

Approved: February 3, 2000
Date

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on February 2, 2000 in Room 123-S of the Capitol.

All members were present except: Senator Feleciano

Committee staff present: Lynne Holt, Legislative Research Department
Jerry Ann Donaldson, Legislative Research Department
Bob Nugent, Revisor of Statutes
Betty Bomar, Secretary

Conferees appearing before the committee:

Ashley Sherard, Overland Park Chamber of Commerce
Randy Allen, Kansas Association of Counties
Kim Gulley, League of Kansas Municipalities
Christy Caldwell, Topeka Chamber of Commerce
Marlee Berthoff, Kansas Chamber of Commerce and Industry
Dana Fenton, Johnson County, Kansas
Michael T. White, Polsinelli, White, Vardeman & Shalton, Kansas City, Mo
Blake Scheck, President, Lenexa Chamber of Commerce
John H. Shore, Fellowship of Christian Athletes
Donald K. DeHaven, Mayor, City of Sedgwick
John Carder, City Administrator, City of Hesston
Dan Schenkein, President, Kansas City Kansas Area Chamber of Commerce
Marge Vogt, Olathe City Councilmember

Others attending: See attached list

SB 308 - Tax credits for contributions to public works

Ashley Sherard, Government Relations Manager, Overland Park Chamber of Commerce, testified in support of **SB 308**, stating the analysis presented by Mikel Miller, Kansas, Inc., is helpful and has created a better bill. The Chamber supports the boarder definition of "eligible projects", inasmuch as tax credits are limited and every project that could be eligible should not be approved. The Secretary of the Department of Commerce and Housing has the discretion under the proposed substitute bill to approve projects that meet the "definable benefit to the state" criteria. (Attachment 1)

Ms. Sherard reported that Missouri, which has an active program in place, approves approximately 85% of its applications. To benefit from the program, projects must be 1) eligible, 2) satisfy the approval criteria, and 3) be a project that private investors are willing to contribute money to. **SB 308** is an opportunity for more private investment in public projects for which the state and general public will benefit and for economic development practioners in a better position when competing for projects and dollars.

The question was asked of Shirley Sicilian, Office of Policy & Research, Department of Revenue, as to the possibility of deferring the tax credit to the next fiscal year. Ms. Sicilian indicated this was possible.

The Chair advised that the Committee, in considering a program involving \$10 million in tax credits during this period of budget vulnerability, should focus its attention on the merits of the program as an incentive to attract new business to the state. Should the Committee conclude it has sufficient value to the state's economic development strategy to recommend its favorable passage, the President will refer **SB 308** to the Senate Assessment and Taxation Committee to consider the tax credit issues.

Randy Allen, Executive Director, Kansas Association of Counties, testified in support of **SB 308**,

CONTINUATION SHEET

stating the legislation provides an incentive for individuals and businesses in Kansas to contribute to qualified infrastructure projects with wide public benefit. A state infrastructure development fund adds one more potential source or tool to make a project financially feasible. ([Attachment 2](#))

Kim Gulley, Director of Policy Development & Communications, League of Kansas Municipalities, testified in support of **SB 308**, stating economic development is vital to the continued growth and sustainability of Kansas cities. The bill provides an innovative public/private partnership for the financing of certain public infrastructure projects. ([Attachment 3](#))

Christy Caldwell, Vice President Government Relations, Topeka Chamber of Commerce, testified in support of **SB 308**, stating the income tax credits to private entities is an excellent incentive to further enhance private giving for public-use projects. The Topeka Chamber urges the enactment of this type of legislation to assist in leveraging private dollars for Kansas public projects. ([Attachment 4](#))

Marlee Bertholf, Director of Taxation & Small Business, The Kansas Chamber of Commerce and Industry, testified in support of **SB 308**, stating that under the proposed program, projects are not limited to a certain region of Kansas. The project benefits not only large Kansas communities, but projects statewide are eligible and cities and towns of any size would be able to receive benefits. ([Attachment 5](#))

The Committee discussed whether an economic development program as described in **SB 308** is more beneficial to economic development than the lowering or cutting of the property tax on machinery and equipment or the lowering of commercial property taxes. Senator Steffes stated the City of McPherson has utilized the economic development programs presently in place, and as a result, has one of the lowest unemployment rates and highest wage rates in the state.

