Prefering a Historic Preservation Plan

BRADFORD J. WHITE AND RICHARD J. RODDEWIG

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Chapter 1. Why Preservation Planning?

The historic preservation movement in America came of age in the 1970s and the 1980s as evidenced by the explosion in the number of communities that adopted historic preservation ordinances to protect historic resources. A 1975 study by the National Trust for Historic Preservation found 421 communities with local programs to protect historic resources. By 1983, that number had soared to about 1,000. A September 1993 survey by the National Trust for Historic Preservation, the National Park Service, and the National Alliance of Preservation Commissions identified 1,863 communities with historic preservation commissions across the country.

The surge in local interest in historic preservation laws has been accompanied by a new wave of planning at the local, regional, and state levels for the preservation and protection of historic resources. The proliferation of state planning and growth management laws has also increased the importance of preservation planning. Some of these laws mandate that preservation plans be included in comprehensive plans, and most of them require at least consideration of historic preservation issues (see Appendix A.) Especially promising is the move to make preservation planning "comprehensive."

Consider the traditional comprehensive plan. It has four principal characteristics. First, it is future oriented, establishing land-use and development goals that will be attained incrementally over time through regulations, individual decisions about zoning and rezoning, development approval or disapproval, and municipal expenditures for capital improvements, such as road construction and the installation of municipal utilities. Second, planning is continuous in that the plan is intended not as a blueprint for future development that must be as carefully executed as the architect's design for a building, but rather as a set of policies which must be periodically reevaluated and amended to adjust to changing conditions. Third, the plan must be based on a determination of present and projected conditions within the area covered by the plan. Fourth, planning is comprehensive.

A comprehensive preservation plan should have similar overall characteristics. The preservation plan may "stand alone" outside of the state, regional, or local comprehensive plan, or it may be adopted as a discrete element of the comprehensive plan. Preservation values may also be integrated into other comprehensive plan elements, such as housing, transportation, and public improvements. However, the most effective preservation plan is adopted as an element of the comprehensive plan complete with goals, definition of historic character, summary of past preservation efforts, survey of historic resources, explanation of legal basis, discussion of the relationship between historic preservation and other land-use and growth management authority, explanation of public-sector responsibilities, discussion of incentives, summary of the relationship between historic preservation and local education programs, and a statement of an agenda for future action. In addition, other elements of a comprehensive plan should be reviewed to eliminate conflicting goals.

A "noncomprehensive" preservation plan may actually exist in some form in a community's land-use management tools and other public policies. For example, objectives that may be part of a preservation plan can often be found in a community's zoning ordinance or historic preservation ordinance. However, these ordinances do not typically provide the community with a complete, well-thought-out, and comprehensive preservation plan.

A preservation plan will vary depending on the community's stage of development, the size of the community, the number of historic resources located in the community, awareness of local historic resources, and existing protection and incentives for the preservation of historic resources. However, in all cases, a preservation plan is a proactive means of planning for the preservation and protection of a community's character and historic resources.

PURPOSES OF PRESERVATION PLANNING

There are at least 13—and likely more—good reasons why a community should have a preservation plan. Not every community adopts a preservation plan for the same reason or group of reasons. A preservation plan provides the basis for development of a preservation program where none exists, strengthens existing preservation programs, and helps to resolve existing and future conflicts between competing land-use goals.

Among the reasons for having a preservation plan are the following:

1) To state clearly the goals of historic preservation in the community
2) To comply with state zoning or planning enabling legislation requiring local governments to have comprehensive plans and requiring that there be a mandatory (or optional) historic preservation element in that plan
3) To let current and future property owners and residents know in advance how the community intends to grow and what the community wants to protect
4) To help provide a legal defense against lawsuits alleging unfair treatment of property owners or
5) To eliminate uncertainty or confusion about the purpose, meaning, and content of an existing local historic preservation ordinance

6) To form the basis for adoption of a new historic preservation ordinance or to strengthen the legal basis of an existing historic preservation ordinance

7) To ensure consistency, or eliminate inconsistency, between various local government policies that affect the community's historic resources

8) To educate and inform citizens about their heritage and its value to the community

9) To create an agenda for future preservation activities and to create a way to measure progress in protecting historic resources

10) To provide a basis for interim protection of historic resources while steps are taken to adopt a formal preservation ordinance to protect those resources

11) To comprehensively address issues relating to tourism, zoning, traffic patterns, development patterns, and design that affect historic resources

12) To encourage economic development through the preservation of historic resources

13) To strengthen the political understanding of and support for historic preservation policies

The preservation plan will vary depending on the community's stage of development, its size, the number of historic resources, awareness of them, and existing protection and incentives for preservation. The resources and communities can be quite different. Consider, multifamily housing in St. Paul (upper left); homes in the Church Hill historic district in Richmond, Virginia (lower left); stone houses in Olney Township, Pennsylvania (upper right); and the Lil Brothers Building in Philadelphia (lower right).
TYPES OF PRESERVATION PLANNING
Preservation planning can be generally classified into the following types:
- Statewide preservation planning
- Regional preservation planning
- Citywide preservation planning
- Neighborhood preservation planning

This report will focus on city and neighborhood preservation planning, and, to some extent, on the newly evolving form of preservation planning that is emerging on a regional and state basis, especially regional planning for heritage tourism development and for protection of rural historic resources. While planning for individual structures or small groups of structures is the typical building block of citywide or neighborhood preservation planning, preservationists now understand that plans must be prepared in the context of the larger community and region, and must consider zoning, transportation, public improvements, and other land-use management tools.

WHAT IS A PRESERVATION PLAN?
No two preservation plans are the same. Just as a preservation ordinance evolves in response to particular local conditions and needs, so too must a preservation plan be a unique document that responds to the goals of the particular community.

Is a plan always a single written document? No. The plan may exist in policy statements in a variety of ordinances, programs, and public pronouncements by local officials concerning the community’s heritage. Also, the preservation plan may exist in comprehensive plan elements, such as land use, housing, economic development, and transportation, among others.

Consistency between these various documents and comprehensive plan elements is essential to provide clarity and insurance against a legal attack that the preservation plan is vague, inconsistent, and unenforceable.

Sometimes, the preservation plan is implicit. For example, local preservation commissions, through alteration or design review decisions, create an accumulated body of unwritten precedents that will guide their future actions.

More and more frequently, however, the preservation plan is a formal written document that reconciles policies and procedures regarding the community’s historic resources into a coherent whole. These preservation plans are used as the basis for the community’s preservation program and may be adopted as an element of the community’s comprehensive plan.

What are the essential components of a good preservation plan? There are at least 10 essential components that should be contained (or addressed) in every formal written preservation plan. These components are summarized here and treated in detail in Chapter 2.

1) Statement of the goals of preservation in the community, and the purpose of the preservation plan
2) Definition of the historic character of the state, region, community, or neighborhood
3) Summary of past and current efforts to preserve the community’s or neighborhood’s character
4) A survey of historic resources in the community or neighborhood, or a definition of the type of survey that should be conducted in communities that have not yet completed a survey
5) Explanation of the legal basis for protection of historic resources in the state and community
6) Statement of the relationship between historic preservation and other local land-use and growth management authority, such as the zoning ordinance
7) Statement of the public sector’s responsibilities towards city-owned historic resources, such as public buildings, parks, streets, etc., and for ensuring that public actions do not adversely affect historic resources
8) Statement of incentives that are, or should be, available to assist in the preservation of the community’s historic resources
9) Statement of the relationship between historic preservation and the community’s educational system and program
10) A precise statement of goals and policies, including a specific agenda for future action to accomplish those goals

Another way to understand the purpose of a preservation plan is to look at the questions it typically tries to answer:

Why is historic preservation important to our community?
What elements of our heritage do we want to preserve?
What have we previously done to preserve and protect that heritage?
What are we currently doing to preserve and protect that heritage?
What should we do to preserve and protect it in the future?
When do we want to begin to add that additional protection?
Chapter 2. Elements of a Good Preservation Plan

There are at least 10 essential elements of a good historic preservation plan. These elements provide the basis for incorporating and reconciling policies and procedures regarding a community's historic resources into a formal written document. Each of these elements will be unique to the state, region, or city to which it applies and will be dependent upon many factors, including the community's stage of development, number and type of historic resources, awareness of the local historic resources, and existing protection and incentives for the preservation of historic resources.

STATEMENT OF GOALS

A statement of goals is the backbone of a historic preservation plan. It provides direction to the community and helps rank various elements of the preservation program. The statement of goals is also the outline for the work program for the community in the area of preservation. It is a statement of the philosophy by which the other provisions of the preservation plan and the preservation program are guided.

In 1987 and 1988, the City of Atlanta undertook a comprehensive review of its process for protecting historic resources. As in so many cities, it was a controversy over demolition of historic structures that prompted the review. Community leaders in Atlanta agreed to participate in a mediated negotiation process as a way to develop a comprehensive program for improving the protection of Atlanta's historic resources. A Preservation Policy Steering Committee consisting of leading developers, preservationists, and city government officials was appointed to work with outside consultants to reach agreement on the elements of the comprehensive preservation plan.

One of the first tasks the Steering Committee had to do was reach agreement on the goals for historic preservation in Atlanta. The group developed the following goals:

- To preserve and maintain sites and structures that serve as significant visible reminders of the city's social and architectural history
- To contribute to the economic development and vitality of the city
- To preserve the character and livability of Atlanta's neighborhoods and strengthen civic pride through neighborhood conservation
- To integrate historic preservation more fully into Atlanta's city planning system

These are typical of the goals and objectives of most historic preservation plans adopted around the country in recent years.

Redlands, California, makes the same statement in a slightly different way:

Redlands intends to identify, maintain, protect and enhance its cultural, historic, social, economic, architectural, agricultural, archeological and scenic heritage. In so doing, Redlands will preserve its unique character and beauty, foster community pride, conserve the character and architecture of its neighborhoods and commercial and rural areas, enable citizens and visitors to enjoy and learn about local history, and provide a framework for making appropriate physical changes. Redlands intends to provide incentives wherever possible to protect, preserve and maintain the city's heritage.

Redlands intends to foster an understanding and appreciation of its history and architecture.

The goals statement for Kane County, Illinois, acknowledges the diverse and changing nature of the county and the linkage between heritage protection and landscape protection in the outer suburban fringe of the Chicago metropolitan area.

Locate, designate, and then protect and maintain the County's most important historic and natural sites, districts, and landscapes
Maintain the elements of the landscape that contribute to the attractiveness and historic character of the suburbanizing and urban fringe areas of the County
Retain as a working group those elements of the County's farm landscape, such as farmsteads, fanciers, and cropland, that contribute to the aesthetics, historic character, and economy of agricultural areas
Maintain the historic character of the County's rural towns and villages while encouraging their development as commercial and cultural centers
Improve the economy of Kane County by encouraging expenditures for restoration work, adaptively reusing buildings to improve local economies, and promoting tourism related to historic resources.

The goals stated in the preservation plan should be consistent with the purposes stated in the preservation ordinance that implements the plan, and with the goals and objectives of the community's comprehensive plan.

DEFINITION OF HISTORIC CHARACTER

The definition of historic character is an essential part of the preservation plan element because it describes the unique character of the community. Over time, the character of a community may change; this provision will provide context and continuity when the preservation plan is updated or amended in the future.

Communities approach this element of a historic preservation plan in many different ways. Some simply provide a capsule summary of the community's history, emphasizing significant dates, trends, events, eras,
people, buildings, architectural styles, neighborhoods, streetscapes, and landscapes. Others go further and try to define what makes this community’s heritage different from that of its neighbors or from other communities in the state or region.

Some may actually list the individual structures or the particular neighborhoods or districts that give the community historic significance. Some show them on a map. This is more common in communities that have completed a comprehensive historic structures survey and in smaller communities with only a few scattered historic structures or one clearly defined historic neighborhood or district.

