

ECONOMIC BENEFITS OF HISTORIC PRESERVATION IN BOULDER CITY, CLARK COUNTY, NEVADA

A White Paper Prepared for
City of Boulder City, Nevada

Prepared by
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Executive Summary

By request of the Boulder City Community Development Department, North Wind Resource Consulting, LLC (North Wind) prepared this white paper outlining the economic benefits of historic preservation and examining its impact on the economic development of the city. North Wind relied on national studies conducted by Place Economics, including *Twenty-Four Reasons Historic Preservation is Good for Your Community* (2020), to develop a framework for measuring the economic benefits of historic preservation within the City. An evaluation of available statistics from the local real estate and labor markets, construction activity, developments in the local heritage tourism industry, and interviews with small business owners and local officials revealed that historic preservation has had a generally positive effect on the local economy.

Brief History of Boulder City and Role of Historic Preservation in the Community's Development

Boulder City was initially developed in 1931 by the Bureau of Reclamation and Six Companies, Inc. to provide housing, services, and other infrastructure for workers employed on the construction of the Hoover Dam. At the height of the dam's construction, the city housed over 4,000 workers and included more than 1,500 permanent and temporary buildings. Early construction in the community included more than a thousand homes, a dozen dormitories, four churches, a grade school, theater, several municipal buildings, and a vibrant downtown commercial district. Although construction of the Hoover Dam was completed in 1935, the Bureau of Reclamation continued to supervise and regulate the city's development until the 1950s (Mooney et al. 2020).

In 1958, President Eisenhower signed the Boulder City Act, establishing an independent municipal government and turning over the existing townsite and infrastructure to the city's residents. Following its official incorporation in January 1960, Boulder City experienced a tremendous population boom that resulted in rampant residential and commercial development (Mooney et al. 2020). In an effort to regulate development, local residents passed a controlled growth ordinance in 1979 that limited the number of residential and commercial building permits that could be issued annually. Since the inception of the controlled growth ordinance, the growth of Boulder City has been limited to approximately three percent per year (Castro et al. 2008).

Passage of the controlled growth ordinance coincided with a period of renewed interest in the community's history among Boulder City residents. In 1980, local preservationists founded the Boulder City Museum to promote and protect the city's history. The organization helped get the Boulder Dam Hotel added to the National Register of Historic Places (NRHP) in 1982. Other long-term historic preservation planning initiatives began to take root following the establishment of the Boulder City Historic District in 1983 (Ruiz and Ammerman 2021).

In 1991, the city developed a Master Plan that supported the development of a historic preservation plan and promoted public awareness of its historic and cultural resources. Five years later, in 1996, the city organized the Historic District Preservation Plan Study Committee to further the goals set forth by the 1991 Master Plan (Ruiz and Ammerman 2021). The Committee's findings, which were issued in 1998, included recommendations to develop overlay zones within the historic district, enact tax incentives for historic preservation, and obtain Certified Local Government (CLG) status.

In 2000, the Committee's findings resulted in the creation of a new municipal zoning ordinance—Boulder City Municipal Code, Title 11, Chapter 27—which outlined the regulation of historic resources in Boulder City and established the Cultural Resources Commission (CRC)—a seven-member advisory committee which met monthly to discuss issues related to historic preservation (Ruiz and Ammerman 2021). The Boulder City Master Plan, which was completed in 2003, reiterated many of the Committee's findings and further emphasized the importance of historic preservation. In 2006, the Boulder City Historic Preservation Committee (Committee) was established by Ordinance No. 1295. The Committee was comprised of five members tasked with advising the Planning Commission and City Council on all matters related to historic preservation within the City. Boulder City Municipal Code, Title 11, Chapter 27 was amended in 2008 and, again, in 2016 (Ruiz and Ammerman 2021). In August 2019, Boulder City became a CLG, allowing the City itself and its residents to qualify for additional financial assistance for historic preservation-related projects. On October 11, 2022, the City Council voted to approve City ordinance Bill No. 1921 that amends Title 3 of the City Code to add a new Chapter 7, Historic Preservation Commission, and amends Title 11 of the City Code to repeal Chapter 27, Historic Resources, and replace with a new Chapter 27, Historic Preservation. The new chapter establishes the Historic Preservation Commission and sets regulatory guidelines for alterations and new construction within the Boulder City Historic District. The approval is supported by the historic preservation goals established by the 2025 Boulder City Strategic Plan, adopted in 2018, and by City Council action in 2020 to review the current historic preservation ordinance and provide recommendations.

