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Smiling faces, historic places : the economic benefits of historic preservation in South Carolina

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Smiling Faces Historic Places



The
Economic
Benefits
of Historic
Preservation In
South Carolina

By Chad Lennox and Jennifer Revels



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On the cover:

*Top: Main Street Columbia circa 1905. Courtesy of Richland County Library.
Middle: Pomaria Street, Little Mountain, circa 1910. Courtesy of Margaret Jayroe.
Bottom: Chester, circa 1910. Courtesy of Constance B. Schulz.*

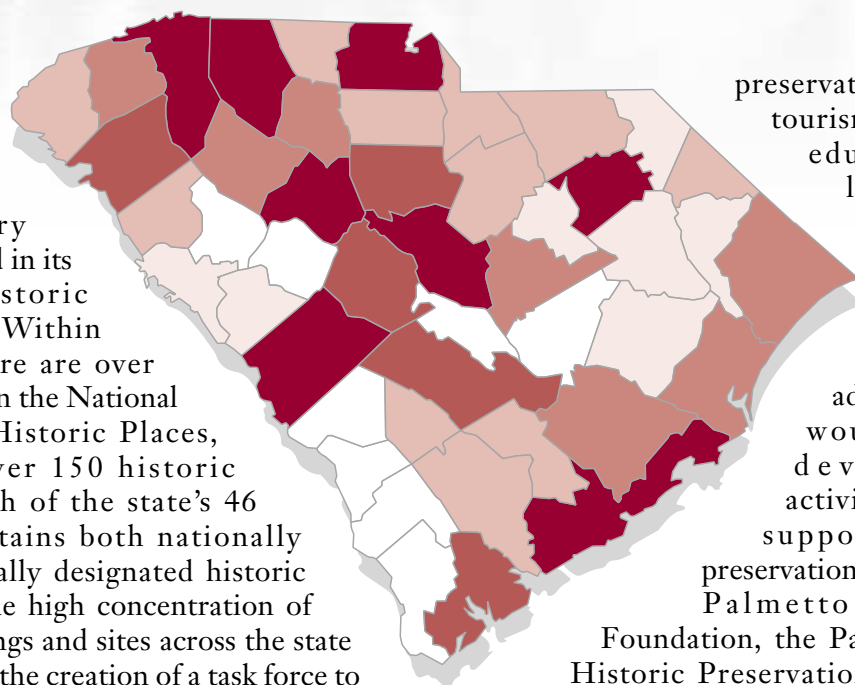
Smiling Faces Historic Places

The Economic Benefits of Historic Preservation In South Carolina

EXECUTIVE SUMMARY

The State of South Carolina has a rich history that is reflected in its wealth of historic architecture. Within the state, there are over 1,200 listings in the National Register of Historic Places, including over 150 historic districts. Each of the state's 46 counties contains both nationally listed and locally designated historic properties. The high concentration of historic buildings and sites across the state recently led to the creation of a task force to examine these properties and lay the groundwork for their use and preservation.

In 2000, the Governor's Task Force on Historic Preservation and Heritage Tourism presented a number of recommendations on how the state of South Carolina could improve its historic preservation activities and become a national leader in historic preservation. One of the recommendations was to "develop and distribute an economic impact study on the benefits of historic preservation and heritage tourism." A comprehensive assessment of the economic impacts of historic



preservation and heritage tourism was needed to educate and assist local communities when they are making planning and economic decisions. In addition, this study would assist local developers and activists in garnering support for historic preservation projects.

Palmetto Conservation Foundation, the Palmetto Trust for Historic Preservation and the South Carolina Department of Archives and History contracted with Miley & Associates, Inc. of Columbia, to complete a comprehensive assessment of preservation and heritage tourism activity in South Carolina including the impact of the Historic Rehabilitation Incentives Act of 2002. Harry Miley, the project's leader, is President of Miley & Associates, Inc., an economic development consulting firm that provides a variety of economic analysis services to public and private sector organizations.

Number of National Register Historic Properties



SOURCE: South Carolina Department of Archives and History

The *Economic Impacts of Historic Preservation in South Carolina* report produced by Miley used the IMPLAN regional input-output modeling system developed by MIG, Inc. of Stillwater, Minnesota to develop the numbers for their report. This system closely follows the “Input-Output Study of the US Economy” produced by the Bureau of Economic Analysis in 1980. According to the study, there are quantifiable benefits from historic preservation including construction spending, jobs created, and heritage tourism spending. The benefits result in a positive economic impact statewide of historic preservation and heritage tourism activities.

Smiling Faces Historic Places contains these five major conclusions:

1. **Historic Preservation Activities**

Create Jobs

Preservation activities directly create 400 jobs annually—mostly in construction, architectural services and related activities. Another 369 jobs are indirectly created throughout the economy as a result of this historic preservation construction activity.

