

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 8:30 a.m. on March 12, 2009, in Room 136-N of the Capitol.

All members were present.

Committee staff present:

Mike Corrigan, Office of the Revisor of Statutes  
Jill Shelley, Kansas Legislative Research Department  
Cindy Shepard, Committee Assistant

Conferees appearing before the Committee:

Steve Phillips, President, Kansas Association of Airports  
Joel Skelley, Multimodal Planner, Kansas Department of Transportation  
Tom Whitaker, Executive Director, Kansas Motor Carriers Association  
Martha Neu-Smith, Executive Director, Kansas Manufactured Housing Association  
Bruce Burditt, Chief, Office of Financial and Investment Management, Kansas Department of Transportation  
Pat Hubbell, Lobbyist, BNSF Railroad  
Don Jarrett, Chief Counsel, Johnson County, Kansas  
Paul Degener

Others attending:

See attached list.

Presentation on Kansas Airport Funding Needs and Revenue Strategies by:

Steve Phillips, President, Kansas Association of Airports provided the committee with the Kansas Airport Improvement Program's additional investment needs list, currently funded at \$3 million per year for improvement to declining pavement, and their requested needs for Kansas Airports in the New Comprehensive Transportation Plan (Attachment 1).

Additional investment needs include:

- Instrument approaches for 52 county airports
- Improvements in instrument approaches that are out of date
- Investment in Automated Weather Observation Systems
- Contingency funds for airport improvements for local economic development projects

Needs for New Comprehensive Transportation Plan:

- Preservation of existing airport pavements
- Provide all-weather access for emergency medical services
- Fund 10 percent of total airport infrastructure needs
- Respond to economic development opportunities

Following discussion, the Chairman indicated the committee would take these requests under consideration.

The Chairman opened the hearing on **SB 300 - Special overweight or oversize permits; increasing fees.**

Joel Skelley, Multimodal Planner for the Kansas Department of Transportation (KDOT), testified in support of **SB 300**. Currently, the cost of issuing single use oversize/overweight permits is more than three times the permit fee, which has placed a substantial hardship on KDOT. He stated that over the last four years, the number of single use oversize weight permits issued has increased 45 percent, but the existing fee structure that supports it has not been increased since the 1950s. KDOT staff worked with Kansas Motor Carriers Association, Kansas Corporation Commission, Kansas Highway Patrol, and the Kansas Department of Revenue, to develop a fee structure that will adequately reflect the costs associated with performing this service (Attachment 2).

CONTINUATION SHEET

Minutes of the Senate Transportation Committee at 8:30 a.m. on March 12, 2009, in Room 136-N of the Capitol.

Tom Whitaker, Executive Director for the Kansas Motor Carriers Association appeared as a proponent of the bill. He indicated that the additional revenue from the fee increases will allow Kansas to streamline the issuance of oversize/overweight permits and the routing of such permitted vehicles. The passage of **SB 300** will benefit both the State and the motor carriers industry through increased service levels in the permitting process (Attachment 3).

Written testimony of a neutral position was submitted by:

Martha Neu Smith, Executive Director, Kansas Manufactured Housing Association (Attachment 4)

There being no further conferees, the hearing on **SB 300** was closed.

The Chairman indicated if there is no opposition he would like to work the bill today. The committee agreed.

Senator Brownlee moved, Senator Petersen seconded, to recommend **SB 300** favorably for passage. Motion carried.

Chairman Umbarger opened the hearing on **SB 302 - Kansas intermodal transportation revolving fund; financing intermodal transportation projects**.

Bruce Burditt, Chief of the Office of Financial and Investment Management for the Kansas Department of Transportation (KDOT), provided testimony in favor of **SB 302**. According to Chief Burditt, the bill would authorize the Secretary of KDOT to create the Kansas Intermodal Transportation Revolving Fund to provide assistance to governmental units for intermodal transportation projects. KDOT would have the responsibility for administration and management of this fund (Attachment 5).

Pat Hubbell, spoke on behalf of BNSF Railroad, about the planned Kansas City / Gardner Intermodal Facility and it's economic impact on Kansas. He indicated that BNSF is working with KDOT and Johnson County on the location of road and highway improvements needed to accommodate the increased traffic load to the City of Gardner. Favorable passage of **SB 302** will facilitate the funding assistance needed (Attachment 6).

Don Jarrett, Chief Legal Counsel for Johnson County appeared on behalf of the Board of County Commissioners in support of **SB 302**. Mr. Jarrett stated that the City of Gardner does not have the ready ability to finance all of the needed public improvements, and the County cannot bear those costs either. Financial assistance from the State is both appropriate - since the State will benefit substantially from the Intermodal and has previously helped finance infrastructure for other economic development projects in other areas (Attachment 7).

Paul Degener, appeared as a United States citizen in opposition to **SB 302**. He stated he is opposed to anything that has to do with the North American Trade Agreement (NAFTA) and the NAFTA Super Highway (Attachment 8).

There being no further conferees, the hearing on **SB 302** was closed.

Discussion followed. The Chairman indicated if there was no objection, he would like to work the bill today.

Senator Brownlee moved, Senator Donovan seconded, to recommend **SB 302** favorably for passage. Motion carried.

The meeting was adjourned at 9:29 a.m. The next meeting is scheduled for March 13, 2009.

