

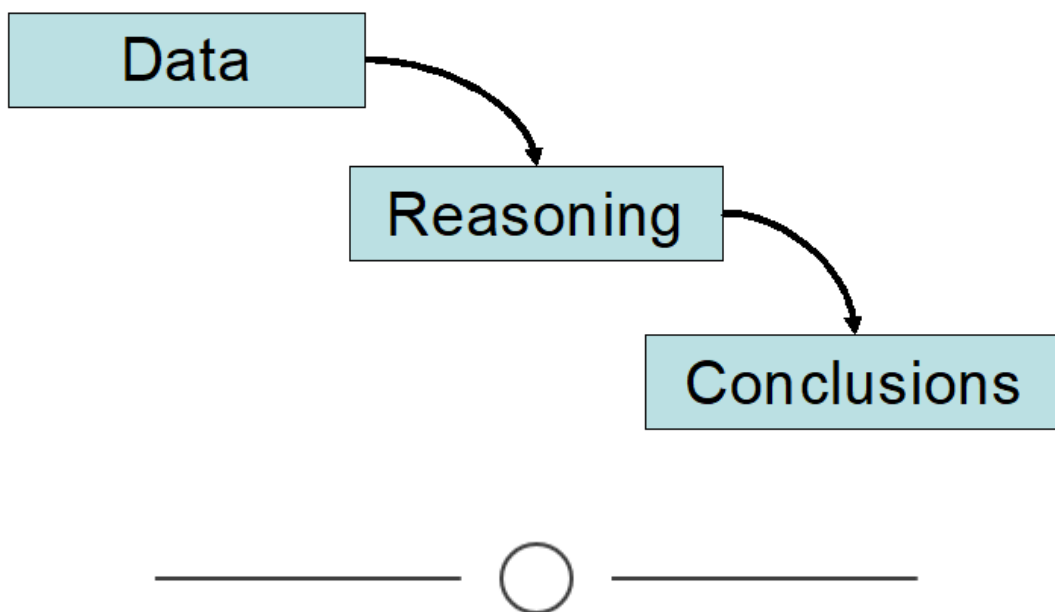
**Economic Impacts from the
Colorado Historical Foundation
Revolving Loan Fund:
2002-2025**

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Summary of Findings

Program Overview

The CHF RLF was established in 2002 with **\$3 million** in seed capital from the State Historical Fund, making it the only low-interest, flexible loan source supporting historic preservation statewide. From inception through 2025 the fund approved **29 projects**, issuing **\$9 million in loans** and facilitating nearly **\$75 million in total project spending**. Over the past 10 years, **70% of loans** have been **distributed to rural or smaller metro areas**, such as Saguache, Trinidad, Pueblo, Grand Junction, and Florence. The fund has had **no foreclosures and no delinquent loans** to date.

Between 2020 and 2025, the CHF RLF received **inquiries for 75 separate projects but was only able to approve nine, in large part due to limited capital** — demonstrating significant unmet demand. Compounding this constraint, construction-specific inflation has eroded the purchasing power of the original \$3 million seed fund substantially: \$1 from 2002 purchases only \$0.35 in construction today. To replicate the fund’s past impact over the next 22 years, an estimated \$7.9 million in current dollars would be required — reflecting not a change in the fund’s performance, but the deflating effect of inflation on a fixed fund amount.

Construction inflation means \$1 from 2002 purchases only \$0.35 in construction today.

To replicate the last 22 years of impact, the CHF RLF would need \$7.9 million in today’s dollars.

Economic Findings

Historic rehabilitation outperforms new construction as an economic driver by generating **11% more jobs** and **12% more total earnings** than equivalent new construction spending, which results in the creation of **14.5 jobs per \$1 million spent vs. 13.5 for standard construction**. This is an important job creator, particularly in rural communities. Overall, historic preservation produces **\$0.88 in earnings** for every \$1 spent, vs. \$0.80 for new construction.¹

The CHF RLF economic impact (projects attributable to RLF financing) has led to **\$120 million** in total economic output generated, **\$47 million** in total earnings created across Colorado, and **782 jobs** created (full and part-time).

Return on investment analysis from the original \$3M seed fund finds that every \$1 of seed capital has generated **\$3 in loans**, **\$13.59 in preservation spending**, and **\$30 in economic output**.

¹ This figure is across the economy, not just in the preservation work, and will be discussed in more detail later in this report.

State and local taxes are another substantial benefit of rehabilitation projects with **total estimated state and local tax receipts** estimated at **\$6 million**, with **80% accruing to local governments** — funding schools, police, fire, and other community services.

Environmental Findings

CHF RLF-attributed projects have led the diversion of an estimated **12,000 tons of material from landfills**. Over **21,000 metric tonnes of CO₂** emissions have been prevented — the equivalent to the energy used by **2,500 homes for a year**. When assuming a value of \$30 per metric-tonne in voluntary carbon markets, this represents a **carbon value of \$636,000**.

Rehabilitation generates only **3.9 pounds of waste per square foot vs. 155 pounds for demolition** and new construction, while it's estimated to take up to **50 to 65 years** for a new energy-efficient building to recover the embodied energy lost in demolishing an existing structure.

Part of this reason is that commercial buildings constructed **before 1920** use less energy per square foot than those built in any decade between 1920 and 2000 (U.S. Energy Information Administration), due to passive heating, cooling, and lighting design before the advent of modern lighting and air conditioning.

