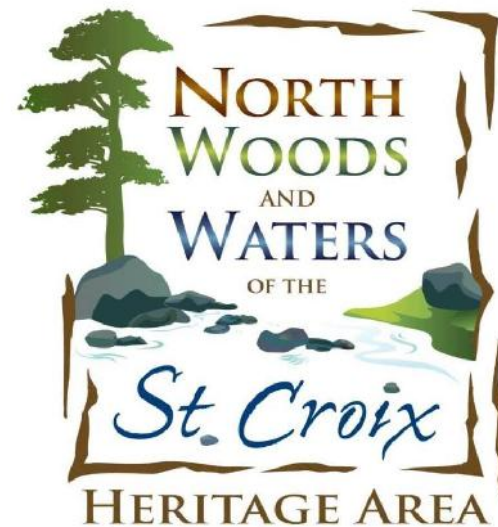


North Woods & Waters of the St. Croix Heritage Area

Economic Impact/Opportunity Assessment for National Heritage Area Designation

Final Presentation

Vincent Shaw
Brendan Laliberte
Claire Caschetta
Wen Chai
Hudson Brama



May 5th, 2021



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Agenda



EXECUTIVE SUMMARY + IMPACT AT GLANCE

03



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APPENDICES + DATA SOURCES

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Executive Summary



THE PROBLEM

What is the potential economic impact of **National Heritage Area** (NHA) designation to the **St. Croix Watershed** (SCW) communities?



THE APPROACH

We addressed the problem by exploring the **value** an NHA would bring:

- Quantitative Research: NHA Case Studies and statistical analysis of economic data
- Qualitative Research: Gather best practices and insight from the community



OUR FINDINGS

The St. Croix Watershed possesses abundant cultural, historical, and natural resources for heritage preservation and interpretation that present unrealized potential toward the economic and cultural health of its communities.

HERITAGE TOURISM

Potential increase of yearly **visitors** by **~10%** within 5 years in SCW

BUSINESS IMPACT

- **~0.3% impact to rGDP growth** in 2 years post designation
- **Approx. \$7M in value added to the SCW**

JOB IMPACT

- **~3.2% impact to job growth** in 2 years post designation
- **Approx. 1,300 additional jobs**

INCOME IMPACT

- **~2.3% impact to income growth** in 2 years post designation
- **Approx. wage increase of \$950**

St Croix NHA's Economic Impact at a Glance

NATIONAL
HERITAGE AREA
ECONOMIC
IMPACT

Within 2 Years
of Designation

ST. CROIX WATERSHED



6,000 total jobs generated and supported



\$ 7 MILLION

of economic impact on the
St. Croix Watershed
regional economy



1,300 leisure & hospitality
jobs created

\$ 5.4 MILLION

in tax revenue
generated for state &
local economies



\$ 950

in labor income
for workers and
proprietors of
the St. Croix
Watershed
region

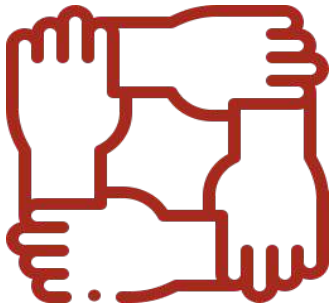


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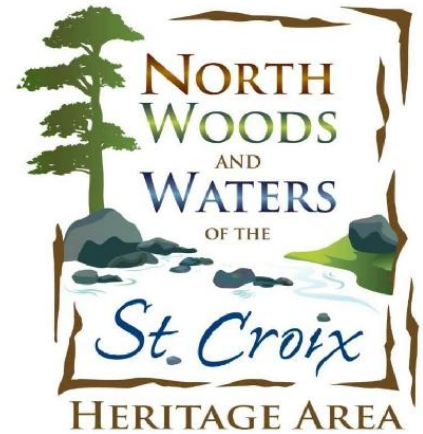
THOUSAND

in predicted
visitors 5
years after
NHA
designation





Heritage Areas Impact on the Community



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NHA Designation will Benefit the St. Croix Watershed in Specific Ways that the Community is Looking For

Restoration of Important Natural Resources

Projects like the restoration of the remnant prairie of Jackson Meadow or historic Arcola Mills homestead can receive additional funding, support, and a more prominent role in the region.

Support for Local Workers and Small Businesses

Visitors bring money into the community, benefitting local businesses like Taylor Falls City Boat Tours, a business that is on its fourth generation of owners and operators and has been around since 1906.

Greater Credibility Throughout the Region

NHA designation brings credibility to the region as a whole, and encourages people to explore the area. It creates a holistic brand image.

Targeted Experiences for Visitors

There are many opportunities to market a targeted experience for visitors. Trips can be developed for individual segments such as bird watchers, history nuts, and cultural visitors. Specific visitation needs can be marketed.

History Brought to Life

People have already begun to crave unique outdoor experiences due to the pandemic. Fun historical experiences are available like the canoe or train museums. Field trips could help students take advantage of the rich history around them.



NHAs Unify Communities through their Shared Cultural Roots

- Abraham Lincoln's Professional History
- Growth of US Automotive Industry
- Western Settlement
- Race Relations & Inequity
- Agriculture History of America

“

“Grants from the SSNHA helped fund a historical timeline diorama at the agricultural museum and provided guidance to its creation”

- Catherine Wieck*

“City & State narratives become siloed over time, but NHAs bring it back together.”

- Aaron Barth, NPNHA

”

NHAs Promote Visitor Experiences through Recreational Activities

- National Park Passport Booklet
- Day Trips / International Visits
- Admiration of Natural, Cultural, and Historical Resources
- Support for Local Parks, Museums, & Festivals

“

“We have a whole subset of visitor who come for the NPS passport stamp. Our communities covet their association with the NPS.”

- Sarah Watson, ALNHA

“We remind residents of our great resource [Missouri River] and deliberately host visitors who enjoy the river.”

- Aaron Barth, NPNHA

”

NHAs Help Preserve the Local History Through a Community-Driven Approach

- Preserve Historic Buildings
- Grants for Stories Promoting Racial Equity (Freedom's Frontier)
- Dedications & Memorials (e.g. 1932 Ford Hunger March - Detroit, MI)

“

“Our 2020 ribbon cutting [Fort Street Bridge Park] was attended by descendants of those who fought for workers’ rights... this was a huge community grass-roots project dedicating a park to the 1932 Hunger March.”

- Shawn Pomaville-Size

“The revitalization of the William Watson Hotel and surrounding area [Pittsfield, Illinois] brought this community back to life.”

- Sarah Watson, ALNHA”

NHAs Improve the Local Economy Through Tourism and Heritage Revitalization

- Increased Visitation to Community Events & Sites
- Support for Private Enterprises who tell the heritage story
- Increased Entrepreneurship
- Bus tours

“

“In a town of 2,000 people, sales tax revenue increases 50% during summer visitor season.”

- Sarah Watson, ALNHA

“Lecompton’s ability to harness its story has since added a winery, restaurant, curio stores, and thriving commerce...we have 9 additional counties that desire to be added to the NHA. They see the results!”

