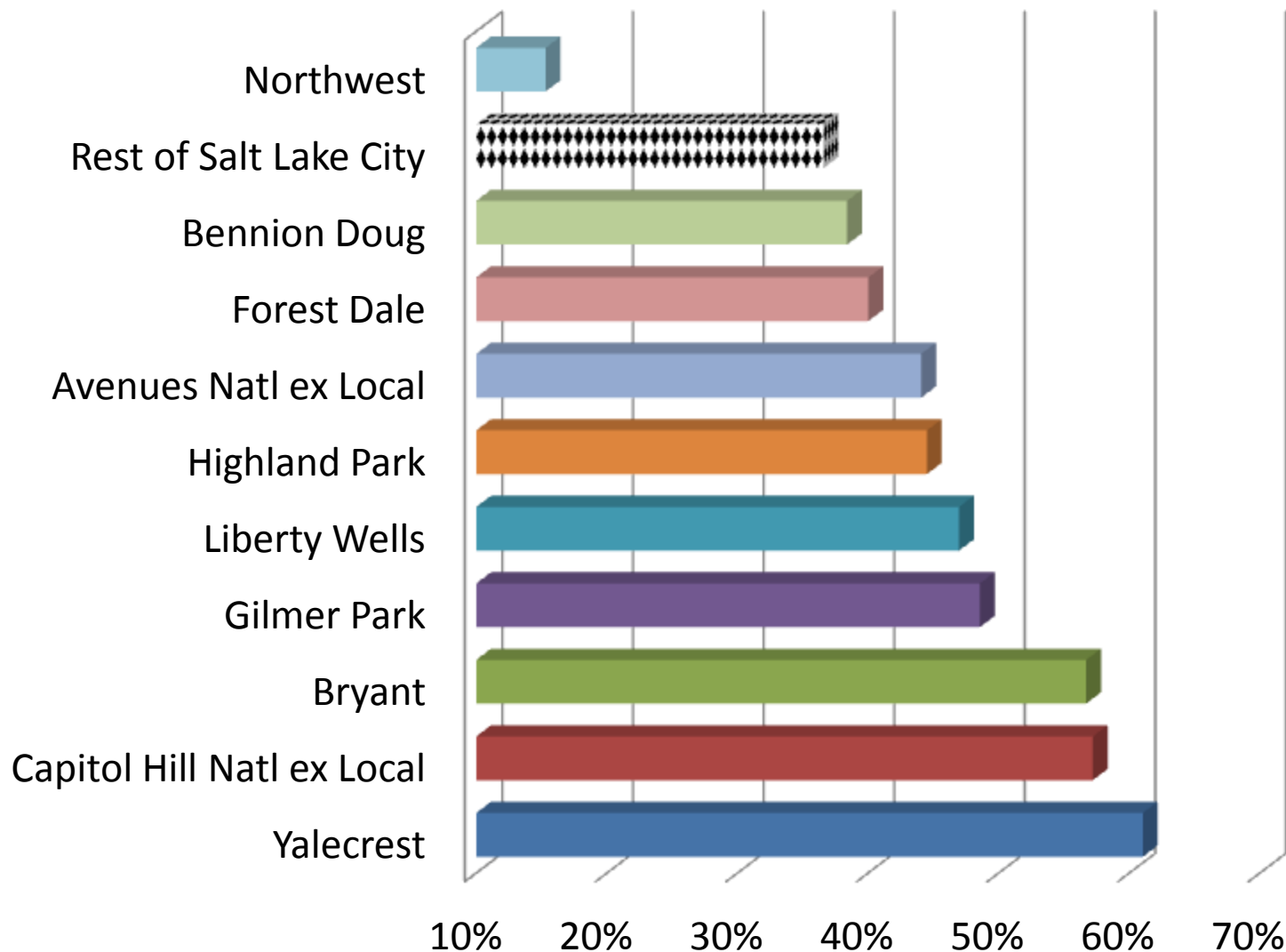
Property Values

Average Value Change 2001-2012 Salt Lake City Local Historic Districts



Average Value Change 2001-2012

