

Historic Preservation and Land Use

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ISSUE: HISTORIC PRESERVATION IS KEY TO WISE LAND USE

Historic preservation promotes downtown revitalization, neighborhood stabilization, affordable housing, and cultural tourism while preserving community character. Reusing underutilized resources in traditional neighborhoods and downtowns:

- Returns them to the tax base
- Enables communities to put funding into the maintenance of existing infrastructure rather than the construction of new infrastructure
- Reduces greenfield development and helps to preserve open space and farmland, including historic rural landscapes
- Keeps building materials out of landfills (24 percent of landfill debris is from construction)
- Results in greater neighborhood diversity of people and properties due to the variety, size, and cost of the housing types found in traditional neighborhoods
- Promotes mixed-use development in downtowns
- Makes economic sense

Historic preservation tax credits offer incentives to developers to rehabilitate abandoned or obsolete buildings typically found in urban cores. Historic preservation ensures that compatible development occurs in specified designated areas through the use of design review guidelines developed by the U.S. Secretary of the Interior. Recent studies in Michigan and other states have shown that property values in designated local historic districts almost always increase and never decrease. Property owners—and bank lenders—find local historic district designation a protection for their investments. An outcome of stable neighborhoods is that they attract single-family property owners to downtowns. Historic districts are also often noted as the most diverse of community neighborhoods.

A handful of communities, such as Grand Rapids, Kalamazoo, and Ann Arbor, have come to understand the importance of historic resources to community vitality. However, the state's Municipal Planning Act, Public Act 285 of 1931, does not require the inclusion of historic resources as a component of community master plans. Thus, the identification of historic resources is not typically undertaken at the local level, and planning decisions are often made without knowledge of the location or significance of a community's historic resources.

Historic preservation is also an important component of successful cultural and heritage tourism programs. Michigan has a number of top tourist destinations, such as Mackinac Island and the Henry Ford Museum, that attract a large number of visitors to our state. However, the experience a traveler encounters on the way to a destination is just as important as the experience of the destination itself. By encouraging the sensitive redevelopment of our small towns and tying them together through regional tourism initiatives based on geography and historical themes, we can create a broader visitor experience and increase revenue to the state. A tourism program that includes historic preservation will enhance the Michigan experience for visitors and make them want to return to our state.

According to the 1999 Sierra Club Sprawl Report, “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.” Michigan continues to take positive steps in support of historic preservation, but it could do more.

The majority of respondents to a November 1999 State Historic Preservation Office (SHPO) survey selected the following as the conditions that most threaten the survival of Michigan’s historic resources:

- Land use planning and zoning laws that create urban sprawl,
- Insufficient economic incentives for preservation of historic resources, and
- Public lack of awareness of the value of resources and the benefits of historic preservation.

Background on Historic Preservation in Michigan

Michigan state government has recognized the importance of preserving Michigan’s built environment since 1895, when it accepted responsibility for the national park that had been established on Mackinac Island. Michigan’s commitment to historic preservation includes:

- Direct preservation of buildings of statewide historic significance
 - 1895 Fort Mackinac is transferred to the state.
 - 1938 Michigan initiates restoration of Fort Wilkins on the Keweenaw Peninsula.
 - 1959 Fayette Historic Townsite becomes a state park.
 - 1989 Restoration of the Michigan State Capitol begins.
- Recognition that heightens community awareness
 - 1929 The Antiquities Act makes the state responsible for archaeological resources on state-owned lands.
 - 1948 The Centennial Farm Program acknowledges one hundred or more years of continuous family farm ownership.
 - 1955 The Michigan Historical Commission begins recognizing historic sites through the Michigan Historical Marker Program.
 - 1966 The state begins participation under the National Historic Preservation Act (NHPA) in the National Register of Historic Places and National Landmark programs.

- Protection making consideration of historic resources part of all decision making
 - 1966 NHPA federally funded review of federal projects for their impact on historic resources begins.
 - 1970 The Michigan Local Historic Districts Act allows local governments to designate and protect historic resources.
- Preservation assistance to communities and individuals
 - 1966 The NHPA Certified Local Government Program provides subgrants to governments that maintain a minimum level of preservation activity.
 - 1966 NHPA grants are used to assist communities in identifying historic resources and planning for their preservation.
 - 1981 Federal income tax credits provide incentives for rehabilitating commercial historic buildings.
 - 1999 State tax credits become available for the rehabilitation of residential or commercial historic property.
 - 2000 Michigan Lighthouse Assistance Fund established through the sale of specialty license plates.

