

Approved: March 14, 1997
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairman Bill Mason at 3:30 p.m. on February 20, 1997 in Room 423-S of the Capitol.

All members were present except: Barbara Allen (Excused)
Lisa Benlon (Excused)

Committee staff present: Lynne Holt, Legislative Research Department
Renaë Jefferies, Revisor of Statutes
Beverly Renner, Committee Secretary

Conferees appearing before the committee: Susan Duffy, State Historical Society
Courtney B. Swann, State Historical Society
Judy Moler, Kansas Association of Counties
Representative Shari Weber
Representative Judy Showalter
Lieutenant Governor Sherrer, Secretary, Department of
Commerce and Housing

Others attending: See attached list

Chairman Mason opened the hearing on **HB 2450** - an act relating to the heritage trust fund; concerning the funding therefore.

Lynne Holt, Legislative Research explained the intent of the bill was to increase from \$100,000 to \$200,000 the maximum amount to be paid in any calendar year by the county treasurer to the state from mortgage revenue fees to the Heritage Trust Fund which is used to award grants to assist in historic preservation projects involving property included in the National or State Register of Historic Places (Attachment 1).

Susan Duffy, Associate Director of the State Historical Society appeared to explain the program operation. She introduced Courtney B. Swann, the Program Manager who defined the process of granting awards and details of the success of the program (Attachment 2).

Judy Moler, General Counsel and Legislative Services Director of the Kansas Association of Counties, offered background information on a need to hold this bill over until the 1998 legislative session when the Supreme Court decision that both the original lender and the assignee share the mortgage exemption can be evaluated and the impact studied (Attachment 3).

Representative Shari Weber appeared as a proponent to encourage enhancement of this fund to aid in preserving our past, to create positive community identity, cooperation and economic benefit. (Attachment 4).

Seeing no other conferees for the bill, Chairman Mason closed the hearing on **HB 2450**.

Chairman Mason opened the hearing on **HB 2457** - an act establishing Community Development Corporations.

Lynne Holt, Legislative Research defined the Community Development Corporations (CDC) as non-profit organizations originated locally as residents of a neighborhood attempt to revitalize the neighborhood.

Representative Judy Showalter appeared as a proponent for **HB 2457** (Attachment 5). The bill proposes to form councils within distressed areas composed of local residents who meet economic guidelines. Grants will be limited to no more than \$50,000 in any fiscal year and will depend on the amount of community support measured by the participation in the projects by volunteers, their participation in soliciting input from other organizations that provide community and regional assistance and the amount of nonstate matching funds

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, Room 423-S
Statehouse, at 3:30 p.m. on February 20, 1997.

identified as available for the project.

Lieutenant Governor/Secretary Gary Sherrer appeared as a supporter of community development projects with issues needing to be addressed about **HB 2457**. Smaller communities will have difficulty in meeting the definition used in the bill. Institutionalizing these projects may not be the best way considering the neighborhood groups that are in existence today without the rigid structure outlined.

No other conferees were present. Chairman Mason closed the hearing on **HB 2457**.

Representative Long moved that the meeting minutes for February 13 and 18 be approved as distributed. Representative Henderson seconded the motion. The motion was approved.

Chairman Mason adjourned the meeting at 4:30 p.m.

The next meeting for 1997 is not scheduled.

(f) Upon the completion of its investigation of the application for acquisition of historic property, the state historic sites board of review shall report its findings to the governor and to the legislature. Such report shall be made not later than one year subsequent to the receipt by the secretary of the state historical society of the application for acquisition of historic property.

(g) As used in this section, the terms "historic preservation" and "historic property" shall have the meanings ascribed to such terms in K.S.A. 75-2716 and amendments thereto.

History: L. 1982, ch. 330, § 1; L. 1987, ch. 333, § 1; L. 1988, ch. 338, § 1; L. 1991, ch. 258, § 1; July 1.

75-2729. Heritage trust fund; historic preservation project grants; conditions and requirements, award; amounts transferred from state general fund. (a) (1) There is hereby established in the state treasury the heritage trust fund. All moneys deposited in the heritage trust fund shall be used for the purpose of awarding grants to assist historic preservation projects involving property included in the national register of historic places or the state register of historic places, excluding property owned by the state or federal government, and shall be used by the state historical society for the administration of the heritage trust fund program. At least 50% of the amount awarded annually in grants shall be used for the preservation of eligible properties owned by county and local governments, county and local historical societies and by private nonprofit organizations. The state historical society may also provide grant assistance from moneys in the heritage trust fund on a matching basis and also may establish a revolving fund loan program from moneys in such fund. The state historical society may establish different matching fund requirements for the various types of applicants, but the matching contributions required from for-profit corporations shall be dollar for dollar. For-profit corporation applicants shall be assisted only if the property's continued existence is threatened or its rehabilitation is not economically feasible without grant assistance. The state historical society shall ensure that such moneys are expended for the purpose of this section, and may adopt rules and regulations as necessary to carry out the purpose of this section.

(2) In evaluating grant applications involving historic preservation projects under subsection

(a)(1), the state historical society shall consider the following factors: The level of historical significance of the property; the condition of the property; the urgency of the preservation work proposed; whether or not the property is endangered; the type of work proposed; a geographical distribution of assisted properties; the administrative ability of the applicant; the potential benefit to the community and the state; community support for the project; ineligibility of the project for other funds; and an assessment of the need of the owner for the grant assistance to do the project.

