

August 15, 2015

**Application for Transient Guest Tax Funding:  
Railroad Heritage, Inc. dba the Great Overland Station Museum**

**Submitted to the Transient Guest Tax Committee, Topeka City Council  
Council Member Elaine Schwartz, Chair;  
Council Member Brendan Jensen; Council Member Jeffrey Coen**

**1. Describe the project**

Railroad Heritage, Inc. (RHI) is a not-for-profit corporation established in 1990 that operates the Great Overland Station Museum, the All Veterans Memorial and Corridor of Flags, and the Kansas Hall of Fame. The mission of RHI is to celebrate the rich railroad heritage and other significant history of Topeka and Kansas by presenting exhibits, educational programming and activities that represent our history and heritage in engaging ways to people of all ages.

RHI has been the recipient of funds through this 1% Transient Guest Tax from 2003 – 2015. We used the funds to restore of the historic Union Pacific Station and transform it into the Great Overland Station Museum (GOS,) and to create and install the All Veterans Memorial.

With those goals completed, RHI is requesting continued funding from the Transient Guest Tax to make major repairs to this historic treasure, thus protecting the initial investment of funds in this building and enabling the Great Overland Station to continue as the centerpiece for redevelopment in North Topeka and the north anchor of the dynamic core of our city.

Opened in 1927, the Union Pacific Station was solidly built, and restoration in 1999-2004 repaired any problems existing at that time. RHI has continued to make necessary repairs since the opening of the GOS. However, deterioration is ongoing and numerous major repairs and replacements are now needed or soon will be. Repairs include exterior work such as sealing cracks around the foundation and exterior walls, repairing spalling and deterioration of the glazed terra cotta exterior finish, and repairing cracks in the driveway and pedestrian walkways. Interior work includes replacing electrical wiring in some fixtures, ceiling repair/replacement where water damage has occurred, repairing interior cracks and replacing certain components of the HVAC system as it approaches 20 years of age and the end of its useful life.

With the advent of the Topeka Rescue Mission's Children's Palace, the ongoing development and growth of the NOTO Arts District, and the impending development of the Oregon Trail Riverfront Park, it is imperative as well as highly desirable that the Great Overland Station Museum and All Veterans Memorial – signature features of this area and the central focal point – be maintained in excellent condition!

## **2. What is the total budget for the project?**

RHI typically invests an average of \$25,000 per year in routine maintenance and repairs on the Great Overland Station building and All Veterans Memorial and plaza. Much of the work mentioned above is beyond that budget. Repairs/replacements now needed include:

Replace HVAC components	\$550,000
Extraordinary repairs per year	Average \$12,500 x 12 years = \$150,000
<u>Total project budget</u> \$700,000	

## **3. What are the funding sources other than TGT dollars for the project?**

RHI will apply for Kansas State Historic Tax Credits through the Kansas State Historical Society. This source along with private donations could provide up to \$150,000 for repair and restoration of the historic building.

## **4. How much TGT funding is requested?**

\$550,000

## **5. What will TGT funds be used for?**

### Immediate high priority:

Replace 1999-vintage HVAC Cooling Tower (15-year life) - \$50,000

Replace three 1999-vintage HVAC Air Handling Units (15-year life) - \$150,000

Replace obsolete and no longer available lighting fixtures with more efficient LED lighting

Ceiling repair/replacement where extensive leaking has occurred due to rusting of air handlers

Seal cracks in the exterior walls of the Great Overland Station building

Re-caulk the granite and seal cracks at the All Veterans Memorial

Seal cracks at the base of each flagpole in the All Veterans Memorial plaza

### Second priority:

Seal cracks on interior walls of the Main Waiting Room and East Gallery

Replace obsolete and no longer available ceiling lights in the historic Baggage Room

Repair cracks in the asphalt driveway and sidewalks

Repair cracks around the Great Overland Station building foundation to prevent water leaks

Re-wire all the flag lights in the All Veterans Memorial plaza to replace non-working lights with more efficient and effective lighting

Repairs to interior doors and ticket booth doors

Replace five 2004-vintage HVAC Air Handling Units (15-year life) (5) - \$250,000

Replace 1999-vintage HVAC Chiller (20-year life) - \$100,000

Provide additional insulation in ceiling of Baggage Room to improve efficiency & reduce operational costs

Repair spalling and deterioration of the glazed terra cotta (exterior finish), especially on the east end of the Great Overland Station building

## 6. What are the economic development and tourism benefits for the City?

- According to the American Alliance of Museums, there are approximately 850 million visits each year to American museums, more than the attendance for all major league sporting events and theme parks combined (483 million in 2011). [Source: Institute of Museum and Library Sciences study]
- The GOS is part of the larger development in North Topeka that includes the NOTO Arts District, and eventually the Oregon Trail Riverfront Park and the Topeka Rescue Mission's Children's Palace, all of which will attract visitors to this specific area.
- The Oregon Trail Riverfront Park is projected to attract at least 75,000 tourists per year, many of whom are there to learn about the Oregon Trail and will come into our building to see exhibits that interpret Oregon Trail and other site history.
- The Kansas River has been named a National Water Trail and will soon be attracting thousands of boaters to our area, many of whom will stop at the GOS, located conveniently along the river. A boat ramp will be installed in the next few years.
- The GOS serves as the northern anchor of the Dynamic Core of our City, and as such will be visited by tourists who come to our city core to tour our Capitol, enjoy our beautifully redone downtown, and visit attractions such as the Monroe School, Ritchie House, Old Prairie Town – and perhaps in the near future Constitution Hall.
- As the above activities grow and develop, the density of attractions in Topeka's core will draw increasing numbers of tourists to our city, resulting in increased sales tax and TGT revenues. The economic impact will be substantial.
- The appearance of this neoclassical building combined with All Veterans Memorial and Corridor of Flags creates a stunning signature scene representing our community: beautiful architecture, strong patriotism, spacious landscape along a river – this is a portrait of a community with an appreciation of history, a commitment to American values, and a high quality of life. The area and all of its components provide a strong impetus to retain current residents and attract new people to live in Topeka.

