



San Jose, San Antonio.
credit: Bob Parvin

Historic Preservation at Work for the Texas Economy



A report prepared by a statewide
preservation partnership based on the study
Economic Impacts of Historic Preservation in Texas
by The Center for Urban Policy Research
at Rutgers University,
Texas Perspectives
and
The LBJ School of Public Affairs
at the University of Texas at Austin

1999

Historic Preservation at Work for the Texas Economy



A report prepared by a statewide preservation partnership consisting of:

The Texas Historical Commission, Preservation Dallas, the City of Abilene, the City of Fort Worth,
the City of Grapevine, the City of Laredo, the City of Lubbock, the City of Nacogdoches,
the City of San Antonio and the Grapevine Heritage Foundation.

based on the study

Economic Impacts of Historic Preservation in Texas

by The Center for Urban Policy Research at Rutgers University,
Texas Perspectives
and

The LBJ School of Public Affairs at the University of Texas at Austin

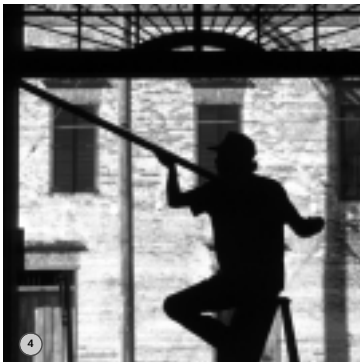
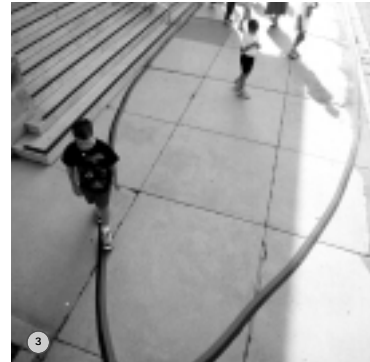


1999



*Texans we pride ourselves on a rich
multicultural heritage and a strong economy.
We know that preserving this heritage
leads to economic benefits for all of us."*

— KAY BAILEY HUTCHISON
U.S. SENATOR



- 1 Star of the Republic Museum,
Washington-on-the-Brazos
- 2 Historic Brownsville Museum
- 3 The *Belle* exhibit
- 4 Historic Rehabilitation, Roma
- 5 Sam Houston House, Huntsville
- 6 Nestor Saenz Store, Roma
- 7 Mission Main Street, Mission
- 8 San Angelo Historic District.

All credit: Bob Parvin,
except 6 & 7: no credit.





are proud of the rich and diverse heritage of our great state and are committed to the continued economic growth that is a vital part of that heritage. Texans are also learning that historic preservation is not an alternative to economic growth but a key component of it.

Historic preservation touches the lives of Texans from the Llano Estacado to the Rio Grande Valley, from the woods of deep East Texas to the Big Bend. For some, a visit to the Alamo fosters an interest in historic places and their preservation. For others, a rally to save a hometown landmark or to revitalize a historic inner city or small town neighborhood can energize a once declining community. For all Texans, historic preservation activities create new jobs, provide affordable quality housing, bring diversified economic development, and efficiently and effectively maximize private and public investment benefits.

To choose just one example, major companies locate in Texas for a number of reasons, with quality of life a significant consideration. Historic preservation offers stable, unique and interesting historic neighborhoods, charming Main Streets in revitalized downtowns, engaging museums and restored landmarks. In turn, these tax-paying properties enhance our quality of life and directly improve the economic well-being of all Texans.

Beyond the impact on economic development, historic preservation is a major industry in Texas. The numbers tell the story: preservation activities generate more than \$1.4 billion of economic activity in Texas each year, and support almost 41,000 Texas jobs. This creates significant net tax revenue for both state and local governments. When viewed in cost-benefit terms, historic preservation is one of the best investments available today.

Historic preservation has come into its own in Texas and across the country only in recent decades. Although much remains to be done, the impact of preservation programs and initiatives on our economy continues to be an important driving force that is rarely documented and studied. The Economic Impact of Historic Preservation in Texas study by the Center for Urban Policy Research at Rutgers University is a result of the collaborative efforts of certified local government programs, nonprofit preservation organizations, a financial institution and the Texas Historical Commission.

