



Heritage Tourism Development
Short Report
October 27, 2022

Executive Summary

The **Groundbreaking Ceremony** for **Hotel Garber** was a big success, with at least 80 in attendance at the ceremony and a similar number at the reception. We generated another \$200K in leads from the event and received press from the [Nebraska Examiner](#), Pure Nebraska, and tri-cities newspapers. We had hoped that more meaningful construction would have begun by this point, but Tru-Built Construction reports that bidders are in a position of strength in the present economy and therefore taking their time to reply. We are still negotiating bids and ironing out details that might help decrease those bids, but do have several to consider. You should always take a timeline from construction outfits with a grain of salt, but the present project completion date is April 2024. As you are likely aware, there has been significant progress on the Hansen properties across the street and on the Cather Childhood Home, projects that are also being spearheaded by Tru-Built Construction (they are renting the Food Mart building which should help all 3 projects finish sooner). We have been invited by the Nebraska Arts Council to create a Strategic Plan for the **Red Cloud Creative District** certification! We have a meeting on November 1st to receive feedback from the NAC and we are in the process of forming a committee to do the Strategic Plan for the \$10,000 certification grant and 3-5 plans for potential \$250K grants. History Nebraska has been working on editing content for the **Kay Cover** and **Pol-y-gron-daha** (i.e. Indian Princess Hill/Republican River) signs. They expect the signs to be ready in Spring or Summer of 2023 and would like to do public ceremonies for both. Red Cloud has been named one of the “[7 Most Beautiful Cities in Nebraska](#)” by *World Atlas*, an online cartography website that has been influential in the world of geographers since 1994. We continue to outpunch our class, as Valentine, Ogallala, Chadron, Scottsbluff, Gering, and Nebraska City were the other communities listed.


Additional highlights:

- The **E3 project** is beginning to gain a little steam and is looking to figure out ways to hire a part-time staff member to work with the Heritage Tourism Development Director and focus on small business consultations and community engagement and grants management.
- **Senator Deb Fischer** visited Red Cloud on Oct. 6th and had great things to say about Heritage Tourism and the National Willa Cather Center in a [recent editorial](#).
- **Jeff MacGregor** from *Smithsonian* magazine visited Red Cloud the week of Oct. 17-21 and will write a feature on the Cather Foundation and the community in 2023. MacGregor previously wrote for *Sports Illustrated* and the *New York Times*.
- **Mark Dahle Art Gallery** will have its Grand Opening celebrations on Nov. 4 & 5
- **Back Alley Bicycles** will have an Open House on Nov. 5th, prior to additional events at the Red Cloud Opera House. Nov. 4 & 5 will be a big weekend in Red Cloud!
- The **Nebraska Enterprise Fund** will be in town on Nov. 1st to talk about how they could help small businesses, and how to utilize recent ARPA related funding allocated to Nebraska and dedicated specifically to small businesses.
- The **Red Cloud Community Fund** raised \$26,400 during its September Month of Giving!



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Long Report
 October 27, 2022

Table 1: September 2022 Website Data

	YTD	Sept '22	v Sept '21	vs. previous month	2022 v. 2021	2021 v. 5 year average
Website users (visitredcloud.com)	25,237	2,424	-50.6%	-36.1%	-7.6%	+44.0%

OCTOBER DATA IS INCOMPLETE. WE WILL INCLUDE IT IN NEXT MONTH'S REPORT

Analysis:

Data is not available yet for the month of October for website and other media use. We will submit that data in November rather than submit partial data. In February, we will submit an overview of trends with social media and other marketing metrics in addition to website data.

The September data is misleading. It really shows the power of advertising. We ran an ad with Visit Nebraska in September 2021 and did not run an ad in 2022. That's why the numbers are down so much year to year. September always declines in comparison to August as tourism season begins to wind down and school starts nationwide. September 2022 data is way ahead of September 2020 and 2019 data in terms of users and on the same pace with webpage views. So far, we have 15% more users in October 2022 than we did during the same time period in 2021. For the year, our numbers are actually up versus last year if you take out January 2021 when we experienced a spambot attack that skewed the data.

Table 2: August 2022 Tax Data¹

Tax source	2022	August 22	v. Aug. 21	v.previous month	2022 v. 2021	2021 v. 5 year average
County lodging tax revenue	\$5,140	\$565	-26.7%	-43.0%	-23.0%	+21.5%

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.

