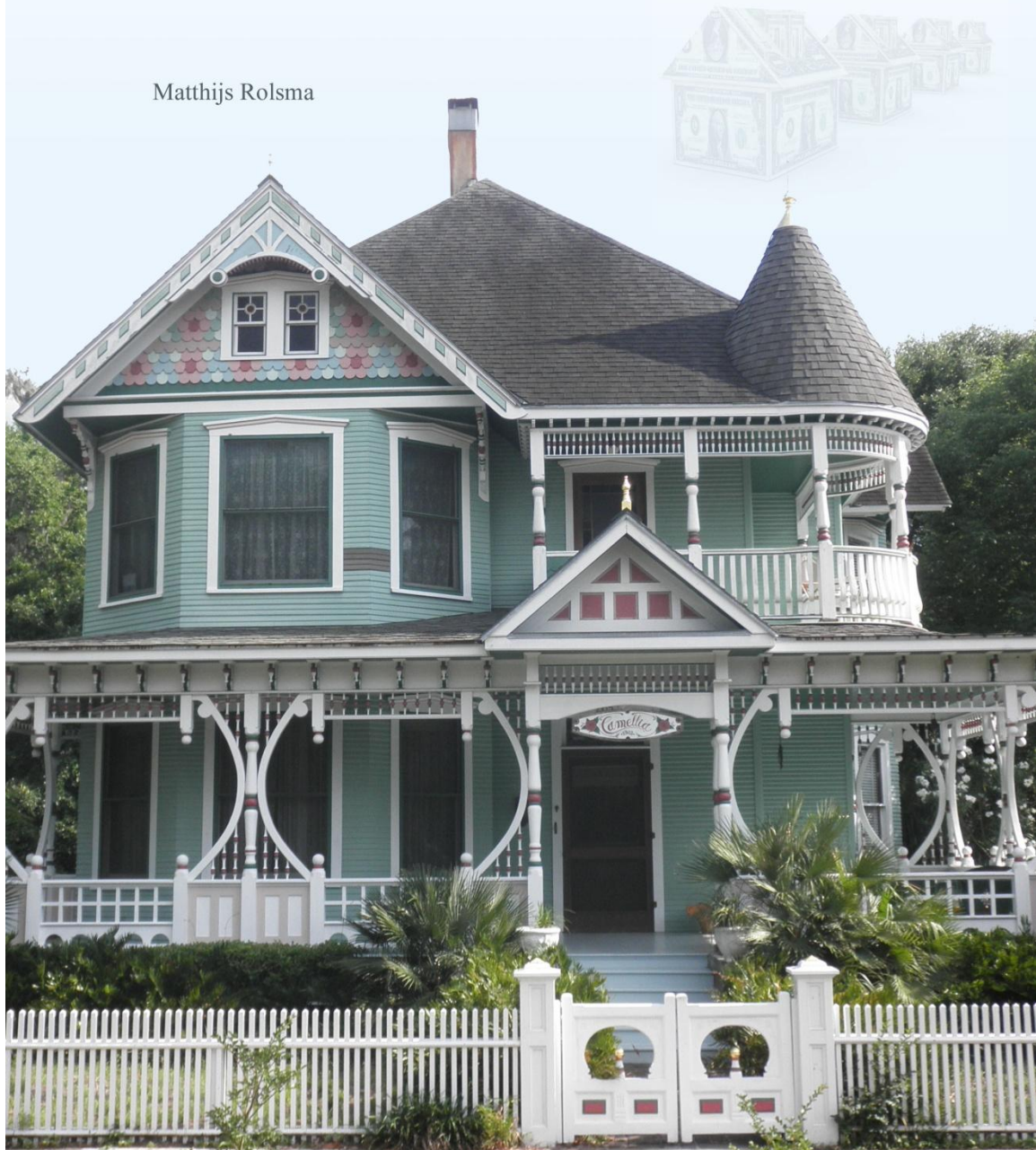




# A Future for the Past

## The Economic Value of Historic Preservation

Matthijs Rolsma



## **Master thesis**

Author: Matthijs Rolsma  
Student number: 1628291  
Date: 5<sup>th</sup> of September 2011  
Study: Economic Geography  
Institutions: University of Groningen (RUG)  
University of Florida (UF)  
Supervisors: Msc. Paul van Steen  
Prof. dr. Christopher Silver  
Prof. dr. Piet Pellenbarg

## Preface

This master thesis is conducted on the topic of the economic impacts of historic preservation under the supervision of Paul van Steen (Rijksuniversiteit Groningen, Department of Economic Geography, Faculty of Spatial Sciences) and Christopher Silver (dean and professor College of Design, Construction and Planning Department of Urban and Regional Planning at the University of Florida) and it has been conducted in Gainesville Florida under the scope of the NEURUS/ ICURD exchange program. NEURUS is an international consortium of universities dedicated to the collaborative study of urban and regional development issues and ICURD is a new program initiated in 2009/10 with support from the Fund for the Improvement of Postsecondary Education of the U.S. Department of Education and the European Commission's Directorate General for Education and Culture.

I'm very thankful for the opportunity to study and write my thesis abroad, travel and to compete in sports in Florida. It has been an interesting journey, both on an academic and a personal level. The University of Florida in Gainesville proved to be an excellent location for me; very helpful staff members, good facilities and interesting lectures. Gainesville appeared to have a large stock of built heritage with a variety of architectural styles. I enjoyed encountering Queen Anne Style buildings with dominant gables and Georgian revival style buildings with their accented doorways. It also helped that the climate in Florida was most suitable for me, although not always facilitating the working spirit. Sometimes, this resulted in an inverse work schedule; leisure during the day, work during the night. Many of my fellow students appeared to have the same schedule since the library was often packed into the depths of the night. Apart from studying, I had the possibility to travel quite a bit: I went to Orlando, Miami, the Keys, Atlanta among others and as icing on the cake I managed to fulfill a dream which was driving from the east of the States to the west, finally ending up in San Francisco.

I'd like to thank my supervisor Paul van Steen not only for his time and dedication to correct my work but also for his efforts in starting and keeping up of the ICURD program. This program makes it financially and academically interesting for students to go to the U.S. and vice versa for academic and personal development. I'd also like to thank Chris Silver for his supervision, hooking me up with interview contacts and suggestions and for taking me to some basketball games. Furthermore, I'd like to thank my interviewees, whose time and answers really helped me progress in my thesis: Michael Volk, Erik Bredtfeld, Bill Warinner, D. Henrichs, Bill Tyson, Melanie Barr and Timothy McLendon. A word of thanks also goes out to the NEURUS staff and students, for setting up the program and for having a good time. For instance, I was

pleasantly surprised by the dancing skills of Professor Harvey Goldstein. Finally, I'd like to thank my parents for their support.



*Figure 1: Historic property in the Duckpond Neighborhood Gainesville*

## **Abstract**

Scientific literature has described and explained the linkages between economic development and historic preservation extensively. Historic preservation has led to inputs through cultural tourism, downtown revitalization, higher property values and multiplier effects resulting from government spending on historic preservation. Research has mainly focused on historic preservation in large metropolitan areas. This research focuses on the case of a medium sized city with a large university in the north of Florida. An extensive literary study, data analysis and interviews have shown that the economy of Gainesville benefits from having a large stock of built heritage. Preservationist's motives to undertake preservation activities are more because of a sense of place and quality of life that it offers and the aesthetic quality. Sense of place and quality of life have led to economic benefits. The economy of Gainesville has experienced downtown revitalization and property values in historic districts have risen faster than property values in comparable neighborhoods. Also, there seems to be a spatial clustering between historic districts and economic activities. This empirical evidence points to historic preservation as a development tool, therefore, government and private spending on historic preservation is justified from an economic and cultural point of view.

# Table of contents

1	Introduction.....	8
1.1	Problem definition.....	10
1.2	Research goals.....	10
1.3	Research questions.....	10
1.4	Methods.....	11
2	Theoretical framework.....	12
2.1	Concepts of heritage.....	12
2.2	Adaptive re-use.....	13
2.3	Challenges of historic preservation.....	13
2.4	Benefits of historic preservation.....	15
2.4.1	Urban revitalization.....	15
2.4.2	Property Values.....	16
2.4.3	Multiplier effects.....	17
2.5	Concluding remark.....	19
3	Historic preservation practices in the U.S. and Gainesville.....	20
3.1	A history of preservation in the U.S.....	20
3.2	Historic preservation in Gainesville.....	21
3.3	Concluding remark.....	24
4	Rationale for historic preservation.....	25
5	Revitalization and property values.....	32
5.1	Urban revitalization.....	32
5.1.1	Historic preservation as economic development tool.....	32
5.1.2	Historic preservation and businesses.....	34
5.1.3	Concluding remark.....	35
5.2	Historic preservation and property values.....	35
5.2.1	Housing Bubble.....	36
5.2.2	Development of sale prices in the U.S., Florida, Alachua and Gainesville.....	37
5.2.3	Property values of historic districts in Florida and Gainesville.....	39
5.2.4	Analysis of average price per square feet in Duckpond Historic District and Golfview neighborhood.....	41
5.2.5	Concluding remark.....	43
6	Spatial Analysis.....	44
6.1	Research area.....	44
6.2	Land use analysis.....	46
6.2.1	Spatial concentration of historic properties.....	46
6.2.2	Variety of land uses by neighborhood.....	46
6.3	Spatial relationship between historic districts and the surrounding area.....	48
6.4	Concluding Remark.....	53
7	Conclusions.....	54
7.1	Recommendations.....	57
7.2	Evaluation.....	58
8	References.....	60
9	Appendix.....	65

9.1	General findings, transcriptions .....	65
9.2	Correlations, tests of normality, group statistics .....	89
9.3	Methods and workflow of spatial analysis .....	90
9.3.1	Data source, contents and quality .....	90
9.3.2	Abbreviations landuse codes.....	91
9.3.3	Research structure.....	92
9.3.4	Spatial concentration of historic properties .....	92
9.3.5	Variety of land uses per neighborhood .....	93
9.3.6	Spatial relationship between historic districts and their surrounding area .	93



*Fig. 2 Historic property in the Duckpond Neighborhood in Gainesville*

# 1 Introduction

The past of a place is increasingly being used as a resource for service industry, for instance for cultural tourism or monuments as office space. Proximity to historic buildings offers opportunities for leisure and an inspirational environment. The history of a city or town is also important for the image of the city. There is a growing recognition of the increasing economic value of rehabilitation of built heritage. This economic value is important in order to preserve the heritage. However, with an increasing amount of built heritage because of successful preservation policy in the U.S. an increasing number of historic properties are becoming vacant. Because of this development, it is debated who should carry the financial burden of preserving heritage.

Regardless of these preservation issues, the economic importance of built heritage as an economic resource is increasingly being recognized in the literature. There exists a broad agreement that the economic costs of rehabilitation are outweighed by the economic benefits (Mason, 2005, Listokin 1997, Rijpkema 1993, Ashworth 1990). A great amount of research has established a relationship between the presence of heritage and historic preservation and economic benefits. In the next paragraphs, the following economic benefits will be briefly discussed: inputs from cultural tourism, revitalization of urban areas, property values, and job creation by historic preservation.

Firstly, the presence of built heritage in a place leads to economic inputs because of cultural tourism. Several U.S. studies have focused on quantifying these benefits. For example, a 2001 study undertaken in southwest Pennsylvania estimated an impact of \$470 million 11 years after a major historic preservation scheme was put in place (Strauss, 2001). Several places in the state of Florida experienced similar benefits. Heritage tourism has a sizeable input to the economy of Florida: tourists spend \$3,7 billion while visiting historic sites, museums and state parks (Center for governmental responsibility et al., 2001).

Secondly, historic preservation leads to revitalization in urban areas. Historic preservation has often successfully been used as a tool for downtown revitalization (Faulk, 2006). Several studies have focused on the economic regeneration effects of historic preservation (Fitch, 2001). For example, economic regeneration due to historic preservation schemes happened in Boston and Seattle, where modest rehabilitation efforts led to regeneration of the entire market area. This is happening in more cities and towns across America, where several ambitious urban renewal projects had already failed. Historic preservation as a tool to revitalize downtown areas can be seen as a form of adaptive reuse: historic structures, initially constructed for one purpose, are converted to a different use (Faulk, 2006). For instance, these buildings can host government



institutions or serve as offices for companies in the service sector that require aesthetic quality of their real estate. This aesthetic quality is becoming a more important motive for companies to relocate in these kinds of structures (Pellenbarg, 2005).

Thirdly, historic buildings maintain their value better than newly built comparable structures, especially when located in a historic district. Most studies suggest an increase of property values when a historic district is designated. For instance, Rypkema (1993) concludes that every single designation of twenty historical districts in Canada led to increasing property values, despite its decreased development potential. Leichenko et al. (2003) found that in seven out of nine cities in Texas historic designation of historic districts led to a property value increase of 5% to 20%. In Florida, historic preservation has led to stable or increased property values: in 15 out of 25 cases property values increased more than other comparable residential neighborhoods (Center for governmental responsibility et al., 2002).

Fourth, spending by governments on historic preservation schemes leads to more job creation than spending on new construction and other sectors. Listokin et al. (1997) performed an impact study of government spending in several sectors, and the direct and indirect effects of spending on preservation were larger than investing in book publishing, pharmaceutical production or electrical component production. Research in New Jersey showed that *“each \$1 million spent on non-residential historic rehabilitation creates two jobs more than the same money spent on new construction”* (Escherich et al., 2004). In Florida, historic preservation creates jobs: in the year 2000 123.000 jobs are dependent on preservation activities in the state of Florida (Center of Governmental Responsibility, 2002).

The majority of the literature has focused on urban cores of major cities or statewide. Less analysis has focused on small or medium sized cities (Faulk, 2006). This research will focus on the economic effects of historic preservation in Gainesville, a medium sized city in Florida. Gainesville has a long history of historic preservation and a large amount of built heritage, which is why it is an excellent location to look at these issues. Gainesville counts 258.888 inhabitants in the metropolitan area, of which there is a large student population: approximately 50.000 students. Gainesville has five historic districts. Also, Gainesville scores high on livability: Gainesville was voted number one college town on liveability.com.

The city of Gainesville, together with the State of Florida and the University of Florida, developed policy in order to preserve its built heritage. This policy is based on “The Secretary of the Interior’s Standards for Rehabilitation.” This policy consists of guidelines which determine how to restore built heritage in Gainesville and how new buildings should be constructed. These guidelines were established in “The Historic Preservation Rehabilitation and Design Guidelines.”

One important instrument is tax exemption if a property owner rehabilitates his historic property (City of Gainesville, 2011).

This research consists of three components: first, the economic motives for historic preservation will be explained. Second, this research will offer an analysis on the effects of historic preservation on property values. Thirdly, this research will look at the spatial relationship between economic activities and historic preservation, in order to support the argument of the economic reasons for heritage preservation and to appreciate the spatial dimension of the relationship of heritage preservation and economic activities. This leads to the following problem definition, research goals and research questions.

### **1.1 Problem definition**

An increasing amount of empirical evidence is supporting the claim that heritage preservation pays off. This research aims to find an economic rationale for preserving heritage in the medium-sized city of Gainesville Florida and to find out whether this rationale has commonalities with rationales formulated in other similar research.

### **1.2 Research goals**

- To explain the economic rationale is for preserving heritage overall and for Gainesville in particular;
- To analyze the effects of historic preservation on urban revitalization and property values in Gainesville;
- To describe the spatial relationship between heritage and economic activities.

### **1.3 Research questions**

How does historic preservation in Gainesville impact the local economy?

1. What is the economic rationale behind historic preservation as applied by actors in Gainesville?
2. What are the effects of historic preservation on urban revitalization and property values?
3. Is there a spatial relationship between economic activities and historic properties?

## 1.4 Methods

Applying economic methods in order to prove that historic preservation makes sense economically brings a number of challenges, because of the cultural and economic values regarding historical preservation. The economic value of historic preservation can be researched by various methods: *“economic impact studies, regression analyses (comparing, for instance, the effect of historic district designation on property markets), and straightforward development cost calculations (like real estate pro formas). Non-market valuation methodologies applied to preservation include revealed-preference studies (hedonic pricing or travel cost methods) as well as stated-preference studies, particularly contingent valuation or willingness to pay studies. In addition, the economic values of preservation are often communicated through case studies or other analyses that depend on narrative arguments”* (Mason, 2005) This is why this research attempts to combine quantitative and qualitative methods, and will mainly make use of economic impact study methodology and case study methodology.

The research questions shall be answered by using a variety of methods. First, a literature study shall examine research regarding the economic effects of historic preservation. Second, interviews will examine the preservation rationale of stakeholders in Gainesville and the extent of the importance of economic motives for historic preservation. Property values shall be examined by data analysis of the tax appraiser. The spatial relationship between historic preservation and economic activities shall be examined by the use of maps. The data sources consist of a historic district map and a land use map, both made by the municipality. ARCGIS will be used to analyze relationships between heritage and the mentioned landuses

Chapter 2 will discuss concepts of heritage, adaptive reuse and theory regarding historic preservation and economic impacts. Chapter 3 will shortly describe the history of historic preservation practices in the U.S. and in Gainesville in particular. Chapter 4 will discuss the rationale of historic preservation. Chapter 5 describes the effects of historic preservation on property values in Gainesville and on revitalization and chapter 6 describes the spatial relationship between historic preservation in Gainesville. Chapter 7 sums up the conclusions, offers some recommendations and evaluates the research process.

## 2 Theoretical framework

This chapter examines the main literature written on the relationship between built heritage and economic activities. First, the concept of heritage will briefly be discussed. Second, the challenge of historic preservation will be examined and thirdly, the economic impacts of heritage and preservation of this heritage will be discussed.

### 2.1 Concepts of heritage

There is no existence of a generally accepted theoretical framework of heritage. That's why authors have been hesitant to give a narrow definition of heritage. Most authors leave the definition of heritage as broad and malleable as possible, for instance "*virtually anything by which some kind of link, however tenuous or false, may be forged with the past.*" (Johnson and Thomas, 1995). In "*Heritage pasts and heritage presents: Temporality, meaning and the scope of heritage studies*" Harvey analyses the development over the course of time of heritage practices. Harvey (2001) notes that many commentators on heritage emphasize the presentness of heritage. This is because heritage is becoming more important in the public mind in the last decades. Also, scholars have argued that the very nature of heritage lies in the present circumstances of the heritage: "*the present selects an inheritance from an imagined past for current use and decides what should be passed on to an imagined future*" (Ashworth, 2007). Heritage is strongly related to a postmodern economy, although this relation has some shortcomings. Harvey states that heritage processes can be studied on a longer temporal framework. Harvey concludes that heritage first and foremost is a process, because buildings, places and objects become seen as heritage by specific decisions stakeholders based on a particular set of beliefs (Gilmore, 2007).

Ashworth et al. (2007) note that heritages should be considered as plurals, because heritage has multiple users and producers with their own objectives in creation and management of these objectives. In Western countries, societies are becoming more socially and culturally diverse, which is why the definition of heritage has changed over time. The definition of heritage in "*Pluralizing the Past*" (2007) is "*the use of the past as a cultural, political and economic resource for the present.*" This definition will be used in this framework, with emphasis on heritage as an economic resource.

## **2.2 Adaptive re-use**

One of the options for preservation is adaptive re-use. Ashworth (1997) states that there's a necessity to commercialize the past, primarily because of the conservation time-bomb, but also because of the increasing realization of economic value of heritage. The process of effective re-use can be called commodification: certain aspects of the object are to be made into a modern sellable product, for which market demand exists. This process is strongly linked with city marketing, because with city marketing the historic values of places are usually very important in promoting a city (Ashworth, 1997).

There are several possibilities for adaptive re-use. Housing in monumental buildings could be one of the possibilities. Kuipers (2005) discussed this option in her dissertation "Living in the Recent Past." She concludes that people who are willing to live in monumental buildings are also willing to pay for maintenance. In the Netherlands, currently housing associations are paying for maintenance instead of the residents of rental buildings, financed by revenues from more expensive homes elsewhere. These housing associations regard the ownership of historic properties as an asset rather than a nuisance because they can gain publicity and establish their identity.

Another possibility is businesses in historic properties. Some types of businesses tend to locate in historic properties because of the aesthetic quality that increases the stature of the company (Harvey, 2001). However, research has shown that aesthetic quality is not a very important factor for companies when they change location. The most important push factor is shortage of space. Only 4,7% of companies that moved mentioned aesthetic quality as the most important reason. However, 12,2% mentioned aesthetic quality as a second or third reason. This could mean that aesthetic quality is an important factor, but not the deciding factor. Also, research has shown that aesthetic quality is becoming more and more important (Pellenbarg, 2005). This development offers opportunities for effective economic re-use.

## **2.3 Challenges of historic preservation**

From the 1960s and on, historic structures were increasingly appreciated and therefore the economic value increased (Tyler, 2009). However, built heritage has not always fully been appreciated as an economic resource. In the past, especially during the industrialization of western nations, historic buildings were considered a waste rather than a resource, which resulted in the demolition of a substantial part of the heritage stock (Baer, 1995). This constitutes evidence that there is a weakness in traditional planning theory which considered the past as an obstacle for economic growth. Until the industrialization of western nations, using buildings or structures until

they fell apart was common business. Technical obsolescence was a purely physical phenomenon. During industrialization, conceptions about technical obsolescence referred to the economical use of structures, regardless of the physical utility. In other words, it is cheaper to demolish what's there and build something new. A great example of the 20th century is the (partial) abandonment of mass public transit system, the railroads, in favor of a highly energy inefficient highway system. Urban sprawl is the result of this thinking, which is the most expensive form of urban development, in terms of environmental, personal and economic costs (Fitch, 1990).

Preservation of built heritage in the U.S. has led to a number of problems which can be referred to as a "conservation time bomb" (Ashworth, 1990). Because of successful preservation of monumental buildings by the government and preservationists, a great number of buildings in the inner city are vacant, especially due to the stagnating economy. Most of these buildings, especially in the inner city were previously owned by companies, but the global crisis has led to bankruptcy of many companies in the inner city. Also, because of declining profits, maintenance fees might be a push factor for companies to move to newer real estate (Gilmore, 2007). This is the cause of vacancy of many historic structures in the inner city. Effective and profitable re-use of these buildings is a difficult challenge to overcome. These buildings have been preserved for aesthetic beauty and intrinsic value and not specifically for economic purposes. Consequently, monumental buildings are decreasingly owned by commercial organizations. An increasing proportion of monumental buildings in historic city centers are becoming vacant, thus increasing the pressure on public finances.

Another issue regarding historic preservation is gentrification. This occurs when older neighborhoods are rehabilitated and wealthier individuals move in. Therefore, property taxes increase and the original residents can no longer afford to live in the neighborhood which leads to displacement of large socio economic groups. This happened when private redevelopment occurred in Washington, which led to the displacement of thousands of poor black people (Wojno, 1991).

So the biggest problems with preservation are the finance of maintenance and gentrification. Within the literature, there is an ongoing discussion on who should take up the bill for historic preservation. Ashworth (2007) argues that economically profitable users have to be found to occupy monumental buildings. These individuals must have a specific benefit of conservation of the property, either economical or psychological. However, this statement is debated. The argument has been that the benefit of longtime preservation is self-evident of increasing the national stock of historic buildings (Kuipers, 2005). This statement is contested as well; Baer (1995) argues that in the long run governments will not be able to finance the rising

costs of conservation, also referring to the conservation time-bomb. However, the consensus leans towards a great involvement of the private sector in historic preservation.

