The Economic Power of Heritage in Place:
How Historic Preservation is Building a Sustainable Future in Colorado

TECHNICAL REPORT

Submitted by

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2011 UPDATE

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I. OVERVIEW OF 2011 PROJECT

In 2001, the Colorado Historical Foundation undertook a project to document and quantify the economic benefits of historic preservation in Colorado. The resulting report, *The Economic Benefits of Historic Preservation in Colorado*, examined **statewide** economic benefits associated with the rehabilitation of historic buildings and heritage tourism, and also focused on several economic issues related to the **owners and users of historic properties**, including affordable housing and property values in residential historic districts. The 2001 project resulted in two products that were published in 2002: (1) a technical report that contained the complete project results and methodology, and (2) a shorter popular report that summarized the results in a colorful, easy-to-read format for widespread distribution.

In 2004-05, the Foundation undertook a limited update of the earlier project. The 2004-05 project involved updating data for several historic building rehabilitation incentives: the federal rehabilitation tax credit, the state rehabilitation tax credit, and State Historical Fund acquisition and development grants. Also, the 2004-05 projects significantly updated the section on heritage tourism. Lastly, the 2004-05 update also addressed two new areas of economic benefits: (1) the progress of the Colorado Main Street program, and (2) an examination of property values in a Colorado commercial historic district (to complement the earlier property values work done in residential areas). Like the 2002 project, the 2005 project resulted in a popular report, and also featured a supplemental update to the 2002 technical report.

This document, *The Economic Power of Heritage and Place*, is a stand-alone update to the 2002 and 2005 technical reports. It describes the 2011 project findings in detail and discusses the methodology used in the analysis. Like the previous projects, this 2011 project features updated data and analysis of the economic impact of historic building preservation incentives including the federal rehabilitation tax credit, the state rehabilitation tax credit, and State Historical Fund acquisition and development grants. This project also includes updated information on the economic impact of heritage tourism in Colorado. Three new topic areas are also addressed in this report: (1) discussion of how preservation has been used as a tool for economic development in various communities throughout the state; (2) examples of how preservation has been used to support community sustainability; and (3) an overview of other studies of the economic benefits of preservation from across the county. In addition to this document, a new 2011popular report summarizes the findings of this technical report.

II. EXECUTIVE SUMMARY OF 2011 FINDINGS

Colorado's historic resources contribute significantly to the economic, environmental, social, and aesthetic value of the state. From an economic perspective, historic preservation activities boost local and state economies by creating jobs, revitalizing residential and commercial areas, leveraging private capital, and stimulating a wide range of related economic opportunities. But the value of historic preservation is not just economic. Historic preservation can also support long-term community sustainability and resilience through the conservation of resources, stewardship of the natural environment, and preservation of culture and heritage.

In summary, the benefits of historic preservation in Colorado are substantial:

- **Preservation Creates Jobs**—Approximately 32 new jobs are generated for every $1 million spent on the preservation of historic buildings. Since 1981, historic preservation projects in Colorado have created almost 35,000 jobs and generated a total of nearly $2.5 billion in direct and indirect economic impacts. Acquisition and development preservation projects supported by State Historical Fund grants have leveraged approximately $4 million in additional funds for each $1 million in grant funding, meaning that public investment in rehabilitation truly is paying off for Colorado. In addition to the jobs and income resulting from projects, preservation also is a key driver behind the state's powerful tourism industry, providing interesting and unique historic destinations for visitors in every corner of the state, from Durango to Sterling, and from Steamboat Springs to Rocky Ford. In one year alone (2008), heritage tourism in Colorado generated $244 million in visitor spending.
- **Preservation Builds Strong Communities**—Designation of local historic districts stabilizes and strengthens neighborhoods by protecting their character, typically enhancing property values as a result. Preservation programs also foster community pride, learning, and creativity, thus making historic neighborhoods desirable places to live and work. Beyond protecting history and improving aesthetics, preservation also creates cultural vitality and strengthens community identities, which helps communities attract visitors and engage volunteers.
- **Preservation Protects the Environment—**Preservation is a natural partner with sustainable development and environmental stewardship. Through preservation, communities are able to address various environmental goals such as conserving energy, reducing waste, curbing sprawl, and improving air quality. In fact, one of the most environmentally friendly development practices is the decision to repair and reuse an existing building, rather than replace it, especially when looking at the overall life-cycle costs and energy use of the building.

The following pages highlight the many ways in which Colorado's past continues to support the future. More detailed analysis and findings are provided in subsequent sections of this report.

A. PRESERVATION AND THE ECONOMY

Historic preservation benefits Colorado's economy in many ways. To begin, the physical preservation of historic properties (including rehabilitation, reconstruction, and restoration) provides high-quality employment opportunities for workers in the construction industry. This includes jobs for those involved with specialized physical preservation work (like repairing historic windows or woodwork), as well as jobs in many related fields including the manufacturing, supplying, and distribution of building materials. Wages earned by these workers are spent on items such as food, health care, and other goods and services, which in turn circulate throughout the economy and benefit businesses and local communities throughout the state.

1. Preservation of Historic Properties

The first section of the report examines economic benefits resulting from the preservation of historic properties. The research focuses specifically on physical preservation projects that have taken advantage of the well-established preservation incentive programs available to Coloradans: the federal rehabilitation tax credit, the state rehabilitation tax credit, and State Historical Fund.

(A) Federal Rehabilitation Tax Credit

The Federal Historic Preservation Tax Incentive Program (ITC), administered by the National Park Service in cooperation with the Internal Revenue Service and State Historic Preservation Officers, encourages private investment in the rehabilitation of older structures by offering significant tax credits. The principal incentive is a 20 percent tax credit for the certified rehabilitation of a certified historic structure. From 1981 to 2010, 374 historic rehabilitation projects in Colorado took advantage of the federal tax credit, with a total cost of $526.1million in qualified expenditures. Qualified expenditures include costs associated with the work undertaken on the rehabilitation of the historic building and other related expenses. The ITC supports private investment, which in turn helps revitalize communities and boost local and state economies through job creation.

(B) State Rehabilitation Tax Credit

The State of Colorado's rehabilitation tax credit program (STC) allows a credit of 20 percent of $5,000 or more of approved rehabilitation on qualified properties, with a $50,000 maximum credit allowable. The state tax credit is available for owner-occupied residences, and the vast majority of state tax credit projects have been used for that purpose. Because they involve primarily private residences, state tax credit projects are typically of a smaller scale, in both project size and cost, than federal tax credit projects.

Since its inception in 1991, this program has assisted 951 historic rehabilitation projects, totaling $98.5 million in qualified expenditures through 2010. The STC has been utilized in half (32) of Colorado's counties and projects can be found in all of the various regions throughout the state. Like the Federal Rehabilitation Tax Credit, qualified STC expenditures reflect money spent on construction and other related activities that benefit local economies.

(C) State Historical Fund

The Colorado State Historical Fund (SHF) has grown to be one of the largest historic preservation funds in the nation. The Fund was created as part of a 1990 amendment to the state constitution authorizing limited-stakes gambling in three communities: Black Hawk, Central City, and Cripple Creek. The amendment directs that a portion of the gaming tax revenues be used for historic preservation throughout the state. State Historical Fund revenue comes from the state's Limited Gaming Fund, which is in place to distribute the revenues generated from the gaming tax, application and license fees, and other Division of Gaming revenues.

Twenty-eight percent of the Limited Gaming Fund revenue is allocated to the State Historical Fund, with 20 percent of that amount returned to the three gambling towns for their use in preservation projects. The remaining 80 percent is allocated to History Colorado for operations costs, with the majority allocated to the State Historical Fund for use in preservation grants and projects throughout the state.

Administered by History Colorado, the State Historical Fund assists in a wide variety of preservation projects including restoration and rehabilitation of historic buildings, architectural assessments, archaeological excavations, designation and interpretation of historic places, preservation planning studies, and education and training programs. The SHF is a powerful economic force in stimulating private investment and making projects more attractive prospects for rehabilitation. In most instances, a minimum cash match of 25 percent of the total project cost is required from all non-profit and municipal applicants, though a larger cash match is often brought. For privately owned buildings grant seekers must bring a minimum of 50 percent cash match to the table.

From 1993 through 2010, over $238 million in grants have assisted 3,712 preservation projects across Colorado. Approximately half (1,789) of these 3,712 projects have been used for physical work (acquisition and development, or "A&D" projects), comprising approximately 73 percent, or $175.4 million, of the total dollar amount distributed by the SHF since its inception in 1993.

All of Colorado's counties have been awarded SHF grants. Approximately half (50 percent) of SHF A&D grants have been awarded in urbanized areas along Colorado's Front Range including the Denver Metro, North Front Range, and Pikes Peak regions.

(D) Total Economic Impacts of Preservation

Between 1981 and 2010, nearly $1.1 billion was spent on historic preservation projects throughout the state of Colorado. This total represents the direct investments from projects utilizing the federal and state rehabilitation tax credits and SHF A&D grants, and accounts for expenditures directly associated or purchased for use in the project, such as construction labor, building materials, and tools.

Economic multipliers can then be used to estimate the indirect economic benefits resulting from such direct investments. The estimated indirect impact of the $1.1 billion investment in preservation activities is $1.4 billion. Indirect impacts represent expenditures associated with the goods and services of construction-related industries such as manufacturing labor and purchase of raw materials.

By adding together the direct ($1.1 billion) and indirect ($1.4 billion) economic impacts of these various preservation projects (ITC, STC, and SHF A&D projects), the total economic impact of these preservation activities in Colorado between 1981 and 2010 is approximately $2.5 billion. In terms of jobs created, these preservation activities have generated an estimated 34,000 jobs in Colorado since 1981. Additionally, these projects have produced an estimated $843 million in household earnings throughout Colorado since 1981. Compared to new construction, the preservation of historic properties is on par with new residential construction and creates more jobs and higher household earnings than new commercial construction.

In addition to generating jobs and household income, preservation projects have generated significant tax revenue for the state of Colorado and local communities. Tax revenue helps governmental entities provide services and programs, often which directly benefit preservation efforts, and also creates jobs and further boosts local spending. Preservation projects have generated an estimated $6.5 million in business income taxes, $17.5 million in personal income taxes, and $49.1 million in Colorado sales taxes between 1981 and 2010. Local governments have benefited from increased property tax revenues, with approximately $14.2 to $17.8 million collected statewide. Unlike other taxes that are collected once per expenditure, property taxes are collected annually and provide a continual source of revenue for the community to use on a variety of activities and services, including preservation efforts.

2. Heritage Tourism

The economic benefits of preservation are not limited to the construction industry. Tourism also plays a vital role in the Colorado economy, as millions of tourists flock to the state each year to experience the Rocky Mountains and the state's unique communities. Along with people traveling to Colorado for business and to visit friends and family, a growing number of visitors to the state include "heritage tourists." The term "heritage tourists" refers both to travelers who incorporate a visit to a historic site/landmark or partake in a cultural activity among other activities in their visit to Colorado and visitors whose primary reason for taking a trip is to visit historic places. Taking walking tours, visiting historic districts, and patronizing local businesses housed in historic buildings, are only a few examples of those activities that fall into the general category of heritage tourism. Historic places are an important draw for heritage tourists who seek authentic, unique sightseeing opportunities.

In 2008 there were approximately 23.4 million visitors to Colorado. Of that 23.4 million, approximately 50 percent (11.8 million) engaged in heritage activities. That year, total travel spending by Colorado's heritage tourists was approximately $4 billion. Of that total amount, $244 million was spent on cultural and historic activities such as visiting historic town and experiencing Colorado's Scenic and Historic Byways. This visitor spending not only provides investment and job creation in Colorado's historic communities, but the revenue generated from tourism also can also provide financial resources for ongoing preservation and rehabilitation efforts.

B. PRESERVATION AND COMMUNITY

Beyond the substantial economic benefits, preservation also builds strong and distinctive places. Preservation activities help build strong and healthy neighborhoods, towns, and cities throughout Colorado. In particular, the designation of local historic districts leads to stronger communities through the stabilization and enhancement of local property values.

Property Values

This section of the study examined five areas: three neighborhoods in Denver, one neighborhood in Durango, and one commercial district in Fort Collins to determine the effects of local historic designation and design review programs on property values over time. In all cases, the analysis conducted in 2011 and in the previous 2002 and 2005 reports support the findings of numerous studies conducted on this topic throughout the country: historic designation does not decrease property values. The property values in the designated historic districts analyzed experienced value increases that were similar to, and often higher than nearby non-designated comparison areas.

C. PRESERVATION AND THE ENVIRONMENT

A now-familiar saying goes, "The greenest building is the one that already exists." In other words, one of the most environmentally friendly development practices is the decision to repair and reuse an existing building, rather than replace it. The key link between historic preservation and environmental sustainability lies in the concept of "embodied energy," which refers to the life-cycle energy that is represented in an existing structure. This includes all the energy involved in harvesting, processing, fabricating, and transporting raw materials during the original construction.

Increasingly, there are many technical resources available to help to document the environmental benefits of historic preservation. The National Trust for Historic Preservation has invested considerable effort in becoming a full-service information clearinghouse for preservation and sustainability. According to the organization, "The conservation and improvement of our existing built resources, including re-use of historic and older buildings, greening the existing building stock, and reinvestment in older and historic communities, is crucial to combating climate change." The Trust's website contains a variety of resources, including speeches on sustainability, tips for homeowners, and case studies of specific preservation projects.

III. SUMMARY OF FINDINGS

A. PRESERVATION OF HISTORIC RESOURCES

This report examines three specific categories of historic preservation projects: 1) projects taking advantage of the federal rehabilitation tax credit ("ITC projects"); 2) projects taking advantage of the state rehabilitation tax credit ("STC projects") and 3) projects receiving State Historical Fund grants ("SHF projects").

Included below are overviews and activity summaries for each of the three types of projects. Next is a summary of the direct and indirect cumulative economic impacts of these projects, including jobs and household income created and the amount of taxes generated. The section concludes with a description of the methodology used in collecting and analyzing this information.

1. Federal Rehabilitation Tax Credit

(A) Overview/Background

The Federal Historic Preservation Tax Incentives Program has been in place since 1976 and is, in the words of the National Park Service (NPS), "one of the Federal government's most successful and cost-effective community revitalization programs."[1] The program, administered by the NPS in cooperation with the Internal Revenue Service and the nation's State Historic Preservation Officers (SHPOs), encourages private investment in the rehabilitation of older structures by offering significant tax credits. The principal incentive is a 20 percent tax credit for the certified rehabilitation of a certified historic structure.[2] The credit is available for properties rehabilitated for commercial, industrial, or agricultural purposes; it also is available for rental residential purposes, but not for exclusively owner-occupied residential properties.

For purposes of the tax credit, a "certified historic structure" is defined as a building listed individually in the National Register of Historic Places (NRHP), or a building that is a contributing property in a registered historic district, or considered eligible for such a listing. Only buildings qualify for the credit - not bridges, railroad cars, etc.

A "certified rehabilitation" is defined as rehabilitation of a certified historic structure that is approved by the NPS as being consistent with the historic character of the property and, where applicable, the district in which it is located. Specifically, the rehabilitation must follow the *Secretary of the Interior's Standards for Rehabilitation.* The NPS must approve, or "certify," all rehabilitation projects.

"Qualified rehabilitation expenditures" include costs associated with the work undertaken on the historic building, as well as architectural and engineering fees, site survey fees, legal expenses, development fees, and other construction-related costs, if such costs are added to the basis of the property and are determined to be reasonable and related to the services performed. They do not include costs of acquiring or furnishing the building, new additions that expand the existing building, new building construction, or parking lots, sidewalks,

[1]U.S. Department of the Interior, "Preservation Tax Incentives for Historic Buildings." National Park Service, Heritage Preservation Services, 1996.

[2]The federal program also includes a 10% tax credit for the rehabilitation of non-historic, non-residential buildings built before 1936. The 10% and 20% tax credits are mutually exclusive (i.e., one project may not take advantage of both). Because this project is focused on the preservation of historic resources, and the 10% credit only applies to non-historic properties, we have limited our economic impact analysis to projects utilizing the 20% tax credit.

landscaping, or other facilities related to the building. The tax credit also carries other limitations and regulations that may affect an owners' ability to claim the credit.[3]

(B) Summary of Activity

The federal 20 percent rehabilitation tax credit has been used for a total of 374 projectsin Colorado since 1981. The total cumulative qualified rehabilitation expenditures of these projects is estimated at $526.1 million. These qualified rehabilitation expenditures reflect money spent on construction and other related activities, which help boost local economies throughout the state directly and indirectly, as discussed further in Section A-4 of this report.

Table 1 and Table 2 summarize the number of Federal Tax Incentive (ITC) projects filed in Colorado and the total qualified rehabilitation expenditures for those projects.

Table 1: ITC Projects Filed in Colorado, 1981-2004

Calendar Year	Number of Projects Filed[1]	Total Qualified Expenditures of Projects Filed[2]
1981	17	$15,120,600
1982	34	$40,946,120
1983	29	$18,832,509
1984	43	$22,205,380
1985	10	$2,869,408
1986	15	$5,309,139
1987	15	$10,623,869
1988	8	$11,550,885
1989	10	$10,779,361
1990	7	$8,933,816
1991	10	$10,477,193
1992	7	$20,691,324
1993	6	$7,638,456
1994	10	$38,034,675
1995	6	$20,839,921
1996	11	$30,660,933
1997	16	$64,665,333
1998	21	$93,367,297
1999	16	$15,019,915
2000	12	$13,589,000
2001	7	$23,945,455
2002	3	5,789,000
2003	11	$1,717,970
2004	10	$228,688
Total 1981-2004	**334**	**$493,836,247**
Median 1981-2004		**$218,939**
Average 1981-2004		**$1,613,843**

[1] Total qualified expenditures includes both approved and in-process projects, meaning a combination of estimated costs and certified expenditures
[2] Total qualified rehabilitation expenditures include costs associated with the work

[3] Complete information about the Federal Tax Credit is available from the National Park Service online at http://www.nps.gov/hps/tps/tax/index.htm.

Calendar Year	Number of Projects Filed[1]	Total Qualified Expenditures of Projects Filed[2]
undertaken on the historic building, as well as architectural and engineering fees, site survey fees, legal expenses, development fees, and other construction-related costs. Sources: Economic Benefits of Preservation in Colorado, 2005 Report; National Park Service; History Colorado Office of Archaeology and Historic Preservation.		

Earlier versions of this report tracked filed projects by calendar year, as shown in the previous table. Since 2005, the National Park Service has tracked and reported ITC projects by fiscal year. The *Federal Tax Incentives for Rehabilitation Historic Buildings: Statistical Report and Analyses* reports state activity by fiscal year. Certifications of completed projects ("Part 3's") are issued only when all work has been finished on a certified historic building. These approvals are the last administrative actions taken by the National Park Service. According to the report for fiscal year 2010, Colorado projects resulted in $3,442,887 in total qualified expenditures for completed projects (39th nationally). Table 2 below shows the total qualified expenditures of certified projects in Colorado since 2005.

Table 2: ITC Projects Filed in Colorado, 2005-2010

Fiscal Year	Number of Projects Certified (Part 3 approved)	Total Qualified Expenditures of Projects Filed[1]
2005	6	$5,655,669
2006	8	$6,079,041
2007	6	$3,114,832
2008	5	$12,121,325
2009	3	$1,178,575
2010	2	$3,442,877
Total 2005-2010	**30**	**$32,222,319**
Median 2005-2010		**$890,621**
Average 2005-2010		**$1,074,077**
TOTAL 1981-2010	**374**	**$526,058,566**
[1]"Total qualified expenditures" include costs associated with the work undertaken on the historic building, as well as architectural and engineering fees, site survey fees, legal expenses, development fees, and other construction-related costs. Sources: National Park Service's Federal Tax Incentives for Rehabilitation Historic Buildings: Statistical Report and Analysis for Fiscal Years 2005-2010.		

2. State Rehabilitation Tax Credit

(A) Overview/Background

The State of Colorado is among more than twenty states with a state-level rehabilitation tax credit program. Originally adopted in 1990 (effective in 1991), the state tax credit (STC) was reauthorized in 1999 and 2008. The program allows a credit of 20 percent of $5,000 or more of approved rehabilitation on qualified properties, with a $50,000 maximum credit allowable.

Projects must be completed within 24 months (though one-time extensions are available). Available credits may be carried forward 10 years, and there is no limitation on the amount of tax credit that can be taken in one year. Projects taking advantage of the federal tax credit that have received the necessary federal approvals may claim the state credit on the basis of those federal approvals; no separate application is necessary.

A "qualified property" is a property located in Colorado that is at least 50 years old; and listed individually or as a contributing property in a district on the State Register of Historic Places, designated as a landmark by a Certified Local Government (CLG), or listed as a contributing property within a designated historic district of a Certified Local Government. The credits may be administered either by the state or by individual CLGs.

As with the federal tax credit, the rehabilitation must follow the *Secretary of the Interior's Standards for Rehabilitation.* Allowable costs include "hard costs" associated with the physical preservation of a historic property (e.g., demolition, carpentry, plaster, painting, door and window replacement, etc.). Allowable costs do not include improvements undertaken due to normal wear and tear; routine or periodic maintenance; "soft costs" (e.g., appraisals, architectural fees, etc.); acquisition costs; new additions or enlargements; excavation, grading, paving, landscaping, or site work; or repairs to additions made to a historic property after the property was officially designated.

(B) Summary of Activity

Between 1991 and 2010, 951 projects participated in the STC program, with an estimated $98.5 million spent on qualifying rehabilitation costs. These qualified rehabilitation costs reflect money spent on construction and other related activities, which help boost local economies throughout the state directly and indirectly, as discussed further in Section A-4 of this report.

Table 3 summarizes the number of state tax credit projects filed and total qualified expenditures since 1991.

Table 3: STC Applications Filed by Year

Calendar Year	Number of Projects Filed	Total Qualified Rehabilitation Expenditures
1991	20	$4,978,676
1992	9	$1,307,602
1993	19	$1,838,244
1994	20	$907,665
1995	37	$1,687,385
1996	42	$2,606,569
1997	58	$4,324,937
1998	79	$7,422,245
1999	51	$3,722,605
2000	53	$3,766,979
2001	42	$3,273,966
2002	51	$4,983,633
2003	41	$3,571,444
2004	83	$7,772,416
2005	81	$7,058,263
2006	65	$5,574,423
2007	18	$710,590
2008	74	$19,344,647
2009	62	$10,233,018
2010	46	$3,115,182

Calendar Year	Number of Projects Filed	Total Qualified Rehabilitation Expenditures
TOTAL	**951**	**$98,458,650**
MEDIAN		**$42,1116**
AVERAGE		**$103,641**
Sources: History Colorado Office of Archaeology and Historic Preservation, Individual Certified Local Governments, Clarion Associates.		

STC projects have been located in half of Colorado's 64 counties.

Table 4 below shows the total number of STC projects and the total dollar value of STC projects by county for the period between 1991 and 2010.

Table 4: STC Applications by County

County	Number of Projects	Total Qualified Rehabilitation Expenditures
Arapahoe	9	$544,415
Archuleta	3	$356,945
Boulder	92	$8,693,825
Chaffee	3	$277,629
Clear Creek	5	$894,913
Custer	1	$33,439
Denver	499	$64,449,741
Douglas	1	$7,061
El Paso	89	$5,383,790
Fremont	1	$99,935
Garfield	2	$391,735
Georgetown	1	$45,875
Gilpin	5	$168,486
Gunnison	4	$1,258,634
Jackson	1	$22,000
Jefferson	16	$1,235,019
La Plata	12	$519,919
Lake	4	$164,671
Larimer	114	$4,570,084
Montezuma	1	$63,435
Otero	1	$167,793
Ouray	2	$126,585
Park	3	$193,268
Pitkin	11	$2,159,602
Pueblo	10	$1,820,090
Rio Blanco	1	$54,500
Routt	4	$931,289
San Miguel	10	$2,183,451
Summit	4	$158,262
Teller	10	$404,638
Weld	31	$1,059,224
Yuma	1	$18,397

County	Number of Projects	Total Qualified Rehabilitation Expenditures
Total	**951**	**$98,458,650**
Sources: Office of Archaeology and Historic Preservation, History Colorado; Individual Certified Local Governments, Clarion Associates		

As shown in Table 5, the majority (525 or 55 percent) of STC projects were located in the Denver Metro Region, which encompasses Adams, Arapahoe, Broomfield, Denver, Douglas, and Jefferson Counties. The North Front Range area, comprised of Boulder, Larimer, and Weld Counties, also had a significant number (237 or 25 percent) of STC projects. However, on a statewide basis all regions of Colorado have had STC projects.

Table 5: STC Applications by Region

Region[1]	Number of Projects	Total Qualified Rehabilitation Expenditures
Denver Metro	525	$66,236,236
Mountain	45	$7,211,157
North Front Range	237	$14,323,134
Pikes Peak	100	$5,888,363
Other	44	$4,799,761
Total	**951**	**$98,458,650**

[1] Denver Metro: Adams, Arapahoe, Broomfield, Denver, Douglas, and Jefferson counties.
Mountain Region: Eagle, Grand, Gunnison, La Plata, Montrose, Pitkin, Routt, San Miguel, and Summit counties.
North Front Range: Boulder, Larimer, and Weld counties.
Pikes Peak: El Paso, Fremont, and Teller counties.
Other: All remaining counties.
Sources: Office of Archaeology and Historic Preservation, History Colorado; Individual Certified Local Governments, Clarion Associates

3. State Historical Fund

(A) Overview/Background

The State Historical Fund ("SHF") for Colorado was created as part of a 1990 amendment to the state constitution authorizing limited-stakes gambling in three communities: Black Hawk, Central City, and Cripple Creek. SHF funding comes from the state's Limited Gaming Fund, which is in place to distribute the revenues generated from the gaming tax, application and license fees, and other Division of Gaming revenues.

Twenty-eight percent of the Limited Gaming Fund revenue is allocated to SHF, with 20percent of that amount returned to the three gambling towns for their use in preservation projects. The remaining 80percent is allocated to History Colorado for operations costs, with the majority allocated to SHF for use in preservation grants and projects throughout the state. In fiscal year 2010, History Colorado received over $24.8 million from state gaming tax revenues. From this, $4 million was granted directly to efforts to restore the gold dome on the State Capitol building. Collectively, the Cities of Black Hawk, Central City and Cripple Creek received $8.1 million from gaming revenues, and Gilpin and Teller Counties received nearly $10.7 million.

Administered by History Colorado, the State Historical Fund assists in a wide variety of preservation projects including restoration and rehabilitation of historic buildings, architectural assessments, archaeological excavations, designation and interpretation of historic places, preservation planning studies, and education and training programs. Both competitive and non-competitive grants are awarded. Competitive grants are divided into three categories: 1) Acquisition and Development (involve the excavation, stabilization, restoration, rehabilitation, reconstruction, or acquisition of a designated property or site); 2) Survey & Planning (involve identification, recording, evaluation, designation, and planning for the protection of significant historic buildings, structures, sites, and districts); and 3) Education (provide historic preservation information or information about historic sites to the public).

Under the State constitution, the SHF is to be used for historic or prehistoric preservation purposes. "Preservation" has been interpreted broadly to include physical restoration, and also identification, evaluation, documentation, study, and interpretation of historic resources. Projects that do not qualify for funding include: acquisition and development work on non-designated properties; archaeological excavation of non-designated properties; moving historic buildings; construction of new buildings; restoration of religious symbols; grant-writing costs; and lobbying expenses.

The fund is intended for public benefit, and so only public entities and nonprofit organizations may apply. However, many private entities and businesses have received funding by arranging for a public entity or nonprofit organization to apply for and administer a grant on their behalf; this is acceptable so long as there is a clear public benefit to the proposed project. Many SHF projects are also eligible for state and federal rehabilitation tax credits, which can provide additional incentives for preservation.

The SHF is a powerful economic force in stimulating private investment and making projects more attractive prospects for preservation. In most instances, a minimum cash match of 25 percent of the total project cost is required from all non-profit and municipal applicants, though a larger cash match is often brought. For privately owned buildings grant seekers must bring a minimum of 50 percent cash match to the table.

(B) Gaming Changes Since the 2005 Update

Amendment 50, approved by Colorado voters in November 2008 and effective July 2009, modified the rules regarding the state's gaming operations and the Limited Gaming Fund. These changes included increased maximum bets, new games (Craps and roulette), and authorization to operate 24 hours a day. Seventy-eight percent of the additional revenues generated by Amendment 50 are distributed to Colorado Community, Junior, and District Colleges. Gilpin and Teller Counties receive 12 percent of Amendment 50 revenues. The remaining 10 percent of Amendment 50 revenues are distributed back to Black Hawk, Central City, and Cripple Creek. In fiscal year 2010, Amendment 50 revenues generated $790,000 for the cities of Black Hawk, Central City, and Cripple Creek and $951,000 for Gilpin and Teller Counties.

(C) SHF Changes Since the 2005 Update

SHF traditionally offers two rounds of grants per year – one in April and one in October. In June 2010, History Colorado's Board of Directors voted to reduce the number of 2010 SHF grant rounds to one, eliminating the October 2010 grant round. This decision was based on the available funds after $4 million from the State Historical Fund was dedicated to pay for the initial start-up cost of restoration of the State Capital dome during the project's first year. This transfer was made in accordance with legislation that was signed during the 2010 legislative session. House Bill 1402 and Senate Bill 192 also created a public-private financing and fundraising strategy to help repair the Capitol's iconic but deteriorating gold dome. History Colorado expects to allocate additional funding for the following three years, depending on the amount of private funds raised.

(D) Summary of Activity

Table 6 shows the number of SHF grants awarded by fiscal year since 1993.

