

Approved: _____

4/1/93

Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION.

The meeting was called to order by Chairperson Keith Roe at 9:00 a.m. on March 31, 1993 in Room 519-S of the Capitol.

All members were present except:

Representative Grotewiel, excused
Representative Pottorff, excused

Committee staff present: Tom Severn, Legislative Research Department
Chris Courtwright, Legislative Research Department
Lynne Holt, Legislative Research Department
Bill Edds, Revisor of Statutes
Lenore Olson, Committee Secretary

Conferees appearing before the committee:

Senator Ben Vidricksen
Representative J. G. Novak
Norman Gaar, Bond Counsel, City of Kansas City, Kansas
Steve Bannon, Partner, Bannon & Company, Los Angeles
Terry Drake, General Manager, Board of Public Utilities, Kansas City, Kansas
Nick Jordan, Chairman, Kansas Commission on Tourism
Mayor Joe Steineger, City of Kansas City, Kansas
Kip Frey, Vice President and General Counsel, OZ Resorts and
Entertainment, Inc.
Jim DeHoff, Kansas AFL-CIO
Bert Cantwell, Kansas City Area Chamber of Commerce

Others attending: See attached list

Chairperson Roe requested the Committee to turn to SB 419.

SB 419 Irrigation districts; powers; dissolution of.

A motion was made by Representative Lahti, seconded by Representative Adkins, to report SB 419 favorable for passage. The motion carried.

Chairperson Roe opened the hearing on SB 421 for testimony from proponents.

SB 421 Financing of city redevelopment projects.

Senator Ben Vidricksen testified in support of SB 421, stating that the Oz theme park is a project for which no state promotional money has been expended. He said that the approximately 65 million people living within a one day drive to Kansas City, Kansas, substantiates the viability of the project (Attachment 1).

Representative J.G. Novak testified in support of SB 421. He said that the City of Kansas City, Kansas needs the additional tax income which the Oz project will provide along with financial stability for the City.

Norman Gaar, Bond Counsel, City of Kansas City, Kansas, testified in support of SB 421 and asked that New Section 9 be deleted.. He stated that this bill is needed to amend the Kansas redevelopment laws, which would allow the Oz project to proceed. Mr. Gaar also said that The Wonderful World of Oz is to be constructed with not less than \$300 million of private debt and equity capital so long as it creates not less than 1500 permanent and seasonal jobs in Kansas (Attachment 2). Mr. Gaar responded to questions and said that the maximum time for repayment is fifteen years, but according to projections it could be as early as seven or eight years. He also said that only the businesses located within the redevelopment project area will pay sales, use and transient guest taxes to finance the public partnership for the project.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION, Room 519-S Statehouse, at 9:00 a.m. on March 31, 1993.

Steve Bannon, Partner, Bannon & Company, testified in support of SB 421 and said that he is one of the investment bankers for the Oz theme park project, with the Wall Street firm of Paine Webber as their co-investment banker. Mr. Bannon said that the primary issue is whether over \$100 million of equity can be raised from strategic partners to finance the theme park. He stressed that the current trend in the United States is for family oriented theme parks.

Terry Drake, General Manager, Board of Public Utilities, testified in support of SB 421, stating that to date, the Board has provided \$400,000 in economic development assistance to fund the feasibility study for the Wonderful World of Oz theme park. He also said that this bill will provide the opportunity to expand economic development activity with substantial benefits for state and local government (Attachment 3).

Nick Jordan, Chairman, Kansas Commission on Tourism, testified in support of SB 421. Mr. Jordan said that there are four important points to remember in considering this legislation: (1) the new trend is for family oriented theme parks, (2) fifty years of marketing is already done on the Oz concept, (3) the Oz theme is a unique concept, and, (4) this project will create jobs.

Joe Steineger, Mayor of the City of Kansas City, Kansas, testified in support of SB 421. He said that the Oz theme park will draw people from not only Kansas and the Midwest, but from far beyond, and that this project can work.

Kip Frey, Vice President and General Counsel, OZ Resorts and Entertainment, Inc., testified in support of SB 421. Mr. Frey said that the sales tax increment financing structure set forth in this bill will provide a significant advantage to Kansas. He also said that it is important to remember that this bill will not require any state or local authority to guarantee payments of the \$60 million in bonds that will be issued and retired by the tax increment (Attachment 4). Mr. Frey responded to questions and said that if this bill is passed and financing and design are in place, groundbreaking could take place in the spring of 1994 with the park to open in the summer of 1996. He said that the Landmark Corporation has done over seventy projects, including many of the rides and attractions at Universal Studios in Los Angeles and entire theme parks in Japan.

Jim DeHoff, Kansas AFL-CIO, testified in support of SB 421 and said that opportunities such as the Oz theme park don't come along very often. He said that the New Section 9 in the bill effectively alters the purpose for passage of this bill and requested that it be deleted (Attachment 5).

Bert Cantwell, Kansas City Area Chamber of Commerce, testified in support of SB 421, stating that the Oz theme park is vital to the future of Kansas City, Kansas and Wyandotte County. He said that this type of financing is used quite often in other states and any tax revenues generated to the state by the project is more than the state is receiving now from the proposed site (Attachment 6).