Congress passed the NHPA in 1966 to counteract two well-intentioned federal programs, urban renewal and the interstate highway system, which had devastating effects on many American communities. This act was the first major national environmental law and was intended to preserve the cultural and historical foundations of our nation. The NHPA mandated that every state establish a State Historic Preservation Office (SHPO) to identify, evaluate, register, interpret, and protect the state's historic resources. It also required that projects undertaken with federal funding must undergo an environmental and historic review in order to determine the projects' effect on cultural resources.

The Michigan SHPO is a part of the Michigan Historical Center, Department of History, Arts and Libraries. The SHPO oversees several state and federally mandated programs including the National Register of Historic Places; the Michigan Historical Marker program; the Centennial Farm program; federal and state preservation tax incentives; local historic districts; the Certified Local Government program, and Section 106 review. Each year, Michigan receives a National Historic Preservation Fund Grant averaging \$800,000 from the National Park Service, U.S. Department of the Interior, to operate its programs.

The Michigan Historic Preservation Network is a statewide nonprofit organization established in 1979 that promotes historic preservation through an annual conference, educational services, and advocacy. A host of local and regional organizations, such as Preservation Wayne in Wayne County and the Kent County Council on Historic Preservation, work to promote historic resources in their areas. Fifty-eight Michigan communities have local historic district ordinances and commissions that promote historic preservation and oversee work in designated local historic districts.

In Michigan, obstacles to historic preservation include:

- The mindset that new is better

- Property rights advocates placing the importance of the individual over the stewardship of historic resources that have significance to the community as a whole
- Lack of inclusion of historic resources in master planning efforts
- The misconception that preservation stops projects
- Concentration on the collection of historical data rather than the promotion of preservation incentives as a community revitalization tool
- The erroneous belief that the rehabilitation of historic buildings is more expensive than new construction

Historic Preservation and Economic Development

A 2002 study by Clarion Associates of Denver completed for the Michigan Historic Preservation Network, *Investing in Michigan's Future: The Economic Benefits of Historic Preservation*, concludes that in addition to direct investment in historic resources, historic preservation creates jobs and income, stabilizes neighborhoods and attracts visitors. According to this study, since 1971, historic property rehabilitation has created over 20,000 jobs and generated \$1.7 billion in direct and indirect economic impacts. It notes that “a new construction project can expect to spend 50 percent in labor and 50 percent in materials. In contrast, some rehabilitation projects spend up to 70 percent in labor costs—labor which is often hired locally, which helps to keep these dollars within the community.” This study further states that “\$1 million spent on rehabilitating buildings creates 11 more jobs in Michigan than \$1 million spent on manufacturing chemicals and 8 more jobs than \$1 million spent on manufacturing motor vehicle parts and accessories.”

FEDERAL AND STATE PRESERVATION TAX INCENTIVES

The National Park Service (NPS) considers the federal preservation tax credit program “one of the federal government’s most successful and cost-effective community revitalization programs.” Established in 1976 and substantially revised in 1981, the incentive provides a 20 percent tax credit for properties rehabilitated for income-producing uses. From 1978 to 2001, the 611 Michigan projects that used the federal preservation credit had cumulative qualified rehabilitation costs of \$807.6 million. Though rehabilitation projects in 51 of Michigan’s 83 counties have filed for the federal tax credits, 61 percent of all projects have come from just two counties: Kent and Wayne. The NPS estimates that on average, 42 jobs are created for each federal tax credit project approved. In 2002 alone, Michigan had 25 federal tax credit projects completed, putting it in the top ten states for number of projects completed.

