

Approved April 8, 1988
Date

MINUTES OF THE Senate COMMITTEE ON Local Government

The meeting was called to order by Senator Don Montgomery at
Chairperson

9:09 a.m./~~p.m.~~ on March 23, 19 88 in room 531-N of the Capitol.

All members were present except:

Committee staff present: Mike Heim, Theresa Kiernan and Lila McClafllin

Conferees appearing before the committee:

Tom Powell, Director of Law, Wichita
Joe Norton, Bond Counselor, Wichita
Beverly Bradley, Kansas Association of Counties
Philip Alexander, City Attorney, Hutchinson
Judith Wainscott, Director of Public Affairs, Manhattan Chamber of
Commerce
Nathaniel Griffin, Vice President of Greater Downtown Wichita
Dennis Schockley, City of Kansas City, Ks.
Christopher Imming, Associate Director, City of Topeka Community
and Economic Development

The Chairman opened the hearing on H.B. 2667 concerning cities; relating to municipal improvement districts; H.B. 2670 concerning cities; relating to the redevelopment of certain areas of cities; providing for the financing of such redevelopment. These bills were requested by the Sedgwick County delegation. The Chairman called on Senator Daniels for opening remarks.

Senator Daniels supported the bills. She stated they are the result of summer study as the experts will tell you they are good bills and the conferees will explain them to you.

Tom Powell, Director of Law, Wichita, these bills would be helpful in making tax increment financing a more viable tool for city redevelopment projects. These bills would make it easier to revitalize downtown areas. These bills provided cities better tools for financing public improvements and should enhance economic development (Attachment I and II).

Senator Steineger questioned Mr. Powell concerning the changes that were proposed in the issuing of bonds.

Joe Norton, Bond Counselor, Wichita, stated Topeka and Manhattan had used the tax increment financing law, there is a cap on how many projects can be done and a public hearing is required. If 40% of the property owners protest, the action can be stopped.

The Chairman referred to the motion that was tabled on March 22, 1988.

The motion was made by Senator Mulich and seconded by Senator Daniels to pass as amended H.B. 2172. The Chairman called on Beverly Bradley.

Beverly Bradley presented written testimony stating the Kansas Association of Counties believes these conflicts can be best handled at the local level. They oppose any legislation to further dissolve home rule powers (Attachment III).

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Local Government

room 531-N, Statehouse, at 9:09 a.m./~~p.m.~~ on March 23, 1988

Senator Mulich distributed a handout from the Wyandotte Board of County Commissioners stating their support of H.B. 2172 (Attachment IV). The Chairman presented a letter from the City of Kansas City, Ks. opposing H.B. 2172 (Attachment V).

In discussion of the amendment, several senators expressed the view that this was a local issue and it could best be handled at that level by local elected officials.

A substitute motion was made by Senator Bogina, to table the bill in committee. Senator Gaines seconded the motion. Motion carried.

The Chairman called on Philip Alexander to testify on H.B. 2667 and H.B. 2670.

Mr. Alexander presented written testimony supporting both bills, he believes these bills will cost the state very little or nothing and, will be used only when there was substantial local agreement about need. It would furnish Kansas cities with an improved tool for economic development (Attachment VI).

Judith Wainscott, Director of Public Affairs, Manhattan Chamber of Commerce, presented written testimony supporting H.B. 2667 and H.B. 2670. Manhattan has used the tax increment financing in developing the Town Center Mall that opened in October of last year (Attachment VII).

Nathaniel Griffin, Vice President of Greater Downtown Wichita Chamber of Commerce, testified on behalf of H.B. 2667 and 2670. The bills will allow greater economic vitality for Kansas (Attachment VIII). Included with his testimony are statements from several Wichita businessmen (Attachment IX - XVI).


Dennis Schockley, representing the City of Kansas City, Ks. presented a summary paper supporting both bills and suggesting some necessary changes (Attachment XVII).

Christopher Imming, Associate Director, City of Topeka Community and Economic Development, presented testimony supporting H.B. 2670. He stated the City of Topeka is one of two cities in Kansas to utilize tax increment financing to undertake a redevelopment project (Attachment XVIII).

H.B. 2669 will be rescheduled.

Senator Langworthy moved to adopt the minutes of March 17-18. Senator Daniels seconded the motion. The minutes were adopted.

The next committee meeting will be on March 24, 1988. The Chairman adjourned the meeting at 10:00 a.m.


Chairman, Senator Don Montgomery

Date: March 23, 1988

GUEST REGISTER

SENATE

LOCAL GOVERNMENT

NAME	ORGANIZATION	ADDRESS
Chris Jamming	City of Topeka	820 Quincy, Topeka (12)
BOB BRADLEY	KS Assoc of Counties	Topeka
Judith W. ...	Manhattan Cl. of Commerce	Manhattan
Bernie Koch	Wichita Chamber	Wichita
Alan E. Sims	City of Overland Park	Overland Park
DENNIS M. ...	CITY OF KCK	KCK
Ed ...	League of KS Municipalities	Topeka
DE L MORTON	GILMORE, BLUE	WICHITA 142
Not ...	Greeter Downtown Wichita	Wichita
Phil Alexander	City of Hutchinson, KS	P.O. Box 1567 Hutchinson KS 67504-1567
Doug Mosnier	City of Wichita KS	455 N. MAIN ST. 67202
MARCA HOWARD	CITY OF WICHITA	WICHITA
Jerry Marlath	KSCFF	Topeka
Richard Funt	KASO	"
Jay Winzenz	City of Lawrence	Lawrence
Kelly Arnold	"	"
James A. ...	KS 77A	Wichita
Paul S. ...	Local 64 IAFF	K.C. Mo.
Bill Hollander	Local 64 IAFF	K.C. Mo.
Terry Stevens	City of Topeka	Topeka
Geri Kamp	League of KS Municipalities	Topeka

