

PROPOSAL

To Create a Not-for-Profit Historic Preservation Corporation to Revolve Funds for Preservation and Adaptive Reuse of Historic Properties in the City of Columbia, Missouri

Revolving funds move an historic preservation organization from advocacy to action. A revolving fund is used to accomplish a specific type of task or activity with the condition that money used will be repaid to the fund for reinvestment in subsequent tasks or activities of a similar type. The primary purpose of a revolving fund is to sustain the ability to carry out consecutive activities independent of a fluctuating financial environment.

An historic preservation revolving fund is an effective tool to:

- address problems of blighted neighborhoods and vacant or run-down property in a community.
- provide a catalyst for the revitalization of a historic district or commercial area.
- build or strengthen an organization's capacity to intervene effectively in real estate markets to save historic structures
- demonstrate the economic and social benefits of historic preservation

Lyn Howell Moriarity, with the National Trust for Historic Preservation supplements, "Its visibility and aggressiveness attracts members, donations, and news coverage for the organization and it can be used as an educational tool."¹

Additionally, when an historic preservation organization is active in real estate through a revolving fund, the organization can play an important role in the reduction of carbon emissions. In December 2007, the President of the National Trust for Historic Preservation reported²:

- A report from the Brookings Institution projects that over the next 23 years nearly 1/3 of our existing buildings – 82 billion square feet – will be demolished. Absent any recycling, that will create 5.5 billion tons of waste, enough to fill 2,500 NFL stadiums.
- Demolishing a 50,000 square foot commercial building creates more than 4,000 tons of waste – enough to fill 26 railroad boxcars – a train one quarter mile long.
- The energy to demolish and replace those buildings could power the state of California for 10 years.

As a member of the Mayor's Climate Protection Agreement, the 2030 Challenge, and a participant in the EPA Energy Star Challenge, the City of Columbia embraces the environmental impact that is embedded in the preservation of historic structures. The continued use and adaptive re-use of existing buildings conserves building materials and embodied energy, and avoids the adverse environmental impacts associated with the demolition of buildings. An historic preservation revolving fund would encourage the reuse of existing resources and the judicious use of new resources, advances this goal.

¹ Quoted in Pope, S.D. (2003) A Revolving Fund: Can it save buildings in your downtown? *Virginia Main Street Monitor*. Richmond: DHCD. p. 2

² Moe, R. (2007). *Sustainable Stewardship: Historic Preservation's Essential Role in Fighting Climate Change*. On the Occasion of Receiving the Vincent Scully Prize. National Building Museum, Washington, D.C.

The National Trust for Historic Preservation reports that preservation activities can serve as a local economic development tool, thereby promoting the sustainability of our local economy. Finally, an important objective of preservation is to conserve our cultural resources and ensure that these resources are available to future generations. The City of Columbia has expressed a commitment to these objectives through a variety of public communications. An historic preservation revolving fund could make an important contribution to the achievement of these objectives.

PROBLEM

1. COLUMBIA'S HISTORIC PRESERVATION COMMISSION CURRENTLY LACKS RESOURCES NECESSARY TO COMPLY WITH NEW AUTHORITY REQUIRED BY THE CITY COUNCIL.

The City of Columbia has a rich heritage that is reflected through numerous historic properties. The State of Missouri's Historic Preservation Office (SHPO) reports that while more than 12,000 state-wide historic properties are listed in the National Register of Historic Places and hundreds more are eligible for listing, National Register listing does not guarantee funding or protection. Aply, SHPO points out that many of the same properties - those significant enough to be part of the national honor roll of American heritage - are threatened by abandonment, neglect or new development.

In January 2008, the Columbia City Council approved several changes to the City's ordinance for historic preservation. The ordinance revision imposes several duties and responsibilities on the Historic Preservation Commission for which the City of Columbia currently lacks funding, including:

- *To inform and educate the citizens of the City of Columbia concerning the historic, archaeological and architectural heritage of the City through publication or sponsorship of maps, newsletters, brochures, pamphlets, programs and seminars by the City, the HPC, or other appropriate parties.*
- *To advise and assist owners of historically significant property or structures on physical and financial aspects of preservation, renovation, rehabilitation, and reuse.*

2. THE CITY OF COLUMBIA LACKS IN-HOUSE EXPERTISE IN THE AREA OF HISTORIC PRESERVATION.

Columbia's ordinance for historic preservation requires the City's Historic Preservation Commission to:

- *To call upon available city staff members as well as other experts for technical advice;*
- *To retain such specialists or consultants or to appoint such citizen advisory committees as may be required from time to time;*

However, the City of Columbia does not currently employ a preservation planner or other specialists necessary to comply with the provisions of the ordinance.

Moreover, the City of Columbia currently lacks capacity for additional FTEs in this area.

3. THE CITY OF COLUMBIA OWNS SEVERAL HISTORIC PROPERTIES THAT ARE NOT CURRENTLY OPTIMIZED.

The City of Columbia currently holds title to several historic properties that are unrenovated or partially renovated, and unoccupied, including, but not limited to, The Blind Boone Home and The Corner. The City of Columbia spends considerable resources, time, and staff administering these vacant properties.

