Historic Preservation in the Economy and Life of Savannah and Chatham County

Beyond Tourism

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This study looked at the impact of historic preservation on the economy and life of Savannah and Chatham County. Key findings found in the pages of this report include:

- Savannah’s historic districts comprise 8% of the city’s land area, 15% of its buildings; 16% of its population, 24% of its taxable value and 31% of its jobs.
- The rehabilitation of historic buildings in Chatham County, particularly in Savannah and Tybee Island, are an ongoing source of jobs and paychecks.
- Just the work done using the federal historic tax credit has meant an average of 169 jobs and $7.5 million in labor income each year over the last 15 years.
- Historic districts are a particular attraction for jobs in the arts and culture and other knowledge industries.
- Small firms and start-up firms disproportionately choose to locate in Savannah’s historic neighborhoods.
- Property values in Savannah’s historic districts have outperformed the city as a whole.
- The “preservation premium” from that faster rate of appreciation provides nearly $10 million dollars each year to Chatham County, Savannah and the school district.
- Emerging quality of life criteria like walkability, bikeability, and proximity to parks are all measurably greater in Savannah’s historic districts than elsewhere in the city.
- The strategic investments of Historic Savannah Foundation and the Savannah College of Art and Design have stabilized neighborhoods and served as a catalyst for additional investment.
- During the recent nationwide real estate chaos, every Savannah historic district has rates of foreclosure lower than the city as a whole.
- The frequent public policy priority of density is much greater in historic districts than elsewhere, but importantly it is density at a human scale.
- The measurable economic benefits of historic preservation are not just apparent in Savannah but significantly in Tybee Island as well, particularly in its Main Street district.

Savannah’s heritage tourism industry is vital to the economic health of Savannah and Chatham County. Less recognized but equally important is the ongoing economic and quality of life contributions that historic preservation provides to the year round residents of the area.
Savannah is one of the great historic cities in the New World. Its distinctive squares and the neighborhoods surrounding them are the subject of study in planning and architecture classes, and they are held as models for quality urban development centuries after they were laid out by General James Edward Oglethorpe.

Important in the Oglethorpe design, however, was not just the physical arrangement of streets, squares, lots and blocks. Central to the concept were ideals of civic pride and engagement, of the commitment to secular government, science, and other core attributes of the Enlightenment. It is appropriate but no surprise that downtown Savannah was listed as a National Historic Landmark District soon after the passage of the National Historic Preservation Act in 1966.

Almost from the beginning, Savannah has attracted visitors. But in recent years heritage tourism has become a mainstay of the Chatham County economy. Annual overnight visitation exceeds 7 million person stays with another nearly 6 million day visitors. These tourism statistics and their associated impacts are widely reported and the relationship between the number of visitors (and their expenditures) and the historic resources of Savannah are universally understood. The numbers are impressive, the economic impact huge, and heritage tourism as a source of jobs, income, and tax revenue can hardly be overstated.

But beyond heritage tourism, the broad impact that historic preservation has on the life and economy of Savannah and Chatham County—distinct from tourism—is sometimes lost.

This report was commissioned by Historic Savannah Foundation to look at ways other than tourism that historic preservation plays a positive role in the community.

The pages that follow report the data from dozens of other metrics that measure the ways that historic preservation positively impacts not just tourist but residents of Savannah and Chatham County. Some of these measurements are economic and some are not. Many of the benefits are a direct outgrowth of the quality and character not just of the buildings but of the Oglethorpe Plan itself. More than 280 years after the squares of Savannah were drawn on a map, the benefits are still being reaped by long-term residents, recent arrivals, students, businesses and visitors to one of the great cities of the Western Hemisphere.
The premise of this study began with a simple hypothesis:

**Historic preservation is a powerful engine for Savannah’s economy.**

Preservation is good for Savannah. It provides jobs, a robust tax base, and stable property values. It’s the kind of industry that should be strongly supported by the government and business sectors of Savannah…no different from manufacturing, military or the port. It is not important whether you like history or find old buildings interesting, but it is important you recognize and respect preservation for what it does for this community.

But just because HSF says it’s so doesn’t mean it’s the case. So we set about proving it. Note, we wanted to make our case with data and numbers distinct from tourism dollars. Heritage tourism is great. Indeed, HSF invented it for Savannah. But we argue that preservation is, unto itself, a leading reason why Savannah is the successful city it is. Savannah’s very identity is based on preservation, and the preservation industry can stand on its own numbers.

This report proves our hypothesis. All mushy quality of life arguments to the side, preservation means business. Even a casual glance at this report illustrates the value that preservation brings to Savannah’s economy. A closer read reveals even more convincing arguments for why the City, County and business sectors should embrace preservation as good public policy.

“Beyond Tourism” acknowledges preservation’s place in the local economy. It is not intended to be a self-congratulatory publication. It is intended to garner the attention of local decision-makers who might benefit from this fresh perspective on a valuable industry and use this report as a tool for attracting and retaining business. Preservation is an important component of our local economy and one that deserves to be respected, supported and nurtured like any other that contributes so much to life in Savannah and Chatham County.