Michigan adopted its state preservation tax credit in 1999. The state tax credit offers up to 25 percent of qualified rehabilitation expenditures against state income tax and is geared toward residential property owners. It can also add another 5 percent for income-producing properties. From 1999 to 2001, 205 projects used the credit with an estimated cumulative qualified rehabilitation cost of \$8 million. In its short lifespan, Michigan’s program has been as successful as similar programs in other states that have been established for ten or more years. To qualify for participation in the state tax credit

program in a community with a population of 5,000 or more, a property must be a contributing resource in a designated local historic district. This focuses the state's investment on neighborhoods and commercial districts rather than individual properties.

Communities use tax credits to rehabilitate auditoriums, depots, mills or factories into restaurants, theaters, and shops in order to bring new entertainment venues downtown. In recent years, the focus has been on creating new housing opportunities in urban centers. Developers have undertaken projects that create loft apartments on the second floors of retail stores, reuse defunct historic schools for senior housing, and rehabilitate abandoned factory buildings for mixed use. Creating new housing for all income levels in historic buildings has brought new populations downtown.

The city of Grand Rapids provides one of Michigan's best examples of how preservation can be an important partner in successful community development efforts. Mayor John Logie made a commitment to develop 3,000 housing units within the inner city by 2004. To date, over 1,400 have been completed. Historic preservation and the preservation tax incentives have played a significant role in the re-creation of Grand Rapids' inner city that began with the renovation of the 1913 Pantlind Hotel into the Amway Grand Plaza. The designation of the Heritage Hill, Cherry Hill, and Fairmount Square neighborhoods as National Register and/or local historic districts resulted in an estimated \$1,190,000 investment in the city's historic resources through state preservation tax credits. The once derelict Heartside warehouse district now sports trendy shops, restaurants and bars, plus mixed-income housing units that keep the neighborhood diverse. Rehabilitation of the massive former Berkey and Gay furniture factory complex for housing and mixed use was recently completed with a similar project in a former American Seating Company factory building following suit. The construction of the Van Andel Arena downtown adjacent to a historic district, rather than on a green space on the city's edge, and the city's commitment to rehabilitating historic buildings for housing has had a positive impact on the city's development.

While the state preservation tax credit has proven to be an excellent tool for homeowners to maintain and improve their historic homes, it is based on the assumption that the homeowner has funding up front to put into a rehabilitation project. The program could be supplemented with other funding programs, such as low-interest loans, that would encourage the participation of low-income families and the elderly in neighborhood revitalization efforts. Finding a way for smaller projects to turn the tax credits into much-needed capital, perhaps by transferring the credits to a third party without creating a partnership agreement, would make them more saleable.

Michigan Main Street Program

In 2001 the Community Economic Development Association of Michigan (CEDAM), the State Historic Preservation Office (SHPO), the Michigan State Housing Development Authority (MSHDA), the Michigan Economic Development Corporation (MEDC), and others met to discuss a community revitalization strategy for Michigan's downtowns. A statewide Main Street Program for Michigan emerged as the top strategy. In 2002 a contract was signed between the MEDC and the National Trust for Historic Preservation's National Main Street Center, establishing Michigan's statewide Main

Street Program. Seventeen applications to participate in the program have been received and four communities will be selected and announced in June 2003 as participants in the pilot program.

The Main Street Program was established by the National Trust for Historic Preservation in 1980. Its purpose is to improve economic management, strengthen public participation, and make downtowns fun places to visit by capitalizing on a downtown's inherent assets—its rich architecture, a sense of place, traditional values, and personal service. Main Street is a comprehensive, action-oriented approach to economic development that utilizes small projects to build success in increments. The program is based on a four-point approach that includes design, organization, promotion, and economic restructuring. Community involvement and public/private partnerships are key components, and the program encourages identifying and capitalizing on existing assets and promoting quality change.

Successful Main Street programs have been established in 37 states. Over 1,650 communities across the country participate in the program. It is one of the most successful economic development programs in the country—and it is based on historic preservation. The total amount of public and private reinvestment in Main Street communities is \$16.1 billion. The ratio of reinvestment into an individual community is big—\$39.96 is reinvested in each community for every \$1 spent to operate the local Main Street program. A small number of Michigan municipalities, including Holland and Port Huron, have pursued Main Street programs on their own, and the nation's first countywide Main Street program was recently established in Oakland County. The cost for participation in the Main Street program can be prohibitive to individual small communities. A statewide program will enable them to utilize the Main Street Center's technical assistance programs. The return for communities participating in Main Street can be great. In Holland, a development program that includes low-interest loans and free design assistance helps property owners improve their commercial properties, convert upper floors to apartments, and improve the streetscape stimulated \$43 million in new investment. Though Michigan implemented a statewide Main Street Program in the 1980s, adequate support for the project was not provided, and it was terminated after a few years.

