

Preservation in the Midst of Economic Chaos

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Thank you. Bill Fontana has been a friend of mine for a long time, and has often given me the opportunity to speak at this conference and work with Pennsylvania communities. And I want you to know Bill how much I appreciate that.

I want to begin by telling you two experiences I had in the fall of 2008. I was in Russia when the world's economy came to a standstill and we were on the brink of an international financial abyss. Here were some of the headlines in the English language Russian newspapers:

- Largest Bubble Burst in History
- 100,000 Jobless and Angry
- Capitalism gets ugly
- 10 Days that Shook Faith in Capitalism
- Financial Crisis Yet to Peak

And of course there were similar headlines from around the world. There was extreme anger, mostly legitimate, at the United States for being primarily responsible for this economic chaos.

Two weeks later I was in China. I was attending the World Urban Forum, UN Habitat's biennial conference on urban issues. The last few years I've been trying to build up more of an international practice so I've attended the last several World Urban Forums and have had a booth in the exhibition area. It so happened that the China conference was taking place on the day of the US Presidential election. Nanjing, China is 12 hours later than the east coast of the US, so when election returns started being announced around 9 p.m. here, the conference was opening up there.

We were one of the few American exhibitors there and we had a booth, probably 10 feet by 12 feet. And what we decided to do was to hook up the laptop to the PowerPoint projector, connect to the internet, and show the US election results as they were coming in. This was a great generator of people hanging around our booth.

But what followed later in the day generated greater feelings of patriotism and pride in this country than I had ever felt before in my life. The winner had been declared, McCain had given a humble and gracious concession speech. It was time for Obama to give his speech to his supporters in Grant Park in Chicago. Around my little booth were gathered people from five continents to listen to that speech. Forget the politics of Obama or whether you were for him or against him. As I watched the faces of those people watching that speech, I saw the rekindled admiration for the United States, and for the ideals that this country represents. Here was a Belgian woman with tears in her eyes. Here was a Nigerian man who, when at one point Obama said, "Yes we can" raised his arm in the air and yelled, "Yes we can". A woman from South Africa said, in a tone that was both matter of fact and in awe, "I am watching history being made".

Now, to the best of my knowledge not one of these people was wanting to move to the United States. It was rather that, in spite of their periodic and frequently legitimate criticism of this country, America still had the role of being the beacon of hope for much of the rest of the world. Here was a country which, in a

generation had gone from a Black man not being allowed to eat at a lunch counter, to electing a Black man as President.

I don't know how many of you watched that Obama speech, but if you did you'll recall that after he was done, people just stayed and meandered around Grant Park, not wanting to let go of the moment. The people around my booth did the same thing...just sort of hanging around...trying to absorb what they had just witnessed.

Politics, party and ideology aside, the reaction to that election demonstrated that there is an underlying affection for America and our ideals that resonate throughout the world. And it made me extraordinarily proud to be an American.

And here I am fifteen months later, certainly not ashamed to be an American, but very much ashamed of the level of irresponsibility being exercised all around us today. I'm more than ashamed, I'm damned angry.

In case you've slept through the last twenty months, we have fallen into economic chaos.

The biggest risk is not that this very deep recession lasts another 12 or 18 or 36 months. And please realize that those who say it's now over are the same ones who didn't see this coming in the first place. The biggest risk is that we don't learn the lessons from what has already happened.

Unfortunately that is exactly what it happening right now. Wall Street and Congress are going back to business as usual, with not one of the underlying causes of this chaos having been addressed for the long term.

This economic chaos we're in is a result of two very powerful forces, however – short term thinking and unbelievable levels of irresponsibility.

Real estate and real estate mortgages have traditionally and appropriately been long term assets. But too-smart-for-their-own-good over-paid MBAs in investment banking converted long term mortgage assets into short term trading vehicles ...looking for a profit in the next fifteen minutes, not the next fifteen years. Wall Street was far more concerned with the next quarterly dividend than the next quarter century. Politicians concerned more with the next election than the next generation.

And who among politicians, Wall Street executives, business school deans, or economists is taking responsibility? Oh, guess we screwed up? None of them!

Instead in response to a self-induced economic chaos, Wall Street's response was to put their hand out.

