

## ***The National Trust: Preserving Character and Ensuring Livability***

*The following is a speech delivered by Greg Hatem, managing partner of Empire Properties and member of the National Trust, at the September 13, 2006, Business Leaders' Breakfast. The breakfast is held monthly at the Capital City Club in Raleigh, North Carolina by the Business Leader magazine.*

I'd like to begin by telling you a bit about the National Trust. We were created in 1949 to be the leader of America's preservation movement. We are a privately funded nonprofit organization. We have about 270,000 members and a staff of about 300 at our headquarters in Washington, D.C. our six regional offices, and a collection of 26 historic sites from Massachusetts to California.

Our mission is to help people appreciate the importance of the historic buildings, neighborhoods and landscapes that tell America's story, and to give them the tools they need to keep our heritage intact and playing a meaningful role in our lives.

As leaders of Raleigh's business and civic communities—whether or not you choose to call yourself preservationists—you are squarely in the mainstream of what preservation is all about today. If that surprises you, it may be that preservation isn't what you think it is.

Preservation today is rooted in an appreciation of the value of history, but it's not concerned just with the past. Preservation today is a tool for creating great cities.

***“ . . . as you are creating a vision of Raleigh's future, be sure to leave room for the preservation of Raleigh's past.”***

***What makes a city great? It takes a strong economic base, good government, a civic-minded business community, a vibrant cultural life, a population that is diverse in makeup but unified in spirit, and so on. But the most important factor, I believe, is something more fundamental: What makes a city great is livability.***

The next question is obvious: What makes a city livable? It has to be safe, of course, and attractive. It must provide the services we need, and it should be planned and built so that it's easy to use and move around in. But there's something else—something very important: ***a truly livable city is one that makes us feel personally connected to it in a meaningful way. It's hard to feel that sort of connection to a place that has no distinctive character.***

***“Livability is not some middle-class luxury. It's an economic imperative.”***

You must have noticed that much of America's built environment is becoming as fully homogenized as a quart of milk. I've heard it described as “Generica”—a place where you can't even tell what city you're in. The subdivisions and strip malls on the edge of Raleigh are practically identical to those on the outskirts of Detroit or Phoenix.

Everyplace looks more and more like Anyplace, and eventually they all wind up looking like Noplace.

It's hard to feel connected to Noplace, and that's one reason why preservation is so important: ***preservation is a means of saving and celebrating the history and traditions—the character, in other words—that makes every community unique, appealing and livable.*** That's preservation at its simplest and most effective—and it has to do with much more than pretty old buildings.

You see, it's becoming increasingly apparent that community livability is the key to community survival. New technologies make it possible for people to work practically anyplace—and if they can work anyplace, they're bound to pick the best place, the most livable place. This means that livability is a key factor in determining which communities thrive and which ones wither. Robert Solow, Nobel Prize-winning economist at MIT, puts it this way: "Livability is not some middle-class luxury. It's an economic imperative."

***"Data from a study by the U.S. Department of Commerce shows that \$1 million spent on rehabbing an older building creates almost 12 more jobs than the same \$1 million spent on new construction."***

With this in mind, I can summarize my message to you in a single sentence: as you are creating a vision of Raleigh's future, be sure to leave room for the preservation of Raleigh's past.

In the next few minutes I'd like to show you how preservation, as a tool for economic revitalization and a vital component of smart growth, can make a real difference in a city's quality of life.

### **The Main Street Program**

One of most successful economic development programs in America uses preservation as one of its key elements. The National Trust's Main Street program aims to breathe new life into commercial districts that have been hit hard by sprawl and disinvestments. The program leads communities through a comprehensive revitalization strategy that emphasizes the rehabilitation of the historic buildings that make Main Street different from a suburban strip mall.

North Carolina was one of the first states to launch a statewide Main Street effort, back in 1980. Today, more than 50 communities across the state—from New Bern to Hendersonville—are participating in the program. These communities have seen more than 2,600 building rehab projects completed, 5,800 new businesses and more than 10,000 new jobs created, and more than \$980 million in new investment downtown. Nationwide, the 1,900 communities that have participated in the program since 1980 have seen more than \$31 billion in reinvestment.

The program was originally developed for small towns, but now it's working in big cities as well. Places like Boston, Baltimore and Washington, D.C., have launched citywide Main Street programs, and they're enjoying great success in bringing new vitality to their neighborhood business districts.

Drive through just about any commercial area that has a well-run Main Street program in place, and you'll see that as a tool for economic development, preservation

works. The rehabilitation of older buildings works, too, in ways that make it one of the most effective revitalization tools available.

