



National Conference of State Historic Preservation Officers

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Testimony before the  
U. S. Senate Committee on Energy and Natural Resources  
The Honorable Lisa Murkowski, Chairwoman  
The Department of the Interior's Budget Request for Fiscal Year 2017

February 23, 2016

### **Fiscal Year 2017 Historic Preservation Fund (HPF) Total Request:**

- \$55 million for State Historic Preservation Offices (SHPOs), including \$5 million for a competitive grant program for finding and documenting America's historic places
- \$11.98 million for Tribal Historic Preservation Offices (THPOs)
- \$25 million for competitive grant programs related to Civil Rights
- \$3 million Historically Black Colleges and Universities (HBCUs) to document, interpret, and preserve the stories and sites associated with the Civil Rights Movement

Funded through withdrawals from the Historic Preservation Fund (16 USC 470*h*) U. S. Department of the Interior's National Park Service.

### **Unique and Successful Federal-State Partnership**

Recognizing the importance of our national heritage, in 1966 Congress passed the National Historic Preservation Act (NHPA 16 USC 470), which established historic preservation as a priority of the federal government. Recognizing that States are the experts of their own history, the Act's authors directed federal entities charged with its implementation - the Department of the Interior and the Advisory Council on Historic Preservation - to partner with the States. Duties delegated to the SHPOs include: 1) locating and recording historic resources; 2) nominating significant historic resources to the National Register of Historic Places; 3) cultivating historic preservation programs at the local government level; 4) providing funds for preservation activities; 5) commenting on federal rehabilitation tax credit projects; 6) review of all federal projects for their impact on historic properties; and 7) providing technical assistance to Federal agencies, state and local governments and the private sector.

To help states do this work Congress established the Historic Preservation Fund (HPF) in 1976. These federal funds require a state match of at least forty percent, which again emphasizes the program's unique federal-state partnership. The HPF is funded from Outer Continental Shelf lease revenues - not tax dollars, so that the depletion of one non-renewal resource can be used to help preserve another non-renewable resource - our heritage.

## **Jobs, Economic Development & Community Revitalization**

Historic preservation has stimulated economic growth, promoted community education and pride, and rescued and rehabilitated significant historic resources in communities throughout the country. In many cases, historic preservation combats the effects of blight and vacancy by using the historic built environment as a catalyst for community change. These changes result in historic downtown districts and neighborhoods that are dynamic destinations for visitors and residents alike.

The Federal Rehabilitation Tax Credit (HTC) program, administered by the State Historic Preservation Offices in cooperation with the National Park Service, is an important driver for economic development. Since inception, the HTC has rehabilitated more than 40,000 buildings, created more than 2.5 million jobs and leveraged \$117 billion in private investment nationwide. On average, the HTC leverages \$5 dollars in private investment for every \$1 dollar in federal funding creating highly effective public-private partnerships.

The renovation of the Arctic Club Hotel in Seattle is an example of the benefits of the HTC. The building was constructed in 1916 to house the Arctic Club, a long-standing institution founded by a group of prominent Seattle citizens, including many that had made their fortunes in the Alaska/Yukon gold rush. Its rebirth as the Arctic Club Hotel has not only restored a legendary historic building, but has transformed the building into a striking new Doubletree-branded hospitality facility in downtown Seattle. The former club rooms and lobby spaces of this National Historic Landmark have been renovated and repurposed as public rooms. The \$25.4 million redevelopment of the property benefited from \$3.2 million in federal historic tax credits. This project created 155 construction jobs and 222 permanent jobs. It did all of this while also helping to preserve a connection to the city's rich history.

Historic preservation also stimulates economic development through heritage tourism. Cultural and heritage travelers spend an average of \$994 per trip and contribute more than \$192 billion annually to the U.S. economy.<sup>1</sup> SHPOs are essential, ground level partners in identifying and interpreting the historic places that attract these visitors. A modest increase in SHPO funding would allow SHPOs to expand their public outreach and assistance efforts, enabling communities to take greater advantage of heritage tourism opportunities which lead to job creation, new business development and enhanced community pride.

The city of Nome, Alaska benefits from heritage tourism when travelers flock to Nome to watch the finish of the Iditarod Trail Sled Dog Race and take in the area's Gold Rush history, culture, and heritage. The Discovery Saloon in Nome, the oldest surviving building from the Alaska Gold Rush received help from the HPF. The building owners had invested time, talent and money into rehabilitating the property and the Alaska SHPO rewarded their efforts by assisting with each phase of the rehabilitation. The SHPO awarded small HPF grants to repair the walls, porch, windows, doors, and roof, bringing the oldest continuously occupied building in Nome back to its original glory.

