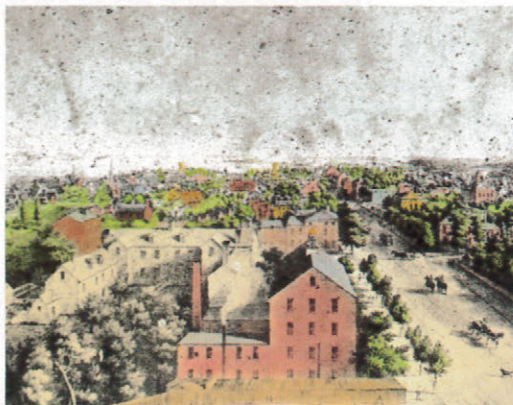


Preservation and Urban Revitalization • Advisory Council On Historic Preservation



This brochure was prepared under the direction of the Economics Policy Group of the Advisory Council on Historic Preservation.

The Advisory Council on Historic Preservation was established in 1966 to advise the President and the Congress on historic preservation matters. For more information, write to:

Advisory Council on Historic Preservation
Suite 510
1522 K Street, NW
Washington, D.C. 20005

COVER—View of Alexandria VA.,
courtesy of the Alexandria Library

FIGURE 1—The Pioneer Building, located
in Seattle's Pioneer Square Historic
District.



The Contribution of Historic Preservation to Urban Revitalization

The decade of the 1970's has been marked by a significant trend towards revitalization of America's older cities through preservation. Throughout the United States, individuals, governments, and private organizations are restoring and renovating homes, commercial establishments, streets, parks, and recreational facilities in older urban districts.

There are many factors contributing to this renewed interest in urban life. Families are seeking economical housing close to where they work. Federal, state, and local governments are seeking to halt deterioration of inner cities by attracting people and businesses to restored urban areas. And preservation-conscious groups and citizens are seeking to save irreplaceable historic structures by renovating them for residential or commercial use.

The successful revitalization of so many American cities reflects the variety of economic and social benefits that are directly related to preservation. Renovated areas attract businesses, tourists, and new residents. Crime tends to go down in successfully rejuvenated neighborhoods; at the same time, the overall quality of life improves. Preservation creates jobs and tax revenues. Cultural activities flourish in rehabilitated districts, and community pride invariably increases.

These and other socio-economic benefits of preservation are well-known by those involved in these efforts. Until recently, however, there has been little documentation

of the cause-and-effect relationship between preservation and urban revitalization. To document this relationship, the Advisory Council on Historic Preservation undertook a major study entitled *The Contribution of Historic Preservation Activities to Urban Revitalization*. The study involved an in-depth examination of four successfully rehabilitated historic districts with differing geographic, economic, and social characteristics: Old Town in Alexandria, Virginia; The Strand in Galveston, Texas; The Historic District in Savannah, Georgia; and Pioneer Square in Seattle, Washington. The results of this study are summarized in this brochure.

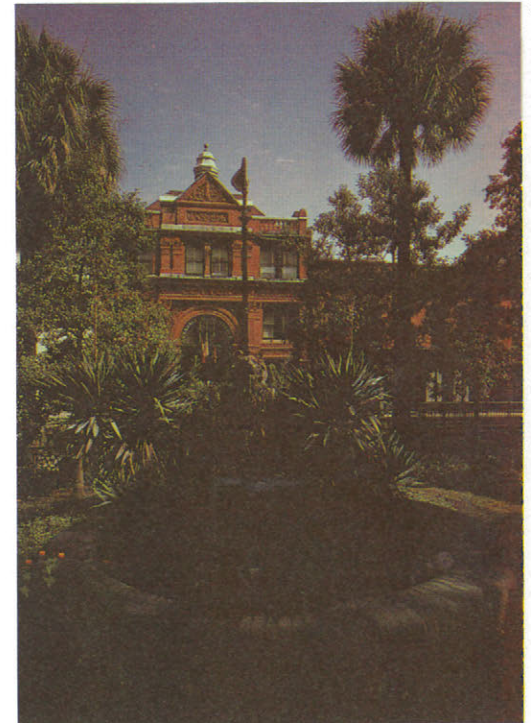


FIGURE 2—The carefully preserved old Cotton Exchange in Savannah is still an active factor in that city's commercial activity.