Other communities may define their historic character by referring to the recognition given to some of the community’s areas or structures in surveys conducted by state or federal government agencies, or in state registers of historic places or in the National Register of Historic Places.

Evanston, Illinois, a north shore suburb of Chicago, carefully summarizes its distinctiveness in the following statement from the “Character” chapter of its Preservation Plan:

Evanston, which Daniel Burnham described as “the most beautiful city in the world,” derives its special ambience from an effective blending of natural and manmade environments. Distinctive homes, attractive landscapes, generous tree cover, and aesthetic street lighting have long been priorities in plans for Evanston’s development. These priorities are still embraced throughout the community.

Evanston’s architectural heritage offers unique contrasts, from stately mansions to smaller-scale vernacular houses on tree-lined streets. Open green areas and landscaping, which were given high priority in the early plans of Evanston, are still abundant throughout the community. Trees unify the city’s diverse architecture and weave a lovely pattern of greenery throughout the city’s neighborhoods. The proud Tallmadge streetlights lend a special charm to Evanston’s streets.

The blending of these elements is so appealing and pervasive that it creates the pleasant image of Evanston shared by residents and nonresidents alike.6

The proposed Sarasota, Florida, historic preservation plan element of its comprehensive plan defines the historic character of the community by describing the city’s wide array of built resources through the relationship of architectural buildings, height of buildings, rhythm of spacing of buildings on a street, lot coverage, rhythm of entrance and porch projections, relationships of materials, rhythm of solids to voids in facades, relationship of room shapes, relationship of textures, height-width ratio of facades, scale, directional expression of front elevation, relationship of colors, and concentrations of resources.

The focus of the Lancaster, Pennsylvania, preservation plan is specifically on community character—the preservation plan is titled “Preserving Community Character, City of Lancaster, Pennsylvania.” The plan defines community character in the following way:

The character of a community, its distinctive identity, is defined by its physical, cultural, and social qualities. The City of Lancaster’s community character has been shaped by more than 250 years of history, our people, our cultural and social diversity, and the physical environment we created in which to live and work.

To further define the historic character of the community, Lancaster describes the historic development of the city from a colonial city founded in the early 1730s to its growth into an industrial city in the late 19th century. The preservation plan then describes how the built environment reflects the development history of the city. Finally, with the context for development in place, the city’s preservation plan describes the existing conditions that have resulted from historic development patterns. It is clear from these provisions that Lancaster’s historic character derives from a “dynamic community shaped and strengthened by a rich collective history.”

As evidenced by the examples discussed above, the historic character of a community or neighborhood may be described in a variety of ways, but it should include, at the very least, a complete description of the history of development of the community or neighborhood.

SUMMARY OF PAST PRESERVATION EFFORTS—PRESERVATION CONTEXT

A concise and accurate summary of the history of the preservation movement in the community is one of the most important elements in a good preservation plan. This will provide the preservation context in any future disputes concerning protection of the community’s heritage.

Business, government, and preservation leadership changes over time. Future leaders need a way to understand how the community’s preservation program has evolved. Many preservation controversies result in carefully crafted compromises and trade-offs between preservationists, developers, property owners groups, and local government leaders. Too often such compromises are tacitly understood at the time they are made but never formally adopted in writing. The preservation plan can be the place where the public record on such matters is kept.

Such issues as owner consent to designation, protection of districts versus individual landmarks, review of alteration or demolition, and the handling of cases of economic hardship reoccur time and again in communities with significant historic resources. If a community has already addressed these issues once and settled on an acceptable way of handling them, there is usually no need to address the issue again unless circumstances have significantly changed. The preservation plan can provide the guidance to future generations concerning why the preservation program is structured the way that it is in this community.

The Kane County, Illinois, Historic Preservation Plan details the history of planning and historic preservation over a 60-year period, from the time the county adopted its first zoning ordinance. The preservation plan outlines the surveys and publications that the county has undertaken and other measures that the county has
implemented, such as a county historic preservation ordinance, to preserve and protect historic resources.

Roanoke, Virginia, undertook an extensive public process resulting in a preparation of a preservation plan as part of its overall zoning process. An important result of the process was a written understanding of the history of the historic preservation movement in Roanoke.

The Plan for Preservation for Providence, Rhode Island, provides a detailed description of past preservation efforts:

Providence has been at the forefront of the historic preservation movement almost since the movement's inception. Many hallmarks or "preservation firsts" dot the city's past, and several forward-thinking individuals and important organizations have played a key role in continuing to make Providence a national leader in historic preservation.

For example, in 1844 the Rhode Island Historical Society built a small Greek Revival building for its Providence headquarters, the first structure built by and for an American historical society.

Providence became one of the first cities in the United States to integrate preservation techniques and ideals into its planning process through an effort to save the College Hill neighborhood.

Currently, downtown revitalization poses one of the most formidable preservation challenges. Since 1970, four major department stores have closed; the Outlet Company Store, a landmark which occupied a full block on Weybosset Street, was destroyed by fire in 1986 and its site is still vacant.

Finally, the ultimate preservation challenge in Providence may be to coalesce myriad neighborhood, civic, educational, nonprofit, and other groups into a unified force to strengthen and implement the city's preservation agenda.

Such a summary is especially important for two reasons. First, it alerts government leaders to the precedents that should guide good preservation planning and decision making. Second, it may be considered by judges or juries in preservation disputes that wind up in the courts. A summary of past preservation battles, how they were resolved, and what the working compromises have been may help a judge or jury decide fundamental questions of fairness between the parties in a subsequent preservation dispute.

**HISTORIC RESOURCES SURVEY**

A community's preservation program should include a process for ensuring that all potential historic landmarks and all potential historic districts eventually are considered for designation. Why is this so important? It guards against singling out some owners of historic structures for designation while other owners with properties equally meritorious under criteria adopted by a community for designation of landmarks or historic districts escape consideration. Courts may call that a violation of the fundamental American legal principles of "due process" and "equal protection of the law."

A preservation plan provides a process for ensuring that all potential historic resources are considered for designation. The survey is the method for identifying and gathering data on a community's historic resources. According to the

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*As stated in its Plan for Preservation, many hallmarks or "preservation firsts" dot Providence, Rhode Island. One is the Providence arcade, built in 1828.*
National Park Service, “a survey includes a field survey, the physical search for and recording of historic resources on the ground, and planning and background research before the field survey begins.” It also includes an organization and presentation of survey data as the survey proceeds, and the development of inventories. An inventory, one of the basic products of a survey, is an organized compilation of information on those properties that are evaluated as significant.” Evaluation, the process of paring the survey data to produce an inventory, requires determining whether identified properties meet defined criteria of historical, architectural, archaeological, or cultural significance."

All preservation plans should include the results of a historic resources survey. Such a survey provides the community with a specific universe of historic resources and a focus for the implementation of the goals and objectives of the preservation plan. The survey must be updated on a regular basis, particularly where a large number of buildings are involved, to document any changes, and to add buildings and landscapes that become more important to the community over time. The survey is also important because it is an educational tool for residents of the community. Through publication of the survey, the community comes to an understanding that there is a system for recognizing historic resources.

Guidelines for Local Survey: A Basis for Preservation Planning, originally published by the National Park Service in 1970 and updated in 1989, is the best guide for communities interested in undertaking surveys of historic resources. Although it contains information and recommendations with broad applicability, it is designed primarily for use by local government officials and those who undertake surveys of cities and other communities.

Preparation of the survey involves four major steps:

1) Planning the survey
2) Conducting the survey
3) Review and organization of survey data
4) Use of survey data in planning

Effective surveys are carefully planned to take into account the community’s needs, legal obligations, citizen interest, available funds or expertise of volunteers, and the nature of the historic resources. Some communities have relied on existing state surveys of historic resources or surveys that volunteers have previously prepared locally. These surveys may need to be updated or comprehensively reviewed to provide a current inventory of resources. Will the survey be used as the basis for designation of individual buildings and structures or districts or will it be used to identify possible resources for planning purposes, with more detailed information compiled at some later date for purposes of designation? The questions and issues are many, but the answers are necessary to plan for the survey.

The Secretary of Interior’s Guidelines for Identification, as well as common practice, distinguish between two general levels of survey: reconnaissance and intensive survey. Both kinds of surveys involve gathering background data, but the level of detail and research is different.

Reconnaissance surveys are a “once over” inspection of an area, useful in characterizing its resources in general and for developing a basis of how to organize more detailed survey efforts. Such a survey may involve a “windshield survey” of a community that includes driving or walking around a community noting general building distribution, architectural styles, and modes of construction; “walkover” archaeological

There are four approaches or organizing principles (see text) to consider when doing a historic resources survey. No matter which is used, the important point is that all potential historic structures be considered for designation according to criteria in the preservation plan or ordinance. Shown here is a field survey of Fredericksburg, Virginia.
inspection; study of aerial photographs to gain a general understanding of the community's layout and environment at different times during its development; and a detailed inspection of sample blocks or areas.  

An intensive survey is designed to identify precisely and completely all historic resources in the area being studied. It generally involves detailed background research, and a thorough documentation of all historic properties in the field. An intensive survey should produce all the information needed to evaluate historic properties and prepare an inventory.  

The type of survey completed depends on the needs of the community. Either type of survey may form the basis of a preservation planning effort. A reconnaissance survey should be undertaken under most circumstances to provide the basis for further intensive research.

Surveys have become increasingly important since the decision of the United States Supreme Court in 1978 in Penn Central Transportation Company v. New York City, 438 U.S. 104, 98 S. Ct. 2646 (1978). In that decision, the Supreme Court for the first time recognized that protection of historic resources is a legitimate exercise of the local government “police power.” The owners of Grand Central Terminal, whose application to construct a cantilevered 50-story office building above the station had been rejected by the New York City Landmarks Preservation Commission, argued that protection of individual landmarks merited less judicial support than protection of historic districts. The Supreme Court rejected this argument, at least as it applied to the New York City process for designating and protecting both individual landmarks and historic districts.

But the Supreme Court was obviously influenced in its decision in that case by the comprehensive way in which the New York Landmarks Preservation Commission systematically surveyed the city to identify all potential landmarks and districts. As the Court stated, the New York City law “embodies a comprehensive plan to preserve structures of historic or aesthetic interest wherever they might be found in the city, and, as noted, over 400 landmarks and 31 historic districts have been designated pursuant to this plan.” (438 U.S. at 132).

Does this mean that a city must have a comprehensive preservation plan in place and completed a historic structures survey before it can designate landmarks or historic districts? No. New York City had an ongoing process to survey and eventually consider for designation all potential landmarks and historic districts. But it does mean that a community’s preservation program should include a process for ensuring that all potential landmarks and all potential historic districts eventually are considered for designation.

In smaller communities with only a handful of potential landmarks or one clearly identifiable district, the preservation plan may state the addresses of the significant structures and the geographic boundaries of the single historic district. In larger communities, the preservation plan may state the process for eventually reviewing all parts of the city for potential landmarks or historic districts. Among the methods for ultimately ensuring consideration of all potential landmarks or districts are the following:

**The systematic approach.** Schedule consideration by reference to discrete geographic areas or political districts of the city (e.g., north side first, then the south side, etc., or first ward, second ward, etc.) that will be considered.

**The timeline approach.** Schedule consideration of structures or districts in order of age (e.g., survey the city for all remaining structures that pre-date some critical event or date—like pre-Civil War structures in southern cities, pre-fire or pre-flood structures in other communities—and then consider structures from the next appropriate era or period, etc.).

**The stylistic/thematic approach.** Schedule consideration of structures by style or theme (e.g., first survey for all Prairie style, Federalist, Beaux Arts, pioneer settlement, Civil War era, early Industrial Revolution, etc., structures or sites, then systematically survey for other significant styles or themes).

**The crisis approach.** Schedule consideration by reference to the strength of the threat to selected historic resources. Consider the most endangered structures first, which might mean consideration of that part of the city experiencing the most redevelopment activity or the most demolition or neglect.

