

Approved: 4-3-07

Date

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Nick Jordan at 8:00 A.M. on February 21, 2007 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Amy Deckard, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Norm Furse, Revisor of Statutes
Mike Heim, Revisor of Statutes
Jackie Lunn, Committee Assistant

Conferees appearing before the committee:

Dr. Dean Cholick, Director of K-State Research and Extension Service

SB 193--State debt limitations and procedures

SB 260--Prohibitions on employing or contracting with illegal aliens as part of a public contract for services

SB 71--Repealing the minimum wage law

SB 316--Codifying STAR bond financing separately from tax increment financing

SB 12--County extension council's educational programs in community and resource development

Others attending:

See attached list.

Chairperson Jordan called the Committee's attention to **SB 316** and introduced Mike Heim, Revisors Office, to explain the first amendment (Attachment 1) During and after Mr. Heim's explanation there were questions and discussion.

Senator Brownlee made a motion to accept all balloons Mr. Heim explained along with Gary Anderson's new section 9. Senator Reitz seconded. Motion carried.

Senator Brownlee made a motion to add personal property back in on page 4, should read "shall not include (add) personal property tax". Senator Teichman seconded. Motion carried.

Senator Barone made an amendment to add conceptually the transition for the Manhattan and Schlitterbaun projects language in the bill. Senator Reitz seconded. Motion carried.

Chairperson Jordan turned the Committee's attention to an amendment from the Revisor (Attachment 2) that would add language on Page 3 line 3, (1) "which may be publicly or privately owned or leased to a private entity", regarding parking facilities.

Discussion followed

Chairperson Jordan introduced Gary Anderson, Gilmore & Bell, to offer his amendment to **SB 316**. (Attachment 3) Mr. Anderson explained the amendment. His amendment would add multilevel parking facilities, auto race track facility and museum facility to the list of facilities that could be

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on February 21, 2007 in Room 123-S of the Capitol.
financed with STAR Bonds.

Discussion followed.

Senator Barone made a motion to add on page 2, to prohibit costs; “travel, entertainment and hospitality”. Senator Brownlee seconded. Motion carried.

Senator Brownlee made a motion to add Biosciences on Page 2, line 6. Seconded by Senator Emler. Motion carried.

Discussion followed regarding definitions.

Senator Brownlee made a motion **to adopt the amendment of the Revisor for the definition of stadium and strike “not limited to” and to put “multi-sport” back in; and to accept the change on page 3, line 1 to add “which may be publicly or privately owned or leased to a private entity”. Senator Teichman seconded.**

Discussion followed.

Motion carried.

Discussion followed.

Senator Brownlee made a motion to take out #17 and adopt the Anderson balloon and add incubator language and strike museum. Senator Barone seconded. Motion carried with Senator Kelly and Senator Reitz voting “no”.

Discussion followed.

Senator Brownlee made a motion to make a substitute bill and move it out favorably as amended. Senator Teichman seconded. Motion carried.

Chairperson Jordan turned the Chair over to Senator Brownlee. Chairperson Brownlee discussed **SB 260** with the Committee and it was decided not to bless the bill and request an interim. The balloon offered by a business coalition included criminal penalties for employers which needs more study.

Chairperson Brownlee called the Committee’s attention to **SB71**. A discussion followed with the Committee and it was decided to have the bill blessed.

Chairperson Brownlee called the Committee’s attention to **SB 193**. Chairperson Brownlee introduced Steve Weatherford, K DFA, to explain the balloon he offered on **SB 193**. Mr. Weatherford presented written copy. (Attachment 4) He stated that Kansas is an appropriation state and Florida is a state that issues general obligation debt. The bill was fashioned after the Florida statute and he felt changes needed to be made in the bill.

Discussion followed.

Senator Emler made a motion to adopt the K DFA balloon deleting (7) on page 2. Senator Schodorf seconded. Motion carried.

Senator Teichman made a motion to move the bill out favorably as amended. Senator Wagle seconded. Motion carried.

Chairperson Brownlee opened the hearing on **SB 12** and explained the bill. Chairperson Brownlee introduced Dr. Cholick to give his testimony as a neutral party of **SB 12**. He presented written copy. (Attachment 5) Dr. Cholick gave a brief history of the extension service and described the

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on February 21, 2007 in Room 123-S of the Capitol.

relationship between Kansas State Research and Extension and Kansas State University's Center for Engagement and Community Development. In closing, he stated the Kansas State Research and Extension has and will continue to serve as a vehicle to enhance the standard of living and quality of life for the citizens of Kansas as portrayed by their motto "Knowledge for Life".

Chairperson Brownlee stated the point of the bill is to reduce duplication in government. She stated the intent of the bill is if governmental entities are doing economic development in certain areas then the extension service is not forced to do economic development by statute in those same areas.

Questions and discussion followed.

Chairperson Brownlee closed the hearing on **SB 12** and stated the Committee would not get to **SB 333** and would have the bill blessed to give parties more time to work on the negotiations.

Chairperson Brownlee stated that **SB 156** would be blessed and she will put it in a subcommittee.

Chairperson Brownlee adjourned the meeting at 9:30 a.m. with the next scheduled meeting February 28th at 8:30 a.m. in room 123 S.

1 in which the city may develop one or more projects.
2 (x) "STAR bond project district plan" or "district plan" means the
3 preliminary plan that identifies all of the proposed STAR bond project
4 areas and identifies in a general manner all of the buildings, facilities and
5 improvements in each that are proposed to be constructed or improved
6 in each STAR bond project area.

7 (y) "STAR bond project plan" or "project plan" means the plan
8 adopted by a city for the development of a STAR bond project or projects
9 in a STAR bond project district.

10 (z) "Secretary" means the secretary of commerce.

11 (aa) "Substantial change" means, as applicable, a change wherein the
12 proposed plan or plans differ substantially from the intended purpose for
13 which the STAR bond project district plan was approved.

14 (cc)(bb) "Taxpayer" means a person, corporation, limited liability com-
15 pany, S corporation, partnership, registered limited liability partnership,
16 foundation, association, nonprofit entity, sole proprietorship, business
17 trust, group or other entity that is subject to the Kansas income tax act,
18 K.S.A. 79-3201 et seq., and amendments thereto.

19 New Sec. 3. The governing body of any municipality may designate
20 a building within such municipality to be a historic theater if the governing
21 body of the municipality and the secretary of commerce agree that the
22 building satisfies the requirements of subsection (f) of section 2, and
23 amendments thereto, and will contribute significantly to the economic
24 development of the city and surrounding area.

25 New Sec. 4. (a) The governing body of a city may establish one or
26 more STAR bond projects in any area within such city or wholly outside
27 the boundaries of such city. A STAR bond project wholly outside the
28 boundaries of such city must be approved by the board of county com-
29 missioners by the passage of a county resolution.

30 The STAR bond projects shall be eligible for financing by special ob-
31 ligation bonds payable from revenues described by subsection (a)(1)(C)
32 or (a)(1)(E) of section 9, and amendments thereto.

33 (b) Each STAR bond project shall first be approved by the secretary,
34 if the secretary determines that the proposed project or complex suffi-
35 ciently promotes, stimulates and develops the general and economic wel-
36 fare of the state as described in section 1, and amendments thereto.

37 (c) For a city proposing to finance a major motorsports complex pur-
38 suant to subsection (a)(1)(C) or (a)(1)(E) of section 9, and amendments
39 thereto, the secretary, upon approving the project, may approve such
40 financing in an amount not to exceed 50% of the STAR bond project
41 costs.

42 (d) The secretary may approve a STAR bond project located in a
43 STAR bond district established by a city prior to May 1, 2003.