- Jim Ogle, Freedom’s Frontier”

Case Study: Abraham Lincoln NHA Builds Community Engagement and Pride

“ The preservation of [Abraham] Lincoln’s story is a real source of community pride. They own that story and it’s our job to help them find ways to tell it and get the word out. ”
- Sarah Watson

Purpose:

Discover and preserve the story of Abraham Lincoln's early professional Career

Scope:

43 Counties in central Illinois and 28 Partner Communities

Strategy:

“Looking for Lincoln” Communities apply for partnership through primary source documentation of Lincoln’s history. Partner communities decide what stories and events are marketed

Strengths:

- Route 66 goes through the region and is a partner for cross-marketing opportunities
- Chicago day-trippers are a large source of visitation

Opportunities:

- “Signature Event” program provides marketing focus to key community events
- “Bring-a-Lincoln” program provides a Lincoln impersonator to community events



[Interview with Sarah Watson, Executive Director, ALNHA]

Case Study: NHA Designation Saves the Sleepy Little Town of Lecompton, Kansas

“ Lecompton was voted one of the eight wonders of Kansas. We [Freedom’s Frontier NHA] helped Lecompton connect its story with others throughout the region

- Jim Ogle ”

Purpose:

Discover Kansas/Missouri Border disputes, Civil War, and settlement of the frontier

Scope:

Freedom’s Frontier consists of 29 Kansas & 12 Missouri counties, over 200 partner sites privately/publicly owned



Strategy in Action:

Lecompton, KS (pop. 650) has several sites tied to the country’s spiral into civil war and once held Lane University where Dwight D. Eisenhower's parents met and got married.

Opportunities:

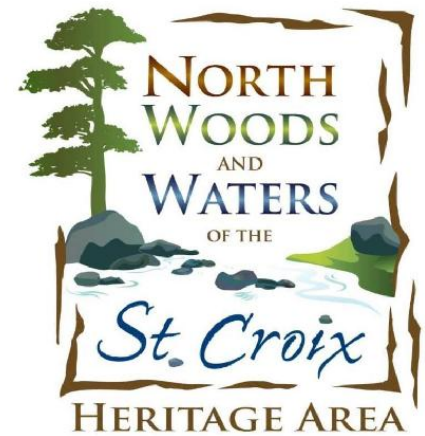
- Like many small, rural towns Lecompton lost much of its infrastructure and population.
- NHA designation gave the town a mechanism to tell these incredible stories and revitalize its economy
- 9 additional counties have requested to be added to the NHA



[Interview with Jim Ogle, Executive Director, Freedom’s Frontier NHA]



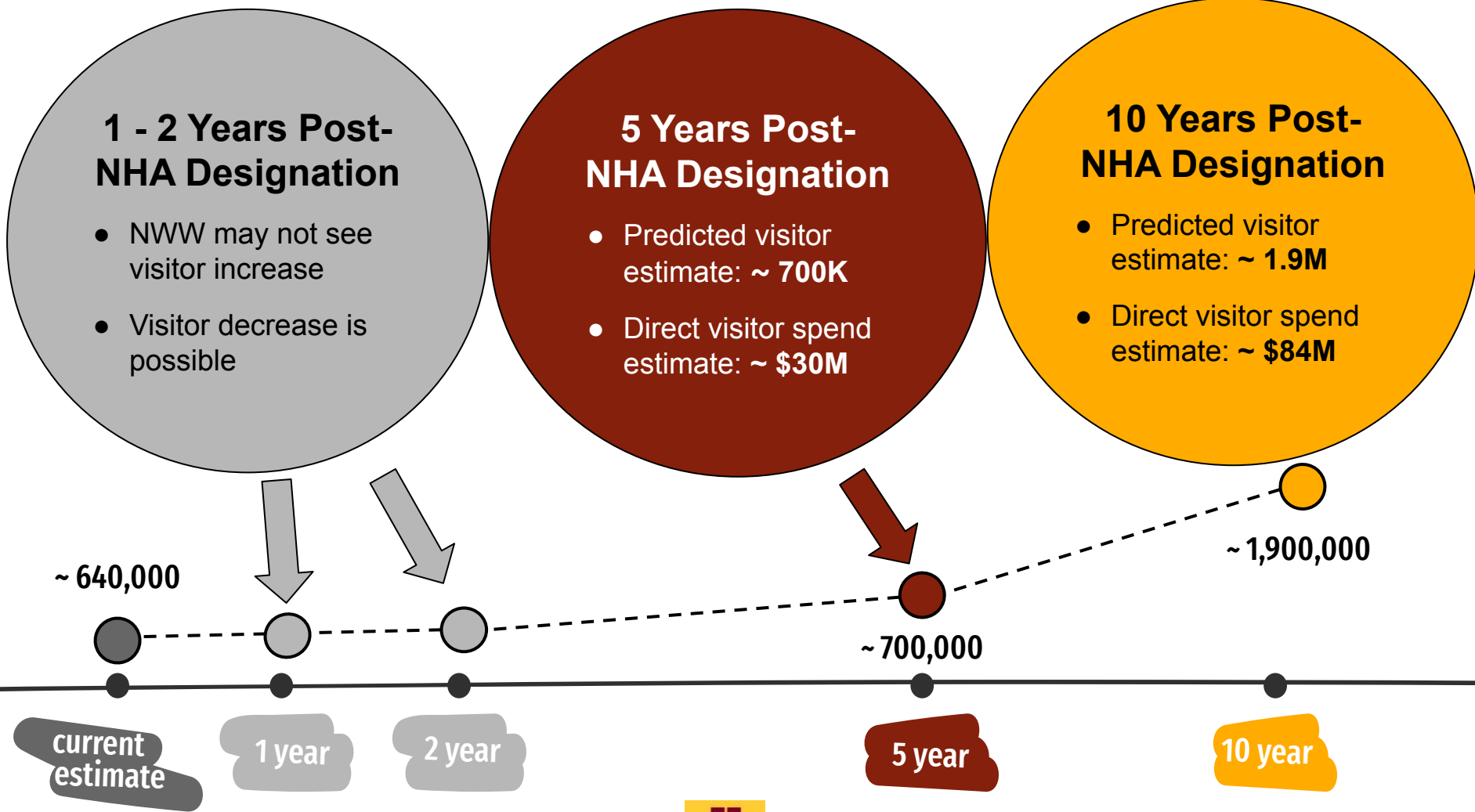
Heritage Tourism Benefit Local Economies



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NHA Designation Can Double SCW's Yearly Visitations within 5-10 Years

