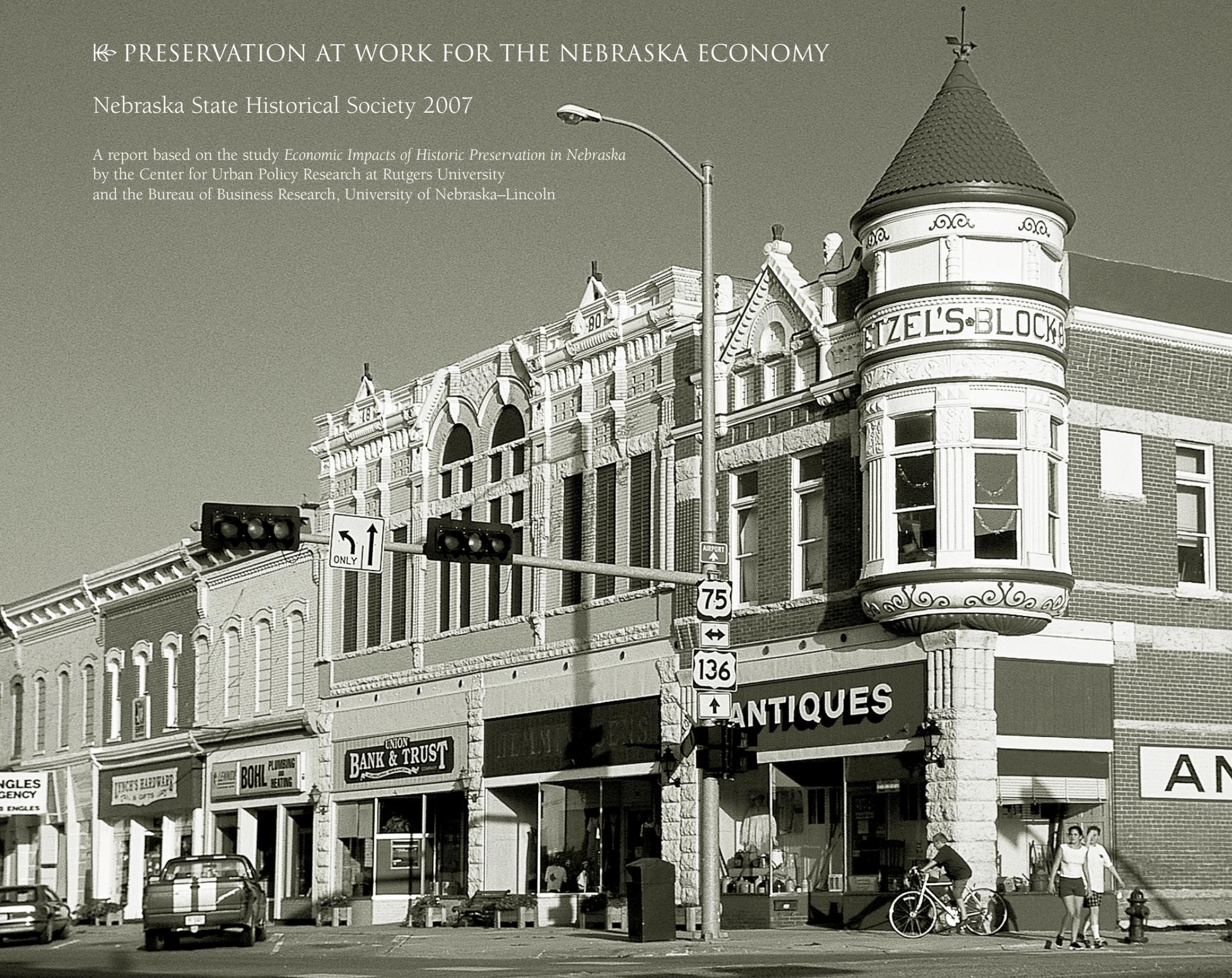


# ← PRESERVATION AT WORK FOR THE NEBRASKA ECONOMY

Nebraska State Historical Society 2007

A report based on the study *Economic Impacts of Historic Preservation in Nebraska* by the Center for Urban Policy Research at Rutgers University and the Bureau of Business Research, University of Nebraska–Lincoln





Historic preservation touches the lives of Nebraskans. For some, it is the inspiration of a historic site that tells the story of a time, people, and place. For others, it is taking an old house and turning it into a gracious home. Still others may rally around the preservation of a hometown landmark to energize an entire community.

But historic preservation is more than that. It is a way to reinvest in the past through our historic buildings, sites, structures, and even entire districts. Such an investment brings vitality to the state and its communities in the form of economic benefits.

To better document and understand the benefits of historic preservation, the Nebraska State Historical Society commissioned the Center for Urban Policy Research at Rutgers University and the University of Nebraska Bureau of Business Research to conduct a comprehensive analysis of historic preservation activity in the state. The first of its kind in the state of Nebraska, the study is noted as one of the most thorough state analyses conducted to date. Where these studies have been accomplished in states such as Missouri, Arkansas, Texas, Florida, and Ohio, they revealed important information that has guided policymaking.

The study looked at a complete range of activities where historic preservation has become a proven tool for economic contributions to the state. By bringing these different preservation activities together in this report, their interrelationship can be better understood, and the full and wide-ranging effects of historic preservation efforts may be appreciated.

Clearly, there is much more to be done, but this study helps document where preservation is at work and how future endeavors can build on our historic places.

