

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairman Kenny Wilk at 3:30 p.m. on February 20, 2003 in Room 522-S of the Capitol.

All members were present except:

Committee staff present: April Holman, Legislative Research Department
Debra Hollon, Legislative Research Department
Rena Jefferies, Revisor of Statutes
Fulva Seufert, Secretary

Conferees appearing before the committee:

Representative Larry Campbell
Tim McKee, Vice President of Economic Development, Olathe Chamber of Commerce
Michael Wilkes, Olathe City Manager
Larry R. Baer, Assistant Legal Counsel, League of Kansas Municipalities
Don Denney, Unified Government of Wyandotte County, K.C., Kansas
Steve Graham, P.E. Vice President of Project Development, Titan Const.
Bud Burke, representing Olathe Chamber of Commerce
Ed Wolverton, President, Wichita Downtown Development Corporation
(Written only)
Lori Usher, Vice President, Economic Development, Wichita Area Chamber of Commerce (Written Only)
Blake Schreck, President, Lenexa Chamber of Commerce (Written Only)
Glenn Thompson, Executive Director, Stand Up For Kansas (Written Only)

Others attending: See attached list

Chairman Wilk opened the meeting at 3:30 p.m. by welcoming former Representative Doug Spangler to the Committee.

The Chair asked April Holman to explain the following:

HB 2396: Providing for general STAR bond authority throughout the state

Chairman Wilk opened the Public Hearing for **HB 2396** and welcomed Representative Larry Campbell to the Committee. Rep. Campbell spoke as a proponent for **HB 2396** and said the facts alone sell the bill. He thanked the Chair for allowing him to speak first. He said that STAR bonds should be at a policy level. He believes that the legislature should enact everything possible to encourage and inspire economic development in the state. Rep. Campbell believes **HB 2396** attempts to make this a beginning answer to putting people back to work and that policy criteria should be set so this can become a reality. A question came up concerning the funding and the number of years the state would not have the revenue. He answered that the state would probably not have the sales tax anyway if it were not for STAR bonds and that if this becomes a reality, the state will benefit from some large statewide projects which will generate capital flow that it probably would not have otherwise. He thanked the Committee and said he appreciated the hearing.

Chairman Wilk welcomed Tim McKee, Vice President of Economic Development, Olathe Chamber of Commerce, who spoke as a proponent of **HB 2396**. Mr. McKee said this legislation was needed to expand the overall Kansas economy. Since Kansas is in the lower third of all states in regard to tourism, he strongly believes that this legislation can jump start tourism. In closing, he said that the parameters should be set high and relate to the size of the community so that large projects with a regional draw will want to locate in Kansas. (Attachment 1).

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT at 3:30 p.m. on
February 20, 2003 in Room 522-S of the Capitol.

The Chair recognized Mr. Michael Wilkes, Olathe City Manager, who spoke as a proponent in behalf of Unified Government's Position on Expanded STAR Bond Legislation in which he stated there has been a successful partnership between the State of Kansas and the Unified Government of Wyandotte County/Kansas City, Kansas using the STAR Bond legislation. This legislation helped build Kansas Speedway and Village West, a 400-acre tourism district located adjacent to the speedway. (Attachment 2).

Chairman Wilk welcomed Mr. Larry R. Baer, Assistant Legal Counsel, League of Kansas Municipalities, who spoke in support of **HB 2396**. He stressed the importance of focusing on legislation that stimulates and generates economic growth along with providing financial flexibility during this time of fiscal belt tightening at both the local and state levels. In closing, he said, "**HB 2396** is an important tool to help stimulate and generate local economic growth and provide additional flexibility for payment of public costs which may be associated with any project." (Attachment 3).

The Chair recognized Mr. Don Denney, Unified Government of Wyandotte County, K.C., Kansas, who spoke in support of **HB 2996**. He said that Unified Government made a very bold gamble in 1996 and 1997 when NASCAR came to them. They were a community that needed a "shot in the arm." He said they painstakingly went through the legal measures to get the land and then came to the legislature to get support. He also said he firmly believed that any STAR bond legislation should not exceed current state law. (Attachment 4).