I'm angry at the idiocy of saying, "Well, the recession is over now" when ten percent of American workers are unemployed. You know economics started as a social science, like sociology or political science or anthropology. But economists looked at the chemists and physicists, and said, "They are the real sciences and they use complex mathematics, so if we want to be taken seriously that's what we have to do." So economists created complex formulae, drew graphs and charts, and predicted future economic trends looking exclusively at their computer screens instead of at the human beings whose behavior they said they were modeling.

The use of common sense rather than computer systems would have screamed out, "real estate values can't go up 12% a year forever." But in banking, on Wall Street, and in the net-present-value obsessed world of business schools, "forever" doesn't matter. Hell, next year doesn't matter, only today matters.

And when your thinking is exclusively short term, stupid things happen. And that would be fine with me if those who caused the problems were those that faced the consequences of their actions. But instead it is the rest of us.

This is not, by the way, a critique of market economics or capitalism...it's a critique of the segments that are both myopic and irresponsible. As a contrast, think about the utility industry. Like banking they are a highly regulated industry, and like banking virtually every one of us uses their services. But the utility companies weren't standing in line for a bailout. Why? Because in that industry you have to think long term. You build a power generation plant and a distribution system today, but it is going to be a generation before that investment is returned.

You've probably read editorials that have suggested this economic chaos is a failure of capitalism. It is not. It's the failure of much of big business in America to be capitalists. The heart of capitalism is competition, but Pepsi pays some university not to allow Coke machines on campus. How is that capitalism? The movie chain that has closed but still owns your downtown theater says it can't be leased to another movie company. How is that capitalism? The chain bookstore has a provision in their lease at the mall that no space can be rented to another bookstore. How is that capitalism? The 27 million square feet of empty Wal-Marts where the leasing agent is precluded from renting the building to another discounter. How is that capitalism?

And big business after big business is going from one Pennsylvania community to another asking who will pay them the most to locate there. Those aren't capitalists, they are welfare state parasites.

And so in the face of this economic chaos, the federal government decides to act. It began in the closing months of the Bush administration with the bailout of the financial sector, nationalizing FNMA and laying the ground work for taking over General Motors.

At least when Latin American dictators nationalize industries, they're smart enough to take over the profitable ones. Instead we take over the biggest losers.

Then it continued when a year ago Congress passed the \$787 Billion stimulus plan.

Now please understand, I am not against the stimulus, it was absolutely necessary. And it is self-serving demagoguery for the Republicans to say it was unnecessary. Just like it was self-serving demagoguery for the Democrats to adopt it with only one apparent criteria for what got funded – do we have a constituency that we can make happy.

Let me ask you a question. How many of you either have, or would be willing to, buy a house by borrowing money that you have to pay back over the next 25 or 30 years? Most of you. Now, how many of you would be willing to buy a hamburger at McDonalds, and finance that purchase over the next 25 or 30 years? No one.

But that is exactly what Congress did with this stimulus bill.

Here's my back of the envelope calculation:

- 57.8% of the money has already been spent on operating expenses and cash distributions, the impact of which is already over.
- Another 14.8% will be spent on short term assets – those that have a life of 5 years or less.
- 17.4% of the money will go towards assets with a useful life of between 5 and 19 years.

- Leaving 10% of all of that money invested in long-term assets.

In response to economic chaos in the short term Congress has exacerbated that chaos for the long term.

I'm a believer in the marketplace, but the marketplace created this chaos and was not going to fix it themselves – the Federal government had to act. But keep in mind that 100% of the stimulus is being financed with borrowed money. If we are encumbering two generations with paying the bill, it should have been for assets at least two generations could use. Congress paid for Big Macs with a forty year mortgage.

Everybody is for the war on terror. I'll tell you what is terrifying – there is not a person in this room who will not be paying off the bills of the last 18 months for their entire working career. Some of us will be lucky enough to be dead; the rest of you will be paying for the rest of your lives.

But, again, it isn't that the money was spent, but how it was spent. And both internationally and in American history there are much better examples.