**Front Cover:** Downtown Auburn photo by R. Inman



J. Nabb

Above: Now operated as a museum by the Nebraska Game and Parks Commission, Arbor Lodge in Nebraska City was once the home of J. Sterling Morton, founder of Arbor Day.

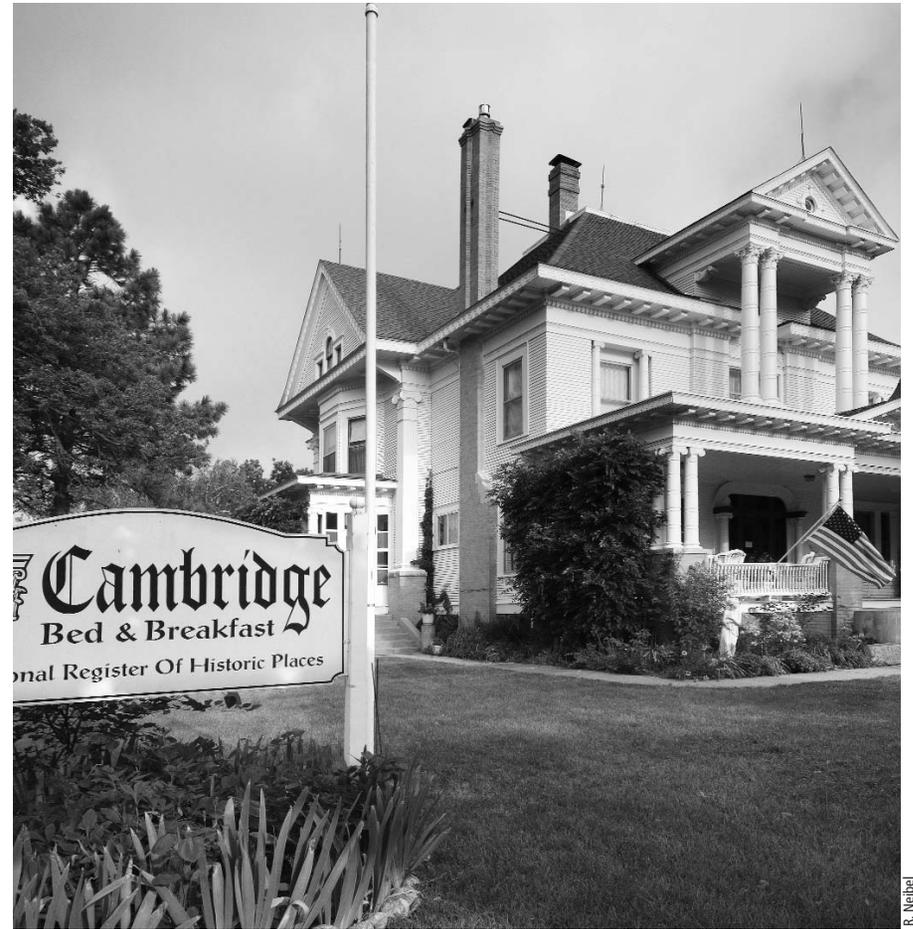
*“History doesn’t ever go away; it is always part of our lives. We must recognize, preserve, energize, share, and encourage the use of history as a mirror to the past and a telescope to our future.”*

~ MICHAEL J. SMITH, DIRECTOR/STATE HISTORIC PRESERVATION OFFICER  
NEBRASKA STATE HISTORICAL SOCIETY

## PRESERVATION AT WORK...EXECUTIVE SUMMARY

*Throughout its history, the state of Nebraska has been home to Native Americans, pioneers, town builders, farmers, ranchers, and diverse ethnic groups finding a better life. They left a legacy of places where the stories of the past come to life. Today, we celebrate these places. And we can look at this legacy as a tool to address a better life for Nebraskans today and in the future.*

**C**ommunities across Nebraska can point to critical economic development needs, such as creating quality housing and new jobs, revitalizing small towns and central cities, attracting tourists, increasing property values, and enhancing community development. The impact of preservation programs and initiatives on our economy has a noteworthy track record in these areas. As this report demonstrates, historic preservation is a remarkably effective stimulus to economic development.



*“By reinvesting in historic neighborhoods and downtown business districts and reusing existing structures, we create stronger communities and spark economic activity. Preservation is a smart investment.”*

~ RICHARD MOE, PRESIDENT, NATIONAL TRUST FOR HISTORIC PRESERVATION

Above left: The historic Hotel Wilber is the backdrop to the town’s annual Czech Festival. Above: Built in 1909 for W.H. Faling of Cambridge, the house is now an inn.

## THE STUDY REVEALS THE FOLLOWING CONCLUSIONS:

### 1 HISTORIC REHABILITATION BUILDS ON THE FOUNDATIONS OF THE PAST

Through the rehabilitation of historic buildings, preservation makes a substantial contribution to the economy, both local and state. An estimated total of \$1.53 billion was spent on rehabilitation of buildings in Nebraska from 2001 to 2005. Fifteen percent—\$230 million—was spent on historic buildings.

### 2 INCENTIVES FOR HISTORIC PROPERTIES ATTRACT REINVESTMENT

Property owners reinvest in historic properties in many cases because of programs that make preservation more attractive. Since 1978, more than \$671 million (in 2006 dollars) has been invested in 301 projects that have qualified for federal historic preservation tax incentives in Nebraska.

