

Historic Preservation Tax Credits: A Decade of Economic Development in Missouri.



In the fall of 2008, nationally known economist Donovan Rypkema spoke at the Statewide Preservation Conference on the remarkable results brought about by the historic preservation tax credit program in Missouri. The following passages have been excerpted with permission from that speech.

Twenty years ago historic preservation was an end in itself – save old buildings in order to save old buildings. Today the historic preservation movement is a broad-based, multi-faceted movement where historic resources are means, not ends. And preservation has become a means of downtown revitalization, neighborhood stabilization, affordable housing, luxury housing, heritage tourism, education, and, my little niche in the world, economic development.

Here's what's happened in the last decade – the Show-Me State as shown the rest of the country how to attract private capital into our historic buildings. On behalf of the other 49 states, thank you very much.

In the last decade in excess of \$4 Billion has been invested in the rehabilitation of Missouri's historic buildings.

The big headlines in the Kansas City Star or the St. Louis Dispatch are about the giant projects...but that is not the only story of the Missouri tax credits.

*I looked at all of the projects over the last decade and broke them down as to size. About 11% of all projects were the big ones – over \$5 million in rehabilitation expenditures. **But one in 7 was less than \$100,000 and another 30% were between \$100,000 and \$250,000.** All told, two projects in three were less than \$500,000.*

Missouri really has figured out how to provide an effective investment incentive for mom and pop.

Rehab Costs for Historic Preservation Tax Credit Projects in Missouri 1998-2007

- Less than \$100,000 – 14.5%
- \$100,000 to \$250,000 – 31.6%
- \$250,000 to \$500,000 – 19.8%
- \$500,000 to \$1,000,000 – 8.3%
- \$1,000,000 to \$2,000,000 – 5.9%
- \$2,000,000 to \$5,000,000 – 8.8%
- Over \$5,000,000 – 11.1%