

Approved 04/06/87  
Date

MINUTES OF THE House COMMITTEE ON Economic Development

The meeting was called to order by Phil Kline at  
Chairperson

3:30pm a.m./p.m. on Wednesday, March 25, 1987 in room 423S of the Capitol.

All members were present except: Representatives Aylward, Chronister, Hoy, Mainey, Mead and Teagarden (All Excused)

Committee staff present:  
Jim Wilson, Revisor  
Lynn Holt, Research  
Molly Mulloy, Secretary

Conferees appearing before the committee:  
Hank Booth, president, Kansas Association of Broadcasters  
David Furnas, executive director, Kansas Press Association  
John Reinhart, press secretary, Secretary of State  
David Hopper, chairman, Douglas County Commission  
Chris McKenzie, administrator, Douglas County  
Sandra Praeger, mayor, city of Lawrence  
Gary Toeppen, executive vice president, Lawrence Chamber of Commerce  
Chip Wheelen, representing Kansas Legislative Policy Group  
Bev Bradley, representating Kansas Association of Counties

Chairman Kline called the meeting to order at 3:45pm and introduced a special guest, F. Tim Witsman, president of Kansas, Inc.

The chairman opened the hearing on S.B. 280 and called on the first proponent, Hank Booth. Mr. Booth distributed copies of his testimony and a description of legal notice advertising on radio and television in the state of Washington (Attachment 1). He stated that S.B. 280 would allow public officials who are required to publish legal notices to supplement them with radio or TV broadcast and would require the Secretary of State to supplement legal notice of proposed Constitutional amendments by using radio and TV. In response to questions from committee members, Mr. Booth said that five or six states currently use radio/TV in addition to newspapers for legal notices and that the KAB had agreed to use the "lowest unit rate" cost for such notices.

David Furnas of the Kansas Press Association also spoke in favor of the bill but questioned the rate structure. He distributed an amendment which would allow newspapers to use their lowest classified ad rate for legal notice advertising so that there would be parity between newspapers, radio and TV. He pointed out that S.B. 280 is unclear as to whether broadcasts of Constitutional amendments must be on every radio and TV station in the state, or just one in each county. In answer to a committee question, Mr. Furnas said that the state of Kansas spent approximately \$120,000 last year on newspaper notices for the Constitutional amendments. (See Attachment 2 for Mr. Furnas' testimony)

The following points were brought up by committee members: (1) who would determine how much advertising is enough in regard to Constitutional amendments (2) does the Secretary of State have wide discretion and no guidelines on this (3) should there be language to limit the advertising so there is no duplication (4) is there a problem with legality if required ads on Constitutional amendments not being aired in certain cities (5) who decides which stations in a city would carry the ads, and what if that station broadcasts to a very specific clientele (6) if there is going to be statewide dissemination so that every citizen is notified, we need an estimate of the cost.

In responding to the committee's questions, Mr. Booth said that when a specific amount of money would be allocated to be spent on the public broadcasts of a Constitutional amendment, the Kansas Association of Broadcasters would determine the "best buy" of time that would cover most of the state. Several committee members

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Economic Development  
room 423S, Statehouse, at 3:30 a.m./p.m. on Wednesday, March 25, 1987

said that S.B. 280 is not specific enough and does not have language such as "best buy to be determined by the KBA."

The third conferee on S.B. 280 was John Reinhart, who spoke in favor of the bill. He said that there is a specific requirement for newspaper ads on Constitutional amendments to be county-wide saturation but that S.B. 280 does not have such specific language. He commented that as the bill now is written, there could be one ad, on one station, played one time - and that would satisfy the requirements of the bill. He said that the Secretary of State's office would welcome amendments which would add specific language to the bill (Attachment 3).

There were no opponents to S.B. 280 and the hearing was closed.

Chairman Kline opened the hearing on S.B. 138 and introduced Chris McKenzie, Douglas County administrator. Mr. McKenzie introduced the members of the Douglas County delegation who would be speaking on the bill.

David Hopper testified in support of the bill, saying that the Douglas County Commission had worked with the city in planning the East Hills Business Park by providing the financing necessary to purchase the 300 acres and by providing a number of access improvements to the site. He said that S.B. 138 is needed to insure an orderly change in the ownership of the property. (Attachment 4)

Chris McKenzie, Douglas County administrator, also testified in support of the bill. He said the development of the industrial park project has the unanimous support of the city of Lawrence, Douglas County and the Chamber of Commerce. He noted that S.B. 138 would authorize any county in the state to play a critical leverage role in the development of similar sites across the state. He commented that lines 88 through 103 in the bill were not requested by Douglas County constituents but that he is comfortable with those lines. (See Attachment 5).

