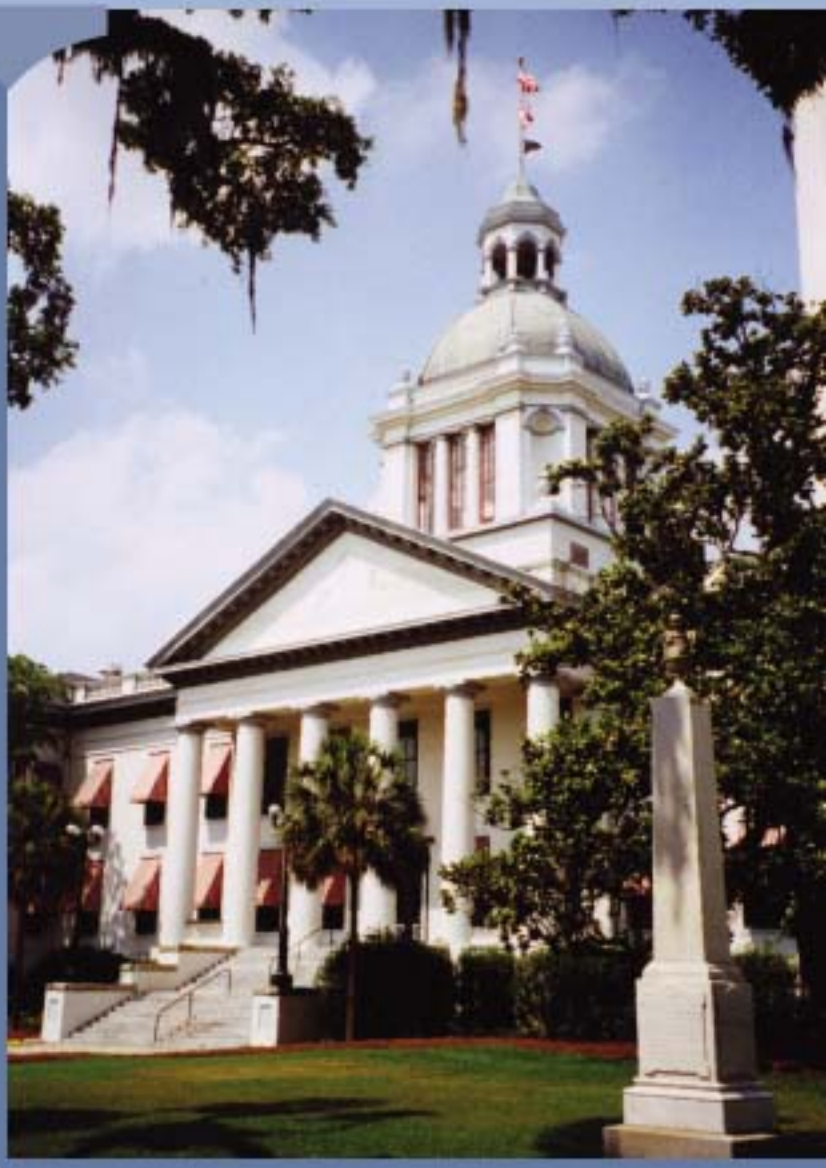
TECHNICAL REPORT

Economic Impacts
of Historic Preservation in Florida



CENTER FOR GOVERNMENTAL RESPONSIBILITY ◙ UNIVERSITY OF FLORIDA LEVIN COLLEGE OF LAW ◙ CENTER FOR URBAN POLICY RESEARCH ◙ RUTGERS UNIVERSITY

ECONOMIC IMPACTS OF HISTORIC PRESERVATION IN FLORIDA

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EXECUTIVE SUMMARY

STUDY OBJECTIVE AND ORGANIZATION

This technical study examines the many substantial economic effects of historic preservation in Florida.

The study examines the *total* economic effects of historic preservation; these encompass both the *direct* and *multiplier* effects. The *direct impact* component consists of labor and material purchases made specifically for the preservation activity. The *multiplier* effects incorporate what are referred to as *indirect* and *induced* economic consequences. The *indirect impact* component consists of spending on goods and services by industries that produce the items purchased for the historic preservation activity. The *induced impact* component focuses on the expenditures made by the households of workers involved either directly or indirectly with the activity. To illustrate, lumber purchased at a hardware store for historic rehabilitation is a direct impact. The purchases of the mill that produced the lumber is an indirect impact. The household expenditures of the workers at both the mill and the hardware store are induced impacts.

Economists estimate direct and multiplier effects using an input-output (I-O) model. This study specifies the total economic effects of the major components of historic preservation in Florida through a state-of-the-art I-O model developed by the Center for Urban Policy Research (CUPR) for the National Park Service (NPS). The model is termed the Preservation Economic Impact Model (PEIM). The historic preservation components considered by the PEIM include *historic rehabilitation*, *heritage tourism*, the Florida *Main Street Program*, and the operations of *Florida historical museums.* There is also an analysis of the *Florida Historic Preservation Grant Program.*

The results of PEIM model include many fields of data. The fields most relevant to this study are the total impacts of the following:

- **Jobs:** *Employment, both part- and full-time, by place of work, estimated using the typical job characteristics of each industry*. (Manufacturing jobs, for example, tend to be full-time; in retail trade and real estate, part-time jobs predominate.) All jobs generated at businesses in the region are included, even though the associated labor income of in-commuters may be spent outside of the region. In this study, all results are for activities occurring within the time frame of one year. Thus, the job figures should be read as job-years; i.e., several individuals might fill one job-year on any given project.

- **Income:** *"Earned" or "labor" income—specifically, wages, salaries, and proprietors' income.* Income does not include nonwage compensation (i.e., benefits, pensions, or insurance), transfer payments; or dividends; interest, or rents.

- **Wealth**: *Value added—the equivalent at the subnational level of gross domestic product (GDP).* At the state level, this is called gross state product (GSP). Value added is widely accepted by economists as the best measure of economic well-being. It is estimated

from state-level data by industry. For a firm, value added is the difference between the value of goods and services produced and the value of goods and nonlabor services purchased. For an industry, therefore, it is composed of labor income (net of taxes); taxes; nonwage labor compensation; profit (other than proprietors' income); capital consumption allowances; and net interest, dividends, and rents received.

- **Taxes**: *Tax revenues generated by the activity*. The tax revenues are detailed for the federal, state, and local levels of government. Totals are calculated by industry.

  Federal tax revenues include corporate and personal income, social security, and excise taxes, estimated from the calculations of value added and income generated.

  State tax revenues include income, excise, sales, and other state taxes, estimated from the calculations of value added and income generated (e.g., purchases by visitors).

  Local tax revenues include payments to substate governments, mainly through property taxes on new worker households and businesses. Local tax revenues can also include sales and other taxes.

The exposition includes seven chapters and two appendices. The first chapter sets the overall perspective and is followed by a series of linked chapters that analyze, in tandem, the direct and the total effects of Florida historic rehabilitation (chapter 2); Florida heritage tourism (chapter 3); the Florida Main Street Program (chapter 4); the Florida Historic Preservation Grants-in-Aid Program (chapter 6), and a comparative analysis of property values in historic districts and non-historic neighborhoods (chapter 7). The seven chapters are followed by an appendix that details the economic impact model.

The major findings of the study are highlighted below and also summarized in summary exhibits 1 and 2. In all instances, impacts are shown for the latest year(s) for which complete information was available at the time of the analysis.

SUMMARY EXHIBIT 1
Summary of the Annual Economic Impacts of Historic Preservation in Florida

FLORIDA DIRECT EFFECTS		I ***Historic Rehabilitation*** $350 million annually of historic rehabilitation results in:	II ***Heritage Tourism*** $3.721 billion annually of heritage travel-attributed spending, results in:	III ***Main Street Activity***† $64 million† of construction annually plus 850 retail/service jobs results in:	IV. ***Operations of Historic Museums*** $58 million† annually results in:	***Total Examined Economic Impacts*** ***(Sum I-IV)***
	National Total (Direct and Multiplier) Impacts					
NATIONAL TOTAL IMPACTS (DIRECT AND MULTIPLIER)	Jobs	15,258	140,789	4,370	3,588	164,005
	Income	$465 million	$3,419 million	$116 million	$98 million	$4,203 million
	GDP*	$729 million	$6,458 million	$187 million	$143 million	$7,516 million
	Taxes: *Federal*	$86 million	$677 million	$22 million	$17 million	$802 million
	Local/State	$70 million	$763 million	$21 million	$14 million	$869 million
	Tax subtotal	$156 million	$1,440 million	$43 million	$31 million	$1,670 million
	In-State Florida Total (Direct and Multiplier) Impacts					
FLORIDA PORTION OF NATIONAL TOTAL IMPACTS	Jobs	10,443	107,607	3,202	1,989	123,242
	Income	$317 million	$2,314 million	$81 million	$54 million	$2,766 million
	GSP*	$496 million	$4,552 million	$132 million	$86 million	$5,266 million
	Taxes: *Federal*	$61 million	$510 million	$16 million	$10 million	$597 million
	Local/State	$50 million	$583 million	$15 million	$9 million	$657 million
	Tax subtotal	$111 million	$1,093 million	$31 million	$19 million	$1,254 million
	In-state wealth*	$446 million	$4,042 million	$116 million	$78 million	$4,669 million

Source: Rutgers University, Center for Urban Policy Research, 2001.

*GDP=Gross Domestic Product; GSP = Gross State Product; In-state wealth = GSP less federal taxes.

†Net of associated historic rehabilitation and heritage tourism spending.

Note: Totals may differ from indicated subtotals because of rounding.

SUMMARY EXHIBIT 2

Summary of the Economic Impacts of the Florida Historic Preservation Grants-in-Aid (FHPG)

For Fiscal Years 1996–2001

		I
FLORIDA DIRECT EFFECTS		***Historic Rehabilitation*** $333 million FHPG rehabilitation over FY 1996–2001 results in:
	National Total (Direct and Multiplier) Impacts	
NATIONAL TOTAL IMPACTS (DIRECT AND MULTIPLIER)	Person-years of work†	15,233
	Income	$465 million
	GDP*	$727 million
	Taxes: Federal	$85 million
	Local/State	$69 million
	Tax subtotal	$154 million
FLORIDA PORTION OF NATIONAL TOTAL IMPACTS	**In-State Florida Total (Direct and Multiplier) Impacts**	
	Person-years of work	10,452
	Income	$317 million
	GSP*	$495 million
	Taxes: Federal	$61 million
	Local/State	$50 million
	Tax subtotal	$111 million
	In-state wealth*($000)	$434 million

Source: Rutgers University, Center for Urban Policy Research, 2001.
*GDP=Gross Domestic Product; GSP = Gross State Product; In-state wealth = GSP less federal taxes.
† "Person-years of work" are listed here rather than "jobs" as listed in Summary Exhibit 1 since the numbers represent an accumulation over multiple years.
Thus, the same jobs are counted from one year to the next.
Note: totals may differ from indicated subtotals because of rounding.

ECONOMIC IMPACTS OF FLORIDA HISTORIC REHABILITATION

- In 2000, an estimated total of $5.4 billion was spent on the rehabilitation of existing residential and nonresidential buildings in Florida.

- Of the $5.4 billion spent on rehabilitation, an *estimated* $350 million, or about 6.5 percent of the total, was spent on historic properties (older properties that were on, or might qualify for, national, state, and/or local registers of historic sites).

SUMMARY EXHIBIT 3
Estimated Rehabilitation Total and
Historic Building Rehabilitation in Florida (2000)

Component	Estimated Total Rehabilitation (in $ millions)	Estimated Historic Rehabilitation (in $ millions)	Historic Rehabilitation as % of Total Rehabilitation
Residential	2,251	135	6.0
Nonresidential	3,113	215	6.9
Total	5,364	350	6.5

- The direct effects of historic rehabilitation are translated into multiplier effects, which encompass, as noted, such dimensions as *jobs* (employment by place of work), *income* (total wages, salaries, and proprietor's income), *gross domestic product* or GDP (total wealth accumulated, referred to at the state level as gross state product or GSP), *taxes* (federal, state, and local), and *in-state wealth* (GSP less "leakage" in the form of federal taxes).

- The total national economic impacts from the $350 million spent on statewide historic rehabilitation included the following: 15,258 new jobs; $465 million in income; $729 million in gross domestic product; and $156 million in taxes. Florida garnered about two-thirds of these economic benefits and, as a result, captured 10,443 jobs; $317 million in income; $496 million in gross state product; $111 million in taxes (including $50 million in state-local taxes); and $446 million in in-state wealth. The other effects were distributed outside Florida.

SUMMARY EXHIBIT 4
Total Economic Impacts of the Annual Florida Historic Building Rehabilitation (2000 Million)

	In Florida	Total (U.S.)
Jobs (person years)	10,443	15,258
Income ($millions)	$317 million	$465 million
GDP/GSP[a] ($millions)	$496 million	$729 million
Total taxes ($millions)	$111 million	$156 million
Federal ($millions)	$61 million	$86 million
State/Local ($millions)	$50 million	$70 million
In-State wealth ($millions) (GSP minus federal taxes)	$446 million	—

[a]GDP/GSP = Gross Domestic Product/Gross State Product.

- The economic benefits from the historic rehabilitation are enjoyed throughout the Florida economy. For instance, of the 10,443 in-state jobs, the construction, services, and retail industries captured 2,666, 2,107 and 1,700 jobs, respectively.

ECONOMIC IMPACTS OF FLORIDA HERITAGE TOURISM

- During 2000, heritage tourism expenditures in Florida amounted to an *estimated* $3.721 billion.

- The total annual economic impacts from the $3.721 billion in annual spending by Florida heritage travelers, encompassing both direct and multiplier effects, included, at the national level, the following: 140,789 jobs; $3.419 billion in income; $6.458 billion in gross domestic product; and $1.440 billion in taxes. Florida received a large share of these gains. On an annual basis from the heritage tourism, Florida realized 107,607 jobs; $2.314 billion in income; $4.552 billion in gross state product; $1.093 billion in taxes (including $583 million in state-local taxes); and annual in-state wealth creation of about $4.042 billion.

SUMMARY EXHIBIT 5
Total Economic Impacts of the Annual Florida Heritage Tourism Spending (2000)

	In Florida	Total (U.S.)
Jobs (person years)	107,607	140,789
Income ($millions)	$2,314 million	$3,419 million
GDP/GSP ($millions)	$4,552 million	$6,458 million
Total taxes ($millions)	$1,093 million	$1,440 million
Federal ($millions)	$510 million	$677 million
State/Local ($millions)	$583 million	$763 million
In-state wealth ($millions) (GSP minus federal taxes)	$4,042 million	—

[a]GDP/GSP = Gross Domestic Product/Gross State Product.

- The economic benefits of the Florida heritage tourism are enjoyed throughout the Florida economy. For instance, of the $4.552 billion in gross state product, the retail trade, finance insurance and real estate (FIRE), services, and manufacturing industries garnered $1.421 billion, $1.077 billion, $998 million, and $397 million, respectively.

ECONOMIC IMPACTS OF THE FLORIDA MAIN STREET PROGRAM

- As other states, Florida has a Main Street program to help revitalize downtown areas.
- In FY2000–01, the Florida Main Street Program resulted in the following investment.

SUMMARY EXHIBIT 6
Florida Main Street Program Investment (FY2000–01)

Component	In $ Millions
Rehabilitation	$27.3
New construction	$45.3
Total	$72.6
Number of new jobs	1,267

- If we *net* out well as rehabilitation and other preservation outlays previously tallied[1] (since we want to avoid double counting), the average annual Florida Main Street investment is roughly $64 million of construction plus retail job benefits.
- The total national economic impacts, including both direct and multiplier effects, from the annual average Florida Main Street investment included a gain of 4,370 jobs, $116 million in income, $187 million in gross domestic product, and $43 million in taxes. The in-state Florida gains were roughly 50 to 80 percent of the above-cited figures (see below) with in-state wealth creation of $116 million.

[1]This figure is net of outlays for capital purposes and visitor-supported revenues. The capital outlays and visitor revenues are netted out because these spending components have already been included in the historic rehabilitation and the heritage tourism economic calculations, respectively.

SUMMARY EXHIBIT 7
Total Economic Impacts of the Annual Net Florida Main Street Investment (FY2000–01)

	In Florida	Total (U.S.)
Jobs (person years)	3,202	4,370
Income ($million)	$81 million	$116 million
GDP/GSP[b] ($million)	$132 million	$187 million
Total taxes ($million)	$31 million	$43 million
Federal ($million)	$16 million	$22 million
State/Local ($million)	$15 million	$21 million
In-state wealth ($million) (GSP minus federal taxes)	$116 million	—

[b]GDP/GSP=Gross Domestic Product/Gross State Product.

ECONOMIC IMPACTS OF THE OPERATIONS OF FLORIDA HISTORICAL MUSEUMS

The Florida Association of Museums reports that historical museums in the state had a $68 million operating budget for 2001. If we net out rehabilitation and other preservation outlays previously tallied (e.g., visitor-supported revenue already counted in the heritage tourism component) then the economic impacts of Florida's historical museums are:

SUMMARY EXHIBIT 8
Total Economic Impacts of the Operation of Florida Historical Museums (2001)

	In Florida	Total (U.S.)
Jobs (person years)	1,989	3,588
Income ($million)	$54 million	$98 million
GDP/GSP[b] ($million)	$86 million	$143 million
Total taxes ($million)	$19 million	$31 million
Federal ($million)	$10 million	$17 million
State/Local ($million)	$9 million	$14 million
In-state wealth ($million) (GSP minus federal taxes)	$78 million	—

[b]GDP/GSP=Gross Domestic Product/Gross State Product.

ECONOMIC IMPACTS OF THE FLORIDA HISTORIC PRESERVATION GRANTS-IN-AID (FHPG)

- From FY1996 through FY 2001, about $333[2] million of historic rehabilitation had cumulatively been effected under FHPG auspices (for capital improvement purposes).

[2]Treated as $350 in present value terms.

- The FHPG has economic effects from both the historic rehabilitation (i.e., construction) it engenders and from the historic tourism it supports (i.e., renovating Florida's historic resources fosters visitation from heritage-oriented tourists). The former (rehabilitation) is a one-time benefit, while the latter (tourism) is an on-going benefit. This study only analyzes the historic rehabilitation benefit from the FHPG.

FHPG Historic Rehabilitation Economic Impacts

- The total national economic impacts from the FY1996 through FY2001 cumulative FHPG historic rehabilitation investment included the following: 15,233 person-years of work; $465 million in income; $727 million in gross domestic product; and $154 million in taxes. From the cumulative FHPG historic rehabilitation, the state of Florida garnered 10,452 person-years of work; $317 million in income; $495 million in gross state product; $111 million in total taxes (including $50 million in Florida state and local taxes); and $434 million in in-state wealth.

SUMMARY EXHIBIT 9
Total Economic Impacts of the Cumulative FY1996–2001
FHPG-Supported Historic Rehabilitation ($333 million)

	In Florida	Total (U.S.)
Jobs (person-years of work)	10,452	15,233
Income ($million)	$317 million	$465 million
GDP/GSP ($million)	$495 million	$727 million
Total taxes	$111 million	$154 million
Federal ($million)	$61 million	$85 million
State/Local ($million)	$50 million	$69 million
In-State Wealth (GSP Minus Federal Taxes)	$434 million	—

Notes: Totals may differ from indicated subtotals because of rounding.
GDP/GSP = Gross Domestic Product/Gross State Product

- The economic benefits from the FHPG-supported historic rehabilitation are enjoyed throughout the Florida economy. For instance, of the $495 million in gross state product, the construction, services and manufacturing sectors of the Florida economy gained $111 million, $85 million, and $85 million, respectively.

SUMMARY OF BENEFITS

In sum, historic preservation in Florida is not just important culturally and aesthetically, it also fosters significant economic activity and benefits in its own right.

- Annual direct economic effects, calculated conservatively, include $350 million in historic rehabilitation spending, $3.721 billion in heritage tourism spending, about $64 million in net[3] Main Street Program activity and $58 million in net[4] historical museum operations—for a total of slightly over $4.2 billion annually. From FY1996 through 2001, the Florida Historic Preservation Grants-in-Aid Program (FHPG) has cumulatively amounted to about $333 million in rehabilitation investment. The FHPG, spurred by cumulative state assistance of about $97 million, contributes to the $4.2 billion of annual Florida historic preservation activity.

- When multiplier effects are taken into account from the $4.2 billion annual investment, the total annual impacts to the nation include a gain of about 164,000 jobs; $4.203 billion in income; $7.516 billion in GDP; and $1.670 billion in taxes. The in-state Florida benefits include a gain of about 123,000 jobs; $2.766 billion in income, $5.266 billion in GSP, $1.254 billion in taxes (including $657 million in state/local taxes), and $4.672 billion in in-state wealth (Summary Exhibit 1).

- A further detailed breakdown of the economic benefits from the $4.2 billion in direct historic preservation spending is shown in Summary Exhibit 10 (national impacts) and Summary Exhibit 11 (in-state or Florida-specific effects). The exhibits show that although all sectors of the economy benefit, many of the 164,005 new jobs at the national level are found in such industries as services (52,058 jobs), retail trade (48,622 jobs), manufacturing (18,975 jobs), and construction (6,974 jobs). National income and GDP effects are also clustered in the above sectors (Summary Exhibit 10).

- A similar pattern is observed for Florida (Summary Exhibit 11). Of the 123,242 Florida jobs annually supported by historic preservation, 33,621 are in services, 55,002 are in retail trade, and construction and manufacturing garner 3,893 and 9,627 jobs, respectively. The total in-state income gain of $2.765 billion resulting from historic preservation concentrates in such industries as services ($751 million), retail trade ($796 million), and construction and manufacturing ($174 million and $322 million). Yet, because of the interconnectedness of the Florida economy, *all* sectors benefit. For example, historic preservation supports almost 1,000 agricultural-mining jobs in Florida, with associated income of about $24 million.

- Given the powerful economic pump-priming effect of historic preservation, public programs to foster preservation can realize sizable economic development gains. The Florida Historic Preservation Grants-in-Aid Program has been doing just that. The economic gains from the FHPG-supported activity offset much of the state cost of this program.

[3]Net of the historic rehabilitation and heritage tourism components.
[4]Ibid.

SUMMARY EXHIBIT 10
National Economic and Tax Impacts of
Annual Florida Preservation-Related Activity ($4.217 Billion)

	Employment (jobs)	Income ($000)	Gross Domestic Product ($000)
I. TOTAL EFFECTS (Direct and Indirect/Induced)*			
Private			
1. Agriculture	2,859	39,798.9	152,030.7
2. Agri. Serv., Forestry, & Fish	1,879	30,438.2	32,143.0
3. Mining	1,271	27,276.4	111,903.0
4. Construction	6,974	347,988.2	403,304.0
5. Manufacturing	18,975	630,201.6	1,001,284.7
6. Transport. & Public Utilities	7,134	276,637.7	613,135.9
7. Wholesale	6,109	257,498.2	434,545.5
8. Retail Trade	48,622	800,883.2	1,423,965.8
9. Finance, Ins., & Real Estate	16,711	607,619.8	1,630,512.4
10. Services	52,058	1,137,396.1	1,667,870.2
Private Subtotal	162,591	4,155,738.2	7,470,695.2
Public			
11. Government	1,414	47,191.3	45,294.0
Total Effects (Private and Public)	164,005	4,202,929.5	7,515,989.2
II. DISTRIBUTION OF EFFECTS/MULTIPLIER			
1. Direct Effects	70,002	1,295,659.0	2,212,247.8
2. Indirect and Induced Effects	94,002	2,803,518.0	5,279,954.7
3. Total Effects	164,005	4,202,929.5	7,515,989.2
4. Multipliers (3/1)	2.343	3.244	3.397
III. COMPOSITION OF GROSS STATE PRODUCT			
1. Wages—Net of Taxes			3,935,086.5
2. Taxes			
a. Local/State			868,518.9
b. Federal			
General			478,205.4
Insurance Trusts			323,382.0
Federal Subtotal			801,587.4
c. Total taxes (2a+2b)			1,670,106.3
3. Profits, dividends, rents, and other			1,910,796.4
4. Total Gross State Product (1+2+3)			7,515,989.2
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE			
Employment (Jobs)			38.9
Income			996,569
Local/State Taxes			205,937
Gross State Product			1,782,138

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)—the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

SUMMARY EXHIBIT 11
In-State Economic and Tax Impacts of
Annual Florida Preservation-Related Activity ($4.217 Billion)

	Employment (jobs)	Income (000$)	Gross Domestic Product ($000)
I. TOTAL EFFECTS (Direct and Indirect/Induced)*			
Private			
1. Agriculture	201	6,159.0	20,822.7
2. Agri. Serv., Forestry, & Fish	717	9,135.1	9,516.2
3. Mining	81	8,405.9	18,163.8
4. Construction	3,893	174,383.1	221,787.3
5. Manufacturing	9,627	321,613.1	510,825.8
6. Transport. & Public Utilities	4,122	153,219.9	324,762.8
7. Wholesale	3,817	153,578.1	291,915.8
8. Retail Trade	55,002	796,318.1	1,504,445.2
9. Finance, Ins., & Real Estate	11,603	372,770.3	1,216,736.3
10. Services	33,621	750,738.5	1,127,902.8
Private Subtotal	122,684	2,746,321.2	5,246,878.5
Public			
11. Government	558	19,252.0	19,014.3
Total Effects (Private and Public)	123,242	2,765,573.2	5,265,892.8
II. DISTRIBUTION OF EFFECTS/MULTIPLIER			
1. Direct Effects	67,158	1,235,145	2,139,221
2. Indirect and Induced Effects	56,084	1,530,428	3,126,672
3. Total Effects	123,242	2,765,573.2	5,265,892.8
4. Multipliers (3/1)	1.835	2.239	2.462
III. COMPOSITION OF GROSS STATE PRODUCT			
1. Wages—Net of Taxes			2,906,415.6
2. Taxes			
a. Local/State			657,150.4
b. Federal			
General			357,689.4
Insurance Trusts			239,644.8
Federal Subtotal			597,334.2
c. Total taxes (2a+2b)			1,254,484.6
3. Profits, dividends, rents, and other			1,104,992.6
4. Total Gross State Product (1+2+3)			5,265,892.8
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE			
Employment (Jobs)			29.2
Income			655,753
Local/State Taxes			155,819
Gross State Product			1,248,611

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)—the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

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ANNOTATION OF SELECTED STUDIES

Advisory Council on Historic Preservation. 1979. *The Contribution of Historic Preservation to Urban Revitalization.* Washington, D.C.: U.S. Government Printing Office, January. Report prepared by Booz, Allen and Hamilton, Inc.

This study investigates the effect of historic preservation activities in Alexandria (Virginia), Galveston (Texas), Savannah (Georgia), and Seattle (Washington). Included in the analysis is an examination of the physical, economic, and social changes occurring within historic neighborhoods in each of these cities. According to the study, historic designation and attendant preservation activities provide many benefits, including saving important properties from demolition, assuring compatible new construction and land uses, and providing a concentrated area of interest to attract tourists and metropolitan-area visitors. Designation also has the beneficial effect of strengthening property values—an impact documented by comparing the selling prices of buildings located inside versus outside the historic districts.

Cloud, Jack M. 1976. "Appraisal of Historic Homes." *The Real Estate Appraiser* (September-October): 44-47.

Difficulties of appraising historic homes are highlighted. To illustrate, appraisal assumes that the improvements on land are depreciating assets. In the historic context, however, the home represents "heritage" and therefore is not assumed to lose value. The article suggests three approaches to ascertaining value, all modifications of the traditional cost, market, and income approaches.

A modified cost methodology is recommended based on the following factors: (1) cost on a unit basis of an equally "historically desirable" dwelling in approximately the same physical condition (including site); (2) the average unit cost of an acceptable renovation and/or restoration; (3) less the estimated incurable physical deterioration; (4) plus the value of land and site improvements.

A second strategy uses a modified market approach. Value is determined by adjusting recent nearby "arm's-length" sales. This approach is commonly used in appraisal, but implementation in the historical context requires a number of special emphases. The temporal definition of "recent" sales has to be extended for the appraiser to obtain enough "comps" of historic homes—required because there are relatively few sales of historic properties. Second, and for similar reasons, the appraiser has to consider "comps" over a larger geographical area. Third, the appraiser must be careful to examine only arm's length transfers—donations of properties to private historical societies would not be included. Fourth, the appraiser must carefully adjust the "comps" for "historical value"—which encompasses such considerations as type of architecture, historical significance of the owner/builder, and so on. Fifth, the "comps" will have to be adjusted by considering required restoration/renovation costs as well as the amount and value of land in each transaction.

A third strategy for determining the value of the historic homes is to use an income approach. The article cautions that utilizing this method is "basically dangerous" since it is often based on hypothetical situations that may or may not be possible or probable.

Costonis, John J. 1974. *Space Adrift: Saving Urban Landmarks Through the Chicago Plan.* Urbana: University of Illinois Press.

This monograph analyzes the transfer of development rights as a mechanism for preserving historic properties. As part of its overall analysis, it considers the impact of landmark restrictions on property value as well as the assessment of landmarks for tax purposes.

Chapter three discusses the cost of historic preservation restrictions—a measure termed "damages." Damages are determined by subtracting a landmark's present value from its fair-market value in the absence of designation. These "before and after" values are estimated by the income approach of appraisal. Other traditional appraisal methods are not so applicable. Applying the cost technique is problematical because it requires precise estimates of physical decline and functional obsolescence—factors inherently difficult to define in a landmark situation. Low sales frequency of landmarks often renders the market approach inappropriate.

Appendix four examines the relationship between landmarks and the property tax. It examines both the principles and practice of real estate taxation, notes how and when landmarks may be penalized by prejudicial assessment, and discusses "intergovernmental agreement" and other strategies for improving the equity of a landmark's assessment/taxation.

Economics Research Associates. 1980. *Economic Impact of the Multiple Resource Nomination to the National Register of Historic Places of the St. Louis Central Business District.* Report prepared for the St. Louis Community Development Agency. Boston: Economics Research Associates.

The ERA study examines the economic effect of designating the St. Louis central business district by: (1) considering the impact of comparable designation activity in Seattle (Pioneer Square), New Orleans (Vieux Carre), Savannah (Historic District), and other jurisdictions; and (2) evaluating the anticipated effect of historic status on numerous prototypical buildings located in the St. Louis CBD. The consultants conclude that designating the St. Louis CBD would have both positive and negative economic impacts, and that the overall effect would depend on such variables as: (1) the applicability/continuation of federal landmark income tax incentives; (2) the type/extent of designation; and (3) future demand for CBD locations.

