

MINUTES OF THE HOUSE TOURISM COMMITTEE.

The meeting was called to order by Chairperson Barbara P. Allen at 1:30 p.m. on January 22, 1998 in Room 313-S-of the Capitol.

All members were present except: Rep. Osborne - excused
Rep. Shriver - excused

Committee staff present: Tom Severn, Legislative Research Department
Mark Burenheide, Legislative Research Department
Renaë Jefferies, Revisor of Statutes
Nancy Kirkwood, Committee Secretary

Conferees appearing before the committee: Proponents:
Lt. Governor Gary Sherrer, Secretary, KDOCH
Dan Schenkein, Kansas City, Kansas Area Chamber of
Commerce
Dennis Hays, County Administrator
Jim Thompson, Wyandotte Development, Inc
Jim Dehoff, Kansas AFL-CIO
Larry Breedlove, Citizens Task Force
Mae Harbor, Citizens Task Force
Jeff Carson, Citizens Task Force
Bob Marcusse, Kansas City Area Development Council
Pat Pettey, Commissioner, Unified Government of Wyandotte
County, Kansas City, Kansas
Gary Anderson, Bond Counsel
Jim McCroy, Member Kansas City Chamber of Commerce and
the Kansas State Affairs Committee
Peter Lemke, President, EFC Associates
Wynn Presson, Vice Chairman, Health Midwest and the
Chairman of the Greater Kansas City Chamber of Commerce
Opponents:
Charles Hale, resident

Others attending: See attached list

Lt. Governor Gary Sherrer, recognized by Chairperson Allen, explained to the committee the State's involvement in the NASCAR project (**Attachment 1**)

Chairperson Allen recognized Dan Schenkein, President & CEO, Kansas City Kansas Area Chamber of Commerce spoke in support of **HB 2631 (Attachment 2)**

Dennis Hays, County Administrator, presented to the committee an information fact sheet on **HB 2631 (Attachment 3)**

Jim Dehoff, Kansas AFL-CIO, was recognized by Chairperson Allen as a proponent of **HB 2631 (Attachment 4)**

Chairperson Allen recognized Bob Marcusse, President, Kansas City Area Development Council, proponent of **HB 2631 (Attachment 5)**

Commissioner Pat Huggins Pettey, Unified Government of Wyandotte County/ Kansas City, Kansas gave her testimony in support of **HB 2631 (Attachment 6)**

Gary Anderson, Gilmore and Bell, Bond Counsel for the Unified Government of Wyandotte County/ Kansas City, Kansas was recognized by Chairperson Allen. Mr. Anderson presented a new proposed copy of **HB**

CONTINUATION SHEET

MINUTES OF THE HOUSE TOURISM COMMITTEE, Room 522-S-S Statehouse, at 1:30 p.m. on January 22, 1997.

2631, to address some of the concerns of the committee, as well as those of the revisor's office. The primary change is on page 5, line 37, defining auto race track facility. The auto race track facility would be entitled to the 30 year tax exemption and 30 year use of star revenue for that project (**Attachment 7**)

Jim Thompson, Wyandotte Development, Inc., written testimony in support of **HB 2631 (Attachment 8)**

Larry Breedlove, Citizens Task Force, written testimony in support of **HB 2631 (Attachment 9)**

Mae Harbor, Citizens Task Force, proponent, submitted written testimony only on **HB 2631 (Attachment 10)**

Jeff Carson, Citizens Task Force, supporter of **HB 2631** presented written testimony only to the committee (**Attachment 11**)

Jim McCroy, Sr. Vice President, Marketing & Client Service, Waddell & Reed Asset Management Company, written testimony only in support of **HB 2631 (Attachment 12)**

Peter Lemke, First Vice Chair for the Chamber of Commerce of Greater Kansas City, written testimony in support of **HB 2631 (Attachment 13)**

Wynn Presson, Vice Chairman of Health Midwest and the Chairman of the Greater Kansas City Chamber of Commerce, written testimony only in support of **HB 2631 (Attachment 14)**

Opponent Charles Hale, a resident of the proposed site, was recognized by Chairperson Allen (**Attachment 15**)

Chairperson Allen closed the public hearing on **HB 2631**.

Rep. Adkins was interested in moving HB 2631 out of committee today. Due to an objection to Rep. Adkins' motion, Chairperson Allen informed the committee there would be a meeting to discuss the bill and possibly take action on the bill on Monday, January 26.

Chairperson Allen adjourned the meeting at 3:15 p.m.

The next meeting is scheduled for January 26, 1998.

ISC Speedway Economic Impact Study

Wyandotte County Site

REVISED --01/20/1998

The following economic impact study is based on data and industry analysis provided by Fine Research & Marketing, Inc. and the International Speedway Corporation. The study findings are a result of analysis performed by the Kansas Department of Commerce and Housing through the use of the Regional Econometric Model developed by REMI, Inc. of Amherst, Massachusetts. Economic multipliers were incorporated via the REMI model. Income, sales and property taxes were calculated through rates provided by the Kansas Department of Revenue. The study looks at the impact of the project during the two-year primary construction phase, the five-year second phase of proposed build-out, and over the first ten-year period of stabilized operation. The study assumes no growth of the speedway facility in terms of employment, event attendance, or the number of events per year.

The study considers the benefits of the project from several perspectives:

1. Impact of the Construction Phase
2. Impact of Speedway Employment
3. Impact of Speedway Operations
4. Annual Tourism Impacts Outside Speedway Facility
5. Annual Tourism Impacts Inside Speedway Facility

IMPACT OF THE CONSTRUCTION PHASE

Assumptions: \$180.8 million of construction costs over a two year period for Phase 1

This analysis does not include the infrastructure improvements made outside the facility that would also have impacts on the regional economy.

\$54 million in construction over five years for Phase 2 build-out.

CONSTRUCTION EMPLOYMENT AND INCOME IMPACTS

PHASE 1 Impacts (2 Years)

	Direct	Indirect	Total
Jobs	892	815	1707
Income	\$79,840,000	\$48,070,000	\$127,910,000

PHASE 2 Impacts (5 Years)

	Direct	Indirect	Total
Jobs	105	26	131
Income	\$26,820,000	\$14,850,000	\$41,670,000

House Tourism
01-22-98
Attachment 1

TAX IMPACTS OF CONSTRUCTION

CONSTRUCTION State Tax Impacts (7 Years)

	Direct	Indirect	Total
INCOME TAXES	\$1,800,000	\$1,100,000	\$2,900,000
SALES TAXES	\$1,580,000	\$930,000	\$2,510,000
PROPERTY TAXES	\$686,000	\$406,000	\$1,092,000
TOTALS	\$4,066,000	\$2,436,000	\$6,502,000

CONSTRUCTION Local Tax Impacts (7 Years)

	Direct	Indirect	Total
INCOME TAXES	0	0	\$ 0
SALES TAXES	\$240,000	\$140,000	\$380,000
PROPERTY TAXES	\$2,750,000	\$1,620,000	\$4,370,000
TOTALS	\$2,990,000	\$1,760,000	\$4,750,000

Positive tax impacts are based on additional employment and earnings generated by the construction activity, not the value of the facility. Increases in income tax collections, property tax collections, and sales tax collections are related to increased purchasing power resulting from increased personal income.

The analysis does not account for employment, income, or tax impacts generated from future investment in the region that may be influenced by the facility.

Impacts projected for the local economy reflect economic impacts in a six-county region that includes: Douglas, Franklin, Johnson, Leavenworth, Miami, and Wyandotte counties.

IMPACT OF SPEEDWAY OPERATIONS

EMPLOYMENT

Assumptions: 195 full-time equivalent employees (includes permanent full-time and seasonal) hired by the facility with \$4.96 million annual payroll and 56 additional jobs, with \$930,000 in annual payroll, created in the region's economy.

Speedway Operations Employment Impacts (10Years)

	Direct	Indirect	Total
Jobs	195	56	251
Income	\$49,600,000	\$9,300,000	\$58,900,000

State Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES	\$900,000	\$200,000	\$1,100,000
SALES TAXES	\$700,000	\$100,000	\$800,000
PROPERTY TAXES	\$300,000	\$50,000	\$350,000
TOTALS	\$1,900,000	\$350,000	\$2,250,000

Local Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES	\$0	\$0	\$1,100,000
SALES TAXES	\$150,000	\$30,000	\$180,000
PROPERTY TAXES	\$1,300,000	\$240,000	\$1,540,000
TOTALS	\$1,450,000	\$270,000	\$2,820,000

Positive tax impacts are based on additional employment and earnings generated by the operation of the facility, not the value of the facility. Increases in income tax collections, property tax collections, and sales tax collections are related to increased purchasing power resulting from increased personal income.

The analysis does not account for employment, income, or tax impacts generated from future investment in the region that may be influenced by the facility.

Impacts projected for the local economy reflect economic impacts in a six-county region that includes: Douglas, Franklin, Johnson, Leavenworth, Miami, and Wyandotte counties.

NOTE: Portions of the sales taxes projected may be subject to the STAR Bond Zone. Only taxes actually collected on the facility site will be used to retire the STAR bond.

SPEEDWAY FACILITY

Assumptions: \$163.8 million facility.

- There is a proposed abatement of property taxes for facility. No impact projections for property tax effects were calculated for the facility.

ANNUAL TOURISM OUTSIDE SPEEDWAY FACILITY

Assumptions: Three annual major racing events with 405,000 non-local, visitors and 150,000 day visitors are projected. Based on information provided by ISC on attendance and average stay duration 364,500 overnight visitor days and 150,000 local visitor days were used in the calculations.

Impact of tourism on the regional economy

JOBS: 1,376 service and retail sector jobs
PAYROLL: \$45.325 million in annual payroll

**SPEEDWAY TOURISM -- Impact of Employment Generated Outside Facility
State Tax Impacts (10 Years)**

	Direct	Indirect	Total
INCOME TAXES	\$7,900,000		\$7,900,000
SALES TAXES	\$6,690,000		\$6,690,000
PROPERTY TAXES	\$2,918,150		\$2,918,150
TOTALS	\$17,508,150		\$17,508,150

Local Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES	\$0		\$ 0
SALES TAXES	\$1,369,000		\$1,369,000
PROPERTY TAXES	\$11,672,610		\$11,672,610
TOTALS	\$13,041,610		\$13,041,610

Positive tax impacts are based on additional employment and earnings generated by the tourism outside the facility, not the value of the facility. Increases in income tax collections, property tax collections, and sales tax collections are related to increased purchasing power resulting from increased personal income.

The analysis does not account for employment, income, or tax impacts generated from future investment in the region that may be influenced by the facility.

Impacts projected for the local economy reflect economic impacts in a six-county region that includes: Douglas, Franklin, Johnson, Leavenworth, Miami, and Wyandotte counties.

NOTE: Portions of the sales taxes projected may be subject to the STAR Bond Zone. Only taxes actually collected on the facility site will be used to retire the STAR bond.

SPEEDWAY TOURISM -- TOURIST EXPENDITURES OUTSIDE FACILITY

Direct Expenditures of \$86,000,000 annually and Indirect (multiplier) impacts of \$164,241,000 annually in the regional economy by tourists. These expenditures include lodging, meals, travel, and incidental expenditures. Over 10 years this amounts to \$608.3 million in direct expenditures in the regional economy.

State Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES			\$ 0
SALES TAXES	\$26,826,030	\$35,410,359	\$62,236,389
PROPERTY TAXES			\$ 0
TOTALS	\$26,826,030	\$35,410,359	\$62,236,389

Local Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES			\$ 0
SALES TAXES	\$10,949,400	\$14,453,200	\$25,402,600
PROPERTY TAXES			\$ 0
TOTALS	\$10,949,400	\$14,453,200	\$25,402,600

Sales tax impacts are based on direct and indirect expenditures resulting from increased tourism in the region.

NOTE: Portions of the sales taxes projected may be subject to the STAR Bond Zone. Only taxes actually collected on the facility site will be used to retire the STAR bond.

ANNUAL TOURISM INSIDE SPEEDWAY FACILITY

Assumptions: 300,000 visitors averaging \$60 per visitor per day of attendance.. Average on-site spending at ISC events was used as a basis for this calculation.

Impacts: \$18.0 million total annual retail sales generated inside the facility. This includes ticket sales and incidental expenditures by visitors. Projections of \$1.4 million in receipts from private suite rentals and \$6.1 million in race team and media expenditures. This results in a total of \$25.5 million in expenditures inside the facility. Based on information from ISC, 90% of sales are taxable. This results in \$22,950,000 in taxable retail sales annually inside the facility.

State Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES			\$ 0
SALES TAXES	\$11,245,500		\$11,245,500
PROPERTY TAXES			\$ 0
TOTALS	\$11,245,500		\$11,245,500

Local Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES			\$ 0
SALES TAXES	\$4,590,000		\$4,590,000
PROPERTY TAXES			\$ 0
TOTALS	\$4,590,000		\$4,590,000

NOTE: This generates an average of \$1.584 million in sales taxes annually from sales inside the race facility. It does not capture additional retail sales taxes within the STAR zone that may result from the development of ancillary facilities. The projection does not include the proposed build-out that would add 75,000 additional spectator seats. This would cover the initial debt service without additional tax receipts through the first 10 years of the repayment schedule provided 12/10/97.

TOTAL IMPACTS

Ten Year Projections of impacts on State Income Tax, Sales Tax, and Property Tax Collections

State Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES	\$10,600,000	\$1,300,000	\$11,900,000
SALES TAXES	\$47,041,530	\$36,440,359	\$83,481,889
PROPERTY TAXES	\$3,904,150	\$456,000	\$4,360,150
TOTALS	\$61,545,680	\$38,196,359	\$99,742,039

Local Tax Impacts (10 Years)

	Direct	Indirect	Total
INCOME TAXES	\$0	\$0	\$ 0
SALES TAXES	\$17,289,400	\$14,623,200	\$31,912,600
PROPERTY TAXES	\$15,722,610	\$1,860,000	\$17,582,610
TOTALS	\$33,012,010	\$16,483,200	\$49,495,210

Positive tax impacts are based on additional employment and earnings generated by the construction and operation of the facility, not the value of the facility. Increases in income tax collections, property tax collections, and sales tax collections are related to increased purchasing power resulting from increased personal income.

The analysis does not account for employment, income, or tax impacts generated from future investment in the region that may be influenced by the facility.

Impacts projected for the local economy reflect economic impacts in a six-county region that includes: Douglas, Franklin, Johnson, Leavenworth, Miami, and Wyandotte counties.

The impact analysis does not include the economic benefit to the region that would result from any additional investment in the region due to the location of the facility or any subsequent “off-facility” infrastructure improvements.

NOTE: Portions of the sales taxes projected may be subject to the STAR Bond Zone. Only taxes actually collected on the facility site will be used to retire the STAR bond.

