



**Statement of the National Trust for Historic Preservation
Before the House Committee on Natural Resources' Oversight Hearing:
"Historic Leasing in the National Park System:
Assessing Challenges and Building on Successes"
Hot Springs, Arkansas
September 17, 2018**

Chairman Bishop, Ranking Member Grijalva and members of the Committee, I appreciate the opportunity to present the National Trust for Historic Preservation's testimony on the challenges and successes of historic leasing as a strategy to bring abandoned and underutilized buildings back to public enjoyment and use, while also abating the \$11.6 billion maintenance backlog of our national parks. My name is Thomas J. Cassidy, Jr. and I am the Vice President of Government Relations and Policy.

The National Trust for Historic Preservation is a privately-funded charitable, educational and nonprofit organization chartered by Congress in 1949 in order to "facilitate public participation in historic preservation" and to further the purposes of federal historic preservation laws.¹ The intent of Congress was for the National Trust "to mobilize and coordinate public interest, participation and resources in the preservation and interpretation of sites and buildings."² The National Trust has more than one million members and supporters. With headquarters in Washington, D.C., nine field offices, 28 historic sites, and a national network of partners in states, territories, and the District of Columbia, the National Trust takes direct, on-the-ground action when historic sites are threatened, advocates to save America's heritage, and strives to create a cultural legacy that is as diverse as the nation itself, so all can take pride in the American story.

The National Trust has worked closely with many stakeholders on a legislative solution that would provide dedicated funding to address the maintenance backlog. We strongly endorse the bipartisan Restore Our Parks and Public Lands Act (H.R. 6510) introduced by Chairman Rob Bishop and Ranking Member Grijalva which enjoys the support of nearly 160 cosponsors. Thank you again, Mr. Chairman, for your successful mark-up of this legislation last Thursday.

We also support the Restore Our Parks Act (S. 3172) introduced by Senators Portman, Warner, Alexander, and King that to-date has secured support from over a quarter of the U.S. Senate. We believe these bills can make a substantial and meaningful investment in our national parks. We are also pleased the legislation provides dedicated funding financed by unobligated federal mineral revenues in such a way that allocations to the Land and Water Conservation Fund and Historic Preservation Fund are not impacted. The National Trust is a strong supporter of both these programs and believes that both should receive the dedicated funding they have long been promised.

Thank you for the attention the Committee is focusing on historic leasing, an underutilized tool to abate the NPS maintenance backlog. Historic leasing is not a magic bullet that will solve the maintenance backlog. Leasing to a third party is not the solution to ensure that national icons such as the Statue of Liberty, Independence Hall, or the Jefferson Memorial are maintained for the American public. And, under current concession law, numerous public services that are "necessary and appropriate" to visitation in many of our large rural parks such as the Grand

¹ 54 U.S.C. §§ 312102(a), 320101.

² S. Rep. No. 1110, 81st Cong., 1st Sess. 4 (1949).

Canyon, Yosemite, Great Smoky Mountains, and Yellowstone are the appropriate subjects of concession contracts. But, leasing of historic buildings in national parks is an important and proven, but still underutilized strategy, to rehabilitate and bring back to economic life and public enjoyment abandoned or underutilized historic resources.

The Need

The National Park System is an astonishing national treasure. It is absolutely one of our nation's best ideas – a network of 417 parks and sites that protect spectacular historic, cultural, and natural resources and tell the stories of remarkable people and events in our country's history. Three-quarters of national park units were established to protect our country's most important historic and cultural resources. These places include such national treasures as Ellis Island National Monument, Gettysburg National Battlefield, Chaco Cultural National Historic Park, and the Washington Monument. Over the past two decades, the NPS has added over 30 new park units that are predominantly historical and cultural. These new parks that help tell the stories of all Americans include Rosie the Riveter World War II Home Front National Historical Park, César E. Chávez National Monument, Tuskegee Airmen National Historic Site, Reconstruction Era National Monument, and the Birmingham Civil Rights National Monument.

The National Park System includes more than 84 million acres across all 50 states, the District of Columbia, and many U.S. territories. NPS protects and interprets an estimated 2 million archaeological sites, 4,200 historic statues and monuments and more than 27,000 properties listed on or eligible for the National Register of Historic Places, including 9,600 buildings.