Whatever organizing principle is selected, the important point is that a schedule be created to ensure that all potential historic structures will eventually be considered for designation according to the criteria contained in the community’s preservation ordinance or preservation plan.

This does not mean, however, that the community must rigidly stick to a schedule and ignore other reasons for considering a particular building or district. Many communities allow individual owners or even members of the public to propose structures or districts for possible designation. Such a process can continue to operate to present potential candidates for designation to the preservation commission and the local legislative body. It does mean that a community should be proactive as well as reactive, it should have both a program for identifying and considering potential landmarks and districts as well as one for reacting to nominations brought forth by others.

Sometimes, state law requires that historic structure surveys be completed. In Oregon, all local governments (including counties) are required by state law to have comprehensive land-use plans, and every plan must contain a historic preservation plan element. Nineteen statewide goals are established that must be addressed in every comprehensive plan. Goal 5 requires that local programs be adopted to “protect scenic and historic areas and natural resources for future generations.” Historic areas are then defined as “lands with sites, structures and objects that have local, regional, statewide or national historical significance.” As part
of the Goal 5 process, an inventory of all local historic resources must be completed before the local comprehensive plan can be approved by the State of Oregon, and the resources found in the inventory process must be evaluated to determine their “quality.”

More and more communities are adding a “ranking” process to the survey or designation process. In some communities, a ranking of landmarks has been precipitated by political realities—elected officials and local governments are unwilling to treat all designated buildings the same. In other words, they want to provide different protection and incentives to landmarks based on an objective ranking system in the belief that some landmarks are more important than others. In other communities, a ranking or evaluation system is implemented solely for planning purposes—to establish priorities for designation and incentives. Sometimes, the ranking system is qualitative in that it is a relative comparison of buildings based on style, design/artistic qualities, materials, construction types, age, and rarity. And, sometimes, it is quantitative—communities assign a numerical value to each of the qualitative categories and then rank the buildings based on total “scores” and scores in particular categories.

A ranking or evaluation system has the advantages of allowing communities to set priorities in an objective manner, creating political flexibility for designation and protection of historic resources, and recognizing that there are a wide spectrum of historic resources, based in both history and architecture, that may require different types of protection and incentives. The survey and evaluation must be completed by a professional familiar with ranking systems. It is also critical that ranking be updated on a regular basis because situations may arise in which rehabilitation of a particular resource may raise its ranking or when demolition of a number of buildings of a particular style may make the remaining buildings with that style in the community unique, thereby increasing their ranking for “rarity.” Ranking systems or regulation and protection based on such systems may be inappropriate where a community has only a few historic resources, or in the case of a landmark district, where all of the resources contribute to the significance of the district so that distinctions between the resources are impossible or irrelevant.

The major disadvantage of a ranking or evaluation system is that the community’s preservation program may actually be weakened by the implementation of such a system. A ranking system provides different protection and incentive to a particular ranking—a tiered system of protection and incentives. Within such a system, less significant structures become viewed by many, including property owners, elected officials, and developers and others not familiar with the preservation of a community, as dispensable. Such a system may erode the cohesiveness of the historic district if buildings are evaluated on an individual basis as opposed to part of the district as a whole.

Over the past two decades, the historic preservation movement has recognized that what gives a community its unique character is not individually designated museum-quality structures, but rather the entire collection of historic resources. The very ranking system that is meant to help set priorities for planning purposes and provide certainty to property owners and developers may, in fact, place at risk those structures which, when considered together as a whole, constitute an important component of a community’s character and historic fabric. Therefore, a ranking system should only be undertaken after careful consideration and discussion about its likely impacts on the historic resources in and historic character of the community.

The requirement in Oregon that the quality of the inventoried historic resources be determined has led some communities to adopt a detailed system for evaluating the relative significance of inventoried historic sites, structures, and areas. Josephine County has adopted a rating system that evaluates each property in the inventory according to its architectural, environmental, and historical significance. Each of those categories is further divided into subcategories. For example, in the category of architectural significance, the subcategories are as follows:

A. Style: Significance as an example of a particular architectural style, building type, or convention.
B. Design/Artistic Quality: Significance because of quality of composition, detailing, and craftsmanship.
C. Materials/Construction: Significance as an example of a particular material or method of construction.
D. Integrity: Significance because it retains its original design features, materials, and character.
E. Rarity: Significance as the only remaining or one of few remaining properties of a particular style, building type, design, material, or method of construction.

Each historic property in the county is evaluated as “excellent, very good, good, or fair/poor” on each of those criteria, and each rating gets a corresponding number of points. For example, the maximum number of points that can be awarded for architecture is 35. Once a property has been scored, its total cumulative point score is compared to the scores of all the other historic resources inventoried. All the resources are then given a final evaluation based on those scores and included in the inventory either as of primary importance, secondary importance, or minor importance. For example, properties of primary importance are defined as “individually the most important sites, buildings, structures, or objects in Josephine County, distinguished by outstanding qualities of architecture, relationship to the environment and historical associations.”

In Oregon, potential historic districts are identified after all the historic resources have been inventoried and evaluated according to the three required criteria of location, quantity, and quality.

Other communities have also adopted ranking systems. For example, San Francisco ranked its downtown historic resources as part of the preparation of the Downtown Plan. All buildings in the downtown district were designated as Significant Buildings—Category I; Significant Buildings—Category II; Contributory Buildings—Category III; Contributory
Buildings—Category IV; or Unrated Buildings. The designations were based on research undertaken by the Foundation for San Francisco's Architectural Heritage published in a book entitled Splendid Survivors, San Francisco's Downtown Architectural Heritage. The criteria that the foundation used for its research were based on the National Register criteria, but were more inclusive. Category I buildings were of the highest importance and reflected buildings that were eligible for listing in the National Register and qualified as city landmarks; Category II buildings were also eligible for the National Register but were only of major importance; Category III buildings were contextually important because of their materials, cornice, size, and general fabric, and these may have been eligible for the National Register. Finally, Category IV buildings were background buildings that generally contributed to the fabric and character of the downtown district. The complete evaluation system included in the San Francisco Planning Code is reproduced in the Appendix C. Most communities do not use a point system. The Boston Landmarks Commission has developed a ranking system to evaluate historic significance for purposes of designation. Based upon a survey of historic resources, the Landmarks Commission established six categories of significance: Highest Significance, Major Significance, Significant, Notable, Minor, and Noncontributing. The survey and classification provides the commission with an agenda for future designation and helps to establish the protection for existing landmarks. Boston's evaluation system is included in Appendix C. The Chicago Landmarks Commission used a system to evaluate potential landmarks during its comprehensive survey of historic resources. Resources were assigned a color on a map based on their age, integrity, architectural style, and historical significance, among other issues. In this instance, the evaluation was used to help create future workplans for the commission and for future preservation planning purposes.

In other states and in other communities, districts may be identified early on in the survey and inventorying process. Evaluation of the significance of structures within a district is increasingly important. A historic district may contain some structures that are only background structures; that is, they generally contribute to the overall character of the district, but are not outstanding or primary historic resources. Other structures in the district may be "noncontributing"; that is, they do not actively participate in the qualities that give the district its overall character but neither do they specifically detract from the character of that district either. Yet other structures in the district may be "intrusions," structures that detract from the qualities that give the district its historic or architectural significance. More and more communities are classifying properties in districts according to such a rating system.

Ranking systems can be controversial. For example, federal funds for publication of Splendid Survivors, San Francisco's comprehensive survey that used a ranking system, were denied because many preservation professionals felt that ranking of historic resources was dangerous precedent. There is a concern that these buildings ranked low on the scale will be the first sacrificed for new development or the first buildings altered beyond recognition. Communities must recognize that a ranking system must be carefully designed and implemented in a positive way to promote preservation and rehabilitation. An evaluation system coupled with regulation will be successful if it is properly designed with strict protection and useable incentives for highly ranked buildings and if it provides property owners the flexibility and encouragement to promote the preservation and rehabilitation of buildings ranked lower on the scale. Communities must also understand that historic resources do not simply stand alone as individual buildings or landscapes but are part of an entire context of a community. Without this understanding, the community will lose its historic and architectural character if only "the best" buildings are protected and preserved.

EXPLANATION OF THE LEGAL BASIS FOR HISTORIC PRESERVATION

Both the legal basis of the preservation plan as well as the legal basis of any ordinances or laws interpreting and applying the goals, objectives, and policies of the plan should be addressed in the planning document itself. This is important because it helps the preservation plan stand up to legal challenges and provides more legitimacy for the plan.

If a preservation plan is a mandatory or optional element of a comprehensive local plan under state law, the preservation plan should reference that state statute. Despite the recent trend toward mandatory local comprehensive planning, most states still do not require that all local communities have land-use plans. In those states, it is sufficient to reference the state statute that gives local government the opportunity to create local land-use plans and provide any background information that supports the concept of including a historic preservation plan element for adoption in the comprehensive plan or developing a separate historic preservation plan.

In some states, a historic preservation element may be required even though not mandatory under state enabling laws governing comprehensive plans. In New Jersey, where historic preservation is only an optional element of a mandated local master plan, the state planning act specifically requires that a historic preservation element must be adopted before a community adopts and enforces a historic preservation ordinance.

Providing the legal basis for the preservation plan helps when later challenges to the plan emerge. In Lawrence, Kansas, for example, the Downtown Plan provided that the downtown retail core be preserved and protected (see the case study in Chapter 3.) The plan was used as the legal basis for supporting the city's decision to deny a developer permission to construct a regional shopping center on the fringe of town near an interstate expressway interchange.
States Mandating Local Comprehensive Land Use or Master Plans

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<th>State</th>
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1. Historic preservation is required to be addressed in three mandatory elements: land use, housing, and coastal zone management.
2. Historic and scenic resources must be considered in the plan.
3. Preservation plan element is required before adopting and enforcing preservation ordinance.
4. Plans must include “a statement of policies on the preservation of rare and irreplaceable natural areas, scenic and historic features and resources.”

COORDINATING PRESERVATION WITH ZONING, LAND USE, AND GROWTH MANAGEMENT

The simplest way to coordinate historic preservation with zoning is to make designated historic districts official zoning districts. In some states, state enabling legislation requires that local historic districts be so classified.29 In other states, communities have a choice of designating local districts either through the zoning ordinance or through “stand alone” preservation ordinances.30 In yet other states, when state enabling legislation either requires that local historic resources be handled outside the zoning code31 or the state zoning enabling legislation does not specifically mention historic preservation as a legitimate purpose of zoning,32 it is wise to base the local preservation program on some authority other than zoning.

In every community, however, it is important to clarify the relationship between preservation and zoning. Zoning variances or special use applications granted in historic neighborhoods or districts, or for properties adjacent to historic resources, can have a significant impact on the historic character of the heritage resource. For example, in a historic residential district where one of the essential qualities is a streetscape of single-story cottages with uniform setbacks from the street, an application for a variation from the setback requirements might mar the character of the district. Or a special exception application to allow a commercial use in one of the cottages might also change the character of the district. Conversely, if local zoning promotes the auto-oriented suburban model (as many ordinances do), failure to grant variances for historic properties (e.g., for parking requirements) may destroy historic streetscapes.

The role of the preservation commission in land-use, transportation, and public works decisions has to be addressed.

- Should the preservation commission have clear authority to appear at hearings of the planning board or board of zoning appeals to raise preservation concerns affected by rezonings, special uses, or variations?
- How does the preservation commission get notice of these hearings?
- How much time should the preservation commission be given to review the application prior to the hearing before the planning or zoning board?
- Can the planning or zoning board ignore the concerns of the preservation commission or must the board take the commission’s recommendation into account?
- Should all zoning and planning matters concerning or affecting historic resources, including rezonings, special uses, variations, planned unit development applications, and subdivisions, resubdivisions, or consolidations be reviewed by the preservation commission?