(3) (A) The state historical society shall establish provisions to recapture grant moneys in accordance with the following factors: If an approved rehabilitated building is held by the grantee for longer than five years after the completion of the grant project, there is no recapture of the grant funds; if the owner, or designated heir, in the case of the owner's death, disposes of the property after a holding period of less than one year after the completion of the grant project, 100% of the grant is recaptured; and for properties held between one and five years, the grant recapture amount is reduced by 20% per year.

(B) The state historical society may inspect a rehabilitated property at any time during the five-year period and may revoke or invalidate the approval if work was not undertaken as presented in the grant application or if further unapproved alterations have been made. Modifications made during the five-year period following the completion of the grant shall be made in accordance with standards established by the state historical society.

(b) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the heritage trust fund interest earnings based on:

(1) The average daily balance of moneys in the heritage trust fund for the preceding month; and

(2) the net earnings rate for the pooled money investment portfolio for the preceding month.

(c) Except as otherwise provided in this section, all expenditures from the heritage trust fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of the state historical society or a person designated by the secretary.

History: L. 1990, ch. 351, § 2; L. 1992, ch. 272, § 14; L. 1996, ch. 253, § 30; May 23.

2. Heritage Trust Fund Program. The Heritage Trust Fund Program, which was enacted by the 1990 Legislature, provides state grants for the preservation of properties listed on the National Register of Historic Places. The law that implemented the program provided for a one-cent increase in the mortgage registration fee assessed per each \$100 of a mortgage at the time it is registered; the revenue raised by that one-penny increase is forwarded quarterly to the State Treasurer for deposit in the Heritage Trust Fund. Annual revenues to the Fund are approximately \$680,000. The Heritage Trust Fund Act allows the Society to use Heritage Trust Fund moneys both for grants and for program administration; there is no funding from the State General Fund in this program.

According to the agency, 63 grants have been awarded so far under the program. Of the projects receiving grants, half (32) have been completed.

**HERITAGE TRUST FUND PROGRAM
SUMMARY OF EXPENDITURES FY 1996-FY 1998**

Item	Actual FY 1996	Agency Estimate FY 1997	Gov. Rec. FY 1997	Agency Request FY 1998	Gov. Rec. FY 1998
Salaries and Wages	\$ 34,113	\$ 34,573	\$ 34,183	\$ 34,841	\$ 35,588
Contractual Services	40,649	43,968	43,968	45,168	45,168
Commodities	700	500	500	500	500
Capital Outlay	3,386	4,200	4,200	0	0
Subtotal—State Op.	\$ 78,848	\$ 83,241	\$ 82,851	\$ 80,509	\$ 81,256
Grants	573,296	630,000	630,000	630,000	630,000
TOTAL	\$ 652,144	\$ 713,241	\$ 712,851	\$ 710,509	\$ 711,256
FTE Positions	1.0	1.0	1.0	1.0	1.0
Unclassified Temp. Positions	0.0	0.0	0.0	0.0	0.0
TOTAL	1.0	1.0	1.0	1.0	1.0

Important Issues in the Heritage Trust Fund Program

- ◆ The Society's FY 1998 request would allow the program to continue to operate at essentially the current year level. The Historical Society estimates that 15 grants will be awarded in FY 1998, which is two more than the FY 1997 estimate. Approximately a third of grant moneys usually go to local units of government to assist them in restoring historic resources.
- ◆ The Governor makes no significant changes from the Society's FY 1998 request, except that he adjusts salaries and wages to provide for a 1.0 percent base salary increase for the program's one classified employee that is in addition to the requested step movement.

3a. Archaeology – State General Fund. The portion of the Archaeology Department that is financed from the State General Fund has established as its goal the study, preservation and interpretation of the state's archaeological resources. This portion of the department has four components: research, collections management, public service and statutory assignments.

- **Research** is frequently carried out at the Society's historic sites; it entails field investigations, laboratory and office processing of specimens and records and the publication of reports regarding the results of the research.



MEMORANDUM

TO: Rep. Bill Mason, Chairman Committee on Economic Development
FROM: Courtney B. Swann, Kansas State Historical Society
REF: HB2450
DATE: February 20, 1997

Background

The Heritage Trust Fund was created by the 1990 State Legislature to provide assistance to individuals and organizations responsible for the preservation of historic properties in Kansas. This fund is the only state financial incentive program for historic preservation. The result has been a greater awareness of our cultural heritage and greater interest in its preservation.

The purpose of this grant program is to assist in the preservation of significant historic properties. Approximately \$500,000 per year is available for grant awards. To be eligible for the funds properties must be listed on the Register of Historic Kansas Places or the National Register of Historic Places and can not be owned by the state or federal government. A property that is part of a National or State Registered district must be identified as a "contributing property" within the district to be eligible for grant funds.

Eligible project activities include professional services to plan the preservation project, temporary stabilization, rehabilitation, and restoration. For-profit corporations must provide a dollar-for-dollar match and other grant recipients provide 20 percent of the cost of eligible project activities. In-kind services and indirect costs are not accepted as a matching share. Most grant awards fall between \$5,000 and \$75,000.