The Alamo, San Antonio
credit: Bob Parvin



The purpose of the study is to better document and understand the economic benefits of historic preservation. This investigation presents the many ways that historic preservation influences a community's and state's economy. It is the most extensive survey ever conducted statewide on the relationship of historic preservation activities to the Texas economy. The report that follows is based on this study. Unless otherwise noted, the study was the source for all information contained in this report.

The results reported in the study are conservative. The positive effects of historic preservation activities on Texas' economy are certainly more extensive. Every effort has been made to ensure that the data are not counted more than once. For example, historic building rehabilitation numbers in Main Street cities are not reported in the Main Street results because they are already counted in the historic building rehabilitation section.

All seven major conclusions of the study are interrelated. The first four address the implications of historic property designation and rehabilitation and their effects on the local and state economy. The fifth and sixth conclusions address heritage travel in Texas, including historical museum visitation. The final conclusion verifies the measurable impact of the Texas Main Street Program's revitalization efforts on the local and statewide economy. By bringing these different preservation components together in this report, their interconnectedness can be better appreciated and the full effects of historic preservation efforts may be presented.

As Texas moves forward to meet the challenges of the 21st century with a secure place in the global economy, the preservation of Texas' heritage and the potential economic impact of that effort will become ever more important.



summary of conclusions



Economic Impacts of Historic Preservation in Texas study contains seven major conclusions:

1 historical designations improve property values

Cities with active historic preservation programs indicate that historical designations can increase property values by as much as 20 percent.

2 incentives for historic properties attract reinvestment

Property owners reinvest in historic properties in many cases because of incentive programs offered by state and local governments. More than 30 Texas cities offer property tax incentive programs resulting in millions of reinvested dollars. This reinvestment, in turn, generates thousands of in-state jobs and millions of dollars of income and state wealth (i.e., Gross State Product or GSP).

3 historic building rehabilitation rebuilds texas communities

Private property owners invest more than \$172 million in historic building rehabilitation annually which averages more than 4 percent of all building rehabilitation activity. Public entities add another \$20 million for a total annual historic rehabilitation investment in Texas of more than \$192 million.

4 preservation of historic properties creates jobs

Rehabilitation of historic properties alone created more than 4,200 jobs in Texas in 1997 in diverse areas such as construction, manufacturing, transportation, utilities, retail and services. Overall, historic preservation activities created more than 40,000 jobs that year.

5 texas' heritage attracts tourists

More than 11 percent of all travelers to Texas are heritage travelers and that number continues to rise. Heritage travelers in Texas spend about \$1.43 billion annually with approximately \$1.2 billion resulting from overnight stays and about \$230 million from day trips.

6 history museums draw tourists and economic vitality to communities

Texas history museums spend \$39 million annually, not including capital expenditures. Even history museums in the smallest communities across the state attract thousands of visitors annually.

7 revitalization of texas main street cities makes good business sense

Historic downtowns sustain communities and are the focus of the Texas Historical Commission's Texas Main Street Program. More than 75 cities currently participate in the Texas Main Street Program. Since the program's inception in 1981, Main Street cities averaged \$97 million annually in reinvestments, \$56 million in income and added \$87 million in GSP to the state's economy.



1 historical designations improve property values



than 50 cities in Texas, and the National Register of Historic Places, designate historic properties and areas as culturally significant. Local landmark and historic preservation commissions guide the exterior rehabilitation of locally designated historic properties by working with property owners to achieve a positive community impact using good preservation techniques.

The study examined nine Texas cities. In all nine, historical designations stabilized property values. Seven of these showed significantly higher property values within designated historic districts when compared with similar but non-designated areas. In some cases, as much as a 20 percent difference existed between a designated and non-designated area. The remaining two cities could not establish a quantifiable increase or decrease in property values. Keep in mind, however, that property value increases or decreases attributed to historic designations must be considered on a case-by-case basis. The location of the property is a key factor in determining its value.

In general, a property in a Texas city that is designated historic may expect a five to 20 percent increase in property value.

The East Texas city of Nacogdoches designated the Sterne-Hoya Historic District in 1990 to protect one of its oldest neighborhoods. Although adjacent to the central business district, the neighborhood received little attention from investors until it received historic designation. Its listing in the National Register of Historic Places and local municipal designation eventually attracted new homeowners who made substantial rehabilitation investments in their homes. The result is a 20 percent difference in property values between this district and a comparable non-designated area, amounting to an average increase in value of \$18,700 per property.

