

NCSHPO

National Conference of State Historic Preservation Officers

SUITE 342 HALL OF THE STATES
444 NORTH CAPITOL STREET, NW, WASHINGTON, DC 20001-1512
202/624-5465 FAX 202/624-5419 WWW.NCSHPO.ORG

Ruth Pierpont, President
National Conference of State Historic Preservation Officers and
Deputy Commissioner for Historic Preservation,
New York State Office of Parks Recreation and Historic Preservation
Testimony before the
U. S. House of Representatives Committee on Appropriations
Subcommittee on Interior, Environment and Related Agencies
The Honorable Mike Simpson, Chairman

March 12, 2012



Request:

- \$46.925 million for State Historic Preservation Offices (SHPOs)
- \$10 million for a Historic Preservation Grant Program to be run through the SHPOs.

Funded through withdrawals from the Historic Preservation Fund (16 USC 470h) U. S. Department of the Interior's National Park Service Historic Preservation Fund (HPF).¹

Preservation = ROI = Federal-State Partnership

In 1966 Congress, recognizing the importance of our heritage, enacted the National Historic Preservation Act (NHPA 16 USC 470), which established historic preservation as a federal government priority. Instead of using federal employees to carry out the Act, the Department Of Interior and the Advisory Council on Historic Preservation opted to partner with the States and use SHPOs to: 1) locate and record historic resources; 2) nominate significant historic resources to the National Register of Historic Places; 3) foster historic preservation programs at the local government level and promote the creation of preservation ordinances; 4) provide funds for preservation activities; 5) comment on federal preservation tax projects; 6) review all federal projects for their impact on historic properties; and 7) provide technical assistance to federal agencies, state and local governments and the private sector. And, States contribute to the federal government half the operating cost.

¹ The NCSHPO also supports the Tribal Historic Preservation Officer's FY13 request of \$9.7 million.

Preservation = ROI = Job Creation

Historic preservation creates jobs. Whether it is through the historic tax credit program, preservation grants, or other rehabilitation avenues, preservation creates skilled, principally local, jobs. The following are excellent examples of how historic preservation creates jobs and job training:

- In 2011, while slowly climbing out of a national recession, there were nearly 1,000 new historic tax credit projects started, averaging 55 jobs per project. The private investment in the approved and completed projects in 2011 totaled \$4.02 billion.²
- When compared to new construction, \$1 million spent to rehabilitate a building will create 5-9 more construction jobs and 4.7 new jobs will be created elsewhere in the community.³
- In California \$1 million of rehabilitation creates five more jobs than manufacturing \$1 million worth of electronic equipment. In Oklahoma \$1 million of rehabilitation creates 29 more jobs than pumping \$1 million worth of oil.⁴

Preservation = ROI = Economic Development

From Rupert, Idaho to Alexandria, Virginia, historic preservation plays a key role in creating, maintaining, and growing these communities while preserving their historical significance. The Federal Rehabilitation Tax Credit program is an important driver in economic development. The program benefits communities by:

- Increasing the value of the rehabilitated property returning vacant or underutilized structures to the tax rolls.
- Encouraging protection of landmarks through the promotion, recognition, and designation of historic structures, and acting as a catalyst for further community renewal.
- Upgrading downtowns and neighborhoods and often increasing the amount of available housing within the community.

In 2011, still in the midst of a recession, **the federal rehabilitation tax credit spurred \$4.02 billion in private investment**, created over 55,400 skilled, local jobs and nearly 7,500 moderate and low income housing units. All of which brings in both short and long-term economic opportunities for the community.

According to the Mayor of Dubuque, Iowa, Roy D. Buol, “The City of Dubuque views historic preservation as a key component of sustainability with its economic, environmental, and social/cultural benefits. Preservation enhances the vibrancy of neighborhoods and our community, instilling pride and value through increased property values, as well as enhanced quality of life, sense of place and neighborhood pride. Preservation translates into economic prosperity through creation of new jobs, retention of existing jobs especially in construction trades, stimulation of private investment, tourism and business growth, and financial investment in property improvements.”

