

## Campaign Issues

1. Duration of the tax: Ordinances 98-18 and 99-18 specifically provide that the sales tax will be for nine months only. See the text of both Ordinances on this website. In addition, both the USMM and USMMF Boards of Directors have pledged to not seek an extension, renewal or replacement of the tax.
2. Why a Public Facilities Board (PFB)? A PFB will provide a sixth level of review and accountability. The USMM will be required to perform its public purposes set out in Ordinance 98-18. The PFB will be composed of five private citizens appointed by the Mayor whose interest will be what is best for the City.
3. Will the PFB issue bonds that the City would have to repay? No. The PFB is prohibited by law (Ark. Code Annot. 14-137-120) from issuing bonds that would obligate the City of Fort Smith to repay the bonds. One purpose of the PFB's is to insulate the City from any additional expenses of the Museum and place 100% control of the Museum in the hands of private citizens and Museum professionals.
4. Operational expenses: The museum will be self-sustaining. The City and the PFB are not responsible for operational expenses as set forth in the Ordinances 98-18 and 99-18.
5. Impact: Spending patterns vary widely. Excluded are mortgage payments, car and truck payments, apartment rental, medical bills, most prescriptions, sewer bills, and more. Taxable purchases of \$1,000 per month will yield an extra \$10 per month for nine months.
6. Impact on low income taxpayers: City Finance Director Jenifer Walker states: "A single resident with very low income buying only the bare necessities and receiving assistance could pay less than \$10 per year." The community should be sensitive to those most affected and must reach out and support those individuals and families.
7. Major purchases: City sales taxes apply ONLY to the first \$2,500 of the purchase price of cars and trucks. The maximum city sales tax will rise for these purchases by \$25.00 during the nine-month period.
8. Tax rates are too high: The city sales tax is 2%, in line with other communities in the state. It will rise an extra 1% for nine months. The state sales tax is 6.5%. Present combined rate is 9.75%. Fort Smith's combined sales tax **is not** the highest in the state nor will it be if the sales tax passes. But yes, taxes are too high, and this tax sunset after nine months.
9. How much will the tax produce and how much will Fort Smith residents pay? The tax is estimated to produce between \$15.5 and 16.0 million for nine months. The tax will be paid by residents, businesses, people who work and shop in Fort Smith, and visitors to the Museum and other attractions who stay in hotels and motels, dine out, and shop in Fort Smith. It is estimated that non-residents will pay approximately 50% of the tax.

10. What is the economic effect of the Museum? Studies show a \$13-22 million impact on Fort Smith per year. Bentonville and Little Rock have experienced downtown development as a result of major cultural institutions in the downtown area. Direct beneficiaries would include the Fort Smith Museum of History, Clayton House, the National Historic Site, the Trolley Museum and downtown businesses.
11. Is there a return on investment? Residents of Fort Smith will pay an estimated 50% of the tax. Even if they paid 100%, the economic payback should occur in about one year.
12. What is “Plan B” if the proposal is defeated? The development team continuously fundraises, and is currently working on funding the Museum endowment. The development team will continue to raise money in a less favorable environment. Costs will continue to escalate. Critics say that fundraising has taken too long but want the Museum to continue fundraising with no end in sight. Most staffing expenses will continue to support fundraising, educational programming, curatorial, accounting, and related expenses.
13. Have you exhausted all possible fundraising sources? No. The Museum expects other capital gifts to come in, but existing remaining possibilities will not complete the Museum in a reasonable length of time. The development team will also be writing grants and working on building the endowment. Fundraising never stops.
14. Will people who visit return again? The Museum has a “Special Exhibits Gallery” where changing exhibits will attract repeat visitors. The Museum’s rotating educational programming will target both children and adults. The Museum will occasionally refurbish and change its exhibits and experience as well. The Museum will have opportunities for young and old alike to not only visit the Museum, but participate in afterhours events, lecture series, field trips, book clubs, discussion groups, etc. to encourage guests to return.
15. Will the Museum REALLY attract 125,000 per year? The USMM has engaged experts in the field of feasibility studies and attendance projections. These firms use detailed market analyses and the application of carefully chosen real world benchmarks from existing comparable projects. There have been three feasibility studies done to ensure an authentic data-driven approach in projecting attendance and revenue. The most recent was completed in the fall of 2018. The USMM references a “stabilized year” when discussing attendance to ensure focus on a conservative approach while establishing budgets and setting expectations. The first couple of years are expected to over-perform as compared to a stabilized year. This is NOT an if-you-build-it-they-will-come scenario. Full time professionals on the USMM team will be working tirelessly to ensure that we meet attendance projections.
16. City projects have not gone well, particularly the Sebastian County Sports Complex, sanitation and water and sewer issues have created additional burdens on the taxpayer. Will this project be any different? Yes. The taxpayer is insulated from any responsibility for the Museum beyond the sales tax revenue because the Ordinances referenced above says so. The PFB further insulates the City as the owner of the Museum property and landlord to the USMM. In addition, the Museum has five levels of citizen review of its finances: a staff accountant, a part time Chief

Financial Officer, a Finance Committee, the Board of Directors, and annual audits which have been “clean” from the beginning. A PFB will provide yet a sixth level of review.

17. If the voters approve the sales tax proposal, will admission and facility rentals be free? No. Until the Museum develops an endowment, it must charge admission and facility rentals and other charges for use in order to sustain itself. It is likely that the Museum will extend certain benefits to residents of Fort Smith.
18. Have U.S. Marshals Museums failed in Laramie, WY, and Oklahoma City, OK? Explain why Laramie didn't work. A traveling exhibition called America's Star visited fourteen (14) cities across the country, from late 1988 to July, 1991. It opened in the Supreme Court and ended in Tallahassee, Florida. After its tour it went to Wyoming Territorial State Park in Laramie, Wyoming.
19. In Laramie it was no longer considered a temporary exhibit. It was fit into the lower level in the State Park, and not in its own museum building. With the State Park being closed part of the year, turnover in management, and little effort to house the Museum in a new museum facility, the USMS Director ended the relationship with the State Park.
20. The Oklahoma City project entailed a star-shaped memorial to honor Marshals killed in the line of duty, located near the National Cowboy and Western Heritage Museum. Cost overruns and poor management resulted in the inability to complete the project as planned.

FOR OTHER ANSWERS TO QUESTIONS, SEE THE FREQUENTLY ASKED QUESTIONS ON OUR WEBSITE.