

Approved August 4, 1989

Date

MINUTES OF THE House COMMITTEE ON Transportation

The meeting was called to order by Rex Crowell at
Chairperson

1:30 ~~a.m.~~/p.m. on February 2, 1989 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. Jack Ransom, Economic Lifelines
Ms. Judy Runnels, Economic Lifelines
Mr. Bud Grant, Kansas Chamber of Commerce & Industry
Mr. Tim Witsman, Wichita Chamber of Commerce
Mr. Joe Keller, Pittsburg Industrial Development Corp.
Mr. Frank Eaton, Southeast Kansas Cities Coalition
Mr. Jesse Jackson, Southeast Kansas Cities Coalition
Mr. Glen Weldon, Coffeyville City Manager
Mr. Mark McAnarney, Great Bend City Administrator
Mr. Steve Lackey, Wichita Public Works
Mr. John Neal, Hutchinson Highway Committee
Mr. Tim Ren, Mayor, Parsons

The meeting was called to order by Chairman Crowell, and the order of business was a hearing on HB-2014 concerning the maintenance, building and financing of highways.

Mr. Jack Ransom, Economic Lifelines, spoke in support of HB-2014. (See Attachment 1)

Ms. Judy Runnels, Economic Lifelines, gave a slide presentation concerning HB-2014. (See Attachment 2)

Mr. Bud Grant, Kansas Chamber of Commerce and Industry, spoke in favor of HB-2014. (See Attachment 3)

Mr. Tim Witsman, Wichita Chamber of Commerce, testified in support of HB-2014. (See Attachment 4)

Mr. Joe Keller, Pittsburg Industrial Development Corporation, Pittsburg, Kansas, testified in favor of HB-2014. (See Attachment 5)

Mr. Frank Eaton, Southeast Kansas Cities Coalition, testified in support of HB-2014. (See Attachment 6)

Mr. Jesse Jackson, Southeast Kansas Cities Coalition, testified in support of HB-2014. (See Attachment 7)

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Transportation,
room 519-S, Statehouse, at 1:30 ~~xx~~ p.m. on February 2, 1989

Mr. Glen Weldon, City Manager, Coffeyville, Kansas, testified in support of HB-2014. (See Attachment 8)

Mr. Mark McAnarney, Great Bend, Kansas, testified in support of HB-2014. (See Attachment 9)

Mr. Steve Lackey, Department of Public Works, Wichita, Kansas, spoke in support of HB-2014. (See Attachment 10)

Mr. John Neal, Hutchinson, Kansas, testified in support of HB-2014. (See Attachment 11)

Mr. Tim Ren, Mayor, Parsons, Kansas, testified in favor of HB-2014. He stressed the need for improved highways in Kansas, and urged passage of HB-2014.

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


Rex Crowell, Chairman

PLEASE PRINT

NAME	ADDRESS	COMPANY/ORGANIZATION
Ken Baker	Topeka	Peterson's Assoc.
Bill Henry	Topeka	KES
John D. Miller	Topeka	AARP
George Roebel	Topeka	AARP Task Force
Curt McConnell	Topeka	UPI
Jay Thyer	Topeka	City
Jim Jackson - City Clerk	Topeka	City
Gloria Jimma	Topeka	DAR
Ronald Zahler	Parsons	Chamber of Commerce
Maureen Carson	Parsons	Chamber of Commerce
Gary Wenzel	Ottawa, Kansas	Self
Kenneth Sunkin	Hutchinson	Chamber of Commerce
Hubert Faulkner	Hutchinson	" " "
Shelley Sutton	Topeka	Ks Engineering Soc.
Janette Nagelski	Topeka	Ks Public Transit Assn
Gene Miller	Concordia	City
Jess Harder	Buhler	Legis.
Herb & Beulah	Patty Prairie	Legislators
Mark McNamee	Great Bend	City
Rick Kready	Topeka	KPI Gas Service
Jim Ludwig	TOPEKA	KPI Gas Service
Tom Wilkins	Laurie	Gov Liaison
Bill Moran	Chanute	Commissioner
FRANK EATON	S.E. Ks Cities	Engineer
Robert H. Walker	Chanute (SEKCC)	City of Chanute
Glen E. Welder	Coffeyville	City

PLEASE PRINT

NAME	ADDRESS	COMPANY/ORGANIZATION
Jesse Jackson	Chanute, Ks	Commissioner
Joseph Kellen	Pittsburg, Kans	Pittsburg, Road Devel
Liz Zirger	Topeka	KDOT
Judy Riches		KDOT
STEVE WACIBAY	City of Wicinita	Wicinita
Catherine Heideman	City of Wichita	Wichita
J William Orr	Parsons, Kan	Choke of Commerce
Timothy A. Ben	Parsons, Ks	Mayor
Andy Plouman	Parsons, Ks.	City Council
Christy Young	Topeka	Topeka Chamber of Com.
Dawn Schneider	Rep. Miller's Office	
JANET M. MCKINNEY	CHANUTE, KS	MARTIN TRACTOR
Tom Whitaker	Topeka	Ks Motor Carriers Assn
Mary E. Turington	Topeka	Kans. Motor Carriers Assn
Jack Ranson	Wichita	Economic Lifelines
Dan Ramlow	TOPEKA	KS Contractors Assn
Starla Evans	Topeka	intern for Mr. Crowell
HAROLD PITTS	TOPEKA	KCOA
Ray Olson	Topeka	Kansas Coalition on Aging
HORACE EDWARDS	TOPEKA	KDOT
GARY L. MORRIS	RTI Nickerson	Hutch Hwy Group
JON DAVIS	Hutchinson	Hutch Hwy Group
EARL McVICKER	HUTCHINSON	" " "
John Neal	Hutchinson	Hutchinson Highway Committee

Jack
JM

ECONOMIC LIFELINES HIGHWAYS

February 6, 1989

Co-Chairmen

John Montgomery
Junction City
Jack Ranson
Wichita

Board Of Directors

Ed Bruske
Topeka
Jim DeHoff
Lawrence
John Kemp
Prairie Village
John Koger, Jr.
Topeka
Howard Loomis
Pratt
Jim Mans
Wichita
Mark Mingenback
Great Bend
Doyle Rahjes
Manhattan
Roberta Sharp
Salina
Bob Whittaker
Augusta

Ex-Officio Directors

Denise Apt
Iola
Glenn Coulter
Topeka
Claudette Lewis
Rose Hill
Mary Turkington
Topeka

Alternate Directors

Bill Abbott
Wichita
Art Collins
Hutchinson
Paul Fleener
Manhattan
Jim Foster
Wichita
Glen Gilpin
Emporia
Mike Johnston
Parsons
Donald Laird
Garden City
Wayne Maichel
Silver Lake
Bill Williams
Kansas City
Tim Witsman
Wichita

Mr. Rex Crowell, Chairman
House Committee on Transportation
State House
Topeka, Kansas 66612

Dear Chairman Crowell:

The purpose of this letter is to summarize my testimony on February 2, 1989, before your committee re the proposed comprehensive highway program embodied in H. B. 2014.

I appeared in my role as co-chairman of Economic Lifelines, a coalition of associations and individuals dedicated to accelerating the improvement of our highway system statewide. Our organization is bi-partisan, as evidenced by my serving as co-chairman with Mr. John Montgomery of Junction City. I have enjoyed working with John and with Judy Runnels, our executive director in this effort to assist the legislature by educating the general public about the serious problems of our highway system and the need to find adequate solutions.

Economic Lifelines as an organization supports the scope of the proposed program as envisioned in H. B. 2014. We are familiar with the various funding and financing options which are under consideration, and we believe the vast majority of our membership can and will be supportive of any of them, stressing that we believe the scope of the program should be preserved.

