

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by Vice Chairman Huff at 9:00 a.m. on February 1, 2001 in Room 519-S of the Capitol.

All members were present except: Representative Edmonds, excused.

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor
Winnie Crapson, Secretary

Conferees appearing before the committee:

Representative Hutchins
Dr. Raymond Powers, Kansas State Historical Society
Deanne Linn, Director of Housing and Neighborhood Development, Liberal
Mike Taylor, Legislative Counsel, Wichita
Kathy Morgan, Planning Department, Wichita
Julie Prideaux, Ottawa Main Street Association, Ottawa
Henri Coeme, St. Ann's B&B, St. Paul
Sally Schwenk, Historic Preservation Services, Kansas City MO
Christy Davis, Kansas State Historical Society
Ross Freeman, Pioneer, Inc., Topeka
Janette Bump, Graham County Economic Development Director
Barbara Anderson, Preservation Consultant, Manhattan
Vance Kelley, American Institute of Architects

Others attending: See attached list.

Vice Chairman Huff opened the meeting by asking for bill introductions.

By unanimous consent bill will be introduced to amend K.S.A. 79-3603(o) to include limited liability companies in the provision for sales tax exemption on contribution of a motor vehicle to a corporation as requested by the Kansas Bar Association. [HB 2292 - Sales tax exemption for limited liability company motor vehicle transfers]

Representative Mays moved that HB 2006 be reported favorable for passage. Representative Powers seconded the motion. The motion carried.

Hearing was opened on:

HB 2128 - Income tax credit for historic preservation project.

Representative Hutchins presented testimony in support of the bill (Attachment #1). She noted other states have developed such tax incentive programs for historic preservation paralleling the Federal Rehabilitation Tax Incentive Program.

Ramon Powers presented testimony in support of the bill (Attachment #2) on behalf of the Kansas State Historical Society.

Deanne Linn, Director of Housing and Neighborhood Development, Liberal presented testimony in support of the bill and provided copy of an editorial in the Southwest Daily Times (Attachment #3).

Mike Taylor presented testimony on behalf of the City of Wichita in support of the bill (Attachment #4).

Kathy Morgan, Senior Planner in the City of Wichita Historic Preservation Office, presented testimony in support of the bill (Attachment #5).

CONTINUATION SHEET

Julie Prideaux, Executive Director of Ottawa Main Street, presented testimony in support of the bill and provided information on "Main Street" projects in Kansas (Attachment #6).

Henri Coeme presented testimony and described his preservation project of St. Ann's Bed and Breakfast, St. Paul, Kansas. He provided a brochure on the B&B (Attachment #7) and pages from the St. Paul Business Directory and Information Guide describing the project (Attachment #8).

Sally Schwenk, Historic Preservation Services, Kansas City, MO, presented testimony concerning projects in Kansas City. She described the Missouri income tax credit program and distributed a map of the Crossroads Historic Freight District (Attachment #9) noting investment pre-State Credit in the 1990s and those tax credit projects initiated and completed 2000-2001.

Christy Davis, Kansas State Historical Society, presented testimony in support of the bill (Attachment #10). She also provided examples of properties that would have qualified for a state rehabilitation tax credit under this bill (Attachment #11).

Ross Freeman, Pioneer, Inc., presented testimony in support of the bill. He described projects sponsored by his Pioneer and outlined benefits of the Missouri income tax credit incentive in rehabilitation of historic buildings in the Paseo neighborhood in Kansas City, Missouri.

Janette Bump, Graham County Economic Development Director and President of the Northwest Kansas Community Housing Development Program, presented testimony in support of the bill (Attachment #12). She described the potential benefit of the proposed income tax credit as an incentive for the preservation of homes owned by individuals in historic Nicodemus.

Vance Kelley presented testimony in support of the bill on behalf of the American Institute of Architects-Kansas (Attachment #13).

Barbara Anderson, a preservation consultant and part-time faculty member at Kansas State University, presented testimony in support of the bill (Attachment #14) setting forth reasons this tax credit legislation should be passed.

Janet Gestner, Lawrence, presented testimony in support of the bill describing experiences of her family in preserving a historic home in the Oread neighborhood in Lawrence.

Martha Francisco, president of the Kansas Preservation Alliance, presented testimony in support of the bill. The alliance is a volunteer club which gives awards of excellence for work that has been done in preservation. The Alliance also identifies endangered buildings.

Dennis Ehslinger presented testimony on behalf of the City of Lawrence in support of the bill.

Written testimony in support of the bill was provided by Whitney Damron on behalf of the United Government of Wyandotte County/Kansas City, Kansas (Attachment #15).

No one appeared in opposition to **HB 2128**.

Witnesses responded to questions from members of the Committee.

The hearing on HB 2128 was closed.

The meeting adjourned at 10:30 a.m. The next scheduled meeting is February 6.

GUEST LIST

DATE Feb. 1, 2001

NAME	REPRESENTING
Rick Kready	Pioneer Group, Inc.
Gally Schwerk	Historic Preservation Services LLC
Trudy Aron	AmerInst of Architects
Deanne Winn	City of Liberal
Kathy Morgan	City of Wichita
Ross Freeman	Pioneer Group, Inc.
Ron Appletoft	Water Dist. No 1 of Jo Co
Janette Kemp	Graker County
Barbara G Anderson	Barbara G. Anderson, LLC
Wm Biceaux	Ottawa Main Street Association
Mike Taylor	City of Wichita
Christy Caldwell	Topeka Chamber of Com
Brenda R Spencer	Brenda Spencer
Leslie Kaufman	K's Farm Bureau
Ed O'Valley	Oredul Park Chamber of Commerce
Gene Werged	Ruffin Company
Bernie Koch	Wichita Area Chamber
Dennis Enslinger	City of Lawrence
Randy Specker	KPJCH
Whitney Jamison	WRCD/KC, KS

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HOUSE OF
REPRESENTATIVES
TESTIMONY
HOUSE TAXATION COMMITTEE
FEBRUARY 1, 2001
HB 2128

Chairman Edmonds and members of the House Taxation Committee,

Thank you for the opportunity to come before you today and speak in support of HB2128. HB2128 would create a state tax credit equal to 25% of certified rehabilitation expenses equal to or greater than \$5,000 on certified historic structures. The program would parallel the federal rehabilitation tax credit program of the Internal Revenue Code. The credit would be available to both income-producing and non income-producing properties. An information packet will be passed out to you that will explain what qualifies as certified historic structures, certified rehabilitation, qualifying expenses, eligible applicants and the application process.

Many states have established state tax incentive programs that mirror the federal program. At the current time seventeen states have implemented such programs.

Since it's inception in 1976, the Federal Rehabilitation Tax Incentive Program has encouraged private investment in many historic buildings throughout the nation. In Kansas some of the projects include the rehabilitation of Pittsburg's Stillwell Hotel, Sabine Hall in Garden City, Rehwinkle Hall in Winfield, Ottawa's North American Hotel and the Osage Hotel in Arkansas City. One of the largest private rehabilitation projects undertaken in Kansas is Wichita's Eaton Block.

As other states develop state tax incentives for historic preservation, Kansas may struggle to compete for out-of-state investors. One way to remain competitive is to develop a state tax incentive program for historic preservation. Establishing a state rehabilitation tax credit program would benefit the state by attracting new businesses, creating quality jobs, attracting visitors and enhancing community pride. I ask for your favorable consideration on HB2128. Thank you.

Representative Becky Hutchins
50th District State Representative

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Testimony on HB 2128
Ramon Powers
2/1/01

Chairman Edmonds and members of the Committee, I am Ramon Powers, Executive Director of the Kansas State Historical Society. The name "Kansas State Historical Society" undoubtedly evokes images of the collection and preservation of artifacts that relate to Kansas History and their display in the museum. Objects placed in the society's care are in effect taken out of use and henceforth handled with gloves - treated as artifacts. Yet there are some objects of Kansas history whose continued use our agency promotes. These are the state's historic buildings, from the Ness County Bank to the Byre and Bluff Barns in Doniphan County, each representing a piece of Kansas history. True, the historical society does provide assistance on projects at house museums whose caretakers place their buildings within the "artifact" category - The house museum as artifact. But the majority of property owners the preservation office assists are those who wish to maintain their buildings - whether residential, commercial or governmental - for continued use or reuse. Sympathetic rehabilitation allows these buildings to rise from derelict status and once again contribute to the community's economy, in turn enhancing business activity, attracting visitors and improving the sense of place.

Successfully rehabilitated historic properties have a unique place within the Kansas economy. These buildings, typically located within the cores of Kansas communities, can fulfill residential and commercial needs in areas already served by existing infrastructure thus lowering costs for local governments. The lower levels of downtown buildings provide retail and office space. Upper levels can be converted into housing, thereby establishing a market for locally owned businesses. Collectively, a community's rehabilitated buildings can also attract visitors.

Some might question whether rehabilitation should be placed within the category of

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economic development. Recent reports, including one recently issued by the Kansas Economic Development task force entitled "Economic Development: Refocusing Strategy for the Next Decade," emphasize the role history plays in economic development and tourism. It states, "there is an interest in visiting Kansas for its historical and aesthetic value." In addition to providing a base for heritage tourism, rehabilitation creates jobs. Rehabilitation creates more jobs than new construction. In fact, the National Park Service reports that every \$1.5 million spent on rehabilitation creates 43 jobs (1999 Rehab Credit Annual Report). These jobs are more likely to be local jobs, and better-quality jobs, than those created by new construction.

