

PHOTO COURTESY QUAPAW BATH AND SPA

HOT SPRINGS NATIONAL PARK

HOT SPRINGS, AR

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 with the mass-production of penicillin. 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.

"The moment that we sign a lease, all of the deferred maintenance just disappears. Not only have I leased the property, but now I look like a genius because my numbers are down."

Former National Park Service Superintendent Josie Fernandez



PHOTO COURTESY QUAPAW BATH AND SPA

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 55year 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.



PHOTO BY RUSH JAGOE

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.

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PHOTO BY DUNCAN KENDALL

GATEWAY NATIONAL RECREATION AREA

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. By the 1940s, the Fort Hancock and Sandy Hook Proving Ground National Historical Landmark District became home to 7,000 army soldiers and Women's Army Corp members. Now part of the Gateway National Recreation Area, the unit interprets America's

oldest surviving lighthouse and protects ecological resources. Time and harsh coastal conditions have caused severe deferred maintenance, inspiring the park to look towards leasing opportunities to preserve iconic structures and rebuild a vibrant community. The first lease rehabilitated a deteriorating property and signaled the adaptive re-use potential of some 35 nearby buildings. The Sandy Hook unit receives roughly 2.2 million visitors annually, generating \$222 million in local economic benefits.

"The leasing program at Fort Hancock presents a unique opportunity to rehabilitate historic buildings, build a vibrant new community, and generate much-needed revenue for the park."

Gerry Glaser, co-chair, Fort Hancock 21st Century Federal Advisory Committee



PHOTO COURTESY FORT HANCOCK 21ST CENTURY FEDERAL ADVISORY COMMITTEE

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 edge 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 gatherings, memorials, and other occasions. The park maintains the structure and grounds and manages the bookings, 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.



PHOTO COURTESY FORT HANCOCK 21ST CENTURY FEDERAL ADVISORY COMMITTEE

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 signed its first lease. The 60-year agreement enabled the lessees 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.

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PHOTO COURTESY FORT BAKER RETREAT GROUP

GOLDEN GATE NATIONAL RECREATION AREA

SAN FRANCISCO, CA

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.

"Our long-term lease and partnership with the Golden Gate National Recreation Area has allowed us to develop a unique funding structure to finance a \$50 million historic rehabilitation of Fort Mason's Pier 2."

Rich Hillis, Executive Director, Fort Mason Center for Arts & Culture



PHOTO COURTESY FORT MASON CENTER FOR ARTS & CULTURE

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 tackle 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.



PHOTO COURTESY FORT BAKER RETREAT GROUP

CAVALLO POINT LODGE AT FORT BAKER

Built in 1905 as a U.S. Army post, Fort Baker was the last 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 Builders, 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.

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PHOTO COURTESY PHILANDER CHASE KNOX ESTATE

VALLEY FORGE NATIONAL HISTORICAL PARK

KING OF PRUSSIA, PA

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 shortterm 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.

"Partnerships between the parks and private entities are extremely beneficial. Our incredible setting allowed us to expand our curriculum to include the eco-system of the park and set our children on the path of being good stewards of the environment and the national parks."

Gill Gutteridge, Administrator, Montessori Children's House of Valley Forge



PHOTO COURTESY PHILANDER CHASE KNOX ESTATE

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.



PHOTO COURTESY MONTESSORI CHILDREN'S HOUSE

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 40year 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.

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PHOTO BY JEN GOELLNITZ

CUYAHOGA VALLEY NATIONAL PARK

BRECKSVILLE, OH

Originally designated as a National Recreation Area in 1974, Cuyahoga Valley National Park protects a restored landscape with deep cultural roots. Adjacent to cities like Cleveland and Akron, the park provides educational, natural, and recreational opportunities for neighboring communities and visitors. The park includes hundreds of cultural assets including part of the Ohio & Erie Canal, railways, historic communities and districts, and old farmhouses. Recognizing the importance of preserving these historic sites but limited by staffing and funding, the park turned to historic leasing and developed two programs: one which focuses on leasing historic farms, and the other which repurposes historic buildings for events, accommodations, and other uses. Today, the park holds 15 leases—11 for farms and 4 others—and is exploring opportunities to encourage more leasing. In 2017, more than 2.2 million visitors spent more than \$78.1 million in local gateway communities.

"Everybody wins with this program. Important historic buildings are preserved, the NPS mission is served in a financially sustainable way, and most important, communities and visitors benefit from vital resources."

