

Forum Focus

Special Lecture by Donovan Rypkema,
the 2012 Louise du Pont Crowninshield
Award Recipient

PRESENTED AT
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National Trust *for* Historic Preservation

**Preservation
Leadership Forum**



Evidence Is Not Enough: Historic Preservation in an Age of Public Policy Idiocy

I am very happy that this event is being held in the Davenport Hotel. Twenty or so years ago, Tom Moriarty and I had an assignment here in Spokane. Tom had just left the National Main Street Center and had gone to work for a consulting firm. Our client was the Friends of the Davenport, a local group that was working to make sure this wonderful building was restored rather than razed.

But, of course, because of Tom's and my perspective, we made the case that it is insufficient to focus on just the building; there had to be attention to the context within which the historic building exists. So we proposed an area-wide strategy that we first called the Davenport Arts and Entertainment District. But this was about the same time the Arts and Entertainment Network was expanding into more and more cable systems, so we didn't want to seem like we were just appropriating its phrase. So we then thought, well, we'll just call it the Davenport Entertainment and Arts District. Until one of the clients pointed out that the acronym would be "DEAD" . . . not exactly the image we were looking for.

And, of course, it is the opposite of dead that this part of Spokane has become.

But I am a little attuned to the concept of dead, however. A month ago I was giving a speech at the statewide preservation conference in western Kentucky. At one of the breaks, a young man came up and introduced himself to me. He's a student in historic preservation at Southwest Missouri State and had driven over for the conference. He told me, "Yeah, I had to come over to hear you speak, because a bunch of my classmates said you were dead already."

Well, I'm not dead yet, but I have been at it for a long time.



The Davenport Hotel was the location of the 2012 Louise du Pont Crowninshield Lecture. The rehabilitation of the hotel spurred growth in downtown Spokane.

SPOKANE REGIONAL CONVENTION AND VISITORS BUREAU

I was truly honored and humbled to have received the Louise du Pont Crowninshield Award. But I want to point out to you that the award is for lifetime contribution, not lifetime achievement, and there's a substantial difference. I am honored that the National Trust has concluded that I've made some contributions. But I've spent almost 30 years trying to make the "historic preservation equals economic development" argument. If I had made a lifetime achievement in that area we wouldn't be worrying about the federal tax credits disappearing.

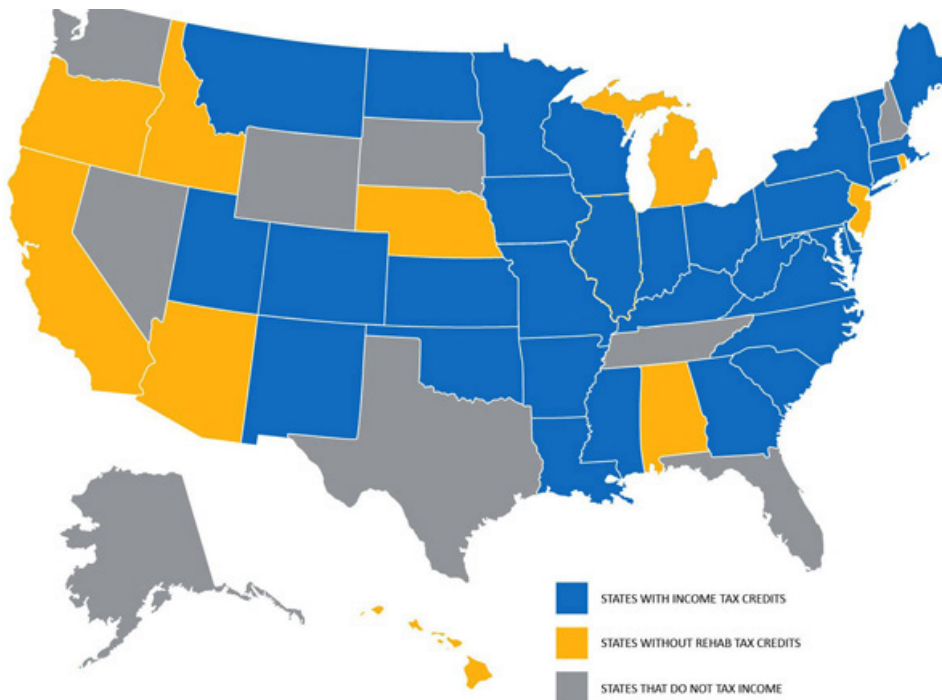
Now I know there are some smart people in the preservation world who think there's nothing to worry about and argue that expressing concern that the tax credits are at risk is being Chicken Little claiming the sky is falling. I will be thrilled for them to be right and for me to be wrong. But I'd be more confident in support for historic preservation in Washington, D.C., if we had not just seen a four-year period where Save America's Treasures was eliminated, where the grant portion of Preserve America was scratched, where funding for the National Heritage Area program was cut in half, where historic preservation is no longer an eligible transportation enhancement expenditure. And all of that from an administration thought to be our friend. The preservation movement has broadly concluded that waiting until the last minute and then standing in front of the bulldozer isn't an effective strategy for saving buildings, because we lose far more often than we win. Trying to save the tax credits by standing in front of the bulldozer of comprehensive tax reform at the last minute is an equally dubious strategy.