## **2.4 Benefits of historic preservation**

Although these finance problems regarding historic structures exist, there is also a broad agreement that the economic costs of rehabilitation are outweighed by the economic benefits for local economies. A great amount of research has focused on quantifying these benefits (Center for governmental responsibility 2002, Listokin and Lahr 1997, Strauss 2001 etc.). These studies are usually performed to generate consensus for policy decisions or to create a rationale for preserving heritage, for instance to support large scale rehabilitation projects of historical districts. Economic rehabilitation efforts of old city centers have led to regeneration in a number of cases of wider urban areas in several U.S. cities (Listokin and Lahr, 1997). These rehabilitation schemes of historic property in a city core often lead to heritage tourism, which is a big input to the economies of several states (Arezki, 2009). Furthermore, impact studies provided evidence that investment in rehabilitation of historic properties has a positive effect on property values (Arezki et al., 2009).

### **2.4.1 Urban revitalization**

Several empirical findings on historic rehabilitation suggest that it has a positive influence on the local economy. In areas where historical rehabilitation was initiated, it seemed to have a regenerative impact on its direct environment. In the next section some cases will be discussed where historic preservation served as an economic development tool.

The old north of St. Louis has experienced regeneration from historic rehabilitation. Before these rehabilitation programs were put in place, Old North St. Louis experienced phenomena typical for neighborhoods in mid-sized U.S. cities: crumbling houses, abandoned factories, social problems, and deprived public space. Collaboration between the U.S. housing department, the University of St. Louis and a local neighborhood association has led to the restoration of a significant amount of structures in this neighborhood. The results of these programs were an increased sense of place, stabilized population and, most importantly in the light of economic development, increasing investments in the neighborhood. These results were realized without losing social diversity, which often happens due to gentrification (Hurley, 2010).

Revitalization through historic preservation has also been the case in Boston and Seattle, where modest rehabilitation efforts led to regeneration of the entire market area. In Boston, the argument could be made that rehabilitation of Quincy Market led to a regeneration process of the northeast quadrant of the city. Another example from Boston is the restoration of Faneuil

Marketplace. From 1973 to 1976, three buildings on this market were restored after a period of decline, costing \$42 million. From 1972 to 1981, this marketplace generated \$75 million in gross sales and became a major tourist attraction (Wojno, 1991). In Seattle, rehabilitation of the market area led to regeneration of the waterfront area right behind it. In these areas, investments and commercial activities increased after the rehabilitation initiatives (Listokin & Lahr, 1997).

Another example of success of historic preservation as a development tool happened in Louisville, Kentucky. In 1962, a community organization bought housing units, renovated these structures and put them on the market. In 1972, this organization managed to get the Old Kentucky neighborhood placed on the National Register. This development attracted investors who renovated historic structures on a larger scale. From 1980 to 1985, 14,6 million was invested in this neighborhood. In Minneapolis, Minnesota, historic preservation has restored the economic base of the downtown area that was lost to the suburbs. Nicollet Mall was restored, which resulted in a sales increase of 14 %. Historic residential districts also contribute to revitalization. In New Orleans in the Vieux Carre Neighborhood, a historic structure, formerly used as a brewery, was adapted as a large food- and entertainment center. Estimates suggest that this landmark attracts about 7 million visitors annually (Wojno, 1991).

These impacts are occurring in more cities and towns across America, where several ambitious urban renewal projects had already failed. Therefore, the contemporary discourse in urban planning suggests that the benefits of preserving heritage outweigh the costs. Also, when compared to new construction, rehabilitation seems to be the cheaper option. Rypkema (1993) has calculated that constructing new buildings instead of rehabilitating old buildings is not necessarily cheaper than rehabilitating old ones. In fact, his calculations have shown that rehabilitating buildings is in most cases cheaper. Several other studies have supported this notion. For instance, Wolf et al. (1999) concluded that it was more efficient and profitable to preserve historical buildings instead of demolishing them and constructing new ones. Surprisingly so, energy efficiency is an argument used by proponents of preservation: historical buildings tend to have higher energy efficiency than newly constructed buildings (Webster and Cohen, 2002). But these studies don't provide a law that states that rehabilitation is cheaper in all cases; however they do offer a framework to compare the costs between preservation and new construction in their local contexts (Mason, 2005).

#### **2.4.2 Property Values**

Another broadly discussed topic regarding the economic effects of rehabilitating historical districts is whether property values increase or decrease when doing so. Most studies



are in favor of an increase of property values when a historical district is preserved properly. For instance, Rypkema (1993) concludes that every single designation of 20 historical districts in Canada led to increasing property values, despite its decreased development potential. In Savannah, a historic city in Georgia, property values of historic districts increased with 183,7% from 1965 to 1977 due to preservation efforts. A study of the housing stock in historic districts in New Jersey found that the total market value of these properties is \$6 billion, of which 300 million can be attributed to the historical status of the districts (Escherich, 2004). In Chicago, the designation of a neighborhoods national historic district also boosted property values. The designation itself led to an increase of sale prices of 24% within the district and 29% outside the districts. This signals an important effect on areas adjacent to this neighborhood (Schaeffer and Millerick, 1991).

Sometimes rehabilitation of heritage leads to the creation of affordable housing. In numerous cases affordable housing was created out of vacant historical properties. This form of historic preservation serves two societal goals: maintaining historical properties and creating affordable housing. Owning an historic property and rehabilitating it can have several benefits to the owner: for instance tax credits, community acceptance, operating savings. Living in an historic property can also have numerous benefits, for instance a location near the downtown area and several amenities, such as shared space (Escherich, 2004). Another externality of historic preservation can be a reduction of crime: in Galveston, Texas, from 1975 to 1977, when preservation programs were put in place, crime fell from 8,2% from the city wide total to 2,9% in 1977. Therefore, property values also increased (Wojno, 1991). Most studies have shown positive effects rather than negative effects of rehabilitating historical districts (Mason, 2005).

Investments in historic districts on structures are also characterized by spread effects. The market value of a property reflects the quality of the property *and* the neighborhood. Evidence from empirical studies suggests that this effect is between 10% to 15% (\$10.000 of investment to a property means \$1000 to \$1500 added value on the combined value of the surrounding properties). Conversely, if buildings are neglected, this also affects the property values of the surrounding buildings (Schaeffer and Millerick, 1999).

### **2.4.3 Multiplier effects**

A number of studies performed in the U.S. have researched the mechanism of preservation as an economic development tool. Most of these studies conclude that preservation does pay off. Listokin et al. (1997) performed an impact study of government spending in several sectors, and the direct and indirect effects of spending on preservation were larger than investing

in book publishing, pharmaceutical production and electrical component production. The results are displayed in figure 3. Multiplier effects are higher than the other sectors in terms of employment, income, state taxes and local taxes. Research in New Jersey showed that “each \$1 million spent on non-residential historic rehabilitation creates two jobs more than the same money spent on new construction.” This data justifies government spending on historic preservation (Escherisch et al., 2004).

**Economic Impacts per Million Dollars of Initial Expenditure**

<b>Economic Effect (National)</b>	<b>Residential Historic Rehabilitation</b>	<b>Book Publishing</b>	<b>Pharmaceutical Production</b>	<b>Electronic Component Production</b>
Employment (jobs)	36	35	28	30
Income (\$000)	1,240	1,160	1,045	1,018
GDP	1,672	1,722	1,546	1,483
State taxes (\$000)	106	103	93	87
Local taxes (\$000)	89	86	79	74

*Fig 3. Multiplier effects, Listokin, D. and M.L. Lahr (1997)*

*Impacts of historic preservation in Florida*

In 2002, the economic impacts of historic preservation were researched in the state of Florida. This research emphasized the value of preservation of built heritage to the economy against the pressure of new development. Direct and multiplier effects of investment in preservation initiatives of built heritage, such as historic rehabilitation, heritage tourism, tax credits, grants programs and museum operations were examined. The following conclusions, underlining the economic importance of heritage, were made:

- Historic preservation creates jobs: in the year 2000 123.000 jobs were created in the state of Florida because of preservation activities;
- Historic preservation contributes to tax revenues: in 2000 \$657 million of local and in state tax was generated due to spending on preservation activities;
- Heritage tourism has a sizeable input to the economy of Florida: tourists spend \$3,7 billion while visiting historic sites, museums and state parks;
- Public funds are multiplied by private investments; estimations suggest that investment of the state of \$212,1 million since 1985 has been doubled by private organizations.
- Since 1985, a state investment of \$4 million has been leveraged by public / private partnerships into \$485 million;

- Historic preservation leads to stable or increased property values: in 15 out of 25 cases property values increased more than other comparable residential neighborhoods (Center for governmental responsibility et al., 2002).

## **2.5 Concluding remark**

Historic preservation has become a tool for economic development. In the past decades, research delivered convincing evidence suggesting that historic preservation pays. In many cases, preservation or rehabilitation of historic properties have had a regenerative effect on the surrounding areas. However, the need for preservation has not always been acknowledged, especially in the industrializing age. Since the 1960s, historic structures were increasingly appreciated which increased historic preservation activity. This preservation activity increased the economic value of heritage. However, historic preservation still faces a number of challenges. Due to the stagnating economy which led to bankruptcy of companies in the urban core, vacancy of historic properties has increased and thus increased pressure on public finances. Also, successes of historic preservation schemes can lead to gentrification which has numerous negative effects on a cities society, such as displacement of entire ethnic groups. The best solution to the finance issue appears to be looking for methods to adaptively reuse historic structures.

The economic value of heritage nowadays is used as a rationale in favor of historic preservation, because historic preservation leads to urban revitalization, increased property values, higher multiplier effects than other sectors and a reduction of urban sprawl. These economic benefits are reasons for a consensus towards preservation of historic districts.

### **3 Historic preservation practices in the U.S. and Gainesville**

During the last decades, Americans have become increasingly aware of the importance their heritage. From a few dedicated preservationists, historic preservation has become a public practice. The nature of built heritage, namely the irreplaceability and uniqueness of it, is being recognized since so much has gone lost. However, this consensus, although still debated, hasn't always been obvious. In the 1950s and 1960s, the new was considered far more superior over the old, which is why during this era, a large share of the built heritage was demolished and replaced by new construction (Tyler, 2009). This chapter will offer a very brief overview of the history of historic preservation in the U.S. and in Gainesville, Florida.

#### **3.1 A history of preservation in the U.S.**

Early preservation activities took place in the 19<sup>th</sup> century. Back then, it was better known as antiquarianism. The first successful collective preservation initiative was the saving of the Independence Hall from demolition in 1816. Widely considered to be the first preservation group, 'The Mount Vernon Ladies' attempted to save the deteriorating homestead of George Washington. They presented a petition for the congress to purchase this homestead, so that every American citizen could visit the site. This effort failed, and the federal government did not support the petition that was offered. However, the organization found other ways to raise money and saved the structure. This organization served as an early model for historic preservation organizations, with two main characteristics: usually women were leading these organizations and they were largely dependent on private individuals. The main motives for historic preservation were not because of architectural or economic reasons; it occurred mainly because of patriotic reasons that these landmarks were saved (Tyler, 2009).

During the end of the 19<sup>th</sup> century, some preservation initiatives were undertaken by federal government. In 1872, Yellowstone Park became the first national park after designation by the government. In 1889, the Casa Grande ruins in Arizona became the first national monument and \$2000 was issued to protect it. This was the first federal funding for preservation. In 1906 the antiquities act was established. This was first legislation regarding heritage preservation that offered penalties for destroying federally owned sites. In 1916, the National Park Service was established. Its goal was to establish a method to preserve sites that were too large for private protection, Jamestown and Yorktown in Virginia. However, private individuals

still played a significant role in heritage preservation. For instance, in 1929 Henry Ford funded a preservation project of Greenfield Village (Tyler, 2009).

The first historic district within a city was established in 1931 in Charleston, South Carolina. Because there were plans to establish a gas station downtown, citizens and planners gathered to create a zoning ordinance that made it illegal for companies to locate in this district if it would detract from the architectural and historical setting. In the mid twentieth century, the architectural reasons for preservation started to become more important and preservation became a more societal practice. In the 1960s the first national legislation in support of historic preservation was passed by the congress. During this period, the first academic career regarding historic preservation was established as well (Fitch, 2001). This has led to the entrance of professionals to the field and the practice of historic preservation now has a distinct professional field. It represents a significant area within the urban planning field.

The National Historic Preservation Act (NHPA) was passed in 1966. This act stated that it was the government's role to "provide leadership for preservation, contribute to and give maximum encouragement to preservation, and foster conditions under which our modern society and our prehistoric and historic resources can exist in productive harmony" (Advisory Council on Historic Preservation, 2002) . This lead to a number of legislative and executive actions: Executive Order 11593 and Section 110 offered tools to identify and consider historic properties in federal action. Several agencies were established to implement preservation policies on federally owned property. Due to the NHPA local governments can receive block grants to rehabilitate historic properties to rehabilitate, preserve or adaptively reuse historic structures. For example, this happened with Loew's King Theatre, in Brooklyn New York, when a local community group applied for funding and adapted the structure to become a multi-use center. Currently, a mall and a theatre are situated in this building (Wojno, 1991).

### **3.2 Historic preservation in Gainesville**

An important preservation tool that resulted from the NHPA to identify heritage and to raise funds is the national register. From the 1980s and on, five districts in Gainesville were added to the national trust: Northeast Historic District, Pleasant Street Historic District, Southeast Gainesville Historic District, University Heights North and South (see Fig. 4). These historic districts originate from the 1850s and the oldest properties in these neighborhoods remain from this period.

## Historic Districts

City of Gainesville, Florida

### Historic Districts

- 1. University Heights Historic District-North
- 2. University Heights Historic District-South
- 3. Pleasant Street Historic District
- 4. NE Residential Historic District
- 5. SE Residential Historic District

Prepared by the  
City of Planning and Development Services  
December 2008

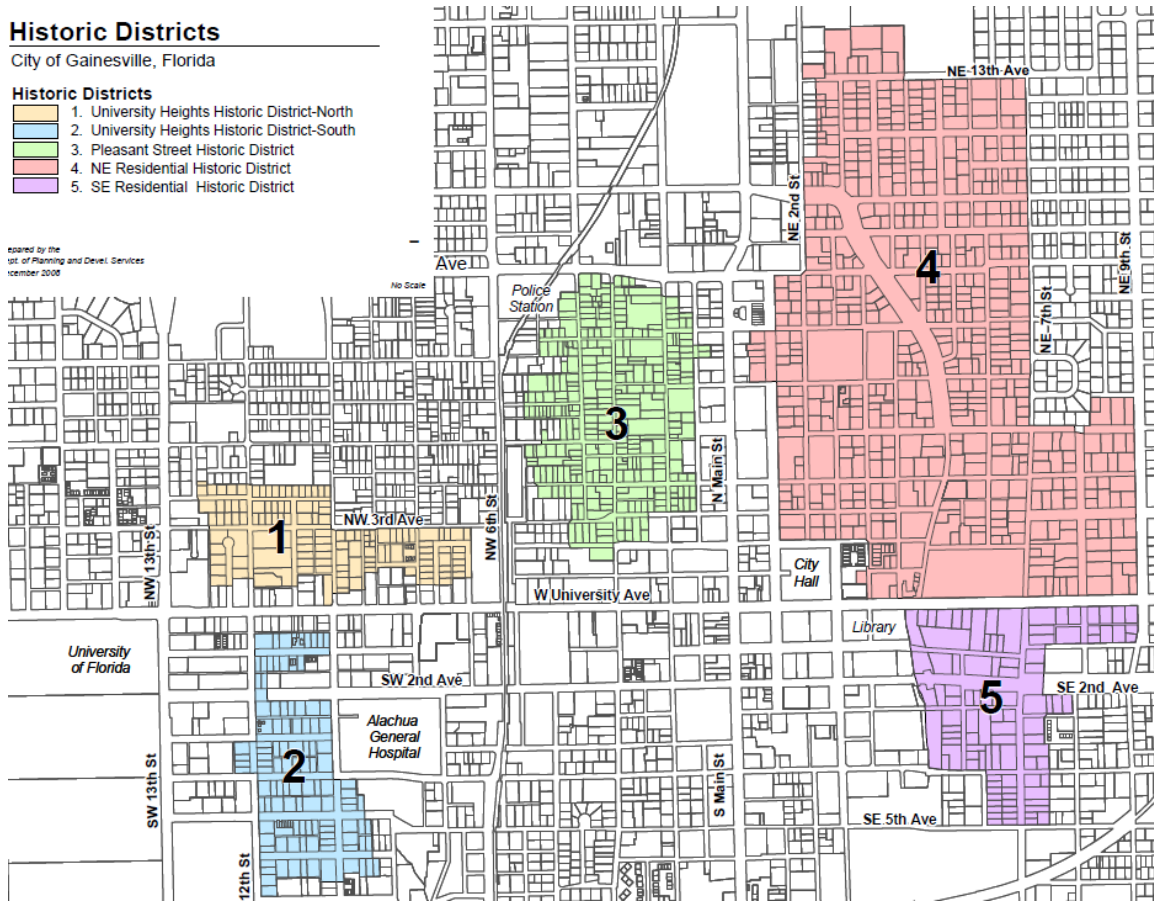


Fig. 4 Gainesville Historic Districts (City of Gainesville, 2011)

These neighborhoods are generally characterized by little construction from the 1930s to 1950s, deterioration from the 1950s to the 1970s, and revival from the 1970s due to increased recognition of preservation values. The Duckpond neighborhood, also known as the northeast historic district, is one of the best preserved neighborhoods. This neighborhood features different architectural styles such as the Queen Anne style before 1900 and the Georgian revival style homes from after 1900. Some of the main characteristics of these structures are jutting gables, variety of roof forms and spacious verandas (Pickard, 1991). A major landmark of this neighborhood is the Thomas Center, which was completed in 1910 by William Reuben Thomas. It was built initially to serve as a hotel, but nowadays it's adaptively reused as office space for the several municipality departments, after it was saved from destruction because of efforts made by historic preservation organization Historic Gainesville Inc. and the local government in 1972. In 1980, the entire district was recognized as a district with historic value on the national register. One of the oldest homes that still remains is the Matheson House in the South East historic district built in 1867 by local merchant James Douglas Matheson (Fig. 5).



*Fig. 5 1867 Matheson house in southeast historic district (Panoramio, 2011)*

Within these districts, historic properties are protected from what is deemed to be unfit new construction and exterior alteration, demolition and relocation by the rehabilitation and design guidelines (City of Gainesville, 2000). Also, in 2008 Preserve America Community recognition was awarded to Gainesville. Beside these government initiatives Gainesville also has an active preservation community. Historic Gainesville Inc. (HGI) is a private, non-profit organization dedicated to the advancement of historic preservation in the city of Gainesville, Florida, and surrounding Alachua County (Historic Gainesville Inc. (2011). One of their biggest successes is the preservation of the Thomas Center in 1971. Furthermore there is the Duckpond Neighborhood Association (DNA), which is involved with historic preservation in the Duckpond Neighborhood. Also, there is a number of companies that focus on rehabilitation of historic structures. For instance, there is Aachen Designers, an architectural firm involved with rehabilitating historic structures (Aachen Designers, 2007). Furthermore, there is the Community

Redevelopment Agency, which is involved with redevelopment in several historic districts (CRA, 2011).

### **3.3 Concluding remark**

Preservation in the U.S. took off in the beginning of 19<sup>th</sup> century. In that time, preservation activities were initiated by private actors, predominantly by females. In 1960s, due to deterioration of heritage on the one hand and appreciation on the other hand, the federal government got involved with the passage of the National Historic Preservation Act. This has led to the integration of historic preservation in the urban planning field. Due this increase of appreciation, the city of Gainesville in Florida has a large stock of built heritage and an active government and community involved in historic preservation. This is the main reason why this case study can be performed on this particular location.



## 4 Rationale for historic preservation

This chapter focuses on the motives of stakeholders to engage in historic preservation. The research question will be examined: “What is the economic rationale behind historic preservation as applied by actors in Gainesville, Florida?” This research question was asked to explain the economic rationale is for preserving heritage overall and for Gainesville in particular, but also to find out whether economic motives were as important as described in the literature (Mason, 2005).

In order get insight in the preservation rationale of the stakeholders of historic preservation in Gainesville and the decision making process, various individuals with different backgrounds were interviewed. They have in common that they are all doing activities that are related to historic preservation, whether it’s living in a historic property in a historic district, creating awareness for historic preservation for a non-profit organization or creating policies for heritage preservation and economic development or running a real estate business that focuses on historic properties. Therefore, two officials of the municipality were interviewed, the economic development director and the historic preservation planner. From the community, two historic property owners were interviewed and the chairman of Historic Gainesville Inc., an advocacy organization for historic preservation. To shed some light on the business perspective, an entrepreneur in real estate that focuses on both selling and rehabilitating historic properties was interviewed. Finally, one of the main architects of the economic impacts of historic preservation in Florida study was interviewed. Perhaps not all preservationists are represented by this small sample, but an attempt has been made to very broadly select these different individuals with different backgrounds. The interviewees were asked about fifteen questions on related topics regarding historic preservation in Gainesville (see appendix 9.1) for the interview questions and transcriptions).

- Their motives regarding historic preservation
- Preservation policy
- The link between historic preservation and business
- The effectiveness of adaptive reuse

The names of the interviewees, their respective roles and motives they mentioned in the interviews are displayed in appendix 9.1. This chapter will discuss the answers that the interviewees had on the questions regarding historic preservation rationales. Also, if relevant some connections will be made with theories and other literature.

In order to uncover the preservation rationale, all the interviewees were asked about their personal motives and organizational motives for historic preservation. Also, they were asked about preservation policy, the importance of stakeholders and whether conflicts arise regarding preservation. This section covers the ‘why’ question of heritage preservation. When the interviewees were asked about their motives and the importance of preserving built heritage, they answered in various ways. All interviewees mentioned economic motives, such as stable property values, job creation, taxable value increases, income from rehabilitating properties, cultural tourism and economic impacts in general. D. Henrichs (historic preservation planner) stated that *“there is an economic stimulus to heritage tourism, economic rehabilitation creates jobs, it stimulates the local economy, cultural tourism and Gainesville preserving its heritage certainly gives Gainesville a sense of place. It doesn’t look like every other town. All the things create an economic motive.”* This means that historic buildings give Gainesville a sense of uniqueness, which translates in the mentioned interrelated impacts. These impacts are vastly described in the literature. Strauss (2001) concluded that historic preservation led to an input of \$470 billion to the economy of Pennsylvania. In Florida, spending of tourists near tourist attraction leads to an annual input to the economy of \$3,7 billion. The second mentioned effect in this citation, job creation, is also mentioned in the literature by Listokin et al. (1997): Spending by governments on historic preservation leads to more jobs than spending on other sectors. Sense of place was the third mentioned effect, and this appears to be an effect of well-maintained historic neighborhoods in Gainesville. Stedman (2003) argues that the physical environment contributes greatly to a sense of place and that it’s not merely a social construct. All these assets contribute to economic development. Economic development on its turn contributes to the preservation rationale for the interviewees. Erik Bredfeldt mentioned an increase of taxable value as an important motive for historic preservation for the municipality. Historic preservation contributes to tax revenues: in 2000 \$657 million of local and in state tax was generated due to spending on preservation activities (Center of Governmental Responsibility, 2002).

These government officials were well aware of economic impacts. They emphasized these economic motives more than the cultural, intangible motives mentioned by the other interviewees. This makes sense, because from a policy point of view, it could be important to have more tangible arguments to allocate money and resources into heritage preservations. Especially job creation is an important argument. They have to justify every dollar they put into historic preservation, and spending on historic preservation leads to more jobs than spending on

other sectors (Listokin and Lahr, 1997). So besides the very qualitative benefits of heritage preservation, for instance creating a sense of place as defined by Doreen Massey, the economic effects offer motives for historic preservation by the municipality in Gainesville.