# SENATE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 3/12/09

NAME	REPRESENTING
Don JARRETT	JOHNSON COUNTY
Thomas Dow	KS Dept of Transportation
PAUL DEGENHAR	CAIT
STEVE PHILLIPS	KANSAS ASSOCIATION OF AIRPORTS
Ron Seuber	US Agr. Business Retailers Ass/KGFA
Reed Jarvis	KDOT
<b>BRUCE BURDITT</b>	<b>KDOT</b>
Skip Kalb	BWSF Ry Co
Patrick Robinson	The Allen Group
Bill Crandall	The Allen Group
John Maday	KDOT
Michael McLin	KDOR
CARMELO ALBERT	KDOR
Deann Williams	KDOR
Karen Sigg	KDOR
Joel Skelley	KDOT
Terry Heichner	KDOT
Tom Whitaker	KMCA
Lusie Kaufman	KS Co-op Council

# SENATE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 3/12/09

NAME	REPRESENTING
Michelle Jones Smith	KMHHA
Steve Keenan	KS ACTION FOR CHILDREN
Suzanne White	KS Action for Children
Josh Smith	Intern, Sen. Pyle
Moji Fanimokun	LKM





## KANSAS AIRPORT FUNDING NEEDS AND REVENUE STRATEGIES

March 10, 2009

**Background** – Beginning in 1999, the Kansas Airport Improvement Program (KAIP) was funded at \$3 million per year to improve the declining pavement conditions at Kansas' 143 airports. Significant improvements have been made in pavement quality since that time, but Kansas still falls far short of its goal of providing each Kansan access to an air ambulance within 30 miles during bad weather. Construction inflation since 1999 has greatly reduced the improvements that can be funded with the \$3 million annual budget.

Additional investment needs include:

- Instrument approaches for 52 county airports
- Improvements in instrument approaches that are out-of-date
- Investment in Automated Weather Observation Systems
- Contingency funds for airport improvements needed for local economic development projects

### Needs for New Comprehensive Transportation Plan

**Need 1. Preservation of existing airport pavements.** Protect the investment made by KDOT over the last 10 years, adjusted for inflation and construction costs. **\$6 million/year**

**Need 2. Provide all-weather access for emergency medical services within 30 miles of every Kansan.** Improve 5 airports per year for 10 years @ \$800,000/airport. **\$4 million/year**

**Need 3. Fund 10 percent of total airport infrastructure needs over the next 10 years.** Elected officials submit 13 million dollars annually in projects geared towards improvements that would help airports meet today's design standards. **\$1.3 million/year**

**Need 4. Respond to economic development opportunities with airport infrastructure improvements for new and expanding employers.** **\$2 million/year**

### **Revenue Strategies**

Per Gallon Aviation Fuel Tax. Not currently used. 63 million gallons @ .03. \$1.9 million/year.

Reduce/eliminate exemptions to aviation fuel sales tax. Starts @ \$1.4 million/year.

Require larger sponsor match for all-weather projects.

### **PERSPECTIVE**

1. Kansas spends: \$2/Federal Dollar Spent on Highways.

10 cents/Federal Dollar Spent on Airports.

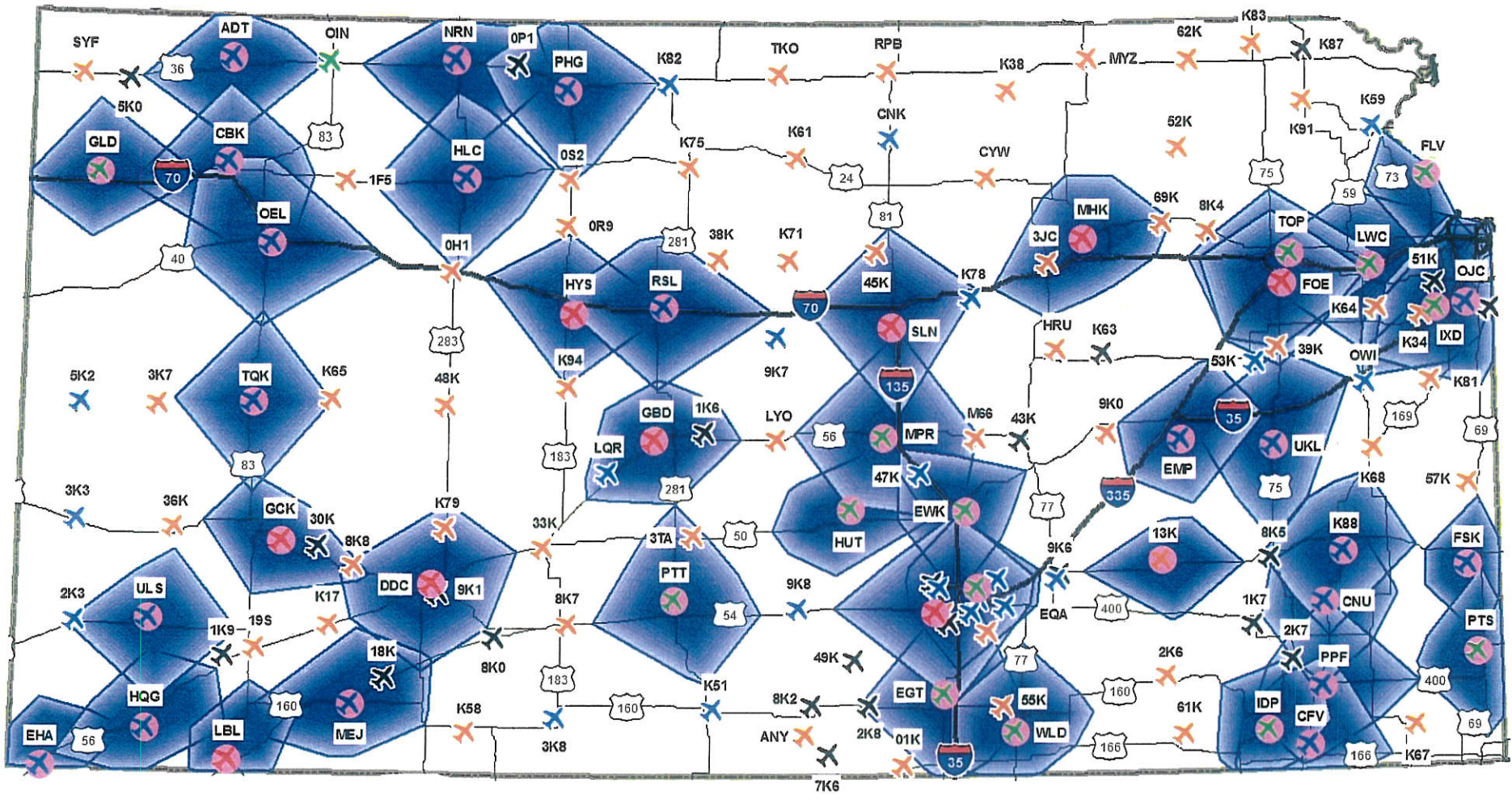
2. KDOT's Aviation Budget is .0022 of its total budget. Less than one-quarter of 1%.

