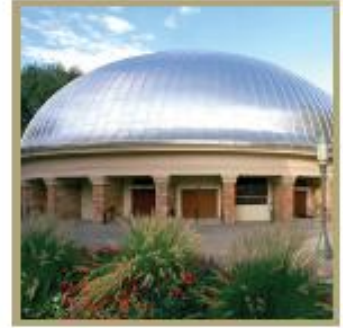


# PROFITS THROUGH PRESERVATION

## The Economic Impact of Historic Preservation in Utah

EXECUTIVE SUMMARY

Jobs and Income  
Heritage Tourism  
Property Values  
Sustainability  
Downtown Revitalization  
Fiscal Responsibility



 U T A H  
 H E R I T A G E  
 F O U N D A T I O N

Historic preservation in Utah is not about putting a fence around monuments. The historic resources of Utah are part of the daily lives of its citizens. However, the historic resources of Utah are also providing a broad, significant contribution to the economic health of this state.

### JOBS AND INCOME

Rehabilitating a historic building in Utah reclaims an asset and is also a powerful act of economic development that creates jobs, household income, and property value.

Because of the labor intensity of rehabilitation and the relatively high wages for workers, very few industries create more jobs and household income for Utah workers per \$1 million of economic activity than historic preservation.

\$1,000,000 INVESTED IN REHABILITATING A HISTORIC BUILDING IN UTAH MEANS:	
Direct Jobs	10.2
Indirect Jobs	7.5
Direct Salary & Wages	\$536,894
Indirect Salary & Wages	\$310,660
Economic Activity Elsewhere in the Economy	\$998,772
Indirect Business Tax	\$12,127
State Sales Tax	\$22,090

### FISCAL RESPONSIBILITY

Fiscal responsibility means being prudent with taxpayers' dollars. That is exactly what the Utah State Historic Preservation Tax Credit program does. Since it was adopted by the Legislature in 1994, over 1,100 projects have used this credit as the catalyst for more than \$119 million of private-sector investment. Every dollar of state tax credit generates a minimum of \$4 of private investment. This has resulted in stabilized neighborhoods, revitalized downtowns, sales taxes, property taxes, income taxes, and infrastructure savings — not just restored historic buildings.



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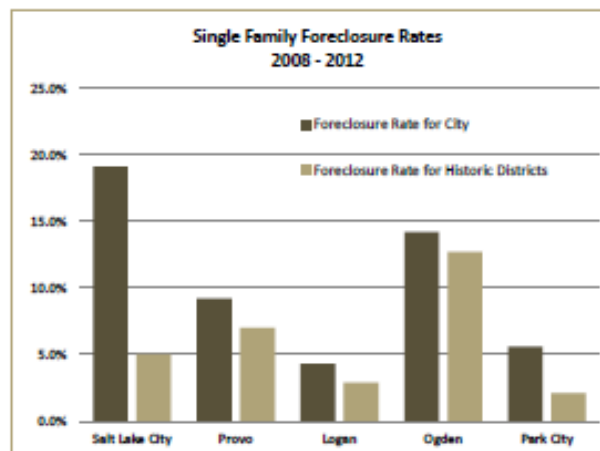


▼ after

The Federal Historic Rehabilitation Tax Credit has also been used on projects throughout the state. Since 1990, this credit has kept more than \$35 million in Utah, creating jobs and income here, instead of leaving the state for Washington to invest elsewhere.

### PROPERTY VALUES – IN GOOD TIMES AND BAD

Utah citizens appreciate their built heritage, and many of them choose to live in landmark buildings and historic districts. They choose these houses for many reasons — quality of construction, architectural character, convenience of the neighborhood, and others. And the admiration they hold for historic houses is repaid with



higher rates of appreciation in value. National and local historic districts were analyzed in five cities: Logan, Ogden, Park City, Provo, and Salt Lake City. In every instance, the rates of appreciation of homes in historic districts were greater than those in the city as a whole.

When everyone's property is going up in value, perhaps a percentage point or two in higher annual appreciation rates isn't surprising. But what happens to historic houses in times of declining property values? Foreclosure rates over the last five years of real estate chaos were examined in those same five cities.