The law that created the fund specifies eleven factors that shall be used to evaluate applications: the level of historical significance of the property, the condition of the property, the urgency of the preservation work proposed, whether or not the property is endangered, the type of work proposed, a geographical distribution of assisted properties, the administrative ability of the applicant, the potential benefit of the proposed project to the community and the state, community support for the project, ineligibility of the project for other funds, and an assessment of the need of the owner for the grant assistance to do the project. For profit corporations may receive funds only if a property's continued existence is threatened or its rehabilitation is not economically feasible without grant assistance.

The law also requires that at least fifty percent of the amount awarded each year in grants must be used for the preservation of eligible properties owned by county and local governments, county and local historical societies, and private non-profit organizations. The rest of the grants can be awarded to homeowners, businessmen, farmers, ranchers, and any others who own eligible historic properties.

As provided by the law, the Historical Society requires that the transfer of these grant funds is contingent upon an agreement whereby those who benefit directly from these grants agree to maintain the property for a time, minimally five years, and thus ensure that all the people of Kansas receive benefit from the preservation of these properties.

HOUSE ECONOMIC DEVELOPMENT
February 20, 1997
Attachment 2

KANSAS

STATE

HISTORICAL

SOCIETY

Cultural Resources
Historic Preservation
Office (ext. 240)

6425 S.W. 6th Avenue
Topeka, Kansas
66615-1099
PHONE# (913) 272-8681
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KANSAS HISTORY CENTER

Administration
Center for Historical Research
Cultural Resources
Education / Outreach
Historic Sites
Kansas Museum of History
Library & Archives

HISTORIC SITES

Adair Cabin
Constitution Hall
Cottonwood Ranch
First Territorial Capitol
Fort Hays
Goodnow House
Grinter Place
Hollenberg Station
Kaw Mission
Marais des Cygnes Massacre
Mine Creek Battlefield
Native American Heritage Museum
Pawnee Indian Village
Pawnee Rock
Shawnee Mission

Background cont.

Due to the competitive nature of this program, the quantity of applications and funds requested typically exceeds the amount of funds available. As an example, in 1996 fifty two (52) applications were received, requesting approximately \$ 2.4 million dollars. Available funds (\$ 635,600) allowed funding for thirteen (13) projects.

Current Status

Each year the Heritage Trust Fund staff hold workshops around the state for potential applicants. This past year the workshops were held in Concordia, Fort Scott, Garden City, McPherson, and Topeka.

Since the inception of the Heritage Trust Fund program, sixty three (63) grants have been awarded, between 1991 and 1996, with over \$2.8 million in funds utilized for the preservation of historic properties in Kansas. The funded projects are located around the state. Please see the attached map for locations of projects. To date forty (40) projects have been completed. It is anticipated that at least thirteen (13) of the remaining projects will be completed during the summer of 1997.

The Heritage Trust Fund was set up to be self-supporting. All operating expenses are drawn from the fund and no state general fund monies are utilized for this program. Grants are awarded annually, based upon funds available. This program has not practiced deficit financing by awarding funds based upon estimated income. Once the grants are awarded the funds for each project are encumbered. The funds are dispensed to the project administrators incrementally or upon completion of the project, as determined by the grant recipient. It is anticipated that approximately \$ 500,000 in grants will be awarded for project applications submitted by the upcoming February 28th deadline.

The Heritage Trust Fund program has continued to evolve to meet the needs of the public. To provide a faster initiation of construction projects the application deadline is being modified to late summer or early fall. The change in application deadlines will allow planning activities to occur during the winter when construction activities are less. Consequently, two rounds of grants will be awarded during the 1997 calendar year as we convert to the new schedule.

The Heritage Trust Fund is providing an opportunity for the historic properties of Kansas to be preserved for future generations. Many of the project representatives have continued to contact Historical Society staff, after the completion of their projects for additional technical assistance. Through the projects funded by this program, an informed network of individuals and organizations is forming to preserve the cultural resources of Kansas.

Proposed HB2450

Should HB2450 be passed it is our estimation that funds forwarded to the Heritage Trust Fund would increase by approximately \$ 130,000. The additional funds would allow for funding of three or four additional projects. Based upon past fund receipts the increase would be collected from Johnson and Sedgwick counties, since they are the only counties to currently hit the existing cap. It is our opinion that the additional funds, and the subsequent additional projects, would not require an increase in staffing for this program.