### 3 INVESTING IN NEBRASKA'S MAIN STREETS MAKES GOOD SENSE

Funds invested in Nebraska's "main streets" are matched many times over with reinvestment. The Nebraska Lied Main Street program reports that in 2006–07, for every \$1 invested in local programs, \$35 was generated in downtown reinvestment. This means historic rehabilitation, public improvements, new construction activities, new retail and service businesses, housing in downtowns, net business gains, and net job gains.

### 4 HISTORIC DESIGNATION IMPROVES PROPERTY VALUES

Property values stabilize or increase in historically designated areas. Of the districts studied, property values as a whole showed increases in historic districts. That means the investment made by property owners is increased, and more tax revenue is gathered for local communities.

### 5 NEBRASKA'S HERITAGE ATTRACTS TOURISTS

Heritage tourism is one of the fastest-growing sectors of the tourism economy. Heritage tourists leave millions of dollars in the state. More than \$100 million is spent annually by tourists who are attracted to Nebraska's many historic and cultural places.

### 6 HISTORIC SITES AND MUSEUMS BRING TOURISTS

Historic sites and museums contribute substantially to Nebraska's heritage tourism. They attract about 3 million visitors annually. Most important, 38.5 percent of these visitors are out-of-state tourists who bring outside dollars with them. And revenue to support the preservation of these places comes from visitors.

Historic preservation in Nebraska creates jobs, generates income, and increases the gross state product, tax revenues, and state wealth. For every category of historic preservation activity studied, the amount of economic benefit to Nebraska is substantial. The following numbers tell the story.\*

#### THE TOTAL ECONOMIC BENEFIT OF HISTORIC PRESERVATION TO NEBRASKA IS ALMOST \$170 MILLION PER YEAR...

Historic Rehabilitation	.....\$46 million
Main Street Program Activity	.....\$4 million
Heritage Tourism	.....\$100 million
Museums and Historic Sites Operations	.....\$19 million



#### THE \$170 MILLION GENERATES...

Income	.....\$71.8 million
Output	.....\$201.2 million
State and Local Taxes	.....\$7.3 million
Gross State Product	.....\$99.6 million
In-State Wealth	.....\$89.2 million

#### HISTORIC PRESERVATION SUPPORTS 3,689 NEBRASKA JOBS...

Retail Trade	.....1,683 jobs
Services	.....1,180 jobs
Construction	.....374 jobs
Manufacturing	.....119 jobs
Other	.....333 jobs



#### EVERY \$1 MILLION SPENT ON HISTORIC PRESERVATION CREATES JOBS...

Historic Rehabilitation	......16 jobs
Main Street Program Activity	......26 jobs
Heritage Tourism	......24 jobs
Museum and Historic Sites Operations	......20 jobs

\*The study uses the Preservation Economic Impact Model, the state-of-the-art model developed by Rutgers University for the National Center for Preservation Technology and Training. Some technical terms are used throughout the study:

**Income:** Wages and salaries, wholesale and retail sales, and other earned income, not including dividends, royalties, and the sale of real estate or stocks.

**Output:** The net receipts of businesses.

**Gross state product:** The yearly total value of the goods and services produced in the state.

**In-state wealth:** Gross state product minus federal taxes.

THE TOTAL ECONOMIC BENEFIT OF HISTORIC REHABILITATION IS \$46 MILLION ANNUALLY.

THE \$46 MILLION GENERATES...

Income	.....\$23 million
Output	.....\$51 million
Gross State Product	.....\$30 million
State and Local Taxes	.....\$1 million
In-State Wealth	.....\$26 million

TOTAL OUTPUT IN MAJOR SECTORS...

Construction	.....\$20 million
Services	.....\$9 million
Manufacturing	.....\$9 million
Retail	.....\$4 million
Finance, Investment, Real Estate, and Banking	.....\$3.5 million

EVERY \$1 MILLION SPENT ON HISTORIC REHABILITATION CREATES 16 JOBS.

*“Historic preservation sparks economic development.”*

~ DON PEDERSON  
FORMER STATE LEGISLATOR

# 1 HISTORIC REHABILITATION BUILDS ON THE FOUNDATIONS OF THE PAST

*Historic rehabilitation is putting a property to a new and viable use while still retaining its historic character. Historic rehabilitation allows Nebraska’s special places to continue to contribute to the economic vitality of communities.*

**H**istoric rehabilitation is the method of putting preservation to work. It is a way of transforming old buildings by finding new uses to accommodate modern needs.

In examining the economic benefits of the rehabilitation of historic properties in Nebraska, researchers identified the impact of historic rehabilitation. They defined rehabilitation as all construction work based on what the U.S. Bureau of the Census identifies as “alterations.” Not included were minor repairs or additions made to buildings. Historic buildings are defined as those listed in or potentially eligible for listing in the National Register of Historic Places and locally designated landmarks, or those within potential or registered historic districts.

## THE ECONOMIC BENEFITS OF HISTORIC REHABILITATION

- Between 2001 and 2005 an estimated \$1.53 billion was spent on the rehabilitation of existing residential and nonresidential buildings in Nebraska.

- Fifteen percent of that amount is defined as historic rehabilitation. Researchers found this to be the highest percentage compared to any other state that has been studied.
- Between 2001 and 2005, historic properties accounted for \$230 million of rehabilitation. That means \$46 million of investment in historic buildings annually.