National parks, and the historic and cultural sites they protect, are some of our nation's most popular attractions and were visited by over 331 million people last year. In 2017 alone, these visits generated visitor spending of an estimated \$18.2 billion in nearby communities – spending that supported 306,000 jobs and provided a \$35.8 billion boost to the national economy.

I will address two issues in this testimony. First, the need for direct federal investments through annual appropriations and the proposed “National Park Service and Public Lands Legacy Restoration Fund.” Second, the challenges and opportunities available to rehabilitate and maintain historic properties through historic leasing.

Direct Federal Investments

The NPS maintenance backlog of \$11.6 billion demonstrates that additional investments and new strategies are necessary if NPS is to meet its stewardship responsibilities. We are encouraged, Mr. Chairman, by your successful mark-up last Thursday of H.R. 6510. We are impressed by the many statements of support by numerous Senators, Secretary of the Interior Ryan Zinke, and hundreds of organizations nationwide for reducing the maintenance backlog and prioritizing this issue as part of policy proposals to invest in our nation's infrastructure.

For several years the National Trust has focused on increased funding for the NPS line items for Repair and Rehabilitation and Cyclic Maintenance to alleviate the maintenance backlog and ensure adequate preservation and protection of resources in our parks. Both the House and Senate-passed versions of the FY19 Interior Appropriations bills would increase funding for these two accounts. The Senate bill adds \$15 million while the House bill increases those accounts by \$40 million compared with FY18. Notably, the FY18 total for these accounts was already about \$100 million more than it was just three years prior—a roughly 55 percent increase. We support continued increases in appropriations for these accounts.

But the scale of the backlog demonstrates the need for a reliable, dedicated federal funding source distinct from annual appropriations to address the deferred maintenance backlog. And, if we are successful in securing enactment of the Restore Our Parks and Public Lands Act, we will also need to be mindful of the need to provide sufficient staffing to preserve properly historic sites, maintain buildings and infrastructure in safe condition, and keep our parks open and accessible to the public.

Historic Leasing

The National Trust published a major report in September 2013: “*Historic Leasing in the National Park System: Preserving History Through Effective Partnerships*.”³ Our study provided an overview of policy concerns, legal authorities, policy recommendations, and a set of 17 case studies from throughout the country. Since then, we have visited numerous parks to evaluate successful leases and opportunities to expand leasing. We have updated 4 of our case studies and expect to complete 4 more in the near future, a number of which are summarized below. We have also continued to meet with National Park Service leadership and Congressional staff to encourage additional use of historic leasing.

Leasing of historic buildings in the National Park System to non-NPS entities is an effective and proven public-private partnership that can be used as part of a suite of options to abate the deferred maintenance backlog in our national parks. Historic leases alleviate the burden on the National Park Service to maintain historic buildings. Long-term commercial leases of 55-60 years also enable lessees to utilize the federal 20% historic tax credit for qualified rehabilitation expenses. We were very pleased that Congress chose to maintain the historic tax credit (HTC), championed by President Ronald Reagan, in the Tax Cuts and Jobs Act of 2017. The HTC has proven to be the most significant federal investment in historic preservation. Since 1982, it has rehabilitated more than 43,000 buildings, creating 2.4 million jobs and leveraging \$131 billion in private investment. As described below, the HTC has been used in only a small number of NPS leases, including at the Quapaw Bath House here in Hot Springs. We know that it can and should be used more extensively than it is now.

Congressional support for leasing has long existed, as evidenced by grants of authority to enter into leases and historic leases,⁴ which Congress has extended to the NPS over the years. In addition, there has been consistent direction from the Interior Appropriations Subcommittee and Full Committee encouraging historic leases to abate the maintenance backlog. For example, the Interior FY12 House Interior Appropriations Report stated:

The Committee encourages the Park Service to pursue the use of cost-effective, innovative solutions like historic leases when practical and when the arrangement comports with a park unit's enabling legislation. These solutions can help mitigate a growing backlog of historic structures in need of preservation.⁵

In FY16, the full Committee stated:

Leasing of Historic Buildings. Leasing of historic park buildings has proven to be an effective public-private partnership that has brought private investment to the repair and maintenance of historic park resources. In previous years, the Committee has encouraged the Service to make expanded use of leasing authority. The Committee

³ Historic Leasing in the National Park System: Preserving History Through Effective Partnerships; <http://forum.savingplaces.org/viewdocument/historic-leasing-in-the-national-pa?>; September 2013.