Table 6: SHF Grants Awarded by Fiscal Year

Fiscal Year	Number of Projects	Amount Funded
1993	143	$3,126,257
1994	198	$5,806,854
1995	236	$9,189,064
1996	255	$11,609,671
1997	116	$4,782,153
1998	186	$9,195,311
1999	235	$12,070,663
2000	283	$13,314,302
2001	281	$16,820,051
2002	198	$16,444,541
2003	253	$17,927,789
2004	262	$23,218,284
2005	195	$19,055,795
2006	181	$14,783,701
2007	173	$16,915,009
2008	177	$19,027,014
2009	141	$10,628,209
2010	199	$14,954,663
TOTAL	**3,712**	**$238,849,333**
Source: History Colorado State Historical Fund		

Of the 3,712 projects funded, 48 percent were Acquisition & Development ("A&D") projects, with the majority of the remaining projects in the Education and Survey/Planning funding categories. These A&D projects represent approximately 73 percent (or $175.4 million) of SHF grant funds awarded. This study focuses on the A&D projects, as they consist largely of expenditures on physical improvements and thus have the most economically measurable effects on state and local economies. This is due to the fact that these types of expenditures largely involve construction and other related activities which have quantifiable direct and indirect economic impacts, as discussed later on in this report.

Table 7 summarizes the total amount funded by year for A&D projects since the SHF began awarding these grants in fiscal year 1993.

Table 7: SHF Acquisition and Development Grants Awarded by Year

Fiscal Year	Number of Projects	Amount Funded
1993	91	$2,573,465
1994	104	$4,622,826
1995	115	$7,178,080
1996	138	$9,042,788
1997	66	$3,838,928
1998	102	$7,653,300
1999	120	$9,337,211
2000	141	$12,679,101
2001	120	$10,391,921
2002	77	$7,701,564
2003	103	$12,746,906
2004	106	$17,940,975
2005	90	$15,164,296
2006	75	$11,890,773
2007	80	$13,245,645
2008	85	$9,425,999
2009	68	$8,233,718
2010	108	$11,779,594
TOTAL	**1,789**	**$175,447,090**
Source: History Colorado State Historical Fund		

All of Colorado's counties have projects that have been awarded SHF grants. Table 8 lists the number of State Historical Fund A&D grants awarded by county.

Table 8: Total Project Cost of SHF A&D Projects Receiving Grants by County

County	Grant Funding Awarded	% of Grant Dollars	# of Projects	% of Projects
Adams	$1,371,058	0.8%	19	1.1%
Alamosa	$1,649,617	0.9%	15	0.8%
Arapahoe	$1,878,749	1.1%	24	1.3%
Archuleta	$161,200	0.1%	1	0.1%
Baca	$1,240,848	0.7%	4	0.2%
Bent	$3,122,954	1.8%	21	1.2%
Boulder	$6,259,152	3.6%	104	5.8%
Chaffee	$2,312,550	1.3%	35	2.0%
Cheyenne	$427,283	0.2%	5	0.3%
Clear Creek	$5,320,639	3.0%	79	4.4%
Conejos	$957,980	0.5%	18	1.0%
Costilla	$2,114,464	1.2%	17	1.0%
Crowley	$521,760	0.3%	6	0.3%
Custer	$775,779	0.4%	12	0.7%
Delta	$682,296	0.4%	14	0.8%
Denver	$57,641,313	32.9%	350	19.6%
Dolores	$948,551	0.5%	12	0.7%
Douglas	$2,479,770	1.4%	30	1.7%
Eagle	$424,488	0.2%	6	0.3%
El Paso	$9,133,058	5.2%	87	4.9%
Elbert	$1,458,461	0.8%	17	1.0%

County	Grant Funding Awarded	% of Grant Dollars	# of Projects	% of Projects
Fremont	$1,195,844	0.7%	25	1.4%
Garfield	$532,042	0.3%	7	0.4%
Gilpin	$1,408,771	0.8%	20	1.1%
Grand	$164,617	0.1%	12	0.7%
Gunnison	$2,824,184	1.6%	42	2.3%
Hinsdale	$886,463	0.5%	13	0.7%
Huefano	$200,000	0.1%	1	0.1%
Huerfano	$1,309,985	0.7%	13	0.7%
Jackson	$604,953	0.3%	4	0.2%
Jefferson	$5,555,918	3.2%	80	4.5%
Kiowa	$1,073,229	0.6%	5	0.3%
Kit Carson	$727,469	0.4%	11	0.6%
La Plata	$3,536,601	2.0%	39	2.2%
Lake	$3,266,624	1.9%	47	2.6%
Larimer	$6,565,709	3.7%	81	4.5%
Las Animas	$2,392,675	1.4%	33	1.8%
Lincoln	$396,555	0.2%	6	0.3%
Logan	$1,686,596	1.0%	10	0.6%
Mesa	$2,491,140	1.4%	35	2.0%
Mineral	$267,294	0.2%	5	0.3%
Moffat	$211,773	0.1%	5	0.3%
Montezuma	$2,241,085	1.3%	28	1.6%
Montrose	$1,018,516	0.6%	16	0.9%
Morgan	$2,029,879	1.2%	16	0.9%
Otero	$1,584,804	0.9%	15	0.8%
Ouray	$1,292,695	0.7%	21	1.2%
Park	$1,208,025	0.7%	25	1.4%
Phillips	$57,472	0.0%	4	0.2%
Pitkin	$1,018,717	0.6%	8	0.4%
Prower	$81,450	0.0%	1	0.1%
Prowers	$1,211,379	0.7%	9	0.5%
Pueblo	$4,204,723	2.4%	43	2.4%
Regional	$194,563	0.1%	2	0.1%
Rio Blanco	$581,803	0.3%	7	0.4%
Rio Grande	$1,980,815	1.1%	18	1.0%
Routt	$3,337,260	1.9%	39	2.2%
Saguache	$743,172	0.4%	9	0.5%
San Juan	$3,631,501	2.1%	31	1.7%
San Miguel	$1,919,683	1.1%	16	0.9%
Saquache	$7,179	0.0%	1	0.1%
Sedgwick	$310,978	0.2%	4	0.2%
Statewide	$567,200	0.3%	3	0.2%
Summit	$296,602	0.2%	8	0.4%
Teller	$2,665,082	1.5%	38	2.1%
Washington	$490,532	0.3%	8	0.4%
Weld	$4,483,137	2.6%	47	2.6%
Yuma	$71,166	0.0%	2	0.1%
Total	**$175,447,090**	**100%**	**1,789**	**100%**
Source: History ColoradoState Historical Fund				

As shown in Table 9, SHF A&D grants have been awarded to all regions of Colorado. While approximately 50 percent (885 of 1,789) of A&D grants have been awarded to the more urbanized and populated areas including the Denver Metro, North Front Range, and Pikes Peak regions, a significant number (40 percent or 718) of SFH A&D grants have been awarded in the "other" regions of the state. The remaining 10 percent (186) have been awarded in communities within the Mountain Region.

Table 9: SHF A&D Grants Awarded by Region

Region[1]	# of Projects	Grant Funding Awarded
Denver Metro	503	$68,926,808
Mountain	186	$14,540,688
North Front Range	232	$17,307,998
Pikes Peak	150	$12,993,984
Other	718	$61,677,632
Total	**1,789**	**$175,447,090**

[1] Denver Metro: Adams, Arapahoe, Broomfield, Denver, Douglas, and Jefferson counties.
Mountain Region: Eagle, Grand, Gunnison, La Plata, Montrose, Pitkin, Routt, San Miguel, and Summit counties.
North Front Range: Boulder, Larimer, and Weld counties.
Pikes Peak: El Paso, Fremont, and Teller counties.
Other: All remaining counties.
Source: History Colorado State Historical Fund

In order to more accurately represent the dollars spent on A&D projects, one must include not only SHF grants (which are typically only a part of the total dollar amount of the project), but also the cash match required for the vast majority of grant recipients. This project, when conducted in 2001, tracked both reported (i.e., the 25 percent minimum requirement) and unreported "other funds" match data collected via direct calls to developers. These totals are included in Table 10. For this 2011 update, developers were not contacted for additional cost information; instead, a cash match of 30 percent was estimated for all projects from 2005 to 2010. This estimate is based on SHF data from actual values reported to the SHF, and is intended to capture the 25 percent required match plus other additional funds used on rehabilitation projects.

Table 10 shows that a total of $701.8 million has been spent on A&D projects since 1993. This means that since 1993, public entities and nonprofit organizations have spent more than $700 million on preservation projects that involve the excavation, stabilization, restoration, rehabilitation, reconstruction, or acquisition of a designated property or site throughout the State. These preservation activities result in direct and indirect impacts on local communities, as discussed in the following section of this report.

Table 10: Total A&D Grants plus Matching and Other Funds, 1993-2010

Project Type	Dollars (millions)
A&D State Historical Fund Grants, FY 1993-2010	$175.4
Reported Matching Funds, FY 1993-2001 (from 2001 report)	$124.7
Estimated Other Funds, FY 1993-2001 (from 2001 report)	$230.5
Estimated 25% Matching Funds, FY 2002-2004	$9.6
Estimated Other Funds, FY 2002-2004	$140.9
Estimated 30% Matching Funds, FY 2005-2010	$20.5
TOTAL	**$701.8**
Source: State Historical Fund, Clarion Associates	

4. Cumulative Economic Impacts of Preservation Projects

This section summarizes the cumulative economic impacts preservation projects that have taken advantage of the federal or state rehabilitation tax credit and projects that have received SHF Acquisition and Development grants.

(A) Summary of Expenditures on Preservation Projects

Between 1981 and 2010, nearly $1.1 billion was spent on physical historic preservation projects throughout the state of Colorado. The total investment is summarized in Table 11.

As shown in Table 11 below, the expenditures in the subtotal actually sum to $1.3 billion. However, some projects have used several preservation incentives on a single project (e.g., those projects that received a SHF grant as well as the ITC). The total investment has been adjusted in order to eliminate double- and triple-counting for such projects. Since 2001, many projects have used only one of the three incentives listed above. As a result, the $235.8 million listed above is carried forward from the 2001 report.

Table 11: Summary of Expenditures on All Types of Preservation Projects

Type of Project	Total Investment ($ millions)
Projects taking advantage of ITC: total qualified expenditures	$526.1
Projects taking advantage of STC: total qualified project costs	$98.6
Projects receiving SHF A&D grants: total expenditures	$701.8
SUBTOTAL	$1.3 billion
Adjustment to eliminate double- and triple-counting	*($235.8)*
TOTAL	**$1.1billion**
Source: Clarion Associates	

(B) Direct and Indirect Economic Impacts

Table 12 summarizes the direct, indirect, and total economic impacts of all preservation projects examined in this study. These impacts are defined as follows:

Direct Impacts. Expenditures directly associated or purchased for use in the project. Examples include construction labor, building materials, and tools.

Indirect Impacts .Expenditures associated with the goods and services of construction-related industries. Examples include manufacturing labor and purchases of raw materials such as clay, glass, and gravel.

Total Impact. The sum of the direct and indirect impacts.

Table 12: Summary of Economic Impacts of Preservation Projects 1981-2010

Type of Project	Direct Economic Impact ($ millions)	Indirect Economic Impact ($ millions/billions)	Total Impact (Sum of Direct and Indirect) ($ millions)
Projects taking advantage of ITC	$526.1	$673.4	$1,199.4
Projects taking advantage of STC	$98.6	$126.2	$224.8
Projects receiving SHF A&D grants	$701.8	$898.3	$1,600.1
All preservation projects (SHF, ITC, STC); adjusted to eliminate double-counting	$1.1 billion	$1.4 billion	$2.5 billion
Notes: Used RIMS II multiplier for "Other Maintenance and Repair, State of Colorado" Source: Clarion Associates			

The first three rows of the table examine the three types of preservation projects independently, without adjusting for projects that take advantage of more than one type of incentive. For example, the direct expenditures of $526.1 million for 374 ITC projects generated $673.4 million in indirect impacts.

The fourth row presents the cumulative economic impacts associated with all preservation projects, adjusting for projects that take advantage of more than one type of incentive. As seen in the table, the direct expenditure of $1.1 billion on all types of historic preservation projects generated $1.4 billion in indirect impacts. The overall economic impact (i.e., the sum of the direct and indirect impacts) for all three types of preservation projects is approximately $2.5 billion.

Table 13 highlights the total jobs created by preservation projects, both directly and indirectly.[4] These calculations also include household earnings, which lead to consumer spending, by employees working at jobs created by historic preservation projects. Examples of consumer spending include household expenses for food, clothing, retail services, utilities, and transportation.

Table 13: Summary of Economic Impacts of Rehabilitation Projects, 1981-2010

Type of Project	Jobs Created			Household Earnings Generated ($ millions)		
	Direct	Indirect	Total	Direct	Indirect	Total
Projects utilizing ITC	7,356	9,236	16,592	$202.0	$204.6	$406.6
Projects utilizing STC	1,379	1,731	3,110	$37.8	$38.4	$76.2
Projects receiving SHF A&D grants	9,183	12,321	22,134	$269.5	$273.0	$55.28

[4] "Jobs Created" refers to the employment figures generated by the RIMS II multipliers. These numbers actually should be interpreted as "job-years," meaning one year of full-time employment for one worker. A "job-year" may include the work of multiple individuals (e.g., a roofer who works on preservation projects 20% of the time).

Type of Project	Jobs Created			Household Earnings Generated ($ millions)		
	Direct	Indirect	Total	Direct	Indirect	Total
All preservation projects combined and adjusted to eliminate double-counting	15,250	19,148	34,398	$418.8	$424.3	$843
Notes: Used RIMS II multiplier for "Other Maintenance and Repair, State of Colorado." Numbers may not sum due to rounding. Source: Clarion Associates						

In other words, historic preservation projects have generated a total of at least 34,000 jobs and $843 million in household earnings throughout Colorado since 1981.

How do the economic impacts of building preservation activities compare to the economic impacts of new construction activities in Colorado? The economic impacts of preservation are comparable to those for new construction. While preservation of historic properties creates a slightly lower amount of indirect impacts (i.e., additional sales) and new jobs than new residential construction, preservation generates a slightly higher amount of total household income.

Table 14: Comparison of Rehabilitation Economic Impacts to New Construction Economic Impacts

Every $1 million spent in Colorado on:		
Preserving Historic Buildings…	**Constructing New Residential Buildings…**	**Constructing New Commercial Buildings…**
Generates $1.28 million in indirect expenditures	Generates $1.41 million in indirect expenditures	Generates $1.38 million in indirect expenditures
Creates 32 new jobs in Colorado	Creates 34 new jobs in Colorado	Creates 31 new jobs in Colorado
Generates $773,000 in household income in Colorado	Generates $764,000 in household income in Colorado	Generates $765,000 in household income in Colorado
Notes: For historic buildings, the RIMS II multiplier for "Other Maintenance and Repair, State of Colorado" was used. For New Residential Buildings, the RIMS II multipliers for "New Residential One-Unit Structures, Nonfarm, State of Colorado" and "New Residential Two/Four-Unit Structures, Nonfarm, State of Colorado" were averaged. For New Commercial Buildings, the RIMS II multiplier for "Office, Industrial and Commercial Buildings" was used. Source: Clarion Associates		

Preservation of historic structures in Colorado measures up quite favorably against other industries in economic terms. A comparison to a few other key Colorado industries is set forth in the table below. Preservation is in the middle of this group in terms of indirect impacts (i.e., additional sales), but actually generates the highest number of new jobs of all these industries.

Table 15: Colorado Employment and Income Attributable to Historic Building Preservation versus Other Colorado Industries (per $1 million of direct impact)

Industry	Indirect Impacts ($ millions)	New Jobs Created	Total Household Income ($)
Computer and Data Processing	1.48	31	945,000
Trucking	1.40	30	725,000
Preserving Historic Buildings	**1.28**	**32**	**773,000**
Banking Services	1.10	23	572,000
Mining for Petroleum and Natural Gas	1.05	12	351,000
Manufacturing Semiconductors	1.04	20	586,000
Source: Clarion Associates Notes: Used RIMS II multipliers for the industries indicated for the State of Colorado Region			

(C) Taxes Generated

Not only do preservation projects result in the generation of jobs and household earnings, but these projects also generate local and state business income, personal income, and sales taxes. Tax revenues help to fund a variety of government activities and services, such as police and fire, libraries, schools, and roads. The tax income generated by preservation projects indirectly supports all these services. Table 16 summarizes the taxes generated by the three categories of preservation projects (ITC, STC, and SHF A&D Projects).

Table 16: Summary of Taxes Generated by Rehabilitation Projects, 1981-2010

Type of Project	Original Economic Impact ($ millions/billions)	State Business Income Taxes ($ millions)	State Personal Income Taxes ($ millions)	Colorado Sales Tax ($ millions)
ITC	$526.1	$3.2	$8.5	$34.2
STC	$98.6	$0.6	$1.6	$6.2
SHF A&D Projects	$701.8	$4.2	$11.3	$27.1
All preservation projects (ITC, STC, SHF); adjusted to eliminate double-counting	$1.1 billion	$6.5	$17.5	$49.1
Notes: The following tax rates were used in these calculations: State Business and Personal Income Taxes – 4.63 percent; Colorado Sales Taxes were averaged by taking samples throughout the state – Front Range/Denver Metro: 7.1 percent and Non-Front Range/Denver Metro: 5.49 percent. Please see Methodology for details. Numbers may not sum due to rounding. Source: Clarion Associates				

As seen in Table 16 above:

- For $526.1 million in ITC construction expenditures, approximately $3.2 million was collected in Colorado business income taxes, $8.5 million in Colorado personal income taxes, and $34.2 million in sales taxes by various entities.

- For $98.6 million in STC construction expenditures, approximately $590,110 was collected in Colorado business income taxes, $1.6 million in Colorado personal income taxes, and $6.2 million in sales taxes by various entities.

- For $701.8 million in SHF construction expenditures, approximately $4.2 million was collected in Colorado business income taxes, $11.3 million in Colorado personal income taxes, and $27.1 million in sales taxes by various entities.

Table 17 outlines the revenues generated by property taxes in Colorado, due to the preservation of properties. Because property taxes are collected at the municipal level and rates vary considerably throughout the state, the findings are presented in a range to reflect this diversity. Property tax revenues also help fund a variety of governmental activities and services, which also result in job creation and spending in local communities.

Table 17: Summary of Property Taxes Generated by Preservation Projects, 1981-2010

Type of Project	Original Economic Impact ($ millions)	Original Economic Impact Reduced to Account for Tax-Exempt Entities ($ millions)	Property Taxes Generated ($ millions)
ITC	$526.1	$510.3	$10.2 – $12.8
STC	$98.6	$93.7	$1.9 – $2.3
SHF A&D Projects	$701.8	$343.9	$6.9 – $8.6
All preservation projects (SHF, ITC, STC); adjusted to eliminate double-counting	$1,090.6	$712.0	$14.2 – $17.8
Source: Clarion Associates			

The estimated dollar value of property taxes was calculated under the commonly accepted premise that investment in historic preservation generates an increase in the value of preserved properties. In Table 17, the total rehabilitation costs were first reduced by the number of rehabilitation expenditures by property-tax exempt projects. In Colorado, property taxes are generally 2.0 percent to 2.5 percent of the "value," or estimated sale price, of the property, so the value of the preservation project was multiplied by 2.0 percent to 2.5 percent to determine an estimate of the increase in property taxes due to the preservation of historic properties.

It is important to remember that these calculations only represent an estimate of property taxes that have been generated through the preservation dollars that have been tracked in this study. The actual property taxes collected by a municipality, taking into account the entire property (and not only the preserved portion), have a much greater dollar value. Also, unlike sales taxes, which are a one-time expenditure, property taxes are collected each year and provide a continual revenue source for a community, one that only increases as properties increase in value.

5. Methodology

(A) Federal Tax Credit

One significant outcome of the previous project was to compile a complete record of all ITC projects administered by both the National Park Service (NPS) and History Colorado. Prior to the 2002 project, these records were physically divided between these two agencies, making any kind of comprehensive analysis extremely challenging. In the 2005 report, using the 2002 database as a benchmark, records of new ITC projects were obtained from History

Colorado's Office of Archaeology and Historic Preservation (OAHP) and added to the existing database for analysis.

Since 2005 the NPS has tracked ITC projects and produced annual reports with state-level data. While these reports contain accurate and valuable data about the number of projects certified and the total project expenditures, they do not contain the county-level data that was provided in previous technical reports. Therefore, this 2011 update relies upon data published in the *Federal Tax Incentives for Rehabilitation Historic Buildings: Statistical Report and Analysis for Fiscal Year* reports.

(B) State Tax Credit

As with the federal tax credit, the 2002 project resulted in a "benchmark" database for all state tax credit projects since this program's inception in 1991. This database was also updated in 2005. Using the updated 2005 database as a benchmark, records of new STC projects were obtained from the administering agency (either the individual community or OAHP) and added to the existing database for analysis in 2010-2011.The detailed STC database used for this report is available in Microsoft Excel format from OAHP.

Administration responsibility for STC projects is shared between OAHP and various Certified Local Governments (CLGs) located throughout the state. The in-house tax credit database from OAHP is easily accessible. This database, however, contains only those tax credit projects administered by the History Colorado, and not those projects administered by CLGs, which individually administer their own tax credit projects.

There is no central archive of state credit projects administered by the CLGs, so we extracted this data from various OAHP annual reports and verified it as necessary through email inquiries to various CLGs requesting updated information on their tax credit projects.

(C) State Historical Fund

For this report, a list of requested data was submitted to State Historical Fund staff. The data provided by OAHP included basic information about the number and dollar amount of grants awarded per fiscal year.

A key aspect of the 2002 study was to determine the amount of "additional match" or significant matching funds that were, at that time, largely unreported by the SHF. For example, the SHF might have funded a $20,000 roof repair on a large loft conversion project in an historic building. While the applicant may have documented $5,000, or a 25 percent match, on their SHF application, the overall project might actually have cost several million dollars. For the 2002 report, many developers were personally contacted in order to "capture" this data in the analysis. For the 2005 update, the "additional match" category was not determined via calls to individual project representatives because of resource constraints. Instead, the ratio of the additional match from the previous study was applied to the total dollar value of the recent projects to obtain "estimated other funds" for FY 2002-2004 (totaling $140.9 million). In addition, data from the earlier report regarding both the 25 percent reported match and the additional match were carried forward.

For the 2010-2011 update, an estimated 30 percent in additional matching funds was used for the projects that occurred between 2005 and 2010. This estimate is based on SHF data from actual values reported to the SHF, and is intended to capture the 25 percent required match plus other additional funds used on rehabilitation projects. The detailed SHF database used for this report is available in Microsoft Excel format from OAHP.

(D) Avoidance of Double-Counting

It is possible that a single preservation project could be certified for both federal and state rehabilitation tax credits and be a State Historical Fund grant recipient. This potential repetition was recognized as an issue that could lead to overestimations of the economic impact of historic preservation activities.

As in the 2002 and 2005 reports, projects were carefully identified by their respective incentive program and compared against the other databases. The information on those projects that appeared on multiple databases was entered into a new database for the purposes of comparing records. Overall, about 40 projects were identified as having received multiple incentives for a particular project and the resulting totals were adjusted accordingly.

(E) Multipliers Used for Economic Impact Analysis

In order to generate data on the economic effects of historic preservation projects throughout Colorado, Colorado-specific versions of RIMS II (Regional Input-Output Modeling System) regional multipliers, obtained from the Colorado Division of Local Government, were used. RIMS II multipliers, developed by the U.S. Bureau of Economic Analysis, are a widely used tool for estimating the economic impact of one industry on the entire economy of a particular region. The multipliers generate data on total economic impact, based upon the ripple effect that occurs when one activity generates money, and that money "ripples" directly and indirectly in other industries and eventually through the entire regional economy.

Any economic activity, such as the preservation of a historic building, generates an original or direct impact, which consists of the actual purchases of labor and materials for the project. For this study, the "direct impact" of a preservation project is the total amount of funds used on that project. For example, the direct impact for a project receiving a SHF grant would include the grant itself, the required match, and any additional match provided by the grant recipient.

Next, the RIMS II multipliers calculate the "indirect" impact of this direct activity. Indirect impacts consist of the purchase of goods and services by the various industries that produce the items for the original, direct activity. For example, a contractor may purchase lumber, which is used to prepare replacement porch beams for a preservation project. The purchase of the porch beams from a lumber supply company is a direct impact. The purchase of groceries by an employee of the lumber supply company is an example of an indirect impact.

RIMS II multipliers also estimate the amount of household economic activities among employees either directly or indirectly involved with the economic impact. Household economic activities generally reflect local consumer purchases and general household expenditures. Employees are counted by job-years – full time employment for one person for one year – and many individuals may fill a job year. For example, the worker in the lumber factory who produced the porch beams is represented here, along with the medical services purchased by the contractor who oversaw the installation of the beams. Of course, the beams may be only one small component of the total rehabilitation project; the multipliers are intended to approximate the total impact of the entire preservation project.

For this 2010-2011 update, RIMS II multipliers were used in the same way as in the 2002 project. The primary multiplier used to determine the economic impacts of the rehabilitation projects was "other maintenance and repair" (industry number: 12.0300) for the State of Colorado. To compare the economic impact of preservation to new residential construction, we averaged the following: "new residential 1-unit structures, nonfarm" (11.0101) and "new residential 2-4 unit structures, nonfarm" (11.0102). For commercial construction, the multiplier for "office, industrial, and commercial buildings" (11.0800) was used. The detailed RIMS II multiplier calculations used for this report are available in Microsoft Excel format from OAHP.

RIMS II multipliers have been shown to be statistically similar to survey-based input-output tables and are periodically updated to include the most recent information on area wage and salary and personal income data. RIMS II data is also readily available and considered a standard tool in economic impact studies of all kinds.

While newer RIMS multipliers have been developed in recent years, the new multipliers do not provide the same level of detail for construction activities, specifically the "other maintenance and repair" category that was used in previous reports. For this reason the older, more industry-specific multipliers were used in this report to provide consistency between this 2010-2011 report and earlier editions. An important note: these multipliers should not be used at scales different from those for which they were originally developed. For example, a statewide multiplier should only be used on statewide data, not on data particular to a county or city. In addition, multipliers represent an average and are not indicative of the specific dollar impact of a particular firm or project. Because there have been some changes in these relationships over time, there is bound to be some slight error in the RIMS II multipliers, but generally not greater than 10 percent.[5]

(F) State Income Taxes Methodology

To estimate the business and personal income taxes generated by preservation expenditures on historic buildings, the direct impacts (the totals of the tax credits and State Historical Fund construction projects) as determined by this study were used as a starting point. For the purposes of this estimation, the underlying assumption was that all "direct impact" dollars were used in physical preservation expenses.

We multiplied these direct impacts by the RIMS II output, or sales, multiplier for rehabilitation. This multiplier is roughly about 2.2 times the amount of the direct impact, and provides an estimate of the "ripple" effect, or additional sales, generated by the rehabilitation dollars throughout the Colorado economy.

To determine taxes, it was then necessary to calculate how much "income" was generated from the businesses and individuals that worked on the rehabilitation projects. To arrive at this estimate, various construction industry ratios were consulted, such as the Risk Management Association's (formerly known as Robert Morris Associates) Annual Statement Studies. These industry ratios are the result of extensive surveys of various industries and generate average percentages of standard balance sheet categories, such as net sales, gross profit, operating expenses, etc.

[5]From US Department of Commerce, Bureau of Economic Analysis. Regional Multipliers from the Regional Input-Output Modeling System (RIMS II): A Brief Description. www.bea.doc.gov/bea/regional/rims/brfdesc.htm.

The average percentages for general contractors served as a standard for the types of work that were conducted on historic buildings (understanding that general contractors are only one small piece of the total picture of a preservation project). Industry averages were obtained for general contractors in various categories, such as business size and predominant types of construction projects (i.e., single-family homes, larger residential and non-residential buildings). From these reports, the average gross profit for general contractor businesses was calculated to be 5.67 percent and the average operating expenses (i.e. salaries, insurance, etc.) was 15.39 percent. These numbers were then multiplied by the total economic impact (the sum of the direct and indirect impacts). Finally, the results were multiplied by the Colorado income tax rate of 4.63 percent to determine state business income taxes and state personal income taxes, respectively. The detailed income tax calculations used for this report is available in Microsoft Excel format from OAHP.

(G) State Sales Taxes Methodology

To determine state sales taxes, the direct impacts were analyzed for an approximate number of state tax-exempt entities, such as nonprofits and governmental organizations that were conducting preservation projects. For the state and federal tax credit projects, relatively low numbers of tax-exempt entities were involved in preservation, five percent and three percent respectively, since private organizations and individuals primarily utilized these incentive programs. Because State Historical Fund projects require the sponsorship of an intermediary agency, this dollar pool had a considerably higher number of tax-exempt organizations participating in preservation projects, estimated to be around 51 percent.

The dollar amounts in each incentive "category" (state and federal tax credits and State Historical Fund) were reduced by the expenditures of the tax-exempt projects. The resulting number, an estimate of the sales tax-paying projects, was separated into Denver metro and non-Denver metro projects, and sales tax averages of these areas were applied accordingly. The detailed sales tax calculations used for this report is available in Microsoft Excel format from OAHP.

(H) State Property Taxes Methodology

The estimation of property taxes was calculated under the premise that investment in historic preservation equals an increase in the value of preserved properties. The total projects costs were first reduced by the number of project expenditures in property-tax exempt properties, such as projects conducted by charitable nonprofit organizations. In Colorado, property taxes are generally 2.0 to 2.5 percent of the "value," or estimated sale price, of the property, so the preservation number is represented in a range (between 2.0 percent and 2.5 percent) to determine an estimate in the increase in property taxes due to the preservation of historic properties. The approximation for state property taxes reflects only those increases in value on rehabilitated portions of buildings. The detailed property tax calculations used for this report is available in Microsoft Excel format from OAHP.

B. HERITAGE TOURISM

From Colorado's largest cities to its smallest towns, thriving historic areas attract visitors who provide a significant source of revenue for both local and state economies. Visits to historic places, or "heritage tourism," have grown substantially in the past decade as more and more travelers seek to combine recreation with meaningful educational experiences and to connect to their heritage.

1. Definition of Heritage Tourism

As defined by the National Trust for Historic Preservation, "Heritage tourism is traveling to experience the places, artifacts, and activities that authentically represent the stories and people of the past and present. It includes cultural, historic, and natural resources."

