

Economic Benefits of Historic Preservation in Georgia, A Study of Three Communities: Athens, Rome, and Tifton

SUMMARY OF PROJECT

Historic preservation is good business. Through the use of the National Trust for Historic Preservation's research model, *The Economic Benefits of Preserving Community Character: A Practical Methodology*, the Historic Preservation Division of the Georgia Department of Natural Resources has explored the financial impact of preservation on three communities. The project was conducted with the cooperation of the Athens-Clarke County Planning Department with support from the Downtown Development Offices of Rome and Tifton Case studies for the three cities, which examine construction activity in historic districts, property values, and tourism, illustrate how preservation is helping cities and towns throughout Georgia.

The project goal was to measure the effects of preservation efforts on three local economies. The National Trust methodology calls for analysis of three types of economic activity. Construction and rehabilitation contribute to the economy through the number of projects undertaken and the dollar amount spent on these endeavors. Property tax assessments and sales figures indicate how historic property values perform over time. Commercial activity reflects the dollars spent in a community, as well as the number of jobs created as a result of preservation tourism. Physical parameters of the study were set by choosing three communities whose economic outcomes which would be representative of many cities and towns throughout the state. Savannah, Macon, and Atlanta were eliminated from the study because of their large size, unique preservation programs, and inclusion in many previous studies. Towns greatly impacted by their proximity to state borders, or with single-industry economies, were similarly discounted.

The three sites chosen for the study, Athens-Clarke County, Tifton and Rome, vary in terms of geographic location and size. All three have preservation ordinances in effect and actively participate in the Main Street program. Additionally, both Athens and Tifton are Certified Local Governments; Rome was, at the time of the data gathering, in the process of attaining such status.

Athens-Clarke County, the largest of the three cities, with over 87,000 residents, rests in the Piedmont of northeast Georgia. Tifton, located in the costal plain area of south Georgia, is the smallest town in the study, with 15,000 inhabitants. Rome, population 30,000, is situated where three rivers meet in the Appalachian foothills of northwest Georgia.

Researchers determined study areas within each selected town or city. Information was gathered on both residential and commercial neighborhoods. Areas considered for the purpose of the study are located within districts listed in the National Register of Historic Places, or protected by a local preservation ordinance. For each designated historic neighborhood selected, a comparable non-designated historic area was chosen. The downtown districts are unique, and as is true of some residential areas, there are no cohesive comparison areas available. Therefore, the data shows the impact of historic designation both over time and through comparison of commercial and residential communities.

Construction: The first component of the methodology calls for an examination of construction activity. This work can benefit the economy through the number of local construction, manufacturing, and sales jobs created. The number and dollar value of local rehabilitation projects in the community were assessed. Permit fee revenues stemming from construction and rehabilitation were calculated. Additionally, tax incentives, enacted by local, state and federal governments, show the benefits of rehabilitating designated structures. For each of the three research sites, the time-frame of the study differs because of the availability of permit data. The number of permits issued, their dollar value, and the estimated value of the projects themselves are discussed in each case study.

Real Estate: A primary component of the methodology is the analysis of real estate market activity. The time-frame chosen for all three locations is twenty years. Data on assessed property values was collected at four year intervals, beginning in 1976. However, because of varying record keeping practices, both Tifton and Rome cover a shorter

time span. Researchers gathered the sales transaction figures for all available years. Sales values support this data by showing the real market values of these same properties.

Tourism: The last section of the methodology evaluates the relationship between preservation and tourism. In the case studies, researchers found that tourism statistics were difficult to fully document. Davidson-Peterson, a research company based in Maine, has analyzed tourism in Georgia, and their numbers are integrated into the case studies.

Case Studies: Analysis and Findings, generated by application of the methodology, are included in each of the case studies. The case studies draw relationships between the economics data and the communities' preservation efforts. To further illustrate the economic benefits of designating historic properties, each case study includes a profile of successful rehabilitation project within that community. These case studies and profiles show that historic preservation makes good economic sense. However, due to limited space, only one of the three case studies, Athens-Clarke County, is presented in full as part of this paper. The summary sections from Rome and Tifton, found at the end of this paper, present the information gathered in those two cities and echo the findings in Athens-Clarke County. All three demonstrate the economic benefits of historic preservation to these three communities.

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ECONOMIC BENEFITS OF HISTORIC PRESERVATION IN GEORGIA

A Case Study: Athens, Georgia

The City of Athens, founded in 1807, was named for the Greek center of culture and learning. As a preservation pioneer - one of the first Georgia cities to test the Main Street Program and one of two such cities with a local tax incentive program - Athens' rich history provides ample material by which to assess the economic benefits of preservation.

The National Trust for Historic Preservation methodology is designed to quantify these benefits, through an analysis of real estate, construction, and commercial activity. For more information regarding the methodology employed for this study, please see the summary of the project. This model was applied to Athens-Clarke County, Rome and Tifton to determine the additional economic impact brought to these communities as a result of historic preservation ordinances. Each city represents a different region of the state and participates in the Main Street Program. Athens-Clarke County, unified in 1991 and the largest of the three sites chosen for the study, is the regional center of northeast Georgia and is a Certified Local Government. The fiscal success of endeavors, such as the Upson House built in 1847, preserve Athens' historical character and simultaneously provide avenues for growth.

DEVELOPMENTAL HISTORY

Chartered in 1785, the University of Georgia was officially established in 1801, the same year that Clarke County was formed. Athens' boundaries were drawn in a circular pattern one-and-a-half miles around the University's Chapel. The city expanded rapidly in a westward direction and by the 1830s the first suburb developed. With the introduction of rail service in 1841, the town soon became a prosperous commercial and industrial center. The cotton manufacturing industry gained prominence for the city, known for a time as the "Manchester of the South."

