

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2870-02
BILL NO.: SCS for SB 1043
SUBJECT: Walt Disney Film Studio
TYPE: Original
DATE: March 15, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Parks Sales Tax Fund	\$0	\$0 to (\$4,490,104)	\$0 to (\$321,391)
Parks Earning Fund	\$0	\$0	\$0 to \$5,000
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0 to (\$4,490,104)	\$0 to (\$316,391)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
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 2003	FY 2004	FY 2005
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 the studio, 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;
120,000	stabilization and demolition, debris removal;
3,100,825	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
60,000	site work, water, sewer, lighting, and security
162,000	acquisition of lot and development of parking lot
48,000	lead and asbestos removal
<u>120,000</u>	elevator for ADA access
\$3,630,825	Total Renovation Costs

In addition, the DNR assumes they would budget for:

\$ 435,699	contingencies at 12% of the renovation cost - (\$3,630,825 x 12%)
487,983	architect and engineering studies at 12% of total costs - (\$4,066,524 x 12%); and
<u>97,597</u>	administrative costs of 2.4% of total costs - (\$4,066,524 x 2.4%).
<u>\$4,652,104</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 states that projected revenues will be derived primarily from tour fees and donations and estimated annual totals of \$5,000.

DNR states that Section B of this legislation requires that the legislation will be in full force and effect upon its passage and approval. Therefore, if passed, this legislation would be effective immediately upon the Governor's signature. However, the normal process for appropriation authority for TAFP legislation is that the appropriations, unless an emergency situation, are not requested until the following budget request year. This request would be a part of a CI Budget presentation. The next biennial CI budget cycle will be in FY2004. Therefore, the department would request the additional appropriation authority for 2002 TAFP legislation in the FY04 budget request.

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 2005. Accordingly, Oversight has not included personal service costs until FY 2005.

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 2003 FY 2004 FY 2005

PARKS SALES TAX FUND

<u>Costs</u> - DNR		\$0	\$0
		or	or
Personal Service	\$0	\$0	(\$106,324)
Fringe Benefits	0	0	(\$38,288)
Expense and Equipment	0	0	(\$176,799)
Other Costs	0	<u>(\$4,490,104)</u>	<u>\$0</u>
	\$0	(\$4,490,104)	(\$321,391)

Estimated Net Effect on **\$ 0 or** **\$0 or**
PARKS SALES TAX FUND* **\$0 (\$4,490,104)*** **(\$321,391)***

*** Subject to Appropriation ***

STATE PARKS EARNINGS FUND

<u>Income</u> - DNR			\$0
			or
Fees, sales and donations	<u>\$0</u>	<u>\$0</u>	<u>\$5,000</u>

FISCAL IMPACT - Local Government FY 2003 FY 2004 FY 2005

\$0 \$0 \$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

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DESCRIPTION

This proposal designates the first commercial film studio in Missouri operated by Walt Disney as a Missouri State Historical site.

The Missouri Department of Natural Resources may acquire the Disney film studio, pursuant to General Assembly appropriation. The Attorney General shall approve the instrument of conveyance.

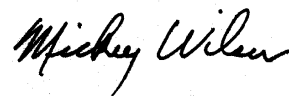
Following the acquisition of the site and the necessary rehabilitation of it, the Department of Natural Resources shall establish and operate a museum dedicated to the life and works of Walt Disney.

This proposal contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources



Mickey Wilson, CPA
Acting Director

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