Chairman Wilk welcomed Mr. Steve Graham, P.E., Vice President of Project Development, Titan Construction Organization, who spoke in support of **HB 2396**. He shared some background information regarding the Kansas City area construction market and pointed out that 2002 was estimated to have been down 40% from 2001. He thinks that 2003 will also be consistent with this downturn. He said that he understood there are seven states that are in the process of developing STAR bond legislation and that he truly believes that Kansas will not even be on the radar screens without the economic benefits of STAR bond legislation. He encouraged the adoption of this legislation because he thinks STAR bonds should be available state wide so that Kansas can become the regional destination of choice in the Midwest. (Attachment 5).

The Chair next recognized Mr. Bud Burke who represented the Olathe Chamber of Commerce. He specifically mentioned that he believed that a level playing field was not only fair but essential for the state. He said that our country was founded on the free enterprise system and putting artificial barriers into the system could start the state on a very dangerous road. He added that destination areas are always made more attractive with increased opportunities for consumers. (Attachment 6).

The Chair asked if there was anyone else who would like to speak to **HB 2396**, and a college student named Naqarajsubtramanian came forward. He cautioned that he thought the legislation lacked legislative insight because assumptions were made in testimony. He said one does not have any physical evidence and that the future is uncertain. He said he was concerned, too, about the full impact on future taxpayers.

The Chairman called the Committee's attention to the following written only testimony:

Edwin J. Wolverton, President, Wichita Downtown Development Corporation; LORI Usher, Vice President, Economic Development, Wichita Area Chamber of Commerce; Blake Schreck, President, Lenexa Chamber of Commerce and Glenn Thompson, Executive Director, Stand Up For Kansas. (Attachments 7, 8, 9 and 10).

Seeing no others who desired to speak to **HB 2396**, Chairman Wilk closed the Public Hearing. He then asked the Committee to turn its attention to **HB 2208**.

Chairman Wilk asked April Holman, Legislative Research Department, to brief the Committee on the similarities and differences between **HB 2396** and **HB 2208**.

Representative Novascone made a motion to pass **HB 2208** out favorable. Representative Gordon seconded.

During discussion, Representative Burroughs said that he had questions about the sales tax in the two bills. After a lengthy discussion, Representative Loganbill made a substitute motion to amend **HB 2208** by taking new section 2 and new section 3 in **HB 2396** and inserting these sections into **HB 2208** where appropriate.

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MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT at 3:30 p.m. on
February 20, 2003 in Room 522-S of the Capitol.

Representative Carlin seconded.

After considerable discussion about the peanut of the amendment, Representative Loganbill withdrew her motion and Representative Carlin withdrew her second.

The Chair announced that the Committee was back on the Novascone motion. Discussion continued until Representative Kuether made a substitute motion to make Broadway the eastern border of the district. Representative Loganbill seconded. Motion failed.

Representative Winn made a substitute motion to include the local component of the sales tax to pay down STAR Bonds. Representative O'Malley seconded. Motion passed.

The Chair called the Committee's attention back to the Novascone motion on **HB 2208** as amended. Representative Loganbill made a motion to make a correction on page 1, line 22 where it says Seneca to be 2nd Street. Representative Kuether seconded. Motion carried.

Representative Hill made a motion to insert new before taxpayers on page 10, line 15. Representative Carlin seconded. Motion carried.

The Chair said that the Committee was now back on **HB 2208** as amended. Representative Novascone made a motion to pass out favorably **HB 2208** as amended. Representative Gordon seconded. Motion carried.

Representative Kuether made a motion to approve the minutes of the February 18, 2003 meeting. Representative Novascone seconded. Motion carried.

The Chairman announced that the next meeting would be February 25, 2003, when the Committee would be hearing **HB 2258** - Enacting the agricultural opportunities and value-added partnerships act.

The meeting adjourned at 6:00 p.m.

