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submitted by
Bernard Schulz

**Historic Alexandria Resources Commission
Priorities and Key Issues for Alexandria Historic Preservation Management Plan
as an initiative of Goal 7 of the City Council Strategic Plan**

Good Morning Mayor Euille and Members of City Council:

I am Bernie Schulz, Chairman of the Historic Alexandria Resources Commission. I regret not being able to make your public hearing on the budget a few weeks ago so I have come today to ~~express~~ speak on behalf of HARC regarding the City Manager's budget that did not include funding for the Alexandria Historic Preservation Management Plan.

While HARC and my colleagues in the historic preservation community are keenly aware of the tight economic times facing the city, this budget request of \$150,000 would provide an integrated structure for preservation planning throughout the City. This plan would also be a guide to future actions that retain the City's historic structures, districts, and character. Furthermore, City Council's approval of a preservation management plan in 2008 implements the recommendation of the City Council in 1992, when the Historic Preservation chapter of the City Master Plan was adopted.

I would like to highlight five factors that the Historic Preservation Management Plan would address:

- ***Enhance Role of Historic Preservation in Economic Sustainability through completion of Alexandria Historic Preservation Management Plan-****

During the past twenty years the historic preservation movement has become a broad-based, multi-faceted movement where historic resources are means, not ends. And preservation has become a means of downtown revitalization, neighborhood stabilization, affordable housing, luxury housing, heritage tourism, education, and economic development. ** By completing the Alexandria Historic Preservation Management Plan, authorized by City Council in 2008, Alexandria can incorporate the latest innovative strategies and best practices for its preservation "toolbox".

- ***Strengthen Historic District guidelines and standards to maintain local property values-****

Experts and institutions have studied the economic impact of historic district ordinances on real estate values across the country, using a variety of methodologies, with a consistent finding. Far and away the most common result is that properties within local historic districts appreciate at rates greater than the local market overall and faster than similar non-designated neighborhoods. Of the several dozen of these analyses performed nationwide, the worst-case scenario is that housing in a historic district appreciates at a rate equivalent to the local market as a whole. **

- ***Preserve historic buildings to assist development of new businesses and jobs*-***

A frequently unappreciated component of historic buildings are their role as natural Incubators of small businesses. Currently in the United States, firms employing less than 20 people create 85% of all net new jobs. One of the few costs that firms of that size can control is occupancy cost – rents. In historic downtown areas, but especially in neighborhood commercial districts, a major contribution to the local economy is the relative affordability of older buildings. It is no accident that the creative, imaginative, small start-up firm isn't located in the corporate office "campus" the industrial park or the shopping center – they simply cannot afford the rents there. Older and historic commercial buildings play that role, nearly always with no subsidy or assistance of any kind. **

- ***Jobs created and increased local household income are positive economic development measurements that result from the preservation of historic buildings. ****

The rehabilitation of older and historic buildings is particularly potent in creating new jobs and increased local income. As a rule of thumb, in the United States, new construction costs are roughly half materials and half labor. Rehabilitation, on the other hand, results in sixty to seventy percent labor costs, with the balance being materials. This labor intensity affects a local economy on multiple levels by re-circulating that paycheck within the community through the purchase of other goods and services. **

- ***Rehabilitation of historic buildings has a greater impact on economic development than manufacturing or new construction. ****

It is estimated that for the average manufacturing concern in Virginia, every million dollars of production means that 25.1 jobs are created, adding an average of \$558,082 to local household incomes. A million dollars spent on new construction will likewise create 32.2 jobs, adding about \$726,300 to local household incomes. However, those same million dollars in the rehabilitation of an historic building in Virginia yields 36.1 jobs, and adds nearly \$780,000 in new household income. And as real estate is a capital asset – like a drill press or a boxcar, it not only has an economic impact during construction, but a subsequent economic impact when it is in productive use. Additionally, since most building components have a useful life of between 25 and 40 years, a community could rehabilitate 2 to 3 percent of its building stock per year and have perpetual employment in the building trades. **

*- HARC priority or key issue

** Source- Economist Donovan Rypkema, Speaker at the Alexandria Historic Preservation Conference, May 2007.

Actions/Tactics for Achieving Initiatives

Thanks to the work of Al Cox of the Planning Department and Lance Mallamo of the Office of Historic Alexandria, state funds have been identified as a possible funding source to accomplish the first phase of the Alexandria Historic Preservation Management Plan. HARC supports this effort and encourages City Council to:

- 1) Authorize the submission of the grant application to the Virginia Department of Historic Resources (VDHR) Certified Local Government (CLG) Grant Program, not to exceed \$25,000.
- 2) Authorize the submission of grant application to the Virginia Department of Historic Resources (VDHR) Cost Share Grant Program, not to exceed \$9,000.
- 3) Authorize the submission of the grant application to Environmental Systems Research Institute (ESRI) Conservation Grant Program for a Professional Services Grant, not to exceed \$25,000 in services.
- 4) Authorize the submission of the grant application to Historic Alexandria Foundation (HAF) for survey equipment, not to exceed \$5,000.

Unlike the Parker-Gray District National Register survey and nomination completed in 2007, (1,200 resources, \$100,000 project), there has never been a comprehensive survey of the 4,000 architectural resources within the Old and Historic Alexandria District. The utilization of newly available mobile digital technology such as smart phones and tablet PCs, along with local, State, Federal, and private company resources, will enable this survey to be executed utilizing trained volunteers with a minimal amount of City staff time and at no additional fiscal impact to the City. The proposed survey will be performed over a five year period. Once the mobile field survey software is developed and tested in the first year, subsequent survey phases will be accomplished by local volunteers with no additional grant funding required.

Property owners will benefit from the survey data which will be imported into an enhanced City website and made available for public viewing. City Staff will utilize the data for future preservation planning efforts, to improve the accuracy and reduce the time required to research BAR staff reports, and to manage and share the information about historic resources among multiple City departments. The information will also be shared with the National Register of Historic Places (NPS) as well as the Virginia Department of Historic Resources (VDHR). This expanded data sharing among agencies will provide expanded public access to the information, potentially assist in emergency management, and provide the City with new planning tools.

The Department of Planning and Zoning is requesting grant awards not to exceed \$64,000. If awarded, ESRI's professional services grant will be utilized as matching funds for the State of Virginia's Certified Local Government (CLG) grant. The City will meet the cost share requirement of the CLG grant by leveraging an additional \$13,885 in staff time and \$4,640 in volunteer hours. The HAF's one-time grant for equipment will be used through all five survey phases.

While these state funds will help accomplish this important element of the City Council's Strategic Plan, these funds are not 100% guaranteed. I would ask on behalf of HARC for the Council to support not only the grant application I have mentioned, but would ask the Council to support reinstatement of the original budget request made by OHA should these grant funds not materialize. Thank you for your consideration.