

The Economic Impact of Historic Rehabilitation in West Virginia

Eric Bowen, PhD, Research Associate, West Virginia University Bureau of Business and Economic Research

Brad Evans, Director, Business Development, University of Cincinnati Economics Center

Justin Matthews, Senior Research Associate, Marshall University Center for Business and Economic Research

Fall 2015

bber.wvu.edu

PO Box 6527
Morgantown, WV 26506
(304) 293-7831
bebureau@mail.wvu.edu

© Copyright 2015 WVU Research Corporation

This report was financed with federal funds from the National Park Service, Department of the Interior through the West Virginia Division of Culture and History – State Historic Preservation Office. Regulations of the US Department of the Interior strictly prohibit unlawful discrimination in departmental Federally Assisted Programs on the basis of race, color, national origin, age or handicap. Any person who believes he or she has been discriminated against in any program, activity, or facility operated by a recipient of federal assistance should write to: Office of Equal Opportunity, National Park Service, 1849 C Street, NW, Washington, DC 20240.

The opinions herein are those of the authors and do not necessarily reflect those of the West Virginia Higher Education Policy Commission or the West Virginia University Board of Governors. The authors would like to thank John Meszaros and Jim Atkinson for their research assistance.



Table of Contents

List of Figures and Tables	iv
Executive Summary	v
1 Introduction	1
2 Background	2
2.1 Historic Preservation in West Virginia	3
2.2 Historic Preservation Spending	4
3 Economic Impact	7
3.1 Previous Studies on Historic Preservation	7
3.2 Methodology	9
3.3 Impact of West Virginia Historic Rehabilitation Tax Credit Program	10
3.4 Impact of the Historic Preservation Development Grants Program	12
3.5 Total Impact	14
4 Piggyback Effect	15
5 Historic Preservation Case Studies	17
5.1 Maple Terrace Court	17
5.2 Camp Caesar	20
5.3 Ritz Theatre	22
5.4 Mountaineer Hotel	25
6 Conclusion	28
7 Works Cited	29
Appendix A: Recommended Data Gathering Form	33
About the Authors	34
West Virginia University Bureau of Business and Economic Research	34
Marshall University Center for Business and Economic Research	34
University of Cincinnati Economics Center	35



List of Figures and Tables

Table 1: Total economic impact of historic preservation construction in West Virginia.....	v
Figure 1: National Register Listings by West Virginia County	3
Figure 2: West Virginia Historic Preservation Expenditures (FY 2005-2013).....	4
Figure 3: Total Historic Rehabilitation Construction Spending by County (2003-2013).....	6
Figure 4: Economic impact flow.....	9
Figure 5: Construction spending supported by the Historic Rehabilitation Tax Credit Program by Land- Use Type.....	11
Table 2: Economic impact of historic preservation tax credits.....	12
Figure 6: Construction spending supported by the Historic Preservation Development Grants program	13
Table 3: Economic impact of the Historic Preservation Development Grants Program	14
Table 4: Total economic impact of historic preservation construction in West Virginia.....	14
Table 5: Economic impact per dollar of state incentives.....	15
Figure 7: Piggyback effect of West Virginia historic preservation programs.....	16
Table 6: Property Values of 1313 Lee Street in Maple Terrace Court	19



Executive Summary

West Virginia has a rich tradition of preserving its historic treasures for the benefit of future generations. The state has more than 1,000 historic properties and historic districts listed in the National Register of Historic Places. These historic preservation initiatives can be more than a way of maintaining the state's cultural heritage. They can also be an important source of economic development for regions that preserve their historic buildings.

In this report we examine the economic impact associated with rehabilitating historic buildings and neighborhoods within West Virginia. In particular, we examine the effects of two incentive programs from the West Virginia Division of Culture and History State Historic Preservation Office (SHPO): the Historic Rehabilitation Tax Credit program, and the Historic Preservation Development Grant program, for the period between 2003 and 2013. These programs help property owners maintain or upgrade historic structures in a historically appropriate manner. In addition to the quantifiable impacts associated with construction projects, we also examine more qualitative economic impacts through the use of case studies that detail four of the state's premier historic projects.

Our primary findings (summarized in Table 1) are as follows:

- **West Virginia property owners** spent more than \$121 million on historic preservation projects between 2003 and 2013.
- **128 rehabilitation projects totaling \$110 million of spending** were supported by the Historic Rehabilitation Tax Credit program.
- **233 grants totaling \$4.7 million** were awarded by the State Historic Preservation Office between 2003 and 2013. These grants supported more than \$10.7 million in construction projects.
- **\$192 million in economic impact** was generated from rehabilitation projects supported by the state's historic incentive programs.
- **Nearly 800 direct jobs**, and almost 1,400 total jobs once secondary impacts are included, were supported by historic rehabilitation projects during the time of construction.
- **Every dollar spent by the state in tax incentives or grants supported \$11.45 of output in the state economy.**

Table 1: Total economic impact of historic preservation construction in West Virginia

	Direct	Indirect & Induced	Total
Output (millions)	120.7	70.9	191.6
Employment	799	595	1,394
Compensation (millions)	51.7	22.8	74.5
State Taxes (thousands)	2,158.8	994.2	3,153.0



1 Introduction

From Harpers Ferry, to the Greenbrier Resort, to the numerous historic properties in Charleston's historic downtown, West Virginia has a rich tradition of preserving its historic treasures for the benefit of future generations. According to data from the National Register of Historic Places, West Virginia has more than 1,000 historic districts and other historic properties across the state. Preservation of historic properties can be more than a way of maintaining the state's cultural heritage; it can also be an important driver of economic development.

In this report we examine some of the economic impacts associated with rehabilitating historic buildings and neighborhoods within West Virginia. In particular, we examine the effects of two incentive programs from the West Virginia Division of Culture and History State Historic Preservation Office (SHPO) – the Historic Rehabilitation Tax Credit program, and the Historic Preservation Development Grant program – for the period between 2003 and 2013. SHPO is charged with supporting the preservation of historic structures within the state, and the agency fulfills this mission partly through the use of these incentives for property owners to maintain and upgrade historic structures in a historically appropriate manner. We consider both quantifiable economic impacts related to rehabilitation construction projects, and more qualitative impacts such as the civic pride that comes from preserving a region's history.

We begin in Section 2 with discussion of historic preservation laws and West Virginia's historic properties. In Section 3 we examine the economic impact of historic rehabilitation projects supported by SHPO incentives, followed in Section 4 by an estimate of the so-called "piggyback effect" of how the state's incentive programs relate to the broader economic impact. Finally, in Section 5 we consider the less-quantifiable impacts of historic preservation through the use of four case studies that detail several of the state's historic properties.



2 Background

Established in 1949, the National Trust for Historic Preservation was created to acquire and administer historic sites in the United States (National Trust for Historic Preservation). In 1966, the preservation efforts were extended with the passage of the National Historic Preservation Act (NHPA) and in West Virginia the preservation duties and responsibilities were given to the Antiquities Commission. In 1970 the Commission created West Virginia's first statewide historic preservation plan. On May 6, 1977, legislation was passed creating the West Virginia Division of Culture and History, which would house the newly created State Historic Preservation Office. The Historic Preservation office absorbed all the duties and responsibilities of the Antiquities Commission. The mission of the Division of Culture and History's State Historic Preservation Office is to encourage, inform, support, and participate in the efforts of the people of West Virginia to identify, recognize, preserve and protect West Virginia's prehistoric and historic structures, objects and sites (WVDCH 2015). The programs and goals of the West Virginia Historic Preservation Office (WVSHPO) include:

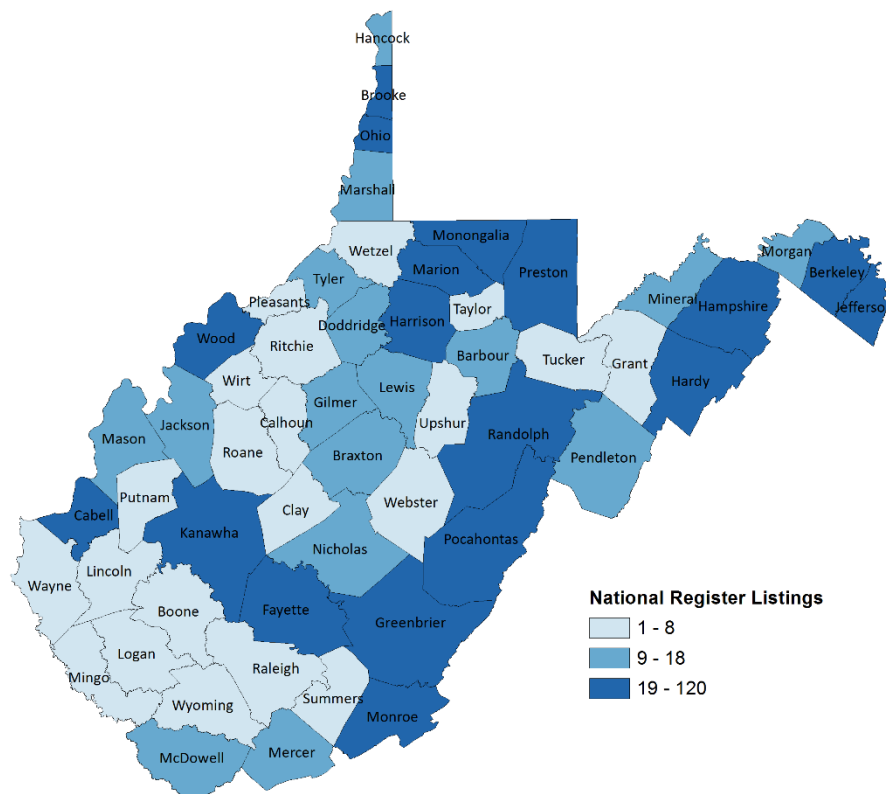
1. Maintaining an inventory of historic properties in cooperation with public agencies, private organizations, and individuals.
2. Processing nominations for properties eligible for listing in the National Register of Historic Places.
3. Preparing and implementing a comprehensive statewide historic preservation plan.
4. Administering the Certified Local Government program to provide direct funding to local government through their established historic landmark commissions.
5. Providing technical assistance, education, and training related to historic property surveys, tax credits, National Register nominations, archaeology, and historic preservation-related topics.
6. Reviewing Federal Historic Preservation Certification applications for tax credits on revenue producing properties and state Historic Residential Rehabilitation Tax Credit Applications for historic residences.
7. Promoting the Secretary of the Interior's standards and guidelines established for archeology, rehabilitation, and historic preservation.
8. Consulting with state and federal agencies, the Advisory Council on Historic Preservation, interested persons, and other consulting parties during the Section 106 review process of the National Historic Preservation Act.



2.1 Historic Preservation in West Virginia

West Virginia holds a vast offering of both historic places and historic districts (see Figure 1). At 120, Berkeley County has the largest number of listed historic properties in West Virginia. Kanawha and Jefferson have the next largest numbers of listed properties with 83 and 77 listed properties.

