



To: Senate Commerce Committee

From: Lisa Stubbs, Chairperson of the Metropolitan Topeka Airport Authority
and Mike Munson, Board Member of the Metropolitan Topeka Airport Authority

Presented By: John Federico; The Federico // Duerst Consulting Group

Date: March 15, 2023

Re: House Bill 2336 – Proponent Testimony

On behalf of the Metropolitan Topeka Airport Authority (“MTAA”), we appreciate the opportunity to submit testimony in support of HB 2336. The MTAA is formed pursuant to K.S.A. 27-327 et seq. and operates Philip Billard Municipal Airport, located within the City of Topeka, and Topeka Regional Airport (f/k/a Forbes Air Force Base), located within Shawnee County. The City of Topeka’s mayor with approval from the city council, and the Board of Commissioners of Shawnee County, appoint the members of the Board of Directors which govern the MTAA.

Philip Billard Municipal Airport and Topeka Regional Airport are vital to the economies of Topeka, Shawnee County and northeast Kansas, and present the opportunity for substantial economic growth.¹ Unfortunately, both airports are outdated and in need of substantial renovation and modernization. Our airports lack hangars suitable for modern aircraft and lack the buildings and facilities necessary to attract businesses to Topeka and Shawnee County. While the MTAA and our community leaders are dedicated to the redevelopment and renovation of our airports, the MTAA is in need of additional tools and resources to assist in these efforts.

The MTAA Board is currently evaluating a number of exciting improvements at our airports. Most notable is a site development project at Topeka Regional Airport relating to an MRO facility for NIAR WERX, which alone promises to bring hundreds of jobs and ancillary business to Topeka, and assist in expanding our aviation footprint. The most recent estimate of site preparation expenses, including infrastructure and addressing substantial grade and drainage issues, is \$30 million. This figure does not include the additional and substantial expense of constructing the

¹ Most recent available data from KDOT Aviation Impact Study pegs Billard Airport at \$20 million in total annual output and Topeka Regional Airport at \$162 million in total annual output. See <https://www.ksdot.gov/Assets/wwwksdotorg/bureaus/divAviation/pdf/2016EISExecutiveSummary.pdf>

MRO hangar. In addition to the MRO facility development, the MTAA Board is also considering redevelopment of the Topeka Regional Business Center and constructing new hangars along the Topeka Regional Airport flightline, as well as new t-hangars and a box hangar adjacent to the terminal building at Billard Airport.

One tool available to the MTAA is the use of general obligation bonds to finance improvements. See K.S.A. 27-334(b). While the legislature vested an airport authority such as the MTAA with this authority in 1978, the MTAA's authority to issue general obligation bonds without an election is capped at \$1 million. This amount has not been changed since 1978. For this reason, and with significant opportunity ahead of us, we respectfully ask that you advance HB2336 and allow the MTAA to increase its' bonding authority. Towards that end, we ask for your support of the attached amendment that would set that authority at the hard cap of 1.85% of all assessed value within Shawnee County.

We ask for your support of HB2336 and our proposed amendment to update a 40+ year statute and increase the MTAA's authority to issue general obligation bonds to facilitate the improvements necessary to modernize our airports and drive economic growth in our area.

Thank you.

HOUSE BILL No. 2336

By Committee on Transportation

2-7

Proposed Amendment
Senate Committee on Commerce

3/13/2023

Providing for increased bonding authority up to the statutory limit in current law.

Prepared by Office of Revisor of Statutes

1 AN ACT concerning the surplus property and public airport authority act;
2 relating to bonding authority; providing for increased bonding authority
3 up to \$10,000,000; amending K.S.A. 27-334 and repealing the existing
4 section.

up to the statutory limit

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 27-334 is hereby amended to read as follows: 27-
8 334. (a) The authority may issue its own general obligation bonds, revenue
9 bonds and industrial revenue bonds as provided by this section.