Preservationists and Urban Rejuvenation

In the course of its study, the Council found that revitalization almost always begins with the efforts of a small group of dedicated preservationists. These enthusiasts react to the threat of losing historic buildings or entire areas by neglect, decay, or demolition. They commit their time, energy, and personal financial resources to the cause of preservation. They seek political and financial support. Their local preservation organizations secure properties, educate the public, and raise funds.

Preservationists have also been responsible for seeking protection for an important building or an entire district through designation as a National Historic Landmark, listing in the National Register of Historic Places, or passage of a local ordinance. These actions provide the stability which attracts both residents and investors. Often, it takes years of dedicated work to achieve significant milestones in a preservation effort.

Once significant preservation activity is initiated, however, the pace often quickens as one success follows another. Ultimately, entire districts are successfully renovated. In each case, preservation results in esthetic, social, and economic benefits which accrue to individuals, businesses, local governments, and entire communities.

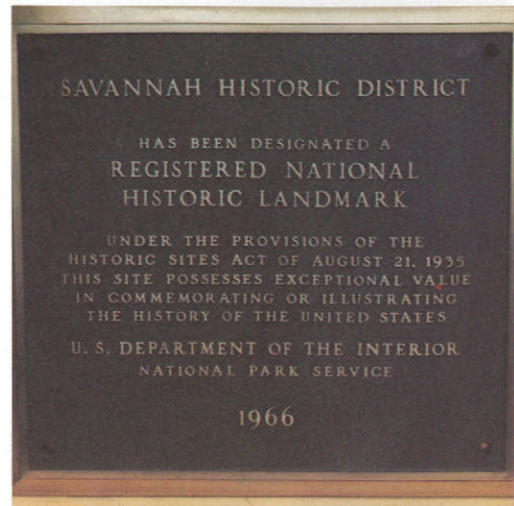


FIGURE 3—Preservation almost always begins with the work of dedicated enthusiasts.



FIGURE 4—The Truehart-Adriance building in The Strand is now used for activities of the Galveston County Arts Council and the Junior League.

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FIGURE 5—The Carlyle House in Alexandria, a former residence, has been restored and has become a major attraction.

FIGURE 6—The Savannah Historic District has been a Registered National Historic Landmark since 1966.

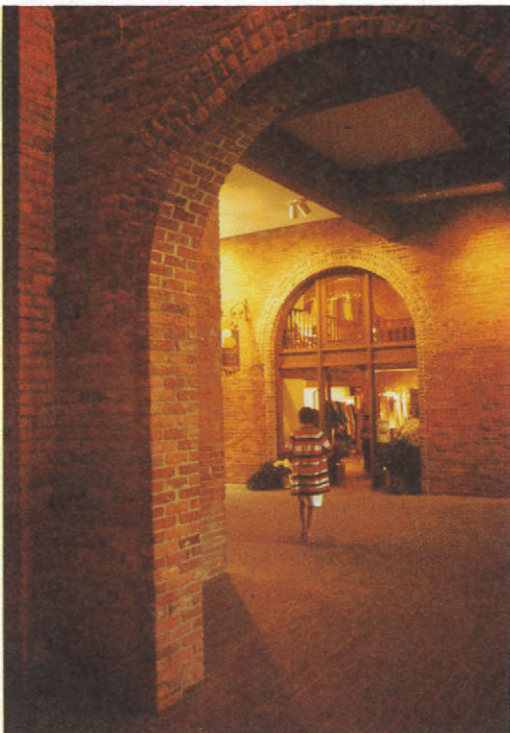


FIGURE 7—Interior of the Grand Central Arcade, located on Seattle's Pioneer Square.

FIGURE 8—The Grand Central Arcade.



Esthetic Benefits



FIGURE 9—The Savannah Visitors Center, the former Central of Georgia Railroad Terminal.

FIGURE 10—Interior corridor of luxury apartment in the Rice-Baulard Building on The Strand.