Social & Community Findings

Between 1989 and 2015, buildings within Colorado historic districts shifted from trading at a **25% discount** to a **5% premium** over comparable non-historic properties — a 30-point swing driven by preservation investment. These areas went from economically depressed to slightly more desirable than average. Homes within walking distance of preserved historic buildings command a **3.8% to 7.5% premium** over comparable properties.

More than half of CHF RLF loans resulted in the creation or support of **tourism infrastructure or cultural attractions** with approximately one-third of loans creating **downtown or Main Street anchors** in smaller communities and half of the loans rescued buildings from **long-term abandonment**, halting area decline and enabling new economic activity.

These projects often became community gathering spots, neighborhood icons, and hubs for small businesses.

Heritage Tourism

Heritage tourism is one of the most economically significant — and fastest-growing — sectors in Colorado's tourism economy. According to the U.S. Travel Association, 76% of leisure travelers in the

United States participate in some form of cultural or heritage activity. In Colorado, heritage tourists represent approximately 50% of all visitors.

The preservation work supported by the CHF RLF contributes directly to the infrastructure that makes this tourism possible. Every rehabilitated historic building — whether a downtown commercial block, a cultural landmark, or a community gathering space — adds to the inventory of authentic, place-based experiences that draw heritage tourists to Colorado’s communities.

This is particularly meaningful in rural and smaller metro areas, where a single restored building can be transformative: anchoring a downtown, creating a destination, and generating visitor spending that circulates through the entire local economy.

15.8 million heritage tourists visited Colorado in 2015 — half of all visitors that year.

The CHF RLF’s portfolio of 29 projects strengthens the statewide infrastructure of historic places and authentic experiences that sustain this vital and growing segment of Colorado’s tourism economy.

Catalytic Findings

Nearly **90% of CHF RLF loans** are tied to properties on the National Register of Historic Places, unlocking access to layered financing including federal and state tax credits, grants, and tax increment financing.

CHF loans often serve as critical **gap financing** in complex, multi-source capital stacks that conventional lenders will not enter. Because of this, borrower surveys indicate that approximately **half of funded projects** would not have proceeded without CHF RLF financing, meaning the fund directly enabled their full economic and community impact.

Preservation investment consistently generates **spillover effects** on surrounding properties, accelerating broader neighborhood revitalization over time.



Orecchio Block, Florence – before rehabilitation. CHF President/CEO Catherine Stroh, building owner Byron Elliott, and architect Jonathan Sims (Left). After Rehabilitation (Right)

Economic Impacts from the Revolving Loan Fund

2002–2025

29	\$9M	\$75M	\$167M
Projects Funded	Total Loans	Total Project Spending	Total Project Economic Impact

Prepared by Summit Economics,

March 2026

Objective

The objective of this study is to identify and articulate the impacts and benefits of the Colorado Historical Foundation's Revolving Loan Fund, to include economic, fiscal, catalytic, social/cultural, and environmental.

History

Established in 1965, the Colorado Historical Foundation (CHF) is a charitable non-profit corporation conceived as a means of supporting and complementing the work of other agencies engaged in the fields of history, cultural resources, and preservation — such as the state's own Colorado Historical Society (now called History Colorado).

While once primarily a way to enhance financial support for preservation, curation and collection of Colorado's historical resources, CHF has evolved to provide four core services supporting Coloradans' preservation goals:

- Accepting conservation easements to protect historic properties from demolition
- Stewardship of endowments and funds dedicated to preservation and history
- Preservation project support and oversight
- Issuing loans for preservation projects throughout Colorado, through the CHF Revolving Loan Fund

Colorado Historical Foundation Revolving Loan Fund

The CHF Revolving Loan Fund (CHF RLF) was established in 2002 as a collaborative effort by the Colorado Historical Foundation, the Colorado Historical Society, and the State Historical Fund (SHF) as a separate non-profit. The SHF seeded the CHF RLF with \$3 million and in 2020–2021 granted an additional \$270,000 to replenish capital plus \$30,000 for program evaluation, business plan creation, and improved marketing materials and a marketing plan. The National Trust for Historic Preservation has also contributed \$10,000.

A revolving loan fund provides capital for projects in the form of low-interest loans, then (ideally) receives the funds back into the lending "pool" as the loan is repaid. These funds can then be lent again for additional projects, and the process can continue indefinitely.

The mission-oriented program fills gaps that conventional lenders often deem too unconventional, risky, or small for their loan portfolios. CHF RLF loans help manage cash

flow for construction, as well as supplement or serve as gap financing for grants, tax credits, and private investment. Whereas traditional lenders may view a deteriorating building as a collateral risk, CHF RLF sees potential not only for recycling existing building stock but also for maintaining and restoring a building's historic character while infusing it with new life — ultimately, providing a special place for future generations to live, work and play.

\$3M seed capital → \$9M in loans → \$75M in total project spending

Since program inception, the CHF RLF has leveraged its \$3 million in seed capital to fund 29 approved projects for a total of \$9 million in loans, facilitating nearly \$75 million in total project spending. To date, no loans have been foreclosed upon, and no currently outstanding loans are delinquent.

Interest received from the loans is primarily used to pay for CHF RLF overhead and administrative costs, though in recent years higher interest rates have allowed some interest to contribute to the lending pool.

The CHF RLF is the only known low-interest, flexible loan source supporting preservation statewide. Because it is a mission-oriented program, striving to increase preservation and adaptive reuse of Colorado's historic buildings, the fund can serve as bridge financing for tax credit syndication/sales, timing of other funds coming into the project, and for acquisition when other sources of construction have been secured.

Demand for historic preservation funding is high. The CHF RLF itself fielded funding inquiries for 75 separate projects between 2020-2025 but, due in large part to limited funds, only approved nine loans during that time.