Figure 1: National Register Listings by West Virginia County

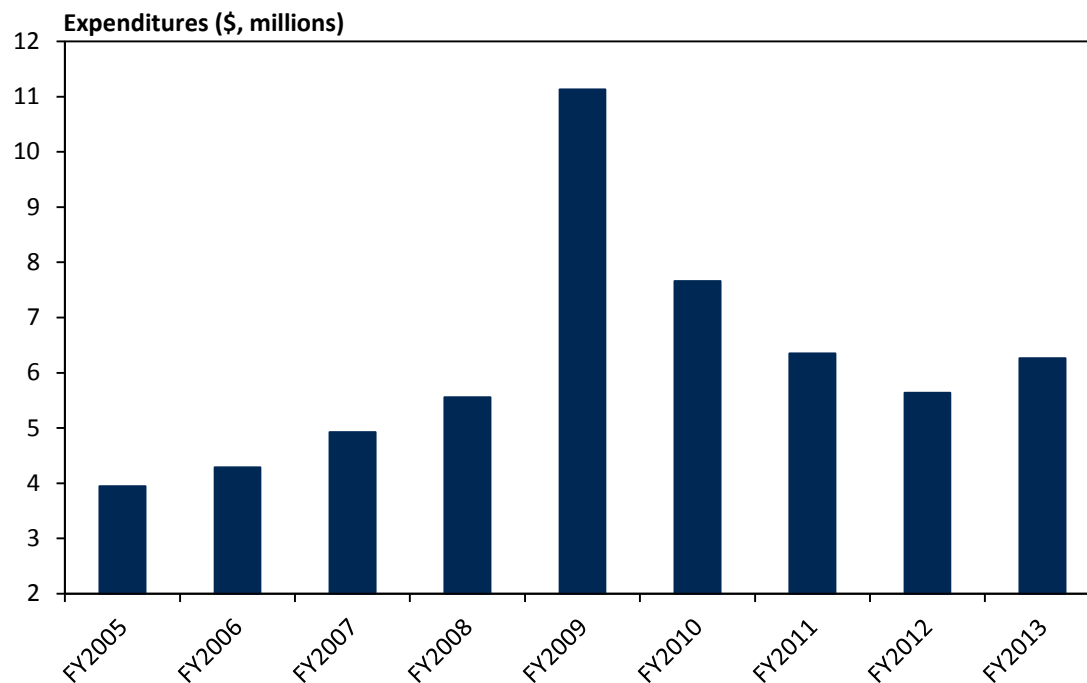


Source: US National Park Service National Register of Historic Places (NRHP 2015)

2.2 Historic Preservation Spending

Historic preservation spending in West Virginia has increased over the past decade to a little over \$6 million in FY2013 from about \$4 million in FY2005. In fiscal year 2009 expenditures reached approximately \$11 million (see Figure 2).

Figure 2: West Virginia Historic Preservation Expenditures (FY 2005-2013)



Source: West Virginia Budget Report FY 2005-2013.

2.2.1 Grants and Tax Credits

The West Virginia State Historic Preservation Office (WVSHPO) administers two primary grants under the Historic Preservation Development Grants Program: the State Development Grant, and the Survey and Planning Grant. The development grant is funded by the state legislature through lottery funds and dedicated to the restoration, rehabilitation, and repair of resources listed in the National Register of Historic Places (WVDCH 2015b). The survey and planning grants are available in the fall and funded by the National Park Service, Department of the Interior's Historic Preservation Fund. These matching grants cover many historic preservation issues and projects fall into several categories: archaeological development, archaeology, comprehensive planning, heritage education, national register, and predevelopment and survey. A SHPO staff member is assigned to monitor each project, offer assistance and evaluate the final result. However, these grants are only available to historic landmark commissions that participate in the Certified Local Government Program (WVDCH 2015c).

In addition to the two grant programs described, the Historic Rehabilitation Tax Credit Program provides a West Virginia state income tax credit for the rehabilitation of historic private residences and commercial properties. The program offers a 20 percent state income tax credit based on expenditures

necessary to carry out the rehabilitation of private residences. Commercial property owners can take a 10 percent tax credit for substantial upgrades to their properties. The credit is applied directly against taxes owed by the owner and may be carried forward for up to five years from the year it is earned. In order to qualify for the tax credit, the project must meet the following criteria:

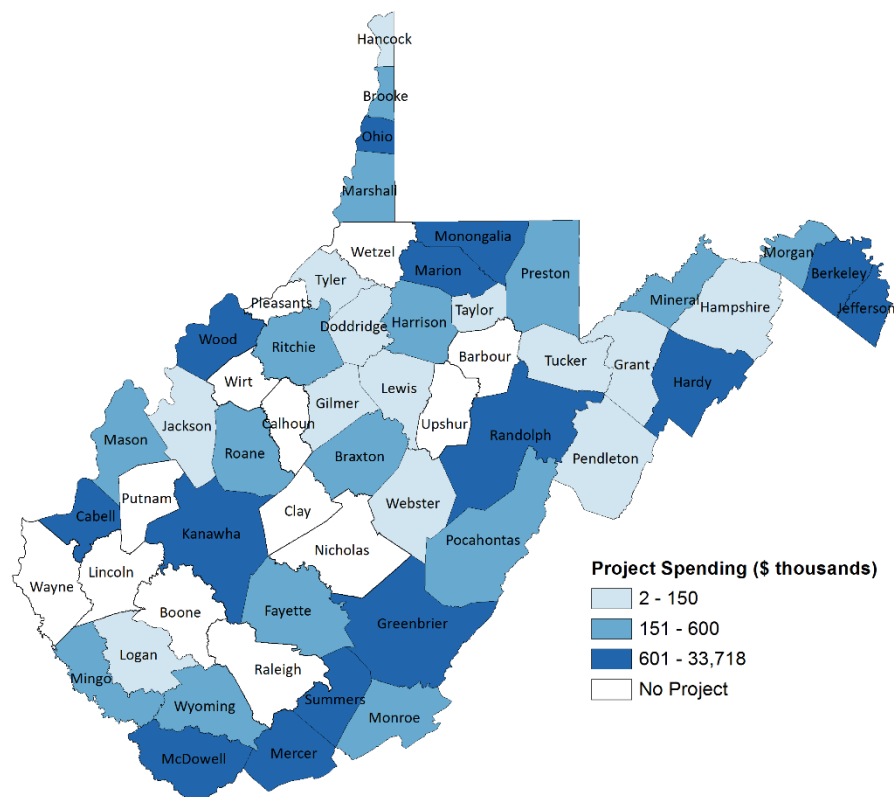
1. The property must be a certified historic building. To be certified a building must be individually listed on the National Register of Historic Places or it must be a contributing building in an historic district that is listed on the National Register of Historic Places. It must be listed on the National Register of Historic Places before the final application can be certified.
2. The rehabilitation must be carried out in accordance with the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings.
3. The project must meet the material rehabilitation test. In order to qualify for the credits, residential property owners must spend an amount greater than 20 percent of the assessed value of the building, not including the value of the land. Commercial property owners must spend more than \$5,000 or more than the adjusted basis in the building, whichever is greater.



2.2.2 County-Level Historic Preservation Spending in West Virginia

Figure 3 shows the total construction spending for historic rehabilitation projects between 2003 and 2013 in both the Historic Rehabilitation Tax Credit program and the Historic Preservation Development Grant program. Mercer and Kanawha counties had far and away the largest amount of construction spending, totaling \$33.7 million and \$30 million, respectively. Ohio (\$13.2 million) and Cabell (\$8.6 million) counties were the next largest, followed by Randolph and Jefferson counties, which each had more than \$4 million in total spending during that same time period.

Figure 3: Total Historic Rehabilitation Construction Spending by County (2003-2013)



Source: Data provided by the West Virginia State Historic Preservation Office

3 Economic Impact

West Virginia property owners spent nearly \$121 million on historic preservation projects between 2003 and 2013, adjusted for inflation. This construction spending had a substantial economic impact on the state during this time period, supporting workers not only at construction companies, but also retail stores, restaurants, and many other businesses.

In this section we estimate the economic impact of this historic preservation construction spending using a sophisticated model of the West Virginia economy.¹ We first discuss the previous literature on the economic impacts of historic preservation. We then estimate the economic impact of construction spending under West Virginia's Historic Rehabilitation Tax Credit Program and grants under the Historic Preservation Development Grants Program in terms of output, employment,² and state tax revenues³. To calculate these expenditures we use data provided by the West Virginia State Historic Preservation Office (WVSHPO) that details the total construction costs for projects that received credits under the tax credit and grant programs.

3.1 Previous Studies on Historic Preservation

Numerous studies have been conducted on the economic impact of historic preservation throughout the country. Rypkema and Cheong (2011) outline several categories of potential impacts, including construction related to historic rehabilitation, heritage tourism, and increases in property values in historic districts. Economic impact studies in New Jersey (Listokin et al. 1997), Oklahoma (Listokin et al. 2008) and Connecticut (PlaceEconomics 2011) also found large economic impacts from historic preservation activities.

The most recent analysis of the impact of historic preservation in West Virginia was a 1997 study conducted by the West Virginia University Bureau of Business and Economic Research (Childs et al. 1997). The authors examined the impact of historic preservation construction in West Virginia in 1996, and found that the economic impact of the state's tax and grant programs in that year were approximately \$6.9 million, employing 88 people. The report also examined the impact of heritage tourism in the state, finding that the impact was approximately \$24.6 million in output, and supported 520 jobs.

Studies in neighboring states have also found significant benefits from historic preservation programs. In Pennsylvania between 1978 and 2010, federal tax credits helped support 2,238 construction projects totaling an estimated \$7 billion in construction costs (in 2010 dollars). These expenditures supported approximately 148 thousand jobs over that same time period (PHMC 2011), averaging more than 4,600 per year. Another study found that federal and local incentives supported about 1,300 construction jobs in Pittsburgh between 2004 and 2009 (YPA 2010). The Ohio Historic Preservation Tax Credit Program

¹ This study was conducted using the IMPLAN Pro modeling software, an industry-standard input-output model of the economy. More information about IMPLAN can be found at <http://www.implan.com>.

² Technically, we estimate the number of job-years. For example, one job held by a single person over the entire 11-year period would be counted the same as 11 people holding different jobs in a single year.

³ State tax revenue estimates include those from personal income tax, sales tax, and corporation net income tax. We do not include tax revenue from local property taxes, thus our revenue estimates are conservative.



supported an estimated \$2 billion dollars of economic activity from its inception in 2007 through 2013 (O'Brien and Robey 2011). In addition, roughly 17,600 construction jobs in total were created over the 2007 to 2013 period. Historic redevelopment tax credits in Kentucky generated an estimated 2,300 new construction jobs from 2005 to 2007 and an estimated \$74.6 million in economic activity (Gilderbloom, House, and Hanka 2007). Virginia established its Historic Rehabilitation Tax Credit program in 1997. Between then and 2013, the state's tax credit has generated an estimated \$2.4 billion in economic activity (in 2013 dollars) and supported approximately 20,000 construction jobs (Accordino and Fasulo 2014). Lastly, Maryland created the Maryland Historic Tax Credit Program in 1996. Since the program's inception, construction workers have been paid an estimated \$443 million (in 2009 dollars), and the program has supported approximately 9,200 construction jobs (Cronyn and Paull 2009).

