



# The Economic Benefits of Historic Preservation in Colorado

## TECHNICAL REPORT

Submitted by

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# TABLE OF CONTENTS

<b>I.</b>	<b>Overview of 2004-05 Update Project.....</b>	<b>i</b>
<b>II.</b>	<b>Executive Summary of 2004-05 Findings .....</b>	<b>ii</b>
<b>A.</b>	<b>Rehabilitation of Historic Properties.....</b>	<b>ii</b>
	1. Federal Rehabilitation Tax Credit .....	iii
	2. State Rehabilitation Tax Credit.....	iii
	3. State Historical Fund.....	iii
	4. Total Economic Impacts of Rehabilitation .....	iv
<b>B.</b>	<b>Heritage Tourism .....</b>	<b>iv</b>
<b>C.</b>	<b>Property Values – Commercial District Analysis.....</b>	<b>iv</b>
<b>D.</b>	<b>Colorado Main Street .....</b>	<b>v</b>
<b>III.</b>	<b>Summary of Findings.....</b>	<b>7</b>
<b>A.</b>	<b>Rehabilitation of Historic Properties.....</b>	<b>7</b>
	1. Federal Rehabilitation Tax Credit .....	7
	(A) Overview/Background.....	7
	(B) Summary of Activity.....	7
	2. State Rehabilitation Tax Credit.....	10
	(A) Overview/Background.....	10
	(B) Summary of Activity.....	10
	3. State Historical Fund.....	13
	(A) Overview/Background.....	13
	(B) Summary of Activity.....	14
	4. Cumulative Economic Impacts of Rehabilitation Projects .....	18
	(A) Summary of Expenditures on Rehabilitation Projects .....	18
	(B) Direct and Indirect Economic Impacts.....	18
	(C) Taxes Generated .....	21
	5. Methodology.....	23
	(A) State Historical Fund.....	23
	(B) Federal Tax Credit .....	23
	(C) State Tax Credit.....	24
	(D) Avoidance of Double-Counting .....	24
	(E) Multipliers Used for Economic Impact Analysis .....	24
	(F) State Income Taxes Methodology .....	25
	(G) State Sales Taxes Methodology.....	25
	(H) State Property Taxes Methodology.....	25
<b>B.</b>	<b>Heritage Tourism .....</b>	<b>26</b>
	1. Definition of Heritage Tourism.....	26
	2. Colorado Travel and Tourism .....	27
	3. Sightseeing and Historic Preservation .....	28
	4. What Percentage of Colorado Tourists are Heritage Tourists?.....	29
	5. Impacts of Heritage Tourism.....	30
	6. Characteristics of Heritage Travelers.....	32
	7. Recommended Future Research.....	37
	8. Organizations in Support of Heritage Tourism.....	38
	9. Conclusions.....	41

<b>C.</b>	<b>Property Values – Commercial District Analysis.....</b>	<b>43</b>
	1. Background and Case Study Community Selection .....	43
	2. Summary of Findings .....	44
	3. General Overview of Fort Collins .....	45
	4. The Case Study Area: Old Town District.....	46
	5. Property Values Data .....	49
	6. Conclusion .....	51
	7. Methodology.....	52
<b>D.</b>	<b>Colorado Main Street .....</b>	<b>53</b>

## I. OVERVIEW OF 2004-05 UPDATE PROJECT

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In 2001, the Colorado Historical Foundation undertook a project to document and quantify the economic benefits of historic preservation in Colorado. The resulting report, *The Economic Benefits of Historic Preservation in Colorado*, examined statewide economic benefits associated with the rehabilitation of historic buildings and heritage tourism, and also focused on several economic issues related to the owners and users of historic properties, including affordable housing and property values in residential historic districts.

In 2004-05, the Foundation undertook a limited update of the earlier project. First, the 2004-05 update involved updates of data regarding several historic building rehabilitation incentives: the federal rehabilitation tax credit, the state rehabilitation tax credit, and State Historical Fund acquisition and development grants. Also, a new section was prepared discussing heritage tourism throughout the state. Most importantly, the 2004-05 update also addressed two new areas of economic benefits: the progress of the Colorado Main Street program, and an examination of property values in a Colorado commercial historic district (to complement the earlier property values work done in residential areas).

The 2001 project resulted in two products: (1) a technical report that contained the complete project results and methodology, and (2) a shorter popular report that summarized the results in a colorful, easy-to-read format for wide distribution. This document is an update to the 2001 technical report. This document describes the 2004-05 project findings in detail and discusses the analytical techniques used in this new analysis. **This new technical report is organized as an appendix to the earlier technical report and does not repeat material from the earlier document.** For example, where the methodology for analyzing a particular issue is unchanged from the 2001 project, this report presents the updated results and refers back to the earlier document for a discussion of methodology. In addition to this document, a new summary report summarizes the findings of this new technical report.

## II. EXECUTIVE SUMMARY OF 2004-05 FINDINGS

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Colorado's historic resources are extraordinarily diverse and contribute significantly to the cultural, aesthetic, social, and educational value of our state. Historic places provide opportunities each day for Colorado residents and visitors to appreciate the legacy of our state's rich past.

**Historic preservation also has a significant economic component.** Historic preservation activities can be cost-effective tools that leverage private capital, create local jobs, revitalize residential and commercial areas, and stimulate a wide range of related economic activities. For example:

- *Preservation protects and revitalizes historic resources.* Colorado property owners can take advantage of federal and state tax credit programs, as well as the State Historical Fund, to help rehabilitate historic buildings. For the past 20 years, hundreds of property owners have taken advantage of these incentives to rehabilitate a wide variety of historic resources.
- *Preservation creates jobs and income.* Since 1981, rehabilitation activities in Colorado have created almost 29,000 jobs and generated a total of over \$2 billion in direct and indirect economic impacts. Even more impressive, in a single recent year heritage tourism in Colorado created \$3.4 billion in direct and indirect economic impacts and another 60,964 jobs throughout the state.
- *Preservation benefits downtowns and commercial areas.* Examples throughout the country show that historic preservation is a useful economic development strategy and often a key factor in enhancing property values. The 2001 Colorado study showed this to be true in predominantly residential historic districts. This 2004-05 study focuses on Colorado's business and commercial areas, where historic preservation can help communities reuse public infrastructure, maintain a sense of community and place, and support locally owned businesses, thus keeping downtown investment dollars within the community. As an example, eight Colorado Main Street communities have attracted considerable private investment since 2001, totaling over \$21.5 million in their downtown districts.
- *Preservation attracts visitors.* The link between preservation and tourism is well-established. Preserving historic character helps support tourism by providing interesting and unique opportunities for visitors, and tourism supports preservation by providing financial resources for ongoing preservation efforts. As noted above, heritage tourism is a key industry in Colorado providing significant income and thousands of jobs.

In sum, historic preservation not only promotes an increased appreciation of the past – it is a key feature of successful community planning and economic development. The following pages describe in detail the many ways in which Colorado's past continues to support the future. More detail on each topic is found in subsequent sections of this report.

### A. REHABILITATION OF HISTORIC PROPERTIES

The first section of the report examines economic benefits resulting from the rehabilitation of historic properties. The research focuses specifically on rehabilitation projects that have taken

advantage of at least one of the well-established preservation incentive programs available to Coloradans: the federal rehabilitation tax credit, the state rehabilitation tax credit, and the State Historical Fund.

### **1. Federal Rehabilitation Tax Credit**

From 1981 to 2004, 334 historic rehabilitation projects in Colorado took advantage of the federal tax credit, with a total cost of \$493.8 million in qualified expenditures.

The federal tax credit has been used to great effect throughout the state. The City and County of Denver leads the list with 76.5 percent of the total project costs. Other top nine counties benefiting from this program represent a broad range of areas, including Larimer, Pitkin, Pueblo, Boulder, El Paso, Lake, Gilpin, La Plata, Ouray, and Garfield counties.

### **2. State Rehabilitation Tax Credit**

This program has assisted 574 historic rehabilitation projects, totaling \$48.9 million in qualified expenditures, from its inception in 1991 through 2004.

The top twenty counties utilizing the state tax credit represent all areas of the state, from Weld to El Paso and from Archuleta to San Miguel Counties. The City and County of Denver leads the list with approximately 64.8 percent of the total rehabilitation dollars and 54.5 percent of the total number of projects.

Unlike the federal tax credit, the state tax credit is available for owner-occupied residences and the vast majority of state tax credit projects have been used for that purpose. Because they involve primarily private residences, state tax credit projects are typically of a smaller scale, in both project size and cost, than federal tax credit projects.

### **3. State Historical Fund**

The State Historical Fund has grown to be one of the largest historic preservation funds in the nation. The Fund was created as part of a 1990 amendment to the state constitution authorizing limited-stakes gambling in three communities: Black Hawk, Central City, and Cripple Creek. Twenty-eight percent of the annual tax revenue generated by gambling is paid into the Fund, with 20 percent of that amount returned to the three towns for their use in preservation projects and the remaining 80 percent allocated by the Fund to preservation projects statewide.

Over \$143.4 million has assisted 2,646 preservation projects in Colorado since the first grants were awarded in 1993 through state fiscal year 2004. Approximately half (1,283) of these 2,646 projects have been used for historic restoration and preservation, comprising approximately 77 percent, or \$105.7 million, of the total dollar amount distributed by the SHF since its inception in 1993.

Of the top twenty counties (those counties receiving the largest amounts of grant funding from the program), eight are located on the Front Range (Denver, El Paso, Larimer, Jefferson, Boulder, Pueblo, Douglas, and Arapahoe). However, the other twelve counties (Clear Creek, Weld, Gunnison, San Juan, La Plata, Lake, Las Animas, Teller, San Miguel,

Mesa, Routt, and Morgan) demonstrate that the economic benefits of the State Historical Fund are diverse and distributed throughout the state. In other words, a county need not be urban or suburban in order to benefit from the program.

#### **4. Total Economic Impacts of Rehabilitation**

This project uses economic multipliers to estimate the indirect economic benefits resulting from the direct investments in preservation discussed above. By adding together the direct (\$918.4 million) and indirect (\$1.1 billion) economic impacts of the three types of rehabilitation projects discussed above, the economic impact of these preservation activities in Colorado totals approximately \$2.1 billion between 1981 and 2004.

The \$918.4 million spent on historic rehabilitation also generated a total of at least 28,966 jobs and \$709.9 million in household earnings throughout Colorado since 1981.

Rehabilitation projects from 1981 to 2004 have generated \$5.5 million in business income taxes, \$14.8 million in personal income taxes, and \$40.6 million in Colorado sales taxes.

Local governments have benefited from increased property tax revenues, with between \$11.8 to \$14.7 million collected statewide. Unlike other taxes that are collected once per expenditure, property taxes are collected annually and provide a continual source of revenue for the community – one that only increases as properties increase in value.

### **B. HERITAGE TOURISM**

Travel by tourists, business people, and individuals visiting friends and family is a major industry in Colorado. The term “heritage tourists” refers both to travelers who incorporate a visit to a historic site or landmark among other activities in their visit to Colorado, and the smaller subset of visitors whose primary reason for taking a trip is to visit historic places.

Historic places are an important draw for visitors who seek authentic, unique sightseeing opportunities. Walking tours, visiting historic districts, and businesses housed in historic buildings, such as bed and breakfasts, are only a few examples of those activities that fall into the general category of heritage tourism.

In 2003, direct expenditures by all Colorado visitors contributed \$8.1 billion to the Colorado economy. That year, there were approximately 5.1 million heritage-prompted visitors to Colorado. Of that 5.1 million, those visitors who included sightseeing at a historic site or landmark among the activities on their Colorado trip spent \$1.5 billion in the state. When indirect expenditures are taken into account, the total impact of spending by these heritage tourists on the state’s economy reached \$3.4 billion. The spending by heritage tourists also generated \$1.1 billion in total earnings by Colorado workers and 60,964 jobs.

### **C. PROPERTY VALUES – COMMERCIAL DISTRICT ANALYSIS**

This study examined Fort Collins’ Old Town Historic District to determine the effects of local historic designation and design review programs on property values over time. Specifically, this study analyzed two key indicators that express different aspects of value over time: total appreciation since designation, and average value per square foot.



- *Total Appreciation Since Designation.* How did properties in the locally designated district increase in value compared to the surrounding area? From designation in 1979 to 2003, total property values within the Old Town historic district increased dramatically more than property values in the similar, nearby area outside the district. The total rate of appreciation from 1979 to 2003 for properties within Old Town area was 721.0 percent, versus 422.7 percent for properties in the undesignated comparison area. The undesignated area has retained a consistent advantage over the district on a price-per-square-foot basis, based on tax-assessed value. However, Old Town has experienced a dramatic jump in total value – much higher than the nearby undesignated area in percentage terms – presumably because Old Town started out with much lower values, and dramatic improvements in the area since the time of designation have brought the district on par with the surrounding area.
- *Average Value per Square Foot.* How much “building” do you get for your money in the local historic district versus the surrounding area? The undesignated area had and continues to have slightly higher property values on a per-square-foot basis than the designated area, most likely because more businesses within the undesignated area have direct street access. The district did, however, increase in value at a roughly equivalent rate with the undesignated area, confirming that designation did not lead to decreased property values in the district. The comparison of average price per square foot provides a good general sense of the parity of the two areas in terms of value from the mid-1980s through today.

The property values debate – “What effect does local historic district designation truly have on property values?” – is a complex issue that involves multiple variables that change widely depending on each area studied. Yet, as was the case in our 2001 study, our 2004-05 Colorado research continues to support the general conclusion that historic district designation does not decrease property values. On the contrary, property values in the designated commercial area in Fort Collins experienced total value increases that were much higher, on a percentage basis, than a similar, undesignated area.

#### **D. COLORADO MAIN STREET**

In 1980, the Main Street Center of the National Trust for Historic Preservation developed the national Main Street program to assist in the revitalization of traditional downtowns and central business districts throughout the country. Main Street encourages downtown revitalization by promoting economic development efforts within the context of historic preservation.

In Colorado, Main Street efforts are coordinated through the Colorado Community Revitalization Association (CCRA). Local communities are selected to join Main Street through a competitive annual application process that demonstrates community need and availability of local resources. Colorado Main Street offers a range of services and assistance to meet the spectrum of needs of the Main Street communities.

Ten Colorado Main Street communities have been designated and nine are active: Arvada, Berthoud, Brush, Canon City, Central City, Cortez, Greeley, Lake City, and Montrose. Since 2001, these communities have attracted considerable private reinvestment, totaling over \$21.5 million in their downtown districts:

- \$570,806 for 52 façade rehabilitations;
- \$11.5 million for 208 rehabilitation and new construction projects; and
- \$9.5 million for the purchase of 43 buildings.

