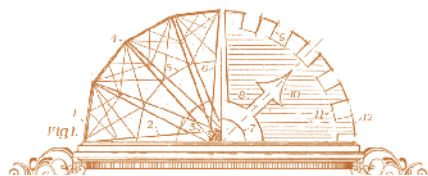


# UP FRONT



## INNOVATORS

By Stephanie Walsh

### Historic Preservation as Economic Generator

The Armstrong Cork factory, once a thriving cork-cutting enterprise in Pittsburgh's Strip District, enjoyed a century of prosperity before it closed in 1974. Then the buildings—imposing mason structures with simple yet beautiful brick ornamentation—sat vacant for three decades. Most industrial relics languish and then meet the wrecking ball, but thanks to historic preservation efforts, the cork factory was converted into 297 apartments and now generates an estimated annual \$60 million in state tax revenue.<sup>1</sup> It is a shining example of how preservation can aid civic growth by creating and maintaining jobs, living spaces, and workplaces.

A recently completed study investigated the economic benefits of historic preservation and rehabilitation projects in the region. *Economic Impact of Historic Preservation in Southwestern Pennsylvania* was conducted by The Pennsylvania Works! campaign and the Young Preservationists Association of Pittsburgh (YPA) with a grant from the William Penn Foundation. The report, completed by May 2010, highlights several successful local historic preservation efforts, including The Cork Factory, the formal name for the loft apartments.

Another success story in the report is the Ambridge National Register Historic Landmark District, which after its boom

The Strand Theatre, Zelienople.  
Young Preservationists Association.

and bust, is promoting new construction through the preservation of its brownfields. The site of the H.H. Robertson steel plant has been developed into a 325,000 square foot, multi-tenant warehouse, manufacturing, and distribution space, providing the area with 175 permanent jobs.

North of Pittsburgh in Zelienople, the Strand Theater, which reopened to the public in 2009, has become an economic catalyst. The theater draws people from shopping centers back to Main Street for classic films and live performances. Randy Herbe of Herbe's Ztown Café was very aware of the advantages his shop could receive from the theater's reopening: "I knew my business would improve as a direct result of The Strand."<sup>2</sup>

Four additional case studies in the report all reinforced the idea that giving new life to old buildings promotes economic growth as well as a sense of community and pride in one's neighborhood. Dan Holland, CEO of YPA, said, "YPA is pleased that the report was completed. It is the first of its kind in the Pittsburgh area and shows the dramatic impact of historic preservation on job creation, tax generation, and the revitalization of communities. We hope that it leads to additional buildings being restored."



The report was compiled and analyzed using a decade's worth of data from the Federal Historic Preservation Tax Credit program, local Main and Elm street programs, and the YPA's "Top Ten Preservation Opportunities in the Pittsburgh Area." It showed that during 2004–2009, an overall investment of \$475 million generated more than \$65 million in annual tax benefits for the Commonwealth, 1,204 housing units, 1,370 construction jobs, and an estimated 3,042 permanent employment positions in the region. This data quantifies the belief that preservation yields economic benefits.

The main issue that many historic property owners face, and what discourages others from taking on the role, is restoration cost. Adam Thomas, owner of the Historic Colonial Hotel in Meyersdale, is looking to rehabilitate the 1903 Colonial-Revival style hotel into 12,751 square feet of income-producing apartments/condominiums, overnight accommodations, event, and commercial space. Thomas's project carries

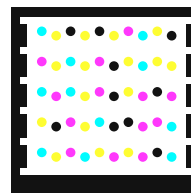
an estimated \$4 million price tag, so without financial assistance, the project continually stalls due to lack of funds.

As an architect in Denver, Thomas has seen firsthand the results of such tax incentives. “I currently work in Colorado and, despite the recession, historic preservation projects are still going gangbusters. This is due in large part to the state’s 20 percent tax credit. If it is working here, where the historic built environment is relatively small, I can’t imagine the [positive] impact it would have on Pennsylvania, where historic buildings are the majority.”

The National Trust for Historic Preservation recognizes 30 states for having adopted some form of a state-level historic

tax credits and incentives. These programs are designed to help individuals and developers reuse older structures as an alternative to demolition. A Historic Preservation Incentive for property owners was developed and introduced to the Pennsylvania legislature in July 2008 and submitted to Congress in the form of House Bill 221. After unanimously passing through the House, the bill was not passed by the Senate for inclusion in the recent budget, despite senators receiving a copy of the economic impact study.

Although the bill did not pass, support for historic preservation in Pennsylvania continues. Preserve Pennsylvania received a sub-grant from PHMC’s Preserve America grant and is developing a statewide study for



**The Young Preservationists Association is a regional provider of value-added preservation services.**

a comprehensive account of Pennsylvania’s historic preservation practices, and the economic benefits that result. The goal of the statewide study is to further the argument that historic preservation is a vital part of economic development.



To read the entire economic impact study, visit [http://www.pennsylvaniaworks.org/news/Study\\_201005\\_HistPresSW.pdf](http://www.pennsylvaniaworks.org/news/Study_201005_HistPresSW.pdf)

**Stephanie Walsh** lives in Pittsburgh and is a graduate of Duquesne University’s History, Archival, Museum, and Editing Studies program. She compiled the data for the study and wrote the report.

<sup>1</sup> There was not enough collected data to use on a majority of the properties listed in the report. The annual tax benefit includes both wage and property tax. The study calculated some of the property tax for the commercial properties, but only part of the wage tax for structures known to have apartments.

<sup>2</sup> Author interview with Randy Herbe, February 11, 2010.



**ABOVE:**  
Architectural rendering of The Armstrong Cork Factory by Frank Osterling. *Works of F.J. Osterling, Architect*, 1904.  
HHC L&A.

**RIGHT:**  
The Cork Factory, Strip District, Pittsburgh.  
Young Preservationists Association.

