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# Historic Preservation as Part of Downtown Redevelopment

*For decades nonmetro downtown business districts have faced pressures from shopping center developments and stagnating economic bases. Some communities are using historic preservation to help rejuvenate their "Main Streets." The economic benefits of historic preservation activities are difficult to measure, but most efforts have at least improved the appearance of downtown buildings. Community leaders often report increased community pride and cohesiveness as benefits of historic preservation.*

**T**HE economic prosperity of many "Main Streets" in nonmetro cities has declined during the latter half of the 20th century. The decline was brought on by several forces including the increase in long distance shopping as transportation and marketing networks rapidly evolved and the decline in rural population as agricultural productivity increased and some manufacturing activities moved to other areas or overseas. Some communities faced with losing downtown businesses are incorporating historic preservation in their economic redevelopment efforts. The direct economic benefits of restoring storefronts and other historic preservation activities are hard to measure. The wide array of organizations involved in historic preservation, the tax breaks for preservation efforts, and the number of historic preservation activities nonmetro communities have undertaken, however, suggests that it is a useful part of redevelopment strategies.

## **Is Historic Status Necessary to Use a Historic Preservation Redevelopment Strategy?**

Before a community can use historic preservation as a basis for downtown redevelopment, it must determine whether its downtown area contains a historic district. Failing this, the question becomes whether there are significant historic properties in the downtown. Determinants of historic significance include the age of the buildings, the quality of the structures, the continuity

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within the district, and the role the buildings played in the history of the community. Buildings less than 50 years old, for example, generally will not be considered for historic status. The National Register of Historic Places administered by the U.S. Department of the Interior, makes the determination of whether or not to confer historic status on a downtown area or building that has applied for status. Historic designation carries no legal constraint on owners of the structures except where State and local laws are in effect.

In 1994, the National Registry listed 62,000 districts, sites, buildings, structures, and objects that are significant in American history, architecture, archeology, engineering, and culture. Between 6,000 and 10,000 are historic districts. Anywhere between five and thousands of buildings are in each historic district. All the towns seriously pursuing historic preservation as a part of their economic development strategies either have obtained or are pursuing certification by the National Registry.

Two main reasons exist for applying for historic designation. First is the prestige factor. Official historic designation brings with it a sense of stature for the community and can be used as a selling point for economic development. Second are tax advantages for building owners. The Tax Reform Act of 1976 established the tax break. Subsequently, the Tax Reform Act of 1986 reduced the tax break, but still gave an investment tax credit of up to 20 percent of expenditures for rehabilitation on certified

Georgetown, SC, created a mural and park at the old harbor in the center of its historic downtown.

historic buildings and up to 10 percent on nonhistoric buildings.

#### Steps in Downtown Revitalization

Historic preservation of main streets never relies solely on remaking the facades along main street. In conjunction with historic preservation, other tools are often used to encourage downtown revitalization. Common among these tools are

- workshops for downtown merchants on topics such as merchandising and marketing techniques,
- technical assistance for entrepreneurs and property owners on subjects such as writing a business plan, making loan applications, and using computers for business,
- public property improvements for downtown assets such as streets, street signs, street lights, parking spaces, and landscaping,
- incentives to encourage private property improvements such as low interest loans,
- community chamber of commerce working with downtown merchants and local media for the promotion of the downtown area, and
- collaboration among downtown merchants for joint promotions.

Historic preservation efforts are also influenced by the more active private-public partnership environment between community leaders and merchants now developing in many communities. The private-public partnerships have developed business plans for their downtown areas and often hire the downtown version of a mall manager. Actions chosen by the partnerships are market-driven and based on analysis of market trends. Among those actions are

- converting vacant buildings into business "incubators,"
- establishing a business retention and expansion program,
- developing regional cooperation to bring new industry into regional centers,
- forming cooperatives to restore local stores and services,
- encouraging homegrown industries through equity financing,
- establishing local development corporations to purchase vacant buildings for rehabilitation and reuse,
- increasing training and capacity building for local



leaders and entrepreneurs,

- "borrowing" county or State staffers to get counseling and advice,
- obtaining funds for town improvements through such programs as the U.S. Department of Housing and Urban Development's Community Development Block Grant program, and
- promoting local and regional tourism.

#### Many Public and Private Organizations Are Involved in Downtown Preservation Efforts

Communities for centuries have made great efforts to record their history, build monuments and buildings, and maintain their stock of historically significant downtown buildings and artifacts for future generations. Many community actors now play a role in the historic preservation of downtown areas.

State, county, and local historical associations participate in efforts to preserve the historic fabric of their communities. For the 200th anniversary of Gallipolis, OH, for example, the Ohio Historical Society helped with the efforts to restore downtown storefronts.