For the interviewed realtor and architect (Bill Warinner), an important motive for him to undertake heritage preservation activities had an economic nature: he saw a business opportunity in rehabilitating and selling historic properties. Nowadays, 85% of his work involved heritage preservation oriented activity. Research suggests that historic rehabilitation is more labor intensive than new construction: *“Investments in the rehabilitation of historic properties create construction jobs at a greater rate than for new construction, because rehabilitation projects are typically 60 to 70 percent labor as compared to the 50 percent labor that is typical for new construction”* (leithe, 1999). This allows individuals such as Bill Warinner to run a business focused on historic preservation and hire more people than companies that focus on new construction. However, his initial interest in historic properties didn't originate from the economic qualities of historic buildings. It rather had to do with a personal interest in history and the aesthetic quality of those structures. This was the case for most of the interviewees. They all had a preexisting interest in historic properties, which was fueled by the aesthetic and historic values of these structures.

From the standpoint of the interviewees from the community, the cultural and architectural values played a more important role in heritage preservation than economic values. Michael Volk from Historic Gainesville Inc stated that the main motive of HGI to preserve heritage is the *“culture value of heritage and the character it contributes to Gainesville.”* Tim McLendon supports this statement: *“We do the study of economics, but I don't think that economics are what you would use to defend historic preservation.”* However, both acknowledge the economic impacts. Michael Volk argues that economic benefits are becoming more important. Because HGI is mainly an advocacy organization for historic preservation and they are in a stage where they are redefining their objectives, economic impacts are becoming more important as an argument for historic preservation. One of those objectives is involving more companies. In order to do so, it's important for HGI to have some economic arguments for why heritage preservation could be profitable.

The property owners (Melanie Barr and Bill Tyson) are less worried about the economics of historic preservation. The main motive for the property owners was the architectural quality, but also the location, proximity to downtown and the variety in the neighborhood. Variety pointed to the racial, socioeconomic and age diversity in the neighborhood. Research has shown that diversity has some positive effects on a neighborhood: *“exposure to diversity helps broaden*

*people's social networks by creating meaningful opportunities for interaction across racial and ethnic lines*" (Cornwell, 2001) They also mentioned that these kind of properties tend to maintain their value as well, which is also described in the literature (Rypkema, 1993) but it was not the most important in the decision making process of buying a historic property into a historical district. The development of property values is well documented in the literature: the majority of research points towards more stable or higher property values in historic neighborhoods (Listokin, 1997).

The other stakeholders from the community are in this case not incentivized by economic motives. The main motive is to preserve the cultural values, the conservation of sense of place, which basically means that they want Gainesville to keep its distinct character. Some interviewees were comparing Gainesville to other cities in Florida, which might not have a distinct character such as Gainesville. Ocala was mentioned a couple of times as an example of a place they do not hold in high regard because of the lack of a distinct character. The visual aspect of historic properties also appealed to the interviewees: historic structures simply look better than newly constructed structures. Also, the property owners that are living in the historic neighborhood suggested that the historic neighborhood they live in is a mix of different kind of people, and this mix appeals to them. Bill Tyson stated "*And the neighborhood I'm in, is very diverse, from a culturally and economic perspective. There are people with different ethnic backgrounds, people who don't have a lot of money, old time Gainesville people, and I like that mix.*" These assets of historic neighborhoods are perceived as benefits and motives in preserving them can be categorized as cultural rather than economic. Most of these cultural aspects refer to the concept sense of place. Most interviewees mentioned the cultural assets before the economic assets. These historic neighborhoods are perceived to have a distinct character which gives the interviewees a sense of uniqueness. This notion of uniqueness offers them the main motive to live in these neighborhoods or to protect these neighborhoods.

Policy can also be a motive for people and businesses to reside in a historic district. On the other hand, it could scare them away because of the rules and requirements. Most stakeholders were more familiar with local policies: "The Rehabilitation and Design Guidelines," which is a set of rules regarding modifications on historic properties. Most stakeholders were fairly positive about the consistency and cost efficiency of the guidelines, although it just serves as a framework and it has many interpretations. If someone who is living in a historic district wants to make an alteration to his or her property, he has to meet with the preservation board to find out whether it's consistent with the rules. Sometimes this leads to conflicts between the board and the property owner, due to differences in perception of the rules: "*I had a small fence*

*that I thought staff could approve, because it said so in the guidelines. And it had to go before the whole board. I had to meet the staff to get approval but instead it needed to go before the entire commission. I've never been a supporter of color pallets for historic districts because they are too varied.*" So sometimes, there are some disagreements about how a certain neighborhood should look like and how detailed the preservation board must be. If they are focusing too much on details, they can be considered meddlesome and that could be a negative effect on the demand off property in the neighborhoods that have a historic preservation board. However, most stakeholders offer a fairly positive view on these rules: *"We attempt to be consistent and not arbitrary. (...) There are probably some inconsistencies in the way but probably not to extreme* (D. Henrichs, 2011)." Also, Bill Warinner was a large proponent of these rules and mentioned an example. There was this case of a school that wanted to change the windows on their historic property where the historic preservation board stepped in and finally convinced the school board not to do it: *"It would have been a huge mistake for them to replace those good solid windows with these temporary vinyl units. By contrast, people in the vinyl window business seemed to have convinced the school board that replacing the windows would dramatically decrease their energy bills."* So in this case, intervention of the historic preservation board, by using the Design and Rehabilitation Guidelines, had led to stop an alteration of a historic property. Eventually, the school board decided to rehabilitate the old windows which was a lot cheaper than replacing them with vinyl ones, therefore maintaining the historic character of the structure which contributes to the sense of place of the neighborhood.

The interviewees were also asked about which stakeholder they perceive as more important in historic preservation and they were asked if there are conflicts of interest. Conflicts of interests could point out adversities within the rationale. Most stakeholders mentioned the property owner as the stakeholder that should be responsible for taking care of heritage and picking up the bill. But most interviewees also felt that all stakeholders have an important role to play. If the community wants to push a vision, it has to take a bigger role in preservation activities in that particular area. But all stakeholders agree on the notion that when you buy in a district, ultimately, it's the homeowner's responsibility to take care of the property, even though the entire community and businesses profit from having a well maintained stock of heritage. However, through tax incentives, the community does pay for historic preservation: there are tax exemptions for people that do major rehabilitation work on their properties, tax deduction that could equal up to 30% of adjusted gross income (Park Service, 2011). Sometimes, because of opposing views between the community, government and property owners, conflicts arise because of opposing views on what freedom one should have in making alterations to its

individual property versus the stakes of the community. Most interviewees responded that there are no major conflicts, but sometimes, some issues arise. For instance, it can be difficult to get a neighborhood on board because historic preservation rules and a board controlling that these rules are executed can be considered as meddlesome by the residents of the neighborhood. For example, creating consensus among the residents of University Heights Historic Districts, posed a challenge for policy makers in Gainesville. Finally, the municipality succeeded by explaining the residents the benefits of the designation of a neighborhood, that it offered protection from certain types of development that are deemed unfit for the neighborhood. Another prime example of a conflict between stakeholders, brought up by the majority of the interviewees, in Gainesville was the demolition of Jacks Bar, a structure from 1888, which was demolished in 2010. The main reason for this demolition was that it was being neglected by its owner and it had some structural issues. The owner wanted to make an open air bar on the same location. Regardless of many offers for rehabilitation made by the stakeholders, the property owner decided that the building was to be demolished because he had plans to construct a new building on that location. Because this building was outside a historic district, the municipality and other stakeholders had no legal instruments to keep the property owner from doing so. The lot where Jacks Bar used to be is now vacant. All the interviewees were against this action. Bill Warinner was most outspoken about this situation: *“He focused entirely on an activity that was very shortsighted, that he would have had a greater value as a landowner. As an owner of real estate he would have been far better of grasping the value of the fabric that he had, and taking the cities generous offer to assist him with stabilization and ultimately contributing to the structures improvement. That owner chose to ignore the willingness of the public to help him go on the right direction, and he chose a pretty stupid path to go. So he devalued the asset that he had, because he had the legal right to do so. And now it’s a piece of vacant land.”* So this stakeholder perceives that this action has also economically hurt this entrepreneur, since still nothing is being developed. From the cities standpoint, the situation that this piece of land is now vacant does not benefit the attraction of the place: *“Whenever you lose a building there is the void. This is never good for the area, to have an empty lot. It looks like grenades and bombs have gone off, like in Libya. None of that looks hopeful, fruitful and productive for a city to have.”* So according to these stakeholders, these kinds of events indirectly have negative effects on cities economy. If a place looks less appealing, it will have fewer visitors and possibly fewer companies. In other words, demolition by neglect has negative effects on the sense of place and therefore it has also negative effects on the local economy.

So from these answers it can be taken that all stakeholders had an initial interest in historic properties, which for some of them have led to professions in or related to historic preservation. For those whose professions are closely related to heritage preservation, economic motives for historic preservation play a bigger role than for those who are involved with heritage preservation by owning a historic property or being involved in a historic preservation organization. This makes sense, since the business owner has to make a living out of historic preservation and the policy makers want to have tangible, economic effects, because often that's what they are being judged upon, since it's measurable. Also, the fact that they are all educated in the effects of historic preservation plays a role in explaining why they mention economic motives. Policy hardly plays any role as a motive, but currently, most stakeholders are fairly satisfied with local policies and less aware of national policies, but policy does not seem to form a motive to get involved in historic preservation. The same thing can be said about conflicts that arise from the tension between historic preservation and new development, but it appears to make these preservationists more passionate for historic preservation.

Literature and comparable research suggests that there are very strong linkages between all of these cultural aspects of a community and economic development. Ashworth (1990) suggests commodification of these cultural assets. Certain aspects of the object can be made into a modern sellable product, for which exists market demand. According to the interviewees, this seems to be the case with historic buildings in Gainesville. Historic districts create a sense of place which translates in a modern, sellable product. But the main motives for engagement in historic preservation for these stakeholders are historic value and aesthetic quality.

## 5 Revitalization and property values

This chapter will examine the impacts of historic preservation in Gainesville. The main emphasis will be on property values and urban revitalization, because these are important economic effects that result from historic preservation. The research question that is being answered in this chapter is: “*Has historic preservation led to regeneration of the surrounding area or/and increased property values?*” The research goal is “*to describe and analyze the selected economic effects of heritage preservation in Gainesville.*”

### 5.1 Urban revitalization

Urban revitalization is the field of public policy that addresses such urban issues as economic decline, environmental decay, community dereliction, growing unemployment and some social problems caused by these urban issues. In biology, regeneration means the re-growth of lost or injured tissue, or the restoration of a system to its initial state (Merriam-Webster online, 2003). This section focuses on revitalizing effects that policies have had in the historic areas in Gainesville according to the interviewees.

The interviewees were asked about their views on the connection between historic preservation and mainly the economic side of revitalization. This section of the analysis covers the economic side of urban revitalization, such as heritage tourism and jobs created by maintenance activities, but also the opposite of downtown revitalization which is urban sprawl. These questions were asked to find out how the stakeholders think about other possible effects and linkages between heritage and economic impacts that they didn't mention in the first section.

#### 5.1.1 Historic preservation as economic development tool

Firstly, the interviewees were asked about the importance of historic preservation regarding economic development. Several economic effects were mentioned: attracting visitors, job creation in maintenance, redevelopment, increasing city's tax base, attraction of companies, tourism, adaptive reuse, stimulating commercial activities and stable property values.

Some interviewees emphasized attracting visitors as an important aspect of revitalization: by keeping the downtown area attractive, more visitors will go there and spend more money. Michael Volk states: “*I think that in short historic preservation in Gainesville has the ability to draw people to the core of Gainesville and attract business to the downtown area. So that's the*



*impact that it has, by drawing visitors but residents as well, who want to eat in an appealing place to eat and shop in a appealing place to shop.*” Several other studies support the notion that the presence of heritage can lead to heritage tourism which is a big input in several cities in Florida. Heritage tourism has a sizeable input to the economy of Florida: tourists spend \$3,7 billion while visiting historic sites, museums and state parks (Center for governmental responsibility, 2002) . Erik Bredfeldt also mentioned the importance of a historic base for retail: *“if you have a historic base in your environment, people are going to come in and spend money on shopping, eating and even investing in property.”* Basically, this notion suggests that a sense of place is also stimulating visitors to spend more in the downtown area. So an increased amount of visitors and an increased amount of spending as a result of the presence of heritage is an important impact to the local economy. Another effect that was mentioned often was job creation through maintenance. For instance, Bill Warinner stated that 85% of his maintenance activities are taking place on historic properties. This notion shows parallels with literature and comparable research: historic preservation creates jobs: in the year 2000 123.000 jobs were created in the state of Florida because of preservation activities. Increased property values were also mentioned as a positive economic effect of historic preservation. Professor Bill Tyson, historic preservation specialist and property owner, said the following about property values: *“historic properties tend to maintain their value at least as good as other neighborhoods.”* The numbers indicate that property values over the last decades have increased more in historic districts than in comparable, new development districts: Historic preservation leads to stable or increased property values: in 15 out of 25 cases property values increased more than other comparable residential neighborhoods (Center for governmental responsibility et al., 2002). However, this was not the main reason why the historic property was bought: *“Generally, it’s the quality of the house, which is difficult to find in later homes. It’s far superior to most new construction. (..) Woodframe houses today that are designed by crafters don’t nearly last as long as this house. It’s also accepting a house and working with a house that has a history to it.”* So the architectural quality was a more important motive in purchasing the property than property value development.

The interviewees were also asked about the effectiveness of the Preserve America Initiative. The goal of this initiative is to recognize communities that protect and celebrate their heritage, use their assets for economic development and encourage people to experience local historic resources. Once a community gets designated it can receive funding. Although Gainesville got awarded with a Preserve America Community designation, most interviewees were unaware of this. D. Henrichs noted: *“We became a Preserve America Community, however we never got a chance to apply for funding. Within a year or so, the funding got cut, when Obama*

*got into office.*” So, the municipality never received funding after being awarded with the designation. The stakeholders that did know what it actually was hadn’t seen any increases in tourism or visitors due to this designation.

Also, the interviewees were asked about the effects of historic preservation against urban sprawl. Almost all of them agreed that urban sprawl is an unwanted urban development that is unsustainable and that historic preservation can act as a counterforce against urban sprawl. Urban sprawl generally results in higher operating costs for a city, higher transportation costs, reduction of natural habitat and some social issues (Burchell, 1998). So preservation of historic structures can play a role to go against this inefficient development of cities.

So, stakeholders agree that there are some positive economic effects regarding historic preservation. Attracting visitors, job creation, tourism and stable property values were mentioned often. The literature suggests the same connections between preservation and local economies (Listokin, 1997). The federal preservation schemes are not well known amongst the interviewees, but they are very familiar with the local guidelines and in general, they are pleased with this framework and they emphasize the necessity of the framework. Therefore, local guidelines have a larger contribution in historic preservation than federal policies.

### **5.1.2 Historic preservation and businesses**

Another aspect of downtown revitalization is the attraction of businesses. In this section, interviewees were asked about their opinions on whether or not built heritage is a factor in attracting companies and whether the build stock of heritage should be marketed more to the business world. In this section they were also asked if they felt that historic structures in Gainesville were effectively being used as an economic resource. In the literature, a lot of connections are being made between historic properties and attraction of business (Wojno, 1991). The term of adaptive reuse is related to attraction of businesses, because it means adapting otherwise obsolete buildings as either living space or office space or some other kind of use that is economically viable. The answers are summarized in appendix 9.1.

When asked about the pull effect of heritage on businesses, the majority of the respondents answered that it can definitely attract businesses, but not that settling in a historic building can necessarily benefit a company, but more the proximity to an area that has a larger quality of life. Respondents believed that historic areas have a larger quality of life, due to the aesthetic and historic value of the buildings, the diversity of the neighborhoods and a greater sense of place. These assets of the historic structures attract a labor pool that companies want: highly educated, creative individuals (Florida, 1992). Neighborhood satisfaction tends to be

important in overall happiness: “*satisfaction with the social, economic, and physical features tend to contribute to one’s overall satisfaction with the neighborhood (neighborhood satisfaction)*” So this satisfaction with the neighborhood can attract a highly educated labor pool within the district which attracts companies. Most interviewees believe that this is the case. The majority of the interviewees also answered that the asset historic structures within the cities could be more promoted. However, the city does not have the necessary resources to do so. However, there are other creative ways in marketing this cultural asset. For instance, the Duckpond Neighborhood Association organizes the Spring Promenade every year to invite visitors to have a look inside the neighborhood. Some interviewees didn’t acknowledge the importance of city marketing. They felt that good historic preservation should be the main form of marketing.

Adaptive reuse is one of the main tools to facilitate historic properties for residential or business use or some other contemporary use. The majority of the respondents agreed that historic properties in Gainesville are used as an economic resource. Bill Warinner: “*it’s identifiable, as a preservation realtor, that a property outside the national historic district, is perceived as having less value than one in a national district. There is a direct impact in value.*” However, some argue that due to a lack of flexibility in the rules a lot of opportunities of adaptive reuse were lost. Also, adaptive reuse tends to be costly which is another barrier. However, in general, a lot of historic structures, also outside the districts, are effectively being reused. Sometimes, companies feel restricted by the rules regarding a historic structure which scares them away and makes them move to the urban fringe.

### **5.1.3 Concluding remark**

These preservationists see historic preservation as a tool for urban revitalization. They believe that historic preservation leads to a sense of place which leads to several economic effects that are part of urban revitalization. They also think believe that downtown revitalization can stop urban sprawl. However, these perceptions are not enough to answer the question whether historic preservation has really lead to these effects. In order to find out if they did, many of these effects need to be quantified. The next section will focus on quantifying one of the more obvious effects, namely the effects on property values.

## **5.2 Historic preservation and property values**

In order to answer the question how historic preservation affects property values, this chapter will first look at the development of property values in the U.S. of the last 20 years. Firstly, the development property values in the U.S. and how the housing bubble affected these property values will briefly be discussed. Secondly, the development of property values in Florida

will be discussed and thirdly the development of property values in Gainesville. Finally, this chapter aims to explore whether there is a difference in property values between historic districts and “normal neighborhoods” (neighborhoods without any special designation).

### **5.2.1 Housing Bubble**

There exists a broad consensus that the global financial crisis was the result of the bursting of the housing bubble in the United States in 2007. From the late 90s property values started rising more rapidly than before. During the 70s and 80s, the U.S. also experienced a rise in property values, but not as pronounced as the recent burst. However, this recent burst was even more pronounced in Ireland, the United Kingdom and Spain. By contrast, in other countries the bubble burst was less clear: in Canada, Italy and the Netherlands growth was only half of that in the U.S.: in Germany and Japan property values decreased. Many generalized explanations have been offered for the bursting of the housing bubble in 2007: demographic change, falling mortgages rates, income growth etc. However, the impact of the housing crisis has differed from location to location. It seems that country specific factors played a role, which implies the need of a geographical scope. In the U.K. and the U.S., the severity of the impact of the bursting housing bubble can be explained by the way the finance system and the mortgage system specifically have operated over the years. Martin (2010) offers the following explanation:

*“the house price bubble in the USA and UK particularly was a manifestation of what they term a ‘perpetual money machine’ illusion, an unprecedented process of debt-financed wealth creation and consumption that bore little relation to real economic growth and fundamentals, but which was assumed to constitute a new normal state of affairs.”*

In the U.S. in particular, two factors regarding housing played major roles in causing the bubble:

- Mortgage borrowing was stimulated by the banks from 2001 by lowering the interest rates;
- Homeownership has been viewed as a key driver in the economy and has been actively and aggressively promoted by the U.S. government;

Several developments during the 1980s and 1990s have contributed to the creation of these factors. Before the 1980s, mortgage lenders operated on a more local scale. Loans were based on strict income checks and were basically funded by local savings. In other words, the lender had to be located near the loan institution. There was less mobility of capital. Due to globalization, banks that were already operating globally started to enter the mortgage business. Loan crises,

deregulation, demutualization and financial innovation have led to this development. This resulted in the end of mortgage as a geographical product and was one of the reasons why the crisis spread out as rapidly as it did (Martin, 2010).

### **5.2.2 Development of sale prices in the U.S., Florida, Alachua and Gainesville**

In 1996, the median sale price of properties in the U.S. was \$109,500. This amount steadily rose until 2007 to \$220,000. Until 2010, it dropped to \$182,000. From January 2010 to December 2010, the housing market was slowly recovering again: the average sale price climbed to \$193,000. The median sale price in Florida in 1996 was \$83,300. Housing prices followed the same trend as the entire U.S. until 2007. After 2007, the housing prices came down harder in Florida than in the rest of the U.S. From a median sale price of \$237,400 in January 2007, this amount dropped to \$137,000 in December 2010. The sale prices of Alachua County and Gainesville grew steadily from 1996 to 2010 from approximately \$70,400 to \$156,300. In figure 6 the development of sale prices is displayed.

Literature suggest that designation of a historic district leads to increased property values (Rypkema 1993, . Leichenko et al. 2003, Escherich 2004). In order to determine whether the designation of historic districts and consequently historic rehabilitation schemes have helped to increase property values in Gainesville, it makes sense to compare zip code areas. All of the historic districts in Gainesville are situated in the area with the zip code 32601. Gainesville has five historical districts, counting 1500 buildings.

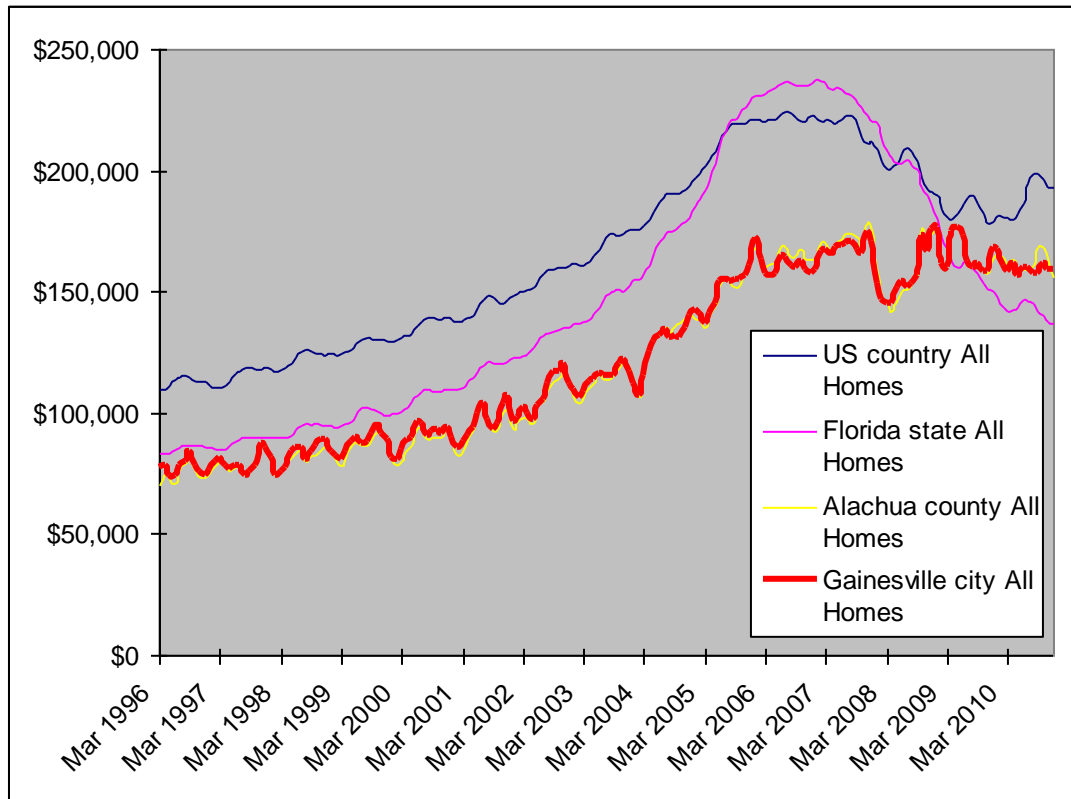


Fig 6: Development of sale prices of properties in the U.S., Florida, Alachua County and Gainesville (Zillow, 2011)

So in order to look at whether or not the presence of heritage results in higher property values, it makes sense to compare zip code areas. The development of property values in the zip code areas of Gainesville are displayed in figure 7. Not all the properties within the zip code area of 32601 are historic properties; however, because of spread effects of rehabilitation schemes (Schaeffer and Millerick, 1999), it's a possibility that values of non historic properties are affected by the presence of historic properties. Evidence from empirical studies suggests that this effect is 10% to 15% added to the combined value of surrounding properties (an investment of \$10,000 to a property means \$1000 to \$1500 added value on the combined value of the surrounding properties). Conversely, if buildings are neglected, this also affects the property values of the surrounding buildings (Schaeffer and Millerick, 1999). The bold red line represents the property value development of the zip code area 32601 with all the historic districts. Property values are relatively low. This could indicate that the presence of historic properties doesn't have a positive effect and it could even indicate that it has a negative effect. However, it is necessary to take a more in depth look at it, because the physical nature of the structures might not be the only

reason for a lower median property value for this zip code area: socio economic factors can be a factor in explaining these lower property values. Also, a large number of properties within this zip code area are non historic properties, which could be another explaining factor for lower property values. Finally, areas surrounding the urban core in U.S. cities tend to have poor socio economic characteristics (Jargovsky, 1997), which is why property values around the urban core (where the historic neighborhoods are situated) are usually low in medium sized cities. Therefore, it is necessary to take a more specific look.