⁴ See 54 U.S.C., section 102102 and section 306121.

⁵ House Report 112-51, H.R. 2584.

commends the Service for recent steps it has taken to increase the utilization of this tool, including establishing a leasing manager to oversee and expand the historic leasing program. The Committee directs the Service to provide a report, within six months of enactment of this Act, detailing its progress towards expanding use of this authority. Included in this report should be (1) an assessment of how many historic structures are leasable, (2) the cost of undertaking a leasing program, and (3) any statutory or regulatory impediments that now inhibit the enhanced use of leasing of historic structures.⁶

And, in FY17, the full Committee stated:

Leasing of Historic Buildings. Leasing of historic park buildings has proven to be an effective public-private partnership that has brought private investment to the repair and maintenance of historic park resources. In previous Committee reports, the Committee has encouraged the Service to make expanded use of leasing authority. The Committee commends the Service for recent steps it has taken to increase the utilization of this tool, including establishing a leasing manager to oversee and expand the historic leasing program. The Committee renews its previous request that directs the Service to provide a report, within six months of enactment of this Act, detailing its progress towards expanding use of this authority. Included in this report should be (1) a list of structures the Service considers high-priority candidates for leasing, (2) a list of structures currently under a lease arrangement, (3) an estimate of the number of leases that have enabled private sector investments using the Service-administered historic tax credit, and (4) any statutory or regulatory impediments that now inhibit the enhanced use of leasing of historic structures.⁷

The Department of the Interior, responding to the FY17 report language, reported to Chairman Calvert on January 18, 2017,⁸ that among the 27,000 assets on the List of Classified Structures (LCS), potentially 9,000 structures could be evaluated for re-use through leasing. And in a letter to Chairman Murkowski of March 29, 2018, the Department identified 47 high-priority candidates for leasing, about 350 structures currently subject to a lease, and 3 leases that utilize the historic tax credit.⁹

Barriers to Leasing and Policy Recommendations:

Historic leasing can enhance opportunities for the private and nonprofit sector to assist in the preservation, maintenance and use of historic buildings. Even with the availability of leasing authority included in the National Historic Preservation Act and the Concessions Management Act, and Congressional encouragement, the NPS has struggled to fully use its authority to preserve historic structures and cultural resources. Barriers to full use of this authority – including unduly restrictive policy interpretations or statutory and regulatory hurdles, as well as staff capacity and expertise – have often stood in the way. If implemented, the following recommendations would help address these barriers and make historic leasing an even more effective tool.

⁶ FY16, H. Report 114-170, H.R. 2822

⁷ FY17, H. Report 114-632, H.R.

⁸ The letter is date stamped “Jan 18 2016” but we believe it is a 2017 letter.

⁹ We understand there are at least 5 current historic tax credit projects including within the following parks: Hot Springs, Fort Hancock, San Francisco Maritime, Fort Baker (GGNRA) and Fort Mason (GGNRA).

- Lack of capacity and experience in the field: After many years of studying the use of historic leasing in the parks and meeting with park staff on the ground, in regional offices and in D.C., we are impressed and humbled by the remarkable staff of the National Park Service. There are few finer interpreters of our shared national stories. But, there is very little practical experience with commercial leasing within the Service, either at the park, region or headquarters level. There are a number of examples of outstanding real estate professionals, but they are often concentrated in individual parks or a few regions – they are not well-distributed throughout the agency.
 - Recommendation: NPS should commit to significantly catalyze historic leasing by creating a “tiger team” of real estate specialists, knowledgeable in park service regulations and policies and perhaps most importantly, commercial real estate, to assist individual parks and regions in advancing specific projects and innovative adaptive reuse partnerships.