3. Aviation fuels sold in Kansas are subject to the state sales tax, and these monies go to the general fund.

Senate Transportation

3-12-09

Attachment 1



2-1





GREELEY COUNTY FAMILY PRACTICE CLINIC

Robert P. Moser, M.D.  
Wendel J. Ellis, D.O.  
Randall Fahrenholtz, M.D., M.P.H.  
Kathy Bangerter, A.R.N.P.

321 E. Harper, P.O. Box 640  
Tribune, KS 67879  
Telephone: (620) 376-4251  
Fax: (620) 376-2772

February 25, 2009

Ed Young  
Director of Aviation  
Dwight D. Eisenhower State Office Building  
700 S.W. Harrison  
Topeka, Kansas 66603-3754

Dear Mr. Young,

As a family physician in a rural area of our state, access to air ambulances is critical to our ability to respond to emergencies. Sometimes that access is severely limited due to weather. During a six month period in 2008, Tribune had six medical flights diverted or not made due to instrument meteorological conditions. One of those emergency flights was diverted to Scott City whereupon in the middle of the night I rode in a land ambulance with the local EMS crew and patient. The patient nearly died en route and the forty minute delay at ambulance speeds to the nearest IFR-accessible airport placed the patient and us at greater risk. This incident alone has spurred me to determinedly address the lack of an IFR approach at our own airport as soon as practical.

As a pilot and member of the local airport advisory board I make recommendations to our Unified Greeley County supervisors. We are in the process of requesting an IFR approach but I understand the delay for completion may be over two to three years. It is for this reason I write to request your aid in placing a priority for state and federal funds toward an IFR approach not only for 5K2, Tribune, but also for other rural Kansas airports without an IFR approach that would benefit their respective medical communities' response to emergencies. Any guidance you can provide us is appreciated.

Respectfully,

Randy Fahrenholtz, M.D., M.P.H.  
Greeley County Health Services

Cc: Steve Phillips, president, Kansas Association of Airports

**TESTIMONY BEFORE THE  
SENATE TRANSPORTATION COMMITTEE**  
**REGARDING SENATE BILL 300  
RELATING TO OVERSIZE/OVERWEIGHT PERMITS**

**March 12, 2009**

Mr. Chairman and Committee Members:

My name is Joel Skelley; I am the State Multimodal Planner at the Kansas Department of Transportation (KDOT). I'm here to testify in support of Senate Bill 300, which concerns oversize/overweight permit fees. The passage of SB 300 would provide the State a fee structure that better reflects the costs associated with the service being provided and it would allow us to make the technological improvements necessary to increase efficiency for Kansans.

Currently, the **cost of issuing single use oversize/overweight permits is more than three times the permit fee**, which has placed a substantial financial hardship on KDOT. The financial strain combined with the fact that permit requests have increased substantially has really limited the delivery of this service. Applications cannot be submitted online, the phone lines are inadequate for the call volumes received during peak hours, and the wait times can be lengthy.

Over the last four years, the number of single use oversize weight permits issued has increased 45 percent resulting in 60,705 permits being issued in 2008. During the same time period, the number of superload permits increased from 958 to 4,442. While the demand for the service continues to grow, the existing fee structure that supports it has not been increased since the 1950s. Hence, it has made performing this service efficiently particularly difficult.

For each permit request, a route analysis including bridge clearance (if applicable) must be conducted to make sure the infrastructure on the proposed route can safely accommodate the load type. Permits for superloads, loads in excess of 150,000 pounds, also require an additional bridge analysis and have special routing requirements. KDOT staff worked extensively with Kansas Motor Carriers Association, Kansas Corporation Commission, Kansas Highway Patrol, and the Kansas Department of Revenue, which all support this bill, to develop a fee structure that would adequately reflect the costs associated with performing this service. The fee structure will also allow us to make the technological enhancements necessary to improve customer service.

Industries that rely on the delivery of these specialized loads are vital to our economy. And the passage of SB 300 is critical for the overall safety and efficiency of the transportation system that supports them. Please join me in supporting SB 300.