City sales tax ² payout	\$153,471	\$20,151	-10.2%	-2.3%	-16.1%	+20.2%
Sales tax derived from retail sales	\$148,551	\$19,631	+6.5%	+5.2%	+7.5%	+1.6%

Analysis:

The overall sales tax and lodging tax situation is on pretty much the same trajectory as it was last month with retail sales being surprisingly strong given the present state of the world economy. While numbers are down for the most part in most categories this year, they are all well ahead of 2019, which was the last “normal” year. *Lodging tax revenue, for instance, is up 25.9% versus 2020 and 35.2% versus 2019.* 2021’s records were likely a result of stimulus money and pent up demand from the 2020 lockdowns. For lodging tax, the September and December data will really tell us how lodging businesses did in 2022. The M Guest House experienced a 63% occupancy rate in 2021, which is extraordinary. Their numbers are not as good this year, but they are still quite strong. What’s really encouraging in this data is the performance of retail sales. Though part of the retail sales tax increase is likely connected to inflation, people are still spending money at Red Cloud businesses. Motor vehicle and use taxes are down significantly, however.

Red Cloud Creative District

Our application was approved and we have been invited to submit a Strategic Plan! While we’re not officially a Creative District yet, we are headed in that direction! We will get feedback from the Nebraska Arts Council on Tuesday, Nov. 1st at 1pm via Zoom. We are forming a committee to create the strategic plan. There has been a bit of support for doing murals with the initial certification grant of \$10,000. One thing that is eligible for the initial round of funding is improving the audio visual setup at the Community Center. Something like what the high school has done with its high def screen in the gym comes to mind as a possibility as does a new sound system (or both). As a reminder, if we get through the application process before 2024, there’s a strong possibility that we will receive an additional \$250,000. Getting invited to submit a Strategic Plan improves those odds significantly. After that, we will be eligible to apply for a \$250K grant each year. Eventually, we should be eligible for funding derived from the state turnback tax that Omaha and larger cities currently enjoy. We may need assistance in advocating that Cities of the 2nd class become eligible for the turnback tax funding when that time arrives.

Recreation Trail

Chuck Griffith asked the Nebraska Trails Foundation to start a Red Cloud account and they have agreed. While we foresee them eventually asking the City similar questions about signing agreements regarding maintenance and ownership of property, this will allow the Red Cloud Community Fund and the Rec & Health Committee to focus solely on fundraising efforts. *For the time being then, the City of Red Cloud does not need to worry about signing any sort of agreement.* That said, we do imagine that the Game & Parks Commission and others will want to see some sort of buy-in, even if its passive, from the City should the Trails Foundation Red Cloud committee seek funding from the Recreation Trails Program and Land and Water Conservation Fund grants. We would love to see some sort of recreation trail or area created at the Game & Parks Indian Creek Pond site and possibly in areas on the south side of the river as well. This could conceivably include land that will likely be donated to a local non-profit at some point in the near future (roughly in the area between where the Heldts and Illians live).

² Includes use and motor vehicle tax

Downtown Revitalization & Brick Streets (same as last month's report)

We are eager to see work progress on both of these fronts. RCHTD is in favor of new, smoother streets and as a group will not feel any animosity towards anyone if the final design is not exactly what we wanted. It is beyond time the 1917 bricks were replaced. The look and feel of Red Cloud is actually being diminished by their condition at this point. But the look and feel of downtown is one of the things that sets Red Cloud apart from similar communities and is one of the things that makes the town most memorable in the minds of visitors and in the memories of alumni, so we hope that the baby does not get thrown out with the bathwater when design decisions are made. We ask everyone to also consider landscaping that incorporates greenspace, flowers, etc to make the community more visually appealing. We can connect you with leaders in Valentine who have grappled with these issues. RCCF has a Brick Streets account that could be utilized to help pay for extending the brickwork to 6th Ave and 2nd Ave.

We are excited to see how much sidewalk work will be part of these plans—one of our motivations for pushing DTR was to get the sidewalks improved in those parts of downtown that extend beyond what NDOT was willing to consider. It'd be great if that work could go all the way out to the ballfields.

September Month of Giving

We raised \$26,400 for the Red Cloud Community Fund. At least \$13,150 of that will go to Heritage Tourism Development, \$5000 to TVCDC, \$1500 to the City for the Ballfields project, \$1500 to the Nebraska Trails Foundation for the Rec Trail, \$1300 for Hotel Garber, and \$600+ for the local Youth committee. The rest will be determined by RCCF in November or December. Grant checks should be issued in mid-November. We will be focusing on Heritage Tourism Development in our Year End Appeal. You can donate to Heritage Tourism or any of our other projects (donate to general if you want it to go to the Rec Trail or Ballfields—just tell Jarrod McCartney or Dennis Hansen) online here: <https://www.nebcommfund.org/give/red-cloud-community-fund/>

E3 Project

The Nebraska Community Foundation and Energizing Entrepreneurs have written some job descriptions for an “e-navigator” position and a possible grants manager position. These positions would likely work one on one with small business owners and work closely with Heritage Tourism on website development, local marketing, and other efforts to free up HTDD's time to focus on larger scale projects. Figuring out how to pay for these positions is the catch at the moment, however, particularly as we are fundraising to keep the Heritage Tourism sustainable as it is. We may be looking to partner communities outside of Red Cloud to make this happen—which makes a lot of sense given how small the Red Cloud market is and since surrounding markets are even smaller.