2. **Historic Preservation Increases Property Values**

Properties located within locally designated historic districts are in general worth more, appreciate faster, and retain more of their value than properties located outside the district.

3. **Historic Preservation is the Vehicle for Heritage Tourism**

Heritage Tourism results in \$325.6 million annually in direct spending in South Carolina—resulting in the direct creation of 9,097 jobs—another 2,300 jobs are created indirectly.

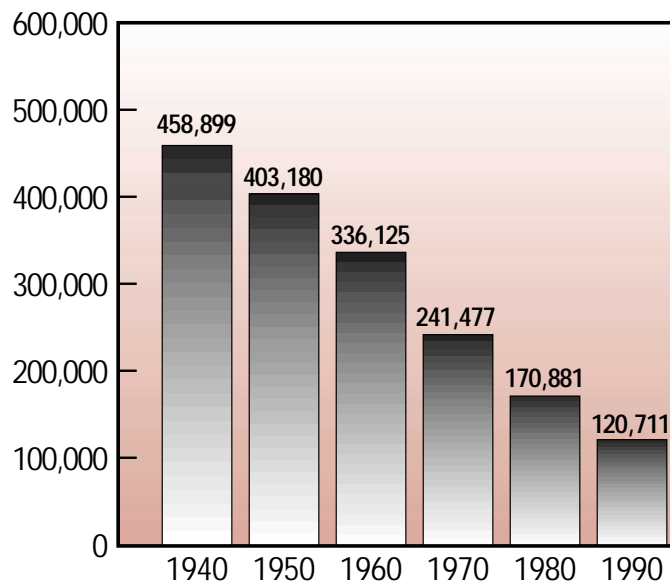
4. **Historic Preservation has spurred Downtown Revitalization**

Downtown revitalization, in the years 1984-2000, has resulted in a total investment of \$375 million—creating 6,153 jobs, 1,752 businesses and rehabilitating 1,597 buildings.

5. **Historic Preservation is an economic force in South Carolina**

Annual historic preservation activities are estimated to have added \$73.5 million in total spending and increased labor earnings by \$22 million.

Pre-1940 Housing Remaining in South Carolina



SOURCE: South Carolina Department of Archives and History

The above graph illustrates the dramatic rate at which South Carolina’s historic properties are being lost. These decreasing numbers emphasize the importance of historic preservation and adaptive reuse on a statewide level.

INTRODUCTION

Smiling Faces. Beautiful Places. This is the motto used to entice visitors to South Carolina. However, it could just as well be *Smiling Faces, Historic Places.* South Carolina's history, culture and historic sites are a major reason why people travel to the state and within the state. From the early coastal settlements at Charleston and Beaufort to the farmsteads and mill towns of the upstate, South Carolina's rich and varied heritage is reflected in its historic architecture. This unique environment is what attracts tourists, but it also attracts new investment and new residents to our historic towns and cities.

Heritage tourism and the redevelopment of historic properties go hand in hand. Each year, heritage tourism draws thousands of visitors to South Carolina, and has become an important aspect of the state's economy. By redeveloping and preserving historic buildings and districts, South Carolina's living history can be enjoyed by residents as well as tourists visiting the state.

Historic Preservation has a substantial economic impact on our state. In his 2002 study on economic impacts of historic preservation, Harry Miley determined that approximately 57 commercial projects and 87 residential projects are undertaken each year. For the 87 residential projects, the direct and indirect construction costs average \$16.3 million annually. For the 57 commercial projects, the direct and indirect construction costs average \$57.2 million annually. Cumulatively, commercial and residential projects directly and indirectly create 769 jobs, generating \$22 million in labor earnings. The impressive economic benefits from these few historic restoration projects is an indication of the positive impact wide spread rehabilitation can have on the state's economy. These redevelopment projects are not only geared toward the tourism industry but are

also an attempt to draw residents into areas that may have been impacted by urban sprawl and/or demographic changes. This rediscovery of South Carolina's historic downtowns is a major trend that has the potential to generate millions of dollars in tax revenue each year.

In 2002, South Carolina's legislature approved the South Carolina Historic Rehabilitation

Incentives Act for the rehabilitation of certified historic structures. The tax credit acts as a supplement to the Historic Preservation Tax Incentive Program that is administered on the federal level by the National Park Service. The federal tax credit program is targeted at preserving income producing properties and has generated over \$19 billion nationwide in historic preservation activity since its inception in 1976.

The newly adopted state tax credit will take effect in 2003 and will provide a 25 percent credit on the rehabilitation of certified historic residential structures and a 10 percent credit for income producing properties. These credits are available in addition to the 20 percent federal credit offered to commercial properties.