To adequately protect historic resources, a preservation plan must take into consideration all of the land-use management tools available in a community. Zoning ordinances must be compatible with and promote the protection of historic resources. Too frequently, zoning ordinances in general (or as applied in particular districts) allow incompatible uses and densities out of line with existing densities in a district with historic resources, thereby threatening historic resources. If prescribed zoning densities did not provide for structures of 10 to 15 stories, as is often the case in commercial districts, property owners would not have the incentive to demolish two- and three-story commercial structures. Instead of demolition, the property owner would have to look to rehabilitation to enhance property values and attract tenants. In residential districts, prescribing densities below existing densities can threaten the character of historic neighborhoods and promote sprawl-type development patterns that can pose a regional threat to historic resources. Zoning-based parking policies that place overwhelming design and economic obstacles in the
path of architects and property owners seeking to renovate and convert old buildings to new uses are another example of how zoning codes can be counterproductive to preservation efforts.

The integration of other land-use management tools with historic preservation can be accomplished in a variety of ways. A preservation plan provides the opportunity to review other land-use management tools and make recommendations for needed changes from a preservation perspective to resolve what may otherwise be viewed as competing objectives. It is also necessary to review the other elements of the comprehensive plan to insert preservation concerns. For example, the Sarasota City Plan includes a housing element that identifies the historically significant housing in the community based on its listing in the National Register of Historic Places, the Florida Master Site File (a state inventory of historic resources) or the local register of historic landmarks. In addition, the city has acknowledged in the housing element that the protection of historic resources will also serve to protect and enhance neighborhoods as well as to preserve the character of the entire community. Unfortunately, the housing plan element is silent on the methods that the city will undertake to protect and encourage the protection of the historically significant housing stock of the community, even though much of it is endangered because of development pressures as a result of existing zoning regulations. This example highlights a problem with many comprehensive plans—the community’s goals are often seemingly unenactableable because they seek to promote economic development, create affordable housing, promote tourism, protect historic, cultural, and scenic resources, and encourage new development through flexible land-use management tools, among other things. These often competing goals can only be successfully implemented where detailed preservation plans are prepared and adopted into the comprehensive plan and where historic preservation issues are integrated into other comprehensive plan elements, such as land use, transportation, housing, and public works.

The City of Albuquerque recognized that the edge districts of historic downtown residential neighborhoods were in decline or in jeopardy from the intensive commercial development pressures of the downtown core. In the downtown development plan, the established strategies address these issues—“Make downtown an asset for neighborhood use; entice neighborhood use of Downtown through shopping corridors and other connections; give interface areas their own identity; strengthen neighborhoods through neighborhood commercial revitalization as well as housing; and strengthen Downtown edges through promotion of residential projects.” The plan also called for strengthening pedestrian/transit connections and upgrading streets, and concentrating and focusing commercial development pressure within the core rather than at the edges, where it was affecting neighborhoods.

Urban Design: Future development should adhere to traditional design principles to ensure compatibility with existing structures. These principles should be articulated within the city’s regulatory framework to assure the preservation of historic resources and their settings.

Land Use: City regulations and codes should be revised and enforced to promote the preservation of historic buildings. Codes affecting historic properties should be flexible in order to promote shared use and adaptive reuse.

The City of San Francisco, in its proposed preservation plan element of the City and County Master Plan, includes the following policy:

Assure that municipal regulatory policies are conducive to preservation. Local regulatory rules often act as significant deterrents to the conservation of older buildings. All City departments should consider the impact on historic preservation in the development and enforcement of land use, building code, fire code, environmental review and other city regulations.

The preservation plan then discusses how the regulations involving the state historical building code, zoning regulations, transfer of development rights (TDRs), the California Environmental Quality Act (CEQA), and unreinforced masonry buildings may affect historic resources. Of particular significance are the following:

Zoning Regulations. Zoning regulations should be consistent with the objectives and policies of this element. Allowable height and bulk should be compatible with concentrations of historic buildings. Provisions such as allowable floor area, off-street parking, and side- and rear-yard requirements should be compatible with the aims of this Element.

Transfer of Development Rights (TDRs). TDRs can be effective as a planning tool for redirecting development away from the sites of historic buildings and may have some use in other sub-area plans. Limits on the demand for TDRs affected by the administrator of the “Annual Limit Program” on new office space should be evaluated to determine if this process and other constraints in the Downtown Plan conflict with the Historic Preservation goals of the city.

The preservation plan must address other land-use management techniques currently in effect in a community to be an effective tool for the preservation of historic resources and to promote economic development within a community or specified area of a municipality. Preservation efforts will not be successful unless other regulatory tools incorporate preservation goals and policies.

DEFINING PUBLIC-SECTOR RESPONSIBILITIES

Municipal and county governments frequently own some of the most important historic resources in the community—city hall, county buildings, libraries, schools, museums, and parks. In addition, local governments are responsible for many infrastructure improvements, including road repair and replacement.
sewer upgrading, sidewalk improvements, public transportation, and street lighting. Decisions regarding the maintenance and disposition of municipally owned property and infrastructure improvements may have substantial impacts on local historic resources, especially if that property is itself historic.

Albuquerque’s Center City Downtown Core Revitalization Strategies Plan, completed in 1990, includes the following goals to enhance the cultural heritage of the city.

Downtown shall relate in a complementary manner to other activities within the Center City. Its amenities should strengthen the immediately adjacent neighborhoods and complement rather than compete with those of Old Town. Pedestrian and transit connections should function to strengthen positive interrelationships between Downtown and other major activities within the Center City.

Downtown shall have a sense of place and a strong positive image; it should offer a unique, distinctive identity that expresses Albuquerque’s special climate, geography and cultural heritage. This distinctive character should enhance the City’s competitive position nationally, create a destination for tourism, and provide a focal point for community pride and identity.

The Downtown should offer a high-quality urban environment which respects the past, captures present opportunities, and anticipates the future. The Downtown core shall project high standards of architecture and urban design.

The City of Albuquerque developed a number of strategies that the city would undertake to meet these goals. For example, the city proposed the development of new street lighting standards that would provide consistency throughout the downtown and improve the urban surroundings. Parking and transit were also addressed in the Downtown Revitalization Plan.

The proposed preservation plan of the City of San Francisco addresses the preservation of city-owned historic resources in the following policy:

Demonstrate leadership through preserving and rehabilitating publicly owned cultural resources. A variety of cultural resources are located within public

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The City of Paris building, a Beaux Arts structure on San Francisco’s Union Square, was demolished in 1981 and replaced with a Neiman Marcus department store. Today, the preservation element of the City and County Master Plan includes provisions to “assure that municipal regulatory policies are conducive to preservation.”
rights-of-way and on/in City-owned property. City departments should consider the value of these resources in all projects involving their review and participation. Guidance is offered and should be requested from the Landmarks Board in identifying such resources for any project. Historic features such as street furniture, street lamps, granite curbstones, street markers and signs should be recycled when feasible."

A local municipality must recognize that it should act as a steward of historic resources in the community through the preservation of municipally owned property. Such recognition is necessary to add legitimacy to the preservation plan. A municipality will have only limited success in implementing the preservation plan if it does not take responsibility for the historic resources over which it has direct control.

**INCENTIVES FOR HISTORIC PRESERVATION**

A preservation program is not complete without incentives to promote the protection of historic resources. There are three reasons why incentives should be included in a preservation program.

First, incentives help to offset additional expenditures that may be necessary to comply with a historic preservation ordinance. In some cases, higher costs may be incurred to meet specific design criteria for alterations.

Second, rehabilitation of historic properties can be a catalyst for neighborhood revitalization and conservation. Carefully crafted incentives can be a spark for such district or neighborhood restoration work.

Third, there are instances where a denial of a certificate of appropriateness may be considered an unconstitutional taking. Incentives may be used to offset economic hardships that might arise in a taking.

Every incentive program must be tailored to fit the goals and objectives of preservation in the community.

While the preservation plan does not actually create or implement the incentive, it can summarize how the incentive program works and provide a timetable for its implementation. The preservation plan can also explain the various pros and cons of incentive programs and recommend improvements.

There are many types of incentives. They include property tax abatement, a property tax freeze, a property tax credit, tax-exempt bond financing, mortgage guarantees or credit enhancement, tax increment financing, relief from local sales taxes, local government acquisition and subsequent write-down of sale of historic resources for rehabilitation, direct loans or grants, and relief from zoning and building code regulations. The availability of a particular type of incentive often depends on state enabling legislation. Sometimes, existing local incentives that are available to new construction projects can be made available to owners of historic properties. For example, many communities have facade rebate programs available to property owners and tenants making improvements to commercial buildings. This type of program could be redesigned so that facade improvements to historic buildings that are consistent with the Secretary of Interior's Standards for Rehabilitation are given preference or priority over other projects. Or, as an alternative, the entire program could be redirected to historic districts or individual historic resources.

Operating expense incentives, such as property tax abatements and property tax freezes directly reduce expenses of income-producing buildings and lower taxes on owner-occupied homes. Examples from around the country involve the following:

- Commercial historic properties in Alabama are assessed at 10 percent of their appraised value, rather than 20 percent for other commercial properties.
- In Florida, state legislation permits local governments to establish an abatement program abating up to 100 percent of the assessed value of all improvements of historic properties for up to 10 years. Under the legislation, property owners and the local government enter into an agreement establishing covenants and requirements for rehabilitation work.
- Austin, Texas, provides a property tax exemption for income-producing historic properties equal to 50 percent of the assessed value of the structure and 25 percent of the value of the underlying land. No restoration or rehabilitation is necessary. Owners of single-family residential historic properties and historic properties owned by not-for-profits receive an exemption of 100 percent of the assessed value of the historic structure and 50 percent of the value of the land.
- In North Carolina, all historic structures designated by local governments or local landmark commissions are assessed at one-half of their market value. No rehabilitation is necessary, but the owner must apply annually to the tax supervisor of the county, city, or other special taxing unit. If the owner alters the structure and in the process destroys key historic features during the time that the tax relief plan is in effect, a penalty must be paid equal to the tax savings accrued for the previous three years with interest.
- Iowa provides for a 100 percent abatement of property taxes on improvements only for rehabilitated National Register properties. Abatement is taken over a period of 10 years. Taxing authorities must opt to participate in the program. Iowa also has an Urban Revitalization Area program that provides for 100 percent abatement of property taxes on residential and commercial properties. Abatement on commercial properties can be taken over a period of three to 10 years; abatements on residential properties are taken over a 10-year term.

Unlike an abatement program, a property tax freeze program typically provides that property tax assessments are frozen at pre-rehabilitation values for a certain period of time. During this period, taxes may increase annually due to fluctuations in the tax rate.
Unlike a 100 percent abatement program, the taxpayer will pay some taxes annually during the period of the property tax freeze but will not pay property taxes on the increased value resulting from the rehabilitation of the property. Examples include the following:

- Illinois provides an eight-year assessment freeze at the pre-rehabilitation value followed by a four-year step-up period for the rehabilitation of owner-occupied residential property. Substantial rehabilitation, comprising at least 25 percent of the assessor's market value, is required.

- Like Illinois, Georgia has a property tax incentive program for single-family homeowners that provides for an eight-year freeze of property tax assessments of substantially rehabilitated historic buildings. The property tax assessment is stepped up to market levels over the two years following the freeze. Unlike in Illinois, substantial rehabilitation in Georgia is defined as expenditures of at least 50 percent of the pre-rehabilitation value.

- South Carolina has combined a freeze and abatement program. Under legislation enacted in 1990, the state provides a two-year assessment freeze during the substantial rehabilitation of a historic property followed by an eight-year period in which the local government will tax property at a rate that is either 40 percent of the post-rehabilitation assessment or 100 percent of the pre-rehabilitation assessment, whichever is greater.

