

**DEADWOOD HISTORIC PRESERVATION COMMISSION  
2025 BUDGET ANALYSIS**

**TO: South Dakota State Historical Society Board of Trustees**

**FROM: Garry Guan, State Historic Preservation Officer  
South Dakota State Historical Society**

**CC: Kevin Kuchenbecker, Deadwood Preservation Officer**

**RE: Deadwood HPC 2025 Budget Analysis**

**DATE: November 26, 2024**

**BACKGROUND**

Following the voters' approval of an initiated amendment on November 8, 1988, Article III, Section 25 of the constitution of the State of South Dakota was amended to allow for limited gaming within the city limits of Deadwood. Subsequent amendments have further defined gambling allowed within the city, such that the last two sentences of Article III, Section 25 of the Constitution currently read:

Further, it shall be lawful for the Legislature to authorize by law, roulette, keno, craps, wagering on sporting events, limited card games and slot machines within the city limits of Deadwood. The entire net Municipal proceeds of such roulette, keno, craps, wagering on sporting events, card games, and slot machines shall be devoted to the Historic Restoration and Preservation of Deadwood.

The details of limited gaming in Deadwood are codified within the sections of South Dakota Codified Law (SDCL) 42-7B. SDCL 42-7B-46 created the historic restoration and preservation fund as a result of gambling revenue in Deadwood. The terms of SDCL 42-7B-46 are as follows:

There is hereby created within the City of Deadwood a special fund to be known as the historic restoration and preservation fund. The Deadwood city commission shall appropriate amounts from this fund, remaining in any fiscal year after provision for the requirements of any revenue bonds issued under § 42-7B-54, to the Historic Preservation Commission established pursuant to chapter 1-19B which may expend those funds for loans, grants and purchases in the manner and for the purposes set out in chapter 1-19B and according to standards established by the State Historical Society Board of Trustees.

At the December 13, 2024, meeting, the South Dakota State Historical Society Board of Trustees will review and take action on the 2025 budget for Historic Preservation in Deadwood, also known as the historic restoration and preservation fund or "preservation fund," as has been done in the past,

## **DEADWOOD HISTORIC PRESERVATION COMMISSION 2025 BUDGET ANALYSIS**

utilizing the terms in the Administrative Rules of South Dakota Chapter 24:52:10.

### **OVERVIEW**

The City of Deadwood is a unique historic resource and a unique town within South Dakota. A large portion of the City is a National Historic Landmark (NHL), and gaming is legal within the City. Additionally, although the permanent population of Deadwood is roughly 1,200, over two million people visit Deadwood each year. These factors contribute to the unique position of historic preservation in Deadwood, with oversight of the City's NHL status from the National Park Service and meaningful consultation with the State Historic Preservation Office on all projects within the City that could encroach upon, damage, or destroy historic properties. This analysis of the 2025 Deadwood Historic Preservation Commission Budget takes into account the unique issues faced by the City and its Historic Preservation program.

Commercial development within the City continues to put pressure on the historic integrity of the district. This will continue for the foreseeable future. Deadwood's Historic Preservation Officer and staff within the City's Historic Preservation Office advise and assist the Historic Preservation Commission with their gargantuan task of balancing the protection and rehabilitation of the district's historic resources with the commercial and residential needs of the community. The State Historic Preservation Office (SHPO) continues to partner with the City of Deadwood to preserve and protect as many historic resources of the City as possible, while acknowledging the self-governance of municipalities inherent in state law. To ensure that the City and citizens of Deadwood respect and preserve the historic resources that surround them, public outreach, marketing, and education remain critical.

The 2025 Deadwood Historic Preservation Commission budget shows relative consistency with the previous two years' budgets. The 2025 budget is estimated at \$7,186,750.00, while the 2024 budget was \$6,999,750.

The most noticeable difference is the retirement of the current bond series. In 2023 and 2024, approximately \$1.7 million each year was dedicated towards bond payments. The elimination of this payment from the 2025 budget has resulted in increased allocations for other budget line items, the largest of which include: \$400,000 to Rodeo Grounds improvements, \$775,000 to Senior Center improvements, \$125,000 to 85 Charles Street for exterior improvements, and \$435,000 to a façade easement program.

