

Trends

No Data Available

Legend:

↑ Increase, ↓ Decrease, ↔ Steady

Key Performance Areas

No Data Available

Productivity

No Data Available

Legend:

↑ Improving, ↓ Worsening,  
↔ Maintaining

For more information on administrative key, and productivity measures, go to [www.vaperforms.virginia.gov/agencylevel/index.cfm](http://www.vaperforms.virginia.gov/agencylevel/index.cfm)

Background & History

Established as the Virginia Landmarks Commission in 1966, the Department of Historic Resources (DHR) helps citizens, agencies, and communities to reach their respective historic preservation goals, and promotes the use of historic resources to build a better future for the Commonwealth of Virginia. DHR is a small agency with a large and complex mission and programs with high expectations for performance both internally and externally. Its organization and services have evolved over the decades fulfilling both state and federal mandates as Virginia's State Historic Preservation Office (SHPO).

Primary Product & Services

Agency products and services are a closely interwoven and inter-dependent set of tools to identify, evaluate, recognize and help a wide variety of stakeholders use to ensure that Virginia's rich historic heritage continues to play a role in the future of the Commonwealth, its citizens, and its communities. The agency's most widely visible services include:

- Surveys to identify and share information on a growing inventory of roughly 200,000 historic buildings, sites, districts, objects and structures
- Register and historic highway markers to recognize and bring to public attention significant historic places and events
- Review and technical assistance to private projects that rehabilitate and reuse historic buildings to ensure they meet the standards to qualify for tax credits
- Easements to protect significant buildings and sites in a public/private partnership
- Environmental review and technical assistance to all federally funded, permitted or licensed projects that may affect significant historic resources
- Grants to preserve Civil War battlefield lands and the graves of Confederate and Revolutionary War soldiers
- A federally mandated program to certify and provide grants to local government preservation programs
- Archaeological field research to document sites, especially those that are threatened with destruction, and to bring the lessons learned from those sites to the public through research reports and through diligent management and stewardship of the state's collection of several million artifacts
- Emergency response to property owners, localities and the Federal Emergency Management Agency and the Virginia Department of Emergency Management
- Education and technical assistance to help the public and private property owners understand and preserve historic places in a 21<sup>st</sup> century world

Customer Base

DHR's customer base includes individuals, agencies, and organizations that own or otherwise benefit from historic resources. Stakeholders deal directly with DHR to register their historic homes and commercial buildings and seek guidance and incentives to rehabilitate buildings, to conduct research on Virginia history or to support sound private and public decision-making, or to use historic places to educate our children. They also include the travelers and citizens who experience the economic, cultural, and quality of life benefits of tourist attractions and of livable historic communities. Demand for and reliance on DHR services from one customer group to another varies greatly depending on the nature of the service (e.g. educational materials vs technical assistance for rehabilitation and economic revitalization) and on changing economic situations of the customers/industry served (e.g. an economic downturn in the construction industry results in proportionally more applicants who are not familiar with historic rehabilitation and who need more guidance to ensure an appropriate outcome).

## Agency Executive Progress Report

### Customer Listing

No Data Available

### Key Agency Statistics

Programs and services of the Department of Historic Resources (DHR) touch virtually every state and federal agency and every community across the Commonwealth.

- Under a combination of state and federal mandates, DHR reviews and provides technical guidance to every federally funded, licensed or permitted construction project--every highway project, every cell tower or major power-line project.
- DHR provides data and technical assistance to the Federal Emergency Management Agency, the Virginia Department of Emergency Management, local governments, public agencies and private owners of historic properties in times of emergency ranging from fires and floods to earthquakes.
- Training, such as workshops in identification and care of historic cemeteries help citizens, landowners, and local organizations meet their own preservation goals--while workshops in building tourism partnerships and training front line interpreters help historic attractions reach out to the traveling public.
- Education and outreach programs support K-12 (including homeschoolers) and higher education.
- Grants and easement programs contribute to statewide conservation goals--particularly in the preservation of Civil War Battlefields.

The following statistics provide only a small window into the breadth and volume of DHR services:

### Finances

The Department of Historic Resources' (DHR) funding comes primarily from the general fund, with roughly 20% from a federal appropriation and grants, plus occasional private gifts and donations, fees for assistance to developers seeking rehabilitation tax credits, fees for conducting archives research, and curatorial fees. Other sources include sales and royalties from publications, copy machine fees, and federal grant cost recoveries.

