

A CIVIC GIFT



HISTORIC PRESERVATION, COMMUNITY REINVESTMENT,
AND SMART GROWTH IN MICHIGAN

Michigan
Land Use
Institute

 MAKING SMART GROWTH A REALITY IN MICHIGAN

Sponsored by the Michigan State Historic Preservation Office

OCTOBER 2003

A Civic Gift was researched, written, and published by the Michigan Land Use Institute in cooperation with the State Historic Preservation Office (SHPO). It was funded by the SHPO, Michigan Historical Center, Department of History, Arts, and Libraries. The SHPO sponsored this project to foster greater understanding among Michigan's citizens, business people, civic leaders, and elected officials about historic preservation's ability to stimulate vigorous economic development. This revitalizes cities while respecting communities and their histories, and helps to curb sprawl.

REPORTED AND WRITTEN BY:
Charlene M. Crowell, *Policy Specialist*
Andrew Guy, *Organizer/Journalist*
Keith Schneider, *Deputy Director*

EDITED BY:
Jim Dulzo, *Managing Editor*

DESIGNED BY:
Gail Dennis, *Art Director*

ACKNOWLEDGEMENTS

The Michigan Land Use Institute gratefully acknowledges the assistance and guidance of Brian Conway and Amy Arnold of the State Historic Preservation Office in the preparation and editing of this report.

STATE HISTORIC
PRESERVATION OFFICE
702 W. Kalamazoo St.
Box 30740
Lansing, MI 48909-8240

TEL: 517-373-1630
FAX: 517-335-0348
www.michiganhistory.org

MICHIGAN LAND
USE INSTITUTE
205 South Benzie Blvd.
PO Box 500
Beulah, MI 49617

TEL: 231-882-4723
FAX: 231-882-7350
www.mlui.org

The activity that is the subject of this project has been financed completely with Federal funds from the National Park Service, U.S. Department of the Interior, through the Michigan Department of History, Arts and Libraries. However, the contents and opinions herein do not necessarily reflect the views or policies of the Department of the Interior or the Department of History, Arts and Libraries, nor does the mention of trade names or commercial products herein constitute endorsement or recommendation by the Department of the Interior or the Michigan Department of History, Arts and Libraries.

This program receives Federal financial assistance for identification and protection of historic properties. Under Title VI of the Civil Rights Act of 1964, as amended, the U.S. Department of the Interior prohibits discrimination on the basis of race, color, national origin, disability, or age in its federally assisted program. Michigan law prohibits discrimination on the basis of religion, race, national origin, age, sex, marital status, or disability.

Inside pages printed on 100% recycled paper made of 50% post-consumer waste, clay coated and bleached with chlorine, using low-VOC soybean ink. Please recycle.

COVER PHOTOS: Bruce Giffin and Gary Howe

A Civic Gift

PRESERVATIONISTS RECLAIM HISTORY, REVIVE LOCAL ECONOMIES

The Landmark Inn, one of the Upper Peninsula's finest hotels, stands at the summit of the highest bluff overlooking Marquette's harbor. If you visit the busy, dark-paneled lobby or spend an evening in the pub, you'd likely find out that in the decades after it opened in 1930 the hotel provided Duke Ellington, Jimmy Stewart, and other notable guests virtually the same experience.

You'd also likely learn that the renovation of the Landmark Inn was an essential economic signal for other investors in Marquette. Since 1996 tens of millions of dollars have been spent to rehabilitate other buildings for offices, homes, and entertainment, transforming Marquette's downtown into one of the most active of any small city in the state.

By no means is Marquette an isolated example. This report, *A Civic Gift: Historic Preservation, Community Reinvestment, and Smart Growth in Michigan*, documents how entrepreneurs, investors, and insightful communities across Michigan are preserving historic assets and reaping greater economic activity and a higher quality of life.

Revived Downtowns, Restored Destinations

A Civic Gift finds that this trend is particularly strong in the state's cities, which increasingly rely on rehabilitating historic structures as a primary strategy for attracting companies, workers, and residents back to urban business districts and neighborhoods.

In Grand Rapids, for instance, the citizen-led revival of the Wealthy Theater and its surrounding neighborhood reflects the community's commitment to historic preservation that has made Michigan's second largest city a showcase for urban revitalization. It is one of just two Michigan cities that experienced an increase in population in recent years.

A unique partnership between the City of Jackson and Consumers Energy saved one of the country's grand post offices, constructed a new corporate headquarters, brought hundreds of workers back to the city's center, and stimulated a once-stagnant downtown's dramatic revival.

It took a Detroit Symphony Orchestra bassoonist and other citizens nearly two decades to permanently save Orchestra Hall. Today, the hall is at the center of a whirlwind of urban revitalization in the neighborhoods surrounding it.

And in Allegan, it took the loss of a historic county courthouse to convince the community that it should save the magnificent, Civil War-era buildings that today make the town strikingly unique and attractive, as well as a tourist destination.

Indeed, Michigan's citizens and millions of its visitors are eager to experience our incredibly rich history. Across the state, icons of Michigan's colorful past — from lighthouses and ships to mining towns and sites along the Underground Railroad — have been restored and now bolster tourism, the state's second-largest industry.

Saving Communities, Building Economies

This report also finds that historic preservation helps curb the sprawl that is draining cities and ruining Michigan's countryside. Governor Jennifer Granholm's economic program includes new steps she is ready to take to both rebuild cities and stem runaway suburban development. Historic preservation is central to both ideas.

In August 2003 Gov. Granholm's Michigan Land Use Leadership Council, a bipartisan group of prominent civic, political, and business leaders, recommended more than 150 steps the state should take to direct the engines of growth inward toward cities instead of outward toward rural areas. Included in the panel's report, which was endorsed by Gov. Granholm and delivered to the Legislature, are a host of specific recommendations for new public policy that speeds the renovation and reuse of historic, downtown buildings.

Earlier, in April 2003 Gov. Granholm honored five outstanding preservation projects with the state's first Governor's Award for Historic Preservation, "Whether you are a business that preserves a historic structure, or a family that turns a former eyesore into a wonderful gem of a home, preservation does more than just save buildings — it saves communities," she said.

Economic statistics confirm the governor's reasoning. According to a report published by the Michigan Historic Preservation Network entitled *Investing in Michigan's Future: The Economic Benefits of Historic Preservation*, rehabilitation projects added \$1.7 billion and 20,252 jobs to Michigan's economy and returned almost \$32 million in once-abandoned or dilapidated properties to local tax rolls since 1971.

This report, a collaboration between the State Historic Preser-



Since 1971 restoration projects have added \$1.7 billion and 20,252 jobs to Michigan's economy.

MLU/Gary Howe

vation Office and the Michigan Land Use Institute, demonstrates that a concerted effort by the state to encourage much more restoration activity would dramatically increase those already encouraging numbers. Historic restoration generates construction activity that spreads an economic wave through traditional downtowns and out into neighborhoods. It helps local economies by relying on local suppliers and workers. And the wide variety of workspaces, housing choices, and entertainment venues that historically restored downtowns and neighborhoods offer yield vibrant, hip cities that attract young workers and families.

Help Wanted

These findings prompt the central policy recommendation at the heart of this report: Michigan's elected and appointed leaders need to be more proactive in encouraging entrepreneurs, communities, and investors to rebuild the state's historic resources for modern uses.