Senate Commerce

Feb. 21, 2007

Attachment 1

1

(B-C)

"Tax increment" means that portion of the revenue derived from state and local sales, use and transient guest tax imposed pursuant to K.S.A. 12-187 et seq., 12-1692 et seq., 79-3601 et seq., and 79-3701 et seq., and amendments thereto, collected from taxpayers doing business within that portion of a STAR bond project district occupied by a STAR bond project that is in excess of the amount of base year revenue. For purposes of this subsection, the base year shall be the 12 month period immediately prior to the month in which the STAR bond project district is established. The department of revenue shall determine base year revenue by reference to the revenue collected during the base year from taxpayers doing business within the specific area in which a STAR bond project district is subsequently established. For purposes of this subsection, revenue collected from taxpayers doing business within a STAR bond project district or within the specific area in which a STAR bond project district is subsequently established shall not include local sales and use tax revenue that is sourced to jurisdictions other than those in which the STAR bond project is located.

Attachment 1-1
Senate Commerce Committee
February 21, 2007

1 New Sec. 8. (a) The secretary shall review the project plan, feasibility
 2 study and market study, along with other supporting documentation and
 3 determine whether to approve a request, and, if approved, issue an ap-
 4 proval letter for a STAR bond project based upon the requirements within
 5 this act and rules and regulations developed by the secretary.

6 (b) For major motorsports complex projects involving the use of state
 7 sales tax financing pursuant to section 9, and amendments thereto, the
 8 secretary shall set a limit on the total amount of such special obligation
 9 bonds that may be issued to not exceed 50% of the major motorsports
 10 complex costs.

11 (c) A special obligation bond issue must bear interest at a reasonable
 12 rate as of the time of sale of the bonds, taking into account such factors
 13 as current market conditions, the nature and degree of risk associated
 14 with repayment of the bonds and other relevant factors.

15 New Sec. 9. (a) (1) Any city shall have the power to issue special
 16 obligation bonds in one or more series to finance the undertaking of any
 17 STAR bond project in accordance with the provisions of this act. Such
 18 special obligation bonds shall be made payable, both as to principal and
 19 interest:

20 (A) From revenues of the city derived from or held in connection
 21 with the undertaking and carrying out of any STAR bond project or pro-
 22 jects under this act including historic theater sales tax increments;

23 (B) from any private sources, contributions or other financial assis-
 24 tance from the state or federal government;

25 (C) from a pledge of all of the revenue received by the city from any
 26 transient guest and local sales and use taxes which are collected from
 27 taxpayers doing business within that portion of the city's STAR bond
 28 district established pursuant to section 5, and amendments thereto, oc-
 29 cupied by a STAR bond project if there first is a finding by the secretary
 30 that based upon the feasibility study the STAR bond project will create
 31 a major tourism area for the state; is the restoration of a historic theater
 32 as defined in section 2, and amendments thereto; or has been designated
 33 as a STAR bond project as defined in section 2, and amendments thereto.
 34 The proceeds of special obligation bonds issued pursuant to this para-
 35 graph after June 3, 2004, shall not be used to finance personal property
 36 as defined in K.S.A. 79-102, and amendments thereto. A city proposing
 37 to finance a STAR bond project pursuant to this paragraph shall prepare
 38 a project plan as required in sections 6 and 7, and amendments thereto;

39 (D) with the approval of the county, from a pledge of all of the re-
 40 venues received by the county from any transient guest, local sales and use
 41 taxes, or both, which are collected from taxpayers doing business within
 42 that portion of the STAR bond district established pursuant to section 6,
 43 and amendments thereto;

if approved by the city and by the secretary,

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1 (E) from a pledge of all of the revenue received from any state sales
2 taxes which are collected from taxpayers doing business within that por-
3 tion of the city's STAR bond district occupied by a STAR bond project if
4 the secretary finds that, based upon the feasibility study, the STAR bond
5 project:

- 6 (i) Will create a major tourism area for the state;
- 7 (ii) is the restoration of a historic theater as defined in section 2, and
8 amendments thereto; or
- 9 (iii) has been designated a STAR bond project as defined in section
10 2, and amendments thereto. The proceeds of special obligation bonds
11 issued pursuant to this paragraph after June 3, 2004, shall not be used to
12 finance personal property as defined in K.S.A. 79-102, and amendments
13 thereto; or

14 ~~D(F)~~ by any combination of these methods, except that for a project
15 which has been designated as a STAR bond project as defined in section
16 2, and amendments thereto, 100% of city and county sales taxes shall be
17 pledged for such project except for amounts committed to other use by
18 election of voters or pledged to bond repayment prior to the approval of
19 a project using special obligation bonds payable from the revenues de-
20 scribed in subsections (a)(1)(C) and (a)(1)(E), and amendments thereto.

21 The city may pledge such revenue to the repayment of the special
22 obligation bonds prior to, simultaneously with or subsequent to the is-
23 suance of such special obligation bonds.

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

29 (3) Bonds issued under the provisions of paragraph (1) of this sub-
30 section shall be special obligations of the city and are declared to be
31 negotiable instruments. Such bonds shall be executed by the mayor and
32 clerk of the city and sealed with the corporate seal of the city. All details
33 pertaining to the issuance of such special obligation bonds and terms and
34 conditions thereof shall be determined by ordinance of the city.

35 All special obligation bonds issued pursuant to this act and all income
36 or interest therefrom shall be exempt from all state taxes except inheri-
37 tance taxes. Such special obligation bonds shall contain none of the re-
38 citals set forth in K.S.A. 10-112, and amendments thereto. Such special
39 obligation bonds shall, however, contain the following recitals: (i) The
40 authority under which such special obligation bonds are issued; (ii) such
41 bonds are in conformity with the provisions, restrictions and limitations
42 thereof; and (iii) that such special obligation bonds and the interest
43 thereon are to be paid from the money and revenue received as provided

(F) from a pledge of all revenue received by a city or county,
if approved by the city or county and the secretary,
from franchise fees collected from utilities and other
businesses using the public right-of-way within the
STAR bond project district;

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Gregory Anderson 2/20/07

New Sec. 9. (a) (1) Any city or county shall have the power to issue special obligation bonds in one or more series to finance the undertaking of any STAR bond project in accordance with the provisions of this act. Such special obligation bonds shall be made payable, both as to principal and interest:

(A) from revenues of the city or county derived from or held in connection with the undertaking and carrying out of any STAR bond project or projects under this act including historic theater sales tax increments and environmental increments;

(B) from any private sources, contributions or other financial assistance from the state or federal government;

(C) from a pledge of 100% of the incremental revenue received by the city from any local sales and use taxes, including the city's share of any county sales tax, which are collected from taxpayers doing business within that portion of the city's STAR bond district established pursuant to Section 2, and amendments thereto, occupied by a STAR bond project, except for amounts committed to other uses by election of voters or pledged to bond repayment prior to the approval of the STAR bond project;

Deleted: all
Deleted: transient guest and
Deleted: 5

(D) at the option of the county in a city STAR bond district, from a pledge of all of the incremental revenues received by the county from any local sales and use taxes which are collected from taxpayers doing business within that portion of the city's STAR bond district established pursuant to Section 6, and amendments thereto except for amounts committed to other uses by election of voters or pledged to bond repayment prior to the approval of a STAR bond project;

Deleted: if there first is a finding by the secretary that based upon the feasibility study the STAR bond project will create a major tourism area for the state; is the restoration of a historic theater as defined in Section 2, and amendments thereto; or has been designated as a STAR bond project as defined in Section 2, and amendments thereto. The proceeds of special obligation bonds issued pursuant to this paragraph after June 3, 2004, shall not be used to finance personal property as defined in K.S.A. 79-102, and amendments thereto. A city proposing to finance a STAR bond project pursuant to this paragraph shall prepare a project plan as required in Sections 6 and 7, and amendments thereto

(E) in a county STAR bond district, from a pledge of 100% of the incremental revenue received by the county from any county sales and use tax, but excluding any portions of such taxes that are allocated to the cities in such county pursuant to K.S.A. 12-192 and amendments thereto, which are collected from taxpayers doing business within that portion of the county's STAR bond district established pursuant to Section 2, and amendments thereto, occupied by a STAR bond project;

Deleted: with the approval of the county
Deleted: transient guest,
Deleted: E

(F) from a pledge of all of the incremental revenue received from any state sales taxes which are collected from taxpayers doing business within that portion of the city's or county's STAR bond district occupied by a STAR bond project;

(G) at the option of the city or county, (i) from all or a portion of the transient guest tax of such city or county and/or (ii) from all or a portion of the property tax increments allocated to, and paid into a special fund of the city or county under the provisions of K.S.A. 12-1775, and amendments thereto;

Deleted: if the secretary finds that, based upon the feasibility study, the STAR bond project:
(i) Will create a major tourism area for the state;
(ii) is the restoration of a historic theater as defined in Section 2, and amendments thereto;
(iii) has been designated a special bond project as defined in Section 2, and amendments thereto. The proceeds of special obligation bonds issued pursuant to this paragraph after June 3, 2004, shall not be used to finance personal property as defined in K.S.A. 79-102, and amendments thereto

(H) at the option of the city or county, from a pledge of all or a portion of increased revenue received by the city or county from franchise fees collected from utilities and other businesses using public right-of-way within the STAR bond project district; and/or (ii) from a pledge of all or a portion of the revenue received by a city or county from local sales taxes and/or local transient guest and local use taxes; or

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(I) by any combination of these methods,

The city may pledge such revenue to the repayment of such special obligation bonds prior to, simultaneously with, or subsequent to the issuance of such special obligation bonds.