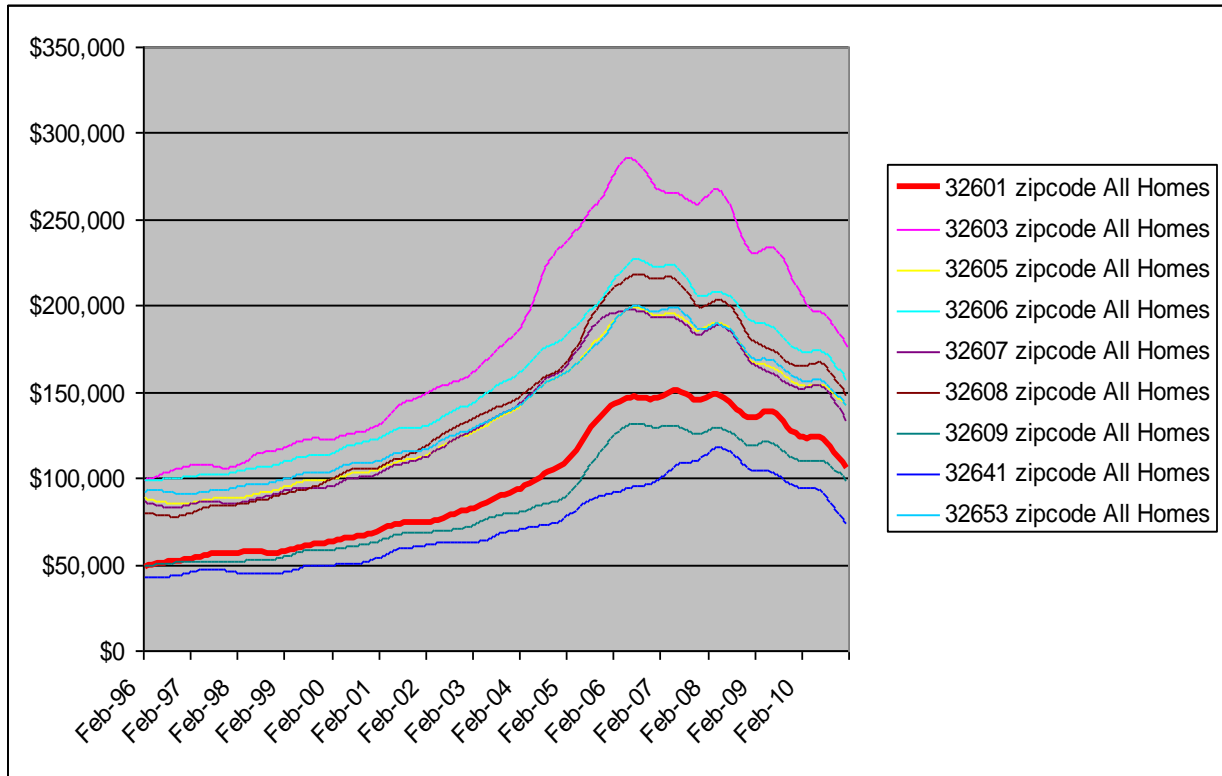


Fig 7: Estimates of property values per zip code in Gainesville, Florida (Zillow, 2011)

### 5.2.3 Property values of historic districts in Florida and Gainesville

In 2002, research initiated by several institutions (Center for governmental responsibility, University of Florida Levin College of Law, Centre for urban policy research, Rutgers University) took a more specific look at the development of property values in historic neighborhoods and compared them with neighborhoods with similar socio economic characteristics. Eighteen historic districts were compared with twenty five neighborhoods, with similar characteristics, in medium sized cities in Florida. This analysis showed that property values have increased for both types of neighborhoods from 1992 to 2001. It concluded that historic properties have the same growth in most of the cases or a slightly faster growth than the compared neighborhoods.

In the case of Gainesville, the Northeast historic district (better known as the Duckpond area) was compared with the Golf View neighborhood and Pleasant Street Historic District was compared with the North West Fifth Avenue neighborhood. Northeast historic district is one of the best preserved historic neighborhoods. The properties originate from 1875 till 1920 with a variety of architectural styles. It has been added to the National register in 1980 and it has enjoyed numerous rehabilitation efforts by residents. Northeast historic district was compared with the Golf View neighborhood because of similar socio economic characteristics. It turned out that during the period of 1992 till 2001, property values of single family residences in the NE Historic District increased with 67,52% while property values of single family residences in the Golf View Neighborhood increased with 52,51 %. So in this case, values in the historic neighborhood have risen more than in the compared neighborhood. Pleasant Street Historic District and Fifth Avenue Neighborhood were also compared because these neighborhoods also share the same socio economic characteristics. The Fifth Avenue neighborhood is a mixed use neighborhood. Over the period of 1992 to 2001, the assessed values of the properties within Pleasant Street increased with 48.17%. The assessed property values in Fifth Avenue Neighborhood increased with 41.04%. So the Pleasant Street Historic District also outperformed its compared neighborhood.

These results points towards an increasing appreciation of historic buildings. However, the conclusions were made in 2002. Between 2002 and 2011, as stated in the introduction of this chapter, the U.S. housing market experienced turbulent developments. This has affected both historic properties and regular, undesignated properties. That's why it was deemed necessary to compare the current values. In 2010, an update of this research was made. The same neighborhoods were compared. Analysis showed that from 2001 till 2009, average reported values increased in both the historic neighborhoods as in the comparison neighborhoods. However, the new construction neighborhoods were more affected by the crisis than historic neighborhoods. The group of historic neighborhoods showed a higher property value increase than the newly constructed neighborhoods. These results are shown in the table 1. Twelve out of eighteen historic neighborhoods experienced a higher value increase than their comparable, new construction neighborhood from 2001 to 2009. Historic neighborhoods were also less affected by the crisis (see table 1). From 2006 to 2009, ten out of eighteen historic neighborhoods were less affected by the crisis than the new construction neighborhoods. In four cases it was tied and in the four cases the new construction neighborhood outperformed the historic neighborhood. In Gainesville, both new construction neighborhoods (Golfview and Northwest 5<sup>th</sup> avenue neighborhood) outperformed the historic neighborhoods until 2006. After 2006, the historic



neighborhoods outperformed the new construction neighborhoods (see table 2). From this can be taken that historic districts in Gainesville were less affected by the bursting of the bubble.

Neighborhoods	Change 2001-2009	Change 2006-2009
Historic	109,11%	-11,96%
Comparables	80,72%	-15,56%
Average cities	71,64%	-20,21%

Table 1: Average percent change in property values from 2001 to 2009 for historic neighborhoods, comparison neighborhoods and the average of the cities that were included in the report (Center of governmental responsibility et al., 2010)

Neighborhoods	Change 2006-2009
Duckpond (h)	11,6%
Golfview (c)	1,44%
Pleasant street (h)	20,68%
5 <sup>th</sup> avenue (c)	11,17%

Table 2: Average percent change in property values for historic neighborhoods (h) and comparison neighborhoods (c) in Gainesville, 2006-2009 (Center of governmental responsibility et al, 2010)

Also, the analysis of Center for governmental responsibility et al. (2002) called for specific future research which would take additional variables into account, such as house and lot size:

*“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.”* The next paragraph will compare the current average property value of two neighborhoods in Gainesville that have similar characteristics and in this analysis controls for property size.

#### **5.2.4 Analysis of average price per square feet in Duckpond Historic District and Golfview neighborhood**

This paragraph will zoom in on the Duckpond Historic District (= Northeast Historic District) and the Golfview district, a comparable new construction neighborhood. In this chapter, the Northeast Historic district is referred to as Duckpond Historic District. The compared neighborhood Golfview has 83 properties listed. The median value of the buildings is in Golfview

\$165.350 and the mean value is \$176.562. The median amount of square feet of the building(s) on the land is 2482.50 (mean is 2561) and the median Land Value is \$60.000. All of the properties are single family housing. The Duckpond Historic District has got 283 historic properties listed. The median value of the buildings is \$128.300 and the mean value is \$150.756. The median amount of square feet is 2102 (mean is 2429) and the median land value is \$46.000. So currently, in the Duckpond Historic District properties show lower values than in the Golfview neighborhood on average, but Duckpond also has lower market value of land and the properties have fewer square feet on average.

So, there appears to be a necessity to control for property size. The reason that lot size has been excluded as a control variable has the following reasons: first of all, lot size wasn't available in the tax appraiser data, only lot market value. Second, building value and lot value were already separated in the data. This is why the only control variable is property size. Property size and property value are correlated, so it makes sense to control for this variable (see appendix 9.2).

Even when the average building value is divided by the average amount of square feet, the Golfview shows higher values. In Golfview, the average value is 67,6\$ per square feet while the average value in the Duckpond Historic Neighborhood is 62\$ per square feet. It appears that currently newer properties still have higher values than historic properties. One has to take into consideration that newer construction has more amenities and a bigger lot size, which is why the property values are higher as well. Another reason could also be that data from the tax appraiser was used. It would have been better to compare sale prices; however, there are not enough cases to find out whether there is a significant, statistical difference. After the housing bubble, from 2007 to 2011, in Golfview neighborhood, 17 properties were sold. The average sale price per square feet of the properties that were sold is \$128,45. In comparison, the average sale price per square feet of 36 properties in Duckpond neighborhood \$108,90. From 2000 to 2006, 16 properties (with sales data that is) were sold in Golfview neighborhood, with an average sale price per square feet of \$123,97. For the Duckpond neighborhood, this number is \$85,27. These numbers support the notion that property values in the historic neighborhood were less affected by the crisis and even grew. However, due to the small number of cases and the large time span (properties were sold at different times) it is also difficult to make strong, general conclusions based on data with statistical significance. These numbers are merely indicators.

### **5.2.5 Concluding remark**

The question posed at the beginning of this chapter was: *“Has historic preservation led to regeneration of the surrounding area or/and increased property values?”* The stakeholders and experts feel that historic preservation has led to urban revitalization. The interview has mainly focused on the economic side of revitalization, although other effects of revitalization, such as crime reduction and quality of life are interrelated. According to the experts historic preservation in Gainesville has led to an increase of sense of place which results in job creation, the attraction of visitors and businesses, adaptive reuse, attraction of highly educated people because of an increased quality of life. Also, urban revitalization has led to a decrease of urban sprawl. The main instruments that facilitate these effects are the “Rehabilitation and Design Guidelines” and simply the designation of a district as historic. Other federal policies, such as the Preserve America initiative, are little known.

Based on property value data, the following conclusions can be made regarding the property values of historic neighborhoods and comparable new construction neighborhoods:

- There are no spread effects of the higher property values of historic neighborhoods to the lower property values in the surrounding neighborhoods in urban core of Gainesville.
- Since 1992, property values of historic neighborhoods have risen faster than property values of new construction neighborhoods in Florida. This was also the case in Gainesville.
- Property values of historic neighborhoods were less affected by the bursting of the housing bubble than comparable neighborhoods in Florida. This was also the case in Gainesville. Per feet sale price development also indicates that historic neighborhoods are less affected by the bursting of the housing bubble.
- Current sale and tax appraiser’s property data shows that the average value per square feet of the Historic Neighborhood Duckpond is lower than the average value per square feet of properties in the new construction neighborhood Golfview.

From this it can be taken that the presence of heritage in residential areas leads to more rapidly rising and more stable property values. This has also been the case for the Duckpond historic neighborhood in Gainesville. Property values have risen faster than in the comparison neighborhood during the last decade. Although property values are rising more rapidly in the Duckpond neighborhood, current data shows that property values are still slightly lower than in Golfview. However, if the trend continues, in several years property values will be higher in Golfview.

## 6 Spatial Analysis

This chapter will examine the spatial relationship between historic preservation and commercial activity. This part of the analysis will look at the geography of historic districts and individual historic properties. The research goal is to describe the spatial relationship between historic districts and economic activities. This relationship will be examined by looking at Gainesville again. Gainesville has five historic districts surrounding the city centre. The relationship between a land use map and a historic district map of the area will be analyzed. The research question that will be approached in this chapter: *“What is the spatial relationship between historic districts and economic activities in Gainesville?”*

The analysis is built up in four parts. First, the research area shall briefly be introduced. Second, the composition of historic districts is analyzed to find what kind of landuses are predominant is within the borders of the districts. To do so, the spatial concentration of historic properties shall be examined. Third, the variety of land uses per neighborhood shall be examined. These steps combined form the first part of the analysis.

Finally, the surrounding land uses of the historic districts are explored, to attempt to find a spatial relationship. Some connections will be made with comparable research regarding land use and historic districts. The methods and steps taken with ARCGIS can be found in appendix 9.3. This appendix contains a detailed technical report with workflow schemes and it also discusses the source and quality of the data.

### 6.1 Research area

The research area is located in the city Gainesville, Florida. The location of the city within the state is shown in fig. 8. All five historic districts (Northeast and Southeast district, Pleasant Street District, University Heights North and South) are located around the city center and these historic districts are mainly residential areas. The districts are surrounded by other residential areas, but there is also some office landuse and mixed high intensity landuse right in the middle of the map. Mixed use areas are residential areas combined with commercial activities. This basically means that people can live and work in the same area. The center of the research area is the downtown area of Gainesville, which contains a lot of shops and commercial activity. The Westside of Northeast historic district is office space. Scattered through the downtown area and the historic neighborhoods are some recreational and public facilities. The downtown area consists mostly of mixed use areas. These historic properties are not incorporated in the analysis

and map because they are not within the historic districts, and therefore not in the data. The landuse map is displayed below in figure 8.

## Landuses and historic districts in Gainesville, Florida

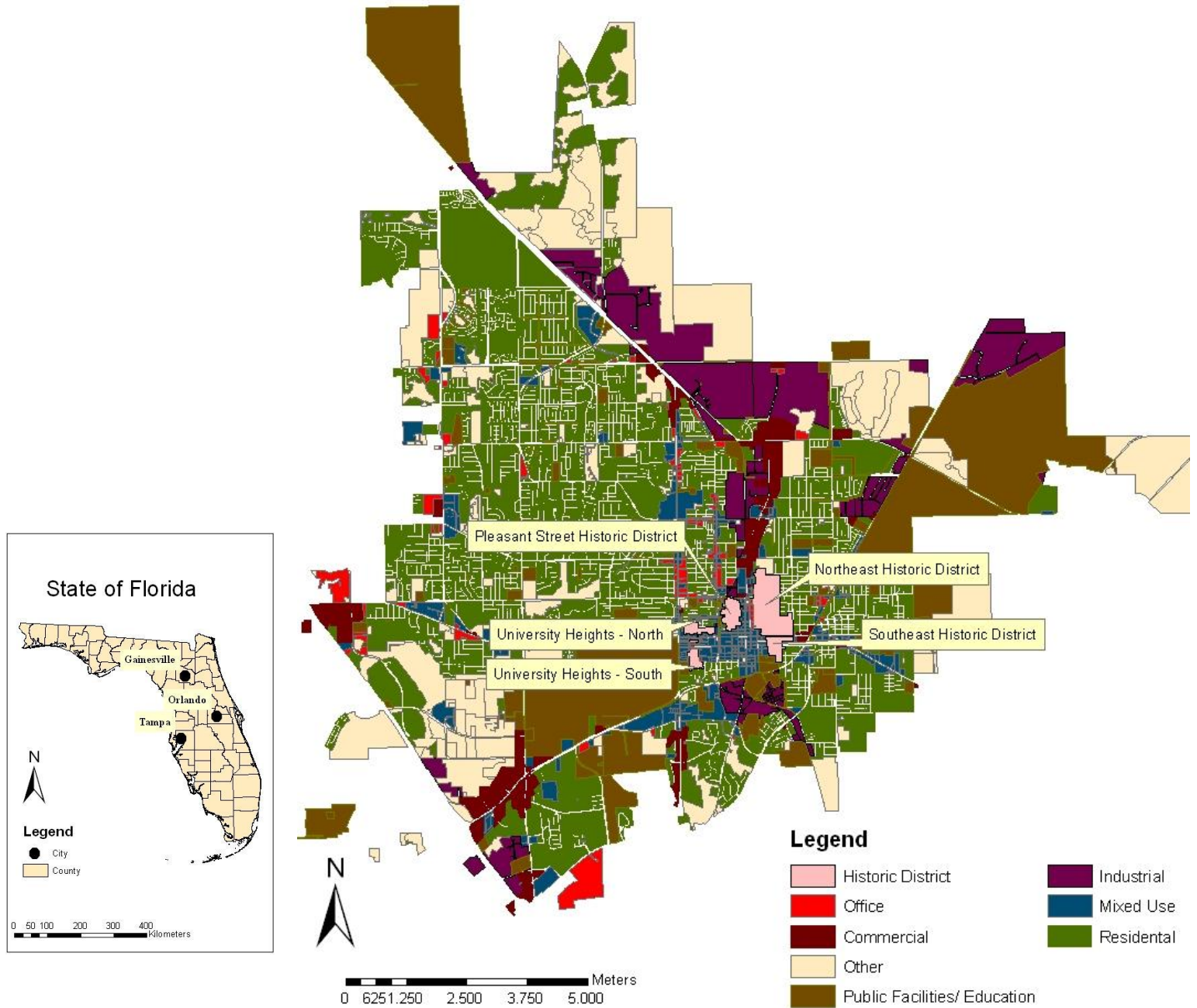


Fig. 8: Landuse and Historic Districts in Gainesville Florida

## 6.2 Land use analysis

### 6.2.1 Spatial concentration of historic properties

Historic structures are densely located in the historic districts. In order to prove that this is not a result of random chance, Moran's I test was used to check for spatial correlation of historic structures. The following null hypothesis is examined: *"historic structures are randomly distributed among the features in the study area."*

Regarding the concentration of historic buildings, the Moran's I test gives an Moran's I index value of 0,09 which indicates a positive spatial correlation. There is 5-10% likelihood that this clustered pattern is the result of random chance. This means that the null hypothesis cannot be rejected within a significance level of 0,05%. This means that the examined pattern is randomly distributed.

### 6.2.2 Variety of land uses by neighborhood

In order to get an insight of the most dominant land uses in the historic districts, zonal statistics have been used to visualize the main landuses in the selected neighborhoods. The majority of landuses in the historic districts is some form of residential. This data does not yet point to the importance of historic districts in attracting economic activities. Therefore, it also makes sense to look at the landuses in areas adjacent to the historic districts, to find out what landuses are dominant and whether these landuses point to economic activities. Especially the landuse types office, commercial and urban mixed use point to economic activities.

The majority landuse types and variety per historic neighborhood are displayed in table 3 and figure 8. Non-residential types of land use are mainly located on the edge of the five historic districts, near the mixed use area. In order to find out whether proximity to these neighborhoods matters for commerce, the adjacent landuses are analyzed in the next part of the analysis.

Neighborhood	Variety	Majority
Southeast	7	Residential Medium Intensity
Pleasant Street	6	Residential Low Intensity
Northeast	10	Single Family
University Heights - North	5	Residential High Intensity
University Heights - South	3	Residential High Intensity

Table 3: Variety and majority of landuses in the historic neighborhoods (zonal statistics GIS)

For all five historic districts combined, the landuse types are shown in table 4. The most common form of land use is Low Intensity Residential (33,6%), followed by Single Family (26,5%) and High Intensity Residential (15,3%). Residential medium intensity only accounts for

6,4% of the total landuse, but this 6,4% is entirely located in the South East Historic district where it is the main landuse. Historic buildings in historic districts are mainly used as private residential properties in Gainesville. Unfortunately, there is no spatial data of individual historic properties outside these neighborhoods. If this would have been the case, the share of landuses that point to economic activities could have been larger, because there is a large number of historic buildings in the downtown area. Land use types that point to commercial activities, such as office space (4,5%) and mixed use (10,7%) only take up a small amount of the buildings in all five historic districts.

### Majority Landuse in Historic Districts

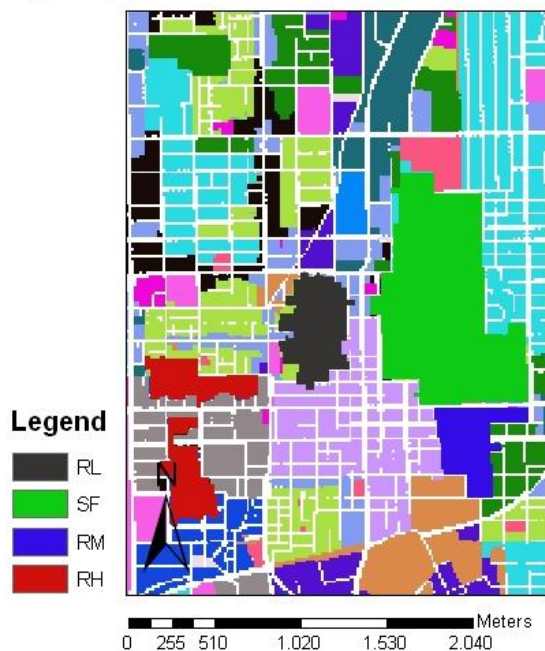


Fig. 9: Majority Landuse in Historic District (RL = residential low density, SF = single family, RM = residential medium density, RH=Residential high intensity)

Land use (intensity)	Frequency	Percent
Construction	9	0,7
Mixed use (high)	76	5,8
Mixed used (medium)	64	4,9
Office	59	4,5
Public facilities	5	0,4
Planned use district	5	0,4
Rereation	11	0,8
Residential (high)	201	15,3
Residential (low)	441	33,6
Residential (medium)	84	6,4
Single family	348	26,5
Urban mixed use	9	0,7
Total	1312	100

*Table 4: Landuse types within historic districts*

### **6.3 Spatial relationship between historic districts and the surrounding area**

In order to find what kind of landuse is predominant around the historic districts, multiple buffers have been created around the historic neighborhoods. The landuse types in the multiple bands around the historic neighborhoods are displayed in fig. 9, 10 (in more detail).

Table 5 shows a diminishing share of medium density mixed use, educational, planned use and commercial landuse close the historic center. One reason for diminishing commercial landuse closer to the historic neighborhoods could occur because decentralization of purely commercial functions. Large commercial centers are established in areas on the fringe of the city, where land prices are lower and where people can do their shopping close to their work (Fuji, 1995). The commercial activity that is present in the areas surrounding the historic districts is located in the mixed use areas. The reason for diminishing mixed landuse away from the historic districts is simply the scale of the analysis. The buffers with intervals of 50 meters were chosen to get a detailed insight on what kind of landuses are located near the historic districts. However, if we look at the entire map of Gainesville, it can be noted that the historic district are located near the mixed use areas (more precisely, near the Urban Mixed Use area).