Our agency has seen firsthand the economic impact of rehabilitation. A \$141,000 rehabilitation in Oberlin, Kansas turned a charming yet deteriorated downtown bank building into a successful bed and breakfast. A \$3.5 million rehabilitation converted Topeka's declining Jayhawk Hotel into a successful office building.

The recent report on economic development urges the state to make a financial commitment to economic development and challenges state agencies to work pro-actively to establish economic development programs. The report also urges that "The priority of this mission should be elevated to a level at which interested Kansans from the private sector are eager to participate." A state rehabilitation tax credit program would provide an incentive for private citizens - from historic homeowners to large-scale developers - to rehabilitate historic properties, thereby enhancing both the Kansas economy and quality of life.

The Kansas State Historical Society fully supports House Bill 2128.

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Southwest Daily Times
Editorial Oct 3, 2000
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Tuesday

October 3, 2000

OUR OPINION

TOPIC:

In its current, run-down condition, the old high school seems more burden than blessing. But it could end up a

Surprise package

If ever there was a perfect example of a white elephant — an unwanted item rewrapped in gift paper for a joking gift exchange — Liberal's decrepit, abandoned high school building is that.

The brick structure that sits at the heart of the community has been out of operation for more than 20 years, and two decades of total neglect have wrought sad changes on the building itself, and the surrounding area. A local church purchased the property some time back, and has done much to improve and use the northwest section of the huge, U-shaped building, but the remainder of the facility remains an eyesore.

There's just no way to make Liberal's oldest neighborhood, and the one adjacent to downtown, look prosperous and well-kept, as long as the crumbling shell remains in its current state.

The problem is more than cosmetic. With its gaping, broken windows and relatively easy access, the old high school provides a handy refuge for pigeons, rats, stray animals and the occasional trespasser. Health problems are a distinct possibility when such a breeding ground for disease exists.

Further, as the building suffers the effects of neglect even more, structural disintegration poses more dangers. There's asbestos, there's falling mortar and stone, there's broken glass — and probably more hazards no one has thought of yet.

The current owners cannot afford to fix the problems. The church has not even made *plans* to fix the problems.

The problems, however, must be addressed.

What that means is that the city is going to end up with this white elephant, whether or not it's in the mood to receive gifts.

The city must enforce codes and condemn dangerous buildings. The city is the entity charged with community beautification and neighborhood development. The city, then, is either the last chance for the building to be salvaged, or the deciding factor that will swing the wrecking ball.

There's a lot to be said for the proactive approach, and for making the best of a bad situation. While it would be easy to pick at the current state of affairs, to assign blame, to cry for lost chances and to regret past decisions, it makes a whole lot more sense to think about the possibilities of redemption for the building. Ignoring the problem — which is what, apparently, everyone involved has done for who knows how long — obviously won't solve anything.

The city commissioners have the opportunity to salvage something here: the potential in a once-beautiful building. By doing so, they could also renew a sense of pride and identity for the community. The idea deserves serious consideration, though it would, of course, require careful planning, seasoned consideration and a big infusion of money.

The wrecking ball is always waiting in the wings. But what can a wrecking ball accomplish, compared to the creative energies of a community? Only tear things down, and haven't we had enough of that? Besides that, demolition too is terribly expensive.

Maybe it's time to look beyond the surface, deal with reality and spend some time contemplating how our town could best use the buildings.

Sometimes the best things come in surprise packages. Given a second chance, the old high school could be transformed from a white elephant to a gem.

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TESTIMONY

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House Bill 2128 Historic Preservation Tax Credit

Delivered February 1, 2001
House Taxation Committee

The City of Wichita is experiencing exciting new growth and development. But that development is not all happening on the suburban edges of the city. The City of Wichita is making a deliberate, meaningful effort to encourage redevelopment in the inner city. House Bill 2128 would be a great benefit in promoting this inner city revitalization while at the same time, helping Wichita preserve its past.

Our support for this bill comes from more than a sentimental nostalgia for old buildings. Tax incentives for preservation attract new private investment to historic areas. They also generate jobs, enhance property values, and augment revenues for State and local governments through increased property, business and income taxes.

Several completed projects which could have benefited from the Historic Preservation Tax Credit:

Eaton Place: A landmark renovation to turn the famous hotel into modern downtown apartments was allowed a 20% Federal Tax Credit on \$13 million of the project cost. This would equate in State tax credits to \$3.25 million which would have more than helped close the financing gap in this project. As it was, construction design had to be scaled back to reduce the overall budget by \$2 million.

Hotel at Old Town: An amazing transformation of a crumbling warehouse into a first class hotel in the heart of the Old Town entertainment district. This \$7.6-million project would have received \$1.9-million in state tax credits. This project did receive the 10% tax credit.

Innes Station Apartments: A commercial condominium project in Old Town would have received \$1.1-million in state tax credits.

Pratt-Campbell House: A residential project worth \$90,000 would have received \$22,500 in state tax credit. This project was not eligible for any federal historic tax credit.

Telegraph Building: A pending project in Old Town to create condominium housing could cost \$10- million. This would result in \$2.5-million in state tax credit. At this time, this project would not be eligible for the federal historic tax credit.

The Historic Preservation Tax Credit proposed in House Bill 2128 can help promote renovation of abandoned or underused schools, warehouses, factories, churches, retail stores, apartments, hotels, houses and offices. With House Bill 2128, these buildings can be restored and given new life, again making them useful contributions to the community, instead of eyesore, dangers and financial liabilities.

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Wichita-Sedgwick County Metropolitan Area Planning Department

February 1, 2001

HB 2128

Kathy Morgan, Senior Planner
Historic Preservation Office
City of Wichita Historic Preservation Board

My name is Kathy Morgan. I hold a master's degree in Cultural Geography and have been involved in preservation, including academic pursuits, local and state government. I spent 11.5 years involved with the Main Street program at the local level as a project manager and at the state level as the state coordinator for the Louisiana Main Street Program. I have been with the Wichita/Sedgwick County Metropolitan Area Planning Department for two years as the senior planner of the Historic Preservation Office.

The City of Wichita has a 20 year track record in supporting and promoting neighborhood and commercial revitalization with financial incentives whenever possible. This can be an onerous task as there are few programs, other than conventional loan packages, that can be accessed to assist with financing. Federal funding sources such as CDBG, Home Funds and others require meticulous attention to reporting details for lead-base paint assessment and abatement, income requirements, environmental assessments and for commercial projects the added documentation of Davis-Bacon prevailing wage requirements. Even with these regulations, the availability of the funds provides incentives to fund projects such as the \$16 million Eaton Place development in downtown Wichita and provided revolving loan money for the renovation of the Pratt-Campbell House. It took over 1.5 years to put together the financing package for Eaton Place development.

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The City of Wichita has 72 individually listed structures, five historic districts with approximately 350 contributing structures, and a historic commercial warehouse district. The HB 2128 will provide an additional incentive to rehabilitate older housing stock in the core area of Wichita. Traditionally, the older housing stock is marketed to first time home owners and provides the majority of the 80% median income housing either through rentals or home ownership programs. Delano, one of the oldest neighborhoods in the City is in the process of finalizing a neighborhood redevelopment plan. The historic tax credit would provide a huge boost in getting this plan underway.

The commercial warehouse district known as Old Town has several underdeveloped structures that would be prime candidates for using the state historic tax credit. We have had a project on the boards waiting for gap financing to launch another housing project in this area. The Eaton Place project has provided a solid transition from Old Town into the historic central business district for which the City has plans for redevelopment westward approximately 1.5 miles.

Wichita is poised for adaptive reuse of historic structures, both commercial and residential. The City is in the stage of draft review of the Wichita Existing Building Code which will provide predictability and adaptability of life safety codes for redevelopment projects. The state historic tax credit in conjunction with existing financing packages will provide the opportunity to make a significant impact in the core area of Wichita.

I have attached copies of two published articles authored by Donovan Rypkema, a nationally known real estate and economic developer to be read into record. To quote Mr. Rypkema –“Dollar for dollar, historic preservation is one of the highest job-generating economic development options available. In Michigan, \$1,000,000 in building rehabilitation creates twelve more jobs than does manufacturing \$1,000,000 of cars. In West Virginia, \$1,000,000 of rehabilitation creates twenty more jobs than mining \$1,000,000 of coal. In Oklahoma, \$1,000,000 of rehabilitation create twenty-

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nine more jobs than pumping \$1,000,000 of oil. In Oregon, twenty-two more jobs than cutting \$1,000,000 of timber. Historic Preservation creates jobs.”

“Suppose a community is choosing between spending \$1,000,000 in new construction and spending \$1,000,000 in rehabilitation. What would the differences be? \$120,000 more dollars will initially stay in the community with rehabilitation than with new construction. Five to nine more construction jobs will be created with rehabilitation; 4.7 more new jobs will be created elsewhere in the community with rehabilitation; household incomes in the community will increase \$107,000 more with rehabilitation.”
Donovan Rypkema.

A study in the State of Washington in 1994 found that after a housing project involving almost 60% vacant and abandoned properties in blighted neighborhood were fully occupied.

The state historic tax credit will provide the means to effect the same results in our Kansas communities and neighborhoods.

