

Jackson County Fair Association

Building for a Better Future

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To: Kansas House Taxation Committee

Chairman: Representative Richard Carlson

My name is Aaron Allen, President of the Jackson County Fair Association. I am testifying today on behalf of the Jackson County Fair Association, a 501c3 non for profit entity, in regards to and support of HB 2048.

Many of you may or may not know that the Jackson County Fair Association is in the midst of a project involving the construction a new event center to hold our annual county fair as well as many other events for our community. We are relocating from our current location located at the intersection of Highway 75 and 16 in Holton, to our new site located just off of Highway 75, west on 214th Rd., about one and a half miles south of Holton. Our project was initiated about six years ago. Through overwhelming support from our community, we have to date raised approximately \$800,000 in cash and like kind donations, of the needed \$4,000,000 dollars to complete our project. With this relocation project we are trying to accomplish several goals, of which, I will mention a few.

- Provide a safer more versatile location to hold our fair, for the youth of our community.
- Provide a facility for the residents of Jackson County, as well as surrounding areas, to host events that will be comfortable and accommodating to all who may attend.
- Enable our current location to be sold and developed into commercial retail property that will generate tax revenue for local and state government through property taxes, sales tax, etc. Our current location is arguably located on the best commercially developable location in Jackson County.
- Provide a complex that can host events that will attract people from out of county and out of state areas to come and spend money in our community providing additional sales for our local businesses.

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Our project is basically a 5 phase project, of which we are nearing completion of the second phase. We have already held several events, only possible because of our new location. Our project has predominantly two sources of funding.

- Our major source of funding is funds raised through cash and like kind charitable donations.
- Our second source of funding is the sale of our current location where our fair is currently held.

As an example of the success that our facility has had so far in its infancy, we have had people come to one of our 1st annual rodeos, at our new location from as far away as South Dakota, local businesses speak up to the fact that they were significantly busier on nights that we were hosting an event and participants inquiring about local lodging for overnight accommodations in our area, while at an event at our new location.

We feel that these occurrences demonstrate that our new facility will be successful in providing for the goals that we have set out. We believe that our facility will only grow and become stronger as it comes closer to completion.

With HB 2048 we are seeking sales tax exempt status. With the projected costs of completion of our project in excess of \$4,000,000.00, this exempt status could possibly save us as much as \$300,000 to \$400,000.00. Why should you as committee members consider our request:

- We believe that the relocation of our fair grounds from our old location to our new location is a unique situation. Having us, the Fair Association; a non property tax paying entity, which is currently located at a site that is a very high traffic location, that could be better used to generate more tax revenue for our state and county through retail types of businesses, move our fairgrounds to a more remote location is an economic win for everyone. Below is an example of the additional sales tax revenue that could brought in from the development of our current site:

Example: If the commercial development of our current site could generate \$1800 of additional sales per day, 360 days a year, taxed at 8.00%, this would generate an additional \$51,840/year in sales tax revenue. This does not taken into consideration the additional income from property taxes generated from this type of property.

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- In order for communities to stay progressive and vibrant, accommodating facilities for the public to meet in are a must. Our new site will serve this purpose very well and provide for a diverse faction of events. Events that will draw people to visit our county and our state.
- Being predominantly funded through charitable donations, the aforementioned savings is a tremendous leg up for our project. This savings will additionally be of great value to our donors, knowing that their donations are all going towards construction costs and not taxes.

All of these things being considered we would deeply appreciate your support and passage of HB2048.

Thank you,



Aaron T. Allen, President
Jackson County Fair Association