FIGURE 11—The Grand Central Hotel, now the Grand Central Arcade, before restoration.

A marked improvement in the physical appearance of a restored urban area is an obvious sign of success. An upgraded appearance within the district is the catalyst that attracts businesses, tourists, and residents to a renovated neighborhood. Facade improvements make the area's unique architectural style more visible. Esthetically pleasing parks and plazas often are created as part of the restoration process. Inside rehabilitated buildings, changes are even more dramatic. Examples include:

The old Grand Central Hotel in Seattle's Pioneer Square, which has been turned into a fully occupied office building with shops, restaurants, and other amenities.

The former Central of Georgia Railroad Terminal in Savannah, which has been renovated to serve as a visitors center and headquarters for the Chamber of Commerce.

The Rice-Baulard Building on The Strand in Galveston, a former old commercial structure, which now has shops on the ground floor and apartments in two upper stories.

Residents and the entire community share a sense of pride in the improved appearance of a revitalized historic district. Often physical improvements within the district inspire similar projects in other parts of the city.

Economic Benefits

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FIGURE 12—Preservation has provided many jobs for individuals such as this construction worker in The Strand.

A major benefit of successful preservation is the creation of new jobs. The process of renovation itself requires the services of architects, engineers, construction workers, plumbers, electricians, and a variety of both skilled and unskilled building tradespeople. New shops, homes, businesses, and restaurants create job opportunities for salespeople, food service personnel, office workers, realtors, building administrators, etc. These people will come from all sectors of the community.

As new residents and businesses move into a renovated area, property values increase. Appraisal records in the four historic districts studied by the Council show that:

Appraisers valued the old Grand Central Hotel in Seattle at \$132,880 in 1965 and 1971. The valuation increased to \$940,160 after its renovation in 1973. In 1977, appraisers valued it at \$1.27 million.

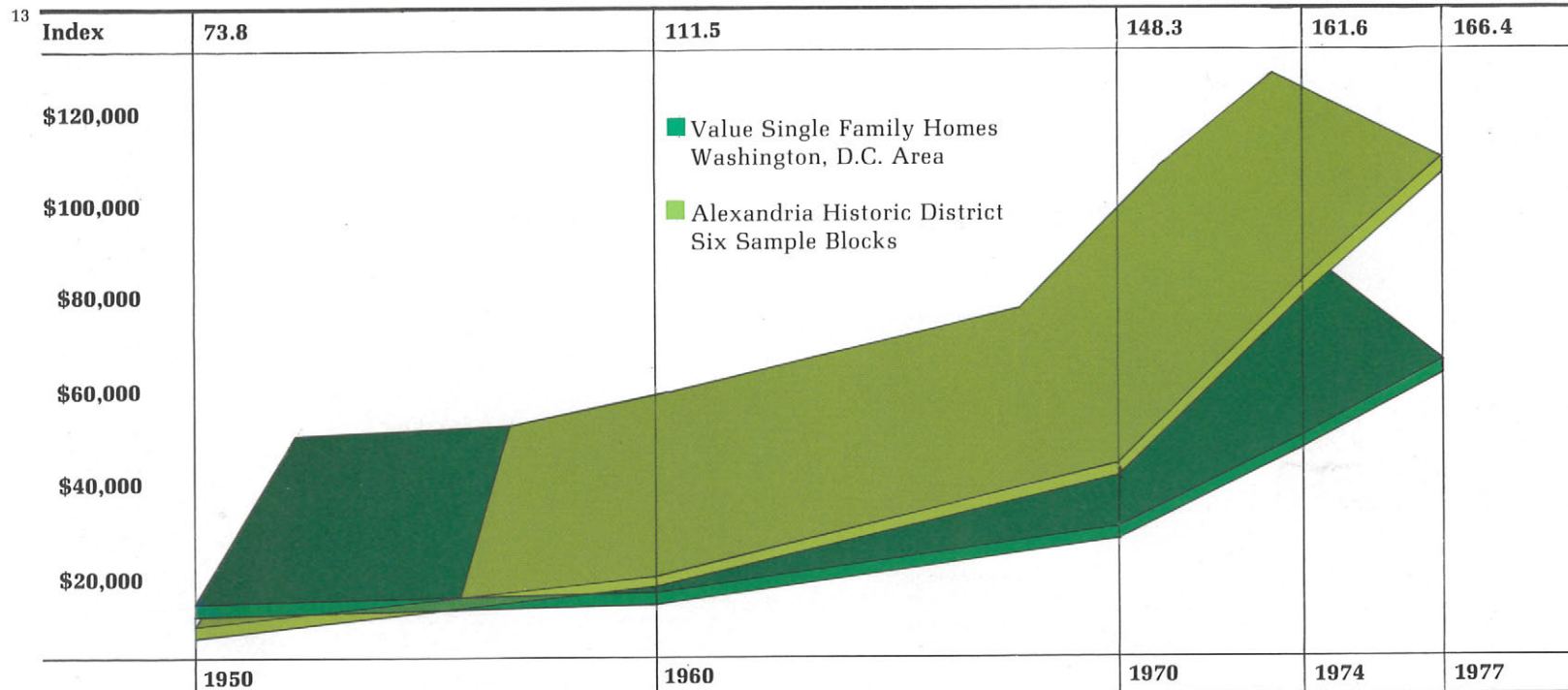
In the 3 years since renovation began, property values on The Strand increased as much as 208 percent while all City property increased by 85 percent.