In the Great Depression the Federal government acted and put unemployed people to work through the WPA and the Civilian Conservation Corp, and the government ran up a large debt to do that. But that debt has been paid off for decades, and yet today, 75 years later, in every corner of Pennsylvania there are parks and bridges and trails and schools that those workers built. And in many cases those facilities are still the pride of the community. And think about the art and photography projects, and the historic American building survey, and the rural music collections – paid for by the Federal government in a time of great economic chaos, with borrowed money. But they today are irreplaceable public assets. Where are the equivalent programs funded through this stimulus bill? There aren't any.

And in this crisis, other countries that also needed stimulus plans appropriated their money very differently. The European Heads of Heritage Forum spent their meeting last spring talking about heritage stimulus during an economic recession. Here was part of the EHHF statement: *All the evidence demonstrates that investment in heritage is an inherently sustainable, long term, and measurably successful solution to economic recession.*

Last March the European Union held hearings on how heritage conservation is an effective counter-cyclical economic development strategy. The equivalent hearings in the US Congress? Um, well maybe they just haven't announced the schedule for them yet.

Norway, France, Slovakia, the Netherlands, Luxembourg, Canada, Australia, Hong Kong – every one of them had specific funding for historic preservation in their own stimulus plans. Why? Heritage conservation creates jobs. It creates jobs in the sector most seriously impacted by this recession. It creates jobs where there is a significant shortage of skills. It has extraordinary impact on local economies. And it invests in assets that are both sustainable and long term.

The national budget of Norway is highly oil revenue dependent. And when the price of oil dropped from \$140 per barrel to \$40, obviously there was a huge impact. So the Norwegians, too, enacted a stimulus package last January. And how did they spend their money? Mostly on long term assets like measures for greater energy efficiency, repairing and developing their railway system, bike paths and walking trails, and 26 million Euros for heritage conservation – most of which is going for rehabilitation and maintenance of privately owned historic properties and to add fire safety systems to historic wood buildings and churches. In the end 11% of their entire stimulus package went toward historic preservation.

Why was this the Norwegian approach? Because they learned in their last recession in the 80s that it put people to work and enhanced local skills and local economies.

The most recent report from the White House says that through the last quarter \$205,302,729,233 has been spent under the stimulus plan, and that translates into 682,446 jobs. Well, that sounds great, but make the next calculation – that works out to \$300,834 per job. It's even better here in Pennsylvania. The same report says that the Pennsylvania stimulus expenditure of \$7,247,258,628 has meant 20,535 jobs, or a mere \$352.922 per job. \$300,000? \$350,000? I don't care which. I want one of those jobs!

Australia is also reporting on its stimulus package. Shortly after the first White House report Australia released the results of the heritage portion of their stimulus package – cost per job? \$21,818 – over 13 times the cost effectiveness than whatever the hell we're spending the stimulus money on. In other words, for every million dollars spent through the US stimulus programs, a little more than 3 jobs were created. For every million the Australians spent on the heritage portion of their stimulus program, 46 jobs were created.

Again, please don't think I'm just blaming the Democrats for this misappropriation of our children's future. The Republicans put party ahead of country and their only strategy was "no". And remember it was Dick Cheney who said, "deficits don't matter." Well they do matter. And your children and grandchildren will have to do with less, because they are going to have to pay off this bill.

A few of you are now thinking to yourself, "I always said those guys in Washington were a bunch of idiots." Well, before you get too smug let's look at the irresponsibility of lots of local governments.

In 1880 or 1910 or 1930, previous officials in your town built a new school or courthouse or city hall. And they built a good building. Those county commissioners or school board members or city councilors knew when they laid the cornerstone that that building would still be serving the citizens of your community long after they themselves were dead.

What happens today? In too many places we build public buildings as if we were striving for government by K-Mart. We build the cheapest building possible, and do it saying, "We're being fiscally responsible with the taxpayers' money." Nonsense. That's not fiscal responsibility, that's saying, "I'm too selfish to build a building that lasts any longer than the bonds to pay it off. If my grandkids need a school for their kids, they can pay for their own school." It is opposite of thinking in the long term.

But the same city council is willing to pay for the infrastructure out to the edge of town so that Wal-Mart will be so beneficent to come to your community, and then watch a half dozen long time downtown businesses disappear.

And then the school district builds new schools in suburban sprawl that are impossible to walk to, and end up paying more for school busses to transport kids than for teachers to educate them.

Well, I've spent all this time ranting about irresponsibility and short term thinking, because two things you all are doing – downtown revitalization and historic preservation – are the polar opposite of that.