As a growing educational and industrial center, Athens usurped Watkinsville's position as the county seat in 1871. During the 1920s, the city's western limits were extended. Since World War II, three development movements spread through the town and county: urban sprawl, urban renewal, and the demolition of many of the earliest houses and urban neighborhoods.

PRESERVATION PERSPECTIVE

A century after Athens' inception, citizens began to preserve their historic resources. The University restored Old College (1908), the Athens Women's Club acquired and occupied the Joseph Henry Lumpkin House (1919), and the City of Athens purchased the Lyndon House (1939). These initiatives were the earliest evidence of preservation measures in Athens.

The emergence of two organizations raised awareness of Athens' distinctive and rich historic character. The Athens Historical Society and the Society for the Preservation of Old Athens both organized in 1959. In 1967 the Athens-Clarke Heritage Foundation was chartered and was consequently able to save the Church-Waddell-Brumby House, Athens' oldest surviving residence, from threat by an urban renewal project. During the 1970s, development pressures continued to stimulate extensive preservation activity.

Adopting a proactive approach, ACHF established a revolving fund for preservation projects and began nominating historic properties to the National Register of Historic Places. Organizations such as the Urban Renewal Agency, Chamber of Commerce, and the Athens Downtown Development Council influenced preservation efforts within Athens' historic district downtown as well.

The passage of the Georgia Historic Preservation Enabling Act in 1980 brought out new advocates for preservation in Athens. In that same year, the National Trust for Historic Preservation chose Athens as one of the first five pilot cities for the Main Street Program. When suburban mini-malls, and the new Georgia Square Mall began to impact downtown businesses in 1981, the College Square Project revitalized the central business district.

In 1986, Athens Mayor and Council unanimously adopted a local preservation ordinance and were thereby able to designate four districts and more than 30 individual landmarks for protection. With the ordinance, Athens qualified as a Certified Local Government and subsequently created a staff position for a Historic Preservation Planner to coordinate preservation planning within the city. In 1990, Athens and Clarke County voters passed a referendum approving a unified government. This new government extended the reach of the preservation ordinance to encompass the entirety of Athens-Clarke County.

DATA ANALYSIS

The National Trust's study model was applied to Athens to assess the impact of preservation efforts within the city. Approximately 600 properties, sampled from six of Athens historic districts, were examined. The methodology was used to determine whether property values in designated districts increased at a faster pace than those in non-designated areas. Designated refers to those historic properties located within local and national historic districts; non-designated refers to those historic properties which have yet to receive such recognition. Similarly, construction data was gathered from building and electrical permits maintained by the tax commissioner and assessor. These were used to compare the level of activity in designated and non-designated areas. Increased efforts to maintain the worth of designated properties also leads to more jobs, and these were calculated according to the Trust's model. As a result of extensive preservation efforts, Athens has many districts from which to sample properties for the real estate and construction sections of the study. Lastly, Athens draws tourists because of its historical offerings. Tourism data were collected from research provided to the state by Davidson-Peterson and Associates, a nationally recognized tourism consulting company, and from historic sites in the Athens area.

Real Estate Activity

Assessment figures for residences and businesses were collected and analyzed. These numbers were compared to neighborhoods of similar visual character but dissimilar preservation standing. This analysis looks at the performance of nearly 600 properties, of similar age, to determine the impact of historic designation on property values. Researchers explored the relationships among local and National Register designated districts, non-designated historic areas, and the downtown.

Boulevard	Designated - L/N
Woodlawn	Designated - L/N
Milledge Circle	Designated - N
West Hancock	Designated - N
Cloverhurst	Non-Designated
Pulaski Heights	Non-Designated
King	Non-Designated
Downtown (commercial)	Designated - N

Boulevard, one of Athens noted historic districts, is composed of turn-of-the-century wood-frame homes located near the railroad. These middle and working class homes compare well in size and visual character with those found in Pulaski Heights, located in the same region of Athens. King, comprised of early twentieth-century brick bungalows, is a middle and working class district located near the public hospital. Milledge Circle, which favors comparison with King, is also similar in size and socio-economic standing to Pulaski Heights. Woodlawn and Cloverhurst are also highly comparable in size and appearance. These areas run parallel to one another and intersect Milledge Avenue, a main street which serves as an entry way to the Antebellum Trail. West Hancock represents Athens' historic African-American resources and was included in the study without a comparison district.

Two districts sampled for the study, Woodlawn and Boulevard, are both listed in the National Register of Historic Places and locally designated. Analysis of these neighborhoods, when comparing dollars adjusted

for inflation, shows an impressive increase. Over a twenty-year period, beginning in 1976, the 94 property assessment values sampled in this area rose at a rate of 47.75%. A similar analysis of assessment value growth in the two National Register districts, Milledge Circle and West Hancock, yields the anticipated results. The 39 sample tax assessment values in Milledge Circle rose at a rate of 50.63%, in line with the locally designated areas, while West Hancock's 148 property assessment values rose only 4.5% over the period. When averaged together, these assessment values increased at a rate of only 22.94%, approximately half the rate of the locally designated areas.

The third comparison group consists of three non-designated neighborhoods: Cloverhurst, King, and Pulaski Heights. These non-designated properties show an increase in value of 33.87%, which surpasses that of the combined nationally registered districts. Of the three comparison groups, the combined locally designated areas exhibit the largest increase in value.

To explore the impact of local ordinances, adopted in 1988, as well as National Register designations, beginning in 1979, designated districts were sampled and compared with non-designated areas. The next step was to compare their post-ordinance assessment growth rates. This analysis shows that values in the four designated areas out-pace their three non-designated counterparts between 1988 and 1996. The assessment values in historic districts rose at 65.1%, and the assessment values in non-designated neighborhoods rose at a rate of 60.6%.

