



Heritage Tourism Development
Short Report
June 2, 2022

Executive Summary

Alumni Weekend was mostly successful with great turnout for the Alumni Banquet and modest attendance at other events. We will work closely with the Alumni Association next year to produce better marketing materials to hopefully capture more spending. At the time of this writing the Cather Conference is off to a great start and most participants seem to have chosen the in-person option over the digital option. Early reports of foot traffic are encouraging. The Red Cloud Community Fund (RCCF) granted \$10,000 to the City to help complete the first phase of the Recreation Trail. After the initial wave of tourism events subsides, Heritage Tourism priorities for the summer will include the following (not ranked in order of importance): 1) completing the Creative District application, 2) securing additional funding for Hotel Garber, 3) identifying small scale quick turn-around projects to add to tourism and recreation options available in and around Red Cloud, 4) updating our photo inventory, 5) completing a new visitors guide, 6) creating a Webster County/Red Cloud Region Visitor Passport program, 7) fundraising for the Heritage Tourism office, 8) additional fundraising for RCCF related projects connected to tourism, 9) identifying locations for RC Tourism signage in the I-80 and I-70 corridors, 10) facilitating the E3 project, 11) advancing LB840, USDA Redlg and other funding possibilities for small businesses

Some additional highlights:

- Nebraska Public Media's Friday Live Program broadcasted live from the Opera House on June 2nd!
- Abundant Life Honey completed a certification process that will allow them to sell their products in grocery stores
- Back Alley Bicycles opened! The Mahins have additional ideas for the space, but are not ready to announce those yet.
- Mark Dahle had a few showings of his art gallery spaces in the former Shades West building
- thanks to a donation of materials from Heritage Tourism, the County Museum will have the Sid Tobler photos on permanent display!
- The survivors of Don Stratton report that a major motion picture featuring his Pearl Harbor Story is in the beginning stages of production
- Luke Swanson from Holstein is this year's Heritage Tourism intern!
- The Corner Nook will host Tim & Lisa Trudell, authors of "100 Things to do in Nebraska Before You Die," for a book signing the morning of June 11th. Lisa and Tim will create a feature segment on Red Cloud tourism that will broadcast on KMTV-3 in Omaha later in the summer.
- NTV news produced 2 segments on Alumni Weekend events
- The Nebraska Tourism leads program is generating about 70 travel packet requests a week for Red Cloud materials! I



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Table 1: May 2022 Website Data

 Great Stories Grow Here	YTD	May '22	v. May 21	vs. previous month	2022 v. 2021	2021 v. 5 year average
Website users (visitredcloud. com)	11,549	2,825	+18.4%	+15%	-9.7%	+44.0%

Analysis:

We had a lot of traffic in May compared to prior years and just about halved our deficit for the year over the last month. Looking at Google Analytics, I think we've reached a tipping point where locals are using the website much more frequently than before. Omaha IP addresses used to dominate analytics and now runs about even with hits from Red Cloud and Blair (GP Communications).

Table 2: March 2022 Tax Data¹

Tax source	2022	Mar. 22	v. Mar. 21	v. previous month	2022 v. 2021	2021 v. 5 year average
County lodging tax revenue	\$1,253	\$381	-41.3%	-17.4%	-6.6%	+21.5%
City sales tax ² payout	\$59,560	\$19,272	-11.6%	-3.6%	-6.9%	+20.2%
Sales tax derived from retail sales	\$54,130	\$20,802	+38.9%	+31.3%	+17.6%	+1.6%

Analysis:

¹ Sales tax in Red Cloud is 7%, with 5.5% going to the State and 1.5% going to the City. These payout numbers only reflect the 1.5% payout to the City. Lodging tax for Webster County is at 5% with 1% going to the State of Nebraska. These numbers reflect the 4% that comes back to Webster County. Lodging establishments collect both sales and lodging tax and are approved to collect occupancy taxes and other taxes that the City and County currently do not collect. The Webster County Visitors Promotion Committee grants revenue from the lodging tax to tourism related entities for marketing and/or improvement projects targeted towards attracting visitors.

² Includes use and motor vehicle tax.

The lodging tax numbers are lackluster this month and drove the numbers down versus 2021 for the year. Based on word of mouth, this is surprising data as most lodging establishments have reported being busy and March is when things start to pick up, typically. The City Sales tax payout is also lackluster, but that has more to do with a large fee of about \$4700 that the state collected from the City. I don't know what the fee was for. But from a revenue generation standpoint, this month's numbers are much better than they appear. I suspect what we're seeing overall is a transition from the pandemic/stimulus economy to a regular economic atmosphere affected by inflation. Retail tax revenues are up sharply. It's too soon to tell if that's from things getting back to normal, from inflation, or maybe both. Retail tax generation was higher than the City payout this month because of the aforementioned fee.

Hotel Garber Update

- APMA has completed construction documents. It may be some time before we put it out to bid, however because: 1) we're still awaiting a decision from the Nebraska Department of Economic Development on Shovel Ready Funding, 2) we're still awaiting final confirmation of the receipt of Historic Tax Credits, 3) supply & demand issues regionally and globally, 4) the possibility of a recession—which might actually help the project in terms of cost. We'll see. We can't really put the project out to bid until we know about Shovel Ready because that will affect the type of labor we will have to hire and the wages we will have to pay. So we wait and continue to fundraise. We are at 80% of our goal.
- We may wind up engaging a TIF lawyer ourselves if the City doesn't hear something from its sources soon. We just need to expedite the process with construction starting likely in the Fall.
- NCF submitted a CDAA allocation request on RCCF's behalf. We asked for \$75K in credits over 3 years and were awarded \$20K for the current fiscal year (expires June 30th). We should get another release after July 1st. The credits generate a 40% tax credit, meaning that in the case of our \$20K allotment, we will get \$50K in donations.
- Just in case we need to do more fundraising, our Hotel Steering Committee will be making lots of asks in the coming weeks and months. If you would like to ask someone, we have a template letter you could adapt for your ask.