Historic rehabilitation means that existing infrastructure in roads, sewer, water, and utilities is used; old buildings are no longer seen as liabilities; investment is attracted; and buildings are returned to the tax rolls. It improves the state’s older building stock. Historic rehabilitation brings people back to older neighborhoods, downtowns, and central cities.

Former hotels have been rehabilitated in Hastings and Beatrice. They now serve as assisted living units for the elderly. In Norfolk, a hotel now serves as housing for low-income residents. Grand Island’s former Hotel Yancey is now apartments, and in Broken Bow and Crofton hotels still

serve travelers, just as they have done for their entire history.

Historic rehabilitation has been shown a particular success in the creation of housing. Omaha and Lincoln have benefited by placing housing in former schools, retaining their presence in existing neighborhoods. In Grand Island, the rehabilitation of Walnut School has resulted in a transformation to create 80 low- to moderate-income housing units at a cost of \$6.9 million. Even in the small village of Glenvil, the old school serves a new use as apartments. And in Fremont, a former municipal power plant has been converted to housing units, a most unique reuse.

A depot in O’Neill is now used to provide amenities to users of the Cowboy Trail in northern Nebraska. Another in Wayne is a restaurant and in Fairbury, a museum. The former Burlington Depot in Hastings houses a business but still serves railroad passengers with an Amtrak station.

In some of the most unique transformations, a bank in South Omaha has been rehabilitated into apartments. In turn, a post office in Nebraska City is now a bank. Then again, former gas stations in Ashland and Wood River now serve as banks.



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Above: The Johnson County Courthouse in Tecumseh has been rehabilitated to serve modern needs of the county. Right: The historic Argo Hotel hosts travelers on Nebraska Highway 12, a designated scenic and historic byway.



J. Nabb

*“Reusing historic buildings to meet contemporary needs revitalizes communities while maintaining a tangible connection to our heritage.”*

~ BARBARA PAHL, DIRECTOR, MOUNTAIN/PLAINS REGIONAL OFFICE  
NATIONAL TRUST FOR HISTORIC PRESERVATION

**NEBRASKA BENEFITS FROM HISTORIC PRESERVATION TAX INCENTIVES BY GENERATING...**

Income .....	\$13.5 million
Output .....	\$.30 million
Gross State Product .....	\$.17 million
State and Local Taxes .....	\$.6 million
In-State Wealth .....	\$.15 million

**TOTAL OUTPUT IN MAJOR SECTORS...**

Construction .....	\$.12 million
Services .....	\$.5 million
Manufacturing .....	\$.5 million

*“The restoration of notable buildings and districts has created a framework that will attract and guide future investment and firmly establish historic preservation as an important economic development tool.”*

~ ROBERT PETERS  
TRUSTEE, NEBRASKA STATE  
HISTORICAL SOCIETY

## 2 INCENTIVES FOR HISTORIC PROPERTIES ATTRACT REINVESTMENT

*In many cases, federal and state financial incentives spur the redevelopment of buildings and entire districts. This puts buildings back on the tax rolls and revitalizes Nebraska’s “main streets,” neighborhoods, and urban centers.*

Often, state and federal financial incentives provide the stimulus for historic rehabilitation. These incentives leverage millions of dollars of private investment.

### THE ECONOMIC BENEFITS OF THE FEDERAL INVESTMENT TAX CREDIT

Definitely, the most powerful incentive in Nebraska has been a federal historic preservation Investment Tax Credit for the rehabilitation of income-producing historic buildings. Developers receive 20 percent of rehabilitation costs in a direct dollar-for-dollar income tax credit.

- Since 1978, more than \$671 million (in 2006 dollars) has been invested in 301 projects in Nebraska.
- Of these, 137 projects had a residential component, contributing to 4,086 housing units.
- Eighty-nine of these projects included low- to moderate-income units, for a total of 2,669 units.

- Between 2000 and 2006, 53 projects have been initiated or completed, accounting for more than \$160 million (in 2006 dollars) in private investment.
- Of these, 902 housing units are being added to the state, including 253 units for low-income residents.

### THE ECONOMIC BENEFITS OF NEBRASKA'S VALUATION INCENTIVE PROGRAM

Property owners can also take advantage of the Valuation Incentive Program (VIP), a program authorized by the Nebraska Legislature and implemented in 2006. It places a temporary hold on property taxes when a historic building is rehabilitated to preservation standards.

- Although the program was just recently implemented, 16 projects have already been initiated involving over \$25 million of private funds.
- Ten of these have been small residential projects ranging from a few thousand dollars to \$75,000. This contributes to neighborhood revitalization.

Sometimes, a combination of public and private sources is used to accomplish a project. This exemplifies the capacity of agencies and state and local governments to collaborate in community development opportunities using historic preservation as a shared goal.



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**Above: The Wilkinson house in the Field Club neighborhood of Omaha is one of ten residential projects that have already been initiated under Nebraska’s Valuation Incentive Program.**

For years the old Lincoln Hotel in Scottsbluff was dark, no longer holding its place in the nighttime skyline of downtown. That is, until a developer saw the potential in converting the building into low- to moderate-income and elderly housing. The \$2.8 million rehabilitation resulted in 36 units. Private investment was leveraged by the historic preservation Investment Tax Credit.



