

Approved:

Date

March 23, 1999

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT .

The meeting was called to order by Chairperson Bill Mason at 3:30 p.m. on March 9 , 1999 in Room 522-S of the Capitol.

All members were present except: Representative Osborne
Representative Thimesch
Representative Wagle

Committee staff present: April Holman, Legislative Research Department
Lynne Holt, Legislative Research Department
Renae Jefferies, Office of Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Proponents:
Carol Duffy McDowell, Kansas Preservation Alliance
David Jenkins, KS Historic Theater Association
William Morris, AIA
John Mallon, Granada Theater Alliance
Randy Matthews, Columbian Theater, Wamago
Marge Setter, Orpheum Theater, Wichita
Jim Lowther, Consultant
Dr. Joe Rossillon, Emporia State University
Marce Brewer, Tour Butler
Chris McKenzie, KS League of Municipalities

Others attending: See Attached

SB 76: An act that would expand the Tax Increment Financing (TIF) laws to include financing for buildings designated as historic theaters.

April Holman, Legislative Research Department, briefed the committee on the background of the bill, definition of "historic theater" and eligibility criteria for establishments. The Division of the Budget assumed that any state costs related to tax increment financing would be in the form of opportunity costs.

Discussion followed regarding questions on eligibility, structural alterations and issues of eminent domain for non-profits.

Carol Duffy McDowell, President, KS Preservation Alliance, recommended that the language of the bill be amended to define an "historic theater" as a building more than fifty years old, rather than constructed prior to 1940, and that the definition of an "historic theater" as a building designated to be on the Kansas or National Register of Historic Places be amended to read eligible to be enrolled on the state historical register (Attachment 1). Discussion followed regarding eminent domain, downside to being on the Federal and State Register and handicap accessibility.

David Jenkins , Executive Director of the Fox Theater Restoration in Salina and President of the KS Historic Theater Association, spoke to the issue of historic theaters mean business. Historic theater restoration primarily addresses the issues of downtown development, job development, small business incubation, education, cultural tourism, workforce retention and the quality of life perceptions that attract relocating industries (Attachment 2). Brochures were distributed on the Fox Theater Restoration(brochure on file in Legislative Research Department). He addressed the issues of handicap accessibility and eligibility for historic restoration. Discussion followed regarding eminent domain and star bond usage.

William Morris, AIA Kansas, spoke briefly about the American Institute of Architects and the benefits the bill would have on communities statewide. He summarized by saying the bill gives communities a funding source to adapt their historic theaters to new uses that will bring new revenues into their coffers and those of the state through increased sales and/or business taxes (Attachment 3).

John Mallon, Granada Theater Alliance, Emporia spoke of the economical development impact of cultural amenities that improve the opportunities for workers through the construction and renovation process (no written testimony).

Randy Matthews, Columbian Theater, Wamago, spoke in support of the bill (brochure on file in Legislative Research Department). He discussed the issue of ADA compliance and read testimony from Andrea Springer, Executive Director of Fox Theater in Hutchinson (Attachment 1, page 5).

Marge Setter, Orpheum Theater, Wichita spoke about the history of the Orpheum theater and the benefits of a renovated theater as a historical destination for consumers (brochure on file in Legislative Research Department).

Jim Lowther, former state representative, spoke about the advantages and disadvantages of eminent domain (no written testimony).

Dr. Joe Rossillon, Emporia State University, spoke about one thought "Maintain and Preserve" the historic theaters (no written testimony).

Marce Brewer, President, Tour Butler, spoke in support of the bill (Attachment 4). A brochure on "Tour Butler" was distributed to the committee (brochure on file in the Legislative Research Department).

Chris McKenzie, Executive Director, Kansas League of Kansas Municipalities, stated that the bill was consistent with the League's general policy positions in support of the use of tax increment financing to encourage the redevelopment of significant properties in cities (Attachment 5).

Discussion followed regarding the pros and cons of being on the Historic Register and the eligibility requirements. No opponents present. The Chairman closed the hearing on **SB 76**.

The next meeting will be March 11, 1999. The Chairman adjourned the meeting at 4:35 p.m.

HOUSE ECONOMIC DEVELOPMENT COMMITTEE COMMITTEE GUEST LIST

DATE: March 9, 1999

| NAME | REPRESENTING |
|-------------------|----------------------------------|
| JOE ROSSILLEN | Granada / Emporia |
| JOHN MALLON | Granada, Emporia KHTA. |
| Marge Setta | Orpheum Wichita |
| DAVID JENKINS | KANSAS HIST. THEATRES ASS'N |
| Randy Mathews | Columbian Theatre, Wamego / KHTA |
| Mindy Heusinkveld | Augusta Hist. Theatre / Augusta |
| Marce Brewer | Pres. Eur. Butler - Beaumont Ks. |
| BILL MORRIS | AIA KANSAS |
| TRUDY ARON | Amer Inst of Architects |
| Betty Mason | |
| Claudia Larkin | KDOCH |
| Larry Kleiman | League of KS Municipalities |
| Cathy Angler | KSHS |
| Jim South | Granada - Emporia |
| Carol McDowell | KS Preservation Alliance |
| DAVID BYBEE | KDOCH |
| Roger Traudle | KGC |
| | |
| | |



Kansas Preservation Alliance, Inc.

Board of Directors

Executive Committee

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Carol McDowell,
Topeka

Treasurer:
marci francisco,
Lawrence

Secretary:
Michael Shaw,
Lawrence

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AIA Kansas:
Ray Weisenburger,
Manhattan

Committee on Economic Development
Kansas House of Representatives
The Hon. William G. Mason, Chairman

Testimony of the Kansas Preservation Alliance, Inc. Regarding SB 76

March 9, 1999

Mr. Chairman and Members of the Committee:

The Kansas Preservation Alliance, Inc., is a statewide, private, not-for-profit corporation working in partnership with the National Trust for Historic Preservation and the Kansas State Historic Preservation Office to protect and rehabilitate Kansas historic places.

The Alliance is pleased to have this opportunity to appear before the Committee in support of SB 76, to expand tax increment financing to Kansas historic theaters.

Our historic theaters are valuable assets. They are architecturally distinct and rich in culture and history.

Restored and adapted for contemporary uses, they have great potential for bringing new energy to our downtowns, encouraging the growth of related entertainment and service businesses, generating tourism dollars, and enriching the cultural lives of our communities. Also, perhaps only our historic churches have greater significance as places where happy memories were made.

Economic Development
MARCH 9, 1999

These buildings were designed to be, and remain, architecturally unique. Once inside, Kansans found plush velvet, ornate fixtures, polished brass, acrobats from China, opera singers from Europe, and beautiful dancers from New York as well as from Russia. Before television and the Internet, we learned about the world at the movies. We discovered Arabia, Hollywood, Paris and Rome; glamour and romance; heroism and evil; Mickey Mouse and men from outer space; and, of course, The Wizard of Oz. We laughed, cheered, cried, and screamed in terror. We met our friends; and we went there on our first dates.

It is appropriate for SB 76 to treat historic theaters differently from other historic, public places, such as museums and other community buildings. Kansas Historic theaters are architecturally distinct, easily identified, and finite in number. Their restoration, maintenance, and contemporary uses are unique. Perhaps most important, of all historic places of a class, they offer the greatest potential for economic growth and tourism.

We respectfully recommend that the language of SB 76 be amended to define an "historic theater" as a building more than fifty years old, rather than "constructed prior to 1940". This change will make the definition consistent with the language in national and Kansas preservation laws.

In addition, we respectfully recommend that the language of SB 76 be amended to define an "historic theater" as a building designated to be on the Kansas or National Register of Historic Places, rather than "eligible to be enrolled on the state historical register".