PRESERVATION UNDER ASSAULT

I think the historic preservation movement is today in the most trouble since the passage of the National Historic Preservation Act in 1966. And it's not just that the tax credits are now on the table for elimination, although that's where I'll start this morning, but because of a whole range of assaults on preservation.

The impact of historic preservation on American towns and cities over the last 50 years is beyond measure. But I am firmly convinced that today as preservationists we have to make some fundamental changes in how we do business, how we advocate for preservation, and in the tools we have available, if we are going to have any significant influence in the next 50 years.

On any objective grounds, this has been the worst administration for historic preservation since the passage of the National Historic Preservation Act. The NHPA was passed under Lyndon Johnson and the National Environmental Policy Act passed under Nixon. The first federal tax credits for preservation came in the Ford administration, and they were expanded under Carter and again under Reagan. In the first Bush administration, appropriations to the National Park Service increased an average of 8.5 percent per year. The Clinton administration created the Save America's Treasures program and the second



Some 31 states (shown in blue) offer their own rehab tax credit. The yellow states have no rehab credits, and the grey states have no state income tax. Learn more at www.preservationnation.org/take-action/advocacy-center/protect-historic-tax-credit-capp.html.

Bush administration followed suit with the Preserve America program. Under Obama those two very successful programs have been dumped or defunded, budgets slashed, and worst of all—unlike Norway, Slovakia, Luxembourg, Spain, Hong Kong, France, Singapore, and Australia in their respective stimulus plans—there was no specific historic preservation component in our \$870 billion stimulus boondoggle.

Don't get me wrong. This is certainly not an encouragement to vote for Romney who, in all likelihood, would be worse. It's just that Obama has been such a disappointment, since he is the first urban president in 127 years, and we've been arguing and demonstrating the effectiveness of historic preservation as an urban strategy. Of the last nine presidents, Obama should have been the strongest supporter of preservation; instead, he has been the weakest. Other than great appointments to the Advisory Council, the vast majority of preservation decisions of this administration have been awful.