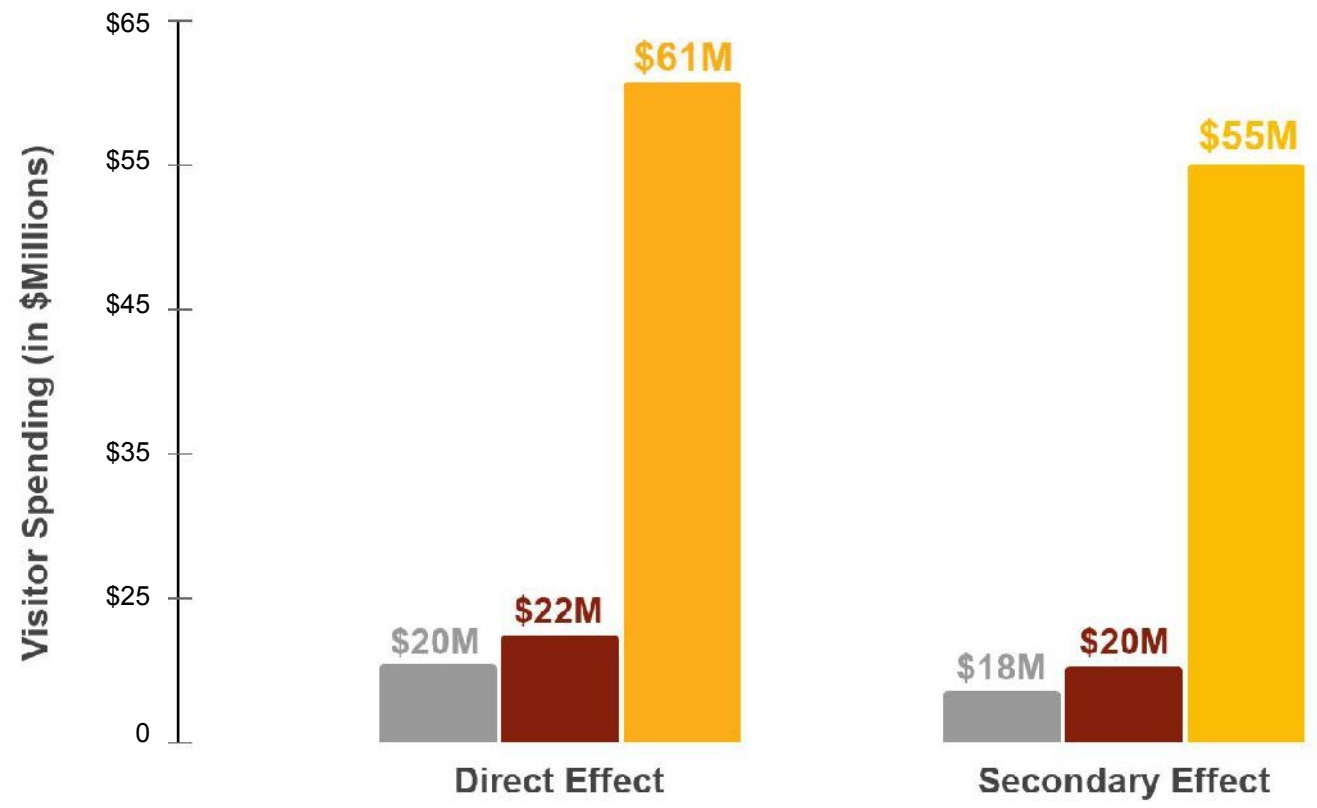


[Economic Impact Reports of Comparable NHAs, State Tourism Data & NPS Visitation Data, see Appendix Slide 49]



Visitors will Create up to \$42M in Total Economic Output in the SCW in 5 years

■ Current Estimate ■ 5 Year Estimate ■ 10 Year Estimate



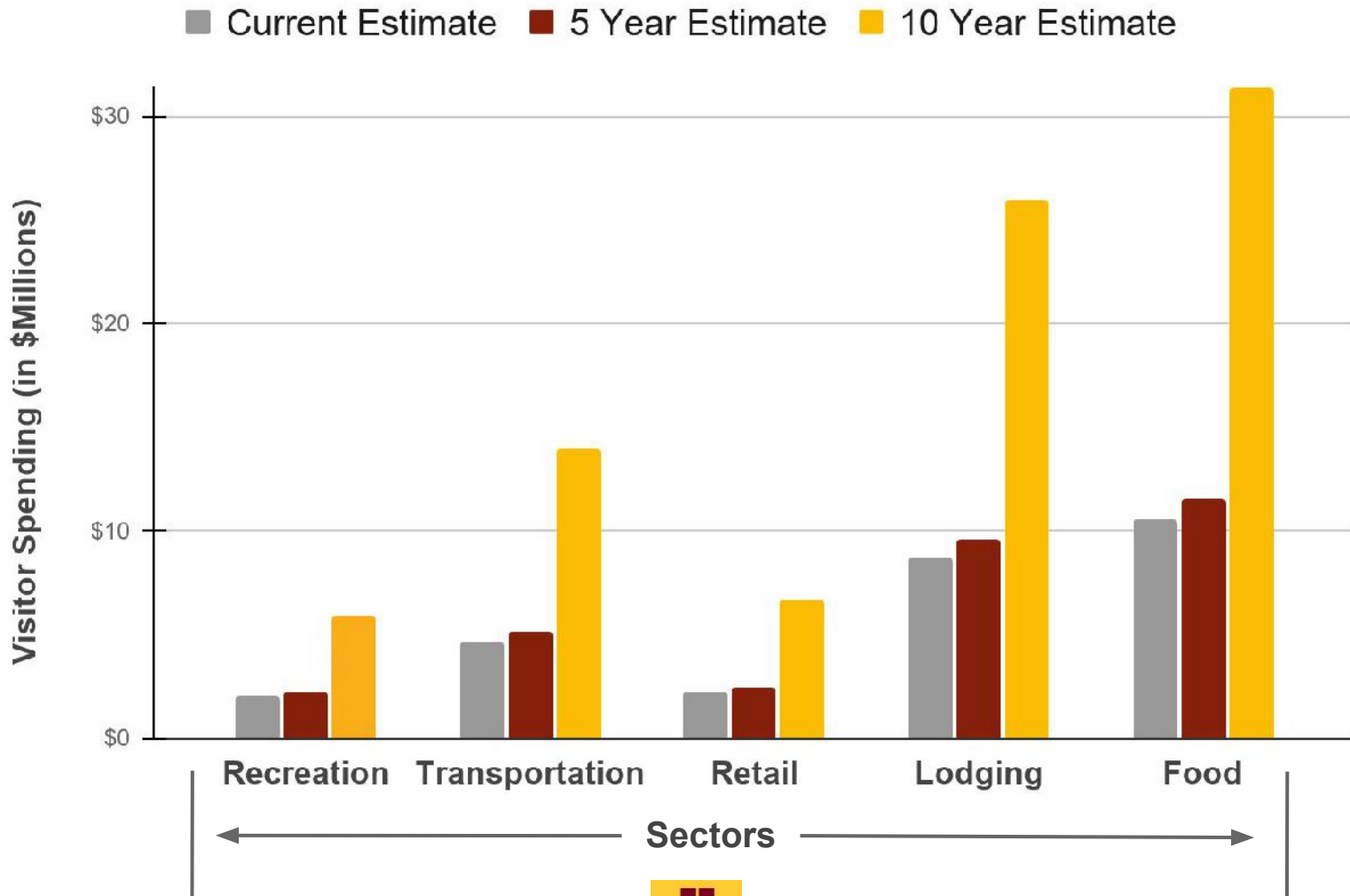
Economic Output
(Direct + Secondary)

- 10 YR Est : ~ \$116M
- 5 YR Est : ~ \$42M
- Current Est : ~ \$39M

**Visitor spend estimates of ~\$44 spent per person.*



Visitor Spending Contributes to the Increase of these Main Five Tourism Sectors



[2019 NPS Visitor Spending Effects Report]

A Variety of Important Factors Make the SCW a Prime Candidate for Heritage Visitation

National Scenic Riverway and Byway with same objectives

Overlapping value criteria of three entities marketing the historic, cultural, scenic, natural, and recreational resources to tell a nationally important heritage story.

Example: Route 66 is an important driver of commerce for Freedom Frontier NHA

Proximity to Twin Cities

2,849,567 people inhabit the twin cities. This is an unique benefit that allows for the marketing of day and weekend trips to such a large number of people.

#1 of 15 Best Day Trips from Mpls - thecrazytourist.com

Historical Significance

Primary Themes:

Logging / Cutover

Conscientious Environmental Recovery

Secondary Themes:

Fur Trade. Immigrant Contribution

“The [St. Croix] story is the American story, whose lumber helped build cities like Chicago and St. Louis”

- *Bill Newman, President of the Saint Croix Scenic Byway*

Heritage Towns make for great “partner” sites/communities

The SCW has 18 different counties, each containing several cities, that offer diverse cultural, historical, and natural experiences.