Economic Benefits of Historic Preservation in Boulder City

Since the first historic preservation initiatives were implemented in Boulder City in the 1980s and 1990s, the protection of historic resources has added tremendous value to the community. The economic benefits of historic preservation are especially apparent in a community like Boulder City which has a unique developmental history, an abundance of extant historic-age properties, and a strictly controlled growth ordinance that regulates new construction. To determine the effectiveness of historic preservation policies on economic and community development, researchers must rely on data from the local real estate market, recent construction activity, local labor statistics, small business development, and trends in the heritage tourism industry (Place Economics 2020).

One of the primary ways to evaluate the efficacy of historic preservation policy is to analyze property values, real estate foreclosure patterns, and market resilience for properties located within historic districts. In cities across the country, properties have been shown to increase in value following historic district designation. For example, in Indianapolis, Indiana, single-family homes located in historic districts have on average increased in value 7.3 percent each year, compared with just 3.5 percent for houses located outside the district. The same statistic holds true for cities as diverse as Pittsburgh, Philadelphia, and Phoenix, Arizona. For homeowners in Boulder City, historic preservation has been shown to considerably increase property values by reducing vacancy, promoting neighborhood stability, and encouraging the long-term economic health of the community. The positive impact of historic preservation on local property values was demonstrated by a recent analysis of residential sales data for Boulder City that indicated that homes located within the historic district typically sold for prices that were 68 percent higher than similar homes located in other parts of the city (Realtor.com 2022). Likewise, properties that were considered to be contributing resources to the Boulder City Historic District commanded prices

BC Closings Outside HD			
	CLOSED	MEDIAN PRICE	\$/SQFT
2017	353	\$265,000	\$142
2018	354	\$285,145	\$153
2019	343	\$310,000	\$166
2020	296	\$350,000	\$188
2021	359	\$385,000	\$207
2022	224	\$472,500	\$254
Total 2017-2022	1929	\$325,000	\$175

BC Historic District Closings			
	CLOSED	MEDIAN PRICE	\$/SQFT
2017	31	\$239,999	\$190
2018	31	\$250,000	\$198
2019	27	\$250,000	\$198
2020	26	\$301,000	\$238
2021	43	\$329,000	\$260
2022	30	\$375,000	\$297
Total 2017-2022	188	\$310,000	\$245

A comparison of number of closings, median price, and price per square foot for homes within and outside of the Boulder City Historic District between 2017 and 2022 shows that the District homes have overall higher value per square foot; however, because there are less homes within the District than outside of the District, the median price is showing lower. [Home Builders Research Inc. 2023]

that were approximately 13 percent higher than non-contributing properties located within the district’s boundaries (Realtor.com 2022). Additionally, a recent analysis of home prices in Boulder City over a six-year period (2017-2022) shows that that the value ratio (price per square foot) for homes located within the Boulder City Historic District have been 25 percent higher on average than those located outside of the district’s boundaries (Home Builders Research Inc. 2023).

Increased walkability also boosts home values within historic districts. The proximity of older neighborhoods to downtown commercial areas attracts a wide variety of consumers who value easy access to local shopping and social destinations (Cortright 2009). For this reason, studies have shown that housing markets attach a positive value to walkability, with homes located in more walkable neighborhoods commanding a price premium over otherwise similar homes in less walkable areas (Cortright 2009). According to data obtained from Walk Score, a website that measures community walkability by analyzing walking routes to nearby amenities and rates individual addresses with scores ranging from 0 (car dependent) to 100 (most walkable), most areas outside of the Boulder City Historic District were considered “car dependent,” averaging between 0 and 49 on the Walk Score index (walkscore.com 2022a). However, properties located within the Boulder City Historic District ranked higher, typically falling within the “somewhat walkable” category (between 50–69 on the Walk Score index depending upon location within the district) (walkscore.com 2022b).