THE CITY OF WICHITA



OFFICE OF THE CITY MANAGER
CITY HALL — THIRTEENTH FLOOR
455 NORTH MAIN STREET
WICHITA, KANSAS 67202
(316) 268-4351

March 22, 1988

The Honorable Don Montgomery
Chairman, Senate Local
Government Committee
State Capitol Building
Topeka, Kansas

RE: HB 2667, Municipal Improve-
ment Districts

Mr. Chairman and Members of the Committee:

I appear before you today to testify in support of HB 2667. This bill was submitted by the Sedgwick County Delegation in the House at the request of the City of Wichita.

The Municipal Improvement Districts Law was passed by the Legislature in 1981. HB 2667 amends the current law pertaining to Municipal Improvement Districts in a manner that should make the law a more effective tool for economic development and downtown revitalization for cities and towns in Kansas.

There are several changes that HB 2667 will make to the present Municipal Improvement District law if passed. The most significant change is that the bill will authorize Municipal Improvement Districts to provide services which are defined to include sanitation, security, care and maintenance of property, financial support for public transportation and public owned parking facilities, development of future plans for the district, development promotions and support for community events and activities and other services.

These types of services can, for the most part, be provided under a Business Improvement District. Business Improvement Districts, however, have proven to be difficult to establish and even more difficult to maintain. A Business Improvement District is operated from taxes assessed against businesses. In most cities, businesses are constantly changing and this makes collection of a tax difficult. In addition, a Business Improvement Tax must be

collected as a personal debt. Experience has shown that a tax collected as a personal debt is more difficult to collect than a tax against property. The Municipal Improvement District will, if passed as proposed, provide a better method of financing services for districts than is presently provided for the same type of services under the Business Improvement District Law.

In addition, HB 2667 changes the procedure for the formation of the district. First, you must set the maximum mill levy on the district at the time of formation. After the district is formed, this bill also requires a public hearing before any new improvement or new service is undertaken. The bill clarifies that a Municipal Improvement District has a separate legal statute from the city that creates the district. This answers questions concerning uniform application of tax requirements that exist under the current Municipal Improvement District Law.

In summary, the Municipal Improvement District bill, if passed, will provide cities with a better tool for financing public improvements and additional public services for downtown areas. This, in turn, should result in enhancement of economic development for cities within the State of Kansas.

Very truly yours,



Thomas R. Powell
Director of Law

TRP/mh



OFFICE OF THE CITY MANAGER
CITY HALL — THIRTEENTH FLOOR
455 NORTH MAIN STREET
WICHITA, KANSAS 67202
(316) 268-4351

March 22, 1988

The Honorable Don Montgomery
Chairman, Senate Local
Government Committee
State Capitol Building
Topeka, Kansas

RE: HB 2670 - Tax Increment
Financing

Mr. Chairman and Members of the Committee:

I appear before you to testify in support of HB 2670 - Tax Increment Financing. This bill, if adopted, should provide an opportunity for wide use of tax increment financing within the State of Kansas. The wide use of tax increment financing should enhance economic development and downtown revitalization.

An important item that is still in HB 2670 is that school boards and county government still have veto power to stop the formation of a tax increment financing district. This provides protection for the tax base of other taxing jurisdictions.

HB 2670 provides greater flexibility to cities in implementing and developing tax increment financing districts. The flexibility of creating tax increment financing districts that will result if HB 2670 is passed comes from several changes set forth in the bill. Some of those more significant changes are:

1. The amendment proposes a two stage approval process by a governing body involving a notice and hearing in each stage. The governing body first establishes a redevelopment district by resolution; the district is established for fifteen (15) years. When the redevelopment district is established, a general comprehensive plan that identifies the building and construction that is to occur in the redevelopment district within fifteen (15) years is adopted. A school board or a

county may before a district is finally formed exercise veto power to stop the formation. Each separate development identified in the general comprehensive plan is called a redevelopment project. A hearing with notice must be held for each redevelopment project before it is instituted.

2. Development of a district is expanded from five (5) years to fifteen (15) years.
3. Expands areas of cities where tax increment law can be used to include areas previously found to be blighted under urban renewal programs.
4. The bill clarifies and expands in Section 4 what the proceeds of bonds may be used for, including site preparation, streets, drainage, parking, landscaping, etc. It still does not include structures to be purchased by the developer.
5. The bill redefines tax increment to mean any increase in value that the redevelopment district sustains after the redevelopment district is created. This means that any increase in assessed valuation of property in the redevelopment district can be used as a pledge to pay for public improvements that are financed with tax increment bonds.

In summary, the tax increment bill is a tool that will provide cities with the opportunity to provide needed economic development for the purpose of revitalizing downtown areas.