HOUSE ECONOMIC DEVELOPMENT COMMITTEE

THURSDAY, FEBRUARY 20, 2003

NAME	REPRESENTING
Juli Reiss	Russell County Chamber
Leo Wafner	Legislative Post Audit
Steve Johnson	Kansas Gas Service
NATE Kuhn	
Don Denney	Unified Govt. Wy County
Larry R. Baser	LKW
Diane Costello	Olathe Chamber of Commerce
Blake Schreck	Lenexa Chamber of Com
Erik Sartorius	City of Overland Park
Dusty Buell	Bohenberg & Assoc.
RaeAnne Davis	KDOCH
Nicole Romine	GBBA
BUD BURKE	OLATHE CHAMBER
Tim McKee	Olathe Chamber
Denny Koch	CABELA'S
Michael Wilkes	City of Olathe
Don Seifert	City of Olathe
Bill Sneed	Ks Speedway Corp
DAVID BURK	WATERWALK
Gonzolusa	Watermark LLC
STEVE GRATHAN	TITAN CONSTRUCTION / CITY OF OLATHE
Ed Wolverton	Wichita Downtown Development Corp.

To: Honorable Kenny A. Wilk, Chairman
Economic Development Committee
From: Tim McKee, Vice President of Economic Development
Olathe Chamber of Commerce
Date: February 20, 2003
Subject: HB 2396

On behalf of the Olathe Chamber of Commerce and its Board of Directors and members, I would like to ask the Economic Development Committee to help us "Make all of Kansas a Star" by expanding STAR bond authority across the state.

WHY

- Expanded to include appropriate locations throughout Kansas, STAR bonds will be good for the state's economy.
- The bonds will help Kansas tourism leap from its current standing among the lowest one-third of the states. This tool could help jump start tourism.
- The time to take advantage is now—before other states catch the vision and adopt STAR bond or similar legislation of their own.

HOW

- Set the parameters high and have them relate to the size of the community. The discretion of the Secretary of Commerce will be vital.
- Use the bonds to attract projects with a regional draw—from outside of Kansas—not for retailers with a limited local or even county-wide draw.
- Kansas communities have a great partnership with the Kansas Department of Commerce. STAR bonds are another great tool to add to those already in place.
- Large, regional projects across the country are being accomplished through public/private partnerships. This type of tool is essential to accomplish these projects.

Expanding STAR bond authority throughout Kansas will be great for the entire state, including the current "tourism district."



OLATHE
CHAMBER OF COMMERCE
ONE VISION. ONE VOICE.

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*Nation's Best Chamber
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*Accredited by the
Chamber of Commerce
of the United States*

House Economic
Development
2/20/03
Attachment 1

Facing Economic Challenges Together

Statewide Star Bond Authority:
Creating Opportunity
Without Creating Taxes

Creating Economic Opportunity for Businesses

Adding Revenue for Governments

- ◆ Raising revenue and creating opportunity... Without raising taxes
- ◆ Generating millions of dollars in private investment ... Without raising taxes
- ◆ Creating jobs and economic opportunity for Kansans... Without raising taxes

Now is the time to be creative and competitive:

- ◆ We must be creative to offset declining revenue...without raising taxes
- ◆ We must be creative to maintain government service and our excellent schools...without raising taxes
- ◆ We must be creative to build an economic climate conducive to growth and private sector investment...without raising taxes
- ◆ And, we must be creative to foster a quality of life full of opportunity for all Kansans without relying on tax increases.

