



Historic Development: How a New Approach to Preservation Can Help Us (Strategically) Save Places

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TABLE OF CONTENTS

Executive Summary	3
Introduction	4
Conversations in the Media About Preservation in Austin	6
Selection of Districts	6
District Descriptions	10
Rainey Street National Register Historic District	10
East 5th & 6th Streets	11
South Congress Avenue	12
Methodology	13
Data Results	15
Data Analysis	17
Data Challenges	18
Next Steps	19
Conclusion	20
Bibliography	21
Appendix A - Future Plan for Rainey Street Area Development	22

LIST OF FIGURES

Figure 1: Projected Austin MSA Population	7
Figure 2: The Black Heart on Rainey Street in Austin, Texas	8
Figure 3: 3x3 Analysis Framework	9
Figure 4: Rainey Street National Register District Map	10
Figure 5: East 5th & 6th Streets District Map	11
Figure 6: South Congress District Map	12
Figure 7: Rainey Street Parcel Use Types	15
Figure 8: East 5th & 6th Streets Parcel Use Types	16
Figure 9: South Congress Parcel Use Types	17
Figure 10: District Land Value Change, 2011-2015	20
Figure 11: District Improvement Value Change, 2011-2015	20

EXECUTIVE SUMMARY

We want to better understand the intersection of real estate development and historic neighborhoods and districts. To that end, we wondered if there could be indicators of change that could alert preservation practitioners to real estate market pressures that may be endangering these areas.

1. **Standards for Preservation & Rehabilitation: Why are the Secretary of the Interior's Ten Criteria regarded as the Ten Commandments of Preservation?**
2. **Preservation Silo: Why doesn't Historic Preservation do more to engage with other professions and contribute to the development of planning schemes?**
3. **Ignoring Zoning Issues: Are preservation practitioners using the tools available to achieve their goals?**

As we began to see these three themes emerge in our conversations about the intersection of preservation, planning and policy, we began to wonder how we could measure or collect data that would help us understand how historic neighborhoods act over time. The City of Austin, Texas, has experienced some of the most rapid population growth in the country in the last three years, and is projected to continue to grow at a rapid pace. This will require growth that pushes either upward or outward. If population growth is directed into increased building density, much of Austin's historic fabric will be at risk as it was not built to accommodate current and future density goals for the city. Without zoning protections, these neighborhoods are at risk, and in some places have already seen encroaching high-rise development that threatens the character of the neighborhoods. This was a source of inspiration for the neighborhoods we wanted to evaluate and the data we wanted to collect.

Our research question became, therefore:

What is the potential of land parcel trend analysis to inform preservation policy regarding real estate development pressure in neighborhoods with at-risk building stock?

To answer this question, we decided to work through a 3x3 analysis: three neighborhoods evaluated on three criteria, which are zoning, property values and real estate sales. This would allow us to collect data from publicly available information sources and to see how easy to acquire and reliable that information is. The districts analyzed were the Rainey Street National Register District, East 5th & 6th Streets and South Congress Avenue. The data showed that between 2011 and 2015, appraised land values in all three districts approximately tripled, and appraised improvement values in the districts approximately doubled, thus showing that developing a framework for tracking changes in zoning, property values and ownership change over time can help identify areas under economic development pressures and how those pressures may be placing historic resources in jeopardy.

INTRODUCTION

Our professional backgrounds are in architecture, construction, oil and gas and real estate development. We have combined masters degree programs of planning, policy and historic preservation. We were curious, therefore, to find that in our graduate Historic Preservation classes, we were not hearing much about data collection and analysis, economic development pressures, population change, demographic shifts or zoning - topics that we were covering in other classes and discussing with our peers. We began to wonder how incorporating techniques and research from other degree programs and from other professions may serve to inform historic preservation policy and how we define and measure success in historic preservation. Some of our classes in preservation had touched upon topics such as real estate development and alternate preservation paradigms, but we sought to know how that could be captured and evaluated in a way that would connect preservation to other urban activity and planning schemes. We began to question the standards and methods of Historic Preservation and to question how the profession is enacting and acting on policy. The questions we asked led us to consider three main themes to guide our inquiry.

1

Standards for Preservation & Rehabilitation: Why are the Secretary of the Interior's Ten Criteria regarded as the Ten Commandments of Preservation?

A good deal of historic preservation policy is set at the national level, and is the purview of the Secretary of the Interior through the National Parks Service. Standards for preservation and rehabilitation of historic properties and requirements to meet those standards for the receipt of federal preservation tax credits have been main components of preservation policy for decades. However, population, demographic and economic development pressures and even cultural values have changed since those standards were established, and they may no longer be effectively addressing some considerations for historic properties. Are there ways to measure changes in historic areas that may inform the applicability or viability of the SOI standards? How might those be altered to better accomplish preservation goals in changing urban landscapes? What are the core goals we are trying to accomplish?

2

Preservation Silo: Why doesn't Historic Preservation do more to engage with other professions and contribute to the development of planning schemes?

Rarely had we heard conversations about zoning and planning areas in our historic preservation classes, which happen in the same rooms as classes on sustainable land use, public spaces and planning law. Historic preservation covers some of the most important areas in cities and towns for cultural identity, some of the most suitable buildings for affordable housing and offers solid solutions for sustainable building practices, as well as access to transit and valuable amenities. The profession, however, seems more focused on the past than it does in planning for the future. This lack of engagement in larger urban planning schemes does more to put historic places at risk than does the developer's wrecking ball. When others are planning for future populations and industries and preservation is looking only to keep places as they were, regardless of the current value the place offers compared to the potential future value, preservationists are often fighting a losing battle rather than strategizing for the future battles to be fought. This misallocation of energy does not make for effective policy or advocacy.

3

Ignoring Zoning Issues: Are preservation practitioners using the tools available to achieve their goals?

The legal framework with the most protection for historic places is zoning. Used in the United States for almost a century to separate incompatible uses, control the location of pollution-generating facilities and to keep sexually-oriented businesses on the edge of town, it can also protect historic neighborhoods and commercial districts by requiring design review prior to permitting and setting qualifications for demolition. Zoning is by local ordinance, not by national policy. National Register Historic Districts, which are applied for and established at the national level, provide no automatic legal protections for historic sites and structures. Protections, which are essentially by zoning ordinance, have to be adopted at the local level. If preservationists are relying on the establishments of National Register districts to maintain historic neighborhoods, they may be disappointed when properties are redeveloped to meet changing land use demands.