With the addition of a centralized City Hall, the City of Columbia is transitioning away from owning or leasing small parcels of land.

PROPOSAL

Individuals with demonstrated expertise in historic preservation propose that the City of Columbia endow the creation of a not-for-profit historic preservation corporation to administer historic properties and act as a revolving fund for historic preservation in Columbia.

PURPOSE

The purpose of the not-for-profit historic preservation corporation shall be to act as a revolving fund to accelerate renovation of historic properties for adaptive reuse. Under a revolving fund, moneys (through gifts, grants, or appropriations) stay within the fund and interest or excess revenues from projects are deposited back into the fund and used to promote projects for historic preservation.

For example: A Historic Preservation Revolving Fund could have accelerated renovation of the Heibel-March corner drugstore for adaptive reuse³.

With a historic preservation revolving fund:

- a. The drug store property could have been 'deposited' into the revolving fund.
- b. Grants and donations to the fund would be used to stabilize the building under the professional, volunteer and specific direction of the HPC.
- c. Once stabilized, the building could have been leased to a contractor or developer for adaptive reuse under strict historic preservation guidelines.
- d. Revenues from the lease would be deposited in the Historic Preservation Revolving Fund to stabilize and develop other historic properties.

NAME

The not-for-profit historic preservation corporation shall be known as:

- Columbia Preservation Trust
- Columbia Historic Preservation Trust
- Historic Preservation Trust of Columbia
- Columbia Historic Preservation Foundation

³ Greaney, T.J. (2007). Amid bickering, project stalls: Corner building still in shambles. *Columbia Daily Tribune*. Columbia: Tribune Publishing.

Legal Status

The not-for-profit shall be organized as a 501(c) 3.

Management

Drawing on successful models across the nation, the not-for-profit shall be managed by a balanced, diverse, and actively involved board of directors comprised of nine citizen members with staggered terms to include:

- One member, appointed by the Columbia City Council, who is an active and official member of the Historic Preservation Commission.
- One member, appointed by the Columbia City Council, who is an active and official member of the Energy and Environment Commission.
- One member with a background and expertise in real estate as either an investor or Realtor.
- One member who shall be a real estate attorney.
- One member with an expertise in green-building and adaptive reuse.
- One member who shall be an architect.
- One member who shall be a banker experienced in real estate finance and lending.
- Two members who shall be a professional, expert, or layperson whose qualifications supplement and/or complement those of the other eight members and who is committed to historic preservation.

The Board shall have the ultimate responsibility for overseeing the fund's financial transactions. In addition to contributing their technical and advising expertise to revolving fund projects, Board members will be asked to contribute services, help raise money on an ongoing basis, identify properties for donation and/or preservation, and identifying solutions to adaptive re-use (including potential buyers).

Staffing

Initially, the not-for-profit shall be staffed by a qualified executive director or appropriate project management firm selected by the Board of Directors. The executive director or appropriate project management firm will assist with administration, marketing and public relations, and project management, including inspection and enforcement of covenants and easements.

Funding

Initially, the not-for-profit historic preservation corporation proposes to contract with the City of Columbia to provide technical assistance and expertise consistent with the City's historic preservation ordinance.

- City agrees to provide start-up costs for the establishing the 501(c)(3) and necessary filing costs and organization fees.
- City agrees to provide limited operating expenses for the first ____ years. A proposed budget is attached.
- The corporation agrees to accept transfer of The Corner including building and real estate from the City of Columbia for the purposes of completing renovation suitable for

reuse, and to sell or lease to fund future projects.

- The corporation agrees to accept transfer of The Blind Boone Home including building and real estate from the City of Columbia for the purposes of completing renovation and reuse using a combination of public and private funds.
- The City of Columbia agrees to develop a permanent funding source for historic preservation in the form of a demolition environmental impact fee designed to recover City's cost of landfill utilization attributable to demolition and to offset carbon emissions of same.

The Columbia Historic Preservation Commission endorsed this concept at its April 2008 meeting.

BENEFITS

Across America historic preservation efforts, such as revolving funds, have stalled the harmful effects of time, environmental damage, deferred maintenance, poorly conceived urban redevelopment initiatives and shifting societal priorities. The benefits generated by these projects have been significant. A 2006 White Paper entitled, *Greening of Historic Properties National Summit: Pinpointing Strategies and Tactics for Integrating Green Building Technologies into Historic Structures*, produced by the Pittsburgh History & Landmarks Foundation and the Green Building Alliance, reports that historic preservation has many positive effects that reach beyond simply preserving buildings and reversing the effects of decay, such as:

- Encouraged large- and small-scale community renewal efforts.
- Facilitated the rebirth of numerous downtown areas.
- Provided opportunities to cultivate and strengthen community and regional pride.
- Supported the development of new business opportunities.
- Created opportunities for the collection of incremental tax revenues.

An Historic Preservation not-for-profit corporation allows the City of Columbia to take advantage of fluid changes in state law through incentives and benefits to encourage redevelopment of historically significant structures. The Fund can save endangered historic properties from demolition or deterioration. The fund can obtain long-term protective covenants or preservation easements on historic properties. The fund can contribute to the City of Columbia's commitment to environmental, economic, social, and cultural sustainability.