The study totals reveal a positive analysis of the benefits of preservation. Woodlawn outperformed its comparison group, Cloverhurst, by eight percentage points (61.33%-53.37%). Additionally, Milledge Circle surpassed its two control groups, with an increase of 50.63%. Assessment values in the King area increased at a rate of 21% and Pulaski Heights rose 30.49%. Boulevard, which similarly compares to the non-designated Pulaski area increased by 42.5%. West Hancock grew at a modest rate over the period, 4.5%. Thus, the assessment values of the designated properties out-pace their individual comparison districts in each and every case. These values show preservation's strong economic contribution to the Athens community.

Downtown Athens emerged adjacent to the north side of the University campus and has long benefited from this close relationship. For many years, Athens has served as the commercial hub for the greater region as well, with farmers driving into town on weekends to gather supplies. Moreover, as the county seat, the district benefits from the presence of government offices in the downtown. These customer bases have helped the downtown buildings to maintain a low vacancy rate. Currently, many of the upper floors of these buildings are used as residences, creating increasing demand for parking, but also ensuring a client base for local businesses. With one of the oldest Main Street programs in the country, downtown has been able to retain many businesses that might otherwise have relocated to one of the malls. Of the three cities studied, Athens is the only one to attract a major retail chain store to its downtown - The Gap. All economic signs indicate that downtown Athens will remain a desirable business area for a long time to come.

Real estate values in the downtown district, which is listed in the National Register, grew greatly over the twenty-year span. The 187 property assessment values sampled from a four block area adjacent to the University increased at a rate of 65.46%. Since implementation of the Main Street Program, the district assessment values have risen at a rate of 41.03%. These numbers show the downtown has experienced a healthy and continual growth pattern. The only decline in values within the district occurred in the late 1970s, prior to the Main Street participation, and despite this downturn, the area's property assessment values rose 7.72% from 1976 to 1984.

Construction Activity

According to the National Trust methodology, the number and dollar values of construction projects are not the only fiscal benefits brought to the community by historic designation. Rather, the number of jobs created by dollars spent on such projects can be compared for designated and non-designated areas. This comparison shows how ordinances can stimulate the economy because property owners want to protect their investments. Moreover, home and business owners in Athens have an additional incentive to engage in rehabilitation activities - a local tax abatement program. This incentive program provides an owner of a

historic property an eight-year freeze on property tax assessments with an incremental increase to current fair market value during the ninth year. In 1995, the first year of the program, the Athens-Clarke County Planning Department received 25 requests for certification for this benefit; and half-way through 1996, the planning department had already obtained 30 such requests.

The most comprehensive resource for information on construction projects in Athens is the building inspections department. Over the last nineteen years, these records show a much higher level of construction work in designated, both locally and nationally, than non-designated areas. The total number of projects in designated neighborhoods is 120, with a value of over \$1.4 million. Among the sampled residential districts, Boulevard undertook the most projects (47) with a worth of over \$500,000. The other noteworthy area is West Hancock. Although the neighborhood undertook fewer projects, their total value is \$675,000, considerably more than any other residential district. In contrast, the non-designated neighborhoods engaged in one-third as many projects, with a total value of only \$370,000.

A large portion of construction dollars is spent in the local economy. These projects also provide revenue in the form of permit fees generated to offset expenses incurred by government's inspection of such rehabilitation work. As is expected the total fees are much higher in the designated areas, totaling \$10,285, compared to \$2,880 in non-designated areas. Reviewing participation in the state and federal tax incentive programs for rehabilitation, figures indicate that rehabilitation projects represent over a \$13 million reinvestment in the community from 1979 to 1996 (figure not adjusted for inflation).

Yet another benefit of construction activity is the creation of temporary local jobs. Over the last twelve years, activity in the non-designated areas generated 10 jobs, at an average of .8 jobs per year. Locally designated areas created sixteen jobs over a fourteen-year period, averaging over one job each year. Nationally registered areas fared best, generating 25 jobs over fifteen years. Clearly, the designated areas contributed more temporary jobs to the community than did the non-designated neighborhoods.

Sales tax, resulting from historic rehabilitation, also demonstrates increased benefits of designation. From 1980 to 1995, neighborhoods with local and national designations each contributed over \$4,000 in sales tax. The non-designated areas brought in \$2,175. Although there was three times as much rehabilitation activity in the designated areas, the non-designated ones only contributed one-fourth of their total. Sales tax is therefore one more way to illustrate preservation's contributions. Downtown was by far the most active area, with over 175 projects totally over seven million current dollars. All sample residential properties combined did not match this number of projects, and were of a much lower total value. Additionally, downtown rehabilitation brought nearly \$30,000 in building permit fees to the local economy. Construction data analysis shows downtown's great contribution to the community. Downtown projects also generated the most temporary work. Over the last fifteen years, downtown rehabilitation produced 200 temporary jobs, over 13 positions each year. Rehabilitation in the commercial district has brought in nearly \$50,000 in sales tax over the last fifteen years. In addition to jobs and dollars spent on such construction work, this activity generates considerable sales tax revenues for the community.

This contribution is yet another means to quantify additional money brought by preservation to Athens. As the study model shows, construction benefits can be measured in many ways. Following this methodology, analysis of the sample data expounds these contributions.

Commercial Activity

Tourism is the third component of the National Trust model. Numerous benefits to the community are afforded by visitors who are attracted by local historic tourism sites. The Davidson-Peterson Associates firm compiles tourism statistics for the state of Georgia. According to their research, Athens-Clarke County brought over \$123 million from tourism in 1994, and over \$134 million in 1995. This nine percent growth rate represents an additional eleven million spent within the community.