Additionally, 209 businesses have opened, relocated, and/or expanded (for a net gain of 108 businesses). In these nine communities, local Main Street efforts have created 466 full-time and 129 part-time jobs.

### III. SUMMARY OF FINDINGS

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#### A. REHABILITATION OF HISTORIC PROPERTIES

This report examines three specific types of historic rehabilitation projects: 1) projects taking advantage of the federal rehabilitation tax credit (“ITC projects”); 2) projects taking advantage of the state rehabilitation tax credit (“STC projects”) and 3) projects receiving grants from the State Historical Fund (“SHF projects”).

Included below are overviews and activity summaries for each of the three types of projects. Next is a summary of the direct and indirect cumulative economic impacts of these projects, including jobs and household income created and the amount of taxes generated. The section concludes with a description of the methodology used in collecting and analyzing this information.

##### 1. Federal Rehabilitation Tax Credit

###### *(A) Overview/Background*

Please refer to the January 2002 technical report for details about the background and application requirements of the federal rehabilitation tax credit program.

###### *(B) Summary of Activity*

The federal rehabilitation tax credit (20 percent) has been used often in Colorado over the past two decades. A total of 334 projects have taken advantage of the credit, with cumulative qualified rehabilitation expenditures of \$493.8 million. Table 1 below summarizes the number of ITC projects filed in Colorado.

<b>Calendar Year</b>	<b>Number of Projects Filed</b>	<b>Total Qualified Expenditures of Projects Filed</b>
1981	17	\$15,120,600
1982	34	\$40,946,120
1983	29	\$18,832,509
1984	43	\$22,205,380
1985	10	\$2,869,408
1986	15	\$5,309,139
1987	15	\$10,623,869
1988	8	\$11,550,885
1989	10	\$10,779,361
1990	7	\$8,933,816
1991	10	\$10,477,193
1992	7	\$20,691,324
1993	6	\$7,638,456
1994	10	\$38,034,675
1995	6	\$20,839,921
1996	11	\$30,660,933

<b>TABLE 1: ITC Projects Filed in Colorado, 1981-2004</b>		
<b>Calendar Year</b>	<b>Number of Projects Filed</b>	<b>Total Qualified Expenditures of Projects Filed</b>
1997	16	\$64,665,333
1998	21	\$93,367,297
1999	16	\$15,019,915
2000	12	\$13,589,000
2001	7	\$23,945,455
2002	3	5,789,000
2003	11	\$1,717,970
2004	10	\$228,688
<b>TOTAL</b>	<b>334</b>	<b>\$493,836,247</b>
<b>MEDIAN</b>		<b>\$218,939</b>
<b>AVERAGE</b>		<b>\$1,613,843</b>

Sources: National Park Service, and Office of Archaeology and Historic Preservation, Colorado Historical Society  
Notes: Total qualified expenditures include both completed and ongoing projects, which means that the \$493.8 listed above includes a combination of estimated and final costs. Median and average calculations listed above do not include ongoing projects that have not submitted a qualified expenditure. As a result, these totals are slightly greater than a direct average of all projects. The projects listed as “2004” are current as of November 9, 2004.

The bulk of these projects have been approved. An approved project is one that has completed both Parts 1 and 2 of the federal tax credit application and is certified for the tax credit (Part 3) by the National Park Service. “Completed Not Certified” projects are those that began the tax credit process and are believed to have been completed, yet had dropped out of the tax credit application process. The “In Process” projects listed below are considered active projects and have completed Part 1 or Part 1 and Part 2 of the tax credit application.

<b>TABLE 2: 2004 Status of ITC Projects</b>	
<b>Status</b>	<b>Number of Projects</b>
Approved	281
Completed Not Certified	14
In Process – Part 1	10
In Process – Part 2	29
<b>TOTAL</b>	<b>334</b>

Sources: National Park Service, and Office of Archaeology and Historic Preservation, Colorado Historical Society

The majority of the projects utilizing the federal rehabilitation tax credit have been located in Denver. However, some counties, such as in the case of Pitkin County, have had only a few projects, yet those projects represent a significant investment. See Tables 3 and 4.

**TABLE 3: ITC Applications Total Dollar Value of Projects,  
Top 20 Counties**

<b>County</b>	<b>Total Dollar Value of Projects</b>	<b>% of Total</b>
Denver	\$377,540,653	76.5%
Larimer	\$21,172,891	4.3%
Pitkin	\$17,854,000	3.6%
Pueblo	\$17,048,530	3.5%
Boulder	\$14,612,677	3.0%
Lake	\$7,612,548	1.5%
El Paso	\$6,321,328	1.3%
Gilpin	\$6,196,955	1.3%
La Plata	\$5,849,397	1.2%
Ouray	\$3,848,347	0.8%
Garfield	\$3,099,500	0.6%
Fremont	\$2,689,935	0.5%
Weld	\$1,823,687	0.4%
Las Animas	\$1,820,211	0.4%
San Miguel	\$1,743,120	0.4%
Douglas	\$951,209	0.2%
Hinsdale	\$529,790	0.1%
Jefferson	\$506,723	0.1%
Summit	\$395,905	0.1%
Arapahoe	\$310,000	0.1%

Sources: National Park Service, Office of Archaeology and Historic Preservation, Colorado Historical Society; Clarion Associates

TABLE 4: ITC Applications Number of Projects, Top 20 Counties		
County	Number of Projects	% of Total
Denver	154	46.1%
Pueblo	28	8.4%
Larimer	24	7.2%
El Paso	17	5.1%
Lake	17	5.1%
La Plata	12	3.6%
San Miguel	11	3.3%
Boulder	10	3.0%
Pitkin	7	2.1%
Gilpin	5	1.5%
Jefferson	5	1.5%
Las Animas	5	1.5%
Chaffee	4	1.2%
Clear Creek	4	1.2%
Gunnison	4	1.2%
Hinsdale	4	1.2%
Fremont	3	0.9%
Weld	3	0.9%
Delta	2	0.6%
Douglas	2	0.6%
Sources: National Park Service, Office of Archaeology and Historic Preservation, Colorado Historical Society; Clarion Associates		

## 2. State Rehabilitation Tax Credit

### *(A) Overview/Background*

Please refer to the January 2002 technical report for details about the background and application requirements of the state rehabilitation tax credit program (“STC”).

### *(B) Summary of Activity*

A total of 574 historic rehabilitation projects have taken advantage of the credit. A substantial percentage of these projects are still in process. Table 5 summarizes the number of state tax credit projects filed and the number of qualified expenditures since 1991.

<b>TABLE 5: STC Applications Filed</b>		
<b>Calendar Year</b>	<b>Number of Projects Filed</b>	<b>Total Qualified Expenditures of Projects Filed</b>
1991	20	\$4,978,676
1992	9	\$1,307,602
1993	19	\$1,838,244
1994	20	\$907,665
1995	37	\$1,687,385
1996	42	\$2,606,569
1997	58	\$4,324,937
1998	79	\$7,422,245
1999	51	\$3,722,605
2000	53	\$3,766,979
2001	42	\$3,273,966
2002	51	\$4,983,633
2003	41	\$3,571,444
2004	52	\$4,296,642
<b>TOTAL</b>	<b>574</b>	<b>\$48,878,591</b>
<b>MEDIAN</b>		<b>\$42,500</b>
<b>AVERAGE</b>		<b>\$85,154</b>
Sources: Office of Archaeology and Historic Preservation, Colorado Historical Society; Individual Certified Local Governments, Clarion Associates		
Notes: The projects listed as "2004" are current as of November 9, 2004.		

The majority of the projects taking advantage of the state rehabilitation tax credit were located in Denver; however, projects throughout the state are represented. See Tables 6 and 7.

**TABLE 6: STC Applications Total Dollar Value of Projects,  
Top 20 Counties**

<b>County</b>	<b>Total Dollar Value of Projects</b>	<b>% of Total</b>
Denver	\$31,658,308	64.8%
Boulder	\$4,559,426	9.3%
Larimer	\$3,134,861	6.4%
El Paso	\$2,362,368	4.8%
San Miguel	\$1,933,451	4.0%
Pitkin	\$1,235,848	2.5%
Clear Creek	\$853,796	1.7%
Garfield	\$391,735	0.8%
La Plata	\$336,434	0.7%
Pueblo	\$299,185	0.6%
Archuleta	\$239,431	0.5%
Weld	\$225,858	0.5%
Gunnison	\$209,090	0.4%
Chaffee	\$204,629	0.4%
Teller	\$189,733	0.4%
Otero	\$167,793	0.3%
Gilpin	\$130,209	0.3%
Summit	\$128,630	0.3%
Ouray	\$126,585	0.3%
Lake	\$116,693	0.2%

Sources: Office of Archaeology and Historic Preservation,  
Colorado Historical Society; Individual Certified Local  
Governments, Clarion Associates



TABLE 7: STC Applications Number of Projects, Top 20 Counties		
County	Number of Projects	% of Total
Denver	313	54.5%
Larimer	82	14.3%
Boulder	48	8.4%
El Paso	43	7.5%
La Plata	10	1.7%
San Miguel	9	1.6%
Teller	9	1.6%
Pitkin	8	1.4%
Weld	8	1.4%
Jefferson	7	1.2%
Pueblo	6	1.0%
Clear Creek	4	0.7%
Gunnison	3	0.5%
Lake	3	0.5%
Garfield	2	0.3%
Archuleta	2	0.3%
Chaffee	2	0.3%
Gilpin	2	0.3%
Summit	2	0.3%
Ouray	2	0.3%
Sources: Office of Archaeology and Historic Preservation, Colorado Historical Society; Individual Certified Local Governments, Clarion Associates		

### 3. State Historical Fund

#### *(A) Overview/Background*

The State Historical Fund (“SHF”) was created as part of a 1990 amendment to the state constitution authorizing limited-stakes gambling in three communities: Black Hawk, Central City, and Cripple Creek. Twenty-eight percent of the tax revenue generated by gambling in these three communities is paid into the SHF, with 20 percent of that amount returned to the three gambling towns for their use in preservation projects. The remaining 80 percent is allocated to the SHF for use in preservation projects throughout the state. In fiscal year 2003-2004, the SHF received over \$25 million from state gaming tax revenues. Table 8 summarizes the percentage breakdown of state gaming tax revenues as set by the Colorado Constitution.

**TABLE 8: Percentage Breakdown of Gaming Tax Revenues  
(as set by the Colorado Constitution, Article 18, Section 9)**

Distribution Entity	Funding (%)
State General Fund	49.8%
State Historical Fund Statewide Grant Program	22.4%
Gilpin and Teller Counties	12.0%
Towns of Black Hawk, Central City, and Cripple Creek	10.0%
Gaming Town Historic Preservation Funds	5.6%
Colorado Tourism Promotion Fund	.02%
<b>TOTAL</b>	<b>100.0%</b>
Source: State Historical Fund	

Administered by the Colorado Historical Society (“CHS”), the SHF supports three categories of projects: 1) Acquisition and Development projects (e.g., building purchases, physical rehabilitation); 2) Education projects (e.g., publications, videos, exhibits); and 3) Survey and Planning projects (e.g., historic resource surveys).

Please refer to the January 2002 technical report for details about the background and application requirements of the State Historical Fund.

*(B) Summary of Activity*

From state fiscal years 1993 to 2004, there were 4,236 requests for grants from the SHF, and 2,646 of these projects, or 62 percent, were awarded.<sup>1</sup>

As gambling activity in the state has increased since 1993, the total value of SHF grants has increased steadily as well. About \$3.1 million was awarded in 1993, the first year in which grants were made, and this total had risen to \$23.2 million in fiscal year 2004, the last complete fiscal year for which data is available. See Table 9.

<sup>1</sup> This project tracks only awarded grants, which included both competitive applications and targeted grant projects that were not required to go through the competitive process. Projects that were not awarded a State Historical Fund grant have not been accounted for in this analysis. It should be recognized that many preservation projects that were not awarded a grant nevertheless were still undertaken and constitute a source of economic activity not researched for this report.

<b>Fiscal Year</b>	<b>Number of Projects</b>	<b>Amount Funded</b>
1993	143	\$3,126,257
1994	198	\$5,806,854
1995	236	\$9,189,064
1996	255	\$11,609,671
1997	116	\$4,782,153
1998	186	\$9,195,311
1999	235	\$12,070,663
2000	283	\$13,314,302
2001	281	\$16,820,051
2002	198	\$16,444,541
2003	253	\$17,927,789
2004	262	\$23,218,284
<b>TOTAL</b>	<b>2,646</b>	<b>\$143,484,942</b>
Source: State Historical Fund		

Of the 2,646 projects funded, 49% were Acquisition & Development (“A&D”) projects, with the majority of the remaining projects in the Education and Survey/Planning funding categories. This study focuses on the A&D projects, as they consist largely of rehabilitation expenditures and thus have the most economically measurable effects on state and local economies. The A&D projects represent the majority of the SHF projects. See Table 10.

<b>Project Type</b>	<b>Percentage of Projects</b>
Acquisition & Development	47.9%
Survey/Planning	30.0%
Education	15.1%
<b>TOTAL</b>	<b>100%</b>
Source: State Historical Fund	

Table 11 summarizes the total amount funded by year for A&D projects since the SHF began awarding these grants in 1993.

<b>TABLE 11: SHF A&amp;D Grants Awarded by Year</b>		
<b>Fiscal Year</b>	<b>Number of Projects</b>	<b>Amount Funded</b>
1993	91	\$2,573,465
1994	104	\$4,622,826
1995	115	\$7,178,080
1996	138	\$9,042,788
1997	66	\$3,838,928
1998	102	\$7,653,300
1999	120	\$9,337,211
2000	141	\$12,679,101
2001	120	\$10,391,921
2002	77	\$7,701,564
2003	103	\$12,746,906
2004	106	\$17,940,975
<b>TOTAL</b>	<b>1,283</b>	<b>\$105,707,065</b>
Source: State Historical Fund		

All of Colorado's 63 counties have received funding from the SHF. Table 12 lists the top twenty counties that have received State Historical Fund A&D grants.

