

Investment in Connecticut:

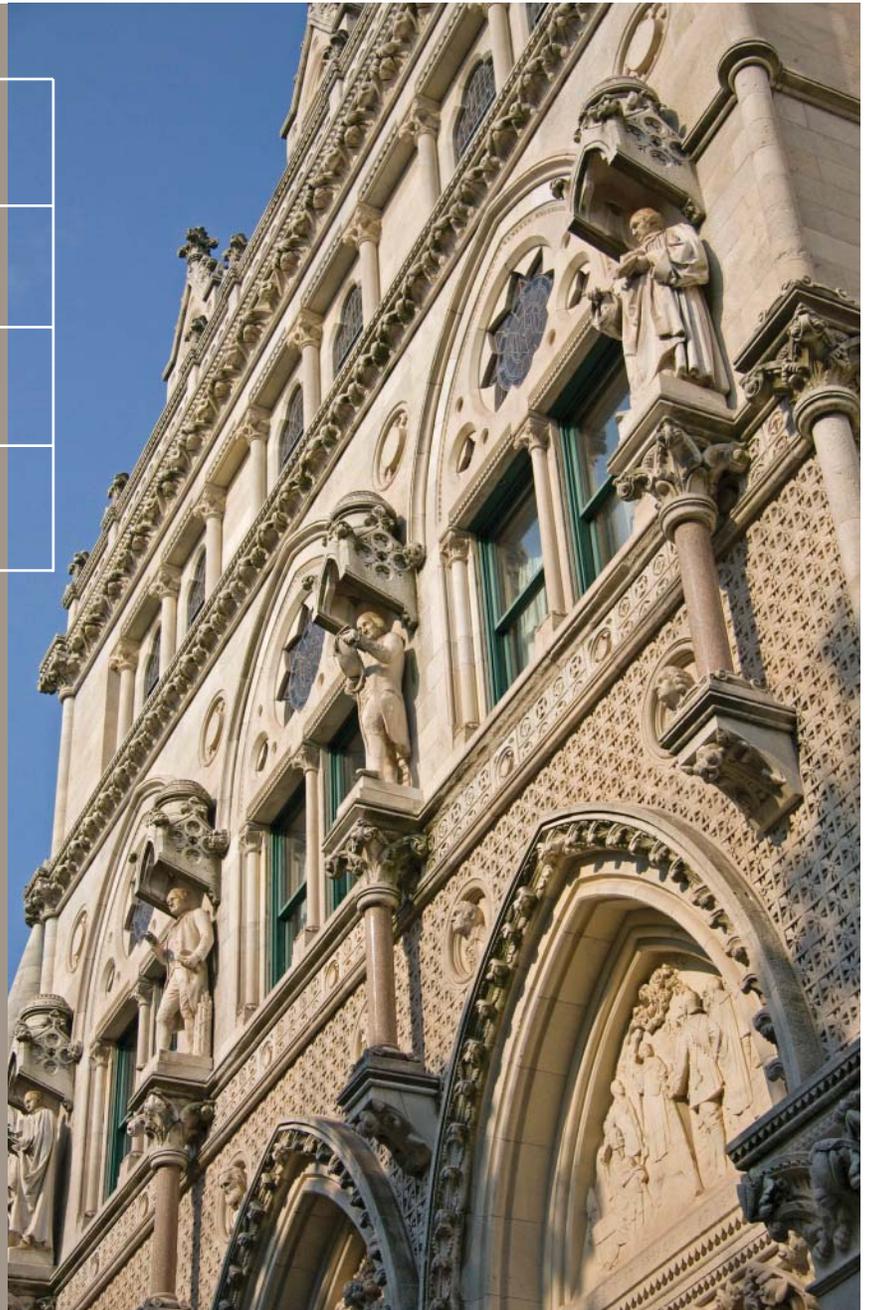
The Economic Benefits of Historic Preservation

Creating Jobs

Leveraging Resources

Advancing Sustainable Growth

Enhancing Community Quality



State Historic Preservation Office
Historic Preservation and Museum Division
Connecticut Commission on Culture & Tourism
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Prepared by PlaceEconomics, 2011

Historic preservation means jobs. The State of Connecticut encourages the investment that creates those jobs through tax credit programs and grants, both administered by the Connecticut Commission on Culture & Tourism (CCT). Combined with the Federal Historic Preservation tax credit, these programs have made a substantial contribution to the economy of Connecticut even during the deepest recession in two generations. Unlike some tax credits whose impacts may be temporary, the historic preservation tax credits encourage investment in long-term

capital assets with both immediate and ongoing benefit to the state, municipalities and the citizens of Connecticut. In difficult economic times, it is appropriate to ask, "Are tax credits and grants performing the way we expected?" Even though Connecticut's historic preservation incentives were enacted to create housing and preserve

Completed Projects	
State Tax Credits	\$32,470,944
Private Investment	\$159,347,209
Jobs	560
Salaries & Wages	\$28,658,753
State Taxes Generated Directly	\$9,879,527
Annual Property Tax	\$2,788,576

our built heritage for future generations, they have proven to be remarkably effective as economic development tools. Here is that story.

CREATING JOBS: HISTORIC TAX CREDITS

The State of Connecticut has encouraged the investment in historic properties through three tax credit programs - the Historic Homes Tax Credit, the Historic Structures Rehabilitation Tax Credit and the Historic Preservation Tax Credit.

While the Historic Homes Tax Credit has been on the books since 2001, the other two are only recently available. Even so, they have been remarkably successful, generating jobs, income and local property taxes.

Ultimately for every \$100 invested in the rehabilitation of a historic building, \$83 ends up in the pockets of Connecticut workers.