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*“Our historic neighborhoods have played a major part in Omaha’s growth and development and continue to create additional opportunities. Investment in the older parts of our city can build upon our rich history and improve the quality of life throughout our city.”*

~ MAYOR MIKE FAHEY, CITY OF OMAHA



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Above left: North Omaha’s historic Strehlow Terrace was rehabilitated using Low-Income Housing Tax Credits and the historic preservation Investment Tax Credit. This outstanding project created 70 housing units at an investment of more than \$8 million. State Senator Brad Ashford, former executive director of the Omaha Housing Authority, said, “The project brought back to life very important structures in Omaha.” Above: Historic rehabilitation in South Omaha has brought revitalization to this National Register historic district due to public and private investment.

**THE TOTAL ECONOMIC BENEFIT OF THE NEBRASKA LIED MAIN STREET PROGRAM IS MORE THAN \$4 MILLION ANNUALLY.**

**THE \$4 MILLION GENERATES...**

Income .....	\$.2 million
Output .....	\$.5 million
Gross State Product .....	\$.3 million
State and Local Taxes .....	\$.2 million
In-State Wealth .....	\$.2.5 million

**TOTAL OUTPUT IN MAJOR SECTORS...**

Retail Trade .....	\$1.8 million
Services .....	\$.5 million
Finance, Investment, Real Estate, and Banking .....	\$.7 million
Manufacturing .....	\$.1.9 million
Construction .....	\$.1.1 million

**EVERY \$1 MILLION SPENT ON NEBRASKA'S MAIN STREETS CREATES 26 JOBS.**

*“This report confirms what I have long believed: that Main Street and historic preservation make dollars and sense.”*

~ MAXINE MOUL  
NEBRASKA ADVISOR,  
NATIONAL TRUST FOR  
HISTORIC PRESERVATION

## 3 INVESTING IN NEBRASKA'S MAIN STREETS MAKES GOOD SENSE

*Nebraska's downtowns represent the historical heart of every community, both large and small. Towns have recognized that downtown revitalization is important to both local economics and community identity.*

A significant number of Nebraska downtowns are in a serious state of decline. The growth of regional shopping centers and “big box” stores, for example, has greatly reduced the traditional role of these communities’ downtowns as the principal center of commerce.

The nationally recognized Main Street™ program’s all-encompassing approach is community-based, focusing on the heart of the community—the downtown commercial core. This highly successful program allows residents to work to save historic buildings, strengthen existing business and bring new ones, promote their district through events, and keep and enhance sense of place.

The Nebraska Lied Main Street program, established in 1994 by a start-up grant from the Lied Foundation Trust, enhances local downtown economies through an emphasis on historic preservation, business revitalization, and organization, among other initiatives. The program is organized as a unique partnership of the Nebraska State Historical Society, Nebraska

Department of Economic Development, Nebraska Department of Roads, and the University of Nebraska – College of Architecture. Since the Nebraska Lied Main Street program began, 48 communities have joined in using the Main Street™ model as participating communities or members.

### THE ECONOMIC BENEFITS OF THE NEBRASKA LIED MAIN STREET PROGRAM

- Between 1994 and 2006, net new businesses totaled 408 and a net job gain of 1,146.
- Between 1994 and 2006, an amount of \$3.3 million in local program expenditures has leveraged \$55 million of reinvestment on Nebraska “main streets.”
- For the reporting year of 2006–07, the reinvestment ratio was \$35.40 for every one dollar in local program expenditures—a ratio that is larger than the national average. Investments in these downtowns include historic building rehabilitation, public improvements, construction activities, new retail and service businesses, housing in downtowns, net business gains, and net job gains.

The Nebraska Lied Main Street program is a proven model when put to work in Nebraska communities. It spurs economic development through historic preservation. Most important, overall activities are focused predominantly on small communities where the local economic impact is significant.

Plattsmouth, population 6,887, epitomizes the approach to revitalization of its downtown, which is listed in the National Register of Historic Places. Between 2001 and 2007 it has experienced 22 building rehabilitation projects representing \$277,875 and new-construction investment of \$14,192,000. To date it can boast of \$69.66 reinvestment for every dollar put into the program. As Doug Duey, local banker, advisor to the National Trust for Historic Preservation, and member of the Plattsmouth Historic Preservation Commission, said, “Plattsmouth’s downtown ‘main street’ district is the heart of our community, as it is in most cities across Nebraska. Our heart is beating much stronger now that our historic nineteenth-century commercial buildings have been restored.”

Sidney’s historic downtown, listed in the National Register of Historic Places, has also invested in the program. Between 2003 and 2007, it has seen \$469,311 in rehabilitation investment, \$595,504 in public improvements, and a reinvestment ratio of \$63 for every dollar of investment in the program.



P. Dritley



Nebraska State Historical Society



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Above top: Alliance's downtown is listed in the National Register of Historic Places. It joined the Nebraska Lied Main Street program in 2007. Above bottom: The Main Street Beatrice program has spurred start-up businesses and building rehabilitation projects. Left: The Cass County Courthouse in Plattsmouth is the anchor of the historic downtown.

## NEBRASKA COMMUNITIES RECEIVING SUPPORT FROM THE NEBRASKA LIED MAIN STREET PROGRAM

Arapahoe	Lincoln (Havelock)
Alliance	McCook
Bassett	Milford
Beatrice	Minden
Bellevue	Nebraska City
Burwell	Norfolk
Cambridge	North Platte
Central City	Ogallala
Chadron	Omaha
Clearwater	Orchard
Columbus	Ord
Ewing	Plattsmouth
Elkhorn	Red Cloud
Fairbury	Royal
Fremont	Scottsbluff
Geneva	Seward
Gothenburg	Sidney
Grand Island	St. Paul
Hastings	Superior
Hebron	Tecumseh
Holdrege	Wakefield
Kearney	Wayne
Kimball	Wisner
Lexington	York

Communities large and small can capitalize on historic preservation as an economic development tool.

