

GOOD NEWS IN TOUGH TIMES

HISTORIC PRESERVATION
AND THE GEORGIA ECONOMY



Prepared for: Historic Preservation Division
Georgia Department of Natural Resources

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INTRODUCTION

The first decade of the 21st Century has been a challenging one for the national economy. Two recessions, the second being the longest and the deepest since the Great Depression of the 1930s, have meant loss of jobs, loss of incomes, and loss of tax revenues.

Georgia has not been immune to these economic difficulties. Among the indicators of these economic challenges are:

- Rapid decline in housing prices
- High levels of unemployment
- Declining state government revenues

But beneath these bad news headlines, a different story emerges. Historic preservation in Georgia has been adding jobs, increasing property values, spurring investment, and generating income.

During the last decade

- Over 10,000 jobsⁱ have been created through the rehabilitation of historic structures.
- Those jobs have meant \$420 million in household income for Georgia citizens.
- 5,100 net new businesses have opened their doors in Georgia Main Street and Better Hometown downtowns.

- Businesses in those downtowns have added 23,000 net new jobs.
- Historic preservation has effectively leveraged scarce local dollars through the effective use of federal programs for transportation, local government, and heritage tourism.
- Every year the heritage portion of Georgia's tourism industry sustains 117,000 jobs, generating nearly \$204,000,000 in wages, and \$210,000,000 in local tax revenues.
- The non-profit sector, from the Georgia Cities Foundation to the Garden Club of Georgia, Inc., to the Fox Theatre, have seen the wisdom of investing their resources in historic preservation.

This report is about an often overlooked story – the positive impact that historic preservation has on the Georgia economy in every corner of the state.

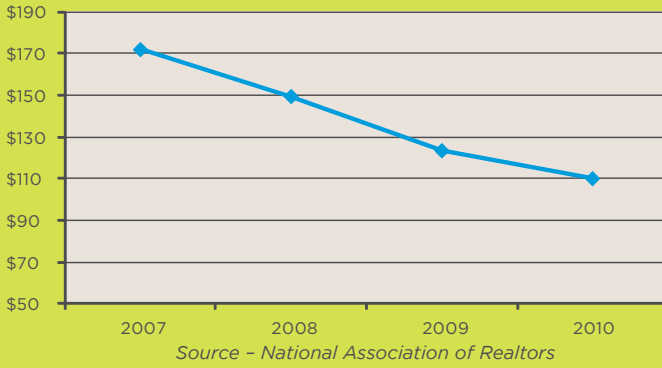
Today historic preservation in Georgia is:

- Spurring investment
- Attracting visitors
- Revitalizing downtowns
- Effectively leveraging scarce resources

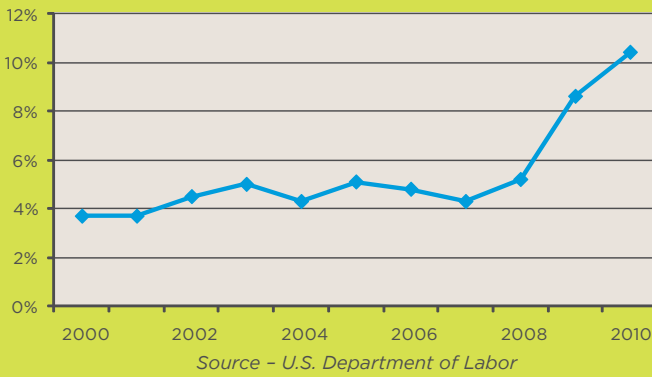
In short – Historic Preservation is Good News in Tough Times.

ⁱ Jobs calculations for historic rehabilitation are based on multiplier data provided by IMPLAN®. Jobs include direct construction jobs and also indirect and induced jobs. In Georgia for this type of activity for every 10 jobs directly created in a historic rehabilitation project another approximately 5.9 jobs are created elsewhere in the state's economy.

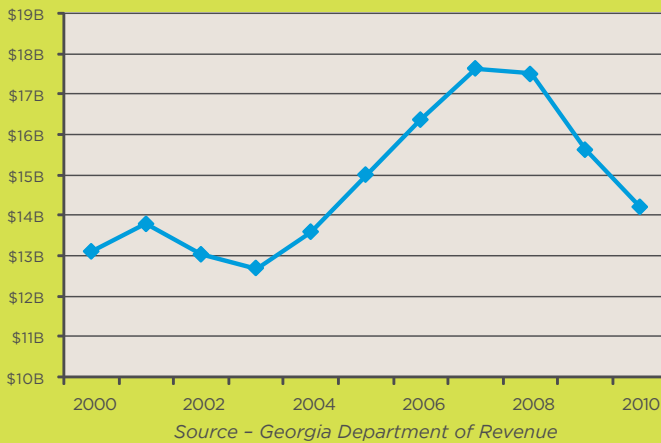
ATLANTA METRO HOUSING MEDIAN PRICE



GEORGIA JANUARY UNEMPLOYMENT RATE



STATE REVENUE COLLECTIONS



HISTORIC PRESERVATION IS SPURRING INVESTMENT

The rehabilitation of Georgia's historic buildings isn't just about preserving yesterday's history; it is about building Georgia jobs, Georgia incomes, and the Georgia economy today and tomorrow. Public officials at both the national and state levels have recognized this, and have enacted legislation to encourage private sector investment in historic buildings.

For owners of Georgia's historic buildings, three programs, administered by the Historic Preservation Division of the Department of Natural Resources, are potentially available - the Federal Rehabilitation Investment Tax Credit, the Georgia State Income Tax Credit for Rehabilitated Historic Property and the Georgia Preferential Property Tax Assessment for Rehabilitated Historic Property.

Over the last decade more than 700 of Georgia's historic buildings have been rehabilitated using one or more of these programs. These programs have been remarkably successful in saving Georgia's heritage, but extraordinary in boosting the Georgia economy.

Since 2000, individual property owners in the private sector in Georgia have invested \$560,000,000 in their historic buildings. This investment prepared their 18th, 19th, and 20th century buildings to respond to the demands of the 21st century. At the same time that private investment has been a boon to the Georgia economy.

That investment in Georgia's history has meant:

- 10,168 jobs for Georgia workers
- \$420,046,800 in income for Georgia workers and proprietors

WE'D BE DEAD IN THE WATER
WITHOUT THESE TAX CREDITS.

