

Approved April 26, 1991
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Representative Diane Gjerstad at
Chairperson

3:35 ~~a.m.~~/p.m. on Monday, February 25, 1991 in room 423-S of the Capitol.

All members were present except:

Representatives Dean, Edlund and Wagnon. Excused.

Committee staff present:

Lynne Holt, Research
Jim Wilson, Revisor
Betty Manning, Secretary

Conferees appearing before the committee:

Representative Nancy Brown
Edward C. Peterson, Kansas City Concensus
Jerry Snider, Johnson County Community College
Marlene Nagel, Mid America Regional Council
Mike Kelly, Greater Kansas City Chamber of Commerce

Chairperson Gjerstad called the meeting to order at 3:35 p.m.

Chairperson Gjerstad stated the Department of Health and Environment wanted to introduce legislation concerning the Kansas water pollution control revolving fund. Representative Sader made a motion to introduce the bill. Seconded by Representative Wisdom. Motion carried. The Chair then recognized Representative Wisdom who introduced a bill concerning criteria for approval of enterprise zones. Representative Wisdom made a motion this legislation be introduced. Seconded by Representative Sader. Motion carried.

The Chair opened hearings on H.B. 2275. Lynne Holt presented an overview of the bill which would permit the Kansas and Missouri metropolitan culture district to enter into a bi-cultural agreement. The purpose of the bill would be to cooperate in future planning and development of the metropolitan culture district. In order to be eligible to create the metropolitan culture district, counties would have to have a population over 300,000 and adjacent to state line or the county contain a part of the city with population of at least 400,000 or be contiguous to any county described above. Any county which is eligible to become part of the metropolitan culture district shall determine that participation in the district is in the citizens best interests and that the levy of a tax to provide for financial support would be cost effective.

Representative Brown was called as the first proponent of H.B. 2275. Representative Brown stated that basically the bill would create a compact between the two states to allow for public funds from both states to be pooled and used toward cultural activities. Attachment 1.

Edward C. Peterson, Kansas City Concensus, explained the background of the project and a brief overview of this bill. He stressed that if cultural institutions are to grow, public sector funding must be increased. Attachment 2.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT,
room 423-S, Statehouse, at 3:35 XX/p.m. on Monday, February 25, 1991

Jerry Snider, Johnson County Community College, testified he felt this legislation shows vision, wisdom and supports education in the arts. Already the art museums, galleries and theaters are packed to capacity and events sold out weeks in advance. There is a growing interest in the arts and these needs should be addressed.

Marlene Nagel, community development director for the Mid America Regional Council (MARC) serves on a forum for discussion of community issues. She stated the area cultural district would create jobs, attract visitors, enhance quality of life to the community residents and attract businesses to the metro area. An annual \$65 million comes from the 950,000 visitors to the metro area creating quite an economic impact. She urged the committee to support this bill. Attachment 3.

Final proponent was Mike Kelly, Greater Kansas City Chamber of Commerce. Mr. Kelly stressed the economic impact of this bill on behalf of Yellow Freight and the chamber. Mr. Kelly asked the committee to pass this bill favorably. Attachment 4.

Chairperson Gjerstad closed the hearings on H.B. 2275.

The meeting was adjourned at 4:25 p.m.

Date: Feb 25

GUEST REGISTER

HOUSE

Committee on Economic Development

NAME

ORGANIZATION

ADDRESS

J. Mike Kelley

Yellow Freight

P.O. Box 7270 OP KS 66207

Gerry L. Shuler

Johnson County Community College

12345 College Blvd.
OP. KS 66210

Marlene Nagel

Mid America Regional Council

~~600~~ BROADWAY KCMO 64105

Ed Peterson

Perry & Hull

465 College Blvd OP 66207

Chris Beal

Greater K.C. Chamber

6710 Broadview O.P. KS

Carol Hill

Hawthorn Park Kansas

Box 171072 KCK 66617

Gerry Ray

Johnson Co. Commission Olathe

Dwight L. Ely

KS Arts Commission

Topeka



TOPEKA

HOUSE OF
REPRESENTATIVES

NANCY BROWN
REPRESENTATIVE, 27TH DISTRICT
15429 OVERBROOK LANE
STANLEY, KANSAS 66224-9744
TOPEKA: (913) 296-7696
STANLEY: (913) 897-3186

COMMITTEE ASSIGNMENTS
VICE-CHAIRMAN: LOCAL GOVERNMENT
MEMBER: GOVERNMENTAL ORGANIZATION
INSURANCE
CHAIRMAN, COMMUNITY DEVELOPMENT
BLOCK GRANT ADVISORY COMMITTEE
MEMBER, STATE EMERGENCY RESPONSE
COMMISSION

TESTIMONY BEFORE THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE

- House Bill 2275 -

HB 2275 is "an Act enacting and entering into the Kansas and Missouri metropolitan culture district compact". Basically what the bill would do is create a compact between the two states to allow for public funds from both sides to be pooled and used for "cultural activities".

Because controversy surrounded the bill last year perhaps some history would be appropriate. Two bills were introduced, one in the Senate by Sen. Langworthy and one in the House by Representatives Alien and Lane. The bills were nearly identical to one which had passed in Missouri, I believe the previous year. The bill was heard in the House Local Government where I and some other members had some difficulty with the content of the bill. I want to emphasize that my objections were with the content, not the concept.

To make a long story short, the bill did not pass and, as one with primary objections, I decided to work out some of my concerns with the sponsors as well as those other conferees here today in order to draft a bill that could be supported by this Legislature as well as passed by the voters.

Briefly, the bill itself forms the compact but the district will not be formed until the citizens of both Johnson and Jackson county vote at an election to form the district and implement a tax not to exceed .25%. While other counties may participate in the district, it will not be formed unless both Johnson and Jackson do so.

The Commission itself will be comprised of elected officials (not appointed, as in the previous bill), one from each participating county, one from each city in the participating county with a population of at least 50,000, and a member of the arts commission of Missouri and Kansas. A majority of each state constitutes a quorum and is required for transaction of business.

The duties of the Commission are much more limited than the previous bill in that there can be no long-term debt or bonding by the Commission. An advisory committee shall be appointed to provide input to the elected officials by the public. The Commission shall be subject to the cash basis and budget laws of the state; annual reports shall be prepared and submitted to the legislatures, Governor, and the governing bodies of the counties and cities involved in the district; annual reports shall be published in the official county newspaper, and yearly audits shall be conducted.

I could go into more detail about the technical aspects of the bill, but first there are several other conferees who wish to speak to the bill. I might suggest they present their testimony and then we will all be available to answer questions. Thank you.

*Eco-Devo
Attachment #1
02-25-91*



TOPEKA

HOUSE OF
REPRESENTATIVES

NANCY BROWN

REPRESENTATIVE, 27TH DISTRICT
15429 OVERBROOK LANE
STANLEY, KANSAS 66224-9744
TOPEKA: (913) 296-7696
STANLEY: (913) 897-3186

COMMITTEE ASSIGNMENTS

VICE-CHAIRMAN: LOCAL GOVERNMENT
MEMBER: GOVERNMENTAL ORGANIZATION
INSURANCE
CHAIRMAN, COMMUNITY DEVELOPMENT
BLOCK GRANT ADVISORY COMMITTEE
MEMBER, STATE EMERGENCY RESPONSE
COMMISSION

SUMMARY OF HB 2275 - METROPOLITAN CULTURE DISTRICT COMPACT

Article I - Agreement and Pledge: Kansas and Missouri

Article II - Policy and Purpose: to fully utilize and improve their cultural facilities, coordinate the services of their cultural organization, enhance the cultural activities of their citizens and achieve financial support for such cultural facilities, organizations and activities

Article III - Definitions

- a) Metropolitan culture district - a political subdivision of the state of Kansas and Missouri created under compact
- b) Commission - governing body of metropolitan culture district
- c) Cultural Activities - activities which contribute to enhance the aesthetic, artistic, historical, intellectual or social development or appreciation of members of public
- d) Cultural Organizations - nonprofit and tax exempt, social, civic or community dedicated to development, provision, operation, supervision, promotion or support of cultural activities
- e) Cultural facilities - those operated or used for participation or engagement in cultural activities

Article IV - The District

a) composition - 1) county population in excess of 300,000 adjacent to State Line, 2) county contains part of city with 400,000 population, 3) contiguous to any county described above.

Counties of Johnson (KS) and Jackson (MO) must participate in district

Other contiguous counties are also eligible to participate

- b) 1) the governing body may adopt by majority vote a resolution authorizing the creation, 2) a petition by qualified voters of county equal to 5% of last preceding gubernatorial election may request adoption by filing resolution with county, 3) implementation shall be conditioned upon approval of resolution by majority of qualified electors of county
- c) Request shall be made of voters within 36 months
- d) District is created when resolution authorizing creation and levying tax is approved by respective voters in Johnson and Jackson counties
- e) Withdrawal may occur by adoption of resolution and vote of people in same manner in which it was formed

e) Commission shall appoint advisory committee from members of public with interest, expertise, knowledge or experience in cultural organizations or activities

f) may provide for actual and necessary expenses of commissioners and advisory committee members

g) a report on operations and transactions shall be prepared annually and submitted to legislatures and governors, governing bodies of counties and cities in district; annual report shall be published in each county in district

Article VII - Finance

a) moneys shall be appropriated to commission by counties in district raised by levy of taxes as authorized

b) shall not incur any indebtedness or obligation, nor can credit be pledged; budget shall be prepared, adopted and published as provided by law; no budget shall be adopted until submitted to and reviewed by governing bodies of cities and counties in districts

c) accurate records of receipts and disbursements shall be kept and audited yearly and shall be part of annual report

d) accounts are open for inspection

Article VIII - Entry into Force

a) enter into force and become effective when enacted into law

Article IX - Termination

a) compact remains binding until legislature enacts statute repealing

Article X - Construction and Severability

Provisions of tort claims act shall apply to metropolitan culture district and to Kansas members of commission; members shall be reimbursed for actual and necessary expenses; county commissioners after authorization by voters shall adopt resolution imposing countywide retailer's tax fixed at amount not to exceed .25%.

Provisions of act shall expire upon nullification and voidance of Kansas and Missouri Metropolitan culture district pursuant to either article IX or X.
Act shall take place after publication in statute book.