Very truly yours,



Thomas R. Powell
Director of Law

TRP/mh

Kansas Association of Counties

Serving Kansas Counties

212 S.W. Seventh Street, Topeka, Kansas 66603

Phone (913) 233-2271

March 23, 1988

To: Senator Don Montgomery, Chairman
Members of the Senate Local Government Committee

From: Bev Bradley, Legislative Coordinator
Kansas Association of Counties

Re: HB-2172 Residency Requirements

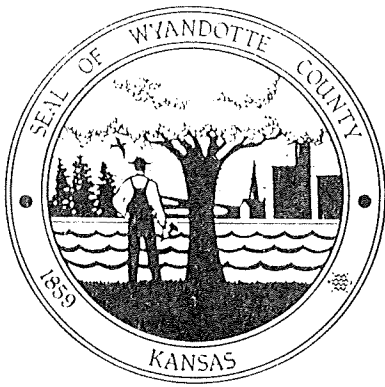
As we understand HB-2172 it is a further State interference with local government control. We believe local officials are elected to govern their own jurisdictions and should be allowed to do so. We also believe that is the intended purpose of home rule powers granted to counties by 19-101 et seq. The list of home rule exceptions has grown long and we respectfully request that this restriction not be added, there or in any other statute.

The Kansas Association of Counties legislative policy statement adopted by our membership last November states in part, "Kansas County Government strongly endorsed the enactment in 1974 of the county home rule act, KSA 19-101 et seq. As a matter of principle we strongly oppose any legislative action that would further dilute county home rule powers."

We know that it is easy to come to Topeka to request resolution of local problems, but Kansas Association of Counties believes these conflicts can best be handled at the local level. We oppose HB-2172.

(Attachment III) Local Go 3/23/88

A III



OFFICE OF
BOARD OF COUNTY COMMISSIONERS
WYANDOTTE COUNTY COURT HOUSE
KANSAS CITY, KANSAS 66101
PHONE 573-2827

JOE L. WILHM
COMMISSIONER 1ST DISTRICT
CLYDE A. TOWNSEND
COMMISSIONER 2ND DISTRICT
PATRICK L. SCHERZER
COMMISSIONER 3RD DISTRICT

32

March 22, 1988

The Honorable Donald L. Montgomery
State Senator
Chairman
Senate Committee on Local Government
State House
Topeka, Kansas 66612

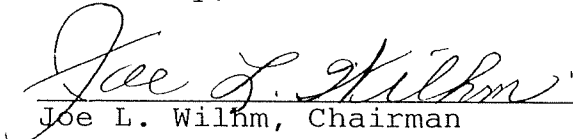
Re: House Bill 2172: Residency of Municipal Employees

Dear Senator Montgomery:

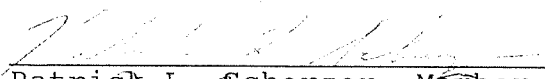
We, as County Commissioners of Wyandotte County, Kansas have read House Bill No. 2172, and are familiar with the amendments attached thereto.

We have no objections to this bill, and would support the bill as it now stands.

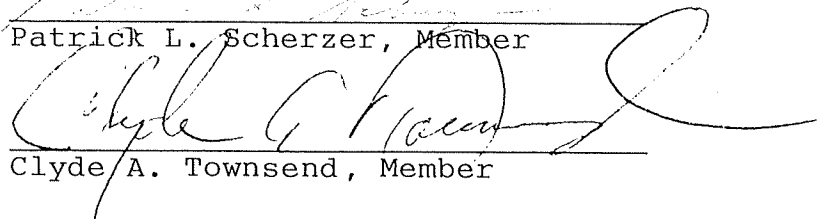
Sincerely,



Joe L. Wilhm, Chairman



Patrick L. Scherzer, Member



Clyde A. Townsend, Member

Bd.Co.Comm: jm

(Attachment IV) Local Go 3/23/88



CITY OF KANSAS CITY, KANSAS

DAVID T. ISABELL
City Administrator/Finance Director



EXECUTIVE CHAMBER
ONE CIVIC CENTER PLAZA

KANSAS CITY, KANSAS 66101
PHONE (913) 573-5030

February 26, 1988

Senator Don Montgomery, Chairman
Senate Local Government Committee
State House
Topeka, Kansas 66612

Dear Senator Montgomery:

This is a follow up letter to the city's testimony before your committee on Thursday, February 25, 1988, presented by Intergovernmental Affairs Director, Dennis Shockley; and City Attorney, Harold Walker.

I would like to reiterate the following points:

1. The city has required public safety officers to reside in the city since 1950.
2. Police and fire officers are contract employees of the city and the residency issue has never been raised in contract negotiations.
3. H.B. 2172, as currently written, could result in a flurry of law suits, reinstatements, and back pay costing our city an estimated \$750,000.
4. No member of the Kansas City, Kansas governing body supports this bill as presently written and a majority of the City Council opposes the theory of this bill adamantly.

The real issue in this matter is whether or not the State Legislature wants to get into the business of overruling locally elected bodies. We urge you to kill H.B. 2172 in the spirit of home rule and local autonomy.

