

Heritage Resources: An Essential Component of the Strategic Factors

The organizers of the 40th World Congress of ISoCaRP have identified what they see as the five most important strategic issues in relation to the structure and management of urban regions: Direct competitive factors; Indirect competitive factors; Cohesion; Environment; and Governance.

These five factors are both complex and inter-related, and surely there is much to learn about how cities and regions around the globe are responding to these issues.

But there is a core strategy that, when effectively adopted and implemented at the local level, will qualitatively and quantitatively enhance the competitive position of the city – the protection, enhancement, and reuse of heritage resources.

Heritage conservation has traditionally been promoted on cultural, aesthetic, and educational grounds. Over the last decade the preservation and adaptive reuse of those resources has become an integral component of broader urban strategies.

Direct competitive factors

Heritage conservation has often been portrayed as the alternative to economic development – “either we have historic preservation or we have economic growth.” This is absolutely a false choice. Increasingly around the world historic preservation is becoming a direct factor for economic growth.

Historic preservation has moved from being an end in itself (save old buildings in order to save old buildings) to being a vehicle of broader ends – center city revitalization, job creation, cultural stewardship, small business incubation, housing, tourism, and others. The successful strategies of utilizing historic preservation as a tool of economic development seem to have several common denominators:

1. Major landmarks and monuments need to be identified and protected, but
2. Historic resources are far more than monuments and often are vernacular buildings.
3. Groups of buildings rather than individual structures are often what are important.
4. The vast majority of buildings of “historic importance” have their importance defined by their local significance, not national or international importance.
5. Adaptive reuse of functionally obsolete buildings is central to an effective heritage conservation as economic development strategy.
6. Authenticity is an important element in sustainable historic preservation based success.

Using historic preservation as a direct competitive factor has several measurable benefits:

Job creation The labor intensity of building rehabilitation generally means that there is a greater local economic impact in jobs and income than with the same amount spent on new construction.

Job training and skills passing The local craftsmanship of the building process can often be nearly lost in a generation but instead can be passed on through historic preservation, creating jobs and skills simultaneously.

Import substitution A central strategy in building a sustainable local economy is import substitution – creating locally what otherwise would have to be purchased elsewhere. Almost by definition historic preservation is locally based, using expertise, labor, and materials from the local market. Often new

construction is the opposite, requiring the importation of expertise, materials, and often labor from elsewhere.

Compatibility with modernization There are certainly many historic buildings that don't currently meet today's standards for comfort, convenience, and safety. But over the last two decades great strides have been made around the world in the methods of bringing historic buildings into compliance with modern demands without harming their physical structure or their architectural character. Most components for modernization – water and sewer lines, telephone cables, electric wires, even high speed computer data transmission lines – can be put in place almost invisibly – often underground – without jeopardizing the individual historic resources or their important context and interrelationships.

Adaptability Once there is an acknowledgement that effective historic preservation isn't just museums and the concept of adaptive reuse is adopted, historic buildings have proven themselves remarkably versatile in responding to the demands of the widest imaginable range of uses.

Most effective venue for cultural goods and services For communities that have cultural assets and crafts products that represent economic opportunity, historic buildings often constitute the most appropriate physical locations for the manufacture, sale, and display of goods and the presentation of productions. The physical context of the historic building adds to the sense of authenticity, originality, and indigenoussness of the art.

Natural business incubator for small enterprises Regardless of a nation's overall economic or social system, entrepreneurship nearly always begins on a small scale – a one or two person operation. The size, location, character, and often pricing of historic buildings means that they frequently serve as natural incubators of emerging enterprises.

Opportunity for tourism While tourism will be one of the fastest growing segments of the world's economy in the 21st Century, not every city can or should look to tourism as a major portion of its economic base. There are cultural, economic, logistical, sometimes even religious reasons why tourism isn't appropriate for every locale. Further, it would be a mistake to inflexibly connect "historic resources" and "tourism" – there are far more avenues by which historic buildings can be used. In the U.S., for example, 99% of all of the historic resources in productive use have nothing whatsoever to do with tourism. That having been said, when tourism is identified locally as a component of an overall economic development strategy, the identification, protection and enhancement of the city's historic resources will be vital for a successful tourism effort.

Indirect competitive factors

In countries rapidly moving toward a post-industrial economy, the most valuable resource is knowledge workers – a growing segment of the world's labor force. Those workers are increasingly choosing where to live based on quality of life factors and on the differentiation of the place they choose to call "home". Heritage resources are a major contributor to both the quality of life equation and differentiation.