The Chair recognized Lynne Holt who suggested an option of requiring the commitment of local government resources for a project as a criteria for approval of a tax credit application.

The following persons submitted written testimony attached to these Minutes supporting the passage of **SB 308**: Dana Fenton, Intergovernmental Relations Coordinator, Johnson County ([Attachment 6](#)); Michael T. White, Polsinelli, White, Vardeman & Shalton, Kansas City, Missouri ([Attachment 7](#)); Blake Schreck, President, Lenexa Chamber of Commerce ([Attachment 8](#)); John H. Shore, Sr. Vice President, Fellowship of Christian Athletes ([Attachment 9](#)); Donald K. DeHaven, Mayor, City of Sedgwick ([Attachment 10](#)); John Carder, City Administrator, City of Hesston ([Attachment 11](#)); Dan Schenkein, President, Kansas City Kansas Area Chamber of Commerce ([Attachment 12](#)); and Marge Vogt, Olathe City Councilmember ([Attachment 13](#)).

The hearing on **SB 308** concluded.

The meeting adjourned at 9:00 a.m.

The next meeting is scheduled for February 3, 2000.

SENATE COMMERCE COMMITTEE GUEST LIST

DATE: February 2, 2000

NAME	REPRESENTING
Stuart Parsons	KOC
Kim Gully	LKM
Kelly Kuitala	City of Overland Park
Don Seefelt	City of Olathe
Terry Heatheman	KCCI
Christy Caldwell	Topeka Chamber of Comm.
Martee Berthoff	KCCI
Mikel Miller	Kansas, Inc
Jim JANDUSEK	KDOC+H
Kathy Tamron	KCK Chamber
ROBERT J. FROST	SWBEN
Jacqui Clark	Hallmark Cards
Shirley Stulein	K D of Revenue
DOBB Stephanie Buchanan	DOB
Randy Allen	Kansas Association of Counties



Testimony on SB 308

Before the Senate Commerce Committee

**by Ashley Sherard
Overland Park Chamber of Commerce
February 2, 2000**

Good morning, Chairman Salisbury and members of the committee. My name is Ashley Sherard, and I am the Government Relations Manager for the Overland Park Chamber of Commerce. Thank you for allowing me to appear before you today.

The Chamber would like to express its strong support for SB 308, a bill that proposes a new program that would encourage private sector contributions toward funding qualified public projects. Based on a similar program in Missouri, we believe this program would serve as a unique tool to pursue important economic and community development opportunities through public/private partnerships.

In Missouri's experience, virtually all contributions under the program are anticipated to be earmarked or "donor-directed" to a specific local project. Private entities wishing to support a public project would, in conjunction with a local government body, apply to the State for approval of the proposed project and its associated private contributions. As the bill is written, projects that could qualify for the program include public infrastructure, redevelopment of blighted areas, and other public improvements with a positive impact to the State, such as educational, medical, or recreational facilities.

The State would then evaluate whether the proposed project and its associated contributions meet statutory and other eligibility criteria to qualify for the program. These criteria include the project's benefit to the State, the amount of the tax credits to be issued, the project's impact on jobs and tax base, and whether contributed monies would either duplicate or leverage other avenues available to finance the project.

Senate Commerce Committee

Date: 2-02-00

Attachment # 1-1 thru 1-3

If the application is approved, the State would issue income tax credits to the project's associated contributors in the amount of 50% of the net value of their contribution. These tax credits are an important incentive designed to increase the number and value of private contributions toward funding public projects. These contributions would then be used by the local government body to assist in paying costs of the project.

Recognizing concerns inherent in implementing a new program, the chamber believes the bill also contains appropriate limitations. SB 308 proposes only a five-year pilot program, after which time the program's use and effectiveness can be better evaluated. In addition, the program has an aggregate maximum limit of \$10 million in tax credits that may be issued per calendar year.