An examination of home foreclosure patterns is another reliable method for assessing the economic advantages of historic preservation. Research indicates that even during economic downturns, foreclosure rates in local historic districts are decidedly lower than those in other parts of the



A landscape strip with trees lining Cherry Street in the Boulder City Historic District help to increase the District's walk score (North Wind 2023).

community (Place Economics 2020). This trend applies to wealthy areas, as well as low-income historic neighborhoods. Evidence of the positive impact of historic district designation can be seen in home foreclosure patterns across the country. For instance, in Raleigh, North Carolina, 100 out of every 1,000 houses faced foreclosure during the height of the Great Recession. For homes located in local historic districts that number was only 28.8 out of 1,000. This pattern prevails in Boulder City as well as evidenced by a recent analysis of foreclosure patterns from August 2022 which shows that foreclosure rates in Boulder City have been significantly lower over the past

year than those in other areas of Clark County (Community Dashboard n.d.). For example, a comparison of Boulder City's foreclosure rates with those of Mesquite, a community of similar size, indicates that Boulder City had only one foreclosure during the past year compared with four in Mesquite, Nevada. An investigation of default notices indicates a similar trend, with only seven default notices issued in Boulder City in the past 12 months compared to 27 in Mesquite (Community Dashboard n.d.). Unfortunately, this data does not specify whether the foreclosures and default notices issued in Boulder City occurred within the historic district. Still, in relation to the foreclosure findings, market resilience for properties located in historic districts tends to be less elastic than for properties located outside of district boundaries. National studies have indicated that homes in historic districts typically do better when the market is improving, fall later and less steeply when markets decline, and recover their value more quickly than those located in other neighborhoods (Place Economics 2020).

An examination of recent construction activity can also provide a reliable metric for gauging the impact of historic preservation policy on local economic growth. Restoration projects are especially good for communities, as they typically use materials and services that are purchased locally, thereby increasing the project's impact on the local economy (Rypkema and Cheong 2011). Construction within historic districts helps the neighborhood to evolve over time and adapt to new technologies. Every year, construction within historic districts adds value to communities nationwide. Within the last five years, Nashville, Tennessee has seen an average of \$62.8 million in permit investment and 373 projects annually within historic districts. An analysis of construction permit revenues stemming from new construction and rehabilitation projects revealed that between 2015 and 2020 there were 205 permits issued for new construction and 390 permits issued for remodeling projects in Boulder City. According to this data, renovations to existing structures accounted for more than 65 percent of the construction activity in Boulder City during the five-year study period (Building and Safety Division Year to Date Reports n.d.). Furthermore, the total value of the rehabilitation projects completed between 2015 and 2020 were

valued at \$80 million, or 25 percent more than the \$60 million valuation for new construction (Boulder City Community Development Department Year to Date Reports n.d.). As the restoration of historic buildings is also typically more labor intensive, historic preservation can also create a variety of skilled jobs that provide higher wages than new construction. Although these data were not available for Boulder City, workers skilled in window restoration, plaster repair, and finish carpentry are generally in high demand for rehabilitation projects involving historic structures (Place Economics 2020).

Another significant way that historic preservation stimulates economic growth is through small business and start-up development. Small and start-up businesses are particularly attracted to the character, affordability, size, and location of historic commercial areas (Place Economics 2020). Small businesses are crucial to the economic health of a community, collectively providing more jobs than large corporations and more entrepreneurial opportunities for women and minorities (Place Economics 2020).

Throughout the country, small business owners increasingly prefer historic properties located in downtown commercial districts. For example, in Nashville, between 2007 and 2017, commercial property values in downtown historic districts increased an astounding 425 percent. Although statistical information on how historic preservation affects small businesses in Boulder City was not available, according to Jill Lagan of the Boulder City



The recently renovated Boulder City Company Store at 525 Avenue B in the Boulder City Historic District (North Wind 2023).

Chamber of Commerce there are numerous financial incentives for small businesses within the city’s historic district. For example, according to Ms. Lagan, several small businesses have relocated to the Boulder City Historic District to capitalize on its walkability and engage in community-wide events (J. Lagan, personal communication, October 3, 2022). Small businesses also offer unique location-based experiences that can promote the history of Boulder City and attract visitation (J. Lagan, personal communication, October 3, 2022).

Ms. Lagan’s statements are supported by Chris Unger, owner of Ragtown Tattoo on 1244 Wyoming Street, who initially opened his business in the historic district in 2016. After a brief relocation outside of the historic district, he returned in 2020 stating the proximity to community events and the commercial core was his primary incentive as it provided “increased exposure” to the public (C. Unger, personal communication, October 15, 2022). He believes that the authentic historic architecture and “small town vibe” are major draws for tourists and locals who are loyal to many of the businesses in the city’s historic commercial core. Although the rent is slightly higher than his previous location, Mr. Unger believes the benefit of being close to Boulder City’s historic commercial district outweighs the additional cost (C. Unger, personal communication, October 15, 2022).



