

Approved Friday, March 3, 1989
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by Senator Audrey Langworthy, Vice Chairperson at
Chairperson

11:00 a.m./p.m. on Tuesday, February 21, 1989 in room 519-S of the Capitol.

All members were present except:

Senator Dan Thiessen, Chairman (excused)

Committee staff present:

Don Hayward, Revisor's Office
Chris Courtwright, Research Department
Tom Severn, Research Department
Marion Anzek, Committee Secretary

Conferees appearing before the committee:

Ed Peterson-Kansas's Concern for cultural Concern
Nick Jordan-Overland Park Convention & Vistors Bureau
Brenda M. Manski-Southeast Kansas Tourism Region, Inc.
David Barrier-Chamber of Commerce of Greater Kansas City
Jeff Russell-United Telephone Company of Kansas
Pamela Eglinski-Arts Partners
Doug Alpert-Cultural Alliance of Greater Kansas City
Dave Wolfram-Yellow Freight System Foundation
Walt Vernon-Executive Director of Kansas City Consensus
Gregg Smucker-Theatre for Young America
Dorothy Ilgen-Kansas Arts Commission
John Luttjohann-Department of Revenue-Division of Taxation

Madam Chairperson, Senator Audrey Langworthy called the meeting to order and announced the hearing would be on SB186.

SB186:AN ACT entering into the Kansas and Missouri metropolitan culture and recreation district compact.

THE FOLLOWING CONFEREES WERE PROPONENTS OF SB186.

Ed Peterson, representing a group for Kansan's Concern for Cultural Concern, said with so many conferees, he would direct his remarks to the bill itself.

This bill is the result of a study done by a non-profit volunteer organization, known as Kansas City Concensus, which studied the problems of the Kansas City cultural and recreational amenities in the Kansas City area. Their proposal was that a metropolitan like funding district be created and SB186 is the result of the effort in trying to draft legislation to create the district.

He described the process to be followed if this bill is passed to bring the district into creation. Both Kansas and Missouri are required to pass this legislation and Missouri has passed a bill, which is similar to the one before you, but there are some differences, and those would have to be reconciled as soon as the bill is passed in Kansas.

This legislation presents an opportunity to move the Kansas City metropolitan area forward, and he urged the committee give favorable consideration to SB186.
(ATTACHMENT 1)

Nick Jordan, representing the Overland Park Convention and Vistors Bureau, said the Board of Directors, resolved to support current legislation concerning a Cultural Arts Tax, which would authorize the counties to allow the public to vote on the issue.

The Board did not feel, as an organization, they could support a tax or amount of a tax at this time, but felt the public has a right to vote on the issue.
(ATTACHMENT 2)

Brenda M. Manske, representing Southeast Kansas Tourism Region, Inc., said tourism in Kansas is economic development. They support SB186 because it enables creation of a designated taxing district to fund a bi-state recreation and cultural program that could also serve the needs of Southeast Kansas, Southwest Missouri and Northeast Oklahoma. (ATTACHMENT 3)

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

room 519-S, Statehouse, at 11:00 a.m./p.m. on Tuesday, February 21, 1989

David Barrier, representing The Chamber of Commerce of Greater Kansas City, said as a Chamber of Commerce covering counties in two states, they face unusual challenges in economic development.

They are pleased with the proposal that would grant some counties the authority to engage in bi-state funding of the arts, and would authorize up to a $\frac{1}{4}$ cent increase in the sales tax, subject to voter approval.

The guidelines included in this legislation would discourage needless duplication of programs within the metropolitan area. (ATTACHMENT 4)

Jeff Russell, representing United Telephone Company of Kansas, said United Telecom is headquartered in metropolitan Kansas City, and they support the arts, culture, and recreation in two ways. They encourage their employees to be actively involved, and they give monetary support.

They believe that increased funding for the cultures will encourage companies to locate, retain, or expand their operations in the Kansas City area.

United Telecom encouraged favorable consideration of SB186. (ATTACHMENT 5)

Pamela Eglinski representing Arts Partners, a model arts education program developed by four metropolitan school districts, spoke to SB186. Their purpose is to integrate visual and performing arts into the core of each students' daily curriculum in grades K-12. They serve 90,000 students and 91 schools; the districts include Wyandotte County, Kansas and Independence and Raytown in Missouri.

They have a 3 year pilot program which will end with the academic year 1989-1990. The school districts pick up 75% of the cost of the program; they have been paying 33%. Kansas City corporations were willing to commit to a pilot program but not to a long term underwriting. Financial support for the current participating districts is secured, but new growth is stymied; and they are left searching for a new funding source. The legislation that you have before could serve as that base.

She encouraged the committee to favorably pass SB186. (ATTACHMENT 6)

Doug Alpert, representing Cultural Alliance of Greater Kansas City, said cultural arts are crucial to the economic growth and stability of Kansas, and we must take a bistate approach to funding the arts for Kansas Counties in the metropolitan Kansas City area for the arts to thrive and survive as a source of economic development. He encouraged the committee to favorably pass SB186. (ATTACHMENT 7)

Dave Wolfram, representing Yellow Freight System Foundation, stated that each year YFS sets aside 2% of it's pre tax profits for civic, philanthropic and charitable contributions. During 1988 these contributions totaled \$1.9M, more than 1/3 of this amount was directed to performing arts organizations, and the requests far exceed the contribution capacity.

He asked this committee for favorable support to SB186. (ATTACHMENT 8)

Walt Vernon said he was testifying both as a resident of Johnson County and as Executive Director of Kansas City Consensus. At least 12 other metropolitan areas in the U.S., including those nearest us to the east and west, St. Louis and Denver, already have some form of tax support for large and small cultural enterprises. No action assures that we will not fall even further behind those competitors in the economic war between the cities, therefore he urged this committee to give favorable consideration to SB186. (ATTACHMENT 9) He also, had a report of the Metropolitan Funding Task Force which he would like included in the records. (ATTACHMENT 10)

Gregg Smucker, Theatre for Young America, said the bill is a step toward initiating an arts district in the greater Kansas City metropolitan area.

There are few sources in which they can count on for regular funding, and those are diminishing. They receive no funding from the state of Missouri, and they are west of the state line. As they are on the eastern side of Kansas they are not perceived as a truly Kansas institution; which hurts their chances of receiving funding from many Kansas foundations. It would help them to be able to receive funding from the very geographical sector for which they provide their services.

He asked the committee to help them nourish the arts in Kansas City by favorably passing SB186. (ATTACHMENT 11)

The following conferees were neither proponents or opponents of SB186

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,
room 519-S, Statehouse, at 11:00 a.m./p.m. on Tuesday, February 21, 1989

Dorothy Ilgen representing the Kansas Arts Commission said the KAC was established by the Kansas Legislature in 1966 and charged with supporting the growth and development of the arts in Kansas, and were neither a proponent nor an opponent to SB186. (ATTACHMENT 12)

John Luttjohann, Department of Revenue, said Article XI of the bill would require the director of taxation to keep the funds collected from this local sales tax separate from all other state funds. Notification requirements relating to when the tax is to be enacted and if it is abolished are also provided. The State is to receive a 1% collection fee for administration of the tax.

It is estimated that \$14M of additional revenue would be generated. Of this amount, 1%, or \$140,000 would go to the State General Fund. (ATTACHMENT 13)

Written testimony was received by the committee; for record, from Gerry Ray, Johnson County Board of Commissioners. (ATTACHMENT 14)

Having no other conferees, Madam Chairperson closed the hearings on SB186 and adjourned the meeting at 12:05 p.m..

GUEST LIST

COMMITTEE: SENATE ASSESSMENT & TAXATION

DATE: Tuesday, 2-21-89

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
John L. Hagan	Topeka	Revenue
D. Funnell	"	Budget
Alan Steppat	Topeka	Pete McBill Associates
Dorothy Ilyn	Topeka	Kansas Arts Comm.
Ed Peterson	Fairway	Ks. Soc. Coll. Profess
Doug Albert	Westwood Hills	CULTURAL ALLIANCE OF GREATER K.C.
Mary Trippitt	Prairie Village	Greater KC Chamber
David Berman	Fairway, Ks.	"
Pamela Eglinski	Lawrence	Young Audience
ONA Ashley	LewextA	Two Trails West
DAIJIT SINGH JAWA	TOPEKA	KS WATER OFFICE
NICK JORDAN	Overland Park	Overland Park Convention & Visitor Bureau
Jerry Hodges Terri Hodges	Leavenworth	Close-Up Foundation
Henry Grunwald	HAYSVILLE	Close-Up Foundation
Darren Smith	"	"
James J. Hoover	"	"
Nicole Knotts	"	"
LISA LESSLIE	Haysville	Close-Up Foundation
Jeff Robbs	Haysville	Close-Up Foundation
Michele R. Breckelman	Lakin	Close-Up Foundation
Colleen D. Bontrager	Lakin	Close-Up Foundation
Larry A. Kleeman	Lakin	Close-Up Foundation
James L. Watkins	Lakin	Close-Up Foundation
Mike McCormick	Lakin	Close-Up Foundation
Jean Barber	Topeka	Travel Industry

PREPARED TESTIMONY OF
C. EDWARD PETERSON
IN SUPPORT OF
SENATE BILL 186
BEFORE ASSESSMENT AND TAXATION COMMITTEE

FEBRUARY 21, 1989

Attachment 1
Senate Assessment & Taxation
February 21, 1989

The purpose of this testimony is to provide you with an overview of SB186 and HB2281 and to provide you with a few of the reasons this legislation is important to the Kansas City Metropolitan area. Other conferees will be better situated to explain specific needs for this legislation and opportunities which will be created by its passage.

1. Creation of the District.

The creation of the district is a 3-step process:

1) Passage of identical enabling legislation by the Kansas legislature and Missouri General Assembly (Missouri has already passed a bill similar to this legislation)

2) Decision by each county to participate, either by vote of county governing body or by petition and election

3) Vote to fund the district held in each participating county.

As you can see, you are only being asked to enable the local governments to take the next steps if they so desire. Passage of this bill will not create the district.

2. Operation of the District.

Once one or more counties complete the process of deciding to join the district, the district would be governed by a board of appointed members. Each participating county would be represented by a member appointed by the governing body of the county; each state with a participating county would be represented by an appointee of the Governor; and each city with a popula-

tion in excess of 80,000 would be represented by an appointment made by the governing body of such city. If all five counties (Wyandotte, Johnson, Clay, Platte, and Jackson) participate, the board would have eleven members:

Kansas --- Governor's appointee	-	1	
Wy. & Jo. County	-	2	
Overland Park & KC,	-	2	
Kansas	-	<u>5</u>	<u>5</u>
Missouri - Governor's appointee	-	1	
Clay, Platte &	-	3	
Jackson Counties	-	2	
KC, Missouri &	-	<u>6</u>	<u>6</u>
Independence	-		

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All actions of the Commission require a majority of the members voting and a majority of each state's members. This formula prevents either state from dominating the Commission and it prevents any county or city from controlling a state delegation.

The district would be funded by a contribution of each participating county equal to revenues from a 1/4¢ sales tax. Although the legislation authorizes a sales tax if such a tax is later approved by the voters, each county has the option of contributing from revenues other than a sales tax. At 1/8¢ sales tax it is estimated that \$15 million annually could be raised.

3. Reasons for Creating the Funding District.

A. Improved Ammenities

Although the Kansas City metropolitan area has much to

offer, it frequently lags behind other metropolitan areas in terms of amenities. A 1985 Rand-McNally study placed Kansas City 51st out of 329 cities in terms of artistic offerings and 99th for recreational offerings. The Kansas side of the metropolitan area ranked 215th and 287th for these respective categories. Yet the metropolitan area ranks about 25th in size.

Kansas City cultural offerings also tend to fall into the mid-range in terms of quality. A 1985 study by Kansas City Consensus observed that many of the Kansas City area's cultural offerings had not achieved the level of artistic success realized by their counterparts in such cities as St. Louis and Minneapolis.

Creation of the Bi-State Cultural District would dedicate substantial capital to improve the number and quality of cultural and recreational attractions in the metropolitan area.

B. Economic Development.

One of the unrecognized benefits of cultural and recreational amenities is that they are an economic development tool. Businesses give increasing scrutiny to a community's cultural offerings in deciding on relocation and expansion.

As it stands now, the Kansas City area is falling behind its competitors. St. Louis and Denver both have in place a tax devoted to cultural and recreational development. At the state level Kansas ranks 46th in public funding for arts organizations and Missouri ranks 21st. Additional public funding for purposes

of supporting economic development would be appropriate just to keep pace with other communities.

In addition, cultural and recreational enterprises are fertile areas for local economic development. We tend to overlook the fact that these amenities are labor-intensive; expansion of cultural and recreational amenities adds jobs to the local economy. These amenities also produce tourism dollars which can be added to the local economy. A recent Missouri study revealed that every dollar spent directly on cultural events produced \$1.34 in economic activity.

C. Metropolitan Solution to a Metropolitan Problem.

The need to improve the cultural and recreational amenities is a problem shared by all communities in the Kansas City metropolitan area. The fragmented and individual approach of the past does not appear to be adequate to meet current needs, let alone the additional funding required to place the metropolitan area at a competitive advantage.

The funding district envisioned by this legislation is a solution that involves the entire metropolitan area in meeting the needs for these amenities. Perhaps the overriding issue presented by this legislation is whether a metropolitan approach can be used to fund these amenities. I hope you agree that this legislation presents an opportunity to move the Kansas City metropolitan area forward.

TESTIMONY

TO: Senate Assessment and Taxation Committee

FROM: Nick Jordan, ~~President~~
Overland Park Convention & Visitors Bureau

DATE: February 21, 1989

RE: Senate Bill 186

My name is Nick Jordan. I am President of the Overland Park Convention & Visitors Bureau.

Today I am appearing on behalf of Senate Bill 186.

Our Board of Directors certainly want to voice their support of the cultural arts and the opportunity for the community to enjoy a successful arts program.

Recently at our Board meeting the following motion was approved.

"Resolved, to support current legislation concerning a Cultural Arts Tax, which would authorize the counties to allow the public to vote on the issue."

The Board did not feel, as an organization, they could support a tax or amount of a tax at this time, but felt the public has a right to vote on the issue.

Thank you for this opportunity. I would be happy to answer any questions.

Attachment 2
Senate Assessment & Taxation
February 21, 1989

PRESENTATION

to

SENATE COMMITTEE
ON ASSESSMENT AND TAXATION

by

BRENDA M. MANSKE
Executive Director
Southeast Kansas Tourism Region, Inc.

February 21, 1989

SOUTHEAST KANSAS TOURISM REGION

SUPPORTS SENATE BILL 186

Southeast Kansas Tourism Region supports Senate Bill 186 regarding creation of the Kansas and Missouri metropolitan culture and recreation district compact. Our support is based on the opportunities this bill presents to achieve the following goals:

1. To increase funding for development and promotion of recreational and cultural programs that will enhance Kansas tourism;

2. To better coordinate planning, promotion and execution of recreational and cultural events in Kansas; and

3. To maximize the mutual benefits of public/private sector funds being used to develop, promote and implement recreational and cultural programs in neighboring Kansas and Missouri communities.

Even though Senate Bill 186 affects only the Kansas City metropolitan area, Southeast Kansas Tourism Region supports the bill because Kansas needs to budget more dollars toward the development and promotion of cultural and recreational programs and events--not simply to enhance quality of life, but as an investment in economic development through tourism.

Tourism in Kansas IS economic development. Tourism represents the state's third-largest industry, which generated \$1.9 BILLION in travel-related expenditures during 1985. More particularly, Kansas tourism and its attendant economic

development are based on recreational opportunities that focus on the state's unique cultural heritage.

Under existing budgets for state programs, however, funding is inadequate for even threshold level promotion of the arts/humanities and recreational tourism in Kansas. In fact, Kansas now ranks 50th in the nation in state tourism office budgets, making it virtually impossible to advertise even the best cultural tourism events outside the state of Kansas.

In addition to providing enhanced funding for recreational and cultural programs, Senate Bill 186 will allow Kansas to benefit from working with Missouri on such programs. Missouri and our neighboring state to the south, Oklahoma, both have well-funded, existing programs for development and promotion of cultural and recreational opportunities. Both Missouri and Oklahoma are actively selling our mutual Midwestern cultural heritage on a national and international basis.

In order to participate in cooperative bi-state recreational programs, Kansas must be able to help share the expense of such programs. With a state tourism budget of only \$1.5 million, Kansas is nowhere near the promotional levels achieved by Missouri (\$5.7 million state tourism budget; \$4.3 allocated to advertising) and Oklahoma (\$6.9 million state tourism budget; \$2.5 allocated to out-of-state advertising).

In conclusion, Southeast Kansas Tourism Region supports Senate Bill 186 because it enables creation of a designated

taxing district to fund a bi-state recreation and cultural program that could also serve the needs of Southeast Kansas, Southwest Missouri and Northeast Oklahoma. We further submit that this legislation is similar to the existing transient guest tax, which is collected only upon local option, with revenues designated for special use within the area of collection.

Your support for Senate Bill 186 will be appreciated.

TESTIMONY REGARDING BI-STATE CULTURAL DISTRICT
CHAMBER OF COMMERCE OF GREATER KANSAS CITY
DELIVERED BEFORE THE
ASSESSMENT AND TAXATION COMMITTEE OF THE KANSAS SENATE
FEBRUARY 20, 1989

SENATOR THIESSEN, SENATOR LANGWORTHY, AND MEMBERS OF THE
COMMITTEE, MY NAME IS DAVID BARRIER. I AM HERE TODAY IN MY
CAPACITY AS CHAIRMAN OF THE KANSAS STATE AFFAIRS COMMITTEE, OF
THE CHAMBER OF COMMERCE OF GREATER KANSAS CITY. ON BEHALF OF
THE CHAMBER'S BOARD OF DIRECTORS, I THANK YOU FOR THIS
OPPORTUNITY TO APPEAR BEFORE YOU TODAY.

