

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT AND TOURISM COMMITTEE

The meeting was called to order by Chairman Lana Gordon at 3:30 p.m. on February 10, 2010, in Room 152-S of the Capitol.

All members were present except:

Representative Owen Donohoe- excused  
Representative Ron Worley- excused

Committee staff present:

Jason Long, Office of the Revisor of Statutes  
Doug Taylor, Office of the Revisor of Statutes  
Reed Holwegner, Kansas Legislative Research Department  
Brandon Riffel, Kansas Legislative Research Department  
Ann Deitcher, Committee Assistant

Conferees appearing before the Committee:

William Thornton, Secretary, Kansas Dept. Of Commerce

William Thornton was introduced to the Committee offered a power point presentation on the STAR Bond annual report for the fiscal year 2009. (Attachment 1).

Secretary Thornton spoke of the projects funded with special obligation bonds, The Kansas Speedway/Village West (Wyandotte County), the Heartland Park Racetrack (Topeka) and the Kansas Underground Salt Museum (Hutchinson), so far the only completed STAR Bond projects.

Regarding the Flint Hills Discovery Center in Manhattan, there have been \$50 million in bonds issued for \$108 million project that was approved in December 2006. The project includes a 30,000 square foot center and museum, hotel/conference center, restaurants, entertainment venues and an outdoor park.

\$225 million in bonds were approved for a \$700 million project, Schlitterbahn Vacation Village in Wyandotte county, that includes a water park resort, vacation village and retail components.

The Mission Gateway in Mission, Kansas had \$63 million in bonds authorized for a \$307 million project that would include a 70,000 square-foot aquarium, movie/dinner theater and hotel, along with retail and entertainment venues. At this time, the occupancy is at 75 to 80% occupancy.

The Wichita Water Walk has \$14.7 million in bonds approved for this \$155 million project. It includes the redevelopment of public space along the Arkansas River, including the Keeper of the Plains monument and an interactive water show.

Overland Park has the Prairiefire for which \$66 million in bonds were authorized in September 2009 for a \$573 million museum project. The project includes an American Museum of Natural History-affiliated museum, a wetlands park, retail and entertainment venues and prairie gardens.

The Wizards Soccer Stadium, Cerner Office Complex in Wyandotte County has \$147 million in bonds approved for a \$414 million project comprising a pro soccer stadium, multi-sport athletic facility, youth soccer fields and office complex.

CONTINUATION SHEET

Minutes of the House Economic Development and Tourism Committee at 3:30 p.m. on February 10, 2010, in Room 152-S of the Capitol.

Regarding additional STAR Bond projects, there have been discussions with Wichita officials about potential projects and the amendment of Commerce regulations to better administrate and implement the STAR Bond Act.

Questions and answers followed.

**SB 54 - an act concerning the state capitol and grounds.**

The Chair appointed a sub-committee to study **SB 54**. The sub-committee will consist of Representatives Winn (Chair), Furtado, Hill, Slattery and Worley. Their first meeting will be on Monday, February 15 in Room 152-S.

The meeting was adjourned at 4:35 p.m.

The next meeting is scheduled for Wednesday, February 24, 2010.



## STAR Bond Annual Report Fiscal Year 2009

House Economic Development & Tourism Committee  
William R. Thornton, Acting Secretary  
February 10, 2010

### STAR Bonds

Sales Tax Revenue (STAR) Bonds enable Kansas municipalities to issue bonds to finance the development of major commercial, entertainment and tourism areas and use the sales tax revenue generated by the development to pay off the bonds.

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### Statutory Obligations

K.S.A. 12-17,169 (c)

- Annual Report for projects funded with special obligation bonds

K.S.A. 12-17,177 (d) & 12-17,169 (c)

- Each city with a project funded with special obligation bonds payable from state sales tax revenue must submit an annual report to the Secretary of Commerce.