Property values increased in Savannah's historic district an average of 276 percent between 1965 and 1977, compared with an increase of 184 percent for all property in the county.

While appraised at only 45 percent of the average Washington, D.C. area home in 1950, the value of single family homes in Alexandria's historic district increased to a level 7 to 95 percent higher than the metropolitan average by 1970. By 1977, values increased to a level 45 to 100 percent higher.

FIGURE 13—Index of change in the average value of real estate for six sample blocks in Alexandria's historic district, and for the Washington, D.C. area.

FIGURE 14—Increase in appraised value of sample properties in four historic districts.

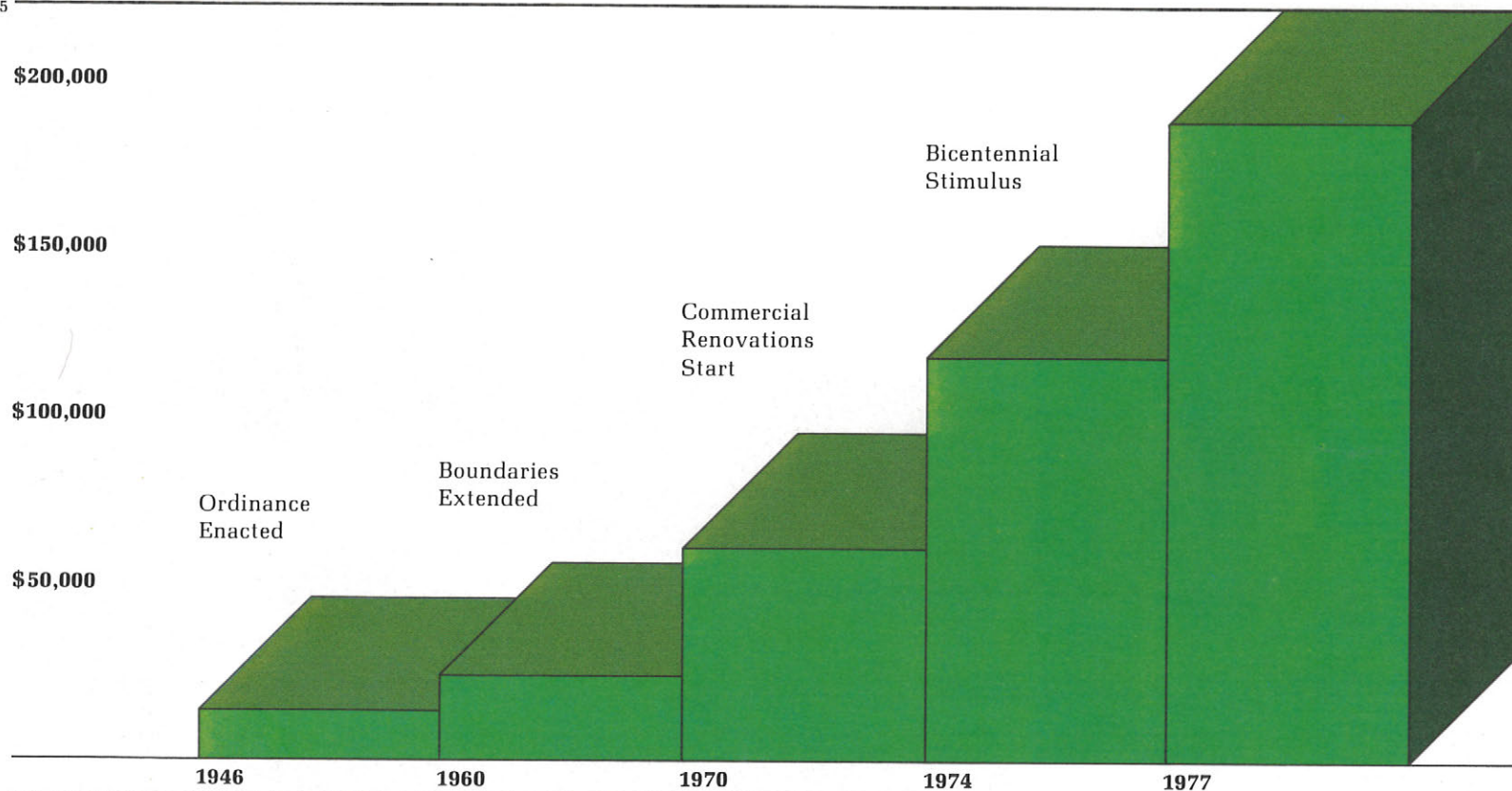


Source: Booz, Allen & Hamilton, Inc. and Alexandria Department of Real Estate.

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	Alexandria	Galveston	Savannah	Seattle
Year/Appraised Value of Sample Properties	1960/\$1,214,970 1977/\$8,931,550	1974/\$2,713,560 1977/\$3,644,410	1965/ \$3,069,510 1977/\$11,525,640	1965/ \$4,465,240 1978/\$14,499,900
Number of Blocks in Sample	8 square blocks	13 square blocks	18 square blocks	9 square blocks
Annual Average Percent Increase	37.4	11.4	23.0	17.3

Source: Booz, Allen & Hamilton, Inc. from the records of city and county tax and assessment offices.



Source: Booz, Allen & Hamilton, Inc. and Alexandria Department of Real Estate.

FIGURE 15—Changes in property tax revenues generated by eight sample blocks in Alexandria's historic district.

FIGURE 16—In addition to office space, the Maud Building, an early renovation in Pioneer Square, has a restaurant and shops.

With increasing property values and the influx of new commercial activity, tax revenues rose considerably in revitalized areas—faster than in the entire community. Revenues from both sales taxes and property taxes have increased in the four districts studied by the Council.

Seattle—Seventy-five Pioneer Square retail establishments generated about \$833,000 in sales tax revenue during one quarter of 1976. This figure represented an increase of more than 13 percent over the sales tax revenue for the same quarter of the previous year.

Alexandria—Property tax revenues in eight sample square blocks in the historic district increased 545 percent from 1949 to 1970, and increased another 209 percent from 1970 to 1977—a considerably faster increase than the 108 percent in the entire city.

Galveston—Property tax revenue generated by one section of The Strand increased from \$84,140 to \$107,045—27 percent between 1974 and 1977—compared with 20 percent for the county. Particular half-block areas which front on The Strand generated revenue increases of up to 156 percent during the 3-year renovation period.

Savannah—Property tax revenues from 19 sample blocks in the historic district increased 15.6 percent annually between 1965 and 1977, for a total increase of 187



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FIGURE 17—Renovated historic districts have resulted in dramatic increases in tourist activity, as this scene from The Strand illustrates.