Dallas' Peak's Suburban Addition Historic District represents many of Texas' early 20th-century neighborhoods. The large and medium-sized houses in the area offer diversity of income, race and property ownership that makes the area attractive to its residents. In 1995, the National Park Service listed Peak's Suburban Addition in the National Register of Historic Places and a City of Dallas designation soon followed. The neighborhood leaders rejoiced in the opportunities the designations promised. In less than three years, reinvestment in the neighborhood exceeded \$2 million.

"A lot of us appreciated Peak's Suburban's history and architecture long before we got the National Register and then City of Dallas historic status, but we now have an extra special prestige that keeps drawing new homeowners and sensitive investors to our neighborhood."

— TRUDY O'REILLY,
HOMEOWNER AND FORMER CHAIR,
DALLAS LANDMARK COMMISSION



Property appraisers and assessors generally believe that the effect of designation is positive, especially on residential properties. As a part of this study, historic property appraisers gave high marks to historic designations and strongly recommended personal investments in historic districts because of the existing support for such investment.

"Historic designations reversed the trend of neglecting and abandoning older houses to attracting urban pioneers who restored the homes and stabilized the neighborhoods. As these historic districts restored confidence in the area, adjacent neighborhoods began to improve and started a ripple effect in the next layer. What were slums 20 years ago are now prestige neighborhoods."

— ANN PIPER
SRA, DALLAS



Norton-Orgain House
credit: Bob Parvin




of ownership may be a powerful reason for some people to invest in the purchase and rehabilitation of a historic property. But in many cases, state and local financial incentives provide the stimulus. Texas offers several financial incentives for historic reinvestment and a number of Texas municipalities use state legislative prerogatives as well. The following are examples of cities that have developed financial incentives for reinvestment in historic properties.

abilene

Abilene’s program, adopted in 1985, provides two incentives for properties having historic overlay zoning. First, the city automatically offers a tax reduction of the greater of \$200 per year or 20 percent of annual city property taxes (the other taxing entities do not offer this incentive) for properties designated with historic overlay zoning. Second, Abilene offers a historic project tax reduction of up to 50 percent of the total property tax bill (city only) for restorations amounting to \$750 or more for a period of 10 years.

Ninety-seven taxable properties receive the historic zoning tax reduction and 13 receive the project tax reduction. The property tax loss to the City of Abilene is about \$23,000 or one-fifth of one percent of Abilene’s annual property tax revenue (which is approximately \$11,526,930).

		Annual Property Tax Revenues in Abilene	
Total Revenues	\$	11,526,930
Tax reduction for historic zoning and project tax reduction	\$	23,000

This \$23,000 in forgone revenues has generated more than \$5,000,000 in reinvestment in historic neighborhoods in Abilene.

dallas

Originally passed by the Dallas City Council in 1993, Dallas’ preservation tax incentives for historic buildings and neighborhoods have encouraged significant rehabilitation investment. In order to qualify for restoration incentives, properties must be a City of Dallas landmark or contributing structure in a City of Dallas historic district. Special incentives are established for City of Dallas districts defined as endangered. In general, restoration costs must exceed 50 percent of the assessed value of the structure. Depending on the historic area, approved

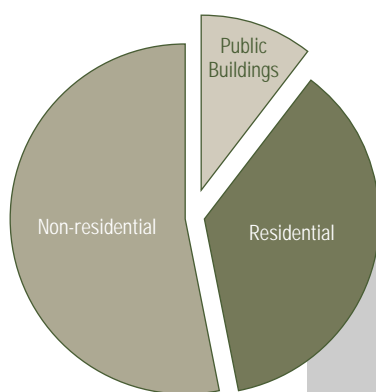
properties are eligible to receive a 10-year abatement on added value on City of Dallas land and structures taxes or a 100 percent exemption on land and structure for 10 years. As an example of an abatement on added value, if a \$50,000 property increases by \$60,000 after renovation, its assessed value becomes \$110,000. For 10 years following approved restoration, the \$60,000 additional value will not be taxed. The pre-renovation value of \$50,000 will continue to be taxed. As assessment rates change, the tax on pre-renovation value will change.

