

# HISTORIC PRESERVATION: ITS SOCIAL & ECONOMIC VALUE



*New Jersey Historic Preservation Awards Ceremony  
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Allaire State Park*



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I would like to begin by congratulating everyone here today who is an award recipient for your great success, as volunteers, in preserving New Jersey's historical heritage, particularly at the local level. It reminds me of the very appropriate slogan for the 20th anniversary of Earth Day - "Think globally; act locally." And as a very wise and artful politician from Boston's school of hard knocks, Tip O'Neill, observed- "All politics is local".

It is at the local level where the most intense battles are fought to preserve our communities that often seem to be disintegrating bit by bit with the razing of an old building, or the destruction of a two-lane bridge to provide for a new four-lane highway, or the dwarfing of old stores by new high rise buildings. Many believe that the State or federal government will save important landmarks.

They do not realize that it is at the local level where land use decisions are made, both good ones and bad ones. It is unfortunate that many who cherish our built history are often reluctant to take a proactive stand because you will soon find yourself in the middle of intense competing interests.

I well remember how difficult it was for me to enlist the support of the Millburn-Short Hills Historical Society in the 1970's when I proposed that Millburn Township adopt an ordinance establishing an Historic Commission to oversee

changes in our two historic districts. Several years earlier we had received a grant from the State to undertake the necessary research to document the two historic districts in our community, but when it came to entering the political arena to support the adoption of a law to protect the important historic districts, the local historical society backed away.

The initial resistance seemed to come from a dislike of the political process. Some others appeared to believe that the certification of the districts would protect them. Many history advocates believe that their cause is so right and just that it should be recognized by all. It might be true in an ideal world; it is not true in the give-and-take of the political world.

As the Mayor, I was able to persuade the governing body to include historic districts in our zoning map, but there weren't any restrictions on the kind of structures that could be built in these districts, how the historic houses could be renovated or whether they could be torn down. That decision rested solely with the Building Inspector who didn't receive any guidance from the Planning Board or the Township Committee about the importance of historic preservation.

Several years later, when I was a Member of the Legislature, I sponsored amendments to the Municipal Land Use Law which gave guidance and statutory authority to

municipalities to establish historic commissions. After the law was on the books, my hometown was given the courage to adopt an ordinance to protect the historic sections which had been documented almost a decade earlier. The issue was hotly debated in Millburn Township, and the ordinance was finally adopted after many emotional public meetings. While we recently won an historic court decision upholding the validity of an action by the Millburn Township Historic Commission, the ordinance still faces hostile challenges by many who want to make inappropriate changes to their houses.

Since the restrictions on the historic properties are relatively new, they are not accepted as necessary in maintaining property values and the desirable appearance of the neighborhood. This is not true of zoning ordinances that have been in effect for many decades. No one would support building up to a neighbor's property line or placing a garage or swimming pool in the front yard. It would be helpful if realtors were more supportive of retaining the community's historic heritage. If a large historic house is demolished and replaced by several new houses, the realtor's commission would be larger, but the long term loss accrues to the community. As it begins to lose its distinctiveness created by its architectural heritage, property values in the entire municipality will start to decline.

“Private property rights” is a catchy phrase that is used by opponents of historic preservation. I remember that phrase being trumpeted more than twenty years ago by the editorial pages of our local newspaper when we tried to save our 1901 railroad station. Sadly, we eventually lost our station - the twin of the Booton station which is on the National Register, and it has been replaced by a passenger waiting shed and an office building that few admire.

The revitalization of our downtown has been a key issue for many years. This goal was clearly thwarted when Millburn Township, a commuting community in the 19th century, lost the physical testimony to its past. The developers realized a large return on their investment because historical restoration is more expensive than new construction, but our community’s objective of sustainable economic growth in our downtown suffered a grievous loss when our 1901 train station was demolished.

That section of our downtown lost its irreplaceable architectural anchor. Private property rights were allowed to obscure private property to maintain a community that enriches everyone with its commitment to preserving the architectural heritage which belongs to all the residents.

In a speech last year to the New Jersey Preservation Conference, Donovan Rypkema said, “...our historic built environment is central to both community and place. Once understood in this context many things begin to make sense. A deeply felt anger when a neighborhood landmark is razed isn’t because of the building - it was only stone and wood after all. It was because a piece of the community was taken away.

It also tells us why preservation is an overwhelmingly local endeavor, why the loss of a building in your town isn’t, frankly too important to me, nor my neighborhood loss to you. Those aren’t our communities. It explains why strong neighbor-

hood groups are much more often found in older neighborhoods than new - the sense of place and the spirit of community have had time to reenforce each other. Do you think that it’s only coincidence that the physical might be redefined as “place” and the human redefined as “community”? Quality of life is the amalgam of those things that make a place out of a location and a community out of a bunch of houses. That’s why the debate cannot be allowed to be flamed as economic development or quality urban design. Today, for lots of reasons, economic growth will only take place on a sustainable basis where there is a high quality of life; and securing quality of life is at the heart of what preservation is all about.”