The expenditures tourists make while visiting an area represent new funds coming into the community. These funds are re-spent and result in additional benefits to the local economy. One such site affected by tourism in Athens, is the Welcome Center, located in the Church-Brumby House. The center provides both tourist information and house tours. Each year, approximately 20,000 visitors come to the house for

information on Athens. The Georgia Museum of Art, located on the University of Georgia campus, receives a similar number of visitors annually. The Junior League of Athens, which provides services at the Taylor-Grady House, reports that in the last year, their tours and events brought in over \$23 thousand. Lynne Thomas, Executive Director of the League, says that many clients rent the House for events specifically because of its historic stature. These sites attract tourists who contribute considerably to the Athens economy.

PROFILE: UPSON HOUSE

Locally and nationally acclaimed as an exemplary adaptive use project, the Upson House retains its historic character and continues to serve the Athens community. The Upson House is a Greek Revival style residence constructed in 1847 for Macon physician, Dr. Marcus A. Franklin. In 1885, Steven Upson, Jr. purchased the dwelling, which remained in the family through four generations. The First National Bank of Athens, currently SunTrust Bank, acquired the property in 1974 and began renovation efforts in 1979. The adaptive use project retained original detailing, such as the Doric portico, triple-sash windows, scored stuccoed-brick exterior, and quarter-sawn parquet floors. The main floor serves as the bank lobby; offices and a conference room occupy the upper floor. The rear addition to the residence and additional structures were sensitively designed and placed to limit their visibility from the street and to preserve the magnolia-shaded lot.

According to Paul Hodgson, Jr., President-Athens Division/Chief Operating Officer for SunTrust Bank, the 6 2-acre site offered an attractive expansion opportunity for the bank. Gene Surber, currently of Surber Barber Architects, served as the principal architect on the rehabilitation project, guiding restoration efforts and designing the rear addition for drive-in service. The bank expended approximately \$130 per square foot for the purchase and adaptive use of the property, excluding the real estate, and spared no expense installing the latest equipment. Rehabilitation of the house itself cost less than \$30 per square foot, extremely cost beneficial when compared to the construction of a new facility two years later at a cost of \$80 per square foot. Hodgson notes that efficiency studies reveal the costs of operating the Upson house are 50% less than at all other SunTrust facilities.

This rehabilitation project was one of the earliest such endeavors to benefit from the federal tax incentive program. and traffic Although some space considerations still exist, Hodgson concludes that the bank would certainly entertain such projects in the future.

SUMMARY

Athens' history of preservation efforts made it an ideal location to study the economic impact of National Register and local designation on the community. The National Trust model provides for the analysis of real estate, construction, and commercial activity to quantify preservation's economic contributions. Through analysis of such data, collected in Athens, the study brought these benefits to light. In the sampled study areas, property assessment values show that designated districts, especially locally designated, have increased in value faster than their non-designated comparison areas. Downtown Athens has shown especially strong results. Both the Main Street Program and national designation have contributed greatly to this success. Construction data shows comparatively high levels of financial investment in designated areas. Additionally, the rehabilitation of these properties have contributed more temporary jobs, permit revenue and tax dollars to the community than have non-designated neighborhoods. Once again, the downtown has outperformed all other study areas. Numbers for tourism, in general indicate growth in Athens, and as a host city for the Olympics, the 1996 numbers are sure to increase. Thus, data gathered in accordance with the Trust methodology shows the significant fiscal impact of preservation on Georgia communities. Historic preservation is good business.

ECONOMIC BENEFITS OF HISTORIC PRESERVATION IN GEORGIA

A Case Study: Tifton, Georgia

Three Georgia communities were included in a study designed to quantify the economic benefits of historic preservation. Athens-Clarke County, Rome and Tifton were each selected for characteristics that are representative of different areas of the state. Tifton is located in the coastal plain of southern Georgia and is the smallest of the three sites selected, with a population of approximately 15,000 people. Tifton is representative of the many smaller, agrarian centers that support Georgia's economy. As well as being the seat of Tift county, Tifton serves as a regional center for the surrounding area. Additionally, adoption of a preservation ordinance leading to Certified Local Government status and participation in the state's Main Street program were key factors in the selection of communities.

The study was based on a methodology created for the National Trust for Historic Preservation and was designed to measure the economic impacts of historic preservation activities. The analysis concentrates on three key economic areas: real estate, construction, and commercial activity. The primary emphasis of the study is to document that preservation activities maintain and reinforce the positive economic position of the community. These measures will be illustrated in a profile that focuses on bringing a distinct perspective to each case study.

DEVELOPMENTAL HISTORY

In 1872, Captain Henry Harding Tift purchased a site adjacent to the Brunswick and Albany Railroad for the construction of a sawmill. Dependent on the railroad and the mill, the settlement which developed was successively referred to as Slab Town, Lena and Tift's Town - later shortened to Tifton. Cotton production surpassed the timber industry by the turn-of-the-century. Completion of the railroad line from Tifton to Cordele heralded a boom in the town's economy and heightened its status as a market center. As Tifton quickly grew to become "The Gate City to South Georgia and North Florida," citizens advocated the formation of a new county - Tift County (1905). The closure of Tifton's sawmill halted economic growth; subsequently a shift from a timber based economy to an agricultural base sparked an economic revival. With Abraham Baldwin College (1907), the Coastal Plain Experiment Station (1919), and additional donations of land and money by Mr. Tift, the area's crop diversification and production levels increased. By the 1930s, Tifton had become a regional leader in the distribution of agricultural products, especially tobacco. This period of rapid growth starkly diverged from the marked decrease in economic activity which accompanied World War II. The closing of one of its major employers in 1959 spurred the community to diversify its commercial economy. Since the 1960s and the completion of Interstate 75, Tifton's industry has experienced significant growth, as have the city's population, community services, and cultural advantages.