AS A CHAMBER OF COMMERCE COVERING COUNTIES IN TWO
STATES, WE FACE UNUSUAL CHALLENGES IN ECONOMIC DEVELOPMENT.
WE BELIEVE COOPERATION ACROSS THE STATE LINE IS ESSENTIAL IF
BOTH THE MISSOURI AND KANSAS SIDES ARE TO ENJOY STRONG GROWTH
IN THE FUTURE. IT IS VERY ENCOURAGING TO SEE THAT SPIRIT OF
COOPERATION GROWING AS WE ENTER THE 1990s.

- MORE -

Attachment 4
Senate Assessment & Taxation
February 21, 1989



BI-STATE FUNDING DISTRICT
PAGE TWO

WE ARE ESPECIALLY PLEASED WITH THE PROPOSAL THAT WOULD GRANT SOME COUNTIES THE AUTHORITY TO ENGAGE IN BI-STATE FUNDING OF THE ARTS. METROPOLITAN KANSAS CITY ANCHORS A GREAT DEAL OF ECONOMIC ACTIVITY IN EASTERN KANSAS AND WESTERN MISSOURI. PEOPLE FROM THROUGHOUT THE REGION COME TO KANSAS CITY TO ENJOY CULTURAL ACTIVITIES OF ALL KINDS. THE PROXIMITY OF THESE CULTURAL OPPORTUNITIES IS NO SMALL FACTOR IN REGIONAL ECONOMIC DEVELOPMENT. FOR THAT REASON, WE BELIEVE THE BI-STATE DISTRICT WOULD BE A SERVICE TO PEOPLE THROUGHOUT THAT AREA. IT WOULD ALLOW VOTERS IN THE ELIGIBLE COUNTIES TO APPROVE MORE EFFICIENT AND EFFECTIVE FUNDING OF ARTS PROGRAMS. AS YOU KNOW, SENATE BILL 186 WOULD AUTHORIZE UP TO A 1/4 CENT INCREASE IN THE SALES TAX, SUBJECT TO VOTER APPROVAL. THIS ACTION WOULD BE A SIGNIFICANT TOOL FOR ARTS DEVELOPMENT. FOR EXAMPLE, IF VOTERS IN ELIGIBLE COUNTIES WERE TO APPROVE A MORE MODEST INCREASE OF 1/8 OF A CENT, IT WOULD GENERATE AN ESTIMATED 13 MILLION DOLLARS -- A STRONG BOOST FOR ARTS AND CULTURAL PROGRAMS.

- MORE -

THE GUIDELINES INCLUDED IN THIS LEGISLATION WOULD DISCOURAGE NEEDLESS DUPLICATION OF PROGRAMS WITHIN THE METROPOLITAN AREA, AND IT WOULD ENCOURAGE AN EDUCATIONAL APPROACH WHICH APPEALS TO THE WANTS AND TASTES OF THE CITIZENS WHO SUPPORT THE PROGRAMS. FURTHERMORE, WE BELIEVE THE COMPOSITION OF THE FUNDING DISTRICT BOARD IS WELL CONCEIVED. IT WOULD BE A STRONG SAFEGUARD THAT WOULD ENSURE EQUITABLE TREATMENT FOR CITIES AND COUNTIES ON BOTH SIDES OF THE STATE LINE.

IN SHORT, THE BI-STATE DISTRICT IS A SENSIBLE, EFFECTIVE AND REALISTIC APPROACH TO DEVELOPING OUTSTANDING CULTURAL OFFERINGS IN MID-AMERICA. THE CHAMBER OF COMMERCE OF GREATER KANSAS CITY WHOLEHEARTEDLY ENDORSES THIS ACTION.

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TESTIMONY
FOR
THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION
ON SB 186

BY
PAUL H. HENSON
CHAIRMAN OF THE BOARD
UNITED TELECOM

TUESDAY, FEBRUARY 21, 1989

GOOD MORNING, SENATOR LANGWORTHY AND MEMBERS OF THE COMMITTEE.

I AM JEFF RUSSELL, DIRECTOR OF GOVERNMENTAL AFFAIRS FOR UNITED TELEPHONE COMPANY OF KANSAS -- A UNITED TELECOM COMPANY. THANK YOU FOR THE OPPORTUNITY TO TESTIFY ON SENATE BILL 186.

PAUL HENSON, CHAIRMAN OF UNITED TELECOM, WOULD HAVE LIKED TO PRESENT HIS TESTIMONY PERSONALLY AND REGRETS THAT A SCHEDULING CONFLICT PREVENTS HIM FROM BEING WITH YOU TODAY.

UNITED TELECOM HAS SEVERAL REASONS FOR SUPPORTING SENATE BILL 186.

UNITED TELECOM CONTRIBUTES HEAVILY TO THE ARTS AND CULTURAL OPPORTUNITIES IN THE KANSAS CITY AREA. SINCE UNITED TELECOM IS HEADQUARTERED IN METROPOLITAN KANSAS CITY, IT HAS PLAYED -- AND EXPECTS TO CONTINUE TO PLAY -- A MAJOR ROLE IN SUPPORTING THE COMMUNITY IN THIS WAY.

AS ONE OF THE KANSAS CITY AREA'S LARGEST COMPANIES, UNITED TELECOM HAS BEEN ONE OF A HANDFUL OF COMPANIES THAT IS CONTACTED FIRST FOR CONTRIBUTIONS WHEN NEEDS ARISE.

UNITED TELECOM SUPPORTS THE ARTS, CULTURE, AND RECREATION IN TWO WAYS. ONE, WE ENCOURAGE OUR EMPLOYEES TO BE ACTIVELY INVOLVED. AND TWO, WE GIVE MONETARY SUPPORT.

OUR CORPORATE CONTRIBUTIONS GUIDELINES INCLUDE FOUR PRIORITIES THAT WE ARE MOST INTERESTED IN SUPPORTING WITH OUR CHARITABLE GIVING. THEY ARE CULTURAL, EDUCATIONAL, SOCIAL SERVICES, AND ECONOMIC DEVELOPMENT ACTIVITIES.

UNITED TELECOM SUPPORTS SENATE BILL 186 BECAUSE IT WILL ASSIST WITH TWO OF OUR PRIORITIES -- CULTURAL OPPORTUNITIES AND ECONOMIC DEVELOPMENT. THE TWO ARE INTERRELATED.

KANSAS CITY DOES NOT HAVE THE ARTISTIC, CULTURAL, AND RECREATIONAL AMENITIES THAT MANY OTHER CITIES OF SIMILAR SIZE HAVE. PUBLIC FUNDING HAS NOT BEEN A HIGH PRIORITY FOR THESE AREAS, AND WE LACK THE NUMBER OF MAJOR CORPORATIONS AND FOUNDATIONS THAT MANY OF THESE COMPARABLE CITIES HAVE.

WE BELIEVE THAT INCREASED FUNDING OPPORTUNITIES FOR THE ARTS, CULTURE AND RECREATION WILL ENCOURAGE COMPANIES TO LOCATE, RETAIN, OR EXPAND THEIR OPERATIONS IN THE KANSAS CITY AREA.

MORE SPECIFICALLY, SUCH AMENITIES WILL ASSIST THE CITY IN ATTRACTING THE RIGHT KIND OF COMPANIES TO THE AREA. AND IT WILL ASSIST THE COMPANIES IN ATTRACTING THE RIGHT KIND OF EMPLOYEES.

THERE ARE MANY BENEFITS OF ENCOURAGING LOCATION OF NEW COMPANIES AND THE GROWTH AND RETENTION OF EXISTING COMPANIES IN OUR AREA. LET ME MENTION JUST A FEW -- ESPECIALLY THOSE BENEFITS

ASSOCIATED WITH ATTRACTING ADDITIONAL CORPORATE HEADQUARTERS TO THE AREA.

WE HAVE CONSIDERABLE EXPERIENCE WITH THE DECISION-MAKING THAT AN ORGANIZATION GOES THROUGH WHEN IT IS TRYING TO DETERMINE THE BEST LOCATION FOR A HEADQUARTERS OR MAJOR LOCATION. AS WE WENT THROUGH THAT PROCESS IN DETERMINING THE LOCATION FOR US SPRINT'S HEADQUARTERS, WE BECAME QUITE FAMILIAR WITH THE KEY FACTORS. CERTAINLY CULTURAL AMENITIES AND THE QUALITY OF LIFE ARE HIGH ON THAT LIST.

A HEADQUARTERS OPERATION IS LIKELY TO INCLUDE WELL-EDUCATED AND WELL-PAID EMPLOYEES. HEADQUARTERS OFFICE GENERALLY ARE MORE SUPPORTIVE OF THE COMMUNITIES IN WHICH THEY ARE LOCATED. THEY TYPICALLY ENCOURAGE EMPLOYEES TO TAKE AN ACTIVE ROLE IN THESE COMMUNITIES, AND DECISIONS ABOUT CORPORATE CONTRIBUTIONS USUALLY ARE MADE AT THE HEADQUARTERS' LOCATION.

IN KANSAS CITY, CORPORATE GIVERS, LIKE UNITED TELECOM, HAVE CONTRIBUTED HEAVILY TO SUPPORT A WIDE RANGE OF CULTURAL PROJECTS AND PROGRAMS. WE FULLY EXPECT THAT SUPPORT TO GROW. HOWEVER, IT WILL BE TO THE ADVANTAGE OF ALL OUR CITIZENS IF WE CAN BROADEN THE BASE OF SUPPORT FOR PROVIDING THE FINEST ARTISTIC, CULTURAL, AND RECREATIONAL OPPORTUNITIES FOR THE AREA.

THE ENABLING LEGISLATION REPRESENTED IN SENATE BILL 186 PRESENTS A REAL OPPORTUNITY TO PLACE KANSAS CITY IN A MORE ATTRACTIVE

POSITION AS A PLACE IN WHICH TO LIVE AND DO BUSINESS. UNITED TELECOM IS SUPPORTING THIS LEGISLATION BECAUSE IT'S GOOD FOR BUSINESS, IT'S GOOD FOR OUR COMMUNITY, AND IT'S GOOD FOR THE PEOPLE IN A WIDE SURROUNDING AREA.

THIS BILL REPRESENTS A STEP FORWARD FOR METROPOLITAN KANSAS CITY. SINCE WYANDOTTE AND JOHNSON COUNTIES ARE A PART OF THE LARGEST URBAN CENTER IN KANSAS, THE PROPOSED LEGISLATION ALSO REPRESENTS A POSITIVE MOVE FOR THE STATE. COUPLED WITH SIMILAR LEGISLATION ALREADY ENACTED IN MISSOURI, IT WILL PROVIDE THE OPPORTUNITY FOR MEANINGFUL BI-STATE, MULTI-COUNTY INITIATIVES.

UNITED TELECOM ENCOURAGES YOUR FAVORABLE CONSIDERATION OF SENATE BILL 186. WE THANK YOU FOR THE OPPORTUNITY TO PRESENT OUR THOUGHTS ON THIS PROPOSED LEGISLATION.

Name: Pamela Eglinski (816 531 4022)

Title: Director of Arts Partners, Kansas City Chapter of Young Audiences

Request: Support for arts-in-education

Two years ago President Reagan charged the Department of Education to develop a position paper on the status of arts-in-education in the United States today. One year ago the report, entitled Toward Civilization, was presented to the President with several recommendations. Among them was the need for more extensive programming by arts agencies and institutions in the field of arts education.

The Kansas City Chapter of Young Audiences, which serves the state of Kansas and the western half of Missouri, is committed to that recommendation. In some ways Young Audiences is in advance of Toward Civilization by way of a new arts-in-education program known as Arts Partners. Arts Partners is a model arts education program which was developed by four metropolitan school districts, the major arts institutions of Kansas City, and the corporate funding community. Its purpose is to integrate visual and performing arts into the core of each students' daily curriculum in grades K-12. We serve 90,000 students and 91 schools. The current participating districts include: Kansas City, Kansas (USD 500) in Wyandotte County, Kansas City, Missouri, Independence, and Raytown.

Arts Partners serves a dual purpose. (1) It serves to introduce students to the artists and arts institution community by either taking artists into the schools in an educational capacity or by transporting the children to the major theatres for matinee productions. The end result is extensive curriculum enrichment. (2) The second purpose that Arts Partners promotes is that of future audience building. We are educating the audiences of tomorrow to a higher level of arts awareness and cultivating support of arts institutions in one to two decades hence.

This year ends the three year pilot program for Arts Partners. In academic year 1989-90 the school districts will pick up 75% of the cost of the program. They had been paying 33%. The Greater Kansas City Community Foundation will continue to fund raise 25% of the \$600,000 annual budget. The original seed money, utilized over the past three years, will be withdrawn. Kansas City corporations were willing to commit to a pilot program but not to a long term underwriting. Financial support for the current participating districts is secured, however new growth is stymied.

This places Arts Partners in a dilemma. We have been encouraged by the Johnson county school districts of Shawnee Mission, Olathe, and Blue Valley to extend the program into their community. However, without the same extensive metropolitan

corporate base we are left searching for a new funding source. Revenue generated from the bill which is before you could serve as that base -- allowing Johnson county to enhance its arts-in-education program which inturn allows it to link arms with the currently existing Wyandotte program. Johnson county school districts have been designated as among the best in the nation. By adding a program such as Arts Partners to their curriculum they could very well become the best.

I thank you , and encourage you to vote "yes" on the bill before you.

CULTURAL ALLIANCE OF GREATER KANSAS CITY

February 21, 1989

Senate Bill 186
House Bill 2281

My name is Doug Alpert, and I am here today as the Chairman of the Cultural Alliance of Greater Kansas City, an alliance of Kansas and Missouri arts organizations committed to local public sector funding of the arts. The Cultural Alliance is grateful for the opportunity to speak in support of Senate Bill 186/House Bill 2281.

Before I address the need for a bi-state cultural benefit district, I wanted to provide a short background of my own involvement in the arts. I reside at 2518 W. 50th Place, Westwood Hills, Johnson County, Kansas. I am the executive director of the Kansas City Jazz Commission, which is involved with jazz activities in both Missouri and Kansas. I am a member of the Kansas Bar, and I am an advisory board member of the Kaw Valley Arts Council serving Wyandotte County.

I have two points to address today: one, that cultural arts are crucial to the economic growth and stability of Kansas, and two, that for the arts to thrive and survive as a source of economic development in Kansas, we must take a bi-state approach to funding the arts for Kansas Counties in the metropolitan Kansas City area.

Let me state at the outset that, while the Cultural Alliance is an arts organization, we support the inclusion of not-for-profit recreation funding included in the bill. My comments regarding the not-for-profit

Cultural Alliance of Greater Kansas City
February 21, 1989
page two

arts community are equally applicable to not-for-profit recreation activities.

We must have an active and viable arts community if we are to have any hope for the continued economic development of our state. When businesses decide where to locate, or relocate, they no longer are restricted by the natural resources offered by a certain region of the country. Businesses are no longer industrial, looking to be near coal; instead they are communication oriented, with access to the entire world, regardless of where they locate. Therefore, businesses are now free to locate in the community that offers the best quality of life.

Our cultural arts are a vital cog in what comprises quality of life in our community. The best example of the relationship between cultural arts and the business community you only need to look at the boards of our arts organizations. They are filled with the most prominent business and civic leaders in our community. For local businesses, involvement with the arts is synonymous with good public relations. (While I respect and admire the contributions of our business leaders to our community, as a realist I have to believe their involvement with the arts is also motivated by their interest in promoting their own business.)

This leaves the question of why a bi-state approach to funding cultural arts. My answer is found in the comments I have received from Cultural Alliance members in Johnson and Wyandotte County. Put simply, arts organizations located in these two Kansas Counties lose in the battle for funds with Missouri arts organizations. Arts organizations in Johnson and Wyandotte County do not receive Missouri funding, even though they

Cultural Alliance of Greater Kansas City
February 21, 1989
page three

have significant audience participation from Missouri. Being in the greater Kansas City area, these arts organizations are not always perceived as truly Kansas organizations. Therefore, funding from Kansas foundations has been tough to come by. Many Kansas business leaders committ their funds to the more prominent Missouri arts organizations.

If we do not take a bi-state approach, our voters will feel that their tax dollars are being used to entertain Missouri audiences. Without significant public funding, these Kansas arts organizations have no foundation from which to compete with Missouri. Without a prominent arts community, Kansas loses business opportunities, tourist/convention dollars and respect for its quality of life. It does not have to be so. Thank you.

Q GOOD MORNING (AFTERNOON), MY NAME IS
 DAVE WOLFRAM, DIRECTOR OF COMMERCIAL AFFAIRS
 AND VICE-PRESIDENT OF THE YELLOW FREIGHT
 SYSTEM FOUNDATION. YELLOW FREIGHT SYSTEM
 IS A NATIONWIDE GENERAL COMMODITIES
 HEADQUARTERS IN DUBLAND PK, KS
 MOTOR CARRIER WITH 600+ FACILITIES IN THE
 U.S., CANADA & MEXICO. WE HAVE 28,000
 EMPLOYEES AND 1988 REVENUES WERE \$2 M+.

A MY REMARKS TODAY ARE IN SUPPORT OF
 SB 186 (HB 2281) WHICH AUTHORIZES THE
 CREATION OF A BI-STATE FUNDING DISTRICT
 FOR ARTS, CULTURE AND RECREATION.

A EACH YEAR, YFS COLLECTS ABOUT 2% OF ITS
 PRE-TAX PROFITS FOR CIVIC, PHILANTHROPIC AND

CREDITABLE CONTRIBUTIONS, DURING 1988

THESE CONTRIBUTIONS TOTALLED \$1.9 M. MORE

THAN $\frac{1}{3}$ OF THIS AMOUNT WAS DIRECTED TO

PERFORMING AND VISUAL ARTS ORGANIZATIONS IN

THE METROPOLITAN KANSAS CITY AREA.

I'm sorry to report that requests for funding in this

area far exceeded our contribution capacity.

