

*The Economics of Historic Preservation*

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Donovan D. Rypkema

Thank you. I greatly appreciate the invitation to come to the University of Miami and be part of this program. Jay Juergensen and Tony Goldman and Lolly Barnes I've all worked with, and, of course I know both Chuck and Liz by reputation. So as I'm sure you all know, you have an extraordinary faculty to work with over these two days.

Now I don't work for the Knight Program in Community Building, so I feel no obligation to do a commercial for them, and I assume they're going to pay me regardless of what I say today. But I want to put in a word about the Knight Fellows program here. Now I've never been a Knight Fellow, but I've watched the program since its inception. And I want to make a parallel among the Knight Fellows program and two similar programs with which I have been involved – the Mayor's Institute on City Design, and the Preservation Leadership Program of the National Trust. In all three cases, the numbers of people involved each year are a statistically insignificant percentage of the population. In any given year the participants in all three programs are fewer than the number of members in the University of Miami marching band. And yet the influence and impact of those few numbers is both immense and growing. In all three cases the participants in those programs move just not to a new level, but skip three or four levels in their capacity, their understanding of critical issues, and their ability to translate that understanding into action. And as the network of those involved grows arithmetically, their influence grows geometrically. So congratulations Chuck and Liz and the School of Architecture at the University of Miami for establishing the Knight Fellows program.

OK, well, it's just painful to me to be nice to people, so now I'm moving on.

I'm sure many of you love what you do for a living. But I have to tell you that I have the best job in America. Every year I get to go to a hundred or so cities of every size – from villages of 450 people in the middle of Kansas to New York, Chicago, Los Angeles, and every size in between. I go in, act like I know what I'm talking about, and leave. No responsibility, no implementation, no follow-through. I don't actually have to do anything. Which is probably just as well, because I don't really have many skills. But I do have one. I'm a very good note taker. I go places, watch what people are doing, what seems to succeed and what seems to fail and I take notes. And from those notes I make lists. That's what I really do for a living – I'm a list maker. And then I go around sort of regurgitating lists and pass it off as actually knowing something. And much of what you'll hear from me today is a series of lists.

Chuck Bohl contacted me some time ago to come here, and my assignment was to talk about the economics of historic preservation, which I intend to do. But as I often tell preservation clients, in the long run preservation's economic impact is far less important than its educational, environmental, cultural, aesthetic, historical, and social impact. In the long run none of us really care what the compounded, discounted, internal rate of return on an after-tax basis is for the plazas in Florence, nor are we particularly interested in the job creating impact that the building of Monticello had on the Charlottesville economy. In the long run, all of those other values of historic preservation are more important than the economic value. But as the great economist John Maynard Keynes said, "In the long run we're all dead."

In the short run, however, those who have the most influence on what happens to our historic resources – property owners, mayors and legislators and city managers, bankers, developers, investors – many of those interests – legitimately in my opinion – do care about the economic value of heritage buildings. And often it is through the door of economic impact that those decision makers become advocates for historic preservation on the other, more important grounds.

A little over ten years ago Peter Brink at the National Trust asked me to write a book on the Economics of Historic Preservation. Just over twenty years ago I was getting my preservation degree at Columbia University and at that time the discussion of historic preservation and money in the same sentence was considered *déclassé*, something akin to attending an Episcopal Church social then eating your dessert with a salad fork. It just wasn't done in polite company. Well, that's no longer true. Twenty years ago historic preservation was an end in itself – save old buildings in order to save old buildings. Today the historic preservation movement is a broad-based, multi-faceted movement where historic resources are means, not ends. And preservation has become a means of downtown revitalization, neighborhood stabilization, affordable housing, luxury housing, heritage tourism, education, and, my little niche in the world, economic development.

In the last decade particularly, considerable research has been done on the economic role of historic preservation. I'd like to quickly go through some of the ways this has been true, and give you a factoid or two from the lessons that have been learned.

