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HISTORIC PRESERVATION ACT OF 1966: PAST, PRESENT, FUTURE

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Abstract

The Historic Preservation Act of 1966 has significantly impacted communities at local, regional, state and national levels. However, questions have been raised about historic preservation and its contribution to economic development. The intersection of sustainability issues such as adaptive reuse, air quality, “walkable-livable” neighborhoods, and fossil fuel consumption illustrate the increasing importance of historic preservation. Historic Preservation Tax Credits show high returns and are valuable tools for legislators and policy makers to utilize in collaboration with other community development programs. Research indicates that historic preservation can be utilized as a tool to elevate property values, restore pedestrian-friendly neighborhoods, maintain community health, promote creative entrepreneurship and implement long-term sustainability efforts. Grand Rapids, Michigan provides a case study for assessment. The State of Michigan may benefit in the future from extension of historic preservation tax credits on a state-wide level.

Keywords: sustainability, historical preservation, neighborhoods, Michigan, historical preservation tax credits

HISTORY

Americans originally discovered the value of historic preservation in the mid-nineteenth century, and it continues to grow today as a grassroots movement. In 1853, the Mount Vernon Ladies’ Association was formed to preserve Mount Vernon, President George Washington’s home. The association was the first known historic preservation organization in the United States. One of the great successes of the preservationist movement is Historic Colonial Williamsburg, supported by John D. Rockefeller. In 2013, Colonial Williamsburg had achieved a landmark of over 100 million visitors total since its restoration (Colonial Williamsburg, 2014). In 1949, the preservationist movement became nationally unified with the establishment of the National Trust for Historic Preservation, enacted by former President Harry Truman. Today organizations from all sectors (public, private and non-profit) are working to preserve communities, architecture and buildings in the United States (Smith, 2007).

The invention of the automobile and its mass production in the early twentieth century influenced city leaders, policy makers, legislators and perceptions of Americans in a variety of ways. Automobiles transformed the design, geography and spatial landscape of communities and cities across the United States. The Federal-Aid Highway Act of 1956, signed into law by President Dwight D. Eisenhower, authorized \$25 billion dollars of public monies for 41,000 miles of highway. The act was the largest public infrastructure project at the time of its implementation, and Eisenhower is sometimes coined the greatest urban planner in American history due to the Act. The provisions of the Federal-Aid Highway Act created highways which were often built through the heart of many downtown districts and cities. Highways and automobiles also allowed persons to relocate from dense urban cities to sparsely populated regions (Weingroff, 1996).

At the same time the U.S. was implementing the Highway Act, Americans were simultaneously experiencing massive social change due to the Civil Rights Movement of African Americans and the passage of the Civil Rights Act of 1964. Riots related to segregation, equal education, integration, and social justice occurred in urban regions throughout the nation. Millions of people who had the economic ability to relocate used their automobiles and moved to rural/suburban areas during this period.

The massive migration in American history immediately following World War II and the Civil Rights Movement from cities to suburbs caused social and geographical transformation throughout the nation and has often been named *white flight*.