TESTIMONY
HB 2450
by Judy Moler
Kansas Association of Counties
February 20, 1997

I am Judy Moler, General Counsel and Legislative Services Director for the Kansas Association of Counties. Thank you for allowing me to testify today on HB 2450. I am neither a proponent or opponent of the bill. I would like to add some information to the consideration of this bill. The Kansas Association of Counties has as one of its affiliate members, the Kansas Register of Deeds Association. This Association brought to our attention a recent Kansas Supreme Court decision which effects mortgage registration fees. The decision deals with the "same lender" exception to the payment of mortgage registration tax pursuant to K.S.A. 79-3102 (d) (3), which states that the exemption from taxation is applicable to subsequent mortgages filed by the "same lender or their assigns". It was the position of the defendents in this case (Riley County and the Kansas Register of Deeds Association) that the exemption should belong only to the original lender OR the assignee of the mortgage. The Kansas Supreme Court disagreed and ruled the exemption belongs to both the original lender AND the assignee of the mortgage. It is too early to ascertain the fiscal implication of this Supreme Court decision. However, in light of this decision, the Kansas Association of Counties is planning to do an indepth study on mortgage registration fees and the need for, if any, a replacement fee for revenue lost. We would convene a study group shortly after the legislature adjourns and conclude the study by the 1998 legislative session with specific recommendations for legislation if needed. We would ask that this bill be held over until next session and that this issue be included within the study. We would hope that persons affiliated with the Heritage Fund and Kansas Historical Society would be a part of this study group.

I would be glad to answer any questions you might have.

THE KANSAS HOUSE

REPRESENTATIVE, 68TH DISTRICT
CENTRAL & SE DICKINSON, MORRIS &
NORTHERN LYON COUNTIES

OFFICE: STATE CAPITOL—426-S
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JOINT COMMITTEE ON CHILDREN AND
FAMILIES
DURING SESSION
LEGISLATIVE HOTLINE
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Representative Shari Weber

Testimony for House Economic Development Committee
Re: H.B.# 2450 Hearing: February 20, 1997

Thank you for the opportunity to appear before the Committee today. I am anxious to share with you information about H.B. # 2450 and the impact I feel it will have upon the citizens of Kansas.

This bill reflects a change in current law enacted in 1990 - the Heritage Trust Fund was created to help preserve properties included in the national register of historic places and the state register of historic places.

The Fund is a state financial incentive program for historic preservation. In every county, revenue is collected via a mortgage fee. This fee was first enacted in 1923 at \$.25 per \$100.00 of every mortgage registered. In 1990, this fee was raised to \$.26 with the extra penny going to the Heritage Trust Fund. This penny fee raises approximately \$500,000.00 per year. There is also a cap in current law, that limits the funds from any one county to \$100,000.00 per year.

The Heritage Trust Fund grants are administered by the Kansas State Historical Society. The law also requires that at least 50% of the amount awarded each year in grants must be used for the preservation of eligible properties owned by county and local governments, county and local historical societies, and private non-profit organizations. The rest of the grants can be awarded to homeowners, businessmen, farmers, ranchers, and any others who own eligible historic properties.

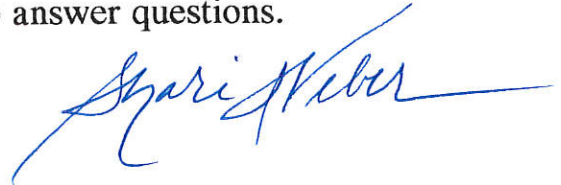
This program has had approximately 50 applications each year, with approximately 10 projects each year being funded. As you may ascertain, there are many worthy projects in need of these historic preservation grants. It is for that reason that I offer H.B.# 2450, which expands the current law cap of \$100,000.00 per county to \$200,000.00 per county. This would net more dollars without raising the current tax level.

The Heritage Trust Fund in its short 5-year history has produced tremendous physical results for historic properties across our state. I would also submit to you that it has been the spark that fuels community efforts to preserve our past in a very credible manner and create positive community identity, cooperation and economic benefit.

It is my belief that this Heritage Trust Fund brings our state many

advantages and should be expanded. For that reason,, I would advocate your consideration of this bill which expands the dollars that would flow into the fund, and therefore be available to fund the many worthwhile projects for historic preservation across our great state.

I thank you for your time and am available to answer questions.

A handwritten signature in blue ink, appearing to read "Gary Weber", with a long horizontal flourish extending to the right.

HERITAGE TRUST FUND GRANTS

The Heritage Trust Fund was created by the 1990 State Legislature to provide assistance to individuals and organizations responsible for the preservation of historic properties in Kansas. This fund is the only state financial incentive program for historic preservation. The expected long-term results are greater awareness of our cultural heritage and greater interest in its preservation.

The purpose of this new grant program is to assist in the preservation of significant historic properties. Approximately \$400,000 per year will be available for grant awards. To be eligible for the funds properties must be listed on the Register of Historic Kansas Places or the National Register of Historic Places and can not be owned by the state or federal government. A property that is part of a National or State Registered district must be identified as a "contributing property" within the district to be eligible for grant funds.

Eligible project activities include professional services to plan the preservation project, temporary stabilization, rehabilitation, and restoration. For-profit corporations must provide a dollar-for-dollar match and other grant recipients will provide 20 percent of the cost of eligible project activities. In-kind services and indirect costs will not be accepted as a matching share. Most grant awards will fall between \$5,000 and \$75,000.

The law that created the fund specifies eleven factors that shall be used to evaluate applications: the level of historical significance of the property, the condition of the property, the urgency of the preservation work proposed, whether or not the property is endangered, the type of work proposed, a geographical distribution of assisted properties, the administrative ability of the applicant, the potential benefit of the proposed project to the community and the state, community support for the project, ineligibility of the project for other funds, and an assessment of the need of the owner for the grant assistance to do the project. An additional test is prescribed for grants to for-profit corporations - they may receive funds only if a property's continued existence is threatened or its rehabilitation is not economically feasible without grant assistance.