3.1.1 Additional Potential Economic Impacts

This study focuses on the economic impacts of construction projects related to historic rehabilitation. Several previous studies have also estimated economic impacts for two other potential impacts: heritage tourism, defined as travel specifically to visit historic attractions or historic sites; and property value appreciation.

Economic impacts related to heritage tourism can be substantial. Researchers at the Center for Urban Policy Research (CUPR) at Rutgers University found in a 1997 study (Listokin et al. 1997) that expenditures for heritage tourism in New Jersey were more than three times the size of expenditures for historic rehabilitation. However, acquiring data specifically on heritage tourism expenditures can be difficult. The CUPR study used detailed survey data available in New Jersey that asked specifically about what attractions visitors came to the state to view, which allowed the researchers to estimate heritage tourism expenditures with some precision. Yet, according to Rypkema and Cheong (2011), most of the studies used to estimate heritage tourism expenditures rely heavily on surveys of total tourism expenditures and have difficulty defining what expenditures should be counted for heritage purposes. In Childs et al. (1997), researchers estimated heritage tourism trips by counting the number of informational pamphlets on historic sites distributed to interested tourists. They then extrapolated the total number of trips based on an estimate of the ratio of people who requested pamphlets to those who visited the related tourist sites. Given the rapid change in the technological landscape, we feel an estimate of tourism trips based on paper pamphlets would be too imprecise in 2015. As conducting a detailed survey is beyond the scope of this project, we have not attempted to estimate expenditures related to heritage tourism for this report. We do, however, provide qualitative analysis of several important projects in the case study section of this report.

Several previous studies have also found that historic preservation can increase property values both in and near historic districts. However estimates of these property value gains suffer from their own methodological difficulties. Rypkema and Cheong (2011) argue that data based on property transactions are the most valid for valuing property. However these data can be difficult to acquire and are necessarily limited as only a small fraction of the properties in historic areas are sold in each year. Because of this, most studies rely on assessed value. Some studies, (see for example Gilderbloom, House, and Hanka 2007; PHMC 2011) compare property values in historic districts with those outside of the districts. However, as Rypkema and Cheong point out, these districts vary widely and thus are often difficult to compare accurately. Lastly, the most rigorous studies use what is known as a "hedonic" methodology (see Listokin et al. 2008) that takes into account the features of each property – such as the number of bedrooms, square footage, etc. – for properties inside and outside the historic districts. However, these types of analyses are highly data intensive, requiring information on property valuations



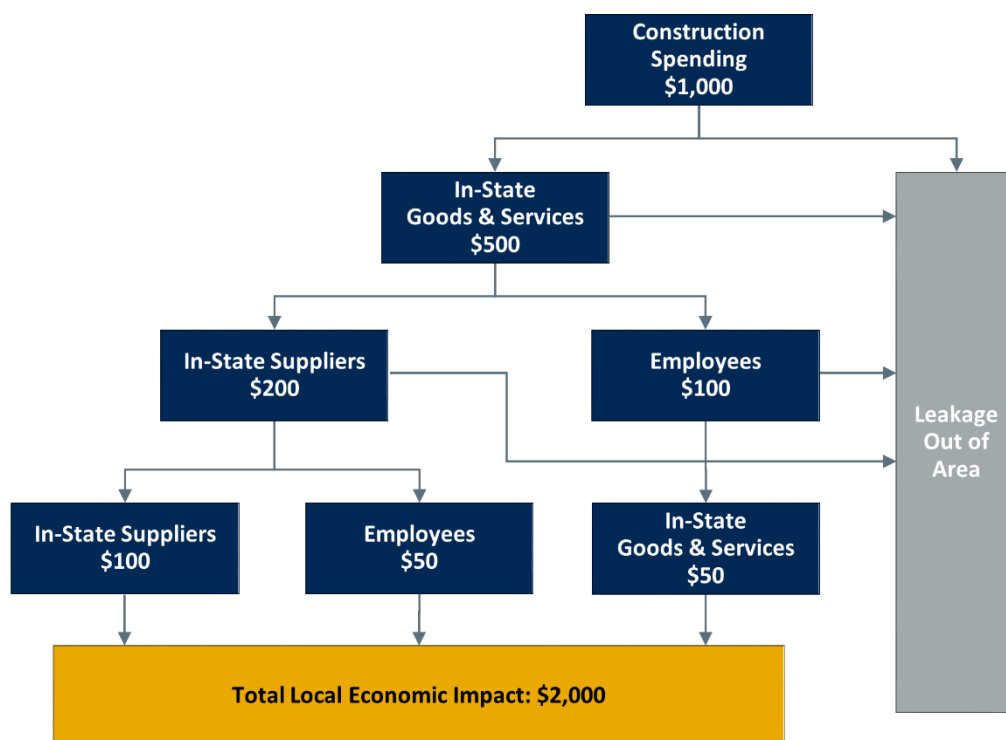
and characteristics of all properties in a study area. This type of analysis is beyond the scope of this report.

3.2 Methodology

To assess the economic impact of historic rehabilitation construction, we start with an estimate of the annual expenditures in the local economy by homeowners or business owners for these construction projects. These expenditures are paid to construction companies, suppliers of building materials, workers, etc. In the economic impact literature these expenditures are called the direct impact of the economic enterprise.

However, the total impact of an economic activity is not limited to the direct impact, but also includes the secondary economic impact accrued as those expenditures are re-spent through the rest of the economy. For example, as depicted in Figure 4, each year homeowners or business owners conduct construction on their historic properties. In turn, the construction companies purchase a variety of goods and services, such as concrete, lumber, electricity, and plumbing. As the suppliers of these inputs increase production, their subsequent suppliers will increase production, and so on. Also, the construction companies employ hundreds of workers, whose income will be partly spent in the local economy, generating more output, income, and employment impact. These secondary impacts together form what is known as the “multiplier effect.” The original stimulus to the economy from construction expenditures is re-spent multiple times through the rest of the economy. At each stage some of the expenditures “leak” out of the region as they are spent at companies outside the state. The combined direct impact and secondary impacts together constitute the total economic impact of the expenditures related to historic rehabilitation.

Figure 4: Economic impact flow



To calculate the direct impact of historic rehabilitation programs, we must first make some assumptions as to a counterfactual scenario if these programs were not in place. Our primary assumption is that the entire construction cost of these rehabilitation projects can be attributed to the state tax and grant programs. This implicitly assumes that these construction projects would not have been undertaken without these incentives in place. It is possible that some owners might be willing to upgrade their homes in a historically accurate manner in absence of these incentives, and it is beyond the scope of this report to assess the degree to which the state incentives drive these property owners' decisions. However, given that construction using historically accurate materials can be more expensive than traditional construction, it is likely that property owners rely heavily on the state's incentive programs when making the decision to undertake historic rehabilitation.

Secondly, we assume that the spending patterns, and thus the economic multipliers, of historic construction are similar to those of modern construction projects. Listokin et al. (1997) found that historic rehabilitation often costs more and uses more local labor than more modern construction methods. As a result, our estimate may underestimate the true impact of these projects.

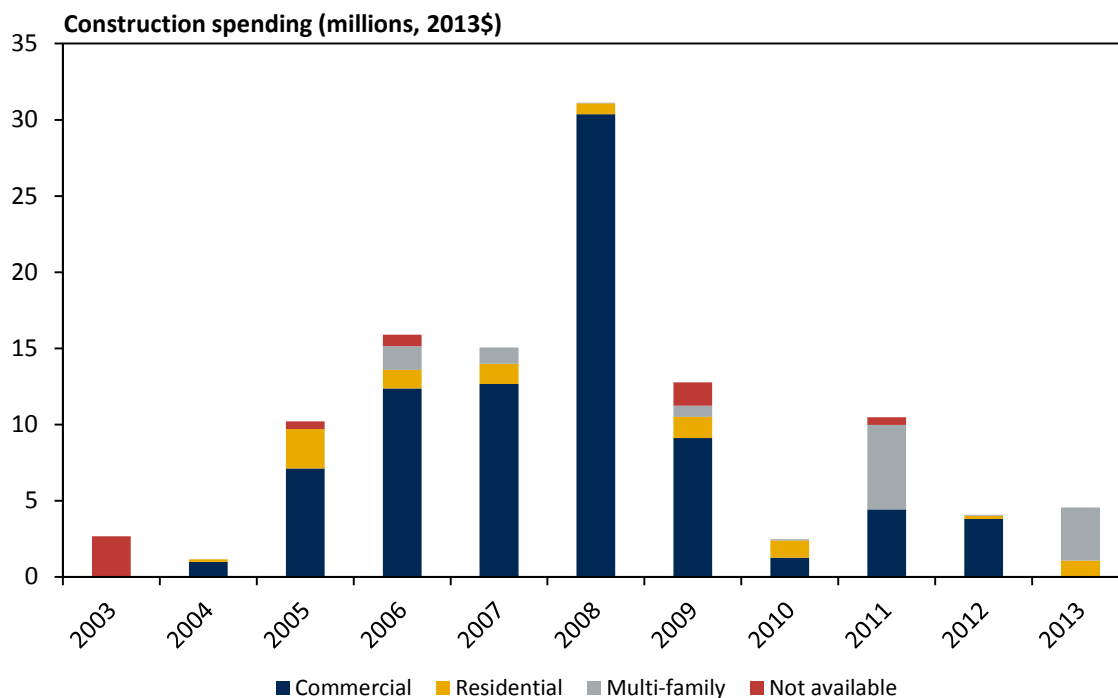
3.3 Impact of West Virginia Historic Rehabilitation Tax Credit Program

Between 2003 and 2013, 128 construction projects were eligible for tax credits under the Historic Rehabilitation Tax Credits program. We estimate West Virginia residents received approximately \$12 million in tax credits for historic preservation projects totaling more than \$110 million during this time period. As shown in Figure 5, the peak year for construction tax credits was in 2008, when more than \$31 million of construction was performed under this program.



Data provided by WVSHPO categorize each property by the type of land use – commercial, residential, multi-family, or other. The bulk of historic preservation spending was done by commercial property owners, who spent a total of \$82 million during the 11-year time frame of this study. Residential and multi-family construction projects totaled approximately \$22 million. The land use was not available for approximately \$6 million in construction projects. Because different types of construction can have a different economic impact, we use these categories to assign properties to a particular construction type in order to calculate the total impact of these projects.