BUREAU OF TRANSPORTATION PLANNING  
Joel Skelley, State Multimodal Planner  
Dwight D. Eisenhower State Office Building

700 S.W. Harrison Street; Topeka, KS 66603-3745 • (785) 296-4209 • Fax: (785) 296-0963

TTY (Hearing Impaired): (785) 296-3585 • e-mail: [joelsk@ksdot.org](mailto:joelsk@ksdot.org) • Public Access at North Entrance of

Senate Transportation

3-12-09

Attachment 2





# Kansas Motor Carriers Association

Trucking Solutions Since 1936

## Legislative Testimony

before the

### SENATE TRANSPORTATION COMMITTEE

Senator Dwayne Umbarger, Chairman

Thursday, March 12, 2009

**Larry Dinkel**  
Jim Mitten Trucking, Inc.  
President

**Michael Topp**  
TT&T Salvage & Towing, Inc.  
Chairman of the Board

**Jason Hammes**  
Frito Lay Service &  
Distribution  
First Vice President

**Sherwin Fast**  
Great Plains Trucking  
Second Vice President

**Larry Graves**  
Farmers Oil, Inc.  
Treasurer

**Larry "Doc" Criqui**  
Kansas Van & Storage  
Criqui Corp.  
Corporate Secretary

**Ken Leicht**  
Rawhide Trucking, Inc.  
ATA State Vice President

**Mike Miller**  
Miller Trucking, LTD  
ATA Alternate State VP

**Calvin Koehn**  
Circle K Transport, Inc.  
Public Relations Chairman

**Tony Gaston**  
Rawhide Trucking  
ProTruck PAC Chairman

**Jeff Robertson**  
JMJ Projects, Inc.  
Foundation Chairman

**Bill Johnston**  
Northcutt, Inc.  
Allied Industries Chairman

**Tom Whitaker**  
Executive Director

### MR. CHAIRMAN AND MEMBERS OF THE SENATE TRANSPORTATION COMMITTEE:

I am Tom Whitaker, executive director of the Kansas Motor Carriers Association. I appear here this morning representing our 1,100 member-firms and the Kansas trucking industry in support of Senate Bill No. 300. SB 300 is identical to HB 2146 which was passed favorably by the House Transportation Committee, but failed to make it above the line prior to legislative deadlines.

SB 300 increases the following fees to cover the administrative costs for the issuance of Oversize/Overweight special permits:

- Increases the single trip permit from \$5.00 to \$20.00
- Sets a fee of \$30.00 for large structures single trip permit
- Sets a fee of \$50.00 for a superload single trip permit
- Increases the annual permit from \$125.00 to \$150.00

These fee increases have been agreed to by the Kansas Motor Carriers Association, the Kansas Department of Revenue, the Kansas Department of Transportation, the Kansas Corporation Commission and the Kansas Highway Patrol.

The additional revenue will allow Kansas to streamline the issuance of OS/OW permits and the routing of such permitted vehicles. The additional revenue will be used to purchase software necessary to allow for internet issuance of OS/OW permits. The current fee structure raises approximately \$800,000 per year. All stakeholders involved believe the state will need around \$1.2 million per year to administer the permitting process. This fee increase raises slightly more than the required revenue stream, but should provide adequate revenue for several years.

Some have argued that the additional administrative fee will cost shippers and manufactured home owners additional cost. The fee increases contained in SB 300 are nominal and will only increase the fee on a manufactured home transporter \$25.00 per year. Others have speculated that the increased fee will not be used for its intended purpose. It will be up to the trucking industry to ascertain that the fee is used only to streamline the OS/OW permitting process and hold the agencies involved accountable.

**Legislative Testimony – Senate Bill No. 300 – Page 2**

Many of the OS/OW loads involve commodities important to Kansas' existing and emerging industries (such as wind power generation), and adoption of SB 300 is critical to ensure that the permitting process fulfills safety requirements while facilitating the efficient movement of these goods. Mr. Chairman, the passage of SB 300 will benefit both the State and the motor carriers industry through increased service levels in the permitting process. We respectfully request that the Senate Transportation Committee pass SB 300 favorably.

We thank you for the opportunity to appear before you today and would be pleased to respond to any questions you may have.



3521 SW 5th Street  
Topeka, KS 66606  
785-357-5256  
785-357-5257 fax  
kmha1@sbcglobal.net

TO: Senator Dwayne Umbarger, Chairman  
And Members of the Committee

FROM: Martha Neu Smith  
Executive Director

DATE: March 12, 2009

RE: SB 300 – Special Overweight or Oversized Permits Fee Increases

Chairman Umbarger and members of the Committee, my name is Martha Neu Smith and I am the Executive Director for Kansas Manufactured Housing Association (KMHA) and I appreciate the opportunity to provide written comments expressing our neutral position on SB 300.

KMHA is a statewide trade association, which represents all facets of the manufactured and modular housing industry including manufacturers, retail centers, community owners and operators, finance and insurance companies, service and supplier companies and transport companies.

When KMHA members were polled regarding the proposed fee increases for Special Permits it became clear that while my members understood that everything costs more today than it did a year ago, they also noted that all of those increases are passed on to our homebuyers in the form of increased housing costs; that causes great concern. According to the National Association of Homebuilders for every \$1000 increase in the cost of a home, 400 homebuyers are priced out of the purchase. The fee increases proposed in SB 300 would be passed on to our homebuyers.

KMHA would be supportive of the fee increases being dedicated to the purchase of new technology, which in turn would make the permitting process quicker and more efficient. However, due to revenue shortfalls as of late, highway fund monies have been redirected and not always used for their intended purposes. KMHA would be supportive if there were a way to ensure the increased fees were used for the purchase of new technology.

Thank you for the opportunity to express our position on SB 300.

Senate Transportation  
3-12-09  
Attachment 4

**TESTIMONY BEFORE  
SENATE TRANSPORTATION COMMITTEE**

**REGARDING SENATE BILL 302  
RELATING TO AN INTERMODAL TRANSPORTATION REVOLVING LOAN FUND**

March 12, 2009

Mr. Chairman and Committee Members:

I am Bruce Burditt, chief of the Office of Financial and Investment Management for the Kansas Department of Transportation (KDOT), and I am here to provide testimony on Senate Bill 302.