The Chamber strongly believes this program would provide a unique tool to encourage public/private partnerships for projects not otherwise being served by current state programs. Although later conferees will more fully address the importance of such a tool in terms of economic development, I have prepared a summary of some actual projects in Missouri that utilized the program on which SB 308 is based to better illustrate the program's potential in Kansas:

American Italian Pasta Company, a large producer of pasta, was considering a plant site located in Excelsior Springs, MO. To meet American Italian's needs, however, the site required improved water service. American Italian, as well as Union Electric Company and other industries in the area, contributed through Missouri's development tax credit program to purchase a new city water tower and water lines. The new infrastructure benefited all city residents through better water service and better fire protection, and American Italian's jobs and tax base were retained in Missouri.

Three Rivers Community College in Poplar Bluff, MO, was approached by a company who said it would locate in Poplar Bluff if it could be assured of trained and qualified employees. The community college, however, needed to expand to accommodate a new training facility. Using contributions made by the company and others through the tax credit program, the community college built a new training facility, which benefited area residents and businesses and retained important industry in Missouri's boot heel region.

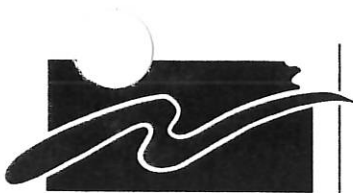
Six rural communities with populations of less than 20,000, including cities such as Lexington and Monett, MO, utilized program grants to revitalize their downtown districts in efforts to retain and encourage Main Street businesses, particularly after large discount retailers began opening on the cities' edges. Contributions, which came from residents and local businesses, were used to improve curbs, gutters, streets, street lights, benches, and landscaping, for example, creating higher quality and more appealing central commercial districts for the communities.

Harley Davidson Co. was considering a plant site located in North Kansas City, MO. To meet Harley Davidson's needs, the site required improved highway access. Harley Davidson, as well as Union Electric Company and other industries in the area, contributed through the tax credit program to fund road improvements. The improved roads benefited both residents and visitors to the community, and Harley Davidson, rejecting several other states it was considering, located its business in Missouri.

Finally, Central Medical Center, a city-owned hospital in St. Louis, closed, costing an economically-challenged area a significant number of jobs and leaving residents without convenient medical services. The state put together a package, funded by corporate donations through the tax credit program, city funds, and state appropriations, to renovate the former hospital into a Department of Social Services health care center, restoring both jobs and medical services to the area.

As you can see, the program has the potential to benefit residents and businesses in communities across Kansas. The program benefits governmental entities, whose ability to undertake public projects is often limited by lack of resources and who would gain a competitive economic development tool. It benefits individual and business contributors by providing an incentive to be "good citizens" and to assist in raising a community's quality of life, and members of the public benefit directly from the community development projects because to qualify projects must benefit and be accessible to the general public. All of this ultimately benefits the State of Kansas.

For these reasons, the chamber asks for your support of SB 308. Again, thank you very much for your consideration, and I would be happy to answer any questions.



**KANSAS
ASSOCIATION OF
COUNTIES**

TESTIMONY
concerning Senate Bill No. 308
Community Development Tax Credits

Presented by Randy Allen, Executive Director
Kansas Association of Counties
February 2, 2000

Madam Chair and members of the committee, my name is Randy Allen, Executive Director of the Kansas Association of Counties. I am here today to express support for Senate Bill No. 308, which provides an incentive for individuals and businesses in Kansas to contribute to qualified infrastructure projects with wide public benefit.

Increasingly, local governments are being asked to do more with less. As such, many projects with potentially wide benefit can be financed only through a combination of sources --- perhaps including local taxes, grants, loans, and donations. A state infrastructure development fund would add one more potential source or tool to make a project financially feasible.

The evaluation criteria set forth in the bill seem to be prudent and reasonable, and reflective of the overriding need to demonstrate that the funds fulfill some public purpose.

We believe the proposed bill is creative and merits your serious consideration this session. Thank you for this opportunity to comment.

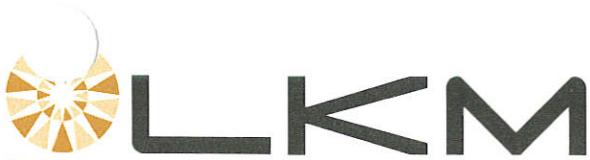
The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services and a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to Randy Allen or Judy Moler by calling (785) 272-2585.