PRESERVATION PERSPECTIVE

During the 1970s, Tifton residents became interested in preserving the town's historic character and cultural heritage. Tifton's historic downtown had fallen on lean times, as new commercial centers developed along Interstate 75 around the perimeter of the community, leaving behind many empty storefronts on Main Street. The inception of the Main Street Program in 1986, and the rehabilitation of the Myon Hotel into a government and commercial complex, led the efforts to revitalize Tifton's downtown. In 1986, and again in 1992, several blocks of the downtown commercial area were listed on the National Register of Historic Places. In response to citizen interest in local preservation measures and financial incentive eligibility, the Historic Preservation Commission was established in 1988; and a year later, the local designation of the Tifton Historic District provided protection for the city's historic core, including residential and commercial properties. The community also organized the Tifton Heritage Foundation, a private, non-profit organization.

The community's substantial history of adaptive reuse, includes renovation of: the Tift Theatre for the Performing Arts, previously an Art Deco movie house; the Tifton Museum of Arts and Heritage, formerly Tifton's first brick church; the Brumby's Crossing shopping complex, located in a renovated warehouse; and the Chamber of Commerce and the Atlantic Coastline Artists Guild, each located in restored train depots. As well, the local government has led preservation activities by renovating several vacant buildings in lieu of breaking ground on new facilities. Civic facilities currently occupy rehabilitated buildings such as the Tift County Courthouse and the Tift County High School. The Myon Complex, a former grand hotel, now houses City Hall, retail stores, a restaurant, office space and apartments. Rehabilitation efforts in the historic districts continue. These actions have had a confirmed effect on revitalization of the downtown area. In fact, during the first seven years of the Main Street Program, the number of downtown businesses

nearly doubled, expanding from 95 to 185, and a net total of 260 new jobs were created. These jobs were estimated to have a yearly economic impact of over \$1.7 million.

DATA ANALYSIS

The National Trust's study model was applied to Tifton to assess the impact of preservation efforts within the city. The most comprehensive segment of the study gathers a series of tax assessment values for a sample of approximately 600 properties of similar age, within and outside of historic districts, both locally and nationally designated. Designated refers to those historic properties located within local and national historic districts; non-designated refers to those historic properties which have yet to receive such recognition. The methodology was used to ascertain whether property values in designated districts increased at a faster pace than those in non-designated areas. Data for commercial properties located in historic downtown districts was also gathered, but is considered separately, as the characteristics of commercial properties make them distinct from residential properties. Similarly, construction data was gathered from building and electrical permits, and used to determine the level of activity in designated and non-designated areas. This same data was also used to calculate subsequent benefits to the economy through the creation of jobs, and additional revenues to the local government. For the study's third component, tourism data was collected from research provided to the state by Davidson-Peterson Associates, and from local historic sites.

North Park	Designated - L
College Hill	Designated - L
Chesnut	Non-Designated
Belmont	Non-Designated
Main Street (commercial)	Designated - L/N

Each of Tifton's areas was selected as representative of the community. North Park is located just north of the downtown in a predominantly turn-of-the-century, upper-class neighborhood that is included in the city's locally designated historic district. The College Hill area was chosen as a non-designated comparison neighborhood to North Park, as the periods of construction and resources are similar, and both of the areas have a distinctly suburban character. The locally designated Chestnut area, located to the east of the downtown, has more typically working-class resources, specifically brick and frame bungalow vernacular houses from the early twentieth century. The non-designated Belmont area, although slightly further away from downtown than Chestnut, maintains a similar visual character. Historic Main Street, designated locally and listed on the National Register, is a six block area of downtown comprised solely of commercial buildings.

The sample area names were assigned for this study and do not represent actual district names. The term district is not applied to these areas because they represent only portions of a district.

L - locally designated

N - nationally designated (National Register Historic Places)

Real Estate Activity

For each selected area, tax assessment values were collected over a period of successive years - 1983, 1984, 1988, 1992 and 1996 - to encompass values before and after significant preservation events. In Tifton, 1983 was the first year for which complete data could be gathered because of record-keeping practices. The percentage changes in assessment value were evaluated both by comparison between individual districts, and by distinguishing between designated and non-designated property groups. The analysis looks at the performance of these properties to determine whether historic designation leads to increases in property values, or at least does not onset a decline in values as a result of restrictive guidelines.

Overall assessment values, when comparing dollars adjusted for inflation, show an increase in value from 1983 to 1996 for four of the five selected areas, with only non-designated Belmont decreasing 6.99%. From 1984 to 1988 all of the

surveyed areas showed a decrease in value, and from 1988 to 1992, four of the five neighborhoods continue to decrease, with only the downtown experiencing an increase (8.02%). By 1992-1996 all five of the areas have revived increases in value, with Main Street exceeding 25% growth.

A comparison of assessment figures between North Park and College Hill shows that values have risen at a similar rate throughout the study time period. Although the non-designated College Hill area outperformed designated North Park (5.55%), it is important to note that the current movement of area property owners to the north of town may be due to other factors such as larger land parcels, large houses, and proximity to new transportation routes and amenities. This northward trend is supported when noting the greater number of sales in College Hill and North Park as compared to other areas.

Over the same thirteen-year period, the designated Chestnut neighborhood outperformed non-designated Belmont. Although both Chestnut and Belmont experienced decline in values from 1984-1992, Chestnut strongly rebounded from 1992-1996 (15.62%), while Belmont grew at less than half that rate (6.42%). Main Street posted the strongest overall gain (13.04%) in assessment values during the study period. Although increasing 8.02% (1988 through 1992) after the inception of the Main Street Program, the downtown area growth continued by posting a robust 25.41% increase.