Gale, Dennis. n.d. *The impact of historic district designation in Washington, DC.* Occasional Paper No. 6. Center for Washington Area Studies, Washington, DC. This paper examines the impact of historical preservation on property prices and values in

order to determine if historic preservation does result in the displacement of the current population. The study compares three neighborhood both before and after historic designation. It also compares these three neighborhoods with three nondesignated neighborhoods. The study found that there was no increase in rated growth of assessments in the pre- and post-preservation periods. Second, there was not much difference in property value between the districts designated as historic districts and those that were not, out of proportion to the general economic conditions at a city level. The study did, however, recognize two problems: it did not control for the time of designation; and distortions may be caused by the federal income tax code.

Government Finance Officers Association, 1991a. *The Economic Benefits of Preserving Community Character: Fredericksburg, Virginia*.

Utilizing the methodology described in *The Economic Benefits of Preserving Community Character: A Practical Methodology* (Liethe, Muller, Petersen, and Robinson), the report examines the economic rewards gained as a result of efforts made to preserve the historic nature of the city and by providing incentives to merchants and residents to remain there. Currently, downtown Fredericksburg is made up of 350 buildings built prior to 1870 and seven 18th century homes and museums open to the public. In order to thwart the exodus of businesses and residents to suburban areas, city officials implemented several bold initiatives. They moved the visitor's center to the heart of the historic district and publicized a walking tour of significant homes and buildings. They enacted a tax exempt program designed to attract the rehabilitation of historic properties by abating from taxation a portion of the increase value over a six-year period. The city made esthetic improvements to the downtown area that included burial of overhead utility wires, implementation of historically accurate streetscaping, and improvements in traffic patterns and parking. The city also implemented the Facade Improvement Grant Program to entice shop owners to improve the appearance of their storefronts. Further, re-zoning of the downtown area to allow apartments above commercial establishments encouraged residential living. The study examined the economic benefits realized from these efforts by looking at construction activity, property values, and revenues from tourism. Construction activity provided important short-term benefits via employment of local workers, the purchase of materials from local business, and the spending of wages in the Fredericksburg area. Over an eight-year period, 777 projects totaling $12.7 million were undertaken in the historic district. These projects created approximately 293 construction jobs and approximately 284 jobs in sales and manufacturing. Area governments reaped $33,442 in building permit fee revenues, while the city accrued $243,729 in locally distributed sales tax revenues. Property values, both residential and commercial, experienced a dramatic increase. Between 1971 and 1990, residential property values in the historic district increased an average of 674% as compared to a 410% average increase in properties located elsewhere in the city. Commercial properties within the district rose an average of 480% compared to an increase of an average of 281% for other commercial properties. The study conducted a survey of downtown merchants as well as a telephone survey to estimate

the amount of money coming into the city as a result of meals, lodging, and shopping. It estimates that in 1989 alone $11.7 million in tourist purchases were made within the historic district and another $17.4 million were made outside the district, with secondary impacts resulting in $13.8 million. The fiscal benefits to the city as a result of tourism and sales are estimated at $1,128,060 ($487,200 in meals and lodging, $582,600 in state sales tax, and $58,260 from business and occupational license tax).

Government Finance Officers Association, 1991b. *The Economic Benefits of Preserving Community Character: Galveston, Texas*.

In the early 1980s the Galveston Historical Foundation took several measures to assist owners of historic properties, including a revolving fund, design and rehabilitation advice, and a paint partnership program. The city also dedicated one cent of the hotel/motel bed tax to historic preservation by establishing tax reinvestment zones throughout the city. Utilizing the methodology described in *The Economic Benefits of Preserving Community Character: A Practical Methodology* (Leithe, Muller, Petersen, and Robinson), the report estimates the economic benefits to the private sector (property owners and retail merchants) as well as the fiscal benefits gained by the city of Galveston. These assessments were made with respect to construction activity, property values, and commercial activity. Construction activity created jobs in construction labor, retail (the sale of construction supplies), manufacturing, and induced jobs by virtue of the workers spending money in the area. Building permit data indicate that over a 20-year period 1,165 construction jobs, 86 manufacturing/sales jobs, and 874 induced jobs were created. The jobs produced $44.1 million in salary income, while the fiscal benefits to the city were $274,943 in sales tax revenues and $63,727 in building permit fees. Over a 16-year period residential sales prices in the historic district rose by an average of 440% and commercial sales prices increased by an average of 165%. It is estimated that, from July 1989 to June 1990, tourists visiting the historic district spent approximately $18 million and that the multiplier effects totaled $29.1 million in sales and $2.7 million in wages. The state gained approximately $1.1 million from sales tax, while the city of Galveston earned about $0.5 million.

Jenkins, Diane, and Jenkins Appraisal Services, Inc. 1997. *A Summary Report Concerning the Impact of Landmarking of Residential Property Values for Palm Beach, Florida*. Palm Beach, FL: Preservation Foundation of Palm Beach.

This report focused on the impacts of landmark designation on residential property values in Palm Beach. Based on a review of sales and appraisals, the study concluded that landmark designation within the town of Palm Beach typically enhances the value of property by 10-20%. The study focused on properties worth less than $4,000,000.

Johnson, Daniel G., and Jay Sullivan. 1992. *Economic Impacts of Civil War Battlefield Preservation: An Ex Ante Evaluation.* Unpublished paper. Virginia Polytechnical Institute. Blackburn, Virginia. The authors attempt to predict the economic impact of

war battlefield preservation before it is established. The methodological basis for this evaluation is a cost benefit analysis. The analysis includes foregone and projected benefits in the equation. The authors conclude that battleparks can generate important impacts for local economic development. Further, that battlefield preservation compares well with agricultural production in terms of income and employment. The benefits are, however, concentrated in the service sector.

Kilpatrick, John A. 1995. "The Impact of Historic Designation in Columbia, South Carolina." Study prepared for the South Carolina State Historic Preservation Office.

This study examined actual sales transactions (as opposed to assessments for property tax purposes) in historic neighborhoods (two nationally and locally designated districts) in Columbia, South Carolina from early 1983 to mid-1995. Sales data were collected on all homes within the historic areas that had sold at least twice during the 1983 to 1995 period. Using prices and times between the sales, the study developed an index of house price appreciation within the historic district. A comparable index of price appreciation was developed in parallel for the market as a whole. Comparing these two indices, the study found that "historic properties have an average rate of return higher than [that of] the Columbia market as a whole. The price differential in the historic districts was almost 25 percent greater than the overall community.

Leithe, Joni L., with Thomas Muller, John E. Petersen and Susan Robinson. 1991. *The Economic Benefits of Preserving Community Character: A Methodology.* Chicago: Government Finance Research Center of the Government Finance Officers Association.

This study examines the consequences of preservation regulations and incentives on a community's economy and their effects on a local government's fiscal condition. It provides an easy-to-use workbook, complete with sample tables, worksheets and survey forms, and explains how a community can measure economic activity in three broad areas: construction and rehabilitation activity, real estate activity, and commercial activity.

- *Construction and Rehabilitation Activity.* To the extent that community preservation techniques stimulate the rehabilitation of property, economic benefits associated with rehabilitation construction activity itself can be documented.
- *Real Estate Market Activity.* The effect of community preservation on the overall local real estate market as a result of designation or incentive programs can be measured (whether or not directly related to rehabilitation activity).
- *Commercial Activity.* The stimulation or retention of businesses in areas that have been designated or protected or granted incentives and the resulting impact on local economic activity, such as retail sales and the number of business created, can be measured.

Lane, Bob. 1982. *The Cash Value of Civil War Nostalgia: A Statistical Overview of the Fredericksburg Park.* A report for Virginia County, Virginia.

This report argues that national parks based on civil war nostalgia suffer from an inherent contradiction. On the one hand they have been viewed as 'priceless historic jewels handed down from generation to generation, and to which no value can be assigned'; on the other hand they can be viewed as a continuing stream of cash, alternately contributing to the surrounding economy but also costing 'something' in lost taxes. Lane attempts to analyze the second viewpoint through a cost benefit analysis of the Fredericksburg and Spotsylvania National Park. Through his analysis of lost taxes vs. direct and indirect benefits Lane concludes that the historic sites in question contribute more to the surrounding economy than they take away.

National Trust for Historic Preservation. 1982. *Economic Benefits of Preserving Old Buildings.* Washington, DC: Preservation Press.

This publication is the result of a conference held in Seattle to discuss historic preservation and the financial incentives of that process. The aim of the conference was to bring clearly into focus the successful record of the historic preservation process, including the benefits of recycling old buildings. The following topics were covered at the conference. Section one discusses possible municipal actions in the preservation process. The hidden assets of old buildings and continuing and adaptive uses for old buildings form the second and third sections of the publication. Section four discusses the costs of preservation, while section five outlines the types of government grants available for the preservation process. Sections six and seven discuss the advantages of historic preservation from a private financiers viewpoint.

National Trust for Historic Preservation. 1977.Values of residential properties in urban historic districts: Georgetown, Washington, D.C. and other selected districts." *Information: From the National Trust for Historic Preservation.* Washington, D.C.: Preservation Press. Study authored by John B. Rackham.

This research paper compares property values in a historic district (Georgetown in Washington, D.C.) to those outside this neighborhood. Property values in Society Hill (Philadelphia) and other historic districts are also briefly noted. Side-by-side comparison indicates that historic status increases property value. In the words of the study, "The imposition of historic district controls in an area, complemented by the general recognition that they have been appropriately placed, results in the following pattern of residential property demand and value: available quality housing in reasonable condition within the district is marketed readily at increasing price levels; existing housing in poorer condition is acquired—often by developers—and renovated; and land for building sites, if available, is obtained and improved in conformance with architectural controls."

Assessment/property-tax implications resulting from the property value appreciation within the historic neighborhoods are also considered. Various assessment strategies

to alleviate inequitable landmark property taxation are reviewed, such as assessment at current use. The District of Columbia's efforts in this regard are highlighted.

New Jersey Historic Trust. 1990. *Historic Preservation Capital Needs Survey*. New Jersey: New Jersey Historic Trust. The survey examines the capital needs of historic properties throughout New Jersey. The survey showed a capital need of $400 million for historic preservation. This, however, is a conservative estimate the study was a survey and was directed only at properties that met the eligibility criteria established by the bond act, i.e., properties owned or operated by public or not for profit agencies. Apart from the findings of the survey, the study also provides some useful information on historic resources in New Jersey, the importance of historic preservation and historic tourism for economic development, and case studies of successful preservation.

Preservation Alliance of Virginia. 1996. "Virginia's Economy and Historic Preservation: The Impact of Preservation on Jobs, Business, and Community." Staunton, Virginia.

As part of a larger study of preservation's economic effects, the analysis cited cases of property values increasing relatively faster in historic versus nonhistoric areas. Examples cited included:

Fredericksburg. "Properties within Fredericksburg's historic district gained appreciably more in value over the last twenty years than properties located elsewhere in the city."

Richmond. "While assessments in the Shockoe Ship historic area appreciated by 245 percent between 1980 and 1990, the city's overall value of real estate increased by 8.9 percent."

Staunton. "Between 1987 and 1995, residential properties in Staunton's historic neighborhoods appreciated by 52 to 66 percent compared to a city-wide average residential appreciation of 51 percent. For commercial properties the average city-wide appreciation between 1987 and 1995 was 25 percent. By contrast, average rates of appreciation of commercial properties in historic districts ranged from 28 to 256 percent.

Robinson, Susan G. 1988/89. "The effectiveness and fiscal impact of tax incentives for historic preservation." *Preservation Forum* 2, 4 (Winter): 8–13.

The study argues that the success of historic preservation depends on financial considerations; thus, before any program is undertaken, the fiscal impacts of the program should be examined. The study provides a methodology that a local government can use to assess the impacts of preservation. It does so by providing guidance for the evaluation of the effects of certain incentives programs based on the experience of Atlanta. The study examines the following incentives for historic preservation: compensation, protection, land use planning, the impact of federal tax

credits, state and local tax incentive programs, property abasement tax, property tax, sales tax exemption, individual tax vs. cost to the city, and public sector benefits vs. costs.

Reynolds, Judith and Anthony Reynolds. 1976. "Factors Affecting Valuation of Historic Properties." *Information: From the National Trust for Historic Preservation.* Washington, D.C.: Preservation Press.

This paper presents an appraisal process for valuing landmarks. It notes the importance of proceeding in a step-by-step process that includes definition of the appraisal problem; identification of the property's environment and physical and historical characteristics; examination of alternative uses, including the actual use; collection of data; and estimating value through one or more accepted appraisal approaches.

The paper stresses the importance of considering the "variable characteristics" of the landmark, including site features, improvement level/type, historical significance, as well as the "qualifications" for highest and best use. These characteristics must be examined on a case-by-case basis. In the words of the authors, the "highest and best use of a property with significant historical association or character, if the property is located in a complementary environment and its physical integrity is high, may include preservation or restoration; for historical properties of lesser significance, the highest and best use may be preservation through adaptive use such as conversion of a dwelling to a law office; finally, if the aspects of physical integrity, functional utility and environment are insufficient to warrant preservation, then the highest economic use may be demolition of the structure."

Rypkema, Donovan D. *The Economics of Historic Preservation.* Washington, D.C.: National Trust for Historic Preservation, 1994.

Among other economic impacts, Rypkema examines the effects of designation and preservation activity on property values. Rypkema compiles the results from numerous studies. Examples from Rykema are cited below.

> In every heritage district designated in Canada in the last 20 years, property values have risen, despite the fact that development potential has been reduced. (Federal Heritage Buildings Review Office Code of Practice, Government of Canada)

> Therefore, it would seem reasonable that, at worst, the listing of property on either of the two registers would have no effect on value, but most likely, at least in the City of Norfolk, such listing would enhance value. (Wayne N. Trout, Real Estate Assessor, City of Norfolk, cited in: *The Financial Impact of Historic Designation*)

> The virtually unanimous response from local assessors and commissioners of the revenue has been that no loss of assessed value has occurred as a result of historic

designation, and that values have risen in general accord with the values of surrounding properties over the years. (*The Financial Impact of Historic Designation*)

Generally, the assessed values have risen at a rate similar to all other properties. As such, we have no evidence that the listing of a property in either the National Register of Historic Places or the Virginia Landmarks Register adversely influences the assessed value relative to surrounding and/or similar properties. (John Cunningham, Manager of Assessments, Prince William County, cited in *The Financial Impact of Historic Designation*)

The appreciation of renovated historic properties is substantially greater than the appreciation rates for new construction and unrestored historic properties. . . Unrestored historic properties appreciate at almost identical rates to new construction over the same period. (Kim Chen, *The Importance of Historic Preservation in Downtown Richmond: Franklin Street, A Case Study*)

Sanderson, Edward F. 1994. *Economic Effects of Historic Preservation in Rhode Island*. The Journal of the National Trust for Historic Preservation.

Sanderson reviews a study completed by the University of Rhode Island Intergovernmental Policy Analysis Program. The purpose of that study was to calculate the direct, indirect, and induced effects of historic preservation programs that were implemented by the Rhode Island Historical Preservation Commission from 1971 to 1993. Sanderson notes that the Preservation Commission showed $240 million in expenditures since 1971, and projects that qualified for federal tax credits accounted for about 80% of this total. Further, he notes that when federal, state, local and private funds are taken into account, it represents a 9:1 leveraging ratio of private investment to all sources of public expenditure. He concludes that the economic impact reported in the study significantly understated the real economic benefits of historic preservation. His supporting evidence is as follows. Of the $240 million for goods and services expended since 1971, approximately $186 million (78%) went to purchase goods and services in Rhode Island. These historic preservation expenditures resulted in a increase in "value added" in Rhode Island of $232 million. (Value added measures regional output in the same sense that gross domestic product measures national output). Over a twenty-year period, historic preservation created at least 10,722 person-years of employment. (A person-year is defined as one person employed full time for one year). Each $10 million in expenditures created 285 jobs in Rhode Island. These jobs included construction, services, retail, manufacturing, finance, and real estate. Federal tax revenue increased by $64 million, state coffers received $13.5 million, and local tax collectors received $8.1 million. Federal tax credits for rehabilitation of income-producing historic buildings totaled 266 tax credit projects with a cumulative value of $211.5 million. Of these properties, 111 provide space for economically beneficial offices, manufacturing, and retail.

Scribner, David, Jr. 1976. "Historic Districts as an Economic Asset to Cities." *The Real Estate Appraiser* (May-June), pp. 7-12.

This article examines how historic districts in major urban areas are delineated, and also considers the impact of designation on city revitalization. It notes that the property values of buildings within historic areas are higher than sister structures located outside of such neighborhoods. In the Old Town area of Virginia, landmarks are worth approximately 2.5 times comparable buildings located just beyond the boundaries of this historic district. In Capitol Hill in Washington, D.C., values are four times greater; in the Federal Hill area in Baltimore, values are 7.5 times higher. The author argues that the linkage between property value and historic designation should be recognized by appraisers, and recommends that appraisers rethink some of their rules of thumb that are inapplicable in landmark situations.

Siegel, Michael L. 1991. *Fiscal Incentives for Historic Preservation in Florida*. Tallahassee, FL: Florida Dept. of State, Division of Historical Resources.

This study examines rehabilitation and other preservation incentives in Florida and elsewhere in the U.S. It provides an analysis of the effectiveness and impact of property tax incentives for historic preservation in Florida. The report reviews federal, state and local tax incentives, and provides case studies from other states. Finally, a public sector cost-benefit analysis is included to provide a measure of the costs and benefits for each alternative incentive.

Stronge, William. 2000. *The Economic Impact of the Florida Arts and Cultural Industry*. West Palm Beach, FL: Florida Cultural Alliance.

This study examines how the arts and cultural attractions have provided benefits to Florida. It also examines the effects of cultural tourism. The study found that cultural tourists have a larger economic impact than do regular tourists, spending more money per capita and staying longer. The study found that the spending of cultural tourists in Florida accounted for some $2.9 billion in 1997. This spending generated some $5.6 billion in gross state product and contributed some 64,000 jobs.

University of Rhode Island, Intergovernmental Policy Analysis Program. 1993. *Economic Effects of the Rhode Island Historical Preservation Commission Program Expenditures from 1971 to 1993.*

This study reviews the impacts of the Rhode Island Historical Preservation Commission's programs on the state economy in the areas of employment, wages, valued added, and tax revenues generated since 1971. It does not, however, assess the cultural value of historic preservation or the degree to which the preservation of historical landmarks contributes to the overall attraction of tourists. The study uses computer models of the state economy to conduct a full economic impact analysis for each of the Commission's programs. These programs are compared to other types of public construction that supply economic stimulus and/or improve public

infrastructure. Findings indicate that the greatest impacts of the Commission's programs are in the construction-related industries, with retail sales and the service industries being strong contributors. Dollar for dollar, historic preservation programs generate approximately the same number of jobs as some other construction and maintenance programs. Notably, about 93.4% of the funding for the Commission's programs have come from matching federal funds and tax credits thereby, yielding approximately $1.50 dollars in state tax revenues for each dollar spent.

Walter, Jackson J. 1987. *Historic preservation and places to live: A natural partnership for healthy American communities.* Speech before the Policy Advisory Board, of the Joint Center for Housing Studies of MIT and Harvard University. Pebble Beach California.

Walter argues that historic preservation can also play an important role in the preservation and provision of inner city housing. It is also an important component in the revitalization of the cities, not only economically, but also culturally. However, in order for cities to take advantage of their heritage, leadership and creativity are needed.

Wilcoxon, Sandra K. 1991. *Historic House Museums: Impacting Local Economies*. Historic Preservation Forum.

Utilizing a written questionnaire administered four times throughout the year, the Frank Lloyd Wright Home and Studio Foundation in Oak Park, Illinois attempted to assess the direct and indirect economic impact of the home and studio on the local and greater metropolitan areas. The survey addressed the following: restaurants and hotels patronized, amount spent per person on meals, transportation method, and visitors' plans to shop in the area. An analysis of direct spending found that of the home and studios' $1.6 million dollar operating budget, 36% was spent in the local area, 37% in Chicago, and 27% in other parts of the United States. Indirect spending was calculated using a tourism multiplier of 6 and a wage multiplier of 1.4 for employee salaries. By applying the multipliers to direct spending figures it was calculated that the impact of the home and studio and its visitors and employees on the Chicago area accounts for $21.4 million. Combining direct and indirect spending yields totals of $26.4 million impact on the greater Chicago area and $5.5 million on the village of Oak Park. Using an employment multiplier that states each $1 million in direct spending creates 39 new jobs, it is calculated that the home and studio has created 47 jobs in Oak Park and 133 jobs in Chicago. Counting their own employees, this totals 204 jobs.

Wojno, Christopher T. 1991. "Historic preservation and economic development." *Journal of Planning Literature* 15, 3 (February): 296-307.

Wojno argues that historic preservation and economic development are two tools that can be used in the revitalization of failing cities. He points out that recent economic developments have often included aspects of historic preservation, and that the two

jointly seek to improve city conditions, as well as conditions within communities. Wojno then examines the history of federal involvement in preservation from the 1906 Antiquities Act until the NHPA of 1966 and the 1986 tax code incentives. He argues that the changes in the 1986 tax code were a response to flaws in the NHPA of 1966 that protected only federally owned sites and lacked an implementation capacity. The author also examines local and state incentives for historic preservation, as well as the question of how planners can contribute to historic preservation efforts.

Historic Preservation Program. 1997. *Preservation Horizons: A Plan for Historic Preservation in Missouri*. Jefferson City, MO: Missouri Department of Natural Resources.

This document is a general overview for the State of Missouri, on how the state would like to create and stimulate public and private interest, funding, policies and planning strategies for historic preservation. The greater emphasis states how heritage tourism and economic development are byproducts of historic preservation programs and cultural resources. Tourism is Missouri's second most important industry, therefore, special consideration should be placed on all organizations, of the local, state or federal level, which promote historic-related tourism. Although the document is broad in nature, more narrowly defined goals include: encouraging public-private partnerships; creating historic preservation education opportunities for public officials; and stimulating historic preservation interest through internet sites published by local and state organizations. In summary, the State of Missouri hopes to integrate historic preservation into all planning and policy procedures.

CHAPTER ONE

Background to the Analysis of the Economic Impacts of Historic Preservation

THE NEED FOR INFORMATION ON THE ECONOMIC IMPACTS OF HISTORIC PRESERVATION

Until almost the mid-twentieth century, the idea of historic preservation was alien to the American reverence for the new. There were but a handful of exceptions. Independence Hall, slated for demolition, was purchased by the City of Philadelphia in 1816, and Mount Vernon was saved by a valiant private women's group in the 1860s. Private philanthropy from the Rockefeller family helped restore Colonial Williamsburg in the mid-1920s. In the mid-1930s, there was some nascent public preservation action. The federal government, authorized by the 1935 Historic Sites Act, began identifying nationally significant landmarks on the National Register of Historic Sites and Buildings. From the 1930s to the 1950s, a handful of communities, most notably New Orleans and Charleston (South Carolina), established local preservation commissions to identify and protect selected historic districts.

These preservation activities, however, were the exceptions. More typical was destruction of even acknowledged landmarks. Pennsylvania Station in New York City is a prime example. Federal programs, ranging from urban renewal to the interstate highway systems, fueled the demolition of the nation's historic built environment. Partly in reaction to the widespread loss of historic properties, a regulation system for preservation had developed by the 1960s. At the federal level, the National Historic Preservation Act (NHPA) of 1966 created a National Register of Historic Places and a review process, Section 106 of the NHPA, to evaluate federal undertakings that threatened National Register eligible resources. With federal funds from the NHPA, state historic preservation offices (SHPOs) were established to help identify sites and structures to be placed on the National Resister. Many states further enacted "mini-106" procedures to evaluate state and local government actions that threatened historic properties; Florida was not one of those states.

Most significant was the establishment of local preservation commissions (LPCs). LPCs were created to identify historic resources and then take appropriate action to designate these resources as landmarks. Once designated, the landmarks could not be demolished, nor could their facades be altered in a historically inaccurate fashion without the approval of the LPCs; at minimum, these actions would be delayed pending LPC review.

In a short period of time, historic preservation has mushroomed in scope. There were about 1,000 entries on the National Register of Historic Places in 1968; today there are nearly 70,000. There have been almost 50,000 Section 106 reviews. In a few years, the National Trust for Historic Preservation's Main Street Program, designed to revitalize older downtowns, has grown from a handful to hundreds of successful examples nationwide. Local historic commissions totaled only about 20 as of the mid-1950s. Civic spirit fueled by the Bicentennial increased that number to 100, and today there are almost 2,000 local commissions. Other barometers of historic preservation activity also show quantum increases (exhibit 1.1); still, preservation remains the exception rather than the rule.

Preservation has accomplished much. Icons that have been saved, such as Grand Central Station in New York, are important to the perception of quality of life. Less dramatic, but equally as important, is the preservation of thousands of residential neighborhoods and downtowns throughout the United States.

EXHIBIT 1.1
Growth of Historic Preservation Activity: Selected Indicators

FISCAL YEAR	Annual Listings on National Register of Historic Places (entries)	Cumulative Listings on National Register of Historic Places (entries)	Annual Advisory Council Section 106 Review (cases)	Cumulative Advisory Council Section 106 Review (cases)	Local Historic District Commissions	Annual Historic Preservation Fund (millions of dollars)	Cumulative Historic Preservation Fund (millions of dollars)	Annual Rehab Tax Credit Investment (millions of dollars)	Cumulative RehabTax Credit Investment (millions of dollars)	Annual Tax Credit Projects Approved	Cumulative Tax Credit Projects Approved
1955					20						
1966					100						
1967			0	0							
1968	1,204	1,204	5	5		$0.3	$0.3				
1969	359	1,563	22	27		0.1	0.4				
1970	832	2,395	57	84		1.0	1.4				
1971	1,026	3,421	81	165		6.0	7.4				
1972	1,533	4,954	152	317		6.0	13.4				
1973	2,162	7,116	311	628		7.5	20.9				
1974	2,151	9,267	689	1,317		11.5	32.4				
1975	1,987	11,254	1,104	2,421		20.0	52.4				
1976	2,284	13,538	2,263	4,684	492	24.8	77.2				
1977	1,563	15,101	2,369	7,053		17.5	94.7				
1978	3,120	18,221	1,759	8,812	578	45.0	139.7	$140	$140	512	512
1979	2,783	21,004	2,264	11,076		60.0	199.7	300	440	635	1,147
1980	3,027	24,031	1,623	12,699		55.0	254.7	346	786	614	1,761
1981	518	24,549	2,700	15,399		26.0	280.7	738	1,524	1,375	3,136
1982	3,140	27,689	1,827	17,226	832	25.4	306.1	1,128	2,652	1,802	4,938
1983	4,525	32,214	2,261	19,487	1,000	51.0	357.1	2,165	4,817	2,572	7,510
1984	3,814	36,028	2,241	21,728		27.5	384.6	2,123	6,940	3,214	10,724
1985	994	37,022	1,094	22,822		25.5	410.1	2,416	9,356	3,117	13,841
1986	3,401	40,423	1,400	24,222		23.7	433.8	1,661	11,017	2,964	16,805
1987	2,498	42,921	2,453	26,675		24.3	458.1	1,084	12,101	1,931	18,736
1988	2,035	44,956	1,700	28,375		28.3	486.4	866	12,967	1,092	19,828
1989	3,157	48,113	2,186	30,561		30.5	516.9	927	13,894	994	20,822
1990	2,285	50,398	1,544	32,105		32.9	549.8	750	14,644	814	21,636
1991	3,834	54,232	1,647	33,752		34.5	584.3	735	15,379	678	22,314
1992	1,837	56,069	2,000	35,752		35.5	619.8	777	16,156	719	23,033
1993	1,539	57,608	2,332	38,084	1,863	36.9	656.7	547	16,703	538	23,571
1994	1,718	59,326	2,911	40,995		40.0	696.7	483	17,186	560	24,131
1995	1,514	60,840	2,831	43,826	2,000+	41.4	483.0	569	17,755	621	24,752
1996	1,426	62,266	3,148	46,974		36.2	774.3	757	18,512	724	25,476
1997	1,685	63,951	2,667	49,641		36.6	810.9	688	19,200*	902	26,378*

There is a slight error in these annual figures. The National Center for Cultural Resource Stewardship and Partnerships, within the U.S. Department of the Interior, National Park Service, reports that cumulatively as of FY1997, $18.83 billion has been invested, comprising 26,676 projects. Further of note is that the annual rehab tax credit investment shown here is "certified investment" which differs from the "estimated investment" shown in Figure 1.

The aesthetic and quality-of-life benefits of preservation are generally acknowledged. However, doubts are often expressed about the quantifiable economic contribution of preservation. While proponents of investment in such areas as public infrastructure and new housing construction tout the job, income, and other financial benefits of their respective activities, historic preservationists are much less vocal about the economic benefits that accrue from their activities.

A dearth of information on the economic benefits of preservation has unfortunate consequences, especially in competing for public and other support. Take, for instance, the federal preservation tax incentive (hereafter referred to as the FPTI). Initiated in the late 1970s, the FPTI has generated $19.2 billion in investment in historic preservation, encompassing about 26,000 separate projects. The FPTI is the most significant federal financial support for preservation, eclipsing even the Historic Preservation Fund that supports SHPOs (see exhibit 1.1). Despite its accomplishments, the FPTI has been under assault from those working to reduce federal tax incentives. In 1986, the FPTI tax credit was reduced from 25 to 20 percent, and there are periodic calls for further reductions or even elimination of the FPTI. Critics of the FPTI cite its costs to the Federal Treasury. Preservationists, however, have failed to document the FPTI's full economic benefits. This omission, in part due to the fact that a methodology for documenting the FPTI's benefits is not readily at hand, puts preservationists at a competitive disadvantage compared with those arguing for federal tax breaks for other investments (e.g., capital gains and infrastructure), who can marshal arrays of statistics to support their respective causes.

Parallel developments exist at the state level. As the federal government has cut back and states have ascended as implementers and funders, state activity has become more significant in historic preservation. It is no accident that a recent publication from the National Trust for Historic Preservation is entitled *Smart States, Better Communities* (Beaumont 1997). Numerous states, including Florida, Maryland, Texas, and Vermont, have passed bond issues to foster preservation. But there are many demands on the public purse, and preservation is in competition for state support for other investments ranging from adding new or rehabilitating existing highways to providing affordable mortgages for new housing. Preservationists often do not have hard numbers on the economic benefits of their projects, unlike the proponents of competing investments. The same is true when other state preservation incentives are proposed, such as a state income tax credit. State legislators might be more inclined to support such a credit if they were presented with evidence that their home constituencies would benefit from increased jobs, income, and spending as a result of the credit-induced preservation. Yet, such evidence is often not readily available because the procedures for measuring the economic benefits deriving from preservation projections are not developed.

