

Historic Preservation in the 21st Century

Historic Preservation + Economic Development

May 3, 2013

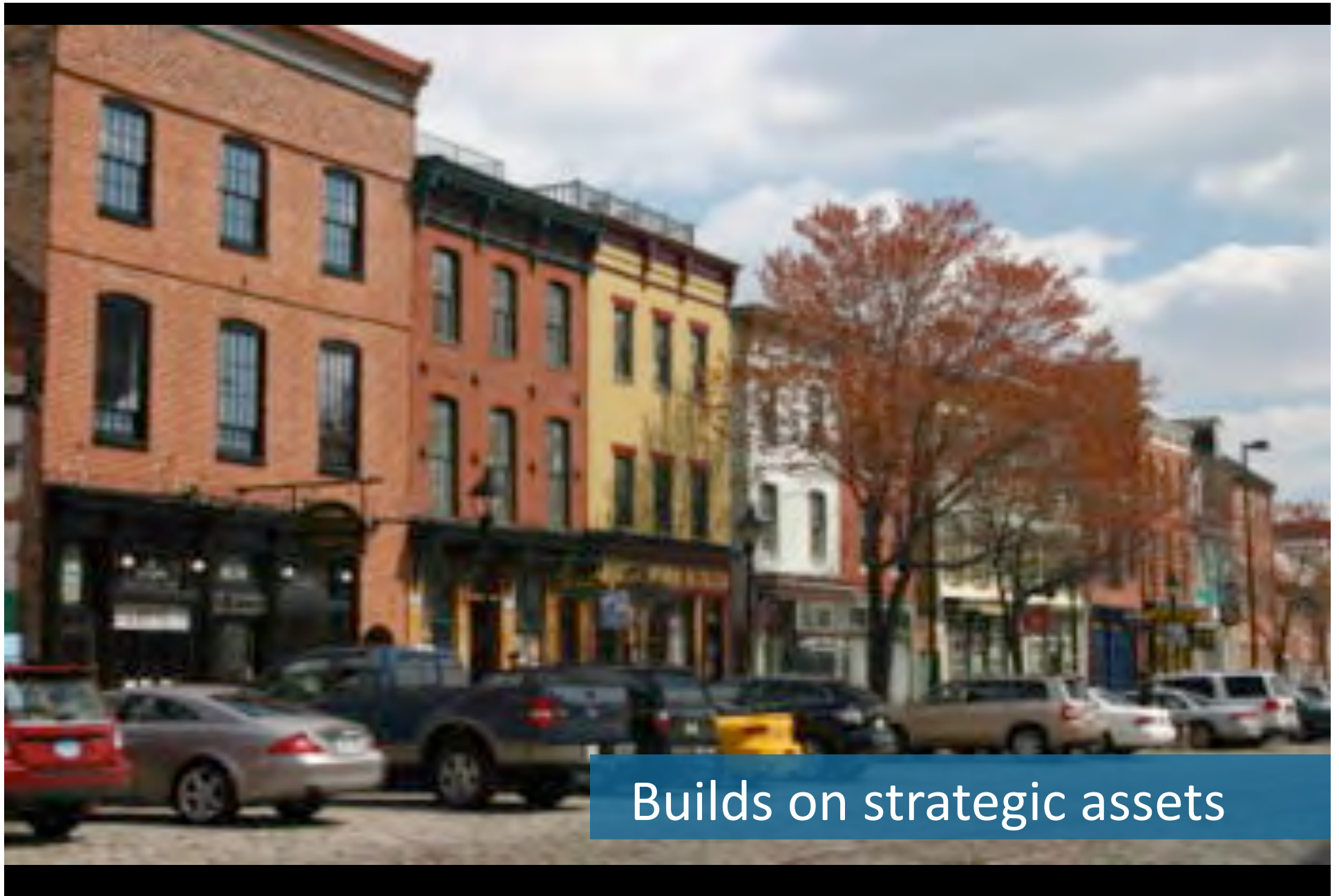
Nicholas P. Kalogeresis, AICP
The Lakota Group



Session Discussion Topics

- Why preservation matters economic sense
- Some economic truths
- Tools (new + old)
- Case studies

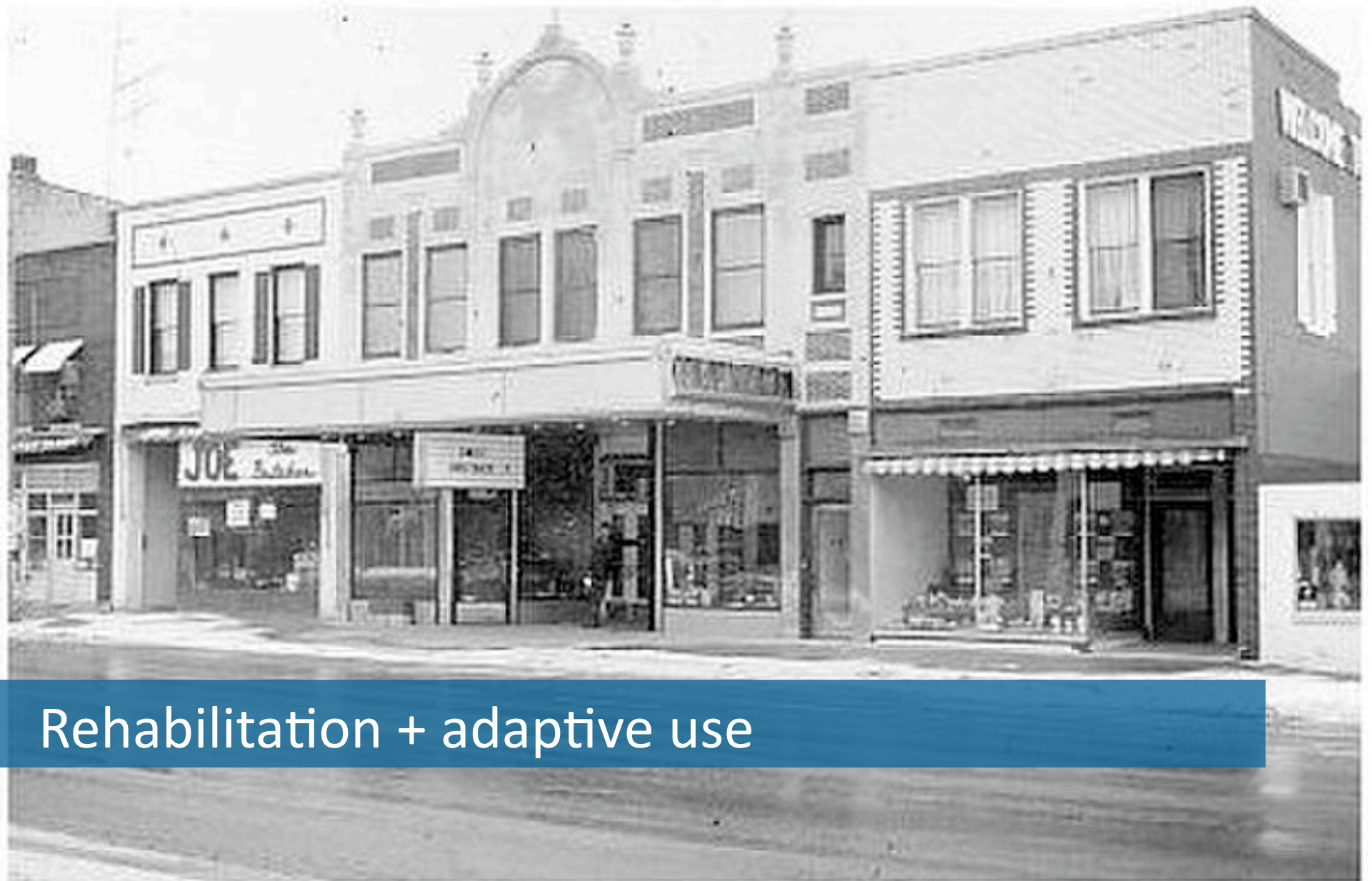




Builds on strategic assets



Supports small business development



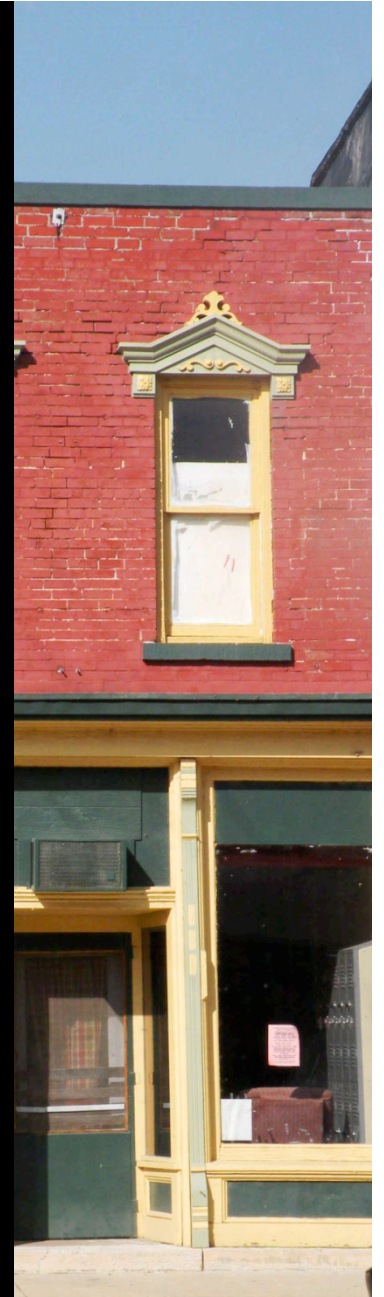
Rehabilitation + adaptive use



Stimulates job creation + reinvestment

Economic Benefits

- 145,000 jobs created through HPTCs between 2009-2010; 64,000 jobs created in 2011
- \$1 million in rehabilitation creates 12 more jobs than \$1 million in car manufacturing
- Main Street: 89,000 building rehabilitations since 1980; 227,000 net new jobs
- \$42.00 for every \$1.00 leveraged in a revitalization program