Salt Lake City National Register Districts



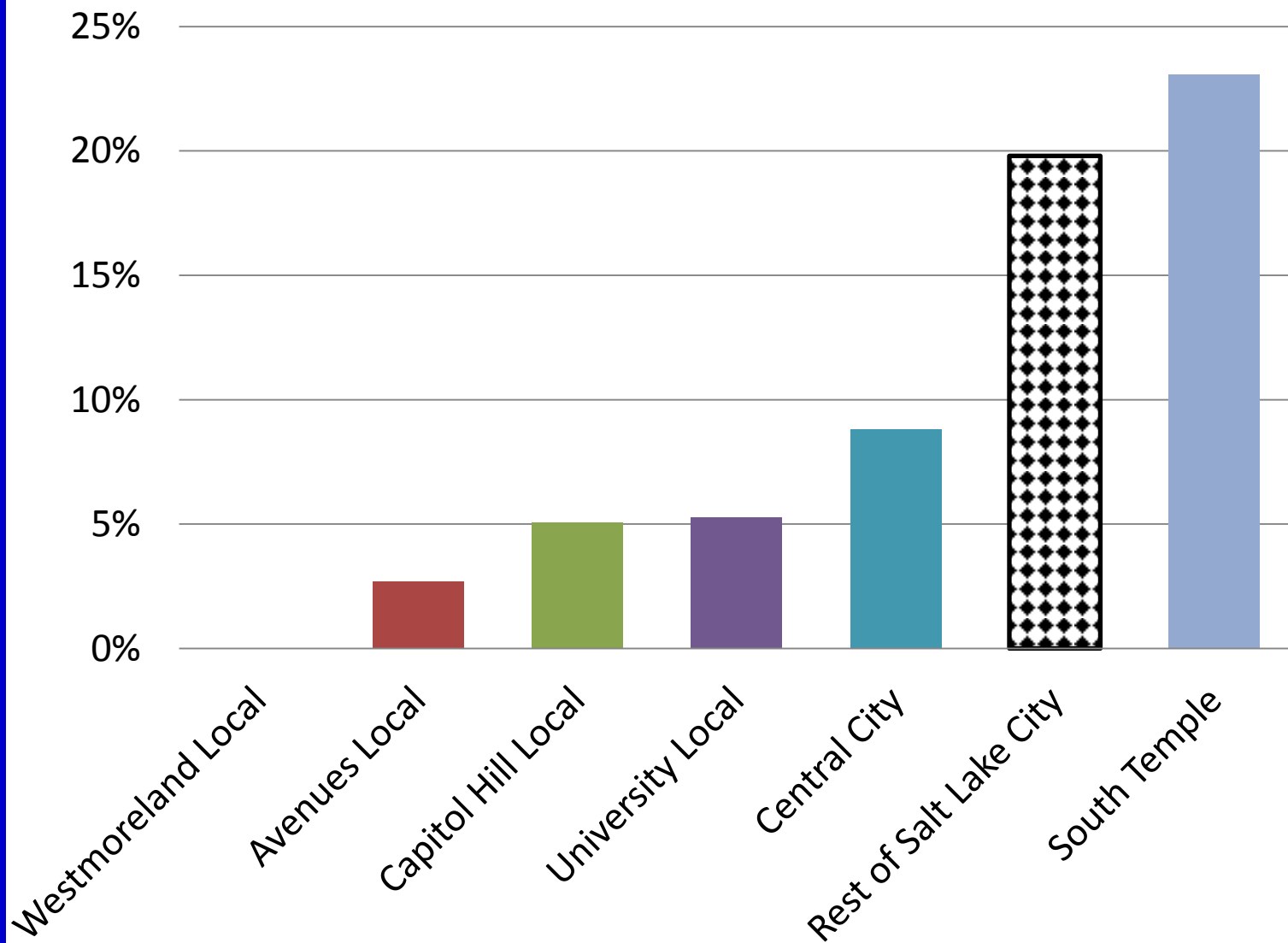
Foreclosures Salt Lake City 2008 - 2012

Property Values



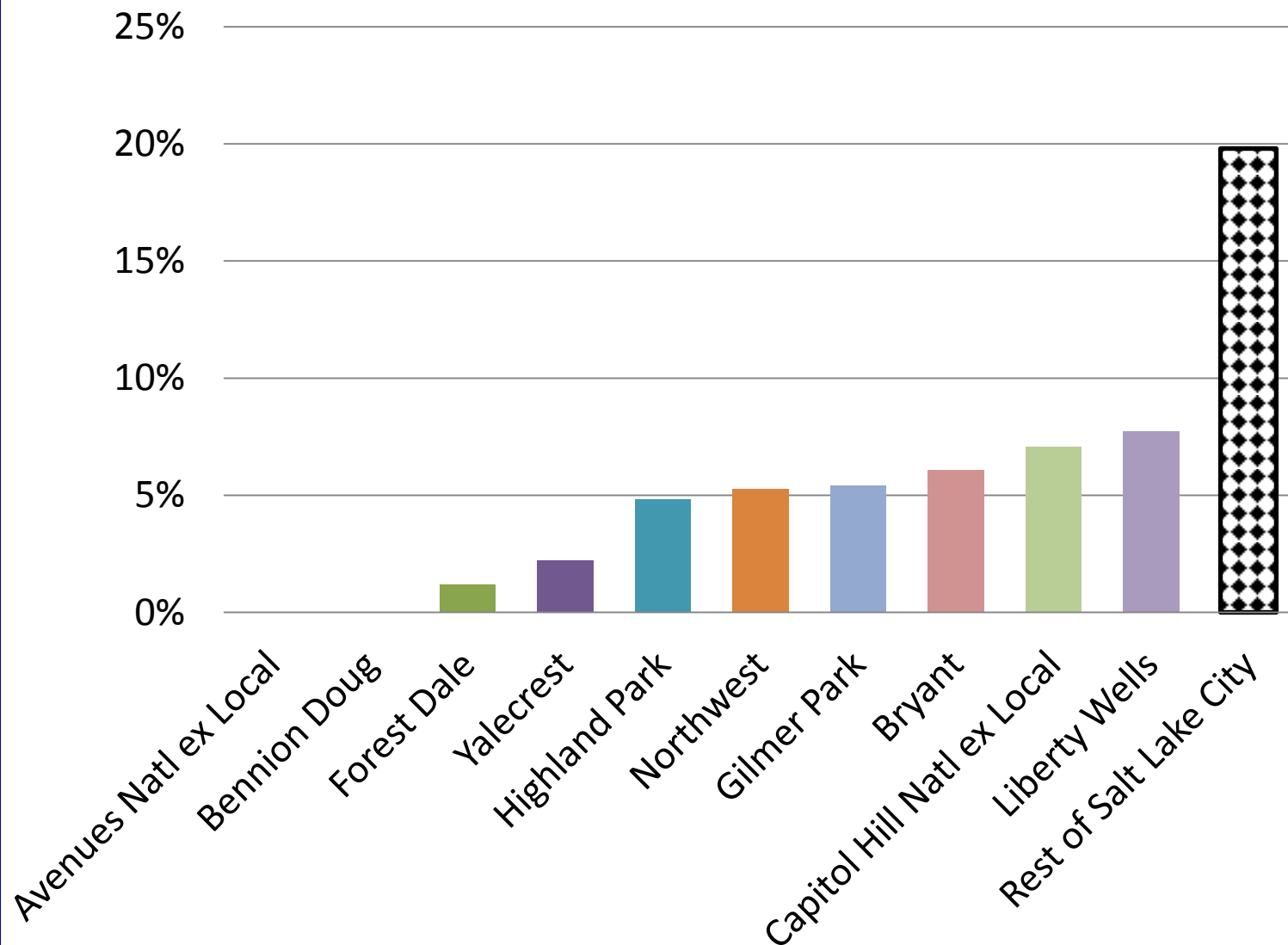
