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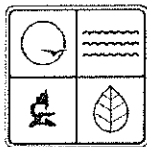
*The Missouri Department of Natural Resources
Outreach and Assistance Center
State Historic Preservation Office*

ECONOMIC IMPACTS OF HISTORIC PRESERVATION IN MISSOURI

Research Funding and Oversight

*Missouri Downtown Association
St. Louis, MO*

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Research Organizations

*Center for Urban Policy Research
Rutgers, The State University of New Jersey
New Brunswick, New Jersey*

Principal Investigators

*David Listokin
Mike L. Lahr
Kevin St. Martin*

and

*Nomel Francisco
Michele B. McGlyn*

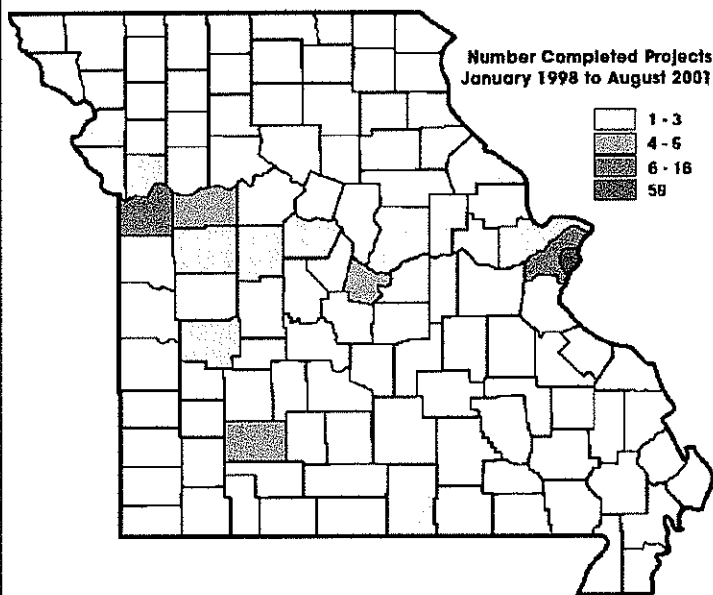
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*FRONT COVER PHOTO: Missouri/Sedalia Trust Company Building, Sedalia, also known as the Koppen Trust Company, was listed on the National Register of Historic Places in 1983.
Photo by Gerald Lee Gilleard*

BACK COVER PHOTO: Helping Hand Institute Building, Kansas City, was listed on the National Register of Historic Places in 2000. Built in 1915 as a refuge offering social services to the underprivileged, the building has undergone a \$4.2 million rehabilitation with assistance from historic preservation tax credits. It now provides modern loft apartments only a few blocks from the heart of downtown Kansas City.

HISTORIC PRESERVATION TAX CREDITS

Missouri Historic Preservation Tax Credit Projects Completed By County



Kevin St. Martin, CURP, Rutgers University, October 2001



Hotel Phillips, Kansas City, was listed on the National Register of Historic Places in 1979. Built in 1931, the hotel has undergone a \$20 million rehabilitation. The magnificently restored historic hotel attracts overnight business and leisure travelers as well as local guests in its food and beverage venues.

In many cases, the difference between a construction line and demolition line is the bottom line. Since its inception in 1998 the Missouri Historic Preservation Tax Credit Program has brought the bottom line of many projects within reach by offering a 25 percent state tax credit on the rehabilitation costs of qualified projects.

When the economic activity and the ensuing tax payments fostered by the historic preservation tax credit program are considered, there is little net cost to Missouri taxpayers. Moreover, significantly more income and wealth is generated to the benefit of Missourians. Between 1998, when activity stimulated by the program started, and August 2001, \$295 million of historic rehabilitation has cumulatively been effected under this program. Historic preservation tax credits amounting to \$74 million encouraged this investment. From the cumulative tax credit rehabilitation investment of \$295 million, the state of Missouri garnered 6,871 jobs; \$121 million in income; \$283 million in gross state product; \$60 million in total taxes (including \$25 million in Missouri state and local taxes) and \$249 million in in-state wealth.

This \$295 million investment in tax credit supported historic rehabilitation will realize heritage tourism gains to the state over two decades. Those benefits include 3,407 jobs; \$55 million in income; \$97 million in gross state product, and \$25 million in taxes (including \$13 million in state and local taxes).

