

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE.

The meeting was called to order by Chairperson Gary Hayzlett at 1:30 p..m. on March 19, 2003 in Room 519-S of the Capitol.

All members were present except:

Representative Barbara Ballard  
Representative John Ballou  
Representative Carol Beggs  
Representative Jerry Henry  
Representative Bruce Larkin

Committee staff present:

Hank Avila, Legislative Research Dept.  
Mary Galligan, Legislative Research Dept.  
Betty Boaz, Committee Secretary

Conferees appearing before the committee:

Glenn Coulter, Kansas Good Roads Association  
Don Moler, League of Kansas Municipalities  
George Barbee, Kansas Consulting Engineers  
Walter Wulf, Jr., Monarch Cement Company  
Steve Sloan, Midwest Minerals Inc.  
Fred Berry, Economic Lifelines  
Dan Koenig, Overland Park Chamber of Commerce  
Eric Sartorius, City of Overland Park  
John Rosacker, KDOT Rail Division  
Warren Porter, Winfield City Manager  
Blake Schreck, President of Lenexa Chamber of Commerce

Others attending:

See attached list

Chairman Hayzlett called the meeting to order. Most of the conferees are members of Economic Lifelines and are here to discuss the importance of maintaining the Comprehensive Transportation Plan.

The Chairman introduced Glenn Coulter, Executive Director, Kansas Good Roads Association. According to Mr. Coulter the highway construction industry was in the midst of a deep recession with many of the members being forced to search for work in other states. (Attachment 1) Then in 1989 the KS Legislature passed one of the very finest transportation programs of any state. Because of this program, the highway industry was able to retain and employ literally thousands of men and women with excellent paying jobs. He further stated that this program is credited with saving Kansas from a recession which many states experienced. He concluded by saying they absolutely can not afford to allow the state to return to the same conditions which they faced in the 1980's and that Kansas depends upon a vital and comprehensive system of transportation for economic growth and job creation.

The next conferee was Don Moler, Executive Director of the League of Kansas Municipalities. (Attachment 2) Mr. Moler said the League is fully committed to the Comprehensive Transportation Program and believe it should be adequately funded to assure that all of the projects contemplated by the original program are funded and completed in a timely fashion. He said the removal of adequate funding of this program or the extension of the program to such an extent that it is unrecognizable will thwart the planning that went into the initial CTP. Mr. Moler said they are very concerned that this program will continue to be viewed as a funding mechanism for other portions of the state budget.

The third conferee was George Barbee, Executive Director of the Kansas Consulting Engineers. (Attachment 3) Mr. Barbee reminded the Committee of several important points relative to the CTP such as the 1989 program provided over 117,820 full-time jobs and for each dollar spent on highway construction, \$2.55 is returned in economic impact. According to Mr. Barbee, today the roads are

## CONTINUATION SHEET

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE at on March 19, 2003 in Room 519-S of the Capitol.

deteriorating. The life cycle of any road, bridge, or highway has a terminal useful life. As the system is used, it wears out and it suffers from freeze-thaw cycles. He concluded by stating if demand transfer funds continue to be diverted, we will be approximately \$1.3 billion short of completion of the planned and approved program, causing a loss of approximately 56,000 jobs.

Chairman Hayzlett then introduced Woody Moses who in turn introduced Steve Sloan and Walter Wulf.

Steve Sloan, President, Midwest Minerals, Inc. was the next speaker. (Attachment 4) He said government business including KDOT, is a substantial percentage of revenue for an aggregate producer. Their company and their associations, with over 250 member companies, are highly dependent on the successful completion of the CTP. He stated the CTP stabilizes and stimulates the state's economy during all times but especially during difficult economic times. He also stated that the completion of the CTP will save lives and provide a higher level of public safety. Mr. Sloan said for these and many other reasons, they urge the Committee to keep the CTP solvent by opposing any attempt to remove any further funds from the program and by taking action to replace those already lost.

The next speaker was Walter Wulf Jr., President and Chairman of the Board of the Monarch Cement Company. (Attachment 5) Mr. Wulf gave a little background about their industry's past. He said continuation of the CTP is important to Monarch because approximately 10% of their annual production has gone into Kansas highway projects since the programs' inception. To keep up with demands they embarked on an expansion program which will ultimately increase their production 35 to 40%. Mr. Wulf said, in summary, that the CTP is important to Monarch not only as a market for their product but as a means to get their product to market and it is important to the state because the dollars it spends stay in the state providing jobs and income resulting in revenue.

Fred Berry, Co-Chairman of Economic Lifelines spoke next. He discussed the long-term effect the CTP has on the economy. He said the legislators, KDOT, the Committee and their Association can not afford to lose credibility and indicated Missouri was a prime example. He said they would have to be creative and courageous. He said Economic Lifelines think they can help and would certainly be willing to help. He said they have some ideas they will be presenting to the Committee.

The next speaker was Dan Koenig, President of the Overland Park Chamber of Commerce, who spoke in support of the 1999 Comprehensive Transportation Program. (Attachment 6) Mr. Koenig told the Committee that the Transportation Enhancement Projects scheduled for Johnson County will greatly affect the core economic development activity in Overland Park, Johnson County and the State of Kansas. He reported statistics on the number of vehicles estimated to use their roads, the population growth, the job growth, earnings growth and the tax base growth in Johnson County. He concluded by saying that based on these indicators and projected economic growth trends and patterns, improvements to Overland Park's transportation system are needed and justified.

Eric Sartorius, Legislative Consultant for the City of Overland Park spoke mainly in support of the System Enhancement Projects even though they strongly support the Major Modifications Programs. (Attachment 7) Mr. Sartorius said their success in attracting new businesses and residents has placed increasing pressure on their infrastructure, particularly their transportation systems. He concluded that the City of Overland Park has invested time, money and other resources as a partner with the Kansas Department of Transportation to complete the construction of the System Enhancement Projects located within the City and not completing these projects would leave the citizens of Overland Park with the expenses noted but no improvements to the safety and capacity of its transportation system.

