

Approved: 3-18-98  
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairman Bill Mason at 3:30 p.m. on March 10, 1998 in Room 423-S of the Capitol.

All members were present except: Barbara Allen (A)  
Jene Vickrey (E)  
Lisa Benlon (E)  
Jerry Henry (E)

Committee staff present: Lynne Holt, Legislative Research Department  
Rena Jefferies, Revisor of Statutes  
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee: Speaker Shallenburger  
Sheila Devine - Dept. Of Commerce & Housing  
Agnes Otto - Kansas City Chamber of Commerce

Others attending: See attached list

Chairman Mason opened the hearing on **HR 6008** - a resolution urging the Department of Commerce and Housing to seek the establishment of a World Trade Center in the Kansas City area.

Speaker Shallenburger briefed the committee on the resolution introduced last session. (No written testimony) He explained the reason for the resolution is to stress the importance of international trade to Kansas. He said that a concerted effort should be made to ensure that Kansas City, the part of the state that is growing the most, has an emphasis on International trade. The state of Kansas should do what it can as partners with those businesses dealing with foreign trade.

Sheila Devine, Dept. Of Commerce & Housing clarified that the resolution asks the Kansas Department of Commerce & Housing to conduct a study assessing the possibility of establishing a world trade center in the Kansas City metropolitan statistical area. She presented information from a preliminary review (Attachment 1). In order to create of WTC, an application must be made to the WTCA for a charter. The cost of the charter is \$200,000, plus annual dues of \$9,000. There can be one WTC within one city or economic region. A WTC already exists in Kansas City, through The Greater Kansas City Area Chamber of Commerce offices. Due to the geographic territory of its regular members the WTCA specially prohibits setting up another WTC in that City. International trade services are available to Kansas companies in the metropolitan Kansas City area from the KS Department of Commerce & Housing, from the WTC operated by the Greater Kansas City Area Chamber of Commerce, and from many private sector companies. It is the belief of the KS. Dept. Of Commerce and Housing that the International business needs of Kansas companies are being served by these existing service providers.

Agnes Otto, The Greater Kansas City Chamber of Commerce, gave an overview of the Chamber's International Plan (Attachment 2). Included are the Mission Statement, International Motto, 97 Progress, 7 Objectives and Tactics, Budget, Funding and International Investors.

General discussion followed, covering questions and answers related to the following issues: WTC parent company, purpose of the resolution, unmet needs, specific territorial boundary, length of time in Charter, Budget and the relationship between the Kansas City and Wichita offices.

Chairman Mason closed the hearing on **HR 6008**.

Representative Beggs moved that the minutes from the February 23 meeting be approved. Representative Sharp seconded the motion and the motion carried.

Chairman Mason adjourned the meeting at 4:15 p.m.

The next meeting is scheduled for March 11.



**TESTIMONY BEFORE THE HOUSE ECONOMIC DEVELOPMENT  
COMMITTEE  
THE KANSAS DEPARTMENT OF COMMERCE & HOUSING  
TRADE DEVELOPMENT DIVISION  
SHEILA G. DEVINE, DIRECTOR  
10 MARCH 1998**

I would like to thank the Committee for this opportunity to present information regarding House Resolution 6008. This resolution asks the Kansas Department of Commerce & Housing to conduct a study assessing the possibility of establishing a world trade center in the Kansas City metropolitan statistical area. We have already conducted a preliminary review of this issue and would like to share with the Committee our findings.

In order to create a World Trade Center, one must apply to the World Trade Centers Association (WTCA) for a charter. Charters are approved by the WTCA Board of Directors. The cost of the charter is \$200,000. In addition, one must pay annual membership dues of \$9,000. One is then considered a Regular Member. (Those are current fees, subject to change.)

The WTCA does provide some geographic protection or "territory" for its Regular Members. An additional World Trade Center cannot be established within "any one city or economic region."

A chartered World Trade Center already exists in Kansas City. The Greater Kansas City Area Chamber of Commerce operates that facility from its offices. (See web page, copy attached.)