Figure 5: Construction spending supported by the Historic Rehabilitation Tax Credit Program by Land-Use Type



Source: West Virginia State Historic Preservation Office

The economic impact results for the tax credit program are shown in Table 2. After accounting for the approximately \$65 million in secondary impacts, historic preservation expenditures associated with the tax credit program created a total economic impact of approximately \$175 million over 11 years. This spending supported a total of 740 jobs directly, and almost 1,300 jobs if secondary impacts are included. Construction companies and associated businesses paid almost \$69 million in employee compensation during this time period, and \$2.9 million in selected state taxes.

Table 2: Economic impact of historic preservation tax credits

	Direct	Indirect & Induced	Total
Output (millions)	110.4	64.6	175.0
Employment (job-years)	740	539	1,279
Compensation (millions)	48.1	20.8	68.9
State Taxes (thousands)	2,007.5	906.2	2,913.7

3.4 Impact of the Historic Preservation Development Grants Program

Adjusted for inflation, WVSHPO awarded 233 grants totaling \$4.7 million under the Historic Preservation Development Grants Program during the 2003-2013 time period. These grants supported more than \$10.7 million in total construction spending. Six of these projects, constituting \$490 thousand of construction costs, also received tax credits and were thus included in the previous section for analysis. In order to avoid double-counting these projects, they have been eliminated from the analysis in this section. Thus the total direct impact of the grants program was \$10.3 million.

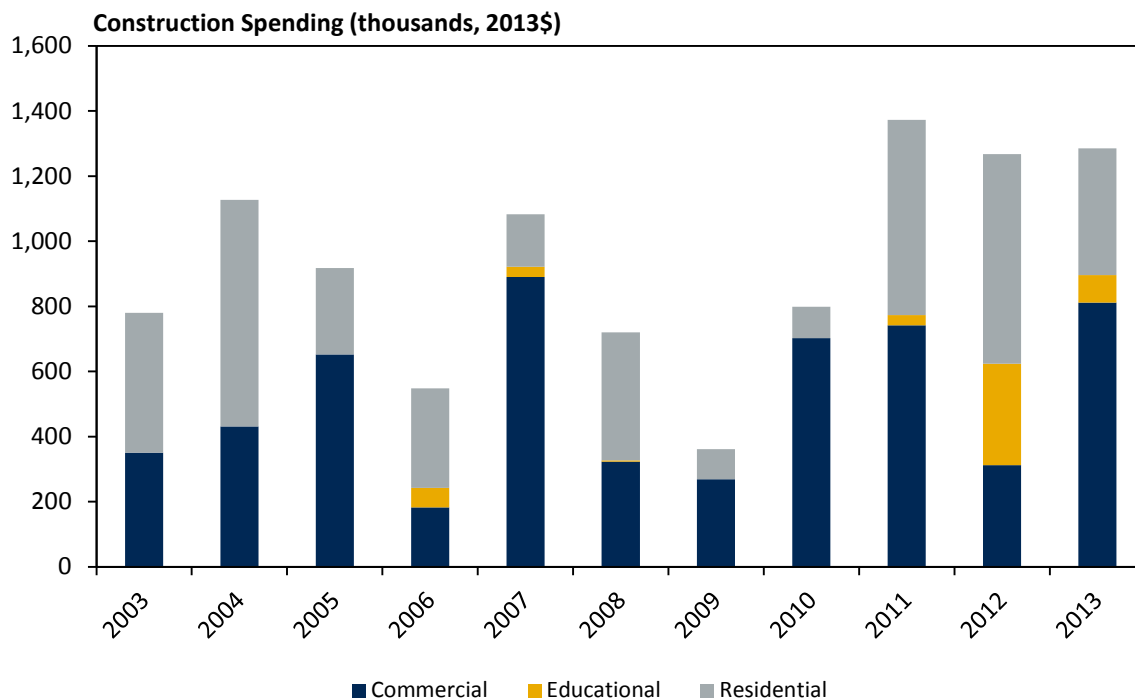
Unlike the tax credit program, the grant data does not include the expected use of the property, and thus it is difficult to categorize the type of construction spending for the grant-related projects. The data does include information about the property ownership, broken down into seven different types: commercial, government, non-profit, private, religious, private, educational, and other. In order to assess the economic impact of these properties we had to assign a use category for each type of ownership. Buildings that we considered functionally similar to commercial buildings – those owned by commercial, government, non-profit, religious, or other types of owners – were counted in our economic model as commercial buildings.⁴ Educational buildings were counted in the educational category. And buildings with private ownership were assumed to be used as general residential properties in our model. Since general residential properties have a lower economic multiplier than construction for commercial properties, this assumption potentially had the effect of underestimating the economic impact of the grant projects.

⁴ The economic model used in this study does not separate government or nonprofit office construction from commercial construction, as the type of materials used and labor requirements for these types of construction projects are similar across different types of ownership.



Figure 6 details the ownership breakdown for the projects supported by the grants program. Privately held buildings were the largest share of the projects, with about \$4.4 million in spending. Construction spending on historic properties owned by governments and non-profits were similar, at \$2.1 million and \$2.7 million respectively. Projects with other types of owners, including educational institutions, totaled about \$1 million. The largest amount of construction spending occurred in the last three years. Historic rehabilitation spending was above \$1.2 million in each of the years between 2011 and 2013.

Figure 6: Construction spending supported by the Historic Preservation Development Grants program



Source: West Virginia State Historic Preservation Office

Table 3 details the total economic impact of the Historic Preservation Development Grants Program. Construction spending supported by these grants generated \$6.3 million in secondary economic impacts, resulting in a total economic impact of \$16.6 million. This construction spending supported a total of 59 jobs directly, and an additional 32 jobs in the secondary economy for a total employment impact of 92 jobs. Companies and individuals paid approximately \$5.6 million in compensation and paid \$239 thousand in state taxes.

Table 3: Economic impact of the Historic Preservation Development Grants Program

	Direct	Indirect & Induced	Total
Output (millions)	10.3	6.3	16.6
Employment (job-years)	59	56	115
Compensation (millions)	3.6	2	5.6
State Taxes (thousands)	151.3	88	239.3

3.5 Total Impact

Taken together, the total economic impact from construction projects related to the Historic Rehabilitation Tax Credit Program and the Historic Preservation Development Grants Program was nearly \$192 million during the time period of analysis (see Table 4). These projects employed nearly 1,400 workers in total and paid these employees almost \$75 million in total compensation. The construction companies and individuals supported by these programs contributed more than \$3 million in state tax revenue.

Table 4: Total economic impact of historic preservation construction in West Virginia

	Direct	Indirect & Induced	Total
Output (millions)	120.7	70.9	191.6
Employment (job-years)	799	595	1,394
Compensation (millions)	51.7	22.8	74.5
State Taxes (thousands)	2,158.8	994.2	3,153.0

4 Piggyback Effect

West Virginia's historic preservation incentives are designed to encourage owners of historic properties to spend additional dollars in the economy beyond the state's contribution to the project. The state's grant program, for example, requires applicants to match the grant dollar for dollar, while the state's tax credit program provides a tax reduction of between 10 percent and 20 percent, with the remainder paid by the property owner. The matching requirements in these laws mean that the state's tax credits and grants are amplified in the economy by additional private spending by the property owners. This is known as the "piggyback effect," meaning that the dollars allocated to historic preservation by the state provide a base of support that are used to pull in money from private sources. By drawing in private dollars, these grants and tax incentives can create a larger economic impact than if these same dollars were spent directly by the state.

Table 5 compares the economic impact of historic rehabilitation construction and the state's tax credits and grant program spending between 2003 and 2013. Overall each dollar spent in the state's grant program, or a dollar of foregone revenue from the tax credit program, was associated with \$11.45 of economic impact. The piggyback effect of the tax credit program was the largest, at \$14.55 of economic impact for each dollar of foregone tax revenue. The grant program's piggyback effect was \$3.53 per dollar allocated by the state.

Table 5: Economic impact per dollar of state incentives

	Tax Credit	Grant Program	Totals
State Assistance (millions)	12.0	4.7	16.7
Construction Spending (millions)	110.4	10.3	120.7
Total Economic Impact (millions)	175.0	16.6	191.6
Dollars of Impact per Dollar of State Spending	14.55	3.53	11.45

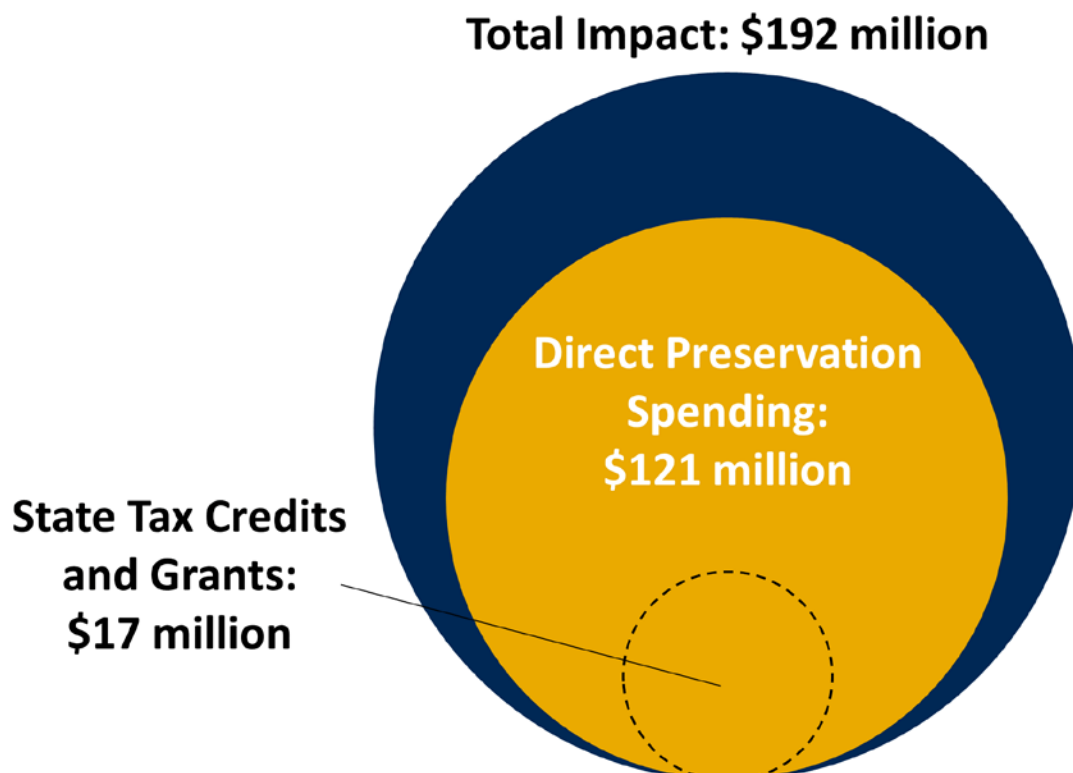
Figure 7 shows the piggyback effect of state incentives graphically. From this figure we can see that the state's contribution in the form of grants and tax credits between 2003 and 2013 was approximately \$17 million. This spending provided incentives for nearly \$121 million in construction expenditures that created a total economic impact of \$192 million.

