

**INCENTIVES FOR LOCAL ENTITIES
TO ASSUME CONTROL OF
STATE HISTORIC SITES**

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Introduction

STATUTORY MANDATE FOR THE STUDY

Section 753.20 of Am. Sub. H.B. 119 of the 127th General Assembly directs the staff of the Legislative Service Commission (LSC) to

study the feasibility and potential results of the state's offering incentives for local entities, including municipal corporations, counties, townships, local historical societies, and regional authorities, to assume control of state historical sites. The incentives to be studied shall include the establishment of tax credits, the contribution of capital dollars, and the creation of an endowment-matching program.

The study shall focus on the cost and funding aspects of the incentives that are studied. In addition, the study shall attempt to determine the potential results of providing each incentive at varying levels.

The possible structure and impact of each of these incentives is discussed below under *Transfer Incentives*.

STATUTORY DUTIES OF THE OHIO HISTORICAL SOCIETY

The Ohio Historical Society (OHS) is a not-for-profit corporation chartered by the state in 1885 to promote a knowledge of history and archaeology, especially of Ohio, and authorized by statute "to perform public functions as prescribed by law."¹ Among its other functions, OHS operates the state historical museum, maintains a library, preserves manuscript collections, publishes the monthly magazine *Timeline* as well as books and pamphlets, encourages the development of local historical societies, and manages the Statehouse Education and Visitors Center. With regard to historic sites, OHS is charged by statute with the following tasks:

¹ R.C. 149.30.

- Creating, supervising, operating, protecting, maintaining, and promoting for public use a system of state memorials, titles to which may reside wholly or in part with this state or wholly or in part with the society as provided in and in conformity to appropriate acts and resolves of the General Assembly, and leasing for renewable periods of two years or less, with the advice and consent of the Attorney General and the Director of Administrative Services, lands and buildings owned by the state which are in the care, custody, and control of the society, all of which shall be maintained and kept for public use at reasonable hours;
- Making alterations and improvements, marking, and constructing, reconstructing, protecting, or restoring structures, earthworks, and monuments in its care, and equipping such facilities with appropriate educational maintenance facilities;
- Establishing a marking system to identify all designated historic and archaeological sites within the state and marking or causing to be marked historic sites and communities considered by the society to be historically or archaeologically significant;
- Providing advisory and technical assistance to local societies for the preservation and restoration of historic and archaeological sites;
- Devising uniform criteria for the designation of historic and archaeological sites throughout the state and advising local historical societies of the criteria and their application;
- Taking inventory, in cooperation with the Ohio Arts Council, the Ohio Archaeological Council, and the Archaeological Society of Ohio, of significant designated and undesignated state and local sites and keeping an active registry of all designated sites within the state;
- Contracting with the owners or persons having an interest in designated historic or archaeological sites or property adjacent or contiguous to those sites, or acquiring, by purchase, gift, or devise, easements in those sites or in property adjacent or contiguous to those sites, in order to control or restrict the use of those historic or archaeological sites or adjacent or contiguous property for the purpose of restoring or preserving the historical or archaeological significance or educational value of those sites.

CURRENT OHS SITES

OHS currently maintains, directly or indirectly, 60 historic sites. OHS directly operates 34 sites, eight of which are unstaffed archeological sites or roadside commemorative parks. Staffed sites include the Ohio

Historical Center and the Statehouse Education and Visitor Center in Columbus and museums, historic homes, nature preserves, and other sites of historical interest around the state. For operation of the other 26 sites, OHS has formed partnerships with local governments or private, nonprofit organizations. Each of these sites remains under the ultimate control of OHS but is managed by the local partner pursuant to a contract with OHS. One site, the Glendower State Memorial in Warren County, is being transferred to the Warren County Historical Society. Appendix A is a complete list of OHS sites.

TRANSFER OF OHS SITES

According to OHS, no other state historical society operates as many sites as it does. State GRF funding for OHS increased slightly in recent years, but along with other sources of income, these funding levels make it difficult for OHS to meet all its operating needs. Access to the Ohio Village in Columbus has been limited to special events and hours at other sites have been reduced. In addition, according to OHS, "the maintenance level at some facilities is in 'dire' condition."² As a result, OHS is considering the possibility of transferring some sites to local governments or organizations. OHS has a transfer policy that seeks to ensure that transferred sites retain their public character. (See Appendix B.)

Past transfers of sites

In the past, OHS has transferred more than a dozen sites. In some cases, the transferred site consisted solely of land on which a significant historical event occurred or on which an Indian mound is located. For example, in 1969 OHS deeded the five-acre Fort Miamis site, near the location of the Battle of Fallen Timbers, to the city of Maumee on condition that the land revert to the state if it is not used as "an historical shrine." The land is now part of the Fort Miamis National Historic Site. In 1992, OHS conveyed 88 acres on which Fort St. Clair was built in 1792 to the city of Eaton but reserved the right to conduct archeological excavations on the site and ownership of any artifacts unearthed. The property is now part of a city park. In other cases, OHS has transferred buildings, such as the old state museum, now Sullivant Hall, to The Ohio State University in 1970. In 1982, OHS transferred General William T. Sherman's birthplace in Lancaster to the Fairfield Heritage Association. OHS retained ownership of the artifacts in the home. The Association still operates the home as a museum.

² *LSC Redbook for OHS*, May 11, 2007, p. 2.

Sites currently under consideration for transfer

For purposes of this study, LSC asked OHS for a list of historic sites that may be candidates for transfer. OHS identified 20 such sites. These may be divided into four types: historic buildings, parks and monuments, archaeological sites, and natural areas. Historic buildings typically include artifacts and in most cases constitute museums. Monuments mark the locations of historic events and may include markers, statues, or shelters. The 20 sites are:

Historic Houses and Buildings

- Cooke House State Memorial (Sandusky)
- Hanby House State Memorial (Westerville)
- McCook House State Memorial (Carrollton)
- Our House State Memorial (Gallipolis)
- Shaker Historical Museum (Shaker Heights)
- Tallmadge Church State Memorial (Tallmadge)

Historic Parks and Monuments

- Custer Monument State Memorial (New Rumley)
- Fallen Timbers State Memorial (Toledo)
- Fort Amanda State Memorial (Auglaize County)
- Fort Jefferson State Memorial (Darke County)
- Logan Elm State Memorial (Pickaway County)

Archaeological Sites

- Inscription Rock State Memorial (Kelleys Island)
- Leo Petroglyph State Memorial (Jackson County)
- Seip Mound State Memorial (Ross County)
- Shrum Mound State Memorial (Columbus)
- Story Mound State Memorial (Chillicothe)

Natural Areas

- Cedar Bog Nature Preserve (Champaign County)
- Davis Memorial Nature Preserve (Adams County)
- Glacial Grooves State Memorial (Kelleys Island)
- Wahkeena Nature Preserve (Fairfield County)

The Ohio Department of Natural Resources (ODNR) manages Davis, Glacial Grooves, and Inscription Rock pursuant to partnership agreements with OHS and has expressed an interest in taking direct control of the sites. OHS and ODNR are engaged in discussions toward that end. ODNR is also considering the possibility of accepting direct responsibility for Cedar Bog. Most of the land within the Cedar Bog Nature Preserve is owned by the state for the benefit of ODNR. Seip Mound adjoins property of the National Park Service (NPS) and is part of

the Hopewell Culture National Historic Park. The Ohio Department of Transportation (ODOT) operates a portion of the memorial as a roadside rest area. The NPS is interested in acquiring the site if it can work out an agreement with ODOT on the maintenance of the rest area. Because the likely transferee in the event of a transfer of any of these five sites is a state or federal agency, these sites are excluded from this study.

METHODOLOGY OF STUDY

To determine what incentives might induce a local entity to take over a historic site, LSC staff members:

- (1) Examined information supplied by OHS on the nature of each site, the annual operating costs and subsidies, the need for capital improvements, and other pertinent data;
- (2) Telephoned local site partners or other potential transferees and followed up with questionnaires (see Appendix C) relating to the capital costs, operating expenditures, and revenues of each site to determine the prospective transferees' level of interest, resources, and perception of the costs required for site management;
- (3) Visited selected sites, including at least one of each type.

Overview of Sites Under Consideration for Transfer

The following overview of each of the 15 sites covered by this study includes a description of the ownership and management arrangements of the site, information on the current extent of state and local support for the site, financial data as reported by OHS and by the site operators, and a brief discussion of the extent to which local partners or other organizations are willing and able to assume control of the site. Some local entities expressed confusion or disagreement concerning the needs identified by OHS. Others viewed the needs identified by OHS as essential to the ongoing viability of the site.

The responses to LSC's fiscal survey provided varying levels of detail. In some cases, LSC received little or no local input. LSC attempted to gain a picture of actual site-specific annual operating expenditures and revenue for the most recent fiscal year, as well as any

estimates of future costs and income, in order to present as complete a picture as possible given the information received.

HISTORIC HOUSES AND BUILDINGS

Cooke House State Memorial

This site was home to Eleutherus Cooke, Sandusky's first lawyer and later a member of the Ohio General Assembly and Congress. Built in the 1840s, the house contains exhibits on the 19th century history of the house and came to be under OHS control through a private donation in 1995.

Ownership and Management. OHS owns the property. The Old House Guild of Sandusky manages the site and provides staffing.

State and Local Support. The site receives some funding from OHS, with the primary source of financial support coming from members of the Old House Guild of Sandusky. There is no local government funding for the site.

Financial Information. OHS estimates that the Cooke House requires \$249,500 in capital improvements for various projects, as shown in the table below. The Old House Guild did not provide LSC with any additional financial information.

Estimate of Capital Needs Cooke House State Memorial	
Capital Project	Amount
<i>OHS Estimate</i>	
Site Work	\$22,600
Exterior Repairs	\$21,000
Interior Repairs	\$141,700
Collection Cataloging	\$13,000
Architecture/engineering	\$18,500
Contingency	\$21,700
Civil War Sesquicentennial Projects	\$11,000
Total	\$249,500

Feasibility of Transfer. The Old House Guild is not interested in managing the site independently or with the support of a local government. Nor is it interested in obtaining ownership of the site unless it can obtain the property at no cost to the organization. If the Guild were to obtain the site, it would need state funding, an endowment, or another source of funding for long-term maintenance.

Hanby House State Memorial

The Hanby House in Westerville was the home of William Hanby, an abolitionist and co-founder of Otterbein College, and his son, composer and songwriter Benjamin Russell Hanby. Built in 1846, the house was occupied by the Hanby family from 1853 to 1870. Currently, the house contains Hanby family furniture and personal items as well as a collection of Hanby's sheet music and books.

Ownership and Management. The site is owned by OHS and run through a partnership agreement with the Westerville Historical Society (WHS), which provides volunteer staffing. OHS owns some artifacts in the house while WHS owns others.

State and Local Support. In FY 2006, the Hanby House received a \$2,500 stipend from OHS, primarily for utility bills. Other support came from a payment from the Westerville Garden Club and dues from the members of the Hanby Club. There is no involvement from local government except for minor promotion by the Westerville Visitors Bureau. Additionally, the site has received funding through a one-time bequest to OHS by a Hanby House volunteer, as well as occasional private donations. In the past, the United Methodist Church has also provided small grants, as the house is considered to be one of three Methodist historic shrines in Ohio.