By creating a state income tax credit for historic rehabilitation, owners of historic properties should be more encouraged to adaptively reuse their properties in favor of demolition. In addition, direct spending on construction labor and materials is spent and re-spent in the state, creating additional income for those companies and individuals that supply goods and services to the construction of restoration projects. The indirect benefit of this activity results in an additional \$27.2 million annually—creating 369 jobs and \$15 million worth of labor earnings.

These figures all support the economic feasibility and economic benefit of historic preservation.



Visitors enjoy a summer picnic with music and fireworks on the lawn of Drayton Hall in Charleston County.

PHOTO COURTESY SC DEPARTMENT OF ARCHIVES AND HISTORY

PRESERVATION AND JOB CREATION

“Since [the Opera House’s] opening, a new hotel has been constructed downtown, seven restaurants have opened, a number of new shops have opened, and new apartments have been created—all on the square surrounding the Opera House.”

— Debra Smith,
Director of the Newberry Opera House

The Newberry Opera House was completed in 1881. A French-Gothic style structure, the building was designed by Columbia architect C.L. Norman and built at a cost of \$30,000. The building was intended to be a place of entertainment for the local citizenry as well as a seat of government for the city. The building housed local entertainment for the city of Newberry until 1952 when, after the last showing of *The Outlaw*, the Opera House closed. The building remained empty and by 1959, there was talk about tearing it down but public outcry stopped the wrecking ball. In 1969, the Newberry Historical Society began the push to restore the Opera House, as did several other community groups. As a result of the overwhelming public support, the building was listed in the National Register of Historic Places in 1970.

The renovation of the Newberry Opera House, completed in 1998, was a \$6 million

undertaking that would return the building to its former glory, creating a centerpiece for the arts and entertainment in the city of Newberry. The restored Opera House has become the catalyst for the rebirth of downtown. The travel and tourism industries in Newberry have boomed. The restoration of the opera house has contributed \$52 million to the local economy and directly helped create approximately 100 new jobs in local hotels, restaurants, and shops.

The effect of historic preservation on job creation is similar statewide. In South Carolina, historic preservation activities directly result in the creation of 400 jobs. The majority of these jobs are in construction, architectural services and related activities. However, the creation of these jobs results in an additional 369 jobs, creating a domino effect in local job markets. These jobs are the result of the income created through historic preservation cycling through the local economy.

These impacts noted above are only those associated with the direct rehabilitation of properties in South Carolina. In addition to the economic activity generated directly from the construction activities, historic preservation also has a tremendous impact on the tourism

industry. If the jobs directly created through heritage tourism are included, historic preservation and historic preservation related activities directly create 9,497 jobs in South Carolina—comparative to many of the state’s



The historic Newberry Opera House was constructed in 1881 and today remains a centerpiece of Newberry's historic downtown.

largest employers including such companies as Michelin North America, Milliken & Company, and Blue Cross and Blue Shield of South Carolina (source: SC Business 2002, v. 22).

The figures below clearly show that preservation activities are extremely beneficial to local job markets. Historic preservation, when coupled with a growing economy, acts as a catalyst for growth in struggling urban areas by



The revival of Newberry's Opera House has stimulated the local economy and encouraged businesses to return to Main Street.

encouraging new businesses to locate in empty downtown buildings and storefronts. Once businesses begin to return to these areas, local residents and tourists are encouraged to return. As a result, these visible preservation successes lead to increased economic investment and financial strength for historic commu-

nities and with financial success comes an increase in job production and availability.

Men At Work: Historic Preservation On The Job



Workers in these photos are seen engaging in the exacting tasks of historic renovation and preservation.

Above: Workers are removing paint from the balustrade of an historic residence.

Right: Workers prepare to reglaze an historic window sash.

Historic Preservation Employment Impact

Historic preservation directly creates approximately 400 jobs per year. In addition, 369 jobs are created indirectly as a result of these projects.



PRESERVATION AND PROPERTY VALUES

“Houses within the historic district sell for a premium and many are willing to pay more to live, work, and play in this unique environment. Nationwide there has been a resurgence of interest in preservation of historic structures. Even in new construction, the trend seems to be toward “New Urbanist” traditional architecture.”

—Donna Alley,
Preservation Planner for the City of Beaufort

The Beaufort Historic District was listed in the National Register of Historic Places in 1969 and has since achieved National Historic Landmark status. The picturesque port town is located on Port Royal Island, one of 64 Sea Isles, which make up Beaufort County. Beaufort, the second oldest town in South Carolina, was founded in 1711.

In the last reassessment of property in Beaufort County, many historic properties tripled in value. At the time, this seemed somewhat inflated. But as the next reassessment nears, most property owners are secure in knowing that the reevaluation is an accurate reflection of “real” property values based upon what has occurred with sales and re-sales in the district during the past five years.

