

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Gary Hayzlett at 1:30 p.m. on March 10, 2009, in Room 783 of the Docking State Office Building.

All members were present except:
Representative Jerry Henry
Representative Bill Wolf

Committee staff present:
Bruce Kinzie, Office of the Revisor of Statutes
Jill Shelley, Kansas Legislative Research Department
Betty Boaz, Committee Assistant

Conferees appearing before the Committee:
Carolyn Kennett, City of Parsons, Economic Development
Brian Kinzie, Labette County Commissioner
Dan Goddard, CEO of Great Plain Development Authority

Others attending:
See attached list.

Chairman Hayzlett called the meeting to order and opened the hearing on **SB 60**.

SB 60 - Redevelopment districts within a federal enclave; sale of real property.

The Chairman recognized Dan Goddard, CEO with Great Plains who introduced the conferees. The first proponent was Brian Kinzie, Labette County Commissioner. (Attachment #1) Mr. Kinzie said the County Commissioners were notified on May 13, 2005, that the Base Realignment and Closure Commission was pulling Army Missions and abandoning the nearly 14,000 acre Kansas Army Ammunition Plant. He said the local community decided to purchase the property from the Army with an Economic Development Conveyance. Mr. Kinzie said the purchase would allow Day and Zimmerman Inc. (DZI) to remain in operation, help build the county's tax base and retain jobs in their community while allowing the community to have a large industrial park for economic development. Nearly four years later the actual transfer of the property to the local community is at hand. Mr. Kinzie said **SB 60** would allow local communities to sell real or personal property to provide the flexibility to move and negotiate swiftly with companies.

The next proponent was Carolyn Kennett, the Economic Development Director for the City of Parsons. (Attachment #2) Ms. Kennett gave some background on the devastation that occurred when the Ammunition Plant closed. She said they were asking for a critical tool that would be essential in helping rebuild the area. According to Ms. Kennett their biggest challenge is the Authority's inability to sell property without going through the bidding process outlined in state statutes. She concluded by saying it is essential that the Great Plains Industrial Park be able to compete on an even playing field with other industrial parks and **SB 60** will accomplish that.

The last proponent was Daniel W. Goddard, CEO, Great Plains Development Authority. (Attachment #3) Mr. Goddard discussed the problem they were having by being governed by county operational procedures prescribing the process for the sale of property but being expected to be able to react quickly when the opportunities arise. He said the Great Plains Development Authority can say they have facilities and/or land available, but they have to go through a competitive bid process to sell property. He concluded by saying he was before the Committee to ask for their support for **SB 60** so that they will have a better chance to be competitive.

There were no other proponents and no opponents so the Chairman closed the hearing on **SB 60**.

It was the Chairman's desire to work **SB 122** so he opened for discussion, questions or motions. Representative King made a motion to favorably pass SB 122 and place it on the Consent Calendar. The motion was seconded by Representative Swanson and the motion carried.

CONTINUATION SHEET

Minutes of the House Transportation Committee at 1:30 p.m. on March 10, 2009, in Room 783 of the Docking State Office Building.

The Chairman opened **SB 123** for discussions, questions or motions. Representative Menghini made a motion to favorably pass **SB 123** and place it on the Consent Calendar. The motion was seconded by Representative Ballard and the motion carried.

There was discussion on **SB 37**. Chairman Hayzlett said he would work the bill at a later date.

There being no further business before the Committee the meeting was adjourned at 2:30 p.m. The next meeting will be on March 11, 2009.

HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: March 10, 2009

NAME	REPRESENTING
DANIEL W. GODDARD	GREAT PLAINS DEVELOPMENT AUTHORITY
SEAN MILLER	CAPITOL STRATEGIES
TERRY HEIDNER	KDOT
TOM WHITAKER	KMCA
BRIAN C. KINZIE	Labette Co. Commissioner



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Board of Commissioners Labette County

P.O. Box 387
Oswego, KS 67356
620-795-2138
620-421-5255
www.labettecounty.com

Lonie Addis Dist. 1
640 Iowa
Oswego, KS 67356
620-795-2826

Brian Kinzie Dist. 2
432 N. Wimmer
Edna, KS 67342
620-922-7405

Jack W. Martin Dist. 3
532 Maple Crest
Parsons, KS 67356
620-421-5344

TESTIMONY FOR HOUSE TRANSPORTATION COMMITTEE

Senate Bill 60

March 10, 2009

Presented by Brian Kinzie

Labette County Commissioner

Chairman of the Kansas Army Ammunition Plant – Local Redevelopment Authority (KSAAP-LRPA)

Good afternoon Rep. Hayzlett and members of the House Transportation Committee, I am Brian Kinzie, Labette County Commissioner and Chairman of the Kansas Army Ammunition Plant- Local Redevelopment Planning Authority.

