



Heritage Tourism Development

Short Report

July 1, 2022

Executive Summary

The Hotel Garber is a go! The month of June saw \$3.5 million in additional funding secured for the Potter Block Development project, including \$2.35 million from the highly competitive Shovel Ready Grant program, \$1 million in Nebraska State Historic Tax Credits from the State Historic Preservation Office, \$50K in donations generated from \$20K in tax credits from the State of Nebraska via the Community Development Assistance Act, and an additional \$115K in investments and donations from individuals. The Red Cloud Hotel, LLC board will meet on July 14th to discuss next steps, but with construction documents already completed the project will be put out to bid and a bid accepted soon thereafter. Between the Hotel Garber project moving forward, SCEDD doing nuisance abatement work, Downtown Revitalization efforts by the City and individual business owners, the possibility of USDA Redlg getting started in RC, Creative District application, restoration work with Cather properties, the potential impact of the E3 group, and the eventual improvement of streets downtown, there is a lot to wrap our minds around at the moment. While I do worry about burnout for myself, the City Council, and the core 10-20 people who work on this stuff, I am motivated and rejuvenated when I think about what all of this activity will mean for how our downtown will look. I believe it will create a ripple effect where other critical community improvements (such as housing) begin to occur organically.

Some additional highlights:

- Rachel Morgan from the Nebraska Arts Council will visit on July 26th to do a site visit for the Creative District application. I will not have that application completed in time for the July council meeting but will submit it for review soon. The City only needs to write a letter of support and possibly pass a resolution of support to be considered a partner for this program.
- With the hotel looming, I am looking for ideas to keep visitors busy beyond visiting Cather sites and staying in our community overnight. Again, please send any idea you have—big or small, for any audience. I am particularly interested in ideas that are family friendly as we simply don't have enough stuff for kids to do. These could be recreational activities or anything families can do together. I think it is also time to do more marketing for the Red Cloud Golf Course and the County Museum.
- We will do a social media blitz with the Nebraska Tourism Commission on July 21-23. This always results in increased interest in the community. Please share and comment on this ad when it's published.
- Street Car Days is Aug. 5-7th! Shooter Jaxx, a country band from the Grafton, NE area, will be the Saturday night concert, which the Chamber says will be at the Gazebo.
- The Republican River Stock Tank Float is happening! July 16th, Riverton to Inavale.
- The Red Cloud Athletic Club will open on July 9th! It's a fitness facility (operated by Alexis Strobl)



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Long Report
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Table 1: June 2022 Website Data


 Great Stories Grow Here	YTD	June '22	v. June 21	vs. previous month	2022 v. 2021	2021 v. 5 year average
Website users (visitredcloud.com)	14,262	2,713	+3.0%	-4.0%	-7.6%	+44.0%

Table 2: April 2022 Tax Data¹

Tax source	2022	Apr. 22	v. Apr. 21	v. previous month	2022 v. 2021	2021 v. 5 year average
County lodging tax revenue	\$1,702	\$449	-44.8%	+17.8%	-21.0%	+21.5%
City sales tax ² payout	\$79,005	\$19,445	-18.9%	+0.9%	-10.2%	+20.2%
Sales tax derived from retail sales	\$72,216	\$18,086	+0.9%	-13.1%	+12.9%	+1.6%

Analysis:

I am going to spare you the analysis this month because of a lack of time and instead tell you one of the reasons I compile this data each month: it is very useful to have the data (good or bad) on hand for grant applications. It does provide us with a snapshot of how the local economy is working and helps track seasonal impacts (like tourism), but there are too many reporting and situational anomalies for it to be considered scientific. It's probably most useful to look at this data yearly but that makes it much harder to track. I want to see more data before I hazard a guess at the impact of inflation and a possible recession on tourism and city tax revenue,

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.

especially as the data lags real time by a significant timeframe. Retail sales continue to look good.

Hotel Garber Update

- Please see the Executive Summary
- I'll add that while construction can begin, we will continue to fundraise. The Shovel Ready grant was \$600K less than what we asked for, basically meaning that we will still potentially have to take out a loan. We feel confident, however, that we will be able to raise the rest of that money, particularly from investors. Now that the project will happen for certain, we've already received almost as much money from investors in the last 2 months as we did in the previous few years. We have actually secured \$7.7 million for what will likely be a \$7 million project. Our work now, besides getting it built, is to eliminate or mitigate the need for the USDA loan that we've already secured. We should be able to generate another \$125K in donations from CDAA tax credits now that the new fiscal year has started (fingers crossed).

Creative Districts

See Executive Summary

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 Bengel, 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)

Councilman Daehling will have updates on this—it's really good news pending some feedback from USDA.

Red Cloud Community Fund

Our September Month of Giving is coming up. This year, we are focusing on raising funds for Heritage Tourism Development and the Recreation Trail.

Cather Conference

We had strong turnout for the first Cather Conference in person in 3 years! It is clear that we need to work more with local businesses to stay open and get those tourists spending their dollars in Red Cloud. Businesses that were open, like Hometown Market, The Corner Nook, and Juan's Bar & Grill, did a lot of business. My hope for next year is to make Thursday more of a community day, with events in the park and/or the Depot. It is a struggle to get local involvement at the time of year that the Cather Conference is held as many of our best volunteers in the community are just coming off being busy during Alumni Weekend and many also have children involved in sports. I also do not think many of the events at the actual conference are ever going to appeal much to locals (though that's not universally true)—which is why I'd like to takeover some of the planning or do some side events around the conference on Thursday evening. I'm not sure what time of year would work better to actually have the event, especially as most of the visitors are academics and have less time to travel during the school year. But we need to work on maximizing the economic impact of this event for the community.

Street Car Days

I am only doing marketing for the event and they have not sent me much as of yet. I do know that a schedule should appear soon and that there seems to be more energy this year. Shooter Jaxx will perform Saturday evening. The Warrior 5K race will happen Friday night. Missoula Children's Theatre will happen on Friday and Saturday. There will also be a burger bash, cornhole tournament, volleyball tournament, fly-in pancake breakfast, art and food vendors in the park, the Fireman's BBQ, free swimming, bingo, beer gardens, and more. They need someone to sponsor and organize the Car Show if that is to continue. Please contact Adam Vetter, Ana Armstrong, or Kyle Klein for more information and look for more event announcements on social media soon.

Events, etc

- Jul 9: Budweiser/Republican Valley Golf Tournament
- 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)