FIGURE 18—The Fat Tuesday celebration in Pioneer Square attracts thousands of visitors to an area that was the original Skid Road.

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FIGURE 19—Both retail sales and the number of stores have increased in renovated historic districts.

percent, compared to 111 percent for the entire county.

Another major effect of restoration is that revitalized areas attract new businesses, and retail sales go up. For example, retail sales in two renovated commercial blocks in the Alexandria Historic District increased by over 124 percent between 1970 and 1976—at a time when other downtown Alexandria retail stores were experiencing lower sales and frequent turnover in tenants. And The Strand Merchants Association estimates that sales have increased by more than 500 percent between 1970 and 1974.

Attracted by the shopping, sightseeing, and ambiance of historic urban areas, tourists bring in additional economic benefits. The economic impact of tourism in Savannah has increased from \$26 million in 1969 to more than \$75 million in 1977—an increase of more than 227 percent. Between 1971 and 1977, annual visitor attendance at Alexandria's Tourist Center increased from 22,200 to 106,800.

Although preservationists often find it difficult to obtain financial support in the beginning of a preservation effort, investors are quite willing to support such projects after their potential for success has been demonstrated. Local investors estimate that private investment in the Savannah Historic District has totaled \$80 million since 1955. Private investors have contributed about \$4.2 million to The Strand preservation effort, and there has been about

\$18 million worth of private investment in Pioneer Square since 1960, most of which has been invested since 1971.

To complement private investment, various public agencies have contributed funds to major preservation efforts.

Alexandria—Restoration efforts have brought in more than \$3.9 million in grants and appropriations, plus about \$25 million for an urban renewal program associated with preservation of Old Town's historic character.

Galveston—About \$421,000 in federal and local funds have supported planning studies and general improvements. A \$2.5 million grant is funding development of a parking facility, cruise ship terminal, and passenger hallway.

Savannah—Over \$36 million in federal and local funds have been invested in the historic district for housing, parks, and public buildings.

Seattle—Nearly \$2.1 million in federal and local funds were spent from 1970 through 1975 for parks, street improvements, lighting, staff, plans, and studies.



FIGURE 20—A local Seattle bank has provided a considerable amount of investment capital for Pioneer Square.



	Alexandria		Galveston		Seattle	
Year	1965	1977	1975	1977	1960	1977
Number of Violent Crimes						
City	3,941	9,084	550	771	717	7,161
Historic District	842	1,320	45	22	94	131
Historic District % of City	21.4	14.5	8.2	2.9	13.1	1.8

Source: Booz, Allen & Hamilton, Inc. and city police departments.



FIGURE 21—Community spirit soars in restored neighborhoods such as this one in The Strand.

FIGURE 22—Downtown residents bicycle through Pulaski Square in Savannah.

FIGURE 23—There is a significant reduction in violent crime in renovated historic districts.

Social Benefits

The economic and social benefits of preservation go hand in hand. In successfully renovated areas, there is a decided improvement in the quality of life. The percent of city-wide crime committed in the historic district was dramatically reduced. Also, housing conditions improved, cultural activity increased, blight diminished, and community spirit and pride grew. The Council's study revealed the following examples of improved quality of life resulting from preservation:

Alexandria—Its historic district has changed from a blighted area to a preferred urban neighborhood with small-town ambiance. It is a self-contained, diversified urban center where people can shop, work, dine, attend cultural events, and enjoy waterfront-oriented recreational activities. Violent crime has decreased significantly. Residents of public housing projects and luxury townhouses attend the frequent festivities at the district's focal point, Market Square—an award-winning plaza. Old Town is not remaining static—plans are underway to adaptively reuse the old Torpedo Factory, a major piece of property in the historic district.

Savannah—This city's historic district is highlighted by an upgraded and refurbished riverfront, a healthy business district, and renovated housing facilities. Low-interest home improvement loans have made the historic district accessible to low-income

and moderate-income homeowners, while middle- and upper-income residents have been attracted back to the downtown by the varied architectural designs and urban lifestyle. Both residential and commercial crime declined. The successful renovation of Savannah's historic district is an outstanding example of cooperation between the public and private sectors.