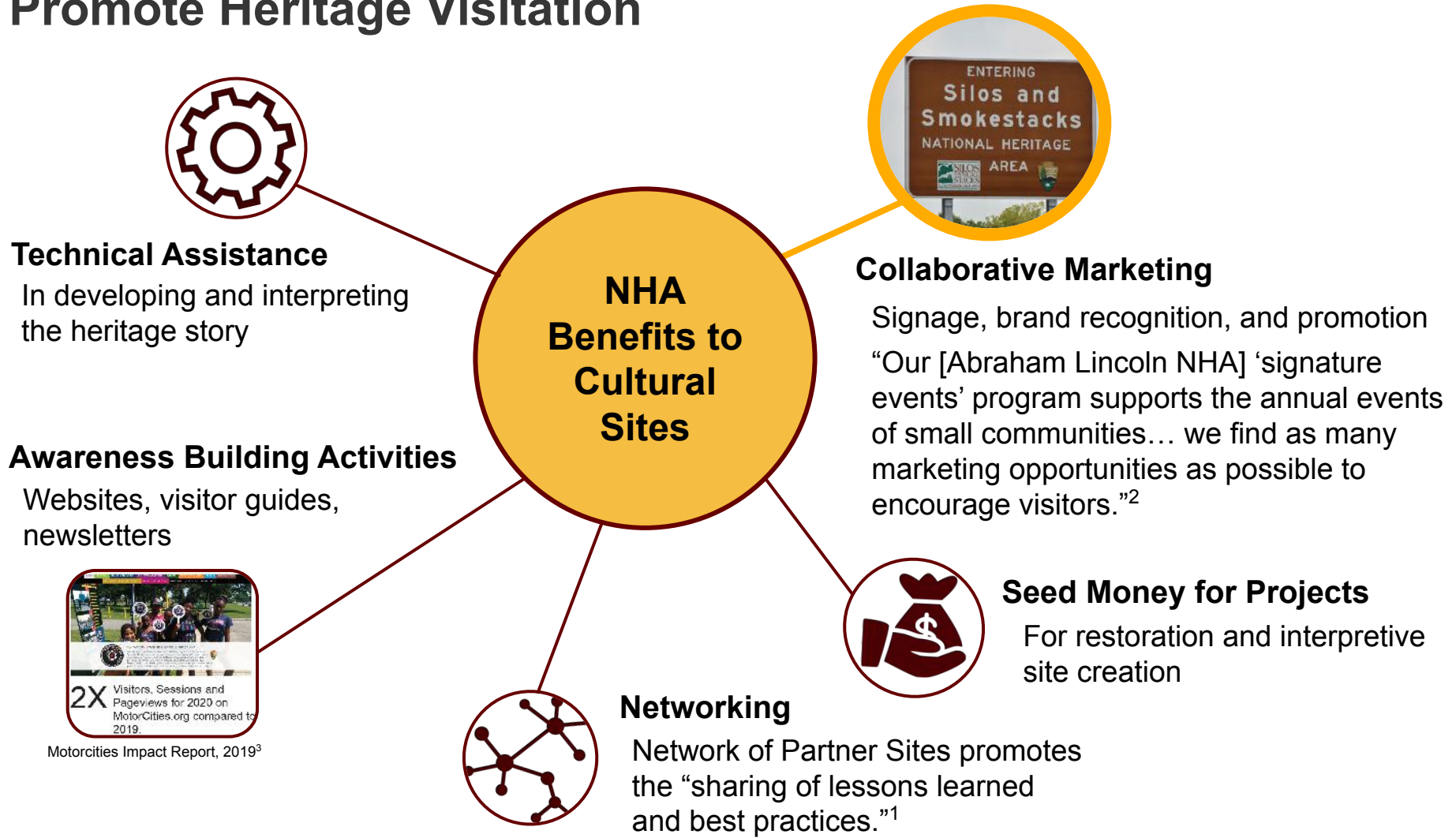
Collaboration of strengths between partners will create a powerful experience for visitors.

“The infrastructure is already there. It [NHA] will market the entire package, instead of individual parts”

- *Chris Stein, NPS NHA Coordinator*



NHA Designation Provides a Range of Mechanisms that Promote Heritage Visitation



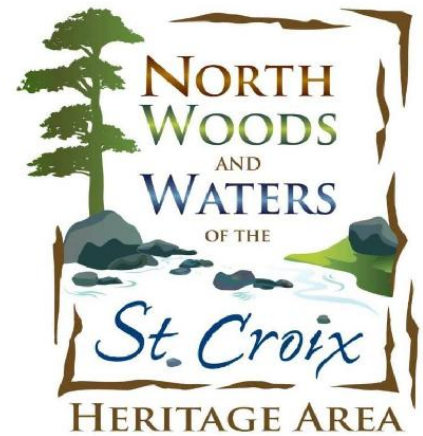
Motorcities Impact Report, 2019³



¹Silos & Smokestacks NHA Findings Document, 2011
²Interview with Sarah Watson, ALNHA Executive Director
³Motorcities Impact Report, 2019