Considering these three themes we began to see emerging in our many conversations about the intersection of preservation, planning and policy, we began to wonder how we could measure or collect data that would help us understand how historic neighborhoods act over time. We were inspired by an article and talk by Michael Holleran, Program Director in the Historic Preservation program at the University of Texas at Austin, and his proposal for a paradigm shift in how we view historic preservation and the tools we use as practitioners:

“Preservation planners have taken note of the movements to construct community indicators and sustainability indicators, but the landmarks paradigm has been an impediment to joining in...they confuse tools with outcomes. They give us no way of judging the efficacy of the tools – is the National Register working?”¹

We wanted to step beyond questions of policy and strategy and identify indicators to answer the questions “what” and “how”, and investigate how historic districts under strong economic development pressures act over time. We wanted to see if we could identify indicators that could then inform what tools would be best suited to successful historic preservation policy and advocacy. We chose the City of Austin, Texas because it has been an extreme case of population growth, economic development activity and rising land values for the last few years. We are also familiar with some of the popular areas in the city that are also historic, and could easily access places and records to conduct our research.

MEDIA CONVERSATIONS ABOUT PRESERVATION IN AUSTIN

In a recent article in the Austin American-Statesman, Dalton Wallace, the owner of 907 and 909 Congress Avenue, is quoted as saying: “You can’t rehab those little old buildings. It’s just not economically feasible.” The article states that Wallace plans to replace the building with a 18-story office building.² In another recent Statesman article, Historic Preservation Officer for the City of Austin Steve Sadowsky wrote, “A case for demolition of a historic landmark is a serious matter.” The author of the article countered with, “In other words: Yes, a historic designation by the city can ensure a more thorough review of demolition proposals, but does not prohibit demolitions.”³ The article was written to explain the protections historic buildings have in Austin and compares local protections in Austin to those in other cities. These conversations about the effectiveness of preservation policy and about historic property sentiment helped us begin to look for districts that may be under threat, whether or not they had official designation as historic districts.

SELECTION OF DISTRICTS

Austin’s rapid population growth places pressure on existing building stock, both in economic value and in capacity. If the Metropolitan Statistical Area (MSA) does roughly double in the next 35 years, as indicated in Figure 1, the capacity of existing building stock will have to increase to accommodate the growth. This will require growth that pushes either upward or outward. Outward growth, or what planners term “sprawl”, requires new infrastructure and conversion of undeveloped lands. Current planning dialogue is calling for an increase in density of the already built areas rather than outward growth. If population growth is directed into increased building density, much of Austin’s historic fabric will be at risk as it was not built to accommodate current and future density goals for the city. Without zoning protections, these neighborhoods are at risk, and in some places have already

¹Michael Holleran. (2013, December). Beyond Landmarks: Public Health as a Paradigm for Preservation.

²The Water Cooler. (2015, September 19). Austin American-Statesman, p. A15. Austin, TX.

³Tara Trower Doolittle. (2015, October 29). Historic Designation Not a Guarantee. Austin American-Statesman, p. A8. Austin, TX.

seen encroaching high-rise development that threatens the character of the neighborhoods. This was a source of inspiration for the neighborhoods we wanted to evaluate and the data we wanted to collect.

Projected Austin MSA Population

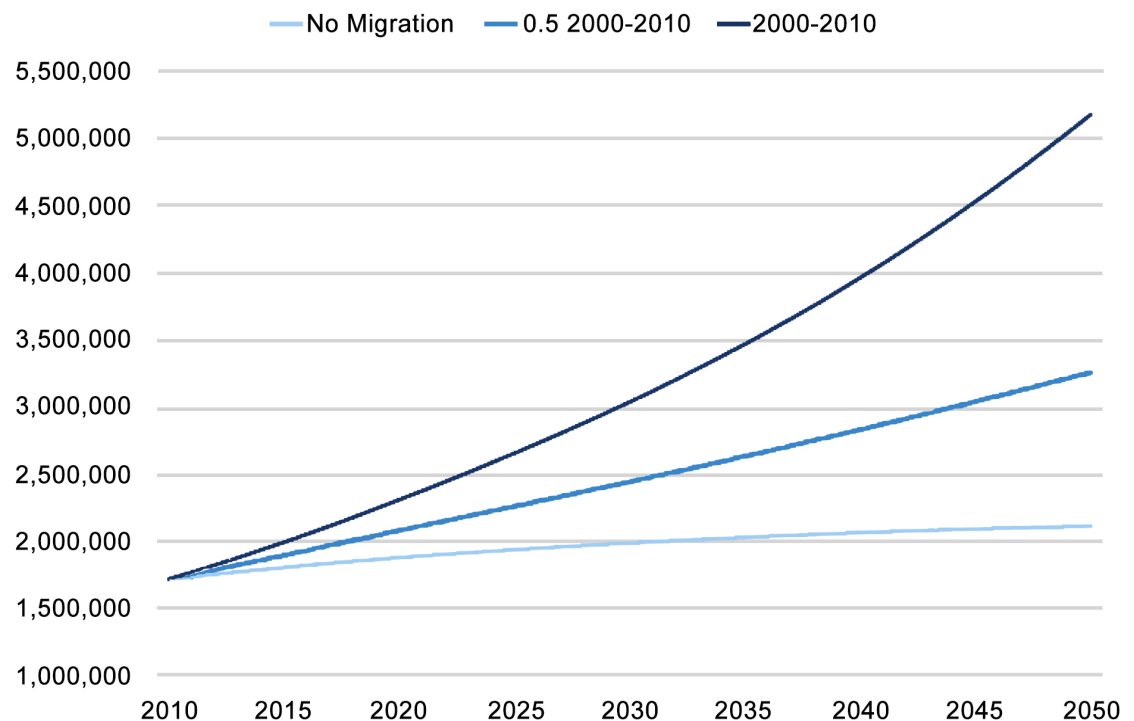


Figure 1: Projected Austin MSA Population. Source: Office of the Texas State Demographer, 2013 Population Projection

As we continued to refine our questions, we began to ask what it was that preservation efforts were trying to achieve? Also, how is preservation defined? Per the Oxford English Dictionary, Preservation is “the act of preserving something”. Its origins are in Late Middle English via Old French from medieval Latin *praeservatio(n)-*, from late Latin *praeservare* ‘to keep’.⁴ What then do we mean when we say “Historic Preservation” or that “we want to preserve” a building? Are we referencing an old use in an old structure, or a new use in an old structure? Does it matter? Are they the same? Are we using the correct terms when we talk about these things as preservationists, as planners, as developers?