The next speaker was John Jay Rosacker, Assistant Bureau Chief of the Bureau of Transportation Planning for the Kansas Department of Transportation. He was there to update the Committee on the status of the state's rail program since the passage of the CTP. (Attachment 8) According to Mr. Rosacker the rail component of the CTP has been a resounding success. With state funding KDOT has had the flexibility to meet the needs of Kansas grain shippers by maintaining the short-line rail system. He said that even though the CTP has been successful, the short-line railroads are facing the major problem of not being able to handle the 286,000 capacity cars and if the issue is not addressed it is

CONTINUATION SHEET

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE at on March 19, 2003 in Room 519-S of the Capitol.

inevitable that additional rail lines will be abandoned in Kansas. Mr. Rosacker said if abandonments occur, more and more grain haulage will be shifted to trucks causing increased damage to highways and bridges.

Warren Porter, City Manager for the City of Winfield was the next speaker. According to Mr. Porter, the City of Winfield partnered with the State during the 1989 program for the construction of the Southeast Quadrant of the K-360 bypass, which connects US 77 and Highway 160. Since that time several major international corporations have located in Winfield and enjoyed the benefits of the new highway. He said the State and the City of Winfield have partnered on other projects such as KLINK and maintaining bridges and reworking railway crossings. He asked that the Committee continue the partnership. (ATTACHMENT 9)

The last speaker was Blake Schreck, President of the Lenexa Chamber of Commerce. (Attachment 10) He said the Chamber would like to express its strong support for maintenance and full funding of the CTP that was approved by the Legislature in 1999. This includes reconfiguring 87<sup>th</sup> Street at Interstate 35 in Johnson County. He said the Chamber fully appreciates the serious nature of the budgetary crisis, however, they feel strongly that maintaining transportation spending will provide important long-term economic benefits at the state and local levels that justify continued investment in this program.

There being no additional speakers, Chairman Hayzlett adjourned the meeting. The next meeting will be March 20, 2003.



Statement  
By

Glenn Coulter, Executive Director, Kansas Good Roads Association, to the  
Transportation Committee of the Kansas House of Representatives.

March 2003

Thank you Mr. Chairman and members of the committee for the opportunity to visit with you this afternoon about the Comprehensive Transportation plan. My name is Glenn Coulter and I am the Executive Director of the Kansas Good Roads Association, which is a charter member of Economic Lifelines. Our association is comprised of over 125 private businesses that range in size from as few as two employees to over 1,000. These companies include prime and sub contractors, consulting engineering firms, suppliers, equipment dealers, aggregate producers, cement and asphalt companies, insurance and bonding firms and various other companies all with the same goal of seeing that Kansas maintains the very best possible transportation system.

When I was thinking about my brief remarks for today my thoughts moved to the mid 1980's when I was executive director of the Kansas Contractors Association. The highway construction industry was in the midst of a deep recession with many of our members being forced to search for work in other states, usually to no avail. Then came 1989 and the Kansas Legislature working with the Governor passed one of the very finest transportation programs of any state in the union. Because of this program, the highway industry was able to retain and employ literally thousands of men and women with excellent paying jobs. Without this program scores of these companies would have gone out of business and many of these thousands of employees would have been out of work.

House Transportation  
Date: 3-19-03  
Attachment # 1

The program is credited with saving Kansas from a recession which many states experienced.

Two years ago I came across a news quiz in the Kansas City Star, which asked the following:

The effect of poor road conditions  
on fuel, maintenance and repairs  
is estimated to cost Kansas  
\$133 per motorist. What is that  
cost in Missouri?

(a) \$388

(b) \$488

(c) 588

The correct answer was \$388. This meant that our Kansas motorists were saving \$255 per year per vehicle & I am sure the same figures are appropriate today.

Our Kansas good and safe highways continue to save all of our citizens money each year. Of a much greater importance however, is the fact that good highways save lives. There is no amount of money that can replace a human life.

We absolutely can not afford to allow the state to return to the same conditions which we faced in the 1980's. Kansas depends upon a vital and comprehensive system of

transportation for economic growth and job creation. If we hope to maintain and enhance the general health of the Kansas economy, we must continue to have a transportation system in place that is second to none.

The Kansas Legislature has always placed a very high priority on good and safe highways and other modes of transportation. We congratulate you for your foresighted thinking and ask you once again to keep Kansas as one of the leaders.

There are a great number of us ready to help you in every way possible. Thank you.



League of Kansas Municipalities

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

**To:** House Transportation Committee  
**From:** Don Moler, Executive Director  
**Re:** Full Funding of the Comprehensive Transportation Program  
**Date:** March 19, 2003

First I would like to thank the Committee for allowing the League to testify today concerning fully funding the Comprehensive Transportation Program. The League has been involved as a member of the board of Economic Lifelines since the very beginning and remains fully committed to the Comprehensive Transportation Program (CTP). We remain committed to the original vision of the CTP and believe it should be adequately funded to assure that all of the projects contemplated by the original program are funded and completed in a timely fashion.

In hard economic times it is always difficult to continue funding of a program which does not necessarily pay immediate dividends. In this case the dividends, in the form of economic development and the viability of communities statewide, is hard to quantify in the short term, but clearly can be quantified as a long term proposition. The removal of adequate funding of this program, or the extension of the program to such an extent that it is unrecognizable, will thwart the planning that went into the initial CTP. We are very concerned that given the budget crises at the state level, that this program will continue to be viewed as a funding mechanism for other portions of the state budget. As a result the League strongly urges this Committee, and the Kansas Legislature, to fully fund the Comprehensive Transportation Program and to allow the projects which have been planned to proceed throughout the rest of the program. I will be happy to answer any questions the Committee may have.

House Transportation  
Date: 3-19-03  
Attachment # 2





Affiliated with:

American Council of Engineering Companies  
Kansas Society of Professional Engineers  
National Society of Professional Engineers  
Professional Engineers in Private Practice

## TESTIMONY

**DATE:** March 19, 2003  
**TO:** **House Transportation Committee Members**  
**FROM:** Kansas Consulting Engineers  
by Executive Director, George Barbee  
**RE:** **Preservation of CTP Funding**

Mr. Chairman and members of the committee, my name is George Barbee, Executive Director of the Kansas Consulting Engineers. This association was organized in 1956 which was an event caused by the great economic development project, the design and construction of the Kansas Turnpike.

