

M I N U T E S

SPECIAL COMMITTEE ON LOCAL GOVERNMENT

September 3 and 4, 1975

Members Present

Senator Elwaine Pomeroy, Chairman
Representative Victor Kearns, Jr., Vice-Chairman
Senator Arden Booth
Senator Bill Mulich
Senator John Vermillion
Representative Robert Frey
Representative Clarence Love
Representative Ken Marshall
Representative Max Mize
Representative Pascal Roniger
Representative Frank Smith
Representative Joseph Wicinski

Staff Present

Mike Heim, Legislative Research Department
Myrta Anderson, Legislative Research Department
Alan Alderson, Revisor or Statutes Office

Others Present

Mr. Bob Finkbiner, Wichita Urban Renewal
Mr. Murray Kane, Los Angeles Attorney
Mr. Charles Clinkenbeard, Greater Topeka Chamber of Commerce
Mr. Al Hack, Lawrence Chamber of Commerce
Mr. Al Moore, Topeka Urban Renewal
Mr. Barkley Clark, Mayor of Lawrence
Mr. Gene Cole, Great Bend Chamber of Commerce
Mr. Ernie Mosher, League of Kansas Municipalities
Ms. Deb Krajnak, Planning and Research Division
Commissioner Richard Scholz, Atchison County
Commissioner Al Pickman, Atchison County
Commissioner Bob Lykins, Atchison County
Commissioner Glenn Plamann, Brown County
Commissioner T. E. Sunderland, Brown County

Others Present (Cont'd.)

Commissioner Jack Davis, Franklin County
Commissioner Joe Ferns, Franklin County
Commissioner Eugene Durham, Jackson County
Commissioner Jim Lewis, Leavenworth County
Mr. Claude Adolph, Wabaunsee County Clerk
Mr. Jack Turner, Sedgwick County Counselor
Mr. Fred Allen, League of Kansas Municipalities
Sheriff Bert Cantwell, Wyandotte County
Mr. Richard Cunningham, League of Kansas Municipalities
Mr. Willis Penhollow, Riley County Police Director
Mr. Robert Smith, Riley County Police Board
Commissioner Elmer Jones, Dickinson County
Commissioner Keith Devenney, Geary County
Commissioner Ivan Sand, Riley County
Commissioner Wallace Kidd, Riley County
Commissioner Carl Hay, Clay County
Mr. Rich Burke, Manhattan Chamber of Commerce
Mr. Marvin Butler, Manhattan Community Development Director
Mr. Dan Loeb, Junction City Chamber of Commerce

Morning Session

September 3, 1975

The Committee was called to order by Chairman Pomeroy shortly after 10:00 a.m. He explained to the Committee that several persons had requested to appear regarding Proposal No. 40 - Urban Redevelopment. He noted that Mr. Doug Crandall, of the Legislative Research Department recently quit to attend law school. He expressed appreciation to Mr. Crandall on behalf of the Committee for the fine work he performed. The Chairman explained that there was a need to change the October 30 meeting date. The new meeting date suggested was October 22. After some discussion the Committee agreed to meet on October 22.

Proposal No. 40 - Urban
Redevelopment

Mr. Bob Finkbiner of the Wichita Urban Renewal Agency explained that the Kansas Chapter of the National Association of Housing and Redevelopment officials had asked that Mr. Murray Kane of the law firm of Eugene Jacobs of Los Angeles, California, to appear before the Local Government Committee and explain concepts relating to tax increment financing. Mr. Murray stated that both large and small cities suffer from the same problems of deterioration of their central downtown areas. He noted that in the past year the states of Nevada, Utah and Colorado have enacted tax increment financing acts for urban redevelopment purposes. He explained that in the concept of tax increment financing there is a