² “Federal Tax Incentives for Rehabilitating Historic Buildings – Statistical Report and Analysis for FY2011”
National Park Service

³ *The Economics of Rehabilitation*, Donovan Rypkema

⁴ *The Economics of Historic Preservation*, Rypkema 1998:13

Heritage tourism also creates jobs, new businesses, builds community pride and can improve quality of life. SHPOs are essential, ground level partners in identifying historic places and providing research for tourism interpretation. According to the Department of Commerce's "2010 Cultural Heritage Traveler" report of activities that international visitors participate in, touring America's non-National Park historical places ranks third, behind only shopping and dining. Visiting America's non-National Park Historical Places, Cultural Heritage Sites, and America's Small towns all rank above visiting National Parks – where the bulk of federal money is spent.

Activity Participation while in the U.S.	2009 (percent)	2010 (percent)	Point Change
Shopping	90	90	0.3
Dining in Restaurants	86	86	0.0
Visit Historical Places	68	68	0.2
Sightseeing in Cities	60	59	-0.9
Art Gallery/Museum	41	41	-0.1
Cultural Heritage Sites	40	41	0.7
Visit Small Towns	36	37	1.5
Amusement/Theme Parks	32	34	2.1
Visit National Parks	34	34	0.2
Concert/Play/Musical	30	29	-0.3

Department of Commerce, Office of Travel and Tourism Industries "2010 Cultural Heritage Traveler"

Preservation = ROI = America's Heritage

Preservation honors the significant places of American history at the local, state and national levels through creating historic districts and listing resources in National and State Historic Registers. State Historic Preservation Officers, through the authority of the National Historic Preservation Act are there to assist, support and encourage communities with their efforts. National Register recognition by the Secretary confirms citizens' belief in the significance of their community. That recognition, in turn, builds community pride and stable, livable neighborhoods such as Pocatello, Idaho and Ithaca, New York. Further, this neighborhood improvement comes from individual, private investment, not from federal programs.

The National Historic Preservation program is one of assistance, not acquisition. The federal government does not own, manage, or maintain responsibility for the historic assets in the National Historic Preservation program. Instead, the program, through the SHPOs, provides individuals, communities, and local and state governments the tools they need to preserve and utilize their historic heritage for the betterment of their community and the Nation.

Preservation = ROI = Money Well Spent

Federal funding for SHPOs is money well spent. Under the Administration's Program Assessment Rating Tool, management of Historic Preservation Programs received a score of 89%, indicating exemplary performance of mandated activities. Reinforcing this finding is the December 2007 National Academy of Public Administration (NAPA) report "BACK TO THE

FUTURE: A Review of the National Historic Preservation Program”, and the 2009 National Parks Second Century Report, which called for fully funding the Historic Preservation Fund.

NAPA, a non-profit, independent coalition of top management and organizational leaders, found that the National Historic Preservation Program “stands as a successful example of effective federal-state partnership and is working to realize Congress’ original vision to a great extent. However, the Panel concluded “that a stronger federal leadership role, greater resources, and enhanced management are needed to build upon the existing, successful framework to achieve the full potential of the NHPA on behalf of the American people.”⁵

2011 State Historic Preservation Offices’ Accomplishments

SHPOs used their HPF allocations well in 2011. While virtually every state continues to experience staffing and operation reductions, SHPOs are still charged with implementing the requirements of the NHPA to the fullest extent. Highlights of 2011 historic preservation accomplishments include:

- Reviewing 140,000 Federal undertakings within 30 days
- Leveraging over \$4.02 billion of private investment in the rehabilitation of commercial historic properties under the Federal Rehabilitation Tax Credit (FRTC) program.
- An estimated 55,458 jobs created by the FRTC program in 2011.
- 7,470 low and moderate income housing units created through the FRTC.
- Approximately 20.5 million acres surveyed for the presence and *absence* of cultural resources and over 610,700 properties evaluated for their historical significance.
- 1,061 new listings in the National Register of Historic Places.
- 104,700 National Register eligibility opinions.
- 37 new communities became Certified Local Governments (CLGs).
- Under local law, CLG’s newly designated 57,000 properties, and 66,300 properties took part in local preservation review, programs, and incentives.

Conclusion

On behalf of all 57 SHPOs, I’d like to thank you Chairman Simpson, Ranking Member Moran, and members of the House Appropriations Subcommittee on Interior, Environment and Related Agencies 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 through our partnership, SHPOs stand committed to identify, protect, and maintain our Nation’s historic heritage. Thank you.

⁵ NAPA, “BACK TO THE FUTURE: A Review of the National Historic Preservation Programs” December 2007, p. 29