The reach of the CHF RLF has been extensive, reaching throughout the state. Investment in projects outside of the front-range metropolitan areas has been particularly prevalent over the last ten years, with 70% of the loans being distributed to areas in rural or smaller metro areas; such as Saguache, Trinidad, Pueblo, Grand Junction, Florence, and others.



*Lowell School, Grand Junction.
Now a community gathering
place. An example of successful
“placemaking”*

Economic Impacts from Investment in Historic Preservation

Investment in the rehabilitation and preservation of historic buildings can be a powerful engine for local economic growth. Beyond the aesthetic, social, and cultural benefits, the physical act of "bricks and mortar" preservation work injects capital directly into the community, creating jobs, generating income, and strengthening the public tax base.

This section looks at the economic impacts of that capital injected into the local economy, detailing its advantages in job creation and earnings over other industries, as well as its contributions to municipal and state tax revenues. We then provide specific economic impacts resulting from the CHF RLF loans and the projects they have facilitated.

Job Creation in Preservation vs. New Construction

Construction projects are powerful economic drivers. They are labor intensive, meaning more money tends to go to the local workforce than purchasing materials or machinery from outside of the region. Even within this sector, however, a core economic advantage of historic rehabilitation is its inherent need for craftsmanship and skilled labor. Compared to new construction, which typically involves a higher proportion of spending on materials and heavy machinery, rehabilitation projects dedicate a larger share of their budget to the specialized labor required for repair, restoration, and retrofitting. This fundamental difference makes preservation a more effective tool for job creation.²

HISTORIC REHABILITATION VS. NEW CONSTRUCTION

+11% **+12%**

Greater Job Creation

Greater Total Earnings

Confirmed across multiple state economic studies. Colorado reflected similar gains at 9% and 10% respectively.

² Clarion Associates. (2017).; Listokin, D., Lahr, M. L., & Heydt, C. (2011).; Kentucky Heritage Council. (2007).; PlaceEconomics. (2020).

The Multiplier Effect: Direct, Indirect, and Induced Economic Impacts

The economic impact from a historic rehabilitation project extends far beyond the initial construction budget, rippling throughout the economy generating additional economic activity known as the "multiplier effect". This total effect is the sum of three distinct components:

1. **Direct Impacts:** The initial spending on the project itself, including employment, contractors, permitting, and materials.
2. **Indirect Impacts:** Business-to-business transactions resulting from the project, such as a contractor purchasing supplies from a local lumber yard, and that lumber yard having the lumber delivered by a local distributor, and that distributor buying gas from the local gas station, etc.
3. **Induced Impacts:** The spending by the households of those employed both directly by the project and as a result of the indirect impacts, such as grocery shopping by the driver for the local distributor mentioned or the stocker at the local lumber yard going to see a movie locally.

Specialized models, such as RIMS II (used in this project)³ or IMPLAN quantify these ripples throughout the economy, measuring how they move, in what ways, what industries are impacted, and, ultimately, how much economic activity is generated.

The multipliers for construction in Colorado in 2025 are 2.22. This means that for every \$1 spent on construction, an additional \$1.22 of economic activity is generated within Colorado, for a total of \$2.22 in growth in the size of the CO economy. The average industry multiplier in Colorado is 2.01 — making construction more effective at generating regional economic investment than the average. Despite the strength of construction as an economic driver, as mentioned previously, historic rehabilitation performs even better.

Historic preservation: 14.7 jobs per \$1M spent vs. 13.5 for new construction:

Though 57% of spending on construction goes to earnings, an even higher 64% goes to earnings for historic rehabilitation. Additionally, though construction generates 13.5 jobs throughout a region's economy, per million in spending, historic preservation generates 14.7 — standing out even within this labor-intensive industry.

³ The RIMS II regional economic multipliers are developed by the U.S. Bureau of Economic Analysis (BEA). RIMS II multipliers estimate the impacts for 360 industries in a given region (in this case, Colorado). Though historic preservation is not represented among these, "Construction" is the category that fits best with this analysis.

Economic Impacts of the CHF Revolving Loan Fund

There are different ways to look at and calculate the economic impacts from the CHF RLF:

1. **The economic impact of RLF funds as part of overall project spending.** This involves looking solely at the economic impact of funds disbursed by the CHF RLF, used as part of the rehabilitation project.
2. **The economic impact of overall project spending.** Taking all rehabilitation spending that has come from projects that received funds from the RLF. However, this would be an inappropriate number to use, as many of the projects would have moved forward regardless of RLF funding.
3. **The economic impact of overall project spending from those projects likely to only have occurred due to RLF funding.** While acknowledging that many projects would have moved forward regardless of CHF RLF funding, some would not. For these, the loan is responsible for allowing the entire project spending to happen and the economic impact resulting from these projects are calculated in their entirety.

As part of our surveying efforts, one question regarded the likelihood (on a scale of 0–5) that the project would have moved forward without the CHF RLF funding. The average response was 2.5. As a result, we assumed half of the projects would not have occurred without RLF loans and therefore attributed half of the economic impacts from overall project spending to the CHF RLF.

Would Projects Have Still Moved Forward without CHF RLF Loans?

Nan Anderson, Freight Depot, Leadville: *"The project almost certainly would not have happened without the loan. We were under contract with the owner and he was running out of patience and full financing wasn't happening. The loan provided the ability to move forward before the owner pulled the contract."*

Jeremy Nelson, Lowell School, Grand Junction: *"[The project] wouldn't have happened otherwise. Most bank lenders wouldn't lend to an unknown type of business or renovation. They want to lend to businesses that check the boxes. They don't have vision."*



(Left) Freight Depot, Leadville. Hosting event after rehabilitation.