Certified Local Government Program

The Certified Local Government (CLG) Program is a National Park Service program administered by the SHPO. The SHPO is required to pass through 10 percent of the federal Historic Preservation Fund monies it receives to CLGs (there are 16 in Michigan). In recent years, the annual allocation to CLGs has been between \$70,000 and \$90,000 a year. Grants can be used for planning, rehabilitation, identification, and education. Examples of some of the projects funded include:

- \$30,796 to the City of Detroit for restoration of Engine House #11 at the corner of Gratiot and Grandy, an economically depressed area of the city (The building is owned by a nonprofit and will be used for office space.)

- \$15,000 to the City of Jackson for an intensive level survey of the downtown that will result in a national register nomination enabling property owners to apply for federal tax incentives
- \$30,000 to the City of Ypsilanti for the restoration of a former freight house located in historic Depot Town for use as a community farm market

There is little grant funding available to local communities for preservation planning and even less for bricks and mortar rehabilitation projects. Because the funding is restricted to CLGs, 42 communities with historic district ordinances receive no federal (or state) funding to implement preservation programs.

Local Historic Districts and Property Values

Adopting a local historic district ordinance requires that a community establish a historic district commission to review major exterior work to properties in the designated historic district. The commission also reviews proposed demolitions and new infill projects for their effect on the surrounding resources. These reviews are conducted using the U.S. Secretary of the Interior's *Standards for Rehabilitation*. Project review by the commission has a stabilizing effect on historic neighborhoods and results in increased investment by property owners and lenders.

The recent study by Clarion Associates of Denver, *Investing in Michigan's Future: The Economic Benefits of Historic Preservation*, compared property values in designated local historic districts to similar areas in undesignated districts in the same community for five Michigan cities: Grand Rapids, Ypsilanti, Holland, Saugatuck, and Allegan. In Ypsilanti, citywide assessed values rose 33.3 percent from 1982 to 2002. They rose 52.4 percent during the same period within the local historic district. In Holland, the percentage of renters in the local historic district was 16.9 percent compared to 24.1 percent in the nondesignated district. The most dramatic results occurred in the Heritage Hill neighborhood in Grand Rapids where values appreciated almost twice as fast in the historic district as in the nondesignated area; 1200 percent compared to 636 percent, respectively, between 1974 and 2002.

According to a report by the National Alliance of Preservation Commissions, 95 percent of all projects that come before a historic district commission are approved the first time. The majority of the remaining 5 percent are modified and approved the second time. The restraints imposed by local historic district ordinances are no more restrictive than building permits or zoning ordinances and are often less stringent than the rules developed by homeowners associations or developers in new suburban developments. While local historic district designation adds a layer to the property owner's planning process, the benefits outweigh the inconveniences.

Heritage Tourism

Tourism is one of Michigan's top three industries, bringing over \$11 billion to the state in 1999 for transportation, lodging, food, and recreation and an additional \$2.2 billion in tax revenue. Cultural heritage tourism is one of the fastest growing markets in the travel industry today. Preservation, interpretation and promotion of Michigan's built environment could increase its share of the nation's cultural tourism dollars substantially.

A 1998 survey by Partners in Tourism states that, nationwide, “visiting a historic site such as a historic community or building was the most popular cultural activity among travelers.” Sixty-one percent of the 92.4 million travelers who included a cultural activity in their travel plans added an extra day to their trip to do so. Heritage tourists are typically older, better educated, and have more money to spend than the average tourist. The heritage tourist spends an average of \$688 per trip compared to \$425 for other travelers. A historic commercial and/or residential district can serve as a tourist destination or complement other attractions that exist in an area. Though one of the primary reasons people visit Michigan is to enjoy outdoor recreation, on their way visitors pass communities, farms, and villages that reflect the unique character of our state and the people who created it. The treatment of the historic resources in Michigan’s rural and urban areas is key to the visual impact they will have on tourists and consequently on Michigan’s continued status as a leading vacation destination.