May 13, 2005 will always be etched in my memory, because that was when Labette County Commissioners were notified that the Base Realignment and Closure Commission (BRAC) was pulling all Army Missions and abandoning the nearly 14,000 acre Kansas Army Ammunition Plant.

After weighing our options, the local community pulled together and started working with the operator of the KSAAP, Day and Zimmerman Inc. (DZI) that employed about 370 persons, the U.S. Department of Defense and the State of Kansas, to develop a plan to purchase the property from the Army with an Economic Development Conveyance. This would allow DZI to remain in operations as a private contractor for munitions, help build the county's tax base and retain jobs in our community. It would also give the community the opportunity to have a large industrial park for economic development. At the same time we partnered with Kansas Wildlife and Parks to enhance our tourism opportunities.

Nearly four years and thousands of man hours later the actual transfer of the KSAAP property to the local community is here. We have nearly completed all the public hearings and notifications, local input, and all the requirements of the Federal Government to transfer property to the local community. While most all the funding has come from the Department of Defense through the Office of Economic Adjustment (OEA), it has cost the local community plenty, with job losses from the transition and local matching funds.

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It is now time to move into the Implementation Phase. Like any other Industrial site across the State, the opportunities for development are far and few between in these troubled times. With the organization of the Great Plains Development Authority there are great opportunities. Not every industrial site can offer a secured facility with the possibility to have thousand-acre tracks, its own water and waste water treatment plants, access to rail with connection to a major rail provider, external road system connecting to US 400 and US 59, and without the need for large companies to request to use the power of eminent domain.

As County Commissioner the one drawback in industrial development for counties is the opportunity to sell real or personal property in a manageable time frame. Even though GPDA is a subsidiary of the county I understand it is under the same regulations as the county. Unlike cities' Home Rule Authority we would still have to have public notification, hearings, open all bids and award to the highest bidder on each parcel. In day to day operation of the county I do not have a problem with that law. Much like city industrial parks, this property along with possibly others across the state, are going to be operated by local authorities and boards that need the flexibility to move and negotiate swiftly with companies who are willing to invest money in our communities and help build tax bases and create new jobs.

The beautiful aspect of SB 60 is it costs the state or our community nothing. The passage of SB 60 is imperative, I believe, for the GPDA to be self sufficient and successful. As a representative of Labette County I ask for your favorable judgment on SB 60 in our quest for growth and prosperity, not only for Labette County and Southeast Kansas, but across State. The opportunity to make a huge impact for the community, as a local elected official, doesn't come around very often. I believe my fellow commissioners and I have met that challenge. Our community has worked very hard to turn a negative into a positive which would result in a WIN, WIN, WIN (Community, State and The Federal Government). Thank you for your time.



City of Parsons

112 S. 17th Street • PO Box 1037

620 421-7030 • FX 620 421-708

www.parsonsksk.com

ckennett@parsonsksk.com

TESTIMONY FOR HOUSE TRANSPORTATION COMMITTEE

Senate Bill 60

March 10, 2009

Presented by Carolyn Kennett

Economic Development Director, City of Parsons

Board of Directors, Great Plains Development Authority

Thank you Rep. Hayzlett, and members of the committee, for allowing me to speak in support of Senate Bill 60.

I am Carolyn Kennett, the economic development director for the City of Parsons. I additionally serve as a board member for the Great Plains Development Authority in Labette County. The Authority is taking on the daunting challenge of transforming the 14,000 acres of the former Kansas Army Ammunition Plant into an industrial park, which holds enormous possibilities for all of Southeast Kansas and the State.

Let me preface my remarks with some background information: During the last 15 years more than 1,300 employees have been laid off at the Ammunition Plant – that is a number of enormous magnitude and is more than 10 percent of the entire population of Parsons. Granted, those 1,300 people drove to work from all over Southeast Kansas, but it's important for you to understand the magnitude of the loss in my part of the state. Taking a hit of 1,300 jobs is devastating anywhere in Kansas, but it is particularly crippling when those jobs had a pay scale of nearly double that of the rest of the economically depressed southeast corner.

I come to you today, not asking for money, but asking for you to give us a critical tool essential in helping us rebuild those jobs, and to add more.