DHR also administers general fund grant programs to preserve Civil War battlefield lands and to maintain Confederate and Revolutionary War graves.

### Fund Sources

No Data Available

### Revenue Summary Statement

Most of the Department of Historic Resources' funding derives from its general fund appropriation (which includes both operating costs and funds appropriated for various grant programs). Roughly 20% of the Department's total budget comes from a combination of an annual federal appropriation for conducting federally mandated responsibilities and from federal grants such as a Transportation Enhancement grant to add historical highway markers to the statewide system. The Department also derives income from a combination of fees, sale of publications, grants from non-governmental sources, donations (including income tax "check-off" donations) and bequests. These proceeds vary greatly from year to year and are declining overall. All interest income from these funds has been discontinued.

### Key Risk Factors

---

**Changing Demand:** Increasing economic and community value of historic resources is leading to greater complexity and conflict. DHR is increasingly pressured to intervene in conflicts among citizens, local governments, public agencies and private developers. The agency's need for legal services grows with the potential for abuse of preservation tools such as tax credit fraud and as its inventory of eased properties increases at a time when the Office of the Attorney General has reduced such services.

## Agency Executive Progress Report

**Revenues:** The future of federal funds is unclear. An 8-10% reduction is expected to DHR's annual apportionment to handle federal mandates. Transportation enhancement funding for historical highway markers will end in 2013. Interest has been stripped from interest-bearing accounts. Revenues are dropping as economic factors affect customers.

**IT Costs and Demands:** Both IT needs and costs are rising including elements such as computer services, security requirements and storage for ever-growing electronic data. A once-leading-edge online data-sharing system requires a complete overhaul as does the agency website. These systems and the recently developed electronic project information exchange (ePix) will have ongoing maintenance costs.

**Leases:** DHR has traditionally negotiated leases for satellite offices at little or no cost to the agency. Host localities and organizations can no longer afford to provide free space, particularly space that meets state leasing requirements.

**Workforce:** Primary factors affecting the work force are the high volume of demand and complexity of the work, changing nature of historic preservation services, and the market competition from other agencies and the private sector. In addition, a large portion of agency employees are approaching retirement age, a longer than average time is required to fill vacancies due to the limited applicant pool of the related professions, and the workload is ever-increasing due to new mandates and reporting requirements.

## Performance Highlights

---

Numerical measures tell only part of the larger story of the role that historic preservation and the Department of Historic Resources (DHR) play in the economic and cultural vitality of Virginia communities, the complexity of the projects in which DHR plays a critical role, and the extent to which DHR leverages its limited resources through partnering with both the public and private sector.

Historic preservation using rehabilitation tax incentives has proven to be the single most effective tool in successful urban revitalization. In the current economy and that of the past several years, rehab projects are sometimes the only construction opportunities available and among the few that banks will finance. A study released by Virginia Commonwealth University in 2008, and updated through August 2011, showed that over the past 15 years the state rehabilitation tax credit program leveraged over \$3.26 billion in private investment, of which 70% or \$2.27 billion was due to the incentive provided by the state tax credit, and the technical assistance provided by the program that has recycled 2,048 historic buildings and supported (directly and indirectly) more than 31,866 in-state jobs.

Virginia has long been recognized as having both an abundance of nationally important historic resources and one of the leading historic preservation programs in the nation:

- DHR initiatives such as the online energy savers toolkit and its leading edge online project review process (ePIX) consistently garner national attention.
- DHR's work with Virginia's military installations has received awards from the National Trust for Historic Preservation, the federal Advisory Council on Historic Preservation, and the Secretary of Defense.
- For nearly a decade, DHR has been consistently ranked #1 or #2 nationwide by the National Park Service for nomination of historic properties and/or districts to the National Register of Historic Places and for completion of rehabilitation projects that qualify for federal tax credits.

## Performance Measures

## Management Discussion & Analysis

---

### General Information about the Ongoing Status of the Agency

The Department of Historic Resources (DHR) is a lean, dynamic, service-oriented agency. A small agency with many complex programs, DHR faces high expectations for performance both internally and externally. As a result of the impact of the broader economic situation on both DHR and its stakeholders, the agency has strategically focused more and more on the most essential aspects of highly interconnected core programs and services, including greater emphasis on training to help stakeholders help themselves.

