ECONOMIC IMPACT OF HISTORIC PRESERVATION IN TEXAS

EXECUTIVE SUMMARY

UPDATE 2015

TEXAS

RUTGERS
SUMMARY OF CONCLUSIONS

1 TEXAS HERITAGE ATTRACTS TOURISTS

More than 10.5 percent of all travel in Texas is heritage-related, and that number continues to rise. Heritage tourists contribute more than their share to spending, $7.3 billion or about 12.5% of total visitor spending in Texas. Of that, nearly $2.26 billion can be attributed directly to the heritage-related portions of their trips. According to a survey of participating sites, the Texas Heritage Trails Program increases revenue and visitation by 13.9%.

2 HISTORIC PRESERVATION CREATES JOBS

Heritage tourism alone created more than 54,000 jobs in Texas in 2013, in diverse areas such as retail, construction, manufacturing, transportation and utilities, as well as services. Overall, historic preservation activities created more than 79,000 jobs in 2013.

3 HISTORIC BUILDING REHABILITATION REBUILDS TEXAS COMMUNITIES

Private property owners invest almost $741 million annually in rehabilitation of designated historic buildings, more than 7% of all building rehabilitation activity. Public entities add at least $31 million for a total annual historic rehabilitation investment in Texas of approximately $772 million.

4 INCENTIVES FOR HISTORIC PROPERTIES ATTRACT REINVESTMENT

Every dollar from federal and state incentive programs triggers $4 to $5 of private-sector investment. Since its inception in 1978, the Federal Historic Tax Credit has spurred about $1.78 billion in private-sector rehabilitation in Texas, generating more than 35,000 in-state jobs and more than $2.4 billion in state GDP. As the new Texas Historic Preservation Tax Credit takes effect in 2015, the state can expect a strong increase in this investment.

5 HISTORY MUSEUMS BRING ECONOMIC VITALITY TO COMMUNITIES

Texas Historical Museums (there are more than 700) spend over $93 million annually, not including capital expenditures. Even history museums in the smallest communities across the state attract thousands of visitors annually.

6 REVITALIZATION OF TEXAS MAIN STREETS MAKES GOOD BUSINESS SENSE

Historic downtowns sustain communities and are the focus of the Texas Main Street Program, with 89 cities currently participating. Since the program’s inception in 1981, participating Main Streets have produced an average of $310 million annually in state GDP. Cumulative reinvestment in Main Street areas has totaled over $5.2 billion since 1981.

7 THE STATE’S INVESTMENT IN COURTHOUSES PAYS GREAT DIVIDENDS

Since 2000, the Texas Historic Courthouse Preservation Program has awarded over $251 million in grants to 91 counties. These awards made possible about $403.3 million in total project spending from 2000 through 2013. These projects have created more than 9,600 jobs and added $615 million to state GDP, while spurring downtown revitalization in counties large and small.
SUMMARY OF ANNUAL ECONOMIC IMPACTS

Historic preservation activities in Texas, including heritage tourism, the rehabilitation of historic buildings, Texas History Museums operations, and activities generated by Texas Main Street Programs, contribute over $4.6 billion annually to the state. The economic impacts of preservation include the creation of jobs, income to Texas residents, an increase in the gross state product, increased state and local taxes, and increased in-state wealth.

ANNUAL HERITAGE-RELATED SPENDING IN TEXAS (2013)

- Heritage Tourism: $2.25 billion
- Historic Rehabilitation: $772 million
- Net Historical Museum Operations*: $93 million
- Net Main Street Program Activity*: $224 million
Total Direct Spending: $3.34 billion

JOBS & INCOME IN TEXAS SUPPORTED BY ANNUAL HISTORIC PRESERVATION ACTIVITIES

<table>
<thead>
<tr>
<th>Activity</th>
<th>JOBS</th>
<th>INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Trade</td>
<td>7,949</td>
<td>$278 million</td>
</tr>
<tr>
<td>Service Sector</td>
<td>50,071</td>
<td>$1,760 million</td>
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<tr>
<td>Construction</td>
<td>7,782</td>
<td>$527 million</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>6,602</td>
<td>$378 million</td>
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<tr>
<td>Other Sectors</td>
<td>7,015</td>
<td>$318 million</td>
</tr>
</tbody>
</table>
Total                      | 79,419 | $3,260 million |

ANNUAL EMPLOYMENT EFFECTS OF HISTORIC PRESERVATION (2013) - 79,419 TOTAL JOBS IN TEXAS

- Heritage Tourism: 54,204 jobs
- Historic Rehabilitation: 15,398 jobs
- Main Street Activity*: 5,385 jobs
- History Museums*: 4,432 jobs

TOTAL IMPACT OF HISTORIC PRESERVATION IN TEXAS - $4.6 BILLION ANNUALLY

In-state benefits of the $3.34 billion direct annual expenditures, based on multipliers:

- Jobs: 79,419
- Labor Income: $3,260 million
- In-state Wealth: $3,785 million
- State & Local taxes: $291 million
- State GDP: $4,624 million

*Excluding Museum and Main Street impacts already tallied in Heritage Tourism and Rehabilitation.