The opportunities for adaptive reuse of old buildings are manifest in almost every Michigan town. Tapping the past as a resource for the future requires communities and the state to collaborate on a much more focused strategy of economic development grants specifically targeted to historic preservation, as well as on tax incentives, public education, and more readily available access to experts in design, finance, construction, and marketing.

To date, the majority of successful historic restoration projects in Michigan have been undertaken by courageous entrepreneurs willing to take a chance. Public policy that makes it easier and less risky, this report concludes, has the potential to vastly increase the number of people able to take on historic preservation projects.

Where People and History Prosper

The reasons for doing so are self-evident. Michigan's history is as rich as the vast natural resources that first lured French explorers here in the 17th century. Ever since then, the state's population has swelled with ambitious people who not only built thriving towns and the railroads and highways that connect them, but also new industries that completely changed the world. They have left the state a matchless, historic legacy cast in steel, bronze, plaster, brick, wood, and glass.

People care about old buildings because they reflect shared memories and a sense of continuity, which are the essence of community. Updating historic buildings for modern applications generates economic activity precisely because of this intangible human response.

It's this simple and this promising for Michigan in the 21st century: People like to live, work, and play where history prospers. ■



Saving Detroit's Orchestra Hall

HEROIC EFFORT SPARKS ONGOING REVIVAL OF ONCE-DEAD NEIGHBORHOOD

When the Detroit Symphony Orchestra hired Paul Ganson in 1969, the organization knew it was gaining an excellent bassoonist. But DSO officials had no idea they were also gaining someone who would pound on the doors of movers and shakers and rally the community to tackle a seemingly impossible mission.

Neither did Mr. Ganson. His leap into the role of chief agitator for saving a renowned building in his hometown surprised everyone. Today, history offers a bigger surprise. When Mr. Ganson and his allies successfully saved Orchestra Hall, one of the world's most acoustically perfect buildings, it indirectly gave a big push to other Detroit revitalization projects that can still be felt today.

Hold That Wrecking Ball!
Mr. Ganson's epiphany occurred on September 17, 1970, when he discovered that wrecking balls were about to flatten the grand building. Orchestra Hall's superb architecture and history were just hours away from crumbling into rubble.

The DSO built its splendid music palace on Woodward Avenue in 1919 and performed there until 1939, when financial problems forced the orchestra

to abandon it. Two years later, it reopened as the Paradise Theater, a wildly popular jazz venue for the city's African-American community until 1951. After that golden era ended the building was closed for good and left to rot, its long decline interrupted only by the occasional return of the DSO to record albums that are still admired for their sound quality.

By the time Mr. Ganson returned to his native city and new job, the hall was

in dreadful shape: The roof was collapsing, the walls had gaping holes, crumbled concrete and stone lay everywhere. The place was ripe for demolition. With wrecking balls poised to level the building, Mr. Ganson formed a group with the hall's former business manager, Richard Magon. They called everyone they knew, pleaded with city officials, and, somehow, managed to delay demolition.

"In the early days we were desper-

The grand opening of the Max M. Fisher Music Center in September 2003 completes the restoration and dramatic expansion of Orchestra Hall (far left).

ate for help from anybody,” Mr. Ganson recalled of his group, which named itself the Committee to Save Orchestra Hall. “But there is a feeling that one cannot stop. We had to keep on going. It’s the power of the ensemble when we’re at our best as people.”

The Community Pitches In

These newborn activists succeeded in listing the hall on the National Register of Historic Places, raised \$100,200 in 24 months, and triumphantly purchased the building. Then they raised more money and repaired it enough to reopen it to public concerts. As concertgoers ventured into the still-spooky building to see an occasional performance produced by a few brave concert promoters, more good things happened.

“There was no one who came to Orchestra Hall — a workman or a professional — without saying, ‘I want to do something extra for Orchestra Hall,’” said Mr. Ganson. “Our efforts were aided by what people offered to do, not what they were necessarily contracted to do. The small things really added up.”

The State Historic Preservation Office was instrumental in jumpstarting the project, providing over \$400,000 through a now-defunct preservation grant program to assess the building, develop a rehabilitation plan, upgrade plumbing, restore original seating, and refinish floors.

In 1975 the committee replaced the roof and repaired electrical and heating systems. It launched a \$7 million, 14-year capital campaign. In 1979 the DSO finally became involved, celebrating the hall’s 60th anniversary with a concert on its mostly restored stage amid plaster dust, grave-looking cracks in the walls,



Abandoned by the DSO, Orchestra Hall became the Paradise Theater, Detroit’s prestige jazz venue, for a decade, then closed in 1951.

and the nearly obliterated rococo designs that once illuminated the place. That concert convinced skeptics that saving Orchestra Hall was both worth it and possible.

Ten years later, with its restoration almost complete, the DSO permanently relocated to the now-sparkling Orchestra Hall for its first season there in 33 years. A 19-year struggle concluded on a triumphant note.

Success Lifts Neighborhood

But saving Orchestra Hall turned out to be only the first movement of an increasingly ambitious and successful revitalization symphony for the building’s neighborhood.

A community-wide redevelopment effort had emerged immediately north of Orchestra Hall on both sides of Woodward Avenue, between Mack Avenue and I-94. What became the University Cultural Center Association, a collaboration that began with just four area institutions in

1976, has since grown to include 60 cultural, academic, medical, service, business, and neighborhood organizations working on the area’s physical redevelopment, maintenance, and promotion. Once notorious for its desolation, the area is now among the most vibrant in the city and has renamed

itself Midtown Detroit. It includes Wayne State University, the Detroit Medical Center, the Detroit Institute of Arts, the Detroit Public Library, and numerous museums, art galleries, bookstores, restaurants, and residences.

In 2003, 16 UCCA members employ 25,596 people at places such as the DIA, the College for Creative Studies, Veteran’s Hospital, the Majestic Theater complex, and the Detroit Science Center. In 2002, 12 UCCA members reportedly drew two million

visitors to their facilities.

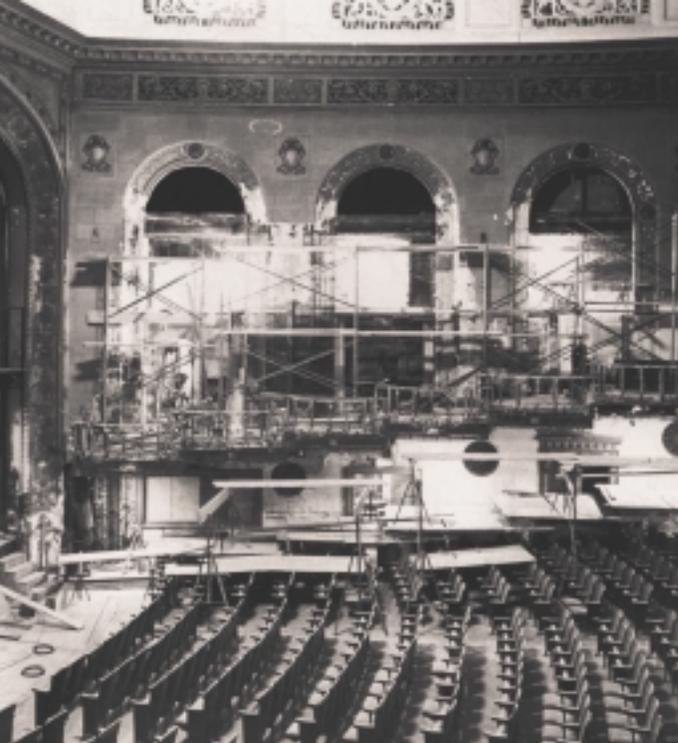
Midtown Detroit now boasts nine historic districts. Many of the historic churches along Woodward Avenue have revived. Developers are transforming historic buildings into loft apartments, spearheaded by the successful rehabilitation of the Albert Kahn-designed Garfield Building. The project utilized more than \$4 million in historic preservation tax credits and includes a Rite-Aid pharmacy that, without coaxing from the developers, would have instead been built nearby as a standard box store.