In addition to providing direct property tax incentives, some states and local governments explicitly require that property tax assessments for historic buildings reflect "current use" value rather than "highest and best use." In neighborhoods in which zoning permits medium or high densities and land values are consequently high, this can dramatically reduce property taxes. For example, Washington, D.C., provides that historic properties be assessed based upon their actual value for their current use. However, to qualify for this type of assessment, property owners must sign an agreement guaranteeing the property's maintenance and preservation for a period of 20 years. A number of states, including Illinois, Connecticut, Idaho, Nebraska, North Carolina, Ohio, South Dakota, West Virginia, and Tennessee, provide that assessment practices must consider the effects of preservation and conservation easements.

Maryland state law enables counties and municipalities to provide a special tax credit for the restoration and preservation of historic structures and the construction of architecturally compatible new structures in historic districts. Restoration or rehabilitation qualifies for a property tax credit up to 10 percent of the property owner's restoration expenses, and compatible new construction qualifies for a credit of up to five percent. Unused portions of the tax credit may be carried forward up to five years. (Other enabling statutes allow Allegheny and Frederick Counties and Baltimore City to establish rehabilitation assessment and abatement programs rather than the tax credit.)

Another type of property tax incentive that should be considered is a deferral program in which the taxes resulting from an increase in assessed value from the rehabilitation of a historic structure are deferred for a period of years or until sale of the property. Unlike an abatement or assessment freeze program, the deferral allows for the recapture of the property taxes due over the period of the deferral. In essence, the deferral is a no-interest loan to the property owner in the amount of the property taxes resulting from the increase in value from the improvement of the historic property.

There may be special problems associated with selecting the right incentive for income-producing historic properties. Property tax incentives can reduce operating expenses. However, downturns in the real estate market can destroy sources of capital for rehabilitation projects. Overbuilding in virtually every market across the country in the 1980s limited the supply of capital available for real estate development in
the early 1990s, particularly for office and hotel projects. When credit and capital for investment in real estate are scarce, financing incentives may be more valuable than operating-expense reductions.

Some states and communities have responded to credit shortages. For example, tax-exempt bond financing has been used to provide grants or loans to not-for-profit organizations that rehabilitate historic properties. It has also been used for private projects either to allow a government agency to purchase property for sale to a developer at a write-down or as a method for directly financing the rehabilitation project.

The Maryland Historical Trust administers a revolving loan fund for acquisition, stabilization, rehabilitation, restoration, site work, and pre-development work funded by tax-exempt bond sales. Eligible borrowers include not-for-profits, government agencies, businesses, and individuals. Preference is given to not-for-profits and projects sponsored by government agencies that include public-private partnerships. Borrowers must be unable to obtain sufficient conventional financing to complete the project and must grant a preservation easement to the Maryland Historical Trust. The maximum loan amount is the lesser of 100 percent of project cost or 80 percent of post-rehab appraised value for rehabilitation of the property; for acquisition, the maximum loan amount is 80 percent of the appraised value. The interest rate is one-eighth percent above the state’s cost of funds. The maximum loan term is 20 years.

Another form of financing incentive is mortgage guarantees or credit enhancement for some types of rehabilitation projects that are difficult to finance. The guarantee reduces the risk to the mortgagee, and benefits, such as a waiver or reduction in loan costs or a reduction in interest rates, may be passed along to the developer or property owner. It may also be helpful in securing construction or permanent financing.

Tax increment financing (TIF) can be used in historic districts. Increases in tax revenues from the redevelopment are used to pay bonds that have been issued for capital improvements. These capital improvements may include infrastructure improvements, site improvements, and purchases of land or buildings for sale to developers at a significant write-down of acquisition costs. Tax recipient agency revenues are frozen during the term of the TIF district. The increment in tax revenues is used to reduce the debt for infrastructure improvements, site improvements, and acquisition.

Other types of incentives can reduce acquisition or construction costs associated with historic rehabilitation projects. Forgiveness of sales taxes on construction materials may provide substantial savings. In some states, projects taking place within identified “enterprise zones” qualify for sales tax relief. Cities may also provide a pool of funds for acquisition of historic resources and resale at a significant write-down to purchasers agreeing to rehabilitate the historic resource.

A local government may also create a pool of funds for loans or grants for the rehabilitation of historic resources. Loan or grant pools can be financed through direct appropriations or collections from building permit fees or other fees. Among the better programs are the following:

- The City of Beaumont, Texas, has used a $250,000 Community Development Block Grant from the U.S. Department of Housing and Urban Development to create a Historic Preservation Loan Program. Under this program, the loans were used for either residential or commercial property. The loan term was for as long as 10 years with no interest. Grants were to be used for exterior rehabilitation, preservation, and the restoration of historic properties publicly or privately owned. Priority was given to residential properties.

- The Maryland Historical Trust provides grants for development planning, acquisition, rehabilitation, and preservation planning to not-for-profits, government-sponsored projects, and private individuals and businesses. Only 10 percent of the funds appropriated during any fiscal year may go to private individuals and businesses.

- The State of Arkansas has authorized a portion of the real estate transfer tax for financing of historic preservation programs, including model business grants for “Main Street” properties.

Some states have instituted tax credit programs at the state level. These programs are similar to federal tax credit programs, but such programs are typically easier to use but only apply against state income taxes. Frequently, the state tax credits can be used for rehabilitation to income-producing property and owner-occupied property.

- Colorado has a program that allows a tax credit not to exceed $50,000 per qualified property or an amount equal to 20 percent of the aggregate qualified costs incurred per qualified property, whichever is less. Rehabilitation costs must exceed $5,000. For any given taxable year, the maximum amount of the credit that can be claimed cannot exceed $2,000, plus an amount equal to 50 percent of the difference between the tax liability of the taxpayer and $2,000. The tax credit may be carried forward for a maximum of five years if the taxpayer is unable to fully take advantage of the credit in any one year.

- Wisconsin permits owner occupants of historic structures to claim a 25 percent credit against the approved costs of the rehabilitation of the structure. Rehabilitation expenditures must exceed $10,000. The structure must be listed on the National Register of Historic Places or the Wisconsin Register of Historic Places. A five percent tax credit is also provided for taxpayers of income-producing property taking advantage of the federal rehabilitation tax credit.

- Maryland has implemented a program that authorizes amortization of rehabilitation expenses incurred in connection with the rehabilitation of nondepreciable (owner-occupied, residential) property. The rehabilitation must be certified by the
Maryland Historical Trust and can be claimed ratably over a five-year period.

State income tax credits are not always effective. State income tax rates are usually so low that the benefit of the state tax credit is often insufficient to offset administrative burdens associated with the program. However, some taxpayers planning to rehabilitate their historic structure will take advantage of tax credit programs, and sometimes make improvements that they would not have considered without the tax credit.

Zoning and building code incentives are not direct subsidies. They can, however, have significant impacts on the rehabilitation of historic structures. Local communities must analyze zoning, parking, and other land-use management tools for their effect on historic structures. Simple allowances for the shifting or sale of density may provide enough incentives to owners of historic structures to undertake rehabilitation. In addition, relaxation of use classifications and variance and special use procedures for historic structures may make rehabilitation and reuse more likely. Relaxation of building codes, while not endangering the health, safety, and welfare of the public, is possible to help keep the costs of rehabilitation competitive with new construction. In addition, reductions in permit fees may also provide an incentive for rehabilitation. Relaxation of parking codes can prevent the demolition of properties or the clearing of areas near historic structures that may be necessary to comply with parking requirements.

No one incentive can ensure the preservation of all historic resources. The best preservation programs include a menu of incentives. Flexibility is important. One incentive may help one kind of building but not another. The preservation plan must explain existing incentives and provide a mechanism for their use as well as the development of new incentives. In addition, the preservation plan should provide for periodic review and analysis of incentives to determine which ones are being used by property owners and how those incentives that are currently being underused may be improved to maximize their effectiveness.

Incentives that reduce rehabilitation costs improve project feasibility. Programs that reduce annual mortgage payments also reduce annual costs of ownership. Every reduction in upfront loan costs or interest rates can help to make a project feasible. A reduction in mortgage costs can allow the borrower to borrow more money. Incentives that reduce the operating expenses, such as property tax incentives, increase net operating income or lower holding costs and thereby increase the value of the property. Property tax incentives can give an income property an edge—a pro rata share of property tax incentives are frequently passed through to the tenant. A recently rehabilitated historic property may be better able to compete against other real estate projects for tenants where a tenant knows that the cost of property taxes will be fixed through the term of the lease or that property taxes will be below market during the term of the lease.

The preservation plan must clearly articulate the need for preservation and address the most common objections to preservation incentives. Property tax incentives can be the most effective incentive but often raise the most political objections. Opponents of property tax reductions frequently argue that such incentives drain local tax revenues and encourage rehabilitation that would have occurred even without an incentive.

Studies of the Washington property tax incentive program refute this. Washington established a special property tax valuation for rehabilitated historic buildings. Under the 1985 legislation, the cost of the improvements to a substantially rehabilitated historic structure are exempt from property taxes for a period of 10 years. According to a study conducted by Washington's Department of Community Development, 122 property owners took advantage of the special valuation program between 1986 and 1991. Approximately one-third of the projects would not have occurred without the availability of the special valuation program. Estimates by the Department of Community Development indicate that $13 million was gained from additional retail sales and other tax revenue generated by the initial rehabilitation. Evidence also indicated that property tax revenue would increase by $5 million to $6 million between 1997 and 2001. Even after considering that $3 million in property tax revenue would be lost because of the incentive, the study showed that there was a total revenue gain of $15 million to $16 million, enough to offset property tax revenue lost as a result of the exemptions on two-thirds of the property owners who would have undertaken their project without the incentive.

The Washington experience is typical of what other communities across the country have found. Property tax incentives improve the existing building stock at little or no cost. In fact, because of the way in which dramatic restorations of historic structures improve the character of a neighborhood, investment in rehabilitation of neighboring structures follows. The net result is more rehabilitation and an overall increase in property values that more than offsets the small costs of the property tax incentive.

In selecting the right preservation incentive to be included in a preservation program and a preservation plan, ask and answer the following questions:

What types of incentives are allowed by state or local law?

What existing incentive programs could easily be extended to historic properties?

Do we want to assist owner-occupied historic structures, income-producing historic properties, or both?

But the most important question is to ask Whom do we want to help, and why? And, in answering this question, the community must consider the way in which the local preservation ordinance deals with the issue of the economic hardship that might be imposed when an alteration or demolition permit is denied:

Do we want to help all property owners with fixed or limited incomes or with limited funds to renovate or rehab their properties under the
sometimes more costly methods required when
certificates of appropriateness are reviewed by
local preservation commissions (i.e., use of wood
siding instead of vinyl or aluminum, restoration of
porches or cornices rather than demolition, etc.)?
Do we want to help only those property owners
who can prove that denial of an alteration or
demolition permit is an unconstitutional
hardship?

THE RELATIONSHIP BETWEEN PRESERVATION
AND EDUCATION
An important function of the preservation plan is to
outline a plan for communitywide education on
preservation issues and policies. The plan should
highlight annual meetings and celebrations revolving
around preservation, including the nationally
celebrated and recognized Preservation Week held annually during
May. Annual awards programs provide recognition for
appropriate rehabilitation, give recognition to individual
preservation efforts, garner good press, and provide
opportunities to educate and inform other residents
about the benefits of preservation.

The opportunity to bring preservation values and
policies into the public schools should also be
addressed. The Kane County, Illinois, Historic
Preservation Plan includes the following goal:

Foster public education and greater appreciation and
understanding of historic and archaeological resources,
and public support for preservation in Kane County.