Foreclosure Rates 2008-2012

Salt Lake City Local Historic Districts



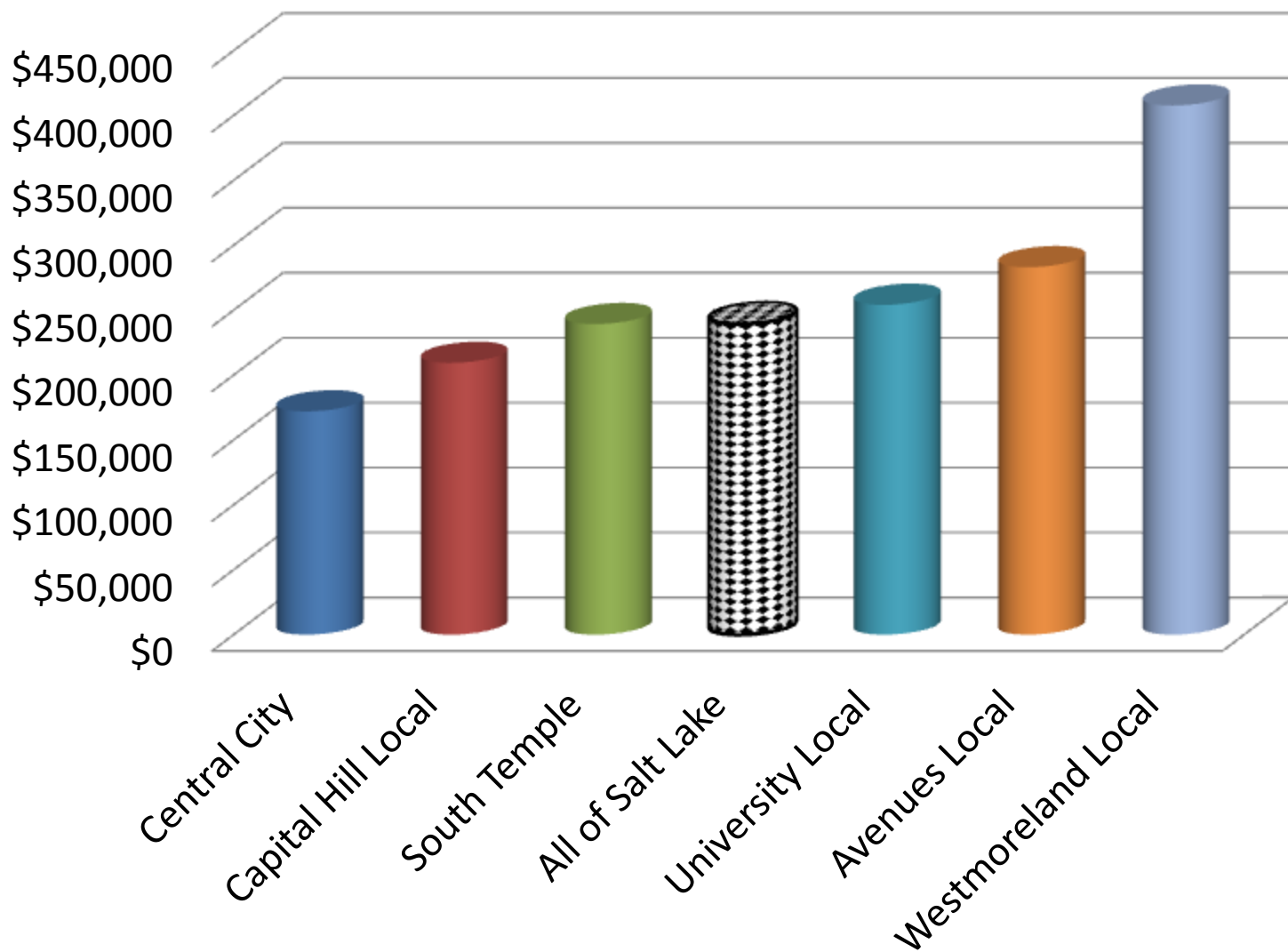
Foreclosure Rates 2008 - 2012

Salt Lake City National Register Districts