New Tools vs. Current

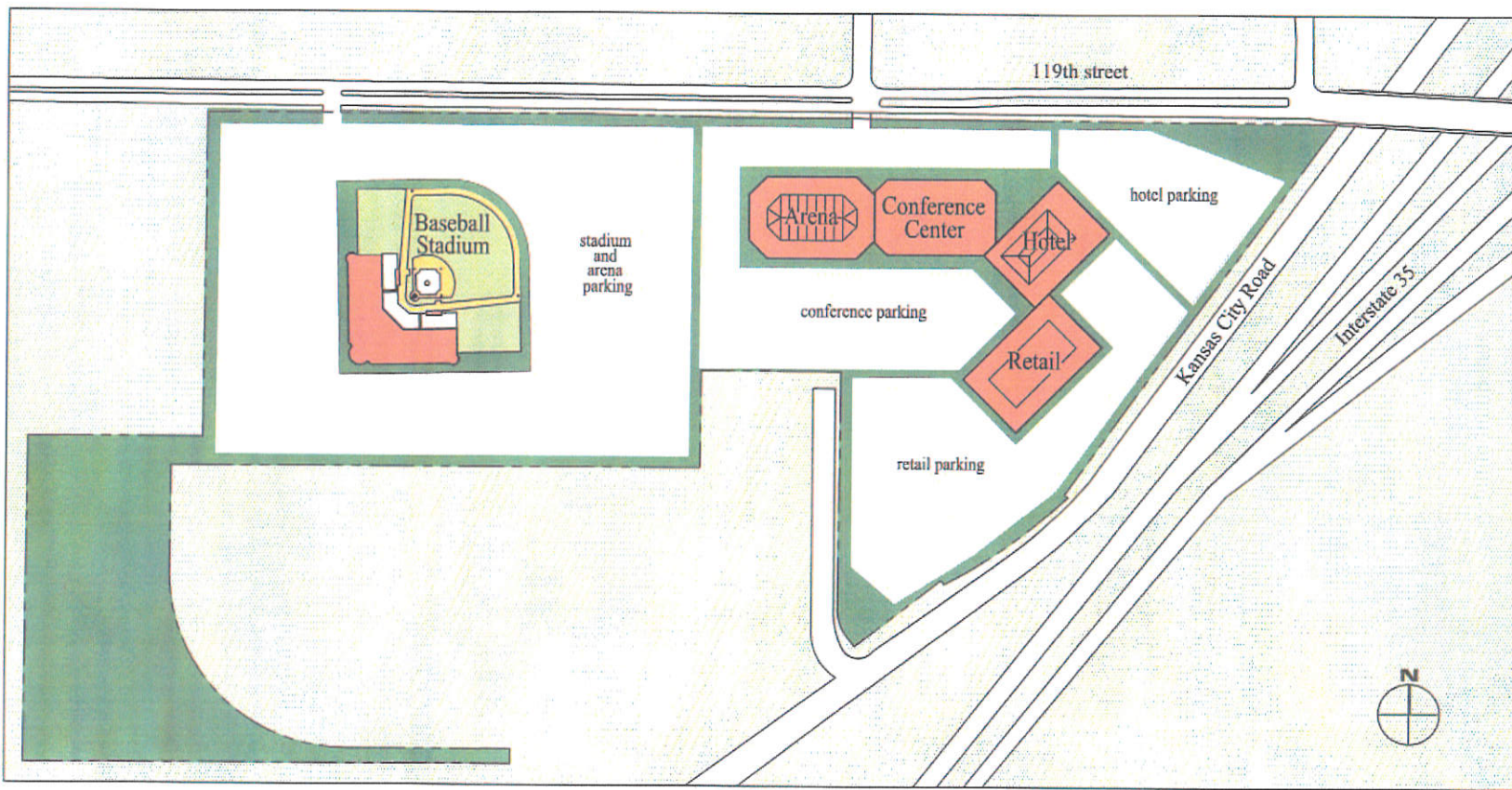
- ◆ Tax Increment Financing allows cities to use their share of new tax revenue to be applied to some of the development cost
- ◆ Star Bonds allow a portion of the state's new tax revenue to be applied
 - Total tax return to government realized much more rapidly

The Olathe Project

How a private development
can positively impact
our economic climate

Redevelopment Plan

City of Olathe, Kansas



John Q Hammons
INDUSTRIES

300 John Q. Hammons Parkway, Springfield, Missouri 417-864-4300

jqhhotels.com

Operated by John Q. Hammons Hotels, Inc.

EXHIBIT C

The plan includes:

- ◆ A 280 room full service hotel
- ◆ An 80,000 square foot conference center
- ◆ An 8,000-seat arena
- ◆ A major retailer that could reach \$7 billion in sales each decade
- ◆ And, possibly a baseball stadium

What this means to Kansans:

- ◆ \$100 million private investment in Kansas
- ◆ Hundreds of jobs created for Kansas
- ◆ Millions of dollars in new revenue for Kansas businesses
- ◆ Millions of dollars in immediate new revenue for Kansas schools
- ◆ Hundreds of thousands of dollars in immediate new revenue for Kansas governments
- ◆ Billions of new dollars for Kansas governments' in the long-term

“Each new dollar generated by this project offsets the demand on our taxpayers.”