The piggyback effect would be somewhat larger if we consider the tax revenues to the state generated by this new economic activity. As detailed above, construction spending associated with these programs produces approximately \$3 million in state tax revenues. Thus of the \$17 million in grants and tax reductions the state provides, almost one-fifth comes back to the state in the form of various taxes. While this tax revenue does not completely offset the cost of these programs, it does reduce the impact on state coffers.



We are careful to note that the piggyback effect cannot be interpreted as meaning that an additional dollar of spending by the state would necessarily cause an additional \$11.45 of economic activity. The willingness of property owners to conduct historic rehabilitation projects is influenced by tax incentives, but they must still expend a substantial amount of their own capital. The state government could potentially induce more rehabilitation spending by increasing the amount of grant funding, or by increasing the tax incentive percentage property owners receive. These measures would likely increase economic impacts, but would have the effect of reducing the ratio of economic impact to the level of assistance the state provides.

Figure 7: Piggyback effect of West Virginia historic preservation programs



5 Historic Preservation Case Studies

While the economic impact of historic rehabilitation expenditures is a useful measure of the economic impact of historic preservation in West Virginia, it cannot capture all of the beneficial effects of historic preservation. In this section we consider more qualitative measures of the impact of historic preservation by discussing four case studies of prominent historic rehabilitation projects across the state. These case studies attempt to capture what these projects mean to the communities where they are located by providing a historical context for the properties.

5.1 Maple Terrace Court

Maple Terrace Court was built in 1914 in response to a growing need for new housing in the bustling city of Charleston, according to the property's Historic Register nomination (Peyton 2002). In 1885, the state capital was moved to Charleston due to the dependable river, rail transportation, and coal mining in the area. This change made Charleston grow much faster. Through the first decades of the 1900s, housing became a great need. A residential neighborhood was developed on the east end of town with many business owners and executives as aspiring tenants. In 1913, the McMillan Hospital opened bringing additional workers to the area. This rapid growth of a vibrant neighborhood even justified the area's own schools. Through the ongoing development in this area, housing quickly became an emergent need.



Maple Terrace Court before renovation

Source: <http://www.wvculture.org/shpo/nr/pdf/kanawha/02000885.pdf>

Address: 1313 Lee Street, East #110, Charleston, West Virginia

Date Built: 1914

Tax Credit Rehab Approval Date: 2005

Cost estimate: \$90,000

Cost Actual: \$77,500

Original Use: Residential

Current Use: Residential

Maple Terrace Court is also architecturally significant for its early twentieth century Colonial Revival design, which was characteristic of this period in Charleston's development (Maple Terrace Court and Walton Apartments 2014). There are two, two-and-a-half-story brick urban townhouses associated with the Maple Terrace Court building (Maple Terrace Court and Walton Apartments 2014). The buildings feature slate-shingled gable roofs with gabled dormers, concrete foundations score to resemble cut stone, and brick front porches. The building consists of twelve individual two bay residential units (Peyton 2002).



Maple Terrace Court after renovation

Source: By Pubdog (talk).Pubdog at en.wikipedia.com [Public domain], from Wikimedia Commons.

Over time, the neighborhood surrounding Maple Terrace Court began to falter and become more run down. According to Brooks McCabe (McCabe 2015) of McCabe-Henley properties, when his company purchased the building it was in poor condition and filled with crime. McCabe-Henley was obtaining residences on the east end of Charleston that were in poor condition and located in areas with high crime rates, intending to rehabilitate them to be sold as condominiums (Maple Terrace Condominiums 2015). McCabe-Henley turned the building around from being a worn-out, distressed building and a drug haven into a crime-free building that stabilized the neighborhood (McCabe 2015).

According to Martin (2015), Maple Terrace Court is in a neighborhood that went from being “very dicey” and the “bad part of town,” to an up-and-coming neighborhood. The neighborhood is situated between the East End and Downtown Charleston historic districts; it sits roughly about a quarter mile from the historic district (Murphy 2014). When Martin, a current resident of the Maple Terrace Court condos, moved in, she was surrounded by neglected buildings including an old, run-down school that was eventually

demolished (Martin 2015).

Financing for the project was difficult as many investors were skeptical of taking on this kind of work. McCabe (2015) stated that it would have been easier to just tear the building down and put up a five-story building, but then the town would be losing a historic building that still had a good foundation. The lenders for the rehab work showed support for the neighborhood by providing financing at below-market rates in order to assist McCabe-Henley. They did this knowing that 20 percent of the condominiums would be available for low to moderate income purchasers (Maple Terrace Condominiums 2015). Because finding investors was so difficult, the developers received additional funding from The Great Kanawha Valley Foundation and the Charleston-Kanawha Housing Authority (McCabe 2015). These organizations showed strong support for their neighborhood and made it possible for the project to move forward.

The condo renovation was an important part of the neighborhood’s revitalization, McCabe said. McCabe-Henley was able to take an area high in crime and in dire condition and start a neighborhood transformation. Only seven minutes away from Maple Terrace Court, one of the biggest renovations to follow was the Civic Center. This project is meant to be completed by 2017 and will be a \$90 million renovation and development undertaking (Hodousek 2015). This project will bring in many new jobs and new activity and visitors to the neighborhood. In addition, the Maple Terrace Court condos are now surrounded by newer residential options and condos, an old renovated school building, offices, and the city fire/emergency station (Peyton 2002). Condo residents mentioned that many admirers have stopped by to see the transformation of the neighborhood (Martin 2015). The new condos were also

built by McCabe-Henley in order to address an affordable housing issue close to downtown (McCabe 2015). Recently, newer small businesses have been popping up including: local coffee shops, day care centers, a Japanese restaurant and a frozen yogurt franchise (Martin 2015).

McCabe states that it is the purchasers of the condos that are moving the city forward by taking ownership and creating eyes on the street (McCabe 2015). Martin's home was originally purchased in 2002 by McCabe-Henley, which largely gutted the interior. When Martin purchased it in 2004, it was unlivable, requiring all new plumbing, heating and cooling, and central air (Martin 2015). Martin paid for these improvements, and received a tax credit. She also used a historical preservation grant to complete work on her gutters (Martin 2015). Martin mentioned that she knew about the historic rehabilitation tax credit or she wouldn't have bought her condo (Martin 2015). Martin said she also benefitted from McCabe-Henley's renovation of surrounding properties.

The initial investment by McCabe-Henley and the historical tax credits/grants have continued to pay off over time. Table 6 shows the property values over time of Martin's home on Lee Street from 1989 to 2014. Adjusted for inflation, the property value more than quadrupled between 1989 and 2014, rising to \$214 thousand in 2014 from \$48 thousand in 1989. Due to the continued increase in property value, the state can now collect more taxes on the property.

Table 6: Property Values of 1313 Lee Street in Maple Terrace Court

Year	Sale Price	Adjusted for Inflation to 2015
1989	\$25,000	\$48,112
2002	\$75,000	\$99,487
2004	\$102,500	\$129,488
2014	\$212,300*	\$214,005

Source: Kanawha County Assessor

* Based on appraised value

With these recent updates made possible through the tax credit and grants for historical preservation, Maple Terrace Court will continue to meet housing needs well into the future while preserving West Virginia's architectural history and improving the surrounding neighborhood.

5.2 Camp Caesar

Found along the wooded hillsides of Cowen, WV, Camp Caesar is a landmark example of historic preservation in the area. Since the early 1920s, the Camp has seen a steady stream of activity primarily from generations of 4-H campers – youth participating in the nation’s largest youth development organization, now approaching its 100th anniversary. For close to a century, these young individuals have gathered at the end of each camp day to forge life-long friendships and memories. In order to provide a permanent place to hold meetings, 5.5 acres were donated to the camp in the 1920s (Fint 2015) (Camp Caesar 2010). Though, over time, through purchases and long-term leases the Camp grew to 200 acres (Camp Caesar 2010), it started modestly with simple shelters and tents. As time went on, more substantial buildings were built including Gregory Hall, a dining hall and a home for the camp caretaker (Camp Caesar 2010). Facing a very uncertain environment, the community prided itself in being able to add a roof and walls to the Council Circle during the Great Depression (Fint 2015). Also during the Depression, the Works Progress Administration contributed many more buildings to the camp including several stone cottages, a pool and pool house, stone walks, and retaining walls (Camp Caesar 2010).

According to Brent Clark, Director of Development at the West Virginia University Extension Service, “Camp Caesar continues to be a great source of pride for the 4-H program and individual campers alike” (WVU Extension Service 2015).



Camp Caesar Council Circle

Source: West Virginia State Historic Preservation Office

Address: 4868 Webster Road, PO Box 428, Cowen, WV 26206

Date Built: Camp: 1922; Council Circle structure: 1928

Grant Approval Date: 2010

Cost estimate: \$50,000

Cost Actual: \$50,000

Original Use: Commercial

Current Use: Commercial



Camp Caesar Gregory Hall

Source: National Register of Historic Places

So, when buildings and camp structures started falling into disrepair, the community knew it needed to preserve this unique piece of history. In 2006, Gregory Hall at Caesar Camp had enough structural damage that it couldn't support the upcoming snow season. The community rallied behind the Camp and came up with the funds needed to fix the building (Camp Caesar 2010). More recently, another important part of the camp, Council Circle, desperately needed repairs. The Council Circle is especially unusual: it is the only fully enclosed Council Circle structure in the state of West Virginia. Over 300 thousand campers have used this structure including third and fourth generations

of families (Camp Caesar 2010). According to Executive Director Betsy Morris, now in her 10th year of leadership, many memories are wrapped up in this place since every group that visits Camp Caesar utilizes the Council Circle as part of its camp stay and programming.

The structure's uniqueness – a fully enclosed, octagon-shaped building with a cupola – dates back to 1928. Its Native American attributes have been preserved, including its original shape and the ability to hold a "fire circle;" an end-of-day ritual that allows a fire to be built inside the structure, with smoke escaping through the vents in the cupola. According to Morris, the unique features of this building have been a major selling point for the Camp. Almost a quarter million visitors and campers have rented the space for church camps, band and youth camps, and family reunions (Camp Caesar 2010). "If we did not have that attribute" Morris remarked, "there would be a huge missing piece to the property. There is an immeasurable cultural benefit to us – the people that rent space for camps and family reunions – and it keeps returning business coming back to our facility" (Morris 2015).

Using a state Historic Preservation Development Grant, Camp Caesar was able to stabilize its Council Circle. Before the grant funds were used to fix this structure, the Camp was using temporary stabilization (Camp Caesar 2010). Water from the embankment had caused damage, decay and rot overtime, including roof leaks (Camp Caesar 2010). For these renovations, through a public bid, the Camp Caesar partnered with an architectural firm, Past Respects, LLC, which specializes in historic preservation and restoration. Every bit of the awarded funds was used to rehabilitate the structure, and some in-kind support was additionally garnered to complete the project. Supporting beams and roof beams were replaced, roofing was completed, some of the seating was replaced and the dome was re-done. Additional investment was made into the surrounding structures, spurred on by the rehabilitation of the Council Circle. According to Morris, the community pitched in to save the structure, and notably re-did the drainage system that caused the structural decay in the first place.