Ragtown Tattoo, 1244 Wyoming Street, at right in the Boulder City Historic District (North Wind 2023).

The rate of heritage tourism within a community provides a final metric for evaluating the positive impacts of historic preservation. Heritage tourists are beneficial to local economic growth as they have been shown to stay longer and spend more money per day than other types of travelers (Destination Analysts Inc. 2008). The benefits of heritage tourism are evident across the country. For example, in Pittsburgh, Pennsylvania, 45.6 percent of overnight visitors and 44.8 percent of day visitors fall within the definition of a heritage tourist. Boulder City's unique location between two of the largest tourism centers in the West—Las Vegas

and the Hoover Dam—attracts a wide variety of domestic and international tourists each year. According to Jill Lagan, it is common for heritage tourism in Boulder City to increase in connection with major events in Las Vegas (J. Lagan, personal communication, October 3, 2022). The importance of tourism to Boulder City's economy is evidenced in data collected by VisaVue

Travel, which tracks card transactions within the community. According to data collected by the company during Q4 of 2019, 55 percent of card transactions in the city came from card holders with zip codes outside of Boulder City (Boulder City Review 2020). While it is difficult to obtain a precise figure for the economic value of heritage tourism in Boulder City, data collected by VisaVue between 2018 and 2022, suggests that approximately 34 percent of consumer spending at local merchants occurred at



Thriving businesses along Nevada Way in the Boulder City Historic District (Quigg, A. 2023).

businesses that could be tied to the heritage tourism industry. This included spending at restaurants, gift, card, and novelty shops, and lodging (VisaVue n.d.). Despite a noticeable decline in tourism

during the coronavirus pandemic, heritage tourism continues to represent a major sector of the city's economy.

Conclusion

Overall, historic preservation initiatives have had a generally positive impact on Boulder City's economic development. The analysis of residential sales data show that properties located within the Boulder City Historic District yielded a higher price than similar properties in non-designated areas, and an examination of recent foreclosure data indicates that Boulder City's rates of default and foreclosure are significantly lower than those of comparable communities located nearby. Additionally, a study of recent construction trends demonstrates that more permits are issued for alterations to existing structures than new construction, creating more local jobs and supporting the local economy. Anecdotal evidence from Jill Lagan, Chief Executive Officer of Boulder City Chamber of Commerce, and local business owners suggests that small businesses situated in the city's historic district benefit financially from its walkability and opportunities for community engagement. Lastly, statistics prove that cultural tourism remains an integral part of the local economy and a major source of revenue for the city. Although initial analysis suggests that historic preservation has a beneficial effect on community development, reliable data on home values, foreclosures rates, building activity, heritage tourism, and job creation within the Boulder City Historic District is limited and a more comprehensive analysis of this data could offer a better understanding of the economic value that preservation brings to the community.

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Economic Benefits of Historic Preservation in Boulder City, Nevada

Appendix: Boulder City Historic District Home Price Analysis, Home Builders Research, 2023

