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**Testimony in Favor of Stadium STAR Bond Legislation  
June 17, 2024**

Conference Committee on Senate and House Commerce

Chair Erickson, Chair Tarwater and Honorable Members of the Senate and House Commerce Committees, thank you for the opportunity to appear before you today in favor of the proposed legislation for stadium STAR bonds. My name is Korb Maxwell with Polsinelli Law Firm, and I represent the Kansas City Chiefs. On behalf of Clark Hunt, the Hunt Family, Mark Donovan, and the entire Chiefs organization, I send my sincere thanks to the Chair and members of this Committee for their willingness to consider and hold hearings on professional sports STAR Bonds, and for being actively engaged in bringing one of the largest commercial projects in state history to fruition. By strengthening the most powerful economic development tool in the State of Kansas, a tool which has made possible the biggest tourism destinations in our state today, including the Kansas Speedway, Children's Mercy Park, and Legend's/Village West, I am confident this legislation will assist us in growing our economy and making Kansas truly major-league.

Throughout my career economic development has been the focus of my practice, including significant experience with STAR Bonds. My firm is very proud to have worked closely with this Committee, the legislature, local governments, and many other interested stakeholders to advance economic growth in Kansas. Having spoken about STAR Bonds to a number of other jurisdictions around the country, I have experienced first-hand the competitive advantage this tool provides our state. Because they recognize the power of STAR Bonds to create tangible and substantial future benefits for communities and regions, this program truly is the envy of many states.

The Kansas STAR Bond Act has a proven track record of driving economic development and consumer destination spending. For example, prior to development of the Kansas Speedway and Village West STAR Bond District, those 1,200 acres generated approximately \$200,000 in annual property tax revenue, and virtually zero sales tax revenue. Today, this area is the number one tourism destination in the State—annually attracting ten million visitors and \$1.2 billion in sales. As of 2010, the total tax base in the area had increased by 2,600%, a figure which has only multiplied following continued development in recent years. Upon establishment of the state's first "big four" professional franchise, these benefits can only be expected to snowball. This impact is not limited only to Wyandotte County, as we've seen positive results in cities statewide, including, but not limited to, Atchison, Garden City, Dodge City, Salina, Wichita, and Goddard. Through professional sports STAR Bonds, we can build upon the program's strong foundation and, in doing so, seize the once-in-a-lifetime opportunity to provide two championship-caliber professional sports franchises a permanent home in Kansas.

Unlike stadium development proposals in other states, this bill imposes zero additional tax on consumers. Rather, paired with hundreds of millions of dollars in private investment, this legislation provides project support entirely from the redirection of existing and future sales tax revenue generated within the district and by the teams. Far from a tax generally imposed upon all consumers in a city, county, or region, this project will be self-supported by the visitor's utilizing the development. Those visitors will see zero impact at the point-of-sale as those who choose to spend their money within the district will pay the exact same state and local sales tax rate as they ordinarily would if the district did not exist. Recognizing that time is of the essence, this bill authorizes an expedited approval process empowering the Secretary of Commerce to secure a transformative project all without intruding upon local governmental review. That is, this legislation preserves local autonomy—giving municipalities and counties the choice of whether to pledge their sales tax revenues to the project, while still maintaining local control over critical development aspects such as zoning, planning, and design approvals. And, as under existing law, taxpayers will never be at risk for covering any STAR Bond revenue shortfall.

As demonstrated by prior STAR Bond projects, development begets development. With a minimum capital investment of at least \$1 billion and the expectation of an actual investment two to three times that amount, this legislation will stimulate adjacent economic activity and catalyze new employment opportunities, expanded visitation, and the cultivation of vibrant local markets. A project of this scope will not only spur new growth, but also strengthen existing development. Bringing up to two world-class, state-of-the-art professional sports stadiums to Kansas will elevate our state into the national spotlight, with the potential to host Super Bowls, World Series, Final Fours, College Football Playoff games, Big XII Championships, concerts, and a variety of other major entertainment and sporting events. Already home to the Soccer Capital of America, dynamic professional and collegiate fan bases, and a NASCAR-affiliated racetrack, Kansas has long demonstrated its status as a premier destination for sports fans of all stripes.

Lamar Hunt was a visionary and, like all visionaries, he saw opportunity where others didn't think to look. As a founder of the American Football League, Mr. Hunt embraced his membership in the group of owners nicknamed the "Foolish Club"—a club that conventional wisdom wrote off as sure to fail. But in moving his team to Kansas City, he recognized this region's potential as a major league destination and knew, if given the opportunity, success would follow. Six decades and four Super Bowl championships later, Lamar Hunt's vision of building an iconic franchise for the Kansas City metropolitan area has been fulfilled.

Mr. Hunt was not the only local leader to understand the importance of professional sports to a region. Following the relocation of the Athletics, Ewing and Muriel Kauffman rallied to bring baseball back to Kansas City because they knew the metro's future economic well-being demanded it. In the words of Mr. Kauffman, "being a major league city means a lot, not only from a public relations standpoint, but from an economic standpoint" and that "this great metropolitan area should have a Major League baseball team."

Ewing Kauffman shared Lamar Hunt's vision of Kansas City as a major league city. Now is the time for us to not only share but expand upon that vision and embrace this generational opportunity to reinvigorate Kansas' economy and cement our status as not only a major league city—but a major league state.

I applaud the Committee for its earnest consideration of professional sports STAR Bonds and rise today as a proponent of the proposed stadium STAR bond legislation.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Korb W. Maxwell', with a stylized, flowing script.

Korb W. Maxwell