

# Preservation is Good Business

Katherine Dowdell

**It's been a very tough economy for a couple of years,** and we have all felt the pain. But in spite of that, the awards program of the Preservation Alliance for Greater Philadelphia had its best year ever, in terms of the quantity and quality of the projects submitted. That's worth repeating: our best year ever. So, whether the economy is up or down, historic preservation is good business. Of course, we are hopeful for everyone's sake that things turn around soon. But when they do, the development pressure that often threatens historic buildings will also return. So in preparation for that future, regardless of whether we have a good economy or a bad one, let me highlight a few things:



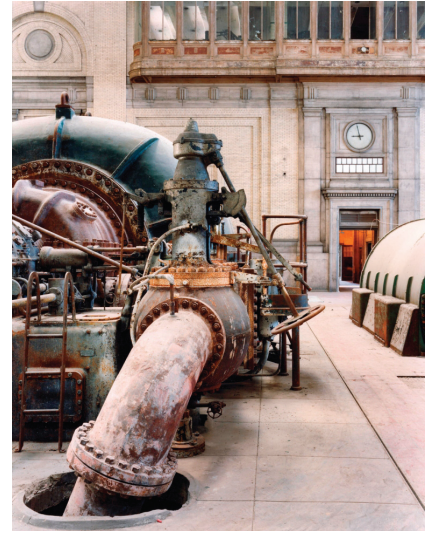
Horace Trumbauer, Elkins Memorial YMCA, Philadelphia, 1907 and 1911-12, renovated as Le Meridien Hotel by Blackney Hayes Architects, 2008-2010.

**First:** Renovating a building generates jobs and tax revenues. In the city of Philadelphia, in the ten years from 1999 to 2009, 1.5 billion dollars – that's billion with a “b” – were directly invested in historic tax credit projects. Total expenditures were 2.2 billion dollars, with 9,600 jobs created and 22 million dollars in tax revenues generated by this investment. Construction jobs count for 40% to 45% of the direct investment, and these are jobs that cannot be outsourced. Overall, over three-quarters of the economic benefits generated by historic rehabilitation work stay in the local economy. So preservation is good business for the city of Philadelphia, and for the region.

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The Design Advocacy Group of Philadelphia is a volunteer organization whose more than 1,200 members come from a broad spectrum of disciplines and share an interest in design, development, and planning. DAG's mission is to encourage public discussion about design and to advocate for design excellence.



**Right:** John T. Windrim and William Eglin, Philadelphia Electric Company Chester Waterside Station, 1916-18, renovated by Blackney Hayes Architects as the Wharf at Rivertown; Turbine Hall renovated by Hillier Architecture, 2001-04.

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**Second:** Preservation and restoration work is the ultimate in recycling and sustainability. The concept of “embodied energy” is gaining a broader understanding. This is the idea that no matter how “green” a new building may be, if an old building has ended up in the landfill as a result, that discarded energy must be included in the calculation of overall energy efficiency. In addition to recycling building materials, rehabilitation projects also take advantage of existing road, utility, and transit infrastructure. And older buildings, designed for a time when modern systems were not yet invented, generally have wonderful natural light, natural air circulation, and incorporate design standards that are now viewed as new and cutting edge, when in fact they are traditional and time-tested.

**Third:** One often hears the lament that no one is lending any money. Or no one has any money. Or no one can finance the project. But if you renovate or rehabilitate an historic building for investment purposes, you can get a tax credit of 20% of your project costs, through the national historic investment tax credit program. There are not a lot of funders out there offering a 20% return on your investment. Many of the successful projects you see in and around Philadelphia today are tax credit projects. The Preservation Alliance has a strong relationship with the National Trust Community Investment Corporation, which will buy tax credits at competitive rates to help stimulate preservation development. If you are interested, contact the Alliance, which will be happy to facilitate your relationship with the National Trust.

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**Fourth:** Approvals for restoration projects can often be easier to obtain than approvals for new construction. There are generally no land planning issues; no storm water management; no weird zoning. (Well, this is Philadelphia – maybe a little bit of weird zoning. But not for long.) The Philadelphia Historical Commission and local historical review boards are not difficult to deal with if you want to save and restore an historic building. They are a great resource, and they are trying to help you do the best thing for your building and your project. Likewise, neighborhood groups can be great allies when you are trying to preserve a building and contribute to a neighborhood that they hold dear.

**Right:** Willis G. Hale, Divine Lorraine Hotel, Philadelphia, 1892-94. Vacant since 2000.

**Left:** Hoffman and Henon, Boyd Theater, Philadelphia, 1927-28. Vacant since 2002

So, preservation projects reuse valuable buildings, contribute significantly to the local economy, hit sustainability goals with ease, give developers 20% of their money back, sail through the approvals process, and make the neighbors happy. The potential for successful renovation and adaptive use projects in Philadelphia is huge. We have a wealth of historic buildings just waiting for the right owner, developer, economy, or use. However, for this to happen, the building has to survive until its time comes. Many of the most successful preservation projects over the

years have been buildings that were either given up for lost, or viewed as simply too difficult to adapt and reuse. The Naval Home, the Victory Building, the Presser Building, Eastern State Penitentiary, Memorial Hall, the Chester Power Station, the Baptist Temple – the list goes on and on. If we can just hang on to these buildings long enough, eventually the forces needed to bring about restoration will converge, and great projects can be born—as long as the buildings are still there. At times many of us, including me at times, might be tempted to give up on the Boyd Theater, or the Divine Lorraine, or Mount Moriah cemetery, or the Provident Mutual Building, but these beautiful old buildings are really worth fighting for.



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NOTE: Data in this article came from publications of the National Trust for Historic Preservation and from "The Economic Impact of Historic Preservation in Philadelphia," a report by Econsult Corporation. For more information on historic tax credit projects, see <http://www.preservationalliance.com/resources/financial.php>.

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