6206 SW 9th Terrace
Topeka, KS 66615
785•272•2585
Fax 785•272•3585
email kac@ink.org

Senate Commerce Committee

Date: 2-02-00

Attachment # 2



League of Kansas Municipalities

300 SW 8th Avenue
Topeka, Kansas 66603-3912
Phone: (785) 354-9565
Fax: (785) 354-4186

To: Senate Commerce Committee
From: Kim Gulley, Director of Policy Development
& Communications
Date: February 2, 2000
Re: Support for SB 305

Thank you for allowing me to appear today on behalf of the League of Kansas Municipalities and our 530 member cities. The League is very supportive of the tax credit program which has been outlined in the proposed legislation.

Economic development is vital to the continued growth and sustainability of Kansas cities. The proposal that you are considering today will add one more tool for cities to use to attract businesses to their communities. In addition, it provides an innovative public/private partnership for the financing of certain public infrastructure projects.

The recommended tax credit program recognizes the interdependence of local government, the state government, and our business communities. Encouraging cooperation amongst these entities concerning the development of public works projects is a laudable goal.

For these reasons, we thank the Committee for consideration of this proposal and we urge favorable passage of this legislation.

Thank you.

Senate Commerce Committee

Date: 2-02

Attachment # 3



120 SE 6th Avenue, Suite 110 • Topeka, Kansas 66603-3515
(785) 234-2644 • FAX (785) 234-8656
www.topekachamber.org
email: topekainfo@topekachamber.org



Testimony for the
Senate Commerce Committee
February 2, 2000
By Christy Caldwell, Vice President Government Relations

The Greater Topeka Chamber of Commerce would like to express our support for the income tax credit embodied in SB 308. We believe providing income tax credits to private entities who make contributions to a newly created Kansas infrastructure development board, a state entity, that would use the contributions to make grants to qualified local development projects, would be an excellent incentive to further enhance private giving for public-use projects.

As outlined, this board would authorize tax credits in the amount of 50% of the value of the contribution. Contributions would be in the form of cash, real estate, or securities. The tax credits could be used against the contributor's state tax liability and carried forward for up to five years. Or, the tax credits would be fully transferable as long as they are transferred for no less than 75% and no more than 100% of face value.

Senate Bill 308 provides that this new program would have an aggregate maximum of \$10 million in tax credits that could be issued per calendar year. Projects that could qualify for program grants could include: public infrastructure improvements, redevelopment of blighted areas, and other public projects with a positive impact on the state. Local projects that comes to mind which may qualify, if we had such a program, are the renovation of the Union Pacific Station in north Topeka, the Living Learning Center at Washburn University, or the Washburn Corridor improvements in central Topeka. Even more exciting would be the potential opportunities to assist in locating new businesses who may need infrastructure improvements that would also benefit the community, as has been done in Missouri.

We believe this would be another tool in the development arsenal for the state and local communities. Our neighboring state to the east – Missouri – has successfully used such a tool to attract private investment in public projects such as water lines, roads and classroom space which was also critical to locating new private investment and jobs in Missouri. We encourage your support for this legislation. We hope that SB 308 or something similar could be approved by the legislature, if not this year, in the near future to assist in leveraging private dollars for Kansas public projects. We encourage your support for SB 308.

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Senate Commerce Committee

Date: 2-02-00

Attachment # 4

LEGISLATIVE TESTIMONY



The Unified Voice of Business

835 SW Topeka Blvd. • Topeka, KS 66612-1671 • 785-357-6321 • Fax: 785-357-4732 • E-mail: kcci@kansaschamber.org • www.kansaschamber.org

SB 308

February 2, 2000

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the
Senate Commerce Committee

by

Marlee Bertholf
Director of Taxation & Small Business

Madam Chair and members of the Committee:

My name is Marlee Bertholf and I am the Director of Taxation and Small Business for the Kansas Chamber of Commerce and Industry (KCCI). I am here today in support of SB 308. If enacted, this bill would create a program where private entities are allowed to make financial contributions towards community projects in exchange for a tax credit equal to 50% of the amount donated. Passage of this program would allow private entities to team-up with Kansas communities to pursue vital economic and community development projects. We believe that this tool will provide communities with a great economic development resource while providing private entities with a much needed tax incentive.