PREPARED TESTIMONY

JANUARY 20, 1998

By:

**Dan Schenkein, President & CEO
Kansas City Kansas Area Chamber of Commerce**

Before the:

Kansas House Tourism Committee

*House Tourism
01-22-98
Attachment 2*

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1. Prepared Testimony, Dan Schenkein, KCK Area Chamber of Commerce
2. **Exhibit A:** The Economic Impact of Travel on Kansas, Its Counties & Tourism Regions 1993. A Study Prepared by U.S. Travel Data Center Washington, D.C. for the Travel & Tourism Development Division Kansas Department of Commerce & Housing (October 1994).
3. **Exhibit B:** Tourism Strategy for Kansas, Preliminary Legislative Report, January 1998, Young Nichols Gilstrap, Inc.
4. **Exhibit C:** Kansas Travel, Tourism & Film Economic Impact & Marketing Results, August 1996, Travel & Tourism Development Division Kansas Department of Commerce & Housing.
5. **Exhibit D:** KCK/Wyandotte County CVB Information Requests 1997.
6. **Exhibit E:** KCK WYCO Convention & Visitors Bureau 1995-1997 Attraction Attendance report.
7. **Exhibit F:** Trends in the Hotel Industry, Kansas, October 1997, PKF Consulting.
8. **Exhibit G:** Transient Guest Tax Collections –Confidential Report, State of Kansas.
9. **Exhibit H:** Kansas City, Kansas Monthly Total Tax Revenue Transient Guest Tax.

January 20, 1998
Testimony of Dan Schenkein
Kansas City Kansas Area Chamber of Commerce
Kansas House Tourism Committee

Madame Chair, members of the Tourism Committee, my name is Dan Schenkein, and I am the President and CEO of the Kansas City Kansas Area Chamber of Commerce, which also operates the Kansas City Kansas / Wyandotte County Convention and Visitors Bureau.

I am here this afternoon to testify in support of House Bill 2631.

As you know, in 1993 and again in 1994, U.S. Travel Data Center studies prepared for our state's Travel & Tourism Development Division indicated that Kansas ranked 37th in total domestic travel expenditures among all 50 states and the District of Columbia (exhibit A). I know that this committee is sincerely interested in opportunities to increase our State's position in this national ranking. The organization I represent sincerely believes that HB 2631 will assist with that goal.

Our state has demonstrated interest in that same goal via the commissioning of a long-term strategy for enhancing tourism related development. You were recently presented with a copy of the Young Nichols Gilstrap, Inc. report.

This report points out that Kansas has only captured 1 percent of the total number of domestic leisure travelers in the U.S., while at the same time only receiving 0.6 percent of that leisure travel spending (Exhibit B).

While travelers contributed over \$2.5 billion dollars in direct spending in Kansas in 1996 (Exhibit B), our State lacks the ability to capture national interest as a travel destination center. According to the 1996 Kansas Travel, Tourism & Film Economic Impact & Marketing Results report, 53 percent of 1995 leisure travel in our state was by our state's own residents (Exhibit C).

The Young Nichols Gilstrap report recommends that Kansas develop additional independent attractions, and provide sales tax credits to qualified tourism projects (Exhibit B) as means to attract and enhance Kansas' market share in the multi-billion dollar leisure travel industry in America.

The by-product of HB 2631, a superspeedway racetrack, will have a much needed positive economic impact for the State of Kansas. The direct impact for Kansas City Kansas and Wyandotte County will be equally abundant.

In Kansas City, The Woodlands has enjoyed being the state's attraction with the highest attendance by total visitors as identified in the 1996 Kansas Travel, Tourism & Film study (Exhibit C). Surprisingly and unfortunately, in that same study, The Woodlands doesn't even rank in the top 30 attractions in the State for visitation by out-of-state travelers. Certainly, its draw is that of local interest, which unfortunately has dwindled, along with attendance at other attractions in Wyandotte County.

Despite increases in requests for information received by our CVB, (Exhibit D) which show a 16% increase for information requests by individuals and a 21% increase for group travel, a downward trend for tourism exists in Kansas City.

Figures compiled by the Kansas City Kansas / Wyandotte County CVB indicate a negative trend. In 1997 attendance reports from our community's six major attractions show a decrease in visitation from -4.2% at the Gritner House to -15.2% at Sandstone Amphitheater. The Woodlands had a slight increase of 4.2 % in '97 over '96, although compared to 1995, attendance was down nearly 29% (Exhibit E).

The Kansas City Hotel/Motel economy also reflects this downturn. According to the October report from PKF Consulting on Trends in the Hotel Industry for Kansas (Exhibit F), occupancy rates for the first 10 months of 1997 show a 3.4% decrease in Kansas City, Missouri hotel/motel occupancies and a 1.1% decrease in Kansas City, Kansas. And while the Average Daily Room Rate increased by 6.1% (Exhibit F), collections for the Transient Guest Tax have decreased in Kansas City, Kansas.

Even though we are one of the largest communities in the State of Kansas, our city ranks well down the list for Transient Guest Tax Collections. The 1997 October through December Guest Tax collections for Kansas City, Kansas are almost equal to those collected in Finney and Geary Counties, or the Cities of Hays and Liberal (Exhibit G). Our Convention and Visitors Bureau predicts that for 1997, Guest Tax Collections will decrease 1/10th of 1 percent (0.1%) compared to 1996, despite the 1997 average daily room rate increase (Exhibit H).

You will learn today of the positive impacts that a superspeedway racetrack will have on the state's and KCK's economy. Your support of House Bill 2631 will assist in creating a major Tourism Attraction in Kansas per the recommendation of the Young Nichols and Gilstrap study. The proposed superspeedway racetrack, the reality of which depends on your support of this legislation, has the potential to enhance the dwindling visitor and tourism economy of our statewide community.

I urge your support of this legislation. Thank you for allowing me the time and the opportunity to testify before you today.

\$5.00
+ tax

**The Economic Impact
of TRAVEL on
Kansas, Its Counties
& Tourism Regions
1993**

A Study Prepared for the
Travel & Tourism Development Division
Kansas Department of Commerce & Housing
700 SW Harrison St., Suite 1300
Topeka, KS 66603-3712
Ph. 913-296-2009 TTY 913-296-3487

Prepared by
U.S. Travel Data Center
Washington, D.C.

October 1994

To purchase additional copies, see order form in back of book

EXECUTIVE SUMMARY

TOTAL IMPACT OF TRAVEL

- o Total U.S. traveler spending in Kansas, including direct and "secondary" or indirect and induced spending, was \$3.55 billion in 1993.
- o Total employment generated by traveler expenditures, including indirect, was 75.9 thousand jobs in 1993, nearly 6.7 percent of the total state non-agricultural employment.
- o Total wage and salary income earned by travel-generated employees was \$1.05 billion dollars in 1993.

DIRECT IMPACT OF TRAVEL

- o U.S. travelers spent over \$2.45 billion in Kansas during 1993, a 5.4 percent increase from the nearly \$2.33 billion travelers spent in 1992.
- o Kansas ranked thirty-seventh in total domestic travel expenditures among all 50 states and the District of Columbia in 1993.
- o Domestic traveler expenditures increased 5.4 percent in Kansas during 1993, greater than the 4.8 percent increase for the nation overall.
- o Direct travel expenditures directly generated 37.8 thousand jobs within Kansas in 1993, nearly 3.3 percent of the total state non-agricultural employment of 1,134.9 thousand jobs.
- o Domestic travel-generated employees earned more than \$418.5 million in wage and salary income during 1993, 4.8 percent more than in 1992.
- o On the average, every \$64,928 spent in Kansas by U.S. travelers generated one job in 1993.

TOURISM STRATEGY

FOR

KANSAS

Preliminary Legislative Report

January 1998



YOUNG NICHOLS GILSTRAP, INC.

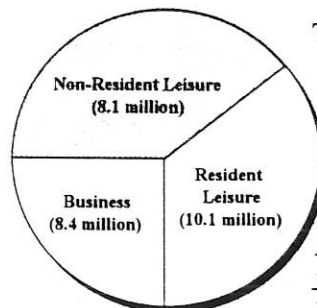
KANSAS TOURISM STRATEGY

KANSAS HOSTS AN IMPRESSIVE NUMBER OF ANNUAL VISITORS

United States Census Bureau statistics show Kansas currently has approximately 1 percent of the U.S. population.^(a) Empirical research reports, meanwhile, indicate the Sunflower State captures its pro-rata share (1 percent) of both the total number of domestic leisure travelers and the total number of business visitors.^(b) This is an impressive number of visitors.

Business and leisure visitor travel patterns, however, indicate Kansas is currently missing major economic opportunities by failing to capture its pro-rata share of both leisure and business travel spending. While Kansas has 1 percent of the total number of domestic leisure travelers, it only receives 0.6 percent of leisure travel spending. And while it is host to 1 percent of the total number of business travelers, it receives only 0.8 percent of spending by the domestic business travel market.^(b)

Non-Resident Destination Visitors - 1996



Total Visitors = 26.6 million ^(b)

Non-Resident—Purpose of Visit

ERA Survey ^(c)	# of Visitors
Pass-Through (48.9%)	4.0 Million
Visit Friends & Relatives (23.4%)	1.9
Vacation (6.9%)	0.5
Other (20.8%)	1.7
Total	8.1 Million

Kansas Tourism Market Share -- 1996

National Market Share

	Leisure	Business	Total
Population ^(a)	NA	NA	1.0%
Number of Visitors ^(b)	1.0%	1.0%	1.0%
\$ Economic Impact ^(b)	0.6%	0.8%	0.7%

(a) Source: U.S. Bureau of the Census. 1995 Kansas population of 2,565,000; 1995 U.S. population of 262,755,000.

(b) Source: D.K. Shifflet & Associates. Estimate of 1996 direct financial impact of tourism for 50 states plus Washington D.C. Excludes transportation expenditures (ahma.com). Kansas' tourism economic impact of \$2,545 million (business \$952 million; leisure \$1,593 million).

(c) Source: Travel Development and Marketing Plan, Economics Research Associates, May 1991. Non-resident survey.

KANSAS TOURISM STRATEGY

KANSAS SHOULD CONSIDER TOURISM LEGISLATION

To better capture the economic benefits and potential of tourism, legislation or legislative support will likely be needed to jump-start the Kansas tourism strategy. YNG is recommending increased support for the following:

FEASIBILITY STUDY FOR THE DEVELOPMENT OF THE HALL OF AMERICAN HEROES

YNG recommends that the 1998 Kansas Legislature consider funding a feasibility study for the Hall of American Heroes. Such efforts should include planning the attraction in such a manner to guarantee that it becomes an independent attraction, it secures significant corporate sponsorship (financial) and it does not need annual government operating subsidies upon completion.

ADDITIONAL ATTRACTION DEVELOPMENT

In addition to the Hall of American Heroes, it would benefit Kansas to improve many key existing attractions. It should also stimulate the development of new attractions that would enhance the target niches. Again, this is needed because the Kansas tourism product has more competition than it had a decade ago. It is also needed to make up for years of Kansas attempting to compete with insufficient resources. Attraction development efforts might include:

- ❖ The consolidation of current Kansas attraction development programs. The Kansas Tourism Division and the Council on Tourism have already initiated efforts in this direction (Attachment II) that are also consistent with recent Kansas Inc. recommendations.

- ❖ The funding of a State tourism attraction fund. This fund could also be included in efforts to consolidate the Division of Tourism's current attraction development alternatives.
- ❖ Consideration of legislation to provide state sales tax credits to qualified tourism projects. Similar legislation recently passed in Kentucky (Attachment III) and Arkansas (Attachment IV). The act reportedly has already helped Kentucky land a major aquarium and helped it to be selected for the development over Ohio (Attachment V).

COMPETITIVE FUNDING FOR THE MARKETING OF KANSAS AS A TOURIST DESTINATION

Because of Kansas's current funding issues, special consideration should be given to developing a supplemental revenue fund similar to one recently established in Missouri. The Missouri Legislation appears to have stimulated a bill proposed by the 1997 Kansas Legislature's Special Committee on Tourism (Attachment VI). The legislation appears to be headed in the right direction, based on YNG's preliminary review.

YNG also recommends funding for development of the niches that are part of the strategic plan for Kansas.

KANSAS
TRAVEL, TOURISM & FILM
ECONOMIC IMPACT &
MARKETING RESULTS

August 1996
Travel & Tourism Development Division
Kansas Department of Commerce & Housing



Leisure Travel Volume

The volume of Leisure person-trips to Kansas was estimated at 18.7 million in 1995, a slight increase of 1% from 18.5 million in 1994.

Residents vs. Non-Residents: Kansas Leisure Travel

- Residents accounted for 9.9 million person-trips, a 2% decrease compared to 10.1 million in 1994.
- Non-residents accounted for 8.8 million person-trips, a 5% increase from 8.4 million in 1994.

Overnight vs. Day-Trips: Kansas Leisure Travel

- Overnight Leisure travel to Kansas increased 3% from 8.9 million in 1994 to 9.2 million in 1995.
- Day-trips decreased 1% from 9.6 million in 1994 to 9.5 million in 1995.

Origin Markets

Person-Trips

Kansas and its seven surrounding states account for the vast majority (87%) of leisure travel to the state. In 1995, over half of all Leisure travel was by residents (53%), a slight decrease from 1994 (55%). Non-residents accounted for 47% of all Leisure travel in 1995, an increase from 1994 (45%). After Kansas, Oklahoma (9%), contributed the largest share of Leisure travel to Kansas, this was followed by Missouri (7%), Texas (6%), Nebraska (3%), Colorado (3%), and Arkansas and Iowa with 2% each.

Person-Days

Person-days differ from person-trips because it takes length of stay into account. For example, if two people travel to Topeka for five days, that is two person-trips but 10 person-days. When looking at person-days, residents accounted for 38% of person-days to Kansas, and non-residents accounted for 62%.