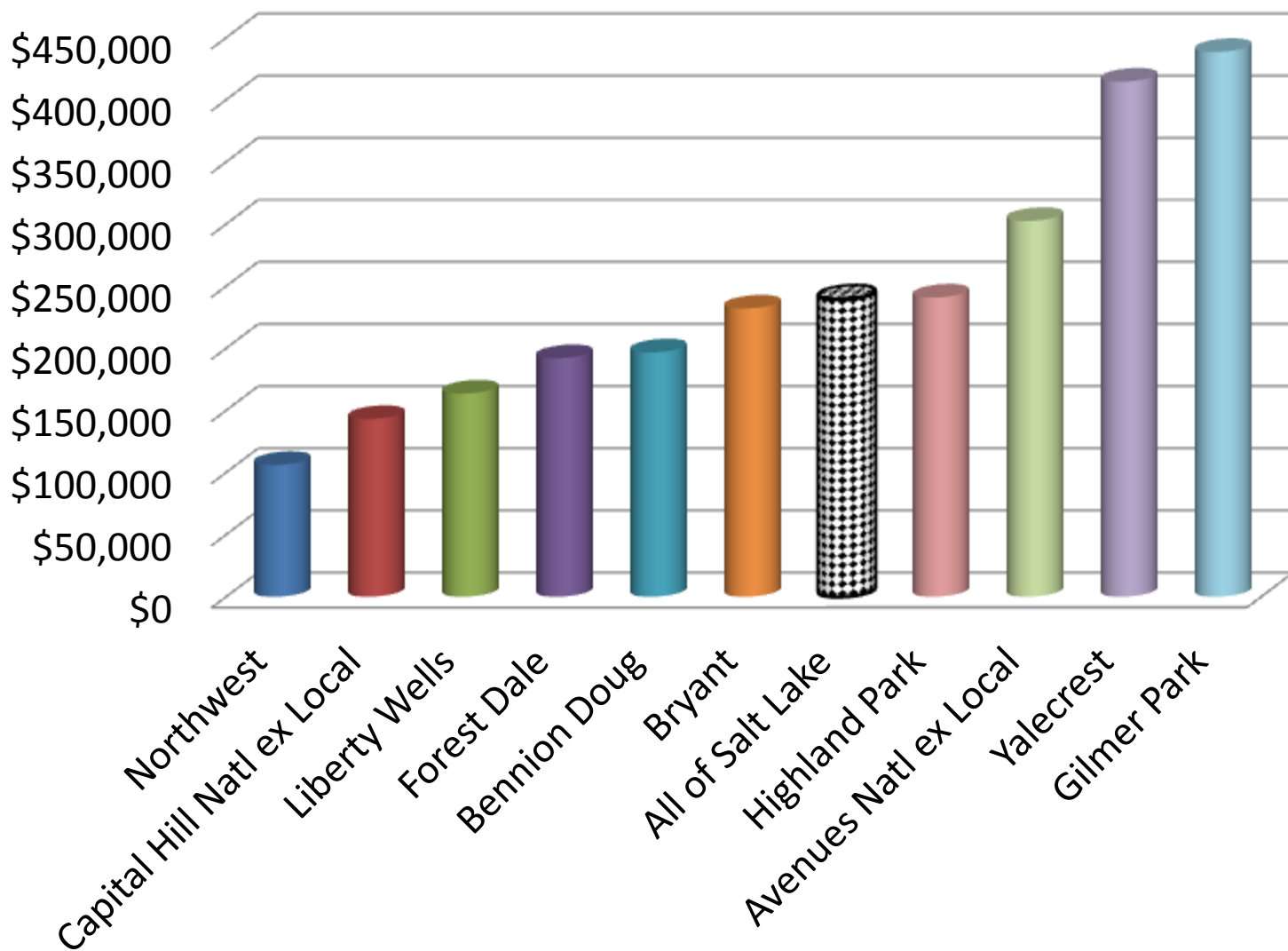
Property Values

All Price Ranges - Local Historic Districts Average Value 2012

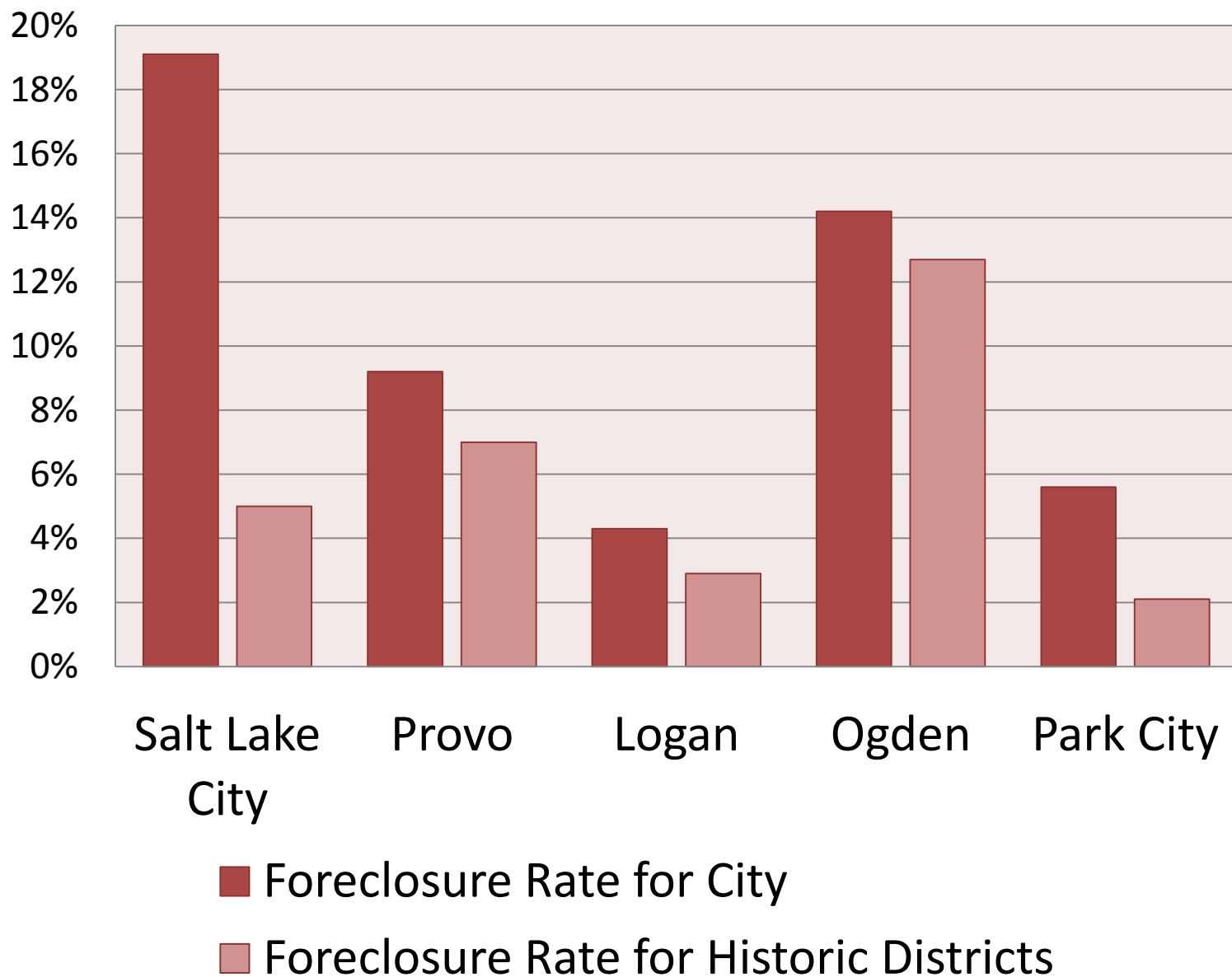


Property Values

All Price Ranges - National Register Districts Average Value 2012



Single Family Foreclosure Rates 2008-2012



Heritage
Tourism



Heritage Tourism

The “Heritage Tourism” Challenge?

