

**TESTIMONY**

Garrison Hassenflu, Garrison Companies

SB 339

February 13, 2012

OPPONENT

To Members of the Senate Taxation Committee:

I am writing to inform you of the value of the state historic tax credit program and the need to reject SB 339. The program is a valuable big city and small town development tool that needs to be retained.

Through the program, my organization has completed close to 400 living units spread across four Kansas communities (Wichita, Kansas City, Pittsburg and Hutchinson). In each case, we took a vacant, dilapidated structure, causing only blight to the given area, and created a sparkling new face, new interior and, in turn, new life to that part of downtown (or that part of a run-down area). The social good of preserving a grand structure with a rich history and affordable living to individuals, the elderly and families is evident, as well.

Each one of those communities can tell you how much the development meant to its area. Over \$50MM was invested between all three projects in hard construction costs. 90% of the labor and materials were purchased in the given communities. Over 500 construction jobs were created and many hundreds of thousands of dollars spent in the local economy. None of this would have happened without the state historic tax credit. It provides the necessary gap funding to make this happen.

Our newest contribution to a community is the Besse Apartments, which is a \$9MM adaptive re-use of the historic Besse Hotel in Pittsburg, the tallest structure in southeast Kansas. City employers are happy to see housing for their employees, part-time students who work finally have a decent home and starting teachers are happy to not have to maintain that rickety old house that was the other option in town. So many truly benefit. Amenities such as exercise rooms, libraries, storage units and community rooms are so often present in the developments. On the Besse, the City was so excited about it that they provided 9-year tax abatement and a \$200,000 loan. This is not unusual. Other communities are doing the same thing to preserve their historic fabric while generating needed activity in their older areas.

Please do nothing to diminish the value of the tax credit, and program as a whole, by eliminating its use by individual filers. So many of them are the end buyers. Sub S community banks are often times buyers of these credits. They need them to offset their tax liability so as to continue to profitably serve their communities.

Please feel free to call me if you have any questions or would like to learn more about how the program works and contributes to the state's economy. I am a life-long Kansas and want to see the state flourish. Good economic development tools like this allow that to happen.

Garrison "Gary" Hassenflu  
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