How important are the semantics, and how important is it for preservationists to define the terms under which we are acting? What is our objective if we think everything should be an old use in an old building, and does that help or hinder us from achieving “preservation”? These questions became small refining points in how we determined our approach to this research.

4.preservation, n. (n.d.). OED Online. Oxford University Press Retrieved from <http://www.oed.com/view/Entry/150719>



Figure 2: The Black Heart on Rainey Street, in Austin, Texas

Donovan Rypkema, noted author on the economic benefits of preservation, has long argued that the reuse of buildings makes good economic sense. He includes economic, environmental and cultural aspects of the benefits of historic preservation, and in large, dense cities, this many make good sense. However, in southern cities that did not originally have high development density and are now rapidly increasing in population, historic buildings may not make as much sense to save, particularly from an economic standpoint. When land values far outpace their improvement values, are those improvements at higher risk for demolition? This was a question we hypothesized we could answer through research into appraised property values, which separate out improvement and land values. Real estate sales are not required to report the sale price in Texas, but appraised values could at least provide annual values to indicate change over consistent time periods.

To be clear, we are not investigating individual historic properties such as abandoned historic gas stations or factories that have been rehabilitated into apartments or lofts.

We are investigating historic districts and neighborhoods and how they act over time as a unit. How do they change, what are their threats, and what are the tools we can use to evaluate these things? We are looking at old places that were once and may still be residential and commercial streets that are now used as primarily commercial areas. Residential areas that are still residential areas are under a different type of pressure than are residential areas that now have commercial uses. Single family residences are less compatible with many commercial uses than are even historic commercial buildings, and the change of an area from residential to commercial can indicate a growing need for commercial space

close to existing residential areas. This type of pressure may generate more plans for complete demolition than for remodels and additions, and there may be more potential for historic fabric to be lost.

What is the potential of land parcel trend analysis to inform preservation policy regarding real estate development pressure in neighborhoods with at-risk building stock?

To answer this question, we decided to work through a 3x3 analysis: three neighborhoods evaluated on three criteria, which are zoning, property values and real estate sales. This would allow us to collect data from publicly available information sources and to see how easy to acquire and reliable that information is.

We chose the study neighborhoods based primarily on their perceived development pressures and rapidly increasing land values. Data collection and analysis for these neighborhoods would allow us to understand if these perceptions were real, and if they presented measurable qualities that could serve as indicators of economic development threats to the neighborhoods. We ultimately chose three neighborhoods in Austin that we thought might provide the best indicators and best serve to show economic activity. The City of Austin has 20 National Register Historic Districts and three local historic districts.

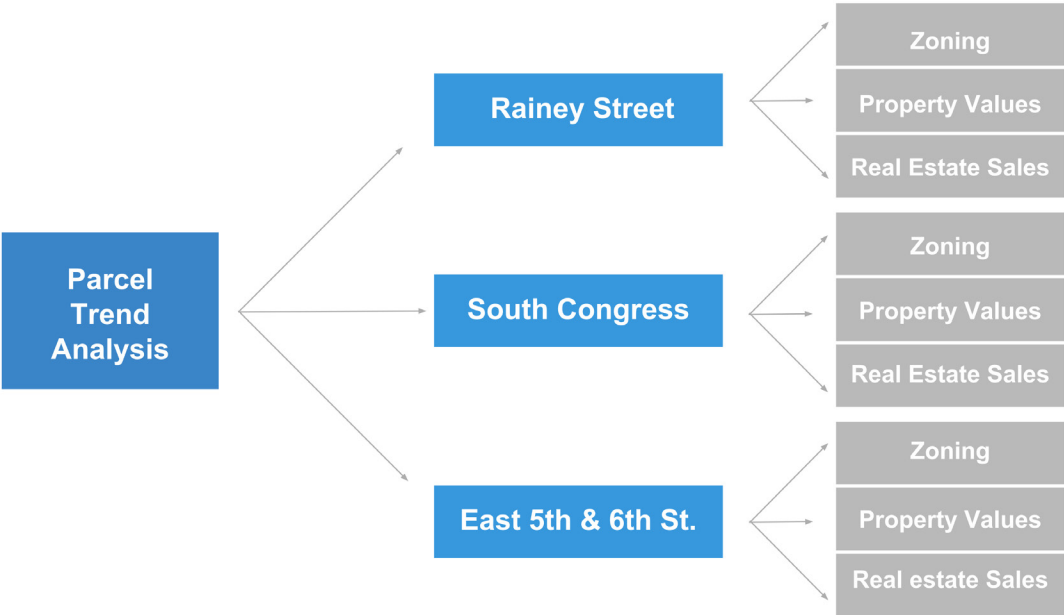


Figure 3: 3x3 Analysis Framework

Only one of those National Register Districts is also a local historic district, which means that of all of the National Register Districts in the city, only one has substantive zoning protections. While National Register District properties are subject to Landmark Commission review for building, remodel and demolition permits, the National Register District properties are not required to conform to design standards, which the local districts have. Additionally, some of the historic areas in the city are not on the National Register, and some historic structures are not listed as local Landmarks, a zoning mechanism for individual parcels, which means that many historic buildings in Austin have limited legal protections and are subject to the owner's desires without any review other than standard city permitting and platting requirements. With this in mind, we chose to focus on neighborhoods with perceived development pressures rather than neighborhoods that fit certain historic criteria, with the notion that if our data collection and analysis was successful in providing indicators for the districts in our study, we could then apply the same data collection and analysis methodology to additional neighborhoods.