One the one hand, this data could point to a spatial relationship of office landuse and historic districts. The earlier found 4,5% office use within the historic district is continued in the first 50 meters at 4,9%, but sharply drops thereafter. The reason for this is that high end service industry, such as law firms, tends to be located in buildings that have aesthetic quality (Johnson &



Thomas, 1995). The office area on NE 1<sup>st</sup> street (the red area in the middle of figure 9 right in between the Duckpond historic neighborhood and Pleasant Street Historic District ) has a variety of businesses: among the businesses is a law firm, a bank (Sun Bank) and other companies offering business services (www.corporationwiki.com, 2011). The fact that these firms are located in a residential neighborhood (the large mixed use area in the center of the map) could show the importance of aesthetic quality for these companies, and therefore the importance of historic preservation for the local economy.

Landuse	0 -50 meters	50-100 meters	100-150 meters
<b>Commercial</b>	0,4	2,0	2,5
<b>Construction</b>	0,5	0,3	2,7
<b>Education</b>	0,4	0,5	3,0
<b>Industrial</b>	1,0	1,5	5,5
<b>Mixed Use High</b>	13,3	9,9	14,6
<b>Mixed Use Medium</b>	13,4	16,0	29,8
<b>Office</b>	4,9	0,7	0,0
<b>Public Facility</b>	2,1	2,6	1,4
<b>Planned Use District</b>	0,5	1,5	5,5
<b>Recreation</b>	0,4	0,3	0,2
<b>Residential High</b>	13,5	10,9	11,4
<b>Residential Low</b>	16,1	9,7	12,5
<b>Residential Medium</b>	10,3	11,2	8,2
<b>Single Family</b>	14,4	16,0	17,6
<b>Urban mixed use High</b>	8,9	15,8	10,0

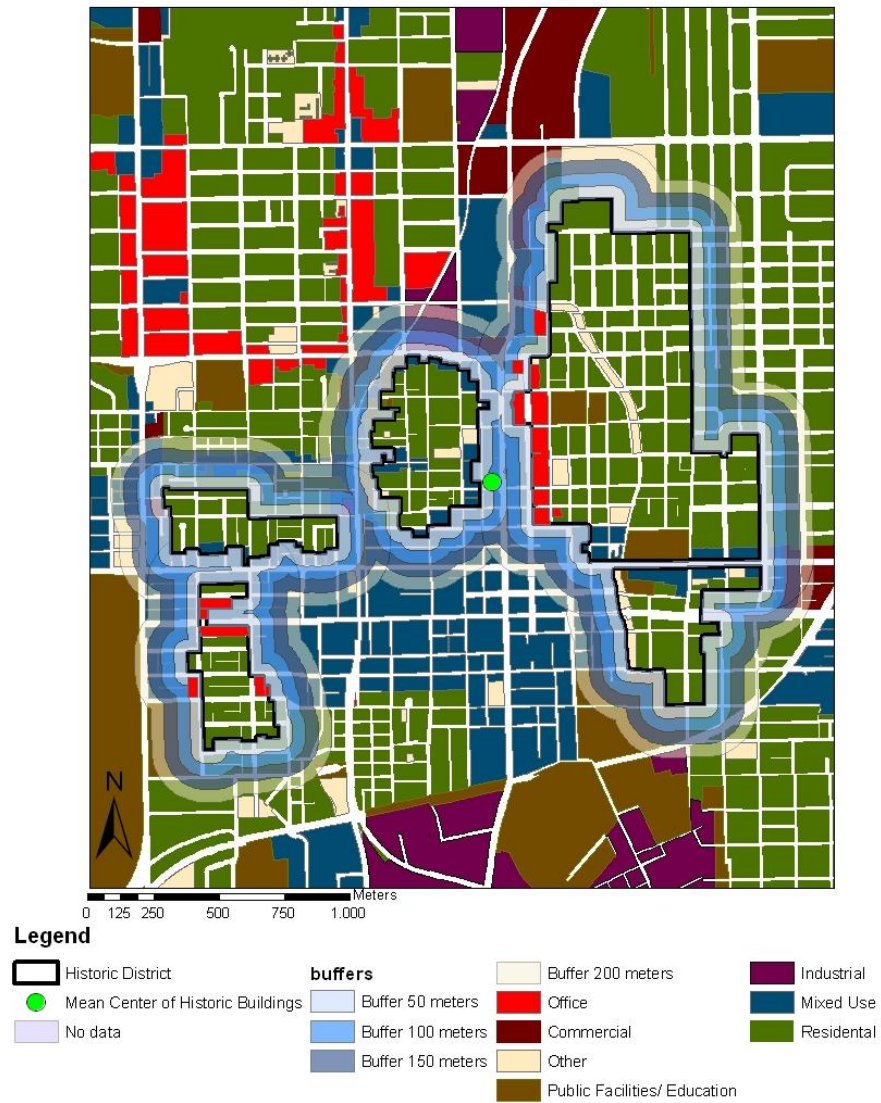
*Table 5: Land use in percentages in buffer-ring areas*

On the other hand, a 4,5 % office use within the historic districts and 4,9% office use within the historic district is still a fairly small percentage of landuse that points to economic activities. Instead of a pull factor, historic preservation could also be a push factor for companies for a number of reasons. The rehabilitation and design guidelines that apply to the historic neighborhoods in Gainesville can be experienced as meddlesome and thereby limiting or hindering a company’s growth. Although there is this aesthetic quality, the architectural nature of the buildings implies higher maintenance fees. Also, there are significant costs involved in adapting a residential property for commercial use (Pullen, 2007). Moreover, in order to adaptively reuse a property, the zoning plan has to be changed by government officials which leads to bureaucratic procedures, something a firm might not want be bothered with. Finally, on the northwest side of the map in figure 9 a larger clustering can be found of office space. This office space is more than 200 meters removed from the edge of the nearest historic district.

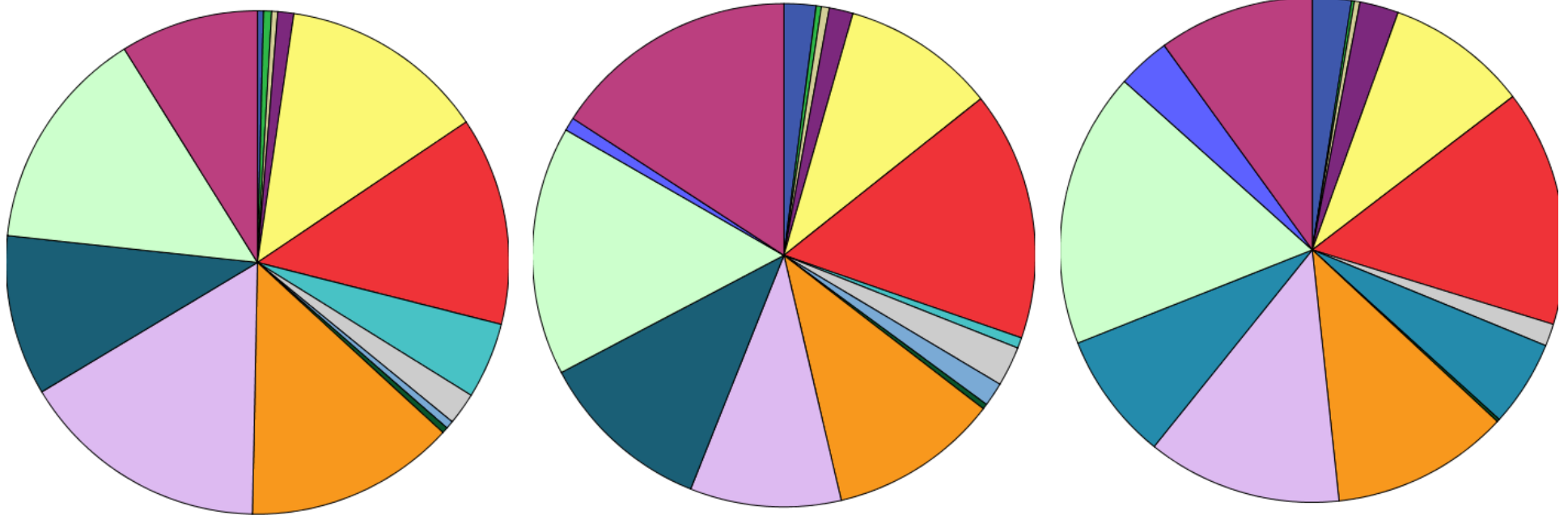
Because of these observations and push factors, evidence of a spatial relationship between offices and historic district is inconclusive.

Another observation is the fairly large share of mixed use in the areas adjacent to the historic districts (table 4, figure 10). In recent years, due to development pressures, many buildings have been adapted to multiple purposes. For instance, the downstairs of a building serves as a retail business while the upper part serves as an apartment. Some positive effects of mixed use are increased vitality, more safety, less pollution, reuse of obsolete buildings, increased attractiveness and reduction of urban sprawl (Coupland, 1997). So the surrounding areas of the historic neighborhoods in Gainesville could experience some of these effects. Often, historic properties are used for mixed use because these buildings are the kinds of buildings that are being allocated for adaptive reuse. Adaptive reuse on its turn, or effectively reusing a building as an economic resource, is a method that is important when creating mixed use districts. There is a large number of historic properties in these mixed use areas (HGI, 1991), unfortunately these buildings are not in the data because there are no historic designation tools for individual properties.

## Landuses within and surrounding historic districts



*Fig. 9: Landuses within and surrounding historic districts*



- Commercial
- Construction
- Education
- Industrial
- Mixed Use High
- Mixed Use Medium
- Office
- Public Facilities
- Planned Use District
- Recreation
- Residential High
- Residential Low
- Residential Medium
- Single Family
- Urban Mixed Use High

1

Fig.10: Landuses Gainesville: Landuses within a distance of 50 meters (1<sup>st</sup> diagram), 50 and 100 meters (2<sup>nd</sup> diagram), 100 and 150 meters (3<sup>rd</sup> diagram)

## 6.4 Concluding Remark

From the analyzed data, some conclusions can be made regarding the use of historic properties and the relationship with economic activities in Gainesville.

- The historic districts are located around the downtown area. The geographic center of all historic properties is located in the northern part of the downtown area.
- All historic districts are mainly used as residential areas. The main landuse within historic districts that refers to economic activity is office landuse (4,5%)
- The areas surrounding these districts have a large share of mixed use (45,7%) and residential use (43,8%).
- The mixed use areas near the historic districts are used for commercial activities as well as residential. Because these areas are adjacent to historic districts and since a large amount of historic properties are also situated in these areas, it seems that a large number of historic properties are being used as an economic resource.
- There is no purely commercial landuse within the historic districts, and in the surrounding areas the percentage of commercial landuse is negligible.
- Office landuse accounts for 4,9% within a buffer of 50 meters of the historic districts. Within 50 and 150 meters, there is hardly any office landuse.

This analysis has not offered conclusive evidence to prove a positive spatial relationship between economic activities and historic structures in Gainesville. Historic properties are mainly used as residences. However, some findings are in favor of this relationship, such as the proximity of historic districts to mixed use areas. Also, there is some office space on the borders and within the historic districts. But other larger concentration of offices can also be found elsewhere in the city. Also, purely commercial landuse tends to be located on the urban fringe. These findings ask for a more in depth look. For instance, CEO's of companies located within the historic district or outside of the historic districts could be asked about their motives to locate near historic districts and what benefits they experience. Shop owners that are located in the urban fringe could also be asked why they are located far away from the downtown area.

## 7 Conclusions

A vast amount of literature has described and explained the linkages between historic preservation and economic development. Important economic effects are heritage tourism, urban revitalization, increased property values and multiplier effects from spending on historic preservation. Historic preservation has become a tool for economic development. In the past decades, research delivered convincing evidence suggesting that historic preservation pays. In many cases, preservation or rehabilitation of historic properties have had a regenerative effect on the surrounding areas. However, the need for preservation has not always been acknowledged, especially in the industrializing age. Since the 1960s, historic structures were increasingly appreciated which increased historic preservation activity. This preservation activity increased the economic value of heritage. However, historic preservation still faces a number of challenges. A stagnating economy led to bankruptcy of companies in the urban core, vacancy of historic properties has increased and thus increased pressure on public finances. Also, successes of historic preservation schemes can lead to gentrification which has numerous negative effects on a cities society, such as displacement of entire ethnic groups. The best solution to the finance issue appears to be looking for methods to adaptively reuse historic structures and thereby revitalizing urban cores.

The economic value of heritage nowadays is used as a rationale in favor of historic preservation, because historic preservation leads to urban revitalization, increased property values, higher multiplier effects than other sectors and a reduction of urban sprawl. These economic benefits are reasons for a consensus towards preservation of historic districts.

This research examined the rationale and some of the economic impacts of historic preservation in the city of Gainesville. A variety of methods was used to examine these impacts. In order to answer the first research question, “*How does historic preservation in Gainesville impact the local economy?*” the rationale, revitalization and property values and the spatial relationship of historic preservation and economic activities were examined.

The rationale behind historic preservation in Gainesville was examined by interviewing seven stakeholders and experts regarding historic preservation. The preservation rationale of seven interviewed stakeholders was mainly fueled by personal interest in historic properties. All interviewees had a background in historic preservation and some of them had an education related to historic preservation. Economic effects, such as increased property values, increase of tax base or inputs because of cultural tourism, were definitely a part of their motivation to get involved in

historic preservation, however, the sense of place that it offers and the aesthetic quality were deemed to be more important motives. The interviewees feel that the historic districts in Gainesville give the town a sense of uniqueness, in that it doesn't look like any other place. These characteristics offer a rationale for the interviewees to get involved in historic preservation. The majority literature however, focuses more on the economics of historic preservation. These economics are used as a reason for historic preservation, especially for government preservation efforts. It seems that preservationists in Gainesville, although they are aware of the economic effects, are more concerned with the aesthetic and cultural historic values of historic properties than economic effects. Perhaps economic impacts should be regarded more as externalities of historic preservation and should to a lesser extent be used as an argument for historic preservation, because the effects on the aesthetic quality of a neighborhood and the sense of uniqueness that it brings to the community appear to be more important. However, through historic preservation as a tool to maintain a sense of place and therefore increasing quality of life, economic development occurs.

The second question "*has historic preservation led to revitalization of the surrounding area or/and increased property values?*" focused on the actual effects that historic preservation has had on the local economy of Gainesville. This was examined by the literature study and by asking the interviewees what economic effects preservation activities and policies have had by examining and comparing property values of historic and non-historic neighborhoods. The literature examines a broad array of economic effects, but the main effects are inner city revitalization, increased property values and multiplier effects of spending on historic preservation. Inner city revitalization has the implication that it can reduce urban sprawl, which is generally accepted as an unwanted form of urban development. Also, in some cases, inner city revitalization has led to an increase of tourism and general visitors to the downtown area. The goal of this research was to examine some of these effects in Gainesville. The interviewees all felt that historic preservation positively affects the local economy. According to the interviewees historic preservation in Gainesville has led to job creation, the attraction of visitors and businesses, adaptive reuse, attraction of highly educated people because of an increased quality of life and a decrease of urban sprawl. The perceptions of these experts point to economic effects, but they cannot give a conclusive answer on the question whether historic preservation has led to revitalization. It's merely an indication and more research is needed on this topic in this locality.

The data analysis focused on comparing property values of historic neighborhoods and non-historic neighborhoods with each other. Similar research was already done for some cities in Florida, including Gainesville. In most cases, historic neighborhood outperformed their

comparison neighborhoods since 1992. In this case, the historic neighborhood Duckpond was compared with the Golfview neighborhood. Besides socio economic characteristics, this research also controlled for size. This comparison has the following outcomes: First, There are no spread effects of the higher property values of historic neighborhoods to the lower property values in the surrounding neighborhoods in urban core of Gainesville. Second, property values of historic neighborhoods were less affected by the bursting of the housing bubble than comparable neighborhoods in Florida. This was also the case in Gainesville. Per feet sale price development also indicates that historic neighborhoods are less affected by the bursting of the housing bubble. Third, current sale and tax appraisers value per square feet of the historic neighborhood Duckpond are lower than the values of new construction neighborhood Golfview. However, if the Duckpond neighborhood is compared with the surrounding neighborhoods and not with the Golfview neighborhood, the Duckpond Neighborhood has higher property values. From this it can be taken that the presence of heritage in residential areas leads to more rapidly rising and more stable property values. When compared to similar neighborhoods however, they still show slightly lower property values. However, if the trend continues, in several years property values will be higher than in the compared new construction neighborhoods.

The final part of the analysis focused on the spatiality of historic districts and economic districts. This part attempted to answer the following question: *“Is there a spatial relationship between economic activities and historic districts?”* A historic district shapefile of Gainesville was combined with a landuse map and the analysis focused on the spatial correlation of historic districts and economic activities by buffering the historic districts with multiple rings and overlaying those rings with the landuse map. The data showed that the majority of the properties are used as residential space, that there is a small amount of office space in and around the historic districts, but no purely commercial use. However, there is also a large amount of urban mixed use near the historic districts which has a commercial and a residential character.

So according to the interviewees, historic preservation impacts the local economy of Gainesville in various ways. Although the main reasons for preservationists to get involved with historic preservation in Gainesville are not economically motivated, they do note that there is a link between economic development and historic preservation. Their view, which is supported by the literature is that designation of historic neighborhoods and specific protection policies have led to a well maintained stock of built heritage, which has led to attraction of visitors to the downtown area, adaptive reuse, attraction of highly educated individuals because of an increased quality of life. All these developments have led to job creation. Also, they perceive historic preservation as a tool to reduce urban sprawl and that government spending on historic



preservation has led to higher multipliers than spending on other sectors. The attraction of businesses was confirmed by the interviewees. This cannot be supported by the spatial analysis because it didn't bring convincing evidence in favor of attraction of businesses. Finally, historic preservation has led to an increase of property values, when compared to neighborhoods with similar socio economic characteristics. In this case of Gainesville however, when controlled for size of the property, the historic district showed lower property values than the comparable new construction neighborhood. However, when compared with surrounding districts, the historic neighborhoods show higher property values. Also, historic districts show steadier property values after the bubble. This was confirmed by realtor Bill Warinner, whose business was less affected by the bubble because he is primarily involved with historic districts. Summarizing, according to the interviewees, historic preservation in Gainesville has affected the local economy in the following ways:

- Historic preservation attracts visitors and businesses that create jobs
- Historic preservation attracts highly educated individuals
- Historic districts are effectively being used as an economic resource, either as residential or as commercial
- Historic preservation has led to stable property values after the housing bubble, but property values are still lower than in comparable neighborhoods.

Although most of these conclusions are based on perceptions combined with literature, these conclusions suggest that there is a future for the past, because it can be used a commodity. An extensive quantitative analysis is needed to really determine the effects of historic preservation.

This analysis suggests that historic properties and districts have aesthetic quality, quality of life and a sense of place, which attracts preservationists to get involved and create a framework for protection. These characteristics have shown to lead to economic benefits that justify the presence of this built heritage from an economic standpoint.

## **7.1 Recommendations**

Some recommendations can be made for future research and for historic preservation.

First, in order to protect historic properties better, a framework should be developed to protect individual historic properties against neglect or destruction. Because nowadays Gainesville lacks such a system, some valuable historic properties have disappeared, such as Jacks Bar. A beginning could be made by mapping the individual historic properties in GIS to see how the historic properties are spread out in Gainesville.

Second, property owners and potential buyers into a historic should be informed about the tax deductions for rehabilitating a historic property. Some of the owners were unaware of this deduction. Increased awareness could increase demand for historic properties which could improve preservation.

Third, in the light of opportunities for adaptive reuse, the stock of built heritage should be marketed more, especially to the business world. This is already being marketed through some events such as the Duckpond spring promenade, but perhaps more specific marketing efforts could be made, for instance attracting knowledge intensive companies. These companies can profit from proximity to the University of Florida and from a quality of life that historic neighborhoods can offer.

Fourth, future research on historic preservation and real estate should focus on taking a more specific look at property values. More comparisons between neighborhoods can be made and could offer statistically significant results, something this research has failed to do. This could strengthen the economic rationale for historic preservation. Also, the qualitative aspect of living in a historic neighborhood should be examined more. A question that comes to mind for instance is why do people in historic neighborhoods experience a higher quality of life as some of the interviewees responded? Does that quality of life have to do with social diversity? Are historic neighborhoods socially more diverse than other comparable neighborhoods, or is it the other way around? Are residents willing to pay for those aspects? All these questions come to mind when looking at rationales for residents of historic districts who are getting involved with historic preservation.

Fifth, historic preservation should increasingly be used as a development tool, because spending on historic preservation by governments creates more jobs than spending on other sectors.

## **7.2 Evaluation**

During this research, several problems were encountered, probably similar problems as most master students encounter. First, this thesis offers a very broad view of economic impacts of historic preservation, because of a variety of historic preservation stakeholders and experts were interviewed and also because of the fact that a wide array of methods were used and interconnected. This offers a broad overview to the relationship between economics and heritage, and might be more descriptive and less explaining than initially intended. The property value analysis for example, only focused on two neighborhoods. It would be interesting this examine all

historic neighborhoods and the developments of property values and do interviews. For future research, it might be helpful to zoom in on residential neighborhoods in particular to have more focus in research.

Second, working in a new environment always poses difficulties. It was hard to find the right data and to find a pleasant workspace. The tax appraiser's data used for examining property values proved to be useful; however, the values are appraised values and sales values. Therefore, results might be slightly biased. Regarding the qualitative part of this research, it was very easy to find respondents and to approach them for an interview due to the help of staff members of the department of urban planning. However, it proved more difficult to make sense out of the large narrative arguments, since a lack of experience with qualitative methods and research methodology in general. Luckily, this topic was discussed during the April session in Irvine Ca, which proved to be useful. The literature review did not pose a whole lot of problems, since this topic was written about extensively. The sole problem was to filter out what to use and what not to use. I feel that I fairly succeeded in scanning and filtering out on what to use and what not to use.

Thirdly, the spatial analysis also posed some problems. Most of the spatial data was visualized and some analysis was done with GIS, however the larger part of the analysis was performed with SPSS. Before I started my thesis, I was reasonably inexperienced with these programs so it took some time to work with this software. However, I feel that using GIS has complemented the other methodologies well. It really emphasizes the geography of economics and historic preservation, which relates to research goal number three.

The research goals have been met fairly well. The economic rationale has been examined by interviewing experts and preservationists. The impacts were described by narrative arguments as well as data analysis of property values. Perhaps it would have been useful to take a more quantitative approach to measure some other effects, however it proved to be difficult to acquire data for these variables. The description of the spatial relationship between historic districts and economic activities by using GIS was the third research goal. Although the Morans I test proved to be less useful because of the nature of the data, simple techniques such as multiple ring buffer proved to be of more value in determining adjacency of economic development. Therefore, the research goals have been met but this research could have used some more focus to get more in depth analysis

## 8 References

Aachen Designers (2007), <http://www.billwarinner.com/architecture/>, link visited on 1<sup>st</sup> of July 2011.

Advisory Council on Historic Preservation (2002), "*The National Historic Preservation Program: Overview*," <http://www.achp.gov/overview.html>, link visited on Friday the 1<sup>st</sup> of July 2011.

Alachua County Property Appraiser (2011), <http://www.acpafl.org>, Link last visited on April 4<sup>th</sup> 2011.

Arezki, R., Cherif, R. and J. Piotrowski (2009), "*Tourism Specialization and Economic Development: Evidence from the UNESCO World Heritage List*," IMF Working Paper No. 09/176.