Daniel G. Carey, President & CEO
Historic Savannah Foundation
Three artistic metaphors are fitting for Donovan Rypkema’s thorough and insightful report regarding the economic impact of historic preservation on Savannah:

**Take a snapshot. Paint a picture. Present a canvas.**

Rypkema’s report, “Beyond Tourism: Historic Preservation in the Economy and Life of Savannah and Chatham County”, brings facts and figures to life, painting a panoramic picture of the undeniable positive impacts historic preservation has on this community.

More importantly, Rypkema’s extensive analysis brings into focus the much broader economic benefit that historic preservation provides for those who live and work in Savannah and Chatham County. This region’s vibrant arts, cultural and culinary diversity are just a few reasons why the Coastal Empire is a great place to start a business and enjoy a tremendous quality of life. “Beyond Tourism” observes in Savannah what mid-sized cities worldwide strive to create: a sense of place, an appreciation of history, and the connectivity of a thriving community. At the Creators’ Foundry, we witness this phenomena first hand as entrepreneurs and investors build the future while collaborating amidst century-old brick walls in our converted freight depot (built for the Savannah & Northwestern Railroad c.1898–1916).

Finally, through “Beyond Tourism,” Savannah emerges as the type of city our nation’s next generation of leaders seeks. Goldman Sachs reported that the 92 million Millennials makes this generation the biggest in history and they seek walkable, bikeable and healthy communities. “Beyond Tourism” presents Savannah as a clean blank canvas upon which entrepreneurs and innovators from around the world will design their productive life stories.

For me, Rypkema’s report is personal. My parents are both Savannah High School graduates, and although I was raised in New Jersey, Ohio and California, I have many memories of visiting Savannah as a child. After a career in Boston, Munich, and San Francisco, I chose to engage in Savannah’s burgeoning economy, one which was set in motion largely by the complementary, yet contrasting, investment strategies of Historic Savannah Foundation and Savannah College of Art and Design.

Reading this report provides a snapshot of Savannah’s past, and of more interest, a portrait of her future.

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Bea Wray  
Executive Director  
The Creative Coast, Inc.
In Savannah, as in many cities in the United States, there are two categories of “historic districts.” First there are National Register Historic Districts. National Register Districts (or an elevated category called National Historic Landmark Districts) are part of a list created and maintained by the National Park Service within the U.S. Department of the Interior. Second, there are Local Historic Districts. These are created by local government and changes, demolitions, alterations, and new construction within these districts are subject to review by a body of citizens. Throughout this report when the phrases “historic district” or “historic neighborhood” are used, it usually refers to both National Register and Local Historic Districts. When information is divided between National Register and Local Historic Districts, that will be explicitly spelled out.
Construction Expenditures in Savannah Historic Districts

- New Construction: 57%
- Rehabilitation: 43%

Construction Activity in Savannah Historic Districts

- Rehabilitation
- New Construction
Consortium Expenditures & Activity in Savannah Historic Districts

Preservation ordinances are in place so that the quality and character of the neighborhood will be maintained for future generations. That does not mean, however, that these areas are museums where no changes can be made. Nine out of ten applications that come before the Historic District Board of Review are approved. And, over the last seven years, more money has been spent on additions and new construction within Savannah’s historic districts than on rehabilitation.

Savannah’s historic districts have been a magnet for investment, with $3.8 billion spent between 2007 and 2013.
Savannah’s historic districts don’t just attract residents and visitors, they also attract businesses and the workers they employ. Nearly a third of all jobs in Savannah are located in historic districts.
Savannah has become a center for worldwide heritage tourism and the impact of that industry on the Savannah economy can hardly be overstated. But what about the role that historic preservation plays in the lives and the pocketbooks of those who already live, study, work, and play in Savannah and Chatham County—who have chosen this as a place to live year round not just to visit for a week? What the research for this report has amply evidenced is that the positive impact of the historic resources of Savannah and Chatham County are widely varied and deep.

- Chatham County is a great place to start a business; Savannah’s historic districts are even better.
- Savannah as a whole is a great place for quality of life criteria; Savannah’s historic neighborhoods are even better.
- Savannah’s rising property values allow the City, Chatham County and the local school district to meet the essential needs of their citizens: Savannah’s historic buildings disproportionately contribute to those public coffers.
- The region’s arts, culture, and culinary options are known nationwide; Savannah’s historic neighborhoods and historic buildings are where most of those activities are located.
- Strategic investment by Historic Savannah Foundation and the Savannah College of Art and Design have first stabilized and then catalyzed additional investment throughout the city’s historic districts.

The impact of heritage tourism in Savannah and Chatham County captures the headlines and is certainly important and widely recognized. But the impact of historic preservation on the everyday lives of its citizens is less understood and perhaps even more profound. General James Edward Oglethorpe laid the foundations for the Savannah of the 21st century. Her citizens, governments and institutions are the heirs to those foundations and should take their responsibilities of stewardship seriously.
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This report was prepared and written by Donovan Rypkema and Briana Paxton with research assistance from Reina Chano. Rypkema is principal of PlaceEconomics, a Washington D.C.-based real estate and economic development consulting firm. He is author of The Economics of Historic Preservation: A Community Leader’s Guide and an adjunct professor in the Historic Preservation Program at the University of Pennsylvania. Paxton is Director of Research at PlaceEconomics. She holds a master’s degree in historic preservation from the University of Pennsylvania and an undergraduate degree from the College of William and Mary. Chano is a GIS specialist and a recent graduate in Historic Preservation from the University of Pennsylvania.