Heritage tourists include visitors whose primary reason for traveling is to visit historic places, or incorporate at least one visit to a historic site or landmark among other activities. Heritage tourists tend to have a greater respect for the places they visit and are less likely to have a negative impact on heritage resources.[6] Heritage tourism is an important tool that brings preservation and economic development together by generating economic benefits through preservation, cultural, and heritage activities.

This section summarizes currently available data regarding heritage tourism in Colorado.

2. Tourism in Colorado

Colorado enjoys an abundance of beautiful scenery and historic places that attract all types of visitors. As such, travel by tourists, business people, and individuals visiting friends and family is a major industry in Colorado that generates jobs throughout the state. In 2009, the Colorado Tourism Office commissioned a comprehensive analysis of the statewide economic impacts of travel. During that year, travel spending in Colorado was over $13.4 billion. Table 18 summarizes direct traveler expenditures by location.[7]

Table 18: Total Travel Spending in Colorado, 2009

Location	Traveler Expenditures ($ billions)	Traveler Expenditures (%)
Denver Metro	$5.58	47%
Mountain Region	$2.77	23%
Pikes Peak	$1.35	11%
Other	$2.14	18%
Total	**$11.83 billion**	**100%**
Source: Dean Runyan Associates. Totals may not sum due to rounding.		

Table 19displays overall total travel spending for Colorado by location for the years 1996 to 2009. It is important to review the overall picture and impacts of the entire travel industry in Colorado in order to understand the significant impact of travel spending on the state economy.

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[6] *Colorado Preservationist,* Autumn 2003.

[7] Denver Metro: Adams, Arapahoe, Broomfield, Denver, Douglas, and Jefferson counties. Pikes Peak: El Paso, Fremont, Teller counties. Mountain Region: Eagle, Grand, Gunnison, La Plata, Montrose, Pitkin, Routt, San Miguel, and Summit counties. Other: All remaining counties.

Table 19: Total Travel Spending in Colorado, 1996 to 2009 ($ billions)

Location	1996	1998	2000	2002	2004	2006	2008	2009
Denver Metro	$3.50	$4.08	$4.78	$4.45	$5.00	$5,78	$6.34	$5.59
Mountain Region	$2.10	$2.24	$2.39	$2.40	$2.71	$3.10	$3.20	$2.77
Pikes Peak	$1.04	$1.11	$1.17	$1.00	$1.24	$1.34	$1.47	$1.35
All Other	$1.36	$1.50	$1.70	$1.64	$1.92	$2.15	$2,.34	$2.14
Total	**$9.99**	**$10.92**	**$12.04**	**$11.50**	**$12.90**	**$14.35**	**$15.35**	**$11.84**
Source: Dean Runyan Associates. Totals may not sum due to rounding.								

Table 20 summarizes the jobs, industry earnings (payroll), state, and local taxes generated by direct traveler expenditure throughout the state. The Denver Metro Area and the Mountain Region have the largest travel industry earnings ($1.5 billion and $890 million respectively) and the highest average earnings per job ($35,058 and $31,119). Average wages per travel industry job statewide were $31,893.

Table 20: Job, Payroll and Taxes Generated by Travel in Colorado, 2009

Location	Jobs (thousands)	Industry Earnings (millions)	Taxes (millions)	Industry Earnings per job (thousands)
Denver Metro	43.1	$1.5 billion	$264	$35.06
Mountain Resort	28.6	$890	$158	$31.12
Pikes Peak	15.5	$371	$54	$23.94
All Other	33.8	$695	$117	$20.56
Total	**137.9**	**$3.9 billion**	**$593**	**$31.89**
Source: Dean Runyan Associates. Totals may not sum due to rounding.				

3. Heritage Tourism in Colorado

Heritage tourism in Colorado contributes to the state's economy by generating revenue, creating new jobs, and providing opportunities for small and local businesses. An example of heritage tourism may include a visit to a historic main street that now attracts shoppers interested in historic settings. Many historic main streets have been revitalized throughout Colorado, in places like Georgetown, Steamboat, and Brush.

Heritage tourists can be defined in two ways: 1) travelers who incorporate a cultural activity or visit to a historic site or landmark among other activities in their visits to Colorado and 2) visitors whose primary reason for taking a trip is to visit historic places or partake in cultural activities.

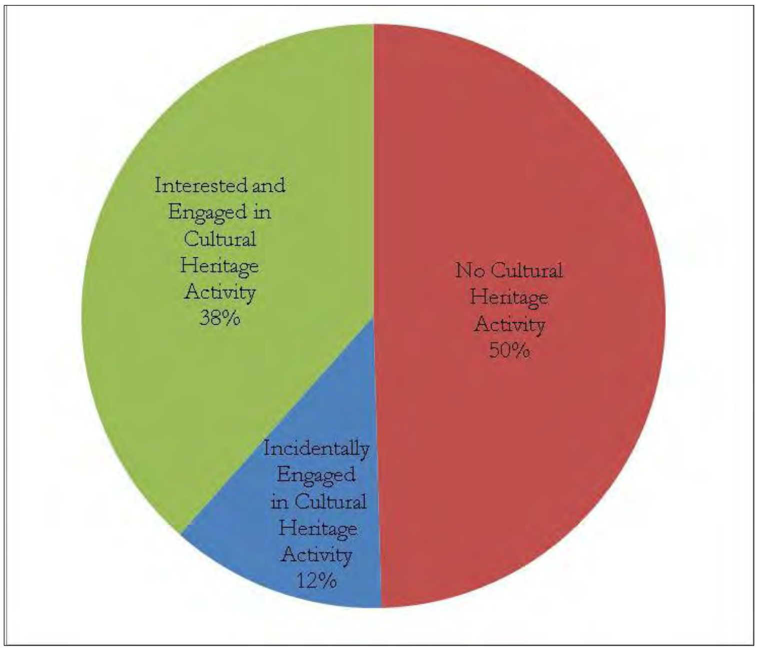
Historic places are an important draw for heritage tourists who are seeking authentic, unique sightseeing opportunities, and such places often extend beyond historic attractions to include a wide range of other culture and preservation-related activities. Walking tours, visiting historic districts or museums, and visiting businesses housed in historic buildings are only a few examples of those activities that fall under the auspices of heritage tourism.

Historic preservation helps provide the sightseeing opportunities and unique atmosphere that many travelers are seeking. According to the Colorado Travel Year 2009 Visitor Study prepared by Longwoods International, a leading tourism research firm, Colorado had 27.5 million domestic U.S. visitors on overnight trips. Of these Colorado visitors, 13.3 million (or 48 percent) were people on marketable leisure trips and 10.8 million (or 39 percent) went on trips to visit friends and relatives.

Together these two types of trips (marketable leisure trips and visits to friends and relatives) make up a group of trips called pleasure trips. The remaining 3.4 million (or 12 percent) were business travelers.

While the 2009 Longwoods Report contains overall data about Colorado Tourism, the Longwoods Travel Year 2008 visitor study is the most recent study available that details heritage tourism in Colorado. According to the 2008 Longwoods study, 23.4 million overnight pleasure trips occurred in Colorado that year. As shown in Figure 1, approximately50 percent of them, or 11.8 million trips, engaged in heritage activity.

Figure 1: Colorado Overnight Leisure Trips, 2008



While the Longwoods 2009 Travel Year Report did not detail heritage activities or tourists like the 2008 report, the 2009 report does provide some information about cultural and heritage pursuits among Colorado visitors. Specifically, in 2009, Colorado visitors were more likely than visitors to other destinations to have an interest in historic activities (31 percent of Colorado visitors compared to the US norm of 20 percent). Visitors to Colorado were also more likely to have interest in cultural pursuits than visitors to other destinations (22 percent of Colorado visitors compared to the US norm of 17 percent). These statistics confirm that cultural and heritage activities continue to be a major draw for Colorado tourists.

4. Impacts of Heritage Tourism in Colorado

Longwoods International prepared special cross-tabulations regarding the spending and travel behavior of heritage tourists included in its 2008 Travel Year Report. Heritage tourists spent $4.0 billion on Colorado overnight pleasure trips in 2008. Of that $4billion, approximately $244 million was spent on cultural and historic activities ($190 million on cultural activities and $54 million on historic activities).

The economic impacts of heritage tourists go beyond their direct expenditures. Each dollar spent at a hotel, restaurant, or retail shop circulates in the local and stateeconomy as the establishment buys supplies, contracts for services, and pays wages to its employees. Therefore this $4billion in direct heritage tourist spending, and significant expenditures on cultural and historic activities, resulted in substantial indirect expenditures, jobs, and earnings throughout the state.

5. Characteristics of Heritage Tourists

According to the Longwoods 2008 Travel Year Report, the top "main purpose" visit of heritage tourists to Colorado was to visit friends and relatives (40 percent). As shown in Table 21below, other top "main purposes" of heritage tourists included touring (18 percent), and outdoors activities and special events (both 8 percent).

Table 21: Main Purpose of Heritage Trip, 2008

Purpose of Trip	Heritage Tourists	Colorado Overnight Pleasure Tourists
Visit Friends and Relatives	40%	45%
Touring	18%	12%
Outdoors	8%	11%
Special Event	8%	9%
Ski	7%	7%
Business-Pleasure	5%	6%
City	10%	5%
Casino	2%	3%
Resort	2%	2%
Other	0%	1%
Source: Longwoods International, Colorado Travel Year 2008		

As shown in Table 22, heritage tourists were much more likely than other visitors to visit historic places such as historic; small towns/villages; historic areas; and Colorado Scenic and Historic Byways.

Table 22: Things Experienced on Trip, 2008

Sightseeing Activity / Things Experienced	Heritage Tourists	Colorado Overnight Pleasure Tourists
Mountains	65%	42%
Historic Town	50%	19%
Friends/Relatives	45%	40%
Wilderness	42%	26%
Lakes/Rivers	40%	23%
Small Towns/Villages	39%	23%
Historic Areas	35%	15%
City Garden/Park	35%	18%
Colorado Scenic & Historic Byway	31%	15%
Natural Environment	29%	16%
National/State Parks	23%	16%
Landmarks/Historic Sites	22%	17%
Rural Farming Areas	21%	13%
Historic Train	20%	8%
Museum/Science Exhibit	19%	14%
Zoo	17%	11%
Historic Mine	16%	6%
Viewing Wildlife/Birds	11%	8%
Unique Indian/Hispanic Cultures	11%	5%
Interesting Architecture	9%	4%
Brewery	9%	5%
Desert Area	9%	5%
Art Gallery	7%	5%
Historic Farm/Dude Ranch	6%	2%
Farmers' Market	5%	4%
Archaeological Site	5%	3%
Winery/Wine Tour	4%	4%
Farm Tour	2%	1%
Source: Longwoods International, Colorado Travel Year 2008		

Likewise, as shown in Table 23, Colorado's heritage tourists are more likely to partake in activities such as shopping, trying unique local foods, and local arts and crafts.

Table 23: Entertainment Activities on Trip, 2008

Entertainment Activity	Heritage Tourists	Colorado Overnight Pleasure Tourists
Shopping	44%	32%
Unique Local Foods	22%	13%
Local Arts/Crafts	19%	10%
Fine Dining	17%	9%
Local Music	17%	8%
Live Performance	14%	5%
Theater/Dance/Symphony/Opera	13%	11%
Bar/Disco/Nightclub	9%	10%
Fair/Festival	9%	6%
Brew Pub	8%	7%
Pro Sports Event	4%	3%
Theme Park	4%	3%
Rock Concert	3%	2%
Rodeo	2%	1%
Car/Dog/Horse Race	1%	1%
Source: Longwoods International, Colorado Travel Year 2008		

In 2008, Denver and the South Central region of the state were most popular for heritage tourists. Approximately 59 percent of heritage tourists' time was spent in the Denver Metro region, compared with 34 percent of all visitors' time spent in the Denver area. The most popular historic activities in the Denver Metro region included visiting LoDo (the Lower Downtown Historic District), Larimer Square, the Colorado History Museum, and the Colorado State Capitol. The most popular cultural activities in the Denver Metro region included the Denver Museum of Nature and Science, ethnic and food festivals, Red Rocks Amphitheater, and the Denver Art Museum. Outside of the Denver area, the Royal Gorge, Glenwood Hot Springs, Durango &Silverton Narrow Gauge Railroad, and Georgetown remained popular historic activities.

With respect to desirable activities and attributes, heritage tourists tend to rank preservation of historic areas, great historic towns, interesting historic areas/districts, local/unique shops, interesting fairs/festivals/events, and unique cultural sites as the most important attributes that would make a place enjoyable to visit.

As shown in the following tables, Colorado's heritage tourists tend to be slightly older and have slightly less income and educational attainment than general Colorado overnight pleasure visitors.

Table 24: Visitor Demographics – Age, 2008

Age	Heritage Tourists	Colorado Overnight Pleasure Tourists
18-24 Years	12%	14%
25-44 Years	39%	37%
45-64 Years	34%	34%
65+ Years	15%	15%
Average	45.4	44.4
Source: Longwoods International, Colorado Travel Year 2008		

Table 25: Visitor Demographics – Household Size, 2008

Household Size	Heritage Tourists	Colorado Overnight Pleasure Tourists
1 Member	23%	25%
2 Members	35%	36%
3 Members	17%	13%
4 Members	14%	15%
5+ Members	11%	11%
Source: Longwoods International, Colorado Travel Year 2008		

Table 26: Visitor Demographics – Children in Household, 2008

Household Size	Heritage Tourists	Colorado Overnight Pleasure Tourists
No Children under 18	57%	65%
Any Child between 13-17	21%	19%
Any Child between 6-12	17%	15%
Any Child under 6	11%	15%
Source: Longwoods International, Colorado Travel Year 2008		

Table 27: Visitor Demographics – Household Income, 2008

Household Income	Heritage Tourists	Colorado Overnight Pleasure Tourists
Over $75,000	22%	41%
$50,000 to $74,999	17%	19%
$25,000 to $49,999	44%	28%
Under $25,000	17%	12%
Source: Longwoods International, Colorado Travel Year 2008		

As shown in Table 28, per person, heritage tourists spent an average of $447 in total expenditures and $123 on recreation activities. When compared with all Colorado overnight visitors, heritage tourists spent on average $62 more per person on recreation activities, and $114 more per person on total expenditures per trip.

Table 28: Per Person Average Expenditures on Trip, 2008

Expenditure Type	Heritage Tourists	Colorado Overnight Pleasure Tourists
Recreation Activities	$123	$61
Total Expenditures	$447	$333
Source: Longwoods International, Colorado Travel Year 2008		

Heritage tourists are more likely to plan and book their trips in advance compared to other tourists, and word-of-mouth information remains the primary means of sharing information about cultural heritage activities. However, heritage tourists in Colorado are much more likely to rely on and use official Colorado publications and websites to plan their trips than other tourists.

Compared with Colorado vacationers as a whole, heritage tourists are more likely to come from out-of-state (25 percent of cultural heritage tourists are from Colorado compared to 35 percent of all tourists). Additionally, cultural heritage trips to Colorado are generally longer in duration (averaging 5.8 nights away from home compared to a typical Colorado pleasure trip that averages 5.2 nights).

6. Conclusions

Protecting, preserving, and promoting historic resources creates many opportunities for visitors to learn and appreciate Colorado's rich past. Heritage tourism is also a way for communities to introduce outside dollars into an area, which then circulates throughout the local economy.

- Travel and tourism in Colorado is a major industry. Direct expenditures by Colorado's cultural and heritage tourists in 2008 contributed $4 billion to the Colorado economy. Indirect impacts were also generated as those traveler dollars were re-spent as payments to suppliers and wages to employees.

- Colorado competes with other states for marketable trips; these are trips that are not taken for business or in order to visit friends and relatives. The destination of these trips is not fixed. Tourists are seeking sightseeing, recreation and relaxation opportunities. Various destinations can market themselves to these individuals and influence their travel choices. Promotion of heritage tourism and provision of a variety of well-interpreted historic sites will help Colorado increase its share of marketable trips.

- In summary, promotion of heritage tourism continues to present great opportunities for Colorado's historic preservation community to link the State's vast natural resources with the historical context of the built environment.

C. PROPERTYVALUES ANALYSIS

1. Background

The purpose of this study component was to examine the impact that local historic district designation programs – especially those with design review requirements – have on property values.

Unlike federal and state historic designations, which provide recognition but offer no real protections, local preservation ordinances typically require review of major land-use activities (especially demolitions, significant alterations, and new construction) within historic districts in order to maintain the historic character and integrity of the designated area. Preservation commissions undertake such reviews based upon specific design standards and guidelines that are unique to the community. By restricting incompatible development, local preservation programs protect the cultural landscape and traditional appearance and character of historic neighborhoods and districts. For example, designating a building/district may prevent the demolition of small houses, characteristic of a historic neighborhood, whose owner wants to replace them with a high-rise office or condominium building.

Though design review programs impose an additional layer of regulation on property owners, they have not shown to lower property values in historic areas. On the contrary, numerous studies throughout the country have shown that local historic designation typically leads to property value appreciation rates that are consistent with, and often greater than, rates in similar, non-designated areas. By encouraging sensitive development that maintains the integrity of the historic district, design review programs effectively preserve the distinguishing characteristics of historic areas and lead to increases in property values within such areas. In turn, higher property values generate increased property taxes for local governments and encourage additional private reinvestment.

This section includes an analysis of the effect of local historic designation on property values in five Colorado historic districts. To obtain a statewide perspective, the case study communities were focused in various regions in the state: the northern Front Range (Fort Collins), Denver-metro area (Denver), and small-town mountain areas (Durango). These case study communities were selected in the 2002 and 2005 reports. This 2011 report provides updated property value data points and analysis for these case study locations.

In the 2002 and 2005 reports, locally designated historic districts with design review requirements were identified within Fort Collins, Denver and Durango. Next, for comparison purposes, other areas were identified that were located near the historic districts that were similar in terms of age, scale, predominant building types, and population demographics. Generally, comparison areasthat were as similar as the historic districts as possible were sought. The one distinction between the historic districts and comparison areas was the presence or absence of design review for the purpose of isolating the historic designation variable to the greatest degree possible in order toanalyze its potential impact on property values.

After identifying historic districts and appropriate comparison areas in the 2002 and 2005 report, sales and assessors' data was gathered, and that information was used to compare property value changes in the historic districts and the comparison areas. The property values analysis for all of the case study communities dates back to about 1991 (depending on data availability), a period long enough to demonstrate developing trends. With the 2011 report, this property values data collection and analysis was repeated for purposes of analyzing the trends for a longer period of time.

2. Methodology

(A) Actual Value versus Market Value

There are two primary sources of property value data: (1) "actual value" as determined by individual county assessors, and (2) "market value" as determined by sales data, which is collected by Realtors and tracks property sales prices. Both sources have different strengths and weaknesses and both were used in the analysis for this study. Assessor actual value data has the benefit of being consistent among properties, in that every property in the state has an assessed value that can be collected and reviewed on a regular basis. Colorado law requires county assessors to reappraise all real property every two years. The regularity of the data makes it much easier to track trends on a block-by-block basis. However, assessor actual value data, while based on market values of similar properties that are analyzed, compared and adjusted for time, is only an approximation and is considered generally to lag behind true market conditions.

Sales data has the benefit of being more current and reflecting actual sale prices in a given area. However, sales data only reflects those properties that sold, not all properties in a neighborhood. While sales data was gathered in all of the case studies, the analysis of this type of data is considerably more limited. Aside from the fact that perhaps only a handful of properties have sold within a several year period in a particular area, the variance among properties in square footage, improvements, and general condition that determine sale value, and the recent foreclosure crisis and "housing bubble," add layers of complexity to the sales data.

After weighing the advantages and disadvantages of both sets of data, the consulting team chose to use assessor actual value data as the primary means of tracking appreciation rates over time. It was felt that, what the assessor data may lack in accuracy is made up for in its consistency, as it provides a measurement for change in property values over time for every property in a given area.

While assessor data was used as the primary means for tracking rate of appreciation, sales data was used in determining median sale prices and average cost per square foot for local neighborhoods. It should be noted that sales data should not be considered a complete record, but rather a guideline, since it provides only a sampling of sold properties throughout the selected areas. Records of property sales from assessor databases served as the primary source for all sales data. In some instances the sales data was supplemented with trend data from the online property sales source Zillow.com, particularly for median sale price estimates for various neighborhoods and entire communities – data that was not readily available from assessor records.

(B) Appreciation Rates

For all of the case studies, assessed values were originally gathered in four year increments since 1979 for Fort Collins, and since 1983 for the other areas. This 2011 updated report focused on supplementing the historic data with two additional years: 2007 and 2009. Based on this sample, the total rate of appreciation over the entire period was calculated. The resulting rate of appreciation was compared between the designated and non-designated areas using bar charts.

(C) Value Comparison

For all of the case studies, sales data was collected by year. Every attempt was made, using a combination of sources including County Assessor databases and websites such as Zillow.com to identify all sales occurring within both areas. All sales data gathered was used to calculate the average yearly cost-per-square-foot for each designated study area and non-designated comparison area. Due to the relatively small number of sales occurring in any year in a given district or nearby comparison area, the raw sales data, by itself, could not provide an accurate reflection of changing property value trends over time, and in some cases the charts show these gaps in sales activity. In order to better illustrate these general trends, data was plotted on line charts and linear trend lines were generated and added to the charts using Microsoft Excel™.

(D) Rate of Value Change

The same sales data used in the value comparison chart was used to determine the rate of value change per year. This is a calculation of the percentage change in the average cost per square foot from the previous year. The percent rate of change per year over the course of the study period was plotted on line charts, and logarithmic trend lines were added to the charts using Microsoft Excel™ to better illustrate the trends over time.

(E) Properties Excluded from Further Analysis

To maintain a clear focus on historic single-family detached residential properties in the Denver and Durango case studies, a small number of properties were removed from the analysis. Removed properties included properties that were converted during the years of analysis (e.g., from single-family dwellings to commercial uses), properties that significantly changed size (e.g., total square footage doubled or declined, impacting the cost per square foot calculations), and properties where complete data was unavailable (e.g., parcel numbers and/or addresses changed and data could not be readily found).

As with the single-family case studies in Denver and Durango, several properties were removed from the Fort Collins commercial property analysis. Removed properties included a small number of commercial that were converted or significantly modified during the years of analysis (e.g., buildings that were extensively divided into multiple condominium units), and properties where complete data was unavailable (e.g., addresses and/or unit numbers no longer exist and could not be tracked down).

Because a small number of properties within the sample were removed, the trends may vary slightly over time. Yet, it was determined that removal of these properties was necessary so that they would not wildly impact or skew the results. For instance, consider a single-family house from the 2002 analysis that in recent years underwent significant improvements to convert to a commercial operation such as a bed and breakfast. In the original analysis the house was comparable with the surrounding area, yet due to the improvements it became less comparable with the surrounding properties, and in addition it may have increased in value significantly (beyond what may be reasonable for a single-family home). Removing these anomalies allows for more consistent analysis between areas and reduces the likelihood of outlier values that could drastically skew the overall data.

3. Summary of Findings

This study analyzed four factors that indicate different aspects of value over time: (1) total appreciation, (2) value comparison, (3) rate of value change, and (4) sale price. In all of the case study communities, these factors suggest a neutral or positive correlation between local historic designation and property values.

(A) Total Appreciation Since Designation

How have properties in locally designated districts increased in value compared to the surrounding area? In the Fort Collins commercial district case study it was discovered that there was a greater increase in the total appreciation of property values within the designated historic area than in the non-designated comparison area.

In Denver, two of the three residential areas (Wyman and Witter-Cofield areas) saw a greater increase in the total appreciation of property values in the designated historic area than in the non-designated comparison area. While property values in the non-designated comparison area of Denver's Quality Hill neighborhood increased at a higher rate than those in the designated historic area, property values in both areas continue to appreciate.

Like the Quality Hill neighborhood, property values in Durango's designated historic district did not appreciate as much as the properties in the non-designated comparison area, although both areas have appreciated significantly since the analysis in 2002. These results suggest that local historic designation in these four areas has had a neutral or positive effect on property values, and do not support the contention that local historic designation negatively impacts property values.

(B) Value Comparison and Rate of Value Change

How much "property" do you get for your money in a local historic district versus the surrounding area? In the Denver residential case studies, historic districts and their corresponding non-designated comparison areas have been generally similar in value in terms of average cost per square foot. This suggests that the designated and non-designated areas are quite comparable in value, though in some areas you actually can purchase a larger house for the money in the historic district due to a lower cost per square foot than in a non-designated area. Because the average cost per square foot factors in average home size and total value, a larger home size can lead to a lower average cost per square foot.

In the Durango case study, average costs per square foot in the Boulevard Historic District have been slightly lower than in the nearby, non-designated area over the past decade. However it is important to note that average home size in the designated area is larger than the non-designated comparison area, which could be a factor in the lower average costs per square foot.

The Fort Collins commercial case study is similar in that the average value per square foot in the non-designated comparison area remains higher than the average value per square foot in the designated historic area. In Fort Collins the average size of the buildings in the non-designated comparison area is nearly double that of the designated historic area, which suggests that in Fort Collins there is demand for large commercial properties and buyers are willing to spend more per square foot. Additionally, in recent years, significant reinvestment and improvements have occurred in the non-designated comparison area, which may factor into the higher average value per square foot in that area.

(C) Median Sales Price

How do homes sales in the historic district relate to sales in the nearby area? In the residential case studies it was discovered that sales prices in both the designated and non-designated areas were greater than the median sales prices in the community at large. Furthermore, in three of the residential case studies (Witter-Cofield, Quality Hill, and Boulevard) the median sales prices in the designated areas have increased at a faster rate (or parallel to, in the case of Witter-Cofield) than the nearby, non-designated areas. For the commercial case study, median sales prices were not analyzed because of the limited number of sales within the Fort Collins Old Town district during the study period.

The property values debate – "*What effect does local historic district designation truly have on property values?*" – is a complex issue that involves multiple variables that change widely depending on each area studied. Yet the Colorado research does continue to support the basic conclusion that historic district designation does not decrease property values. This effect was not observed in any of the areas researched for this study or in any similar national studies. On the contrary, property values in the designated areas experienced value increases that were either higher than, or the same as, nearby, non-designated areas.

It is important to note that while these findings demonstrate some examples of the effects of local historic designation and design review on property valuesand are consistent with similar research conducted around the country, the findings cannot be interpreted as definitive proof that local historic designation always leads to higher property values. This research has demonstrated an unexpectedly wide variation in the nature of local preservation review in Colorado, and a similarly wide range of local economic conditions. Therefore, the findings in this report apply to the specific case study communities, and extrapolation of these results to other areas outside the specific area covered is not recommended.

4. Fort Collins Commercial District

(A) Case Study Area - Old Town District

(a) District History and Description

Designated a National Register District in 1978, and a local district in 1979, the Old Town District is the centerpiece of downtown Fort Collins. It is characterized by many fine examples of late 19th and early 20th century commercial architecture.

Originally the site of CampCollins, a military post established in 1864, the OldTown historic district is unique in several ways. It is both a local and National Register district, with the National Register boundaries extending slightly northward of the local district boundaries. The district is small and includes only 38 contributing properties (see Figure 2). Automobile traffic is restricted

SNAPSHOT:
Fort Collins' Old Town District

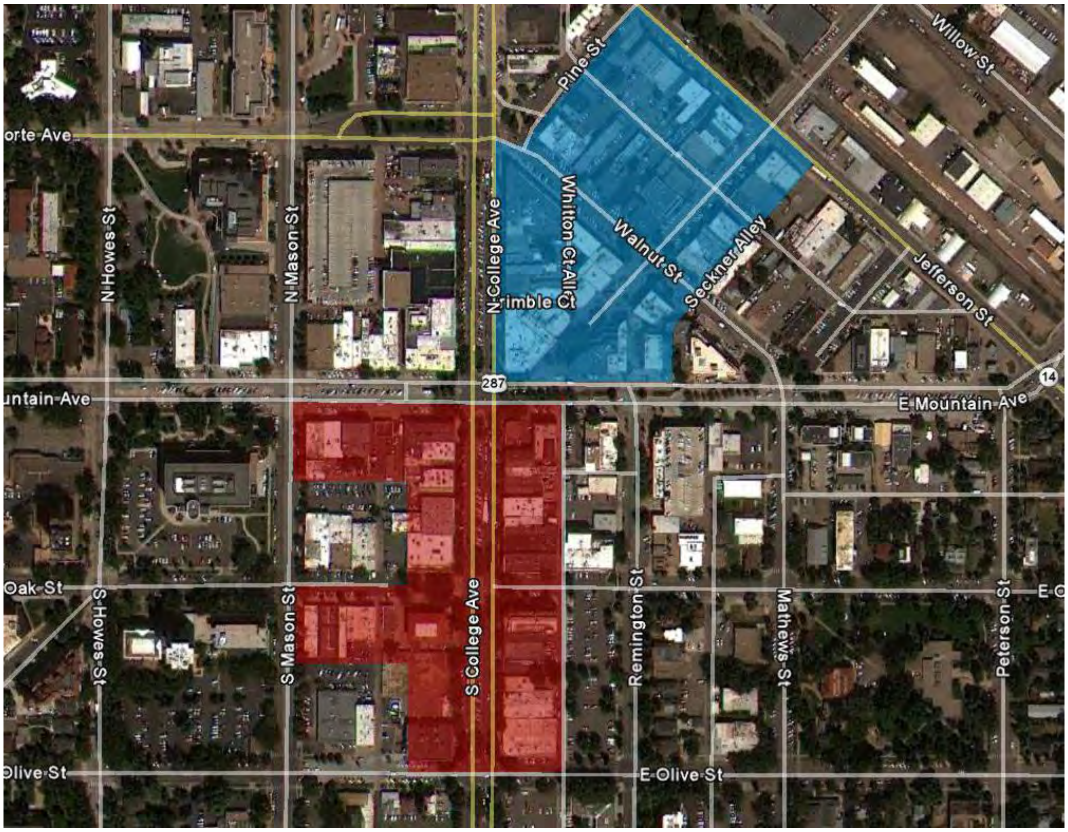
Boundaries: Roughly bounded by College Avenue, Mountain, Pine, and Jefferson Streets
Period of significant architecture: 1875-1899 and 1900-1924
Number of buildings: 38
Predominant architectural styles: Romanesque, Late Victorian

on a portion of Linden Street which runs through the center of the district creating a pedestrian-only mall area. Spatially, the experience in the core of the district is "inward facing" toward this mall. While there are many pedestrian and vehicular opportunities to enter the district, the experience inside the core feels somewhat secluded versus the rest of the downtown, primarily due to the enclosure created by Linden. However, the areas around this core are open to automobiles. The district's "main entry" on Linden is very clearly noted by large signage. Walking tour signage, which identifies the history of individual buildings, adorns several structures. The term "Old Town" itself is very prominent throughout the area (e.g., in business names), further emphasizing the place. Businesses in the district are varied and include specialty boutiques, office space, residences, several restaurants, and a natural foods store; a similar mix of businesses is found in the remainder of the downtown outside of Old Town. The district's historic buildings have a high degree of architectural integrity, and share the space comfortably with several considerably newer structures.