UCCA and the DIA purchased four Victorian homes and two carriage houses and turned them into an award-

Former DSO Music Director Sixten Ehrling and assistant concertmaster Gordon Staples survey the badly damaged Hall from a balcony box seat.



DSO bassoonist Paul Ganson was a founder of the Committee to Save Orchestra Hall.



Restoring Orchestra Hall's rococo architecture and decoration to their original brilliance took almost two decades.

Saving Orchestra Hall was only the first movement in an ambitious symphony of revitalization for the neighborhood around the building.

winning, 42-room hotel, the Inn on Ferry Street. The \$8 million project obtained approximately \$1.3 million in state and federal historic preservation tax equities through Comerica and National City banks.

State and City Help

UCCA President Sue Mosey said most Midtown Detroit preservation efforts typically rely on three state programs that aid local historic preservation and community development efforts. Neighborhood Enterprise Zones freeze property taxes at 50 percent of the normal rate for new or improved old homes. The Obsolete Property Tax Abatement Program keeps taxes on restored commercial buildings to pre-restoration levels for 12 years. The Brownfield Investment Single Business Tax Credit grants tax credits for either renovating or demolishing dilapidated buildings.

Several historic preservation tax credits are also crucial to Midtown's revitalization efforts. The 20-percent federal historic preservation tax credit rewards rehabilitation work on income-producing properties listed in the National Register of Historic Places. Michigan's 25-percent state preservation tax credit aids the rehabilitation of residential or non-income-producing buildings that contribute to a designat-

ed local historic district. A 10-percent federal income tax credit supports the restoration of non-designated buildings built after 1930.

Local economic programs also help. The Real Estate Assistance Fund offers below-market-rate loans for properties deemed crucial to Detroit development. The Detroit

Investment Fund has a \$52 million private capital pool for business expansion. Detroit Renaissance provides pre-development assistance for proposed projects. Shorebank Enterprises offers loans to first-time homebuyers, small businesses, and real estate developers. Preservation Wayne, the Inner-City Ventures Fund, the Woodward Corridor Development Fund, and other local organizations are assisting revitalization efforts.

Orchestra Hall Expands

Orchestra Hall's resurrection and all that has followed it now have the area brimming with ambitious projects and stunningly renovated places. Ms. Mosey estimated that, so far, new investment in Midtown Detroit totals \$1.83 billion.

A significant amount of that investment — \$220 million — is now flowing into the city's most spectacular cultural project. The DSO is finishing its new addition to that great building — the Max M. Fisher Music Center.

Its September opening will add 135,000 additional square feet of performance, rehearsal, and administrative space to a campus that now includes, in league with the Detroit Medical center, an office complex, restaurant, and parking deck. The former Orchestra Hall box office will become a symphony

store; its upper lobby will expand and gain windows overlooking Woodward. The hall will also get a new marquee that replicates the long-lost original.

A Public School Partnership
The DSO is now teamed up with the Detroit Public Schools and Detroit Public Television to help facilitate the building of the \$122.5 million Detroit High School for the Fine, Performing & Communications Arts. The 1,200-student facility, to be completed in 2005, will be one of the first environmentally "green" school buildings in southeastern Michigan. Located on the same block as Orchestra Hall, it will house the facilities and staff for the school system's radio station; staff from the local PBS affiliate will be among the school's faculty. With DSO musicians mentoring the music students, the school promises to be a vital educational institution.

"What makes it all work," said Don Schmitt, partner in Diamond and Schmitt Architects, which manages the big project, "is to value the heritage and history combined with modern amenities. We want to honor history, retain it, and use it as a vehicle to bring new facilities to the community." ■

CONTACTS:

Paul Ganson
Detroit Symphony Orchestra
Phone: 313-576-5126
Email: jwoodward@dso.org

Sue Mosey, President
University Cultural Center Association
Phone: 313-577-5088

Don Schmitt
Diamond and Schmitt Architects, Inc.
Phone: 416-862-8800
Email: info@dsai.ca

It's Showtime, Again!

WEALTHY THEATRE RENOVATION JUST A PART OF GRAND RAPIDS' REVIVAL

The 1100 block of Wealthy Street was so poor at the end of the 20th century that young kids pushed drugs on the street for money. Today they attend art class on the same corner.

"Sometimes I come down through here and just smile," said Thelma Rhodes, whose family owns and operates Rhodes Rib Crib at 1133 Wealthy Street. "It used to be chaos."

The Rib Crib has drawn customers to downtown Grand Rapids for more than 30 years. Try the pork bar-b-que with thick sauce and a side of black-eyed peas to understand why. But the Wealthy Theatre directly across the street served as the gravitational center for this neighborhood business district for many more decades. In the 1920s people came by foot and car to see Charlie Chaplin's silent films; in the 1960s they were still coming, enjoying Federico Fellini's latest release, buying fresh-cut flowers from the florist, and shopping women's fashion boutiques.

Then, in the late 1970s, the theatre closed. Racial tension, substance abuse, and public disinvestment drove out most nearby business owners, their customers, and even longtime residents. Suddenly, windows were barred and buildings boarded up. In the really bad times, some of those buildings caught fire. And the city of Grand Rapids essentially forgot about the once-prosperous community at Wealthy and Diamond.

Neighbors Save Their Theater

City officials in 1989 slated the Wealthy Theatre for demolition. The neighborhood's residents responded immediately with a visionary plan to restore the movie house and a sense of pride in their community.

"That theatre is our centerpiece," Ms. Rhodes said. "I wanted to show the kids we stand for something. There's always good and bad. It depends on the choices we make."

MLU/Gary Howe



The Wealthy historic district is one of five contiguous, historically preserved neighborhoods that play a major role in the city of Grand Rapids' ongoing revitalization.



The McCabe-Marlowe House is located in Grand Rapids' Heritage Hill district, one of the nation's largest urban historic districts.

MLUI/Gary Howe

Choosing to refurbish, not demolish, the Wealthy Theatre, built in 1911, was not easy. Against the backdrop of an inner city competing with shiny new suburbs for jobs and residents, the building had stood vacant for some 20 years. Its mosaic-tiled floor fell into the basement; water gushed down its interior walls during heavy rainstorms.

The project required an orchestrated campaign of government incentives, private investment, and citizen action. It ultimately triggered a full-scale economic and cultural revival.

Wealthy Theatre reopened in 1998 as a community arts center. Inside, children paint pictures, watch films, and learn to dance. Outside, pedestrian traffic and civic energy is increasing. New ventures like Lady Love Barber Shop cut hair and make a profit. Established businesses have improved facades. Window signs in the few buildings that remain boarded up set a dramatically different tone for the future: "Developing Soon," "Opening October," "Wealthy Street Alive!"

