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TESTIMONY

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Testimony, HB 2560
House Committee on Taxation
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The City of Wichita stands in support of the continuation of the Kansas Historic Tax Credit program in its current form. The 2012 state legislative agenda adopted by the Wichita City Council encourages the continuation of all economic development tools currently available to local governments.

The historic tax credit program has been an extraordinarily successful economic development tool in Wichita. In the past 10 years, completed Wichita projects have generated more than \$50 million in private investment, \$9.4 million in state and local taxes, and \$107 million in gross domestic product. Historic tax credit projects in Wichita's Old Town, featured in the handout distributed by the Friends of Historic Preservation, have created more than 1500 jobs.

Historic tax credits are the principal tool for attracting the necessary capital to carry out challenging labor-intensive redevelopment projects in core neighborhoods and downtowns. At present, Wichita has 80 open tax credit projects that could be affected by changes to the program. Among these is the redevelopment of the Union National Bank Building. Known as the location of the nation's first Civil Rights sit-in at the Dockum Drug Store, this building sat vacant for 12 years. The \$30 million project to convert the building to a hotel has spurred an additional \$20 million in public and private investment on the block. The property is not receiving property tax abatements. The local tax revenue on this building alone will increase from \$22,000 to \$230,000 in its first year of operation alone.

In 2010, after legislative changes interrupted a number of major redevelopment projects,, the Legislature voted overwhelmingly to restore the program. As proposed, House Bill 2560 would once again jeopardize the future of this successful jobs-generating economic development tool by affecting the market for historic tax credits. We urge the committee to keep the program intact.