*“New developments and shopping centers are trying to resemble traditional ‘main streets.’ They are trying to replicate what we already have.”*

~ LT. GOVERNOR RICK SHEEHY, DURING THE ANNOUNCEMENT OF NEBRASKA CITY'S PARTICIPATION IN THE NEBRASKA LIED MAIN STREET PROGRAM, OCTOBER 26, 2007

## 4 HISTORIC DESIGNATION IMPROVES PROPERTY VALUES

*Historic designation of neighborhoods and commercial areas can help stabilize or increase property values. Increased property values protect the investment made by private property owners in their homes and businesses.*

People are attracted to historic districts by their unique character. Another appealing quality is that designated districts enhance and protect their investment in real estate. Communities designate historic districts to accomplish a number of comprehensive planning goals. These goals include preserving a district's character, creating urban and "main street" revitalization, and attracting investment.

The study examined historic districts in three cities: Omaha, Lincoln, and Red Cloud. Property valuations in each of the designation districts were compared to similar "control" districts that were not designated. The findings show that property values increased because of historic designation.

### THE ECONOMIC IMPACT OF HISTORIC PRESERVATION AND PROPERTY VALUES

- In Omaha, the Bemis Park neighborhood, a locally designated historic district, was compared to a control neighborhood on Fontenelle Boulevard, which was not designated.

The growth in property values between 2003 and 2006 was faster in the Bemis Park neighborhood than in its control. The difference was statistically significant. The presence of both higher property values and faster growth in property values in Bemis Park supports the premise that historic designation of a neighborhood improves property values.

- In Lincoln, a special comprehensive study examined nine residential historic districts from 2003 to 2006. They represented both National Register and locally designated neighborhoods. While the findings were mixed, researchers found that the historic neighborhoods as a group grew faster during the period of study than comparable neighborhoods.
- The downtown district in Red Cloud, listed in the National Register of Historic Places, was studied. Its control was Franklin, a community that is similar in population, character, and proximity. Statistical results show that property values grew more quickly in Red Cloud from 2000 to 2006.

- Omaha's Rail and Commerce District was listed in the National Register of Historic Places in 1996. Located directly south of the Old Market, it straddles the main railroad yards and is composed of former warehouses, manufacturing buildings, and jobbing houses. Revitalization of the district has been a concerted effort by the City of Omaha.

Although there was no similar control district with which to compare, the study revealed a strong, steady growth in assessed property values since the district was listed in the National Register of Historic Places. The resulting valuations can be attributed to large-scale projects, which qualified for the federal historic preservation Investment Tax Credit.

- Lincoln's Historic Haymarket District was declared a local landmark district in 1982 as part of an overall effort to bring vitality to the area. It is composed primarily of former jobbing houses and has benefited from a dedicated effort by the city to encourage revitalization.

Beginning with a development plan in 1983, the city packaged Tax Increment Financing to improve the infrastructure, bonds to create parking, grants for urban development, and the Low-Income Investment Tax Credit for housing projects. Immediately following its designation, private development commenced when two major projects were unveiled, both taking advantage of a federal historic preservation Investment Tax Credit. To date, more than two

dozen buildings have undergone historic rehabilitation, most using the federal historic preservation Investment Tax Credit. Although there was no control district, the valuation figures show strong property value increases.

According to Lincoln Mayor Chris Beutler, "Lincoln's Haymarket has demonstrated the effectiveness of joining private entrepreneurship with focused support of city government for the benefit of the whole community. The Historic Haymarket is a source of pride and delight for residents and visitors and is a vibrant contributor to Lincoln's economy."

The results indicate that historic preservation draws ownership into historic districts and protects investments in real estate. They suggest that towns in Nebraska can pursue other benefits of placing a historic designation on neighborhoods and business districts, such as preserving neighborhood character, without fear of a negative impact on property values. Where public-private investment has occurred, total property value increases are significant.



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Above: Lincoln's Elm Park Historic District is a designated local landmark. Historic designation helps protect the quality of the neighborhood. Right: Omaha's Old Market and Lincoln's Historic Haymarket (far right) are two districts that have become major draws to the cities. Local landmark designation helps protect their attractiveness to visitors.



R. Neibel



R. Neibel

*“Having grown up in a home built in 1880 in Nebraska City, I truly appreciate the unique features, quality, and beauty historic homes offer. We encounter many prospective buyers searching for such property. Historic homes and buildings add richness and culture to our communities.”*

~ JANET A. PALMTAG, PRESIDENT ELECT, NEBRASKA REALTORS ASSOCIATION

## 5 NEBRASKA'S HERITAGE ATTRACTS TOURISTS

THE TOTAL ECONOMIC BENEFIT OF HERITAGE TOURISM IS MORE THAN \$100 MILLION ANNUALLY.

THE \$100 MILLION GENERATES...

Income .....	\$36 million
Output .....	\$116 million
Gross State Product .....	\$56 million
State and Local Taxes .....	\$.6 million
In-State Wealth .....	\$.50 million

TOTAL OUTPUT IN MAJOR SECTORS...