Sincerely,

David T. Isabell
City Administrator/Finance Director

DTI:cb

cc: Senator Jim Allen
Senator Gus Bogina, Jr.
Senator Norma Daniels
Senator Roy Ehrlich
Senator Frank Gaines
Senator Audrey Langworthy
Senator William Mulich
Senator Alicia Salisbury
Senator Jack Steineger
Senator Wint Winter, Jr.
Jim Kaup, League of Kansas Municipalities

(Attachment V) Local Go 3/23/88

AY

HUTCHINSON

POST OFFICE BOX 1567; 67504-1567
TELEPHONE

316-665-2641

OFFICE OF:

LAW

March 22, 1988

The Honorable Don Montgomery
Chairman, Senate Local Government
Committee
State Capitol Building
Topeka, KS

Re: HB 2667, Municipal Improvement Districts
HB 2670, Tax Increment Financing

Ladies and Gentlemen:

The Committee has before it two bills which, if passed into law, will markedly improve the climate for economic development in Kansas cities. On behalf of the City of Hutchinson, I urge the Committee to give its approval to these proposals. These bills, especially with the inclusion of the several amendments originally proposed by the League of Kansas Municipalities, are a vast improvement over existing statutory authority. A brief review of Hutchinson's experience will explain our enthusiasm.

Beginning in the mid 1970's, there was considerable sentiment in Hutchinson in favor of redeveloping the City's downtown area into a more viable retail center. Several studies were commissioned locally, leading to two conclusions. First, redevelopment of the downtown was financially feasible. The downtown, with the City's help, was capable of maintaining or even improving its position as the City's preeminent retail area. Second, that goal could not be realized without participation by the City in the form of tax increment financing (TIF).

Unfortunately, the enabling statute imposed substantive and procedural limitations which adversely affected the financial viability of every project proposed. Ultimately, the City was unable to redevelop the downtown area and an outlying mall was built. The downtown, as well as the City's tax base, has suffered as a result. While individual downtown merchants are able to compete with counterparts in a mall, their collective ability to do so is severely limited by physical and institutional factors. It would be an overstatement to say that TIF constraints were solely responsible for Hutchinson's failures, but they played a critical role in frustrating the City's redevelopment efforts.

(Attachment VI) Local Go 3/23/88

ASV

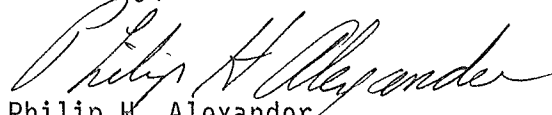
We have also had experience with a business improvement district in Hutchinson. In 1983, largely in response to the declining economic fortunes of the downtown area, Hutchinson created a business improvement district pursuant to K.S.A. 12-1781 and following. While the district has had some success in its programs, its overall effectiveness has been reduced by the difficulty of collecting taxes from businesses, as distinguished from property owners. Our collection rate has declined each year, many business people apparently gambling that the City will not institute legal action to collect what is due. Since most of our annual assessments are \$75 or less, it is indeed difficult to justify litigation.

The proposed Municipal Improvement District (MID) legislation will furnish a much more effective tool for low intensity redevelopment. Inclusion of services as permissible activities will incorporated one of the best features of the business improvement statute. By creating MID's as separate legal entities, an important consitutional issue is removed. Had it been available as proposed, Hutchinson would have undoubtedly opted to create an MID rather that use the more cumbersome business improvement district statute.


The Committee now has an opportunity to furnish Kansas cities with much improved tools for economic development. These tools will cost the state little or nothing and, as a practical matter, will be used only when there is substantial local agreement about need. The City of Hutchinson requests that the Committee give its approval to HB 2667 and HB 2670.

Thank you for your attention.

Sincerely,


Philip H. Alexander
City Attorney

PHA/sw



MANHATTAN
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March 23, 1988

The Honorable Don Montgomery
State Senator
Chairman, Senate Local Government Committee
State Capitol Building
Topeka, KS 66612

Mr. Chairman and Members of the Senate Local
Government Committee:

Thank you for letting me appear today to comment on
H.B. 2667 dealing with Municipal Improvement
Districts and H.B. 2670 regarding Tax Increment
Financing.

I am Judith Wainscott, Director of Public Affairs,
for the Manhattan Chamber of Commerce. Our
organization stands fully in support of both of
these bills. It is our belief that cities need
every available tool at their disposal in order to
provide the greatest flexibility possible in
responding to the needs of our existing businesses
or private developers wanting to make investment in
our community.

In 1977 the City Commission of Manhattan took a
firm stand to preserve and enhance development in
its central business district. The Manhattan
Chamber of Commerce joined in this stand, and
downtown redevelopment remained the Chamber's
highest priority until a project was completed and
the Manhattan Town Center Mall opened in October
last year.

The Manhattan Town Center Mall represents a private
investment of approximately \$40,000,000.
Conventional public financing for infrastructure
improvements amounted to an additional \$6,000,000
which the developer also shares with the city at
large. Other associated costs of \$15,000,000 were
paid primarily from grants. Overall, this private-
public partnership of \$60,000,000 plus constitutes
the single greatest economic development effort in
Manhattan's history.

Not included in the previous description is the
role tax increment financing played in making the
entire project feasible - in part by being able to
provide off-site amenities to properties adjoining
the Mall, integrating the Mall into the existing
business district. Again, the developer is paying
the expense of these improvements through the
incremental property tax revenue produced by the
development.