THE THREAT TO THE REHABILITATION TAX CREDIT

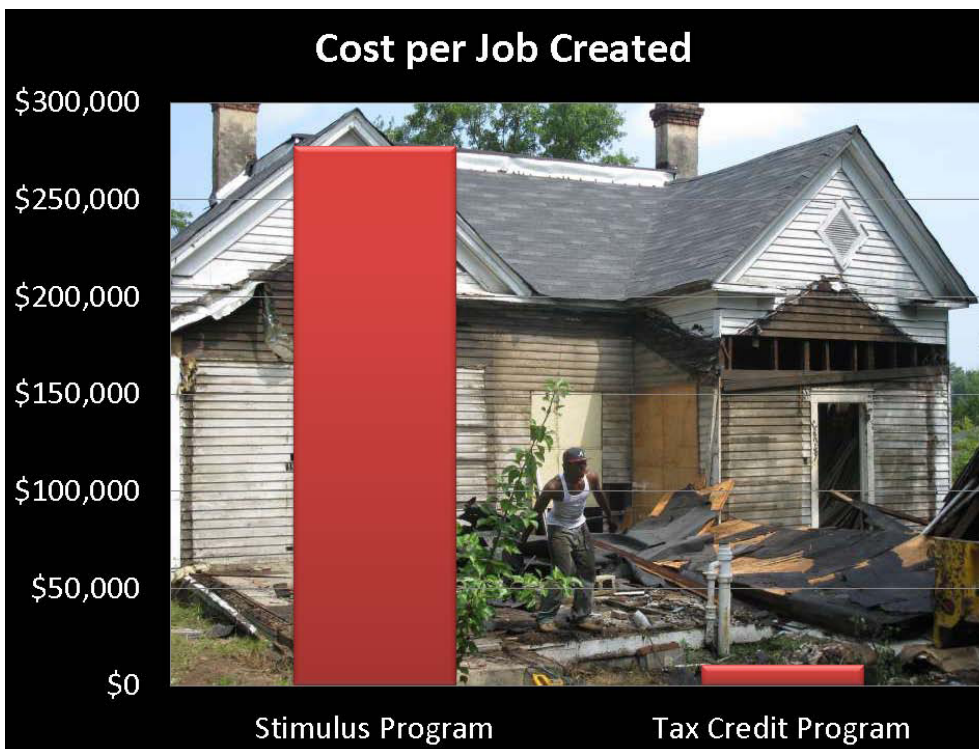
So here we are faced with the reality that regardless of who wins the election, the next Congress will seriously consider repealing the federal rehabilitation tax credits. Why should the tax credits even be on the table? According to *The Third Annual Report on the Economic Impact of the Federal Historic Tax Credit* conducted by researchers at Rutgers University, for every dollar that goes out in tax credits, \$1.27 is returned to the federal treasury. How many federal programs generate for the federal government more than the cost? The answer is “damn few,” and the federal rehabilitation tax credit is one of them.

The Democrats ought to love this program! It's a government program that demonstrably works. It uses private capital to advance a public good. Unlike the mistaken impression of preservation as being about rich people's mansions, 75 percent of tax credit investment goes into low-income neighborhoods. Since its inception, the historic tax credit has spurred private sector dollars to create more than 120,000 housing units for low-income people.

The Republicans ought to love this program! It is private sector. It is great leveraging of modest federal dollars. It is cost effective in terms of a bureaucracy, with around a dozen people in Washington and perhaps the equivalent of 100 full-time jobs in the various states administering a program that spurred nearly four billion dollars in investment last year. It is a fine example of devolution of responsibilities under a federal system. It creates jobs with a public outlay 25 times more cost effective than the stimulus program.

Both presidential candidates say, "America should be number one." My colleague Caroline Cheong and I are just completing a publication on the use of incentives for heritage conservation around the world. There is no program anywhere on the planet that is more effective in attracting private investment in historic buildings than the U.S. rehabilitation tax credit. This is an area where we really can chant "USA, USA, we're number one."

Governors and state legislatures should love the tax credit. Every time the federal credit encourages a million dollars of investment, state governments get \$46,000 in tax revenues.



During his talk Rypkema highlighted the difference in cost per job between the stimulus program and the Historic tax credit program. The difference is staggering.

PHOTO BY DONOVAN RYPKEMA

And mayors and city councils should be ecstatic. My best conservative estimate is that the historic preservation projects that used the federal tax credit since 1978 are generating \$1.5 billion in local property taxes every year. Every year, the property taxes generated by those buildings are sufficient to pay the salary and benefits for 11,320 teachers and 12,000 cops.

The environmentalists should love the tax credit. Every time it's used to rehabilitate a 50,000-square-foot warehouse instead of building at the fringe, 5.2 acres of farmland are preserved. Far from being energy hogs, the recent energy audit of thousands of buildings in New York City found that the buildings with the least energy use per square foot were not new buildings with waterless toilets and solar panels, but buildings constructed before 1930. After robust, peer-reviewed analysis, the Trust's Green Lab found that "it takes 10 to 80 years for an energy-efficient new building to make up for the negative climate change impacts of new construction"; and after looking at a number of building typologies in different areas around the country, "building reuse almost always offers environmental savings over demolition and new construction."

