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DON HINEMAN
118TH DISTRICT

House Tax Committee
Marvin KleeB, Chairman
February 17, 2016

Testimony in Support of HB 2604

Thank you, Chairman KleeB and members of the committee, for the opportunity to appear before you today. I am here to lend my support for HB 2604, which would grant sales tax exemption to Gove County Healthcare Endowment Foundation Inc. relating to construction costs for a new airport at Quinter.

Gove County is one of only two counties in Kansas without an airport. And although the county is sparsely populated and its largest town is Quinter, with a population of about 900, Gove County Medical Center has developed into a regional healthcare hub, with a staff of six physicians. Additionally the medical center has had an active preceptorship program for many years, and many physicians now practicing throughout Kansas spent some time during their medical school years getting first-hand experience in Quinter.

The Aviation Division of KDOT has now awarded a grant to the endowment foundation for the purposes of constructing an airport just outside of Quinter. This represents the missing link in the Gove County healthcare delivery system, and will enable the timely transport of critically ill or injured patients to needed healthcare outside of the local area by air ambulance. It will further enhance the local healthcare system by providing means of transportation for visiting healthcare specialists or for recruiting new medical personnel.

In addition, an airport will serve as an attractive amenity to the area and will be an enticement to recruit new businesses and residents to the area.

The endowment foundation functions entirely on contributions. Therefore granting sales tax exemption for the airport may determine whether the project can actually be completed.

QUINTER AIRPORT FACTS

QUINTER, KS

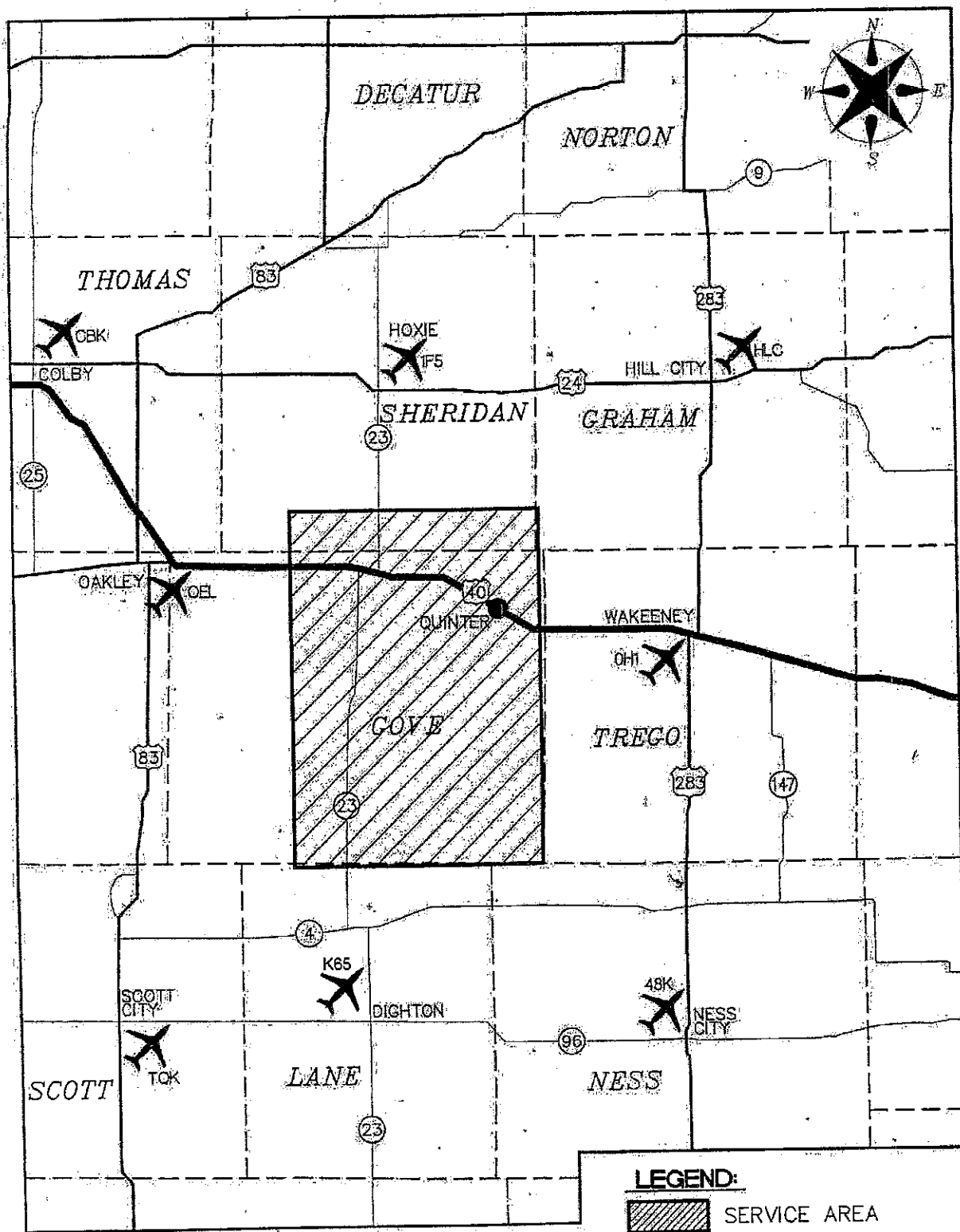
NEED:

- According to KDOT Aviation, Gove County was 1 of 5 counties in the State that had a gap and was an underserved area for access to air transportation - 60 miles between WaKeeney and Oakley (east & west), and a gap of 65 miles between Hoxie to Dighton (north & south).
- Gove County Medical Center – Quinter, KS is a modern facility with a Critical Access Hospital (CAH) status and the largest employer in Gove County with over 200 employees.
- Blue Stem Medical has 6 medical doctors who live locally in Quinter, KS and utilize Gove County Medical Center as well as they satellite the facilities in Sheridan County.
- Trauma patients from Gove County Medical Center have to be transported to other nearby airports for air ambulance causing delays which can be critical to the patient's life.
- The airport facility will be located in Quinter, KS, off of a blacktop road approximately 1 mile south of Quinter, a community of approximately 900 people.
- Gove County itself has a population total of approximately 2900 covering 1072 square miles, which includes the 5 towns of Quinter, Park, Grainfield, Grinnell, and Gove KS.
- For the future, medical air-transportation would coincide and help Gove County Medical Center maintain its premier Critical Access Hospital status.
- Gove County Healthcare Endowment Foundation is a 501c3 IRS determination status and is separate entity from the Gove County Medical Center.
- The Endowment Foundation was organized in 1989 to bring healthcare related projects into Gove County and surrounding Gove County communities to benefit the patients of Gove County Medical Center.
- The Endowment Foundation is funded only by donations, fund raisers, memorials, and sometimes estates will leave funds to the Endowment.
- The Endowment has brought approximately \$1.9 million of healthcare related projects into Gove County since 1989.
- The airport project was discussed and needed 20 years ago – however no organization, city, or county government took the initiative to elevate the importance of this need.
- At the request of the medical doctors, the Endowment Foundation started the project in 2011 with the help of KDOT Aviation Grants.
- Patient base for the Blue Stem Medical and Gove County Medical Center is in excess of 12,500 patients.

- The Quinter Airport project is owned by Gove County Healthcare Endowment Foundation – Quinter, KS and will be a public airport for community infrastructure as well as provide air ambulance.
- The Endowment Foundation has supported the Airport Project financially through the Design Phase, underground wires buried, water well, zoning, and percentage match for KDOT Aviation grants
- The large current grant from KDOT Aviation is for the grading the runway and paving the concrete runway and was awarded in October 2015.
- Mike King, Secretary of Transportation, was present at our town hall meetings to observe the need which were represented and included: medical employees, doctors, Hospital Board members, Endowment Board members, ambulance, City, County, County commissioners, the public, State Representative Hineman, Senator Ostmeyer, and others.
- By having both the grading and paving into one project creates over \$410,000 in savings on the airport project.
- The total of grants awarded by KDOT Aviation since 2011 - total approximately \$2.7 million of actual funds being infused by KDOT Aviation in addition to the matching percentage the Endowment has made.
- When the total entire project is completed, KDOT will have contributed approximately 80% and the Endowment Foundation 20%.
- The total finished airport will be approximately \$3.5 million.
- The Endowment Foundation has asked Don Hineman (State Representative) to draft legislation for this project to be exempt from Sales Tax.
- Pending bids received for the project have the sales tax included whereas the Endowment Foundation does not have an exemption for sales tax.
- Since funding is limited for this project for Gove County Healthcare Endowment Foundation (501c3 IRS designation), it would be vitally important to get the sales tax exemption for this project.
- The final stages for the airport project are estimated to begin grading in June 2016 and the concrete runway construction completed by Oct 2016.
- The Gove County Healthcare Endowment Foundation has no financial gain in the Quinter Airport as it is a community project the Endowment originated in 2011 for improving healthcare services in the Gove County community.

TIMETABLES

October 2011	Signed Agreement to start Feasibility Study & Phase I Plan
December 2012	Feasibility Study Grant \$18,300.00 KDOT Grant (5% Funds – Endowment)
June 2012	Phase I Development \$17,100.00 KDOT Grant (5% Funds – Endowment)
October 2013	Phase 2 Development \$40,000.00 KDOT Grant (5% Funds – Endowment)
October 2013	Purchased 120 acres Land for Airport \$640,000.00 KDOT Grant
October 2013	Signed Agreement to start Phase II Plan
March 2014	Phase II Plan completed
October 2014	Purchased additional 22 acres of land (142 acres total) (10% Funds – Endowment) Part of the land grant above Oct. 2013
September 2014	Design Phase \$201,500.00 Endow. Funds Bury Underground Electric Lines Install Water Well Airport Protection Plan (Zoning)
August 2015	Grading & Paving New Airport Apron, access road, etc. \$2.533 Million – KDOT Grant (Funding Maximum \$1,960,000.00) Actual dollars for KDOT to pay & Endowment has to match the balance Endowment will have to have a completed up & running runway with this KDOT Aviation grant.