The meeting adjourned at 11:58 a.m.
The next meeting is scheduled for April 1, 1993.

Date: 3/31/92

GUEST REGISTER

HOUSE COMMITTEE ON ASSESSMENT AND TAXATION

NAME

ORGANIZATION

ADDRESS

PHONE

Norman Gaar	Kansas City, KS		
Mary Ann Johnson	KCKS	KCKS	
Mary Barcellina	KDOCH	Topeka	
Art Brown	KS. Unemployed Assn	Topeka	
Greg Gith	KDOCH	Topeka	
John Barber	TIAR	Topeka	
Nick Jordan	Tourism Commission	Overland Park	
Tom Burgess	Oz Resale & Ent	Topeka	
Kevin Robertson	KS Lodging Assn	Topeka	
Charles Clark	Hallmark	KE	
Chuck Stones	KBA	Topeka	
Jesse Crossland	Shallenburger		
David A. Ross	K. Assn. Life Underwriter	Topeka	
Jim Allen	Land of Oz	"	
Denny Burgess	Land of Oz	Topeka	
Anna Coulter	KS Good Roads	Topeka	
Michael Swenson	Barkley & Evergreen	Fairway	
Lee Devough	Hunt Midwest	K.C. Mo.	
Ed Engel	Emerald City & Yellow Brick Rd Inc	Topeka	
Reg Bob Feller		Topeka	
Teri Garrison	Legislative Intern	Merriam	
Joe Steineger	City of KCK Mayor	KCKS	
Tom Tunnell	KS Judicial Freedom	Topeka	
Jim Wang	KS Bankers Assn	"	

Date: 3/31/93

GUEST REGISTER

HOUSE COMMITTEE ON
ASSESSMENT AND TAXATION

[illegible]

BEN E. VIDRICKSEN

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TOPEKA

SENATE CHAMBER

Assistant Majority Leader

COMMITTEE ASSIGNMENTS

CHAIRMAN: LEGISLATIVE, JUDICIAL AND
CONGRESSIONAL APPORTIONMENT

VICE CHAIRMAN: LEGISLATIVE POST AUDIT

MEMBER: ECONOMIC DEVELOPMENT
FEDERAL AND STATE AFFAIRS
GOVERNMENTAL ORGANIZATION
PUBLIC HEALTH AND WELFARE
TRANSPORTATION AND UTILITIES
JOINT COMMITTEE ON STATE
BUILDING CONSTRUCTION

MEMBER: GOVERNOR'S COMMISSION ON TRAVEL
AND TOURISM

MEMBER: NATIONAL CONFERENCE OF STATE
LEGISLATURES

SENATE BILL 421

March 24, 1993

Mr. Chairman and Members of the House Taxation Committee

In 1988 the Kansas Legislature embarked on what many in the U.S. believed was the most aggressive piece of legislation at that time to set Kansas on a course of badly needed economic development. We were lagging behind other states in the results of economic growth. Since that time we have spent millions and millions of dollars to promote our state and its economy.

Now we have a project for which no state promotional money has been expended. It's possible because of a book of fiction written 100 years ago about a tornado that lifted a young Kansas girl by the name of Dorothy Gale to the Wonderful World of OZ. How fortunate we are that Kansas was the place that Dorothy lived.

The 1939 Wizard of Oz movie is one of the most watched movies in the history of motion pictures. Everyone knows Dorothy and Toto. Television has reached an average of 60 million viewers each year in 18 million households. No other film has maintained such sustained drawing power after 33 broadcasts as the "Wizard of Oz".

After Dorothy and Toto visited the "Wonderful World of Oz", she wanted to return to her dear home, Kansas. We can all relate to that.

3/31/93

*House Taxation Cmte
Attachment 1*

2

The Wizard of Oz is also an international best seller and has been translated in 30 languages and an international hit film broadcast regularly on television. The international Tourism Market is growing annually. Kansas saw a 213% increase in international tourism last year. This project will definitely make us an answer to a tour bus operators dream.

Now we have an opportunity for Kansas to cash in on a project that would project our State into a world destination spot world wide and into the 21st century.

SB 421 is a method of innovative financing that would be an economic development tool to help finance a project of international importance. In my 20 plus years of working to promote tourism in Kansas, to make Kansas a destination state - never in my wildest dreams did I ever figure a project of this magnitude would be on our Kansas doorstep - Programs like "Linger Longer" and "Kansas Secrets" promotions will be realized.

I've spent almost 2 years watching this project evolve along with our tourism commission and the Kansas film commission, including several trips to the Landmark Corporation in California, the project managers. Many of you heard and saw the Wonderful World of Oz presentation in the Capitol a couple of weeks ago. I have a briefing book in my office and I will be happy to brief anyone who wishes more information. Landmark is a company started by several members of the Disney organization and is known world wide for their creative ability and quality.

This project alone will meet all the goals we have set in our tourism 2000 study.

This project is but the "tip of the iceberg" in what will happen, not only to the surrounding area, but to Kansas and the Middle West.