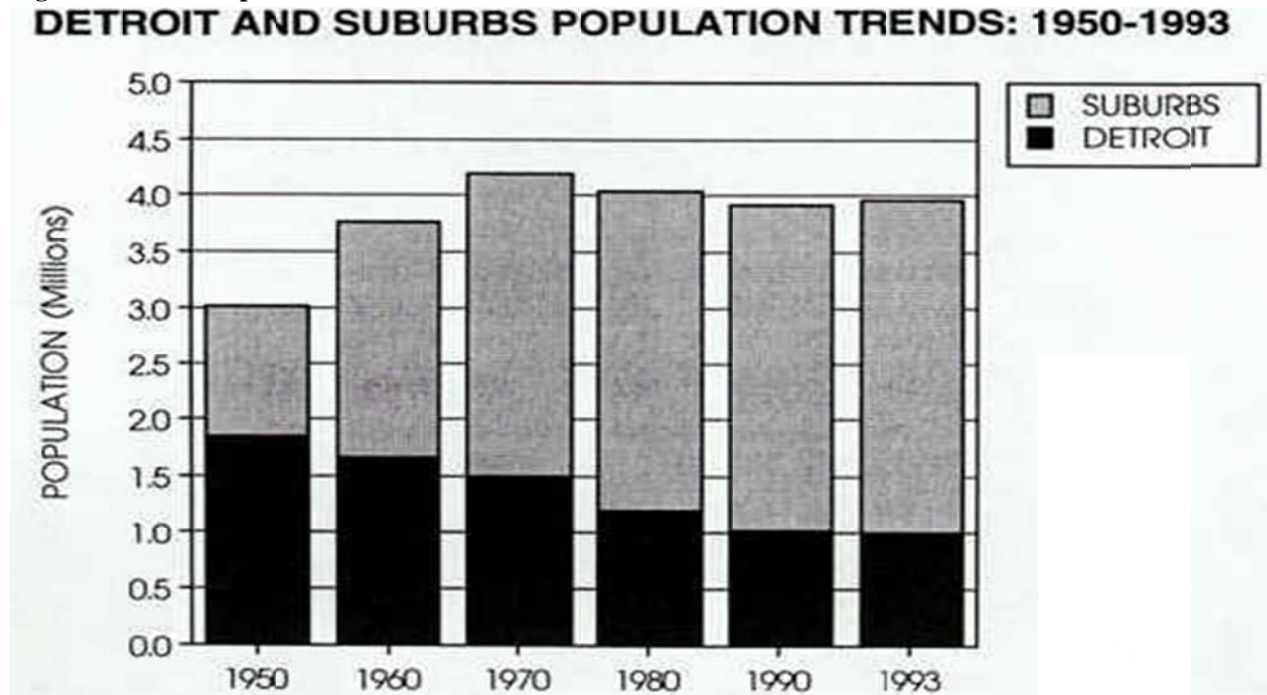
A large body of scholarship suggests that postwar suburbanization was, in part, a “white flight” from increasingly diverse central cities. Northern cities that received larger flows of black migrants from the rural South after the Second World War experienced more suburbanization. While this pattern could primarily reflect a distaste for local interactions with black neighbors, increasing racial diversity also led to changes in the central city’s electorate and tax base (Boustan, 2008).

Literature indicates greater rates of suburbanization occurred in the north as compared to the south. In the 1950s, suburbs only accounted for 23% of the population. According to a report by the U.S. Census Bureau (2002),

By 2000, half of the U.S. population lived in suburban areas.” Metropolitan regions, though historically a hub of human activity and with the majority of population, no longer were desirable or of interest to those looking to invest. “The growth of metropolitan areas in the 20th century was essentially a growth of the suburban population (defined here as the metropolitan population living outside of central cities), especially in the latter half of the century. In 2000, the central city population represented a smaller share of the U.S. population than it did in 1950 (Demographic Trends in the 20th Century, 2002).

Data indicates the transformation of the fabric of American culture, population and geographical demographics was widespread. These numbers are even more significant in the state of Michigan, where the automobile was invented. Michigan residents heavily relied on automobiles as a mode of transit and designed communities for their cars. High amounts of factory use, especially near Detroit degraded the quality of air and water in urban environments and made them less attractive for residential communities.

Figure 2: Detroit Population Trends



Source: Michigan State University Geography Department, 2013

The migration of economically affluent persons caused a divestment of Community groups rallied together to save their downtown communities from destruction due to highways, demolition of important places and abandonment. Eventually the work of preservationists culminated in the Historic Preservation Act of 1966.

Protections

The Historic Preservation Act provided protections for culturally or architecturally significant landmarks and destinations. The Historic Preservation Act of 1966 (16 U.S.C. 470) Section One declares that:

- (1) the spirit and direction of the Nation are founded upon and reflected in its historic heritage;
- (2) the historical and cultural foundations of the Nation should be preserved as a living part of our community life and development in order to give a sense of orientation to the American people;
- (3) historic properties significant to the Nation's heritage are being lost or substantially altered, often inadvertently, with increasing frequency;
- (4) the preservation of this irreplaceable heritage is in the public interest so that its vital legacy of cultural, educational, aesthetic, inspirational, economic, and energy benefits will be maintained and enriched for future generations of Americans;
- (5) in the face of ever-increasing extensions of urban centers, highways, and residential, commercial, and industrial developments, the present governmental and nongovernmental historic preservation programs and activities are inadequate to insure future generations a genuine opportunity to appreciate and enjoy the rich heritage of our Nation;
- (6) the increased knowledge of our historic resources, the establishment of better means of identifying and administering them, and the encouragement of their preservation will improve the planning and execution of federal and federally assisted projects and will assist economic growth and development; and
- (7) although the major burdens of historic preservation have been borne and major efforts initiated by private agencies and individuals, and both should continue to play a vital role, it is nevertheless necessary and appropriate for the Federal Government to accelerate its historic preservation programs and activities, to give maximum encouragement to agencies and individuals undertaking preservation by private means, and to assist State and local governments and the National Trust for Historic Preservation in the United States to expand and accelerate their historic preservation programs and activities.

The Act requires that each state in the union must have a State Historic Preservation Office (SHPO) and an officer to oversee preservation activities. The responsibilities of the SHPO include:

- (A) In cooperation with Federal and State agencies, local governments, and private organizations and individuals, direct and conduct a comprehensive statewide survey of historic properties and maintain inventories of such properties;
- (B) Identify and nominate eligible properties to the National Register and otherwise administer applications for listing historic properties on the National register;
- (C) Prepare and implement a comprehensive statewide historic preservation plan;
- (D) Administer the State program of Federal assistance for historic preservation within the State;
- (E) Advise and assist, as appropriate, Federal and State agencies and local governments in carrying out their historic preservation responsibilities;
- (F) Cooperate with the Secretary, the Advisory Council on Historic Preservation, and other Federal and State agencies, local governments, and organizations and individuals to ensure historic properties are taken into consideration at all levels of planning and development;
- (G) Provide public information, education and training, and technical assistance relating to the Federal and State Historic Preservation Programs; and

(H) Cooperate with local governments in the development of the local historic preservation programs and assist local governments in becoming certified pursuant to subsection (C) (United States Congress).

The Act developed a Federal Register of Historic Preservation sites. The Act also created provisions for tax credits. The Federal Historic Rehabilitation Investment Tax Credit provides: “an incentive to taxpayers who contribute to the preservation of historic buildings by rehabilitating them, and a dollar-for-dollar reduction of federal income tax owed equal to 20 percent of the cost of rehabilitating certified historic structures” (Federal Historic Rehabilitation Investment Tax Credit website). A project must go through the three-part "Historic Preservation Certification Application" process at state and federal levels in order to be considered eligible for benefits.

The National Office for Historic Preservation engages in provision and protection activities and supports the work of State Historic Preservation Offices and Officers. Some of the National Office responsibilities include: providing a White House certificate of recognition, managing the National Register of Historic Sites, assistance in consideration for federal assistance, an Advisory Council on Historic Preservation, provision of tax benefits, federal tax deductions for charitable contributions, consideration of historic value in mining/environmental hazards, provision of grants, guidance on evaluation/documentation of historic sites, and management of the National Historic Lighthouse Preservation Program. Collaboration between local, state and federal historic commissions, offices and agencies work cooperatively and support the activities and implementation of preservation (Noonan, 2010).

The 2010 Historic Preservation Fund Annual Report states an estimated 41,641 jobs were created by Federal Historic Preservation Tax Program rehabilitation projects since it began in 1977. These funds are distributed from the United States Department of Interior to State Historic Preservation Offices.

Stakeholders

A number of stakeholders are invested in the results of the Historic Preservation Act. Some of these include: U.S. Department of the Interior, National Park Service, non-profits, business owners, private investors, home owners, architects, banks, state governments, museums and educators. Furthermore, students, historians, any persons interested in history, communities, downtown development authorities, city planners, legislators, real estate firms, landlords and neighborhood associations are impacted by historic preservation activities. Historic Preservation can also be a creative opportunity for entrepreneurs and can transform communities into places with character, value and inspiration for the economies of the 21st century.