The "bonding" or debt aspect of the proposed program has

Att. 1

been much discussed and evidently is somewhat controversial. My business experience is in the municipal or "tax-exempt" bond field, with 35 years of representing Ranson & Company, Inc. working with cities, counties and school districts on capital improvement projects. I feel I have a good working knowledge of the subject, and, at my suggestion, I had volunteered to your chairman to be a "debt advocate" and to try to make a case for debt financing in the highway program. I want to make the point that I am not advocating bonding just to get more business; in fact, many months ago I made the decision that our company would not be an underwriter of these bonds, because I feel the issue is so important I want to maintain credibility as a "debt advocate".

The local units of government mentioned above almost universally rely on debt financing (bonding) for any major capital improvement project. Many other states do, also, but there has grown in Kansas a reluctance on the part of the legislature to use that form of debt, in many cases deciding instead to raise cash taxes and appropriate cash funds (or to not do the capital improvements). I know many Kansans agree with me that more debt financing would make sense for Kansas, and I will try to make a case for that.

I used a simplistic example at the committee hearing in order to illustrate the impact of debt financing on taxpayers, which I believe to be in their best interests and in the best interest of the state of Kansas as well. My basic point is the the state in this instance is an "on behalf of issuer" of bonds; in other words, they are issuing bonds on behalf of the taxpayers who are going to be expected to pay off the principal and interest requirements of the debt. What course, then, is in the best interests of the taxpayer?

My simplistic example assumed a \$150,000,000 highway project to be constructed over a five-year period under construction contracts let immediately, with annual payments to the contractors totalling \$30,000,000 each year. Two alternative plans are considered by the state to fund those payments: Plan A is to raise the motor fuel tax 2 cents per gallon, producing the \$30,000,000 annually needed to make the construction payments; Plan B is to issue \$150,000,000 of highway revenue bonds, make the construction payments from those bond proceeds, and raise the motor fuel tax only 1 cent per gallon, producing \$15,000,000 per year for the state (which the state uses to make the annual payments on the \$150,000,000 in bonds).

Why is Plan B preferable for taxpayers? Mainly because of the \$15,000,000 left annually in their pockets (by not levying the extra 1 cent of motor fuel tax), rather than its being taken by the state to build roads and avoid bonds. The state will have borrowed "on their behalf", getting a very favorable interest rate (currently between 7 and 7 1/2 per cent, as opposed to individual borrowing rates ranging from about 11% on home mortgages to in excess of 20% on credit card balances). The taxpayers are far better off being given the discretion of utilizing that \$15,000,000 (in their hands because of not paying the extra cent of motor fuel tax); they can invest in U.S. Treasury bonds at about 9%, they can pay off mortgage balances (ranging from 9 to 12 per cent) or best of all, they can pay off credit card balances sooner, avoiding some very high interest charges. This macro-economic analysis is valid, in my opinion, and will have a real-world favorable impact on the Kansas economy if the debt financing option is utilized by the state to a reasonable degree.

This is not intended to be an argument against the fuel tax increases embodied in H. B. 2014, but instead illustrates the fact that increasing the amount of bonding will reduce or eliminate the need for a sales tax increase. You have a complex funding-financing package before you, and some serious decisions are ahead of you in order to supply the state with the comprehensive highway program many of us believe the state needs. We in Economic Lifelines stand ready to assist in any way we can to accomplish that purpose.

Sincerely,

A handwritten signature in cursive script that reads "Jack Ranson". The signature is written in black ink and is positioned above the printed name and title.

Jack Ranson
Co-Chairman
Economic Lifelines



**CENTRAL RESEARCH
CORPORATION**

RESEARCH AND CONSULTING

THE KANSAS HIGHWAY SYSTEM
A Statewide Survey of Adult Kansans
December 1988

INTRODUCTION and BACKGROUND

This report contains results and analysis of a statewide survey of Kansas adults, commissioned by Economic Lifelines and designed and conducted by Central Research Corporation.

The survey was undertaken to assess the awareness of Kansans about the state's highway system, about its adequacy, its condition, and whether and with what urgency Kansans might see a need for expanded highway maintenance and improvement efforts in the state.

Results are based on telephone interviews with a representative statewide sample of 653 adult Kansans. Interviewing was conducted between November 19 and December 12, 1988.

SAMPLE CHARACTERISTICS

The survey sample was comprised of respondents in the categories and magnitudes listed below:

	Number In Sample	Percent Of Sample
<hr/> All Respondents - STATEWIDE	653	100%
Kansans residing in...		
- Wichita/Kansas City/Topeka	225	34%
- Other Urban areas (Cities of 2,500 population or more)	184	28%
- Rural areas and smaller towns (Remainder of the state)	224	34%
Kansans whose use of the public roads is... (as driver or passenger)		
- Light: 75 or fewer miles per week	243	37%
- Moderate: 75 to 200 miles per week	236	36%
- Heavy: Over 200 miles per week	171	26%
Kansans who are...		
- Age 18-29	125	19%
- Age 30-44	201	31%
- Age 45-64	169	26%
- Age 65 or older	156	24%
By Sex...		
Male Kansans	339	52%
Female Kansans	314	48%

OVERVIEW OF RESULTS

Rare is the Kansan who thinks the state is doing "Too Much" to maintain and improve the state's highway system (1%). On the other hand, a (majority) 54% think "Too Little" is being done and 34% label current levels of effort as "About Right".

More than half of Kansans rate the state's interstate highways as either "Good" (49%) or "Excellent" (4%), with a total of 42% rating then either "Fair" (33%), "Poor" (6%), or "Terrible" (3%).

Other (non-interstate) highways in the state's system, however, are seen as being in substantially poorer condition or repair than the interstate highways...about one in four offer ratings of either "Good" (25%) or "Excellent" (1%); while a total of 70% rate the non-interstate highways as either "Fair" (47%), "Poor" (19%) or "Terrible" (4%).

Coming across "Bad" sections of highway isn't an unusual experience for the Kansas traveller; 55% say they commonly see sections of highway they would describe as "needing improvement".

The most frequently noticed problems (81%) relate to the highway surface (cracked, potholed, bumpy, disintegrating pavement), and sizeable numbers also focus on narrow driving lanes (13%) and narrow shoulders (12%).

Most do not volunteer specific thinking about reasons the state's highways aren't in better shape than they are. Slightly more than 1/3 (37%) allude in only general terms to lack of money or resources applied to highway programs. Significant numbers see waste and inefficiency in project execution (13%) or in program management (10%).

How important is it for Kansas to increase or expand its highway improvement efforts? Most Kansans say "Very Important" (49%) or "Critical" (13%). Fewer (about 1/3 in all) say that expansion of highway improvement efforts is only "Somewhat Important" (29%) or "Not Very Important" (5%).

About 2 out of 3 Kansans say available highway money should be concentrated on maintaining and upgrading the present system of highways (65%). Thirty percent (30%) say both repair/upgrading and new construction should share priority.

What does "New Highway" mean? When officials speak of "building new highways", most Kansans (62%) picture new ground being broken to construct highways where currently no highway exists.

In response to a series of questions about how much "need" they see for different treatments to the state's system of highways, Kansans offer much broader support for evolutionary kinds of upgrading than they do for new highway construction.

Percent who say there is "Strong Need"

- For building Safer Shoulders on narrow highways	67%
- For Widening the Pavement on narrow highways	64%
- For replacing or widening older Bridges	62%
- For Surface Repaving and Maintenance	57%
- For Converting some 2-lanes to 4-lanes	44%
- For Building New Highways	17%

Responding to a structured question listing fuel tax, sales tax and registration & license fees as alternative ways to raise additional money for highway improvement work...43% of Kansans say raising the fuel tax is the most desirable (or the least undesirable) alternative; 21% pick the sales tax, and 19% say increases in fees are the preferred alternative.

Is the current Kansas gasoline tax closer to... 5, 11, 17, or 25 cents per gallon? Almost half (47%) of Kansans say they don't know which of the four choices listed is correct; 11% say it's 5 cents; 32% say it's 11 cents; 7% say it's 17 cents and 2% say it's 25 cents.

Asked directly about raising the Kansas fuel tax (from 11 cents per gallon to 16 cents per gallon) to help pay for expansion of highway programs, Kansans divide about down the middle.

