

Dakota Tucker
Mayor of St. John
In support of HB 2607
February 13, 2018

Members of the House of Representatives, thank you for the opportunity to speak today. My name is Dakota Tucker and I am the Mayor of St. John. The town of St. John is adamantly in support of developing a local grocery store, and as such I speak in support of HB 2607.

When Dillons announced it would close in February 2016 it was a shockwave through the town. The City knew it needed to do something. A town hall meeting was held that garnered a huge turnout. The City Council named a Grocery Store Task Force to consider options and make recommendations to the City.

Early on it was understood that the City would have to play some part in getting a new business established, and that it would need financial resources to be able to do so. The City proposed a 1% local sales tax to be voted on by the public in August 2016, and it passed. The City will dedicate a majority of what it collects in this citywide sales tax to the grocery project, \$50,000 each year for 10 years.

Initially, there was considerable thought given to trying obtain the building where Dillons had operated. However, as more information was gathered including a professional market feasibility study commissioned in partnership with Stafford County Economic Development, the Grocery Task Force realized that it was not likely a business would succeed in the former building. A larger building, in a higher traffic location with the ability to stock the variety of items that modern consumers demand and more services such as a deli, a pharmacy, and fuel pumps was planned. The Grocery Task Force made a formal recommendation that a new building be built, and that it be led by Stafford County Economic Development, which has the organizational capacity to own land, acquire debt, and manage the project. The cost of development, would, however, take far more to finance this than what could be offset by either the funding collected by the City sales tax or the amount of rent that could be collected from a business of this size.

Stafford County Economic Development recommended the City consider a Tax Increment Finance plan. While this may be common in other parts of the state, it is not in rural Kansas and the legal expertise was not readily available. With the assistance of a \$15,000 grant from Sunflower Foundation, Stafford EcoDevo hired a firm from Kansas City with experience in TIF financing that guided the City Council through the process. The result is a TIF plan that will dedicate the incremental sales and property tax to paying the debt for the grocery store. This will collect an estimated \$75,000 per year for 20 years, which will offset about \$1 million of the debt.

So, you can see that much effort has led to this point, and that at each step of the way the City of St. John has risen to the challenge of doing what was seen as helpful or necessary to enable the grocery store project to move forward. It required City Council votes to put the sales tax measure on the ballot, and a total of four votes over a four month period were needed to enact the TIF. Each vote had overwhelming support, even though we also struggle with limited resources and operate in a politically conservative environment.

We see this as a fork in the road that determines whether the town will survive. We are not asking for the State's support of this project without having first done all within our power to help it succeed locally. Please consider HB 2607 favorably.