## **7. What is the projected return on investment for the City (direct and indirect)?**

The Great Overland Station Museum will be a significant part of the variety of cultural, educational, leisure and retail activities in the downtown core. This density of opportunities will attract tourists, who will plan to spend 1-3 nights enjoying the many tourist sites, restaurants and shops in our city. This will result in increased TGT and sales tax revenues to the City.

As demand fueled by tourists increases, additional restaurants and shops will open and the core of our city will become even more vibrant. More people will choose to stay in our community or be enticed to move to our community because of the excellent quality of life.

Museums have a significant economic impact on their communities. According to the American Alliance of Museums:

Governments that support the arts find that for every \$1 invested in museums and other cultural organization, \$7 is returned in tax revenues. [Source: Americans for the Arts "Arts and Economic Prosperity Survey"]

Museums employ more than 400,000 Americans and directly contribute \$21 billion to the U.S. economy each year<sup>11</sup> and billions more through indirect spending by their visitors. [Source: AAM Financial Information Survey]

In determining America's Best Cities, Businessweek.com placed the greatest weight on "leisure amenities (including density of museums), followed by educational metrics and economic metrics...then crime and air quality."

Best cities are cities where people want to live, work and play – which would be a very significant return on investment.

## **8. What is the timeline for the project?**

2016 – Replace HVAC Cooling Tower and two 1999-vintage HVAC air handlers plus some immediate high priority repairs. (\$175,000)

2017 – Replace chiller and one 1999-vintage HVAC air handler plus remainder of high priority repairs. (\$175,000)

2018 - Replace remaining HVAC system components as each nears the end of useful life. (\$250,000)

2020 – 2027 – Fund other major repairs as needed. (\$100,000)

## 9. How many visitors will come to your project?

Museums attract visitors: 35.3 million adults who travel say that a specific arts, cultural, or heritage event or activity influence their choice of destination. [U.S. Travel Association; U.S. Department of Commerce]

Currently, about 20,000 people visit the Great Overland Station Museum annually. With the development of the Oregon Trail Riverfront Park, Kansas River Water Trail, completion of downtown Topeka streetscape and the renovations at the State Capitol, we expect attendance at the GOS to increase to at least 60,000 visitors per year. These new visitors will consist of:

- Oregon Trail tourists – now 26,000 annually according to the National Park Service. NPS projects this number will triple as more sites are developed along the Oregon Trail. 30% - 50% are expected to also tour the GOS Museum.
- Recreational boaters on the Kansas National Water Trail with new boat ramp at the Oregon Trail Riverfront Park in front of the Great Overland Station. Currently the Kansas River State Park attracts more than 30,000 visitors annually. That figure is expected to increase significantly as the Kansas Department of Wildlife, Parks and Tourism completes boat ramps along the Kansas Water Trail and the Kansas River becomes a major attraction to boaters. The Oregon Trail Riverfront Park area will be a very attractive stop on the trail, providing retail services, restaurants and lodging.
- The whitewater “play space” to be constructed less than two miles upstream from the park will attract even more boaters who may make the GOS Museum and Oregon Trail Riverfront Park a stop on their journey. It is expected to draw boaters from a radius of up to 600 miles, according to the leading national canoe-kayak organization, with each visitor spending an average of \$623 per day.
- Visitors who participate in new outdoor Festivals and other events that will take place in the Oregon Trail Riverfront Park.

## **10. How will your project create overnight stays at hotels?**

Seventy-eight percent of all U.S. leisure travelers participate in cultural or heritage activities such as visiting museums. These travelers spend 63 percent more on average than other leisure travelers. These tourists average 5.2 nights in hotels, motels and bed and breakfasts.

[U.S. Travel Association; U.S. Department of Commerce]

The Great Overland Station Museum is a significant attraction in the core of Topeka. Once tourists are attracted to come to Topeka, they will stay 1-2 nights. After visiting the GOS Museum, they may choose to visit other historic sites, or participate in the recreational activities along the river, or browse the shopping and restaurants along south and north Kansas Avenue: the GOS Museum is central to them all!

A whitewater venue in Ann Arbor, MI – similar to the one planned near the water treatment plant - attracts as many as 1,500 daily visitors in season, 35% of whom are from out-of-state. Assuming a total of thirty (30) in-season weekends in Topeka, the Kansas River whitewater run can be expected to generate over 15,000 annual visits requiring an overnight stay of one or more nights. At an occupancy of 2.2 such visitors per room, a conservative estimate would be just under 8,000 room-nights generated per year.

## **11. Additional information and/or materials, including pictures, other details, etc. that would be helpful to the committee?**

Attachments:

- Photographs of the dilapidated Union Pacific Station before renovation and the Great Overland Station Museum after renovation
- Photographs of damage to the building and on site
- List of Railroad Heritage Inc. Board members
- Letter of support from the Topeka Rescue Mission.
- American Alliance of Museums "Museum Facts"
- Position Paper on Cultural and Heritage Tourism

**Railroad Heritage, Inc.**  
**Board of Directors 2015**

Robert St. John, Chairman	Westar Energy
Max Prosser, Co-Chairman	BNSF Railway, retired
Jerry Anderson, Treasurer	CoreFirst Bank and Trust
Mark Boranyak	Consultant
Ray Harvey	Wells Fargo Advisors
Jeff Robertson	MJ Projects
Alex Warner	Union Pacific Railroad
Dan Welch	BRB Contractors
George Wong	BNSF Railway