- Internal Culture and Policy: Existing park service policy and culture precludes experts in one region from assisting park officials in another region. In addition, national staff is reluctant to offer advice to parks unless there is a request from the region. And, park service leadership has not yet broken through these barriers to make clear that expanded use of historic leasing is a National Park Service priority that will be supported by policy clarifications, small but necessary budget reforms and spotlighting successful models of innovation.
 - Recommendation: NPS should provide financial support to fund staff training and administration of a larger leasing program. Subsequent to our 2013 report, the NPS did add its first leasing program specialist in the Washington office, and we understand that additional capacity is being considered. In many parks, more technical skills are needed before a more robust leasing program can be implemented. The “tiger team” identified above would also address this.

- Opaque Guidance: On April 18, 2016, the NPS Chief Financial Officer issued a Memorandum to the Regional Directors on “Guidance on Authorizing Commercial Services under Concession Contracts or Leases.” It explicitly addressed a bias against leasing based upon a policy interpretation, which is an important policy statement. And it does include a “Decision Guide – Choosing a Lease or a Concession Contract.” However, the underlying policies and interpretations remain opaque. Speaking personally, I have invested significant time trying to understand the “necessary and appropriate” requirement for a concession contract rather than a lease and still find its practical application, and guidance, to be a challenge.
 - Recommendation: NPS should develop a set of more specific examples to describe how existing leases are consistent with policy or what would be examples of leases that would violate policy. The NPS should undertake a thorough review of the laws, regulations, policies, and procedures for historic leasing and address inconsistencies and areas of confusion. Particular care is needed to insure that there are clear standards to determine when a concession agreement is required and when leasing is appropriate.

- The costs of preparing properties for leasing, including appraisals, is often cited as a barrier.
 - Recommendation: A fund should be available to prepare buildings for lease, including necessary historic building surveys, costs of appraisals and, in some cases, funds to stabilize and complete basic improvements to structures. The NPS

should define the need for such funding and include it in the FY20 budget request.

- **Administrative Costs:** The authority for “leasing” permits rental payments to be deposited in a special account for various uses, but not for the costs of administration. The proceeds of a “historic lease,” however, are deposited in a fund and may be used for the costs of administration, but the fund is only 2 year money.
 - Recommendation: Harmonize these sections and permit lease funds to be used for administration without a 2 year limitation on expenditures.

Despite these obstacles, there are numerous examples where historic leasing and public-private partnership agreements have been used to authorize non-federal entities to operate businesses, provide services and housing, and manage event spaces in historic structures within the national park system. In many cases, the involvement of non-federal entities has meant the difference between preservation and reuse or deterioration and neglect of irreplaceable historic resources. The American public has directly benefited from these private investments through increased opportunities to enjoy historic properties that otherwise would have been unavailable. However, despite successful examples of historic leasing being used to rehabilitate historic structures in almost every NPS region, some Superintendents have not used the NPS’s leasing authorities to their full extent.

Examples of Historic Leasing

Hot Springs National Park, Arkansas

Every year 1.5 million people visit “The American Spa” in Hot Springs, Arkansas. In the late 19th century, developers turned this area and its 47 geothermal springs into a resort town complete with hotels and bathhouses. The bathhouses fell into disuse as public interest in therapeutic baths declined. In order to restore the eight remaining bathhouses to make them both usable and important for interpretation, the park explored historic leasing opportunities. An initial federal investment of \$18 million in the early 2000s made the bathhouses “tenant-ready” and attractive to lessees. Today, only one bathhouse remains to be leased. Since becoming a unit of the National Park System in 1921, the park has remained a major economic driver to the city of Hot Springs and draws more than \$99 million in tourist dollars to local communities.

Quapaw Bathhouse

The Quapaw—one of the largest bathhouses—had been vacant since the 1980s until Taylor Kempkes Architects stepped in. An initial \$2.5 million investment, aided by the historic tax credit, and a year of rehabilitation work, led to the reopening of the Quapaw as a luxury spa in 2008, and it remains popular a decade later. As part of the 55-year lease, the NPS is no longer responsible for monthly utility bills or maintenance costs and 2% of annual gross revenue must be put into a restricted fund for maintenance work. Quapaw Bath and Spa handles the daily maintenance operations of the building, yet the park remains an active partner by ensuring that any work is consistent with National Park Service standards.