While most of my clients are local or state governments, downtown organizations, non-profit organizations or preservation groups, what I really am is an economic development consultant. And at the top of the list for economic development measurements are jobs created and increased local household income. The rehabilitation of older and historic buildings is particularly potent in this regard. As most of you probably know, as a rule of thumb, new construction will be half materials and half labor. Rehabilitation, on the other hand, will be sixty to seventy percent labor with the balance being materials. This labor intensity affects a local economy on two levels. First, we buy an HVAC system from Ohio and lumber from Oregon, but we buy the services of the plumber, the electrician, and the carpenter from across the street. Further, once we buy and hang the sheet rock, the sheet rock doesn't spend any more money. But the plumber gets a hair cut on the way home, buys groceries, and joins the YMCA – each recirculating that paycheck within the community.

Many people think about economic development in terms of manufacturing, so let's take a look at that.. The average manufacturing concern in Florida for every million dollars of production 23.2 jobs are created. But that same million dollars in the rehabilitation of an historic building? 37 jobs.

A million dollars of manufacturing output in Florida will add, on average about \$491,000 to local household incomes. But a million dollars of rehabilitation? Over \$755,000. Now of course the argument can be made, "Yeah, but once you've built the building the job creation is done." Yes, but there are two responses to that. First, real estate is a capital asset – like a drill press or a box car. It has an economic impact during construction, but a subsequent economic impact when it is in productive use. And we'll talk about some of those uses to which historic buildings have been placed. Additionally, however, since most building components have a life of between 25 and 40 years, a community could rehabilitate 2 to 3 percent of its building stock per year and have perpetual employment in the building trades. And these jobs can't be shipped overseas.

Here in Florida one year's worth of historic rehabilitation means 10,443 jobs, \$317 million in income, \$496 million in Gross State Product, adds \$466 million in In-State wealth, and generates \$50 million in state and local taxes.

Now there are some economists and politicians who would argue that in economic downturns public expenditures should be made to create employment. And I'm certainly not going to argue with that. And as you all know, among politicians' favorite forms of public works is building highways.

David Listokin at the Center for Urban Policy Research at Rutgers has calculated the relative impact of public works. Let's say a level of government spends \$1 million building a highway. (And these days that means a highway not quite the length of this room) but anyway a million dollar highway – what does that mean? 34 jobs, \$1.2 million in ultimate household income, \$100,000 in state taxes and \$85,000 in local taxes.

As an aside, you may know that Congress after debating for over a year finally passed the next 5 year highway budget – all sides arguing, of course, the job generating capacity of that program. It took so long because of the sizable difference between the houses of Congress. I think the House version was \$318 billion and the Senate version \$245 billion and they settled somewhere in the middle. I'd just like to point out that the *difference* between the two bills – not the entire amounts, but the difference between the two – would fund the tax expenditure from the historic rehabilitation tax credit for the next 318 years.

Anyway, we could build highways or we build a new building for \$1 million. 36 jobs, \$1,223,000 in household income, \$103,000 in state taxes and \$86,000 in local taxes. Or we could spend that million rehabilitating an historic building. 38 jobs, a million three in household income, \$110,000 in state taxes and \$92,000 in local taxes. Now you tell me which is the most economically impacting in public works projects.

A second broad area of the economic impact of historic preservation is downtown revitalization. There really is a resurgence of city centers in towns and cities of every size all over America. And this is the area where I do most of my work. So I could talk for hours about why this is important. But I'll leave it at this – I cannot identify a single example of a sustained success story in downtown revitalization where historic preservation wasn't a key component of that strategy. Not a one. Conversely the examples of very expensive failures in downtown revitalization – Detroit leaps immediately to mind – have nearly all had the destruction of historic buildings as a major element. That doesn't mean, I suppose, that it's not theoretically possible to have downtown revitalization and no historic preservation, but I haven't seen it, I haven't read of it, I haven't heard of it. Now the relative importance of preservation as part of the downtown revitalization effort will vary some, depending on the local resources, the age of the city, the strength of the local preservation advocacy groups, and the enlightenment of the leadership. But successful revitalization and no historic preservation? It ain't happening.

In fact by far the most cost effective program of economic development - not just of historic preservation or downtown revitalization - but the most cost effective program of economic development of any kind, is a program called Main Street. Main Street is commercial district revitalization in the context of historic preservation. Main Street started as a program for downtowns of small towns. In the last 25 years some 1700 communities in all 50 states have had Main Street programs. Over that time the total amount of public and private reinvestment in those Main Street communities has been \$23 Billion. There have been over 67,000 net new businesses

created generating nearly 310,000 net new jobs. There have been 107,000 building renovations. Every dollar invested in a local Main Street program leveraged nearly \$27 of other investment. The average cost per job generated - \$2,500 - less than a tenth of what many state economic development programs brag about.