Deb Yandala, CEO, Conservancy for Cuyahoga Valley National Park



PHOTO COURTESY GOATFEATHERS POINT FARM

"COUNTRYSIDE INITIATIVE"

The 13 farms at Cuyahoga Valley sat fallow for many years until the park began pursuing options to better steward the historic landscape. The leasing program began in the early 2000s and today boasts 11 productive farms. The park invested in the restoration of the farmhouses and key farm buildings, allowing farmers to begin farming immediately. As part of the 60-year leases, the farmers pay a monthly rent on the farmhouses based on market prices and a second rent payment on the land based on a formula that considers startup costs. The Cuyahoga Valley Countryside Conservancy, a nonprofit partner of the park, provides technical assistance to farmers. The farm lease program allows for the preservation of important rural resources, places farmland back into diverse, productive use, creates opportunities for entrepreneurial farmers, and teaches visitors about farming methods and food production.



PHOTO COURTESY CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK

EXTRAORDINARY SPACES PROGRAM

In 2011, the Conservancy for Cuyahoga Valley National Park—the primary friends group for the park-entered into a 10-year lease to bring several underutilized buildings back into use. The Conservancy participated in a seminar focused on making nonprofits more entrepreneurial and developed business plans to put these sites to better use. Now, both the Hines Hill Campus, built in 1904, and the Happy Days Lodge, built by the Civilian Conservation Corps in the 1930s, serve as unique event spaces especially popular for weddings. The Conservancy supports sustainability efforts and zero waste initiatives, and utilizes caterers whose produce comes from local farms, including some that are part of the farm leases. Since making investments in hospitality staff and completing necessary upgrades, the Conservancy turned a gross profit of \$430,000 in fiscal year 2018. As part of the lease, the Conservancy pays a flat fee of 2% gross profit to the park, pays for most utilities, and manages custodial and minor maintenance. This agreement allows the park to better prioritize funding for major rehabilitation projects. This partnership draws new visitors to the park, offering them memorable experiences and providing the park with an additional revenue stream.

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PHOTO COURTESY NATIONAL PARK SERVICE

FIRST STATE NATIONAL HISTORICAL PARK

NEW CASTLE, DE

Initially designated as a National Monument in 2013, First State National Park became Delaware's first national park in 2015. The park protects and interprets Native American and colonial settlements, sites important to the American Revolution and our industrial heritage, and the women's suffrage movement. During the park's creation, a 1,100 unit of land known as the Beaver Valley track was donated to the National Park Service. Prior to the park's ownership, a nonprofit foundation had long leased the land and houses in Beaver Valley. This built-in partnership model enabled the young park and its small staff to work with a property management firm to create a residential and agricultural leasing program. Today, the leasing program helps to abate the deferred maintenance backlog of the park, maintain the cultivated landscape, and better preserve historic residences by keeping them in use.

"Leasing plays an incredibly important and necessary role, ensuring the appropriate use and preservation of the historic structures and agricultural lands that comprise the cultural landscape of the Beaver Valley unity of First State NHP."

David Blackburn, Acting Superintendent, First State National Historical Park



PHOTO COURTESY NATIONAL PARK SERVICE



PHOTO COURTESY NATIONAL PARK SERVICE

RESIDENTIAL AND AGRICULTURAL LEASING

In 1906, William Poole Bancroft, heir to the Bancroft textile mills, began purchasing property from famers and small-scale industrialists to safeguard the land for the public. Once home to the Lenape tribe, then European settlers, then Quakers, the land preserved a long cultural and agricultural history. After Bancroft acquired more than 1,300 acres, he formed the Woodlawn Company (later Woodlawn Trustees Inc.) to create affordable housing and a park. When the monument was created, Woodlawn donated 1,100 acres to the National Park Service to form the Beaver Valley track.

The new park found itself with more than a dozen structures, all of which had deferred maintenance. Prioritizing health and safety work first, the park began requesting funds to complete historic structure investigations and to tackle several large projects en masse. Recognizing they lacked sufficient funding and realizing the limits of a small staff, the park decided to use Woodlawn's master lease model to partner with a property management company who could assume the burden of the maintenance. Patterson Schwartz Real Estate was chosen as the property manager in 2016.

As part of the lease agreement, a set rent goes from the individual lessees into a holding account, from which Patterson Schwartz claims a portion for their fee and the remainder is used for maintenance projects. Patterson Schwartz remains responsible for all repairs and upgrades but is required to seek approval through National Park Service first. In total, 11 houses, 2 barns, and 3 pastures are available to lease as individual units. Most of the houses are currently occupied for the long term, as they are in a desirable part of Delaware. Agricultural leases maintain the cultivated landscape and produce mainly commodity crops.