built-in discipline, since no project can be undertaken unless it can be proved that there will be an increase in the tax base, otherwise the bond houses will not market the bonds. Mr. Murray made the following criticisms of S.B. 526 and H.B. 2300. These included (1) that the power of eminent domain was not linked to any public purpose and the courts would look dimly on this, since there was no mention of blight or slum as criteria for the use of eminent domain; (2) that the bill provides a new direction for the tax increment concept since money does not come out of the regular tax system. The only guarantee is the contractual agreement, and Mr. Kane noted that bond holders have the assurance of tax collections under the laws of other states; (3) that the cost to the developer is tied to the cost of the land and clearing the land. He said in some cases this cost may not be enough and in other cases it might be too much. He said it has to be tied to the economic opportunity that the developer is going to receive from the project; (4) that there is no built in safeguards in the act. There is no incentive to get the property back on the tax rolls as soon as possible.

Mr. Murray Kane suggested that he prepare a bill based on the Nevada, Utah and Colorado legislation and submit it to the Committee for their consideration. The Chairman indicated that any suggestions that he would make would be given consideration by the Committee. Mr. Kane noted the Attorney General did raise a constitutional question and that he felt this must be dealt with in any bill that would be drafted. He indicated that he felt the constitutional question could be solved. He noted that California had a tax increment bill since 1951 but it was not used until 1956. He said it was first used by urban renewal agencies to obtain money to finance their portion of the costs of urban renewal projects. He said none of the bonds issued in California had failed to date. When asked if one would fail, what assurance would the bonding holders have that they would receive their money, Mr. Kane indicated that there would be no assurance they would get their money out of the bonds. Mr. Kane was asked if there was any difference in the liability a city would have issuing tax increment financing type of bonds and industrial revenue type of bonds. He indicated there was no liability on the part of the city with tax increment methods but there would be some type of liability with the issuance of industrial revenue bonds. He noted again that Article 11, Section 5 of the Kansas Constitution is absent from other state's constitutions and would have to be considered in a bill draft. He noted that a Supreme Court case in Utah recently upheld that states tax increment financing legislation.

Mr. Charles Clinkenbeard, President, Greater Topeka Chamber of Commerce stated that he would be in favor of any legislation that would meet the tests of the courts. He said the state needs some kind of tool to help redevelop downtown areas. He noted that there is an income tax benefit to those persons whose land was obtained by eminent domain or the threat of eminent domain. Involuntary conversion of assets would mean that these assets would be tax free for reinvestment purposes. He said that the Greater

Topeka Chamber of Commerce supports the tax increment concept and is not going to quibble over which bill is implemented. He said that there would have to be some provision for the cost of relocation of present businesses to be a part of the project cost. He said he was in philosophical agreement with concepts that the residents and retailers in the area should have first crack at the new space available in the project. When asked if residences would be involved, he said they would be only to a very minimal extent.

Mr. Al Hack, President of the Lawrence Chamber of Commerce, submitted a statement to the Committee. (Attachment I). In response to a question, he said Lawrence was more interested in the eminent domain aspect of the project. He said the downtown redevelopment project in Lawrence is considered by most to be about three-fourths finished. He said a recent feasibility study suggested redevelopment of an additional eight blocks in downtown Lawrence.

Mr. Al Moore, Director of the Topeka Urban Renewal Agency explained definitions of slum and blighted areas and some of the procedures used by cities in determining an area to be blighted. Mr. Moore then explained the process used for condemning land through the eminent domain statutes.

Professor Barkley Clark, Mayor of Lawrence stated that he did not think it was the intent of cities to use a tax increment financing method in any area of a city other than the downtown area. He noted that such legislation would not be primarily for the redevelopment of housing but rather for the redevelopment of business and industry in the city.

Mr. Gene Cole, representing the Great Bend Chamber of Commerce endorsed the concept of tax increment financing, a copy of a letter submitted to the Committee is attached to the minutes. (Attachment II).

Mr. Ernie Mosher of the League of Kansas Municipalities, said that he thought the Committee had two basic options: 1) look at the existing bill which is essentially a rework of the industrial revenue bond law, or 2) to look at a real tax increment financing bill. He noted that Kansas cities had issued more than \$492 million in industrial revenue bonds since that authority was given to cities. In addition, he said he was asking the Committee to agree to have Mr. Murray submit a bill to the Committee. The Committee then adjourned for lunch.