(Attachment VII) Local Go 3/23/88



AVM

It is easy to take sides on an issue when it is so complex and there are so many facets to consider. In Manhattan, though, we have moved beyond abstract debate on tax increment finance to the legal issuance of \$9.3 million in tax increment bonds.

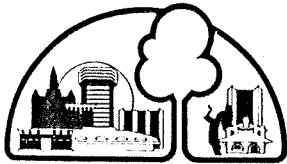
In the matter of H.B. 2667, granting authority to cities to create Municipal Finance Districts, we at the Manhattan Chamber encourage its passage. As pointed out in previous comments, we want to look within our community for economic growth and stability. Although we have an active industrial promotion effort aimed at attracting outside industry, we have a history in Manhattan of utilizing a variety of mechanisms to assist businesses in self help public/private partnerships.

Manhattan was among the first cities in Kansas to be recognized for a Main Street Program; two business improvement districts have been established (one serving the downtown and one in AGGIEVILLE); and of course, the downtown redevelopment depended heavily on the creation of a tax increment finance district. Additionally, some of these areas are overlaid by enterprise zones and historic preservation districts that provide opportunities for tax incentives.

We see municipal improvement districts as provided for in H.B. 2667 as simply another tool to be utilized in encouraging business growth.

In summary, there is no specific plan in Manhattan to utilize either the municipal improvement district or tax increment finance at this time. However, I hope I have impressed on the committee that we in Manhattan are dynamic and growth oriented, and willing to work with business in partnership with the city and state for the benefit of our mutual constituency. We have no doubt, based on our past experiences, that an opportunity will present itself to utilize every tool at our disposal for continued growth and development. We therefore encourage this committee to support these bills.

Thank you.



Greater Downtown
Wichita

TESTIMONY

KANSAS LEGISLATURE
SENATE LOCAL GOVERNMENT COMMITTEE
STATE CAPITOL, TOPEKA, KANSAS
ROOM 531 NORTH - 9:00 A.M.

MARCH 23, 1988

CHAIRMAN MONTGOMERY, COMMITTEE MEMBERS:

I AM NATHANIEL GRIFFIN, VICE PRESIDENT OF GREATER DOWNTOWN WICHITA. GDW IS A 190-MEMBER ORGANIZATION OF DOWNTOWN BUSINESSES WHICH IS PART OF THE WICHITA AREA CHAMBER OF COMMERCE. I AM HERE TODAY TO TESTIFY ON BEHALF OF HOUSE BILL 2667 (2670).

THIS BILL IS AN AMENDMENT TO KANSAS STATUTES DEALING WITH TAX INCREMENT FINANCING (MUNICIPAL IMPROVEMENT DISTRICTS). OUR ORGANIZATION SUPPORTS THIS BILL BECAUSE IT WILL HELP US REVITALIZE OUR DOWNTOWN.

GREATER DOWNTOWN WICHITA AND THE CITY OF WICHITA HAVE BEEN WORKING FOR MORE THAN SIX MONTHS TO DEVELOP ADDITIONAL DOWNTOWN

ECONOMIC DEVELOPMENT INCENTIVES. OUR OVERALL OBJECTIVE IS TWOFOLD -- FIRST, TO PROVIDE INCENTIVES FOR PRIVATE INVESTMENT IN CENTRAL CITY AREAS, AND SECOND, TO GENERATE PRIVATE MONIES FOR DOWNTOWN SERVICES AND FACILITIES.

LET ME EXPLAIN HOW THIS CAME ABOUT. OUR GROUP FORMED A COMMITTEE OF POLITICAL, GOVERNMENTAL AND BUSINESS LEADERS TO EXPLORE LEGISLATIVE OPTIONS THAT WOULD ENCOURAGE DOWNTOWN INVESTMENT. AS A FIRST STEP, WE EVALUATED THE STRENGTHS AND WEAKNESSES OF EXISTING KANSAS LEGISLATION. AS A RESULT OF THAT EFFORT, WE DECIDED TO PROPOSE A SERIES OF AMENDMENTS TO THE TAX INCREMENT FINANCIAL AND MUNICIPAL IMPROVEMENT DISTRICT STATUTES. WORKING WITH VARIOUS EXPERTS AND INTEREST GROUPS, WE DEVELOPED THE PROPOSALS WHICH ARE NOW BEFORE YOU.

IT IS IMPORTANT TO UNDERSTAND THAT THESE CHANGES STREAMLINE AND BROADEN EXISTING LEGISLATION. WE ARE NOT PROPOSING A RADICAL DEPARTURE FROM PRESENT PRACTICE. WITH HOUSE BILL 2667, OUR OBJECTIVE IS TO ENABLE DOWNTOWN PROPERTY-OWNERS TO TAX THEMSELVES TO CARRY OUT IMPROVEMENTS AND PROVIDE SERVICES. (WITH HOUSE BILL 2670, OUR OBJECTIVE IS TO UTILIZE TAXES GENERATED THROUGH DOWNTOWN IMPROVEMENTS TO PAY FOR PART OF THOSE IMPROVEMENTS. THE STATUTE NEEDS TO BE CHANGED TO MAKE IT MORE EFFECTIVE.)