Heritage tourism programs use existing sites to promote themes related to the history of the state or region. They capitalize on the state’s strongest historical assets and provide an opportunity to promote lesser-known sites by including them in a larger historical context. Michigan has several programs that are building its heritage tourism product:

- Keweenaw National Historical Park, established in 1992, promotes Michigan’s copper mining history. It includes 16 sites and encompasses over 100 miles of the Keweenaw Peninsula.
- MotorCities-Automobile National Heritage Area, established in 1998, celebrates Michigan’s automotive heritage. MotorCities incorporates parts of 13 counties, nearly 260 municipalities and townships, and over 1,000 diverse historic, cultural, and natural resources in southeast and central Michigan.
- The Michigan Lighthouse Project, established in 1998 was created to facilitate the transfer of lighthouses decommissioned by the Coast Guard to municipalities and nonprofit organizations in order to preserve them. With over 120 lighthouses, Michigan has more lighthouses than any other state.
- The establishment of the Thunder Bay National Marine Sanctuary in Alpena in January 2000, brought national attention to a once overlooked area when Robert Ballard, who discovered the wreck of the Titanic, came to Michigan to investigate the 116 shipwrecks preserved in the sanctuary. The Michigan Historic Preservation Network sponsors the Sweetwater Trail, an automobile tour marked by road signs, which connects fishing villages, port cities, lighthouses, and restored ships.
- A new maritime heritage effort is in the planning stages.

The State Historic Preservation Office (SHPO) is the primary data collection agency for Michigan’s historic resources. The SHPO has on file information on over 1,500 historic resources listed in the National Register of Historic Places, 2,000 state register sites, and 1,400 state historical markers. Information on these resources is available to communities via *Michigan Sites On-Line*.

Heritage Tourism programs in Michigan would benefit from the following:

- More hard data on the economic value of cultural and heritage tourism in Michigan
- Education of local leaders and Michigan's citizens about the value of heritage tourism as a community development tool
- The creation of national destination attractions through product development and regional partnerships and planning to create the critical mass needed to attract visitors
- A commitment to develop visitor experiences based in regional cooperation
- A statewide historic Geographic Information System (GIS) historic resource database that would help communities develop regional tourism programs
- More flexibility in funding for heritage tourism initiatives (For example, the State of Texas recently used a \$1 million Transportation Enhancement Act (TEA-21) grant to develop a community revitalization program along one of its designated heritage routes.)
- Continued coordination between state agencies such as Travel Michigan, Department of History, Arts, and Libraries, Department of Natural Resources, Michigan Department of Transportation, and others to preserve and promote the state's historic resources

STATE FUNDED REDEVELOPMENT INITIATIVES AND MICHIGAN'S HISTORIC RESOURCES

In recent years the state of Michigan has instituted redevelopment programs that put millions of dollars in funding and tax incentives toward the redevelopment of industrial sites, waterfronts, and economically depressed communities. By encouraging the reuse of previously developed sites with infrastructure systems already in place, these programs help counteract sprawl and reduce the amount of green space and farmland used for development. Some of the programs launched through this initiative include Brownfield Redevelopment Authorities, Renaissance Zones, and the Clean Michigan Initiative.

These state-funded initiatives have encouraged the redevelopment of once abandoned or blighted properties. They are helping to redirect development back to established downtowns. But for Michigan's historic resources, they can act as a double-edged sword. Currently, the effect on historic resources is not considered in the development or implementation of state-funded redevelopment projects. There is no procedure in place to identify or mitigate a project that will adversely affect a significant historic resource. As a result, Michigan's historic resources can be demolished or inappropriately altered with state money. Armories, bridges, lighthouses, railroad sites, millponds, barns, parks, and factory buildings are examples of the resources that have been affected by state-funded projects over the past two years.