Josh Rogers, Historic Macon Foundation

PROGRAM	INCENTIVE
Federal Rehabilitation Investment Tax Credit	20% credit* for eligible income-producing, commercial properties
Georgia State Income Tax Credit for Rehabilitated Historic Properties	<p>2004-2008</p> <ul style="list-style-type: none"> • 10% credit: residential • 15% credit: low-income “target” area • 20% credit: commercial • All projects subject to \$5,000 cap <p>2008-current</p> <ul style="list-style-type: none"> • 25% credit: residential & commercial • 30% credit: low-income “target” area • \$100,000: residential property cap • \$300,000: income-producing property cap
Georgia Preferential Property Tax Assessment Program for Rehabilitated Historic Property	Property tax assessment freeze for over 8 years for commercial and residential properties

* of qualified rehabilitation expenditures

IN GEORGIA, \$1,000,000 IN OUTPUT FROM VARIOUS INDUSTRIES “MEANS”

INDUSTRY	JOB	SALARY & WAGES
Automobile Manufacturing	3.5	\$245,000
Computer Manufacturing	4.0	\$255,000
Air Transportation	8.7	\$476,000
Poultry Processing	10.4	\$426,000
New Construction	14.9	\$616,000
Rehabilitating Historic Buildings	18.1	\$750,000

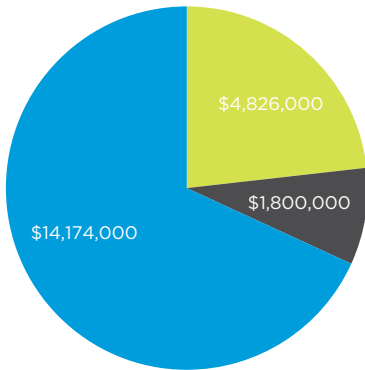
Source - IMPLAN© data for Georgia



The Augusta Canal National Heritage Area's guided tour boat passes the site of the Confederate Powder Works. The chimney is the last vestige of the Confederacy's huge gunpowder "manufactory."

HISTORIC PRESERVATION IS ATTRACTING VISITORS

Tourism is Georgia's second largest industry following only agriculture in economic importance. Tourism employs 241,000 Georgians, nearly 6% of the state's workforce. In recent years tourism has accounted for more than \$20 billion per year spent within the state's borders. From an economic development standpoint, more than 75% of that amount comes from beyond the state's borders - from travelers from other U.S. states, and from international visitors. The ultimate economic impact of tourism in Georgia is nearly \$34 billion.



■ In-State ■ International ■ Out of State

Of course, not all tourism is heritage related. Business conferences, sports activities, recreational areas, and amusement parks all bring visitors to Georgia and attract tourism dollars. There are, however, a number of indicators of the significance of the heritage component of Georgia's tourism industry:

- While Georgia is ranked as the 8th most visited of all states, it ranks 5th for heritage tourists.
- What do visitors do in Georgia? After general sightseeing, visiting historic areas is their primary interest.
- Why do visitors extend their stay? Visiting historic areas is a primary reason.
- What about those international visitors?
 - Georgia's international visitation is growing.
 - A third of international visitors are cultural tourists, 73% of whom visit a historic site.
 - International cultural visitors stay on average 8 days longer and spend \$220 more than other international tourists.
 - After shopping, dining, and sightseeing in cities, visiting a historic site is the most common activity for the international cultural tourist.
 - Four times as many international tourists visit a historic site than play golf.

There's a good reason for Georgia's appeal. Its unique mix of sites, including Civil War battlefields, African-American history sites, Native American spiritual sites, house museums, plantations, historic downtowns and railroad depots, all draw heritage tourists. How do these attractions translate into jobs and paychecks for Georgia citizens?

CULTURAL AND HERITAGE TRAVELERS ARE MORE INTERESTED IN EXPERIENCES WHERE THE DESTINATION, ITS BUILDINGS AND SURROUNDINGS HAVE RETAINED THEIR HISTORICAL CHARACTER.

The Cultural & Heritage Traveler Study, McCormick, Rosemary.
Shop America Alliance (2010)

As those who understand economic development or tourism know, quantifying precise economic impact from tourism is a challenge and, frankly, often overstated. Some surveys have indicated that as many as 78% of all leisure visitors can be classified as cultural/heritage tourists.

But we have calculated the impact of heritage tourism using a very conservative approach.

- We include only leisure visitors, therefore not calculating the impact of business travelers who also visit historic places during their trips.
- We include only those categories of visitors who plan their trip specifically to participate in cultural/heritage experiences and those who actively include cultural/heritage activities during their travels.
- These visitors for whom heritage is a major priority include approximately 26% of all domestic leisure visitors (although they represent 45.1% of leisure traveler expenditures) and 27% of international visitors (who represent 28.9% of international visitor expenditures).

Using a variety of data sources including the Georgia Tourism Division's data, private sector tourism surveys, and U.S. Department of Commerce figures, a conservative estimate of the **annual impact of the heritage portion of the Georgia tourism industry is:**

Spending in Georgia - \$6,147,282,000
Domestic \$5,633,180,000
International \$514,102,000
Jobs in Georgia - 117,000
Salaries and Wages
in Georgia - \$203,850,000
State taxes generated - \$252,496,000
Local taxes generated - \$209,933,000

And here's the bonus: Georgia's wonderful array of heritage resources are what brought those visitors (and their dollars) to the state. **Those historic places, however, only receive between 3% and 7% of that money.** Between 93% and 97% of the visitor expenditures don't go to the assets that attracted them, but to the restaurants, hotels, shops, and transportation that serve them.