(Right) Lowell School, Grand Junction. From empty school to community gatherings.

Multipliers

The "Final Demand Output"⁴ multiplier was 2.22 (2.2178) for the state of Colorado in the construction industry. This means **for every \$1 spent on construction the economy sees \$2.22 in growth**. Additionally, multipliers are provided for jobs created, wages earned, and 'value-added'. Each of these multipliers, for construction, are higher than average for the state. Construction is a good regional economic engine.

Jobs

The multipliers provided by the BEA RIMS II model show how many jobs are created (full-time and part-time) as a result of \$1 million in spending in a given industry. For construction in Colorado, this value is 13.25. However, even within the labor-intensive construction industry, rehabilitation and preservation generates even more jobs — over 9% more. As a result, **for every \$1 million spent on rehabilitation, 14.5 jobs are created**; 1.25 more than new construction.⁵

Earnings

As with jobs, earnings resulting from rehabilitation are higher than those from new construction — 10% higher. Preservation is labor intensive and tends to require skilled labor.⁶

\$1 in preservation generates \$0.88 in earnings across the CO economy vs. \$0.80 in new construction

In Colorado, every \$1 spent on new construction results in \$0.80 in overall earnings, as that \$1 ripples through the economy. For preservation work, this same \$1 generates \$0.88 in earnings within the overall economy.

Value-Added

Value-added is a measurement of the value of a good or service once all costs are removed or accounted for. This is a useful metric for any economy because it is one measure of 'Gross Domestic Product' (GDP), which is used to gauge the size of a given economy (in this case, Colorado's).

⁴ The "Final Demand Output" is the change in economic activity, after Direct, Indirect, and Induced effects are considered.

⁵ Clarion Associates. (2017).

⁶ Ibid.

Economic Impacts Summary

Below is a table with the economic impacts from the three approaches noted above.

Table 1: Economic Impacts from RLF and RLF Projects ⁷

	RLF Disbursed Funds	Direct Impacts	Economic Output	Earnings	Jobs	Value-Added
Econ Impacts — RLF Funds Only	\$11,887,520	\$11,887,520	\$26,364,141	\$10,445,528	172	\$14,398,164
Econ Impacts — Projects Total	\$11,887,520	\$107,914,488	\$239,332,751	\$94,824,137	1,564	\$130,706,028
Projects Dependent on RLF	\$11,887,520	\$53,957,244	\$119,666,376	\$47,412,068	782	\$65,353,014

Source: Summit Economics

As can be seen, just the funds distributed accounted for over \$26 million in economic impacts, and 172 jobs. When the projects dependent on the CHF RLF loans are analyzed, we find almost \$120 million in economic impacts and 782 jobs created.

Return on Investment from RLF Seed Fund

Here we want to understand the "Return on Investment" (ROI) for funds in the CHF RLF: for every \$1 in the fund, what has the impact been of that \$1?

The original seed funding for the RLF was \$3 million. Since these funds are repaid and then lent again, the original \$3 million has provided a total of \$9 million in loans since 2002. This means, **for every \$1 originally provided to the CHF RLF, \$3 in loans has been provided for projects.** This is one basic way to calculate the return on the initial investment.

Additionally, we can look at the economic impact of that \$1. The table below shows this in the "Impact Multiple" rows.⁸

⁷ Adjusted for inflation to 2025 dollars.

⁸ The "Jobs" column is the number of jobs per \$1 million in spending.

Table 2: Return on Investment Ratios for Initial Investment and Subsequent Impacts

	Seed Funding	Disbursed Funds	Output	Earnings	Jobs (per \$1M)	Value Added
Economic Impact: Seed Funds	\$3,969,250	\$11,887,520	\$26,364,141	\$10,445,528	172	\$14,398,164
Impact Multiple	—	2.99	6.64	2.63	43.4	3.63
Econ Impacts: RLF Dependent	\$3,969,250	\$53,957,244	\$119,666,376	\$47,412,068	782	\$65,353,014
Impact Multiple	—	13.59	30.15	11.94	197	16.46

Source: Summit Economics

The Power of a Single Dollar

For every \$1 of initial seed money, \$3 has been loaned and \$13.59 in historic preservation spending has happened that likely would not have happened otherwise. The preservation spending from this \$1 has resulted in \$30 in economic activity, \$12 in earnings and \$16.50 value-added in the Colorado economy.

The Impact of Inflation on Loaning Power

Every year, \$1 loses purchasing power due to inflation. What \$1 purchased in 2002, the year the CHF RLF was funded, only purchases \$0.54 today, when adjusted by the Consumer Price Index (CPI). However, the rate of inflation for construction has been much higher since 2002 than general inflation. That same \$1 in 2002 results in only \$0.35 worth of work preservation or rehabilitation work in 2025.

\$1 from 2002 can only purchase \$0.35 worth of construction today

Though \$1 in 2002 might only purchase \$0.54 worth of general goods and services today, that same dollar can purchase an even lower \$0.35 worth of construction today. As a result, even though the CHF RLF has not lost any money to defaulted loans, the value of that initial seed funding can have only about 1/3 the impact it could have had in 2002.

To replicate the last 22 years of impact, the CHF RLF would need \$7.9 million today

Because of construction-specific inflation, to accomplish the same impact over the next 22 years that was accomplished over the last 22 years, the CHF RLF would need \$7.9 million today.



Freight Depot, Leadville. Prior to rehabilitation.