**TABLE 12: Total Project Cost of SHF A&D Projects Receiving Grants by County, Top 20 Counties**

County	Grants Awarded	% of Grant Dollars	# of Projects	% of Projects
Denver	\$31,118,200	29.4%	249	19.4%
El Paso	\$5,479,210	5.2%	58	4.5%
Larimer	\$5,179,730	4.9%	63	4.9%
Jefferson	\$4,146,006	3.9%	62	4.8%
Boulder	\$4,084,698	3.9%	83	6.5%
Clear Creek	\$3,529,415	3.3%	58	4.5%
Pueblo	\$3,044,443	2.9%	33	2.6%
Weld	\$2,781,843	2.6%	33	2.6%
Gunnison	\$2,271,254	2.1%	35	2.7%
San Juan	\$2,253,519	2.1%	21	1.6%
La Plata	\$2,234,527	2.1%	26	2.0%
Lake	\$2,191,002	2.1%	36	2.8%
Las Animas	\$1,976,349	1.9%	28	2.2%
Douglas	\$1,788,313	1.7%	21	1.6%
Teller	\$1,786,490	1.7%	27	2.1%
San Miguel	\$1,728,397	1.6%	14	1.1%
Mesa	\$1,618,295	1.5%	29	2.3%
Routt	\$1,538,216	1.5%	25	1.9%
Morgan	\$1,523,900	1.4%	11	0.9%
Arapahoe	\$1,480,154	1.4%	20	1.6%

Source: State Historical Fund

While the majority of the SHF grants and total project expenditures have been in Denver and other major urban centers (e.g., Colorado Springs and Ft. Collins areas), several suburban (e.g., Jefferson, Arapahoe) and more rural (e.g., Lake, Routt, Morgan) counties have likewise benefited.

In order to more accurately represent the dollars spent on A&D projects, one must include not only SHF grants (which are typically only a part of the total dollar amount of the project), but also the 25 percent minimum cash match required of all grant recipients. This project, when conducted in 2001, tracked both reported (i.e., the 25 percent minimum requirement) and unreported “other funds” match data collected via direct calls to developers. These totals are included in Table 13. For this update, developers were not contacted for additional cost information due to resource constraints; instead, the ratio of unreported funds from the 2001 report has been applied to the new additional projects undertaken since the earlier report, for a total of \$140.9 million. Table 13 shows that the total amount spent on A&D projects since 1993 has been \$611.5 million.

<b>Project Type</b>	<b>Dollars (millions)</b>
A&D State Historical Fund Grants, FY 1993-2004	\$105.7
Reported Matching Funds, FY 1993-2001 (from 2001 report)	\$124.7
Estimated Other Funds, FY 1993-2001 (from 2001 report)	\$230.5
Estimated 25% Matching Funds, FY 2002-2004	\$9.6
Estimated Other Funds, FY 2002-2004	\$140.9
<b>TOTAL</b>	<b>\$611.5</b>
Source: State Historical Fund, Clarion Associates	

#### 4. Cumulative Economic Impacts of Rehabilitation Projects

This section summarizes the cumulative economic impacts of the three types of rehabilitation projects that were examined: projects taking advantage of either the federal or state rehabilitation tax credit and projects that received SHF grants.

*(A) Summary of Expenditures on Rehabilitation Projects*

Between 1981 and 2004, over \$918 million was spent on historic preservation rehabilitation projects throughout the state of Colorado. The total investment is summarized below.

<b>Type of Project</b>	<b>Total Investment (\$ million)</b>
Projects taking advantage of ITC: total qualified expenditures	\$493.8
Projects taking advantage of STC: total qualified project costs	\$48.9
Projects receiving SHF A&D grants: total expenditures	\$611.5
<b>SUBTOTAL</b>	<b>\$1,154.2</b>
<i>Adjustment to eliminate double- and triple-counting</i>	<i>(\$235.8)</i>
<b>TOTAL</b>	<b>\$918.4</b>
Source: Clarion Associates	

As shown in Table 14, the expenditures in the subtotal actually sum to \$1,154.2 million. However, some projects have used several preservation incentives on a single project (e.g., those projects that received a SHF grant as well as the ITC). The total investment has been adjusted in order to eliminate double- and triple-counting for such projects. Since 2001, many projects have used only one of the three incentives listed above. As a result, the \$235.8 listed above is carried forward from the 2001 report.

*(B) Direct and Indirect Economic Impacts*

Table 15 summarizes the direct, indirect, and total economic impacts of all rehabilitation projects examined in this study. These impacts are defined as follows:

*Direct Impacts.* Expenditures directly associated or purchased for use in the project. Examples include construction labor, building materials, and tools.

*Indirect Impacts.* Expenditures associated with the goods and services of construction-related industries. Examples include manufacturing labor and purchases of raw materials such as clay, glass, and gravel.

*Total Impact.* The sum of the direct and indirect impacts.

**TABLE 15: Summary of Economic Impacts of Rehabilitation Projects 1981-2004**

Type of Project	Direct Economic Impact (\$ million)	Indirect Economic Impact (\$ million)	Total Impact (Sum of Direct and Indirect) (\$ million)
Projects taking advantage of ITC	\$493.8	\$632.1	\$1,125.9
Projects taking advantage of STC	\$48.9	\$62.6	\$111.5
Projects receiving SHF A&D grants	\$611.5	\$782.7	\$1,394.2
All rehabilitation projects (SHF, ITC, STC); adjusted to eliminate double-counting	\$918.4	\$1,175.5	\$2,093.9

Source: Clarion Associates  
Notes: Used RIMS II multiplier for “Other Maintenance and Repair, State of Colorado”

The first three rows of the table examine the three types of rehabilitation projects independently, without adjusting for projects that take advantage of more than one type of incentive. For example, the direct expenditures of \$493.8 million for 334 ITC projects generated \$632.1 million in indirect impacts.

The fourth row presents the cumulative economic impacts associated with all rehabilitation projects, adjusting for projects that take advantage of more than one type of incentive. As seen in the table, the direct expenditure of \$918.4 million on all types of historic rehabilitation projects generated \$1,175.5 million in indirect impacts. The overall economic impact (i.e., the sum of the direct and indirect impacts) for all three types of rehabilitation projects is approximately \$2,093.9 million.

Table 16 highlights the total jobs created by rehabilitation projects, both directly and indirectly.<sup>2</sup> These calculations also include household earnings, which lead to consumer spending, by employees working at jobs created by historic rehabilitation projects. Examples of consumer spending include household expenses for food, clothing, retail services, utilities, and transportation.

<sup>2</sup> “Jobs Created” refers to the employment figures generated by the RIMS II multipliers. These numbers actually should be interpreted as “job-years,” meaning one year of full-time employment for one worker. A “job-year” may include the work of multiple individuals (e.g., a roofer who works on preservation projects 20% of the time).

**TABLE 16: Summary of Economic Impacts of Rehabilitation Projects, 1981-2004**

Type of Project	Jobs Created			Household Earnings Generated (\$ million)		
	Direct	Indirect	Total	Direct	Indirect	Total
Projects utilizing ITC	6,905	8,659	15,574	\$189.6	\$192.1	\$381.7
Projects utilizing STC	684	858	1,542	\$18.7	\$19.0	\$37.8
Projects receiving SHF A&D grants	8,551	10,736	19,287	\$234.8	\$237.9	\$472.7
All rehabilitation projects combined and adjusted to eliminate double-counting	12,842	16,124	28,966	\$352.7	\$357.2	\$709.9

Source: Clarion Associates  
 Notes: Used RIMS II multiplier for “Other Maintenance and Repair, State of Colorado.”  
 Numbers may not sum due to rounding.

In other words, historic rehabilitation has generated a total of at least 28,966 jobs and \$709.9 million in household earnings throughout Colorado since 1981.

How does rehabilitation measure up economically to new construction in Colorado? The economic impacts of rehabilitation are comparable to those for new construction. While rehabilitation of historic properties creates a slightly lower amount of indirect impacts (i.e., additional sales) and new jobs than new residential construction, it generates a slightly higher amount of total household income. Further, historic rehabilitation projects create more jobs and higher household income than new commercial construction.<sup>3</sup> (NOTE: The following two tables are carried forward unchanged from the 2001 technical report.)

**TABLE 17: Comparison of Rehabilitation Economic Impacts to New Construction Economic Impacts**

Every \$1 million spent in Colorado on:		
Rehabilitating Historic Buildings...	Constructing New Residential Buildings...	Constructing New Commercial Buildings...
Generates \$1.28 million in indirect expenditures	Generates \$1.41 million in indirect expenditures	Generates \$1.38 million in indirect expenditures
Creates 32 new jobs in Colorado	Creates 34 new jobs in Colorado	Creates 31 new jobs in Colorado
Generates \$773,000 in household income in Colorado	Generates \$764,000 in household income in Colorado	Generates \$765,000 in household income in Colorado

Source: Clarion Associates  
 Notes: For historic buildings, the RIMS II multiplier for “Other Maintenance and Repair, State of Colorado” was used. For New Residential Buildings, the RIMS II multipliers for “New Residential One-Unit Structures, Nonfarm, State of Colorado” and “New Residential Two/Four-Unit Structures, Nonfarm, State of Colorado” were averaged. For New Commercial Buildings, the RIMS II multiplier for “Office, Industrial and Commercial Buildings” was used.

Rehabilitation of historic structures in Colorado measures up quite favorably against other industries in economic terms. A comparison to a few other key Colorado industries is set forth in the table below. Rehabilitation is in the middle of this group

<sup>3</sup> Rypkema, Donovan. The Economics of Historic Preservation. Washington, DC: National Trust for Historic Preservation, 1994.



in terms of indirect impacts (i.e., additional sales), but actually generates the highest number of new jobs of all these industries.

**TABLE 18: Colorado Employment and Income Attributable to Historic Building Rehabilitation Versus Other Colorado Industries (per \$1 million of direct impact)**

	Indirect Impacts (\$ million)	New Jobs Created	Total Household Income (\$)
Computer and Data Processing	1.48	31	945,000
Trucking	1.40	30	725,000
<b>Rehabilitating Historic Buildings</b>	<b>1.28</b>	<b>32</b>	<b>773,000</b>
Banking Services	1.10	23	572,000
Mining for Petroleum and Natural Gas	1.05	12	351,000
Manufacturing Semiconductors	1.04	20	586,000

Source: Clarion Associates

Notes: Used RIMS II multipliers for the industries indicated for the State of Colorado Region

*(C) Taxes Generated*

Table 19 summarizes taxes generated by the three types of rehabilitation projects discussed in this section.

**TABLE 19: Summary of Taxes Generated by Rehabilitation Projects, 1981-2004**

Type of Project	Original Economic Impact (\$ million)	State Business Income Taxes (\$ million)	State Personal Income Taxes (\$ million)	Colorado Sales Tax (\$ million)
ITC	\$493.8	\$3.0	\$7.9	\$32.8
STC	\$48.9	\$0.3	\$0.7	\$3.1
SHF A&D Projects	\$611.5	\$3.7	\$9.8	\$20.7
All rehabilitation projects (ITC, STC, SHF); adjusted to eliminate double-counting	\$918.4	\$5.5	\$14.8	\$40.6

Source: Clarion Associates

Notes: The following tax rates were used in these calculations: State Business and Personal Income Taxes – 4.63 percent; Colorado Sales Taxes were averaged by taking samples throughout the state – Front Range/Denver Metro: 7.1 percent and Non-Front Range/Denver Metro: 5.49 percent. Please see Methodology for details. Numbers may not sum due to rounding.

As seen in Table 19 above:

- For \$493.8 million in ITC construction expenditures, approximately \$3.0 million was collected in Colorado business income taxes, \$7.9 million in Colorado personal income taxes, and \$32.8 million was collected in sales taxes by various entities.

- For \$48.9 million in STC construction expenditures, approximately \$292,562 was collected in Colorado business income taxes, \$785,737 in Colorado personal income taxes, and \$3.1 million was collected in sales taxes by various entities.
- For \$611.5 million in SHF construction expenditures, approximately \$3.7 million was collected in Colorado business income taxes, \$9.8 million in Colorado personal income taxes, and \$20.7 million was collected in sales taxes by various entities.

Table 20 outlines the revenues generated by property taxes in Colorado, due to the rehabilitation of properties. Because property taxes are collected at the municipal level and rates vary considerably throughout the state, the findings are presented in a range to reflect this diversity.

**TABLE 20: Summary of Property Taxes Generated by Rehabilitation Projects, 1981-2004**

Type of Project	Original Economic Impact (\$ million)	Original Economic Impact Reduced to Account for Tax- Exempt Entities (\$ million)	Property Taxes Generated (\$ million)
ITC	\$493.8	\$479.0	\$9.6 – \$12.0
STC	\$48.9	\$46.4	\$0.9 – \$1.1
SHF A&D Projects	\$611.5	\$299.6	\$6.0 – \$7.5
All rehabilitation projects (SHF, ITC, STC); adjusted to eliminate double-counting	\$918.4	\$588.6	\$11.8 – \$14.7

Source: Clarion Associates

The estimated dollar value of property taxes was calculated under the commonly accepted premise that investment in historic rehabilitation generates an increase in the value of rehabilitated properties. In Table 20, the total rehabilitation costs were first reduced by the number of rehabilitation expenditures by property-tax exempt projects. In Colorado, property taxes are generally 2.0% to 2.5% of the “value” or estimated sale price of the property, so our rehabilitation number was multiplied by 2.0% to 2.5% to determine an estimate in the increase in property taxes due to the rehabilitation of historic properties.

It is important to remember that our calculation only represents an estimate of property taxes that have been generated through the rehabilitation dollars that have been tracked in this study. The actual property taxes collected by a municipality, taking into account the entire property (and not only the rehabilitated portion) are a much greater dollar value. Also, unlike sales taxes, which are a one-time expenditure, property taxes are collected each year and provide a continual revenue source for a community, one that only increases as properties increase in value.

## 5. Methodology

### *(A) State Historical Fund*

*General Data Gathering.* The 2002 project included a highly detailed, manual data gathering effort due in part to the fact that the SHF was in the midst of changing databases from one system to another while this project was first undertaken. For this updated document, a list of desired information was submitted to the SHF, which was readily provided by SHF staff. The desired information included basic information about the number and dollar amount of grants awarded per fiscal year.

This update did not include information on various other fields collected in the prior report (e.g., low-income housing units in project buildings and current building usage).

A key aspect of the prior study was to determine the amount of “additional match” or significant matching funds that were, at that time, largely unreported by the SHF. As an example of an “additional match,” the SHF may have funded a \$20,000 roof repair on a large loft conversion project in an historic building. While the applicant may have documented \$5,000, or a 25 percent match, on their SHF application, the overall rehabilitation project actually cost several million dollars. For the 2002 report, many developers were personally contacted in order to “capture” this data in the analysis.

For this update, the “additional match” category was not determined via calls to individual project representatives because of resource constraints. Instead, we applied the ratio of the additional match from the previous study to the total dollar value of the recent projects to obtain “estimated other funds” for FY 2002-2004 (totaling \$140.9 million). In addition, data from the earlier report regarding both the 25 percent reported match and the additional match has been carried forward.