Data from a study by the U.S. Department of Commerce shows that \$1 million spent on rehabbing an older building creates almost 12 more jobs than the same \$1 million spent on new construction. Many of these jobs require skilled craftsmanship—which means that historic rehab, combined with job training programs, can help build a corps of workers with bankable skills that will serve them well for a lifetime.

***“The story is repeated in city after city: the preservation and reuse of historic buildings and neighborhoods is an engine that drives solid, sustainable economic revitalization.”***

Some people complain that preservation restrictions can hurt property values. Actually, the truth is exactly the opposite. Several studies have looked at property values in historic districts—that is, areas protected by a local preservation ordinance. They found that in some instances property values in historic districts appreciated at a faster rate than in the community as a whole. In other cases, values in historic districts were protected from the wide swings that occurred elsewhere. In no instance did values of historic districts decline.

Facts like these make it clear that preservation isn’t just good for the soul; it’s good for the pocketbook as well.

Now let’s look at preservation’s role in managing sprawl.

Talk on this subject often focuses on things like land-use planning and open-space conservation. These are critically important elements, but they ignore an important fact: we can’t manage sprawl without giving people an alternative to sprawl. Instead of targeting more and more of our resources to the construction of more and more highways and strip malls and subdivisions, we ought to be reinvesting in the communities we already have.

We hear a lot of talk about “smart growth” these days. I’m convinced that you can’t have smart growth without preservation. Let me say that another way: preservation is smart growth. Here’s why:

- Smart growth emphasizes density of development, mixed uses and a pedestrian orientation. These are three major characteristics of older neighborhoods. Saving them is smart growth.
- ***Cities need small business in order to thrive.*** Older buildings offer the low rents that small businesses need in order to get started. Saving old buildings as business incubator space is smart growth.
- Cities need affordable housing, too, and most of America’s affordable housing stock is in older neighborhoods. Saving and making good use of this housing stock is smart growth.
- Cities have a major investment in the infrastructure of older neighborhoods—the streets, schools, water and sewer lines, and so on. Making good use of this investment, instead of leaving it underused and duplicating it in new areas elsewhere, is smart growth.
- ***Reuse of older buildings allows for growth without consumption of land.*** Revitalizing Main Street means less demand for a new strip mall. Converting a

warehouse into 40 dwelling units reduces the demand for new houses on 10 acres of farmland. That's smart growth at its best.

More and more cities are using preservation as an effective tool for creating viable alternatives to sprawl, for allowing older buildings to shelter people instead of pigeons, for turning urban no-man's-lands into lively, attractive places to live and work. In Denver, preservation is the driving force that has pulled an area called Lower Downtown back from the brink of destruction and transformed it into a vibrant and highly desirable place to live and work. In Atlanta, in a low-income African-American neighborhood that had known decades of disinvestments and despair, preservation is the spark that is bringing in new investment, new life and new hope. In cities as diverse as Boston, San Antonio and Miami Beach, preserved historic districts have made heritage tourism a major component of the local economy.

The story is repeated in city after city: the preservation and reuse of historic buildings and neighborhoods is an engine that drives solid, sustainable economic revitalization.

What can we learn from the experience of these cities?

***“Creating a genuine in-town neighborhood means offering people a wide range of appealing, affordable housing options. And it means offering the services they need and want.”***

First, there is no magic bullet that will guarantee revitalization. A single high-profile project—a glitzy new museum or sports arena—can play an important role, certainly, but sustainable revitalization happens incrementally.

Second, partnerships are the key to success. The rebirth of Denver's Lower Downtown didn't happen because of the City or the developers or preservationists or property-owners. It happened because all of them realized they had a stake in the success of the revitalization effort, and all of them worked together to make it happen.

Third, new development is important—but not all new development is appropriate. What's essential is a strong commitment to maintain the character and quality of the existing community. We want reinvestment, but we don't want formulaic, cookie-cutter development that turns downtown into an urban version of a suburban strip.

***Fourth, we can't create livable neighborhoods in our urban centers until we get rid of some formidable regulatory barriers.*** For instance, it makes no sense to offer tax incentives to encourage rehab—and then make the rehab process harder than it has to be. Local building and zoning codes often make it difficult, or even impossible, for owners and developers to convert older buildings to new uses. To replace these misguided regulations, we need “smart codes” that encourage reinvestment.

That brings me to the last—and maybe the most important—lesson. Obviously, not everyone wants to live in the city center, and we shouldn't expect them to. But when people do want to, we ought to make it possible for them to do so without giving up convenience and dependable public services and safe, attractive living environments. Just opening up some apartments in a few older buildings isn't enough. Creating a genuine in-town neighborhood means offering people a wide range of appealing, affordable housing options. And it means offering the services they need and want.