Small Businesses Job Creation

- Small business added 47,000 jobs this month; 676,000 past year
- Mid-sized businesses added 40,000; 551,000 past year
- Large-sized businesses added 17,500; 524,000 past year



Economic Realities

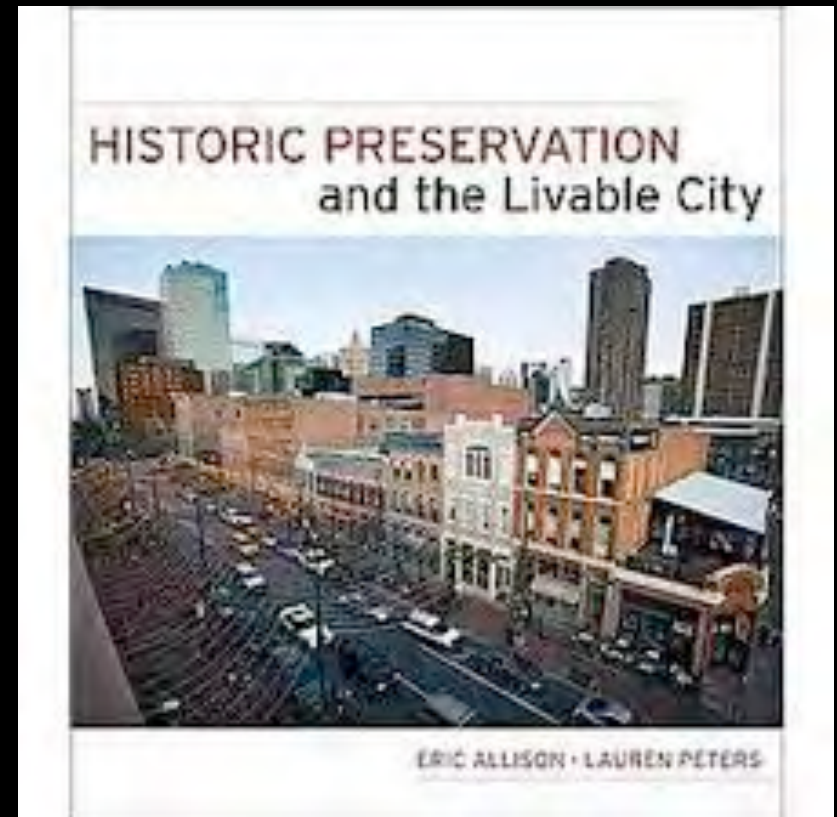
- Cost of gasoline
- Infrastructure ever more expensive
- Graying population
- Affordable housing





Preservation + Livability

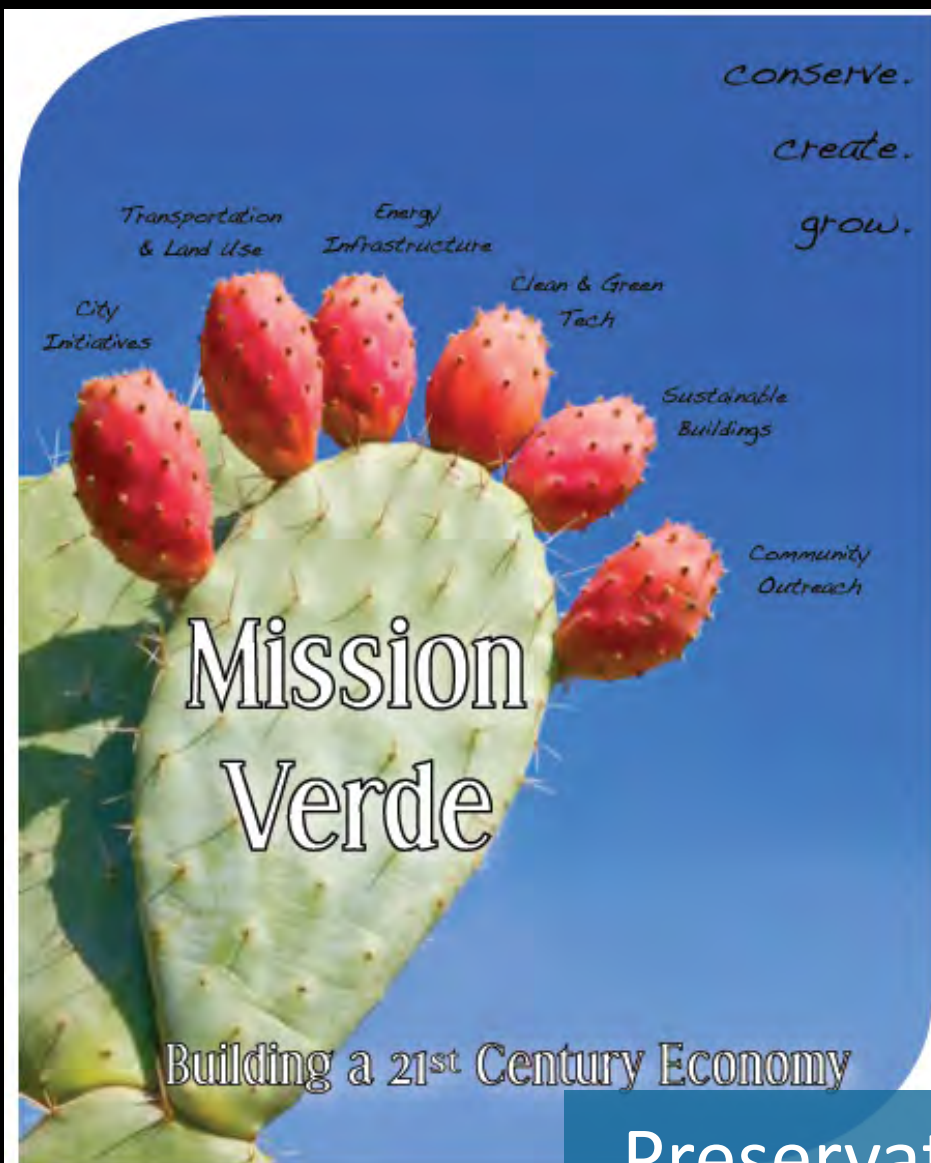
- Historic preservation critical ingredient to livability
- Preservation often missing from today's planning + sustainability lexicon



APA Great Places in America

- 2012: 10 of 10 communities had some form of historic preservation-based revitalization strategy in place
- 2011: 7 of 10 communities
- 2010: 8 of 10 communities





Preservation + sustainability?



Old urbanism: always mixed-use



Downtowns – industrial too



Industrial heritage + adaptive use



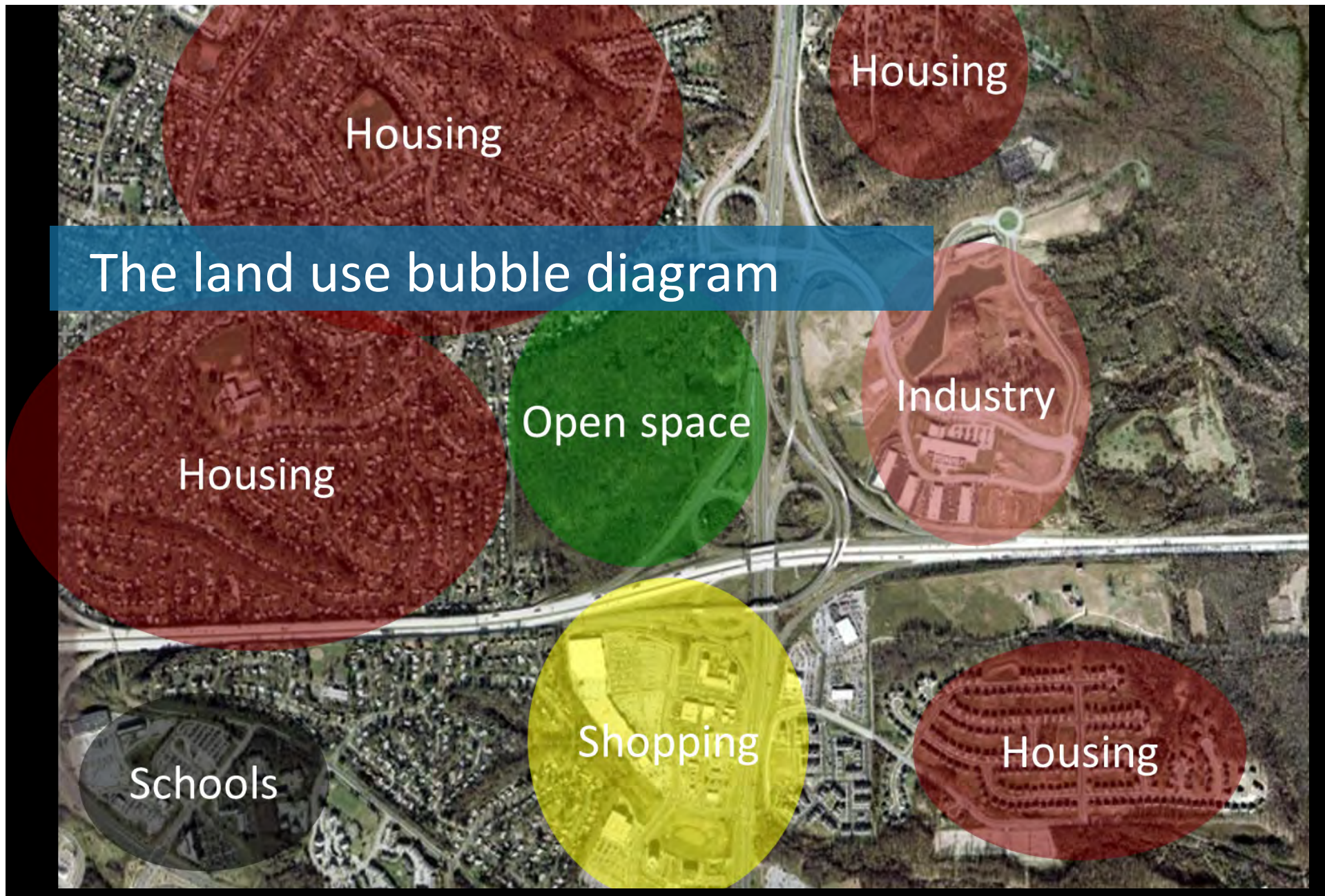
A Functional ZONE
admits
one single quality (function) of a City
at the exclusion of all others