(b) Study Area

The total area examined includes properties located roughly within six blocks: the designated "triangle" of the Old Town historic district along North College, Walnut, East Mountain, Pine and Linden streets and the non-designated blocks of South College, Oak, and West Mountain. In consultation with city preservation staff, several blocks of nearby South College were selected for the non-designated case study area, including a small section of West Mountain and West Oak streets (see Figure 2).

Figure 2: Old Town Historic District and Comparison Area (Commercial Properties)



Designated Study Area **Non-designated Comparison Area**

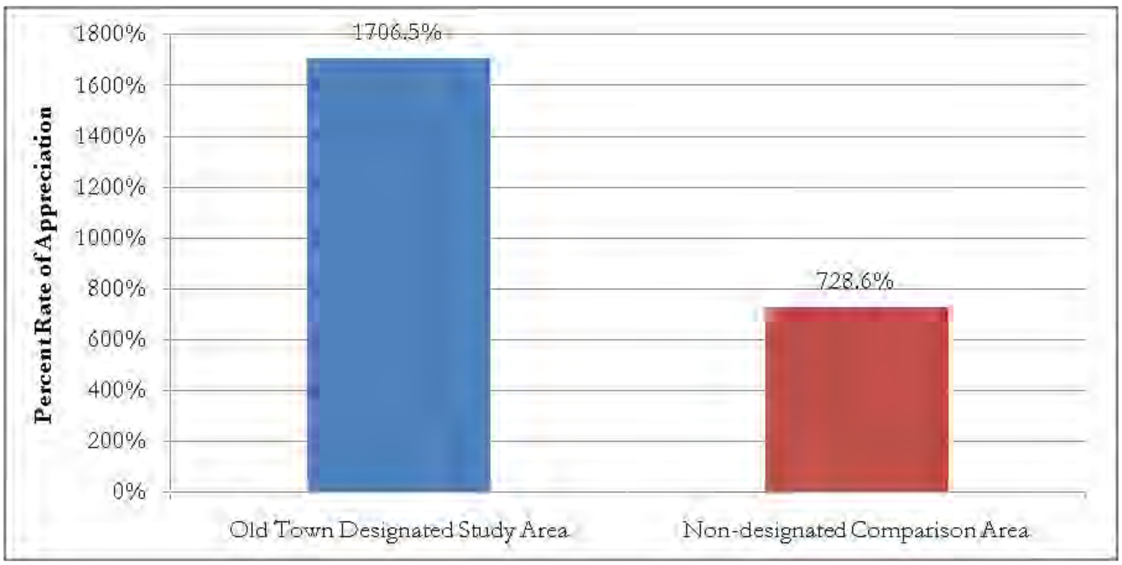
The non-designated area is located along South College, which is a busy boulevard. Shops, residences, restaurants, and offices line the street, which is nearly always crowded. The district and non-designated area contrast in that the district is anchored by the pedestrian mall, yet they also share many key features, including predominant building age and style, a mix of older and more contemporary buildings, a thriving mix of businesses, and strong pedestrian usage. Both areas have a long history of commercial use. According to city staff, the term "Old Town" originally applied only to the historic district itself. In recent years, use of the term has spread to include the area down South College, including this report's non-designated study area. The area referred to by the term "Old Town" has in effect grown in size over the years, which the staff attributes to local businesses seeking to capitalize on the character of the historic district.

The 2005 analysis originally examined 62 properties: 25 within the designated study area and 37 within the non-designated comparison area. Due to significant building remodeling and changes in use, some properties were removed from this original analysis. This study analyzed 49 properties: 24 within the designated study area and 25 within the non-designated comparison area. For each building where data was available within both the designated study area and the non-designated comparison area, data from the Larimer County Assessor's office was originally collected in four-year intervals, beginning with the year of the district's local establishment in 1979: 1979, 1983, 1987, 1991, 1995, 1999, and 2003. This update to the original analysis included collection of data for 2007 and 2009 (the latest date of available data).

(c) Property Values Data

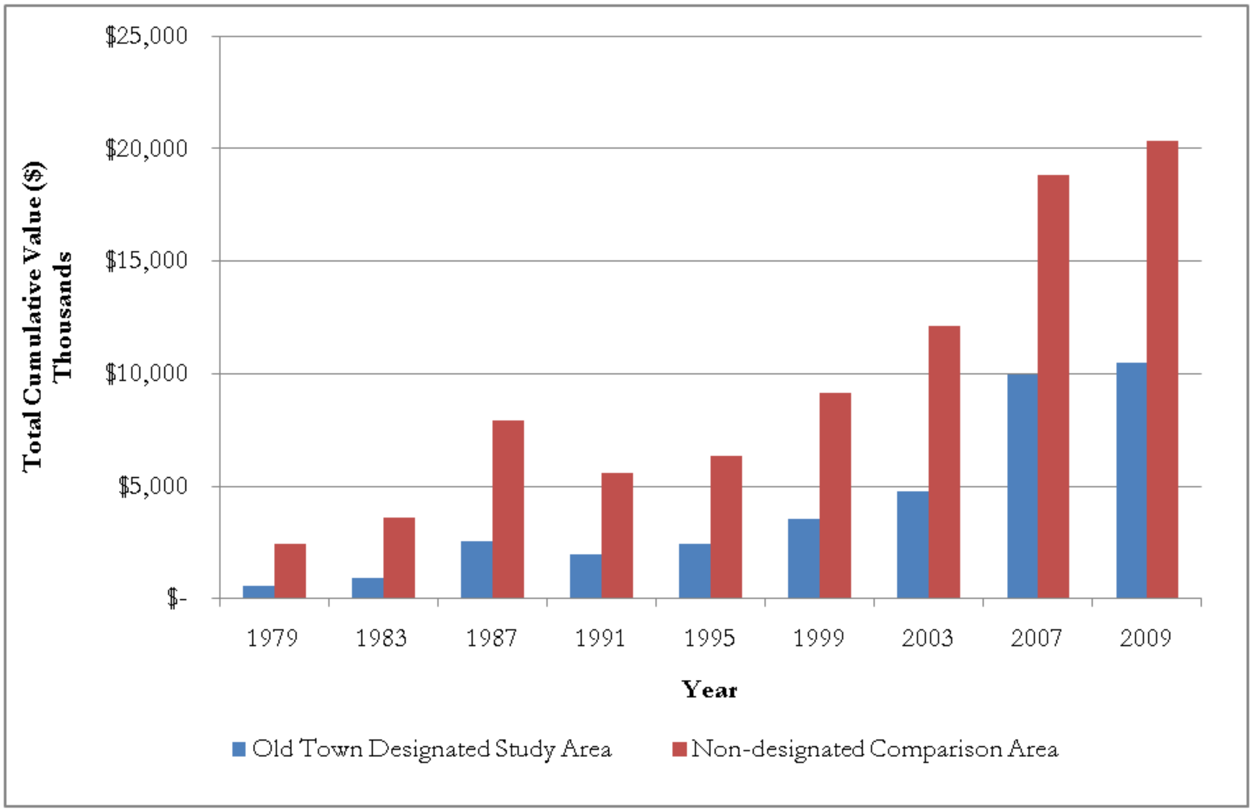
The research shows that, from designation in 1979 to 2009, total cumulative property values within the Old Town historic district increased noticeably more than total cumulative property values in the similar, nearby area that is not protected under the local historic designation. The total appreciation from 1979 to 2009 for properties within the Old Town designated study area was 1706.5 percent, versus 728.6 percent for properties in the non-designated comparison area. In other words, property values in the Old Town designated area skyrocketed and increased nearly twentyfold, and properties in the nearby comparison area also increased significantly, almost tenfold. See Figure 3. "Actual value" as determined by the Larimer County Assessor was used to provide a consistent means of tracking all properties over the entire 24-year period (See "Methodology" section).

Figure 3: Total Appreciation since Designation (Percentage), 1979-2009



The 24 commercial properties examined in the Old Town Historic District together were valued at $582,200 in 1979, and the total value rose to slightly greater than $10.5 million in 2009. In contrast, the 25 non-designated comparison properties had a total value of $2.5 million in 1979 and by 2003 had reached a total value of $20.3 million. The number of properties considered outside of the district is greater, hence the larger cumulative total dollar value. Figure 4 shows the dollar value per square foot of the two groups of properties between 1979 and 2009.

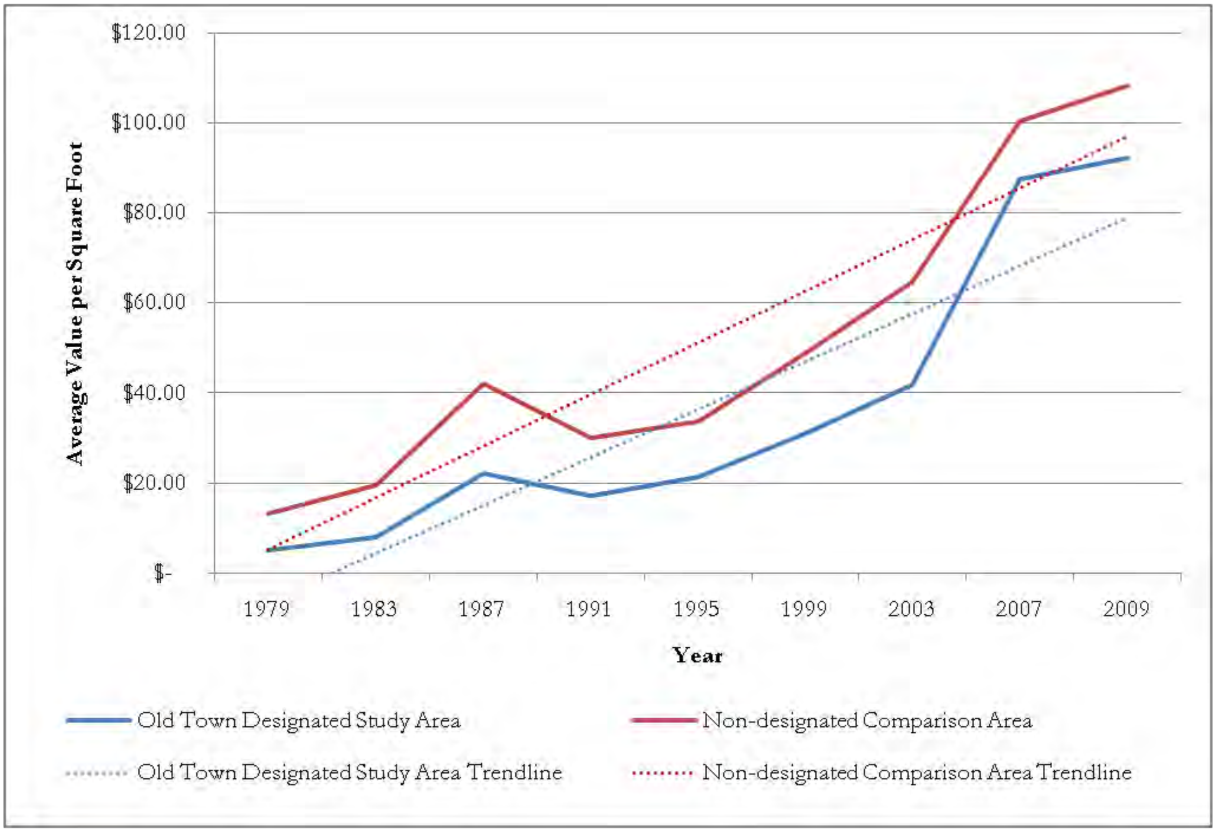
Figure 4: Total Appreciation since Designation (Dollars), 1979-2009



The strong total percentage increase in the value of the Old Town properties makes sense because Old Town started out with lower values and thus had a steeper hill to climb. In the late 1970s and early 1980s, many properties in Old Town were in bad shape (e.g., in disrepair, underutilized, and/or featured various styles of alterations), in comparison to the properties on nearby College, which were highly visible commercial storefronts and retained their value over the years. Beginning in the mid-1980s, the areas began to come much closer to parity, thanks to significant improvements in the historic area since the time of designation. State Historical Fund grants and preservation tax credits have assisted in many of the major rehabilitation projects in the Old Town historic district, and in 2011 the area has transformed into one of the community's most popular destinations for residents and visitors.

Nevertheless, the non-designated area had and continues to have slightly higher property values on a per-square-foot basis than the designated area. Figure 5 is based on actual value data from the assessor's office and shows the average cost per square foot over time. The average square footage of the properties within the designated study area is 4,750 square feet, compared with 7,501 square feet in the non-designated comparison area. It is possible that larger commercial spaces are in high demand in this area, thus the higher cost per square foot for larger properties. As may be seen in the figure, the district did increase in value at a roughly equivalent rate with the area outside the district, confirming that designation did not lead to decreased property values in the district.

Figure 5: Average Value per Square Foot, 1979-2009



In addition to the Larimer County assessor's data discussed above, sales data also was collected for this project. While assessor's data is determined in part by examining local sales, the results of actual transactions can be very useful as a more direct reflection of market conditions. However, in this particular case study, the set of sales data proved unhelpful because, in some years, there simply were very few or no sales. Because of the limited amount of sales data, the sales data was not analyzed for this case study (see "Methodology" section for details).

(B) Conclusion

The assessed values demonstrate how the Old Town area has thrived over the past 30 years since its designation as a historic district. Both the designated district and the non-designated comparison area have remained comparable to one another in the marketplace, and both have continued to enjoy strong gains in the market through the 1990s to today. It is possible that the Old Town area's popularity as a historic destination and major activity center for the city has led to increased values in both the designated district and the nearby non-designated comparison area.

5. Denver

(A) Case Study Areas

The 2002 study identified three of Denver's historic districts for in-depth analysis: the Wyman District, the Witter-Cofield District, and the Quality Hill District. Within each of these districts, a specific sub-area was identified (the "designated study area"), ranging in size from three to four blocks, and a matching "non-designated comparison area" located nearby but outside the historic district. For each building within both the designated study area and the non-designated comparison area, the originally collected data from the Denver Assessor's office on "actual value" was for the following years: 1989-90, 1993-94, 1997-8, 1999-2000 (data spans two years as buildings are only re-assessed every two years[8]). The 2011 study involved the collection of new data for the years 2007-08 and 2009-10 to capture the most recent data available. Sales data since the previous report was also gathered (back to 1999) and was used to generate the average cost per square foot and median sale price by year.

SNAPSHOT:
Denver's Wyman District

Boundaries: Generally, York Street to 17th Avenue to Williams Street to Colfax Avenue. Bounded on the South by Cheesman Park and 11th Avenue.

Period of significant architecture: 1880 - 1930

Number of buildings: Approximately 547

Predominant architectural styles: Greek Revival, Gothic Revival, Italianate, Exotic Revival, Queen Anne, Denver Square, Shingle Style, Richardsonian Romanesque

(B) Wyman Historic District

(a) District History and Description

Established in 1993, the Wyman Historic District is one of the largest historic districts in Denver. The district features a high concentration of historic buildings that encompass many diverse styles and uses, from 1920s multi-family buildings, to affluent Cheesman Park mansions, to historic commercial properties along Colfax Avenue.[9] The almost 35 blocks of land that would become Wyman's Addition was purchased in 1866 for $3,000 by John H. Wyman, officially platted in 1882, and sold to the development firm of Porter, Raymond and Company in 1887. Much of the area was developed shortly thereafter, between 1888 and 1893, as elegant homes for the wealthy and prominent citizens of up-and-coming Denver. The architecture of the Wyman District represents the work of the most well known architects working in Denver during this time, including William Lang, Frank E. Edbrooke, and Robert S. Roeschlaub.

The Wyman Addition, extending both north and south of Colfax Avenue, provided easy access to one of early Denver's grandest avenues. This area was also very accessible to downtown Denver, particularly after a cable car route was constructed in the 1880s linking central downtown to York Street.

[8] Assessor's actual value data, while based on market value, is collected during the 18th month "base period" prior to the assessment year. For example, the 1999 actual values were determined by sales occurring between January 1, 1997 and June 30, 1998.
[9] This brief historical background is based on information contained in the Wyman Historic District Application for Historic Designation, 1992 (and 1993 addendum), obtained from Community Planning and Development Agency, City and County of Denver.

In 1893, the Sherman Act eliminated silver as the national monetary standard, creating a four-year depression known throughout Colorado and the West as the Silver Crash. New construction came to a rapid halt and Wyman's Addition never again reached the pre-Crash level of opulence.

Over the next several decades, apartments and commercial structures were built alongside, and sometimes as replacements for, the earlier mansions. During the Great Depression, numerous remaining mansions were divided into multiple dwellings. In the 1970s, many older homes were demolished to make way for large apartments and high-rise developments. This area was designated as a Denver Historic District in 1993 as the result of an active citizen effort. The district's boundaries encompass almost exactly the boundaries of the original platting in 1882.

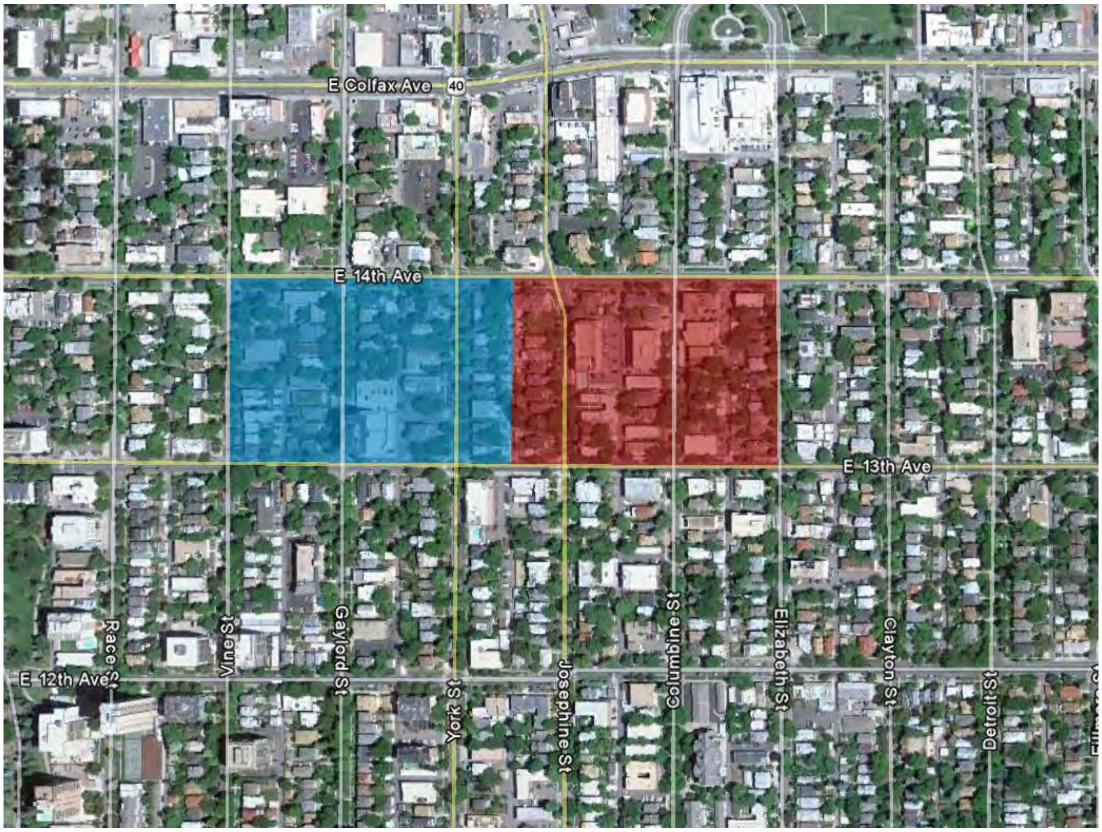
Despite some erosion of its original architectural character over the years, the Wyman district today retains many of its original buildings, and is considered an eclectic, vibrant, urban community with a strong sense of neighborhood cohesion and history. Most district buildings were built between 1880 and 1920, and reflect the major architectural styles of this period. One of the organizations that spearheaded the nomination, Capitol Hill United Neighborhoods (CHUN), remains an active monitor of development activity in the Wyman district and the surrounding neighborhoods.

(b) Study Area

The total area examined, and illustrated in Figure 6, includes six adjacent blocks along the north-south streets between 13th and 14th avenues: the designated 1300 blocks of Vine, Gaylord, and York; and the non-designated 1300 blocks of Josephine, Columbine, and Elizabeth. The York-Josephine "border" is the center of the analysis area: York is a busy one-way street and the boundary of the Wyman district, while Josephine is an adjacent, busy one-way street, but not located within the district. Both 13th and 14th avenues are highly traversed, one-way streets.

The original analysis examined 56 single-family detached dwellings in total: 28 within the designated study area and 28 within the non-designated comparison area. Due to some changes in the properties over time, including significant changes of use, major additions, and missing data, some properties were removed from the analysis so that they would not skew the results. A total of 49 properties, 27 within the designated study area and 22 within the non-designated comparison area, were included in the 2010 analysis.

Figure 6: Wyman District and Comparison Area (Single-Family Residential Properties)



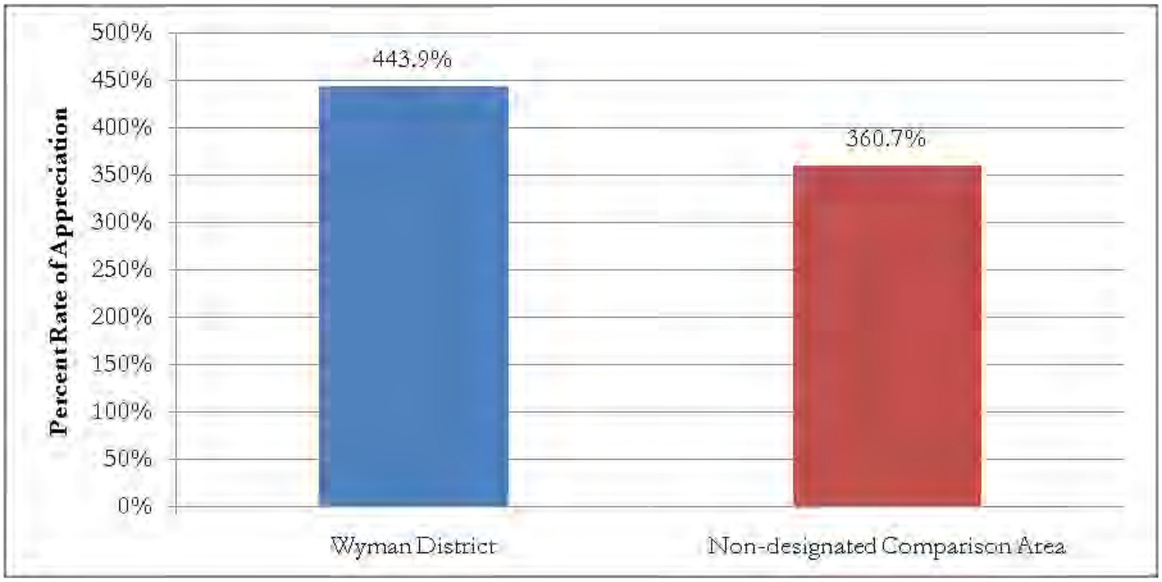
Designated Study Area **Non-designated Comparison Area**

The designated study area and the non-designated comparison area are similar in a number of key features, including: predominant building age, size, and style; mix of older, single-family dwellings and more contemporary multi-family buildings; and overall traffic flow. Both areas are one block South of Colfax, a primary commercial artery. The urban context of the designated study area is similar to that of the non-designated comparison area, which is no doubt related to the high volume of traffic. While the designated study area is slightly closer to neighborhood amenities such as Cheesman Park and the Denver Botanic Gardens, both areas are felt to be close enough to those amenities that this difference is not significant. All selected single-family detached dwellings examined were constructed within the period of significance of the district (1880-1930).

(c) Property Values Data

Research shows that, from designation in 1993 to 2009, property values for single-family detached dwellings in the Wyman district increased more than property values for homes in the similar, nearby area that is not covered under the local historic designation. The total rate of appreciation from 1993 to 2009 for properties within the designated study area was 443.9 percent, versus 360.7 percent for properties in the non-designated comparison area. See Figure 7.

Figure 7: Total Appreciation since Designation (Percentage), 1993-2009



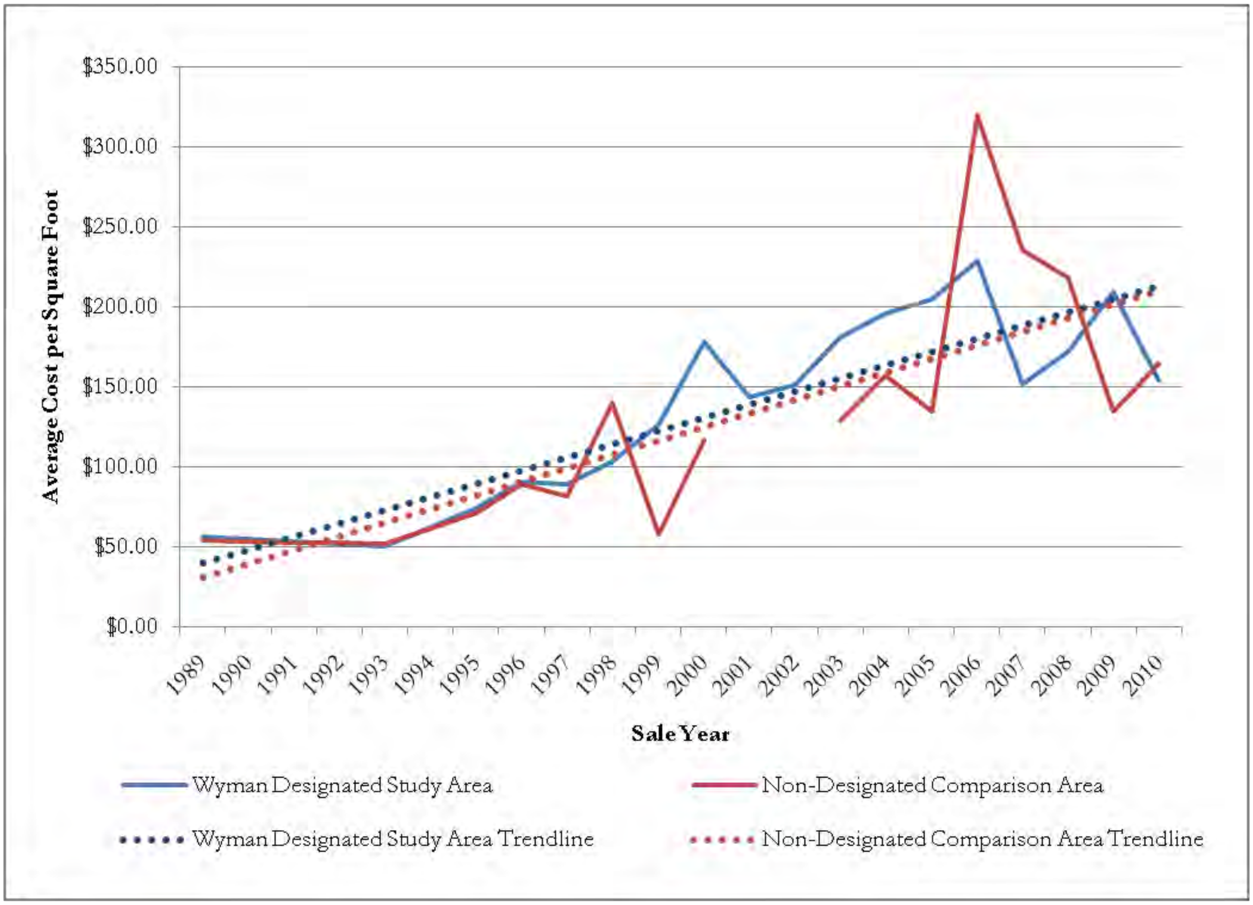
The above chart showing total appreciation is based on assessor's data, which provides a consistent means of tracking all properties over the entire 26-year period. Sales data, however, while not available for all properties, nevertheless is considered a more reliable indicator of true market conditions than assessor's data.

Available sales data was used to track the change in the value of properties in the designated study area (33 sales) and the non-designated comparison area (19 sales) since designation. The data was charted and a trend line was added to clarify the results.[10] (See "Methodology," below, for a description of the data collection process and the creation of the trend line.) See Figure 8.

In Figure 8, the average cost per square foot of historic single-family dwellings within the designated study area has remained consistent with the non-designated comparison area. The average total square footage for properties within the designated Wyman District area is 2,406 square feet, compared with 2,798 square feet in the non-designated comparison area.