Downtown living isn't so cool when you have to drive a dozen miles just to buy milk or bread, or to find a green space to walk or jog in.

Forging effective public/private partnerships. Emphasizing the preservation and reuse of existing buildings. Eliminating barriers and creating incentives for reinvestment. These are tools that work, and it doesn't take a genius to know that when you have a tool that does the job effectively and efficiently, you use it.

What's happened in other cities can happen here in Raleigh. Many elements that can support revitalization are already in place. For example, North Carolina has the most comprehensive program of state historic preservation tax credits in the nation; credits are available for both commercial properties and personal residences, and they've already sparked close to \$1 billion in investment across the state. That's a great incentive. You have another great asset in Preservation North Carolina, which is one of the most effective statewide preservation organizations in the US—and it's based right here in Raleigh.

Lots of good things are already happening. The reopening of Fayetteville Street is a very promising step toward restoring vibrancy to the historic commercial spine of the city center. The redevelopment of the Blount Street area, blending rehab and new construction and creating several hundred units of housing, could be a catalyst for more of the residential development that is essential to long-term downtown vitality.

These are encouraging developments, but some big challenges remain to be addressed. Like other cities, Raleigh is facing a wave of teardowns—the practice of demolishing an existing house in an older neighborhood and replacing it with a much bigger one. Teardowns destroy the character that makes older neighborhoods attractive and desirable. In fact, I believe they constitute the worst threat that our older neighborhoods have faced since the “bad old days” of urban renewal and interstate highway construction—and finding a way to meet this threat, both here in Raleigh and elsewhere, is worthy of our best efforts.

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Another big challenge is planning a future for Dorothea Dix Hospital site. I know that some people are advocating intensive development of the site, while others favor leveling the buildings and turning the whole site into parkland. There's another—and better—option: preserve and reuse the historic structures (the place is a National Historic Landmark, after all), add sensitively designed new buildings where appropriate, and provide for public utilization of the open space. It's been done at The Presidio in San Francisco, with the result that a huge former military base with enormous historic significance is now a major asset to the whole city.

Dorothea Dix may be the biggest landmark in limbo, but it certainly isn't the only one. Scores of older buildings all over Raleigh—both downtown and in residential neighborhoods—are opportunities waiting to be embraced. Many of them have excellent potential for reuse. If they're torn down or allowed to fall down, they're valuable assets wasted. But if they're saved and put to viable new uses, they can help ensure that a fast-growing, ever-changing city will retain some of its distinctive character. They are the

keys to the kind of preservation-based economic revitalization effort that will help Raleigh strengthen its heart without hauling its soul off to the landfill.

In dealing with these and other issues, this city confronts an important choice: will tomorrow's Raleigh be a balanced, dynamic blend of old and new, or will it be wiped clean of all but a token handful of historic buildings? Will it be thoroughly remade in a shiny new image, or will it retain plentiful and meaningful reminders of the rich history that makes it unique?

I believe that preservation-based revitalization is the key to Raleigh's future. But it won't happen by itself, and planners and architects can't make it happen. The challenging task of saving our heritage isn't somebody else's job. Everyone with a stake in Raleigh's future has a role to play in capitalizing on its past.

Perhaps more than any other group in the city, you here in this room—interested, activist members of the business and civic communities—are positioned to encourage the good public policy—including a stronger commitment to preservation—that is essential to livability. You are the people who have the power to say, "It's time to stop merely making out city bigger and busier, and start making it better and more livable."

***We Americans have badly mistreated our cities in the post-World War II era, with the result that too many of our urban centers look like illustrations for a textbook on neglect and abandonment and failed initiatives. But the fact that we made mistakes in the past doesn't mean we have to keep making them forever. We need to learn from those mistakes. We need to recognize that there are powerful forces—including market forces—we can harness to realize the hopes and aspiration we all share for our hometown.***

We need the best problem-solvers of our generation to repair the urban fabric that we've ripped so many holes in over the years.

We need the most creative designers to help us figure out how to create places that are lively and safe and supportive, how to transform Noplace into Someplace Special.

We need visionary thinkers who recognize that by saving and enhancing historic buildings and neighborhoods, we're creating opportunities for meaningful contact with our shared heritage—and thereby strengthening the glue that holds us together as a society.

I believe some of those problem-solvers and visionaries are right here in this room. Others are just outside, in offices and homes and classrooms all over the city. What's needed now is the leadership to harness their creative energy, and the will to put that energy to work.

Working together to save the best of the past, we can build a future in which Raleigh will be known as one of America's greatest cities—because it's one of America's most livable cities.