Strengthening the Public Purse: Growth in Local and State Tax Revenue

Spending generates taxes. Historic preservation is no different. When money is spent on labor or supplies, taxes are collected. Income tax is collected on business profits and labor earnings, while property taxes are also collected from the improved property value.

A common misconception is that incentives for historic preservation, such as tax credits, represent a net cost to the government. The same concern often applies to “Tax Increment Financing” (TIF), whereby special districts receive the incremental increase in property taxes generated from property renovations, for a designated period of time.

In reality, many of the renovation projects would not have proceeded without the tax incentives. Without the work there would have been no incremental taxes collected. Furthermore, the economic activity spurred by these programs generates tax revenue that often exceeds any initial public investment. Local and state sources are frequently packaged with federal tax benefits and grants, which brings additional funds from outside the state.

Strengthening the local property-tax base increases the primary source of funding for municipal services like schools, police, and fire departments. One study in New Jersey estimated that rehabilitation projects have added approximately \$1.5 million to the state's annual property tax rolls by increasing the value of historic properties.⁹ The Colorado study found that property tax receipts increased by approximately 1% of the overall growth in economic activity.¹⁰

Below, Table 3 estimates the local and state taxes collected due to the economic impacts noted earlier.

⁹ Listokin, D., Lahr, M. L., & Heydt, C. (2011)

¹⁰ Clarion Associates. (2017)

Table 3: Estimated Fiscal Impacts

	Output	Corp. Income Tax	Personal Income Tax	Sales & Use Tax Rev.	Property Tax Rev.	Overall Tax Rev.
Final Demand Output — Loans	\$26,364,141	\$15,076	\$188,020	\$1,047,495	\$1,396,052	\$2,646,642
Final Demand Output — Projects	\$119,666,376	\$68,428	\$853,417	\$4,754,562	\$6,336,655	\$12,013,061
Final Demand Output — Project: RLF Allocation	\$59,833,188	\$34,214	\$426,709	\$2,377,281	\$3,168,327	\$6,006,531

Source: Summit Economics

Total tax receipts caused by the CHF RLF range from \$2.65 million from the loans to \$6 million for projects where RLF funding was critical to facilitating the needed financing. A total of over \$12 million results from the projects funded by the CHF RLF.

The largest contribution comes from local property taxes followed by sales and use taxes.

Table 4: Cumulative Taxes Generated from Project: RFL Allocation

Tax Category	Total	State	Local
Use Tax on Materials	\$1,524,326	\$500,723	\$1,023,603
Sales Taxes	\$852,955	\$280,186	\$572,769
Personal Income Tax	\$426,709	\$426,709	—
Corporate Income Tax	\$34,214	\$34,214	—
Property Tax	\$3,168,327	—	\$3,168,327
Totals	\$6,006,531	\$1,241,832	\$4,764,699

Source: Summit Economics

A more detailed look at the sources of taxes resulting from those projects dependent on CHF RLF funding (the 50% project allocation) shows 53% of the taxes are property taxes

paid at the county level by for-profit owners. These property taxes are paid annually and represent the incremental increase in property values from historic preservation.

Additionally, 25% of the increase in taxes comes from the one-time use-taxes paid by for-profit developers on materials purchased for projects. This tax does not accrue to government when non-profit developers own the project.

The remaining 22% of tax impacts come from:

- Sales taxes generated from job earnings and retail to business sales,
- Individual incomes taxes on job earnings,
- Corporate income taxes on profits from Colorado sales,

In total, 79% of the tax benefits accrue to local governments with the balance going to the State of Colorado.

79% of tax benefits accrue to local governments

In total, 79% of the tax benefits from RLF-facilitated projects accrue to local governments — directly funding schools, police, fire, and other community services. The balance goes to the state of Colorado.



Lowell School, Grand Junction

Other Economic Impacts: Property Values and Heritage Tourism

Though identifying the economic impacts of historic renovations from property values and heritage tourism is beyond the scope of this study, and quite challenging to quantify, it is an important element of what preservation brings and needs to be touched upon.

Property Values

As seen in the previous section, on the fiscal impacts of historic preservation, property value gains from such work are a significant factor in local tax collections. Studies on the real estate value impacts from historical renovation and preservation are mixed but generally show a positive impact, ranging from 5 to 20%.¹¹ This value is in alignment with studies reviewing other neighborhood improvements and amenities, such as parks and greenways.

The Colorado study previously referred to shows that between 1989 and 2015, a period of reinvestment in downtowns and preservation/rehabilitation of historic buildings, the average value per square-foot of buildings within historic districts went from 25% below those properties outside of historic districts to 5% above.¹²

From 25% below to 5% above: Colorado historic districts outperform the market

Between 1989 and 2015, buildings within Colorado historic districts shifted from trading at a 25% discount to a 5% premium over comparable non-historic properties — a 30-point swing driven by preservation investment.

One national study of historic buildings found that about 5% of the valuation was due to the simply to its historic designation.¹³ Supporting this finding was another that found that homes close to "historic landmarks" sell for about 7.5% above comparable properties.¹⁴

¹¹ Leichenko, R. M., Coulson, N. E., & Listokin, D. (2001)

¹² Clarion Associates. (2017)

¹³ Listokin, D., Lahr, M. L., & Heydt, C. (2011)

¹⁴ Zahirovic-Herbert, V., & Chatterjee, S. (2012)

Another study about properties close to historically preserved and rehabilitated buildings found a 3.8% price premium for houses sold "within walking distance" of historic district boundaries.¹⁵

There is obviously an attractiveness found in historic buildings, and being in close proximity to historic areas, for which homeowners are willing to pay a premium.