- Raise the Kansas fuel tax from 11 cents per gallon to 16 cents per gallon...?	7% Favor Strongly
	40% Favor
	31% Oppose
	16% Oppose Strongly
	6% Don't Know

And a similar, nearly equal division occurs when Kansans are asked about increasing the state sales tax.

- Raise the state sales tax by one-half of one percent...?	6% Favor Strongly
	40% Favor
	34% Oppose
	15% Oppose Strongly
	4% Don't Know

For its job performance to date in building and maintaining the state's system of highways, the KS Department of Transportation receives generally positive marks, with relatively few Kansans (19%) saying the department has done an inadequate job.

- KDOT's performance in building and maintaining the state's system of highways & bridges...?
 - 21% Good Job
 - 52% Adequate Job
 - 19% Inadequate Job
 - 7% Don't Know

When asked who should make the decisions about which specific highways and bridges are to be improved, and when...Kansans are nearly unanimous in preferring KDOT over either the Legislature or the Governor's Office as the best place for such decisions to be made.

- Decisions best made by...?
 - 77% KS Dept of Trans
 - 8% Legislature
 - 4% Governor's Office
 - 11% Don't Know

Survey respondents were asked to respond (Agree or Disagree) to a number of statements or arguments related to highway programs and highway funding in Kansas. The tested statements or arguments (paraphrased below) are listed with those attracting the widest consensus or agreement at the top, and those with least consensus or agreement at the bottom.

	Agree	Dis- agree	Don't Know
	-----	-----	-----
When highway repairs and modernization are put-off, ultimate cost is much higher	94%	2%	4%
Bad highways cost drivers extra expense from extra wear & tear on vehicles	93%	6%	1%
Good highways contribute to economic development and support creation of jobs	83%	8%	10%
Kansas highways increasingly unsafe as repair efforts fail to keep pace	67%	23%	11%
Rural areas don't get their fair share of highway repair & improvement work	63%	12%	25%
State Fuel Tax revenue not keeping up with growing traffic volumes & maintenance costs	46%	24%	30%
Kansas is in danger of being unable to meet matching requirements for federal funds	35%	11%	55%
Kansas fuel tax and registration fees are among the lowest in the region	17%	21%	63%

Most Kansans (65%) say they would view as "Reasonable" an expanded highway program that cost the typical car owner an additional \$50 per year in taxes and fees. The prospect of \$50 more per year in fees and fuel tax would seem "Unreasonable" to 27%.

IN SUMMARY

Kansans, in the main, know the state's highway system is suffering from neglect. They see evidence of it when they travel, and under current circumstances they see it getting worse rather than better.

There is rather broad but low-key support for expansion of highway improvement programs in Kansas. There is broad recognition that more money is needed. And while Kansans are not clamoring to have taxes raised and fees jacked up...neither do they close the door on bearing a larger burden for better highways.

Popular sentiment leans much more toward maintaining and upgrading the current state system than it does toward adding new miles of highway to the system.

And most would prefer to have KDOT (rather than the Legislature or the Governor's Office) make the decisions about what gets done in what order.

Grant

LEGISLATIVE TESTIMONY



Kansas Chamber of Commerce and Industry

500 First National Tower One Townsite Plaza Topeka, KS 66603-3460 (913) 357-6321

A consolidation of the Kansas State Chamber of Commerce, Associated Industries of Kansas, Kansas Retail Council

February 2, 1989

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the
House Committee on Transportation

by

Bud Grant
Vice President

Mr. Chairman and members of the Committee:

On behalf of its 3700 members and as a member of the Economic Lifelines organization, KCCI is here today to voice our support for a comprehensive highway program for Kansas. We would also like to compliment the legislative highway interim committee for their efforts in establishing a highway proposal that is the basis of our review today.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

Att 3

Our testimony is very brief because of the large number of proponents supporting the plan. However, being brief should not detract from the depth of interest our members have in seeing a highway plan approved in the 1989 legislative session.

KCCI supports most of the basic concept of the proposal suggested by the interim committee, and that includes a highway program financed with increased motor vehicle fuel taxes, an increase in vehicle registration fees, and increasing the transfer of sales tax collections from the sale of new and used vehicles. In addition, KCCI supports the use of bonding to insure consistency of planning, funding and construction of the highway program.

The KCCI Board of Directors has not taken a position on increasing the sales tax to support highways. However, historically it has preferred to stay with traditional user fees for highway construction.

In closing, we urge this committee to support a comprehensive highway plan for Kansas during this legislative session. This would insure Kansas that it would maintain its economic growth potential for the next 15-20 years and also maintain its label as the "Crossroad of America."

TESTIMONY OF TIM WITSMAN
WICHITA AREA CHAMBER OF COMMERCE
TO HOUSE TRANSPORTATION COMMITTEE
FEBRUARY 2, 1989

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I AM TIM WITSMAN, PRESIDENT OF THE WICHITA AREA CHAMBER OF COMMERCE AND CHIEF EXECUTIVE OFFICER OF THE WICHITA/SEDGWICK COUNTY PARTNERSHIP FOR GROWTH (WI/SE). WI/SE IS A UNIFIED ECONOMIC DEVELOPMENT PARTNERSHIP OF SEDGWICK COUNTY, THE CITY OF WICHITA, THE SMALLER CITIES OF THE COUNTY, THE WICHITA STATE UNIVERSITY, THE CHAMBER AND THE GENERAL BUSINESS COMMUNITY. WI/SE IS A MEMBER OF ECONOMIC LIFELINES.

IT IS APPROPRIATE TO BEGIN BY COMMENDING, IN THE STRONGEST POSSIBLE TERMS, THE INTERIM TRANSPORTATION COMMITTEE'S WORK IN PRODUCING A COMPREHENSIVE HIGHWAY PROGRAM. FOR MANY YEARS TO COME, PEOPLE WILL OWE A DEBT OF GRATITUDE TO REPRESENTATIVE CROWELL FOR HIS LEADERSHIP AND UNSELFISHNESS IN THE DEVELOPMENT OF THE PROGRAM. WE ALSO APPRECIATE THE SUPPORT OF GOVERNOR HAYDEN AND THE WORK ON THE COMMITTEE OF OUR DELEGATION MEMBERS, SENATOR MORRIS, SENATOR FRANCISCO, REPRESENTATIVES FULLER AND GJERSTAD.

I DO NOT WANT TO REPEAT THE TESTIMONY WHICH WE PROVIDED TO THE INTERIM TRANSPORTATION COMMITTEE. IT MAY BE WORTH PROVIDING THE NEW COMMITTEE MEMBERS WITH SOME INFORMATION ABOUT THE ROLE OF TRANSPORTATION IN THE DEVELOPMENT OF WICHITA. IN THE 1870s, SEDGWICK COUNTY SOLD \$200,000 WORTH OF COUNTY BONDS TO ENTICE THE SANTA FE RAILROAD TO EXTEND THEIR LINES SOUTH FROM NEWTON TO DEVELOP THE CATTLE TRADE IN WICHITA. AS A RESULT OF THAT AND OTHER ECONOMIC DEVELOPMENT EFFORTS OF THE COMMUNITY, WICHITA BECAME A BOOMING COMMUNITY. AT THE NATIONAL LEVEL, A KANSAN, DWIGHT D. EISENHOWER, UNDERSTOOD THE IMPORTANCE OF A COMPREHENSIVE HIGHWAY PROGRAM. HE PROPOSED AND BEGAN THE MODERN INTERSTATE SYSTEM. THAT SYSTEM PROVIDED OUR AREA WITH VITAL LINKS TO THE

NORTH AND NORTHEAST. IT DID NOT, HOWEVER, PROVIDE US WITH ADEQUATE CONNECTIONS TO THE SOUTHEAST OR TO THE WEST.