Financial Information. OHS estimates that the Hanby House requires \$133,000 in capital improvements for various projects, as shown in the table below. In addition, the Hanby House provided LSC with its own list of capital needs estimated at \$104,183, which includes most of the projects named by OHS with the exception of funds set aside for architecture and engineering costs and contingencies.

Estimate of Capital Needs Hanby House State Memorial	
Capital Project	Amount
<i>OHS Estimate</i>	
House maintenance	\$48,000
Cottage maintenance	\$25,400
Site work	\$30,600
Architecture/engineering	\$15,000
Contingency	\$14,000
Total	\$133,000
<i>Site's Alternative Estimate</i>	
House maintenance	\$42,965
Cottage maintenance	\$18,660
Site work	\$42,558
Total	\$104,183

LSC's fiscal survey of the site also found that actual annual operating expenditures for the Hanby House totaled \$4,588 on revenue of \$4,660. Sources of income include admissions and sales of books and gifts, support from the Westerville Garden Club and Hanby Club, and the \$2,500 OHS stipend. WHS estimates that it would incur an additional \$1,530 in operating costs in order to pay for liability insurance, security system operations, and cleaning costs that would be incurred if WHS took over the site.

Feasibility of Transfer. WHS is interested in managing the site independently or with local assistance. However, it is concerned with its ability to fund the site and address its capital needs. WHS believes that if the \$2,500 OHS stipend were discontinued, utility payments might be covered through local sources. WHS would want to continue a relationship with OHS for publicity and to be able to continue to utilize its historical expertise, and would still like to be designated as a state historic site.

McCook House State Memorial

Located on the town square of Carrollton in Carroll County, the McCook House was home to the family of Daniel McCook until 1853. The family contributed nine soldiers to the Union Army during the Civil War, including five generals. The house contains items from the period, including artifacts belonging to the McCook family, and is meant to represent the mid-19th century and the Civil War era.

Ownership and Management. The state of Ohio owns the property and OHS owns some artifacts in the house. The Carroll County Historical Society (CCHS) manages the site and owns most of the items on display.

State and Local Support. OHS provides the site with \$3,000 per year for operations. This amount has been constant for approximately 25 years. CCHS is the only source of local support and provides the house with one part-time paid staff member as well as volunteers. CCHS has an endowment fund held and invested by the Stark Community Foundation, but this fund is not used for the McCook House.

Financial Information. OHS estimates that the McCook House requires \$360,500 in capital improvements for various projects. According to information gained from LSC's visit to the site, the largest needs for the house itself are interior water and structural damage and deterioration of the exterior brickwork believed to be caused by weather and the vibrations from passing trucks. CCHS categorizes these repairs as essential to the preservation of the house.

Estimate of Capital Needs McCook House State Memorial	
Capital Project	Amount
<i>OHS Estimate</i>	
Exterior repairs	\$71,500
Interior repairs	\$131,200
Structural engineering study	\$16,000
Exhibits	\$60,000
Remove and replant trees	\$7,100
Architecture/engineering	\$22,700
Contingency	\$30,000
Civil War Sesquicentennial projects	\$22,000
Total	\$360,500

The McCook House's most recent annual operating expenditures were \$7,761 on total revenues of \$7,302. Revenue is primarily from admissions, gift sales, and donations. Visiting school groups are not charged. CCHS indicated that utility payments consume a large portion of its receipts and that additional help is required to meet those costs.

Feasibility of Transfer. CCHS is not interested in obtaining ownership of the McCook House unless all necessary capital needs and repairs are met and all OHS-owned artifacts remain with the house. In addition, CCHS does not believe it could manage the house on its own with the revenue it currently receives from admissions, sales, and donations.

Our House State Memorial

Built in Gallipolis in 1819, the building was used as a tavern containing a taproom, dining room, and ballroom. It hosted a visit by General Lafayette in 1825. The site was donated to the state in 1944.

Ownership and Management. The state of Ohio owns the site and the Friends of Our House provide the day-to-day management. The Friends of Our House provide one paid employee and a staff of 20 volunteers. Ownership of the artifacts is unclear and OHS and the Friends would need to review the site's inventory to determine the ownership of items in the building.

State and Local Support. Our House receives an annual stipend of \$3,500 from OHS. The Gallipolis City Commission and the Gallipolis Charitable Foundation each provides a yearly donation of \$4,000. Half of the Foundation's donation must be put into an endowment fund for the site. Other income includes a donation of \$500 from Bob Evans Farms and approximately \$1,700 from tours and events held at the site. In the past, two counties have also provided funding for the site. The Friends of

Our House has also provided funding, but did not in 2007 due to a weakening economy. The group receives occasional private donations and conducts fundraisers for special projects.

Starting in 2008, in an effort to draw more visitors, the Friends of Our House will use the site as a location for geocaching. Geocaching is a game in which the participants use a global positioning system to find the coordinates of boxes set up by organizations and individuals. Players take what is in the box and leave something else for future geocachers to find. The Friends hope that placing a geocache at Our House will increase interest in the site among players who find it.

Financial Information. OHS estimates that Our House requires \$135,000 in capital improvements for various projects. The Friends of Our House currently has a \$31,500 bid for garden wall restoration, estimated by OHS at \$25,000, and a \$4,100 bid for foundation repairs, estimated by OHS at \$12,000. The organization indicated that it did not know why OHS included costs for rewiring the building and disability access in its estimate. The total alternative estimate of capital needs, according to the Friends of Our House, is only for the garden wall and foundation projects and would total \$35,600.

Estimate of Capital Needs Our House State Memorial	
Capital Project	Amount
OHS Estimate	
Garden wall restoration	\$25,000
Rewire building	\$27,500
Foundation repairs	\$12,000
ADA access	\$42,000
Architecture/engineering	\$16,000
Contingency	\$12,500
Total	\$135,000
Site's Alternative Estimate	
Garden wall restoration	\$31,500
Foundation repairs	\$4,100
Total	\$35,600

The group reported estimated annual operating expenditures of \$10,694, with approximately the same amount being required for future years. Annual revenue through November 2007 has been \$13,672.

Feasibility of Transfer. The Friends of Our House would be interested in managing the site independently, but they do not think they would be able to do so because of exterior maintenance costs. Funding received from the City of Gallipolis is not enough to cover these expenses and the continual maintenance needs of the site. As a result, the

organization believes that if state funding were discontinued, the site would face possible closure.

Shaker Historical Museum

The Shaker Historical Museum, located in Shaker Heights, is a historic mansion housing a large collection of artifacts from the Shaker colony of North Union. The museum is dedicated to preserving the area's Shaker heritage and interpreting the 19th-century Shaker culture.

Ownership and Management. The state of Ohio owns the site through a 1970 warranty deed for the house and property. The deed states that the state must operate the site as a museum or ownership will revert to the heirs of the original owners. The site is operated by the Shaker Historical Society (SHS), which has a limited relationship with OHS.

State and Local Support. OHS provides \$50 per month for a security system at the museum. The remainder of support for the site comes from the SHS annual fund, SHS membership, and other contributions, as well as income from events, investments, museum shop sales, and admissions. SHS also receives grants from the City of Shaker Heights and Cuyahoga County and is able to operate without OHS support. Additionally, SHS was recently awarded a \$19,847 grant for 2008 from Cuyahoga Arts and Culture, the publicly funded Regional Arts and Cultural District.

Financial Information. OHS estimates that the Shaker Historical Museum requires \$257,600 in capital improvements for various projects, as shown below.

Estimate of Capital Needs Shaker Historical Museum	
Capital Project	Amount
<i>OHS Estimate</i>	
Museum tile roof maintenance	\$129,000
Garage roof and stucco repair	\$21,000
Landscaping and exterior lighting	\$21,000
Walking trail	\$27,000
Interpretive signage	\$18,000
Architecture/engineering	\$20,000
Contingency	\$21,600
Total	\$257,600

LSC's fiscal survey of the site also found that the site's annual operating expenditures were \$123,611 on site-specific revenue of \$109,112. The museum anticipates a future operating cost of \$30,000 for a new exhibit on Shaker Heights, though SHS believes it can raise the funds for this itself.

Feasibility of Transfer. SHS is not interested in managing the site independently, believing that state ownership of the site is important for its prestige and legal support. SHS has local zoning issues due to the museum being located in a residential area, and has also experienced issues with neighbors that may require state legal assistance. SHS believes that if the site came under local control, it may eventually be used for purposes other than what was originally intended. In the event of a transfer, SHS would require state support for legal assistance to address local zoning and other concerns, and the ability to own the property at no cost to the organization. However, SHS has indicated that it does not require additional financial assistance due to strong support in the community.

Tallmadge Church State Memorial

Built between 1822 and 1825 and located in the city of Tallmadge, this historic church is now primarily used for weddings and other special events. The building is notable for its Greek Revival-style portico and 100-foot tall steeple.

Ownership and Management. The site is owned by the state of Ohio and operated by OHS. OHS maintains the site and all artifacts within, and provides a part-time staff member.

State and Local Support. The site is entirely supported by OHS for operating and capital funding. The local government uses the site occasionally for official functions and has provided occasional maintenance work, such as exterior washing. No other local or community organizations fund the site.

Financial Information. OHS estimates that Tallmadge Church requires \$518,600 in capital improvements for various projects to be completed in two phases, as shown below.

Estimate of Capital Needs Tallmadge Church State Memorial	
Capital Project	Amount
<i>OHS Estimate: Phase 1</i>	
Interior	\$239,500
Historic finishes analysis -interior	\$18,500
Exterior painting	\$35,000
Architecture/engineering	\$29,000
Contingency	\$32,000
<i>OHS Estimate: Phase 2</i>	
Exterior Improvements	\$136,000
Architecture/engineering	\$13,600
Contingency	\$15,000
Total	\$518,600

LSC did not send a fiscal survey for Tallmadge Church since the site is owned and operated by OHS with no local partners. OHS incurred an operating cost of \$44,640 for the site in FY 2007.

Feasibility of Transfer. The Tallmadge Historical Society (THS) is the primary candidate organization for a transfer of this site. THS is an all-volunteer organization with no paid staff and a small annual budget. THS does not believe it could manage the site independently and does not believe all the capital and operating needs could be met without state funding.

HISTORIC PARKS AND MONUMENTS

Custer Monument State Memorial

This site in New Rumley, Harrison County, commemorates the birthplace of General George A. Custer. The site consists of an approximately one-acre park with a statue of Custer, kiosks containing exhibits on Custer and the area during his life, and picnic facilities, including restrooms. Brickwork on the ground marks the outline of the house where Custer was born.

Ownership and Management. The state of Ohio owns the site, with OHS overseeing the site and providing some funding. The Custer Memorial Association (CMA) is the local partner, performing routine maintenance such as mowing the lawn. OHS provides certain capital needs on an as-needed basis.

State and Local Support. OHS provides CMA with approximately \$2,000 per year for mowing costs. CMA raises additional funds on its own through an annual festival held by the neighboring Carroll County Historical Society. Funds raised are typically not more than \$500 to \$1,000.

