



Testimony

Unified Government Public Relations
701 N. 7th Street, Room 620
Kansas City, Kansas 66101

Mike Taylor, Public Relations Director
913.573.5565 mtaylor@wycokck.org

Senate Bill 463 STAR Bond Reauthorization

Delivered March 16, 2012
Senate Ways and Means Committee

The Unified Government of Wyandotte County/Kansas City supports Senate Bill 463. STAR Bonds are a successful economic development tool which have helped fuel the most successful economic development project in Kansas: Village West and The Legends shopping and tourism area in Kansas City, Kansas.

The economic successes of the public/private partnerships which created Village West and Kansas Speedway are well documented and the results are impressive. 10-million visitors annually. \$811-million in combined public and private investment. 114 businesses, including 28 restaurants, are open in Village West, employing nearly 5,000 persons. Those businesses generate more than \$610-million in retail sales. Local and state sales tax, use and transient guest tax collections top \$41-million annually.

The Legends and Village West pay more than \$11-million a year in property taxes. Before the Kansas Speedway and Village West developed, the 1,200 acres where the two sit generated only \$208,409 a year in property taxes and virtually no sales tax revenue. The total tax base in the area has increased 2,600% since the development was built.

The Village West development has sparked construction of surrounding retail which is not part of the STAR Bond district, including a Wal-Mart Supercenter, Sam's Club, Best Buy, Kohl's Department store, JC Penney, Target, Payless Shoes, National Tire and Battery and Olive Garden, Red Lobster, Logan's Roadhouse and Jack-in-the-Box restaurants. Those retail establishments generate sales tax which goes to the State of Kansas, Unified Government and schools.

The most recent success is the \$400-million deal which brought the LiveStrong Sporting Park and Sporting KC Major League Soccer team to Village West. But the real benefit is the major expansion of the Cerner Corporation which will bring twin nine story office towers and 4,500 new high-paying healthcare technology jobs to Kansas.

The success of Village West continues as the Unified Government continues to payoff millions of dollars in STAR Bonds ahead of schedule. Because of strong revenues generated by Village West businesses, a \$27-million pre-payment toward outstanding STAR Bond debt was made recently. That payment is above and beyond the scheduled amount due. So far this year, \$44.7-million in STAR Bonds have been paid-off.

The Unified Government issued nearly \$295-million in STAR Bonds between 2001 and 2005. By the end of 2011, only \$85.5-million was left. With this high level of pre-payment, it's projected the 2005 STAR bonds used to help build The Legends Shopping Center will be paid-off in 2013.

Once those 2005 STAR bonds are paid, revenues will then be used to pay-off the bonds used to build the LiveStrong Sporting Park. All of the Village West STAR Bonds are projected to be paid-off by 2017, four years ahead of the original payment schedule.

Senate Ways and Means

Date: 03-16-2012

Attachment: 7