DISTRICT DESCRIPTIONS

Rainey Street National Register Historic District

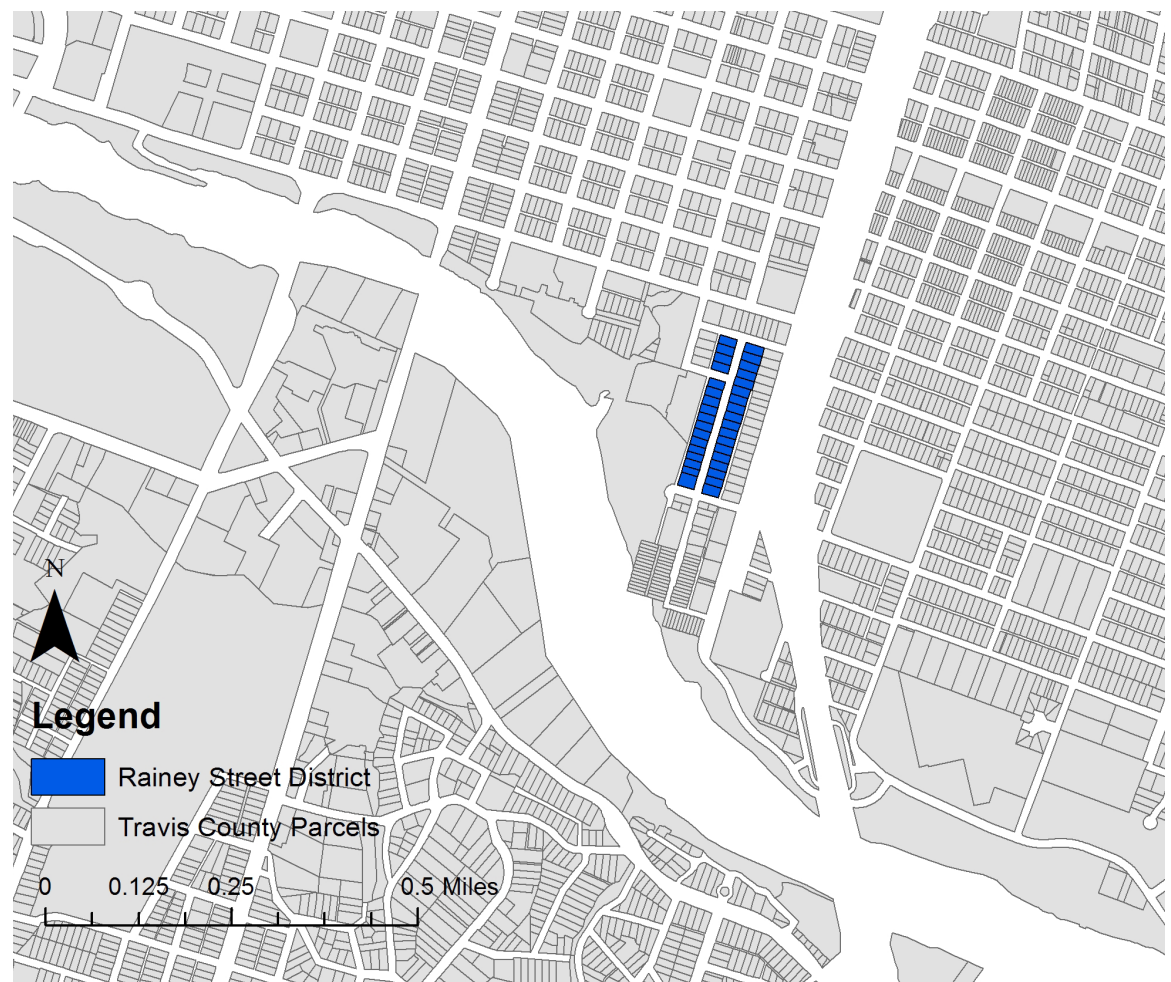


Figure 4: Rainey Street National Register District Map. Source: City of Austin

The Rainey Street National Register Historic District was established in 1985. It is the only National Register District in the study, and is also the district that is experiencing the most economic development pressure. When it was established as a National Register District, it was a collection of small, single family residences on the eastern edge of the downtown commercial district. That has changed in the last few years, and Rainey Street is now a hotspot for trendy bars and restaurants and is becoming encircled by high-rise hotels and apartments. It is composed of 43 parcels on the eastern edge of the Downtown, and has received capital improvements that make the street more pedestrian friendly.

Rainey Street has become surrounded by highrise buildings in recent years. The neighborhood is close to Downtown Austin, Lady Bird Lake, cultural destinations, hiking and biking trails and vivid nightlife. Appendix A includes a map of the current and future development plans for the area, and indicates the construction of additional high rise hotels and residences. The contrast between the multi-story modern buildings and the Roaring 20's-era wood frame houses is stark and uneasy. Questions could be raised as to whether the district should be delisted from the National Register due to the loss of the historic integrity that once qualified it. What we enjoy about the place now is very different from what we once sought to protect, and so much economic development activity and land value increase is occurring in the district that unless we all eat and drink heavily on Rainey Street, the bars may not pay the bills for much longer.

East 5th & 6th Streets



Figure 5: East 5th & 6th Streets District. Source: City of Austin

The East 5th & 6th Streets District is not a National Register District, but was included in the analysis because of current economic development pressures in the area and the perception of rising real estate values due to gentrification and an increase in popularity of commercial establishments, namely restaurants and bars/nightclubs. It is a popular destination for those seeking nightlife outside of Austin's Downtown bars and nightclubs, and is slowly trading its fringe element image for one that is stamped with approval by hipsters and foodies. It is composed of 385 parcels and most capital improvements are associated with new construction and a transit station that was built in an existing plaza on 5th Street.

The Red Line, Austin's only MetroRail line at this time, passes through a station that was built at the existing Plaza Saltillo at the intersection of 5th and Comal Streets. The Plaza Saltillo complex was constructed in 1998. The addition of this transit opportunity adds amenity to the district and positions it as a likely candidate for the fulfillment of the city's plans to increase development density around the Red Line stations. The district is now connected by urban rail to Downtown Austin and to the suburb of Leander. Residents and visitors now have more transit opportunities, which is changing how people live and work in the area.

