



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 2, 2001

Joint Committee on Finance

Paper #891

Expand Heritage Tourism Grant Program (Tourism)

[LFB 2001-03 Budget Summary: Page 646, #7]

CURRENT LAW

The goal of the heritage tourism program is to increase visits to attractions, sites and areas that are perceived to have historic or cultural value and interest, and to preserve these historically and culturally valuable sites. Tourism has designated twelve heritage tourism regions around the state. Each biennium, the Department is authorized to select, upon application, two additional areas of the state to participate in heritage tourism. Tourism may make a grant to each of the two areas selected if: (a) the applicant contributes a cash match equal to the grant amount; and (b) the applicant uses the grant proceeds and matching funds only to promote heritage tourism within the selected area. Heritage tourism areas are only eligible for state funding under the program in their first two years of participation (up to \$25,000 in the first year and \$15,000 in the second).

GOVERNOR

Require Tourism to provide an original heritage tourism grant to an applicant in the biennium in which the applicant is selected. Further, allow the Department to award annual grants of up to \$5,000 each in any fiscal year following the fiscal biennium in which the area was selected to participate in the heritage tourism program. Grants may be awarded to any nonprofit organization (as defined under 501 (c) (3) of the internal revenue code) located within a heritage tourism area for the promotion of historic or prehistoric attractions in that area. The grants could be used for interpretive or directional signs, website development, advertising or public relations.

DISCUSSION POINTS

Background

1. The heritage tourism program was initially authorized in 1989 to permit Tourism to participate in a three-year pilot program offered by the National Trust for Historic Preservation. It is now an entirely state program funded at \$143,400 GPR annually. Funds annually are used for 1.0 coordinator position (\$53,100), publications (\$38,700), other program promotion activities (\$11,600) and grants (\$40,000). The Department of Tourism and the National Trust initially chose four historic sites to be developed and promoted under the pilot program. These sites are: (1) the area along I-43/I-94 from Green Bay to Kenosha, which is considered to have an abundance of 19th century ethnic settlements; (2) the area from Green Bay to Prairie du Chien along the Fox and Wisconsin Rivers where Marquette and Joliet took their historic canoe trip across Wisconsin in 1673; (3) the Spring Green area and in particular, Taliesin—the Frank Lloyd Wright property; and (4) the Lac du Flambeau reservation, a 250-year-old Native American community.

2. Since 1994, eight additional heritage tourism sites have been named in the following areas: (1) Iron County; (2) Grant, Lafayette and Iowa counties; (3) Eau Claire, Chippewa Falls and Menomonie; (4) Shawano and Menominee counties; (5) the Coulee region (La Crosse, Monroe, Juneau, Vernon and Trempealeau counties); (6) the Lake Superior shoreline in Ashland and Bayfield counties; (7) Green County and portions of Lafayette and Dane counties; and (8) the St. Croix River Valley in Polk and St. Croix counties. A map outlining current heritage tourism areas is attached. Each site was eligible for a one-time grant of \$25,000 in the first year and \$15,000 in the second year after they were chosen to participate in the program. Additional grant funding has not been provided to these sites through the heritage tourism program.

3. The state heritage tourism program coordinator assists local committees in identifying natural and historic resources available to be promoted, developed and preserved. Each local committee then creates a five-year marketing plan that identifies a product to be developed as part of the heritage tourism effort. For example, the Frank Lloyd Wright heritage tour produced a printed guide to Frank Lloyd Wright-designed buildings in southern Wisconsin that are open to the public. The guide provides photos, biographical information about the architect, brief histories of the buildings, visitor information and maps.

4. In addition, the state coordinator provides information and technical assistance to areas not selected for participation in the program, assists political subdivisions in assessing resources available for heritage tourism, analyzes current interest in heritage tourism and develops and implements plans to increase heritage tourism. Additionally, the Department has organized and sponsored annual statewide conferences to stimulate interest in heritage tourism development.

Program Expansion

5. Under the Governor's recommendation, any nonprofit organization located within a heritage tourism area would be eligible to receive funding after the initial two years of being designated a heritage tourism site. Thus, grants could be awarded to multiple organizations

(including the organization that originally received funding for the project) in the same heritage tourism area. Since one heritage tourism area may be more active than others, it may be appropriate to offer multiple grants to one area. Conversely, it could be argued that if grants are awarded, they should be distributed to multiple heritage tourism areas in the state.

6. Further, the Department currently offers grants to assist nonprofit tourism promotion organizations in publicizing innovative events and attractions in the state through a joint effort marketing (JEM) grant program. Funds are available for up to 50% of the cost of a project related to the development of publicity and the production and placement of advertising. Further, "Destination Marketing" is another grant offered through JEM that provides up to \$40,000 in matching funds for image-based marketing campaigns that serve a regional interest to promote traditionally slower seasons of tourism. In 1999-00, the Department made a total of \$1,141,000 in JEM awards. Nonprofits in heritage tourism areas have applied for, and received funding, through the JEM program for heritage tourism promotion. Therefore, it could be argued that providing additional grants through an expanded heritage tourism program is unnecessary. On the other hand, providing grants through a separate program ensures that heritage tourism areas would receive grant funding, without competing for funds with non-heritage tourism promotions.

7. A significant portion of the state has already been designated a heritage tourism area. It could be argued that selecting additional heritage tourism areas would dilute the quality of the program. Further, those areas that have previously received funding have continued to market the heritage tourism areas without grant support from the program. In addition, the Department assists local projects in pursuing grant opportunities and financial support from organizations that are directly benefiting from visitors brought to the areas from the heritage tourism program. Moreover, when projects are originally chosen for participation in the program, one of the selection criteria is the desire of the local community to succeed and continue the heritage tourism concept beyond the two-year grant.

8. Thus, it could be argued that the state heritage tourism program has accomplished its original objective. The Committee could choose to prohibit the Department from selecting additional heritage tourism sites. Further, a decision could be made to end the state program altogether. However, others would maintain that the state has already made an initial investment in the program and that the heritage tourism program provides an important tourism niche for the state. Further, some believe completely ending state support and promotion of the program may lead local communities to end their heritage tourism efforts to the detriment of the state's tourism industry.

ALTERNATIVES

1. Approve the Governor's recommendation to allow Tourism to award annual grants of up to \$5,000 each in any fiscal year following the fiscal biennium in which a heritage tourism area is selected. Allow grants to be awarded for interpretive or directional signs, website development, advertising or public relations to any nonprofit organization located within a heritage tourism area for the promotion of historic or prehistoric attractions in that area.

2. In addition to Alternative 1, prohibit the Department from providing more than one heritage tourism grant per fiscal year to any one heritage tourism area.

3. Prohibit the Department from selecting additional heritage tourism sites.

4. Delete \$40,000 GPR annually to eliminate grant funding under the heritage tourism program. (Heritage tourism areas could continue to seek funding through Tourism's JEM grants.)

Alternative 4	GPR
2001-03 FUNDING (Change to Bill)	- \$80,000

5. Delete \$143,400 GPR annually with 1.0 heritage tourism program coordinator position and eliminate the state heritage tourism program. (Heritage tourism areas could continue to seek funding through Tourism's JEM grants.)

Alternative 5	GPR
2001-03 FUNDING (Change to Bill)	- \$286,800

6. Maintain current law.

Prepared by: David Schug
Attachment

ATTACHMENT

Wisconsin State Designated Heritage Tourism Areas