Article V - The Commission

- a) Membership of commission is member of governing body of each county in district, member of each city with population of at least 50,000, member of Kansas and Missouri arts commissions appointed by Governor.
- b) Commission shall elect chairperson, vice-chairperson, and treasurer (to be bonded)
- c) Commission may appoint officers, agents, employees, determine duties, and fix compensation
- d) Commission shall fix time and place for meetings open to the public with notice given
- e) Majority of commission from each state constitute quorum. No action binding unless quorum present and unless majority of commissioners from each state shall vote. 14 day notice prior to meeting must be given.
- f) Commissioners subject to each state's laws regarding conflict of interest. Disclosure provisions, and abstention from votes if any direct or indirect financial interest.
- g) Commissioners indemnified in whole and held harmless for any judgment or decree entered and defended at cost and expense of commission

Article VI - Powers and Duties of Commission

- a) adopt seal and by-laws governing management and procedures
- b) has power to contract and be contracted with, sue and be sued
- c) may receive contributions or moneys appropriated by counties or cities, may solicit and receive donations, grants of money, equipment, supplies, materials and services from any state, US, or agency, institution, foundation, organization, person, firm or corporation
- d) may provide donations, contributions and grants for aid of cultural organizations, facilities or activities, but shall consider following
 - 1) economic impact upon district
 - 2) cultural benefit to citizens of district and general public
 - 3) contribution to quality of life and popular image of district
 - 4) contribution to geographical balance of cultural facilities and activities within and outside district
 - 5) breadth of popular appeal within and outside district
 - 6) any other factor deemed appropriate by commission

COMMENTS OF C. EDWARD PETERSON IN SUPPORT OF HOUSE BILL 2275

February 25, 1991

before the

House Economic Development Committee

*Eco-Devo
Attachment # 2
02-25-91*

SUMMARY OF THE BI-STATE METROPOLITAN CULTURAL DISTRICT

The purpose of my remarks is to provide background information on why this legislation is before you and to provide a brief overview of the legislation.

1. Background.

This legislation originated through a study of cultural amenities completed by Kansas City Consensus in 1985. Kansas City Consensus is a citizens group composed of volunteers who come from all walks and geographic areas of the Kansas City metropolitan community. This group is dedicated to studying issues of concern to the metropolitan area.

The conclusion of the study on cultural amenities was that Kansas City's cultural institutions compared well with similar institutions in other comparable communities; however, the study found that the Kansas City area was lacking in two important elements:

1. Adequate funds for long term capital needs of cultural institutions;
2. Public sector funding of cultural and recreational amenities;

Since the study was completed, additional developments have underscored the need for a solution to the funding problems faced by cultural institutions. Budget problems at the federal and state level have reduced the funds available from non-local sources for these activities. Traditional funding sources such as community foundations are receiving an increasing number of requests for assistance in other fields such as health care, care for the homeless, low income assistance, etc. It is apparent that if cultural institutions are to grow and prosper in this area, public sector funding must be increased significantly.

2. The Metropolitan Cultural District Concept.

House Bill #2275 before you would allow the Kansas City Metropolitan area to create an entity responsible for developing cultural amenities on a metropolitan-wide basis. This entity would be funded with proceeds from a fraction of a cent sales tax; funds would be distributed through grants or loans for such purposes as capital improvements, program development, and operations. The bill provides a procedural framework for creating the commission. The Bill also provides certain general operating guidelines and protections to ensure that the interests of the metropolitan area as a whole are met without disenfranchising the individual communities that make-up the metropolitan area.

The original concept included the counties of Wyandotte and Johnson in Kansas and Clay, Platte and Jackson counties in Missouri. This bill requires that at a minimum Johnson County in Kansas and Jackson County in Missouri agree to participate in the district. Counties contiguous to Johnson and Jackson counties are eligible to join at the option of such contiguous counties.

The general procedure for creating the district requires that the counties first affirmatively choose to participate in the District. This choice can be made by the governing body of the county or by petitions signed by five percent of the electors who voted in the last gubernatorial election in that county. In addition to this choice, the matter must be submitted to a vote of a county and approved by a majority of the voters of that county.

When the issue is placed before the voters, the voters will also be asked to approve a 1/4 cent sales tax to fund participation in the district. Therefore, both the decision to participate and the decision to impose the tax will be made by the voters, not by either the legislature or the county officials.

Once created, the District would be governed by a board that would be composed of representatives of the counties, the larger cities within participating counties, and representatives of the governor as follows:

Each participating county is represented by one member of the elected governing body of that county;

Each city with a population in excess of 50,000 is represented by one member of the city council/commission of that city;

Each governor appointments one member.

If all five counties participate, a twelve member commission would be created; each of the five counties would have one representative, the cities of Kansas City, Kansas, Kansas City, Missouri, Independence, Missouri, Overland Park, Kansas, and Olathe, Kansas, would each have a representative and each governor would have an appointee.

To protect against one state or county dominating, the bill requires that all expenditures receive a majority vote of the total commission and of each state's respective delegation on the commission. Thus, a majority of Kansans would have to approve of any expenditure in Missouri and vice versa, before the expenditure is authorized.

The Bill contains general guidelines governing the conduct of the commission. These include requirements that the commission considered geographic diversity of its activities, that it weigh the interest of the entire Metropolitan Community in its decisions, and so forth. The Bill anticipates the use of advisory panels of experts in the decision making process much like the states' arts and humanities commissions now function.

If all five counties choose to participate, approximately twenty-five million dollars per year could be raised through the imposition of a one-quarter cent sales tax.

I urge your prompt consideration and approval of House Bill #2275. This Bill represents a compromise among Kansas and Missouri supporters, and as you will hear from other speakers today, enhancement of this sector of the Kansas City Metropolitan economy is very important to sustaining growth. Thank you for your consideration.

**THE ECONOMIC IMPACT OF
PERFORMING AND VISUAL ARTS, MUSEUMS,
HISTORIC SITES AND SPECIAL ATTRACTIONS ON
METROPOLITAN KANSAS CITY**

Prepared by

Mid-America Regional Council
600 Broadway, 300 Rivergate Center
Kansas City, Missouri 64105
816/474-4240

March 1, 1990

*Eco-Devo
Attachment #3
02-25-91*

The Mid-America Regional Council (MARC) wishes to acknowledge the generous support of the Missouri Arts Council, a Missouri state agency; the Yellow Freight Foundation; and the Greater Kansas City Community Foundation and Affiliated Trusts for their generosity and support in making this study possible.

**THE ECONOMIC IMPACT OF PERFORMING AND VISUAL ARTS, MUSEUMS,
HISTORIC SITES AND SPECIAL ATTRACTIONS TO
METROPOLITAN KANSAS CITY**

EXECUTIVE SUMMARY

What is the financial worth of cultural attractions such as performing and visual arts, museums, historic sites and special attractions to the Kansas City metropolitan area? These resources make an invaluable contribution to the richness, excitement and human quality of a community.

The question of their value is legitimate and important for people in the public sector as well as those in private business who must make decisions about how to allocate scarce resources among many competing and worthwhile projects. Investing in the performing arts, cultural and heritage institutions requires making decisions about the value of the attractions themselves and their contribution to the achievement of other objectives.

The performing and visual arts, heritage institutions and other special attractions contribute to the local Kansas City area economy in a number of ways: directly, by employing persons and producing personal income in much the same way that other businesses do, and by attracting visitors from outside the region; indirectly, by generating economic multipliers through direct relationships with other businesses; and generally, by contributing to a region's image and overall investment climate.

Although not quantifiable, cultural institutions enhance a community's quality of life and their presence is increasingly important in attracting new business to the metropolitan area.

As part of an effort to build regional support the Mid-America Regional Council (MARC) Regional Amenities Task Force suggested that MARC pursue an economic impact study of cultural institutions on metropolitan Kansas City.

The following study conducted by the Mid-America Regional Council (MARC) examined the direct and indirect economic contributions of the bi-state Kansas City area's not-for-profit and governmental cultural facilities and institutions. During the summer and fall of 1989, MARC surveyed more than 200 organizations in the eight-county area.

The study findings make a positive statement about the economic and intrinsic value of the region's cultural institutions. The methods used to conduct the study and the assumptions made concerning visitor spending are both conservative and economically sound.

Economic Impact

* The total economic impact of the 70 performing and visual arts, heritage institutions and special attractions is estimated to be \$85.7 million in increased economic activity in the 8-county bi-state metropolitan area, including \$33.7 million in additional disposable income, and an additional 2,066 jobs for area residents.

* The out-of-town visitors attracted to the metropolitan area to attend these performances and facilities greatly contribute to the overall economic impact of these institutions. The economic impact of approximately 950,000 out-of-town visitors attending museums, historic sites, and performing arts events in 1988 was \$65.1 million for the Kansas City metropolitan region.

Attendance

* Total attendance attracted by the 70 institutions is 4.2 million visitors annually, or over two and one-half times the metropolitan area's population and one and one-half times the attendance at Kansas City Chiefs and Kansas City Royals' games.

* Twenty-two percent of the total attendance attracted to these cultural institutions was from outside metropolitan Kansas City.

Expenditures and Payroll

* Over \$15.4 million annually is paid by these institutions to over 1,500 employees in the form of wages and salaries. The institutions spent an additional \$20.3 million on goods and services with 81 percent of those dollars paid to local firms.

* Of the total expenditures made by these institutions in 1988, over \$3.3 million was allocated for capital investment in property and equipment.

Revenues

* The cultural institutions surveyed reported revenues of over \$41 million in 1988. Local, state and federal support totalled almost \$8.8 million. Foundation support was a substantial portion of total revenues with \$6.2 million provided primarily by local foundations.

* Revenues from ticket sales, admission fees and memberships to the various organizations totalled \$15.9 million or more than one-third of total revenues. While admission fees varied according to the organization, most institutions responding to the survey do not charge admission to the facility or performance, making their offerings available to all area residents regardless of income.

Volunteer support

* Volunteer support for cultural institutions in metropolitan Kansas City is substantial. Among the 70 institutions surveyed, over 7,000 volunteers contributed 263,000 hours annually. For many organizations, the performances, exhibits or cultural experiences would not be available to area residents or visitors without these important volunteer contributions.

THE ECONOMIC IMPACT OF PERFORMING AND VISUAL ARTS, MUSEUMS, HISTORIC SITES AND SPECIAL ATTRACTIONS TO METROPOLITAN KANSAS CITY

Introduction

What is the financial worth of cultural attractions such as performing and visual arts, museums, historic sites and special attractions to the Kansas City metropolitan area? These resources make an invaluable contribution to the richness, excitement and human quality of a community.

The question of their value is legitimate and important for people in the public sector as well as those in private business who must make decisions about how to allocate scarce resources among many competing and worthwhile projects. Investing in the performing arts, cultural and heritage institutions requires making decisions about the value of the attractions themselves and their contribution to the achievement of other objectives.

The performing and visual arts, heritage institutions and other special attractions contribute to the local economy in a number of ways: directly, by employing persons and producing personal income in much the same way that other businesses do, and by attracting visitors from outside the region; indirectly, by generating economic multipliers through direct relationships with other businesses; and generally, by contributing to a region's image and overall investment climate.