The Tea Party ought to love the tax credits because the infrastructure costs are 50 to 80 percent lower compared to the infrastructure costs for new construction at the edge of town. The cost of the federal tax credit for every project in America last year was the same amount that it cost to build the highway interchange south of Washington, D.C., known as the Springfield "mixing bowl."

But we sit here today with the very real possibility that by the time of the Trust's conference next year in Indianapolis, the historic tax credits will themselves be history.

There is half of America that says we have too much regulation. If we get rid of the "carrots" the tax credits represent and are left with only the "sticks" of regulation, historic resources everywhere are in great jeopardy. How many of you have argued when proposing a historic district that "well, yes, this will mean some regulation, but it will also give you access to tax credits." When that argument is gone, what is the argument that you have to replace it?

This problem is compounded by the reality, again regardless of Tuesday's outcome, that we are looking forward to a generation of fewer public resources, so we need to have more private resources. But without the tax credits, those private sources will put their resources elsewhere.

And keep in mind that the effectiveness of state tax credits is that they can be layered on top of federal tax credits. We've already seen a repeal or significant reduction of state tax credits in a number of states. That process will be rapidly accelerated if the federal credits disappear.

THE BOTTOM OF THE PATRONAGE POLITICAL TOTEM POLE

We are in a political environment where rational discussion plays little part. Yeah, there are Republicans in Congress who believe that the earth began 9,000 years ago and that climate change is a myth. But the Democrats have put patronage and constituencies above logic and reason as well. Preservation advocates go to the Office of Management and Budget (OMB) to talk about the economic effectiveness of preservation with the evidence in hand from what David Listokin has demonstrated at Rutgers. And what's the response? "Oh, well, we don't count that because the research was funded by the National Trust." You can be damn sure they didn't choose to ignore studies funded by their political allies at public employees' unions, malpractice lawyers, and the Urban League. Challenge the methodology if you want, but to dismiss out of hand robust analysis by credible researchers is simply a way of saying, "You're not high enough on our political patronage totem pole to give a damn." This wasn't the Romney campaign; this was the Obama administration. The same administration, by the way, that said, we're getting rid of Save America's Treasures and Preserve America grants because, "both programs lack rigorous performance metrics and evaluation efforts so the benefits are unclear." Bullshit. Do your job and look at those programs. The only way the benefits of those programs are unclear is if your glasses are so fogged up trying to justify boondoggle loans to political contributors that your myopia has become permanent.

I say all this not from anger but from disappointment—disappointment in Obama, who should have been the greatest champion for historic preservation and who instead has used us as a token whipping boy trying to create the illusion that he was being frugal with the federal budget. But also disappointment in myself. If what I've tried to argue for the last 30 years was an achievement rather than a contribution, this wouldn't even be an issue.

BAD OMENS FOR HISTORIC PRESERVATION

But my concern for the future of historic preservation is not limited to the potential loss of the tax credits. Here's a handful of vignettes that I think are leading indicators of bad news ahead for historic preservation.

A couple of months ago I was in Annapolis giving my typical speech on the economic impact of preservation. During the question-and-answer period, long-time executive director of Preservation Maryland Tyler Gearhart said, "Ok, I believe you, but how do we make that case to city councils and the state legislature?" And I responded as I usually do, "Well, we have to align with environmentalists and other groups to jointly make our case." To which Tyler responded, "You know what? We've been doing that, and very effectively, in Maryland. But we are still losing important battles in the legislature."

Like many of you, I use the Google Alerts system. It notifies me of any story about historic preservation from anywhere in the country, and there are typically 10 or 12 each day. Very few are about a new local historic district being created; two or three times as many are about defeats of proposed ordinances, about weakening of ordinances, or about proposed repeals of ordinances. Myrick Howard, president of Preservation North Carolina, told me this week that North Carolina—a state that’s always been a leader in historic preservation—has had exactly one new local historic district in the last 20 years.