Many, other businesses and projects will follow a family resort of this magnitude. Not only just the theme park but the resort and convention hotel, the 18 hole championship golf course and the recreational vehicle park. The first phase of the project to be completed

3

Census statistics show there are approximately 65 million people living within a one days drive to K.C., Kansas. This is about twice as many in the same area as Orlando and Anaheim, California. This substantiates the viability of the project.

I have toured the area in Western Wyandotte County close to Bonner Springs that is proposed for the Resort Complex. It is just north of the Agriculture Hall of Fame. This part of Kansas could become a destination spot to visit by the whole world. Our transportation system would give 4 lane access from East, West, North and South. The close proximity of the K. C. International Airport is also an important factor regarding the project and its location.

I call your attention to the blue and green folder in your packet, it tells the whole story.

I'm only going to touch a minute on the attempt by the "Worlds of Fun" and "Oceans of Fun" organization to scuttle or slow down this project. We in Kansas have competed with Missourians, their Ozark resort region with the Branson Country Music Theaters, the K. C. Royals, the Chiefs, the most wonderful Nelson Art Gallery and the County Club Plaza as long as I can remember. Their magnificent Hotels and Convention Centers are great competition also. We have not lobbied against their projects.

Now we have an opportunity for the other Kansas City to be on the international map and here they come, discrediting the study by a large recognized firm that, indeed, says its feasible. This is a bold face attempt to stop competition by a project that is not even the same type of operation. OZ IS A THEME PARK of Disneyland proportions, not an amusement park. There is room for both and I feel that our Kansas project will create a market that will increase visitors to the Hunt enterprises. They in turn will help us. Visitors to an area will not just visit one location. They will look for other attractions and activities. All tourism studies show this. I think it's unfortunate that the Hunt group chose to down-grade this quality project and discredit Kansas according to the information about K. C. Kansas as a resort destination area.

4.

The final decision will not necessarily rest on what the Hunt group says. It will rest on the investors who will make the final decision in conjunction with the passage of SB 421.

If they are worried about failing--why would they be here? Because they are worrying about the project succeeding and many great minds say it will.

The Senate Committee amendment by Senator Burke, setting forth the wishes of the Resolution passed by the City Commission was O.K. The amendment put on by the Senate in the floor debate would stop the project. It was not intentional, but after further study was very detrimental. You will have the opportunity to have it explained and what it does. The Senate President offered to reconsider and take the amendment off, but the bill was in the possession of the House and not possible.

Thank you for allowing me the time to share with you my thoughts and comments on this great project.

LAW OFFICES
BURKE, WILLIAMS, SORESENSEN & GAAR

NORMAN E. GAAR*
KATHRYN PRUESSNER PETERS
JANET S. GARMS

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March 31, 1993

Members of the House Committee on Taxation

Re: Senate Bill No. 421
[As Amended by Senate on Final Action]

My name is Norman E. Gaar. I am a lawyer specializing in municipal finance and I represent the City of Kansas City, Kansas. I appear before this committee in support of Senate Bill No. 421 [As Amended by Senate on Final Action].

The City of Kansas City, Kansas and the State of Kansas have a unique opportunity to consider joining in a partnership with private industry to construct a destination family theme park in Kansas. This project would utilize the worldwide recognition of Dorothy and the Wizard of Oz in Kansas as the story has been written in numerous books and made famous by the movie starring Judy Garland.

In order to be successful, the project must be constructed in the same magnitude as Disneyland in Anaheim, California and Disney World in Orlando, Florida. Such scale requires a partnership of public participation with private equity and debt financing. In order for the State of Kansas and the City of Kansas City, Kansas to be able to consider participating in this partnership as the public partners, it is necessary to ask the legislature to amend the Kansas redevelopment laws. Senate Bill No. 421 is the vehicle to do this. It would amend various statutes to allow the City, only after receiving permission of the State, to consider joining this partnership of economic development.

In general terms, Senate Bill No. 421 permits the City of Kansas City, Kansas to utilize its existing enterprise zone to provide a campus for a destination theme park, The Wonderful World of Oz, to be constructed with not less than \$300 million of private debt and equity capital so long as it creates not less than 1,500 permanent and seasonal jobs in our State.

The financial instrument that would be used to finance the public partnership for this economic development would be sales, use and transient guest tax revenue bonds. Such

3/31/93
House Taxation Cmte
Attachment 2

bonds could be issued only if the City is satisfied with the viability of the project and only if the State, acting through the Secretary of the Department of Commerce and Housing, is satisfied and makes a finding that capital is invested and jobs are created in the magnitude discussed above. Since the bonds and the interest thereon are payable from sales, use and transient guest taxes, neither the City nor its property tax payors are at financial risk. The City has taken official action to preclude the use of general obligation bonds for this project as is permitted in the existing redevelopment law. However, to preclude some future city council from issuing general obligation bonds for this or any similar project, the Senate Committee, with the full support of the City amended the Bill to prohibit the use of general obligation bonds for any project such as this which is determined by the Secretary of the Department of Commerce and Housing to be of statewide as well as local importance.

In an attempt to be certain that no property taxes collected from either City or Wyandotte County taxpayers could be used for this project, the Bill was further amended on the floor of the Senate. However, upon more mature consideration, it has been determined that the language of the floor amendment went too far and consequently the City requests this Committee to remove the floor amendment, being new Section 9 located on Page 14, Lines 3 to 13, inclusive.