Creative Districts

This has been placed on the backburner for now because of other priorities but I expect to get to work on it in earnest in June and July. Recently, I've been floating the idea of a project that would place historic gas station pumps at old gas stations in town that are currently being used for other purposes. I'm thinking of the Frey and Tyler Olson properties in particular. I have yet to approach Brad or Tyler with the idea. What I'm picturing is something like what Lebanon, KS has downtown. For a bigger project down the road, I am researching the feasibility of a sculpture walk or art garden that would recognize non-Cather Red Cloud VIPs like Silas Garber, Cy Young, Dazzy Vance, William Norris, Donald Stratton, Lea Penman, etc.

Energizing Entrepreneurial Ecosystems Committee (same as last month)

Moving forward, E3 will go from process to action and our group identified the following objectives:

- **WORKING WITH ENTREPRENEURS:** Connect with 5 Entrepreneurs in the next 6 months - we want to achieve a sense of where they are with their needs, aspirations, limitations. See if there are gaps. To get the pulse of how businesses are doing. Build an environment that nurtures relationships and a sense of resources in the community.
- **BUILDING ENTREPRENEURIAL ECOSYSTEMS:** Not defined, but ongoing work with the hotel, pursuing and identifying funding opportunities like LB840 and USDA programs, DTR, etc
- **BUILDING COMMUNITY ECOSYSTEMS:** We want to make the community more attractive for recruitment & beautification.

The meetings for this E3 group will be the first Tuesday of each month at noon, May-Sept. Kevin Daehling, Brad Frey, Ashley Olson, Dennis Hansen, Danny Bengé, Adam Vetter, and Jarrod McCartney are on the E3 team. Others are welcome to join. Identifying ways to provide additional economic development staffing at the local level will be a concern for the E3 project as a whole.

USDA Redlg Loan (same as last month except in italics)

We had a good meeting on Apr. 12th with USDA staff. They were gracious enough to summarize the meeting and I have added that below (Appendix C). USDA staff did not think that the Hotel Garber project would qualify for the initial grant to launch the USDA Redlg Program. However, one of the ongoing Cather Center projects could be used for that purpose. The City has to come up with a 20% match for the initial grant. However, that money can be raised by anyone and added to the grant. What this means is that the initial grant can be up to \$360K (\$300K from the USDA, and \$60 from the City and/or its partners—the City could conceivably get all \$60K from its partners, including the initial recipient, if necessary) and given to the initial recipient as the starter loan. The initial recipient pays back the loan, and the revolving loan fund is started. The City could then loan out money at low interest to businesses or other projects from the revolving loan fund. The City can partner with any non-profit or government agency to get this started.

The Willa Cather Foundation has expressed interest in assisting the City with helping to get this program started with one of their ongoing projects, particularly the upcoming work that will be done on the Childhood Home. The City has expressed interest in moving forward with this and I will be contacting USDA staff soon to keep the ball rolling on this discussion and determine the logistics of implementing and administering it.

I have had an extraordinarily difficult time getting schedules to align between USDA staff and Cather Staff. I hope to have something scheduled before June 18th.

County Museum

All 700 Sid Tobler photos will now be on exhibit on a TV screen at the County Museum permanently thanks to a donation by Heritage Tourism Development and work completed by Tracy Tucker at the Willa Cather Foundation. Be sure to stop by and get a glimpse of what Red Cloud looked like in its commercial heydays of the 1950s-70s.

Red Cloud Community Fund

As noted in the short report, we granted \$10,000 for the Recreation Trail. We have established a Recreation Trail account with NCF and will start asking our Rec & Health committee to

aggressively seek funding solutions for additional expansion. Mesker Construction completed work on the first phase of the Walking Path. It is our hope that the City can help us pay that bill in a timely manner. RC School Superintendent Brian Hof alerted us of an opportunity to save significant money on the first phase of the project (other estimates came in \$6-19K higher) which is why this all happened so quickly.

Heritage Tourism also hired an intern for 2022. Luke Swanson from Holstein will work part-time when he's not farming near Holstein. Luke is a Business major at UNL and a photographer. He'll update our photo inventory and complete work Cheyenne Knehans started in 2021 on a Visitor Guide/Newcomers guide. Knehans recently submitted a newer draft of the visitor brochure/welcome guide and Luke and I will clean it up and finish it off. Luke will also design a Webster County/Red Cloud Region Passport program for tourists. When Luke completes this, I will create an app for it. Same goes with the Visitors Guide. These will both tie into the RC website.

Events, etc

- June 9: Platinum Pearls at OTB
- June 11: Tim & Lisa Trudell book signing at The Corner Nook
- June 18: Tractor-pull. Larry Holmberg has organized a large tractor pull that will end in Red Cloud.
- June 18: WCCH Golf Tournament
- June 25: Hospital Car Show
- June 25-July 1st: Blixt Theatre at TVCDC/RCOH
- Jul 21-23: Webster County Fair
- Aug. 5-7: Street Car Days
- Sept. 30-Oct. 2: Trail of Treasures
- Oct. 1: BBQ Cookoff
- Nov. 22nd: 14th Annual Shopping Extravaganza
- Nov. 5th: Indigenous at RCOH
- Dec. 9th: Paramount at RCOH
- You can find a full listing of events on visitredcloud.com/events, including the full Red Cloud Golf Course schedule and Farmers Market (every thursday June 23- Sept. 29)