Nearly All Utah Visitors could be called “heritage visitors”



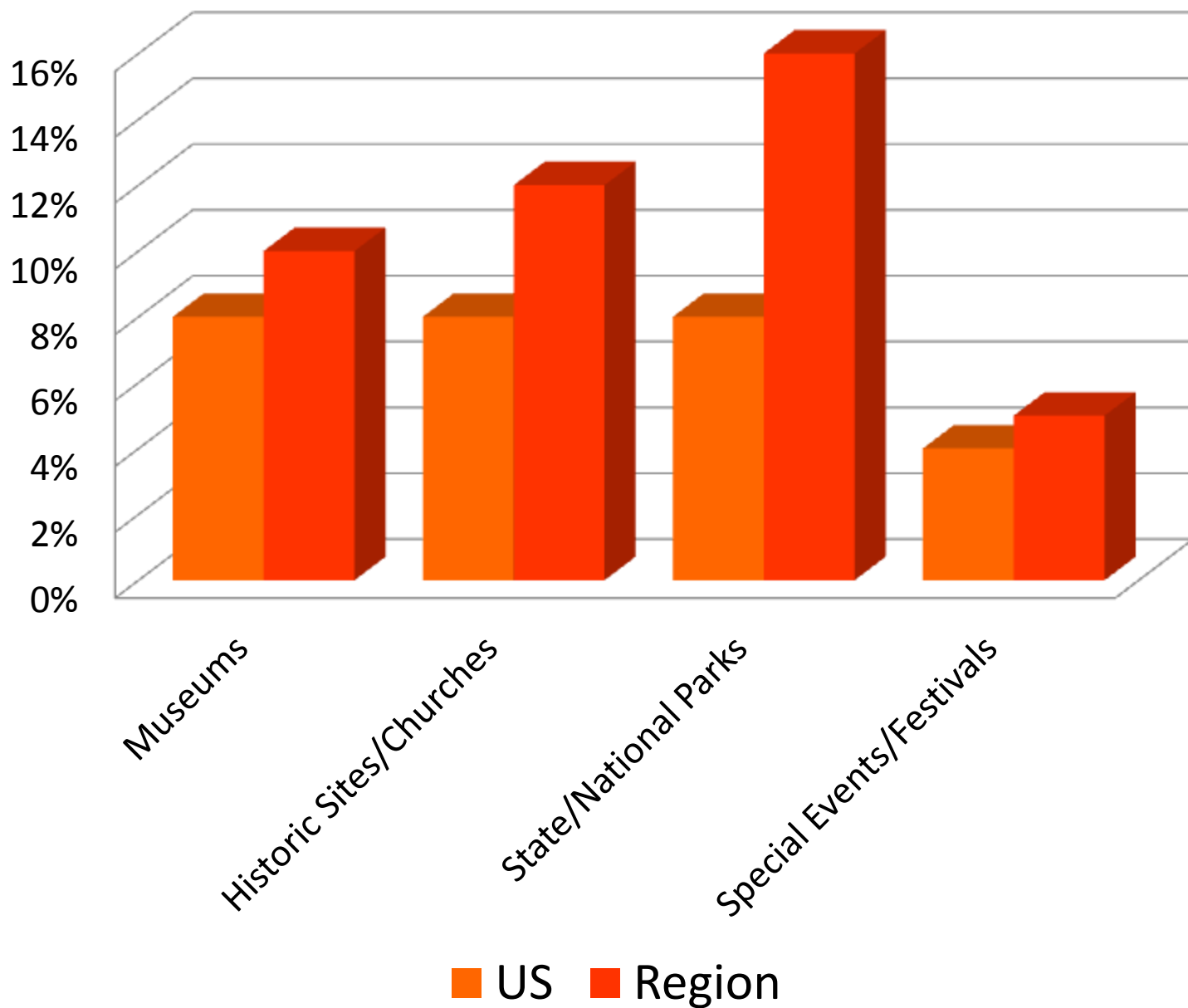
Characteristics of Heritage Visitors

- High spending
- Well educated
- Older
- Well-traveled
- Stay longer
- Visit more places
- More likely to come from other states



Heritage Tourism

Regional Tourism Patterns



Heritage Visitors (narrowly) Defined

- **State and National Parks with specific heritage focus**
- **Sites of Historical Interest**
- **Museums with heritage focus**
- **Heritage Events**



Heritage Tourism

2012 Visitation



Parks
953,181



Historic Sites
5,753,372



Museums
346,268



Festivals & Events
209,917

Heritage Tourism Expenditures

Direct Expenditures \$384,600,000

Indirect/Induced Expenditures \$333,210,944

Total Expenditures \$717,810,944

Heritage Tourism

Where Heritage Tourism Dollars Go



Lodging
\$186,624,780



Entertainment
\$54,161,927



Transportation Related
\$242,677,848

Groceries
\$53,104,318



Restaurants
\$115,477,252



Retail & Other
\$53,104,318

Heritage Tourism Expenditures create **Jobs**

	Direct Jobs	Indirect/Induced Jobs	Total Jobs
Lodging	967	735	1,702
Restaurants	1,155	411	1,566
Groceries	486	205	691
Retail & Other	657	262	919
Entertainment	450	205	655
Transportation	892	888	1,780
TOTAL			7,313