Currently there are approximately 150 National Register historic districts in South Carolina. In addition, there are more than 30 districts designated as historic by local governments. Properties located within these districts



Historic Beaufort’s notable homes and tree-lined streets attract homebuyers from across the country.

are subject to restrictions and guidelines designed and enforced by a local board to ensure that the historic integrity of contributing properties is protected. These could include approval for exterior changes, new construction, demolition or additions. Guidelines and restrictions help safeguard the district. Property owners in these areas are assured that neighboring and adjacent properties will be maintained to a certain level and the historic appeal and integrity of the community are preserved.

In a recent study of locally designated historic districts by the South Carolina Department of

Archives and History, it was found that local designation had a positive effect on properties located within these areas. Properties within local historic districts are worth more, appreciate faster, and retain more of their value than properties located outside the district. In some communities properties located within these districts were as much as

36 percent more valuable than those located outside the district.

Some examples are:

- ▲ **Aiken:** Prices of houses within historic districts were statistically higher than other downtown houses
- ▲ **Anderson:** Houses within local historic districts were 36 percent more valuable than similar non-district houses
- ▲ **Beaufort:** The average house in the historic district sold for 21 percent higher than an identical house outside the district

▲ **Columbia:** House prices increased faster in protected neighborhoods than the market as a whole

▲ **Georgetown:** Houses in the local historic district were worth 11 percent more than similar houses not in the district

▲ **Greenville:** The mean price per square foot of houses within two local historic districts jumped significantly following their designation

▲ **Rock Hill:** Local designation was a positive factor in predicting the price of the house

▲ **Summerville:** Houses located within the local historic district were 23 percent more valuable than similar houses outside the district

▲ **Sumter:** A 17 percent premium was paid for houses within the district

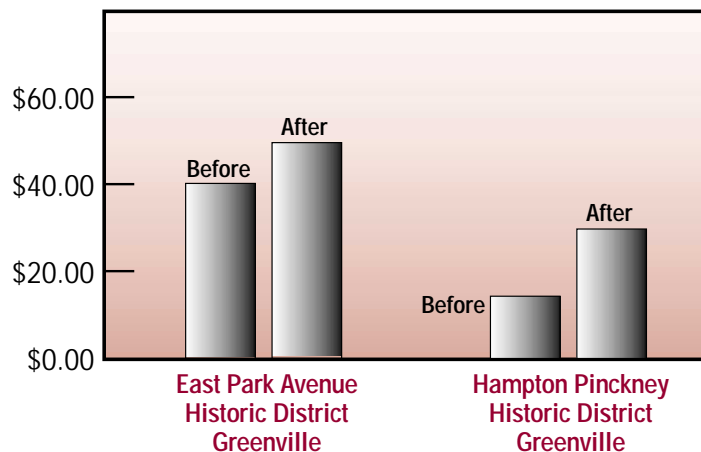


Mature trees and sidewalks create a peaceful atmosphere in Columbia's Elmwood Park neighborhood. Since the neighborhood adopted its preservation ordinance in 1974, property values have risen steadily and area homes have been restored to their original glory.

Historic districts have become desirable places to live. With the renewed interest in “downtown living,” residents are rediscovering the neighborhoods of old that offer large yards, mature trees, and a distinct character that can not be found in the suburbs of the 1960s and 1970s. Tree shaded streets, side-

walks, neighborhood schools, and corner stores all combine to create a nostalgic atmosphere that cannot be replicated in newer suburban areas. Prices for homes in downtown historic districts across the state are at an all time high, kept there because buyers are willing to pay more for what is conceived as an improved quality of life. Owning property within these districts is seen as a good investment. Design review in these neighborhoods assures that the buyer’s investment will remain safe by overseeing all changes made to homes within the area and monitoring new construction to ensure its compatibility. As a whole, historic downtown neighborhoods are making a comeback, which is good for both the investor and the towns in which they are located.

**Mean Price Per Square Foot:
Before and After Local Historic Designation**



SOURCE: South Carolina Department of Archives and History

PRESERVATION AND HERITAGE TOURISM

“Much of the downtown retail is dependent almost exclusively on tourism dollars. Abbeville’s downtown is alive today because of the heritage tourism industry. It drives the opera house as well as the local restaurants and stores. Without tourism we would have closed up shop long ago.”

—Vicki Burt
Abbeville Chamber of Commerce

Abbeville, named after a French town, was founded in 1785 in an area inhabited 30 years before by French Huguenot settlers. The town became an overnight stop on the New York-to-Atlanta railway around 1890, and as a result enjoyed a short period of prosperity. In 1908, Abbeville constructed an opera house in its new municipal building, both located on a public square. The massive Belmont Inn, originally called the Eureka Hotel, opened in 1902 and was considered *the* place to stay during Abbeville’s boom era. Touring companies performing at the Abbeville Opera House lodged at the hotel, as did tourists and traveling salesmen. Following the Depression and the re-routing of the railroad, Abbeville’s success declined and took much of the Eureka’s business with it. Today both the Opera House and the Inn encourage tourists to visit the area and stay overnight.

