

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairperson Representative Kenny Wilk at 3:30 p.m. on February 11, 2003 in Room 522-S of the Capitol.

All members were present except:

Committee staff present: April Holman, Legislative Research  
Debra Hollon, Legislative Research  
Rena Jefferies, Revisor of Statutes  
Fulva Seufert, Committee Secretary

Conferees appearing before the committee: Ed Wolverton, President Wichita Downtown Development  
Carl Brewer, Wichita City Council  
Lori Usher, Vice President of Economic Development for the Wichita Area Chamber of Commerce  
Ray Rancuret, President, Delano Neighborhood Assn.  
John Rolfe, President & CEO, Greater Wichita Convention & Visitors Bureau  
Sam Williams, Partner of Sullivan Higdon & Sink Advertising  
Donald R. Seifert, Policy Development Leader, City of Olathe  
Larry R. Baer, Asst. Legal Counsel, League of Kansas Municipalities  
Bud Burke, Lobbyist

Others attending: See list attached

Chairman Wilk opened the meeting Tuesday, February 11, 2003, by allowing Representative Boyer a point of personal privilege in which he passed out cookies to all the members and guests.

The Chair asked April Holman, Legislative Research, to brief the committee on:

**HB 2208: Tax increment financing and sales tax revenue bonds.**

The Chairman told the committee members that it was his policy to have a staff member brief the committee on technicalities. He also said that he would like to get this bill to conference as soon as possible. The members' attention was called to the following sections:

- New Section 1. on boundaries and maximum maturity of special obligation bonds
- Section 2 (g) "Eligible area" means a blighted area, conservation area, enterprise zone, historic

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT at 3:30 p.m. on February 11, 2003 in Room 522-S of the Capitol.

- theater, major tourism area or major commercial, entertainment and tourism area.
- Page 4, lines 15-18 and lines 34 and 35.
- Page 5, lines 8-10; Also “river walk canal facility” defined in lines 28-33.
- Page 10, line 15 to insert new before taxpayers; Definition of “new taxpayers” in lines 26-30

Chairman Wilk opened the public hearing on:

**HB 2208: Tax increment financing and sales tax revenue bonds**

The Chair welcomed Mr. Ed Wolverton, President, Wichita Downtown Development, who presented an attractive booklet, Sedgwick County Could Become a Star. It defined the acronym STAR as Sales Tax Revenue Bonds which is similar to Tax Increment Financing (TIF). He talked about how it works and the use of STAR proceeds. Other STAR Bond projects were discussed along with how they could work in downtown Wichita. A map of the STAR Bond Area was included and the benefits listed. Mr. Wolverton also discussed the Wichita WaterWalk project and what it will take for Wichita to obtain STAR Bonds. (Attachment 1).

The Chair thanked Mr. Wolverton and then introduced Mr. Carl Brewer who represented the Wichita City Council. Mr. Brewer said that the Wichita City Council strongly supports **HB 2208** and endorses the use of STAR Bonds to help Wichita move some major plans for downtown from the drawing board to reality. (Attachment 2).

Chairman Wilk welcomed Lori Usher, Vice President of Economic Development for the Wichita Area Chamber of Commerce, who spoke in support of **HB 2208**. Ms. Usher said the Chamber has been a strong supporter of the downtown WaterWalk project and that public and private projects do work very well together. (Attachment 3).

The Chair recognized Mr. Ray Rancuret, President of the Delano Neighborhood Association, and a member of the Delano Business Association and the Delano Community Development Corporation, who also voiced his support for the proposed STAR Bond legislation to create economic and community development projects to make this area in Wichita a better place to live. He described the Delano Neighborhood Association as representing 10,000 residents. (Attachment 4).

Chairman Wilk recognized Mr. John Rolfe, President and CEO of the Greater Wichita Convention & Visitors Bureau. He said even though their Board will not meet until February 20<sup>th</sup>, he had talked with several of the Executive Committee members who all support the proposal. He said he believes the passage of this legislation would significantly enhance the economic development efforts of this area in Wichita and would increase revenues both locally and statewide. (Attachment 5).

The Chair next recognized Mr. Sam Williams, a managing partner of Sullivan Higdon & Sink Advertising, which has been in business in Wichita for 32 years. He also spoke as a member of the Business Investment Group (BIG), an affiliation of 40 businesses in the Wichita area which focuses on promoting economic development in their area. Mr. Williams spoke in support of the bill and stressed that the opportunity afforded to Wyandotte County needs to be made available to all of Kansas. (Attachment 6).

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT at 3:30 p.m. on February 11, 2003 in Room 522-S of the Capitol.

Chairman Wilk introduced Mr. Donald R. Seifert, Policy Development Leader of the City of Olathe. He thanked the committee for being able to appear and said that **HB 2208** would allow the use of STAR bonds for a new category of “major commercial, entertainment and tourism” projects of statewide importance in Sedgwick County. Mr. Seifert said that the City of Olathe has no official position on **HB 2208**, but felt like the use of STAR Bonds should be broadened without respect to location in the state. (Attachment 7).

Next, the Chair welcomed Mr. Larry R. Baer, Assistant Legal Counsel, League of Kansas Municipalities, who spoke in support of **HB 2208**. He said that due to the fiscal belt tightening at the local and state levels, it is important to address legislation that stimulates and generates economic growth along with providing financial flexibility. (Attachment 8).

The Chair recognized Mr. Bud Burke who did not present any written testimony but stated briefly that he preferred STAR Bonds be available anywhere in the state which would in turn, benefit the state as a whole.

The Chair called the committee’s attention to the following written only testimony:

Jim DeHoff, Kansas AFL-CIO (Attachment 9)

James W. Cabela, President, Cabela’s, Inc. (Attachment 10)

Michael D. Pepoon, Director, Government Relations, representing Board of County Commissioners of Sedgwick County (Attachment 11)

Representative Larry Campbell (Attachment 12)

Representative Thomas M. Klein (Attachment 13)

Chairman Wilk asked if there were any more proponents or opponents for **HB 2208**. Upon seeing none, the Chair closed the Public Hearing for **HB 2208**.

Chairman Wilk advised the Committee to listen for announcements on Thursday in the House Chamber to learn if there would be a meeting Thursday, February 13, 2003.

The Chair drew the Committee’s attention to the minutes. Representative Burroughs made a motion to approve the minutes of the February 6, 2003 meeting. Representative Kuether seconded. Motion carried.

The meeting adjourned at 5:35 p.m.