A WHY, YOU ASK, IS V.F.S. INTERESTED IN
SUPPORTING THESE PROGRAMS? WE BELIEVE THAT
FOR KANSAS CITY TO BE A FIRST CLASS
METROPOLITAN AREA IT MUST HAVE FIRST
RATE SUCCESSFUL CULTURAL AND ARTS PROGRAMS &
ORGANIZATIONS. THIS WILL NOT ONLY HELP US
TO RETAIN EXISTING ORGANIZATIONS BUT WILL IN
FACT HELP ATTRACT NEW COMPANIES TO THE AREA.

PERFORMING AND VISUAL ARTS ORGANIZATIONS RELY ON CONTRIBUTIONS FROM THE CORPORATE AND FOUNDATION COMMUNITY TO FUND 30-40% OF THEIR OPERATING BUDGETS. UNLIKE OUR NEIGHBORS IN ST. LOUIS AND DENVER THE KANSAS CITY AREA HAS A VERY SMALL NUMBER OF CORPORATE HEADQUARTERS WITH THE ABILITY TO FUND THESE ORGANIZATIONS. FOR THIS REASON WE SUPPORT THE LEGISLATION YOU ARE CONSIDERING WHICH PROVIDES A BROAD BASE FUNDING MECHANISM FOR THE ARTS.

LASTLY, YOUR LEGISLATION MAY HAVE A VERY DESIRABLE SIDE BENEFIT FOR THE COMMUNITY. WITH SOME CAREFULLY USED FEDERAL MONIES AVAILABLE FOR HEALTH AND SOCIAL SERVICES PROGRAMS,

THE COMPETITION FOR CORPORATE AND FOUNDATION
SUPPORT IS INCREASING AT AN ALARMING RATE.
THIS LEGISLATION MAY FREE UP CORPORATE
DOLLARS WITH A RESULTING SHIFT TO
COMMUNITY HEALTH AND HUMAN SERVICE
PROGRAMS.

R
THANK YOU FOR THE OPPORTUNITY TO SUPPORT
SB 186 (HB 2281) THIS MORNING (AFTERNOON).
I WOULD BE HAPPY TO ANSWER ANY QUESTIONS
YOU MIGHT HAVE.

STATEMENT IN SUPPORT OF A CULTURAL AND RECREATIONAL FUNDING BILL
FOR A BI-STATE METROPOLITAN DISTRICT

Walt Vernon
7928 Rosewood
Prairie Village, KS 66208

I wish to thank the sponsors of this bill for introducing this important legislation, and also thank the committee for holding this hearing. My testimony is in support of the bill, which I hope you will favorably vote out of committee and send on to the floor in a timely fashion.

I am speaking today both as a resident of Johnson County, Kansas and as the Executive Director of Kansas City Consensus. It is a non-profit citizens organization that studies public issues in the metropolitan Kansas City area, makes recommendations for the solution or improvement of issues studied, and then works for the implementation of its recommendations. By way of further introduction, I am a former member of the Shawnee Mission school board, and I am currently a member of the Board of Water District No. 1 of Johnson County, Kansas (an elected position) serving as its chairman.

In 1980 MRI (Midwest Research Institute) did a study on the economic impact of culture and recreation on the Kansas City area, including tourism activities. The data indicated that the visitor industry is the third largest in the area with an annual impact of \$1 billion. It has created 32,000 jobs, has an \$280 million annual payroll and generates \$46 million state and local taxes. An update of that study is underway but the results are not yet in.

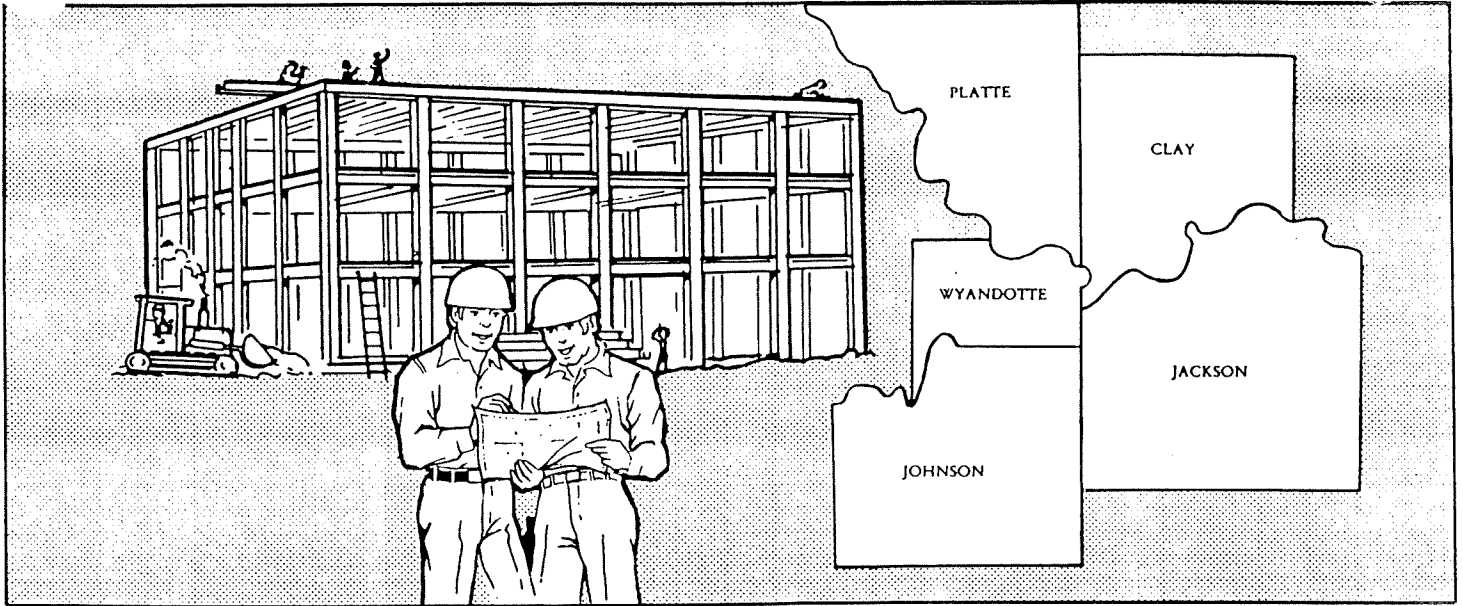
Several years ago a MARC (Mid-America Regional Council of Governments) Task Force on Amenities undertook a look at the cultural scene and with MARC developed a directory, "Arts of the Heart." It listed cultural organizations and opportunities in the Kansas City metropolitan area. Although it recognized a lack of strong governmental support for local arts and culture, it took no action to change that. The task force has been reactivated in the past year, and continues to examine issues related to support for the arts. In fact, a sub-task force chaired by a person from Kansas (Gerald E. Snider of the Johnson County Community College) and a person from Missouri (Susan Franano of the Kansas City Symphony) is attempting to establish an appropriate process, or formula and funding criteria that might be ultimately used under the bill when passed and activated by government action and a citizens' election.

The Kansas City Consensus study effort began in the summer of 1984, when a broad based citizens task force was formed to consider the possibility of regional funding for metropolitan cultural attractions.

The result is the attached report which I will leave for the record. Its basic conclusion was that governmental support for culture and arts in the area is far below that of many other cities which are competing for new business and industry, and that some process needed to be developed to address this issue on a bi-state basis. You all know that a bill was passed in Missouri in 1987 to set up such an authority, and that the Kansas version, changed by the sponsors to reflect the views of Kansans who have studied the issue, is the subject of these hearings today.

I will not summarize the bill, but I do wish to make a few key observations.

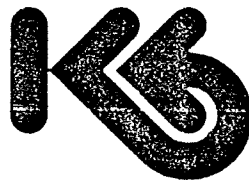
1. People in the metropolitan area are very mobile, and move across city, county and state lines for jobs, homes, shops and recreation as if the lines on a map did not exist.
2. Cultural attractions and events do have a economic impact, both as an economic force in and of themselves, and as an attraction to potential newcomers to the area, especially highly educated and technically skilled persons in high-tech industries.
3. Retail sales is the only equitable way to measure allocation of cost between different jurisdictions due to differences in property and other tax systems.
4. It is hard to argue against the proposition that the people themselves should be given the opportunity to agree or disagree on such a basic issue as whether or not government should provide nominal support for the cultural arts.
5. Elections county by county at the same time would make sense, since political advertising on TV and in the papers will be seen in most of the area counties at the same time.
6. Cultural experiences of all types, ranging from the performing arts to museums, enhance education as well as entertain; and help pass the culture and experiences of society - those values that make us civilized people - to future generations.
7. There are sufficient safeguards built into the bill to prevent either side of the state line from taking advantage of the other.
8. The need for funding for a political campaign plus the need for grass roots support will force large and small cultural groups to work together.
9. Lastly, at least 12 other metropolitan areas in the U.S., including those nearest us to the east and west, St. Louis and Denver, already have some form of tax support for large and small cultural enterprises. No action assures that we will fall even further behind those competitors in the economic war between the cities.



BUILDING A METROPOLITAN FOUNDATION FOR CULTURE AND RECREATION: A BLUEPRINT FOR ACTION

A Report of the Metropolitan Funding Task Force

Approved by the Board of Directors of Kansas City Consensus
October 23, 1985



Kansas City Consensus

600 Hanover Building, 15 West 10th Street
Kansas City, Missouri 64106
(816) 221-6670

Attachment 10
Senate Assessment & Taxation
February 21, 1989

A
Kansas City Consensus Report

BUILDING A METROPOLITAN FOUNDATION
FOR CULTURE AND RECREATION: A BLUEPRINT FOR ACTION

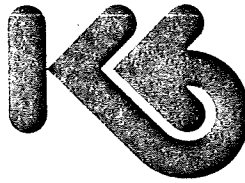
Prepared by the
Kansas City Consensus Task Force on Metropolitan Funding
William B. Eddy, Chair

Approved
by the
Kansas City Consensus Board of Directors
October 23, 1985

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BUILDING A METROPOLITAN FOUNDATION FOR CULTURE AND RECREATION: A BLUEPRINT FOR ACTION

EXECUTIVE SUMMARY

"How can regional funding be established to support metropolitan attractions, such as the zoo, to enhance the economic, cultural and recreational fabric of the entire community?"

Facts

The Kansas City metropolitan area has much to appreciate in its cultural and recreational attractions. Well known and respected institutions include the Nelson-Atkins Museum, the Missouri Repertory Theatre, the Kansas City Symphony, the Kansas City Ballet and the Lyric Opera.

Together, all of Kansas City's cultural and recreational attractions have a major economic impact on the community. The 1.3 million visitors attending metropolitan area cultural and recreational attractions each year spend more than \$76 million. In addition, these attractions employ 1,112 full and part-time employees with an annual payroll of \$7.5 million.

Cultural and recreational attractions also act as a magnet for economic development and make a major contribution to the educational process for young and old alike. In addition, these attractions are a significant component of the image and quality of life of the region.

But while Kansas Citians have much to be proud of, the metropolitan area is not measuring up to its full potential, especially when compared to similarly sized metropolitan areas.

For example, the Kansas City Zoo needs major improvement and expansion. Many citizens call for new facilities, including a new Metropolitan Museum of Science and History, a Performing and Visual Arts Satellite and a Metropolitan

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Aquarium. Union Station is in desperate need of renovation and development. In all, the metropolitan area has over \$150 million in capital funding needs for cultural and recreational facilities.

In addition to funding for facilities, additional operating and development support is badly needed. Estimates of the annual shortfall for area cultural and recreational groups run as high as \$4.3 million. Management assistance, coordination and planning also would benefit many of these institutions.

To meet these capital and operating needs, the metropolitan area faces a number of financing options--both public and private--which could be applied on a metropolitan basis to meet its cultural and recreational funding needs.

Metropolitan wide public revenue measures hold tremendous potential. For example, on an annual basis (a) a 1 mil (.10%) real property tax would produce \$3.6 million, (b) a 1/8 cent retail sales tax would yield \$10.6 million, (c) a 1 percent hotel/motel tax would generate \$1-2 million, (d) a \$1.00/ticket airport departure tax would provide \$3.3 million and (e) a 1 percent tax on non-residential new construction would produce \$5.2 million.

There are a number of private funding options. While most face various limitations, however, annual united fund-type campaigns have proven successful in other metropolitan areas. Based on local efforts and the experience of other cities of similar size, a Kansas City campaign could raise \$1 million a year.

Conclusions

We face an urgent need to make major improvements in some of our important cultural and recreational institutions, to add new attractions and to provide stronger operational and developmental support for others.

Current development is impeded by a narrow base of support--both public and private--which must be broadened. Since these attractions serve the entire metropolitan area, the response should be made on a metropolitan basis.

Because all of the more than \$150 million in identified capital funding needs cannot be addressed at once, the Task Force developed ten criteria for evaluating and prioritizing proposed facilities. These include a facility's (a) economic impact, (b) educational impact, (c) image contribution, (d) quality of life contribution, (e) visibility and scale, (f) breadth of appeal, (g) comparative advantage over other

metropolitan areas, (h) impact on geographic balance, (i) geographic proximity to similar attractions and (j) uniqueness.

Using these criteria, five metropolitan projects measure particularly well and serve as good examples of institutions that could merit metropolitan support--an expanded Kansas City Zoo, an all new Metropolitan Museum of Science and History, a Metropolitan Arts Satellite, a Metropolitan Aquarium and restoration of Union Station. The total cost for constructing these five facilities, however, using figures supplied by the institutions, is \$134 million, an amount likely beyond our reach.

Recommendations

An independent Metropolitan Arts and Recreation District (including Jackson, Platte, and Clay Counties in Missouri and Johnson and Wyandotte Counties in Kansas) should be established by interstate compact.

The District's basic function should be the raising of public and private funds (a) to provide capital funding to build major recreational and cultural facilities in the metropolitan area and (b) to provide operating and developmental support and coordination for metropolitan recreational and cultural groups through matching grants and management assistance services.

--Capital Needs--

The District should develop a plan for the construction, support and location of significant metropolitan recreational and cultural institutions, building on both sides of the state line.

While the District should determine which specific facilities to build according to the needs existing at the time, current capital needs and funding abilities must be evaluated in order to determine just what we can and cannot afford as a metropolitan area.

While all five example institutions (totalling \$134 million) most likely could not be funded at once, the metropolitan area does have the ability to finance several major facilities simultaneously, a step we should take, adding dramatically to the community's quality of life and image.

A review of the five example institutions shows that various combinations of three facilities can produce packages requiring funding in the range of \$69 million to \$80 million. Annual debt service for bond issues in these amounts would range from \$7.5 million to \$8.7 million, amounts clearly within our reach.

--Operating and Development Needs--

The District should create a \$2 million united fund for arts and recreation to meet the operating and development needs of our thinly capitalized recreational and cultural institutions.

The fund should be financed by (a) \$1 million from an annual united fund for arts and recreation fund raising campaign, targeting new contributors in the private sector, and (b) \$1 million each year from a public revenue source.

Grants from the fund should be made to organizations on a one-to-one matching basis to encourage a further broadening of the funding base in the metropolitan area.

In order to eliminate any long term need for \$1 million a year from a public revenue source for the fund, a like amount from a public revenue source should be used for nine to ten years to capitalize an endowment to eventually provide \$1 million interest income annually for the fund.

The District should also provide (a) management assistance to area organizations on matters such as marketing, accounting, operations, and planning and (b) shared overhead on items such as personnel, office space and data processing.

--Funding Sources--

While no single municipal tax base in the metropolitan area realistically could expect to raise up to \$10.7 million annually to finance (a) \$7.5 million to \$8.7 million in debt service for a \$69 million to \$80 million building program, (b) a \$1 million United Fund for Arts and Recreation contribution, and (c) a \$1 million endowment contribution, these sums are within the grasp of the metropolitan-wide base.

Specifically, a 1/8-cent metropolitan retail sales tax would raise more than \$10.6 million annually (at an average annual household cost of \$21.52) and, when compared to other public revenue sources with respect to yield, fairness and practicality, offers the best source to consider for the public funds needed.

With respect to private funding, a broadly based \$1 million annual fund raising drive should be pursued to provide the private funds needed for the United Fund for Arts and Recreation. Private funds also should be separately sought to reduce public funding requirements for capital facilities.

BUILDING A METROPOLITAN FOUNDATION
FOR CULTURE AND RECREATION: A BLUEPRINT FOR ACTION

A Report of the Kansas City Consensus
Task Force on Metropolitan Funding

"Kansas City has the potential for becoming a major arts center for our country. We have a right here to have arts of the highest kind. There's no reason the arts effort in this country can't be centered in Kansas City, and I think over time it will be. But we have a responsibility now to make excellence our objective." [1]

Dr. Patricia McIlrath
Former Artistic Director
Missouri Repertory Theatre

I. INTRODUCTION

I.A. Description of the Issue

Metropolitan Kansas City is experiencing a renaissance. After years of relative dormancy, a note of optimism pervades the community. For example, new building construction is rapidly changing the skyline in the major business centers, along traffic arteries, and in shopping plazas. Economic indicators, such as personal income, employment and retail sales, are rising and projected to continue to do so. The housing industry experienced its best year on record in 1984. [2]

Community pride is heightened by a growing number of entertainment activities that offer area-wide appeal such as the Spirit Festival, the Renaissance Festival, jazz festivals and outdoor concerts. Performing arts groups have been strengthened through private fund raising efforts, such as the restructuring of the Kansas City Symphony. The Kansas City Ballet, the Lyric Opera, and Missouri Repertory Theatre are also noted for quality. Jazz, a basic element of Kansas City's heritage, is regaining popularity. Additionally, the success of our professional sports teams has brought much attention to Kansas City in the past decade. Kansas City has been able to achieve its growth and maintain relatively low unemployment and a safe and clean environment.

Notwithstanding this heightened community pride, however, Kansas City has not developed its full potential when compared to similarly sized metropolitan areas in the nation. Many of these cities boast significant metropolitan-wide attractions, such as zoos, museums and arts facilities, functioning on scales of quality and size that serve entire metropolitan areas. These features add significantly to the urban landscapes of these communities, making them highly attractive places to live, work and play.