An Investment for Kansans

A public private partnership
working to build our economy



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

League of Kansas Municipalities

Date: February 20, 2003
To: House Economic Development Committee
From: Larry R. Baer
Assistant Legal Counsel
Re: HB 2396 - Testimony in Support

Thank you for allowing me to appear before the Committee this afternoon on behalf of the League of Kansas Municipalities and its member cities and present testimony in support of HB 2396.

At this time of fiscal belt tightening, both at the local and state levels, it is important to focus on legislation that stimulates and generates economic growth and that provides financial flexibility in doing so. One of the most challenging aspects of economic development is determining how to spread the cost of new projects. Local governments are often faced with the dilemma of whether to have the entire community pay for the public costs associated with a new project or to find a mechanism to isolate the costs of the project to the area that receives the most benefit. HB 2396 gives local government an additional financial tool to pay public costs associated with new development projects. Special obligation bonds isolate the costs of a project to the area that benefits from it. Most importantly, no state money is used.

The League supports the continued use of tax increment financing in order to provide economic development. We believe that TIF laws should allow maximum flexibility and allow for efficient usage by cities.

HB 2396 is an important tool to help stimulate and generate local economic growth and provide additional flexibility for payment of public costs which may be associated with any project. We, therefore, urge your support and favorable action for HB 2396.

Thank you. I will stand for questions at the appropriate time.

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Attachment 3



Unified Government of
Wyandotte County/Kansas City, Kansas

Carol Marinovich, Mayor/CEO

701 North 7th Street, Suite 926
Kansas City, Kansas 66101
Phone: (913) 573-5010
Fax: (913) 573-5020

February 20, 2003

Rep. Kenny A. Wilk, Chair, and
Members of the House Economic Development Committee

Re: Unified Government's Position On Expanded STAR Bond Legislation

Dear Rep. Wilk and Committee Members:

The successful partnership between the State of Kansas and the Unified Government of Wyandotte County/Kansas City, Kansas has benefited greatly from the 1997 STAR Bond legislation that helped build destination points Kansas Speedway and Village West, a 400-acre tourism district located adjacent to the speedway.

The partnership paved the way for Kansas Speedway to become the state's #1 tourist attraction drawing hundreds of thousands of visitors from all 50 states and Canada each year. Village West, upon completion, will attract more than 7 million people each year to its retail and entertainment facilities. *Cabela's World's Foremost Outfitter* has attracted nearly 3 million visitors to its store since opening in August of 2002. *Nebraska Furniture Mart* will open a 712,000 square-foot facility later this year. The *Kansas City T-Bones* will open the new 5,500-seat Community/America Ballpark this coming June 6th. Other retail and entertainment facilities (including more than 400 high quality hotel rooms) at Village West will be operating later this year or in 2004.

In order to insure that the partnership for Kansas Speedway and the Tourism District would be successful, the State of Kansas and the Unified Government each made sizeable investments. For that reason, the Unified Government strongly believes further STAR Bond legislation should only be authorized for projects that are the magnitude of a Major Tourism District that is of statewide importance.

The legislation must contain stringent language and criteria, including a threshold of capital investment and expenditures. Original STAR Bond legislation passed by the Kansas Legislature for Kansas Speedway required capital expenditures of at least \$100 million for a racetrack facility. Kansas Speedway exceeded that requirement with more than \$200 million in capital expenditures.

The required public incentive for Kansas Speedway included abatement of local property taxes for 30 years. This local tax abatement constituted twice the investment the State's incentive of STAR Bond authority provided. Furthermore, the State of Kansas will be repaid its investment in Kansas Speedway long before the Unified Government recoups its investment. The expansion of the Major Tourism District to

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include the 400-acre Village West area will enable the Unified Government to recover its local contribution for the speedway project while addressing a retail crisis in Wyandotte County. Prior to Kansas Speedway and Village West, Wyandotte County had very few retail businesses, restaurants and hotels. Kansas City, Kansas was the only city in Kansas with a population of over 100,000 that did not have a major shopping center or movie theater in operation.