Which brings me to my next bad omen story—the greatly weakened preservation ordinance in Louisville, Ky. Here’s a program that by any measure has been a bipartisan success story for 30 years—one of the best local preservation ordinances in the country. The Louisville Metro Council voted to weaken it; the mayor vetoed the council’s action; and the council overrode the veto. This was a program that worked extraordinarily well, and yet got gutted. This wasn’t by some lunatic right-wing Republicans, by the way. The make-up of the council is 17 Democrats and 9 Republicans.

Then my next two “bad news” stories are both from New Orleans—the first being Charity Hospital, which my friend Roberta Gratz has so passionately written about. You could argue for Charity Hospital on architectural grounds—a great 1930s Art Deco masterpiece built by the Works Progress Administration. You could argue for Charity Hospital on social grounds—it served 100,000 patients a year before Katrina. You could argue for Charity Hospital on resilience grounds—after the hurricane it was cleaned up and “medical ready” within weeks. But the biggest tragedy is on fiscal grounds. The Foundation for Historical Louisiana raised \$600,000 to do an analysis of what the costs would be to renovate Charity Hospital into a “first-rate, state-of-the-art medical and teaching facility.” The foundation hired one of the best firms in the country to do the study, which concluded it could be done for an estimated \$550 million.

But instead, in a collusion among Louisiana State University, FEMA, HUD, the Veterans Administration, and the mayor, the decision instead was to: (1) abandon Charity Hospital; (2) clear what had been a stable, mixed-race neighborhood that included 265 houses and dozens of small businesses; and (3) spend, not the \$550 million that renovating Charity would have cost, but upwards of \$1.2 billion to build a new hospital complex elsewhere—\$1.2 billion of public funds. Where was the outrage from the Tea Party, from Rush Limbaugh, from John Boehner on this fiscal folly? Where was HUD, the OMB, the White House saying, “Stop this damn foolishness?” Just the interest on the difference between what Charity



Despite avoiding damage during Hurricane Katrina, Charity Hospital and the adjacent mid-city neighborhood may not survive redevelopment.

PHOTO BY CAROLYN BENNETT

Hospital could have been renovated for and what is going to be spent, just the interest on that amount could have funded the Preserve America and Save America's Treasures programs to infinity! Where's your "rigorous performance metrics and evaluation efforts" there, you disingenuous political hacks?

And my next bad news omen is also from New Orleans. Here is one of three or four cities in America whose primary competitive edge comes from its historic built fabric. And make no mistake about it, the food, the culture, the music of New Orleans is intimate with and inseparable from the built heritage. You lose the historic buildings and with them go the rest of the identity and international cultural contributions of New Orleans. So in June my colleague Cara Bertron and I were in New Orleans for the "Reclaiming Vacant Properties" conference. We've begun a Rightsizing Cities initiative, so we were there to learn what cities around the country were doing to incorporate historic buildings into their rightsizing strategies. One of the main speakers, of course, was New Orleans Mayor Mitch Landrieu. And he told the audience, "We're making great headway in resolving our vacant building problem." But he's not doing that by finding new residents; he's doing that by tearing down houses—many of them historic houses. And he further goes on to say, "Of course we have to deal with those preservationists who want to save everything, but we're getting rid of vacancies."



Prentice Hospital, a modernist marvel, located in downtown Chicago remains under threat by Northwestern University.
PHOTO BY LANDMARK ILLINOIS

Finally, as many of you know, I've certainly not been the biggest cheerleader for the mid-century modern, preservation of the recent past movement. But I have been absolutely convinced of the merits of saving Prentice Hospital in Chicago. It certainly has unique architectural quality, and has the support of a wide range of urban design, architecture, and cultural amenity experts. And, most important from my perspective, this is clearly a building that has demonstrated to have the capacity to be adaptively used without destroying its distinguishing features. The case has been effectively and credibly made. And yet Mayor Rahm Emanuel basically says, "We don't care about the evidence. Just let Northwestern University do whatever they damned well please." Chicago—where the world comes to see perhaps the greatest collection of urban commercial architecture on the planet, of which Prentice Hospital is one more step in the evolution—has a mayor too busy abetting the academic arrogance of Northwestern University to make sure that there is good stewardship for Chicago's recent built heritage.