I said that Main Street began as a program of economic development in the context of historic preservation for small town downtowns. In recent years, however, the fastest rate of growth in Main Street programs has been in neighborhood commercial districts in larger cities. The first and hugely successful Urban Main Street program is in Boston where it was the top economic development priority for Mayor Menino. Subsequently there have been urban Main Street programs established in Baltimore, San Diego, Philadelphia, Milwaukee, Dallas, Detroit, Washington, DC and elsewhere.

Another area that consistently emerges as a major component of preservation's economic impact is heritage tourism. Ask someone who is in the business of economic analysis and they'll tell you how tricky trying to figure out exactly what "tourism expenditures" are. I live in Washington, D.C. If I rent a car and drive to New York City for a weekend is the toll on the Jersey Turnpike a tourism expenditure or not? Well, I'm not an expert in econometric modeling, so I've avoided trying to calculate composite numbers. Instead I've simply looked at the incremental difference between the expenditures of heritage visitors and other types of tourists. Virginia is one of the states that subscribe to a giant survey data base that questions households about did they travel, where, how much did they spend, etc. The data is sortable. So in a study a few years ago we sorted out the patterns of heritage visitors. We defined heritage visitors as those who did one or more of the following: visited a museum (in Virginia around 90% of the museums are history museums), visited a Civil War battlefield, or visited an historic site. And we contrasted those patterns with visitors to Virginia who did none of those things. Here's what we found: heritage visitors stay longer, visit twice as many places, and on a per trip basis spend 2 ½ times as much money as other visitors. Wherever heritage tourism has been evaluated this basic tendency is observed: heritage visitors stay longer, spend more per day, and, therefore, have a significantly greater per trip economic impact.

Some individual historic sites have done their own analysis. Biltmore, the great historic estate in the mountains of Western North Carolina commissioned a study of their local impact – and you can see these numbers – 760 employees, \$215 million to the local economy, \$5 million in taxes, etc. But to me the most impressive number is this one – for every \$1 a visitor spent at Biltmore itself, over \$12 was spent elsewhere – hotels, restaurants, gas stations, retail shops, etc. Biltmore was the magnet to come to Asheville, but for every dollar the Biltmore reaped, others garnered another \$12 – impressive leveraging of resources.

Now I said that I've never tried to estimate total tourism dollars, but there are lots of people smarter than I who have. The University of Florida in conjunction with Rutgers did an economic analysis of historic preservation here in Florida. Now for us non-Floridians, this is not a state that immediately comes to mind as being heritage tourism based. We tend to think of Disney World, beaches, and golf courses. Tourism is clearly the largest industry in Florida. But just the heritage tourism portion of that industry has impressive impacts, with over \$3 billion in expenditures, half a billion in taxes, and over 100,000 jobs. And while most of the jobs, predictably, are in the retail and service industries, in fact nearly every segment of the economy is positively affected.

Before I leave this area of heritage tourism, I should tell you that I'm headed from here to Prescott, Arizona, where a friend of Chuck Bohl's – Dan Shilling – has organized a national conference on what they are calling *Civic Tourism*. I'm not sure I know exactly what civic tourism is,

and I'm eager to attend this conference to find out. But a few years ago I heard a presentation by the mayor of Evora, Portugal. Evora is a 2000 year old city founded by the Romans. I think the mayor's comments are a good start on defining civic tourism. He said, "...tourism will provide for the harmonious coexistence of tourism and heritage, such that economic development is not allowed to proceed at the expense of fundamental values and does not impede access to culture by the communities which have inherited it."

I am not a tourism expert, but I'm even less of a Biblical scholar. But there's a bible verse that many of you will recognize. It comes from Matthew 16:26, and goes, "So what is a man profited, if he shall gain the whole world, and lose his own soul?" I would suggest to you that the verse can be altered just a bit to ask the question, "So what is a community profited, if it shall gain the whole world, and lose its own soul?" I think that civic tourism has to be in part figuring out how to do that. But I'll certainly learn more in Arizona tomorrow.