Although not quantifiable, cultural institutions enhance a community's quality of life and their presence is increasingly important in attracting new business to the metropolitan area.

The following study conducted by the Mid-America Regional Council (MARC) examined the direct and indirect economic contributions of the bi-state Kansas City area's not-for-profit and governmental cultural facilities and institutions. During the summer and fall of 1989, MARC surveyed more than 200 organizations in the eight-county area.

Background

In 1985, the MARC Board of Directors established a Regional Amenities Task Force to consider regional support for area cultural institutions. The task force examined public funding for regional institutions in other metropolitan areas. Although metropolitan Kansas City compared relatively well with other metropolitan communities in the number and variety of cultural offerings available, the financial and volunteer support for those facilities was narrow.

The task force issued a report and a series of recommendations encouraging MARC and others to work toward building regional support for area cultural institutions. The task force concluded that broader public awareness and support could translate into greater public and private financial and volunteer commitments.

As part of the effort to build regional support, the task force suggested that MARC pursue an economic impact study of cultural institutions on metropolitan Kansas City. The study would include performing and visual arts, museums, historic sites, multi-discipline organizations and special attractions. The study was limited to not-for-profit and governmental institutions and would exclude outdoor festivals.

With the financial support of the Yellow Freight Foundation, the Missouri Arts Council and the Greater Kansas City Community Foundation and Affiliated Trusts, the study was initiated in the summer of 1989. Two community meetings were held to explain the study to area cultural organizations and obtain comments on the draft questionnaire and study outline.

The study examines attendance by residency of the visitor; revenues by source; expenditures by type, including payroll; the proportion of expenditures other than payroll made to local firms for goods and services; and overall economic impact.

1980 MRI Study

In 1980, the Midwest Research Institute (MRI) conducted a study of the major performing arts organizations in the metropolitan area. That study estimated that the 50 not-for-profit performing arts groups employed more than 1,500 persons generated more than \$4 million in local expenditures and had an economic impact of \$46 million.

How Economic Impact is Measured

Performing and visual arts organizations, museums, historic sites and special attractions make a substantial contribution to the metropolitan economy. Like other businesses, these institutions hire and pay employees and purchase goods and services. Unlike many businesses, however, these institutions attract out-of-town visitors who bring new revenue into the community.

For purposes of this study, the economic impact of the responding organizations is influenced most by their ability to attract out-of-town visitors or keep them in the metropolitan area an additional day. The revenues donated to and earned by these organizations are substantial. However, a large portion of this money, 76 percent, is contributed by local patrons and sponsors.

The local nature of these dollars means that even if cultural organizations were to leave metropolitan Kansas City entirely, most of the money would remain and be spent elsewhere in the community. This is because the income spent on the arts is actually generated by the jobs at which residents work and the businesses that employ them. Since most of these businesses would remain even if cultural institutions leave, so would the income those businesses generate. Because of this, local spending on the arts must be discounted when measuring their net benefit to the region.

Since the disappearance of cultural activities from metropolitan Kansas City would likely hamper efforts to attract new businesses to the area, it can legitimately be argued that the arts augment the region's ability to attract future business activity and that the value of this increment in economic activity should be counted as part of the arts' economic impact. This extra activity is difficult to estimate, however, and is not attempted in this study. For this reason, the economic impact estimates that follow should be considered conservative.

Overall Economic Impact

The overall economic impact of the 70 performing and visual arts, heritage and special attractions to metropolitan Kansas City is estimated to be \$85.7 million in increased economic activity. The presence of the arts, heritage and special attractions increases real disposable personal income to area residents by almost \$33.7 million annually.

Cultural Institutions' Economic Activity

The economic activity for which the 70 cultural institutions are specifically responsible measures the total revenue, employment and payroll. Disposable income is estimated from payroll because this is what MARC's economic impact (REMI) model generates when estimating economic impact. Disposable income is the portion of the area's total payroll that is available after taxes for area residents to purchase goods and services.

Revenue	\$41.5 million
Jobs	1,558 jobs
Payroll	\$15.4 million
Disposable Income	\$13.2 million

Direct Impact

Direct impact is the value of the cultural institutions' economic activity after subtracting the dollars that originate locally. This is what is input into the REMI model to estimate how much cultural organization spending benefits other economic sectors. The economic impact of the cultural institutions results from the new dollars that flow into the area economy. Based on information provided by the responding organizations, 23.8 percent of the total revenues come from sources outside the metropolitan region. If the 70 cultural institutions were not present in the community, the local dollars would be spent in other ways and continue to stimulate the economy.

Percent of cultural institutions' economic activity funded by local sources:	76.2%
Percent of impact that represents a net gain to the metropolitan economy:	23.8%

Revenue	\$9.9 million	<i>10000 371 / 3700000</i>
Jobs	371 jobs	
Payroll	\$3.7 million	
Disposable Income	\$3.2 million	

Indirect Impact

Indirect effects arise from the interconnectedness of the region's economy. As money is spent in one area, those firms and their employees use part of it to buy other things produced locally. As the money changes hands, additional firms and people benefit.

Revenue	\$10.7 million
Jobs	174 jobs
Disposable Income	\$4.3 million

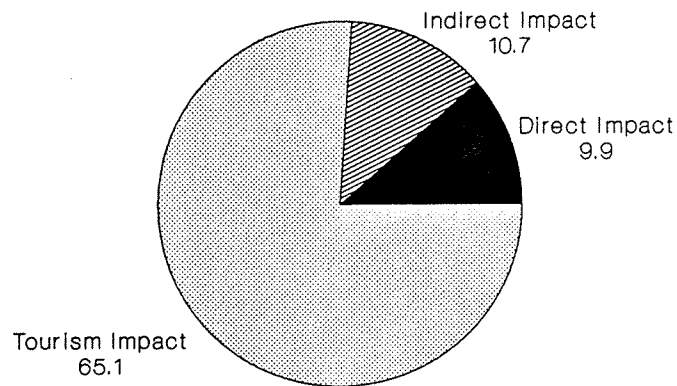
Tourism Impact

Unlike most firms in the metropolitan area, cultural organizations have the ability to attract people to the region and encourage them to spend here income that is earned elsewhere. It is much like exporting goods manufactured locally, except the buyer comes here to consume the purchase. As with most other tourist-related industries, such as sports or conventions, the largest component of economic impact arises from the tourist expenditures.

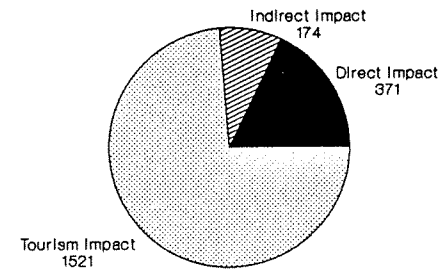
Revenue	\$65.1 million
Jobs	1,521 jobs
Disposable Income	\$26.2 million

OVERALL ECONOMIC IMPACT

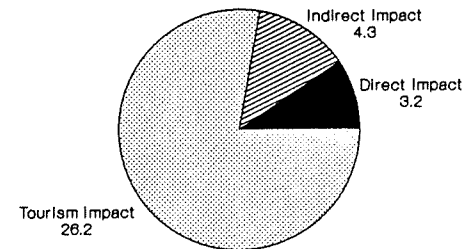
Total Revenue Millions of Dollars



Total Jobs



Disposable Personal Income Millions of Dollars



Source: Mid-America Regional Council

Total Economic Impact

The total impact is calculated by summing each of the components above, including direct impact, indirect impact and tourism impact.

	Overall Cultural Economic Impact
Revenue	\$85.7 million
Jobs	2,066 jobs
Disposable Income	\$33.7 million

Survey Response

A four-page questionnaire developed with the assistance of Dr. Elaine Tatham, president, ETC Institute, was mailed to over 200 organizations identified by MARC. The list of organizations was generated as part of MARC's effort to build public awareness about arts and attractions through the publication, What's Where, A Guide to Attractions in Metropolitan Kansas City. The survey form was divided into four main areas - attendance, revenues, expenditures, and staffing/payroll. A copy of the survey form is included in the report in Appendix A.

As of December 19, 1989, MARC had received 70 valid responses to the survey mailed to over 200 organizations in July. Several organizations on the list were determined to be inappropriate for the study and some declined to participate. A number of organizations failed to respond to the initial survey or reminder notices and telephone calls. Proportionately, the greatest level of response came from the museums and historic sites.

<u>Type of Sponsor</u>	Number of Responses
Not-for-Profit	49
Federal Government	3
State Government	2
Local Government	9
Other	7
Total	70

Almost two-thirds of the surveyed organizations are not-for-profit groups. Local government offerings represent one of every five institutions surveyed. Over half of the respondents have facilities or offices in Jackson County. Sixteen percent are located in Johnson County.

Number of Respondents by Geographic Area

Jackson County	41
Clay County	2
Platte County	5
Ray County	1
Johnson County	11
Wyandotte County	7
Leavenworth County	3
Total	70

The following organizations responded to the MARC survey.

Museums

Agricultural Hall of Fame and National Center
Ben Ferrel Platte County Museum
Fort Leavenworth Frontier Army Museum
Harry S Truman Library and Museum
Historic Grinter House Museum
Johnson County Historical Museum*
The Kansas City Museum
Leavenworth County Historical Society Museum
Liberty Memorial Museum
Nativity Rock Museum
Park House Museum
Ray County Historical Museum
Raytown Historical Museum
Weston Historical Museum
Wyandotte County Museum

Historic Sites

Alexander Majors Historical House and Park
Cave Springs Interpretive Center
Dillingham-Lewis Home (Blue Springs Historical Society)
1859 Jail Museum (Jackson County Historical Society)
Ensor Farm Site*

Historic Sites (continued)

Harry S Truman National Historic Site
Lanesfield School Historic Site*
Thomas Hart Benton Home and Studio
The Truman Farm Home
Truman Office and Courtroom
Vaile Mansion - DeWitt Museum
Watkins Woolen Mill State Historic Site

Visual Arts

Kansas City Artists Coalition
The Nelson-Atkins Museum of Art

Dance

Kansas City Friends of Alvin Ailey
State Ballet of Missouri
Veselo Village Dancers

Live Theater

Barn Players, Inc.
Bell Road Barn Players
The Coterie, Inc.
Folly Theater
Granada Theatre
Midland Theater**
Missouri Repertory Theatre
Quality Hill Playhouse**
Starlight Theatre
Theatre for Young America, Inc.
Theater in the Park (Johnson County)
Theatre League, Inc.**
Wyandotte Players

Music and Opera

Early Music Consort
The Friends of Chamber Music
Independence Music Club
Independence Symphony
Kansas City Symphony Chorus
Kansas City Civic Orchestra
Kansas City Flute Association
Kansas City Guitar Society
Kansas City Harmonicateers Club, Inc.
The Kansas City Symphony
Lyric Opera of Kansas City
Medical Arts Symphony
Northland Symphony Orchestra
Olathe Community Orchestra
Overland Park Civic Band
Overland Park Orchestra
Terpsichore International Folk Music Ensemble

Special Attractions and Multi-Discipline

American Royal Livestock, Horse Show and Rodeo
Carnegie Arts Center
Conservatory of Music, White Hall Artist Series
Deanna Rose Children's Farmstead
Kaleidoscope
Kansas City Zoo
Kaw Valley Arts and Humanities
Lenexa Arts Council
Overland Park Arts Commission
William Jewell Fine Arts Series
Young Audiences

* Information for the Ensor Farm Site and Lanesfield School

Historic Site was included with Johnson County Historical Museum

** Information for Quality Hill Playhouse and Midland Theater was included with totals for the Theatre League, Inc.

Attendance

Total attendance attracted by the 70 institutions is 4.2 million visitors annually, or over two and one-half times the area's population and one and one-half times the attendance at Kansas City Chiefs and Kansas City Royals' games. Twenty-two percent of the total attendance, or 944,168 visitors, were attracted to the region as a result of the institutions. Over half of the total attendance is represented by residents of Kansas City, Missouri, in Jackson County and Johnson County, Kansas.

