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Sustainable Economic Catalysts

Revitalizing Maine Communities Conference

June 3, 2010

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 movements rather
 than rights movements
 Sustainability requires stewardship
 There can be no sustainable development without a central role for historic
 preservation Those who are doing that today, future generations will thank
 tomorrow

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Thank you. I always enjoy coming to Maine from Washington. I live exactly half way
 between the White House and the Capitol Building. I'm actually not involved in politics
 at all. But you cannot be in the middle of the District of Columbia and not get a sense of
 the political landscape there. And here is my report to you: Susan Collins and Olympia
 Snowe are the only two members of the United States Senate of either party who
 consistently put country ahead of politics; who have a greater sense of obligation to their
 constituents than their campaign contributors; who weigh difficult decisions with

reasoned discussion, not with how loud they can yell; who do far more listening than talking; and who consistently avoid the manipulative demagoguery of both the right and the left, and reflect the values of the ideological center where most Americans, but not most politicians, are situated. And it is remarkable that these two Senators come from the same State. That speaks volumes about the common sense and the sense of responsibility of the citizens of Maine. And for the rest of us who are far less ably represented, thank you Maine. Congratulations.

Greg Paxton has been a friend of mine for nearly 20 years. And I was so pleased for both Greg and for preservationists in Maine that he found his way up here. My book, *The Economics of Historic Preservation* is really not much more than a series of quotations and citations from a variety of people about what has been learned about the relationship between our historic built environment and the local economy. But the very first person I quoted in that book was Greg who had written at the time, "The economic benefits of historic preservation are enormous. The knowledge of the economic benefits of preservation is minuscule." So I've been spending most of my thinking, writing, working and speaking time in the last two decades trying to expand the knowledge of those economic benefits, and that's my assignment here this morning.

In case you've slept through the last thirty-six months, we have fallen into economic chaos.

This is not just one more, albeit deeper, downturn in the business cycle. This is financial Aids. There are fundamental changes taking place and what the economy will look like at the other end no one knows.

The biggest risk is not that this very deep recession is a double dip and declines again.. And please realize that those who say it's now over are the same ones who didn't see it coming in the first place. The biggest risk is that we don't learn the lessons from what has already happened.

Unfortunately that is exactly what it happening right now. Wall Street and Congress are going back to business as usual, ignoring the fact that we have now encumbered out children and their children with paying off the bills our financial folly has generated.

The one lesson we should have learned in the last year is that we have to unequivocally commit ourselves to sustainable development not just for the environment but also for the economy and our social and cultural resources.

In a great Tom Robbins book, *Skinny Legs and All*, one of the characters is an extremely erudite can of pork and beans. At one point Can 'O Beans remarks, "Imprecise speech is one of the major causes of mental illness in human beings. The inability to correctly perceive reality is often responsible for humans' insane behavior. And every time they substitute a...sloppy slang word for the words that would accurately describe a...situation, it lowers their reality orientations, pushes them farther from shore, out onto the foggy waters of alienation and confusion."

Well the phrase today that is the best example of imprecise speech is *sustainable development*. If we listen to environmental activists, sustainable development is saving the rain forest and the habitat of the snail darter. If we listen to the US Green Building Council, sustainable development is solar panels and waterless toilets.

We don't yet get it in the United States, but the rest of the world is beginning to. The international framework for sustainable development certainly includes environmental responsibility but also economic responsibility and social/cultural responsibility.

That creates three important nexus: for a community to be viable there needs to be a link between environmental responsibility and economic responsibility; for a community to be livable there needs to be a link between environmental responsibility and social responsibility; and for a community to be equitable there needs to be a link between economic responsibility and social responsibility.

I'll come back to this holistic approach to sustainable development shortly, but let me move to the economic component of the sustainable development equation.

What would a sustainable economy look like? I would suggest it would have ten characteristics.

First, a sustainable economy would be based on using local assets.

Second, there would be widespread, measurable local benefits.

Third, sustainable economic development would depend primarily on the private sector, particularly small business.

Fourth, the components of a sustainable economy would be contributors in economic downturns as well as up cycles.

Fifth, a sustainable economy would participate in economic globalization but mitigate cultural globalization.

Sixth, sustainable economic development strategies would acknowledge quality of life as a major component of economic competitiveness.