Superior Bathhouse

Aspiring brewer and entrepreneur Rose Schweikhart discovered the natural temperature and pH of the thermal springs were ideal for beer making. She subsequently turned the Superior Bathhouse into a beer-making facility, improving the floors and electric conduits to accommodate thousands of pounds of equipment, pumps, and food facilities. She added features—like a glass wall so visitors could see the beer-making process—without harming the historic fabric. Using the same lease structure as the Quapaw, Schweikhart maintains the

integrity of the building while staying economically viable. The Superior Bathhouse Brewery opened in 2014 and designs for a German-style beer garden are in the works.

Valley Forge National Historical Park, Pennsylvania

After a harsh winter in Valley Forge, the Continental Army emerged from their encampment in June 1778 a more united and disciplined fighting force. This defining moment in the American Revolution motivated civic groups to host rallies and lead preservation efforts until Valley Forge became Pennsylvania's first state park in 1893. When suburban development pressures and funding concerns at the state level threatened the integrity of the park, the commonwealth transferred the management of the park to the National Park Service (NPS) in time for the bicentennial in 1976. Each year more than 2.4 million visitors come to the park and spend approximately \$30 million in local communities. To meet increased visitors' demands and to help compensate for insufficient federal appropriations, the NPS has pursued historic leasing opportunities. The park utilizes both long- and short-term leases, and a multi-year plan enables the NPS to identify future leasing projects that benefit the park through additional revenue streams, capital improvements, and maintenance savings.

Philander Chase Knox Estate

The late eighteenth-century Philander Chase Knox Estate sits picturesquely amidst the rolling hills of Valley Forge. The mansion was used as a library and storage facility until a ten-year lease was signed in 2015 with Valley Forge Park Events, LLC—a partnership between The Party Center and Robert Ryan Catering—to create an event space. The company preserved the historic integrity of the house and landscape while completing necessary updates and restorations. The park receives a percentage of the revenue from fees and catering sales at the more than 50 annual events, far exceeding initial forecasts. In this partnership, the park uses half of the house as a library while the event company maintains the indoor and outdoor spaces it leases. The beautifully restored mansion is now accessible to the public and guests can enjoy scenic views that will inspire them to return to the park.

The Montessori Children's House of Valley Forge

The Montessori Children's House was seeking a permanent home when they learned the park was interested in leasing several historic buildings. Following a capital campaign, archaeological and historic surveys, and architectural planning, the Montessori Children's House signed a 40-year lease in 2009 and began rehabilitating the structures. The large house, two-story barn, and cottage were in serious disrepair from water damage, unchecked ivy, wood decay, mold, and asbestos. The school's repair work preserved the historic integrity of key structures and maintained the basic footprint of the site. The park and the school forged a symbiotic relationship wherein the park benefits from annual rent, mortgage, and maintenance payments while the school enjoys use of a beautiful property in a historic setting, with access to park rangers for educational programming.

Golden Gate National Recreation Area, California

One of the largest urban parks in the world, Golden Gate National Recreation Area protects significant historic, cultural, natural, scenic, and recreational resources. In addition to rich natural ecosystems and habitats, the park interprets thousands of years of human history from Native American cultures, to the frontiers of the Spanish Empire, to American maritime and military heritage, to the development of modern-day San Francisco. Established in 1972, the park manages more than 366 historic structures, 5 National Historic Landmark districts, and 13 National Register of Historic Places properties. Every year, more than 15.6 million visitors are drawn to the diverse experiences offered at the park and spend approximately \$392.1 million in local communities. To better steward the historic buildings, the park began to enter into formal

historic lease agreements in the early 2000s. Now the park has approximately 30 leasing partners who help to maintain and fund the park while creating new opportunities for visitors.

Fort Mason Center for Arts & Culture

Intermittently over the past 200 years, Spanish, Mexican, and American forces have fortified this hilltop promontory overlooking the San Francisco Bay. Renamed Fort Mason in 1882, the post became incorporated into the park when it was established in 1972. After 40 years of partnering with a local nonprofit, the park signed a 60-year lease in 2006 with the Fort Mason Center for Arts & Culture (FMCAC). The lessee pays an annual rent to the park and also contributes to a maintenance reserve fund, where they far exceed their minimum requirement every year. As part of the lease, the park is financially responsible for shoring up the substructure of the piers and FMCAC develops the superstructure. After identifying a for-profit investor, FMCAC used the historic tax credit to tack Pier 2 and is now looking to rehabilitate Pier 3. FMCAC has subleased many of its buildings to other nonprofits and for-profit entities to create a thriving campus for the arts. The campus—which includes five buildings on land and two pier buildings—now hosts five theaters, two art schools, an art supply shop, a bookstore, a café, and two restaurants.