EXCLUSIVE



All that is not specifically obligatory
is strictly forbidden

Rise of zoning

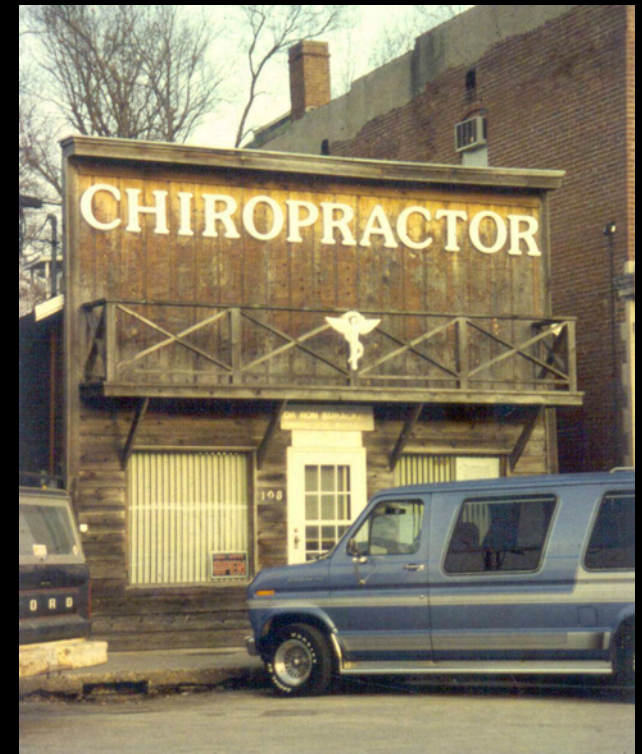




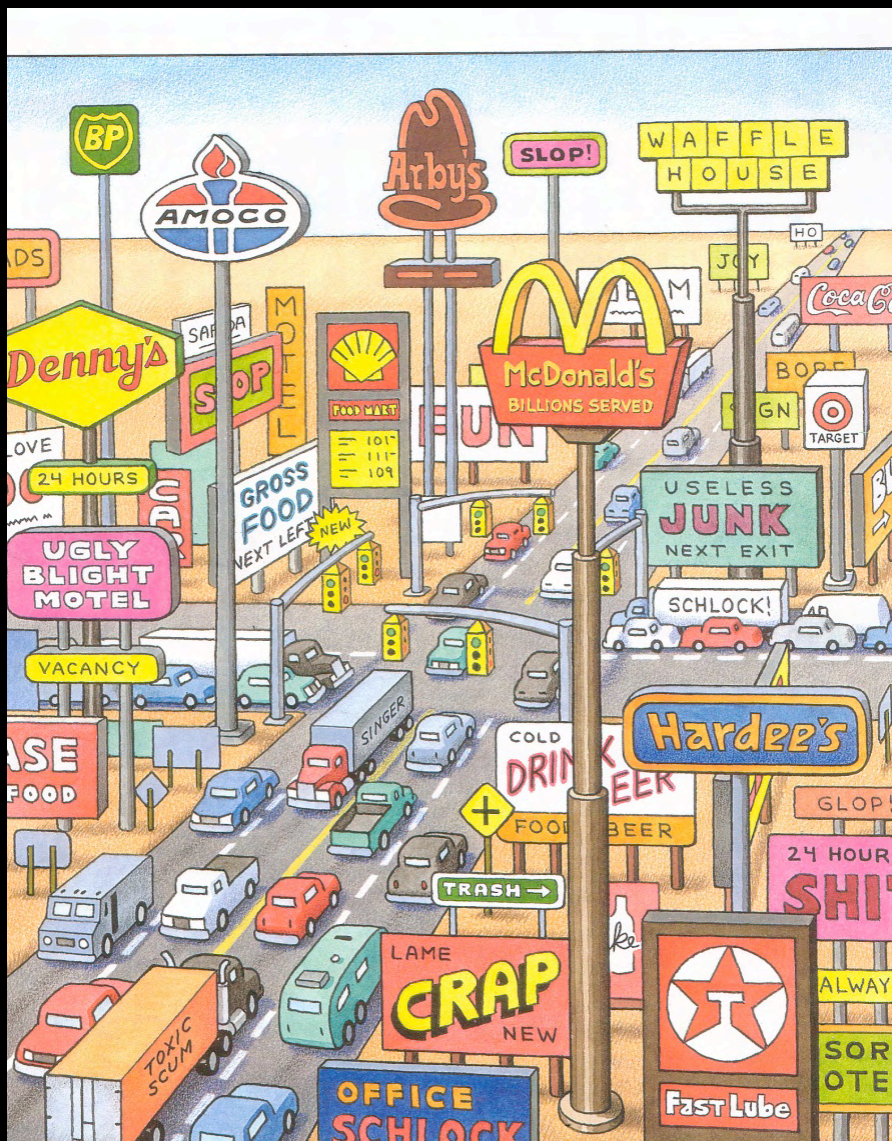
Rise of the highway



The effects.....



The effects.....



The effects.....



Abandonment.....

“The most over-retailed country in the world hardly needs more shopping outlets of any kind.”