In this light, agency priorities include:

- Emphasizing core programs and services including environmental review, rehabilitation tax credits, registration, historic resource

## Agency Executive Progress Report

data management and easement management. Other mandated services that will be reduced due to limited resources include survey, training and educational efforts, and general technical assistance.

- Encouraging good stewardship of historic resources in both the public and private sectors;
- Educating customers on the benefits of historic preservation and the tools that they can use to meet their own goals more effectively;
- Finding and retaining qualified, knowledgeable, and customer-oriented employees;
- Providing timely and responsive service in all service areas;
- Using technology to enhance transparency, efficiency, and both accurate and timely data management and delivery.

DHR remains committed to ongoing initiatives:

- State Stewardship including helping state agencies become better stewards of lands and buildings;
- Sustainability including emphasizing historic resources' role in an environmentally sensitive and economically dynamic future;
- Inclusiveness including ensuring programs are both accessible to and representative of the full range of stakeholders and cultural and ethnic influences in Virginia history.

### Information Technology

The Department of Historic Resources (DHR) has long embraced IT solutions as a nationally recognized leader in using technology to manage and deliver historic resource data to public and private customers--contributing to a wide range of economic, tourism, infrastructure, conservation and education goals.

For example, in recent years a surge in federally funded projects caused an increase in projects brought to the department under the National Historic Preservation Act. To streamline the process and address additional workload, DHR developed an IT application known as ePix. This system allows DHR staff to move away from paper to track federal projects electronically. EPix allows both the applicant and the reviewer to know where the application is at each stage of review.

DHR also partnered with Dominion Virginia Power and the Tusculum Institute to create an interactive website that provides home owners with valuable information to address energy efficiency in a cost effective manner and delivered that message to all Dominion's residential customers.

Each year, customers demand and internal users need more and better data, tools, analysis and greater interactivity, as well as faster delivery:

- A nationally recognized online system with data on roughly 195,000 historic resources is badly outdated and being overhauled. A new system is expected to be in place by September of 2013.
- Award-winning web site no longer meets user needs. Transitioning to a content management system will streamline business processes, and offer a website that is more interactive, easier to navigate and takes less technical expertise to maintain.
- Advances in technology and greater customer (and internal) demands for more and better geographic information system (GIS) data require DHR to upgrade the existing systems to allow for a higher level of interaction, such as providing dynamic data access and greater ability for customized self service. In addition, the demand for accurate survey data would be enhanced by the use of geographic positioning systems (GPS).

### Workforce Development

The Department of Historic Resources (DHR) takes a strategic approach to changing resources, staffing levels, customer needs, and simply changes of doing business in the field of historic preservation. The agency has reorganized to minimize the effects of staff reductions and retirements over the years and redefined positions to address the growing need for skills such as geographic mapping systems. The agency has trained existing staff to improve web site development and maintenance, and recognizes gaps in history (particularly Civil War, Native American, and African American history) as a result primarily of retirements. As the tax credit and easement programs grow in both numbers and complexity, there is increasing demand for historic architectural specialists and legal expertise in order to minimize the risk in these two high impact programs. The trends toward retirements (particularly at the senior level), growing program/legal complexity, and need for different skill sets are expected to continue for the foreseeable future.

### Physical Plant

The Department of Historic Resources (DHR) fills its statewide responsibilities by services provided from a central facility in Richmond, supplemented by regional offices in Newport News, Salem, and Stephens City. (Central and Southside regional services are provided from Richmond.) The agency also has two one-person satellites in Harrisonburg and at Sweet Briar College in Amherst. Administrative services staff are housed in Petersburg. From the inception of its regional office system in 1989, DHR has located its remote offices by allowing localities to compete to house DHR staff and services at little or no cost to the agency. Over the years, with changes in the economic climate for its local hosts and increasing oversight by the Division of Real Estate Services (DRES), local hosts have been reluctant to renew those leases making it more difficult to keep the regional offices in the same areas. Each of the three have now been moved at least once. In the coming years, DHR will explore options to co-locate with both public and private agencies in a continuing effort to keep costs low and to retain its ability to provide services more quickly and cost-effectively to localities than could be provided from a single office in Richmond. The central office in Richmond is co-located through a lease with the Virginia Historical Society--in space designed and built with private funds specifically to meet DHR programs, archives, and artifact collections and conservation needs. That 20-year lease will be up for renewal by 2018.

# Agency Executive Progress Report