Historic Districts Enrich City
This is not an isolated success story. Similar examples of the power of historic preservation initiatives to restore urban character and lure people back to the core city abound across Grand Rapids, Michigan's second-largest city.

Instead of bulldozing its historic landmarks, Grand Rapids embraces them and creates distinctive places to

live, work, and play. The goal is to encourage vibrant urban centers that are convenient, inspire social engagement and artistic creativity, and value racial and economic diversity.

The city now recognizes five contiguous designated historic neighborhoods: Cherry Hill, Fairmount Square, Heartside, Wealthy Street, and Heritage Hill, one of the country's largest urban historic districts. The Grand Rapids Historic District Commission encourages their residents to protect them by employing historically sensitive project designs. So the neighborhoods remain beautiful, elicit pride and increased community involvement, and enjoy dramatic increases in property and resale values.



MLUI/Gary Howe

The community has registered and restored structures like the Sixth Street Bridge, Michigan's oldest remaining metal bridge; Coit Avenue School, built in 1880, now an arts and science school; and the Berkey and Gay Building. The 500,000 square-foot, former factory now houses offices, a bar, and aspiring professionals.

These are the growth engines in one of the few Michigan cities with the muscle to attract younger residents and workers seeking urban experiences. The more appealing areas in the central city share one guiding principle: Honor the past to create a desirable future.

"Restoring the theatre was the pivotal turning point for this neighborhood," says Carol Moore, a resident, landlord, and community activist in the Wealthy Theatre District. "We talked about it for years. And some people thought we were crazy. But once it opened, once people started coming back, the doubters became believers."

Myths and Realities

Despite historic preservation's proven ability to enhance quality of life, many barriers slow the movement. Lack of funding, outdated building codes, and misinformation stall the reuse of significant structures. Critics argue that historic designation standards erode personal property rights and gentrify urban areas. Such false charges generate negative opinions of historic preservation.

Claims that designation of the city's first historic neighborhood, Heritage Hill, would drive out minorities have not come true. From its designation in 1973 until 1996, the percentage of African Americans in the neighborhood has hovered around 30 percent, according to a 1998 study by the *Grand Rapids Press*. The revival of Wealthy Street has nurtured minority-owned businesses, encouraged cultural flavor and, residents say, helped to heal the lingering social wounds of intolerance.

"We're not pushing out the poor," Ms. Moore said. "We're pushing out the drug dealers and the absentee landlords. A city thrives when people want to live there."

A mural on the side of Rhodes Rib Crib enlivens Grand Rapids' now-thriving Wealthy Street.

Proponents argue that preservation elevates property values, stabilizes neighborhoods, and boosts home ownership and that, like better public transportation or clean water, it should be a key organizing principle for revitalizing downtowns, modernizing planning, and preserving parks and open space.

Restoring and celebrating historic buildings and civic heritage is a theme that flows through Grand Rapids' 2002 Master Plan, the community's vision for future development. The plan strengthens inner-city neighborhoods, breathes new life into dormant business districts, provides better mobility, and protects natural resources. A guiding principle is that recognition of value in old structures like the Wealthy Street Theatre is vital to the city's look, feel, and function. No wonder the National Civic League named Grand Rapids a finalist for the 2003 All-America City Award.

Partnerships Are the Key

As awareness of the value of significant architecture grows in Grand Rapids, so do strategies for initiating new projects. Citizen leadership, charitable giving, flexible local laws, and public-private partnerships play key roles in prompting the revival of many of the city's more than 2,000 historic properties.

A variety of creative financial incentives provide the economic stimulus necessary to lure investment. The Federal Historic Preservation Tax Incentives Program and the Michigan Rehabilitation Tax Credit anchor many restoration projects in Grand Rapids. These programs encourage developers and homeowners to return certified historic structures to active service by providing income and business tax credits.

Resourceful local developers also leverage Michigan's nationally recognized brownfield tax credit to rehabilitate blighted, polluted, or inactive properties. The Dwelling Place, a nonprofit community development corporation focused on reviving Grand Rapids' Heartside District, taps funding from the Michigan State Housing Development Authority's Neighborhood Preservation Plan to renovate old buildings and provide affordable hous-



“It will be terrific,” Thelma Rhodes says. “I’m proud we stood the storm. We made the right choice.”

ing for low-income families. It also contracts with the Local Initiatives Support Corporation, which actively encourages economic revitalization of the district.

“We pursued both historic district designation and renaissance zone classification,” Ms. Moore said. “That makes the home and business owners eligible for tax credits. Those incentives have made what’s going on in the Wealthy District possible.”

Award-Winning Efforts

The City of Grand Rapids also offers tax credits and grants to rehab obsolete property. Its Downtown Development Authority established the Building Reuse Incentives Program to reduce vacancies in older, inner-city neighborhoods by providing assistance for public projects such as sidewalk improvements. The city also distributes Community Development Block Grant funding to support public infrastructure improvements in low-income areas.

Even public transportation spending supports inner-city revitalization and restores historic community character in Grand Rapids. The community leverages Michigan Department of Transportation funding to plant street-side trees, calm neighborhood traffic, erect stylish streetlights, and reconstruct classy brick roads.

One key to Grand Rapids' success is Mayor John Logie, who sets the tone for developers by strongly supporting

historic preservation. Mr. Logie helped draft Michigan's local historic districts act in the 1970s and remains committed to adapting historic buildings for new uses and encouraging mixed-use housing opportunities downtown.

Financial and civic energy for historic preservation have helped elevate Grand Rapids' status as a national destination for growing a business or a family. In 2000 *Inc.* magazine ranked the region 13th in its annual “Best Cities to Start and Grow a Company,” while *Money* named the city to its “Best Places to Live in America.”

The restoration of the city's built legacy also has nurtured a new attitude about the urban lifestyle.

“I’ve seen good times, bad times, and now good times again,” says Thelma Rhodes. “They’re going to brick my street this summer. The economy will get better. It’s going to be terrific. I’m proud that we stood the storm and helped make a difference. We made the right choice.” ■

CONTACTS:

Thelma Rhodes
Rhodes Rib Crib
Phone: 616-456-7960

Carol Moore
Phone: 616-451-5598
Email: grpreserve@aol.com

Wealthy Theatre
Phone: 616-451-8001
Web: www.wealthytheatre.org



MLUI/Gary Howe

Take a Trip Through Time

HERITAGE TOURISM CAN BOOST STATE'S ECONOMY

Americans love their vacations. In 2001, the National Trust for Historic Preservation found that, at \$537.2 billion, tourism was America's third-largest retail industry. Tourists spent \$15 billion in Michigan in 2000.

Moreover, vacationing Americans love visiting historic destinations. According to Travel Industry of America, "heritage tourism" generates more dollars than any other type of vacation spending. The average U.S. vacationer spends \$457 and 3.4 nights away from home on each vacation, while a historical and cultural-interest vacationer spends \$631 and 4.7 nights.

But a recent study sponsored by the Michigan Historic Preservation Network showed Michigan lagging behind other states in promoting its historic sites because it is "the state's rich water and woodland resources — not its historic attractions — that have been the primary draw for tourists."