This bill would authorize the Secretary of KDOT to create the Kansas Intermodal Transportation Revolving Fund to provide assistance to governmental units for intermodal transportation projects. KDOT would have responsibility for administration and management of this fund.

The proposed intermodal facility near the city of Gardner not only provides for economic development, but also creates a significant amount of public infrastructure needs. Over the past two years, KDOT has participated in facilitating a consensus agreement among the local partners, railroad, developer, and others, as to potential financing structures to meet these needs. The Kansas Development Finance Authority (KDFFA) and various public authority financial advisors have also provided input to this process.

KDOT supports the creation of this new fund and its proposed structure, which has evolved through this consensus effort and will remain available to continue to facilitate this process.

Thank you for your time, I will gladly stand for questions.



# Kansas City (Gardner) Intermodal Facility



- 560+ ac private freight logistics center
- Design phase underway
- Ultimate capacity of 1.5M units
- Undergoing permitting and review process with local, state and federal agencies
- Located 25 miles southwest of Kansas City off I-35

**BNSF**<sup>®</sup>  
RAILWAY

**BNSF**<sup>®</sup>  
RAILWAY



# Summary of Economic Impacts

- **Total Fiscal Impacts by Taxing Jurisdiction (2007-2026)**
  - \$1.7 Billion to State of Kansas
  - \$1.4 Billion to Johnson County (82% of total)
  - \$69.2 Million to City of Gardner
- **Employment Impacts (2007-2026)**
  - 13,230 (Total Direct/Indirect) New Jobs in State of Kansas
  - 12,180 New Jobs in Johnson County
  - 7,471 Direct New Jobs in City of Gardner
- **Wage Impacts (2007-2026)**
  - \$173 Million in City of Gardner
  - \$6.6 Billion in Johnson County
  - \$7.7 Billion in State of Kansas
- **Sales Impacts (2007-2026)**
  - \$30.2 Billion in State of Kansas
    - \$1.5 Billion Annual Average

Source: CH2M-Hill Study

6-2

# BNSF Logistics Park

## Frequently Asked Questions (FAQ's)

### 1. What is Intermodal?

*Intermodal means the transfer of goods from one mode of transportation to another; rail to truck, truck to rail, etc.*

### 2. How does the BNSF Intermodal Facility work?

*Rail cars carry containers and trailers to and from the facility for unloading and placement on trucks.*

### 3. What are the Economic Benefits of BNSF's Logistics Park?

*CH2MHill-Lockwood Green and the Southwest Johnson County Economic Development Corporation independently estimated the following economic benefits for the period 2007-2026:*

- ◆ *Property Tax Impacts*
  - *\$330 Million to Gardner Taxing Districts*
- ◆ *Total Fiscal Impacts by Jurisdiction*
  - *\$1.7 Billion to State of Kansas*
  - *\$1.4 Billion to Johnson County (82% of total)*
  - *\$69.2 Million to City of Gardner*
- ◆ *Employment Impacts*
  - *13,230 (Total Direct/Indirect) New Jobs in State of Kansas*
  - *12,180 New Jobs in Johnson County*
  - *7,471 Direct New Jobs in City of Gardner*
- ◆ *Wage Impacts*
  - *\$173 Million in City of Gardner*
  - *\$6.6 Billion in Johnson County*
  - *\$7.7 Billion in State of Kansas*
- ◆ *Sales Impacts*
  - *\$30.2 Billion in State of Kansas*

### 4. How much additional traffic will be generated?

*According to the City of Gardner's own growth projections, the City is expected to grow from its current population of 17,000 to more than 50,000 people over the next 20 years, even with no BNSF Logistics Park.*

*A traffic study commissioned by BNSF projects that BNSF's Logistics Park and surrounding warehouses is estimated to generate approximately*

2,200 truck trips per day during its first year of operations and about 10,000 truck trips per day in 20 years , as shown in more detail below:

<u>Trucks</u>	<u>Autos</u>
<u>First Year</u>	
1,800 - Intermodal Trips/Day <u>400</u> – Warehouses 2,200 Total Truck Trips/Day	3,700 Auto
<u>20 Years</u>	
4,000 – Intermodal Trips/Day <u>6,100</u> – Warehouses 10,100 Total Truck Trips/Day	49,600 Auto

*BNSF is working with KDOT and Johnson County on the location of a potential new I-35 Interchange at 199<sup>th</sup> Street that would take this truck traffic directly to I-35, not on U.S. Highway 56, City, or County streets.*

*Additionally, the traffic study recommended several roads be expanded around the development, including portions of Waverly, 191<sup>st</sup> St, and 199<sup>th</sup>; and that several overpasses be built over the tracks including at Waverly Road and possibly 199<sup>th</sup> near Highway 56.*

*This would not only improve safety and provide for the efficient movement of vehicular traffic, but also eliminate the need to blow train horns.*

**5. What affect would this have on our environment?**

*BNSF commissioned HDR to perform an Engineering Study for the Intermodal Facility, which included initial contact with the various agencies that would be involved in the environmental review and permitting process.*

*Once a Developer is selected in July, the required Environmental Review and Permitting process will be initiated. BNSF will comply with all Federal and State Laws and Regulations.*

*BNSF is and has been on the leading edge of technological improvements that result in a more environmentally-friendly method of moving the nation's goods, including:*



## Air

- Continue BNSF's purchase of new more efficient locomotives that result in improved air emissions.
- Electric Cranes would be used to load and unload containers which now constitute the majority of intermodal traffic resulting in:
  - ✓ No Diesel emissions from the electric cranes
  - ✓ Less Noise
  - ✓ Capability to place lights on the cranes reducing ambient light issues

## Water

- Best management practices, inspections and reviews to encourage continual environmental improvement, both during construction and operations at completion.
- Protect waterways through a combination of Spill Prevention Control and Countermeasure Planning, local preparedness, and Storm Water Pollution Prevention Planning.