The United States has preserved historic sites across the nation in nearly every county as a result of the passage of the Historic Preservation Act of 1966. According to the National Register of Historic Places, there are currently over 88,000 individual property listings that meet federal standards to be considered historic properties/districts. These properties include buildings, sites, districts, structures, and monuments and have an estimated \$1.7 million in resource contribution. Over one million total sites, objects, buildings, districts and properties are listed in the register. In fiscal year 2012, 1,176 properties were added to the register. These numbers show an increase in interest and financial investment of historic preservation in America, proving its current relevance for economic and community development (National Register website, 2013).

Collaborative Strategies

Adaptive-reuse

With the recent national interest and concern in sustainability, greening practices, and resource depletion, historic preservation must be re-prioritized as in the nation’s best interest. Environmentalists have utilized adaptive reuse in sustainability efforts and though it is a different term than historic preservation, the outcomes and processes

are similar. The intersectionality of sustainability and historic preservation can be addressed and literature supports a multifaceted approach to the restoration and use of historic buildings and communities. Adaptive reuse utilizes historic or abandoned buildings and preserves them while simultaneously transforming their purpose. It is a compromise between historic preservation and demolition. As times change, aspects of the built environment of a building or community may not meet the needs of current times. The externalities of new technologies, social changes, and infrastructure change over time so establishments may address new needs of a community's economy. Blacksmiths and seamstresses are not necessarily businesses that would be included in redevelopment of urban areas, however remodeling and changing a building created for those purposes could provide innovative services to meet the new demands of a region's demographics. A balance between the approach of preservation and reuse are required in the future for successful redevelopment of abandoned buildings and cities.

Much of the literature debates whether adaptive reuse or historic preservation can promote economic development. Rehabilitation of structures can be expensive, and it is frequently the case that it is more cost-effective in the short-term to demolish a structure and rebuild with new materials. Old structures may suffer from pollutants, toxic materials and other environmental/safety concerns and hazards. However, landfill use, waste of resources and energy usually decrease in the restoration process. Additionally, there are associated costs with reusing existing materials, and landfill savings.

Main Street

In 1977, The National Historic Preservation Office developed a new program named the National Main Street Center. The Main Street Center program, according to the website, is: "a preservation-based economic development tool that enables communities to revitalize downtown and neighborhood business districts by leveraging local assets - from historic, cultural, and architectural resources to local enterprises and community pride. It... addresses the challenges of traditional commercial districts" (2013). Fitzgerald (2002) discusses how the Main Street economic revitalization strategy can transform a community. "Main Street revitalization efforts have focused on strengthening local business districts through careful analysis of its strengths and weaknesses and adopting a proactive approach to counter loss of business activity." Businesses and investors are often concerned with the long-term health of their community on a smaller scale. Owners of smaller businesses often know their customers and employees, which helps create a sense of community. The National Main Street Program has acquired over \$54 billion in new investment, 72,000 new businesses have opened, and 450,000 new jobs created since it began (National Main Street Program, 2014).

Fitzgerald (2002) explains that community is an important aspect of an economy: "Community building in a successful retail revitalization strategy can require the involvement of business owners and chambers of commerce, community groups such as churches and nonprofit development organizations, as well as local government." Historic preservation helps develop a sense of community ownership and can bring a variety of groups together to execute a plan. Jane Jacobs (2000) explains "Development depends on co-developments. Development can't usefully be thought of as a 'line,' or even as a collection of open-ended lines. It operates as a web of interdependent co-developments." It is important that communities maintain their character and identity and collaborate in preservation. The Main Street program may potentially collaborate with similar economic development models including Downtown Development Authorities and Chambers of Commerce.

Density

Most business districts are on main streets, and are often built in walking distance to each other, with multilevel income and diverse establishments. "The density of central cities declined during the second half of the century, yet remained far higher than the densities of suburban areas, which increased, and the densities of non metropolitan areas, which were steady during the period" (Demographic Trends in the 20th Century). Dense cities are great examples of environmental sustainability. "They accommodate people in a way that saves space, resources and energy" (Ellin, 2006). Ellin elaborates, explaining that higher density commercial districts are often more

energy efficient. In addition, developers, architects and urban planners find density to be more affordable, efficient and successful as revenue-creating designs. Shuman (2006) explains that as fuel costs rise people will value shopping districts that are walkable distances: “it may force us to revisit the possibility of locating work, school, play, and shopping all within a reasonable walking distance of home.” Population density allows a focus on people-oriented human scales of development and these urban corridors may be the best places for strong economies in the future. Proximity also supports public transportation and less wear/tear on roads. Commercial districts built prior to the 1960 suburban sprawl frequently include these elements in their built environments and support one-stop visits for pedestrians and often span several blocks—supporting economic niches and cluster-based development.

