

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2689-01
BILL NO.: SB 636
SUBJECT: Walt Disney Film Studio
TYPE: Original
DATE: January 3, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Parks Sales Tax Fund	\$0	\$0 to (\$3,182,781)	\$0 to (\$161,755)
Parks Earning Fund	\$0	\$0	\$0 to \$5,000
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0 to (\$3,182,781)	\$0 to (\$156,755)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

If funds are appropriated, the **Department of Natural Resources (DNR)** assumes they would incur capital improvement costs including acquisition costs and renovation costs to bring the Walt Disney Film Studio in line with the standards of historic sites in the state park system. The DNR would be responsible for all financial obligations connected with the Disney Studio, including acquisition costs for adjacent properties for parking; administrative, interpretive, and maintenance personnel; operating expenses; equipment; and capital improvement expenditures.

The DNR has not conducted an environmental assessment of this property. If environmental contamination is discovered on the property, the related clean-up costs could be significant. Until an environmental assessment has been completed, the total cost to acquire and maintain this property is unknown.

The Walt Disney Film Studio is a two-story, six-bay rectangular-plan commercial building (10,400 square feet) measuring 100 feet east-west and 52 feet north-south. The building contains a partial basement comprised of a coal room and furnace room (780 square feet). A single story rectangular concrete cinder block addition (1,120 square feet) measuring approximately 80 feet east-west and 14 feet north-south, is located along the rear (south) facade.

The DNR assumes they would incur the following renovation cost:

\$ 20,000	building acquisition;
100,000	stabilization and demolition, debris removal;
2,138,500	renovation, roof reconstruction, tuck-pointing and interior work on the main building at \$200 per square foot; on the partial basement at approximately \$75 square foot
50,000	site work, water, sewer, lighting, and security
162,000	acquisition of lot and development of parking lot
40,000	lead and asbestos removal
<u>100,000</u>	elevator for ADA access
\$2,610,500	Total Renovation Costs

In addition, the DNR assumes they would budget for:

\$ 313,260	contingencies at 12% of the renovation cost - (\$2,610,500 x 12%)
350,851	architect and engineering studies at 12% of total costs - (\$2,923,760 x 12%); and
<u>70,170</u>	administrative costs of 2.4% of total costs - (\$2,923,760 x 2.4%).
<u>\$3,344,781</u>	Total acquisition and renovation costs.

ASSUMPTION (continued)

The DNR assumes these acquisition and renovation costs do not include renovation costs for the concrete cinder block addition. At this time, the department needs further information/data on this building to determine potential renovation activities.

The DNR estimates revenue of \$5,000 per year from fees, sales, and donations.

Because there is no funding for this project mentioned in the proposal, the DNR assumes they would request funds from General Revenue to acquire and develop the Walt Disney Film Studio.

According to the Missouri Constitution, the Parks Sales Tax Fund was created to fund the acquisition, development, maintenance, and operation of state parks, **Oversight** assumes the costs of this proposal would be borne by the Parks Sales Tax Fund.

Oversight assumes this proposal permits the DNR to acquire the Disney Film studio. Therefore, the estimated costs of this proposal would be subject to appropriation.

Oversight assumes this proposal would not require the acquisition and development of an additional lot for parking. Oversight assumes if it is determined that additional parking is needed in the future, the DNR could request funds in the normal budget process.

Oversight also assumes the renovation and development of the property would take a considerable amount of time. Therefore, it is unlikely there would be a need for staff until FY 2003. Accordingly, Oversight has not included personal service costs until FY 2003.

Oversight assumes the facility can absorb mileage reimbursement costs and has not included costs to purchase a vehicle. Also, **Oversight** has adjusted DNR's equipment and expense costs to bring them in-line with Office of Administration guidelines.

FISCAL IMPACT - State Government FY 2001 FY 2002 FY 2003

PARKS SALES TAX FUND

<u>Costs - DNR</u>		\$0	\$0
		or	or
Personal Service	\$0	\$0	(\$100,515)
Fringe Benefits	0	0	(\$30,908)
Expense and Equipment	0	0	(\$30,332)
Other Costs	0	(3,182,781)	\$0
	\$0	(\$3,182,781)	(\$161,755)

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SOURCES OF INFORMATION

Department of Natural Resources

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is cursive and somewhat stylized, with the first name "Jeanne" being more prominent than the last name "Jarrett".

Jeanne Jarrett, CPA
Director
January 3, 2000