South Congress Avenue

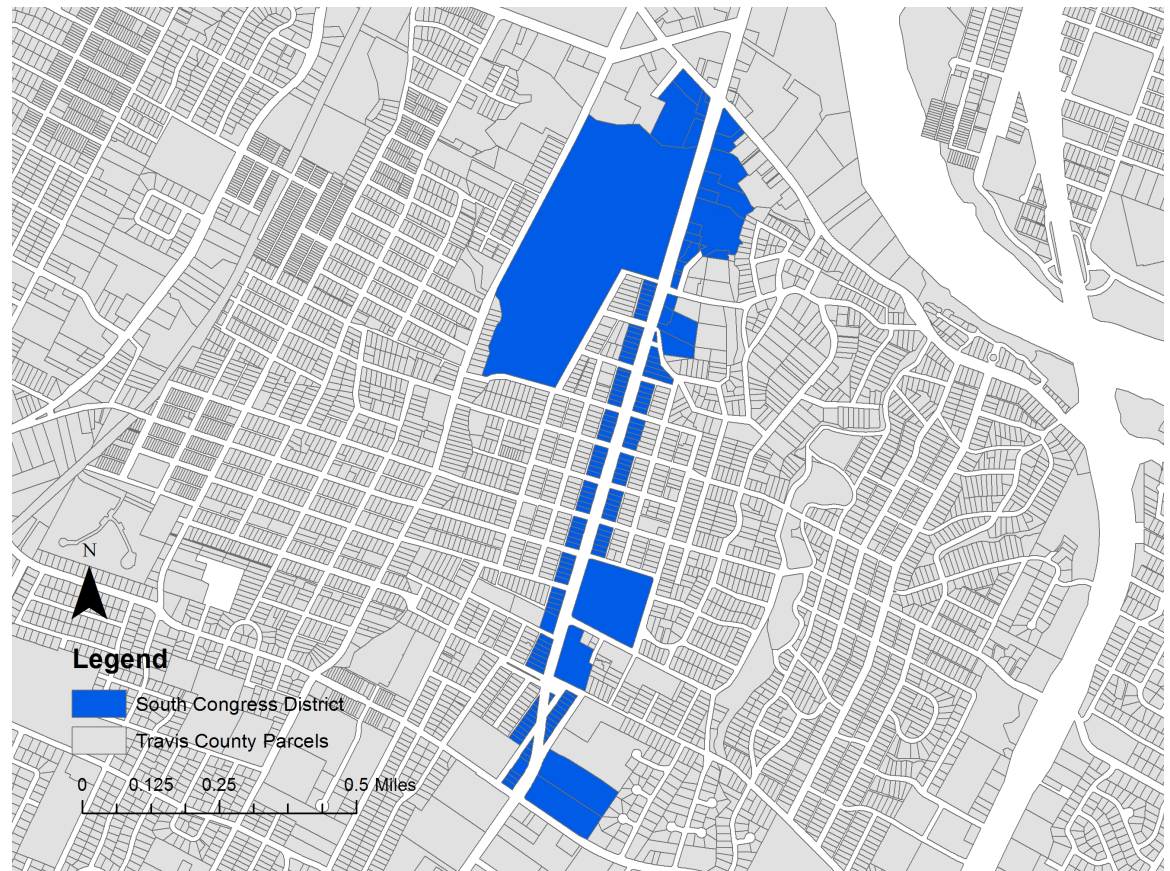


Figure 6: South Congress District. Source: City of Austin

South Congress Avenue has iconic status in the history of Austin. It is also not a National Register Historic District, but its historic identity and geographic location just south of the downtown have made it ripe for redevelopment and for collecting and analyzing data on how the area is changing. It includes the most significant Capitol View Corridor in the City, and there has been recent controversy over the height of buildings on the south side of Ladybird Lake, the body of water that separates Downtown from South Austin. Once the hangout of prostitutes and drug dealers, “SoCo” has become a more relaxed alternative to Downtown and is a popular destination for shopping and dining.

South Congress has been home to some of Austin’s iconic shops, hotels and restaurants, and has been a colorful and vibrant place to live and work. Some of the city’s most notorious gentrification battles were fought over plans for large residential developments in the early 2000s when the city was experiencing a boom due to its rapidly growing tech sector. The self-proclaimed hippie stronghold of South Congress, well before it was dubbed “SoCo”, generated the now famous “Keep Austin Weird” tagline as a response to more normal and mainstream development projects that were creeping across the river and infringing on the character of the place.

METHODOLOGY

To gather data on the districts for the 3x3 analysis, we downloaded the parcel file from the City of Austin GIS website⁵ and used the Historic District maps from the city’s Historic Preservation website⁶ to identify and create the Rainey Street District. We then established boundaries for the 5th & 6th Streets and South Congress districts and created those districts in GIS from the included parcels. We added the address point layer and clipped it to the three districts to identify the addresses within our districts and exported those lists to Excel sheets. In those Excel sheets we added columns for the additional information.

We used address points rather than parcel identification numbers for our identifiers because the parcel layer did not include parcel IDs.

We entered the addresses into the Travis County Appraisal District Property Search database⁷ and recorded the available Parcel ID, Use, Year Built, Improvement Values, Land Market Values, Appraised Values and the last three deed transactions for the addresses in the districts. Not all addresses had records, and not all information was available for the addresses that were in the system. If an address did not have a record, had incomplete information, had multiple parcels per address or had the same parcel identifier as another address, it was excluded. We also excluded personal property listings and only used listing for real property. Not all parcels had improvements, and not all parcels had three deed transactions listed. Once the district address points were recorded in their respective Excel sheet, the parcels not meeting the criteria were discarded and a

⁵City of Austin GIS Data Downloads. (n.d.). Retrieved December 7, 2015, from ftp://ftp.ci.austin.tx.us/GIS-Data/Regional/coa_gis.html

⁶Historic Preservation | Planning and Zoning | AustinTexas.gov - The Official Website of the City of Austin. (n.d.). Retrieved December 7, 2015, from <http://www.austintexas.gov/department/historic-preservation>

⁷Travis Central Appraisal District. (n.d.). Retrieved December 7, 2015, from http://www.traviscad.org/property_search.html

new sheet was created with just the parcels with full information. Those parcels were then matched against the addresses in GIS to check data coverage for the parcels in the district and to identify gaps in the data. The matched parcels were then summarized for analysis and reviewed for potential to serve as indicators of development pressures.

We also looked at the year in which zoning was last changed for the district and what that zoning was before and after the most recent change to see if there were either zoning protections for the districts or if a relationship could be established between a zoning change and changes in parcel values or deed transactions. If the zoning allowed for highrise or dense development and that could be related to sharp increases in value in following years, we might be able to show the importance of zoning for determining both economic development pressure and the likelihood of more dense development in the district.

In our analysis of the districts, we used appraised values for 2011-2015, which is a time period in which the effects of the 2008 economic depression were beginning to recede and Austin's population was beginning to explode. We were looking to see if aggregated values for each district were increasing or decreasing and by how much, as well as how often land was changing hands. By separating the improvement and land values we can see how those values act separately, and over time can see how much construction is occurring or how much economic activity may be increasing, stable or declining in an area.

We calculated the mean for year built, improvement value, land value and appraised value for each of the districts. We also summed each use category for the districts and calculated the mean year for the most recent year of deed transaction. While information for the last three deed transfers was often available, not all parcel records had three transfers listed, thus means were calculated for the most recent deed transfer year.

