

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairman Kenny Wilk at 3:30 p.m. on March 18, 2003, in Room 522-S of the Capitol.

All members were present except: Representative Don Hill, Excused

Committee staff present: April Holman, Legislative Research
Rena Jefferies, Revisor of Statutes
Fulva Seufert, Secretary

Conferees appearing before the committee: Michael Wilkes, Olathe City Manager
Diane Costello, Olathe Chamber of Commerce
Steve Graham, Titan Construction
Ed Wolverton, President, Wichita Downtown Development Corp.
Lori Usher, VP, Economic Development, Wichita Area Chamber of Commerce (written only)
John Rolfe, President/CEO, Greater Wichita Convention & Visitors Bureau (written only)
Mike Taylor, Government Relations Director, City of Wichita (written only)
Representative Larry Campbell

Others attending: See attached list

Chairman Wilk opened the meeting by asking Ms. April Holman, Legislative Research Department, to review **SB 235** - Providing for general STAR bond authority throughout the state. Following her explanation, Chairman Wilk opened the Public Hearing for:

SB 235 - Providing for general STAR bond authority throughout the state

Chairman Wilk welcomed the first conferee Mr. Michael Wilkes, Olathe City Manager, who said he was very much in support of **SB 235** as a statewide bill for STAR bonds which he believes would be an excellent tool for Kansas benefits. He did mention he had some concerns about the feasibility study which would require a marketing study examining the impact of STAR bonds on existing districts. ([Attachment 1](#))

After some questions about his concerns about the feasibility study, Mr. Wilkes said that he might propose an amendment addressing his concerns. The Chairman thanks Mr. Wilkes.

The Chair recognized the second conferee, Ms. Diane Costello, Olathe Chamber of Commerce, who spoke in support of **SB 235** by saying she believes Kansas must be aggressive in the use of economic development tools. She said that **SB 235** offers an opportunity to improve access to STAR Bond authority. She further said that STAR bonds will not raise taxes, and that there would be no cost to the state, but rather STAR Bonds would jump-start the economy, increase tourism, create jobs, foster business investments, and bring new

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dollars into Kansas. (Attachment 2)

Chairman Wilk welcomed Mr. Steve Graham, Titan Construction, who spoke as a proponent for **SB 235**. He provided no written testimony, but stated that the STAR Bond tool that the state now has provides the state with the opportunity to enhance our state. He would like to see it expanded so the entire state could benefit.

The Chair next recognized Mr. Larry R. Baer, Assistant Legal Counsel, League of Kansas Municipalities, who spoke in support of **SB 235**. He specifically mentioned that the League supports tax increment financing and the broad base use of STAR bonds, and as amended, the bill provides for the expanded use. He said **SB 235** in its original form was nearly identical to **HB 2396**. He said that **SB 235** creates a definitive financial threshold. Yet it provides a means for the evaluation of projects, and he believes that the thresholds are fair and protect STAR bond usage from dilution. He mentioned that he thought the market study was an improvement in the original bill. (Attachment 3)

The Chair welcomed Mr. Ed Wolverton, President, Wichita Downtown Development Corporation, who spoke as a proponent of **SB 235**. He mentioned that while he would continue to advocate the approval of **HB 2208**, he also was in favor of **SB 235** because it offers an opportunity to improve access to the STAR Bond program. He also stressed that "STAR bonds do not raise taxes, do not require any "out of pocket" cost to the State and spurs economic activity..." (Attachment 4). Mr. Wolverton also presented written testimony from Mr. Lori Usher, Vice President, Economic Development, Wichita Area Chamber of Commerce (Attachment 5) and John Rolfe, President/CEO of the Greater Wichita Convention & Visitors Bureau (Attachment 6).

Chairman Wilk called the committee's attention to the written testimony of Mr. Mike Taylor, Government Relations Director, City of Wichita, who had to leave early for Wichita and could not testify in person. (Attachment 7)

The Chair also called the committee's attention to the written only testimony provided by Mr. Blake Schreck, President, Lenexa Chamber of Commerce. (Attachment 8)

Chairman Wilk welcomed Representative Larry Campbell back to the Economic Development Committee, and Rep. Campbell spoke in support of **SB 235**. Rep. Campbell thanked the committee for hearing the bill and said that economic development has to do its work. He said that **SB 235** was a well crafted STAR bond proposal. He asked the committee if the state wanted to do a case by case evaluation or does the state want a STAR bond policy. He pointed out that he believed the legislature does its best work when it establishes policy, but that the policy needs to be tight and clearly defined. He said he believes **SB 235** is establishing a policy that can be communicated, and that once it is passed, the news will travel like wildfire. It will create jobs, bring in new capital, and help existing businesses to expand if crafted properly, which he believes it is. He reminded the committee that he thinks it is best to set a policy rather than to approve STAR bonds case by case or one at a time.

After numerous questions and considerable discussion, Chairman Wilk closed the Public Hearing on **SB 235**.

Representative Krehbiel made a motion to approve the minutes of the March 13, 2003 meeting. Representative Novascone seconded, and motion carried.

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The next meeting will be Thursday, March 20, 2003, at which time **SB 235** will be considered and **ERO 30** will be discussed.

The meeting adjourned at 5:20 p.m.