Retail .....	\$48 million
Services .....	\$44 million
Manufacturing .....	\$31 million
Transportation .....	\$.9 million

EVERY \$1 MILLION SPENT ON HERITAGE TOURISM CREATES 24 JOBS.

*“Tourism is important to our economy... It’s an opportunity to show people near and far what defines this place and what makes our culture unique.”*

~ CHRISTIAN HORNBAKER  
DIRECTOR, NEBRASKA DIVISION  
OF TRAVEL AND TOURISM

*Tourism, the third-largest earner of revenue from outside the state, is a significant component of Nebraska’s economy. Heritage tourism—visitation to historic sites and museums—is one of the top reasons for pleasure travel. Heritage tourism showcases Nebraska’s history and the culture of its people.*

**H**eritage tourists seek out museums and historic sites, revitalized “main streets,” and restored buildings. And Nebraska is particularly rich among its neighbors in historic and other landmark sites, which are the core motivations for heritage tourism.

### THE ECONOMIC BENEFITS OF HERITAGE TOURISM

- More than \$100 million is spent annually by visitors who are attracted to Nebraska’s historic sites and museums.
- During 2005, heritage visitors spent 546,000 overnight person-trips when traveling the state and took 50 percent longer trips than other travelers.
- Findings of the study indicate that heritage visitors travel longer distances and in larger groups and spend nearly two-and-a-half times more than other travelers per overnight stay. Heritage travelers are likely to earn higher incomes and hold postgraduate degrees.

Heritage tourism that supports hotels, motels, bed and breakfasts, food establishments, and other local retail and service businesses translates into new money for the Nebraska economy. Whole communities can capitalize on this.

Red Cloud is an example of a community that can attribute economic activity to heritage tourism. Famed writer Willa Cather spent her formative years in Red Cloud. Many of the scenes and characters in her writings are based on the people, streets, and landscapes Cather encountered here in her youth. Her life and works are memorialized by eight buildings owned by the Nebraska State Historical Society and operated by the Willa Cather Pioneer Memorial and Educational Foundation.

Brownville, population 146, is a community that has based its economy on heritage tourism. Rediscovered as a destination for tourists, Brownville boasts of events, attractions, and five museums. It attracts visitors from all 50 states and many countries. Historic homes, galleries, and

shops are part of the draw. As Martin Hayes, president of the Brownville Village Board, says, “Tourism is critical to the survival of our village.”

The Nebraska Byways Program, administered by the Nebraska Department of Roads in cooperation with the Nebraska Division of Travel and Tourism, connects historic places and small towns on today’s modern highways. Nine designated byways, each having special history and natural beauty, encourage long-distance travel while allowing travelers to see Nebraska at a slower pace, far from the high speed of Interstate 80.



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**Above: Historic places are also the setting for cultural attractions. The historic Ponca Community Building and grounds near Niobrara is the location of its annual powwow, hosted by the Ponca Tribe of Nebraska.**



R. Nebel



Nebraska State Historical Society

Above top: Willa Cather's childhood home is one of several sites that draw visitors to Red Cloud. Above bottom: Brownville welcomes visitors. The village's economy is based almost entirely on heritage tourism. Right: Travelers seek out the old Lincoln Highway, today's U.S. Highway 30 and a designated byway. Here, modern-day travelers in an antique car caravan travel on an original brick section of the highway. In the 1920s, it once brought travelers to the town of Elkhorn.



R. Nebel

*“Nebraska played a pivotal role in the nation’s history, from the pioneer trails to the railroads to the first transcontinental highways. While we may sometimes take its sturdy brick buildings, grain elevators and windmills for granted, visitors from different cities and climates find them fascinating.”*

~ SCOTTSBLUFF STAR-HERALD, SEPTEMBER 28, 2007

**THE TOTAL ECONOMIC BENEFIT OF SPENDING BY HISTORIC SITES AND MUSEUMS IS MORE THAN \$19 MILLION ANNUALLY.**

**THE \$19 MILLION GENERATES...**

Income .....	\$10 million
Output .....	\$30 million
Gross State Product .....	\$12 million
State and Local Taxes .....	\$.8 million
In-State Wealth .....	\$10 million

**TOTAL OUTPUT IN MAJOR SECTORS...**

Retail .....	\$.4 million
Services .....	\$.25 million
Manufacturing .....	\$.10 million

**EVERY \$1 MILLION SPENT BY HISTORIC SITES AND MUSEUMS CREATES 20 JOBS.**

*“Historic sites and museums have a strong attraction for many tourists. More and more people are interested in following historic trails or planning their vacation around a historical theme.”*

~ GAIL DEBUSE POTTER  
DIRECTOR, MUSEUM OF THE  
FUR TRADE, CHADRON

## 6 HISTORIC SITES AND MUSEUMS BRING TOURISTS

*The backbone of Nebraska’s heritage tourism is its historic sites and museums. Large and small, they interpret the past in ways that tell the story of people and places. They provide engaging information about local, state, and national history.*

Nebraska can boast of more than 200 historic sites and museums. Moreover, revenue from tourists generates dollars and restoration projects that help to maintain these places.

In 2006, researchers conducted a survey of all historical organizations, which included visitation, budget, and staffing. The results follow.