Economic development models

Economic development models, theories or programs may have potential for collaboration with historic preservation techniques. Some methods that have similar outcomes include theories of the knowledge economy and creative class; place-based living, sectoral-strategy, cluster-based development, multi-layered/diverse development, Community Development Block Grants, Tax Increment Financing, and Renaissance Zones.

Case Study: Grand Rapids, Michigan

Since the early 21st century, Michigan has been in a state of economic recession and suffering from a significant decrease in population, tax revenue and employment opportunities. The decline of the automotive industry caused huge relocation and mass unemployment throughout the state. The city of Grand Rapids, however, has been an exception to Michigan’s economic failure, and historic preservation may be part of its success story. Grand Rapids illustrates how sustainable, resilient communities can develop through restoration and combinations of historic preservation, adaptive reuse and investment in business and downtown districts. Grand Rapids, Michigan has taken multiple forms of action to pursue historic preservation as part of its community and economic development plans.

Grand Rapids created the first Historic Preservation Ordinance in the State of Michigan (1971), and is home to six local historic districts and over 60 historic landmarks. Grand Rapids also nominated 66 structures to the National Register of Historic Places, and nearly 2,000 individual properties. Improvements to streetscapes, lighting, facades and overall presentation of structures have built tradition and aesthetics into its landscape. Dozens of organizations have collaborated with historic districts and neighborhoods, and together resurrected a formerly abandoned and blighted community with high crime rates into a thriving, healthy and safe metropolitan area with rich culture and historic heritage. Groups involved in Grand Rapids’ historic community include: Grand Rapids Historical Society, Grand Rapids Historic Commission, Heritage Hill Historic Neighborhood Association, Local First of West Michigan, Cherry Hill Historic Neighborhood, East Hills Historic Neighborhood, Monroe Center, and the Wealthy Theatre Historic District. Buildings which implemented Historic Preservation Tax Credits are now often hubs for economic success including: Grand Rapids Public Library, Civic Theater, D.A. Blodgett Home, Amway Grand Plaza Hotel, Berkey & Gay Furniture Factory, American Seating Factory, Wealthy Theatre, and the Old Federal Building.

Hundreds of businesses and entrepreneurs in Grand Rapids have based their success off adaptive-reuse and historic preservation efforts including Preserve GR, Bazzani & Associates, and countless residential homeowners who have utilized historic tax credits. Tours of historic sites, cemeteries, monuments and neighborhoods, as well as two historical museums (one of which is a Presidential museum) further illustrate the importance of heritage to this community. Multiple economic regions and niches throughout Grand Rapids have built walkable-livable areas with thriving sidewalks, shoppers, neighborhoods and residents.

Grand Rapids partnered with the Community Assistance Team of the Michigan State Housing Development Authority for many of the previously mentioned projects. The D.A. Blodgett home received a tax increment reimbursement of approximately \$1.76 million and is now a mixed-use building with parks that manage storm-water

runoff. This building is an anchor of the East Hills Neighborhood – a once abandoned and crime-ridden area. Today one can walk through the area and see multiple shops, restaurants, retail, and non-profits. Without the alteration of this property, it is unlikely the rest of the neighborhood in this area would have succeeded in preserving the community.

Another historic establishment in Grand Rapids is the Wealthy Theater. A Civic Gift (2003) explains, “Grand Rapids, the citizen-led revival of the Wealthy Theater and its surrounding neighborhood reflects the community’s commitment to historic preservation that has made Michigan’s second largest city a showcase for urban revitalization. It is one of just two Michigan cities that experienced an increase in population in recent years.” The theatre closed in the 1970s, and city officials slated the Wealthy Theatre for demolition in 1989. The neighborhood’s residents responded immediately with a plan to restore the theatre.