So heritage tourism in Michigan is a resource waiting to be tapped. Various regional initiatives and the revitalization of small town communities through the new Michigan Main Street program aim to increase heritage tourism in Michigan.

Thanks to efforts by many Michigan leaders, government officials, and everyday citizens, heritage tourism is on the rise. From celebrating the state's nautical tradition, to recalling its crucial role in the Underground Railroad, to recreating its earliest industrial efforts, Michigan offers plenty of ways to discover and enjoy its colorful past.

Here are a few samples.

▲ CALUMET:

Keweenaw National Park
To visit Keweenaw National Historical Park is to visit a 100-mile stretch of Michigan's Copper Country in the Keweenaw Peninsula, where mines began flourishing in the 1840s. In 1921, two counties purchased many of the closed sites, turned them into parks, and eventually gave them to the state. Now campers, hikers, sportsmen, skiers, canoeists, snowmobilers, bicyclists, and tourists can enjoy the wide-open spaces, stay at a restored mining lodge, and explore old mine shafts. For more information call 800-338-7982.



Photo courtesy of the Honolulu House

◀ MARSHALL:

The Honolulu House
When Judge Abner Pratt returned from serving as U.S. Counsel to the Sandwich Islands, he brought his newfound fondness for the tropical lifestyle with him. He built his new home in 1860; a *New York Times* article described it as "a tropical fantasy in ivory, red, and three shades of green — the architectural equivalent of a four-rum cocktail served in a coconut." Today the Honolulu House is the centerpiece of a National Historic Landmark District in the heart of downtown Marshall. For more information call 269-781-8544.

► **DETROIT: Underground Railroad Tour**

From 1840 until 1863 abolitionists and freed slaves helped runaway slaves escape to Canada. The historic First Congregational Church near the Detroit River that escaping slaves once used now presents re-creations of those perilous journeys with period costumes, lectures, dialogue, and song. Tourists become “passengers” on the Underground Railroad, feel the weight of shackles, meet their “conductor,” walk through tunnels, find relief in “safe houses,” and adjourn for discussion around a light luncheon. For more information call 313-831-4080.



MLUI/Bruce Giffen



Photo courtesy of the Alden B. Dow Archives

◀ **MIDLAND: Alden B. Dow Home & Studio**

Instead of working for his father’s chemical company, Alden B. Dow became an award-winning architect. He did much of his best work in his hometown Midland, including several churches and private homes, Northwood University, and the Midland Center for the Arts. His home and studio reflect the brilliant, 50-year career that earned him the title of Architect Laureate of Michigan. The house also offers programs for grade- and high-school students. For more information call 866-315-7678.

▼ **MUSKEGON: S.S. Milwaukee Clipper**

Built in 1905, this 361-foot Great Lakes passenger and package steamer sailed with 350 passengers on nine-day cruises between Buffalo, New York, and Duluth for six decades. Thirteen years after its 1970 retirement, the National Register of Historic Places listed the vessel. She became a National Historic Landmark in 1989 and is now moored at the foot of McCracken Street in Muskegon. For more information call 231-755-0990.



MLUI/Gary Howe



Photo by William D. Lewis

▲ **PRESQUE ISLE: Old Presque Isle Lighthouse**

In 1838 a Michigan representative asked Congress to finance a lighthouse that would guide mariners traveling along Lake Huron’s eastern shore to a harbor in the Presque Isle area, which for 100 years was an important port for French trappers. The lighthouse was completed in 1840; the National Register of Historic Places listed the Old Presque Isle Lighthouse in 1973. It is one of only nine remaining free-standing conical lighthouse towers on the Great Lakes. For more information, call 989-595-9917.



Saving and restoring Allegan's Second Street Bridge marked the beginning of Allegan's ambitious, citizen-led historic preservation efforts.

Allegan's Civil Society

VETERANS' RESTORED HOMES ONLY A PART OF SMALL TOWN'S BIG SUCCESS

At the end of the Civil War, Union Army General Benjamin D. Pritchard returned to his hometown Allegan as a hero, thanks to his capture of Jefferson Davis, President of the Confederate States of America. The feat earned General Pritchard a \$100,000 reward. Instead of banking or spending his reward, the general insisted on sharing it with his troops. Many of them followed him back to Allegan and, like their commander, built houses in the nicest part of the city.

History's Echoes

Almost 140 years later, the general's triumphant return to Allegan — and the way that he spent his reward money — still reverberate in the small, southwest Michigan town. Today, the general's Gothic Revival house at 330 Davis Street is the centerpiece of Pritchard's Overlook Historic District, which is listed on the National Register of Historic Places, protected by local ordinance, and graced with more than 200 buildings in several classic styles.

But it was only after Allegan suffered a major, historic loss a half-century ago that it began serious efforts to preserve its past: In 1953, Allegan County decided to replace its 65-year-old courthouse and, supported by a city referendum, destroyed the distinctive Richardsonian Romanesque building.

That decision dismayed Allegan resident John Pahl, then 33 years old. He vowed to make sure such a thing never happened again and founded the Allegan County Historical Society.

"We couldn't save the old courthouse, but it touched off other efforts," Mr. Pahl recalled recently. "The public got aroused from that historic loss, began reading about historic districts, and gained community support."

A Bridge to Prosperity

It took Allegan's newly minted preservationists eight years to complete their first step: In 1961, citizens rescued the town's unique, steel-trussed, Second Street Bridge from demolition. Built in 1866, it is now a symbol of the community's dedication to historic preservation. Indeed, the project helped build another bridge of sorts, one to a prosperous present and future for Allegan.

At a time when many semi-rural towns struggle to survive, downtown Allegan thrives with a 95-percent occupancy rate. It enjoys heavy pedestrian traffic to its city offices, an auditorium, a theater, and a pharmaceutical lab — historic buildings all.

The City Climbs Onboard
 Citizen efforts to preserve Allegan's history became more successful over the past 30 years because the city itself finally embraced preservation as a strategy for prosperity. Its first steps came in the 1970s, when the city council recognized the value of its historic resources by defeating proposed ordinance and zoning changes that would have allowed dividing up grand old homes into small apartments. Then it launched its Downtown Development Authority (DDA), which changed tax laws to lure investment downtown.

In 1983 the National Register declared Allegan's central business a historic cultural resource, enabling owners of income properties to utilize tax credits for building rehabilitation.

The city applied for and was accepted into the National Park Service's Certified Local Government (CLG) program in the 1990s. Administered by the State Historic Preservation Office, the program promotes preservation at the grassroots. Since 1997 the SHPO has funneled \$57,400 in CLG funding to Allegan. The city has matched this with other funds and used it to complete many preservation projects, including the restoration of the Regent Theater.

A New Community Center

The Regent Theater is a fine example of how a successful downtown historic preservation project directly improves the quality of life for a community. First a 1903 Buick garage, the Regent became a vaudeville theater in 1919

Regent Theater Manager Lori Sisson says the restored building is now "a huge asset" that the community uses in many different ways.



The Delano House cloaks modern amenities inside a classic, fully restored, Italianate exterior.

and added an orchestra pit in 1935. Following its long abandonment, citizens purchased the building in 1990 and permanently reopened it in 1996.

Today this popular, 347-seat Art Deco venue shows silent films accompanied by live bands, often features current releases, and offers weekly summer matinees for children sponsored by local businesses. Last year the shows attracted approximately 6,000 youngsters.

