



Testimony

Jeff Fluhr, Wichita Downtown Development Corporation
Senate Bill 240
Senate Taxation Committee
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Mr. Chairman and Members of the Committee, my name is Jeff Fluhr and I serve as the President of the Wichita Downtown Development Corporation (WDDC). I am here to offer this statement in support of maintaining the State Historic Tax Credit Program in its current form. The WDDC is supported by over 1400 businesses within Downtown Wichita and since 2002 the organization has been working to strengthen the vitality of Downtown which contributes to a vibrant economic region.

Since December 2010, Downtown Wichita has had a clear concise blueprint for the development of the city center. Project Downtown, the Master Plan for Wichita is providing increased predictability for the private sector and strategic investment policy for the public sector. Over \$370 million has been invested in the city's core since 2010. In 2012, approximately \$100 million of that investment was completed; with approximately \$30 million of that investment consisting of the adaptive reuse of historic structures. These buildings were either vacant or operating below their economic potential. Their economic mix consists of housing and the development of a new hotel which in turn are contributing to the strengthening of the restaurant, retail and service industries. Collectively, they are changing the landscape of Downtown.

Through the utilization of Historic Tax Credits we are seeing an entire city block, Block One; undergo a transformation that is drawing attention from across the country. The initial project received Historic Tax Credits which in turn were complemented by strategic public investment in the form a parking garage and urban plaza. These investments have yielded a \$9 million in-fill project which is the first new construction along the core of Douglas Avenue in over 38 years. Furthermore, also within that block, it is fostering redevelopment opportunities for a historic department store that has been sitting vacant for over three decades. Again, from an initial project that received State and Federal Historic Tax Credits we are seeing investment exceeding \$40 million in one block.

Today, there are over \$112 million of projects under construction/final planning within the city's core; with approximately \$80 million of that investment consisting of adaptive reuses of historic buildings. Joining us here today are Dr. Eyster and Mr. Michael Ramsey. These gentlemen, since Project Downtown's adoption, have been actively involved in the transformation of vacant historic buildings into viable economic uses. They have already successfully completed two mixed-use projects of residential and commercial, they have two active mixed-use projects; one under construction and one under final planning which will also consist of mixed-use and new construction. In addition, they have several buildings they have acquired that are under design development. The State and Federal Historic Tax Credit Programs are providing the key economic instruments to make these projects pencil so that in the end they may be returned to vibrant uses and importantly strong economic contributors. Without the Historic Tax Credits, these projects would not be advancing.

Turning sights to the future, we have over \$100 million in projects in various phases of due diligence. As noted previously, Historic Tax Credits are providing the economic instrument to unlock the development potential of the existing stock of buildings that drive the unique qualities of our city center but will also contribute to solidifying the foundation to make way for new commercial and residential development.

One project of note is the current activity on the Union Station building in the heart of our city. This nine acre-tract connects Old Town, the INTRUST Arena and the Commerce Arts District. Again, the developers have noted the critical importance of the Historic Tax Credit Programs to the redevelopment of this iconic Downtown building. Just as we have experienced with the development of Old Town and the economic catalyst it has been for our city center, the Union Station project holds similar economic potential.

As the largest city in the State of Kansas, it is imperative we have a vibrant Wichita that not only contributes to the region but the state as well. The State Historic Tax Credit Program, in its current form, is working to bring buildings back to viable economic uses and through the master plan of development, Project Downtown, there is a blueprint that is guiding each project so that each builds upon the previous investment.