Source: DKS&A: Executive DIRECTIONS

**KCK/WYANDOTTE COUNTY CVB
INFORMATION REQUESTS
1997**

MONTH	INDIVIDUAL	GROUP	PACKETS
January	193	3	0
February	233	13	25
March	237	25	712
April	218	40	1,280
AAA Home & Away	672		
May	294	21	1,519
June	214	42	3,012
AAA Home & Away	469		
July	301	32	2,886
August	175	13	576
September	190	16	912
October	209	20	670
November	114	19	420
December	80	15	0
TOTALS	3,599	259	12,012

Kansas City, Kansas/Wyandotte County
CONVENTION AND VISITORS BUREAU
 727 Minnesota Ave., P. O. Box 171517, Kansas City, KS 66117
 (913) 321-5800 1-800-264-1563

**KCK/WYANDOTTE COUNTY CVB
INFORMATION REQUESTS
1996**

MONTH	INDIVIDUAL	GROUP	PACKETS
January	123	0	0
February	221	9	0
March	224	22	696
April	212	31	1,342
AAA Home & Away	352		
Midwest Motorist	283		
May	278	17	1,080
June	172	33	2,951
AAA Home & Away	156		
July	282	25	2,886
August	164	10	475
September	171	13	850
October	192	14	595
November	128	16	320
December	78	15	0
TOTALS	3,036	205	11,195

Kansas City, Kansas/Wyandotte County
CONVENTION AND VISITORS BUREAU
 727 Minnesota Ave., P. O. Box 171517, Kansas City, KS 66117
 (913) 321-5800 1-800-264-1563

**KCK/WYANDOTTE COUNTY CVB
INFORMATION REQUESTS
1995**

MONTH	INDIVIDUAL	GROUP
January	64	1
February	161	20
Better Homes & Garden	222	
March	183	4
April	213	6
AAA Home & Away	419	
May	160	19
June	218	1
July	128	15
August	150	8
September	131	21
October	100	14
AAA Home & Away	302	
November	62	23
December	45	15
TOTALS	2,558	147

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**KCK/WYCO CONVENTION & VISITORS BUREAU
1995-1997
ATTRACTION ATTENDANCE**

ATTRACTION	ATTENDANCE 1995	ATTENDANCE 1996	ATTENDANCE 1997
Children's Museum of KC	20,800	20,556	19,000
Grinter House	18,622	18,681	17,902
KCK Public Library	690,465	658,238	649,924
Lakeside Speedway	80,000	60,000	67,000
Memorial Hall	Not Available	Not Available	Not Available
Missouri River Queen	Not Available	100,000	Not Available
Nat'l Ag Center & Hall of Fame	25,000	25,000	22,627
Renaissance Festival	178,955	200,000	180,000
Sandstone Amphitheatre	413,581	Not Available	351,054
Strawberry Hill Museum	2,500	3,000	5,000
The Woodlands	580,827	395,294	411,942
Wyandotte County Fairgrounds	100,000	115,000	100,000
WYCO Lake & Park	1,000,000+ Drive thru Annually	1,000,000+ Drive thru Annually	1,000,000+ Drive thru Annually
WYCO Museum	12,000	27,000	28,000
Wyandotte Players	5,200	4,500	3,573

Kansas City, Kansas/Wyandotte County
CONVENTION AND VISITORS BUREAU
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TRENDS

IN THE HOTEL INDUSTRY



CONSULTING

KANSAS

OCTOBER 1997

Five Post Oak Park
Suite 1940
Houston, TX 77027
Ph. (713) 621-5252
Fax (713) 621-9494

IF I COULD BUILD A HOTEL, IT WOULD BE...

In an effort to gauge future development activity within the U.S. lodging industry, PKF Consulting recently polled over 65 key players in the hotel investment community. The survey covered lenders, investors, operators, brokers, and developers. Each person was asked to rank their most and least favored types of hotel, as well as the market areas in which they would prefer to invest, lend, operate, or develop.

As potential markets for investment, the following cities ranked highest and lowest in the aggregate mindset of all participants:

Most Favored

San Francisco
New York City
Boston
Seattle
Washington, D.C.

Least Favored

San Antonio
Detroit
Honolulu
Houston
St. Louis

Regarding the investment potential for the different types of lodging products, our survey participants rated them as follows:

Property Type

Economy Limited-Service
Mid-Market with Food
Mid-Market without Food
Upscale
Luxury
All-Suite

Rating

Somewhat Unfavorable
Neutral
Neutral
Somewhat Favorable
Somewhat Favorable
Somewhat Favorable

When analyzing the responses by the different types of respondents, we did find some differences of opinion. For instance, developers ranked extended-stay hotels as their most favored property type, while lenders and investors would prefer to put their money in upscale and luxury properties. When it comes to ranking market areas, brokers had a more favorable opinion of Houston and Dallas than did operators. Apparently, the competitive market conditions make these markets ripe for transactions, but are frightening to management companies.

To purchase a summary of the complete results of the survey, please contact our
National Research Department at (404) 842-1150.

Kansas - Trends in the Hotel Industry

For the 10 Months Ended of October

	Occupancy			Average Daily Rate			RevPAR		
	1996	1997	Difference	1996	1997	%Var	1996	1997	%Var
Kansas	72.7 %	69.9 %	-2.8	\$70.75	\$75.75	7.1 %	\$51.45	\$52.94	2.9 %
Kansas City	74.7 %	72.1 %	-2.7	\$74.74	\$81.12	8.5 %	\$55.85	\$58.45	4.7 %
Kansas City, KA	73.6 %	72.4 %	-1.1	\$64.48	\$68.43	6.1 %	\$47.43	\$49.55	4.5 %
Kansas City, MO	75.3 %	71.9 %	-3.4	\$79.94	\$87.47	9.4 %	\$60.22	\$62.88	4.4 %
Wichita	67.4 %	66.6 %	-0.7	\$63.17	\$64.59	2.2 %	\$42.55	\$43.03	1.1 %
Topeka	74.1 %	73.0 %	-1.1	\$63.12	\$65.61	3.9 %	\$46.76	\$47.87	2.4 %
Eastern Kansas	59.4 %	45.6 %	-13.8	\$46.08	\$51.35	11.4 %	\$27.36	\$23.39	-14.5 %
Western Kansas	65.8 %	57.3 %	-8.5	\$48.97	\$50.82	3.8 %	\$32.22	\$29.12	-9.6 %
Room Rate									
Under \$45.00	71.2 %	70.2 %	-1.0	\$37.78	\$38.67	2.4 %	\$26.89	\$27.15	1.0 %
\$45.00 to \$60.00	67.8 %	62.1 %	-5.7	\$54.53	\$54.50	-0.1 %	\$36.98	\$33.86	-8.4 %
\$60.01 to \$75.00	71.5 %	68.8 %	-2.7	\$67.32	\$68.28	1.4 %	\$48.14	\$46.98	-2.4 %
\$75.01 and Over	77.9 %	73.6 %	-4.4	\$90.69	\$92.67	2.2 %	\$70.68	\$68.17	-3.6 %
Property Size									
Under 150 Rooms	73.4 %	69.6 %	-3.8	\$59.97	\$62.00	3.4 %	\$43.99	\$43.14	-1.9 %
150 to 225 Rooms	69.9 %	65.0 %	-4.9	\$56.91	\$58.35	2.5 %	\$39.79	\$37.91	-4.7 %
226 to 300 Rooms	70.7 %	69.6 %	-1.1	\$81.21	\$88.80	9.3 %	\$57.38	\$61.76	7.6 %
301 rooms and Over	76.4 %	74.7 %	-1.8	\$80.16	\$86.55	8.0 %	\$61.28	\$64.62	5.5 %
Property Type									
All Suite	76.8 %	77.2 %	0.3	\$93.70	\$98.16	4.8 %	\$72.01	\$75.78	5.2 %
Economy	76.0 %	51.4 %	-24.6	\$38.28	\$40.35	5.4 %	\$29.10	\$20.76	-28.7 %
Full Service	70.4 %	68.0 %	-2.4	\$72.32	\$77.63	7.3 %	\$50.94	\$52.83	3.7 %
Limited Service	78.6 %	73.9 %	-4.7	\$58.70	\$59.67	1.6 %	\$46.12	\$44.07	-4.4 %

Data includes information from 30 participating properties with 6,053 rooms.

SOURCE: PKF Consulting/Hospitality Advisory Services

TRANSIENT GUEST TAX COLLECTIONS
(98% DISTRIBUTION TO LOCALITIES)

	Jul	Aug	Sept	Jul-Sept	Oct	Nov	Dec	Oct-Dec	Jan	Feb	Mar	Jan-Mar	Apr	May	June	Apr-Jun	FY 98 Total
TRANSIENT GUEST TAX COLLECTIONS --CONFIDENTIAL REPORT																	
								(\$0 00)									
Brook Co	\$748 98	\$648 50	\$538 69	\$1,936 17	\$579 54	\$431 48	C	\$1,011 02	C	C	C	C	C	C	C	C	C
Dud Co	\$1,912 20	\$2,018 08	\$1,612 55	\$5,542 83	\$1,543 19	\$1,513 06	C	\$3,056 25	C	C	C	C	C	C	C	C	C
Ward Co	\$5,168 87	\$5,761 48	\$4,038 56	\$14,968 91	\$3,853 94	\$2,399 68	C	\$6,253 62	C	C	C	C	C	C	C	C	C
Way Co	\$12,599 83	\$35,318 20	\$23,823 28	\$71,741 31	\$16,118 62	\$20,249 38	C	\$36,368 00	C	C	C	C	C	C	C	C	C
Franklin Co	\$10,133 71	\$11,219 79	\$8,348 76	\$29,702 26	\$4,277 37	\$10,478 28	C	C	C	C	C	C	C	C	C	C	C
Wayne Co	\$19,970 17	\$25,089 72	\$14,210 55	\$59,270 44	\$19,546 82	\$15,381 11	C	\$34,927 93	C	C	C	C	C	C	C	C	C
Ant Co	\$1,933 77	\$2,629 72	\$1,899 04	\$6,462 53	\$1,970 42	\$1,470 20	C	C	C	C	C	C	C	C	C	C	C
Wason Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wetzel Co	\$2,228 70	\$2,259 56	\$1,504 60	\$5,992 86	\$2,141 64	\$996 41	C	\$3,138 05	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$968 63	\$1,122 86	\$968 63	\$3,060 12	\$337 82	\$1,519 96	C	C	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$4,719 87	\$8,486 09	\$3,894 20	\$17,100 16	\$9,229 39	\$4,523 78	C	\$13,753 17	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$3,162 39	\$6,284 76	\$3,651 78	\$13,098 93	\$4,066 42	\$3,934 73	C	C	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$178 03	\$5,740 45	\$1,373 69	\$7,292 17	\$7,914 74	\$2,136 32	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$8,832 29	\$11,364 40	\$8,811 80	\$29,008 49	\$4,916 21	\$6,895 94	C	\$11,812 15	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$1,045 91	\$119 46	\$208 70	\$1,374 07	\$882 55	\$459 00	C	C	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$79,397 26	\$125,801 57	\$79,905 42	\$285,104 25	\$86,541 36	\$79,843 97	C	\$0 00	\$166,385 33	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00	\$0 00	\$451,489 58
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$11,340 60	\$12,611 97	\$9,431 10	\$33,383 67	\$6,001 58	\$12,117 69	C	\$18,119 27	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$1,564 54	\$2,510 72	\$3,013 55	\$7,088 81	\$2,698 62	\$2,652 73	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$6,193 45	\$13,137 69	\$6,909 61	\$26,240 75	\$10,137 82	\$6,689 20	C	\$16,827 02	C	C	C	C	C	C	C	C	C
Wright Co	\$25,387 82	\$29,269 19	\$30,466 37	\$85,123 38	\$38,990 71	\$13,199 85	C	\$52,190 56	C	C	C	C	C	C	C	C	C
Wright Co	\$4,352 32	\$12,864 53	\$4,805 66	\$22,022 51	\$10,404 63	\$8,436 85	C	C	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$10,106 15	\$28,613 12	\$10,500 86	\$49,220 13	\$13,228 49	\$17,366 62	C	\$30,595 11	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$3,548 71	\$5,603 21	\$3,291 06	\$12,442 98	\$2,991 60	\$2,370 11	C	\$5,361 71	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$10,051 66	\$9,841 84	\$10,421 25	\$30,314 75	\$6,950 14	\$8,455 44	C	\$15,405 58	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$25,106 54	\$32,711 95	\$25,325 28	\$83,143 77	\$23,690 38	\$17,928 25	C	\$41,618 63	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$17,389 93	\$25,050 11	\$19,028 25	\$61,468 29	\$29,451 60	\$20,153 15	C	\$49,604 75	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wright Co	\$18,695 00	\$22,363 81	\$12,779 08	\$53,837 89	\$24,063 79	\$13,996 68	C	\$38,060 47	C	C	C	C	C	C	C	C	C
Wright Co	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C

2-18

2-18

TRANSIENT GUEST TAX COLLECTIONS
(98% DISTRIBUTION TO LOCALITIES)

8-19

City/County	Jul	Aug	Sept	Jul-Sept	Oct	Nov	Dec	Oct-Dec	Jan	Feb	Mar	Jan-Mar	Apr	May	June	Apr-Jun	FY 98 Total
Ashtabula	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Barberton	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Bedford	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Brookwood	\$32,930.19	\$75,734.09	\$26,858.69	\$135,522.97	\$46,182.23	\$37,177.23	C	\$83,359.46	C	C	C	C	C	C	C	C	C
Chardon	\$9,402.42	\$12,274.53	\$2,540.41	\$24,217.36	\$3,714.72	\$5,895.32	C	C	C	C	C	C	C	C	C	C	C
Concord	\$45,631.34	\$48,091.59	\$48,116.32	\$141,839.25	\$37,848.54	\$16,718.67	C	C	C	C	C	C	C	C	C	C	C
Cuyahoga Falls	\$17,134.34	\$15,175.56	\$13,491.45	\$45,801.35	\$18,138.79	\$16,095.98	C	\$34,234.77	C	C	C	C	C	C	C	C	C
Dayton	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Delaware	\$47,699.45	\$45,159.27	\$15,047.46	\$107,906.18	\$39,462.02	\$31,713.80	C	\$71,175.82	C	C	C	C	C	C	C	C	C
Eastman	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Easton	\$4,751.10	\$8,272.70	\$5,062.84	\$18,086.64	\$6,536.85	\$5,641.07	C	C	C	C	C	C	C	C	C	C	C
Euclid	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Greenwood	\$19,236.53	\$24,170.53	\$21,848.89	\$65,255.95	\$21,081.58	\$10,086.82	C	C	C	C	C	C	C	C	C	C	C
Highland	\$6,191.88	\$15,781.06	\$5,671.24	\$27,644.18	\$11,863.87	\$4,388.85	C	\$16,252.72	C	C	C	C	C	C	C	C	C
Independence	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Lebanon	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Lorain	\$643.07	\$608.82	\$1,202.29	\$2,454.18	\$827.52	\$265.54	C	C	C	C	C	C	C	C	C	C	C
Lyndhurst	\$25,148.39	\$25,410.94	\$28,354.53	\$78,913.86	\$19,402.10	\$25,153.15	C	C	C	C	C	C	C	C	C	C	C
Martinsburg	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Medina	\$198,507.21	\$256,081.63	\$210,745.04	\$665,333.88	\$157,185.78	\$240,231.78	C	\$397,417.56	C	C	C	C	C	C	C	C	C
North Olmsted	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
North Ridgeville	\$5,047.58	\$8,422.87	\$5,747.92	\$19,218.37	\$5,408.07	\$4,489.65	C	\$9,897.72	C	C	C	C	C	C	C	C	C
Parma	\$69,829.70	\$70,010.84	\$52,233.49	\$192,074.03	\$57,324.64	\$61,349.12	C	\$118,673.76	C	C	C	C	C	C	C	C	C
Shaker Square	C	C	C	C	C	#REF!	C	C	C	C	C	C	C	C	C	C	C
South Olmsted	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Stark	\$72,921.52	\$141,738.02	\$76,377.89	\$291,037.43	C	\$1,425.01	C	\$109,985.38	C	C	C	C	C	C	C	C	C
Steubenville	C	C	C	C	C	\$1,425.01	C	\$208,201.91	C	C	C	C	C	C	C	C	C
Summit	C	C	C	C	C	C	C	\$2,426.13	C	C	C	C	C	C	C	C	C
Township of Warren	\$1,504.49	\$1,579.12	\$1,504.58	\$4,588.19	C	C	C	C	C	C	C	C	C	C	C	C	C
Wadsworth	\$301,814.00	\$352,080.33	\$247,693.78	\$901,588.11	\$383,272.58	\$314,849.91	C	\$698,122.49	C	C	C	C	C	C	C	C	C
Wesleyan	\$4,273.51	\$3,999.22	\$4,134.88	\$12,407.61	\$4,659.16	\$4,282.90	C	\$8,942.06	C	C	C	C	C	C	C	C	C
at 98%	\$1,036,655.25	\$1,349,498.03	\$929,020.85	\$3,315,174.13	\$1,132,242.54	\$1,052,772.96	C	\$2,185,015.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,500,435.34
at 98%	\$1,116,052.51	\$1,475,299.60	\$1,008,926.27	\$3,600,278.38	\$1,218,783.90	\$1,132,616.93	\$0.00	\$2,351,400.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,951,924.92
at 100%	\$1,138,829.09	\$1,505,407.76	\$1,029,516.60	\$3,673,753.45	\$1,243,657.04	\$1,155,731.56	\$0.00	\$2,399,388.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,073,392.78