LET'S TAKE A LOOK AT SOME OF THE SPECIFICS:

HOUSE BILL 2667 WILL BROADEN THE KANSAS SELF-SERVICE MUNICIPAL IMPROVEMENT DISTRICT STATUTE BY PROVIDING NEEDED SERVICES AND FACILITIES WITHIN DOWNTOWN AREAS.

"SERVICES" COULD INCLUDE SECURITY, SANITATION AND PROMOTION, AMONG OTHER THINGS. "FACILITIES" COULD INCLUDE STREETScape IMPROVEMENTS AND PARKING. OTHER CHANGES WILL ASSESS PROPERTY-OWNERS RATHER THAN BUSINESS-OWNERS FOR THE SERVICES AND FACILITIES AND WILL ESTABLISH THE GOVERNING BODY OF THE CITY AS THE GOVERNING BODY OF THE DISTRICT. EXISTING PROVISIONS DEALING WITH DISTRICT FORMATION AND DISSOLUTION ARE RETAINED. AS IS NOW THE CASE, MIDS CAN ONLY BE FORMED IN DOWNTOWN AREAS.

THIS BILL HAS BIPARTISAN SUPPORT THROUGH THE STATE. SEDGWICK COUNTY'S DELEGATION SUPPORTS IT, AS DO THOSE OF KANSAS CITY, LAWRENCE AND OTHER MUNICIPALITIES. THE KANSAS HOUSE OF REPRESENTATIVES HAS APPROVED BILL 2667. KANSAS NEEDS TO CREATE THE TOOLS TO ENABLE DOWNTOWN REVITALIZATION TO TAKE PLACE. BUSINESS IS READY TO DO ITS PART IF THE STATE DOES ITS PART BY CREATING A FAVORABLE ENVIRONMENT FOR INVESTMENTS. IN SUPPORT OF THAT STATEMENT, I HAVE BROUGHT LETTERS OF ENDORSEMENT FROM DOWNTOWN BUSINESS AND THE WICHITA AREA CHAMBER OF COMMERCE. WE HAVE BEEN WORKING ON THIS PROPOSAL FOR MANY MONTHS WITHOUT OPPOSITION. OUR PROPOSAL DOES NOT MANDATE ACTION -- IT ONLY MAKES IT POSSIBLE TO ACT; IT DOES NOT THREATEN ESTABLISHED INTERESTS -- IT CREATES AN ECONOMIC CLIMATE FROM WHICH ALL WILL BENEFIT.

GREATER DOWNTOWN WICHITA HAS COMMITTED ITSELF TO REVITALIZING DOWNTOWN AND WE NEED YOUR HELP. PLEASE CONSIDER THIS PROPOSAL FAVORABLY AND WE WILL ALL MOVE FORWARD TOWARD GREATER ECONOMIC VITALITY FOR KANSAS.

THANK YOU.

March 21, 1988

BANK IV

Chairman Don Montgomery
Senate Committee On Local
Government
Kansas Legislature
State Capitol Building
Topeka, KS 66612

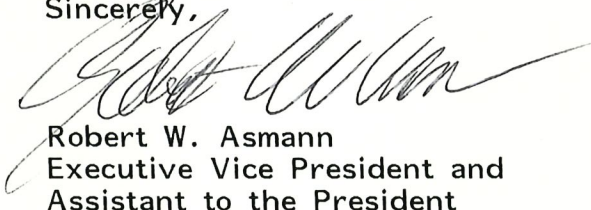
Dear Chairman Montgomery and Committee Members:

BANK IV Wichita has a very significant investment in property in downtown Wichita. In that regard, I express my strong support for House Bills 2667 and 2670. A steering committee of The Chamber of which I am a member has been evaluating Kansas downtown development legislation. Our committee believes that in order to facilitate private investment in downtown and enable downtown property owners to tax themselves for needed physical and service improvements, statutory changes are necessary.

These proposals are the result of that effort. They incorporate a wide range of expertise provided by the city attorney, GDW Staff, bond council, property owners and members of the Sedgwick County delegation. If these bills become law, BANK IV will join with the business community in determining what our downtown priorities are and where our efforts should be focused.

The State of Kansas must act quickly if it is to keep pace with the rapid changes transforming the face of urban communities across the country. BANK IV believes in Kansas and will play a continuing role in enhancing the well being of our citizens. Help us make this possible.

Sincerely,



Robert W. Asmann
Executive Vice President and
Assistant to the President

RWA:kjc

bcc: Nat Griffin

(Attachment IX) Local Go 3/23/88

Copy



22 March 88

Mr. Don Montgomery, Chairman
Senate Local Government Committee
State Capitol
Topeka, Kansas 66616

Dear Senator Montgomery:

MISCO Industries, Inc. is a property owner in downtown Wichita. We are vitally concerned about the economic well-being of the center city. Recently the anchor tenant in our building, The Residence Inn Company, announced its intention to relocate its corporate office to Bethesda, Maryland. While this action may not be directly attributable to economic conditions in downtown Wichita, it does point out the need to maintain our competitive position relative to other cities throughout the United States.

MISCO supports HB 2667 and HB 2670 because we believe that Kansas communities must take active steps to revitalize their downtowns. These bills will enable us to focus private resources on downtown problems.

HB 2667 broadens the Kansas Municipal Improvement District statute by allowing property owners to tax themselves for downtown services and facilities. Municipal Improvement Districts are widely used in downtown areas throughout the country to supplement services provided by municipal governments.