Perhaps the area of preservation's economic impact that's been looked at most frequently is the effect of local historic districts on property values. It has been looked at by a number of people and institutions using a variety of methodologies in historic districts all over the country. And the most interesting thing is the consistency of the findings. Far and away the most common result is that properties within local historic districts appreciate at rates greater than the local market overall and faster than similar non-designated neighborhoods. Of the several dozen of these analyses the worst case scenario is that housing in historic districts appreciates at a rate equivalent to the local market as a whole.

But since you are not a general audience but one made up of professionals with technical expertise, I'd like to tell you about another couple of findings. As I think most of you know being listed on the National Register of Historic Places or being a building within a National Register Historic District is an honor but provides virtually no property protections. As an individual owner of a National Register property you can build it up, tear it down, paint it red, white, and blue with impunity. National Register status does require that when federal monies are spent an analysis has to be undertaken to evaluate whether that expenditure will have an adverse impact on historic resources. But other than that, if you own a National Register property you can do whatever you damn well please.

Any protections for historic resources largely come from the existence of local historic districts. This is a historic district in Evansville, Indiana. The outer black line is a National Register Historic District; the red line encloses a local historic district. As you can see the entire local district is within the National Register District but perhaps a third of the National Register District is unprotected by a local district. We charted the price movement of properties that were within both the National and local district and compared that with the appreciation of properties within the NR District but not in the local district.

What did we find over a 20 year period? The dark line at the top of the graph represents the properties within both districts; the gold lower line represents property values within the National District but not in the local district. While at the beginning of the period the average price in both areas was virtually the same, and while they both appreciated over the period, the rate of appreciation was decidedly greater where there were local controls.

Now why would that be the case? Intuitively one might say, "If I have to go through one more hoop to do something with my property that must, *prima facie*, adversely affect my property value." Well, it stems from that old cliché that the three most important things in real estate are

location, location, location. But what does that mean? It means what all of you already know – that the economic value of real estate stems not from within four walls and a roof but rather the context within which the individual property exists. I travel all the time and with regularity I'll be in some town and they'll drive me through their great old neighborhood, point out some big historic house and say, "If that were in Washington, DC where you live it would be worth \$3 million." Yeah, but it ain't! Real estate gets its value largely from its context. The economic role of land use regulations in general but local historic districts in particular is protecting the context within which an individual property exists. Nobody is paying a premium for the privilege of having to go and appear before some goofy historic district commission. Rather it is the assurance that the lunatic across the street isn't going to be allowed to do something with his property that will have an adverse impact on the value of your property.

Let me give you one more quick example of this phenomenon. South and east of Memorial Circle at the center of Indianapolis are two neighborhoods – Holy Rosary Danish Church and Fletcher Place. Both are National Register Districts established at nearly the same time. Both were built as very modest worker housing from the mid 19<sup>th</sup> century to the early 20<sup>th</sup> century. Some of you may have had technical training in real estate appraisal. Well these two areas are the text book example of comparable neighborhoods. Their distance from the center city, the school district, the impacts – positive and negative – of the Interstate and rail line are virtually identical. There is one difference, however. Both are National Register districts; only Fletcher place is also a local historic district. What has happened over time? Again here is a graph of the property value changes in the neighborhoods over about a 15 year period. Both appreciated, and the value starting point in both neighborhoods was about the same. But those properties that benefited from the protections of a local historic district saw rates of appreciation significantly higher.

Every five years or so *Time* and *Newsweek* will have a cover story on the "back to the city" movement. And indeed that really is happening all over the country. Washington DC where I live is certainly no exception. I live about downtown exactly half way between the White House and the Capitol and a block and a half from the National Archives. The 1990 population in what is now my zip code was 11 – and that was probably mostly homeless. The 2000 population was 901 and I can look out my window and see 500 units in some stage of completion and rent up.