KCE has about sixty engineering companies as members. These firms employ several thousand employees who are involved in the planning and design of private industry and public works projects for buildings, water, sewer, and transportation.

We were proud to have been a part of the team of supporters for the successful 1989 program. It was on time, on budget and is credited for having pulled Kansas through the hard economic times of the 90's. Looking back on the success of the previous program, we knew you were doing the right thing to pass the current Comprehensive Transportation Program (CTP).

The members of the KCE thank you for the opportunity to speak to you and I will try to be brief as I remind you of some important points relative to the CTP program and some of the things learned from it and the previous Comprehensive Highway Program.

You have been told that:

- The 1989 transportation program provided over 117,820 full-time jobs.
- 40 jobs are created for each million spent on highway construction.
- For each dollar spent on highway construction, \$2.55 is returned in economic impact.
- The 1989 highway program caused a reduction of about 10,000 accidents and about 2,000 injuries during 1989-1996.
- Over half of the grain in Kansas is transported on roads and highways.

House Transportation  
Date: 3-19-03  
Attachment # 3

- In the present transportation program, a minimum of \$3 million per county will be spent on highway construction improvements.
- \$6 million is made available for public transportation programs each year.
- Transportation needs continue to accrue.
- The State Highway System is 10,385 miles long and accounts for 52.4 percent of total travel including city connecting links.
- \$3 million in state funds will be used each year for airport improvements.
- City connecting links have been increased from \$2,000 per year per lane to \$3,000 per year per lane for maintenance.

You are probably tired of being told these things over and over, so let me leave you with two newer thoughts.

Today as we meet, the roads are deteriorating. The initial design and construction were good, but the life cycle of any road, bridge, or highway has a terminal useful life. As the system is used, it wears out. It suffers from freeze-thaw cycles. It suffers from abuse when overweight vehicles crack the surface causing accelerated wear. Proper maintenance extends the life a bit. Overlays extend the life a bit. Never the less, reconstruction is necessary at some point. The CTP was enacted for the purpose of performing the necessary system maintenance and reconstruction. The CTP simply has to be preserved.

The other and last item comes from Oklahoma. The popular Congressman J. C. Watts visited Kansas last year and was discussing the economic challenges in Kansas and elsewhere. He said, "We don't need more taxes, we need more taxpayers." How true. The excellent CTP program preserves the Kansas transportation system at a level of quality Kansans demand and deserve, while at the same time providing the best economic development program currently available. If demand transfer funds continue to be diverted, we will be approximately \$1.3 billion short of completion of the planned and approved program, causing a loss of approximately 56,000 jobs.

Secretary Miller has assured us we can complete the announced projects in the CTP if the program does not lose any more funds and if the \$95 million loan is repaid. Please do not take any more money from the CTP.

Thank you again for the opportunity to speak to you. I would be pleased to stand for questions now or later.



STEVE SLOAN  
PRESIDENT

**DATE:** March 19, 2003  
**BEFORE:** The House Committee on Transportation  
**FROM:** Steve Sloan, President, Midwest Minerals, Inc., Pittsburg  
**SUBJECT:** Preserving the Comprehensive Transportation Program (CTP)

Good afternoon, Mr. Chairman and members of the committee my name Steve Sloan, President of Midwest Minerals, Inc., Pittsburg and I am also currently serving as the President of the Kansas Aggregate Producers Association. Thank you for the opportunity to appear before you today regarding the Comprehensive Transportation Program.

Midwest Minerals, Inc. is an aggregate production company headquartered in Pittsburg with 17 quarries located throughout Southeast Kansas. We employ 80 people at these locations. The business of supplying aggregate can be broken down to three sales categories:

- 1) Commercial Construction
- 2) Kansas department of Transportation
- 3) Local Government: City, County, Municipality, Township, etc.

Government business including KDOT, is a substantial percentage of revenue for an aggregate producer. Our company and our associations, with over 250 member companies, are highly dependent on the successful completion of the Comprehensive Transportation Program.

The CTP has lost almost \$231 million through legislative transfer or the outright failure of the legislature to make the promised demand transfers. In 2002 the legislature took steps to correct this error by passing a supplemental revenue package. This package essentially restored the CTP to solvency, but only on the assumption that the loan and future demand transfers are made on time. Now the promise, only made last year, is to be broken again.

While we understand and sympathize with your current efforts to correct the state's finances. We strongly urge this committee to consider other methods of financing state government and end the constant raids upon the State Highway Fund.

Even in these difficult times we think there are several good reasons for staying the course:

➤ **The CTP stabilizes and stimulates the state's economy during all times but especially during difficult economic times.**

- From an October 12, 1992 *U.S. News and World Report* article discussing states facing a downturn in their economic fortunes: "As the nation slid into recession during the second half of 1990, highway money began to course through the Kansas economy. Road expenditures leapt from 293 million dollars in 1989 to 429 million in 1991, sending a torrent of dollars through checkbooks and cash registers. In what economists call the multiplier effect, construction workers started buying tools, contractors leased new equipment, and engineering firms started placing help-wanted ads. As highway money worked its way through Kansas's economic bloodstream, personal income climbed at 2.4 percent, more than twice the national average (in 1991)."

House Transportation  
Date: 3-19-03  
Attachment # 4

➤ **Our investment in roads must be maintained.**

- Thanks to the CTP, Kansas currently ranks “ 4<sup>th</sup> in the nation in pavement condition, while ranking only 24-26<sup>th</sup> in per capita dollars spent to maintain the system.” Source: Stidger, Ruth W., *Better Roads*, May 2002.
- Not only do Kansans benefit from the use of their outstanding highway system, upgrading the system as originally intended generates thousands of jobs each year, bringing financial benefits to the State.