While there are a number of challenges that we face in this process, I personally want to address one of the most critical that I see looming in the future – that of the Authority's inability to sell property without going through the cumbersome bidding process outlined in confining state statutes for counties. Since the Authority is a quasi-

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governmental unit, established by the county commission, it is required to do business in that same manner.

I am a professional economic developer with 10-years of study and experience. The Department of Commerce and the Governor's office have turned to me many times to be involved in various boards, committees and projects, and I can tell you from that background, that an industrial park simply cannot recruit, acquire and land new jobs if it has to bid the property it is trying to sell. It simply won't happen.

In fact, land in my part of the state is often given to a prospect as part of an incentive effort, or perhaps it's sold for a nominal amount. To risk losing a highly recruited manufacturer by putting them through a bidding war would completely eliminate the possibility of developing a viable project. Competition is far too great in the economic development arena to put any road blocks in the way of creating jobs and investment for Kansas.

The Great Plains Development Authority is about growing the economy and offsetting the loss of those 1,300 jobs. To do so, it has to have rules and regulations that put it on an even playing field with other industrial parks.

You may be asking yourself why I am championing an industrial park in my own backyard, and the reason is simple. My job is to grow the economy throughout my region because what's good for one part of the county is good for the whole county. And beyond that, there are a number of excellent industries that you simply don't want to have next door to your residential area.

The reality is that the employees at the Kansas Army Ammunition Plant made bombs for nearly 70 years and its 14,000-acre campus provides ample single-owner large-tracts for a variety of other industries that may perhaps be too noisy; with too much truck traffic; or maybe they need immediate rail access.

It's essential that the Great Plains Industrial Park is able to compete on an even playing field with other industrial parks. With your support, SB 60 will accomplish that.

Thank you for your time and I welcome any questions you might have.

GREAT PLAINS DEVELOPMENT AUTHORITY

1209 Corporate Drive, #6, Parsons, KS 67357

Phone: (620) 421-1228

Fax: (620) 421-1205

March 10, 2009

Testimony to the Kansas House Transportation Committee

Reference: Senate Bill 60

Presented by Daniel W. Goddard, CEO

Great Plains Development Authority

Representative Hayzlett and members of the Transportation Committee:

I appreciate the opportunity to testify in support of SB 60. The Kansas Army Ammunition Plant, soon to be renamed the Great Plains Industrial Park, is a 13,727 acre facility which has the potential to grow into an economic engine for Southeast Kansas and dramatically increase tax base and employment opportunity. However, today we are governed by county operational procedures prescribing the process for the sale of property but expected to be able to react quickly when we have the opportunity to work with a prospect that will invest in our community and create jobs. We are not a county government but rather an economic development organization whose goal is to create investment and employment opportunity.

My past experiences as a US Air Force Base Commander, a Department of Defense Base Transition Coordinator, and the Executive Director of the Grissom Redevelopment Authority at the former Grissom Air Force Base in Indiana, have shown the importance of being able to directly and singularly deal with prospects. At Grissom, we were able to use land and facilities as part of structuring an economic development incentive package to close a deal. As a result, a civilian aircraft company, a marine engine and auto parts manufacturer, a medical and dental facility, two restaurants, two churches, a construction tool distributor, a tire distribution center, and a nursing home all started operations within a few years. In most of these cases the land and facilities were provided at a discounted rate or for no consideration. Additionally, as a board member of the Association of Defense Communities (ADC) for 10 years and Chairman of the ADC Executive Director Council, I have not encountered a single economic

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development organization charged with the redevelopment of a closed military installation which must offer property at public auction before working with a client.

Across the country, at closed or realigned military installations, and community industrial parks, economic development professionals and the community are faced with putting together development proposals in an extremely competitive environment. In fact, in many cases, leads from the Kansas Department of Commerce ask for incentives including land and facilities. In our case, the Great Plains Development Authority can say we have facilities and or land available, but we must go through a competitive bid process to sell property. I can assure you, with this encumbrance, we will not be competitive.

Today I am here asking for your support for SB 60 so that we, too, have a better chance to rise above not only today's harsh economic realities, but the additional burden of a Congressionally-imposed shut down of one of our largest employers, the Kansas Army Ammunition Plant.

You, as legislators, are faced with many challenges as you search for ways to help the economy and the State recover in lean times. We in Southeast Kansas have a wonderful opportunity to help in that recovery ----- if we have the correct tools to work with.

We thank you for the opportunity to address the committee and request your support for Senate Bill 60.