"The community loves it," said Lori Sisson, the theater manager. "It's a huge asset. We use it as an outreach with students, showing films of books being used in local schools."

Allegan City Manager Lisa Sutterfield agrees. "We were so lucky to have a dedicated nonprofit rebuild the theater to its Art Deco glory. We purchased it for the outstanding mortgage of \$18,000, with the understanding that we would run it as a single-screen theater. It is a community gem."

Another historic building will provide even more downtown vitality. When the congregation of the First Baptist Church decided to vacate its 1892 church for a larger complex, the City of Allegan bought the building with \$500,000 from an United States Department of Agriculture Rural Development grant. The structure will provide

music venues, a children's museum, and a senior drop-in center.

Historic Hospitality

Historic preservation has also helped Allegan attract tourists. Well-restored bed and breakfasts offer the best of both worlds — shaded verandas and splendidly appointed rooms, and modern amenities such as whirlpool baths.

Scott Ehrich has operated one of those inns, the Delano House, an Italianate residence, for two and a half years. Domestic and foreign travelers come year-round for, as he says, "the ambiance of the town and to walk the neighborhoods and downtown."

Whenever possible, he buys the products and services he needs for the building from other local vendors. "I prefer to use local businesses — even if it's a little more in cost. Many of Allegan's shops are locally owned. So, I'm supporting my neighbors."

Many Allegan business people and residents share Mr. Erich's appreciation of life's intangible assets: Time, place and, most of all, community. ■

CONTACTS

Lisa Sutterfield, City Manager
 City of Allegan
 Phone: 269-686-1102
 Email: lsutterfield@datawise.net

Lori Sisson, Manager
 Regent Theater
 Phone: 269-673-2737
 Email: oldregent@hotmail.com

Scott Ehrich, Proprietor
 Delano Inn
 Phone: 269-686-0240
 Email: delanoinn@triton.net

Delivering the Good News

RESTORING HISTORIC POST OFFICE BUILDS PRIDE, COOPERATION IN JACKSON

As a young boy growing up in Jackson, Michigan, Carl English enjoyed downtowns. At special times of the year, he particularly relished traveling to Detroit to view the department stores' holiday window displays. His own hometown's downtown provides even fonder memories. He often visited Jackson's impressive post office, where his mother worked.

Restoring a Childhood Memory

Today, as president and CEO of Consumers Energy-Gas, Mr. English still recalls those childhood visits. "I remember those big pillars," he recently said of the grand building. "The building's fantastic architecture has huge remembrances for me."

Today the place is about more than remembrances. Consumers recently purchased and restored the Beaux Arts building, which was built in 1933. It is now the gateway to Consumers Energy's new headquarters — a 12-

story, 370,000-square-foot tower built directly behind it. The building's interior is a spacious lobby with a conference center and a coffee shop.

Even before it was completed this summer, Consumers' visionary project began producing benefits for the city. The construction work injected \$103.9 million into the town's lagging economy, boosted the company's downtown annual payroll to \$52 million, and doubled its downtown workforce to 1,350 people.

Today, downtown Jackson is enjoying a civic revival. A State Historic

Preservation Office grant will fund a survey of historic downtown resources. Work has begun on redeveloping six brownfield sites near the new Consumers complex, one of the largest such efforts in Michigan in recent years.

New Plans for Old Sites

One site will use historic preservation tax credits to transform itself from an industrial facility and armory into the Armory Arts project, an arts and cultural hub with 25 studio/loft apartments for artists, plus classroom and commercial space. Two new municipal parking decks compliment the post office's classic lines and add about 1,000 parking spaces that are available for evening and weekend events, when Consumers' employees are not using them.

This summer, the city made use of those spaces by sponsoring free, Friday night concerts in a new public amphitheater adjacent to the just-built

A unique partnership between Consumers Energy and the City of Jackson transformed the town's long-shuttered main post office into the grand entrance to the company's new headquarters.





MLU/Bruce Giffen

The restoration of the former post office transformed its interior into a spacious lobby that includes a conference center and a coffee shop.

Consumers complex. The recently improved and reopened Grand River Trail, adjacent to the complex, will feature an arts walk with sculpture plazas, benches, and a riverfront promenade.

“The post office is a bridge to the past,” said Mr. English. “We would have lost a lot if it had not been for the post office bringing us together. It sets a different tone for the business. Everyone is absolutely delighted. Every place I go, almost the first comment I get is on the beauty of the site.”

Tradition Inspires Teamwork

Three words describe why the city and the company so successfully executed such a large and complicated project: Timing, commitment, and cooperation.

In 1998, as leases on two of their three corporate locations were expiring, company executives decided to consolidate them and began planning for a big move. But to where?

Consumers Energy has deep roots in Jackson. It was founded in 1886 as Jackson Electric Light Works and always maintained a downtown office and strong community ties. Its 650 employees made it the downtown area’s second-largest employer. So company officials asked: If Consumers Energy continued its longtime commitment to downtown Jackson, how could the community help the project?

“It was time to get people serious about working together,” Mr. English said.

A surge of civic cooperation followed. Twenty-six city departments united to fund the development of a new master plan. Officials formed a regional sewer and water authority and

reshaped the police, fire, and emergency medical services into regionally coordinated units. The city held a referendum that extended its council terms from two years to four, increasing the efficiency and stability of Jackson’s city government.

A Powerful Partnership

Key business groups and services also changed their operations. They formed The Enterprise Group of Jackson, consolidating business services traditionally delivered by chambers of commerce, visitor and convention bureaus, manufacturers associations, and economic development offices into one office. It provides developers with “one-stop shopping” for their proposals.

Meanwhile Consumers Energy negotiated with the city government for assistance. The company obtained \$39.5 million in mostly public funding from 14 different sources, including tax increment financing, loans, grants, public improvement funds, and foundations. Tax credits worth \$11.5 million offset the additional cost of building downtown instead of at a rural site.

The city agreed to manage a 21-parcel land acquisition, legal fees, engineering, environmental assessments and remediation, traffic analysis, infrastructure, parking plans, river enhancements, and streetscape improvements. It retained title to all the project’s land and its two new parking decks.

In return, Consumers agreed to finance renovation and construction costs of \$65 million. Jackson and Consumers signed an agreement in 2000. This July city and company officials joined Governor Jennifer Granholm and other leaders to formally dedicate the new complex. Ms. Granholm had honored the project in the spring, presenting Consumers with one of Michigan’s first Governor’s Awards for Historic Preservation.

One major reason the region’s governmental units and business leaders

were so cooperative was that Jackson’s economy needed help. The city’s population has declined steadily since the 1930s, its economy since the 1970s. Jackson’s current unemployment rate is among the state’s highest, while average income is about \$5,000 below the Michigan average of \$37,387.

Steve Czarnecki, president of The Enterprise Group, said the town’s improved facilitation of redevelopment projects shows that it has the “creative talent to take a blue-collar community to a knowledge-based community.” He said his group would continue to focus



Jackson’s main post office in 1933.

on brownfield redevelopment instead of greenfield construction because it transforms the city’s blighted areas into positive assets using existing tax tools.

Revitalization efforts are expanding with new plans and projects. City Manager Warren Renando said the city is assembling development packages that retain Jackson businesses.