If the demand for services is very great, however, a "satellite" world trade center can be established in the existing member's territory. The application for a satellite center must be submitted by the existing Regular Member. However, the by-laws of the WTCA state that a Satellite center can only be established if the existing World Trade Center is located in its own World Trade Center building/complex. The World Trade Center run by the Greater KC Area Chamber of Commerce is not located in its own World Trade Center building or complex; therefore, a satellite center is not an option.

We appreciate the Legislature's interest in supporting international trade; however, the WTCA specifically prohibits setting up another World Trade Center in the same city or economic region as an existing center. We do not see this as having a negative impact on Kansas companies. International trade services are available to Kansas companies in the metropolitan Kansas City area from the Kansas Department of Commerce & Housing, from the World Trade Center operated by the Greater Kansas City Area Chamber of Commerce, and from many private sector companies. In 1997, the Kansas Department of Commerce & Housing alone worked with almost 200 companies in the seven Kansas counties of the metropolitan statistical area. We believe that the international business needs of Kansas companies are being served by these existing service providers.

Economic Development Comm.  
3-10-98  
ATTACHMENT 1

# About World Trade Centers

OnLine WTCa DBB INFO SERVICES WTCa TRADE OPS TRADECARD VIRTUAL TRADE FAIR RESOURCE CENTER

## Greater Kansas City World Trade Center

2600 Commerce Tower  
911 Main Street  
Kansas City, MO 64105 U.S.A.

Telephone : +1 816 221-2424  
Fax : +1 816 221-7440

Contact 1: Peter S. Levi, President

**Greater Kansas City World Trade Center offers the following services:**

- Trade Information Services
- International Trade Library
- Trade Education Services
- Meeting Facilities
- Group Trade Missions
- Secretarial Services
- Translating Services
- Videoconferencing
- Trade Fair and Mart
- Publications

### Trade Information Services

Basic general inquiry:

Greater Kansas City World Trade Center will answer basic inquiries.

- requests generally will be answered within 1 business day
- Cost: free of charge to all Chamber of Commerce and WTC members

Special research:

GKCWTC will perform research on exporting and importing for Chamber of Commerce and WTC members upon request. There is extensive data on the Kansas City area for companies considering investing and selling in Kansas City. Research is also available in the subject of export/import law regulations (in the US and abroad) including



# The Greater Kansas City Chamber of Commerce

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## International Plan 1997-1998: *Leadership*

ECONOMIC DEVELOPMENT  
3-10-98  
ATTACHMENT 2



# The Chamber's International Plan 1997-1998: *Leadership*

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## ■ International Mission

- The Chamber will provide metropolitan leadership in developing and promoting the human, infrastructure and governmental resources needed for international business growth.

## ■ International Motto

- Leading and promoting Greater Kansas City's international business growth.



# 1996-1997 Progress

- Formation of the International Business Partnership
- Board-approved Strategic Plan
- Held kick-off at Kemper with International Video
- Provided strong, visible MFN and Fast Track advocacy
- Secured \$500,000 Fed. funding to Study Int'l Freight Processing and impact of Gateway at Richards-Gebaur
- Incorporated Heartland Freight Coalition Goals into IBP
- *Greater Kansas City International Guide*
- U.S. ASEAN Ambassadors Tour coming to KC
- Provided singular advocacy of intermodal, corridor interests on I-35 Trade Corridor
- Held record Year of Japan & Midwest U.S. - Japan Conference and secured 1998 U.S. ASEAN Ambassadors Tour coming to KC
- Participated with states in Mexican, Southeast Asian and Canadian trade missions



## *Objective 1*

- Build awareness of and improve the international business image of Greater Kansas City.

### *Tactics*

- Develop targeted, aggressive marketing plan.
  - Complete International Business Directory. Mail to embassies, world trade centers, AmChams, consular offices and support with focused media campaign.
  - Pursue joint freight marketing relationships with deepwater ports and major border cities.
  - Attend relevant trade shows throughout Americas.
  - Develop Chamber International Web site to promote International activities in Kansas City. (See obj. 3.)
- Participate in trade missions presenting KC opportunities to international business groups and media.

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## *Objective 2*

- Promote international trade and economic development with Mexico and Canada.

