

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Nick Jordan at 8:30 A.M. on January 24, 2006 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department
Helen Pedigo, Revisor of Statutes
Jackie Lunn, Committee Secretary

Conferees appearing before the committee:

Kansas Downtown Development Association:
Sabrina Williams, Chairperson Kansas Downtown Development Association
Joanna Brazil, Peabody Main Street Association
Mary Hummer, Emporia Main Street Association

Others attending:

See attached list.

Chairperson Nick Jordan called the meeting to order and introduced Sabrina Williams, Chairperson for the Kansas Downtown Development Association to present information about the Kansas Downtown Development Association. Ms. Williams presented written testimony. (Attachment 1) Ms. Williams gave a brief history of the Kansas Downtown Development Association. (KDDA). She stated the KDDA works closely with Kansas Main Street, a program of the Kansas Department of Commerce. KDDA together with Kansas Main Street provides technical assistance to designated local Main Street programs. Together they offer opportunities for training on downtown revitalization issues to Kansas Main Street communities and KDDA members.

Upon the conclusion of Ms. Williams presentation there was discussion with the Committee on the number of communities in the Kansas Main Street program. Ms. Williams stated currently they have 22 members and listed them by name. The discussion turned to the requirements to be a member of the Kansas Main Street program. Ms. Jean Stinson, State Coordinator for the Kansas Main Street program, joined the discussion with information on the members of the Kansas Main Street program. She stated the Kansas Main Street program has been in existence since 1985. The populations of the members range from 50,000 to several hundred. The program helps individual communities meet their own vision for their own downtown. There was discussion on the Downtown Development Act which the Legislature passed two years ago and if there were ways the Committee could assist to make it better; to spread the word that incentives are available.

Chairperson Jordan introduced Joanna Brazil from the Peabody Main Street Association. Ms. Brazil presented written testimony. (Attachment 2) She stated Peabody's entire Main Street district has been listed on the National Register of Historic Places. Buildings have been preserved, business and upper story apartments have been added to the downtown district, and the community is much healthier and moving forward as a result of being a member of the Kansas Main Street program. They have been with the program since 1990 and welcome the continued support and training from the Kansas Main Street program which is valuable to their economic vitality.

Upon the end of Ms. Brazil's statements a discussion followed regarding the development of quality of life in rural communities. The Committee wants to challenge the Kansas Main Street program and the Kansas Downtown Development Association to be creative as possible in helping the Committee figure out how to build up the rural communities in the state.

Chairperson Jordan introduced Mary Hummer representing the Emporia Main Street Association. Ms. Hummer presented written testimony. (Attachment 3) Ms. Hummer stated that before joining the Kansas Main Street program they were in an economic crisis situation. She stated Emporia became an Main Street Community in 1991. The past 12 years have been very productive for downtown Emporia. Several outstanding achievements have been accomplished. In closing she stated that the Downtown area is a

CONTINUATION SHEET

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on January 24, 2005 in Room 123-S of the Capitol.

powerful asset when recruiting new businesses, jobs and residents to Emporia.

The discussion continued with the Committee and the Kansas Downtown Development Association regarding the assistance the Kansas Main Street program and the Kansas Downtown Development Association has given to the rural communities in the state of Kansas. Chairperson Jordan recognized Senator Peggy Palmer as a guest at the meeting to join the discussion on rural downtown development. She added information on the downtown redevelopment of Augusta, Kansas. The discussion turned to tax credits available to downtown development and how the state could get the word out on the availability of these programs.

Chairperson Jordan recognized Senator Kelly. She requested Ms. Stinson, through the Department of Commerce, to produce a spreadsheet which breaks down the cities which are involved in the program and what monies have been allocated. Ms. Stinson stated she would get the information. Chairperson Jordan requested Ms. Stinson to present the information to the Committee Secretary and she would distribute it to the members of the Committee.

Chairperson Jordan made a public announcement that every Wednesday, Senator Brownlee, Senator Kelly and Senator Jordan and the staff would have a planning meeting for the Commerce Committee at 3:45 p.m. to 4:30 p.m. in room 192E.

Chairperson Jordan adjourned the meeting at 9:25 a.m. with the next scheduled meeting being January 25, 2006 at 8:30 a.m. in room 123S.