Expanded STAR Bond legislation **should not exceed current State law**, and **must protect** both the existing businesses, and the resulting sales tax revenue that is funding the bonds issued for the original Major Tourism District – Kansas Speedway and Village West. All future STAR Bond legislation should **require all local sales tax** money to be utilized under the same provision as State sales tax generated on the site of the Major Tourism District. Finally, the financial condition of the State's Budget should also be taken into account before further STAR Bond legislation is adopted. When the STAR Bond legislation was enacted for Kansas Speedway and Village West in 1997, the State's revenue had a surplus budget.

The Unified Government strongly believes it **would not make good business sense** for the State of Kansas to authorize public incentives that would be in direct competition to the current STAR Bond legislation that is now in effect. Providing STAR Bond authority for funding destination stores that would be in direct competition to such stores as *Cabela's Foremost Outfitters* and *Nebraska Furniture Mart* would adversely affect those stores' sales, and thus have a negative impact on the revenues required to pay off the STAR Bonds issued by the Unified Government. Any new Tourism District legislation **must not** degenerate or negatively affect the sales tax revenues available to retire bonds in an existing district.

Sincerely,



Carol Marinovich
Mayor/CEO

MEMORANDUM

TO: Members of the House Economic Development Committee

FROM: Steve Graham, P.E. Vice President of Project Development

SUBJECT: HB 2208 – Tax Increment Financing and Sales Tax Revenue Bonds

DATE: February 20, 2003

It is my pleasure as Chairman of the Olathe Economic Council and Vice President of Titan Construction to appear today. First, I would like to share a little background. The commercial construction market in the Kansas City area in 2002 is estimated to have been down 40% from 2001. This year, in my opinion, will be consistent with last year. Further, the amount of prospect activity is still down which mirrors the national economy. The bright spot for development and construction in our metropolitan area is the Tourism District in Wyandotte County. Our firm has fortunately been selected for three projects there including the T-Bones New Minor League Stadium. This speaks to the power the STAR bonds have in a down economy.

Because of my involvement with many of the projects in the tourism district, including the destination retailing located there, I am aware that Kansas was not even on their radar screens until the economic benefits of the STAR bonds were presented to them. I believe Kansas has a unique opportunity, and the timing of this opportunity is critical.

I understand that there are seven states across the country that are in the process of developing STAR bond legislation. They have been visiting the tourism area. The success we have seen is being viewed by the nation, this combined with the trend in the development of regional destination retailers and entertainment concepts is at the beginning of its cycle. Kansas has a unique opportunity to seize this moment and continue the success it has created. I would encourage you to think beyond destination retail, beyond the communities that currently have projects being talked about now.

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This legislation, if adopted state wide, would open the doors for Kansas to have destination entertainment developments that today we have to travel to places – like Orlando or San Diego to go visit. If we do not take advantage of this point in time, then as other states adopt similar incentives, we will miss the small window of time we have to significantly impact the economic future of Kansas for generations. You have the opportunity to make Kansas the regional destination of choice in the Midwest.

I would like to stand in support of STAR bonds being available state wide and encourage you to see beyond the projects that have been mentioned and see the impact the availability of STAR bonds will have on our states economy.

Thank you for this opportunity to share with you today.

Steve Graham, P.E.
Vice President Project Development, Titan Construction

2003 Chair of the Olathe Economic Development Council

ISSUES



MANAGEMENT GROUP, INC.

TESTIMONY

February 20, 2003

HOUSE ECONOMIC DEVELOPMENT COMMITTEE

HB 2396

Mr. Chairman and Members of the Committee. My name is Bud Burke and I appear here today on behalf of the OLATHE CHAMBER OF COMMERCE.

We applaud the efforts of the Wichita community who recognize the opportunity to add an important economic development tool to those incentives that already exist in the State of Kansas.

At the same time we strongly believe that a LEVEL PLAYING FIELD is not only fair but is a critically important business concept that allows for the development of projects in all areas of the State that desire and can develop the resources to make projects happen and create investment, jobs and tax base throughout the State. Should it now become the policy of the State to protect any Kansas business from competition, even from any other Kansas business? Our country was founded on the basis of the free enterprise system and putting artificial barriers into the system, it seems to me, would start us down a very dangerous road.