CMA also operates a nearby Custer Museum that is unaffiliated with OHS, but which provides some income to CMA through sales and events. The museum has received capital support of approximately \$8,000 from Harrison County and generates a small amount of income through sales of Custer memorabilia. The museum and Custer Monument have also been included on local heritage tours of the area that include the McCook House in Carrollton and the Clark Gable House in Cadiz.

Financial Information. OHS estimates that the Custer Monument requires \$36,400 in capital improvements for various projects, as shown below.

Estimate of Capital Needs Custer Monument State Memorial	
Capital Project	Amount
OHS Estimate	
Conserve bronze sculpture	\$8,000
Trim trees	\$3,000
Paint picnic shelter and outhouses	\$2,500
Reroof picnic shelter and outhouses	\$5,000
Paint steel kiosk	\$3,000
Reconstruct masonry outline identifying site of birthplace	\$4,500
Improve landscape	\$2,000
Architecture/engineering	\$5,600
Contingency	\$2,800
Total	\$36,400

LSC did not receive additional financial information from the Custer Memorial Association on operating costs or revenue.

Feasibility of Transfer. CMA is somewhat interested in controlling the site, but believes that current levels of OHS support are inadequate for all the site's needs and that some state support would be needed to ensure that the site does not fall into disrepair.

CMA has positioned the site as a potential destination in the area, along with its own museum and other nearby sites. The organization has a relationship with Harrison County and the Carroll County Historical Society that could be beneficial if a transfer were to take place.

Fallen Timbers State Memorial

This site is located near the site of the Battle of Fallen Timbers, which took place in 1795 and led to the Treaty of Greenville, in which Native Americans ceded eastern and southern Ohio to white settlers. The park consists of a bronze sculpture, two smaller monuments, and Turkey Foot Rock. The site is also a National Historic Landmark and is part of the Fallen Timbers Battlefield and Fort Miamis National Historic Site.

Ownership and Management. The state of Ohio and OHS each own portions of the site, and the Toledo Metroparks manage it and are responsible for routine maintenance and patrolling.

State and Local Support. The site receives no local funding and is used primarily for school cross country meets and soccer games. There is no principal volunteer organization, but the Fallen Timbers Battlefield Preservation Commission is involved with the site and was responsible for applying for the site's status as a national historic site. Toledo Metroparks does minimal historical programming on the anniversary of the Battle of Fallen Timbers. The National Park Service has indicated that it will also perform more programming at the site now that it has a national designation.

Financial Information. OHS estimates that Fallen Timbers requires \$80,900 in capital improvements for various projects, as shown in the table below.

Estimate of Capital Needs Fallen Timbers State Memorial	
Capital Project	Amount
<i>OHS Estimate</i>	
New water service and drinking fountain	\$20,000
Landscaping	\$35,500
Topographic and boundary survey	\$8,500
Architecture/engineering	\$9,600
Contingency	\$7,300
Total	\$80,900

LSC did not receive any additional financial information about the operating costs and revenue for the Fallen Timbers site from Toledo Metroparks.

Feasibility of Transfer. Toledo Metroparks is somewhat interested in managing the site independently, as it has essentially been doing so for some time. The primary issue to be resolved is determining what kind of long-term financial burden a transfer would place on the Metroparks. They would be interested in an endowment or capital funds from the state in order to defray the costs of obtaining control of the site.

Fort Amanda State Memorial

Fort Amanda was a supply fort and hospital during the War of 1812, situated northwest of Wapakoneta and west of Lima. The site is just inside Auglaize County's border with Allen County and consists of approximately ten acres containing a picnic shelter, restrooms, and a granite monument built in 1915 on the site of the fort.

Ownership and Management. The State of Ohio owns the site, which is managed by the Johnny Appleseed Metropolitan Park District (JAMPD) in Allen County. OHS provides some funds for maintenance and electric bills, with the majority of maintenance being performed by JAMPD.

State and Local Support. OHS provides a quarterly stipend of \$800 to \$850 for maintenance and electric bills. The rest of the site's support comes from JAMPD, which is funded by an operating levy in Allen County. There is some volunteer work done on the site through the local Boy Scouts, and volunteers occasionally assist with programming at the park.

Financial Information. OHS estimates that Fort Amanda requires \$573,000 in capital improvements for various projects, as shown in the table below. LSC also found that JAMPD believes the site has additional needs beyond OHS's estimates, including tree removal, repair to the bridge and steps to the monument, and adding play equipment to the park near the shelter house to increase family use. These additional needs are estimated at \$89,000.

Estimate of Capital Needs Fort Amanda State Memorial	
Capital Project	Amount
<i>OHS Estimate</i>	
Monument maintenance	\$20,000
Picnic shelter maintenance	\$14,600
Toilet building/garage	\$57,800
Site work (retaining wall)	\$330,600
Archaeological investigation	\$60,000
Architecture/engineering	\$42,000
Contingency	\$48,000
Total	\$573,000
<i>Site's Additional Estimate</i>	
Tree removal	\$20,000
Foot bridge to monument	\$15,000
Steps	\$4,000
Play equipment	\$50,000
Total	\$89,000

JAMPD reported annual operating expenditures of \$17,973, which is generally supported through the park district's operating levy. The Fort Amanda site itself generated only \$140 from picnic shelter reservation fees.

Feasibility of Transfer. JAMPD is interested in assuming control of Fort Amanda, but there are a number of issues that must be addressed. One primary obstacle is the issue of the park's location: Fort Amanda is located in Auglaize County, but JAMPD is funded by Allen County taxpayers. Additionally, JAMPD would require legal assistance to ensure a smooth site transfer. Some additional funding may be necessary to repair damage to the monument, which is not strictly in the jurisdiction of the park district. In the event that JAMPD obtains the site, it would also like to acquire the adjacent land to expand parking and create more opportunities for programming centered around the historic role of the fort in the War of 1812.

Fort Jefferson State Memorial

The Fort Jefferson State Memorial in Darke County commemorates the site of an advance outpost of General Arthur St. Clair during the Indian Wars in the late 18th century. The fort was built in 1791 and abandoned in 1796. In 1907, a stone monument was erected on the site of the fort. Currently, the site is largely used for family reunions and picnics.

Ownership and Management. The State of Ohio owns the site, OHS manages it, while Darke County provides maintenance for the park.

State and Local Support. OHS provided \$450 in operating costs for the site in FY 2007, along with a total capital investment of \$288 between FY 2003 and FY 2007. The county performs maintenance services, and there has been some local volunteer work at the site through Neave Township.

Financial Information. OHS estimates that Fort Jefferson requires \$211,400 in capital improvements for various projects, as shown below. The Village of Wayne Lakes, which has expressed an interest in assuming ownership of the site, told LSC that if it were to take over the site, it would require \$4,000 to \$5,000 for capital work.

Estimate of Capital Needs Fort Jefferson State Memorial	
Capital Project	Amount
OHS Estimate	
Site work	\$12,200
Shelter house maintenance	\$31,300
Monument restoration	\$5,500
New pit toilets	\$85,000
Archaeological investigation	\$45,000
Architecture/engineering	\$13,400
Contingency	\$19,000
Total	\$211,400

According to information received from Darke County, which currently oversees maintenance for the site, the annual operating costs of Fort Jefferson are \$3,400. These costs are primarily for mowing, tree trimming, and general upkeep.

Feasibility of Transfer. The Village of Wayne Lakes is interested in managing the site and has begun discussions on the matter with OHS. The Village has indicated that it requires legal assistance and assurance of a smooth transfer, as well as the aforementioned one-time financial assistance for capital needs, including repairs to the shelter and parking barriers. An additional concern is the public restrooms on the site. The Village does not believe it could afford to make necessary repairs or upgrades to the restrooms if the Ohio Department of Health determines that such action would be necessary. The Village would also like any archaeological findings on the site to become the Village's property and be placed in the Village museum, rather than falling into the custody of OHS.

Logan Elm State Memorial

This site in Pickaway County marks the traditional location of Chief Logan's 1774 speech on relations between Native Americans and white settlers, which was given in the shade of a large elm tree. The site contains a shelter house and a number of monuments placed in honor of the events on the site, including a marker on the location of the tree itself.

Ownership and Management. OHS holds the deed to the site, which is maintained by the Pickaway Historical Society (PHS). PHS maintains the grounds and provides tours of the site. There is currently no contractual relationship between OHS and Pickaway County.

State and Local Support. OHS provided approximately \$2,000 in operating costs for the site in FY 2006. The principal local organization involved in the site is the PHS, which relies on volunteers to manage the site. School organizations also provide occasional volunteer support. There is no community financial support given to the site.

Financial Information. OHS estimates that the Logan Elm State Memorial requires \$101,000 in capital improvements for various projects, as shown in the table below.

Estimate of Capital Needs Logan Elm State Memorial	
Capital Project	Amount
<i>OHS Estimate</i>	
Shelter house repairs	\$20,100
Clean and repair monuments	\$26,500
Site improvements	\$33,900
Architecture/engineering	\$11,400
Contingency	\$9,100
Total	\$101,000

LSC did not receive any additional financial information from the Logan Elm site or the Pickaway Historical Society regarding the site's operating costs or revenue.

Feasibility of Transfer. PHS is interested in managing the site independently or with the support of a local government, contingent upon sufficient funding. PHS indicates that it would be willing to work with Pickaway County or other municipal entities to secure funding. PHS would also seek to raise funds to create an endowment for Logan Elm should the site be transferred.

ARCHAEOLOGICAL SITES

Leo Petroglyph State Memorial

This site is located near the Village of Leo in Jackson County and preserves a sandstone petroglyph consisting of 37 native carvings attributable to Fort Ancient Indians who occupied the region from approximately 1000-1650 A.D. The drawings consist of humans, animals, and human and animal footprints and are protected by a shelter and viewing platform.

Ownership and Management. The site consists of approximately 12 acres owned and managed by OHS, with no permanent staff at the site. Currently, OHS maintains the site and provides all funding for its operation.

State and Local Support. OHS reported a FY 2007 operating cost of \$670 for Leo Petroglyph. There has been no capital funding for the site in recent years. There are no local organizations currently supporting the site financially or through volunteer work.

Financial Information. OHS estimates that Leo Petroglyph requires \$199,500 in capital improvements for various projects as detailed below.

Estimate of Capital Needs Leo Petroglyph State Memorial	
Capital Project	Amount
<i>OHS Estimate</i>	
Shelter house repairs	\$11,700
Replace two foot bridges	\$64,400
Repair stone walk, wall, and trails	\$53,300
Other site improvements	\$35,400
Architecture/engineering	\$16,500
Contingency	\$18,200
Total	\$199,500

Additionally, the Jackson Historical Society reported to LSC that should they assume control of the site, they would experience annual operating costs of approximately \$7,000 for general maintenance and upkeep.

Feasibility of Transfer. The Jackson Historical Society (JHS) is interested in managing Leo Petroglyph. JHS already works with its subsidiary organization, the Friends of the Buckeye Furnace, to promote the nearby Buckeye Furnace state historic site and indicates that it would do something similar should it acquire Leo Petroglyph.

JHS does receive some local support through the City of Jackson's tourism office. In the past, JHS has received some state funding from the Governor's Office of Appalachia, but did not receive a grant in the current fiscal year due to insufficient state funding. While JHS is interested in managing Leo Petroglyph, it would require financial assistance to do so, and is especially interested in state capital funds for long-term maintenance.