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

KCCI is comprised of more than 2,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 48% of KCCI's members having less than 25 employees, and 78% having less than 100 employees. KCCI receives no government funding.

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

Senate Commerce Committee

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Attachment # 5-1 thru 5-2

In order to remain competitive in today's economic climate, communities are searching for ways to fund economic development projects. Traditionally, communities look to the state for assistance. However, the proposal found in SB 308 takes a unique approach by allowing private entities to provide the necessary financial assistance in exchange for tax relief in the form of tax credits. SB 308 would be a tool for communities to unite private donors with community projects, fostering a positive relationship with businesses and their respective communities. Today's communities and businesses each have specific economic development needs that sometimes do not always match up with our existing programs. As Kansas continues to compete with surrounding states for attractive new industries, expanding our economic development tools becomes very important. Implementation of SB 308 would give us another valuable mechanism for local communities and the State of Kansas to utilize.

Under this program, projects are not limited to a certain region of Kansas. These projects will not benefit only large Kansas communities. Under this program, projects statewide will be eligible and cities and towns of any size will receive benefits.

As a representative for Kansas businesses, local chamber and economic development groups throughout the State of Kansas, I encourage you to favorably consider adoption of the program set out in SB 308 and encourage private entities and communities to partner together to plan and finance community projects. Again, on behalf of the members of KCCI, I would like to thank you for the opportunity to appear before you today. I will be happy to answer any questions.



TESTIMONY OF DANA FENTON *Dana Fenton*
INTERGOVERNMENTAL RELATIONS COORDINATOR OF JOHNSON COUNTY
IN SUPPORT OF SB 308

SENATE COMMERCE COMMITTEE, FEBRUARY 1, 2000-01-31

Madame Chair and members of the Committee, my name is Dana Fenton, Intergovernmental Relations Coordinator for Johnson County. Thank you for accepting this written testimony in Support of SB 308.

SB 308 would provide an incentive for individuals and businesses who do business in Kansas to contribute to qualified infrastructure projects. In return for the contribution, individuals and businesses would receive a 50% tax credit. Such a program has been in place in the State of Missouri and has experienced positive results. The Johnson County Board of Commissioners believes such a program would be beneficial for the State of Kansas. Therefore, we encourage the Senate Commerce Committee to favorably consider SB 308 for passage.

Thank you for this opportunity to provide written testimony.

Senate Commerce Committee
Date: 2-02-00

Attachment # 6

LAW OFFICES

POLSINELLI, WHITE, VARDEMAN & SHALTON

A PROFESSIONAL CORPORATION

TELECOPIER NUMBER
(816) 753-1536

Michael T. White
(816) 360-4223
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1000 PLAZA STEPPES BUILDING
700 WEST 47TH STREET
KANSAS CITY, MISSOURI 64112-1802
(816) 753-1000

OTHER OFFICES IN:
OVERLAND PARK, KANSAS
ST. LOUIS, MISSOURI
TOPEKA, KANSAS
JEFFERSON CITY, MISSOURI

August 25, 1999

The Honorable William G. Mason
Chair, Joint Committee on Economic Development
State House
Topeka, KS 66612

Re: Senate Bill 308

Dear Representative Mason and Committee Members:

I am writing to express support for S.B. 308, which enacts tax credits that encourage private sector contributions toward funding qualified public infrastructure projects.

In my law practice, I represent businesses in development projects. Some of my clients have benefited from a Missouri tax credit program that is very similar to the program proposed in S.B. 308. I have found the Missouri program to be an enormously helpful tool for bringing private investment to public infrastructure projects.

The Missouri Development Finance Board was instrumental in fashioning the package which caused Harley-Davidson, Gateway 2000 and others to locate in Kansas City, Missouri after a nationwide search. Through the Board's participation, we were able to address infrastructure needs of both projects. The law allows the participation in projects by public spirited companies who can recover a sizable portion of their donation through State tax credits and Federal deductions.

Thank you for your consideration of my comments on S.B. 308. I would certainly welcome you to call me at my Kansas City, Missouri law office, 816/753-1000, if you have any questions.