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**KANSAS CITY, KANSAS
MONTHLY TOTAL TAX REVENUE
TRANSIENT GUEST TAX**

YEAR	1995	1996	1997	1998
JANUARY	\$ 12,602.27	\$ 12,258.82	\$ 8,045.14	
FEBRUARY	12,037.68	13,396.09	16,626.95	
MARCH	12,954.86	13,192.13	14,580.16	
APRIL	8,304.32	7,492.25	9,571.81	
MAY	14,994.63	23,813.47	20,051.37	
JUNE	20,787.52	17,313.47	17,429.89	
JULY	18,392.98	18,614.51	18,695.00	
AUGUST	19,578.15	21,171.95	22,363.81	
SEPTEMBER	18,974.25	18,575.30	12,779.08	
OCTOBER	17,307.19	14,395.29	24,063.70	
NOVEMBER	17,081.98	16,870.54	13,996.68	
DECEMBER	16,540.77	21,984.42		
TOTAL	\$189,556.60	\$199,078.24	*	

* Jan-Nov 1997 = \$178,203.59

KANSAS INTERNATIONAL SPEEDWAY FACT SHEET

SCOPE OF PROJECT

The project consists of a 1.5 mile oval super speedway for stock car auto racing
Seating capacity of 75,000 initially
Phase II will increase seating capacity to 150,000

PROJECT LOCATION

The 1,000 acre project will be located at the northwest corner of the I-70 & I-435 interchange in western Wyandotte County

PROJECT COST

The total project cost is estimated at \$252 million
(See attached budget summary for details)

PROJECT FINANCING

This is a public/private partnership - *No new taxes are needed to support this project*
Private equity - \$55 million
Public financing -
\$67 million TIF bonds - retired by payment in lieu of taxes totaling \$178 million over a 30-year period
\$21 million STAR bonds - retired by sales tax revenues over a 30-year period
State of Kansas contributions - \$43 million - in the form of roads and economic incentive funds

PREVAILING WAGE AND MINORITY/WOMEN BUSINESS ENTERPRISES

Prevailing wage rates will be paid on all construction contracts for the total project. KISC has agreed to provisions to assure participation of minority business enterprises and women enterprises, and will retain a MBE/WBE participation expert.

PROJECT COMPLETION

It is anticipated the first race will be held at KISC in the year 2000

PROJECT REQUIRED LEGISLATION

Legislation will be introduced early in the session, and must be on the Governor's desk by early March in order for this project to proceed.

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Attachment 3

A PUBLIC PRIVATE PARTNERSHIP

KANSAS INTERNATIONAL SPEEDWAY CORPORATION AND THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS AND THE STATE OF KANSAS

December 10, 1997

<u>Project Costs</u>	<u>Estimated Amounts</u> <u>(In millions)</u>		
	<u>Phase I</u>	<u>Phase II</u>	<u>Total</u>
Land Acquisition	\$ 16.1	\$ 0.0	\$ 16.1
Track Facility	61.5	35.9	97.4
On-site infrastructure	86.2	18.2	104.4
Off-site infrastructure	<u>34.5</u>	<u>0.0</u>	<u>34.5</u>
Total Project Costs	<u>\$198.3</u>	<u>\$ 54.1</u>	<u>\$ 252.4</u>
 <u>Project Financing</u>			
ISC Cash Equity Commitment	\$ 55.6	\$ 34.6	\$ 90.2
Project Supported Financing			
• TIF	67.4	0.0	67.4
• STAR	21.0	18.7	39.7
State Highway Funds	33.0	0.0	33.0
KDOT Economic Development Funds	1.0	0.0	1.0
State Tax Credits	3.2	0.8	4.0
State Economic Incentive Funds	6.0	0.0	6.0
Local Utility Commitments	3.6	0.0	3.6
Local CMIP Street/Matching Funds	<u>7.5</u>	<u>0.0</u>	<u>7.5</u>
Total Project Financing	<u>\$198.3</u>	<u>\$ 54.1</u>	<u>\$ 252.4</u>

KANSAS INTERNATIONAL SPEEDWAY
PRELIMINARY ECONOMIC AND FISCAL IMPACT ASSESSMENT
 By Coopers & Lybrand L.L.P.

Construction-Period Impacts (one-time impacts to the economy during construction) -
 Preliminary total construction costs Phase I - approximately \$198.3 million

	<u>within Wy Co</u>	<u>within Kansas</u>	<u>Total</u>
Direct construction expenditures-	\$ 72.4 million	\$121.3 million	\$193.7 million
*Indirect expenditures -	\$ 36.2 million	\$116.5 million	\$152.7 million
Full-time equivalent (FTE) jobs generated -	1,530	3,820	5,350
Resulting in earnings of -	\$ 55.1 million	\$110.7 million	\$165.8 million
Fiscal impacts (tax revenues) -	\$ 1.1 million	\$ 11.7 million	\$12.8 million

(primarily sales taxes)(workers' income taxes/sales taxes)

Operation-Period Impacts (recurring annual impacts when the track becomes operational) -
 Total direct spending as a result of the Speedway - \$87.0 million
 (includes money spent on ticket sales, concessions, restaurants, hotels and retail stores)

	<u>within Wy Co</u>	<u>within Kansas</u>	<u>Total</u>
Direct expenditures -	\$ 20.0 million	\$ 42.5 million	\$ 62.5 million
*Indirect expenditures -	\$ 20.9 million	\$ 75.3 million	\$ 96.2 million
Full-time equivalent (FTE) jobs generated -	910	2,455	3,365
Resulting in earnings of -	\$ 15.5 million	\$ 42.6 million	\$ 58.1 million
Fiscal impacts (tax revenues) -	\$ 0.8 million	\$ 5.3 million	\$ 6.1 million

(sales, hotel & personal income taxes assessed by local and state govt.)

Non-Quantifiable Impacts (benefits from this project that cannot be measured in \$ figures) -

- economic growth and additional private sector development spurred by operation of speedway
- family entertainment alternatives in the area
- new advertising opportunities for local businesses
- enhanced community pride, self-image, exposure and reputation

Significant potential impacts *not* included in this report -

- retail development in Wyandotte County resulting from the speedway
- construction-period impacts from Phase II expansion
- operation-period impacts from Phase II expansion

* Indirect expenditures are direct expenditures that are re-spent in subsequent rounds of expenditures until they eventually "leak out" of Wyandotte County and the state of Kansas.

SCHEDULE D1(A)
MAXIMUM TIF BOND REPAYMENT SCHEDULE

YEAR	TOTAL ANNUAL PAYMENT
1998	\$ 4,803,000
1999	4,803,000
2000	4,803,000
2001	4,803,000
2002	4,803,000
2003	4,893,000
2004	4,987,000
2005	5,081,000
2006	5,177,000
2007	5,275,000
2008	5,375,000
2009	5,477,000
2010	5,581,000
2011	5,687,000
2012	5,795,000
2013	5,905,000
2014	6,017,000
2015	6,131,000
2016	6,247,000
2017	6,365,000
2018	6,486,000
2019	6,609,000
2020	6,734,000
2021	6,862,000
2022	6,992,000
2023	7,125,000
2024	7,260,000
2025	7,398,000
2026	7,538,000
2027	<u>7,681,000</u>
	\$178,693,000

D1(A)-1

Superspeedway would be a solid investment for KCK

The Unified Government's Board of Commissioners' unanimous decision to approve a development agreement with the International Speedway Corp. for construction of a two-phase, \$252 million motor speedway in western Wyandotte County is a solid investment for the immediate future of our community.

Consider the facts:

- The speedway will initially seat 75,000 people, annually bringing more than 250,000 racing fans to Wyandotte County. Upon completion of phase two, the track will seat 150,000 people, proportionately increasing the number of visitors to our community.

- Wyandotte County will receive the direct benefit of more than \$70 million to its local economy during the construction period of the state-of-the-art facility (1998 to 2000).

- Once constructed, the track will generate a direct economic benefit to Wyandotte County of more than \$25 million each and every year.

- The speedway will serve as a catalyst for major economic development in Kansas City, Kan., and Wyandotte County. Developers are currently seriously considering proposals for major development in Wyandotte County, including hotels and retail shopping. There are other commercial developers examining the possibilities of bringing their respective businesses to our community. These potential developments hinge on the construction of the speedway.

- This project pays for itself. No new taxes are needed to support it. There are no general obligation bonds involved. The Bonner Springs, Piper and Kansas City, Kan., school districts, which serve the area where the speedway will be built, are guaranteed at least current levels of property tax revenue for the first four years of the project.

- ISC will invest more than \$90 million in equity and make payments in lieu of taxes of more than \$178 million with the first payment of more than \$4.8 million due in 1998.

Balancing the risks and rewards for a development of this magnitude has been challenging. We have tried to be as candid and open as possible throughout the process, despite the complexity of the project and the sensitive nature of the negotiations. Over the past several months, a series of large public forums, meetings with various organizations, and neighborhood groups were held. These meetings were important to us in assessing the views and concerns of our residents.

This agreement was developed during months of negotiations. There was a lot of give and take on both sides. For example, ISC wanted 1,500 acres, but in the final development agreement, they are limited to 1,000 acres. While there is a tremendous amount of direct benefit to the community, unfortunately, there are 146 homeowners

have empathy for the people being uprooted, and we are committed to deal with them as fairly as possible in one-on-one land acquisition negotiations. We want to do our best to relocate as many of these residents in Wyandotte County as possible.

The Board of Commissioners and I are convinced the agreement creates a unique opportunity for our community to broaden its tax base, and acquire major retail and

entertainment development. Bringing a major sports facility to Kansas City, Kan., such as the speedway is something every community in America covets. There is fierce competition for a project of this magnitude.

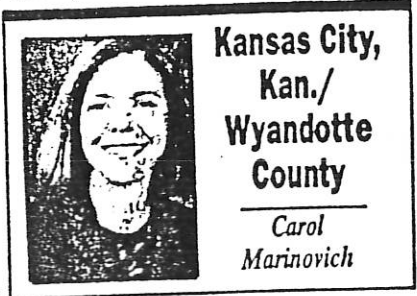
The support of the Wyandotte

County legislative delegation in the last session of the Kansas Legislature enabled passage of special legislation. This legislation was important in earning the opportunity to gain exclusive negotiation rights with ISC. To complete the project and begin construction, we need further support from the Legislature in revising current legislation. Again, in lieu of the taxes, ISC will make annual payments during a 30-year period totaling more than \$178 million to retire the revenue bonds required to build the project.

When compared to what other cities have had to offer for similar projects, our agreement with ISC is outstanding. Some communities are increasing local and state taxes to pay for new facilities. Nashville, for example, is building a new \$290 million stadium that is being financed with more than \$218 million in public funds. Local government is funding the biggest portion for the project. In St. Louis, the city and county are responsible for paying off 50 percent of the revenue bonds used in building the \$280 million Trans World Dome. In addition, in order to attract the National Football League Rams, the St. Louis Convention and Visitors Commission retired a \$28 million team debt, paid \$5.5 million in relocation fees, and agreed to pay \$20 million for a relocation fine assessed the Rams by the NFL.

We can look to our immediate east to see what the vision Jackson County leaders had 30 years ago has meant to the metropolitan Kansas City area. The economic impact created by the Truman Sports Complex has been a tremendous benefit to the entire area. Without the Truman Sports Complex, would the Chiefs be here in the playoffs? The economic impact of the Chiefs is equal to the excitement being generated throughout the metropolitan area about the team's success and the anticipation of Kansas City being in this year's Super Bowl. Hosting a Winston Cup Race at the speedway carries the same prestige and excitement of having a Super Bowl.

Unlike the Truman Sports Complex, where the taxpayers of Jackson County directly paid for that project, the speedway will pay for itself.



**Kansas City,
Kan./
Wyandotte
County**

*Carol
Marinovich*

EXAMPLES OF PUBLIC/PRIVATE PARTNERSHIPS: SPORTS ARENAS AND STADIUMS

- Nashville, Tenn. is building a new \$290 million stadium that is being financed with more than \$218 million in public funds. Local government is funding the biggest portion of the project.
- In St. Louis, Mo. the city and county are responsible for paying of 50% of the revenue bonds used in building the \$280 million Trans World Dome. In addition, in order to attract the NFL Rams, the St. Louis Convention and Visitors Commission retired a \$28 million team debt and paid \$5.5 million in relocation fees. They also agreed to pay another \$20 million for a relocation fine assessed by the NFL.
- In Kansas City, Mo., Jackson County taxpayers directly paid for the construction of the Truman Sports Complex where the Royals and Chiefs play.
- The Atlanta/Georgia Dome was funded through \$214 million in revenue bonds backed by the state.
- In Cincinnati, Ohio, two new stadiums for the Reds and Bengals cost \$520 million. Revenue bonds that were issued to fund construction are backed 80-85% by a county half cent sales tax. The state contributed 15% additional funding and the Bengals contributed \$44 million to the project.



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Executive Secretary
Treasurer
Jim DeHoff

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Wil Leiker
Frank Mueller
Dwayne Peaslee
Craig Rider
Gary Russell
Wallace Scott
Debbie Snow
Betty Vines*

Testimony Presented to
House Tourism Committee
House Bill 2631
January 21, 1998
by
Jim DeHoff

Madame Chairperson & Committee Members:

I am Jim DeHoff, Executive Secretary of the Kansas AFL-CIO. I appear before you today on behalf of the 100,00 members of the Kansas AFL-CIO and their families.