Significant recent research has been done in the U.S. regarding what has been termed the "Creative Class". Included in this group are high-tech engineers, web-page designers and computer programmers, but also educators, artists, musicians, architects, and writers among others – in short those who might be expected to prefer the "smart city". What has been learned is that this "creative" class is not randomly distributed around the country, but concentrated in places that pay attention

to certain quality-of-life variables, including their historic built environment. Examples of these cities include Seattle, Boston, Austin, Portland and San Francisco. Conversely, cities that either don't have a concentration of historic resources or have neglected them are paying the consequences. A leading business journalist in Phoenix noted, "Our lack of old buildings and authentic urban neighborhoods puts us at a huge disadvantage in attracting top talent." The sterility of the modern office "park" is antithetical to the physical environment desired by the creative class. But it is important to note that the cities above haven't frozen their heritage buildings as museums, but have actively conserved and adaptively reused them to meet the needs of 21st Century activities.

In the 21st Century an economically competitive city will need to be a Smart City. What is a Smart City? To some it means bandwidth, e-commerce and automated people movers. Of course those technological attributes are necessary for a Smart City, but by themselves are insufficient. John Eger is the CEO of the World Foundation for Smart Cities. When asked about the technical details of the Smart City Eger responds, "Yes, high speed internet access is important. But you know what? That's not that hard to get, but that isn't what is going to make Smart Cities. Smart Cities are those that value their local culture, that preserve their historic buildings, that revitalize their downtowns." So technology is an important tool, but it isn't the core of an intelligent city.

Another of the less measurable indirect competitive factors related to heritage resources lies in the philosophical examination of the relative significance of space versus the importance of place. Not long ago with the creation of the Internet, the growth of telecommunications, and the ability to work around the globe from one's house, there were predictions that the significance of one's physical place would diminish in importance. In fact the opposite has been true. The ability to work anywhere, the ability to electronically be everywhere, has increased our need to be somewhere – somewhere in particular, somewhere differentiated. The internet exists only in space; humans who use the internet need a real place, a place of both substance and quality.

Probably no where in the world is there the concentration of professionals dealing with the internet, e-commerce, and the new economy than in Seattle, Washington. Pioneer Square in Seattle is one of the great historic commercial neighborhoods in America. The business management association there did a survey of why Pioneer Square businesses chose that neighborhood. The most common answer? That it was a historic district. The second most common answer? The cost of occupancy. Neither of those responses is accidental. The differentiated character and the affordability of the historic buildings of is what is attracting and keeping the "creative class" businesses in Pioneer Square.

In economics it is the differentiated product that commands a monetary premium. If in the long run a city wants to attract capital, to attract investment, it must differentiate itself from anywhere else. It is the built environment that expresses, perhaps better than anything else, a city's diversity, identity, individuality, in short its differentiation.

Cohesion

In defining the strategic factors, the ISoCaRP organizers have identified *cohesion* as "social cohesion, identity and feeling of belonging. Perhaps more than any other of the factors, heritage resources are a central ingredient for cohesion.

The most vociferous protests against globalization are not about economic globalization but rather cultural globalization, and the loss of local identity and sense of belonging. The adaptive reuse of

heritage buildings is an effective means of fully participating in economic globalization while mitigating the adverse impacts of cultural globalization.

Globalization, be it economic or cultural, means change – change at a pace that can be disruptive politically, economically, socially, psychologically. The adaptive reuse of the historic built environment can provide a touchstone, a sense of stability, a sense of continuity both to individuals and to societies that counteract the disruption and acceleration that too much of contemporary deconstructionist architecture certainly exacerbates.

In the United States historic preservation is the one form of economic development that is simultaneously community development. But that characteristic is not limited to the U.S. The Egyptian scholar Ahmed Oaf has described heritage revival projects in Cairo and Istanbul as being “a generator of economic and social community development”.

Cohesion, in part, must be generated by a citizen learning from the city. How does a city learn? Again, Dr. Ouf gives part of the answer: “Urban conservation, more than architectural preservation, is a local response to the global interest in urban heritage that opens opportunities for local community learning.” The Italian writer Italo Calvino puts it another way:

The city, however, does not tell its past, but contains it like the lines of a hand, written in the corners of the streets, the grating of the windows, the banisters of the steps, the antennae of the lightening rods, the poles of the flags, every segment market in turn with scratches, indentations, scrolls.