The economic livelihood of the town of Abbeville is rooted in the Heritage Tourism

industry because of its historic town square, historic district, opera house, and historic house museums. In the year 2000, approximately 8,900 people visited Abbeville’s historic district coming from 49 states and 17 foreign countries. In 2001, visitation was down, but the town managed to attract just over 7,000 visitors. Because of Abbeville’s close proximity to Greenwood and many new “big box” retailers, traditional clothing stores and shops do not survive on Abbeville’s square. For this reason, retail geared toward the tourist industry has been most successful.



Colorful storefronts form a picturesque backdrop for Abbeville’s historic town square. Ample parking and wide sidewalks help to make the square a tourist-friendly area.

Tourism is South Carolina’s largest industry, according to the South Carolina Department of Parks, Recreation and Tourism. The fastest growing facet of that industry is heritage tourism, which is defined as “traveling to experience the places and activities that authentically represent the stories and people of the past.” Included in this category would be historical

places, museums, cultural events, festivals, and national or state park historic sites.

By that definition, it is easy to see why over 4 million tourists visited South Carolina heritage sites in 2001. With sites as rich and historic as Kings Mountain and Penn Center, the square in Abbeville, the Newberry Opera House, the State Museum, and Charleston’s Battery, South Carolina has a varied canvas of historic sites to attract and entice visitors to the state

Nationwide, Heritage Tourism is a \$57 billion industry according to a recent American travel survey. In South Carolina, it is estimated that heritage tourism generated \$325.6 million in

direct spending and created approximately 9,097 jobs. Heritage tourists tend to stay longer, spend more and visit more sites than traditional tourists. According to a recent study by the Travel Industry Association, heritage tourists spend an average of \$688 per trip — about 62 percent more than the average tourists spends.

Heritage tourism is a driving force in South Carolina's economy. The preservation of historic sites, structures, and districts has played a key role in attracting heritage tourists to the area. By continuing to preserve



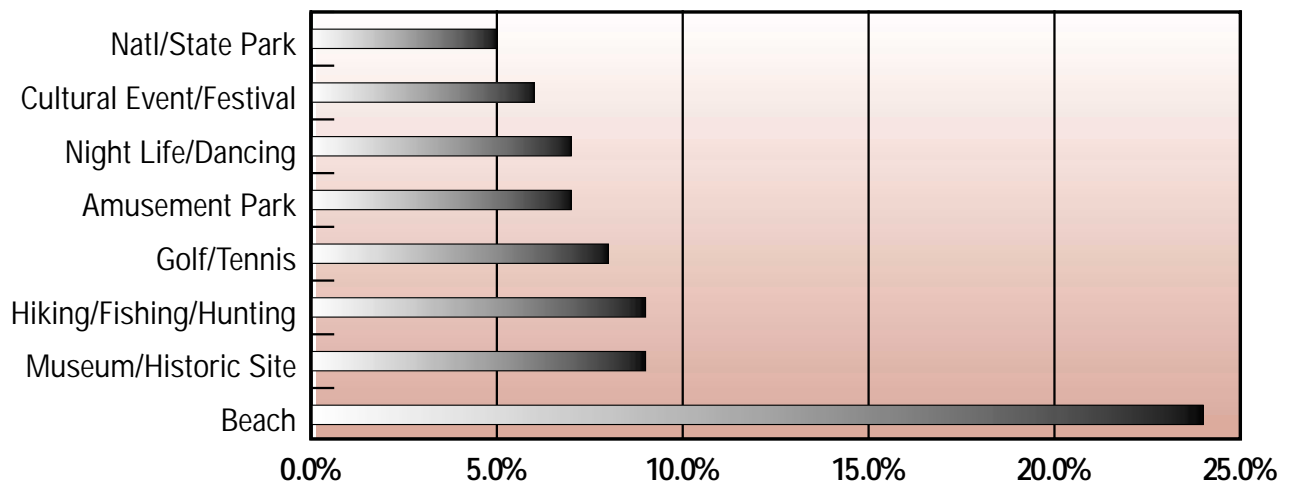
PHOTO BY VON LAMBERT

Historic buildings and recreated fence designs give visitors to Historic Brattonsville a feeling that they have stepped back in time.

historic landmarks and sites, South Carolina can be assured that the tourist industry will continue to grow and produce much-needed revenue for the state. Heritage tourism is also beneficial on the local level. The preservation of historic districts and sites encourages tourists to visit smaller South Carolina towns where they, in turn, spend money in local stores, restaurants, and hotels. All in all, historic preservation is beneficial on both the local and statewide levels by promoting heritage tourism and drawing supplementary revenue into the state each year.