Afternoon Session

The Committee was called to order shortly after 1:30 p.m. by the Chairman, Senator Pomeroy. He explained that the Committee would hear briefly on Proposal No. 41 dealing with Agricultural Municipalities.

Agricultural Municipalities -
Proposal No. 41

Ms. Deb Krajnak from the Planning and Research Division explained the status of soil conservation surveys and the status of county-wide planning and zoning. A copy of her statement is on file in the Legislative Research Department.

County Home Rule - Proposal
No. 39

Mr. Richard Scholz, Atchison County Commissioner, said that his county had not used county home rule. He said he had mixed emotions on the concept of county home rule. He said he was opposed to the counties setting salaries. He expressed fear that expanding the size of the county commission could relieve the commissioners of some of their responsibilities and this could create more diversity among counties. He stated he was in favor of four year terms of office for elected officials.

Commissioner Al Pickman and Commissioner Bob Lykins also from Atchison County both indicated they would like to see salary setting remain as it is.

Commissioner Glenn Plamann of Brown County said he thought three men were capable of governing his county. He said he would be in favor of optional forms of government. He said he had mixed feelings about counties having full responsibility for salary setting. Commissioner Bill Warren of Brown County said he favored a four-year term of office. He explained that Brown County was in the process of drafting a charter resolution to give the county the power to set salaries of certain elected officials. Commissioner T. E. Sunderland of Brown County, said he was in favor of four-year terms of office. He felt that there should be some state guidelines needed for salary setting.

Commissioner Jack Davis of Franklin County said a three commissioner board was best for Franklin County. He expressed support for the concept of optional forms of government. He favored a four-term term of office and said he thought counties should set their own salaries. He said his county to date had passed one charter resolution that sets salaries for elected officials.

Commissioner Joe Ferns of Franklin County said he supported the comments that were made by Mr. Davis.

Commissioner Eugene Durham of Jackson County, said his county had used home rule to set county salaries. He supported a four-year term of office for county officials but was not in favor of optional forms of government for counties.

It was pointed out by the Chairman that there may be some confusion over the salary setting issue. He said under the present home rule legislation, counties could by charter resolution set county salaries. Under the proposed concept, statutes which authorize certain county salaries would be repealed. The county, therefore, would have the responsibility for setting all county salaries with the exception of court salaries. Salaries then would be set by simple resolution and still be an exercise of counties home rule powers.

Commissioner Jim Lewis of Leavenworth County, stated that his county had not used county home rule. He said he felt three county commissioners were sufficient. He expressed concern over counties setting their own salaries and was in favor of the legislature providing counties with new sources of funds.

Mr. Claude Adolph, Wabaunsee County Clerk, said he thought the counties themselves should assume responsibility for salary setting.

Commissioner Plamann of Brown County stated that his county was opposed to monthly publication of its expenditures. A Commissioner from Atchison County also indicated that his county was also opposed to the monthly publication. A Committee member pointed out that there was currently a study being conducted by the Kansas Press Association which is charged to come-up with the recommendations for improving the current legal notice statutes.

Mr. Jack Turner, Sedgwick County Counselor, said that counties were having problems with the enforcement of county resolutions. He said he thought there needed to be clarification of whether the county commission has authority over the elected county offices. He said he was not sure the county had this authority. He noted there may be a problem with building codes. He said if the county built the building inside the City of Wichita it could be faced with the problem of needing to get a city building permit when the county has its own building code. He pointed out that there would need to be codification of county resolutions and this could be very expensive. He said there ought to be a procedure established to require publication and public hearings on resolutions dealing with county police powers. He indicated there is confusion as to whether the county has jurisdiction over various special districts within its boundaries. He said the position that Sedgwick County is taking is that the county does not have authority to coordinate or control these various districts. There is a problem with the levy limits and he felt that some clarification was needed to insure that the counties could change various county levies. There was also a limit on what the counties could do in the area of paying for fringe benefits for its employees and that the relationship between the county and the district court needs to be clarified. He felt that this court should be more properly supported by the state. He indicated that the county had no position on the issue of providing alternate forms of government

or a county manager plan for counties. He said the county is in favor of a four-year term of office and that they were in favor of counties setting salaries. He said they recently developed a charter resolution which is now being published which would give the county commission the authority to set salaries. He indicated that he thought S.B. 3 introduced as a result of an interim committee study last year was important to clarify a county's authority in regard to passing resolutions dealing with police powers.

