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Testimony before the
U. S. House of Representatives Committee on Appropriations
Subcommittee on Interior, Environment and Related Agencies
The Honorable Mike Simpson, Chairman

April 10, 2012

Fiscal Year 2014 Request:

- \$50 million for State Historic Preservation Offices (SHPOs)
- \$3 million for a competitive grant program for underrepresented populations

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

SUCCESS - 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 priority of the federal government. Recognizing that States are the experts of their own history, instead of using federal employees to carry out the Act, the Department Of Interior and the Advisory Council on Historic Preservation 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.

SUCCESS - Streamlining

Federal, state, and local government agencies are working hard to deliver projects more quickly and efficiently, and for less cost – also known as streamlining. A popular buzz word, State Historic Preservation Offices have been streamlining and enacting increased efficiencies in historic preservation reviews (known as Section 106 reviews under the National Historic Preservation Act) for decades. Last summer the Federal Highway Administration (FHWA) released a report entitled “Effective Practices for Considering Historic Preservation in

¹ The NCSHPO also supports the Tribal Historic Preservation Officer's FY14 request of \$9.985 million.

Transportation Planning and Early Development.”² The report highlights innovative programs that enable State Department of Transportation and local transportation planning organizations to streamline their compliance with Section 106 while simultaneously improving their stewardship of historic resources.

A common theme woven throughout the case studies was the importance of State Historic Preservation Offices. The HPF provides SHPOs the resources that makes innovation and increased efficiencies possible! The HPF (and lack thereof) provides the SHPO’s staff, data, technology, and training resources necessary for success but challenges remain:

- Colorado DOT – “The SHPO understands and supports what CDOT is trying to do through the Planning and Environmental Linkages program; however, the SHPO currently does not have the staff or resources to actively participate....From CDOT’s perspective, the SHPO’s involvement contributes to a better working relationship between their respective offices.”
- Minnesota DOT – “The Minnesota SHPO supported the modeling effort and participated in a steering committee establishing the model. The SHPO also agreed to using the model to determine where and how archaeological surveys would be conducted...The SHPO and the Minnesota State Archaeologist do not have the computer capabilities to use the model within their offices. MnDOT has to provide printouts to the SHPO and State Archaeologist when using the model for Section 106 consultation on a specific project.”
- North Carolina DOT – “The biggest problem has been funding and staffing, especially at the SHPO and OSA. They currently do not have the staff or resources for digitizing records for the remainder of the State. The model, therefore, has not been expanded beyond the initial seven-county area.”
- Oregon DOT – “Part of the problem is SHPO staffing. The Oregon SHPO, like most SHPOs across the country, is understaffed and does not have the resources to fulfill their National Historic Preservation Act responsibilities and fully participate in programs like CETAS.”
- Texas DOT – “The participation of all the resource agencies, including the SHPO, was critical to the initiative’s success. CAMPO’s partners provided important sources of GIS environmental data, such as the TxDOT’s GISST database and screening tool.”

SUCCESS - Job Creation & Economic Development

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 2012, the private investment in the approved and completed projects totaled \$3.15 billion and averaged 77 jobs per project.³

² “Effective Practices for Considering Historic Preservation in Transportation Planning and Early Project Development.” National Cooperative Highway Research Program Project 25-25, Task 49. Prepared by Cambridge Systematics, Inc. with the SRI Foundation. August 2009

³ “Federal Tax Incentives for Rehabilitating Historic Buildings – Statistical Report and Analysis for FY2012” National Park Service

- 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.⁴
- 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.⁵

Economic Development

From Rupert, Idaho to the many historic neighborhoods in St. Paul, Minnesota, 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.

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. A 2010 U.S. Cultural & Heritage Tourism Marketing Council study found that:

- Two-thirds of cultural and heritage travelers visited some sort of historic site.
- 65% of cultural and heritage travelers seek travel experience where the "destination, its buildings and surroundings have retained their historic character."
- Other cultural and heritage activities include: visiting historic sites (66%), attending historical re-enactments (64%), visiting a state or national park (41%), shopping in museum shops (32%), and exploring urban neighborhoods (30%).
- Cultural and heritage travelers spend about \$994 per trip compared to \$611 spent on the average U.S. trip.
- 45% spend more of their money on cultural and heritage activities than they do on anything else while on their trip.
- 37% would pay more for lodging if it somehow reflects the culture or heritage of the destination they are visiting.

SUCCESS - Saving America's Heritage

Preservation in part recognizes the significant places in American history at the local, state and national levels through creating historic districts and listing resources on 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

⁴ *The Economics of Rehabilitation*, Donovan Rypkema

⁵ *The Economics of Historic Preservation*, Rypkema 1998:13

significance of their community. That recognition, in turn, builds stable, livable neighborhoods such as Pocatello, Idaho and Ithaca, New York. Best of all, this neighborhood improvement comes from individual, private investment, not from federal programs.

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 and state governments the tools they need to identify preserve and utilize the historic assets of importance to them.

To that end, the NCSHPO supports the \$3 million request in the President's FY14 Budget for a competitive grant program to survey and nominate to the National Register of Historic Places or National Landmark Program, sites associated with populations that are currently underrepresented. The best part – *NO FEDERAL ONGOING RESPONSIBILITY!*

2012 State Historic Preservation Offices' Accomplishments

SHPOs used their HPF allocations well in 2012. 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 2012 historic preservation accomplishments include:

- Reviewing nearly 142,000 Federal undertakings within 30 days
- Leveraging over \$3.15 billion of private investment in the rehabilitation of commercial historic properties under the Federal Rehabilitation Tax Credit (FRTC) program.
- An estimated 57,783 jobs created by the FRTC program in 2011.
- 6,366 low and moderate income housing units created through the FRTC.
- Approximately 20.9 million acres surveyed for the presence and *absence* of cultural resources and over 610,860 properties evaluated for their historical significance.
- 1,179 new listings in the National Register of Historic Places.
- 104,813 National Register eligibility opinions.
- 42 new communities became Certified Local Governments (CLGs).
- Under local law, CLG's newly designated 101,000 properties, and 74,500 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.