Civic Gift (2003) explains, “The city now recognizes five contiguous designated historic neighborhoods: Cherry Hill, Fairmount Square, Heartside, Wealthy Street, and Heritage Hill, one of the country’s largest urban historic districts.” The efforts of this community undoubtedly have a correlation to its national success and current economic status in a state that is still struggling. It is important to note the public-private partnerships and philanthropic efforts which made this possible. Without collaborative effort, Wealthy Theatre would likely have been demolished, as would the D.A. Blodgett Home and many others. As Rebecca Smith-Hoffman explains, “The city was allowing the area to deteriorate - its plan for Wealthy Street was to demolish the buildings and replace them with strip malls and drive-thrus. Some buildings were acquired for only a dollar, and people were out on the streets daily laboring and transforming the interior and exterior of these architectural treasures” (2011).

Grand Rapids local business owner and provider of historic preservation consultation Rebecca Smith-Hoffman explained in an interview (2011), “Cherry Hill, Fairmount Square, and Wealthy Theatre Historic Districts provide examples unforeseen by the Grand Rapids community. If anyone had realized the success we would be able to leverage, there would have been an even greater demand from the community for involvement.” Action plans for historic preservation must utilize resources from multiple arenas in order to succeed. Private interest in conjunction with tax benefits from local, state and federal agencies can create successful, thriving historic districts. This East Hills Grand Rapids neighborhood, once ridden with crime and vacant homes now boasts a housing occupancy rate of 84.3%, and 20% of residents have at least a bachelor’s degree (United States Census, 2010).

It is important to note that the city of Grand Rapids provides a number of services to assist in leveraging community investment including an Economic Development Office, Building Reuse Incentive Program and Streetscape Improvement. According to the City of Grand Rapids website, the city was designated as a Regional Center of Expertise (RCE) on Education for Sustainable Development. “Grand Rapids is the only city in the nation, and one of 30 worldwide, to receive this award” (2007 Michigan DEQ). Furthermore, Grand Rapids’ Downtown Development Authority established the Building Reuse Incentives Program to reduce vacancies in older city neighborhoods by providing assistance for public projects (2011). These and other public-private partnerships over decades facilitated both historic preservation and community investment.

Potential for Michigan’s future

The social costs and externalities of crime, poverty and homelessness in blighted and abandoned areas are undeniable. The Michigan Association of Planning (2006) explains, “Older cities have a lot to offer – central location, convenient access to expressways, existing infrastructure – but they need to be able to move redevelopment projects quickly and smoothly and market these capabilities to developers.” Across the State of Michigan, communities are suffering from divestment and abandonment; A potential outcome for the state could be a resurrection of historic culture and architecture. As Michigan’s former Governor Jennifer Granholm once stated, “Whether you are a business that preserves a historic structure, or a family that turns a former eyesore into a wonderful gem of a home, preservation does more than just save buildings — it saves communities” (Michigan

Office of Historic Preservation, 2013). Perhaps Grand Rapids and its preservation techniques can be an example for other currently blighted Michigan cities and regions such as Flint, Saginaw and Detroit.

The Michigan State Housing Development Authority reports several historic preservation credits have improved various business corridors in the city of Grand Rapids. Case studies the state shares on its website are of the Berkey & Gay Furniture Factory restoration in 2008 (economic impact: \$78.7 million and 679 jobs created), D.A. Blodgett Children's Home restoration in 2007 (economic impact: \$19,566,882 and 222 jobs created), US-131 Curve Realignment (incomplete), and American Seating Company Factory restoration in 2008 (economic impact: \$124,304,327 and 1435 jobs created).

The following chart illustrates how investment and economic impact can correlate and how Michigan has benefited from the federal tax credit. The State of Michigan has distributed funds to approximately 600 projects since 1999 according to the Preservation Nation's State Tax Report Summary (2007).

In light of a recent removal of the State Historic Preservation Tax Credit (2011), data enforces the belief that tax credits may be impactful for creation of stable economies in regions suffering from blight and abandonment. The State of Michigan Historic Preservation Tax Credit provided an additional 25% tax benefit to historic preservation projects that could be stacked (up to 25% total) to preservationist activities.