Please refer to the January 2002 technical report for additional details about the methodological approach used in analyzing the State Historical Fund.

### *(B) Federal Tax Credit*

One significant outcome of the prior project was to compile a complete record of all ITC projects administered by both the NPS and the Colorado Historical Society (CHS). Prior to the 2002 project, these records were physically divided between these two agencies, making any kind of comprehensive analysis extremely challenging.

Using the 2002 database as a benchmark, records of new ITC projects were obtained from the OAHP and added to the existing database for analysis.

Please refer to the January 2002 technical report for additional details about the methodological approach used in analyzing the Federal Tax Credit.

*(C) State Tax Credit*

As with the federal tax credit, the prior project resulted in a “benchmark” database for all state tax credit projects since this program’s inception in 1991.

Using the 2002 database as a benchmark, records of new STC projects were obtained from the administering agency (either the individual community or the OAHP) and added to the existing database for analysis.

Please refer to the January 2002 technical report for additional details about the methodological approach used in analyzing the State Tax Credit.

*(D) Avoidance of Double-Counting*

It is possible that a single rehabilitation project could be certified for both federal and state rehabilitation tax credits and be a grant recipient of the State Historical Fund. This potential repetition was recognized as an issue that could lead to overestimations of the economic impact of historic preservation activities.

As in the prior project, projects were carefully identified by their respective incentive program and compared against the other databases. The information on those projects that appeared on multiple databases was entered into a new database for the purposes of comparing records.

Overall, about 37 projects were identified as having applied for multiple incentives for a particular project and the resulting totals have been adjusted accordingly.

Please refer to the January 2002 technical report for additional details about the avoidance of double counting in this analysis.

*(E) Multipliers Used for Economic Impact Analysis*

In order to generate data on the economic effects of historic rehabilitation projects throughout Colorado, Colorado-specific versions of RIMS II (Regional Input-Output Modeling System) regional multipliers, obtained from the Colorado Division of Local Government, were used. RIMS II multipliers, developed by the U.S. Bureau of Economic Analysis, are a widely used tool for estimating the economic impact of one industry on the entire economy of a particular region. The multipliers generate data on total economic impact, based upon the ripple effect that occurs when one activity generates money, and that money “ripples” directly and indirectly in other industries and eventually through the entire regional economy.

RIMS II multipliers are calculated by analyzing historical economic relationships. Both the 2001 project and this document have used the RIMS multipliers based on national industry data between 1992 and 1997. While newer RIMS multipliers have been developed in recent years, the Colorado Division of Local Government has continued to use the older multipliers, citing cost as a major factor for why they have not updated their multipliers, as well as the fact that these multipliers remain “good”

for many years past their original development as they change very slowly. For future updates, it is recommended to check on the availability of newer multipliers.

RIMS II multipliers have been used in the same way here as in the 2001 project. The primary multiplier is “other maintenance and repair” (industry number: 12.0300) for the State of Colorado, to determine the economic impacts of the rehabilitation projects.

An important note: These multipliers should not be used at scales different from those for which they were originally developed. For example, a statewide multiplier should only be used on statewide data, not on data particular to a county or city. In addition, multipliers represent an average and are not indicative of the specific dollar impact of a particular firm or project. Because there have been some changes in these relationships over time, there is bound to be some slight error in the RIMS II multipliers, but generally not greater than 10 percent, and probably less than that.<sup>4</sup>

Please refer to the January 2002 technical report for additional details about the use of RIMS multipliers in this analysis.

*(F) State Income Taxes Methodology*

Please refer to the January 2002 technical report for details about the use of the state income tax methodology in this analysis.

*(G) State Sales Taxes Methodology*

Please refer to the January 2002 technical report for details about the use of the state sales tax methodology in this analysis.

*(H) State Property Taxes Methodology*

Please refer to the January 2002 technical report for details about the use of the state property tax methodology in this analysis.

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<sup>4</sup> From US Department of Commerce, Bureau of Economic Analysis. Regional Multipliers from the Regional Input-Output Modeling System (RIMS II): A Brief Description. [www.bea.doc.gov/bea/regional/rims/brfdesc.htm](http://www.bea.doc.gov/bea/regional/rims/brfdesc.htm).

## B. HERITAGE TOURISM

*[GENERAL NOTE: For the heritage tourism section of this 2005 update project, several numbers in the POPULAR REPORT may be different than those found in the TECHNICAL REPORT discussion below. This is due to the recent release of an updated study on Colorado heritage tourism that was completed by Longwoods International following completion of the TECHNICAL REPORT but prior to completion of the POPULAR REPORT. In general, the updated Longwoods data reflects that a higher percentage of all Colorado travelers are heritage tourists.]*

From Colorado's largest cities to its smallest towns, thriving historic areas attract visitors who provide a significant source of revenue for both local and state economies. Visits to historic places, or "heritage tourism," have grown substantially in the past decade as more and more travelers seek to combine recreation with meaningful educational experiences and connect to one's heritage.

### 1. Definition of Heritage Tourism

As defined by The National Trust for Historic Preservation, "Cultural heritage tourism is traveling to experience the places, artifacts, and activities that authentically represent the stories and people of the past and present. It includes cultural, historic, and natural resources."

Heritage tourists include travelers who incorporate at least one visit to a historic site or landmark among other activities, and also the smaller subset of visitors whose primary reason for traveling is to visit historic places. Heritage tourists tend to have a greater respect for the places they visit and are less likely to have a negative impact on heritage resources.<sup>5</sup> Heritage tourism is an important tool that brings preservation and economic development together.

According to the National Assembly of State Art Agencies (NASAA), there are two significant travel trends that will dominate the national tourism market in the next decade.

- Mass marketing is giving way to one-to-one marketing with travel being tailored to the interests of the individual consumer.
- A growing number of visitors are becoming special interest travelers who rank the arts, heritage and/or other cultural activities as one of the top five reasons for traveling.

The combination of these two trends is being fueled by technology, through the proliferation of online services and tools, making it easier for the traveler to choose destinations and customize their itineraries based on their interests.

This section summarizes currently available data regarding heritage tourism in Colorado and includes national data where appropriate.

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<sup>5</sup> *Colorado Preservationist*, Autumn 2003.

## 2. Colorado Travel and Tourism

Colorado enjoys an abundance of beautiful scenery and historic places that attract all types of visitors. Heritage tourism in Colorado contributes to the state's economy by generating revenue, creating new jobs, and providing opportunities for small businesses. An example of heritage tourism may include a visit to a historic main street that now attracts shoppers interested in historic settings. Many historic main streets have been revitalized throughout Colorado, in places like Georgetown.

Travel by tourists, business people, and individuals visiting friends and family is a major industry in Colorado that generates jobs throughout the state. In 2003, the Colorado Tourism Office commissioned a comprehensive analysis of the statewide economic impacts of travel. During that year, travel spending in Colorado totaled \$8.1 billion. Table 21 examines direct traveler expenditures by location.<sup>6</sup>

<b>Location</b>	<b>Traveler Expenditures (\$ million)</b>	<b>Traveler Expenditures (percent)</b>
Denver Metro	\$3,180	39%
Mountain Region	\$2,331	29%
Pikes Peak	\$893	11%
Other	\$1,768	22%
<b>Total</b>	<b>\$8,172</b>	<b>100%</b>

Table 22 displays total travel spending for Colorado by location for the years 1996 to 2003.

<b>Location</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Denver Metro	\$2,602	\$2,867	\$3,083	\$3,318	\$3,571	\$3,298	\$3,263	\$3,180
Mountain Region	\$2,020	\$2,155	\$2,190	\$2,269	\$2,341	\$2,340	\$2,327	\$2,331
Pikes Peak	\$906	\$981	\$897	\$934	\$972	\$912	\$874	\$893
All Other	\$1,448	\$1,531	\$1,596	\$1,694	\$1,817	\$1,811	\$1,729	\$1,768
<b>Total</b>	<b>\$6,976</b>	<b>\$7,534</b>	<b>\$7,766</b>	<b>\$8,215</b>	<b>\$8,701</b>	<b>\$8,361</b>	<b>\$8,193</b>	<b>\$8,172</b>

Source: Dean Runyan Associates

Table 23 summarizes the jobs, payroll, state, and local taxes generated by direct traveler expenditure throughout the state. The Denver Metro Area and the Mountain Region have the largest travel industry payrolls (\$947 million and \$779 million respectively) and the

<sup>6</sup> Denver Metro: Adams, Arapahoe, Broomfield, Denver, Douglas, and Jefferson counties. Pikes Peak: El Paso, Fremont, Teller counties. Mountain Region: Eagle, Grand, Gunnison, La Plata, Montrose, Pitkin, Routt, San Miguel, and Summit counties. Other: All remaining counties.

highest average earnings per job (\$29,410 and \$25,970). Average wages per travel industry job statewide were \$23,790. While this is lower than the 2003 average across all industries of \$30,050, it is important to keep in mind that many jobs in the travel industry are seasonal or part-time.<sup>7</sup>

<b>Location</b>	<b>Jobs (thousands)</b>	<b>Payroll (millions)</b>	<b>Taxes (millions)</b>	<b>Earnings per job (thousands)</b>
Denver Metro	32.2	\$947	\$207	\$29.41
Mountain Resort	30.0	\$779	\$153	\$25.97
Pikes Peak	11.8	\$247	\$49	\$20.93
All Other	30.6	\$515	\$112	\$16.83
<b>Total</b>	<b>104.6</b>	<b>\$2,488</b>	<b>\$521</b>	<b>\$23.79</b>
Source: Dean Runyan Associates				

### 3. Sightseeing and Historic Preservation

Historic preservation is an important element that helps provide the sightseeing opportunities and unique atmosphere that many pleasure travelers are seeking. According to the Colorado Travel Year 2003 visitor study prepared by Longwoods International, a leading tourism research firm, Colorado had 24.9 million domestic U.S. visitors on over night trips. Eighty-six percent of these travelers were people on leisure trips (also referred to as pleasure travelers) and the remaining 14 percent were business travelers.

Pleasure travelers surveyed in 2003 rated four aspects of sightseeing in Colorado higher than the national average for other vacation destinations. Colorado’s natural environment received the highest scores (with 87 percent of respondents strongly agreeing that Colorado has beautiful scenery). Many tourists also gave high marks to the built environment (i.e., interesting small towns). With only 49% of respondents noting that Colorado is “noted for history,” the survey indicates an opportunity to expand on the state’s heritage tourism potential. Sightseeing opinions are summarized in Table 24 (with bold and shaded text indicating Colorado scores higher than national norms).

<sup>7</sup> The all industry average was calculated by dividing the Bureau of Economic Analysis earning by place of work total (\$87,837,096,000) by the total full and part-time employment by place of work (\$2,923,147).



<b>TABLE 24: Sightseeing Attributes: Colorado v. U.S. Norms, 2003</b>		
<b>Activity</b>	<b>Colorado</b>	<b>U.S. Norms</b>
Sightseeing	58%	65%
Beautiful scenery	<b>87%</b>	66%
Good for viewing wildlife/birds	<b>75%</b>	62%
Beautiful gardens and parks	<b>69%</b>	68%
Lots to see and do	67%	79%
Interesting small towns	<b>63%</b>	62%
Interesting cities	58%	72%
Well-known landmarks	57%	70%
Noted for history	49%	64%
Excellent shopping	45%	66%
Interesting festivals and events	43%	59%
Interesting architecture	41%	59%
Excellent museums and galleries	37%	54%
Source: Longwoods International Colorado Travel Year, 2003		

When asked what sightseeing activities travelers participated in, 18 percent of Colorado travelers responded they visited a landmark and/or historic site, which is slightly higher than 16 percent of U.S. travelers who visited landmarks/historic sites. Other sightseeing activities pleasure tourists enjoyed included visiting small towns/villages (46 percent of Colorado visitors vs. 34 percent of U.S. travelers) and visiting national/state parks (20 percent of Colorado visitors vs. 12 percent of U.S. travelers).

#### **4. What Percentage of Colorado Tourists are Heritage Tourists?**

Historic places are an important draw for visitors who are seeking authentic, unique sightseeing opportunities and often extend beyond historic attractions to a wide range of other preservation-related activities. Walking tours, visiting historic districts or museums, and visiting businesses housed in historic buildings, such as bed and breakfasts, are only a few examples of those activities that fall under the auspices of heritage tourism.

Heritage tourists can be defined in two ways: travelers who incorporate a visit to a historic site or landmark among other activities in their visits to Colorado and the smaller subset of visitors whose primary reason for taking a trip is to visit historic places.

The information available in Colorado pertains to the first broad group of heritage tourists – those who incorporate a visit to a historic area or site among other activities. According to the 2003 Longwoods study, 21.3 million overnight leisure trips occurred in Colorado that year. Approximately 24 percent of them, or 5.1 million trips, included a visit to at least one Colorado historic site or landmark. This is the same percentage of U.S. travelers (24 percent) who experienced historic areas on their trip. Table 25 displays the percent of places experienced by overnight pleasure trips for Colorado and the U.S.

<b>Activity</b>	<b>Colorado</b>	<b>U.S. Norms</b>
Mountains	68%	21%
Friends and relatives	60%	59%
Wilderness	44%	19%
Lakes and rivers	36%	29%
Natural environment	30%	12%
City garden/park	27%	21%
<b>Historic areas</b>	<b>24%</b>	<b>24%</b>
Rural farming areas	22%	20%
Unique Native American/Hispanic cultures	8%	NA
Source: Longwoods International Colorado Travel Year, 2003		

The top “main purpose” visit of pleasure travelers to Colorado was to visit the mountains (68 percent). It may be common that a traveler visiting the mountains would also visit a historic place. However, we do not know this exact proportion in Colorado because the visitor research conducted in the state to this point has not asked that question.

According to the nationwide research by the Travel Industry Association of America (TIA), in 2002 approximately 81 percent of adult travelers incorporated a heritage or cultural activity into their trip, which may include a visit to a historic place or museum as a trip activity. (The TIA definition of heritage tourism, which includes experiencing performing arts, art museums, festival/fair, ethnic area and historic sites/events, is much broader than the Longwood’s definition of heritage tourism, which is a traveler who visited an historic site or landmark.) One quarter of these travelers take three or more of these trips per year. In fact, historical/cultural travel volume is up 13 percent from 1996, increasing from 192.4 million person-trips to 216.8 million person-trips in 2002.

## **5. Impacts of Heritage Tourism**

Longwoods International prepared special cross-tabulations regarding the spending and travel behavior of heritage tourists included in their 1999 Visitor Survey, which was used as a basis for the analysis presented in the 2001-02 Colorado economic benefits study. Longwoods has not prepared newer versions of these special cross tabulations.

