



PHOTO COURTESY QUAPAW BATH AND SPA

HOT SPRINGS NATIONAL PARK

HOT SPRINGS, AK

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.

HISTORIC LEASING IN NATIONAL PARKS

“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 55-year 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.

A PROBLEM

The National Park Service (NPS) maintains a network of 417 parks and sites that protect some of our nation's most spectacular historic, cultural, and natural resources. However, after 100 years of operation and inconsistent public funding, the NPS faces a deferred maintenance backlog estimated at \$11.6 billion—of which approximately

47% is attributed to historic assets. Deferred maintenance in our national parks puts historic and cultural sites at risk of permanent damage or loss, and in the absence of funding, the condition of these assets will continue to deteriorate and become more expensive to repair and preserve in the future.

A SOLUTION

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



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