To protect its historic resources, Michigan could create a review program for state-funded projects similar to the Section 106 review required for federal undertakings. Or it could require the survey of brownfield or other properties for historic resources, at the time an environmental review is conducted. This would enable better use of state funding in adapting eligible historic resources for new uses. The SHPO currently reviews

approximately 5,000 federally funded projects a year. The Michigan Economic Development Corporation funds a historian in the SHPO to facilitate housing rehabilitation review. A similar position to review state-funded redevelopment projects would greatly enhance coordination between state agencies.

HISTORIC PRESERVATION PARTNERSHIPS WITH OTHER STATE AGENCIES

The SHPO is developing partnerships with state agencies on projects that affect land use in Michigan. Most recently, the SHPO has partnered with the Michigan Economic Development Corporation (MEDC) and the Michigan Housing Development Authority (MSHDA) to establish the Michigan Main Street Program.

SHPO is also working with both agencies on ParTNers, a neighborhood revitalization pilot project. The project will enable communities to incorporate rental rehabilitation zones, neighborhood enterprise zones, and state and federal preservation tax credits in a targeted area of commercial and residential properties. MEDC's recent decision to direct its funding to core communities is an opportunity for increased partnerships between these organizations. Recent site visits to selected communities indicated there is a need for more central coordination in the redevelopment opportunities offered to communities. With limited staff and funding, some communities find it difficult to complete separate applications for the Main Street Program, the ParTNers Pilot project, and other programs in the time period allowed. The State of Kentucky addressed this problem by implementing a program called Renaissance Kentucky to bring the full capacity of state government to the assistance of communities. The purpose of the program is not to replace existing development programs but to increase partnerships and enhance what existing programs can offer. The program is funded with a \$15 million Transportation Enhancement Act (TEA-21) award. A commission was appointed to explore how regulatory, financial, historic, cultural, social, and other efforts could be combined into a comprehensive downtown revitalization program.

Despite recent progress in collaboration, the SHPO, MEDC, MSHDA, and other state agencies still work on the same project, with the same goals, without coordination. Recent examples include the redevelopment of the former Book Cadillac Hotel in Detroit, Merchants Row on Woodward Avenue in Detroit, the Consumers Energy development in Jackson, and numerous smaller residential or commercial projects in historic districts. Often the cross-involvement is not known until after projects are complete.

The Department of Natural Resources (DNR) has initiated a voluntary historic review program with the SHPO. When demolition is proposed for resources located in Michigan state parks a request is forwarded to the SHPO for a determination of effect. DNR-Stewardship Division and representatives of the SHPO recently partnered to develop a management plan for historic resources in state parks. SHPO will continue to work with DNR to develop a training and technical assistance program for maintenance of historic resources.

The Michigan Department of Transportation (MDOT) and SHPO have had a long-term partnership and MDOT has its own cultural/historic resource person on staff to facilitate historic reviews of road and streetscape projects. MDOT is the host agency for TEA-21 funds and historic preservation is one award category for these funds. MDOT has traditionally not been as broad in its interpretation of how TEA-21 funding can be used for revitalization projects as have other states, such as Texas and Kentucky.

State Building Code and Historic Properties

In December 1999 a new statewide building code was passed. Public Act 245 of 1999 ensures conformity among Michigan communities regarding construction practices; however, it does not effectively address the needs of historic buildings. Standards adopted for modern construction sometimes make little sense for historic resources and result in a loss of material integrity and higher construction costs. Often, interpretation of the building code relative to historic resources is made at the local level and depends on the knowledge and interest of local officials. For Michigan to direct investment into central cities, it needed a statewide building code to address historic buildings as part of its development strategy. Such a code would make the adaptive use of historic buildings more economically feasible for investors and would encourage reinvestment in residential and commercial historic resources. New Jersey adopted a statewide Rehabilitation Code for the renovation and reuse of older buildings in 1997 and within one year rehabilitations increased 60 percent in the city of Newark and 80 percent in Jersey City.

In October of 2002 the Department of Consumer and Industry Services, Office of the Director of Construction Codes, issued Rules 408.30401 to R408.30499 and R408.0551 to R408.30577. These rules created and adopted the Michigan Rehabilitation Code for Existing Buildings. This code, derived from the International Existing Building Code, gives owners and developers greater flexibility when addressing the rehabilitation of existing historic and non-historic buildings, while still addressing life safety issues.