The intelligent city certainly accommodates the technology of the 21st Century, but it does so in part by the adaptive reuse of its historic buildings. The intelligent city learns from its own history, written like the lines on the hand of its heritage resources.

Environment

One doesn't often think about the environment in relation to the demolition of historic buildings. Land fill throughout the world is increasingly expensive in both dollars and environmental quality. In the United States a quarter of everything dumped at the landfill is from construction debris – 140 millions tons a year. Worldwide we diligently recycle our Coke cans; we do it because it's good for the environment. But today when we tear down one small, two-story masonry building we have now wiped out the entire environmental benefit from the last 1,344,000 aluminum cans that were recycled.

The demolition and disposal of heritage buildings has a high cost to the natural environment. More important, however, is that their careless demolition represents the diminution of the human and cultural environment.

But obviously concern for the environment is more than land fill. In the United States the Smart Growth movement emerged in response to a series of trends that for 50 years have been deteriorating the quality of urban life. These trends include: loss of farmland, suburban sprawl, increased automobile dependence, traffic congestion, declining central cities, development patterns that ignored the needs of pedestrians, degradation of both water and air quality, and loss of a sense of community.

The historic preservation movement has been at the forefront of the Smart Growth movement from the beginning. Much of the credit for energizing citizen activists who have lead the Smart

Growth movement can be traced to the publication of the book, *Changing Places: Rebuilding Community in the Age of Sprawl* written by Richard Moe (1997), president of the National Trust for Historic Preservation.

There is no movement in America today that enjoys a more broad based support across political, ideological, and geographical boundaries than does Smart Growth.

Now with a decade of experience upon which to draw, historic preservation is seen as the pivotal policy in effective Smart Growth efforts. In fact more than that, it has now been recognized that an effective heritage conservation strategy is, in and of itself, an extraordinarily effective Smart Growth strategy. The reasons for this conclusion are multiple, but include the following:

1. Public infrastructure. Almost without exception historic buildings are where public infrastructure already exists. No new water lines, sewer lines, streets, curbs gutters required.
2. Municipalities need financial resources if they are going to grow smart. Vacant, unused, and underused historic buildings brought back to life are also brought back as tax generating assets for a community.
3. New activities – residential, retail, office, manufacturing – in existing historic buildings inherently reinforce the viability of public transportation.
4. Based on the foolishness of post World War II planning and development patterns, uses in North America have been sharply separated. Historic neighborhoods were built from the beginning with a mix of uses in close proximity. Cities with the foresight to readjust their zoning ordinances to encourage integration of uses are seeing that interconnectivity re-emerging in historic areas.
5. *Smart Growth* is not “no growth”, and is consistent with advocacy for local economic development. *Smart Growth* suggests that growth has positive benefits. At the same time one cannot claim to be having smart growth – regardless of how well it is physically planned – if at the same time existing assets are being abandoned. The encouraged reinvestment in historic areas revitalizes and re-values the nearby existing investment of both the public and private sector.
6. Smart Growth is also about creating local jobs. In the United States there is a substantial difference in the local economic impact between building new and rehabilitating an existing building. As a general rule new construction is 50 percent labor and 50 percent materials. Rehabilitation, on the other hand, is 60 to 70 percent labor. The purchase of heating systems, sheetrock, and timber generally means sending dollars out of a community. On the other hand the services of the carpenter and plumber, painter and electrician are usually purchased locally. Those tradesmen subsequently spend their pay check for a haircut, groceries, and a new car. This labor intensity results in a significantly greater local economic impact dollar for dollar with rehabilitation than with new construction.
7. Smart Growth strategies advocate a density of use. Historic residential and commercial neighborhoods are built to be dense.

8. No new land is consumed when rehabilitating a historic building.
9. Historic preservation constitutes a demand side approach to Smart Growth. Acquiring greenbelts around cities or development rights on agricultural properties are certainly important and valuable tools in a comprehensive Smart Growth strategy. But they only reduce the supply of land to be developed – they do not address the demand for the use of that land. In the US the conversion of a historic warehouse into 40 residential units reduces the demand for ten acres of farmland. The economically revitalization of downtown reduces the demand for another suburban shopping center. The restoration of the empty 1920s skyscraper reduces the demand for another glass and chrome building at the office park. It isn't that supply side strategies aren't useful, but without demand side responses, their success will be limited at best.