Ashworth, G.J., Graham, B. and J.E. Tunbridge (2007), "*Pluralising Pasts, Heritage, Identity and Place in Multicultural Societies*," Pluto Press, London

Ashworth, G.J. and T.Z. de Haan (1990), "*Van Geschiedenis tot Erfgoed: stedelijk verleden op de markt*," *Recreatie en Toerisme*, no. 4, p. 83-86.

Baer, W.C. (1995), "*When old Buildings ripen for historic preservation: a predictive approach to planning*," *Journal of American Planning Association*, Vol. 61No. 1, p 82-94.

Burchell, R.W. et al. (1998), "*The costs of urban Sprawl*," The Federal Transit Administration

Center for governmental responsibility, University of Florida Levin College of Law, Center for urban policy research, Rutgers University (2002), "*Economic impacts of preservation in Florida*," Executive summary.

Center for governmental responsibility, University of Florida Levin College of Law, Center for urban policy research (2010), "*Economic impacts of preservation in Florida, Update 2010*."

City of Gainesville (2000), "*Historic preservation rehabilitation and design guidelines*," policy document.

Cornwell, T. and M.J. Sirgy (2001), "*How Neighborhood Features Affect Quality of Life*" in Volume 59, Number 1, 79-114

Coupland, E (1997), "*Reclaiming the city: mixed use development*," Chapman & Hall, London

CRA (2011), <http://www.gainesvillecra.com/>, link visited on 1<sup>st</sup> of July 2011.

Escherich, S.M. and SJ Farneth (2004), "*Affordable housing through historic preservation: tax credits and the Secretary of the Interior's standards for historic rehabilitation*," U.S. department of the Interior.

Faulk, D. (2006), "*The Process and Practice of Downtown Revitalization*," in Review of Policy Research, Volume 23, Issue 2, p. 625-645

Fitch, J.M. (2001), "*Historic preservation: curatorial management of the built world*", University of Virginia press," fifth print 2001.

Fuji, T (1995), "*The changing metropolitan structure of Atlanta, Georgia: locations of functions and regional structure in a multinucleated urban area*," in Urban Geography 1995, Bellwether Publishing.

Gilmore (2007), "*Sustaining Heritage, giving the past a future*," Sydney University Press.

Harvey, D.C. (2001), "*Heritage pasts and heritage presents: Temporality, meaning and the scope of heritage studies*," International Journal of Heritage Studies, Volume 7, no. 4, p.319-338.

Historic Gainesville Inc. (2011), <http://www.afn.org/~hgi/>, link visited on 16<sup>th</sup> of March 2011.

Hurley, A. (2010), *Beyond Preservation: Using public History to revitalize urban cores*,” Temple University Press, Pennsylvania.

Jargovsky, P.A. (1997), *Poverty and place: Ghettos, barrios, and the American city*,” Russel Sage Foundation, New York.

Johnson, P. and B. Thomas (1995), *Heritage as business*,” in D.T. Herbert (ed.) *Heritage, Tourism and Society*, London: Mansell, , p. 170. D. Lowenthal, *The Heritage Crusade and the Spoils of History*, Cambridge: CUP, 1998, p. 94.

Kuipers, M. (2005), *Living in the recent past, The nature and management of the residential function in younger urban conservation areas in the Netherlands*,” Geo Press, Groningen.

Leichenko, R.M., Coulson, E. and D. Listokin (2001), *Historic Preservation and Residential Property Values: An Analysis of Texas Cities*.” *Urban Studies* 38 (11): 1973–1987.

Leithe (1999), *Profiting from the past: the economic impact of historic preservation in Georgia*,” Government Finance Officers Association.

Liebhold, A.M. and A.A. Sharov (1998), *Testing for correlation in the presence of spatial autocorrelation in insect count data*,” in: *Population and Community Ecology for Insect Management and Conservation*”, J. Baumgartner, P. Brandmayr, B.F.J. Manly, editors.1998. Balkema, Rotterdam, p. 11-117.

Listokin, D. and M.L. Lahr (1997), *Economic Impacts of Historic Preservation*,” Trenton: New Jersey Historic Trust.

Martin, R (2010), *The local geographies of the financial crisis: from the housing bubble to economic recession and beyond*,” *Journal of Economic Geography*, 2010 - Oxford University Press.

Massey, D. (1991), *A global sense of place*,” in *Marxism today*, 1991 - aughty.org

Rawlings, L. and Turner M.A. (1998), "*Promoting Neighborhood Diversity*," The Urban Institute.

Mason, R. (1999), "*Economics and Heritage Conservation*". Los Angeles: Getty Conservation Institute.

Mason, R. (2005), "*Economics and historic preservation: a guide and review of the literature*," A Discussion Paper Prepared for the The Brookings Institution Metropolitan Policy Program

Merriam-Webster Online, m-w.com, link visted on 2<sup>nd</sup> of july.

Pellenbarg, P., Steen, P.J.M. van, and L. van Wissen (2005), "*Ruimtelijke Aspecten van de Bedrijvendynamiek in Nederland*," Koninklijke Van Gorcum, Assen.

Pickard, B. (1990), "*Historic Gainesville: A Tour Guide to the Past*," Published by Historic Gainesville Inc.

Rypkema, D. (1993), "*Job Creation through Rehabilitation: State by State Analysis*," Washington: Real Estate Services Group.

Schaeffer, P.V. and C.A. Millerick (1991) "*The Impact of Historic District Designation on Property Values: An Empirical Study*," Economic Development Quarterly 1991 5: 301

Stedman, R.C. (2003), "*Is It Really Just a Social Construction?: The Contribution of the Physical Environment to Sense of Place*," Society and Natural Resources, 16:671–685, 2003

Stokes, S. M., Watson, A. E. and Mastran, S. S. (1997). *Saving America's Countryside: A Guide to Rural Conservation (2nd ed.)*. Baltimore: Johns Hopkins University Press: 192

Strauss, C.H. (2001), "*Economic impacts of a heritage tourism system*," School of Forest Resources, The Pennsylvania State University

Tunbridge and Ashworth, *Dissonant Heritage*, p. 6.

UF School of Architecture (2008), <http://gsoa.dcp.ufl.edu/main/categories/staugustinestudies>, link visited on July the 28<sup>th</sup>

Webster, J.L. and G.L. Cohen (2002), “*The Next Big Thing in Energy Conservation: Back to the Future*,” *Public Works Digest* 14 (5): 10–11.

Wojno, C.T. (1991), “*Historic Preservation and Economic Development*,” *Journal of Planning Literature* 1991 5: 296

Wolf, B, Horn, D and C. Ramirez (1999), “*Financing Historic Federal Buildings: An Analysis of Current Practice*,” Washington: General Services Administration, Public Buildings Service, Office of Business Performance.

Zillow (2011), <http://www.zillow.com/wikipages/What-is-a-Zestimate/>, link visited on the 4<sup>th</sup> of march 2011.



## 9 Appendix

### 9.1 General findings, transcriptions

Interviewees Funcion	Importance heritage for companies	Role of marketing	Adaptive reuse
Interim president of the Historic Gainesville Inc	Lesser attraction to companies	More promotion	Important tool, some good examples in Gainesville ( Hippodrome)
Planning & Development Services Director	Important, mainly to create a nearby labor pool Quality of life	Not so important	Important tool, but expensive
Architect and realtor	Quality of life	Having events, such as the spring promenade, is important	Yes, higher property values within national districts
Historic Preservation Planner	Quality of life	Should be more promotion, but not enough resources	Yes, all along 1 <sup>st</sup> avenue mainly
Owner of historic property in Duckpond nr 1	Important, because it indicates continuity and stability, could also indicate conservatism	Should be promoted more	To a certain extent, Lack of flexibility in the board
Owner of historic property in Duckpond nr 2	Quality of life	Not so important	Firms don't fit the feel of the neighborhood
Researcher impacts historic preservation	Yes, especially in downtown	Perhaps they should do it	Yes, to a certain extent

<b>Name</b>	<b>Experience</b>	<b>Function</b>
Michael Volk	Landscape Architect, involved with HGI for three years	Interim president of the Historic Gainesville Inc. organization
Dr. Erik Bredfeldt	Urban planning field for 20 years, PhD in urban planning	Planning & Development Services Director
Bill Warinner	Preservation Architect, organizing of tours, involvement in HGI	Architect and realtor
D. Henrichs	Historic preservation activities for 19 years for state and municipality, degree in architecture	Historic Preservation Planner
Prof. Bill Tyson	Consultant for the city, defined rules for historic districts, various research, degree in architecture	Assistant Dean at the Urban Planning Department, owner of historic property in Duckpond
Melanie Barr	Historic property owner, president of the Duckpond Neighborhood Association	President Duckpond Neighborhood Association, owner of historic property in Duckpond
Timothy McLendon	Researcher economic impacts of historic preservation in Florida	Staff Attorney, Center for Governmental Responsibility, teaching in Comparative & Florida Constitutional Law, Historic Preservation Law

<b>Interviewees function</b>	<b>Motives</b>
Michael Volk Interim president of the Historic Gainesville Inc	Cultural value Character it contributes, Job creation.
Erik Bredfeldt Planning & Development Services Director	Concern to the community Returns based on economic impacts Taxable value
Bill Warinner Architect and realtor	Personal involvement and attraction to older properties 85% Of work directly involved with preservation oriented activity
D. Henrichs Historic Preservation Planner	Heritage tourism Job creation Stimulation local economy Sense of Place
Bill Tyson Owner of historic property in Duckpond	Architectural quality Consistent property value Variety
Melanie Barr Owner of historic property in Duckpond	Initial interest Profit from renting out properties Social cohesion
Tim McLendon Researcher impacts historic preservation	Interest in history Sense of place

<b>Interviewees function</b>	<b>Importance preservation in economic development</b>	<b>Relation Preserve America Community Initiative economic development</b>	<b>Most important stakeholders</b>	<b>Conflicting interests</b>	<b>effects against sprawl</b>
Interim president of the Historic Gainesville Inc	-Attracting visitors -Job creation in maintenance -Leads to redevelopment	-No idea on impacts	-Homeowner	- Yes - property owners vs. municipality - Jacks Bar	Yes
Planning & Development Services Director	-Attracting visitors - Increasing cities tax base - Attracts companies	-Difficult to measure, -districts itself more important	-Homeowner	- Yes, but not severely	Yes
Architect and realtor	- Tourism - Adaptive reuse	-No idea on impacts	- Homeowner	- In general not - Jacks Bar	Yes
Historic Preservation Planner	- Attracting companies - Stimulating commercial activities	- No more funding from programme so no direct impact	- Homeowner	- Sometimes - Difficult to get the neighborhood on board for designation - Jacks Bar	Yes
Owner of historic property in Duckpond nr 1	- Stable property value	- No impacts noticed	- Homeowner	- Yes - Homogeneity vs. heterogeneity	Yes
Owner of historic property in Duckpond nr 2	- Stable rents -Reduction of crime	-No impacts	-Homeowner	- Occasionally	Yes
Researcher impacts historic preservation	-Attracting visitors -Attracting companies - Rising property values	- Local policies are more important	-Homeowner	- Occasionally	Possibly

**Interviewee: Michael Volk**

**Position: interim president of the Historic Gainesville Inc organization**

**Date: 1-3-2011**

**Time: 13.00-13.35**

**Location: Fine arts Library, Gainesville Florida**

### **Organizational motives**

1. Can you tell me something about the background of your organization, projects and objectives?

Historic Gainesville Inc was founded in 1970s as an advocacy group of historic preservation in Gainesville. Basically it was founded to save the Thomas Center from being torn down. It mobilized a group of people to save that building, and they were successful and that's where the cities offices are now. HGI has continued as an advocacy organization and we are now at a stage where we are redefining our objectives to stay current and to make sure we have some tangible things we can achieve. Our current projects are sort of twofold: we got our annual projects we do every year: a Champaign update, an annual meeting and we send out newsletters in the fall and spring and we also have representation at different events. But also in actual tangible things that we've been trying to do: we have been trying to save the Jacks building downtown from being demolished, and that's an 1888 structure, two story, ultimately we weren't successful with that. It was a difficult struggle from the start. Since then we have also been discussing the option of sponsoring a main street organization. We could receive technical funding from the state, so HGI could be one of the sponsoring organizations, but we haven't fully decided on that. For other resources for our organization, we are mainly reliant on membership fees and fundraising. There are not a lot of private stakeholders such as private companies involved in the funding of HGI's operations, however we are discussing to get more companies involved. Also, the issue for us is that if we do get additional funding, how are we going to spend it. I think it comes back to having good organizational goals, so you can decide where to spend the money on. We need to be discussing what are goals are, and one of those goals is definitely getting more corporate sponsors. The focus is mainly on tangible heritage, on the surface, the implication is however that you are also preserving culture heritage by doing so.

2. Why is heritage preservation important according from your organizations standpoint?

I've only been involved for three years in HGI, so it's difficult for me to talk about what the goals have been from a historic standpoint, currently it has been involved in preservation because of the culture value of heritage and the character it contributes to Gainesville. But we have also been advocating economic and sustainability benefits in heritage preservation. Jobs are also created from heritage preservation. Traditionally, the cultural value of heritage has been our main motive and personally I would still say that's the main thing you achieve from historic preservation: preservation of your historical and cultural heritage. However, I think it needs to be holistic and if preserving heritage for the cultural value is 60% of the motive you need the other 40% to come from other objectives, such as economic benefits.

3. What have been the most successful attempts by your organization of heritage preservation in Gainesville and why have these attempts been successful?

I think that this is a question you should ask Bill, because I haven't been around for very long. The Jacks bar building was a building downtown from 1888, it had numerous uses in the past, and the issue was that, this is important to note, it was demolished by neglect. It wasn't maintained and it had structural failures that were probably too costly to repair, unless you really cared about

the historic nature of the building, and the owner did really care about this. He was probably going to tear it down. So that plus the costs to repair it made it an impossible battle. However, the important thing that comes out of that is the demolition by neglect concept. One of the things that the law department at UF with D. Henrichs is working on is the demolition by neglect ordinance, which essentially says that if you have a roof that caves in: that's considered a modification on the structure, that it's just like any other modification that needs a certificate of appropriateness. So they are looking for code violations. So the other issue I can quickly mention is with the owners that are homesteaded. If you are home stated, the government can demand any fines of you, but they can't physically take away the property. They can leave the fines unpaid. So until the property owner tries to sell the property and tries to buy something else, his credit is terrible. Homestead is a designation that you get for your primary residence: it will give you some tax sheltering. It's a designation; they can't take your primary residence away from you.

#### **Preservation rationale and policy**

4. What importance does historic preservation have in economic development policy in Gainesville and vice versa? Is the economic importance of heritage recognized by the stakeholders in Gainesville?

I think that in short historic preservation in Gainesville has the ability to draw people to the core of Gainesville and attract business to the downtown area. So that's the impact that it has, by drawing visitors but residents as well, who want to eat in an appealing place to eat and shop in a appealing place to shop. This is why they would come downtown. That's probably one of the more important reasons of economic impact. It ends up being more than that too: you create jobs for the people who do the jobs in maintenance of heritage as well for the people who produce the goods for this maintenance. And there is also a redevelopment aspect too: we have a redevelopment agency in Gainesville that has projects downtown that are both new and existing construction. They are providing money and incentives to property owners down town to do renovations. But this all based on the idea that the property owner thinks it would be valuable for them to restore the building. One of the reasons that I mention the CRA is that they have the goal to bring more people downtown to stimulate the local economy, revitalization. Economics is an integral part of what they are doing. The city of Gainesville also has a conservation element in their comprehensive plan. They also have preservation codes that are legally binding. Economics are more incorporated in the CRA plan. I know that CADE foundation is involved with revitalizing the downtown area, there is the UF innovation center that is being built between downtown and the UF, which is a private organization.

5. To what extent has the Preserve America Community initiative led to economic development or economic revitalization of Gainesville?

I know that they have gotten it, and I don't really know what impacts it has.

6. The Rehabilitation and Design Guidelines are a tool to ensure the preservation of architectural resources through measures that are consistent and cost-effective. This is a quote from the "Historic Preservation Rehabilitation and Design Guidelines" policy document. Do you agree with this notion?

Yeah, I think that this quote basically says that they area a tool for preserving architectural resources and the design guidelines are an important tool for that. And I don't exactly know how that relates to economic feasibility of restoration and whether it's cheaper to do it concordance with these guidelines, but it definitely creates consistency.

7. Which stakeholder should carry the main responsibility in taking care of the stock of built heritage and why those stakeholder in particular? Basically, which stakeholder should take up the bill for heritage preservation?

The answer you are going to get from everybody is that it should be a joint effort. There is a role that everyone has to play. The city government has to provide regulations and incentives that encourage people to do preservation, but the property owner needs to maintain their property and do repairs as necessary. It's the job of the community stand up as an advocacy organization to say this is something we care about and that we are going downtown because we are more concerned about patronizing the downtown businesses that are small and privately owned, than the ones on Archer road that big chains. Each person has a responsibility really to contribute, but probably the property owner should be the most important one in preserving buildings. When there is an issue, the government should address it. However, it requires community support, so the community is important in showing support for that. For example, HGI is discussing is how to reach out to property owners downtown to show them the economic benefits of heritage preservation.

8. Are there conflicting interest regarding heritage preservation in Gainesville between stakeholders and if so, why do these exist?

I think that there are. There are people who historic preservation as a priority and people who don't. There are also differences of opinion on how it should occur. It is all about to what extent we can regulate what people can do with their property and how they should maintain their property. Is it enough that the building is there, or does it have to have historic windows and historic roofs? There are sort of two levels. It's difficult to find a balanced approach to that. If someone wants to do a renovation it might be more expensive to use authentic materials than it would be that to do it in the least expensive way. However you might be creating something that is completely out of character.

### **Heritage and business**

9. How important is the presence of heritage for the image of the city of Gainesville in attracting companies?

I would say that the actual heritage in Gainesville has a lesser attraction to companies. It might for some specific types of companies and it's definitely an added value, but the University of Florida is the primary draw for companies. Also, we have a good vibrant community and city government.

10. Could it be worthwhile to make more efforts in marketing heritage to the business market?

We think so. We need to show them the economic values of preservation. For instance, the idea you are going to have more customers coming in your shop if it's part of a nice neighborhood or part of a historic district instead of a strip that is part of sprawl development.

11. Does heritage preservation help reducing sprawl?

I think that it does help, because it promotes reuse of our historic already existing neighborhoods. However, it can also be an impediment if you don't allow more dense development to occur in the districts. What needs to happen is compatible redevelopment that creates density within the existing city core. Heritage preservation as a tool to reduce urban sprawl should be considered more of part as what we talk about.

12. Are businesses confronted with protection rules, as defined in "The City of Gainesville's Historic Preservation Rehabilitation & Design Guidelines" when they use heritage? Is this a problem for them?

I don't know for sure. I do think it's quite likely. Most of the properties are residential. However, there are some commercial properties. I would imagine it could be an issue for businesses.

### **Adaptive reuse**

13. Are historic properties effectively being used as an economic resource in Gainesville? What have been significant success stories?

It's an important tool. It gives a valid use for historic property. It is being used in Gainesville. The main example is the hippodrome in Gainesville. There are also some other examples.

14. Does heritage preservation collide with new development/construction in Gainesville?

It's less of an issue here than in other places, because we have historic districts. We have protection for those structures. For the properties outside the districts it's an issue. Designation of districts as historic districts is an important tool for heritage preservation.

**Interviewee: Dr. Erik Bredfeldt**

**Position: Planning & Development Services Director**

**Date: 15-3-2011**

**Time: 9.10-9.45**

**Location: Thomas Center, Gainesville Florida**

### **Organizational motives**

1. Can you tell me something about your personal background and your experience with heritage preservation?

My background is that I've been a planning director for the city of Gainesville for the last four years. I've been in the urban planning field for about 20 years. In terms of my educational background, I did a planning program back in the early nineties at the University of Florida. Subsequently, I got my masters degree. I finished my PhD about five years ago. So that's my educational background. As far as historic preservation goes, I've been exposed to the preservation program of this city in the last four years.

2. Could you identify the main motives for Gainesville municipality for heritage preservation?

There are probably a few. We are sitting in a building right now that has some historical character. Often when a city or municipality starts an effective programme it means that it's a primary concern to the community. We have got a pretty robust programme here, it started with the designation of historic neighborhoods about 20 years ago. There was a sense that a number of structures that should be preserved. Subsequent, the city designated five historic districts. It's a priority of the commission in an attempt to conserve the city heritage in terms of the neighborhoods and individual structures.

### **- are there also economic motives?**

In would say so. Research shows that there are economic motives that are tied to perception. If you have a place that has a certain attraction or character there is going to be returns based on economic impacts. Also, the way the programme is structured here, there are certain economic incentives that are tied to preservation properties. Owners are incentivized to a preservation project: when a renovation is done, the taxable value increases.

3. What have been the most successful attempts by the municipality of heritage preservation in Gainesville and why have these attempts been successful?

I think probably the way policy is structured here, the designation of districts as historic is probably the most important. I would say for the city the most successful part of the programme



is adopting these historical districts. Also the creation of the administrative framework is a big success. You have to have staff that monitors historic preservation. You got to have a legal framework as well. Basically, implementing the historic districts and then setting up the institutional supports are the biggest successes

#### **Preservation rationale and policy**

4. What importance does historic preservation have in economic development policy in Gainesville and vice versa?

The two are linked. As I said, it seems that people often visit places that have a sense of place. Sense of place is based on a certain character. The character is what is defined historically. There have been studies that suggest that if you have a historic base in your environment, people are going to come in and spend money on shopping, eating and even investing in property. So, the economic impact from that standpoint is significant. The municipality is interested in retaining the taxable basis of our property. By incentivizing property owners through city policies to preserve their structures it can ultimately hit on the city's tax base. This is how our preservation policy is linked to our economic development.

-Is the economic importance of heritage recognized by the stakeholders in Gainesville?

With every policy question, you often have the advocates in the community for historic preservation. I think, by itself as a proposition, most people will buy into it, into the fact that we want to preserve the historic nature of our environment. Interesting is when it conflicts with other values in the area, for instance with property rights. For instance, if someone wants to renovate their building in the way they see it fit. Sometimes the private property owner feels that he is being restrained by preservation policies. So you see those conflicts sometimes. You know, the city has to navigate a little bit. Ultimately, we see that companies like to locate in an area that has a nice quality of life. The CEOs of those companies have to live in that area and have to send their kids to school in that area. They want to live in a decent place. Usually, a place that is interested in preserving its built heritage has a benefit tied in to it. At the same time, we have to manage some conflicts regarding heritage preservation. The private property owner has a lot of rights, especially in Florida. The reality is that if you buy a property in a historic district, you have to realize that you have to abide by the regulations that go with that. However, it doesn't mean that if a conflict develops, they can't mitigate it.

5. How do you think that heritage preservation affects urban sprawl?

Most of our historic preservation districts are downtown. Most districts are in the eastside of town. There is a large discussion about the fact that we are concerned about the downtown in Gainesville because a lot of people decide to move west. There are two ways of looking at that: the city is putting a lot of emphasis behind improving downtown, in terms of staff and finances and improving the appearance of downtown in order to attract more people to downtown. That's a big trust of city overall policy. Against that, if you increase the regulatory burden in a place, then people may choose to live somewhere else. That somewhere else may be in a more regular subdivision, which would be west of downtown which doesn't have much regulatory bodies.

6. To what extent has the Preserve America Community initiative, led to economic development or economic revitalization of Gainesville?

We did get that status. I don't think we really measured it as closely as how it should be measured. I don't think the designation has materially benefitted the city. The mere fact that we were basically awarded the designation and given a couple of signs doesn't mean that it brought something to the table. It's more about the underlying reason for getting that reward, which are the districts itself.

- Could the designation itself bring cultural tourism?