- PricewaterhouseCoopers

Surplus of space

Vacancies increase

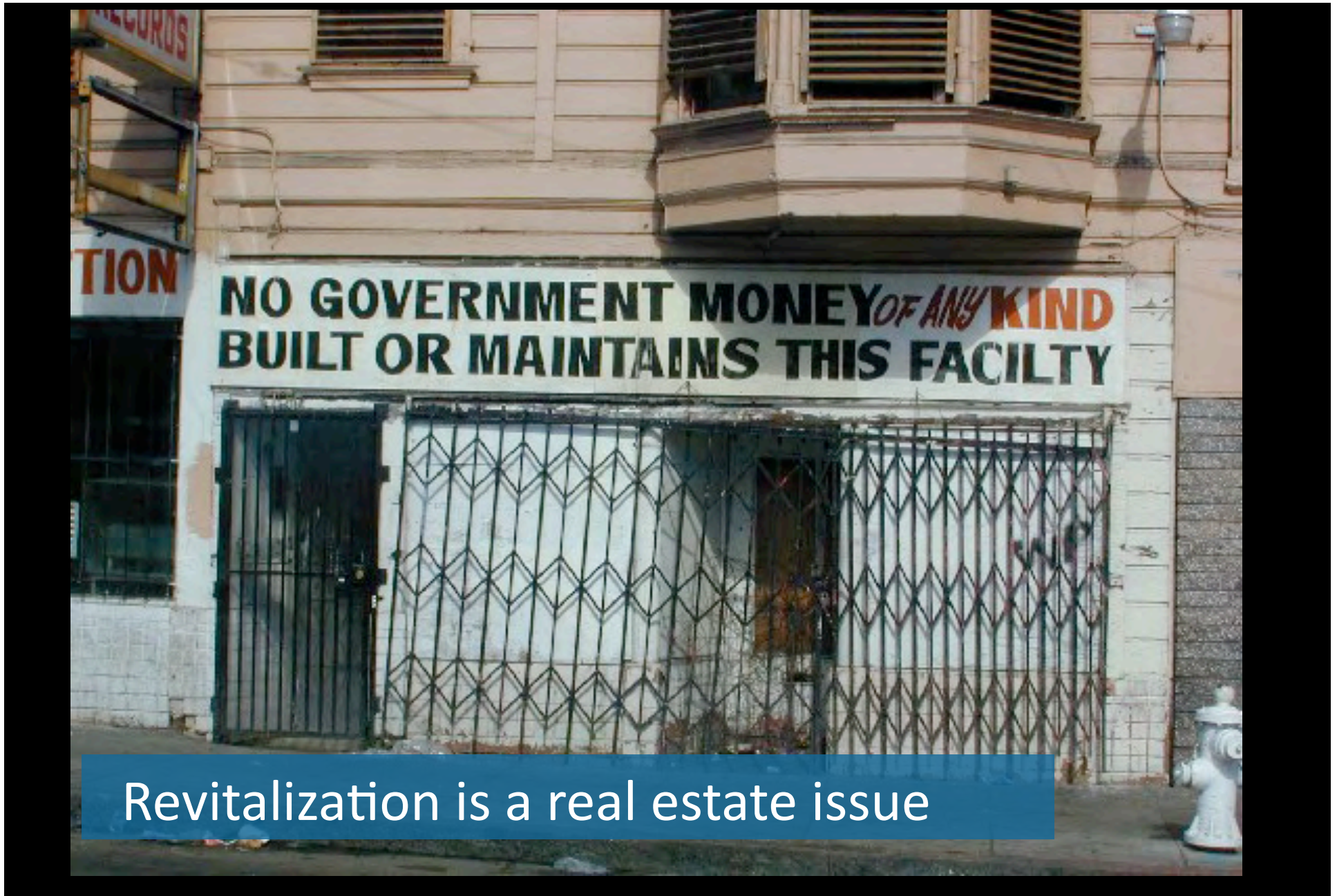
The district looks uncared-for

Rents drop

Property values drop

Undercapitalized
businesses move in

Property owners defer
maintenance



Revitalization is a real estate issue

Market viability + community desire



Some Truths...

- Historic preservation-based economic development is difficult
- Every traditional commercial district is unique



Some Truths...

- Need to build on assets
- Independent business + property owners — it is difficult to understand all their motivations
- Business owners need to make money
- Buildings need uses



“The only certainty is that
nothing is certain.”

- Pliny the Younger

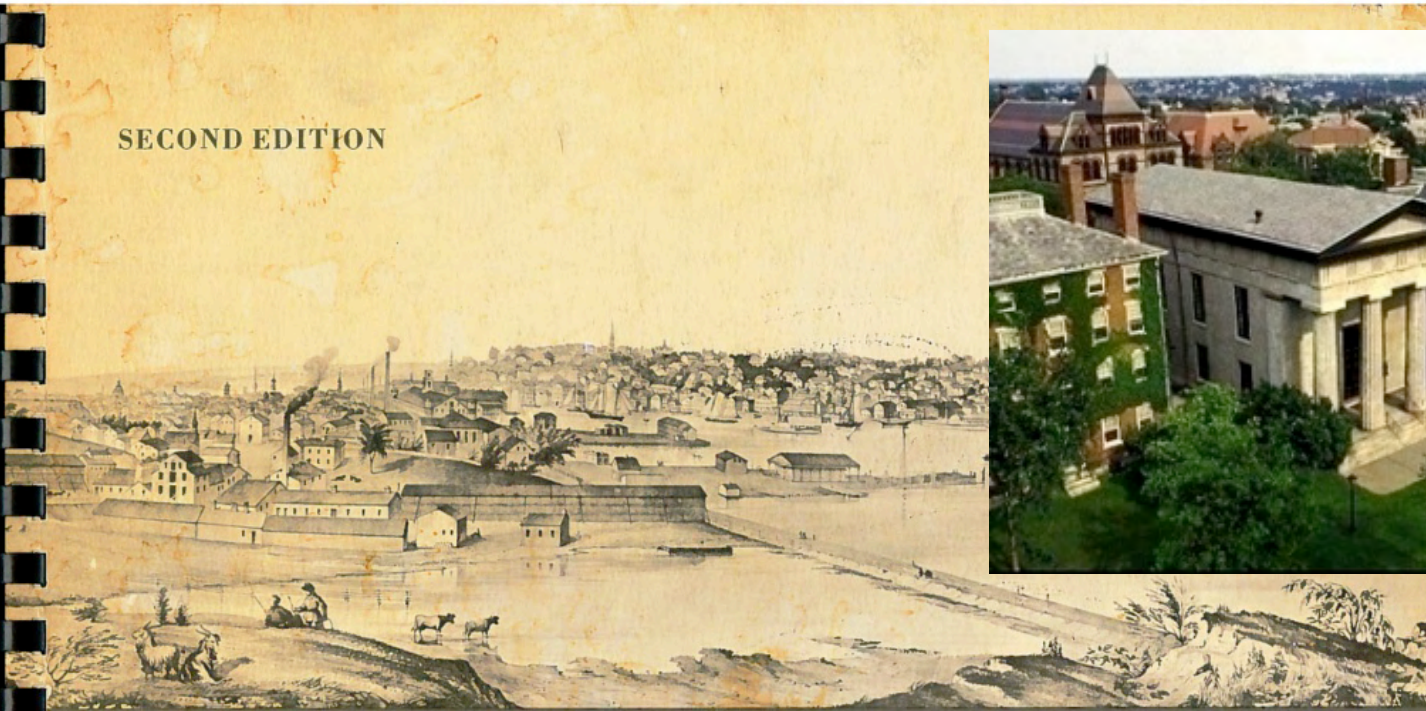
Plan ahead





Change can embrace authenticity

SECOND EDITION



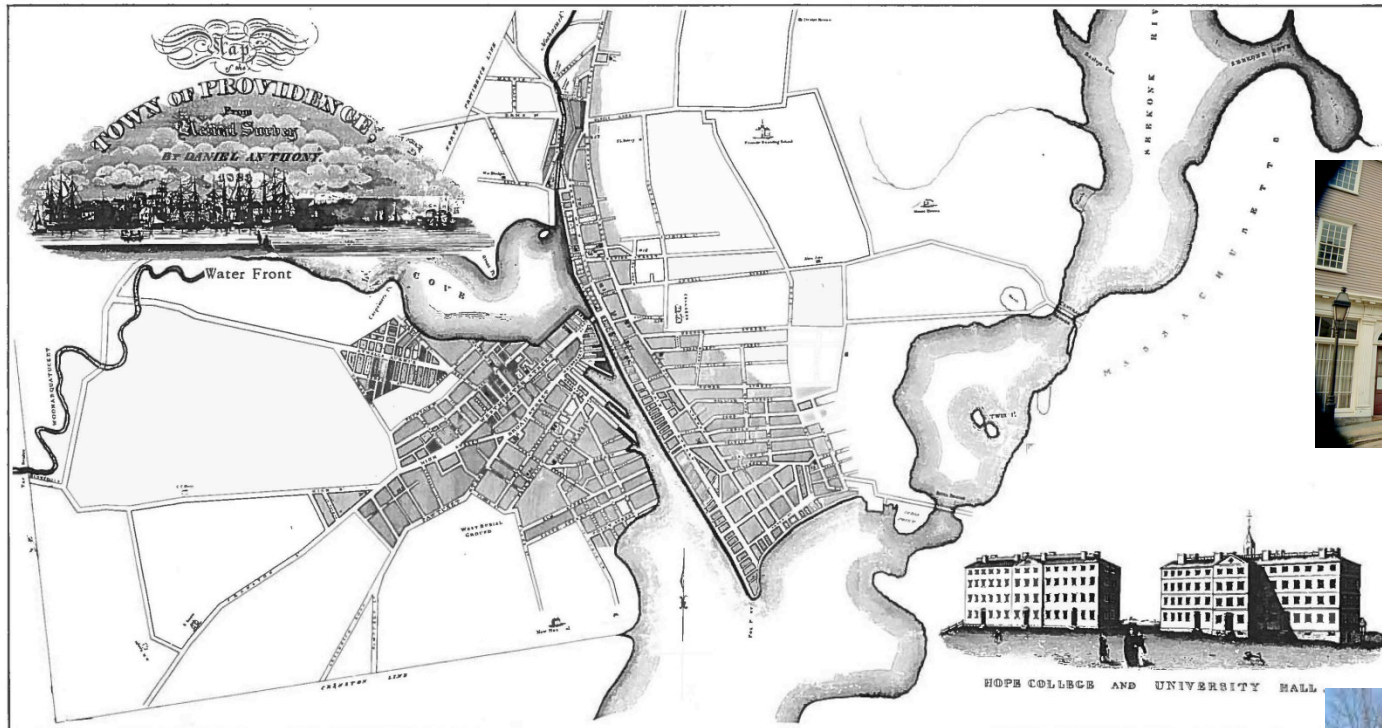
COLLEGE HILL

a demonstration study of historic area renewal

Conducted by the Providence City Plan Commission in cooperation with the Providence Preservation Society and the Department of Housing and Urban Development

College Hill Plan, Providence, Rhode Island, 1962

College Hill Plan: Understanding Historic Context



MAP NUMBER 5. Providence in 1823 by Daniel Anthony.