Camp Caesar has a strong draw in the region. Camp Caesar has attracted people from every county in West Virginia, over ten different states outside of West Virginia, and visitors from as far away as Canada (Welcome To Camp Caesar 2015). Likely, the parents of campers driving or flying from out of state are getting hotel rooms and spending money for food and entertainment. In addition, typically, having a popular camp in a county helps bring in out-of-county seasonal staff (Harrolle 2011). Camp Caesar provides a benefit to the community by hosting generations of young campers. Studies have shown that many guardians agree that summer camps help youth gain independence, improve their confidence and meet and create new friendships (Harrolle 2011) keeping Camp Caesar an integral part of the community. Notably, the Webster County Fair – a weeklong annual event that engages over 100 volunteers, 300 exhibitors and around 15,000 visitors each year – donates all of its proceeds to Camp Caesar.

Morris can't say with certainty that that the investment of this kind has increased the business operations of the Camp. However, by helping Camp Caesar preserve the Council Circle, the state's historic preservation development grant maintained a part of history that generations have enjoyed (Camp Caesar 2010).

5.3 Ritz Theatre

The renovation of the Ritz Theatre, completed in 2009, is a major contributor to the quality of life in Hinton, WV. Part of a series of revitalization and restoration projects taken on by Ken Allen of MountainPlex Properties – the Theatre's owner and operator – the Ritz Theatre is not only an entertainment destination for residents and visitors of Hinton, but also serves as an important cultural and civic center for the local community. The building was first constructed in 1929 following an economic boom of Hinton at the turn of the century. Hinton began as a modest settlement of several families, advancing and developing consistently until the turn of the century. Strategically located between Huntington, WV, and Clifton Forge, VA, Hinton became a hub for C&O Railroad. It was during the peak of this economic activity between 1900 and 1925 when most of the town's buildings were constructed (Marshall 1984). In the 1980s, with the construction of Interstate 64, which



Ritz Theatre

Source: West Virginia State Historic Preservation Office

Address: 211 Ballengee St., Hinton, West Virginia

Date Built: 1929

Grant Approval Date: 2011

Cost estimate: \$350,000

Cost Actual: \$750,000

Original Use: Commercial – Opera House

Current Use: Commercial – Digital Theatre and Performing Arts Center

bypassed Hinton, the downtown area suffered as its major hospital, the local high school, and several retail vendors all moved outside the town's center (James 2014).

The Ritz Theatre is a property in the center of the historic downtown district of Hinton. The Theatre, the nearby Presbyterian Church, and the other structures in a two-block radius all still date to the early 1900s. Marshall argues that the lack of major renovation and disruption of the original character of those buildings is indicative of the respect the current community has for the history and the "tastes of former owners"

(Marshall 1984). Perhaps in part due to that attitude, in 1984, downtown Hinton was listed on the National Register of Historic Places.



Currently, roughly 60 percent of the businesses at the courthouse square in Hinton are owned, partially or fully restored and renovated by MountainPlex Properties (Plummer 2011). Founded in 2007, this family-owned company was established with the expressed purpose to revitalize and preserve the historic downtown Hinton. The initiative began solely with a local businessman and entrepreneur – Ken Allman. With family roots dating back to Hinton's railroad heyday, Allman cares deeply for Hinton. In 2011, he told the local paper that he "look(s) at the past as an asset. We have a chance to build on that legacy and differentiate ourselves from other communities to make Hinton a destination" (Plummer 2011). There is also a business objective Allman has addressed through the establishment of MountainPlex and the subsequent restoration of properties such as the Ritz Theatre. Allman's other business venture, a subscription-based service for physicians and recruiters, was not going to thrive without entertainment, lodging, and retail options readily available to company's clients and vendors. As he told the West Virginia Executive in 2014, "while Hinton offered great affordability and available space, we really lacked some of the infrastructure and quality of life offerings that [the company] needed to grow," (James 2014).

The Ritz Theatre has maintained its function as an entertainment venue since it was built in 1929; its original use was as an Opera House. The building is an Art Deco structure with brick exterior completed in the same style as the other adjacent structures in downtown Hinton. This two-story property is constructed as a theater venue on the ground floor, with 280 seats, and the upper mezzanine floor with balcony seating for 40. While the building's exterior deteriorated more slowly over time, the interior has been a subject of many renovation projects and renovation attempts over its eight decades of existence. "Completely restored, the Ritz is a significant anchor for all of the redevelopment of the Hinton historic district," said Allman in a 2011 interview (Plummer 2011); a sentiment echoed presently by the leaders of the Hinton community, City Manager Cris Meadows and Mayor Joe Blankenship. With the 2009 restoration project, much of the building's original charm has been restored. Renovation of the theater included a new stage, movie screen, digital cinema, surround sound system, central air and heating,

handicap-accessible bathrooms, concession stand, and a new roof. In addition, the renovations made sure to keep the lobby looking like it did in 1929 (About Us 2015).

The spillover effect of this project has been tremendous. Prior to the Theatre restoration, the entire downtown area was blighted and run down, said Meadows; it went from “dark and dingy to a complete turn-around of the block, and a surrounding two-mile radius.” Since the adjoining buildings have been re-done, Meadows pointed out, foot traffic began to increase. According to him, the revitalization of the Ritz Theatre definitely brought more people downtown, and gave the community an entertainment outlet. However, he pointed out quickly, to think of the Ritz Theatre as only an entertainment venue for moviegoers would be a mistake: “This is a well-used building, centralized, a place everyone can come to; it is a big part of our community and draws people in from all over Summers County.” According to Meadows and Mayor Blankenship, the Theatre is a real community center that hosts a number of community events. Most recently in July 2015, the Hinton’s Water Festival and associated programming all took place at the Ritz.

According to Mayor Blankenship, the Ritz Theatre was the first in a succession of restoration projects that were to follow, all taken on by MountainPlex. Surrounding the Ritz Theatre, there are now several small, family-owned businesses: a flower shop, an insurance company, and a surveying business. In addition, according to Meadows, MountainPlex’s other ventures are presently utilizing the second floor of the Theatre as an office space; it is where the company’s main offices are located, as well as the operations of the Historic Hinton’s Hometown Radio, AM1380. Across the street from the Ritz Theatre is now The Market on Courthouse Square, a gourmet deli and gift shop, another one of MountainPlex’s projects. After the Courthouse Square, “Allman’s company has already tackled The Great House Inn, built in 1897. Careful to preserve history, Ken Allman’s company tries to incorporate as much of history as possible including the use of original furniture from The Great House Inn” (Plummer 2011).

Allman stated that he is not the only one working to revitalize the town. In a 2011 Herald article, “He pointed out that the city government has been diligent in improving the streetscape and the City Sidetrack Park. He also noted the work that has been done for the Railroad and Veterans Museums” (Plummer 2011). Blankenship noted that in 2014, the West Virginia’s Small Business Administration office bestowed its 2014 Business Person of the Year Award to Allman. The City Hall, MountainPlex and the New River Getaway Visitor’s Bureau seem to all work collaboratively to make Hinton a travel destination.

The outpouring of community support for the Ritz Theatre’s re-opening has been tremendous, as noted by Meadows, Hinton’s city manager for the last twelve years. Other than the new releases, for the community, motion picture films are being shown on the weekends, and live entertainment – bands and productions –utilize the space during the week. According to Meadows, “On average 200-300 people attend the movie on an average weekend, although some movies have brought in many more.” In addition, the management allows individuals to rent out portions of the space. According to Mayor Blankenship, the Theatre’s Facebook page often gets inquiries from travelers and history buffs from all over the country.

The Ritz Theatre has been in operation for much of its history with only a few interruptions in use due to changing ownership or renovation attempts. For roughly 80 years, the space was used for various meeting and entertainments uses, but only since its full renovation and re-opening in October 2009 has the Ritz Theater become a cultural and community center for the Hinton community. The Ritz now has – as the billboards along I-64 say– the “Best seats in town!”



5.4 Mountaineer Hotel

The unprecedented rate of change in the energy industry, and particularly the change within the coal industry, has had an adverse effect on jobs, wages, and the economic opportunity in small rural communities of West Virginia and elsewhere. Yet, as Mayor Steve Knopp of Williamson, WV, pointed out in a 2015 personal interview (Knopp 2015), it was the boom of that very industry in Mingo County at the turn of the century that led to the establishment of towns like Williamson. The town's population grew along with its economic activity as "billions of tons of coal flowed in and out of the community on rail" during the first half of the 1900s, according to the hotel's National Register of Historic Places registration form. Business leaders of the newly established Williamson, WV, with backing from the Williamson Chamber of Commerce, began raising funds for the construction of the Mountaineer Hotel from the community through the sale of stocks. The driving forces were the intent to meet the town's increased need for supporting the region's commerce and to provide travelers, workers, and business people with lodging and meeting space options. Through the sale of stocks, \$493,000 was raised and, in June 1924, the construction of the Hotel commenced, commissioning Meanor and Handloser for the architectural design of the project (Valente 1996).

Since it was built in 1925, the Mountaineer Hotel has been a significant part of Williamson's history, something that artistically and historically differentiates Williamson, WV, from anyplace else (Knopp 2015). According to the town's mayor, the building is the focus of downtown and is absolutely stunning. Taking up half of a city block, the Hotel's ground floor, where its open spaces are most prominent (lobby, meeting rooms, etc.) is so spectacular that most tourists visiting Williamson – who typically arrive with diminished expectations of what the Hotel



Mountaineer Hotel in 1925

Source: <http://loganwv.us/west-virginia-photos/>



Mountaineer Hotel in the Present

Source: By FloNight (Sydney Poore) and Russell Poore (self-made by Russell and Sydney Poore) [GFDL (<http://www.gnu.org/copyleft/fdl.html>)]

Address: 31 East Second Ave, Williamson, West Virginia

Date Built: 1925

Grant Approval Date: 2007

Cost estimate: \$150,000

Cost Actual: \$163,976

Original Use: Commercial – Hotel

Current Use: Commercial – Hotel

will look like – are then left simply amazed at the character of the building and the plethora of artifacts displayed throughout the hotel and its rooms (Knopp 2015). The building is noteworthy due to its classical revival style from the late 19th and early 20th century. Located in the middle of the town's center, the Hotel is part of the downtown's historical district and has a strong regional draw in terms of its operations, room occupancy, and businesses that rent out its commercial space.