In order to encourage projects in targeted historic areas of town, Dallas also has an array of other incentives, including full City of Dallas tax exemptions for downtown and the area within a one-mile radius around downtown, and five additional years of the same exemption for residential conversions in those areas. Dallas County also participates by providing property tax incentives for larger projects.

Dallas' tax incentive program generated more than \$260 million with forgone revenues of less than \$20 million.



sights encourage a community more than the rehabilitation of a once-derelict building or the removal of a 1960s aluminum cover over an ornate Victorian building front. Rehabilitation of historic buildings brings renewed community pride and significantly impacts the economy. In 1997 approximately \$192 million in historic rehabilitation was spent in Texas, consisting of \$102 million in non-residential work, \$70 million in residential work, and another \$20 million in historic public building rehabilitation projects.



Total Historic Rehabilitation Expenditures in Texas, 1997

Residential Historic Building Rehabilitation	\$ 70,000,000
Non-Residential Historic Building Rehabilitation	\$ 102,000,000
Public Historic Building Rehabilitation	\$ 20,000,000
Total	\$ 192,000,000

Historic rehabilitation work is a positive factor in most Texas communities, but the study shows the amount of reinvestment varies significantly depending on local programs and incentives.

In Fort Worth, the rehabilitation of the 1920s Electric Building drew a sizeable reinvestment in a vacant and neglected architectural gem. The historic rehabilitation, using federal tax credits and low-income housing credits, brought a full investment of \$9.6 million to the community. It also put the building back on the local tax rolls while providing 102 units of much-needed low-to moderate-income housing.

Abilene set an impressive local policy in the early 1990s that encouraged historic building rehabilitation with great results, especially in the downtown. A public/private partnership is responsible for the rehabilitation of several downtown buildings including the handsome work of the Grace Cultural Center. The old Grace Hotel, a 1920s railroad hotel on the edge of downtown, has become a source of pride for the entire community. It features an important children's museum and community center within its once- deteriorating walls. The success of the Grace Cultural Center rehabilitation is leading to more reinvestments in formerly neglected historic properties.

On a smaller scale, Grapevine, once a crossroads agricultural center in northeast Tarrant County, saw the rehabilitation of some 15 buildings and the construction of three new structures in the local historic district between 1984 and 1998. One of these, the 1888 Foust Building, attracted Beverly and Patrick Fairchild to reinvest in facade and building improvements for their business, Pueblo Connection. Even a small scale or modest dollar amount benefits the entire community.

“We (the City of Grapevine) were able to survive through our reinvestment and historic programs, plus the transition of businesses on Main Street from dealers in staple goods to specialty shops. What we have accomplished is not exclusive. It could be duplicated to a greater or lesser degree in any community.”

— WILLIAM D. TATE
MAYOR, CITY OF GRAPEVINE

Another interesting finding from the study is that the impact on the Texas economy of each million dollars that is spent on rehabilitating historic buildings is roughly equal to the impact of each million dollars spent on constructing new buildings. The correlation is as follows:

Dollar for dollar, historic building rehabilitation creates the same number of jobs and generates the same amount of tax revenues as new building construction.



For every \$1 million spent in Texas on:

**Rehabilitating Historic
Commercial Buildings:**

23 jobs are created in Texas
\$639,026 of income is generated
\$52,291 in state taxes are generated
\$51,056 in local taxes are generated
The Gross State Product increases by
\$872,000

**Constructing New
Commercial Buildings:**

23 jobs are created in Texas
\$637,000 of income is generated
\$52,000 in state taxes are generated
\$51,000 in local taxes are generated
The Gross State Product increases by
\$873,000

In addition, historic building rehabilitation saves tax dollars from being spent on new infrastructure and landfills. It also revitalizes towns and cities, attracts heritage tourists, celebrates cultural and architectural diversity, and maintains a sense of place and pride in communities across the state.

“Not only is the economic impact of rehabilitating historic commercial structures roughly equal to that of building new commercial structures, rehabilitating historic commercial structures is a large-scale form of recycling. Any community in Texas with historic resources can recycle them back into their economy and onto their tax roles.”