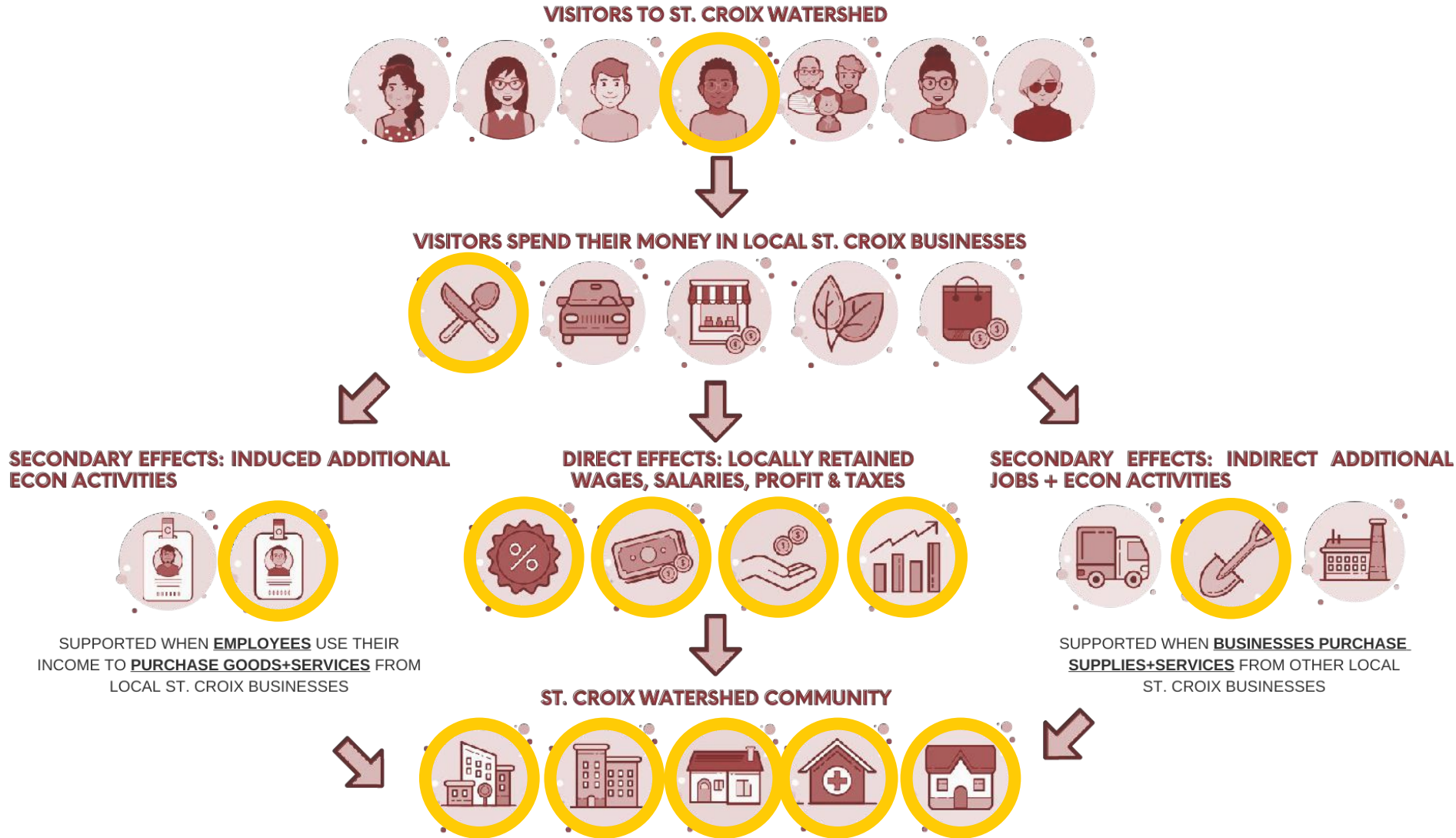
Heritage Areas Support Local Economies



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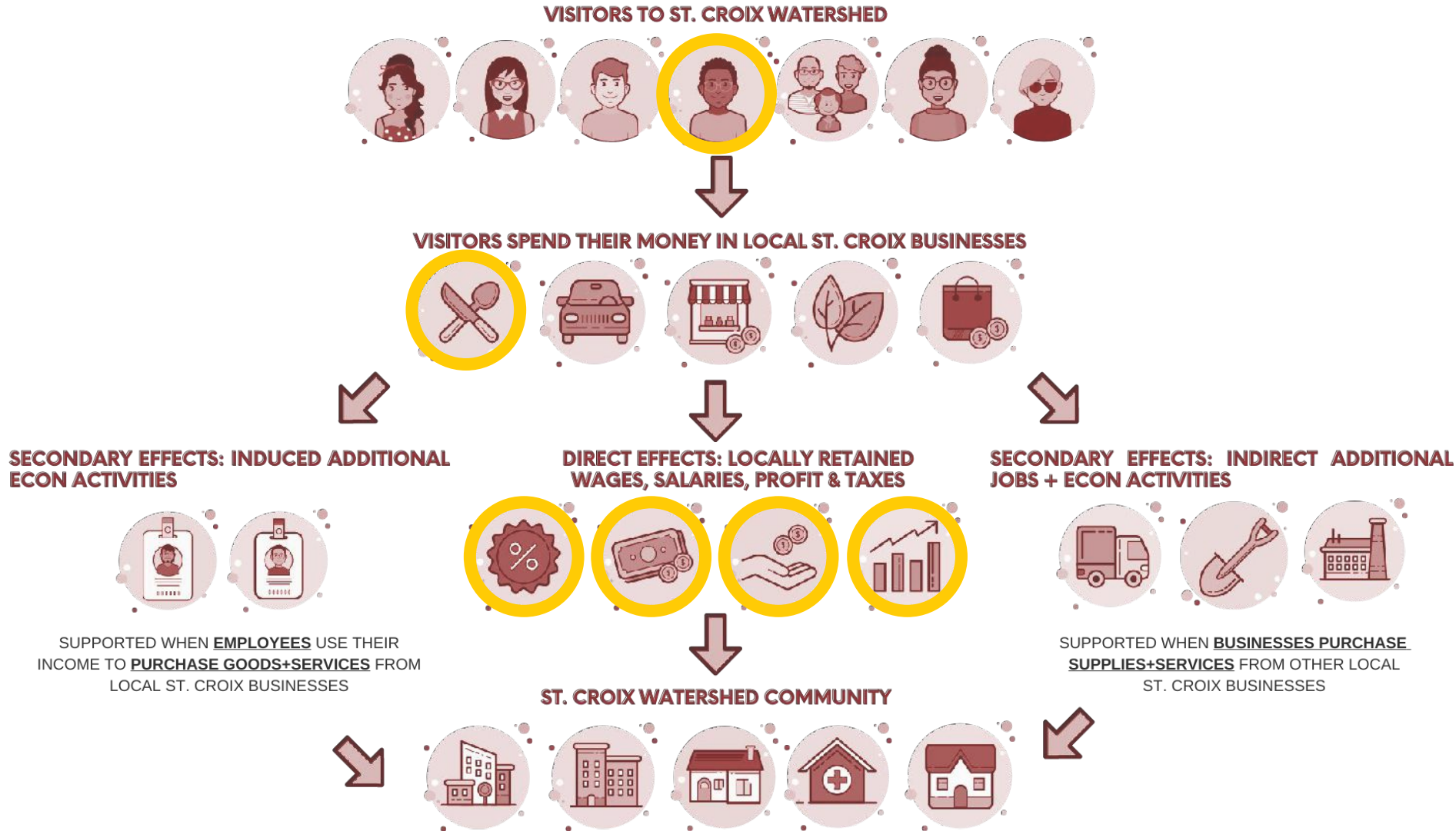


The Tourism Web: Visitor Spending supports local Jobs, Income, & Businesses





Visitor Spending Directly affect Wages, Salaries, Profit, and Taxes



Visitor Spending has Indirect and Induced Effects for the Local Economy

VISITORS TO ST. CROIX WATERSHED



VISITORS SPEND THEIR MONEY IN LOCAL ST. CROIX BUSINESSES

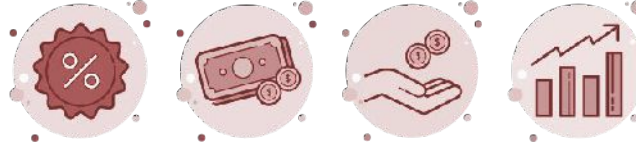


SECONDARY EFFECTS: INDUCED ADDITIONAL ECON ACTIVITIES



SUPPORTED WHEN **EMPLOYEES** USE THEIR INCOME TO **PURCHASE GOODS+SERVICES** FROM LOCAL ST. CROIX BUSINESSES

DIRECT EFFECTS: LOCALLY RETAINED WAGES, SALARIES, PROFIT & TAXES



SECONDARY EFFECTS: INDIRECT ADDITIONAL JOBS + ECON ACTIVITIES



SUPPORTED WHEN **BUSINESSES PURCHASE SUPPLIES+SERVICES** FROM OTHER LOCAL ST. CROIX BUSINESSES

ST. CROIX WATERSHED COMMUNITY



All Visitor Spending Leads to the Benefit of the Local Economy

VISITORS TO ST. CROIX WATERSHED



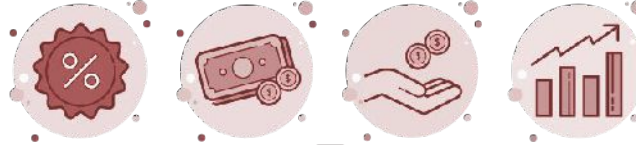
VISITORS SPEND THEIR MONEY IN LOCAL ST. CROIX BUSINESSES



SECONDARY EFFECTS: INDUCED ADDITIONAL ECON ACTIVITIES



DIRECT EFFECTS: LOCALLY RETAINED WAGES, SALARIES, PROFIT & TAXES



SECONDARY EFFECTS: INDIRECT ADDITIONAL JOBS + ECON ACTIVITIES



SUPPORTED WHEN **EMPLOYEES** USE THEIR INCOME TO **PURCHASE GOODS+SERVICES** FROM LOCAL ST. CROIX BUSINESSES

SUPPORTED WHEN **BUSINESSES PURCHASE SUPPLIES+SERVICES** FROM OTHER LOCAL ST. CROIX BUSINESSES



ST. CROIX WATERSHED COMMUNITY



NHA Investment Creates a Multiplier Effect that Drives Economic Growth in The Tourism Web