Mr. Fred Allen, of the League of Kansas Municipalities, stated that county platform had favored a four-year term of office for several years. He said counties were conservative and they steer away from issues that may be challenged in the courts. He indicated that many deputies in the offices of clerk of the district court and register of deeds were approaching the salary of elected officials and this has created problems. He said that there was also a problem with county jurisdiction and the courts and that 1975 S.B. 3 was needed in order to solve this problem. He noted that the position of counties on legal notice was that it would support any uniform legal publication law. He said he is in favor of a larger percentage that the two percent protest petition provision in the home rule legislation. He stated that the counties would favor somewhere between 10% and 20%.

Local Law Enforcement -
Proposal No. 38

Mr. Bert Cantwell, Sheriff of Wyandotte County, said he thought the training program at the Law Enforcement Training Center at Hutchinson was very good. He said he felt the curriculum at the Center should be expanded to teach how to deal with people. He stated that some of his deputies were sent to the Kansas City, Kansas, Police Academy where 600 hours are required. On the issue of consolidation, he said he was not all that enthusiastic about consolidation, but that he was in favor of a bill that was introduced by the Kansas Sheriff's Association which would make an elected sheriff the head of the consolidated operation. He said he was not happy with the Riley County plan because it abolished the office of sheriff. He favored a four-year term of office for sheriff. He said 36 states now have four-year terms of office for sheriffs. He said he would support a minimum 400 hours of training at the Law Enforcement Training Center. He indicated that it cost approximately \$147 plus the man's salary to send him to Kansas City, Kansas Police Academy. This is actually cheaper than sending them to the Hutchinson Center, he said. He suggested that an employment contract might make it possible to keep trained officers in smaller cities once they are certified. He stated that reserve officers receive 160 hours of training at night and they try to cover most of the same subjects that are covered at the Hutchinson Center.

Mr. Richard Cunningham, of the League of Kansas Municipalities, said the Leagues' Policy for many years was opposed to mandatory training of law enforcement officers. He said this particular policy statement, however, was dropped recently and there is now no policy on this issue. He said the problem is the training is very expensive and the Training Center is fertile ground for recruiting for certain local units of government. He said the curriculum is not as modern as it should be and the academy fails to teach its students when to use law enforcement. He said traditionally the law enforcement has been a quasi-military operation and anymore it is more of a social services agency.

On the issue of consolidation he said he thought law enforcement should be tied to general purpose local government and that there could be problems with having an elected sheriff run such an operation. He pointed out a study had been done by himself and Mr. Wright Crummitt, a former employee of the League of Kansas Municipalities, on the issue of consolidation of law enforcement of Shawnee County. He said this study indicated that consolidation is not cheaper. He pointed out that a major problem now is with rural law enforcement. It is extremely expensive to provide a high level of service to rural areas. Consolidation is not the answer necessarily for this problem. He said there is no one approach that will solve everybody's problems. He said there is a great deal of professional jealousy among sheriffs and police departments. There is an issue involving unions and non-unions as well as a variety of other issues. He said perhaps one basic statute with various options could be implemented. He expressed support for reciprocity agreements with other state programs. He suggested the state should financially support local training efforts as well. The state should contribute money to cities that have their own training programs. In addition, he thought the state should contribute more for the operation of the Law Enforcement Training Center. He said it was another example of the state mandating programs and failing to provide sufficient funds to implement that program. On the issue of county home rule, Mr. Cunningham pointed out that there needed to be a clarification of the home rule statute as to what charter resolution should be filed with the Secretary of State. He said there was some confusion in some counties who are sending even simple resolutions to be filed with the Secretary of State.