— JANE JENKINS
DIRECTOR, SOUTHWEST
FIELD OFFICE
NATIONAL TRUST FOR
HISTORIC PRESERVATION



Grace Culture Center, Abilene
BEFORE



AFTER

4 preservation of historic properties creates jobs



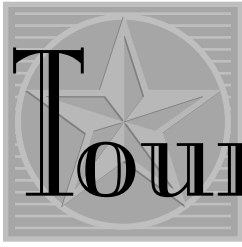
creation constitutes one of the more important aspects of economic activity in modern economies. Texas needs and seeks opportunities to create high-wage jobs across all economic sectors. The \$192 million invested in historic rehabilitation in Texas in 1997 helped create more than 4,200 jobs within the state.

The following tables summarize the jobs and incomes created by historic building rehabilitation in Texas in 1997:

Texas Employment and Income Attributable to Historic Building Rehabilitation in 1997		
	Employment	Income
Construction	2,282	\$ 62,095,000
Manufacturing	517	\$ 17,980,000
Transportation and Public Utilities	104	\$ 4,236,000
Retail Trade	379	\$ 6,772,000
Finance, Insurance and Real Estate	101	\$ 3,684,000
Services	641	\$ 16,195,000
Government	57	\$ 844,000
Other	166	\$ 6,912,000
Totals	4,247	\$ 118,718,000

Nationally, more than 8,100 new jobs and \$251 million in additional income are generated by the \$192 million of historic building rehabilitation in Texas. The result is almost \$346 million in total national wealth.

Historic preservation-related jobs include those in the design and construction trades, many of which require exceptional skills and are in increasing demand. Preparing for specialized work in historic rehabilitation, recent graduates of the Texas Southmost College/University of Texas at Brownsville (TSC/UTB) vocational school have been training in restoration construction skills on two historic buildings just adjacent to downtown Brownsville. A program developed by UTB's Gorgas Science Foundation offers the opportunity for young people learning construction-related trades to work on the Alonso Complex (1877, 1890) and the Young Home (1912) as the buildings are rehabilitated and adapted for use by the foundation as teaching and office facilities. Larry Loff, president of the foundation, oversees the student craftsmen. "It's a nice opportunity to give students a hands-on experience," Loff says. "Restoration takes a lot of skills."



is one of the largest industries in Texas; by the year 2000 it is set to be the world's largest industry – and heritage tourism is a major and growing component of that industry. One of 10 travelers in Texas is a heritage traveler.

Heritage travelers spend \$29 more per day than non-heritage travelers and those dollars are more likely to come from out of state. This translates into new money for the Texas economy that supports hotels, motels, bed and breakfasts, food establishments and other local retail and service businesses. As a result, heritage travelers to Texas annually create more than 32,000 jobs in all sectors of the state's economy.

The Alamo is the number one heritage tourism site in Texas. But heritage travelers visit all the regions of the state and spend more in their travels than the average visitor. Heritage travelers greatly impact the state's economy, spending about \$1.43 billion annually.

Many leisure travelers visit Texas primarily because of the state's heritage. They seek not just the historic sites open to the public but also the cultural heritage that fills every small town and major city. A heritage traveler is conservatively defined as a Texas business or leisure traveler that visited a historic site as one of their top primary activities. On this basis, an estimated 12 million trips are devoted to heritage travel annually.¹

Heritage travelers read historical markers, peer through the doors and windows of Spanish missions and western forts, and learn about the state's coastal heritage by stepping onto the decks of the Elissa in Galveston or the Lexington in Corpus Christi. Business travelers also visit historic sites as a secondary activity. Texas' history and heritage is an important factor in entertaining business travelers. More than 11 percent of all travel to Texas includes visits to historic destinations.

Texas heritage travelers:

- **Spend more per day on average than do nonheritage travelers.**

Heritage travelers spend an average of \$114 per day versus \$85 per day for the average non-heritage traveler. Heritage day-trippers spend more than twice the amount spent by non-heritage day-trippers (\$194 a day for heritage day-trippers compared to \$71 a day for non-heritage day-trippers).

- **Pay for lodging more often than staying with family and friends.**

A higher share of Texas' heritage travelers choose hotel accommodations over private homes than do all overnight travelers in Texas.

- **Stay longer.**

¹41 million person travel days divided by 3.4 persons.



