



ECONOMIC ENGINE

An Analysis of the Potential Impact of a Pullman National Historical Park





Designating Pullman as a National Historical Park means it would join the Lincoln Home as the second National Historic Site in Illinois. Pullman affords the unique opportunity to tell in one location the story of Illinois' early industrialization, its key role in the development of the nation's transportation systems, and its vibrant African American history. A Pullman National Historical Park would draw visitors from around the world to experience our heritage and generate a large economic impact in the Chicago area. Pullman is a tremendous economic engine that needs to be fueled by this National Park Service designation.

Governor Pat Quinn
State of Illinois



ACKNOWLEDGEMENTS

ECONOMIC IMPACT ANALYSIS

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ABOUT THE REPORT METHODOLOGY



In 2013, Market Feasibility Advisors, LLC (MFA) of Chicago assessed potential designation of the Pullman National Historic Landmark District as a Pullman National Historical Park to be managed by the National Park Service (NPS) in partnership with local and state entities. The focus of this assignment is to project the economic impacts of this designation and its related transactions and programming. The study was commissioned because of the growing interest in a national park designation and this report summarizes the study's findings.

The analysis evaluates a hypothetical or potential situation as opposed to the operations of an existing unit of the National Park System. To project the economics of a hypothetical situation, the creation of a Pullman National Historical Park, MFA employed the following approach:

- Assessed the current and prior operations of existing historic sites within Pullman;
- Researched peer units of the National Park System including national historical parks and national historic sites, as well as non-NPS locations with one or more similar characteristics;

- Interviewed local stakeholders to understand their activities in Pullman and the potential relation of those activities to a national historical park;
- Analyzed the demographic and visitor marketplace context in Chicago for a Pullman National Historical Park.

Based on these factors, MFA was able to derive a range of reasonable actions to model and their likely impacts.

The analysis estimates staffing of the park by the National Park Service (NPS), annual visitation, economic output, jobs, and wages in a framework of short-term, mid-term, and long-term. MFA has calculated short-term impacts as those which can be expected to occur within 3-5 years, mid-term within six to 10 years, and long-term in a 10- to 15 year timeframe. Based on other newly designated national parks, such as Paterson Great Falls National Historical Park in New Jersey, it is presumed that the NPS will initially establish a small operating budget for the park in the range of \$350,000 and a staff of two-three full time employees.

The study and the technical report, which contains a list of the peer units researched for this project, may be found online at www.npca.org/midwest.

The Pullman neighborhood is a jewel of America. Recognizing it as a National Historical Park would be a fitting tribute to the community and the generations of residents whose work has made this neighborhood so distinctive. Few sites in America preserve the industrial, labor, urban planning and architectural history as comprehensively as Pullman. It would additionally energize the ongoing economic advancements happening in the area and help create opportunity for generations to come.

Mayor Rahm Emanuel
City of Chicago

BACKGROUND



Nestled in a bucolic setting minutes west of the Bishop Ford Freeway on Chicago's far South Side, is the Historic Pullman District. Much of the neighborhood appears to be relatively untouched since the late 19th century when George Pullman set his mind to creating his ideal company town.

Pullman's development is a potent American story, albeit with a short-lived history. In 1879, Pullman bought 4,000 acres to build his town and launch the Pullman Palace Car Company. The next year, the first residents moved in. Over a few short years, Pullman provided his workers with housing, markets, a library, churches and entertainment creating an "ideal" community for his workers. But during the economic "Panic of 1893," Pullman reduced wages without reducing rents, precipitating the famous Pullman strike of 1894 that disrupted rail travel across the country. In 1898, just 18 years after Pullman bought the land in what is now Chicago's south side, the Illinois Supreme Court ordered the Pullman Company to sell all property not used for industry, including the homes and storefronts that comprised the town. Pullman made its mark on history with the strike that created our Labor Day holiday, the first African American labor union, and the country's first model industrial town.

Creating a national historical park at Pullman is a logical step and a tremendous opportunity to bring these stories alive for the nearly 300 million people who visit national parks each year. This new park would build on the strong commitment of the National

Park Service to "improve urban residents' access to outdoor and cultural experiences close to home by promoting national parks in urban areas," and to "promote the contributions that national parks make, to create jobs and strengthen local economies."¹

A Pullman National Historical Park would increase economic development on Chicago's south side by fostering new businesses aligned with visitor needs, spurring renovation of historic row homes, and creating jobs in the area. As an urban national park where people make their homes, Pullman National Historical Park would include various land owners, creating a strong base of partnerships at the outset. The many private property owners who lived within the national park would work closely with the National Park Service, State of Illinois, City of Chicago, and others to restore and protect their historic neighborhood.