But wherever you look, the "back to the city" movement hasn't been back to the city in general, but back to the historic neighborhoods within the city. There may be new construction and new neighborhoods built eventually, but the first attraction back to the city is invariably historic areas. Our mayor in Washington, Anthony Williams, has established an ambitious but commendable goal of attracting 100,000 new residents to Washington over the next decade. So we looked at what had happened to Washington during the decade of the 90s. The overall population of Washington fell in that 10 year period from 607,000 to about 572,000. But that pattern certainly was not consistent throughout the city. Had Washington's historic districts declined at the same rate as did the rest of the city, the 2000 population would have been less than 562,000. Conversely had the entire city grown at the rate the historic districts grew, our population in 2000 would have been over 621,000. When "back to the city" happens, historic districts are the first magnet.

A frequently underappreciated component of historic buildings is their role as natural incubators of small businesses. It isn't the Fortune 500 who are creating the net new jobs in America. 85% of all net new jobs are created by firms employing less than 20 people. One of the few costs firms of that size can control is occupancy costs – rents. In both downtowns but especially in neighborhood commercial districts a major contribution to the local economy is the relative affordability of older buildings. It is no accident that the creative, imaginative, small start up firm

isn't located in the corporate office "campus" the industrial park or the shopping center – they simply cannot afford the rents there. Older and historic commercial buildings play that role, nearly always with no subsidy or assistance of any kind.

Pioneer Square in Seattle is one of the great historic commercial neighborhoods in America. The business management association there did a survey of why Pioneer Square businesses chose that neighborhood. The most common answer? That it was a historic district. The second most common answer? The cost of occupancy. Neither of those responses is accidental.

One area that is a bit less obvious. You know we all diligently recycle our Coke cans. It's a pain in the neck, but we do it because it's good for the environment. Land fill throughout the country is increasingly expensive in both dollars and environmental quality. Now even though a quarter of everything dumped at the landfill is from construction debris, we don't often think about the environment in relation to the demolition of historic buildings. But let me put it in context for you. Let's say that today we tear down one small building like one of these in one of your commercial neighborhoods. We have now wiped out the entire environmental benefit from the last 1,344,000 aluminum cans that were recycled. We've not only wasted an historic building, we've wasted months of diligent recycling by the good people of your community. Now why doesn't every environmentalist have a bumper sticker saying "Recycle your aluminum cans AND your historic buildings." Either that or let us off the hook from having to sort those Coke cans every week.

There is no movement in America today that enjoys a more broad based support across political, ideological, and geographical boundaries than does *Smart Growth*. Democrats support it for environmental reasons, Republicans for fiscal reasons, big city mayors, rural county commissioner, there are Smart Growth supporters everywhere. The increasing public volume and political expenditures of Smart Growth's opponents is in direct relationship to Smart Growth's broad and growing support.

And the Smart Growth movement has a clear statement of principles, and here it is:

- Create range of housing opportunities and choices
- Create walkable neighborhoods
- Encourage community and stakeholder collaboration
- Foster distinctive, attractive places with a Sense of Place
- Make development decisions predictable, fair, and cost effective
- Mix land uses
- Preserve open space, farmland, natural beauty and critical environmental areas
- Provide variety of transportation choices
- Strengthen and direct development toward existing communities
- Take advantage of compact built design.

But you know what? If a community did nothing but protect its historic neighborhoods it will have advanced every Smart Growth principle. In fact, any Smart Growth strategy that doesn't have historic preservation at its core is stupid growth, period. Appropriate new infill housing in those same neighborhoods has the same effect.

So I have a question for you: what is the most pressing economic development challenge of 2006? Affordable housing. For a long time housing affordability was a social service issue – how do we house the least fortunate among us. Today it has become a central economic development issue.

And what is the most significant economic development variable in the year 2006? Quality of life.

And I would suggest to you that historic preservation has a vital role to play in both of those.

Many of you know Dick Moe is the president of the National Trust. Well Dick is a smart guy, and has been around Washington for a long time and since he's been at the Trust he's pushed the Trust to be more active on the policy front. Some of you probably know that Dick was early on in the Smart Growth movement, in many cases dragging other preservationists kicking and screaming into the anti-sprawl movement. Many preservationists, frankly, didn't initially understand the connection. But we do now and that's to Dick's credit.