The one lesson we should have learned in the last year is that we have to unequivocally commit ourselves to sustainable development not just for the environment but also for the economy and our social and cultural resources.

In a great Tom Robbins book, *Skinny Legs and All*, one of the characters is an extremely erudite can of pork and beans. At one point Can 'O Beans remarks, "Imprecise speech is one of the major causes of mental illness in human beings. The inability to correctly perceive reality is often responsible for humans' insane behavior. And every time they substitute a...sloppy slang word for the words that would accurately describe a...situation, it lowers their reality orientations, pushes them farther from shore, out onto the foggy waters of alienation and confusion."

Well the phrase today that is the best example of imprecise speech is *sustainable development*. If we listen to environmental activists, sustainable development is saving the rain forest and the habitat of the snail darter. If we listen to the US Green Building Council, sustainable development is solar panels and waterless toilets.

We don't yet get it in the United States, but the rest of the world is beginning to. The international framework for sustainable development certainly includes environmental responsibility but also economic responsibility and social/cultural responsibility.

That creates three important nexuses: for a community to be viable there needs to be a link between environmental responsibility and economic responsibility; for a community to be livable there needs to be a link between environmental responsibility and social responsibility; and for a community to be equitable there needs to be a link between economic responsibility and social responsibility.

I'll come back to this holistic approach to sustainable development shortly, but let me move to the economic component of the sustainable development equation.

What would a sustainable economy look like? I would suggest it would have ten characteristics.

First, a sustainable economy would be based on using local assets.

Second, there would be widespread, measurable local benefits.

Third, sustainable economic development would depend primarily on the private sector, particularly small business.

Fourth, the components of a sustainable economy would be contributors in economic downturns as well as up cycles.

Fifth, a sustainable economy would participate in economic globalization but mitigate cultural globalization.

Sixth, sustainable economic development strategies would acknowledge quality of life as a major component of economic competitiveness.

Seventh, sustainable economic development strategies would be long term.

Eighth, sustainable economic development would not be a zero sum game where for one community to win another has to lose.

Ninth, a sustainable economy would advance the cause of environmental responsibility.

Finally, a sustainable economy would advance the cause of the social/cultural responsibility.

How do historic preservation and downtown revitalization fit the criteria for a sustainable economy?

Let's start with local assets. Obviously, the historic downtown buildings themselves are local assets, but it doesn't stop there. Downtown is invariably where millions of dollars of infrastructure investment has already been made by previous generations. All too often that infrastructure is left unrepaired and underutilized as we substitute suburban sprawl for neighborhood reinvestment.

One of the great success stories for cities and for historic preservation in the last two decades has been downtown revitalization. This is where the area where I do most of my work. But I cannot identify a single example of a sustained success story in downtown revitalization where historic preservation wasn't a key component. Not one. Conversely the examples of very expensive failures in downtown revitalization have nearly all had the destruction of historic buildings as a major element. Downtown revitalization through historic preservation is the best examples in this country of sustainable economic development.

Widespread, measureable benefits – how do downtown revitalization and historic preservation stand up there? Well, consider the process of building rehabilitation itself.

Here in Pennsylvania a million dollars spent in the rehabilitation of an historic building adds 21 jobs to the local economy. That is 1.5 more jobs than is created by a million dollars of new construction in Pennsylvania and 6 more jobs than a million dollars of manufacturing output in Pennsylvania.

Here in Pennsylvania a million dollars spent in the rehabilitation of an historic building ultimately adds \$822,000 in household income to the state's economy. That is \$59,000 more in household income than is created by a million dollars of new construction in Pennsylvania and \$230,000 more in household income than a million dollars of manufacturing output in Pennsylvania.

This greater degree of economic impact is a result of labor intensity. As a rule of thumb, new construction is half materials and half labor. Rehabilitation 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 Michigan and lumber from Georgia, but we buy the services of the plumber, the electrician, and the carpenter from across the street. Further, once we install the sink, the sink doesn't spend any more money. But the plumber gets a hair cut, buys groceries, joins the YMCA – each recirculating that paycheck within the community. That is what makes a sustainable local economy.

But those aren't just jobs. They are good, well-paying jobs, particularly for those without formal advanced education.