Both homeowners and their bankers should be happy the decision was made to live in a historic district. In each city, the rate of foreclosure of single family houses in historic districts was lower than that in the city as a whole.

### HERITAGE TOURISM

In some states, “heritage tourism” is a discrete set of activities. In Utah, heritage is incorporated in a wide range of visitor experiences. The 4 million people who visit Temple Square each year come for religious, business, or genealogical reasons, but they are visiting a National Historic Landmark. The 500,000 movie-goers who attend the Sundance Film Festival do so in one of the great historic towns in the West. Nearly 5.5 million visitors travel to Bryce Canyon and Zion national parks for their incredible scenery and unique geology, but they get there by traveling through the Mormon Pioneer Heritage Area, one of 49 National Heritage Areas in the country.

For this study, only the visitation to 62 heritage sites and events were measured. Even so, that represented over 7.2 million visitors with direct expenditures of nearly \$400 million.

### DOWNTOWN REVITALIZATION

Not so long ago, downtowns were written off as a relic of the past. But many Utah towns and cities decided that the historic built environment of the past could be brought back to life, and that downtown could reclaim its rightful place as the heart of the community. In almost every example of successful, sustained downtown revitalization in Utah, the rehabilitation and reuse of historic buildings has been a key component.

Historic downtowns provide a natural incubator for local entrepreneurs. These businesses are central to local economic stability. Historic downtowns communicate the identity of the community. Focusing on historic downtowns provides the means for effectively and efficiently managing growth in a fiscally responsible manner.

### SUSTAINABILITY

The 19<sup>th</sup> century pioneers who settled in Utah were good stewards because they had to be. Neither land nor resources could be wasted, so when they built buildings, those buildings were built to last. And many of them are still standing today. In the 21<sup>st</sup> century Utahns are good stewards because they have learned to be. From the restoration of the Tabernacle in Provo to a new roof on a bungalow in the Avenues to the pioneer courthouse in St. George, institutions, governments and individuals are reinvesting in the resources of yesterday for use tomorrow. They are doing so for economic reasons, but also for environmental reasons. In Utah, building an identical house in another location or demolishing and replicating a house on the existing site would mean 4 to 7 times more materials produced, transported and disposed of than rehabilitating an existing historic house in its current location. Historic preservation has appropriately been called the ultimate in recycling.



# BY THE NUMBERS

## HISTORIC PRESERVATION IN UTAH

- \$717,811,000** Direct and indirect spending by visitors to Utah heritage sites and special events.
- \$198,379,272** Salaries and wages paid as a result of historic preservation projects using Federal or State historic rehabilitation tax credits.
- \$177,276,340** Amount of private investment in historic buildings using the Federal Investment Tax Credit.
- \$119,273,302** Amount of private investment in historic buildings using the Utah State Historic Preservation Tax Credit.
- \$35,455,268** Investment that stayed in Utah rather than sent to Washington because of the Federal Investment Tax Credit.
- 7,300,000** Number of visitors to Utah heritage sites and special events each year.
- \$4,374,000** Additional statewide annual property tax revenues from investment in historic preservation projects.
- 7,313** Direct and indirect jobs generated by the heritage portion of Utah's tourism industry.
- 4,969** Jobs from historic preservation projects using Federal or State historic rehabilitation tax credits.
- 2,470** Housing units rehabilitated using the Utah Historic Preservation Tax Credit.
- 1,128** Number of projects using the Utah Historic Preservation Tax Credit.
  - 350** Tons of raw and waste materials generated when an older house is demolished and replaced with a new one. Rehabilitating the same older house generates *only 50 tons* of materials.
- 100%** Cities where foreclosure rate was lower in historic districts than the rest of the city.
  - 68** Average "Walk Score" for historic preservation projects in Salt Lake City, as compared to an overall city score of 58.
  - 33%** Increase in downtown sales volume in Mt. Pleasant in the decade after it became a Main Street community.
  - 15%** Tourists in Utah who visited a historic site during their stay.

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