➤ **Millions of dollars of unmet transportation needs remain to be addressed.**

- According to an article appearing January 17, 2003 in *USA Today*. “ Highway traffic up 37% in decade but systems mileage grew only 5%”The economy of our State and local municipalities depends upon a reliable transportation infrastructure, providing not only a means to distribute products, but also jobs, and income resulting in revenue. The cost of construction only increases over time, and maintaining an adequate and consistent investment in the transportation infrastructure is a strategy that pays high returns over a long period. Deferring highway projects only increases costs and adds to pool of unmet needs.

➤ **Kansans, in overwhelming numbers, support completion of the CTP on time.**

- “The citizens of Kansas overwhelmingly support the Comprehensive Transportation Program (CTP), are opposed to any funding reductions in CTP, are alarmed at how the State Highway Fund (SHF) dollars are being used to balance the state budget, and are demanding that the promises made when the CTP was passed in 1999 be kept.” T-2000, *A Program in Jeopardy*, Report to the Governor, December 9, 2002. Four public meetings were held to gather input from citizens regarding the CTP. Approximately 800 city and county leaders, business people, and citizens attended the four meetings. About 150 people spoke or gave presentations in favor of the CTP.

➤ **Completion of the CTP will save lives and provide a higher level of public safety.**

- According to the Burress economic impact analysis, **\$1.3 billion** funding loss will cost the state **\$4.7 billion** in travel time and accidents. Source: Dr. David Burress, University of Kansas, Presentation to Transportation 2000, September, 2002
- Public Transit, already cut \$500,000 in FY03, provides many disabled citizens throughout the state with their only means of transportation. Vital to the maintenance of independent lives.

For these, any many other reasons, we urge you to keep the CTP solvent by opposing any attempt to remove any further funds from the program and by taking action to replace those already lost. We stand ready to work with you in identifying more appropriate ways to fund state government. We recognize the need to be a part of the solution.

I have been told by legislators that highways are an east “cut” because you are “cutting” concrete and asphalt rather the services to men, women and children. As we know, cutting highway funding not only cost our state jobs and revenue but stifles economic development. Reducing highway funding affects every Kansan and only exacerbates our revenue shortfalls.

Thank you once again for allowing me to provide these comments. I will be happy to respond to any questions at this point.



Testimony

Before the House Transportation Committee

Regarding the Comprehensive Transportation Program

March 19, 2003

Mr. Chairman and Members of the Committee. My name is Walter Wulf Jr., President and Chairman of the Board of The Monarch Cement Company, Humboldt, Kansas. I am here to speak for the continuance of the 1999 Comprehensive Transportation Program (CTP) and its importance to Monarch, the Kansas economy and revenue sources of the State.

First let me tell you a little bit about our industry's past. The cement industry has played an important role in the history and economic development of Kansas. There were thirty-four known attempts to organize cement mills in Kansas from 1898 to 1910; only eighteen plants were built. The majority of these mills were in southeast Kansas. They located here due to the abundance of limestone, a primary ingredient, and natural gas. By 1918, the number of operating mills was down seven. By 1969, this number was reduced to five, and today only four have survived, and they are all located in southeast Kansas.

Continuance of the CTP is important to Monarch because approximately 10% of our annual production has gone into Kansas highway projects since the programs' inception. With the passage of TEA-21, at the federal level, and CTP at the state level, it became apparent that if Monarch was going to be in a position to supply cement for the State's infrastructure improvements that we would need to expand our production capabilities. We embarked on an expansion program, which will ultimately increase our production 35 to 40%.

Monarch is a publicly held company chartered in Kansas. Many of our shareholders reside in Kansas; we invested over 60 million dollars of shareholders' money in property, plant and equipment in 2000 and 2001. Now we ask that our State make good on their commitment to preserve and improve our infrastructure for the benefit of our residents.

Continuance of the CTP is also important to Monarch because a reliable transportation system is key to providing service to our customers. Last year 22,575 trucks and 3,071 rail cars made deliveries to 90 locations in Kansas and 47 locations in other states, and we received approximately 3,800 trucks and 130 rail cars bearing material essential to our operations in Humboldt.

Finally, continuance of the CTP is important to the State of Kansas because according to the Federal Highway Administration every \$1 million of increased investment in highway infrastructure generates 42 jobs. In 2001, Monarch's Humboldt payroll was approximately \$10,000,000 for 169 employees. In addition, we employ another 166 people at subsidiaries located in Dodge City, Wichita, Hutchinson, Salina, Topeka and Merriam, Kansas.

In summary, the CTP is important to Monarch not only as a market for our product but as a means to get our product to market, and it is important to the State because the dollars it spends stay in the State, providing jobs and income resulting in revenue, which is critical to meeting our budget needs. We've all heard that history repeats itself. At the beginning of my remarks, I told you that at one time there were 18 cement mills in Kansas, and today there are 4, this due in large part, to over expansion in anticipation of increased demand. Today Monarch and at least two of our competitors have increased production in anticipations of increased demand promised by the passage of the CTP. I urge you our state legislators to make good on your promise. Don't let further reductions in highway spending be responsible for another cement mill closing in Kansas.

Thank you for hearing our concerns. At the appropriate time, I would be happy to answer any questions you may have.



**OVERLAND PARK**  
CHAMBER OF COMMERCE

Wednesday, March 19, 2003

To: House Transportation Committee, Representative Gary Hayzlett, Chair

From: Dan Koenig, President – Overland Park Chamber of Commerce

*DK*

Re: Support of 1999 Comprehensive Transportation Program

---

Chairman Gary Hayzlett and members of the Transportation committee, I appreciate the opportunity to appear before you today on behalf of the Overland Park Chamber of Commerce.

Briefly stated, Transportation Enhancement Projects scheduled for Johnson County will greatly affect the core economic development activity in our Overland Park, Johnson County and the State of Kansas.

For the record, the Overland Park Chamber of Commerce fully supports the Comprehensive Transportation Plan passed in 1999, including the Focus 435 components that include:

- Constructing a new interchange at the I-435/Antioch intersection,
- Widening I-435 from six-to eight-lanes from Metcalf Avenue to US-69
- Constructing an elevated, fly-over ramp at the I-435 / US-69 Interchange, and
- Modifying the US-69-103<sup>rd</sup> Street Interchange

As you may know, these roadways are currently carry more traffic than they were originally designed to accommodate, resulting in stop-and-go traffic speeds, high rates of accidents and poor levels of service.

