

To: Senator Donovan and Members of the Senate Assessment & Tax Committee

From: K. Vance Kelley, AIA

RE: Opposition to SB 240

Thank you for allowing me to appear before the Committee and provide testimony in opposition to SB 240, which includes edits that will eliminate the ability for corporations to use historic tax credits currently allowed.

I'm Vance Kelley, a life-long Kansan, and I represent Kansas on the Board of Advisors to the National Trust for Historic Preservation. Over the past 15 years the National Trust has tracked rehabilitation tax incentives programs in the 31 states who offer State tax credits for rehabilitating historic properties and have found that these programs:

*Create more jobs than manufacturing or new construction. For every million dollars of output, historic rehabilitation projects create 5.7 more jobs than manufacturing and 2 more jobs than new construction.*

*These programs leverage Federal investment in the older areas of our communities. In the 21 years prior to the adoption of our State tax credit for rehabilitation, Kansas saw a total of 50 federal tax credit projects, or an average of 2.4 per year completed with an aggregate of \$114 million in investment. Since the program was put in place, Kansas has seen a total of 542 tax credit-aided projects, or an average of 68 per year completed, representing an aggregate investment of \$271 million.*

As an Architect I have witnessed how our State Preservation Tax Incentives program encourages economic revitalization of our communities. One recent project finished last year in Leavenworth, where a private developer took an abandoned historic mess hall on the VA campus, attracted a federal governmental tenant, rehabilitated it utilizing the State preservation tax incentives, and brought 400 new high paying jobs to the Leavenworth community.

The edits proposed on page 13 of SB 240 will no longer provide an incentive program to help communities address "hard-to-renovate" historic buildings like the historic mess hall in Leavenworth. And because our neighboring states of Missouri, Oklahoma, Colorado, and Iowa have State Preservation Tax incentive programs, we will see a dramatic drop in redevelopment and investment of our Kansas communities if these edits are approved.

The States of Nebraska, Wisconsin, and Illinois are all looking at creating programs similar to what Kansas currently has. All of these States are using the jobs creation and economic development data from Kansas, Missouri, and Iowa to show how valuable these programs are.

We need to encourage economic development opportunities within Kansas. Therefore, I urge you keep the program intact and allow corporations the continued use of the Historic Tax Credit program.