Attendance By Place-of-Residence

Place-of-Residence	Number	Percent
Kansas City, Mo. in Jackson Co.	1,105,261	26.2 %
Kansas City, Mo. in Clay Co.	174,253	4.1
Kansas City, Mo. in Platte Co.	104,298	2.5
Independence	168,800	4.0
Other Jackson County	165,033	3.9
Other Clay County	57,122	1.4
Other Platte County	33,399	0.8
Cass County	27,638	0.7
Ray County	46,442	1.1
Johnson County	1,063,597	25.2
Leavenworth County	105,150	2.5
Wyandotte County	224,434	5.3
MO. outside metro area	205,980	4.9
KS. outside metro area	192,917	4.6
Other U.S.	506,357	12.0
Foreign Countries	38,914	0.9
Total	4,219,595	100.0 %

By race, audience attendance is similar to the racial composition of the metropolitan area's population. The metropolitan area's minority population comprises about 16 percent of total residents.

Attendance by Race

Race	Number	Percent
White	3,462,380	82.1 %
Black	437,419	10.4
Hispanic	178,587	4.2
Other races	141,209	3.3
Total	4,219,595	100.0 %

Of total attendance, over one-fourth were visitors to museums and historic sites and almost one-third visited special attractions and events organized by multi-discipline organizations.

Attendance by Type of Facility

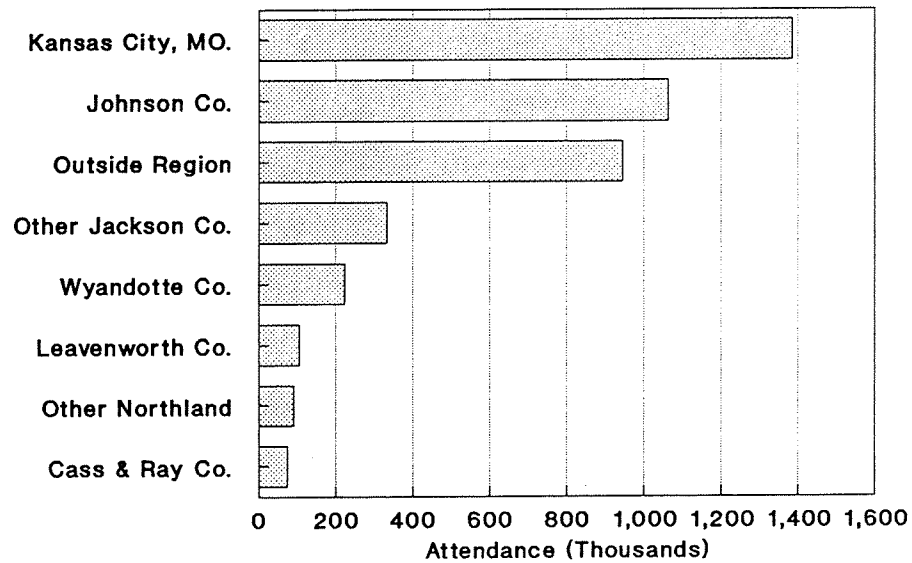
Type of Facility	Number of Respondents	Attendance	
		Number	Percent
Music and Opera	17	498,492	11.8%
Theater	11	707,063	16.8
Dance	3	53,490	1.3
Visual Arts	2	461,958	11.0
Museums and Historic Sites	26	1,110,041	26.3
Multi-Discipline and Special Attractions	11	1,388,551	32.8
Total	70	4,219,595	100.0%

Museums and historic sites attract over 70 percent of all out-of-region visitors to metropolitan Kansas City. The 26 museums and historic sites estimated that over half of their 1.1 million annual visitors were from outside the region. In contrast, the 33 performing and visual arts institutions reported that only 4.5 percent of their total attendance was attributed to out-of-town guests.

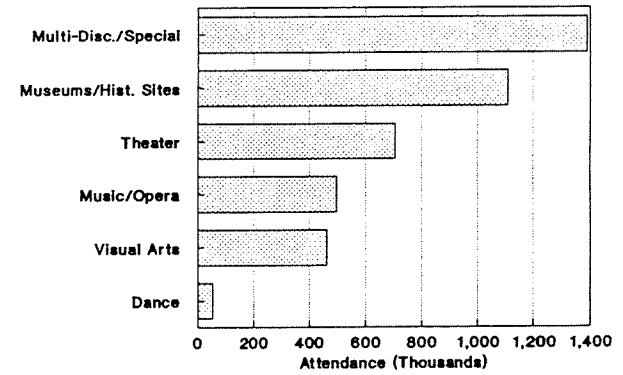
Attendance by Type of Sponsor

Not-for-Profit	49	2,781,703	65.9%
Federal Government	3	548,938	13.0
State Government	2	70,243	1.7
Local Government	9	813,228	19.3
Other	7	5,483	0.1
Total	70	4,219,595	100.0%

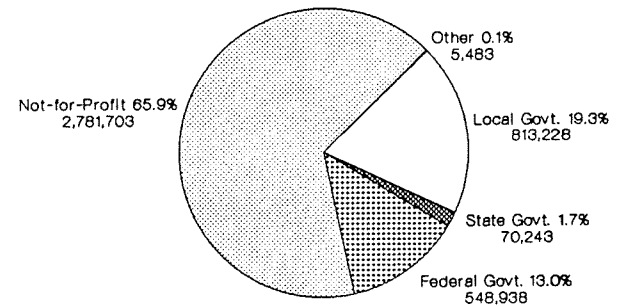
Attendance By Place-of-Residence



Attendance By Type of Facility



Attendance By Type of Sponsor



Prepared by Mid-America Regional Council

There were thirteen institutions reporting annual attendance over 100,000 visitors. These institutions include:

Kansas City Zoo	Kansas City Symphony
Nelson-Atkins Museum of Art	Harry S Truman National
American Royal	Historic Site
Young Audiences	Theatre League
Liberty Memorial Museum	Deanna Rose Farmstead
Starlight Theater	Kansas City Museum
Harry S Truman Library	Ft. Leavenworth Frontier Army
	Museum

Total Revenues

Total revenues for the 70 respondents were over \$41.4 million. Revenues ranged from \$100 to over \$12 million annually for the institutions surveyed. Eleven institutions reported revenues of \$1 million or more. These institutions include:

Nelson-Atkins Museum of Art	Missouri Repertory Theatre
Kansas City Zoo	American Royal
Kansas City Symphony	State Ballet of Missouri
Starlight Theater	Lyric Opera of Kansas City
Theatre League	Kansas City Museum
	Harry S Truman Library

By discipline, visual arts institutions reported the most total revenue, \$12.3 million or almost 30 percent.

Total Revenues by Type of Institution

Type of Institution	Total Revenues	Percent of Total
Music and Opera	\$ 5,295,713	12.8 %
Dance	2,313,684	5.6
Visual Arts	12,380,445	29.9
Theatre	9,287,410	22.4
Museums and Historic Sites	5,306,639	12.8
Multi-Discipline and Special Attractions	6,889,069	16.5
Total	\$ 41,472,960	100.0 %

Total Revenues by Type of Sponsor

Type of Sponsor	Total Revenues
Not-for-Profit	\$ 34,277,151
Federal Government	2,859,500
State Government	8,528
Local Government	4,327,281
Other	500
Total	\$ 41,472,960

By type, 83 percent of total revenues were attributed to not-for-profit organizations and 10 percent to local government-operated facilities.

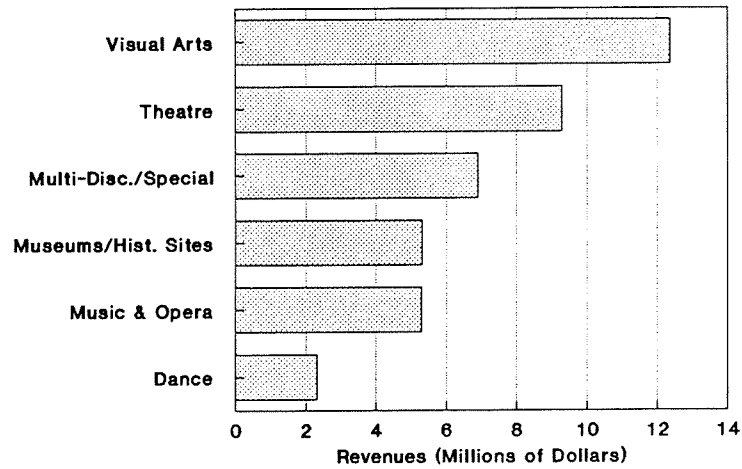
Public Funding

All levels of government provide revenues to area facilities to support their operating and capital budgets. In 1988, federal, state and local tax resources provided \$8.85 million to the 70 organizations surveyed.