Therefore, the same 1999 distribution rates have been applied to the number of visitors in Longwoods’ 2003 Visitor Survey to determine the approximate number of heritage tourists in 2003. Based on these rates, heritage travelers spent a total of approximately \$1.4 billion in Colorado in 2003, as shown in Table 26.

Heritage tourists in 2003 spent 28 percent of their Colorado expenditures on lodging and 24 percent on retail purchases. Table 26 shows a summary of their spending by category.

<b>TABLE 26: Estimated Spending by Colorado Heritage Tourists, 2003 (millions)</b>		
<b>Activity</b>	<b>Spending (millions \$)</b>	<b>Percent</b>
Lodging	\$423	28%
Retail	\$359	24%
Eating and drinking	\$348	23%
Transportation	\$259	17%
Recreation	\$123	8%
<b>Total</b>	<b>\$1,513</b>	<b>100%</b>
Source: BBC Research & Consulting from Longwoods International Colorado Travel Year, 1999 and 2003		

The economic impacts of heritage tourists go beyond their direct expenditures. Each dollar spent at a hotel, restaurant, or retail shop circulates in the economy as the establishment buys supplies, contracts for services, and pays wages to its employees. This re-spending of money is multiplied, as already discussed above in the section on rehabilitation of historic properties.

The Division of Local Government at the Colorado Department of Local Affairs calculates statewide multipliers based on RIMS (Regional Input-Output System) data. We applied the most recent multipliers to the spending estimates for heritage tourists to estimate the indirect impacts of their Colorado visits in 2003.

It is estimated that the \$1.5 billion in direct spending, detailed in Table 26, resulted in another \$1.9 billion of indirect expenditures, for a total impact of \$3.4 billion. The spending by heritage travelers also generated an estimated \$1.1 billion in total earnings by Colorado workers and 60,964 jobs.

The total economic impact from heritage travelers of \$3.4 billion in 2003 is slightly higher than the total impact of \$3.0 billion in 1999. This finding is all the more notable given that the number of overall Colorado pleasure and business travelers and expenditures decreased from 1999 to 2003. Table 27 summarizes the direct and indirect impacts of heritage tourism in 2003.

<b>TABLE 27: Direct and Indirect Impacts of Heritage Tourists in Colorado, 2003 (millions)</b>		
<b>Activity</b>	<b>Spending (millions \$)</b>	<b>Percent</b>
Lodging	\$423	12%
Retail	\$359	11%
Eating and drinking	\$348	10%
Transportation	\$259	8%
Recreation	\$123	4%
Indirect Impacts	\$1,880	56%
<b>Total</b>	<b>\$3,392</b>	<b>100%</b>
Source: BBC Research & Consulting from Longwoods International Colorado Travel Year, 1999 and 2003		

According to the National Trust for Historic Preservation, cultural heritage tourism provides many benefits including:

- Creating jobs and businesses
- Increasing tax revenues
- Diversifying the local economy
- Creating opportunities for partnerships
- Attracting visitors interested in history and preservation
- Increasing historic attraction revenues
- Preserving local traditions and culture
- Generating local investment in historic resources
- Building community pride in heritage
- Increasing awareness of the site or area's significance

## 6. Characteristics of Heritage Travelers

[PLEASE NOTE that all tables in this section, “Characteristics of Heritage Travelers,” carry forward the same percentages of heritage travelers used in the 2002 report. That is because, as noted, no new information has become available since the earlier report regarding the percentage of all travelers who may be called “heritage travelers.” However, new 2003 information is now available on other “pleasure travelers,” and so all the pleasure traveler percentages in this section are different (and more current) than the percentages in the earlier version of this report.]

According to the nationwide research by the Travel Industry Association of America (TIA), in 2002, heritage and cultural travelers consistently stay longer and spend more money than other types of U.S. travelers, averaging \$623 per trip versus \$475 per trip for other U.S. travelers. Average trip spending for U.S. historical/cultural travel has increased 17 percent from 1996 to 2002. Heritage travelers tend to travel longer: 5.2 nights versus 3.4 nights.

The TIA also reported that most historic/cultural trips (77 percent) are taken by households that own a home. Credit cards are common in historical/cultural households and 58 percent have a college degree or higher. Most cultural travelers responded they want to enrich their lives with new travel experiences. Approximately one fourth of historic/cultural travelers take three or more of these trip a year.

Research done in other parts of the country shows a larger difference in spending between heritage tourists and other pleasure travelers than that identified in Colorado. This may be due to the popularity of skiing and other costly outdoor pursuits among Colorado vacationers. Because of these recreation expenditures, average total visitor expenditures in Colorado are relatively high.

Travelers who included a visit to a historic site or landmark on their trip were more likely to stay in commercial lodging than other vacationers. Table 28 compares the lodging choices of heritage travelers to those of the other overnight pleasure travelers.

**TABLE 28: Colorado Lodging Used on Trip, 2003**

	Heritage Travelers		Pleasure Travelers	
	Number	Percent	Number	Percent
Home of friends and relatives	1,584,720	31%	9,159,000	43%
Hotel	869,040	17%	3,621,000	17%
Motel	817,920	16%	2,130,000	10%
Campground	664,560	13%	639,000	3%
Rented condo/cottage	306,720	6%	1,704,000	8%
Time-sharing	255,600	5%	852,000	4%
Wilderness campsite	204,480	4%	852,000	4%
Country inn/lodge	153,360	3%	639,000	3%
Other	153,360	3%	1,065,000	5%
Own house	102,240	2%	639,000	3%
<b>Total travelers</b>	<b>5,112,000</b>		<b>21,300,000</b>	

Source: BBC Research & Consulting, Longwoods International; Colorado Travel Year 1999; Colorado Heritage Tourism, 1999; and the Colorado Travel Year, 2003

Heritage tourists spent their time in Colorado differently than vacationers over all. They were much more likely to visit a national or state park, to watch birds and other wildlife and to visit a museum than other visitors. They were also more interested in unique local foods and hiking than other tourists. Table 29 summarizes sightseeing activities for heritage tourists and other vacationers.

**TABLE 29: Colorado Travelers Sightseeing Activities, 2003**

Activity	Heritage Travelers		Pleasure Travelers	
	Number	Percent	Number	Percent
National/State park	2,453,760	48%	4,260,000	20%
Viewing wildlife/birds	1,635,830	32%	2,769,000	13%
Museum/science exhibit	1,533,600	30%	1,491,000	7%
Excursion train ride	766,800	15%	1,278,000	6%
Art gallery	511,200	10%	852,000	4%
Brewery	408,960	8%	1,491,000	7%
Zoo	357,840	7%	1,065,000	5%
Pro/college sports event	255,600	5%	NA	NA
<b>Total travelers</b>	<b>5,112,000</b>		<b>21,300,000</b>	

Source: BBC Research & Consulting, Longwoods International; Colorado Travel Year 1999; Colorado Heritage Tourism, 1999; and the Colorado Travel Year, 2003

Tables 30 and 31 detail entertainment and recreation activities. It is interesting to note that heritage travelers were more likely than pleasure travelers to fish, backpack, mountain climb, and river raft. The historic downtown areas in Aspen, Breckenridge, Steamboat Springs, and

Telluride offer a major advantage in attracting travelers who want to pursue active recreation and see historic places on the same vacation.

One such place is the Town of Telluride, located in the southern Rocky Mountains, a remote boomtown established at an elevation of 8,745 feet in the heyday of Colorado's gold and silver mining era. The Town of Telluride is a National Historic Landmark District with a model historic preservation program. The dynamic community is committed to preserving Telluride's historically significant architecture, open spaces, and small town mountain lifestyle.

Activity	Heritage Travelers		Pleasure Travelers	
	Number	Percent	Number	Percent
Shopping	2,193,840	57%	10,863,000	51%
Unique local foods	1,738,080	34%	4,473,000	21%
Elegant restaurants	766,800	15%	3,195,000	15%
Bar/nightclub	460,080	9%	2,130,000	10%
Local music	460,080	9%	1,704,000	8%
Fair/festival	255,600	5%	1,065,000	5%
Amusement/theme park	204,480	4%	852,000	4%
Rodeo	204,480	4%	213,000	1%
Theater/symphony/opera	153,360	3%	639,000	3%
Rock concert	102,240	2%	426,000	2%
<b>Total travelers</b>	<b>5,112,000</b>		<b>21,300,000</b>	
Source: BBC Research & Consulting, Longwoods International; Colorado Travel Year 1999; Colorado Heritage Tourism, 1999; and the Colorado Travel Year, 2003				

Heritage travelers also enjoy the outdoors and look for opportunities to mix the natural environment with history. The National Park Service has established 27 National Heritage Areas around the country where natural, cultural, historic, and recreational resources combine to form a cohesive, nationally distinctive landscape arising from patterns of human activity shaped by geography. There are only two nationally designated heritage areas in the west and one of them is in Colorado, the Cache La Poudre River Corridor. The Cache La Poudre River Corridor was in the forefront of the historical development of our current system of water rights and water laws in the west.

Activity	Heritage Travelers		Pleasure Travelers	
	Number	Percent	Number	Percent
Hiking	1,840,320	36%	3,408,000	19%
Swam in a pool	1,124,640	22%	2,130,000	10%
Used a sauna/hot tub	1,124,640	22%	1,917,000	9%
Bird watching	511,200	10%	852,000	4%
Fishing	408,960	8%	1,065,000	5%
Backpacking	357,840	7%	1,065,000	5%
Jogging/running	306,720	6%	1,065,000	5%
Horseback riding	306,720	6%	639,000	3%
Mountain climbing	306,720	6%	852,000	4%
River rafting	255,600	5%	639,000	3%
Bicycling	255,600	5%	426,000	2%
Swam in a lake/river	255,600	5%	639,000	3%
<b>Total travelers</b>	<b>5,112,000</b>		<b>21,300,000</b>	

Source: BBC Research & Consulting, Longwoods International; Colorado Travel Year 1999; Colorado Heritage Tourism, 1999; and the Colorado Travel Year, 2003

Colorado heritage tourists spend slightly more per day than pleasure vacationers in Colorado, while pleasure tourists have slightly higher incomes. Approximately 32 percent of heritage travelers and 35 percent of all pleasure travelers have household incomes of \$75,000 per year or more. Household income levels for Colorado heritage travelers and pleasure travelers are summarized in Table 32.

	Heritage Travelers		Pleasure Travelers	
	Number	Percent	Number	Percent
Under \$25,000	575,100	15%	3,621,000	17%
\$25,000 to \$49,999	1,150,200	30%	5,964,000	28%
\$50,000 to 74,999	881,820	23%	4,260,000	20%
\$75,000 +	1,226,880	32%	7,455,000	35%
<b>Total travelers</b>	<b>5,112,000</b>		<b>21,300,000</b>	

Source: BBC Research & Consulting, Longwoods International; Colorado Travel Year 1999; Colorado Heritage Tourism, 1999; and the Colorado Travel Year, 2003

Colorado heritage travelers also tend to be older than other visitors. As indicated in Table 33, more than half of Colorado's heritage travelers are 45 years of age or older.



TABLE 33: Colorado Age of Travelers, 2003		
Heritage travelers	Numbers	Percent
18 to 24 years	562,320	11%
25 to 34 years	1,073,520	21%
35 to 44 years	869,040	17%
45 to 54 years	1,022,400	20%
55+ years	1,584,720	31%
<b>Total heritage travelers</b>	<b>5,112,000</b>	<b>100%</b>
Pleasure travelers	Numbers	Percent
18 to 24 years	3,195,000	15%
25 to 44 years	8,307,000	39%
45 to 64 years	7,029,000	33%
65+ years	2,769,000	13%
<b>Total pleasure travelers</b>	<b>21,300,000</b>	<b>100%</b>
Source: BBC Research & Consulting, Longwoods International; Colorado Travel Year 1999; Colorado Heritage Tourism, 1999; and the Colorado Travel Year, 2003		

Visitors to historic sites and landmarks in Colorado are also more likely to be retired than other tourists. Employment status information is presented in Table 34.

TABLE 34: Colorado Employment Status of Travelers, 2003		
Heritage travelers	Numbers	Percent
30+ hours per week	3,118,820	61%
Under 30 hours per week	562,320	11%
Not employed	1,431,360	28%
<b>Total heritage travelers</b>	<b>5,112,000</b>	<b>100%</b>
Pleasure travelers	Numbers	Percent
Full time	5,964,000	61%
Part time	2,343,000	14%
Not employed	12,993,000	25%
<b>Total pleasure travelers</b>	<b>21,300,000</b>	<b>100%</b>
Source: BBC Research & Consulting, Longwoods International; Colorado Travel Year 1999; Colorado Heritage Tourism, 1999; and the Colorado Travel Year, 2003		

## 7. Recommended Future Research

Although Longwoods International 2003 visitor survey data indicated that 5.1 million Colorado trips included a visit to a historic site or landmark, there were only 2.0 million paid admissions to major historic sites and museums in Colorado that year.<sup>8</sup>

<sup>8</sup> Longwood's 1999 special heritage tourism cross-tabulations were used to estimate the number of paid admissions.

How can this discrepancy between the number of paid admissions and the number of self-reported visits be explained? It may be largely due to the fact that many of the state's historic sites are private businesses (such as the Brown Palace Hotel in Denver, the Statler Hotel in Durango, or the Buckhorn Exchange in Denver) or public buildings that do not charge admission (such as the State Capitol).

The Longwoods 2003 visitor survey did make a distinction between historic areas and historic sites. When asked about things experienced on their trip, 24 percent of overnight pleasure travelers to Colorado answered that they had visited historic areas. When asked about sightseeing, 18 percent said they had visited historic sites and landmarks. While the different answers to the two questions indicate that survey respondents understood there was a difference between a general visit to a historic area and a specific visit to a historic site, their criteria for making the distinction are not clear.

This is an area where further research would be useful. Approximately 24 percent of pleasure travelers experienced a historic area during their visit to Colorado. Historic preservation contributes to many of the factors cited by travelers as satisfying parts of their Colorado sightseeing experience, including interesting small towns, interesting cities, well known landmarks, a place noted for its history and interesting architecture. It would be helpful to understand better which aspects of the state's history visitors are experiencing on their Colorado vacations.

The Longwoods visitor survey did include a list of Colorado attractions but many smaller historic sites are not included on the list. Future visitor surveys could ask respondents which historic landmarks and sites they visited.

We also recommend that Colorado periodically obtain special visitor survey cross-tabulations focusing on heritage tourism. This research was last conducted by Longwoods in 1999.

## **8. Organizations in Support of Heritage Tourism**

Successful heritage tourism destinations are the result of extensive planning and creative partnerships among many stakeholders, such as tourism, natural resources, and preservation organizations. Regional cooperation among communities who cross-promote their resources is also vital to successful heritage tourism.