WHEN WE SPOKE TO THE SEDGWICK COUNTY DELEGATION IN DECEMBER, WE STRESSED THE IMPORTANCE OF INVESTMENTS FOR THE FUTURE OF THE STATE OF KANSAS. OUR EMPHASIS IS IN FOUR AREAS: HIGHWAYS, EDUCATION, ECONOMIC DEVELOPMENT AND WATER. TOO OFTEN THE PUBLIC DEBATE REVOLVES AROUND TWO POLAR POSITIONS OF SPENDING GOVERNMENT MONEY OR NOT SPENDING. THIS APPROACH OVERSIMPLIFIES THE QUESTION. THE BUSINESS COMMUNITY CONSISTENTLY URGES RESTRAINT ON OPERATIONAL COSTS, HOWEVER, WE DO BELIEVE IN THE IMPORTANCE OF MAKING PROPER INVESTMENTS. IF COLONEL SANDERS HAD TAKEN HIS RETIREMENT MONEY AND PLACED IT UNDER A MATTRESS, HE WOULD NEVER HAVE DEVELOPED ONE OF THE MOST SUCCESSFUL FAST-FOOD OPERATIONS IN THE WORLD. BUSINESS UNDERSTANDS THE NEED TO INVEST. AS SOME OF YOUR KNOW, I HAVE FIVE CHILDREN. I PLACE HIGH PRIORITY ON PROVIDING THE RESOURCES FOR VARIOUS LESSONS FOR MY CHILDREN AND REGARD THAT AS MORE IMPORTANT THAN SPENDING FOR CONSUMPTION-ORIENTED ACTIVITIES.

IT IS VITAL THAT PEOPLE IN POSITIONS OF RESPONSIBILITY LIKE YOURSELVES HAVE A VISION OF THE NEEDS OF THE WHOLE STATE. SOUTHEAST, SOUTHWEST AND NORTHWEST KANSAS NEED ACCESS TO THE MAIN THOROUGHFARES OF COMMERCE. LACK OF ADEQUATE ACCESS TO THOSE AREAS HURTS OUR COMMUNITY, BUT I BELIEVE IT IS FAR MORE HARMFUL TO THE CITIES AND TOWNS OF THE SOUTHEAST AND WEST. EVEN IF WE DIDN'T CARE ABOUT THE FUTURE OF WESTERN AND SOUTHEAST KANSAS, AND WE DO CARE, WEAKNESS IN THEIR AREAS WOULD SIMPLY DRAIN OUR COMMUNITY OF RESOURCES.

IN CONSIDERING HOUSE BILL 2014, I TRUST THAT YOU UNDERSTAND THAT YOU ARE SETTING THE SHAPE OF TRANSPORTATION IN THIS STATE FOR THE REMAINDER OF THE CENTURY. IF THE LEGISLATURE IS TIMID, IT WILL SIMPLY MAINTAIN A PATH OF NOT DECLINE, BUT LOSS OF MARKET SHARE IN THE UNITED STATES' ECONOMY. OVER THE PAST 20 YEARS, KANSAS HAS FAILED TO KEEP UP WITH NATIONAL AVERAGES IN

POPULATION GROWTH, GROWTH IN PERSONAL INCOME AND GROSS STATE PRODUCT AS A PERCENTAGE OF THE U.S. GNP. WE HAVE NOT FACED A CRISIS IN THE PROPORTIONS OF TEXAS OR OKLAHOMA, BUT WE ARE LOSING BY INCHES. I BELIEVE THAT THIS FAILURE TO INVEST HAS CONTRIBUTED TO OUR INABILITY TO KEEP PACE WITH THE NATIONAL ECONOMY.

OVER THE PAST 20 YEARS, SPENDING BY CITIES AND COUNTIES IN SUPPORT OF TRANSPORTATION SYSTEMS HAS DRAMATICALLY INCREASED. CITIES AND COUNTIES HAVE UTILIZED GENERAL OBLIGATION BONDS AND OBTAINED AUTHORITY TO LEVY SALES TAXES IN SUPPORT OF STREET AND HIGHWAY CONSTRUCTION. DURING THAT SAME PERIOD, STATE CAPITAL SPENDING HAS FALLEN FROM 25% OF TOTAL STATE SPENDING TO 8% OR LESS. THIS TREND HAS CONTINUED ACROSS ADMINISTRATIONS AND LEGISLATURES SO CONSISTENTLY THAT THERE IS NO PARTISAN BLAME TO BE LAID AT ANYONE'S DOORSTEP. RATHER, THE ENEMY IS A MINDSET.

JUST THIS WEEK, YOU HAVE BEEN PROVIDED WITH SOME ADDITIONAL OPTIONS FOR FUNDING THE COMPREHENSIVE HIGHWAY PROGRAM. THOSE OPTIONS INCLUDE GREATER UTILIZATION OF BOND FINANCING. WE BELIEVE THAT YOU SHOULD SERIOUSLY CONSIDER GREATER RELIANCE ON BONDS AS A WAY TO SUPPORT A COMPREHENSIVE HIGHWAY PROGRAM. I REALIZE THAT A NUMBER OF PEOPLE ARE CONCERNED OVER THE CREATION OF ADDITIONAL STATE DEBT. IT IS QUITE TRUE THAT DEBT CAN BE USED IMPROPERLY. PERHAPS THE PRIME EXAMPLE OF IMPROPER USE OF DEBT IS THE FEDERAL GOVERNMENT'S TREND OF FUNDING OPERATIONS THROUGH THE CREATION OF DEBT, HOWEVER, THERE ARE PROPER WAYS TO UTILIZE BOND FINANCING. IN SEDGWICK COUNTY, WE OBTAINED AUTHORITY FROM THE STATE LEGISLATURE TO UTILIZE BOND FINANCING FOR HIGHWAYS AND ADDITIONAL AUTHORITY FOR BRIDGES. WE IMMEDIATELY EMBARKED ON A COMPREHENSIVE PROGRAM TO LINK ALL OF THE CITIES IN OUR COUNTY TO MAJOR THOROUGHFARES OF COMMERCE. WHILE WE INCREASED THE COUNTY'S GENERAL OBLIGATION DEBT FROM JUST OVER \$20 MILLION 1982 TO JUST UNDER \$40 MILLION IN 1987, WE ALSO IMPROVED OUR MOODY'S CREDIT RATING FROM AA TO AA1. IN FACT, THE COMMENTS IN THE CREDIT

REPORT READ "THE COUNTY HAS BEEN PURSUING A VIGOROUS CAPITAL IMPROVEMENT PROGRAM WHICH CAN ONLY BENEFIT THE ECONOMIC ENVIRONMENT OF THIS LARGEST POPULATION CENTER IN KANSAS." IN ESSENCE, THE COUNTY'S COMPREHENSIVE PROGRAM WAS THE RIGHT THING TO DO. IT WAS FINANCIALLY RESPONSIBLE AND IT HAS BEEN POLITICALLY POPULAR.

IT WAS NOT UNTIL LAST NIGHT WHEN I RETURNED FROM WASHINGTON, DC, THAT I SAW SOME OF THE FUNDING ALTERNATIVES WHICH HAD BEEN PROVIDED TO YOU. IT IS, THEREFORE, IMPOSSIBLE FOR ME TO MAKE SPECIFIC COMMENTS TODAY. IN GENERAL, WE WOULD SUPPORT THE INCREASED USE OF BONDS AND ATTEMPTS TO AVOID INCREASING THE STATE SALES TAX. THAT DOES NOT MEAN WE ARE IN OPPOSITION OF THE SALES TAX INCREASE, BUT WE WOULD GREATLY PREFER TO FIND OTHER MECHANISMS TO SUPPORT THE PROGRAM.

IN SUMMARY, WE BELIEVE THAT THE INTERIM TRANSPORTATION COMMITTEE DID A SUPERB JOB IN DEVELOPING A REALISTIC AND FORWARD-LOOKING HIGHWAY PROGRAM. WE SUPPORT THAT PROGRAM UNEQUIVOCALLY.

February 1, 1989

Representative Rex Crowell
Chairman, Kansas Department
of Transportation Committee
Room 431-N, State Capitol
Topeka, Kansas 66612

Dear Representative Crowell:

My name is Joseph E. Keller, Pittsburg, Kansas. President of Pittsburg Industrial Development Corporation. Past Director, Chairman and President of Mid-America, Inc. for 26 years. Director of Revolving Loan Fund Committee for City of Pittsburg. Retired McNally Corporation; 50 years employment as Vice-President of Manufacturing.