Very truly yours,



Michael T. White



MTW:jkt

20827 / 46759
MTWHI 697505

Senate Commerce Committee
Date: 2-02-00

Attachment # 17



Senate Commerce Committee
Tuesday, February 2, 2000

Blake Schreck, CED
President, Lenexa Chamber of Commerce

The Historic Lackman-Thompson Estate

11180 Lackman Road
Lenexa, KS 66219-1236
913.888.1414
Fax 913.888.3770

My name is Blake Schreck. I serve currently as President of the Lenexa Chamber of Commerce, but I have spent most of the last 15 years as the Director of Economic Development for the Overland Park Chamber. In that capacity, I've had the opportunity to be involved with a number of projects over the years in which locations on the Missouri side of the metropolitan area were options along with our sites in Kansas. While we have been successful in attracting and retaining new business in Johnson County and Northeast Kansas, it is generally acknowledged that Missouri has access to a few more tools to incent prospects to locate there. There are times when some of those tools put us at a competitive disadvantage. In head to head competition, the program proposed by SB 308 would help Kansas alleviate the disparity.

The two key components in the bill that I believe are most attractive are:

- The opportunity to gain access to private sector dollars for economic development projects.
- The fact that those contributions would be directed toward infrastructure development that would benefit the general public.

Business leaders give time and money to local economic development groups, usually through memberships or contributions, to help fund local development programs. There is currently no incentive beyond good citizenship, however, now in place that could help us gain access to larger amounts of their money to help make the incentive packages offered to prospects even stronger. Most of the companies that have the means to participate in this program would benefit dramatically from the economic ripple effect that would result from a major expansion or new location, and many would participate at a higher level with the proposed incentive.

Senate Commerce Committee

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Attachment # 8-1 thru 8-2

The "public benefit" component is important as well, as road improvements, water, sewer, signalization and other infrastructure improvements that are often cost prohibitive at a local government level could become feasible with private sector participation.

We've talked in the past about the NCAA retention project. However you feel about the organization and their value to the community, the State of Kansas and Overland Park could not offer as competitive a package as the Missouri side. Kansas City was able to commit significant funds to their package through private sector participation in the Missouri tax credit program.

Finally, while my personal experience is in economic development in a metropolitan area, I believe this program would benefit smaller communities throughout Kansas even more than larger ones. A contribution to a project made by a private sector firm in a smaller community would have a disproportionately positive impact to that town than a contribution made to a larger city. Rural Kansas economic development efforts would be greatly enhanced.

Thank you for the opportunity to speak on behalf of SB 308. We greatly appreciate your consideration of its merits.



Fellowship of Christian Athletes

January 28, 2000

The Honorable Alicia Salisbury, Chair
Member of the Joint Committee on Economic Development
State Capital
Topeka, KS 66612

Dear Chairman Salisbury,

The Fellowship of Christian Athletes is an international non-profit organization established in 1954. Since 1956, the headquarters has been maintained in Kansas City, Missouri. The FCA has grown tremendously through the years and is regarded as the largest youth organization of its kind in the world - larger than the next 6 combined. We have youth groups in junior and senior high schools as well as universities and colleges. Our office services over 200 offices around the nation including one located in Wichita, Kansas.

I am writing to you to share our experience with the Missouri Development Finance Board tax credits. Because of our significant growth, we had outgrown our building located just north of the Truman Sports Complex. Spurning offers from other cities such as Indianapolis and Dallas, it was the decision of our National Board of Directors to stay and grow in Kansas City. However, we knew that we would need the full cooperation of corporate and foundation leaders, civic organizations and government groups.

We built our case as to the economic viability of our project. We demonstrated how the FCA represented a significant asset to Kansas City as a visible presence in sports circles throughout the United States. Our One Way 2 Play-Drug Free! program has received national attention from top government officials around the nation. Our commitment to urban and inner city programs provide youth with values they need to stay in school and to remain drug and alcohol free. We showed how FCA provided excellent jobs for a dedicated staff and generated a large number of visits to Kansas City for staff training and the hosting of visitors from all over the world. Our projections of growth, not only in staff, but in purchases in the city and revenue brought to the State were and will continue to be significant.