An explanation of this goal provides that:
the development and continued success of Kane
County’s historic preservation program, resulting in
tangible economic and environmental benefits, requires
above all else the understanding and support of the
people of the County. The County must work with the
municipalities, the school districts, and historical and
other organizations to further a general understanding
of the importance of the historic built environment to
the continued success and attractiveness of the
County.37

The Tampa Historic Resources Element includes a
goal that provides that the city’s architectural review
commission “provide for the education of the citizens
about the City of Tampa’s historical, architectural, and
archaeological resources.” One of the objectives to
address this goal makes it the responsibility of the
commission to disseminate information about the city’s
historic resources. One of the methods that the city has
identified for implementing this objective is to establish
a speaker’s bureau, using local preservation
professionals, architectural historians, and other experts
to visit schools, clubs, and other forums to promote
preservation. The historic resources element also
provides that the commission will cooperate with
Tampa Preservation Incorporated to develop a
curriculum to “Teach the Teachers” about Tampa’s
historic resources so that those teachers can present the
curriculum to other teachers and implement it in the
classroom. The commission is also responsible for
encouraging other programs to educate students about
and create appreciation of local historic resources.

AN AGENDA FOR FUTURE ACTION
A preservation plan must include an agenda for
future action for three reasons. One, the agenda will
provide time frames and an action plan for
implementation of the goals and strategies included in
the plan. Two, the agenda will also help set priorities
for implementation of the plan. Three, an agenda allows
periodic review by local government and the
preservation commission to determine progress in
meeting stated goals, whether the goals and strategies
should be redefined, or whether priorities should be re-
established. An action agenda provides a perspective on
preservation accomplishments over time.

The action agenda for implementation of the
preservation plan can take on a variety of forms. Kane
County, Illinois, includes a separate “strategies for
implementation” section in the historic preservation
plan. Such strategies include improving the
effectiveness of the county’s historic preservation
ordinance, incorporating preservation goals into the
land-use decision process, developing cooperative
preservation efforts between county and municipal
governments, and improving education and public
awareness.

The Providence, Rhode Island, preservation plan
includes an “Action Strategy for Preservation.” (See
Appendix F.) It details the goals, actions, first steps,
time frame, and participants for implementing the plan.
While not providing specific dates, the time frames
include “immediate and ongoing,” “short term,” “mid
term,” and “long term.” The participants that are
identified to take the actions specified include
government staff and elected representatives and
agencies, private not-for-profit organizations, municipal
unions, private institutions, and neighborhood
organizations. The action strategy included in the
Providence preservation plan will enable the community
to measure its progress towards its preservation goals.38

The City of Unalaska, Alaska, has taken a somewhat
different approach in preparing its action agenda for
future action. While not as comprehensive as the
Providence approach, Unalaska has identified 14 specific
projects that the city and historical commission should
undertake to promote the preservation of the
community’s historic resources. As examples, the
preservation plan provides that the historical
commission should: propose and assist in the drafting of
a local historic preservation ordinance for the city;
continue the Cultural Resources Inventory of Unalaska
city limits and surrounding areas and publish the
inventory; nominate the Jesse Lee Home dormitory to the
State Register of Historic Places and the National
Register of Historic Place; develop a resource library on
Unalaska, prehistory to the present; and preserve the
prisoner of war stockade guard tower in Unalaska
Valley. The activities involve a variety of preservation
strategies, including drafting regulations, recognizing
important resources, and developing educational
materials. In addition, the Unalaska preservation plan
lists other projects that it hopes to influence but that require the cooperation of federal and state agencies as well as private interests. The agenda for action can also be incorporated directly into the goals, objectives, and strategies of the preservation plan by providing a time frame for implementation of the objectives and strategies. Time frames, even when not mandatory, provide a necessary touchstone for measuring success and adjusting priorities.
Chapter 3. Preparing and Implementing a Historic Preservation Plan

Preservation plans never appear magically. They only get adopted by a community after a considerable amount of hard work by many people. Usually, it is the local historic preservation commission, where one has been established, that takes the lead role in pushing for adoption of a preservation plan. Where there is no established preservation commission, the local preservation advocacy group should take the lead in advancing the concept of preservation planning.

In the few states where state law dictates that local comprehensive plans contain a mandatory historic preservation element, it may simply be enough for the local preservation commission to remind the village board, city council, or county commission of the requirements of state law. In such situations, the municipal or county attorney may be the best ally in convincing the council or board that the state requirement must be met.

In states where preservation elements are optional parts of comprehensive plans, another implementation strategy is necessary. The village board, city council, or county commission must be convinced that the time, effort, and expense necessary to draft and consider a preservation plan will be worthwhile. This can be accomplished in a variety of different ways, including the following:

- Emphasize the economic benefits that will result from a comprehensive preservation program in the community (e.g., encouragement of more renovation and restoration of historic structures, neighborhood revitalization, tourism development, etc.)
- Use volatile public policy disputes over preservation versus demolition of a particular historic structure as evidence that there is a need for reaching consensus on preservation goals and objectives
- Point out how other communities have successfully integrated comprehensive planning and historic preservation
- Convince the city administrator and/or planning/community development staff that a preservation plan is in the community’s best interest
- Convince key members of the plan commission or zoning board that adoption of a preservation plan element will eliminate uncertainty about their role in preserving the community’s heritage
- Ensure that the planning professionals selected to prepare the mandatory elements of a comprehensive plan also understand historic preservation planning and are advocates for including an optional preservation plan element in the comprehensive plan

As the case study from Atlanta, Georgia, (below) clearly points out, a crisis over demolition of a key historic structure or group of historic structures can be the catalyst for sound historic preservation planning. Find a champion for preservation planning on the city council or village board, and work with that advocate to convince other members of the governing body that preservation planning will clarify preservation objectives and defuse future disputes about historic preservation.

Other important points to remember are the following:

- Be sure that the process for preparing a historic preservation plan fairly considers all points of view about historic preservation
- Include members of the major interest groups and constituencies with stakes in preservation in the process for preparing the plan, and understand their agendas
- Carefully consider the extra staff time involved in preparing and implementing a historic preservation plan and carefully quantify the likely costs associated with implementation of likely goals and objectives
- Be prepared to compromise in order to ensure that a workable preservation plan emerges
- Avoid jargon and write the preservation plan in plain and simple English
- Look for sources of state or federal money to offset some of the costs of preparation of the plan
- Use preservation plans from other communities to generate ideas and discussions, but do not simply copy another city’s plan as your own—tailor your preservation plan to fit your circumstances

KANE COUNTY, ILLINOIS: THE EVOLUTION OF A PRESERVATION PROGRAM

Kane County, Illinois, is located about 40 miles west of Chicago. Once, its settlement was scattered over approximately 522 square miles of rolling corn and soybean acreage. But now, according to the 1990 U.S. Census, the county’s population is 317,471, or fifth in total population of 102 counties in the state. Established as a county in 1836, the early settlers were Americans rather than Europeans. Since the late 1950s, the number of farms and the total acreage in agricultural use have declined, most of the county’s cities and towns have grown significantly, and residential development has expanded into rural agricultural areas as expressways and interstates made it part of Chicago’s outer suburban fringe. Despite these changes, the rural and urban
The landscapes of Kane County still include many of the features characteristic during the time of its early settlement. To help preserve what was remaining of its rural landscape and make people aware of its importance, Kane County has adopted a countywide historic preservation plan.

The impetus for preservation first emerged in 1977 with the publication of *A Barn Sampler: Rural Architecture in Kane County*. The book called attention to the county's rural heritage and to its historic and architectural resources. *A Barn Sampler* also called for a thorough investigation and inventory of the county’s farm structures as a first step before any sort of rural preservation plan was developed. A partial inventory was undertaken during the summer of 1977 and was published in 1980 with the assistance of state funds, followed later by an inventory of some of the economic, social, and cultural resources of the small rural centers of the county.

In 1985, the state enacted the county preservation act, which, for the first time, gave counties the explicit authority to undertake preservation planning and adopt preservation ordinances. During 1986 and 1987, the Kane County Development Department conducted a systematic rural structures survey with financial and technical assistance from the state, using historical research and visual assessment in the field. All structures built before 1945 in unincorporated Kane County and the incorporated rural villages located in its western portion (west of a north-south urban corridor) were surveyed. Surveyors used historic maps, county histories, interviews, and updated forms from previous surveys to conduct historical research before the survey commenced. These resources provided information relating to the location of structures, a general analysis of architectural styles, settlement patterns, local history, and other pertinent data necessary for the completion of the survey. Through visual inspection, the surveyors were able to document architectural style, approximate age, integrity, exterior building materials, and the building’s function. The relationship between structures on farmsteads was also noted. The results of the survey provided the documentation required for the county to pursue a historic preservation program.

In 1987, the Kane County Historic Preservation Committee was established by the county board to oversee the rural structures survey, to evaluate the historic resources inventoried through the survey, and to recommend if action was needed to protect the county’s historic resources. The committee was authorized to investigate the power and authority available to a preservation commission and to prepare a report to the county board concerning the need for a preservation ordinance. After reviewing the rural structures survey, the committee determined there was a need for a preservation ordinance for the county.

The Kane County Historic Preservation Ordinance was adopted in 1988. It was the first county historic preservation ordinance enacted in Illinois. The ordinance established a historic preservation
commission, provided the commission with the power to propose landmarks or preservation districts for designation by the county board to a register of historic places, and mandated review by the commission of significant alteration, construction, or demolition performed on a county landmark. The ordinance was adopted in phases to give the commission time to establish bylaws, procedures, and standards before accepting nominations to the register of historic places. The preservation ordinance also required that the commission prepare a preservation plan for consideration by the county board. In 1989, following completion of the rural structures survey and establishment of the historic preservation commission, a preservation plan was completed and provided the foundation for the historic preservation program for Kane County. The preservation plan element was incorporated into the county’s comprehensive plan in 1990. A statement of the plan’s goals is provided in Appendix E. The county published the results of the rural structures survey in 1991.

Kane County is an example of a local government moving methodically to establish an overall preservation program. Early historic structure surveys provided the basis for further development of a complete preservation program. Education and awareness of the benefits of historic preservation, as a result of the surveys, increased among residents, elected officials, and other county stakeholders. This led to establishment of a task force and, later, creation of a preservation commission as part of a preservation ordinance. County staff, elected officials, and interested residents also realized that the preservation ordinance would be ineffective without a comprehensive survey of historic structures and completion of a historic preservation plan. Thus, in a little over five years, Kane County established the foundation for a complete preservation program.

SAN FRANCISCO: THE IMPORTANCE OF A SURVEY AND EVALUATION SYSTEM

In 1985, the City of San Francisco adopted its Downtown Plan, which was designed to encourage the preservation and protection of historically and architecturally significant downtown buildings. Specifically, 434 buildings were targeted. Of these buildings, 246 structures are protected by strict demolition controls. In addition, six conservation districts were created that provide protection for the other 188 buildings. One of the most important and controversial elements of the downtown plan was the historic resources survey that ranked buildings based on their architectural and historic merit.

Many preservationists and architectural historians reject objective systematic evaluation systems because they feel that aesthetic qualities of architecture cannot be quantified. Such systems, however, have become increasingly acceptable and reliable. Objective evaluation systems have long been requested, if not required, by political leaders, city planning officials, real estate developers, and others in a position to influence land use and development. Those concerned with the preservation and protection of San Francisco’s historic and architectural resources recognized the need to complete a survey and evaluation system based on objective criteria that would result in the ranking of resources in the city’s downtown. The highest-ranked buildings were protected by strict demolition controls.

The San Francisco survey and evaluation process began in two different forms. The first survey, a windshield or reconnaissance survey, was annotated by planning department staff. Following their survey, a group of architects and historians were empaneled to rank the buildings identified in the survey. In 1979, based on methodology developed by Harold Kalman in his book, The Evaluation of Historic Buildings, A Manual, the Foundation for San Francisco’s Architectural
Heritage, a private, nonprofit organization, began its own detailed survey of historic resources. The survey project was comprised of four parts—field survey, research, evaluation, and final evaluation. The results of the surveys were published by the foundation in Splendid Survivors, San Francisco’s Downtown Architectural Heritage.

