



# **THE DOCKING INSTITUTE OF PUBLIC AFFAIRS**

## **Hays Daily News Home Depot/TIF Survey**

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Executive Summary: Ellis County residents overwhelmingly support the opening of a new Home Depot anchored commercial development in Hays, according to a recent survey for the Hays Daily News conducted by the Docking Institute of Public Affairs at Fort Hays State University. Four out of five survey respondents favored a Home Depot opening in Hays. Survey respondents also preferred a Tax Increment Financing (TIF) method to encourage the development of the new retail complex over a special sales tax district. Most respondents supported the store's opening to reduce travel for shopping at similar stores elsewhere and to bring more jobs to Hays. Opposition was strongly centered on a desire to keep taxes from increasing and on fears that local businesses would suffer.

Survey Summary: The Docking Institute's University Center for Survey Research conducted the survey of 456 area residents over three nights, between the 21st and 23rd of June. The sample was slightly skewed toward females, with women making up 62% of the respondents to the survey. Age was evenly distributed among four groups, each with roughly one-quarter of the sample: persons age 18-30, those 30-45, 45-60 year olds, and persons older than 60.

Results: Respondents to our survey were overwhelmingly in favor of a Home Depot-anchored shopping center opening in the Hays area. Eighty percent of all respondents were in favor of the center opening, with nearly sixty percent being strongly in favor. Only ten percent opposed a Home Depot in Hays, equally split between those mildly opposed and those very much opposed. All things being equal, area residents want a Home Depot.

To entice the developer to bring Home Depot to Hays, two different sales tax options have been proposed. One is a Tax Increment Financing (TIF) plan that would allow the developer to defer taxes and use them toward infrastructure improvements to the areas such as additional sewer lines and road improvements. A second option would create a separate taxing district which would allow higher sales taxes to pay for the infrastructure. We asked respondents separate questions related to their willingness to have each tax structure put in place. Related to the TIF proposal, the plan finds support among most respondents. Supporters outnumbered opponents 63% to 20%, with 15% undecided. Compared with the additional sales tax district, support is stronger for the TIF plan. When asked if they would support additional sales taxes as an inducement to bring the Home Depot to Hays, support generally cooled among respondents. Just over 45% of respondents supported sales taxes to some degree, evenly split between those who strongly and mildly support the taxes. The opposition show more strength in their rejection of the sales taxes. A full 40% of respondents opposed sales taxes when asked, with more than half in strong opposition. When presented each option, area residents clearly prefer the TIF plan to a new sales tax district.

We further asked respondents why they supported or opposed each proposal. For the TIF plan, a quarter of respondents answered that they wanted to see more jobs in Hays and therefore supported the Home Depot coming to the community, and another quarter answered that having another retail option in Hays would prevent local residents from traveling to other communities for shopping. An additional 15% said that a Home Depot would be good for Hays. Opposition to the Home Depot centered around its potential to hurt small businesses, with 20% voicing potential harm to existing businesses as their reason for opposing the store's opening. Reactions to the sales tax question were even more distinct, with almost 44% answering that they did not want to pay more taxes.

Respondents who support Home Depot's arrival are quite strong in their support, as a majority of those who strongly support the store's presence in Hays also strongly supported both the TIF and sales tax proposals. Introducing potential costs does not undermine support for the store. Taxes and costs in general do appear to be the dominant force behind support and opposition to Home Depot. Most who favor the store opening

in Hays also show support for either of the tax plans, while most who oppose the opening also tend to strongly oppose the tax plans.

Open ended responses give us further insight into the nature of support and opposition to Home Depot's opening with incentives. The established themes of providing more jobs and limiting the need to travel for shopping were foremost among supporters' responses, but a good deal about the opposition comes to light. At least ten respondents indicated that they are small business owners themselves, and do not support giving incentives to businesses like Home Depot when they feel the city has done little to support their businesses. Also, another twenty respondents said that they believe no business should get incentives of this kind and therefore oppose the plan. The primary opposition to the Home Depot does appear to emerge from those who either own small businesses or prefer small businesses to "big box" retailers such as Home Depot.