In addition, while we have a favorable impression of Kansas City, this is not always shared by others. National ratings on the quality of life, such as Rand McNally's Places Rated Almanac[3], do not reflect the image we seek. Our image in part is attributable to our level of commitment to our cultural and recreational facilities in the metropolitan area. Unfortunately, with a few notable exceptions, e.g., the Nelson-Atkins Museum and Missouri Repertory Theatre, many of these institutions are under-funded, under-attended, and developmentally behind similar institutions in comparably sized cities.

However, while location, climate or past events may have provided other communities with many of the advantages they enjoy today, developing Kansas City's potential is not dependent upon such items over which we have very little practical control. On the contrary, Kansas City's potential lies in its greatest resource--its people.

The principal resource of any city, especially Kansas City, is its people. Indeed, the material riches that may be afforded a city by natural resources, a favorable climate or converging transportation routes, shrink to insignificance when compared to the richness found in a city's people, especially the diversity of an urban population.

Kansas City is a prime example. Countless intelligent, sensitive and hard working people walk our streets. Our industries serve people all over the nation and world. The fabric of the city itself reflects the resourcefulness of our people . . . from the charm and strength of our historical neighborhoods to a form of music that today reaches every corner of the world.

This invaluable resource, coupled with prospects for relatively significant population and economic growth over the next decade, provides Kansas City with the requisite resources, both human and economic, to improve the metropolitan area's attractiveness to its citizens, tourists and new businesses.

Higher levels of education and increasing amounts of leisure time among the U.S. populus have increased interest in and the need for cultural and recreational amenities in the past decade. Between 1970 and 1980, U.S. attendance at the opera grew from 4.6 million to 10.7 million, an increase of 111%. Attendance at the symphony, in the same period, grew from 12.7 million to 22.6 million, up 78%. Between 1975 and 1980, the number of people who danced either ballet or modern dance more than doubled, from 9% to 20%. Attendance in the National Park System grew from 79.2 million in 1960 to 172 million in 1970 and then to 300.3 million in 1980. This same pattern is evident among almost all other cultural and recreational activities.[4]

Although Kansas City's cultural amenities have grown and improved in recent years, Kansas City has not reached its potential, especially when compared to other cities of similar size. Unique facilities that could create a national image and awareness need to be developed. Yet, herein lies Kansas City's opportunity for growth. Cultural and recreational amenities do not depend primarily on history, climate or geography, which we cannot change, but upon people--their desires and focusing of resources. Here is an area where Kansas City can do something to improve its quality of life.

After twelve months of interviews, research, and discussion, it is the consensus of the Metropolitan Funding Task Force that Kansas Citians must undertake a concerted, area-wide effort to improve our existing amenities and build new cultural and recreational institutions which will enrich our quality of life and support Kansas City's economic and industrial development. This report documents the findings of our research and sets forth our specific recommendations for action. Unity of purpose, optimism and risk-taking are required to accomplish these goals. We present them as a stimulus and a challenge to our fellow Kansas Citians.

I.B. The Task Force and Its Charge

In the summer of 1984, the Board of Directors of Kansas City Consensus selected three areas of study for the 1984-85 year and established task forces to undertake intensive study of each area. The topic for the Metropolitan Funding Task Force was stated as follows:

"How can regional funding be established to support metropolitan attractions, such as the zoo, to enhance the economic, cultural and recreational fabric of the entire community?"

Members of Kansas City Consensus were provided an opportunity to apply to the Board for membership on the task force or other Consensus committee of their choice. Thirty-nine members were named to the Metropolitan Funding Task Force, with 26 actively participating. These individuals are listed in Appendix "D." Membership came from both sides of the state line and a variety of occupations and professions. A few were involved in cultural and recreational institutions through vocation or volunteer status, but most were interested in the topic from the perspective of concerned citizens and consumers.

I.C. Scope

Defining the scope of the study was the first task undertaken. There are a multitude of organizations and institutions which enrich the cultural and recreational environment of the community. The Task Force decided to concentrate its efforts on public and not-for-profit institutions which serve the community in the fields of culture and recreation. This category includes zoos, museums, performing groups, visual arts, and historic sites of educational significance. Educational institutions and general libraries were not included. This exclusion is not an indication of the Task Force's evaluation of these institutions, but only an acknowledgement of the limited time and resources available.

A listing of Kansas City area cultural and recreational institutions compiled from various sources by the Task Force is shown in Appendix "C." It is meant to be illustrative, but not necessarily all-inclusive.

I.D. Methodology

The Task Force met biweekly, beginning in September, 1984. During the first seven months, most of the time was spent interviewing resource persons affiliated with area cultural or recreational institutions or otherwise possessing special expertise about the state of the arts in Kansas City and the needs for financial support. Two additional months were spent in discussions with individuals who could provide information about funding and other support mechanisms. A Kansas City Consensus staff person prepared extensive minutes, and these, along with documents submitted by resource persons, were distributed to members.

The Task Force also conducted a survey of the economic impact and needs of area cultural and recreational institutions. Questionnaires were mailed to 89 cultural and arts organizations in the metropolitan area. After a follow-up letter, 53 were returned. Returns represented most of the larger groups and institutions (See Appendix "B"). The findings will be discussed in appropriate sections of this report.

The research of other groups, including the Mid-America Regional Council, Midwest Research Institute, the Commissioners of Johnson County, Kansas, the Missouri Arts Council, the American Council for the Arts and the Missouri Division of Tourism was also utilized. The Task Force was assisted by a professional research staff person who, in addition to preparing detailed meeting minutes, conducted the survey, accumulated resource materials and provided support in many other ways.

II. IMPACT OF CULTURAL, ARTISTIC, AND RECREATIONAL ACTIVITIES

Any community considering increasing the level of its cultural and recreational activity needs to evaluate the impact of such activity and the values gained for resources extended. In its research, the Task Force identified four kinds of benefits arising from culture and recreation: economic, educational, image and quality of life. These will be discussed separately.

II.A. Economic Impact

There is conclusive evidence, both nationally and locally, that cultural and recreational attractions have a very significant effect on economic activity in three areas: (a) conventions and tourism, (b) attracting business and industry and (c) payroll and other operating expenditures.

In Kansas City, the visitors industry is the third largest industry with visitors annually spending as much as \$1 billion, according to the Convention and Visitors Bureau of Greater Kansas City.[5] The industry accounts for 32,000 jobs with a \$280 million annual payroll and \$46 million in state and local taxes.

The Task Force investigated what percentage of visitor spending is generated by people attending cultural and recreational attractions. Our survey results indicate that nearly

1.3 million attendees came from outside the metropolitan area. Figures from the Missouri Division of Tourism indicate that the average visitor spends \$59.20 per day. Multiplying these figures (1.3 million x \$59.20 per day) suggests that persons visiting cultural and recreational attractions spend more than \$76 million annually in Kansas City.

Total annual attendance of metropolitan cultural and recreational attractions, according to the 53 organizations responding to our survey, is 2.9 million. In June of 1980, the Midwest Research Institute completed a report for the Hallmark Educational Foundation on the economic impact of the performing arts in Kansas City.[6] The report stated that annual attendance at performing arts events exceeds 1.8 million. For the sake of comparison, the MRI study listed attendance figures for three of the area's professional sports teams for 1978-79. That year, the Kansas City Royals' attendance was 2.3 million, the Kansas City Chiefs' was 0.5 million, and the Kansas City Kings' was 0.4 million. Attendance at cultural and recreational attractions compares very favorably with these figures.

The economic impact of cultural and recreational attractions is further illustrated by a September 20, 1983 Wall Street Journal article. Surveying four major studies of the economic impact of the arts, the article concludes: "The arts aid the economy in terms of tourism, helping to fill hotels and restaurants and creating jobs." [7]

Cultural and recreational attractions also have an important impact on economic development. Many companies which are seeking to relocate or expand evaluate the cultural and recreational resources and commitments of communities they are considering. One resource person told the Task Force of a large firm which sent a planeload of officials to Kansas City to inspect its cultural amenities before deciding whether to relocate here.

The economic impact of cultural and recreational attractions has yet another dimension. Payrolls and other local expenditures of cultural and recreational institutions are a significant economic factor. The 53 area attractions responding to the Task Force's survey indicate a total of 1,112 full and part-time employees, for an annual payroll of \$7.5 million. Total yearly expenditures for non-salary items is \$4.7 million.

An independent survey supports the above conclusions. In 1984, the Missouri Arts Council conducted a state-wide survey of arts organizations it funds. The 25 Kansas City, Missouri organizations responding to the survey indicated that they employ 695 persons part-time and 437 full-time, for an annual

payroll of \$9.5 million. (The Missouri Arts Council surveyed a slightly different mix of organizations than the Consensus survey, thus explaining the minor differences in the results.)

In summary, the Task Force concludes that cultural and recreational organizations have a very significant economic impact on this metropolitan area, and that any well-directed increases in expenditures would come back to the community many fold.

II.B. Educational Impact

Cultural and recreational institutions make a major contribution to the formal and informal educational processes of a community and the possibilities are extensive. Many are being carried out in Kansas City now, and more would be going on if resources were available. School children visit museums to broaden their perspectives beyond the classroom. Dancers and musicians establish schools to inspire and coach young artists. Drama teachers take their classes to matinee performances. Older adults attend classes taught by local artists.

Education is a primary purpose of cultural and recreational entities. Research is part of the mission of history, art and science museums. Much is learned about the flora and fauna from arboretums, botanical gardens and zoos. The tie between primary schools, secondary schools and institutions of higher learning and cultural entities is developing rapidly around the country. The University of Missouri-Kansas City and the Nelson-Atkins Museum currently have a joint curator/faculty program which enriches both institutions. This kind of collaboration is both healthy and productive for all. Other examples of concerted efforts to link the arts and education are the Alvin Ailey project and the Young Audiences outreach program.

However, much more could be happening. Most of our cultural institutions are budgeted so tightly they have little excess capacity to provide educational services. Yet it is education which could enrich interest in arts and culture among present and future audiences.

II.C. Image

A community's image affects many factors, including tourism, business location, and the general morale of the

citizenry. Overall image is made up of a variety of components, not the least of which is the quality of cultural, artistic and recreational institutions.

Kansas City's image, however, is relatively indistinctive. For example, Kansas City fares poorly compared with other cities of similar size in Rand McNally's Places Rated Almanac (discussed in more detail later in this report). While such ratings must be taken with a grain of salt, they do serve to indicate that there is much room for improvement in Kansas City's image.

II.D. Quality of Life

Although it is a difficult factor to evaluate quantitatively, the enrichment of life through artistic and cultural experiences is almost universally accepted as a most important factor.

Several of the resource persons who addressed the Task Force made the point that a city with a community of talented and creative artists, performers, curators and scientists is a richer and healthier city. Culture from other cities and countries is shared, and expert advice on community issues related to arts and culture is available. Community organizations and educational institutions are enriched by advisors who are professional artists and scientists.

Another paragraph from the Wall Street Journal article cited above sums up the impact of cultural and recreational attractions on quality of life quite well:

"We are left with the old answer to the original question. We support the arts, the nonprofit sector of the arts world, as a 'public good.' It's a perfectly valid answer. There is no need to hide behind statistics--the art experience is our experience. Learning about art is learning about ourselves, our culture, our values, our goals. Art is not escapism but a discovery, and its abundance and accessibility are factors in determining our quality of life. It is to maintain this that governments are created, and on this basis that governments are judged."

III. CULTURE AND RECREATION IN KANSAS CITY

III.A. Current Status and Projected Needs

The Task Force invited twenty resource persons knowledgeable about Kansas City cultural and recreational institutions to present their views and report on their studies. It also conducted a survey of area cultural and recreational attractions. In addition, Task Force members held individual discussions with numerous persons and read several hundred pages of information consisting of articles, studies and presentations on recreation and culture in Kansas City. On the basis of this information and its discussions, the Task Force developed a picture of the current state and health of recreation and culture in the metropolitan area.

Missouri Repertory Theatre and Nelson-Atkins Museum:

Two major institutions, the Nelson-Atkins Museum and the Missouri Repertory Theater, are vigorous, relatively well financed and enjoy positive reputations within and outside the community. Both owe their success and stability in large part to substantial reservoirs of support--the estate of William Rockhill Nelson and the University of Missouri-Kansas City. That both are endowed with experienced and creative leadership is another significant factor, but this talent is also probably related to fiscal strength and stability. Both institutions have developed substantial community support and are successful in marketing and fund raising. Both also raise substantial revenues through admission fees.

Kansas City Museum: The Kansas City Museum, the only major general museum in the metropolitan area, is wholly inadequate in physical space and operational funding. The current facility is located in an historic home which contains about 25,000 square feet--one-tenth of what the Museum staff has determined is needed to provide the community a museum of quality comparable to those in other cities of similar size. The location also provides insufficient room for expansion. The staff is able to display less than five percent of its holdings. Although the Museum has the potential of becoming a major facility and of providing Kansas Citians an exciting educational and cultural link with their heritage, it is hindered by insufficient funding from the City of Kansas City, Missouri, restrictions on its ability to charge an admission fee, and a history of very narrow community support.

The Museum's operating budget is about \$1 million per year, half of which comes from the City of Kansas City through

a line-item appropriation and a two-cent property tax levy, and the remainder from grants, fund raising programs and memberships. According to the Director, the Museum will require \$40 million for a new structure on a new location in order to grow to a level of significance commensurate with the community's needs.

Kansas City Zoo: The Kansas City Zoo is another institution which is funded by the City of Kansas City, Missouri (through the Parks and Recreation Department), but attempts to service the entire metropolitan area with inadequate capital and operating funds. The Zoo requires a higher level of community support and financial backing if it is to become a facility of a quality comparable to the best in other cities.

In 1983, the Zoo received a Hallmark grant to retain Jones and Jones, a zoo architectural firm from Seattle, to develop a master plan. About \$25 million in capital funds is needed over the next five years. The 1983-84 capital expenditures budget was \$178,000, of which only \$16,000 was government funding and \$162,000 from private sources, including the Friends of the Zoo. The 1985-86 budget calls for 70 per cent of admission fees to begin capital improvements, a good deal less than the \$5 million needed for the year.

Figures presented by the Zoo director indicate that, compared with zoos in cities of similar size, the Kansas City Zoo is well attended, charges less than the average for admission, and operates with about 50 percent of the budget of zoos in comparable cities.

Kansas City Symphony: The Kansas City Symphony is completing a successful rebuilding program, and is well on its way to achieving a \$10 million endowment. After the failure of the Kansas City Philharmonic, the corporate community and the artistic leadership launched an heroic and very successful rebuilding program which has assured, for the time being at least, the stability of a major symphony in Kansas City. Successful fund raising with a broadening community base and the popularity of the Symphony at events such as Radio Day and the Spirit Festival appear to indicate a growing appreciation for classical music.

The endowment is expected to provide approximately one-third of the orchestra's annual operating budget, with earned income also providing one-third. Over the next five years, the Symphony has a projected need for an additional \$250,000 annually beyond its present income.

Kansas City Ballet: The Kansas City Ballet is another organization which has recently been rebuilt. Since then, in a short period of time, the Ballet has achieved notable critical acclaim.

The current operating budget for the Ballet is \$1.4 million annually which comes from earned income, grants and individual and corporate donations. Over the next five years, the Ballet projects that the budget will expand to over \$1.5 million. It also needs \$10,000 for capital expenditures.

Lyric Opera: The Lyric Opera of Kansas City, a professional, fully-staged company, performs opera as theatre and in English. The Lyric Opera projects its annual operating budget will increase from its current level of \$1.3 million to \$1.4 million over the next five years. It also needs \$500,000 in capital funds for renovation of the backstage area at the Lyric Theatre. The Lyric Opera is funded through earned income, grants, memberships and individual and corporate contributions.

Black Archives: The Black Archives of Mid-America, dedicated to the collection of two-dimensional data for research purposes, is one of only two such organizations in the United States. It is currently seeking a \$1.3 million grant for the Black Archives Regional Museum Project in order to refurbish the historic workshop located at 2014 Vine Street, immediately north of the Black Archives facility. Once completed, annual operating costs are projected to rise from \$130,000 to \$150,000. It is funded through the City of Kansas City, Missouri, and private grants.

Theatre for Young America: The Theatre for Young America, based in Overland Park, has a current annual operating budget of \$302,000, funded through earned income, private donations and grants. Its projected needs in five years will be \$306,000. It also has capital needs of \$50,000.

Ag Hall of Fame: The Agricultural Hall of Fame, located in Wyandotte County, projects its operating expenses will remain stable at \$200,000 over the next five years. However, it has capital needs of \$3 million. The Ag Hall of Fame is funded through earned income, corporate contributions and memberships.

Other Organizations: Current and projected operating budgets as well as capital needs for other cultural and recreational organizations are summarized in the following table. The table includes information about the existing organizations which responded to that portion of the Task Force survey, including those discussed above.