Shrum Mound State Memorial

Shrum Mound is an ancient burial mound believed to have been built by the prehistoric Adena people approximately 2,000 years ago. The mound is named after the family that donated the land to OHS and is located in the one-acre James E. Campbell Park in Columbus, itself named after the governor of Ohio from 1890 to 1892.

Ownership and Management. Campbell Park, including Shrum Mound, is owned by OHS and all maintenance is provided through the Historical Society.

State and Local Support. OHS reported no operating costs for the site in FY 2007. There are no local organizations that provide financial or volunteer support to the site.

Financial Information. OHS reported no capital needs or operating costs for Shrum Mound. Because the site is owned and operated by OHS with no local partners, any additional operating or capital needs are unknown.

Feasibility of Transfer. The City of Columbus has expressed an interest in obtaining ownership of the site and has entered into discussions with OHS on the matter.

Story Mound State Memorial

This site is an ancient Adena burial mound dating to the period between 800 B.C. and 100 A.D. The site is located on a small plot of land in residential Chillicothe. The site's significance lies in it being the location of the first documented example of a circular Adena timber building. The site is fenced and not accessible to the public.

Ownership and Management. The site is owned by the State of Ohio. Maintenance and operating costs are provided through OHS.

State and Local Support. OHS reported an operating cost of \$116 for the site for FY 2006, not including the cost of mowing the lawn, which is incorporated into the operating costs for the nearby Adena Mansion and

Gardens state historic site. There are no local organizations that provide funding or volunteer work for the site.

Financial Information. OHS reported no capital needs for Story Mound. Because the site is owned and operated by OHS with no local partners, and no local organizations have expressed interest in funding the site, any additional operating or capital needs are unknown.

Feasibility of Transfer. The Ross County Historical Society has no interest in acquiring or managing the site. The City of Chillicothe Parks Department informed LSC that it could take over the site, but only if funding were available for acquiring the land and maintaining the site. They are not interested in acquiring the site without financial assistance.

NATURAL AREAS

Wahkeena Nature Preserve

Located in Fairfield County, Wahkeena Nature Preserve consists of 150 acres of mixed hardwood forest, pine forest, ponds, streams, wetlands, prairie, and meadow. The site also includes a nature center with displays on native wildlife, geology, vegetation, and natural history. Wahkeena was one of the sites visited by LSC for this report.

Ownership and Management. OHS owns and operates the site with a paid staff member. OHS manages all maintenance and other needs of the site.

State and Local Support. OHS reported an annual operating cost of \$75,402 for Wahkeena. The site received 2,439 visitors during FY 2007. The site also receives some support from the Ohio Association of Garden Clubs, which has an endowment of approximately \$141,000 for the site, and the privately donated Carmen Warner Fund, consisting of approximately \$96,700.

Financial Information. OHS estimates that the Wahkeena Nature Preserve requires a total of \$770,700 in capital funding for various projects, as shown below. Because the site is owned and operated entirely by OHS with limited involvement from partner organizations, any additional capital and operating needs are unknown.

OHS Estimate of Capital Needs Wahkeena Nature Preserve	
Capital Project	Amount
Lodge (Nature Center) repairs	\$22,500
Casa Burro Cabin repairs	\$19,200
Garage repairs	\$23,000
Tenant House repairs	\$17,000
Guest House/Potting Shed repairs	\$3,500
ADA improvements	\$11,000
Clean and dredge pond	\$108,000
Exhibit Renovation	\$300,000
Site Improvements	\$23,600
Land Acquisition	\$150,000
Architecture/Engineering	\$22,800
Contingency	\$70,100
Total	\$770,700

Feasibility of Transfer. The only organization to express an interest in assuming control of Wahkeena is Fairfield County Historical Parks Commission. However, the organization already operates on limited funding and would be unable to assume the ownership or management responsibilities for Wahkeena without significant financial assistance.

Transfer Incentives

Am. Sub. H.B. 119 directs the LSC "to study the feasibility and potential results of the state's offering incentives for local entities . . . to assume control of state historical sites. The incentives to be studied shall include the establishment of tax credits, the contribution of capital dollars, and the creation of an endowment-matching program."

CAPITAL CONTRIBUTIONS

OHS has estimated the capital needs of each of the 15 historic sites considered in this study for the purposes of the FY 2009-2010 biennial capital budget request. OHS estimates no capital needs for two sites and more than \$500,000 for each of three other sites. The total for the 15 sites is \$3.6 million; the average is \$241,813. It should be noted that OHS estimates may be higher or lower than what is necessary to maintain each site in its present condition. For example, of the \$770,700 OHS believes is required for the Wahkeena Nature Preserve, \$300,000 is for the renovation of exhibits. Existing exhibits may be maintained for less than

that. In two instances, OHS's local partner estimated its immediate capital needs as less than OHS estimates. On the other hand, the local operators of two sites reported needs that exceed OHS estimates.

With one possible exception, no local entities, whether governmental or private, are willing to accept the sites in their present condition. The city of Columbus has expressed an interest in acquiring Shrum Mound to better control access to its property, which borders the site on three sides. Shrum Mound is one of the two sites with no capital needs according to OHS.

The transfer of the Sherman House and the pending transfer of the Glendower State Memorial illustrate the importance of capital improvements to the shifting of control of historic sites. OHS transferred the Sherman House, the birthplace of Civil War General William T. Sherman and his brother, U.S. Senator John Sherman, to the Fairfield Heritage Association (FHA) in 1982. The FHA was able to put the house into good repair thanks to significant community interest and the generosity of local benefactors. In the years since then it has benefited from General Sherman's fame and the continuing public fascination with the Civil War. Glendower, a mansion formerly owned by several prominent local families, also has special strengths. Several years ago, it underwent major repairs paid for with funds provided to OHS through the Ohio Cultural Facilities Commission. Glendower enjoys a great deal of support from the community, which uses it for both public and private events, financial assistance from Warren County and the city of Lebanon, and the cooperation of the Warren County Convention and Visitors Bureau and local merchants. In addition, according to the Director of the Warren County Historical Society, the Society has a "significant" endowment and some professional staff. Funding for major capital improvements at or before the time of transfer and the continuing ability to raise money to keep the sites in good repair made the transfer of the Sherman House and Glendower possible.

Providing money for capital improvements and maintenance might well induce local entities to agree to a transfer of some of the 15 sites studied in this report. In one or two instances, a one-time contribution to meet capital needs as estimated by OHS or the local entity might be incentive enough by itself. A few potential transferees see the possibility of paying for future capital needs as well as operating expenses through a combination of fundraising and local government support.

From the responses to LSC's telephone inquiries and questionnaires, it appears that the six sites with the best chances for transfer are Fort Amanda, Fort Jefferson, Hanby House, Leo Petroglyph, Logan Elm, and Shrum Mound. OHS has entered into discussions with the Village of Wayne Lake concerning the transfer of Fort Jefferson and

has been contacted by the city of Columbus regarding Shrum Mound. Shrum Mound has no capital needs and minimal operating costs. In each of the other five cases, it seems that addressing the capital needs identified by OHS or the local entity would be a major incentive for the local entity to take over the site. Nevertheless, in each case the local entity expressed a desire for some additional form of help from OHS or the state: legal assistance (Fort Amanda, Fort Jefferson), rights to archaeological findings (Fort Jefferson), capital assistance beyond OHS estimates (Fort Amanda, Fort Jefferson), possibly a continuing operating subsidy (Hanby House, Logan Elm, Leo Petroglyph), or publicity and expertise (Hanby House).

Ohio Cultural Facilities Commission

State capital funding for historic sites is administered through the Ohio Cultural Facilities Commission (CFC) using bond money in the Cultural and Sports Facilities Building Fund. Appropriations totaling \$6.5 million were provided in Am. Sub. H.B. 699, the capital appropriations bill for the FY 2007-2008 biennium, for 14 capital projects involving OHS-controlled historic sites. However, none of these 14 projects involved sites included in this study. In addition to these specific projects, the bill appropriated \$850,000 for general repairs and \$250,000 for signage at OHS sites statewide. None of these dollars were used by any of the sites included in this study in FY 2007. According to CFC, the same holds true so far in FY 2008.

CFC also provides funding to local historical societies and individual local historic facilities, including approximately \$3 million in Am. Sub. H.B. 699, \$3.5 million in Am. Sub. H.B. 16 of the 126th General Assembly (FYs 2005-2006), and \$1.5 million in H.B. 675 of the 124th General Assembly (FYs 2003-2004). If sufficient funding were available, CFC would likely be able to administer projects for the local partner organizations involved with the 15 sites in this study. As many of the organizations have indicated that their ability to assume control of the sites is contingent upon securing sufficient funding to upgrade the condition of the sites, a one-time capital appropriation by the state might induce some local organizations to take possession of sites. After that, CFC could continue to fund organizations' capital needs on an as-needed basis through the process described below.

Projects are assigned to CFC through the biennial capital bill, which provides appropriations from the Cultural and Sports Facilities Building Fund for the capital requirements associated with each project. For sites not owned by the state, CFC enters into Cooperative Use Agreements with the owners of properties receiving funding, allowing the Commission to expend bond funds without having a leasehold interest in the property. Projects receiving funding through CFC are required to match \$1 for every \$2 of state funding received. As most of the historic

sites covered in this study have limited resources, this requirement could make it difficult for them to obtain capital funding through CFC.

ENDOWMENTS

California, Florida, and Ontario have endowment-matching programs that could serve as models for Ohio. These programs are not dedicated to historic preservation, but they provide endowment assistance to arts and cultural organizations that may administer historic sites.

There appear to be two main types of endowment-matching program. One uses a central endowment fund from which the state distributes money to eligible organizations for particular purposes. The other provides matches for money raised by individual organizations for their own endowments. The California Cultural and Historical Endowment is an example of the former, while the Florida Cultural Endowment Program and the Ontario Arts Endowment Fund Program present two examples of the latter.

Central Endowment Fund

California Cultural and Historical Endowment. The endowment is funded through bond money that was approved as part of a ballot initiative in 2002. The overall ballot initiative called for \$267 million in bond funds to be used for a broad range of cultural and historic resource preservation programs. Of this \$267 million, the California Legislature authorized \$128 million for the Cultural and Historical Endowment. Assembly Bill 716 of 2003, the authorizing legislation, stated the intent of the California Legislature to continue making appropriations to the endowment in the future. In August 2007, the endowment announced 54 finalists for its third round of funding, with project and planning grants totaling approximately \$43 million.

The endowment is intended eventually to become an independent state agency, but is housed for the time being in the California State Library. The endowment is managed by a board composed of the State Librarian, the Secretary of the Resources Agency (equivalent to Ohio's Department of Natural Resources), and the Director of the Department of Finance, as well as members appointed by the Governor and each house of the Legislature. The endowment also has an Executive Officer and staff responsible for its day-to-day operations.

The endowment operates as a competitive grant program, awarding financial assistance to public agencies and nonprofit organizations, including museums, with the goal of creating a comprehensive system of cultural and historical facilities across the state of California. The endowment has established specific criteria for organizations seeking

funding and procedures for reviewing applications, with a focus on supporting projects that preserve, demonstrate, or display significance in the areas of:

- Ethnic communities;
- Historical residences, farms, facilities, transportation, technology, etc.;
- Industries important to the state;
- Military history;
- Cultural heritage and folklife;
- Geology and oceanography; and
- Archaeology of Native Americans.