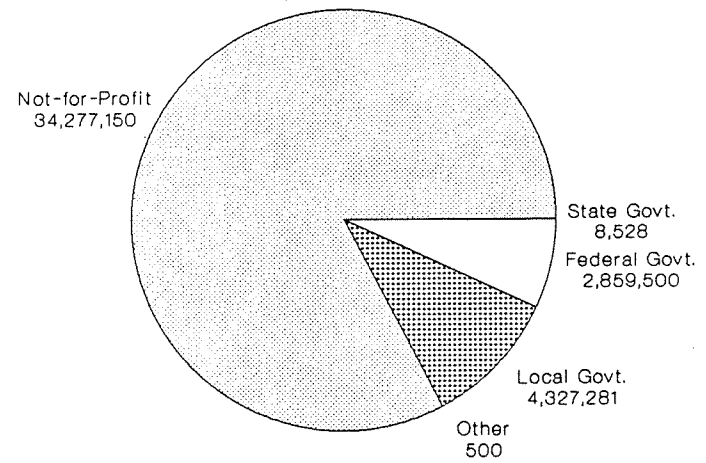
Government Revenues by Type of Institution

Type of Institution	Total	Funding Type		
		Federal	State	Local
Music & Opera	\$ 343,788	\$56,417	\$262,071	\$25,300
Dance	198,539	38,100	138,439	22,000
Visual Arts	380,304	199,804	168,500	12,000
Theatre	832,445	23,500	163,374	645,571
Museums & Historic Sites	3,601,750	2,107,733	10,500	1,483,517
Multi-Disc. & Special Attr.	3,492,434	26,575	265,046	3,200,813
Total	\$8,849,260	2,452,129	1,007,930	5,389,201

**Total Revenues
By Type of Institution**



**Total Revenues
By Type of Sponsor**



Prepared by Mid-America Regional Council

Over two-thirds of all local government revenues provided to arts and cultural institutions were allocated for local government facilities, such as the Kansas City Zoo and Theatre in the Park. Virtually all state funds were directed to not-for-profit organizations. Not surprisingly, 85 percent of all federal resources were spent on federal institutions, including the Harry S Truman Library.

Government Revenues by Type of Sponsor

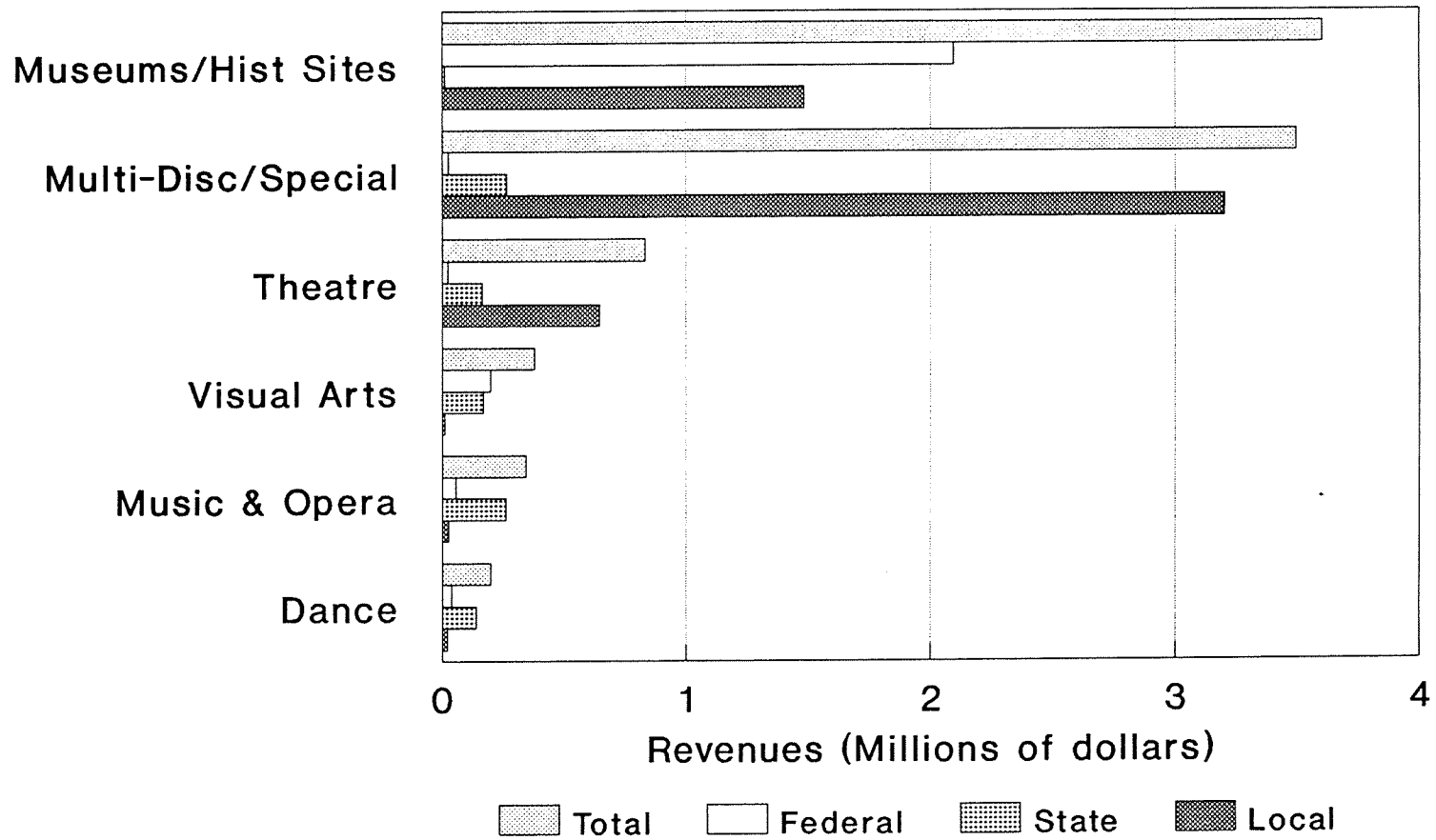
Sponsor Type	Total	Funding Type		
		Federal	State	Local
Not-for-Profit	\$3,085,450	\$ 357,396	\$ 996,030	\$1,732,024
Federal	2,093,333	2,093,333	0	0
State	10,000	0	10,000	0
Local	3,657,677	1,400	1,900	3,654,377
Other	0	0	0	0
TOTAL	\$8,846,460	\$2,452,129	\$1,007,930	\$5,386,401

Other Revenues

Earned income includes admission fees, ticket sales, fees for educational services, sale of goods and services, and membership fees. Earned income is a substantial portion of total revenues for the 70 surveyed organizations. As a proportion of total revenues, earned income ranged from a low of 27 percent of revenues for museums and historic sites to a high of 71 percent for theatres. Overall, earned income totalled over \$18 million and represented 43 percent of all revenues.

Foundation support to area cultural institutions continues to be substantial. Foundation revenues totalled \$6.2 million to the 70 survey respondents in 1988, representing 15 percent of total revenues. These private donations are important because they allow many organizations to match available federal and state grants. Virtually all of the foundation support was directed to not-for-profit organizations.

Government Revenues By Type of Institution



Prepared by Mid-America Regional Council

Total Expenditures

Total operating expenditures by the 70 institutions totaled \$35.8 million in 1988. In addition, almost \$3.4 million was spent on capital improvements and acquisitions. By institution, expenditures ranged from \$500 to almost \$8 million.

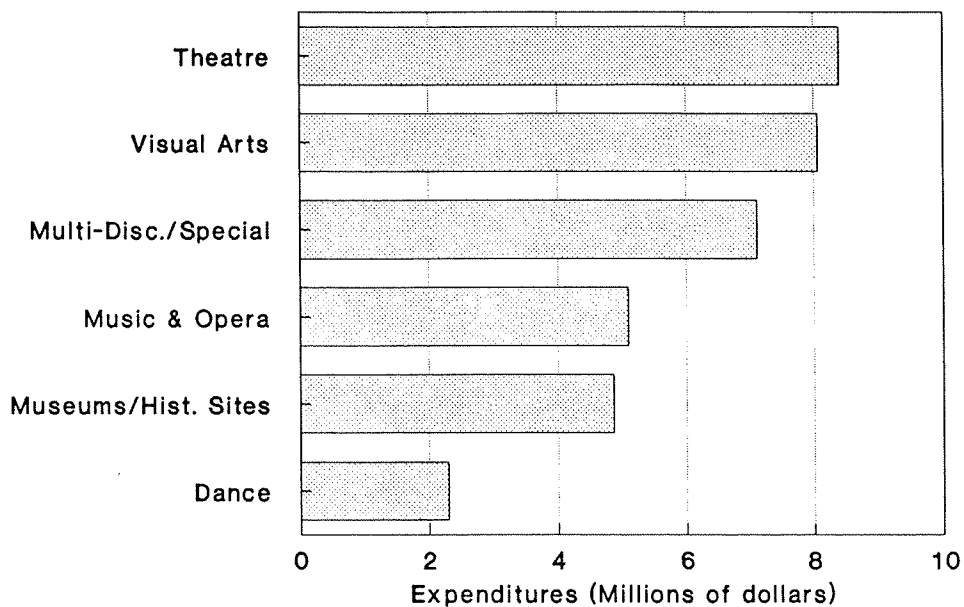
Total Expenditures by Type of Institution

Type of Institution	Total Expenditures excluding capital	Capital Expenditures
Music and Opera	\$ 5,096,243	\$ 31,574
Dance	2,290,834	35,423
Visual Arts	8,052,398	2,332,223
Theatre	8,395,083	53,728
Museums and Historic Sites	4,871,239	602,749
Multi-Discipline and Special Attractions	7,104,359	330,502
Total	\$ 35,810,156	\$ 3,386,199

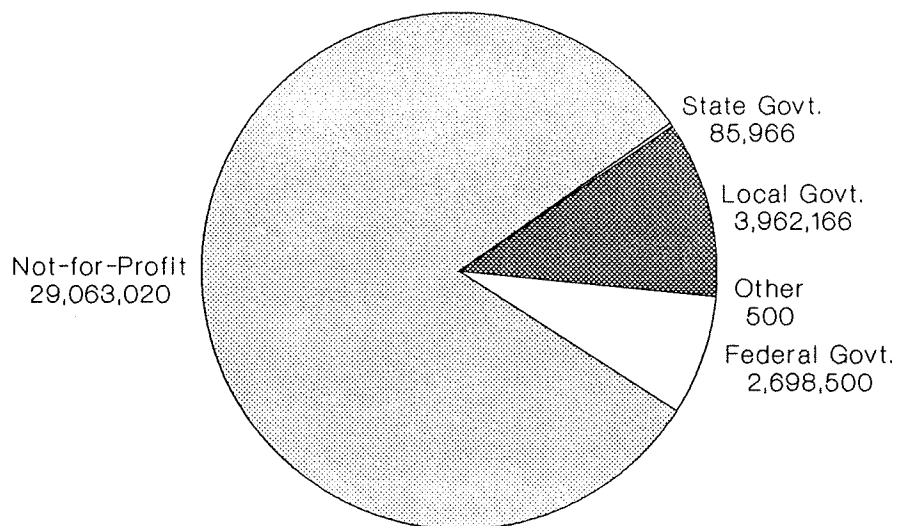
Total Expenditures by Type of Sponsor

Type of Sponsor	Total Expenditures excluding capital	Capital Expenditures
Not-for-Profit	\$ 29,063,024	\$ 2,698,877
Federal Government	2,698,500	0
State Government	85,966	0
Local Government	3,962,166	687,322
Other	500	0
Total	\$ 35,810,156	\$ 3,386,199

Total Expenditures By Type of Institution



Total Expenditures By Type of Sponsor



Prepared by Mid-America Regional Council

Staffing

The 70 institutions responding to the survey employ a total of 1,558 persons, both full- and part-time. Many of the smaller organizations have no paid staff. The visual and performing arts organizations employ a greater number of paid staff.