New Jersey possesses a rich heritage. It was the most culturally diverse of the original thirteen colonies. This diversity has increased today to the extent that it is a microcosm of the nation. More battles were fought in the Revolution on New Jersey land than any other colony. In the 19th century New Jersey was in the forefront of the industrial revolution while it also became known as the “Garden State” with its rich soil and productive farms. The inventive minds of New Jersey residents have brought benefits to people around the world with new products ranging from the light bulb to transistors and life-saving drugs.

Despite our unique history and awesome accomplishments, New Jersey has been looked upon by residents of other states as the land of traffic jams and toxic pollution. In order to improve its image the State adopted in the 1980’s the slogan.. “New Jersey and You, Perfect Together”. It sparked the imagination of many and served as a rallying point for a sense of pride in New Jersey. Despite all this optimism about the state of our State, there was one area where a different slogan was suggested-New Jersey and its Heritage, Imperfect Together.

This was documented in an article in the New Jersey Monthly

magazine which stated that the most unique thing about our heritage was the long pattern of abuse that it has suffered. In the article, “A State of Ruins”, Tom Dunkel pointed out that lack of funding, neglect and demolition over many years have resulted in historic suicide. This article prompted Assemblyman Rodney Frelinghuysen, Chair of the Appropriations Committee, and myself, Chair of the Environment Committee, to hold a joint hearing to team how we could reverse this shameful decline in New Jersey’s historic legacy. The outcome of this hearing was the proposal of a bond issue combining historic preservation with Green Acres and restoration of cultural Centers. The 1987 \$100,000,000 “Quality of Life” bond issue was divided into three allocations.

<b>HISTORIC PRESERVATION</b>	<b>\$25,000,000</b>
<b>GREEN ACRES</b>	<b>\$35,000,000</b>
<b>CULTURAL CENTERS</b>	<b>\$40,000,000</b>

The “arts, parks and historic sites” bond issue was overwhelmingly approved by the voters in November, 1987, after a vigorous public campaign by the three groups using the slogan, “Save Our Best for Tomorrow”. It was the first time that any state had allocated capital dollars for “bricks and mortar” to restore historic buildings and sites.

Subsequent bond issues in 1992 and 1995 have brought \$60,000,000 to the much needed task of putting serious money into the tremendous undertaking of revitalizing and saying key landmarks. While the need for historic preservation has been documented at \$400,000,000, New Jersey has made a very strong beginning in tackling this large task.

Only Florida has approached such a financial commitment by one of the smallest states in the country, New Jersey.

While we can feel justly proud of the state dollar invested in historic preservation, we cannot have a similar good feeling about the states support of the history community. Unlike the state, county and local organizations that are financed by grants of \$11 million dollars from the New Jersey State Council on the Arts, history organizations receive very little funding. The Task Force on New Jersey History will soon present its recommendations on how this lack of support should be addressed. Established in 1994 the Task Force members have undertaken an analysis of history within State government; heritage tourism; historic sites and artifacts; research and publications; and history education. Such an analysis is long overdue because New Jersey history has been woefully neglected.

Despite the state slogan of “New Jersey and You, Perfect Together”, the residents of our state still lack a strong sense of pride in their state, especially in comparison to the citizens of most other states. Hopefully, recommendations of the History Task Force will enable New Jersey residents to begin on the upward path of reclaiming their historic heritage and their sense of pride in our wonderful state.

During this National Historic Preservation Week, Assemblyman Corodemus will be introducing the “Historic Property Reinvestment Act” which was initially conceived by Assemblyman Gusciora. This bill provides a credit under the gross income tax and the corporation tax equal to 25% of the cost of rehabilitating an historic property owned by the taxpayer and used for residential or commercial purposes. The historic property must be located in a municipality ranked between one through 100 on the latest available Municipal Distress Index compiled by the State. While the provisions of this bill aren't as broad as the preservation community would like, it is a good beginning. When this initial incentive is found successful in rehabilitating rundown neighborhoods, it should be possible to

extend it to all the municipalities of the State.

State statutes currently allow municipalities to delay increasing a homeowner's assessment for a period of time, but the emphasis has been on “areas in need of rehabilitation”. While this would be an incentive for restoration in urban areas, it wouldn't apply to most suburbs. Municipalities are able to enact laws that don't violate constitutional principles, but enabling legislation would encourage towns to consider this incentive. Many prospective buyers are leery of purchasing historic houses because of the restrictions in remodeling them. Such an incentive would compensate the would-be buyer for accepting limitations on remodeling choices while enriching the entire community. Research documents the very positive effect that historic restoration has on local economies and the state as a whole. The Rutgers Center for Urban Policy Research found that \$1,000,000 spent in rehabilitating an older building creates 29.4 jobs - 13 in the construction industry and 19 in other parts of the economy.

The economic impact of preservation construction surpasses that of new construction. Local officials who wish to increase economic opportunities in their towns should be aware of the greater economic benefits of preservation construction.