Public agencies that receive funding from the endowment must provide matching funds that may include in-kind resources, the amount of which is determined by the endowment on a case-by-case basis. Nonprofit organizations may receive funding if they enter into an agreement with the endowment, with terms and conditions to be specified by the endowment, including agreements over any land or real property involved.

In addition to the bond funds approved by voters and appropriated by the Legislature, the endowment is authorized to apply for and accept additional funding from public and private sources, including federal grants, donations, and royalties.

Individual endowment matches

Florida Cultural Endowment Program. Originally created as the Florida Fine Arts Endowment Program in 1985, this program provides state funds to match amounts that have been raised by individual arts and cultural organizations for their own endowments. The program is housed within the Florida Department of State's Division of Cultural Affairs. As of July 1, 2007, over 100 organizations in 16 Florida counties had been awarded more than \$38 million through the program. According to the Division of Cultural Affairs' web site, the Florida Legislature did not fund the Cultural Endowment Program in either FY 2007 or FY 2008. A total of 20 projects that were approved for state matching shares totaling \$4.8 million between 2002 and 2006 were scheduled to be funded in FY 2007, but it does not appear that the money has been appropriated.

In order to receive funding, an organization must first be designated a Cultural Sponsoring Organization (CSO). It must be a nonprofit, tax-exempt Florida corporation in compliance with both state and federal law and must provide a description and documentation of a program that qualifies it as a sponsoring organization within a cultural discipline. State university system programs, community colleges, governments, and direct support organizations (i.e., friends, foundations,

trusts, or other organizations not directly responsible for cultural exhibits or events) are ineligible.

CSOs must first raise at least \$360,000 in eligible contributions toward their own endowment funds before receiving a \$240,000 state matching share, for a total endowment of at least \$600,000. A CSO must maintain the \$600,000 corpus and invest it according to a trust agreement between the organization and the Florida Department of State. CSOs may use interest income from the endowment only for operating costs associated with cultural programming activities. If the CSO spends part of the \$600,000 principal or allows the market value of the endowment to drop below that amount, or if the CSO ceases its cultural programming, files for bankruptcy, or violates the trust agreement, the \$240,000 state matching share reverts to the state. After a CSO is awarded a state matching share, it must wait at least 23 months before applying again.

Organizations receiving a state matching share must report to the state on how the endowment funds were used, the benefits of the program to the organization, and how the corpus is invested. CSOs must also undergo an annual independent audit, submit any other requested reports, and ensure that the locally raised \$360,000 is invested in such a way that it can be used for emergency operational needs or, if not performing to expectations, can be invested with a new manager.

Ontario Arts Endowment Fund Program. This is a publicly funded program of the Canadian Province of Ontario that is administered by the Ontario Arts Foundation, a public, nongovernmental organization. Eligible arts organizations raise money from the private sector, which is matched dollar-for-dollar on a first-come, first-served basis and invested in perpetuity. The government established the Arts Endowment Fund (AEF) in 1998 with an appropriation of CDN\$25 million, added another CDN\$25 million in 2000, and most recently, a further CDN\$10 million in 2007.

Each participating arts organization has an endowment that is maintained, administered, and invested by the Ontario Arts Foundation. The program matches funds raised by eligible organizations on a dollar-for-dollar basis up to a predetermined maximum. Organizations must raise funds for their endowments from the private sector during a specified time frame (for the current phase of the program, this is March 22, 2007 through December 31, 2008) in order for those funds to be eligible for matching.

To be eligible, an organization must be a registered charity or incorporated entity that is also eligible for funding from the Ontario Arts Council and that has been in continuous operation for at least two years providing professional artistic programming or support to professional artistic endeavors. Performing arts facilities and Canadian federal or provincial agencies are ineligible.

The most recent \$10 million appropriation to the Arts Endowment Fund has been allocated across four categories of organizations based on the amount of operating revenue they generate. These categories are:

- Category 1 – over CDN\$10 million;
- Category 2 – \$3 million to \$10 million;
- Category 3 – \$750,000 to \$3 million; and
- Category 4 – less than \$750,000.

Of the \$10 million appropriated, \$5.5 million has been allocated to Category 1 organizations, with \$1.5 million allocated to each of the remaining three categories. Except for the larger arts organizations included in Category 1, those in categories 2 to 4 may retain a portion of their matching funds for operations without reducing the total amount of the match from the AEF Program. Category 2 organizations may retain up to 10% of their endowments for operations. For instance, if an organization raises \$250,000 and receives \$250,000 in matching funds, it may set aside \$25,000 for operations. Category 3 organizations may keep up to 66% for these purposes, while the smallest eligible programs, those in Category 4, may use up to 100% of their allocation for operating costs.

Adaptability to Ohio

Central endowment fund. A central endowment fund such as California's Cultural and Historical Endowment could serve to provide a sustainable source for local organizations to receive assistance in operating their historic sites. However, it is possible that such a central fund would essentially duplicate the mission and function of the Ohio Cultural Facilities Commission (CFC), which uses bond funds to support renovation and capital improvements at cultural and historic sites. Another important consideration is that the funds for local historic sites overseen by CFC are earmarked by the General Assembly, whereas the California Cultural and Historical Endowment operates as a competitive grant program.

Any Ohio fund dedicated strictly to historic sites would likely be considerably smaller than the California fund, especially since the collective cost of capital improvements identified by OHS for all 15 sites in this study amount to approximately \$3.6 million. Operating needs would likely amount to much less. Of the 15 sites surveyed by LSC, eight

provided their actual operating costs for the most recent year for which they could provide information. The combined total of all these costs was \$288,069. The highest reported annual operating cost was \$123,611, and the lowest was \$3,400. Typical operating costs include staff, groundskeeping, and utilities, which in the case of the historic homes studied can be quite high. A central endowment fund could provide flexibility by providing a single source that organizations could draw upon for a variety of needs, both capital and operating. Separate grants could be available for capital and operating needs, or the program rules could allow historic sites some discretion in how to use their awards.

Individual endowment matches. Although the Florida and Ontario programs differ in their eligibility criteria and funding mechanisms, they both require individual organizations to raise funds for their own endowments before receiving public matching funds. While these programs are targeted at arts and cultural organizations, these models could also be adapted to assist local organizations in operating state historic sites.

Three of the local organizations associated with the sites studied indicated to LSC that they already have an endowment fund either for their sites, the managing organization itself, or another support organization. The Carroll County Historical Society, which operates the McCook House, has a \$36,000 endowment held and invested by the Stark Community Foundation, but it has not been used for the McCook House. Half of the Gallipolis Charitable Foundation's annual donation to Our House, or \$2,000 per year, is placed into an endowment fund. Wahkeena also receives support through an endowment of approximately \$141,000 by the Ohio Association of Garden Clubs. However, it appears that most of the sites LSC studied do not have endowments, and those that do generally use them for limited acquisitions, programs, and emergency needs, not to cover operating costs, relying instead on income generated by admissions and sales and on OHS subsidies for that purpose.

Adapted to support local historic sites in Ohio, an endowment-matching program similar to that of Florida or Ontario might require a local organization to raise and maintain an endowment in the low thousands of dollars, with the state providing a match up to a certain amount or percentage of that endowment. The investment income from the endowment could then be used to supplement the organization's income for operating expenses. If an endowment-matching program were implemented in Ohio, the income-based eligibility guidelines for the Ontario Arts Endowment Fund program could provide a useful model for determining the amount of state matching funds for which a historical organization qualifies and how those funds are to be spent.

TAX INCENTIVES

There is little potential for tax incentives to have a direct role in encouraging local governments, historical societies, or regional authorities to assume control of historic sites, because those entities generally are exempted from state and local taxation. As governmental or charitable organizations, their income and property is not taxable, and their transactions are generally exempted from sales and use taxation. Tax incentives, therefore, would have little or no value to the intended recipients of the sites. However, they might be sources of revenue for the entities that operate historic sites by encouraging contributions to the entities themselves or to an endowment fund.

Tax credits for private financial support

Although tax incentives would be of little direct value to the owners and operators of historic sites, they might be of indirect benefit by encouraging businesses or individuals to provide financial support. Such tax incentives might encourage local governments, historical societies, or regional authorities to assume control of historic sites by dedicating a source of revenue to pay or offset the costs of acquiring, repairing, or maintaining sites.

Tax incentives usually are structured as either exemptions from taxation, deductions or exclusions from the tax base, or credits against tax liability. Among these alternatives, tax credits probably would be the most efficient method of encouraging private donations. Unlike most other forms of tax incentive, the design of a tax credit can readily be manipulated to control the fiscal effect and to clearly signal to taxpayers the likely tax savings resulting from each dollar donated. The General Assembly would have to enact any credit and establish its terms. Basic terms include the ratio of the credit to the donation amount, whether the credit is refundable or nonrefundable and, if nonrefundable, whether a carryforward of unused credits is allowed and the number of years the credit may be carried forward.

Basic elements of typical tax credit	
Amount	Normally expressed as a percentage of the donation amount. Percentage determines the taxpayer's marginal cost of the donation.
Cap	A limit on the dollar amount of credit any taxpayer may claim.
Refundability	Determines whether refund is issued if credit exceeds tax liability. Refundable credits are more valuable to taxpayers but have a more costly and immediate fiscal effect on state coffers.
Carry forward	Ability to apply credit against future liability if credit is not refundable, thus increasing value of credit. May be for limited number of years or until fully used.
Overall cap	Maximum aggregate amount of credits that may be claimed by all taxpayers, either annually or in total. Limits and defines the fiscal effect.

Credits could be granted against one or more of the following taxes: income tax, commercial activity tax, corporation franchise tax (financial institutions), insurance company gross premiums tax, dealers in intangibles tax, and public utility excise and distribution taxes.

Tax credits could be authorized for direct donations to one or more funds dedicated to repairing and maintaining transferred historic sites and possibly covering any legal expenses associated with the transfer. A fund could be structured as an endowment or nonendowment. A single fund could be established for all historic sites transferred, or a fund could be established for each site.

Endowment fund donations. An endowment fund providing for the repair and perpetual maintenance of transferred historic sites could be funded in whole or in part by private donations for which tax credits are offered. Credits could be offered to individuals or businesses for donating money to the endowment fund. The credit might also be allowed for donations of publicly traded securities in lieu of cash.

Nonendowment donations. Tax credits could be offered to businesses or individuals for donating money, property, or services to a state fund or to local governments, historical societies, or other local entities agreeing to assume control of historic sites. One potential drawback of tax credits for nonendowment donations is that the credits would not ensure an ongoing source of money. To encourage ongoing donations, credits could be conditioned on multiple-year donations, but this condition would defer the benefit of the credit (and thereby lessen its present value) and would complicate reporting and administration.

Income tax deductions

Ohio law currently does not permit taxpayers to deduct contributions to charitable organizations or governments in computing Ohio taxable income. Authorizing such a deduction, therefore, might provide some inducement for contributions for transferred historic sites (either to an endowment or otherwise, as described above). But a deduction is not likely to provide substantial donations compared to a properly designed tax credit, because the tax savings from a deduction are relatively modest. On the basis of 2008 income tax rates, the greatest tax savings an upper-income taxpayer (i.e., above \$200,000) would yield from deducting a \$100 donation would be about \$6.25; for the median-income taxpayer, the tax savings would be about one-half that amount.