The field survey was undertaken in three stages: an initial survey of buildings; a second survey of urban design elements, including streetscapes, civic art, and other street furniture; and a third survey to identify potential historic districts. Completion of the field survey resulted in an inventory of buildings. Subsequently, a research phase was undertaken by the planner and architectural historian that conducted the field survey to document the inventory.

The most significant aspect of the survey project was the method of evaluation used for buildings and other cultural resources. The designers of the evaluation system had two primary goals: “to evaluate the buildings, urban design elements, and historic districts [included in the inventory] on the basis of explicit objective criteria” and to present the system “in a form which can be readily understood by political leaders, public agencies, private real estate and business interests, and the general public” so that it could succeed in protecting and preserving historic and architectural resources. The methodology used to rank the buildings is shown in Appendix G.

In this evaluation system, unlike others, each criterion is evaluated separately and then weighted. In other words, for each building and urban design element in the inventory, the 13 criteria (style/type, construction, age, etc.) within the four major categories (architecture, history, environment, integrity) was rated as Excellent (E), Very Good (VG), Good (G), or Fair/Poor (F/P). Then, that rating was numerically weighted based on the criterion’s importance. For example, an E rating for Design was worth 20 points, but an E rating for Construction, a relatively less important criterion, was worth only 12 points.

Once the ratings were translated into numbers, the numbers were totaled and points were subtracted for alterations, producing a composite score. The composite scores were tentatively placed into four categories of value—A, B, C, and D—pending confirmation by independent outside review.

The following provides further definition of the various rankings.

A. Highest Importance—Individually the most important buildings in downtown San Francisco, distinguished by outstanding qualities of architecture, historical values, and relationship to the environment. All A-group buildings are eligible for the National Register, and of the highest priority for City Landmark status.

B. Major Importance—Buildings which are of individual importance by virtue of architectural, historical, and environmental criteria. The buildings tend to stand out for their overall quality rather than for any particular outstanding characteristics. B-group buildings are eligible for the National Register, and of secondary priority for City Landmark status.

C. Contextual Importance—Buildings which are distinguished by their scale, materials, compositional treatment, cornice, and other features. They provide the setting for more important buildings and they add visual richness and character to the downtown area. Many C-group buildings may be eligible for the National Register as part of historic districts.

D. Minor or No Importance—Buildings which are insignificant examples of architecture by virtue of original design or, more frequently, insensitive remodeling. This category includes vacant buildings and parking lots. Most D-group buildings are "sites of opportunity."

Not Rated—Buildings which have been built or suffered insensitive exterior remodelings since 1945.

Following completion of the in-house evaluation of buildings and urban design elements, three independent outside professionals were invited to review the results. The systematic review procedure was designed to reinforce the objectivity of the evaluation and to clearly explain any adjustments made. The consultants were asked to look at the files on each building and urban design element, and to either confirm or reject the evaluations given for individual criteria and the resulting final inventory group. Afterwards, adjustments were made to the ratings in light of the comments by the consultants. The city planning staff reviewed the foundation’s survey; less than five percent of the buildings were re-ranked as a result of the review.

As pointed out in Splendid Survivors, the scoring system used in the inventory is a planning tool that is more complex than its final evaluation rankings might suggest. The final rankings were only summaries, and when questions arise about the future of a building or district, the entire evaluation must be reviewed for both the ratings of its separate criteria and for the evaluators’ comments. This is particularly important for buildings that ranked below the highest grouping, which might have scored so well in one or more of the categories that they merit special consideration. For example, according to the results published in Splendid Survivors, there are some low-ranking buildings that scored high in continuity and which possessed certain desirable characteristics that would enhance the downtown.

Despite the questions about the appropriateness of ranking historical and architectural resources, the survey was published and used as the basis for creating categories to rank downtown historic resources. Each of the downtown buildings and urban design elements included in the inventory were designated by city ordinance based on the evaluation system.

San Francisco Planning Code
Section 1102. Standards for Designation of Buildings. The buildings in the C-3 District are divided into five categories according to the Building Rating methodology as set forth and explained in the Preservation of the Past section of the Downtown Plan, a component of the Master Plan. Those categories are as follows:
a) Significant Buildings—Category I. Buildings which:
   1) are at least 40 years old; and
   2) are judged to be Buildings of Individual Importance; and
   3) are rated Excellent in Architectural Design or are rated Very Good in both Architectural Design and Relationship to the Environment.

b) Significant Buildings—Category II. Buildings:
   1) which meet the standards in Section 1102(a) above; and
   2) to which, because of their depth and relationship to other structures, it is feasible to add different and higher replacement structures or additions to height at the rear of the structure, even if visible when viewing the principal facades, without affecting their architectural quality or relationship to the environment and without affecting the appearance of the retained portions as separate structures when viewing the principal facades. The designation of Category II Building shall identify for each building the portion of the building beyond which such additions may be permitted.

c) Contributory Buildings—Category III. Buildings which:
   1) are located outside a designated Conservation District; and
   2) are at least 40 years old; and
   3) are judged to be Buildings of Individual Importance; and
   4) are rated either Very Good in Architectural Design or Excellent or Very Good in Relationship to the Environment.

d) Contributory Buildings—Category IV. Buildings which:
   1) are located in a designated Conservation District; and
   2) are at least 40 years old; and
   3) are judged to be Buildings of Individual Importance, and are rated either Very Good in Architectural Design or Excellent or Very Good in Relationship to the Environment;
   4) are judged to be Buildings of Contextual Importance and are rated Very Good in Architectural Design and/or Excellent or Very Good in Relationship to the Environment.

e) Unrated Buildings—Category V. Buildings which are not designated as Significant or Contributory.

Under the ordinance, affected property owners and historic preservation organizations were given 45 days to challenge the designations. As a result, some building and urban design elements were recategorized; this process gave both property owners and historic preservation organizations the opportunity to argue that some of the buildings were not correctly ranked and should have been ranked higher or lower.

The protection and incentives provided for each category are based on the ranking system. For example, the highest-ranked buildings are provided the greatest protection from demolition and insensitive alteration. For example, additions to Significant Buildings—Category I are limited to one story above the height of the existing roof up to 75 percent of the roof area. In contrast, a new structure or addition to a Significant Building—Category II may be of greater height than the existing building even if the addition is visible from the ground level at the principal facades. The lower ranked buildings are provided less protection from alteration or demolition, but adaptive use of the building is encouraged. For example, the zoning administrator must approve applications for demolition of Contributory Buildings—Category III where a building or site permit for a replacement building on the same lot has been approved. In addition, in the event development rights have been transferred from a building site, the building, whether ranked as Significant or Contributory, is protected from demolition.

The survey resulted in strong protection for historic resources included in the downtown plan. The foundation noted that a ranking system that identified all historic resources but which placed greater importance on some than others based on objective criteria helped to give the survey legitimacy in the political process. However, it is important to recognize the limitation of ranking systems. It is not possible to say that a 75-point building is better than a 70-point building. It is only possible to say that buildings within a certain range are more important historically or architecturally than those within a lower range. In addition, it is not possible to use the evaluation ranking system without reference to the ratings of individual criteria and a complete explanation of those criteria. As pointed out earlier, a building may be worthy of a higher ranking because of an extremely high score in one or more of the criteria categories used to evaluate historic resources. In these cases, a low overall score may not be truly indicative of the significance of a particular resource. Communities considering a survey that ranks their historic resources should contact their state historic preservation office before undertaking the survey. The state office will provide examples and techniques for an appropriate survey.

The preservation planning process continues to evolve in San Francisco. A separate preservation plan for the entire city of San Francisco was never adopted following completion of the downtown plan in 1985. Preservation objectives and policies were included in the city's Master Plan in a variety of plan elements, including Community Safety, Recreation and Open Space, Residence, and Urban Design. According to the proposed preservation plan:

- The need to provide a broad policy framework for all of
the various preservation activities—past, present, and future—and the need to "modernize" and strengthen the landmarks legislation led to the effort to develop a Master Plan element dealing with historic preservation and the companion effort to revise Article 10 [the city’s landmarks ordinance].

In 1987, the city appointed The Preservation Task Force to prepare a preservation plan element and make recommendations for amending Article 10. The task force held public hearings and public meetings over a five-year period to draft the historic preservation plan. As a result of this process, the task force established objectives and policies to advance historic preservation in the city. The task force created objectives and policies for a number of historic preservation “categories”: inventory of historic resources, buildings, and sites; design of alterations and new construction; street features; archaeological resources; preservation incentives; and public information. For instance, the category “Inventory of Historic Resources” included the following objectives and policies:

Objective 1: Establish and maintain an inventory of important historic resources and their settings and retain information important to their understanding.

Policy 1: Survey structures and sites which appear to be 50 years old. Evaluate them to determine which contribute to the historic identity of San Francisco. Coordinate existing survey and evaluation systems.

Policy 2: Consider as a potential cultural resource, any building or structure which appears at least 50 years old and has not yet been surveyed, or which was surveyed more than 10 years ago.

Policy 3: Identify, recognize, and protect information of importance to an historical understanding of San Francisco’s built environment and sites.

In addition, the proposed preservation plan featured an action plan for implementation.

The preservation plan was adopted by the Landmarks Preservation Advisory Board on February 5, 1992. Because of changes in city administration, the preservation plan was never adopted by the Planning Commission and, therefore, was not made part of the city’s Master Plan. The Landmarks Preservation Advisory Board scheduled special hearings concerning the proposed preservation plan for April 1994. Following those hearings, the Planning Commission will again consider incorporating the proposed preservation plan element into the existing Master Plan.

BUILDING A PRESERVATION PLANNING CONSENSUS: BALTIMORE AND ATLANTA

In many communities, the conflicts between preservationists and development interests are so severe that effective planning and protection for historic resources is made impossible. In recent years, however, some communities, in the wake of public squabbles over protection vs. demolition of key landmarks, have brought the opposing sides together in a process to eliminate procedural stalemates and clear the air of charges and countercharges about historic preservation.

In Baltimore and Atlanta, this has been done in the context of sound preservation planning.

Downtown Baltimore Strategy

Baltimore has a long history of creative urban planning as dramatically revealed in the award-winning redevelopment efforts around the Inner Harbor adjacent to downtown. These efforts have transformed a formerly derelict industrial waterfront into a major tourism, retailing, and cultural center. As Baltimore began to expand its renewal and revitalization program away from the waterfront to other parts of downtown, conflicts between advocates of historic preservation and advocates of new construction began to appear.

In 1989, the city’s mayor formed a blue ribbon committee of leading citizens and public officials to create a vision and develop a framework for downtown development over the next 20 years. The result was to be a Strategy Management Plan for downtown Baltimore.

Seven issues were developed for analysis. Each issue was to be addressed by a Technical Advisory Committee (TAC). One of the issues was selection of the "appropriate balance" between historic preservation and new construction in downtown Baltimore. In the final report of the TAC, the reason for focusing on this issue was made clear:

This issue was chosen because major controversies have erupted over the past several years pitting developers and preservationists against each other, and leading to concerns about the future pace of downtown development. In three instances, buildings considered significant by many preservationists were approved for demolition; in a fourth instance, the Commission for Historic and Architectural Preservation (CHAP) and the Planning Commission recommended a list of buildings for local landmark designation, but the City Council, in reviewing the recommendations, deleted one by one buildings where the owners vigorously opposed listing.

Members of the Preservation/Development TAC were selected to provide a cross-section from three constituencies: the preservation community, the real estate and development community, and city officials. Technical and administrative support for the six-month process of intensive discussions and negotiations was provided by various city staff, including representatives from the Department of Planning, Center City-Inner Harbor Development, Inc., and Housing and Community Development. Because of the significance of downtown Baltimore’s historic resources, representatives from the Maryland Historic Trust were also involved. Three national experts were retained by the city to facilitate the discussions and analysis, and move the process forward.