Deleted: F

Deleted: except that for a project which has been designated as a STAR bond project as defined in Section 2, and amendments thereto, 100% of city and county sales taxes shall be pledged for such project except for amounts committed to other use by election of voters or pledged to bond repayment prior to the approval of a project using special obligation bonds payable from the revenues described in subsections (a)(1)(C) and (a)(1)(E) of K.S.A. 12-1774, and amendments thereto

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1 immediately following the audit.
2 (c) If audit findings indicate that bond funds have been used for
3 unauthorized or ineligible purposes, the city shall repay to the bond fund
4 all such unauthorized or ineligible expenditures. Such city shall enter into
5 a repayment agreement with the secretary of revenue specifying the terms
6 of such repayment obligation.

7 New Sec. 17. If any provision of this act or the application thereof
8 to any persons or circumstances is held invalid, such invalidity shall not
9 affect other provisions or application of the act which can be given effect
10 without the invalid provisions or application and to this end the provisions
11 of this act are declared to be severable.

12 New Sec. 18. No additional bonds may be issued after July 1, 2007,
13 for any STAR bond project approved prior to July 1, 2007.

14 New Sec. 19. The provisions of this act regarding STAR bond pro-
15 jects shall expire on and after July 1, 2012.

16 New Sec. 20. Sections 1 through 19 shall be known as the STAR
17 bonds financing act.

18 Sec. 21. K.S.A. 12-1770 is hereby amended to read as follows: 12-
19 1770. It is hereby declared to be the purpose of this act to promote,
20 stimulate and develop the general and economic welfare of the state of
21 Kansas and its communities and to assist in the development and rede-
22 velopment of ~~eligible areas~~ *central business district areas of cities,*
23 *blighted areas located within cities, environmentally contaminated areas*
24 *located within and without a city thereby cities and enterprise zones lo-*
25 *cated within cities, thus promoting the general welfare of the citizens of*
26 *this state, by authorizing cities to acquire certain property and to issue*
27 *special obligation bonds and full faith and credit tax increment bonds for*
28 *the financing of redevelopment projects. It is further found and declared*
29 *that the powers conferred by this act are for* ~~public uses and purposes~~ *for*
30 *which public money may be expended and the power of eminent domain*
31 *exercised. The necessity in the public interest for the provisions of this*
32 *act is hereby declared as a matter of legislative determination.*

The provisions of this section shall not apply to the STAR bond projects and bond amounts approved for the city of Manhattan Discovery Center on December 28, 2006, and the Schlitterbahn project in Wyandotte county on December 23, 2005.

a public purpose and public use

may be

33 Sec. 22. K.S.A. 2006 Supp. 12-1770a is hereby amended to read as
34 follows: 12-1770a. As used in this act, and amendments thereto, the fol-
35 lowing words and phrases shall have the following meanings unless a
36 different meaning clearly appears from the content:

37 (a) "Auto race track facility" means: (1) An auto race track facility and
38 facilities directly related and necessary to the operation of an auto race
39 track facility, including, but not limited to, grandstands, suites and viewing
40 areas, concessions, souvenir facilities, catering facilities, visitor and retail
41 centers, signage and temporary hospitality facilities, but excluding (2) ho-
42 tels, motels, restaurants and retail facilities, not directly related to or nec-
43 essary to the operation of such facility.

9-6

1 \$100,000,000 will be built in the state to construct an auto race track
2 facility.

3 (l) "Major multi-sport athletic complex" means an athletic complex
4 that is utilized for the training of athletes, the practice of athletic teams,
5 the playing of athletic games or the hosting of events. Such project may
6 include playing fields, parking lots and other developments.

7 (m) "Market study" means a study to determine the ability of the
8 project to gain market share locally, regionally and nationally and the
9 ability of the project to gain sufficient market share to:

- 10 (1) Remain profitable past the term of repayment; and
- 11 (2) maintain status as a significant factor for travel decisions.

12 (n) "Market impact study" means a study to measure the impact of
13 the proposed STAR bond project on similar businesses in the project's
14 market area.

15 (o) "Project" means a STAR bond project.

16 (p) "Project costs" means those costs necessary to implement a pro-
17 ject plan, including costs incurred for:

- 18 (1) Acquisition of property within the project area;
- 19 (2) payment of relocation assistance pursuant to a relocation assis-
20 tance plan as provided in section 9, and amendments thereto;
- 21 (3) site preparation including utility relocations;
- 22 (4) sanitary and storm sewers and lift stations;
- 23 (5) drainage conduits, channels, levees and river walk canal facilities;
- 24 (6) street grading, paving, graveling, macadamizing, curbing, gutter-
25 ing and surfacing;
- 26 (7) street light fixtures, connection and facilities;
- 27 (8) underground gas, water, heating and electrical services and con-
28 nections located within the public right-of-way;
- 29 (9) sidewalks and pedestrian underpasses or overpasses;
- 30 (10) drives and driveway approaches located within the public right-
31 of-way;
- 32 (11) water mains and extensions;
- 33 (12) plazas and arcades;
- 34 (13) parking facilities;
- 35 (14) landscaping and plantings, fountains, shelters, benches, sculp-
36 tures, lighting, decorations and similar amenities;
- 37 (15) related expenses to redevelop and finance the STAR bond pro-
38 ject, except that for a redevelopment project financed with special obli-
39 gation bonds payable from the revenues described in subsections
40 (a)(1)(C) and (a)(1)(E) of section 9, and amendments thereto, such ex-
41 penses shall require prior approval by the secretary of commerce; and
- 42 (16) project costs shall not include costs incurred in connection with
43 the construction of buildings or other structures to be owned by or leased

which may be publicly or privately owned or leased to a private entity

, including, but not limited to, grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor and retail centers, signage and temporary hospitality facilities, but excluding hotels, motels, restaurants and retail facilities, not directly related to or necessary to the operation of such facility

Senate Commerce
Feb. 21, 2007.
Attachment 2

GILMORE & BELL

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ST. LOUIS, MISSOURI
WICHITA, KANSAS
LINCOLN, NEBRASKA

MEMORANDUM

To: Senate Commerce Committee
From: Gary Anderson
Re: Senate Bill 316
Date: February 19, 2007

Please find attached my balloon regarding the definition of "project costs" for SB 316.

This approach would allow structures to be financed with STAR bonds if they are listed in (1) – (18), this would include multi-level parking structures, fountains, sculptures, etc.

I have also added 2 new items to the list of project costs. They are "major athletic complex" and "museum facility." These could also be financed with STAR bonds.

I have also clarified under the definition of project costs that any other buildings or structures not listed in (1)-(18), regardless if they are owned by a city or county, could not be financed with STAR bonds.

The new definitions are modeled after the definition of auto racetrack facility and would read as follows:

(l) "Major athletic complex: means an athletic complex, stadium or arena, and facilities directly related and necessary to the operation thereof, including but not limited to, grandstands, seating, suites, viewing areas, concessions, souvenir facilities, catering facilities, visitor center, signage and temporary hospitality facilities, but excluding hotels, motels, restaurants and retail facilities not directly related to or necessary to the operation of such facility.