Labor is a renewable resource consuming little in fossil fuel. Materials are often from non-renewable resources, and are nearly always significantly fossil fuel consumptive.

A sustainable local economy should have local economic benefits that are widespread and measurable and downtown revitalization and historic preservation provides both.

Next a sustainable economy is orientated toward the private sector, particularly small business. I am certainly not against public employment. In times like these we need to have public employment as part of our social safety net. But public employment is not a long term generator of economic growth; that comes from the private sector, particularly small business.

If you read the *Wall Street Journal* or listen to MSNBC you might reach the conclusion that the American economy owes its success to the Fortune 500. That's an out and out lie. This is a nation of small business. Ninety percent of all businesses in America and 86% here in Pennsylvania employ fewer than 20 people.

Why do we care? Here's why. In this ongoing recession small businesses are the unrecognized and vastly underappreciated heroes. Times are terrible for small businesses but they have done a vastly better job keeping people employed than have the giants.

Just after the first of the year a report came out that over the decade there had been zero net job growth...unlike any decade since the 1930s. But this is a misrepresentation. Small businesses – those employing less than 50 people, were employing 1.3 million more workers in December 2009 than in December 2000. Giant firms, on the other hand, were employing 3 million fewer.

And during this recession if in fact had small businesses laid off people at the same rate as the giants, there would be another 2,472,000 people unemployed in America today.

And this retaining of workers certainly isn't because small businesses are doing so well. And I guarantee that no small business owner pays herself 500 times what the least paid employee gets, as is the case with the big guys.

Now you might say, "OK, but when the economy gets moving again the big guys will be doing the hiring." Another illusion. Prior to this recession we had 72 months of economic expansion. And small business did its part by adding almost 4 and half million jobs. And the big guys during that same period? They got rid of over 600,000 jobs. Six year of economic growth and the big guys shed 2000 jobs every week.

And then the great study released in October demonstrated that in New Orleans twice as much of every dollar spent in a locally owned business stays in the community than a dollar spent at a national chain store.

But, of course, who is getting all the assistance from the Federal government – the giants.. We keep hearing, "It's too big to fail". Well, if it's too big to fail, it's too big. Break it up. It's time for some good old American, Teddy Roosevelt trust busting. And of course the opposite is happening.

We have been hearing in recent weeks the Federal government trying to figure out more ways to help small business. But recently the Commerce Department reported that the government couldn't even reach its own modest goal of 23% of Federal contracts to small businesses. The same week *The Economist* had as its cover story, "Big is Back". Mr. President, I have a suggestion – if you're serious about helping small business, just tell every cabinet secretary that they'll be fired if they don't meet their small business quota for next year.

Small businesses are the heroes of the American economy, and one of the few costs small firms can control is occupancy costs – rents. 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 downtown play that role, rarely with any subsidy or assistance of any kind.

Next on my list of a sustainable economy was that its components would contribute in economic downturns as well as up cycles.

Both downtown revitalization and historic preservation fits this criteria in a couple of ways.

First, in economic downturns a variety of factors affect the ability to implement large scale plans. Financial constraints, political conflicts, and environmental concerns are all reasons that large projects are

often delayed or shelved. Historic preservation, however, can be done at virtually every scale, from the smallest shop building to massive revitalization of large urban areas. Smaller projects can proceed while larger ones are still on the drawing board, thus providing a measure of employment and income stability to a local economy.

And if there is one lesson that 30 years of Main Street in Pennsylvania has demonstrated, downtown revitalization is incremental, bottom up, and is not the illusionary “big fix/quick fix” that so many in the economic development world are still trying to peddle.

Number five on my list was globalization.

What neither the supporters nor the critics of globalization understand is that there is not one globalization but two – economic globalization and cultural globalization. For those few who recognize the difference, there is an unchallenged assumption that the second is an inevitable outgrowth of the first.

I would suggest those are two different phenomenon, which while interrelated, are not inexorably linked.

While there are sometimes painful disruptions, on a composite basis economic globalization has far more advantages than disadvantages. But cultural globalization has few if any benefits but has significant adverse social and political consequences in the short term and negative economic consequences in the long term.