This report assumes that the National Park Service would obtain ownership of the clock tower administration and factory building, commonly known as the Pullman Factory Complex, from the Illinois Historic Preservation Agency (IHPA). IHPA would retain ownership of the Hotel Florence and work in partnership with the NPS to interpret the history that the two sites encompass. The Chicago Park District, which owns both Pullman and Arcade Parks, could work with NPS to restore and maintain those sites. Existing neighborhood non-profits would continue their work and the remainder of the Historic Landmark District would remain in private ownership.

More than 2.7 million people live in Chicago and more than 400,000 residents live in the Calumet Core, where Pullman is located. Establishing Pullman Historic District as Chicago's first national park will draw attention to the region and open critical opportunities for connecting millions of people to culture, heritage and the outdoors.

Arnold Randall
General Superintendent
Forest Preserves of Cook County, Chair
Chicago Wilderness Executive Council

Left: Pullman Town Family Pullman State Historic Site

KEY FINDINGS

Projected ongoing benefits of a Pullman National Historical Park for Chicago's far south side.*

By its 10th year of full operation, the Pullman National Historical Park could generate:

300,000 visitors each year

356 annual jobs

\$15 million in annual wages

\$40 million in sustained economic output

*Ongoing economic activity is impact related to visitation and does not include short-term construction jobs required to renovate historic structures.



The Pullman Historic District, from 103rd St. south to 115th and from Cottage Grove Ave. east to Ellis Ave., was designated a National Historic Landmark (NHL) District in 1970. The District encompasses about 300 acres, including Illinois State Historic Site and a vast majority of the historic residential building remain standing.

ECONOMIC IMPACTS



BOOSTING ECONOMIC ACTIVITY

National parks are economic generators. In 2010, visitors to our parks supported more than **\$31 billion in private-sector spending and sustained more than 258,000 jobs**. Visitors to a Pullman National Historical Park will boost the region's economy significantly.

As with any national park, visitor spending will support the largest and most sustainable share of economic impact at Pullman. The renovation of historic buildings will create one-time direct impacts for the community. While the construction-related impacts last only as long as the project, the benefits of enhancing or preserving Pullman's assets last much longer.

The Pullman State Historic Site estimates about 15,000 visitors each year for events and tours. That annual number increases to about 50,000 when combined with other estimates for walking tours and other events already held at Pullman.

Within the first 5-10 years of operation as a national historical park, **visitation is projected to increase by a factor of six to more than 300,000**.

Several factors account for the increase:

- The National Park Service logo—or arrowhead—is an internationally recognized symbol with huge drawing power for tourists.
- The development of the Pullman Factory Complex and other historic buildings over time will create new assets for visitors.
- With two national parks—Pullman and Indiana Dunes National Lakeshore—anchoring the Millennium Reserve/Calumet Region, there is strong incentive for marketing collaboration.

Increasing the number of visitors to a Pullman National Historical Park could also account for a **six-fold annual increase** in economic output. Current estimates are that visitors spend about \$5.3 million a year. After the first 10 years of operation, that number could increase to more than **\$32 million a year**.

By the 10th year of operation, the national historical park could support **more than**

300 new jobs, which is nearly six times the number of jobs the site currently supports. These jobs will support \$15 million in wages and \$40 million in economic output for the community.

In addition, **more than 150 construction jobs representing \$17 million in wages and \$43 million in economic output** are associated with renovating Pullman's historic building. For example, construction of a visitor center and other interpretive and leasable space at the Pullman Factory Complex represents an impact of about \$6.6 million. During construction, the project is expected to support about 42 jobs in the area, paying some \$2.6 million in wages.

OPPORTUNITIES FOR PULLMAN

Creating a Pullman National Historical Park provides new opportunity for Chicago's far south side that will build on the recent renovation, including millions invested in Hotel Florence by the State of Illinois and new business growth in the neighborhood. For example, IHPA hopes to contract with a vendor to operate a café or restaurant, or rent the Hotel for events and meetings. This concession would advance more quickly if a national park is established. A new national park will require improvements that will also benefit the more than 3,000 residents of the community.

Improving public transportation.