Sandra Praeger, Lawrence mayor, testified that the city supports S.B. 138 because it provides jobs to the local economy and expands the tax base (Attachment 6). She further stated if they could not transfer the property from the county to a private non-profit organization, they would lose control over what kind of company could locate there.

Gary Toebben, Lawrence Chamber of Commerce, testified in support of the bill, saying it is an extension of the economic development initiatives suggested in the Redwood-Krider Report. He said that S.B. 138 allows Kansas counties to improve their economic development program by assisting in the creation of new industrial sites (Attachment 7).

Chip Wheelen, Kansas Legislative Policy Group, also testified in support of the bill. He stated that his organization represents a group of rural county commissioners and that, with the amended language in lines 86 and 87 added by the Senate Local Government Committee, they urge the passage of this bill (Attachment 8).

Bev Bradley, representing the Kansas Association of Counties, said that her organization supports the bill because it encourages economic development.

The meeting adjourned at 4:45. The next meeting is scheduled for Thursday, March 26, 1987.





818 Merchants National Bank Bldg., Topeka, Kansas 66612

913/235-1307

March 25, 1987

TO: MEMBERS OF HOUSE ECONOMIC DEVELOPMENT COMMITTEE

RE: SB 280

My name is Hank Booth; I am president of the Kansas Association of Broadcasters. We appreciate the opportunity to appear before you in support of SB 280.

The intent of SB 280 is twofold: 1) to allow public officials who are required to publish legal notices, to supplement such publication with radio and/or television broadcast, if in their opinion, the public interest would be served; and 2) to require the Secretary of State to supplement publication of legal notice of proposed constitutional amendments by radio and television broadcast.

The airing of legal notices on broadcast media has been practiced in the State of Washington for over 35 years and has served the state well in informing the electorate. Information on the Washington program is attached.

SB 280 is an attempt to update the current legal notice advertising requirements by recognizing the potential the broadcast media has in reaching and informing the public. Consider this - before we sleep tonight nearly every man, woman and child will watch television, listen to the radio or most likely do both.

**PRESIDENT**  
Hank Booth  
KLWN/KLZR, Lawrence

**PRESIDENT-ELECT**  
John Mileham  
KWCH TV, Wichita

**SECRETARY/TREASURER**  
Don Neer  
KTOP/KDVV, Topeka

**PAST PRESIDENT**  
Sam Elliott  
KULY/KHUQ  
Ulyssess/Hugoton  
KU, Lawrence

**EXECUTIVE DIRECTOR**  
Harriet Lange, CAE  
KAB, Topeka

**DIRECTORS**  
Jan Elliott  
KLOE TV, Goodland

Marty Melia  
KLOE AM, Goodland

Cliff Shank  
KSKU FM, Hutchinson

Stu Melchert  
KSCB AM/FM, Liberal

Wayne Grabbe  
KRSL/KCAY, Russell

Dennis Czechanski  
KTKA TV, Topeka

Dick Painter  
WIBW AM/FM, Topeka

Harlan Reams  
KSAS TV, Wichita

Attachment 1  
03/25/87

①

That includes the business owner, the corporate executive, the entrepreneur, the college student, the government worker, the laborer, the teacher, the elected official and his or her constituents. We are everywhere and we touch the lives of every person in this state everyday. It seems only logical that our media be used, in addition to newspapers, in informing the public and increasing voter awareness of important local and state issues.

The KAB represents over 100 radio stations and 19 television stations in Kansas. We urge your favorable consideration of SB 280, as amended by the Senate.

LEGAL NOTICE ADVERTISING  
IN WASHINGTON STATE

A. General Description

Washington State was the first state, and still one of the few, that provides for state or other public officers advertising by radio and/or television for legal public notices. In general the public officer may advertise on radio and/or television if he is first required by law to publish a legal notice in a newspaper. He may then supplement such published newspaper notice by having the information broadcast. The public official may do so if in his judgment the public interest will be served by such broadcast. The frequency of broadcast is left to the discretion of the public official.

Often times public officials are disappointed by public apathy primarily because the public has not been made aware of a public hearing in which a vital matter is to be discussed. Public awareness and participation can be stimulated by the use of radio and/or television announcements.

B. Background

The enabling legislation originated in the year 1951. At that time the law provided for only radio advertising and it was discretionary with the public official as to whether any such legal notice advertising would be used.