If cities are to succeed in the challenge of globalization, they will have to be competitive not only with other cities in their region, but worldwide. However, their success will be measured not just by their ability to foster economic globalization, but equally in their ability to mitigate cultural globalization. In both cases, a city’s downtown and its historic built environment can play a central role.

Next, sustainable economic development strategies would recognize that quality of life is a major component of economic competitiveness and that knowledge workers in particular place a high value on quality of life criteria in their choice of where to live and work. For those of you in small Pennsylvania communities that are growing in population, I can almost guarantee that quality of life is one of the major reasons.

When we finally recover from this economic chaos, the US economy will continue its pattern of a sizable shift in our economic base and the nature of doing business.

Much of the “product” produced by American workers is knowledge and information. And those commodities can be produced virtually anywhere and can be transported for nearly no cost. This means that more businesses and their employees will be locationally indifferent.

Today, perhaps 20 percent of American businesses and a third of American workers can literally be located anywhere. How will that choice be made? On the quality of life the local community provides.

What constitutes “quality of life”? Depending on who makes the list, there are many possible variables including good schools, public safety, the weather. But when the physical attributes of a place are measured, the historic built environment is a significant quality of life contributor.

A great Australia study reached these conclusions: 1) a sustainable city will have a sustainable economy; 2) in the 21st century, a competitive, sustainable economy will require a concentration of knowledge workers; 3) knowledge workers choose where they want to work and live based on the quality of the urban environment; and 4) heritage buildings are an important component of a high quality urban

environment. And where are the vast majority of historic commercial buildings in your town?
Downtown, of course.

Number seven on my list was that sustainable economic development strategies would be long term, not short term.

There are lots of causes of this economic chaos, but as I mentioned earlier, underlying them all has been the short term perspective of Wall Street, consumers, and politicians.

You cannot have sustainable development without thinking long term. Our downtowns and our historic buildings, almost by definition, are long term in perspective – how long they have lasted already and how long they can last into the future if we protect them.

Sustainable local economies need to think long term. How long? Here's my rule of thumb – we should think as far into the future as the age of the oldest public building still in use.

From a national perspective, economic development should not be a zero sum game. But that's how most economic development in the past has been. For Lancaster to recruit an industry some other city had to lose it. When for every winner there has to be a loser is the definition of a zero sum game. But from a national perspective, what's the sense of that. There is no net economic benefit, just a shifting from point A to point B.

But a historic preservation based downtown revitalization strategy is not that way. For one community to effectively use its heritage resources in no way precludes another city from doing the same. To the extent that they both use historic buildings, both are advancing sustainable economic development.

So far I've only focused on sustainable economic development. But I don't want suffer from the same myopia as the "green architects" and think that my niche is the only component of sustainable development.

So sustainable economic development has to advance the cause of the environmental component of sustainable development. How do downtown revitalization and historic preservation do that?

We could begin with solid waste disposal. Solid waste disposal is increasingly expensive in dollars and in environmental impacts and a third of what's dumped at the landfill is construction debris.

So let me put this in context for you. We all diligently recycle our Coke cans because we're told it's good for the environment. Here is a typical North American commercial building – 25 feet wide and 120 feet deep. Let's say that today we tear down one small building like this in downtown Lancaster. 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 those diligent recycling efforts here in Lancaster. And that calculation only considers the impact on the landfill, not any of the other sustainable development calculations like embodied energy.

Embodied energy is defined as the total expenditure of energy involved in the creation of the building and its constituent materials. When we throw away an historic building, we are simultaneously throwing away the embodied energy incorporated into that building. So we start with the energy embodied in the building then add the energy expended tearing it down and hauling it to the landfill. What have we wasted? Over 56,000 gallons of gasoline.

Most of the “green building” movement focuses on the annual energy use of a building. But the energy embodied in the construction of a building is 15 to 30 times the annual energy use. A recent study in Great Britain indicated that it takes from 35 to 50 years for an energy efficient new home to recover the carbon expended in constructing the house.

Razing historic buildings results in a triple hit on scarce resources. First, we throwing away thousands of dollars of embodied energy. Second, we are replacing it with materials vastly more consumptive of energy. What are most historic structures in Pennsylvania downtowns built from? Brick, plaster, concrete and timber, among the least energy consumptive of materials. What are major components of new buildings? Plastic, steel, vinyl and aluminum, among the most energy consumptive of materials. Third, recurring embodied energy savings increase dramatically as a building life stretches over fifty years. You’re a fool or a fraud if you claim to be an environmentally conscious builder and yet are throwing away historic buildings, and their components.