So three years ago Dick looked around, saw that Smart Growth had its own momentum and pondered internally what the next major Trust policy initiative should be. He'd been hearing this emerging issue of affordable housing so wanted to understand what link, if any, there was between housing affordability and older and historic houses. So we took a look.

Of the many lessons learned, here are some of the most telling:

- In the market place older and historic houses – those built before 1950 – disproportionately meet the housing needs of those of modest means
- The majority of this older, affordable housing is simply provided by the market, with no subsidies, incentives, or government intervention of any kind.
- If today we had to replace the pre-1950 housing being occupied by households living at the poverty level, using the most cost effective Federal program it would cost the tax payers \$335 Billion dollars – that's like 4 Iraq wars.

Well if affordable housing – what the ULI calls workforce housing – is a critical need and if older housing is disproportionately meeting that need, then there must be a major effort going on to keep this housing inventory viable, right? Alas, that's not the case. In the every day, seven days a week, 52 weeks a year for the last thirty years we've lost 577 units of older and historic housing – 80% of which were single family dwellings. I say "lost", but it's not that we misplaced them. A few were destroyed by tornados and a few hit by lightning, but the vast majority of them were consciously torn down.

And for those with the most historic significance? The 90s are generally seen as a decade rather enlightened about historic preservation. But during that ten years removed forever were 772,000 housing units built before 1920, arguably our most historic.

The result? We are systematically tearing down what is affordable and building what is not.

But people of modest means need more than just low rent. They also need proximity – to schools, shopping, work, and transportation. Where are those daily needs nearly always nearby? In our older and historic neighborhoods. Where are those daily needs almost never nearby? – new subdivisions.

I earlier said that affordable housing was the most critical economic development challenge today and that that cliché – quality of life – was the most significant economic development variable. Now there are some who think that “quality of life” is simply a function of urban design. And everybody has their own name for it – New Urbanism, Traditional Neighborhood Development, Transportation Oriented Development, and at the National Governors Association they call it New Community Design. And in their publication – *New Community Design to the Rescue* – they too have established a set of principles, and they are these:

- Mixed use
- Community interaction
- Transportation/walkability
- Tree lined streets
- Open space
- Efficient use of infrastructure
- Houses close to the street
- Diverse housing
- High density
- Reduced land consumption
- Links to adjacent communities
- Enhances surrounding communities
- Pedestrian friendly

Great list. But you know what? We don’t need new community design to rescue us. That list of principles is exactly what our historic neighborhoods are providing right now. We just need to make sure they are protected.

Well I agree that good urban design is a part of “Quality of Life”. But ultimately quality of life will be determined by five senses: the sense of place, the sense of evolution, the sense of ownership, the sense of identity and the sense of community itself.

The Greeks had a phrase – *horror vacui* – the intolerability of no-place-at-all. Many places in America have approached that *horror vacui*. On a trip to California I picked up a copy of the Sacramento Bee one morning and read a local columnist – Steve Weigand – and here’s what he wrote. “And from the Brave New World of the Internet comes the following new term. “Generica: fast food joints, strip malls and subdivisions, as in ‘we were so lost in Generica, I didn’t know what city it was.’”

Generica isn’t just a California phenomenon or just a city or suburban phenomena. Generica is happening everywhere and I would suggest it is at the heart of the challenge of economic development, smart growth and place economics. Generica undermines all five senses – the sense of place, of evolution, of ownership, of identity and of community.

In his book *The Good Society* sociologist Robert Bellah observes, “Communities, in the sense in which we are using the term, have a history--in an important sense they are constituted by their past--and for this reason we can speak of a real community as a 'community of memory', one that does not forget its past.” Generica diminishes each of the five senses; preservation of the historic built environment enhances each of the five senses, and constitutes the physical manifestation of a “community of memory”. Historic preservation builds both community and place; Generica destroys both community and place.

Now before I close I want to tell you what I learned at two conferences in Europe a year and a half ago – one in Barcelona and the other in Geneva. In Geneva was the annual Congress of ISoCaRP – the International Society of City and Regional Planners. I joined that organization last year. I have never considered myself a planner and don't now. But the Spanish word for what we call city planner is *urbanista*. So that's why I joined – I want to be an urbanista. Anyway 200 people from 47 countries and 60 or so presentations. I heard one about the importance of traditional buildings and building patterns to neighborhood vibrancy in Lisbon; another about a new organization of historic towns in Turkey, one about the nearly missed opportunity of using the small, vernacular historic housing stock in Shanghai as counterpoint to its obsession with the high-rise glass and chrome typology which is defining its image as an emerging world city, and reinvestment in traditional buildings in Iran as part of an overall municipal strategy.