GEORGIA PARKS

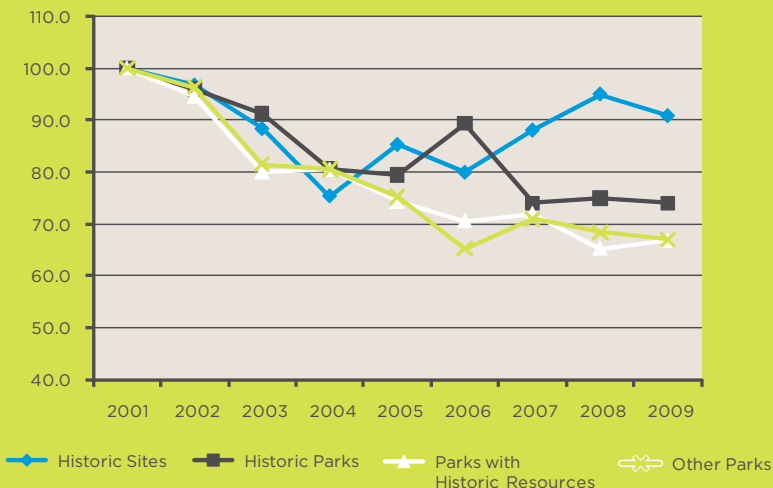
The citizens of Georgia are fortunate in the variety and beauty of their state parks. These parks play host to more than 10 million visitors annually. Of the 63 parks in the state system:

- 15 are historic sites.
- 3 are historic parks.
- 19 are parks with a significant number of historic resources.
- 26 are primarily recreational facilities.

About half of the total annual attendance is primarily at recreational facilities and half at parks with a heritage component.

There are a number of ways other than raw attendance numbers to judge the success of parks. One of these is the ability to maintain attendance levels during periods of an overall decline in visitation. Georgia's historic sites and parks have managed to do just that during the current recession. The graph below illustrates these attendance levels. The attendance for 2001 represents each category's base number which has been indexed to 100. A later index number of, for example, 90, would mean that the attendance in that year was 90% of the base year (2001) attendance.

GEORGIA PARK ATTENDANCE
2001 = 100





NATIONAL PARKS IN GEORGIA

- Andersonville National Historic Site
- Chickamauga & Chattanooga National Military Park
- Fort Frederica National Monument
- Fort Pulaski National Monument
- Jimmy Carter National Historic Site
- Kennesaw Mountain National Battlefield Park
- Martin Luther King Jr. National Historic Site
- Ocmulgee National Monument

(top) Martin Luther King, Jr. National Historic Site, Fulton County; (middle) Ocmulgee National Monument, Bibb County

NATIONAL PARKS

The richness of Georgia's history is also reflected in the National Parks within the state. These eight parks welcome more than 30 million visitors each year. The breadth of these parks reflects the extent of Georgia's history. Ocmulgee National Monument in Macon begins the story at 9000 BC, with artifacts from Ice Age hunters. At the other end of the chronological spectrum are the Jimmy Carter National Historic Site in Plains and the Martin Luther King Jr. National Historic Site in Atlanta which tell of the accomplishments of two of the most important figures in 20th century American history.

Among the most visited sites are those National Parks with a connection to the Civil War. In 2006, the Civil War Preservation Trust released their *Blue, Gray and Green: A Battlefield Benefits Guide for Community Leaders* report which found that Civil War battlefields attract affluent, well-educated tourists who travel to the area specifically to visit the site. Typical of heritage tourists, these battlefield tourists stay longer and spend more than the average visitor. The Georgia economy is certainly benefiting from this type of heritage tourist.

HISTORIC PRESERVATION IS REVITALIZING DOWNTOWNS

Thirty years ago many wrote off Georgia's downtowns as relics of the past in the age of regional shopping malls, suburban residential developments, and big box retailers. Many people, however – small business owners, local and state elected officials, bankers, property owners, preservationists and others – saw value in Georgia's historic downtowns. These forward-looking citizens refused to walk away from the value created by earlier generations of Georgians. For some the "value" was the character and distinctiveness of the historic buildings. For others it was the "value" of their buildings and businesses located downtown. Fiscally responsible mayors and council members refused to abandon the millions of dollars of infrastructure investment downtown that had been paid for by earlier generations of taxpayers. Bankers looked at the value of their mortgages on downtown

buildings and loans to downtown merchants and concluded those assets were too important to be allowed to disappear.

In response to the decline of these downtowns, in 1980 the Main Street program became part of the economic development strategy of the State of Georgia. Traditionally, Main Street communities were between 5,000 and 50,000 in population. But since many of Georgia's towns are smaller, a companion program called Better Hometown was added in 1997. Today more than 100 towns and small cities in Georgia participate in these two programs administered by the Department of Community Affairs. In simplest terms Main Street is economic development in the context of historic preservation. And there is no economic development program of any kind that is nearly as cost effective as is Main Street.

REHABILITATING OLD BUILDINGS CAN
BE THE PRIVATE INVESTMENT KEY TO
REINVIGORATING A DOWNTOWN AREA,
OR SIMPLY KEEPING IT ALIVE...

"Celebrating Downtown: Nine Georgia cities show off their successes on this year's Heart and Soul bus tour,"
Georgia Trend (July 2010)

The numbers can speak for themselves. Every year of the 21st Century, Georgia Main Street and Better Hometown communities have seen a net growth in downtown jobs, including the years when the nation was plagued with recession. Through June 2010 those communities have seen a growth of over 23,000 net jobs in their downtowns.

New jobs come from new businesses, expanded businesses, and business relocations. How have Main Street/Better Hometowns performed there? Every year of the 21st Century, Georgia Main Street and Better Hometown communities have seen a net growth in downtown businesses, including the years when the nation was plagued with recession. Through June 2010 those communities have seen a growth of more than 5,100 net new businesses in their downtowns.

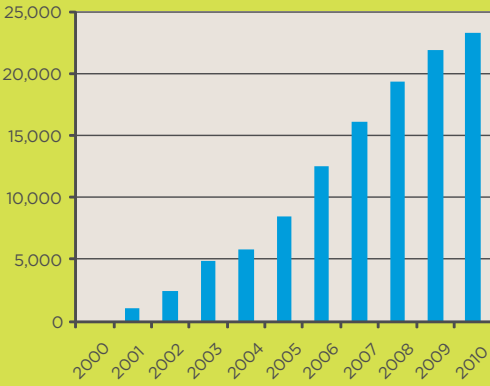
Are these downtowns immune to economic downturns? Of course not. And small businesses in Georgia downtowns face extraordinary challenges during recessions. But these downtowns have become the location of choice for many Georgia entrepreneurs. One of the largely unheralded characteristics of Main Street communities is their role as incubators of small business. And in a state like Georgia where 95% of all businesses employ fewer than 50 people and 87% fewer than five, a fertile location to start up a business is of critical importance for economic growth.

