

# NCSHPO

National Conference of State Historic Preservation Officers

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July 30, 2014

The Honorable Mary Landrieu  
Chairman  
Senate Committee on Energy and  
Natural Resources  
304 Dirksen Senate Office Building  
Washington D.C., 20510

The Honorable Lisa Murkowski  
Ranking Member  
Senate Committee on Energy and  
Natural Resources  
709 Hart Senate Office Building  
Washington D.C., 20510

Dear Chairman Landrieu and Ranking Member Murkowski:

On behalf of the members of the National Conference of State Historic Preservation Officers (NCSHPO) I write to share with you background and information on the Historic Preservation Fund (HPF) and how it's integrally related to your recent hearing titled "Leveraging America's Natural Resources as a Revenue Generator and Job Creator."

The NCSHPO is the professional association of the State government officials (State Historic Preservation Officers or SHPOs) who carry out the national historic preservation program as delegates of the Secretary of the Interior pursuant to the National Historic Preservation Act of 1966, as amended (NHPA) (16 USC 470). In 2013, SHPOs reviewed nearly 103,000 federal undertakings, delivered 82,100 national register eligibility opinions, provided guidance and technical assistance on nearly 1,200 historic tax credit projects, surveyed approximately 16.3 million acres and evaluated over 135,000 properties for their historical significance.

## **HPF - History**

In 1976 the National Historic Preservation Act was amended to create a funding stream, called the Historic Preservation Fund (HPF), to implement the national historic preservation program as an efficient federal/state partnership on behalf of the Department of Interior. The HPF provides matching funds to SHPOs and grants to Tribal Historic Preservation Offices who carry out the preservation programs that preserve and utilize our nation's historic resources and simultaneously generate revenue and jobs. Currently, \$150 million is deposited annually into the HPF. However, recent appropriations have languished at about one-third of the authorized amount. The current authorization expires September 30, 2015.

Like the Land and Water Conservation Fund, HPF income is derived from offshore oil lease revenues. Following the same principal, a portion of these Outer Continental Shelf (OCS) revenues, derived from the depletion of non-renewable resources, results in the preservation of another non-renewable resource – our Nation's historic places which serve as a permanent legacy to all Americans.

## **HPF – Jobs and Economic Development**

### *Community Revitalization*

Nationwide, communities have experienced how historic preservation plays a prominent and effective role in community and neighborhood revitalization. Historic preservation combats the effects of blight and disinvestment by using the historic built environment as a catalyst for community change. These changes result in thriving historic downtown districts, Main Streets, and neighborhoods becoming “destinations” consisting of restaurants, office space, art galleries, specialty shops, living spaces, and civic centers.

Historic Main Streets are also frequently the heart and soul of a community. It is not, the nondescript shopping centers or malls which people rally around saving, tour on vacations, or use as the enduring descriptive “center” of their home towns. According to the National Main Street Center, in 2013, local Main Street programs throughout the country experienced a net gain in businesses and jobs of 115,381 and 502,278, respectively. The total number of building rehabilitations was 246,158 and the total reinvestment in physical improvements was nearly \$60 billion. In 2013 in Louisiana, 194 new Main Street businesses opened creating 527 new jobs and new rehabilitation and construction projects totaled \$14 million.

Historic preservation programs, such as in Juneau and Skagway, serve not only as a means of preserving a community’s history, but they provide a vehicle for guiding that community’s growth in the future – spurring economic development and tourism while trying to save what makes those places distinctive. For the past ten years, the Alaska Department of Transportation has promoted the scenic byways program and enhanced visitor attractions, including several historic buildings, along Alaska’s highways. The agency has also installed interpretive signs at a number of highway waysides.

### *Historic Tax Credit*

The Federal Rehabilitation Tax Credit (HTC) program, administered primarily by the State Historic Preservation Offices with funding from the Historic Preservation Fund, is an important driver in economic development. The program benefits communities by:

- Increasing the value of the rehabilitated property by returning vacant or underutilized structures to the tax rolls and stimulating adjacent development projects.
- Encouraging protection of landmarks through the promotion, recognition, and designation of historic structures, and acting as a catalyst for further community renewal.
- Revitalizing downtowns and neighborhoods and, since sometimes paired with the Low Income Housing Tax Credit, at times increasing the amount of available housing within the community.

Since inception, the HTC has rehabilitated nearly 39,000 buildings, created 2.4 million jobs and leveraged \$109 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. In 2013, the HTC spurred \$3.39 billion in rehabilitation work, created nearly 63,000 skilled, local jobs and over 25,000 new or renovated housing units. All of which brings short and long-term economic opportunities for the community.

In 2013, the HTC leveraged over \$239 million in private investment in Louisiana’s historic, income-producing buildings. The Louisiana State Commercial & Residential Tax Credit Programs leveraged over \$128 million in private investment in Louisiana’s historic buildings and both programs created a total of 3,871 construction jobs.

### *Heritage Tourism*

Heritage tourism also creates jobs, new businesses, builds community pride and can improve quality of life. Funding for SHPOs through the HPF provides the essential resources needed to partner with communities in identifying historic places and providing research for tourism interpretation and materials. According to a 2009 national research study on U.S. Cultural and Heritage Travel by Mandela Research, 78% of all U.S. leisure travelers participate in cultural and/or heritage activities while traveling translating to 118.3 million adults each year. Cultural and heritage visitors spend, on average, \$994 per trip compared to \$611 for all U.S. travelers. Perhaps the biggest benefits of cultural heritage tourism, though, are diversification of local economies and preservation of a community's unique character.

Alaska's tourism industry is a key economic driver for the State. In 2013 the out-of-state visitors totaled nearly 2 million and is anticipated to continue increasing. When surveyed, many visitors said they enjoyed heritage sites and learning how people lived in the north. The totem parks at Ketchikan and Saxman, the gold rush era town of Skagway, the Alaska Native Heritage Center and Anchorage Museum at Rasmuson Center in Anchorage and the University of Alaska's Museum of the North in Fairbanks were among the top visitor destinations.

Tourism also plays a significant role in Louisiana. In 2013, 27.3 million visitors to Louisiana spent \$10.8 billion, and contributed \$800 million in state tax revenues. Many of these visitors came specifically to see and experience Louisiana's historic cultural and heritage sites. To date, Louisiana has 1,240 individual properties and 105 historic districts for a total of over 50,000 resources listed in the National Register of Historic Places as well as 53 National Historic Landmarks. In June, the Poverty Point State Historic Site also became the 1,001<sup>st</sup> property listed as World Heritage Site list which will generate additional tourism revenue from visitors around the world.

### **HPF – Investing in America's Future**

By responsibly leveraging America's natural resources, by using a small fraction of Outer Continental Shelf revenues for the HPF, for almost 40 years historic preservation has generated billions of dollars in revenue at the local, state and federal levels, preserved our nation's diverse and significant historic resources, revitalized communities, and created millions of jobs.

As something that truly impacts the daily lives of so many Americans, this return on investment must continue. It is vital that the Senate Energy and Natural Resources Committee and all of Congress commit to reinvesting in our nation's historic resources through supporting permanent and full funding for the HPF - for the benefit of preserving the important historic resources of our past as well as for the future and for the economic well-being of our nation.

Sincerely,



Erik Hein  
Executive Director  
NCSHPO