Rate of change for each year of improvement values, land values and appraised values from 2011-2015 were calculated for each district, and appraisal values were used rather than assessed values because there is an annual ten percent cap on assessed property value increases in the State of Texas, so for our purposes the assessed value skews downward the actual change in value over time. However, recording the assessed values and whether the assessed value increased over the cap could provide additional data to evaluate how rapidly a district's values are increasing by providing a percentage of district parcels that have exceeded the ten percent cap in a single year. That indicator may be explored in a later iteration of this research.

DATA RESULTS

For this section of the report, we will report the data for each section separately, then include a comparison table to illustrate the similarities and differences in the way the districts have changed from 2011-2015.

Rainey Street

The Rainey Street National Register Historic District contains 35 parcels and 42 address points. 24 of those address points matched to TCAD real property records. Of the 20 parcel

Restaurant	9
Night Club/Bar	2
Single Family	8
High Rise Apartment	1

Figure 7: Rainey Street Parcel Use Types

records with a year the improvement was built, the average year was 1937. Most notable in the data was the increase in improvement value for the district from 2014-2015, which was a 525% increase in district improvement value. This sharp increase is due to the construction of a highrise apartment building in the district which finished construction in 2014. For 2013 and 2014, the improvement value for the parcel was listed as \$1. If the parcel had maintained the \$1 valuation for 2015, the percent increase in improvement value of the district would have been 10%, a decrease from the previous year, a slowdown from the 2012-2013 percent change of 61% and the 2013-2014 percent change of 31%.

Land values saw slight percentage increases from 2011-2014, then increased 151% from 2014-2015. This is not directly attributable to the high rise apartments, but is rather spread in increases across the district parcel values. The previous annual percentage increases were 2%, 5% and 0%. The appraised value of the parcels show a percentage increase annually from 2011-2015 of 2%, 11%, 4% and 212%. Again, the 2014-2015 increase is attributable largely to the construction of a new highrise apartment building, but other activity in the district, which is popular for its bar and restaurant offerings, is driving up values. The table on Figure 7 shows the types of establishment recorded for the parcels with TCAD records.

The mean year for most recent deed transaction in the Rainey Street district is 2005. If the four records for most recent transaction in the 1980s are removed, which are for parcels that still list the use as single family home, the mean year increases to 2009. Zoning for the district was zoned for single family residential until it was rezoned as Central Business District (CBD) in 2004.

CBD zoning, according to the City of Austin Planning and Zoning website, is defined as:

“Central Business District is intended for an office, commercial, residential, or civic use located in the downtown area. Site development regulations applicable to a CBD district use are designed to: ensure that a CBD use is compatible with the cultural, commercial, historical, and governmental significance of downtown and preserves selected views of the Capitol; promote the downtown area as a vital commercial retail area; create a network of pleasant public spaces and pedestrian amenities within the downtown area; enhance existing structures, historic features, and circulation patterns in the downtown area; and, consider significant natural features and topography in the downtown area.”⁸

East 5th & 6th Street

The East 5th and 6th Street district contains 355 parcels and 349 address points. 163 of those address points matched to TCAD real property records. Of the parcel records with a year built available, the average year was 1951. The improvement values for the district had a percent decrease of 2% and 1% from 2011-2012 and

Service Garage	4	Data Center	3
Office	19	Industrial	3
Warehouse	18	Apartment	4
Vacant Lot	21	Restaurant	9
Single Family	44	Hotel	1
Triplex	1	Convenience Store	1
Retail	16	Duplex	2
Nightclub/Bar	14	Lot	3

Figure 8: East 5th & 6th Streets Parcel Use Types

2012-2013 respectively, then increased 25% and 76% in the periods 2013-2014 and 2014-2015. Land values increased 2%, 6%, 50% and 95% for the same time periods, and the appraised values for the district increased 0%, 3%, 39% and 86% for those years. Some parcels decreased in value from 2014-2015. With a larger district size than the Rainey Street district, changes in improvement values are more distributed across the district and percent change is not as drastic when new higher density structures are built. The table to the right shows the type of establishments recorded for the parcels with TCAD records.

The mean year for most recent deed transaction is 2001. While many properties have changed hands in recent years, there are still a large number that have been held by a single owner for a few decades. Zoning for the district was changed to Transit Oriented Development (TOD) in 2008 in accordance with City of Austin plans for increased density along proposed transit corridors.

“Transit oriented development (TOD) district is the designation for an identified transit station and the area around it. The district provides for development that is compatible with and supportive of public transit and a pedestrian-oriented environment.”⁹

⁸ City of Austin Planning & Development Review Board. (2014). City of Austin Neighborhood Planning Guide to Zoning. Retrieved from https://www.austintexas.gov/sites/default/files/files/Planning/zoning_guide.pdf

⁹ City of Austin Ordinance No. 20050519-008, Pub. L. No. Amending Chapters 25-2 and 25-6 of the City Code (2005). Retrieved from <http://www.austintexas.gov/edims/document.cfm?id=78718>

South Congress

The South Congress district contains 166 parcels and 255 address points. 126 of those address points matched to TCAD real property records. Of the parcel records with a year built available, the average year was 1953. Improvement values for the district decreased then increased in percent change from 2011-2015, with percent change annually of 15%, 6%, 4% and 67%. Land values changed differently, increasing in percent change from 2011-2014 then a lower percent change from 2014-2015, with percent change values annually of 1%, 14%, 78% and 46% for that time period. Appraised values had a percent change increase every year in the 2011-2015 period, with 8%, 10%, 47% and 52%. A curious thing about the values for the South Congress district is that a number of parcels appear to be trading a decrease in improvement value for an increase in land value, which has resulted in a net value increase over time for the parcel but which changes the total valuations for improvements and land and their percentage change in increase or decrease from one year to the next.