After some discussion the minutes of the first Committee meeting were approved as corrected and the minutes of the second meeting were approved as corrected. The Committee then adjourned.

September 8, 1975
Manhattan, Kansas

The Committee was called to order by Chairman Pomeroy shortly after 10:00 a.m. at the Riley County Police Building in

Manhattan. He explained to the Committee the subject for the morning would be discussion of the consolidated law enforcement operation of Riley County and the afternoon would be devoted to hearing persons on county home rule and urban redevelopment proposals.

Local Law Enforcement -
Proposal No. 38

Mr. Willis Penhollow, Director of the Riley County Police, distributed a handout to the Committee which compared the costs of law enforcement in Riley County before and after the consolidation was achieved. In addition, the handout contained crime statistics for Riley County, an editorial and several newspaper articles which had been written about the consolidated law enforcement operation and several additional articles about consolidated law enforcement. Copies of these statements are on file in the Legislative Research Department.

Mr. Penhollow explained that the question had been voted on originally in 1972. The consolidation affected three programs: the Riley County Sheriff's Office, Manhattan Police and Ogden Police. The Sheriff's Office had employed 10 personnel police and Manhattan had employed 67 personnel and there were two full-time and several part-time officers in Ogden. He then explained some of the provisions of the consolidated act which provides for a five-member board to govern the consolidated law enforcement agency as well as the formula contained in the law which provides for the financing of the agency. He noted in explaining the difference in costs before and after the consolidation took place a great percentage of these increased costs were due to inflation. He explained further that there were a number of first year capital outlays such as new police cars and other one time costs.

Mr. Robert Smith, President of Riley County Police governing board and also a city commissioner from Manhattan raised several issues concerning the law. These included the method of financing and why a county-wide levy was not in force. He explained the process for the budget approval is that it first goes to the county and then the county certifies it to the cities. He noted that the county was getting greater police protection and the consolidated operation was doing a much better job of law enforcement in all areas. He noted that it is hard for the people to understand that law enforcement is interrelated, and that good law enforcement in Ogden will mean better law enforcement for the City of Manhattan.

He further explained that consolidated law enforcement operation is responsible for policing that portion of Manhattan which is located in Pottawatomie County. A problem area Mr. Smith raised concerned the county attorney being a member of the board. He suggested that this could constitute a conflict of interest.

Another problem he said was the tax lid which has put a real financial burden on trying to meet the increased costs of law enforcement. A question was asked concerning the relationship of the Riley County Police governing board with the chief. It was explained the board meets once a month and considers such matters as personnel actions (applications) and budget requirements.

Mr. Penhollow noted that the consolidation operation has a merit system versus a civil service system. He explained that applicants for employment are given a psychological test and a polygraph test as well as a personal interview. He noted that turnover in the department has been about average. A question was asked concerning the attitude of the city police and the county sheriff prior to consolidation. Mr. Penhollow pointed out that he was chief of police prior to consolidation and that most police officers supported it and the sheriffs officers were generally against the consolidation effort. He said that the Sheriff's Association had furnished a large amount of money to fight the program. He said since consolidation there has been a lot of esprit de corps developed because of the fact that Riley County is the only county in the state which has consolidated operations. It was noted that pay prior to the consolidation for sheriffs and police were about the same. After consolidation the best fringe benefits and the best pay plan were adopted. It was pointed out the former sheriff was now a member of the Riley County Police Department and was employed as an inspector.

There was then some discussion concerning who represents the people on the governing board. The issue was raised if citizens at large are appointed as members of the board should they be restricted from being a member of the city or county governing bodies. The question was asked of Mr. Penhollow if he would be in favor of statewide law enforcement. He said that this would be too big of an operation.