There are several organizations nationally and in Colorado that work towards promoting and assisting heritage tourism. The following discusses a few of these organizations and their programs.

***National Trust for Historic Preservation.*** The National Trust for Historic Preservation has a heritage tourism program. The Heritage Tourism Program provides assistance ranging from general assistance in drafting cultural heritage tourism publications, to consulting services tailored to meet the needs of individual clients. The National Trust's Heritage Tourism Program's experienced staff provides fee-for-service assistance in heritage tourism development, management, and marketing. The staff also works at the national level to

track national trends, provide how-to training tools and programs such as Share Your Heritage and advocate for increased national support for heritage tourism.

***Rural Heritage Tourism.*** The National Trust for Historic Preservation also has a Rural Heritage Program that is dedicated to the recognition and protection of rural historic and cultural resources. Through educational programs, publications, and technical assistance, the Rural Heritage Program supports the efforts of rural communities across the country to both preserve and live with their heritage. The Program works with communities on topics as diverse as farmland preservation, scenic byways, heritage areas and parks, historic roads, and sprawl.

***National Park Service, National Heritage Areas Program.*** The National Heritage Areas program has established 27 National Heritage Areas around the country where natural, cultural, historic, and recreational resources combine to form a cohesive, nationally distinctive landscape arising from patterns of human activity shaped by geography. These patterns make National Heritage Areas representative of the national experience through the physical features that remain and the traditions that have evolved in the areas. Continued use of the National Heritage Areas by people whose traditions helped to shape the landscapes enhances their significance.

National Heritage Areas are a strategy that encourages residents, government agencies, non-profit groups, and private partners to collaboratively plan and implement programs and projects that recognize, preserve, and celebrate many of America's defining landscapes. The heritage areas seek short and long-term solutions to their conservation and development challenges by fostering relationships among regional stakeholders and encouraging them to work collaboratively to achieve shared goals. In 2003, 31.7 million people visited the National Park Service's heritage areas.

***Cache La Poudre River Corridor.*** The Cache La Poudre River Corridor is located in north central Colorado and is the only National Heritage Area located in Colorado. Dedicated in 1996, it begins at the eastern edge of the Arapaho-Roosevelt National Forest and extends east through Fort Collins and Larimer County to Greeley and Weld County up to one-fourth miles west of its confluence with the South Platte River. The boundary of the 40-mile Corridor is the river's 100-year floodplain. It commemorates the role of water development and management in shaping the American West. The legislation provides for the interpretation of the unique and significant contributions to our national heritage of cultural and historic lands, waterways and structures within the Corridor.

***National Assembly of State Art Agencies.*** The National Assembly of State Arts Agencies (NASAA) is a membership organization that unites, represents, and serves the nation's state and jurisdictional arts agencies. Each of the 56 states and jurisdictions has created an agency to support excellence in and access to the arts. Enjoying traditional artists and artistic forms is an important segment of heritage tourism.

Broadening participation in the arts, increasing opportunities for artists, preserving and promoting our cultural resources and investing in communities' quality of life are among the reasons state arts agencies are key players in supporting and leading cultural tourism

initiatives. State arts agencies are developing successful strategies linking the arts and tourism in communities across the country. Successful cultural tourism projects depend on collaboration, assessment, research, and marketing and visitor service.

***Colorado Council on the Arts.*** The Colorado Council on the Arts, a state agency, was created by an act of the Colorado State Legislature to stimulate arts development in the state, to assist and encourage artists and arts organizations, and to help make the arts more accessible to the people of Colorado. Using public funds appropriated by the Governor and the Colorado Legislature, combined with support from the National Endowment for the Arts, they have invested in the cultural life of communities across the state for almost 40 years.

A project the CCA funds is the preservation and promotion of art forms of Colorado's many cultures. CCA's Cultural Heritage program seeks to ensure that Colorado's residents and visitors understand and appreciate the important role of these diverse cultural traditions. CCA has a Cultural Heritage Team, consisting of four folklorists who honor traditional artists and art forms throughout the state. Through programs, grants and technical assistance they celebrate, present, and preserve folk art forms integral to Colorado's character.

***State Historical Fund.*** As already discussed, the Fund assists in a wide variety of preservation projects, including restoration and rehabilitation of historic buildings, architectural assessments, archaeological excavations, designation, and interpretation of historic places, preservation planning studies, and education and training programs.

The State Historical Fund recently awarded a \$500,000 grant to the Colorado Tourism Office to conduct research and implement a statewide strategic plan to promote Colorado's distinct heritage destinations. The grant will support the following project components: a Heritage Tourism Strategic Plan to develop a program to identify and promote heritage tourism throughout Colorado; two pilot projects to determine the most effective ways to educate travelers on heritage tourism opportunities and to develop marketing campaigns; a research conducted by Longwoods International to include questions directed at heritage tourists; and an update of the state's tourism web site and the official State Vacation Guide.

***Colorado Tourism Office.*** The Colorado Tourism Office (CTO) was created by the legislature July 1, 2000, to promote Colorado as a tourism and travel destination. The CTO replaces the Colorado Tourism Board and the Colorado Travel and Tourism Authority. The office is governed by a board of directors consisting of thirteen members, including two legislators and eleven members appointed by the Governor and representing various tourism and travel industry segments. Administrative oversight is provided by the Office of Economic Development and International Trade. CTO oversees the Colorado Welcome Centers, advertising and public relations, customer response services, and research.

***Colorado Historical Society.*** The Colorado Historical Society operates twelve historic sites and museums at 10 locations around the state, including the Colorado History Museum in Denver. Each has its own regional character and thematic focus-from the days of the fur trade along the South Platte and Arkansas Rivers to early Hispanic life and settlement in

southern Colorado, the Ute Indians of the Western Slope, the Clear Creek gold rush, the Leadville silver boom, and the growth of Denver.

***Colorado Preservation, Inc.*** Colorado Preservation, Inc. is a nonprofit, statewide historic preservation organization that provides assistance in historic preservation to Colorado communities through a statewide network of information, education, training, expertise, and advocacy.

***Scenic and Historic Byways.*** The Colorado Scenic and Historic Byways program is a statewide partnership intended to provide recreational, educational, and economic benefits to Coloradans and visitors. This system of outstanding touring routes in Colorado affords the traveler interpretation and identification of key points of interest and services while providing for the protection of significant resources.

***Center for Arts and Culture.*** The Center for Arts and Culture, based in Washington D.C., is a nonprofit, non-partisan organization, supported by foundations and individuals, governed by a board of directors, and advised by a Research Advisory Council. It is committed to advancing public policies that ensure the rich and diverse cultural traditions of our nation are protected and that the public have full access to the cultural artifacts of our many heritages. They focus on five areas of preservation policy: historic preservation, documents and archives, sites and monuments, living cultural heritage, and cultural property.

***Preserve America.*** Preserve America is a White House initiative in cooperation with the Advisory Council on Historic Preservation, the U.S. Department of the Interior, the U.S. Department of Commerce, the U.S. Department of Agriculture, and the U.S. Department of Housing and Urban Development. Preserve America encourages and supports community efforts to preserve and enjoy our priceless cultural and natural heritage. The goals of the initiative include a greater shared knowledge about the Nation's past, strengthened regional identities and local pride, increased local participation in preserving the country's cultural and natural heritage assets, and support for the economic vitality of our communities.

***Regional Humanities Centers.*** Regional humanities centers vary in their activities and specialties, but share a common goal of conserving regional heritage. These centers are located throughout the U.S. and can be beneficial allies as we embark upon research and related activities.

## **9. Conclusions**

Protecting, preserving, and promoting historic resources creates many opportunities for visitors to learn and appreciate Colorado's rich past. Heritage tourism is also a way for communities to introduce outside dollars into an area, which then circulates throughout the local economy.

- Travel and tourism in Colorado is a major industry. Direct expenditures by Colorado visitors in 2003 contributed \$8.1 billion to the Colorado economy. Another \$9.0 billion in indirect impacts were generated as those traveler dollars were re-spent as payments to suppliers and wages to employees.

- Pleasure travelers who included sightseeing at a historic site or landmark among the activities on their Colorado trip spent \$1.5 billion in the state. When indirect expenditures are taken into account, their total impact on the State's economy reaches \$3.4 billion.
- Heritage travelers are notable for how they spend their money and how they spend their time. Heritage tourists are much more likely to stay in commercial lodging than other vacationers. They are also much more likely to visit a national or state park or visit a museum. They are more interested in eating local foods and going on hikes than other travelers.
- Heritage travelers should be a key consideration for communities outside the I-70 ski resort belt that are trying to increase their tourism business. Ski resort towns that wish to attract aging baby boomers, whose participation in skiing is diminishing, should look to historical sites as an important element in the package of ski alternatives.
- Colorado competes with other states for marketable trips; these are trips that are not taken for business or in order to visit friends and relatives. The destination of these trips is not fixed. Tourists are seeking sightseeing, recreation and relaxation opportunities. Various destinations can market themselves to these individuals and influence their travel choices. Promotion of heritage tourism and provision of a variety of well-interpreted historic sites will help Colorado increase its share of marketable trips.
- Although existing research provides some information about Colorado heritage tourists, more insight into their travel patterns and preferences would be useful. Future statewide visitor surveys could include questions specifically geared to heritage tourists. Feedback from these visitors would be helpful in marketing to this lucrative market segment.
- In summary, promotion of heritage tourism presents a great and lucrative opportunity for Colorado's historic preservation community to link the State's vast natural resources with the historical context of the built environment.

## C. PROPERTY VALUES – COMMERCIAL DISTRICT ANALYSIS

### 1. Background and Case Study Community Selection

In the 2001 project, several residential areas in Denver and Durango were studied to assess the impact of local historic designation and design review on property values. The 2001 results were widely discussed and led many observers to question whether the trends observed in residential areas would hold true in commercial districts, which typically feature a more complex set of variables that may affect property value. Thus, this section includes an analysis of the effect of local historic designation on property values in a commercial historic district.

The case study community selection process began by obtaining a list of all of the communities throughout the state with a local preservation ordinance. A list of preferred criteria for a case study community was then developed. The chosen community should have, at least:

- One commercial historic district;
- Historic design review in place for at least five years (in order to allow tracking of property value trends over time);
- Good data availability (e.g., digital property data; existence of an active, local preservation community, or district-related organizations, such as a merchant's association or chamber of commerce);
- An undesignated yet a similarly historic “control group” of properties; and
- An active preservation/economic development component (perhaps a participant in the Main Street program or a Certified Local Government.).

The only immediate disqualifying criterion was the presence of a significant non-preservation related mitigating factor, such as a ski resort or national park gateway that would skew property values and thus make the community less applicable as a statewide model.

Despite the many Colorado communities that have preservation ordinances, the list of case study candidates quickly became shorter for several seasons. First, while many communities have historic design review, there are fewer historic *commercial* areas with design review provisions. Second, historic design review itself is relatively new in many communities. For example, both Greeley and Pueblo stand out as excellent candidates given their community commitment to historic preservation and compelling stories in having truly “taken on” historic preservation as an economic development tool. Yet, in both these communities, their design review provisions are only a few years old – not long enough for tracking property value trends over time for the purposes of this analysis.

In the end, only three communities with well-established design review provisions were promising: Idaho Springs, Manitou Springs, and Fort Collins. Idaho Springs, with historic design review in place just since 1997, has perhaps too young a program to evaluate impacts over time. Manitou Springs has a long tradition of historic design review and has been

reviewing properties since 1980. However, the Manitou downtown district was established with an “opt out” provision, in which property owners could choose to be “in” or “out” of the district. Over time, this provision has resulted in a district with a large number of “holes,” or properties within the district that are not subject to review criteria. The team felt that the “opt out” provision was a complication that could potentially take the case study in a direction away from the main focus, which is to compare property value trends in designated and similar undesignated areas.

The remaining possibility, Fort Collins, turned out to be a strong case study community for many reasons. First, the city’s Old Town district, while small, has had design review in place since 1979. This long record of regulatory enforcement of historic preservation, particularly in a commercial district, is extremely rare in Colorado; Fort Collins’ Old Town has been a pioneer in this respect. Further, the community has maintained a notable and long-standing record of sensitive redevelopment in its downtown and is the home to a number of distinguished rehabilitation projects, such as the Northern Hotel. Also, the presence of city staff members whose time is wholly devoted to historic preservation, while certainly not a requirement for this analysis, speaks volumes to the level of community commitment to historic preservation, and helped smooth the way for the complex data-gathering necessary for this report.

In short, the Old Town district has a strong record of enforcing downtown design review, the area is economically healthy, data availability was excellent, community commitment to preservation generally is strong, and the downtown in particular has demonstrated a significant commitment to historic preservation over many years.

The city’s preservation efforts were recognized in late 2004, when First Lady Laura Bush designated Fort Collins (along with Pueblo) as a *Preserve America* community, a new community designation program intended to provide strong incentives for continued preservation of the nation’s cultural and natural heritage resources.

## 2. Summary of Findings

This study analyzed two key indicators that express different aspects of value over time: appreciation since designation, and average value per square foot.

- *Total Appreciation Since Designation.* How did properties in the locally designated district increase in value compared to the surrounding area? From designation in 1979 until 2003, the total value of properties studied within the Old Town historic district increased dramatically more than the total value of properties in the similar, nearby area outside the district. The total rate of appreciation from 1979 to 2003 for properties within Old Town area was 721.0 percent, versus 422.7 percent for properties in the undesignated comparison area. The undesignated area has retained a consistent advantage over the district on a price-per-square-foot basis. However, Old Town has experienced a jump in total value – much higher than the nearby undesignated area – presumably in part because Old Town started out with much lower values compared to the undesignated area, and dramatic improvements since designation have brought the district on par with the surrounding area.



- *Average Value per Square Foot.* How much “building” do you get for your money in the local historic district versus the surrounding area? The undesignated area had and continues to have slightly higher property values on a per-square-foot basis than the designated area, most likely because more businesses within the undesignated area have direct street access. The district did, however, increase in value at a roughly equivalent rate with the undesignated area, confirming that designation did not lead to decreased property values in the district. The comparison of average price per square foot provides a good general sense of the parity of the two areas in terms of value from the mid-1980s through today.

The property values debate – “What effect does local historic district designation truly have on property values?” – is a complex issue that involves multiple variables that change widely depending on each area studied. Yet, as was the case in our 2001 study, our 2004 Colorado research continues to support the general conclusion that historic district designation does not decrease property values. On the contrary, property values in the designated commercial area in Fort Collins experienced total value increases that were much higher, on a percentage basis, than a nearby, similar, undesignated area.