In 1961 the state law was amended to include television advertising. In the same year it was made mandatory for the Secretary of State to use radio and television to supplement legal notice publication of proposed constitutional amendments that were to be placed on the ballot before the general election in this state. Other than constitutional amendments legal notice advertising by other state officials continued to be discretionary with the public official.

In 1967 the legislature expanded the mandatory use to include laws authorizing state debts in addition to constitutional amendments. The purpose of that amendment was to include state wide bond issues that are approved by the voters. The amount of money allocated for the mandatory advertising by the Secretary of State

is discretionary and is negotiated by WSAB with the Secretary of State's office.

C. Who Can Use Public Notice Advertising and With What Frequency

As stated above the Secretary of State must broadcast on radio and television notice of the proposed constitutional amendments and laws authorizing state debts that are to be submitted to the people by state wide ballot. Any other state or local official who is required by law to publish any official notice in a newspaper has the discretion to supplement the notice by radio and/or television if in his judgment the public interest would thereby be served.

Examples of such public officers would be city officials, school district officials, county officials, irrigation district officials, sewer district officials, and any other officials of political subdivisions of the state.

The number of announcements that the official may advertise on broadcasting facilities is discretionary with the official.

D. Which Stations May be Used

The public official may select any radio and/or television station he finds in his judgment will best serve the public interest. There is a requirement that the stations utilized be situated within the county of origin of the broadcast notice.

E. What Kind of Materials Are Best Suited

Notices of elections, meetings, hearings and other functions of state and local government can be effectively served by the use of radio and/or television. It would appear that long legal descriptions of property might confuse more than help and that general descriptions are better. Notices or a concise summary or description may be broadcast at such times and with such frequency as is determined suitable when the public interest is served thereby.

Approaches that have been used in the past by the Secretary of State in the case of constitutional amendments for state wide ballot have included such films as

one opening with a picture of the state capitol, than to the state legislature in process, a depiction of the State Voters' Pamphlet, a picture of the proposed constitutional amendment itself, and closing with a picture of the great seal of the State of Washington. The audio portion announced that on the ballot there would be a constitutional amendment to the state constitution, setting forth that it took a two-thirds vote of the legislature to place the matter on the ballot, then stating a brief description of the proposed constitutional amendment itself and closed with urging the voters to vote on election day.

#### F. Applicable Rates

Rates charged for public notice advertising will be the same as if the order was from any commercial advertiser whose advertising is directed to promoting its business within the same area as that which the notice is placed. Earned frequency discounts would be entirely proper.

#### G. Mandatory Contents and Sponsor Identification

The state law requires that the time, place and nature of such notice only be read or shown with no reference to any person by name than a candidate for political office and that such broadcast shall be made only by duly employed personnel of the station from which said broadcast emanates.

Of course FCC regulations require that the sponsor be identified in the announcement. The announcement need not say "paid for" as part of the identification. The following identification was approved by the FCC in the case of advertising by the Secretary of State of the State of Washington: "This has been an official announcement as provided by law by the Secretary of State, John Doe." Note, that in an election year for a political candidate, the title of his office should be used in the sponsor identification, but his name may not be used.

#### H. Illustration of Typical Legal Notice Address

##### NOTICE OF REZONE HEARING

This notice is to advise you of a public hearing to be held in Edmonds, Washington, before the Edmonds Planning Commission. The meeting will be held on Tuesday, April 13, 1968, at 8 o'clock P.M. in the Civic Center at a public hearing. It will afford persons interested in a proposed re-zoning and the general public an



opportunity to be heard for or against a proposal to re-zone property located in the "Five Corners" area on the northeast intersection of Main Street and Fifth Street S.E. The property is legally referred to as the Plat of Morning Side Addition. The proposed re-zoning is from single family residential zoning to commercial zoning. This notice of this public hearing reminds you that such hearing will be held on Tuesday, April 13, 1968, at 8 o'clock P.M. in the Edmonds Civic Center. This notice is an official announcement as provided by law by the City of Edmonds, Irene Jones, City Clerk.

#### I. Record Retention and Affidavits of Performance

The state law requires that the broadcaster retain an exact copy or transcription of the text of the announcement for a period of six months after the last announcement.

Proof of publication must be supplied by affidavit of performance, signed by the (1) manager, (2) assistant manager or (3) program director.

