

MINUTES OF THE House COMMITTEE ON Transportation

The meeting was called to order by Rex Crowell at
Chairperson

1:45 ~~xxx~~ p.m. on February 25, 1987 in room 519-S of the Capitol.

All members were present ~~except~~:

Committee staff present:

Bruce Kinzie, Revisor of Statutes
Hank Avila, Legislative Research
Donna Mulligan, Committee Secretary

Conferees appearing before the committee:

Mr. Arthur J. Collins, Northwest Passage Highway Coalition
Mr. E. Richard Brewster, Amoco Corporation
Mr. Fred Brown, Overland Park, Kansas
Mr. Leroy Lyon, Great Bend, Kansas
Mr. Robert McCurdy, Russell, Kansas
Mr. Robert M. Collins, Hays, Kansas
Mr. Jon R. Daveline, Hutchinson, Kansas
Mr. Warren Porter, Ellinwood, Kansas
Mr. Charles Newell, Newton, Kansas
Mr. Ray Thompson, Solomon, Kansas
Ms. Wendy J. Schiappa, Manhattan, Kansas
Mr. Jerry Petty, Manhattan, Kansas
Mr. Bill Boyd, Manhattan, Kansas

The meeting was called to order by Chairman Crowell and the first order of business was a continuation of the hearing on HB-2378 concerning the construction, improvement and maintenance of highways and authorizing the sale of revenue bonds.

Mr. Arthur J. Collins, Northwest Passage Highway Coalition, spoke in opposition to HB-2378. (See Attachment 1) He said their main objection to HB-2378 is that it does not include that part of the K-96 corridor northwest of Hutchinson to Interstate Highway 70.

Mr. E. Richard Brewster, Amoco Corporation, testified in opposition to HB-2378. Mr. Brewster said that Amoco has long opposed any system to make the rate of taxation adjust automatically. (See Attachment 2)

Mr. Fred Brown, Overland Park, Kansas, spoke in opposition to HB-2378. (See Attachment 3) He said he has invested in property and is constructing an Amoco station, but if Missouri rejects their proposed 4¢ tax increase and Kansas passes the 5¢ increase, there will be a 9¢ differential between the tax in Kansas and Missouri. Mr. Brown said he could not possibly compete with dealers on the Missouri side under that scenario.

Mr. Leroy Lyon, Director of the Mid-Kansas Economic Development Commission, Great Bend, Kansas, spoke in opposition to HB-2378. (See Attachment 4)

Mr. Lyon stated HB-2378 disregards the need for a good, modern cost-efficient system of freeways highway transportation which extends to all corners of the state. He said there are 11 cities in Kansas having over 10,000 population which are not linked with each other as they should be. He said those cities are Pittsburg, Parsons, Coffeyville, Independence, Winfield, Arkansas City, Hutchinson, Great Bend, Dodge City, Garden City, and Liberal.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Transportation

room 519-S, Statehouse, at 1:45 ~~am~~ p.m. on February 25, 19⁸⁷

Mr. Robert McCurdy, Russell Chamber of Commerce, Russell, Kansas, testified as an opponent to HB-2378. (See Attachment 5)

Mr. Robert M. Collins, President of the Hays Area Chamber of Commerce, Hays, Kansas, presented testimony opposing HB-2378. (See Attachment 6) He said that HB-2378 has considerable merit but does not address the fullest extent of highways needed in Kansas today. He stated there is a rare opportunity to take full advantage of the low interest rates and depressed prices for oil used in the manufacture of asphalt and address a significant need for the upgrading of highways throughout the entire state.

Mr. Jon R. Daveline, President, Greater Hutchinson Chamber of Commerce, Hutchinson, Kansas, spoke in opposition to HB-2378. (See Attachment 7) He said although HB-2378 does have many fine points, including an all important four-lane highway between Wichita and Hutchinson, there are too many needed projects omitted in the proposal.

Mr. Warren Porter, City Administrator of Ellinwood, Kansas, testified opposing HB-2378. (See Attachment 8) He said that without an adequate road improvement program, he believes Ellinwood and Barton County will suffer the plight many of the other agricultural dominated counties have suffered, those being prolonged unemployment of a productive work force and the migration of the young coupled with the loss of retail activity.

Mr. Charles Newell, Newton, Kansas, testified in opposition to HB-2378. (See Attachment 9)

Mr. Ray Thompson, Solomon, Kansas, commented in opposition to HB-2378. (See Attachment 10) He stated he owns the Abilene West 70-76 Auto Truck Plaza in Solomon, Kansas, and if motor fuel taxes are increased as proposed in HB-2378, his business would suffer greatly.

Ms. Wendy J. Schiappa, Director of Public Affairs for the Manhattan Chamber of Commerce, Manhattan, Kansas, testified in support of HB-2378. (See Attachment 11)

Ms. Schiappa spoke of Manhattan's need for improved access to Interstate 70, and requested that consideration be given to two projects which are K-177 and the K-177 bridge between Manhattan and I-70 and K-113 between K-18 and U.S. 24.

Mr. Jerry Petty, Manhattan, Kansas, gave favorable testimony in support of HB-2378. (See Attachment 12) Mr. Petty stated the City of Manhattan is very grateful for the K-177 project being included in HB-2378, and that it is important to note that the \$16 Million included in the bill, is far short of either the \$35 Million for a 2-lane road or the \$43 Million for the 4-lane roadway realistically needed to build the facilities to properly connect Manhattan to I-70.

Mr. Bill Boyd, President, Manhattan Chamber of Commerce, spoke in support of HB-2378. (See Attachment 13)

Chairman Crowell announced the hearing on HB-2378 would be continued on Thursday, February 26, 1987.

The meeting was adjourned at 3:25 p.m.


Rex Crowell, Chairman

PLEASE PRINT

NAME	ADDRESS	COMPANY/ORGANIZATION
Lee Eisenhower	Topeka	Kansas W. Gas Co.
Dan Stevens	Tulsa, OK	Texas
Boss Martin	Topeka	Ks Petroleum Council
Tim	"	Mid States Port Authority
Shelley Sutton	Topeka	KES
RON HARRIS	KC	HNTB
WALTER DUNN	TOPEKA	EKOGA
Floyd Huenergard	Smith Center	U.S. 36 Hwy Assn.
Robert H. Collins	Hemp	Chamber of Commerce
Leroy Jones	Overland Park	B.L.E.
Glenn Detweiler	Pratt	B.O.H.E.
Rich Dame	HOISINGTON	B.H.E.
Linda Keys	Russell	Chamber of Commerce
Blenda Gink	Russell	Chambers
Robert J. McCurdy	Russell	Chambers
Jan Davelin	Hutchinson	Chamber
ART COLLINS	"	NW PASSAGE
BILL PERDUE	TOPEKA	" "
Lanny Danielson	Wichita	S.W. Ks. Hwy Assn.
Karen HASTINGS	Wichita	Danielson Assn.
Dab multi	Topeka	KDOT
ED DESOIGNIE	TOPEKA	KS. DEPT. OF TRANSPORTATION
JON JOSSERANO	WICHIITA	WICHIITA CHAMBER
RON CALBERT	NEWTON	United TRANSPORTATION UNION
Ray THOMPSON	SALINA	76 TRUCK PLAZA
Charles H. Small	Newton	Truck Plaza

STATEMENT REGARDING HOUSE BILL NO. 2378
presented at a hearing of the
HOUSE TRANSPORTATION COMMITTEE
by Arthur J. Collins, Chairman
Northwest Passage Highway Coalition
February 25, 1987

The Northwest Passage Highway Coalition represents those cities and towns along the proposed Highway K96 corridor from Wichita to Hutchinson, Great Bend and on to the Hays/Russell area on Interstate Highway 70.