Finally sustainable economic development would advance the cause of the social/cultural component of sustainable development. My professional practice is in the economic side of historic preservation. But I truly believe that of all of the values of historic preservation in the long run the economic value is the least important. The educational, aesthetic, cultural, and social values are far more important.

Downtown and its historic buildings’ role in helping us understand who we are, where we have been and where we are going is central to the social/cultural component of sustainable development.

The sociologist Robert Bellah wrote “Communities...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.” Your downtown and its historic buildings are the physical manifestation of memory.

Now if we go back to the graphic representation of sustainable development I would suggest to you that downtown revitalization and historic preservation are, in fact, the only strategies that are simultaneously environmental responsibility, economic responsibility, and social/cultural responsibility.

The mentality in this country is so focused on the technologies of green buildings that the concept of sustainable development isn’t grasped at all.

At most perhaps 10% of what the environmental movement does advances the cause of downtown revitalization. But 100% of what the downtown revitalization does advances the cause of the environment. You cannot have sustainable development without a major role for downtown revitalization, period.

The established definition of sustainable development is “...the ability to meet our own needs without prejudicing the ability of future generations to meet their own needs.” The demolition of historic buildings and the abandonment of downtown areas the polar opposite of sustainable development; once they are gone they cannot possibly be available to meet the needs of future generations.

But let me take the concept of sustainable development out of the international framework and move it to the elementary school. You've heard of the television show, "Are You Smarter than a Fifth Grader?" Well if you're at least as smart as a fifth grader you'll know what they all have learned – that saving the environment means reduce, reuse, recycle.

Rehabilitation of historic buildings reduces the demand for land and new materials; reuses energy embodied in the existing materials, the labor, skills and the urban design principles of past generations, and recycles the whole building.

Downtown revitalization reduces suburban sprawl; recycles streets and sidewalks already paid for, and reuses the meaning and memory of our town built up over generations.

We can preserve wetlands and be environmentally responsible...but have no effect on economic or cultural responsibility.

We can teach local history in the elementary school and be culturally responsible...but have no effect on economic or environmental responsibility.

We can have an equitable tax system and be economically responsible...but have no effect on cultural or environmental responsibility.

But through historic preservation based downtown revitalization are we doing all three simultaneously.

I particularly appreciate that the broadened concept of sustainable development is made up of responsibilities – environmental responsibility, economic responsibility, and social responsibility.

Downtown revitalization is not a hanger-on to sustainable development; downtown revitalization is sustainable development.

Well, here we are in an election year again. And virtually every side in every race will be supported by dozens of advocacy groups. 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 and downtown revitalization are responsibility movements rather than rights movements. They are movements that urge 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.

I give quite a few speeches over the course of a year, and in all modesty, think that usually I'm not too bad at it. But recently I stumbled over an online newsletter from a guy by the name of TJ Walker. He's basically a communications coach and gives advice about giving better speeches. And one of the things he recommends is when you give a speech always ask your audience to do something specific. That is not something I usually do, but today I'm going to take his advice.

In fact I'm going to ask you to do two things. First, next week, contact every elected official that represents you in both parties in person or by phone or by letter or by email and say to them, "stop this short-sighted, disingenuous, self-serving, irresponsible bullshit that is damaging the economy, screwing

the next generation, and the making a mockery of representative government.” Feel free to use your own words, however.

And then second, contact every small business owner in your community and say, “Thanks for being the backbone of the US economy and for being the only real capitalists left.”

One last time for the sustainable development visual. Main Street is making your community viable by linking environmental responsibility and economic responsibility. Main Street is making your community livable by linking environmental responsibility and social responsibility. Main Street is making your community equitable by linking economic responsibility and social responsibility.

The work of the people in the room is adding more to sustainable development than every solar paneled, waterless toilet, gold star LEED rated green gizmo building in America. And on behalf of my grandchildren, who are not yet even born, I want to thank you and your Main Street boards for being the singularly best example of sustainable development in America today.

Thank you very much.

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