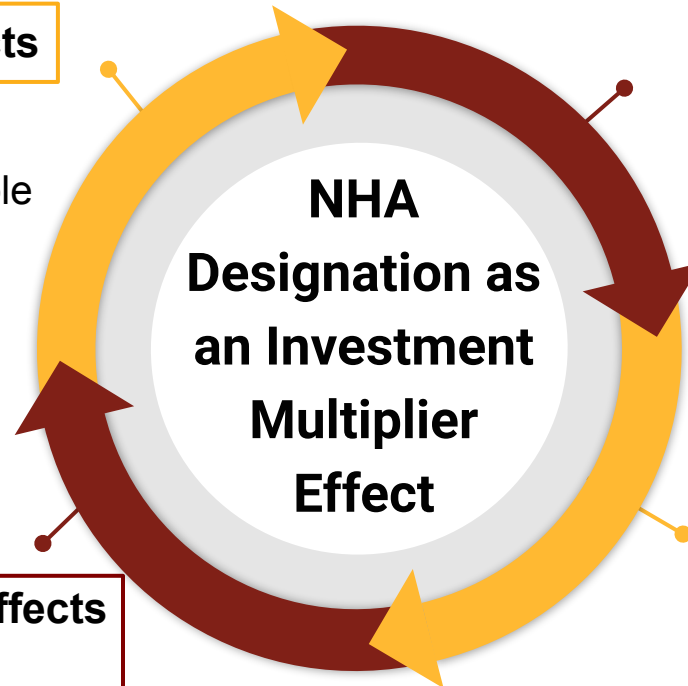


1. Initial Infusion:

- Federal grant money [+ \$150K-\$330K]
- Improved reputation/acclaim
- Culture of event collaboration

5. Macro Effects

- ↑ rGDP [+ 7M]
- ↑ Community-wide disposable income [+ \$950]
- ↑ Aggregate demand
- ↑ Quality of life



2. Visitor Industry Effects

- ↑ Supply of visitor activities
- ↑ Demand from visitors
- ↑ Visitor Spend [+ \$48M in 5 yrs]

3. Company-Specific Effects (Visitor)

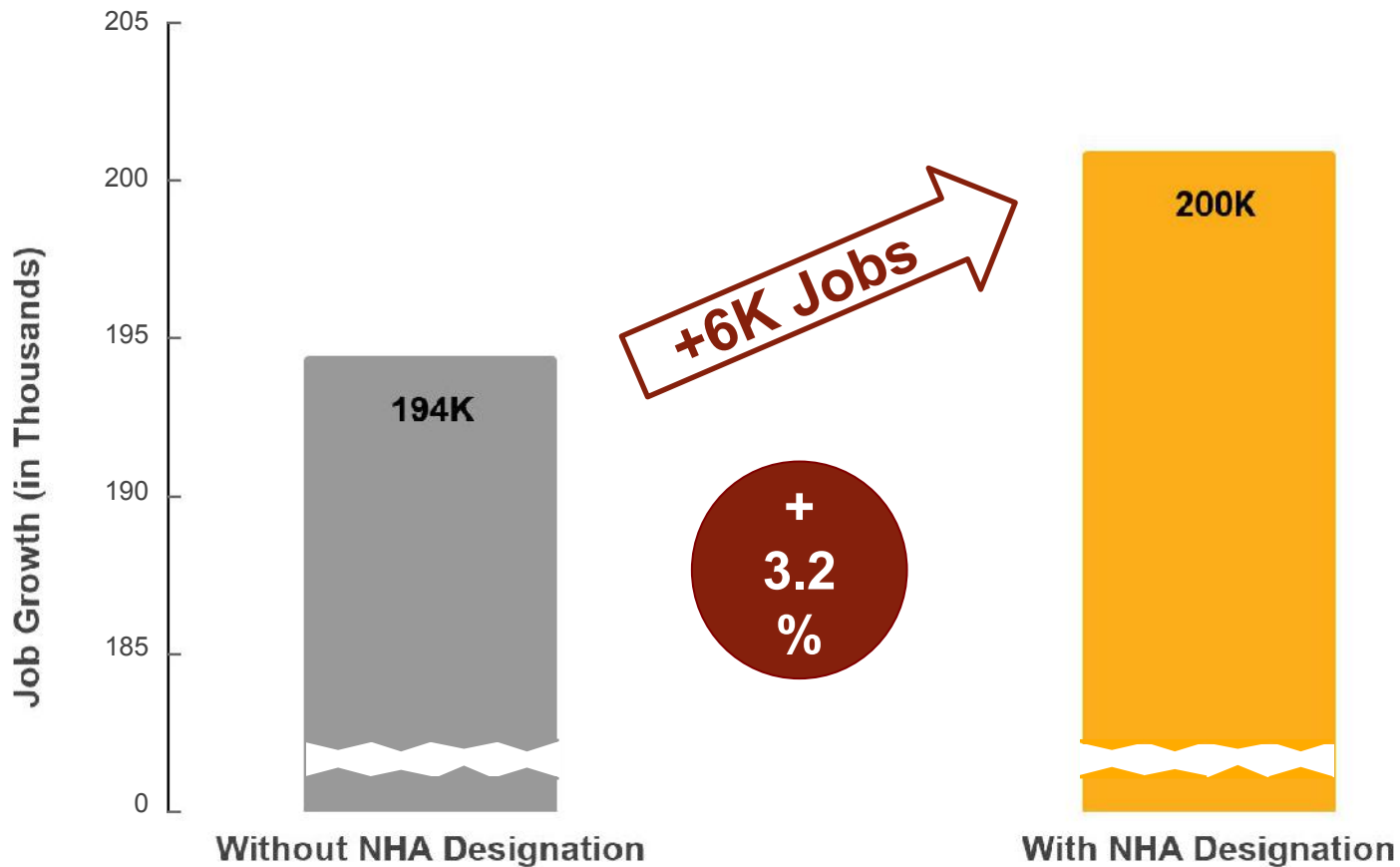
- ↑ Visitor industry [1° effects]
- ↑ Visitor industry jobs [+ 1,300 Jobs]
- Visitor businesses purchase more supplies and services from other local firms [2° effects]

4. Company -Specific Effects (Non-Visitor)

- ↑ Non-visitor business revenue [2° effects]
- ↑ Non-visitor business jobs [+ 5K Jobs]



NHA Designation Creates ~6,000 Jobs in the SCW



*Job creation difference is **5,820 - 7,113** (average: **6,467**) at the 2-year level based on analysis of 25 NHAs*