Kevin Kuchenbecker, Deadwood Historic Preservation Officer, has provided specific details for this year's budget. Under South Dakota Codified Law, Deadwood's historic restoration and preservation fund has been capped at \$6,800,000 since 1995, with any excess gaming revenue being divided according to a complex formula in which only a small percentage of the excess proceeds go to

## **DEADWOOD HISTORIC PRESERVATION COMMISSION**

### **2025 BUDGET ANALYSIS**

Deadwood's historic preservation. In 2025, Mr. Kuchenbecker plans to continue educational efforts with the legislature to educate and inform the administration on the importance of historic preservation in Deadwood.

This analysis provides a recap of the 2025 itemized budget, with the appropriate Administrative Rule(s) cited to justify the proposed expense. Additionally, the analysis provides comments from SHPO, any questions regarding a proposed budget item, and SHPO's recommendation. Comments from SHPO largely reflect the need for the budgeted items to follow the agreed upon standards, on which Mr. Kuchenbecker and Deadwood Historic Preservation Staff are well-educated. The included recommendations primarily focus on whether I feel the individual line item has followed the applicable Administrative Rule(s) and are within the scope and intent of preservation activities intended by the legislature.

South Dakota Administrative Rule 24:52:10:12 details the Board of Trustees' role in reviewing Deadwood's historic preservation expenditures.

### **BOND PAYMENTS**

**SHPO Comment:** All current bond series have been paid in full. For reference, bond payments in the 2024 budget were \$1,172,000.

**Bond Payments – \$0**

*ARSD SECTION* – ARSD 24:52:10:09(2)

*QUESTIONS* – None

*RECOMMENDATION* – Approval.

### **FIXED CAPITAL ASSET AND CAPITAL IMPROVEMENT PLANNING**

**SHPO Comment:** SDCL 1-19B-62 states “Any county or municipality may enact an ordinance requiring a county or municipal historic preservation commission to review any undertaking which will encroach upon, damage, or destroy any historic property included in the national register of historic places or the state register of historic places.” Although properties owned by the State of South Dakota are exempt from local review, the City of Deadwood municipal government must continue to comply with this review process for their own municipal facilities, per their local historic preservation ordinance.

**City Hall – \$18,000**

*ARSD SECTION* – ARSD 24:52:10:08(10), and 24:52:10:09(1)

*QUESTIONS* – None

**DEADWOOD HISTORIC PRESERVATION COMMISSION  
2025 BUDGET ANALYSIS**

*RECOMMENDATION* – Approval

**Adams Museum– \$50,000**

*ARSD SECTION* – ARSD 24:52:10:08(10) and 24:52:10:09(1)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**Adams House Museum– \$15,000**

*ARSD SECTION* – ARSD 24:52:10:08(10) and 24:52:10:09(1)

*QUESTIONS* – None.

*RECOMMENDATION* – Approval

**Library – \$50,000**

*ARSD SECTION* – ARSD 24:52:10:08(10) and 24:52:10:09(1)

*QUESTIONS* – None.

*RECOMMENDATION* – Approval

**Rodeo Grounds – \$400,000**

*ARSD SECTION* – ARSD 24:52:10:08(10) and 24:52:10:09(1)

*QUESTIONS* – None.

*RECOMMENDATION* – Approval. This Juso Brothers-constructed log facility requires maintenance and repairs. It is the intention of the historic preservation commission to assist in ongoing efforts to rehabilitate the facility.

**History and Interpretive Center – \$10,000**

*ARSD SECTION* – ARSD 24:52:10:08(10) and 24:52:10:09(1)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**Historic Street Lights – \$20,000**

*ARSD SECTION* – ARSD 24:52:10:08(10) and 24:52:10:09(2)

*QUESTIONS* – None.