HB 2670 will give us a Tax Increment Financing bill which permits systematic implementation of district-wide downtown improvements. It should be more widely used than the present statute which has led to only two TIF projects over a number of years.

These statutes will be used only where a local community determines it is in its best interest to do so. The bills provide ample safeguards.

I hereby request your support for both HB 2667 and 2670.

Sincerely,

A handwritten signature in cursive script, appearing to read "Peter H. Beren".

PETER H. BEREN
Executive Vice President

FEB 9 1988

Fidelity Savings Association of Kansas

Wichita, Kansas

H. MARVIN BASTIAN
CHAIRMAN OF THE BOARD

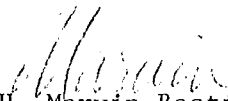
February 5, 1988

Mr. Nat Griffin
Greater Downtown Wichita
350 W. Douglas
Wichita, Kansas 67202

Dear Nat:

I urge the Chamber to press for passage of House Bill 2667 and House Bill 2670 as an imperative to resurrecting our decaying core area. If there is anything we at Fidelity Savings can do to help, please let us know.

Sincerely,



H. Marvin Bastian

HMB:sm

(Attachment XI) Local Go 3/23/88

William D. Bunten
President

Box One
Wichita, Kansas 67201
Phone 316 268-1111

FIRST NATIONAL BANK

March 21, 1988

Chairman Don Montgomery
Senate Local Government Committee
State Capitol Building
Topeka, Kansas 66612

Dear Chairman Montgomery:

The First National Bank in Wichita has maintained its headquarters at the corner of Douglas and Main Streets in Downtown Wichita for over half a century. The headquarters complex includes several structures. We employ nearly 400 people at this location. We have a vital interest in the economic future of Wichita and recognize the need for accelerated investment within the downtown core.

House Bills 2667 and 2670 represent an important positive step for the development of our Downtown Area. They will provide Kansas with a modern package of Downtown Development Legislative Tools.

Previous attempts to create a Downtown Business Improvement District in Wichita have failed, in part because of problems with existing Kansas statutes. Under present law, tax increment financing has not been effectively utilized in our City. Changes are needed. Those presented in House Bills 2667 and 2670 are reasonable and will be effective.

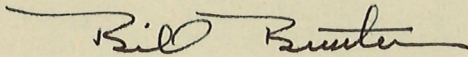
The First National Bank has supported the creation of both the WI/SE Partnership and the Downtown Council, the latter representing Greater Downtown Wichita. These public/private organizations are dedicated to the goal of community revitalization in general and downtown enhancement in particular. Working with Wichita businesses, such as ours, these organizations are developing a plan which will include physical improvements and expanded services for the downtown core. Downtowns represent unique economic development challenges. They have specialized problems and requirements, not found in other areas of cities. These characteristics must be recognized by special statutes. If Kansas is to progress, its downtown areas must be strong and viable. Cities with weak core areas are weak economically.

Chairman Don Montgomery
Page 2
March 21, 1988

The Legislation proposed will benefit all cities in Kansas. It is not a Wichita bill. It is not a bill for just large cities. Rather, it is Legislation which will benefit many communities within our state.

Your support for House Bill 2667 and House Bill 2670 will be appreciated.

Cordially yours,

A handwritten signature in cursive script, appearing to read "Bill Bunker".

President

WDB:pb

**STIFEL, NICOLAUS
& COMPANY INCORPORATED**

INVESTMENT SERVICES SINCE 1890

111 S. MAIN STREET, WICHITA, KANSAS 67202
316-264-6321 • KS 1-800-362-1167

February 5, 1988

Honorable Ivan Sand
Chairman: Local Government Committee
3rd Floor
State Capital Building
Topeka, KS 66616

RE: Tax Increment and Business Improvement District Legislation

Dear Mr. Sand:

I have been assisting in the financing of various projects which could have benefitted by utilizing the improved legislation which is currently before the Local Government Committee. I would like to express my support to the Committee in its approval of this legislation.

The proposed amendments allow Cities the ability to undertake projects, particularly in their Central Business Districts, which in the past have had difficulty in finance structuring under the current law. The proposed amendments have the necessary safe guards to protect individual property owners and tax payers, as well as allowing for other taxing authorities the ability to have adequate input, and the right to stop projects if those projects are considered to be a disadvantage to those taxing authorities.

These amendments are prudent and allow Cities the ability to self-govern more effectively. The amendments allow for substantial Citizen input and allow Cities to undertake projects the residents feel are essential to improve their local environment.

I hope to attend the hearing on Tuesday, February 9, 1988. If provided the opportunity, I would like to express these sentiments personally to the Committee.

Thank you for your continued dedication to making Kansas a better place to work and live.

Sincerely,



Steven F. Randle
Vice President
Municipal Finance

SFR/jas

(Attachment XIII) Local Go 3/23/88



MEMBERS / NEW YORK STOCK EXCHANGE, INC. / AMERICAN STOCK EXCHANGE, INC. / MIDWEST STOCK EXCHANGE, INC.