In summary, the dearth of "hard" economic numbers on preservation and the lack of procedures to quantify these benefits have significant adverse implications. This is unfortunate, since historic preservation generates extensive economic benefits. In fact, preservation's benefits surpass those yielded by such alternative investments as infrastructure and new housing construction.

This study documents the benefits of preservation and develops procedures for assessing its economic effects that others may apply. The focus of the study is the state of Florida. Few previous analyses have examined the economic impacts of historic preservation at a statewide level to the scope and detail of this study. To set the perspective for the current investigation, prior literature is briefly reviewed here. (An extensive listing of relevant literature and annotations of critical studies are contained in the bibliography in appendix A.)

PRIOR LITERATURE ON THE ECONOMIC IMPACTS OF HISTORIC PRESERVATION

Studies conducted in the late 1970s and early 1980s, although nominally addressing the economic benefits of historic preservation, focused less on economic benefits and more on financial feasibility. (This was a time when the feasibility of preservation vis-à-vis new construction was still an issue.) For example, *The Economic Benefits of Preserving Old Buildings* (National Trust for Historic Preservation 1982) considered such topics as hidden assets of old buildings, the costs of preservation, the types of government grants available for the preservation process, and the advantages of historic preservation from a private financier's viewpoint.

Some of the early literature did introduce economic effects into the discussion, typically in anecdotal or case-study fashion. For instance, *The Contributions of Historic Preservation to Urban Revitalization* (Advisory Council on Historic Preservation [ACHP] 1979) investigated the effect of historic preservation activities in Alexandria (Virginia), Galveston (Texas), Savannah (Georgia), and Seattle (Washington). According to the ACHP, historic designation and attendant preservation activities provide many benefits, including saving important properties from demolition, fostering construction, and providing a concentrated area of interest to attract tourists and metropolitan-area visitors. Designation also was found to have the beneficial effect of strengthening property values—an impact documented by comparing the selling prices of buildings located within versus outside the historic districts in Alexandria and other cities studied.

The economic topics considered by the Advisory Council on Historic Preservation in 1979—preservation's relationship to property values, tourism, and construction—have been revisited numerous times, typically on a case-study basis (see bibliography). For instance, Samuels (1981) examined increases in property values in designated historic neighborhoods in Washington, D.C. Schaeffer and Ahern (1988), Benson and Klein (1988), Ford (1989), Gale (1991), and Leithe et al. (1991) did similar property value analyses in Chicago, Cleveland, Baltimore, Washington, D.C., and Galveston, respectively.

Construction and tourism effects from preservation have also been studied by numerous authors. For instance, Lane (1982) and Johnson and Sullivan (1992) examined the tourism benefits of Civil War battlefield visitation. Avault and Van Buren (1985) examined the economic contributions of historic rehabilitation construction activity in Boston, and a similar analysis was done in Atlanta by the Center for Business and Economic Studies (1986).

Our review of the existing literature shows some changes over time. The geographical scale of analysis in considering economic impact has expanded. Whereas earlier the focus was typically a neighborhood or two (e.g., Philadelphia's Society Hill or Seattle's Pioneer Square), investigations are now more commonly citywide (e.g., Fredericksburg, Virginia, and Galveston, Texas), and there have been some examples of statewide studies, such as in Virginia (Preservation Alliance of Virginia 1996) and Rhode Island (University of Rhode Island 1993). In combination, some of these more geographically broad studies have examined not only the direct but the total economic effects of historic preservation, the latter including multiplier benefits to the larger state and regional economies.

For example, the University of Rhode Island (1993) reviewed the impacts of the Rhode Island Historical Preservation Commission's (RIHPC) programs on the state economy in the areas of employment, wages, value added, and tax revenues generated. To that end, the study used computer models of the state economy to incorporate both direct and multiplier impacts. The study found that the greatest impacts of RIHPC's programs were in the construction-related industries, with retail sales and service industries affected positively as well.

A methodology for examining the total (direct and multiplier) impacts of preservation was developed by Joni Leithe, Thomas Muller, John Peterson, and Susan Robinson of the Government Finance Research Center (Leithe et al. 1991) for the National Trust for Historic Preservation. This work, important to the field, included approaches for estimating the benefits of construction activity, real estate activity (e.g., historic property value appreciation), and commercial activity (e.g., enhanced tourism). Leithe et al. applied the methodology in Fredericksburg, Virginia, and Galveston, Texas (Government Finance Officers Association 1995). For instance, in Fredericksburg, historic preservation was found to have the following effects:

- Over an eight-year period, 777 projects totaling $12.7 million were undertaken in the historic district. These projects created approximately 293 construction jobs and approximately 284 jobs in sales and manufacturing.

- Property values, both residential and commercial, experienced a dramatic increase. Between 1971 and 1990, residential property values in the historic district increased an average of 674 percent as compared with a 410 percent average increase in properties located elsewhere in the city.

- In 1989 alone, $11.7 million in tourist purchases were made within the historic district, and another $17.4 million outside the district, with secondary impacts resulting in $13.8 million.

No overview of literature on the subject would be complete without mentioning *The Economics of Historic Preservation* by Donovan Rypkema (1994), which compiled results from numerous studies showing the economic benefits of preservation. Rypkema also was the author of the Virginia report (Preservation Alliance of Virginia 1996) that summarized how preservation benefited the state's economy through tourism, construction, business development, and property value enhancement. Rypkema's numerous and important contributions to the field are noted in the bibliography to this study.

We should also note a study by the authors of the current investigation that focused on the states of New Jersey and Texas (Listokin and Lahr 1997; 1999). The New Jersey and Texas reports considered the direct and total (with multiplier) effects of different components of historic preservation in these states, including historic rehabilitation, heritage tourism, and the operation of such preservation efforts as the Main Street Program. The current analysis considers the similar aspects of historic preservation in Florida.

CURRENT STUDY SCOPE AND METHODOLOGY

The current investigation builds from, and adds to, the state of the art as reflected in the extant literature. Some of the distinguishing characteristics of the current study are its

1. statewide scope
2. development of preservation-specific data
3. comprehensive linked analysis
4. use of a state-of-the-art input-output model

Statewide Scope

The current investigation is truly statewide in scope. It estimates statewide figures on the amount of historic rehabilitation, heritage tourism, and Main Street investment. Other state investigations have not done this to the same scale. For instance, the Virginia study (Preservation Alliance of Virginia 1996) examined construction impacts from the rehabilitation of some Virginia historic properties, but did not conduct a full inventory of such state activity since this information was simply not available.

Development of Preservation-Specific Data

Some other studies have developed preservation-specific information, such as the profile and spending of heritage versus nonheritage tourists (Preservation Alliance of Virginia 1996), but few do this to the extent accomplished here. Thus, the chapter on heritage tourism in this study develops side-by-side profiles of all tourists (historic and nonhistoric), as well as such subgroups as heritage versus nonheritage day-trippers, and heritage versus nonheritage overnighters. This side-by-side profiling is accomplished for many types of characteristics, such as demographic background, trip origin, and trip spending, with the latter differentiated into numerous components. The point is not detail for detail's sake, but rather that the more precisely the profile and spending of heritage travelers is detailed, the more precise will be the projection of economic impact of this aspect of preservation.

The more refined development of preservation-specific data is especially pronounced in the current study in regard to the breakdown of historic rehabilitation expenditures. Many studies to date use "canned programs" that have information on rehabilitation in general. But historic rehabilitation is not the same as general rehabilitation. To that end, the current study deconstructs in great detail the components of historic rehabilitation. This detailed breakdown permits a much more precise estimate of the economic impacts of historic rehabilitation, which in turn is one of the most important components of historic preservation.

Comprehensive Linked Analysis

As there are many facets to historic preservation, a study of its economic impacts should incorporate as many of these as possible. The current investigation attempts to do this by analyzing the respective economic contribution of (1) historic rehabilitation, (2) heritage tourism, and (3) Main Street investment. The Florida investigation also considers the effects of this state's innovative state tax credits for rehabilitation investments.

The comprehensive inclusion of the many components of historic preservation in an economic assessment must carefully avoid double counting. For instance, if all of the activity of Main

Street investments, historic rehabilitation, and heritage tourism were included, there would be duplicative counting because each one of these entities includes historic rehabilitation, which presumably is already tallied in the separate historic rehabilitation component.

The current study avoids this. For instance, in considering the economic contribution of Main Street, we *net* out from the Main Street investment capital spending and revenue derived from visitors, because these are considered in the earlier tallied historic rehabilitation and heritage tourism projections, respectively.

Use of a State-of-the-Art Input-Output Model

As other recent studies have done, the current investigation of the economic impacts of historic preservation considers direct effects of preservation-related activities as well as indirect and induced economic impacts. The total or multiplier effect, sometimes referred to as the ripple effect, has three segments:

1. A *direct effect* (the initial drop causing the ripple effects) is the change in purchases due to a change in economic activity.

2. An *indirect effect* is the change in the purchases of suppliers to the economic activity directly experiencing change.

3. An *induced effect* is the change in consumer spending that is generated by changes in labor income within the region as a result of the direct and indirect effects.

To illustrate briefly, the *direct effects* encompass the goods and services immediately involved in the economic activity analyzed, such as historic rehabilitation. For historic rehabilitation, this could include carpenters hired and steel purchased. *Indirect effects* encompass the value of goods and services needed to support the provision of the direct effects (e.g., materials purchases by the steel plant). *Induced effects* include the goods and services needed by households to provide the direct and indirect labor required to rehabilitate a historic structure (e.g., food purchases by the carpenters' or steelworkers' households). The estimation of indirect and induced effects typically is accomplished by what is referred to as an input-output model.

In this study, the projection of the total or multiplier effects of historic preservation is accomplished by application of an input-output model developed by the authors. This model offers significant advantages in detailing the total economic effects of an activity (such as historic rehabilitation), including multiplier effects (see appendix A).
The analysis in the subsequent chapters first presents the direct effects of the components of historic preservation—historic rehabilitation, heritage tourism, Main Street investment, the operations of historic museums, and the Florida Preservation Grants-in-Aid Program—and then applies the input-output model to derive total or multiplier effects.

CHAPTER TWO

Profile and Economic Impacts of Florida Historic Rehabilitation

INTRODUCTION AND SUMMARY

This chapter first describes the magnitude of historic rehabilitation in Florida. The analysis is for the year 2000, which, when this study commenced, was the last year for which construction information was fully available. The chapter then considers how the direct Florida historic rehabilitation investment translates into total economic impacts, including multiplier effects. The results of the analysis are summarized below:

- In 2000, an estimated total $5.363 billion was spent on rehabilitation in Florida: $2.250 billion on residential properties and $3.113 billion on nonresidential properties.

- Of the $2.1 billion spent on rehabilitation, an *estimated* $350 million, or about 6.5 percent of the total, was spent on historic private properties (properties listed on or eligible for historic designation on national, state, and/or local registers of historic sites).

EXHIBIT 2.1
Estimated Total Rehabilitation
and Historic Building Rehabilitation in Florida (2000)

Property Type	Estimated Total Rehabilitation (in $ million)	Estimated Historic Rehabilitation (in $ million)	Historic Rehabilitation as % of Total Rehabilitation
Residential	$2,250	$135	6.0%
Nonresidential	$3,113	$215	6.9%
Total	$5,363	$350	6.5%

- The direct effects of historic rehabilitation are translated into multiplier effects, which encompass such dimensions as *jobs* (employment by place of work), *income* (total wages, salaries, and proprietor's income), *gross domestic product* or GDP (total wealth accumulated, referred to at the state level as gross state product or GSP), *taxes* (federal, state, and local), and *in-state wealth* (GSP less "leakage" in the form of federal taxes).

- The total national economic impacts from the $350 million spent in 2000 on statewide historic rehabilitation included the following: 15,258 new jobs; $465 million in income; $729 million in gross domestic product; and $156 million in taxes. Florida garnered a large share of these economic benefits and, as a result, captured 10,443 jobs; $317 million in income; $496 million in gross state product; $111 million in taxes (including $50 million in-state local taxes); and $435 million in in-state wealth. The other effects were distributed outside Florida.

EXHIBIT 2.2
Total Economic Impacts of the Annual Florida Historic Building Rehabilitation ($350 Million)

	In Florida	Total (U.S.)
Jobs (person years)	10,443	15,258
Income ($millions)	$317 million	$465 million
GDP/GSP[a] ($millions)	$496 million	$729 million
Total taxes ($millions)	$111 million	$156 million
Federal ($millions)	$61 million	$86 million
State/Local ($millions)	$50 million	$70 million
In-State wealth ($millions) (GSP minus federal taxes)	$435 million	—

[a]GDP/GSP = Gross Domestic Product/Gross State Product.

HISTORIC REHABILITATION IN FLORIDA

Definition of Historic Rehabilitation

For the purposes of this study, historic rehabilitation includes all "rehabilitation" that is effected in "historic" properties. "Rehabilitation" is defined as encompassing all construction work that the Census classifies as "alterations." Not included are minor repairs or structures added to buildings (i.e., the Census categories "repairs" and "additions"). All rehabilitation is included—not just work of a historic nature (e.g., facade restoration)—as long as the rehabilitation is effected in a historic property. "Historic" is defined as a property that is designated as a national, state, or local landmark; or is located in a national, state or local historic register district; or because of age and other factors might be eligible for historic designation.

The definition of "rehabilitation" is straightforward (from the Census); however, the specification of "historic" as used in the present study bears further comment. Inclusion of landmarks listed by all levels of government—federal, state, and local—acknowledges that all of these listings are important. Including only entries on the National Register of Historic Places and omitting local landmarks would fail to incorporate the tremendous interest in preservation at the local level and the significance of local involvement, as evidenced by the numbers of landmark and historic district designations and the related rehabilitation of these resources.

Thus, our specification of historic includes only those properties already officially listed on registers, whether federal, state, or local, and properties that, because of age and other factors, *might* be eligible for historic listing. In the field of preservation, eligibility for designation is in fact a recognized status. At the federal level, a Section 106 review is triggered when federal action threatens properties both on, and eligible for, the National Register. There is a valid reason why eligibility for listing is recognized by historic preservationists, principally that the time gap

between eligibility status and official listing should not thwart the ultimate goal of protecting legitimate historic resources.

Scale of Historic Rehabilitation in Florida

At first glance, the task of determining the share of Florida rehabilitation work that is in historic stock seems easy: simply sum for all historic properties the total amount of rehabilitation and repair work that is performed. Unfortunately, there is no centralized data source for current building rehabilitation activity, nor is there one that lists historic properties in the state.

As recently as 1994, data on rehabilitation by community were collected by the Permits Division of the U.S. Bureau of Census. The series was ended, however. Indeed, the only construction data collected at the community level pertain to new residential construction permits. Further, the latest centralized data set with information on the age of structures in Florida is the 1990 decennial national Census, and that too relates only to residential properties. Thus, it was within these constraints that estimates of the statewide value of rehabilitation of historic structures proceeded. The process used to estimate the extent of historic rehabilitation of buildings effected in Florida in 2000 is outlined below.

1. First, past (pre-1994) relationships between permits for new residential building and both new nonresidential and rehabilitation construction for each of Florida's communities were applied to 2000 data for new residential construction from the Census.

2. The community-level incidence ratios were applied to the respective estimates of rehabilitation activity using year 2000 permits data to obtain final statewide estimates of private historic preservation activity effected in privately owned properties.

Exhibit 2.1 summarizes the results of the method.

TRANSLATING THE ANNUAL FLORIDA HISTORIC REHABILITATION INVESTMENT INTO TOTAL ECONOMIC IMPACTS

This section discusses how the *total economic impact* of the estimated $350 million of rehabilitation effected in historic properties annually is derived. First, the typical purchases for each type of property on which historic rehabilitation is taking place—single-family, multifamily, and nonresidential—are detailed by industry. The lists of typical labor, material, and service purchases for each property type are then standardized. These estimated economic "recipes" for historic renovation are then multiplied by the annual amount of such activity for each property type. The resulting vectors of historic rehabilitation volume are then applied to input-output models that calculate total economic impacts (direct, indirect, and induced) for the state of Florida and the nation.

"Recipes" for Historic Rehabilitation

Direct effects, or direct requirements, the first category of total economic impact, are readily identified once a project has been bid and once its costs have been calculated and summed. In theory, the best way to estimate a project's direct requirements would be to use bid sheets that apply cost elements (i.e., labor and materials) to items specified by the project's architects and engineers. Bid sheets would provide sufficient detail on project requirements to identify the industry that supplies the components, as well as the type of labor needed for the work. The quality of the estimates of a project's direct requirements, in turn, determines the quality of the estimates of other categories of economic impacts. Thus, estimates demand an unusual amount of thoroughness and care. In ideal circumstances, the thoroughness extends to identifying where the direct requirements come from, as well as a very detailed specification of the supplying industry.

In prior studies, the Center for Urban Policy Research (CUPR) obtained detailed cost information on renovations effected on a variety of historic properties by

- contacting developers/sponsors active in historic preservation,
- obtaining files on historic rehabilitation projects certified for federal preservation tax credits,
- obtaining files on projects that had received public funding.

In all instances, the information obtained approached the detail of a bid sheet. Based on these sources, CUPR received information on almost 60 historic properties requiring just shy of $100 million in recent rehabilitation. The detailed cost estimates for these projects were summed by property type—residential and nonresidential. Using information from the detailed cost estimates as well as the prior experience of the Regional Science Research Corporation in similar studies (University of Rhode Island 1993), the cost estimates by property type were converted into purchases of goods and services, including labor, by industry. This lengthy, sometimes subjective, conversion process enabled the specification required to get accurate results by industry from the preservation economic impact model. The result is an "economic recipe" of the direct requirements for historic rehabilitation by property type.

Estimating Total Economic Impacts

Total economic impacts encompass both *direct* and *multiplier* effects. The latter incorporate *indirect* and *induced* impacts. The character of the direct impacts of historic preservation is derived from the recipes noted above. The process for estimating a given project's indirect and induced economic impacts is more roundabout. By definition, a project's first round of indirect impact includes the purchases of any supplies and/or services that are required to produce the direct effects. Subsequent purchases of supplies and services generate other rounds of indirect impacts. The induced impacts are the purchases that arise, in turn, from the increase in aggregate labor income of households. Aggregate labor income is defined as the sum of wages, salaries, and proprietors' income earned by workers. Both the indirect and induced economic

impacts demonstrate how the demand for direct requirements reverberates through an economy.

Exhibit 2.3 details the economic impacts of the rehabilitation of historic properties. The *direct impact* component consists of purchases made specifically for the construction project. Direct impacts on the local economy are composed only of purchases from local organizations.

The *indirect impact* component consists of spending on goods and services by industries that produce the items purchased by the contractors who are preserving the property. Among his many business relationships, for example, a contractor might purchase windows from "Jerry's Home Improvement Inc." (JHI), which makes custom windows. In order to produce windows, JHI must hire craftsmen as well as contract with firms that supply glass, adhesives, paints and coatings, glazing, and wood products. JHI also hopes to make a profit for its owners/shareholders. In order to meet JHI's needs, its suppliers must also hire workers and obtain materials and specialized services. The same process is repeated for their suppliers, and so on. Thus, an extensive network of relationships is established based upon round after round after round of business transactions that emanate from a single preservation project. It is this network of transactions that describes the set of indirect impacts. Of course, a firm's net indirect contribution to the preservation activity largely depends on (1) the total value of its transactions in the network; and (2) the proximity of its business relationship(s) to the preservation contractor within the project's business network. Similar to direct impacts, local indirect impacts are composed only of indirect business transactions that occur in the local economy.

Finally, *induced impacts* are a measure of household spending. They are a tally of the expenditures made by the households of the construction workers on a preservation project, as well as the households of employees of the supplying industries.

EXHIBIT 2.3
Examples of Direct and Multiplier Effects
(Indirect and Induced Impacts) of Historic Preservation

	MULTIPLIER EFFECTS	
DIRECT IMPACTS	**INDIRECT IMPACTS**	**INDUCED IMPACTS**
Purchases for: • Architectural design • Site preparation • Construction labor • Building materials • Machinery & tools • Finance & insurance • Inspection fees	Purchases of: • Lumber & wood products • Machine components • Stone, clay, glass, & gravel • Fabricated metals • Paper products • Retail & wholesale services • Trucking & warehousing	Household spending on: • Food, clothing, day care • Retail services, public transit, utilities, car(s), oil & gasoline, property & income taxes, medical services, and insurance

One means of estimating indirect and induced impacts would be to conduct a survey of the business transactions of the primary contractor. The business questionnaire for this survey would ask for the names and addresses of the contractor's suppliers; what and how much they supply; the names and addresses of the contractor's employees; and the annual payroll.

A related questionnaire would cover the household spending of the employees of the surveyed firms. It would request a characterization of each employee's household budget by detailed line items, including names and addresses of the firms or organizations from which each line item is purchased.

Both questionnaires subsequently could be used to measure indirect and induced impacts of the primary contractor's activity. The business questionnaire would be sent to the business addresses identified by the primary contractor; the household questionnaire, in turn, would be sent to the homes of the employees of those businesses that responded to the survey. This "snowball-type" sampling would continue until time or money was exhausted. In order to keep each organization's or household's contribution to the project in proper perspective, its total spending would be weighted by the size of its transaction with its customers who were included in the survey activity. The sum of the weighted transaction values obtained through the surveys would be the total economic impact of the project.

This survey-based approach to estimating indirect and induced impacts consumes a great deal of money and time, however. In addition, response rates by firms and households on surveys regarding financial matters are notoriously low. Hence, in the rare cases where survey work has been conducted to measure economic impacts, the results have tended to be not statistically representative of the targeted network of organizations and households. Consequently, relatively less expensive economic models based on Census data are typically used to measure economic impacts.

The economic model that has proven to estimate the indirect and induced economic effects of events most accurately is the input-output model. Its advantage stems from its level of industry detail and its depiction of interindustry relations. As shown in appendix A, a single calculation—known as the Leontief inverse—simulates the many rounds of business and household surveys. Input-output tables are constructed from nationwide Census surveys of businesses and households. The most difficult part of regional impact analysis is modifying a national input-output model so that it can be used to estimate impacts at a subnational level. Regionalization of the model typically is undertaken by the model producer and requires a large volume of data on the economy being modeled. This study employs regional input-output models to estimate the extent of the indirect and induced economic effects of a direct investment in historic preservation activities. The economic effects of historic rehabilitation are studied in this chapter; the effects of heritage tourism, the Main Street Program, and other historic preservation components are studied in later chapters.

The Regional Science Research Corporation's Input-Output Model

The regional input-output model used by this study to derive the total economic impacts is a regionalized version of the Preservation Economic Impact Model produced by CUPR for the National Park Service. The PEI model (PEIM) produces very accurate estimates of the total regional impacts of an economic activity and employs detail for more than 500 industries in calculating the effects.

This model and its predecessors have proven to be the best of the non-survey-based regional input-output models at measuring a region's economic self-sufficiency. The models also have a wide array of measures that can be used to analyze impacts. In particular, PEIM produces one of the only regional economic models that enable an analysis of governmental revenue (i.e., tax) impacts and an analysis of gains in total regional wealth. (See appendix A for more details on the relative higher quality of the PEIM.)

The results of PEIM include many fields of data. The fields most relevant to this study are the total impacts with respect to the following:

- **Jobs:** *Employment, both part- and full-time, by place of work, estimated using the typical job characteristics of each detailed industry.* (Manufacturing jobs, for example, tend to be full-time; in retail trade and real estate, part-time jobs predominate.) All jobs generated at businesses in the region are included, even though the associated labor income of commuters may be spent outside of the region. In this study, all results are for activities occurring within the time frame of one year. Thus, the job figures should be read as job-years, i.e.; several individuals might fill one job-year on any given project.

- **Income:** *"Earned" or "labor" income—specifically wages, salaries, and proprietors' income.* Income in this case does not include nonwage compensation (i.e., benefits, pensions, or insurance), transfer payments, or dividends, interest, or rents.

- **Wealth**: *Value added—the equivalent at the subnational level of gross domestic product (GDP).* At the state level, this is called gross state product (GSP). Value added is widely accepted by economists as the best measure of economic well-being. It is estimated from state-level data by industry. For a firm, value added is the difference between the value of goods and services produced and the value of goods and nonlabor services purchased. For an industry, therefore, it is composed of labor income (net of taxes); taxes; nonwage labor compensation; profit (other than proprietors' income); capital consumption allowances; and net interest; dividends; and rents received.

- **Taxes**: *Tax revenues generated by the activity*. The tax revenues are detailed for the federal, state, and local levels of government. Totals are calculated by industry.
  Federal tax revenues include corporate and personal income, social security, and excise taxes, estimated from the calculations of value added and income generated.

  State tax revenues include personal and corporate income, state property, excise, sales, and other state taxes, estimated from the calculations of value added and income generated (e.g., purchases by visitors).

  Local tax revenues include payments to substate governments mainly through property taxes on new worker households and businesses. Local tax revenues can also include revenues from local income, sales, and other taxes.

TOTAL ECONOMIC IMPACTS OF ANNUAL FLORIDA HISTORIC REHABILITATION

This chapter previously estimated that $350 million in historic rehabilitation is effected annually in Florida. What is the total economic benefit of this activity? What proportion of these benefits accrues to Florida?

To answer these questions, the study team applied the direct requirements of $350 million in historic rehabilitation construction activity to economic models of Florida and the United States. This yielded total economic impacts for the country as a whole (national or U.S. effects) and for the state of Florida (in-state effects). For both the nation and state, the significant economic indicators were jobs created, resident income generated, resident wealth generated (gross domestic or state product), and taxes generated by level of government.

Besides the above four measures, CUPR estimated an additional gauge of activity termed *in-state wealth*. This measure consists of in-state generation of value added (or gross state product), less the amount that "leaks" out of the state's economy in the form of taxes paid to the federal government. Since taxes paid to the state and local governments remain in state, they cannot be said to "leak" and, thus, are considered part of the accumulated in-state wealth.

PEIM expresses the resulting jobs, income, and wealth impacts in various levels of industry detail. The most convenient application breaks the industry-level results at the one-digit standard industrial code (SIC) or division level. This level has 11 industry divisions:

1. Agriculture
2. Agricultural, Fishing, and Forestry Services
3. Mining
4. Construction
5. Manufacturing
6. Transportation, Communications, and Public Utilities (TCPU)
7. Wholesale Trade
8. Retail Trade
9. Finance, Insurance, and Real Estate (FIRE)
10. Services
11. Government

PEIM provides results in two other industry breakdowns that detail subcategories under each of these eleven groups. These breakdowns use the two-digit SIC (86-industry) specification and the full industry specification of the input-output model (about 517 industries).

The model results, however, are only as good as the data that go into them. Thus, when the direct requirements are estimated, and the industry-level purchases are also estimated (as is the case in this study), care should be taken in interpreting model results, especially when they contain extreme categorical detail. Hence, the main body of this report focuses on the one-digit SIC level results, but data on the two-digit SIC results are made available as exhibits. The purpose of providing such detail is to enable a better idea of the quality of jobs that are likely to be created and of the types of industries that are most likely to be affected by historic rehabilitation activities.

The total economic impacts of the $350 million in historic rehabilitation spending are summarized in exhibit 2.2 and detailed in exhibits 2.4 and 2.5:

Item 1 of section II in exhibit 2.4 shows how the $350 million translates into direct economic effects nationwide. It creates 5,449 jobs (technically "job-years"), which produce $178 million in labor income and $228 million in GDP. The difference between the initial investment ($350 million) and the direct GDP subsequently created by it ($228 million) implies that historic building rehabilitation requires significant amounts of imported materials.

The indirect and induced effects of historic preservation activity require nationwide 9,809 more jobs, and generate $287 million more in income and $477 million more in GDP in their support. As a consequence, the total economic impact—the sum of the direct and indirect and induced effects—of historic building rehabilitation is 15,258 jobs (5,449 + 9,809); $465 million in income ($178 million + $287 million); and $728 million in GDP ($228 million + $477

million). Hence, the multiplier effects are greater than the direct effects: the national multipliers are always substantially greater than 2.0.

According to exhibits 2.4 and 2.5, of the 15,258 jobs created annually, about 70 percent (10,443 jobs) are created within the state. Florida retains nearly all of the jobs (4,434 of the 5,449) created directly by state-based historic rehabilitation activity. However, the indirect and induced impacts of Florida historic rehabilitation activity tend to leak out of the state. Much of this leakage occurs through the demands of Floridians for products manufactured elsewhere.

We can learn other interesting aspects of the impacts when we examine them by detailed industry (see exhibits 2.4 and 2.5). For example, the Florida industry sectors that are stimulated most by the preservation activity are as follows: construction, services, manufacturing, and retail trade.