The Kauffman Foundation for Entrepreneurship argues that economic growth takes place as a result of “business churn” – the establishment of new businesses even as other businesses close. A ratio of 1.0 would mean that there is one business closing for every business opening. Nationally that ratio varies between 1.1 and 1.2, meaning that for every 1.1 or 1.2 business openings there is a business that closes. But look how dramatically better that ratio is in Georgia’s historic downtowns. From 2004 to 2008 where national data has been available for comparison, there have been between 2.8 and 4.6 business openings for every closing in these Georgia downtowns. That’s good news that has continued even within the bad news of the national recession. While national numbers for the last two years are not yet available, Georgia’s downtowns that are part of the Main Street/Better Hometown network have had business opening/closing ratios of 1.95 to 1.00 (2009) and 2.88 to 1.00 (to date, 2010).

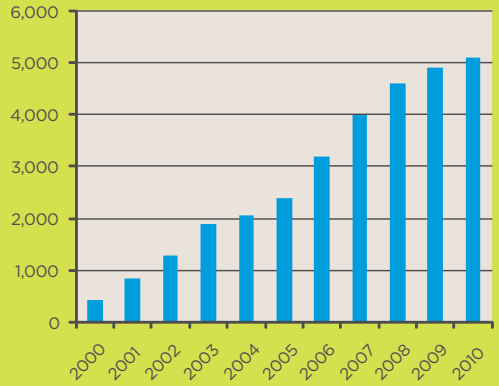
There are many differences among the downtowns within Georgia’s Main Street and Better Hometown network – in population, economic health, geography, economic base, demographics. But they all have one thing in common – they are using the historic resources of their downtowns as the vehicle for economic growth. And they are remarkably successful in doing so.

GEORGIA MAIN STREET AND BETTER HOMETOWN COMMUNITIES

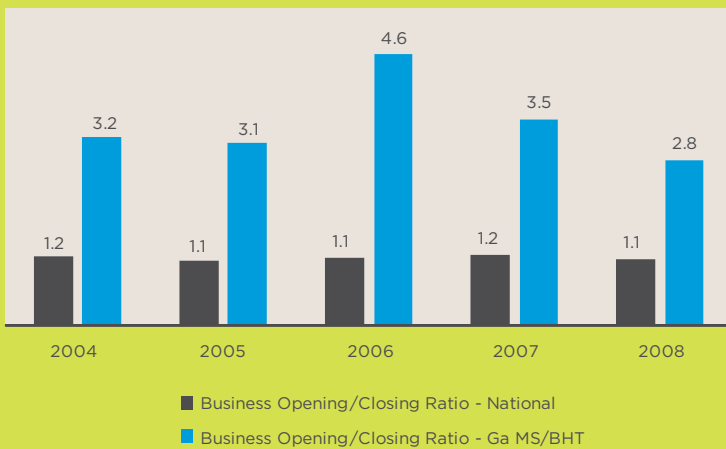
CUMULATIVE JOB GAIN



CUMULATIVE BUSINESS GROWTH



RATIO OF BUSINESS OPENINGS TO BUSINESS CLOSINGS



[THOMASVILLE'S] DOWNTOWN DEVELOPMENT AUTHORITY (DDA) PURCHASED [A VACANT BUILDING, FORMERLY A JCPENNY'S] WITH FUNDS FROM US AND THE DEPARTMENT OF COMMUNITY AFFAIRS, ADDED A THIRD FLOOR, WHICH THEY CONVERTED TO OFFICE SPACE, THEN LEASED IT TO FLOWERS FOODS WITH A PURCHASE OPTION. IT WAS SO SUCCESSFUL FOR FLOWERS THAT THEY WANTED TO BRING EVEN MORE [EMPLOYEES], SO THE DDA PURCHASED THE ADJACENT BUILDING, WHICH WAS A HOTEL - WITHOUT OUR PARTICIPATION - AND DID THE SAME THING, ADDING 80 MORE EMPLOYEES.

Perry Hiott, Georgia Cities Foundation, as quoted in "Renewal and Revitalization," *Georgia Trend* (February 2010)

GEORGIA CITIES FOUNDATION

The Georgia Municipal Association has played an active role in preserving Georgia's historic resources through the creation of the Georgia Cities Foundation Revolving Loan Fund. This program finances projects that "encourage spin-off development, add jobs, promote downtown housing, or add to the cultural enrichment of the community." These goals have been met by providing nearly \$12 million in loans for 67 projects in 37 cities. 59 of these projects involved historic resources. In over half of these projects additional loan funding has come from the Department of Community Affairs to further leverage the investment.

Through historic preservation projects alone, the Fund has facilitated:

- The creation of 163 new businesses
- 811 new jobs
- 35 new housing facilities
- Stimulating more than \$55.5 million in private investment.

As a non-profit subsidiary of the Georgia Municipal Association, the Foundation's efforts recognize historic preservation's contributions to the creation and development of healthy downtowns.

Atlanta's Fox Theatre has endured mortgage foreclosure, The Great Depression bankruptcy, competition, television, real estate development and deterioration. It has also hosted receptions and special events for visiting ambassadors, U.S. politicians, and international dignitaries, as well as the Metropolitan Opera Company's 20-year annual spring performances, Lynyrd Skynyrd, the Boston Pops, the Atlanta Symphony Orchestra and The Rolling Stones. The theater is no stranger to the ups and downs of history and stands today as a testament to the persistence and dedication of those who sought to preserve the historic monument for future generations. Opening two months after the 1929 stock market crash, the theater declared bankruptcy after 125 weeks in operation, and



ownership was transferred to the city. Three years later the Fox reverted back to private ownership and from the 1940s to 1960s enjoyed a reputation as one of Atlanta's finest movie houses. The advent of television and suburban theaters initiated another period of decline and economic challenges for the theater. It was rescued in 1975 by Atlanta Landmarks, Inc. that successfully pushed through its nomination as a National Historic Landmark and has since rehabilitated the Fox into a multi-purpose performing arts center through restoration projects and initiatives totaling over \$20 million. The Fox has since generated a yearly operating surplus and at present about 325 nights a year are booked. The theater is estimated to have generated millions of dollars for the Atlanta economy, attracting 750,000 visitors a year. In 2009, Billboard Magazine ranked the Fox as "The #1 non-residency venue worldwide for the decade (5,000 seats or less)." The Fox Theatre has witnessed both splendor and decline in its 80 years and is now a fiercely protected Landmark and nationally acclaimed historic theater that Atlantans and visitors can enjoy in the years to come.