## Lights

- Low Sodium Bulbs
- Motion Sensors to Extinguish Unnecessary Lighting
- Directional Lighting Fixtures
- Crane Mounted Lights

Overall, the nation's railroads are more environmentally friendly because trains are two to four times as fuel-efficient as trucks. As a result, trains produce 60% fewer emissions per ton mile than long haul trucks.

Each BNSF intermodal train can take as many as 280 trucks off our highways resulting in less traffic congestion on our interstate freeways and fewer engine emissions for the entire Region, which can help the area meet EPA's Clean Air Standards.

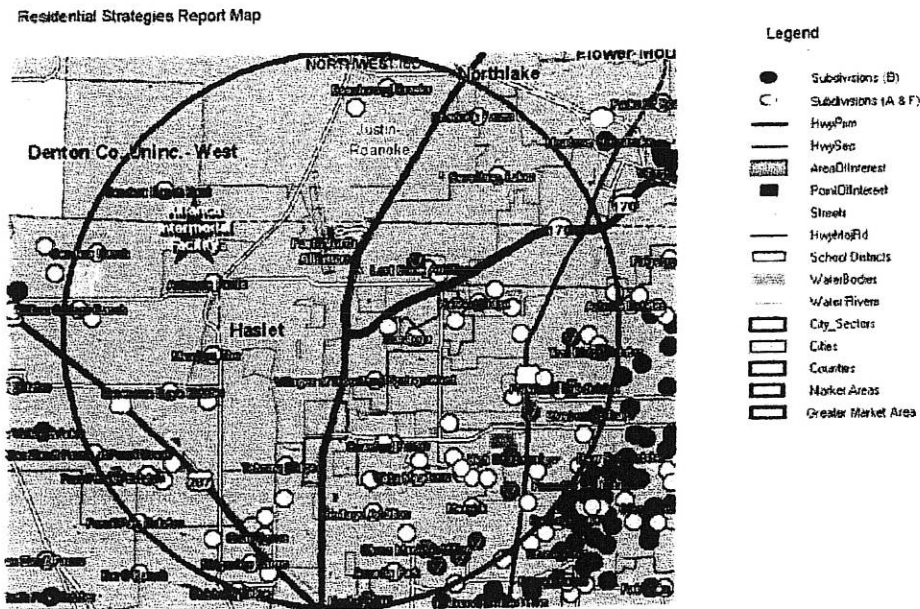
This is especially important as businesses continue to shift record volumes of consumer goods and other traffic to railroads in response to high fuel prices, a national truck driver shortage, and growing trade with Asia.

**6. How will this project affect property values?**

*Our experience from Alliance, Texas and Logistics Park-Chicago is that property values have increased dramatically based upon demand for space near BNSF's intermodal facilities. Industrial, office, retail, residential and mixed used development projects have been built.*

*Housing demand in the area of Alliance, Texas is continuing to increase. A housing development called Sendera Ranch East is currently being built just west of our Alliance facility.*

*Additional information is shown below:*



Copyright 2005-2006. Residential Strategies, Inc. All Rights Reserved Worldwide.

**7. Why can't this project be located at another location?**

*We are focused on the site near Gardner because it is a large piece of undeveloped property adjacent to our busiest intermodal route, very close to I-35 and to the region's major metropolitan area. The same factors also made Alliance and LPC so successful. That's an important part of the reason why the site near Gardner emerged as the most promising. Generally, the farther you try to develop from that combination of location assets, the more difficult the economics and the less attractive the site becomes for shippers and surrounding development.*

**8. How will security be handled at this facility?**

*BNSF's Intermodal Facility would include many security features including:*

- *Closed Circuit Television (CCTV) Security Cameras not only at the Checkpoint, but also throughout the facility.*
- *Fenced and Lighted Facility.*
- *On-site personnel 24 hours a day.*
- *Sealed Containers (at origin)*
- *Security Bolts on all containers and trailers*

*Inspections of international containers are handled by the Federal Government, not the railroad, and Congress is working on legislation that would require the Federal Government to inspect 100% of international containers before this facility would be finished.*

*The type of hazardous materials that move in intermodal rail service typically involve the kinds of products we use in our homes every day including household cleaning products, paint, batteries, computers, television sets, even perfume and cologne which are also considered hazardous materials due to their alcohol content. All of these containers have been passing through Gardner for years to the existing BNSF Intermodal facility in Kansas City where they are loaded and unloaded. Those shipments will continue to travel through Gardner if BNSF decides not to do this project. This facility would not handle tank cars carrying hazardous materials such as chlorine or ammonia, as it is not built to handle that kind of product.*

*BNSF has its own security force made up largely of former public police officers who coordinate rail security with the Department of Homeland Security 24 hours a day. That will not change whether this facility is developed or not.*

*BNSF was one of the first railroads in the county to become a part of the Homeland Security Administration's Customs Trade-Partnership Against Terrorism (C-TPAT). Additional information on C-TPAT can be found on Homeland Securities website at [www.hsa.gov](http://www.hsa.gov).*

**9. Will taxpayers be asked to fund incentives for this project?**

*BNSF intends to apply for any tax incentives for which it might be legally eligible, however decisions on the use of tax revenues and incentives for the Logistics Park Project would be made by the governing bodies of the respective taxing jurisdiction.*

*BNSF's eligibility for the State of Kansas High Performance Incentive Program was cited as one example by City Administrator, Stewart Fairburn, at the May 25 City Council Work Session.*