Of significance, the analysis of the designated neighborhoods as compared to the non-designated areas showed that the designated properties outperformed those that were not located within historically designated districts. Based on the increase in property values from 1983 to 1996, the locally designated areas combined for an average increase of 10.73%, while the non-designated areas averaged 9.39%. Within the downtown area, which is both locally and nationally designated, assessment values grew at an even higher rate, 13.04%.

The North Park and Chestnut areas were designated under Tifton's local ordinance in 1988. To explore the impact of this ordinance, the post-ordinance growth rate of the designated neighborhoods was compared with the non-designated areas. When analyzed, the 2% difference in growth rates was not found to be statistically significant. Moreover, values in the Main Street area increased a tremendous 35.47% throughout this same time period.

These findings indicate that properties within Tifton's historic areas maintained pace with, and in some cases outperformed, properties in non-designated areas. It appears that designation has helped, and certainly not hindered, property values within the neighborhoods. While it cannot be stated that historic district designation is the sole factor for the increases, as it is only one of several initiatives used to encourage community preservation, these values show preservation's strong economic contribution to the Tifton community.

Construction Activity

According to the National Trust methodology, the number and dollar values of construction projects are not the only fiscal benefits brought to the community by historic designation. Considerable benefits to the local economy are also gained through the employment of construction workers and the sale of construction materials, much of which are purchased locally.

A comparison of projects undertaken in designated and non-designated neighborhoods shows additional stimulation to the economy. Over an eight-year period from 1989 to 1996, 72 projects totaling \$615,967, were undertaken in the designated areas (not including Main Street); whereas the data for non-designated neighborhoods reflected only 37 projects totaling less than half the amount spent in designated areas (\$280,614). Rehabilitation projects resulted in permit fee income of \$3,291 in the designated neighborhoods, as compared to permit fee income of \$1,550 in the non-designated areas. Thus, designated areas brought more dollars to the local government and the community than did their comparison areas. Reviewing participation in the state and federal tax incentive programs for rehabilitation, figures indicate that rehabilitation projects represent more than a \$1 million reinvestment in the community from 1985 to 1996 (figure not adjusted for inflation).

Analysis of construction data shows that these projects led to the creation of approximately 18 temporary construction jobs from 1989 through 1995, as compared to generating half that number of jobs (9) in non-designated areas. Additionally, the designated neighborhoods created twice as many sales and manufacturing jobs (18) as compared to the non-designated areas (9). The sales and manufacturing jobs resulted from the purchase of construction supplies and materials and from the spending of the construction and other workers' wage income, which totaled \$350,083 (over twice as many dollars as generated in the non-designated neighborhoods, \$169,735).

Preservation activities greatly contribute to economic gains in Tifton's historic neighborhoods, and the Main Street Program supplements these benefits. During the first seven years of the program, 86 buildings in the downtown area

were rehabilitated. By bringing in new businesses, the city realized a total increase of \$12,801 in business license income. Additionally, the total city and county tax base increase over this same time period was \$127,691, with an average yearly increase in taxes collected in the downtown area of \$15,961.

Commercial Activity

Tourism is the third area in which the economic benefits of historic preservation activities were examined. The expenditures that tourists make during area visits represent new funds coming into the community. The Davidson-Peterson firm compiles these tourism statistics for the state of Georgia. Their research shows that tourism in Tift County brought in over 72 million dollars in 1994, and over 74 million dollars in 1995. This growth represents an additional 2 million dollar increase in tourism expenditures over one year, with 1996 estimates to reflect even greater expenditures.

The expenditures that tourists make while visiting an area represent new funds entering the community. These funds are re-spent and result in additional benefits to the local economy. Several tourism sites are located in the Tifton area. Both the Agrirama and the Coastal Plain Experiment Station arrange exhibits and activities based on Tift County's strong agricultural history.

As the county seat, Tifton's Main Street benefits from the presence of commercial and government offices in the downtown area. The rehabilitation of the Myon Hotel, once described as "the finest inn south of Atlanta," is a preservation achievement. The 1908 structure now houses government offices, retail storefronts, luxury apartments, and a restaurant. This public-private partnership is a financial success.

By the early 1980s, the hotel, which covers an entire city block, was considered a community eyesore and nearly slated for demolition. Improvement efforts in the downtown had begun, and the Myon was considered the pivotal building in any large-scale revitalization effort. In 1985, the City of Tifton entered into a joint venture with Harold Harper, a Southeast area developer, to renovate the 43,000-square-foot Myon Hotel.

The city had already purchased land for the erection of a new city hall and anticipated construction costs to exceed \$1 million. According to Tifton City Manager Webster Morgan, however, the city commissioners understood the financial and aesthetic value of the Myon project. Approximately \$1.5 million was spent on the rehabilitation, with the city paying a bargain price of \$650,000 for its half of the building which houses the new City Hall. The developers garnered further benefits by participating in the federal tax incentive program for historic property rehabilitations.

For downtown merchants, the new Myon means better business opportunities, as renewal efforts encourage additional storefront renovations. According to a 1984 Tifton Gazette article heralding the project, the economic impact of the refurbishing was already measurable as adjacent property began to be developed and pedestrian traffic increased by nearly 100 people per day. The project itself created additional jobs and interest in Main Street, a program that Harold Harper thinks is a "real asset" to the downtown area. Since the rehabilitation of the Myon, many downtown properties have also been refurbished, while the Myon has resumed its headline status.

The citizens of Tifton have made a strong commitment to preserving their community's historic character. Programs such as Main Street have helped to revitalize the downtown area, while local residents take pride in their historic neighborhoods. The information compiled using the National Trust methodology reflects this outlook.