The law also requires that at least fifty percent of the amount awarded each year in grants must be used for the preservation of eligible properties owned by county and local governments, county and local historical societies, and private non-profit organizations. The rest of the grants can be awarded to homeowners, businessmen, farmers, ranchers, and any others who own eligible historic properties.

The Kansas State Historical Society will require that the transfer of these grant funds be contingent upon an agreement whereby those who benefit directly from these grants agree to maintain the property for a time, minimally five years, and thus insure that all the people of Kansas receive benefit from the preservation of these properties.

Recapture provisions included in the law are triggered if a grant recipient does not hold a property at least five years after the completion of a grant project. Grant recipients who hold a property less than a year are subject to a 100% recapture; the recapture is reduced by 20% for each complete year. The Historical society was also given the authority to inspect any assisted property at any time within the five-year period and to revoke approval if inspection shows that the work was not carried out as proposed or if unapproved alterations were made.

Applications, the Heritage Trust Fund Grants Manual, and related program information are available to interested parties upon request.

Kansas Preservation *1996 Year in Review*

- **\$630,600** awarded to 13 Heritage Trust Fund projects in 1996.
Projects receiving HTF grants in 1996 were located in: **Baldwin City, Cottonwood Falls, Fort Scott, Garden City, Grainfield, Lincoln, Neodesha, Newton, Topeka, Troy, Wamego and Wichita.**
- **\$2,674,000** awarded to rehabilitate historic Kansas railroad depots and bridges in 1996.
Historic depots in **Dodge City, Enterprise, Ft. Leavenworth, Garden City, Madison and Manhattan** will be repaired with federal matching funds allocated to the Kansas DOT. Historic bridges in **Douglas County and Winfield** will also be repaired through this program.
- **\$8,964,872** invested in downtown improvements in Kansas Main Street towns in 1996.
In addition, **45 net new businesses** and **207 net new jobs** were created in Kansas Main Street cities in 1996.
- **\$5,525,370** invested in historic commercial rehabilitation projects in 1996.
This private investment was leveraged by the federal Rehabilitation Tax Credits that are available for rehabilitation of National Register listed properties for commercial use. This year's projects ranged from a \$15,000 repair of a bank in **Valley Falls** to the \$3.5 million rehabilitation of the Stilwell Hotel in **Pittsburg** to provide affordable housing for the elderly. Other projects were in **Garden City, Oberlin and Topeka.**
- **138,041** visitors to the Kansas State Historical Society's 13 historic sites in 1996.
Many of these visitors were from other states and **nearly 1,000 came from other countries.** In addition, another 137,689 people visited the Kansas Museum of History in Topeka in 1996.

"As Kansans, we're fortunate to live in a state that's rich in heritage -- a state that's rich with landmarks and reminders that connect us to our past. By honoring that heritage on Kansas Day, we're not only showing reverence for the past -- we're also laying a cornerstone for the future."

- Governor Bill Graves

Taxing problem is out of control

Daisy Lamb took a run down house that was subsequently listed on the Historic Register; repaired, restored and refurbished it to save a part of Kansas history. She even opened her home to the public as part of the Historical Society tour to share her awareness of how people lived in years gone by. Considering that Johnson County taxpayers had just voted to spend millions of dollars to preserve the history of the Union Station, no one can argue that Daisy has not done a noble and selfless thing and should be suitably recognized and, perhaps, even rewarded with a tax reduction similar to that provided in other cases of historic restoration.

Well, not exactly. Seems that our noble county appraiser (of recent nativity scene fame) although forbidden by state law to inspect the interiors of real property to determine value for tax purposes, decided to circumvent that obstacle by having his employees go into Mrs. Lamb's home to record every change and improvement so that the tax appraisal could be raised — and raised again. It appears that "Big Brother" (and Big Sister, too) are alive and well in Johnson County. Doesn't that seem strange in a county whose commissioners just found a way to extend a lucrative loophole for politically connected developers to avoid payment of taxes on land held for development by planting a Christmas tree?

So what has been accomplished?

- Daisy Lamb is being taxed out of her property and may have to move from the house she restored.
- Other historic properties will be allowed to deteriorate and disappear.
- Owners of historic properties will be reluctant to participate in Historical Society tours.
- Taxpayer distrust in county government is further justified and will continue to increase.
- Uniformity and equity has received yet another kick in the pants from the County Appraiser.

Johnson County government is out of control!

WILLIAM E. FUIKS
Overland Park

Heritage Trust Fund Grants Awarded

On May 13 the Kansas Historic Sites Board of Review made its recommendations for the 1995 round of Heritage Trust Fund (HTF) grants. The final choice marked the end of a lengthy and detailed selection process. All applications received were evaluated by a committee of the review board according to the criteria mandated by the legislation establishing the program. The overall high quality of the applications submitted this year made the reviewers' job particularly difficult.

As has been the case every year since the program began, this round was very competitive. Forty-five applications with a total request of \$2,374,576 vied for the available funds. Of these, fourteen were recommended to receive a total of \$556,090 in grant funds. The properties selected for funding include a functioning library, two county courthouses, a movie theater, two hotels, a farmhouse, a rural schoolhouse, a prairie-style house, a former bank building, a cemetery dating to the mission experience of the Delaware tribe, and a church building associated with a historic English settlement. Together these properties represent much of the diversity that contributes to the depth of Kansas history.