Seventh, sustainable economic development strategies would be long term.

Eighth, sustainable economic development would not be a zero sum game where for one community to win another has to lose.

Ninth, a sustainable economy would advance the cause of environmental responsibility.

Finally, a sustainable economy would advance the cause of the social/cultural responsibility.

How does historic preservation fit the criteria for a sustainable economy?

Let's start with local assets. Obviously, the historic buildings themselves are local assets, but it doesn't stop there. Historic buildings are invariably where millions of dollars of infrastructure investment has already been made by previous generations. All too often that infrastructure is left unrepaired and underutilized as we substitute suburban sprawl for neighborhood reinvestment.

One of the great success stories for cities and for historic preservation in the last two decades has been downtown revitalization. This is where the area where I do most of my work. But I cannot identify a single example of a sustained success story in downtown revitalization where historic preservation wasn't a key component. Not one. Conversely the examples of very expensive failures in downtown revitalization have nearly all had the destruction of historic buildings as a major element. Downtown revitalization through historic preservation is one of the best examples in this country of sustainable economic development. That is directly related to the wonderful success of the Maine Downtown Center and the efforts in many of your communities that we'll hear about today and especially tomorrow.

Widespread, measureable benefits – how does historic preservation stand up there? Well, consider the process of building rehabilitation itself.

Widespread, measureable benefits – how does historic preservation stand up there? Well, consider the process of building rehabilitation itself. Here in Maine a million dollars spent in the rehabilitation of an historic building adds 23.6 jobs and ultimately \$783,000 in household income to the state's economy. That is 7 more jobs and \$259,000 more in household income than \$1,000,000 of manufacturing output in Maine.

This greater degree of economic impact is a result of labor intensity. As a rule of thumb, new construction is half materials and half labor. Rehabilitation will be sixty to seventy percent labor with the balance being materials. This labor intensity affects a local economy on two levels. First, we buy an HVAC system from Michigan and carpet from North Carolina, but we buy the services of the plumber, the electrician, and the carpenter from across the street. Further, once we install the sink, the sink doesn't spend any more money. But the plumber gets a haircut, buys groceries, joins the YMCA – each recirculating that paycheck within the community. That is what makes a sustainable local economy.

But those aren't just jobs. They are good, well-paying jobs, particularly for those without formal advanced education.

Labor is a renewable resource consuming little in fossil fuel. Materials are often from non-renewable resources, and are nearly always significantly fossil fuel consumptive.

A sustainable local economy should have local economic benefits that are widespread and measurable and historic preservation provides both.

Next a sustainable economy is orientated toward the private sector, particularly small business. I am certainly not against public employment. In times like these we need to have public employment as part of our social safety net. But public employment is not a long term generator of economic growth; that comes from the private sector, particularly small business.

If you read the *Wall Street Journal* or listen to MSNBC you might reach the conclusion that the American economy owes its success to the Fortune 500. That's an out and out lie. This is a nation of small business. Ninety percent of all businesses in America and 88% here in Maine employ fewer than 20 people.

Why do we care? Here's why. In this ongoing recession small businesses are the unrecognized and vastly underappreciated heroes. Times are terrible for small businesses but they have done a vastly better job keeping people employed than have the giants.

Just after the first of the year a report came out that over the decade there had been zero net job growth...unlike any decade since the 1930s. But this is a misrepresentation. Small businesses – those employing less than 50 people, were employing 1.3 million more workers in December 2009 than in December 2000. Giant firms, on the other hand, were employing 3 million fewer.

And during this recession if in fact had small businesses laid off people at the same rate as the giants, there would be another 2,472,000 people unemployed in America today.

And this retaining of workers certainly isn't because small businesses are doing so well. And I guarantee that no small business owner pays herself 500 times what the least paid employee gets, as is the case with the big guys.

Now you might say, "OK, but when the economy gets moving again the big guys will be doing the hiring." Another illusion. Prior to this recession we had 72 months of economic expansion. And small business did its part by adding almost 4 and half million jobs. And the big guys during that same period? They got rid of over 600,000 jobs. Six years of economic growth and the big guys shed 2000 jobs every week.

And then the great study released in October demonstrated that in New Orleans twice as much of every dollar spent in a locally owned business stays in the community than a dollar spent at a national chain store.