#### J. Applicable State Statutes

The applicable state statutes are set forth as follows. They are relatively simple in form and you should be able to find the answers to most of your questions, if not previously supplied, by reviewing those statutes:

RCW 65.16.130 Publication of official notices by radio or television - Restrictions. Any official of the state or any of its political subdivisions who is required by law to publish any notice required by law may supplement publication thereof by radio or television broadcast or both when, in his judgment, the public interest will be served thereby: Provided, That the time, place and nature of such notice only be read or shown with no reference to any person by name then a candidate for political office, and that such broadcasts shall be made only by duly employed personnel of the station from which such broadcasts emanate, and that notices by political subdivisions may be made only by stations situated within the county of origin of the legal notice.

RCW 65.16.140 Broadcaster to retain copy of transcription. Each radio or television station broadcasting any legal notice or notice of event shall for a period of six months subsequent to such broadcast retain at its office a copy or transcription of the text of the notice

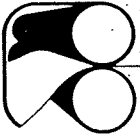
as actually broadcast which shall be available for public inspection.

RCW 65.16.150 Proof of publication by radio or television. Proof of publication of legal notice or notice of event by radio or television broadcast shall be by affidavit of the manager, an assistant manager or a program director of the station broadcasting the same.

RCW 29.27.072 Notice of constitutional amendments and laws authorizing state debts - Publication in newspapers and on radio and television. The secretary of state shall cause notice of the proposed constitutional amendments and laws authorizing state debts that are to be submitted to the people to be published at least four times during the four weeks next preceding the election in every legal newspaper in the state and shall supplement publication thereof by radio and television broadcast as provided in RCW 65.16.130, 65.16.140, and 65.16.150.

RCW 29.27.074 Contents. The notice provided for in RCW 29.27.072 shall set forth the following information:

- (1) A legal identification of the state measure to be voted upon.
- (2) The official ballot title of such state measure.
- (3) A brief statement explaining the constitutional provision or state law as it presently exists.
- (4) A brief statement explaining the effect of the state measure should it be approved.
- (5) The total number of votes cast for and against the measure in both the state senate and house of representatives.



**Kansas Press Association**  
**Kansas Press Service, Inc.**

P.O. Box 1773 • Topeka Kansas 66601 (214 W. Sixth Suite 300) • 913/233-7421

Testimony on Senate Bill 280  
House Committee on Economic Development  
March 25, 1987

Mr. Chairman and members of the committee, my name is David Furnas and I am the executive director of the Kansas Press Association.

The Kansas Press Association, which is very familiar with the required publication of public notice in newspapers, has not taken a formal position of Senate Bill 280, which would authorize broadcast of official notices by radio or television.

However, the association's legislative committee has recommended to the KPA Board of Directors, which meets April 2, that the concept be supported.

At first, some observers might be surprised by this support. Upon reflection, the reasons are obvious. The Press Association and its members support the widest possible dissemination of information about government. Supplemental dissemination of public notices by radio and television would further that goal.

Interestingly, Senate Bill 280, if adopted in its present form, would also establish policy and possible legal precedents of interest to newspapers that have been the official media of legal notices. It is the proposed elements of Senate Bill 280, as they apply to radio and television that is of interest to the KPA legislative committee, and I believe to all Kansas newspapers.

For example, when we pointed out in our testimony before the Senate committee the original version of the bill did not have provisions relating to the rates radio and television could charge for legal notices, the bill was amended to allow radio and television stations to charge their lowest rate. Newspapers would like to have the same privilege. At present, rates allowed to be charged by newspapers are governed by statute at lower rates than would normally be charged other advertisers. Indeed, the legislature has developed a method whereby someday newspapers might be able to charge their lowest classified advertising rate. That provision is part of the law today. With the adoption of this bill, the KPA legislative committee believes, and many KPA members believe, newspapers ought to be allowed to go immediately to their lowest classified advertising rate. That would put the rate structure proposed in this bill at parity between newspapers, radio and television.

I am providing an amendment that would accomplish that equity.

The portion of Senate Bill 280 relating to the legal broadcast of the Constitutional amendments is a little unclear. If the bill would require broadcast on every radio and television, newspapers again would like to have the same privilege. At present, only one newspaper in each county publishes the public notice of Constitutional amendments. In Washington state, which has the law cited by the broadcasters allowing for radio and TV legal, every newspaper in the state must run the public notice of a Constitutional amendment.

In summary, I believe the Kansas Press Association Board of Directors will accept the recommendation of the KPA legislative committee to support the concept of Senate Bill 280. I do believe, however, some newspaper publishers might disagree. The bottom line is that the supplemental notice on radio and television will increase a wider dissemination of notice to the public. Our industry supports that philosophy.