THE CHAMBER

March 22, 1988



The Honorable Don Montgomery
Chairman, Senate Local
Government Committee
State Capitol
Topeka, Kansas 66612

Dear Senator:

The Wichita Area Chamber of Commerce is made up of approximately 2100 businesses in the Wichita area. Our mission is to "promote a healthy and growth-oriented economic environment for the benefit of business and the people of Wichita and the regional area." As president of The Chamber, I appreciate this opportunity to let you know what we are doing to achieve this goal.

The Chamber is working in conjunction with the WI/SE Partnership for Growth, a non-profit, cooperative effort of the public and private sectors, to boost the economic climate of our part of Kansas through a program called "Blueprint 2000," a nine-point development plan.

Downtown is one of the nine areas being emphasized in Blueprint 2000. Wichita recognizes the importance of downtown to our community and is directing a substantial amount of money and effort toward central city revitalization.

As part of the entire planning and revitalization process, we need a sound downtown investment strategy, we need additional financial resources, and we need a favorable legal climate.

The Chamber and WI/SE support HB 2667 and HB 2670. I testified in their support before the House Local Government Committee on February 9. These bills amend two existing Kansas statutes, neither of which has worked effectively in the past. Our research committee spent a great deal of time assessing various alternatives and determined that these changes represent the best judgment of many experts on what needs to be done. They reflect the thinking of Wichita's city attorney and bond counsel, the Sedgwick County legislative delegation and staff, and constitute our best judgment on how to encourage downtown revitalization through legislative action.

The Honorable Don Montgomery
March 22, 1988
Page two

We have a strong constituency for these efforts which includes other communities throughout Kansas. Your support will help all Kansas cities grow and prosper.

Thank you.

Respectfully,

A handwritten signature in cursive script, appearing to read "F. Tim Witsman".

F. Tim Witsman
President



Multimedia Cablevision, Inc.

Union Station, 701 E. Douglas, P.O. Box 3027, Wichita, Kansas 67201 - (316) 262-4270

March 21, 1988

Mr. Don Montgomery
Senate Local Government Committee
Kansas Senate
Topeka, Kansas 66603

Dear Mr. Montgomery:

I am a member of the Wichita Downtown Council and am therefore very interested in the work of your Local Government Committee.

I understand that you will be conducting hearings on two bills developed by Greater Downtown Wichita (HB 2667 and HB 2670). Both of these measures could be very important tools for carrying out Wichita's downtown revitalization program. As Kansas' largest city, a vital downtown is an absolute must and I urge you to support passage of both of these bills.

I appreciate your attention to this request, Mr. Sand.

Sincerely,

A handwritten signature in cursive script that reads "Michael C. Burrus".

Michael C. Burrus
Vice President Operations
and Financial Services

MCB:vm

(Attachment XV) Local Go 3/23/88

ISSUE #6:

Amendments to the Self-Supported **Municipal Improvement District Act**

SUMMARY:

The Self-Supported Municipal Improvement District Act was enacted in 1981. It was established in order to allow property owners to create a district and tax themselves in order to make certain infrastructure improvements such as sewers, levees, street grading, curbing, and lighting, as well as sidewalks, water mains, and parking facilities.

Amendments are needed which would: broaden the improvement district activities to include "services" such as sanitation, security, transportation and others; change procedures for establishing the district; allow changes in the ad valorem tax being levied, if same procedure is followed; and exempt such levies from the tax lid laws.

ACTION & COMMENTS:

Bill will be introduced; monitor closely.

See Appendix "E".

(Attachment XVI) Local Go 3/23/88

ISSUE #5:

Amendments to the Redevelopment of Central Business District Areas Act
(Tax Increment Financing)

SUMMARY:

The Redevelopment of Central Business District Areas Act was first enacted in 1976 to promote, stimulate, develop and redevelop central business district areas of cities. Generally, it authorizes cities to acquire certain property and to issue bonds for the financing of redevelopment projects. While the act was amended in 1979, 1982 and 1984, it has only led to one tax increment project in the Kansas City, Kansas downtown and just a few statewide. Changes are needed which would make this act more flexible and therefore more useable.

Amendments are needed which would also allow: development in "blighted areas" as well as CBDs and enterprise zones; a two stage approval process by the governing body; a "redevelopment district" with a redevelopment plan; redefinition of tax increment to include the district; captured increment starting with the establishment of the district; broadening of what project funds can be spent; and infusion of funds for projects from sources other than tax increment.

ACTION & COMMENTS:

Bill will be introduced; monitor closely.

See Appendix "D" for more detailed amendments.

(Attachment XVII) Local Go 3/23/88

XVII



CITY OF TOPEKA

Department of Community & Economic Development
820 S.E. Quincy Street Suite 501
Topeka, Kansas 66612
Phone 913-234-0072

March 23, 1988

Senate Local Government Committee
HB 2670 - Tax Increment Financing

Christopher Imming
Associate Director
City of Topeka Community
and Economic Development

The City of Topeka supports House Bill 2670 relating to redevelopment of cities and tax increment financing. We believe that the changes proposed by HB 2670 would enhance the ability of local governments in Kansas to undertake redevelopment projects in certain areas of their communities. As you know the City of Topeka is one of two cities in Kansas to utilize tax increment financing to undertake a redevelopment project. The changes as proposed to date in HB 2670 will not adversely affect the city's ability to continue planning on a project to be located in downtown Topeka.

(Attachment XVIII) Local Go 3/23/88