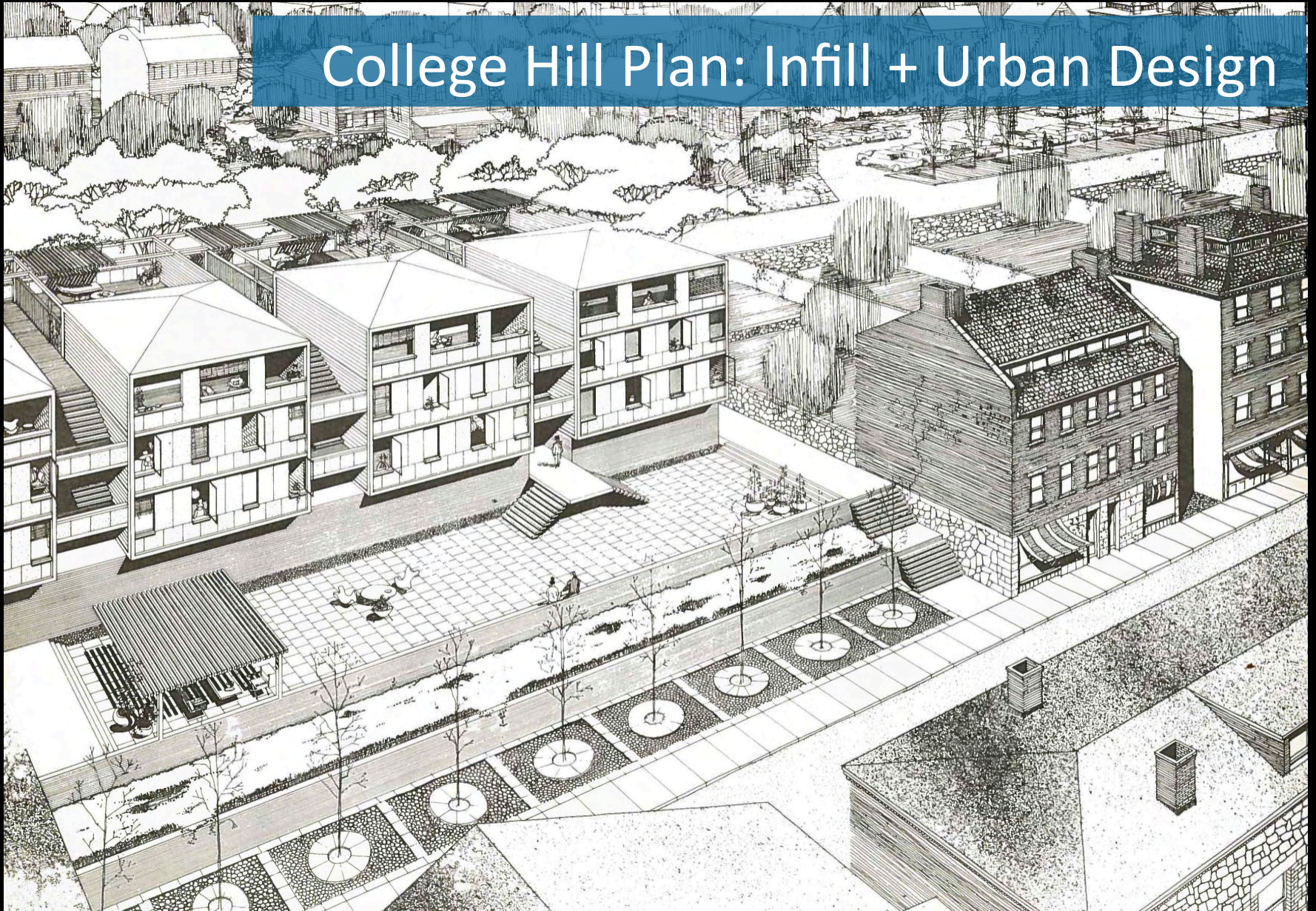
Southern Benefit Street in 1830 by E. L. Peckham RIHS



Southern Benefit Street in 1845 by E. L. Peckham showing St. Stephen's Church now Barker Playhouse. RIHS



College Hill Plan: Infill + Urban Design





College Hill Today

Economic Development Best Practices

- Plan + have a strategy
- Understand your position — excel at something
- Conduct on-going business + property development
- Remove obstacles
- Build an image



Market Strategies

Design

Organization

Promotion

Economic restructuring

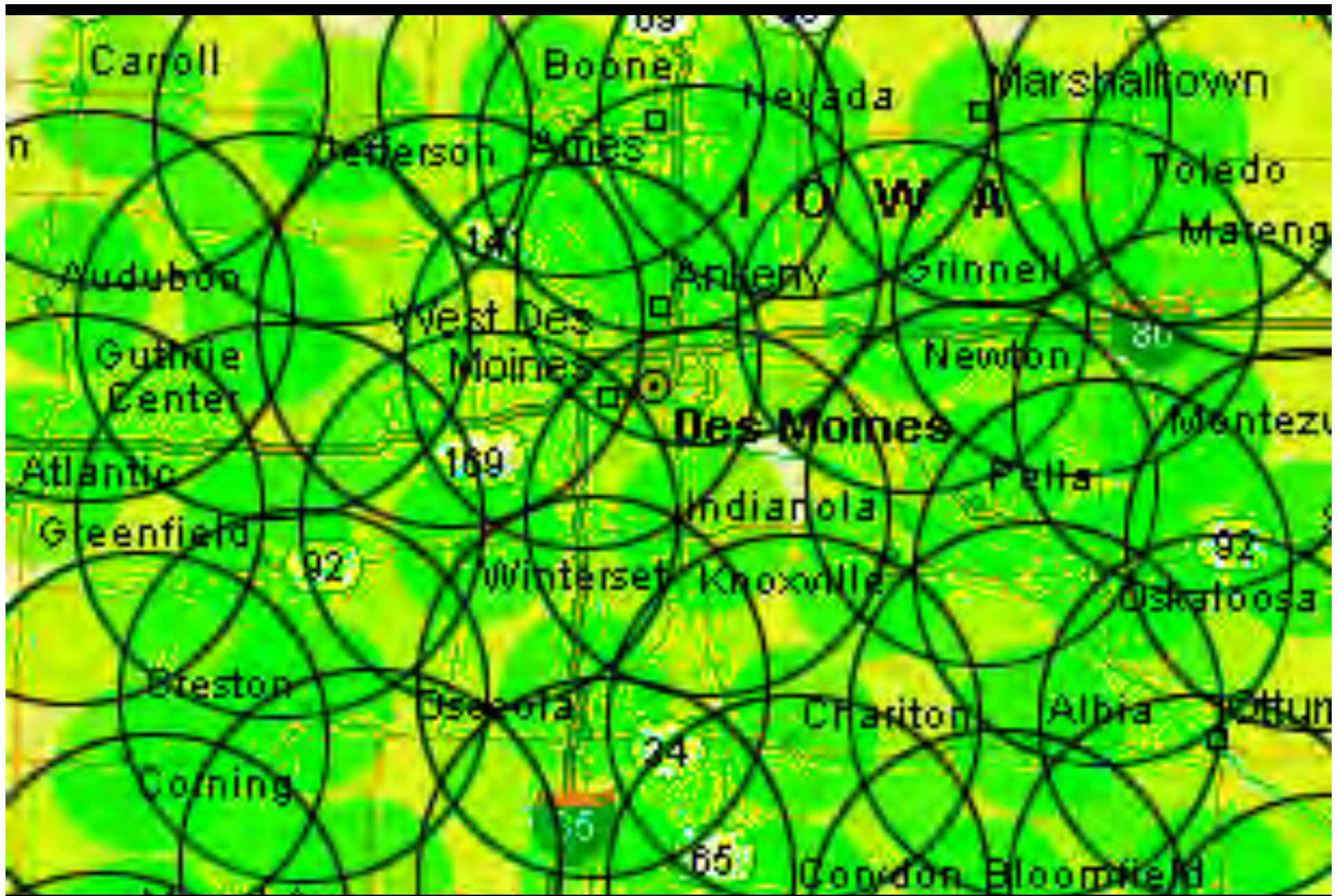
MARKET STRATEGIES

BUILDINGS - INFRASTRUCTURE - URBAN DESIGN

WHO IMPLEMENTS THE PLAN

EVENTS - BRANDING - MARKETING

LAND USE- PROPERTY + BUSINESS DEVELOPMENT





Retail Goods and Services Expenditures

Proposed Location
100 S Wacker Dr, Chicago, IL, 60606
Ring: 1 mile radius

Sample
Latitude: 41.88031
Longitude: -87.63698

Top Tapestry Segments	Percent	Demographic Summary	2011	2016
Metro Renters	85.4%	Population	53,821	59,091
Laptops and Lattes	13.9%	Households	30,764	34,270
College Towns	0.6%	Families	8,449	9,191
Trendsetters	0.1%	Median Age	31.0	31.1
Metropolitans	0.1%	Median Household Income	\$76,285	\$88,268
		Spending Potential Index	Average Amount Spent	Total
Apparel and Services		117	\$2,720.81	\$83,702,521
Men's		109	\$485.44	\$14,933,960
Women's		101	\$812.91	\$25,008,197
Children's		119	\$462.37	\$14,224,298
Footwear		82	\$332.75	\$10,236,536
Watches & Jewelry		166	\$313.34	\$9,639,376
Apparel Products and Services (1)		346	\$314.01	\$9,660,153
Computer				
Computers and Hardware for Home Use		166	\$308.74	\$9,498,106
Software and Accessories for Home Use		167	\$46.01	\$1,415,571
Entertainment & Recreation		150	\$4,675.65	\$143,841,081
Fees and Admissions		147	\$884.35	\$27,206,052
Membership Fees for Clubs (2)		146	\$231.41	\$7,119,147
Fees for Participant Sports, excl. Trips		138	\$143.01	\$4,399,385
Admission to Movie/Theatre/Opera/Ballet		167	\$245.49	\$7,552,066
Fees for Entertainment Events, excl. Trips		143	\$82.50	\$2,538,035
Fees for Recreational Lessons		136	\$180.04	\$5,538,771
Dating Services		254	\$1.91	\$58,648

Know your facts



Similarities + differences



Scrutinize + analyze

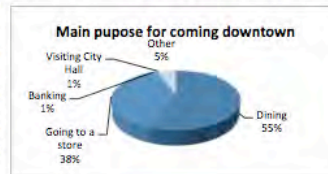
Restaurateur tip sheet

This "tip sheet" offers some practical ideas derived from the recent Midway Market Study. The Market Study was conducted by the Community Land Use and Economics Group, LLC, for Midway Renaissance, Inc. We have aimed to provide downtown businesses with information they can use to both improve their enterprises and, in the process, attract new customers to Midway.