We are not comfortable appearing here today as opponents to House Bill 2378. We much prefer the role of advocating legislation which promotes better highways. HB 2378 would accomplish many of the goals for which our coalition is working. However, HB2378 does not include that part of the K96 corridor northwest of Hutchinson to Interstate Highway 70. This eliminates the cities of Nickerson, Sterling, Ellinwood, Great Bend, Hoisington, Russell and Hays from participating in the forthcoming highway construction and improvement program as envisioned by the 1986 Legislature Feasibility Studies. All of these cities have a great need for an improved highway in order to advance their economies.

Our coalition believes Senate Bill No. 137 will more adequately provide for the needs of our area. Also we strongly believe SB137 will carry out the intentions of the 1986 Legislature by providing a more comprehensive highway system for Kansas which, in turn, will help to improve the economy of the entire state.

During the past year we have worked closely with those organizations which are promoting the major projects included in SB 137. These are the Southeast Kansas highway and its three supplements, the Wichita Northeast Expressway, the Wichita-Hutchinson four-lane highway, the US54 Wichita to Liberal highway and the K154/US50 Bucklin, Dodge City, Garden City, Colorado line highways. Our organizations have individually and collectively agreed on two major points. First, as the testimony at the Senate hearings last week brought out, we all agree with the recommendations of the feasibility studies regarding four-lane roads. While it would be desirable to have upgraded four-lane, divided highways for all of the highways we are promoting, we are willing to accept the recommendations of the Howard Needles Tammen & Bergendoff studies. Their recommendations would provide a high-type two-lane highway with paved shoulders and some city bypasses, commonly known as Super-Two highways, for all of the routes except the Wichita Northeast Expressway and the Wichita-Hutchinson Four-Lane project. Secondly and realistically, we have all agreed the politics of the moment has placed us in an "all or none" situation.

Our Northwest Passage Coalition was very pleased that HB 2378 proposes to construct the new roads using the Independent Management Team concept. The use of this method of construction will make it possible to carry out the provision in HB 2378 which calls for construction of all of the proposed projects within a five year period. Also the State of Kansas will get the most roads for its dollars by using this method.

We caution you to make certain the Independent Management Team be given all of the powers necessary to carry out its objectives; one example, it will need the power of eminent domain. In order to remove the Independent Management Team as far as possible from governmental red-tape and restrictions, it possibly should be organized as a quasi-public corporation similiar to the Kansas Turnpike Authority.

Let us turn our attention to the matter of costs and financing. The major differences between the two bills we are discussing are (1) the total amount provided for construction and (2) the term of the supporting bond issue. HB 2378 proposes a total of \$500,000,000 for construction. SB 137 proposes \$810,000,000. HB 2378 would repay the indebtedness over 20 years. SB 137 proposes 30 years. HB 2378 would achieve its lower figure by denying the southwest part of our state a participation in the forthcoming highway construction program.

As to the term of the bond issue--20 or 30 years. Our coalition has no objection to the 20-year term. Please turn to the first attachment of my handout. You will see the \$810,000,000 can be repaid in 20 years. The 30-year term in SB 137 became necessary in order to permit the one-cent distribution to cities and counties. It is not necessary for the construction of the highways.

The two bills agree on the five-cent increase in the motor fuel tax and for construction to be the responsibility of an Independent Management Team.

In conclusion, we strongly support the proposed effective date for the increase in the fuel tax of July 1, 1987. Time is of the essence to the successful completion of the proposed construction programs. We are all well aware of the volatility of interest rates and inflation. We are currently seeing interest rates at their lowest levels in over ten years. Today economists are talking about when interest rates will rise--not how much further they will decline. The The Bond Buyers Index figures at the bottom of my first attachment show that for the past three weeks rates on municipal bonds have increased each week after having declined for several months.

As a banker with over 40 years in the business, I can testify when bond prices start to fall, and as a result interest rates begin to rise, the market moves away from you very rapidly. You simply cannot run fast enough to catch it.

In 1986 we had an annual inflation rate of 1.1%. In January of this year inflation increased 0.6%, which equates to a 7.7% annual rate. Favorable action on a major highway program during this 1987 legislative session would be very prudent. The Northwest Passage Highway Coalition believes the legislation should be Senate Bill No. 137.

ATTACHMENT

I. Maximum amount of financing which can be retired, computed at 20 year, 25 year, and 30 year retirement schedule at interest cost factors identified.

20 years at 7-1/4%

<u>GAS TAX INCREASES</u>	<u>GAS TAX RECEIPTS</u>	<u>ESTIMATED MAXIMUM DEBT AMOUNT</u>
1¢	14,500,000	162,000,000
2¢	29,000,000	324,000,000
3¢	43,500,000	486,000,000
4¢	58,000,000	648,000,000
5¢	72,500,000	810,000,000

25 years at 7-1/2%

1¢	14,500,000	183,000,000
2¢	29,000,000	366,000,000
3¢	43,500,000	549,000,000
4¢	58,000,000	732,000,000
5¢	72,500,000	915,000,000

30 years at 7-1/2%

1¢	14,500,000	201,000,000
2¢	29,000,000	402,000,000
3¢	43,500,000	603,000,000
4¢	58,000,000	804,000,000
5¢	72,500,000	1,005,000,000

The above projections are preliminary and for comparison purposes. Definitive refinement must be accomplished for detailed estimating. Also all analyses must be aware that final interest rates "change" the gross amounts of indebtedness possible. Recent variation in the "Tax Exempt" market place are identified by the "Bond Buyers Index" for 20 municipal bonds.

<u>DATE</u>	<u>INDEX</u>
6-12-86	8.08
7-10-86	7.45
8-14-86	7.33
9-11-86	7.15
10-16-86	7.08
11-13-86	6.92
12-18-86	6.92
1-15-87	6.65
1-22-87	6.54

Change in the last 7 months up to and including January 22, 1987-----1.54%

NOTE: Update on the Bond Buyers Index:

1-30-87	6.56
2-5-87	6.65
2-12-87	6.67

TOTAL ESTIMATED COSTS
KANSAS HIGHWAY FEASIBILITY STUDIES
January, 1987

<u>PROJECT</u>	<u>LENGTH (Miles)</u>	<u>RECOMMENDED 2-LANE Some Bypasses¹</u>
Wichita - Joplin Highway	160	\$129,000,000
SEK Supplemental Improvements		
US 75	6	3,000,000
US 169	21	10,000,000
US 166	<u>45</u>	<u>88,000,000</u>
TOTAL SOUTHEAST KANSAS	232	\$230,000,000
Hays - Great Bend:		
Via I-70 & 281	64	\$ 21,700,000
Via Diagonal Alternate	(48)	(93,400,000)
Great Bend - Hutchinson	54	85,900,000
Hutchinson - Wichita ²	<u>31</u>	<u>49,800,000</u>
TOTAL NORTHWEST PASSAGE	149	\$157,400,000
Via Diagonal Alternate	(133)	(229,100,000)
Oklahoma Line - Bucklin	94	\$ 43,200,000
Bucklin - Wichita	<u>87</u>	<u>53,800,000</u>
TOTAL US 54	181	\$ 97,000,000
Colorado Line - Garden City	69	\$ 21,400,000
Garden City - Bucklin	<u>98</u>	<u>51,200,000</u>
TOTAL US 50/K154	<u>167</u>	<u>\$ 72,600,000</u>
GRAND TOTAL (1986 Dollars)	729	\$557,000,000
(With Diagonal Alternate)	(713)	(628,600,000)
GRAND TOTAL (5-Year Schedule) ³		\$706,000,000
(With Diagonal Alternate)		(796,750,000)
GRAND TOTAL (10-Year Schedule) ⁴		825,000,000
Wichita Northeast Expressway	10.5	\$ 68,000,000
(Not included in Feasibility Study)		
Five-Year Schedule ³		86,100,000
Ten-Year Schedule ⁴		<u>100,600,000</u>
Total All Proposed Projects	739.5	\$625,000,000
(With Diagonal Alternate)	(723.5)	(696,000,000)
Five Year Schedule ³		\$791,300,000
(With Diagonal Alternate)		(881,200,000)
Ten Year Schedule ⁴		\$925,000,000
(With Diagonal Alternate)		(\$1,030,200,000)