Heritage Tourism

Historic places, buildings, and areas are significant tourism draws. When downtown areas that have been neglected are restored, they often become a central attraction for tourists. Even something as remote as the restored Needleton Water Tank, located along the Durango Silverton Narrow Gauge Railroad, can become an iconic image and destination for tourists.

The definition of a 'heritage tourist' is very broad, including any tourists who incorporate at least one visit to a historic site or landmark during their visit. According to the U.S. Travel Association, 76 percent of leisure travelers in the United States participated in some sort of cultural or heritage activity in 2013. In Colorado, this number represents 50% of tourists in 2015 — 15.8 million of 31.5 million tourists.¹⁶

Due to the broad definition of heritage tourist and the lack of any specific tourism data related to the historic preservation work stemming from the CHF RLF loans, there is no attempt here to quantify any impact. It is, however, worth noting the role that such tourism can play, particularly in smaller communities. Even a small increase in the number of tourists to a small community can have a valuable economic contribution.

It is also worth noting that the CHF RLF plays a substantial role in the act of preserving and rehabilitating key buildings and structures that are a core component to this substantial segment of the Colorado tourism industry.

¹⁵ Zahirovic-Herbert, V., & Chatterjee, S. (2012)

¹⁶ Clarion Associates. (2017)

The Environmental Benefits of Historical Preservation

“The greenest building is the one already built.”

— Carl Elefante, past president of the American Institute of Architects

This report synthesizes research on the environmental value of historic preservation, challenging the misconception that new construction, even of “energy efficient” buildings, is inherently “greener” than preservation.

The Myth of Inefficiency vs. The Reality of Embodied Energy

Historic buildings are frequently mischaracterized as energy drains due to perceived inefficiencies. However, this perception ignores two critical factors:

- **Embodied Energy:** Embodied energy is the sum of all energy consumed in the manufacturing, transportation, mining, etc. of the materials used to construct a building. *Fifteen to thirty times as much energy is used in the construction of a building than its annual operation.*¹⁷
- **Annual energy use:** The annual energy use in an appropriately rehabilitated historic building is not measurably greater than for a new building.

Embodied Energy and the Carbon Footprint of New Construction

Carbon emissions resulting from embodied energy — manufacturing, construction, and demolition of buildings — account for 11% of total global emissions.¹⁸ Each time a new building is constructed, it brings with it this embodied energy environmental burden.

¹⁷ PlaceEconomics. (2013)

¹⁸ World Green Building Council. (2019)

Existing buildings are like trees in a forest, holding CO₂ from being released into the atmosphere. Whenever an existing building is demolished, a new investment in embodied energy needs to be made, with its associated emissions and mining footprint. According to the Building and Social Housing Foundation, it takes about **50 to 65 years for a new, energy efficient building to save the amount of embodied energy lost in demolishing an existing building.**¹⁹

Reusing one 5,000 sq. ft. building saves the carbon equivalent of 85 homes for a year²⁰

Preserving and reusing buildings conserves not only embodied energy but also mitigates the need for new raw materials. Reusing a single 5,000 square-foot building saves carbon equivalent to that consumed by 85 homes in a year.

Inherent Efficiency in Historic Design

Contrary to popular belief, older buildings often outperform modern ones. Data from the U.S. Energy Information Administration indicates that commercial buildings constructed before 1920 use less energy per square foot than those built in any decade between 1920 and 2000.²¹

Buildings constructed prior to 1920, before the advent of large heating, cooling, and lighting systems, were built with passive design systems to take advantage of nature for these purposes. These buildings incorporated features such as deep eaves, cross-ventilating hallways, and solar orientation to maximize natural daylight and ventilation. Many of these features have returned, now championed as "sustainable" design.²² Additionally, historic structures were often constructed with traditional, durable materials such as stone, concrete, wood, glass and steel — materials that can last centuries.

¹⁹ PlaceEconomics. (2013)

²⁰ PlaceEconomics. (2013)

²¹ Washington State Department of Archaeology & Historic Preservation. (2011)

²² Ibid.

Waste and the Logic of Reuse

Demolition is a major driver of waste. In the U.S., **construction and demolition debris make up approximately two-thirds of all non-industrial solid waste.**²³

- **Demolition vs. New Build:** The average demolition yields **155 pounds of waste per square foot**, whereas rehabilitation yields only **3.9 pounds per square foot.**²⁴
- **The Replacement Trap:** Modern replacements, such as vinyl windows, often last only 10–15 years before ending up in a landfill, whereas historic materials like wood and steel can last indefinitely with maintenance.²⁵ Though historic windows may be less "energy-efficient" from an energy loss perspective, when manufacturing emissions are considered, "energy efficient" windows typically account for a greater energy draw and accumulated waste in landfills.

Demolition vs. New Build:

The average demolition and construction create 155 pounds of waste per square foot, whereas rehabilitation creates only 3.9 pounds per square foot.²⁶

CHF RLF Environmental Impact

The projects funded by the CHF RLF, which prioritized preservation over demolition, directly contributed to environmental savings — reduced CO₂ emissions and reduced waste going to landfills. Using generally available information, we estimate these projects have diverted an estimated **24,000 tons of material from landfills** and prevented the emission of over **42,000 metric-tonnes of CO₂.**²⁷ This is the equivalent of the energy used by almost 5,000 homes over the course of a year.

Accounting for the approximately half of projects that would have moved forward without CHF RLF funding, we can still estimate **12,000 tons of material diverted from landfills**

²³ EPA. (2010)

²⁴ Washington State Department of Archaeology & Historic Preservation. (2011).