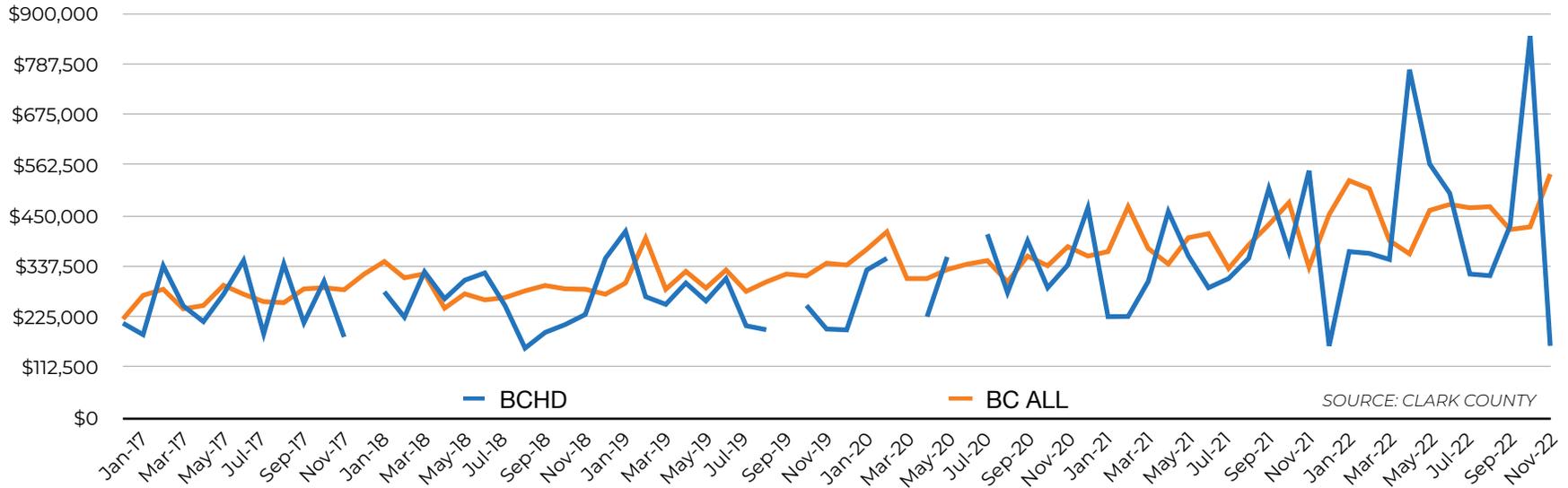


Boulder City Historic District Home Price Analysis



The Boulder City Historic District (BCHD) is Nevada’s largest listing on the National Register of Historic Places and features many homes built before World War II. In the following pages we will look at home prices within the Historic District and how they compare with those in the rest of Boulder City.

BOULDER CITY RESALE MEDIAN CLOSING PRICES 2017-2022



BC Historic District Closings

	CLOSED	MEDIAN PRICE	\$/SQFT
2017	31	\$239,999	\$190
2018	31	\$250,000	\$198
2019	27	\$250,000	\$198
2020	26	\$301,000	\$238
2021	43	\$329,000	\$260
2022	30	\$375,000	\$297
Total 2017-2022	188	\$310,000	\$245

The graph above shows how the monthly median home closing prices inside and outside of the BCHD generally tracked together over the life of the graph until 2022 when prices inside the BCHD fluctuated much more dramatically month to month.

Looking at the tables showing the annual sales activity and median prices, we see that sales within the BCHD consisted of nine percent (9%) of resale home sales in Boulder City from 2017-2022.