The population of the state of Michigan declined by nearly 55,000 people from 2000 to 2010 (U.S. Census). However, Michigan's economy benefited from an additional \$11.43 in economic impacts for every \$1 of credit issued. Michigan currently has 16 Main Street programs in place, and over 3,500 registered historic sites (Michigan State Historic Preservation Office, 2006). The 2010 Historic Preservation Fund Annual Report states an estimated 41,641 jobs were created nation-wide by Federal Historic Preservation Tax Program rehabilitation projects since it began in 1977. These funds are distributed from the United States Department of the Interior to state historic preservation offices. Nationally, between 1971 and 2001, more than \$819,000,000 invested in state/federal rehabilitation tax credit projects resulting in an economic impact of \$1.7 billion. Figure 4 illustrates that the youngest generation is currently moving into cities and leaving suburbs and rural areas at a fairly rapid rate. Perhaps for Michigan, the adaptation, restoration and evolution of cities may be the answer.

RECOMMENDATIONS

For Historic Preservation to succeed as an economic development tool in the state of Michigan, investors, partnerships, and incentives must be created, established and implemented. Furthermore, they must be accessible. The SHPO should standardize the application process and make it easier for investors to find information about benefits. The office needs to facilitate and solicit opportunities with re-developers while providing technical, design, or financial assistance and continue to promote historic sites in marketing and in the master plan. A database of resources connecting individuals, businesses, non-profits, historic commissions/societies and government could create a more fluid process so the economic and cultural benefits can be seen more clearly by potential developers and investors. Promotion of tourism on a more regular basis may also help evoke interest in the general public on historic restoration and cause a greater interest in redevelopment over the long-term. Collaboration between the public, private and non-profit sectors will be crucial in implementation of historic preservation. "Despite all that community development groups have in common with local Main Street programs, the two movements have had few points of interaction. The collaborative potential is enormous" (Smith, 2007).

Figure 3: Investment in Historic Preservation by States

		<i>Selected National Economic Impacts</i>	
State	FY 2008 HTC-Aided Rehabilitation Investment <i>(in \$ millions)</i>	Jobs	Income <i>(in \$ millions)</i>
Alabama	\$6.7	124	\$4.3
Florida	\$37.3	650	\$26.4
Illinois	\$360.5	5,314	\$262.4
Indiana	\$154.7	2,711	\$110.6
Michigan	\$38.8	616	\$27.5
New York	\$198.5	3,284	\$141.4
Ohio	\$75.2	1,351	\$53.5
Pennsylvania	\$165.8	2,695	\$120.3
Virginia	\$269.8	4,541	\$193.1
Washington	\$130.5	2,091	\$93.6

Source: Historic Preservation Tax Credit Coalition (2008)

Michigan cities, though facing abandonment and financial distress, still provide the basic architecture and infrastructure to create strong cities. “Historic downtowns and neighborhood commercial corridors offer compact development, walkability, jobs, public services and community gathering places” (Smith, 2007). Walkable-livable neighborhoods in Michigan have the ability to also help decrease cost of road maintenance, and improve environmental and physical health.

Interest in historic preservation has not diminished in Michigan; in fact the contrary has occurred. The state of Michigan has distributed funds to approximately 600 projects since 1999 according to Preservation Nation’s State Tax Report Summary (2007). Michigan’s State Historic Preservation plan (2006) explains “historic building rehabilitation and the associated savings in energy and resources embodied in reusing existing materials, together with landfill savings, is recognized as an important environmental practice. Environmentalists promote preservation along with green building technologies.” With the freshwater resources available in the state, environmental protections should be a priority in development and economic strategy.

Measurement of vacancies over time may be a great indicator to show where credits are most needed, in addition to census data and property values. Researching the inter-related impacts of the preservation work in the community can help designate areas to focus on and prioritize. Cost-benefit analysis will also help to better advise