= continued =

House Transportation  
Date: 3-19-03  
Attachment # 6

Current traffic volume estimates on I-435 exceed 130,000 vehicles per day and 88,000 vehicles per day on US-69. And demand on these roads – along with Overland Park's economic development – is only growing.

Traffic volumes on I-435 are expected to increase to about 200,000 vehicles per day by 2027, and US-69 north of Metcalf is projected to carry almost 150,000 daily.

To re-enforce these statistics, the Mid-America Regional Council's Long-Range Transportation Plan, estimates that over the next 20 years, Johnson County is likely to experience the greatest share of the Kansas City region's growth in both population and employment.

As the following facts indicate, the continued success of the Johnson County economy is directly connected to our infrastructure capacity. The Johnson County economy continues to grow at a rapid rate. Sufficient infrastructure is needed to continue to fuel this growth.

**Population Growth:**

- Between 1990 and 2000, Johnson County's population grew by 96,065, (27 percent) and surpassed the total population of Kansas City, Missouri
- During that same period, Johnson County accounted for 46 percent of the total population growth in Kansas and 50 percent of the increase in the Kansas City MSA

**Job Growth:**

- The number of jobs in Johnson County grew from 235,121 in 1989 to 355,367 in 1999, and increase of 120,246 jobs or 51 percent
- Over the ten year period, Johnson County accounted for 40 percent of the total net increase in jobs in Kansas and 56 percent of the job growth in the Kansas City MSA

= continued =



**Earnings Growth:**

- The annual earnings of those working in Johnson County grew from \$5.4 billion in 1989 to \$12.8 billion in 1999, an increase of 136 percent
- Johnson County accounted for 35 percent of all Kansas workers and 41 percent of the increase of Kansas City MSA workers

**Tax Base Growth:**

- The Kansas Department of Revenue reported that in 1997, the Kansas adjusted gross income of Johnson County taxpayers was over \$11.5 billion. Accordingly, Johnson County taxpayers paid account for 27 percent of the state's total tax revenue
- In fiscal year 2001, over \$385 million in Kansas state sales tax was collected in Johnson County. This amounts is 26 percent of the state's total sales tax revenue collected
- In 2000, the assessed valuation of real and personal property in Johnson County was \$5.5 billion. This accounted for 26 percent of the state's total

Based on these indicators and projected economic growth trends and patterns, Johnson County will need enhanced transportation infrastructure to accommodate future traffic volume estimates.

Simply stated, improvements to Overland Park's transportation system are needed and justified.

Thank you again for your continued support and the opportunity to appear before you today.

= END =

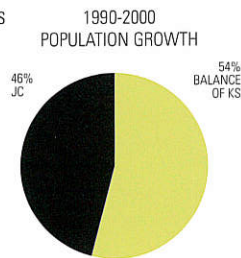
## THE PURPOSE OF THIS BROCHURE

to briefly summarize and illustrate the Johnson County story. It presents the latest available statistics from federal and state agencies about Johnson County's economic growth. The county's economy is put into perspective through comparisons with the State of Kansas and the Kansas City Metropolitan Statistical Area. The Kansas City MSA is composed of eleven counties: Johnson, Leavenworth, Miami and Wyandotte in Kansas and Cass, Clay, Clinton, Jackson, Lafayette, Platte and Ray in Missouri.

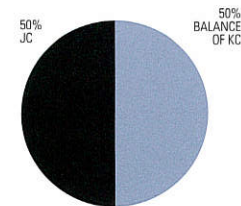
Statistics presented in the 2002 Primer were taken from the most recently released County Business Patterns (1999), Economic Census (1997), REIS (1999), and Census 2000 population data – all published by the U.S. Department of Commerce. Tax information and public school data were obtained from the Kansas Departments of Revenue and Education.

## POPULATION GROWTH

Between 1990 and 2000, Johnson County's population grew by 96,065 or 27% and surpassed the total population of Kansas City, Missouri.



During the period, Johnson County accounted for 46% of the total population growth in Kansas and 50% of the increase in the Kansas City MSA.



Johnson County's population grew by an average of 9,600 persons per year or 800 per month during the 1990s. Over the decade, Johnson County added twice the current populations of Blue Springs, Missouri or Salina, Kansas. At this rate of growth, Johnson County adds the current population of:

- Springfield, MO – every 16 years;
- Topeka, KS – every 13 years;
- Jefferson City, MO – every 4 years;
- Emporia, KS – every 3 years;
- Sedalia, MO – every 2 years; or
- Abilene, KS – every 8 months.

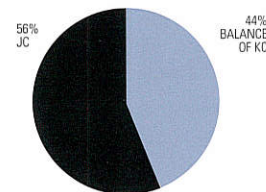
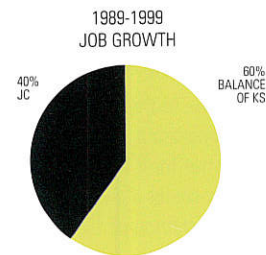
## JOB GROWTH

The number of jobs in Johnson County grew from 235,121 in 1989 to 355,367 in 1999 – an increase of 120,246 jobs or 51%.

Over the ten-year period, Johnson County accounted for 40% of the total net increase in jobs in Kansas and 56% of the job growth in the Kansas City MSA.

With an average growth rate of 12,000 jobs per year, Johnson County's economy has been generating the total area employment of:

- The Sprint Corp – every 18 months;
- The Federal Government – every 17 months;
- Hallmark Cards – every 6 months;
- DST Systems – every 5 months;
- Black & Veatch – every 4 months; or
- American Century Investments – every 2 months.



## BUSINESS GROWTH

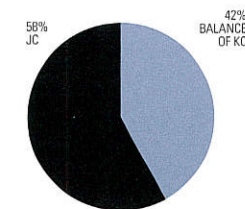
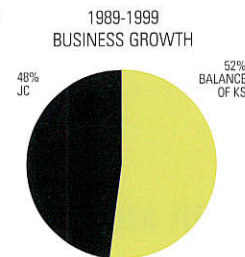
The number of business establishments with payrolls in Johnson County grew from 11,320 in 1989 to 15,507 in 1999 – an increase of 4,187 or 37%.