More than 20,000 visitors during a six month period in 1990 explored the La Salle shipwreck excavation in Matagorda Bay. These visitors traveled to a distant coastal point, boarded motor boats and walked around the extraordinary cofferdam to see ruins of the French explorer's ship, the Belle. Encouraging Texans to travel within Texas ensures that their expenditures stay in the Texas economy.

credit: Bob Parvin

Among overnight travelers as a whole, heritage travelers spend an average of 3.2 nights, compared to 2.7 nights by nonheritage travelers. In addition to this, 32 percent of heritage travelers stayed four nights or more, as compared to only 23 percent of their nonheritage counterparts.

- **Tend to have a higher household income than nonheritage day-trippers.**

Travelers in Texas have an annual income of about \$48,000, whether heritage travelers or nonheritage travelers. Heritage day-trippers have an average household income of about \$50,000, as compared to \$44,000 for nonheritage day-trippers.

For every \$1 million dollars expended by Texas heritage travelers:

- **22 jobs are created in Texas**
- **\$480,000 of income is generated**
- **\$49,000 in state taxes are generated**
- **\$43,000 in local taxes are generated, and**
- **the Gross State Product increases by \$825,000**

Job creation through historic preservation may take a different route, such as Jo Liston, tour operator in Harlingen. She spends her workday organizing itineraries for tourists. "Go With Jo" offers tours of historic sites in the Rio Grande Valley and northern Mexico. Jo and her 15 full-time and numerous part-time employees take busloads of eager tourists into the small historic communities and out-of-the-way sites exposing them to the rich border heritage. Her tours are so popular that their arrival floods the towns' shops and restaurants with customers.

"Partnerships such as that of Los Caminos offer golden opportunities for exposure and promotion of institutions like our museum and other sites that would otherwise be extremely difficult, if not impossible, to achieve. As part of a regional unit, with intriguing historical, natural, and cultural themes, our museum becomes one of many ingredients that make the region a veritable feast for a traveler seeking to satisfy a hunger for the new, the unusual, and the undiscovered. As a result, we were able to command the interest of the New York Times and a PBS documentary."

— SHAN RANKIN
EXECUTIVE DIRECTOR
HIDALGO HISTORICAL MUSEUM, EDINBURG



Heritage travelers can also learn about Texas by exploring regions. Los Caminos del Rio, a partnership project involving the Texas Historical Commission, guides auto travelers along the Texas/Mexico border. Anyone stopping in the Spanish Colonial plaza in Laredo, walking the quaint National Historic Landmark town of Roma, or visiting museums and historic attractions along the heritage route will leave with a richer understanding of the region. In a six-year period the project brought about a significant investment of nearly \$11 million to these border towns extending from Laredo to Brownsville.
credit: Bob Parvin

6 history museums draw tourists and return dollars to the economy



across rural and small town Texas, history museums are a focal point for the community and bring people together to celebrate Texas' proud heritage. Texas history museums are significant economic generators, spending \$39 million annually. This figure excludes capital expenditures like building rehabilitation and tourism-related spending that is counted in other sections of this report. From Crosbyton to Belton, and from Lufkin to Alpine, history museums instill pride and are often a stimulus for local historic preservation and heritage tourism.

History museums generate dollars and jobs for the Texas economy. They support more than 1,350 jobs in Texas, more than \$26 million in Texas income and more than \$33 million in GSP. And, most important, they draw heritage tourists.

Texas Employment and Income Attributable to Texas History Museums		
	<u>Employment</u>	<u>Income</u>
Manufacturing	50	\$ 1,522,000
Retail Trade	92	\$ 1,574,000
Services	1,119	\$ 19,544,000
Government	28	\$ 690,000
Other	94	\$ 3,295,000
Totals	1,383	\$ 26,625,000

History museums flourish in Texas and make popular destinations for tourists and local citizens alike. Some museums focus on the local history of a city or county while others center their interpretation around a historic site. The historic house, which promotes the building's architecture and tells the story of its occupants, is one of the more popular types of museums.