Golden Gate NRA Residential Master Lease

To build on this success, the NPS entered the Golden Gate National Recreation Area Residential Master Lease with Gaetani Real Estate in 2013. The 10-year master lease includes buildings at Fort Mason (including Officer's Row), Fort Barry, and Point Bonita totaling more than 110,000 square feet. Gaetani has currently rehabilitated and leased out 30 housing units. As part of the lease, the NPS makes 71.5% of the gross revenue and an additional 20% of revenue is added to a repair and maintenance reserve that is nearly expended annually. In less than five years, more than \$10 million was paid to NPS in rent and an additional \$3.25 million was used to repair, maintain, and preserve the historic properties.

Cavallo Point Lodge at Fort Baker

Built in 1905 as a U.S. Army post, Fort Baker was the largest military post added to the park in 2002. When the park became interested in leasing the space, the Fort Baker Retreat Group—an ambitious partnership between Passport Resorts, Equity Community Buildings, and Ajax Capital Group—signed a 60-year lease in 2006 with a goal of preserving the fort and rehabilitating it into a hotel and retreat center. The scale of the restoration and the length of the lease allowed the lessee to use the historic tax credit, which was a critical investment component of the project. The Fort Baker Retreat Group preserved 29 historic buildings and built 14 new ones in a green fashion, making the hotel at Golden Gate the first national park lodge with a LEED Gold certification. In addition to paying an amortized base rent, the lessee also spends around \$1 million annually to maintain the premises, which includes 198,000 square feet of buildings within a 30-acre historic landscape. Now a destination spot, the Cavallo Point Lodge offers historic accommodations, cooking classes, a luxury spa, and event spaces.

San Francisco Maritime National Historic Park, California

The Argonaut Hotel is another exemplary leasing example in the Pacific West Region. The hotel is located in the century-old Haslett Warehouse within the San Francisco Maritime National Historic Park. Under a 60-year lease, this one-time fish cannery is now open to the public as a hotel. The rehabilitated historic building includes the park's Visitor Center onsite. The length of the lease term allowed the hotel operators to qualify for federal historic tax credits that made the building's rehabilitation financially feasible. Without the investment of private funds, and the utilization of the federal historic tax credit, it is likely that these beautifully restored buildings would be sitting unused.

Gateway National Recreation Area, New York / New Jersey

For centuries, the safest way to sail into New York Harbor was by hugging the shore of Sandy Hook. From the colonial period to the Cold War, Sandy Hook lighted the paths of seafarers and protected the city from potential attack and invasion. In 1895, the U.S. Army renamed the fortifications Fort Hancock and developed an installation that grew to 7,000 people by the 1940s. Decommissioned in 1974, Fort Hancock became part of the Sandy Hook unit of Gateway National Recreation Area. Today, Gateway interprets America's largest port, its oldest surviving lighthouse, and its first municipal airport. Time and harsh coastal conditions have caused severe deferred maintenance. With 110 historic military buildings at Fort Hancock alone, the park has looked to leasing opportunities. The first lease rehabilitated a deteriorating property and signaled the adaptive re-use potential of some 35 nearby buildings at the Sandy Hook unit, which receives roughly 2.2 million visitors annually.

Sandy Hook Chapel

Among the officers' homes, army barracks, and mess halls, the Sandy Hook Chapel—built in 1941—is a relatively new addition to the main post at Fort Hancock. Occupying a unique location at the end of the Sandy Hook Bay, the church had fallen into serious disrepair by the late 1990's. At that point, the NPS made an ongoing commitment to preserve and protect the structure, and it was one of the very few buildings successfully rehabilitated during the 90's-era leasing program. Now rehabilitated as an event space, the historic Sandy Hook Chapel is available for short-term rentals for weddings, meetings, family gathers, memorials, and other occasions. The park maintains the structure and grounds and manages the books, while the lessee is responsible for other event costs. This investment realizes substantial, ongoing revenue for the NPS. Now fully booked, the park is accepting reservations for dates in 2020.