Several other buildings on the block have been constructed in the same architectural style, including a catholic high school (Valente 1996). Other important civic and business buildings are nearby, including a county courthouse next to the Hotel, and First National Bank at the corner. Across the street from the Hotel is the now famous Coal House. According to the local historian and convention bureau employee, Cecil Hatfield, the Coal House building – aptly named as it was constructed of 65 tons of coal – now houses the Tug Valley Chamber of Commerce and the Mingo County Visitor's Bureau. According to Mayor Knopp, the neighborhood within which the Hotel is located is and has been stable. Other properties have not necessarily been renovated as a result of the Mountaineer's improvements; still the Mayor and the Visitor's Bureau Tourism Manager both termed the building the "anchor of the downtown neighborhood" (Knopp 2015; Hatfield 2015).

According to Hatfield, a 70-year old veteran of Williamson, the renovation of the Hotel has breathed new life into the town, with more tourists visiting, and new dining options available. The Mountaineer Hotel is one of the few buildings in Williamson that has not been significantly altered or demolished (Valente 1996) over the last century. Most of its original properties in terms of its public spaces (lobby, etc.) have been preserved. The hotel even survived the flood of 1977 (Maunz 2014) when the nearby Tug Fork River was at a height of 52 feet; more than 25 feet above flood level. The damage caused by the flood, as well as traditional wear and tear, left the building in some disrepair.

In recent history, following a few years with less success as a tourist destination, Mark Mitchell, a successful local attorney, bought the Mountaineer Hotel in 1995. Mitchell started renovating and returning the hotel to its original form and function (Valente 1996). With the state development grant, Mitchell was able to replace portions of the Mountaineer Hotel's exterior brick façade while repointing the failed masonry. The mortar was in such a poor shape that it caused water intrusion inside the structure further worsening the brick wall and damaging interior walls (Mountaineer Hotel 2006). The building's wood windows were rotting, with poor sealing that was letting moisture and water leaks in whenever it was raining (Mountaineer Hotel 2006). Finally, the structure's roof needed to be replaced (Mountaineer Hotel 2006).

Since the renovations, rental spaces and retail tenants are now at full capacity creating more jobs and customer traffic for local businesses. Hatfield noted the opening of a new pastry shop inside the hotel's commercial space, and another restaurant nearby, a small, family-owned business in another newly-renovated, three-story building, just up the street from the Mountaineer (Hatfield 2015).

Thanks to the state grants, the Mountaineer Hotel is now fighting to remain an active piece of history. In its application for funding, the community showed its backing through numerous letters of support. Letters came from state senators, the mayor at the time, Tug Valley Chamber of Commerce and Norfolk Southern Railroad (Mountaineer Hotel 2006). Mitchell's successful law firm was a source of funds that helped subsidize the hotel's renovation and operations (Valente 1996), although, according to the Visitor's Bureau, the hotel's occupancy rates are now consistently high. Throughout history, this hotel has had many famous individuals lodge there, including John F. Kennedy, Eleanor Roosevelt, Loretta Lynn, Hank Williams, Jay Rockefeller, and Henry Ford (Valente 1996; see also Guest Rooms 2015) a great



point of pride for the local community. The Hotel itself plays on its strong history by naming the rooms for famous individuals that once lodged at the hotel (Maunz 2014). The Mountaineer Hotel has also played a strong role as the heart of town continuing to host many political rallies, banquets, weddings, and conferences (Mountaineer Hotel 2006).

At 3,200 residents, the city of Williamson is much smaller today than at its peak of 12,000 residents, but it is a center for tourism (Maunz 2014). This history draws in individuals from all over the country. Tourists have recently commented on the hotel's closeness to the Hatfield/McCoy attractions, a historically famous and infamous family feud; as well as the Coal House. Many tourists are drawn to this hotel during the yearly Hatfield-McCoy marathon race as well (Accommodations 2015). While these attractions existed before the Hotel was renovated, still, there is a lot of synergy from the proximity of the hotel to these various venues. While Mayor Knopp thinks of the town's economic and railroad history as much more important to the region, nonetheless, the Hatfield/McCoy attractions bring in a substantial amount of traffic to the town. By admission, while not nearly as historic as other nearby locations, most visitors to Williamson are there because of the Hatfield McCoy Trail, an outdoor recreation park. Those visitors typically look for more "utilitarian lodging" than the Mountaineer Hotel; however, once in town, entire families visit the hotel as the effect of walking into the hotel's lobby is impressive and visually stunning (Knopp 2015).

As is the case with many coal-dependent communities, Williamson is now in economically depressed times. While Williamson and communities like it would not have been founded or prospered without coal extraction, the city revenue, which is primarily comprised of income from coal severance taxes, is not as robust as it was as recently as three years ago. According to the city's mayor, in Williamson there is now a fraction of the area's former coal output. The city, and its budget, has to re-invent and differentiate itself from other places, and, as Mayor Knopp stressed, tourism and other developing industries are the way to do it. In that vein, a very active local effort has begun in the healthcare industry. Williamson is a host of a federally qualified healthcare clinic which recently received an award from the Robert Wood Johnson Foundation, along with some other, nationally-known healthcare centers in the country. Williamson's wellness program and community culture of health were developed effectively on a shoestring budget, and it shows the community's perseverance and determination. In that culture, community, and landscape, the Mountaineer Hotel, with its recent updates, is continuing to be the heart of Williamson. It is, at the same time, preserving the past while providing a convenient, and visually stunning, access to history right at its doorstep.



6 Conclusion

Between 2003 and 2013, more than 350 structures were rehabilitated under West Virginia's Historic Rehabilitation Tax Credit and Historic Preservation Development Grant programs. These projects generated nearly \$192 million in economic impact and employed nearly 1,400 workers over this period. As these numbers indicate, historic rehabilitation projects are an important source of economic development for the state. Not only do the construction projects provide a short-term economic gain, but maintaining the historic character of a region can also help boost tourism over the long run.

Though historic rehabilitation can be measured numerically, the larger value of these projects lies in helping to maintain the state's legacy for its citizenry. As the case studies in this report show, for many communities historic properties are sources of pride that lie at the heart of their local identities. These benefits cannot be easily measured in dollars and cents.



7 Works Cited

- About Camp Caesar. (n.d.). Retrieved August 5, 2015, from <http://www.camplincolnwv.org/camp-caesar.html>
- About Us. (n.d.). Retrieved August 5, 2015, from <http://ritzwv.com/about/>
- Accommodations (n.d.). from <http://www.hatfieldmccoymarathon.net/accomodations.html>. Retrieved August 4, 2015
- Accordino, John, and Fabrizio Fasulo. "Economic Impact of Historic Rehabilitation Tax Credit Programs in Virginia." VCU Center for Urban and Regional Development, 2014, https://preservationvirginia.org/docs/VCU_Historic_Tax_Credit_Report_FINAL_21-1-2014smallpdf.com.pdf.
- Blankenship, Joe. Personal Interview. Conducted September 4, 2015
- Budget Travel in Summers County (budget travel series, part 4) - Visit West Virginia. (2013, August 22). Retrieved August 5, 2015, from <http://visitwv.com/budget-travel-hinton-wv/>
- Camp Caesar. (2010). Application State Development Grant. Retrieved on April 16, 2015.
- Camp Caesar. (n.d.). Retrieved August 5, 2015, from <http://www.wvcommerce.org/travel/travelplanner/listing/Camp-Caesar/2212/default.aspx>
- Childs, Randy, David Greenstreet, and Tom S. Witt, "Economic Impact of Historic Preservation in West Virginia," Bureau of Business and Economic Research (September 1997): <http://www.be.wvu.edu/bber/pdfs/historic97.pdf>
- Coffman, A., & LaPresta, D. (2014, December 1). Dollars & Sense Benefits of Historic Preservation Development Grants in West Virginia. Retrieved July 30, 2015, from <https://preservationalliancewv.files.wordpress.com/2015/02/development-grant-report-final.pdf>
- Community Helps Breathe New Life into Historic Movie House. (n.d.). Retrieved August 5, 2015, from <http://www.communitypro.com/news/press/276-community-helps-breathe-new-life-into-historic-movie-house>
- CPI Inflation Calculator. (n.d.). Retrieved July 30, 2015, from <http://data.bls.gov/cgi-bin/cpicalc.pl>
- Cronyn, Joseph, and Evans Paull. "Heritage Tax Credits: Maryland's Own Stimulus to Renovate Buildings for Productive Use and Create Jobs, an \$8.53 Return on Every State Dollar Invested." *The Abell Report* 22, no. 1 (2009): 1-7.
- Fint, C. (n.d). Camp Caesar National Register of Historic Places Registration Form. Retrieved July 20, 2015 from <http://www.wvculture.org/shpo/nr/pdf/webster/09001197.pdf>
- Gilderbloom, John I., Erin E. House, and Matthew J. Hanka. "Historic Preservation in Kentucky." Preservation Kentucky, Inc., 2008, http://preservationkentucky.org/pdfs/historic_preservation_in_kentucky.pdf.
- Guest Rooms (n.d.). from <http://www.mountaineerhotel.com/guestrooms.html>. Retrieved August 3, 2015
- Harrolle, M., Rich, S., Rascher, D., & Henderson, K. (2011). Economic Impact Study of Organized Youth Camps in Western North Carolina. Retrieved August 5, 2015, from <http://www.nccamps.org/PDF/economic-impact-study-full.pdf>
- Hatfield, C., Resident Historian at the Chamber of Commerce, Convention & Visitor's Bureau employee. Interview, September 4, 2015
- Hayes, Kelly. Personal Interview with the New River Getaway Visitor's Bureau Tourism Manager, Conducted September 3, 2015.



Hinton, West Virginia. (2012, March 5). Retrieved August 5, 2015, from <http://urbanup.net/cities/west-virginia/hinton-west-virginia/>

Hodousek, C. (2015, June 4). Charleston Civic Center breaks ground on multimillion dollar renovation project. Retrieved August 3, 2015.

NEAFCS. (n.d.) "In-depth Sessions." National Extension Association of Family & Consumer Sciences. Retrieved August 5, 2015, from <http://www.neafcs.org/2015-in-depth-sessions>

James, Jeff (2014) *West Virginia Executive: Hometown Hinton: Creating a New Economy*, published August 25, 2014 <http://www.wvexecutive.com/hometown-hinton-creating-new-economy/>. Retrieved September 1, 2015.

Knopp, S., Williamson Mayor. Personal Interview, September 2, 2015

Listokin, David, and Mike L. Lahr. 1997. "Economic Impacts of Historic Preservation." Rutgers Center for Urban Policy Research (December 1997): http://www.state.nj.us/dca/njht/publ/ec_imp.pdf

Listokin, David, Michael L. Lahr, and Bryan Grady. 2008. "Economic Impacts of Historic Preservation in Oklahoma." Preservation Oklahoma. <http://www.okhistory.org/shpo/econimpact.pdf>

Maple Terrace Condominiums. (n.d.). Retrieved July 30, 2015, from <http://www.wv-commercial.com/MapleTerraceCondos.pdf>

Maple Terrace Court and Walton Apartments. (2014). Retrieved July 30, 2015, from [http://www.snipview.com/q/Maple Terrace Court and Walton Apartments](http://www.snipview.com/q/MapleTerraceCourtandWaltonApartments)

Marshall, P. (1984). New River Gorge NR: Proceedings-New River Symposium 1984. Retrieved August 5, 2015, from http://www.nps.gov/parkhistory/online_books/symposia/newriver-84/sec8.htm

Martin, Debra. (2015, July 29). Telephone interview. Maple Terrace Court and Surrounding Neighborhood.