Atlanta's popular Fox Theatre, a National Historic Landmark, is booked about 325 nights a year.

HISTORIC PRESERVATION IS EFFECTIVELY LEVERAGING SCARCE RESOURCES

Even in the best of economic times, there are not enough financial resources to save all the historic buildings that merit preservation, and in tough economic times the challenge is even greater. Over the last decade, Georgia preservationists in general, and the Historic Preservation Division of the Georgia Department of Natural Resources in particular, have been effective in leveraging scarce resources.

GEORGIA HERITAGE GRANTS

Established in 1994 by the Georgia General Assembly and administered by the Historic Preservation Division, the Georgia Heritage Grants provide a 60% matching grant to local governments and non-profit organizations for the rehabilitation of properties listed on the Georgia or National Register of Historic Places. Between 2000 and 2010, this program supported 150 projects that resulted in over \$3.8 million in investment. While the grant recipients are only required to come up with 40% of the project costs, in the

end accumulatively the State's contribution was matched almost one to one with over \$1.9 million in local contributions. In recent years applications for monies from Georgia Heritage Grants have exceeded available funds by almost 8 to 1. State funding for this program peaked in 2002 at \$500,000 and has since steadily decreased and was eliminated entirely for fiscal years 2009, 2010 and 2011.

LICENSE PLATE PROGRAM

Fortunately, 2009 was the first year in which funds from the historic preservation license plate program, signed into law in 2005, became available. To date, almost 5,000 Georgia citizens have purchased these license plates in order to support historic preservation. As of April, 2010 the program has raised a total of \$109,316, with \$22 from each \$25 specialty tag fee being directed towards the Georgia Heritage Grants. (Beginning in July 2010 the fee was raised to \$35.)



The first Georgia Heritage Grant funded through preservation license plate sales went to repair Tybee Theater on Tybee Island, Chatham County. Photo courtesy of the Tybee Island Historical Society.



The historic preservation license plate was designed by Georgia artist Larnie Higgins of Planet Studio.

CERTIFIED LOCAL GOVERNMENTS

Ten percent of the Historic Preservation Division's federal funding is set aside to provide matching grants to Certified Local Governments (CLGs) for preservation planning purposes, including design guidelines, historic resources surveys, educational publications and archaeological surveys. Today 78 Georgia communities are protecting their local resources through the CLG Program. Between 2001 and 2010, almost \$800,000 in federal funds were passed through to local communities under this program.

PRESERVE AMERICA CEMETERY PROJECT AND HISTORIC CEMETERY HERITAGE TOURISM GRANTS

In 2006, Georgia's Historic Preservation Division received an \$86,000 Preserve America grant directed towards the preservation and promotion of historic cemeteries. As a result, five Preserve America communities received a total of \$60,000 in federally funded sub-grants with a 50-50 match. Projects began in 2007 and were completed the following year. The valuable lessons learned from these projects were then communicated

to additional communities through a statewide historic cemetery conference and publication. This important work was continued in 2009 through an additional one-time grant program during which HPD partnered with the Georgia Department of Economic Development to assist local communities in promoting their historic cemeteries through tourism.

TRANSPORTATION ENHANCEMENT PROGRAM

Though the Historic Preservation Division has led the state's historic preservation efforts, other agencies such as the Department of Transportation and non-profit organizations have been active in capitalizing upon Georgia's historic resources as a source of economic development.

The maintenance and construction of transportation projects are a strong catalyst for economic growth. Beginning in 1991, the federal government's funding for the states for highways has included a provision to use 10% of the funds for the Transportation Enhancement (TE) program.

HISTORIC LANDSCAPE AND GARDEN GRANT PROGRAM

The Garden Club of Georgia has provided 53 historic properties with over \$89,000 in 50/50 matching grants between 2000 and 2009. Grants are provided to public, non-profit organizations at a maximum of \$3,000 per grant. Eligible activities must relate directly to the physical preservation of the historic garden, including restoration of designed landscapes and gardens, historic landscape or garden restoration plans, and cultural landscape reports.



A number of the criteria for TE Programs are preservation-related. These include:

- Acquisition of scenic easements and scenic or historic sites including historic battlefields
- Scenic or historic highway programs including the provision of tourist and welcome center facilities
- Rehabilitation and operation of historic transportation buildings, structures, or facilities including historic railroad facilities and canals
- Preservation of abandoned railway corridors including the conversion and use for pedestrian or bicycle trails
- Archaeological planning and research

Administered by the Georgia Department of Transportation, this program provides federal funding for 80% of project costs with the remaining 20% provided by the project sponsor. Between 2000 and 2009, an estimated two-thirds of all program projects were preservation-related, either involving a historic structure, often depots, or located within a historic district. These funds

have resulted in over \$50 million in local preservation related investment. Project examples include:

- \$1.3 million contributed towards improving sidewalk conditions within Atlanta's Fairlie Poplar Historic District and preparation of a design scheme for the entire area.
- \$360,547 directed at upgrading Newnan's streetscape as an extension of the Historic Downtown Streetscapes Project and the Temple/Clark Corridor Improvement Project.
- \$300,000 to Sparta for streetscape improvements featuring connective pedestrian walkways in the Historic Sparta Downtown Streetscape.
- \$169,000 to Johnson County for conversion of the Johnson County train depot into a museum and visitors center.

EFFECTIVE PARTNERSHIPS

Historic preservation works for the Georgia economy in part because of the success of partnerships.

One of the best examples is in Georgia's downtowns. The process may work like this -

- The local Main Street program identifies an appropriate project.
- The Georgia Trust for Historic Preservation provides design assistance to the property owner.

- The Department of Community Affairs commits a loan.
- The Georgia Cities Foundation provides an equivalent loan.
- The local property owner secures additional funding and invests her own money.
- The Historic Preservation Division of DNR certifies the project for federal and state tax incentives.

The result? Jobs, increased local tax base, a vibrant downtown, and one more of Georgia's historic resources returned to productive use.