**10. How many additional trains would result?**

*There would be no additional trains as a result of the BNSF Intermodal Facility, as these are trains that are moving through Gardner today.*

*Approximately 7-10 of the BNSF trains currently passing through Gardner would either arrive at or depart from the BNSF Intermodal facility. Since the intermodal facility lies west of Gardner, these are trains that would not have to pass through Gardner as they do today.*

**11. Will this project result in an increase in crime?**

*Local police have not noticed any increase in crime at either Alliance, Texas or Logistics Park-Chicago.*



TESTIMONY OF THE BOARD OF COUNTY COMMISSIONERS  
OF JOHNSON COUNTY, KANSAS

Presented to the  
Senate Transportation Committee  
In Support of SB 302

By  
Don Jarrett  
Chief Counsel

March 12, 2009

Mr. Chairman and Members of the Committee:

Good Morning. My name is Don Jarrett. I am the Chief Legal Counsel for Johnson County, and I appear here before you today on behalf of the Board of County Commissioners to ask for your support and favorable consideration of SB 302.

SB 302 authorizes the Secretary of Transportation to establish a revolving loan fund that would help local governments construct public improvements related to an Intermodal Facility.

As you may be aware, the BNSF Railway Company has undertaken to locate an Intermodal Facility in Johnson County, within the City of Gardner. That decision by BNSF is good news financially for the State of Kansas and for the Johnson County area. The Intermodal Facility will create hundreds of jobs and millions of dollars of economic activity. The State of Kansas is, in fact, the biggest beneficiary of the economic activity that will result from the Intermodal.

At the same time, the Intermodal Facility will place some substantial burdens on the local community. The facility will ultimately generate an estimated 5,000 truck trips per day. That traffic places a very serious impact upon the local streets and roads. Basic roadway improvements needed to serve the Intermodal are estimated to cost well in excess of 50 million dollars. The County itself is financing the improvement of 191<sup>st</sup> street at a cost in excess of 14 million dollars.

The City of Gardner does not have the ready ability to finance all of the needed public improvements, and the County cannot bear those costs either. Financial assistance from the State is both appropriate – since the State will benefit substantially from the Intermodal and has previously helped finance infrastructure for other economic development projects in other areas – and needed.

While direct funding would be preferable, the current economic conditions may not allow for it. But, SB 302 is a form of assistance that the State can provide now.

Johnson County would ask for your support of SB 302 at this time and further consideration of financial assistance when the economic conditions do approve.

I thank you for your time and appreciate the opportunity to appear here before the Committee.

W. Paul Degener  
P.O. Box 8536  
Topeka, KS 66608  
(785) 246-0215  
[w.degener@sbcglobal.net](mailto:w.degener@sbcglobal.net)

March 12, 2008

SUBJECT: SB 302, Financing Intermodal Facility

Mr. Chairman and members of the committee, thank you for allowing me to appear this panel today.

My name is Paul Degener, co-founder, president and lobbyist for a grass roots organization, "Citizens Against Illegal Immigration Topeka (CAIT). I do not appear here today as president of this organization but as a United States Citizen who is opposed to anything to do with the North American Trade Agreement (NAFTA) and the NAFTA Super Highway.

Let me explain what this has to do with SB 302, Financing Intermodal Facilities.

NAFTA was passed by congress in 1994. What has happened since NAFTA has been very detrimental to the United States. (See Enclosure 1).

As you can see from the chart, the NAFTA Super Highway has evolved. Some have commented that the NAFTA Super Highway was an internet myth. Hopefully I can convince you otherwise. The largest part of my presentation will be with enclosures. Please bear with me.

My next slide is a map depicting that portion of the Super Highway that parallels I-35 right into the Kansas City Smart Port and beyond. (See Encl 2) The KC Smart Port is located at what used to be the Richards Gebaur Air Force Base. Once trucks depart deep water ports in Mexico they will be to proceed directly to KC Smart Port non-stop. At one time there was talk of a portion of KC Smart port being declared sovereign Mexico Territory, I do not know if that is in the works or not at this time.

The next slide, (Enclosure 3) is from the NAFTA Secretariat's web page. There is talk of NAFTA taking us right into the Security and Prosperity Partnership of North America, (SPP) and the North American Union (NAU). If this is true, and I believe it is, then we will no longer have a United States as we know it. This would be similar to the European Union, as the former president of Mexico, Vincente Fox has advocated. The reason I mention this is because I would encourage you to take a close look at the flag of Enclosure 3. This looks very much like a combination of the three flags of the United States, Canada and Mexico.

The fourth and final slide (Encl 4) is from the web Page of the Kansas City Smart Port. The significance of this page is to connect the KC Smart Port with cities in Kansas, such as Gardner, Ottawa, Olathe, Kansas City, and Edwardsville.

Senate Transportation  
3-12-09  
Attachment 8

The point of all of this is that our federal government is taking steps that will take away our sovereignty and most of this information is being kept below the radar. If it were not for patriotic persons and organizations informing us, this information would never be made public.

