

MINUTES OF THE HOUSE NEW ECONOMY COMMITTEE.

The meeting was called to order by Chairperson Bill Mason at 3:39 p.m. on February 21, 2002 in Room 241-N of the Capitol.

All members were present

Committee staff present:

April Holman, Legislative Research Department  
Bob Nugent, Office of Revisor of Statutes  
Renaë Jefferies, Office of Revisor Statutes  
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Dean Carlson - Secretary, Department of Transportation  
Joe Fritton - Director of Facilities Management  
Larry Robbins, Plant Manager, Goodyear Tire and Rubber Company  
Christy Caldwell, The Greater Topeka Chamber of Commerce  
Bonnie Sharp, Representative of Kansas Legislature  
Roger Haden, Deputy Secretary of Programs of Correctional Industries  
Greg DuMars, City of Lindsborg (written testimony only)

Others attending:

See attached list

The Chairman opened the hearing on **HB2950**. Staff briefed the Committee, stating the bill would require that any expenditures from the State Highway fund, or any special revenue fund of the Department of Transportation or any other agency, for fiscal year 2002 or 2003, that would be used for the construction of a tunnel network in the Capitol Area Complex, must be specially approved by acts of the Legislature.

Joe Fritton, Director of Facilities Management, spoke in support of the pedestrian and utility tunnels in the Capitol Complex and outlined the history of the project (Attachment 1). Replacement of the existing utility tunnels and construction of the new utility tunnels would require \$3.8 million in state funds. By building the pedestrian tunnels in conjunction with the utility tunnels, only \$1 million of state funds will be needed due to \$10 million in Federal funds. A large hand-out reflecting pictures of the existing tunnel compared to how a new tunnel would appear and a map reflecting the proposed tunnel locations were distributed to the Committee (copy on file at the Department of Administration).

Discussion followed regarding how the Federal Dollars (\$10 million) would be used if **HB 2950** past, source of the state portion of funding, percent of the tunnel that needs to be replaced, pros and cons of burying cables in the ground, who benefits from the pedestrian tunnels and what security measures would be in place for use of the tunnel and the parking garage. Mr. Fritton invited interested Committee members to tour the existing tunnel.

Questions were raised regarding whether the tunnel would meet the requirements of the resolution requiring new projects be in compliance with the energy conservation issues. Mr. Fritton agreed to check and provide additional information to Representative Kuether. The design and dimensions of the tunnels were described as well as the time frame for development and construction.

The need for a tunnel to the SBG building was questioned and additional costs for that portion of tunnel were explained. Discussion followed regarding what additional costs the state would bear that are beyond the federal dollars for the tunnel project, and the rationale behind building the pedestrian tunnels at this time.

Secretary Carlson briefed the Committee on the history of events that developed into the projects current design (Attachment 2). He stated that the project complies with program requirements and the Federal Highway Administration has agreed that it is an appropriate use of funds. He spoke of the difficulty in getting information out to the public, stating that the media had blown the issue out of proportion. He addressed the security and energy issues associated with the tunnels.

Discussion followed regarding the use of those federal funds in past years and the time frame in which

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those funds must be used. Representatives expressed frustration over the timing of the project, due to budget constraints, and how many constituents view this tunnel expenditure. The Chairman called attention to a letter from Greg DuMars, City of Lindsborg, voicing opposition to the tunnel project (Attachment 3), before closing the hearing on **HB 2950**.

The Chairman opened the hearing on **HB 2962**, an act concerning Kansas investments in major projects. Staff explained the bill would lower the threshold to qualify for the IMPACT program and reviewed the fiscal note.

Larry Robbins, Goodyear Plant Manager, appeared in support of **HB 2962** (Attachment 4). He reviewed the Topeka Plant's history, its impact on the Community, current opportunities for Topeka and the future viability of the Plant. He concluded by stating that investment in business is critical for growth.

Christi Caldwell, Vice President of the Greater Topeka Chamber of Commerce, expressed their support for **HB 2962**. By reducing the thresholds in the IMPACT act companies across the state may be able to utilize this program as they work to preserve existing jobs and/or create new ones.

Discussion followed regarding the fiscal impact on the state and the history of usage of the existing bill. The Chairman closed the hearing on **HB 2962**.

The Chairman opened the hearing on **HB 2965**. Staff explained the bill seeks to establish a three year pilot affordable housing program where the Secretary of Corrections would use inmate labor to build small, low cost housing and the fiscal impact of the startup costs.

Representative Bonnie Sharp testified on behalf of **HB 2965**, a Kansas Futures Committee bill (Attachment 5). She reviewed the program's history that started in 1996 in South Dakota and outlined six things the bill would accomplish. The program provides prisoners with the opportunity to learn new skills, seniors a small, low maintenance home so they can continue to be independent, and larger homes (being vacated by senior citizens) to be sold to younger families. Discussion followed regarding the funding mechanism, competition and resistance to builders.

Roger Haden, Deputy Secretary of Corrections appeared in support of **HB 2965** (Attachment 6). The Department believes such a program has merit and could further the State's interest in both providing affordable housing for qualified citizens and in providing valuable employment training and work experience for inmates in the correctional system. His testimony included; affordable housing program assumptions, cost estimates, initial inventory, total startup cost and estimated selling price. In conclusion he stated that if they are to proceed with this program, they will need to receive the startup and operating costs as the Department would not be able to absorb these expenditures.

Discussion followed regarding the unit pricing compared to private industries homes. Details on the original program in South Dakota were described.

The Chairman closed the hearing on **HB 2965**.

The next meeting is February 26 in Room 522-S.

The meeting adjourned at 5:30 p.m.