But, of course, who is getting all the assistance from the Federal government – the giants. At least when Latin American dictators nationalize industries, they're smart enough to take over the profitable ones. Instead we take over the biggest losers. We keep hearing, "It's too big to fail". Well, if it's too big to fail, it's too big. Break it up. It's time for some good old American, Teddy Roosevelt trust busting. And of course the opposite is happening.

Small businesses are the heroes of the American economy, and one of the few costs small firms can control is occupancy costs – rents. A major contribution to the local economy is the relative affordability of older buildings, the very buildings in your neighborhoods. It is no accident that the creative, imaginative, small start up firm isn't located in the corporate office “campus,” the industrial park or the shopping center – they simply cannot afford the rents there. Older and historic commercial buildings play that role, rarely with any subsidy or assistance of any kind.

Pioneer Square in Seattle is one of the great historic commercial neighborhoods in America. The business management association did a survey of why Pioneer Square businesses chose that neighborhood. The most common answer? That it was a historic district. The second most common answer? The cost of occupancy. Neither of those responses is accidental.

Historic preservation itself is overwhelmingly done by small firms – contractors, sub-contractors, architects, consultants. Unlike highway construction that is almost exclusively giant firms, historic preservation is almost exclusively small firms.

And as long as we're on highways, pouring more concrete for more roads is a central component of the stimulus plan. Well David Listokin at the Center for Urban Policy Research at Rutgers has calculated the relative impact of public works. Let's say a level of government spends \$1 million building a highway. (And these days that means a highway not quite the length of this room) but anyway a million dollar highway – what does that mean? 34 jobs, \$1.2 million in ultimate household income, \$100,000 in state taxes and \$85,000 in local taxes.

Or we build a new building for \$1 million. 36 jobs, \$1,223,000 in household income, \$103,000 in state taxes and \$86,000 in local taxes. Or we could spend that million rehabilitating an historic building. 38 jobs, a million three in household income, \$110,000 in state taxes and \$92,000 in local taxes. Now you tell me which is the most economically impacting in public works projects.

Next on my list of a sustainable economy was that its components would contribute in economic downturns as well as up cycles.

Historic preservation fits this criteria in a couple of ways.

First, in economic downturns a variety of factors affect the ability to implement large scale plans. Financial constraints, political conflicts, and environmental concerns are all reasons that large projects are often delayed or shelved. Historic preservation can be done at virtually every scale, from the smallest shop building to massive revitalization of large urban areas. Smaller projects can proceed while larger ones are still on the drawing board, thus providing a measure of employment and income stability to a local economy.

Here's another factor, however. The area of preservation economics that's been studied most frequently is the effect of local historic districts on property values. It has been looked at by a number of analysts using a variety of methodologies in historic districts all over the country. Most interesting is the consistency of the findings. Far and away the most common

result is that properties within local historic districts appreciate at rates greater than the local market overall and faster than similar non-designated neighborhoods. But, of course, that's in an economy's up cycle.

The title of this presentation suggests that historic preservation is a catalytic activity – one that spurs additional investment nearby. And that's a claim that preservationists, including me, have made over the years, and I absolutely believe it to be the case. But, frankly, there hasn't been much systematic research into that particular patterns.

But this year a superb study was conducted by Dr. Brian Mikelbank at the Center for Housing Research and policy at Cleveland State University. Dr. Mikelbank looked at the impact that the loans made by the Cleveland Restoration Society not just on the houses that received the loans, but the catalytic effect those rehabilitation projects had on property values of their respective neighborhoods. To the best of my knowledge this approach to research has never been done in the US before. And what did Dr. Mikelbank find? That in both Cleveland and suburban neighborhoods the houses nearby where Cleveland Restoration Society made loans had higher rates of appreciation than properties not near a CRS funded rehabilitation project.

The study's conclusion, "...homeowners are finding that investment in their community's architectural past can be aesthetically, culturally, and financially rewarding."

It's probably going to be another six months before adequate data is available, but in the past, historic districts have been much less vulnerable to value declines in economic downturns. Nationally the neighborhoods that have been most adversely affected are those new subdivisions, filled with houses of mediocre quality, which require lengthy commutes to work.