Pullman is strategically located on a major public transportation route originating in the heart of Chicago's downtown tourism area. The Metra Electric District line operates from the Millennium Park station, across the street from one of Chicago's top tourist attractions, to the Pullman neighborhood. But the 111th Street/Pullman station is aging and in disrepair. With increased visitor traffic to the national park, this station would need updating with platform and shelter improvements.

Renovating historic buildings.

Since 2007, Chicago Neighborhood Initiatives (CNI) has invested more than \$4.6 million to renovate 23 historic properties in the neighborhood. Using funding from the City of Chicago Neighborhood Stabilization Program, this work has significantly expanded access to affordable housing in

\$40M

By its 10th year, Pullman could support **300** new jobs, **\$15 million** annual wages and **\$40 million** in annual economic output.



Top: Visitors touring the Pullman State Historic Site
©Mike Matejka/LIUNA Above: Pullman factory in the late 1970s ©Library of Congress



The Hotel Florence. In 2014, the State of Illinois will complete a \$4 million renovation of the property.
©stevegeer/iStock

historic Pullman. The Pullman Wheelworks preservation project, led by Mercy Housing, is renovating apartments in this former industrial plant. A national park designation could lead to an increased use of historic tax credits, generating new funding to renovate the Market Hall, Pullman Firehouse, and other historic buildings.

Creating a revenue stream.

If visitors to a new national park are to experience what George Pullman created, significant renovations to the Administration Building would be necessary. But with 27,000 square feet, this building also provides opportunity for leasable space and a future revenue stream for the National Park Service and its primary partner. Based on the successful work that CNI has done in the community, it's the most likely partner to help NPS get the building renovated and ready for business. CNI has had tremendous success in attracting new businesses to the Pullman neighborhood with the recent additions of Walmart, Method, and other

small retail operations, and the organization could leverage similar success at the park's landmark building.

Spurring business growth.

The Historic Pullman Foundation currently conducts walking tours of the site, but there are several large organizations such as Chicago Architecture Foundation (CAF), offering a wide array of architectural walking tours throughout the city. Any of these could become partners with the Park Service, bringing established track records and a built-in customer base to Pullman. Numerous kiosks already exist in Millennium Park and along Chicago's Michigan Avenue that could be launching pads for bringing out-of-town guests to the Pullman National Historical Park. For example, CAF serves more than 300,000 people a year with 90 different tours. Docents could meet tour participants at any one of CAF's downtown locations and help visitors navigate public transportation to the national park.

Heritage tourism is a growth area for domestic and international visitors alike. Establishing a national park in the Pullman Historic District will build on an already strong market in Chicago by allowing tourists the opportunity to walk around a site that looks much the same as it did when George Pullman built his model industrial town in the late 1800s."

Lynn J. Osmond
President & CEO
Chicago Architecture Foundation



BENEFITS OF A NATIONAL PARK

National parks provide undeniable benefits to local communities, supporting \$31 billion in local spending. And urban national parks give scores of young people their first national park experience because these parks are located “in their backyard.”

treasured lands and historic sites, like the Statue of Liberty, Gettysburg and Lincoln’s Home. The arrowhead of the NPS is an internationally recognized mark and draws tourists from around the globe.

Visitation at Pullman is projected to grow by more than 500 percent in the first 10 years of operation, due in part to the draw of the NPS arrowhead. Other NPS sites studied for this report performed similarly in their first decade of operation.ⁱⁱ

500%

Visitation at Pullman is projected to grow by more than **500 percent** in the first ten years of operation, due in part to the draw of the NPS arrowhead.

To evaluate the many benefits provided by a Pullman National Historical Park to the community and region, this study analyzed parks similar to the proposed park. These areas include national historical parks and sites in cities. The study also examined sources of funding outside of federal appropriations in order to project what types of funds might be available to the proposed national historical park.ⁱⁱ

A boost for South Side employment.
The proposed Pullman National Historical Park is located just off the Bishop Ford Freeway in what could in time become a south side gateway for visitors. And a national park designation will cause a strong boost in visitation to this part of the city, bringing the demand for visitor services. Most expenditures by historic site visitors

National Park Service appeal.