We would hope the committee would look with favor on the suggested amendments that would provide equity in the legal notice process.

Attachment 2 (2)  
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Proposed Amendment to S.B. 280

By Kansas Press Association

Amend Senate Bill 280 by deleting Section 4 and inserting new Section 4 as follows:

Sec. 4. (a) A newspaper shall charge and receive, for publishing a legal advertisement, a rate not exceeding the lowest regular classified advertising rate charged by the newspaper to its commercial customers.

(b) On or before July 1 of each year, the publisher of each newspaper which publishes any legal advertisement in this state shall file with the Secretary of State a card showing the newspaper's rates for legal advertisements, and shall be effective for a period of one year from July 1 on or before which the filing is made.

(c) Any contract rates or volume discounts given to commercial customers by the newspaper shall be available to persons or political subdivisions causing publication of legal advertisements, under the same terms and conditions as for commercial advertisements.

The classified rate for legal advertisements shall not in any year be increased by more than 15% in excess of the rate for the next preceding year.

(d) Proof of publication of all such notices shall be made in the manner required by law or the order or citation of court or summons, and each such proof of publication shall be accompanied by a verified statement of fees and charges therefor. The fees and charges of all such publications when made in any action or proceeding in any court of this state shall be taxed as costs and collected in the same manner as other costs in the action or proceeding.

(e) As used in this section, "legal advertisement" and "political subdivision" have the meanings provided in K.S.A. 28-137b.

Sec. 5. K.S.A. 1986 Supp., 28-137 is hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the Kansas Register.

Bill Graves  
Secretary of State



2nd Floor, State Capitol  
Topeka, KS 66612-1594  
(913) 296-2236

## STATE OF KANSAS

TESTIMONY OF JOHN REINHART,  
OFFICE OF THE SECRETARY OF STATE,  
TO THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE  
ON SENATE BILL 280  
MARCH 25, 1987

Secretary of State Bill Graves supports the intent of Senate Bill 280.

Radio and television are a continuous and reliable source of news and information for today's mobile society. By permitting legal advertisements on radio and television, the legislature is recognizing the importance of the broadcasting media as a communications tool. This bill allows government officials to make the fullest use of modern communications technology.

Two amendments suggested by our office and have been incorporated into this bill:

- The first amendment clarifies the prohibition against candidates for office appearing or speaking in legal advertisements.
- The second amendment removes specific language about constitutional amendments. This language has been deleted because section one sufficiently limits the content of such notices.

Because of the time-bound nature of the broadcasting media, it is important that legal ads on radio and television be used only to supplement legal advertising in newspapers. By their nature, newspapers lend themselves to a more thorough treatment of complex issues.

Finally, the success of this bill, as it relates to constitutional amendments, hinges upon the availability of funds to provide advertising statewide. As it stands, the bill does not require statewide advertising. Therefore, no funds are required.

We encourage this committee to recommend favorable passage of Senate Bill 280. We believe that it is a step toward a better informed, better educated electorate.

Attachment 3  
03/25/87

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TESTIMONY REGARDING SENATE BILL 138  
DAVID C. HOPPER, CHAIRMAN, DOUGLAS COUNTY COMMISSION  
MARCH 25, 1987

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I APPRECIATE THE OPPORTUNITY TO APPEAR TODAY IN SUPPORT OF SENATE BILL 138. TWO YEARS AGO THE DOUGLAS COUNTY COMMISSION UNANIMOUSLY ADOPTED A RESOLUTION STATING OUR FIRM INTENT TO PLAY A LEADERSHIP ROLE IN HELPING TO FOSTER ECONOMIC GROWTH AND INCREASED EMPLOYMENT OPPORTUNITIES IN DOUGLAS COUNTY. SINCE THAT TIME THE COMMISSION HAS SUPPORTED A NUMBER OF INITIATIVES TO ENCOURAGE ECONOMIC DEVELOPMENT. PERHAPS THE MOST TANGIBLE OF THESE HAS BEEN THE COUNTY'S ROLE IN THE PLANNING AND ACQUISITION OF THE EAST HILLS BUSINESS PARK IN COOPERATION WITH THE CITY OF LAWRENCE AND THE LAWRENCE CHAMBER OF COMMERCE.