²⁵ Kentucky Heritage Council. (2007).

²⁶ Washington State Department of Archaeology & Historic Preservation. (2011).

²⁷ This is done assuming \$350/sf of construction for a new retail or mixed-use building. This can be divided into the total inflation-adjusted project spend to obtain the approximate square footage of new construction avoided.

and the reduction of over 21,000 metric-tonnes of CO₂ due to the existence of the CHF RLF.

At \$30 per metric-tonne in voluntary carbon markets, this represents a value of \$636,000.

CHF RLF: Measurable Environmental Impact

12,000 tons of material diverted from landfills and over **21,000 metric-tonnes of CO₂** prevented — equivalent to the energy used by 2,500 homes for a year. At \$30/metric-tonne, this represents a carbon market value of **\$636,000**.

These figures demonstrate that historic preservation is not just about saving the past; it is a vital strategy for a sustainable future.



Mary Galey Cottage at Colorado Chautauqua

Social Impacts

The cultural and historical resources of a community tell the story of its past and help shape its future and create a uniqueness that develops as a sense of identity for residents. This identity includes the history of the place itself and is often tied to the historical buildings found within those communities. Maintaining these physical reminders of the past creates a deeper sense of place that enhances residents' and visitors' perceptions and value of a neighborhood.

In our research we found that specific social impacts of historic preservation have not been deeply investigated²⁸, though we know such impacts exist. We know from the increase in property values found within, and in proximity to, historic districts and historic preservation, which stems from the additional 'hedonic value' people associate with being in and near such buildings. We know from the significance of 'heritage tourism', which would not exist if these places did not exert a pull for people to visit. We also know from the interviews conducted with the rehabilitators funded by the CHF RLF that these buildings often act as a community gathering space — a space to bring people together which frequently did not exist in the community prior to the rehabilitation.

Many of the rehabilitation projects have included acts of "strategic placemaking" — the creation of unique spaces that serve as attractors for talented workers,²⁹ community activities, unique retail and dining establishments, and other businesses and spaces that create a sense of "place" that is not found elsewhere in the community. "Studies have consistently found increases in property value and multiplier effects in terms of additional private investments throughout communities that have invested in this kind of people-focused placemaking." ³⁰

The projects, and the interviews with the redevelopers, showed such placemaking not only occurred but was typically a key intended component of the project. Examples include:

- **Sociedad Protección Mutua de Trabajadores Unidos (SPMDTU), Antonito** — A Hispanic mutual aid organization founded in 1900, its headquarters (constructed in 1925) has become a community hub following rehabilitation. The building now hosts community meetings and events, creating a distinct cultural identity and reversing decades of membership decline.
- **Lowell School, Grand Junction** — While only 60–70% occupied prior to redevelopment, the rehabilitated Lowell School has since become a hub for local businesses and is now 100% occupied. It has helped bring businesses downtown and has become the host of numerous community events.

²⁸ PlaceEconomics. (2013)

²⁹ Clarion Associates. (2017)

³⁰ Clarion Associates. (2017)

- **Old Holmes Hardware Building, Pueblo ("Fuel and Iron")** Vacant since the 1990s, this rehabilitated building is now mixed-use with a food court on the lower level and apartments above. Intentionally developed as a community gathering space open to the public, it has also created a unique partnership with the local arts community through an art gallery in the food hall.



Sociedad Protección Mutua de Trabajadores Unidos (SPMDTU), Antonito

Catalytic Impacts

The concept of catalytic impacts derives from the definition of **catalyst** — something that "provokes or speeds significant change or action". Based upon a review of the loans, interviews of some borrowers, and online analyses, three potential catalytic effects are noted in the loans funded by the Colorado Historical Foundation:

- **In real estate:** Improvements to a given parcel or area speeds development or redevelopment and preservation of surrounding properties, which when combined can result in significant change to the entire area. The question is one of magnitude and speed; real estate transformation can take decades.
- **In community and economic development:** Investment in restoration stimulates additional activity which creates jobs, enhances business and household incomes, and increases tax revenues. It can also enhance a location's brand or stimulate the emergence of an industry cluster.
- **In organizational development:** An action resulting in much greater organizational capacity, stability, and/or growth which impacts other primary stakeholder groups. Catalytic impacts can extend to collaborators and competitors through technology and market disruptions.