¹New bypasses are provided at:

- (a) SEK - Parsons, Crestline, Arkansas City, Sedan and Cedar Vale. They are not provided at Riverton/Galena and Cherryvale.
- (b) NW Passage - Hoisington, Sterling, Nickerson and Hutchinson. They are not provided at Great Bend.
- (c) US 54 - Meade, Minneola, Greensburg and Cunningham. They are not provided at Kingman, Pratt and Liberal.
- (d) US 50/K154 - Syracuse, Lakin, Cimarron and Ford. They are not provided at Garden City and Dodge City.

²Four-lane Highway

³Assumes 6 percent Annual Inflation Rate 1986 - 1992.

⁴Assumes 6 percent Annual Inflation Rate 1986 - 1997.

U.S. inflation comes out of hibernation

The Hutchinson News

February 14, 1987

Scripps-Howard News Service
WASHINGTON — Inflation is back, the government said Friday.

Wholesale prices, led by oil and gas, jumped 0.6 percent in January, the largest monthly increase since November 1985. If maintained for the rest of the year, the January increase could result in a wholesale inflation rate of 7.7 percent for 1987.

The new figures are an early indicator that retail prices for gasoline and home heating oil will rise in the coming months after a sharp decline in 1986.

Some analysts now say the overall inflation rate for 1987 could be more than 4 percent, the highest since the 8.9 percent inflation rate in 1981.

The increase in living costs has been 4 percent or lower every year since then, falling to only 1.1 percent in 1986.

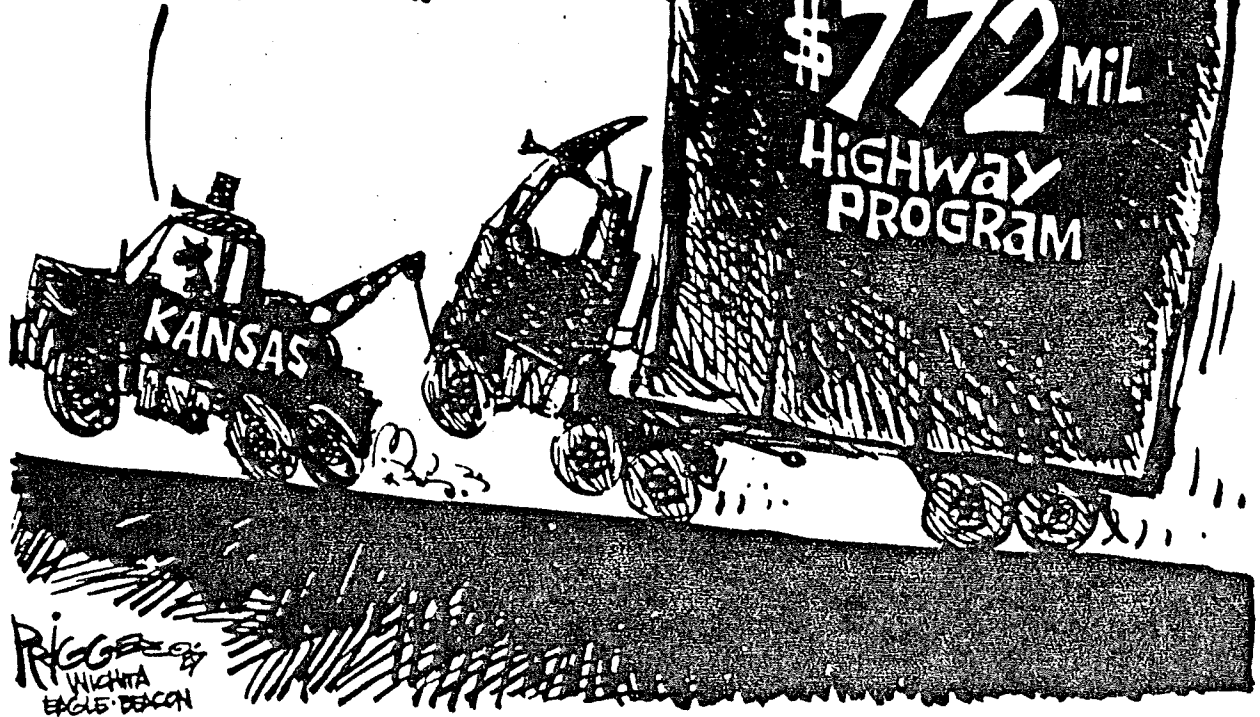
Last year's plunge in the inflation rate was directly attributable to a collapse in world oil prices — at one point, the price of crude had dropped from \$28 a barrel to less than \$10 a barrel.

Last fall, however, the Organization of Petroleum Exporting Countries agreed to stabilize prices by limiting production. Recently prices have risen to \$18.