We are asking that you give strong consideration to extending the property tax abatement for special revenue bonds to 30 years for the development of a motor speedway in Wyandotte County. The speedway would be constructed by building trades people from not only Wyandotte County, but other counties of Kansas as well. The Kansas AFL-CIO believes with the rapidly approaching completion date of the comprehensive Kansas highway program, a strong economic program is a must to continue the job market the highway program has provided. It is a well known fact that the Kansas highway program has contributed to a very good economy in Kansas.

The speedway will help provide jobs in the near future, as well as additional jobs after the first phase is completed. Opportunities for projects of this size do not come along very often. We hope you will seize this opportunity to have a first class race car facility in the State of Kansas.

In closing, I would like to re-emphasize that it is our belief that this project will benefit all Kansans. Consideration of its benefits should be strongly considered. We respectfully request that you pass this bill favorably.

Thank you.



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**Testimony to the Tourism Committee
Kansas Legislature
January 21, 1998**

By
Robert J. Marcusse, President
Kansas City Area Development Council

The agreement reached last month to develop the Kansas International Speedway has sparked much discussion about the fairness of the financial package for Kansas City, Kansas, Wyandotte County, and the state of Kansas. As the Kansas legislature decides whether to enact laws allowing the project's financing to occur over 30 years rather than 20, the public should be aware of key information.

Nearly \$200 million--eighty percent--of this \$252 million project will be funded *directly* by the International Speedway Corporation (ISC) *and* through revenues generated from the speedway. Unlike other sports venues, such as the Truman Sports Complex in Kansas City, MO., this package will not require financing through general obligation bonds which could put the taxpayer at risk.

Last year, with the possibility of this huge project only a distant hope, this committee and this legislature stepped forward to give Wyandotte County and *chance* to compete. With no details available at that time, you passed legislation that authorized a 20 year bond program. This was similar in time to some other programs but shorter than the 30 year program authorized for Public Building Commission bonds. Now, Wyandotte County has overcome incredible odds and victory is in sight. Please take the final step to make that victory sure.

The speedway's benefits will be huge, adding a new major-league sport to our community. Based on three NASCAR-sponsored races per year, the project will have an estimated area-wide \$170 million annual economic impact—the equivalent of a super bowl in Kansas City every year.

The numbers are equally significant on the local and state level. According to a conservative Coopers & Lybrand financial study just released, the speedway will generate \$40 million per year in Wyandotte County, based on adjusted total output. Assuming no growth (plans are for the speedway to double in size), that's \$1.2 billion dollars over the 30-year life of the bonds. The same study also estimates the adjusted total output created for the state of Kansas at \$118 million each year.

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Marcusse viewpoint/p. 2

Additionally, the speedway will enhance our area's reputation as a sports, entertainment, and tourism destination. Major races will attract hundreds of thousands of visitors each year, helping Kansas boost its last-place tourism ranking. (Fans travel a mean distance of 228 miles to attend a race.) Racing's rise in popularity means an increasingly diverse set of fans: forty percent are female, and one-third earn over \$50,000 per year and hold professional or managerial jobs.

Race enthusiasts who don't attend will be watching: NASCAR racing has become the second-highest rated sports series on cable TV (after NFL coverage). The sport's numerous corporate sponsorships will ensure regular visits by business executives—and the opportunity to showcase our state for business development. You heard yesterday from Grant Lynch how that has happened in Talledega. We will work hard with Wyandotte County and the Kansas Dep't of Commerce and Housing to attract new business here too.

Best of all, since only 30% of race attendees are expected to be from the Kansas City area (many from Missouri and perhaps only 5% from Wyandotte County), the vast majority of the funds used to pay off the speedway will come from outside Kansas City . . . a transfer of wealth! We can use other people's money to pay off a Kansas project.

As a state, we cannot afford to miss this exceptional economic development opportunity. We are not discussing the recommendation of a tourism consultant that might, just might, turn into something. **We are confronted face to face with the biggest tourism opportunity to ever present itself to Kansas.** Let's replace images of 200mph tornadoes with 200mph racecars and the yellow brick road with victory lane.

The city, county and state have taken a responsible approach to financing the deal, and the return on investment is terrific. We urge the state legislature to approve necessary legislation so we can begin racing.

* * * * *

Robert J. Marcusse is president of the Kansas City Area Development Council (KCADC), which works to attract business and industry to the 14-county, bistate metro area. As the area's umbrella economic development organization, the KCADC worked in tandem with the International Speedway Corporation, the state of Kansas, and the Unified Government of Wyandotte County/Kansas City, Kansas, to attract a speedway to the metro.

BOARD OF COMMISSIONERS

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY KANSAS

Municipal Office Building
701 North 7th Street, Room 979
Kansas City, Kansas 66101
(913) 573-5040
(913) 573-5050, fax

TO: The Honorable Barbara Allen, Chair
Members of the House Tourism Committee

FROM: Commissioner Pat Huggins Pettey, Unified Government of Wyandotte
County/Kansas City, Kansas

DATE: January 21, 1998

RE: **HB 2631 An Act concerning tourism; special revenue bonds; development of
a NASCAR motor speedway in Wyandotte County**

Good afternoon, Madam Chair, and Members of the House Tourism Committee.

Having served two terms in the Kansas Legislature as a Representative for the Thirty-First District, it is indeed a pleasure to appear before you today. During my tenure here in Topeka, I took great pride in basing my decisions on what was best for not only my constituents, but also the citizens of Kansas.

As a commissioner for the new Unified Government of Wyandotte County/Kansas City, Kansas, I maintain that same principle in making decisions for the betterment of the people I have the pleasure of serving.

We all know the need for enhanced tourism in Kansas, the strong economic impact it would provide, and how it would enhance our State's image nationally. Collectively, we have all been in search of a major boost for tourism that would put the State of Kansas on the map, and make us a destination point. With a national tourism ranking of 50th, we have no where to go but up.

Today, I come before you to ask for your support of a project, that I firmly believe, is *the major boost* we all have been searching for, that will literally bring hundreds of thousands of visitors to Kansas. Last month, I, and the Board of Commissioners for the Unified Government unanimously approved a development agreement with the International Speedway Corporation to build a major league motor speedway called Kansas International Speedway in western Wyandotte County. After countless hours of research, and a series of large public forums, Mayor Marinovich, I, and the Board of Commissioners are totally convinced that the state-of-the-art speedway will help our community broaden its tax base, and acquire major retail and entertainment development. Independent economic analysis studies presented to you during these committee hearings, not only

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strongly support the benefit for Wyandotte County, but also forecast a tremendous windfall for the State of Kansas.

A proven winner for the State of Kansas regarding the auto racing industry is right here in Topeka at Heartland Park. With a seating capacity of around 30,000, Heartland Park is a lot smaller than the proposed Kansas International Speedway where the seating capacity initially will be 75,000 and subsequently increased to over 150,000. According to an independent economic study of Heartland Park, these are the proven facts of what just two annual Winston Drag Racing Series events (four-days of racing events during each series) has meant to Topeka:

- * The two events, which, stimulate more non-local consumer spending than any other events in the State of Kansas, attracts 167,800 spectators annually -- more than 80% of the spectators are from outside Topeka, and more than 50% are from outside Kansas.

- * More than \$19 million annually is pumped into the local economy just from these two events. — more than 80% of it coming from outside Topeka. The average racing fan spends about \$91 per day on tickets, food, drink, lodging, and tourist retail.

- * Businesses in Topeka that have a direct benefit from Heartland Park employ more than 18,600 workers annually, while about 2,000 new local jobs are created for the racing season

These statistics are very impressive, and further support our belief that Kansas International Speedway will provide an even greater economic impact to Wyandotte County and the State of Kansas. The economic analysis study conducted by Coopers & Lybrand clearly supports the strong economic benefit Kansas International Speedway will provide to Wyandotte County and all of Kansas.

The magnitude of this project is reinforced by the overlay that shows the entire Truman Sports Complex in Jackson County, and how it is dwarfed in size by the Kansas International Speedway. In my personal discussion with ISC representatives, I asked them why the interest in KCK. They informed me that there are over 10,000 season ticket holders at their Daytona track that live in either Kansas or Missouri. This fact alone helped me appreciate the tremendous interest and appeal of this sport.

As all of you on this committee know all too well, there is fierce competition for a project of this magnitude. There is no doubt in my mind that the proposed Kansas International Speedway is a perfect fit for Wyandotte County and the State of Kansas. Besides the enormous economic impact, the speedway will provide Kansas national recognition, enhance our image, and establish Kansas as a destination point.

I hope you will join me and the Unified Government in making this a reality. This is truly the unique opportunity we have all been looking for to benefit all Kansans. Thank you for your consideration. I would be happy to answer any questions you may have.

HOUSE BILL No. 2631

By Committee on Tourism

1-15

9 AN ACT concerning tourism; special revenue bonds therefor; develop-
10 ment of a ~~NASCAR~~ motor speedway; amending K.S.A. 79-3620, 79-
11 3620b and 79-3710 and K.S.A. 1997 Supp. 12-1771, 12-1774 and 12-
12 1775 and repealing the existing sections.
13

14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. K.S.A. 1997 Supp. 12-1771 is hereby amended to read as
16 follows: 12-1771. (a) No city shall exercise any of the powers conferred
17 by K.S.A. 12-1770 *et seq.*, and amendments thereto, unless the governing
18 body of such city has adopted a resolution finding that the specific project
19 area sought to be redeveloped is a blighted area, a conservation area, a
20 major tourism area as defined in K.S.A. ~~12-774~~ 12-1774 and amendments
21 thereto or was designated prior to July 1, 1992, as an enterprise zone
22 pursuant to K.S.A. 12-17,110 prior to its repeal, and the conservation,
23 development or redevelopment of such area is necessary to promote the
24 general and economic welfare of such city. Enterprise zones designated
25 prior to July 1, 1992, may be enlarged by the city to an area not exceeding
26 25% of the city's land area upon a finding by the secretary of the de-
27 partment of commerce and housing that a redevelopment project pro-
28 posed by the city which requires the enlargement is of statewide impor-
29 tance and that it will meet the criteria specified in ~~K.S.A.~~
30 ~~12-1774(a)(1)(D)~~ subsection (a)(1)(D) of K.S.A. 12-1774, and amend-
31 ments thereto. For the purpose of this subsection, the term "blighted
32 area" means an area which: (1) Because of the presence of a majority
33 of the following factors, substantially impairs or arrests the sound devel-
34 opment and growth of the municipality or constitutes an economic or
35 social liability or is a menace to the public health, safety, morals or welfare
36 in its present condition and use: (A) A substantial number of deterio-
37 rated or deteriorating structures; (B) predominance of defective or in-
38 adequate street layout; (C) unsanitary or unsafe conditions; (D) deterio-
39 ration of site improvements; (E) diversity of ownership; (F) tax or special
40 assessment delinquency exceeding the fair value of the land; (G) defective
41 or unusual conditions of title; (H) improper subdivision or obsolete plat-
42 ting or land uses; (I) the existence of conditions which endanger life or
43 property by fire and other causes; or (J) conditions which create economic

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Attachment 7

1 obsolescence; or (2) has been identified by any state or federal environ-
2 mental agency as being environmentally contaminated to an extent that
3 requires a remedial investigation, feasibility study and remediation or
4 other similar state or federal action; or (3) previously was found by res-
5 olution of the governing body to be a slum or a blighted area under K.S.A.
6 17-4742 *et seq.*, and amendments thereto.

7 For the purpose of this subsection, conservation area means any im-
8 proved area within the corporate limits of a city in which 50% or more
9 of the structures in the area have an age of 35 years or more, which area
10 is not yet blighted, but may become a blighted area due to the existence
11 of a combination of two or more of the following factors: (i) Dilapidation,
12 obsolescence or deterioration of the structures; (ii) illegal use of individual
13 structures; (iii) the presence of structures below minimum code stan-
14 dards; (iv) building abandonment; (v) excessive vacancies; (vi) overcrowd-
15 ing of structures and community facilities; or (vii) inadequate utilities and
16 infrastructure. Not more than 15% of the land area of a city may be found
17 to be a conservation area.

18 (b) The powers conferred upon cities under the provisions of K.S.A.
19 12-1770 *et seq.*, and amendments thereto, shall be exercised by cities, as
20 determined by resolution adopted pursuant to K.S.A. 12-1772, and
21 amendments thereto, (1) in enterprise zones designated prior to July 1,
22 1992, including any area added to such enterprise zone after July 1, 1992,
23 pursuant to subsection (a), (2) in blighted areas of cities and counties
24 described by subsection (a)(2), (3) in conservation areas of cities, (4) in
25 major tourism areas as defined in K.S.A. 12-1774 and amendments
26 thereto or (5) in blighted areas of cities, as determined by resolution
27 adopted pursuant to K.S.A. 17-4742 *et seq.*, and amendments thereto.

28 (c) Within that portion of the city described in subsection (b), the
29 governing body of a city may establish a district to be known as a "rede-
30 velopment district". Within that portion of a city and county described in
31 subsection (b) excluding paragraph (3) of subsection (b), the governing
32 body of the city, upon written consent of the board of county commis-
33 sioners, may establish a district inclusive of land outside the boundaries
34 of the city to be known as a redevelopment district. In all such cases, the
35 board of county commissioners, prior to providing written consent, shall
36 be subject to the same procedure for public notice and hearing as is
37 required of a city pursuant to subsection (d) for the establishment of a
38 redevelopment district. One or more redevelopment projects may be un-
39 dertaken by a city within a redevelopment district after such redevel-
40 opment district has been established in the manner provided by subsection
41 (d).