Income tax checkoff

A few states have had tax checkoffs for historical purposes. A checkoff allows a taxpayer to designate a portion of his or her tax liability or, more commonly, tax refund for an authorized purpose. Ohio currently has checkoffs to fund political parties, wildlife conservation, nature conservation, and military injury relief. The first three checkoffs generated approximately \$493,000, \$439,000, and \$512,000, respectively, in FY 2004, but each of those amounts has declined steadily since then. The military injury relief checkoff produced approximately \$489,000 in FY 2006 and \$538,000 in FY 2007.

Virginia is a prominent example of a state with checkoffs for historical purposes. For 2007, Virginia will have checkoffs for the Historic Resources Fund, the Jamestown-Yorktown Fund, the Virginia War Memorial Foundation and the National D-Day Memorial Foundation (one checkoff for both), and the Martin Luther King, Jr. Living History and Public Policy Center Fund. The latter checkoff is new. The Jamestown-Yorktown checkoff, created to support the celebration of the 400th anniversary of the founding of Jamestown, will expire next year. The following table shows the amount of money raised by each checkoff from 1998 through 2004.

Tax checkoff revenue for historical purposes in Virginia³							
	1998	1999	2000	2001	2002	2003	2004
Historic Resources	\$22,298	\$17,920	\$10,380	\$13,186	\$16,525	\$15,731	\$13,360
Jamestown-Yorktown			\$6,958	\$16,932	\$16,067	\$17,699	\$18,494
D-Day Memorial						\$18,383	\$14,078

Virginia's experience with checkoffs for historical purposes may be of limited predictive value for Ohio. Virginia is an old state with a deep consciousness of its colonial, Revolutionary, and Civil War past. There are no sites in Ohio with Jamestown's historical cachet. Illinois' experience may be more pertinent. Illinois allowed a checkoff for a Heritage Preservation Fund in 1988, but the checkoff generated only \$49,946, less than the \$100,000 needed to continue, and was dropped from the tax return form the next year.⁴ The 1988 figure for Illinois, a much larger state, exceeds the total for Virginia's history-related checkoffs in 2004, but in 1988 Illinois offered just four checkoffs compared to 28 for Virginia in 2004.

³ Virginia Department of Taxation Annual Reports for FY 2004 and FY 2006.

⁴ Illinois Department of Revenue Annual Report of Collections and Distributions: FY 2003, p. 17.

Differences in size, wealth, culture, and number of checkoffs make state-to-state comparisons difficult, but the Illinois and Virginia experiences may provide a crude estimate of what a checkoff for historical purposes might generate in Ohio. Ohio's two conservation checkoffs resulted in about \$951,000 in 2004. In 1988 the Illinois checkoff for wildlife conservation netted 4.73 times as much money as its checkoff for heritage preservation. In 2004 the four Virginia checkoffs for conservation purposes produced 8.17 times as much revenue as the state's three checkoffs for historical purposes. Using these proportions as guides, an Ohio checkoff for history-related purposes in 2004 might have been expected to produce between \$116,000 and \$201,000.

Sales tax exemptions

The role of sales tax exemptions would be quite limited, because most transactions likely to be involved with historic sites are already exempted. Local governments and historical societies (if organized as charitable organizations under section 501(c)(3) of the Internal Revenue Code) are not currently subject to sales tax on their sales or on their purchases. And, if a local government or charitable organization engages a construction contractor to repair or maintain a building or structure on a historic site, the sales tax does not apply to the contractor's purchase of any building materials or services incorporated into the building or structure.⁵

Property tax exemptions

Most, if not all, property that would be transferred to local governments or local historical societies would be eligible for property tax exemption under current law. Publicly owned property generally is exempted from taxation if it is used for public purposes.⁶ Exemption currently is available for land containing prehistoric earthworks, and for land on which stands an historic building if the building is preserved "in commemoration of historic events in the settlement and development" of Ohio. The exemption is specifically for land that was purchased for preservation, that is not held for profit, and that is dedicated to public uses as a prehistoric park or historic grounds, or dedicated as an archeological preserve.⁷ Although purchase of the land appears to be a necessary condition for this exemption, it is not clear whether the exemption applies only to cases of outright purchase of land for consideration.

⁵ R.C. 5739.02(B)(1), (9), (12), (13), and (22).

⁶ R.C. 5709.08 and 5709.10.

⁷ R.C. 5709.18 and 149.52.

Monuments or memorials to "distinguished" deceased persons also are exempted from taxes and assessments.⁸

Efficacy of tax incentives

The practical effect of tax incentives on the transfer of historic sites is a matter of speculation. Generally, credits and deductions can be expected to induce taxpayers to make contributions; and the higher the credit or deduction, the more contributions it would tend to produce. However, predicting with reasonable accuracy the contributions that any particular type or level of credit or deduction will generate is impossible if there is no precedent. If a tax credit generated much more in donations than would be needed to repair or maintain transferred historic sites, the General Assembly would be faced with the question of how to dispose of the excess funds.

OTHER INCENTIVES

Special license plates

An individual affiliated with OHS asked whether specialty license plates might raise significant revenue for historic sites. Ohio has dozens of specialty plates for which a customer pays an extra fee of \$2 to \$25 to be distributed by the Bureau of Motor Vehicles to the beneficiary organization. Most of the beneficiaries have some connection to nature, educational institutions, or sports. The only historic site directly benefited by a special license plate is Perry's Victory and International Peace Memorial, a National Park Service monument located at Put-in-Bay. In 2006, the Perry's Monument plates generated \$9,090 in revenue for the Friends of Perry's Victory and International Peace Memorial, a nonprofit corporation, "to assist that organization in paying the expenses it incurs in sponsoring or holding charitable, educational, and cultural events at the monument."⁹ Special Lake Erie license plates feature the Marblehead Lighthouse and the Toledo Harbor Lighthouse. In 2006 these plates produced \$349,905 for the Lake Erie Protection Fund. That fund, administered by the Ohio Lake Erie Commission, is used for a variety of economic and scientific, not historical or cultural, purposes.¹⁰

Some other states fund historic preservation using specialty license plates. In a comprehensive review of state historic preservation laws in 1999, the National Conference of State Legislatures found that only New

⁸ R.C. 5709.16.

⁹ R.C. 4501.21(B)(7).

¹⁰ R.C. 1506.23.

Jersey used license plates to fund historic preservation.¹¹ Since then four states have developed, or are in the process of developing, specialty license plates to fund historical preservation. Additionally, several states have license plates that support the historic preservation of specific sites. The popularity and importance of these specific sites in their respective states may vary greatly and any funding information derived from them may not accurately predict the popularity and importance that Ohioans would place on historical preservation in general.

The following table displays the organizational fee structure and an estimate of the revenue as of July 2007 that each general historic preservation license plate generates for its respective state.

State	Registration Fee	Renewal Fee	Annual Revenue
Connecticut	\$50	\$0	\$50,000
Georgia	\$22	\$0	\$22,000
Idaho	\$25	\$15	\$30,000
New Hampshire	\$38	\$30	\$50,000
New Jersey	\$50	\$10	\$25,000

Georgia is in the process of creating a historical preservation license plate. The Georgia Motor Vehicle Division will create and distribute the license plate when 1,000 residents have pre-ordered them. Over approximately one year through August 2007, 851 residents had signed up to be part of the program at a one-time cost of \$25 with \$22 going to the Georgia Heritage Grant Program for historical preservation throughout Georgia. This program will generate revenue totaling \$22,000 in its first year for historic preservation. Revenue generation for this program in future years is wholly dependent on the ability to enter new residents into the program because the additional fee is only collected at one time when the person signs up for the historical preservation plate. The number of new entrants into this program is uncertain in future years.

The Idaho historic preservation license plate had not yet been implemented in July 2007. The revenue estimate is based on the commemorative plate that was offered only during the bicentennial celebration of the Lewis and Clark expedition.

New Jersey has had a historic preservation plate program since 1995. From its inception through July 2007 the program generated \$182,628. Residents are required to pay a \$50 one-time fee and a \$10 annual renewal fee to participate in the license plate program. In fiscal year 2007, the license plate program produced approximately \$25,000.

¹¹ <http://ncsl.org/programs/arts/statehist99.cfm>.

Nonmonetary incentives

As noted above, several local entities mentioned nonmonetary incentives that might help induce them to take direct control of OHS sites. Ownership and control of artifacts is important to historic homes that operate as museums. It is not always clear whether OHS or the local partner owns the artifacts. In the transfer of the Sherman House ownership of artifacts was a contentious issue, and it has been raised in connection with the pending transfer of Glendower. The Village of Wayne Lakes has said that it would want to own any artifacts found on the grounds of Fort Jefferson if it were to assume control of the site. Money is the chief concern in the transfer of almost every site, but assurances on the issue of artifacts might tip the scale in a close case.

Some potential transferees have stated that they would want legal assistance in conducting a transfer. The Shaker Heights Historical Society, which is not enthused by the prospect of a transfer in any event, is particularly concerned about zoning ordinances that do not apply as long as the site is owned by the state.

A few local entities expressed an interest in receiving professional advice from OHS and retaining some kind of designation as a state historic site. They believe that the designation confers prestige and helps in promotion and fundraising. There also seems to be a common desire for the state to do more to promote individual sites or cultural tourism in general. (Heritage tourism is a major component of cultural tourism.) Local entities might be more willing to assume control of historic sites if they felt confident that OHS and the state would expand its promotional efforts and help market their particular sites.