Mr. Smith and Mr. Penhollow were invited to submit specific amendments to the current law if they felt problems they had raised warranted those. A question was asked concerning training, Mr. Penhollow pointed out that the consolidated operation uses the Law Enforcement Training Center at Hutchinson if they only have one or two men to train. If they have more people that need training they are certified by the Center to conduct their own training school. He pointed out that neighboring communities were invited to send their law enforcement officers that needed training to Manhattan. Those from outside the consolidated operation pay only for their class materials. Mr. Penhollow noted that the Kansas Chief's of Police Officers' Association has recommended that the Center at Hutchinson increase the number of hours from 160 to at least 320 hours. Consideration should also be given to combining the Kansas Highway Patrol Academy with the Law Enforcement Training Center program, he said. He suggested that Kansas fund the law enforcement training center more adequately than it has in the past, and finally that the academy be run by users of the academy.

The Committee then broke for lunch.

Afternoon Session

The Committee was called to order by Chairman Pomeroy shortly after 1:30 p.m. He explained that the Committee would now consider Proposal No. 39 dealing with county home rule in government.

County Home Rule -
Proposal No. 39

Commissioner Elmer Jones of Dickinson County noted that his county commission was split on the issue of a four-year term of office, although he was in favor of the four-year term. He supported providing optional forms of government for counties if it was permissive. He noted that the county had passed one charter resolution which exempted the sheriff from getting extra pay because of the fact that Milford Reservoir was in Dickinson County.

Commissioner Keith Devenney of Geary County said his county had used home rule to create the position of county counselor. He supported optional forms of government for counties and favored a four-year term of office for county officials. He explained that he was in favor of making it optional for consolidating the law enforcement in counties. His county currently coordinates law enforcement communications and is in the process of implementing a one-year record system for the cities and counties.

Commissioners Ivan Sand and Wallace Kidd from Riley County indicated that they were in favor of four-year terms of office for county officials. Mr. Sand noted that Riley County used home rule to establish a county counselor and had passed a charter resolution concerning county salaries. On the issue of optional forms of government he pointed out that he was personally in favor of a three-member commission.

Commissioner Carl Hay from Clay County asked the Committee a question concerning procedures for passing a charter resolution and exempting the county from state set salaries. The Chairman noted that several counties had passed a charter resolution which exempted itself from statutes setting the county salaries and then had proceeded to pass an ordinary resolution which actually set the salaries. The question was also raised if a protest petition is drawn up objecting to the charter resolution, does an election on the issue have to be held or may the county commission just rescind its prior action.

The motion was made to authorize the Chairman to request an Attorney General's opinion on this issue. The motion was not voted on at this time.

Mr. Hay also pointed out a problem the county was having concerning selling of weed chemicals. He noted that there was

currently an action being taken against the county commission in the courts challenging the selling price they had been asking for these chemicals.

Urban Redevelopment -
Proposal No. 40

Mr. Rich Burke representing the Manhattan Chamber of Commerce noted that Manhattan supported legislation which would redevelop downtown areas. He said there is a specific problem, however, in defining what is downtown. He explained that the City of Manhattan for example, would be most interested in making sure a definition of downtown would include Aggieville which is not a part of downtown proper. He said he thought any legislation would need the power of eminent domain to make it effective. He thought that bills should provide for relocation of businesses and possibly give priority to those businesses to move back into areas and even at a reduced rental. He stated that an area should be found to be blighted before any action could be taken.

Mr. Marvin Butler, Community Development Director for Manhattan, said he thought a local legislative body should control what areas would need redevelopment. He stated that he supported additional ways to redevelop blighted areas in cities.

Mr. Dan Loeb of the Junction City Chamber of Commerce explained that about 1½ years ago the Downtown Redevelopment Commission had been established in Junction City. This Commission is currently in the process of redeveloping the downtown area with new streets, sidewalks, curbs and gutters. The cost of the project is approximately \$1.3 million and approximately 53% of the cost of the project will be picked up by the city at large, 47% will be paid by individual property owners.