### *Tactics*

- Assist efforts to build first inland International Freight Gateway at Richards-Gebaur.
  - Support development of inland customs prototype to enable customs pre-inspection at Richards-Gebaur.
  - Lobby for Federal designation of I-35 as an international trade corridor, including funding for Intermodal Connectors & transportation technology.
- Lead efforts for productivity from the Third Mayors Summit in May 1998 in Winnipeg; take Kansas City business delegation.
- “Be there” in Mexico, Canada & Americas



### *Objective 3*

- Grow the number of qualified international professionals in Kansas City.

#### *Tactics*

- Develop The Chamber’s International Leadership Training Program.
- Develop International Executive Leadership Speaker Series, bringing in ambassadors, heads of state or top CEOs.
- Develop The Chamber’s international Web site as a tool to assist international professionals with research, promotional and sales efforts: Virtual International Trade Center<sup>SM</sup>.



## *Objective 4*

- Assist small and medium-size businesses in entering international markets.

### *Tactics*

- Create a Trade Incentive Program (TIP), an international incentive fund with scholarships for the leadership program and for companies to attend trade shows and state-led missions to countries where opportunities to grow their business may exist.
- Encourage development and utilization of International Freight Gateway at R-G.



## *Objective 5*

- Promote increased international air-passenger and air-cargo services in Kansas City.

### *Tactics*

- Work with KCMO Aviation Department & freight forwarders on marketing strategies.
- Continue to implement Intermodal Freight Strategies identified in 1995 study.
- Incorporate as part of holistic approach to moving goods and people to and from KC.



## *Objective 6*

- Provide discussion forums and lobbying support on international trade policy issues.

### *Tactics*

- Coordinate policy through The Chamber's Government Relations department.
- Review opportunities for the MO-KAN Forum specific to their role in furthering our international mission.
- Provide appropriate forums for local business leaders to meet directly with int'l decision-makers.



## *Objective 7*

- Assist in the coordination of trade activities in metro Kansas City.

### *Tactics*

- Serve as clearinghouse and broker for US, Missouri and Kansas Depts. of Commerce.
- Work with MO and KS offices to develop meaningful and successful trade missions and delegations.
- Meld relevant political clout of region with necessary bureaucracies to “make things happen.”

# Current Chamber Int'l Budget

■ Salaries, benefits, contracts	\$110,000
■ Overhead	20,000
■ Int'l line items	80,000
■ International Freight Activities	<u>60,000</u>
	\$270,000

# Estimated Costs

## Beyond Current Funding

■ Directory	\$3,000
■ Directory ads	25,000
■ Annual Event	30,000
■ Web site	30,000
■ Int'l Freight Gateway/ISTEA	budgeted
■ Third Mayors Summit	15,000
■ Leadership Training	10,000
■ Leadership Speakers	27,000
■ Trade Incentive Program	15,000
■ Flight Lobby	10,000
■ Int'l Hospitality and Keepsakes	15,000
■ Student Seminar Fund	5,000
■ In/outgoing Missions	15,000
■ US -ASEAN Tour	<u>50,000</u>
	\$250,000





# Suggested Funding

- Create The Chamber's International Investors. Twelve to thirteen companies would each provide \$20,000 to total the \$250,000 annual budget. Benefits include:
  - Exclusive exposure as an *International Investor* -- logos on invitations, programs, signage; listing with photo in international publications and other publications as appropriate.
  - Patron status as an *International Investor*-- speaker introductions, preferred seating, \$100 worth of free tickets to every Chamber international event.



# International Investor

## Benefits *continued*

- Individual access to international guests and delegations.
- Special treatment and listing in the international directory and web site.
  - free 1/2 page ad in directory, upgrade to full for \$1500
  - acknowledge as web site sponsor and add business links for no cost



# International Investor Benefits *continued*

- One-time, annual solicitation by Chamber for international activities.
- Good return on investment
  - Consider advertising cost/benefits
- Accountability
  - Outcome orientation
  - Annual report

# International Investors

★ AMC Theaters

★ HNTB

★ Bibb & Associates

★ NationsBank

★ Black & Veatch

★ Sprint

★ Blackwell Sanders

★ State of Missouri

★ Farmland

★ Utilicorp

★ Hallmark

★ Yellow Corp.