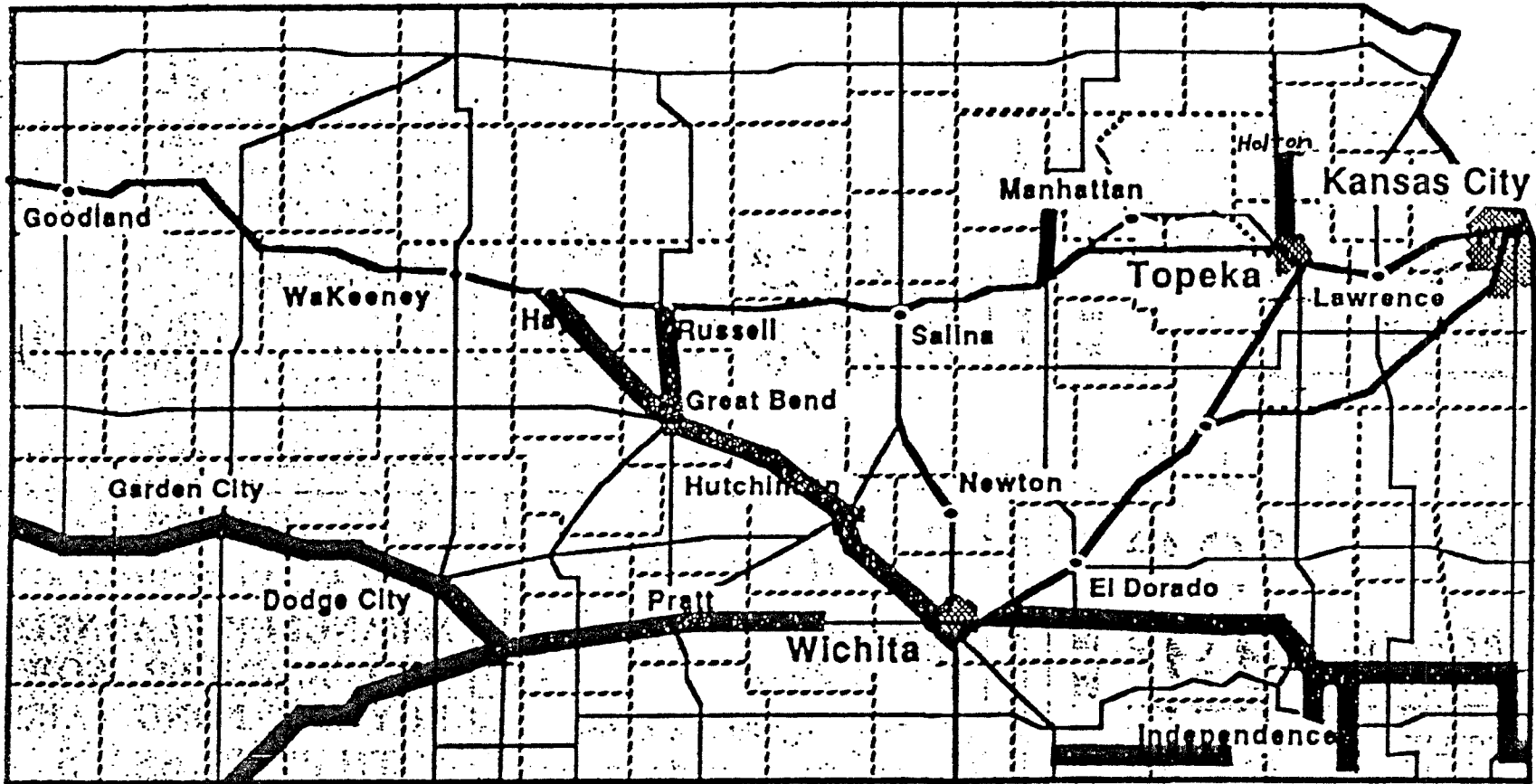
Partly because of higher oil prices, Donald Straszheim, chief economist for Merrill Lynch in New York, expects the Consumer Price Index to be rising at a 4.5 percent rate by summer.

Milt Priggee's View:

I THINK I CAN
I THINK I CAN...



Proposed Highway Construction



Statement to:
House Committee on Transportation
By: E. Richard Brewster
Amoco Corporation
Re: H. B. 2378
February 25, 1987

Attach. 2

I am Dick Brewster. Area Director of Public and Government Affairs for Amoco Corporation, and appear today on behalf of Amoco Oil Company, our refining and marketing subsidiary. we have concern about H.B. 2378 which I want to share with you.

Let me say at the outset that Amoco does not presume to substitute its judgement for that of the Legislature regarding the need for additional highway projects. Nor would we presume to tell you how those projects should be funded. We do feel that you should be aware of certain matters as you and your Committee deliberate and review this proposal.

Section 23 of H. B. No. 2378 changes the current method providing for an automatic adjustment of the motor fuel tax rate. The current method is really meaningless so long as the price of gasoline remains at or near current levels. The method proposed in the bill would probably result in automatic tax increases in the next few years.

Mr. Chairman, as you know, Amoco has long opposed any system to make the rate of taxation adjust automatically. We believe the establishment of tax rates to be a vital part of the legislative responsibility, and no adjustment should be made without specific and timely legislative approval.

H. B. No. 2378 provides for a significant increase of five cents per gallon in the motor fuel tax. Amoco's policy regarding motor fuel tax increases has always been to neither support or oppose such increases, so long as they are applied equally to all distributors, and so long as the funds so derived are used for the construction and/or maintenance of highways. With your permission, however, I do want to discuss the impact of the proposed increase in the Kansas City metropolitan area.

As you know, the present gasoline tax in Missouri is four cents per gallon below the current Kansas rate. There is a proposal, approved by the Missouri Legislature, and subject to a popular vote in Missouri this April, to increase the Missouri tax by four cents per gallon. (The voters in Missouri rejected a two-cent increase two years ago, and no one wants to take any bets on whether the four cents will be approved.) If H. B. No. 2378 passes, and the Missouri referendum does not, the differential will be nine cents per gallon. Even if both pass, the differential will go from its present four cents to five.

You are also aware that Missouri has the same tax rate for gasoline as it does for deisel, and the Missouri's proposed increase does not differentiate between gasoline and diesel. Thus, the incentive for truckers to purchase their fuel in Missouri will grow if H. B. No. 2378 passes, regardless of the action of Missouri voters in April.

Amoco believes significant motor fuel sales are now being exported to Missouri in the Kansas City area. If the tax differential is increased further, there will be more exported sales from Kansas to Missouri. A significant percentage of the total motor fuel tax revenue in Kansas comes from Wyandotte/Johnson counties and the surrounding area. We would urge you to consider how much of the revenue gain anticipated from the tax increase contained in H. B. No. 2378 would be offset by volume losses to Missouri, especially if the referendum there fails in April. One approach might be for Kansas to await the outcome of that April election in Missouri.

From the point of view of Amoco alone, we have independent businessmen and women on both the Kansas and Missouri sides of the line who sell our products. We are confident that we will pick up our fair share of additional sales exported to Missouri. However, we have substantial investment in the lessee operated stations we own in Kansas, and would hate to see those stations suffer because of a major tax differential. In addition, we must look at future investment in the Kansas City area. When the tax differential widens such investment will have to be re-evaluated and could be expected to migrate to the Missouri side of the line, where area residents migrate to buy their gasoline. This migration of investment dollars translates into lost tax base and employment opportunities in Kansas.

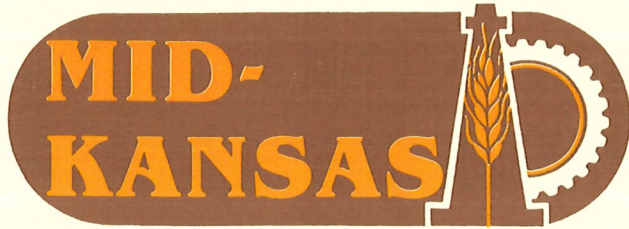
Mr. Chairman, we would urge you to await the recommendations of the Governors before approved of such a major tax increase.

Statement of Fred Brown
To House Committee of Transportation Regarding
House Bill 2378

- A. History of co-service and retirement status.
- B. Proposed amount of project.
- C. Support Governor's position on Task Force.
- D. Not opposed to tax increase if benefits improve economics for people, business and State of Kansas.

The following adverse effects could exist between Missouri and Kansas if this bill is passed:

- I. Establish 9¢ differential between Missouri and Kansas -- 11¢ on diesel.
- II. Reduce commercial and residential sales by 25% on gasoline and diesel fuel. Also reduces sales tax revenue on other items.
- III. Curtail future building of service stations convenience stores in Johnson and Wyandotte Counties.
- IV. Will have adverse effects on Johnson County future economic growth which is now only bright spot in State of Kansas.
- V. Eliminate individual entrepreneurs that operate only in Kansas.



Economic Development Commission

2015 Lakin • Great Bend, KS 67530 • (316) 792-1375

TESTIMONY

TO: Members of the Kansas House of Representatives Transportation Committee

DATE: Feb. 25, 1987

I'm Leroy Lyon, Director of the Mid-Kansas Economic Development Commission which serves all of Barton County.