(o) "Museum facility" means a museum and facilities directly related and necessary to the operation thereof, including but not limited to, gift shop, restaurant facilities, but excluding restaurant and retail facilities not directly related to or necessary to the operation of such facility.

Senate Commerce Committee

February 21, 2007

Attachment 3-1

SB 316

1 \$100,000,000 will be built in the state to construct an auto race track
2 facility.

3 (l) "Major ~~multi-sport~~ athletic complex" means an athletic complex
4 ~~that is utilized for the training of athletes, the practice of athletic teams,~~
5 ~~the playing of athletic games or the hosting of events. Such project may~~
6 ~~include playing fields, parking lots and other developments.~~

INSERT # 1

7 (m) "Market study" means a study to determine the ability of the
8 project to gain market share locally, regionally and nationally and the
9 ability of the project to gain sufficient market share to:

- 10 (1) Remain profitable past the term of repayment; and
- 11 (2) maintain status as a significant factor for travel decisions.

INSERT # 2

12 (n) "Market impact study" means a study to measure the impact of
13 the proposed STAR bond project on similar businesses in the project's
14 market area.

15 (o) "Project" means a STAR bond project.

16 (p) "Project costs" means those costs necessary to implement a pro-
17 ject plan, including costs incurred for:

real

- 18 (1) Acquisition of property within the project area;
- 19 (2) payment of relocation assistance pursuant to a relocation assis-
20 tance plan as provided in section 9, and amendments thereto;
- 21 (3) site preparation including utility relocations;
- 22 (4) sanitary and storm sewers and lift stations;
- 23 (5) drainage conduits, channels, levees and river walk canal facilities;
- 24 (6) street grading, paving, graveling, macadamizing, curbing, gutter-
25 ing and surfacing;
- 26 (7) street light fixtures, connection and facilities;
- 27 (8) underground gas, water, heating and electrical services and con-
28 nections located within the public right-of-way;
- 29 (9) sidewalks and pedestrian underpasses or overpasses;
- 30 (10) drives and driveway approaches located within the public right-
31 of-way;

including multilevel parking structures

18

- 32 (11) water mains and extensions;
- 33 (12) plazas and arcades;
- 34 (13) parking facilities;
- 35 (14) landscaping and plantings, fountains, shelters, benches, sculp-
36 tures, lighting, decorations and similar amenities;

(15) auto race track facility;
 (16) major athletic complex;
 (17) museum facility;

37 (15) related expenses to redevelop and finance the STAR bond pro-
38 ject, except that for a redevelopment project financed with special obli-
39 gation bonds payable from the revenues described in subsections
40 (a)(1)(C) and (a)(1)(E) of section 9, and amendments thereto, such ex-
41 penses shall require prior approval by the secretary of commerce; and
42 ~~(16)~~ project costs shall not include costs incurred in connection with
43 the construction of buildings or other structures to be owned by or leased

(A)
Except for costs specified in (1) through (18) above,

or located in

SB 316

1 to a developer, however, project costs shall include costs incurred in con-
2 nection with the construction of buildings or other structures to be owned
3 or leased to a developer which includes an auto race track facility. In
4 addition, project costs shall not include:

B

5 (A) Fees and commissions paid to real estate agents, financial advisors
6 or any other consultants who represent the businesses considering locat-
7 ing in a STAR bond project district;

developers,

C

8 (B) salaries for local government employees;

developer

D

9 (C) moving expenses for employees of the businesses locating within
10 the STAR bond project district;

or any
other

E

11 (D) property taxes for businesses that locate in the STAR bond pro-
12 ject district;

F

13 (E) lobbying costs; and

G

14 (F) a bond origination fee charged by the city, pursuant to K.S.A. 12-
15 1742, and amendments thereto;

or county

any

16 (G) "Projected market area" means any area within the state in which
17 the STAR bond project is projected to have a substantial fiscal or market
18 impact upon businesses in such area.

19 (H) "River walk canal facilities" means a canal and related water fea-
20 tures located adjacent to a river which flows through a major commercial
21 entertainment and tourism area and facilities related or contiguous
22 thereto, including, but not limited to, pedestrian walkways and prome-
23 nades, landscaping and parking facilities.

24 (I) "Sales tax and revenue" are those revenues available to finance
25 the issuance of special obligation bonds as identified in section 9, and
26 amendments thereto.

27 (J) "STAR bond" means sales tax and revenue bond.

28 (K) "STAR bond project" means an approved project to implement
29 a project plan for the development of the established STAR bond project
30 district with:

31 (1) At least a \$50,000,000 capital investment and \$50,000,000 in pro-
32 jected gross annual sales; or

33 (2) for areas outside of metropolitan statistical areas, as defined by
34 the federal office of management and budget, the secretary finds:

35 (A) The project is an eligible area as defined in subsection (f); and

36 (B) would be of statewide or multi-state significance; or

37 (3) is a major tourism area as defined in section 2, and amendments
38 thereto.

39 (L) "STAR bond project area" or "project area" means the geographic
40 area within the STAR bond district in which there may be one or more
41 projects.

42 (M) "STAR bond project district" or "project district" means the spec-
43 ific area declared to be an eligible area as determined by the secretary

(H) any personal
property as
defined in
K.S.A.
79-103
and
amendments
hereto

SB 316 Inserts
(February 17, 2007)

INSERT #1

, stadium or arena, and facilities directly related and necessary to the operation thereof, including but not limited to, grandstands, seating, suites, viewing areas, concessions, souvenir facilities, catering facilities, visitor center, signage and temporary hospitality facilities, but excluding hotels, motels, restaurants and retail facilities not directly related to or necessary to the operation of such facility.

INSERT #2

(o) "Museum facility" means a museum and facilities directly related and necessary to the operation thereof, including but not limited to, gift shop, restaurant facilities, but excluding restaurant and retail facilities not directly related to or necessary to the operation of such facility.

(qep) "Project costs" means those costs necessary to implement a redevelopment project plan or a bioscience development project plan, including costs incurred for:

- (1) Acquisition of real property within the redevelopment project area;
- (2) payment of relocation assistance pursuant to a relocation assistance plan as provided in K.S.A. 12-1777, and amendments thereto;
- (3) site preparation including utility relocations;
- (4) sanitary and storm sewers and lift stations;
- (5) drainage conduits, channels, levees and river walk canal facilities;
- (6) street grading, paving, graveling, macadamizing, curbing, guttering and surfacing;
- (7) street light fixtures, connection and facilities;
- (8) underground gas, water, heating and electrical services and connections located within the public right-of-way;
- (9) sidewalks and pedestrian underpasses or overpasses;
- (10) drives and driveway approaches located within the public right-of-way;
- (11) water mains and extensions;
- (12) plazas and arcades;
- (13) parking facilities, including multilevel parking facilities;
- (14) ~~(14)~~ landscaping and plantings, fountains, shelters, benches, sculptures, lighting, decorations and similar amenities; ~~and~~
- (15) auto race track facility;
- (16) major athletic complex;
- (17) museum facility; and

~~(18)~~ related expenses to redevelop and finance the STAR bond project, except that for a redevelopment project financed with special obligation bonds payable from the revenues described in subsections (a)(1)(C) and (a)(1)(E) of Section 9, and amendments thereto, such expenses shall require prior approval by the secretary of commerce.

~~(16)~~ Except for costs specified in (1) through (18) above, project costs shall not include:

~~(A)~~ costs incurred in connection with the construction of buildings or other structures; ~~to be owned by or leased to a developer, however, the project costs shall include costs incurred in connection with the construction of buildings or other structures to be owned or leased to a developer which includes an auto race track facility. In addition, project costs shall not include:~~

~~(B1)~~ Fees and commissions paid to developers, real estate agents, financial advisors or any other consultants who represent the developer or any other businesses considering locating in or located in a redevelopment district;

- (C2) salaries for local government employees;
- (D3) moving expenses for employees of the businesses locating within the redevelopment district;
- (E4) property taxes for businesses that locate in the redevelopment district;
- (F5) lobbying costs; and
- (G6) any bond origination fee charged by ~~the~~ city or county; and pursuant to K.S.A. 12-1742, and amendments thereto.
- (H) any personal property as defined in K.S.A. 79-102, and amendments thereto.