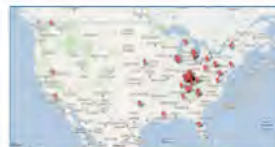


Customers. An on-street survey of Midway shoppers conducted in April 2011 indicates the most common reason for coming downtown is dining (55%). Perceptions of downtown are generally quite high and respondents place a high value on "quaint atmosphere," "small-town" feel, and they highly value Midway's restaurant cluster.

Locals are slightly more likely to come downtown first for dining and second for retail shopping. For visitors, the reverse is true. In fact, among a range of retail, service, and entertainment purchases, restaurant dining is the single thing that area residents (approx. 20-minute drive) most commonly report using in Midway.



Trade area. Midway's trade area is national and regional. About 70% of customers come from the triangle that includes Louisville, Lexington, and Cincinnati. About 30% come from elsewhere in the country.



Retail sales void analyses have become less meaningful as many purchases have migrated online, but they are still relevant for restaurants. In the immediate Midway area (5-min. drive), consumer buying power for restaurant dining approximately equals local sales (\$1M to \$1.5M). For a larger, 20-min. drive area, there is an overall sales void of \$9M out of total buying power of \$84M. Midway should be able to capture a portion of these leaked sales.

Performance. A survey of businesses to gather gross sales, rents, and other performance benchmarks yielded only a handful of responses – too few to report aggregate findings for restaurants. In general, rents (i.e., not owner-occupied) for retail space in Midway ranged widely, from \$3.70 to \$22.00 per square foot. As a rule of thumb, rent should not exceed 10% of gross sales. (Some Midway businesses exceed this ratio.)

Business hours: Because different types of businesses function differently, all downtown businesses cannot have uniform hours. That said, the irregularity of hours in downtown Midway is extreme. All shoppers – area residents and tourists – expressed dissatisfaction with business hours. Tourists, especially, represent irreplaceable potential sales if businesses are closed at the time of their visit.

Strategies Downtown Midway should focus on two distinct and differentiated markets: *local consumers* and *Bluegrass visitors*. The first group is defined by geography and consumers are making choices among competing options. The latter group does not have geographic boundaries but it is subject to the volume of visitors who come to the region.

- ▶ "Local consumers" come from Midway itself and surrounding communities. For very nearby households, Midway satisfies some convenience purchases with pharmacy, grocery store, bank, and casual restaurants. For customers a bit farther away, Midway is a regional destination, especially for fine dining. The geographic draw for this set of customers ranges up to 20 minutes drive time.
- ▶ "Bluegrass visitors" come for attractions: the equestrian industry and associated events (esp. Keeneland), the Bourbon Trail, and, to a lesser extent, area vineyards. In addition to people traveling by car, a few organized motorcoach tours also bring visitors to Midway.

To do. The following activities can be implemented by Midway business owners themselves, even as Midway Renaissance, the Merchants Association, and the City rethink how downtown improvements, marketing, and economic development should be managed.

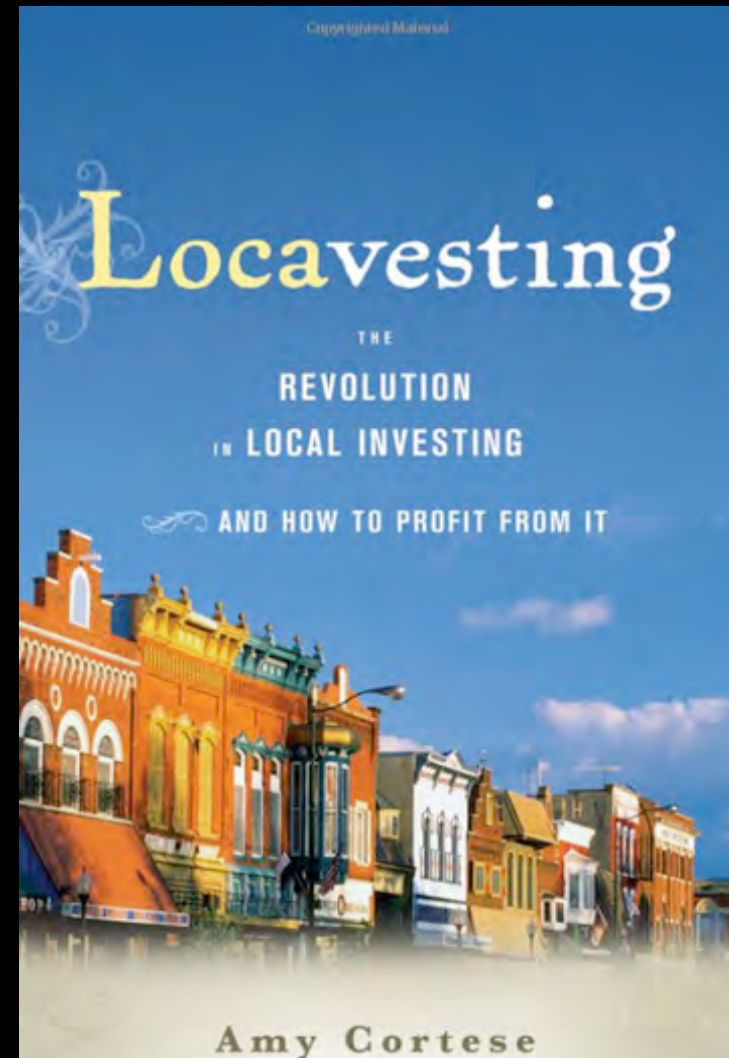
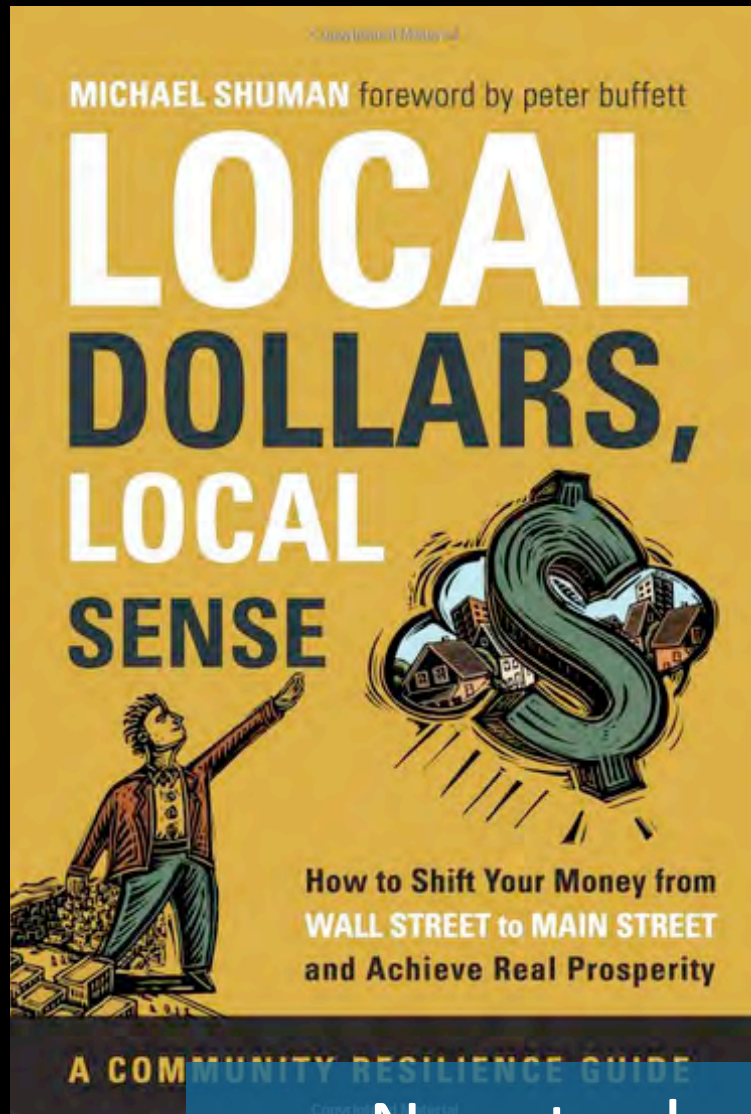
- ▶ **Organize a business coffee klatch.** Organizing activities for downtown as a whole – or even for a subset of businesses – will require some type of forum and leadership group. A coffee klatch of restaurateurs is a good way to coordinate shopping and dining nights or tourism incentives. (This group may include – or coordinate with – retailers.)
- ▶ **Coordinate with tour operators.** Observe the names on regional tour buses and establish a point of contact. Negotiate group dining packages that include a mark-up for the operator.
- ▶ **Cross-promote to retailers.** Provide a retail guide to diners, encouraging them to shop after lunch in Midway – or an incentive for evening diners to return during the day, when retailers are open. (Retailers should do the same for restaurants.)
- ▶ **Get customers to write online reviews.** Many visitors scout out their activities using any of several online tools. Few Midway restaurants are represented on Facebook, TripAdvisor, Yelp, or other social websites. Set up listings and encourage customers to write online reviews.
- ▶ **Offer a good-value, fixed-price menu on slow nights.** A lower-priced two or three-course meal can increase traffic from regional customers on slower nights.
- ▶ **Conversely, offer a fixed-price menu during equestrian seasons at a higher price.** During Keeneland and other equestrian tourism events, or on the busiest seasonal or holiday nights (when Midway restaurants are already doing their best business), try offering a high-end fixed-price menu to increase margins during peak periods.
- ▶ **Coordinate restaurant and retail hours during peak nights of peak seasons.** While we do not recommend trying to coordinate all downtown business hours, we do recommend using the coffee klatch to organize a handful of retailers to remain open through the restaurant closing time for peak nights during the peak seasons.
- ▶ **Organize shopping and dinner nights with local churches and charities.** In addition to attracting organized visitor groups (e.g., bus tours), the restaurateur "coffee klatch" can seed new visitor groups. Reach out to area churches and charities (20-minute drive area or more), inviting them to buy fixed-price group lunches and dinners in Midway. With dining as the initial attraction, retailers can then hold in-store "open-house" events, with later hours and refreshments. Build in an incentive for the charity to participate, such as contributing a portion of all ticket sales and a percentage of dining sales from the night. Similar group packages can be marketed to senior homes.

