

A Profitable Past: The Economic Impact of Historic Preservation in Arkansas

Historic Preservation adds \$970 million and 23,321 jobs to Arkansas's economy each year!

The results of a two-year study by the Center for Urban Policy Research at the Edward J. Bloustein School of Planning and Public Policy at Rutgers, the State University of New Jersey find that historic preservation has a tremendous impact on Arkansas's economy. The study looked into the economic impact of the federal Historic Rehabilitation Tax Credit, the anticipated effect of a proposed state tax credit, heritage tourism, rehabilitation of historic properties, state historic preservation grants and the Main Street Arkansas program. All of the figures cited are in 2006 dollars.

The federal Historic Rehabilitation Tax Credit creates a strong incentive to invest in historic properties.

- The federal HRTC leveraged **\$54.3 million** of historic rehabilitation in Arkansas from 2000 to 2006.
- Federal HRTC investment supported **767** Arkansas jobs from 2000 to 2006.
- Federal HRTC investment added **\$22.4 million** to the income of Arkansas families from 2000 to 2006.
- Federal HRTC investment generated **\$1.1 million** in state and local tax revenue from 2000 to 2006.

The proposal for a 25 percent Arkansas state historic rehabilitation tax credit would attract strong investment in Arkansas's economy.

- One Arkansas job would be supported for every **\$12,000-\$12,500** of state investment in the proposed tax credit. *(For comparison, it takes \$67,600 of new highway construction to induce one Arkansas job.)*
- Each \$1 of state investment in the proposed tax credit would return **\$2.19-\$2.22** in income to Arkansas families. *(For comparison, each \$1 of state investment in new highway construction returns 46 cents in income to Arkansas families.)*
- Each \$1 of state investment in the proposed tax credit would return **17.7-18.5 cents** in state and local taxes, partially offsetting the program's short-term cost to state revenue. *(For comparison, each dollar of state investment in new highway construction returns 1.1 cents to state and local taxes.)*

Heritage tourists are those tourists who visit a site of historical or cultural value.

- Heritage tourists currently comprise about **16 percent** of all Arkansas tourists.
- Heritage tourists spend about **30 percent more** than the average tourist.
- Heritage tourists are more likely to come from **out of state**, adding new dollars to Arkansas's economy.

Heritage tourism generates \$890.6 million in Arkansas each year.

- Heritage tourism supports **21,552** Arkansas jobs yearly.
- Heritage tourism adds **\$318.8 million** to the yearly income of Arkansas families.
- Heritage tourism generates **\$73.8 million** in state and local tax revenue each year.

Arkansans spend \$74.5 million each year rehabilitating historic properties.

- Historic rehabilitation supports **1,523** Arkansas jobs yearly.
- Historic rehabilitation adds **\$40.9 million** to the yearly income of Arkansas families.
- Historic rehabilitation generates **\$3.3 million** in state and local tax revenue each year.

Historic properties are those properties that are listed on, or eligible for listing on, the National Register of Historic Places, the Arkansas Register of Historic Places, and local historic registers.

- Rehabilitation of historic properties accounts for about 6 percent of all building rehabilitation in Arkansas.

The state of Arkansas offers several grant programs for historic rehabilitation.

- These include grants from the Arkansas Natural and Cultural Resource Council and the Arkansas Historic Preservation Program's Historic Preservation Restoration Grants, County Courthouse Restoration Grants, and Main Street Model Business Grants, *many of which are funded through the Real Estate Transfer Tax (RETT).*

Average investment by the state of Arkansas in preservation grants is \$4.1 million annually.

- State preservation grants support **85** Arkansas jobs yearly.

- State preservation grants add **\$2.3 million** to the yearly income of Arkansas families
- State preservation grants return **\$100,000** in state and local taxes each year.

Main Street Arkansas assists local downtown programs in their preservation-based revitalization efforts.

- Main Street Arkansas is funded by the *Real Estate Transfer Tax (RETT)*.

Main Street Arkansas's activities result in **\$7 million** dollars per year rehabilitating historic downtown buildings and **187** downtown retail/service jobs.

- Main Street Arkansas's efforts result in a total of **246** Arkansas jobs each year.
- Main Street Arkansas's activities add **\$3.8 million** to the yearly income of Arkansas families.
- Main Street Arkansas's activities return **\$1 million** in state and local taxes each year.

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