Rhodes Hall, built in 1904 in Atlanta, houses the Georgia Trust, the statewide preservation nonprofit. Photo taken by Diane Kirkland courtesy of the Georgia Trust for Historic Preservation.

THE GEORGIA TRUST FOR HISTORIC PRESERVATION

Central to the success of integrating historic preservation into the Georgia economy is the work of the Georgia Trust for Historic Preservation.

In the 37 years since its founding, the Georgia Trust has become the national model for a statewide non-profit organization leading the way in preservation advocacy, education, and technical assistance.

It has provided design and technical assistance to more than 3,500 businesses in Georgia Main Street and Better Hometown downtowns.

It invests directly in endangered historic properties through its revolving fund.

It brings heritage tourism local through its annual Spring and Fall Rambles to Georgia communities.

It directly operates the Georgia landmarks Hay House in Macon and Rhodes Hall in Atlanta.

These activities are in addition to ongoing educational, advisory, and advocacy functions.

While the Georgia Trust isn't the only contributor to making Georgia's historic resources economically productive, it's hard to imagine this Georgia economic success story without this organization.

A TALE OF FOUR CITIES

MACON

Located in Georgia's Historic Heartland Region, Macon boasts historic districts with more than 6,800 contributing properties on the National Register. In addition, this town of 93,000 residents is home to such historic sites as the Hay House, Rose Hill Cemetery and the Sidney Lanier Cottage, designated in 2004 as a Landmark of American Poetry by the Academy of American Poets. The non-profit preservation group Historic Macon Foundation (HMF) works to preserve these historic resources through a variety of advocacy, technical assistance, and educational activities. However, their efforts to create and maintain vibrant and livable historic neighborhoods are perhaps most visible through the purchase, rehabilitation and resale of historic homes.

Through a combination of a revolving fund and private donations, Historic Macon Foundation has put 140 formerly vacant historic homes back on the market, increasing the city's tax receipts by \$141,474 a year. Nearly 30 of these rehabilitations occurred in the last decade. These projects have resulted in \$10 million in construction investments, creating 2,000 jobs for local workers. HMF's efforts have had far-reaching success, contributing to neighborhood revitalization, the provision of low-income housing, an 80% decrease in crime, increases in property values and home ownership rates above the national average. HMF's rehabilitation projects have saved more than an estimated 20,000 tons of debris that would have been sent to landfills had the buildings been demolished.

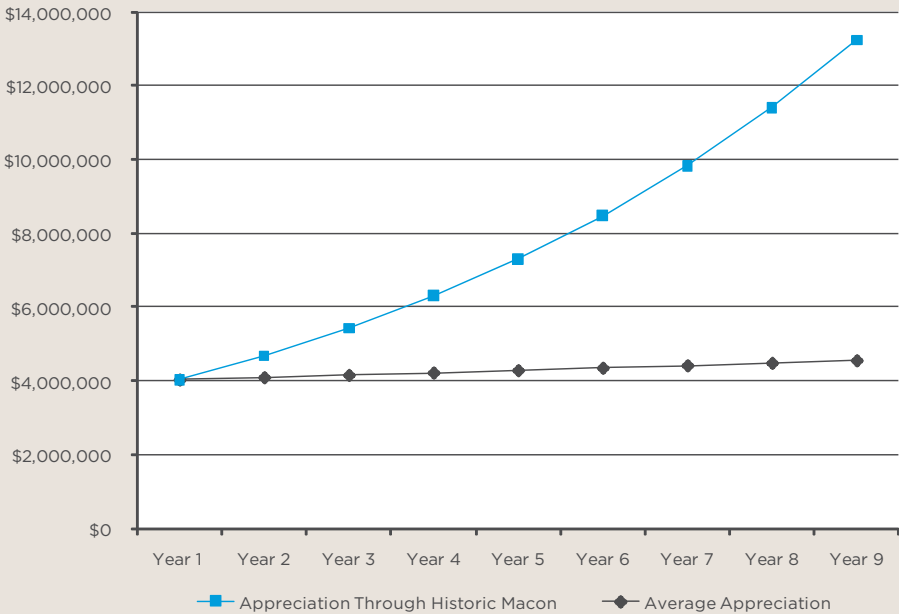


986 Adams Street in Macon before and after rehabilitation. Photo courtesy of Historic Macon Foundation (before) and Georgia Department of Natural Resources (after).

HMF undertakes between five and ten projects a year, with properties either donated or purchased by the Foundation to be converted into single family homes. Almost all of projects are sold before or during construction and there is currently a waiting list of interested buyers. HMF estimates that it recovers approximately 95% of its costs, sometimes making a profit. Tax credits have proven essential to the program's success, while the state tax assessment freeze is used as a marketing incentive to draw potential buyers.

HMF's success in neighborhood revitalization was noted by Mercer University, who partnered with the Foundation beginning in 2006 to create the Down Payment Assistance Program, designed to encourage Mercerians to participate in revitalization of neighborhoods surrounding the Macon campus. The down payment assistance comes in the form of \$20,000 or 20% of mortgage value, forgivable over the first five years the resident lives in the home.

HUGUENIN HEIGHTS AND TATTNALL SQUARE HEIGHTS HISTORIC BUILDING VALUES



Source - Historic Macon Foundation

A TALE OF FOUR CITIES



Savannah's historic neighborhoods bring tourists to the city.

SAVANNAH

Savannah is a national example of the far-reaching impacts of historic preservation, its reputation as a city steeped in history well-deserved. There are numerous examples in which the city has used its historic resources to retain its unique southern coastal identity. Here are two.

The Savannah College of Art and Design (SCAD) plays a prominent role in preserving Savannah's historic resources. Its adaptive reuse of 70 historic buildings that are scattered throughout the city has created a unique "recycled" urban campus. These buildings house almost all of the College offices and classrooms. Centrally located in the city's National Historic Landmark District, SCAD had an employment impact of 4,545 jobs in 2009 and generated more than \$385 million in total economic impact that same year. The College has received numerous awards for its contributions to the preservation of Savannah's historic environment and in 2009, SCAD received two honors from Historic Savannah Foundation, who recognized the College for its

preservation efforts and its long-term commitment to heritage conservation.