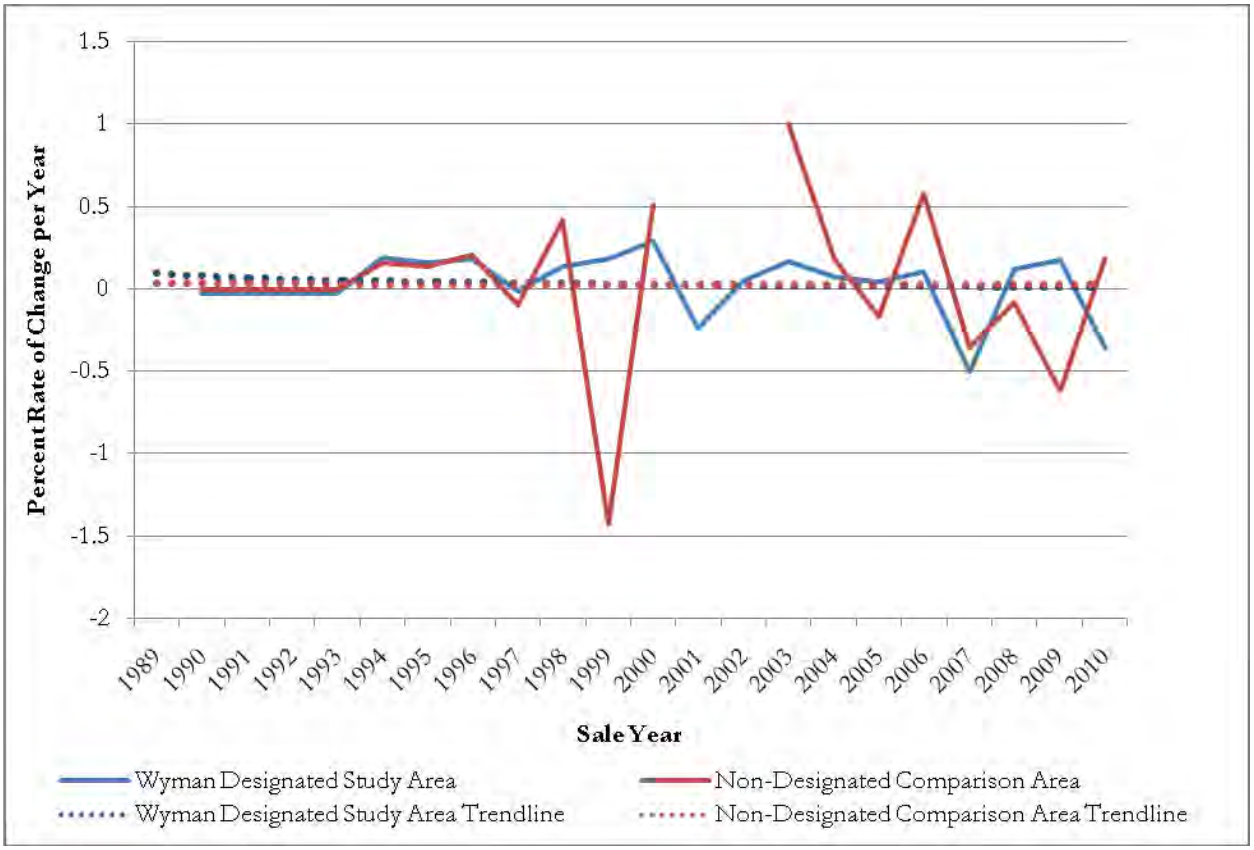
[10] For this district, sales data was readily available only from 1995 to 2010; data from 1991 to 1994 was extrapolated based on this later data.

Figure 8: Value Comparison – Wyman Designated Study Area vs. Non-Designated Comparison Area



Houses in the district are holding value at similar rate as houses outside the district. Figure 9 illustrates the percent rate of change in the average cost per square foot since designation occurred. Both the designated study area and the non-designated comparison area have experienced nearly equal rates of value change during the study period.

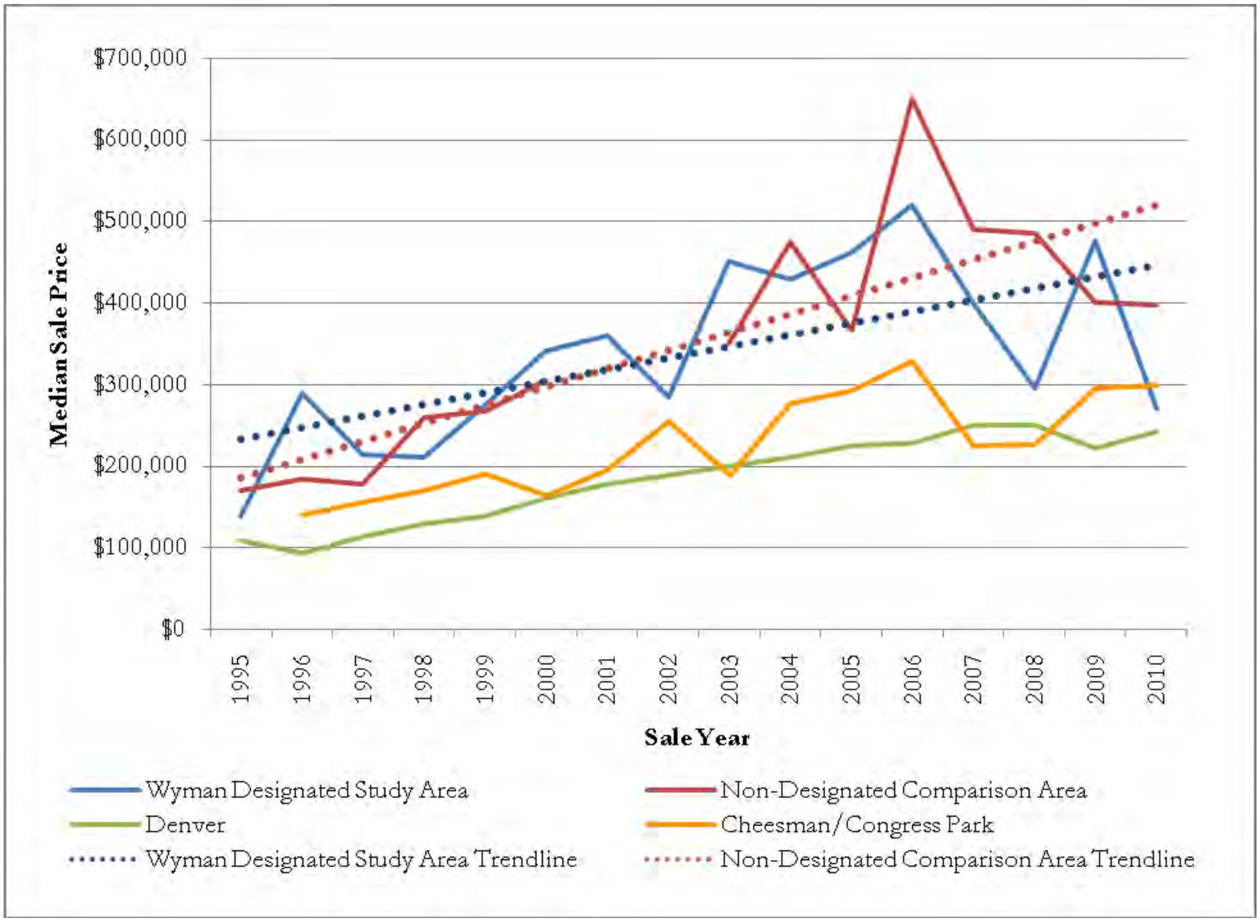
Figure 9: Rate of Value Change – Wyman Designated Study Area vs. Non-Designated Comparison Area



It is important to understand the degree of change experienced in both areas in relation to general trends occurring in the entire community. To help put this data in perspective, the median sales price in the designated study area and the non-designated comparison area (as determined by the Denver Assessor), was compared to the Denver median sale price, and the Cheesman/Congress Park neighborhood median sale price(the Cheesman/Congress Park is the larger neighborhood encompassing the designated and non-designated areas).

Figure 10 illustrates that while the median sales price in the non-designated comparison area has actually increased more than the median sales price within the designated study area both the designated study area and the non-designated comparison area have higher median sale prices than the city and Cheesman/Congress Park neighborhood as a whole. This indicates that these are desirable neighborhoods that have retained their sale values over time.

Figure 10: Median Sales – Wyman Designated Study Area vs. Non-Designated Comparison Area



(d) Conclusion

The benchmark criteria suggest that the Wyman designated historic district and comparison area have remained very similar to one another since designation – or, in other words, historic designation certainly cannot be said to have had a negative impact and has not significantly differentiated the single-family detached dwellings analyzed here from one another during this time period. Moreover, sales data show that homes in these areas consistently sell for more on average than homes in the Cheesman/Congress Park neighborhood and Denver as a whole.

What remains unknown is how the area might have changed if no district or design review was ever instituted. Several longtime residents were passionate believers in the positive effects of historic designation, citing examples of inappropriate proposed developments that had not been built because of the presence of design review, and how the entire area had experienced considerable reinvestment and overall economic improvement since designation.

(C) *Witter-Cofield District*

(a) *District History and Description*

> **SNAPSHOT:**
> **Denver's Witter-Cofield District**
>
> **Boundaries:** 21st Avenue to 25th Avenue, Federal Boulevard to Irving Street
> **Period of significant architecture:** 1885 - 1940
> **Number of buildings:** Approximately 211
> **Predominant architectural styles:** Queen Anne, Denver Square, Bungalow, Terrace/ Duplex

Located in northwest Denver, the Witter-Cofield District contains a large and diverse collection of single-family residential houses from the late 19th and early 20th centuries. Witter and Cofield purchased the land that would eventually contain the district in 1870 and filed a plat to the Highland Addition of the City of Denver.[11] In 1875, the Addition was added to the new Town of Highlands, which was established that same year. The Addition remained relatively undeveloped until the Boulevard-Highlands Development Company purchased most of its lots in 1886.

Construction in the area was brisk from 1886 through the 1890s. In these early years, Witter-Cofield contained a high level of socioeconomic diversity among its residents, from middle- and working-class families to the area's elite and powerful. Home sizes and styles reflected this great diversity, ranging from large, ornate Victorians to more modest bungalows. The area was designated as a Denver Historic District in early 1993 as the result of an active citizen effort and the support of the Sloan's Lake Citizen Group.

(b) *Study Area*

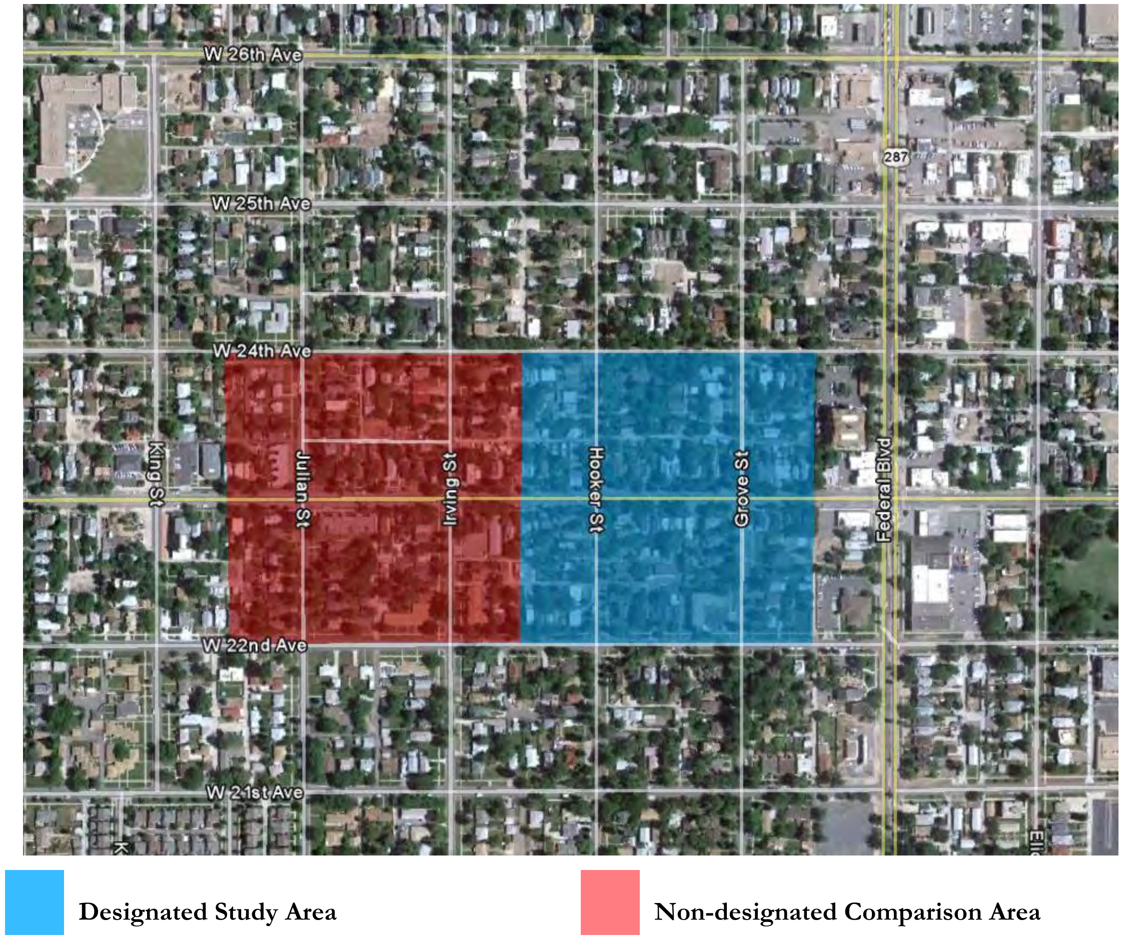
The large study area examined for this project originally included a total of 108 single-family detached dwellings, with 56 in the designated study area and 52 in the non-designated comparison area. The area is illustrated in Figure 11. Due to changes in use, significant additions, and data availability, some of the original properties were removed from the analysis in 2011 so that they would not skew the results. This resulted in a total of 97 properties – 52 in the designated study area, and 47 in the non-designated comparison area included in the 2011 analysis. All single-family detached dwellings examined were constructed within the period of significance of the district (1885-1940).

Consisting almost entirely of single-family houses, Witter-Cofield was the most homogenous of the districts examined in terms of predominant building type. Yet there is great variety in the scale and style of houses represented, and sought to select a study area that reflected this diversity. For the designated study area, the streets of Grove and Hooker from 22nd to 24th Avenues were selected. These streets are the geographic heart of the district and include feature a range of housing sizes and styles. These blocks as the designated study area because they do not include many of the district's larger homes; it was difficult finding comparable homes in any of the potential comparison areas examined. Looking west, the adjacent streets of Irving and Julian, directly outside the district, were determined to be the most comparable areas due to a similar size and style of house as the houses in the

[11] This brief historical background is based on information contained in the Application for Historic District Designation for the Witter-Cofield Historic District, which was obtained from the Community Planning and Development Agency, City and County of Denver.

designated study area. The same north-south boundaries for the designated study area were used for the non-designated comparison area, 22nd and 24th Avenues.

Figure 11: Witter-Cofield District and Comparison Area (Single-Family Residential Properties)



(c) Property Values Data

The analysis shows that, during the period since designation, single-family detached dwellings in the Witter-Cofield District increased in value more than their counterparts in similar, nearby areas that are not covered under the local historic designation. The total rate of appreciation from 1993 to 2009 for properties within the designated study area was about 412.5 percent, versus 402.7 percent for properties in the non-designated comparison area. In other words, property values for single-family dwellings in the Witter-Cofield District and the undesignated comparison area increased to values more than four times what they were in 1993. See Figure 12.

Figure 12: Total Appreciation since Designation (Percentage), 1993-2009

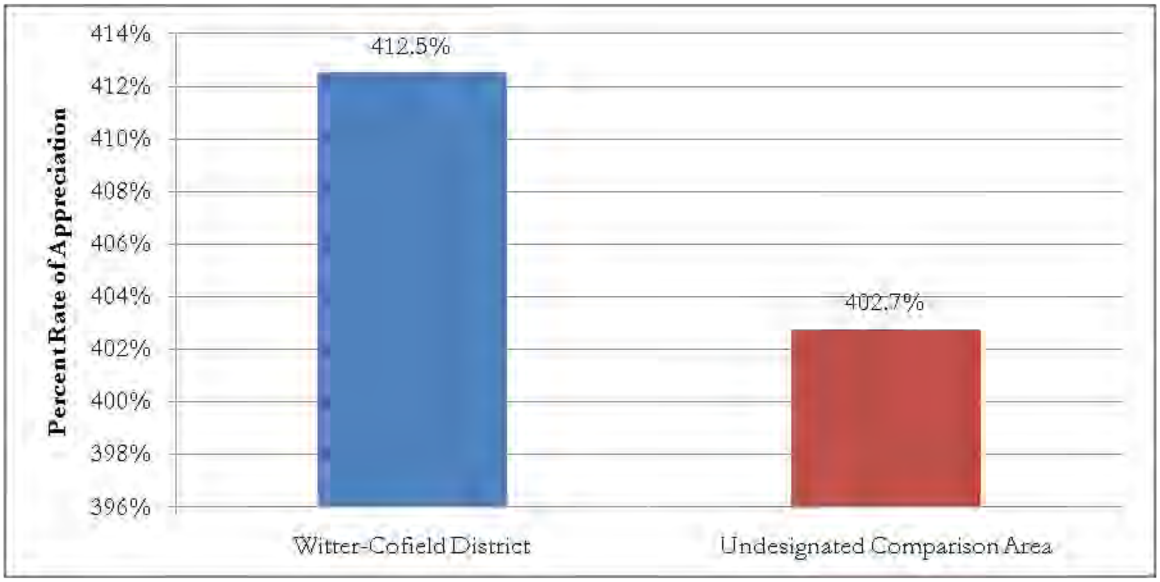
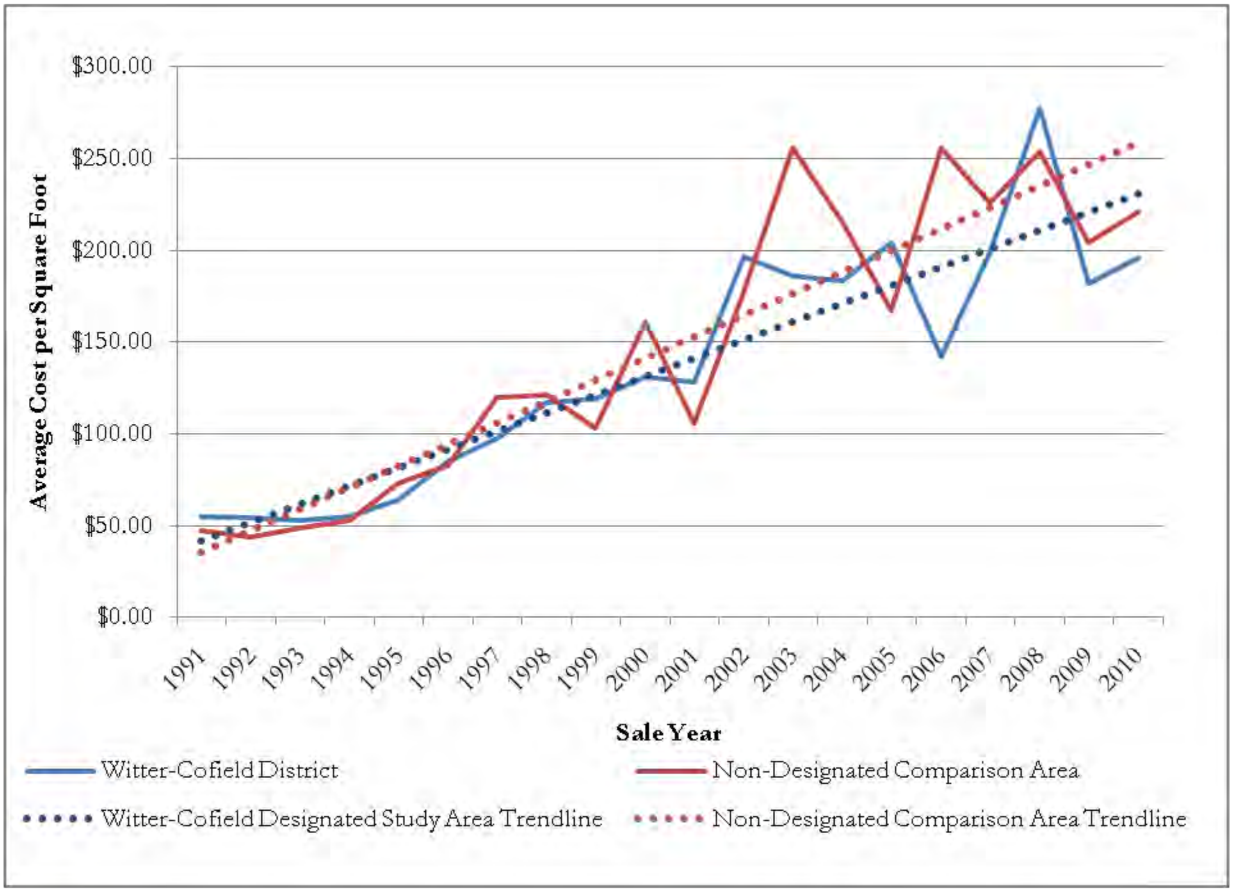


Figure 12shows total appreciation based on assessor's data, which allows for a consistent means of tracking all properties over the entire time period. Since sales data is considered to be a more reliable indicator of true market conditions, sales data was used to track the change in the value of properties in the designated study area (61 sales) and the non-designated comparison area (48 sales) since designation. The data was charted and a trend line was added to clarify the results (See "Methodology," below, for a description of the data collection process and the creation of the trend line.).

Figure 13: Value Comparison – Witter-Cofield District vs. Non-Designated Comparison Area



As seen in Figure 13, the average value of historic single-family dwellings within the Witter-Cofield District, measured on a cost-per-square-foot basis, has increased at a similar cost per square foot than values in the non-designated area outside the district. The average total square footage for houses within the designated area is 1,388 square feet, compared with an average total square footage of 1,411 square feet in the non-designated comparison area.

Figure 14 illustrates the rate of change in value since designation occurred. As illustrated by the trend lines, the rate of change in value per year is similar between the designated study area and the non-designated comparison area.

Figure 14: Rate of Value Change – Witter-Cofield Designated Study Area vs. Non-Designated Comparison Area

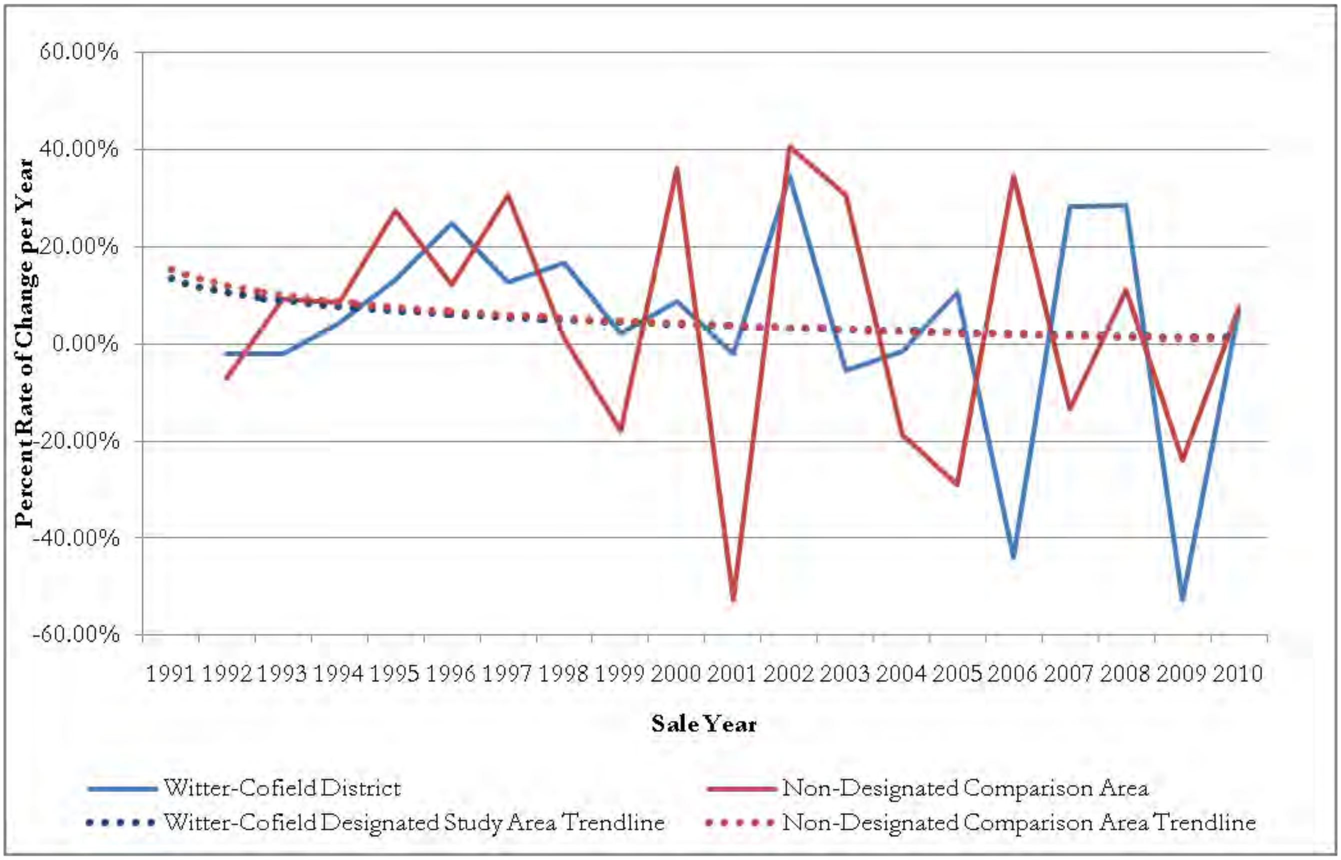
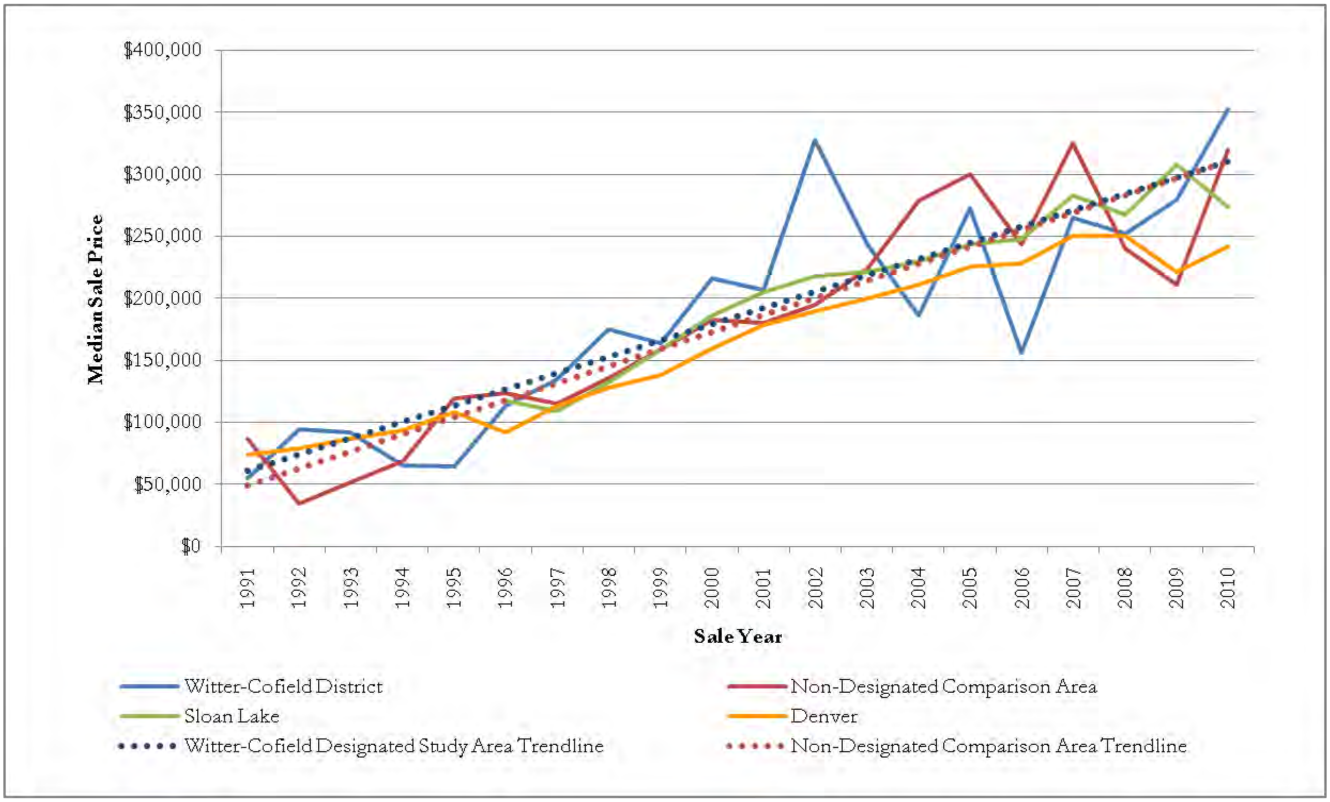


Figure 15 compares the median sales price for all Denver homes and within the Sloan Lake neighborhood against the median sales price for the designated study area and the non-designated comparison area, based on sales data from the assessor. As the chart illustrates, the median sales prices in the designated study area, the non-designated comparison area, and the larger Sloan Lake neighborhood (which encompasses the study area) are all within the same relatively narrow range. In recent years, the Witter-Cofield district, non-designated comparison area, and the Sloan Lake neighborhood median sales prices have tended to be slightly higher than the median price for Denver as a whole, indicating that like the Wyman study area, the Witter-Cofield study area is a desirable Denver neighborhood that has retained strong sales values over the years.

Figure 15: Median Sales – Witter-Cofield Designated Study Area vs. Non-Designated Comparison Area



(d) Conclusion

While overall appreciation of property values in the designated Witter-Cofield area has been higher than the nearby non-designated area, the two areas have closely paralleled each other in average cost per square foot and median sales price since designation. The entire case study area has tracked closely with the median sales price for the larger Sloan Lake neighborhood (which encompasses the study area), and remains above the median sale price for the City of Denver. This suggests that the Witter-Cofield designated district, years after district designation, continues to provide housing that is on par with the surrounding neighborhood in terms of sales prices and value.