KDDA MEMBERS

- * Arkansas City
- * Augusta ✓
- * Belleville ✓
- * Burlingame
- * Chanute ✓
- * Cimarron
- * Clearwater
- * Coffeyville
- * Dighton
- * El Dorado ✓
- * Ellis ✓
- * Ellsworth
- * Emporia ✓
- * Eureka
- * Fort Scott
- * Garden City ✓
- * Girard
- * Great Bend
- * Hoisington ✓
- * Hays
- * Hutchinson ✓
- * Independence ✓
- * Junction City
- * Kingman
- * Lane County
- * Leavenworth ✓
- * Lindsborg
- * Lyons
- * Manhattan ✓
- * Marion
- * Marysville ✓
- * McPherson ✓
- * Neodesha
- * Newton
- * Oswego
- * Ottawa ✓
- * Pratt
- * Parsons ✓
- * Peabody ✓
- * Russell ✓
- * Salina
- * Scott City
- * Seneca
- * Smith Center
- * St. John ✓
- * Sterling ✓
- * Wamego ✓
- * Westmoreland
- * Wichita
- * Winfield ✓

KDDA strives to keep members informed about state and national legislation that may impact small business issues and downtown redevelopment efforts.

As legislators, we hope that you will consider the following as you make important decisions regarding our future. Top issues that concern Kansas downtowns:

- *Health insurance
- *Unemployment
- *Destination sales tax
- *Continued funding for downtown development programs and resources such as Kansas Main Street
- *Support for the Kansas Department of Commerce budget

THANK YOU FOR
SUPPORTING KANSAS
DOWNTOWN
REVITALIZATION



KDDA

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KDDA



Supporting
downtown
development
saves Kansas
treasures.

As the private sector advocate for downtowns in Kansas, KDDA strives to represent Kansas communities, urban or rural, interested or involved in revitalizing their downtowns.

Senate Commerce Committee

January 24, 2006

Attachment 1-1

DOWNTOWN DEVELOPMENT IN KS

KDDA

The Kansas Downtown Development Association was formed in 1981 as the private sector non-profit advocate for Kansas Downtowns. In addition to its advocacy role, KDDA helps facilitate communication and networking opportunities among Kansas communities striving to strengthen their downtown districts.

KDDA works closely with Kansas Main Street, a program of the Kansas Department of Commerce, Affiliated with the National Main Street Center. Kansas Main Street provides technical assistance to designated local Main Street programs.

Together, KDDA and Kansas Main Street offer opportunities for training on downtown revitalization issues to Kansas Main Street communities and KDDA members.

KANSAS MAIN STREET

The Main Street program uses a common-sense approach to tackle the complex issues of revitalization, capitalizing on downtown's history and identifying the resources of the community itself.

Kansas Main Street provides management consulting, local program evaluation, design assistance, business enhancement strategies, incentive dollars and continuous training in the four-point approach for board, committee members and program directors.

DOWNTOWN REVITALIZATION IS SMART

Through Main Street initiatives, training, and technical assistance, during fiscal year 2004, 22 designated Main Street communities reported the following:

- > \$15, 260,249.00 of reinvestment in downtown business districts
- > 76 net new businesses
- > 504 net new jobs to the State

WHY ARE MAIN STREETS IMPORTANT?

Can malls and discount centers take the place of traditional commercial districts? The answer is a resounding "no." It may no longer be the sole option in the community, but the commercial district is much more than a shopping center. Here are some reasons why Main Street is still important:

1. **Commercial districts are prominent employment centers.** Even the smallest commercial district employs hundreds of people, and often the district is collectively the community's largest employer.
2. **The commercial district is a reflection of community image, pride, prosperity, and level of investment** — critical factors in business retention and recruitment efforts.

3. **Main Street represents a significant portion of the community's tax base.** If the district declines, property values drop, placing more of a tax burden on other parts of town. A healthy Main Street core protects property values in surrounding residential neighborhoods.

4. **The traditional commercial district is an ideal location for independent businesses,** which in turn:

Keep profits in town. Chain businesses send profits out of town

Support other local businesses and services

Supports local families with family-owned businesses

Supports local community projects, like teams and schools

Provide an extremely stable economic foundation, as opposed to a few large businesses and chains with no ties to stay in the community

5. **Main Street is the historic core of the community and is often a major tourist attraction.** When people travel or shop, they want to see unique places — especially ones that offer a unique shopping "experience."

6. **A vital Main Street area reduces sprawl** by concentrating retail in one area and uses community resources wisely, such as infrastructure, tax dollars, and land.

7. **The district is usually a government center** where city hall, municipal buildings, the courthouse, and/or post office are located. It often serves as an important service center to the community.

8. **Main Street provides an important civic forum, where members of the community can congregate.** Parades, special events, and celebrations held there reinforce intangible sense of community.