Attachments:

Donovan D. Rypkema, Economics and Historic Preservation *Forum Journal* Winter 1995, Vol.9, No. 2

Donovan D. Rypkema, Economics Benefits of Historic Preservation *forum news* May/June 1998, Vol.4, No. 5

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Forum Library

Forum Journal
Winter 1995, Vol.9, No. 2

Economics and Historic Preservation by DONOVAN D. RYPKEM A

Here's the deal:

- We are going to have to choose between historic preservation and economic development.
- Preservation is kind of nice when times are good, but we simply can't afford it when local budgets are stretched to the limit.
- It's great that the rich can afford to restore their mansions, but the public sector certainly can't afford to rehabilitate these old buildings and most certainly preservation is not a cost-effective means of housing the poor.
- Historic districts, because of the restrictions they place on properties, inherently reduce property values.
- Close-in residential neighborhoods are in such a state of deterioration that we need to raze them to get rid of slum and blight, the crime and the eyesores those neighborhoods represent.
- Preservation probably works as a tourism strategy in Santa Fe or Charleston but is antithetical to broader economic development anywhere else.

Those statements have three things in common: we hear them all the time; they are all economic arguments; and they are all absolute, unequivocal, unadulterated hogwash. And "hogwash" is the more polite term I substituted when I found out I was going to be speaking at Trinity Church.

To have the theme of a National Trust conference be preservation economics is almost amazing to me. My first National Trust meeting was a little over a decade ago. I do not exaggerate when I tell you that there were violent arguments about whether real estate developers should even be allowed to register at the conference--somehow that was diluting the purity of the movement.

This conference, I would suggest to you, marks the date when economics takes its rightful place as one of the pillars upon which the preservation ethic is based. It certainly is not more important than the cultural, aesthetic, sociological or historical bases, but the time has come to recognize its equal importance.

This time has come in part because of the leadership of Dick Moe, Peter Brink and others at the Trust, is evidenced by the emergence of people like Tom Moriarity and Brad White into leadership positions at Preservation Action, through the successes around the country chronicled by Roberta Gratz, by the willingness of groups like the Historic Landmarks Foundation of Indiana to get in and get their hands dirty in real estate development.

But perhaps more than anything else, it has been the incredible impact of the National Main Street Center and its philosophy of economic development through historic preservation. That has made believers out of more crass unrepentant real estate capitalists like me than can possibly be counted; an impact far beyond the 900 towns with Main Street programs. The "Main Street Approach" has now become part of the vernacular of the field of economic development. It would be nice to say this success stems from the brilliance of the staff, the quality of the publications, the excellence of the conferences. Not so. This answer is much more simple: economic development through historic preservation works--it works.

If you ask your local economic development director what is the single best measurement of economic development success, I'll tell you what the answer will be--jobs. Every community needs jobs. So let's take a look at historic preservation and job creation.

Dollar for dollar, historic preservation is one of the highest job-generating economic development options available. In

Michigan, \$1,000,000 in building rehabilitation creates twelve more jobs than does manufacturing \$1,000,000 of cars. In West Virginia, \$1,000,000 of rehabilitation creates twenty more jobs than mining \$1,000,000 of coal. In Oklahoma, \$1,000,000 of rehabilitation creates twenty-nine more jobs than pumping \$1,000,000 of oil. In Oregon, twenty-two more jobs than cutting \$1,000,000 of timber. In Pennsylvania, twelve more jobs than processing \$1,000,000 of steel. In California, five more jobs than manufacturing \$1,000,000 of electronic equipment. In South Dakota, seventeen more jobs than growing \$1,000,000 of agricultural products. In South Carolina, eight more jobs than manufacturing \$1,000,000 of textiles. Historic preservation creates jobs.

At the same time, rehabilitation will have a far greater impact on the local economy than will the same amount of new construction. Suppose a community is choosing between spending \$1,000,000 in new construction and spending \$1,000,000 in rehabilitation. What would the differences be? \$120,000 more dollars will initially stay in the community with rehabilitation than with new construction. Five to nine more construction jobs will be created with rehabilitation; 4.7 more new jobs will be created elsewhere in the community with rehabilitation; household incomes in the community will increase \$107,000 more with rehabilitation.

But job creation and household incomes aren't the only measures. There probably isn't an elected official in the country that doesn't claim to be for fiscal responsibility. And I politically and philosophically endorse that position. But let me make one thing unequivocally clear--any community of any size that does not have a formal program of downtown revitalization cannot claim to be doing everything possible to save taxpayers' dollars.

Every community has already made a huge investment of public funds in downtown streets, sidewalks, water and sewer lines, parking lots, streetlights and other infrastructure. A downtown that is allowed to deteriorate with buildings sitting empty wastes assets that have already been paid for. It is exactly the same as buying a new police car but only driving it on Fridays, or paying a full-time salary to an assessor who only works twice a week. Certainly taxpayers wouldn't stand for that as public policy. A community wastes taxpayers' dollars every day when downtown is being used at thirty or forty or fifty percent of its capacity. Commitment to downtown revitalization and reuse of downtown's historic buildings may be the most effective single act of fiscal responsibility a local government can take.

Forget preservation and the environment--downtown revitalization saves tax dollars; sprawl wastes tax dollars. You tell me who is the fiscal conservative.

Let's leave downtown for a moment and go to residential neighborhoods. Here's what a recent study by the National Association of Home Builders discovered: "The size of a house and the number of bathrooms are important in determining the price of a home, but the characteristics of the neighborhood in which a house is located affect price the most...The analysis found that the presence of abandoned buildings in the neighborhood reduces the price more than thirty percent."

Now where are those abandoned houses found? In our older and historic neighborhoods. If municipal budgets really are stretched, how much more fiscally irresponsible can you be than to allow the neighborhoods from which you draw the taxes to decline in value? Not to mention what that does to the security of bank loans, people's life savings wrapped up in home equity, and crime that gravitates almost instantly to abandoned houses.

Oh yeah, some idiot police chief will have a brilliant solution: "Oh, you have a crack house in your neighborhood? We'll send over a bulldozer tomorrow, level the house, and that will take care of it." Right! Having an empty lot next door instead of an empty house means having hookers for neighbors instead of drug dealers--some improvement in quality of life that is.

And those of you from smaller communities who say, "abandoned houses are a problem in Detroit or Philadelphia but not in our small town" are kidding yourselves. Half my work is in places of less than 20,000 people and abandoned houses are there too--with the same negative effects.

As counter point, consider the study last year of a State of Washington preservation program. Here was one of the findings: While almost sixty percent of the rehabilitated buildings under this program were either vacant or completely abandoned buildings located in blighted neighborhoods, they are now fully occupied.

Now you don't have to be the president of the local Mensa chapter to make the connection. The rehabilitation of abandoned housing doesn't just preserve a single building. It preserves the value of the entire neighborhood. That's what historic preservation has become. It isn't about restoring buildings; it's about restoring communities, and that includes restoring the economic value of communities.

What mayor of a community of any size doesn't struggle with how to get middle-class taxpayers to move back to the city? But think for a minute where there have been pockets of back to the city migration--Columbus, St. Paul, Chicago, Louisville, Boston, New York, Des Moines, Seattle, Oakland. It has not been back to the city in general. In every

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instance it has been back to historic neighborhoods within the city. City governments that allow their historic neighborhoods to disappear through demolition, neglect, commercial encroachment or abandonment preclude themselves from being beneficiaries of a future back to the city movement.

While we're on the subject of neighborhoods, we might as well come face-to-face with another issue preservationists are unfairly saddled with--gentrification. Yes, preservationists encourage reinvestment, renovation and relocation to historic neighborhoods. But not through the displacement of existing long-time residents. Preservationists understand better than anyone that the real character and quality of neighborhoods come from people, not buildings.

When solutions have been developed to prevent displacement, those solutions have almost always come from preservationists. In Savannah, Cincinnati, Indianapolis and elsewhere preservationists have found ways of bringing in new people, new money, and new businesses without displacing the residents who for too long struggled alone to maintain their neighborhood and its sense of place. It is time we acknowledged that for our communities to be reborn we have to have economic integration--and our historic neighborhoods provide the best environment for that to happen.

Henry Jordan, I can't tell you how thrilled I was on Thursday to hear you say that Chicago Housing Authority Chairman Vince Lane is joining your Board of Trustees. I don't know much, and everything I do know I've learned from others, and I've learned a lot from Vince Lane. I had a chance to work with him last year in New Orleans on a very troubled public housing project--St. Thomas. This is a project so dangerous that the housing authority didn't have a resident manager there, sometimes cab drivers wouldn't take us there, and nobody knew how many vacancies there were.

But through the public housing grapevine the residents of St. Thomas knew about Vince Lane. They had heard from friends in Chicago that the quality of life in the public housing there was for the first time getting better instead of worse. Because Vince Lane knows the importance of economically integrated communities. And he's done it in Chicago without involuntarily relocating a single tenant.

So beware, preservationists, when you hear, "We don't want historic preservation because we don't want gentrification." There are those on both the right and the left who benefit politically from keeping the poor in isolation. But the poor don't benefit--just ask Vince Lane or the residents of his economically integrated developments in Chicago or the residents of St. Thomas. The poor don't benefit and neither does preservation. And our fellow preservationists have found ways of encouraging reinvestment which don't result in displacement.