TABLE 2.4
National Economic and Tax Impacts of
Annual Florida Historic Building Rehabilitation Activity ($350.3 Million)

	Economic Component		
	Employment (jobs)	**Income ($000)**	**Gross Domestic Product ($000)**
I. TOTAL EFFECTS (Direct and Indirect/Induced)*			
Private			
1. Agriculture	142	2,526.0	7,756.6
2. Agri. Serv., Forestry, & Fish	270	4,409.9	5,190.0
3. Mining	207	6,121.7	17,099.4
4. Construction	3,714	158,698.2	152,006.7
5. Manufacturing	2,683	111,550.7	138,170.6
6. Transport. & Public Utilities	759	32,762.7	59,633.9
7. Wholesale	633	32,020.3	45,826.2
8. Retail Trade	2,058	41,554.0	55,645.2
9. Finance, Ins., & Real Estate	1,675	73,645.4	128,685.7
10. Services	2,995	100,836.0	114,657.4
Private Subtotal	15,136	461,315.3	724,671.6
Public			
11. Government	122	4,958.1	3,945
Total Effects (Private and Public)	15,258	465,330.4	728,616.4
II. DISTRIBUTION OF EFFECTS/MULTIPLIER			
1. Direct Effects	5,449	178,388.0	227,754.0
2. Indirect and Induced Effects	9,809	286,942.3	477,075.8
3. Total Effects	15,258	465,330.4	728,616.4
4. Multipliers (3/1)	2.800	2.609	3.199
III. COMPOSITION OF GROSS STATE PRODUCT			
1. Wages—Net of Taxes			408,721.6
2. Taxes			
a. Local/State			69,989.1
b. Federal			
General			46,738.4
Insurance Trusts			38,883.7
Federal Subtotal			85,622.1
c. Total taxes (2a+2b)			155,611.2
3. Profits, dividends, rents, and other			164,283.7
4. Total Gross State Product (1+2+3)			728,616.4
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE			
Employment (Jobs)			43.6
Income			1,328,290
Local/State Taxes			199,785
Gross State Product			2,079,842

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)—the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

TABLE 2.5
In-State Economic and Tax Impacts of
Annual Florida Historic Building Rehabilitation Activity ($350.3 Million)

	Economic Component		
	Employment (jobs)	**Income ($000)**	**Gross Domestic Product ($000)**
I. TOTAL EFFECTS (Direct and Indirect/Induced)*			
Private			
1. Agriculture	16	523.5	1,733.3
2. Agri. Serv., Forestry, & Fish	127	1,737.0	1,585.6
3. Mining	57	2,581.0	5,667.3
4. Construction	2,666	94,572.6	110,786.7
5. Manufacturing	1,654	55,735.7	83,600.2
6. Transport. & Public Utilities	477	17,353.5	34,476.9
7. Wholesale	423	17,099.2	32,643.6
8. Retail Trade	1,700	26,185.7	46,294.8
9. Finance, Ins., & Real Estate	1,168	38,362.1	91,815.5
10. Services	2,107	61,029.0	85,594.4
Private Subtotal	10,395	315,179.4	494,198.4
Public			
11. Government	47	1,627.1	1,607
Total Effects (Private and Public)	10,443	316,806.4	495,805.5
II. DISTRIBUTION OF EFFECTS/MULTIPLIER			
1. Direct Effects	4,434	155,217.6	200,947.5
2. Indirect and Induced Effects	6,008	161,588.8	294,858.0
3. Total Effects	10,443	316,806.4	495,805.5
4. Multipliers (3/1)	2.355	2.041	2.467
III. COMPOSITION OF GROSS STATE PRODUCT			
1. Wages—Net of Taxes			308,717.1
2. Taxes			
a. Local/State			49,945.0
b. Federal			
General			33,309.0
Insurance Trusts			27,583.4
Federal Subtotal			60,892.3
c. Total taxes (2a+2b)			110,837.3
3. Profits, dividends, rents, and other			76,251.1
4. Total Gross State Product (1+2+3)			495,805.5
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE			
Employment (Jobs)			29.8
Income			904,327
Local/State Taxes			142,568
Gross State Product			1,415,281

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)--the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

CHAPTER THREE

Profile of, and Direct Economic Impacts from, Florida Heritage Tourism

INTRODUCTION

Giant and growing, the U.S. travel and tourism industry has captured the attention of state and local governments eager to bolster local economies and enhance community amenities.

The $400 billion travel industry—one of America's fastest-growing business segments—accounts for approximately 6 percent of the nation's gross domestic product. Demographic, socioeconomic, and lifestyle factors are affecting the industry's volume and its predominant component—the pleasure trip market. Heritage tourism, one of the top reasons for pleasure travel, has become increasingly important to travelers and the communities they visit and offers significant benefits to the community. Heritage tourism can offset the costs of maintaining historic sites, help stimulate preservation efforts, and perpetuate the sense of place that lends communities their unique character and identity. At the same time, heritage tourism can realize important economic gains with respect to jobs, income, and tax revenues.

This chapter analyzes heritage tourism in the nation and in Florida. First, an overview of the U.S. travel market sets out a perspective on the market's size, features, trends, and impacts. Next, heritage tourism's growth factors, benefits, and impacts are briefly surveyed at the national level. Finally, the Florida travel market and data compiled on the features and economic impacts of Florida heritage tourism are reviewed in detail.

SUMMARY OF FINDINGS

National Travel and Heritage Tourism

- There are numerous trends in the travel market fostering heritage tourism, including an increase in travel for pleasure, as opposed to business, and a growing tendency toward shorter duration and shorter distance trips. Baby boomers—large in number and with growing discretionary income—also have a proclivity toward heritage tourism.

- While the precise scale of national heritage tourism is unavailable, it is by all accounts a significant component of pleasure travel. Forty percent of families traveling on vacation stop at historic sites (Schiller 1996), and museums and cultural events rank among Americans' favorite tourist attractions (McDowell 1997).

- Numerous reports show heritage tourism's significant contribution to the economy. In Virginia, for instance, historic preservation visitors were found to stay longer, visit twice as many places, and spend on average more than two and one-half times more money in that state than other (non-heritage) visitors.

Florida Travel and Heritage Tourism

- Travel and tourism are also significant to Florida's economic well-being. As an industry, Florida tourism is one of the state's top three revenue producers.

- Enhanced heritage tourism in Florida would expand the overall travel market in the state. Heritage tourism would increase overnight and touring vacations and would coax more visitors to Florida—thus injecting the state with "imported" income. Moreover, Florida is rich in historic and other interesting sites, which are core motivations for heritage travel.

- Heritage travel spending in Florida in 2000 is estimated to amount to $3.721 billion.

- The total impacts from the $3.721 billion in annual heritage tourism spending in Florida are shown below.

EXHIBIT 3.1
Total Economic Impacts of the Annual Florida
Heritage Tourism Spending ($3.721 Billion Spent)

	In Florida	Total (U.S.)
Jobs (person years)	107,607	140,789
Income ($millions)	$2,314 million	$3,419 million
GDP/GSP ($millions)	$4,552 million	$6,458 million
Total taxes ($millions)	$1,093 million	$1,440 million
Federal ($millions)	$510 million	$677 million
State/Local ($millions)	$583 million	$763 million
In-state wealth ($millions) (GSP minus federal taxes)	$4,042 million	—

[a]GDP/GSP = Gross Domestic Product/Gross State Product.

NATIONAL TRAVEL AND TOURISM OVERVIEW

- In 1999, Americans took 1 billion domestic person-trips of 50 miles or more (U.S. Travel Data Center 1999) away from home. On average, a third (32 percent) of U.S. households take at least one trip each month.

- In 1999 travel expenditures in the U.S. totaled $526.6 billion ($451.6 billion from U.S. residents). On average, travel parties spend $438 per trip, not including transportation to their destination.

- Domestic travel in the United States in 1999 was predominantly composed of pleasure trips (66 percent) and business trips (21 percent). The three main components of pleasure travel are visiting friends and family (53 percent), outdoor recreation (16 percent), and entertainment (31 percent).

- Demographically, 1999 traveling households were apt to be married (64 percent); more than a third (36 percent) had children at home and the average age of traveling household heads was 48. More than half (57 percent) had completed college and four in ten work in professional or managerial positions (43 percent). The greatest change in the demographic profile of travelers over the past five years has been the rise in household income levels. Travelers' average annual household increased from $50,700 in 1994 to $61,500 in 1999.

- Almost half (46 percent) of all U.S. resident trips involved a hotel/motel or bed & breakfast stay in 1999. The average pleasure trip lasted 3.4 nights, but among only overnight trips, average duration is 4.2 nights.

- Travel expenditures create secondary impacts that magnify travel's contribution to the economy, as shown in exhibit 3.4. This exhibit indicates the direct, the indirect and induced, and finally the total economic impacts of travel in the United States in 1990.

- The most popular type of trip activity is shopping, included on a third (33 percent) of all person trips. Shopping is followed by outdoor activities (17 percent), historical places/museums (14 percent), beaches (10 percent), national/state parks (10 percent), and cultural events/festivals (10 percent). As usual summer is the most popular travel season for pleasure travel (33 percent of all person-trips) and winter is the least popular travel season (20 percent).

- There are a number of overall forces affecting travel and tourism in the United States that bear on heritage tourism. These include:

    1. A stimulus for travel growth is expected to come from the increasing numbers of pleasure trips. More and more, consumers seem to prefer long weekend getaways instead of lengthier vacations to more distant spots. Perhaps this reflects the rise in numbers of two-income households with more money but less free time (Standard and Poors 1996). Overall travel data also suggest an increasing trend toward shorter-duration trips—more daytrips and one-night visits—and shorter-distance trips. Heritage tourism compares well with these trends.

    2. Baby boomers are in or approaching their peak earning years and have discretionary income to spend. They represent great potential for the pleasure travel market. "The one thing baby-boomers have left to collect is experiences, and that's what travel and the arts offer." (Cook 1996)

In short, due to demographic reasons, such as the coming of age of baby boomers, and the evolving nature of travel in the United States (e.g., increasing numbers of short pleasure trips), heritage tourism is becoming a more potent force in the travel market as a whole (Gaede 1994).

EXHIBIT 3.2
Measures of Impact of Travelers on the U.S. Economy in 1990

Impact Measure	Direct Impact	Indirect & Induced Impact	Total Impact	Multiplier
Expenditures (Billions)	$290.4	$407.3	$697.7	2.40
Earnings (Billions)	$79.1	$117.6	$196.7	2.49
Employment (Millions)	5.2	5.3	10.5	1.92

Source: Impact of Travel on State Economies, 1990, U.S. Travel Data Center, October 1992

HERITAGE TOURISM IN THE UNITED STATES

Historic sites play a crucial role in fostering pleasure travel. As travel expert Arthur Frommer explained, "[p]eople travel in massive numbers to commune with the past. We all gain solace, pleasure and inspiration from contact with our roots... [Y]ou cannot deny that seeing the cultural achievements of the past, as enshrined in period buildings, is one of the major motivators for travel." (Frommer 1993)

Precise data on heritage tourism's share of the overall travel market is not available. But various surveys report that historic site visits are increasingly included on family travel itineraries. Noting a 1993 *Better Homes and Garden Survey*, economist Tim Schiller (1996) wrote:

> Historic sites are growing in popularity as destinations for pleasure trips: 40 percent of families traveling on vacation stop at historic sites. Several factors account for this increased interest. First, such trips tend to be less expensive than other types of vacations or pleasure travel. Second, family

travel has increased, and often, historic sites are something of interest to all family members. Third, vacationers, especially family groups, are more concerned about adding educational opportunities to their vacation plans.

Heritage tourism's burgeoning growth has also garnered business and government support.

1. American Express Travel Related Services underwrote the 1993 publication of *Getting Started: How to Succeed in Heritage Tourism*, by the National Trust for Historic Preservation. The booklet is designed to help communities combine the preservation of historic, cultural, and natural resources with tourism and help sustain local economies and community character.

2. Black heritage tourism is increasing exponentially, and African Americans have formed tour companies that focus on black cultural heritage throughout the U.S. (American Vision 1994).

3. The United States Travel and Tourism Administration and the Minority Business Development Agency began a joint economic initiative in 1990 to broaden awareness of minority historical and cultural tourist destinations and to bolster minority-owned businesses, particularly in travel and tourism. The multifaceted program is considered an initiative "to assist interested communities in preserving and celebrating their cultural identities through tourism." (Doggett 1993)

The $16 billion spent on the restoration of American historic sites since 1976 has produced a critical mass of saved resources in many communities (Travel Holiday 1996). As the number of preserved historic sites and neighborhoods mounts, new tourism "product" becomes available for both domestic and international visitors and the tourism-preservation cycle continues.

> [T]he tourism industry needs more attractive, educational and authentic destinations to meet the needs of growing numbers of domestic and international travelers; the preservation community needs the political support and economic benefit that travelers provide to the sites and the communities they visit. That support and the resulting economic benefit are catalysts for continued protection, maintenance and promotion of these heritage areas. (*Touring Historic Places.*)

Recognition of heritage tourism's economic contribution (or potential) can be found throughout the country.

- More than 85 regional heritage areas are in varying phases of development across the U.S. These efforts reflect broad-based collaboration to protect a regional landscape, preserve historic resources, enhance recreation, or stimulate economic development and regional strength through tourism.

- An analysis of historic preservation's impact on Maryland's tourism industry found that visiting historic sites is one of the most popular activities among travelers. But, historic properties, responsible for generating a very large share of the state's tourism income, needed to be more widely promoted.

- In Virginia, the impact of travel to historic sites was found to be crucial to the state's economy.

- Historic preservation visitors stay longer, visit twice as many places, and spend on average, over two-and-one-half times more money in Virginia than do other visitors. The economic impact of Colonial Williamsburg alone on Virginia's economy is over half a billion dollars a year. (Virginia 1996)

- A report on the economic impact of Wisconsin's heritage tourism program showed that visitors spent over $215 million on admission fees alone to cultural/historic activities in 1995.

FLORIDA'S TRAVEL AND TOURISM MARKET OVERVIEW

- There were 71.5 million visitors to Florida during 2000. Domestic visitors made up 89 percent of total visitors followed by 8 percent from overseas countries and 3 percent from Canada.

TABLE 3.3
Estimates of Visitors to Florida
Calendar Year 2000 (In Thousands of Person-Trips)

Year	Domestic	Overseas	Canada	Total	% of Total
Air	30,847	6,026	1,248	38,121	53.3%
Non-Air	32,625	**	719	33,344	46.7%
Total	**63,472**	**6,026**	**1,967**	**71,465**	**100.0%**
% of Total	88.8%	8.4%	2.8%	100.0%	

Source: Florida Visitor Study. 2000.
** Not available.

- Vacationing was the primary reason for coming to Florida for domestic visitors. Visiting friends/relatives was the second most common reason for coming to Florida followed by business.

TABLE 3.4
Primary Purpose of Trip

Leisure	Total	Air	Auto
General Vacation	38.5%	33.0%	43.6%
Visit Friends/Relatives	25.7%	25.8%	25.9%
Getaway Weekend	6.1%	4.3%	8.1%
Special Event	6.8%	6.2%	6.7%
Other Personal	4.5%	3.1%	5.1%
Business			
Convention	3.8%	6.3%	2.1%
Seminar/Training	3.7%	5.5%	2.2%
Other Group Meetings	2.2%	4.4%	0.8%
Sales/Consulting	1.4%	2.7%	0.4%
Other	7.3%	8.5%	5.1%

Source: D.K. Shifflet and Associates as cited in Florida Visitors Study. 2000.

- The top activities domestic visitors enjoyed while in Florida were visiting the beaches, shopping and going to a theme/amusement park. Visiting historical places/museums was a primary activity for 9.1 percent of domestic visitors.

TABLE 3.5
Primary Activities

	Total	Air	Auto
Beaches	32.4%	30.8%	36.9%
Shopping	32.4%	34.8%	30.6%
Theme/Amusement Park	26.5%	30.5%	22.8%
Nightlife/Dancing	12.0%	13.2%	9.6%
Outdoor (hunt, fish, hike)	10.7%	10.2%	11.6%
Historical Places/Museums	9.1%	8.9%	9.4%
Golf/Tennis	6.3%	6.6%	6.5%
Cultural Events/Festivals	6.3%	6.4%	5.6%
National/State Park	5.1%	5.1%	5.3%
Sports Event	4.4%	4.5%	4.8%
Gambling	2.0%	1.7%	2.4%
Other	3.2%	3.1%	3.1%

Source: Travel Industry Association, TravelScope Data as cited in Florida Visitors Study. 2000.

- Average expenditures per person per day in 2000 totaled $125.10 for domestic visitors. Air visitor expenditures per person per day totaled $165.90, while auto visitor expenditures totaled $94.50 per person per day.

- Taxable spending in the Tourism and Recreation category totaled $50.7 billion in 2000.

- From available Florida state data, we *estimate* that in 2000, heritage tourism spending in Florida amounted to about $3.721 billion.

TOTAL ECONOMIC IMPACTS FROM HERITAGE TOURISM

The following section translates the $3.721 billion annual Florida heritage-attributed direct spending into total economic benefits by applying the Preservation Economic Impact Model (PEIM). An overview of the results is contained in exhibit 3.1. The total annual economic impacts from the $3.721 billion in annual spending by Florida heritage travelers, encompassing both direct and multiplier effects, included, at the national level, the following: 140,789 jobs; $3.419 billion in income; $6.458 billion in gross domestic product; and $1.440 billion in taxes. Florida received a large share of these gains. On an annual basis from the heritage tourism, Florida realized 107,607 jobs; $2.314 billion in income; $4.552 billion in gross state product; $1.093 billion in taxes (including $583 million in state–local taxes); and annual in-state wealth creation of about $4.042 billion.

Finer-grained detail of state impacts by economic sector are also available. For example, of the 107,607 total state-level jobs derived from heritage tourism, most are to be found in service establishments (30,068 jobs) and retail trade (51,794 jobs). Of the total $2.314 billion generated in annual income, retail ($749 million), services ($653 million), and finance insurance and real estate ($317 million) benefit the most.

TABLE 3.6
National Economic and Tax Impacts of Annual Florida Heritage Tourism Activity ($3.721 Billion)

	Employment (jobs)	Income ($000)	Gross Domestic Product ($000)
I. TOTAL EFFECTS (Direct and Indirect/Induced)*			
Private			
1. Agriculture	2,649	36,283.4	140,566.2
2. Agri. Serv., Forestry, & Fish	1,551	25,069.5	25,916.9
3. Mining	1,011	19,932.6	90,207.4
4. Construction	2,363	158,875.4	215,133.5
5. Manufacturing	15,340	487,043.5	814,689.4
6. Transport. & Public Utilities	6,063	231,953.0	527,580.7
7. Wholesale	5,224	215,011.7	370,432.7
8. Retail Trade	44,797	731,935.5	1,324,538.3
9. Finance, Ins., & Real Estate	14,295	507,464.3	1,437,732.3
10. Services	46,258	965,065.5	1,471,131.9
Private Subtotal	139,552	3,378,634.4	6,417,929.1
Public			
11. Government	1,237	40,457.4	39,606.2
Total Effects (Private and Public)	140,789	3,419,091.8	6,457,535.3
II. DISTRIBUTION OF EFFECTS/MULTIPLIER			
1. Direct Effects	60,904	1,027,433.5	1,876,645.5
2. Indirect and Induced Effects	79,885	2,391,658.3	4,580,889.8
3. Total Effects	140,789	3,419,091.8	6,457,535.3
4. Multipliers (3/1)	2.312	3.328	3.441
III. COMPOSITION OF GROSS STATE PRODUCT			
1. Wages—Net of Taxes			3,324,248.4
2. Taxes			
a. Local/State			763,012.7
b. Federal			
General			409,756.7
Insurance Trusts			267,274.4
Federal Subtotal			677,031.1
c. Total taxes (2a+2b)			1,440,043.8
3. Profits, dividends, rents, and other			1,693,243.1
4. Total Gross State Product (1+2+3)			6,457,535.3
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE			
Employment (Jobs)			37.8
Income			918,864
Local/State Taxes			205,056
Gross State Product			1,735,430

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)—the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

TABLE 3.7
In-State Economic and Tax Impacts of Annual Florida Heritage Tourism Activity ($3.721 Billion)

	Employment (jobs)	Income ($000)	Gross Domestic Product ($000)
I. TOTAL EFFECTS (Direct and Indirect/Induced)*			
Private			
1. Agriculture	179	5,450.1	18,473.2
2. Agri. Serv., Forestry, & Fish	566	7,094.6	7,630.6
3. Mining	19	5,412.5	11,590.4
4. Construction	558	57,741.3	84,735.3
5. Manufacturing	7,365	245,507.7	397,385.6
6. Transport. & Public Utilities	3,445	128,339.7	275,018.6
7. Wholesale	3,221	129,514.8	246,001.5
8. Retail Trade	51,794	748,511.1	1,420,550.4
9. Finance, Ins., & Real Estate	9,903	316,777.1	1,076,753.0
10. Services	30,068	652,639.9	997,355.4
Private Subtotal	107,118	2,296,988.8	4,535,494.2
Public			
11. Government	490	16,864.3	16,655.8
Total Effects (Private and Public)	107,607	2,313,853.0	4,552,150.0
II. DISTRIBUTION OF EFFECTS/MULTIPLIER			
1. Direct Effects	60,246	1,019,579.8	1,861,790.7
2. Indirect and Induced Effects	47,362	1,294,273.2	2,690,359.3
3. Total Effects	107,607	2,313,853.0	4,552,150.0
4. Multipliers (3/1)	1.786	2.269	2.445
III. COMPOSITION OF GROSS STATE PRODUCT			
1. Wages—Net of Taxes			2,446,122.4
2. Taxes			
a. Local/State			582,801.4
b. Federal			
General			309,618.5
Insurance Trusts			200,340.1
Federal Subtotal			509,958.6
c. Total taxes (2a+2b)			1,092,760.1
3. Profits, dividends, rents, and other			1,013,267.5
4. Total Gross State Product (1+2+3)			4,552,150.0
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE			
Employment (Jobs)			28.9
Income			621,836
Local/State Taxes			156,625
Gross State Product			1,223,367

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)—the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

CHAPTER FOUR

Profile of, and Economic Impacts from, the Florida Main Street Program

INTRODUCTION AND SUMMARY

This chapter examines the contributions of the Florida Main Street Program. It begins with an overview of the national Main Street effort. This is followed by a profile of the Florida Main Street initiative and details of its direct investment as well as its total economic impacts. The analysis is for the fiscal year (FY) 2000–01, which, when this study commenced, was the last annual period for which Florida Main Street Program information was fully available. The results of the analysis are summarized below:

- The State of Florida has an active Main Street program with 47 communities participating (e.g., Clermont, Dade City, Ft. Myers, Lake Wales, Palm Harbor, Vero Beach, and Ybor City).

- In FY 1999, the Florida Main Street Program resulted in the following total investment.

EXHIBIT 4.1
Florida Main Street Program (FY 2000–01)

Component	
Rehabilitation	$27.3 million
New construction	$45.3 million
Total private and public investment	$72.6 million
Number of new jobs	1,267

- If we net out rehabilitation and other preservation outlays previously tallied, such as spending by heritage tourists in the Main Street communities (since we want to avoid double counting), and make other adjustments, the FY 2000–01 Florida Main Street investment/output is *roughly* $63.6 million of construction plus retail job benefits.

- The total national economic impacts, including both direct and multiplier effects, from the FY 2000–01 Florida Main Street investment included a gain of 4,370 jobs, $116 million in income, $187 million in gross domestic product, and $43 million in taxes. The in-state Florida gains were roughly 50 to 80 percent of the above-cited figures (see below) with in-state wealth creation of $116 million.

EXHIBIT 4.2
Total Economic Impacts of the Annual Net Florida Main Street Investment

	In Florida	Total (U.S.)
Jobs (person years)	3,202	4,370
Income ($million)	$81 million	$116 million
GDP/GSP[b] ($million)	$132 million	$187 million
Total taxes ($million)	$31 million	$43 million
Federal ($million)	$16 million	$22 million
State/Local ($million)	$15 million	$21 million
In-state wealth ($million) (GSP minus federal taxes)	$116 million	—

[b]GDP/GSP=Gross Domestic Product/Gross State Product.

THE MAIN STREET PROGRAM: NATIONAL OVERVIEW

In 1980, the National Trust for Historic Preservation established the National Main Street Center (NMSC). With the goal of revitalizing downtown areas and neighborhood commercial districts across the United States, the NMSC set up the Main Street Program. The program focuses on improving downtown business districts, primarily through historic preservation themes. All Main Street Programs are locally driven and funded, though advice from the NMSC is available. In the past twenty years, almost 2,000 communities and more than forty states have used the Main Street approach to invigorate their downtown areas. The results have produced both economic and social benefits.

Main Street programs are initiated by concerned citizens such as business and property owners or civic and government officials. Public and private community leaders are then called upon to organize the program, raise funds, and hire a Main Street Manager. They also create committees and a board of directors to carry out the work. Once these entities are in place, a long-term strategy can be formed based on local issues and concerns. Each community's overall strategy, however, is based on the Main Street Four Point Approach. The approach stresses looking at four areas in order to encourage successful downtown revitalization. These four components are:

- *Design:* Enhancing the visual appearance of the downtown.

- *Organization:* Building consensus and cooperation among the groups and members that have a concern with the downtown. Groups in both the public and private sectors must collaborate.

- *Promotion:* Marketing the improved downtown to the public to attract customers, investors, developers, and new businesses.

- *Economic Restructuring:* Strengthening the downtown's existing economic assets, while expanding its economic base to meet new opportunities.

The implementation of the Main Street Four Point Approach is based on eight principles known as the Main Street Philosophy. The principles are:

- Comprehensive: A successful revitalization must have a comprehensive long-term approach.

- Incremental: Begin with small projects, which will show progress, then move onto larger ones.

- Self-Help: Local leaders are the key to making the projects successful.

- Public/Private Partnership: Both the public and private sectors must contribute to the program.

- Identifying and Capitalizing on Existing Assets: The existing and unique local assets of a community should be the solid foundation for its program.

- Quality: All elements of the program must be focused on quality.

- Change: Changes in attitude and practice must be made in order to improve the public opinion of the downtown.

- Action-Oriented: Frequent and visible changes will help to change the perception of the downtown, serving as reminders that revitalization is under way.

NMSC provides informational material, in a variety of formats, to assist communities. Often it will provide technical assistance to state programs. It also sponsors a national conference, which provides training. Sometimes, NMSC will provide specialized assistance to a community for a fee.

Downtown revitalization afforded through the Main Street Program is important and worthwhile for many reasons, both tangible and intangible. The most important reasons include:

- Business is strengthened and stabilized: profits are kept in town, local family-owned businesses are supported, and tax revenues increase.

- Main Street districts often become tourist attractions, which draw revenue.

- Infrastructure is improved.

- Jobs are created through construction done during renovations.

- Community-eroding sprawl is controlled.

- A civic forum is created, which develops a sense of community through parades and celebrations held on Main Street.

- Main Street is a symbol of economic health, pride, and community history.

The Main Street Program has been extensively applied. From 1980 to 2000, the total amount of public and private reinvestment in Main Street communities has been $15.2 billion. According to NMSC, 206,000 new jobs have been created as well as 52,000 new businesses and 79,000 building rehabilitations. On average, for every $1 spent, $39 has been reinvested.

THE FLORIDA MAIN STREET PROGRAM

In numerous small Florida cities, downtowns are in a state of decline. The automobile, suburban housing, and the growth of local and regional shopping centers and malls have greatly reduced the traditional role of these communities' downtowns as the principal center of economic activity. Many government programs, such as urban renewal and various city beautification programs, have failed to halt the decline of Florida's main commercial corridors.

The Florida Main Street Program attempts to spur revitalization by capitalizing on the unique character of the downtown coupled with development of progressive marketing and management techniques. The Florida Main Street Program is based on the Main Street Four Point Approach of the NMSC. As noted, the NMSC was established in 1980 by the National Trust for Historic Preservation; the Florida Main Street Program has been in existence since the mid-1980s.

In the late 1980s and early 1990s, a grassroots effort by local citizens began a small town renaissance in Florida.

A statewide Florida Main Street program was inaugurated in 1985 to aid towns with populations between five thousand and fifty thousand—with DeLand in central Florida as one of its first selections. With the state acting as an advisor, many communities began to revitalize their historic or traditional commercial areas.

Each Florida community had to come up with its own plan to "bring back" its downtown. Community involvement was stressed. The qualifications were strict, and very few towns were selected as Main Street cities in the early years of the program. Some 80 Florida cities have benefited from the Florida Main Street Program since 1985. Among the business districts that have been spruced up and revitalized are Crestview, Marianna, Milton, and Panama City in the panhandle; Venice, Fort Myers, and Tarpon Springs on the Gulf coast: Clermont, Sanford, Dunellon, and Wauchula in central Florida; Homestead and Miami's Overtown neighborhood in the south: and Fort Pierce, Daytona Beach, and DeLand along the Atlantic coast.

DATA MAINTAINED BY THE NATIONAL MAIN STREET PROGRAM

Every month, communities participating in a Main Street program are supposed to compile a series of data items (e.g., Project Status Information Sheets and a Reinvestment Summary Sheet) including a "Monthly Report." The Monthly Report is divided into five sections. The first section asks for feedback in the format known as the Main Street Four Point Approach, as designed by the NMSC; the community must report on the month's accomplishments in organization, promotion, quality design, and economic restructuring. The second section asks the community to discuss any "brick walls" (obstacles) that the program has encountered. Section three requests a list of the previous month's completed meetings and the following month's planned meetings. Section four focuses on goals and methodology—what does the community plan to accomplish next month? The last section asks if the community has any questions or needs that it would like addressed by the Main Street Program staff.

The Project Status Information Sheets comprise Project Status, Acquisitions, Business Starts, Business Failures, and Business Rehabilitation sheets. The Project Status sheet displays the proposed, pending, and completed work in the Main Street District. The Acquisitions sheet tracks the buying and selling of buildings. The Business Starts sheet shows new businesses that have opened, as well as the expansion or relocation of existing businesses to the Main Street District. If any business in the Main Street District closes down, it is included in the Business Failures sheet. The Building Rehabilitation sheet records substantial building improvement projects. Since the purpose of these sheets is to track the work and progress of the local program, they are updated frequently. All of the sheets are maintained by the local Main Street Manager.

The Private Sector Reinvestment Summary Sheet, which builds from the Project Status Information Sheets, comprises seven categories, all of which contain cumulative totals reflecting results since the inception of the community's local Main Street Program. Twice a year the figures compiled in the Reinvestment Summary are included in an informational packet which the specific state Main Street Program distributes throughout the state and also submits to NMSC. The categories of data in the Reinvestment Summary are:

Of the three databases mentioned above—Monthly Report, Project Status, and Reinvestment Summary—the last contains the most complete information for ascertaining the total economic impacts of the Main Street Program, encompassing both direct and multiplier effects.

The reinvestment outcomes for Florida Main Street are detailed in Exhibit 4.3 and are summarized below.

EXHIBIT 4.3
Florida Main Street Program: Reinvestment Statistics

	FY 2000–01 $ Millions	Cumulative (Mid-1980s–2001) $ Millions
Rehab	27.3	85.4
New Construction	45.3	195.9
Total Private and Public Investment	72.6	281.3
New Jobs	1,584 jobs	7,043 jobs

Source: Florida Main Street Program

DIRECT ECONOMIC IMPACTS OF THE FLORIDA MAIN STREET PROGRAM

The reinvestment results summarized above comprise the *direct* economic impacts of the Florida Main Street program. These data allow us to translate the direct Main Street investment into total economic benefits, including multiplier effects. In doing this calculation, we focus on the impacts for FY2000–01.

We must make an adjustment to the data, however, to avoid double counting. This study previously calculated the average level of historic rehabilitation occurring in Florida, that is, the renovations taking place in properties on, or eligible for, historic designation. Some of the Florida Main Street rehabilitation is likely taking place in such designated properties; while we do not know this amount for certain, we estimate this would be 33 percent, that is, that one-third percent of the Florida Main Street Program–counted rehabilitation is effected in designated or eligible properties. (This is a very gross estimate.) The *net* Main Street rehabilitation, that is, the amount over and above that tallied in the rehabilitation chapter, is therefore 80 percent of the FY2000–01 Florida Main Street rehabilitation, or about $18.3 million ($27.3 million x .75).