This amendment is important because:

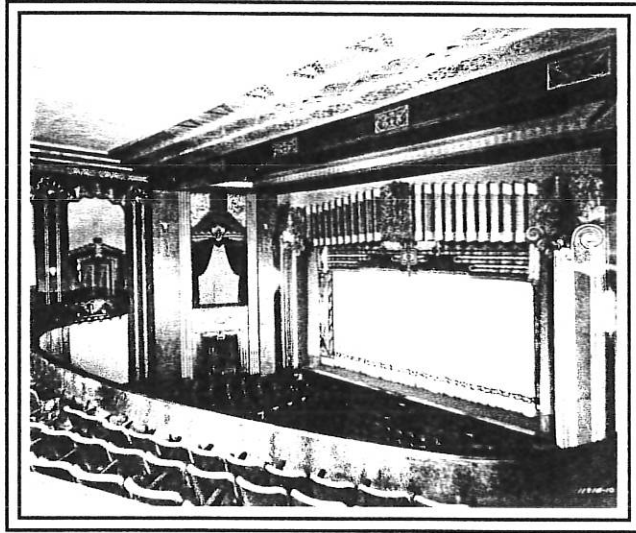
1. there is no criteria or process for determining the eligibility of a building for the Kansas Register of Historic Places, other than the approval of a nomination, and
2. inclusion on the Kansas or National Register of Historic Places will ensure that the history, architecture and restoration of each theater is accurately documented, and the project has support from professional preservation staff. This is especially important in any restoration financed by tax dollars.

With these amendments, we urge the Committee to recommend SB 76 favorable for passage.

Respectfully,

A handwritten signature in black ink, appearing to read "Carol Duffy McDowell". The signature is fluid and cursive, with a long horizontal stroke at the end.

Carol Duffy McDowell
President, Kansas Preservation
Alliance, Inc.



HISTORIC THEATRES MEAN BUSINESS

TESTIMONY AND
SUPPLEMENTAL MATERIALS

TUESDAY, MARCH 9, 1999

Economic Development
March 9, 1999
Attachment 2

EXECUTIVE SUMMARY

1) Nationwide models show solid evidence that a theatre's restoration and active use creates a significant positive economic impact on its immediate and extended business environment. Reactivated theatres create new businesses, new jobs, new tax revenues, increased retail foot traffic and a marked enhancement in downtown marketing and development opportunities.

2) It is believed that over 40 structures still exist in the State of Kansas that can be properly described as Historic Theatres. These spaces include 19th century opera houses and movie palaces built before 1940.

3) These structures are commonly regarded as being the architectural centerpieces of their communities, and especially of their downtown retail districts.

4) Of the estimated 2,000+ opera houses and 3,000+ movie palaces built in the United States prior to 1940, research indicates that over 75% of these facilities have either been demolished or adapted for reuse to an extent that forever precludes their future use as a theatre.

5) Historic theatres are major tourist attractions, and are instrumental in making their communities tourist destinations.

6) Historic Preservation of existing structures creates significantly greater economic impact on a community than new construction, and utilizes urban infrastructure paid for by previous generations, instead of extending demand for extended utilities, water systems, roads, etc

7) The rebirth of the Kansas Historic Theatres Association's ten member facilities will create a positive economic impact across the state of over \$165 million, including their restoration and first five years of operation.

THEATRES DO MORE THAN ENTERTAIN

Once the social centers of their communities, many historic theatres have come back to life through the public's understanding of their renewed potential. Much more than mere venues for entertainment of the masses, historic theatres have been shown to have a profound effect on the economic vitality and core image of cities large and small across the United States.

- Theatres are often the most significant architectural assets of the downtown retail district, lending an air of grandeur, imagination and mystery to a more indistinct environment. They are often a community's most durable visual icon.
- Theatres provide diversity and choice in leisure opportunities of a more rewarding nature.
- Theatres strengthen social cohesion and establish common ground between generations and cultures.
- Theatres both create and preserve cultural heritage, providing community identity, distinctiveness and collective pride.
- Theatres provide positive and constructive opportunities for public involvement in the life of the community through volunteerism and participation.
- Theatres assist in the delivery of other public services such as education, community integration and socialization, and youth activities – often enhancing childrens' personal skills development.

BUT EVEN IF NONE OF THE ABOVE WERE TRUE....

Historic theatres, when restored to their original beauty and professionally operated and programmed, have proven themselves to be *incomparable economic engines*.

- Theatres draw new visitors to a downtown district from the community itself, from out of town and from out of state, to tour the facility or to attend a performance - and these visitors spend their time and dollars not just in the theatre *but in the surrounding community*
- Theatres generate substantial tax revenue.
- Theatres contribute to the attractiveness of the region to business. Proximity and access to cultural activities and venues has become a major contributing factor in the decision making process for corporate and professional relocation.

OPENING REMARKS

My name is David Jenkins. I am the Executive Director of the Fox Theatre restoration in Salina, and President of the Kansas Historic Theatre Association. I have recently concluded four years of service on the board of directors of the League of Historic American Theatres (an alliance of over 225 facilities), I have directed four theatre projects and have consulted with 13 additional historic theatre restorations across the country. All in all I have been in the event and facility industry for over 24 years, with experience in over 60 US and Canadian markets.

The one lesson that I have learned in this business, above all else, is that *historic theatres mean business*. It's a common mistake to label funding for theatre restorations as arts funding, for it is not that. Historic theatre restoration primarily addresses the issues of downtown development, job development, small business incubation, education, cultural tourism, workforce retention and the quality of life perceptions that attract relocating industries.

If all a theatre's rebirth meant to a community was the ability to present a few more dance companies, if all these facilities provided was more entertainment, then we would not be sitting before you today. We are here because we know that the preservation and maximized usage of this state's many beautiful and exquisitely constructed theatres is good business. It's smart business. It's plain old common sense.

The Kansas Historic Theatre Association is a group of nine projects across the state, some already in limited operation, some executing their fundraising campaigns and addressing full work plans, and some just getting off the ground. We also know of many additional sites in Kansas that can be brought to the point where they fully serve their communities.

Passage of this bill will prove to be an invaluable tool in our efforts to protect and preserve these exceptional architectural and cultural assets – not just because of the dollars this bill will help generate at the local level, but because of the advantage it will give us in our pursuit of major grants from government agencies, corporations and foundations, at the state and national level. The first thing that these funding sources ask when approached is “How much have you raised locally?” Passage of this bill will help allow even the smallest project among us to answer with confidence.

Using the most conservative economic multipliers and sales projections, we know that the restoration and first five years of operation of *just our nine member theatres* will have a positive economic impact on the State of Kansas well in excess of \$165 million. That figure will be enhanced by the discovery and rebirth of additional theatres.

The cities and towns of Kansas have on their main streets some of the most impressive examples of American theatre architecture left standing. This is nothing short of a miracle when you consider that of the almost 5,000 movie palaces and opera houses built in this country prior to 1935, over 75% of them have been destroyed, the victims of suburbanization and electronic entertainment media. From Salem, Oregon to Portland, Maine to Miami Beach, these theatres are being restored, they again draw consistently large and appreciative audiences, and they are changing the face of their once depressed downtowns.

The historic theatres of Kansas can do the same. They can serve the citizens of this state as they once did, and they can dramatically enhance this state's image as a tourist destination. As I said, historic theatres mean business, and we hope that you'll give passage of this bill your most serious consideration.

THE OPENING OF THE HUTCHINSON FOX

Good Morning, Mr. Chairman and distinguished members the committee, My name is Andrea Springer and I'm the Executive Director of Fox Theatre in Hutchinson. I want thank you for the opportunity to share an abbreviated version of our story with you this morning.

This was a project that began as a vision for revitalizing Downtown Hutchinson. The Fox Theatre was Hutchinson's downtown center for entertainment from it's opening in 1931 through the heyday of movies in the 40's and 50's. As with most theatres of this type, it fell victim to declining attendance and rising maintenance costs and in 1985 closed its doors to the public. With its closure, foot traffic in the downtown area dropped dramatically after 5 p.m. and a small group of concerned individuals began to study how to prevent the demolition of the Fox. After much discussion and debate, the owners agreed to sell to a third entity – a non-profit organization that would set about to raising the funds to restore and operate the building as a performance center. The year was 1989.

Just weeks ago, we reopened the Fox in Hutchinson after a \$4.3 million restoration. The theatre is on the National and State registers and in 1994 it was named by this Senate "The State Movie Palace of Kansas." It was the culmination of over nine years of planning, community promotion, fund-raising and hard work. We have calculated that almost 100,000 hours of effort by staff, volunteers and contractors have gone into bringing the theater to the point of opening. Over 20,000 hours alone of labor was donated by inmates from the Hutchinson Correctional Facility – a donation we estimate at over \$500,000.