PROJECT NO: 011-2202

DRAWN BY: MDO

DATE: JAN, 2012

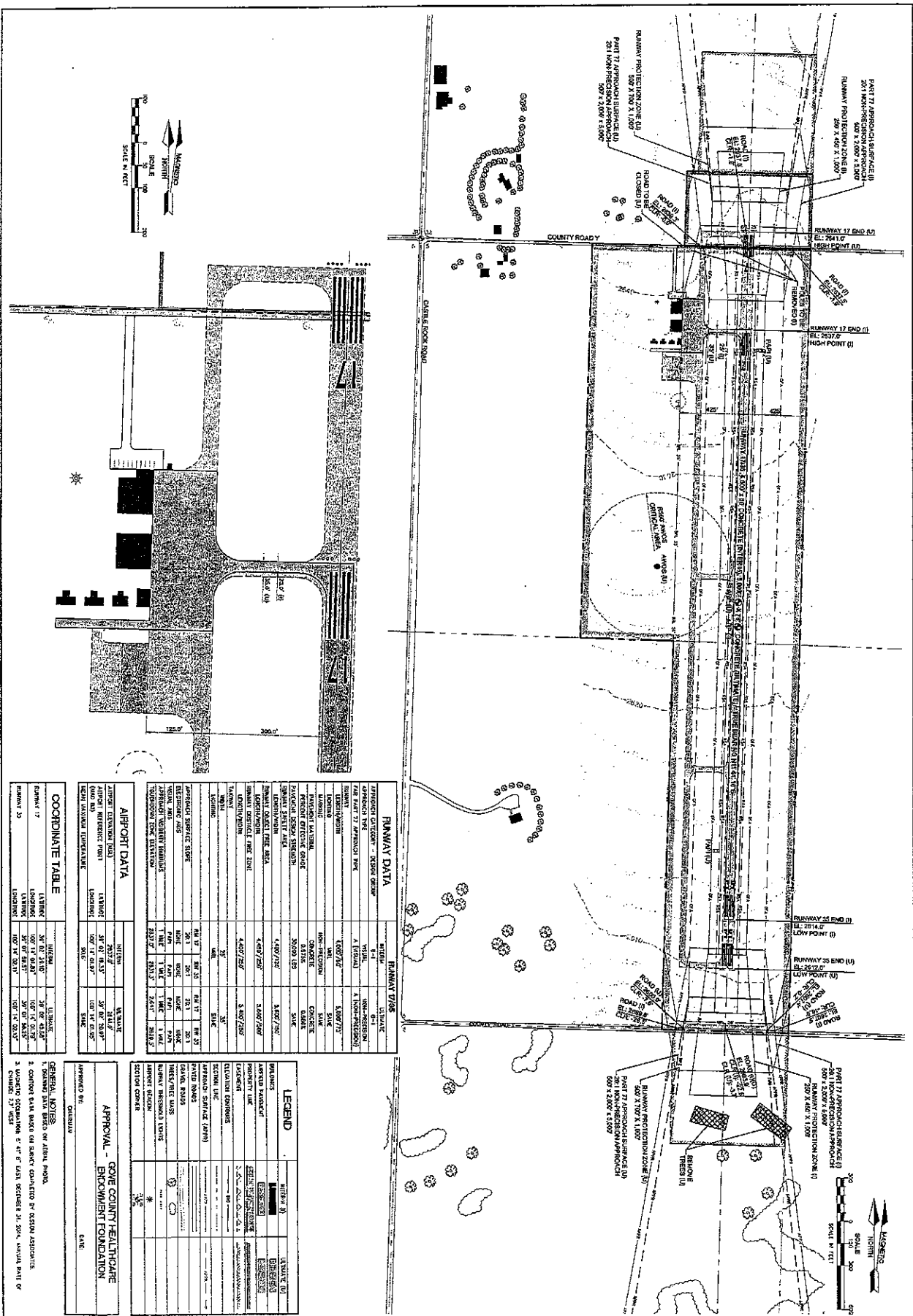
VICINITY MAP

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EXHIBIT

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1 of 2	Drawn by: JAB checked by: JAB approved by: JAB PROJECT NO.: 2011-2012-202 DESIGN NAME: 7/12/2012-AP DATE: 5/2/2012 AIRPORT LAYOUT DRAWING AIRPORT LAYOUT DRAWING KAIP PROJECT AC-2013-14 PROPOSED AIRPORT QUINTER, KANSAS	

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