We similarly have to adjust the net jobs credited to Main Street since these include employment associated with heritage tourism (e.g., a Florida heritage traveler visiting a Florida Main Street area and patronizing a store manned by an employee credited to the Florida Main Street Program). If we didn't adjust, we would then be double counting. While we do not know the exact overlap between Florida Main Street jobs and jobs associated with Florida heritage tourism (the latter counted in Chapter Three), we estimate this overlap at 20 percent. (Again, this is a very gross estimate.) Therefore to avoid double counting, we will credit 80 percent of the Florida Main Street-generated jobs as net of the tourism-associated employment, or 1,267 jobs (1,584 jobs x .8).

In summary, the net additional annual direct economic gains from the Florida Main Street Program (using FY2000–01 figures) include:

$18.3 million of rehabilitation
45.3 million of new construction
63.6 million

and

1,267 net jobs (Since the 1,267 net jobs will contain many part-time retail positions, we count these 1,267 jobs as 850 full-time equivalent [FTE] positions.)

TOTAL ECONOMIC IMPACTS FROM THE FLORIDA MAIN STREET PROGRAM

The next step is to translate the above-cited direct effects into total economic benefits by applying the PEIM. The total economic impacts of the Florida Main Street Program investment just noted are summarized below and detailed in Exhibits 4.4 and 4.5. For example, of the 4,370 national jobs created annually, about 73 percent (3,202 jobs) are created within the state. Florida retains nearly all of the jobs (1,660 of the 1,937) created directly by state-based Main Street activity. However, the indirect and induced impacts of Florida Main Street activity tend to "leak out of the state." This finding is not surprising, in light of Florida being only one state in the national economy.

We can learn other interesting aspects of the impacts of Main Street investment by examining them by industry. For example, the largest number of in-state Florida jobs fostered by Main Street investment is in the retail sector (1,165 of 3,202 jobs). Other sectors gaining relatively larger number of jobs, in Florida from Main Street are construction, services, and manufacturing.

In summary, the economic impacts estimated through the PEIM models of the Florida and the U.S. economies reveal that the annual Main Street activity in Florida generates valuable employment and attendant income and production benefits.

TABLE 4.4

National Economic and Tax Impacts of Annual Florida Main Street Preservation Activity ($63.6 Million + 850 Retail Jobs)

	Economic Component		
	Employment (jobs)	**Income ($000)**	**Gross Domestic Product ($000)**
I. TOTAL EFFECTS (Direct and Indirect/Induced)*			
Private			
1. Agriculture	37	534.9	2,052.6
2. Agri. Serv., Forestry, & Fish	35	585.4	647.7
3. Mining	37	904.9	3,214.9
4. Construction	810	26,312.6	30,829.2
5. Manufacturing	624	20,856.6	31,769.4
6. Transport. & Public Utilities	178	6,755.7	14,846.3
7. Wholesale	161	6,728.9	11,738.9
8. Retail Trade	1,356	20,822.3	33,073.3
9. Finance, Ins., & Real Estate	424	15,009.2	33,963.2
10. Services	675	16,958.8	23,666.7
Private Subtotal	4,339	115,469.3	185,802.4
Public			
11. Government	31	1,029.3	1,011.0
Total Effects (Private and Public)	4,370	116,498.6	186,813.4
II. DISTRIBUTION OF EFFECTS/MULTIPLIER			
1. Direct Effects	1,937	46,391.2	63,294.3
2. Indirect and Induced Effects	2,433	70,107.5	123,519.1
3. Total Effects	4,370	116,498.6	186,813.4
4. Multipliers (3/1)	2.256	2.511	2.952
III. COMPOSITION OF GROSS STATE PRODUCT			
1. Wages—Net of Taxes			110,685.7
2. Taxes			
a. Local/State			21,211.3
b. Federal			
General			12,530.0
Insurance Trusts			9,779.7
Federal Subtotal			22,309.6
c. Total taxes (2a+2b)			43,520.9
3. Profits, dividends, rents, and other			32,606.7
4. Total Gross State Product (1+2+3)			186,813.4
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE			
Employment (Jobs)			49.6
Income			1,322,219
Local/State Taxes			240,736
Gross State Product			2,120,229

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)—the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

TABLE 4.5
In-State Economic and Tax Impacts of Annual Florida Main Street Preservation Activity ($63.6 Million + 850 Retail Jobs)

	Economic Component		
	Employment (jobs)	**Income ($000)**	**Gross Domestic Product ($000)**
I. TOTAL EFFECTS (Direct and Indirect/Induced)*			
Private			
1. Agriculture	4	111.3	372.0
2. Agri. Serv., Forestry, & Fish	15	190.0	185.5
3. Mining	5	308.8	681.3
4. Construction	625	19,992.5	23,475.6
5. Manufacturing	389	13,091.4	19,045.6
6. Transport. & Public Utilities	113	4,166.4	8,637.1
7. Wholesale	110	4,453.1	8,505.7
8. Retail Trade	1,165	16,448.9	28,559.9
9. Finance, Ins., & Real Estate	304	9,969.7	25,183.0
10. Services	461	11,885.1	16,666.3
Private Subtotal	3,190	80,617.2	131,311.9
Public			
11. Government	13	439.5	434.2
Total Effects (Private and Public)	3,202	81,056.7	131,746.1
II. DISTRIBUTION OF EFFECTS/MULTIPLIER			
1. Direct Effects	1,660	39,509.4	54,539.7
2. Indirect and Induced Effects	1,542	41,547.3	77,206.4
3. Total Effects	3,202	81,056.7	131,746.1
4. Multipliers (3/1)	1.929	2.052	2.416
III. COMPOSITION OF GROSS STATE PRODUCT			
1. Wages--Net of Taxes			79,600.0
2. Taxes			
a. Local/State			15,412.1
b. Federal			
General			9,027.4
Insurance Trusts			7,052.4
Federal Subtotal			16,079.8
c. Total taxes (2a+2b)			31,491.9
3. Profits, dividends, rents, and other			20,654.2
4. Total Gross State Product (1+2+3)			131,746.1
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE			
Employment (Jobs)			35.9
Income			909,727
Local/State Taxes			172,975
Gross State Product			1,478,631

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)—the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

CHAPTER FIVE

Economic Impacts from Florida Historical Museums

INTRODUCTION AND SUMMARY

The Florida Association of Museums reports the following information for 2001.

	Historical	All Museums
Number of Museums	183	356
Staffing	1,610	4,703
Total Operating Budgets	$67,835,646	$204,380,983
Visitors	9,778,248	22,890,006

This chapter summarizes the $68 million expenditure by Florida historical museums into total economic effects. We subtract from the $68 million outlay, estimated expenditures for museum capital improvements and visitor-supported revenues as there have already been counted in previous chapters (chapter three—rehabilitation and chapter four—heritage tourism). That leaves a net of an *estimated* $58 million dollars, which has the following effects.

EXHIBIT 5.1
Annual Total Economic Impacts
of the Florida Historic Museums Net Spending† ($58 Million)

	In Florida	Total (U.S.)
Jobs (person years)	1,989	3,588
Income	$54 million	$98 million
GDP/GSP	$86 million	$143 million
Total Taxes	$19 million	$31 million
Federal	$10 million	$17 million
State/Local	$9 million	$14 million
In-State Wealth (GSP Minus Federal Taxes)	$78 million	—

GDP/GSP=Gross domestic product/Gross state product

† Net of outlays for capital purposes and visitor-supported revenues

More detailed impacts are shown in exhibit 5.2 and 5.3. For example, of the $86 million of Florida gross state product generated by the historical museums, $29 million benefits the services sector and $23 million benefits the finance, insurance, and real-estate sector.

EXHIBIT 5.2
National Economic and Tax Impacts of
Annual Florida Historic Museum Operations ($58 Million)

	Economic Component		
	Employment (jobs)	**Income ($000)**	**Gross Domestic Product ($000)**
I. TOTAL EFFECTS (Direct and Indirect/Induced)*			
Private			
1. Agriculture	31	454.6	1,655.3
2. Agri. Serv., Forestry, & Fish	23	373.3	388.5
3. Mining	15	317.3	1,381.3
4. Construction	86	4,102.0	5,334.6
5. Manufacturing	329	10,750.8	16,655.3
6. Transport. & Public Utilities	133	5,166.3	11,075.0
7. Wholesale	91	3,737.3	6,547.7
8. Retail Trade	410	6,571.4	10,709.0
9. Finance, Ins., & Real Estate	317	11,500.9	30,131.2
10. Services	2,130	54,535.8	58,414.2
Private Subtotal	3,565	97,509.6	142,292.1
Public			
11. Government	23	746.5	732.0
Total Effects (Private and Public)	3,588	98,256.1	143,024.1
II. DISTRIBUTION OF EFFECTS/MULTIPLIER			
1. Direct Effects	1,712	43,446.3	44,554.1
2. Indirect and Induced Effects	1,876	54,809.8	98,470.0
3. Total Effects	3,588	98,256.1	143,024.1
4. Multipliers (3/1)	2.096	2.262	3.210
III. COMPOSITION OF GROSS STATE PRODUCT			
1. Wages—Net of Taxes			91,430.8
2. Taxes			
a. Local/State			14,305.8
b. Federal			
General			9,180.4
Insurance Trusts			7,444.3
Federal Subtotal			16,624.6
c. Total taxes (2a+2b)			30,930.4
3. Profits, dividends, rents, and other			20,662.8
4. Total Gross State Product (1+2+3)			143,024.1
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE			
Employment (Jobs)			61.4
Income			1,694,115
Local/State Taxes			246,652
Gross State Product			2,465,933

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)—the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

EXHIBIT 5.3
In-state Economic and Tax Impacts of
Annual Florida Historic Museum Operations ($58 Million)

	Economic Component		
	Employment (jobs)	**Income ($000)**	**Gross Domestic Product ($000)**
I. TOTAL EFFECTS (Direct and Indirect/Induced)*			
Private			
1. Agriculture	2	74.2	244.2
2. Agri. Serv., Forestry, & Fish	9	113.5	114.4
3. Mining	0	103.6	224.7
4. Construction	43	2,076.7	2,789.7
5. Manufacturing	220	7,278.3	10,794.5
6. Transport. & Public Utilities	87	3,360.2	6,630.2
7. Wholesale	63	2,511.0	4,764.9
8. Retail Trade	343	5,172.4	9,040.1
9. Finance, Ins., & Real Estate	227	7,661.4	22,984.8
10. Services	986	25,184.6	28,286.7
Private Subtotal	1,980	53,535.9	85,874.1
Public			
11. Government	9	321.2	317.1
Total Effects (Private and Public)	1,989	53,857.0	86,191.2
II. DISTRIBUTION OF EFFECTS/MULTIPLIER			
1. Direct Effects	817	20,838.5	21,943.3
2. Indirect and Induced Effects	1,172	33,018.5	64,247.9
3. Total Effects	1,989	53,857.0	86,191.2
4. Multipliers (3/1)	2.435	2.584	3.928
III. COMPOSITION OF GROSS STATE PRODUCT			
1. Wages—Net of Taxes			71,976.0
2. Taxes			
a. Local/State			8,991.9
b. Federal			
General			5,734.5
Insurance Trusts			4,668.9
Federal Subtotal			10,403.4
c. Total taxes (2a+2b)			19,395.4
3. Profits, dividends, rents, and other			-5,180.2
4. Total Gross State Product (1+2+3)			86,191.2
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE			
Employment (Jobs)			34.3
Income			928,593
Local/State Taxes			155,038
Gross State Product			1,486,093

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)—the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

CHAPTER SIX

Profile of, and Economic Impacts from, the Florida Historic Preservation Grants-in-Aid Program

INTRODUCTION AND SUMMARY

This chapter examines the economic impact of the Florida Historic Preservation Grants-in-Aid (FHPG) Program. From FY 1996 through FY 2001, the FHPG awarded a total of about $97 million. The FY 1996–2001 match to that investment was about $236 million. Therefore, from FY 1996 through 2001, the FHPG helped spur about $333 million in historic preservation outlay (for capital improvement purposes).

Economic Impacts of the FHPG

The FHPG has economic effects from both the historic rehabilitation (i.e., construction) it engenders and from the historic tourism it supports (i.e., renovating Florida's historic resources fosters visitation from history-oriented tourists). We examine only the construction-related benefits.

FHPG Historic Rehabilitation Economic Impacts (exhibit 6.2)

- The total national economic impacts from the $333[1] million cumulative FHPG historic rehabilitation investment included the following: 15,233 person-years of work; $465 million in income; $727 million in gross domestic product; and $154 million in taxes. From the cumulative FHPG historic rehabilitation, the state of Florida garnered 10,452 person-years of work; $317 million in income; $495 million in gross state product; $111 million in total taxes (including $50 million in Florida state and local taxes); and $434 million in in-state wealth.

EXHIBIT 6.1
Florida Historic Preservation Grants-in-Aid (FHPG) Activity FY1996–2001
(as of August 2001)

FY	FHPG Award	FHPG Match	FHPG Award and Match
1996	$14,040,860	$38,423,386	$52,464,246
1997	$14,566,352	$62,362,913	76,929,265
1998	$14,428,676	$42,409,184	56,837,860
1999	$16,478,356	$28,059,784	44,538,140
2000	$17,827,189	$34,183,199	52,010,388
2001	$19,635,082	$29,919,401	49,554,483
Total	$96,976,514	$236,357,867	$332,334,381

[1]Treated as $350 million in present value terms.

EXHIBIT 6.2
Total Economic Impacts of the Cumulative
FHPG-Supported Historic Rehabilitation (FY 1996–2001)

	In Florida	Total (U.S.)
Jobs (person-years of work)	10,452	15,233
Income ($million)	$317 million	$465 million
GDP/GSP ($million)	$495 million	$727 million
Total taxes	$111 million	$154 million
Federal ($million)	$61 million	$85 million
State/Local ($million)	$50 million	$69 million
In-State Wealth (GSP Minus Federal Taxes)	$434 million	—

Note: GDP/GSP = Gross Domestic Product/Gross State Product

- The economic benefits from the FHPG-supported historic rehabilitation are enjoyed throughout the national and Florida economies. For instance, of the $495 million in gross Florida state product, the construction, services and manufacturing sectors of the Florida economy gained $111 million, $86 million, and $85 million, respectively.

BACKGROUND TO THE FLORIDA HISTORIC PRESERVATION GRANTS-IN-AID PROGRAM

The Division of Historical Resources within the Florida Department of State administers various historic preservation assistance programs. We focus in this chapter on the following major aids which are largely used for capital improvement purposes.[2]

Historic Preservation Grants: This program awards $2 million annually in basic matching grant assistance for the restoration of historic structures, archaeological excavations, recording of the historic and archaeological sites and historic preservation education projects.

Special Category Grants: This program funds major historic building restoration, archaeological excavations, and museum exhibit projects on the human occupation of Florida. Funding is dependent on an annual appropriation of funds by the Florida Legislature. This amount has averaged around $10 million in recent years, and typical grants have ranged from $50,000 to $250,000.

ECONOMIC IMPACTS OF THE FHPG

Florida offers one of the nation's most successful programs to foster historic rehabilitation through the FHPG, As noted, from FY 1996 through FY 2001, historic rehabilitation projects amounting to about $333 million have been completed under the FHPG. The cumulative state cost for this effort has been about $97 million.

[2]We do not include all aid from the Division of Historical Resources, such as museum grants for basic operating expenses.

The $333 million[3] in historic rehabilitation activity fostered by the FHPG generates additional secondary economic activity and benefits. These economic impacts, which are added through indirect and induced consequences, are calculated by applying the Preservation Economic Impact Model to the $333 million in total direct historic rehabilitation activity.

The detail of this $333 million direct rehabilitation expenditure plus the multiplier effects is detailed in exhibits 6.3 (national) and exhibit 6.4 (in-state) and summarized in exhibit 6.2.

The in-state *benefits* are of particular interest here because the FHPG is a state-level investment. From this perspective, it is clear that Florida benefits significantly from the FHPG's rehab support. The $97 million in grants returns about $496 million in wealth to the state—a good rate of return for any public infrastructure investment. Much of this $496 million ($317 million, or 64 percent) is income. Further, it creates nearly 11,000 person years of work in the state and adds millions in gross state product.

The benefits from the FHPG's rehab support are felt throughout the economy. For instance, of the $317 million in Florida income, the construction; services; manufacturing; and finance, insurance, and real estate (FIRE) industries in Florida garnered $95 million, $61 million, $56 million, and $38 million respectively (exhibit 6.4).

[3]Treated as $350 million in present value terms.

EXHIBIT 6.3
National Economic and Tax Impacts of
Cumulative Florida Historic Preservation Grants-in-Aid ($350 Million)

	Economic Component		
	Employment (jobs)	**Income ($000)**	**Gross Domestic Product ($000)**
I. TOTAL EFFECTS (Direct and Indirect/Induced)*			
Private			
1. Agriculture	141	2,067.1	7,730.8
2. Agri. Serv., Forestry, & Fish	268	4,503.8	5,059.0
3. Mining	201	5,242.1	16,533.4
4. Construction	3,725	130,101.6	152,128.8
5. Manufacturing	2,691	89,751.6	139,255.2
6. Transport. & Public Utilities	739	27,672.8	58,867.1
7. Wholesale	628	26,123.1	45,444.8
8. Retail Trade	2,057	34,009.6	55,619.8
9. Finance, Ins., & Real Estate	1,675	59,884.6	128,553.3
10. Services	2,986	81,557.2	114,185.5
Private Subtotal	15,110	460,913.5	723,377.8
Public			
11. Government	123	4,024.6	3,953.8
Total Effects (Private and Public)	15,233	464,938.1	727,331.6
II. DISTRIBUTION OF EFFECTS/MULTIPLIER			
1. Direct Effects	5,139	177,890.4	229,054.5
2. Indirect and Induced Effects	10,094	287,047.7	498,277.1
3. Total Effects	15,233	464,938.1	727,331.6
4. Multipliers (3/1)	2.964	2.614	3.175
III. COMPOSITION OF GROSS STATE PRODUCT			
1. Wages—Net of Taxes			408,902.6
2. Taxes			
a. Local/State			69,405.1
b. Federal			
General			46,333.9
Insurance Trusts			38,407.6
Federal Subtotal			84,741.5
c. Total taxes (2a+2b)			154,146.6
3. Profits, dividends, rents, and other			164,282.4
4. Total Gross State Product (1+2+3)			727,331.6
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE			
Employment (Jobs)			43.5
Income			1,328,395
Local/State Taxes			198,130
Gross State Product			2,076,311

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)--the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

EXHIBIT 6.4
In-State Economic and Tax Impacts of
Annual Florida Historic Building Rehabilitation Grants ($350.3 Million)

	Economic Component		
	Employment (jobs)	Income ($000)	Gross Domestic Product ($000)
I. TOTAL EFFECTS (Direct and Indirect/Induced)*			
Private			
1. Agriculture	16	523.5	1,733.3
2. Agri. Serv., Forestry, & Fish	127	1,737.0	1,585.6
3. Mining	57	2,581.0	5,667.3
4. Construction	2,666	94,572.6	110,786.7
5. Manufacturing	1,654	55,735.7	83,600.2
6. Transport. & Public Utilities	477	17,353.5	34,476.9
7. Wholesale	423	17,099.2	32,643.6
8. Retail Trade	1,700	26,185.7	46,294.8
9. Finance, Ins., & Real Estate	1,168	38,362.1	91,815.5
10. Services	2,107	61,029.0	85,594.4
Private Subtotal	10,395	315,179.4	494,198.4
Public			
11. Government	47	1,627.1	1,607
Total Effects (Private and Public)	10,443	316,806.4	495,805.5
II. DISTRIBUTION OF EFFECTS/MULTIPLIER			
1. Direct Effects	4,434	155,217.6	200,947.5
2. Indirect and Induced Effects	6,008	161,588.8	294,858.0
3. Total Effects	10,443	316,806.4	495,805.5
4. Multipliers (3/1)	2.355	2.041	2.467
III. COMPOSITION OF GROSS STATE PRODUCT			
1. Wages—Net of Taxes			308,717.1
2. Taxes			
a. Local/State			49,945.0
b. Federal			
General			33,309.0
Insurance Trusts			27,583.4
Federal Subtotal			60,892.3
c. Total taxes (2a+2b)			110,837.3
3. Profits, dividends, rents, and other			76,251.1
4. Total Gross State Product (1+2+3)			495,805.5
EFFECTS PER MILLION DOLLARS OF INITIAL EXPENDITURE			
Employment (Jobs)			29.8
Income			904,327
Local/State Taxes			142,568
Gross State Product			1,415,281

Note: Detail may not sum to totals due to rounding.

*Terms:

Direct Effect (State)—the proportion of direct spending on goods and services produced.

Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects.

Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

CHAPTER SEVEN

Comparative Property Values Analysis
Use of GIS Mapping to Review Property Appraisal Data

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INTRODUCTION

This study employed Geographic Information Systems (GIS) technology and data to compare property appraisals from 1992, 1997 and 2001 for neighborhoods within the following Florida cities: 1) Gainesville (two historic districts); 2) Ocala (two districts); 3) Jacksonville (two districts); 4) Tampa (two districts); 5) St. Petersburg (four districts); 6) Lakeland (four districts); 7) West Palm Beach (two districts); and 8) Lake Worth (one district). For the most part, the study focused on neighborhoods in residential historic districts, the two exceptions being the mixed use districts in Ybor City in Tampa and Springfield in Jacksonville.

The purpose of this comparative study was to use GIS techniques to demonstrate the effects of historic preservation programs on local property values. For this reason, each selected historic district was compared with one or more neighborhoods in the same city selected as being demographically and economically comparable.

SUMMARY OF FINDINGS

Researchers traced assessed values for some 28,000 parcels of mainly *single family* residential property, looking at 1992, 1997 and 2001. These parcels represented eighteen historic districts and twenty-five comparison neighborhoods in eight large and medium-sized Florida cities. Analysis of these districts shows that average assessed values increased over the ten-year period from 1992-2001 in both the historic districts and the comparison neighborhoods.

For the period from 1992-97, assessed values increased at a higher rate in 16 historic districts, while 4 of the comparison neighborhoods showed a higher rate of increase than their historic districts. For the period from 1997-2001, 13 historic districts witnessed a greater percentage increase in assessed values, while 6 comparison neighborhoods outperformed their historic districts. Over the entire term from 1992-2001, 16 historic districts and 4 comparison neighborhoods witnessed greater total percentage increases in assessed values.

Exhibit 7.1
Summary of Findings

CITY/AREA	HIGHER INCREASE
GAINESVILLE:	
Northeast Historic District	**HD**
Golfview	
Pleasant Street Historic Dist.	**HD**
5th Avenue	
JACKSONVILLE:	
Riverside/Avondale Historic Dist.	**~**
Ortega & San Marcos	**HD**
OCALA:	
Ocala Historic District	**HD**
The Pines	
Tuscawilla Park Hist. Dist.	**HD**
East Tuscawilla	

CITY/AREA	HIGHER INCREASE
TAMPA:	
Hyde Park Historic District	**HD**
Davis Island	
Ybor City Historic District.	**HD**
West Tampa	
ST PETERSBURG:	
North Shore Historic District	**~ HD**
Lakewod, Northeast & Placido Bayou	
Historic Kenwood	**HD**
Meadowlawn	
Poser Park Historic District	**HD**
Bartlett Park	
Round Lake Historic District	**HD**
Euclid St. Paul	
LAKELAND:	
East Lake Morton Historic Dist.	**HD**
Biltmore	
Dixieland Historic District	**HD**
Camphor	
Beacon Hill Historic Dist.	**Tie**
Southwest	
South Lake Morton Historic Dist.	**HD**
Lake Hollingsworth	
WEST PALM BEACH:	
Northboro Park Historic Dist.	**HD**
Northwood Hills	
Flamingo Park Historic Dist.	**Tie**
Sunshine Park	
LAKE WORTH:	
Old Lucerne Historic Dist.	**HD**
North Lake Worth	
TOTALS:	
Historic Areas	18
Comparables	23
HIGHER INCREASE IN VALUE	
Historic District	14
Percent	77.8%
Other Area	2
Percent	11.1%
Tie	2
Percent	11.1%

This initial Florida survey of assessed values suggests that historic properties tend to maintain their value, and increase at a similar or slightly greater rate than comparable non-historic properties in most cases. Although this study will need to be supplemented by research that takes into account variables such as house or lot size, and improvements to property, as well as recent sales prices, it nevertheless provides a look at how the average residential property in an historic neighborhood performs compared with similar property in non-historic neighborhoods.

OTHER STUDIES EVALUATING HISTORIC PRESERVATION AND LOCAL COMMUNITIES

Many studies over the past quarter century have found that designated historic properties appreciate at a somewhat greater rate than non-designated properties.[1] Most studies employed a methodology similar to the one used here: they present a non-scientific comparison setting forth the evolution of house prices for historic districts and non-historic districts, based either on sales information or on appraisal data. As with this study, these studies have looked mainly to changes in average house prices for historic district properties and non-historic properties, and have drawn tentative conclusions that historic designation has a positive effect on house prices. However, a few studies have gone beyond this approach and have accounted for other variables such as property and house characteristics or location that may also affect the price of houses in a given neighborhood.[2] The models presented by this latter group of studies have an additional

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[1] *See, e.g.*, Donovan D. Rypkema, *Virginia's Economy and Historic Preservation: The Impact of Preservation on Jobs, Business, and Community Development* (Preservation Alliance of Virginia 1995), *reprinted in* 1 DOLLARS & SENSE OF HIST. PRESERVATION, occasional series (Nat'l Trust for Hist. Preservation, no date), at 1; ELIZABETH MORTON, HISTORIC DISTRICTS ARE GOOD FOR YOUR POCKETBOOK: THE IMPACT OF LOCAL HISTORIC DISTRICTS ON HOUSE PRICES IN SOUTH CAROLINA (S.C. Dept. of Archives & History, 2000); John A. Kilpatrick, *Impact of Historic District Designation on House Prices in Columbia, South Carolina* (S.C. Dept. of Archives & History, research monograph, 1995); Ann Bennett, *The Economic Benefits of Historic Designation, Knoxville, Tennessee* (Knoxville Knox County Metro. Comm'n 1996), *reprinted in* 15 DOLLARS & SENSE OF HIST. PRESERVATION, occasional series (Nat'l Trust for Hist. Preservation, 1998), at 1; Jo Ramsay Leimenstall, *Assessing the Impact of Local Historic Districts on Property Values in Greensboro, North Carolina*, 14 DOLLARS & SENSE OF HIST. PRESERVATION, occasional series (Nat'l Trust for Hist. Preservation 1998), at 1.

A few researchers have identified mixed or negative results in their property comparisons. *See, e.g.*, Paul K. Asabere *et al.*, *The Adverse Impacts of Local Historic Designation: The Case of Small Apartment Buildings in Philadelphia*, 8 J. REAL EST. FIN. & ECON. 225 (1994) (focusing on small multi-family housing); Peter V. Schaeffer & Cecily A. Millerick, *The Impact of Historic District Designation on Property Values: An Empirical Study*, 5 ECON. DEV. Q. 301 (1991) (Chicago study found that while National Register districts increased in value, local districts did not).

[2] *See, e.g.*, Deborah Ford, *The Effect of Historic District Designation on Single-Family Home Prices*, 17 J. AM. REAL EST. & URBAN ECON. ASS'N 353 (1989) (Baltimore, Maryland); Dennis E. Gale, *The Impacts of Historic District Designation*, 57 J. AM. PLANNING ASS'N 325 (1991) (examining 3 Washington, D.C., historic districts, and finding *less* post-designation *decline* in values in historic districts than in other D.C. neighborhoods); Paul K. Asabere & Forrest E. Huffman, *Historic Designation and Residential Market Values*, APPRAISAL J., July 1994, at 396; Patrick Haughey & Victoria Basolo, *The Effect of Dual Local and National Register Historic District Designations on Single-Family Housing Prices in New Orleans*, APPRAISAL J., July 2000, at 283; Robin M. Leichenko *et al.*, *Historic Preservation and Residential Property Values: An Analysis of Texas Cities*, 38 URBAN STUDIES 1973 (2001) (providing a useful discussion of prior studies, and comparing property values for historic districts in nine Texas cities).

element of statistical reliability.

Researchers identified only one similar comparative study evaluating Florida historic properties. A 1997 report prepared for the Preservation Foundation of Palm Beach, suggested that the designation of properties within the Town of Palm Beach added some 10-20% to property values.[3] The evaluation was made based on residential property sales comparisons from 1990 through 1997.

Historic preservation has long been a valuable tool for promoting urban redevelopment. Other studies have noted the positive impacts of historic preservation efforts on local communities in encouraging the revitalization of older neighborhoods, while also noting the risks that the resulting gentrification, by removing affordable housing, can displace older residents.[4]

METHODOLOGY

The cities used for this property values analysis were largely self-selecting. For the most part they represented Florida cities with significant historic preservation programs which responded substantively to survey requests by project staff in fall 2001. Because of the GIS nature of the project methodology, it was a requirement that cities be located in counties for which Geoplan had GIS data, or that the cities make available this data themselves.[5] Project staff used GIS because it allows map data to link to specific parcel data and thus makes possible a large-scale search of neighborhoods within the property appraisal databases which have been made publicly available by the Florida Department of Revenue.[6]

Following a series of site-visits and interviews, project staff worked with local officials and staff to identify at least one neighborhood in the same community that was substantially comparable in terms of geography, demographics and economics. Each of the identified districts was scrutinized using Census block data to ensure that they were relatively comparable during the course of the period investigated.

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[3] DIANE JENKINS, A SUMMARY REPORT CONCERNING THE IMPACT OF LANDMARKING ON RESIDENTIAL PROPERTY VALUES, PALM BEACH, FLORIDA (1997).

[4] *See* David Listokin *et al*., *The Contributions of Historic Preservation to Housing and Economic Development*, 9 HOUSING POL'Y DEBATE 431 (1998) (noting that rehabilitation is often a catalyst that helps improve neighborhoods, and discussing the effects of the federal rehabilitation tax credit in helping to encourage local rehabilitation); Christopher T. Wojno, *Historic Preservation and Economic Development*, 5 J. PLANNING LITERATURE 296 (1991).

[5] The Geoplan Center is a GIS research and teaching laboratory in the Department of Urban ad Regional Planning at the University of Florida College of Design, Construction and Planning.