42 (d) Any city proposing to establish a redevelopment district shall
43 adopt a resolution stating that the city is considering the establishment

9-2

7-2

4-3

1 of a redevelopment district. Such resolution shall:
2 (1) Give notice that a public hearing will be held to consider the
3 establishment of a redevelopment district and fix the date, hour and place
4 of such public hearing;
5 (2) describe the proposed boundaries of the redevelopment district;
6 (3) describe a proposed comprehensive plan that identifies all of the
7 proposed redevelopment project areas and that identifies in a general
8 manner all of the buildings and facilities that are proposed to be con-
9 structed or improved in each redevelopment project area;
10 (4) state that a description and map of the proposed redevelopment
11 district are available for inspection at a time and place designated;
12 (5) state that the governing body will consider findings necessary for
13 the establishment of a redevelopment district.
14 Notice shall be given as provided in subsection (c) of K.S.A. 12-1772,
15 and amendments thereto.
16 (e) Upon the conclusion of the public hearing, the governing body
17 may adopt a resolution to make any findings required by subsection (a)
18 and may establish the redevelopment district by ordinance. Such reso-
19 lution shall contain a comprehensive plan that identifies all of the pro-
20 posed redevelopment project areas and identifies in a general manner all
21 of the buildings and facilities that are proposed to be constructed or im-
22 proved in each redevelopment project area. The boundaries of such dis-
23 trict shall not include any area not designated in the notice required by
24 subsection (d). Any addition of area to the redevelopment district or any
25 substantial change to the comprehensive plan shall be subject to the same
26 procedure for public notice and hearing as is required for the establish-
27 ment of the district.
28 (f) No privately owned property subject to ad valorem taxes shall be
29 acquired and redeveloped under the provisions of K.S.A. 12-1770 *et seq.*,
30 and amendments thereto, if the board of county commissioners or the
31 board of education levying taxes on such property determines by reso-
32 lution adopted within 30 days following the conclusion of the hearing for
33 the establishment of the redevelopment district required by subsection
34 (d) that the proposed redevelopment district will have an adverse effect
35 on such county or school district.
36 (g) Any redevelopment plan undertaken within the redevelopment
37 district may be in separate development stages. Each plan shall be
38 adopted according to the provisions of K.S.A. 12-1772, and amendments
39 thereto, and shall fix a date for completion. Except as provided herein,
40 any project shall be completed within 20 years from the date of the es-
41 tablishment of the redevelopment district. Projects relating to environ-
42 mental investigation and remediation under subsection (i) shall be com-
43 pleted within 20 years from the date a city enters into a consent decree

7-3

7-4

1 agreement with the Kansas department of health and environment or the
 2 United States environmental protection agency. Redevelopment projects
 3 ~~relating to~~ a major tourism area, shall be completed within 30 years from
 4 the date the secretary of commerce and housing makes the finding that
 5 the redevelopment project will create a major tourism area pursuant to
 6 subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto.

Ar
 in
 for an auto race track facility described in
 subsection (a)(1)(D) of K.S.A. 12-1774

7 (h) Any increment in ad valorem property taxes resulting from a re-
 8 development district undertaken in accordance with the provisions of this
 9 act, shall be apportioned to a special fund for the payment of the cost of
 10 the redevelopment project, including the payment of principal and inter-
 11 est on any special obligation bonds or full faith and credit tax increment
 12 bonds issued to finance such project pursuant to this act and may be
 13 pledged to the payment of principal and interest on such bonds. The
 14 maximum maturity on bonds issued to finance projects pursuant to this
 15 act shall not exceed 20 years, except for the maturity of bonds issued to
 16 finance projects for a major tourism area which shall not exceed 30 years.

an auto race track facility described in
 subsection (a)(1)(D) of K.S.A. 12-1774

17 For the purposes of this act, "increment" means that amount of ad va-
 18 lorem taxes collected from real property located within the redevelop-
 19 ment district that is in excess of the amount which is produced from such
 20 property and attributable to the assessed valuation of such property prior
 21 to the date the redevelopment district was established, as determined
 22 under the provisions of K.S.A. 12-1775, and amendments thereto.

23 (i) The governing body of a city, in contracts entered into with the
 24 Kansas department of health and environment or the United States en-
 25 vironmental protection agency, may pledge increments receivable in fu-
 26 ture years to pay costs directly relating to the investigation and remedi-
 27 ation of environmentally contaminated areas. The provisions in such
 28 contracts pertaining to pledging increments in future years shall not be
 29 subject to K.S.A. 10-1101 *et seq.* or 79-2925 *et seq.*, and amendments
 30 thereto.

31 (j) Before any redevelopment project is undertaken, a comprehensive
 32 feasibility study, which shows the benefits derived from such project will
 33 exceed the costs and that the income therefrom will be sufficient to pay
 34 for the project shall be prepared. Such feasibility study shall be an open
 35 public record.

36 (k) If a city determines that revenues from sources other than prop-
 37 erty taxes will be sufficient to pay any special obligation bonds issued to
 38 finance a redevelopment project for which the secretary of commerce and
 39 housing makes a finding that such project will create a major tourism area
 40 pursuant to subsection (a)(1)(D) of K.S.A. 12-1774, and amendments
 41 thereto, all property, both real and personal, in such redevelopment dis-
 42 trict shall be exempt from property taxation for a period ending on the
 43 earlier of (1) the date which is 30 years after the date of the funding by

an auto race track facility described in
 subsection (a)(1)(D) of K.S.A. 12-1774
 constituting an auto race track facility
 described in subsection (a)(1)(D) of K.S.A. 12-1774

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1 *the secretary of commerce and housing with respect to such major tourism*
 2 *area; or (2) the date on which no such special obligation bonds issued to*
 3 *finance such redevelopment project in a major tourism area remain out-*
 4 *standing.*

5 Sec. 2. K.S.A. 1997 Supp. 12-1774 is hereby amended to read as
 6 follows: 12-1774. (a) (1) Any city shall have the power to issue special
 7 obligation bonds to finance the undertaking of any redevelopment project
 8 in accordance with the provisions of this act. Such special obligation bonds
 9 shall be made payable, both as to principal and interest:

10 (A) From property tax increments allocated to, and paid into a special
 11 fund of the city under the provisions of K.S.A. 12-1775, and amendments
 12 thereto;

13 (B) from revenues of the city derived from or held in connection with
 the undertaking and carrying out of any redevelopment project or projects
 under this act;

14 (C) from any private sources, contributions or other financial assis-
 15 tance from the state or federal government;

16 (D) from a pledge of a portion or all of the revenue received by the
 17 city from transient guest, sales and use taxes collected pursuant to K.S.A.
 18 12-1696 *et seq.*, 79-3601 *et seq.*, 79-3701 *et seq.* and 12-187 *et seq.*, and
 19 amendments thereto, and which are collected from taxpayers doing busi-
 20 ness within that portion of the city's redevelopment district established
 21 pursuant to K.S.A. 12-1771, and amendments thereto, occupied by a re-
 22 development project if there first is a finding by the secretary of com-
 23 merce and housing that the redevelopment project is of statewide as well
 24 as local importance or will create a major tourism area for the state. In
 25 making a finding that a redevelopment project is of statewide as well as
 26 local importance, the secretary must conclude at least: (i) That capital
 27 improvements costing not less than \$300,000,000 will be built in the state
 28 for such redevelopment project; and (ii) not less than 1,500 permanent
 29 and seasonal employment positions as defined by K.S.A. 74-50,114, and
 30 amendments thereto, will be created in the state by such redevelopment
 31 project. In making a finding that a redevelopment project will create a
 32 major tourism area within the state, the secretary must conclude at
 33 least: (i) That capital improvements costing not less than \$100,000,000
 34 will be built in the state to construct a project for such major tourism
 35 area; and (ii) that the project constructed will ~~be include a facility des-~~
 36 ~~ignated within the standard industrial classification code 7948-0201 and~~
 37 ~~ancillary facilities thereto;~~

38 (E) (i) from a pledge of a portion or all increased revenue received
 39 by the city from franchise fees collected from utilities and other busi-
 40 nesses using public right-of-way within the redevelopment district; (ii)
 41 from a pledge of a portion or all of the revenue received by the city from
 42
 43

an auto race track

. An auto race track facility means (i) an auto race facility and facilities directly related and necessary to the operation of an auto race track facility including, but not limited to, grandstands, suites and viewing areas, concessions and souvenir facilities, catering facilities, visitor and retail centers, signage and temporary hospitality facilities; but excluding (ii) hotels, motels, restaurants and retail facilities not included in (i);

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1 sales taxes collected pursuant to K.S.A. 12-187, and amendments thereto;
2 or

3 (F) by any combination of these methods.

4 The city may pledge such revenue to the repayment of such special
5 obligation bonds prior to, simultaneously with, or subsequent to the is-
6 suance of such special obligation bonds.

7 (2) Bonds issued under paragraph (1) of subsection (a) shall not be
8 general obligations of the city, nor in any event shall they give rise to a
9 charge against its general credit or taxing powers, or be payable out of
10 any funds or properties other than any of those set forth in paragraph (1)
11 of this subsection and such bonds shall so state on their face.

12 (3) Bonds issued under the provisions of paragraph (1) of this sub-
13 section shall be special obligations of the city and are declared to be
14 negotiable instruments. They shall be executed by the mayor and clerk
15 of the city and sealed with the corporate seal of the city. All details per-
16 taining to the issuance of such special obligation bonds and terms and
17 conditions thereof shall be determined by ordinance of the city. All special
18 obligation bonds issued pursuant to this act and all income or interest
19 therefrom shall be exempt from all state taxes except inheritance taxes.
20 Such special obligation bonds shall contain none of the recitals set forth
21 in K.S.A. 10-112, and amendments thereto. Such special obligation bonds
22 shall, however, contain the following recitals, viz., the authority under
23 which such special obligation bonds are issued, they are in conformity
24 with the provisions, restrictions and limitations thereof, and that such
25 special obligation bonds and the interest thereon are to be paid from the
26 money and revenue received as provided in paragraph (1) of this subsec-
27 tion.

28 (b) (1) Subject to the provisions of paragraph (2) of this subsection,
29 any city shall have the power to issue full faith and credit tax increment
30 bonds to finance the undertaking of any redevelopment project in ac-
31 cordance with the provisions of K.S.A. 12-1770 *et seq.*, and amendments
32 thereto other than a project determined by the secretary of commerce
33 and housing to be of statewide as well as local importance ~~and to meet~~
34 ~~the other criteria or will create a major tourism area as specified in K.S.A.~~
35 ~~12-1774(a)(1)(D) subsection (a)(1)(D) of K.S.A. 12-1774,~~ and amend-
36 ments thereto. Such full faith and credit tax increment bonds shall be
37 made payable, both as to principal and interest: (A) From the revenue
38 sources identified in paragraph (1)(A), (B), (C), (D) and (E) of subsection
39 (a) or by any combination of these sources; and (B) subject to the pro-
40 visions of paragraph (2) of this subsection, from a pledge of the city's full
41 faith and credit to use its ad valorem taxing authority for repayment
42 thereof in the event all other authorized sources of revenue are not suf-
43 ficient.

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1 (2) Except as provided in paragraph (3) of this subsection, before the
 2 governing body of any city proposes to issue full faith and credit tax in-
 3 crement bonds as authorized by this subsection, the feasibility study re-
 4 quired by K.S.A. 12-1771, and amendments thereto, shall demonstrate
 5 that the benefits derived from the project will exceed the cost and that
 6 the income therefrom will be sufficient to pay the costs of the project.
 7 No full faith and credit tax increment bonds shall be issued unless the
 8 governing body states in the resolution required by K.S.A. 12-1772, and
 9 amendments thereto, that it may issue such bonds to finance the proposed
 10 redevelopment project. The governing body may issue the bonds unless
 11 within 60 days following the date of the public hearing on the proposed
 12 redevelopment plan a protest petition signed by 3% of the qualified voters
 13 of the city is filed with the city clerk in accordance with the provisions of
 14 K.S.A. 25-3601 *et seq.*, and amendments thereto. If a sufficient petition
 15 is filed, no full faith and credit tax increment bonds shall be issued until
 16 the issuance of the bonds is approved by a majority of the voters voting
 17 at an election thereon. Such election shall be called and held in the man-
 18 ner provided by the general bond law. The failure of the voters to approve
 19 the issuance of full faith and credit tax increment bonds shall not prevent
 20 the city from issuing special obligation bonds in accordance with K.S.A.
 21 12-1774, and amendments thereto. No such election shall be held in the
 22 event the board of county commissioners or the board of education de-
 23 termines, as provided in K.S.A. 12-1771, and amendments thereto, that
 24 the proposed redevelopment district will have an adverse effect on the
 25 county or school district.

26 (3) As an alternative to paragraph (2) of this subsection, any city which
 27 adopts a redevelopment plan but does not state its intent to issue full
 28 faith and credit tax increment bonds in the resolution required by K.S.A.
 29 12-1772, and amendments thereto, and has not acquired property in the
 30 redevelopment project area may issue full faith and credit tax increment
 31 bonds if the governing body of the city adopts a resolution stating its intent
 32 to issue the bonds and the issuance of the bonds is approved by a majority
 33 of the voters voting at an election thereon. Such election shall be called
 34 and held in the manner provided by the general bond law. The failure of
 35 the voters to approve the issuance of full faith and credit tax increment
 36 bonds shall not prevent the city from issuing special obligation bonds
 37 pursuant to paragraph (1) of subsection (a). Any redevelopment plan
 38 adopted by a city prior to the effective date of this act in accordance with
 39 K.S.A. 12-1772, and amendments thereto, shall not be invalidated by any
 40 requirements of this act.

41 (4) During the progress of any redevelopment project in which the
 42 city's costs will be financed, in whole or in part, with the proceeds of full
 43 faith and credit tax increment bonds, the city may issue temporary notes

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1 in the manner provided in K.S.A. 10-123, and amendments thereto, to
2 pay the city's cost for the project. Such temporary notes shall not be issued
3 and the city shall not acquire property in the redevelopment project area
4 until the requirements of paragraph (2) or (3) of this subsection, which-
5 ever is applicable, have been met.

6 (5) Full faith and credit tax increment bonds issued under this sub-
7 section shall be general obligations of the city and are declared to be
8 negotiable instruments. They shall be issued in accordance with the gen-
9 eral bond law. All such bonds and all income or interest therefrom shall
10 be exempt from all state taxes except inheritance taxes. The amount of
11 the full faith and credit tax increment bonds issued and outstanding which
12 exceeds 3% of the assessed valuation of the city shall be within the bonded
13 debt limit applicable to such city.

14 (6) Any city issuing special obligation bonds under the provisions of
15 this act may refund all or part of such issue pursuant to the provisions of
16 K.S.A. 10-116a, and amendments thereto.

17 Sec. 3. K.S.A. 1997 Supp. 12-1775 is hereby amended to read as
18 follows: 12-1775. (a) For the purposes of this act, the term "taxing sub-
19 division" shall include the county, the city, the unified school district and
20 any other taxing subdivision levying real property taxes, the territory or
21 jurisdiction of which includes any currently existing or subsequently cre-
22 ated redevelopment district. The term "real property taxes" includes all
23 taxes levied on an ad valorem basis upon land and improvements thereon.

24 (b) *Except for redevelopment projects satisfying the conditions of sub-*
25 *section (k) of K.S.A. 12-1771 hereof,* all tangible taxable property located
26 within a redevelopment district shall be assessed and taxed for ad valorem
27 tax purposes pursuant to law in the same manner that such property
28 would be assessed and taxed if located outside such district, and all ad
29 valorem taxes levied on such property shall be paid to and collected by
30 the county treasurer in the same manner as other taxes are paid and
31 collected. Except as otherwise provided in this section, the county trea-
32 surer shall distribute such taxes as may be collected in the same manner
33 as if such property were located outside a redevelopment district. Each
34 redevelopment district established under the provisions of this act shall
35 constitute a separate taxing unit for the purpose of the computation and
36 levy of taxes.