THE COUNTY'S ROLE IN THE PROCESS HAS BEEN TWO-FOLD. FIRST, THE COUNTY HAS PROVIDED THE FINANCING NECESSARY TO PURCHASE THE APPROXIMATELY 300 ACRES OF LAND NECESSARY FOR THE PARK. TWO-THIRDS OF THE SITE HAS BEEN PURCHASED OUTRIGHT BY THE COUNTY, AND THE BALANCE IS BEING PURCHASED UNDER A CONTRACT FOR DEED OVER A THREE YEAR PERIOD. THE TOTAL PURCHASE PRICE IS \$750,000. THE COUNTY'S SECOND COMMITMENT TO THE PROJECT HAS BEEN TO FINANCE AND SUPERVISE THE COMPLETION OF A NUMBER OF ACCESS IMPROVEMENTS TO THE SITE, INCLUDING EXTENSIVE WORK ALONG AN EXISTING COUNTY ROAD AND IMPROVEMENTS ALONG K-10 HIGHWAY.

SENATE BILL 138 IS NEEDED TO ENSURE AN ORDERLY CHANGE IN THE OWNERSHIP OF THIS PROPERTY TO THE ENTITY IN OUR COOPERATIVE VEN-

TURE WHICH IS RESPONSIBLE FOR THE DEVELOPMENT AND MARKETING OF THE  
SITE -- DOUGLAS COUNTY DEVELOPMENT, INC. I URGE YOU TO GIVE THIS  
BILL FAVORABLE CONSIDERATION. IT WILL ALLOW ALL COUNTIES TO PLAY  
A FULL ROLE IN OUR INTERGOVERNMENTAL EFFORTS TO IMPROVE THE  
ECONOMY OF OUR STATE. THANK YOU FOR YOUR CONSIDERATION.

# Douglas County

TO : House Committee on Economic Development  
FROM : Chris McKenzie, Douglas County Administrator  
SUBJECT: 1987 Senate Bill 138  
DATE : March 25, 1987

Thank you for the opportunity to appear before you today in support of Senate Bill 138. This legislation was introduced at the request of Douglas County, but it has implications much more far-reaching than the story you will hear today concerning the joint efforts of Douglas County, the City of Lawrence and the Lawrence Chamber of Commerce to acquire and develop a new rail-served industrial park site. Even more important is the fact that it would authorize any county in our state to play a critical leverage role in the development of similar sites across the state.

Last year about this time Senator Montgomery requested an opinion from the Attorney General concerning the legal authority of counties to acquire and sell land for industrial park purposes. In Opinion No. 86-40, the Attorney General advised the Senator that "the buying and selling of real estate for industrial park sites is a legitimate exercise of a county's power of home rule as provided in K.S.A. 19-101 and K.S.A. 1985 Supp. 19-101a." In July, 1986, two years after the commencement of a task force study of rail-served industrial park site options in Douglas County, the Douglas County Commission exercised its home rule authority and purchased approximately 300 acres of land for what has now been named the East Hills Business Park. At the time it agreed to make the approximately \$750,000 purchase, the Commission also announced its intention to deposit the proceeds of the sale of the site in a revolving industrial development fund that can be used in the future for similar purposes.

Since the purchase of the East Hills site, many additional steps have been taken. The site has been annexed to the City of Lawrence so utilities may be extended. The entire site has been rezoned for manufacturing purposes and preliminary and final plats have been approved for portions of the site. The City has begun the preparation of the plans for extending utility services, and the County has begun adjacent road and access improvements. One

Courthouse

Eleventh & Massachusetts / Lawrence, Kansas 66044 / (913) 841-7700

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of the major steps remaining in our process is to work out the details of the conveyance of the real estate to the nonprofit corporation which has been formed for the purpose of developing and marketing the site. This is precisely where the statute amended by Senate Bill 138, K.S.A. 1986 Supp. 19-211, comes into play.

K.S.A. 1986 Supp. 19-211 is a general statute governing the sale of property, both real and personal, by county commissions. It provides that with the exception of property belonging to county law enforcement departments, property with a value of \$25,000 or less may be sold or disposed of by the county commission without restriction. If the property has a value of more than \$25,000 but not more than \$100,000, it may not be sold or disposed of without competitive bidding and the unanimous approval of the county commission. The sale of property with a value in excess of \$100,000 may only occur after approval by the voters at a referendum. Even if approved by the voters, however, the property may only be sold to the highest bidder. In all cases the commission may reject any or all bids.