“We want to make our existing businesses stronger,” said Mr. Renando. “And I have to get people to believe in themselves and the place that they’re in. A sense of community pride will make people want to live here.” ■

CONTACTS:

Carl English, President
Consumers Energy, Inc.
Phone: 517-788-2395
Email: dcbishop@consumersenergy.com

Steve Czarnecki, President
The Enterprise Group
Phone: 517-788-4455, ext. 206
Email: sczarnecki@enterprisegroup.org

Warren Renando, City Manager
City of Jackson
Phone: 517-788-4035

MLU/Bruce Giffen



MLU/Gary Howe

The \$6.2 million restoration of the Landmark Inn helped inspire \$40 million in new, private, business district investment.

Marquette's Landmark Inn

**DEDICATED EFFORT REAWAKENS
A SMALL CITY**

On November 3, 1995 Bruce and Christine Pesola spent \$103,000 to buy the old Northland Hotel in downtown Marquette. Once one of the Upper Peninsula's finest hotels, it was a boarded-up and leaky 65-year-old brick repository for pigeon droppings and a skunk carcass. At that time, the historic six-story hotel, which overlooks Marquette's harbor from its tallest bluff, reflected the downtown. The ragged building on the hill and the listless streets at its feet were growing ungracefully old together.

Buying the hotel and spending 18 months transforming it into the handsome Landmark Inn was one of the most significant investments made in Marquette in years. Marquette's merchants, bankers, and economic developers credit the Pesolas' \$6.2 million restoration with helping trigger more than \$40 million in new business district investment since the late 1990s, much of it privately financed.

Resurrecting a Longtime Tradition

Other restoration projects also contributed to the recent upswing. In fact, Marquette has long valued its history. The city participated in a Main Street program in the 1980s. The Arch and Ridge Historic District was listed in the National Register of Historic Places in 1980.

In 1982 the community funded a \$2.4 million restoration of the 1902 Marquette County Courthouse — the backdrop for the movie "Anatomy of a Murder" — rather than build a new one. Significant buildings constructed of red Lake Superior sandstone, such as the 1897 Harlow Block and the 1894 Richardsonian Romanesque city hall, have also been preserved and continue to define the community's character.

But it was the Landmark Inn project that disturbed the downtown's 20-year slumber and made it one of Michigan's liveliest small towns. The city's Lake Superior waterfront is now a welcoming public park. Biking, hiking, and cross-country skiing trails run through it and connect the lakeshore and surrounding forests. Offices, shops, clubs, coffeehouses, and restaurants grace 19th- and early 20th-century buildings, many of them newly restored. Citizens and philanthropists spent \$9 million restoring the municipal library; the city's population has stabilized even as Marquette County's slips.

Meanwhile, the Landmark Inn attracts occupancy rates of 70 percent year-round and 90 percent in the summer, well above the rates of other, nearby hotels or motels.

"I guess it's taken me this long, seven or eight years, to realize what we did, to have so many people tell me what a great thing it is," Mr. Pesola said in an interview. "But I had no idea how hard it would be. It took everything I had, everything Christine had, to keep going. We just didn't give up."

Old Memories, New Dreams
Mr. Pesola, who grew up just down the block from the hotel, was a developer whose largest project had been a mid-size condominium development. But it was the Pesolas' personal connection to Marquette that sparked the project. She worked as a waitress at the hotel while attending nearby Northern Michigan University; he used to warm himself by the great lobby's fireplace during wintery walks home from school. Mr. Pesola said he was tired of seeing so many of Marquette's historic buildings becoming parking lots.

"They tore down my Catholic grade school, my high school, even my church," he said. "I wasn't going to let them tear down this hotel."

He and his wife agreed on a business plan that included a pub, two restaurants, and restoring the public spaces in historic detail. The couple put private baths in every room and decorated them with antiques and collectables so each was unique. The Michigan State Historic Preservation Office recommended it be eligible for a federal historic preservation tax credit. The Pesolas got a \$1.1 million credit, sold it to raise cash, and invested oceans of their own sweat equity.

At about the same time, another

NMU graduate and successful businessman, Rhys Mussman, returned to the area. He discovered that an entire block of buildings just down Front Street from the Landmark, including an old college hangout, the Rosewood Inn, was to be demolished. He bought the block and privately financed its rehabilitation. It took almost a decade; today it includes a beautifully restored bar, restaurant, and music venue called Upfront and Company, plus residential units, storefronts, and offices.

Slow Start for a Big Success

The Landmark Inn opened in May 1997 to earnest civic applause. It almost shut its door soon after — a near victim of ineffective marketing. Its first-year occupancy rate was 40 percent, half of what was needed. "We came close to having to close every day for the first two years," said Ms. Pesola, who now directs a staff numbering 80 employees. "It was very scary."

But gradually word of Marquette's many newly restored, gracious buildings spread. Today, the hotel and the town are doing much better than they have in a long time. Steve White, treasurer of the Marquette Downtown Development Authority, said the Inn and the downtown match perfectly.

"Study after study shows that the number-one activity of tourists is shopping," Mr. White said. "The Landmark brings in a type of tourist that otherwise wouldn't want to stay in Marquette. They hang around, and they buy. To that extent, they have helped keep the retail folks downtown. We don't hear merchants complaining anymore about how bad business is."

More to Come

The DDA builds on these newfound opportunities. It erects signs on historic buildings that tell their colorful stories to the tourists that wander its downtown streets. It helps businesses fix up the rear store entrances that now face the new ski and bike trails.

Another project, called Marquette Commons, will provide a downtown winter gathering spot with an artificial ice surface for skating. The city is also



Ambitious restoration projects along Front Street awoke Marquette from a 20-year slumber.

considering proposals for more downtown residential space. Mr. White said the challenge is finding more parking.

More investors are getting involved in the town's comeback. One purchased several abandoned buildings along the waterfront and is converting them into condominiums and office and retail space. Every day, it seems, private citizens and civic leaders are joining the parade the Pesolas helped to start.

"For downtown, the Landmark Inn fits everything together," said Dennis Mingay, who manages Getz's, a department store that's in a renovated, 100-year-old building down the hill from the hotel. "It's a very important part of why people love this downtown." ■

Marquette funded restoration of the county courthouse, the backdrop for the movie "Anatomy of a Murder."



CONTACTS:

Christine Pesola, Proprietor
The Landmark Inn
Phone: 1-888-752-6362
Email: landmark@thelandmarkinn.com

Steve White, Treasurer
Marquette Downtown Development Authority
Phone: 906-228-1200

Dennis Mingay, Manager
Getz Department Store
Phone: 1-800-746-7438



Reaping Historic Rewards

HOW MICHIGAN CAN ENCOURAGE MANY MORE PUBLIC AND PRIVATE PRESERVATION PROJECTS

From Marquette to Detroit to Grand Rapids entrepreneurs and enlightened civic leaders are unleashing the beauty and value locked inside old buildings. Abandoned houses, dilapidated theaters, sagging stores, and crumbling post offices — not to mention factories, lighthouses, ships, mining towns, and other historic places — are being transformed into new homes, entertainment venues, business centers, and tourist attractions.

In every case these preservationists navigated the treacherous shoals of community acceptance, permitting, finance, design, construction, and marketing. In every case featured in this report, they added to the common good and community prosperity.