37 (c) ~~Beginning~~ Beginning with the first payment of taxes which are levied follow-
38 ing the date of approval of any redevelopment district established pur-
39 suant to K.S.A. 12-1771, and amendments thereto, real property taxes
40 received by the county treasurer resulting from taxes which are levied
41 subject to the provisions of this act by and for the benefit of a taxing
42 subdivision, as herein defined, on property located within such redevel-
43 opment district constituting a separate taxing unit under the provisions

Except for redevelopment projects satisfying
the conditions of subsection (k) of
K.S.A. 12-1771 hereof, b

1 of this section, shall be divided as follows:

2 (1) From the taxes levied each year subject to the provisions of this
3 act by or for each of the taxing subdivisions upon property located within
4 a redevelopment district constituting a separate taxing unit under the
5 provisions of this act, the county treasurer first shall allocate and pay to
6 each such taxing subdivision all of the real property taxes collected which
7 are produced from that portion of the current assessed valuation of such
8 real property located within such separate taxing unit which is equal to
9 the total assessed value of such real property on the date of the estab-
10 lishment of the redevelopment district.

11 (2) Any real property taxes produced from that portion of the current
12 assessed valuation of real property within the redevelopment district con-
13 stituting a separate taxing unit under the provisions of this section in
14 excess of an amount equal to the total assessed value of such real property
15 on the effective date of the establishment of the district shall be allocated
16 and paid by the county treasurer to the treasurer of the city and deposited
17 in a special fund of the city to pay the cost of redevelopment projects
18 including the payment of principal of and interest on any special obliga-
19 tion bonds or full faith and credit tax increment bonds issued by such city
20 to finance, in whole or in part, such redevelopment project. When such
21 obligation bonds and interest thereon have been paid, all moneys there-
22 after received from real property taxes within such redevelopment district
23 shall be allocated and paid to the respective taxing subdivisions in the
24 same manner as are other ad valorem taxes. If such obligation bonds and
25 interest thereon have been paid before the completion of a project, the
26 city may continue to use such moneys for any purpose authorized by this
27 act until such time as the project is completed, but for not to exceed 20
28 years from the date of the establishment of the redevelopment district.

29 (d) In any redevelopment plan or in the proceedings for the issuing
30 of any special obligation bonds or full faith and credit tax increment bonds
31 by the city to finance a redevelopment project, the property tax increment
32 portion of taxes provided for in paragraph (2) of subsection (c) may be
33 irrevocably pledged for the payment of the principal of and interest on
34 such obligation bonds, subject to the provisions of subsection (h) of K.S.A.
35 12-1771, and amendments thereto. A city may adopt a redevelopment
36 plan in which only a specified percentage of the tax increment realized
37 from taxpayers in the redevelopment district are pledged to the redevel-
38 opment project. The county treasurer shall allocate the specified per-
39 centage of the tax increment to the treasurer of the city for deposit in the
40 special fund of the city to finance the cost of redevelopment projects if
41 the city has other available revenues and pledges the revenues to the
42 redevelopment project in lieu of the tax increment. Any portion of such
43 tax increment not allocated to the city for the redevelopment project shall

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1 be allocated and paid in the same manner as other ad valorem taxes.
 2 Sec. 4. K.S.A. 79-3620 is hereby amended to read as follows: 79-
 3 3620. (a) All revenue collected or received by the director of taxation
 4 from the taxes imposed by this act shall be deposited daily with the state
 5 treasurer. The state treasurer shall credit all revenue received from this
 6 act, less amounts withheld as provided in subsection (b) and amounts
 7 credited as provided in subsection (c) and (d), to the state general fund.
 8 (b) A refund fund, designated as "sales tax refund fund" not to exceed
 9 \$100,000 shall be set apart and maintained by the director from sales tax
 10 collections and estimated tax collections and held by the state treasurer
 11 for prompt payment of all sales tax refunds including refunds authorized
 12 under the provisions of K.S.A. 79-3635, and amendments thereto. Such
 13 fund shall be in such amount, within the limit set by this section, as the
 14 director shall determine is necessary to meet current refunding require-
 15 ments under this act. In the event such fund as established by this section
 16 is, at any time, insufficient to provide for the payment of refunds due
 17 claimants thereof, the director shall certify the amount of additional funds
 18 required to the director of accounts and reports who shall promptly trans-
 19 fer the required amount from the state general fund to the sales tax refund
 20 fund, and notify the state treasurer, who shall make proper entry in the
 21 records.
 22 (c) The state treasurer shall credit 5/98 of the revenue collected or
 23 received from the tax imposed by K.S.A. 79-3603, and amendments
 24 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),
 25 exclusive of amounts credited pursuant to subsection (d), in the state
 26 highway fund.
 27 (d) The state treasurer shall credit all revenue collected or received
 28 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as
 29 certified by the director, from taxpayers doing business within that por-
 30 tion of a redevelopment district occupied by a redevelopment project that
 31 was determined by the secretary of commerce and housing to be of state-
 32 wide as well as local importance ~~and to meet the other criteria or will~~
 33 ~~create a major tourism area for the state as specified in K.S.A. 12-~~
 34 ~~1774(a)(1)(D) subsection (a)(1)(D) of K.S.A. 12-1774, and amendments~~
 35 thereto, to the city bond finance fund, which fund is hereby created. The
 36 provisions of this subsection shall expire when the total of all amounts
 37 credited hereunder and under subsection (d) of K.S.A. 79-3710, and
 38 amendments thereto, is sufficient to retire the *special obligation* bonds
 39 issued for the purpose of financing all or a portion of the ~~construction~~
 40 *costs* of such redevelopment project.
 41 Sec. 5. K.S.A. 79-3620b is hereby amended to read as follows: 79-
 42 3620b. Moneys credited to the city bond finance fund in accordance with
 43 the provisions of subsections (d) of K.S.A. 79-3620 and (d) of K.S.A.

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1 79-3710, and amendments thereto, shall be distributed biannually to cities
 2 which have issued special obligation bonds to finance, in whole or in part,
 3 a redevelopment project which was determined by the secretary of com-
 4 merce and housing to be of statewide as well as local importance and to
 5 meet the other criteria or will create a major tourism area for the state
 6 as specified in ~~K.S.A. 12-1774(a)(1)(D)~~ subsection (a)(1)(D) of K.S.A. 12-
 7 1774, and amendments thereto. The state treasurer shall make such bi-
 8 annual distributions on such dates as mutually agreed to by the city and
 9 the state treasurer. The total of all distributions under this section shall
 10 not exceed an amount determined to be sufficient to retire the principal
 11 and interest payable on such *special obligation* bonds. Moneys paid to
 12 cities hereunder shall be deposited in a special fund of the city to pay the
 13 costs described herein.

14 Sec. 6. K.S.A. 79-3710 is hereby amended to read as follows: 79-
 15 3710. (a) All revenue collected or received by the director under the
 16 provisions of this act shall be deposited daily with the state treasurer and
 17 the state treasurer shall credit the same, less amounts set apart as pro-
 18 vided in subsection (b) and amounts credited as provided in subsection
 19 (c) and (d), to the general revenue fund of the state.

20 (b) A revolving fund, designated as "compensating tax refund fund"
 21 not to exceed \$10,000 shall be set apart and maintained by the director
 22 from compensating tax collections and estimated tax collections and held
 23 by the state treasurer for prompt payment of all compensating tax refunds.
 24 Such fund shall be in such amount, within the limit set by this section,
 25 as the director shall determine is necessary to meet current refunding
 26 requirements under this act.

27 (c) The state treasurer shall credit 5/98 of the revenue collected or
 28 received from the tax imposed by K.S.A. 79-3703, and amendments
 29 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),
 30 exclusive of amounts credited pursuant to subsection (d), in the state
 31 highway fund.

32 (d) The state treasurer shall credit all revenue collected or received
 33 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as
 34 certified by the director, from taxpayers doing business within that por-
 35 tion of a redevelopment district occupied by a redevelopment project that
 36 was determined by the secretary of commerce and housing to be of state-
 37 wide as well as local importance and to meet the other criteria or will
 38 create a major tourism area for the state as specified in ~~K.S.A. 12-~~
 39 ~~1774(a)(1)(D)~~ subsection (a)(1)(D) of K.S.A. 12-1774, and amendments
 40 thereto, to the city bond finance fund created by subsection (d) of K.S.A.
 41 79-3620, and amendments thereto. The provisions of this subsection shall
 42 expire when the total of all amounts credited hereunder and under sub-
 43 section (d) of K.S.A. 79-3620, and amendments thereto, is sufficient to

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1 retire the *special obligation* bonds issued for the purpose of financing all
2 or a portion of the ~~construction costs~~ of such redevelopment project.
3 Sec. 7. K.S.A. 79-3620, 79-3620b and 79-3710 and K.S.A. 1997 Supp.
4 12-1771, 12-1774 and 12-1775 are hereby repealed.
5 Sec. 8. This act shall take effect and be in force from and after its
6 publication in the statute book.

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**TESTIMONY OF JAMES R. THOMPSON
WYANDOTTE DEVELOPMENT, INC.
JAN. 20, 1998
THE HONORABLE BARBARA ALLEN
AND OTHER MEMBERS OF THE HOUSE COMMITTEE ON TOURISM**

Wyandotte County has been holding its own in the industrial, warehouse and transportation sections of its economy.

The retail sector of the economy has been suffering due to competition from other communities. The decline of Indian Springs Shopping Center and the rapid turnover of business in the retail sector being one of the major problems facing our county. Since the announcement of the race track retail activity has picked up.

Wyandotte County has over 400 motel rooms. The motel occupancy rate is 74 percent. The prospect of over 1500 construction jobs at the ISC site and the increasing traffic counts along I-70 have motel groups looking at land at every interchange in Wyandotte County. Several qualified investors have also expressed interest in any projects associated with the track.

The Housing Market in Wyandotte County is very tight with less than 170 houses for resale and less than 20 new houses under construction. Visits by the citizens task force showed new housing development within 1 1/2 miles of other tracks. Western Wyandotte County has large desirable parcels of land suitable for this type of development.

Motor sports support facilities - special shops to support the racing industry could develop as targeted businesses. The Wyandotte County Economic Development Team has been in contact with several consultants in this area. One has already visited the county.

The real area for development is the attraction of tourism dollars. All of the studies I have seen said in race weeks tourism at other attractions is up at least

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30%. With Sandstone, The Renaissance Festival, Agricultural Hall of Fame and The Woodlands, the people that enjoy the racing experience can enjoy other tourist attractions.

Without the race track Wyandotte County will continue to see a decline in the retail sector and the loss of sales tax dollars. So please support House Bill HB 2631.

Kansas House Tourism Committee

Tuesday, January 20th, 1:30 p.m.

Larry Breedlove
Member- Citizens Task Force

Committee Members,

Thank you for the opportunity to come and briefly share my thoughts with you today regarding the support for the Kansas International Speedway to be built in Kansas City, Kansas. I was honored to be selected to serve on the Mayors' Citizen Task Force. I trust the time I spent visiting with various groups of people in 3 different NASCAR cities, will provide information to help you in the support towards the progress of the building of a track in Kansas City, Kansas.

Today I would like to address two areas that I believe Kansas City , Kansas and the State of Kansas will benefit in the building of a NASCAR track. **Education** and a sense of **Pride**. Pride of a community, region and state.

I was asked to be a member of the Citizens Task Force to look at the impact a major speedway could have on education. Would the International Speedway Cooperation (ISC) support and assist in the education of our young people, or just assume the present school structure would do all the educating? I was pleasantly surprised that ISC was very interested in the educating of the youth and very pro-active in trying to work together with schools to help meet some individual needs.

Today many schools look at what a company can give in financial help. Many large cooperations feel they have done their good deed to communities by donating used

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equipment or even providing several hundred dollars for the purchase of new equipment. These are both noble and very considerate gestures. I do not know of a school that would say no to either offer. Money and equipment can help schools, but if the element of people and programs are added to equipment, then the impact in helping today's youth is magnified. This is what I saw being done at the Daytona Speedway in Daytona Beach, Florida.

Daytona Speedway has created a program to work with at-risk students. Students are given opportunities to study the technology used in the building of stock cars, the technology used and needed to be competitive in preparing for a race, and how to implement problem solving skills to both compete and complete a race. This high interest setting is provided in cooperation with school districts to try and meet the needs of students that may otherwise drop out of school. Daytona Speedway recognizes the high interest motivation they can have on certain youth and are proactive in trying to have an impact in keeping students focused on education. Nearly 150 students will work in this setting during this school year, with the possibility of hundreds to thousands of students having access to the racetrack for field trips and hands on experience using communication skills, historical, and problem solving activities throughout the year.

As I visited a high school located within blocks of Daytona Speedway, I was amazed to learn that this was a multi-time winner of the National Exemplary Secondary School Award given by the Department of Education for outstanding achievement of students. This high school of nearly 2000 students is multi-raced and has a balance of social economic levels. Staff gave high praise for the support Daytona Speedway has given to teachers and students..

I believe the track in Kansas City, Kansas can have this same impact on the youth of Kansas. I believe the ISC cooperation has the desire to share in the educating of our youth and will be open in working with neighboring communities. I believe this is the type of involvement we want our youth to experience.

The second topic I would like to address deals with community pride. In the three communities I visited, an over whelming amount of vocal support was expressed for their racetracks. Regardless of the type of neighborhood we visited, the type of store parking lot we walked or restaurant we ate in, when asked about idea of taking away the speedway from their town, we heard the same response each time. " No way !" I can honestly tell you not one person spoke negatively about their track. Every person spoke with great pride of claiming ownership of having a track in their town. Each person shared the value in jobs for restaurants, lodging and work on race weekends. Each spoke of the devastating thought if the track would leave their region. The millions of dollars and hundreds of jobs created each race weekend were very very important. But the pride of saying I am part of the race event and being able to say that I live in Daytona Beach,Florida....or Darlington , South Carolina..... or Talladega, Alabama is something you must see to understand. The power of Pride can help a community, region or state do great things . Just any K-State Wildcat football fan or Kansas Jayhawk basketball fan. Pride is core of their programs.

I thank you for taking time from your very busy schedule to listen to me today. I am excited for the day when our speedway can begin construction. I ask for your support and involvement in helping this project become a reality, and for the progress the State of Kansas and the city of Kansas City, Kansas can experience.

21 JANUARY, 1998

TO: HOUSE TOURISM COMMITTEE

My name is Mae Harbor and I am a business owner in Wyandotte County. I was a member of the Community Task Force that journeyed to Daytona Beach to investigate the various aspects of Nascar racing. I was to objectively evaluate racing's impact on the community. My church is directly affected by construction of the proposed facility. Although my pastor and the majority of our congregation are in favor of the racetrack, no decision has been made as to whether our church will remain or build on another site. Either way, we are supportive of the proposal. Initially I was hopeful and excited about the possibility of this project in Wyandotte County. I was not totally committed because I was concerned about the homeowners who may be displaced, sanitation, added police load, hospital emergencies, noise, traffic, and I had a negative perception of racing and race fans. Still I was determined to be objective in my evaluation.