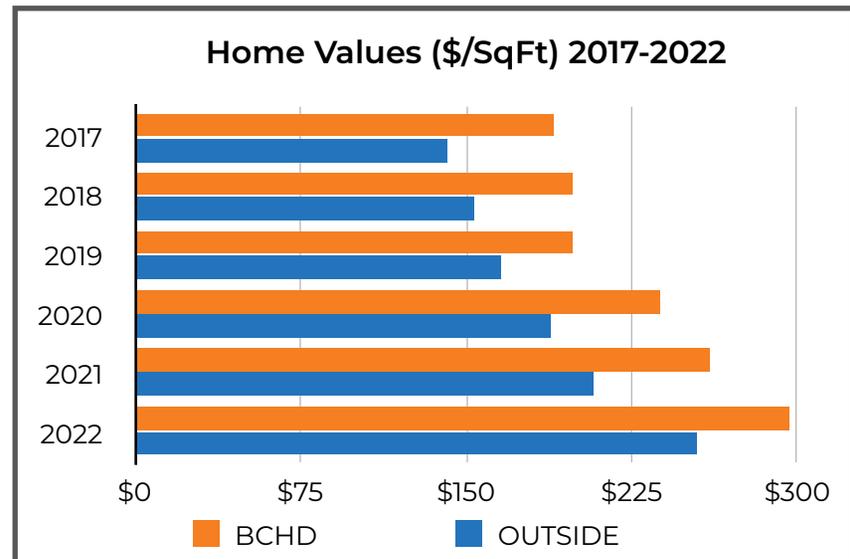
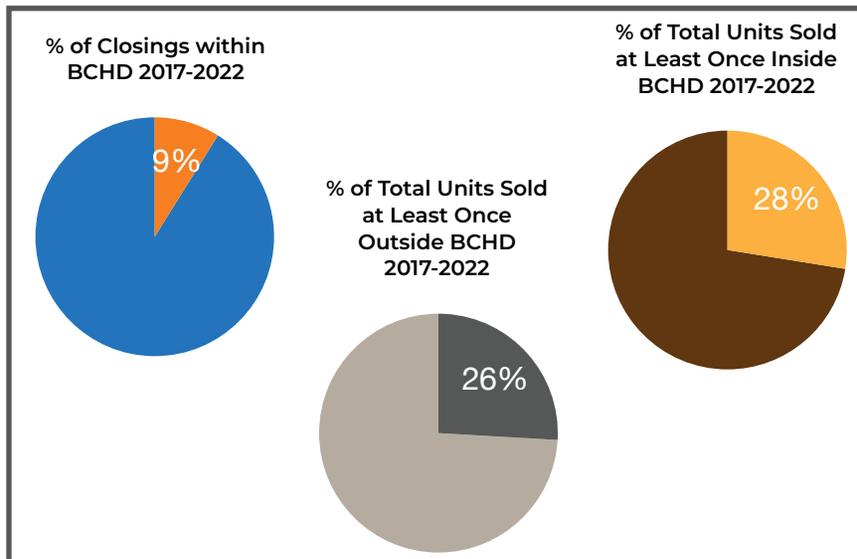
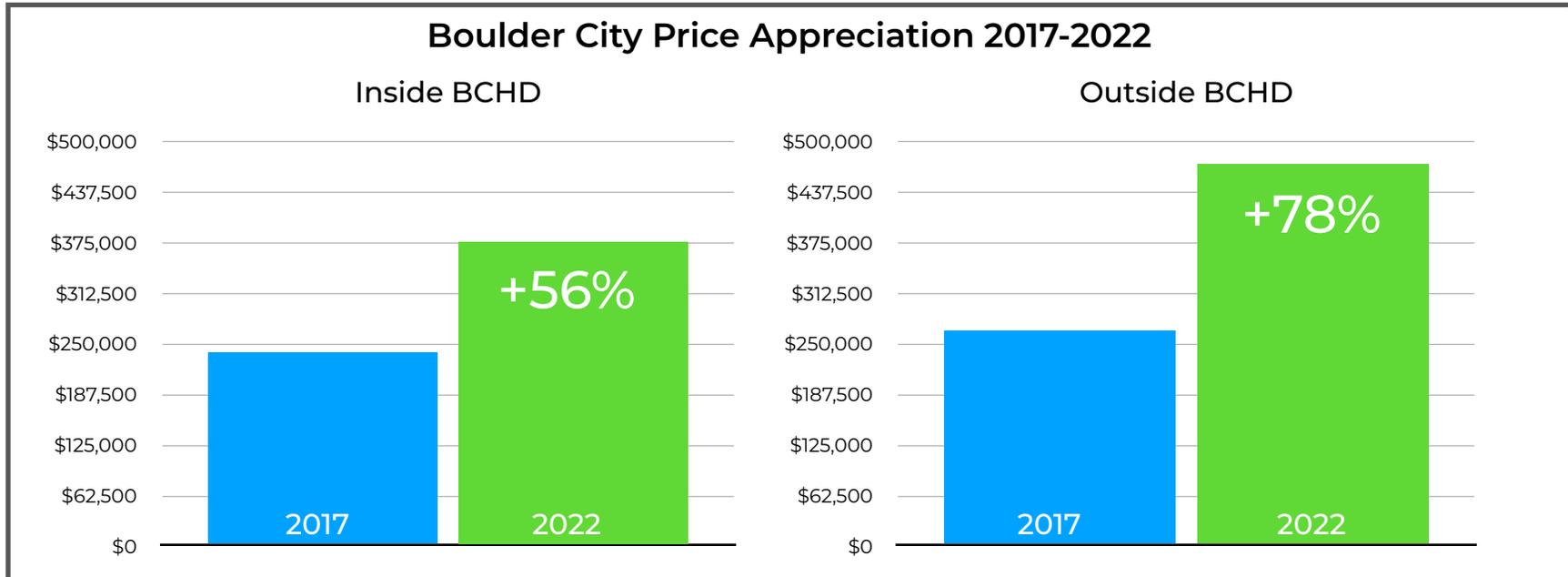
Over that time frame, the median sales price within the BCHD rose over 56 percent while outside the appreciation was 78 percent.