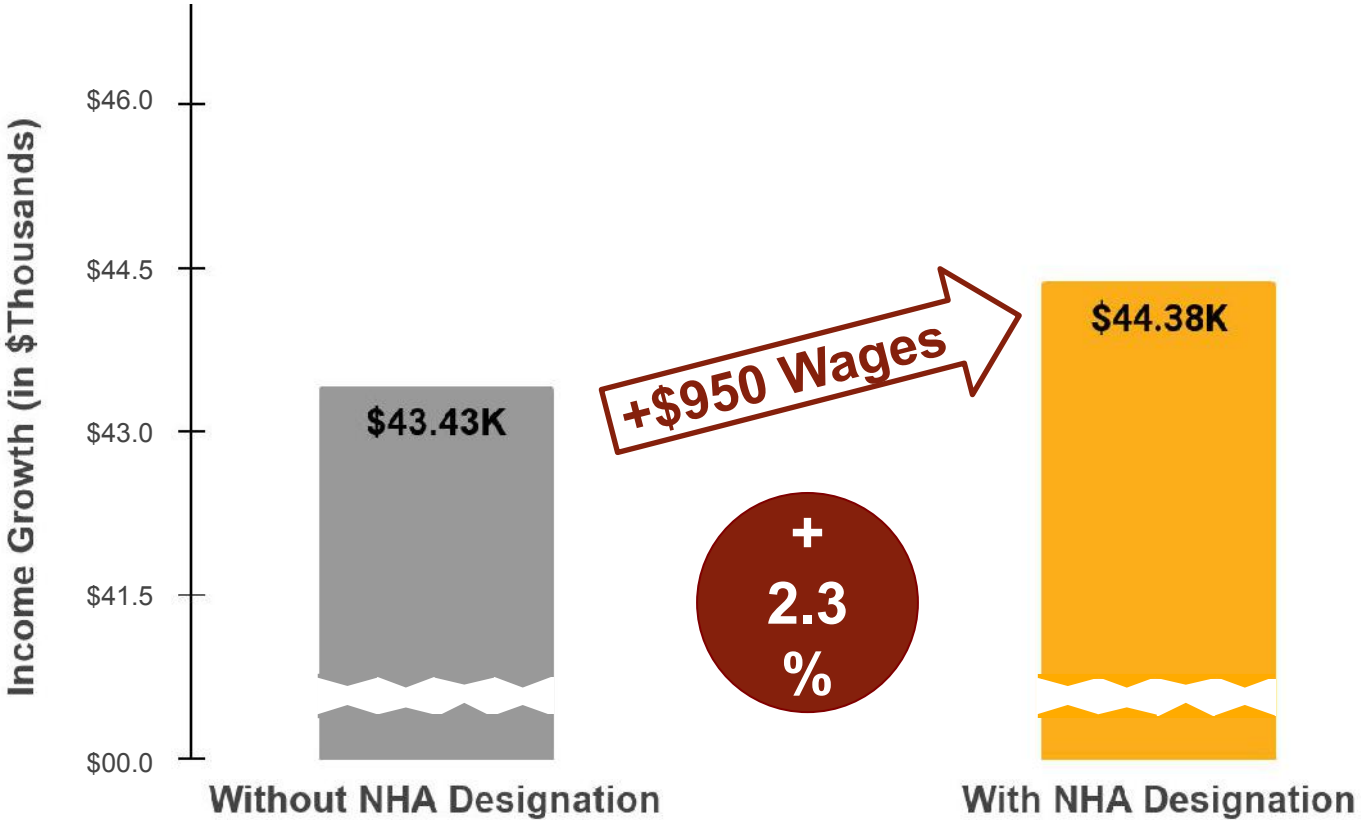


NHA Designation Creates ~1,300 Tourism-Related Jobs Across These Main Tourism Sectors



[2019 NPS Visitor Spending Effects Report for the St. Croix National Scenic Riverway]

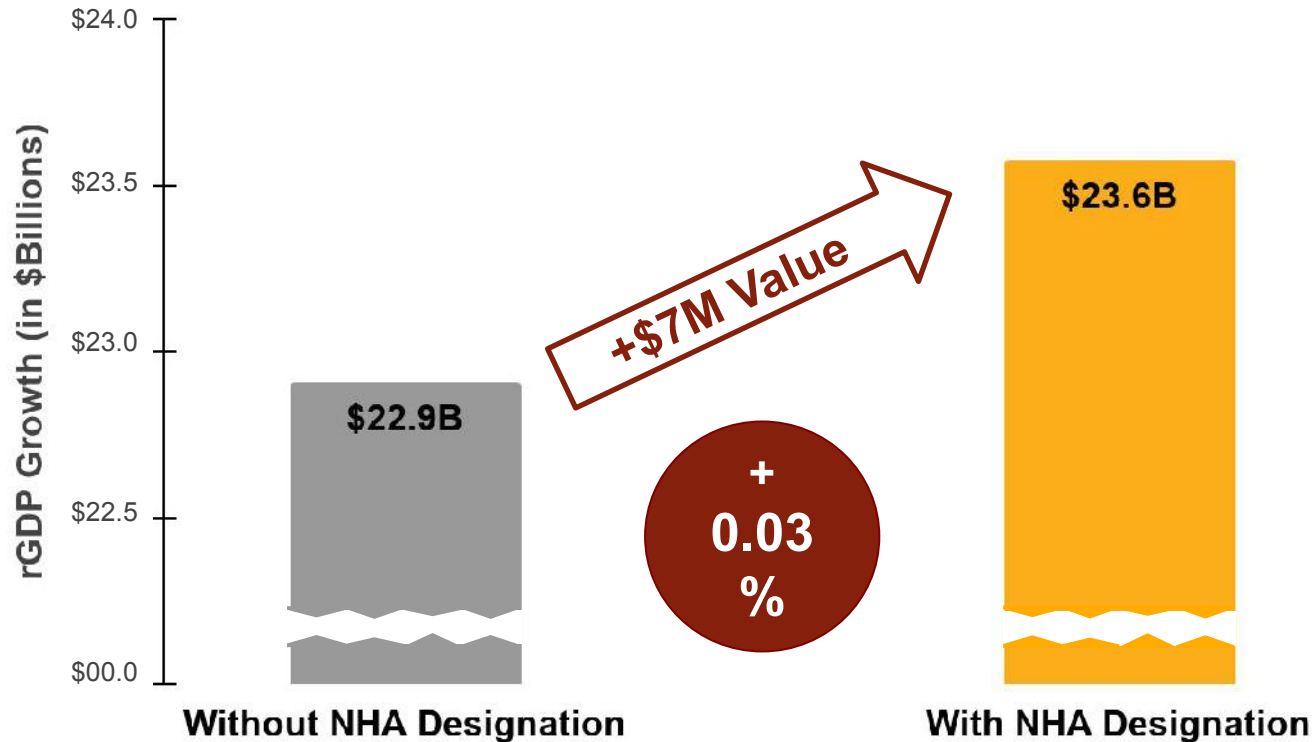
NHA Designation Increases Income by ~\$950 in the SCW



*Income will increase by **\$854 - \$1,043** (average: **\$948**) at the 2-year level based on analysis of 25 NHAs*