9. **The commercial district represents a huge public and private investment.** Imagine how much it would cost to re-create all of the buildings and public infrastructure in your commercial district.



PEABODY MAIN STREET ASSOCIATION

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January 24, 2006

Commerce Committee Senate
Senator Brownlee, Co-Chair
Senator Jordan, Co-Chair
Kansas State Capital
300 SW 10th St.
Topeka, KS 66612

Dear Senator Brownlee, Senator Jordan and members of the Senate Commerce Committee,

I would like to convey my support for continued funding in programs that sustain downtown development initiatives throughout the state of Kansas. The Kansas Main Street program of the Kansas Department of Commerce is a prime example of a program that is working in revitalizing downtowns throughout the state.

As director of the Peabody Main Street Association and part-time director of the Kansas Downtown Development Association, I see the importance of downtown revitalization in economic development strategies.

Peabody has had the pleasure of working with Kansas Main Street since 1990. The continued support and training from the Kansas Main Street program has been valuable to our community and its economic vitality. Peabody is a town with a population of about 1300. Before we became a "Main Street" city, our downtown was virtually abandoned with few businesses, many buildings in need of repair and a grim future.

Since becoming a Main Street City, Peabody's entire Main Street district has been listed on the National Register of Historic Places, buildings have been preserved, businesses and upper story apartments added to the downtown district, and the community is much healthier and moving forward as a result. The historic preservation ethic of Kansas Main Street is one that Peabody is proud to practice, and our downtown is a destination as a result.

The Main Street philosophy is indeed a lifestyle, not a quick fix. Part of Kansas Main Street's continued direction and support is through the KMS and Kansas Downtown Development Association's quarterly trainings. These trainings are attended by community leaders across the state and are extremely helpful. I have assisted other communities in leadership training and program development, and have received similar help from other leaders in downtown development.

We appreciate the "lifestyle" direction and support from the Kansas Main Street program and the Kansas Department of Commerce. The state's guidance has kept us on track, afforded opportunities in learning from other communities, and helped us build a healthy program that has results. With cuts to the federal community development programs, we are especially concerned about losing support at the state level. I cannot stress how important Community Development programs are to our state, and beseech you to continue "going to bat" for our rural communities that are working to build strong futures by continuing to offer programs such as Kansas Main Street. Peabody has more to do, but we can thank the Kansas Main Street program for its leadership and care in helping us in our journey of downtown revitalization, growth in tourism and community vitality.

Respectfully,

Joanna C. Brazil
Director, Peabody Main Street Association
Director, Kansas Downtown Development Association
Member, Marion County Economic Development Council

Senate Commerce Committee

January 24, 2006

Attachment 2-1

Emporia, Kansas

Named for a Market Center in Greece, Emporia was founded in 1857 as a business venture and was described as "the loveliest site in the world for a town". In the late 1960's, Emporia experienced the majority of its growth in the northwestern sector of town. The migration to this side of Emporia affected daily traffic in the downtown area. By the 1980's major employers were leaving the community, causing a loss of population & high paying jobs. During this time, downtown Emporia lost its focus as a primary retail area, and vacancy rates soared. Guidance was needed to establish a plan to address the economic, visual and promotion issues facing an area that had already approached a crisis situation.

In 1991, with this economic situation in mind, the Downtown Association, Chamber of Commerce, City and County Governments, and other cultural entities worked together to become a Main Street Community.

The past 12 years have been very productive for downtown Emporia! Several outstanding achievements have been accomplished including; the completion of the \$2.3 million Streetscape Project, new life for downtown buildings with 408 amazing renovation projects & upper story developments, a gain of 637 jobs and 124 new businesses, public arts projects with beautiful downtown murals, over \$250,000 loaned at 0% interest for downtown improvement projects, design demonstration projects, completion of the new \$17 million courthouse, successful completion of the \$2.6 million Granada Capital Campaign to renovate the historic theatre, and over \$40 million reinvestment dollars in the downtown area.

We have many great market niches filling the needs of our consumers. We promote a diverse economy with positive leadership. We foster entrepreneurs and impact volunteerism. Over the life of the Emporia Main Street program, every \$1 of taxpayer money allocated downtown has resulted in \$33 private investment. Today, our thriving downtown is a great source of pride for the people of Emporia and the surrounding communities. Downtown is a powerful asset when recruiting new businesses, jobs and residents to Emporia!

Senate Commerce Committee
January 24, 2006

Attachment 3-1