It could, but the trick would be to measure that. That would be a little bit of a challenge. You would have to devise an instrument.

7. The Rehabilitation and Design Guidelines are tools to ensure the preservation of architectural resources through measures that are consistent and cost-effective. This is a quote from the “Historic Preservation Rehabilitation and Design Guidelines” policy document. Do you agree with this notion?

Yeah, I agree with that guideline. On the other hand, I think it works as a framework. The way this works, if you live in an historic district, and you want to change something on your property, you have to get a certificate of appropriateness. So, that statement you just read is the basic underlying framework that the board uses. If you are going to read it to the board, they are probably not going to know what it is. Its intuitive almost, I think it makes sense as a framework.

8. Which stakeholder should carry the main responsibility in taking care of the stock of built heritage and why those stakeholder in particular? Basically, which stakeholder should take up the bill for heritage preservation?

If you buy into a historic district, and that’s the kind of lifestyle you want to live, and lets just assume you’ve done all the homework and know what you have to do, the responsibility is on the property owner. However, if there are some gray instances, where if a community is focused on that, and they want push that vision forward, the community can probably come in as well. Some communities just do the fairly bare minimum. That’s probably Gainesville as well. However, some communities are more proactive. If they want to preserve the districts, they probably have a pot of money set aside.

9. Are there conflicting interest regarding heritage preservation in Gainesville between stakeholders and if so, why do these exist?

Just because they have different objectives sometimes. In the urban fabric so to say, you have different constituencies that get behind different things. One is interested in the environment, others in heritage preservation or economic development and so on. Sometimes, clashes happen. Usually it gets worked out.

### **Heritage and business**

10. How important is the presence of heritage for the image of the city of Gainesville in attracting companies?

Its important as a package, because there has been a lot research done, it used to be traditionally important to create a low cost environment. That’s why a lot of companies migrated from the north to the south. With this more innovative economy, companies are attracted by a different labor pool, and that labor pool is attracted a higher quality of live and a higher urban amenity package. And so, historic districts are important in creating this package, as well as a vibrant downtown area that looks nice and where a lot is going on. The quality of a place comes from historic districts. As part of a package to sell a vibrant urban environment, it plays a role. If you look around Hippodrome for instance, there are companies all around that area. Companies want to be in that environment.

11. Could it be worthwhile to make more efforts in marketing heritage to the business market?

That package is being marketed sufficiently. We have the Gainesville chamber of Commerce, and they are doing a marketing effort called innovation Gainesville right now. Its about creating a vibrant urban area. The question is, are they making a connection between historic preservation

and that. Probably not. Now, it would interesting to look at some other urban environments that showcase their stock of heritage more. There are probably other urban locations that market their heritage more intensively. For instance, down in Tampa, there is the Hyde Park area. When you hear this name in Florida, a certain image pops up. We don't have that with Gainesville yet. I think that for people without a urban planning background it's difficult to make a connection between heritage and economy.

12. Are businesses confronted with protection rules, as defined in "The City of Gainesville's Historic Preservation Rehabilitation & Design Guidelines" when they use heritage? Is this a problem for them?

Not a big problem, occasionally it happens. Jacks bar is a good example. Demolition by neglect is a big problem in this case. He had other ideas on what to do with the property than the community. Eventually, the building did come down and now it's a vacant lot.

### **Adaptive reuse**

13. Are historic properties effectively being used as an economic resource in Gainesville? What have been significant success stories?

The Thomas Centre is a classic example. But there are more examples. The problem with adaptive reuse is the cost that often goes in remodeling. In some respects, it's easier to begin from scratch. Adaptive reuse happens, but there are cost challenges. That's where incentives help a little bit. However, in the current down time of the economy, its an issue.

14. Does heritage preservation collide with new development/construction in Gainesville?

It does not necessarily conflicts. People want different lifestyle choices. Some people will choose a subdivision of housing that is new and doesn't require maintenance and other people want to live in an environment with a history. It does not necessarily have to conflict.

### **Interviewee: Bill Warinner**

**Position: architect, started Aachen Designers in 1972. It's a company that focuses on rehabilitation of historic properties. He is also in the board of Historic Gainesville Inc.**

**Date: 27-3-2011**

**Time: 13.30-14.00**

**Location: Muphre House, Gainesville Florida**

### **Organizational motives**

1. Can you tell me something about your personal background and your experience with heritage preservation?

My involvement directly is in organizing tours, specifically of historic properties in Gainesville. I'm also a preservation architect. My primary focus as a preservation architect is adaptive with a restorative approach. I don't do museums, or maybe very occasionally. There is very little work in that area. Highly specialized firms do that.

2. Could you identify the main motives for Gainesville municipality for heritage preservation?

Personal involvement and personal attraction to older properties. 85% Of my work is directly involved with heritage preservation oriented activity. Its what ive chosen to be my business focus.

3. What have been the most successful attempts by the municipality of heritage preservation in Gainesville and why have these attempts been successful?

My primary activity has been in the Duckpond area. Officially known as the Gainesville Northeast Historic District, inofficially as the Duckpond. I've been involved in quite a number of residential structures, right in walking distance. Right now im involved in a 1891 farmhouse in Macintosh that came as a result of my heritage activity here in Gainesville. Im also doing a new visiting centre for the historic Hale homestead located on Archer Road. It's the original Hale family home, I'm doing the visitor center for that. So it is new construction, but its focus is the historic property, that introduces the visitor to the property.

- does construction and rehabilitation of these properties also lead to revitalization of the surrounding area?

Oh yeah. If you do one, the neighbor wants to upgrade. So yes it's a positively feeding activity.

- So has heritage preservation been profitable for you and how has the housing crisis affected your business?

Much less so than my fellow architects who were more focused on development oriented business. It became almost nonexistent. I've been much less affected. It only slowed down in the second half of last year and it already started picking up again.

#### **Preservation rationale and policy**

4. What importance does historic preservation have in economic development policy in Gainesville and vice versa?

Well, two things, as a member of Historic Gainesville Inc, we have been involved development in terms of comment and direction. Any of the districts, we are involved with heritage preservation, and with the Historic Trust. Last year we had our church houses, which are not in one geographic area, listed as an endangered building type. I'm also involved in the Florida trust in Historic Preservation, which is focused on eco-tourism in this direction through Florida and policy on the state level. I'm also in the Historic preservation review board for the city, and we develop guidelines and we are continuing to refine those for adaptive reuse.

5. How do you think that heritage preservation affects urban sprawl?

The effects on urban sprawl are that heritage preservation leads to greater infill, density, investment, recognize the values that exist as properties worthy of preservation activity. Its learning people that it's better to take a restorative approach to improvement of those properties as opposed to generic alteration. Heritage activity has led to investment in the core city as well as increased revenues of commerce. Its supporting the construction industry as well and the service industry as opposed to industries situated in the outer areas. Focusing investment in the city lessens that inclination on getting further out.

6. To what extent has the Preserve America Community initiative, led to economic development or economic revitalization of Gainesville?

I'm aware that we are a preserve America city, however, you should ask D. Henrichs.

7. The Rehabilitation and Design Guidelines are tools to ensure the preservation of architectural resources through measures that are consistent and cost-effective. This is a quote from the "Historic Preservation Rehabilitation and Design Guidelines" policy document. Do you agree with this notion?

Yes. I would use an example. For instance, the Methodist Church, which is right across the park. A vinyl window salesman convinced the board there to replace the old windows for vinyl ones for several hundred thousand dollars. The old windows have been there for over 100 years. They had

to have approval to change the windows, because not only is it in a historic district, it is also national register property. So we did not give them approval. They looked into it, and for less than 100 thousand dollars they were able to restore the windows. It would have been a huge mistake for them to replace those good solid windows with these temporary vinyl units. By contrast, people in the vinyl window business seemed to have convinced the school board that replacing the windows would dramatically decrease their energy bills. It would have had had zero impact on their utility bill.

8. Which stakeholder should carry the main responsibility in taking care of the stock of built heritage and why those stakeholder in particular? Basically, which stakeholder should take up the bill for heritage preservation?

The ownership should be taken the lead. It's up to us, Historic Gainesville Inc and the review board, to act as advisors. The review board has a restrictive capacity to approve and disapprove proposals. Historic Gainesville exists as a source of information, through workshops, tools, to create recognition for adaptive use. But the owner is the primary beneficiary, and most important stakeholder.

9. Are there conflicting interest regarding heritage preservation in Gainesville between stakeholders and if so, why do these exist?

Well, in general no, but there was the case of jacks Bar. This was basically someone that was, uuuuum, stupid, that's probably the most charitable descriptor. He focused entirely on an activity that was very shortsighted, that he would have had a greater value as a landowner. As an owner of real estate he would have been far better of grasping the value of the fabric that he had, and taking the cities generous offer to assist him with stabilization and ultimately contributing to the structures improvement. That owner chose to ignore the willingness of the public to help him go on the right direction, and he chose a pretty stupid path to go. So he devalued the asset that he had, because he had the legal right to do so. And now it's a piece of vacant land.

### **Preservation and business**

10. How important is the presence of heritage for the image of the city of Gainesville in attracting companies?

Business of a certain character which values quality of life comes here. They are not coming here because of cheap water, cheap labor, cheap anything. They want to be located here because every effort is to make this a high tech community, an innovation community, and what goes with that is quality of life. Get the best and the brightest attracted to a place like Ocala, that has limited cultural activity, is impossible. Creative intelligent people want to be in Gainesville were there is heritage preservation in companion to the arts. I'm certainly pleased to be part of that activity and that there is a market in Gainesville for that I want to do.

11. Could it be worthwhile to make more efforts in marketing heritage to the business market?

Preservation activity is a way to achieve that. A while ago the stakeholders teamed up to arrange a Spring promenade. We had a record level of participation; there were a lot of first time people, young faces etc. It brought this qualitative aspect to the community.

12. Are businesses confronted with protection rules, as defined in "The City of Gainesville's

That's a matter of perspective. From time to time, people want to do things that are not even in their best interest. In the case off when a person wants to stick an aluminum window in a house in a historic district, they are not allowed to it. In the case of Jacks bar, we couldn't keep him from doing something stupid. The burden, if you will, is that they have to think about what they are

doing. If this is countered with their own good and the good of the community, then let it be a burden.

### **Adaptive reuse**

13. Are historic properties effectively being used as an economic resource in Gainesville?

Yes, in a sense. Its identifiable, as a preservation realtor, that a property outside the national historic district, is perceived as having less value than one in a national district. There is a direct impact in value.

14. Does heritage preservation collide with new development/construction in Gainesville?

No not at all, we have a lot of examples of new work in the district. There isn't any inherent conflict between development heritage preservation.

### **Interviewee: D. Henrichs**

**Position: Historic Preservation Planner at the Gainesville Municipality**

**Date: 28-3-2011**

**Time: 11.00-11.40**

**Location: Thomas Center, Gainesville Florida**

### **Organizational motives**

1. Can you tell me something about your personal background and your experience with heritage preservation?

I'm the city historic preservation planner, but I worked for the state for eight years. I was in charge of the historic properties and historic bridges and I administered an archeological contract for the state. I've been working 11 years for the city. I've got a degree in architecture, and I'm also a state certified general contractor. I started out in architecture, had an interest always in historic buildings. It kind of migrated into the job. I was an art history major as well.

2. Could you identify the main motives for Gainesville municipality for heritage preservation?

There is an economic stimulus to heritage tourism, economic rehabilitation creates jobs, it stimulates the local economy, cultural tourism and Gainesville preserving its heritage certainly gives Gainesville a sense of place. It doesn't look like every other town. All the things create an economic motive. I think over the 25 years that the city has been working on preservation programs.... I think that saving the Thomas centre was significant. It started out as a grassroots organization. It started out with saving one building and now it is about saving neighborhoods.

3. What have been the most successful attempts by the municipality of heritage preservation in Gainesville and why have these attempts been successful?

It started out with saving this building and it then moved to looking at other areas that might be potential areas for historic districts. Arguably, that decision in the 1980s, to survey to look at our historic structures was probably the pivotal point. What they did was looking at entire neighborhoods and individual structures. After that they looked at neighborhoods that could be historic districts and made them historic districts. The preservation program has really built on this effort. Essentially what they did was talking about architecture and did a lot of survey work. They identified areas that were potential historic districts.

### **Preservation rationale and policy**

4. What importance does historic preservation have in economic development policy in Gainesville and vice versa?

It's a stimulus. We have tax exemptions of the state; it's an incentive to help homeowner make the right decisions with the building. They get exemptions of property taxes. There is a value based on how much money they put in. So this way they can gain back some of the money they put in. Bed and breakfast industries have settled in historic places as well as some commercial industries. The city has not really promoted its historic asset, but by allowing a certain type of land use economic development can be stimulated. For instance, the pink building over at the corner of the street is a law firm. By putting in certain land use, it allows a certain entity to come in. Particularly on corners were you want to see commercial activity without losing the residential feel and have it connected with the neighborhoods. They must continue to connect with the residential neighborhood.

5. How do you think that heritage preservation affects urban sprawl?

On the University Heights historic district, especially the south neighborhood, in the 90s there was an emphasis on dense development. It had been identified as a historic district. So then you have a conflict because you have houses of one or two stories and you have high density development surrounding it. Before the districts were created, the old houses would have been removed and the high density would have been created. So 12 years ago they made the decision to put the district to move forward with the historic district. So I put that in place in 2001, so you still got high density. It allows to houses with more stories to be in there as well, sort of a hybrid. It allows houses to be rehabilitated along with other projects in the neighborhood. I think that's a kind of good compromise to stop urban sprawl. Its meeting those compromises, talking to the people that actually own it, and see what they want to with it and how that fits in with the historic district.

6. To what extent has the Preserve America Community initiative, led to economic development or economic revitalization of Gainesville?

We became a Preserve America Community in 2008. The stimulus is really for heritage tourism. It's getting grants for heritage tourism. We became a Preserve America Community, however we never got a chance to apply for funding. Within a year or so, the funding got cut, when Obama got into office. However, there have always been marketing activities in Gainesville. There is a certain amount of heritage tourism, however, it's kind of an unknown commodity. There would be lots of options for marketing these more, for instance reenacting civil war events.

7. The Rehabilitation and Design Guidelines are tools to ensure the preservation of architectural resources through measures that are consistent and cost-effective. This is a quote from the "Historic Preservation Rehabilitation and Design Guidelines" policy document. Do you agree with this notion?

Every city controls its own resources. We attempt to be consistent and not arbitrary. It may not be exactly consistent in everyone interpreting it the same way. I think the overarching ideas are agreed up on. There is some basic tenants that you have that everyone believes in. There are probably some inconsistencies in the way but probably not to extreme. I think it gets tweaked from place to place, and that really is a good thing. The community then decides what they feel is important to regulate. We work with the homeowners.

8. Which stakeholder should carry the main responsibility in taking care of the stock of built heritage and why that stakeholder in particular? Basically, which stakeholder should take up the bill for heritage preservation?

I think homeowners do that. They take up the largest percentage of the bill. Property rights are very important. In our democratic republic the biggest stakeholders are the homeowners. Its their property, so they should be the responsible party. Primarily it's the residential owners. However,

people that buy into a historic district are the same people who buy into gated communities where there are certain rules as well. Homeowner associations aren't any different from the city. They are overseeing the neighborhood: there got to be a set of rules. The rules create a security for the owners that something disastrous is not going to happen. It's some kind of hand to hand thing: some people don't understand the concept of buying into the total idea of doing what is good for the entire neighborhood, because it affects your property value also. We all have to have rules. There has to be a level rules that have to be in place. Our land development regulations go into neighborhoods that the city wants to maintain where the city feels that their built environment is important.

9. Are there conflicting interest regarding heritage preservation in Gainesville between stakeholders and if so, why do these exist?

Sometimes there is. For the most part it's really up to the city employees to explain and help it not be a conflict. When I put the University Heights district I had to do some talking to get everyone on the same page. We were trying to get everyone on the same page and show them that they were actually getting something out of it. They were actually getting a protection that the neighborhood was going to develop in a proper fashion, to maintain some of the historic character and that they could buy into that. When you talk about a vision for a neighborhood it's important to get the neighborhood on board. About the demolition of Jacks bar, I was totally against it. The owner was a neglectful owner, went in there and actually did some things that speed up the demise of the building. It was totally irresponsible. The owner had a different vision than the historic community or even the city. He wanted to have some kind of open air bar and saw this as an opportunity to facilitate that, by doing things to the building that would hasten its demolition. Whenever you lose a building there is the void. This is never good for the area, to have an empty lot. It looks like grenades and bombs have gone off, like in Libya. None of that looks hopeful, fruitful and productive for a city to have.

### **Preservation and business**

10. How important is the presence of heritage for the image of the city of Gainesville in attracting companies?

It's very important. It gives the city an identity. When you go the places that have a distinct heritage it's jumping out at you. They don't look like every place. Towns in Europe are the same way, for instance Innsbruck. Unfortunately, the U.S. doesn't always have that. One city can look exactly like the next. Heritage offers a sense of uniqueness.

11. Could it be worthwhile to make more efforts in marketing heritage to the business market?

Absolutely, it's just that we don't have any more economic development happening. Because of budget cutbacks, we don't have to means anymore to promote it significantly to the market. But this is a result of the ups and down of the economy.

12. Are businesses confronted with protection rules, as defined in "The City of Gainesville's Historic Preservation Rehabilitation & Design Guidelines" when they use heritage? Is this a problem for them?

Businesses we talk about, downtown, business haven't been approached, for instance for Main Street. It takes a lot of manpower to coordinate downtown businesses and convince them off all the good things regarding heritage. They want to know what this is going to do for them economically, not visually.

### **Adaptive reuse**

13. Are historic properties effectively being used as an economic resource in Gainesville?



All along 1<sup>st</sup> avenue in this district and along university avenue, they are commercial entities. The historic buildings are used to their capacity. I don't know of many are viable business at this point. So we have exploited our housing stock effectively to businesses.

14. Does heritage preservation collide with new development/construction in Gainesville?  
I don't think so, like I said, the historic districts have done a good job in combining historic properties and new construction. The same thing within this neighborhood: it's a more traditional historic neighborhood. We wouldn't allow big three story scale units here. I think it's really been a successful historic preservation effort here in Gainesville.

**Interviewee: Professor Bill Tyson**

**Position: Assistant Dean at the Urban Planning Department, owner of historic property in Duckpond**

**Date: 6-4-2011**

**Time: 15.20-15.50**

**Location: Urban Planning Department, Architecture Building, Gainesville Florida**

### **Motives**

1. Can you tell me something about your personal background and your historic property and experiences regarding heritage preservation in Gainesville?

My background is that I have a degree in architecture. I also have practical experience with preservation of historic buildings and adapting them to new uses and analyzing them through documentation and research. I grew up in a historic part of Virginia, so I always had a keen interest in historic buildings and the problems that are related to those buildings. I've also done half a dozen sets of guidelines for historic districts; I actually updated the last set of guidelines for the city of Gainesville. So I'm familiar in a practical way with the secretary interior standards. I have worked for private clients, I've designed, I've proposed changes for historic districts, I've been in boards watching people how to do presentations. I've also been a consultant for the city. I bought this house in 1992. It's in the Duckpond area. It was built in 1938 by a local architect by the name of Pearson. It's called a Monterey style house. I'm the second owner, the house was commissioned by a woman and her husband by the name of Butler, he was a political lobbyist for the Eli tobacco company. And he was a onetime mayor of Gainesville. The construction quality is quite good. The structure is made out of hard pine and Cyprus and well detailed and it doesn't seem to have foundation problems. There is a considerable maintenance that was done and there is still a lot that needs to be done. Electrical, fixtures, bathrooms and kitchens, I still don't have a washing machine, the maintenance to keep the house in good shape. Older houses, like older people, require maintenance.

- What is the government doing to help you in this maintenance?

Nothing. That's really the property owner's responsibility. There may be some seminars, but the local government does little to help educate the public. We didn't get tax exemptions because we stretched out rehabilitation work over 20 years. If you do a major rehabilitation, then you get a tax exemption, except when we reinstalled the energy system. We got tax credits for that.

2. Why did you buy a historic property? How does it compare to new construction?

Because of the architectural quality. I like the location. The neighborhood is quite coherent. The building itself was well organized and well-constructed. Generally, it's the quality of the house, which is difficult to find in later homes. Its far superior to most new construction. If you look at the wood that is available for commercial projects. Woodframe houses today that are designed by crafters don't nearly last as long as this house. It's also accepting a house and working with a

house that has a history to it. You are carrying it forward into the city. Also, historic properties tend to maintain their value at least as good as other neighborhoods. It might not appreciate as much as new development, however you see a very consistent property value maintained. This is due the design codes that keep it from deteriorating.

3. What is the added value of living in a historic district?

-

### **Preservation rationale and policy**

4. What governmental policy has helped you the most in maintaining and preserving your property? Are tax exemptions important?

-

5. To what extent has the *Preserve America Community* initiative helped you in maintaining your home?

I don't know. Since that neighborhood has been fairly consistent since I've been there, I can't see how it affected it at all. Ironically, I'm more involved with other historic communities than Gainesville.

6. *The Rehabilitation and Design Guidelines are tools to ensure the preservation of architectural resources through measures that are consistent and cost-effective.* This is a quote from the "Historic Preservation Rehabilitation and Design Guidelines" policy document. Do you agree with this notion? Do you feel confined by these rules?

I agree with the statement. I've never done any formal study on how effective the design review board is in implementing these rules. From a personal standpoint, even though the guidelines started by recommending decisions that staff could make, for instance on fences. I had a small fence that I thought staff could approve, because it said so in the guidelines. And it had to go before the whole board. I had to meet the staff to get approval but instead it needed to go before the entire commission. I've never been a supporter of color pallets for historic districts because they are too varied. It tends to concentrate on too many details that staff could approve. In discussion with neighbors, I find that the board is focusing too much on details. Even though I think that when people buy into a historic district they have to be aware of those regulations. The board has been perceived as bothersome. So, that statement, which I agree with, I'm not sure in practice if it's true.

8. Which stakeholder should carry the main responsibility in taking care of the stock of built heritage and why that stakeholder in particular?

It really should be all of them because they are all involved. Ultimately, because it's a legislative decision and there is continuity, I think the government bears the greatest responsibility that a historic district is protected against developers and even individual property owners. In the long run, it's the local governments are most important in ensuring that those things remain. I think neighborhood organizations are very good in keeping away these meddlesome boards and educating the property owners. But ultimately, if you are a property owner that lives in a historical district you bear the direct responsibility in maintenance of that property. You are the legal guardian so to speak. I think the most successful districts that I know of, there is a very successful relationship between the local government, the owner and the local community organization. For instance the Duckpond Neighborhood Association.

9. Are there conflicting interest regarding heritage preservation in Gainesville between stakeholders and if so, why do these exist? (Jacks Bar?)

Yeah, without naming any names. I know that some property owners believe that increasing values and keeping historic properties up to date and selling only to people with means that can support them, they believe in order to preserve a historic building you got to have money. Another retired individual was specifically interested in bringing in, to be blunt, well to do, white people, to make sure that the community was culturally similar. And the neighborhood I'm in, is very diverse, from a culturally and economic perspective. There a people with different ethnic backgrounds, people who don't have a lot of money, old time Gainesville people, and I like that mix. There are people who use whatever influence they have to make the neighborhoods culturally more similar. Something that reflects this was placing a stone sign with metal at a certain location to indicate that someone is entering the district. This was the first sign that some people wanted to make a gated community. I do know, since I went to the meeting, that some people were openly supporting this.

10. What is your opinion on urban sprawl? Do you think that historic preservation plays a role in reducing sprawl?

I think it does. Duckpond is interesting. It's such a very scale type of neighborhood, there are some vacant lots and it's on the corner of a developing area. You can encourage people to move away from sprawls and closer to the cities. The other side of that sword is that often those property values make people move out of town. One of the reasons is price. They can get cheaper land and cheaper construction. Buying an existing home that you actually that it has some quality to it; it's definitely going to cost more money to maintain.