The proposed amendment to K.S.A. 1986 Supp. 19-211 that appears in SB 138 would provide an exemption from the requirements of that statute for the type of sale Douglas County contemplates making to Douglas County Development, Inc., the nonprofit corporation formed to market and develop the East Hills Business Park. In order to qualify for such an exemption, the property would have to be acquired by and sold by the county for the purpose of developing an industrial or business park. Further, the sale would have to be to a nonprofit corporation organized under the laws of the State of Kansas. Finally, in order to ensure the business or industrial park would serve the purpose of "primary" business development, the land would have to be acquired and conveyed to provide sites for businesses engaged in: (1) manufacturing articles of commerce; (2) conducting research and development; or (3) storing or processing goods or commodities. This last provision is based in large measure on the language contained in Article 11, Section 13 of the Kansas Constitution which was approved by the voters in August, 1986. It was added at the suggestion of the Douglas County Legislative Delegation to ensure that such an industrial or business park would serve the purpose of "primary" business development.

We believe Senate Bill 138, if enacted, will allow counties to play a more active and constructive role in assisting with the expansion of industries and businesses in Kansas. It would encourage a creative method of leveraging the development of new sites. At the same time, by authorizing the negotiated sale of such land to a local nonprofit development corporation, the bill ensures that the development of the park is controlled by a community-based group. This kind of control is essential if the

cooperating entities in Douglas County (the County, City of Lawrence, and Chamber of Commerce) are going to be able to ensure quality development.

While it is the intention of the Douglas County Commission to sell land in the East Hills Business Park to Douglas County Development, Inc. at the price paid by the County (i.e., \$2,500 per acre) or slightly more, that the County supports the Senate Committee's amendment which would subject the sale of such property for less than the amount paid by the County to a possible petition for a referendum. Such a provision provides additional safeguards to taxpayers, and is somewhat similar to the provisions contained in subsection (b) of the bill which pertain only to Shawnee, Sedgwick and Johnson Counties.

I should make one final note. This legislation would most likely not be necessary if subsection (a)(20) of K.S.A. 1986 Supp. 19-101a did not prohibit counties from using their home rule powers to adopt charter resolutions to exempt from or effect changes in the provisions of K.S.A. 1986 Supp. 19-211, and amendments thereto. If this prohibition were not in effect, the non-uniform provisions of subsection (b) of the statute would make it eligible for modification by adoption of a county home rule charter resolution.

Thank you very much for your consideration. Please let me know if you have any questions.



# City of Lawrence KANSAS

BUFORD M. WATSON, JR., CITY MANAGER

CITY OFFICES 6 EAST 6th  
BOX 708 66044 913-841-7722

CITY COMMISSION

**MAYOR**

SANDRA K. PRAEGER

**COMMISSIONERS**

MIKE AMYX

ERNEST E. ANGINO

HOWARD HILL

DAVID P.J. LONGHURST

Statement by Sandra K. Praeger, Mayor, City of Lawrence  
Presented to the House Economic Development Committee  
In Support of SB138 - The Conveyance of Property to Non-Profit  
Organizations by Kansas Counties  
March 25, 1987

Mr. Chairman, Members of the Committee, I am Sandra K. Praeger, Mayor of the City of Lawrence, Kansas, and I am here representing the Lawrence City Commission in their support for Senate Bill 138.

SB138 amends the KSA 1986 Supplement 19-211 to allow a County Board of Commissioners to convey county owned property to a non-profit corporation for the development of an industrial park for businesses engaged in manufacturing, research and development, and the storage or processing of goods. Job creation in these areas is key to our economic future.

KSA 1986 Supp. 19-211 outlines a process to protect the public interest in the sale or transfer of land by a County Commission. This process requires a unanimous vote by the Commissioners, public notice prior to sale, and in cases where the land is valued at \$100,000 or more, a public vote. The process ensures public input and a fair price for any land sold. As you know, SB138 would give Kansas counties

Attachment 6  
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this process in the development of certain industrial parks. This exemption would give local governments a critical tool in the development of local economies.

It should be noted that this exemption effects only one specific type of conveyance of public land by counties and for only one specific purpose. It does not affect the established process outlined in KSA 1986 Supp. 19-211 for any other conveyances. In fact, as amended by the Senate Local Government Committee, the bill would only exempt actions in which land is conveyed for an amount which is greater or equal to the public cost of that land. In cases of conveyance below the public cost, a county would follow a public notice process, and be subject to a public vote if petitioned for by the voters of that county. If passed, this bill will create an additional power to local governments to take positive action in the development of local economies while protecting the mechanism for public input.

As many of you know, the Board of Commissioners of Douglas County, the Lawrence Chamber of Commerce, and the City of Lawrence are working together to develop a 300 acre industrial park east of the city. The area chosen is rail served on the north side and served by Kansas Highway 10 on the south. The "East Hills" Industrial Park is being designed to attract industries involved in manufacturing, research and development, and interstate commerce. These businesses will diversify the economy and enlarge the job market, both locally and state-wide.