It is hard to imagine a more cost effective initiative than the New Jersey Main Street Program. With a minor amount of funding our Main Street program, following the lead of the National Trust, has been a key factor in the revitalization of depressed commercial districts in our downtowns. The rehabilitation of older buildings and stores in the business areas is the answer to an improved appearance and economic redevelopment.

In his speech last year, Donovan Rypkema pointed out; “But it isn't just in comparison to new Construction that preservation is a favorable job creator. In New Jersey

a million dollars of historic preservation creates 5 more jobs than manufacturing a million dollars of electronic equipment, 19 more jobs than does fabricating a million dollars of metals, and 18 more jobs than refining a million dollars of chemicals. Historic preservation means jobs for New Jersey.”

Another source of jobs and economic development is heritage tourism. New Jersey's tourism industry is one of its top three industries, amounting to more than 23 billion dollars a year. While the casinos and the shore have been strongly promoted, history tourism has not begun to reach its potential. Ecotourism and history tourism are the fastest growing segments of a dynamic industry. As our population grows in age and affluence, cultural tourism will become even more important.

A recent study by the State of Virginia found that historic preservation visitors spend an average of \$423 per visit while other visitors were less than half that amount with an expenditure of \$180.

Almost 3/4's of the first time visitors to Virginia came to see historic sites and buildings while more than 1/3 of the repeat visitors listed historic preservation as their reason for visiting Virginia again.

Both of these percentages are significantly greater than any other category. Three times as many first time visitors visit historic buildings as visit beaches; four times as many as visit theme parks; and fifteen times as many as visit golf courses. Historic preservation visitors stayed longer; visited twice as many places; and spent 2 1/2 times more than other visitors. Historic preservation in Virginia is not an alternative to economic growth; it is a vital component of the state's economy

While we have made an impressive start in New Jersey with \$60 million dollars from three bond issues to restore our architectural heritage, we have not made a similar commitment to marketing and offering our historic sites and buildings as fascinating and beautiful

places to visit. We cannot successfully promote our history when inadequate staffing preclude offering an enjoyable and richly educational experience. An historic building which is only staffed by volunteers for two hours a week is not "travel worthy" no matter how great its historic importance. At the hearings of the Governor's Council on New Jersey Outdoors last year, many who testified were critical of the States inadequate attention to the staffing and stewardship of public parks and historic structures.

There was considerable concern expressed about overcrowded sites, rundown facilities, limited operating hours, inadequate care of valuable artifacts and a lack of effective interpretive programming. The Governor's Council on New Jersey Outdoors was convened by Governor Whitman last spring to review the open space and recreational needs of the State and to identify stable sources of funding to "Keep New Jersey Green". The Council held three public hearings about the current and future needs for preservation of our natural and cultural resources..

The public told us that we are protecting too little open space, too slowly, and that we are at risk of allowing publicly owned resources to deteriorate from inadequate stewardship. Preservation and stewardship were the ideals that were a common thread in all the testimony.

Next month the Council will take testimony on the possible sources of stable funding for public open space

and the preservation of farmland and our historic sites and buildings. During the 14 years which I served in the New Jersey Assembly, I tried three times to establish such a stable funding source to supplant or supplement our Green Acres bond issues. A slight increase in the realty transfer tax pawed the Assembly but failed in the Senate. Both of the other attempts - a motel-hotel tax and a surcharge on drinking water- failed to pass either house of the Legislature.

The main impediment to passage was the determined opposition of the industry that would be impacted by the funding proposal - realtors, the water companies and the hotel-motel owners. The opposition framed the debate and led the charge against the stable funding proposal. The merits of a steady stream of funding were never truly evaluated; only the opposition was heard by the Members of the Legislature.

Florida has raised significant dollars to preserve its natural and cultural resources through a variety of taxes. This seems like a wise strategy - to spread the cost and thereby diminish the opposition. In New Jersey we weren't able to convince the contributing industries how the stable funding would benefit their business.

The key challenge this time will be to enlist the backing of the impacted industries. The water companies need to agree that retaining watersheds in their natural condition is the wisest way to pre-

serve both the quality and quantity of the water supply. The tourism industry has to understand that the historic sites can't be shown off to their best advantage if there isn't money to staff them and keep them in good condition.

Recently Connecticut was successful in passing a hotel-motel tax when members of the industry helped to lobby the legislature for its passage. New Jersey needs to learn from Connecticut's successful example.

The challenge to raise more money for New Jersey's open space, its farmland and historic sites will require a monumental effort by all the concerned groups.

At the same time it will be an opportunity to bring historic preservation into the mainstream and remove its elitest connotations. As it works with advocates for urban parks, it will become allies with different racial and ethnic groups. The historic preservation movement will become more inclusive as it joins forces with environmentalists, affordable housing advocates, builders, small business owners, tourism promoters and economic development proponent's.

Preservation will then be in a position to increase its ranks as many other groups and the public come to understand the importance and benefits of preserving our historic heritage.