A significant portion of these hours has been dedicated to finding the money to move the Fox Theatre from dream to reality. Fund raising has always been our most pressing issue. The board and staff have made calls, written grants, made speeches and called in favors to find the funding necessary to complete the project. And as challenging as it is to find donors for capital aid projects, it is twice as difficult to find donors to fund operations. That lack of operations funding meant that the Fox had no staff until 1995 when I was hired. I was the only employee until May 1998. While we were able to accomplish much more with the addition of a paid executive director than we had with only volunteers, I truly believe that we could have accelerated our progress by as much as three years had we been able to find monies to help fund even one additional staff position. As of today, we have four full-time employees to operate the Fox and easily have work for another full-time and part-time position.

I'm sure that you look at Hutchinson and wonder what it was that fueled the determination of these individuals. I can assure you that this has been the most difficult task that many of us have ever undertaken and that there have been many times in the past nine years that we questioned our ability to complete the task. The one thing that we never questioned was our belief that this would be good for our community. We knew that it would enhance our quality of life, that it would educate our children, that it would create jobs, that it would infuse downtown with new energy and new dollars and that it would bring visitors to Hutchinson. We knew that the Fox Theatre would make a difference. This is the thing that sustained us.

And so we opened with Tony Award winning actor and dancer Gregory Hines. From an artistic standpoint, the evening was perfect. From an economic standpoint, the evening was also a raging success. Tickets to the Black Tie optional performance were \$50 and we filled every seat in our 1,219-seat house. We also had over 600 people at our Afterglow party, an additional \$50 ticket.

And taking into consideration money spent on equipment rentals, catering, dinner out before the show, baby sitters, valet parking, coat check and not to mention new clothes and shoes, we estimate the state-wide economic impact on THAT NIGHT ALONE to be \$170,000.

Funding for projects like those the KHTA are working on becomes tighter every year. Grants are disappearing, particularly capital aid and operating grants – the kind that these projects need most, more non-profits are competing for the same dollars and there are less of those dollars available. Funding of the type found in the bill under consideration can be one piece in the puzzle of a public/private partnership that can give many communities across the state the kind of downtown revitalization boost they need. I hope you'll remember that supporting this legislation means improvement in not only our quality of life in Kansas but also improvement in our state's economy. Thank you for your time and consideration.

THE KANSAS HISTORIC THEATRES ASSOCIATION

Historic theatres face skyrocketing construction, marketing, programming and production costs. Live entertainment venues face increasing competition from changing home technologies. Non-profit organizations, especially those perceived to be "arts" projects, are confronted by tightened funding resources at corporate, foundation and government levels.

The management of nine historic theatres within the State of Kansas have joined forces to creatively meet these challenges. These member theatres are;

| | |
|------------------------------------|--------------------------------------|
| The Fox Theatre, Hutchinson | The McPherson Opera House, McPherson |
| The Columbian Theatre, Wamego | The Fox Theatre, Salina |
| The Fox Theatre, Emporia | The Orpheum Theatre, Wichita |
| The Jayhawk Theatre, Topeka | The Augusta Theatre, Augusta |
| The Brown Grand Theatre, Concordia | |

Criteria for membership in the KHTA are;

- * The member theatre was built before 1940 as a movie theatre, vaudeville or opera house.
- * The facility is qualified for recognition by the state as being of historic significance.
- * The theatre is owned and operated by a tax-exempt non-profit 501(c)3 corporation.

The mission of the KHTA is to;

- * Provide a network to promote cooperation and minimize competition between member theatres.
- * Assist at no cost those member theatres in need of restoration or operational consultation.
- * Educate the general public as to the heritage and potential economic impact of historic theatres.
- * Inventory and document existing but inactive historic theatres with the State of Kansas.
- * Provide a unified vehicle to secure governmental, corporate and foundation funding for historic theatres' restoration and continued viability.
- * Encourage an active collaboration between arts, culture, preservation and tourism organizations within the State of Kansas, so that human and financial resources are effectively utilized and leveraged.

THE VIEW FROM CITY HALL

In reviewing effects of the State Theatre's restoration, New Brunswick, New Jersey's Mayor Jim Cahill wrote that.....

"The revitalization of the State Theatre and its adjacent playhouses is the cornerstone on which the economic recovery of the downtown area has been built. The theatres, which bring in over 250,000 patrons each year, have contributed to the boom in restaurants in our community, but theatre patrons do more than eat. They park, creating a use for facilities built to accommodate our day employees. They shop. Our merchants, by extending their hours, have been able to capture a new market. New businesses have opened in order to expand the entertainment industry. We now have three art galleries, a prominent jazz club, a comedy club and several dance clubs, all to provide additional reasons to come downtown. Very few of these businesses would exist if it were not for the initial step of revitalizing the theatre. The economic revitalization has expanded beyond the downtown. Our residents have been able to enjoy the economic opportunities from additional jobs that have been generated, as well as take advantage of the cultural programs that the theatre has to offer....."

Six years after the rebirth of the Zeiterion Theatre, New Bedford, Massachusetts' Mayor John Bullard said that.....

"Ours was the last of 17 downtown movie theatres and was scheduled for demolition. The Waterfront Historic Area League said we cannot let it become another parking lot, and we didn't let that happen. When the theatre opened, people got excited. People started to move back into the city and businesses and restaurants opened. New Bedford had been a 9 to 5, Monday through Friday city. Everyone cleared out at 5 o'clock. Now restaurants do like gangbusters and there are ten or twelve of them downtown. As the center of the city expanded its time of use later into the evening and on weekends, people decided that there were some things that were better about living in the city than out in the homogeneous suburbs.

The reason New Bedford was great in the past was that we had high expectations of ourselves and we were willing to risk. Our city's motto is "Lucem Fissundo" which means "Spread The Light." It comes from our whaling industry when we provided the whale oil and candles that lit this country. We know about light and we know the light is brightest from the Zeiterion Theatre. It touches every one of our citizens."

And in examining the effects of the Stevens Center's opening, Winston-Salem, North Carolina's Development Director Allen Jones reported that.....

"Based upon the rough records that I have been keeping, there has been approximately \$160 million in new investment in the center city area since the Winston Square/Stevens Center project was begun. This figure includes new construction and rehabilitation of existing structures.

If we assume that 80% of this figure resulted in a tax base increase, then the city would receive an additional \$921,000 each year in property tax and the county would receive \$980,000 in annual revenues."

THE LOGIC OF HISTORIC PRESERVATION

The U.S. Department of Commerce measures the impact of production within an industry in three ways – by the number of jobs created, by the increase in local household incomes and by the impact on all other industries. In state after state, building rehabilitation outperforms new construction in each measurement.

Suppose a community is choosing between spending \$1 million on new construction and spending \$1 million on rehabilitation. What would the differences be? With rehabilitation of existing property;

- * \$120,000 more will initially stay in the community than with new construction
- * Five to nine more new construction jobs will be created on site than with new construction.
- * Four to five more new jobs will be created locally than with new construction.
- * Household incomes in the community will increase \$107,000 more than with new construction.
- * Retail sales in the community will increase \$34,000 more than with new construction.

source – National Trust for Historic Preservation

The local benefits of historic restoration go far beyond the property itself. Such projects invariably result in;

- New job creation
- Formation of new businesses
- Stimulation of private investment
- Increased tourism
- Increased property values
- Compatible land use patterns
- Increased tax revenues
- Pockets of deterioration improved
- Enhanced civic pride

“Historic structures, charming downtown districts and a strong sense of place are not just precious assets. Their importance to local tourism is so great that they become vital public utilities, whose ongoing preservation is necessary in order to safeguard a chief source of the local citizens’ economy.”

Arthur Frommer

Historic preservation not only has a greater impact on local labor but on local suppliers as well. The contractor is less likely to purchase a steel beam (as in new construction) from a local building supply store, but that is exactly where he or she will go for a replacement door or new pane of glass. The carved wood trim for a historic lobby will come from a local woodworker, not a national supplier. These local direct purchases combined with locally recirculated wages and fees have a surprisingly large economic impact. In California, according to that state’s Department of Commerce, money invested in historic rehabilitation will increase local earnings in wholesaling 10% more and in retailing 43% more than the same amount spent on new construction.