I'll keep my message short and to the point. I'm here today to vocally declare, on behalf of my organization, our opposition to House Bill 2378.

Government is interesting. On the one hand politicians can talk loud to their constituents about efforts to save money. They can take a good bill like SB 137 and cut it down to come up with something similar to House Bill 2378, all the time talking about the necessity of saving the taxpayer huge sums of money. But let me ask you? What about the \$800,000 which was authorized by the Legislature last session which provided for a comprehensive and professional engineering feasibility study on three specific corridors? That study was done, the money, (the taxpayers money) was spent, and good, solid recommendations were made.

Further, Senate Bill 137 was introduced on the Senate side which follows closely to the recommendations made by professionals. Then here comes good old House Bill 2378 which casts aside this report and which for all practical purposes wastes the time and money spent to generate some good recommendations. And I can't help but ask, "Why?".

Most interesting to those of us who reside in the "other Kansas", House Bill 2378 proposes to fund no further highway improvements on K-96 highway west of Hutchinson or on Highways U.S. 54, 50, and 154 west of Bucklin. If this was done to save money, so be it. But it was not! For some other neat little critters are tucked away in the pork barrel. There is the improvement of U.S. 75 near Holton, the improvement of K-177 between Manhattan and I-70, the improvement of U.S. 54 between Wichita and Augusta, and an assortment of bridge reconstruction, particularly in southeast Kansas. And you expect a central Kansas economic development organization to support such a bill? No way!

There is another Kansas west of Hutchinson and Bucklin. But those of us in central and western Kansas will be expected to pay the same as everyone else. I see no provision in House Bill 2378 which indicates that those persons

Barton County Speaks For Itself!

Attach. 4

living west of Hutchinson or Bucklin will not be required to pay the additional taxes on fuels. We've had this treatment before.

I call to your attention the fact that the Legislature in 1969 authorized a Kansas state system of Kansas highways and freeways. However funding for the system was never allocated. The fuel taxes paid by central and western Kansas residents were collected and used in other parts of the state instead, particularly in the Johnson and Wyandotte County areas. Now House Bill 2378 is proposing to give us the same treatment again with little return.

It seems so ridiculous to us. This very committee authorized funding of the feasibility studies which we very much appreciate. But if you pass this particular bill under consideration here today, you are in essence wasting the taxpayers dollars. If the other goodies in 2378 are needed, why didn't you order a feasibility study to study these items? Why disregard a professional study and insert projects which have never been studied and for which the need has not been documented through a serious of hearings and other processes?

Senate Bill 137 is the bill we support for it is a follow-up piece of legislation to what was initiated last year. It is a well thought-out plan and should be embraced by this committee.

House Bill 2378 disregards the need for a good, modern, cost-efficient system of freeways highway transportation which extends to all corners of the state. Such a system is absolutely essential if we want to retain established manufacturing operations in our state and if we want to succeed in our efforts to attract new industries with all important payrolls to our state.

At the present time, we have 11 cities in Kansas which are over 10,000 in population which are not linked with each other as they should be. These include Pittsburg, Parsons, Coffeyville, Independence, Winfield, Arkansas City, Hutchinson, Great Bend, Dodge City, Garden City, and Liberal. Together these cities account for about 10 percent of the states total population.

Senate Bill 137, unlike House Bill 2378, recognizes the importance of these cities as viable growth centers for continued development. Other smaller cities and county seat towns along these routes would benefit economically as well.

Most important of all, we would have, at long last, a modern system of highways to connect most outlying rural areas and these 11 cities of commerce with Wichita, our major center of commercial activity.

House Bill 2378 disregards the concept of tying these cities of commerce together and also is blatant in its disregard for tying an efficient, modern, cost-effecient highway system with a national system of highways which would allow Kansas manufacturers, travelers, and others to be tied more directly to major cities of commerce throughout the United States.

We urge you to kill this bill now and to align with Senate Bill 137. We'd much rather speak in support of legislation than against a bill. But House Bill 2378 leaves us no option.

Russell Area Chamber of Commerce
326 Main
Russell, Kansas 67665

TESTIMONY PRESENTED BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION

February 25, 1987

Mr. Chairman, members of the committee. I am Robert McCurdy, Vice President of the Russell Area Chamber of Commerce and Chairman of our Local Highway Task Force. I am here today, not only representing the Russell Area, but also to express our support and involvement in the Northwest Passage Highway Coalition.

We remain a strong supporter of legislation which would allow for an improved transportation system through most areas of the state. As you are aware, Senate Bill 137 currently provides for improved highways through Southeast, South Central, Southwest, and Northwest Kansas. The community of Russell joins the Coalition in supporting Senate Bill 137.

It is our opinion that Kansas must not be separated by an inadequate highway transportation system. Without a complete system linking every region of Kansas, this state will not continue to grow and attract new business and industry.

Today we join the communities of Hays, Great Bend, and Hutchinson in opposition to House Bill 2378, as it is currently written. We oppose this legislation because it omits improved highway systems from Hutchinson to Interstate 70 and through portions of Southwest Kansas.

The 1986 legislature commissioned a feasibility study of various highway routes through Kansas. The recommendation of the professional firm calls for those much-needed highways. Highways that would connect Southwest, Northwest, and Southeast Kansas to the state's largest city and the center of commercial activity. This firm was hired because of their expertise in this area. Their study, combined with the recommendations of the Redwood-Krider report allows Kansas the opportunity to move forward in economic development activities and become competitive with other states.

We in Russell County are committed to the future of our state as we continually pursue ways to increase job opportunities in our area. The availability of good transportation is a vital link in our economic development process. We encourage the House Transportation Committee to expand current legislation to include the other necessary highways.

HAYS AREA CHAMBER OF COMMERCE
1401 MAIN STREET, BOX 220
HAYS, KANSAS 67601

Testimony Presented to the
Kansas House of Representatives
Transportation Committee
Rex Crowell, Chairman
February 25, 1987

1 I am Robert M. Collins, President of the Hays Area Chamber of Commerce. I would like to
2 thank you Chairman Crowell and the members of your committee for the opportunity to
3 appear before you today. I appear today as an opponent to House Bill 2378 as written.
4 It appear to those of us from the western and northwestern regions of the state that House
5 Bill 2378 has considerable merit but does not address the fullest extent of highways needed
6 in our state today. We have a rare opportunity at this time to take full advantage of the low
7 interest rates and depressed prices for oil used in the manufacture of asphalt to fulfill a
8 significant need for the upgrading of highways throughout the entire state.
9 We ask that you give additional consideration to the needs of western and northwestern
10 Kansas as you address this most important matter. It is of the utmost importance that the
11 needs of the entire state be addressed during the current window of opportunity.
12 Thank you again for the opportunity to address your committee on this most important
13 matter.



STATEMENT TO HOUSE TRANSPORTATION COMMITTEE

HOUSE BILL NO. 2378

By Jon R. Daveline, President
Greater Hutchinson Chamber of Commerce

February 25, 1987

It is commendable that the Kansas Legislature today recognizes the vital importance of the need for a major highway development program. We, in Hutchinson, congratulate the House and Senate Transportation Committees for responding to this widespread need by introducing legislation to accomplish what is a long overdue highway initiative plan.

Although HB 2378 does have many fine points, including an all important four-lane highway between Wichita to Hutchinson, in our judgement there are too many omissions in the proposal.