8701 Leeds Road, Kansas City, Missouri 64129-
816-921-0909 • Fax: 816-921-8755 • Website: <http://www.fca.org>

Senate Commerce Committee
Date: 2-02-00

Attachment # 9-1 thru 9-2

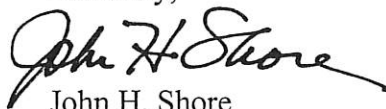
Page two

Because of our structure, we face a problem in that we knew we would have to raise a significant amount of the dollars needed from the Kansas City Area, not to take away money from other parts of the country where we maintained a strong presence. Our three-fold project is to raise \$8.3 Million to acquire additional land, renovate our 20 year old structure and more than double the size of our building. The Missouri Development Finance Board agreed to issue Missouri tax credits upon receipt of contributions in the amount not to exceed \$3 Million for the purpose of assisting the FCA's World Headquarters Office Project. The credits were available over a two year period of time. Because of the available tax credits, we received two very large gifts that far exceeded our expectations. We know that the tax credits had a very positive affect on us receiving these contributions. These gifts also helped to set the precedent for others - in the foundation and corporate world - to step up and make significant gifts as well.

We are pleased that we have passed the 3/4th mark to reach our goal. The Missouri Development Finance Board Tax Credits have proved to be a Win-Win for everyone. Our employees are thrilled that they are a part of an organization that is growing and affecting the lives of so many young people in such a positive way. There will be no "uprooting" of people from their homes, churches and families to move elsewhere as we have seen in other organizations. We will continue to build on the solid ground established many years ago and continue to have a world-wide presence. The States of Missouri and Kansas will have even more people paying taxes in their states, making purchases at our neighborhood shopping centers and participating in school, church, social and community volunteer activities. We are so pleased about the direction and the future.

I speak for all of our FCA executive leadership team, our National Board of Trustees and our over 575 staff members around the nation, the MDFB tax credits were a true blessing. Your favorable consideration of the issue before you in regards to tax credits truly can be a Win-Win for you and other not for profit organizations in your state.

Sincerely,



John H. Shore

Sr. Vice President - Marketing/Communications



City of Sedgwick

511 N. Commercial - P. O. Box 131 - Sedgwick, KS 67135
Phone: 316-772-5151 - FAX: 316-772-5592

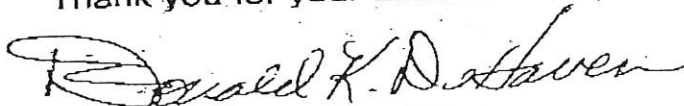
August 30, 1999

TO: Senate Commerce Committee
FROM: Donald K. DeHaven, Mayor
City of Sedgwick, KS
RE: Interim Hearing on SB 308

Please be advised that my community supports the proposed SB 308. We believe that providing income tax credits to private entities to support funding of qualified community development projects will be a plus for all Kansas communities. It also expands the possibilities for local governments to undertake development projects, which they couldn't finance without public support.

SB 308 will benefit business and community contributors by providing tax credits and an opportunity to promote community development. The general public will benefit directly and indirectly from projects that have utilized the proposed SB 308 for financing.

Thank you for your consideration,


Donald K. DeHaven, Mayor

Senate Commerce Committee

Date: 2-02-00

Attachment # 10



THE CITY OF
HESSTON

Hesston Municipal Building / 115 E. Smith / P.O. Box 100 / Hesston, KS 67062
316-327-4412 / Fax 316-327-4595 / <http://www.southwind.net/hesston>

August 26, 1999

To: Senate Commerce Committee

From: John Carder, City Administrator

Re: Community Development Tax Credits

On behalf of the City of Hesston, I want to support your positive consideration of SB 308. This legislation would provide additional tools to local government in developing needed public projects and in the area of retention and recruitment of industry. In a competitive environment it is absolutely essential that we provide the mechanisms that encourage and enhance public/private partnerships.

Many communities in Kansas are faced with an aging infrastructure, blighted areas, and very limited resources. Economic development opportunities and the quality of life for these communities may be dependent upon our abilities to meet these needs. It would appear that SB 308 could be part of the solution to start addressing these pressing issues.

It goes without saying that the potential benefits to both the public and private sectors make this legislation good for the State of Kansas. Especially in cities with limited resources, it would provide needed capital for essential public projects.

Thanks for your consideration.

A handwritten signature in black ink, appearing to read "John Carder".