Comments concerning Kansas highways:

1. Department of Transportation Committee
 - 1.1 Problems, options and questions
 - 1.2 Metropolitan areas
 - 1.3 Mid-size cities in Kansas
2. U.S. 69 Highway
 - 2.1 Safety
 - 2.2 Volume of traffic
3. East/west highways from Wichita to Oklahoma and Missouri
4. Highway Cost
 - 4.1 Revenue sources
 - 4.2 Selling program

Thank you, Mr. Chairman and Committee Members, for the opportunity to be here today.

Joseph E. Keller
Pittsburg, Kansas

SOUTHEAST KANSAS CITIES COALITION

Testimony on House Bill No. 2014
Comprehensive Highway Improvement Program

House Transportation Committee

Chairperson: Representative Rex Crowell
Vice-Chairperson: Representative Lawrence Wilbert

Member-Democrat

Herman Dillon
Gary Blumenthal
Kent Campbell
George Dean
Denise Everhart
Leroy Fry
Delbert Gross
Norman Justice
Jack Lacey
Jim Russell

Member-Republican

Barbara Allen
Cindy Empson
Jeff Freeman
Harold Guldner
Barbara Lawrence
Artie Lucas
Susan Roenbaugh
Eugene Shore
Marvin Smith

February 2, 1989

Frank Eaton, P.E.



Working Together for Southeast Kansas

February 2, 1989

Altamont
Caney
Chanute
Cherryvale
Chetopa
Coffeyville
Columbus
Fort Scott
Fredonia
Girard
Independence
Iola
Neodesha
Oswego
Parsons
Pittsburg

Representative Rex Crowell, Chairman
House Transportation Committee

Mr. Chairman and Members of the Committee:

My name is Frank Eaton and my remarks are on behalf of the Southeast Kansas Cities Coalition whose members are listed in the left-hand margin of the letterhead that has been handed to each of you.

This afternoon our coalition will be giving testimony in favor of a highway program as addressed in House Bill 2014. Please be assured that our remarks will not be repetitive, except in one instance; which is, "The Southeast Kansas Cities Coalition are unanimously in favor of a Statewide Comprehensive Highway Program".

Testifying for the "Coalition" and their discussion subjects are:

Frank Eaton, Consulting Engineer - "Transportation as Related to
Economic Development".

Jesse Jackson, City Commission, Chanute - "Highways as Related to
Safety".

Glen Welden, City Manager, Coffeyville - "Highways as Related to
Regional Development".

Also with us today are other persons from the Southeast who are attending the hearing to demonstrate support of highway improvements in that part of our State. And at this moment, with your permission, I shall ask them to raise their hands.

TESTIMONY BY FRANK EATON:

"Transportation as Related to Economic Development".

The question is always asked - Will new and modern highways guarantee economic development?" It would be easy to say "yes", but the true answer is "no". Why? Simply because, although highways are important, there are other major ingredients involved; which may be water supply, power, labor and so on. Nevertheless, the axiom is: "without an adequate transportation system there will not be economic development".

Let's look at some historical examples:

1. Egypt - "the Cradle of Civilization". Question: "What was, and to this day is, Egypt's lasting place in history? Transportation - The Nile River and the Mediterranean Sea.

2. England the "Fortress of Europe". It's strength lay in the transportation system provided by the Thames River, the English Channel, the Mediterranean Sea and eventually, the oceans of the World.

3. In our own Country - "The United States of America", our original industrial strength lay along the best transportation network that existed at the time - the major rivers of our continent - Allegheny, Ohio, Mississippi, Missouri, Kansas and Arkansas. Each of these great waterways, to this day, play an important role in our nation's transportation system.

But let's return to the "now-en" days. In the mid 1930's President Roosevelt dreamed of a nation-wide system of what he referred to as "defense highways". Later, under President Eisenhower, Roosevelt's dream became what we now know as the "Interstate Highway System". Even prior to the construction of the interstate highway's, in 1954 we, in Kansas, began the construction of the Kansas Turnpike, which is now a part of the nationwide interstate highway system. Surely, as Kansans, we would not even suggest that we regress to a prior era without those magnificent roads. Therefore, not moving forward without an improved state highway system amounts to practically the same thing as moving backward by not keeping up with today's and tomorrow's transportation needs.

Thank you for your kind attention and if there are any questions I will try to answer them.

THE SOUTHEAST KANSAS CITIES COALITION strongly endorses a statewide highway improvement program.

SOUTHEAST KANSAS CITIES COALITION

Testimony on House Bill No. 2014
Comprehensive Highway Improvement Program

House Transportation Committee

Chairperson: Representative Rex Crowell
Vice-Chairperson: Representative Lawrence Wilbert

Member-Democrat

Herman Dillon
Gary Blumenthal
Kent Campbell
George Dean
Denise Everhart
Leroy Fry
Delbert Gross
Norman Justice
Jack Lacey
Jim Russell

Member-Republican

Barbara Allen
Cindy Empson
Jeff Freeman
Harold Guldner
Barbara Lawrence
Artie Lucas
Susan Roenbaugh
Eugene Shore
Marvin Smith

February 2, 1989

Jesse Jackson - City Commissioner
City of Chanute, Kansas



Working Together for Southeast Kansas

February 2, 1989

Representative Rex Crowell, Chairman

House Transportation Committee

Altamont
Caney
Chanute
Cherryvale
Chetopa
Coffeyville
Columbus
Fort Scott
Fredonia
Girard
Independence
Iola
Neodesha
Oswego
Parsons
Pittsburg

Honorable Chairman and Members of the Committee:

As a life long resident of Southeast Kansas, I feel I can speak first hand about the highways in our part of the State.

During the last 50 years, many changes have occurred.

Routine trips have lengthened as people now travel 50 to 100 miles one-way regularly for business, family and social activities. Truck size and weights have increased.

Dependence upon highway transportation has increased due to the loss of rail service and the lack of commercial airports.

At the same time, few major highway improvements have been built. New construction has been limited to a few bridge replacements or very short new sections. Most highways in Southeast Kansas have received only minimal maintenance or an occasional overlay.

Drive any highway in Southeast Kansas and see for yourself. Most are narrow two lane sections designed and built 50 to 75 years ago. Many have no shoulders, and most have an abundance of blind hills and curves, narrow bridges, dangerous intersections and railroad grade crossings.

While I cannot speak knowledgeably about the rest of the State, it is likely similar safety problems exist in other regions. Compare those conditions to highways in heavy traffic volume locations and you come to a startling conclusion. Certain areas of the State are totally dependent upon unsafe and inadequate highways built 50 to 75 years ago.

We believe all areas of the State should have safe highways for residents, visitors and commercial transportation. We believe a comprehensive program is the only logical way to achieve significant safety improvements to meet today's needs and carry us into the 21st century.

We believe now is the time to act. The needs exist. Affordable means are available. We must have the vision and will to initiate a bold program. We seek your leadership and support. We request your strong support for the comprehensive highway construction and maintenance improvements authorized in House Bill No. 2014.

HOUSE TRANSPORTATION COMMITTEE
FEBRUARY 2, 1989

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

I AM GLEN WELDEN, CITY MANAGER OF COFFEYVILLE. THANK YOU FOR THIS OPPORTUNITY TO ADDRESS YOU AGAIN. AS YOU HAVE ALREADY HEARD, THE SOUTHEAST KANSAS CITIES COALITION FEELS THAT HIGHWAYS ARE A VERY IMPORTANT ISSUE TO THE LEGISLATURE THIS YEAR. YOU HAVE ALREADY HEARD THAT THE SOUTHEAST KANSAS CITIES COALITION FEELS STRONGLY THAT A COMPREHENSIVE STATEWIDE PROGRAM IS ESSENTIAL FOR THE FUTURE ECONOMIC HEALTH OF OUR STATE.