[6] Geoplan also makes this information accessible as part of its Florida Geographic Data Library. It is available online at: http://www.fgdl.org/ (last visited Sept. 2002).

Project collaborators at Geoplan first assembled GIS shapefile[7] data for specific districts or neighborhoods with the cities selected for property values analysis. They then used the local parcel shapefiles to query a subset of records within county property appraisal records for the years 1992, 1997 and 2001. This involved considerable effort because parcel numbering formats vary from county to county. Some counties use extra prefix numbers while others use embedded spaces or dashes for delineation. Furthermore, these formats change over time. It was thus necessary to ensure that parcel numbers for each of the three databases were provided in the same format.

The combination of the three appraisal cycles over a decade provided some showing of the development of property values during a period of time. Once subsets of county appraisal data were created, these were combined into a single database providing assessed values for all three appraisal periods for each parcel within the district or neighborhood. To refine and correct the comparison, the parcels were then sorted first, by their respective "Department of Revenue Codes" (land use) and secondly, by "Use Descriptions."[8] It was then possible to provide average values for parcels identified as "Residential" in nature. Subsequent analysis also evaluated single family residential parcels, distinct from all residential parcels.

Having identified residential parcels, project staff then computed the changes in average assessed value from 1992 to 1997, from 1997 to 2001 and from 1992 to 2001. Measured against the average value for the property, the average change yielded a percentage change in value for the district. Three separate searches were done. The first search tracked changes in assessed values for all property within the district, including institutional or commercial property. The second search tracked changes for all residential property, and the third measured changes in single family residential property. One comparison of solely commercial property in Ybor City and West Tampa was included, as well as one intra-district survey of the four quadrants of Springfield Historic District in Jacksonville.

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[7] "Shapefile" is a technical name for the GIS format for storing specific location, shape and attribute information for geographic features. Each parcel of property in an appraiser's database represented one shapefile, and was linked to the relevant information identifying the parcel, its location, ownership, appraised values etc. The information allowed both mapping and data search for each parcel.

[8] The Florida Department of Revenue (DOR) Codes are number codes which provide an official land use classification for property tax purposes. This study focused on the following DOR Codes and Use Descriptions: Code 1 (Single Family Residential), Code 8 (Multi-Family Less Than 10 Units), Code 03 (Multi-Family 10 Units or More), and Codes 11-39 (Improved Commercial). These DOR Codes and Use Descriptions are employed by each county property appraiser throughout Florida under Rule 12D-8.008(2)(c), Florida Administrative Code.

Cities Reviewed	Historic Districts	Inventory of Comparison Neighborhoods
Gainesville:	Northeast Hist. Dist. (Nat'l Register & local)	Golfview neighborhood
	Pleasant Street Hist. Dist. (N.R. & local)	N.W. 5th Ave. neighborhood
Ocala:	Ocala Hist. Dist. (N.R. & local)	Woodfields neighborhood The Pines neighborhood
	Tuscawilla Hist. Dist. (N.R. & local)	East Tuscawilla neighborhood just east of Tuscawilla Hist. Dist.
Jacksonville:	Riverside/Avondale Hist. Dist. (N.R. & local)	Ortega neighborhood San Marco neighborhood
	Springfield Hist. Dist. (4 quadrants) (N.R. & local)	
Tampa:	Hyde Park Hist. Dist. (N.R. & local)	Davis Island
	Ybor City local hist. dist. (N.R. & local)	Eastern Ybor City (part of Nat'l Register district, not local district)
	Ybor City commercial (N.R. & local)	West Tampa commercial
St. Petersburg:	North Shore Hist. Dist. (local)	Lakewood Estates subdivision Old North East Park neighborhood Placido Bayou neighborhood
	Historic Kenwood District (local)	Meadowlawn neighborhood
	Roser Park Hist. Dist. (local)	Bartlett Park neighborhood
	Round Lake Hist. Dist. (local)	Euclid St. Paul neighborhood

Cities Reviewed	Historic Districts	Inventory of Comparison Neighborhoods
Lakeland:	East Lake Morton Hist. Dist. (N.R. & local)	Biltmore neighborhood
	Dixieland Hist. Dist. (local)	Camphor neighborhood
	Beacon Hill Hist. Dist. (N.R. & local)	Southwest neighborhood
	South Lake Morton Hist. Dist. (N.R. & local)	Cumberland neighborhood Lake Hollingsworth neighborhood
West Palm Beach:	Northboro Park Hist. Dist. (local)	Northwood Hills neighborhood
	Flamingo Park Hist. Dist. (local)	Sunshine Park neighborhood
Lake Worth:	Old Lucerne Hist. Dist. (local)	Neighborhood immediately north

RESULTS

GAINESVILLE COMPARISONS

1. Northeast Historic District and Golfview Neighborhood.

Two Gainesville historic districts were examined. The first, the Northeast Historic District, is one of Gainesville's oldest and best-preserved residential neighborhoods. Consisting of some 160 acres, this district has homes in a variety of styles dating from around 1875 through 1920. The Northeast Historic District has been on the National Register since 1980 and also enjoys local protection. It has benefited from much rehabilitation activity during the past decade.[9]

Single family residential property was compared with similar property in the Golfview Estates subdivision, a single-family residential neighborhood located in southwest Gainesville, near the University of Florida campus. Its development dates from about 1950 through 1980.

TABLE 7-1
Percentage Change in Assessed Values
Northeast Historic District and Golfview, 1992-2001

Single Fam. Resid.	%Change 92-97	%Change 97-01	%Change 92-01
Northeast Hist. Dist.	35.74	23.42	67.53
Golfview	20.20	26.89	52.51

The results for this comparison (Table 7-1) show that the single family residential property in the Northeast Historic District increased significantly faster during the period 1992-97 than in the comparison neighborhood. For the second half of the time period, the comparison neighborhood increased at a somewhat higher rate than in the historic district. Nevertheless, the historic district witnessed significantly higher increases over the entire ten-year period.

2. Pleasant Street Historic District and 5th Avenue Neighborhood.

The Pleasant Street Historic District was the second Gainesville historic district examined. Pleasant Street is Gainesville's oldest African-American residential neighborhood, with some 255 structures dating from 1875 through the 1930's. Pleasant Street has been listed on the National Register since 1989, and also enjoys local protection. This neighborhood struggled in the years following World War II with incompatible land uses and degradation of its housing stock, but has benefited from new investment since its designation.

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[9] For information about Gainesville's historic districts, see BEN PICKARD, HISTORIC ALACHUA COUNTY AND OLD GAINESVILLE: A TOUR GUIDE TO THE PAST 10-61 (2001); MORTON D. WINSBERG, FLORIDA'S HISTORY THROUGH ITS PLACES 2-4 (1995), *available online at*. http://www.freac.fsu.edu/HistoricPlaces/Atlas.html (last visited Sept. 2002).

As a comparison neighborhood to the Pleasant Street Historic District, the adjoining Fifth Avenue neighborhood was selected. The Fifth Avenue neighborhood is a mixed use neighborhood sharing many of the economic and demographic characteristics of Pleasant Street Historic District.

TABLE 7-2
Percentage Change in Assessed Values
Pleasant Street Historic District and 5th Avenue neighborhood

Single Fam. Resid.	% Change 92-97	% Change 97-01	% Change 92-01
Pleasant Street H.D.	21.44	22.01	48.17
5th Avenue	15.07	22.57	41.04

The results of this comparison, as seen in Table 7-2, show that the Pleasant Street Historic District and 5th Avenue neighborhood enjoyed similar increases in assessed values, with the historic district performing better in the period from 1992-97. The comparison neighborhood, in turn, slightly outperformed the historic district in the period following 1997.

JACKSONVILLE COMPARISONS

1. Riverside/Avondale Historic District with Ortega and San Marco Neighborhoods.

Jacksonville's Riverside/Avondale Historic District is a fashionable residential neighborhood situated along the St. Johns River near downtown Jacksonville. The National Register and local district contains around 3,000 homes dating from the 1870's through the 1930's.[10]

The Ortega and San Marco neighborhoods, which were used in this comparison, were both developed beginning in the 1920's and have since remained fashionable waterfront neighborhoods. The comparison (see Table 7-3, below) shows that assessed values increased in all three neighborhoods, with Riverside/Avondale in the mid-range over the ten-year period.

[10] For further information about Jacksonville's historic districts and neighborhoods, including Riverside/Avondale, Ortega, San Marco and Springfield, see WAYNE W. WOOD, JACKSONVILLE'S ARCHITECTURAL HERITAGE: LANDMARKS FOR THE FUTURE (1989); *cf.* WINSBERG, *supra* note 8, at 35, 40 (discussing the Avondale and Riverside National Register Districts).

TABLE 7-3
Percentage Change in Assessed Values
Riverside/Avondale H.D., Ortega and San Marco

Single Family Resid.	% Change 92-97	% Change 97-01	% Change 92-01
Riverside/Avondale HD	13.77	32.27	50.49
Ortega	14.12	22.77	40.11
San Marco	22.09	37.60	67.99

2. Springfield Historic District: Intra-District Comparison.

The Springfield Historic District, a nationally and locally designated historic district, has been the focus of sustained local investment by the city of Jacksonville since 1998. The goal of the city's initiative has been to promote restoration of this formerly genteel neighborhood. The city's redevelopment efforts have concentrated on improving infrastructure and providing incentives and assistance for home ownership. The city has concentrated its efforts by beginning in 1998 with the Southwest Quadrant (the area west of Main Street and south of 8th Street), and shifting to the Southeast Quadrant in 2000. These efforts have resulted in significant improvement in both targeted areas (see Table 7-4, below), and the benefits of improvement are also being felt in the northern parts of the district.

TABLE 7-4
Percentage Change in Assessed Values
Springfield Historic Districts

Springfield Hist. Dist. Single Family Resid.	% Change 92-97	% Change 97-01	% Change 92-01
Southwest Quadrant	3.26	35.83	40.25
Southeast Quadrant	-4.47	25.40	19.79
Northwest Quadrant	8.07	29.33	39.77
Northeast Quadrant	-1.70	24.77	22.65

OCALA COMPARISONS

1. Ocala Historic District and Woodfields & The Pines neighborhoods.

The Ocala Historic District, situated along Fort King Street, is one of Ocala's most fashionable neighborhoods, with houses dating from around 1880 through 1930.[11] On the National Register since 1984, the Ocala Historic District also benefits from local protection.

Both Woodfields and The Pines subdivisions are post-war residential neighborhoods lying immediately south and west of the Ocala Historic District.

TABLE 7-5
Percentage Change in Assessed Values
Ocala Historic District and Woodfields and The Pines neighborhoods

Single Fam. Resid.	% Change 92-97	% Change 97-01	% Change 92-01
Ocala Hist. Dist.	22.09	37.60	67.99
Woodfields	2.38	16.35	19.12
The Pines	9.62	20.42	32.00

2. Tuscawilla Park Historic District and East Tuscawilla Neighborhood.

Tuscawilla Park Historic District is a small residential neighborhood, containing houses from the 1870's through the 1930's. It is listed on the National Register and is also a local historic district. A comparison was made with East Tuscawilla, a small residential area lying immediately to the east of the historic district.

TABLE 7-6
Percentage Change in Assessed Values
Tuscawilla Park Historic District and East Tuscawilla neighborhood

Single Fam. Resid.	% Change 92-97	% Change 97-01	% Change 92-01
Tuscawilla Park H.D.	18.76	20.31	42.89
East Tuscawilla	-2.26	26.70	23.84

[11] *See* WINSBERG, *supra* note 8, at 79 (discussing both the Ocala and Tuscawilla Park Historic Districts).

TAMPA COMPARISONS

1. Hyde Park Historic District and Davis Island.

The Hyde Park Historic District is Tampa's oldest and best-preserved residential neighborhood. On the National Register since 1985, this district contains some 1700 structures dating mainly from the 1880's through the 1930's.[12] The Hyde Park Historic District was compared with the residential neighborhood on Davis Island, which faces it across Tampa Bay. These two neighborhoods are similarly situated geographically and economically, making this an especially interesting comparison, as can be seen from Table 7-7, below.

TABLE 7-7
Percentage Change in Assessed Values
Hyde Park Historic District and Davis Island

Single Fam. Resid.	% Change 92-97	% Change 97-01	% Change 92-01
Hyde Park Hist. Dist.	24.33	40.40	74.56
Davis Island	19.32	33.99	59.88

2. Ybor City Historic District and West Tampa Commercial.

Ybor City Historic District is a manufacturing, residential and commercial area famous for its cigar factories. Settled by immigrants, it has buildings dating from the 1880's through the early twentieth century.[13] Today this National Register district is a vibrant mixed use commercial and entertainment district. This comparison focused on commercial property within the district, and compared the changes in assessed values with those for commercial property in West Tampa. The comparison demonstrates the success of Ybor City's redevelopment and renaissance, as can be seen from Table 7-8, below.

TABLE 7-8
Percentage Change in Assessed Value
Ybor City and West Tampa Commercial Property

Improved Commercial	% Change 92-97	% Change 97-01	% Change 92-01
Ybor City Hist. Dist.	50.92	66.81	151.74
West Tampa	-3.07	28.85	24.89

[12] *See id*. at 57 (discussing the Hyde Park Historic District).

[13] *See id*. at 60 (discussing Ybor City).

ST. PETERSBURG COMPARISONS

1. North Shore Historic District and Lakewood Estates, Northeast Park and Placido Bayou neighborhoods.

North Shore Historic District, a locally designated historic district, is one of St. Petersburg's oldest traditional residential neighborhoods. Developed from 1911 onward, it features a wide mix of home styles, including a variety of home sizes and small multi-family residences.[14] This neighborhood was compared with three others: Lakewood Estates, a subdivision in south St. Petersburg mainly developed from 1950 through the 1980's; Northeast Park, a mainly single-family neighborhood developed in the 1950's and 1960's; and Placido Bayou, another single-family subdivision developed mainly from 1950-1990.

As Table 7-9 shows, the North Shore Historic District demonstrated greater increases in assessed values for residential property than did both Lakewood Estates and Northeast Park over the ten-year period. Although the historic district outperformed Placido Bayou for the final period from 1997-2001, assessed values increased significantly higher in Placido Bayou for the earlier period from 1992-97.

TABLE 7-9
Percentage Change in Assessed Values
North Shore H.D. and Lakewood Estates, Northeast Park & Placido Bayou

Single Family Resid.	% Change 92-97	% Change 97-01	% Change 92-01
North Shore H.D.	17.42	28.81	51.24
Lakewood Estates	10.95	14.72	27.28
Northeast Park	11.63	19.43	33.32
Placido Bayou	54.81	17.43	81.80

2. Historic Kenwood and Meadowlawn neighborhood.

Historic Kenwood is a locally designated historic district in central St. Petersburg with small homes and apartments dating mainly from 1920 through around 1940. This district was compared with the Meadowlawn neighborhood, a suburban development in north St. Petersburg. Single family residential assessed values increased at a markedly higher rate in the historic district over the period from 1992-2001 than in the comparison neighborhood (see Table 7-10, below).

[14] For more information on St. Petersburg neighborhoods, including both its historic districts and non-historic neighborhoods, see, *e.g.*, the summary of the Neighborhood Partnership and tour of St. Petersburg neighborhoods, available at: http://www.stpete.org/npart.htm (last visited Sept. 2002).

TABLE 7-10
Percentage Change in Assessed Values
Historic Kenwood and Meadowlawn neighborhood

Single Family Resid.	% Change 92-97	% Change 97-01	% Change 92-01
Historic Kenwood	14.17	26.82	44.80
Meadowlawn	4.71	15.77	21.22

3. Roser Park Historic District and Bartlett Park Neighborhood.

Roser Park was developed after 1910, and first designated a local historic district in 1987. Since adoption of a neighborhood plan in 1993, this small district has seen substantial rehabilitation financed both by private and public investment. Bartlett Park is a traditional neighborhood, with a mix of housing dating from both before and after the World War II. Bartlett Park has also benefited from substantial public and private investment since adoption of a neighborhood plan in 1993. As can be seen from Table 7-11, below, both neighborhoods have seen dramatic increases in property values over the past decade reflecting the resurrection of both these neighborhoods from decay.

TABLE 7-11
Percentage Change in Assessed Values
Roser Park Historic District and Bartlett Park

Single Family Resid.	% Change 92-97	% Change 97-01	% Change 92-01
Roser Park H.D.	91.56	49.45	186.29
Bartlett Park	54.59	45.92	125.59

4. Round Lake Historic District and Euclid St. Paul Neighborhood.

Round Lake Historic District, another locally designated historic district in central St. Petersburg, is an older neighborhood located to the west of the North Shore Historic District. Developed from about 1910 through 1940, this neighborhood features both single family residences and small multi-family housing. Round Lake was compared with the nearby Euclid St. Paul, a traditional neighborhood developed mainly from 1930 through 1960. Assessed values in the comparison neighborhood rose significantly higher during the period from 1992-97. However, Round Lake assessed values increased by a greater rate in the subsequent period from 1997-2001 (see Table 7-12, below).

TABLE 7-12
Percentage Change in Assessed Values
Round Lake Historic District and Euclid St. Paul

Single Family Resid.	% Change 92-97	% Change 97-01	% Change 92-01
Round Lake H.D.	11.43	36.54	52.15
Euclid St. Paul	17.29	24.87	46.47

LAKELAND COMPARISONS

1. East Lake Morton Historic District and Biltmore Neighborhood.

The East Lake Morton Historic District, on the National Register since 1993, is one of Lakeland's earlier middle-class neighborhoods, with most houses dating from 1900 through 1940.[15] This district was compared with the Biltmore neighborhood, a traditional neighborhood, developed subsequently, and lying immediately to the east of the historic district. The comparison showed both neighborhoods increasing at a similar rate, with a slightly higher rate for East Lake Morton Historic District (see Table 7-13, below).

TABLE 7-13
Percentage Change in Assessed Values
East Lake Morton Historic District and Biltmore

Single Family Resid.	% Change 92-97	% Change 97-01	% Change 92-01
East Lake Morton H.D.	14.07	16.71	33.14
Biltmore	14.03	13.56	29.49

2. Dixieland Historic District and Camphor Neighborhood.

The Dixieland Historic District is a locally designated historic district. This modest mixed-use neighborhood features a variety of larger and smaller houses mainly in bungalow style, developed since the 1920's.[16] The historic district was compared with the Camphor neighborhood, situated to its south. An analysis of assessed values for both neighborhoods shows a moderately higher rate of increase for the historic district (see Table 7-14, below).

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[15] *See* WINSBERG, *supra* note 8, at 103-04 (discussing Lakeland historic districts on the National Register, including East Lake Morton, Beacon Hill and South Lake Morton).

[16] Information about the Dixieland Historic District, and other Lakeland historic districts, is available from the city community development department, at http://communitydevelopment.lakelandgov.net/Dist.Sum.html (last visited Sept. 2002).

TABLE 7-14
Percentage Change in Assessed Values
Dixieland Historic District and Camphor

Single Family Resid.	% Change 92-97	% Change 97-01	% Change 92-01
Dixieland Hist. Dist.	9.94	13.57	24.86
Camphor	6.51	9.28	16.40

3. Beacon Hill Historic District and Southwest Neighborhood.

Beacon Hill Historic District, another National Register district, is a small neighborhood of single family homes dating from 1920 through around 1940. This district was compared with the larger Southwest neighborhood, developed in large part from the 1950's through the 1970's. The comparison for these two neighborhoods shows modest increases in assessed values, with the historic district increasing at a higher rate from 1992-97, while the comparison neighborhood showing similar increases following 1997 (see Table 7-15, below).

TABLE 7-15
Percentage Change in Assessed Values
Beacon Hill Historic District and Southwest neighborhood

Single Family Resid.	% Change 92-97	% Change 97-01	% Change 92-01
Beacon Hill Hist. Dist.	11.12	9.28	21.43
Southwest	10.19	11.23	22.57

4. South Lake Morton Historic District and Cumberland & Lake Hollingsworth Neighborhoods.

South Lake Morton Historic District, a National Register district, is a residential middle class neighborhood dating from 1900 through about 1940. South Lake Morton adjoins the campus of Florida Southern College, which is itself an historic district because of its distinctive Frank Lloyd Wright architecture. The Cumberland neighborhood, to the east of South Lake Morton, is an older single family residential neighborhood, with homes dating from 1920 through the early 1950's. Lake Hollingsworth neighborhood, to the south, sits along the lake of the same name, and also contains mainly single family houses dating from the 1930's through the 1960's. A comparison of assessed values showed that homes in the historic district increased at a greater rate throughout the ten-year period from 1992-2001 (see Table 7-16, below).

TABLE 7-16
Percentage Change in Assessed Values
South Lake Morton Historic District and
Cumberland & Lake Hollingsworth neighborhoods

Single Family Resid.	% Change 92-97	% Change 97-01	% Change 92-01
South Lake Morton H.D.	19.14	16.93	39.31
Cumberland	12.85	13.43	28.01
Lake Hollingsworth	15.25	11.53	28.55

WEST PALM BEACH COMPARISONS

1. Northboro Park Historic District and Northwood Hills Neighborhood.

The Northboro Park Historic District is a residential neighborhood in the north of West Palm Beach. This local historic district lies to the immediate north of the Old Northwood National Register District, and is an upper middle class development dating from 1920 through 1940.[17] The comparison neighborhood, Northwood Hills, is a middle class residential neighborhood with single family homes dating from the 1930's through the 1950's.

A comparison of assessed values in these neighborhoods shows that property values in the historic district increased at a substantially higher rate during the entire ten-year period from 1992-2001 (see Table 7-17, below).

TABLE 7-17
Percentage Change in Assessed Values
Northboro Park Historic District & Northwood Hills

Single Family Resid.	% Change 92-97	% Change 97-01	Change 92-01
Northboro Park Hist. Dist.	33.73	47.41	97.13
Northwood Hills	11.80	25.31	40.10

[17] Information about West Palm Beach historic districts and their development is available from the West Palm Beach Neighborhood Planning Department, at http://www.cityofwpb.com/neighborhoods/historic.htm (last visited Sept. 2002).

2. Flamingo Park Historic District and Sunshine Park Neighborhood.

Flamingo Park Historic District, a local district since 1994, was listed on the National Register in 2000. This historic residential neighborhood features a variety of mainly single family residences dating from 1920 through 1940.[18] Sunshine Park, a smaller adjacent neighborhood was developed during the same period and shares many of the characteristics of Flamingo Park. Both districts witnessed impressive increases in assessed values over the ten-year period, reflecting their proximity to new mixed use development downtown which made them attractive and convenient. Though the designated district showed higher increases for the period from 1992-97, the comparison neighborhood increased by an even greater margin during the period from 1997-2001 (see Table 7-18, below).

TABLE 7-18
Percentage Change in Assessed Values
Flamingo Park Historic District & Northwood Hills

Single Family Resid.	% Change 92-97	% Change 97-01	% Change 92-01
Flamingo Park Hist. Dist.	27.78	50.93	92.86
Sunshine Park	16.58	69.09	97.12

LAKE WORTH COMPARISON

1. Old Lucerne Historic District and adjacent North Lake Worth Neighborhood.

The Old Lucerne Historic District is a locally designated residential neighborhood along the Intracoastal Waterway. It was compared with the adjacent North Lake Worth neighborhood, which lies immediately north of the historic district. The comparison (see Table 7-19, below) shows that both neighborhoods increased at similar rates over the ten-year period, with a slightly higher rate of increase for the historic district.

TABLE 7-19
Percentage Change in Assessed Values
Old Lucerne Historic District and North Lake Worth

Single Family Resid.	% Change 92-97	% Change 97-01	% Change 92-01
Old Lucerne Hist. Dist.	20.78	28.35	55.03
North Lake Worth	18.79	23.82	47.09

[18] *See id.*

INITIAL EVALUATION

This initial comparative study reviews the effects of historic preservation on specific neighborhoods in the selected cities, which form a fair sample of large and medium-sized communities in the Florida peninsula. This review of assessed values was broad, examining more than 28,000 parcels of residential property. To this extent, the findings of this study do reflect the relative success of historic preservation in the selected communities.

One important conclusion is clear: in no case reviewed here do historic preservation programs so "burden" property as to decrease property values. Indeed, in the vast majority of cases, designated residential properties performed as well as or better than comparable undesignated properties. This was especially the case for single family residential property, but also true for small-scale multi-family residential property (see tables in Appendix B). This study shows that local neighborhood historic preservation efforts may justly be considered as "value-added." Such a conclusion is especially significant given the legal implications of government land use regulations, which are often alleged to "burden" the use of real property or impose some "inordinate economic burden" on the landowner. [19] If local governments are able to demonstrate that any incidental "burdens" associated with the protection of historic resources are accompanied by an accompanying "benefit" in the form of increased property values, this may form a valuable insulation both against Fifth Amendment Takings challenges and against challenges brought under Florida's Private Property Rights Protection Act.[20]

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[19] Florida's Private Property Protection Act, Section 70.001, Florida Statutes, was enacted in 1995, and creates a new cause of action whenever government action "has inordinately burdened an existing use of real property." Under the Act, the landowner may be entitled to relief, including loss to the fair market value of the property resulting from the government action. *Id.* The government actions encompassed by the Act would include land use decisions such as rezonings, comprehensive plan amendments, designation of landmarks or historic districts and enforcement of these regulations. *Id.* § 70.001(3)(d).

As used in the Private Property Protection Act, the term "inordinate burden" draws from constitutional takings jurisprudence and is defined to mean that the landowner is permanently unable "to attain the reasonable, investment-backed expectations" for the existing land use, or that the only permitted land uses are unreasonable and are such "that the property owner bears permanently a disproportionate share of a burden imposed for the good of the public." *Id.* § 70.001(3)(e).

This study suggests that there are demonstrable benefits attached to historic designation and protection, at least as applied to a district as a whole. In the general course of events, historic designation and protection do not depress property values, and are far more likely to increase them more than comparable non-designated properties.

[20] For more recent analysis of the Private Property Protection Act, see Julian Conrad Juergensmeyer, *Florida's Private Property Rights Act: Does It Inordinately Burden the Public Interest?*, 48 FLA. L. REV. 695 (1996); Roy Hunt, *Property Rights and Wrongs: Historic Preservation and Florida's 1995 Private Property Rights Protection Act*, 48 FLA. L. REV. 709 (1996) (arguing that the benefits provided to property owners by historic preservation outweigh any incidental burdens imposed).

As for Fifth Amendment Takings, the classic test identified by the U.S. Supreme Court in *Penn Central Transportation Co. v. New York City*, 438 U.S. 104, 124-25 (1978), applied a three-factor balancing test to determine if government regulation amounted to a taking of property: 1) the economic impact of the law on the petitioner; 2) the extent to which the law interferes with reasonable investment-backed expectations; and 3) the character of the regulation. *Cf. Graham v. Estuary Properties, Inc.*, 399 So. 2d 1374, 1380 (Fla.), *cert. denied*, 454 U.S. 1083 (1981) (providing a similar analysis test to show whether a taking had occurred).

Florida courts have never found that historic designation in itself constitutes a taking of property under the Fifth Amendment. *See Metropolitan Dade County v. P.J. Birds, Inc.*, 654 So. 2d 170 (Fla. 3d DCA 1995); *Estate of Tippett v. City of Miami*, 645 So. 2d 533 (Fla. 3d DCA 1994).

In addition, a demonstration that historic preservation does not harm, but actually benefits property values, may help build legitimacy and acceptance among property owners within a district. These demonstrable benefits will contribute to the success of historic preservation in Florida.

SUGGESTIONS FOR FURTHER STUDY

This small initial study should be followed by others employing a similar methodology in a more comprehensive fashion. Ideally, a city could evaluate the performance of all neighborhoods within its boundaries. Property in the historic districts could be evaluated against values in the city as a whole, as well as against comparable neighborhoods.

This study also revealed limits to the data contained in the appraisal databases made publicly available through the Department of Revenue. Attempts to supplement this study by including a comparative analysis that factored in additional variables such as house and lot size and other improvements for two selected communities (Gainesville and Tampa) were frustrated by the incompleteness of the data in the freely accessible Department of Revenue databases. In a future study, researchers would probably need to acquire this data directly from the property appraisers to conduct such an empirical analysis that could reveal the actual "value added" by historic designation.

The property appraisal database also tracks past sales of individual parcels, and provides the sales prices. Average past sales values within a district during the time period of the study could also be evaluated and compared with those of a target comparison neighborhood. Introduction of sales prices could lead to more a more accurate idea of the real value of property within a district.

Several hindrances exist to performing this study on a statewide level. First, GIS data are incomplete for several counties, missing for others, and in incompatible formats for still other counties. Some counties do not release their GIS data, but offer it for sale for prices which may make such a study impractical unless the GIS shapefile data can be secured by the local government. Finally, this method of study relying on property appraisal records may not be possible throughout the State for the period prior to about fifteen years ago. This lack of connection with earlier appraisals is the result of changes both to the methods of appraisal and the ways that parcels are recorded. These changes both make it more difficult to get parcel data more than fifteen years old, and also sometimes make the older records less compatible with later data. However, property appraisers statewide are increasingly making their information accessible and searchable, and future studies will benefit from this improvement, especially with regard to recent and future appraisals.

Nevertheless, the ability to use mapping techniques to link parcels with their appraised values offers a great opportunity to preservationists. GIS technology is employed by planners in many other areas, including land use, transportation, environmental planning, as well as sciences. Indeed, it is already an indispensable tool to these fields. Even within the field of historic preservation, most of the district maps are now drawn using GIS technology. As this study

shows, however, GIS technology allows one to do more than draw maps. It also allows for sophisticated parcel-related searches. This ability to link the GIS shapefiles with other information recorded by parcel - as was done with the property appraisal databases in this study - makes it possible to refine searches and manipulate databases to ensure that similarly situated property is considered. The mapping technology then makes possible a more easily comprehensible presentation of the survey results.

APPENDIX A

Input-Output Analysis: Technical Description and Application

The Preservation Economic Impact Model (PEIM) is based on the R/Econ I-O Model. This appendix discusses the history and application of input-output analysis and details the input-output model, called the R/Econ I–O model, developed by Rutgers University. This model offers significant advantages in detailing the total economic effects of an activity (such as historic rehabilitation and heritage tourism), including multiplier effects.

ESTIMATING MULTIPLIERS

The fundamental issue determining the size of the multiplier effect is the "openness" of regional economies. Regions that are more "open" are those that import their required inputs from other regions. Imports can be thought of as substitutes for local production. Thus, the more a region depends on imported goods and services instead of its own production, the more economic activity leaks away from the local economy. Businessmen noted this phenomenon and formed local chambers of commerce with the explicit goal of stopping such leakage by instituting a "buy local" policy among their membership. In addition, during the 1970s, as an import invasion was under way, businessmen and union leaders announced a "buy American" policy in the hope of regaining ground lost to international economic competition. Therefore, one of the main goals of regional economic multiplier research has been to discover better ways to estimate the leakage of purchases out of a region or, relatedly, to determine the region's level of self-sufficiency.