Having completed the fifth round of the program, we can begin to see the positive effect the trust fund has had on the preservation of historic properties throughout the state. Many counties that would have great difficulty funding large-scale activities have received funding sufficient to complete important preservation projects. The attempt to achieve geographic balance must be seen as especially successful when viewed in relation to the number of properties eligible for grants. Only those properties listed on the national or state registers of historic places may receive funds through the program. Although five percent of the properties eligible to receive funds are located in the western third of the state, during the five years the trust fund grants have been available, four-

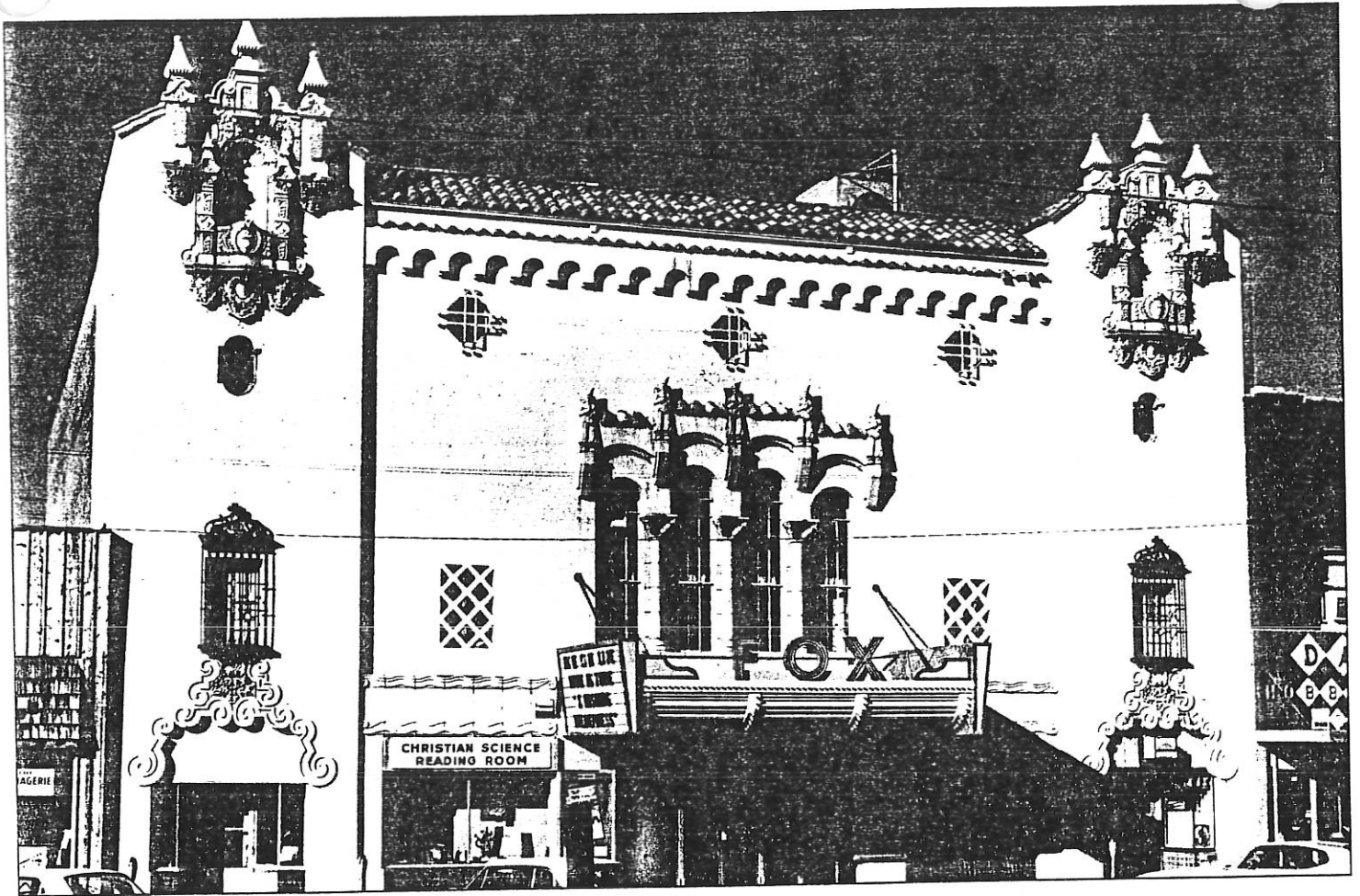
teen percent of the funds have gone to the west. The central portion of the state, which boasts twenty-seven percent of the properties listed on the National or Kansas Register of Historic Places, has received thirty-one percent of the funds. Sixty-eight percent of the eligible properties are in eastern Kansas, and property owners there have received fifty-five percent of the funding.