Restoration also means reusing existing public infrastructure. Providing new water, sewer and electric lines, roads and city services to attract new businesses is almost always paid for by the taxpayer. When rampant development takes place on the edge of town, taxpayers foot the bill. When reuse of a historic building in the downtown district takes place, it not only strengthens that district but utilizes infrastructure already in place and already paid for by previous generations. This saves enormous tax dollars, while setting a highly visible precedent for fiscally responsible management of those dollars.

PRESERVATION AND HERITAGE TOURISM

The revitalization of a historic theatre, and the marketing of that theatre's activities, creates a renewed interest in a community's cultural heritage. As heritage tourism becomes a major element of the overall tourism industry, theatre restorations are an essential tool in diversifying activity options for the traveler.

Spawned by technology, American society has been moving away from its urban moorings for nearly two decades. Tourism is only a single by-product of the significant impacts gained by regionalism and integrated regional planning based upon historic cultural landscapes, but one of the most effective in terms of long term economic development.

Heritage visitors exhibit a complex diversity of behaviours seldom applied to non-cultural sites;

- Solitary, semi-private and communal activity.
- Sustained immersion or fleeting view.
- Experiencing the sublime, gazing in awe and wonder.
- Sharing of a memory, an emotion or a vision.

Historic theatres are ideal vehicles to fulfill these elements of a meaningful and positive visit.

"We need to think about cultural tourism because really there is no other kind of tourism. People don't come to America for our airports, they don't come to America for our hotels, or our recreation facilities. They come for our culture. High culture, low culture, right, left or imagined. That's what tourism is."
Garrison Keillor

Two significant travel trends will dominate the tourism market in the coming decades. Mass marketing is giving way to the one-on-one approach with travel now being tailored to the individual needs, tastes and aspirations of the individual. Next, a growing number of visitors are now becoming identified as special interest travelers who rank the arts, heritage and cultural activities as one of their primary reasons for travelling. Through the proliferation of online services and research tools, it is now easier for the consumer to choose destinations and tailor their itinerary solely based on their most personal interests. This means that locations not traditionally viewed as tourist destinations can find visitor levels increase through aggressive and creative marketing of their cultural assets.

According to the National Trust for Historic Preservation, the average historic district visitor stays a day and a half longer at a destination and spends \$62 dollars more in that market.

"A popular children's book tells us that if you give a moose a muffin, he'll want some jam to go with it. The travel industry tells us that if you convince a visitor to stay an extra three hours, they'll probably want a meal. If you give them something to do in the evening, they'll likely find a room. Today one of the hottest "muffins" is cultural heritage: attracting visitors who are interested in experiencing the unique history and art forms of the area."

Michael Levine, Vermont Arts Council

THEATRES AS EDUCATIONAL RESOURCES

Beyond bringing a new level of cultural reward to the general population, historic theatres by cultivating close relations with their surrounding educational institutions can play an integral role in the creative and optimistic development of our youth.

The arts in general and cultural activities in particular have been found to be important in developing skills such as reading and auditory discrimination, and in stimulating overall creativity and problem solving skills. The ability to think is of great interest to many employers looking to relocate and expand. In the modern business environment, routinized behaviour is becoming less and less important and the ability to adapt, diagnose problems and find creative solutions to those problems is even more important.

The majority of respondents (to the study), 74%, agreed that cultural amenities improved the quality of the workforce and 70% indicated they actively supported local community cultural opportunities.

The usual view of community leaders in less developed areas is that their community cannot afford to invest in cultural facilities, education and opportunities. *The evidence suggests that communities cannot afford NOT to invest in cultural amenities.*

- "Study of Perceptions of Business and Community Leaders Regarding the Economic Importance of the Arts and Arts Education in Mississippi,"
Mississippi Arts Commission

Cultural organizations offer unique and electrifying interactive learning opportunities for children of all ages. Through special performances in theatres, student access via discounted corporate ticket programs, visits by touring artists to schools, and residencies by troupes of world renown, the many facets that make up the world of personal expression through live performance can be applied to traditional curriculum.

Arts participation stimulates learning in what are often recognized as the seven different types of human intelligence, those being;

- Language – facility with words
- Math/Logic – reasoning, problem solving
- Movement – kinesthetic ability
- Music – the worlds of sound
- Spatial Reasoning – visual relationships
- Interpersonal – understanding others
- Intrapersonal – understanding one's self

source – Harvard University Graduate School of Education

QUALITY OF LIFE PERCEPTIONS

The most effective method of preventing suburban sprawl is through more intensive use of buildings and sites already in place within the community. Quality of life is becoming the critical ingredient in economic development and historic preservation is an important part of the quality of life equation.

- Baltimore County Historic Trust

"The importance of the arts on a community's quality of life is hard to quantify. After all, the greatest value of a moving musical score, the graceful line of a sculpture or a perfectly executed pas de deux lies in its ability to stir the soul, and it's hard to put a price on soul-stirring".

The Hoosier Times, Bloomington, Ind.

Quality of life and pride of place are essential components of pleasant urban living, and they exist in part due to the presence of visual and performing artists and arts organizations, cultural sensitivity and sharing, and the preservation of historic architecture and neighborhoods.

- Brown University

"As low wage production labor is de-emphasized, companies increasingly require highly trained and thus more highly paid employees. Professional and skilled workers are attracted to the superior quality of life offered by areas strong in the arts and cultural assets, enriching the available labor pool with their desirable talents and experience.

Related research indicates that higher educated skilled workers are willing to forego some income in exchange for cultural opportunities and offerings. Thus, an incentive of labor cost savings to firms considering locating in such locales is realistic. Cultural amenities can reasonably be viewed as important and integral components of a regions' economic development plan, because they are a factor in the attraction and retention of a skilled workforce."

- Mississippi Arts Commission

Put simply, a theatre restoration adds to a community's real and perceived quality of life indicators by enhancing its level of;

- * Human Development
- * Sense and Pride of Physical Place
- * Economic Exchange

Additional pages
describing the
BROWN GRAND (CONCORDIA)
and new member theatres
are UNDER CONSTRUCTION

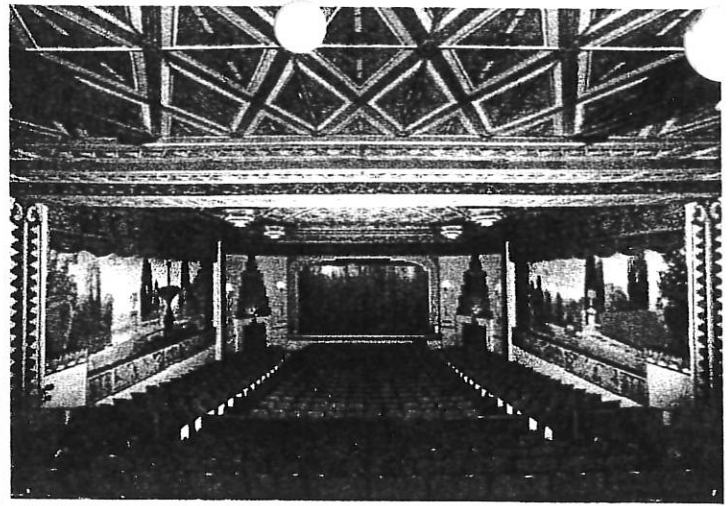
The
AUGUSTA
Theatre

Augusta

Projected Economic Impact on State of Kansas

(Restoration and first five years of operation)

+ \$11,757,480



Constructed 1935

Currently under operation as a movie theatre

Original Usage Movies, vaudeville, touring dramatics, community events

Capacity 550

Intended Usage Performing arts center – live touring musical acts, dance, community events, conferences

Audience Served *Immediate Residential (20 miles)* 320,000 *Secondary Residential (100 miles)* 426,000

HISTORY

The Augusta Theatre was opened in 1935 as one of the most strikingly ornate and elegant film houses in the region, and was the first in the market to be lit entirely by neon. It's art deco exterior was beautifully faced with individual Carrara glass tiles in jade green accented by ornamental black and silver details. Only the glass below the marquee exists today. The original interior included ornamental plaster, huge canvas murals and hand stenciled ceiling tiles designed by Dutch artist Hans Van Voss, with the murals being destroyed by fire in 1949.