The earliest attempts to systematize the procedure for estimating multiplier effects used the economic base model, still in use in many econometric models today. This approach assumes that all economic activities in a region can be divided into two categories: "basic" activities that produce exclusively for export, and region-serving or "local" activities that produce strictly for internal regional consumption. Since this approach is simpler but similar to the approach used by regional input-output analysis, let us explain briefly how multiplier effects are estimated using the economic base approach. If we let **x** be export employment, **l** be local employment, and **t** be total employment, then

$$\mathbf{t} = \mathbf{x} + \mathbf{l}$$

For simplification, we create the ratio **a** as

$$\mathbf{a} = \mathbf{l}/\mathbf{t}$$

so that $\mathbf{l} = \mathbf{at}$

then substituting into the first equation, we obtain

$$\mathbf{t} = \mathbf{x} + \mathbf{at}$$

By bringing all of the terms with t to one side of the equation, we get

$$\mathbf{t} - \mathbf{at} = \mathbf{x} \text{ or } \mathbf{t}\,(1-\mathbf{a}) = \mathbf{x}$$

Solving for **t,** we get $\mathbf{t} = \mathbf{x}/(1-\mathbf{a})$

Thus, if we know the amount of export-oriented employment, **x,** and the ratio of local to total employment, **a**, we can readily calculate total employment by applying the economic base multiplier, 1/(1-**a**), which is embedded in the above formula. Thus, if 40 percent of all regional employment is used to produce exports, the regional multiplier would be 2.5. The assumption behind this multiplier is that all remaining regional employment is required to support the export employment. Thus, the 2.5 can be decomposed into two parts the direct effect of the exports, which is always 1.0, and the indirect and induced effects, which is the remainder—in this case 1.5. Hence, the multiplier can be read as telling us that for each export-oriented job another 1.5 jobs are needed to support it.

This notion of the multiplier has been extended so that **x** is understood to represent an economic change demanded by an organization or institution outside of an economy—so-called final demand. Such changes can be those effected by government, households, or even by an outside firm. Changes in the economy can therefore be calculated by a minor alteration in the multiplier formula:

$$\mathbf{Dt} = \mathbf{Dx}/(1-\mathbf{a})$$

The high level of industry aggregation and the rigidity of the economic assumptions that permit the application of the economic base multiplier have caused this approach to be subject to extensive criticism. Most of the discussion has focused on the estimation of the parameter **a**. Estimating this parameter requires that one be able to distinguish those parts of the economy that produce for local consumption from those that do not. Indeed, virtually all industries, even services, sell to customers both inside and outside the region. As a result, regional economists devised an approach by which to measure the *degree* to which each industry is involved in the nonbase activities of the region, better known as the industry's *regional purchase coefficient*. Thus, they expanded the above formulations by calculating for each ***i*** industry

$$\mathbf{l}_i = \mathbf{r}_i \mathbf{d}_i$$

and

$$\mathbf{x}_i = \mathbf{t}_i - \mathbf{r}_i \mathbf{d}_i$$

given that $\mathbf{d}_i$ is the total regional demand for industry ***i***'s product. Given the above formulae and data on regional demands by industry, one can calculate an accurate traditional aggregate economic base parameter by the following:

$$\mathbf{a} = \mathbf{l}/\mathbf{t} = \Sigma \mathbf{l}_{ii}/\Sigma \mathbf{t}_i$$

Although accurate, this approach only facilitates the calculation of an aggregate multiplier for the entire region. That is, we cannot determine from this approach what the effects are on the various sectors of an economy. This is despite the fact that one must painstakingly calculate the regional demand as well as the degree to which they each industry is involved in nonbase activity in the region.

As a result, a different approach to multiplier estimation that takes advantage of the detailed demand and trade data was developed. This approach is called input-output analysis.

REGIONAL INPUT-OUTPUT ANALYSIS: A BRIEF HISTORY

The basic framework for input-output analysis originated nearly 250 years ago when François Quesenay published *Tableau Economique* in 1758. Quesenay's "tableau" graphically and numerically portrayed the relationships between sales and purchases of the various industries of an economy. More than a century later, his description was adapted by Leon Walras, who advanced input-output modeling by providing a concise theoretical formulation of an economic system (including consumer purchases and the economic representation of "technology").

It was not until the twentieth century, however, that economists advanced and tested Walras's work. Wassily Leontief greatly simplified Walras's theoretical formulation by applying the Nobel prize–winning assumptions that both technology and trading patterns were fixed over time. These two assumptions meant that the pattern of flows among industries in an area could be considered stable. These assumptions permitted Walras's formulation to use data from a single time period, which generated a great reduction in data requirements.

Although Leontief won the Nobel prize in 1973, he first used his approach in 1936 when he developed a model of the 1919 and 1929 U.S. economies to estimate the effects of the end of World War I on national employment. Recognition of his work in terms of its wider acceptance and use meant development of a standardized procedure for compiling the requisite data (today's national economic census of industries) and enhanced capability for calculations (i.e., the computer).

The federal government immediately recognized the importance of Leontief's development and has been publishing input-output tables of the U.S. economy since 1939. The most recently published tables are those for 1987. Other nations followed suit. Indeed, the United Nations maintains a bank of tables from most member nations with a uniform accounting scheme.

Framework

Input-output modeling focuses on the interrelationships of sales and purchases among sectors of the economy. Input-output is best understood through its most basic form, the *interindustry transactions table* or matrix. In this table (see figure 1 for an example), the column industries are consuming sectors (or markets) and the row industries are producing sectors. The content of a matrix cell is the value of shipments that the row industry delivers to the column industry. Conversely, it is the value of shipments that the column industry receives from the row industry. Hence, the interindustry transactions table is a detailed accounting of the disposition of the value of shipments in an economy. Indeed, the detailed accounting of the interindustry transactions at the national level is performed not so much to facilitate calculation of national economic impacts as it is to back out an estimate of the nation's gross domestic product.

FIGURE 1
Interindustry Transactions Matrix (Values)

	Agriculture	Manufacturing	Services	Other	Final Demand	Total Output
Agriculture	10	65	10	5	10	$100
Manufacturing	40	25	35	75	25	$200
Services	15	5	5	5	90	$120
Other	15	10	50	50	100	$225
Value Added	20	95	20	90		
Total Input	100	200	120	225		

For example, in figure 1, agriculture, as a producing industry sector, is depicted as selling $65 million of goods to manufacturing. Conversely, the table depicts that the manufacturing industry purchased $65 million of agricultural production. The sum across columns of the interindustry transaction matrix is called the *intermediate outputs vector*. The sum across rows is called the *intermediate inputs vector*.

A single *final demand* column is also included in Figure 1. Final demand, which is outside the square interindustry matrix, includes imports, exports, government purchases, changes in inventory, private investment, and sometimes household purchases.

The *value added* row, which is also outside the square interindustry matrix, includes wages and salaries, profit-type income, interest, dividends, rents, royalties, capital consumption allowances, and taxes. It is called value added because it is the difference between the total value of the industry's production and the value of the goods and nonlabor services that it requires to produce. Thus, it is the *value* that an industry *adds* to the goods and services it uses as inputs in order to produce output.

The value added row measures each industry's contribution to wealth accumulation. In a national model, therefore, its sum is better known as the gross domestic product (GDP). At the state level, this is known as the gross state product—a series produced by the U.S. Bureau of Economic Analysis and published in the Regional Economic Information System. Below the state level, it is known simply as the regional equivalent of the GDP—the gross regional product.

Input-output economic impact modelers now tend to include the household industry within the square interindustry matrix. In this case, the "consuming industry" is the household itself. Its spending is extracted from the final demand column and is appended as a separate column in the interindustry matrix. To maintain a balance, the income of households must be appended as a row. The main income of households is labor income, which is extracted from the value-added row. Modelers tend not to include other sources of household income in the household industry's row. This is not because such income is not attributed to households but rather because much of this other income derives from sources outside of the economy that is being modeled.

The next step in producing input-output multipliers is to calculate the *direct requirements matrix*, which is also called the technology matrix. The calculations are based entirely on data from

figure 1. As shown in figure 2, the values of the cells in the direct requirements matrix are derived by dividing each cell in a column of figure 1, the interindustry transactions matrix, by its column total. For example, the cell for manufacturing's purchases from agriculture is 65/200 = .33. Each cell in a column of the direct requirements matrix shows how many cents of each producing industry's goods and/or services are required to produce one dollar of the consuming industry's production and are called *technical coefficients.* The use of the terms "technology" and "technical" derive from the fact that a column of this matrix represents a recipe for a unit of an industry's production. It, therefore, shows the needs of each industry's production process or "technology."

FIGURE 2
Direct Requirements Matrix

	Agriculture	Manufacturing	Services	Other
Agriculture	.10	.33	.08	.02
Manufacturing	.40	.13	.29	.33
Services	.15	.03	.04	.02
Other	.15	.05	.42	.22

Next in the process of producing input-output multipliers, the *Leontief Inverse* is calculated. To explain what the Leontief Inverse is, let us temporarily turn to equations. Now, from figure 1 we know that the sum across both the rows of the square interindustry transactions matrix (**Z**) and the final demand vector (**y**) is equal to vector of production by industry (**x**). That is,

$$\mathbf{x} = \mathbf{Zi} + \mathbf{y}$$

where **i** is a summation vector of ones. Now, we calculate the direct requirements matrix (**A**) by dividing the interindustry transactions matrix by the production vector or

$$\mathbf{A} = \mathbf{ZX}^{-1}$$

where $\mathbf{X}^{-1}$ is a square matrix with inverse of each element in the vector **x** on the diagonal and the rest of the elements equal to zero. Rearranging the above equation yields

$$\mathbf{Z} = \mathbf{AX}$$

where **X** is a square matrix with the elements of the vector **x** on the diagonal and zeros elsewhere. Thus,

$$\mathbf{x} = (\mathbf{AX})\mathbf{i} + \mathbf{y}$$

or, alternatively,

$$\mathbf{x} = \mathbf{Ax} + \mathbf{y}$$

solving this equation for **x** yields

$$\mathbf{x} = (\mathbf{I}-\mathbf{A})^{-1}\,\mathbf{y}$$

Total = Total = Final
Output Requirements Demand

The Leontief Inverse is the matrix $(\mathbf{I}-\mathbf{A})^{-1}$. It portrays the relationships between final demand and production. This set of relationships is exactly what is needed to identify the economic impacts of an event external to an economy.

Because it does translate the direct economic effects of an event into the total economic effects on the modeled economy, the Leontief Inverse is also called the *total requirements matrix.* The total requirements matrix resulting from the direct requirements matrix in the example is shown in figure 3.

FIGURE 3
Total Requirements Matrix

	Agriculture	Manufacturing	Services	Other
Agriculture	1.5	.6	.4	.3
Manufacturing	1.0	1.6	.9	.7
Services	.3	.1	1.2	.1
Other	.5	.3	.8	1.4
Industry Multipliers	.33	2.6	3.3	2.5

In the direct or technical requirements matrix in Figure 2, the technical coefficient for the manufacturing sector's purchase from the agricultural sector was .33, indicating the 33 cents of agricultural products must be directly purchased to produce a dollar's worth of manufacturing products. The same "cell" in Figure 3 has a value of .6. This indicates that for every dollar's worth of product that manufacturing ships out of the economy (i.e., to the government or for export), agriculture will end up increasing its production by 60 cents. The sum of each column in the total requirements matrix is the *output multiplier* for that industry.

Multipliers

A *multiplier* is defined as the system of economic transactions that follow a disturbance in an economy. Any economic disturbance affects an economy in the same way as does a drop of water in a still pond. It creates a large primary "ripple" by causing a *direct* change in the purchasing patterns of affected firms and institutions. The suppliers of the affected firms and institutions must change their purchasing patterns to meet the demands placed upon them by the firms originally affected by the economic disturbance, thereby creating a smaller secondary "ripple." In turn, those who meet the needs of the suppliers must change their purchasing patterns to meet the demands placed upon them by the suppliers of the original firms, and so on; thus, a number of subsequent "ripples" are created in the economy.

The multiplier effect has three components—direct, indirect, and induced effects. Because of the pond analogy, it is also sometimes referred to as the *ripple effect*.

- A *direct effect* (the initial drop causing the ripple effects) is the change in purchases due to a change in economic activity.

- An *indirect effect* is the change in the purchases of suppliers to those economic activities directly experiencing change.

- An *induced effect* is the change in consumer spending that is generated by changes in labor income within the region as a result of the direct and indirect effects of the economic activity. Including households as a column and row in the interindustry matrix allows this effect to be captured.

Extending the Leontief Inverse to pertain not only to relationships between *total* production and final demand of the economy but also to *change*s in each permits its multipliers to be applied to many types of economic impacts. Indeed, in impact analysis the Leontief Inverse lends itself to the drop-in-a-pond analogy discussed earlier. This is because the Leontief Inverse multiplied by a change in final demand can be estimated by a power series. That is,

$$(\mathbf{I}-\mathbf{A})^{-1}\,\mathbf{D}\mathbf{y} = \mathbf{D}\mathbf{y} + \mathbf{A}\,\mathbf{D}\mathbf{y} + \mathbf{A}(\mathbf{A}\,\mathbf{D}\mathbf{y}) + \mathbf{A}(\mathbf{A}(\mathbf{A}\,\mathbf{D}\mathbf{y})) + \mathbf{A}(\mathbf{A}(\mathbf{A}(\mathbf{A}\,\mathbf{D}\mathbf{y}))) + \ldots$$

Assuming that **Dy**—the change in final demand—is the "drop in the pond," then succeeding terms are the ripples. Each "ripple" term is calculated as the previous "pond disturbance" multiplied by the direct requirements matrix. Thus, since each element in the direct requirements matrix is less than one, each ripple term is smaller than its predecessor. Indeed, it has been shown that after calculating about seven of these ripple terms that the power series approximation of impacts very closely estimates those produced by the Leontief Inverse directly.

In impacts analysis practice, **Dy** is a single column of expenditures with the same number of elements as there are rows or columns in the direct or technical requirements matrix. This set of elements is called an *impact vector*. This term is used because it is the *vector* of numbers that is used to estimate the *economic impacts* of the investment.

There are two types of changes in investments, and consequently economic impacts, generally associated with projects—*one-time impacts* and *recurring impacts.* One-time impacts are impacts that are attributable to an expenditure that occurs once over a limited period of time. For example, the impacts resulting from the construction of a project are one-time impacts. Recurring impacts are impacts that continue permanently as a result of new or expanded ongoing expenditures. The ongoing operation of a new train station, for example, generates recurring impacts to the economy. Examples of changes in economic activity are investments in the preservation of old homes, tourist expenditures, or the expenditures required to run a historical site. Such activities are considered changes in final demand and can be either positive or negative. When the activity is not made in an industry, it is generally not well represented by the input-output model. Nonetheless, the activity can be represented by a special set of elements that are similar to a column of the transactions matrix. This set of elements is called an economic

disturbance or impact vector. The latter term is used because it is the vector of numbers that is used to estimate the impacts. In this study, the impact vector is estimated by multiplying one or more economic *translators* by a dollar figure that represents an investment in one or more projects. The term translator is derived from the fact that such a vector *translates* a dollar amount of an activity into its constituent purchases by industry.

One example of an industry multiplier is shown in figure 4. In this example, the activity is the preservation of a historic home. The *direct impact* component consists of purchases made specifically for the construction project from the producing industries. The *indirect impact* component consists of expenditures made by producing industries to support the purchases made for this project. Finally, the *induced impact* component focuses on the expenditures made by workers involved in the activity on-site and in the supplying industries.

FIGURE 4
Components of the Multiplier for the
Historic Rehabilitation of a Single-Family Residence

DIRECT IMPACT	INDIRECT IMPACT	INDUCED IMPACT
Excavation/Construction Labor Concrete Wood Bricks Equipment Finance and Insurance	Production Labor Steel Fabrication Concrete Mixing Factory and Office Expenses Equipment Components	Expenditures by wage earners on-site and in the supplying industries for food, clothing, durable goods, entertainment

REGIONAL INPUT-OUTPUT ANALYSIS

Because of data limitations, regional input-output analysis has some considerations beyond those for the nation. The main considerations concern the depiction of regional technology and the adjustment of the technology to account for interregional trade by industry.

In the regional setting, local technology matrices are not readily available. An accurate region-specific technology matrix requires a survey of a representative sample of organizations for each industry to be depicted in the model. Such surveys are extremely expensive.[1] Because of the expense, regional analysts have tended to use national technology as a surrogate for regional technology. This substitution does not affect the accuracy of the model as long as local industry technology does not vary widely from the nation's average.[2]

[1]The most recent statewide survey-based model was developed for the State of Kansas in 1986 and cost on the order of $60,000 (in 1990 dollars). The development of this model, however, leaned heavily on work done in 1965 for the same state. In addition the model was aggregated to the 35-sector level, making it inappropriate for many possible applications since the industries in the model do not represent the very detailed sectors that are generally analyzed.

[2]Only recently have researchers studied the validity of this assumption. They have found that large urban areas may have technology in some manufacturing industries that differs in a statistically significant way from the national average. As will be discussed in a subsequent paragraph, such differences may be unimportant after accounting for trade patterns.

Even when local technology varies widely from the nation's average for one or more industries, model accuracy may not be affected much. This is because interregional trade may mitigate the error that would be induced by the technology. That is, in estimating economic impacts via a regional input-output model, national technology must be regionalized by a vector of regional purchase coefficients,[3] **r**, in the following manner:

$$(\mathbf{I}-\mathbf{rA})^{-1}\,\mathbf{r}\hat{}\,\mathbf{Dy}$$

or

$$\mathbf{r}\hat{}\,\mathbf{Dy} + \mathbf{rA}\,(\mathbf{r}\hat{}\,\mathbf{Dy}) + \mathbf{rA}(\mathbf{rA}\,(\mathbf{r}\hat{}\,\mathbf{Dy})) + \mathbf{rA}(\mathbf{rA}(\mathbf{rA}\,(\mathbf{r}\hat{}\,\mathbf{Dy}))) + \ldots$$

where the vector-matrix product **rA** is an estimate of the region's direct requirements matrix. Thus, if national technology coefficients—which vary widely from their local equivalents—are multiplied by small RPCs, the error transferred to the direct requirements matrices will be relatively small. Indeed, since most manufacturing industries have small RPCs and since technology differences tend to arise due to substitution in the use of manufactured goods, technology differences have generally been found to be minor source error in economic impact measurement. Instead, RPCs and their measurement error due to industry aggregation have been the focus of research on regional input-output model accuracy.

A COMPARISON OF THREE MAJOR REGIONAL ECONOMIC IMPACT MODELS

In the United States there are three major vendors of regional input-output models. They are U.S. Bureau of Economic Analysis's (BEA) RIMS II multipliers, Minnesota IMPLAN Group Inc.'s (MIG) IMPLAN Pro model, and CUPR's own RECON™ I–O model. CUPR has had the privilege of using them all. (PEIM builds from the RSRC PC I–O model, which in turn built upon the PC I–O model produced by the Regional Science Research Corporation's (RSRC).)

Although the three systems have important similarities, there are also significant differences that should be considered before deciding which system to use in a particular study. This document compares the features of the three systems. Further discussion can be found in Brucker, Hastings, and Latham's article in the Summer 1987 issue of *The Review of Regional Studies* entitled "Regional Input-Output Analysis: A Comparison of Five Ready-Made Model Systems." Since that date, CUPR and MIG have added a significant number of new features to PC I–O (now, RECON™ I–O) and IMPLAN, respectively.

Model Accuracy

RIMS II, IMPLAN, and RECON™ I–O all employ input-output (I–O) models for estimating impacts. All three regionalized the U.S. national I–O technology coefficients table at the highest levels of disaggregation (more than 500 industries). Since aggregation of sectors has been shown

[3] A regional purchase coefficient (RPC) for an industry is the proportion of the region's demand for a good or service that is fulfilled by local production. Thus, each industry's RPC varies between zero (0) and one (1), with one implying that all local demand is fulfilled by local suppliers. As a general rule, agriculture, mining, and manufacturing industries tend to have low RPCs, and both service and construction industries tend to have high RPCs.

to be an important source of error in the calculation of impact multipliers, the retention of maximum industrial detail in these regional systems is a positive feature that they share. The systems diverge in their regionalization approaches, however. The difference is in the manner that they estimate regional purchase coefficients (RPCs), which are used to regionalize the technology matrix. An RPC is the proportion of the region's demand for a good or service that is fulfilled by the region's own producers rather than by imports from producers in other areas. Thus, it expresses the proportion of the purchases of the good or service that do not leak out of the region, but rather feed back to its economy, with corresponding multiplier effects. Thus, the accuracy of the RPC is crucial to the accuracy of a regional I–O model, since the regional multiplier effects of a sector vary directly with its RPC.

The techniques for estimating the RPCs used by CUPR and MIG in their models are theoretically more appealing than the location quotient (LQ) approach used in RIMS II. This is because the former two allow for crosshauling of a good or service among regions and the latter does not. Since crosshauling of the same general class of goods or services among regions is quite common, the CUPR-MIG approach should provide better estimates of regional imports and exports. Statistical results reported in Stevens, Treyz, and Lahr (1989) confirm that LQ methods tend to overestimate RPCs. By extension, inaccurate RPCs may lead to inaccurately estimated impact estimates.

Further, the estimating equation used by CUPR to produce RPCs should be more accurate than that used by MIG. The difference between the two approaches is that MIG estimates RPCs at a more aggregated level (two-digit SICs, or about 86 industries) and applies them at a desegregate level (over 500 industries). CUPR both estimates and applies the RPCs at the most detailed industry level. The application of aggregate RPCs can induce as much as 50 percent error in impact estimates (Stevens and Lahr, 1988).

Although both RECON™ I–O and IMPLAN use an RPC-estimating technique that is theoretically sound and update it using the most recent economic data, some practitioners question their accuracy. The reasons for doing so are three-fold. First, the observations currently used to estimate their implemented RPCs are based on 20-years old trade relationships—the Commodity Transportation Survey (CTS) from the 1977 Census of Transportation. Second, the CTS observations are at the state level. Therefore, RPC's estimated for substate areas are extrapolated. Hence, there is the potential that RPCs for counties and metropolitan areas are not as accurate as might be expected. Third, the observed CTS RPCs are only for shipments of goods. The interstate provision of services is unmeasured by the CTS. IMPLAN replies on relationships from the 1977 U.S. Multiregional Input-Output Model that are not clearly documented. RECON™ I–O relies on the same econometric relationships that it does for manufacturing industries but employs expert judgment to construct weight/value ratios (a critical variable in the RPC-estimating equation) for the nonmanufacturing industries.

The fact that BEA creates the RIMS II multipliers gives it the advantage of being constructed from the full set of the most recent regional earnings data available. BEA is the main federal government purveyor of employment and earnings data by detailed industry. It therefore has access to the fully disclosed and disaggregated versions of these data. The other two model systems rely on older data from *County Business Patterns* and Bureau of Labor Statistic's ES202

forms, which have been "improved" by filling-in for any industries that have disclosure problems (this occurs when three or fewer firms exist in an industry or a region).

Model Flexibility

For the typical user, the most apparent differences among the three modeling systems are the level of flexibility they enable and the type of results that they yield. RECON™ I–O allows the user to make changes in individual cells of the 515-by-515 technology matrix as well as in the 11 515-sector vectors of region-specific data that are used to produce the regionalized model. The 11 sectors are: output, demand, employment per unit output, labor income per unit output, total value added per unit of output, taxes per unit of output (state and local), nontax value added per unit output, administrative and auxiliary output per unit output, household consumption per unit of labor income, and the RPCs. Te PC I–O model tends to be simple to use. Its User's Guide is straightforward and concise, providing instruction about the proper implementation of the model as well as the interpretation of the model's results.

The software for IMPLAN Pro is Windows-based, and its User's Guide is more formalized. Of the three modeling systems, it is the most user-friendly. The Windows orientation has enabled MIG to provide many more options in IMPLAN without increasing the complexity of use. Like RECON™ I–O, IMPLAN's regional data on RPCs, output, labor compensation, industry average margins, and employment can be revised. It does not have complete information on tax revenues other than those from indirect business taxes (excise and sales taxes), and those cannot be altered. Also like RECON™ I–O, IMPLAN allows users to modify the cells of the 538-by-538 technology matrix. It also permits the user to change and apply price deflators so that dollar figures can be updated from the default year, which may be as many as four years prior to the current year. The plethora of options, which are advantageous to the advanced user, can be extremely confusing to the novice. Although default values are provided for most of the options, the accompanying documentation does not clearly point out which items should get the most attention. Further, the calculations needed to make any requisite changes can be more complex than those needed for the RECON™ I–O model. Much of the documentation for the model dwells on technical issues regarding the guts of the model. For example, while one can aggregate the 538-sector impacts to the one- and two-digit SIC level, the current documentation does not discuss that possibility. Instead, the user is advised by the Users Guide to produce an aggregate model to achieve this end. Such a model, as was discussed earlier, is likely to be error ridden.

For a region, RIMS II typically delivers a set of 38-by-471 tables of multipliers for output, earnings, and employment; supplementary multipliers for taxes are available at additional cost. Although the model's documentation is generally excellent, use of RIMS II alone will not provide proper estimates of a region's economic impacts from a change in regional demand. This is because no RPC estimates are supplied with the model. For example, in order to estimate the impacts of rehabilitation, one not only needs to be able to convert the engineering cost estimates into demands for labor as well as for materials and services by industry, but must also be able to estimate the percentage of the labor income, materials, and services which will be provided by the region's households and industries (the RPCs for the demanded goods and services). In most cases, such percentages are difficult to ascertain; however, they are provided in the RECON™ I–O and IMPLAN models with simple triggering of an option. Further, it is impossible to change

any of the model's parameters if superior data are known. This model ought not to be used for evaluating any project or event where superior data are available or where the evaluation is for a change in regional demand (a construction project or an event) as opposed to a change in regional supply (the operation of a new establishment).

Model Results

Detailed total economic impacts for about 500 industries can be calculated for jobs, labor income, and output from RECON™ I–O and IMPLAN only. These two modeling systems can also provide total impacts as well as impacts at the one- and two-digit industry levels. RIMS II provides total impacts and impacts on only 38 industries for these same three measures. Only the manual for RECON™ I–O warns about the problems of interpreting and comparing multipliers and any measures of output, also known as the value of shipments.

As an alternative to the conventional measures and their multipliers, RECON™ I–O and IMPLAN provide results on a measure known as "value added." It is the region's contribution to the nation's gross domestic product (GDP) and consists of labor income, nonmonetary labor compensation, proprietors' income, profit-type income, dividends, interest, rents, capital consumption allowances, and taxes paid. It is, thus, the region's production of wealth and is the single best economic measure of the total economic impacts of an economic disturbance.

In addition to impacts in terms of jobs, employee compensation, output, and value added, IMPLAN provides information on impacts in terms of personal income, proprietor income, other property-type income, and indirect business taxes. RECON™ I–O breaks out impacts into taxes collected by the local, state, and federal governments. It also provides the jobs impacts in terms of either about 90 or 400 occupations at the users request. It goes a step further by also providing a return-on-investment-type multiplier measure, which compares the total impacts on all of the main measures to the total original expenditure that caused the impacts. Although these latter can be readily calculated by the user using results of the other two modeling systems, they are rarely used in impact analysis despite their obvious value.

In terms of the format of the results, both RECON™ I–O and IMPLAN are flexible. On request, they print the results directly or into a file (Excel® 4.0, Lotus 123®, Word® 6.0, tab delimited, or ASCII text). It can also permit previewing of the results on the computer's monitor. Both now offer the option of printing out the job impacts in either or both levels of occupational detail.

RSRC Equation

The equation currently used by RSRC in estimating RPCs is reported in Treyz and Stevens (1985). In this paper, the authors show that they estimated the RPC from the 1977 CTS data by estimating the demands for an industry's production of goods or services that are fulfilled by local suppliers (*LS*) as

$$LS = D^{e(-1/x)}$$

and where for a given industry

$x = k\, Z_1^{a1} Z_2^{a2}\, P_j\, Z_j^{aj}$ and D is its total local demand.

Since for a given industry RPC = LS/D then

$$\ln\{-1/[\ln(\ln LS/\ln D)]\} = \ln k + a_1 \ln Z_1 + a_2 \ln Z_2 + S_j a_j \ln Z_j$$

which was the equation that was estimated for each industry.

This odd nonlinear form not only yielded high correlations between the estimated and actual values of the RPCs, it also assured that the RPC value ranges strictly between 0 and 1. The results of the empirical implementation of this equation are shown in Treyz and Stevens (1985, table 1). The table shows that total local industry demand (Z_1), the supply/demand ratio (Z_2), the weight/value ratio of the good (Z_3), the region's size in square miles (Z_4), and the region's average establishment size in terms of employees for the industry compared to the nation's (Z_5) are the variables that influence the value of the RPC across all regions and industries. The latter of these maintain the least leverage on RPC values.

Because the CTS data are at the state level only, it is important for the purposes of this study that the local industry demand, the supply/demand ratio, and the region's size in square miles are included in the equation. They allow the equation to extrapolate the estimation of RPCs for areas smaller than states. It should also be noted here that the CTS data only cover manufactured goods. Thus, although calculated effectively making them equal to unity via the above equation, RPC estimates for services drop on the weight/value ratios. A very high weight/value ratio like this forces the industry to meet this demand through local production. Hence, it is no surprise that a region's RPC for this sector is often very high (0.89). Similarly, hotels and motels tend to be used by visitors from outside the area. Thus, a weight/value ratio on the order of that for industry production would be expected. Hence, an RPC for this sector is often about 0.25.

The accuracy of CUPR's estimating approach is exemplified best by this last example. Ordinary location quotient approaches would show hotel and motel services serving local residents. Similarly, IMPLAN RPCs are built from data that combine this industry with eating and drinking establishments (among others). The results of such aggregation process is an RPC that represents neither industry (a value of about 0.50) but which is applied to both. In the end, not only is the CUPR's RPC-estimating approach the most sound, but it is also widely acknowledged by researchers in the field as being state of the art.