Nursing Home	1	Night Club/Bar	3
Service Garage	5	Restaurant	14
Single Family	26	Duplex	3
Retail	33	Apartment	2
Vacant Lot	7	Motel	2
Office	23	Warehouse	2
Convenience Store	4	Hotel	1

Figure 9: South Congress Parcel Use Types

The mean most recent deed transaction year for the district is 2003. The district was rezoned in 2008 as Mixed Use and Vertical Mixed Use. A Mixed Use Combining District:

*"Is intended to combine with selected base districts, to permit any combination of office, retail, commercial, and residential uses within a single development. The MU combining district is intended for use in combination with the NO base district only when its use will further the purposes and intent of the NO base district. Other acceptable districts are Limited Office (LO), General Office (GO), Limited Retail (LR), Community Commercial (GR), General Commercial Services (CS), Commercial Liquor Sales (CS-1)."*¹⁰

DATA ANALYSIS

Once we collected the data, we began to ask the questions. Why did some years have such a sharp increase in value? Why did the values decline in some years? What is the relationship between value change and zoning change? How much of a lag is there between development activity and increase in appraised values? What are other explainers for the increase or decrease in values, or the rate of change in values? Is the age of the building stock an indicator? Is the average year of most recent deed transaction an effective indicator? To what extent is population growth a driver of increase in value in these districts? Is the business mix an important indicator of redevelopment potential?

To answer many of these questions, we would need to, and could, build a regression model to see the effects of the many explanatory variables. The rapid

¹⁰ Zoning Districts | Planning and Zoning | AustinTexas.gov - The Official Website of the City of Austin. (n.d.). Retrieved December 7, 2015, from <https://www.austintexas.gov/page/zoning-districts>

improvement value increase from 2014-2015 in the Rainey Street district called for a closer look into whether there were outliers, and one was identified. When combined with a map of development plans for the area surrounding Rainey Street, it is not difficult to see through the data that the district is experiencing tremendous development pressures, and that with the rising land values compared to improvement values, the current inhabitants of this nightlife hotspot may not long be able to pay their bills with booze. If property valuations can change so quickly, can we even prevent the loss of culturally important places?

The East 5th & 6th Street district is also showing sharp increases in value in the 2014-2015 period. Like the Rainey Street district, it is zoned for higher development density than currently exists, and the pressures of land value increases above improvement value increases also place redevelopment pressures on the existing building stock, which is likely aging out of many uses. The construction of a new transit station, largely viewed as an amenity and part of the TOD density-building plan for the city, may be one of the factors increasing land values, as is the proximity to downtown and the popularity of the businesses in the district. We can see here, again, that the district's identity may be at risk with its current zoning and value increases, which will make higher density a more profitable use than the low density structures that currently compose the district.

The South Congress Avenue district is also experiencing recent rapid increases in value. The construction of a boardwalk along the south side of the lake, the city park amenities and the increase in medium density residential development nearby could be contributing to the increase in value. What is curious is the apparent swap in values in the 2011-2015 period that decreased many improvement values while increasing the land values for the same parcel. A closer look at the type of use and age of building may be needed here to determine the cause, or it may be a revised valuation schedule or policy at TCAD. Either way, SoCo, as it is now termed, is seeing similar substantial growth in value that may be jeopardizing some of the historic places that have no protections in place.

DATA CHALLENGES

The greatest challenge to collecting the data was not being able to easily match parcel records to the GIS parcel files for the districts. Because the parcel file did not come with the Parcel ID as a column in the attribute table, address points had to be used. Parcels can contain multiple addresses and addresses can contain multiple parcels, as is occasionally the case with condos and strip retail, and adding that data requires a judgment on how to incorporate the data.

These records do not always include both an improvement and a land value, so a determination would have to be made as to whether to sum the parcel values for one single land parcel or to keep them separate and leave the land values blank. For this study, we chose to exclude those records. The GIS file for Travis County parcels, as of this research, contains 356,156 parcels. Gaining access to the TCAD property database costs approximately \$80 per year requested. The database file is in a Microsoft Access file format, and has to be exported to Excel then culled for the parcels required. This is expensive and time consuming.

Less expensive but also time consuming is a manual collection of the data for the parcels through the TCAD Property Search function in the website. This provides free access to the previous five years of records, but depends on manual data entry, which may be subject to recording errors. Manual collection was used for this research because of the relatively small number of parcels in the districts.

Using appraisal district files is not an accurate reflection of market values, and has its own inherent limitations. It is, however, a database that is available to the public and to taxing jurisdictions which may be engaged in crafting historic preservation policy. Since many of Austin's preservation incentives are tied to reductions for property taxes, this seemed a reasonable source of data collection.

Some of the desired GIS work requires manual manipulation of the spreadsheets rather than straightforward joining of data tables, which reduces the ease of analysis through these methods. Small changes in data management could better facilitate research and data analysis through mapping and analysis capabilities available through software, and at this point the manual work required is a limitation on this type of research.

Additionally, the parcels shown on the map of the Rainey Street National Historic District provided by the City of Austin does not match the parcels in the GIS parcel file available through the City of Austin GIS website. This discrepancy calls into question the data management practices of the city and of the Office of Historic Preservation. The PDF map of the district shows a colored overlay atop 45 parcel outlines, while the GIS file shows 35 in that same block area. Parcels may have changed and combined over time and the PDF may not have been updated, however, outdated or poorly maintained district boundaries and mapping may cause some confusion in data collection that could skew analysis of the district. This is a reason that tracking changes in historic districts over time is important to understanding the district and how it acts, because places do change over time regardless of their designated historic status.

NEXT STEPS

We will next be refining the data collection for the districts to fill in the gaps in parcel information to the extent possible through alternate means and to record those alternate means as an addendum to the methodology section. This would refine the data and enable an improved analysis of the districts. It would also inform the challenges to data collection and the feasibility of performing this research in other districts. We could then apply the methodology to additional areas, including the other historic districts in Austin to see how they are acting in comparison to the districts in this study. It may also be beneficial to consider the incorporation of other data elements such as building and demolition permits.

These could be tested in the same way. Although some work is done without permit, that data could be useful in statistical analysis such as a regression model, which could help determine which factors affect the likelihood that a neighborhood will experience significant loss of historic fabric.

CONCLUSIONS

One of the main conclusions that we have drawn from the indicators is that districts can experience rapid changes in value, and that real estate development in popular areas can move quickly. This is a caution for historic areas that are not protected by zoning ordinance, because the resources we may assume to be protected may not in fact be.

It is also worth noting that some places have current land value potential much greater than their improvement value, and that large urban planning schemes that center around transit and increasing development density may not see a value in historic areas with lower appraised values for existing buildings unless those areas have been formally recognized and protected.

Preservationists are at a disadvantage when advocating for places that are already under severe development pressure. However, developing a framework for tracking changes in zoning, property values and ownership change over time can help identify areas under economic development pressures and how those pressures may be placing historic resources in jeopardy.