The Smart Growth movement has a clear statement of principles, and here it is:

- Create range of housing opportunities and choices
- Create walkable neighborhoods
- Encourage community and stakeholder collaboration
- Foster distinctive, attractive places with a Sense of Place
- Make development decisions predictable, fair, and cost effective
- Mix land uses
- Preserve open space, farmland, natural beauty and critical environmental areas
- Provide variety of transportation choices
- Strengthen and direct development toward existing communities
- Take advantage of compact built design.

If a community did nothing but protect its historic neighborhoods it will have advanced every Smart Growth principle. Heritage conservation is not just consistent with *Smart Growth*. A growth strategy that doesn't have heritage conservation at its core is, quite simply, stupid growth.

Governance

World-wide, heritage conservation has been a frequent method in establishing public-private partnerships and creating a connection between local government and its citizens.

Heritage conservation also has numerous attributes that warrant using preservation as an economic development tool from a public policy and a governance perspective.

Targeted areas Historic buildings are usually located in areas that are otherwise determined as appropriate targets for public intervention – center cities, close in residential neighborhoods, rural villages.

Not a zero-sum game Many approaches to economic development are essentially zero-sum games. That is to say, for city A to succeed city B has to lose (a factory recruited from place A to relocate to place B, for example). Because nearly every city has its own historic resources that can be used to house a variety of activities, for one city to benefit from the adaptive reuse of its historic structures in no way precludes another city from doing so as well.

Geographically dispersed Related to the above, public officials and NGO institutions do not have to limit a strategy to a single geographic area (city instead of village; coast instead of inland, for example). Because cities are geographically dispersed throughout a province, an economic development strategy based on the use of historic resources also automatically becomes a geographically dispersed strategy.

Range of project scales A variety of factors will affect the public sector's ability to implement plans on a large scale. Financial constraints, political factors, environmental concerns are all reasons that the "big project" is often delayed or shelved. Historic preservation, however, can be done at virtually every scale, from the smallest shop building to the massive revitalization of areas in large metropolitan regions. The smaller projects can proceed while larger ones are still on the drawing board.

Counter-cyclical One obvious result of globalization is that today no city in either a market or a non-market economy is immune to the ups and downs of world wide economic cycles. Because of their scale, cost and labor intensity, heritage conservation projects are often possible even in down cycle periods, providing a measure of job and income stability to a local economy.

Incremental change It isn't inherently change that seriously adversely affects a local economy and its culture; it is change that is rapid, massive, and beyond local control. Historic preservation by definition is an incremental strategy within the framework of an existing city, not an immediate and overwhelming type of change that often leads to feelings of powerlessness locally and a decline in the sense of community.

Good base to build NGOs Non-governmental organizations (NGOs) have proven themselves to be singularly effective in responding to serious issues on a grass roots level in every corner of the globe. They have tackled and solved local problems that neither government nor, in market economies, the private sector have been able to effectively address. In historic preservation in particular, the NGO sector has been most effective in advocacy, in education, and in the creative reuse of historic buildings. If it is public policy to encourage and support a strong NGO sector, historic preservation activities can be an effective means to do so.

Modernization without Westernization Historic preservation as an active public policy is an effective way to allow for modernization to meet the public safety, comfort, and convenience needs of citizens without the Westernization or Americanization or McDonaldization of the local built environment and the concomitant loss of local character.

Conclusion

Heritage conservation has a critical role in all five of the strategic factors: direct competitive factors; indirect competitive factors, cohesion, environment and governance.

Heritage conservation can meet the test of both "quality" and "authenticity" that will be critical elements in economic development in the next century.

The cultural assets of a city – dance, theater, music, visual arts, crafts, and others – are inherently influenced and enhanced by the physical context within which they were created and evolved over the centuries. If cultural resources are to become and remain an economic asset for a city, then the physical context that has always influenced their creation needs to be

maintained. Otherwise more than just the physical buildings are at risk; the quality, character, differentiation, and sustainability of the other assets are in jeopardy as well.

Historic preservation allows a city to participate in the positive benefits of a globalized economy while resisting the adverse impacts of a globalized culture.

Historic preservation allows a city the opportunity to modernize without having to Westernize. More than that – historic preservation is the irreplaceable variable to achieve modernization without Westernization.

For the 21st Century only the foolish city will make the choice between historic preservation and economic development. The wise city will effectively utilize its historic built environment to meet the economic, social and cultural needs of its citizens well into the future.