Affiliation with the National Park Service will put Pullman on a par with our nation’s

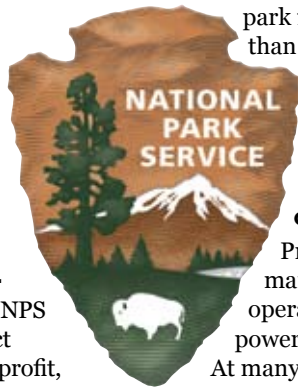
Left: Historic row houses, recently renovated by Chicago Neighborhood Initiatives (CNI) ©CNI Below: Increasingly, people are realizing the potential and value of living in a historic community. CNI recently renovated this row house, once an executive home in Pullman Town ©CNI



are for food, followed by gasoline and souvenirs. The park's operation would likely cause this business growth. **Visitors to Pullman are projected to create 75 jobs within the neighborhood, paying \$2.2 million in annual wages.** In surrounding Cook County, visitor services will create more than 150 jobs paying \$6.2 million in annual wages that are attributable to visitor services for the proposed national park.

Access to funding sources.

The high profile of Pullman's NPS designation could help attract additional funding from nonprofit, corporate and federal sources. Some funding sources are available only to units of the National Park System, such as the NPS Centennial Challenge, which funded projects in advance of the 2016 National Park Service Centennial. Other national parks have received funding from Department of Transportation (DOT) for projects such as the low fuel shuttle at Indiana Dunes National Lakeshore. The park received more than \$500,000 from DOT in 2013 for a shuttle that would transport visitors to and from the South Shore Metra stops within the park.



National parks are often supported by strong friends groups that help raise funds to offset the cost of park operations. At Cuyahoga Valley National Park near Cleveland, the park friends group raises more than \$1.5 million annually to help run park programs, pay for staff, and repair and build park structures.

Coordination for common goals.

Programming, construction, maintenance, signage, and general operations can all benefit from the power of groups with common goals. At many national parks, operating agreements between partner agencies allow goods and services to move easily. Natural partners for the NPS at Pullman include the State of Illinois, IHPA, the City of Chicago, Chicago Park District, and Chicago Public Schools, all of which operate facilities within the proposed park boundary. Other non-profit institutions, such as the A. Philip Randolph Pullman Porter Museum will continue providing historic context for visitors and become stronger through association with the National Park Service.



Designating Pullman a national park will be a huge boost for the economy of the neighborhood. It will bring tourism spending, the opportunity to access federal infrastructure dollars, and private investment, all of which are much needed here. A lot of work is already underway including new investments in retail, industrial and residential development. The national park will build on this progress and further bolster and encourage new investment.



David Doig
President
Chicago Neighborhood Initiatives

FUNDING FOR URBAN NATIONAL PARKS

CASE STUDY: ENERGY FUNDS IMPROVE LIGHTING AT LOWELL

With \$5 million in seed funding from the U.S. Department of Energy's Better Buildings Neighborhood Program, the National Park Service, the City of Lowell, and the Massachusetts Historical



Commission are improving energy efficiency in the city's historic commercial and multifamily buildings.

The program allows owners of historic buildings in the city's Downtown Historic District—most of which falls within the boundary of the national park—to apply for grants of up to two-thirds of the project cost from two sources, with the final third financed by the property owner.

In the first two years of the program, nearly 300 residential and commercial evaluations were completed in addition to nearly two dozen commercial energy upgrades.

The 190-year old birthplace of artist James McNeill Whistler was retrofitted for energy efficiency with funding from U.S. Department of Energy. All changes met historic preservation guidelines. Photo courtesy City of Lowell MA



Our program is specifically targeted to the buildings in Lowell National Historical Park and Preservation District, to disprove the fallacy that it's too hard to retrofit historic buildings by showing that even within the confines of one of the most tightly regulated historic districts in the country, significant energy efficiency work is both possible and desirable.



Adam Baacke
Assistant City Manager
City of Lowell, Massachusetts

FUNDING FOR URBAN NATIONAL PARKS

CASE STUDY: TRANSPORT FUNDS PUT BIKES ALONG THE MISSISSIPPI

With this funding we have been able to help build non-motorized transportation in the Twin Cities, which is critical for all congested cities. And the bikes provide visitors and residents the opportunity to get to this great river without a car."

Paul Labovitz
Superintendent, Mississippi National River and Recreation Area

In two short years the National Park Service has leveraged nearly \$1.5 million in grants from the Department of Transportation (DOT) Transit in Parks program to put more than 50 new bike share stations in Minneapolis and St. Paul, many in traditionally underserved neighborhoods. This DOT funding source addresses the challenge of increasing vehicle congestion in and around our national parks and other federal lands.