As a result of the 1986 Legislature authorizing a feasibility study of three primary corridors, the northwest passage, the southeast passage and southwest passage, coalitions have been formed throughout these regions to work toward the implementation of the recommendations of the Howard Needles Tammen & Bergendoff report.

Last week during the hearings on SB 137, there was tremendous synergy among community officials and business leaders each testifying in support of immediate action of implementing the Howard Needles study. In essence, the collective viewpoint is that the only way to see these projects to reality is to construct all of the corridor improvements outlined in SB 137. It would polarize the entire effort to only build the southeast project and the Wichita/Hutchinson four-lane and exclude the recommended improvements on to Great Bend, Hays/Russell area and the Liberal/Dodge City and Garden City project.

Attach. 7

As far as the Northwest Passage, this issue of building a diagonal from Wichita, Hutchinson, Great Bend and Hays/Russell area goes back to 1954. On October 20, 1954, the Hutchinson News Herald reported "the first step toward a new toll-road reaching two-thirds of the way across Kansas to Colorado was taken by the Kansas Turnpike Authority." The 1986 Howard Needles study simply re-affirms this need although without a toll road.

In 1962, the Jorgenson Report concluded the need for a controlled access road from the southeast corner of the state to Wichita. The lack of action on the recommendations has been a sore point for residents of the area since the report first surfaced.

In 1969, the Kansas Legislature adopted KSA-68-2301 setting out the state system of express highways and freeways. The corridors to serve northwest, southwest and southeast Kansas were part of this proposed highway system to be developed. \$320 million in bonds were issued in the early 70's to build a statewide four-lane highway system. Then along came inflation, the OPEC situation and of that \$320 million, we saw very little of it invested in the western and central part of the state.

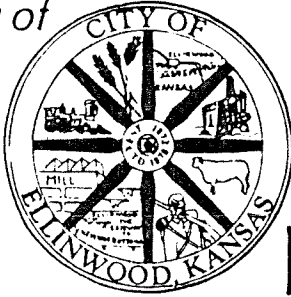
There is little argument from anyone who travels these roads that in today's standards of highways, they are substandard, and in many cases, unsafe, narrow winding roads that deprive these regions of attracting and retaining business and industry. In today's competitive economic environment, a modern highway system is essential to a community's future prosperity. Three years ago, Hutchinson was so concerned that we financed locally our own engineering study to demonstrate the need and justification to four-lane the Wichita/Hutchinson K-96 highway. Howard Needles have further confirmed this.

Southeast Kansas communities financed an economic impact study to show what highway improvements would do for their region. Southwest Kansas and northwest Kansas communities have formed and financed coalitions to push for new highway developments.

As has and will be mentioned, time is of the essence. We call upon this committee to re-think HB 2378 to include the recommendations of SB 137 ... the continuation of super-two highway improvements to Liberal, Dodge City, Garden City and the Great Bend, Hays, Russell area.

We believe you will agree the Howard Needles study, which the Legislature has invested several hundred-thousand dollars in, is a sound report. We simply cannot afford to have any further delays. Before the 1987 Legislature adjourns, it is vital to these regions as outlined above to approve a highway plan which parallels the recommendations of SB 137.

City of



ELLINWOOD

February 25, 1987

Dear Chairman Crowell and Members of the House Committee on Transportation:

Thank you for the opportunity in appearing before you on HB2378. My name is Warren Porter, City Administrator of Ellinwood Kansas. The construction of highways within Kansas is important to all of Kansas regardless of location in relation to the proposed comprehensive highway construction program.

In a recent survey of development officials conducted by Conway Data, the cost of living is the most important factor in attracting new facilities. Transportation is the second most important factor in expanding or relocating firms deciding upon which community to locate within. Without an adequate road improvement program, we believe that Ellinwood and Barton County will suffer the plight many of the other agricultural dominated counties have suffered through: prolonged unemployment of a productive work force and the migration of the young coupled with the loss of retail activity and the boarding up of businesses on our Main Streets.

Recently things have been difficult for us in Barton County. But, we are not asking for a handout, just a "handup". Through the creation of a

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Attach. 8

comprehensive and continuous highway program, which should include extending the highway from Hutchinson to Interstate 70, our cities will have an opportunity to serve both interstate and intrastate commerce. By cutting just minutes in travel time, our businesses and industries that rely upon the transporting of both raw and finished goods to market will save millions of dollars in product costs each year. These savings can be put into the capital and employment expansion of Kansas firms. Any firm which transports raw or finished materials will benefit from the extensive road network as proposed within the consulting engineer's study presented to the legislature this year, whether the business be related to oil, agriculture or manufacturing.

Ellinwood is a community with a population base of slightly more than 2,500 people. Of that, almost 18% of our population is over 65 years of age. This is a situation that is extremely frightening when planning for the community over the next 20 years. The reason for the lack of "prime employment age" persons remains that we do not have the jobs available for workers between the ages of 18 and 65. Roads lead to employment. Virtually every study draws such a conclusion. An increase in employment helps everyone in this state, whether the jobs are created in Pittsburg, Hutchinson, Great Bend or Ellinwood, through the generation of new sources of state income tax and sales tax.

The future of our area and for much of Kansas depends upon the desires of the legislature to pass a comprehensive transportation plan in 1987, a plan that will serve all areas of our state.

Newell Oil Company, Inc.
1986 Fuel Taxes

Fuel Taxes		State	Federal	Total
1	Jan, 1986	\$ 69387.50	\$ 78202.41	\$ 147589.91
2	Feb "	56981.89	65193.15	122175.04
3	Mrc "	64003.77	72708.69	136712.46
4	Apr "	59495.93	66410.37	125906.30
5	May "	60324.86	68319.06	128643.92
6	Jun "	56017.89	62865.93	118883.82
7	Jul "	61702.92	68727.76	130430.68
8	Aug "	58264.80	65327.52	123592.32
9	Sep "	56100.55	63622.65	119723.20
10	Oct "	58553.41	68396.82	126950.23
11	Nov "	57713.61	64507.62	122221.23
12	Dec "	55656.93	64177.17	119834.10
13	1986 Fuel Taxes	* 714204.06	* 808459.35	* 1522663.41

FUEL TAX COMPARISON TABLE

AT PRESENT:

GASOLINE

DIESEL

KANSAS
MISSOURI
OKLAHOMA

11¢
7¢
10¢

13¢
7¢
10¢

NEW PROPOSAL:

KANSAS
MISSIOURI
OKLAHOMA

16¢
7¢
10¢

18¢
7¢
10¢

February 25, 1987
Testimony prepared for
House Transportation Committee
by Ray Thompson
Abilene West 70-76 Auto Truck Plaza
Solomon, Kansas

The proposed highway construction program is in tune with our belief in good highways. Indeed good roads gave birth to this industry and are vital to our nations economy. We differ on the question of how to intelligently generate revenues for new highway construction in the interest of economic development. This is your job---our purpose today is to inform you of our position and the uniqueness of our marketplace.

OUR MARKETPLACE IS NATIONAL
YET WE MUST ADVERTISE LOCAL PRICES
(PRICES WHICH UNFORTUNATELY REFLECT STATE
EXCISE TAX)

Because of this dilemma we believe highway revenue generation must be broad based, consisting of many elements, users fees complimented by sales tax, tolls, special assessments etc.. Only by a balanced tax program can we compete in this national marketplace and provide revenue growth for ourselves and our highway program.

