

Date: January 31, 2022

To: Chairman Tarwater

From: Debra Teufel, Greater Hutch Economic Development/Hutch Chamber President & CEO

Re: House Bill 2497

As the lead economic development agency in Hutchinson and Reno County, the Hutchinson/Reno County Chamber of Commerce and our Greater Hutch division have the opportunity to regularly promote our county and region for large industrial recruitment projects. We appreciate the work of the Commerce team as the front line for recruitment of economic development projects that have the potential to have a major impact on our state and local economies through significant investment and job creation.

However, in some cases, when competing with other states, our toolkit may not offer the robust incentive structure or flexibility to put Kansas in the MOST competitive position. As a local economic developer who has worked in this field in Kansas for two decades, it pains me to see Kansas fall short of making the cut for large projects due to the tools in our toolkit. We have the best workforce, the best site and location, the best quality of life and the best education. But let's be honest, in a site selection industry that is really a business of site elimination vs. selection, Kansas needs to have the best tools in the toolkit that allow us to play at the highest level.

For these reasons, our Chamber has made economic development a top priority in our public policy agenda, and we fully support the proposal before your committees to create a program that will allow Kansas to be aggressive and competitive for megaprojects. Kansas must be aggressive in implementing and maintaining economic development policies and resources that support business development and job growth in order to compete with other states and communities that dedicate substantial resources to economic development.

For these reasons we support House Bill 2497 with the proposed APEX legislation – Attracting Powerful Economic Expansion – which would allow Kansas the flexibility needed to compete on the largest megaprojects looking at Kansas. These programs should also apply not only to the investing firm, but to qualified suppliers that may consider Kansas as well.

You may ask why these incentives are needed. The answer is evident – Kansas has lost out on many megaprojects in recent years due to the robust programs and competitiveness of other states. In order for our Kansas communities to attract people, we must first demonstrate that we can attract and win new investments. Rural communities are shrinking faster than metropolitan areas, but all regions of the state rely

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on strong regional economies to survive. College students are choosing to leave Kansas at an alarming rate. Students educated with the best technical education are choosing to leave Kansas for higher wages in neighboring states. As economic developers and state leaders, we must do ALL we can to address the leakage from the very resource that we have invested in – our students and future workforce.

We owe it to Kansas families and graduating students to create jobs at a faster pace. We need to equip our economic development front lines with the means to compete for megaprojects. Now is the time, as more companies are choosing to invest in manufacturing centers in the US. We don't have time to wait as there are projects on the table this year that could make a difference in growing the Kansas economy.

Hutchinson has invested in our own certified shovel ready industrial park and has plans for future site development to put us on the map for larger megaprojects in the future along the K-96 corridor, and because of our unique position in central Kansas, we often have the opportunity to present our industrial sites for large projects. Over the last two years we have submitted our sites and communities for many prospects who present the opportunity for Kansas to respond to requests for proposals. We have seen more and more of these projects pass Kansas by. We know that we won't win them all, but nonetheless we have a compelling site, robust local economic development support, and a state economic development team of professionals that represent us well on the front lines of the competition to present Kansas for these opportunities. We simply need the final ingredient to push our site over the finish line for megaprojects.

Please vote to support House Bill 2497 and put Kansas back on the map to compete.

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