WORK REQUIRED

The Augusta, while retaining the essence of its film programming, intends to expand its production capabilities and greet the new century as a performing arts facility. This expansion will integrate the adjacent building, allowing the creation of dressing rooms, production offices, loading dock and ancillary service spaces. Full restoration of interior finishes are required, and the original art deco glass tile façade will be recreated. Additional work, undetermined at this writing, will be required to address the effects the floods of late 1998.

PROJECT STATUS

FUNDS RAISED TO DATE \$10, 600

The theatre is currently owned and operated by the 501(c)3 Augusta Arts Council, Inc, and that organization has initiated an effort to place the facility under independent management by a newly formed non-profit. The Augusta currently operates as a second run movie house but it's economic capabilities as such are increasingly limited. Work plans and a project budget have been assembled for the restoration and conversion to live capability. The Augusta Arts Council is about to initiate a nationwide search for a new Executive Director to lead them through the envisioned transitional period, and funds sought in this document are to facilitate such a hiring and transitional administration.

TOTAL PROJECT BUDGET
\$982,800



Topeka

Projected Economic Impact on State of Kansas

(Restoration and first five years of operation)

+ \$24,200,000



Constructed 1926

Closed 1976

Restoration Initiated 1996

Projected Reopening 2002

Original Usage Movies, vaudeville, touring dramatics, community events

Capacity 900

Intended Usage Multi-purpose community arts center, films, teleconferencing

Audience Served *Immediate Residential (15 miles)* 122,000 *Secondary Residential (100 miles)* 460,000

HISTORY

Hailed as "Topeka's First Deluxe Amusement Palace," the Jayhawk opened in 1926 as the first "Air Refrigerated" theatre in the region, and played host to first run films, vaudeville acts, touring dramatic companies and a wide range of community events. Radio station WIBW first broadcast from the Jayhawk's stage in 1927. Designed by architect Thomas Williamson and built entirely of steel and concrete, the structure was praised as "The most absolutely fireproof bit of amusement construction west of the Mississippi." The theatre was closed, gutted and walled off from street access in the 1970's. Scheduled for demolition in 1992, the Rev. Richard Taylor saved the building, and the facility was at last donated in 1994 to the Historic Jayhawk Theatre, Inc., a 501(c)3 community based organization.

WORK REQUIRED

The Jayhawk's rebirth as a diversely programmed presentation house will demand redesign and upgrade of all stage systems, relocation and expansion of dressing rooms, production spaces, administrative offices, storage and loading facilities, complete restoration of all interior decorative surfaces, new seating, full revamp of house electrical, water and HVAC systems, upgraded emergency systems and exits, adaptation of ADA and Life Safety Code requirements, expansion of concession, box office and rest areas, mounting of two new marquees and adaptation of retail

PROJECT STATUS

In 1998 the Jayhawk received a donation of 8,000 sq. feet of adjacent office space making feasible the conversion of the movie house to a performing arts facility. This acquisition of street frontage, office and production support space, along with a Southwestern Bell Foundation grant for computer equipment, has provided a solid start to the project's \$4.2 million capital campaign. Environmental assessment and containment have been completed satisfactorily. The services of a marketing firm have been secured to produce fundraising materials. A project architect has been assigned and preliminary work plans and bid materials are now in preparation.

FUNDS RAISED TO DATE \$259,734

**TOTAL PROJECT BUDGET
\$4,286,000**

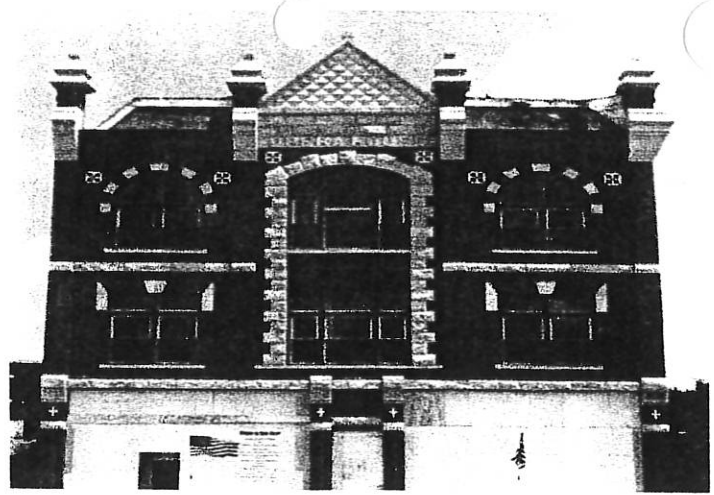
McPherson OPERA HOUSE

McPherson

Projected Economic Impact on State of Kansas

(Restoration and first five years of operation)

+ \$23,974,000



Constructed 1888

Closed 1965

Restoration Initiated 1986

Projected Reopening 2002

Original Usage Touring and locally produced opera and variety, community events

Intended Usage Performing arts center – live touring musical acts, community events, conferences

Audience Served *Immediate Residential (15 miles)* 12,500

Secondary Residential (100 miles) 360,000

HISTORY

Designed by George Shaffer in an eclectic style, the building has been called “the best example of Opera House architecture in the State of Kansas.” From its opening in 1889 it served as the cultural and social center of McPherson and its surrounding communities, hosting nationally touring musicals, local theatre companies school productions and appearances by national dignitaries. For a time, from 1890 until the completion of the McPherson County Court House in 1894, the building housed several County offices. Upon its closing in the 1960’s ownership passed from hand to hand until People’s Bank acquired it in 1985. In 1986 the McPherson Opera House Preservation Company was formed and acquired the building.

WORK REQUIRED

Restoring the Opera House and giving it full capabilities of a performing arts facility will require upgrade of all stage systems, construction of dressing rooms, production spaces, storage and loading facilities, restoration of all interior paint and plaster surfaces, upgraded seating, full revamp of house electrical, water, HVAC systems, upgraded emergency systems and exits, adaption of ADA and Life Safety Code requirements, expansion of concession, box office, administrative spaces and rest areas, and repair to exterior surfaces.

PROJECT STATUS

In 1986 a new roof truss was put in place, and new rubber roofing was installed in 1990. New windows were installed in 1992, and in 1996 the Main Street west wall was reconstructed and restored. Pre-World War One signage on the north wall will be restored in 1998. Plans are being formulated to tuck point brickwork on the south, east and north sides of the building. A full capital campaign is presently being organized for interior restoration and incorporation of adjacent properties. Initiation of interior restoration is planned for 1999 and completion of restoration at some point prior to the spring of 2002.

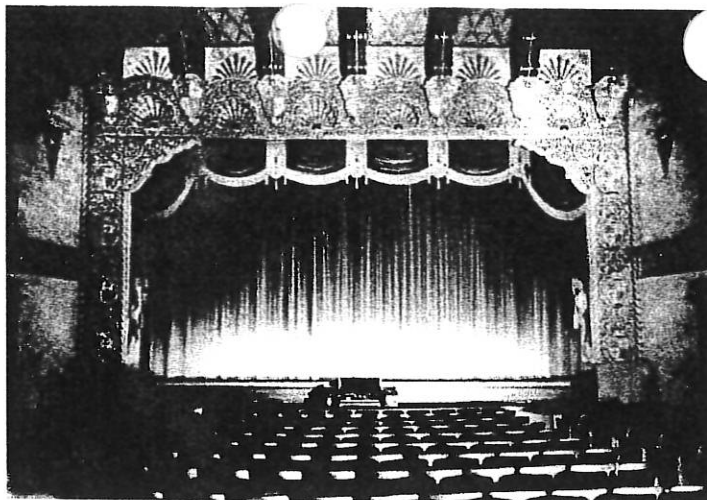
FUNDS RAISED TO DATE \$580,900

**TOTAL PROJECT BUDGET
\$5,059,000**



Emporia

Projected Economic Impact on State of Kansas
(Restoration and first five years of operation)
+ \$15,673,300



Constructed 1929

Closed 1985

Restoration Initiated 1994

Projected Reopening 2001

Original Usage Movies, vaudeville, touring dramatics, community events

Intended Capacity 800

Intended Usage Performing arts center – live touring musical acts, dance, community events, conferences

Audience Served *Immediate Residential (15 miles)* 25,200 *Secondary Residential (100 miles)* 155,000

HISTORY

The Fox/Granada Theatre at the time of its opening in 1929 was deemed the “Grandest Theatre in the State of Kansas,” and served not only as a 1200-seat movie house but a home for nationally touring vaudeville acts, popular music shows, beauty pageants and various community events. The building was placed on the National Registry of Historic Places in 1985, and in 1994 a group of local citizens rallied to save the building. In cooperation with the Kansas Preservation Alliance, the Emporia Granada Theatre Alliance was formed and purchased the building to save it from impending demolition.