The Ranching Heritage Center in Lubbock is a distinctive history museum. Here, the interpretation of Texas ranching traditions and architecture draws some 30,000 visitors annually. Bunkhouses, rustic farm dwellings, and whirling windmills create an exciting educational environment that allows visitors to touch, see and feel historic Texas ranch life. Children and adults relish their visits and leave with a greater understanding of life on the Texas plains from the Spanish era in the late 18th century to the arrival of the railroad in the early 20th century.

credit: Bob Parvin

For every \$1 million dollars expended by Texas History Museums:

- 35 jobs are created in Texas
- \$682,000 of income is generated
- \$51,000 in state taxes are generated
- \$49,000 in local taxes are generated, and
- the GSP increases by \$860,000

“Many small museums in Texas are as professional as larger institutions and provide equally beneficial educational opportunities for their communities. In addition to attracting tourists, these small museums generate interest in other areas of historic preservation.”

— KIT NEUMANN
COORDINATOR OF MUSEUM SERVICES
TEXAS HISTORICAL COMMISSION

Fort Concho, San Angelo

credit: Bob Parvin



Main Street, Grapevine
credit: Grapevine Convention
& Visitors Bureau



7 revitalization of texas main streets makes good business sense



Texas Historical Commission's Texas Main Street Program is more than an economic development program, it is a community philosophy that embraces historic preservation. Since its inception in 1981, 125 Texas cities have adopted the Main Street approach. Texas has one of the most extensive and successful Main Street programs in the nation with more than 75 cities currently participating in the program from all regions of the state.

Since 1981 the Texas Main Street Program has yielded an annual average of \$97 million in total direct economic activity. This investment has translated annually into 2,409 jobs created which produced \$56 million in labor income and \$87 million in GSP in Texas. Since its inception in 1981, reinvestment has exceeded \$550 million.

In the city of Quanah (population 3,200), Pam Horton established the Daffodil Express in 1996 as part of her reinvestment in the downtown. She hosts customers in a shop of delightful gifts, and treats them to sandwiches and coffee. Horton attracts customers who drive hundreds of miles just to shop at her business. She is even studying the possibility of selling by mail order. After three years as a Texas Main Street community, Quanah supports five new businesses, 34 rehabilitated buildings and more than half a million dollars in reinvestment.

Mineola (population 4,378) reflects how an East Texas town adopted and manages the Main Street formula for revitalization. Mark and Sharon Chamblee operate a bed and breakfast near downtown. They selected Mineola as a place for developing a new business in part because of the successful Main Street program. An influx of new visitors to shop and tour Mineola meant overnight guests and income for their new bed and breakfast. Today, the Chamblees welcome almost 200 guests per year to the historic Lott House Bed and Breakfast. They attribute their success to Main Street's methods of revitalization that stimulated the entire community's economy.



Georgetown Main Street
credit: TxDOT

"We moved to Mineola in 1992 because the City of Mineola had a historical atmosphere and an active Main Street program. We felt this would be the perfect place to start our bed & breakfast business, and we were very lucky to find a magnificent historic structure to achieve this dream."

— MARK AND SHARON CHAMBLEE

Shopping and dining along South Alamo, South St. Mary's and South Presa streets in San Antonio's "Southtown" offers an experience that several years ago seemed improbable. As part of 11 urban Main Street projects, the Southtown business leaders have worked closely with the THC's Main Street Program, the San Antonio Conservation Society and the City of San Antonio to revitalize a once-neglected commercial district just south of downtown. Several new restaurants now occupy the district and a generous collection of office, studio and retail establishments cater to the surrounding historic neighborhoods of King William, Lavaca, Blue Star and the Victoria Courts public housing complex. Christine Vina, executive director of San Antonio Southtown, reports that more than \$15 million has been reinvested in public and private funds for the project area, which includes the new Mission Trail. The potential for more activity is promised following the recent selection of the area as one of San Antonio's Neighborhood Commercial Revitalization pilot projects.

Across the nation, Main Street programs return about \$35 in reinvestment for each dollar that a community invests in the operations of their local programs.

For every \$1 million of investment in Texas Main Street cities:

- **24 jobs are created in Texas**
- **\$580,000 of income is generated**
- **\$51,000 in state taxes are generated**
- **\$50,000 in local taxes are generated, and**
- **the GSP increases by \$900,000**

"Main Street is the best value per public dollar invested in Texas!"