Over the ten-year period, Johnson County accounted for 48% of the net increase in new business establishments in Kansas and 58% of the net growth in the Kansas City MSA.

On average, Johnson County has been adding 419 new businesses per year, or 35 per month.

At this pace, Johnson County adds the total number of businesses located in:

- Clay County, MO – every 11 years;
- Douglas County, KS – every 6 years;
- Cass County, MO – every 4 years;
- Leavenworth County, KS – every 3 years.



## EARNINGS GROWTH

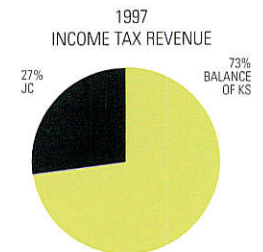
The annual earnings of those working in Johnson County grew from \$5.4 billion in 1989 to \$12.8 billion in 1999 – an increase of 136 percent. Johnson County accounted for 35% of the growth in earnings of all Kansas workers and 41% of the increase of Kansas City MSA workers.

Johnson County's non-farm workers earned an average of \$35,939 – 26% higher than the Kansas average of \$28,416.

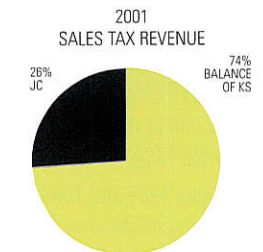
After adjusting for inflation, the total earnings of workers holding jobs in Johnson County grew by approximately \$551 million each year between 1989 and 1999. This accounted for 49% of the state's average annual increase of \$1.1 billion.

## TAX BASE

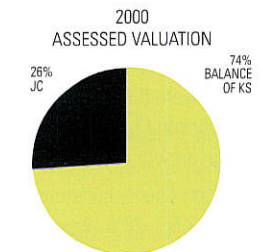
The Kansas Department of Revenue reported that in 1997 (the latest reliable data), the Kansas adjusted gross income of Johnson County taxpayers was over \$11.5 billion. Accordingly, Johnson Countians paid \$376 million in Kansas Individual Income Tax, 27% of the state's total.



In fiscal Year 2001, over \$385 million in Kansas state sales tax was collected in Johnson County. This amounted to 26% of the state's total revenue received from this source.



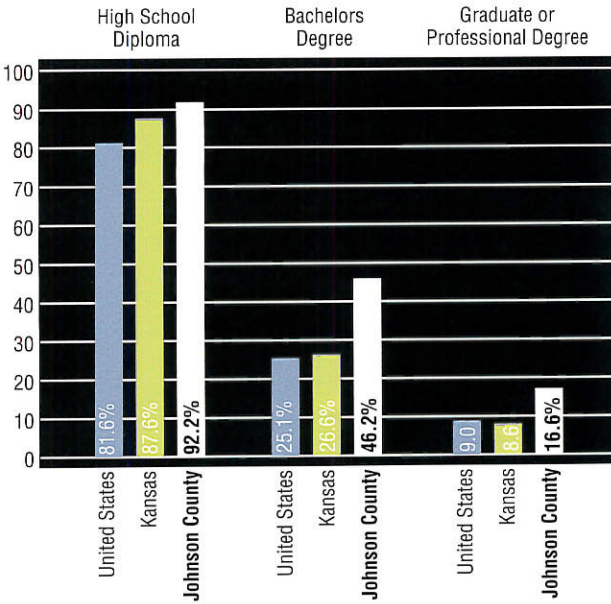
In 2000, the assessed valuation of real and personal property in Johnson County was \$5.5 billion. This accounted for 26% of the state's total.



## EDUCATION

Johnson County historically ranks among the most highly educated counties in the nation. According to the 2000 Census, Johnson County continues to compare very favorably with state and national averages.

### Percent of Persons 25 Years & Older with at Least a:



### 1990 Johnson County Ranking

	High School Diploma	Bachelors Degree	Graduate or Professional Degree
State Rank	1st	1st	3rd
National Rank	7th	16th	61st

Note: 2000 rankings not yet available. 2000 Census educational attainment data has not been released for all counties.

### Selected Academic Test Scores

Average ACT scores

School District	Composite
Blue Valley	23.5
Shawnee Mission	23.4
Olathe	22.9
DeSoto	21.6
Spring Hill	21.5
Gardner, Edgerton, Antioch	N/A
Kansas Average	21.6
National Average	21.0

## THE TRANSPORTATION, COMMUNICATIONS & PUBLIC UTILITIES SECTOR

As home to the world headquarters of Sprint Corporation and Yellow Corporation, Johnson County has become a major international center for the transfer of information and goods. Employment in this sector increased by over 100% between 1989 and 1999 with the addition of 15,595 jobs.

Johnson County accounted for 83% of the growth in the TCU sector in the Kansas City MSA during the 10-year period. Moreover, without Johnson County's growth, the state's employment in this sector would have declined by 881 jobs.

The average Johnson County worker in the sector earned \$65,822 in 1999 – the highest-paying major industry group in Johnson County's economy.

## THE MANUFACTURING SECTOR

Although manufacturing accounts for less than 7% of total non-farm employment in Johnson County compared to 13% statewide, Johnson County accounted for nearly 13% of all new manufacturing jobs created in Kansas between 1989 and 1999.

While Johnson County created over 3,800 manufacturing jobs during the period, the Kansas City MSA as a whole lost over 4,100.

The 1997 Census of Manufacturing revealed that Johnson County ranked third among all Kansas counties in value of shipments from manufacturing firms.

## FOR MORE INFORMATION:

# CERI

COUNTY ECONOMIC RESEARCH INSTITUTE INC.

11111 W. 95th Street Suite 210 Overland Park, KS 66214  
(913) 599-1616 [www.cerionline.org](http://www.cerionline.org)

# JOHNSON COUNTY

## An Economic Primer 2002

prim-er (prim' er) noun

1. A book or pamphlet that covers the basic elements of a subject.
2. An elementary textbook for teaching children to read.