Advantages and Limitations of Input-Output Analysis

Input-output modeling is one of the most accepted means for estimating economic impacts. This is because it provides a concise and accurate means for articulating the interrelationships among industries. The models can be quite detailed. For example, the current U.S. model currently has more than 500 industries representing many four-digit Standard Industrial Classification (SIC) codes. The CUPR's model used in this study has 515 sectors. Further, the industry detail of input-output models provides not only a consistent and systematic approach but also more accurately assesses multiplier effects of changes in economic activity. Research has shown that results from more aggregated economic models can have as much as 50 percent error inherent in them. Such large errors are generally attributed to poor estimation of regional trade flows resulting from the aggregation process.

Input-output models also can be set up to capture the flows among economic regions. For example, the model used in this study can calculate impacts for a county as well as the total Florida state economy.

The limitations of input-output modeling should also be recognized. The approach makes several key assumptions. First, the input-output model approach assumes that there are no economies of scale to production in an industry; that is, the proportion of inputs used in an industry's production process does not change regardless of the level of production. This assumption will not work if the technology matrix depicts an economy of a recessional economy (*e.g.*, 1982) and the analyst is attempting to model activity in a peak economic year (*e.g.*, 1989). In a recession year, the labor-to-output ratio tends to be excessive because firms are generally reluctant to lay off workers when they believe an economic turnaround is about to occur.

A less-restrictive assumption of the input-output approach is that technology is not permitted to change over time. It is less restrictive because the technology matrix in the United States is updated frequently and, in general, production technology does not radically change over short periods.

Finally, the technical coefficients used in most regional models are based on the assumption that production processes are spatially invariant and are well represented by the nation's average technology. In a region as large and diverse as Florida, this assumption is likely to hold true.

APPENDIX B

Summary of Florida Property Values Comparisons

GAINESVILLE COMPARISONS

1. Northeast Historic District and Golfview Neighborhood.

Table 1
Northeast Historic District
Single Family Residential Property

Northeast HD			
Single Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVERAGE	52625	71433	88163
STDEV	21521	26653	36554
MIN	8700	14900	5000
MAX	250400	246580	298490
# PARCELS	395	395	395
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG CHANGE	18808	16730	35538
%CHANGE	35.74	23.42	67.53

Table 2
Golfview neighborhood
Single Family Residential Property

Golfview			
Single Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVERAGE	73924	88855	112745
STDEV	26638	33213	44098
MIN	17000	23800	48760
MAX	156800	248900	290150
# PARCELS	84	84	84
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG CHANGE	14931	23890	38821
%CHANGE	20.20	26.89	52.51

2. Pleasant Street Historic District and 5th Avenue Neighborhood.

Table 3
Pleasant Street Historic District
Single Family Residential Property

Pleasant Street HD			
Single Family Res.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	17040	20693	25248
STDEV	10816	12993	15556
MIN	1100	1000	100
MAX	61800	66540	85100
# PARCELS	170	170	170
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	3653	4555	8208
%CHANGE	21.44	22.01	48.17

Table 4
Fifth Avenue neighborhood
Single Family Residential Property

Fifth Ave.			
Single Family Res.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	23570	27121	33243
STD	11098	14504	21025
MIN	5300	4300	2500
MAX	92900	128300	174000
# PARCELS	343	342	342
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	3551	6122	9673
%CHANGE	15.07	22.57	41.04

JACKSONVILLE COMPARISONS

1. Riverside/Avondale Historic District with Ortega and San Marco Neighborhoods.

Table 5
Riverside/Avondale Historic District
Single Family Residential Property

Riverside/Avondale -			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	62497	71102	94049
STD	59007	77221	102897
MIN	7275	8875	3920
MAX	1170200	1415686	1556790
# PARCELS	4644	4647	4648
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	8605	22947	31552
%CHANGE	13.77	32.27	50.49

Table 6
Ortega Neighborhood
Single Family Residential Property

Ortega -			
Single Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	166245	189724	232920
STD	197403	229297	277116
MIN	343	343	343
MAX	2617600	2617600	2617600
# PARCELS	1029	1031	1031
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	23479	43196	66675
%CHANGE	14.12	22.77	40.11

Table 7
San Marco Neighborhood - Single Family Residential Property

San Marco			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	96921	118327	162821
STD	105983	139082	214058
MIN	0	0	0
MAX	1519825	2094335	3176007
# PARCELS	1130	1135	1135
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	21406	44494	65900
%CHANGE	22.09	37.60	67.99

Table 8
Springfield Historic District, SW Quadrant
Single Family Residential Property

Springfield SW			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	34405	35526	48254
STD	17525	18761	31127
MIN	6156	4228	3492
MAX	120894	124885	214324
# PARCELS	389	389	389
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	1121	12728	13849
%CHANGE	3.26	35.83	40.25

2. Springfield Historic District: Intra-District Comparison.

Table 9
Springfield Historic District,
SE Quadrant
Single Family Residential Property

Springfield SE			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	27137	25923	32507
STD	14619	14273	21179
MIN	4641	3834	3347
MAX	126335	127602	137348
# PARCELS	632	633	633
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	-1214	6584	5370
%CHANGE	-4.47	25.40	19.79

Table 10
Springfield Historic District,
NW Quadrant
Single Family Residential Property

Springfield NW			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	31587	34135	44148
STD	13046	16161	25845
MIN	4800	5000	5093
MAX	106128	111880	225052
# PARCELS	277	278	278
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	2548	10013	12561
%CHANGE	8.07	29.33	39.77

Table 11
Springfield Historic District, NE Quadrant
Single Family Residential Property

Springfield NE			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	25114	24687	30803
STD	13626	13931	20896
MIN	6890	6502	4902
MAX	82720	90375	103385
# PARCELS	206	206	206
	CHANGE92-97	CHANGE97-01	CHANGE92-01
AVG	-427	6116	5689
%CHANGE	-1.70	24.77	22.65

OCALA COMPARISONS

1. Ocala Historic District and Woodfields & The Pines Neighborhoods.

Table 12
Ocala Historic District - Single Family Residential Property

Ocala Historic District			
Single Family Residence	ASVAL_92	ASVAL_97	ASVAL_01
AVG	63802	73154	97243
STD	57179	61881	83856
MIN	11797	14861	15000
MAX	614913	585610	704237
# PARCELS	252	252	249
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	9352	24089	33441
%CHANGE	14.66	32.93	52.41

Table 13
Woodfields Neighborhood - Single Family Residential Property

Woodfields Neighborhood			
Single Family Residence	ASVAL_92	ASVAL_97	ASVAL_01
AVG	101891	104320	121376
STD	40198	51463	61095
MIN	46024	50142	45090
MAX	335482	778490	950634
# PARCELS	386	386	386
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	2429	17056	19485
%CHANGE	2.38	16.35	19.12

Table 14
The Pines Neighborhood - Single Family Residential Property

The Pines Neighborhood			
Single Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	68675	75280	90653
STD	22112	27789	34045
MIN	29952	43866	49047
MAX	167636	186928	219048
# PARCELS	90	90	90
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	6605	15373	21978
%CHANGE	9.62	20.42	32.00

3. Tuscawilla Park Historic District and East Tuscawilla Neighborhood.

Table 15
Tuscawilla Park Historic District
Single Family Residential Property

Tuscawilla Park Hist. District			
Single Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	31123	36963	44472
STD	13474	13638	20187
MIN	12870	22947	22659
MAX	75458	81249	121032
# PARCELS	23	23	23
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	5840	7509	13349
%CHANGE	18.76	20.31	42.89

Table 16
East Tuscawilla Neighborhood
Single Family Residential Property

East Tuscawilla Neighborhood			
Single Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	37814	36961	46829
STD	8193	8485	17088
MIN	24418	22638	25637
MAX	49530	52207	76310
# PARCELS	10	10	10
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	-853	9868	9015
%CHANGE	-2.26	26.70	23.84

TAMPA COMPARISONS

1. Hyde Park Historic District and Davis Island.

Table 17
Hyde Park Historic District
Single Family Residential Property

Hyde Park Hist. Dist.			
Single Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	134843	167648	235382
STD	87509	113901	254323
MIN	13984	5000	500
MAX	660304	1476322	5977274
COUNT	865	865	865
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	32805	67734	100539
%CHANGE	24.33	40.40	74.56

Table 18
Davis Island
Single Family Residential Property

Davis Island			
Single Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	139859	166884	223609
STD	83703	123268	212238
MIN	6552	0	0
MAX	729670	1395935	3027826
# PARCELS	1604	1604	1604
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	27025	56725	83750
%CHANGE	19.32	33.99	59.88

2. Ybor City and West Tampa Commercial Property Comparison.

Table 19
Ybor City Historic District
Improved Commercial Property

Ybor City			
Improved Commercial	**ASVAL_92**	**ASVAL_97**	**ASVAL_01**
AVG	129561	195528	326157
STD	401325	410664	517035
MIN	8012	5712	5712
MAX	4984422	4818661	4325900
COUNT	167	167	167
	CHANGE 92-97	**CHANGE 97-01**	**CHANGE 92-01**
AVG	65967	130629	196596
%CHANGE	50.92	66.81	151.74

Table 20
West Tampa
Improved Commercial Property

West Tampa			
Improved Commercial	**ASVAL_92**	**ASVAL_97**	**ASVAL_01**
AVG	53894	52238	67308
STD	39818	40506	56792
MIN	7125	4802	3430
MAX	233855	197588	290600
COUNT	98	98	98
	CHANGE 92-97	**CHANGE 97-01**	**CHANGE 92-01**
AVG	-1656	15070	13414
%CHANGE	-3.07	28.85	24.89

ST. PETERSBURG COMPARISONS

1. North Shore Historic District and Lakewood Estates, Northeast Park and Placido Bayou Neighborhoods.

Table 21
North Shore Historic District
Single Family Residential Property

North Shore Hist. Dist.			
Single Fam. Resid.	**ASVAL_92**	**ASVAL_97**	**ASVAL_01**
AVG	90703	106500	137181
STD	58438	69511	86145
MIN	16500	15200	26800
MAX	573600	666700	791400
# PARCELS	1467	1472	1473
	CHANGE 92-97	**CHANGE 97-01**	**CHANGE 92-01**
AVG	15797	30681	46478
%CHANGE	17.42	28.81	51.24

Table 22
Lakewood Estates
Single Family Residential Property

Lakewood Estates			
Single Fam. Resid.	**ASVAL_92**	**ASVAL_97**	**ASVAL_01**
AVG	57809	64137	73577
STD	23147	20452	22849
MIN	9400	21100	14100
MAX	295200	218400	232200
# PARCELS	1564	1564	1559
	CHANGE92-97	**CHANGE97-01**	**CHANGE92-01**
AVG	6328	9440	15768
%CHANGE	10.95	14.72	27.28

Table 23
Northeast Park
Single Family Residential Property

Northeast Park			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	64135	71593	85502
STD	30335	34444	42165
MIN	13800	26500	25000
MAX	185000	213400	311100
# PARCELS	1912	1912	1906
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	7458	13909	21367
%CHANGE	11.63	19.43	33.32

Table 24
Placido Bayou
Single Family Residential Property

Placido Bayou			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	72003	111470	130902
STD	57259	80642	97726
MIN	14000	22500	25700
MAX	455700	505700	572000
# PARCELS	1261	1267	1267
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	39467	19432	58899
%CHANGE	54.81	17.43	81.80

2. Historic Kenwood District and Meadowlawn Neighborhood.

Table 25
Historic Kenwood
Single Family Residential Property

Historic Kenwood			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	34020	38842	49260
STD	10778	11422	16004
MIN	7800	10900	2700
MAX	132800	148300	167400
# PARCELS	1089	1091	1090
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	4822	10418	15240
%CHANGE	14.17	26.82	44.80

Table 26
Meadowlawn Neighborhood
Single Family Residential Property

Meadowlawn			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	45568	47713	55237
STD	8074	9426	11590
MIN	17400	29100	33400
MAX	95900	90000	110100
# PARCELS	1047	1047	1047
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	2145	7524	9669
%CHANGE	4.71	15.77	21.22

3. Roser Park Historic District and Bartlett Park Neighborhood.

Table 27
Roser Park Historic District
Single Family Residential Property

Roser Park Hist. Dist.			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	17394	33320	49797
STD	9244	17383	27002
MIN	1200	7000	11000
MAX	40400	79000	112700
# PARCELS	35	35	35
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	15926	16477	32403
%CHANGE	91.56	49.45	186.29

Table 28
Bartlett Park
Single Family Residential Property

Bartlett Park			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	14238	22011	32119
STD	5612	9395	15228
MIN	2100	2500	2900
MAX	46800	62400	94400
# PARCELS	520	522	521
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	7773	10108	17881
%CHANGE	54.59	45.92	125.59

4. Round Lake Historic District and Euclid St. Paul Neighborhood.

Table 29
Round Lake Historic District
Single Family Residential Property

Round Lake Hist. Dist.			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	28180	31402	42875
STD	8455	9215	15642
MIN	6200	9800	10600
MAX	61400	62200	111500
# PARCELS	319	346	343
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	3222	11473	14695
%CHANGE	11.43	36.54	52.15

Table 30
Euclid – St. Paul Neighborhood
Single Family Residential Property

Euclid - St. Paul			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	44536	52237	65230
STD	16731	19176	27114
MIN	8300	17800	18300
MAX	171100	187500	273400
# PARCELS	593	594	593
	CHANGE92-97	CHANGE97-01	CHANGE92-01
AVG	7701	12993	20694
%CHANGE	17.29	24.87	46.47

LAKELAND COMPARISONS

1. East Lake Morton Historic District and Biltmore Neighborhood.

Table 31
East Lake Morton Historic District
Single Family Residential Property

East Lake Morton H.D. -			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	37327	42580	49697
STD	17609	19057	20636
MIN	12570	14035	23480
MAX	149910	156260	160450
# PARCELS	151	155	155
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	5253	7117	12370
%CHANGE	14.07	16.71	33.14

Table 32
Biltmore Neighborhood
Single Family Residential Property

Biltmore -			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	43533	49642	56371
STD	9393	10983	15683
MIN	21000	34360	36980
MAX	80010	92380	141133
# PARCELS	75	79	79
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	6109	6729	12838
%CHANGE	14.03	13.56	29.49

2. Dixieland Historic District and Camphor Neighborhood.

Table 33
Dixieland Historic District
Single Family Residential Property

Dixieland Hist. District			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	33134	36427	41370
STD	13042	14933	17114
MIN	7200	10290	9010
MAX	109780	113770	131369
# PARCELS	540	546	546
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	3293	4943	8236
%CHANGE	9.94	13.57	24.86

Table 34
Camphor Neighborhood
Single Family Residential Property

Camphor -			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	44506	47405	51803
STD	13046	14077	15506
MIN	11680	14880	7570
MAX	93260	94210	102481
# PARCELS	391	399	399
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	2899	4398	7297
%CHANGE	6.51	9.28	16.40

3. Beacon Hill Historic District and Southwest Neighborhood.

Table 35
Beacon Hill Historic District
Single Family Residential Property

Beacon Hill Hist. Dist.			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	68635	76264	83344
STD	29546	31888	35992
MIN	18770	35480	23130
MAX	204240	206970	281760
# PARCELS	134	136	136
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	7629	7080	14709
%CHANGE	11.12	9.28	21.43

Table 36
Southwest Neighborhood
Single Family Residential Property

Southwest			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	45336	49956	55568
STD	14504	14904	16838
MIN	8840	15710	20775
MAX	135300	141040	150231
# PARCELS	796	803	803
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	4620	5612	10232
%CHANGE	10.19	11.23	22.57

4. South Lake Morton Historic District and Cumberland and Lake Hollingsworth Neighborhoods.

Table 37
South Lake Morton Historic District - Single Family Residential Property

South Lake Morton H.D. -			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	42158	50228	58732
STD	30152	32324	39608
MIN	10750	12120	13970
MAX	435200	484720	607743
# PARCELS	526	537	537
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	8070	8504	16574
%CHANGE	19.14	16.93	39.31

Table 38
Cumberland Neighborhood - Single Family Residential Property

Cumberland			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	45210	51020	57872
STD	15032	16399	18173
MIN	24910	22270	29890
MAX	105800	121280	127857
# PARCELS	113	116	116
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	5810	6852	12662
%CHANGE	12.85	13.43	28.01

Table 39
Lake Hollingsworth Neighborhood
Single Family Residential Property

Lake Hollingsworth-			
Single Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	101961	117515	131070
STD	74111	99431	110628
MIN	11480	13130	33258
MAX	639360	1822650	2067770
# PARCELS	1265	1281	1281
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	15554	13555	29109
%CHANGE	15.25	11.53	28.55

WEST PALM BEACH COMPARISONS

1. Northboro Park Historic District and Northwood Hills Neighborhood.

Table 40
Northboro Park Historic District
Single Family Residential Property

Northboro Park Hist. Dist.			
Single Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	42837	57287	84444
STD	13802	18275	28593
MIN	18000	24266	31664
MAX	123906	127586	173596
# PARCELS	89	89	89
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	14450	27157	41607
%CHANGE	33.73	47.41	97.13

Table 41
Northwood Hills
Single Family Residential Property

Northwood Hills			
Single Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	39249	43882	54988
STD	11749	12420	16889
MIN	6750	8921	10920
MAX	104446	149560	211297
# PARCELS	757	759	759
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	4633	11106	15739
%CHANGE	11.80	25.31	40.10

2. Flamingo Park Historic District and Sunshine Park Neighborhood.

Table 42
Flamingo Park Historic District
Single Family Residential Property

Flamingo Park Hist. Dist.			
Single Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	55970	71521	107944
STD	16799	21303	45539
MIN	30702	34368	43918
MAX	120665	164702	388500
# PARCELS	361	361	361
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	15551	36423	51974
%CHANGE	27.78	50.93	92.86

Table 43
Sunshine Park
Single Family Residential Property

Sunshine Park			
Single Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	40551	47275	79936
STD	8212	8718	32808
MIN	16249	35510	39339
MAX	84916	89009	153551
# PARCELS	93	93	93
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	6724	32661	39385
%CHANGE	16.58	69.09	97.12

LAKE WORTH COMPARISON

1. Old Lucerne Historic District and adjacent North Lake Worth Neighborhood.

Table 44
Old Lucerne Historic District
Single Family Residential Property

Old Lucerne Hist. Dist.			
Single Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	59009	71273	91482
STD	24892	30195	46312
MIN	17484	25163	29833
MAX	179238	200447	328252
# PARCELS	218	218	218
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	12264	20209	32473
%CHANGE	20.78	28.35	55.03

Table 45
North Lake Worth Neighborhood
Single Family Residential Property

North Lake Worth			
Single Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	63793	75782	93835
STD	25963	31263	45271
MIN	24076	42433	46379
MAX	219702	235501	361711
# PARCELS	270	270	270
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	11989	18053	30042
%CHANGE	18.79	23.82	47.09

SELECTED MULTI-FAMILY RESIDENTIAL COMPARISONS

Florida property appraisers recognize two categories of multi-family residential property: Small Multi-Family (with 10 units or less) and Large Multi-Family (more than 10 units). Few districts or neighborhoods had sufficient numbers of Large Multi-Family property to warrant a comparative analysis. As a classification, Large Multi-Family is so broad (ranging from an 11-unit apartment to a complex with hundreds of units), that it does not lend itself to a simple average comparison of the sort conducted here.

However, several districts and neighborhoods afforded ample Small Multi-Family residential property. As a rule, these properties also increase in assessed value over the period from 1992-2001, but not at the same rate as single-family residential properties. This smaller appreciation is true both within historic districts and in the comparison neighborhoods.

1. Gainesville: Pleasant Street Historic District and Golfview Neighborhood.

Table 46
Northeast Historic District
Single Family Residential Property

Northeast HD			
Small Multi-Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVERAGE	61016	76864	97489
STDEV	23907	29749	44490
MIN	28200	38800	19800
MAX	147200	197400	266900
# PARCELS	76	76	76
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG CHANGE	15848	20625	36473
%CHANGE	25.97	26.83	59.78

The Golfview Neighborhood contains only single-family housing.

2. Gainesville: Pleasant Street Historic District and 5th Avenue Neighborhood.

Table 47
Pleasant Street Historic District
Small Multi-Family Residential Property

Pleasant Street HD			
Small Multi-Family Res.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	34467	37359	56968
STDEV	19915	20274	43841
MIN	9900	10800	17400
MAX	96700	113400	191800
# PARCELS	27	27	27
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	2892	19609	22501
%CHANGE	8.39	52.49	65.28

Table 48
Fifth Avenue neighborhood
Small Multi-Family Residential Property

Fifth Ave.			
Small Multi-Family Res.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	34068	44044	60383
STD	15334	18686	44091
MIN	15300	14800	13400
MAX	85600	95300	288500
# PARCELS	38	38	38
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	9976	16339	26315
%CHANGE	29.28	37.10	77.24

3. Ocala: Ocala Historic District and Woodfields & The Pines Neighborhoods.

Table 49
Ocala Historic District –
Small Multi-Family Residential Property

Ocala Historic District			
Small Multi-Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	59287	64310	98475
STD	42202	39034	47713
MIN	21230	14906	29732
MAX	230345	198401	237557
# PARCELS	49	49	49
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	5023	34165	39188
%CHANGE	8.47	53.13	66.10

Both Woodfields and The Pines neighborhoods are entirely single family residential.

4. Tampa: Hyde Park Historic District and Davis Island.

Table 50
Hyde Park Historic District
Small Multi-Family Residential Property

Hyde Park Hist. Dist.			
Small Multi-Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	95019	118831	223588
STD	38428	43374	104415
MIN	33000	39625	61440
MAX	206658	248701	968700
COUNT	99	99	99
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	23812	104757	128569
%CHANGE	25.06	88.16	135.31

Table 51
Davis Island
Small Multi-Family Residential Property

Davis Island			
Small Multi-Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	89769	85095	172547
STD	33002	31552	82024
MIN	43468	42840	80545
MAX	206000	223877	552444
# PARCELS	80	80	80
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	-4674	87452	82778
%CHANGE	-5.21	102.77	92.21

5. North Shore Historic District and Lakewood Estates, Northeast Park and Placido Bayou Neighborhoods.

Table 52
North Shore Historic District
Small Family Residential Property

North Shore Hist. Dist.			
Small Multi Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	93933	107270	147760
STD	63000	73888	87608
MIN	8300	13200	36000
MAX	630500	872700	1157600
# PARCELS	681	685	678
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	13337	40490	53287
%CHANGE	14.20	37.75	57.30

Table 53
Lakewood Estates
Small Multi-Family Residential Property

Lakewood Estates			
Small Multi-Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	108433	111400	132767
STD	80308	60336	90273
MIN	45900	73900	79800
MAX	199000	181000	237000
# PARCELS	3	3	3
	CHANGE92-97	CHANGE97-01	CHANGE92-01
AVG	2967	21367	24334
%CHANGE	2.74	19.18	22.44

Table 54
Northeast Park
Small Multi-Family Residential Property

Northeast Park			
Small Multi-Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	73938	79844	101713
STD	46172	45560	55689
MIN	33000	34600	45700
MAX	204900	204000	258200
# PARCELS	16	16	16
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	5906	21869	27775
%CHANGE	7.99	27.39	37.57

Table 55
Placido Bayou
Small Multi-Family Residential Property

Placido Bayou			
Small Multi-Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	51950	53450	63300
STD	5869	4455	2263
MIN	47800	50300	61700
MAX	56100	56600	64900
# PARCELS	2	2	2
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	1500	9850	11350
%CHANGE	2.89	19.58	21.85

6. St. Petersburg: Historic Kenwood District and Meadowlawn Neighborhood.

Table 56
Historic Kenwood
Small Multi-Family Residential Property

Historic Kenwood			
Small Multi-Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	41530	43714	59801
STD	13325	14081	18742
MIN	3900	8100	11500
MAX	101900	107000	147500
# PARCELS	354	354	354
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	2184	16087	18271
%CHANGE	5.26	36.80	43.99

Meadowlawn neighborhood is entirely single-family residential.

7. St. Petersburg: Roser Park Historic District and Bartlett Park Neighborhood.

Table 57
Roser Park Historic District
Small Multi-Family Residential Property

Roser Park Hist. Dist.			
Small Multi Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	41338	52969	85923
STD	29333	22706	45077
MIN	10500	18900	25900
MAX	101000	90700	160700
# PARCELS	13	13	13
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	11631	32954	44585
%CHANGE	28.14	62.21	107.85

Table 58
Bartlett Park
Small Multi-Family Residential Property

Bartlett Park			
Small Multi-Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	20533	27688	40907
STD	12952	12941	18922
MIN	3800	2800	5500
MAX	136800	89300	118300
# PARCELS	230	230	229
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	7155	13219	20374
%CHANGE	34.85	47.74	99.23

8. St. Petersburg: Round Lake Historic District and Euclid St. Paul Neighborhood.

Table 59
Round Lake Historic District
Small Multi-Family Residential Property

Round Lake Hist. Dist.			
Small Multi-Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	43715	43394	62724
STD	20428	18416	25788
MIN	6700	9600	14400
MAX	172700	161500	221400
# PARCELS	319	328	328
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	-321	19330	19009
%CHANGE	-0.73	44.5	43.48

Table 60
Euclid – St. Paul Neighborhood
Small Multi-Family Residential Property

Euclid - St. Paul			
Small Multi-Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	56126	60287	78845
STD	22577	22203	28982
MIN	16800	26400	31300
MAX	183100	152800	247500
# PARCELS	246	246	246
	CHANGE92-97	CHANGE97-01	CHANGE92-01
AVG	4161	18558	22719
%CHANGE	7.41	30.78	40.48

9. Lakeland: East Lake Morton Historic District and Biltmore Neighborhood.

Table 61
East Lake Morton Historic District
Small Multi-Family Residential Property

East Lake Morton H.D. -			
Small Multi-Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	59350	61480	62512
STD	29332	29619	31000
MIN	13480	27970	13890
MAX	171640	176280	190700
# PARCELS	68	69	69
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	2129	1033	3162
%CHANGE	3.59	1.68	5.33

Table 62
Biltmore Neighborhood
Small Multi-Family Residential Property

Biltmore -			
Small Multi-Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	43853	45289	45210
STD	7217	6944	6937
MIN	30750	32490	32260
MAX	63250	65190	65760
# PARCELS	19	19	19
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	1436	-79	1357
%CHANGE	3.28	-0.18	3.09

10. Lakeland: Dixieland Historic District and Camphor Neighborhood.

Table 63
Dixieland Historic District
Small Multi-Family Residential Property

Dixieland Hist. District			
Small Multi-Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	46680	47712	47853
STD	25472	23329	23160
MIN	430	3240	3240
MAX	150430	150430	153190
# PARCELS	155	156	156
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	1032	141	1173
%CHANGE	2.21	0.29	2.51

Table 64
Camphor Neighborhood
Small Multi-Family Residential Property

Camphor -			
Small Multi-Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	60019	57826	58209
STD	22037	22293	21885
MIN	33140	27471	32410
MAX	103310	102980	105300
# PARCELS	21	22	22
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	-2193	383	-1810
%CHANGE	-3.65	0.66	-3.02

11. Lakeland: South Lake Morton Historic District and Cumberland and Lake Hollingsworth Neighborhoods.

Table 65
South Lake Morton Historic District –
Small Multi-Family Residential Property

South Lake Morton H.D. -			
Small Multi-Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	61341	65113	67202
STD	31301	31528	33879
MIN	16560	16560	16560
MAX	189210	191720	195230
# PARCELS	112	112	112
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	3771	2089	5861
%CHANGE	6.15	3.21	9.55

Table 66
Cumberland Neighborhood –
Small Multi-Family Residential Property

Cumberland			
Small Multi-Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	43958	46228	45716
STD	12368	11548	11227
MIN	24460	26490	26490
MAX	66650	67980	68030
# PARCELS	10	10	10
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	2270	-512	1758
%CHANGE	5.16	-1.11	4.00

Table 67
Lake Hollingsworth Neighborhood
Small Multi-Family Residential Property

Lake Hollingsworth-			
Small Multi-Fam. Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	54066	55802	55126
STD	25562	24158	26955
MIN	15500	29220	18410
MAX	155080	174580	184080
# PARCELS	36	36	36
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	1736	-676	1061
%CHANGE	3.21	-1.21	1.96

12. West Palm Beach: Northboro Park Historic District and Northwood Hills Neighbo rhood.

Table 68
Northboro Park Historic District
Small Multi-Family Residential Property

Northboro Park Hist. Dist.			
Small Multi-Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	80831	90988	138372
STD	68701	67369	66816
MIN	36836	41343	68405
MAX	262884	269085	303395
# PARCELS	18	18	18
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	10157	47384	57541
%CHANGE	12.57	52.08	71.19

Table 69
Northwood Hills
Small Multi-Family Residential Property

Northwood Hills			
Small Multi-Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	50580	50684	71195
STD	31598	30165	37215
MIN	20060	23596	37155
MAX	221695	211689	277037
# PARCELS	65	65	65
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	104	20511	20615
%CHANGE	0.21	40.47	40.76

13. West Palm Beach: Flamingo Park Historic District and Sunshine Park Neighborhood.

Table 70
Flamingo Park Historic District
Small Multi-Family Residential Property

Flamingo Park Hist. Dist.			
Small Multi-Family Resid.	ASVAL_92	ASVAL_97	ASVAL_01
AVG	70058	79758	138058
STD	19906	24940	36759
MIN	36850	44751	59974
MAX	118431	151058	253760
# PARCELS	50	50	50
	CHANGE 92-97	CHANGE 97-01	CHANGE 92-01
AVG	9700	58300	68000
%CHANGE	13.85	73.10	97.06

Sunshine Park has only single family residential property.

14. Lake Worth: Old Lucerne Historic District and adjacent North Lake Worth Neighborhood.

Table 71
Old Lucerne Historic District
Small Multi-Family Residential Property

Old Lucerne Hist. Dist.			
Small Multi-Family Resid.	**ASVAL_92**	**ASVAL_97**	**ASVAL_01**
AVG	69504	74616	103119
STD	26648	27024	39389
MIN	28494	31465	43553
MAX	160000	166253	220373
# PARCELS	36	36	36
	CHANGE 92-97	**CHANGE 97-01**	**CHANGE 92-01**
AVG	5113	28503	33615
%CHANGE	7.36	38.20	48.36

Table 72
North Lake Worth Neighborhood
Small Multi-Family Residential Property

North Lake Worth			
Small Multi-Family Resid.	**ASVAL_92**	**ASVAL_97**	**ASVAL_01**
AVG	71167	76465	95863
STD	17787	17936	27058
MIN	51605	55781	70819
MAX	93682	101648	137907
# PARCELS	5	5	5
	CHANGE 92-97	**CHANGE 97-01**	**CHANGE 92-01**
AVG	5298	19399	24697
%CHANGE	7.44	25.37	34.70