Appendices

- (A) Ohio Historical Society Historic Sites and Museums
- (B) Ohio Historical Society, State Memorial System Site Establishment and Transfer Policy, Approved June 1, 2005
- (C) LSC Historic Site Telephone Survey and Historic Site Fiscal Information Form

**APPENDIX A
OHIO HISTORICAL SOCIETY HISTORIC SITES AND MUSEUMS**

Society Operated Sites (34)				Year	Significance		
Society Staffed Sites (26)		County	Site Type	Established	National	Other	Friends and Other Support Groups
Adena Mansion and Garden		Ross	Historic House Museum and Garden	1946	NHL		Friends of Adena, established 2006; purpose: fundraising, volunteering
Armstrong Air and Space Museum		Auglaize	Museum	1970			N/A
Campus Martius Museum		Washington	Museum/Historic House Museum	1918		NR	Friends of the Museum, est. 1982; purpose: funding specific projects; volunteering
Cedar Bog Nature Preserve		Champaign	Nature Preserve	1942	NNL	SNP	Cedar Bog Association, est. 1982; purpose: fundraising, volunteering, advisory. Offshoot, Friends of Cedar Bog est. 2007 purpose: endowment fundraising
Dunbar House		Montgomery	Historic House Museum	1936	NHL/NPS		N/A
Flint Ridge		Licking	Prehistoric Archaeological Site and Museum	1934		NR	Flint Ridge Lithic Society; purpose: funding programs and specific projects
Fort Ancient		Warren	Prehistoric Archaeological Site and Museum	1891	NHL		N/A
Fort Hill		Highland	Prehistoric Archaeological/Natural History Site and Museum	1932	NNL	NR	N/A
Fort Laurens		Tuscarawas	Fort Site and Museum	1917		NR	Friends of Fort Laurens; purpose: fundraising, volunteering
Fort Meigs		Wood	Reconstructed Fort and Museum	1947	NHL		Campaign Cabinet, est. 2003; purpose: raise funds for site enhancements and endowment
Harding Home and Tomb		Marion	Historic House Museum, Museum, and Memorial	1979	NHL		N/A
Museum of Ceramics		Columbiana	Museum	1970		(NR)	Friends of the Museum of Ceramics, est. 1970; purpose: fundraising
National Afro American Museum and Cultural Center		Greene	Museum and Library	1982		(NR)	Planning Council, est. by ORC 149.303; purpose: to advise OHS on its duties related to the museum. NAAMCC Friends and Family, est. 1990; site membership group; purpose: encourage participation in site programs
National Road/Zane Grey Museum		Muskingum	Museum	1968			Friends of National Road, est. 1984, reest. 2007; purpose: fundraising, volunteering
Newark Earthworks		Licking	Prehistoric Archaeological Site and Museum	1933	NHL		N/A
Ohio Historical Center (State Museum)		Franklin	State Museum	1967 (1911)			Conestoga, est. 1986; purpose: financial support
Ohio River Museum (W.P. Snyder Towboat)		Washington	Museum and Historic Towboat	1971 (1955)	NHL		Sons & Daughters of Pioneer Rivermen, est. 1939 (partner with OHS since 1941); purpose: funding specific projects; volunteering
Ohio Statehouse Education and Visitors Center		Franklin	Education and Visitor Center	1994	NHL		N/A
Ohio Village		Franklin	Constructed Historic Village	1974			N/A
Piqua Historical Area		Miami	Historic House Museum, Museum, Canal and Canalboat, 18th Century Archaeological Site, Cemetery	1965		NR	Piqua Friends Association, est. 2004; purpose: advisory; fundraising for site enhancements and endowment
Schoenbrunn Village		Tuscarawas	Reconstructed Village	1923		NR	N/A
Serpent Mound		Adams	Prehistoric Archaeological Site and Museum	1900	NHL		N/A
Tallmadge Church		Summit	Historic Church	1971		NR	N/A

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OHIO HISTORICAL SOCIETY HISTORIC SITES AND MUSEUMS**

Wahkeena Nature Preserve	Fairfield	Nature Preserve	1956		SNP	Ohio Association of Garden Clubs, partner since 1996; purpose: fundraising for interns, improvements, landscaping and supplies; supports endowment fund
Youngstown Historical Center of History & Labor	Mahoning	Museum and Library	1986			N/A
Zoar Village	Tuscarawas	Restored Buildings	1941	NR		Friends of Zoar Society est. 2007; purpose: programming and volunteering
Society Operated Unstaffed Sites (8)	County	Site Type	Established	National	Other	Partner Organization
Buffington Island	Meigs	Roadside Commemorative Park	1930		NR	
Leo Petroglyph	Jackson	Prehistoric Archaeological Site	1932		NR	
Lockington Locks	Shelby	Preserved Section of Ohio and Erie Canal	1966		NR	
Logan Elm	Pickaway	Roadside Commemorative Park	1912			
Seip Mound	Ross	Prehistoric Archaeological Site	1927	NPS		
Shrum Mound (Campbell Park)	Franklin	Prehistoric Archaeological Site	1928		NR	
Story Mound	Ross	Prehistoric Archaeological Site	1950		NR	
Wapatomica Archaeological Preserve	Logan	Archaeological Site	1947			

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OHIO HISTORICAL SOCIETY HISTORIC SITES AND MUSEUMS**

Partnership Sites (26)						
Big Bottom		Morgan	Roadside Commemorative Park	1905		NR Village of Stockport
Buckeye Furnace		Jackson	Reconstructed Iron Furnace	1935		NR Friends of Buckeye Furnace
Cooke House		Erie	Historic House Museum	1995		NR District Old House Guild of Sandusky
Custer Monument		Harrison	Roadside Commemorative Park	1930		Custer Memorial Association
Davis Memorial Nature Preserve		Adams	Nature Preserve	1962		SNP Ohio Department of Natural Resources
Fallen Timbers		Lucas	Roadside Commemorative Park	1920	NHL	Toledo Metro Parks
Fort Amanda		Auglaize	Roadside Commemorative Park	1913		Johnny Appleseed Metro Park District
Fort Jefferson		Darke	Roadside Commemorative Park	1931		NR Darke County Commissioners
Fort Recovery		Mercer	Partially Reconstructed Fort, Museum, Monument	1933		NR Fort Recovery Historical Society
Glacial Grooves		Erie	Nature Preserve	1932	NNL	Ohio Department of Natural Resources
Glendower*		Warren	Historic House Museum	1945		NR Warren County Historical Society
Grant Birthplace		Clermont	Historic House Museum	1925		NR District Historic New Richmond, Inc.
Grant Boyhood Home		Brown	Historic House Museum	2002	NHL	Grant Homestead Association
Grant Schoolhouse		Brown	Historic Schoolhouse Museum	1941		NR District Grant Homestead Association
Hanby House		Franklin	Historic House Museum	1936		NR Westerville Historical Society
Harrison Tomb		Hamilton	Memorial and Cemetery	1920		NR Harrison Symmes Memorial Foundation
Hayes Presidential Center		Sandusky	Historic House Museum, Library, Gravesite	1915	NHL	Hayes Presidential Center, Inc.
Indian Mill		Wyandot	Historic Mill Museum	1953		NR Upper Sandusky Chamber of Commerce
Inscription Rock		Erie	Prehistoric Archaeological Site	1931		NR Ohio Department of Natural Resources
McCook House		Carroll	Historic House Museum	1941		NR Carroll County Historical Society
Miamisburg Mound		Montgomery	Prehistoric Archaeological Site	1929		NR City of Miamisburg
Our House		Gallia	Historic House Museum	1944		NR Gallia County Historical Society
Quaker Meeting House		Jefferson	Historic Meeting House Museum	1950	NHL District	Historical Society of Mount Pleasant
Rankin House		Brown	Historic House Museum	1938	NHL	Ripley Heritage, Inc.
Shaker Historical Museum		Cuyahoga	Museum	1989		(NR District) Shaker Historical Society
Stowe House		Hamilton	Museum	1946		NR Friends of the Harriet Beecher Stowe House
Notes:						
*Authorized to transfer ownership to Warren County Historical Society during 2007.						
Key:						
National Significance Designations						
NHL	National Historic Landmark					
NNL	National Natural Landmark					
NR	Listed on the National Register of Historic Places for national significance					
NPS	Part of a National Park Service site					
NHL District	Contributing structure in a National Historic Landmark District					
Other Significance Designations						
NR	Listed on the National Register of Historic Places for state or local significance					
(NR)	Museum located in a National Register listed building. Significance of building not directly related to site purpose					
NR District	Contributing structure in a National Register District of state or local significance					
(NR District)	Contributing structure in a National Register District significance of which is unrelated to site purpose					
SNP	State Nature Preserve					

APPENDIX B

OHIO HISTORICAL SOCIETY STATE MEMORIAL SYSTEM SITE ESTABLISHMENT AND TRANSFER POLICY Approved June 1, 2005

The Ohio Historical Society (OHS) operates a system of state memorials as mandated in the Ohio Revised Code (section 149.30). Recognizing that there is a power and a potency to the actual places and objects of history, the Society preserves, makes available to the widest possible range of people, and interprets as authentically as possible its diverse historic, archaeological, and natural sites and museums. It is the mission of the site system to support the values and vision of the Ohio Historical Society. The site system preserves significant places in and significant aspects of Ohio's history to advance the understanding and appreciation of the state's heritage. It extends the Society's presence to almost all areas of the state. The sites provide a broad venue for the educational efforts of the Society that encourages our customers to connect with the past. Since Fort Ancient was entrusted to the care of the Society in 1891, the site system has been a dynamic one. While more sites have come into the system, many have been transferred from state or Society ownership to be administered by groups better able to serve their needs. Any site proposed for addition to the system or any site proposed for removal from the system should undergo rigorous examination.

STATE MEMORIALS

A state memorial is a site or museum that is administered under section 149.30 of the Ohio Revised Code. State memorials are created by the Society as authorized by the General Assembly. Paragraph (A) lists as one of the public functions of the Society "creating, supervising, protecting, maintaining, and promoting for public use a system of state memorials, titles to which may reside wholly or in part with this state or wholly or in part with the society as provided in and in conformity to appropriate acts and resolves of the General Assembly . . . all of which shall be maintained and kept for public use at reasonable hours." It further states that "the society shall not sell, mortgage, transfer, or dispose of historical or archaeological sites to which it has title and in which the state has monetary interest except by action of the general assembly." State memorials may be resource-based sites that preserve cultural and/or natural resources associated with a significant theme or themes illustrating the history of Ohio or may be museums which interpret and display collections of artifacts associated with a significant theme or themes illustrating the history of Ohio. State memorials may include facilities including museums, visitor centers, and other interpretive structures, recreational facilities, maintenance facilities, residences for staff, and other structures and facilities that support the operation of the site as a state memorial. If compatible with the operation of the site as a state memorial, the Society and/or the state may lease, grant easements, and convey other property interests to other parties for all or part of a state memorial.

As a corporation OHS may also own property or interest in property that is not considered to be a state memorial and therefore not governed under the provisions of Ohio Revised Code section 149.30. To be considered a state memorial, the legislature must authorize the addition of a Society-owned property to the system. A Society-owned property, in order to be proposed to the legislature to be established as a state memorial, must be intended to be "maintained and kept for public use at reasonable hours." Other property owned by the Society,

whether acquired by gift, purchase, or bequest is not covered by this policy and may be acquired and sold or otherwise disposed of without reference to this policy, as long as it is not a historical or archaeological site in which the state has a monetary interest.

Once a state memorial is established, its boundaries may from time to time be adjusted to preserve the qualities that make the site significant, protect related resources, or enhance the operation of the site. These boundaries may be adjusted by authorization of the state Controlling Board to expend state funds on the acquisition of property to be administered as part of the existing state memorial, by acceptance by the Department of Administrative Services of property donated to the state for the benefit of the Society as authorized by state law, or may be purchased or accepted as a gift or bequest by the Society's Board of Trustees contingent on its acceptance as part of a state memorial by the state. In the last case and if not otherwise prohibited, the Society will transfer the property to the state with proper authorization. If deed restrictions prohibit the transfer of the property to the state, the Society will seek authorization from the legislature to add the property to the site as a Society-owned property.

Authorization of a new state memorial or expansion of an existing state memorial by the legislature will indicate the state's agreement to provide necessary funding to operate and preserve the site.

FUTURE CHANGES TO THIS POLICY

The Board of Trustees, through its administration, will periodically review this policy with the Ohio Department of Administrative Services, the Ohio Historic Sites Preservation Advisory Board, and the Ohio Cultural Facilities Commission and will update the policy as needed after providing notice to the public and other organizations and agencies that can represent the interests of the public.

