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Testimony before the House Taxation Committee

HB 2298 – Extending the Rural Opportunity Zone Program

By Roger Hrabe, Director of Rooks County Economic Development
Wednesday, March 11, 2015

Mr. Chairman, fellow Committee members:

I am Roger Hrabe, Director of Rooks County Economic Development. Rooks County is a county of approximately 5,200 people located in NW Kansas. I have been the Economic Development Director for nearly 15 years, which translates to about 30 years in economic development life. It is a tough business, especially in our small rural Kansas counties.

In my 15 years in economic development it has become very apparent that the more program tools you have in your toolbox the better your chances of making meaningful progress, which is why I am here this afternoon.

The Rural Opportunity Zone program has proven to be a very effective economic development tool in Rooks County. It is not a cure-all, but it certainly has made a difference.

In Rooks County we currently have **25 individuals that have been approved AND funded through ROZ**. Another **7 individuals are on the list pending approval**. When you include spouses, children, and a couple of fiancés, that total adds up to **66 individuals** that benefit from the program in Rooks County alone.

Maybe more importantly, we are talking about **29 new families** (including 18 children) since 2012. All of the families are what we call Power Ups—residents that are between the ages of 20 and 39. They are young families that are going to make a huge impact on the county for many years to come.

Our ROZ participants have a variety of backgrounds and work experience. Employment held by our ROZ participants include 5 in the medical field, 2 teachers, 2 bank officers, 4 in agriculture related businesses, 1 business owner (started their own business), 3 in retail and service-related businesses, 1 attorney, 1 in construction, 2 in recreation, an office manager, a veterinarian, and a speech pathologist. I look at that list and say, “Wow, what other program could have produced the similar results?”

I applaud our county commissioners who have stepped up to currently fund the nearly \$30,000 local match that has made the program a local success. Without

funding, the program is nothing more than a carrot dangling out of everyone's reach. And make no mistake about it, funds at the county level are being squeezed just as they are at the state level. But putting money toward programs that produce results is always a good strategy, and the counties that have embraced the program are proof of that.

I also applaud the state for funding their portion of the program. As I said at the beginning, it has given local officials another tool to attract young people. Chris Harris and Heather Pierson have done a great job of administering the program for the Kansas Department of Commerce and have made it as simple as possible for the counties to take advantage.

Has the ROZ program been successful at re-populating rural areas as was the original intent? For those counties that have embraced the program and have put their money where their mouth is, it HAS been successful.

Have the ROZ participants moved to counties such as Rooks just because of the ROZ program? In my opinion, it has played an important part in the decision, but was rarely the primary reason. The job came first, and then housing, and then family. At least 15 of the Rooks County participants had some type of ties to the area, whether that was family or education.

I feel that the real effectiveness of the ROZ program, however, is going to be in the retention of our participants. Having been a lifetime resident of Rooks County, and a first year teacher back in 1980, I can tell you that if you can keep a family in your community for five years (the length of the program eligibility) then your chances of retaining that family in your community for the long term increase dramatically. They have kids, the kids go to school, friendships are created, homes are built, and the families become a significant contributing long-term member of the community. THAT is what is going to make the program a success.

I would strongly encourage this committee, the full House, as well as the Senate, to approve the extension of the ROZ program. Help rural counties such as Rooks and Greeley keep another tool in their toolbox. It is a wise investment.

Thank you so much for your time today, and thank you for your service to the state of Kansas.

Please let me know if I can be of further assistance. I can be reached by phone at (785) 425-6881 or by email at rooksed@ruraltel.net.