New Sec. 9. (a) (1) Any city or county shall have the power to issue special obligation bonds in one or more series to finance the undertaking of any STAR bond project in accordance with the provisions of this act. Such special obligation bonds shall be made payable, both as to principal and interest:

(A) from revenues of the city or county derived from or held in connection with the undertaking and carrying out of any STAR bond project or projects under this act including historic theater sales tax increments and environmental increments;

(B) from any private sources, contributions or other financial assistance from the state or federal government;

(C) from a pledge of ~~all 100%~~ of the incremental revenue received by the city from any ~~transient-guest and~~ local sales and use taxes, including the city's share of any county sales tax, which are collected from taxpayers doing business within that portion of the city's STAR bond district established pursuant to Section ~~5~~2, and amendments thereto, occupied by a STAR bond project, except for amounts committed to other uses by election of voters or pledged to bond repayment prior to the approval of the STAR bond project if there first is a finding by the secretary that based upon the feasibility study the STAR bond project will create a major tourism area for the state; is the restoration of a historic theater as defined in Section 2, and amendments thereto; or has been designated as a STAR bond project as defined in Section 2, and amendments thereto. ~~The proceeds of special obligation bonds issued pursuant to this paragraph after June 3, 2004, shall not be used to finance personal property as defined in K.S.A. 79-102, and amendments thereto. A city proposing to finance a STAR bond project pursuant to this paragraph shall prepare a project plan as required in Sections 6 and 7, and amendments thereto;~~

(D) at the option of the county in a city STAR bond district with the approval of the county, from a pledge of all of the incremental revenues received by the county from any ~~transient-guest~~, local sales and use taxes which are collected from taxpayers doing business within that portion of the city's STAR bond district established pursuant to Section 6, and amendments thereto except for amounts committed to other uses by election of voters or pledged to bond repayment prior to the approval of a STAR bond project;

(E) in a county STAR bond district, from a pledge of 100% of the incremental revenue received by the county from any county sales and use tax, but excluding any portions of such taxes that are allocated to the cities in such county pursuant to K.S.A. 12-192 and amendments thereto, which are collected from taxpayers doing business within that portion of the county's STAR bond district established pursuant to Section 2, and amendments thereto, occupied by a STAR bond project;

~~(F)~~ from a pledge of all of the incremental revenue received from any state sales taxes which are collected from taxpayers doing business within that portion of the city's or county's STAR bond district occupied by a STAR bond project ~~if the secretary finds that, based upon the feasibility study, the STAR bond project:~~

~~(i) Will create a major tourism area for the state;~~

~~(ii) is the restoration of a historic theater as defined in Section 2, and amendments thereto;~~

~~(iii) has been designated a special bond project as defined in Section 2, and amendments thereto. The proceeds of special obligation bonds issued pursuant to this paragraph after June 3, 2004, shall not be used to finance personal property as defined in K.S.A. 79-102, and amendments thereto;~~

~~(G) at the option of the city or county, (i) from all or a portion of the transient guest tax of such city or county and/or (ii) from all or a portion of the property tax increments allocated to, and paid into a special fund of the city or county under the provisions of K.S.A. 12-1775, and amendments thereto;~~

~~(H) at the option of the city or county, from a pledge of all or a portion of increased revenue received by the city or county from franchise fees collected from utilities and other businesses using public right-of-way within the STAR bond project district; and/or (ii) from a pledge of all or a portion of the revenue received by a city or county from local sales taxes and/or local transient guest and local use taxes; or~~

~~(I) by any combination of these methods except that for a project which has been designated as a STAR bond project as defined in Section 2, and amendments thereto, 100% of city and county sales taxes shall be pledged for such project except for amounts committed to other use by election of voters or pledged to bond repayment prior to the approval of a project using special obligation bonds payable from the revenues described in subsections (a)(1)(C) and (a)(1)(E) of K.S.A. 12-1774, and amendments thereto.~~

The city may pledge such revenue to the repayment of such special obligation bonds prior to, simultaneously with, or subsequent to the issuance of such special obligation bonds.

(~~qep~~) "Project costs" means those costs necessary to implement a redevelopment project plan or a bioscience development project plan, including costs incurred for:

- (1) Acquisition of real property within the redevelopment project area;
- (2) payment of relocation assistance pursuant to a relocation assistance plan as provided in K.S.A. 12-1777, and amendments thereto;
- (3) site preparation including utility relocations;
- (4) sanitary and storm sewers and lift stations;
- (5) drainage conduits, channels, levees and river walk canal facilities;
- (6) street grading, paving, graveling, macadamizing, curbing, guttering and surfacing;
- (7) street light fixtures, connection and facilities;
- (8) underground gas, water, heating and electrical services and connections located within the public right-of-way;
- (9) sidewalks and pedestrian underpasses or overpasses;
- (10) drives and driveway approaches located within the public right-of-way;
- (11) water mains and extensions;
- (12) plazas and arcades;
- (13) parking facilities, including multilevel parking facilities;
- ~~(14) —(14)—~~landscaping and plantings, fountains, shelters, benches, sculptures, lighting, decorations and similar amenities; ~~and~~
- (15) auto race track facility;
- (16) major athletic complex;
- (17) museum facility; and

~~(18)~~ related expenses to redevelop and finance the STAR bond project, except that for a redevelopment project financed with special obligation bonds payable from the revenues described in subsections (a)(1)(C) and (a)(1)(E) of Section 9, and amendments thereto, such expenses shall require prior approval by the secretary of commerce.

~~(16)~~ Except for costs specified in (1) through (18) above, project costs shall not include:

(A) costs incurred in connection with the construction of buildings or other structures; to be owned by or leased to a developer, however, the project costs shall include costs incurred in connection with the construction of buildings or other structures to be owned or leased to a developer which includes an auto race track facility. In addition, project costs shall not include:

~~(B)~~ Fees and commissions paid to developers, real estate agents, financial advisors or any other consultants who represent the developer or any other businesses considering locating in or located in a redevelopment district;

(C2) salaries for local government employees;

(D3) moving expenses for employees of the businesses locating within the redevelopment district;

(E4) property taxes for businesses that locate in the redevelopment district;

(F5) lobbying costs; ~~and~~

(G6) any bond origination fee charged by ~~at~~the city or county; and pursuant to K.S.A. 12-1742, and amendments thereto.

(H) any personal property as defined in K.S.A. 79-102, and amendments thereto.

STATE OF KANSAS

Bonds Outstanding at June 30, 2006

(\$4,171 million)

*Senate
Committee
2-21-2007
Attachment 4*

REVENUE SUPPORTED DEBT

KDOT HIGHWAY BONDS (45%)

\$1,875 million

Bonds issued for long-term highway programs, secured by revenues from motor fuel taxes and vehicle registration fees, and NOT an obligation of the State General Fund.

KDHE REVOLVING FUNDS (16%)

\$680 million

Bonds issued to fund capital projects for local water and sewer utilities, secured by loan repayments from those local governments. NOT an obligation of the State General Fund.

BOARD OF REGENTS DEBT (11%)

\$449 million

Bonds issued to support capital program of the Regents' institutions, secured by a pledge of repayment from the individual operating budget of each borrowing university.

STATE GENERAL FUND DEBT

KPERS PENSION BONDS (12%)

\$521 million

Refinanced a portion of the existing unfunded liability for State Employees and School Teachers, saving a projected \$144 million in 2004 dollars. Essentially, a pre-existing obligation of the State General Fund.