(D) Quality Hill District

(a) District History and Description

Quality Hill, designated as a local historic district because of its historical and architectural significance by the City and County of Denver in 1992, is a small district consisting of the 900 blocks of the adjacent streets of Pennsylvania, Pearl, and Washington, as well as half of the 900 block of Logan Street.

SNAPSHOT:

Denver's Quality Hill District

Boundaries: The 900 blocks of Pennsylvania, Pearl and Washington streets, as well as a small area of Logan Street

Period of significant architecture: 1890 - 1920 for single-family residences, and 1920 - 1975 for multi-family residences.

Number of buildings: Approximately 57

Predominant architectural styles: Colonial Revival, Art Moderne, Queen Anne, Denver Square, Richardsonian-Romanesque, and Shingle Style

Quality Hill grew rapidly as an exclusive enclave of the wealthy in the early years of the 20th century. Millionaires retreated to Quality Hill as their original exclusive enclave - nearby Capitol Hill - became home to more and more working-class residents. Quality Hill attracted many of Denver's early elite families and prominent citizens, including Boettchers, Moffats, Grants, and Cheesmans.[12]

The area is considered representative of Denver's architectural development at the turn of the 20th century. Many large single-family mansions remain from the 1900s, as do row houses and elegant apartment buildings dating from the 1920s. Construction of, and conversion to, multi-family residential uses continued over the next several decades. In the 1970s, several of the large single-family homes were converted to multi-unit residences. Demolitions also made way for several newer condominium buildings, adding to the eclectic mix of properties in the area.

According to documents filed with the Denver Landmark Preservation Commission during Quality Hill's district application process, the boundaries of the district were drawn to reflect historical and geographic importance as well as architectural style. Quality Hill contains a diverse collection of architectural styles, including Queen Anne, Tudor Revival, and Art Moderne. The district is an example of the more exemplary buildings in the area, but overall does not create a shift in architectural style from adjacent neighborhoods, since many of these same styles can be found in the surrounding area.

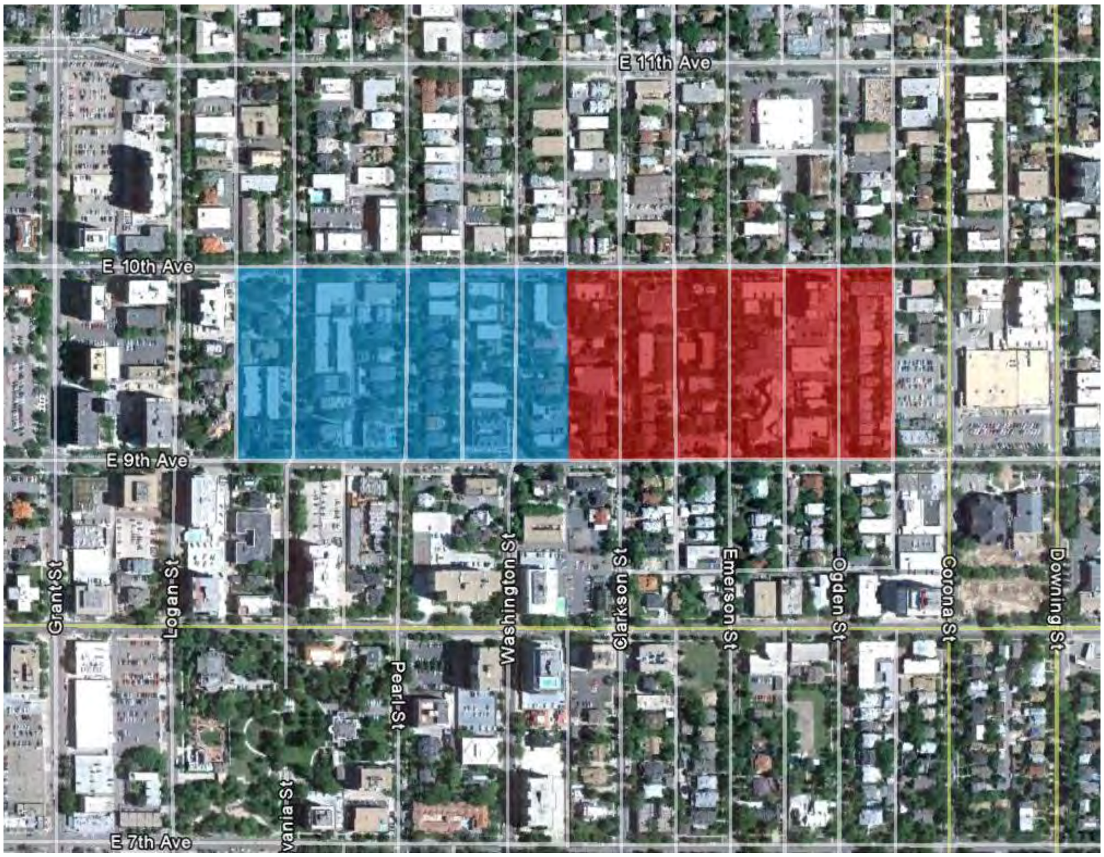
(b) Study Area

Due to the district's small size, nearly the entire historic district was used as the designated study area for purposes of this analysis. The original analysis included 39 single-family detached dwellings -- 15 within the designated study area and 24 within the non-designated study area. The area is illustrated in Figure 16. Due to the changes in use, significant remodels, and unavailable data, some properties were removed from the original analysis.

[12] This brief historical background is based on information contained in the Application for Historic District Designation for the Quality Hill Historic District, which was obtained from the Community Planning and Development Agency, City and County of Denver.

This updated analysis includes 32 properties – 12 within the designated study area and 20 within the non-designated study area.

Figure 16: Quality Hill District and Comparison Area



Designated Study Area **Non-designated Comparison Area**

Quality Hill contains a wide variety of building types and uses. The district includes a mix of older, single-family residences and apartment buildings, circa 1890 to 1930, interspersed with larger, more recent condominium complexes, dating from 1962 to 1977. In addition to the residential uses, the three blocks of the district also include several nonresidential uses, such as a church complex, a small park, and a nonprofit office (located in a converted residence).

Due to a substantial amount of modern infill, only about half of the single-family housing units within Quality Hill date to the period of significance (1890-1920) of the historic district. Just outside the district, the number of buildings dating to the same period is greater. The buildings examined for the property values analysis were constructed to be within the period of significance of the district.[13]

[13] There are two separate periods of significance for the Quality Hill District: one for single-family residential (1890-1920) and one for multi-family (1920-1975). This study focused exclusively on the single-family residences.

A three-block area was identified immediately to the east of the Quality Hill District as the best non-designated comparison area for purposes of this study. The non-designated comparison area consists of the 900 blocks of Clarkson, Emerson, and Ogden streets, which are somewhat newer in building age than the historic district, but contain a similar mix of housing units, sizes, and styles, are relatively equidistant from busy streets, and have a similar amount of pedestrian and vehicular traffic.

(c) Property Values Data

Unlike the other two Denver case studies, in the Quality Hill area total appreciation since the time of designation has been greater in the non-designated comparison area than in the designated study area. The total rate of appreciation from 1992 to 2009 for properties within the designated study area was 120.5 percent, versus 286.9 percent for properties in the non-designated comparison area. See Figure 17. When compared with the results from the 2002 study of this neighborhood, it is evident that property values in both areas have continued to appreciate. In the 2002 study the designated study area experienced a higher rate of appreciation as compared to the non-designated comparison area, so it is possible that in current years the non-designated comparison area has "caught up" to the rates of appreciation of the designated areas.

Figure 17: Total Appreciation since Designation (Percentage), 1992-2009

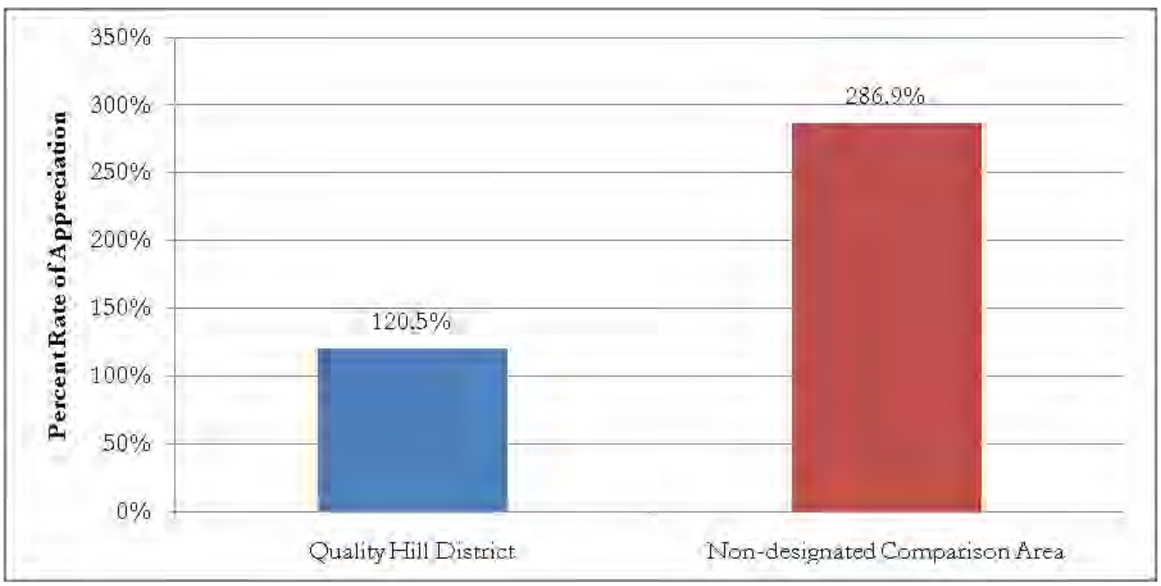
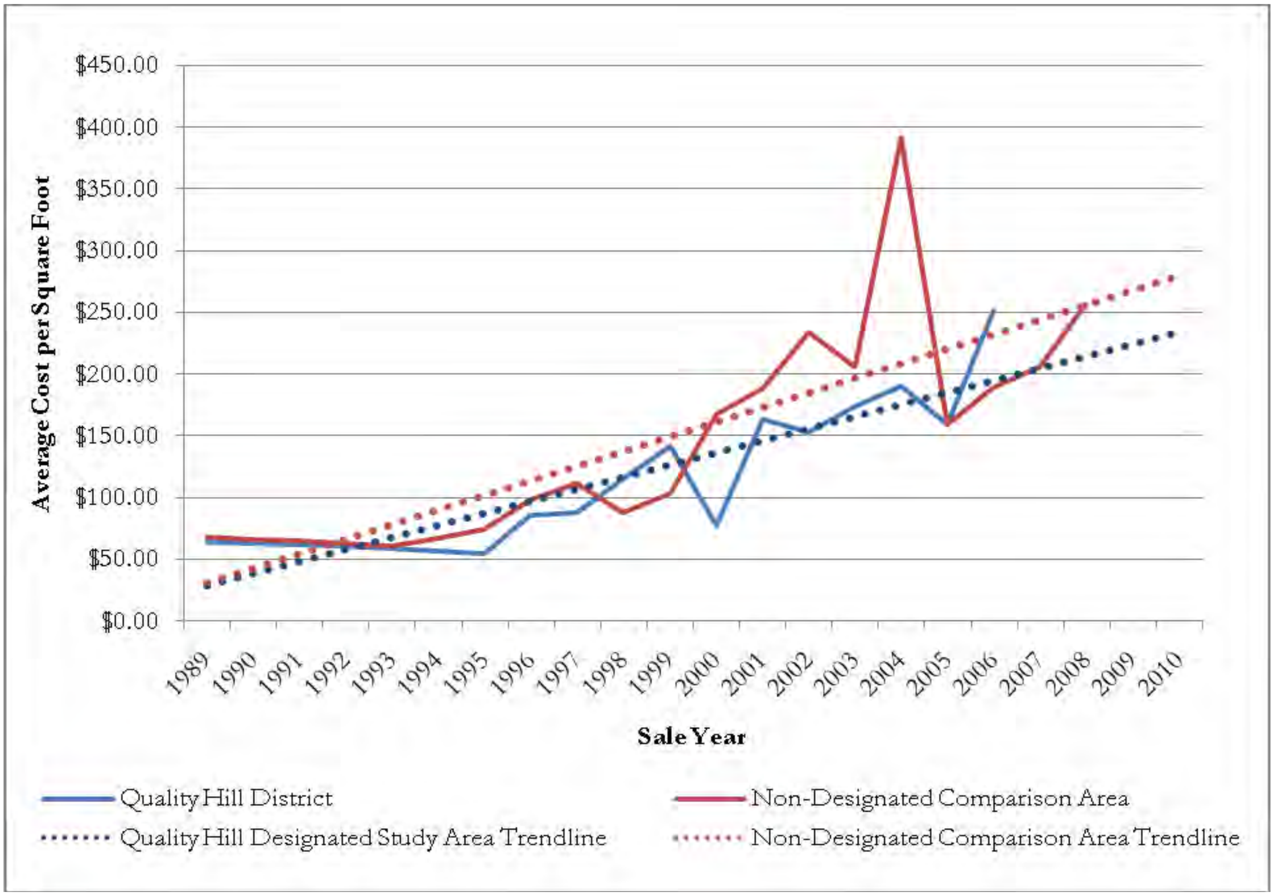


Figure 17 shows total appreciation based on assessor's data, which allows for a consistent means of tracking all properties over the entire period.

Sales data was also used to track the change in the value of properties in the designated study area (13 sales) and the non-designated comparison area (24 sales) since designation. The data was charted and a trend line was added to clarify the results. (See "Methodology," below, for a description of the data collection process and the creation of the trend line.)

As shown in Figure 18, the average value of historic single-family dwellings within the Quality Hill district increased at a similar rate, but lower cost-per-square-foot, on average, than the non-designated area outside the district. The total average square footage of homes in the designated study area is identical to the total average square footage in the non-designated comparison area at 3,978 square feet.

Figure 18: Value Comparison – Quality Hill District vs. Non-Designated Comparison Area



In recent years the value of single-family homes in the district has begun to increase at a slightly higher rate than for those outside the district. Figure 19 illustrates the rate of change in value since designation occurred.

Figure 19: Rate of Value Change – Quality Hill Designated Study Area vs. Non-Designated Comparison Area

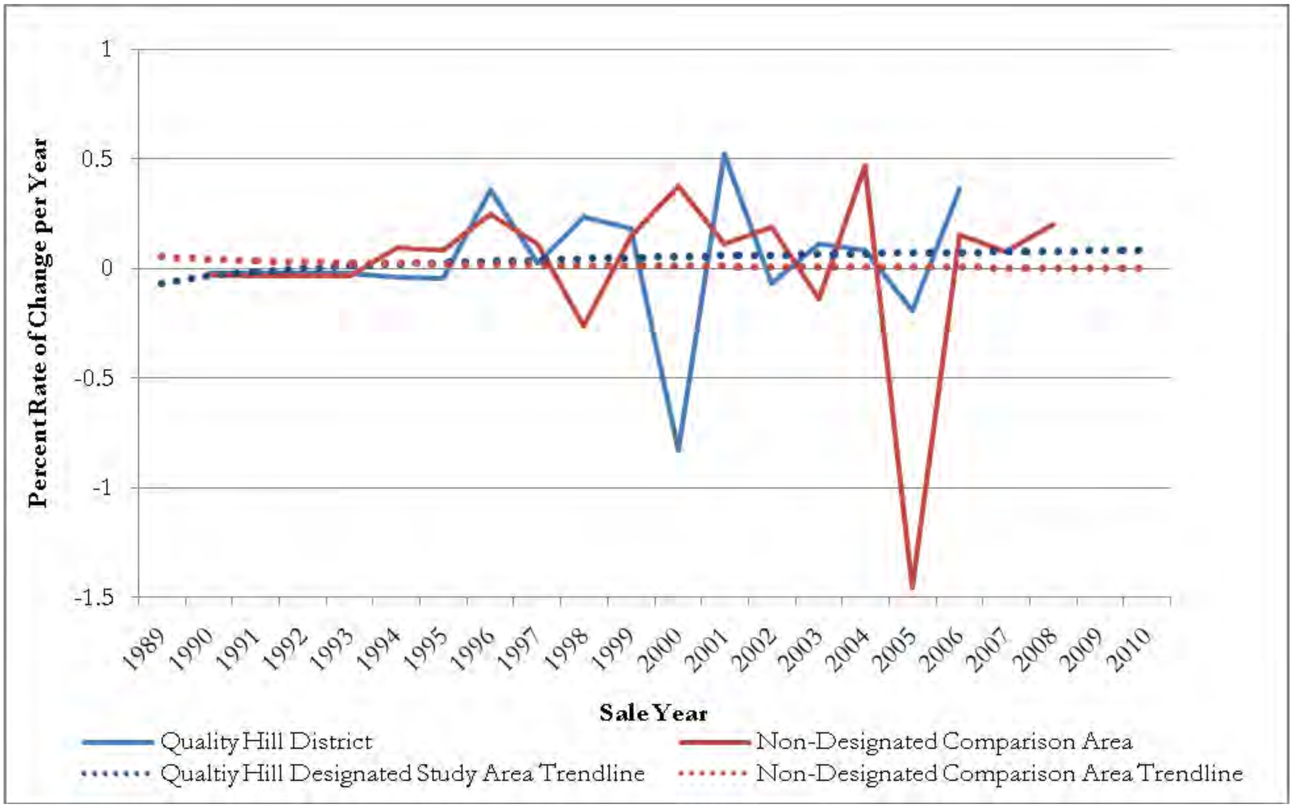
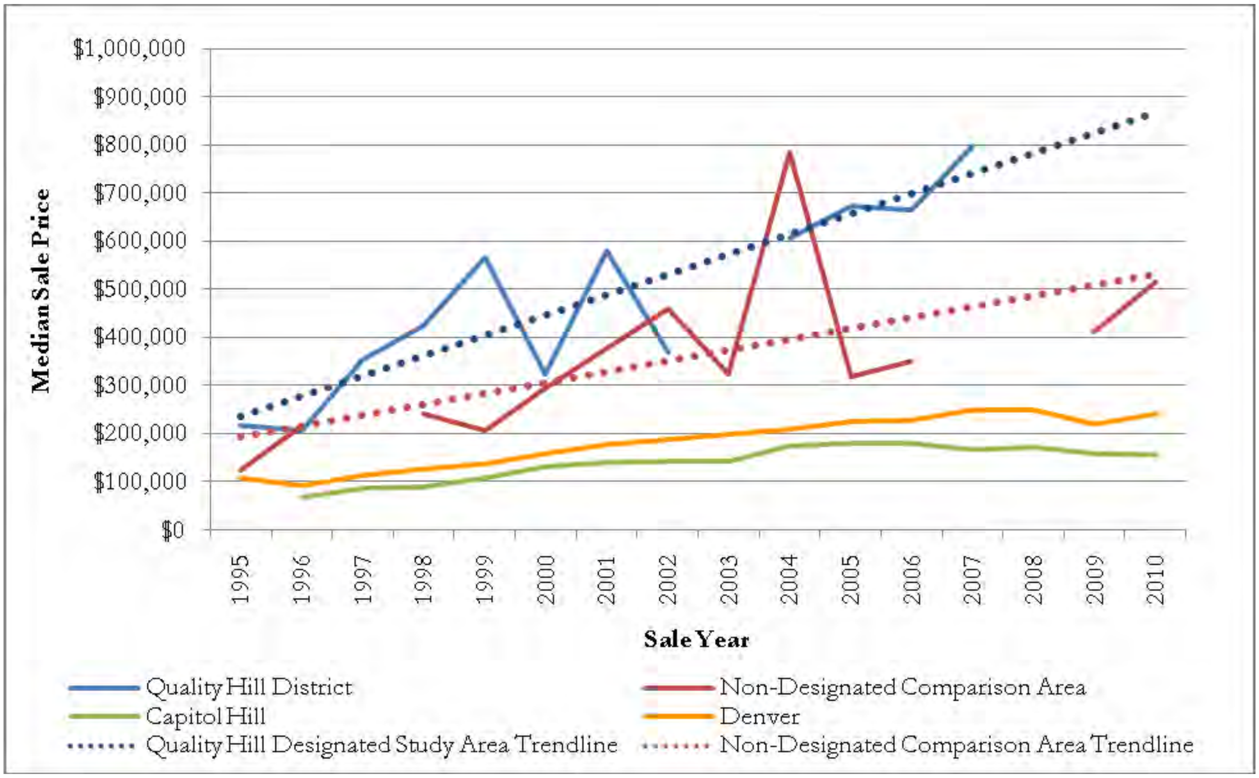


Figure 20 compares the median sales price for all Denver homes and homes within the Capitol Hill neighborhood, based on sales data, against the median sales prices in the designated study area and the non-designated comparison area, based on the assessor's sales data identified above.

Figure 20: Median Sales – Quality Hill Designated Study Area vs. Non-Designated Comparison Area



Since designation, the Quality Hill district area has consistently seen a median sales price significantly higher than that for the non-designated comparison area. Both the designated and non-designated comparison areas have experienced median sales prices higher than the median sales prices for the Capitol Hill neighborhood and the city as a whole.

(d) Conclusion

It appears that historic designation has made a difference in Quality Hill in terms of median sales prices. The median sales price has continued to rise at a faster rate than the median sales price just outside the district. Though in recent years the non-designated comparison area has appreciated faster than the designated area, this it may be due to the fact that surrounding areas are catching up to the high values within the district. Despite a substantial amount of modern multi-family residential infill, which in some neighborhoods might tend to depress the values of adjacent single-family residential houses, prices in the Quality Hill District and non-designated comparison area have remained much higher than in the city and Capitol Hill neighborhood as a whole.

6. Durango

(A) Case Study Area – Boulevard District

(a) District History and Description

Durango's one historic district, named the Boulevard District, consists of approximately twelve blocks of a main residential boulevard adjacent to downtown Durango. The Boulevard District was established as a National Historic District in 1987 and later as a local historic district with design review by the City of Durango in 1993. The Boulevard is a wide, residential, tree-lined boulevard (East 3rd Avenue) with two, one-way streets separated by a grassy parkway. The architecture lining the boulevard is eclectic, consisting of large, ornate Victorians and also more modest dwellings.

SNAPSHOT:
Durango's Boulevard District

Boundaries: East3rd Avenue Boulevard from its southernmost end to the Animas River
Period of significant architecture: 1880-1940
Number of buildings: Approximately 150
Predominant architectural styles: Victorian, Queen Anne

The district was designated thanks to the efforts of a vital and active neighborhood association. Since the Boulevard is the first non-commercial street adjacent to downtown Durango, the neighborhood association originally mobilized around issues of congestion and traffic, and later focused their efforts on historic preservation. The association remains committed to maintaining the residential character of the street and has generally opposed the addition of commercial influences.

Data collection was obtained primarily through the La Plata County Assessor's Office, which maintains an online database listing current assessed values and recent sales data. Tax records were also used to calculate the actual value as determined by the assessor when online records were not available.

(b) Study Area

The original analysis included a total of 220 single-family detached dwellings -- 74 properties within the designated study area (consisting of approximately the northern two-thirds of the district), and 146 in the non-designated comparison area (a larger sample size was selected for the non-designated comparison area due to the challenges in finding a similar area, as discussed below).

Identifying a non-designated comparison area was challenging since the Boulevard is a fairly unique area in Durango. However, the non-designated comparison area contains architecture that is similar in scale and style to that on the Boulevard; these streets also share boundaries with the district: the Animas River and Fort Lewis College. In addition, both areas are near downtown Durango.

The study area is illustrated in Figure 21. Due to the changes in use (e.g., single-family to commercial), square footage, and unavailable data, some properties were eliminated from the study resulting in 173 total properties included in the analysis – 55 within the designated study area, and 118 in the non-designated comparison area.

Figure 21: Boulevard District and Comparison Area

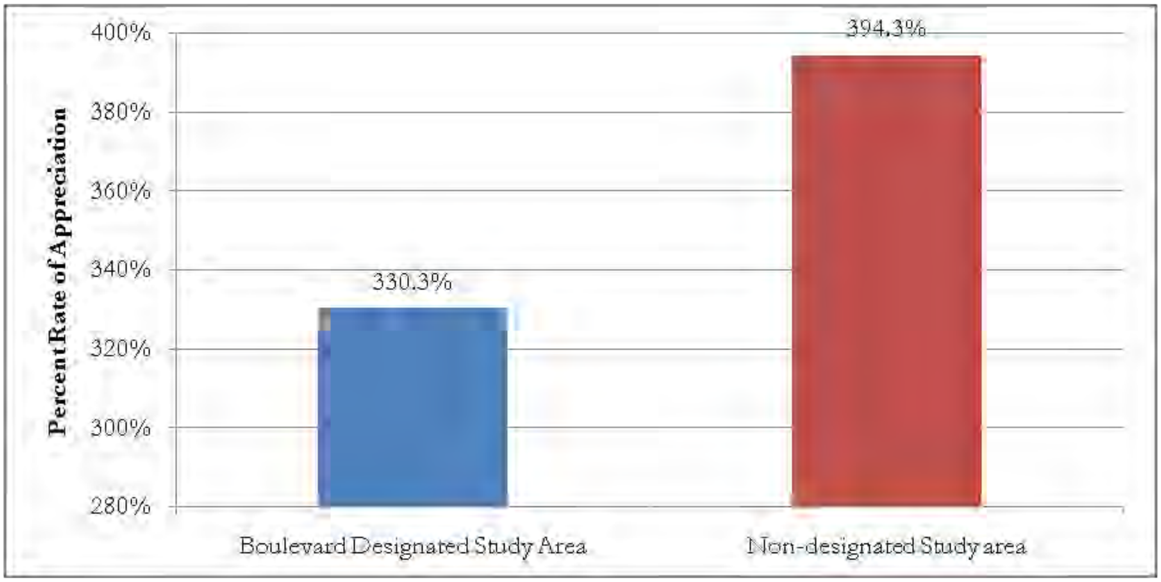
Designated Study Area **Non-designated Comparison Area**

(c) Property Values Data

The Durango case study showed that property values in the Boulevard District have appreciated but not at the same rate as properties in the non-designated comparison area. Specifically, as shown in

Figure 22, the total rate of appreciation for all single-family detached dwelling properties from 1993 to 2009 within the designated study area was 330.3percent, compared to 394.3 percent in the non-designated comparison area. In other words, properties within the designated area appreciated to more than three times the value at the beginning of the study period, whereas properties within the non-designated comparison area appreciated nearly 4 times the original value. Compared with the analysis from 2002, property values in both districts have appreciated significantly.

Figure 22: Total Appreciation since Designation (Percentage), 1993-2009



The chart in Figure 22 shows total appreciation based on assessor's data, which allows for a consistent means of tracking all properties over the entire period. Since sales data is widely considered to be a more reliable indicator of true market conditions, it was used to track the change in the market value of properties in the designated study area (52 sales) and the non-designated comparison area (121 sales) since designation. As shown in Figure 23, the data was charted and a trend line was added to clarify the results. (See "Methodology," below, for a description of the data collection process and the creation of the trend line.)

