



Senate Assessment and Taxation Committee

Written Testimony in

Opposition to SB 222 & SB 223

Submitted by Tim McKee, CEO

Chair Tyson and honorable committee members,

The Olathe Chamber of Commerce is the largest chamber in Johnson County and the second largest chamber in the Kansas City area. Comprised of 1,300 members and growing, it was the first chamber in the state to receive 5-Star Accreditation from the U.S. Chamber of Commerce - a designation obtained by less than 1 percent of the nation's chambers. Its mission is to be the voice of business that advances the economic well-being and quality of life in Olathe.

As the Olathe Chamber's CEO, I am submitting this testimony in opposition to the one-year moratorium to the Promoting Employment Across Kansas Act (PEAK) as set out in SB 222 and SB 223, which would prohibit the use of PEAK for companies within 250 mile. This is an important tool the Olathe Chamber and the City of Olathe have used since its enactment. PEAK has been instrumental in helping Olathe attract and grow companies. Below is a list of just a few Olathe businesses that have received PEAK incentives:

- ✓ PEAK helped with American Insurance Group, Inc.'s (AIG) relocation of 300 out-of-state jobs to Olathe in 2003 when we competed with Dallas. PEAK also helped with AIG's most recent expansion in 2013 when the company was evaluating relocation outside the state of Kansas. AIG now employ over 1,000 jobs in Olathe;
- ✓ PEAK was also critical in retaining 585 jobs at Farmers Insurance, one of Olathe's largest employers;
- ✓ PEAK has helped Olathe retain other highly sought after nationally recognized companies like NIC USA (eGov), Terracon Corporation, and DH Pace; and
- ✓ PEAK has also helped keep smaller firms in Olathe including Gerson, Global Ground Support, and Torotel.

The PEAK incentive is an essential tool needed to keep the state of Kansas competitive with other states. To attract the type of development the state needs—projects that bring higher-salaried jobs and top-dollar investment—we need economic development tools such as PEAK. The proposed changes set out in SB 222 and SB 223 will erode the effectiveness of PEAK, bring instability to the important economic development tool, and ultimately impede our ability to attract and retain businesses in Kansas.

Thank you for the opportunity to submit these written comments in opposition to SB 222 and SB 223. If you should have any questions, please feel free to contact me at 913.764.1050.