From one point of view, a World Heritage Site is a center of business. It generates cash at the site (admissions, books, souvenirs, and food) and stimulates spending in the surrounding area. The site’s existence has an economic impact on nearby cities and villages, the region, and the nation. It is important to be mindful of the site’s economic potential and to put it in the service of the monument itself and the nation as a whole.

The purpose of this chapter is to outline the different kinds of income opportunities that exist, and the ways to channel or reserve that income for specific needs at the site. Knowledge of the level and effects of visitor spending can help a site manager deal effectively with both elected and appointed government officials who have influence over the administration and financing of cultural sites.

Site Fees

It is necessary to establish and maintain reasonable fees for site-related activities and to plan for the allocation and use of the income from these sources. It is advisable to have a written policy governing each of the following fees.

Admissions - The admission categories, i.e., individual, child, family, senior citizen, group, student, etc., need to be identified and their corresponding rate set. For sites with high seasonal fluctuation in the number of visitors, a variation in admission fees for the high and low-tourist seasons may be appropriate. In developing countries, it may be appropriate to consider the use of a different admission-fee schedule for national citizens and international visitors. The admission-fee schedule should be reviewed annually in terms of its relationship to site administrative expenses and trends in the national economy, for example, inflation rates.

Licensing - World Heritage Sites can generate income through licensing fees earned from the commercial production of such things as postcards, reproductions, facsimile documents, copies of art objects, recordings, etc. Fees should be set at a fair but comprehensive rate that takes into account the anticipated return to the business producing the product. The licensing fee, if possible, should be for a defined period of time and subject to renegotiation at a specified interval. It is desirable to have at least a high percentage, if not all, of the licensing income restricted for use in maintaining the site and its collections.
Concessions - For government sites, a concession agreement is usually negotiated by the central government office; the site administrator is seldom included in the discussions. In the same way, the concession site manager probably had nothing to do with the negotiations. This can often cause problems on both sides. Be sure your interests are represented in such negotiations. Any visitor service within the site which is not, or cannot be, provided by the site administrator, should have a site income fee included in the concession contract. Concessions may include activities such as food services, hotels/guest houses, tour guides, gift/souvenir shops, transportation services, etc. It is desirable to have a minimum concession fee in the contract in addition to a pre-determined percentage of the concessionaire's profits. Such contracts for visitor services should be for a specified time period and subject to regular review and renegotiation.

Rentals - At large sites having an abundance of historic buildings, it may be appropriate to lease buildings that are not required for use in visitor interpretation for compatible uses. Often such buildings are leased to site employees for housing. In some situations, it may be appropriate to lease surplus buildings for agricultural or commercial purposes, or for housing for non-site related individuals. The rental income from leases should be related to prevailing market rates in the area, with some possible recognition and adjustment for the restrictions on use and access required by existing historical conditions. Leases should be for specified time periods and subject to regular review and renegotiation.

Tenant leases need to make clear the requirements about such things as the maintenance of both exterior and interior historic building fabric, the use of outside spaces visible to the public, the storage of private vehicles and the introduction of modern utility services.

It is desirable to have, if not all, at least a high percentage of the income from rental leases restricted to use for the ongoing maintenance, rehabilitation and restoration of the site's historic properties.

Permits - The site administrator can issue special permits for a wide array of activities: to conduct archeological research, to use open lands for agricultural purposes, to allow the transversing of the site by underground utility lines or systems, to hunt or fish, to film commercial films or advertisements, to copy archival reference materials. These special permits can carry variable fees depending on the scale and term of the specific activity. They should be set at a rate that recognizes the economic benefit accruing to the applicant by use of the site's resources. Such permits should be issued for defined periods of time and be reviewed and renegotiated on a regular basis.

Use of Site Fees

Private owners of World Heritage Sites have wide latitude and discretion in deciding how to use site income. For government-owned sites, income will likely be subject to national policies. Most commonly, such income will be required to go into the country's general revenue in the ministry of culture or department of
finance. There are, however, examples where site income, either in its entirety or partially, is retained by the site and/or the agency responsible for the administration of cultural sites. For example, in Sri Lanka, the admission income from all World Heritage Sites is dedicated to an independent Central Cultural Fund which is used to support the administration, preservation and interpretation of these sites. In the United States, the visitors' admission fees to heritage sites and the rental income from surplus historic properties are retained by the U.S. National Park Service for the preservation of historic resources.

**Local Tourist Taxes**

Public authorities may apply a range of tourist taxes on visitors. Taxes may include transportation tax, airport departure tax, hotel bed tax, sales tax and/or meal tax. Such taxes are often attractive to elected officials because they can provide much needed funds to local, state and national budgets without alienating voters by increasing their taxes. In some instances, a percentage of these taxes may be directed back to the maintenance and enhancement of tourist-related facilities and services. Should tourist taxes become a significant percentage of daily visitor expenditures, they have the potential to negatively effect the level of tourism. If a location acquires a reputation for being overly expensive due to a high tax rate, tourists can, and will, select less expensive destinations. Site managers should be mindful of the local tourist tax situation. First they should make every effort to retain as much as possible for site maintenance and second, should be prepared to challenge it should it be shown to have a negative effect on the site.

**Effects of Related Visitor Spending**

Because visitors will likely only spend a small percentage of their total expenditure within the boundaries of the cultural site, it is vitally important for the administrator to identify and maintain a general awareness of the broader economic impact of the visitors within the community, region, state and country. Such information is important in your dealings with local, state and national government agencies and with the broad spectrum of businesses dependent upon the site's existence.

It is advisable for site administrators to join and become active in local community service and business development organizations, such as the Rotary Club, Chamber of Commerce, etc. It is through these organizations and their members that a useful and important network of personal contacts can be developed.

For larger sites, it may be useful, from time to time, to commission outside economic research studies to independently document how site visitor expenditures are impacting and contributing to the economy through off-site expenditures. Survey techniques have been developed for sampling both site visitors and for surveying business in the region. On your request, the National Tourist Office may be pleased to conduct this research for you.

The visitor expenditures to be documented would include expenditures for purposes such as lodging and camping; restaurant food services; food/beverage
market sales; personal and gift shopping; gasoline and oil; automotive services; souvenir, craft and publication sales; and sales and value-added taxes at the local, state and national levels for all of the above.

Such statistical and economic data is important in dealing with both elected and appointed government officials at all levels who have some influence over the administration and financing of cultural sites. Well-documented data, collected over a period of time, can be used as a potent force to establish the economic value of the cultural site to its locale. It also provides you with necessary information in order to deal effectively with the local business and development community.