### **Heritage and business**

11. How important is the presence of heritage for the image of the city of Gainesville in attracting companies?

I think it is important, because it indicates continuity and stability within government and within the context of place. I think it indicates commitment to resources that are unique to the town, that the city is willing to maintain that. At the same time it indicates some conservatism, but it also indicates that you don't just want to wipe something out. It indicates a bigger view to the world.

12. Could it be worthwhile to make more efforts in marketing heritage to the business market?

Yes. It's not marketed enough. Obviously there is the university, maintenance of downtown, that's very important. Other cities have done that very successful.

### **Adaptive reuse**

13. Are historic properties effectively being used as an economic resource in Gainesville?

To a certain degree. I think that there is a lack of flexibility in the board in adapting historic buildings to new uses. Some boards in other cities offer more flexibility in this. A good example is, the four ladies down on South University. They had to be restored, that would have been the only way to use them. Several people made proposal, but the board refused. Ironically, the board, that controlled the buildings, allowed to buildings to fall apart. That happened back in the 1990s. That was a stain on the reputation of the community. In downtown in particular, there are ways that people can be encouraged to use historic buildings. I think the board is not inventive enough.

14. Does heritage preservation collide with new development/construction in Gainesville?

I don't think it's done well in the city. I think that the board encourages buildings that have a rather superficial appearance of historic structures. I think that many of the designers don't have the skill to do that effectively. The public doesn't see good examples of modern buildings being added to it. What that does is creating a stock of properties that seem historic but are poor copies.

**Interviewee: Melanie Barr**

**Position: President Duckpond Neighborhood Association, owner of four properties in Duckpond**

**Date: 24-4-2011**

**Time: 17.45-19.00**

**Location: Thomas Center, Gainesville Florida**

*Due to some technical problems the recording was lost. This is not a transcription but rather a report right after the interview was held*

### **Motives**

1. Can you tell me something about your personal background and your historic property and experiences regarding heritage preservation in Gainesville?

Melanie has a master degree in Urban Planning. She is owner of four properties in the historic district of Duckpond. She has restored or is in the process of restoring the properties in their original state. She also lives in Duckpond Historic District. She came to Gainesville when she went to study and never left. When she was able to afford to live in Duckpond, she bought a property. She wanted to live in this neighborhood because she always had an interest in historic property. Also, the fact that people know each other in the neighborhood makes it a nice place to live in. When some criminal activities are happening, someone will notice and call the cops. Furthermore, she likes the diversity of people living in the neighborhood. She is also the president of the Duckpond neighborhood association. Duckpond neighborhood association discusses several matters regarding the neighborhood. The historic preservation issue is an important part of these matters. They are also involved in helping property owners in doing restoration activities.

2. Why did you buy a historic property?

She mentioned that she started living in Duckpond because of the other reasons. She bought the other properties because she made a good deal in buying them and so she could restore them. Now she is renting them out and making a good profit out of it. This business is going well and is less affected by the recession than the other business that had focused more on renting out new properties.

3. What is the added value of living in a historic district?

Especially that there is a lot of social cohesion and that everyone watches out for criminal behavior. An historic district shows that there is some continuity in a city. People walk the street and the proximity to downtown is nice.

### **Preservation rationale and policy**

4. What governmental policy has helped you the most in maintaining and preserving your property? Are tax exemptions important?

Governmental policies haven't really helped her. She has done most if it herself.

5. To what extent has the *Preserve America Community* initiative helped you in maintaining your home?

Nothing as well.

6. *The Rehabilitation and Design Guidelines are tools to ensure the preservation of architectural resources through measures that are consistent and cost-effective.* . This is a quote from the "Historic Preservation Rehabilitation and Design Guidelines" policy document. Do you agree with this notion? Do you feel confined by these rules?

She agreed that these rules are necessary. Sometimes homeowners don't like it because they can perceive it as meddling in their affairs. Also, sometimes its too expensive to do a renovation in a way in which the historic preservation board would approve it. She mentioned an example of a chimney in pleasant street that was historic but had no function. They had to renovate the roof and in order to do that they had to remove the chimney. The board would probably rule to move it back which would be too expensive.

7. Are there conflicting interest regarding heritage preservation in Gainesville between stakeholders and if so, why do these exist? (Jacks Bar?)

Sometimes homeowners don't like the fact they are not allowed to decide what to do with their own property. The most prominent conflict is about the wooden windows. Some people would like to replace these with metal ones because it doesn't leak and it's more sustainable. However, this is not allowed according to these rules. About Jacks Bar, she was totally against the demolition of it. The owner was a slum owner. He just neglected maintenance and eventually it had to be destroyed.

8. What is your opinion on urban sprawl? Do you think that historic preservation plays a role in reducing sprawl?

It does. By preserving what you have, it makes people stay in the downtown area. Also, because it prevents criminal behavior.

### **Heritage and business**

11. How important is the presence of heritage for the image of the city of Gainesville in attracting companies?

It attracts companies, mainly because heritage preservation means that there is a community that cares. This increases the quality of life.

12. Could it be worthwhile to make more efforts in marketing heritage to the business market?

It's not really their business. Just the fact that its (heritage) here should be the most important thing. But they don't really have the time and resources to do so. Also, the municipality is firing a lot of people so they don't really have the resources either.

### **Adaptive reuse**

13. Does heritage preservation collide with new development/construction in Gainesville?

Within the neighborhood it's not possible because there are a lot of regulations. On the edge of the district, it has already happened before they were protecting it. There are a lot of firms that put some new construction there that doesn't really fit the feel of the neighborhood. Outside the district new development and historic properties can collide because there is no tool to protect those individual structures.

**Interviewee: Tim McLendon**

**Position: Staff Attorney, Center for Governmental Responsibility, teaching in Comparative & Florida Constitutional Law, Historic Preservation Law**

**Date: 25-4-2011**

**Time: 10.00-10.40**

**Location: Department of LAW at UF, Gainesville Florida**

**Motives**

1. Can you tell me something about your personal background and experiences regarding historic preservation? What is your personal interest in historic preservation?

My interest has always been history. That's what I studied and that's what I'm still interested in. One of the first legal jobs that I had was for one of the solicitors for the state, headquartered in London that owned a lot of property elsewhere. Part of my work was in licenses and that. A large part of my work was watching the restoration and rehabilitation work on the properties that were owned by this company. This is where I first saw the link between legal issues and the physical aspect of these buildings in bringing them up to date and adapting them while preserving its traditional value. There is a world of difference between the amount of heritage and grading of historic buildings between Europe and the U.S. In Florida, most older buildings in the state are 100 years old.

2. Why do you think historic preservation is important?

We do the study of economics, but I don't think that economics are what you would use to defend historic preservation. The economic research what we did is a report that is indifferent to what you preserve and why. And it's the why that makes preservation important. It's the sense of place, the sense of realizing that you are here for a certain period of time but you share the heritage with people that have come before you. I think that the economic asset is to a lesser extent important. I think that in the end, the non-economic, intangible things will probably have to defend it. If you are relying on economics only, I don't think that is enough. However, economic arguments have been used in supporting policies. To a very real extent, our research had proved that although there are restrictions within a historic district, the neighborhoods benefits from those rules.

3. Why was the study off the economic impacts of historic preservation in Florida initiated? What was your role in that?

The first one is more interesting in that regard. There have been other studies by a couple of different organizations. In one of the greatest preservation issues of all time, Penn station in New York, they had to find out whether it was constitutional to build a skyscraper on top of the station. The court said no. The system allows to transfer some of the development rights from the air rights above it to some other locations in the city and develop them more densely. We had done a similar thing, but not in historic preservation. The point was, we developed our own model. When the state asked about it (doing the research), we applied. And they asked us to make it a joint effort (Rutgers and UF).

4. One of the conclusions in this research was that in historic districts property values rise faster? Why is this trend occurring? Do you think it got affected by the bubble?

In 2001 it was overwhelmingly true. Our study was broad and therefore superficial. We looked at 100,000 properties. We couldn't do it on that level with Hedonic modeling. We used GIS a lot and the shape files and tax appraiser files. They didn't allow us to use everything. I think in some regards it improves faster because the neighborhood has some interesting features: one thing is that it's close to the downtown area. So there is a ease of access that is attractive to a lot of people. For a lot of there neighborhoods, historic preservation was a tool that brought back a dead neighborhood. Historic preservation was one of the tools for revitalizing it. During the period of these studies, for several of the neighborhoods, you had been going from older houses being broken up in to apartments or made into single family homes, everyone benefits from that. In fact, one of the things that my study shows, and I always get into some disputes when an appraiser comes to my office, and they get a little upset. Because almost never, when you are rehabilitating a home and doing it right, you will spend so much money that you will never add the value of the money that you put into it. You have to be blunt with that. But if you are in a neighborhood that is being revitalized and rehabilitated, what you are doing to the whole neighborhood, that is real.

The point is, you have to benefit from it more than a pure economic model. You are putting money that you never going to get back when you are selling your home. It's part of a neighborhood that's being revitalized. One other thing: historic preservation in a neighborhood is the same type of thing when you are in a big private neighborhood with a mean homeowner association. Its same type of thing: the required maintenance. It is some restrictions on your discretion on how you use your property, but the benefit is that it's also a restriction of your neighbors. They have the keep the up the house look good. So everyone benefits.

### **Preservation rationale and policy**

5. How does the legal framework for historic preservation operate?

In Gainesville it's the same as in most communities. The three levels of government have very different rules. The federal government has a large role in federally owned property. The most important part however is local. You have ordinance that creates a district. Within this district, certain controls are put in place that determine what types of buildings can be build, what alterations can be made. It's often done on the local level.

6. *The Rehabilitation and Design Guidelines is a tool to ensure the preservation of architectural resources through measures that are consistent and cost-effective.* This is a quote from the "Historic Preservation Rehabilitation and Design Guidelines" policy document. Do you agree with this notion?

Depends on where you are and what you have. It should be, it needs to be. What happens is you pass the ordinance. You set up a district with a preservation board and it tells them to adopt the design guidelines. To go through inventory of the structures first. Why is it important. And then how do you allowed some flexibility to homeowners to live their lives? Most preservation ordinances in the U.S. control the façade. If you get an income tax benefit, you would have to submit to much more internal control. But most ordinances are much focused on the façade. What is central is what flexibility can you allow. Gainesville is a very good example.

7. How has the legal framework helped in preserving heritage in Florida and Gainesville in particular?

It's an important tool. The legal structure would not survive without some consensus. It cannot survive on its own. The reason I say this is that worst problems exist when the local government does not care about it. There was an incident in Hollywood and Fort Lauderdale with some old public housing in the center of the town that is close to center and is historically interesting and has a contributing factor. The city wants to get rid of it. They like to develop that land. The argument is that zoning ordinance applies to them. If the city doesn't want it, and you don't have elected support, and the elected support doesn't reflect consensus of the citizens, it doesn't matter what your law is, it won't stick. Best laws will grow from some consensus in the community. You usually have a referendum to get the district imposed. A lot of preservationists hate that, but on the long term, it's a good thing.

8. Is it possible to develop a new legal framework for preservation of structures outside historic districts?

There is a dual type of control in most cities. There are historic districts and landmarks. That is the designation and protection of s ingle structure. It's a little bit more tricky. You need to do more defense of it in terms of why it's significant, what is special about it?

An important question is what do you do if the owner doesn't care, or even worse, if he actively seeks to let the building fall apart. There are rules. In Gainesville we've worked with some students for the last year to work on a part of Gainesville ordinance to would require affirmative maintenance. It would require a landowner of a deteriorating structure to do maintenance to keep

the building basic code. But the trick is, is the city attorney willing to fight that. It does happen occasionally. The city has the tools, but it needs political will, and sometimes they are not willing to carry it out, which is can be frustrating. Sometimes there are good reasons, such as economic hardship reasons.

9. Are there conflicting interest regarding historic preservation in Gainesville between stakeholders and if so, why do these exist?

10. Does historic preservation collide with new development/construction in Gainesville?

I think it could, it happened in University Heights district. I would say that it can be conflict. If however there is a degree of flexibility of both the city and to the district to say that there is some space for development but it needs to be controlled. And you need to have some developers who say they can work with that. University Heights is a great example of where that has happened. Up until the recession, Springfield and Jacksonville was that as well.

### **Heritage and business**

11. How important is the presence of heritage for the image of the city of Gainesville in attracting companies?

I think it does in a lot of places. Especially in the downtown area near the Hippodrome it does. It had success in that area. I think the community redevelopment is doing some work in some areas. It's probably not enough to attract it in the absence of some other things, for instance parking policies and transportation policies. Our city right now is a little hostile against traffic. It's a little harder to drive downtown. In some areas the CRA is doing a great job. In some other areas, such as transportation, there is a problem.

12. Could it be worthwhile to make more efforts in marketing heritage to the business market?

It is in a lot of places. It's a major part in a lot of places. They don't really do it here, perhaps they should do it. It's very possible.

13. Are businesses confronted with protection rules when they use heritage? Is this a problem for them?

Yes. They are constricted. For the most part it's the façade, but clearly you cant tear it down or do an alteration that is totally out natural character of the building. It doesn't go to court often, 95% of cases are settled before going to court.

14. What is your opinion on urban sprawl? Do you think that historic preservation plays a role in reducing sprawl?

I think it can, I think it does play a role. Especially if you have a type of historic preservation that allows some flexibility. Arguably, historic preservation could be a promoter of urban sprawl. If its very rigorous they would forbid new development which would lead developers to go the outer areas. A flexible approach that prioritized the most important, where it is and how it fits in the new, is a powerful tool against urban sprawl.



## 9.2 Correlations, tests of normality, group statistics

Golfview				
		Building Value	Square Feet	Land Value
N	Valid	84	84	84
	Missing	0	0	0
Median		165350.00	2482.50	60000.00

Table: Own revision of characteristics of properties in Golfview (Alachua County Property Appraiser, 2011)

Duckpond				
		Building Value	Square Feet	Land Value
N	Valid	283	283	283
	Missing	0	0	0
Median		128300.00	2102.00	46000.00

Table: Own revision of characteristics of properties in Duckpond (Alachua County Property Appraiser, 2011)

### Correlations

		LogBldgVal	SqFt
LogBldgVal	Pearson Correlation	1,000	,827**
	Sig. (2-tailed)		,000
	N	367	367
SqFt	Pearson Correlation	,827**	1,000
	Sig. (2-tailed)	,000	
	N	367	367

Table : Correlation of variables square feet and log of building value

**Tests of Normality**

Neighborhood Numeriek = 1 (FILTER)	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
log_price_sqft Selected	,038	281	,200 <sup>*</sup>	,995	281	,480

**Tests of Normality**

Neighborhood Numeriek = 2 (FILTER)	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
log_price_sqft Selected	,070	83	,200 <sup>*</sup>	,977	83	,145

Table. Test for normality for logarithm of variable price per square feet of Golfview

### 9.3 Methods and workflow of spatial analysis

#### 9.3.1 Data source, contents and quality

The data consists of a historic district map and a land use map, both made available by Jesse Pitman, GIS specialist at the Planning Department of Gainesville. As the data is used by the local planning department, it is considered to be reliable and quite precise.

The related metadata concerning the projection:

- Projected coordinate system name: NAD\_1983\_StatePlane\_Florida\_North\_FIPS\_0903\_Feet
- Geographic coordinate system name: GCS\_North\_American\_1983
- Map projection name: Lambert Conformal Conic

The used data contains three shapefiles, that together form the basis of the analysis:

1. cglanduse = forms of landuse in Gainesville
2. cghistdist = historic districts in Gainesville
3. cghiststruc = historic structures in Gainesville

The data contains the following attributes:

- ID - Parcel number (Tax ID number)

- own\_lname. (The first address of the owner)
- mp\_dorcode - Dept. of Revenue Code
- mp\_improve - Improvements made on the land -1 means there are improvements, 0 means there are none.
- Mp\_bldgdep - Appraised building value
- Mp\_xfobdep - Miscellaneous building value
- Mp\_landval - Land Value
- mp\_censust - Census Tract
- mp\_nlup1 & 2 - Land Use Code 1 and 2
- mp\_nzone1 & 2 - Zoning District 1 and 2

The land use codes are the most relevant attributes to the analysis. A weak point of the dataset is the incomplete description of the landuse codes.

### 9.3.2 Abbreviations landuse codes

<b>SF</b>	Single Family	(up to 8 units per acre)
<b>RL</b>	Residential Low Density	(up to 12 units per acre)
<b>RM</b>	Residential Medium Density	(8-30 units per acre)
<b>RH</b>	Residential High Density	(8-100 units per acre)
<b>MUR</b>	Mixed Use Residential	(up to 75 units per acre)
<b>MUL</b>	Mixed Use Low Intensity	(8-30 units per acre)
<b>MUM</b>	Mixed Use Medium Intensity	(12-30 units per acre)
<b>MUH</b>	Mixed Use High Intensity	(up to 150 units per acre)
<b>UMU1</b>	Urban Mixed-Use 1	(up to 75 units per acre)
<b>UMU2</b>	Urban Mixed-Use 2	(up to 100 units per acre)
<b>O</b>	Office	
<b>C</b>	Commercial	
<b>AGR</b>	Agriculture	
<b>IND</b>	Industrial	
<b>E</b>	Education	
<b>REC</b>	Recreation	
<b>PF</b>	Public Facilities	
<b>PUD</b>	Planned Use District	
<b>UD</b>	Undefined	

### 9.3.3 Research structure

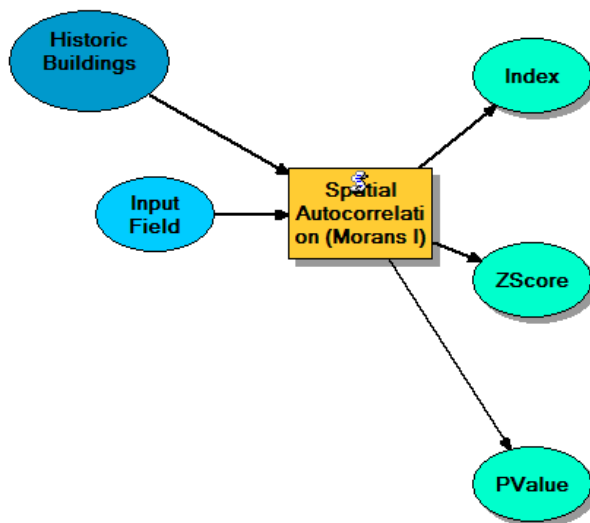
This paragraph describes the research structure by going through the approaches used to answer the separate research questions. The results of the analysis are discussed in chapter three.

ARCGIS is used to analyze the relationships between heritage and the mentioned land uses. The previous paragraph has examined the land uses per district. Next, the Moran's I test will be used to examine the spatial autocorrelation of historic properties. Spatial autocorrelation is based on the first law of Geography, which is that nearby features are more related than features that are more dispersed, referred to as Tobler's Law (Liebhold, 1998).

### 9.3.4 Spatial concentration of historic properties

To start the analysis, the layers cglanuse, cghistdist and cghiststruc are added to the map using ArcCatalog. To find out whether the historic buildings are spatially clustered, the Moran's I test for spatial autocorrelation was used with the input of the polygon file of individual historic buildings. The Moran's I can be found under the Spatial statistics menu, analyzing patterns, and the model is found in figure 3. The following input values have been used:

- Input Field is shape Area.
- Conceptualisation of spatial relationships = inverse distance
- Distance method = Euclidian distance
- Standardization = None



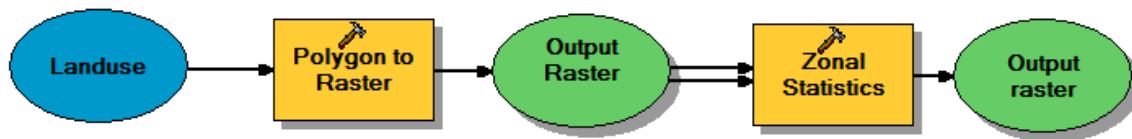
### 9.3.5 Variety of land uses per neighborhood

The polygon landuse file is converted to a raster in order to be analysed using zonal statistics. The Polygon to raster tool (Conversion tools, to raster) has been used, with the following input values:

- Input field = landuse
- Value field = FLU\_type (Florida land use)
- Cell assignment type = Cell\_center
- Cell size = 50,50
- Cell assignment type = Maximum combined type

The next step, as can be seen in the model in fig. 4, was to perform the zonal statistics from the spatial analyst tools, zonal. The following input values have been used:

- Input raster or feature zone data = Historic district
- Zone field = District
- Input value raster = Output raster



### 9.3.6 Spatial relationship between historic districts and their surrounding area

To determine the center of the historic buildingsdistrict in relation to the downtown area, the Mean Center Tool (Spatial statistics, measuring geographic distribution) was used. The mean center is represented by the green dot on the map. The model is found in fig. 5, and the input feature class is the Historic buildings.



The final step of the analysis is a linked process of tools. The buffer and spatial join tools will be used to examine the land use types of the adjacent areas.

In order to determine adjacent landuse to historic districts, a buffer of 200 meters was created. The inner part, where the neighborhoods are located, was erased and the remaining part intersected with landuse. The feature table was exported to SPSS to get descriptive data.

For the Buffer tool (Analysis, proximity), the following parameters have been used.

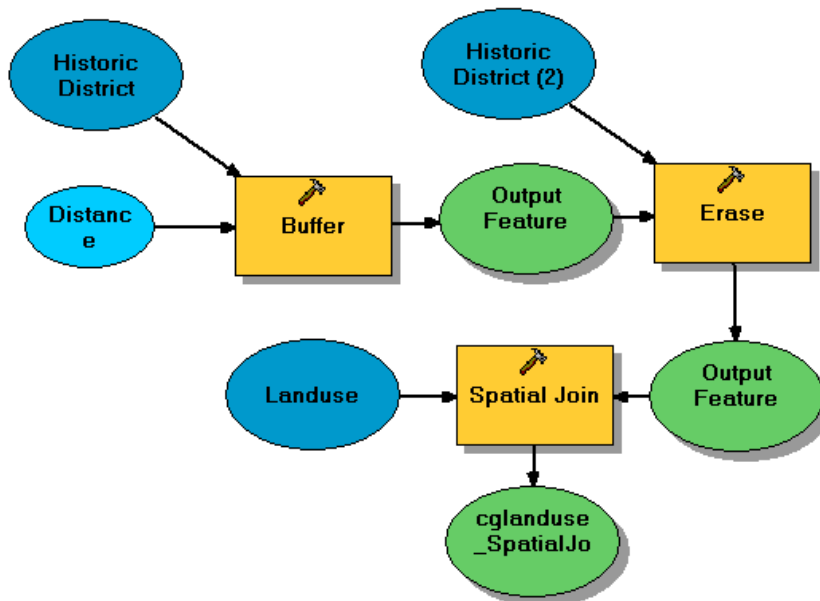
- Input = Historic district
- Distance = Linear unit (200m)
- Site type = Full
- End type = round
- Dissolve type = none

These are the input values for the Erase tool (Analysis, overlay):

- Input feature = buffer
- Erase feature = historic district

For the Spatial join (Analysis, overlay), these parameters are used:

- Join features = Landuse
- Join operation = Join one to one



As the analysis found the 200 meter buffer approach to be too rough and arbitrarily chosen, a second approach has been used. In this approach, multiple buffers have been constructed around the historic districts. The Multiple ring buffer tool (Analysis, proximity) laid out buffers at 50, one at 100 and one at 150 meters distance. The corresponding model is shown in figure 7. The parameters used are:

- Input = Historic district
- Distance = Linear unit (50, 100, 150)
- Site type = Full
- End type = round
- Dissolve type = none