Galveston—The Strand, once a vital commercial area that became nearly deserted, now contains renovated offices, ships, museums, and arts facilities. Also, new apartments have been created in former commercial buildings and have attracted many new residents into the downtown. Crime decreased in The Strand while increasing city-wide. The preservation process is continuing with new projects planned to add additional vitality to the area.

Seattle—Pioneer Square has no major residential renovation yet, but it has become a major tourist attraction and business center. The old Skid Road, once famous for its derelict population, has become a viable business center with shops, offices, and restaurants. Crime in the Pioneer Square area has decreased steadily since preservation activities began. The success of Pioneer

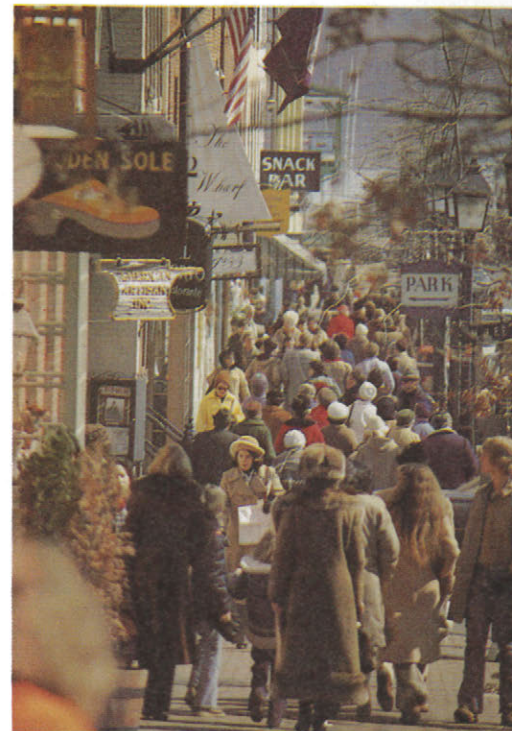


FIGURE 24—Many people now enjoy shopping and other activities along Alexandria's rejuvenated Lower King Street.

Square has stimulated other revitalization projects in Seattle; such as the Pike Place Market and the International District, thus improving the quality of life in a variety of neighborhoods.

Another benefit of preservation is an increase in the supply of convenient, sound downtown housing. In most cases, this housing is accessible to people with various levels of income. Upper income groups can afford to renovate older housing extensively. Middle-income families and younger people can afford older housing by doing much of the renovation work themselves. Low-income families and people with moderate incomes can participate in preservation with the aid of low-interest home improvement loans.

Displacement often occurs in the urban revitalization process, both from new construction and renovation. The Council's study has found, however, that preservation activity often stimulates the development of new programs to expand housing opportunities for low-income and elderly persons. An example is Alexandria's program to upgrade housing adjacent to the historic district through low-interest or no-cost loans to homeowners, and to build new replacement housing in a nearby urban renewal area.



FIGURE 25—These town houses typify renovation in Old Town Alexandria.

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FIGURE 26—Luxury apartment in The Strand.

FIGURE 27—The Savannah Neighborhood Action Project (SNAP), supported by community and preservation groups, is renovating homes in the Victorian District for low-income tenants.

FIGURE 28—The results of SNAP.

Historic Preservation Can Contribute to the Revitalization of Any Community

This brochure summarizes just a few of the many positive things that can happen when preservation efforts succeed. These benefits can accrue to any community that seeks to preserve its historic, architectural, and cultural heritage. The time to get involved in preservation is now—before historically significant buildings and areas are permanently lost and opportunities to revitalize urban neighborhoods are neglected.

FIGURE 29—A busy cafe in Pioneer Square illustrates some of the significant contributions of historic preservation to a community.



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Photographs used in this brochure courtesy
of the following:

Alexandria—Alexandria Department of
Planning and Community Development;
Alexandria Tourist Council;

Galveston—Taft Architects, Houston, Texas;

Savannah—Historic Savannah Foundation;
Savannah Convention and Visitors Bureau;
Savannah Landmark Rehabilitation
Project, Inc.;

Seattle—Department of Urban Conservation,
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