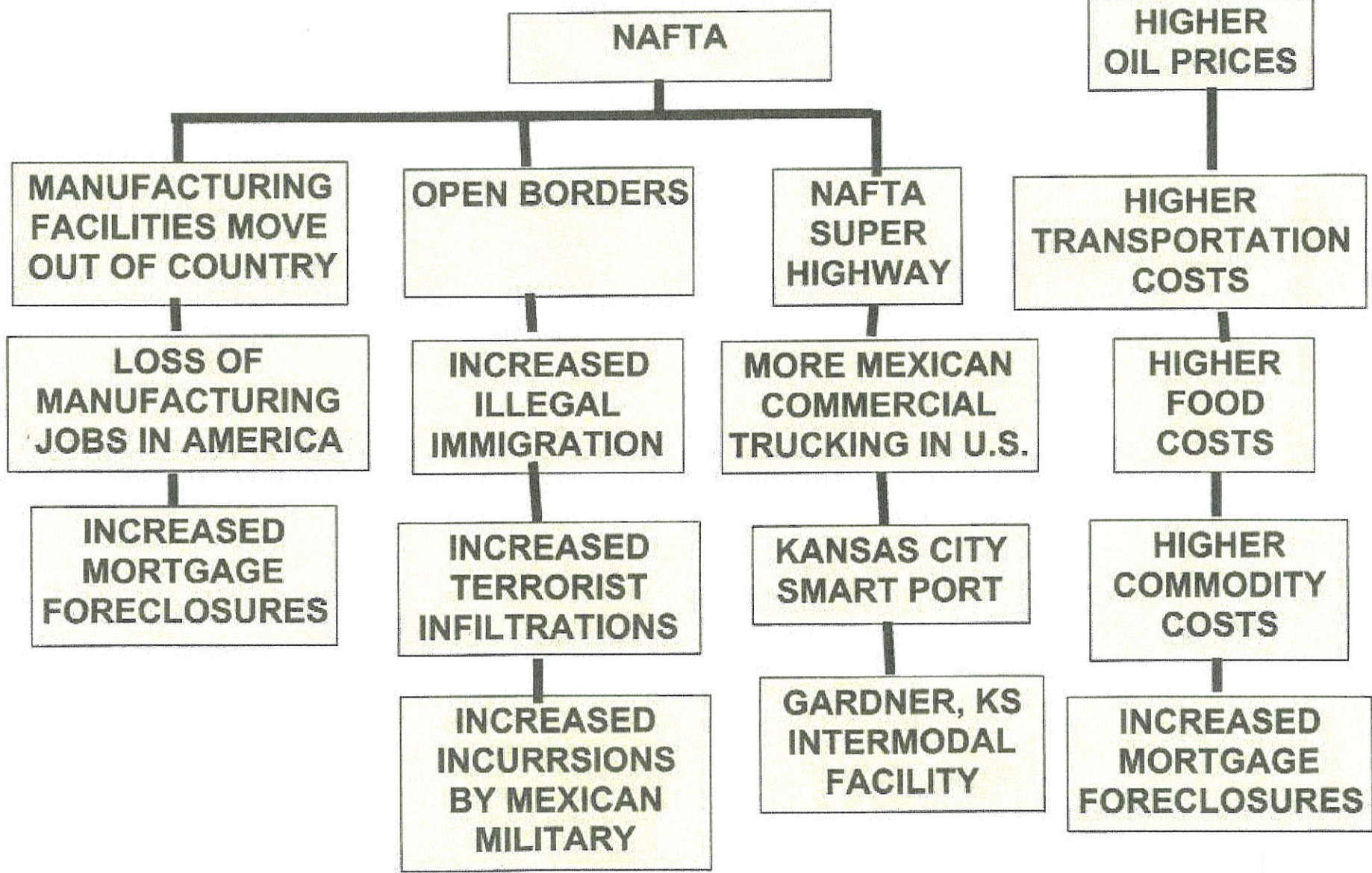
A lady in Kansas City has taken it upon herself to look into the Kansas City Smart Port and is attempting to stop it. She has an excellent web page that is very informative located at: <http://www.naftasuperhighway.info/>

Last year there was a similar bill that did not make it to hearing. That bill was linked to the intermodal facility at Gardner, Kansas. I suspect this bill is for the same purpose.

I am urging you to vote against this legislation. Tax payer's dollars should not be spent on activities that are designed to destroy our country as we know it.

Thank you for your time.

**REDUCING AMERICA TO THIRD WORLD STATUS**







Web page of NAFTA Secretariat:

<http://www.nafta-sec-alena.org>

Note the flag. They have already developed a flag for NAFTA, SPP, NAU.



**NAFTA** Secretariat  
Secrétariat de l'**ALÉNA**  
Secretariado del **TLCAN**

---

Enclosure 3





For more information about these and other KC real estate opportunities, please contact:

Chris Gutierrez  
 President  
 Kansas City SmartPort  
 (816) 374-5640  
[gutierrez@KCSmartPort.com](mailto:gutierrez@KCSmartPort.com)

## Real Estate Opportunities

The Kansas City region offers some outstanding real estate opportunities for transportation and logistics companies.



[Logistics Park - Kansas City](#)  
 Square Feet: 7,000,000  
 Building Type: Industrial, Warehouse & Distribution  
 Location: Gardner, Kansas



[Hunt Midwest SubTropolis](#)  
 Square Feet: 4,856,744  
 Building Type: Warehouse & Distribution  
 Location: Kansas City, Missouri



[SkyPort Industrial Park](#)  
 Square Feet: 2,000,000  
 Building Type: Industrial  
 Location: Kansas City, Missouri



[CenterPoint-KCS Intermodal Center](#)  
 Square Feet: 165,000 - 1,000,000  
 Building Type: Industrial, Warehouse & Distribution  
 Location: Kansas City, Missouri



[23rd & Eisenhower Road](#)  
 Square Feet: 700,000  
 Building Type: Warehouse  
 Location: Ottawa, Kansas

[900 South 68th Street](#)  
 Square Feet:  
 Building Type: Warehouse  
 Location:

# Actions By Congress

The following resolution should support the notion that the NAFTA Super Highway and the North American Union are in fact a reality. This resolution has 48 sponsors.

## H. CON. RES. 40

Expressing the sense of Congress that the United States should not engage in the construction of a North American Free Trade Agreement (NAFTA) Superhighway System or enter into a North American Union with Mexico and Canada.