Support retention + entrepreneurship

Traditional Tools

- Revolving loan funds
- Grant programs
- Cluster planning + business expansion
- Succession planning
- Business incubators
- Recruitment
- Regulatory relief





New tools: local investment options

Community-Owned Businesses

- Local
- A market intervention
- Motivated by a purpose (social entrepreneurship)
- An idea developed with some public input
- Owned (or financed by) a group
- (Almost) anyone can participate
- For profit or non-profit
- Defined by the means, not the business model



Local Investment Movement

- Cooperatives
- Small investor groups
- Community corporations
- Community investment funds + foundations





Crowdsourcing

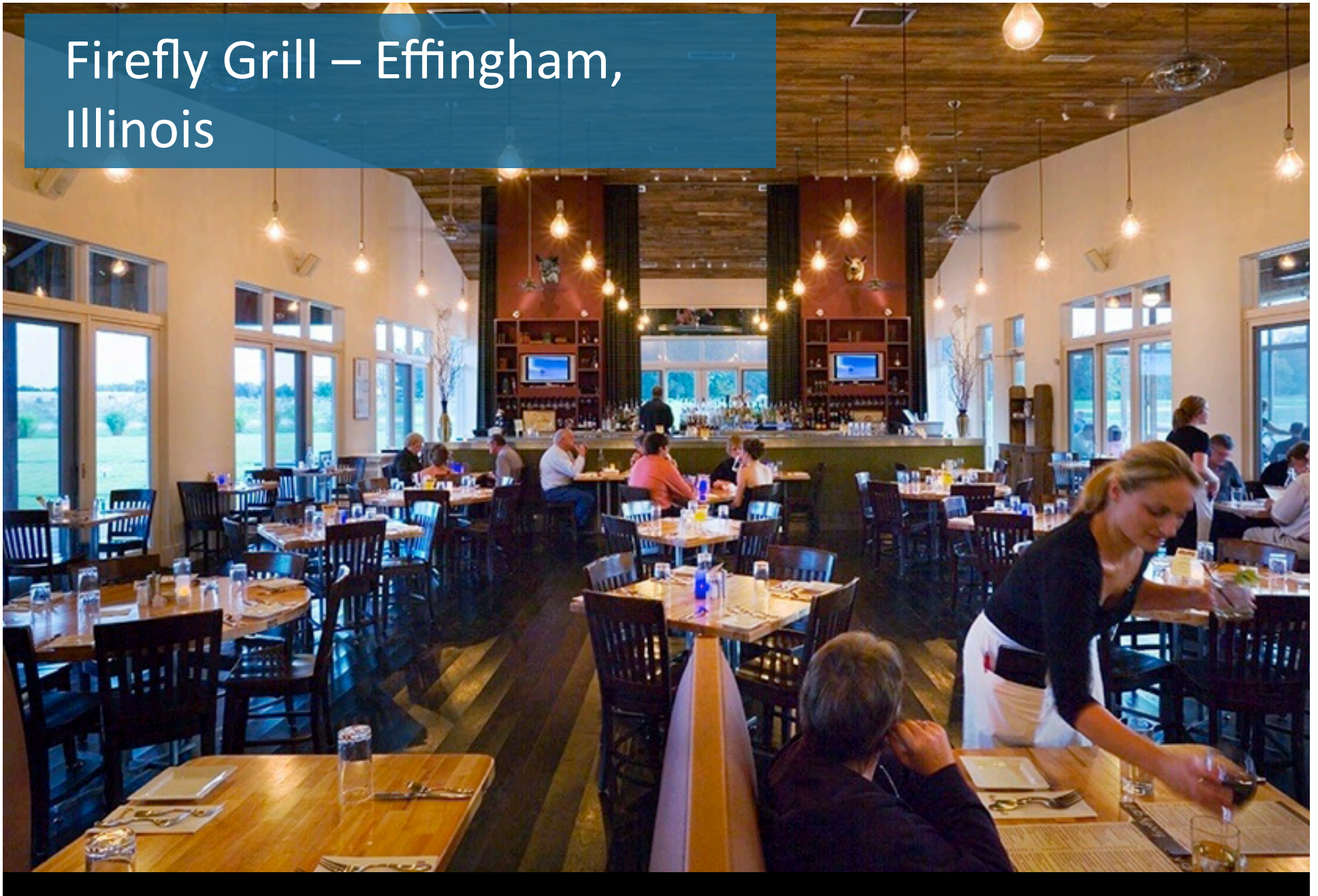
Cooperative grocery store – Bonaparte, Iowa





Princess Theater – Rushville, Illinois

Firefly Grill – Effingham, Illinois



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989-386-2241



Sweet Bar Bakery

by [Mani Niall](#)[Home](#) [Updates 9](#) [Backers 102](#) [Comments 10](#)[Oakland, CA](#) [Food](#)**Funded!** This project successfully raised its funding goal on March 17.

24th and Broadway in Downtown Oakland

102
backers
\$21,337
pledged of \$20,000 goal
0
seconds to go



Project by
Mani Niall
Oakland, CA
[Contact me](#)

First created - 4 backed

[Mani Niall](#) (591 friends)

Website: <http://sweetbarbakery.com>

[See full bio](#)



259 people like this. Be the first of your friends



<http://kck.st/w7SjQX>



Local Public Offerings

OWN LOCAL REAL ESTATE & BUSINESSES



1351 H Street NE

FUNDRISE 1351 H STREET LLC - WASHINGTON DC

\$263,400
INVESTED

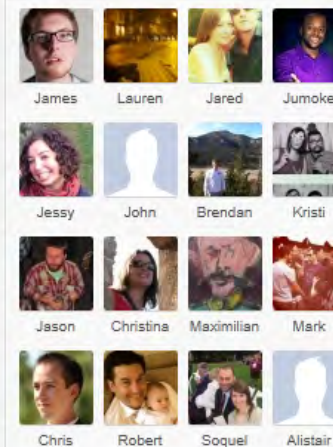
\$325,000
GOAL

153
INVESTORS

[VIEW INVESTMENT OFFERING](#)

- Own equity in real estate on H Street NE
- Share in potential profits of a new business
- From the creators of Toki Underground and DURKL

FUNDRISE COMMUNITY



[Like](#) 325 [Tweet](#) 72

FUNDRISE ON TWITTER

10 Days left to invest in Fundrise 1351 H Street - be a part of democratizing investment & build your city! #DC #VA
<http://t.co/1aUzVaYi>

bristol
rising!
presents

gobristolsurvey

to revitalize the downtown!

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asian market
bakery
bar
baseball
basketball
betting agency

Click here to like your Fab Five!

Click on an idea first, then 'like' it. You can also comment on it, or 'like' a comment!