DEBT FOR STATE AGENCIES (11%)

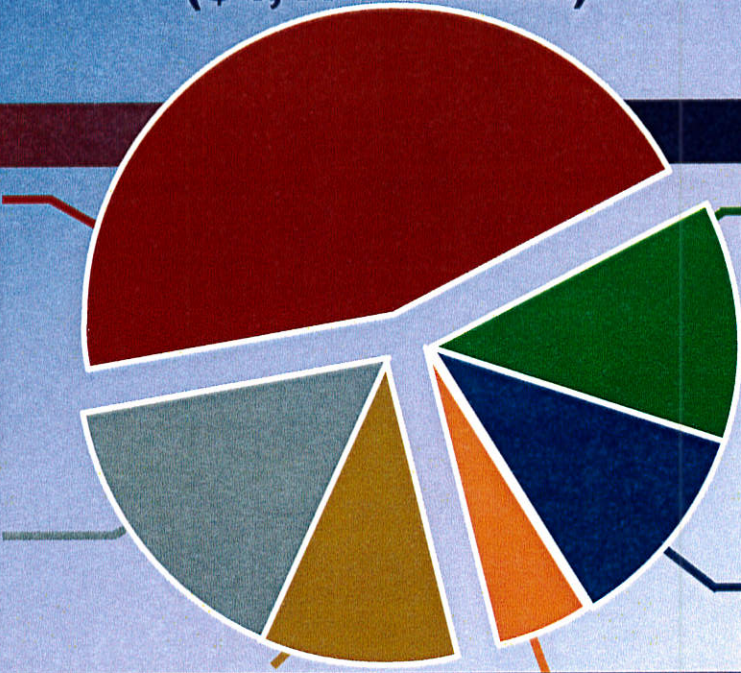
\$436 million

Bonds issued for a variety of purposes for various State agencies and secured by appropriations annually from the State General Fund.

2006A HIGHWAY BONDS (5%)

\$209 million

Bonds issued to further the State's long-term highway capital improvement programs and secured by appropriations annually from the State General Fund.



**Debt Burden Ratios
for State General Fund Supported Bonds**

Ratio	At June 30, 2006	S&P Median State (2004)	Moody's Median State (2004)
% of personal income	1.4%	2.3%	2.4%
Debt per capita	\$448	\$682	\$703
Debt service as % of '05 revenues	2.4%	n/a	n/a

Senate Commerce Committee
 February 21, 2007
 Attachment 4



**Dean of the College of Agriculture
Director of K-State Research and
Extension**

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Manhattan, KS 66506-4008
785-532-6147
Fax: 785-532-6563
<http://www.oznet.ksu.edu>

February 21, 2007

Testimony to the Commerce Committee on Senate Bill 12

Given by Fred A. Cholick

Thank you for the opportunity to visit with the Committee regarding the language change to Senate Bill 12. Today my goal is to provide you examples of how Kansas State Research and Extension is engaged with communities as they determine ways to enhance their economic well-being. Attached are examples across the state of where our county agents have served as facilitators and coordinators for economic development activities.

In addition, I will describe the relationship between Kansas State Research and Extension and Kansas State University's Center for Engagement and Community Development.

Kansas State Research and Extension has and will continue to serve as a vehicle to enhance the standard of living and quality of life for the citizens of Kansas as portrayed by our motto "Knowledge for Life."

Thank you for the opportunity to visit with the Committee this morning, and I will gladly entertain any questions.

**Kansas State University
Agricultural Experiment
Station and Cooperative
Extension Service**

K-State Research and
Extension is an equal
opportunity provider and
employer.

Senate Commerce Committee

February 21, 2007

Attachment

5-1

*"Knowledge
for Life"*

Economic Development Examples from Local Extension Agents - October 2006

– Jennifer Wilson, Riley County

Roads & Bridges--Public Policy Education. Extension staff helped to develop an education program on the conditions of local roadways and the funding necessary to make needed improvements. Collaborators included Riley County Commission, Riley County Public Works and Planning & Development.

Wind Energy--Extension staff assisted with the development of an educational program to look at the pros and cons of harnessing wind energy in the Flint Hills. Extension's role included bringing the appropriate parties to the table, helping to structure the educational program and secure appropriate speakers.

Land-Use Planning in Riley County--This is our most recent project. Extension has been asked to help with the process of updating the Riley County Land Use Plan. We are working closely with Riley County Planning & Development to develop an educational process for a committee of local citizens who have been charged with examining the issue of public vs. personal property rights as that pertains to land-use planning in the county. Our role has included identifying resources at KSU and elsewhere that might help with the process, helping to identify the stakeholders to serve on the committee and facilitating committee meetings.

Army Compatible Use Buffer (ACUB) Zones--Extension, working again with the Riley County Commission and Planning & Development, organized an educational meeting for local land owners to find out more about ACUB and the concept of land trusts. Other partners included the US Army, Natural Resources Conservation Service & the Kansas Land Trust.

County Officials-- Extension staff have played a role in professional development and strategic planning activities for county officials for several years. This has included planning and facilitating yearly retreats for county department heads. In the spring of 2006, staff was involved in planning and facilitating a strategic planning retreat which was focused on refining the current Riley County Strategic Plan to account for changes occurring in the community as a result of the influx of troops at Ft. Riley. Extension was charged with all aspects of planning the retreat, including securing a qualified facilitator from KSU and working with that facilitator to plan for the process. Other retreats, where Extension has played a similar role, have focused on professional development and teambuilding among department heads.

– Trudy Rice, Douglas County

Trudy Rice serves on the ECO2 Commission to represent the agriculture sector. The ECO2 Commission is an 8 member commission jointly appointed by the City of Lawrence and Douglas County to create a plan for Industrial Development and Open Space Preservation in Douglas County. It has representatives from Open Space, Industry and Agriculture. The Commission has met for 3 years and has created the final draft of the plan. In the research, this is a very unique concept that has not been developed anywhere else in the country. The plan will be presented to the commissions in 2007 for their approval and funding. Extensions involvement in the process

was critical in facilitating the development of the plan through wide spread public involvement. Extension served as chair of the Public Education and Outreach workgroup. Next year the ECO2 Commission will be chaired by Extension.

Bill Wood, Douglas County Ag Agent, has been instrumental in organizing the Kaw Valley Farm Tour the past two years. This is a group with representation from the Chamber of Commerce Convention and Visitors Bureau, Community Mercantile, Farm Credit Services, local farmers and K-State Research and Extension. The purpose of the tour is to increase the sales of farm produce to local consumers and to increase tourism in our community. Last year over 300 car loads of people visited 16 farms that produce locally grown food. Extension has provided the technical assistance to make this possible in Douglas County. Bill also co chaired the Guided Exploration Committee of the Chamber of Commerce Agribusiness Network. This group secured a grant from the Department of Commerce to explore the feasibility of a bio-diesel plant in or around Douglas County. The result was that it was not feasible. A plant will not be built. However, the community engaged in a process to explore economic development opportunities and there feasibility.

- Carl Garten, Central Kansas District

Over the years I have been involved with numerous meetings with the Chamber on different agriculturally related industry wanting to come to this area. In the past few months, feedlot, methane, ethanol, and packing plant operations were looking to locate in this area. Other industries and businesses have been related to swine, dairy, and packing plant. Over the years, Extension has worked with a hard white wheat milling operation that was recently sold to another group but still operating in the county. The individual in this operation is working on milling sorghum. The Master food volunteers have gotten involved to develop some recipes. The horticulture agent has worked with several business developments in the hort area.

- Chuck Otte, Geary County

From 1997 to 2005 I was on the city/county metropolitan planning commission, the last five years as chairman. During that time I also served as chairman of a subcommittee that drafted regulations for commercial wind farm developments. This was at the request of the county commissioners.

For the past three years I've been working with a multi-county group who has developed a birding festival hosted at Wakefield at the upper end of Milford Lake. This event is held every other year and in 2006 there were 50 people attending from as far away as Mississippi, Massachusetts, Washington and Texas. This serves not only as CD but also as volunteer and leadership development - this group has grown from me running the meeting to the group being self sufficient and I just help out in certain capacities.

A company recently announced that Junction City will be their headquarters for a GMO rice production enterprise. As rice production is not a normal ag activity in Kansas I have been quite involved in supplying information to local government and local farmers to help them understand rice production. This is a just developing situation with a long ways to go. I've already been in contact with one bank about providing capital to producers if there are land/equipment

improvements that need to be made. Many people are joking around about this and don't understand/believe we can actually grow rice in Kansas.