Maunz, S. (2014, May 22). Travel to Williamson, from <http://www.wvliving.com/Summer-2014/Travel-to-Williamson/>. Retrieved August 3, 2015

McCabe, Brooks (2015), co-owner, McCabe-Henley Properties, telephone interview, July 31, 2015.

Meadows, Cris (co-owner, McCabe-Henley Properties), telephone interview with the author, July 31, 2015.

Meadows, Cris. Personal Interview. Conducted September 1, 2015

Morris, Betsy. (2015, August 18). Camp Caesar and Restoration of Council Circle [Telephone interview].

Mountaineer Hotel, Williamson. (n.d.). from http://www.tripadvisor.com/Hotel_Review-g59655-d2332313-Reviews-Mountaineer_Hotel-Williamson_West_Virginia.html. Retrieved August 3, 2015

Mountaineer Hotel. (2006). Application for State Development Grant. Retrieved April 16, 2015

MountainPlex Properties, LLC. (n.d.). Retrieved August 5, 2015, from <https://www.linkedin.com/company/mountainplex>

Murphy, M. (2014, August 12). East End Historic District may add section. Retrieved July 30, 2015, from <http://www.wvgazettemail.com/article/20140812/DM01/140819738>

NMSC. (2015). "Main Street Now". National Main Street Center. *The Journal of the National Main Street Center*: Summer 2015. <http://www.preservationnation.org/main-street/#.VdTNwvIVhBd>. Accessed July 2015.

NRHP. "Spreadsheet of NRHP List." National Register of Historic Places, <http://www.nps.gov/nr/research/>.

NRHP. (2015). "Federal Historic Preservation Laws, Regulations, and Orders." National Register of Historic Places. <http://www.nps.gov/history/laws.htm>. Accessed July 2015.

NTHC. (2015). "A Brief History of the National Trust." National Trust for Historic Preservation. <http://www.preservationnation.org/who-we-are/history.html>. Accessed July 2015.



- NTHP. (2015). "National Trust Preservation Funds: Guidelines & Eligibility". National Trust for Historic Preservation. <http://www.preservationnation.org/resources/find-funding/preservation-funds-guidelines-eligibility.html?referrer=https://www.google.com/#.VdTL5vIVhBc>. Accessed July 2015.
- O'Brien, Kevin, and James Robey. "Estimates of the Economic Impact of the Ohio Historic Preservation Tax Credit Program on the State of Ohio." The Great Lakes Environmental Finance Center Maxine Goodman Levin College of Urban Affairs Cleveland State University, 2011, <https://development.ohio.gov/files/redev/OHPTC%20Economic%20Impact%20Study%20-%20May%202011.pdf>.
- Peyton, B. (2002, July 2). Maple Terrace Court National Register of Historic Places Registration Form. Retrieved July 30, 2015, from <http://www.wvculture.org/shpo/nr/pdf/kanawha/02000885.pdf>
- PHMC. "The Economic Benefits of Historic Preservation Activities in Pennsylvania." Pennsylvania Historical and Museum Commission, 2011, <http://www.preservationpa.org/uploads/economicbenefits/EconBenefitsBaseDocumentLowRes.pdf>.
- PlaceEconomics. 2011. "Investment in Connecticut: The Economic Benefits of Historic Preservation." State Historic Preservation Office. [http://www.ct.gov/cct/lib/cct/Economic_Impact_Study_\(Final_6-2011\).pdf](http://www.ct.gov/cct/lib/cct/Economic_Impact_Study_(Final_6-2011).pdf)
- Plummer, S. (2011, January 10). Businessman helps Hinton attract visitors. Retrieved August 5, 2015, from http://www.register-herald.com/news/local_news/businessman-helps-hinton-attract-visitors/article_7617529f-4a0a-5c30-b208-358878700c10.html
- Poore, S. & Poore, R., FloNight (self-made by Russell and Sydney Poore) [GFDL (<http://www.gnu.org/copyleft/fdl.html>), via Wikimedia Commons. Retrieved August 25, 2015
- Rochi, J. (2013, December 21). 10 Steps for Restoring Historic Theatre s. Retrieved August 5, 2015, from <http://blog.preservationnation.org/2013/12/31/10-tuesday-10-steps-restoring-historic-Theatres/#.VcJlfvIViko>
- Rypkema, D. (2009). The Economics of Historic Preservation, from <http://blog.prcno.org/economics/>. Retrieved August 3, 2015
- Rypkema, Donovan, and Caroline Cheong. 2011. "Measuring Economic Impacts of Historic Preservation." Advisory Council on Historic Preservation: [http://www.achp.gov/docs/Economic Impacts v5-FINAL.pdf](http://www.achp.gov/docs/Economic%20Impacts%20v5-FINAL.pdf)
- State of West Virginia, from <http://loganwv.us/west-virginia-photos/>. 1925 Received April 16, 2015
- Surveyors Rendezvous '09. (2009). Retrieved August 5, 2015, from <http://www.surveyorshistoricalsociety.com/Rendezvous09.pdf>
- Swaim, Richard (2003) *Politics and Policymaking: Tax Credits and Historic Preservation*. The Journal of Arts Management, Law, and Society. 2010 Mar; 33(1):32-39.
- The Ritz Theatre. (2009). Historic Preservation Certification Application. Retrieved on April 30, 2015.
- Vacant and Abandoned Properties: Turning Liabilities Into Assets. (2014). Retrieved July 30, 2015, from <http://www.huduser.org/portal/periodicals/em/winter14/highlight1.html>
- Valente, K. (1996, December 10). Mountaineer Hotel National Register of Historic Places Registration Form. Retrieved July 20, 2015 from <http://www.wvculture.org/shpo/nr/pdf/mingo/97000265.pdf>
- Welcome To Camp Caesar. (n.d.). Retrieved August 5, 2015, from <http://www.campcaesar.info/>
- Why Heritage is an Important Community Asset. (n.d.). Retrieved August 5, 2015, from <http://heritageperth.com.au/your-heritage/why-is-heritage-important-to-communities/>
- WVDCH. (2015a). West Virginia Division of Culture and History. <http://www.wvculture.org/shpo/shpoindex.aspx>. Accessed July 2015.



- WVDCH. (2015b). West Virginia Division of Culture and History. "Historic Preservation Grants".
<http://www.wvculture.org/shpo/hpgrants.html>. Accessed July 2015.
- WVDCH. (2015c). "Historic Preservation Grants." West Virginia Division of Culture and History.
<http://www.wvculture.org/shpo/hpgrants.html>
- WVU Extension Service Council Circle renovation complete, ready for camps. (2015, June 10). Retrieved August 5, 2015, from
<http://www.noodles.com/view/BEEA3452409BA80830058F4031782262546B4BD8?4233xxx1433968242>
- YPA. "The Economic Impact of Historic Preservation in Southwestern Pennsylvania." Young Preservationists Association of Pittsburgh, 2010,
http://www.preservationnation.org/information-center/economics-of-revitalization/rehabilitation-tax-credits/additional-resources/Study_201005_HistPresSouthWest.pdf.



Appendix A: Recommended Data Gathering Form

The following form is our suggested format for collecting economic impact data for future analyses. We recommend that this form be included as part of the final review process for all grants and tax credits.



**West Virginia Historic Preservation Program
Development Grants
Final Project Report**

Project Name: _____ **Reporting Date:** _____

Project City & County: _____ **Duration of construction activity:** _____

Type of State Assistance (grant/tax credit): _____ **Amount of Assistance:** _____

Total Project Cost: _____

List of Amendments to project and approval dates: _____

Describe any differences between planned and actual major work items:

Expenditures: (Break out expenses by budget items in Attachment to contract). Attach all documentation not already submitted.

Budget Item	Grant Expenditure	Matching Share
1. _____	\$ _____	\$ _____
2. _____	\$ _____	\$ _____
3. _____	\$ _____	\$ _____
TOTALS	\$ _____	\$ _____

How many employees worked on the project (and location): _____

Expected future use of property:

Commercial ☐

Multi-Family Residential ☐

Other Non-Residential ☐

Single-Family Residential ☐

Other Residential ☐

Name of Person Completing Report

Title

Email

Telephone

I certify that to the best of my knowledge and belief this report is correct and complete and that all outlays are for the purposes set forth in the grant award document.

Signature

Date

About the Authors

West Virginia University Bureau of Business and Economic Research

Since the 1940s, the BBER's mission has been to serve the people of West Virginia by providing the state's business and policymaking communities with reliable data and rigorous applied economic research and analysis that enables the state's leaders to design better business practices and public policies. BBER research is disseminated through policy reports and briefs, through large public forums, and through traditional academic outlets. BBER researchers are widely quoted for their insightful research in state and regional news media. The BBER's research and education/outreach efforts to public- and private-sector leaders are typically sponsored by various government and private-sector organizations.

The BBER has research expertise in the areas of public policy, health economics, energy economics, economic development, economic impact analysis, economic forecasting, tourism and leisure economics, and education policy, among others. The BBER has a full-time staff of four PhD economists, and one master's-level economist. This staff is augmented by graduate student research assistants. The BBER also collaborates with affiliated faculty from within the College of Business and Economics as well as from other parts of WVU.

To learn more about our research, please visit our website at <http://www.be.wvu.edu/bber>.

Marshall University Center for Business and Economic Research

The Center for Business and Economic Research (CBER) at Marshall University provides economic analysis to a wide variety of clientele in public, private and non-profit sectors. The CBER staff is comprised of 15 researchers, administrators and students and benefits from its associates' diverse experiences and qualifications. The Center offers a variety of services, specializing in energy, policy, education and health. Work produced by CBER has been cited both regionally and nationally. CBER's main purpose is to provide independent analysis and quality research. CBER fulfills this purpose by both conducting economic research and providing various business and economic services to the region's public and private sectors. Our mission and vision stem directly from this fundamental purpose.

CBER is comprised of three main areas of focus: Energy, Education and Health, and Regional Development and Economics. Expertise and past research within each area are a testament to CBER's capabilities and exemplify its dedication to continual growth. CBER provides a variety of data, policy and other analytical services to our clients. The organization draws on nearly two decades of experience and its library of compiled reports to demonstrate its research and analysis capabilities.

To learn more about our contracted and academic works or the overview of individual service offerings provided by CBER please visit <http://www.marshall.edu/cber>.



University of Cincinnati Economics Center

The Research and Consulting Division of the Economics Center provides the knowledge building blocks that help clients make better policy and economic development decisions. Our dynamic approach and critical data analysis empower leaders to respond to changing economic conditions, strengthen local economies and improve the quality of life for their communities.

For more information please visit our website at <http://economicscenter.org/>.