We have been told that Nebraska Furniture Mart has suggested that the "Kansas regional market is not large enough to support additional large-destination anchor retailers within the same industry group". It should be noted that Benchmark furniture started in Olathe in 1994 with no tax incentives with a 400,00 square foot facility and added another 350,00 square feet of facility in 1998 with a 10 year tax incentive. This facility has a major regional draw.

According to a recent letter we are told that Cabela's "is supportive of the creation of a Tourism District in Sedgwick County provided the destination components of the district are not in direct competition with the primary destination components of the Wyandotte County Tourism District". It is known that Bass Pro is seeking a location in the Greater Kansas City market and perhaps Wichita as well. Do we want to preclude a Kansas community the opportunity to compete with Missouri for this great retailer?

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Attachment 6

2009 Camelback Drive
Lawrence, Kansas 66047
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800 SW Jackson, Suite 808
Topeka, Kansas 66612
(785) 232-2320 fax (785) 232-2868

(2)

We believe that "DESTINATION AREAS are made more attractive with increased opportunities for the consumer. Las Vegas and Orlando would possibly still be small attractions were it not for multiple attractions that draw visitors from around the world.

We want to thank Representative Campbell and all of you who support the concept of adding a valuable economic development tool for all parts of the State of Kansas to utilize.

Thank you Mr. Chairman and members of the Committee for the opportunity to visit with you today.

Bud Burke
ISSUES MANAGEMENT GROUP, INC.



**House of Representatives Economic Development Committee
Testimony in Support of HB 2396
February 20, 2003**

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PRESIDENT

Edwin J. Wolverton

The Wichita Downtown Development Corporation is a non-profit organization focused on stimulating new economic investment and activity. Because of our economic development focus, we are currently working legislation to create a Sales Tax Revenue (STAR) bond area in Sedgwick County that could help with a current project. As House Bill 2396 proposes a method that would provide greater access to the STAR bond program, I support the bill.

As you know, the STAR bond program is a State initiative that allows local communities to issue bonds that are secured by growth in sales tax revenues from new businesses that locate into an authorized area. Although this is a State-wide program, Wyandotte County is the only community with STAR bond areas.

In examining the results from Wyandotte County, the STAR bond program has been a phenomenal success in generating new jobs and investment. Unfortunately, this success has not been duplicated by other communities because the current process for creating a STAR bond area is very difficult and cumbersome. It requires the State Legislature to approve an area, which can be unpredictable, labor intensive and time consuming. Once the legislature acts, the Secretary of Housing and Commerce must then determine the economic impact of a proposed project and declare that it will enhance tourism efforts or be of State-wide importance. As you can see, this process is hard for most communities and developers.

In Sedgwick County, we currently have a project that meets all the STAR bond criteria. We also have local, civic minded investors who are willing to follow the Wyandotte County model to seek the State's approval for a STAR bond area to help build public infrastructure. Lastly, we have a prospect that is almost ready to commit to the project.

In fact, negotiations with a national, destination retail tenant are now at a critical stage and the availability of STAR bonds will be important for bringing these discussions to a successful conclusion. While I cannot yet publicly divulge details about the prospect and their economic impact, this is a real prospect that will generate real benefits. Given the current status, I must stress the need for the committee and the Legislature to act during this session on this bill, and HB 2208, which seeks STAR bond authority in Sedgwick County.

One word of caution focuses on the standards for STAR bond projects. The requirements proposed in SB 2396 are set high. I believe that it is important that these standards remain high so that areas seeking STAR bond financing have a true economic need. It is imperative that any proposed area meet criteria on blighted conditions, conservation

districts, enterprise zones and environmental contamination. In fact, I would recommend that all the criteria must be met rather than just one item.

The standards for investment, state-wide impact and tourism enhancement must also be high. STAR bonds must not become a financing tool that subsidizes new office parks or shopping centers that fail to attract unique, destination businesses with state-wide appeal. In my opinion, we should be concerned about allowing discount variety stores, home improvement warehouses, grocery stores, electronic supercenters and other similar shops to tap into STAR bond financing. This is especially true for market driven projects that would likely happen anyway due to population shifts and new growth patterns.

