



Testimony in Opposition to Senate Bill 319 – February 1, 2012

Mr. Chairman and Members of the Kansas Senate Federal and State Affairs Committee:

My name is Richard Klemp, Director of Government Relations for the Kansas Star Casino in Mulvane, Kansas. I'm here today on behalf of our team of 544 Kansas Star employees.

We oppose the section of SB 319 that allows a re-vote for Wichita Greyhound Park because it dramatically changes the market conditions on which we based our decision to invest in south central Kansas.

Fundamentally, it is an issue of fairness. We went forward based on a known competitive environment as well as a set of circumstances as provided for in SB 66. One of those circumstances was the voter rejection of slot machines at the dog track.

We applied to be a Lottery Gaming Facility manager as set forth in SB 66; we followed every step, requirement and condition to the letter. Based on the circumstances that existed, one of which was the ineligibility of the dog track to have slot machines, we initially promised an investment of \$285 million.

Over the past 10 months we increased our commitment to make the Kansas Star bigger, better and to open sooner for the benefit of the state and local region. Our total financial investment level today stands at \$314 million -- nearly one third of \$1 billion -- and \$64 million higher than the statutory requirements.

Much of the increased investment has been in infrastructure so that the Kansas Star can evolve and sustain additional and more diverse economic development and new amenities to continually remain a "must see" attraction for new and existing customers alike and to attract out of state visitors to Kansas.

The fact that Sedgwick County voters rejected slot machines at the dog track was a major influence in our decision to invest in south central Kansas.

To change the rules after the fact would be totally unfair and contrary to the unique public-private partnership created by SB 66 and which has resulted in three-quarters of a billion dollars in capital investment in Kansas without any taxpayer incentives, subsidies or abatements.

Regarding the two other main components in SB 319, we are neutral on the race track tax rates and are supportive of the language dealing with the Southeast Zone.

We oppose the section of SB 319 which significantly changes the market conditions in south central Kansas.

Thank you.

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