The effective impact of the program on a diverse range of properties, owners, and geographic areas does not occur through happenstance. Throughout the history of the program, efforts have been made to expand contact with as many local entities and individuals as possible. One means has been through site visits to potential applicants. Last year alone, no fewer than eighty site visits were made. The owners of these historic buildings received information they could use in the preparation of their applications and in maintaining their buildings. This is especially important since applications that propose inappropriate remedies for buildings will not be considered for funding. Another benefit is that the property owners received free advice on the best course of action to take. Often potential applicants have found that they are concentrating on minor or cosmetic problems when more pressing structural damage needed to be remedied.

The program also has been made more accessible by providing a great deal of staff support in writing applications. When the program was established, a conscious effort was made to keep it from becoming the territory of grants writers. This has been done by encouraging the submission of preliminary applications for HTF staff review. The applicants can then employ the staff's comments to improve their proposals. This is a very important step in that most successful grants resulted from applications that first had a preliminary review. In addition, grant writing workshops are held in at least three locations in the state

(Continued on page 10)

4-7



A 1995 Heritage Trust Fund project at the Fox/Granada Theater in Emporia will fund repair of windows and doors, the exterior masonry, terra cotta, and tiles, as well as electrical service. The building was saved from demolition by the Emporia Granada Theater Alliance.

Heritage Trust Fund Awarded...
(Continued from page 8)

each year. The workshops are publicized to all who request grant information and through *Kansas Preservation*. Through the workshops members of the public are introduced to the program and are given advice about how to present their projects to the board.

It would be impossible to write fairly about the success of the program without giving proper credit to the members of the Kansas Historic Sites Board of Review who have dedicated so much effort to the program. The review of each round of grants demands up to eighty hours of work from the board members involved. Throughout the history of the program, the reviewers have been very conscientious about the process and their responsibilities. They make certain that all applications are ranked according to the stated criteria and that funds are distributed to sound

projects throughout the state.

The program has now awarded five rounds of grants. During that time more than \$2,500,000 has been distributed to projects throughout the state. The program, however, has remained very competitive. Depending on the year, from 8 to 23 percent of all applications have been funded. Forty-five applications were received this year, with total requested funds equalling nearly \$2,375,000. Overall, \$556,090 in matching grants were awarded to the following properties for projects that will be undertaken in the next year.

The International 99's received a grant in the amount of \$75,000 for the preservation of the Amelia Earhart Birthplace in Atchison. The work will involve removing vinyl siding and restoring the north porch and sun room of the house. Window conservation, stained glass repair, chimney repairs, and replacement of the roofing material on the flat roofed area also will be accomplished

with grant funds. The total cost of the project will be \$97,400.

A Heritage Trust Fund grant project in the amount of \$21,080 will repoint open masonry joints and repair the stone steps of the Anderson County Courthouse in Garnett. The total cost for this project will be \$26,350.

The Blue Rapids Public Library in Blue Rapids will receive a grant for \$25,220 to replace the existing roof, repoint the masonry and complete window and door repairs on the east and west sides of the building. Overall, the project will cost \$31,525.

The Heritage Trust Fund will provide \$26,000 to a \$32,500 project to repair the roof deck and install wood shingles to the Buck Creek School building in Jefferson County. The project also will include priming and painting the exterior wood portions of the building, repair of the brick chimney, masonry repointing, and

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Heritage Trust Fund Awarded...

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window repair.

A grant of \$6,300 will contribute to the \$7,875 needed to repair and clean nine headstones and to replace three missing headstone bases at the Delaware Indian Cemetery at White Church in Wyandotte County. The cemetery dates back to the mission experience of the Delaware tribe in Kansas during the mid-nineteenth century.

The Gilmore-Kent Farm in Doniphan County will benefit from a grant to stabilize and repair the two story wooden veranda, prime and paint the exterior wood surfaces, and install a wood shingle roof. Funding also was provided for repointing the stone house, including the basement foundation walls, and building twenty-nine wood storm windows and seven storm doors. The grant amount was \$33,280 for a \$41,600 project.

A grant for \$75,000 was awarded to the Emporia Granada Theater Alliance for the preservation of the Fox/Granada Theater. The project, which will cost a total of \$95,000, will include repair of the exterior masonry, terra cotta, and tiles on the outside walls and parapets, foundation repair, and repair of the doors and windows. Funds also were provided for installing new electrical service to the building.

The Jewell County Historical Society received a grant in the amount of \$40,000 for a \$50,086 project to preserve the old Jewell County Jail at Mankato. The funds will be used to pay for repair and painting of the soffits, repair of the gutters, downspouts, and windows, and masonry repointing.

Seventy-five thousand dollars were awarded to the Stilwell Heritage and Educational Foundation for the stabilization of the masonry on the east and south sides of the Stilwell Hotel in Pittsburg. The work will include repointing, rebuilding failed arches and parapets, and masonry cleaning. The total project cost will be \$167,400.

A grant of \$24,990 will be used to repair the tile roof of the Jesse A. Hoel House in the Westheight Manor Historic District in Kansas City. The funds also will be used to repair three monumental wood planters and decorative walkway structural elements.

The total project cost will be about \$31,240.

The original Marshall County Courthouse in Marysville, which now functions as a historical museum, will be given a functional roof under the program. The project will involve lifting the existing slate shingles, replacing the defective decking, installing new underlayment, and reinstalling salvaged slate shingles. The project also will include repair of the gutters and downspouts, and masonry and window repair. The grant will cover \$74,760 of the \$93,450 project.