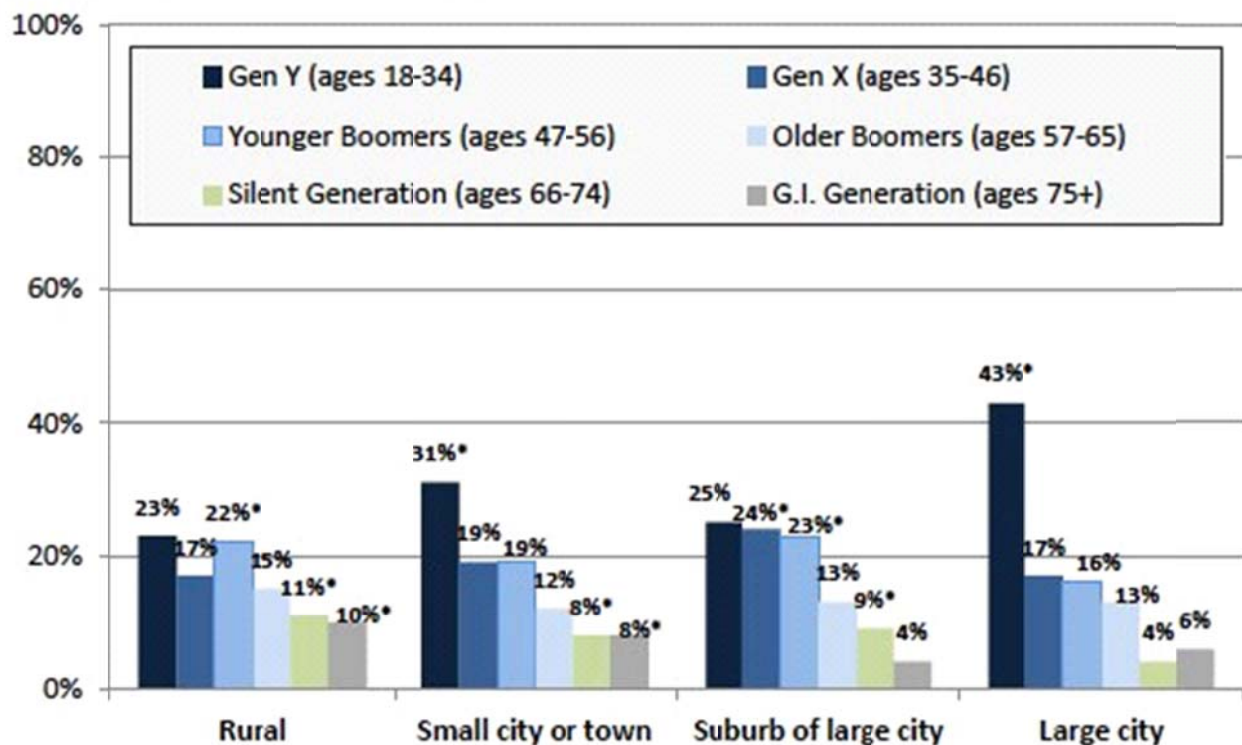
future rehabilitation. Indicators of measurement for economic success should become more holistic and include new indicators. For example, tourism, longevity of business success, education level, crime rate, park space and property value can all prove economic viability of transforming blighted neighborhoods into the communities they were once built to be.

Historic preservation regulations are often considered too strict and do not currently provide benefits for adaptive-reuse or modification and altering processes. Future legislation should address the multitude of methods developers can use and barriers they may face. Legislation should also consider that some neighborhoods may not be good candidates to receive credits. Provisions should be allocated on a case-by-case basis, with sliding scales determined by income, region, and structure plans.

Figure 4: Generational Trends in Urbanization

Generation Y Predominates in Large Cities and Small Cities or Towns

% of each community type's population from each generation



Source: The Pew Research Center's Internet & American Life Project Local News Survey, January 12-25, 2011. N=2,251 adults, ages 18 and older, including 750 cell phone interviews. Interviews conducted in English and Spanish. Margin of error for the total sample is plus or minus 2.4 percentage points. An asterisk (*) indicates a significant difference at the 95% confidence level.

Credits should prioritize business districts and multiple-unit areas. Furthermore, as historic preservation may elevate housing costs, there should be emphasis on supporting mixed-income development and affordable housing in policy.

CONCLUSION

Restructuring and reimplementation of the State Historic Tax Credit may be a part of the solution to Michigan's future. As Grand Rapids has found new life in its historic districts, let it lead Michigan by example. Winston Churchill once said: "We shape our buildings; thereafter, our buildings shape us." Legislature should shape Michigan to be walkable-livable, rich in heritage, energy-efficient, and decrease waste to ensure strong communities for generations to come.

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