

# **Preservation Makes Economic Sense**

By Rich Loeber, Historic Saranac Lake Board Member

*This is the second of four columns that Historic Saranac Lake is contributing to the Adirondack Daily Enterprise this spring on the topic of architectural preservation.*

The village of Saranac Lake is proud of its rich history. Our community has worked to restore and preserve hundreds of unique cure cottages and many downtown buildings that stand today as reminders of our unique history as a health resort. Preserving our historic buildings helps us to preserve our identity. But, does it make economic sense to keep up these old building and houses when new construction seems to be an easy way to proceed? In these challenging economic times, does historical preservation still make sense?

In the past 15 years many studies have been conducted towards answering this question, and the results have unanimously shown that yes, preservation is good for the local economy. Property owners, elected officials, contractors, investors, and developers need to know that fixing up and reusing old buildings is better for our economic future than tearing buildings down to build new ones.

A 2011 report from the Advisory Council on Historic Preservation summarized the positive impact of historic preservation in six broad areas: jobs, property values, heritage tourism, social impact, the environment, and downtown revitalization. The following are some of the highlights from the report titled, "Measuring the Economics of Preservation."

## **Jobs**

A recent study done in Delaware revealed that \$1 million spent on preserving a historic structure resulted in 14.6 new jobs. The same amount spent on new construction yielded just 10 jobs and only 9.2 jobs when the money was spent on new manufacturing. A similar study in Georgia showed that historic preservation created more jobs than any other major industry, at a yield of 18.1 jobs for \$1 million spent.

## **Property Values**

Recent studies done in Philadelphia show that National Historic Districts (of which Saranac Lake has several) commanded a resale premium of 14.3% over comparable houses in non-historic districts. In Louisville, Kentucky, properties in historic districts appreciated 21% higher than in non-historic districts. While a lot goes into determining the resale price of a house, when all things are equal, having a property that is designated as historic adds real value.

## **Heritage Tourism**

A study by the Overseas Travelers revealed that tourists who visit a place for historical reasons, stay longer and spend more money than other tourists. Historic Saranac Lake greets a steady

stream of tourists at the Saranac Laboratory Museum on Church Street every year, especially during the summer season. These visitors frequently ask about other historic sites in the area such as the Stevenson Cottage, Union Depot and the Bartok Cabin, and many look for recommendations for shopping and dining options.

## **The Environment**

The environmental mantra of reduce, reuse, recycle applies well here. Rehabilitating a structure almost always makes a cleaner impact on the environment than does new construction.

According to a study done in Maryland, preservation projects save between 50% and 80% in infrastructure costs when compared to new development. Another study found that construction debris accounts for 15% of the waste stream for municipalities each year, much of it the result of demolition work. Yet another study reveals that it can take 35-50 years for an “energy efficient” building to save the amount of energy lost in demolition of a replacement structure.

## **Social Impacts**

Preservation isn't just about fixing up the grandest buildings in town. More modest older homes and buildings are also worth preserving, and the whole community benefits from this effort. Studies have consistently shown that historic preservation benefits low and moderate income households. The federal and state rehabilitation tax credit benefits property owners of all income levels. A 2005 study found that the Rhode Island's historic preservation tax credit created 409 affordable housing units. Contact the office of Historic Saranac Lake to find out more about the tax credit program.

## **Downtown Revitalization**

Saranac Lake's downtown area has been slowly improving over the years with many buildings benefitting from renewal and preservation efforts. Preservation of downtown structures creates an attractive location for new businesses, shoppers and tourists. The power of preservation to revitalize downtowns is evident in the results of the Main Street Program of the National Trust. This program has generated \$45 billion of investments in physical improvements, 83,000 net new businesses and 370,000 new new jobs.

One national study showed that between 2004 and 2008 for every business that closed in the nation, only slightly more than one new businesses opened. During that same period, however, historic districts in Georgia saw dramatic growth. In these historic districts, for every business that closed, between 2.8 to 4.6 new businesses opened.

Should Saranac Lake work toward becoming a Main Street Community in order to access these benefits? We think the answer is obvious. Contact us if you would like to help work to make this happen! Preserving the past builds a better future for all of us.

*Find a link to the complete report cited in this article at: <http://www.historicsaranaclake.org/architectural-preservation.html>*

*photo caption 1: Saranac Village at Will Rogers, one of Saranac Lake's preservation success stories. Will Rogers Hospital closed in 1975, but has been reborn as a gracious retirement community that is now home to 75 seniors.*

*photo caption 2: The T.F. Finnigan Men's Clothing Store, one of the buildings in the Berkeley Square Historic District. Owner Thomas Finnigan III was the winner of the 2009 AARCH Award for long-term stewardship of the building.*