Easily accessible data on the size of homes is limited, so we are forced to use the averages from 2022 closings (1,263 sqft within the BCHD and 1,862 sqft outside) to determine the 'value ratio' (price per square foot) for the areas inside and outside the BCHD.

So while prices have generally risen more outside of the BCHD, the value of homes with the BCHD has been 25 percent higher on average over the past six years.

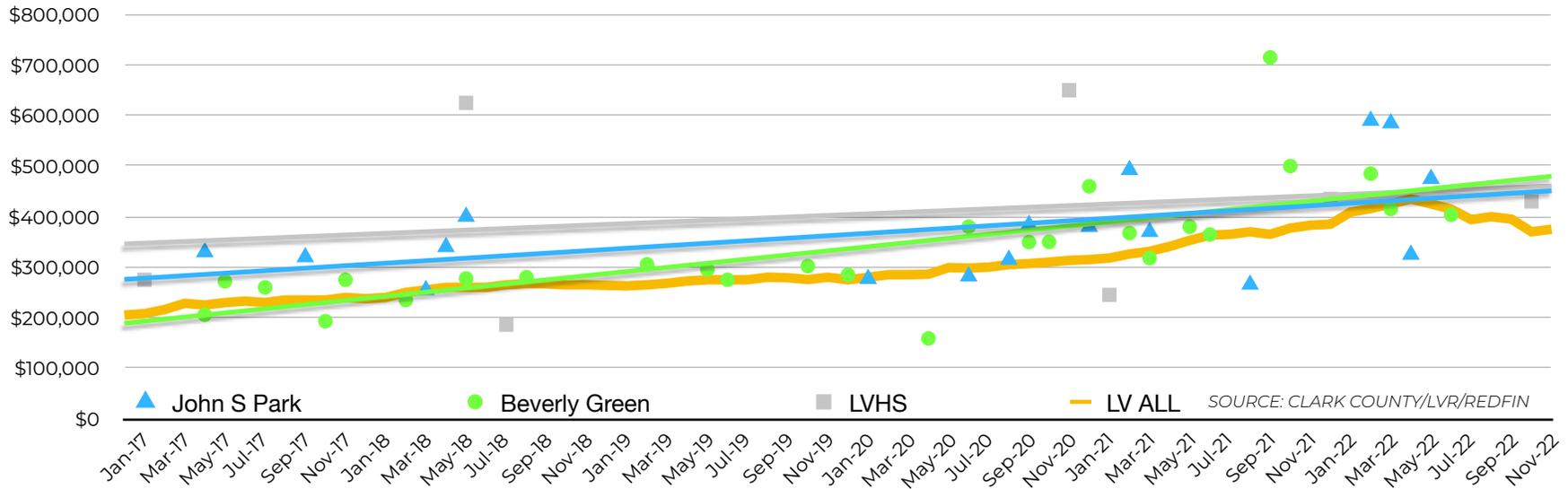
BC Closings Outside HD

	CLOSED	MEDIAN PRICE	\$/SQFT
2017	353	\$265,000	\$142
2018	354	\$285,145	\$153
2019	343	\$310,000	\$166
2020	296	\$350,000	\$188
2021	359	\$385,000	\$207
2022	224	\$472,500	\$254
Total 2017-2022	1929	\$325,000	\$175



For comparison, the City of Las Vegas has three smaller historic districts in its downtown area (LVHDs). Only one of which (Las Vegas High School Neighborhood Historic District) is listed only on the National Register of Historic Places like the BCHD. The three areas combined contain roughly 317 residences.

LAS VEGAS RESALE MEDIAN CLOSING PRICES 2017-2022



LVHD Resale Closings

	CLOSED	MEDIAN PRICE	\$/SQFT
2017	8	\$273,500	\$168
2018	11	\$280,000	\$172
2019	5	\$302,000	\$186
2020	14	\$329,276	\$203
2021	19	\$380,000	\$234
2022	10	\$432,500	\$266
Total 2017-2022	67	\$340,000	\$209

The graph above shows how the monthly median home closing prices inside and outside of the Downtown LVHDs also generally tracked together over the life of the graph. We used trend lines for the LVHDs since the number of closings were so few.