Dick Moe mentioned in his address on Thursday that there is an inherent tension between the costs of preservation and providing affordable housing, and I heartily agree. So if there are ways we can speed up the approval process at HUD and at the Park Service, by all means let's do so. If there are changes that should be made in the Secretary's Standards--particularly regarding interiors--let's make them.

But I think we have to ask ourselves why the Standards exist at all and I think it is to assure the quality and the integrity of the structure when the work is done. There are those who have suggested that a somewhat lesser standard be applied when dealing with low-income housing preservation projects. But what does that say? That low-income people won't know the difference? That low-income people won't care? That certainly hasn't been my experience. If procedures, policies, interpretation, or the Standards themselves need to be changed to make residential rehabilitation work better, let's change them--but change them for all of us, not develop a lower standard for the poor.

There's another bit of economic silliness we are barraged with--that historic districts reduce property values. Peter mentioned the new book. In researching the book I think I found every published study ever done on the economic impact of historic districts. In some instances, value within the district appreciated at a rate far faster than the community as a whole; in some studies, districting led to significant new investment; in some cases, historic districts were protected from the wide volatile swings in property values.

But not in one instance--zero, zilch, zip--not a single study found that historic districts caused a decline in property values. Not one. It's time we put that politically motivated nonsense to rest for good.

A good share of these claims, by the way, come from the so-called "property rights" movement. Among their other arguments is that land use controls discourage long-term economic development. In fact, nothing could be further from the truth. Today quality of life is the single most significant variable in economic development.

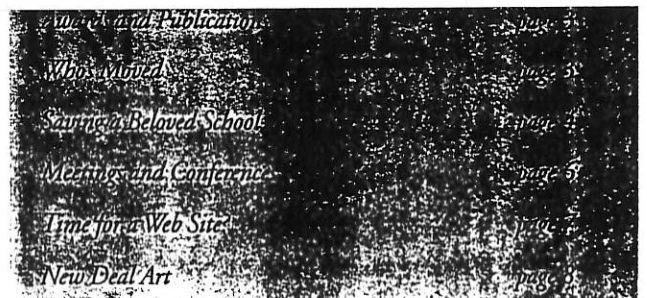
Think about it. Since quality of life is the significant variable for economic development, and since the physical environment is a major element of the quality of life criteria, there is no greater threat to sustainable economic growth than the elimination of those community-based enactments whose sole purpose is the protection of that physical environment whether it is built or natural. In the name of real estate rights these myopic fast buck artists are the ones dooming the economic future of our communities--not preservationists, environmentalists and our allies.

http://forum.nthp.org/subNTHP/displayNews.asp?lib_ID=410

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Preservation on Jobs, Business, and Community, The Preservation Alliance of Virginia, 1995.

- The investment of more than \$350 million in the rehabilitation of some 900 income-producing buildings using the federal historic rehabilitation tax credit has provided Virginia with 12,697 jobs and an increase in household income of nearly \$275 million.
- Historic preservation visitors stay longer, visit twice as many places.



A newsletter of the National Trust for Historic Preservation

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ECONOMIC BENEFITS OF HISTORIC PRESERVATION

continued from page 1

Historic Preservation and the Economy of the Commonwealth: Kentucky's Past at Work for Kentucky's Future, Kentucky Heritage Council and Commonwealth Preservation Advocates, 1997.

- Of the \$40.5 million in federal funds spent on ISTEA projects, almost 75 percent went to projects with a historic preservation component.
- In 200 of Kentucky's 385 National Register Historic Districts, 20 percent or more of the households are below the poverty line. In total an estimated 30 percent of all poverty-level families in Kentucky live in houses built before World War II. If that housing were replaced today, it would cost the taxpayers of Kentucky more than \$4.5 billion.
- Historic preservation provides Kentucky with an entry to the global marketplace. The historic buildings used by companies selling goods and services around the world range from the Labrot & Graham Distillery, rehabilitated at a cost of \$7 million by the Brown-Forman Corporation, to the Elmwood Inn in Perryville (population 780), from which mail order teas are sold to a worldwide clientele.
- Across a wide range of agencies on the state, county, regional, and municipal levels, historic preservation is being used not only to conserve old buildings, but to conserve scarce taxpayer dollars as well.

For more information, contact the Kentucky Heritage Council, 300 Washington Street, Frankfort, KY 40601. Telephone (502) 564-7005. Available from the National Trust. See box, page 6.

Preservation & Property Values in Indiana, Historic Landmarks Foundation of Indiana, 1997.

- Historic districts often mirror the surrounding community in terms of their economic, educational, and racial diversity.
- Historic districts promote increased levels of home ownership.
- People moving into historic districts aren't just passing through; they tend to be home owners for extended periods, increasing neighborhood stability.
- Buyers who choose historic districts often have wider choices and get more house, dollar for dollar, for their money.

Available from the Historic Landmarks Foundation of Indiana, 340 West Michigan Street, Indianapolis, IN 46202. Telephone (800) 450-4534. The publication is free for in-state orders, \$7.24 out of state.

Economic Impacts of Historic Preservation, New Jersey Historic Trust, 1997.

- New Jersey preservation activities stimulate \$298 million in federal, state, and local taxes within New Jersey and \$415 million in taxes nationwide.
- Preservation contributes \$543 million in gross state product and \$929 million in gross domestic product.



The West 8th Street Historic District in Anderson, Ind., offers house buyers more space and architectural detail for their money than do newer neighborhoods.

- Every \$1 million spent on nonresidential historic rehabilitation creates two jobs more than the same money spent on new construction. It also generates \$79,000 more in income, \$13,000 more in taxes, and \$111,000 more in wealth.
- Preservation in New Jersey creates 21,575 jobs each year, 10,140 of them in state.

A 20-page summary of the full report is available free of charge from New Jersey Historic Trust, P.O. Box 404, Trenton, NJ 08625. Telephone (609) 984-0473.

Profiting from the Past: The Impact of Historic Preservation on the North Carolina Economy, Preservation North Carolina, 1998.

- Tourism is the second largest industry in North Carolina, employing 161,000 people and producing \$2.5 billion in annual pay. The number one reason visitors come to North Carolina is its historic resources.
- The crafts industry in western North Carolina employs 4,000 crafts workers and artists and adds \$48 million annually to their household

(continued on page 6)

PRESERVATION FORUM NEWS

Katherine Adams
Diane Mack
Elizabeth Byrd Wood
Rachel S. Cox
Donna Gentry

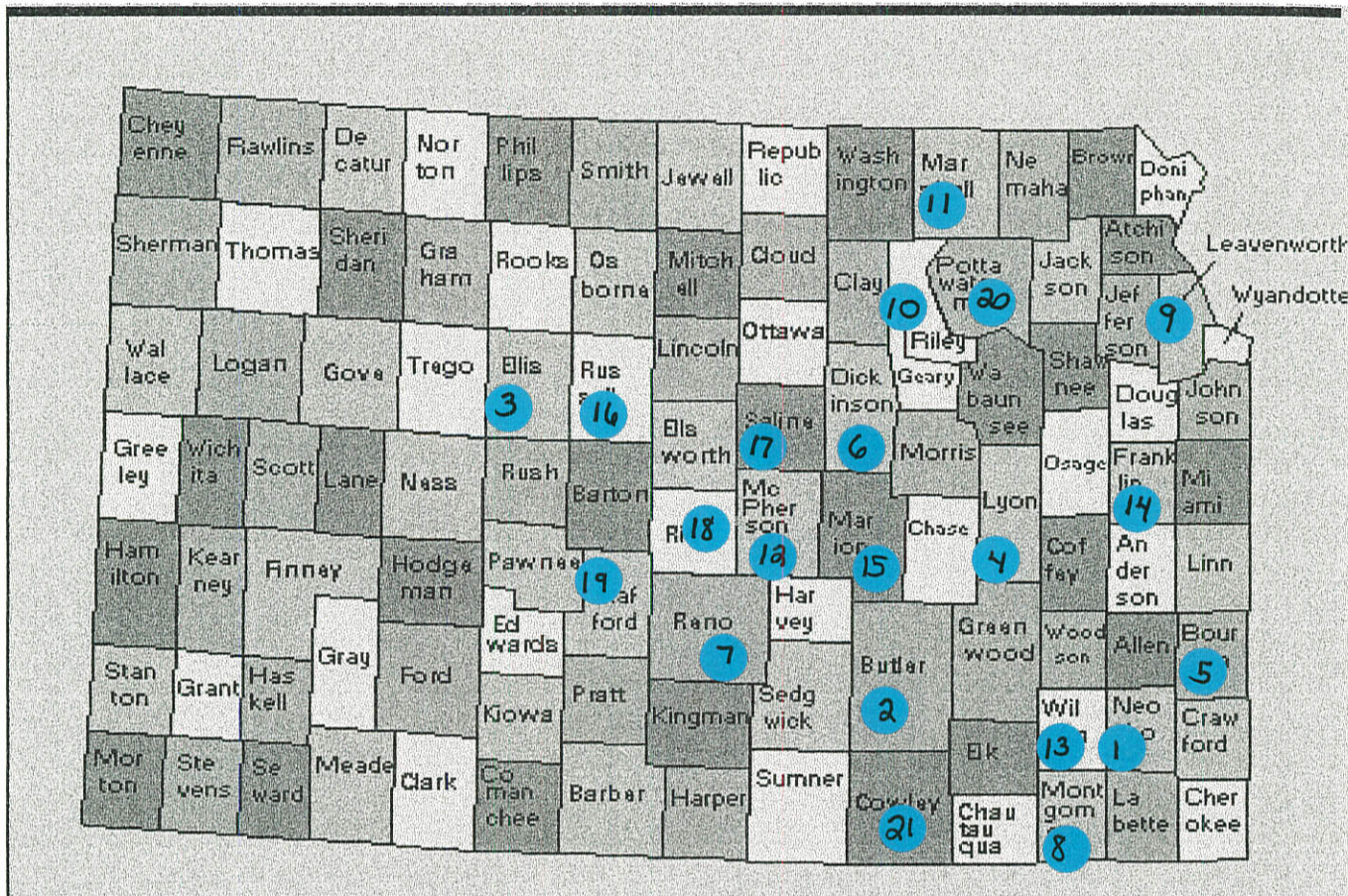
The mission of the National Trust for Historic Preservation is to protect, preserve, and advocate to save America's diverse places, historic buildings, and communities.