Heritage Tourism Jobs mean Paychecks

	Direct Salary/Wages	Indirect/Induced Salary/Wages	Total Salary/Wages
Lodging	\$51,468,754	\$28,830,532	\$80,299,286
Restaurants	\$22,212,115	\$15,832,992	\$38,045,107
Groceries	\$14,964,995	\$7,697,254	\$22,662,249
Retail & Other	\$15,578,873	\$9,880,826	\$25,459,698
Entertainment	\$10,450,972	\$7,712,027	\$18,162,999
Transportation	\$84,497,189	\$33,359,715	\$117,856,904
TOTAL			\$302,486,243

Heritage Tourism

Less than 7% of Heritage Tourism Dollars are spent at the Heritage Sites that attracted them.



Fiscal
Responsibility



Fiscal Responsibility

For every \$1 the State of Utah provides as tax credit over \$4 are invested by the private sector



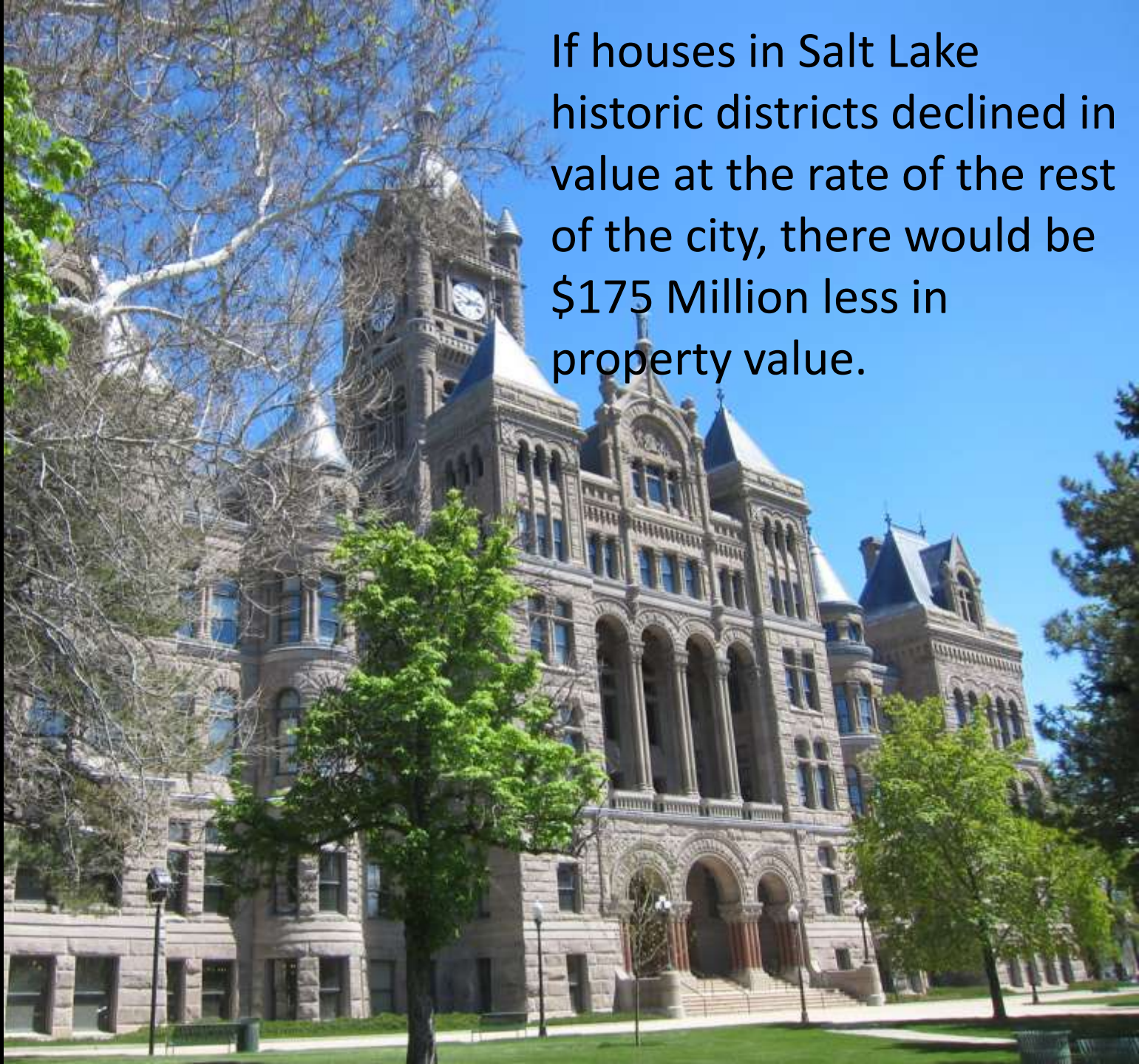
Fiscal Responsibility



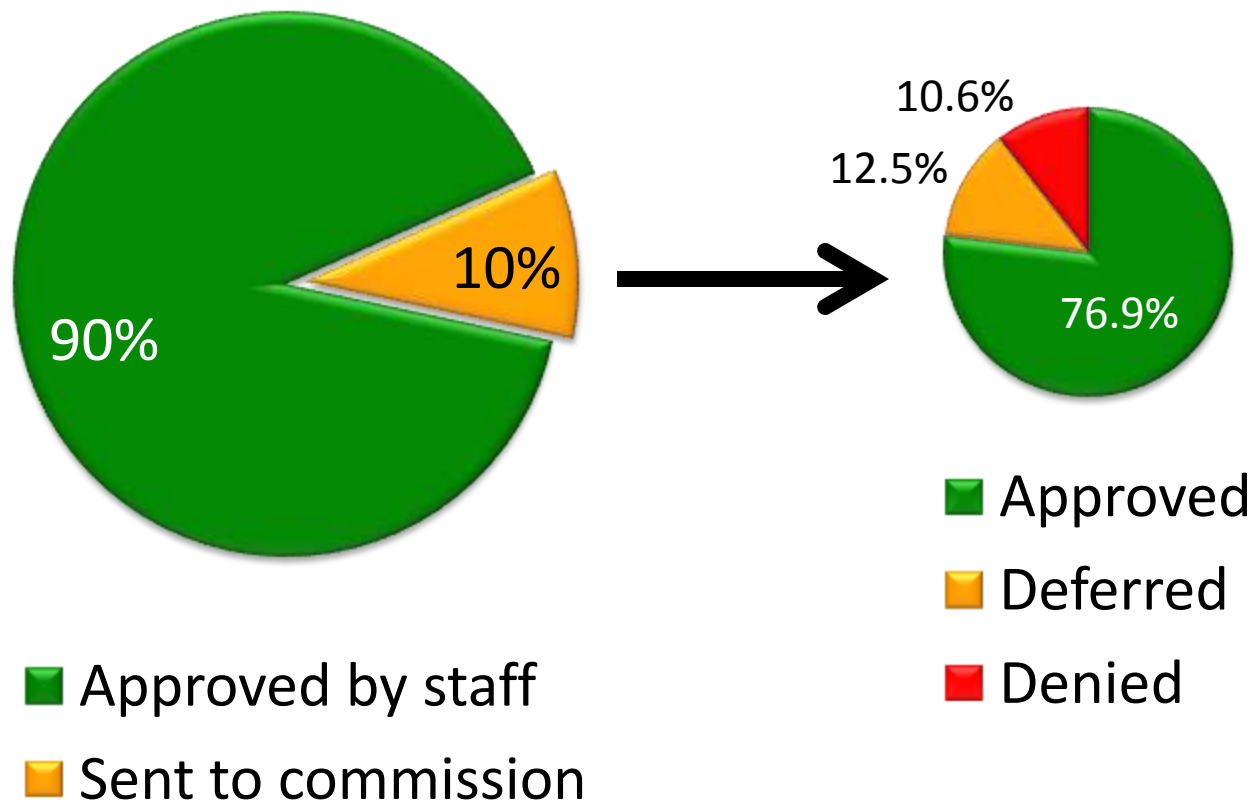