A 1985 survey of the Extension Service at land-grant universities found that 30 Extension Services, including one 1890 Cooperative Extension Program, were engaged in downtown appearance and renovation activities (Honadle). Twenty Extension Services took part in programs aimed at historic preservation. The activities included downtown improvements in South Carolina, a community revitalization program in Wisconsin, a program for park and recreation improvements in communities in Colorado, and a housing and townscape program in Washington. The Extension Service provides counseling and workshops, trains agents, produces publications, and develops audiovisual materials for smalltown main street redevelopment.



Brunswick, GA, uses a farmers' market to bring people to its historic downtown area.

Purdue University's Community Development Extension Program, in an effort to revitalize small towns' main streets, teams business and education (Schuette). Student interns from the University's fourth year architectural, urban, and regional design courses are hired as unpaid consultants by participating towns to support local efforts at downtown redevelopment.

The most universally recognized program for historic preservation and redevelopment of main street, the Main Street Program, was born at the end of 1975 in the Midwest Regional Office of the National Trust for Historic Preservation in Chicago. The program focused on the historic preservation of small towns' central business districts, their "main streets." In 1977, pilot programs of the Main Street Project were begun in three towns—Galesburg, IL, Hot Springs, SD, and Madison, IN—chosen from 69 applicants.

In 1980, the National Trust for Historic Preservation, building on the experience gained from the Main Street Project, started the Main Street Program and established the National Main Street Center. The center helps and advises communities throughout the Nation in their attempts to conserve and rehabilitate their historic commercial buildings. Although the title implies that they are focused only on the main street of a small community, they focus on a community's entire historic central business district. By 1993, over 850 towns and 35 States were in the program. Communities may join even if their State is not participating.



Bed and breakfast inns, such as this one in Lock Haven, PA, are often part of downtown redevelopment efforts.

The Main Street Program builds upon a four-point approach, tailored to local needs and opportunities. The four points proffered by the National Main Street Center essentially are:

- **Design:** Enhancing the physical appearance of the commercial district by rehabilitating historic buildings, encouraging supportive new construction, and developing sensitive design management systems.
- **Organization:** Building consensus and cooperation among the many groups and individuals who have a role in the revitalization process.
- **Promotion:** Marketing the traditional commercial district's assets to customers, potential investors, new businesses, local citizens, and visitors.
- **Economic Restructuring:** Strengthening the district's existing economic base while finding ways to expand it to create and take advantage of new opportunities.

#### **Does Historic Preservation Contribute to Redeveloping Downtown Economies?**

Revitalization of main streets can have a positive economic effect for the same reason that major department store chains find for improving their stores with facelifts—remodeling many times attracts customers. For example, K-Mart is pursuing a \$3 billion program to either spiff up or replace older stores and has reported that sales have risen 6 percent at refurbished stores while they have fallen 1 percent at older stores.



The historic mainstreet by the old train depot in Raton, NM, is coming back to life with many specialty shops.

Measuring the economic effects of historic preservation efforts on main streets poses significant challenges. Data, if available at all, are usually for the entire community or county. Economic activity in downtown historic districts is almost never measured separately from economic activity in adjacent nonhistoric districts, on the outskirts of town, or along main arteries of the community's road system. Analysis, therefore, must rely on observation and interviews.

To look into the economic effects, I visited over 100 communities that had pursued some form of historic preservation in their efforts at downtown redevelopment. The towns had mixed results from their endeavors; business activity increased in some downtowns, was stabilized in others, and continued to decline in still others. Among the towns I visited, a few of the notable historic preservation and economic redevelopment efforts were:

- In Galesburg, IL, the downtown began a sharp decline during the 1970's after a mall was opened outside of town at nearly the same time the regional economy went into the doldrums. The community's efforts at downtown redevelopment helped stabilize at least part of the historic district, although there are still a significant number of empty storefronts. They were unable to prevent losing their downtown retail anchors to the mall, but some buildings in the historic district were successfully renovated and put back in use. The crowning achievement has been the recent \$2 million restoration of the Orpheum Theatre.

- In Madison, IN, the antecedents for historic preservation came with the founding of the Jefferson County Historical Society in 1850. Like many communities in the

1970's, Madison gained a shopping center and commercial strip outside the historic district. The community, unlike Galesburg, however, was experiencing increasing economic activity at the time. Historic preservation (as well as the community's participation in the 3-year Main Street Project) was credited with helping stabilize the downtown economy and slowing the movement of establishments to the commercial strip. Two years ago the community joined the Main Street Program.

- In Hot Springs, SD, the historic district began to decline in the 1960's. The community was founded in the late 19th century as a health spa, but now serves as the county seat and as a commercial center for ranching, mining, and recreation activities. Many buildings in the historic district come from the turn-of-the-century health spa era. The conversion of the historic Evan's Hotel to a retirement home was the crowning achievement of the 3-year Main Street Project. Today, the historic district mostly houses business and personal services, such as lawyers' and realtors' offices. Gradual work is taking place at rehabilitating buildings and improving the ambience of the downtown.