This report documents how facets of Michigan's history have become powerful engines of economic growth that attract residents and visitors to our cities and towns. The report also shows that these accomplishments were often tests of personal endurance and will.

Whether the project was as large as restoring Detroit's Orchestra Hall or as comparatively small as reviving a bed and breakfast in Allegan, developers uniformly embraced a work ethic of heroic dimensions and, sometimes, a level of risk-taking that few can tolerate. These are obstacles that state government should help preservationists overcome.

After all, Michigan already provides such support in other economic arenas. The state aggressively offers loans, tax breaks, technical expertise,

and regulatory flexibility to manufacturers, engineering firms, publishers, and many other enterprises to persuade them to either move or expand their activities here.

Such state-sanctioned business recruitment adds to Michigan's economic well being, but frequently at a high price: Much of this new development occurs in green fields far from town centers, promoting sprawl and greatly increased public infrastructure costs, traffic congestion, and environmental harm. It also drains vitality from Michigan's cities and inner suburbs.

This report demonstrates that, just as Michigan assists large companies, it should also encourage citizens and small businesses — and not just the heroic ones — to undertake historic restoration projects. The benefits to entrepreneurs, citizens, communities, and the state are unmistakable and potentially immense.

They are also entirely predictable: Revitalized downtowns. Less sprawl. Restored neighborhoods. Expanded employment. Increased property values

and tax revenue. Livelier cities that attract the young workers Michigan needs to compete. In short, relatively modest state support of and investment in historic preservation would reap long-lasting economic benefits and rebuild a sense of community in villages, towns, and cities. Michigan has an enormous opportunity to actively assist people, companies, and local governments transform abandoned, historic sites into fountains of prosperity.

Other States: A Wealth of Examples

Our research indicates that Michigan needs to be more competitive in the historic preservation arena. Other states are already using innovative techniques to boost historic preservation and economic competitiveness.

Out West, New Mexico's Historic Preservation Division makes below-market-rate loans for the restoration of certified historic buildings, while Colorado's State Historical Fund annually spends \$15 million from gambling tax revenues to support preservation projects. California's State Historic Building Board actively facilitates the efficacy, energy efficiency, and safety of historic preservation projects.

Closer to home, Renaissance Kentucky, a consortium of banks and state agencies, helps rehabilitate more than 100 downtowns with loans and grants. Even local governments are engaged: In New Jersey, for example, Somerset County invests approximately \$1 million a year in preservation.

Identify, Coordinate, Invest
This report recommends four crucial shifts in Michigan's approach to historic preservation.

First, local and state governments must better inventory historic buildings and sites and help developers identify those with the potential for successful rehabilitation.

Second, local and state governments must help developers navigate more quickly the permitting, regulatory, zoning, financing, construction, and marketing steps preservation projects require.

Third, local and state governments should invest in rehabilitating historic buildings for their own offices instead of building new ones. Officials should view the reuse of historic buildings as opportunities to help their state fight sprawl while performing their duties in education, transportation, housing, health care, emergency services, and economic development.

Fourth, state and local governments must provide the kinds of financial support, tax relief, technical guidance, and other economic incentives for historic preservation projects that they do for large companies.

WE SPECIFICALLY RECOMMEND THE FOLLOWING:

I. Identify opportunities for historic preservation.

- Provide fiscal incentives to local governments to gather and standardize information about historic sites, including those in brownfields.
- Encourage local governments to include historic resources in their master plans.
- Include this data in the state's existing statewide geographic survey.
- Support the efforts and expand the programs of the State Historic Preservation Office (SHPO) in order to foster the preservation of Michigan's historic resources.

II. Make preservation projects easier to undertake.

- Establish "one stop shops" to provide historic redevelopers with state, local, and federal regulatory, technical,

design, construction, and financial assistance.

- Facilitate better communication and cooperation between voluntary historical societies and appointed historic commissions.
- Promote the state's existing building restoration codes for preservation projects.
- Support and expand the Michigan Main Street program through the SHPO and the Michigan Economic Development Corporation.

III. Make governments better partners in stimulating historic preservation.

- Require the state to consider using old buildings before constructing new ones.
- Offer incentives to local governments to do the same.
- Mandate state agencies to coordinate highway building, housing, economic development, tourism, education, and resource development to encourage historic preservation.
- Mandate school districts to comply with local historic preservation requirements.

IV. Provide sufficient financial support for historic preservation.

- Establish a revolving, low-interest loan fund and a Michigan Historic Preservation Trust Fund to support rehabilitation projects, easements, and property purchases.
- Allow developers to convert tax credits into capital to finance their projects.
- Expand tax credits to target redevelopment in urban areas.
- Increase incentives for restoring properties eligible for the National Register of Historic Places that are located in brownfield sites, Renaissance Zones, Core Communities, and the new Commerce Centers proposed by the Michigan Land Use Leadership Council.
- Support and promote regional programs for heritage tourism, and encourage more flexibility in the use of public funding sources to support them. ■

Places Matter

The Michigan Land Use Institute works to make places better. We promote lasting alternatives to the sprawling development that rips up close-knit communities. We advance innovative community designs that make life easier, more fulfilling, more prosperous, healthier, greener, and safer. We execute those ideas with the help of thousands of people who are now courageous advocates in their own right.

Research, communication, and advocacy frame every Institute project. We publish the Great Lakes Bulletin, special reports, a statewide newswire, and an award-winning Web site, all aimed at influencing government officials to curb sprawl, revitalize cities, expand transportation choices, promote prosperous farms, and protect our land and water.

Invest in your quality of life: Join the Institute, support Michigan's smart growth leader, and receive handsome, provocative publications, plus emails linking you to the Institute's first-rate, Web-based reporting on land use issues.

Sign Me Up!

My Gift Amount \$ _____

- Enclosed is a check payable to **MLUI**.
 Charge my credit card: VISA MC Discover

Card #: _____ Exp. Date: _____

Signature: _____

YOUR NAME

Business/Organization if applicable

Mailing Address

City, State, Zip

Email

Home Phone

Work Phone



Please mail to:
MICHIGAN LAND USE INSTITUTE
Box 500
Beulah, MI 49617

Or, contribute online at: www.mlui.org

www.mlui.org

WHAT LEADERS ARE SAYING ABOUT HISTORIC PRESERVATION...



“Whether you are a business that preserves a historic structure, or a family that turns a former eyesore into a wonderful gem of a home, preservation does more than just save buildings — it saves communities.”

— JENNIFER GRANHOLM, *Governor of Michigan*

“Like the gardens I love to cultivate, we have a responsibility to tend our communities in ways that delight our souls.”

— HELEN MILLIKEN, *Former First Lady of Michigan*

“Revitalizing older neighborhoods is the perfect antidote to sprawl. States that cherish the resources they have also value the historic properties that give their neighborhoods character and often invest in historic preservation.”

— NANCY FINEGOOD, *Director, Michigan Historic Preservation Network*

“Historic preservation is about perpetuating a culture that becomes a community — a unique character and setting, whether urban, rural, or suburban.”

— ROYCE YEATER, *Midwest Director, National Trust for Historic Preservation*



205 South Benzie Blvd.
PO Box 500
Beulah, MI 49617

NONPROFIT
ORGANIZATION
U.S. POSTAGE
PAID
TRAVERSE CITY, MI
PERMIT # 514