*RECOMMENDATION* – Approval

**City Retaining Walls - \$550,000**

*ARSD SECTION* – ARSD 24:52:10:08(8); 24:52:10:08(10); 24:52:10:09(2)

**DEADWOOD HISTORIC PRESERVATION COMMISSION**  
**2025 BUDGET ANALYSIS**

*QUESTIONS* – None.

*RECOMMENDATION* – Approval

**Wayfinding - \$50,000**

*ARSD SECTION* – ARSD 24:52:10:08(10); 24:52:10:09(2)

*QUESTIONS* – None.

*RECOMMENDATION* – Approval

**Benches and Trash Cans - \$25,000**

*ARSD SECTION* – ARSD 24:52:10:08(8); 24:52:10:08(14); 24:52:10:09(2)

*QUESTIONS* – None.

*RECOMMENDATION* – Approval

**General Maintenance - \$75,000**

*ARSD SECTION* – ARSD 24:52:10:08(10); 24:52:10:09(2)

*QUESTIONS* – None.

*RECOMMENDATION* – Approval

**Days of 76 Museum - \$15,000**

*ARSD SECTION* – ARSD 24:52:10:08(10); 24:52:10:09(2)

*QUESTIONS* – None.

*RECOMMENDATION* – Approval

**Senior Center - \$775,000**

*ARSD SECTION* – ARSD 24:52:10:08(10); 24:52:10:09(2)

*QUESTIONS* – None.

*RECOMMENDATION* – Approval. The historic preservation commission has acquired this building and its contents. It will be rehabilitated for a senior center as identified in Deadwood's comprehensive plan.

**85 Charles Exterior Restoration - \$125,000**

*ARSD SECTION* – ARSD 24:52:10:08(10); 24:52:10:09(2)

*QUESTIONS* – None.

**DEADWOOD HISTORIC PRESERVATION COMMISSION**  
**2025 BUDGET ANALYSIS**

*RECOMMENDATION* – Approval. The historic preservation commission purchased this dilapidated property. The exterior envelope will be restored to allow for it to be sold and fully rehabilitated and used for residential purposes. A conservation easement will be placed on the property.

**VISITOR MANAGEMENT AND INFORMATION**

**Trolley Operations – \$40,000**

*ARSD SECTION* – ARSD 24:52:10:08(14); 24:52:10:08(15)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**Marketing – \$414,000**

**SHPO Comment:** Deadwood HPC and City Administrators should continue to provide detailed oversight and analysis of marketing expenditures to ensure that these marketing funds are allocated towards Deadwood’s historic preservation and heritage tourism.

*ARSD SECTION* – ARSD 24:52:10:08(7); 24:52:10:08(14)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**Visitor’s Center/Interpretive Center – \$70,000**

*ARSD SECTION* – ARSD 24:52:10:08(10); 24:52:10:08(14)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**HISTORIC INTERPRETATION AND INFORMATION**

**Days of ’76 Rodeo – \$65,000**

**SHPO Comment:** Deadwood HPC and City Administrators should ensure that the money budgeted for the Days of ’76 Rodeo and Parade is indeed used towards marketing Deadwood’s historic character and heritage tourism.

*ARSD SECTION* – ARSD 24:52:10:08(7); 24:52:10:08(14)

*QUESTIONS* – None

*RECOMMENDATION* – Approval.

**DEADWOOD HISTORIC PRESERVATION COMMISSION  
2025 BUDGET ANALYSIS**

**Deadwood History, Inc. – \$38,000**

ARSD SECTION – ARSD 24:52:10:08(2); 24:52:10:08(10)

QUESTIONS – None

RECOMMENDATION – Approval

**Days of '76 Museum – \$110,000**

ARSD SECTION – ARSD 24:52:10:08(2); 24:52:10:08(10)

QUESTIONS – None.