FUNDING NEEDS OF EXISTING ORGANIZATIONS IN GREATER KANSAS CITY
As Reported by Survey Respondents, Summer, 1985

<u>Organizations</u>	<u>Current Annual Operating Budget</u>	<u>Projected Annual Operating Budget in 5 Years*</u>	<u>Capital Needs</u>
Missouri Repertory Theatre	\$ 1,900,000	\$ 2,200,000	\$ 250,000
Kansas City Museum	1,100,000	3,000,000	40,000,000
Kansas City Zoo	2,800,000	3,750,000	25,000,000
Kansas City Symphony	2,254,870	2,500,000	-
Kansas City Ballet	1,400,000	1,550,000	10,000
Lyric Opera of K.C.	1,300,000	1,400,000	500,000
Agricultural Hall of Fame	200,000	200,000	3,000,000
Black Archives of Mid-America	130,000	150,000	1,300,000
Fort Leavenworth Museum	158,500	158,500	7,500,000
Kansas City Chorale	85,500	105,500	20,000
Shawnee Methodist Mission	77,000	100,000	1,000,000
Youth Symphony of K.C.	37,552	65,000	-
Seem-To-Be Players	65,000	100,000	-
K.C. Civic Orchestra	15,000	20,000	-
Liberty Symphony Orchestra	27,000	30,000	-
The Barn Players	46,000	76,000	10,000
Leavenworth Co. Historical Society Museum	20,000	20,000	10,000
Cave Spring Interpretive Center	27,339	53,200	1,150,000
Jackson Cty. Hist. Society	175,965	200,000	200,000
Overland Park Civic Band	3,000	3,000	15,000
Choral Arts Ensemble of K.C.	25,000	64,000	7,500
American Youth Ballet	21,000	30,000	-
Unicorn Theatre	110,000	250,000	1,000,000
L'Chaiim	1,000	1,000	-
Theatreworks	325,000	400,000	300,000
Theatre for Young America	302,000	306,000	50,000
City Theatre of Independence	10,000	20,000	-
Alexander Majors House	70,000	70,000	650,000
Mimewock Company	100,000	125,000	15,000
Historic Liberty Jail Visitors Center	5,500	5,500	-
Old Shawnee Town	100,000	300,000	250,000
Grinter House Museum	25,000	25,000	-
Bell Road Barn Playhouse	28,000	30,000	500,000
Northland Symphony Orchestra	21,847	27,600	-
TOTALS	\$12,967,073	\$17,335,300	\$82,737,500

* Some respondents provided total operating needs for the five-year period. In these cases, the figure shown is the average for the five years, rather than an actual Year 5 projection.

III.B. Other Proposed Facilities

The Task Force also learned of several other facilities which have been proposed.

Aquarium: The Friends of the Aquarium are proposing a world class public aquarium for Kansas City. The group projects the cost of the aquarium would be \$14 million, with \$8.5 million of that amount going for actual construction costs. Earned income is expected to cover operating costs.

Union Station: There is also wide community interest in adapting Union Station for public use. The Union Station Task Force estimates that it would cost \$15 to \$20 million to renovate the structure and another \$15 to \$20 million to develop it to a usable condition. So far, no economically feasible plan has been developed for the station.

Jazz Hall of Fame: Jazz music, for which Kansas City is known all over the world, is regaining popularity. A movement is currently under way to locate a Jazz Hall of Fame in Kansas City. Cost estimates for such a facility run from \$0.3 to \$2.9 million.

Metropolitan Arts Satellite: In addition, the Task Force heard testimony about the need for a metropolitan visual and performing arts satellite center. According to a survey conducted for the Commissioners of Johnson County, Kansas, 82.8 percent of the county's residents favor the construction of a multi-purpose performance and exhibition center and 76.8 percent favor building a performing arts center in Johnson County.[8] Such a facility would serve as a performance and exhibition space for groups indigenous to suburban areas and would provide a place for the major metropolitan performing and visual organizations, e.g., the Symphony and the Ballet, to reach new audiences. Although no firm cost estimates are available at this time, facilities have been built for costs ranging from \$10 million for smaller facilities to \$50 million for major complexes.

III.C. Charisma Centers

In considering locations for new facilities, the Task Force explored the concept of grouping attractions into constellations, sometimes referred to as "charisma centers." A charisma center is a geographic focal point for a given type of activity.

By grouping like activities and organizations in close proximity, a threshold level of energy, activity, and cross-fertilization of ideas is established so that the organizations

contribute to one another's success in a synergistic fashion. The charisma center then develops a regional or national image and reputation and thus attracts visitors from distant places; the center becomes a destination worthy of a planned trip.

Local examples of charisma centers include the Country Club Plaza (shopping), Westport (night life), and Crown Center (office, hotel, and real estate development). National examples include Quincy Market/Faneuil Hall and Harvard Square in Boston, Ghiradelli Square in San Francisco, and Greenwich Village in New York City.

III.D. Summary of Needs

The level of support and needs for area cultural and recreational attractions varies widely--from those which are relatively well funded to those for which funding is inadequate. Unfortunately, the latter far outnumber the former. These attractions face a critical lack of funds for operating, development and capital expenses. There is also a need for increased coordination and support services. The shortfall for operating funds will be over \$4.3 million annually, based on interviews and survey results. The level of capital needs is even more substantial--over \$82 million. When other proposed capital improvements and facilities, such as an Aquarium, Union Station and a Metropolitan Arts Satellite, are added, the total exceeds \$150 million. To begin addressing these needs, significant sources of funding must be identified.

IV. HOW KANSAS CITY COMPARES WITH OTHER METROPOLITAN AREAS

In order to put Kansas City's cultural and recreational attractions in perspective, the Task Force investigated what other cities of similar size offer.

IV.A. MARC Survey

The Mid-America Regional Council recently conducted a survey of all metropolitan areas comparable in size to Kansas City on "Metropolitan Financing of Regional Facilities." The purpose of the survey was to gather information about the mix of amenities offered in metropolitan areas and the methods of financing those amenities.

The survey pointed out a number of amenities which are present in all the metropolitan areas which responded. These include art galleries, museums, zoos, historic properties, professional sports, festivals, lakes, public parks, higher educational institutions, libraries, theatres and symphonies. Those amenities least present among the metropolitan areas which responded were aquariums, race tracks, botanical gardens, dance other than ballet, science museums, and music other than symphonies. The study found that the extent of amenities present in metropolitan areas was proportional to the areas population size.

The report also indicates that there are relatively few good examples of metropolitan financing of regional amenities. However, where these financing mechanisms are in place, they seem to have been successful in promoting the cultural and recreational environments of the areas they serve.

St. Louis has two regional funding mechanisms. The Zoo-Museum District, which includes both St. Louis City and St. Louis County, derives its revenue from a real property tax. The institutions which are included in the district are the zoo, the art museum, the museum of science and natural history, and the botanical gardens. The Zoo-Museum District is governed by an eight-member board, four appointed by the Mayor and four appointed by the County Supervisor. Individual institutions are operated by sub-district Boards consisting of ten commissioners, five each from the City and the County. These members are nominated by their respective boards and approved by the Mayor and the County Supervisor.

St. Louis' other public funding mechanism is the Regional Cultural and Performing Arts Development Commission which distributes funds generated by the City and County hotel/motel tax. The tax rate is 3-3/4 percent, of which 4/15 of the revenue goes to the Regional Cultural and Performing Arts Development Commission and 11/15 goes to the City-County Convention and Visitors Commission. The Regional Cultural and Performing Arts Development Commission has 15 members, with eight appointed by the County Supervisor and seven appointed by the Mayor. Cultural and performing arts organizations apply to the Commission for funds on a grant basis. The funds are used to support operating expenses and specific programs. No funds from this mechanism go to organizations funded through the Zoo-Museum District.

Another example of regional funding may be found in Portland, where the zoo is owned and operated by the Metropolitan Service District. Financial support comes from a regional real

property tax. Although Portland is a bi-state metropolitan area, the district is confined to Oregon and does not extend into Washington.

Finally, in Detroit, the Huron Clinton Metropolitan Parks system consists of 12 large parks located throughout the five-county southeast Michigan region. The parks system is owned and operated by the Huron Clinton Metropolitan Authority which has a seven-member board, with one member from each of the five counties and two members appointed by the Governor. Two-thirds of the authority's annual budget comes from a real property tax, while earned income accounts for the remaining one-third.

Of these four examples of regional funding, all are wholly contained within one state.

IV.B. Rand McNally Study

Another useful source of information is the revised edition of Rand McNally's Places Rated Almanac. The study rates all 329 Standard Metropolitan Statistical Areas in a number of categories, including recreation and the arts.

In the category of the arts, which takes into consideration such things as museums and performing arts organizations, Kansas City, Missouri (including Cass, Clay, Jackson, Lafayette, Platte and Ray Counties), ranked 51st. Kansas City, Kansas (including Johnson, Leavenworth, Miami and Wyandotte Counties), ranked 215th. In the category of recreation, including parks and zoos, Kansas City, Missouri, ranked 99th, while Kansas City, Kansas, ranked 287th. Overall, the two SMSA's ranked 68th and 122nd, respectively. (Other categories included climate, housing, health care, crime, transportation, education and economics.)

The accompanying chart demonstrates how Kansas City compares with other cities of similar size. It indicates that Kansas City ranks well below some cities it regularly competes with for conventions and economic development.

COMPARISON OF SELECTED CITIES

<u>City</u>	<u>Rank</u>		
	<u>Arts</u>	<u>Recreation</u>	<u>Overall</u>
St. Louis	19th	78th	7th
Seattle	17th	1st	10th
Atlanta	31st	239th	11th
Dallas	13th	71st	12th
Cincinnati	16th	61st	17th
Denver	25th	69th	30th
Minneapolis-St. Paul	10th	87th	51st
New Orleans	27th	18th	53rd
Indianapolis	44th	128th	56th
Phoenix	65th	59th	58th
Portland	55th	55th	63rd
Kansas City, Missouri	51st	99th	68th
Kansas City, Kansas	215th	287th	122nd

Source: Rand McNally Places Rated Almanac

V. LOCAL EXAMPLES OF METROPOLITAN-WIDE FUNDING

V.A. 911 Emergency Telephone Service

The 911 emergency telephone service is the single best local example of a service funded on a metropolitan-wide basis where everyone pays his or her fair share. 911 is funded by a telephone bill surcharge based on a percentage of the phone bill equal to the cost of providing the service to a particular area. The surcharge is only levied in areas where the service is available and had to be approved by a majority of the voters in each of the participating municipalities.

V.B. Area Transportation Authority

Another example of metropolitan-wide cooperation is the Area Transportation Authority. The Missouri and Kansas Legislatures created the ATA with a Bi-State Compact in 1965, which also required an Act of Congress. The ATA contracts its services out to participating municipalities, although 95 percent of the local funding is provided by Kansas City, Missouri, which has a one-half cent transportation sales tax.

V.C. Mid-America Regional Council

The Mid-America Regional Council is another example of metropolitan cooperation and has been instrumental in the initiation of a number of metropolitan-wide efforts such as 911. MARC also maintains a wealth of statistical data. Compiling these statistics in a centralized manner is much more cost-efficient than if each municipality kept them individually. MARC also formed a bi-state insurance trust for municipalities. By pooling their risks, participating local governments are able to save about \$500,000 a year. This is the only such bi-state insurance trust in the country.

VI. FUNDING ALTERNATIVES

As part of its inquiry, the Task Force examined a wide range of possible funding alternatives which could be implemented on a metropolitan-wide basis. Both public and private options were considered in the process. A number of these alternatives are discussed below.

VI.A. Public Financing Mechanisms

Real Property Tax: One method of financing cultural and recreational attractions which has been widely used is the real property tax. The City of Kansas City, Missouri, for example, levies a two-cent real property tax for the Kansas City Museum. A proposal which would have increased the levy was defeated in August of 1984.

A good example of using a property tax to fund cultural and recreational attractions on a regional basis is the Zoo-Museum District in St. Louis which was discussed in the previous section. Here in Kansas City, even a small property tax levied on a metropolitan-wide basis would raise a significant amount of money. Based on figures provided by county governments in the area, the Task Force estimates that a 1-mil (one-tenth percent) metropolitan real property tax would raise in excess of \$3.6 million annually.

However, a major impediment to implementing a metropolitan property tax is the varying methods of assessing valuations between counties and across the state line. Such differences could inequitably burden certain geographic areas.

ASSESSED PROPERTY VALUATIONS

County	1981	1982	1983
Clay	\$ 661,438,513	\$ 662,163,949	\$ 667,641,908
Jackson	1,341,169,990	1,354,109,299	1,350,713,134
Platte	224,131,447	230,189,817	232,375,116
Johnson	885,094,583	939,882,123	979,921,682
Wyandotte	374,309,910	385,372,312	373,451,500

Total \$3,486,144,443 \$3,571,717,500 \$3,614,103,340

County	1984	1985*
Clay	\$ 739,993,849	\$ 1,012,353,909
Jackson	1,373,175,751	2,724,528,162
Platte	248,198,131	424,438,119
Johnson	1,031,897,434	Not Available
Wyandotte	373,272,971	395,503,958

Total \$3,766,538,136 \$ -----

Source: County governments in Clay, Jackson, Platte,
Johnson and Wyandotte Counties

Four-Year Average

1981	\$3,486,144,443
1982	3,571,717,500
1983	3,614,103,340
1984	<u>3,766,538,136</u>

Total \$14,438,503,419 Divided by 4 = \$3,609,625,860

\$3,609,625,860 x .001 Levy = \$3,609,626

* 1985 figures for Missouri counties are considerably higher than 1984 due to state-wide reassessment.

Sales Tax: Another widely used local public financing method is the sales tax. Although the Task Force did not identify any areas which use a general sales tax on a metropolitan basis to finance cultural and recreational attractions, this mechanism has several attractive features.

First of all, it raises a substantial amount of money. Based on figures provided by the Missouri Department of Revenue and the Kansas Department of Revenue, the Task Force estimates

that a 1/8-cent metropolitan sales tax would generate in excess of \$10.6 million a year. Sales taxes are also broadly based and easily collectible. Additionally, a sales tax could be applied uniformly throughout the metropolitan area because a dollar spent in one county would be the same as a dollar spent in another county (as opposed to a property tax where the assessed valuation for a similar piece of property might vary).

However, one concern the Task Force has about the possibility of a metropolitan sales tax to fund cultural and recreational attractions is that the region may be reaching its capacity to support this particular taxing mechanism, in light of recent elections in a number of metropolitan municipalities both approving and rejecting sales tax increases. Also, sales taxes have been criticized for being regressive because they have a greater impact on low income members of the community.

COUNTY SALES TAX REVENUES*

County	1981	1982	1983	1984
Johnson	\$ 9,557,278	\$10,382,219	\$12,049,979	\$12,965,330
Wyandotte	4,158,168	4,248,118	5,160,993	4,522,566
Jackson	18,105,754	19,912,759	21,407,013	24,142,276
Clay	3,993,507	4,565,363	4,853,483	5,525,202
Platte	735,251	1,013,481	1,228,345	1,372,127
Totals	\$36,549,958	\$40,121,940	\$44,699,813	\$48,527,501

Source: Missouri Department of Revenue and Kansas Department of Revenue

Four-Year Average

1981	\$36,549,958
1982	40,121,940
1983	44,699,813
1984	48,527,501

Total \$169,899,212 divided by 4 = \$42,474,803

Average Annual Yield at 1/2-cent: \$42,474,803

Average Annual Yield at 1/8-cent: \$10,618,701

* Figures represent actual collections of county sales tax revenue by the respective state revenue departments. Rates for all five counties were 1/2-cent for all years shown, except for 1984 in Wyandotte County where the county sales tax was increased to 1-cent. For purpose of comparison, the figure provided is one-half of the actual collection of \$9,045,132.

Excise Tax: Excise taxes encompass duties imposed on a wide variety of commodities and can be used to target various user groups. Excise taxes may be expressed as a percentage of the sales price or as a given amount per unit of the product or service.[9]

One form of excise tax is a tax on hotel/motel rooms. As mentioned earlier, St. Louis uses such a tax to fund cultural and performing arts groups with operating and program grants. Kansas City, Missouri has a "bed tax" of 3-1/2 percent, of which 2 percent goes to the Convention and Visitors Bureau of Greater Kansas City and 1-1/2 percent goes to retire the bonds on Bartle Hall. The tax generates \$3.4 million a year. A few other municipalities in the area also have bed taxes. In Independence, the bed tax rate is 5 percent which raises \$292,000 a year. In Overland Park, a 2 percent bed tax yields \$69,287 a year. Based on these figures, the Task Force estimates a 1 percent metropolitan hotel/motel tax would generate between \$1 and \$2 million a year.

An obvious advantage to a hotel/motel tax is that it is paid by out-of-town visitors. Another is that a bed tax is very closely related to culture and recreation because a thriving cultural and recreational environment helps attract visitors to the area.

One potential drawback to this mechanism is the question of capacity--at what point would the tax become detrimental to the hotel/motel industry? For the sake of comparison, Kansas City ranks 15th in hotel/motel room tax rates among 24 cities of comparable size. The highest rate is in Washington, D.C. with 10 percent plus \$1, while the lowest is Detroit with 1 percent. When other sales taxes are added, the total tax guests pay for rooms in Kansas City is 9.725 percent, which ranks as the 13th highest total tax on rooms of the 24 cities. The highest total tax is Toledo with 12 percent, while the lowest is Detroit with 5 percent.

The issue of capacity is further complicated by the varying levels at which the tax already exists in the metropolitan area. A 1 percent increase would probably have a greater impact in a municipality where the tax was already relatively high than on one where the tax was lower or where there was no existing hotel/motel tax.

The Task Force also explored other excise taxes which would target visitors to the area. One promising idea would be a tax on airline tickets. The Mid-America Regional Council estimates that 3.3 million passengers will enplane in Kansas City this year. Based on these figures, a \$1 surcharge per

ticket would yield \$3.3 million per year. An example of this form of tax may be found in Boston which imposes a \$2.50 surcharge on airline tickets.

Another excise tax the Task Force looked at was a tax on new construction. Based on figures from the F. W. Dodge Construction Reports, the value of new non-residential construction in the metropolitan area was \$524 million in 1984. In order to get an idea of the cost of such a measure, the Task Force examined the impact of such a tax on fifteen metropolitan area construction projects. The net effect of a one percent tax on the cost of construction averaged \$.99 per square foot.