Historic preservation is about jobs — creating more jobs than most types of economic activity in Connecticut, including new construction. Historic preservation is labor intensive, so the economic impact is overwhelmingly local, with salaries, wages, profits and jobs staying in Connecticut.

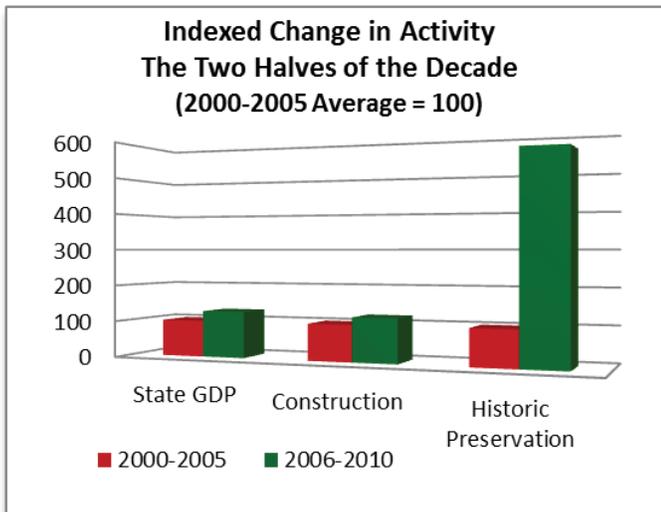
LEVERAGING RESOURCES

The purpose of tax credits is to encourage the investment of private capital in areas deemed in the public good. The test of success is, "Did the credit change investment patterns?" From 2000 to 2006, Connecticut had no state tax credit for the rehabilitation of commercial historic structures. Starting in 2007, two such credits became available. The results are remarkable. The Gross Domestic Product of the State of Connecticut averaged about 25% greater in the last five years of the decade than in the first five; construction activity averaged 20% more.

But investment in commercial historic properties using the Federal and/or state credits was over five times greater.



Impact per \$1,000,000 of Output					
	Historic Rehabilitation	New Construction	Steel Manufacturing	Computer Manufacturing	Medical Manufacturing
Direct Jobs	9.3	6.7	1.4	0.9	1.4
Indirect Jobs	5.1	5.2	3.1	2.2	3.5
TOTAL JOBS	14.4	11.9	4.5	3.1	4.9
Direct Salary & Wages	\$542,929	\$418,441	\$119,924	\$68,128	\$296,006
Indirect Salary & Wages	\$288,917	\$308,128	\$203,109	\$171,257	\$237,497
TOTAL SALARY & WAGES	\$831,896	\$726,659	\$323,033	\$239,385	\$533,503



- Generating waste equal to 21 days of trash of the entire City of Hartford.
- Adding to the landfill enough material to fill 39 boxcars.
- Wiping out the benefit to the landfill of the last 21,211,680 aluminum cans that were recycled.



The Betty Ruth and Milton B. Hollander Foundation Center, at 410 Asylum Street

ADVANCING SUSTAINABLE GROWTH

Historic preservation is the ultimate in recycling as the non-profit group Common Ground demonstrated in their \$22.7 million renovation of 410 Asylum in Hartford. The group, whose goal is to fight homelessness, redeveloped the building into a mixed-use project. This historic structure is Connecticut's first LEED Gold certified project. The commitment to the environment is certainly reflected in such elements as a green roof. But the environment is also well served by what did not happen.

410 ASYLUM STREET

Deciding to rehabilitate rather than demolish the building prevented:

- Throwing away the embodied energy already incorporated into the building - the equivalent of 615,777 gallons of gasoline.
- Expending the equivalent of 9,986 gallons of gasoline in tearing it down and hauling it to the dump.

ENHANCING COMMUNITY QUALITY- HISTORIC PRESERVATION GRANTS

Every corner of Connecticut has benefited from grants from CCT. Over 230 grants have been awarded in 83 communities. They have shared over \$15,000,000 in grants, 68% of which went to bricks and mortar projects. These grants leveraged an additional \$9.2 million from other sources, benefiting people, projects and preservation in Connecticut. Although not meant to be a jobs program, these grants have resulted in 385 jobs and \$19.9 million in salaries and wages for Connecticut citizens.

BY THE NUMBERS

Historic Preservation in Connecticut: 2000-2010¹

- **\$450 Million:** Private sector investment in historic buildings
- **\$242 Million:** Direct salary and wages in Connecticut from rehabilitating historic structures
- **\$128 Million:** Indirect salary and wages in Connecticut from rehabilitating historic structures
- **\$15.1 Million:** Personal Income Taxes from rehabilitating historic structures
- **\$15 Million:** Grants to local governments and non-profit organizations
- **\$10.8 Million:** Sales Taxes from historic preservation projects
- **\$7.8 Million:** Increased property taxes to local governments **each year**
- **\$2.0 Million:** Business Income Taxes from rehabilitating historic structures
- **4,144:** Direct jobs in Connecticut from rehabilitating historic structures
- **2,293:** Indirect jobs in Connecticut from rehabilitating historic structures
- **400+:** Housing units rehabilitated using the Historic Homes Tax Credit
- **302:** Number of historic preservation projects using Federal and/or Connecticut tax credits
- **99%:** Historic preservation projects in areas identified as priority areas for development
- **89%:** Historic preservation projects in neighborhoods identified as *Very Walkable* or *Walker's Paradise*
- **83:** Number of Connecticut communities that have received grants for historic preservation
- **75%:** Tax credit projects in neighborhoods with a median household income of less than \$25,000

¹ Impact of historic preservation projects using Federal and/or State historic tax credits and recipients of historic preservation grants.



Source: *Investment in Connecticut: The Economic Benefits of Historic Preservation* available at www.cultureandtourism.org

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