

Senate Bill 222 - Oppose

Written Testimony submitted to the
Senate Assessment and Taxation Committee

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Madame Chair and Members of the Committee:

I am testifying in opposition to Senate Bill 222 which imposes a one year moratorium on the state's economic development program called Promoting Employment Across Kansas (PEAK).

I have the pleasure of serving on the Board of Directors of Topeka's economic development agency, called Go Topeka. Go Topeka's job is to market our community to outside companies, help our existing companies grow and develop our workforce. When our team travels to meet with companies considering moving to our area, they need all the help they can get to win those companies over. PEAK is an important weapon in their arsenal.

We have had a number of large companies choose to locate or expand their operations in Topeka over the past 10 or 12 years and many of them utilized the PEAK incentives. Those companies had options. There was never any guarantee they would choose our community. Winning them over required teamwork and the alignment of many different factors. Whether the PEAK tax credits was the dealmaker for them is difficult to know but it is all but certain that if we had not had at our disposal these sorts of incentive programs, as our neighboring states do, many of those companies would have gone elsewhere.

There is a more intangible effect at work. The professional site selectors who assist large companies in identifying suitable places where they could open up operations typically start with a long list of candidate sites which could suit their clients' needs. They then go through a process of ruthlessly eliminating communities from their lists in order to facilitate their clients' choice. In other words, they are not really site *selectors*; they are site *eliminators*. The competition is intense and communities like Topeka and our colleagues across Kansas must consistently put our best foot forward if we are to have any chance of ultimately welcoming these new employers. Winning communities cannot afford to give these professionals even a single excuse for taking them out of contention.

Quite frankly, shutting down the PEAK program even for a single year sends a disastrous message to the international economic development industry. It suggests Kansas is not serious about competing for new business. Go Topeka works directly with the Kansas

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Department of Commerce and we know that is not the case. We know the Department is as eager as each of us is to bring new business and jobs to Kansas. Legislation like Senate Bill 222, though, suggests otherwise and could provide that single excuse for removing Topeka and other Kansas cities and towns from contention.

I hope you will agree with me that now is not the time to stop aggressively recruiting new employers to Kansas. I hope you will vote against Senate Bill 222.

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