Total annual payroll for the 70 organizations surveyed was over \$15.4 million. The average annual salary varied from a low of \$6,103 for theatre institutions to a high of \$18,554 for music and opera. The 1988 average annual salary among all the groups included in the study was \$9,916.

Payroll and Number of Paid Staff by Type of Institution

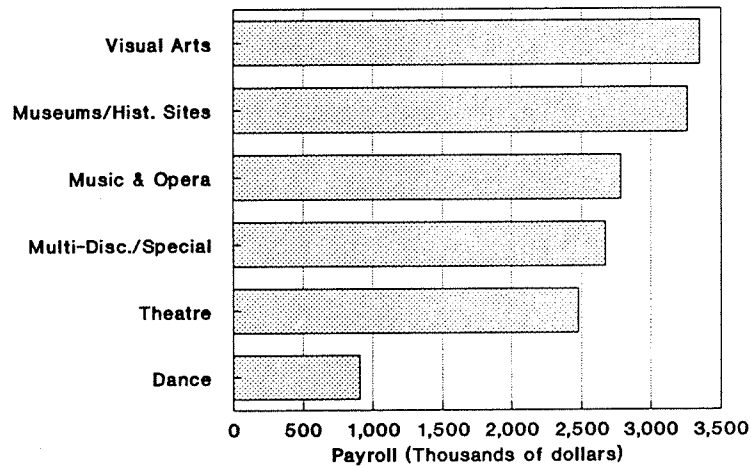
Type of Institution	Total Payroll	Paid Staff
Music and Opera	\$ 2,783,025	150
Dance	907,364	51
Visual Arts	3,348,215	357
Theatre	2,477,902	406
Museums & Historic Sites	3,259,416	193
Multi-Discipline & Special Attractions	2,672,440	401
Total	\$ 15,448,362	1,558

Payroll and Number of Paid Staff by Type of Sponsor

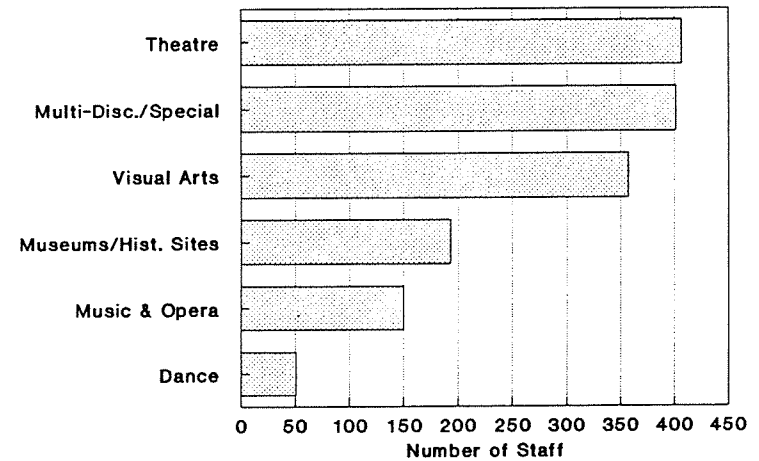
Type of Sponsor	Total Payroll	Paid Staff
Not-for-Profit	\$ 11,057,018	1,016
Federal Government	2,184,981	89
State Government	40,000	15
Local Government	2,166,363	438
Total	\$ 15,448,362	1,558

By type of sponsor, the annual average salary was highest for federal government-sponsored facilities at \$24,550. The not-for-profit organizations paid an annual average wage of \$10,881.

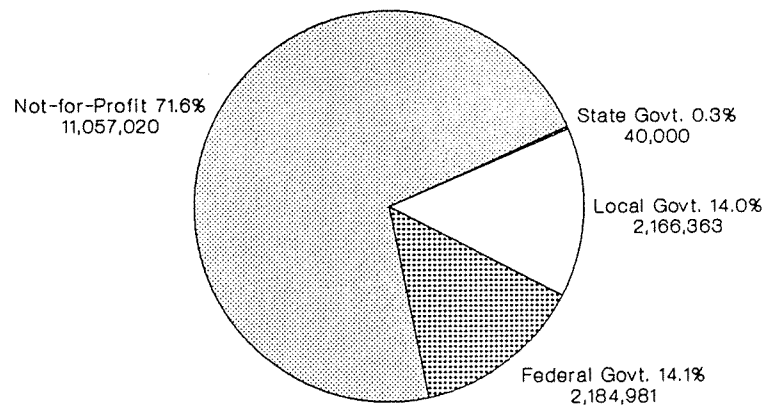
**Total Payroll
By Type of Institution**



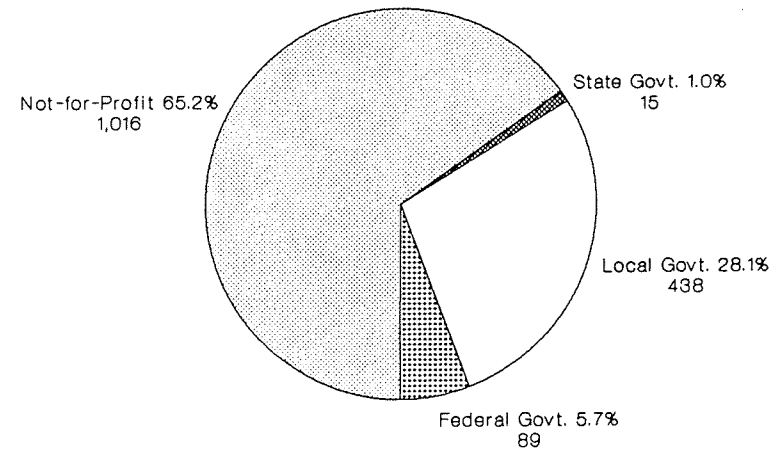
**Paid Staff
By Type of Institution**



**Total Payroll
By Type of Sponsor**



**Paid Staff
By Type of Sponsor**



Prepared by Mid-America Regional Council

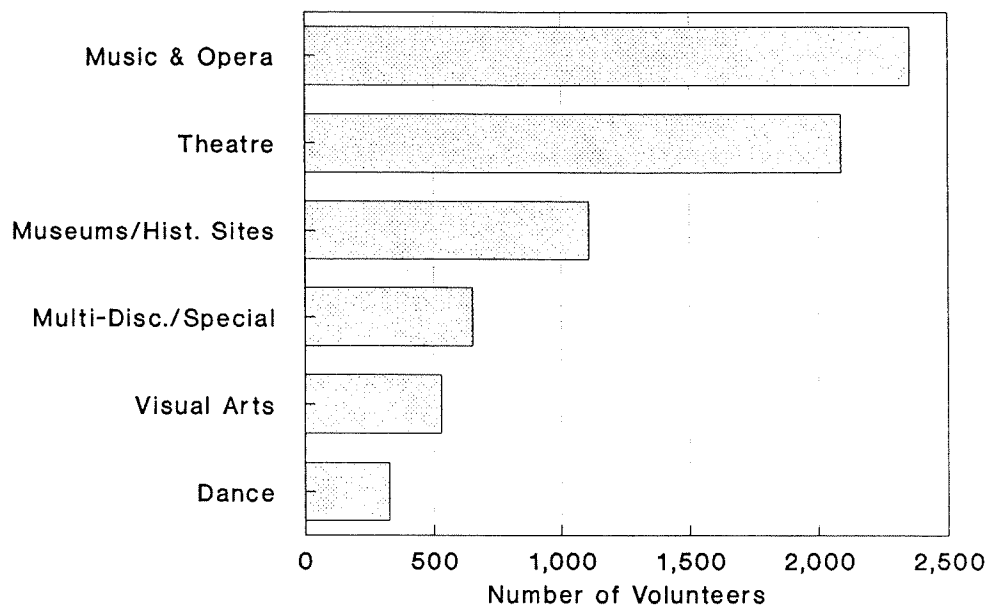
Volunteers

Many of the cultural organizations in metropolitan Kansas City would not exist if volunteer support were not available. The 70 surveyed institutions reported that over 7,000 volunteers assisted in their efforts during 1988. These volunteers contributed almost 263,000 hours. Volunteer support was spread among all disciplines. In addition to volunteer services, the surveyed institutions identified almost \$2 million in donated goods and services from area firms.

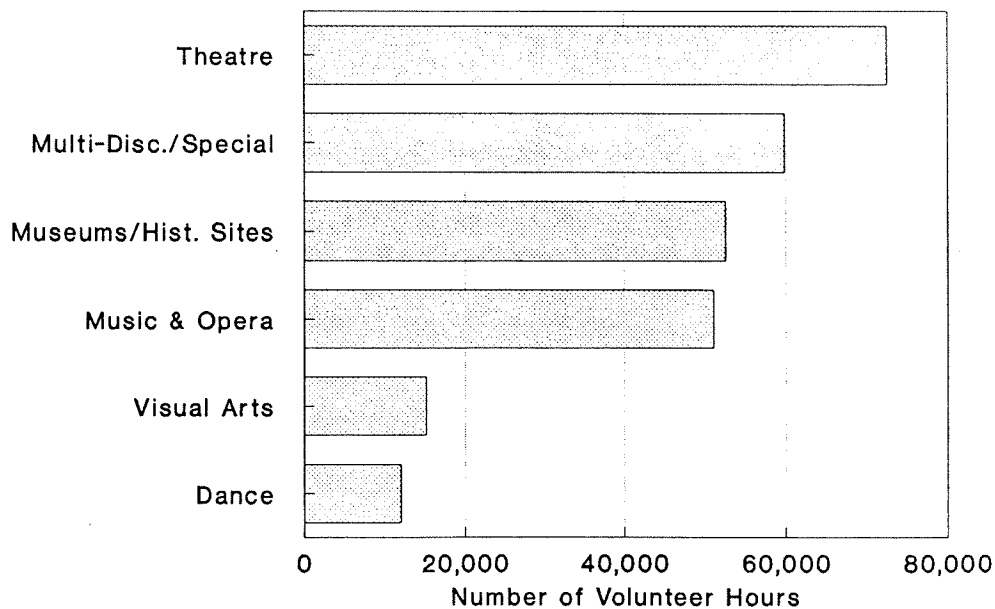
Volunteer Support by Type of Institution

Type of Institution	Total Volunteers	Volunteer Hours
Music and Opera	2,353	51,078
Dance	327	11,950
Visual Arts	530	15,086
Theatre	2,089	72,480
Museums & Historic Sites	1,110	52,528
Multi-Discipline & Special Attractions	654	59,826
Total	7,063	262,948

Total Volunteers By Type of Institution



Total Volunteer Hours By Type of Institution



Prepared by Mid-America Regional Council

**Case Study: Impact of Thomas Hart Benton Exhibit
Nelson-Atkins Museum of Art**

Although the economic state of the arts in metropolitan Kansas City is somewhat stable, many organizations are financially limited in their ability to offer quality performances, exhibits or other attractions to area residents and out-of-region visitors. Public support for the arts is extremely limited in metropolitan Kansas City, and although corporate and foundation support is substantial, additional resources are needed by both large and small institutions.