And lest you think I'm just piling on Democrats, that's not it at all. Republicans are worse. Rather it's that politicians who should be our strongest allies have

sold preservation down the river, because we are too small, and too lacking in influence, to be of use to them. This disgusting presidential election has amply demonstrated that both parties only care about extremist ideology, large political constituencies, and money. Truth, reason, compromise, and moderation have been completely absent from either party's agenda.

Here's my sense of failure. The whole economic/preservation nexus on which I've spent the last 30 years working, presupposes that decisions are going to be made on rational, reasoned grounds. And in every instance I've cited, decisions were made that were counter to, in fact antithetical to, reason, rationality, and common sense.

And to all of this, we add Ed Glaeser. If you haven't heard of or read Glaeser you need to. The back cover of his book, *Triumph of the City*, modestly proclaims him to be "one of the world's most brilliant economists." I do think he's 70 percent brilliant; but 30 percent of his head is in a dark place. He writes a section of his book, entitled "The Perils of Preservation," where he claims that the high cost of housing in Manhattan is the fault of historic preservation and that cities need to start getting rid of historic districts and regulations. First, he's fundamentally wrong in his analysis of New York City. But the even bigger issue is that he takes the parochial New Yorker's view that the rest of the world should look to New York as its model. He doesn't, by the way, actually live in a city, but in Weston, Mass., population 11,261, Boston's wealthiest suburb.

But here's evidence of his misguided obsession about historic preservation. A month ago I was in Barcelona at the Urban Research and Knowledge Symposium sponsored by the World Bank. Glaeser was one of the keynote speakers. Glaeser paced up and down the stage with his wireless mic, telling an audience from 72 countries how historic districts were bad for cities. Now even if he were right about New York, you have to be stupid or blind not to recognize the incredible role that the historic fabric of Barcelona has had in making it an international magnet for smart, creative, young knowledge workers.

Here's why Glaeser is an issue. His whole crusade, not just against historic districts but against land-use planning and regulations in general, gives great ammunition to the whole so-called property rights movement. It's one thing to have their arguments based on screeds by former John Birch Society members and conspiracy theory survivalists. But now they have a celebrated, smart, and articulate Harvard professor to make their case. Historic preservation will be in the crosshairs of the legislative guns of the right.

NEXT STEPS

So we should be worried. But we also have to do something—lots of things, actually, and I have my own random list of ten to get started.

First, at the local level. If your historic preservation commission does not have written, illustrated guidelines, available online and understandable not just by architects but by actual human beings, you're part of the problem with preservation, not part of the solution. Property owners have a legitimate reason to be skeptical of historic preservation when they don't know in advance what you expect.

Second, we need more tools to address places of character beyond just historic districts and conservation districts. Myrick Howard had his students last year working on inventing new tools. There's an interesting experiment going on in Salt Lake City now, and here's how the Salt Lake newspaper describes it:

The goal of the whole exercise is to preserve historic neighborhoods or just plain nice, older neighborhoods from demolitions, outsized remodels and McMansions. The new process can lead to a historic district or landmark site, or it can lead to something less restrictive called a character conservation district.

Under this system, the neighborhood, in conjunction with the city planning office, could create its own guidelines. Kirk Huffaker, executive director of the Utah Heritage Foundation, says it's yet to be known if this is actually going to work or not, but at least I think it merits looking at and learning from.

Which leads me to number three. It's time to let go of the Secretary of Interior's Standards as the bible of how historic buildings are treated. The Standards are fine for the tax credits and for Section 106 compliance, I suppose, but we need to be more creative and imaginative at the local level in our expectations for the treatment of historic structures. I don't mean easier, by the way; sometimes that might be more demanding than the Secretary's Standards. But I mean guidelines and standards specifically written to the building inventory at the neighborhood level.