Senate Bill No. 421 [As Amended by Senate on Final Action] amends various statutes relating to redevelopment projects and taxes in the following manner:

1. K.S.A. 1992 Supp. 12-1771 is amended on Page 1, Lines 27 to 34 in order to permit a grandfathered enterprise zone to be enlarged with the same limitations as the now repealed Enterprise Zone Act formerly permitted (not exceeding twenty-five percent (25%) of the City's land area) upon a finding by the Secretary of the Department of Commerce and Housing that the redevelopment project is of statewide importance.

There is a conformity amendment relating to enterprise zones on Page 2, Lines 14 to 17, inclusive.

2. The heart of the Bill appears in the amendment to K.S.A. 12-1774 starting on Page 4, Lines 33 to 43, inclusive and on Page 5, Lines 1 to 3, inclusive. This new Section (D) permits a pledge of the sales, use and transient guest taxes collected within the redevelopment district to the repayment of sales, use and transient tax revenue bonds and the interest thereon, if the State acting through the Secretary of the Department of Commerce and Housing finds that the redevelopment project is of statewide as well as local importance. Such finding must at least include a project of capital improvements costing not less than \$300 million which creates not less than 1,500 permanent and seasonal jobs in the State as defined by existing statutes.

Since there are no sales, use or transient guest taxes currently collected within the City's enterprise zone, Senate Bill No. 421 would not cost either state or local government any out-of-pocket cash. It would merely delay the collection of such taxes for general state and local purposes for the time period necessary to repay the principal of and interest on the bonds issued to permit the public sector to participate in this partnership of economic development for our state by constructing the necessary infrastructure to make the project functionally viable.

3. K.S.A. 12-195 is amended on Page 7, Lines 25 and 26 for conformity purposes.

4. K.S.A. 1992 Supp. 12-1698 is amended on Page 11, Lines 32 and 35 for conformity purposes.

5. K.S.A. 79-3620 is amended on Page 12, Lines 22 to 34, inclusive, for conformity purposes in order to authorize the State Treasurer to transfer the appropriate taxes to a city bond finance fund for the purpose of paying the principal of and interest on bonds which would be issued in connection with a redevelopment project of statewide as well as local importance.

6. K.S.A. 79-3710 is amended on Page 13, Lines 11 to 24, inclusive, for conformity purposes as is set out in Paragraph 5 hereinabove.

7. New sections 7 and 8 are created on Page 13, Lines 25 to 43, inclusive, and on Page 14, Lines 1 and 2, for conformity purposes in order to complete the authorization of the transfer of the various taxes by the State Treasurer to the city bond finance fund. One thing should be made clear in the committee report for this Bill, if such report is favorable, the use of the word "biannually" as it appears on Lines 28 and 34, carries the dictionary preferential use, that is, it means twice during each year or, semi-annually.

8. The Senate amendment I referred to earlier in this explanation appears on Page 14, Lines 3 to 13, inclusive, as new Section 9. The City would very much appreciate it if this committee would remove this amendment. The effect of it is to prevent the Oz developers from obtaining the assistance of any public funds, economic development grants, job training assistance and possibly even prevent the use of available federal funding. In addition, this amendment would prevent the City from running sewers, public streets, electricity and water lines through the Oz theme park and to the hotel that would be established as a part of the project in the same manner that it would supply public infrastructure to any other developer.

Members of the House Committee on Taxation
March 31, 1993
Page 4

The City requests that the Committee remove this amendment. I have been advised that the Wyandotte County legislative delegation joins the City in making this request to the Committee.

Finally, the Bill prevents the establishment or operation of a lottery within the redevelopment district.

The City of Kansas City, Kansas urgently requests this committee to act favorably on Senate Bill No. 421 and recommend its adoption by the full House so that it can be considered by the Governor and then utilized as another important tool in the economic development and the concomitant creation of an enormous number of new jobs in our state.

Testimony: Terry W. Drake
General Manager for the
Board of Public Utilities
Kansas City, Kansas

In order to attract new business activity and residential development, the Board of Public Utilities has supported an aggressive economic development program since 1985. General Motors was the first recipient of the benefits of this policy, calling for a grant of \$500,000, and redundant services to support their complex. Since that date, the Utility has sponsored \$2,141,522 in economic development incentives, with annual revenues from these projects totaling over \$4,625,124. Accumulated revenues from the inception of these grants totals in excess of \$44,458,000.

Our policy requires that we include in our five year plan and annual budget sufficient money for the extension of both electric and water services at the discretion of the Board. The Board of Public Utilities will provide for the costs of such improvements or extensions for both electric and water service, providing that the revenues generated by such extensions or improvements will meet or exceed the capital costs in three (3) years. Additionally, the Board may provide economic development funds for pre-development costs associated with the project.

To date, the Board of Public Utilities has provided \$400,000 in economic development assistance to fund the feasibility study for the Wonderful World of Oz theme park. We further intend to upgrade our services in the area to meet the requirements of the theme park, to enhance our service capability in the newly annexed territory and to be able to support additional water service requirements of Edwardsville, and in the event of required water service requirements for Bonner Springs.