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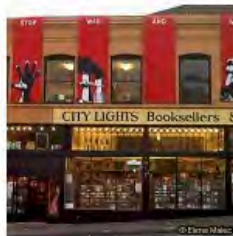
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This means you haven't voted for this idea yet

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**Literary Cafe +
Performance Space
[Needs Sponsor]**

318 likes 32
submitted 278 days ago



**Brewpub/Restaurant
[Needs Entrepreneur]**

261 likes 15
submitted 278 days ago



**Live Music Venue [See
Intimate Live Music
Venue]**

237 likes 26
submitted 321 days ago



**Market in Piazza [Needs
Organizer]**

228 likes 6
submitted 278 days ago



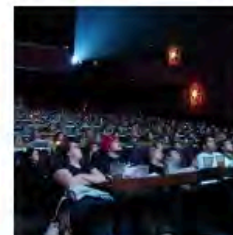
**The Bare Bones (Fluid
Storefront)**

225 likes 33
submitted 216 days ago



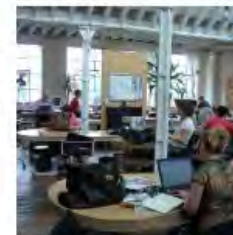
**Ale House and Wine
Bar**

168 likes 9
submitted 156 days ago



**Dinner & Drinks Movie
Theatre**

156 likes 11
submitted 156 days ago



**Coworking Space for
Entrepreneurs**

127 likes 10
submitted 285 days ago

Bristol (CN) Rising Project

Main Street
Franklin

Historic Preservation in the 21st Century

LAKOTA

Bristol (CN) Rising Project



Brandywine Village Preservation Study



Brandywine Village Preservation Study

HISTORIC RESOURCES

■ Prince George's Historic Sites (5)

- William W. Early House
- W.B. Early House
- W.H. Early Store
- Chapel of the Incarnation
- Old Bank of Brandywine
- Marion-Early Bean House (eligible)

■ National Register of Historic Places (2)

- William W. Early House
- Chapel of the Incarnation



William H. Early House



Chapel of the Incarnation



W.H. Early Store



W.B. Early House



Old Bank of Brandywine

Brandywine Village Preservation Study

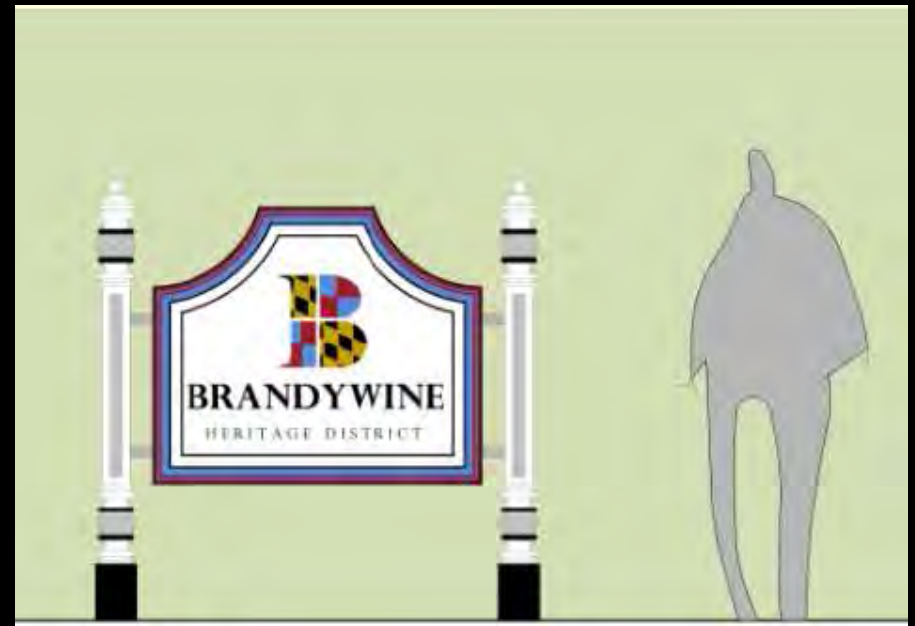
EXISTING CHARACTER ZONES

- **Zone 1: 301 to Timothy Branch**
 - Proposed Development / Transitional Character
- **Zone 2: Timothy Branch to Rail Crossing**
 - Core / Most Walkable / Historic Resources
- **Zone 3: Rail Crossing to Tower Road**
 - Lessening Intensity of Uses
- **Zone 4: Tower Road to Old Indian Head Road**
 - Rural / Residential
- *How should these zones be reinforced/protected/enhanced/defined for the future?*



Brandywine Village Preservation Study

- Protect + maintain historic resources
- Need for convenience + destination retail
- Pedestrian + urban design enhancements
- Calm traffic



Roadway improvement concepts



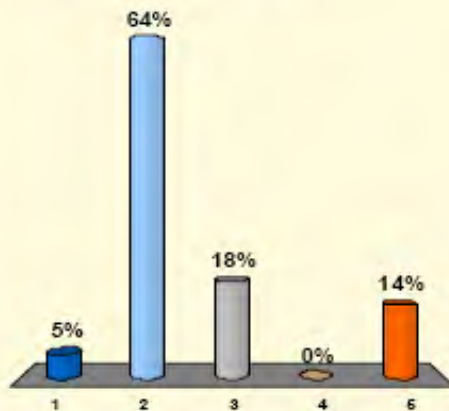
Building improvement concepts

ARCHITECTURAL/HERITAGE CHARACTER

■ Existing Building Enhancement – Example 4

[Rate this image](#)

1. Strongly Like
2. Like
3. Neutral
4. Dislike
5. Strongly Dislike



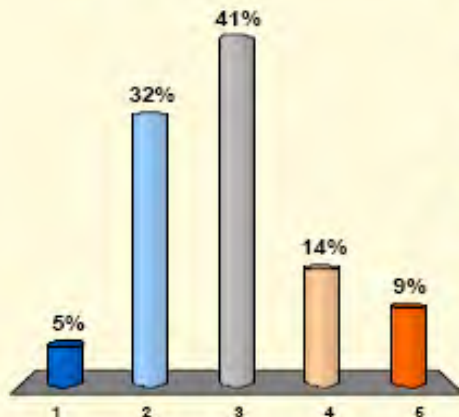
Infill Development Concepts

ARCHITECTURAL/HERITAGE CHARACTER

■ New Building Character – Example 3

[Rate this image](#)

1. Strongly Like
2. Like
3. Neutral
4. Dislike
5. Strongly Dislike





Downtown Momence Master Plan

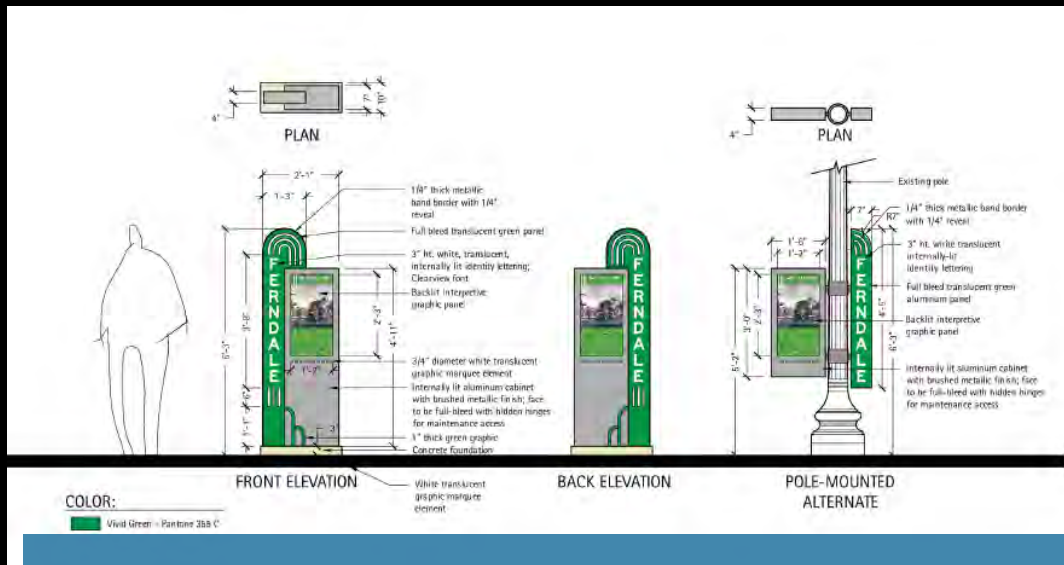
Downtown Momence Master Plan

- Enhance façade grant program
- Community Initiated Development
 - Formal feasibility study
 - Co-development team
 - Financing Package
 - Marketing + leasing
 - Construction management
- LLC Development Corporation
 - Property Developer
 - Financing/Equity Search
 - Tax Credit Experience + Advisor
- Multiple Layers of Financing



Riverfront Enhancement





Ferndale School and Library

35312 Woodward Ave. • Historical Site

BEFORE Ferndale became a city or even a village the area was part of Royal Oak Township. Like many rural townships of the time, the township was divided into sections, with each section having its own school. Ferndale was part of school section 9 and the original school house was located in the vicinity of present-day Allen and West Nine Mile Roads. That school was destroyed by fire, and around 1872-73, Andrew C. Porter donated land at the southeast corner of Woodward and Nine Mile Road for the construction of a school, and the Porter School was erected. It was typical of a 1870s schoolhouse, with separate entrances for boys and girls, an outdoor well and pump for drinking water and an outhouse.

In the early 1900s more families moved to the area, especially because of the auto employment in nearby Highland Park, and a larger school building was needed. In 1914, the district built two identical schools, one on the site of the Porter School, and an identical school near Ridge Road. The old 1870s Porter School building was moved to the future site of Lincoln High School on West Nine Mile Road where it was re-used at times for classes, and then the village hall after 1918.

Ferndale Wayfinding + Cultural Tourism Project

Kenosha Downtown Strategic Development Plan

- Pro-forma analysis for large vacant performing arts theater + several white elephant buildings
- Use of TIF + new incentives for key historic preservation projects
- Alternative financing/operating model for vacant movie theater





San Antonio Strategic Historic Preservation Plan



San Antonio Riverwalk

Downtown San Antonio



Strategic Plan Initiatives

- Remove barriers to investment
- Forge partnerships + building organization capacity
- Design guidelines + form-based zoning



“Rivers know this: there is
no hurry. We shall get
there some day.”

- Winnie the Pooh

Go Blackhawks!!