A year ago the European Union held hearings on how heritage conservation is an effective counter-cyclical economic development strategy. The equivalent hearings in the US Congress? Um, well maybe they just haven't announced the schedule for them yet.

Number five on my list was globalization.

What neither the supporters nor the critics of globalization understand is that there is not one globalization but two – economic globalization and cultural globalization. For those few who recognize the difference, there is an unchallenged assumption that the second is an inevitable outgrowth of the first.

I would suggest those are two different phenomenon, which while interrelated, are not inexorably linked.

While there are sometimes painful disruptions, on a composite basis economic globalization has far more advantages than disadvantages. But cultural globalization has few if any benefits but has significant adverse social and political consequences in the short term and negative economic consequences in the long term.

If cities are to succeed in the challenge of globalization, they will have to be competitive not only with other cities in their region, but worldwide. However, their success will be measured not just by their ability to foster economic globalization, but equally in their ability to mitigate cultural globalization. In both cases, a city's historic built environment can play a central role.

Here's what the Inter American Development Bank has concluded, "As the international experience has demonstrated, the protection of cultural heritage is important, especially in the context of the globalization phenomena, as an instrument to promote sustainable development strongly based on local traditions and community resources."

Next, sustainable economic development strategies would recognize that quality of life is a major component of economic competitiveness and that knowledge workers in particular place a high value on quality of life criteria in their choice of where to live and work.

When we finally recover from this economic chaos, the US economy will continue its pattern of a sizable shift in our economic base and the nature of doing business.

Much of the "product" produced by American workers is knowledge and information. And those commodities can be produced virtually anywhere and can be transported for nearly no cost. This means that more businesses and their employees will be locationally indifferent.

Today, perhaps 20 percent of American businesses and a third of American workers can literally be located anywhere. How will that choice be made? On the quality of life the local community provides.

What constitutes "quality of life"? Depending on who makes the list, there are many possible variables including good schools, public safety, the weather. But when the physical attributes of a place are measured, the historic built environment is a significant quality of life contributor.

A great Australia study reached these conclusions: 1) a sustainable city will have a sustainable economy; 2) in the 21st century, a competitive, sustainable economy will require a concentration of knowledge workers; 3) knowledge workers choose where they want to work and live based on the quality of the urban environment; and 4) heritage buildings are an important component of a high quality urban environment.

Number seven on my list was that sustainable economic development strategies would be long term, not short term.

There are lots of causes of this economic chaos, but underlying them all has been the short term perspective of Wall Street, consumers, and politicians.

Real estate and real estate mortgages have traditionally and appropriately been long term assets. But too-smart-for-their-own-good MBAs in investment banking converted long term mortgage assets into short term trading vehicles ...looking for a profit in the next fifteen minutes, not the next fifteen years. Wall Street was far more concerned with the next quarterly dividend than the next quarter century. Politicians concerned more with the next election than the next generation.

You cannot have sustainable development without thinking long term. Our historic buildings, almost by definition, are long term in perspective – how long they have lasted already and how long they can last into the future if we protect them.

Sustainable local economies need to think long term. How long? Here's my rule of thumb – we should think as far into the future as the age of the oldest public building still in use.

Earlier I mentioned job creation through historic rehabilitation. But that argument is sometimes challenged saying “Yeah, but those are just short term jobs. Once you've built the building the job creation is done.” Yes, but there are two responses to that. First, real estate is a capital asset – like a drill press or a box car. It has an economic impact during construction, but a subsequent economic impact when it is in productive use. Additionally, since most building components have a life of between 25 and 40 years, a community could rehabilitate 2 to 3 percent of its building stock per year and have perpetual employment in the building trades. Local jobs which are in demand for the foreseeable future is the ultimate in sustainable economic development.

From a national perspective, economic development should not be a zero sum game. But that's how most economic development in the past has been. For Augusta to recruit an industry some other city had to lose it. When for every winner there has to be a loser is the definition of a zero sum game. But from a national perspective, what's the sense of that. There is no net economic benefit, just a shifting from point A to point B.

But a historic preservation based economic development strategy is not that way. For one community to effectively use its heritage resources in no way precludes another city from doing the same. To the extent that they both use historic buildings, both are advancing sustainable economic development.

So far I've only focused on sustainable economic development. But I don't want suffer from the same myopia as the “green architects” and think that my niche is the only component of sustainable development.