WORK REQUIRED

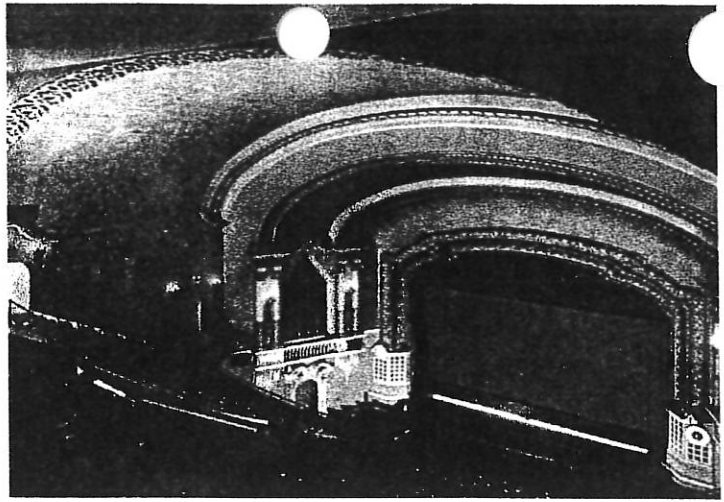
Converting the Granada from a movie house to a performing arts facility will require upgrade of all stage systems, construction of dressing rooms, new stage floor, production spaces, storage and loading facilities, restoration of all interior surfaces, upgraded seating, full revamp of house plumbing and HVAC systems, upgraded emergency systems and exits, adaption of ADA and Life Safety Code requirements, expansion of concession, box office and rest areas into existing retail spaces and acquisition of adjoining properties.

PROJECT STATUS

FUNDS RAISED TO DATE \$78,000

Work on the exterior of the building is nearing completion. This includes a new roof and exterior masonry, stucco and terra cotta restoration. New doors and windows have been installed. Marquee restoration will be the final phase of exterior restoration. Interior work has included new electrical service, sump pumps, interior clean-up and preparation for full interior restoration. Board of directors and consultants have completed a marketing survey, business plan, operations plan and case statement. Final details of a major capital campaign are presently being finalized for its initiation in the early spring of 1999.

TOTAL PROJECT BUDGET
\$1,727,000



Wichita

Projected Economic Impact on State of Kansas

(Restoration and first five years of operation)

+ \$37,718,000

Constructed 1922

Closed 1976

Restoration Initiated 1993

Projected Completion 2000

Original Usage Silent films, vaudeville, touring dramatics, community events

Capacity 1,353

Intended Usage Performing arts center – live touring musical acts, film, dance, community events, conferences

Audience Served *Immediate Residential (15 miles)* 504,900 *Secondary Residential (100 miles)* 850,000

HISTORY

The Orpheum was constructed as one of architect John Ebersson's first atmospheric theatres, welcoming patrons to "an acre of seats in a garden of dreams." Originally the city's most popular vaudeville venue and silent film emporium, the theatre was wired for sound movies in 1929. In the 1930's the facility hosted such stage stars as Ella Fitzgerald, Red Skelton, Count Basie, Gypsy Rose Lee, Bing Crosby and the big bands of the day, and during World War Two ran movies almost 24 hours a day to entertain shift workers at local aircraft plants. The next two decades saw strong activity at the box office window but as was commonly the case, the Orpheum fell victim to changing times and urban decay, and closed her doors in 1976. It was gifted to the Orpheum Performing Arts Center, Ltd. in 1985.

WORK REQUIRED

The Orpheum's rebirth as a performing arts facility has called for a comprehensive stage systems upgrade, rehabilitation of dressing rooms, production spaces, storage and loading facilities, restoration of all interior paint and plaster surfaces, full reconditioning of house electrical and HVAC systems, upgraded emergency systems and exits, adaptation of ADA and Life Safety Code requirements, expansion of concession, box office and rest areas.

PROJECT STATUS

FUNDS RAISED TO DATE \$1,059,000

Beginning in 1994, the Orpheum has had its roof repaired, it's plumbing upgraded, significant brickwork repaired and it's heating systems returned to operation. Air conditioning is scheduled for installation in 1999. Now that the environment of the theatre is about to be stabilized, professional staff are initiating plans to program the facility on a year round basis. A major \$4 million capital campaign has been initiated to complete interior restoration and expansion of production facilities. The Orpheum is listed on the National Register of Historic Places.

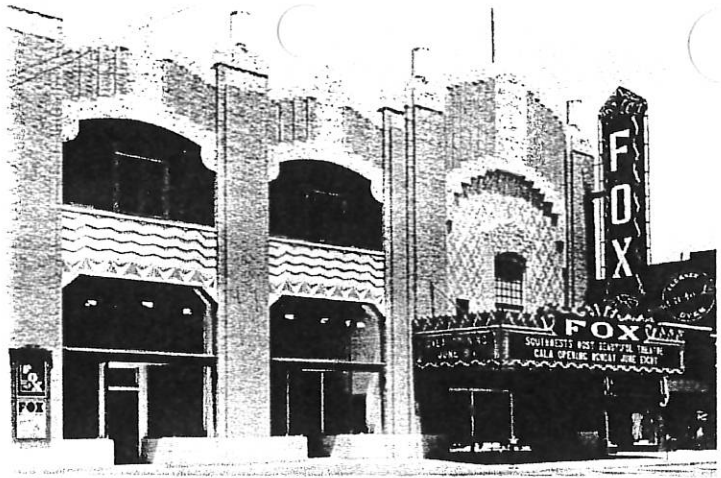
TOTAL PROJECT BUDGET

\$4,477,000



Hutchinson

Projected Economic Impact on State of Kansas
(Restoration and first five years of operation)
+ \$28,097,000



Constructed 1931

Closed 1985

Restoration Initiated 1990

Projected Reopening 1999

Original Usage Movies, vaudeville, touring dramatics, community events

Capacity 1,200

Intended Usage Performing arts center – live touring musical acts, dance, community events, conferences

Audience Served *Immediate Residential (15 miles) 43,600* *Secondary Residential (100 miles) 406,000*

HISTORY

Opening in the summer of 1931, the Hutchinson Fox came to be known as the most beautifully detailed of all the Fox film houses in the state. Originally holding 1,416 patrons in air conditioned splendor, and in cooperation with sister theatres in Salina and Wichita, the Fox was the premiere facility for the exhibition of Hollywood's blockbusters of the day, and one of the major big band venues in the state. As was the case with countless other "Grand Old Movie Palaces," a decline in the immediate business environment and a downturn in the public's patronage of downtown theatres nationwide contributed to her eventual closing in 1985.

WORK REQUIRED

Converting the Fox from a movie house to a performing arts facility has required upgrade of all stage systems, construction of dressing rooms, production spaces, storage and loading facilities, restoration of all interior paint and plaster surfaces, upgraded seating, full revamp of house electrical, water, HVAC systems, upgraded emergency systems and exits, adaption of ADA and Life Safety Code requirements, expansion of concession, box office and rest areas and repair to exterior surfaces, theatre offices and street level retail spaces.

PROJECT STATUS

FUNDS RAISED TO DATE \$4,300,000

The reopening of the Fox took place on January 29th, 1999 but considerable work remains to complete the project, including installation of elevators, reconstruction of second and third floor administrative offices, classroom spaces, conference and reception facilities. Funds requested through this document are specifically envisioned to address those needs.