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### Kansas Speedway/Village West (Wyandotte County)

- No. 1 tourist attraction in Kansas.
- Created 3,500 new jobs that are generating more than \$55 million in annual payroll.
- Generated more than \$900 million in combined public and private investment with annual sales of more than \$400 million.
- Legends at Village West adding new venues.
- All bond proceeds have been expended.
- To date, more than \$240 million dollars in local and state sales taxes have been generated.

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### Heartland Park Racetrack (Topeka)

- \$10.5 million in bonds issued in 2006 for a \$24 million project.
- Phase I renovations to racetrack and visitor amenities are complete.
- City of Topeka reported \$230,000 in local sales tax; State sales taxes were \$557,000.
- Topeka reports that sales tax revenues will likely be insufficient to make bond payments in 2010. Because Topeka issued "Full Faith and Credit" bonds, the city is responsible for the debt service.

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### Kansas Underground Salt Museum (Hutchinson)

- \$4.8 million in bonds for \$10 million project approved in 2006.
- Attraction is unique in the Western Hemisphere, featuring an underground museum, theatre and elevator that goes 650 feet below ground.
- Potential economic impact estimated at over \$36 million; Attendance projections have been met for the most recent reporting period.
- \$2.5 million in sales tax collected, with bonds projected to be retired in 2014.

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Economic Development & Tourism

Date: 2-10-10

Attachment # 1-1

### **Flint Hills Discovery Center (Manhattan)**

- \$50 million in bonds issued for \$108 million project that was approved in December 2006.
- Project includes 30,000 square-foot center and museum, hotel/conference center, restaurants, entertainment venues and an outdoor park.
- Economic impact: \$160 million capital investment, 1,200 construction jobs (\$27 million payroll) and 1,000 permanent employees (\$21 million payroll).
- Architectural/engineering studies are almost done. Construction scheduled to begin this summer.

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### **Schlitterbahn Vacation Village (Unified Government of Wyandotte)**

- \$225 million in bonds were approved for a \$700 million project that includes a water park resort, vacation village and retail components.
- Phase I of water park opened in July 2009.
- More than \$178 million in private funds expended on the project to date.
- The Department of Commerce anticipates bonds will be issued in next few months.

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### **Mission Gateway (Mission)**

- \$63 million in bonds authorized for \$307 million project.
- Project includes a 70,000 square-foot aquarium, movie/dinner theater and hotel, along with retail and entertainment venues.
- Project will generate 1,500 full-time jobs and 1,525 indirect/induced jobs with a total payroll of \$58 million.
- Project forecast to produce \$120 million in annual retail sales.

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### **Wichita Water Walk (Wichita)**

- \$14.7 million in bonds approved for this \$155 million project.
- Project includes the redevelopment of public space along the Arkansas River, including the Keeper of the Plains monument and an interactive water show.
- Estimated to bring 800,000 to 1 million new visitors to Wichita each year.
- Projected to produce 1,250 full-time jobs and generate annual retail sales of \$78 million.

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### **Prairiefire (Overland Park)**

- \$66 million in bonds were authorized in September 2009 for a \$573 million museum project.
- Project includes an American Museum of Natural History-affiliated museum, a wetlands park, retail and entertainment venues and prairie gardens.
- Estimated to create 1,900 full-time jobs and 2,600 indirect/induced jobs.
- Forecast to bring 1.9 million new visitors to Overland Park and generate \$154 million in annual sales.

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### **Wizards Soccer Stadium, Cerner Office Complex (Wyandotte County)**

- \$147 million in bonds approved for a \$414 million project comprising a pro soccer stadium, multi-sport athletic facility, youth soccer fields and office complex.
- Economic impact is projected at over \$500 million.
- Stadium/sports project should create 2,430 full- and part-time jobs and \$60 million in new tax revenue.
- Cerner has committed to 4,500 new jobs with an average salary of \$65,000 at the office complex.

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### **Additional STAR bond projects**

- Discussions with Wichita officials about potential projects
- Amending Commerce regulations to better administrate and implement the STAR Bond Act.

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