RECOMMENDATION – Approval

**Adams Museum– \$95,000**

ARSD SECTION – ARSD 24:52:10:08(2); 24:52:10:08(7); 24:52:10:08(10)

QUESTIONS – None

RECOMMENDATION – Approval

**Adams House Museum – \$75,000**

ARSD SECTION – ARSD 24:52:10:08(2); 24:52:10:08(10)

QUESTIONS – None

RECOMMENDATION – Approval

**Historical Re-enactments – \$148,000**

ARSD SECTION – ARSD 24:52:10:08(3)

QUESTIONS – None

RECOMMENDATION – Approval

**Fassbender Photographic Collection – \$20,000**

ARSD SECTION – ARSD 24:52:10:08(2); 24:52:10:08(3)

QUESTIONS – None

RECOMMENDATION – Approval

**Century Award - \$1,000**

ARSD SECTION – ARSD 24:52:10:08(10)

QUESTIONS – None

**DEADWOOD HISTORIC PRESERVATION COMMISSION**  
**2025 BUDGET ANALYSIS**

*RECOMMENDATION* – Approval

**HISTORIC PRESERVATION OFFICE**

**Historic Preservation Office – \$462,580**

*ARSD SECTION* – ARSD 24:52:10:08(1); 24:52:10:08

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**Public Education/Advocacy – \$245,000**

*ARSD SECTION* – ARSD 24:52:10:08(7); 24:52:10:08(12)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**Archaeology – \$27,500**

*ARSD SECTION* – ARSD 24:52:10:08(2); 24:52:10:08(4)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**Dues/Subscriptions – \$2,750**

*ARSD SECTION* – ARSD 24:52:10:08(9)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**Collections/Acquisition – \$25,000**

*ARSD SECTION* – ARSD 24:52:10:08(2); 24:52:10:08(3)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**Archival Development – \$35,750**

*ARSD SECTION* – ARSD 24:52:10:08(2)

*QUESTIONS* – None



**DEADWOOD HISTORIC PRESERVATION COMMISSION  
2025 BUDGET ANALYSIS**

*RECOMMENDATION* – Approval

**Geographic Information System – \$35,000**

*ARSD SECTION* – ARSD 24:52:10:08(4); 24:52:10:08(8)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**Scholarship – \$3,000**

*ARSD SECTION* – ARSD 24:52:10:08(12)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**CITY OF DEADWOOD DEPARTMENTAL FUNDS**

**SHPO Comment:** We do not require specific breakouts for each department allocation, as these funds have been allocated from the Deadwood Historic Preservation Fund based on a formula of the increased impact to the City of Deadwood from the 1989 gaming authorization. This allocation remains unchanged since 2012.

**City of Deadwood Departmental Funds – \$1,483,170**

*ARSD SECTION* – ARSD 24:52:10:08(15)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**DEADWOOD GRANT AND LOAN FUNDS**

**Grant Fund for Non-Profit Institutions – \$50,000**

*ARSD SECTION* – ARSD 24:52:10:08(3); 24:52:10:09(1)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**Retaining Wall Grant Program – \$850,000**

**SHPO Comment:** Deadwood HPC should ensure that all work completed meets the Secretary of the Interior's Standards and abides by SDCL 1-19A-11.1 and SDCL 1-19B-62. Furthermore, SHPO recommends that Deadwood HPC and City

**DEADWOOD HISTORIC PRESERVATION COMMISSION**  
**2025 BUDGET ANALYSIS**

Administrators take into account any potential archaeological remains which could be affected by retaining wall repair or replacement.

*ARSD SECTION* – ARSD 24:52:10:09(1)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**Cemetery Headstone Grant Program - \$5,000**

**SHPO Comment:** Deadwood HPC should ensure that all work completed meets the Secretary of the Interior's Standards and does not detract from the setting, feeling, or materials of the historic cemetery in which the headstone will be placed.

*ARSD SECTION* – ARSD 24:52:10:09(1)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**Grant Fund for Projects Outside of Deadwood – \$100,000**

**SHPO Comment:** SHPO appreciates Deadwood's continuing support of this important preservation tool across the state and hopes funding can one day increase as resources allow.