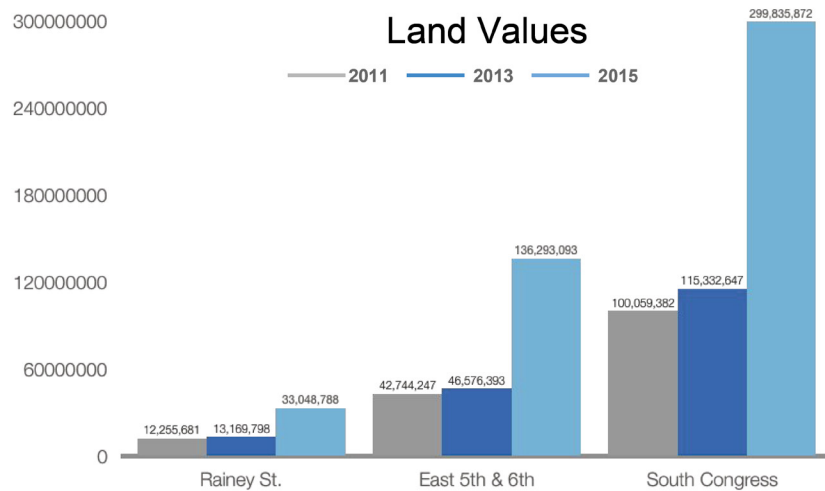


Figure 10: District Land Value Change, 2011-2015. Source: Travis County Appraisal District

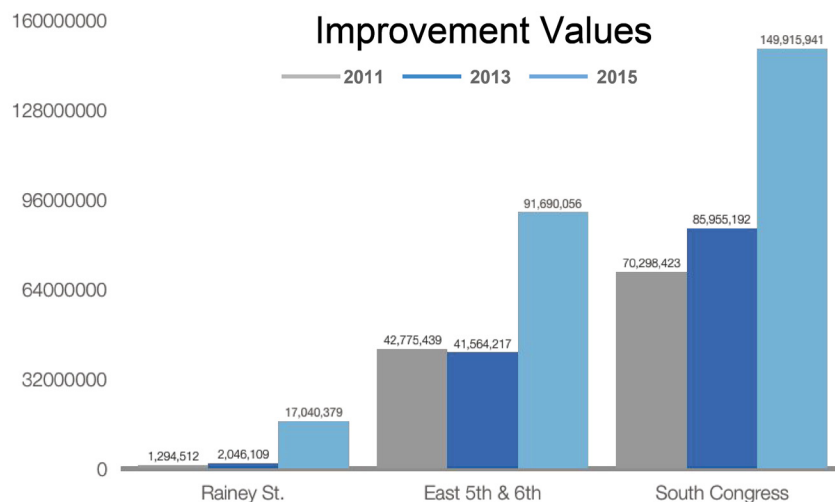


Figure 11: District Improvement Value Change, 2011-2015. Source: Travis County Appraisal District

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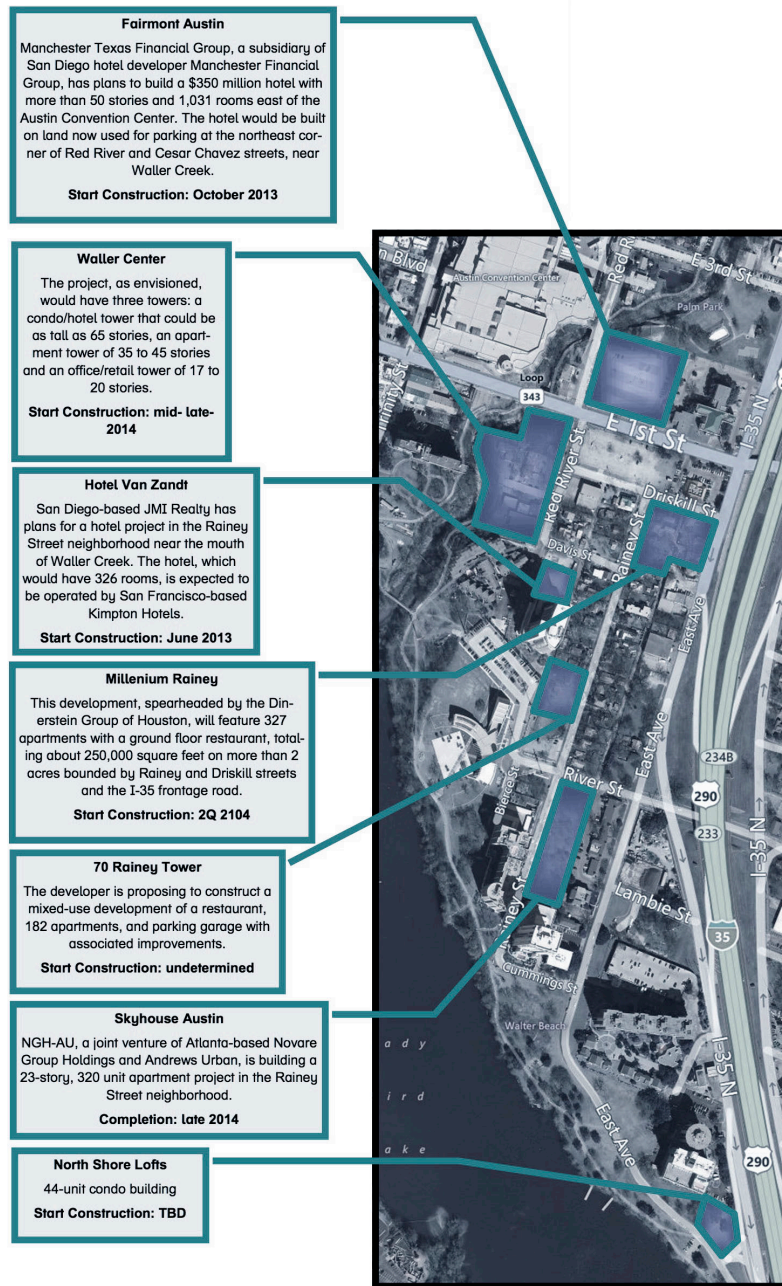
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APPENDIX A - FUTURE PLAN FOR RAINEY STREET AREA DEVELOPMENT



Source: Downtown Austin Blog, July 9th 2013 (image recolored)

<http://i0.wp.com/downtownaustinblog.org/wp-content/uploads/2013/07/Rainey-Street-Poster.jpg>