IMPACT OF 1% CONSTRUCTION TAX ON SELECTED PROJECTS

<u>Project</u>	<u>Total Cost</u>	<u>x .01</u>	<u>Square Feet</u>	<u>\$/Sq.Ft.</u>
AT&T Pavilion	\$155,000,000	\$1,550,000	1,200,000	\$1.25
Main Plaza	140,000,000	1,400,000	1,800,000	.77
One KC Place	90,000,000	900,000	982,000	.92
Fountain View	80,000,000	800,000	509,625	1.57
Two Pershing Sq.	63,000,000	630,000	500,000	1.26
Commerce Bank	45,000,000	450,000	472,337	.95
AT&T Data Ctr.	40,000,000	400,000	369,000	1.08
9300 Ward Pkwy.	38,500,000	385,000	600,000	.64
College Blvd. Pl.	35,000,000	350,000	385,000	.91
Twelve Wyandotte	34,500,000	345,000	333,000	1.03
Exec. Hills Sth.	30,000,000	300,000	250,000	1.20
Glenwood Place	30,000,000	300,000	300,000	1.00
Crowne Plaza	28,000,000	280,000	236,000	1.19
United Mo. Bank	28,000,000	280,000	400,000	.70
Board of Trade	14,000,000	140,000	200,000	.70
TOTALS	\$851,000,000	\$8,510,000	\$8,536,962	\$.99

One potential drawback to such a tax is that the construction industry is very sensitive to the economy. Therefore, a tax on new construction might not provide as stable a level of revenue as some other sources.

Other Taxes: The Task Force also examined a number of other excise taxes on various commodities and services such as automotive rentals, cigarettes, alcohol, and gasoline. Research indicated that these other taxes either did not generate significant revenues or for some other reason were not feasible on a metropolitan basis.

VI.B. Private Financing Mechanisms

United Arts Funds: According to the American Council for the Arts,[10] united arts funds are "service organizations which raise money for the operating support of at least three separate arts organizations. The monies are then allocated among these groups according to a pre-determined method." More than \$42 million was raised in 1983 through united arts funds by 50 of the 55 organizations which conducted campaigns in communities throughout the country.

An example of a united arts fund is the St. Louis Arts and Education Council. In 1983, it raised \$2.2 million, which was the sixth highest total in the national survey. Now in its twenty-second year, the Council provides operating funds to seven member organizations: Dance St. Louis, KETC Channel 9, Mark Twain Summer Institute, Opera Theatre, Repertory Theatre, Conservatory and School for the Arts, and Young Audiences. These member organizations agree not to solicit funds from the business and corporate community, though they may receive additional funding from them. With the permission of the Council, these seven organizations may solicit funds from the business sector for capital improvements and endowments. There are also 130 other member agencies which are eligible for special program funds. These organizations are not precluded from soliciting funds from businesses.

TOP TEN UNITED ARTS FUNDS

	<u>\$ Millions Raised in 1983</u>
Los Angeles	\$5.7
Lincoln Center	3.8
Cincinnati	3.3
Milwaukee	2.5
Atlanta	2.3
St. Louis	2.2
San Diego	1.6
Louisville	1.6
St. Paul	1.5
Omaha	1.4

Source: American Council for the Arts

A local example of a united arts fund is the Metropolitan Performing Arts Fund. The Fund annually provides money to four organizations: the Kansas City Symphony, the Lyric

Opera of Kansas City, the Kansas City Ballet, and the Missouri Repertory Theatre. The Fund is administered through United Missouri Bank of Kansas City and is governed by a board consisting of board representatives of the four organizations and concerned citizens in the community.

Kansas City Endowment for the Arts: Another private funding mechanism would be to establish a Kansas City Endowment for the Arts which would function similarly to the National Endowment for the Arts. Interest earned on the endowment would be distributed on a grant basis to area organizations to be used for operating expenses and special programs.

Endowments have been used locally to support individual organizations such as the Nelson-Atkins Museum and the Kansas City Symphony. Such endowments provide a stable source of revenue for the organizations and help to relieve at least some of the constant fund raising pressure cultural and recreational attractions experience.

Other Mechanisms: The Task Force also examined a number of other private fund raising mechanisms. These included, for example, special events, telethons, check-off boxes on tax refunds, and gift catalogs. These mechanisms have been used successfully by individual organizations and could also be applied on a metropolitan basis.

VII. CONCLUSIONS

On the basis of the data gathered and its deliberations, the Metropolitan Funding Task Force has arrived at the following conclusions:

VII.A. Support

Metropolitan Kansas City has much to appreciate and be thankful for in its cultural and recreational development. While it is easy to decry inadequacies in some areas, it is important to recognize that many people, both citizens and artists, have labored diligently for years to provide a rich and diverse array of cultural and recreational opportunities.

There is, however, an urgent need to make major improvements in some of our important cultural and recreational institutions, to add new institutions and to provide stronger ongoing operational and developmental support for others. This

need is based on several considerations, including economic development, quality of life, educational support, and the need to maintain a level of services consistent with other cities with whom we compete for visitors and development. The Task Force strongly believes the response should be made on a metropolitan-wide basis.

The Task Force has concluded that the public and private funds currently going to support cultural and recreational attractions in the metropolitan area are inadequate to achieve the level of services which we believe is necessary. For example, public funds are considerably below what would be required to build and operate facilities, such as a zoo and museum, comparable with the best in other cities. Part of this inadequacy is due to the community's geographical fractionation (two states, eight counties, 113 cities); part is due to public policy which, in the past, has not recognized the importance of culture and recreation to community economics; and part is due to a lack of a coordinated plan which seeks to build a broader support base. The base of voluntary support among businesses is narrower in Kansas City than in many other cities with exemplary services.

VII.B. Comparison with Other Cities

Based on its research, the Task Force believes a few organizations in Kansas City compare favorably with the best in other cities of comparable size in terms of quality and vitality. The best examples are the Nelson-Atkins Museum and the Missouri Repertory Theatre. Many other Kansas City organizations, however, have not been so fortunate. They operate at levels of quality below what has been achieved in other cities. The Task Force believes many of these organizations should be elevated to a similar level of excellence.

VII.C. Evaluating Needs and Establishing Priorities

Capital Needs. The Task Force identified more than \$150 million in capital needs for existing or proposed facilities. It would be extremely difficult, if not impossible, to address all those needs at once. Therefore, priorities must be established. After careful consideration, the Task Force believes the following ten criteria should be used to evaluate capital needs for cultural and recreational institutions in the metropolitan area:

1. Economic Impact of the facility upon the metropolitan area;

2. Educational Impact upon people residing in and visiting the metropolitan area;
3. Image Enhancement for the entire metropolitan area, both inside and outside the community;
4. Quality of Life contributions to the metropolitan area;
5. High Visibility and Scale so as to attract visitors from outside the metropolitan area and maintain the continuing interest of residents of the metropolitan area;
6. Broad Appeal to the population throughout the metropolitan area to maximize public use and enjoyment;
7. Comparative Advantage over other metropolitan areas of similar size;
8. Geographic Balance of recreational and cultural amenities throughout the entire metropolitan area;
9. Uniqueness when compared to other recreational attractions both within and without the metropolitan area; and
10. Geographic Proximity to similar recreational or cultural attractions in the manner of constellations of attractions or charisma centers.

Operating Needs. Our research also indicated a substantial projected shortfall of operating and development funds--\$4.3 million a year. The Task Force believes any plan of action to improve the cultural and recreational environment of Kansas City must address these operating and development needs as well.

VII.D. Cooperation and Coordination

Significant advantages to the cultural and recreational attractions in the community would result from a much greater degree of cooperation among agencies. The Task Force heard many times from agency directors and other resource persons that the history in Kansas City is not characterized by cooperation and most institutions operate autonomously. (Exceptions include the events calendar maintained by the Kansas City Arts Council.)

The Task Force concludes that many significant benefits could result from collaborative arrangements among agencies.

The Task Force has also concluded that many cultural and recreational agencies could profit from assistance with budgeting, planning, administration, fund raising, marketing and promotion. The level and quality of offerings could be raised if support systems were in place which helped organizations function more efficiently in our complex, highly competitive and regulated economy.

Many new artistic and cultural attractions are being proposed by interest groups. These are desirable and would contribute to the richness of the community. However, careful coordination is needed to prevent dilution of resources.

VII.E. Education

The tie-in between cultural/recreational attractions and education needs to be improved. While there are positive examples, such as the Alvin Ailey project and Young Audiences, there are relatively few concerted efforts to help cultural and recreational attractions contribute to public school or adult education, or to educate the public to higher levels of appreciation for such attractions.

VII.F. Infrastructure

The Task Force has learned that communities which enjoy high levels of cultural, recreational and artistic activities find they need to develop a support system which assists artists and others in the field to sustain themselves and develop their talents. Low cost or subsidized housing, scholarships, and schools in various artistic fields are among the resources needed. Kansas City has the energy and tradition for developing these important resources, as exemplified by the Kansas City Art Institute and the Kansas City School of Ballet, but these and similar resources need to be actively cultivated in order to develop our potential.

VIII. RECOMMENDATIONS

VIII.A. Metropolitan Arts and Recreation District

The Task Force recommends that in order to achieve solid financial support and effective coordination for

recreational and cultural activities in the metropolitan area, a five-county Metropolitan Arts and Recreation District should be established to raise public and private monies to:

1. Build major recreational and cultural facilities in the metropolitan area; and
2. Provide operating and developmental support and coordination for metropolitan recreational and cultural groups through:
 - a. Matching grants; and
 - b. Management support services.

The Metropolitan Arts and Recreation District should include the core counties of the metropolitan area most frequently taking advantage of metropolitan recreational and cultural facilities, namely:

1. Jackson, Clay and Platte Counties in Missouri; and
2. Wyandotte and Johnson Counties in Kansas.

Cass, Lafayette and Ray Counties (Missouri) and Leavenworth County (Kansas) may want to participate in the future.

The Metropolitan Arts and Recreation District should be created by appropriate enabling legislation at the federal level and in both states and all five counties, as necessary, including legislation establishing it as an independent political body and empowering it to raise public revenues. The governing body of the District could be structured in a number of ways, but should include equitable representation from all geographic areas, persons skilled in fund raising, and persons with arts backgrounds.

As an example for discussion purposes, the District could be governed by a Metropolitan Arts and Recreation Council composed of 13 persons serving staggered three-year terms. The Council's composition could be as follows:

1. One person from each of the five counties in the District, each appointed by the highest elected official of his or her county;
2. Two persons from the state of Missouri and two persons from the state of Kansas with demonstrated backgrounds in raising funds from the corporate and

philanthropic communities and residing in one of the five District counties, each to be appointed by his or her respective governor; and

3. Two persons from the state of Missouri and two persons from the state of Kansas active professionally or voluntarily in either the arts or recreation and residing in one of the five District counties, each to be appointed by his or her respective governor.

The Metropolitan Arts and Recreation District should provide support for both the capital and operating/developmental needs of metropolitan recreational and cultural groups. The Task Force found substantial need in both of these critical areas and supporting one at the expense of the other would seriously compromise the community's efforts to deal with the situation in a meaningful and realistic manner.

VIII.B. Capital Needs

The Task Force recommends that capital facilities be constructed with public monies raised by the Metropolitan Arts and Recreation District and, further, that several significant facilities be built simultaneously with visibility and appeal to attract and serve many people in the metropolitan area and out of town visitors into the next century, as opposed to scattered lesser facilities that, individually, might attract and serve fewer people.

While the Metropolitan Arts and Recreation District should determine which specific facilities to build according to the needs existing at the time, current capital needs must be evaluated today in order to determine which capital costs are within the reasonable range of the metropolitan funding base. With respect to capital costs, the Task Force, generally, has used those figures supplied to it during the course of its study by the institutions themselves. The Metropolitan Arts and Recreation District, of course, will make its own determinations according to the needs existing at the time, as to both accuracy and the level of commitment.

The Task Force believes the following five institutions measure particularly well against the ten evaluation criteria and serve as prime examples of institutions warranting metropolitan support.

Kansas City Zoo: Phase One of its expansion plan, significantly enhancing exhibits and taking an important step toward making it a premier medium-sized zoo in the nation.

Cost: \$25 million

Metropolitan Museum of Science and History: A museum, new from the ground up, displaying a diverse and broad based collection of scientific and historical artifacts, similar to those found in comparably sized cities in the nation.

Cost: \$40 million

Metropolitan Arts Satellite: A performing and visual arts satellite facility. Such a facility would satisfy an unmet need for performance and exhibition space for groups indigenous to suburban areas and would provide major metropolitan attractions such as the Symphony and the Ballet an opportunity to reach new audiences.

Cost: \$15 million

Metropolitan Aquarium: A world-class aquarium with a diverse collection of live exhibits, offering opportunities for recreation and education unavailable elsewhere in the Mid and South Central United States.

Cost: \$14 million

Union Station: While the Task Force regrets that no feasible plan surfaced for this important landmark during its study, the Task Force believes any planning for the future cannot ignore Union Station simply because no viable plan currently is before it. Simply stated, its tremendous potential for use as a public facility makes it too important to omit when planning for the future.

Cost: \$40 million

Total Cost \$134 million

While reasonable levels of the various funding alternatives discussed in Section VI above show that all five example institutions most likely could not be funded at once, they do show that the metropolitan area does have the ability to finance several major facilities at once, adding dramatically to the community's quality of life and image. More specifically, a review of the five example institutions shows that various combinations of any three of those five produce packages requiring funding in the range of \$69 million to \$80 million, an amount within the metropolitan area's fiscal grasp, as explained below in Section VIII.E. on Funding. Four possible combinations could be as follows:

<u>Case "A"</u>		<u>Case "B"</u>	
Zoo	\$25 million	Zoo	\$25 million
Museum	\$40 million	Union Station	\$40 million
Arts Satellite	<u>\$15 million</u>	Aquarium	<u>\$14 million</u>
Total	\$80 million	Total	\$79 million

<u>Case "C"</u>		<u>Case "D"</u>	
Aquarium	\$14 million	Aquarium	\$14 million
Arts Satellite	\$15 million	Arts Satellite	\$15 million
Museum	<u>\$40 million</u>	Union Station	<u>\$40 million</u>
Total	\$69 million	Total	\$69 million

The Metropolitan Arts and Recreation Council should assume the leadership in the development of a plan for the support and location of new recreational and cultural institutions and the coordination of existing institutions. This planning process should be sensitive to a number of factors, including geographic location, fund raising, relationships with existing institutions, governance and promotion.

In considering locations for new facilities, the Task Force supports the concept of constellations of attractions or "charisma centers." Therefore, insofar as feasible, new institutions should be established in geographic proximity to existing comparable institutions (for example, botanical gardens in existing major parks), with adequate roadways and public transportation. In this fashion, visitors to the city as well as citizens can travel to a few major constellations of attractions, rather than searching throughout the city for scattered facilities. This is especially important given the large geographic size of Greater Kansas City and the relatively low population density.

In addition, the Task Force strongly recommends that institutions offering artistic, cultural and recreational attractions should be located on both sides of the state line. Without duplicating or unnecessarily competing with successful established institutions, the planning process should take into account population trends and unmet needs. For example, satellite facilities for visiting performing and visual arts are needed in order to encourage wider participation by our citizens and build interest in cultural amenities.

VIII.C. Operating/Development Needs-Matching Funds

While a large-scale capital needs program building several major facilities would be a bold stroke directed towards the metropolitan area's recreational and cultural needs, it would not address the operating and developmental needs of our thinly capitalized recreational and cultural institutions, both those in existence today and those that might find existence with adequate support. Accordingly, the Task Force believes a metropolitan-wide effort to raise operating and developmental funding for its recreational and cultural institutions is necessary. In addition, such an effort should be designed to draw new contributors into the funding base as much as possible, since the metropolitan area's base currently is being under-utilized.

Specifically, the Task Force recommends that the Metropolitan Arts and Recreation District create a \$2 million Metropolitan Arts and Recreation Matching Fund financed by:

1. \$1 million each year from a United Fund for Arts and Recreation fund raising campaign, targeting new contributors in the private sector; and
2. \$1 million each year from a public revenue source.

Businesses of all sizes should be asked to contribute to the Metropolitan Matching Fund. The base of private support for the arts should be broadened considerably. Area firms need to be helped to understand the impact of the arts on the community's economy and quality of life, and target contributions should be established on the basis of size and nature of the business. Individuals also should be approached, in both one-on-one appeals and broader solicitations, such as campaigns conducted through area employers.

Grants to area organizations would be made on a one-to-one matching basis to encourage a further broadening of the funding base in the metropolitan area, to increase the overall level of fund raising, and to maintain existing fund raising activities of area recreational and cultural attractions.

The Task Force recommends that the determination of fund recipients be made annually by the Metropolitan Arts and Recreation Council on the basis of a formal proposal process with a plan assuring equitable distribution geographically, between large and small groups and among the various cultural and recreational fields. There is an obvious need for sustaining grants for major performing and cultural institutions. There is also good reason to provide support for many other projects which enrich the community's cultural life, such as ethnic festivals, art shows and schools for artists.

The Task Force recommends that some activities be excluded from funding. Although exclusions should be openly debated, they might include touring performers in for-profit ventures, athletic events, and promotional events by business associations. The emphasis should be on building long-term strength in the community's recreational, artistic and cultural fabric.

Private sector fund raising efforts for the arts and recreation have been quite successful both here and in other American cities. Considering the amounts raised here and elsewhere in the country for similar funds, it is quite feasible for the Kansas City metropolitan area to raise at least \$1 million annually for the private sector portion of the Metropolitan Matching Fund.

Securing public sector financial support for the Matching Fund is both necessary and reasonable. If Kansas City is ever to approach the threshold levels of need for its institutions, it cannot rely upon voluntary contributions alone. Funding at an inadequate level not only would fall short of current needs, but would make long-range planning little more than dreaming, a situation we labor under today.

In addition, the level of public sector funding suggested is reasonable. The amount suggested will realistically respond to the institutions' needs and will be matched by private monies on a 3-to-1 basis. In addition, in order to minimize the long-term commitment of public monies, the Task Force recommends that a Metropolitan Endowment Fund be established with the public revenues to take over the public sector's annual contribution to the Matching Fund at such time as the Endowment Fund is able to generate \$1 million a year.

VIII.D. Operating Needs-Support Services

In addition to channeling important financial support to help meet the operating and development needs of metropolitan recreational and cultural institutions, the Metropolitan Arts and Recreation District should provide badly needed support services to these institutions. For example, the District could provide many opportunities for shared overhead on items such as personnel, office space, data processing, mailing lists, training programs and promotional efforts. This type of sharing could be helpful to many organizations in providing more service to the community. The District could also serve as a clearinghouse for scheduling of events.