Duplex Family Housing Quarters/Building #21

The iconic yellow brick buildings comprising Officer's Row at Fort Hancock were constructed largely between 1898-1910. Originally built to house officers and their families, today many of these buildings are abandoned and face serious maintenance challenges. About five years ago, the park created the Fort Hancock 21st Century Federal Advisory Committee, dedicated to preserving these deteriorating buildings. In 2016, the park entered its first lease. The 60-year agreement enabled the investors to use the historic tax credit, and the duplex is now available for short-term rentals year-round. The park benefits by saving a deteriorating historic structure that will now be maintained and returned to productive public use. Since then, the park has executed formal Letters of Intent for 13 buildings at Fort Hancock with individuals and organizations with plans to rehabilitate those buildings.

Cuyahoga Valley National Park, Ohio

Originally designated as a National Recreation Area in 1974, Cuyahoga Valley National Park protects a restored landscape with deep cultural roots. Surrounded by cities like Cleveland and Akron, OH, scenic Cuyahoga Valley provides historical, educational, natural, and recreational opportunities for its neighbors as well as its more far-flung visitors. The park includes hundreds of cultural assets including part of the Ohio & Erie Canal, railways, historic communities and districts, and old farms. Recognizing the importance of preserving these historic sites but limited by staffing and funding, the park turned to historic leasing and developed two programs: the "Countryside Initiative," which focuses on leasing historic farms, and; the "Historic Property Leasing Program," which repurposes historic buildings for events, accommodations, and other uses. Farm leases in particular allow for the preservation of important rural historic resources, put farmlands back into production, create opportunities for entrepreneurial farmers, and teach visitors about where their food comes from. Today, the park holds 15 leases— including 11 for

farms —and is exploring opportunities to encourage more leasing. In 2017, more than 2.2 million visitors explored Cuyahoga Valley and spent more than \$78.1 million in local gateway communities.

Martin Luther King, Jr. National Historical Park, Georgia

To preserve the historic character of Auburn Avenue, and the block of historic houses that includes the Birth Home of Dr. Martin Luther King, Jr., the NPS established the Martin Luther King, Jr. National Historic Site in 1980. The park encompasses 38 acres in the Old Fourth Ward neighborhood of Atlanta, Georgia. Dr. King's Birth Home is open to visitors. The NPS funds the maintenance for all of the federally-owned houses within the park unit with revenue generated by leasing 29 of the federally-owned historic buildings for private residential purposes. These structures include apartments, duplexes and single family homes. The leasing program has been very popular, leading to the establishment of a waiting list for potential tenants.

In addition to the private residential leases, another federally-owned building is operated as a commercial barber shop, and the remaining homes are used for park employee housing or by park partner organizations under cooperative agreements, including the Martin Luther King Jr. Center for Nonviolent Social Change and the historic Ebenezer Baptist Church. The nearly \$200,000 in annual rental revenue collected through these rental agreements is used to perform major maintenance and restoration in the historic district while the lessees are individually responsible for funding routine maintenance.

We have made two site visits to this park. We believe that the existing leasing arrangement might be modified to include a master lease, as has been done for multiple properties at First State National Historical Park and GGNRA. This would free NPS staff to focus on other visitor centered activities. In addition, we think that there are very real possibilities for utilization of long-term leases that could utilize the historic tax credit to create modest bed and breakfast lodgings.

Conclusion

The American people love their national parks. Our national character and heritage are defined in many of the places entrusted to the care of the NPS, one of the nation's finest institutions.

As the Committee knows from its work on the maintenance backlog, there is a significant need and a set of complex financial, institutional, and political challenges that must be overcome if the aspirational charge of the National Park Service's Organic Act, enacted nearly a century ago, is to be fulfilled.

Thank you again for the opportunity to present the National Trust's perspectives on these issues, and we look forward to working with the committee and other stakeholders as you consider policy proposals to address the deferred maintenance backlog. We hope that this hearing will encourage the National Park Service to catalyze greater utilization of historic leasing throughout our park system. We are confident that the leasing of more underutilized historic buildings will sustain our nation's rich heritage of cultural and historic resources and generate economic vitality for communities throughout the nation.