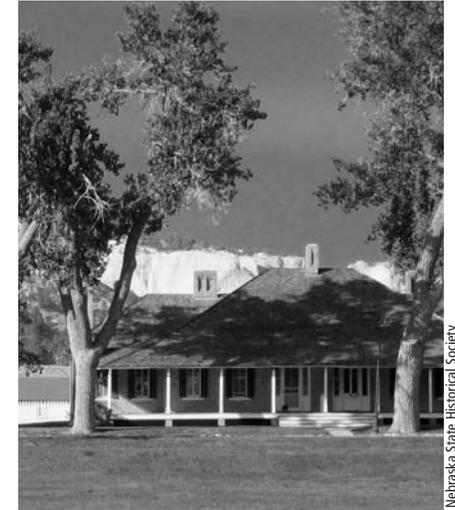
### THE ECONOMIC BENEFITS OF HISTORIC SITES AND MUSEUMS

- Statewide, Nebraska’s historic sites and museums attract about 3 million visitors annually.
- In terms of attendance, 38.5 percent of these visitors came from outside the state.
- Historic sites and museums spent \$19 million in operating and capital expenditures and employed a total of 372 workers in paid positions.

Historic sites and museums share Nebraska’s rich history and culture with visitors, who leave with an experience of that history and culture.

Chimney Rock, near Bayard, was a beacon to westward travelers. Visitors can feel the awe and curiosity these pioneers experienced when they saw the most famous landmark on the Oregon, California, and Mormon Trails. Its visitor center, operated by the Nebraska State Historical Society as one of its network of historic sites, houses museum exhibits, a hands-on opportunity to “pack your wagon,” and a video presentation that tells the story of the great migration west. Since its opening in 1994, more than 400,000 visitors have experienced this great chapter in American history.

Fort Robinson, near Crawford, experienced a long and varied history as an outpost on the Plains. A fine mix of recreational opportunities is offered by the Nebraska Game and Parks Commission. Period buildings and a museum are operated by the Nebraska State Historical Society. In 2006,



**Above: Fort Robinson State Park near Crawford provides both recreation and heritage experiences.**

the fort hosted 359,708 visitors enjoying its recreational and historical offerings.

Since 1921, Burwell has hosted the state’s oldest continuous rodeo. Called Nebraska’s Big Rodeo, it is highly regarded in the world of professional rodeo. The rodeo grounds, now listed in the National Register of Historic Places, are well-preserved to reflect the early days of the sport. For visitors interested in agricultural tourism—visits and experiences on today’s farm and ranches—this place is only one example of where a tourist can enjoy contemporary experiences of Nebraska’s farm and ranch history.



Left: Since 1921, Burwell's rodeo has attracted tourists.

Above: Chimney Rock near Bayard recalls the great westward trails.

## CONCLUDING REMARKS...PUTTING PRESERVATION TO WORK

The study reveals that preservation is an essential component and proven element for effective and successful efforts in community revitalization, housing creation, and tourism development. Investment in rehabilitated properties and business districts attracts new business and industry, provides jobs, and contributes to rural and urban economies. In neighborhoods and business districts, property values are increased. Enhanced community image, pride of place, and quality of life all grow from healthy economies.

Yet there is more work to do. The positive effects of historic preservation activities in Nebraska are certainly more extensive, as are challenges for the future. The conclusions of this study are only part of a larger picture. Nebraska's "State Historic Preservation Plan," developed by the Nebraska State Historical Society with the participation of a number of groups and individuals, creates a roadmap for the years 2007–11. Because of the findings of the study, many goals identified in the plan can now be articulated to a widespread audience.

Heritage tourism is a leading activity for attracting visitors to our state, yet heritage destinations in Nebraska remain a mostly untapped resource. Heritage tourism, in particular, has the potential to increase overnight and touring vacations and would coax more visitors into Nebraska—thus injecting the state with imported income.

Better use of these resources would expand the overall travel market in the state.

Eighty percent of Nebraska's historic sites and museums are operated by nonprofit organizations that rely on modest budgets for the preservation or development of their facilities and collections. By increasing visitation to historic sites and museums, these organizations could draw more revenue.

Funding in the form of grants could increase the capacity of historical organizations to preserve their historic sites and museums. There is a lack of funding for these and other types of historic places, such as those in local government ownership.

Historic preservation is still not often seen as a community development tool.

Preservation has been seen to work best where public programs and private investment have been directed to community-wide economic growth. The historic preservation Investment Tax Credit is but one tool to draw private investment into Nebraska's "main streets," neighborhoods, and commercial cores. Partnerships in economic development should be further developed.

A particular success in historic rehabilitation is the creation of housing. Historic preservation contributes to Nebraska's housing stock, including a substantial number of units for low- to moderate-income residents and the elderly. Collaboration with other public housing programs could increase the effectiveness of adding to Nebraska's housing stock.

Preservation is at work for Nebraska's economy. As Nebraskans look to the future and meeting the challenges of this century, the preservation of Nebraska's heritage and the economic impact of that effort will become even more important.

Nebraska's "State Historic Preservation Plan (2007–2011)" and the full study are available on the Nebraska State Historical Society website, [www.nebraskahistory.org](http://www.nebraskahistory.org).

*"We can say with conviction and pride that the preservation of our historical resources is not only about the past, but it is very much about the quality of our lives and our living spaces today. Our history is at the heart of what we will leave for the generations to come."*

~ MICHAEL J. SMITH, DIRECTOR/STATE HISTORIC PRESERVATION OFFICER  
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