Tourism, construction, and real estate activities analyzed in this study were shown to have a positive impact on the Tifton community. Statistics indicate that tourism is a growing industry in the region. Construction data shows that designated residential neighborhoods contributed double the jobs and twice as many dollars to the local economy when compared to non-designated areas. Analysis of real estate figures confirms preservation's contributions. The property tax values in designated areas were shown to increase at the same rate as those in non-designated neighborhoods. Since obtaining local designation in 1988, property values in the downtown area have appreciated at a rate greater than the other areas. Overall, the data supports the designation of historic areas as a means of maintaining economic viability. The success of the Myon Complex renovation represents the community's confidence in preservation as a form of progress.

ECONOMIC BENEFITS OF HISTORIC PRESERVATION IN GEORGIA

A Case Study: Rome, Georgia

Located in Northwest Georgia at the foot of the Appalachian Mountains, the City of Rome serves as the seat of Floyd County and as the regional center for a six-county area. With a population of approximately 30,000, Rome is a mid-size Georgia city - one of the first in the state to actively promote historic preservation. Preservation activity reveals itself in the adoption of a historic preservation ordinance, establishment of a historic preservation commission, designation of local and national historic districts, participation in downtown revitalization programs, and renovation and adaptive use of historic buildings. These measures indicate that Rome's citizenry and local government recognize the potential benefits of recycling and reinvestment, which is demonstrated by successful projects such as H. Richard's Clothiers. Rome is one of three communities selected as a trial site for a study designed to quantify the economic benefits of historic preservation in the state of Georgia. Based on the National Trust for Historic Preservation's methodology, the study focuses upon the economic and fiscal impacts of historic preservation on a community. Benefits are measured in three economic areas: real estate activity, construction activity, and commercial activity. The study provides documentation that historic preservation contributes financially to a community and that preservation activities also serve to maintain and reinforce the economic position of the community.

DEVELOPMENTAL HISTORY

While the municipality of Livingston briefly served as the seat for Floyd County, in 1834 the Georgia General Assembly created a new city to serve as the seat of government - Rome. The strategic site chosen was at the confluence of the Oostanaula, Etowah, and Coosa rivers. Daniel R. Mitchell laid out the initial town plan, a linear layout with an extended grid and without a central public square.

Through its network of rivers, roads, and rails, Rome quickly emerged as a trade center for North Georgia and distributed the area's cotton, timber, and other goods. Rome's suburbs and industrial sectors expanded rapidly during the 1870s, and prior to the turn-of-the-century, Rome's growth resulted in an expansion of its corporate limits and a shift in the economic base to manufacturing, especially metalwork and cast iron production.

As textile manufacturing surpassed other industry, development and annexation more than doubled the corporate area by 1929. The onset of the Great Depression diminished building activity until the 1940s, when World War II production aided the local economy. During the 1950s and early 1960s, Rome's housing stock nearly doubled as the city and its population prospered.

PRESERVATION PERSPECTIVE

Heightened awareness and community support for the preservation of Rome's historic resources began in the late 1970s. As major anchors of the downtown area relocated to the new mall, Rome recognized the need to revitalize its central business district. Concerned citizens founded the organization, Promoting Rome's Downtown Environment (PRIDE, Inc.) to further revitalization measures.

Rome - one of the first Georgia communities to support preservation - adopted a local historic zoning ordinance in 1979, predating the Georgia Historic Preservation Act of 1980. The following year, establishment of the Downtown Development Authority and participation in the Main Street Program further aided revitalization and preservation efforts. Preservation activity spurred the nomination of eight National Register historic districts and the designation of one extensive local historic district.

The 1990s signaled the local government's firm commitment to downtown revitalization, reinforced by the construction of new facilities such as a civic center, a library, and a joint city-county police complex adjacent to the historic commercial street. The adoption of a new and comprehensive historic preservation ordinance in 1996 signaled Rome's dedication to preservation as a form of progress.

Seeking to evaluate the benefits of historic preservation, the study focuses upon three measurable components: real estate, construction, and commercial activity. In Rome, approximately 600 historic properties - both designated and non-designated - were selected as a representative sample. Designated refers to those historic properties located within local and national historic districts; non-designated refers to those historic properties which have yet to receive such recognition. The full sample draws upon a mixture of high style and vernacular architecture, late nineteenth and early twentieth century buildings, and housing from all tiers of the economic strata. For each designated area selected, a comparable non-designated area was sought. Both residential and commercial properties are included; however, during analysis these properties are considered separately due to disparate visual and economic characteristics.

Between the Rivers	Designated – L/N
Oakdene Place	Designated – L/N
East Rome Historic	Designated - N
South Broad Historic	Designated - N
Mt. Aventine	Designated - N
Avenue A	Designated - N
South Broad	Non-Designated
East Rome	Non-Designated
Main Street (commercial)	Designated – L/N

In Rome, representative samples were drawn from nine areas, eight residential and one commercial. The only neighborhood adjacent to the downtown, Between the Rivers is predominantly high style architecture. The same is true of its suburban comparison group, East Rome Historic. Oakdene Place, South Broad Historic, and Mt. Aventine areas are primarily comprised of middle class and working class housing located adjacent to mill sites. While also representative of mill housing, the South Broad area is traditionally an African-American neighborhood and contains only working class homes. Avenue A and East Rome are turn of the century suburban areas composed of cottages and houses built for the middle and upper middle class. The Main Street sample includes commercial properties which line Rome's historic downtown corridor.

The sample area names were assigned for this study and do not represent actual district names. The term district is not applied to these areas because they represent only portions of a district.

L - locally designated

N - nationally designated (National Register Historic Places)

Real Estate Activity

To measure the impact of historic preservation upon real estate activity, tax assessment values were collected and analyzed for each sample area. Tax assessment values, the most comprehensive segment of the study, included property values collected for a twenty year period (1976-1996) sampled in four year intervals. For residential properties, data analysis considers a shorter period (1980-1996) since 1980 is the earliest sample year for which complete data could be gathered for some properties. The percentage change in assessment values provides opportunities for comparison between individual sample areas, between designated and non-designated properties, and between sample areas and the community at large. All raw figures were adjusted for inflation prior to analysis.