As truckstop operators we support rational and parallel growth in motor fuel excise taxes with neighboring states.

Attachment 10

In the absence of rational behavior we would rather see states advocate their rights to impose motor fuel taxes, because of marketplace distortion caused by the current mania by states in irrationally raising fuel taxes.

Remember a users tax that cannot be passed along and or can be avoided by users does not serve our mutual interests. I implore you not to abuse this State Right by uninformed application of our taxing powers.

Our industry is unique in that we are often unable to pass these taxes along to our highway users, when they exercise their choice not to buy. Sometimes they choose not to stop but merely pass through using free rest areas and food purchased out of state.

You may ask why we are not able to pass along the tax. The reason is simple, motor fuels are viewed as a commodity having no other value. Therefore you cannot package good roads into the price of a gallon of motor fuel if market differentials exist. After 10 years of tax differentials ranging from 1-6 cents we are an industry mostly in decline while on our southern and eastern borders the industry and jobs flourish.

The jobs lost by being unable to sell a gallon of motor

fuel is multiplied many times. Or to put it another way for every job dispersing and collecting motor fuel taxes, five to ten related jobs are created internally or near truckstops.

On average Kansas truckstops provide annual payrolls of \$750,000.00, collect \$1,250,000.00 in taxes and truly represent economic development for our communities. Do not deprive those now employed in your efforts to create jobs for others.

It is for these reasons that we support the sales tax as the only fair share concept that enables everyone, citizens and visitors alike, to participate in our highway programs.

One closing comment truckstops surviability is keyed on the freedom to grow. This freedom has not existed in Kansas for many years.

I thank you for this opportunity and would take questions at this time.

25 February 1987

The Honorable Rex Crowell
Chairman House Transportation Committee
431-N State Capitol
Topeka, KS 66612

Chairman Crowell and committee members:

I am Wendy J. Schiappa, Director of Public Affairs for the Manhattan Chamber of Commerce, a business organization representing nearly 850 business members and over 1,000 individuals. Our organization supports House Bill 2378 and would like to respectfully suggest an amendment to the bill.

It is a privilege to testify before you today about Manhattan's need for improved access to Interstate 70. As you discuss and consider various criteria to justify the building of new highways for the state of Kansas, the Manhattan Chamber of Commerce would like to illustrate to you how our community has two projects that more than meet criteria that has been suggested to you. These two projects are K177 and the K-177 bridge between Manhattan and I-70 and K113 between K18 and U.S. 24.

I. Economic Development that is reality.

K177 is the major highway that links Manhattan with the interstate. As you are probably aware, Manhattan is currently building a \$60 million downtown redevelopment project including a \$24 million mall on a 31 acre site. The major access to this project and downtown Manhattan is K177. The mall is being developed as a joint venture between Forest City Rental Properties and JCP Realty, Inc. and will and create 774 new permanent jobs. The entire redevelopment project is being financed with an Urban Development Action Grant, revenue bonds, improvement districts, the City of Manhattan, the developers and tax increment financing.

K177 is also the major highway link to Manhattan's industrial park, which is located in Pottowatomie county. In 1986, we added Walker Manufacturing, Division of Butler Manufacturing, to the park employing 40 people. The Brookstone Co. announced their intentions in 1986 to build a second distribution site in our park, employing 120 people at peak seasons.

K113, known locally as Seth Childs Road, also has development happening along it. WalMart is building a second location in Manhattan on K113. Kansas Farm Bureau with over 300 employees is building a new facility on K113.

II. Safety.

1986 KDOT traffic counts on K177 are 5400 vehicles per day, higher figures than those for many other new highway projects you are considering. The 1986 traffic count on the bridge is over 11,000 vehicles per day with 5% heavy traffic. According to Captain Nick Edvy of the Riley County Police Department, this road "needs to be widened without question. We have had several fatalities at the intersection of K177 and K18 one block south of the bridge." Edvy states the narrowness of the bridge is a significant problem. Any time agricultural or construction equipment is moved across the river, the bridge must be reduced to one lane. In the winter, when the bridge is icy, it effectively becomes one lane. Edvy states that the margin of error for a driver to avoid a collision on the bridge is less than two feet.

1986 City of Manhattan traffic counts on K113 average over 12,000 vehicles per day, with a peak number of 17,800. At this peak intersection, we have had several fatalities. Traffic counts on this road are estimated to average near 40,000 by the year 2006.

III. Kansas State University

KSU is one of two regents institutions without four-lane access. (The other is Pittsburg State.) KSU is the only big eight institution without four-lane access. Attached to my testimony is a statement from Robert Krause, Vice President for Institutional Advancement at K-State, that presents the University's opinion about the need for 177 to become four-lane. Mr. Krause calls the improvement of 177 a "particularly critical element in the future prosperity of Kansas State University." He points out that the current condition of 177 affects the perceived image of both Manhattan and the University; has a negative impact on student recruitment; and creates traffic problems whenever the University hosts a major event such as athletics or open house. Certainly, this problem will only grow when the University's new 14,500 seat Bramlage coliseum opens in 1988.

Given the above analysis, the Manhattan Chamber of Commerce would like to suggest that the House Transportation committee ammend HB2378 to upgrade K177 between I-70 and Manhattan to a four-lane and K113 to a four-lane.

Respectfully yours,

Wendy J. Schiappa
Director of Public Affairs



**Office of the Vice President
for Institutional Advancement**

Anderson Hall
Manhattan, Kansas 66506
913-532-5942

February 19, 1987

M E M O R A N D U M

TO: Wendy Schiappa ✓
FROM: Robert S. Krause *RSK*
Vice President for Institutional Advancement
RE: HIGHWAY 177

Wendy,

As we discussed at the Chamber of Commerce Retreat and on other occasions, the improvement of Highway 177 between I-70 and the community of Manhattan is a particularly critical element in the future prosperity of Kansas State University. This particular road is the major link between the Interstate and the University. As such, quite often perceptions of the accessibility to the university are formed on the basis of this link. In short, we are quite often viewed as being inaccessible.

As you know, we work with over 30,000 prospective students and parents many of which journey to Manhattan from the centers of population to the east of us. Quite often students and parents comment about the poor quality of the road and associate its inadequacies as if they were the responsibility of both the city and the university. While these are not quantifiable elements, they are extremely important when it comes to presenting the best possible image of both the city and the university. To say it has a negative effect upon recruitment of new students to Kansas State would be an under statement.

We are certainly supportive of current efforts to upgrade this important highway. The ideal improvement would be to have this road converted to a four-lane highway with a new bridge over the Kansas River. While the above may be an

Wendy Schiappa
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intangible ingredient of our marketing strategies, there is also the consideration of major campus events such as Open House when we have 25,000 visitors or athletic contests, etc. The highway often is inadequate in terms of handling the large number of visitors to the university.

If you should need additional information or if I can be of further assistance, please call me.

/djm

cc: President Jon Wefald

City of



MANHATTAN

CITY COMMISSION:

J. ERIC (RICK) MANN, MAYOR
NANCY ROHLES DENNING
DAVID J. FISER
E. A. KLINGLER, M.D.
SUZANNE LINDAMOOD

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M. DON HARMON, CITY MANAGER

February 25, 1987

Subj: Testimony to the House Transportation Committee - February 25, 1987

The Honorable Rex Crowell, Chairman
House Transportation Committee
431-N State Capitol Building
Topeka, Kansas 66612

Dear Chairman Crowell and Members of the Committee:

It is a privilege to be here today and have this opportunity to provide some information to you on behalf of the City of Manhattan. I am Jerry Petty, Deputy Director of Public Works and City Engineer for Manhattan, and have worked for the City for over 12 years.