Additional revenues for the arts and cultural institutions would serve many purposes, including the expansion and renovation of aging physical facilities; the construction of new facilities; the expansion of offerings to a wide, more culturally diverse audience; and the creation of new institutions.

The economic impact of limited additional resources may be illustrated by a recent exhibit designed and offered by the Nelson-Atkins Museum of Art, one of the metropolitan area's most noted institutions. During the summer of 1989, the Nelson-Atkins Museum of Art offered a special exhibit of Thomas Hart Benton's works. Because of Benton's notoriety as a Kansas City native, the exhibit was expected to draw heavily from the metropolitan area and surrounding communities.

During the 63 days the Benton exhibit was open to the public at the Nelson, 118,468 persons viewed the special offering. The Nelson estimates that additional revenues from the exhibit totaled \$358,794, including \$51,467 from a separate \$3 admission fee for the exhibit coupled with the museum's regular \$3 admission fee. Book store and food service sales increased earnings by \$307,327.

A survey of persons viewing the Benton works was conducted toward the end of the exhibit. The survey results indicated that almost 90 percent of those attending the museum were drawn to the Nelson specifically for the exhibit. Of the over 103,000 visitors viewing the exhibit and drawn to the Nelson specifically for that purpose, more than one-third, or 35,000, were from outside metropolitan Kansas City.

If it is assumed that those from outside metropolitan Kansas City would not have visited the area were it not for the Benton exhibit, and based on the survey responses concerning length of stay, the region gained the economic benefit of over 75,000 visitor days.

The economic impact of the Benton exhibit's out-of-region visitors is estimated to be an additional \$2 million in real disposable personal income (1988 dollars) for the area economy. In addition, the Nelson's offering of the exhibit in the metropolitan area results in 230 new jobs for area workers. The jobs are short-term and primarily in service and retail firms to serve the visitors coming to the Nelson from outside the region.

APPENDICES

**Summary of Statistical Data
Used to Calculate Economic Impact***

Number of Respondents:	70
Total Annual Attendance:	4,219,595
Percent of Attendance from outside metropolitan Kansas City:	22 percent
Total Attendance from outside metropolitan Kansas City:	944,168
Percent of those attending from outside the region that stay overnight in a hotel or motel:	25 percent
Total Volunteers:	7,063
Total Volunteer Hours:	262,948
Value of Donated Goods/Services:	\$ 1,959,491
Total Revenues:	\$41,472,960
Local Government Revenues:	\$ 5,389,201
State Government Revenues:	\$ 1,007,930
Federal Government Revenues:	\$ 2,452,129
Total Government Revenues:	\$ 8,849,260
Local Foundation Revenues:	\$ 6,160,730
Other Foundation Revenues:	\$ 111,200
Total Foundation Revenues:	\$ 6,271,930
Program and Admission Revenues:	\$14,072,903
Membership Fees:	\$ 1,863,342
Sale of Goods/Services:	\$ 2,096,365

* Based on 1988 information

Total Expenditures: (not including capital)	\$35,810,156
Capital Expenditures:	\$ 3,386,199
Accounting/Legal Expenditures:	\$ 266,554
Supplies	\$ 3,106,330
Facility-Related Expenditures:	\$ 1,814,799
Contractor Expenditures:	\$ 3,637,156
Total Annual Payroll:	\$15,448,362
Total Employees:	1,558

Regional Economic Model

The Mid-America Regional Council (MARC) and the city of Kansas City, Missouri, acquired an economic impact model from Regional Economic Models Inc. (REMI). The REMI model allows MARC to evaluate the economic impact of a proposed development project or public investment.

The REMI model includes all of the inter-industry interactions among the 466 private sectors of the economy, creating a "recipe" of inputs required to produce each good or service. These recipes are then aggregated to the 49 major private industries, to which state and local government, civilian federal government, military and farming are added, making a total of 53 sectors.

At the 53-sector level, the model simulates how changes in the cost of doing business in metropolitan Kansas City, relative to the rest of the country, affect the area's economic growth. Changes that lessen the area's relative business costs make the Kansas City region more attractive to businesses, while changes that raise relative business costs cause the region to become less appealing. The relative cost of doing business is built up for each industry based on tax costs, fuel costs, wage costs, capital costs, and costs of purchasing needed supplies and materials from other businesses.

As the costs of one type of input increase, such as labor, the model allows the substitution of other inputs, such as capital and fuel, within the bounds of current methods of production. This is exactly what businesses do in the face of rising costs to continue to produce efficiently. That each industry's input requirements flexibly respond to relative costs is the key feature distinguishing the REMI model from standard input/output models. Traditional input/output models assume that inputs are always consumed in fixed proportions.

Of course, costs are only one side of the business equation. The other side is demand. The REMI model estimates the demand for each area industry's products arising from local consumers, local businesses, businesses and consumers located in other parts of the country, and investment by businesses, private households and government.

The model is calibrated specifically to the Kansas City region from a detailed analysis of the economy at the level of 500 separate industries. Data sources include County Business Patterns and the Census of Transportation, both published by the U.S. Census Bureau, and the national input/output tables from the Bureau of Economic Analysis, Department of Commerce.

At this detailed industrial level, the proportion of local business and consumer demand for a product that is satisfied by local companies is estimated. Once these results are obtained at the detailed level, they are then aggregated to the 53-sector level. Using employment and personal income data available for each county in the region as a base, the REMI model makes forecasts for over 2,000 variables. Among the most important are employment by industry, real disposable personal income and total sales.

Definition of Terms

Cultural institutions' economic activity is the amount of spending attracted to the 70 cultural institutions responding to the survey. This spending is the initial impact that drives all other benefits that these institutions have on the community.

Direct impact is the portion of the cultural institutions' economic activity that comes from outside the metropolitan region and represents dollars that the metropolitan area would lose without the presence of these 70 institutions.

Indirect impact is the additional spending of local businesses and households that is triggered by the direct impact as those dollars flow through the local economy.

Tourism impact is the spending by visitors from outside the Kansas City metropolitan area. Visitors who stay overnight in hotels and motels spend more than those who attend the various facilities and events and then return home.

Disposable income is the portion of the area's total payroll that is available after taxes for area residents to use to purchase goods and services.

Employment covers both full- and part-time employment and is consistent with the definition of employment used on unemployment reports all firms must file with state agencies.

Metropolitan Kansas City includes Johnson, Wyandotte and Leavenworth counties in Kansas and Cass, Clay, Jackson, Platte and Ray counties in Missouri.

Caveats

In preparing the study, MARC recognized the difficulty that many cultural organizations and units of government would have in completing the survey questionnaire. Many small organizations are not required to file IRS Form 990 that details revenues and expenditures. The attractions sponsored by many government agencies do not account for their revenues and expenses separately from their larger departments. Many organizations do not systematically survey their audiences to determine residency.

The following caveats are presented to clarify some of the issues and problems with completing the study.

1. The American Royal is included as a special attraction in the study. The impact of the American Royal for purposes of this study was limited to the expenditures by the American Royal Association and estimated spending by out-of-town visitors but not exhibitors.
2. Some institutions did not have solid estimates on their attendance by geographic area. In some select cases, MARC and ETC Institute made estimates based on similar organizations and the location of the institution.
3. Some institutions had conflicting revenue and expenditure estimates and efforts were made to reconcile the differences.
4. Several institutions' annual attendance was included in the totals; however, financial information for those groups was not provided and was not included in the revenue impact. Included in this group is Hallmark Cards' Kaleidiscopes and the federally operated Fort Leavenworth Frontier Army Museum.
5. The economic impact of out-of-town visitors assumes that most attend events or view exhibits at the surveyed institutions as part of their stay in metropolitan Kansas City. Most out-of-town visitors come to the region for other reasons, such as family visits, Worlds of Fun, the Kansas City Chiefs or the Kansas City Royals. In some cases, visitors do extend their stay to patronize cultural institutions. This study is conservative in its estimate that only 25 percent of the out-of-region visitors remained at a hotel/motel overnight and for only one night.

Attendance by Place-of-Residence and by Race
By Type of Institution

	music opera	dance	visual arts	theater	museums hist. sites	multi-disc. special	Total
KCMO in Jackson Co.	159,187	26,209	165,071	239,512	131,877	383,405	1,105,261
KCMO in Clay Co.	21,803	720	12,038	40,124	35,520	64,048	174,253
KCMO in Platte Co.	16,488	242	5,206	14,466	22,428	45,468	104,298
Independence	19,702	1,090	4,686	30,810	45,408	67,104	168,800
Other Jackson Co.	25,076	1,850	2,344	24,267	46,862	64,634	165,033
Other Clay Co.	4,881	242	1,206	3,343	31,328	16,122	57,122
Other Platte Co.	3,499	242	67	1,321	18,329	9,941	33,399
Cass Co.	4,754	242	3,476	3,382	9,578	6,206	27,638
Johnson Co.	204,375	14,750	159,735	288,627	45,383	350,727	1,063,597
Leavenworth Co.	5,068	242	2,265	6,825	57,459	33,291	105,150
Wyandotte Co.	18,007	5,610	11,710	36,852	50,273	101,982	224,434
Ray Co.	334	0	0	1,021	20,207	24,880	46,442
Other Missouri	5,581	1,329	27,654	8,707	121,154	41,555	205,980
Other Kansas	6,366	480	23,100	7,224	87,147	68,600	192,917
Other U.S.	3,354	242	41,123	571	351,425	109,642	506,357
Foreign	17	0	2,277	11	35,663	946	38,914
Total Attendance	498,492	53,490	461,958	707,063	1,110,041	1,388,551	4,219,595
Black	23,839	11,427	23,099	65,709	103,608	209,737	437,419
Hispanic	6,590	1,029	23,099	14,296	64,936	68,637	178,587
White	467,084	40,528	392,666	614,961	882,796	1,064,345	3,462,380
Other Races	979	506	23,094	12,097	58,701	45,832	141,209
Total Attendance	498,492	53,490	461,958	707,063	1,110,041	1,388,551	4,219,595

Economic Impact Study of Museums, Historic Sites, Arts Institutions and Special Attractions Metropolitan Kansas City

Your help is needed to acquire current and accurate data about the economic impact of cultural institutions within metropolitan Kansas City. The results will be presented only in summary form, and no individual institution's data will be released or published.

