

# GREAT PLAINS DEVELOPMENT AUTHORITY

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Testimony of Michael Johnston on behalf of the Great Plains Development Authority in support of HB 2230 and HB 2314 before the House Tax Committee.

Chairman Johnson and members of the committee:

My name is Michael Johnston and I appear here today on behalf of the Great Plains Development Authority (Great Plains) in support of HB 2230 and HB 2314. The former Kansas Army Ammunition Plant, now the Great Plains Industrial Park, is a 13,727-acre facility, which has the potential to grow into a significant economic engine for Southeast Kansas and dramatically increase its tax base and employment opportunities. Great Plains was created by the Labette County Commission by ordinance in 2008 to acquire and redevelopment all or parts of the former Kansas Army Ammunition Plant near Parsons. The authority used to create the Great Plains is contained in KSA 19-4904. I have with me today the Great Plains Chairman James McCarty, Vice Chair Mike Reed, and its CEO Daniel Mann, to help answer any questions you may have.

The ammunition plant was closed as part of the 2005 BRAC (Base Realignment and Closure) process. It was built in the early 1940's to support the war effort at the time. The plant was also active in building munitions to support both the Korean, Vietnam, and Gulf War conflicts as well.

Great Plains requests these two bills to give the Labette County Commission additional tools to assist Great Plains in their redevelopment efforts. HB 2230 deals with the ability of the Labette Commission, at its sole discretion, to abate property tax for "leased" property only within the redevelopment of the former federal enclave. Under current law, property tax abatement by cities and counties can only be granted for property that is owned. The problem lies with the fact that all of the buildings located at Great Plains are under either a federal EPA RCRA Permit or a State of Kansas Environmental Use Control due to their previous use and level of remediation that has



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been performed on the site after the U.S. Army's departure. Most businesses are seriously reluctant to enter into those same required permits and controls when they become the owner of the property. Hence, lines 11 to 13 make clear that property owned by the Great Plains could be "leased" to a business and be eligible for property tax abatement by resolution of the commission. Again, the bill authorizes this action by the commission—it does not require it, and the provisions are only applicable to the development within the former federal enclave, which has an established redevelopment district

The second bill, HB 2314, deals with use of property tax generated within the redevelopment district. Specifically, the bill would authorize the Labette County Commission, at its sole discretion, to designate "any portion or all" of the ad valorem taxes collected with respect to properties located within the redevelopment district for the cost of a wide range of activities associated with economic development within the redevelopment district. The bill also authorizes the commission to issue general obligation or special purpose bonds to finance improvements within the redevelopment district.

Finally, the bill permits other taxing units in the redevelopment district to "opt out" if the governing bodies of those taxing units, by resolution, concludes that the payment of those property taxes will have an "adverse effect" on those taxing units.

You, as legislators, are faced with many challenges as you search for ways to improve the economy and the State. We in Southeast Kansas have a wonderful opportunity to help in those efforts – if we have the correct tools. Today, we are here asking for your support on HB 2230 and HB 2314 so we have the ability to rise above the burden of a congressionally imposed shut down of the once largest employer in Southeast Kansas – the Kansas Army Ammunition Plant.

Thank you again Chairman Johnson for the opportunity to appear in support of these measures on behalf of the Great Plains Development Authority.