My efforts today are to support Wendy Schiappa's information by providing realistic cost estimates for proposed improvements to K-177 and K-113 and too discuss briefly the engineering merits of a 4-lane verses 2-lane K-177.

First of all, as pointed out by a KDOT official recently when asked about the definition of a "Super 2 Highway", he said you would probably get as many answers as the number of engineers you ask. So I am sure there is a lot of confusion as to all of this "Super 2" discussion. I've been in several conversations recently concerning the design of "Super 2" facilities. Considering the terrain along the K-177 corridor, the development around the K-18 intersection, and the relatively short distance between the bridge and the K-18 intersection, it seems that a 4-lane facility is the only logical choice between Manhattan and I-70. A "Super 2" would require substantial grade changes or the addition of passing lanes and wider shoulders along much of the corridor that would cost almost as much as constructing a 4-lane facility if the existing K-177 is utilized as two of the four lanes.

Cost estimates have been made for both a "Super 2" and a 4-lane roadway from Manhattan to I-70 following the alignment of K-177. Those estimates have been done by KDOT officials and by a local engineering consultant. As you have already noted, there are actually two parts to this project; the bridge over the Kansas River and the roadway itself. The basic estimates for the bridge had been done previously by KDOT when the K-177 Corridor

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February 25, 1987

Study was completed in the 1970's. It should be noted that this study is a matter of record and was done by and funded by the State. In any event, those estimates were independently updated by a Manhattan Engineering Consultant and by the Manhattan Public Works Department using two different recognized multipliers and both resulted in current estimates for a 4-lane bridge of approximately \$23 million.

The roadway estimates for two and four lanes from Manhattan to I-70 were also done independently by a Manhattan consultant and the Manhattan Public Works Department using factors provided by KDOT for similar construction in the State. They also resulted in similar projected costs of \$12 million for a 2-lane road and \$20 million for a 4-lane facility.

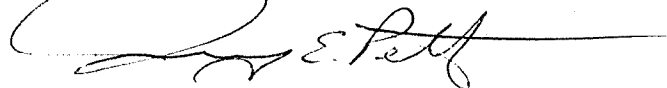
The City of Manhattan is very grateful for the K-177 project being included in House Bill 2378. It is extremely important to note however; that the \$16 million included in that bill, is far short of either the \$35 million for a 2-lane road or the \$43 million for a 4-lane roadway realistically needed to build the facilities to properly connect Manhattan to I-70.

As Mrs. Schiappa pointed out, Manhattan is also working very hard to upgrade K-113 (currently a State Highway route) for several reasons. Safety is a serious problem along that roadway. Accident rates are high. Traffic volumes are currently well beyond the safe and efficient capacity of a 2-lane roadway. K-113 carries upwards of 18,000 vehicles per day now and is projected to carry in excess of 30,000 vehicles per day within 20 years.

We have extremely good cost estimates prepared for K-113 from K-18 to Kimball Avenue. They are current and based on actual plans for construction. To 4-lane K-113 will cost approximately \$6 million.

Once again, I thank you for your attention. I would be happy to answer any questions that the Committee Members might have.

Sincerely,



Jerry E. Petty, P.E.
Deputy Director of Public Works/
City Engineer

tpk

TESTIMONY BY BILL BOYD
BEFORE HOUSE TRANSPORTATION COMMITTEE
FEBRUARY 25, 1987

"Mr. Chairman and Committee members, my name is Bill Boyd. I am President of the Manhattan Chamber of Commerce. Previously I was Director of Community and Economic Development for the State of Missouri and I have been an economic development professional for 27 years.

Since I am new in Kansas and have been on the job in Manhattan only 2 weeks, I obviously cannot testify regarding many specific details on Manhattan's transportation requirements; and on how Manhattan interrelates to the larger picture of highway requirements for Kansas as a whole.

However, I hope you will allow me to speak more generally on Manhattan's requirement for an improved connection to I-70; and as to the adverse economic impact as well as the convenience factor, which the currently deficient highway places on the community.

The specific proposition I am addressing is a request from the Board of Directors of the Manhattan Chamber of Commerce, that your committee give consideration to upgrading improvements designated for K-177 (between I-70 and Manhattan) from your current "Super 2" concept, to that of a 4-lane divided highway covering the 9-mile section. It is the opinion of the Chamber Board that this vital highway connection holds the key to success or failure for many future economic goals of the community.

A divided 4-lane entrance to Manhattan is an integral component with the community's plan for expanded regional retail services, for the plan to expand industry and provide new jobs, and for plans to preserve the stature of Kansas State University as a contemporary institution that stays abreast of developing standards of excellence.

You are aware of Manhattan's \$60 million downtown development project, which is substantially upgrading our city's regional retail posture. This \$60 million investment is augmented by State funds to assist development of the Southern Arterial which is a 4-lane roadway to channel traffic to and around Manhattan's expanded downtown complex. And Manhattan is clearly grateful for State assistance with this project. However, we recognize a planning deficiency where this 4-lane secondary arterial is to be funneled down into a 2-lane primary highway (K-177) into and out of the city.

Upgrading K-177 to "Super-2" standards could be highly beneficial and we thank the committee for your consideration in being so included. Such a plan would ease the planning and financing requirements, and would speed the project because of not requiring difficult right-of-way acquisitions. But on a long-term basis, only 10 years into the future, it would not meet the physical or economic necessities of Manhattan and its surrounding communities.

In fact, there are immediate considerations where the lack of a 4-lane connection is causing difficulty for Manhattan. And this is in the category of economic development.

We would all agree that accelerated economic development is clearly high on the public agenda for Kansas.

In the case of Manhattan, this is a community that fits the profile of requirements for many companies which are searching for a new location. I am speaking of companies which have the specific objective to find a location where they can cut operating costs, can improve productivity, can be linked to the technology resources of a major university, and can be removed from urban problems--while having urban amenities close at hand.

My experience demonstrates that there is a highly definable demand for this type of industrial setting; and in the last 2 years in Missouri I participated in the location of 118 industrial/commercial facilities with exactly this sort of criteria. However, in 97 of the 118 cases there was one additional requirement which would have excluded Manhattan as the selected location for a new facility.

And that requirement is the lack of a divided 4-lane connection to the interstate highway. This requirement is simply a part of the site selection formula for most industrial facilities. To further illustrate the point, I can document that Manhattan has attracted the interest of, and been evaluated by a large number of companies during the last several years. It has been a very popular potential location for new industry. Yet it has had a very low closing rate for new project. To further illustrate the point, I give you the following list of companies who entered into negotiation for a Manhattan site, then made their final selection elsewhere, after final studies were completed. Included are:

Kimberly Clark
Sundstrand
Time, Inc.
Maytag
Westinghouse
Fantasia Confections
Brother Typewriter

It can be assumed that one of the major reasons, if not the reason for Manhattan continuing to have ranked in second or third place in location competitions -- was the lack of first-class transportation accessibility.

We believe the commitment of a 4-lane divided highway to I-70 would immediately change the success ratio in closing new development projects for Manhattan. We can document that there is currently a demand for sites in Manhattan, and that our economic expansion will accelerate when improve infrastructure is in place, or even when it is budgeted on the drawing board.

I thank you for your consideration of this request.

