



**Senate Committee on Commerce  
Hearing on Senate Bill 124  
Hearing Date – February 9, 2021**

**Written Testimony in support of SB 124 on behalf of the City of Manhattan  
By Ron Fehr, City Manager**

Good afternoon Chair Olson, Vice Chair Steffen and Honorable Members of the Senate Committee on Commerce.

**The City of Manhattan supports SB 124**, amending the STAR Bonds program, which includes rural development projects and major business facilities along with implementing important changes to the program. The City of Manhattan and State of Kansas are beneficiaries of the STAR Bond program through the city's successful Downtown Redevelopment Project which centered on the construction of the Flint Hills Discovery Center.

- The City of Manhattan was awarded STAR Bonds by the Secretary of Commerce in November of 2006. The City issued \$50 million in STAR bonds in 2009 toward Manhattan's Downtown Redevelopment, including the construction of the Flint Hills Discovery Center, which sees over 70,000 visitors annually.
- Over \$100M of private investment was leveraged during Manhattan's Downtown Redevelop due to the influence of STAR Bonds. Due to these investments, the property valuation downtown district grew from \$15.9 million in 2006 to over \$42 million in valuation today.
- The city's Downtown Redevelopment Project has led to creation of hundreds of jobs, including the location of CivicPlus, Inc. headquarters one block west of the Flint Hills Discovery Center, employing over 250 people in high paying technology jobs. The downtown redevelopment also led to major retail developments in the STAR Bond district, which now generates an additional \$5 million annually in state and local sales taxes. The project has been so successful that Manhattan STAR Bonds are forecasted to retire early, well in advance of the district life of 2026.
- The State of Kansas has benefited significantly from this project through increased corporate and individual income taxes as well as future sales taxes through expanded corporate and retail development that would not have occurred in the state or Manhattan but for this STAR Bond led redevelopment project.



- The City of Manhattan opposes any changes in state law that would restrict the flexibility of cities to use financing tools such as STAR bonds to promote economic development in their communities and the State of Kansas.

For all the reasons stated above, the City of Manhattan supports SB 124 amending the STAR Bonds program. Thank you for your time and consideration.