An important caveat is still applicable to these Fort Collins findings and should be carried forward from our 2001 report: “These findings demonstrate some examples of the effects of local historic designation and design review on property values. However, while our findings are consistent with other, similar research conducted around the country, our findings nevertheless should not be interpreted as definitive proof that local historic designation always leads to higher property values. Our research has demonstrated an unexpectedly wide variation in the nature of local preservation review in Colorado, and a similarly wide range of local economic conditions. We therefore do not recommend that these results be extrapolated to other areas outside the specific districts covered. Such analysis may be possible once designation programs have been in place for a longer period in the state and a broader set of data may be gathered and analyzed.”

### **3. General Overview of Fort Collins**

Fort Collins has a well-developed and extensive preservation program. The Landmark Preservation Commission, founded in 1968, reviews a wide variety of activities in the local historic districts. The local natural and cultural resources ordinance states as its main objectives that: “(1) historic sites, structures, or objects are preserved and incorporated into the proposed development and any undertaking that may potentially alter the characteristics of the historic property is done in a way that does not adversely affect the integrity of the historic resource; and (2) new construction is designed to respect the historic character of the site and any historic properties in the surrounding neighborhood.” This ordinance is “intended to protect designated or individually eligible historic sites, structures or objects as well as sites, structures or objects in designated historic districts, whether on or adjacent to the project site.” Figure 1 shows an example of a major rehabilitation of a historic building in Fort Collins.

**Figure 1: Dramatic Changes:** Old Town's Kissock Block, 1983 and 2003



The city has 24 National Register properties, 14 State Register properties, and 151 locally designated landmarks, including the 38 contributing properties located in the city's only local district, the Old Town Historic District. All project proposals within the Old Town district must comply with Fort Collins's *Design Guidelines for Historic Old Town Fort Collins*. Historic preservation is a key tenet of these Design Guidelines. As the Guidelines state, "The community recognizes the significance of Old Town as an important cultural resource. We wish to preserve the inherent historic elements of individual buildings as a cultural record for future generations and to maintain the sense of 'district' that exists in Old Town as a special place to experience."

In addition to historic design review, the city administers a zero-interest loan program that provides up to \$5,000 in matching funds for exterior rehabilitation projects on designated Fort Collins landmarks. The city also maintains a design assistance program, which provides up to \$900 in technical assistance (e.g., from architects, structural engineers, etc.) for local landmarks and contributing properties. Fort Collins has an aggressive Downtown Development Authority that has maintained a continual presence in the downtown and has provided support with many historic rehabilitation projects. Public and private resources in Fort Collins have also actively pursued State Historical Fund grants in order to rehabilitate historic commercial properties both inside and outside the Old Town District.

#### **4. The Case Study Area: Old Town District**

Designated a National Register District in 1978, and a local district in 1979, the Old Town District is the centerpiece of downtown Fort Collins. It is characterized by many fine examples of late 19<sup>th</sup> and early 20<sup>th</sup> century commercial architecture.

The total area examined includes properties located roughly within six blocks: the designated "triangle" of the district along North College, Walnut, East Mountain, Pine and Linden streets and the undesignated blocks of South College, Oak, and West Mountain. In consultation with city preservation staff, we selected several blocks of nearby South College for the undesignated case study area, including a small section of West Mountain and West Oak streets (see Figure 2).

Originally the site of Camp Collins, a military post established in 1864, the Old Town historic district is unique in several ways. It is both a local and National Register district, with the National Register boundaries extending slightly northward of the local district boundaries. The district is small and includes only 38 contributing properties (see Figure 2). A key street, Linden, runs through the center of the district as a pedestrian mall, so some of the district is pedestrian-only. Spatially, the experience in the core of the district is “inward facing” toward this mall. While there are many pedestrian and vehicular opportunities to enter the district, the experience inside the core feels somewhat secluded versus the rest of the downtown, primarily due to the enclosure created by Linden. However, the areas around this core are open to automobiles. The district’s “main entry” on Linden is very clearly noted by large signage. Walking tour signage, which identifies the history of individual buildings, adorns several structures. The term “Old Town” itself is very prominent throughout the area (e.g., in business names), further emphasizing the place. Businesses in the district are varied and include specialty boutiques, office space, residences, several restaurants, and a natural foods store; a similar mix of businesses is found in the remainder of the downtown outside of Old Town. The district’s historic buildings have a high degree of architectural integrity, and share the space comfortably with several considerably newer structures.

The undesignated area is located along South College, which is a busy boulevard. Shops, residences, restaurants, and offices line the street, which is nearly always crowded. The district and undesignated area contrast in that the district is anchored by the pedestrian mall, yet they also share many key features, including predominant building age and style, a mix of older and more contemporary buildings, a thriving mix of businesses, and strong pedestrian usage. Both areas have a long history of commercial use. According to city staff, the term “Old Town” originally applied only to the historic district itself. In recent years, use of the term has spread to include the area down South College, including this report’s undesignated study area. The area referred to by the term “Old Town” has in effect grown in size over the years, which the staff attributes to local businesses seeking to capitalize on the character of the historic district.

This analysis examined 62 properties: 25 within the designated study area and 37 within the undesignated comparison area. For each building where data was available within both the designated study area and the undesignated comparison area, data from the Larimer County Assessor’s office was collected in four-year intervals, beginning with the year of the district’s local establishment in 1979: 1979, 1983, 1987, 1991, 1995, 1999, and 2003.

**Figure 2: District Snapshot -- Old Town Fort Collins**



**Boundaries:** Roughly bounded by College Avenue, Mountain, Pine, and Jefferson Streets

**Periods of significant architecture:** 1875-1899 and 1900-1924

**Number of contributing buildings:** 38

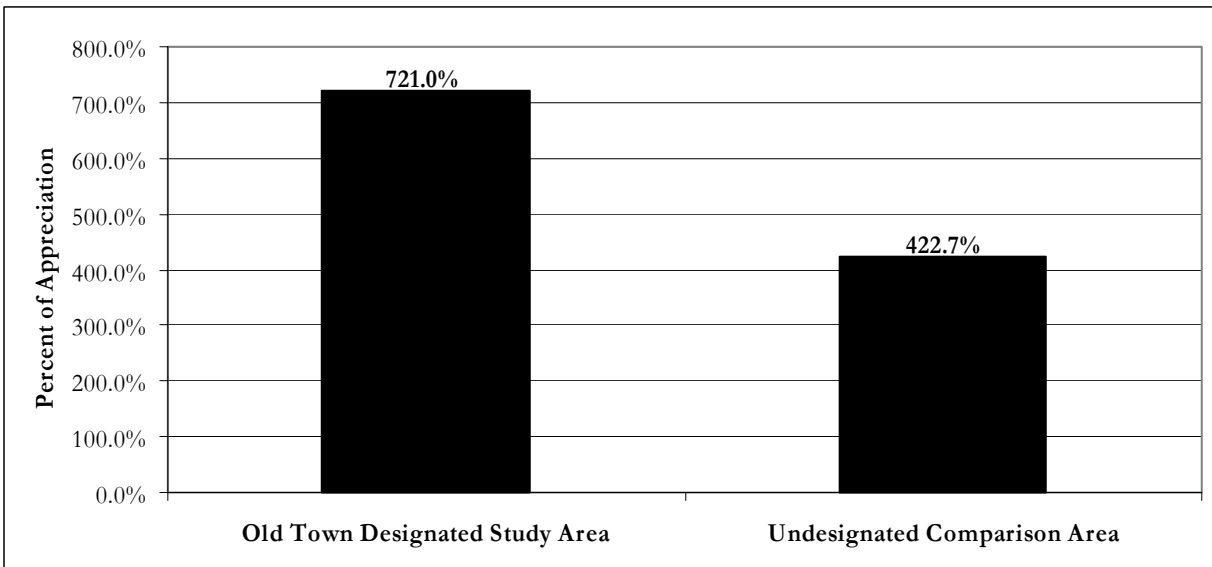
**Predominant architectural styles:** Romanesque, Late Victorian

## 5. Property Values Data

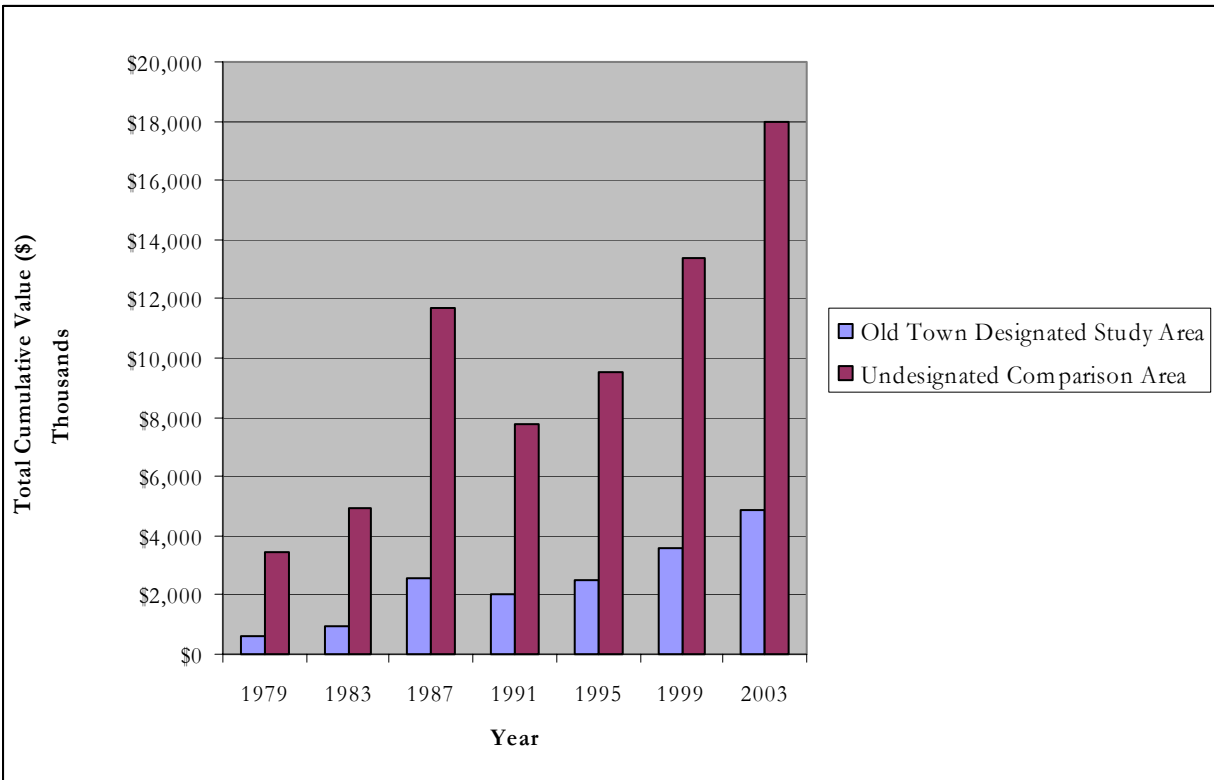
Our research shows that, from designation in 1979 to 2003, total cumulative property values within the Old Town historic district increased noticeably more than total cumulative property values in the similar, nearby area that is not protected under the local historic designation. The total appreciation from 1979 to 2003 for properties within the Old Town designated study area was 721.0 percent, versus 422.7 percent for properties in the undesignated comparison area. See Figure 3. “Actual value” as determined by the Larimer County Assessor was used to provide a consistent means of tracking all properties over the entire 24-year period (See “Methodology” section). Data was examined only for those properties in which a complete data record could be obtained over the entire study period.

The 25 properties examined in the Old Town Historic District together were valued at \$590,833 in 1979, and the total value rose to slightly greater than \$4.8 million in 2003. In contrast, the 37 undesignated comparison properties had a total value of \$3.4 million in 1979 and by 2003 had reached a total value of \$17.9 million. The number of properties considered outside of the district is greater, hence the larger cumulative total dollar value. Figure 4 shows the dollar value per square foot of the two groups of properties between 1979 and 2003.

**Figure 3: Total Appreciation Since Designation (Percentage), 1973-2003**



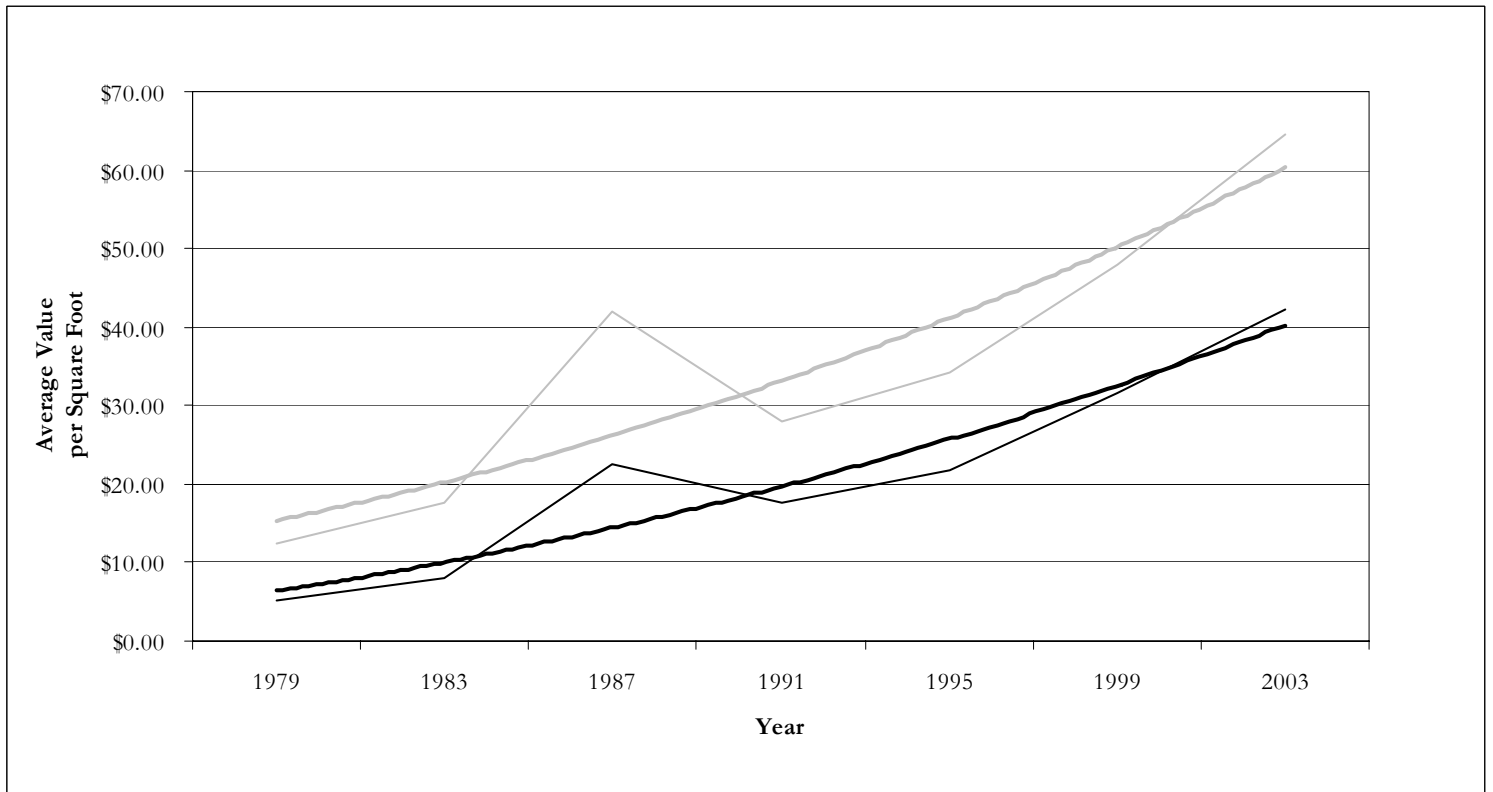
**Figure 4: Total Appreciation Since Designation (Dollars), 1979-2003**



When we remarked on the strong total percentage increase in the value of the Old Town properties to Fort Collins staff, they noted that the findings make sense, since properties in the undesignated comparison area had generally higher values than properties in Old Town at the time of the creation of the historic district in 1979. What appears to have happened is that Old Town has experienced a dramatic jump in value over the years – greater than the nearby undesignated area -- because Old Town started out with lower values and thus had a steeper hill to climb. In the late 1970s and early 1980s, many properties in Old Town were in particularly bad shape, in comparison to the properties on nearby College, which, as a commercial arterial, had tended to retain their value over the years. Beginning in the mid-1980s, the areas began to come much closer to parity, thanks to significant improvements in the historic area since the time of designation.