Senate Commerce Committee

Date: 2-02-00

Attachment # 11



KCKChamber
Partnering for Success

**THE KANSAS CITY KANSAS AREA
CHAMBER OF COMMERCE**
727 Minnesota Avenue P.O. Box 171337
Kansas City, Kansas 66117
Phone: 913-371-3070
Fax: 913-371-3732

February 1, 2000

Senator Alicia Salisbury
Chairman
Senate Commerce Committee
Statehouse
Topeka, KS 66612

Honorable Chairman Salisbury and Members of the Senate Commerce Committee:

I appreciate having this opportunity to express support for Senate Bill 308. The board of directors and membership of the Kansas City Kansas Area Chamber of Commerce has long been interested in seeing that a program such as that embodied in this legislation be established in Kansas.

We firmly believe that this legislation would foster a stronger private sector role in funding public projects. One would only need to look across the State border to Missouri to see how this type of program can be used to stimulate economic development. For border counties such as ours, it is especially important that we not be at a competitive disadvantage when it comes to attracting jobs and investments in Kansas.

We are aware of your committee interest and involvement in the refinements to SB308 such as those recommended by the Joint Committee on Economic Development. The suggested amendments represent reasonable, sound public policies and, as such, we commend those of you responsible for their development.

In closing, please know how much we appreciate your thoughtful consideration of this measure. As your deliberation continues, please do not hesitate to contact us if we can provide any data or answer any questions. Thank you for your interest.

Sincerely,

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

Senate Commerce Committee
Date: 2-02-00

Attachment # 12



City of Olathe

MEMORANDUM

TO: Members of the Senate Commerce Committee
FROM: Marge Vogt, Olathe City Councilmember *MV*
SUBJECT: **SB 308;** Tax Credits for Private Investment in Public Infrastructure Projects
DATE: February 2, 2000

On behalf of the city of Olathe, thank you for the opportunity to support SB 308. As proposed in the substitute bill distributed yesterday, the bill would authorize a state income tax credit program administered jointly by the Department of Commerce and Housing and the Department of Revenue to encourage private investment in qualified public infrastructure projects.

It is true at all levels of government that infrastructure and service needs often outstrip available public resources. The concept contained in SB 308 would enable private sector resources to assist projects the local community deems truly worthy. We believe this bill affords an opportunity for Kansas cities to: 1) better promote economic development, 2) provide additional revenue sources for important local projects, 3) promote public/private partnerships for the betterment of Kansas communities, and 4) enhance local community revitalization efforts. Here are some examples of how SB 308 might impact our community.

First, SB 308 offers an opportunity for investment in infrastructure to help retain or locate an economic development project. Our city government works very closely with the Olathe Area Chamber of Commerce to expand the community's tax base. This program would give Kansas communities an additional tool for recruitment of business and industry in the highly competitive economic development world. As you know, our neighboring state of Missouri has such a tool.

We also believe SB 308 could enhance local community revitalization efforts. The city of Olathe is highly committed to revitalization of its older neighborhoods and downtown area. This tax credit program, if approved, could help implement recommendations from a new downtown master plan recently prepared with help from downtown property and business owners.

Finally, we believe SB 308 can potentially enhance quality of life initiatives. Despite rapid growth, the city has done reasonably well in keeping up with basic infrastructure needs in the areas of roads, utilities, and public safety. The voters of Olathe in December approved a one-eighth cent sales tax for five years dedicated toward park and recreation facilities. However, I believe we have fallen behind in providing community centers, cultural amenities, and other "quality of life" infrastructure that provides balance to a well rounded community. In our experience, this category of public infrastructure is often where private investment is most likely and necessary. This type of project also offers the best opportunity to attract out of state visitors and their expenditures to the economy.

Senate Commerce Committee

Date: *2-02-00*

Attachment # *13-1 thru 13-2*

On a technical note, the city agrees with the Kansas, Inc. analysis that the definition of "qualified infrastructure project" in the bill should be shortened and include definitions of economic development projects and public facilities that include cultural and recreational projects.

There are many ways SB 308 can benefit Kansas communities. As an elected local official representing the City of Olathe, I appreciate your careful and positive consideration of this bill. We believe it is good for local government and good for the State of Kansas.

Thank you again for the opportunity to support SB 308.