The purpose of the TAC meetings was consensus building. Each of the three constituencies was asked to clearly articulate its position on critical preservation/development issues and “search for common ground and agreement while carefully defining areas of disagreement and the basis for them.” Three “critical issues” were identified to focus the discussion:
Designation, Incentives, and Certainty and Clarity. For each of these issues, the TAC report summarized the viewpoints of each of the three constituencies, identified key issues raised in discussions, and made recommendations. To be included in the final report, recommendations had to be approved by the entire TAC.

Perhaps the most difficult questions involved the issue of "Clarity and Certainty." Representatives of the real estate community on the TAC were most concerned about this issue and had to first clearly articulate their concerns so that the members of the TAC could understand. Each interest group approached this issue slightly differently, as is clear from the their viewpoints, which were recorded in the TAC's final report.

Preservationists want a process that will result in listing buildings and districts of significance, that will provide predictable protection of these resources, and that allows for public input in the process. Preservationists want a system supportive of preservation that will not result in significant buildings being demolished prematurely when a replacement structure is not yet fully approved and financed. They want assurance that City officials will implement and enforce the policies and administrative process for historic preservation established by the City Council.

Development interests want to know what building and districts will be designated and what protection will apply. They want the City to establish a legal and administrative process that is stable, comprehensive, predictable and equitable. Development interests want to know that there is some flexibility in the designation and protection process to allow for reconsideration of decisions in cases of truly special merit where the protection of buildings of lesser historic or architectural significance might jeopardize the implementation of a major new development project of overwhelming importance to the city.

City officials want agreement between preservationists and the development interests as to what should be saved in order to avoid politicizing the decision-making process. They are concerned above all with the economic health of the city and want policies and procedures which don't hamper their ability to sustain and strengthen the economic well-being of the city.

They therefore want preservation policies that allow consideration of the public benefit of a project that could bring major new economic benefit to the city.

Specific recommendations for improving clarity and certainty resulted. Among the more significant were the following:

- Completion of the downtown survey of historic resources and a ranking of historic structures by architectural/historical significance with degree of protection corresponding with ranking
- Creation of a "Designation Advisory Committee" (DAC) balanced between preservation and business interests to develop a consensus on which buildings in the ranked survey should be designated and protected
- Inclusion of the DAC-approved buildings in urban renewal plans for downtown neighborhoods
- Reconsideration of the survey and ranking decisions only on a pre-arranged schedule, perhaps once every five years

Creation of an "Economic Review Panel" to review financial data when claims of economic hardship resulting from demolition denials are made.

When development projects are of possible "exceptional public economic benefit to the city as a whole," a "Public Benefit Review Panel" of five people appointed by the Mayor to weigh the degree of public benefit against the relative historic or architectural significance of the threatened structures.

Criteria for considering "exceptional public benefit" would be based upon a specified minimum project cost (e.g., $10.0 million), specified minimum number of new jobs, amount of new tax revenues generated, uniqueness of the project, feasibility of locating the project elsewhere, significance of the public amenity or cultural attraction created by the new project compared to the historic resource.

The report also included eight specific measures (with a completion timetable) for implementation of the report:

- Complete a comprehensive survey of downtown historic resources that includes a ranking system
- Establish a Designation Advisory Committee to develop a consensus on individual properties and districts to be designated
- City sponsorship of an "omnibus historic preservation bill" in the state legislature to create incentives for preservation/rehabilitation
- City enactment of a local economic incentive package for historic structures
- Amend all downtown urban renewal plans to include a preservation element
- City council reiteration of support for traditional due process considerations in historic preservation decision making and emphasis that designations should not be made based on consideration of owner support or opposition
- Comprehensive review and amendment of the Historical and Architectural Preservation Ordinance based on recommendations in the report of the Technical Advisory Committee, with an emphasis on changes to administrative procedures whenever possible
- Secure Certified Local Government status for Baltimore's preservation program from the State of Maryland

Atlanta's Comprehensive Historic Preservation Program

Many of the organizational techniques used to build consensus among the various interest groups involved in the Baltimore Preservation/Development Technical Advisory Committee were borrowed from the earlier successful efforts in Atlanta that created consensus in an even more politically charged atmosphere.

There were significant differences, however, between the Baltimore and Atlanta situations. In Atlanta, the preservation planning initiatives were part of a broader "visioning" process for the entire downtown involving a series of other technical advisory committees in addition to the one that focused on preservation/development disputes.

In Atlanta, the focus of the effort was exclusively
preservation. And the planning effort moved quickly from the publication of the planning document to the implementation of the recommendations. The principal reason was quite simple—Mayor Andrew Young took a personal interest in the issue, was an active member of the task force meetings to resolve the preservation/development impasse, and personally signed (together with the other task force members) the Executive Summary of the Atlanta planning document.

The Atlanta process was more adversarial than the Baltimore process. In spring 1986, conflicts between preservationists and developers in Atlanta came to a head. Several historic structures were demolished and bitter controversy developed over proposed designations of a number of historic districts and individual structures. Local newspapers played up the controversies. Government, business, and preservation leaders met and agreed to use “mediated negotiation” to end the impasse. The city applied to the National Trust for Historic Preservation for a Critical Issues Fund grant, which was approved and which made it possible for the city to bring in both professional mediators and substantive experts. The process was called the Historic Preservation Negotiation Project and the Institute for Environmental Negotiation at the University of Virginia with assistance from the Southeast Negotiation Network at Georgia Institute of Technology were brought in to run the project. It was important that the mediators be perceived by all participants in the project as impartial.

Atlanta’s preservation program aims to preserve and maintain sites and structures that serve as significant, visible reminders of the city’s social and architectural history. Shown here, the historic Carnegie Building with the Peachtree Westin Hotel as a backdrop.

The process began with a series of interviews and fact-finding activities by the mediation team. A Policy Steering Committee of 17 people, consisting of the following members, was named: the mayor, four city council members, the commissioner of community development, chairman of the urban design commission (the principal board charged with designation and protection of historic resources in Atlanta), five representatives of the downtown property owners/developers, and five representatives of the preservation community.

The steering committee met 10 times over 10 months. Between meetings, task groups met separately on specific issues. The three separate interest groups represented on the steering committee (government, development, and preservation) each had their own caucuses at various times during the process. At some committee meetings, technical consultants presented reports on preservation issues and answered questions. Four major areas for discussion were identified:

Process and implications of designating historic properties
Economic incentives associated with designation
Conditions for demolition of designated properties
Linkages with city planning and development programs
Through all four of the discussion areas, there was another common issue—"potential economic hardship incurred by a property owner as a result of designation as a landmark."

At the end of the face-to-face negotiating sessions, key points of agreement were summarized in the executive summary signed by each steering committee member as follows:

- The goals and objectives for historic preservation in Atlanta
- The process that should be used to designate particular historic properties and districts for regulatory protection
- Mechanisms for dealing with the economic issues associated with preservation, including rehabilitation incentives, compensation and determination of economic hardship
- Ways to integrate preservation with ongoing downtown planning and development decisions.

In the goals section of the executive summary, the steering committee recognized that "Preserving these properties which are 'uniquely Atlanta' builds community pride and makes Atlanta a special place for its citizens, businesses, and visitors." The goals recognized were as follows:

- To preserve and maintain sites and structures that serve as significant, visible reminders of the City's social and architectural history
- To contribute to the economic development and vitality of the City
- To preserve the character and livability of Atlanta's neighborhoods and strengthen civic pride through neighborhood conservation
- To integrate historic preservation more fully into Atlanta's Comprehensive Planning process

Agreed changes to the process for designation and protection were as follows:

- Use of criteria established by the National Register of Historic Places to identify the inventory of historic resources in Atlanta
- Five categories of protection and administrative review to which sites and districts can be nominated, including a new landmark category
- Evaluations prepared by the Urban Design Commission and the Department of Community Development, with input from property owners, neighborhood, business, and civic organizations
- Designation decisions made by the City Council and the Mayor
- Criteria for determining the appropriateness of requests by property owners to demolish or alter designated properties
- A special review panel of qualified experts to decide cases where owners of designated historic properties assert economic hardship as well as guidelines to assist this panel in its determinations
- A list of income-producing buildings and districts located in the downtown and midtown business district to be proposed for nomination to specified categories during the first round of nominations, with the understanding that other buildings and districts throughout the City will also be considered for nomination either simultaneously or subsequently

An interim control ordinance that protects these first-round buildings as well as the existing stock of Urban Conservation sites

Adoption of four incentives was recommended by the steering committee:

- A tax abatement program allowing for a freeze on taxes for any income-producing building designated as a landmark or a contributing building in a landmark district for 10 years from the point of designation
- A tax abatement program allowing for the abatement of taxes on the increased value resulting from rehabilitation of income-producing buildings designated as a landmark or a contributory building in a landmark district
- A revolving loan fund for historic rehabilitations to be financed through public and private contributions with efforts to encourage banks to provide loans for rehabilitating historic properties
- A program for seeking out endangered buildings and taking steps to encourage their preservation and rehabilitation, including offering financial incentives

Four recommendations were made in the Executive Summary for better integration of historic preservation into citywide planning and zoning strategies:

- Expanding the use of preservation easements
- Use of the revitalization program for neighborhood commercial areas to combine neighborhood preservation and revitalization
- Review of code enforcement procedures to be certain they reinforce preservation goals
- Assign new building inspectors to preservation-related inspection

A key part of the steering committee report was an implementation plan and a timetable for accomplishment of each step in the process. Specific implementation tasks were assigned to city officials and boards.

Coinciding with completion of the steering committee work, Mayor Andrew Young signed an administrative order prohibiting demolition or substantial alteration of select historic structures until such time that the city council completed its deliberations on an Interim Development Controls Ordinance proposed by the steering committee. The city council then adopted that ordinance to govern the review of demolition and alteration of historic structures until comprehensive revisions to the preservation process could be adopted.

One year after the report of the steering committee was published, a comprehensive new preservation ordinance in Atlanta was adopted by the city council. Enactment of the new legislation broke the logjam on historic designation in Atlanta. In the first six months following its enactment, the city council designated 34
buildings as "landmarks" and four other structures were declared "historic," a designation that provides a lower level of protection. The city council did not accept every recommendation of the Urban Design Commission, however. Three individual buildings and a proposed 10-block historic district were rejected for landmark status.

In addition, the city implemented a tax abatement program following adoption of state enabling legislation. The program allowed for a freeze on taxes for any income-producing building designated as a landmark or a contributing building in a landmark district for 10 years from the date of designation. Also, the state adopted a tax abatement program that considered the increased value resulting from rehabilitation of buildings designated as landmarks or contributing buildings in landmark districts.

IOWA CITY, IOWA: A COMPREHENSIVE PROCESS

The process for preparation of a historic preservation plan is nearly as important to successful implementation of the plan as the plan itself. The process must be one of education, consensus building, and empowerment, and must include community residents, business leaders, elected officials, city staff, and other stakeholders.

Iowa City, Iowa, platted and surveyed in 1839, was the capital of the Territory of Iowa, and later, the State of Iowa, until 1857 when the capital was moved to Des Moines. By the time of the removal of the capital, Iowa City was a well-established community with schools, churches, mills, factories, and a substantial business district. The University of Iowa was established in Iowa City in 1855 and has had a profound effect on the development of the city.

Iowa City undertook a preservation planning process that proceeded for more than 12 months. In June 1990, the Iowa City Historic Preservation Commission submitted an application for funding to the Iowa State Historical Society’s Historic Resource Development Program. The commission outlined an aggressive program for establishing a comprehensive preservation plan document to guide future historic preservation efforts in Iowa City. The funding request was approved in September 1990 by the Iowa State Historical Board, and a contract with the Iowa State Historical Society was executed between Iowa City and the society.

The historic preservation commission