

FOR IMMEDIATE RELEASE: Sept. 13, 2013

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Study shows large economic impact of historic preservation in state

PIERRE, S.D. – A new study commissioned by the South Dakota State Historical Society found that historic preservation has a large impact on the state's economy.

The study, conducted by Rutgers University and funded through the Historic Preservation Fund from the National Park Service, found that, in 2011, about 5,500 new jobs were created in South Dakota which were directly attributable to spending on preserving and rehabilitating buildings, places and objects of historical and cultural significance that are at least 50 years old.

These jobs and other associated historic preservation spending added \$123 million to in-state wealth, while generating \$16 million in state and local tax revenues, noted Ted Spencer, State Historic Preservation Office (SHPO) director.

The study also found that, in 2011, historic preservation spending of \$275 million generated \$96.3 million in additional income in South Dakota.

"This quantifies what we've been saying – that there are economic benefits to historic preservation," Spencer said.

"This study demonstrates that history is an important component of life in South Dakota today," said Jay D. Vogt, director of the State Historical Society, headquartered at the Cultural Heritage Center in Pierre. "It shows that capitalizing on our history through preserving historic buildings, supporting museums and historic sites, and promoting heritage tourism is significantly benefitting South Dakota."

The study examined three main areas of historic preservation's impact on South Dakota's economy: historic rehabilitation, heritage tourism, and historic sites and museums.

Spending for historic rehabilitation aided by major federal and state/local programs was estimated at \$23 million.

Tourism has become a \$1 billion industry in South Dakota and, in 2011, heritage tourism, or tourists visiting historic and cultural attractions, accounted for 22 percent of the visitors and \$237 million of the spending.

Vogt noted that more than 6,700 buildings, structures, objects and sites from 65 of South Dakota's 66 counties are listed in the National Register of Historic Places, the official federal listing of properties important in American history, architecture,

archaeology, engineering and culture. And more than 200 local historical societies, museums, archives, interpretive centers and historic sites operate across the state.

The study points out how historic preservation has impacted both large towns, like Sioux Falls, and much smaller towns, like Deadwood, with a population of around 1,270. Spencer noted that when the state legislature allowed for legalized gambling in Deadwood in 1989, it came with the stipulation that the gaming tax revenues would support historic preservation efforts. More than \$46 million has been allocated for historic preservation activities since 1989, both in Deadwood and statewide.

“Preservation efforts within this ‘wild west’ town have revitalized the community into a major heritage tourism destination, while contributing to comprehensive historic rehabilitation, restoration, advocacy and education projects within communities throughout the entire state,” Spencer said.

\$100,000 of the Deadwood gaming money is earmarked for statewide historic preservation grants through the Deadwood Fund, one of the programs administered by the SHPO. Other incentive programs include the federal historic rehabilitation tax credit and a state property tax moratorium program.

The Deadwood Historic Preservation Commission receives about \$7 million annually from gaming tax revenues for historic preservation in Deadwood. The commission also offers grants outside of Deadwood in South Dakota to properties that have a meaningful connection to the history of Deadwood.

The city of Sioux Falls has a historic façade easement program, and the Department of Transportation also administers transportation alternatives program funding which includes a historic preservation component.

For more information on historic preservation programs, contact the SHPO at (605) 773-3458 or visit www.history.sd.gov/preservation. Copies of the study are available by calling (605) 773-2906.

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The South Dakota State Historical Society is a division of the Department of Tourism. The Department of Tourism is comprised of Tourism, the South Dakota Arts Council and the State Historical Society. The Department is led by Secretary James D. Hagen. The State Historical Society, an Affiliate of the Smithsonian Institution, is headquartered at the South Dakota Cultural Heritage Center in Pierre. The center houses the society's world-class museum, the archives and the historic preservation, publishing and administrative/development offices. Call (605) 773-3458 or visit www.history.sd.gov for more information. The society also has an archaeology office in Rapid City; call (605) 394-1936 for more information.