The innovative leasing program at First State enables the public to live or farm within a national park while also helping the park abate its deferred maintenance backlog and minimize the administrative costs of leasing multiple properties.

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PHOTO COURTESY INDIANA DUNES NATIONAL PARK

INDIANA DUNES NATIONAL PARK

PORTER, IN

Originally established as a national lakeshore in 1966, the newly-designated Indiana Dunes National Park was created in February 2019, giving Indiana its first national park. Stretching 15 miles along the southern shore of Lake Michigan, the park preserves archaeological sites, and historic structures including five Century of Progress Homes from the 1934 Chicago World's Fair—prairies, wetlands, forests, rivers, and dunes. As original owners of the Century of Progress houses moved on and other historic buildings sat vacant, the park worked with partners to find solutions. Historic leases now exist for private residences, preschools, and youth camps, with more opportunities forthcoming. Approximately 2.2 million visitors explore the park each year and spend more than \$92 million in local communities.

"Leasing Indiana Dunes' historic structures has been both challenging and beneficial. Challenging in keeping up with changing regulations. Beneficial in providing for the long-term preservation of the structures when it's difficult to obtain funding."

Judith Collins, Historic Architect, Compliance Coordinator, Indiana Dunes National Park



PHOTO BY CHRISTINE LUTHY

CENTURY OF PROGRESS HOUSES

In 1935, real estate developer Robert Bartlett transported five Century of Progress houses from Chicago, IL, to Beverly Shores, IN, as a marketing opportunity. When the National Park Service assumed ownership of the houses, they allowed residents to remain for a limited time. Lacking incentive to maintain the houses, the structures fell into disrepair. Then, in 1993, the nonprofit Indiana Landmarks added the properties to their 10 Most Endangered list and began working with the park to find solutions. Challenged by the nature of the structures-which were built as temporary models using experimental materials and construction techniques—Landmarks signed a 55-year lease with the park. As the houses became available, Landmarks entered into long-term subleases with individual residents who were responsible for the total restoration and maintenance of the structures. After years of dedicated work, four of the Century of Progress houses are now restored and leased. Landmarks recently announced an opportunity to lease the House of Tomorrow as a single-family residence.



PHOTO COURTESY FIELD STATION COOPERATIVE PRESCHOOL

FIELD STATION COOPERATIVE PRESCHOOL

The Field Station Cooperative Preschool was searching for a new home when it learned that the park was looking to save historic buildings from a former Swedish settlement. One site fit the needs of the school, and so the park, the Field Station, and Indiana Landmarks formed a partnership to protect and readapt the site. In the early 2000s, the Field Station signed a 55-year lease, acquired nonprofit status, raised funds, and organized volunteers to rehabilitate the property. Through this effort, a dilapidated barn and an old farmhouse were saved, and an original log cabin was discovered. Structures that were in dire condition are now restored and being used as an educational center for 80 students who have access to a rich ecosystem to complement their learning. This winwin relationship has increased community engagement with and access to the park, provided significant resources for a nature-based school, and rehabilitated historic structures that may have been torn down otherwise.

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Leasing of historic buildings in the National Park System is an effective and proven public-private partnership that can be used as part of the suite of options necessary to abate the NPS deferred maintenance backlog. The NPS has the legal authority to enter into lease agreements whereby the park maintains ownership of the building, but the lessee is responsible for the preservation and maintenance needs of the structure. For long-term commercial leases of 55 years or more, the lessee is able to utilize the federal historic tax credit and receive a 20 percent credit for qualified rehabilitation expenses. Historic leasing partnerships alleviate the burden on the NPS to maintain historic buildings by reducing maintenance costs and the repair backlog for the park, allow reallocation of scarce resources to other priority projects, create opportunities for private investors, provide services for visitors and residents of gateway communities, and bring iconic historic buildings back to life. The National Trust for Historic Preservation plays a leading role in advocating for the use of leasing by the National Park Service by providing research and guidance about best practices and highlighting opportunities to leverage this innovative preservation tool.

The House Appropriations Committee has also noted, in part, that "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."

House Report 114-170, accompanying the Department of the Interior, Environment and Related Agencies Appropriation Bill, FY2016; House Conference Report 114-632, Department of the Interior, Environment, and Related Agencies Appropriations Bill, 2017 and Consolidated Appropriations Act, FY2017



The National Trust for Historic Preservation, a privately funded nonprofit organization, works to save America's historic places. Visit us at SavingPlaces.org.