The new Michigan Rehabilitation Code for Existing Buildings is a code of choice. Owners/developers may chose to use the Michigan Rehabilitation Code for Existing Buildings or may continue to use Section 34, Existing Buildings, of the Michigan Building Code. Early reports indicate that the new code is having a positive impact on the ability of owner/developers to successfully and cost-effectively rehabilitate existing buildings. However, substantial education and promotional efforts are needed to insure that building officials, design/construction professionals and owners/developers are aware of and able to effectively use the Rehabilitation Code.

NEIGHBORHOOD SCHOOLS

The National Trust for Historic Preservation has identified the loss of historic neighborhood schools as an issue of national importance. Michigan is not immune to the problem. Retaining good schools in historic neighborhoods is vital to a neighborhood's continued stability. These schools provide a focal point and serve as a center of interaction between children and parents of the neighborhood. America's historic school buildings are being hard hit by the concept that "old is bad, new is good."

The National Trust for Historic Preservation sponsored publication of the report, *Why Johnny Can't Walk to School*. According to the report, national, state and local policies encourage the development of new schools at the edge of communities and the abandonment of older existing schools in established neighborhoods. For example, the Council of Educational Facility Planners International (CEFPI) has established national guidelines that recommend that an elementary school be constructed on ten acres of land with one additional acre of land for every hundred students. To build a new school with a population of four hundred students would require fourteen acres of land. Existing schools in urban areas typically occupy only two to eight acres of land. The National Trust report also indicates that state and local funding policies often encourage deferred maintenance on older schools resulting in their deterioration over time.

The Michigan Land Use Institute is undertaking a study that will look at the policies that affect school construction in Michigan. The SHPO has recently contracted for the development of a statewide historic context that will enable communities to determine if they have historic schools worthy of preservation. It will also help us understand the social impact the placement of schools in neighborhoods has had on traditional communities.

Other states are taking initiatives to keep schools in neighborhoods. Maryland allocates 80 percent of construction funding to school maintenance and 20 percent to new construction. Maine requires that proposed sites for new schools be discussed with local and regional planning agencies to determine the effect that will have on the community's development patterns. Communities such as Spokane and San Antonio have undertaken historic resource surveys and opted to retain their historic schools and put funding into updating them for current use.

CONCLUSIONS

It is important that Michigan pay attention to how it undertakes revitalization in city cores and traditional neighborhoods. Community character is a marketable product that can be integral to creating livable communities and heritage tourism in the state. Partnerships between state agencies should be increased to ensure that state resources are being used to their fullest potential to revitalize communities and preserve the state's resources. In the past decade, preservation tax incentives have been a key economic development tool for downtown revitalization projects. Their use should be promoted and supplemented with other incentives. Investment in traditional neighborhoods and downtowns can be a key factor in containing sprawl. Preservation should be included as a significant component of revitalization projects in Michigan's traditional neighborhoods and downtowns.

“The community we create is founded in shared remembrance and grounded in place, especially those places that are conducive to the casual associations necessary for emergence of shared memory, common ground, and commitment to the common good. Places, memories and stories are inextricably connected, and we cannot create a real community without those elements.” (Robert Archibald, *A Place to Remember, Using History to Build Community*)

RECOMMENDATIONS

A successful land use program in Michigan should include historic preservation as an economic revitalization and community development tool. To that end, Michigan is encouraged to:

- Provide strong support for the statewide Michigan Main Street Program
- Establish a Historic Preservation or Heritage Fund to promote the preservation of Michigan's historic resources
- Require the inclusion of historic resource data in municipal and regional planning documents
- Redirect existing funds to promote the use of historic buildings, such as historic schools or abandoned industrial buildings, on brownfield sites, rather than building demolition and greenfield development
- Require a historic review of state-funded projects similar to the Section 106 review process mandated for federally funded projects
- Include historic preservation as a strong component of its statewide cultural tourism program
- Encourage state agencies to locate in rehabilitated buildings in downtowns
- Encourage increased cooperation between state agencies responsible for community development and economic revitalization such as Michigan Housing Development Authority, Michigan Economic Development Corporation, and the State Historic Preservation Office
- Support the development of a GIS-based historic resource database

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