After some discussion a motion was made and seconded to have the Chairman request an Attorney General's opinion on the question of whether a county needs to hold an election if a protest petition is filed regarding a charter resolution if the county commission rescinds its action on the resolution.

The Committee adjourned.

Prepared by Mike Heim

Approved by Committee on:

Oct. 1, 1975
(Date)

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TESTIMONY BEFORE THE
SPECIAL COMMITTEE ON LOCAL GOVERNMENT

September 3, 1975

By

Al Hack, President

Lawrence Chamber of Commerce

Mr. Chairman and members of the Special Committee on Local Government, my name is Al Hack. I am President of the Lawrence Chamber of Commerce, and Vice President of the Lawrence National Bank.

I am here this morning to voice our Chamber's support for the concept of tax increment financing for urban redevelopment.

For many years, farsighted community leaders in Lawrence have recognized the importance of a physically attractive and economically healthy central business district. Through continuing cooperation between the City of Lawrence, the Lawrence Chamber of Commerce and the Downtown Lawrence Association, our community today enjoys one of the most attractive and prosperous central business districts in the State of Kansas. Just recently, we completed a rehabilitation of the major street in downtown Lawrence, Massachusetts Street from 7th to 11th. The project, funded by Neighborhood Development Funds, city funds, and creation of an assessment district, has resulted in rebuilding of the street plus new sidewalks, curbs, saw-tooth parking, planters, trees, drinking fountains and distinctive lighting fixtures. Coupled with the City's continuing program of building well-planned off street parking, this most recent project has greatly altered the physical appearance of downtown Lawrence.

We recognize, however, that central business district revitalization must be a continual process. Thus, we have just completed a feasibility study for the redevelopment of an eight block area at the north end of our central business district. Unlike our recently completed project, the north end project

will involve acquisition, clearance and redevelopment of a number of parcels of property in the project area.

We believe that tax increment financing, if it were available to communities in Kansas, could be used quite effectively in bringing about implementation of our north end project.

Because of the economic health of our Central Business District and the fine improvements already completed, we feel confident that private capital would be available to redevelop the project area, if sufficiently sized tracts of land could be made available at reasonable prices.

One of the greatest problems a private developer faces in approaching a redevelopment project in a downtown area, or any blighted area, is the difficulty in assembling a large parcel of land at a reasonable price. The acquisition of numerous small parcels of land, often held by non-local ownership and containing deteriorated structures, is a difficult and often very frustrating task for a developer who has interest in a central business district project.

Consequently, we feel that tax increment financing, as used in a number of other states, provides a valuable tool which could permit cities and private developers to work in partnership to accomplish redevelopment projects that are deemed to be in the public's best interest. We are confident that such a tool could be used effectively in our proposed north end redevelopment project, as well as in comparable projects in

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other Kansas communities.

Attached to this statement is a copy of the policy position our Chamber of Commerce has adopted in support of tax increment financing. With me today to illustrate our support of this valuable redevelopment tool are: Glenn E. West, Executive Vice President of the Lawrence Chamber of Commerce, and Barkley Clark, Mayor of Lawrence.

We encourage you to review thoroughly this important proposal and support its adoption.

Thank you.

POLICY STATEMENT
TAX INCREMENT FINANCING

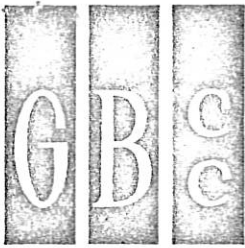
The Lawrence Chamber of Commerce, recognizing that innovative and unique methods must be developed to stimulate the redevelopment of downtown urban areas, supports the concept of tax increment financing for urban redevelopment.

The complex nature of urban area redevelopment requires that local government and private enterprise work in close partnership. The tax increment financing proposal provides another important tool to be used in partnership toward redevelopment objectives.

The approach, which can be used in any city of any size in Kansas, provides an incentive to redevelopers to rebuild deteriorated urban areas, expand local tax bases, stimulate the construction industry, create greater job opportunities and improve the quality of life in cities across the State.