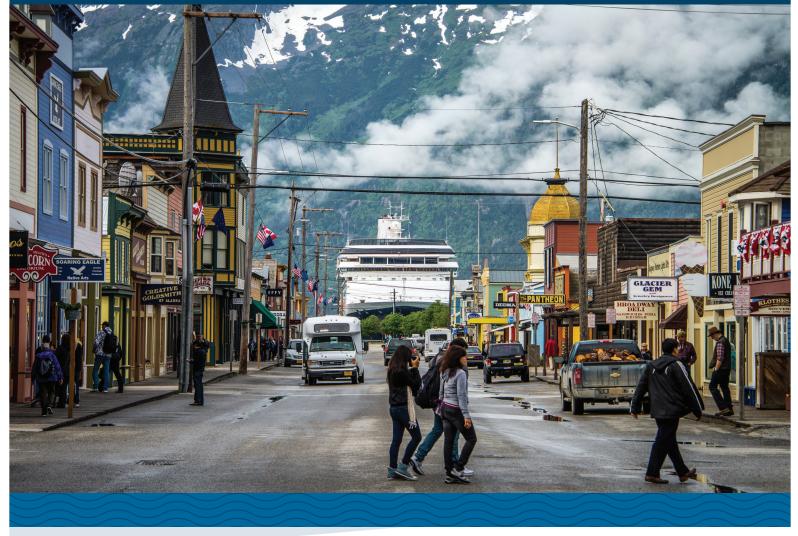


PHOTO BY TED MCGRATH

KLONDIKE GOLD RUSH NATIONAL HISTORICAL PARK

SKAGWAY, AK

Upon the discovery of gold in the Klondike River of the Canadian Yukon, a stampede of hopeful miners ventured to Alaska and setup boomtowns in Skagway and Dyea. The more than 100,000 people who passed through between 1897 and 1898 transformed the culture, environment, and demographics of the area. The Klondike Gold Rush National Historical Park, established in 1980, interprets this last major human migration in Alaska alongside diverse and unique ecosystems. Today, Klondike Gold Rush is the most visited park in Alaska—nearly one million visitors per year spend \$161 million in local communities. Most visitors explore Skagway's Historic District, an authentically restored Victorian gold rush town. The park began its leasing program here in the late 1980s and now five historic buildings are being leased, creating a living, viable community and a thriving seasonal business district.

"As a historian who wanted to bring a newspaper and bookstore back to historic Broadway, the NPS leaseback program was a logical fit for both us and the relatively new Klondike Park at the time. We have now been in the 1899 Boas Furrier building for 31 years and continue to serve our community in this beautifully restored park building."

Jeff Brady, Owner, Skaguay News Depot & Books



PHOTO COURTESY SKAGUAY NEWS DEPOT & BOOKS

PHOTO COURTESY SKAGUAY NEWS DEPOT & BOOKS

THE BOAS TAILOR AND FURRIER SHOP

In 1898, Henry Boas, an enterprising tailor and furrier, built his two-story false fronted building on Broadway Street in the boomtown of Skagway. While Boas moved on shortly thereafter, the building continued to serve a variety of purposes: a jewelry and curio shop, a home to seasonal workers, and an office for the Canadian National Steamship Company. The building—which had been relocated closer to the railroad depot and tourist centers—was sold to the National Park Service in 1978. Rehabilitation efforts began in the mid-1980s. The National Park Service restored the exterior to its 1926 appearance and readapted the interior to fit modern uses.

Jeff Brady, a reporter for The Skagway News, had a longstanding interest in the property and when he learned that the park hoped to lease the building as a newspaper and bookstore, he jumped at this opportunity. Brady signed his first 15-year leaseback with the park service in 1987. He has since completed a second 15-year lease and recently signed a 10-year lease. Brady pays a monthly rent to the park and handles smallscale routine maintenance. This additional revenue stream better enables the park to tackle major projects with the structures it manages, such as upgrading the lighting and fire alarms, refinishing floors, and replacing heating systems. In recent years, Brady has subleased the newspaper business but continues to run the bookstore. Skagway receives up to 12,000 tourists a day over the summer and Skaguay News Depot & Books is one of the few businesses in town that remains open year-round.

The leasing partnerships allow the park to bring historic buildings back to life—oftentimes using them as they were used historically—while also providing opportunities to local businesses and offering experiences and services for visitors.

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