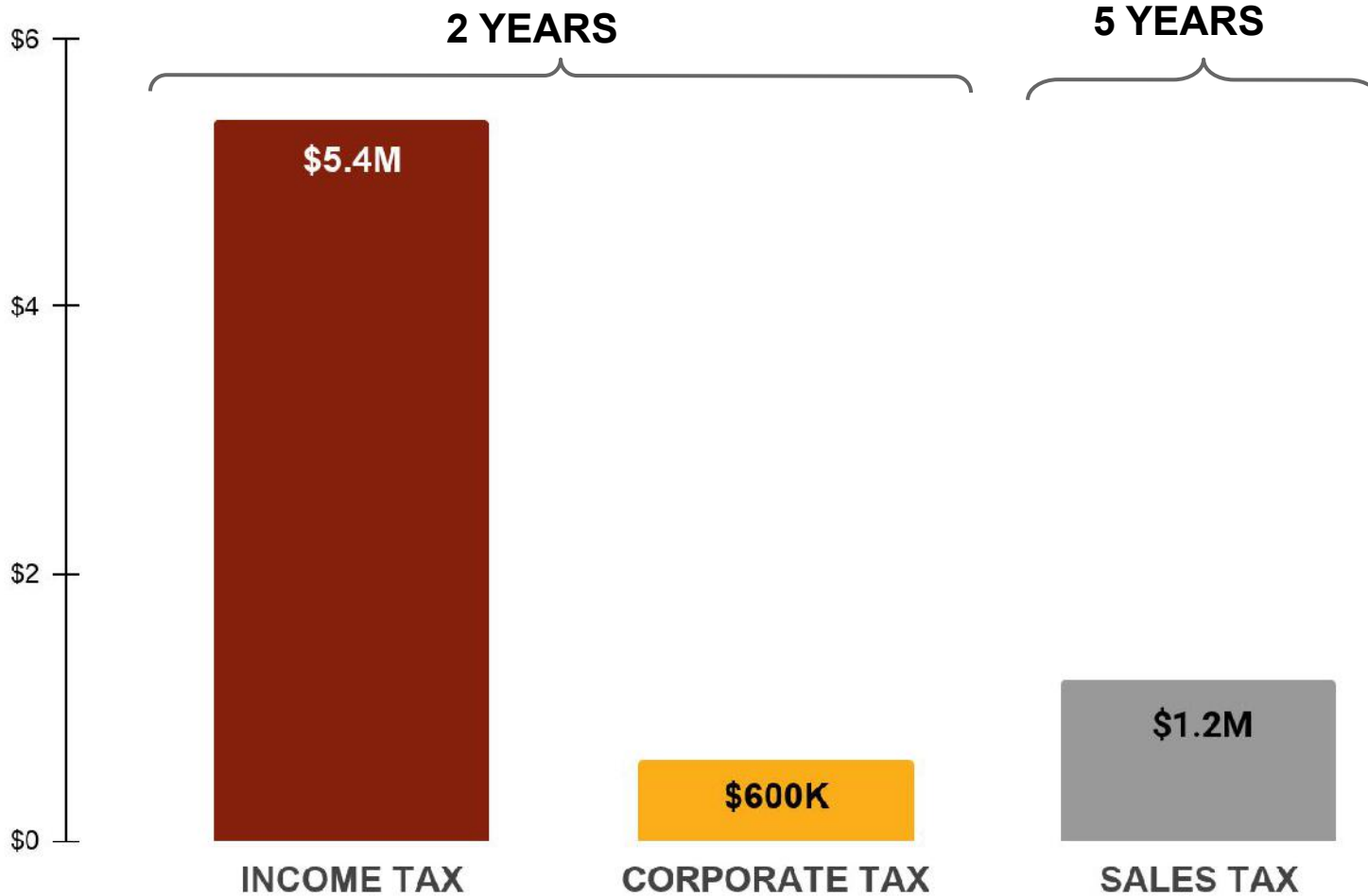


NHA Designation increases GDP by ~\$7M in the SCW

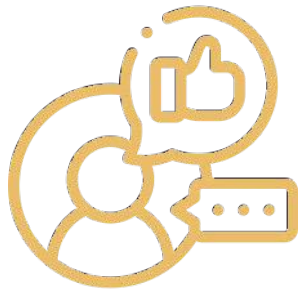


Value Added Difference in GDP is \$6.0M - \$7.4M (average: \$6.7M) at the 2-year level based on analysis of 25 NHAs

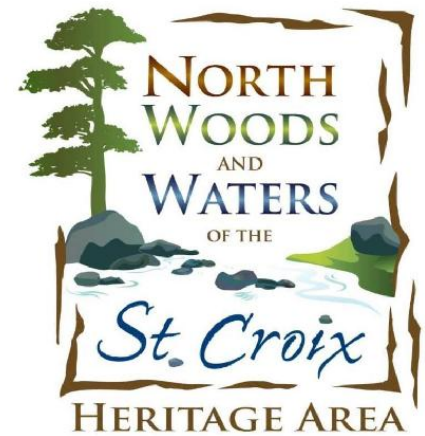
NHA Designation Supports Local Governments with ~\$7.2M in Tax Increases 2-5 Years After NHA Designation



[See Appendix Slide 53]



Recommendation for North Woods & Waters



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North Woods and Waters Should Adopt Key NHA Best Practices to Maximize the Benefit of Designation

Community Engagement: Ownership of the story allows for organic source of ideas and site initiatives

- Partner Sites: ex. Freedom's Frontier 200+ sites privately or publicly owned
- Communities: ex. "Lincoln Communities;" Good option when the State owns most of the historic sites
- Allow sites to interpret the various components of SCW's history while you provide support
- Requires strong partnerships between NWW, federal, state, local agencies, & private enterprise, and community desire to tell the story

Collaborative Marketing: cross promotion of community events, sites, and initiatives to provide recognition, credibility, and accessibility

- Website/Social Media to promote the NHA
- Visitor Guide - Have specific criteria for what partner sites are added to ensure quality
- Create "signature events" that highlight a community's most important event attraction
- Leverage the NPS logo and signage for recognition and credibility

Stewards of the Story: support history through dialogue to strengthen the NHA's purpose and community involvement

- School partnerships and "bus grants" for school field trips
- Be deliberate with grant money to remain cognizant of both sides of a historical story and provide dialogue; ex. Native American Panel (NPNHS) and racial justice education (FFNHS)
- Engage with Native American tribes and compensate for their time

North Woods and Waters should be prepared to address commonly expressed community concerns

What is an NHA and what does designation entail?

NHAs are partnerships among the National Park Service (NPS), states, and local communities, in which the NPS supports state and local conservation through federal recognition, seed money, and technical assistance.

How will designation affect land/property rights?

NHA designation will not abridge the rights of any property owner; require any property owner to permit public access to the property; alter any land use regulation; or diminish the authority of the state to manage fish and wildlife.

Will the impact only be seen on the federal level, or will there be impact seen by citizens and local government?

Our study is specifically designed to show the impact of NHA designation to individual counties, their citizens, and their local government.

Who oversees the designation and disbursement of funds?

A local coordinating entity (LCE) of citizens/partners create and implement a management plan. They often work in partnership with the NPS and other local parties during the implementation.

Next Steps: Further Actions and Research for the North Woods & Waters

- Create a management plan that explains the purpose of North Woods and Waters, defines the steps to become a partner site, and gives explicit criteria to receive grants
- Encourage Explore Minnesota to develop the expertise and capacity to complete the baseline snapshot of regional tourism to fully understand the current state of visitors and spending in the St. Croix Region. (*see appendix pg 39)
- Continue to monitor macroeconomic factors of GDP, Jobs, and Income within the NHA's counties through the Bureau of Economic Analysis and Bureau of Labor Statistics to capture the realized economic impact of designation
- Collect visitor counts through partner sites to measure economic impact. Visitor counts are the primary measurement of outside money flowing into the NHA.

“

QUOTE TO PONDER ON

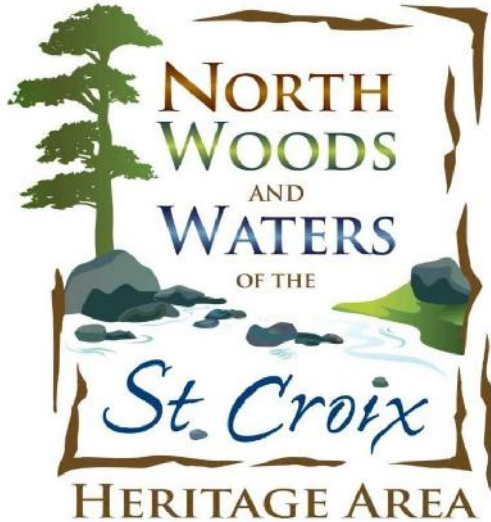
It's a spiritual experience. I've always loved that river. Part of the miracle was that it was located next to a major metropolitan area, but it was still largely an untouched river. The communities alongside it were still modest communities. They lived at peace with the river. The river was clean. You could go down that river in a canoe for three of four miles and never see anything.

WALTER MONDALE

Former Vice President | From a 2015 Interview



Thank You For Choosing the Carlson Consulting Enterprise!



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All Other Section's Sources

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