Nevertheless, the undesignated area had and continues to have slightly higher property values on a per-square-foot basis than the designated area. Figure 5 is based on actual value data from the assessor's office and shows the average cost per square foot over time. As may be seen in the figure, the district did increase in value at a roughly equivalent rate with the area outside the district, confirming that designation did not lead to decreased property values in the district.

**Figure 5: Average Value per Square Foot, 1979-2003**



Old Town Designated Study Area Trendline  Undesignated Study Area Trendline   
 Old Town Designated Study Area Data  Undesignated Study Area Data   
 Sources: Clarion Associates; Larimer County Assessor

In addition to the Larimer County assessor’s data discussed above, sales data also was collected for this project. While assessor’s data is determined in part by examining local sales, the results of actual transactions can be very useful as a more direct reflection of market conditions. However, in this particular case study, the set of sales data proved unhelpful because, in some years, there simply were very few or no sales. Because of the limited amount of sales data, the sales data was not examined for this analysis (see “Methodology” below).

## 6. Conclusion

The assessed values demonstrate how Old Town has thrived over the past 24 years since its designation as a historic district. Both the designated district and the undesignated comparison area have remained comparable to one another in the marketplace, and both have continued to enjoy strong gains in the market through the 1990s to today.

However, what remains unknown is how the area might have changed if no historic district or design review was ever instituted. Several longtime downtown Fort Collins property owners are passionate believers in the positive effects of the historic designation, citing examples of inappropriate proposed developments that were not built because of the presence of design review, and noting that the entire area has experienced considerable reinvestment and overall economic improvement since designation.

As noted earlier, there are few Colorado communities in which this particular research topic could have been undertaken, given the relative newness of historic design controls in commercial areas throughout the state. Old Town Fort Collins is the exception, and shows how historic preservation and economic development can work well together. It is difficult to point directly at one “reason” for Old Town’s success. The combination of community commitment, citizen involvement, and a forward-thinking desire to cultivate the city’s historic resources for the enjoyment of future generations makes Fort Collins a model Colorado preservation community.

## **7. Methodology**

The methodology used in this commercial district analysis is similar to that used in the prior study for residential historic districts. Generally, a locally designated historic district and corresponding, similar, yet undesignated area have been examined and compared to determine value trends over time.

In this case study, both assessed value (determined at the County level and set at 29 percent of “actual value”<sup>9</sup>) and sales data were collected for four-year increments since 1979: 1979, 1983, 1987, 1991, 1995, 1999, and 2003. The assessed data was examined for each pool both cumulatively (by calculating the total change in value between 1979 and 2003) and by the average change in value (via a square footage analysis) over the study period.<sup>10</sup>

Sales data was obtained for the same study period and an identical square footage analysis was conducted. As noted in the previous section, the sales data was examined, but has not been included in this analysis. Ninety-nine total sales were collected over the study period in both areas, which at first seemed to be a sufficient number for analysis purposes given the relatively small geographic area. However, there were many years over the 24-year period in which no sales occurred at all, and these data gaps made it impossible to determine meaningful trends from the limited data.

As an alternative to using this sales data, the assessed values were recalculated back to their “actual value” in order to have a consistent set of data that more closely approximates market conditions. As an interesting side note, a contact in the Larimer County Assessor’s Office noted that historic districts throughout the county often have fewer sales and, as a result, have less data for the Assessor to use in making determinations on the “actual value” of these properties. In other words, fewer sales means less data for the Assessor to evaluate

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<sup>9</sup> The actual value of nonresidential properties is based on a composite of market values, cost, and income approaches, as determined by the Larimer County Assessor. Up to five years of prior market activity may be analyzed.

<sup>10</sup> Square footage used in this analysis was obtained for each property from the Larimer County Assessor. Square footage is based on “livable” square footage and does not include below-grade (e.g., basement) space.



and longer-term ownership in the historic district. Currently, no provision exists to take into account historic districts as a special category for assessment.

Please refer to the January 2002 technical report for additional details about the methodological approach used in analyzing the property values analysis.

#### **D. COLORADO MAIN STREET**

The Main Street Center of the National Trust for Historic Preservation developed the Main Street program in 1980 to assist traditional downtowns and central business districts. Main Street encourages downtown revitalization by promoting economic development efforts within the context of historic preservation.

A major strength of the Main Street program is its focus on incremental strategies, which, over time, contribute to long-term revitalization of the area. Main Street communities focus their economic revitalization effort on attracting new visitors and businesses, strengthening public participation, rehabilitating historic resources, and improving existing infrastructure.

Main Street promotes revitalization by focusing on four key principles, also known as the Main Street Approach™:

- *Design:* enhancing the district's physical appearance through rehabilitation, appropriate new construction, and local improvements;
- *Organization:* building consensus within the community and identifying funding sources for rehabilitation activities;
- *Promotion:* marketing the commercial district to attract customers, potential investors, new businesses, residents, and visitors; and
- *Economic Restructuring:* growing the district's economic base and creating new opportunities through economic analysis and mixed-use development.

This program is working to restore the economic viability of downtown commercial districts across the country. Currently over 1,700 communities are Main Street participants. Since 1980, the national program has generated \$18.3 billion in public and private reinvestment for Main Street communities, with an average reinvestment ratio of \$35.17 for every \$1 spent on the local program.<sup>11</sup>

While the National Main Street Center provides technical assistance, the success of Main Street is driven entirely at the local level – all projects begin in the community and are focused on local issues.

A healthy downtown often serves as a community's social and cultural center as well as a source of local pride. It can attract good jobs, provide spaces for new or expanded businesses, and increase the local tax base. While the focus of Main Street is economic development and not tourism per se,

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<sup>11</sup> National Trust Main Street Center, 2003 National Reinvestment Statistics.

many Main Street downtowns are also very successful in developing local tourism, due in part to their unique historic character. Main Street is based on the premise that prosperous downtowns are a vital component of the entire state's economic health.

In Colorado, Main Street efforts are coordinated through the Colorado Community Revitalization Association (CCRA). Communities are selected to join Main Street through a competitive annual application process that demonstrates community need and availability of local resources. Colorado Main Street offers a range of services and assistance to meet the spectrum of needs of the Main Street communities.

In the few short years since Colorado Main Street was established in 2001, the program has experienced tremendous growth. There are currently nine Colorado Main Street communities: Brush, Canon City, Central City, Greeley, Montrose, Arvada, Cortez, Berthoud, and Gunnison.

From 2001 to 2003, the latest date for which complete statistics are available, these communities attracted considerable private reinvestment, totaling over \$21.5 million in their downtown districts:

- \$570,806 for 52 façade rehabilitations;
- \$11,470,434 for 208 rehabilitation and new construction projects; and
- \$9,509,956 for the purchase of 43 buildings.

Additionally, 209 businesses have opened, relocated, and/or expanded (for a net gain of 108 businesses). In these communities, local Main Street efforts have created 466 net new full-time and 129 net new part-time jobs.<sup>12</sup>

Each Main Street community is required to submit a monthly status report to CCRA. These reports summarize design work (e.g., building rehabilitations completed), economic activities (e.g., businesses opened and closed, new downtown housing units completed), promotional activities (e.g., special events or festivals), and organizational accomplishments (e.g., fundraising, advertising). For example, some of the activities noted on the Greeley September 2004 monthly report included 11 building or sign rehabilitations completed, two demolitions, one business opening, one business closing, two new units of market-rate housing completed, preparation for the next month's Oktoberfest celebration, and a whole host of newspaper articles and editorials regarding downtown activities.

The communities are exploring a wide variety of activities, which are both directly and indirectly related to economic revitalization. Activities include historic district designations, drafting preservation ordinances and design guidelines, applications for Certified Local Government (CLG) status, creation of historic walking tours, developing façade restoration loan and grant programs, and implementing façade designs. CCRA has engaged a preservation-sensitive architect to work with the Main Street communities on facade rehabilitations, streetscapes, and other design issues.<sup>13</sup> The following list provides examples of the progress made in each of the Main Street communities on

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<sup>12</sup> This data reflects activity in eight communities, since Central City, the newest addition to the program, has not yet generated statistics regarding its local activities.

<sup>13</sup> Colorado Community Revitalization Association, 2004.

their historic preservation initiatives (the newest Main Street community, Central City, has not yet begun submitting regular reports and is not listed).

Since 2001:

### ***Arvada – designated Main Street in 2002***

- Approved design guidelines in 2004.
- Completed six façade rehabilitations since designation as a Main Street community, totaling \$244,000.
- Awarded \$99,857 in grant funds from SHF for work on downtown property.
- Net gain of 18 new downtown businesses since designation as a Main Street community.
- Created a self-guided historic walking tour brochure.
- Four building owners are implementing recommendations made by CCRA’s architect in 2003.

### ***Berthoud – designated Main Street in 2003***

- Completed eight building rehabilitation projects with a total value of \$318,000 since designation as a Main Street community.
- Hosted a Colorado Main Street Managers/Volunteers workshop, “Preservation by Design on Colorado’s Main Streets.”
- Educated the community about how historic preservation fits into downtown revitalization.
- Awarded a \$10,000 SHF grant to assess the condition of the First National Bank building.

### ***Brush – designated Main Street in 2001***

- Completed a historical survey of 51 buildings in December 2003.
- Total of 11 business openings, relocations, and expansions downtown since designation as a Main Street community. Creation of 15 full-time and seven part-time jobs.
- Adopted a local historic designation ordinance.
- Created a downtown streetscape plan.
- Received a State Historical Fund grant to purchase and historically rehabilitate 218 Clayton Street, which will serve as a demonstration project for the community.
- Established a façade improvement grants program to provide matching grants of up to \$500.

- Awarded \$109,750 in grants from SHF to identify, acquire, and rehabilitate historic structures in the downtown area.

### *Canon City – designated Main Street in 2001*

- Thirty-five business openings, relocations, and expansions since designation as a Main Street community. Creation of 46 full-time jobs and 29 part-time jobs.
- Held a “strip show” to remove a non-historic façade from a historic downtown building, which generated extensive media coverage.
- Hosted a historic preservation/design workshop for the public.
- Coordinated a local design charette that was part of a Colorado Main Street Managers/Volunteers workshop in June 2003.
- Assisted a local building owner in applying for a rehabilitation grant from the State Historical Fund grant program, which led to the rehabilitation of the Reynolds Block Building.
- Awarded \$169,805 in grants from SHF to identify, assess, and restore historic sites in the downtown area.

### *Cortez – designated Main Street in 2002*

- Invested over \$1.3 million in public improvements in the downtown area since designation as a Main Street community.
- Identified historically significant buildings with a signage program.
- Developed a self-guided historic walking tour brochure in tandem with the signage program.
- Implemented a fund-raising campaign to install lights downtown as a complement to a streetscape plan project.
- Awarded \$19,185 in grants from SHF to develop interpretative signage and a brochure about historic resources in the downtown area.

### *Greeley - designated Main Street in 2001*

- Developed design guidelines that are being implemented by the city’s historic preservation commission.
- Coordinated with a local investment group that is restoring five historic buildings. One, the Shaw Building, received a 2003 Governor's Award for Downtown Excellence from the Colorado Community Revitalization Program.
- Established a facade grant program through private donations. Grants are matched up to \$500 by the Greeley Downtown Development Authority.

- Removed downtown pedestrian mall to better display historic facades and return traffic flow to this key section of downtown.
- Created “How To” guidelines for building owners interested in downtown rehabilitation projects.
- Oktoberfest, held downtown, had 8,000 attendees and record sales. The event included music, food, craft booths, children’s activities, and heritage information.
- Awarded \$479,736 in grants from SHF to identify and restore historic structures in the downtown area.

### ***Gunnison - designated Main Street in 2003***

- Completed four façade rehabilitations and six building rehabilitations since designation as a Main Street community.
- Wrote a State Historical Fund grant application to create and install signage downtown interpreting Gunnison history in partnership with the City of Gunnison and the Gunnison Historic Preservation Commission.
- Worked with five local banks to develop a façade improvement loan program.

### ***Montrose – designated Main Street in 2001***

- Forty-nine businesses have opened, relocated, or expanded in the downtown since designation as a Main Street community. Created 53 full-time jobs and 48 part-time jobs.
- Developed a loan program for downtown façade improvements.
- Coordinated the Main Street effort with the Montrose County Historical Museum in order to recognize downtown property and business owners who have completed façade improvements.
- Secured approximately \$80,000 in donated cash and in-kind services to improve the interior and exterior of a downtown building.
- Purchased new downtown gateway and lamppost banners.
- Awarded \$293,758 in grants from SHF to assess, rehabilitate, and restore historic structures in the downtown area and develop a walking tour.