HISTORICALLY, KANSAS HAS BEEN ON THE PATH OF AMERICA'S TRAILS, RAILROADS, AND COAST TO COAST HIGHWAYS. KANSAS IS MORE DEPENDENT ON ITS HIGHWAYS THAN MOST STATES FOR THREE REASONS. FIRST, WE HAVE NO WATERWAYS TO TRANSPORT GOODS AND MATERIALS. SECOND, THE ONCE SUPERB RAILROAD SYSTEM THAT LINKED VIRTUALLY ALL KANSAS TOWNS AND CITIES TOGETHER FORTY YEARS AGO IS CHANGING AND IS CONTINUALLY SHRINKING. THIRD, BOTH COMMERCIAL AIRLINE AND BUS SERVICE TO SMALL CITIES HAVE BEEN SHARPLY CUT BACK SINCE FEDERAL DEREGULATION OF TRANSPORTATION IN 1982. HIGHWAYS, THEREFORE, APPEAR TO BE THE TRANSPORTATION LINK OF THE FUTURE FOR THE STATE OF KANSAS.

IF WE ARE TO HAVE INDUSTRIAL DEVELOPMENT, WE MUST HAVE GOOD HIGHWAYS. THE SOCIETY OF INDUSTRIAL REALTORS PLACED 'PROXIMITY TO THE HIGHWAYS' AT THE TOP OF THEIR LIST OF THIRTEEN INFLUENCES ON PLANT LOCATION DECISIONS BY MANAGEMENT OF INDUSTRIAL FIRMS.

Att 8

PAGE 2

TOURISM, A BIG PRODUCER OF JOBS, WEALTH, AND TAX REVENUES, STRUGGLES TO EXPAND. BUT ATTENDANCE IS STATIC OR DECLINING AT MANY WORTHWHILE ATTRACTIONS AND DESTINATION POINTS IN OUR STATE. VEHICULAR TOURISTS TEND TO TRAVEL ON FIRST RATE HIGHWAYS AND AVOID ROADS THAT MIGHT BE RISKY OR TIME CONSUMING. INCREASED DRIVING TIMES, ESPECIALLY FOR BUSINESS TRAVELERS AND MANY VACATIONERS, IS A MAJOR VEXATION ON MANY ROUTES. LOST TIME CAN BE A SERIOUS FACTOR FOR ECONOMIC EXPANSION OF OUR INDUSTRIAL BASE AND A NEGATIVE IMPACT ON OUR TOURISM BASE. AN EXAMPLE OF THIS LOST TIME IS THE TRAVEL FROM INDEPENDENCE TO TOPEKA TODAY FOR THE HEARING. THIS TRIP WOULD BE 34 MINUTES LONGER SHOULD THE AVERAGE MILES PER HOUR DROP TO 45 VERSUS 55 BECAUSE OF THE CONDITION OF THE ROADS.

KANSAS' NEIGHBORING STATES TO THE EAST AND SOUTH HAVE STRONG AND VITAL TOURISM PROMOTION CAMPAIGNS AND INDUSTRIES. KANSAS COULD GREATLY BENEFIT BY PROVIDING HIGHWAYS THAT VISITORS WOULD BE WILLING TO UTILIZE TRAVELING TO ATTRACTIONS THROUGHOUT OUR STATE USING SOUTHEAST KANSAS AS ENTRY POINTS.

A CONNECTING HIGHWAY BETWEEN JOPLIN AND WICHITA WOULD GREATLY AID IN THE INFLUX OF TOURISM AND OF INDUSTRY TO OUR ENTIRE STATE BY PROVIDING A CONNECTION TO INTERSTATE 44. AS CAN BE SEEN ON A MAP OF THE U.S., INTERSTATE 44 CONNECTS TO ALL POINTS EAST AND TO ALL POINTS SOUTH AS WELL AS ULTIMATELY TO THE WEST COAST. I BELIEVE THAT THE DEVELOPMENT OF THIS WICHITA TO JOPLIN ROUTE SHOULD BE THE HIGHEST PRIORITY IN DEVELOPMENT OF A MODERN HIGHWAY SYSTEM IN THE STATE OF KANSAS. OUR NEIGHBORS TO THE EAST AND SOUTH ARE GOING TO

8-2

PAGE 3

EXPERIENCE ECONOMIC GROWTH AND THEIR HIGHWAY SYSTEMS WILL HELP THEM DO THAT. ACCORDING TO A 1981 FEDERAL STUDY, KANSAS HIGHWAYS CONDITIONS ARE AMONG THE WORST IN THE NATION. IF WE WISH TO KEEP PACE WITH OUR NEIGHBORS, WE MUST DEVELOP A COMPREHENSIVE HIGHWAY PROGRAM FOR THE STATE OF KANSAS THAT ALLOWS US TO BE COMPETITIVE WITH OUR NEIGHBORS BY REDUCING THE TRANSPORT COST BARRIER THAT EXISTS FOR SHIPPING OF OUR GOODS AND PRODUCTS AND BY PROVIDING EASE OF ACCESS INTO OUR STATE BY THOSE WHOSE WISH TO VISIT US AS TOURISTS AND TO BECOME A PART OF US BY DEVELOPING BUSINESSES AND INDUSTRIES IN OUR STATE.

IN SUMMARY, THE SOUTHEAST KANSAS CITIES COALITION BELIEVES THAT DAVID ASCHAUER'S STUDY LINKING THE DEARTH OF INVESTMENT IN PUBLIC CAPITAL TO THE SLOW DOWN IN PRIVATE SECTOR PRODUCTIVITY GROWTH HAS MERIT. THIS STUDY SUGGESTS THAT OUR FAILURE TO MAINTAIN ADEQUATE GROWTH IN SUCH THINGS AS HIGHWAYS, MASS TRANSIT SYSTEMS, AIRPORTS AND OTHER INFRASTRUCTURES MAY UNDERLINE THE MUCH LAMENTED BUT POORLY DOCUMENTED PRODUCTIVITY SLOWDOWN. MR. ASCHAUER'S STUDY SHOWS THAT THE STRONGEST ASSOCIATION WITH PRIVATE SECTOR PRODUCTIVITY IS NOT EDUCATION BUT INVESTMENTS IN THE CORE INFRASTRUCTURE ELEMENTS SUCH AS HIGHWAYS. WE URGE YOU TO TAKE THE LEAD IN DEVELOPING A HIGHWAY SYSTEM, AND A MAINTENANCE AND IMPROVEMENT PROGRAM THAT WILL ALLOW KANSAS TO GROW.

THE CITY OF



GREAT BEND

P. O. BOX 1168 CITY BUILDING
GREAT BEND, KANSAS 67530

TESTIMONY

TO: Members of the Kansas House of Representatives Transportation Committee.

DATE: Feb. 2, 1989

Honorable Chairman Rex Crowell and Members of the Transportation Committee:

I'm Mark McAnarney, Great Bend Assistant City Administrator.

For the past two years, numerous persons representing interests in Barton County have appeared before this Transportation Committee to testify as proponents of new and improved highways in Kansas. I am here on behalf of the City of Great Bend and the Mid-Kansas Economic Development Commission to confirm widespread and solid support of the comprehensive highway improvements program concept contained in H.B. 2014.

There are numerous reasons for our support and I want to briefly outline these for your consideration.

First, we've been saying for many months that it is our opinion that successful economic development in Kansas cannot be separated from the issue of adequate highway transportation to all corners of the state. We still believe this. Without a modern, cost-efficient highway system which expedites the rapid shipment of products and people, the task of encouraging new businesses to invest capital and create new jobs is a most difficult objective. How, I ask, can we successfully attract new manufacturing operations to Kansas when we have a deteriorating highway system which does not now expedite shipment of finished products to the fastest growing areas in the United States? There is a booming population growth occurring in southwestern states, particularly Arizona, New Mexico and California, and in the sunbelt states of the southeast such as Florida which now has the third highest population in the United States. These are important markets for Kansas manufacturers, both new and existing and we must upgrade and modernize our highway system if we are to remain competitive with other states in the recruitment of new industry and other businesses.

