



House Committee on Taxation
Hearing on HB 2609
March 9, 2016
Statement by Lyle Butler, CEO/President

Mr. Chairman, I am Lyle Butler, President/CEO of the Manhattan Area Chamber of Commerce. I have been in my present position for 15 years with a total of 26 years in the chamber/economic development profession, mostly in the state of Kansas. My purpose here today is to briefly share my thoughts relating to the potential negative impacts a local tax lid could have on the creation of quality jobs in my community.

To best make my points I would like to use as an example the National Bio Agro-Defense Facility (NBAF) now under construction in Manhattan. As a quick brief on the project, this is a 1.25 billion dollar project that will have over 900 constructions workers for the next 5 years building a 580,000 square ft. facility, followed by 400 plus highly paid permanent employees with a 30 million dollar annual payroll with a 3.6 billion dollar state impact over its first 20 years.

This project took the joint support of all our federal, state and local officials to make this project happen. For our local community, it meant providing an almost 5 million dollar investment in water and sewer infrastructure. How could we do such a project like this if we had a tax lid? And we are not done with the local investment. When completed new road infrastructure will be needed along with expanded capabilities of all our local emergency personnel. We certainly are not complaining about our local financial role to make this project happen but we are concerned that a tax lid will force some unnecessary hardships.

Our community over-whelmingly supported this effort to attract NBAF to our community. Under some of the proposed tax lid legislation, our community might have been prevented from competing for this project or for some of our other economic development projects. From a job creation perspective we are very fortunate in Manhattan for over the last 10 years to have been in the top 2 cities for net or percentage growth of jobs.

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With Job growth at NBAF, Fort Riley, K-State and other local businesses comes the need for new housing...just three weeks ago the City of Manhattan started the approval process for a 310 acre housing subdivision on the northwest side of our City. Under some of the scenarios, how does the City provide the infrastructure to allow housing in a timely manner under some of the current tax lid proposals?

Finally, the City of Manhattan, Kansas State University and the Manhattan Area Chamber of Commerce are working with various consultants to plan for a new research corridor in the north part of our city. The focus and conservative plan is the creation of 5,000 quality jobs that will support Research for NBAF, Food Safety, Animal Science, Grain Science and other research strengths at K-State. Our community needs flexibility and not additional restrictions that would limit our job growth potential.

My goal today was to share with you my concerns of how tax lids would jeopardize job creation and growth, not just in Manhattan, but across the State of Kansas. Communities want to and in some cases need to create jobs and so does the State of Kansas. I want to urge the Kansas Legislature to amend or repeal the tax lid legislation as it relates to restricting job growth in this state.

Thank you.

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