The Mississippi National River and Recreation Area stretches for 72 miles along the Mississippi River running right through the Twin Cities. There are miles and miles of bike trails, but park visitors and many neighborhood residents have no access to bikes. In addition to beefing up the cities' bike share program, funding from DOT helped with a transportation study to improve access to public bus pads,

signage to direct residents and park visitors to transit options, and development of a trip planner that will help people get to and from the national park on public transit.



Coldwater Spring Nice Ride Station in the Mississippi National River and Recreation Area Photo courtesy of Nice Ride Minnesota

MOVING FORWARD NEXT STEPS

The economic analysis is clear: Creating a Pullman National Historical Park is a good investment in the region's long-term prosperity. The proposed park will stimulate new business growth, create jobs, spur renovation of Pullman's historic core and provide a significant return on investment.

Creating a national park in an urban setting like Chicago will require collaboration and necessitate many strong partnerships. Management of the park will call for committed partners with vision and the ability to raise funds and work with the National Park Service to develop a viable and vibrant national park. The comprehensive vision for a Pullman National Historical Park will take dedication and a collective spirit.

The designation process

The National Park Service has completed a Reconnaissance Survey for the Pullman

Historic District and in their evaluation finds that "the Pullman Historic District is conclusively nationally significant." The park service goes on to say "Though other sites preserve and interpret labor stories and sites where some corporate planning of worker housing took place, none match the scale, intensity, and national impact of the Pullman Historic District."ⁱⁱⁱ The findings in this reconnaissance survey represent an important first step.

Our Illinois members of Congress are supportive of establishing a national park at Pullman and can introduce legislation to create the park. Ultimately Congress debates the bill and with strong public support, passes the designation into law. A national park site can also be designated by the President through use of the Antiquities Act.



Supporters for a national park at Pullman in front of the historic Greenstone Church Photo courtesy of Historic Pullman Foundation

Supporting this effort

Public support is key to shaping what the proposed national historical park will look like and how it will operate. And strong support is what creates momentum that results in Congressional action. The residents of Pullman have demonstrated their interest in having a national park in their backyard. And hundreds of other individuals, businesses, and organizations representing millions of people have voiced their support for creating Chicago's first national park.

Some steps currently underway include:

- **Organizing support for the effort:** The Pullman Partners, a group of local organizations operating in Pullman, have come together to enlist others to support a national park at Pullman;
- **Educating elected officials:** The Illinois Senate and House, and the Chicago City Council have passed resolutions in

support of establishing a national park at Pullman;

- **Creating a partnership roadmap:** Individuals are talking about and analyzing how strong successful partnerships with the National Park Service will help create revenue streams and coordinated management at the park.
- **Coordinating with regional planning:** The Millennium Reserve Steering Committee is interested in a Pullman National Historical Park in order to weave it into a broader regional framework. And improving public transit and trail connection at Pullman fits into Chicago's "GoTo2040" plan.

Significant support and community involvement will ensure that a Pullman National Historical Park is established and that it creates a strong economic impact on the Pullman neighborhood, the City of Chicago, and the region.



I'm excited that we have so much support for getting a national park designation at Pullman. We feel strongly about what a national park can do for our community.

A national park means that we will be able to attract federal resources and business growth, shops, stores and restaurants for visitors and residents alike. Once there is a national park at Pullman you're going to see more great things happening in the Roseland and Pullman communities.



Anthony Beale
City of Chicago
9th Ward Alderman

NOTES AND REFERENCES

- A Call to Action, Preparing for a Second Century of Stewardship and Engagement, National Park Service. 2013 update.
- NPS sites examined for this report include Boston African American National Historic Site, Lincoln Home National Historic Site, New Orleans Jazz National Historical Park, Harpers Ferry National Historical Park, Lowell National Historical Park, Martin Luther King, Jr. National Historic Site. (A full list is in the Technical Report at npca.org/midwest)
- Pullman Historic District Reconnaissance Survey, National Park Service. 2013.



The proposed Pullman National Historical Park is strategically located on Chicago's far south side within the Millennium Reserve/Calumet Region, an "America's Great Outdoors" project. This region boasts strong public transit, a system of Interstate freeways, bike trail connections, historic and cultural sites, and natural areas. The bi-state area would be anchored with two national parks: Pullman National Historical Park on the west and Indiana Dunes National Lakeshore to the east.



Photo courtesy of Historic Pullman Foundation



cityofchicago.org

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