

Part 1: Benefits of Cultural Property Crimes Program

The annual dollar value of fine art, cultural art, and other cultural property theft is exceeded only by the trafficking in illicit narcotics and firearms. The illegal trade of these works of art and cultural property is as dangerous to the public and their communities as these crimes are.

The criminal networks that traffic in the illicit sale of stolen works of art and cultural property are often the same circles that deal in illegal drugs, firearms dealing, and other illegal transactions. It has also been discovered recently that many insurgent and terrorist groups fund their operations through the sales and trade of stolen works of art and cultural property.

Our activities in the international effort to combat these crimes helps to ease the burdens of local, state, federal, international and private law enforcement agencies in the areas of cultural crime and art theft, thus giving them the opportunity to offer more time, manpower, and services to their more respectful jurisdictional communities and in other areas of law enforcement.

The impact of these crimes within a community is far-reaching and multi-faceted. Through our activities, we propose to lessen the harmful economic impacts and adverse effects these crimes generate within the affected communities, as well as educating the public, private individuals and organizations as well as local agencies, societies or councils to the enigma of cultural crimes and preventative measures they can utilize to lessen the occurrence of these crimes.

Other benefits arising from these activities would include:

- Crime Reduction
- Permanent Job Creation
- Create Demands on Industry
- Increase Small Business Development
- Promote Cultural and Heritage Tourism
- Help to support the development of ongoing facilities operations and other related enterprises.

Part 2: Benefits of Historic Preservation on Economic Development

Within the past generation, historic preservation has evolved from a limited and somewhat insular pursuit into a broad based movement with wide support. The reasons for this support are varied. Some desire a more tangible sense of permanence and community, while others wish to know more about and embrace America's Heritage in a direct and personally meaningful way.

The recognition that historic preservation often is associated with economic successes is an important note, as is the fact that many see the preservation of historic districts, structures, monuments and objects as enhancing their quality of life, adding variety to the cultural landscape in which they work and live. Largely because of such highly personal responses, public support for historic preservation has flowed from the bottom up, making it a true grassroots movement instead of just another government program. With the passage of the National Historic Preservation Act of 1966 (NHPA), Congress recognized that National goals for historic preservation could best be achieved by supporting the drive, enthusiasm, and wishes of local citizens and communities.

The Advisory Council on Historic Preservation was established to ensure that private citizens, local communities, and other concerned parties would have a forum for influencing Federal Policy, and decisions as they impacted historic properties and their values. Section 106 of NHPA requires all Federal Agencies to take into account the effects of their actions on historic properties, and provide ACHP with a reasonable opportunity to comment on those actions and resulting effects and the manner in which Federal Agencies are taking historic properties into account in their decisions. As diverse as American Culture is, so too is the diversity of historic properties that express this rich cultural legacy. Our definition of historic properties has evolved to encompass a much broader interpretation of American History, one that acknowledges significance at the local level.

Historic Preservation is both a public activity and a private passion and is supported throughout the country, by individual citizens, organizations, businesses, communities, elected officials, and public institutions in various and varied ways. The benefits of historic preservation to local economic vitality and infrastructure can also offer opportunities to show the economic value of preservation through job creation, community revitalization, and sustainable development. Preservation is a vital economic development tool for communities and regions, while at the same time it is also a proven means for attracting investment, generating tax revenue, supporting small business, creating affordable housing, downtown revitalization, neighborhood stabilization, heritage tourism, and positive local impact on household incomes.

The following statistics from recent studies are typical of the positive findings of preservation's economic benefits:

- Rehabilitation of historic properties in Georgia during a 5 year period created 7,550 jobs and \$201 million in earnings.
- Historic preservation activities generate more than \$1.4 billion of economic activity in Texas each year.

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- Each dollar of Maryland's Historic Preservation Tax Credit leverages \$6.70 of economic activity within that state.
- In one year, direct and indirect expenditures by heritage tourists in Colorado reached \$3.1 billion.

Studies conducted in a number of states over the last 15 years support some general findings:

- Job Creation – Historic Preservation Projects create jobs, especially in the manufacturing, retail trade, services, and construction sectors. In Fiscal Year 2008, projects approved for Federal Tax Credits had average budgets of \$4.58 million and generated 55 jobs each.
- Tax Revenue – Historic Preservation makes a substantial contribution to tax collections for state and local governments as well as the Federal Government.
- Investment Leveraging – Public Funds as well as other public investment in Historic Preservation Projects through grants, revolving funds, loans, and tax credits are matched many times over with private investment in local rehabilitation projects. In 2008, for example, approximately \$1.128 billion in Federal Tax Credits stimulated private investment totaling \$5.64 billion.
- Property Values – Historic Preservation in localities and neighborhoods generally helps to maintain property values. For example, while complex and locality-specific, research in both commercial and residential areas in several locations in Colorado concluded that historic designation did not decrease property values, but increased values or maintained it at the same level as nearby, undesignated areas.
- Small Business Development – Main Street, local and regional heritage tourism initiatives, and similar community programs generate small business investment and strengthen other public investments. Many statewide studies have found that the National Main Street Program is a highly effective and extremely cost-effective program.
- Heritage Tourism – Visitors to states, localities, and regions spend billions of dollars while visiting historic sites and cultural attractions. Visitors to historic sites and cultural attractions stay longer and spend more money than other kinds of tourists, and therefore make an important contribution to local lodging and restaurant taxes, suppliers of goods and services, and other businesses. Projects that advance heritage tourism are proven economic generators, leveraging existing resources to achieve immediate results for a wide range of local and small businesses. As reported in 2002, in Florida more than \$3.7 billion was spent by tourists visiting historic and cultural sites.
- Public Property Management – Publicly owned historic properties help anchor and sustain communities, attract investment, and may provide a visitor destination in addition to their other uses. They support local and regional economics through ongoing facility operations, repair and maintenance, concessions, and other related enterprises. A synthesis of research on economics and historic preservation (Rypkema 2005) has concluded that “very few of the 500 or so categories of economic activity” has as much economic impact (measured as jobs created, increase in household incomes, and demand created on other industries) as the rehabilitation of historic buildings and sites.

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The author goes on to note that “virtually every example of sustained success in downtown revitalization – regardless of the size of the city – has included historic preservation as a key component of the strategy”. The Main Street approach of small business development in historic areas is singled out as an extraordinarily cost-effective strategy for commercial revitalization. Over the last 15 years, there have been studies conducted at the statewide level in at least 22 states on the economic benefits of historic preservation. These studies provide substantial support to these general findings and, in local real estate markets, point to enhanced property values and tax revenue associated with both commercial and residential historic districts.

The most recent statewide study, prepared by The Rutgers University Center for Urban Policy Research, Edward J. Bloustein School of Planning and Policy in cooperation with Professor Dan Rickman of Oklahoma State University, was published in 2008 for the state of Oklahoma. The study found that in Oklahoma, a total of \$357 million annually in direct spending (including rehabilitation of historic structures, heritage tourism, and the Main Street Program) created more than 8,000 jobs in Oklahoma. These jobs generated \$460 million in output, \$166 million in labor income, \$243 million in gross state product, and \$25 million in Oklahoma State and Local tax revenues. Studies show that building rehabilitation outperforms new construction in creating economic activity, and that “Dollar for Dollar, historic preservation is one of the highest job-generating economic development options available. These are not just temporary construction jobs, but also permanent jobs of various types, including continuing building repair and maintenance. As past studies have found, there are both direct and indirect economic effects from historic preservation, and there is an economic multiplier effect that ripples through the economy.