The Johnson County economy has experienced nearly unprecedented growth and diversification over the last several decades and has become one of the most dynamic metro-centers in the nation's heartland. Going into the new century Johnson County will enable the State of Kansas and the Kansas City Metropolitan Area to successfully compete with the nation's other premier business locations, attracting investment from throughout the world.



8500 Santa Fe Drive  
Overland Park, Kansas 66212  
913-895-6100 • Fax: 913-895-5003  
www.opkansas.org

Testimony  
Before The House Transportation Committee  
Regarding The Comprehensive Transportation Program

March 19, 2003

The City of Overland Park appreciates the opportunity to appear today in support of the Comprehensive Transportation Program of 1999. While this testimony focuses primarily on System Enhancements Projects, we strongly support the Major Modifications Program, as well.

The economy of Overland Park has thrived in recent decades, in no small part due to our excellent infrastructure. Combined with our education system, this infrastructure has aided Overland Park in becoming a destination for hundreds of new businesses as well as businesses relocating from across the United States. In turn, our growth has helped the growth of the Kansas economy as a whole.

In difficult economic times, transportation spending is particularly important in stabilizing and stimulating the State's economy. This was highlighted in a *US News and World Report* article [1992] that referred to Kansas' Comprehensive Highway Program [CHP] and indicated that "as the Nation slid in recession...highway money worked its way through Kansas' economic bloodstream, and personal income climbed at 2.4%, more than twice the national average."

Our success in attracting new businesses and residents has placed increasing pressure on our infrastructure, particularly our transportation systems. We must meet the needs of Kansans, whether as residents or visitors of our area, to continue to grow. The first question often asked by businesses looking to relocate to our area is, "What is the commuting time?" In a recent survey of Overland Park citizens, their number one concern was traffic congestion. The projects included in the CTP go a long way towards mitigating that congestion both now and in the future.

The City of Overland Park was successful in having three System Enhancement Projects selected, via the competitive framework designed by the Kansas Department of Transportation. These projects were selected based on engineering and safety factors, economic development enhancement, local matching funds, lane-miles removed from the State Highway System, and partially completed project development.

Based on these criteria, the I-435 & Antioch project was the #1 ranked Interchange project in the State. In addition to the engineering, safety and economic development evaluation for the I-435 & Antioch project, the City is providing nearly \$15M in local match

House Transportation  
Date: 3-19-03  
Attachment # 7

funding, including Federal Demonstration Project funds. The City is also accepting maintenance responsibility for 25 lane-miles of US 169 [Metcalf Avenue] that will be removed from the State Highway System. In addition, the City has spent over \$1M for project development that occurred since the selection of the Interchange for the System Enhancement Program.

This System Enhancement Project is an excellent example of Federal, State and Local partnership and cooperation. The I-435 & Antioch Interchange is funded through Federal, State and Local cost sharing – and all 3 partners must continue to meet their commitments. In addition to the commitments of the State and the City, \$7.5M in demonstration project funding is coming from the federal government – funding that will be forfeited if the project is not completed. Removal of funding from one of these partners, in this case the State of Kansas, would significantly delay, if not sacrifice, completion of this project.

This interchange will facilitate traffic movement on US 69, particularly in relieving congestion at the US69 and College Boulevard interchange; and will also reduce congestion at the existing I-435 & Metcalf interchange. With the opening of the new Overland Park Convention Center, the Metcalf / I-435 Interchange needs all the help it can get. For these reasons, the I-435 & Antioch Interchange has been the City's highest priority transportation need since 1985. This project has been integrated with KDOT's proposed Major Modification project to widen I-435 from 6 lanes to 8 lanes from Metcalf Avenue west to US69 -- a synergistic effect where the two projects will provide significantly greater benefit if built at the same time.

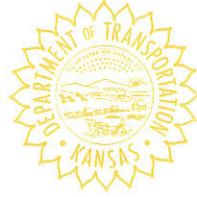
Our second project, sponsored jointly with Lenexa, involves the reconstruction of the I-35 and 87<sup>th</sup> Street interchange and the widening of 87<sup>th</sup> Street to 6 lanes between Quivira Road and Goddard Street. This project will replace the existing inadequate interchange, and it is estimated that its completion will save \$15 million a year in fuel and time costs. Completion of this project is also based on a partnership between KDOT, Overland Park, and Lenexa.

The third System Enhancement Project awarded to the City of Overland Park will provide the design for widening U.S. 69 from 75<sup>th</sup> Street to 119<sup>th</sup> Street, fund right-of-way acquisition from 95<sup>th</sup> Street to 119<sup>th</sup> Street, and permit limited construction, subject to availability of funding. As with the other projects, this will promote better traffic flow in the region and increased safety.

The City of Overland Park has invested time, money and other resources as a partner with the Kansas Department of Transportation to complete the construction of the System Enhancement Projects located within the City. Not completing these projects would leave the citizens of Overland Park with the expenses noted above, but no improvements to the safety and capacity of its transportation system.

Thank you for providing us an opportunity to share our concerns. In 1999, the Kansas Legislature acted on the will of the people and approved the Comprehensive Transportation Program – and we should not break faith with those same people now. We respectfully request that the legislature make full funding of the Comprehensive Transportation Program a top priority.

STATE OF KANSAS



---

KANSAS DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY OF TRANSPORTATION  
Docking State Office Building  
915 SW Harrison Street, Rm. 730  
Topeka, Kansas 66612-1568  
Ph. (785) 296-3461 FAX (785) 296-1095  
TTY (785) 296-3585

Deb Miller  
Secretary of Transportation

Kathleen Sebelius  
Governor

**PRESENTATION BEFORE THE  
HOUSE TRANSPORTATION COMMITTEE**

**COMPREHENSIVE TRANSPORTATION PROGRAM  
EFFECT ON SHORT LINE RAILROADS**

**March 19, 2003**

Mr. Chairman and Committee Members:

I am John Jay Rosacker, Assistant Bureau Chief of the Bureau of Transportation Planning for the Kansas Department of Transportation (KDOT). We welcome the opportunity to update the Committee on the status of our state's rail program since the passage of the Comprehensive Transportation Program (CTP).