— BOB BULLOCK
LT. GOVERNOR OF TEXAS 1991–1998

summary



Summary of Historic Preservation Contributions
to the Texas Economy in 1997

Historic Rehabilitation	\$ 192 million
Heritage Travel Expenditures	\$ 1.43 billion
Historic Museum Expenditures	\$ 39 million
Main Street Reinvestment	\$ 97 million
Total Impact to the Texas Economy in 1997	\$1.758 billion

This impact resulted in a gain of:

- 40,685 jobs
- \$890 million in income
- \$1.471 billion in Gross State Product
- \$445 million in taxes
- \$1.192 billion in wealth for Texas in 1997!

Joskey Mansion, King William District, San Antonio
credit: Bob Parvin





preservation is an economic engine for the State of Texas that creates jobs, fosters cultural tourism, instills community pride, stabilizes and increases property values, and contributes a sense of identity to our towns, cities and rural areas.

As we look to the future, our action plan must include these policies: continued protection of valuable landmarks, promotion of local Main Streets, investment in our history museums, and recognition of our unique neighborhoods. The statewide partnership of preservationists who worked on this report recommends four strategies to strengthen historic preservation in Texas:

protection

- Protect and renovate county courthouses.
- Protect scenic views and scenic corridors throughout Texas.
- Provide stronger sanctions on illegal demolition and demolition by neglect.
- Assist communities in adopting or strengthening local preservation ordinances that protect historic resources and stabilize communities.

Hall of State, Fair Park, Dallas

credit: Bob Parvin



education and training

- Educate and train county historical commissions, landmark preservation commissions, and homeowners in historic districts for more effective local involvement.
- Train craftsmen and construction workers in restoration skills to maintain high-quality restoration and create job opportunities.
- Promote the unique history and heritage of Texas through training and education programs for heritage tours and museums.

incentives

- Create or expand revolving loan funds, fix-up/clean-up grants, and mortgage rate reduction credits which will serve as incentives for historic homeowners to maintain and restore their properties as well as renew their historic neighborhoods.
- Adopt new state and local government policies that encourage or require the re-use and recycling of existing buildings before constructing new facilities.
- Establish or strengthen tax-based incentives such as local property tax abatements that encourage revitalization and reinvestment in communities.

funding for successful programs

- Increase funds for programs that generate revitalization, such as the Texas Main Street Program.
- Establish challenge funds to promote public/private partnerships in the redevelopment of older neighborhoods.
- Provide incentive funds for programs that promote historic districts as a top priority.
- Provide adequate funding for state and local preservation program administrators and planners, who help communities and property owners invest wisely in preservation activities.



acknowledgments

Texas' pre-eminent status in historic preservation follows the work of thousands of local volunteers who serve on county historical commissions, municipal landmark commissions and Texas Main Street committees; local preservation nonprofits; historical museums and community archeological projects. These achievements would not be possible without the many property owners who invest in historic buildings and the architects, contractors and preservationists who promote good preservation strategies, as well as those who work in support of heritage tourism.

The Economic Impacts of Historic Preservation in Texas study, along with this report, are collaborative efforts of:

- Texas Historical Commission
- Preservation Dallas
- City of Abilene
- City of Fort Worth
- City of Grapevine
- City of Laredo
- City of Lubbock
- City of Nacogdoches
- City of San Antonio
- Grapevine Heritage Foundation

with additional funding and technical assistance from:

- Henry S. Miller Interests
- National Trust for Historic Preservation Southwest Field Office
- Norwest Bank Texas - Lubbock
- San Antonio Conservation Society
- The Summerlee Foundation
- Texas Department of Economic Development - Tourism Division
- D.K. Shifflet and Associates, Ltd.
- Urban Prospects



This report was completed by the Center for Urban Policy Research, Rutgers, The State University of New Jersey, in conjunction with Texas Perspectives and the LBJ School of Public Affairs at the University of Texas at Austin.

A special thank you goes to Dwayne Jones, former director of the Certified Local Government program of the Texas Historical Commission, and to those who gathered data from the tax offices around the state. Special recognition goes to Texas Perspectives for editing, and to Preservation Dallas and Bill Planey for overseeing the printing and design of this report.

The Economic Impacts of Historic Preservation in Texas study and copies of this report are available at the Texas Historical Commission Library, 1510 Congress Avenue, Austin, TX 78711.