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Kansas Main Street Communities

- | | | | |
|----|---------------------------|----|-------------------------|
| 1 | Chanute (pop. 9,248) | 12 | McPherson (pop. 12,746) |
| 2 | El Dorado (pop. 12,809) | 13 | Neodesha (pop. 2,765) |
| 3 | Ellis (pop. 1,740) | 14 | Ottawa (pop. 11,495) |
| 4 | Emporia (pop. 24,866) | 15 | Peabody (pop. 1,312) |
| 5 | Fort Scott (pop. 8,324) | 16 | Russell (pop. 4,597) |
| 6 | Herington (pop. 2,702) | 17 | Salina (pop. 44,176) |
| 7 | Hutchinson (pop. 39,015) | 18 | Sterling (pop. 1,853) |
| 8 | Independence (pop. 9,623) | 19 | St. John (pop. 1,244) |
| 9 | Leavenworth (pop. 39,431) | 20 | Wamego (pop. 4,002) |
| 10 | Manhattan (pop. 42,117) | 21 | Winfield (pop. 11,804) |
| 11 | Marysville (pop. 3,128) | | |

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Kansas Main Street is a valuable downtown development tool. It is vital for Kansas communities to maintain strong business districts. The Kansas Main Street program is a self-help, technical assistance program that targets preservation and revitalization of downtown business districts.

This program is based on an approach which emphasizes economic development in the context of historic preservation. It helps communities help themselves through training and technical assistance designed to address the individual needs and challenges in communities. The program offers management training, consulting, evaluation and design assistance to designated Main Street communities. The Incentives Without Walls Fund (IWW), the first direct financial support provided to these communities, stimulates private reinvestment in the designated Kansas Main Street downtown areas.

In Kansas Main Street cities, community leaders are working to revitalize their downtowns - restoring economic vitality and pride to the heart of the community. Downtowns are reclaiming their positions, not just as viable business districts, but as centers of the community, offering a quality atmosphere to shop, work, invest and live. Attitudes are emerging that now allow cities to manage change to their benefit and guide their own future.

Kansas has 21 designated Main Street communities:

- Chanute
- El Dorado
- Ellis
- Emporia
- Fort Scott
- Herington
- Hutchinson
- Independence
- Leavenworth
- Manhattan
- Marysville
- McPherson
- Neodesha
- Ottawa
- Peabody
- Russell
- Salina
- Sterling
- St. John
- Wamego
- Winfield

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Kansas Main Street

FY 2000

- 101 new and expanded businesses
- 328 jobs created
- 276 façade and rehabilitation projects
- Total reinvestment of \$33.25 million

Incentives Without Walls Program:

- IWW grants and loans produced a 4.7 to 1 return on investment for \$241,693 awarded
- IWW grants and loans will generate 11 new and expanded businesses that will create and retain 43 jobs

First Half of FY 2001

- 100 new business openings or expansions
- 247 new jobs created
- 133 façade and rehabilitation projects
- Reinvestment of over \$17 million with \$1.5 million on building purchases and almost \$4 million in public improvements

Incentives Without Walls Program:

- First Round awarded \$76,832 to 7 projects with private investment of \$420,715
- Created 32 new jobs
- Open Round applications have resulted in \$37,917 grant dollars awarded to 3 projects

National Main Street

The Main Street program has been incredibly successful, making it one of the most powerful economic development tools in the nation, even though it focuses on historic preservation and retaining community character. These statistics are tracked from 1980 to date and reflect activity in over 1,500 communities:

- The total amount of public and private reinvestment in Main Street communities is \$12.8 billion
- Average reinvestment per community: \$8,454,000
- Number of net new businesses generated: 51,000
- Number of building rehabilitations: 62,000
- Ratio of reinvestment into the community: \$38.34 reinvested for every \$1 spent
- Average program length, to date: 5.70 years
- Average cost per job created: \$1,880
- Average cost per business created in a Main Street district: \$7,100

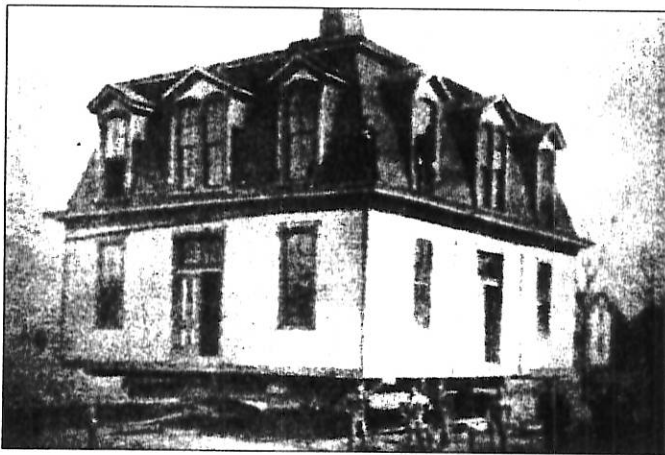
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**History of
Osage Mission's
Guest House &
Infirmary
(now St. Ann's
Bed & Breakfast)**

Originally called the *Infirmary & Guest House*, St. Ann's Bed & Breakfast was built in 1871-72 and used as an infirmary of the Osage Mission, from 1872 till 1894, by the Jesuits and Sisters of Loretto. Then, it served as a guest house for the Passionists.

Aside from the St. Francis Church, which was completed at a later date, St. Ann's Bed & Breakfast is the oldest and only remaining structure of the original Osage Mission.



Moving the house on log rollers in 1912

Jesuits (under the charismatic Fathers Schoenmakers, Bax and Ponziglione), together with the Sisters of Loretto (under the revered Mother Bridget Hayden) used the house as an Infirmary. After 1892, when the Passionists ran the Mission, it was used as a Guest House.

Originally, the Infirmary and Guest House, stood behind the St. Francis Monastery, just west of the church and across the road from St. Ann's Academy. It was built in the same style as the rest of the St. Francis Institute - Jesuit Community complex. That original location is where the house probably got its current name.

In 1912, the house was purchased by John Dowd who moved the house on log rollers (about 1/2 mile) from its original location, to 325 Main Street. This was done to make room for a new Passionist monastery (now demolished) next to the church.



The property is in remarkable original form. Only the front porch and a small kitchen attachment have been added on after the structure's move in 1912. The house is said to be a very early example of a rare two-story mansard-roof building.

Inside also, the two story house has remained virtually intact over the years with little changes to its main features over its 130-year history. The interior features



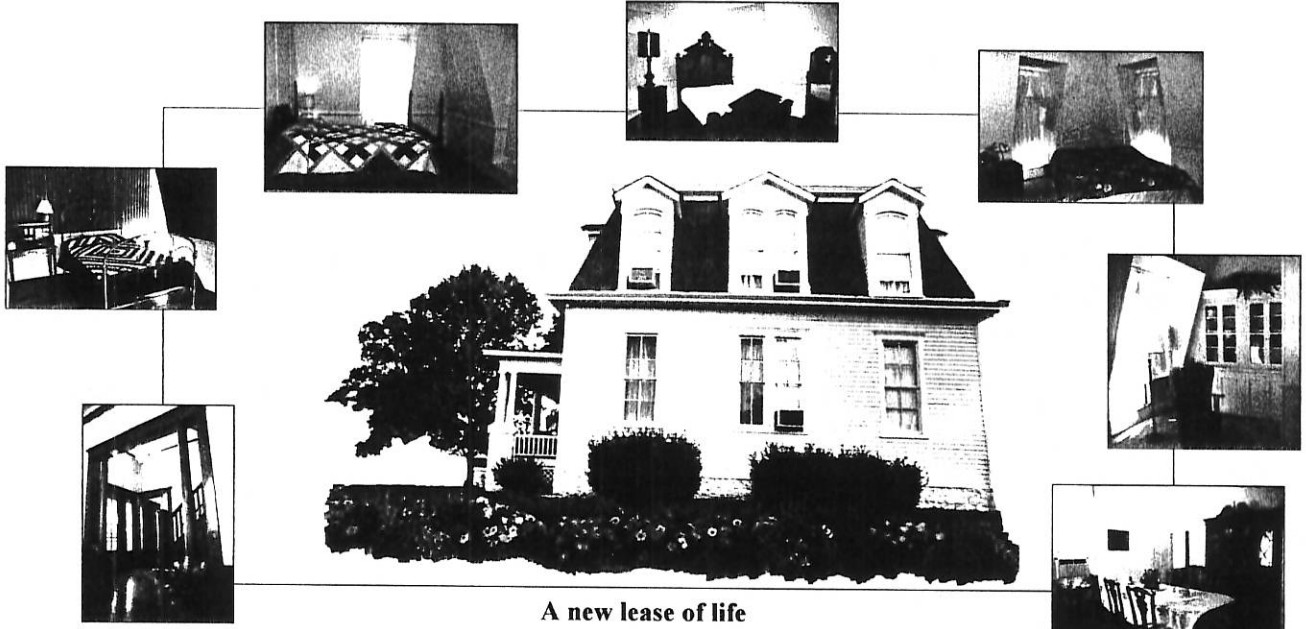
Passionist community in 1890

all-wooden floors and staircase as well as high 12 foot ceilings and near floor-to-ceiling windows.