In recent years, Savannah's Development and Renewal Authority has also taken a large interest in Savannah's historic resources. Its focus has helped the city weather the recent economic downturn – revitalization activities within the National Landmark Historic District, Broughton Street Redevelopment Area and MLK-Montgomery Redevelopment Corridor have resulted in a 123% increase in property values between 2000 and 2007 as well as a 125% increase in property tax revenues. The revitalization of the MLK-Montgomery Corridor in particular has augmented the city's low-income and affordable housing stock. This area showed increasing real estate activity prior to the 2007 housing downturn. It should be noted that despite the downturn, modest levels of rehabilitation of historic properties on Broughton Street and the MLK-Montgomery Corridor have continued and rental rates of large apartments in the National Landmark Historic District were virtually identical to those in 2005.

OVER THE PAST 10 YEARS DOWNTOWN SAVANNAH HAS EXPERIENCED A RENAISSANCE OF PUBLIC AND PRIVATE INVESTMENT. FORTUNATE TO HAVE ONE OF THE LARGEST NATIONAL HISTORIC LANDMARK DISTRICTS (NHLD) IN THE NATION, THE DOWNTOWN SUFFERED MANY OF THE SAME CHALLENGES DURING THE 1960s, '70s AND '80s THAT IMPACTED OTHER SMALLER URBAN AREAS. REBIRTH CAME IN THE FORM OF SEVERAL STRATEGIC PUBLIC AND PRIVATE EFFORTS. TODAY, SOME 11% OF THE TOTAL COUNTY-WIDE TAXABLE RETAIL SALE REVENUES AND 21.5 % OF THE CITY-WIDE PROPERTY TAX REVENUES ARE DERIVED FROM THE 6 SQUARE MILE NHLD AND MLK AND MONTGOMERY CORRIDOR.

Lise Sundrla, Executive Director
Savannah Development and Renewal Authority

A TALE OF FOUR CITIES



The Old Dekalb County Courthouse, located on the Square in the heart of Decatur, is a focal point of the downtown as well as home for the Dekalb History Center.

IN THE CITY OF DECATUR, OUR HISTORIC BUILDINGS ARE LIKE OLD FRIENDS. WE SEE THEM EVERY DAY AND APPRECIATE THEM MORE AS THEY AGE...DECATUR IS A CITY THAT IS HEADING INTO THE 21ST CENTURY BUT WE'RE BRINGING OUR HISTORY WITH US. WE WOULDN'T HAVE IT ANY OTHER WAY.

Regina Brewer, City of Decatur,
Community & Economic Development, Preservation Planner

DECATUR

Like many cities in 1970s America, downtown Decatur was experiencing the effects of suburbanization. Massive migration to outlying suburbs meant vacant downtown streets and neighborhoods, declining sales of retailers who closed their stores at 5pm and on weekends, and large expanses of surface parking lots. However, in 1982, Decatur residents and city government came together to form the Decatur Town Center Plan. Through the plan residents voiced their desire to maintain the town's unique small-town scale and character while encouraging new development. Though some of the town's historic buildings were demolished in previous decades, one of the Plan's overarching goals was the use of the surviving buildings as guidelines and examples for the next stages of Decatur's development. Design standards required that new construction respect the design components of adjacent buildings, and the height limit was placed at 80 feet to facilitate the creation of a pedestrian-friendly streetscape.

One of the first new buildings constructed under the new guidelines, One Town Center, was designed to exemplify the joining of old and new. The neo-traditional building is sympathetic to the nearby Masonic Temple in layout and design. Other notable projects include redevelopment of the MARTA station, revitalization of streetscapes to encourage public transportation and pedestrian-friendly streets radiating from the Old Courthouse, and the rehabilitation of the Old Depot. While preservation was not the only element of the redevelopment efforts, it was a foundational part of Decatur's revitalization that left it as a great suburban town that was not a suburb.



Decatur's historic small-town character successfully blends with new development, bringing residents and tourists back to downtown.

A TALE OF FOUR CITIES

MADISON

With just under 4,000 residents, Madison represents the classic Southern small town. Located an hour outside of Atlanta, Madison is known for being a quiet, tree-lined community with a unique sense of place that has worked hard to preserve its historic identity through its antebellum and Victorian buildings. The town's Planning Department and Historic Preservation Commission have encouraged thoughtful preservation and construction projects that closely comply with the town's architectural heritage and town plan, creating cohesive neighborhoods and communities and a vibrant historic downtown.