– Rick Miller, Johnson County

Extension has offered educational classes for the last six years on helping individuals identify resources to help them start and grow a small business. We refer to other existing small business groups like the SBDC's, Kauffman group, KS Dept. of Commerce and others. We serve as the facilitator and also bring in small business owners to share their examples. It has been very successful in helping individuals thinking about starting a small business know where to turn for educated answers. They make good decisions as a result. We have probably worked with close to 400 people during this time.

One example individual benefitting from our classes is Jeff Cunningham. Jeff attended two of our classes as well as some others. After researching his business using the resources we introduced him to, he started up and still operates a store front business called Today's Chalet. It is a home interior store. As a matter of fact, I asked Jeff to run for my community development PDC and he was elected a few years back.

– Jessica Beebe, Sheridan County

Alternative Energy Task Force

In early 2006 Sheridan County Extension met with Sheridan County Economic Development to create an Alternative Energy Task Force. A committee was created from Sheridan County Extension and Sheridan County Economic Development. Several community members were also selected to sit on the task force. Members of the task force met several times to discuss potential alternative energy projects that could be implemented in Sheridan County to boost the economy. Potential ideas included, wind energy, bio-diesel plants, and serving as a hub for a wind energy network. Potential economic development from these ideas includes; increased county revenue and increased population due to short term and long term employment.

Northwest Kansas Rural Experience: Agri-Tourism Plus

An Agri-tourism collaborative effort has developed among the nine northwest Kansas counties; Cheyenne, Rawlins, Decatur, Sherman, Thomas, Sheridan, Wallace, Logan, and Gove, to promote tourism, and tourism based businesses. The committee is comprised of extension agents from each county, Chambers of Commerce's, Economic Development programs, Convention and Visitors Bureau's, Conservation Districts, Thomas County Community Foundation, and Western Prairie Resource Conservation & Development.

The committee began meeting in the winter of 2005 to discuss a two-day conference on agri-tourism in northwest Kansas. The conference was held April 4-5, 2006 in northwest Kansas. The conference traveled to several cities and counties. There were a total of 23 presenters at the conference, and 90 conference participants.

Topics for the conference included:

- Kuhrt Ranch tour
- History of the ranch and business

- History of the business of the Cole Family Farm Corn Maze
- History of the business of Buffalo ranching, production, marketing, and sales of buffalo meat
- Panel discussion of Beds & Breakfast and Hunting Lodges in northwest Kansas
- Tour of the historic Beaver Creek Watershed
- History of the business of the Aberdeen Steak House
- History of the early northwest Kansas settlements

Breakout Sessions for the conference included:

- “Agri-tourism – Liability and State Assistance”
- “Marketing Your Tourism Business”
- “Accessing the Local Resources in Tourism Planning”
- “Historical Registration”
- “Developing Tourism Business Structures and Business Planning”

– Jan St. Clair, Comanche County

RECYCLING: Several years ago, the county engineer, Extension groups and individuals in Comanche county were interested in getting a recycling program started in our county. We put together a committee composed of the county engineer, FCS agent, and several interested volunteers. With the help of the county commissioners, the county road and bridge department, and local city officials, we wrote a grant which was funded through KDHE for facilities to house recyclables, baling equipment for cardboard, public education, and much more. Since that time, the program has expanded. We have received help from the Sunflower RC&D group through additional grants that have benefitted the entire area. A regional recycling center has been created in Pratt. The RC&D markets the recyclables that are received in county facilities and is able to get more for the product due to the quantity from the 8 counties. A new grant is being developed to get some needed equipment for the program.

LEADERSHIP: I have been involved in getting the leadership program started in Comanche county. In the beginning, the school counselor, economic development director and I attended a leadership training using servant leadership. We have successfully written small grants and have had additional support from businesses in the county. Our "Vision" program involves a class of equal numbers of youth and adults. The adults and youth have worked well together and learned from each other. The Economic Development director attended sessions with the Kansas Health Foundation and a \$100,000 endowment has been set up to fund leadership programs and projects of the classes each year. The first project that was completed by the Vision group was meningitis immunizations for all seniors planning to attend school away from home. An education campaign was conducted to make parents and youth aware of the need for these immunizations. The immunizations were partially funded by their \$1000 grant.

SMALL BUSINESSES: Extension worked with the Department of Commerce representative from Garden City to organize a program to help small businesses in the county learn more about starting or improving their business. I have also helped a couple of women who were starting their own food businesses to get their products approved by the lab at KSU. Fadi Aramouni has been helpful. Sessions on marketing, etc. that are held at KSU have also been helpful for one of

these women. There have been others who have looked to Extension for advice, also. Our small county has several small business owners who benefit from K-State Research and Extension's assistance.

– Jenell Smith, Sedgwick County

Part of the Senior education program for Sedgwick County is the Senior Health Insurance Counseling for Kansas Program (SHICK). Last fall and spring all Medicare beneficiaries were faced with a major health care decision. The implementation of the Medicare Prescription Drug program was the largest change to Medicare since the inception of the Federal Health Insurance program. Sedgwick County Senior Health Insurance Counseling for Kansas (SHICK) counselors and the SHICK coordinator reached over 14,000 through presentations and one-on-one counseling.

Our challenge was to reach these individuals to educate them regarding the program, help them determine their need for the program based on other insurance they may have, and assist them with shopping and understanding the 41 plans. We also educated the public on the availability of the extra help for those that had lower incomes and resources. Those choosing not to enroll would suffer an economic impact at enrollment time by paying a penalty for each month that they delayed enrollment.

Those qualifying for extra help would save an average monthly premium of approximately \$25 (\$300 per year), the yearly deductible of \$250, and would only have to pay minimal co-pays for each medication. The individual who saved these monthly premiums and the yearly deductible would have a minimum of \$550 per year that could be used for food, housing, and other expenses.

We also trained area professionals to prepare them to assist their clients. These included physicians, nurses, pharmacists, mental health workers, social workers from hospitals, home health care agencies, and Social Rehabilitation Services.

Another portion of this program guides people through the process of appealing Emergency Medical Services that are frequently denied by Medicare. Five hundred twenty eight individuals received this help and would save between \$500 and \$700 if Medicare re-determined their claim to be payable. $528 \times \$600 =$ savings of \$316,800

NOTE: Extension is the sponsoring organization for the SHICK program in Sedgwick County.

– Marilyn Toellner, Sedgwick County

Women's Investment Education Program

The Women's Investment Education Program is a series of classes that includes information on saving and investing, government securities, stocks, bonds, mutual funds, and investment scams. It offers face to face investor education using research based and unbiased information. Investment Basics is written and produced by K-State Research and Extension at Kansas State University.

Three hundred sixteen participants have attended the Women's Investment Education Program and they have indicated that they understand more investment terms, have made changes in the way they handle their investment dollars, ninety-seven per cent said they are more confident enough now to interview and work with financial advisors. Course evaluations indicate that approximately thirty per cent have begun saving and investing for the first time and many others have diversified their investments using the knowledge they gained in the classes. Many ethnic groups were represented and some men attended the classes.

Advanced classes and classes for men have been requested.

Kansas Saves

As a result of the Kansas Saves campaign in Sedgwick County, two hundred seventy nine have committed to become Kansas Savers and have said they would save a total of \$14,329 per month. Kansas Saves is presented at all classes and programs that are given on personal financial management. The Kansas Saves campaign is targeted at diverse low income families and the working poor.

Counseling and Personal Finance Classes for those filing Bankruptcy

During the past year counseling has been given to sixty-two people who were considering filing Bankruptcy. This counseling is required before bankruptcy can be filed and a certificate of completion must be presented at the time of filing. Debtor education classes are also provided and are required before a bankruptcy can be discharged. These classes are offered monthly and have been attended by thirty seven people.

Application must be made and approved by the U. S. Trustees Department in order to offer these educational opportunities.

