



Innovation Spotlight: Historic Preservation in Potosi, WI

Problem

Across the country new facilities often replace worn-down buildings. Some buildings, however, have significant sentimental value and are placed on the National Register of Historic Places. Yet, despite tax benefits, loans, and grants designated for rehabilitating or maintaining listed properties, there is no guarantee that a building will remain standing.ⁱ These buildings may still be demolished or left to crumble.ⁱⁱ

For the small town of Potosi, Wisconsin, the Potosi Brewery faced such an issue. It held sentimental value within the community and was placed on the National Register of Historic Places in 1980. However, for roughly 21 years, the old limestone and brick building was left rotting on its foundation.

Background

In 1852, Gabriel Hail opened a brewery in the small town of Potosi, Wisconsin, located in the southwestern corner of Wisconsin. At its height, the Potosi Brewery was producing 75,000 barrels of beer annually and served as the town's single largest employer.ⁱⁱⁱ In 1972, however, the brewery closed its doors as it was no longer able to compete with the larger breweries in the state.



Solution

In 2000, the town of Potosi devised an innovative solution to restore the brewery to its former glory and ensure that the enterprise would benefit the entire community. A 501(c)(3) non-profit foundation was formed and the brewery complex donated. The new foundation created a plan to restore the brewery, along with other tourist attractions and educational offerings. To pull off this expansive project, the foundation took advantage of the building's historic listing and raised funds from a wide variety of sources including donations, grants, and loans. In 2008, the Potosi Brewery roared back to life as the only not-for-profit production brewery in the United States, producing beer again for the first time in 36 years.^{iv}

Ten years later, the brewery includes a brew pub and beer garden, the National Brewery Museum, a welcome center, and bottling, keg, and canning line. The Potosi Foundation and Brewery Company employ 22 full time and over 50 part-time employees. They sell their beer in three states and contracted production for 8 other breweries.^v

Looking Ahead

The Potosi Brewery has had an outsized impact on the local economy. In just its first year, it created a \$4.3 million impact on the region from wages, sales and additional tourism revenue.^{vi} The brewery each year attracts people from all 50 states and around the world, creating growth and expansion opportunities for several other local businesses. Additionally, it sources its products such as boxes, brewing equipment, labels, and hops locally.^{vii}

State studies have shown that there are vast economic benefits to be gained by preserving our historic places. For example, a Virginia study on the benefits of the state's historic rehabilitation tax credit showed that, in 2014, it resulted in \$467 million in economic output, supported 9,960 jobs, and generated \$3.50 for every \$1 invested.^{viii} And, in New Mexico, preservation tax credits have had a seven fold impact on economic development for every dollar invested.^{ix} Given the economic benefits of preserving our historic sites, Congress should encourage states and provide ample incentives for historic preservation.

ⁱ <https://www.nps.gov/subjects/nationalregister/index.htm>

ⁱⁱ <http://www.preservationsacramento.org/preservation-myths/>

ⁱⁱⁱ <https://npgallery.nps.gov/NRHP/GetAsset/b2e8c14f-1266-4ce0-ad36-9882bdb93df4?branding=NRHP>

^{iv} <https://isthmus.com/food-drink/good-old-potosi/>

^v Email correspondence with Potosi Brewery, September 4, 2018.

^{vi} <https://www.nado.org/the-good-ol-days-are-back-the-revival-of-the-potosi-brewery/>

^{vii} http://www.telegraphherald.com/biztimes/articles/article_ab54e150-ab41-56e1-b0bd-06c1985a5d5d.html

^{viii} <https://preservationvirginia.org/programs/economicimpact1>

^{ix} http://www.nmhistoricpreservation.org/assets/files/hpd-reports-and-plans/state_plan2012-3-FINALa_v3%20-%20web.pdf