3/31/93
House Tapation Cmte
Attachment 3

We anticipate that the cost of water main extensions and improvements in the area will be \$860,400 with \$2.2 million for a water tower. The area will require a substation at \$3.5 million and transmission lines for \$2.8 million. However, redundant services required by the theme park will be \$1.6 million and funded by economic development funds and federal matching grants to the extent available. The theme park could finance the balance for redundant services through the Board of Public Utilities.

Our economic development programs have been successful in attracting new businesses such as the Woodlands race track, General Motors and several quality residential developments. Through this activity, we have been able to keep our electric and water rates very competitive. Our service area provides electric rates 25% lower than KCP&L and about 8% lower than Western Resources.

The Board of Public Utilities supports the Tax Increment Financing Bill currently before you in that it will provide opportunities for us to expand our business and compete on more favorable terms with Kansas City, Missouri and other Missouri cities adjacent to our service area. This financing package will provide opportunities for new businesses to choose Kansas as a destination center for their business interest. This bill will provide the opportunity to expand economic development activity with substantial benefits for state and local government.

Economic Development Fund

Approvals

December 8, 1992

as of 1985

Year	Applicant	EDF Amount Approved/Paid	Estimated Yearly Rev at Application	Combined Revenue from Date of Grant
1985	*General Motors	\$500,000.00	\$1,025,661.00	\$30,849,781.69
SUBTOTAL 1		\$500,000.00	\$1,025,661.00	\$30,849,781.69
1986	*Colgate-Palmolive	\$151,000.00	\$273,471.00	\$11,599,261.89
SUBTOTAL 1		\$151,000.00	\$273,471.00	\$11,599,261.89
1988	**Cedrite Technologies	\$44,000.00	\$166,396.00	\$494,073.21
	Canaan Woods Subdivision I (40)	\$55,915.00	\$52,800.00	\$48,000.00
	Westport Printing	\$4,500.00	\$11,802.00	\$50,459.40
	Westlake Subdivision II (49)	\$39,573.00	\$58,000.00	\$58,800.00
SUBTOTAL 4		\$143,988.00	\$288,998.00	\$651,332.61
1989	Meadowlark Lane #2	\$30,000.00	\$21,469.00	
	Central Plains Steel	\$30,000.00	\$57,216.00	\$220,293.43
	Lakeside Speedway	\$9,200.00	\$4,037.00	\$41,377.97
	American Dish	\$21,870.00	\$14,899.00	\$44,695.90
	**Republic Gypsum	\$138,000.00	\$121,169.00	\$217,696.42
	Dee's Burgers	\$5,200.00	\$3,597.00	\$5,497.16
	K.C. Salad	\$61,100.00	\$46,113.00	\$107,811.49
	Tri-State Refuelers	\$41,517.00	\$72,439.00	\$101,406.88
	Specialty Food	\$3,543.00	\$2,006.00	\$8,269.83
	Prairie Country 3rd Addition (17)	\$17,680.00	\$20,400.00	\$20,400.00
SUBTOTAL 10		\$358,110.00	\$363,345.00	\$767,449.08
1990	American Beverage Cont.	\$31,156.00	\$34,096.00	\$145,906.94
	****Children's Museum	\$3,000.00	-0-	\$1,054.67
	American Heritage Subdivision (0)	\$19,760.00 (n)	\$24,000.00	-0-
	Farr's Inc.	\$26,817.00	\$17,015.00	\$13,435.38
	Westmore Downs I (23)	\$39,520.00	\$45,600.00	\$27,600.00
	Rosemont Acres I (19)	\$35,360.00	\$40,800.00	\$22,800.00
	American Fabrication	\$733.00	\$13,921.00	\$27,640.63
	Overnite Transportation	\$51,215.00	\$108,134.00	\$286,133.12
SUBTOTAL 8		\$207,561.00	\$283,566.00	\$524,570.74
1991	Meadows Subdivision I (15)	\$46,800.00	\$54,000.00	\$18,000.00
	KZKC Channel 62	\$8,277.00	\$16,554.00	\$15,109.45
	Blakewood Manor Subdivision (7)	\$9,147.00	\$15,600.00	\$8,400.00
	Woodland Hills Subdivision (16)	\$81,600.00	\$80,640.00	\$19,200.00
	Canaan Woods Subdivision II (4)	\$33,150.00	\$32,760.00	\$4,800.00
	MMI (Bethany)	\$56,413.00 (n)	\$112,827.00	-0-
	***Meadowlark Business Center	\$25,000.00 (n)	\$442,375.00	-0-
	***K.C. Theme Park, Inc.	\$400,000.00	\$1,380,631.00	-0-
	****Wyandotte Econ Developmt Council	\$3,300.00	-0-	-0-
	****Wyandotte Development Inc.	\$15,000.00 (n)	-0-	-0-
SUBTOTAL 10		\$678,687.00	\$2,135,387.00	\$65,509.45
1992	****Wyandotte Development Inc.	\$15,000.00 (n)	\$0.00	\$0.00
	Augusta Subdivision	\$48,450.00	\$45,600.00	\$0.00
	Blue Bell Creameries Inc.	\$38,726.00 (n)	\$209,096.00	\$0.00
SUBTOTAL 3		\$102,176.00	\$254,696.00	\$0.00
TOTAL: 37		\$2,141,522.00	\$4,625,124.00	\$44,457,905.46