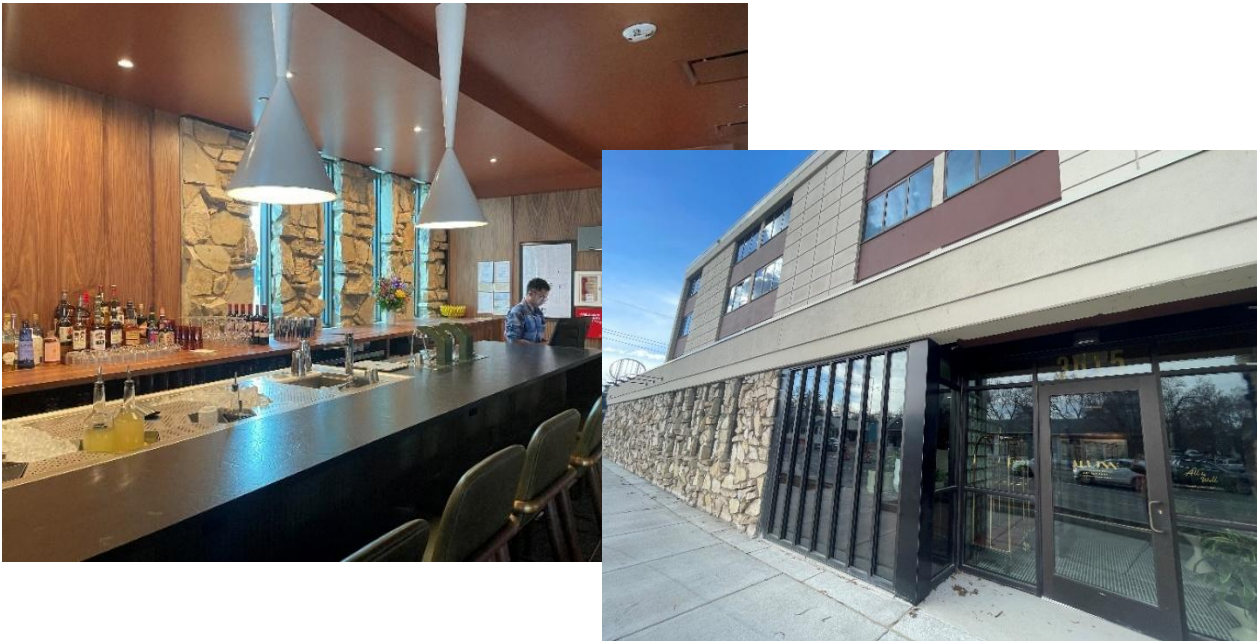
All three of these impacts are evident in the lending program of the CHF RLF. However, loans to individual properties for historic preservation are generally smaller in nature compared to districts and large anchor type real estate developments. As a result, catalytic impacts are more appropriately expressed as value creation spillovers to adjacent and neighboring properties.

Just over half of the CHF RLF loans facilitated longer-term tourism infrastructure and/or cultural attraction to the property. About one-third of the loans were creating a Downtown or Main Street anchor, especially in smaller towns. Half of the loans rescued buildings from long-term abandonment, thereby halting or slowing the areas' decline with adaptive reuse enabling new economic activity.

Almost 90% of the loans were associated with properties on the National Register of Historic Places or located in a National Historic District. Such registers serve as a credentialing mechanism highlighting more desirable opportunities for preservation and thereby opening the door to multiple sources of financing such as tax credits, State grants, tax increment financing, and many foundation grants.

90% of loans tied to the National Register of Historic Places

The National Register serves as a catalyst in creating access to a complex, multi-layered finance ecosystem. The CHF loans played a crucial role in covering gaps in the stacked capital structure — building organizational knowledge that readily transfers to other challenging financing endeavors like those found in urban renewal areas.



All Inn Hotel, a rehabilitated modern style hotel on Denver's East Colfax Avenue

Conclusions

Over the course of 23 years, the Colorado Historical Foundation Revolving Loan Fund has generated a measurable impact with a modest pool of capital. What began as a \$3 million seed grant has generated \$9 million in loans, supported \$75 million in total project spending, created 782 jobs, and contributed an estimated \$167 million in total economic impact across Colorado. Each dollar of original seed funding has facilitated \$30 in statewide economic output and \$3.15 in state and local tax receipts.

The economic benefits of historic preservation are well understood and supported. Research across multiple states, including Colorado, indicates that historic rehabilitation generates approximately 10% more jobs and higher earnings per dollar spent than equivalent new construction — an advantage that is particularly relevant in the rural and smaller metro communities where 70% of CHF RLF loans have been deployed over the past decade.

The environmental record is similarly noteworthy. Projects supported by the CHF RLF have diverted an estimated 12,000 tons of material from landfills and avoided more than 21,000 metric-tonnes of CO₂ emissions. These outcomes reflect a well-established finding in sustainability research: that the embodied energy already invested in existing structures represents a significant environmental asset, and that rehabilitation is, in most cases, the lower-carbon alternative to demolition and new construction.

Social and catalytic impacts are more difficult to quantify but are consistently observed. Rehabilitated buildings have served as commercial anchors, community gathering spaces, and cultural landmarks — outcomes that are reflected, in part, in documented property value benefits in and around historic districts.

The fund's role as gap financing within complex, multi-source capital stacks has also helped borrowers develop financing expertise that carries forward to future projects.

The rehabilitated buildings facilitated by CHF RLF funding contributes to the broader infrastructure of historic places and experiences that support the significant and growing heritage tourism industry within Colorado. With heritage tourists representing half of all Colorado visitors — approximately 15.8 million people in 2015 — the condition and availability of historic places have a direct bearing on a major segment of the state's tourism economy, particularly in smaller communities where a single restored building can serve as a meaningful destination.

To continue to have an equal impact, however, additional funding would be required. Inflation has eroded the potential current and future impact resulting from the initial seed funding, with construction purchasing power being degraded by almost 2/3 since 2002. This has resulted in a substantial bottleneck in funding, as the demand for CHF RLF loans is much greater than the capacity of the loan fund.

75 project inquiries since 2020. Capital to fund nine.

Demand for CHF RLF financing has significantly outpaced available capital in recent years. Compounding this constraint, construction-specific inflation has eroded the purchasing power of the original \$3 million seed fund substantially: \$1 from 2002 purchases only \$0.35 in construction today. To replicate the fund's impact over the next 22 years, an estimated \$7.9 million in current dollars would be required — reflecting not a change in the fund's performance, but the cumulative effect of inflation on a fixed capital base.

Historic preservation in Colorado connects economic development, environmental stewardship, and community identity within a single activity. The CHF Revolving Loan Fund represents one vehicle through which that connection has been made tangible and measurable across the state.

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