The Task Force also recommends that the District provide funds for a service which would offer business assistance to the various organizations. This service would include advice on business operations, marketing, accounting, and long-range planning. The service providers could be housed in existing agencies which conduct such activities for other not-for-profit organizations, such as the Center for Management Assistance.

VIII.E. Funding

The review of institutions noted as prime examples for metropolitan funding, considered in different combinations of three institutions each, shows the need to raise \$69 million to \$80 million for capital funding. While no single municipal tax base in the metropolitan area realistically could expect to raise revenues to finance such a program, a \$1 million annual Matching Fund contribution, and a \$1 million annual Endowment Fund contribution, these sums clearly are within the reasonable grasp of the metropolitan-wide base, particularly when capital funds are leveraged through general obligation bonds and monies are raised in the private sector through metropolitan-wide efforts.

For example, the annual debt service for an \$80 million, 20-year general obligation bond issue at 9% annual interest would be approximately \$8.7 million, an amount well within the capabilities of a five-county metropolitan tax base. An additional \$1 million would be required for the public sector contribution to the Matching Fund, plus an additional \$1 million to build the Endowment Fund that ultimately would supercede the public sector contribution to the Matching Fund. Accordingly, a total of \$10.7 million would be required each year to fund the capital and operating programs.

The Task Force examined a number of revenue producing measures and the amounts they would produce on a metropolitan-wide basis for the five counties recommended for inclusion in the District. While the District will make the final decision on the specific taxing mechanism, we propose for community consideration a 1/8-cent metropolitan-wide retail sales tax. The Task Force believes that this is the best public revenue source, based upon its yield, fairness and practicability.

The retail sales tax has many advantages which recommend its use for a metropolitan financing mechanism. First of all, it generates a sufficient amount of money to finance the program the Task Force envisions, \$10.6 million annually.[11] It is broadly based and easily collectible. It also can be applied uniformly throughout the metropolitan area because a dollar spent in one county would be the same as a dollar spent in another county. The cost to taxpayers also is reasonable. A 1/8 cent sales tax would cost an average of \$21.52 per family per year in the metropolitan area, or only 5.9 cents per day.

As stated, an 1/8-cent sales tax would raise at least \$10.6 million annually, a sum sufficient to fund the program envisioned. A sum of nearly \$2 million would remain each year from the \$10.6 million total after paying the \$8.7 million annual debt service for the \$80 million metropolitan facilities bond issue. With respect to the remaining \$2 million, \$1 million would be used each year as the public sector contribution to the Matching Fund while the remaining \$1 million would be placed in the Endowment Fund.

After nine years, the Endowment Fund would be sufficiently capitalized to earn over \$1 million in interest each year at which time all interest earned by the Endowment Fund would be used as the public sector contribution to the Matching Fund. The \$1 million which had been used as a direct public contribution to the Matching Fund then could be used for maintenance of facilities built under the Metropolitan Facilities program, each by then nearly ten years old, and to begin a new capital fund for another group of facilities.

For purpose of discussion, the calculations are based upon public sector financing only for the building of facilities. However, private sector contributions should also be sought for a substantial portion of the capital costs. To the extent private funds are secured, public money will be available to finance additional attractions.

IX. FINAL COMMENT

The Task Force is aware of the strong tradition, as well as need, for independence among our various recreational and cultural organizations. A coordinating agency should never seek to influence the artistic or programming dimension of groups, nor any other aspect of expression. However, since the economics of these groups are such that few, if any, can be self-supporting, society is asked to subsidize them.

The public, then, does have the right to expect efficient operation, accessibility and scheduling to maximize value to the community, and serious exploration of collaborative possibilities. The Task Force recommends that, for the benefit of all, the public in Kansas City be asked to provide a higher level of support for the arts and recreation through both public and private funding mechanisms and across the bi-state metropolitan area. These institutions will, in turn, have an opportunity to demonstrate their commitment to the community. The time has come for all the citizens in the metropolitan area to respond as one community to our need to develop high-quality cultural, artistic and recreational attractions.

END NOTES

1. Jane Mobley, "Six City Makers in Forum," Corporate Report. August, 1985, Vol. 12, No. 8.
2. Mid-America Regional Council, "Kansas City Metro Area Economic Indicators." Fourth Quarter, 1984, Vol. 1, No. 4.
3. Richard Boyer and David Savageau, Places Rated Almanac: Your Guide to Finding the Best Places to Live in America. Rand McNally and Company: Chicago, 1985.
4. James Ogilvy, "The Experience Industry," SRI International Values and Lifestyles Report: Menlo Park, CA, June 1985.
5. Convention and Visitors Bureau of Greater Kansas City, "An Overview."
6. Midwest Research Institute, "Economic Impact of the Performing Arts in Kansas City." June 1980.
7. Daniel Grant, "Do the Arts Aid the Economy?" Wall Street Journal. September 20, 1983.
8. Commissioners of Johnson County, Kansas, "Program Development in the Cultural Arts," 1985.
9. J. Richard Aronson and Eli Schwartz, Management Policies in Local Government Finance. International City Management Association: Washington, D.C., 1981.
10. Robert Porter, United Arts Fundraising 1983. American Council for the Arts: New York, 1985.
11. Based upon the revenue and expense figures used in the text, the \$10.6 million sales tax revenue would be \$100,000 less than the total \$10.7 million required for the debt service, Matching Fund contribution and Endowment Fund contribution. However, this amount would in all likelihood be more than made up with private donations or user fee income. Also, these figures are very conservative since they are based on four-year averages rather than future projections. Therefore, for purposes of this report, the Task Force considers the \$10.6 million sales tax revenue sufficient to support the recommended program.
12. Ann M. Randol, ed., A Directory of the Arts in the Kansas City Area. Kansas City Arts Council: Kansas City, June, 1985.

APPENDIX "A"

RESOURCE PERSONS

The following persons addressed the Task Force or assisted it in some way. Their contributions are gratefully acknowledged.

Ken Brook	Associate Director Department of Parks and Recreation Kansas City, Missouri
Leslie Frost	Executive Director Johnson County Arts Council
Ernest Hagler	Director Kansas City Zoo
Jim Heeter	City Council Member City of Kansas City, Missouri
Carol Heil	Executive Director Kaw Valley Arts Council
Roy Jordan	Zoo-Museum District Board of Directors St. Louis, Missouri
Carol Kuhns	Vice President-Communications Friends of the Aquarium
Pete Levi	Executive Director Mid-America Regional Council
Mel Loewenstein	Executive Director Arts and Education Council St. Louis, Missouri
Jill McGuire	Executive Director Regional Cultural and Performing Arts Development Commission St. Louis, Missouri
Marlene Nagel	Director of Community Development Mid-America Regional Council
Russell Patterson	General Director of the Lyric Opera and Artistic Director of the Kansas City Symphony

Horace Peterson	Director Black Archives of Mid-America
David Pinson	Executive Director Kansas City Arts Council
Pat Randolph	Professor of Law University of Missouri-Kansas City
Barry Rosen	Executive Director Kansas City Museum
Susan Schold	Director of Planning and Marketing Area Transportation Authority
David Scott	President Union Station Task Force
Romalyn Tilghman	Regional Representative National Endowment for the Arts
Roger Van Wagoner	Business Manager Nelson-Atkins Museum
Madeline Voights	General Manager Kansas City Ballet
Frank E. Wagner	Chairman of the Economics Department University of Missouri-Kansas City
Kay Waldo	Former Executive Director Kansas City Arts Council
Cindy White	Former Director of Public Affairs Mid-America Regional Council
Mike White	Co-Chair Kansas City Jazz Commission
Elizabeth Wilson	Vice President of the Board of Directors Kansas City Ballet

APPENDIX "B"

CULTURAL & RECREATIONAL ATTRACTIONS SURVEY RESULTS

Methodology

On May 3, 1985 a one-page questionnaire was mailed to 89 cultural and recreational attractions in the metropolitan area. A follow-up letter was sent on May 16 to those organizations which had not yet responded.

Because of the varying methods of fiscal year accounting, the annual figures shown are not indicative of a specific period of time, but rather are representative of a 12-month period in an average 1984-85 fiscal year.

Response

Total: 53 organizations (59.6%)
Zoo: 1
Museums/Historical Sites: 28
Performing Arts Groups: 24

Annual Attendance

Total: 2,904,075
High: 528,000
Low: 1200
Average: 54,793.9
Median: 35,000
Number Reporting 0-10,000: 17
Number Reporting 10,001-100,000: 14
Number Reporting 100,001 +: 6
Number responding = 47 (Number responding does not equal number reporting because 11 organizations reported combined figures)

Average Percent Attending from Outside Metro Area: 44.3%
Total Estimated Attendance from Outside Metro Area: 1,286,505

Employees

Full Time: 465
Part Time: 647
Total: 1,112
High: 285
Low: 0 (4 organizations reported they rely totally on
volunteers)
Annual Payroll: \$7,482,651
Number Responding = 48

Annual Non-Salary Operating Expenditures

Total: \$4,686,964
High: \$1,200,000
Low: \$300
Average: \$106,521.9
Median: \$21,714
Number Reporting \$0-\$10,000: 13
Number Reporting \$10,001-\$100,000: 16
Number Reporting \$100,001+: 7
Number Responding = 44 (Number responding does not equal
number reporting because 8
organizations reported combined
figures)

Total Annual Budget:

Total: \$19,570,073
High: \$4,800,000
Low: \$500
Average: \$383,726.9
Median: \$65,000
Number Reporting \$0-\$10,000: 7
Number Reporting \$10,001-\$100,000: 18
Number Reporting \$100,001-\$1,000,000: 7
Number Reporting \$1,000,001+: 8
Number Responding = 50 (Number responding does not equal
number reporting because 11
organizations reported combined
figures)

Annual Revenue

<u>Source</u>	<u>Amount</u>	<u>Percent</u>	<u>n*</u>	<u>High</u>
Earned Income	\$7,666,180	33.6	36	\$1,900,000
Foundation Grants	854,574	3.8	16	283,000
State Arts Council	407,338	1.8	13	104,000
National Endowment	70,315	0.3	3	40,000
Municipal Arts Comms.	27,050	0.1	10	6,000
Other Grants	338,875	1.5	7	150,000
Local Gov. Line Item	1,235,000	5.4	9	900,000
Own Endowment	3,929,550	17.2	11	3,800,000
Memberships	801,174	3.5	20	540,000
Indiv. Contributions	2,548,816	11.2	29	1,375,000
Corp. Contributions	2,813,434	12.3	21	1,375,000
Other Revenue	2,096,134	9.2	22	746,000
Total	\$22,788,440	100.0**	49	--

* n indicates number responding

** may not equal 100% due to rounding

The Nelson-Atkins Museum, with a significant fund raising drive in progress, had by far the largest annual revenue for the period surveyed with \$8.19 million. Because of its huge endowment, its inclusion here greatly affects the revenue source picture. Excluding the Nelson-Atkins Museum yields the following:

<u>Source</u>	<u>Amount</u>	<u>Percent</u>	<u>n*</u>	<u>High</u>
Earned Income	\$6,566,180	45.0	35	\$1,900,000
Foundation Grants	854,574	5.9	16	283,000
State Arts Council	407,338	2.8	14	104,000
National Endowment	70,315	0.5	3	40,000
Municipal Arts Comms.	27,050	0.2	10	6,000
Other Grants	338,875	2.3	7	150,000
Local Gov. Line Item	1,235,000	8.5	9	900,000
Own Endowment	129,550	0.9	10	100,000
Memberships	261,174	1.8	19	100,000
Indiv. Contributions	1,173,832	8.0	28	625,113
Corp. Contributions	1,438,434	9.9	20	645,400
Other Revenue	2,096,134	14.4	22	746,000
Total	\$14,598,456	100.0**	48	--

* n indicates number responding

** may not equal 100% due to rounding

Organizations Responding to in the Survey

1. Fort Leavenworth Museum
2. Kansas City Symphony
3. Kansas City Chorale
4. Shawnee Methodist Mission & Indian Manual Labor School
5. Youth Symphony Association of Kansas City, Inc.
6. Clay County Division of Historic Sites (5)
7. Aidas Lithuanian Dancers
8. Missouri Repertory Theatre
9. Seem-To-Be Players, Inc.
10. Harry S. Truman National Historic Site
11. Independence (Morman) Visitors Center
12. Jesse James Bank Museum
13. Kansas City Civic Orchestra
14. The Liberty Symphony Orchestra, Inc.
15. The Barn Players
16. Leavenworth Co. Historical Society Museum
17. Civil War Museum of Jackson County
18. Cave Spring Association, Inc.
19. Wyandotte Players
20. Kansas City Ballet Association
21. Wornall House, 1859 Marshals' House, Jail & Museum, and Jackson County Historical Society Archives
22. Overland Park Civic Band
23. Choral Arts Ensemble of Kansas City
24. American Youth Ballet
25. Harry S. Truman Library & Museum
26. Nelson-Atkins Museum of Art
27. Unicorn Theatre
28. Theatreworks
29. Kansas City Museum
30. City of Independence Tourism Division (Vaille Mansion, Bingham-Waggoner Estate, 1872 Log Courthouse)
31. Kansas City Zoological Gardens
32. Independence City Theatre, Inc.
33. Mimewock Company
34. Historic Liberty Jail Visitors Center
35. Agricultural Hall of Fame and Museum of Farming
36. Grinter House Museum
37. Alexander Majors House
38. The Lyric Opera of Kansas City
39. Black Archives of Mid-America
40. 103rd Street Dancers
41. Shawnee Historical Society
42. Bell Road Barn Playhouse
43. Theatre for Young America
44. L'Chaiim
45. Northland Symphony Orchestra

CULTURAL AND RECREATIONAL ATTRACTIONS SURVEY

Name of Organization: _____

Type of Organization:

- () Zoo () Museum/Historical () Performing Arts
- () Private () Public
- () For-Profit () Not-For-Profit

Brief Description of Organization: _____

Annual Attendance:

_____ Total
 _____ Percent from Outside Metro Area

Number of Employees: _____ Full Time _____ Part Time

Annual Payroll: \$ _____

How much do you spend annually on non-salary operating expenditures (supplies, equipment, etc.): \$ _____

Total Annual Budget: \$ _____

Annual Revenue:

- \$ _____ Earned Income (admissions, etc.)
- \$ _____ Foundation Grants
- \$ _____ State Arts Council Grant
- \$ _____ National Endowment for the Arts Grant
- \$ _____ Municipal Arts Commission Grant
- \$ _____ Other Grants
- \$ _____ Local Government Line Item Appropriation
- \$ _____ Own Endowment
- \$ _____ Memberships
- \$ _____ Other Individual Contributions
- \$ _____ Corporate Contributions
- \$ _____ Other Revenue (please specify)
- \$ _____ Total Annual Revenue

Consider what your organization should be doing to fulfill its mission and estimate your needs for the next five years. Please provide realistic figures--not "ideal hopes."

\$ _____ Operating Needs
 \$ _____ Capital Needs (facilities, land, etc.)

Please describe new program ideas on the back of this sheet.

Check here to receive a copy of the survey results: _____

Name of person filling out survey: _____

APPENDIX "C"

AREA CULTURAL AND RECREATIONAL ATTRACTIONS

The following is a list of Greater Kansas City cultural and recreational attractions identified by the Metropolitan Funding Task Force. The list is intended to be illustrative, but not necessarily all-inclusive.

Actor's Ensemble
Agricultural Hall of Fame
Aidas Lithuanian Dancers
American Dance Youth Ballet
American Music Ensemble
Backstage Workshop
Barn Players
Bell Road Barn Playhouse
Thomas Hart Benton House
Bingham-Waggoner Estate
Black Archives of Mid-America
Cave Spring Interpretive Center
Changing Places Theatre Company
Choral Arts Ensemble
Children's Farmstead
City in Motion Dance Theatre
Clay County Historical Museum
Community Children's Theatre of Kansas City
Cornucopia Children's Theatre
Coterie
Dance Unlimited
Early Music Consort of Kansas City
1859 Marshal's House and Jail Museum
Ensor Museum
Folly Theatre
Foolkiller, Etc.
Fort Leavenworth Museum
Fort Osage Museum
Full Circle Theatre
Fundamental Theatre
Goppert Theatre
Great Midwest Melodrama & Vaudeville Company
Grinter Place
Harris-Kearney House
Heart of America Barbershop Quartet
Heritage Village
Huron Indian Cemetery
Ibsen Dance Theatre
IDIMO Dancers
Independence City Theatre

Independence 1872 Log Courthouse
Independence Morman Visitors Center
Jack & Jill Players
Jackson County Historical Society Research Library
Jesse James Bank Museum
Jesse James Farm Home
Johnson County Historical Museum
Kansas City Ballet
Kansas City Blues Society
Kansas City Chorale
Kansas City Civic Orchestra
Kansas City Community Opera
Kansas City Flute Association
Kansas City Harmonicateers Club
Kansas City Highland Dancers
Kansas City Kix Band
Kansas City Museum
Kansas City Repertory Orchestra
Kansas City Symphony
Kansas City Tap & Musical Comedy Dance Company
Kansas City Zoo
Charlotte Crosby Kemper Gallery
Lanesfield School Museum
L'Chaim
Leavenworth County Museum
Liberty Memorial and Museum
Liberty Symphony Orchestra
Lones Jack Museum
Lyric Opera of Kansas City
Mahaffie House and Farmstead 1865
Alexander Majors House
'Manos
Middle Eastern Dance Enterprises
Mimewock
Miniature Museum
Missouri Dance Theatre
Missouri Repertory Theatre
Missouri Town 1855
Nelson-Atkins Museum
New Directions Theatre Company
Northland Community Choir
Northland Symphony Orchestra
Olathe Community Theatre
Old Shawnee Town
103rd Street Dancers
Overland Park Civic Band
Overland Park Orchestra
Overland Stage Chorus
Pioneer Spring Cabin
Scartaglen
Seem To Be Players
Shawnee Methodist Mission
Starlight Theatre

Strawberry Hill Croation
Terpsichore International Folk Ensemble
Theatre For Young America
Theatreworks
Thornhill Art Gallery
Harry S. Truman Home
Harry S. Truman Library & Museum
Harry S. Truman Office & Courtroom
Unicorn Theatre
Union Cemetery & Sexton's Cottage
University of Missouri-Kansas City Art Gallery
Vaille Mansion
Van Ackeren Gallery
Susan Warden Dancers
Watkins Mill
Weston Historical Museum
Westport Ballet Theatre Company
Wornall House
Wyandotte County Historical Museum
Wyandotte Players
Youth Symphony of Kansas City

Primary Source: Kansas City Arts Council [12]

APPENDIX "D"

METROPOLITAN FUNDING TASK FORCE

The Kansas City Consensus Metropolitan Funding Task Force met 20 times from September 20, 1984 through October 15, 1985. Thirty-nine persons originally volunteered for the Task Force, with 26 persons actively participating. Those persons, their occupations and cities of residence are listed below.