Residential samples include 228 properties in non-designated areas and 261 properties in designated areas (161 local/national and 100 national). When comparing similar sample areas, locally designated Between the Rivers dramatically outperformed East Rome Historic, which is only nationally designated, by 61.92%. Oakdene Place, also locally designated, experienced a healthy rise in property values (36.91%) in comparison to nationally designated areas such as South Broad Historic (4.54%) and Mt. Aventine (-4.36%). In close proximity to the South Broad Historic and Mt. Aventine areas, the non-designated South Broad sample experienced a decline in property values for the same period (-16.33%). Both the Avenue A, nationally designated, and East Rome, non-designated, areas demonstrated an a 35-40% increase in property values.

Reviewing residential property assessment figures, statistics indicated that designated properties increased in value 10% more than non-designated properties, and locally designated properties increased in value almost 80% more than those only nationally designated. While higher rates of increase can not be solely attributed to local designation, as it is only one of several initiatives used to encourage community preservation, it appears likely that local designation has helped, and certainly not hindered, property values. Also of note, all sample areas other than those locally designated plus East Rome have experienced a decrease in property values during the last four years (1992-1996).

Encompassing a five block area of Rome's historic commercial corridor, the Main Street sample contains 112 commercial properties for which a comparison sample is unavailable. These properties are locally and nationally

designated. Although the figures reveal a dramatic drop in property values (41.38%) from 1976 to 1984, the adoption of a proactive revitalization program halted the economic demise of the downtown and has yielded a modest gain in property values over the last twelve years (1984-1996).

Construction Activity

To measure the impact of historic preservation upon construction activity, researchers interviewed local contractors and recorded building permit and fee data for a eleven year period (1984-1995). Construction activity provides significant short-term benefits to the local economy through the employment of construction workers and the sale of construction materials. While the economic benefits are temporary and last only for the duration of the construction, construction of several projects over a period of years can generate significant effects.

From 1984 to 1995, 338 rehabilitation projects totaling \$6.6 million were undertaken in the representative sample areas. The 234 residential rehabilitation projects were almost evenly distributed among locally designated, nationally designated, and non-designated areas. However, analysis of residential rehabilitation dollars shows that expenditures were heavily concentrated in locally designated areas (25%) followed by non-designated (11%) and nationally designated (8%) areas. Commercial rehabilitation projects, located within a locally and nationally designated area, accounted for a third of the projects and more than half of the rehabilitation dollars. Reviewing participation in the state and federal tax incentive programs for rehabilitation, figures indicate that rehabilitation projects represent more than a \$12 million reinvestment in the community from 1980 to 1996 (figure not adjusted for inflation).

Over the study period, these preservation projects led to the creation of approximately 84 temporary construction jobs and approximately 31 jobs in sales and manufacturing. The sales and manufacturing jobs resulted from the purchase of construction supplies and materials and from the spending of the construction and other workers' wage income. The fiscal benefits to the local government included building permit fees of almost \$17,000 and nearly \$30,000 in locally distributed sales tax revenues.

Commercial Activity

Benefits to the local community also arise from tourism, which is often generated by a community's historic character and visual qualities. Davidson-Peterson Associates, a Maine based research firm, compiles tourism statistics for the state of Georgia. According to their research, Floyd County brought over \$77 million dollars from tourism in 1994, and over \$84 million in 1995. This nine percent growth rate represents an additional nine million dollars spent within the community. While the impact of historic preservation upon tourism has yet to be fully measured, these general tourism statistics indicate that nationally and regionally tourism may have a significant impact upon a community's economy.

PROFILE

Several years before Rome established its Main Street program, Hal Richards was already in business on 3rd Avenue. In 1974, Richards opened his first storefront on Broad Street along Rome's historic commercial corridor. A year later, he expended \$40,000 to purchase the building which H. Richards' Clothiers now occupies. Although his business has changed focus to keep apace with current trends, Richards has never considered changing locations. Richards admits that there have been some lean years. He watched his customer base decline as businesses moved to the city's mall. Richards says, however, that preservation efforts in the downtown are paying off, and has not considered following the movement to leave the city's central business district. Richards believes that in order for the downtown to return to a vibrant commercial center, more service-oriented business will need to open. This includes restaurants that keep the downtown active in the evenings, and loft residences which create a local consumer base in addition to offering protection against theft and vandalism in a vacant downtown.

A long-time proponent of historic preservation, Richards has served on Rome's Historical Board of Review for over ten years. As well, he has invested over \$100,000 into the restoration of his commercial property. Richards' most current endeavor is the renovation of the top floor into loft apartments. He and his wife chose to live there while they completed the rehabilitation of their historic residence. Hal Richards represents one of Rome's many downtown merchants, whose commitment to preservation is revitalizing this historic area.

As a preservation advocate and practitioner, the City of Rome demonstrates that historic preservation does have a quantifiable economic and fiscal impact upon local communities. Measurable benefits in areas such as real estate activity, construction activity, and commercial activity are definable through use of the National Trust for Historic Preservation's

model. Initial statistics indicate that historic preservation activities contribute financially, as well as aesthetically, to the community. Real estate data, such as property assessment values, support the conclusion that local designation does have a significant impact upon historic property values. Construction activities, such as rehabilitation projects and revitalization programs, contribute to the local economy through job creation, local sales tax revenues, and a strengthened tax base. Though yet to be fully measured, commercial activities such as tourism also contribute to the local economy. As the adoption of preservation strategies spreads, historic preservation serves to reinforce the economic position of Georgia's communities.