Jarrold McCartney was also featured on [a recent episode of Pure Nebraska](#) discussing the E3 project.

LB 977

Unfortunately, we have not heard any updates concerning LB 977 as of 12pm on October 27th. The Department of Economic Development did launch some town hall tours for other ARPA related funding programs, which makes us hopeful that some sort of guidelines for applying for LB 977 funds should be announced soon. We would encourage the City to look at alternative funding sources to supplement LB 977 in the meantime, as even if we get LB 977 it may not be enough to fix the problems.

Kay Cover and Pol-y-gron-da-ha Historical Markers

History Nebraska has finished editing these markers and should be issuing a press release about them fairly soon. They will be contacting the City soon to determine the exact location for the signs and to clear any other logistical hurdle. They will also want to do a public ceremony in the Spring or Summer of 2023. The Pol-y-gron-da-ha marker will also briefly discuss the historical significance of the Republican River to local tribes in addition to telling the story of who's buried on the hill.

Deb Fischer

Deb Fisher's office went smoothly and the Senator was deeply impressed by all of the positive activity occurring in Red Cloud. We wish we would have had more time to show off more local businesses but were limited to less than an hour due to her itinerary. We did learn that Senator Fischer is friends with Frank Sibert and that we have a good shot of getting her to attend the Hotel Garber openings in the future should she not be needed in the Washington, DC at that time. Her recent editorial about new models for economic development in Nebraska makes a really nice mention of Red Cloud and does a great job of capturing what we're trying to accomplish with Heritage Tourism.

TIF

Attorney McCracken set up a meeting with Odee Ingersoll, who is a freelance consultant. It was determined at that meeting that Ingersoll lacks the expertise to do the actual TIF paperwork and that we will need to hire a TIF attorney if we want to move forward with TIF. What Ingersoll was able to confirm, however, is that TIF is more likely to be approved if the City of Red Cloud were to apply for it to do a project related to the Hotel Garber. The next steps are for us to see if Webster County can do an assessment of the site and produce a future valuation on both the Garber property and any related project the City might want to do. These future valuations will let us know if it's worth the effort. TIF is complicated to explain briefly, but essentially we could either use the difference in property tax created by improving a property (and hence increasing its valuation) over a 15 year period to reinvest in the hotel or to pay for a related project (such as paving a parking lot or alley improvements, etc). Using it on the Hotel is questionable at this point as the project will move forward with or without TIF funds. However, other projects nationwide have basically ignored this requirement or figured out ways to walk around it. We're not sure if we want to do that if the payout will not be that significant.

Kansas Tourism Conference/Rural Prosperity Summit

McCartney was invited to speak at the Rural Prosperity Summit in Wichita, KS on Oct. 17th and to attend the Kansas Tourism Conference. McCartney appeared on a panel with representatives from Hermann, MO; Humboldt, KS and Courtland, KS. Some highlights included it becoming apparent that small communities thrive when they are nice places that people want to visit and that tourism can and does thrive in these locations. A theme that emerged was "good enough is not good enough"--in short that people living in rural areas deserve to have nice things and that they should not be discouraged from seeking excellence. Jeff Siegler from Revitalize or Die was the keynote speaker. We strongly encourage you to follow him on Facebook if you want greater insight into our focus on Downtown revitalization and how our vision of tourism development is focused on making Red Cloud a great place to live so that people actually want to not only visit, but stick around for a few days.

Ashley Olson, who continues to serve as a Commissioner with the Nebraska Tourism Commission, attended the Nebraska conference in South Sioux City.

Newsletter & Social Media

If you want to keep up to date on most things Heritage Tourism, please [subscribe to our newsletter](#)

or follow us on social media ([Facebook](#), [Instagram](#)). Note that the date for the Farmers & Merchants Banquet has been changed to January 27th, 2023. We hope to get the 2023 Opera House performance schedule soon.

Events, etc

- Oct. 28: Halloween Parade
- Nov. 5th: Indigenous at RCOH
- Nov. 22nd: 14th Annual Shopping Extravaganza
- Nov. 26th: Small Business Saturday
- Nov. 27th: Museum Store Sunday
- Dec. 9th: Paramount at RCOH
- Jan. 27th, 2023: Farmers & Merchants Banquet
- May 26-28, 2023: Alumni Weekend
- June 1-3, 2023: Cather Conference
- June 6, 2023: BRAN overnight in Red Cloud
- July 20-22, 2023: Webster County Fair & Rodeo
- Aug. 4-6, 2023: Street Car Days
- Nov. 18 or 19, 2023: RCCF Community Celebration

This is a partial list. You can find a full listing of events on visitredcloud.com/events