Bill Eddy	Associate Dean, School of Business and Public Administration University of Missouri-Kansas City Kansas City, Missouri
Alan Caldwell	General Contractor Overland Park, Kansas
Jack Campbell	Attorney Shughart, Thomson & Kilroy, P.C. Kansas City, Missouri
Don Nixon	Commercial Real Estate J. C. Nichols Co. Shawnee Mission, Kansas
Bob Duckworth	Certified Public Accountant Touche, Ross & Co. Shawnee Mission, Kansas
Stephanie Ferguson	Finance Manager Hallmark Cards, Inc. Shawnee Mission, Kansas
Cindy Fern	Former Administrative Program Manager Commission on Aging Mid-America Regional Council Kansas City, Missouri
Julie Hampl	Certified Public Accountant Touche, Ross & Co. Kansas City, Kansas
Al Hannah	Development/Public Information Officer Kansas City, Missouri Public Library Kansas City, Missouri
Jack Holland	Investment Banker Stern Brothers & Co. Kansas City, Missouri

Steve Hughes	Product Management Hallmark Cards, Inc. Kansas City, Missouri
Wesley Jennings	Attorney Kansas City, Missouri
Rose King	Fairway, Kansas
Carol Kuhns	Communications Manager Mid-America Regional Council Kansas City, Missouri
Chuck Nigro	Health Care Management Swope Ridge Rehabilitation Hospital Kansas City, Missouri
Cathy Owens	Homemaker Kansas City, Missouri
Dennis Owens	Attorney Raymond, Raymond & Owens Kansas City, Missouri
Barry Rosen	Executive Director The Kansas City Museum Kansas City, Missouri
Myron Sildon	Attorney Sildon & Kroeker, P.C. Mission Hills, Kansas
L. George Smith	Dean of MBA Program Avila College Kansas City, Missouri
Ron Smith	Electrical Engineer Bendix Corp. Overland Park, Kansas
Marion Trozzolo	Chief Executive Officer LPF Plastics Corp. Kansas City, Missouri
Brad Van Auken	Product Management Hallmark Cards, Inc. Prairie Village, Kansas
Liz Wally	Junior League of Kansas City, Missouri Prairie Village, Kansas

Cindy White

Commercial Real Estate
Jones & Company
Kansas City, Missouri

Kevin Wilcoxon

Social Service Program Director
Homesharing Project
Kansas City, Missouri

Dan Cofran

Executive Director
Kansas City Consensus

Steve Byers

Research Associate
Kansas City Consensus



Kansas City Consensus is a non-profit, non-partisan, broad-based citizens organization dedicated to improving the quality of life in the Kansas City metropolitan area by identifying and recommending action on significant issues facing our community. Kansas City Consensus annually identifies several specific issues confronting the metropolitan area and studies those issues in depth through task forces composed of members and non-members using a professional research staff.

Each task force produces a written report containing specific findings, conclusions and recommendations for action. Upon adoption by the organization's Board of Directors, the report becomes the official position of Kansas City Consensus. Individual members of the organization then work for implementation of the organization's recommendations by working with community leaders in positions to take the recommended actions.

The basic idea behind Kansas City Consensus is to provide a forum for people from all segments of our community to come together and agree on ways to resolve those issues facing us, whether they be problems or opportunities. Accordingly, the Consensus membership is broad based, including people from business, labor, minorities, neighborhoods, social services, churches and synagogues, academia, both sides of the state line and both sides of the river.

Kansas City Consensus began organizing efforts a year and a half ago and today has over 500 members from throughout the metropolitan area, has opened offices in Downtown Kansas City and has empanelled staff-supported task force operations involving members and non-members in three different areas: Urban Redevelopment, Metropolitan Funding for Metropolitan Facilities and Health Care for Low Income Persons. A second series of projects will begin during Fall, 1985 addressing Child Care, Race Relations and Agribusiness.

Kansas City Consensus is funded by the philanthropic and corporate communities in Kansas City, together with individual memberships. Financial supporters, other than individual memberships, include:

Alexander Grant & Company	Kansas City Star Company
Arthur Andersen & Co.	Lathrop, Koontz, Righter, Clagett & Norquist
AT&T Communications	Linde, Thomson, Fairchild, Langworthy, Kohn & Van Dyke
Black & Veatch Engineers- Architects	The Marley Company
Blankinship Distributors, Inc.	Mast Publishing & Advertising, Inc.
Butler Manufacturing Company Foundation	Metropolitan Community Colleges
Commerce Bank of Kansas City	Robert E. Miller Insurance Agency
Commercial Lithographing Co.	Missouri Public Service Company
Continental Telephone Co. of Kansas, Inc.	Panhandle Eastern Pipeline Company
Dodson Insurance Group	Payless Cashways, Inc.
Gannett Foundation	Peat, Marwick, Mitchell & Co.
Garney Companies, Inc.	Peterson Manufacturing Company
General Mills Foundation	Powell Family Foundation
Greater Kansas City Community Foundation	Richard Cabot Clinic
H&R Block Foundation	Ryder, Rose, Frensley & Shapiro
Half Family Foundations	Speer, Austin, Holliday & Ruddick
Hallmark Cards, Incorporated	Sosland Foundation
Howard Needles Tammen & Bergendoff	Spencer, Fane, Britt & Browne
Hyatt Regency-Kansas City	TenTen Foundation (Mr. & Mrs. Edw. A. Smith)
IBM Corporation	Tension Envelope Foundation
Junior League of Kansas City, Missouri, Inc.	United Telecommunications, Inc.
Kansas City Association of Trusts and Foundations (Ruth B. Stern Foundation)	Valentine-Radford, Inc.
Kansas City Museum	Westin Crown Center
Kansas City Power & Light Co.	Wilcox Electric, Inc.
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Consensus Staff

Dan Cofran, Executive Director
Steve Byers, Research Associate
Allan Gray, Research Associate
Eleanor Lupercio, Office Manager

Theatre for Young America

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February 20, 1989

To: the Senators and Representatives of the Kansas State
Legislature

Before you is a legislative proposal which is a step toward
initiating an arts district in the greater Kansas City
metropolitan area. I wish to lend my whole-hearted support to
this measure.

ADVISORY BOARD

Tom Barrett
Don Carlton
Senator Harold and
Kay Caskey
Dr. Jed Davis
Ann DuChamp
John Francis
SuEllen Fried
Leslie Frost
Jim Helvey
Dick and Mae McKee
Nancy Sanburg
Helen Swan
Charles Whitman

I am the managing director of Theatre for Young America, a
professional theatre performing plays for children. We perform
for an annual audience of over 80,000. We are one of two
professional Equity theatres in the state of Kansas. In
addition to our extensive resident season we also tour through-
out Kansas and offer classes in the art and technique of theatre
to over 700 students each year. We have developed and performed
scripts dealing with such socially relevant issues as sexual
abuse and conflict resolution. Each year we seek to bring the
age old art of theatre to the child; to encourage the imagina-
tion through drama; and to instill in the hearts of our young
patrons a love for the art of theatre, as well as the classics
of literature upon which many of our plays are based.

ADMINISTRATIVE STAFF

Gene Mackey,
Artistic Director
Sheryl Bryant,
Director of Education
Gregory Smucker,
Managing Director
Sylvia Sather Getman,
Development Director
Vicki Stine Pollman,
Operations Director
Marsha Norman
Box Office Manager
Monica Walker,
Business Manager
Judy Pearlstein,
Office Manager

Our theatre is fifteen years old. We have been located in
Overland Park, Kansas since 1977. It seems unbelievable that an
institution this old, and with a following as strong as ours,
must scrimp and save and fight for every last dollar we
can get in funding, and still come up short each year, to the
point where we are not sure if we will make it another year.
Somehow we have so far; But not without scars. We are
perennially in debt, we are often forced to make financial
decisions which compromise the artistic integrity of our work,
and we can offer our employees little security. We cannot
develop plays which are not big sellers, because we are too
dependent on our box office to survive. We have had to cut down
on the number of performances we can do on tour, because we lose
too much money.

Attachment 11
Senate Assessment & Taxation
February 21, 1989

Theatre for Young America

For us, this proposal is an issue of stability. There are few sources from which we can count on regular funding, and these are diminishing. As we are located just west of the Missouri state line, we receive no funding from the state of Missouri, though a significant portion of our audience are Missourians. And as we are on the far eastern side of the state of Kansas we are not perceived as a truly Kansas institution, which hurts our chances of receiving funding from many Kansas foundations. Our current government support amounts to less than 2% of our budget, and since our budget rises annually while the dollar amount of our support remains the same, our government support is shrinking. For us to survive it is imperative that stable sources of funding be found, and the proposal before you would help us do just that. It would help enable us to receive funding from the very geographical sector for which we provide our services.

Theatre and the arts are an essential part of society. They are variously the conscience of a people; or the means by which we talk to each other, by which we envision the future, by which we lose ourselves to laughter, by which we experience strong emotion and epiphanies of understanding. They can be taken for granted and become flat and self-serving, accessible to none but a few; or they can be nourished and become the pride of a community and the richness of our lives. Please help us nourish the arts in Kansas City by passing this legislation.



Greg Smucker
Managing Director
Theatre For Young America

**TESTIMONY FROM THE KANSAS ARTS COMMISSION
ON THE KANSAS AND MISSOURI
METROPOLITAN CULTURE AND RECREATION DISTRICT COMPACT
(S.B. 186 and H.B. 2281)**

The Kansas Arts Commission (KAC), which was established by the Kansas Legislature in 1966 and charged with supporting the growth and development of the arts in Kansas, is neither a proponent nor an opponent to Senate Bill 186 and House Bill 2281. The Kansas Arts Commission provides state, federal and private funds to local arts agencies throughout the state and requires that funded agencies provide at least a dollar-for-dollar match for KAC grants. Because the amount of funds available from the KAC is generally only third of the amount requested by arts organizations, the amount of local match is most often greater than the KAC grant.

Therefore, the Kansas Arts Commission is a proponent of the creation of increased local funding sources for Kansas communities. The Kansas Arts Commission's annual appropriation from the Legislature and federal grants from the National Endowment for the Arts have not kept pace with the dramatic increase in funding requests from the state's arts agencies. Direct federal grants from the National Endowment for the Arts to arts agencies in the Mid-America region have been historically low - a situation which is not likely to change in the future. Significant growth in the arts is dependent upon a substantial, stable funding source at the local level.

The proposed Kansas and Missouri metropolitan culture and recreation district compact is one answer to the need for a significant and on-going source of revenue for cultural and recreational amenities in the greater Kansas City metropolitan area. There are some features of this enabling legislation which are ideal. A dedicated tax should guarantee that funding will not be diverted to other priorities, and a .25% retail sales tax should generate a substantial, growth-oriented source of revenue of approximately \$15 million per annum. The compact will ensure that recreational and cultural amenities are given the significance which they require to ensure a high quality of life.

The Kansas Arts Commission, as the state agency mandated to support the growth and development of the arts, believes that without a solid understanding of the revenue distribution methodology or without provisions in the enabling legislation to ensure the development of the Kansas-based arts and cultural institutions, revenues generated by the .25% retail sales tax will end up primarily funding Missouri-based institutions and programs.

Additionally, this enabling legislation will establish a metropolitan culture and recreation commission which alone will have governance over the distribution of funds and which will have no direct accountability to any elected body or official.

Approximately 35% of the estimated \$15 million - or \$5,250,000 - will be generated by retail sales in Johnson County alone. Currently, cultural groups are discussing funding models; and among those being discussed is the Denver model which provides for 65% of the \$15 million - or \$9,750,000 - to be distributed to the four largest entities - the Kansas City Museum, the Kansas

City Zoo, the Nelson-Atkins Museum of Art, and the Kansas City Symphony, which are all Missouri-based. An additional 25%, or \$3,750,000, would be available to 50-60 mid-sized institutions and agencies - again, with the preponderance of these being Missouri-based. The remaining 10% - \$1.5 million - would be divided among the participating counties for regranting to small-sized institutions and programs. It is estimated that among the 5 counties, each would receive \$300,000 for regranting.

Under this funding model, the amount of revenues flowing back to Johnson and Wyandotte counties might be about \$2.6 million (\$600,000 plus about \$2 million of the estimation of \$3.7 million set aside for mid-sized agencies). The remaining \$12.4 million most likely would flow to Missouri-based agencies. This \$2.6 million is a poor return on an investment in excess of \$5 million in revenues.

The Wyandotte and Johnson counties are more than suburbs of Kansas City, Missouri. Each county has distinct communities with their own cultural, ethnic and historic traditions; each has its own industry and services which contribute to the metropolitan area.

Wyandotte and Johnson counties have far fewer arts and cultural amenities per capita than any other area of Kansas. The Kansas Arts Commission has provided approximately \$110,000 to Johnson and Wyandotte county-based groups from a total program budget of \$1.2 million; the Missouri Arts Council has provided \$1.4 million from a program budget of just under \$5 million to 48 arts groups in Kansas City, Missouri. Increased state funding for Kansas alone cannot rectify this imbalance.

There are many opportunities for the development and expansion of arts facilities, institutions, and programs in Johnson and Wyandotte counties which offer arts programs and services to Kansans not reached by Missouri-based institutions; there are opportunities to develop programs which meet needs not currently being served any where in the metro area. But to address these needs and opportunities, there must be a substantial pool of funds which can be used for feasibility studies, facilities development, start-up costs, and developmental funding for Kansas institutions.

One way to address this need might be to amend the enabling legislation to include a provision to set aside a percentage of revenues annually in an escrow fund for the development of institutions and/or programs in Kansas. Another method might be to set a percentage minimum (or cap) on the amount of funds which must be allocated in each state, such as 75% of revenues generated in Kansas must be allocated to Kansas entities, with the remaining amount pooled for special initiatives in either state.

The Kansas City metro area needs increased local support for the arts, but any plan for generating increased revenues should recognize the current needs and potential growth of Kansas and Missouri communities and should provide for equitable treatment of arts and cultural entities in both states.

Senators Langworthy and Steineger and Representatives Allen and Lane must be applauded for developing a strategy to provide critically needed local revenues for cultural and recreational amenities in the Kansas City metropolitan area.



KANSAS DEPARTMENT OF REVENUE
Division of Taxation
Robert B. Docking State Office Building
Topeka, Kansas 66625-0001

MEMORANDUM

TO: THE HONORABLE DAN THIESSEN, CHAIRMAN
SENATE COMMITTEE ON ASSESSMENT AND TAXATION

FROM : JOHN R. LUTTJOHANN
DIRECTOR OF TAXATION

RE: SENATE BILL 186

DATE: FEBRUARY 21, 1989

Thank you for the opportunity to appear today on Senate Bill 186.

This legislation would create a Kansas and Missouri metropolitan culture and recreation district. The newly created district would be empowered to enact a local sales tax of not more than .25%.

Article XI of the bill would require the director of taxation to keep the funds collected from this local sales tax separate from all other state funds. Notification requirements relating to when the tax is to be enacted and if it is abolished are also provided. The State is to receive a 1% collection fee for administration of the tax.

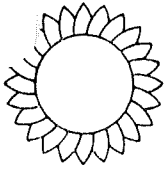
The costs of notifying affected retailers should a local tax be enacted under this legislation could be absorbed by the Department. The administrative costs of keeping these funds entirely separate from all other state funds are significant.

We would need to develop and require reporting by retailers on a separate return. Separate fiscal deposit and data processing procedures would be required. We would estimate that this feature of the bill would require an additional eleven employees, and the related costs. This would total \$237,812.00.00 per year. In addition, \$12,252.00 in one-time capital outlay would be required. This cost would not be required if the proposed tax could be administered in the same manner as other local sales taxes.

It is estimated that \$14 million of additional revenue would be generated. Of this amount, 1%, or \$140,000 would go to the State General Fund.

I would be happy to respond to any questions you may have.

Attachment 13
Senate Assessment & Taxation
February 21, 1989



Johnson County
Kansas

February 21, 1989

TO: Senate Assessment and Taxation Committee
FR: Gerry Ray, Intergovernmental Coordinator
Johnson County Board of Commissioners
RE: Senate Bill 186

Senate Bill 186 pertains to the Kansas and Missouri metropolitan culture and recreation district compact generally affecting the counties of Johnson and Wyandotte. The bill allows the levy of a fractional sales tax to support bi-state cultural development between Kansas and Missouri.

The Johnson County Commission is strongly supportive of home rule options provided to local officials to make determinations on the best approach in their jurisdictions. Further the Board is generally sympathetic to the development of the arts on an areawide basis and understands that dramatic action will be required to solve the problems that exist. However, due to some concerns pertaining to the make up of the compact's governing body the Commission feels they must study the bill further before taking a position on it.

Thank you for your work on this issue and your willingness to give consideration to problems in the Johnson/Wyandotte area.

Attachment 14
Senate Assessment & Taxation
February 21, 1989