Susie and Henri "Rik" Coëme bought the house at the end of 1999 and immediately started taking steps to



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A new lease of life

restore it and have the house placed on the State and National Register of Historic Places.

As the new and proud owners of this historical building, it was their intention to revive the hidden beauty of simplicity and space in this home with selected antiques and the absence of well-meant modern clutter. Once finished, they wanted to open it to the local community and the public, to be part of the local cultural heritage. They found no better way to do this than through turning the house into what it originally was built to be: a home for visitors and guest.

When visitors leave, they inevitably tell stories of how they felt at home and at peace. Could it be the kindred spirit of St. Paul's near-saints who once dwelled through this house and town, which is shared with its visitors, still today?



Henri "Rik" & Susie Coëme (Owners)
Lu Reeves (Innkeeper & Manager)

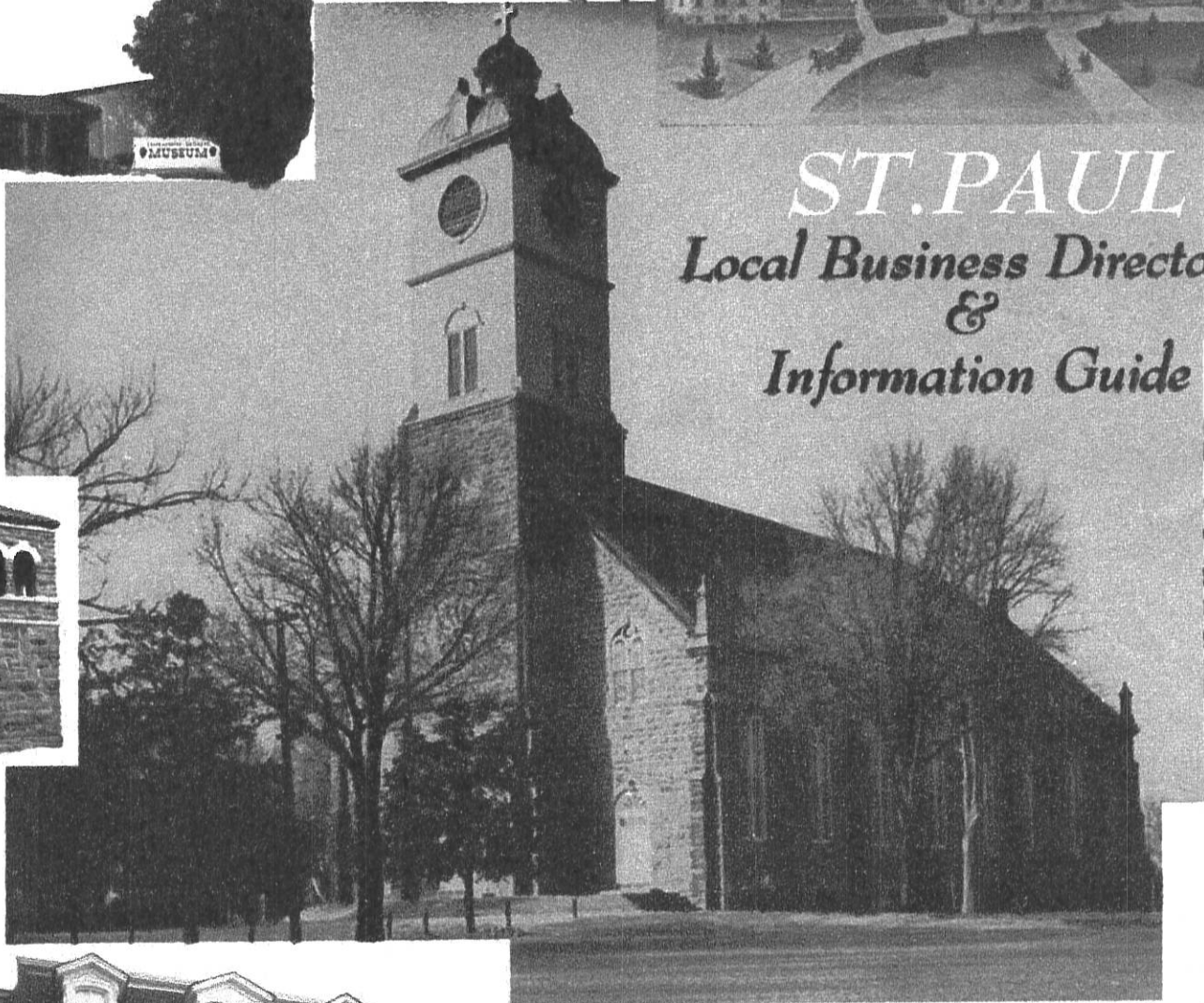
Reservations and Information:
toll-free: (877) 314 0968
or : (316) 347 4948

St. Ann's B & B (visits and guests):
325 Main Street, St. Paul, KS 66771
tel: (316) 449 2333
website: www.stannsbnb.com
e-mail: henric@ckt.net

***St. Ann's
 Bed &
 Breakfast:
 soon a
 historical
 site***



The house today: after 90 years, ready to welcome guests again



ST. PAUL Local Business Directory & Information Guide



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Chapter One What on Earth is in St.Paul, Kansas?



Our intention with this directory.

Chapter Two St.Paul Snapshots



*The Osage, the "Black Robes" and the Sisters of Loretto
The Passionists and the Sisters of St.Joseph
St.Francis Church, Belltower and Cemetery*



*History of Osage Mission's Guest House & Infirmary
(now St.Ann's Bed & Breakfast)*



Osage Mission-Neosho County Museum



The Carter's Big Island Hunting Club



Prairie Mission Retirement Village



Chicken-'N-Pickin' on the Range



The Horse Whisperers of St.Paul



The Neosho Wildlife Area

Chapter Three Directory of Services



*Alphabetic listing of services available in and near St.Paul
(individual businesses are listed the nearest ones first)*

Chapter Four Local Telephone listings



Alphabetic listing of St.Paul residents and businesses



1. What on Earth is in St.Paul?

Our intention with this directory

The idea of a Local Business Directory for St.Paul grew out of the need to offer guests at St.Ann's Bed & Breakfast a guide to local services. People visiting St.Paul may need directions, want to have current information as well as history about the town. They may want to know where to go for their local needs, where to shop for some bare necessities, where they can have a bite to eat, where to swim, where to pray.

Visitors often also may want a keepsake of the area, a few pictures, a memory, a few stories. Many people who visit have strong links with St.Paul: they or their ancestors have lived here, or are still living here in their ancestral home or at Prairie Village. For all those people, a business directory / local information guide / tourist keepsake serves many purposes all at once and will be kept and constantly updated in its most recent version as a tangible and practical link to St.Paul.