So sustainable economic development has to advance the cause of the environmental component of sustainable development. How does historic preservation do that?

We could begin with solid waste disposal. Solid waste disposal is increasingly expensive in dollars and in environmental impacts and a third of what's dumped at the landfill is construction debris.

So let me put this in context for you. We all diligently recycle our Coke cans because we're told it's good for the environment. Here is a typical North American commercial building – 25 feet wide and 120 feet deep. Let's say that today we tear down one small building like this in an Augusta neighborhood. We have now wiped out the entire environmental benefit from the last 1,344,000 aluminum cans that were recycled. We've not only wasted an historic building, we've wasted those diligent recycling efforts here in Augusta. And that calculation only considers the impact on the landfill, not any of the other sustainable development calculations like embodied energy.

Embodied energy is defined as the total expenditure of energy involved in the creation of the building and its constituent materials. When we throw away an historic building, we are simultaneously throwing away the embodied energy incorporated into that building. So we start with the energy embodied in the building then add the energy expended tearing it down and hauling it to the landfill. What have we wasted? Over 56,000 gallons of gasoline.

Much of the “green building” movement focuses on the annual energy use of a building. But the energy embodied in the construction of a building is 15 to 30 times the annual energy use. A recent study in Great Britain indicated that it takes from 35 to 50 years for an energy efficient new home to recover the carbon expended in constructing the house.

Razing historic buildings results in a triple hit on scarce resources. First, we throwing away thousands of dollars of embodied energy. Second, we are replacing it with materials vastly more consumptive of energy. What are most historic houses built from? Brick, plaster, concrete and timber, among the least energy consumptive of materials. What are major components of new buildings? Plastic, steel, vinyl and aluminum, among the most energy consumptive of materials. Third, recurring embodied energy savings increase dramatically as a building life stretches over fifty years. You're a fool or a fraud if you claim to be an environmentally conscious builder and yet are throwing away historic buildings, and their components.

Finally sustainable economic development would advance the cause of the social/cultural component of sustainable development. My professional practice is in the economic side of historic preservation. But I truly believe that of all of the values of historic preservation in the long run the economic value is the least important. The educational, aesthetic, cultural, and social values are far more important.

Historic preservation's role in helping us understand who we are, where we have been and where we are going is central to the social/cultural component of sustainable development.

The sociologist Robert Bellah wrote “Communities...have a history – in an important sense they are constituted by their past – and for this reason we can speak of a real community as a 'community of memory', one that does not forget its past.” Historic buildings are the physical manifestation of memory.

Now if we go back to the graphic representation of sustainable development I would suggest to you that historic preservation is, in fact, the only strategy that is simultaneously environmental responsibility, economic responsibility, and social/cultural responsibility.

The mentality in this country is so focused on the technologies of green buildings that the concept of sustainable development isn't grasped at all.

At most perhaps 10% of what the environmental movement does advances the cause of historic preservation. But 100% of what the preservation movement does advances the cause of the environment. You cannot have sustainable development without a major role for historic preservation, period.

A year ago I was greatly heartened when I read a headline on an internet news story saying, "Head of Green Building Council Links Sustainable Development and Heritage Conservation." I was all excited, thinking "they've finally got it." Until I read the whole story. It wasn't the head of the US Green Building Council; it was the chair of the green building council of the Philippines.

I know you all know about the LEED rating systems. Their latest checklist to see who gets a platinum plaque on their porch is called LEED ND for "Neighborhood Development." This is the one that was supposed to take more than just green gizmos into consideration. Its first version was a total of 114 point with a giant 2 points for adaptively reusing an historic building. After a year and a half of pilot projects they made great strides. The final version of 106 points gives 1 point for reusing an historic building – the same amount as for providing storage for bicycles.

Here's what I want you to understand. As we speak, LEED is being used as the club to demolish historic buildings.

A year and a half ago in Lexington, Kentucky a proposal was approved to build a 40-story hotel in the middle of downtown. And to do this the developers said it would be necessary to tear down 14 historic structures built between 1826 and 1930. Preservations responded that they certainly don't object to a new hotel downtown but that there is no reason the historic structures couldn't be incorporated into the development. "Not possible" says the developer. But look at the site. The idea that this development couldn't be a mix of old and new suffers from a paucity of the imagination. And their stick to justify the demolition? "Yeah, but we're going to be LEED certified." And as a reward for destroying the history of Lexington the developers were rewarded with \$80 million of Tax Increment Financing.