The Lawrence Chamber of Commerce supports the concept of tax increment financing and urges the passage of enabling legislation by the Kansas Legislature.

(Adopted by the Board of Directors, August 20, 1975.)



GREAT BEND CHAMBER OF COMMERCE

Today is Tuesday, September 2nd, 1975

Senator Elwaine F. Pomeroy, Chairman
Local Government Interim Study Committee
1415 Topeka Avenue
Topeka, Kansas 66612

Dear Senator Pomeroy:

We are writing to support SB526 - It appears this can be a valuable tool for cities in Kansas interested in redevelopment of the downtown area.

Great Bend is located in the center of our "great state" and has retail sales of approximately 165 million dollars. Barton County is presently 15th in population and is now listed 7th in retail sales in the state. Our point is we count on retail sales as a large part of our economy. Yes, we are interested in preserving and redeveloping our central business district.

The SB526 provides the tools for elected officials to move ahead with progress, yet provides the safe guard for individual rights of property owners.

Several points we would like to cover and we will do so as follows:

1. The term, Central Business District, does remove the possibility of cities using such a bill for new shopping centers, which is not the interest of SB526.
2. The city must declare there are blighted and increased fire hazards to use the powers of SB526.
3. Safe guards are always built in when an unanimous vote of any governing body. The project will have to have merit and be properly handled, or elected officials surely are not going to vote for it.
4. Consent of the local taxing unit is fine. They will not lose any revenue. They stand to gain much more. (Possibility this should read major taxing units such as county, school districts and cities.)

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Tuesday, September 2nd, 1975

Senator Elwaine F. Pomeroy, Chairman

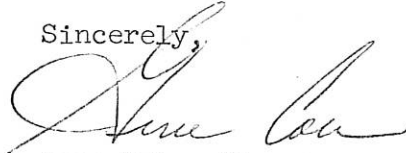
Local Government Interim Study Committee

5. A limit on time for cities to recover is a good idea as provided in SB526. The only question here is in smaller cities, the investment in central business districts will not equal large metro areas. Maybe a five year limit would fit cities of 50,000 less better than a 3 year limit.

(see attached work sheet on project located in our city)

In general SB526 is very workable and is a tool that cities can use to help themselves, rather than asking for state or federal programs to redevelop their central business districts.

Sincerely,



Gene Cole, Director
Economic Development Commission

SW

cc Mayor Fred Maneth, City of Great Bend
cc Rep. Victor W. Kearns, Jr., Vice Chairman
cc Senator Arden Booth
cc Senator William Mulich
cc Senator John F. Vermillion
cc Rep. Robert G. Frey
cc Rep. Clarence C. Love
cc Rep. William K. Marshall
cc Rep. Max Mize
cc Rep. Pascall A. Roniger
cc Rep. Francis E. Smith
cc Rep. Joseph A. Wicinski

enclsoure

HOTEL PROJECT
CENTRAL BUSINESS DISTRICT
LAKIN AT MAIN

PRESENT VALUATION	\$ 71,690.00
PRESENT TAX PRODUCED	1,872.94
PRESENT OPTION TO CITY OF GREAT BEND	83,740.00
REMOVAL OF STRUCTURE	20,000.00 - estimate only
VALUE OF CLEARED LAND	70,000.00 - estimate only

Increment Financing would allow the following:

Net loss on project \$ 33,740.00

The following projects will show examples:

1 - million project

new tax base	\$ 24,582.00
present tax	<u>1,872.00</u>
net increase	\$ 22,710.00

city recovery under SB526 - 1 year 5 months approximately

1/2 million project

new tax base	\$ 12,291.00
present tax	<u>1,872.00</u>
net increase	\$ 10,419.00

city recovery under SB526 - approximately 3 years - 5 months

300,000 project

new tax base	\$ 7,488.00
present tax	<u>1,872.00</u>
net increase	\$ 5,616.00

city recovery under SB526 - approximately 6 years

These figures are probably short, but are based on equal dollars based on percentage increased.