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South Carolina Visitors: Leisure Activities



The South Carolina Visitors Leisure activities graph was found in: "The Tourism Industry in South Carolina 1997 Executive Summary" released by SC Dept of Parks Recreation and Tourism

PRESERVATION AND DOWNTOWN REVITALIZATION

“The 1980s were the low point for downtown Conway. The town was nearly dead. It took the joint effort of property owners, the city, and Horry County to bring business back to Main Street and the Historic District. The draw of downtown Conway is its uniqueness. I’ve heard it described in many ways, from ‘Little Mayberry’ to something out of ‘It’s a Wonderful Life.’”

— Jennifer Perrin,
Project Manager of Conway Main Street USA

“[Preservation] has made downtown Conway an exciting place to be, so people want to do business here. There are 100 buildings in the commercial district and we currently have a 95 to 96 percent occupancy rate. It has made it an attractive place to be so people want to occupy the buildings and open stores.”

— Jason Collins, Planner, City of Conway

Established in 1733 on what was then South Carolina’s colonial frontier, Conway is one of the oldest towns in South Carolina. A walk along the riverfront is a pleasant reminder that Conway has a rich history. In the 1870’s, Conway boomed as an export center for timber products, shipping tar, pitch, turpentine, and pine lumber around the world. The railroad came to Conway in 1887, and a few years later a group of Conway businessmen extended it to the coast, creating the



Conway’s Main Street combines retail and residential space that today boasts a 95% occupancy rate.

Downtown Conway Statistics (1986-01)

Business openings.....	164
Business Expansions	34
New jobs created	442
Facade Improvements	218
Private Money Reinvested.....	\$14,286,299

resort town of Myrtle Beach. Today, Conway is a pleasant, riverside town of quiet neighborhoods, historic structures, and a lively commercial district. A recent article in the Myrtle Beach Sun-News touts Conway as “the best example along the Grand Strand of how downtown revitalization has brought a dying city to life.”

Today, historic buildings help draw customers and retailers. Conway is in a unique situation because of its proximity to Myrtle Beach. Local people tend to shop in Conway rather than fighting the beach traffic to the local malls. Conway is also marketed as a day trip destination for beach goers who are looking for an escape from the hubbub of the grand strand.

The resurgence of Conway’s downtown mirrors a nationwide trend. Across the country, there has been a movement to recycle historic buildings and begin to utilize existing infrastructure rather than building farther and farther from city cores. The National Trust for Historic Preservation’s Main Street Program has provided guidance, funding, and training for communities

wanting to restore their downtowns. Over 20 years, \$15.2 billion has been invested in down-

towns nationwide, creating 206,000 jobs, 52,000 businesses and rehabilitating 79,000 buildings (Miley Study).

South Carolina has also seen a boom in downtown revitalization. Besides Conway, Newberry, Camden, Greenville, York, and Hartsville are examples of communities that have invested time, money, and imagination to transform their downtowns and to create jobs and economic investment instead of continuing to watch historic buildings crumble.

Each community has gone about the process differently but all have followed the simple philosophy of downtown economic development through historic preservation. The Municipal Association of South Carolina (MASC) through its Community Builders Program is the state's National Trust Main Street partner. According to Community Builders, from 1984-2000 downtown revitalization resulted in total reinvestment of \$375 million—creating 6,153 jobs, 1,752 businesses and rehabilitating 1,597 buildings. In addition, the number of active Main Street programs increased 400 percent from 5 to 25 statewide.



Historic Beaufort's Main Street success has come as a result of increased tourism dollars and an influx of investment capital from outside sources.

that was once only enjoyed by cities such as Charleston and Beaufort has now expanded to smaller towns and communities; each with a unique downtown setting that offers tourists a look at small-town life in South Carolina.

Downtown revitalization has also encouraged



Outdoor seating at restaurants and open doors to shops are some of the benefits that have helped to revitalize Greenville's Main Street. Traffic calming elements such as landscaping, easily discernable cross walks, and street narrowing have helped to create a pedestrian friendly atmosphere.

local residents to move back into the cities, making downtown a trendy place to live and work. Mixed-use spaces along Main Streets in towns like Greenville and Conway ensure that the downtown area is not abandoned at 5 p.m. and lends life to the streets at night. Restaurants and bars also create a nightlife in storefronts that were once dark as soon as the work day was done. Downtown revitalization and redevelopment has proven to be economically beneficial for towns across South Carolina, bringing in economic investment and tourism dollars to local economies.

PRESERVATION AND AFFORDABLE HOUSING

“[Preservation] is a top priority for downtown Bennettsville. Having people live downtown can be a catalyst in helping bring more businesses and greater economic development to the heart of our city.”

Bill Kinney,
Publisher of the Marlboro Herald Newspaper

The county seat of Marlboro is the city of Bennettsville, which was founded in 1819 and named after Governor Thomas Bennett. Marlboro County has always been largely agricultural and remains so today. It was once one of South Carolina’s wealthiest counties, and Bennettsville contains many beautiful old homes and handsome commercial buildings from the nineteenth and early twentieth centuries.