* Expansion companies — yearly revenue is the difference before and after expansion

** Company is no longer in business

*** Feasibility studies funded. Anticipated yearly revenue not known

**** Funds awarded through Board not EDF process

(#) = Number of homes completed in subdivision

(n) = No monies disbursed

Note: List is unaudited

3-3

BOARD OF PUBLIC UTILITIES

RESOLUTION NO. 5032

WHEREAS, the Board of Public Utilities is given the responsibility by Charter Ordinance No. 88 to exclusively manage, operate, maintain and control the daily operation of the Water Department and the Electric Department of the City of Kansas City, Kansas; and

WHEREAS, the present policy of the Board is that those requesting extensions of water works pay for the cost of such extensions, and that electric extensions are only paid for by the Board if revenues from such extensions meet or exceed the capital costs in three (3) years; and

WHEREAS, the Board desires to change this policy in order to attract new business and residential growth to the Utility's service area and to complement other economic development activities within the community; and

WHEREAS, the Board desires to offer additional economic development incentives through an economic development fund established in the amount of \$500,000 and replenished through the electric and water revenues of the Utility System; and

WHEREAS, the Board desires to administer and control the use of these funds for the restrictive purpose of stimulating economic development activities which would improve the revenues of the Utility System; and

WHEREAS, such contribution is authorized, since water and electric rates of the Board of Public Utilities may cover the cost of purchasing, improving and extending the water works and electric light plant, K.S.A. 13-1227 and 13-1228; and

WHEREAS, the Board of Public Utilities wishes to adopt a policy which could be uniformly applied and consistently followed by management to provide for the cost of electric and water extensions if revenues from such extensions meet or exceed the capital costs in three (3) years; and

WHEREAS, the Board of Public Utilities wishes to adopt a policy which would allow contributions to be made

toward economic development activities under guidelines established by the Board; and

WHEREAS, the Board of Public Utilities wishes to rescind Resolution No. 5026 and related policy statements in order to provide for the new guidelines herein established by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF PUBLIC UTILITIES OF KANSAS CITY, KANSAS:

Section 1. The Board of Public Utilities will budget a fixed dollar amount for each forecast year to be used at the discretion of the Board for improvements and extensions of electric and/or water utility services.

Section 2. The Board of Public Utilities will provide for the costs of such improvements or extensions for both electric and water service providing that the revenues generated by such extension or improvement will meet or exceed the capital costs in three (3) years. Additionally, the Board may provide economic development funds for pre-development costs associated with a proposed project when the criteria provided herein are met.

Section 3. The Board of Public Utilities hereby establishes an Economic Development Fund in the amount of \$500,000 to be used for economic development activities which would improve electric and/or water revenues of the Utility. The Board, at its discretion, may use any or all of the Economic Development Fund during any fiscal year.

Section 4. Applicant's receiving appropriations from the Economic Development Fund will receive no more than 50% of their estimated first year's new or additional electric and water revenue to the Utility. The accumulated annual economic development contributions to any single applicant or group of applicants may not exceed the balance remaining in the Economic Development Fund. The Board of Public Utilities requires that appropriations from the Economic Development Fund be approved by the Board and meet certain restrictive requirements as follows:

- A. Applications for the funds are to be submitted to the Director of the Marketing and Development Department.

3-5

B. Applications will be forwarded to the General Manager with staff recommendation through the Manager of Marketing and Customer Services, to be submitted for consideration by the Board upon verification that the following minimum criteria are met:

1. Applications must be for owner-occupied buildings, or have a minimum lease of 5 years within BPU's service area.
2. The applicant must be an Equal Opportunity Employer.
3. The applicant will provide a reasonable forecast of the extent of such electric and/or water revenues.
4. The applicant must submit a general description of its business and operation, including such financial records as are requested by the Development staff and the Board.
5. Engineering load estimates shall be submitted showing benefit to the Utility System (i.e., load factor, power factor, electric consumption, water consumption, etc.). Load must be certified and stamped by applicant's engineer(s), or for a fee (\$50) may be provided by the Manager of Engineering and Technical Services.
6. Minimum load requirement of 20 KW measured load at 40% load factor is required. No economic development funds will be distributed until after a 90-day test period, in which load estimate can be verified by appropriate meter readings. Customers who fail to measure up to their estimated load requirements contained in their economic development application may file for an additional 90-day extension in order to qualify, or may reapply for assistance based upon the lower results

measured. No extension or application will be accepted for results which exceed the load requirements identified in the original application.