HB 2396 offers an opportunity to improve access to the STAR Bond program. As STAR bonds do not raise taxes, do not have any "out of pocket" cost to the State and spurs economic activity, my organization supports the measure. While we will continue to advocate the approval of HB 2208 to create a STAR bond area in Sedgwick County, we believe that these two bills will have an immediate impact on our community and economy. As inaction will mean the loss of a critical tool that will create new jobs and business investment at a time when our economy desperately needs help, I encourage the committee to approve the bill and champion its approval by your colleagues in the Senate and House.

Thank you for considering my testimony.



Edwin J. Wolverton
President, Wichita Downtown Development Corporation



the Chamber
Wichita Area Chamber of Commerce

February 18, 2003

RE: Testimony on House Bill 2396
Economic Development Committee

Dear Chairperson and members of the committee,

I am writing this testimony in support of House Bill 2396.

I have provided testimony recently supporting the project specific legislation for Wichita's use of Star Bond financing through House Bill 2208. As stated in my previous testimony, it is important to note the appeal that a renewed, vibrant downtown will have to new companies considering Wichita for relocation or expansion. While the supply of labor and cost of doing business will ordinarily be the top drivers for site selection decisions, often quality of life factors become the qualifier at the end of the race.

Just as Wyndotte County has been granted your support of Star Bonds to add an appealing quality of life feature to their landscape, ***we need your support to develop a city that has special appeal to companies and qualified workers in order to keep our economy growing.***

While we enthusiastically support House Bill 2396 in that it will give communities the opportunity to flourish with this new financing tool, ***we also insist that our particular downtown project is depended upon swift action of the legislature this session.*** We urge you to embrace the vision that we have for southcentral Kansas by supporting either this statewide bill or project specific legislation that has been introduced in your House Economic Development Committee previously – House Bill 2208.

Thank you for your consideration.

Sincerely,

Lori Usher
VP, Economic Development



The Historic Lackman-Thompson Estate

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

TO: Representative Kenny Wilk, Chairman
Members, House Economic Development Committee

FROM: Blake Schreck, President
Lenexa Chamber of Commerce

DATE: February 20, 2003

RE: **HB 2396—Statewide STAR Bond Authority**

The Lenexa Chamber of Commerce would like to express its support for the concepts embodied in House Bill (HB) 2396, which authorizes the statewide use of tax increment financing (TIF) and sales tax revenue (STAR) bonds to facilitate significant economic development projects.

TIF authority and STAR bonds have both proven to be potent economic development tools in attracting new businesses to Kansas. While the project parameters and other details contained in HB 2396 may need to be further refined, allowing these tools to be more readily utilized statewide to promote unique development opportunities would encourage economic growth and create significant jobs, capital investment, and taxes across the state.

Because it would allow all communities in Kansas the opportunity to pursue significant projects that would positively impact the state, the Lenexa Chamber of Commerce urges the committee to consider HB 2396 favorably. Thank you for your time and attention to this issue.

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Attachment 9

**Testimony to House Economic Development Committee
On
House Bill 2396**

By

**Glenn Thompson
Executive Director
Stand Up For Kansas
February 20, 2003**

Chairman Wilk and members of this committee, I am Glenn Thompson, Executive Director of Stand Up For Kansas, a state-wide coalition of grass-roots citizens who oppose the expansion of gambling in our state.

We support the intent of HB 2396. However, we urge the committee to amend the bill to prohibit development and operation of a gambling casino within a "redevelopment district."

A convenience casino within the district would have a devastating economic impact on surrounding areas, since approximately 85% of the casino revenue would come from communities within a fifty-mile radius. This is not economic development or tourism development.

In addition, approximately 1% of the citizens living within these surrounding communities would become pathological gamblers and an additional 3% to 5% would become problem gamblers, thereby destroying thousands of families.

Consequently, we urge you to add an amendment to the bill, prohibiting development and operation of a gambling casino within a redevelopment district.

House Economic Development
2/20/03
Attachment 10