A symbol of South Carolina’s grace and charm, Bennettsville is a reminder of another era. In 1978, the central part of the town was listed in the National Register of Historic Places as the Bennettsville Historic District.

Today, however, Marlboro County struggles with a low per capita income and high unemployment. In 2001, the county had an unemployment rate of 13.4 percent, the third highest of any county in the state. The weak economy of the county has affected Bennettsville’s downtown commercial district. In 2001, seven commercial buildings sat vacant in the downtown—a far cry from its prosperous past. In partnership with the Town of Bennettsville, Landmark Asset Services Inc. (LAS) stepped in and has committed to



Bennettsville’s revitalization efforts have been successful in part because of the heavy investment in mixed-use renovations of historic buildings along Main Street.

invest \$2.6 million in the downtown area to renovate and restore the vacant buildings, turning them into 23 loft style apartments with 9 retail spaces below. Twenty-two of the 23 apartment units created above the retail spaces will be restricted to low and moderate income tenants, helping to meet Bennettsville’s need for affordable housing and bringing residents downtown. The project will create 13,000 square feet of

retail and office space in 9 storefronts, creating an estimated 26 jobs.

Bennettsville is following the lead of other communities across South Carolina in creating affordable housing by rehabilitating historic buildings—communities such as Charleston, Union, Columbia, Abbeville, Chester, Clinton, Great Falls, Spartanburg, and Laurens. Rehabilitation of historic buildings is helping to meet the state’s critical need for affordable housing. According

to the South Carolina State Housing Finance and Development Authority, low and moderate income citizens in the state face high housing costs, which they often cannot afford without a severe cost burden. For example, households in the lowest income bracket (median household income of \$13,800) can afford only about \$345 per month for housing; they are not likely to find suitable housing within that cost range. Waiting lists for assisted housing confirm the need for affordable housing. Financing from programs such as Community Development Block Grants and the South Carolina Housing Trust Fund as well as equity from the sale of federal low-income housing tax credits and historic rehabilitation tax credits have helped

make historic preservation/affordable housing projects successful.

In the 1970s and 80s, Charleston was a pioneer in assisting home ownership by low and moderate income residents in two of the city's decaying historic neighborhoods. Between 1972 and 1986 the Historic Charleston Foundation, sometimes in partnership with the City of Charleston, purchased, rehabilitated, and resold 17 houses in the Wraggborough and Radcliffeborough neighborhoods with the goal of providing home ownership for low and moderate income families.

In the 1990s, Historic Charleston Foundation, the City, and nonprofit organizations continued to assist the creation of affordable housing in the deteriorated historic neighborhoods in the northern sections of the peninsula. For example, the Charleston Housing Authority made a major investment in historic preservation and affordable housing in the mid-1990s by spending over \$4.7 million in the rehabilitation of the William Enston Home—a complex including an entrance gate, 24 cottages, a chapel, and an

engine house on north King Street. The late nineteenth century Romanesque Revival style complex, which was created to provide housing for the aged and infirm, was listed in the National Register in 1996. Today the once deteriorated and partially vacant complex provides 58 low and moderate income housing units in a beautiful landscaped setting.

Union was one of the first small communities in South Carolina to pair historic preservation with affordable housing. By the 1980s, the once grand Fairforest Hotel, constructed in 1927 and listed in the National Register, had become a

run-down, mostly vacant establishment. When a local bank foreclosed on the Fairforest in 1985, the building was given to the Town, which hoped to restore the Fairforest as a fine hotel. After numerous attempts failed, the Downtown Union Revitalization Association partnered with the Town of Union and Landmark

Asset Services, Inc. to rehabilitate the hotel as apartments for the low-income elderly, with nonresidential use in the storefronts. The \$2.5 million project took several years, but when the rehabilitation was



This rehabilitated cottage, one of 24 in the William Enston Home complex, is now a duplex. The complex provides low to moderate income housing for citizens on the upper peninsula of Charleston while preserving a significant example of Romanesque Revival architecture.



In 2000, the city of Columbia celebrated the opening of the Wardlaw Apartments. Providing housing for senior citizens, the once vacant and crumbling Wardlaw Junior High School was again a valuable community asset. Similar projects to turn aging school buildings into housing for South Carolina's elderly community have been undertaken across the state.

complete, it was a great success. The 41 attractive and spacious apartments and 4 storefronts rented quickly. This project led to several other affordable housing projects in historic buildings in downtown Union and spurred revitalization of the downtown, bringing in new businesses. According to Fred Delk, former director of the Downtown Union Revitalization Association, the projects have provided attractive, affordable housing for people who need it and the presence of these people has strengthened the downtown.