Figure 23: Value Comparison – Boulevard District vs. Non-Designated Comparison Area

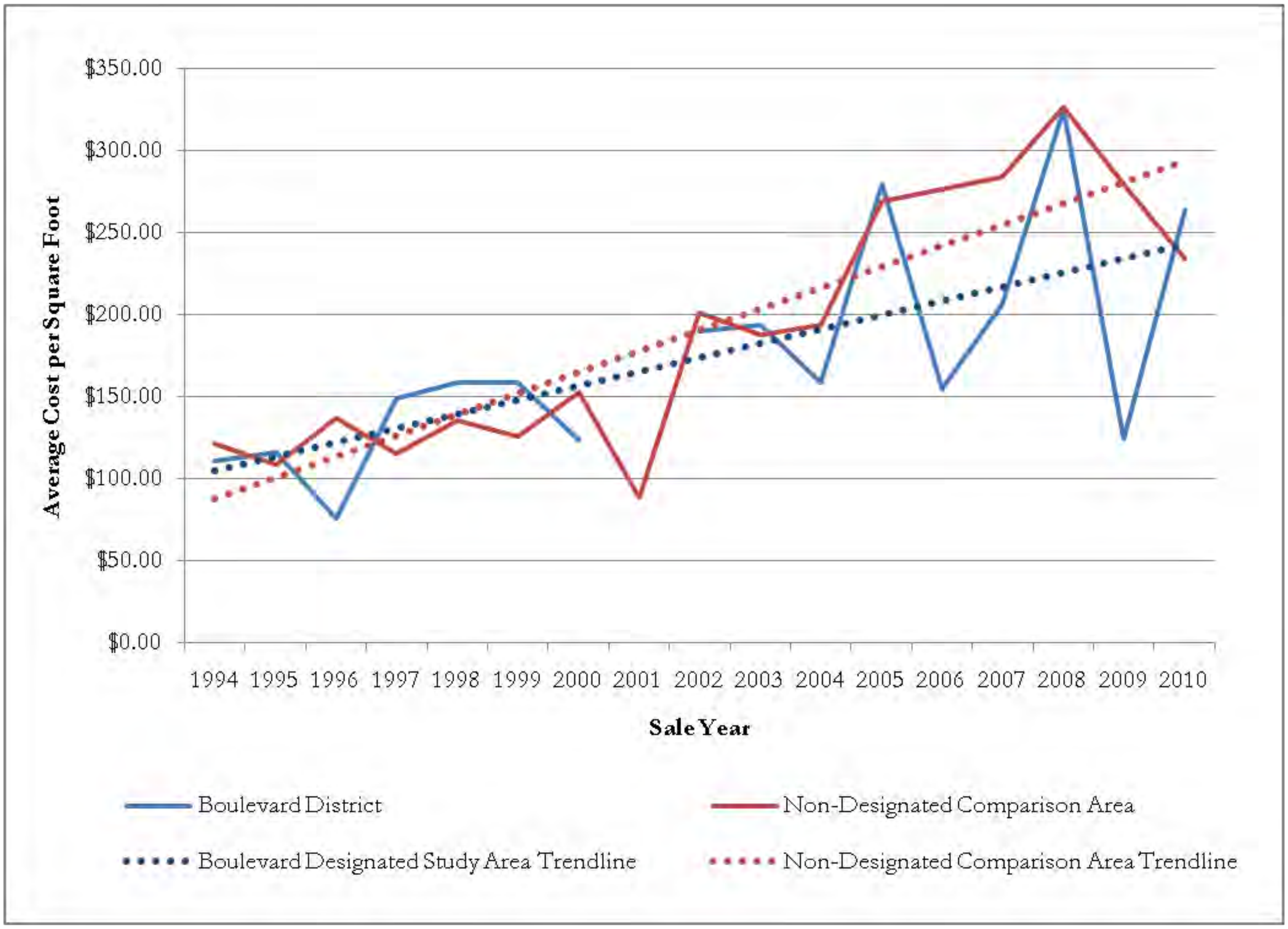
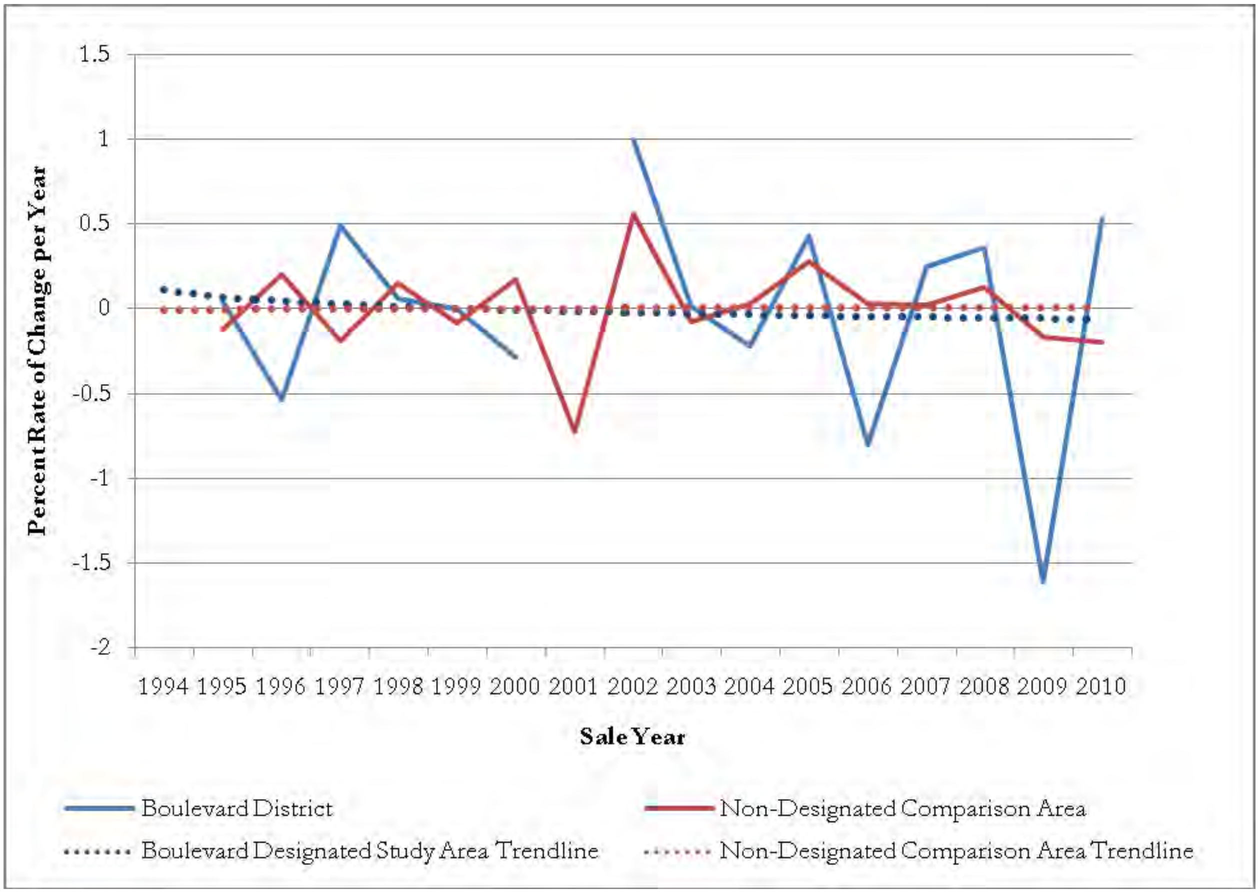


Figure 23 illustrates that since the late 1990s, the average value of historic single-family dwellings within the Boulevard District, measured on a cost-per-square-foot basis, rose slightly less than the average value of homes in the comparison area not covered by designation. On average, homes within the designated historic district generally are larger in size and have sold for more money than homes in the comparison area. In the designated district, the total average square footage of homes is approximately 2,330 square feet and average sales value is $440,000, whereas in the comparison area the total average square footage is 1,520 square feet and average sales value is $282,622. Houses in the Boulevard District tend to be larger than in the non-designated comparison area, resulting in average costs per square foot that are slightly lower. This means that while homes in the Boulevard District might be a bit more expensive on average than in the non-designated comparison area, property owners are able to purchase "more house for the dollar" if they buy within the designated district. Furthermore, property values in the Boulevard District as well as in the non-designated area have increased and decreased wildly over the past decades, most notably in recent years, which may reflect the national economic downturn and collapse of the housing market. The national decline in the purchasing of vacation homes may also be a factor influencing the dramatic swings in property values in the area.

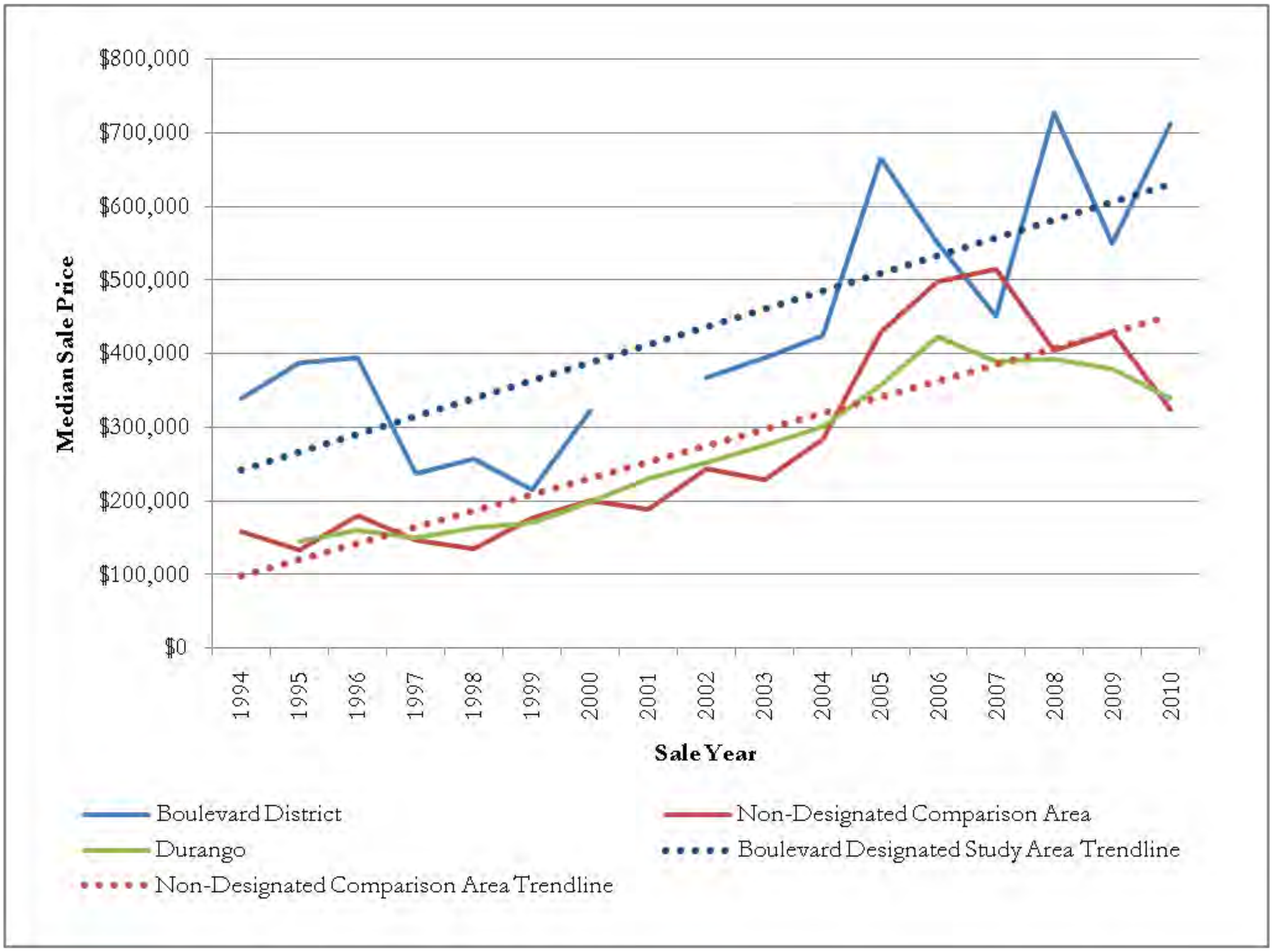
As shown in Figure 24, the trend lines indicate that during this period the rate of change in value has remained relatively constant for both the Boulevard District and non-designated comparison area despite year-to-year fluctuations.

Figure 24: Rate of Value Change – Boulevard Designated Study Area vs. Non-Designated Comparison Area



As with the Denver districts, an attempt has been made to present trends occurring in the Boulevard District and its comparison area in the context of general housing sales market conditions for the entire city of Durango. Figure 25 compares the median sales price for all Durango homes against the median sales prices in the designated study area and the non-designated comparison area. As the figure illustrates, sales prices in the Boulevard Historic District tend to be higher than those both in the non-designated comparison area and also in the city as a whole.

Figure 25: Median Sales – Boulevard Designated Study Area vs. Non-Designated Comparison Area



(B) Conclusion

This analysis confirms that the Boulevard District remains one of the more desirable and expensive markets in the city. However, since the last study was conducted in 2002, the increased rate of appreciation and average cost per square foot in the non-designated comparison area shows that it is an area that is also gaining in popularity. Moreover, both the Boulevard District and the non-designated comparison area have seen a significant number of single-family detached dwelling units converted to commercial uses and multi-family dwelling units including duplexes, triplexes, and even a few complexes with 4 or greater units. While these converted properties were excluded from the analysis, these conversions to higher-intensity uses demonstrate that these residential areas are becoming increasingly desirable places in which to reside and conduct business within the community.

D. PRESERVATION AS AN ECONOMIC DEVELOPMENT STRATEGY

The following case studies serve as examples of how preservation has been used as an economic development strategy to create jobs and boost local economies throughout the state. Each case study is summarized in a table that lists the relevant statistics, research, and information gathered from interviews with the appropriate preservation or sustainability officials. The three case studies include San Juan County Historical Society (Silverton), Olde Town Arvada, and Brush: Main Street Community. The bulk of the information presented in each case study was gathered though phone interviews with key stakeholders. Additional information was found on project and city websites as well as within documents provided by the key stakeholders. Due to the varied nature of these projects, there is no formal method for continually tracking the data. However, periodic check-ins with the stakeholders may be beneficial.

1. San Juan County Historical Society (Silverton)

The case study examines the society's focus on making history and preservation the economic engine of the county in the wake of the shutdown of a major local employer (the mine). The Historical Society has placed major emphasis on putting local people to work and creating a local team of preservation experts. "Our focus was on making Silverton economically sustainable through historic preservation."

<table>
<tr><th>General Information</th></tr>
<tr><td>Location:
San Juan County, southwest Colorado</td></tr>
<tr><td>Contact Information:
Beverly Rich, a volunteer for San Juan County Historical Society (SJCHS) for more than 35 years, also the San Juan County Treasurer
David A. Singer, Principal at Silverton Restoration Consulting, Preservation Specialist Consultant for the San Juan Historical Society</td></tr>
<tr><td>Preservation Project Name(s):
1. San Juan County Historical Society (SJCHS) Museum (1903 San Juan County Jail)
2. Shenandoah-Dives Mill (Mayflower Gold Mill) – a National Historic Landmark
3. Business Incubator Site at the historic Animas Power and Light Transformer Building
4. Shenandoah-Dives Mill Hydro-Power Project (see separate sustainability case study)</td></tr>
<tr><th>Project Background</th></tr>
<tr><td>Where did the idea for this project come from?
• Lena Scheer Bausman began to collect items for a museum in the 1950s that the county allowed her to store in the old jail. Business owners then became interested in increasing tourism through creating a museum in the old jail and a deal was worked out with the county for the newly formed SJCHS to have the jail for $1 per year for 99 years. The SJCHS has continued to operate as a non-profit since then, successfully completing many projects. The second phase, rehabilitating the exterior envelope, was recently completed.
• The Shenandoah-Dives Mill site was donated by the Sunnyside Corporation to the SJCHS. The mill is recognized for its exceptional integrity as an early twentieth-century flotation mill reflecting America's mining heritage and the evolution of important milling practices. The mill is well preserved and the SJCHS operates it as an interpretive museum. The mill was named as a National Historic Landmark in 2000 and due to much needed repairs has recently completed phase 1 of rehabilitation.
• The Business Incubator Site will adaptively reuse the rehabilitated Transformer Substation property that was also donated by the Sunnyside Corporation to the SJCHS. There are currently a few light industrial businesses operating in the historic buildings. The SJCHS plans to use this site as stimulation for economic development in San Juan County by attracting additional light industrial</td></tr>
</table>

uses to the site while maintaining the historic structures and facilities.

What were the project goals?
Main themes for the SJCHS include:

1. Buy local, hire local
2. Use State Historic Funds to leverage other funding
3. Attract heritage tourism
4. Preserve history unique to the area
5. Prosperity promotes preservation

Who was/is involved?

- SJCHS passed out 27 W-2s in 2010. Current staff includes 3 staff at the museum, 4 seasonal guides in the summer for the museum and mine (2 at each), 1 part time bookkeeper, and 5-6 at the mills site working on phase 1.
- In 1991 the Shenandoah-Dives Mill shut down and in 1992 Town Hall burnt down– the natural solution was to retrain the unemployed miners to rebuild Town Hall as well as rehabilitate the old jail into a museum. The current foreman for the SJCHS is a former miner.
- The funders listed below.

How was the project funded?
The SJCHS has funded projects through various combinations of the following sources:

- History Colorado's State Historical Fund
- Department of Local Affairs (DOLA)
- Save America's Treasures (NPS)
- Preserve America (NPS)
- The Getty Foundation
- San Juan County Commissioners
- Boetcher Foundation
- Gates Foundation
- Private Financial Donations
- Volunteer in-kind contributions
- Bureau of Land Management
- Colorado Department of Reclamation and Mine Safety
- Economic Development Administration

The Historical Society Museum (former jail) earns about 30% to 40% over operating costs and uses these dollars as a cash match to leverage grant requests and to fund other projects such as the rehabilitation of the ghost town of Animas Forks, Old Hundred Mine and Boarding House structure located at 13,000 feet. New Mining Heritage Museum and the Silverton Northern Engine House restoration.

The SJCHS partners with their sister cities and counties including, Lake City in Hinsdale County and Ouray county and their Historical Societies, on grant applications and even help provide funding for cash match for their heritage preservation projects.

Project Results

Please describe the economic benefits of the project (quantitative of anecdotal information about number/type of jobs created, impact on local tax revenue, etc). Are there any studies or reports that document the quantitative benefits of this project?

Historic Society Museum, the former jail, Phase 2 – Exterior Envelope Rehabilitation:

- Provided 5- 6 full time jobs to Silverton's local workforce
- $157,715 infused in wages for Phase 2 alone from a total budget of $352,000.
- $35,350 infused through direct purchases of materials and rental of equipment

- $40,150 infused through payment to local sub-contractors
- $63,570 infused into the Federal, State, and local municipalities in taxes

Shenandoah-Dives Mill Rehabilitation:

- Providing 5-6 jobs for Phase 1 of a multiphase project. Phase 1 focuses on the stabilization of three structures at the mill site including the Ore Conveyor and trestle, the Custom ore bins, and the Tram Receiving Terminal. Phase 1 is budgeted at $352,000. The preservation crew that was hired and trained for the Jail project was shifted to the Mill project. Phase 1 was completed in August 2011. Phase 2 is scheduled to begin in the Spring of 2012 and will focus on the restoration of the exterior of the Assay Office Building and is budgeted at $225,000. It is anticipated that the infusion of dollars allocated to this project will closely mirror investments into the local economy based on a percentage of the overall budget.

Business Incubator Site:

- At the industry standard of 67% occupancy, Phase 1 would generate $36,398 in revenue while costs are estimated at $32,863
- There are currently 5 renters at the site

Town Hall restoration:

- Over $1 million dollars invested locally (1993-1994)

What other non-quantifiable results/benefits resulted from this project?

Historic Society Museum, the former jail, Phase 2 – Exterior Envelope Rehabilitation:

- Added these specific trade skills to their local workforce for future projects and further dissemination.
- Revitalized a critical heritage tourism resource that will continue to generate revenue resulting in the long term sustainability of the SJCHS to attain its mission of interpreting Silverton's history for the enjoyment of future generations.
- By successfully preserving their unique local heritage identity as a Victorian Mining Community they continue to draw tens of thousands of visitors to the region and capture their financial investment in experiencing Silverton's history.

Shenandoah-Dives Mill Rehabilitation:

- Will continue to operate and attract heritage tourism.
- Will serve as a model for multi-phased engineered projects.
- Will set the standard for HAER documentation of Mill structures in Colorado and the US.
- Will complement the local Mine Tour to show visitors BOTH aspects of the mineral extraction industry.
- Will become more self-sustaining through the rental of laboratory space and office space in the Assasy Office Building, serving as a successful example of adaptive re-use to serve rental market demands.

Business Incubator Site:

- Has been successful in attracting businesses and retaining jobs the county.
- Partnership with the Economic Development Administration.

Town Hall restoration:

- The center of civic life and community pride restored.
- New training opportunities for the ex-miners.
- Inspiration for reinvestment in other local preservation projects.

How has this project supported environmental sustainability? • The Business Incubator Site has reused existing buildings for new businesses thus reducing resources used for new development. • A hydroelectric plant is being installed at the Shenandoah-Dives Mill site. See the separate case study to learn more about this project.
How has the project enhanced community well-being and culture? • Jobs have been created for these projects • Local history has been preserved
Other Information
What are some of the most valuable lessons that you learned through the course of this project? What would you do again? What would you do differently? • Hiring locally was a great way to retain residents that may have otherwise moved to find work • Grants are necessary for the SJCHS to keep moving forward with projects • Have infused the decision making process of historic preservation into the local community regarding both conservation of local heritage and environment by setting local examples. When you link the adoption of the preservation philosophy to local economic benefits you can create a very strong will in the community to foster these types of projects. Joining forces to honor our local heritage, means forging a new history that the next generation can look back on for inspiration!
Do you have any additional websites, documents, reports, news articles, or quotations that you can provide about the project? http://www.silvertonhistoricsociety.org/index.htm http://pdfhost.focus.nps.gov/docs/NHLS/Text/00000262.pdf http://tps.cr.nps.gov/nhl/detail.cfm?ResourceId=-1747977341&ResourceType=Building "Focus on making history and preservation the economic engine of San Juan County. This is what we turned to after the mine shut down." – Beverly Rich "Our focus was on making Silverton economically sustainable through historic preservation." – Beverly Rich

2. Olde Town Arvada

This case study investigates the workings of an authentic historic downtown and the role it has played in retaining business, fostering business development, attracting visitors, and boosting the local economy. With the driving forces of many organizations, like the Arvada Economic Development Association, Arvada Urban Renewal Authority, and Historic Olde Town Arvada Association, Olde Town Arvada thrives as a local downtown. It is also a Main Street community and is working on returning to Main Street Four-Point Approach® developed by the National Trust for historic Preservation.

General Information
Location: Historic Olde Town Arvada
Contact Information: Lynn Sierras-Krone, Executive Director/Main Street Manager, Historic Olde Town Arvada Association (a nonprofit organization) Kim Grant, Grants Administrator, City of Arvada Deborah Andrews, D.S. Andrews Architect

Preservation Project Name(s):

1. Olde Town Arvada – A Main Street Community since 2002
2. A.L. Davis Block - Northeast corner of Old Wadsworth Blvd. and Grandview Ave. – this was the location of the first stoplight in Jefferson County

Project Background

Where did the idea for this project come from?

- In 1997 a movement for revitalization began. A historic survey was completed resulting in the creation of three historic districts, one of which was the Arvada Downtown Historic District designated in 1998 containing 55 buildings. Additional catalysts were the relocation of the library to Olde Town, street improvements to Grandview Ave. and Old Wadsworth Blvd., and the Arvada Town Square redesign.
- Development guidelines were created that were originally only used by the Arvada Urban Renewal Authority (AURA) for façade improvements and then eventually were adopted to regulate the entire district. A Design Review Committee was created to administer the regulation.
- In 2001 Historical Olde Town Arvada (HOTA) was established and in 2002 Olde Town Arvada was designated as a National and Colorado Main Street with the help of AURA and the City of Arvada.

A.L. Davis Building:

- A.L. Davis Block was built in 1916 by Alfred L. Davis as a Dodge and Chevy Dealership.
- Over the years this building has been a drug store, candy store, had elegant and modern apartments on the second floor, and most recently a stationary store.
- The parcel was added to the urban renewal district in October 2010 because the building is "considered one of the most significant in Olde Town and both City Council and the AURA Board felt that it was important that the Urban Renewal Authority participate in its historic preservation" – http://arvadaurbanrenewal.org/about-aura/olde-town-station
- The building was run down and at a key point of Olde Town Arvada that the Architect believed has such character and potential.
- The architect has previous experience with redevelopment of smaller historic buildings in Olde Town and wanted to ensure this building was rehabilitated properly – maintaining the history and character of this landmark building.

What were the project goals?

A.L. Davis Building:

- To revitalize downtown, maintain it as an active center, and preserve the history
- "Planning to prepare this nearly-100 year old building for its next 100 years, at the same time enhancing/highlighting its character of the past 95 years." – Deborah Andrews

Who was/is involved?

- AURA and the City of Arvada have played a big role in becoming a Main Street Community and other downtown revitalization efforts
- Downtown was always important to City Council and the community
- Property owners and businesses

A.L. Davis Building:

- Owner: Davis Block LLC (Steven Howards and Deborah Andrews)
- Architect: Deborah Andrews, AIA
- General Contractor: Culligan Construction
- Tenants: Manneken Frites, Arvada Beer Company (more to come)
- Tenant Contractor: Alta Verde Building Solutions
- AEDA, AURA, Arvada Community Development, Arvada Building Department., Arvada Fire District (with support from city officials)

How was the project funded?

- Olde Town has benefited from various public investments such as: $1.1 million in street improvements to Grandview Ave., $2.5 million in street improvement to Old WadsworthBlvd., and $1 million redesign of Arvada Town Square
- The City of Arvada and its non-profit partners such as the Arvada Historical Society, have received and invested 6 State Historical Fund grants totaling $357,070 in various projects in Olde Town Arvada
- There has been increasing private investment

A.L. Davis Building:

- A.L. Davis building was mostly privately funded through the owner ("no commercial loans available in this economy!!" – Deborah Andrews)
- Requested $220,000 in loan and grant support from AEDA, AURA, and the city
- Governor's Energy Office Small Business Energy Efficiency program $50,000
- Hope to apply for State Historic Preservation tax credits

Project Results

Please describe the economic benefits of the project (quantitative of anecdotal information about number/type of jobs created, impact on local tax revenue, etc.). Are there any studies or reports that document the quantitative benefits of this project?

- State Historic Fund grants have leveraged over $1.3 million in private funding for the downtown area
- Olde Town Arvada has weathered the economic recession. Although the reporting area includes big box retail that is down the street, tax revenues have increased while other commercial areas have decreased.
- There are only 2 chain businesses in Olde Town Arvada – Udi's Handcrafted Food and Penzeys Spices – this may be attributable to the eclectic mix of buildings downtown including adaptively reused residential buildings
- Two significant private infill projects include "Grandview Plaza" and "Reno Place" by Landon Enterprises with assistance from AURA – this development is ½ block from RTD FasTracks commuter rail stop
- A recently completed merchant survey reported that 42% of merchants have from 10% to 20% of their clients as tourists (Kim Grant was unsure that "tourists" was defined clearly enough to get a true reading)

A.L. Davis Building:

- A two year project starting in the spring of 2010 and expected to be complete in the fall of 2011
- The storefront windows were upgraded with an insulated glazing system, brick similar to the original building was used, a new HVAC system was installed, and a fire sprinkler system was installed
- Arvada Beer Company, Manneken Frites, and other retail uses will occupy the ground floor of the building – two local businesses that hope to attract not only a local crowd but also throughout the metro area. "Both current tenants chose this building in large part due to its location in Olde Town, and to how its historic character would augment their businesses." – Deborah Andrews
- ¾ of the 1st floor tenant space is leased
- 3000 -5000 sq. ft. of 2nd floor office space is available and interest has picked up recently
- This restoration will have provided construction jobs for 24 months, and will provide jobs via the new tenants:
    - Manneken Frites anticipates having a stable staff of 5-7 people in one year
    - Arvada Beer Company

What other non-quantifiable results/benefits resulted from this project?

- The A.L. Davis rehabilitation involved working on multiple levels with city—AEDA, AURA, building department., community development, fire district, city officials, business entrepreneurs, and building trades

How has this project supported environmental sustainability?

- Old buildings have been reused
- Olde Town Arvada is a main street serving the local community potentially reducing miles traveled by car for services

A.L. Davis Building:

- New state-of-art HVAC system installed in the A. L. Davis Building that will conserve energy, reduce costs, and enhance comfort levels to occupants
- The storefront windows were upgraded with insulated glazing system
- Had intended to included more sustainable practices but unforeseen costs such as structural issues, prevented it

How has the project enhanced community well-being and culture?

- Olde Town Arvada has maintained the character of this authentic old downtown and maintained it as a central gathering place for the community
- The A. L. Davis Building will be a big draw for the public to come to Olde Town – it is a large commercial development at a key corner
- It is believed that this project will serve as the lynchpin for redevelopment in that area
- The building was virtually unchanged since the 1960s and this redevelopment included adding a sprinkler system that will serve the community beyond immediate building safety needs (it would provide a "bookend" to the entire block of historic, unsprinklered brick and wood frame historic & non-historic commercial buildings). The redevelopment also included structural repairs, ADA upgrades, and pluming electrical, and mechanical replacements and upgrades

Other Information

What are some of the most valuable lessons that you learned through the course of this project? What would you do again? What would you do differently?
Kim Grant's ideas for a successful downtown historic district:

1. Develop a preservation ethic and have a strong preservation ordinance or design guidelines
2. Have an organization to serve as a lead advocate for the downtown with paid professionals
3. It is the authenticity of the place that separates it from other commercial districts – the community planning ethic sets the stage for preserving a downtown or not

Do you have any additional websites, documents, reports, news articles, or quotations that you can provide about the project?

Arvada Beer Company: http://www.arvadabeer.com/
Manneken Frites: http://www.mannekenfrites.com/

"This is not a project with a beginning and an ending, you have to continue to work on it or you will lose momentum and the gains made over time." – Kim Grant

"Our building adds a lot to our concept of being an authentic Belgian Frites shop. The exterior brick and transom windows help give our shop a turn of the (20th) century look. This is something we could not achieve in new construction." – Chris D. Stromberg, Manneken Frites

3. Brush: Main Street Community

As concern grew about the vitality of downtown Brush, the city turned to a National Trust for Historic Preservation program and became a Main Street Community in 2001. The case study looks at how this small-town Chamber of Commerce utilizes the Main Street program as an economic development tool to revitalize downtown, encourage personal investment, and to help local businesses thrive. The Façade Grant program has spurred economic development through matching grants totaling in $74,451 of private investment. In addition, the chamber building, built in 1926, was rehabilitated utilizing $90,500 in State Historic funds and $140,500 in other grants.

General Information
Location: Brush, CO
Contact Information: Karen Schminke, Assistant City Manager and Building Official Ron Prascher, Chamber Executive Director Janet Krohn, past Chamber President, hair salon owner in a downtown historic building
Preservation Project Name(s): Downtown Brush – A Main Street Community since 2001
Project Background
Where did the idea for this project come from? • One of the main draws to downtown, the B & B Pharmacy, moved outside of downtown in 1997 and people began to notice that things were changing – there was a "save downtown" feel throughout the town • 2001 Brush became a Main Street Community after the Chamber of Commerce looked at two different programs: one offered by the Department of Local Affairs (DOLA) and the other run by Downtown Colorado Inc., the Colorado Main Street Program • The Main Street Program seemed to have more going for it – this is a National Trust for Historic Preservation program, run by DOLA, and funded through the State Historical Fund • As a result of becoming a Main Street Community, a market analysis and business strategy was completed in April 2003, and an architectural streetscape plan was completed in 2004 • The comprehensive plan update, in March 2008, was sure to include goals and policies relevant to the plans mentioned above (economic development and urban design elements)
What were the project goals? • Visual improvements to the downtown • To strengthen the businesses downtown and keep the downtown from vanishing • To someday attract visitors to downtown
Who was/is involved? • The business owners and the Chamber of Commerce wanted to be a Main Street Community, so they pushed the city to get the designation • The Chamber of Commerce now runs the Main Street Program – this is not typical of Main Street Communities but has worked well for Brush – the chamber uses this historic preservation tool as a means to strengthen their businesses downtown
How was the project funded? • City grants • Private investments

- The chamber building, built in 1926, utilized $90,500 State Historic funds and $140,500 in many other grants – and was rehabilitated in June 2004

Project Results

Please describe the economic benefits of the project (quantitative of anecdotal information about number/type of jobs created, impact on local tax revenue, etc). Are there any studies or reports that document the quantitative benefits of this project?