The same holds true for existing industry. In an article which appeared in a recent issue of Kansas Business News, Mr Russ Imler, Senior Vice-President of Operations at our Fuller Brush Company says: "This state has to deal with the highway situation if it wants to attract industry". He goes on to say that more companies would find Kansas ideal for shipping if roads could support the traffic. Remember that Fuller Brush is a subsidiary of the Sara Lee Corporation, Chicago, Illinois, which has many companies under its corporate umbrella. Attempting to secure additional investment and an accompanied expansion from any one of these companies remains a top objective of our local economic development efforts. But we will never succeed without the state sending clear signals that it is serious about upgrading and modernizing our highway system. So if we want more jobs in Kansas for Kansas citizens, we'd better listen to what companies like Fuller Brush are saying. We need to take appropriate action.

CITY CLERK
1209 Williams
Box 1168
(316) 793-7881

ADMINISTRATION
1209 Williams
Box 1168
(316) 792-2121

ENGINEERING
1209 Williams
Box 1168
(316) 792-2106

INSPECTION
1209 Williams
Box 1168
(316) 792-2106

STREET
6th and Morton
Box 1168
(316) 793-3991

WATER POLLUTION CONTROL
RFD #3
Box 1168
(316) 793-6969

PARK-ZOO
Brit Spaugh Park
Box 215
(316) 793-8419

FIRE
1205 Williams
Box 1168
(316) 793-8484

POLICE
1217 Williams
Box 1168
(316) 792-4311

A.H. 9

While railroads historically played a major role in the development of Kansas, few companies extensively utilize shipment by rail. Thus highways become increasingly important to rural Kansas.

It is also important for legislators to realize the population center of the United States creeps a little more each day to the southwest. Now located near St. Louis, this westward movement is significant for Kansas. Kansas is already located in the geographical center of the continental United States and as the population of western and southwestern states increases, the population of center moves closer to Kansas. Within a few years, Kansas will have the distinct advantage of boasting that companies in Kansas can more cost-efficiently serve markets in all of the 48 contiguous United States. But being central will not do the job unless we adopt a highway plan which expedites the movement of finished products from our Kansas-based facilities to the borders where our highways link up with major super-two or four lane highways in neighboring states.

We must think now in terms of market to market roads; not just farm to market roads.

Tied closely to this issue of highways for economic development is the need to link Kansas "cities of commerce" together with a modern statewide highway system. We define "cities of commerce" as being those cities having more than 10,000 in population. We feel H.B. 2014 will accomplish this. For the first time, the cities of Pittsburg, Parsons, Coffeyville, Independence, Winfield, Chanute, Arkansas City, Hutchinson, Great Bend, Dodge City, Garden City, Liberal, and Manhattan would have either super-two or four lane highway access. More importantly, these cities of commerce would be connected with Wichita, our major center of commercial activity.

Through the years, these communities along with the other cities of more than 10,000 population have proven they have the local commitment it takes to grow economically. They have become the predominant trade centers of the state and now the State should consider making a sizeable investment to encourage these cities and the community leaders in them to continue to expand their economies. Adoption of H.B. 2014 will help accomplish this.

As you consider this important highway issue during this session, I encourage you to consider the points I've tried to make. The future of Kansas may depend on it.

Thank you.

February 2, 1989

DEPARTMENT OF
PUBLIC WORKS
OFFICE OF THE DIRECTOR
CITY HALL — EIGHTH FLOOR
455 NORTH MAIN STREET
WICHITA, KANSAS 67202

House Transportation Committee
Rex Crowell, Chairman
State Capitol Building
Topeka, Kansas 66612

RE: House Bill No. 2014: A Comprehensive Highway Program

Ladies and Gentlemen:

The City of Wichita supports a comprehensive highway program. A comprehensive program which addresses both maintenance needs and system enhancements is vitally important to the City of Wichita and the State of Kansas. The Department of Transportation has clearly stated that the demands for maintenance far exceed the ability of today's current budget and that in the future their level of effort on existing highways will be diminished further. The City of Wichita feels that now is the appropriate time to make a commitment to "catch up" and preserve the assets of the State of Kansas. In addition, in order to provide adequate levels of service on existing highways and to provide facilities that address the needs of today and in the future, enhancements to the current highway system are needed. System enhancements would improve the capacity of existing highways and interchanges, reduce accidents, encourage corridor use, provide efficient transportation of goods and services, save user costs, and enhance the image of the State of Kansas. The City of Wichita recognizes the importance of corridor enhancement, for the State of Kansas and municipalities, thus we support the concept for system enhancements as outlined in House Bill No. 2014.

House Bill No. 2014 also contains an increase in connecting link assistance to cities from \$1,250 per lane mile to \$2,000 per lane mile. The City of Wichita expends, annually, approximately \$5,000 per lane mile on approximately 84 lane miles of connecting link pavement. The majority of the miles

THE CITY OF WICHITA 2

are on U.S. 54 which runs through the heart of Wichita for fifteen miles. The pavement ranges in age from 35 to 40 years old, 15 to 20 years beyond its design life. Therefore, we anticipate our costs to continue to escalate because of the downward spiral of the structural integrity of the pavement and increased traffic usage. The increase in the per lane mile assistance would help our effort to provide a driveable facility for those traveling through Wichita and to the citizens of Wichita and Sedgwick County.

In summary, the City of Wichita supports a comprehensive highway program for the State of Kansas. We support the increase in connecting link assistance to cities that maintain State and Federal routes within city limits. Furthermore, we support enhancements to the State highway system in order to provide a safer and more efficient transportation system to serve the citizens of the State of Kansas and visitors from outside our State.

Very truly yours,



Steve Lackey, P.E., Director
Department of Public Works

SL:sb

Come share our space!
Hutchinson

T H E G R E A T E R H U T C H I N S O N C H A M B E R O F C O M M E R C E

Testimony before
House Transportation Committee
February 2, 1989

Chairman Crowell and members of the House Transportation Committee:

My name is John Neal. I am a Hutchinson businessman appearing on behalf of the Hutchinson Highway Committee. Jon Davis, also a Hutchinson businessman, and I are co-chairmen of that committee.

My testimony today, I believe, reflects the views of most of the citizens of Hutchinson and Reno County in their support for passage of a complete and comprehensive highway program for Kansas. Attached to your copies of this testimony you will find copies of resolutions passed by both the Hutchinson City Commission and the Reno County Commission supporting the type of comprehensive highway program provided for in H.B. 2014 and supporting the legislature's efforts to agree upon a broad-based method of funding such a program.

We believe that a complete and comprehensive highway program, providing for maintenance of existing roadways, major modifications, and new construction is economically essential if Kansas is to compete effectively with other states for present and future business. There appears to be a direct relationship between the investment of public funds in highways and our ability to grow and compete in the marketplace. David Aschauer,

Senior Economist with the Federal Reserve Bank of Chicago, wrote the following in the Chicago Fed Letter of September, 1988: "A root cause of the decline in the competitiveness of the United States in the international economy may be found in the low rate at which our country has chosen to add to its stock of highways, port facilities, airports, and other facilities which aid in the production and distribution of goods and services. Just as thoughtful athletes would not think of neglecting their health for fear of failing to compete well on the playing field, we as a country should be vitally concerned with the viability of our economic lifelines that enable us to meet the challenge of an increasingly competitive world marketplace."

The importance of highways to Kansans is further emphasized by a recent survey conducted by the Central Research Corporation of Topeka on behalf of Economic Lifelines, the state highway coalition. 653 persons were surveyed equally within the five congressional districts. When asked whether Kansas should increase or expand its highway improvement efforts, 62% of those Kansans surveyed said it was critical or very important.

These numbers make it clear that the public recognizes the need for highway improvements.

We are here today to SUPPORT H.B. 2014. To us the components of this bill represent the scope and size of a comprehensive highway program for Kansas which is affordable and addresses the primary

highway needs. We commend the SPECIAL COMMITTEE ON TRANSPORTATION for their work over the past several months and for their conclusions and recommendations.