TOTAL PROJECT BUDGET
\$4,710,000



Wamego

Projected Economic Impact on State of Kansas

(Restoration and first five years of operation)

+ \$13,545,000



Constructed 1895

Closed 1950

Reopened 1994

Original Usage Movies, vaudeville, touring dramatics, community events

Capacity 300

Intended Usage Performing/visual arts center, live touring musical acts, community events, visual art exhibits

Audience Served *Immediate Residential (15 miles)* 3,800 *Secondary Residential (100 miles)* 310,000

HISTORY

The construction of the Columbian incorporated numerous artifacts and interior ornaments from the 1893 Chicago World's Fair, including six enormous oil paintings from the central rotunda of the US Government Exhibit Hall. The Columbian first presented vaudeville, then moved from silent films to "talkies," then closed in 1950, with the building's first floor being used as a furniture store. In 1989 a group of concerned citizens formed the Columbian Theatre Foundation. Two years later, after 14 additional paintings were discovered under the stage, the theatre's World's Fair collection was appraised at nearly \$800,000. In the years that followed sufficient funds were raised to restore the items in the collection and the theatre's interior and exterior, and the hall reopened in 1994.

WORK REQUIRED

Though fully restored, the Columbian's efforts to meet its fullest potential as a performing arts and special events facility are hampered by significant operational deficits, arising from the restoration's administrative costs and accumulated debt service, factors anticipated but inadequately covered by the original capital campaign. To further enhance its potential the Columbian has recently purchased adjacent property for the expansion of production capabilities and services.

PROJECT STATUS

FUNDS RAISED TO DATE \$2,284,000

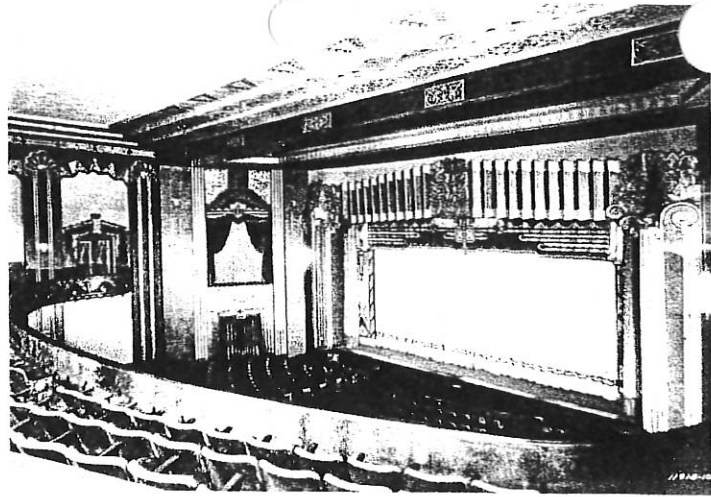
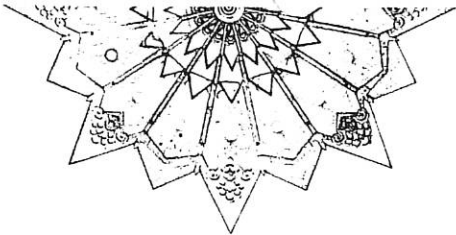
While open and operating as an actively programmed venue for the performing arts and for private and community events, the Columbian continues to face severe fiscal deficiencies remaining from the restoration process which threaten its future. The board of the Columbian Theatre Foundation is about to launch a new \$620,000 capital campaign to eliminate the operating deficit, ensure sufficient funding for professional staffing, secure and incorporate its adjacent property, and create a viable programming, educational and operations endowment.

TOTAL PROJECT BUDGET

(CURRENT CAMPAIGN ONLY)

\$620,000

THE FOX THEATRE



Salina

Projected Economic Impact on State of Kansas

(Restoration and first five years of operation)

+ \$27,845,500

Constructed 1931

Closed 1987

Restoration Initiated 1997

Projected Reopening 2000

Original Usage Movies, vaudeville, touring dramatics, community events

Capacity 1,353

Intended Usage Performing arts center – live touring musical acts, dance, community events, conferences

Audience Served *Immediate Residential (15 miles)* 54,000 *Secondary Residential (100 miles)* 426,000

HISTORY

First known as the Fox Watson, this art deco facility was the largest and grandest of the town's nine theatres. Of these nine only the Fox remains, being the last Grand Old Movie Palace surviving in the market. Of exceptional design, décor and construction, the Fox presented the major first run films of the day on the state's largest screen, live appearances by touring variety acts, country western stars and big bands. For over five decades the Fox was the dominant movie theatre in the area, but fell victim to declining receipts, shifting market trends and urban malaise in 1987. Upon its closing the Fox was given to the City of Salina by the Dickinson Theatres chain, and in 1997 the theatre was acquired by the Historic Fox Theatre of Salina Foundation, Inc, which currently manages the property.

WORK REQUIRED

Converting the Fox from a movie house to a performing arts facility will require upgrade of all stage systems, construction of dressing rooms, production spaces, storage and loading facilities, restoration of all interior paint and plaster surfaces, upgraded seating, full revamp of house electrical, water, HVAC systems, upgraded emergency systems and exits, adaption of ADA and Life Safety Code requirements, expansion of concession, box office and rest areas and repair to exterior surfaces, theatre offices and street level retail spaces.

PROJECT STATUS

FUNDS RAISED TO DATE \$626,000

The Fox's 15 member board of directors hired a professional executive director in February of 1998. Over the next five months the project's mission statement, business plan and budget projections were finalized, and a capital campaign was initiated in August of 1998. Commensurate with funds being raised the restoration timeline will begin with the distribution of Requests for Proposals to pre-qualified architects and subsequent hiring, a four month Design Phase, RFP's to pre-qualified contractors and subsequent hiring, and initiation of site work. Property immediately adjacent to the Fox's stage has been purchased to allow for expansion of production capabilities.

TOTAL PROJECT BUDGET
\$2,865,000

AIA Kansas

A Chapter of The American Institute of Architects

March 9, 1999



TO: Representative Mason and Members of the House Economic Development Committee

FROM: William Morris, AIA

RE: Support of SB 76

Good Afternoon, Mr. Chairman, and members of the Committee. I am William Morris and I represent the American Institute of Architects in Kansas (AIA Kansas) where I serve on the Historic Resources Committee. I want to thank you for the opportunity to address your committee today regarding our support for SB 76.

AIA Kansas is a statewide association of architects and intern architects. Most of our 700 members work in over 100 private practice architectural firms designing a variety of project types for both public and private clients including justice facilities, schools, hospitals and other health facilities, industrial buildings, offices, recreational facilities, housing, and much more. The rest of our members work in industry, government and education where many manage the facilities of their employers and hire private practice firms to design new buildings and to renovate or remodel existing buildings.

SB 76 allows the use of bonds for the renovation of Kansas' historic theatres. This bill will assist communities in saving their historic theatres. While most of these theatres are on (or eligible for) the state historic register, only renovation will ensure that they remain safe and viable structures. Without the assistance of the bonds, many of these structures will continue to deteriorate until they become unusable and dangerous.

The renovation and restoration of these theatres often allows the community to adapt the structure to new uses. The City of Wamago has turned their theatre into a community center that is used for a multitude of purposes: theatre, museum, conference center, wedding chapel, and much more.

Flooding recently damaged the Augusta theatre. As an "arts facility" it is not eligible for federal disaster assistance. The passage of this bill would allow Augusta to use bonds for the repair of the damage they sustained.

We believe SB 76 is a good deal for the State. It allows local communities another tool to assist them in preserving their downtowns and other older commercial areas. It provides for the stabilization and rehabilitation of buildings often in disrepair. The bill gives communities a funding source to adapt their historic theatres to new uses that will bring new revenues into their coffers and those of the state through increased sales and/or business taxes.

We urge you to approve SB 76. Thank you.

President
Gregory E. Schwerdt, AIA
Topeka

President Elect
Neal J. Angrisano, AIA
Overland Park

Secretary
Wendy Ornelas, AIA
Manhattan

Treasurer
Nancy L. Steele, AIA
Wichita

Directors
Richard A. Bartholmew, AIA
Overland Park

John C. Gaunt, FAIA
Lawrence

Georgia Gavito, Associate AIA
Lawrence

Peter Gierer, AIA
Topeka

John E. Heckman, AIA
Independence

Edward Klock, AIA
Wichita

Eugene Kremer, FAIA
Manhattan

David H. Livingood, AIA
Lawrence

William E. Mankin, AIA
Salina

Martin (Tony) Rangel, AIA
Wichita

Steven R. Roark, AIA
Westwood

Alan M. Stecklein, AIA
Hays

Andrew D. Steffes, AIA
McPherson

Robert Westberg, AIA
Manhattan

Executive Director
Trudy Aron, Hon. AIA, CAE

700 SW Jackson, Suite 209
Topeka, Kansas 66603-3757
Telephone: 785-357-5308
800-444-9853
Facsimile: 785-357-6450

Economic Development
March 9, 1999
Attachment 3

TOUR BUTLER

We are a group of volunteers organized to promote BUTLER COUNTY. Our MISSION STATEMENT is.