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<sup>1</sup> U.S. Cultural and Heritage Tourism Study (October 2009) conducted by Mandala Research, LLC for U.S. Cultural & Heritage Tourism Marketing Council, U.S. Department of Commerce, and Gozaic/Heritage Travel Inc., a subsidiary of the National Trust for Historic Preservation.

## **Finding and Saving America's Heritage**

Historic preservation not only generates economic development and community revitalization, it also saves historic buildings and significant places. These sites represent the many people, places, and events that have shaped our national identity. The first step in preserving and protecting America's heritage is identifying it - which requires survey, documentation and stewardship and sharing of digital historic site data. Historic site survey data is the fundamental building block of our Nation's historic preservation program; yet this key program area is sorely lacking at the current level of appropriation. The NCSHPO recently surveyed its membership and found the following results to be very alarming:

- Only 55% of surveyed historic resources have been digitized
- 29.4% - Average percentage of each state surveyed for historic buildings
- 5.8% - Average percentage of each state surveyed for historic landscapes.
- 9.9% - Average percentage of each state surveyed for archaeological resources.
- 71% of States have more than 10,000 legacy resources in need of re-survey
- 66% of States report it would take 3+ years to complete survey & digitization
- 76% of States report that their survey & digitization programs are piecemealed
- 95% of States report lack of digital records hampers their ability to conduct project reviews

Adequate funding is essential for SHPOs to conduct historic resource identification, documentation and digitization activities. Having accurate, up-to-date, digitally accessible information on our Nation's historic resources would dramatically increase the efficiency and effectiveness of all local, state, and federal projects. From deciding on the design of local in-fill development, to state transportation planning projects, to federal large-scale energy projects and disaster recovery efforts – every single project, and the American people would benefit.

Once identified and documented, America's historic resources are primarily recognized at the local, state, and national levels by listing on National and State Historic Registers. State Historic Preservation Officers, through the authority of the National Historic Preservation Act assist, support and encourage communities with their efforts. National Register recognition by the Secretary confirms citizens' belief in the significance of their community.

*The National Historic Preservation program is primarily one of assistance, not acquisition. The federal government does not own, manage, or maintain responsibility for most of the historic assets in the National Historic Preservation program. Instead, the program, through the SHPOs, provides individuals, communities, and local, state, and federal governments with the tools they need to identify, preserve, and utilize the historic assets of importance to them.*

In addition to the SHPO funding, the NCSHPO supports the Tribal Historic Preservation Offices (THPO) request of \$11.98 million. THPOs assume the federal compliance role of the SHPO on their respective Tribal lands. The number of THPOs continues to increase annually. Funding increases are necessary to prevent a decrease in the average THPO grant.

The NCSHPO also supports the Administration's request of \$25 million for competitive grants to preserve the sites and stories related to the Civil Rights movement and \$3 million for a similar program for Historically Black Colleges and Universities.

### **Historic Preservation Fund (HPF) Reauthorization**

Authorization of the HPF expired on September 30, 2015. This testimony only touches on the invaluable economic and social value that historic preservation stimulates throughout our nation, all of which would not be accomplished but for the HPF. The NCSHPO greatly appreciates the Committee including a permanent reauthorization of the HPF in the Energy Policy Modernization Act, S. 2012, and the Sportsmen's Act of 2015, S. 556. NCSHPO would also be supportive of including a provision to reauthorize the HPF in legislation marking the centennial of the National Park Service. One way or another, in order to provide certainty for those involved in historic preservation, it is vital that the HPF be reauthorized as soon as possible.

### **State Historic Preservation Offices' Accomplishments**

Although it has been authorized at \$150 million, appropriation levels have never approached that amount. Even with chronic underfunding, since its creation in 1976 through the end of 2014, the HPF has facilitated more than 1.75 million listings on the National Register, the survey of millions of acres for cultural resources, and \$117 billion in private investment through the Historic Tax Credit - which has rehabilitated 40,000 historic buildings and created 2.5 million local jobs.

### **Conclusion**

On behalf of all 59 SHPOs, I'd like to thank you Chairwoman Murkowski, Ranking Member Cantwell, and members of the Senate Committee on Committee on Energy and Natural Resources for the opportunity to submit testimony.

Historic preservation recognizes that what was common and ordinary in the past is often rare and precious today, and what is common and ordinary today may be extraordinary - fifty, one hundred or five hundred years from now. I would like to thank the committee for their commitment to historic preservation. The federal government plays an invaluable role in preserving our nation's history and our collective sense of place. Through our partnership, SHPOs remain committed to working together to identify, protect, and maintain our Nation's heritage. Thank you.