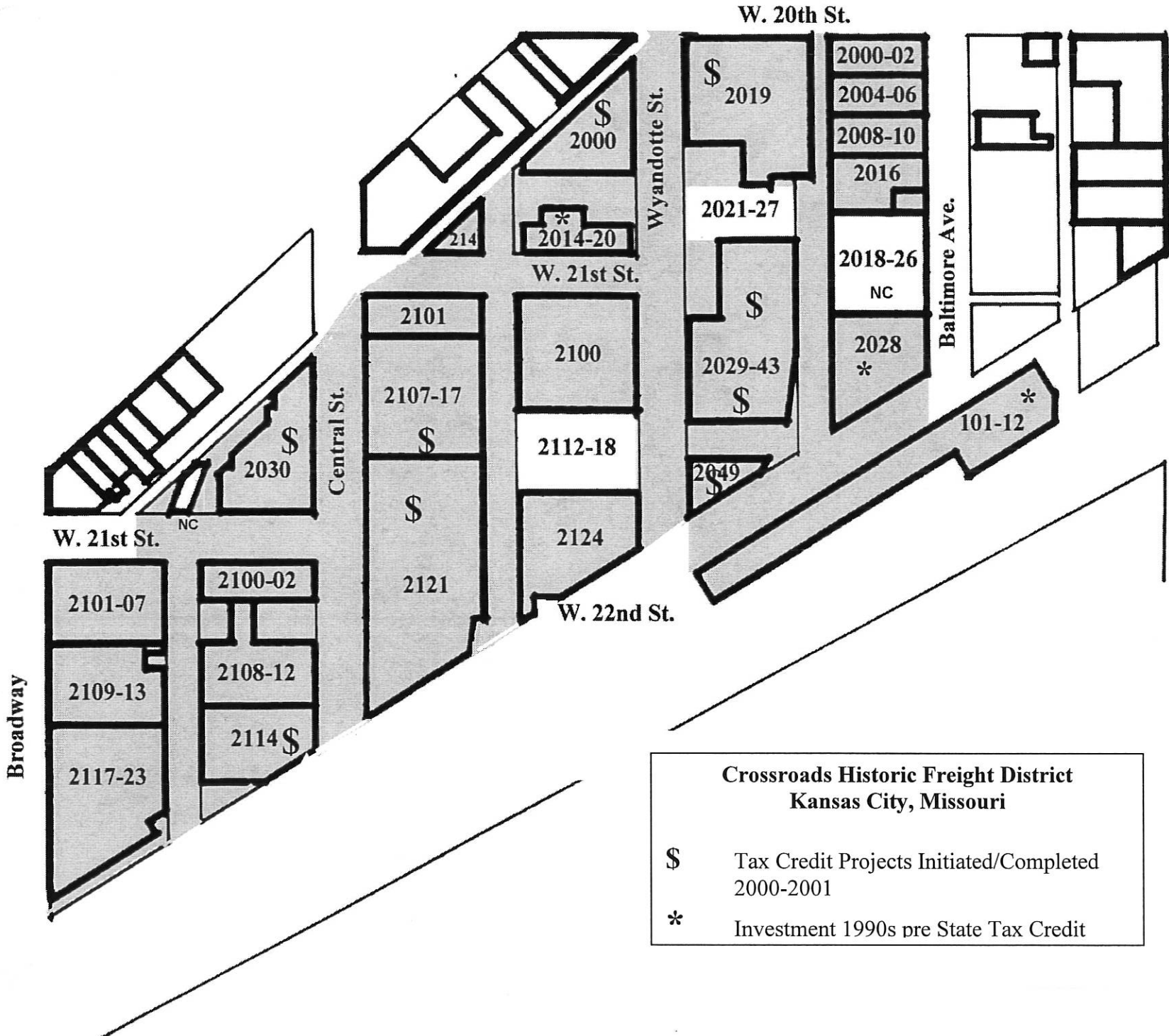
Businesses may want to give this informational directory to their customers or visitors for any of these reasons. They may even want to use the directory themselves in order to be constantly updated on what the newest local businesses have to offer. People of St.Paul may find out things about their own turf. Additionally, it will give local businesses and residents a chance to promote their home town.

All these reasons have lead us to believe that there are more uses for this local informational directory than being passed out to every visitor at St.Ann's, although we expect this already to be a significant and very interested party.

From an editorial point of view, the directory will be updated constantly. This will give businesses a chance to offer seasonal promotions. For the same reason, you can call us to notify us about any correction in this directory at (877) 314 0968. You can call the same number for any suggestions. We thank the local businesses for supporting this directory with their advertising, as well as you, the reader, for purchasing it. Your support keeps this directory alive and current.

Advertisers, don't be left out! Contact us or fill out the form in the back, so we can include you in our next update. Ads will be inserted for a 12 month period. Readers, come get your own copy. Further copies can be obtained at St.Ann's Bed & Breakfast. Black and white copies are free. Color copies are sold at \$9.95. By supporting this guide with your purchase or through your advertising, you will, simultaneously, promote your business, highlight your heritage and help put St.Paul on the map.





**Crossroads Historic Freight District
Kansas City, Missouri**

\$ Tax Credit Projects Initiated/Completed
2000-2001
 * Investment 1990s pre State Tax Credit

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Kansas State Rehabilitation Tax Credit Proposal

General

This bill creates a state tax credit equal to 25% of certified rehabilitation expenses equal to or greater than \$5,000 on certified historic structures. The program parallels the federal rehabilitation tax credit program (see Section 48(g) and Section 170(h) of the Internal Revenue Code and 36 CFR Part 67). This credit is available for both income-producing properties and non income-producing properties such as owner-occupied residences.

Certified Historic Structures

The following properties are considered, for purposes of this program, certified historic structures, and are thereby eligible for the state rehabilitation tax credit:

- a. Properties individually listed on the National Register of Historic Places
- b. Properties determined eligible for the National Register of Historic Places through the evaluation of a statement of significance, narrative description and photographs submitted to the Cultural Resources Division of the Kansas State Historical Society.
- c. Properties identified as contributing features to a National Register listed District
- d. Properties individually listed on the Register of Kansas Historic Places

Certified Rehabilitation

A certified rehabilitation is one which is approved by the Cultural Resources Division of the Kansas State Historical Society (or Certified Local Government which signs an agreement to serve as a reviewing entity) as being consistent with the Secretary of the Interior's *Standards for Rehabilitation and Guidelines for Rehabilitation of Historic Buildings*.

Qualifying Expenses

Any expenditure for a structural component of a building will qualify for the state rehabilitation tax credit. Structural components (defined by U. S. Treasury Regulation 1.48-1(e)(2)) include walls, partitions, floors, ceilings, permanent coverings such as paneling or tiling, windows and doors, components of central air conditioning or heating systems, plumbing and plumbing fixtures, electrical wiring and lighting fixtures, chimneys, stairs, escalators, elevators, sprinkling systems, fire escapes, and other components related to the operation or maintenance of the building.

There are also "soft costs" which qualify. These include construction period interest and taxes, architect fees, engineering fees, construction management costs, reasonable developer fees, and any other fees paid that would normally be charged to a capital account.

Qualified rehabilitation expenditures do not include the following: acquisition, enlargement costs which expand the total volume of the existing building; site work

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including sidewalks, fencing, outdoor lighting remote from building, decks (not part of the original building) parking lots, landscaping, paving, retaining walls, sidewalks, signage, storm sewer construction costs; new construction; decorating such as cabinets, window treatments, carpeting (if tacked in place and not glued), furniture; appliances, demolition (removal of a building on property site), fencing, feasibility studies, financing fees, furniture, leasing expenses, moving costs.

Expenses

Certified rehabilitations of certified historic structures which equal or exceed \$5,000 are eligible for the program. There shall be no cap on the amount of tax credit which can be claimed annually statewide or per project.

Eligible Properties

Properties that are eligible for the program include both those which are used for income-producing purposes and owner-occupied historic homes that are certified historic structures.

Eligible Applicants

Only the owner or long-term lessee (as defined by the federal tax credit program) of a structure may apply for a state tax credit on the rehabilitation of the structure.

Application Process

A property owner must complete and submit Parts I and II of the three-part application process prior to beginning rehabilitation of his/her structure. The application process is as follows:

- Part I. (For all properties not individually listed on the National Register of Historic Places or Register of Kansas Historic Places)
Submit to the Cultural Resources Division of the Kansas State Historical Society documentation, on forms provided by the Cultural Resources Division, verifying that the structure is eligible for the National Register of Historic Places. This documentation shall include a statement of significance, a narrative description and thorough photographic documentation of the interior and exterior of the structure.
- Part II. Submit a cost estimate for the project and a scope of work for the project on forms provided by the Cultural Resources Division of the Kansas State Historical Society.
When the division approves the application, a notice will be sent to the applicant.
- Part III. When an approved project is completed, the applicant shall submit Part III of the application which will serve to notify the division that work is completed.

Nomination Properties which have been determined eligible for the National Register of Historic Places must be listed on the National Register within 30 months of project completion.

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Completion of the Project

Unless the property owner provides written notification in Part II of the application that the rehabilitation will be completed in phases, the project must be completed within 24 months of approval. Phased projects must be completed within 60 months of approval.

Program Management

Certified local governments shall adopt annual resolutions stating their intent to act as a reviewing entity for the program. If a community chooses to administer the program at the local level, it will receive fees collected from taxpayers.

Fees

After submitting Part II of the application, and prior to the local government or Cultural Resources Division's reviewing it, the taxpayer shall pay a processing fee. The fee schedule is as follows:

Amount of qualified costs	Fee amount
\$0 - \$50,000	\$250
\$50,001 - \$500,000	\$300
\$500,001 - \$1,000,000	\$500
over \$1,000,000	\$1000

Claiming the Credit

The property owner shall claim the tax credit on his/her annual Kansas income tax return in the year in which the project is completed.

Carry Forward

If the tax credit exceeds the total state income tax liability for the year in which the project was completed, the property owner may carry the excess amount over for up to ten years.