ESTABLISHING STATE MEMORIALS

The system of state memorials administered by the Society will be distinguished by the high quality of resources, facilities, services, maintenance, and image and not by the number of sites. It is the intention of the Society to limit the number of new sites added to the system in the future. It will add only sites that provide opportunities to interpret an important theme or period of Ohio history or allow the Society to provide programs and services in an area of the state where it is not represented.

This policy consists of several sections. The first section lists criteria on which a potential new site shall be judged. The second section outlines information the staff will consider in recommending a site to the Board and a procedure for the Board to use in evaluating a site after determining what criteria it meets. The final section lists options for action that the Board may take after fully evaluating the site.

Criteria

To be recommended for establishment as a state memorial, a resource-based site must possess the following qualities. To recommend the establishment of a museum as a state memorial, only criteria 2 and 4 in this section will apply.

1. Significance

The property must be eligible for individual listing on the National Register of Historic Places for statewide or national significance. National Historic Landmarks will receive preferential consideration.

It is the intention of the Society not to add natural sites to the system.

2. Theme

The site must be able to be used to interpret a major theme or period of Ohio history that is not being interpreted to the level thought appropriate by the Society.

3. Integrity

The property must have maximum integrity of location, design, material, setting, workmanship, feeling, and association.

4. Appropriateness

The property must be appropriate for use as a museum or historic site, accessible to travelers as well as to the local community. The property must further the mission and vision of the Society including its educational goals and must reflect the interests of the Society's audiences.

To be recommended for establishment as a state memorial, the following must be available or developed for the site:

5. Financial Support

Evidence of adequate continuing financial support beyond the Society's current capabilities, including endowments where appropriate, must be demonstrated. It is the intention of the Society that new state memorials be operated by the Society itself and that there be sufficient resources available to do so. Establishment of a site as a state memorial will constitute the state's intention to provide sufficient resources to provide for basic operation of the site.

6. Support Group

Recommendation for establishment of a site is contingent upon the existence of a support group established under the guidelines of the Society which will provide substantial resources for the development and ongoing maintenance and operation of the site.

7. Title

Clear title to the property must be available. It is the intention of the Society that sites be owned by the state of Ohio, unless terms of a gift or bequest require that the Society hold title.

In evaluating a site to be recommended for establishment as a state memorial, the following criteria must also be considered:

8. Collections

Resource-based sites that have collections that are integral to their significance will be given preferential consideration. To recommend establishment of a museum as a state

memorial, the Society must own the majority of collections to be exhibited. It is also the intention of the Society that resource-based state memorials will primarily display collections owned by the Society.

9. Geographic Balance

How the site will enhance the geographic balance of the state memorial system must be considered.

The process for considering a site for recommendation for establishment as a state memorial requires evaluation of the property by the staff and the Board and action by the Board as outlined below.

Evaluation

The staff will use the following types of information and documentation in considering the merits of a proposed site:

1. A description of the property, including land, structures, and other facilities.
2. A preliminary inventory of collections and equipment.
3. A statement of significance or reference to its listing on the National Register of Historic Places.
4. A statement from the current owner indicating a willingness to transfer the property and the terms and conditions of the transfer.
5. A description of continued financial support.
6. Letters of support from interested proponents of the site.
7. Letters from persons willing to establish a support group under the guidelines of the Society.
8. A statement identifying how the property would support the Society's educational goals and respond to the interests of its audiences.

If a property meets criteria 1 through 4 (2 and 4 in the case of a museum) and it is likely that it will meet criteria 5 through 7, the staff may make a recommendation to the Board of Trustees to further evaluate a site. After reviewing the recommendation of the staff, the Board may determine that the property merits additional consideration or advise the applicant that the Society has determined that it is not appropriate to recommend to the state that the site be acquired and suggest alternate means of preservation. If the Board wishes to further consider the application, it will direct staff or other such scholars and experts as it deems appropriate to prepare a report containing the following information:

1. A determination of which criteria the property will meet.
2. The merits of the proposed site compared to other sites in Ohio that embody the same or similar historical or physical characteristics.
3. How the site will further the mission, vision, and established strategic plans of the Society including the Society's educational goals and the interests of its audiences.
4. A management plan for the site analyzing its integrity, its physical restoration needs, and its educational and interpretational function and potential. The management plan is to

include a business plan that contains the initial costs of acquiring, developing, improving, and marketing the site and the annual revenues and costs of operating, maintaining, and marketing the site projected for a three-year period.

5. Alternative methods of preserving the site or the information it contains.
6. Reactions/opinions of key stakeholders, including local and state government officials, the Ohio Historic Sites Preservation Advisory Board, the Ohio Cultural Facilities Commission, the local community, and others. To gather the input from the local community and others, the Society shall conduct a public meeting in the community where the site is located, following its public meeting policy.
7. Other factors or information deemed important.
8. A recommendation whether or not to recommend to the state that the site be established as a state memorial.

Action

Upon receiving the report and/or in conjunction with such other information as may be appropriate, the Board of Trustees shall determine whether the historic property has sufficient historical significance, educational value, general public interest, and financial support to justify the costs of acquisition, restoration, development, operation, educational programming, marketing, and maintenance. The Board will do one of the following:

1. Recommend to the General Assembly that the site be established as a state memorial and be purchased or accepted with ownership by the state and request funds from the General Assembly to acquire, develop, operate, and maintain the site. If there is not sufficient time for the General Assembly to act, then the Society shall request the State Controlling Board to establish the site.
2. Accept the site with ownership by the Society contingent on its establishment as a state memorial by the legislature or Controlling Board. Prior to conditional acceptance the Society will communicate the intended action to the Governor's office and the legislature and seek establishment of the property as a state memorial.
3. Decline to recommend the site for inclusion in the system.
4. Table consideration of the site.

Approval of a majority of all Board members is required to recommend to the state to establish a new state memorial. The Board will communicate its decision to the applicant and the Governor and may suggest alternate means of preserving the property. A property declined to be endorsed by the Board of Trustees will not be eligible for reconsideration for acceptance for three years unless new information becomes available.

TRANSFERRING STATE MEMORIALS

From time to time it may be appropriate to transfer a site or sites to another qualified agency or governmental unit, corporation, or individual for ownership and management. Evaluation of sites to determine if any should be transferred will be requested by the Board of Trustees and will be done at least every six years or will be authorized by the Board when requested by another entity seeking ownership of a site. Transferring is defined as gift or sale

with appropriate protective covenants of a state memorial owned by the state of Ohio and administered by the Ohio Historical Society or owned by the Ohio Historical Society to another qualified owner. A qualified owner is an entity that the Society has determined will over the long term meet the requirements of this policy.

Transfer of a state-owned state memorial should include the recommendation of the Society's Board of Trustees and will require an act of the Ohio General Assembly, or if it is owned by the state for the benefit of the Ohio Cultural Facilities Commission, authorization by the Commission, or other such processes as may be required at the time of transfer. Transfer of Society-owned property requires the approval of the Society's Board of Trustees and will require an act of the General Assembly if the state has a monetary interest as defined by ORC 149.30. Consultation with the Ohio Cultural Facilities Commission will be made for a site included in a management agreement with them.

Site Transfer Policy

Prior to considering to recommend transferring a site, the Board shall direct staff to do the following:

1. Prepare a report evaluating the appropriateness of such an action, including evaluating the site using the criteria for establishment of a site.
2. Identify the entity that would assume ownership of the site and evaluate its ability to manage the site. For sites that are currently managed by a partner organization or if there is an entity that has had a continuing interest in the site, those organizations are to be considered first.
3. If the site is included in a management agreement with the Ohio Cultural Facilities Commission, consult with the Commission to insure its interests will be protected.
4. If the site is a dedicated State Nature Preserve, consult with the Ohio Department of Natural Resources Division of Natural Areas and Preserves to insure that the site will be managed to meet the requirements of the Articles of Dedication.
5. Seek public input by holding a public meeting following the Society's policy for public meetings.
6. Prepare an analysis outlining the financial consequences of transferring the site.
7. If the property is state-owned, except in the case of property owned for the benefit of the Ohio Cultural Facilities Commission, advise the Department of Administrative Services that transfer is being considered.
8. If Society collections are exhibited at or directly associated with the site, prepare an analysis to determine, should the site be transferred, if the collections exhibited there or associated with the site would remain a part of the Society's collections or if they should be deaccessioned. This evaluation would be according to the standards and procedures established in the Society's collections policy and related guidelines and procedures.

The following items will be considered:

1. The ability of the entity to which it will be transferred to maintain and operate the site as a public facility or to preserve the qualities of the site. The mission of the organization

must be compatible, it must have the financial capacity to assume the additional responsibility, and it should have experience operating such a facility.

2. The envisioned use of the site. For some sites, uses other than as a publicly accessible site may be appropriate.
3. If a site is included in a management agreement with the Ohio Cultural Facilities Commission, the entity's willingness to enter into necessary agreements and leases with the Commission as a condition of the transfer.
4. If a site is a dedicated State Nature Preserve, the entity's willingness to manage the site in conformance with the Articles of Dedication for the site.
5. If the site is resource-based and/or includes other resources listed on, or eligible for, the National Register of Historic Places, the entity's willingness to accept the property with preservation easements.
6. The effect on the Society's ability to interpret the state's history.
7. If the Society collections exhibited at or directly associated with the site will be deaccessioned and transferred at the same time as the site is transferred, the effect on the scope and quality of the Society's collections.

Upon receiving the report and in conjunction with such other information as may be appropriate the Ohio Historical Society Board of Trustees shall make a determination whether it is appropriate to recommend the transfer of the site and will do one of the following:

1. In the case of property owned by the state for the benefit of the Society or by other designation administered by the Society recommend to the Governor and General Assembly that the site no longer be a state memorial and be transferred.
2. In the case of property owned by the state for the benefit of the Ohio Cultural Facilities Commission, request that the Commission transfer the management or ownership of the property and terminate its agreement with the Society for its management.
3. In the case of a Society-owned state memorial in which the state has a financial interest, recommend that the site no longer be a state memorial and request permission to transfer the property.
4. Determine to keep the site in the system.
5. Table consideration of the site.
6. Propose some other means to care for the site.

APPENDIX C

LSC Historic Site Telephone Survey and Fiscal Information Form

- (1) Did you receive the letter from the Ohio Historical Society regarding the potential transfer of your site?

- (2) What is the relationship between your site and the Ohio Historical Society (e.g., who owns the site; who owns the artifacts; who provides staff)?

- (3) Local community support:
 - (a) Is the site used, funded, or promoted by local governments?

 - (b) What are the principal local volunteer/philanthropic organizations involved?

 - (c) Is there a local educational interest in the site (e.g., school visits, etc.)?

 - (d) What kind of community financial support is given to the site? Can it be sustained or improved upon?

- (4) Local/independent management:
 - (a) Would you be interested in managing your site independently or with the support of a local government?

(b) Would you require any kind of additional financial assistance to support this?
If so, what kind?

(5) Are there any other issues relating to your site which you feel might be affected by no longer having state funding? (specify)

(6) Any additional comments

We have a few additional questions regarding specific fiscal details of your site that we will send separately – please provide an e-mail/fax/mailling address where we can send these. Once you receive this questionnaire, please complete it and return it to us by **Tuesday, November 20.**

Thank you for taking the time to participate in this study.