The rail component of the CTP has been a resounding success. With state funding, KDOT has had the flexibility to meet the needs of Kansas grain shippers by maintaining the short line rail system in Kansas.

Since the passage of the CTP, KDOT has made twenty-six loans and grants totaling over \$13 million for system infrastructure rehabilitation projects and acquisitions. System infrastructure rehabilitation projects include: tie replacement; the replacement and addition of ballast; the relaying of rail; the replacement of other track materials such as spikes, anchors, plates, and joint bars; and tamping and surfacing. To date, 679 miles of the 2,135 short line miles in Kansas have received rehabilitation project funding. This number represents 44 percent of the total 4,917 rail line miles in the state. These rail rehabilitation projects have been either done or approved in 48 counties throughout Kansas during the last four years.

In 2001, KDOT used CTP funding to assist the Kansas and Oklahoma Railroad (K&O) to acquire the Central Kansas Railroad. This public/private partnership helped save approximately 300 miles of the state's short line infrastructure from being sold piecemeal or being abandoned.

House Transportation  
Date: 3-19-03  
Attachment # 8

In the spirit of public/private partnerships KDOT is working diligently with shippers, short line railroads, and local governments to develop solution on how to preserve and improve rail service to rural America.

Although the CTP has been successful, the short line railroads are facing a major problem. Presently, grain hoppers are listed at a 263,000 lb weight capacity, but in the future the grain industry is moving to 286,000 lb capacity. Fifty percent of the present Kansas short line system cannot handle the heavier "286" cars. This is a national issue affecting many short line railroads across the country. Federal funding is being sought to help alleviate the problem. It has been estimated that to make Kansas short lines "286" viable the cost could be \$100 to \$150 million. If the issue is not addressed, it is inevitable that additional rail lines, perhaps several hundred miles, will be abandoned in Kansas. When abandonments occur, shippers will lose rail service, local and rural economies will suffer, and more and more grain haulage will be shifted to trucks causing increased damage to highways and bridges.

Thank you for the opportunity to present this information to the Transportation Committee. Additional information on Kansas railroads including the Annual Rail Plan can be found at [www.ksdot.org/public/kdot/burrrail/rail/frntpage.htm](http://www.ksdot.org/public/kdot/burrrail/rail/frntpage.htm).

To: Members of the Senate Transportation Committee

From: Warren Porter  
City Manager  
City of Winfield, Kansas

March 19, 2003

Thank you for the opportunity to appear before you today on the very important issue concerning transportation in Kansas. In Winfield, it is an issue that serves as the backbone of our local industries, as raw materials are brought in and finished products are shipped from Winfield to all points throughout North America and the world.

We are not here today to plead with you not to cut our local project. We are not protecting a major project because our community was not selected in the recent State of Kansas system enhancement program. We applied for a project to complete the Northeast Quadrant of our K-360 bypass and we were greatly

House Transportation  
Date: 3-19-03  
Attachment # 9



disappointed not to receive approval. Instead of dwelling on our disappointment, I want to say thank you for the support from the State of Kansas for a project that was completed in 1996.

The City of Winfield partnered with the State of Kansas during the 1989 program for the construction of the Southeast Quadrant of the K-360 bypass, which connects US 77 and Highway 160. Opened in 1996, the route already carries more traffic than projected at the end of 20 years. Since 1999, Newell-Rubbermaid and St. Gobain-Calmar have **each** invested over \$30 million in local facilities.

Both have facilities that adjoin the bypass. Additionally, General Electric Engine Services has opened a facility in Winfield and invested millions of dollars in our local, regional and state economy. The GE facility adjoins the new highway.

Not only have major international corporations located in Winfield enjoyed the benefits of our new highway. Winfield Stone is owned by Ron and Cindy Pray. Their primary business is to remove

native stone from local quarries and transform the raw natural product into decorative building stone that is used throughout America. Prior to 1996, they had 3 employees. Since the opening of the bypass, they have 10 employees and have invested over \$350,000 in new equipment since the State's investment in our area.

The State of Kansas and the City of Winfield have partnered on other projects. We have worked together on KLINK projects to rehabilitate highways through Winfield. We have together maintained bridges and reworked railway crossings. Together, the State of Kansas and the City of Winfield, has worked toward the betterment of transportation within our great state. We ask that you continue the partnership.



*The Historic Lackman-Thompson Estate*  
11180 Lackman Road  
Lenexa, KS 66219-1236  
913.888.1414  
Fax 913.888.3770

To: Representative Gary Hayzlett, Chairman  
Members, House Transportation Committee

From: Blake Schreck, President  
Lenexa Chamber of Commerce

Date: March 20, 2003

Re: Support for Comprehensive Transportation Program

---

The Lenexa Chamber of Commerce would like to express its strong support for maintenance and full funding of the Comprehensive Transportation Program approved by the state legislature in 1999.

The program's scheduled "system enhancement" projects currently include reconfiguring 87<sup>th</sup> Street at Interstate 35 in Johnson County. This project has an estimated construction cost of \$50.7 million, comprised of \$10.4 million in federal funds, \$1.3 million in county funds, \$5 million provided by the cities of Lenexa and Overland Park, and the \$34 million balance to be paid by the state. Construction is scheduled to begin in 2004.

This project is very important to the safety and continued economic development of our community. There are currently more than 9,500 businesses located within five miles of the 87<sup>th</sup> Street/I-35 intersection, employing more than 140,000 persons and providing a total annual payroll of more than \$4.2 billion. It is estimated that more than 105,000 vehicles pass through the intersection each weekday, a number expected to increase to 130,000 vehicles by 2020. The proposed reconfiguration is critical to ensuring the safe and timely movement of people and goods, and to addressing the increased transportation needs resulting from the area's continued growth and development.

We fully appreciate the serious nature of the budgetary crisis facing the State of Kansas and we understand the 1999 Comprehensive Transportation Program faces an uncertain future. The Lenexa Chamber of Commerce feels strongly, however, that maintaining transportation spending will provide important long-term economic benefits at the state and local levels that justify continued investment in this program.

Thank you for your time and consideration.

House Transportation  
Date: 3-19-03  
Attachment # 10