10 (b) Prior to the issuance of general obligation bonds ~~in an amount less~~
11 ~~than \$1,000,000 \$10,000,000~~, the board of directors of the authority shall
12 adopt a resolution setting forth the principal amounts of and the purpose
13 for which the bonds are to be issued; and shall cause ~~the same such~~
14 *resolution* to be published once each week for two consecutive weeks in
15 the official county newspaper. If, within 30 days after publication of the
16 resolution, a petition in opposition to the issuance of the bonds; signed by
17 not less than 5% of the qualified electors of the county is filed with the
18 county election officer, the board of directors shall submit the proposed
19 issuance of general obligation bonds to the electors of the county in the
20 manner provided in the general bond law. If a majority of the voters voting
21 on the proposition at the election vote in favor of the issuance, the bonds
22 may be issued by the authority.

Strikes in lines 10 and 11

23 ~~The board of directors shall submit any proposed issuance of general~~
24 ~~obligation bonds in an amount which that is equal to or which exceeds~~
25 ~~\$1,000,000 \$10,000,000 for approval at a primary or general election by~~
26 ~~the qualified electors of the county. The election shall be called and held in~~
27 ~~the manner provided by the general bond law. If a majority of the voters~~
28 ~~voting on the question vote in favor thereof, the bonds may be issued in~~
29 ~~the manner provided by the general bond law. Whenever an election has~~
30 ~~been called in which all of the qualified electors of the county are eligible~~
31 ~~to vote, the board also may submit for approval at such election any~~
32 ~~proposed issuance of general obligation bonds in an amount which that is~~
33 ~~equal to or which exceeds \$1,000,000 \$10,000,000.~~

Striking all in lines 23-33

34 General obligation bonds of the authority shall not be issued in an
35 amount in excess of 1.85% of the assessed valuation of all the taxable
36 tangible property within the county as shown by the assessment books of

1 the previous year. The general obligation bonds of the authority shall be
2 authorized, issued, registered and sold in the manner provided by the
3 general bond law and shall bear interest at a rate not to exceed the
4 maximum rate prescribed by K.S.A. 10-1009, and amendments thereto.
5 The full faith and credit of the authority shall be pledged to the payment of
6 the general obligation bonds of the authority. The general obligation bonds
7 of the authority shall not constitute a debt or obligation of the city or
8 county.

9 (c) The authority may issue revenue bonds ~~from time to time~~ for the
10 purpose of purchasing, constructing or otherwise acquiring, repairing,
11 extending or improving any property or facility of the authority and may
12 pledge to the payment of the revenue bonds, both principal and interest,
13 any rental, rates, fees or charges derived or to be derived by the authority
14 from property or facilities owned or operated by it. The revenue bonds of
15 the authority shall mature not later than 35 years after the date of issuance.
16 The revenue bonds shall bear interest at a rate not exceeding the maximum
17 rate of interest prescribed by K.S.A. 10-1009, and amendments thereto.
18 The bonds and any interest coupons shall be negotiable. The bonds shall
19 contain recitals stating the authority under which the bonds are issued, that
20 they are issued in conformity with the provisions, restrictions and
21 limitations of the authority and that the bonds and interest thereon shall be
22 paid by the issuing authority from any rental, rates, fees or charges derived
23 or to be derived by the authority from property or facilities owned or
24 operated by it and not from any other fund or source. The bonds shall be
25 registered in the office of the secretary or clerk of the authority issuing the
26 bonds.

27 (d) The authority may issue the industrial revenue bonds of the
28 authority in the manner provided by K.S.A. 12-1740 ~~to~~ through 12-1749,
29 ~~inclusive~~, and amendments thereto, and any other applicable provisions of
30 law.

31 (e) The board of directors may, on its own initiative, submit any
32 proposed issuance of bonds for approval; by the qualified electors of the
33 county at a primary or general election. Such election shall be otherwise
34 called and held in the manner provided by the general bond law. Whenever
35 an election has been called in which all the qualified electors of the county
36 are eligible to vote, the board also may submit the question of issuing such
37 bonds for approval at such election.

38 Sec. 2. K.S.A. 27-334 is hereby repealed.

39 Sec. 3. This act shall take effect and be in force from and after its
40 publication in the statute book.