Here's the site today, so I guess they won't have to worry about any adaptive reuse challenges. But, of course, the developer told the City Council that he had financing and investors lined up. But what is happening today? Nothing. Last spring the Lexington newspaper reported that the alleged investor in this project has now either died or withdrawn.

Here's my latest example of myopic idiocy of environmental groups. The Nature Conservancy is building a new state headquarters in Indianapolis. Their director even says, "We're an international conservation organization. If anyone should be walking the walk of sustainability it should be The Nature Conservancy."

I couldn't agree more. So what is their version of "walking the walk?" – tearing down a hundred year old industrial warehouse to build a LEED certified suburbanese green gizmo building. Why? "Oh, it's deteriorated beyond saving" they say, when in fact engineering reports says that is not the case. "Oh, but it would be too expensive" they say, and yet their budget would permit \$175 per square foot to be spent? Is that enough? Well, another non-profit is renovating an older building of about the same size in Indianapolis that will be LEED certified, and their estimated costs? \$68 per square foot.

OK, I'm not being exactly fair. They are going to be reusing the building – they are going to grind up the bricks and use them for the walkway in their "conservation" garden.

You know those great before and after shots of rehabilitated historic buildings? Well, here's the Nature Conservancy's before and after shot. And here's what's left of the historic building.

Now take a look at this building. This one happens to be in Phoenix rather than Indianapolis, but it's the same building – a structure of significant age, but only nominal architectural character. The owner of this building certainly could have done what the Nature Conservancy did, but he chose to restore rather than raze. Here's the building today. And it, by the way, got a Gold LEED rating.

Then last year St. Stephens, a 1912 structure believed to be the oldest church in Miami was razed. Why? Here was the first paragraph of the news release put out by the church. "The St. Stephen's Episcopal Day School's Main Highway Pavilion is pursuing a milestone for Miami Dade County - the US Green Building Council's, LEED Silver Level Certification."

Here is the before and after of St. Stephens.

An historic building is a renewable resource when it is rehabilitated; it is nothing but landfill when it is razed.

The US Green Building Council keeps saying they are going to adjust the standards so that they are more sympathetic to historic buildings. I'll tell you when I'll believe it. When no LEED certification whatsoever is given to a building that was built where an historic building was torn down. That ought to be the minimum recognition of the contribution of historic buildings to sustainable development. Until then, they just don't get it.

I said that the concept of sustainable development isn't broadly understood in this country, but if any one understands it, it must be the EPA, right? I would have assumed

that this federal agency is supposed to be our country's lead entity for promoting and fostering sustainable development. In late 2006 they issued their five-year strategic plan, complete with goals, objectives, and standards of measurement – 188 fact-filled pages. How many times was the phrase “sustainable development” mentioned? Exactly twice – both times in footnotes. Once because a document they were citing had “sustainable development” in its title and the other because the database they referenced was maintained by the UN's Division for Sustainable Development. How can you be the agency taking the lead for sustainable development when “sustainable development” never appears in your strategic plan?

Within the plan, the EPA has an element targeted to construction and demolition debris. The objective is “Preserve Land” and the sub-objective is “Reduce Waste Generation and Increase Recycling.” But they have missed the obvious – when you preserve a historic building, you *are* preserving land. When you rehabilitate a historic building, you *are* reducing waste generation. When you reuse a historic building, you *are* increasing recycling. In fact, historic preservation is the ultimate in recycling.

Today cities around the country are racing each other who can adopt “green building” ordinances the fastest. Such centers of environmental activism as San Francisco, Berkley, and Santa Fe are, of course, leading the way. And what are they doing? Encouraging or mandating central vacuum systems, back draft dampers, bicycle racks and waterless toilets. And that's fine, I guess, but again misses the larger picture. Santa Fe, certainly one of the most important historic cities in America, adopted a 110-page “Sustainable Santa Fe” document. Historic preservation in that initiative? Not even mentioned.