- The Façade Grant Program, established in 2007, began with 6 façade improvements (mostly signage) – max of $500 in matching funds from the city – this what not enough of an incentive
- In 2007, the Chamber requested the city to increase the grant to a max of $2,500 of matching funds per business
- The city has invested $18,201 while the business have invested $74,415 – this program has spurred economic investment
- The Chamber likes the applicant to have an architectural plan for the façade renovations. The Chamber now splits the $500 fee with the building owner to have a recently graduated architecture student from Colorado State University to develop the plan

What other non-quantifiable results/benefits resulted from this project?

- Has made downtown look better – a domino effect began once one building completed a façade improvement, others became interested
- Some businesses have made improvements on their own, without the assistance of the grant program
- City, Chamber, and Businesses have created a good relationship – the city looks better from working together
- The Economic Stakeholder's Committee, comprised of representatives from the county, city, chamber, school district, hospital, and college, meets monthly to work together on brining businesses to Brush – the initial meetings 2-3 years ago decided who should play what role in attracting businesses and developed a plan for doing so
- In small towns you can really see the benefits and improvements resulting from the program

How has this project supported environmental sustainability?

- Local businesses decrease the need to drive elsewhere for goods and services

How has the project enhanced community well-being and culture?

- Downtown has stabilized

Other Information

What are some of the most valuable lessons that you learned through the course of this project? What would you do again? What would you do differently?

- The grant offered has to be significant enough to make it appealing to businesses
- "All four points of the Main Street Program are vital to making it work – it is like a four cylinder engine, without one of the cylinders it won't work." – RonPrasher

Do you have any additional websites, documents, reports, news articles, or quotations that you can provide about the project?

Brush Chamber of Commerce; http://www.brushchamber.org/ "It is the Chamber's belief that local people should solve local issues."

"We still have a long way to go but Brush is starting to rejuvenate." – Janet Krohn

E. PRESERVATION AND SUSTAINABILTY

The following case studies serve as illustrations of how preservation has been used throughout Colorado to advance community sustainability. Each case study is summarized in a table that lists the relevant statistics, research, and information gathered from interviews with the appropriate preservation or sustainability officials. The case studies include the Emerson School Redevelopment in Denver, Steamboat Springs Sustainability Management Plan, Alliance Center for Sustainable Development, and San Juan County Historical Society's Shenandoah-Dives Mill Hydro-Power Project. The bulk of the information presented in each case study was gathered though phone interviews with key stakeholders. Additional information was found on project and city websites as well as within documents provided by the key stakeholders. Due to the varied nature of these projects, there is no formal method for continually tracking the data. However, periodic check-ins with the stakeholders may be beneficial.

1. Emerson School Redevelopment (Denver).

The historic 1885 Denver school will be the new home of the regional office of the National Trust for Historic Preservation, CPI, Historic Denver, and other nonprofits. The case study examines the evaluation and prioritization of strategies to reduce energy consumption in the redevelopment of a landmark historic building. The case study covers the "eco-charrette", initial planning, and future plans.

General Information
Location: Denver, Ogden and 14th
Contact Information: Jim Lindberg, Director of Preservation Initiatives, National Trust for Historic Preservation
Preservation Project Name(s): Emerson School Redevelopment
Project Background
Where did the idea for this project come from? • National Trust for Historic Preservation (NTHP) wants to set "a successful example and model for a sustainable historic rehabilitation" while working with a limited budget • The old Emerson School building was donated to the NTHP and will become the Colorado Preservation Center, housing the National Trust's Mountains/Plains Office, Colorado Preservation, Inc., and Historic Denver, Inc. – linking the local, state, and national preservation partners together • An eco-charrette was held to define sustainable goals and strategies • They are currently finalizing the detailed scope and budget • Construction began in late August 2011
What were the project goals? • To create a center for preservation • To be a force for revitalizing the neighborhood – as they have done in the past with Lower Downtown and the Downtown Historic District • To showcase how old buildings can be as energy efficient or even more efficient than a new building – a green building is using an old building because they utilize existing infrastructure, are typically located in the right place (with transit, sidewalks, etc.), and avoid producing more waste through the use of existing materials • The short term goal for the building is to reduce energy consumption by 30–50%; the long term

goal is to be net-zero by 2030, only using the energy they produce on-site. • To obtain LEED certification
Who was/is involved? • National Trust for Historic Preservation • Contractors, design professionals, users, and other important stakeholders were involved at the eco-charrette
How was the project funded? • The Emerson School building was donated by Capitol Hill Senior Resources, Inc. • A $1.8 million endowment was set up by a trustee of Capitol Hill Senior Resource, Inc., and was established specifically for the long-term maintenance of the Emerson School property. • A $500,000 grant from the State Historical Fund • A $20,000 grant from U.S. Bancorp • $100,000 challenge grant from the Gates Family Foundation, $75,000 from the Boettcher Foundation • More than $550,000 from private donors. • A $1.5 million loan from the Colorado Historical Foundation that will be paid back from the rent of all tenants • Is projected to cost $3.2 million to rehabilitate the school including landscaping improvements • Funding for this project is completely secured; however, the search for funds to further enhance the project is perpetual
Project Results
How has this project supported environmental sustainability? • Will reduce waste through utilizing an old building rather than building a new one • Will reduce electricity and natural gas consumption through high efficiency lighting appliances, natural ventilation, natural lighting, better insulation, restored and tightening original windows, and a geothermal HVAC system
How has the project enhanced community well-being and culture? • This project is hoped to spur revitalization within the Capitol Hill neighborhood – the NTHP has a history of assisting preservation and revitalization in their previous locations – Lower Downtown and Downtown Historic District. • Will serve as an example of sustainable historic rehabilitation • Will create a center for preservation nonprofits, including a shared conference center that wills serve as a center for preservation education activities and events
Please describe the economic or other quantitative benefits of the project (anecdotal information about number/type of jobs created, impact on local tax revenue, etc). Are there any studies or reports that document the quantitative benefits of this project? • The renovations of this building are projected to reduce energy consumption by 68,8000kbtu/sf/yr
What other non-quantifiable results/benefits resulted from this project? • Will create a center for historic preservation serving Denver and Colorado
Other Information
What are some of the most valuable lessons that you learned through the course of this project? What would you do again? What would you do differently? • Every real estate project has a unique set of challenges. In this case, transitioning from one mix of tenants to another turned out to be more difficult than expected.

Do you have any additional websites, documents, reports, news articles, or quotations that you can provide about the project? "This project will be a model of how to rehabilitate and adapt a historic building in a way that reduces energy consumption and aids in the revitalization of the neighborhood. We look forward to the success of this exciting project." – Mayor John Hickenlooper (http://www.preservationnation.org/issues/sustainability/emerson-school-project/about.html) "Preserving and re-using old buildings is sustainable because they are in the right place." – Jim Lindberg

2. Steamboat Springs Sustainability Management Plan

The case study focuses on the city's plan to advance sustainability in the internal operations of the City. The plan includes a special emphasis on the integration of historic preservation and highlights a few of the City's historic structures that have been subject to improvement under the plan's guidance.

General Information
Location: Steamboat Springs, CO
Contact Information: Steve Hoots, Facilities and Maintenance Manager Alexis Casale, Historic Preservation Planner
Preservation Project Name: City of Steamboat Springs Sustainability Management Plan A few facilities subject to improvement under the plan's guidance include Centennial Hall, Mesa Schoolhouse, and First National Bank/Rehder Building
Project Background
Where did the idea for this plan/project come from? • Initiative from the City's Green Team (multi-disciplinary team of City staff committed to integrating sustainability into City operations) • Opportunity for the City to lead by example to promote sustainability throughout Steamboat
Who was/is involved? • City's Green Team (see above) • Various community members and organizations • Brendle Group (project consultant)
How is the effort funded? • Costs of improvements to facilities are generally born by the City, although the City always seeks opportunities to leverage its money by pursuing SHF and other grants • Some projects have utilized performance contracting through the Colorado Governor's Energy Office (GEO)
What were the project goals? • Increase sustainability/performance/occupant comfort of City buildings while maintaining the integrity of the historic buildings • Serve as a leader to others in the Steamboat Community

Was preservation a primary focus/goal of the plan/project from the beginning? If not, when/how did it become part of the plan/project?

- Yes, the City owns 13+ historic properties, and so addressing how to improve performance of these facilities while retaining historic character was an early consideration in the development of the plan

Project Results

Please describe any specific historic facilities or projects that have been improved/renovated/ or constructed under the guidance of this plan.

- Centennial Hall / Carver Power Plant
  - Historic Power Plant (built in 1900) located across the street from City Hall
  - Centennial Hall was completed in 2001 as overflow space to City Hall and contains Council Chambers and other City offices
  - Adaptive reuse of the Carver Power Plant building using sustainability practices
  - New Centennial Hall building constructed to blend into the Downtown streetscape and complement the adjacent historic building
  - Existing sustainability practices are documented in the Sustainability Management Plan (http://steamboatsprings.net/documents/sustainability_management_plan)
  - The plan also identified additional opportunities to improve sustainability (energy, water, social) and nearly all of those improvements have occurred since the plan has been adopted
  - Improved energy efficiency has been a key priority including lighting and HVAC system improvements
- Other major projects include the First National Bank /Rehder Building and Mesa Schoolhouse
  - Decreased operation costs, and improved comfort and weatherization are key elements of these projects
  - Rehder building improvements include roofing replacement/insulation, truss replacement; phase 1 rehabilitation included masonry restoration, window restoration/refinishing, and structure reinforcement
  - Mesa Schoolhouse improvements include window restoration

What are some of the environmental benefits/outcomes that have resulted from this effort?

- Increased energy efficiency
- Water conservation (through low-flow/composting toilets, etc.)
- Reduced waste through use of existing facilities (vs. new construction)

What are some of the economic benefits/outcomes that have resulted from this effort?

- Reduce life-cycle costs (sometimes larger upfront costs offset by reduced operations/maintenance costs)

What other social and/or non-quantifiable results/benefits resulted from this effort?

- Improvements to the facilities (existing and future) help to reduce the operating costs of the facilities, thus reducing the utility bills for tenants such as the Steamboat Springs Arts Council (Steamboat Springs Depot Building), and Steamboat Art Museum (First National Bank /Rehder building) – further reductions will allow these organizations to invest more of their money into programming (to increase/support cultural/heritage activities and tourism)
- Preservation of the City's history and character (sense of authenticity - tourist appeal)

How do you evaluate and address the costs associated with preservation vs. new construction? Do you look at up-front costs, life-cycle costs, or both?

- Must look at life-cycle costs. Generally the City will make an investment if the payback period is less than or equal to 10 years.
- Funding for longer-payback improvement projects can be difficult to find (although some GEO assistance has helped) (opportunity for more SHF grant assistance to assist with projects that will

increase efficiency and reduce operation/maintenance costs of historic facilities?) • We would like to see SHF fund projects that increase energy efficiency and sustainability.
Other Information
What are some of the most valuable lessons that you have learned through the course of this plan/project related to integrating sustainability and historic preservation? What would you do again? What would you do differently? • Looking at life-cycle costs is key to improving City facilities (both historic and newer buildings). Short –term costs often drive decisions, but looking at the life cycle costs shows that savings can be made over the long-term with some increased initial investment utilizing the best materials. • Many of the historic buildings have stood the test of time due to their use of quality materials, and offer character that is not seen with newer buildings. Many of the problems with historic properties result from deferred maintenance, not the structural integrity of the buildings. • Regular maintenance of facilities is key (both historic and newer buildings). A plan for the long-term and regular maintenance of facilities helps to keep them in working order and reduce unexpected issues/necessary improvements. • Proper maintenance, including sustainability practices, keeps operating costs down and helps to justify not removing historic buildings. • Creating a sustainability management plan is imperative for implementation and for all parts of sustainability to work together. • Historic buildings need to be looked at holistically rather than just for their historic structures – including energy efficiency.

3. Alliance Center for Sustainable Development (Denver)

Located in Denver's Lower Downtown (LoDo), the Alliance Center is home to an unusual collaboration of nonprofit organizations, all of which are focused on enhancing sustainable development in Colorado. Currently the center is focused on planning for major energy retrofits to "plan for a net zero future." The Alliance Center's historic physical building also demonstrates how sound building design and technologies create healthy workplaces and reduce environmental impacts.

The Alliance is an anchor of the "Living City Block," which is a "multi-phased redevelopment project that will prove the case for making our cities radically more resource efficient, one block at a time." The project involves a "hyper energy retrofit" on an entire city block (16 buildings, 40 property owners, 633K+ sq. ft.) to serve as a model for the surrounding community. There are numerous historic buildings on the block. The project is intended to demonstrate a sustainable business model and economic development opportunity at the block scale, with the ultimate goal of providing a sustainable business model that can be replicated throughout the city, the country, and in large urban centers around the world.

General Information
Location: Denver, 1536 Wynkoop Street
Contact Information: Phillip Saieg, Alliance Center Director
Preservation Project Name: Alliance Center for Sustainable Development (Alliance for Sustainable Colorado)
Project Background
Where did the idea for this project come from? • Alliance for Sustainable Colorado and a handful of other nonprofit groups got together to

collaborate using office space in this building. They then decided that it would be financially beneficial to own the building – as a nonprofit owning the building they do not have to pay property taxes and can charge below market-rate rent

- Alliance for Sustainable Colorado purchased the building in 2004 with help from donors and foundations
- They wanted to not only preach sustainability but also practice it through a green building
- They rent office space to other nonprofits that focus on sustainability issues
- The idea was to co-locate to have a stronger impact – this also allows for shared resources – it is proven that "organizations in shared spaces experience significant improvements in their overall effectiveness and efficiency, which ultimately yield greater impacts for the communities they serve." (Measuring Collaboration, The Benefits and Impacts of Nonprofit Centers by Mt. Auburn Associates)
- The downtown building location allows quick access to other facilities, like the State Capitol

What were the project goals?
From the website:

- Create a gathering place for leaders in sustainability from across the state
- Provide a showcase of green construction in a rehabilitated historic building
- Help organizations achieve greater efficiencies by providing stable, healthy, financially favorable, and secure office space
- Improve communications and opportunities for collaboration

Who was/is involved?

- Alliance for Sustainable Colorado
- Began with about 5 other nonprofits and now includes 35 tenants and 3 virtual tenants

How was the project funded?

- A State Historical Fund grant funded the Historic Structure Assessment and preservation plan for the 1908 building
- Foundations and Donors, including:
  - Grant from the Governor's Office of Energy Management and Conservation
  - Grant from a local solar company: Namaste Solar
- Participated in the Demand Side Management program run by the local utility provider

Project Results

How has this project supported environmental sustainability?

- Was the first historic building in the country to earn two LEED certifications, one for Existing Building (Gold) and the other for Commercial Interiors (Silver)
- The Alliance Center gives about 1,000 tours annually to show off the green building. The main themes used to categorize the sustainable practices are those used by the U.S. Green Building Council.
- Energy consumption was reduced by 22% since 2004
- Some of the features include:
  - Efficient water fixtures
  - Energy efficient light fixtures and sensors – reducing energy usage by about 40% and paying for itself in about 2.5 years
  - Window tinting and shades
  - A 2.04kW rooftop photovoltaic array
  - Sustainable materials like bamboo, reclaimed wood, and low VOC paints
  - A recycling program, green cleaning products, and all energy used comes from wind energy
- One of the tenants is Living City Block, a non-profit that is working to "develop and implement a working model of how one block within an existing city can be transformed into a paradigm for

the new urban landscape" through greening an entire city block. The hope is to serve as a model for the surrounding community and the quickly urbanizing population. The pilot project is a block in Lower Downtown Denver including about 16 buildings, 40 property owners, and more than 633,000 square feet of space. There are many specific sustainability goals including reducing VMT by 50% by 2016, raising property values, and improving well-being.

How has the project enhanced community well-being and culture?

- Now serves as office space for nonprofits dealing with sustainability issues – thus continuing to promote sustainability
- The Alliance Center is open for free self-guided tours daily and guided tours monthly, serving as an example of sustainable practices in offices and homes
- This renovation turned an underutilized property into a more efficient and lively use

Please describe the economic or other quantitative benefits of the project. Are there any studies or reports that document the quantitative benefits of this project?

- Energy consumption was reduced by 40% just by changing out the light fixtures
- More efficient water fixture models have reduced water consumption by 84%
- A direct digital control system (for heat and air) reduced electrical consumption by 10-30%
- $200 per year is saved by not chilling the drinking fountain water
- Other facts can be found on the website at: http://sustainablecolorado.org/alliance-center/building-features-tour

What other non-quantifiable results/benefits resulted from this project?

- The nonprofits get more done by co-locating
- The tour offered by the Alliance Center brings in people who want to learn about specific green building practices; in turn, these people are exposed to the tenant's nonprofits and partnerships are formed. The green building tour "is the honey that attracts the bees" as Phillip Saieg explained
- Alliance for Sustainable Colorado has started a policy department to further promote sustainability as well as an education and outreach program
- The Alliance Center has become a leader in green building

Other Information

What are some of the most valuable lessons that you learned through the course of this project? What would you do again? What would you do differently?

- Collaboration among these nonprofits has proven to be very successful
- This hub of sustainability nonprofits is made better by the green building

Do you have any additional websites, documents, reports, news articles, or quotations that you can provide about the project?

Alliance for Sustainable Colorado: http://sustainablecolorado.org/

Living City Block: http://www.livingcityblock.org/

"We really wanted to walk the walk" – Phillip on getting greening the building

"Creating a more sustainable future for our planet hinges on our ability to collaborate, and face our biggest challenges – not the least of these being inefficient building stock." – Phillip Saieg

4. San Juan County Historical Society's Shenandoah-Dives Mill Hydropower Project

The case study focuses on the construction of a small-scale hydroelectric power plant at the historic Shenandoah-Dives Mill. The purpose of the hydroelectric installation is to produce clean energy on-site in order to offset the high electric bills at the mill and to make the mill more profitable as a historic tourism destination and the site more feasible as a business incubator location.

General Information
Location: San Juan County, on the Shenandoah-Dives Mill site, west side of the Animas River
Contact Information: Beverly Rich, a volunteer for San Juan Historical Society for more than 35 years, also the San Juan County Treasurer David A. Singer, Principal at Silverton Restoration Consulting, Preservation Specialist Consultant for the San Juan Historical Society
Preservation Project Name(s): Shenandoah-Dives Mill Hydro-Power Project (also known as the Mayflower Mill)
Project Background
Where did the idea for this project come from? • The San Juan County Historical Society (SJCHS) owns the water rights – they were part of the mill donation from the Sunnyside Gold Corporation, which is now a National Historic Landmark • The failing water supply pipeline needed to be repaired – this is the water supply to the mills and the business incubator site • This project will display how mills all over the San Juan Mountains historically used hydroelectric power • The plant will create power to help operate the mill • This project links historic preservation with newer sustainability goals
What were the project goals? • Preserve heritage and link it to the future • Environmental sustainability • Support the high electric bills of the Shenandoah-Dives Mill and make the business incubator site more feasible
Who is involved? • San Juan County Historical Society • San Juan County • Engineer Mountain Engineering • Fullmer Construction • Silverton Electric • Grand River Institute • Telluride Energy LLC • Funders listed below
How was the project funded? • $105,000 grant from History Colorado (formerly known as the Colorado Historical Society) – one of their first efforts of their sustainability initiative • $30,000 from the SJCHS • $20,000 from the U.S. Department of Agriculture's Rural Energy for America Program

- $10,000 from the Colorado Water Resources and Power Development Authority
- $4,500 from the Colorado Division of Reclamation, Mining and Safety
- $5,000 from Telluride Energy LLC who will to install the 8-kilowatt micro-turbine

Project Results

How has this project supported environmental sustainability?

- Will produce clean energy from renewable resources – projected reduction of over 300,000 pounds of carbon emissions per year. Extra clean energy will be sold back to the coal burning plants to reduce their carbon footprint
- Will enhance fire protection

How has the project enhanced community well-being and culture?

- Will provide an additional attraction to the mills tours showing both aspects of the mineral extraction industry
- Will allow the National Historic Landmark to continue to operate, contributing to the heritage tourism economy of San Juan County and the history of mining and milling

Please describe the economic benefits of the project. Are there any studies or reports that document the quantitative benefits of this project?

- Will provide jobs for locals and use the in-house preservation crew originally made up of ex-miners to help with construction
- Will offset the $600-a-month electricity bill the SJCHS now pays to keep the lights on at the Shenandoah-Dives Mill, thus maintain the current mill tours offered in the summer
- Will allow the businesses of the incubator site to operate, in turn contributing to the economy of the County
- Will re-train the preservation crew on hydroelectric power and thus increase the efficiency of building hydroelectric plants in the future (and build a skilled workforce for other future projects)
- This project is just beginning, there may be more economic benefits once the project is completed

What other non-quantifiable results/benefits resulted from this project?

- It will serve as a regional model for installation of micro-hydro power and increase awareness of this technology
- Will serve as a model for multiphased engineered projects
- Will set the standard for the Historic American Engineering Record documentation of Mill structures in Colorado and the U.S.

Other Information

Do you have any additional websites, documents, reports, news articles, or quotations that you can provide about the project?

http://www.silvertonstandard.com/news.php?id=231
http://denver.yourhub.com/Littleton/Stories/News/General-News/Story~856151.aspx

"We're finally getting back to using hydropower, a non-polluting energy source which was commonplace in the Rocky Mountains a hundred years ago." - Beverly Rich

F. OTHER STUDIES OF THE ECONOMIC BENEFITS OF PRESERVATION

The following recent studies were reviewed for purposes of understanding how other states and communities have measured the economic benefits of preservation.

1. Good News in Tough Times: Historic Preservation and the Georgia Economy

By: Georgia Department of Natural Resources, Historic Preservation Division and PlaceEconomics
Date: September 2010
Prepared for: Georgia Department of Natural Resource, Historic Preservation Division
Quotes:

- "Historic preservation in Georgia has been adding jobs, increasing property values, spurring investment, and generating income. During the last decade
  - Over 10,000 jobs have been created through the rehabilitation of historic structures.
  - Those jobs have meant $420 million in household income for Georgia citizens.
  - 5,100 net new businesses have opened their doors in Georgia Main Street and Better Hometown downtowns.
  - Businesses in those downtowns have added 23,000 net new jobs.
  - Historic preservation have effectively leveraged scarce local dollars through the effective use of federal programs for transportation, local government, and heritage tourism.
  - Every year the heritage portion of Georgia's tourism industry sustains 117,000 jobs, generating nearly $204,000,000 in wages, and $210,000,000 in local tax revenues.
  - The non-profit sector, from the Georgia Cities Foundation to the Garden Club of Georgia, Inc., to the Fox Theatre, have seen the wisdom of having their resources in historic preservation. " (page2)
- "Between 93% and 97% of the visitor expenditures don't go to the assets that attracted them, but to the restaurants, hotels, shops, and transportation that serve them." (page 8)
- "Times are tough, and historic preservation alone will not end an economic recession. But through job creation, visitor attraction, neighborhood stabilization, downtown revitalization and a myriad of other impacts, historic preservation is helping Georgia weather this economic storm." (page 29)

2. The Economic Impact of Historic Preservation in Southwestern Pennsylvania: Jobs that Cannot be Outsourced

By: Young Preservationist Associates of Pittsburgh
Date: May 2010
Prepared for: The Pennsylvania Works! Campaign
Quotes:

- "Ultimately, this report is about choices: the choices that we as a region must make to maintain the integrity of our cultural, historical, and architectural treasures. If we do nothing, then we have made a choice to let chaos reign and watch more irreplaceable historic buildings become piles of rubble, But if we take steps to understand, appreciate, and preserve our history, then we position ourselves for a brighter future." (page 3)
- "YPA's Slogan, *Give lie to history*®, is rooted in the belief that historic preservation is more than creating museums. It involves bringing back to life old structures through restoration, adaptive reuse, and creative renovation. It also means injecting new life into an older neighborhood by construction new structures that complement the existing community fabric and allows for pedestrian interaction." (page4)

3. Historic Preservation's Impact on Job Creation, Property Values, and Environmental Sustainability

By: John Gilderbloom, Matthew Hanks, Joshua Ambrosius, and the School of Urban and Public Affairs, University of Louisville
Date: 2009
Prepared for: Preservation Kentucky, Inc. and the Journal of Urbanism
Quotes:

- "A sustainable neighborhood is, by default, a historic neighborhood designed before the invention of the automobile or air conditioning. The layout of these neighborhoods placed stores, churches, schools, jobs, and recreation in close proximity to one another. Houses were designed with high ceilings, transoms, and operable windows, which now provide contemporary residents with and energy-conscious alternative to modern heating and cooling systems. These types of neighborhoods have lasted from past generations to the present and will allow future generations to live, work, and play there." (page 13)
- "A sustainable neighborhood is one that preserves the past for the present and future generations. Restoring these beautiful buildings is an important environmental act. Historic preservation is a natural ally of environmentalism, which provides residents the opportunity to reduce their carbon footprint by refraining from excessive automobile and high-cost energy use. (page 13)
- "…best green house is an old house that lies within a functioning historic downtown neighborhood." (page15)

4. Economic Impacts of Historic Preservation in Oklahoma

By: Preservation Oklahoma, Inc. and Center for Urban Policy Research at Rutgers University
Date: 2008
Prepared for: Preservation Oklahoma, Inc.
Quotes:

- "Based on multi-year averages and expressed on an annual basis as of 2007, these items [rehabilitation of structures, heritage tourism, and the Main Street program] together comprise a total of $357 million annually in direct spending. This spending creates over 8,000 jobs within Oklahoma that generates $460 million in output, $166 million in labor income, $243 million in gross state product (GSP), about $194 million to the state's total wealth (in-state wealth, which encompasses GSP less federal taxes) and $25 million in Oklahoma state and local taxes." (Study Objectives and Organization – Summary Exhibit 1) (page 8)
- "From 1978 through 2007, cumulative investment in Oklahoma-based ITC [Investment Tax Credit] was $507 million while the cumulative Oklahoma Main Street investment from 1986 through 2007 was $885 million. (All cumulative dollar values are expressed in 2007 inflation-adjusted dollars.) Combined, the programs have generated nearly $1.4 billion in direct historic preservation spending (in today's dollars) since their inception; those investments have created nearly 35,000 jobs statewide in Oklahoma, contributing $1.9 billion in output in Oklahoma, $1.1 billion GSP, $783 million in income, $888 million in net wealth to Oklahoma (GSP less federal taxes, and a cumulative $102 million in Oklahoma state and local taxes." (Study Objectives and Organization – Summary Exhibit 2) (page 8)

5. Preservation at Work for the Nebraska Economy

By: The Center for Urban Policy Research at Rutgers University and the Bureau of Business Research, University of Nebraska-Lincoln
Date: 2007
Prepared for: Nebraska State Historical Society
Quotes:

- "The results indicate that historic preservation draws ownership into historic districts and protects investment in real estate." (page 10)
- "A particular success in historic rehabilitation is the creation of housing. Historic Preservation contributes to Nebraska's housing stock, including a substantial number of units for low- to moderate-income residents and the elderly." (page 16)

6. A Profitable Past: The Economic Impact of Historic Preservation in Arkansas

By: The Arkansas Historic Preservation Program and Center for Urban Policy Research at Rutgers University
Date: 2006
Prepared for: The Department of Arkansas Heritage, Arkansas Historic Preservation Program
Quotes:

- "Roughly 16% of all tourists in Arkansas will visit a cultural or historic site. These tourists spend up to 30% more than the average tourist and contribute $890 million to Arkansas's economy each year. Heritage tourism supports more than 21,500 Arkansas jobs annually." (page 3)
- "… the benefits from the thousands of visitors who now, knowing more about Arkansas's history and feeling more pride in the state, ultimately decide to live and work in the state, develop or expand businesses, refer others to visit, and so on." (page 28)

7. New York Profiting Through Preservation

By: Donovan D. Rypkema, with assistance from the Preservation League of New York State
Date: 2002
Prepared for: Preservation League of New York State
Quotes:

- "Many of us appreciate the historic places in New YorkState that have been preserved, but historic preservation does much more than just enhance our quality of life. It also contributes hundreds of millions of dollars annually to New York's economy. Tourism, construction, housing, transportation, films, arts and culture, education, community development – they all create jobs, genera taxes, enhance property values, and add to household incomes. In New York, historic preservation is central to each of these industries." (page 2)
- "Historic preservation in New York is no longer an end in itself. Today it is an effective vehicle for meeting important community goals." (page 2)
- "Approximately 80,000 properties in New York State are on the National Register of Historic Places. They inspire community pride and provide opportunities to investors." (page 9)
- "State-of-the-art preservation efforts stand for smart growth. These efforts shatter the misperception that preservationists are reactionaries who are opposed to any kind of change. The preservation movement now encompasses efforts for open space protection, the containment of urban sprawl, saving scenic highways, and promoting economic growth." (page 27)

The table below summarizes the topics addressed in the recent similar studies mentioned above as well as the topics covered in this study. A check mark (√) indicates that the specific topic listed in the top row was meaningfully discussed within the study listed in the column on the left. As the table indicates, this study attempts to be as comprehensive as possible, covering applicable topics as discussed in other similar studies.

	Topic									
Study Location	Tax Incentives & Credits	Job & Wage Benefits	Grants& Other Programs	Heritage Tourism	Main Street & Similar Programs	Property Values	Housing	Sustainability	Tax Revenues	Other Assorted Topics Discussed
Georgia	√	√	√	√	√				√	Georgia & National Parks, Downtown Revitalization
SW Pennsylvania	√	√			√		√		√	Business Development
Louisville, KY	√	√		√	√	√		√		
Oklahoma	√	√		√	√	√			√	
Nebraska	√	√		√	√	√	√		√	Community Revitalization
Arkansas	√	√	√	√	√	√			√	
New York	√	√		√			√			Arts and Culture
Colorado	√	√	√	√		√		√	√	