Over that time frame, the median sales price within the LVHDs rose over 58 percent while outside the appreciation was 80 percent. Given the "wild" nature of the real estate market from 2020 through early 2022, it is not surprising that homes outside the LVHDs showed more price appreciation as there is a comparatively smaller pool of buyers for downtown Las Vegas.

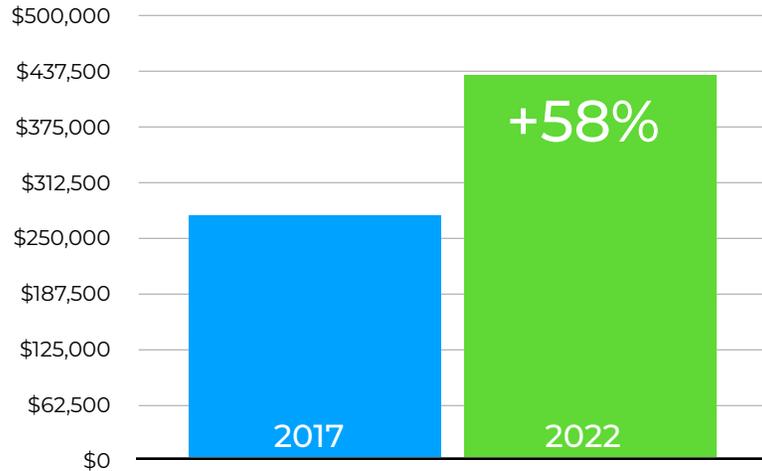
Similar to Boulder City, all three LVHDs showed consistently higher value ratios (\$/sqft) over our time frame than homes in general. The Las Vegas High School Historic Neighborhood District generally showed the highest value ratios although again, there is less data to work with.

LV Valley Resale Closings

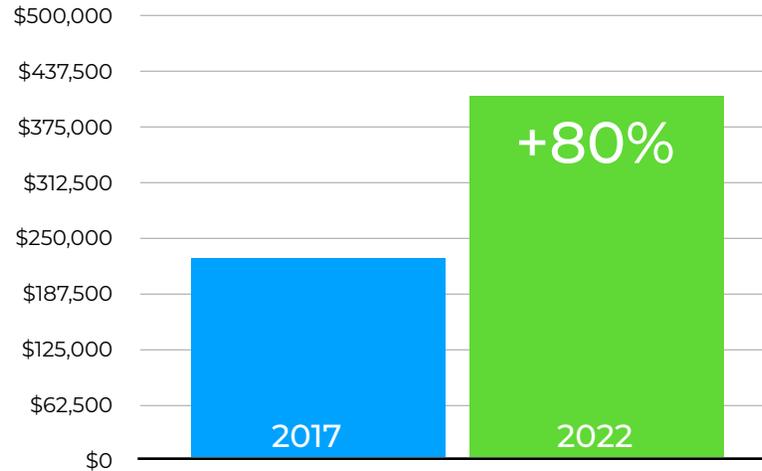
	CLOSED	MEDIAN PRICE	\$/SQFT
2017	49,883	\$226,000	\$88
2018	48,761	\$259,000	\$101
2019	46,973	\$274,000	\$107
2020	44,317	\$297,000	\$113
2021	59,923	\$350,000	\$155
2022	43,177	\$407,100	\$157
Total 2017-2022	293,034	\$295,000	\$120

Las Vegas Price Appreciation 2017-2022

Inside Downtown LVHDs



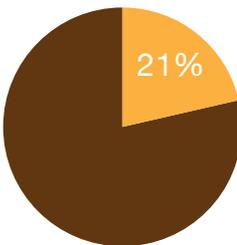
Outside



Based on our research, we have come to the following conclusions regarding the initial questions posed for this study:

- Housing prices are not generally higher within the historic districts studied, however homes within the districts did show higher value ratios than those outside.
- Based on the percentage of homes sold in relation to the overall housing stock, it does not seem that ownership periods are longer in the BCHD. However, it is our opinion that housing market conditions post COVID could possibly have led to a higher level of activity within the BCHD. The influx of population into Southern Nevada created a larger pool of buyers for the niche market of renovated historic homes that offers something unique compared with the typical home in the area. Therefore, this point remains inconclusive in our view.

% of Total Units Sold at Least Once LVHDs 2017-2022



Home Values (\$/SqFt) 2017-2022