7. Applicant must provide written documentation as to why funds are needed for expansion/relocation in Kansas City, Kansas, and to what extent they will be used.
- C. For residential subdivision developments, additional economic assistance outside normal electric and water operating policies will be provided in the form of in-kind services related to water line improvements for improvements contained in the water distribution 5-year Master Plan.
1. Applicant must submit a market analysis of the project detailing potential sales, demographic breakdowns, growth, trends, income level, etc.
 2. Project must have a staffed, open model home used for display purposes in selling the project. Model home must be readily accessible for potential buyer review and must be substantially an all-electric design.
 3. Applicant must submit a copy of a deed to property demonstrating ownership or a notarized letter demonstrating control over property and ability to order improvements for development.
 4. An advertising plan and/or marketing plan must be submitted detailing strategies, funds used for promotion and marketing agent, along with promotional schedule.
 5. Developer must submit a copy of any deed restrictions, home owner's declarations, etc., as they apply to the property.

6. Minimum number of lots for consideration is 12.
 7. Maximum amount of assistance per house will be the average cost of water line extensions (determined from previous 12-month period), and provided as "in-kind" services.
 8. Pro-forma financial statements of development costs and construction time schedules are to be submitted.
- D. The Board may provide economic development assistance to a developer for pre-development costs associated with a proposed project, including, but not limited to, feasibility studies, market surveys, consultant services associated with preparation of a project for development or approval by appropriate governmental bodies including regulatory agencies, but shall not include lawyer fees, and such other costs as the Board shall in its sole discretion deem essential for the project to occur, in accordance with the following criteria:
1. Economic development assistance approval for pre-development costs on a specified project shall be offset against or reduce the project's potential entitlement under any other provisions of this Resolution regardless of the developer. The Board shall determine the level of assistance for pre-development costs.
 2. Any pre-development cost for which economic development assistance is approved shall be paid to the developer only upon proper verification that the service associated with the cost has been provided or completed in accordance with the plan approved by the Board.
 3. No developer shall receive economic development assistance for pre-development

costs unless the following are established:

- 1) The pre-development services and payment of the costs will substantially enhance the likelihood that the development will occur;
- 2) The pre-development services are calculated to serve adequate financing for the development and are required by banks, lending institutions, or investors in reaching a decision on the merits of the proposed project;
- 3) The pre-development services are for the continuation of existing project or for a subsequent phase of a planned development;
- 4) The developer has an established record of accomplishment or success on projects similar in size, character, and cost to the one proposed;
- 5) The developer commits that the project when built will meet the requirements for economic development assistance as specified in Section 4; and
- 6) Applications for pre-development costs shall be made and reviewed consistent with other economic development requests.

E. In considering whether to approve a request meeting the minimum application requirements for economic assistance from the Economic Development Fund, the Board, at its sole discretion, shall evaluate and determine the following applicable considerations:

1. The request for assistance from the Economic Development Fund will be based upon review of the applicant's financial statements and records and alternatives and additional sources of financial assistance available or committed to the applicant. The applicant is to submit a full financial disclosure in the form of "audited" financial statements to include: Balance Sheet, Income Statement, and Statement of Retained Earnings.

The applicant also is to submit a list of all unpaid real estate taxes owed within Wyandotte County and all debts owed to the city and county.

2. Whether the applicant represents a new or expanding business in the community and the monetary amount of the improvement.
3. The number, nature, and type of new jobs to be created and the projected salaries from the addition or expansion of the applicant's business compared to the amount of assistance sought. The employer will include a recruitment plan or statement of intent to comply with Affirmative Action and intent to hire from the local Kansas City, Kansas labor market.
4. The forecasted economic benefit to the Utility through additional or increased sales of electric power and water usage by the applicant or the Economic Development project.
5. Additional consideration for fund approval if applicant is receiving incentives from other local, state, or federal agencies. Applicant must provide a complete listing of any incentives for which they have applied or which have been denied.

6. The recommendations of the General Manager as to the amount of economic assistance and any conditions or requirements attached to the use.
7. Whether the proposed location or expansion of the economic development within the Utility service would occur but for the economic development assistance.
8. A letter of intent must be submitted by the applicant stating compliance with Affirmative Action/Equal Employment Opportunity guidelines, along with a further statement to hire employees from within BPU Service territory whenever possible, further stating to utilize local businesses and professional services whenever possible within BPU's service territory.

The Board, upon review of the listed factors, shall, at its sole discretion by majority vote, approve or deny the application and shall determine the amount and conditions of economic assistance.

Resolution No. 5026 is hereby rescinded.

The foregoing resolution is adopted by the Board of Public Utilities of Kansas City, Kansas, this 7th day of August, 1991.

THE BOARD OF PUBLIC UTILITIES
OF KANSAS CITY, KANSAS

By Clare R. De Lorme
President

ATTEST:

[Signature]
Secretary

Approved as to form:

[Signature]
City Attorney

3-11



March 15, 1993

Mr. Gus Fasone
Oz Resorts and Entertainment
5648 State Avenue
Kansas City, Kansas 66102

Dear Mr. Fasone:

The Board of Public Utilities is proud to have the opportunity to serve the Wonderful World of Oz theme park. We believe that this project provides long-range benefits to the community, the city, and of course the BPU in forms of new employment, new tax revenues and new utility service revenues. In this regard, the Board of Public Utilities is prepared to extend all electric and water service lines to the project site at no cost to the project. The utility service design will be completed in accordance with the requirements outlined by your associates. All utility services on the project site will be underground. Redundant services (duplicate services) will be paid for through the economic development fund or federal and state grants to the extent they are available with the balance due and payable from the project. Long-term financing for these expenses would be made available from the Board of Public Utilities. The project would be entitled to the economic development rates currently being offered to other new industrial businesses locating within our service area. The economic development rate offers approximately a 50% discount on electric service. The discount is phased out over a five-year period, wherein in the sixth year, the project would be on the full applicable rate.