But perhaps most enlightening was a final session billed the Mayors' Summit. Eight mayors from four continents talked about their strategies for building their cities' futures. In every instance a key component of that strategy was restoring the past. And not, by the way, primarily for heritage tourists, but for the citizens of their cities.

In Barcelona was the second World Urban Forum sponsored by UN Habitat. 5000 participants from nearly every country on the globe. There were five days of plenary sessions, dialogues, networking meetings, and other events. Now there were certainly sessions devoted specifically to heritage conservation. Some of these were put on by UNESCO, others by a combination of the Swedish government, its national heritage board, and affiliated organizations. A central part of the foreign policy of Sweden is assisting developing countries identify, protect, and enhance their historic resources. And I learned a lot from these presentations, but wasn't so surprised that such sessions were planned.

Here was the surprise – heritage conservation permeated horizontally sessions throughout the conference and was being promoted by those not remotely identified as preservationists, was being promoted as an important vehicle for other ends. A representative of the International Labor Organization encouraged the restoration of heritage buildings for the jobs that would create – a form of labor intensity without simply padding public payrolls. At a day long session hosted by the Economic Commission of Europe on Public-Private Partnerships, investment in heritage buildings was seen as an excellent laboratory to make such partnerships viable and acceptable in emerging economies. In a master plan for one of the venues put forward as part of Spain's bid for the 2012 Olympics, the new development was scaled to both extend and to reflect the existing historic city center. There was considerable discussion about the implications of gentrification in historic cities around the world, and now a UNESCO task force is looking into the problems and solutions there, but there was also an emphasis that any response to gentrification needed to be within the context of those historic buildings, not their demolition.

I think at this entire conference there was only one concept promoted more than heritage conservation and that was sustainable development. Although the iterations of sustainability vary widely around the globe, and there are numerous approaches, the reuse of historic buildings was mentioned in session after session as an integral part of the sustainability movement – historic preservation as smart growth around the world.

Finally, in Geneva I met an Australian woman who told me about a recently completed study there where they looked on a GIS basis as where their heritage resources were located and where their creative class tended to cluster. And lo and behold it was the same places. Where the creative class chose to be was where there was the distinction, and evolution, and differentiation of heritage resources.

In America today there are thousands of advocacy movements. And most of them are “rights” movements: animal rights, abortion rights, right to life, right to die, states rights, gun rights, gay rights, property rights, women’s rights, and on and on and on. And I’m for all of those things – rights are good. But I would suggest to you that any claim for rights that is not balanced with responsibilities removes the civility from civilization, and gives us an entitlement mentality as a nation of mere consumers of public services rather than a nation of citizens. A consumer has rights; a citizen has responsibilities that accompany those rights. Historic preservation is a responsibility movement rather than rights movement. It is a movement that urges us toward the responsibility of stewardship, not merely the right of ownership. Stewardship of our historic built environment, certainly; but stewardship of the meaning and memory of our communities manifested in those buildings as well.

The widely admired American author Eudora Welty in her collection of essays entitled *The Eye of the Story* wrote, "it is our describable outside that defines us, willy-nilly, to others, that may save us, or destroy us, in the world; it may be our shield against chaos, our mask against exposure; but whatever it is, the move we make in the place we live has to signify our intent and meaning."

I conclude with the Welty quotation because her last line ought to be our guidepost for how we act toward our own communities – “...the move we make in the place we live has to signify our intent and meaning.” Our communities – the places we live – ought to be strong, vigorous, in good health. The places we live ought to be valuable places, places with significance, places with meaning.

Historic preservation adds significance, adds meaning, and importantly adds value. That’s why historic preservation needs to be a central strategy of every community. Thank you very much for having me here today.

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Place Economics  
1785 Massachusetts Avenue, NW  
Washington, DC 20036  
202-588-6258  
DRypkema@PlaceEconomics.com