Total Economic Impacts of the Cumulative MHPTC-Supported Historic Rehabilitation (\$295 Million)

	In Missouri	Outside Missouri	Total (U.S.)
Jobs (person-years of work)	6,871	4,918	11,789
Income (\$million)	212	179	391
GDP/GSP (\$million)	283	295	578
Total taxes	59	63	122
Federal (\$million)	34	33	67
State/Local (\$million)	25	30	55
In-State Wealth	249	—	—
(GSP Minus Federal Taxes)			

*Notes: Totals may differ from indicated subtotals because of rounding.
GDP/GSP = Gross Domestic Product/Gross State Product*

HISTORIC PRESERVATION TAX CREDITS – FOCUS

Because of the Missouri Historic Preservation Tax Credit (MHPTC), downtown St. Louis has several fewer parking lots.

What it has instead is nearly a half dozen new hotels, one more under construction, an estimated 500 new jobs and an estimated 1,900 hotel rooms.

The passage of the bill creating this 25-percent tax credit in 1997 literally halted the demolition of the International Fur Exchange Building in downtown St. Louis. Located across from the Gateway Arch, the Fur Exchange's conversion into a Drury Hotel sparked a continuing boom in the rehab of buildings in St. Louis' historic downtown into hotels. Since that time, five other downtown historic warehouses or hotels have been rehabilitated for use as hotels.

In several cases, the buildings that underwent rehabilitation had been slated for demolition and use as parking lots, which add very little to the economic vitality of the area. Instead, they are now active employers meeting payrolls and contributing to the tax base.

More importantly, the steadily increasing number of hotel rooms has not reduced the occupancy rate. St. Louis ranked fourth among the top 25 markets in the United States in January through June 2002 occupancy rates. For that period, hotel occupancy in St. Louis reached 59.9 percent, surpassing the national figure of 59.5 percent and running ahead of such cities as Chicago, Dallas, Denver, Detroit, Minneapolis, Nashville, San Francisco and Seattle.

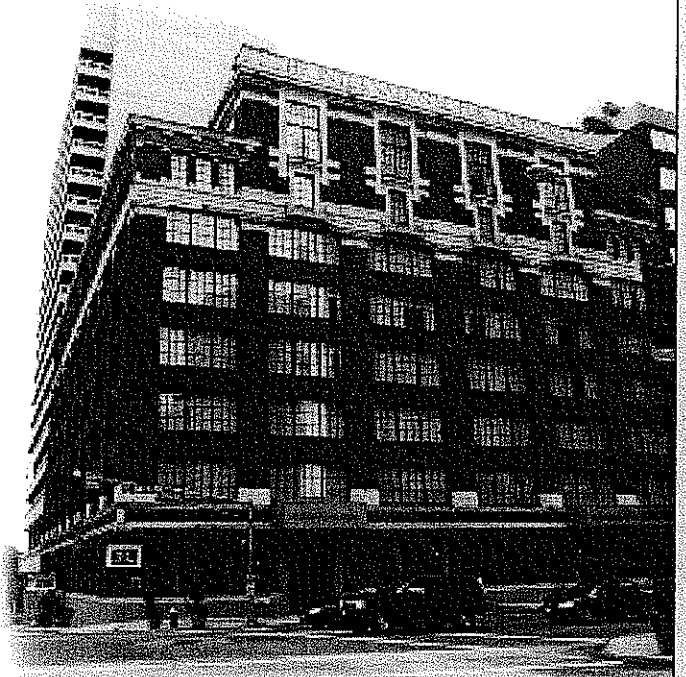


Photo by Kristin Zapalac

International Fur Exchange Building/Drury Plaza Hotel, Downtown, St. Louis.

"From small town to metropolis, from Main Street to the suburbs, the State Historic Rehab Tax Credit has far exceeded the promise anticipated by its statewide sponsors. It has generated sustainable economic development, increased housing opportunities, enhanced our daily environment, attracted favorable media attention and encouraged cultural tourism. To extend this remarkable program to even more communities and rural areas should be a priority for all Missourians."

*- Carolyn Toff
Landmarks Association
of St. Louis, Inc.*

Total Economic Impacts of the Cumulative MHPTC-Supported Heritage Tourism (\$112 Million)

	In Missouri	Outside Missouri	Total (U.S.)
Jobs (person-years of work)	3,407	611	4,018
Income (\$millions)	55	48	103
GDP/GSP (\$millions)	97	84	181
Total taxes (\$millions)	25	18	43
Federal (\$millions)	12	9	21
State/Local (\$millions)	13	9	22
In-State Wealth (\$millions)	85	—	—

Note: GDP/GSP – Gross Domestic Product/Gross State Product.