In Columbia, Wardlaw Junior High School, constructed in 1927 with Gothic details, was a beloved and highly visible landmark in the Elmwood Park neighborhood. The building, which housed the first junior high school in Columbia, was listed in the National Register in 1984. Soon after that the school district vacated the building, and for almost 15 years Wardlaw

Junior High School sat vacant and deteriorating, becoming a neighborhood eyesore. In 1999-2000, United Housing Associates, Inc. invested over \$7.5 million into rehabilitating the old school for use as housing for senior citizens. The adaptive reuse took advantage of historic features of the building such as the center courtyard area, the wide corridors, and high ceilings. Today the rejuvenated landmark enhances the beauty of the neighborhood and provides 66 attractive apartment units for senior citizens.

Historic preservation and affordable housing are effective partners. Rehabilitating historic buildings for use as affordable housing helps meet the demand for low-cost housing units. In addition, it stimulates local economies by supporting local businesses, creating jobs, generating tax dollars, and bringing new life to downtowns and neighborhoods.

Bennettsville Case Study

Affordable Housing Units Created	22
Taxable Wage Income	\$1,192,050
Income Tax Generated	\$83,443
Taxable Materials	\$1,059,600
Sales Tax Generated	\$52,980
New Jobs Created	26
New Taxable Income Generated (annually)	\$351,000
Income Tax Generated (annually)	\$17,518
Sales in Commercial Space (annually)	\$975,000
Sales Tax Generated	\$17,379

SOURCE: LANDMARK ASSET SERVICES

CONCLUSION

This report outlines the incredible economic impact that historic preservation and heritage tourism have statewide. Historic preservation and rehabilitation in South Carolina have the potential to greatly increase future economic growth within the state. With the introduction of the South Carolina Historic Rehabilitation Incentives Act, property owners will now have added incentive to preserve their historic structures. The act will both lower the cost of residential rehabilitation projects and increase the expected rate of return to commercial projects. An increase in projects will result in an increase in preservation-related spending thereby benefiting the local and state economy.

If the Historic Rehabilitation Incentives Act and other policy initiatives increased the statewide rehabilitation rate from 1 percent to 1.5 percent, South Carolina could reap even greater

economic gain. This could mean total economic spending of \$110.3 million, total labor earning impact of \$33.1 million, and a total employment impact of 1,154 jobs. The increase represents an increase of \$36.8 million in total spending, \$11.1 million increase in labor earning, and an employment increase of 385 jobs.

In addition, economic successes in towns such as Newberry, Greenville, and Conway will continue to encourage similar revitalization in communities across the state. No matter how the effects are measured, it is obvious that the communities that have taken the time and made the effort to protect their historic resources have stronger, healthier economies because they have the ability to benefit from heritage tourism dollars. By preserving historic downtowns and neighborhoods, these communities maintained their unique qualities and characteristics and kept from becoming Anytown, USA.



FOR MORE INFORMATION



PALMETTO CONSERVATION FOUNDATION

1314 Lincoln Street, Suite 213
Columbia, SC 29201
(803) 771-0870
www.palmettoconservation.org



SOUTH CAROLINA DEPARTMENT OF ARCHIVES AND HISTORY

8301 Parklane Road
Columbia, SC 29223
(803) 896-6100



THE PALMETTO TRUST FOR HISTORIC PRESERVATION

8301 Parklane Road
Columbia, SC 29223
(803) 896-6234

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On the back cover:
Top: Before and after photos of Kensington Mansion.
Bottom: Before and after photos of the West End Markets in Greenville.

The Benefits Of Preservation

"Smiling Faces. Beautiful Places." This is the slogan tourism officials use when they entice visitors to South Carolina. But since history, culture and historic sites are a major reason why people travel to the Palmetto State, we could modify that slogan slightly to: "Smiling Faces, Historic Places."

South Carolina's rich and varied heritage is reflected in its historic architecture. The state has more than 12,000 listings in the National Register of Historic Places and over 150 historic districts. This unique environment appeals to tourists and attracts new residents. Property values in our historic areas are often higher than in adjoining communities.

Continued growth — while good for the state economically — sometimes occurs without consideration for our state's historic resources. Redevelopment projects often help emphasize that preservation can equal economic benefits for business and property owners.

In this important study, learn how we can use our past to ensure a better future for the Palmetto State. "Smiling Faces, Historic Places" concludes that historic preservation:

- ▲ Creates jobs
- ▲ Increases property values
- ▲ Inspires heritage tourism
- ▲ Spurs downtown revitalization
- ▲ Stimulates the economy

A joint project of the Palmetto Conservation Foundation, Palmetto Trust for Historic Preservation and South Carolina Department of Archives and History, "Smiling Faces Historic Places" also includes detailed economic analysis by Miley & Associates of Columbia, S.C.



PO Box 1984, Spartanburg, SC 29304
www.palmettoconservation.org