Please return by **August 7** in the business reply envelope to Marlène Nagel at MARC (474-4240). Feel free to send a letter clarifying unusual features about your organization.

Please indicate whether the data are "estimated" or based on "actual" data when requested. Use data from calendar year 1988 or your most recent fiscal year.

Attendance & Volunteer Support

1. Which of the following best describes your organization?

<input type="checkbox"/> (1) Music and/or opera <input type="checkbox"/> (2) Theater <input type="checkbox"/> (3) Dance <input type="checkbox"/> (4) Visual arts	<input type="checkbox"/> (5) Museum <input type="checkbox"/> (6) Historic Site <input type="checkbox"/> (7) Multi-discipline <input type="checkbox"/> (8) Special attraction (e.g., zoo, Kaleidoscope)
---	--

2. Annual attendance _____
 Estimated Actual

3. Cost for one adult admission (use average if you have a range) \$ _____

4. Have you conducted an audience/visitor survey within the last five years?
 Yes (please provide a copy or call Marlène Nagel)
 No, but would be willing to conduct a limited survey
 if forms were supplied to us
 No, and would not be willing to conduct a limited survey

5. Estimated percent of attendees from the following areas
 (Be sure they add to 100 %) (SEE INSERT SHEET FOR ZIP CODES
 WITHIN THESE AREAS IF YOU KEEP DATA ONLY BY ZIP CODE)

<input type="checkbox"/> (1) Kansas City, MO in Jackson County <input type="checkbox"/> (2) Kansas City, MO in Clay County <input type="checkbox"/> (3) Kansas City, MO in Platte County <input type="checkbox"/> (4) Independence, MO <input type="checkbox"/> (5) Other Jackson County <input type="checkbox"/> (6) Other Clay County <input type="checkbox"/> (7) Other Platte County <input type="checkbox"/> (8) Cass County	<input type="checkbox"/> (9) Johnson County <input type="checkbox"/> (10) Leavenworth County <input type="checkbox"/> (11) Wyandotte County <input type="checkbox"/> (12) Ray County <input type="checkbox"/> (13) Other Missouri <input type="checkbox"/> (14) Other Kansas <input type="checkbox"/> (15) Other United States <input type="checkbox"/> (16) Foreign
--	---

6. Please provide estimates for the percentages of your attendance/audience
 Black _____%, Hispanic _____%, White _____%, Other _____%

7. How many volunteers do you currently have? _____
 Approximately how many hours do they contribute annually? _____

8. What is your estimate of donated goods and services per year?
(e.g., space, postage) \$ _____

9. What type of institution are you?
____ (1) 501(c) not-for-profit ____ (4) State government
____ (2) Other not-for-profit ____ (5) Local government
____ (3) Federal government ____ (6) Other, please specify _____

10. What is your estimated total value for all your assets? \$ _____
What percentage of your total asset value is real estate? _____%

Financial Information: If you were required to file a 1988 IRS Form 990, most of the following information can be obtained from that form; the line number is provided for your reference.

Data provided below are:
____ From 1988 Form 990 (can be checked only if you filed this form)
____ Other actual data
____ Estimated data

A. Sources of Revenue (Data for questions 2-5 are requested for only specific sources, not all sources)

1. Total revenue from all sources for 1988 \$ _____
(Line 12 in Column A of Form 990)

2. Contributions, gifts, grants, and similar amounts received during 1988. Please try to indicate how many dollars came from government grants/public sources and how many came from private sources and foundations.

	<u>Government grants and/or public sources</u>	<u>Foundations and/or private sources</u>
Local sources	\$ _____	\$ _____
State sources	\$ _____	\$ _____
Federal sources	\$ _____	\$ _____
Total	\$ _____	\$ _____

(The Grand Total should equal Line 1d in Column A of Form 990)

3. Program service revenues including tickets, admissions, and fees for educational services (Line 2 in Column A of Form 990) \$ _____

4. Membership dues and assessments (Line 3 in Column A of Form 990) \$ _____

5. Net income during 1988 by offering goods or services (e.g., carnivals, dinners, sales of merchandise, giftshop) (Line 9c plus line 10c in Column A) \$ _____

B. Expenditures (Data for questions 2-8 are requested for only specific sources, not all sources)

1. Total functional expenses during 1988 (includes all expenses except capital) (Line 44 in Column A) \$ _____

2. Construction/capital improvement expenditures during 1988
Do not include these expenditures in the total above. \$ _____
3. Accounting/legal fees
(Line 31 plus line 32 in Column A) \$ _____
4. Supplies, printing, publications, promotion
(Line 33 plus 38 in Column A) \$ _____
5. Facilities related expenses during 1988
(telephone, occupancy/rent, equipment rental/maintenance,
Line 34 plus line 36 plus line 37 in Column A) \$ _____
6. Property tax (if any) paid for 1988 \$ _____
7. Sales tax paid during 1988 to: State of Kansas \$ _____
State of Missouri \$ _____
8. Contractual/professional artists/service contractors
(without required withholding and FICA) \$ _____
9. Consider your total expenditures minus salaries paid to employees.
What do you estimate to be the percentage of this non-payroll
expenditure balance that is spent within metropolitan Kansas City?
(Contractual/professional artists/service contractors will be
included in this balance because they are not considered
payroll/salary expenses) _____ %

C. Payroll information for paid employees
(with required withholding and FICA)

1. Total dollars earned by paid employees during 1988, or most recent fiscal year.
\$ _____

This amount can be obtained in one of the following 4 ways: (1) line 1 of your 1988 FUTA Form 940, (2) line 10 of your 1988 W-3, Transmittal of Income & Tax Statements, (3) the sum of lines 25 and 26 in Column A of Form 990, or (4) your salary expenditure line item in your organization.

2. Total employee income taxes withheld for 1988. The Federal income tax withheld is on line 9 of the W-3; Transmittal of Income & Tax Statements. The transmittal sheets for state and city income taxes show their corresponding dollar amounts withheld.

(If you are a governmental organization and someone else files your W-3, you might request whether summary W-2 data can be obtained for your paid employees, since all of the following information would appear for employees on their individual W-2's.)

Federal	\$ _____	Kansas	\$ _____
Missouri	\$ _____	Kansas City Missouri City	\$ _____

3. Employer payroll taxes (the sum of the following should equal line 29 in Column A of your 990 form)
 (If you are a governmental organization and someone else files your reports, you might request their assistance. The % rates for your organization might at least permit you to provide estimates.)

1988 State of Missouri unemployment (total paid with 4 quarterly "Employer Wage and Contribution Reports") \$ _____

1988 State of Kansas unemployment (total paid with 4 quarterly "Employer Wage and Contribution Reports") \$ _____

1988 FICA (Line 11 of W-3: Transmittal of Income & Tax Statements) \$ _____

1988 Federal FUTA \$ _____

4. Average annual total number of paid employees: _____

This can be obtained by (1) adding the total number of employees on all four 1988 "Employer Wage and Contribution reports" and (2) dividing that total by 4. An alternative is to (1) estimate the total number of employees for each month during 1988, (2) add them up, and (3) divide by 12.

1. Do you own the facility in which you operate?

____ No, rent/donated from _____

____ Yes, and do not rent/donate space to others

____ Yes, and rent/donate space to the following other organizations

2. Would you like a summary copy of the final report for this project?
 ____ Yes ____ No

We need the following information, so that we can contact you if we need to clarify a response.

Name of Institution: _____

Other agencies which are legally part of your organization: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____

Director's Name _____ Title: _____

Form Completed by:

Name: _____ Title: _____

THANKS FOR YOUR PARTICIPATION!!

TESTIMONY

MIKE KELLY

GREATER KANSAS CITY CHAMBER OF COMMERCE
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT
FEBRUARY 25, 1991

My name is Mike Kelly, and I am testifying in favor of enabling legislation that would allow voters in the Greater Kansas City area to create a bi-state cultural district. I am appearing on behalf of the Greater Kansas City Chamber of Commerce and Yellow Freight.

The Greater Kansas City Chamber of Commerce represents more than 3,000 businesses in the Kansas City metropolitan area. Many, like Yellow Freight, are headquartered in Kansas but have operations on both sides of the state line.

The bi-state cultural district is an economic development issue. According to a MARC study, the arts in the Greater Kansas City area have an impact of almost more than \$85 million on the area economy. This means an impact of \$33 million in additional disposable income and an additional 2,066 jobs in the metropolitan area. These institutions attracted more than 950,000 out-of-town visitors in 1988. The study also indicates residents from both states attended performances or visited area institutions in almost equal numbers.

Cultural institutions on both sides of the state line could benefit from this legislation. In recent years, we have seen an increased awareness of the economic importance of the arts to a metropolitan area. In response to this trend, Johnson County has constructed a new performing arts center at the Johnson County Community College. The reaction to this facility has been tremendous from not only Kansas residents, but residents of the entire metropolitan area.

The bill, which was introduced by Rep. Nancy Brown, is supported by a wide variety of groups from the Kansas City metropolitan area. It has been endorsed by business groups such as the Greater Kansas City Chamber of Commerce and most Kansas City area Chambers, civic groups and arts groups throughout the area.

*Eco-Devo
Attachment #4*

02-25-91

The bill is substantially different from the one introduced last year. Since last year, supporters of the original legislation met with those who had problems with last year's bill and started to work on a totally new bill. The result is a bill that contains additional measures designed to give the commission the maximum in accountability, and it does not allow the commission to incur debt financing. Like last year's bill, it requires a majority vote of commission members of one state in order to fund an institution located in the other state. This bill also requires a petition procedure or approval of the county commission before it is placed on the ballot for a vote of the people.

Put simply, the bill is a responsible one. It gives the voters the right to decide whether to enter into a bi-state agreement to fund cultural amenities that benefit the entire metropolitan area. I urge you to support this proposal.