*ARSD SECTION* – ARSD 24:52:10:08(3); 24:52:10:08(12)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**Paint Grant – \$25,000**

*ARSD SECTION* – ARSD 24:52:10:09(1)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**Historic Publication Fund - \$5,000**

*ARSD SECTION* – ARSD 24:52:10:08(12)

*QUESTIONS* – None

*RECOMMENDATION* – Approval

**DEADWOOD HISTORIC PRESERVATION COMMISSION  
2025 BUDGET ANALYSIS**

**PROFESSIONAL SERVICES**

**Professional Services – \$85,000**

*ARSD Section – ARSD 24:52:10:08(13)*

*Questions – None*

*RECOMMENDATION – Approval*

**Legal Services – \$15,000**

*ARSD Section – ARSD 24:52:10:08(5)*

*Questions – None*

*RECOMMENDATION – Approval*

**Historic Neighborhood Revitalization – \$8,000**

*ARSD Section – ARSD 24:52:10:09(2)*

*Questions – None*

*RECOMMENDATION – Approval*

**SD Historic Preservation Office – \$70,000**

**SHPO Comment:** SHPO appreciates the continuing relationship between the City of Deadwood and our office and recognizes the ongoing need for SHPO staff support to assist Deadwood in handling its unique historic preservation issues.

*ARSD Section – ARSD 24:52:10:08(1b)*

*Questions – None*

*RECOMMENDATION – Approval*

**REVOLVING LOAN PROGRAM ACTIVITIES**

**SHPO Comment:** Although some of the programs detailed in the itemized budget offer grants that do not need to be repaid, SHPO typically does not review revolving loan expenditures as these costs are recovered and not viewed as direct expenditures of the historic restoration and preservation fund created as a result of gambling revenue in Deadwood. Revolving loan expenditures with the aim of preservation of the historic resource—such as for the windows & doors program, the siding program, and the foundation program—are allowable pursuant to ARSD 24:52:10:07, 24:52:10:09, and ARSD 24:52:10:15.

**DEADWOOD HISTORIC PRESERVATION COMMISSION  
2025 BUDGET ANALYSIS**

**Professional Services – \$47,500**

*ARSD Section – ARSD 24:52:10:07*

*Questions – None*

*RECOMMENDATION – Approval*

**Matured Loan and Closing Cost Expenses – \$2,500**

*ARSD Section – ARSD 24:52:10:15*

*Questions – None*

*RECOMMENDATION – Approval*

**Elderly Resident Program – \$70,000**

*ARSD Section – ARSD 24:52:10:09*

*Questions – None*

*RECOMMENDATION – Approval*

**Windows and Doors Program – \$70,000**

*ARSD Section – ARSD 24:52:10:09*

*Questions – None*

*RECOMMENDATION – Approval*

**Siding Program – \$45,000**

*ARSD Section – ARSD 24:52:10:09*

*Questions – None*

*RECOMMENDATION – Approval*

**Façade Easement Program – \$435,000**

*ARSD Section – ARSD 24:52:10:07*

*Questions – None*

*RECOMMENDATION – Approval*

**Foundation Program – \$450,000**

*ARSD Section – ARSD 24:52:10:09*

*Questions – None*

**DEADWOOD HISTORIC PRESERVATION COMMISSION  
2025 BUDGET ANALYSIS**

*RECOMMENDATION* – Approval

**Ghost Mural Grant Program – \$20,000**

*ARSD Section* – ARSD 24:52:10:07

*Questions* – None

*RECOMMENDATION* – Approval

**GENERAL COMMENTS**

- Most recurring budgetary items in the 2025 budget have similar allocations to the 2024 budget. The major difference is the elimination of the bond series from previous years which has allowed for increased funding in traditional line items as well as the addition of new line items. Improvements to the Rodeo Grounds, Senior Center building, and 85 Charles Street exterior restoration have significant dedicated funds in the 2025 budget. Programs including Professional Services, Elderly Resident, Windows and Doors, Siding, Foundation, Ghost Mural, and Façade Easement were also added and significantly funded.