To make the "East Hills" project happen, the Douglas County Commission seeks to convey the use of the proposed site to a non-profit corporation set up to administrate the park. The City of Lawrence recognizes the importance of this development to our local economy, therefore, the City of Lawrence has agreed to extend its city services to the site. The City has committed itself to spending \$175,000 for the engineering plans for the extension of water and sewer services to the area. Although final cost

estimates are not available until the plans are received, the water extension alone has been estimated to cost about \$1.2 million. This intergovernmental cooperation is a sign of the value and importance of this development.

SB138 provides an additional power for counties to affect development in the State of Kansas in specific situations. The project in Douglas County provides one example of the opportunities passage of this bill would create. It is our hope that you will pass SB138, as amended by the Senate.

Thank you for your time and consideration. I will be happy to answer any of your questions.

PUBLIC TESTIMONY ON SB 138

House Economic Development Committee

Wednesday, March 25, 1987

Gary L. Toebben

My name is Gary Toebben. I am the Executive Vice President of the Lawrence Chamber of Commerce and I am speaking this morning as a proponent of SB 138.

SB 318 is an extension of the economic development initiatives suggested in the Redwood-Krider report and passed by the 1986 Kansas Legislature.

The section on Community Development and Small Business in the Redwood-Krider report states:

"Firms choose to locate or expand in Kansas based not only on attributes of the state but also on the attractiveness of a specific community. If Kansas is viewed positively as a state, but local communities are not competitive with those in other states, then economic development will lag. A major part of the state's economic development effort, therefore, should be directed toward helping communities to improve their own economic development program."

That is exactly what SB 138 does. It allows Kansas counties to improve their economic development program by assisting in the creation of new industrial sites

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Lawrence and Douglas County have been striving to create a new industrial park for more than ten years. When the Douglas County Commission agreed to become a partner in this effort by purchasing the land, our plans began to move forward. The City of Lawrence is also playing an active role in the development of the park through the extension of utilities.

Both the City and the County both wanted to serve as catalysts in creating the Park but neither had the desire to manage the day-to-day operations necessary to develop and market the site. So Douglas County Development, Inc., a non-profit corporation, was created to develop, market and manage the park.

In a way, Douglas County Development, Inc. is similar to the three non-profit corporations you established during the 1986 Legislative session - Kansas Venture Capitol, Inc., Kansas Technology Enterprise Corporation, and Kansas, Inc.

Douglas County Development, Inc. has a fifteen member Board of Directors that includes a city commissioner, county commissioner, two bankers, two attorneys, a farmer, architect, manufacturer, accountant, three developers and other community leaders.

It is a very high quality board that contributes hours of time, serves with no remuneration and has much responsibility.

The goal of Douglas County Development, Inc. is to create a new industrial park similar to the Santa Fe Industrial Park in northwest Lawrence, adjacent to the turnpike.

The Santa Fe Park was created through a community effort with the Santa Fe Railroad during the late 1950's. Today, that Park is home to seven national corporations that employ 1,800 people with a payroll of \$25 million. The land, buildings, and machinery in the park represents 5% of the assessed valuation of the entire county.

It is the goal of all of us in Douglas County to duplicate this economic impact through the creation of what we are calling the East Hills Business Park.

Cities and counties must join the state in taking an aggressive role in the creation of new jobs for Kansas. SB 138 is one more step in that direction. I urge you to support SB 138 and give counties an important tool to assist in this very important effort.





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## Kansas Legislative Policy Group

301 Capitol Tower, 400 West Eighth, Topeka, Kansas 66603, 913-233-2227

TIMOTHY N. HAGEMANN, Executive Director

March 25, 1987

TESTIMONY  
to  
HOUSE ECONOMIC DEVELOPMENT COMMITTEE  
Senate Bill 138

Mr. Chairman and members of the Committee, I am Chip Wheelen of Pete McGill and Associates. We represent the Kansas Legislative Policy Group which is an organization of rural county commissioners. We appear today in support of SB 138, as amended by the Senate.

When this bill was originally introduced, we were not particularly enthused about its provisions because of the restrictive nature of subsection (d) of Section 1. We requested that the Senate Local Government Committee amend the language to include processing of agricultural products among the criteria governing application of the new privilege granted boards of county commissioners.

We believe the amended language at lines 86 and 87 accomodates our request. With that in mind, we urge your favorable consideration and respectfully request that you recommend SB 138 for passage.

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