The interim committee did a particularly good job in balancing the components to include:

- * Funds to match federal aid
- * Increase of 30% for substantial maintenance
- * Major modification projects
- * System enhancements
- * Funding for elderly and handicapped transportation
- * Additional aid to local units of government for bridge and road deficiencies
- * Utilization of several methods of funding thereby assuring adequate revenue to carry out all parts of the program

While the purpose of our appearance is not to discuss the ultimate form that the financing for this bill should take, we would like to urge that the committee consider the merits of issuing highway bonds for more than 15 years, and in greater amounts than proposed in H.B. 2014. We want to stress that our primary concern is not the method of funding; rather, we are concerned that the legislation, when it is passed in its final form, include adequate funding to permit all parts of the program to be carried out so that no part of the program will be eliminated or substantially reduced. This may require more than the approximate \$700 million proposed by the bill for system enhancements.

Of particular concern to the citizens of Hutchinson and Reno County are the provisions of the bill providing for system enhancements, or new construction. We certainly recognize and support the need for maintenance of and modifications to existing highways. It is, however, just as important for Kansans to support the construction and development of new highways. We wish to make it very clear that our enthusiastic support of this bill is because it is a complete and comprehensive proposal. Anything significantly short of the scope and size of program envisioned by H.B. 2014 will be inadequate to carry us into the 21st Century and would be difficult for us to support.

In this regard, we feel that it is imperative that the final legislation recommended by this committee contain provisions that will require system enhancement projects, or new construction projects, to be evaluated on the basis of economic impact and need, utilizing some type of economic development criteria or formula that will weigh heavily in determining the priority given to new construction projects. While those of us in Hutchinson would actually prefer to see corridor designation as part of the highway bill, we recognize that this may not be possible. If this is not possible, we can support this legislation, provided that it is adequately funded and contains some type of economic development guidelines or criteria that significantly affect the priority given to new construction projects.

As part of the economic development criteria we believe that the

legislature should also consider giving additional weight to projects which include some type of local participation. This might come in the form of cost sharing in intersection construction, engineering/environmental studies, or even some right-of-way acquisition. There would seem to be merit in giving extra consideration to communities which were willing to share costs.

Giving high consideration to economic development criteria is significant to us because of the economic importance to our region of the state of completing the four-lane highway between Hutchinson and Wichita. Only 28 miles remain to be completed! For over 25 years the four-lane link between Hutchinson and Wichita has been recognized as one of the top priorities for new construction in this state, yet it has never been completed. As a result, we believe the economic vitality of our region of the state has suffered. Consider the following examples, which show that over the past 25-30 years communities in Kansas which are now served by four-lane highways have experienced much higher rates of economic growth than those cities like Hutchinson which are not on a four-lane:

Population growth over past 30 years:

Hutchinson	20%
Salina	59%
Emporia	61%
Hays	89%
Lawrence	125%

Employment growth 1970 - 1987:

Hutchinson	+19%
Salina	+42%
Emporia	+41%
Hays	+55%
Lawrence	+73%

We recognize that there are other factors which influence economic growth; however, these statistics bear out that a modern four lane highway does contribute to population and employment growth. It is, for example, no accident that construction projects like the huge expansion to the K-Mart distribution facility at Lawrence are located immediately adjacent to the interstate highway system.

The Wichita - Hutchinson highway is becoming increasingly congested. On K-96 at the Reno - Sedgwick County line the Bureau of Transportation of KDOT average 24 hour traffic volume shows:

June 1988	5420 vehicles
June 1986	4755 vehicles
June 1984	3980 vehicles

In the span of four short years, traffic volume has increased by 36%.

As quoted on page 87 in the August, 1988 Site Selection Handbook, the National Council on Public Works, has recently issued a report recommending that spending on public works must increase by over 100 percent over the next decade if America's ground infrastructure is to adequately support growth and development. Correspondingly the facility planners quality of life concerns for both now and in the future suggest that areas unable to offer a sound ground transportation system are likely to be hamstrung in their development efforts.

Kansas has seen a dramatic growth in the northeast area of the state. The commitment to build and network the highway system within and around the Kansas City region has been a good investment and has contributed substantially to the economic prosperity of that part of the state. Southcentral Kansas, with Wichita, our largest city, being the hub city, has similar potential for growth and development. To realize that potential, Wichita must not only be connected to Hutchinson and other cities in Southcentral Kansas by the same type of highways that connect Kansas City with the cities around it, but Wichita must also have an improved highway corridor network to connect it with cities in the Southeast, Northwest, and Southwest regions of Kansas.

In the final analysis, that is why the comprehensive program of

H.B. 2014, supplemented by an economic development formula or economic development criteria to help determine priorities for new construction, is the type of program that will serve the entire state well. Kansas needs to make sure that its highway program is of such scope and size that it will promote the economic well-being of the entire state, for we are competing not just among ourselves, but more importantly with every other state in the union. In this age where major businesses and industries maintain low stocks of inventory, new, modified, expanded and properly maintained highways must be available for quick and efficient transportation of goods and services. As rail service continues to shrink, adequate highways take on more importance than ever as they become the only means, in some cases, of moving goods and services, such as grain, from one place to another.

The Interim Transportation Committee recognized these needs and addressed them in H.B. 2014. It is important that the type of comprehensive program embraced in that bill be approved and funded by this session of the Legislature. We urge you to do so.

Thank you for your time and consideration.

OFFICE OF: MAYOR

RESOLUTION NO. 2521

A RESOLUTION SUPPORTING DEVELOPMENT, FINANCING AND IMPLEMENTATION OF A COMPREHENSIVE HIGHWAY CONSTRUCTION, MAINTENANCE AND REHABILITATION PROGRAM BY THE STATE OF KANSAS.

WHEREAS, the economic and social well-being of all Kansas citizens is dependent upon an adequate, modern highway system; and


WHEREAS, the Kansas Legislature is currently considering a comprehensive highway construction, maintenance and rehabilitation program, which program is set forth in HB 2014;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HUTCHINSON, KANSAS, that:

1. In recognition of the need for continued highway maintenance, improvement and development, we the Governing Body of the City of Hutchinson, Kansas, support a complete and comprehensive highway program which will provide for a combination of substantial maintenance, major modifications and significant system enhancement (special projects); and

2. The Governing Body further supports legislative efforts to agree upon a broad-based method of funding such as the method recommended by the Interim Transportation Committee of the Legislature under HB 2014.

PASSED BY THE GOVERNING BODY this 24th day of January, 1989.



Ralph Gingerich, Mayor

ATTEST:



Vernon Stallman, CMC, City Clerk



RESOLUTION 89-10

A RESOLUTION OF SUPPORT FOR A COMPLETE
AND COMPREHENSIVE HIGHWAY PROGRAM

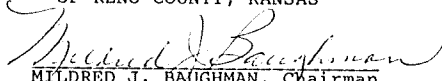
WHEREAS, the Board of County Commissioners recognizes the need for continued highway maintenance, improvement, and development, and

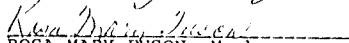
WHEREAS, the Board of County Commissioners of Reno County, Kansas, deems it important and in the public's best interest to lend its support to a complete and comprehensive highway program to be undertaken by the State of Kansas which will provide for a combination of substantial maintenance, major modifications and significant system enhancement (special projects).

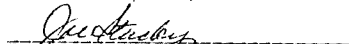
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF RENO COUNTY, KANSAS, that while the exact method of funding any comprehensive highway program has yet to be determined, this Board generally supports and encourages legislative efforts to agree upon a broad based method of funding such as the method recommended by the Interim Transportation Committee of the Legislature of the State of Kansas under authority of House Bill 2014.

ADOPTED in regular session this 24th day of January, 1989.

BOARD OF COUNTY COMMISSIONERS
OF RENO COUNTY, KANSAS


MILDRED J. BAUGHMAN, Chairman


ROSA MARY FUSON, Member


JOE STUCKY, Member

ATTEST:


County Clerk