

**Testimony before the U. S. House of Representatives
Natural Resources Subcommittee on Federal Lands
Thursday, July 23, 2015**

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Thank you for the honor of allowing me to present testimony before the Natural Resources Subcommittee regarding innovation in business practices in the U. S. National Park Service. Innovation and partnerships are necessary in today's world where we are seeking savings, cost cutting, and reduction in government services at all levels.

It has long been the duty of the U. S. National Park Service to maintain, manage, preserve, and protect our National Parks. That remains their mission today as it should. Because of the necessity to become more creative in today's economy which dictates conservatism in financing and budgeting, it becomes necessary to be creative and innovative in determining just how to focus on the mission mentioned above.

While every National Park is unique in its offerings and exhibits, there exists a common opportunity to involve the business community in that process; offering an opportunity to create private sector jobs and increase economic conditions along with providing some significant cost savings to the NPS.

Here in Hot Springs National Park (AR), one of America's first designated National Parks, the NPS has embarked on a process of negotiating long term leases on the original Bathhouses that use the natural spring waters from the Hot Springs to lure literally millions of visitors annually to this attraction. As a result of the leases, NPS is relieved of the maintenance and utility costs of the seven structures, while allowing private business to develop and preserve these structures at no cost to the taxpayer.

Hot Springs National Park includes nine buildings that once served as bathhouses. The structures are of varying size, but each is quite large. All the buildings except one are on Bathhouse Row along the town's main street, and only two of the nine continue in use as bathhouses.

Of the nine structures, one has been leased to a Brew Pub which operates an upscale restaurant and brewery using the spring water in their brewing process. Another structure has been leased to a developer who is in the process of converting the bathhouse into an upscale, 13 room Bed & Breakfast with an upscale eating establishment on the ground floor. The 13 room will feature whirlpool bathtubs that will use the natural spring waters. Yet another structure has been developed into a beautiful spa with all the amenities you would expect in a luxury spa. The other bathhouses remain available for development. (See the next four paragraphs.)

The NPS has and is in the process of locating interested businesses or organizations willing to enter into long-term leases for the five remaining buildings.

Like the **Quapaw** that is currently operating as a bathhouse under a long-term lease, the lessees are required pay rent for use of the facility, and be responsible for interior and exterior maintenance for the term of the lease.

One former bathhouse, the **Ozark**, is currently serving as an art museum under a 60-year lease that began in 2009 and requires monthly rent of \$2,000.

Another former bathhouse, **Superior**, is being renovated under a 55-year lease for use as a brewpub.

The **Hale** bathhouse is being leased and developed as a 13 room Bed & Breakfast and upscale dining establishment. Financing for the project is expected to close soon.

Items that would enhance this development effort with private developers would be to provide more readily available resources to local NPS staff such as legal, architectural, and engineering professionals. There should also be some training for local NPS staff and management in the development process, maybe even involving local economic development organizations in the training process.

Could this approach be used in other National Parks? Of course! It requires a review of the inventory of facilities and attributes. It also requires a recollection that the NPS mission is to preserve, protect, manage, and maintain the Parks. Then find methods to involve private business to relieve NPS of those mission costs in a manner where private business can develop with their respective expertise and create new jobs and investment along with saving budget dollar for the NPS.

This might require initial investment in training and resources for the NPS, but in the long run, the cost savings to the taxpayer could be significant.

Public/private partnerships are good for our National Parks. They provide a method for the NPS to reduce expenses, create more revenue, attract a variety of new visitors, and allows private business an ability to create new jobs and significant investment in our parks. Without these creative lease/use arrangements, the Hot Springs National Park management was looking at considerable cost in being able to restore, preserve, and maintain these aging structures.

Sources:

National Park Service, Hot Springs National Park, Arkansas
Josie Fernandez, Superintendent

Pat and Ellen McCabe, CEO of Levi Hospital
Proposed lessee of the Hale Bathhouse

National Parks Traveler Publication
May 27, 2013