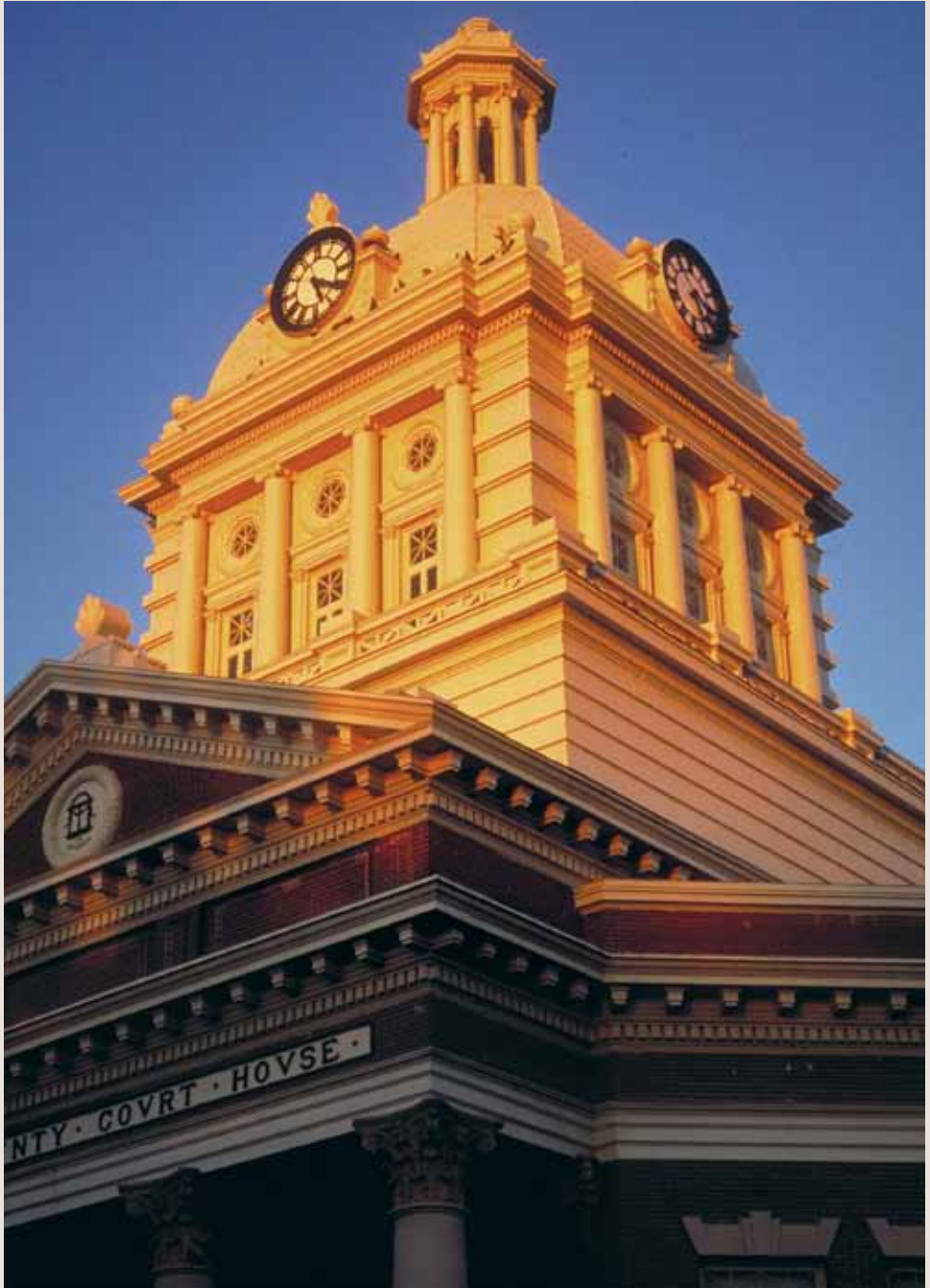
Madison's success at maintaining its uniqueness is largely due to the town's deep preservation ethic and understanding that its historic resources are fundamental to its identity and to its economy. Its city code states,

"The mayor and council find that the historical and cultural heritage of the city is among its most valued and important assets and that the preservation of this heritage is essential to the promotion of the health, prosperity and general welfare of the people of the city and of the public generally." Madison's historic district is one of the largest in Georgia and encompasses almost the entire town.

Tourists also gravitate towards Madison's small town character, with the Welcome Center greeting between 45-55,000 visitors a year. The town's marketing materials describe Madison as a "living museum...a place where the best of the past merges with the hope of the future." As a result of its success in capitalizing on its historic resources, Madison was named one of Georgia's first Preserve America communities and was recently selected a Reader's Choice favorite by *Southern Living*.



Shopping is an inviting experience in Madison's historic district.



Built in 1905, the Morgan County Courthouse remains a prominent landmark in historic Madison.



Rehabilitating historic buildings generates jobs. Photo courtesy of Douglas C. McKillip

MAKING IT ALL HAPPEN

Historic preservation is having a significant and measurable impact on the Georgia economy even in the most challenging of economic times. In part this is because the Georgia legislature has seen the wisdom and fiscal prudence of economic development through historic preservation and has established an array of programs to facilitate that investment.

But governmental transparency and accountability means that once the legislature has enacted a program, it must be effectively administered. In Georgia the agency charged with the implementation of most of these programs is the Historic Preservation Division of the Department of Natural Resources. This office has the responsibility for:

- Review of projects for the Federal Rehabilitation Investment Tax Credit
- Approval of applications for the Georgia State Income Tax Credit for Rehabilitated Historic Properties
- Review of projects eligible for the

Georgia Preferential Property Tax Assessment Program

- Administration of Georgia Heritage Grants program
- Administration of the Preservation License Plate program
- Funding for Certified Local Governments with monies from the National Park Service

These functions are in addition to those administrative, advisory, educational, and regulatory roles spelled out in federal and state statutes.

Other agencies, such as the Department of Community Affairs and the Department of Economic Development, also administer programs that support historic preservation and, in turn, promote economic development. Taxpayers expect that dollars are spent prudently and that public officials effectively implement the programs the legislature has created. In Georgia it is these agencies that shoulder those responsibilities.

CONCLUSION

Times are tough – there’s no doubt about that. But in challenging economic times what does an effective state government do?

- It encourages economic activity that has the most potential for job creation.
 - That’s what the investment in historic buildings does.
- It creates programs that highly leverage the impact of the public investment.
 - That’s what the historic tax incentives do.
- It supports programs that have an impact that is geographically dispersed and makes maximum use of federal and state dollars.
 - That’s what the Certified Local Governments, Transportation Enhancement, and Georgia’s Heritage Grants programs do.

In challenging economic times what does a farsighted local government do?

- It acts with fiscal responsibility in reusing the infrastructure investment that’s already been made.
 - That’s what stabilizing and enhancing historic downtowns and neighborhoods does.
- It provides a physical environment that is conducive to small business start-up and expansion.
 - That’s what Main Street and Better Hometowns do.
- It identifies the assets that make it distinctive and differentiated in order to be competitive in the long term.
 - That’s what a historic preservation-based local economic development strategy does.

In challenging economic times what does the prudent private sector do?

- It reinvests in its existing assets.
 - That’s what rehabilitating historic buildings does.
- It targets customers with the greatest revenue potential.
 - That’s what heritage tourism is.
- It locates where the odds of survival are the greatest.
 - That’s what historic downtowns provide.

In challenging economic times what does the visionary non-profit do?

- It invests where its dollars can have the greatest impact.
 - Like the Georgia Cities Foundation does.
- It invests to stabilize neighborhoods and enhance quality of life.
 - Like the Historic Macon Foundation and Historic Savannah Foundation do.
- It uses limited resources to make a big difference.
 - Like the Garden Club of Georgia does.
- It uses its assets to serve the widest possible audience.
 - Like the Fox Theatre does.

Times are tough, and historic preservation alone will not end an economic recession. But through job creation, visitor attraction, neighborhood stabilization, downtown revitalization and a myriad of other impacts, historic preservation is helping Georgia weather this economic storm.

Historic Preservation is Good News in Tough Times.

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