TO PROMOTE AND ENHANCE THE FEATURES AND ACTIVITIES OF BUTLER COUNTY IN ORDER TO BRING VISITORS INTO THE COUNTY FOR THE WELFARE OF BUSINESSES IN OUR COMMUNITIES.

Tourism is a major economic factor in the Kansas economy.

It can be an even greater factor by developing quality attractions at the local level, the tourism dollar can rejuvenate many of our Rural Economies.

As we develop high quality tourism ~~attractions~~^{attractions}, the visitors will come.

Tourism studies have divided attractions into four main areas:

- * Natural or Unique
- * Historical
- * Man Made
- * Events

KSU Cooperative Extension, enhancing Kansas Community through Tourism, 1991. Kansas has all of these.

The Tour Butler Planner is a Kansas State Historical recognized Award Winning Planner. We are in the process of reprinting and updating the planner. The communities of Butler County and the

Economic Development
MARCH 9, 1999
Attachment 4

Butler County Commissioners support this project. We have a Tour Coordinator that will create a Tour of your choice, Jean Plummers card with the #800 number is in the Planner.

Senate Bill #76 Enhances the financial availability for Historic Theatres , an important part of our Kansas Tourism Economy.

Tour Butler , President
Marce Brewer
Box 20, Beaumont,Ks. 67012
1-316-843-2591



**League
of Kansas
Municipalities**

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL 300 S.W. 8TH TOPEKA, KS 66603-3912 (785) 354-9565 FAX (785) 354-4186

TO: House Economic Development Committee

FROM: Chris McKenzie, Executive Director

DATE: March 9, 1999

SUBJECT: Senate Bill 76, Concerning Tax Increment Financing for Historic Theaters

Thank you for this opportunity to testify in general support of SB 76. While the League's legislative committee has not yet had the opportunity to review this measure, I am confident that it is consistent with the League's general policy positions in support of the use of tax increment financing to encourage the redevelopment of significant properties in cities. A recent Legislative Post Audit Division report found over 30 tax increment projects in place since 1976 and few instances of even minor failures by cities to follow this important law.

Using tax increment financing (TIF), a city may dedicate future increased tax revenues (i.e., the "increment") for a fixed period of years to finance improvements in connection with a redevelopment project. The acquisition of property and improvements may be financed through the issuance of special obligation bonds of the city, repayable from the tax increment generated from the redeveloped property. In addition to the local property tax increment, Section 5 (page 7) sets forth the other types of revenues that may be dedicated to repayment of the principal and interest on the bonds, including private funding, state or federal grants, franchise fees, local sales taxes, or a combination of these sources. For certain types of projects, such as a redevelopment district for restoration of a historic theater, transient guest taxes and state sales and use taxes also can be dedicated to funding repayment of the bonds. If these sources of revenue prove inadequate, the TIF law provides that the taxpayers at large are not responsible for repayment of the bonds through property taxes.

The process a city government must go through to establish a TIF district is lengthy and complex. It is mainly designed to ensure the financial feasibility of the project as well as to allow adequate time for public participation. Attached is a 2-page overview of the process. The finding required in Section 5 that the project concerns the restoration of a historic theater would add one more step to the process.

I do have a number of minor amendments to propose to the bill which I would be happy to share with the Committee staff. They simply coordinate these amendments with other provisions contained in the bill and the current TIF law.

RECOMMENDATION: We recommend support for SB 76.

*Economic Development
MARCH 9, 1999
Attachment 5*

**Time Line for
Establishment of Redevelopment District
And Adoption of Redevelopment Plan for Project Areas**

| Date/Time | Action/Description |
|------------------|---|
| _____ | City determines whether proposed district is in a blighted area, or a conservation area, or an enterprise area designated before July 1, 1992 (See K.S.A. 12-1771(a)). |
| _____ | Board of County Commissioners and School Board agree to waive 30-day veto period described in K.S.A. 12-1771(f) (if they will agree - they are not required to do so). |
| _____ | City Council adopts resolution stating that it is considering establishment of the Redevelopment District. As per K.S.A. 12-1771(d), the resolution must contain the following items. |
| | <ul style="list-style-type: none"> (1) Give notice of public hearing on establishment of Redevelopment District (including date, time and place). (2) Describe proposed boundaries of the Redevelopment District. (3) Describe the proposed comprehensive plan that identifies all of the proposed project areas and gives a general description of the buildings and facilities to be affected. (4) State that the description and map of the proposed Redevelopment District is available for inspection at a designated time and place. (5) State that the governing body will consider findings necessary for the establishment of the Redevelopment District. |
| _____ | A copy of the resolution sent by certified mail to owners of land in the Project Area <u>no later than 10 days</u> after adoption of the resolution. (See K.S.A. 12-1771(d) and K.S.A. 12-1772). |
| _____ | A copy of the resolution sent by certified mail to the Board of County Commissioners and Board of Education <u>no later than 10 days</u> after adoption of the resolution. (See K.S.A. 12-1771(d) and 12-1772). |
| _____ | Resolution (including map) published <u>at least once</u> in official city newspaper <u>one to two weeks</u> before public hearing. (See K.S.A. 12-1771(d) and K.S.A. 12-1772). |
| _____ | City Council holds public hearing. City Council may adopt resolution making the findings outlined in K.S.A. 12-1771(a) which include: |
| | <ul style="list-style-type: none"> (1) The area to be redeveloped is a blighted area, a conservation area or an enterprise zone. (2) Conservation, development or redevelopment of the area is necessary to promote the general and economic welfare of the City. |
| _____ | Neither Board of County Commissioners or Board of Education vetoes proposed Redevelopment District within 30 days of hearing. |
| _____ | City Council passes ordinance (<u>majority vote required</u>) establishing the Redevelopment District. |
| _____ | Prepare Comprehensive Feasibility Study (cost/benefit analysis). |

Date/Time

Action/Description

- _____ Prepare Redevelopment (Project Area) Plan in consultation with the City Planning Commission. As per K.S.A. 12-1772(a), such plan must include:
- (1) A summary of the Comprehensive Feasibility Study.
 - (2) A reference to the Comprehensive Redevelopment District Plan.
 - (3) A description and map of the area to be developed.
 - (4) The Relocation Assistance Plan (if applicable) (See K.S.A. 12-1777).
 - (5) A detailed description of all buildings and facilities proposed to be constructed or improved.
 - (6) Any other information the city deems necessary to advise the public of the intent of the plan.
- _____ City Planning Commission finds the Redevelopment Plan consistent with the comprehensive general plan for development of the City.
- _____ City Council adopts resolution that it is considering adoption of the Redevelopment Plan. Such resolution must:
- (1) Give notice of public hearing on adoption of the Redevelopment Plan (including date, time and place).
 - (2) Describe the boundaries of the Redevelopment District and the date of its establishment.
 - (3) Describe the boundaries of the Project Area.
 - (4) State that the Redevelopment Plan, other required documents, and a map of the Project Area are available for inspection at a designated time and place.
 - (5) Give intent to issue full faith and credit tax increment bonds (if applicable).
- _____ A copy of the resolution sent by certified mail to owners of land in the Project Area no later than 10 days after adoption of the resolution.
- _____ A copy of the Redevelopment Plan and resolution sent by certified mail to the Board of County Commissioners and Board of Education no later than 10 days after adoption of the resolution.
- _____ Resolution (including map) published at least once in official city newspaper not less than one and no more than two weeks before public hearing.
- _____ Public hearing held (30-70 days after adoption of resolution). City Council passes ordinance (2/3 vote required) adopting Redevelopment Plan.
- _____ City Clerk files copy of ordinance, copy of description of land within Redevelopment District and map with County Clerk, County Assessor, County Treasurer, Board of Commissioners and Board of Education as per K.S.A. 12-1776(a).
- _____ Publication of ordinance.
- _____ Protest period ends for full faith and credit bonds, if any, 60 days after hearing on Redevelopment Plan.