- Bob Neier, Sedgwick County

Two years ago I helped with soil texture and nutrient analysis and irrigation water quality analysis for a commercial client who was investigating putting in a sod farm. The results of the tests came out favorable and they work directly with our Extension Turf Specialist for sod production information. The result is that 3 circle irrigation systems of new sod is in production in Sedgwick County with harvest that started late this summer. This converted farmground to a higher value crop to supply the needs in an urban area. This local sod is now replacing the need to ship in sod from out of state.

- From Amy Collins, Stafford County

Glenn and I have been facilitating a Healthworks committee called Stafford County Rural Health Care Steering Committee. It was formed to explore our communities thoughts on where we are headed with our healthcare in Stafford County. This program was brought to us through the Rural Health Options Project of Kansas and Aaron Lusby, Extension Associate under the direction of John Leatherman.

As confusing as that may all seem, we have been able to meet with our community once a month for the past year to discuss everyone's thoughts and feelings on healthcare in our county. It has

provided us with a way to have a phone survey conducted and then distribute, in book form, results from that survey. From there we were able to put together an Economic Impact of the Health Care Sector in Stafford County too. We have been able to narrow down what community members find most helpful, what their needs are or will be in the future. It has enabled us in Extension to work directly with our hospital administrator, schools, community doctors and nurses, and the general public.

We are still in the process of determining what to do with the information we have uncovered and are currently in the second stage of this effort. Only three counties in Kansas have been able to utilize this process and I truly think ALL counties would benefit from it. Funding is provided through a grant from the office of Rural Health Policy Health Resources and Services Administration and was brought to us through Aaron Lusby and K-state.

– Sandra Wick, Smith County

FARMERS' MARKET - First year for the program that was implemented through a grant from Jana Beckman's office in Sustainable Ag. The FCS and Community Development PDC came up with the idea that we needed to start one here in the county. Representatives from each of the PDC's attended a workshop last February in Wichita and gained a better understanding of the process of starting a Farmers' Market. We then formed a steering committee and held a workshop by Jerry Jost on "How to get Started". The group was off and running and we kicked off the event June 24 and are running through September 30. It is held every Saturday morning in the roadside park right on Highway 36 starting bright and early at 7a.m. We have approximately 6-8 vendors per week with primarily garden produce and baked goods. Other items include jams, jellies and crafts. We even had fresh homemade eggrolls being sold almost every Saturday that goes toward a project from one of our Rotarians for a Phillipines project. It has really actually become a social event for some who are the early risers.

SMITH COUNTY HEALTH FAIR. -- This is actually the 5th year for this event. We work in cooperation with the Smith County Memorial Hospital and have over 40 exhibitors. The date for 2006 is October 28 which usually is the corresponding date of the last Saturday in October. It has brought approximately 200-250 people. Some of the success stories from this event from the testing is one gentlemen received the corroded artery test and found estreme blockage that could have been fatal if not treated. Another success is a radon kit was picked up and done and extremely high levels were found in the household which explains the health problems with some of their young children.

– Susie Latta, Marshall County

Habitat for Humanity Thrift Shop

Marshall County had a need to create housing, jobs, and retail businesses to create revenue and reduce the solid waste going into the land fill. K-State Research and Extension played an active role 8 years ago in the creation of the Habitat for Humanity Thrift Shop. It continues today with myself as an active board member and current chair of the board. The Thrift Shop was a way to encourage recycling in an non traditional way which was a project of mine.

The Thrift Shop promotes the idea of recycling to reduce the amount of items going into the landfill. It truly is a win/win situation for all involved, as the old saying goes, some people's junk is another person's treasures, and so is true at the Thrift Shop. This Thrift Shop is also a form of economic development for the county. It provides jobs and collects sales tax. The profit from the shop goes toward building houses for families within our community. It is also a great place for people to volunteer, get positive support from others, and shop.

The Habitat for Humanity Thrift Shop has completed seven years of business. The Thrift Shop has celebrations to recognize the business' anniversary, recognize volunteers during National Volunteer Week, and various holidays. It is important to have these celebrations in order to acknowledge those who donate to the shop, either items or volunteer hours, as well as those who purchase items from the shop. There are monthly clothing bag sales and specials are offered on certain merchandise regularly. We have recently started a senior citizen discount day.

The Thrift Shop has a constant flow of people coming in and out. The Thrift Shop is a host site for two Senior Community Service Employment Program persons, who are working out well. The Thrift Shop also serves as a place for people to go for support and to find out about various resources that our county has to offer. The business has been a win-win situation for everyone in the community, and is an excellent way to raise money to build or remodel houses with people in need.

The Thrift Shop has enhanced the economic development in our community. It provides citizens a place to buy reasonably priced clothes and other used items. It also provides a place for others to take things that are no longer needed. The Thrift Shop continuously accepts clothing, as well as other items. Over 2,900 people have donated items to the Thrift Shop so far this year.

This year, the Thrift Shop has had over 60 volunteers donate approximately 3,000 hours of service to the Thrift Shop. Some of the volunteers have been volunteering on a regular basis for several years.

The Habitat for Humanity Thrift Shop has also built 5 homes in Marshall County with one on the way and remodeled two homes. It currently employs nine people. The Thrift Shop serves as an important place in our community for people to go to shop for items and it is a place for them to donate unwanted goods keeping these items from going into the land fill.

In the past seven years, the shop has had a net profit of more than \$100,000 that is contributed to the Habitat for Humanity Building Fund. This year, we transferred \$15,000 to the building fund. Since the shop has opened, it has grossed \$500,000. It is amazing, as many of the things we sell cost less than \$1.00.

– Linda Mirt, Sumner County

Johnny has been working on two areas that I think relate very well to the economic development issue. One is he has been the go between with KDHE and Elk Horn Packing Plant on environmental issues that impact the plant and keep it open rather than putting it out of business.

The second area is he is working with a committee of local producers in both Sumner and Cowley county that are exploring the best place to put an ethanol plant between these counties. They are making great progress in setting up a board and financial issues related in opening it up for investors as well as feasibility studies.

– **Ben Allen, Chautauqua County**

Probably the most important thing I did was being part of our Enterprise Facilitation Group. We are a 5 county group and jumped thru all of the hoops to get it going....state funding, county and private. Hired a facilitator and went to work. An excellent program and we are fighting to continue and keep the funding going. It is tough....all was done on soft money. I feel extension could really reach out in this area and better serve the public.

– **Cheri Nelson, Wilson County**

I am currently working with the Fredonia Economic Development committee and a group looking at Fredonia for a Bio Fuel plant. I really have not done much but do some facilitation but that might be something they need.

– **Mary Sullivan, Grant County**

The head of Economic Development for Grant Co. is Gene Pflughoft. He is on my FCS PDC. We have worked together on community projects. One example is the Grant Co. Leadership program he taught. We supplied the conference room, materials, projectors, etc. and aided in the teaching on occasion. We also took the course.

He attempted to aid us in getting an office on Main Street, but the commissioners decided to build us a building of our own on the fairgrounds in 2004. Gene is a great supporter of Extension and helped me several times with my graduate work in my Masters Degree. He also served as a reference in getting me an adjunct position with Garden City Comm. College teaching Nutrition. So far, my class has not filled, so no teaching yet.

I have helped the Economic Development Office with information they needed for Grants they were writing.

– **From Mark Schuler, Linn County**

the two biggest issues of economic importance here in Linn county is the Sugar Mound Arts and Crafts festival which currently has over 550 booths not counting food vendors which brings over 10,000 people to the festival annually. It is a two day event. Linn County Extension has worked with this group each year since I have been on board 15 years.

The other is the Linn County Fair Association, above normal fair/extension items, I work with them on evening entertainment as a economic development issue. Linn County Fair Association has 8 nights of evening entertainment. 2 nights of PRCA rodeo, Branson style gospel music show, Sanctioned Outlaw Truck and Tractor pull, Draft horse pull, Sanctioned Arena Truck Competition, Demo Derby, and a headline Nashville Country music show with recent appearances by Reba McEntire, Doug Stone, Garth Brooks, Trick Pony and this years group the Low Cash Cowboys.

I have also 2 helped local producers with marketing their products into local retail grocery stores.
An economic value added item.