And then last fall we learned that the majority of LEED certified buildings have not verified if there is significant energy savings...and that 25% of those that have been evaluated have failed to meet the standard for which they got their gold star. And yet cities all over America are mandating LEED ratings as sustainable development.

Meanwhile, in Dubuque, Iowa, is far ahead of any of those places. It is in the process of designating its 28 square block warehouse district as a pilot project for a comprehensive Energy Efficiency Zone. And what does Dubuque have as a basic principle? That the adaptive reuse of those warehouse structures is key for energy conservation for Iowa's future. I'm telling you, the model for real sustainable development is not going to be San Francisco, Santa Fe or Berkley, but Dubuque, Iowa.

Environmentalists cheer when used tires are incorporated into asphalt shingles and recycled newspapers become part of fiberboard. But when we reuse an historic building, we're recycling the whole thing.

If I still haven't convinced you that the green building approach is insufficient, let me offer this last bit of evidence. As you all probably know, Wal-Mart has begun a big environmental initiative. Now I'm not a Wal-Mart basher, and I think they should be commended for this activity.

But let's say Wal-Mart is so successful, that they are able to build a Super Center that uses no external energy at all – the ultimate green building. But here's where the building is going to be built.

In just 15 days, the extra fuel used to get to the Wal-Mart, wipes out the entire savings for the entire year, even if the building itself consumed no energy at all. A huge success as a green building. A huge failure in sustainable development.

The established definition of sustainable development is "...the ability to meet our own needs without prejudicing the ability of future generations to meet their own needs." The demolition of historic buildings is the polar opposite of sustainable development; once they are razed they cannot possibly be available to meet the needs of future generations.

But let me take the concept of sustainable development out of the international framework and move it to the elementary school. You've heard of the television show, "Are You Smarter than a Fifth Grader?" Well if you're at least as smart as a fifth grader you'll know what they all have learned – that saving the environment means reduce, reuse, recycle.

Rehabilitation of historic buildings reduces the demand for land and new materials; reuses energy embodied in the existing materials, the labor, skills and the urban design principles of past generations, and recycles the whole building. In fact, historic preservation is the ultimate in recycling.

Please don't get me wrong. I'm not against LEED certification and I'm not against solar panels or storm windows. But what does a solar panel or a storm window recycle? Nothing. What does a solar panel or a storm window reuse? Nothing. They both might reduce energy use, but much of that savings is offset in the energy used to build the damn thing. In the case of an aluminum storm window, 126 times more energy than in repairing an existing wood window.

We can preserve wetlands and be environmentally responsible...but have no effect on economic or cultural responsibility.

We can teach local history in the elementary school and be culturally responsible...but have no effect on economic or environmental responsibility.

We can have an equitable tax system and be economically responsible...but have no effect on cultural or environmental responsibility.

But only through historic preservation are we doing all three simultaneously.

These are not normal times. We have a crisis in the economy and we have a crisis in the environment – two of the three components of sustainable development. And the underlying cause for both crises is our failure to consider either the economy or the environment through the lens of sustainability. In many parts of the world the social/cultural element of sustainable development is in peril as well.

I particularly appreciate that the broadened concept of sustainable development is made up of responsibilities – environmental responsibility, economic responsibility, and social responsibility.

Historic preservation is not a hanger-on to sustainable development; historic preservation is sustainable development.

Well, here we are in an election year again. And every candidate in every race will be supported by dozens of advocacy groups. And most of them are “rights” movements: animal rights, abortion rights, right to life, right to die, states rights, gun rights, gay rights, property rights, women’s’ rights, and on and on and on. And I’m for all of those things – rights are good. But I would suggest to you that any claim for rights that is not balanced with responsibilities removes the civility from civilization, and gives us an entitlement mentality as a nation of mere consumers of public services rather than a nation of citizens. A consumer has rights; a citizen has responsibilities that accompany those rights. Historic preservation and neighborhood revitalization are responsibility movements rather than rights movements. They are movements that urge us toward the responsibility of stewardship, not merely the right of ownership. Stewardship of our historic built environment, certainly; but stewardship of the meaning and memory of our communities manifested in those buildings as well.

Sustainability requires stewardship. There can be no sustainable development without a central role for historic preservation. Those who are doing that today, future generations will thank tomorrow.

And I thank you for inviting me.

Thank you very much.

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