The Old Runnymede Church in Harper will have its deteriorated foundation replaced with a grant of \$55,460 for a \$69,960 project. The building is one of the last remaining structures from the early English settlement of Runnymede. Currently it is owned by the Harper City Historical Society.

Planning grants also were awarded to assist the Brown Hotel in Neodesha and the First National Bank Building in Hiawatha. The \$16,000 planning grant to the Friends of the Brown Hotel will fund the preparation of design and construction drawings for the rehabilitation of the entire building. The \$8,000 grant for the First National Bank Building will pay for plans and specifications for the conservation of the exterior masonry, downspout and dormer repairs, window and door conservation, and priming and painting all exterior wood and metal surfaces. Masonry testing also will be included in the project.

Although we are very satisfied with the effect the program has had on the state, we would like to see it reach an even larger number of historically significant properties. Unfortunately, so many important structures and sites have not received the recognition they deserve through listing on the state or national registers. Until this has been accomplished, they will not be eligible for this or other means of financial support. One goal of the Kansas State Historical Society is to increase the number of historic buildings recognized by the National and Kansas Register of Historic Places. The Society welcomes the opportunity to assist individuals and local groups in developing nominations that will give our important historic resources the recognition and support they deserve.—*Carl Magnuson.*

Applications Solicited for Federal...

(Continued from page 1)

direct project costs may be financed by the HPF. The other half may be matched with cash or in-kind services and materials. The latter includes volunteer labor, donated supplies, or office space. The KHPO will have approximately seventy-five thousand dollars to pass through in HPF grants for fiscal year 1996. Approximately thirty-three thousand dollars are reserved for certified local governments.

In fiscal year 1996 applications for the following activities will be given a higher priority: surveys in potentially eligible historic districts; development of thematic reports on historic properties or thematic nominations to the National Register of Historic Places; surveys in Kansas Main Street designated program areas and Main Street partnership cities; ethnic and cultural settlement surveys; activities to inform the general public about local historic resources and historic preservation issues and techniques; and historic, architectural, and archeological surveys in areas facing development pressures. Another priority for cities or organizations is planning a statewide preservation conference. Potential applicants for the statewide conference should contact the KHPO prior to submission of a proposal for further information and direction.

Proposed HPF projects are evaluated according to several criteria. These include the degree to which the project addresses the priorities established by the state, the importance of the need addressed to historic preservation, the soundness of the proposed project, the potential educational outcome of the project, and the administrative ability of the applicant. Grant proposals that address priorities established by the KHPO will have a competitive advantage in the evaluation process.

Applications for the Historic Preservation Fund grants must be postmarked no later than September 15, 1995, or delivered in person to the KHPO in its offices at 6425 S.W. 6th Street, Topeka, by 5:00 p.m. on that date. For more information on this program, please contact the Kansas Historic Preservation Office at 913-296-7080.—*Carl Magnuson.*

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TOPEKA

HOUSE OF
 REPRESENTATIVES

AGRICULTURE
 ECONOMIC DEVELOPMENT
 HEALTH AND HUMAN SERVICES
 JOINT COMM. ON HEALTH CARE
 REFORM OVERSIGHT

House Bill 2457 is designed to assist communities within the state that have fallen into disrepair over the years. This bill is also designed to provide assistance with the creation of community development corporations which will involve more than a hand out. It is a hand up program that incorporates citizen involvement as a requirement to participate.

We propose to form local community development councils within the distressed area. Participants in the council will be local residents who meet economic guidelines. Under these guidelines at least 40% of the directors must have incomes that do not exceed 80% of the county median family income or 80 % of the statewide median family income, whichever is less. The remaining directors must be members of the business or financial community and the designated community at large. To the greatest extent possible 60% of the directors must be residents to the designated community.

This corporation will develop a business plan for a business that will be established in the designated area. They may then apply for a grant from the Department of Commerce for funds that will give them seed money to clean up or repair a building to use, improve lighting in the area, clear an area for parking or other projects that will help them to get their business underway.

This grant will depend on the amount of community support measured by the participation in the project by volunteers, their participation in soliciting input from other organizations that provide community and regional assistance and the amount of nonstate matching funds identified as available for the project.

This grant will be limited to no more than \$50,000 in any fiscal year.

There is a two fold purpose for this bill. First to clean up a blighted area within our cities and second to give individuals the hand up they need to

start a business that will give them increased self esteem and help them to become a contributing member of society.

By meeting the requirements of the grant, members of the corporation are forced to look at the business plan they will develop. Look at the resources they will need to be successful. They will have to explore options to enable them to find matching funds and will develop a support group of friends and neighbors to make their plan successful.

There are many people in the State of Kansas that have good ideas. We are a very resourceful people with a strong work ethic. These are the people we hope to reach with this bill. Beech, Boeing, Cessna all started out as small businesses run by people with an idea. This is the type of program we want to see come out of this bill.

When you work the bill we do have one request. When it went to the printer they did not strike line 31 on page one and the words “..within a city of the first class within a metropolitan county.” on page 2 line 6 and 7. We had hoped to delete these two items to make the program reach more people in the State.

I thank you for your time and consideration of this bill.