Fourth, and related to that, are the Standards and the tax credits. If the tax credits survive, the National Park Service needs to establish an archive of decisions on tax credit projects, readily accessible, that explains and justifies its decisions on projects. Under what circumstances is it permissible to put on a rooftop addition? When does it approve cutting in new fenestrations in secondary walls of buildings? When can hallway widths be changed on upper floors? And on and on. Now the Park Service will say, "Yeah, but every historic project is different." Yes, but so is every lawsuit. And yet a lawyer can readily search for court decision precedents on virtually every issue. We should be able

to do that on historic preservation projects. I'll bet in the last ten years I've heard from half of the SHPOs or the tax credit point person in state offices who say, "I used to be able to look a developer in the eye and say, 'If we approve it here, it will get approval in Washington,' but that's no longer the case." If the SHPO can't predict how the Park Service will react, how in the hell is some architect or developer in Spokane, Wash., going to make the right decision?

Somewhat related to that, we need, at the national, state, and local level, to begin having a more nuanced gradation of historic classification, and expectations and regulations that parallel those gradations. All historic buildings are not created equal, and our expectation of how owners should treat those buildings should comply with a much more nuanced set of standards than we have now.

Also, at every level we need to be much better at setting priorities. We are a very small movement with very limited resources. We need to pick our battles much more selectively.

Back at the local level, for years preservationists have been struggling to get a historic preservation section in their city's comprehensive plan. I've reached the conclusion that that is a mistake; we've got ourselves in the trap of trying to say, "How should historic buildings be addressed?" I think we need to rethink this entire approach. Rather than formalizing historic preservation as a separate vertical public policy component, we need to insert historic preservation horizontally into the other comprehensive plan elements. So each section answers the question: What is the role of historic preservation in education? What is the role of historic preservation in transportation? What is the role of historic preservation in economic development? What is the role of historic preservation in affordable housing? There simply are not enough of us, and preservation is not a sufficient public policy priority to be a stand-alone strategy. In other words, we need a grid approach, not a siloed approach, to the role of preservation. This would, by the way, be much more consistent with the emerging international approach of the Historic Urban Landscape (a recommendation on conservation adopted by UNESCO in November 2011 that integrates policies and practices of conservation of the built environment into the wider goals of urban development).

Historic preservation is not the solution to every urban problem, but it is part of the solution for most of them. That's how we need to frame the public policy case.

We have to quit making excuses for so-called allies who aren't supporting us. We need to make sure we hold them accountable when preservation is the first priority that is jettisoned.

Finally, rational, reasoned, demonstrated, measured evidence of the positive impacts of historic preservation is necessary, but is clearly not sufficient to build the case for preservation. We need to redefine preservation in terms of “this is an American tradition.” We need to do that with young people like the ones Ann Pritzlaff is grooming through Youth Summits that have been held in Colorado and Washington State, and with 20-somethings like those who spoke to the Trust Advisors earlier this week, and like Rosalind Sagara, who received the American Express Aspire Award last night. And, finally, we need to do that with the individual passion and commitment and the “there will be hell to pay if you demolish this building” approach from which the preservation movement emerged.

If we don’t do that for our historic buildings, the preservation movement itself will be history.

Good luck, and thank you very much.

For more than 30 years, Donovan Rypkema has worked at the intersection of historic preservation, real estate, and economics, providing services and insights to organizations and towns nationwide. Rypkema, principal of PlaceEconomics, a Washington, DC-based real estate and economic development consulting firm, is responsible for saving countless historic sites through his impressive work in proving the economic benefits of historic preservation. He is also responsible for inspiring numerous historic preservationists through his charisma and passion for preservation. Learn more about Donovan Rypkema and his contribution to preservation at www.preservationnation.org/awards

FOR MORE INFORMATION, PLEASE CONTACT:

Preservation Leadership Forum

National Trust for Historic Preservation

1785 Massachusetts Avenue, NW Washington, DC 20036

P 202.588.6296 | forumonline@savingplaces.org | www.preservationnation.org/forum



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