- In Bisbee, AZ, where the downtown began to decline after the regional copper mines closed during the 1970's and sent the regional economy into a depression. The community, however, began to recover with the influx of migrants. Like the rest of the Southwest, most of the new year-round residents come from California. Efforts at historic preservation have helped the community develop a recreation and tourism economy and attract retirees and new migrants. The ambience of the historic district has also attracted movie companies and morning network newsmagazine shows.

#### Location Predisposes Some Communities' Historic Preservation Efforts to Succeed

No "Golden Rule" can be applied to determine which communities pursuing historic preservation are likely to see significant increases in business activity. Nevertheless, some types of communities are more likely to succeed than others. Communities in regions with strong economic growth potential have better than average chances for success. All regions in the country experience swings in the business cycle, however. A recession can deal a death blow to downtown businesses that have invested too much and carry too much debt. Many retail and related development projects failed during the 1980's recessions.

Historic preservation efforts also have better than average chances of being accompanied by economic growth when the community has good tourism potential. Hot Springs, SD, relies on continued use of its hot mineral springs, the nearby recreational areas, and its historic Mammoth site.



The restoration of the Orpheum Theatre in Galesburg, IL, is the crowning achievement of the community's historic preservation effort and an important cog in the redevelopment of the downtown.

Hot Springs, AR, banks on its National Park designation, being one of President Clinton's hometowns, and closeness to recreational areas. Madison, IN, helps its cause by putting on various festivals and tours of historic homes. Harper's Ferry, WV, relies on its National Historic Park designation and its closeness to Washington, DC. Raton, NM, relies on the growing popularity of the State as a tourist and retirement destination. Gambling also has become an agent for economic growth while preserving historic buildings in some Western towns, such as Deadwood, SD.

Other types of communities that may have good chances of blending historic preservation activities with economic growth include those that are retirement destinations, local trade centers, or college towns. In these cases, either the community is in a region currently attracting people and the community then attracts its share or the community itself has locational advantages giving it a competitive advantage in attracting economic activities.



Events, such as this arts and crafts sale, are a critical part of the effort to maintain the historic downtown of Madison, IN.

### Conclusion

Rural communities need three local ingredients if they hope to see their historic preservation and general redevelopment efforts succeed. First, local commitment is a must. Redevelopment of communities cannot be conducted by an external agency. Federal, State, and private agencies can help, but local initiative is crucial for the long-term health of the community. A dedicated local leader with support from key members of the community drawn from such sources as businesses, schools, and social organizations constitutes the foundation of local initiative.

Second, a feasible and sustainable strategy must be determined and implemented by the community. Widely divergent goals often have led to failure. Pursuing impossible strategies leads to attitudes of defeatism and the fracturing of communities.

Third, the community must persevere. The process of redevelopment is a long and arduous task. Many efforts succeed over the long term, such as 5 or 10 years, showing no results in the short term. The development effort must be able to sustain support within the community and recruit new members to the team effort.

What is the purpose of a historic preservation program? To spur redevelopment? To control redevelopment? It has been used for both. Preservation programs have only been successfully implemented and completed with sufficient local support. There is no evidence that historic



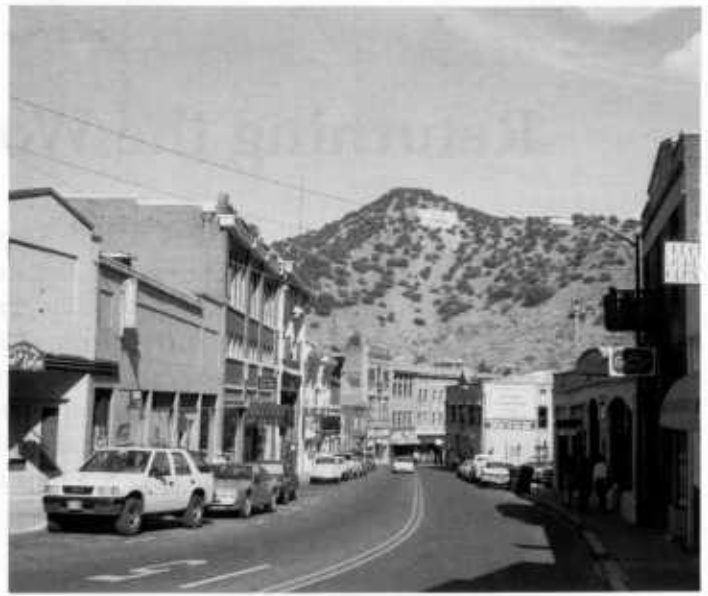
Antique shops and art galleries, such as these in Hot Springs, SD, form an important part of the retail activities in many historic downtowns.

preservation programs can create and sustain growth on their own. Growth depends on historic preservation being part of broader redevelopment efforts and on the climate for growth in the region. However, in several interviews, I found that community leaders felt their communities had gained a sense of identity and pride from their historic preservation efforts, regardless of the amount of growth that followed.

#### Further Reading . . .

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