Well over \$4 Million a year in additional property taxes from the investment in Historic Buildings

Fiscal Responsibility

If houses in Salt Lake historic districts declined in value at the rate of the rest of the city, there would be \$175 Million less in property value.



Preservation Commission Applications 2004 - 2012



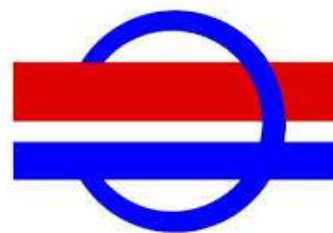
Fiscal Responsibility

Every time \$100 is spent on the rehabilitation of a historic building using the Federal tax credit, \$20 stays in Utah that would have gone to Washington, D.C.

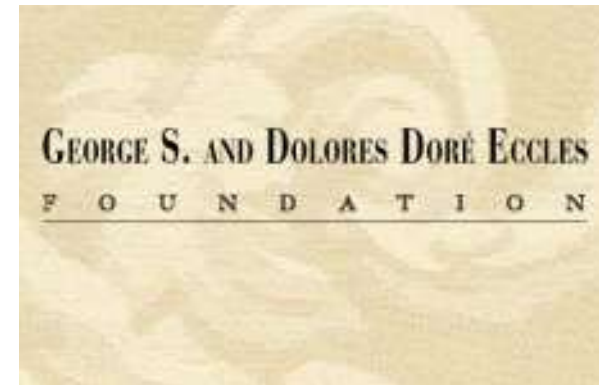




utahheritagefoundation.org



UTAH TRANSIT AUTHORITY



National Trust for
Historic Preservation
Save the past. Enrich the future.™

*Thank
you very
much*



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