I am proud to be living in Wyandotte County, but not happy that I must travel to another county or state for a hotel, a fine eating establishment, or to shop for better clothing. The Unified Government of Kansas City, Kansas and Wyandotte County has negotiated an opportunity for our town, our county, our state, to develop beyond the imagination of most of us. A profitable and reputable company wants to be part of the community and they do not want us to give them a stadium. In the time it took for my baby to be born, grow up and move away, this transaction would be complete. We will not receive any property taxes from him and thousands of others who leave our area. Who will build restaurants, hotels, and shopping areas without a draw? What will my area have in thirty years without completion of this project? I implore the members of this committee to make their decision a positive one. ISC wants us and we want them. Our local government is not offering this company a free lunch. We need your help setting the table for our community to become partners with a company of integrity.

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My knowledge of International Speedway Corporation (ISC) comes from several sources—the library, the Internet, and talking to many, many people. I spoke with ISC employees, people in the community of Daytona Beach, Florida, and Darlington, S.C. I spoke with racing fans and people who were not racing fans. It is a privilege to share my conclusions with this committee.

I asked ISC employees if they enjoyed working for the company and their reply was an overwhelming "YES!" every time. Not one employee had anything negative to say about the company or their individual bosses. They expressed their pride about being a part of ISC. I wondered if some employees might express different thoughts when not questioned directly. So I listened in on their conversations with each other when they were not aware. I spied on them! I did not hear the idle chatter of company or boss bashing that I hear from employees of other companies, stores, or even government agencies. ISC employees are involved with their community in each of the cities we visited. Many volunteer their time for United Way, juvenile facilities, scouting, sports, and more.

I visited with a minority shopper asking what she thought of, knew first hand, or had heard about ISC. I asked if she was aware of any racial issues involving ISC. She responded she has not and she was not a race fan.. She volunteered that the company's community impact was positive. She said everyone she knew that had applied for a job thought they had been treated fairly, even when they were not hired. She knew about the program ISC has in place to inspire at-risk students. The Task Force had already been informed the program began with twenty-five and has grown to 150 students.

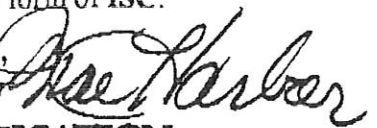
Race day in Darlington was even more remarkable. We had heard many times that race day was as big of an event as the Super Bowl, so I was expecting an atmosphere of football. They were accurate about the quantity of people. I just had not accepted they could be accurate in describing the demeanor of the crowd. The crowd was orderly, even polite. There were many couples and parents with their children. ISC management informed us that they always want the races accessible for the regular fan. Eighty percent of the reserved seating is designated for "Joe" fan. Movement of attendees was a big concern. ISC is very experienced with handling traffic. A track with road outlets such as will be in Kansas City will enable the area to be cleared soon after the event.

During worship service Sunday morning, numerous drivers were totally unashamed to give testimony about their **spiritual beliefs** and how it helps in their life. Jeff Gordon's talents were on the line to win \$1 million that day, yet he and his family were there sharing the love of their maker with others. This was happening among men who were in competition with each other. I believe that is rare! Drivers are also available (with ample notice) to visit with local agencies, schools and churches. Some will even conduct a Sunday morning service when arranged.

As a last resort to unearth *anything* we had not been shown or told, I visited the security headquarters shortly before the start of the race. I hoped to hear something that would confirm my suspicion that ISC was initiating a cover-up or **misleading us**, for their benefit of course! The security chief was not busy because nothing of note was happening. I visited with him for at least a half-hour. He told me of his fear and apprehension when he was told ISC was taking over the Darlington track. He said his fears were unfounded. Many positive changes were made. Supervisors began listening to subordinates about their observations and experiences of how to help the track function more efficiently. He felt more appreciated and enjoyed his job immensely.

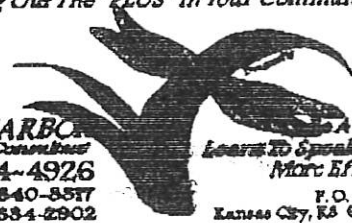
All these events did not make me a "be there or die" race fan. However, I have so much respect for a sport that promotes family and family values. I have respect for company management who care about their reputation and connection with their immediate community—not just the city of their corporate offices. I respect company management who keep their word and it is my opinion that ISC management meets that criteria. The city of **Kansas City Kansas** and the whole of **Wyandotte County** need a shot in the hip. A shot in the arm is not enough. Our shot has come in the form of ISC.

Thank you,
Mae Harbor



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January 20, 1998

HOUSE TOURISM COMMITTEE

I was asked to serve on the Mayor's Citizens Task Force and travel to Daytona Beach, Florida and Darlington, South Carolina to ascertain the impact that a superspeedway has on its host community. Going on this trip was very important to me, not only to represent the local Real Estate community but since both sites under consideration for the Kansas Speedway were less than 1.5 miles from my home I had a very personal interest as well.

The first leg of our trip took us to Daytona Beach, Florida, home of the World Center of Auto Racing, the Daytona International Speedway. While there we visited with homeowners who lived near the speedway. We toured and spoke with residents of a broad range of neighborhoods, from entry level housing in the \$60,000 range to homes over \$300,000. The consensus was the same, homeowners made a conscious decision to locate in an area near the speedway without fear of a negative impact on property values. While in Daytona, we spoke with local Realtors about property values in and around areas near the speedway. These professionals explained that none of the residential areas located near the speedway were considered less desirable than other areas in Daytona Beach and in fact several upscale communities were all located less than 1.5 miles from the speedway and were built many years after Daytona International Speedway was constructed in 1949. We also visited nearby communities that were existing prior to the speedway being built and found that in the older neighborhoods that values were still climbing and these were very viable areas in which to locate. The speedway provided a catalyst for development which brought restaurants, shopping, etc., making it a more desirable place to locate and thus actually increasing value.

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While in Daytona Beach, we also visited with the local Police Department, Mayor and City Government Leaders, Small Business Owners, and the author of an Economic Impact study for the proposed Kansas International Speedway.

Our next stop was Darlington Raceway in Darlington, South Carolina, NASCAR's oldest racing facility. There we got to see everything we had been told in action. The fans were there in abundance. Something I was not prepared for were the number of children and families. There were more children at this event than many other sporting activities that I have attended. The crowds were well behaved and as we walked through them we never heard some of the boisterous things that you hear at other events. As I learned more about motorsports, the family aspect was a common theme. All the athlete's (drivers) were clean cut family men with their wives and children in attendance. They happily signed autographs, posed for pictures and interacted with the fans, especially the children. While there we also had the privilege of attending church services with the drivers and their families at the Raceway. There is a travelling ministry called MRO that follows the race circuit. The drivers and families are on the road approximately 40+ weeks a year and MRO is there to provide an avenue for worship when they can't attend their own churches. Other highlights from Darlington included a world class running of the Mountain Dew Southern 500, a history making win by Jeff Gordon who won a \$1 million dollar bonus for winning the race, and finally thousands upon thousands of fans spending money in Darlington, South Carolina. We had the honor of speaking with the Governor of South Carolina, David Beasley who said the benefits of having a speedway in our state would be far reaching. Governor Beasley himself had brought a

buisness owner to the race with him who was looking to possibly locate a major manufacturing facility in South Carolina and was a huge race fan.

The people that will travel to the Kansas International Speedway will spend millions of dollars while visiting. Businesses across the state will reap the benefits of having a superspeedway in Kansas. People will travel from all points to get to Wyandotte County Kansas City, Kansas. And as they travel, they will purchase gasoline, food, hotel accommodations. Along the way cars will require service and repairs, spouses will shop while others attend the events. The money that will flow into Kansas is staggering. The author of the economic impact study for the proposed Kansas Speedway said very simply, "having a speedway in your community is like being issued a license to print money."

Another point that I would like to touch on is the people that we came into contact from the International Speedway Corporation. These folks are some of the finest individuals I have ever come to know. Not because they are willing to invest millions of dollars into my home town but because they are genuine in their desire to be good corporate citizens but more important to me, good neighbors. Everyone that we came into contact with had great things to say about the Speedway owners and how accountable they were to their host communities. They have negotiated fairly with our local leaders and our community supports this effort. They are pioneers of the sport and know what to do to make Kansas International Speedway a huge success and something for all Kansans to be proud.

Another common thread in our trip was the community spirit and pride we got from the citizens of Daytona Beach and Darlington, and I personally would like to have that type of spirit and pride in my home town and Kansas. I am usually a very skeptical

person, however, I have never felt as passionate about anything as I do about the partnership between ISC and KCK and its potential benefit. It's a partnership for progress not only for Wyandotte County, Kansas City, Kansas but for the entire state of Kansas. We stand before the threshold of history today that will forever change not only the landscape of my community but the way that Kansas will be viewed as a Major League Sports destination.

Thank you for the opportunity to appear before you today.

Sincerely,

Jeff Carson
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January 20, 1998

The Honorable Barbara Allen
Chair, House Tourism Committee
Kansas House of Representatives
300 SW 10th Ave., 174-W
Topeka, KS 66612-1504

Dear Chairperson Barbara Allen and Committee Members:

As a member of the Kansas City Chamber of Commerce and the Kansas State Affairs Committee, I am writing as a proponent of the Kansas International Speedway bill HB 2631. This project would greatly benefit Kansas and offers a large annual economic impact for the entire state. As you may know, the Kansas State Affairs Committee voted unanimously in support of this bill. The Kansas City Chamber also voted in favor of this endeavor.

I personally hope that you will do everything possible to support this bill in the upcoming hearings. Thank you for your assistance.

Best regards,


James H. McCroy
Sr. Vice President
Marketing & Client Service

JHM:lg



PETER K. LEMKE
PRESIDENT

January 19, 1998

PERSONAL & CONFIDENTIAL

The Honorable Barbara Allen
Chair, House Tourism Committee
Kansas House of Representatives
300 SW 10th Avenue, 170-W
Topeka, KS 66612-1504

Dear Chairperson Allen and Committee Members:

You know all about the Unified Government's speedway legislation and the reasons this legislation needs to be passed. I wanted to register my support of **HB 2631** and encourage you and your committee to move this legislation along positively. I am the First Vice Chair for the Chamber of Commerce of Greater Kansas City and am a resident of Johnson County, Kansas. The speedway will be a fabulous addition to our community. While not a race fan currently, I have been to a NASCAR event in the past six months. The "Superbowl" atmosphere was most evident . . . our community and our state will undoubtedly benefit greatly from your positive efforts toward this legislation. I encourage your immediate, passionate support of this important piece of legislation.

Sincerely,

Peter K. Lemke
President

PKL:lcl

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Testimony to Kansas House of Representatives
House Committee on Tourism
By: Wynn Presson

Madame Chairman, members of the committee, my name is Wynn Presson, I am Vice Chairman of Health Midwest and the Chairman of the Greater Kansas City Chamber of Commerce.

I'm here to speak on behalf of the Greater Kansas City Chamber of Commerce, whose membership which represents significant business interests in the state of Kansas, including my own.

Our chamber has been extremely supportive of the speedway project. Last week our Kansas Public Affairs committee took a strong position in support of HB 2631. Our chamber's executive committee also has formally recorded our support for amendments to state law that are appropriate and necessary to develop a speedway in Kansas City, KS.

The project has had the support of the business community for some time. Nearly a year ago I joined with other business leaders from Kansas and Missouri to form the Green Flag Task Force. We recognized the tremendous benefits a major speedway would have on the region and we knew we had the industry leader, ISC, looking the community over. Our goal was to persuade them to build a speedway somewhere in the region.

Since then, I've traveled to two ISC facilities to gain a firsthand experience of a racing event. When I look back on those events, two key points stand out. Number one, the enormous participation of corporate America and number two, the strong leadership ISC brings to its communities above and beyond the racing events.

If I asked you today whether you would support hosting a meeting of 100 executives from several Fortune 500 companies, I'm sure you would jump at the chance to bring them into the state. Who wouldn't? Well I have to tell you, that's exactly what would happen on a yearly basis if the proposed speedway were built in Kansas.

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Combine that exposure with the civic commitment ISC brings to the community and you have a major new corporate citizen. One that not only brings new opportunity to spur economic development, but one that has a long history of taking a leadership role to improve its communities.

Madame Chair, as your committee debates House Bill 2631 and you review the direct economic impact of the speedway, you also must consider these intangible benefits. Because they are the benefits that can enhance the state's reputation as good place to locate a business. They are the benefits that can enhance the state's reputation as a tourism destination. And they are the benefits that will make the community a better place for all of us who live here.

Thank you for providing me with the opportunity to address the committee.

Ladies and Gentlemen of the Kansas Legislature

I come to speak to you today as one of the residents of the proposed NASCAR track. The sequence of events we have been going thru, and the time frame it has taken has been quite alarming to all of us. Becoming prepared for these events has been quite a challenge. For we do not have the luxury of those whose profession is to promote this proposal.

The accelerated pace of this project has left us little time to prepare for the circumstances we must educate ourselves for, and this must be done around our daily responsibilities of work and family.

This is made even more difficult due to the lack of information we have received, and this lack of information has created a air of distrust with this project. Which becomes reminiscent of high pressure sales tactics, ("This is a last chance deal, sign on the dotted line today and don't worry about the fine print.")

Many questions arise from our concerns that we feel a need to be answered.

Can a 30 year tax abatement be guaranteed to be to the public, or can it only be guaranteed that K.I.S.C. will benefit.

Has any other property owners adjacent to the track site been given a tax abatement, and if so which ones.

Are tier any plans to give future business any tax abatements, and if so - how much.

Is the eminent domain law used to take property from citizens for corporate profit, without reaching a just with a majority of the landowners first - in the true spirit of the law that the good citizens of Kansas had intended.

Under Kansas law can Tax Increment Financing bonds be used to finance a construction project in an area which is not blighted, or a conservation area, and or environmentally contaminated.

And we hope the Unified Government will increase in its efforts to meet with our residents committee, so we can reach an agreement on the relocation plans that will be more beneficial to both parties.

A great opportunity has been lost due to the way this project has been managed. For even those of the residents who have the most to lose, and whose losses could never be truly compensated for. Acknowledge that the NASCAR track will be beneficial, even if it only accomplishes half of what the exceedingly rosy predictions have been.

This is a rare occurrence, that so many people feel that a project would be so beneficial to sacrifice that which truly can not be replaced. And for their communities benefit. But this sacrifice becomes more unbearable with the thought that the public and the residents will not benefit from the 30 year tax abatement, or the price paid for the acquisition of our homes

Kansas International Speedway corp. purpose in building this track is to better themselves, and their stock holders expect no less. Shouldn't those of us who are giving up our homes, better ourselves in the final outcome. we only expect a just compensation.

We truly hope our Legislators will consider all the information, and choose which is best for all parties involved

Thank you for your attention
Charles W. Hale

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