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Project Name	City	Co.	Year	\$ Amt	Historic Use	New Use
J. T. Hereford House	Atchison	AT	1999	\$37,000	Residence	Apartments
Osage Hotel	Ark City	CL	1990	\$1,744,040	Hotel	Housing
West Dormitory	Winfield	CL	1993	\$1,751,958	Dormitory	Housing
Cowley Co National Bank	Winfield	CL	1983	\$80,000	Bank	Bank
Stillwell Hotel	Pittsburg	CR	1998	\$3,575,370	Hotel	Apartments
Spring Hill Ranch	Strong City	CS	1986	\$125,000	Residence	Farm
Bank of Oberlin	Oberlin	DC	1998	\$141,343	Bank	
Samuel Riggs House	Lawrence	DG	1987	\$56,000	Residence	Residence
Bell House	Lawrence	DG	1986	\$39,296	Residence	Residence
Duncan House	Lawrence	DG	1986	\$82,157	Housing	Residence
Benedict House	Lawrence	DG	1990	\$86,632	Residence	Apartments
Lebold House	Abilene	DK	1980	\$33,216	Residence	Residence
Sabine Hall	Garden City	FI	1997	\$1,465,865		
Lora-Locke Hotel	Dodge City	FO	1985	\$1,220,000	Hotel	Hotel
North American Hotel	Ottawa	FR	1992	\$1,352,370	Hotel	Apartments
Old Railroad Savings & Loan	Newton	HV	1986	\$490,000	Bank	Offices
Newton Santa Fe Depot	Newton	HV	1986	\$750,000	Railroad Station	Professional
First National Bank	Mankato	JW	1988	\$55,669	Bank	Bank
Kress Building	Emporia	LY	1984	\$507,191	Retail	Retail
Famers and Merchants Bank	Cawker City	MC	1986	\$40,000	Bank	Bank
Berry Block, Phase A	Cawker City	MC	1986	\$5,000	Retail	Bank
Booth Hotel	Independenc	MG	1996	\$173,792		
Hans Hanson Home	Marquette	MP	1988	\$6,500	Residence	Retail
Last Chance Store	Council Grov	MR	1995	\$12,000		
Cottage House Hotel	Council Grov	MR	1989	\$140,000	Hotel	Hotel
Tioga Hotel	Chanute	NO	1991	\$2,652,500	Hotel	
Woman's Club	Manhattan	RL	1987	\$31,670	Woman's Club	Law Office
Green-Hessin	Manhattan	RL	1994	\$80,000		
Uhlrich House	Manhattan	RL	1992	\$65,500		
Wichita Wholesale Grocery	Wichita	SG	1994	\$490,000		
Lassen Hotel	Wichita	SG	1985	\$9,850,000	Hotel	Offices
Hayford Building	Wichita	SG	1981	\$335,500		
Castle Inn at Riverside	Wichita	SG	1999	\$1,500,000	Residence	Hotel
Innes Furniture Warehouse	Wichita	SG	1999	\$4,721,476	Warehouse	Apartments
Orpheum Theater	Wichita	SG	1989	\$403,101	Theater	Offices
Central Motor and Finance Corp Buildi	Wichita	SG	1990	\$1,015,000	Retail	Offices
Neely House	Wichita	SG	1982	\$163,422	Residence	Offices
Anawalt House	Wichita	SG	1983	\$160,000	Residence	Offices
L. W. Clapp House	Wichita	SG	1983	\$400,000	Residence	Offices
Kress Building	Wichita	SG	1984	\$3,000,000	Retail	Offices
St. John's Lutheran School	Topeka	SN	1984	\$251,500	School	Apartments
Jayhawk Hotel	Topeka	SN	1982	\$3,568,992	Hotel	Offices
Central Motor and Finance Corp Buildi	Topeka	SN	1992	\$484,525	Retail	Offices
Central Motor and Finance Corp Buildi	Topeka	SN	1992	\$73,708	Retail	Offices
Charles Curtis House	Topeka	SN	1998	\$90,210.22	Residence	
Oxford Mill	Oxford	SU	1990	\$245,470	Mill	Museum
Stockebrands and Kemmerer Departm	Yates Center	SU	1985	\$300,000	Retail	Retail

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Representatives:

My name is Janette Bump, Graham County Economic Development Director and President of the Northwest Kansas Community Housing Development Program. This bill, HB 2128, would help us develop projects for our housing organization. We currently own a historic building in our community that needs repairs, rehabilitation, and a general restoration. A tax credit would definitely help us do that. The bill would also be very beneficial for project development in Nicodemus. Many individuals still own property in this National Park project but do not have the means to restore the property to its proper potential for visitors. All historic preservation projects would benefit from the passage of this bill. Thank you for your time and consideration of this bill.

Janette Bump
Graham County Economic Development
PO Box 237
Hill City, KS 67642
785-421-2211
ghcoeco@ruraltel.net

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February 1, 2001



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Lawrence
Dale Glenn, AIA
Lawrence
Ken Helmer, AIA
Wichita
Dirk Henke
Lawrence
Eugene Kremer, FAIA
Manhattan
Barbara Pearson, Assoc.
AIA
Emporia
Daniel R. Rowe, AIA
Topeka

Executive Director
Trudy Aron, Hon. AIA, CAE
aron@aiaks.org

TO: Chairman Edmonds and Members of the House Taxation Committee
FROM: Vance Kelley, AIA
RE: Support of HB 2128

Good morning, Mr. Chairman. I am Vance Kelley, an architect with the Topeka Firm of Treanor Architects. I am here today representing 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 HB 2128.

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.

HB 2128 allows a tax credit on income tax liability for the renovation and/or restoration of historic buildings. Kansas has a large inventory of buildings built in the 1800s and early 1900s. They are located in the downtowns or near the cores of cities and towns. Many of these buildings sit empty or near empty generating little or no tax revenues and often become unusable and dangerous. The renovation and/restoration of these houses and/or commercial buildings can, and often do, revitalize our downtowns. They create jobs during the renovation, but more importantly, they encourage others to invest in downtowns and older neighborhoods.

The renovation and restoration of these buildings often allows the community to adapt the structure to new uses. Old churches become office buildings, former manufacturing buildings become fashionable residences, and obsolete train stations become city attractions.

It is not easy or inexpensive to renovate or adapt an old structure. Many times the cost of renovating is more than the cost of a new building. But, new buildings are rarely built in our downtowns and older neighborhoods. They are built on the fringes of our cities and towns. The tax credits in HB 2128 will help make the rehabilitation, renovation and adaptive reuse of many of these buildings economically possible. This will help stabilize our downtown core and bring much needed business, shopping, entertainment and living. These activities will increase tax revenues, promote tourism, and make our communities thrive.

Thank you, we urge your support for HB 2128. If you have questions, I'll be happy to answer them.

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BARBARA G. ANDERSON, LLC

Testimony of Barbara G. Anderson
House Taxation Committee
February 1, 2001

Thank you for this opportunity to present testimony in favor of House Bill 2128. I am a preservation consultant and part-time faculty member at Kansas State University. I have worked in Kansas doing historic preservation work for nearly twenty years.

Kansas needs this tax credit legislation for a number of reasons including the following:

1. Tax credits for historic preservation projects are an ***economic development*** incentive that can be used in urban and rural Kansas by both small and big investors. Surrounding states have similar tax incentives and as a result they are seeing far more reinvestment in historic structures than we see in Kansas.
2. The proposal includes ***tax credits for owner-occupied homes***, which are not eligible for the federal investment tax credits for certified rehabilitation. Historic homes are plentiful in every Kansas community. Historic neighborhoods are great environments for children, families, and the elderly. Keeping historic neighborhoods vital through maintenance and improvement of older, historic homes is very important.
3. Historic preservation efforts contribute to the ***quality of life*** we enjoy in Kansas. Quality of life can be defined so many ways—including the quality of the built environment and the way in which the environment supports community life and allows each of us to pursue happiness. Among the historic features of my community that I believe contribute to our quality of life are the older neighborhoods with tree-lined streets and front porches that are actually used, historic churches and schools, many public buildings, our historic commercial areas—in downtown and Aggieville, historic parks, museums, our historic university campus, and so much more.
4. Reuse of historic buildings ***reduces waste of natural resources***. When a historic building is allowed to deteriorate to the point that it must be demolished, we have wasted the natural resources and human resources used to build that building. In addition, we have contributed to the waste stream in a very big way and we typically leave ourselves with an expensive building site.
5. Rehabilitation of buildings in the already developed areas of our communities ***maximizes the existing infrastructure*** which is much cheaper, both now and in the long run, than building new infrastructure at the edges of our communities.

Thank you again for this opportunity to voice my support for HB 2128. It is a great opportunity for Kansas.

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SUBMITTED TESTIMONY

TO: The Honorable John Edmonds, Chairman
And Members Of The
House Taxation Committee

FROM: Whitney Damron
On Behalf Of The
Unified Government of Wyandotte County/Kansas City, Kansas

RE: HB 2128 Income Tax Credit for Historic Preservation Project
Expenditures

DATE: February 1, 2001

Mr. Chairman and Members of the House Taxation Committee:

On behalf of my client, the Unified Government of Wyandotte County/Kansas City, Kansas, I am pleased to submit testimony in support of HB 2128. The following comments have been prepared by Mr. LaVert Murray, Director of the Department of Development for the Unified Government. On behalf of the Unified Government, we thank you for your consideration of this legislation and respectfully request your support of its passage.

The Unified Government of Wyandotte County/Kansas City Kansas supports efforts to restore, revitalize and enhance older and historic properties in our community and particularly within our urban core area where many potential historic properties exist.

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Unified Government programs and policies are in place to protect and preserve historic properties, but, to-date, have been somewhat ineffective because there have been limited tools available to assist these efforts. Kansas City, Kansas has had its own Historic Landmarks Commission since 1981, and many of the landmark properties and historic districts that have been designated at the local level in the last twenty years are also listed on the Register of Historic Kansas Places. However, in all that time the City has never had a mechanism to provide financial incentives to owners of designated properties who might wish to carry out improvements, nor has there been any assistance at the federal level for owner occupied residential properties. Considering the two local historic districts that are on the State and National Registers, this HB 2128 could directly positively impact nearly 400 residences in Kansas City, Kansas.

We believe that the passage of HB 2128 will provide a needed incentive for restoration of both commercial and residential properties; and we wholeheartedly support enactment of this proposed legislation.

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