Attached, in Exhibits A through D, based upon the information supplied by your respective engineers, you will find our respective electric and water construction costs and economic development rate savings. In addition, the Utility currently has \$400,000 invested in the project within the feasibility study.

I hope this letter has sufficiently addressed the level of commitment the Board of Public Utilities is prepared to offer. If there are any further requirements, please advise.

Sincerely,

Terry W. Drake
General Manager

Thomas L. Lynch, Jr.
Board President

3-12

TESTIMONY OF KIP A. FREY
SENATE COMMERCE COMMITTEE
March 31, 1993

I am Vice President and General Counsel of OZ Resorts and Entertainment, Inc., the developer of the "Wonderful World of OZ" theme park and resort. I am here to express our support for Senate Bill 421.

In this day of increasing competition among the states for major economic development projects, we believe that the sales tax increment financing structure set forth in SB 421 will provide a significant advantage to Kansas, albeit one already available in many other states.

If enacted as drafted, SB 421 would enable my company to structure financing for a \$350 million dollar theme park and destination resort here in Kansas. Although the increment financing would comprise only one-sixth of the overall package (the balance of funds to be raised privately) that portion is critical to the success of the entire project. I am providing each Committee member with a letter from Bannon & Co., our investment banker, which highlights the fact that, without \$60 million in tax increment financing, the project is infeasible.

SB 421 allows for a state contribution to large economic projects with state-wide impact, but only with funds actually generated by that project. Thus, no reduction of existing revenue streams occurs under the bill, yet it facilitates a significant increase in jobs, income tax revenue and overall economic impact, together with enhanced sales tax revenues from surrounding businesses.

But as important as what the bill will do is what it will not do. In the case of the OZ Theme Park, SB 421 will NOT require any state or local authority to guarantee payments of the \$60 million in bonds that will be issued and retired by the tax increment. It will NOT require legislators to make a detailed judgement as to the feasibility of the project, because sale of these bonds will be contingent on sale of the entire project to the public markets--if the deal can't be sold, the bonds won't be issued. And SB 421 will NOT require any state involvement unless and until the development is open for business and generating revenues.

In closing, we believe that we have created the possibility of a very large, very family-oriented destination resort in Kansas, one which can and should make all Kansans proud. We urge you to make that possibility a reality not by writing us a check, but by allowing us to use, for a time, funds that we will generate and which would not be available but for our efforts. We hope you will agree that this is a very reasonable investment for such a positive and important project.

3/31/93
House Taxation Ante
Attachment 4

BANNON & CO.**202 NORTH CAÑON DRIVE****BEVERLY HILLS, CALIFORNIA 90210****[310] 276-3555 fax [310] 276-0583**

March 18, 1993

Mr. Robert B. Kory
OZ Resorts & Entertainment, Inc.
10960 Wilshire Boulevard, Suite 2224
Los Angeles, CA 90024

Dear Robert:

I am pleased to inform you that we received yesterday a firm commitment from Paine Webber to join our firm as co-manager of the financing for The Wonderful World of OZ theme park and resort in Kansas City, Kansas. I know that the financial analysis and due diligence process conducted first by our firm and then by Paine Webber has taken somewhat longer than you would have liked, and that both we and the senior analysts at Paine Webber in Los Angeles and then New York have subjected you to grueling due diligence sessions. Your command of this project, and the respect afforded you by your consulting team, have been exemplary.

As I explained in November, we believed from the outset that financing your project would require a joint effort by an entertainment specialist and a major Wall Street underwriter. We became convinced of the viability and integrity of your project in February. Now, Paine Webber has advised us that they are prepared to assist in every aspect of the financing effort including the initial private placement with strategic partners, placement of the construction loan, long-term debt financing, placement of the subordinated debt, public underwriting and municipal financing. Accordingly, we are drafting a co-manager agreement for your review.

There are two essential tasks that must be completed for this project to continue at the pace you have asked us to meet. First, the Kansas economic development legislation must be passed. It should be obvious to you after your sessions in New York with Paine Webber that this project is not feasible without the legislation that you have outlined. Major theme park projects require substantial economic development

Mr. Robert B. Kory
March 18, 1993
Page 2

assistance, but this need is acute in Kansas because Kansas is not yet a tourist destination, although you have convinced us that with appropriate investment, your project can ultimately make Kansas City such a destination in the Midwest.

Second, we concur with your judgment that you must expand your board of directors. The caliber of individuals whom you have discussed with us will provide the credibility in the financial and entertainment communities necessary for our financing effort. We would be happy to provide any assistance you might request in this regard. We assume you have or are eliminating the negative elements disclosed to us.

I understand that the Kansas legislators would like confirmation of the status of our financing efforts on your behalf as well as our commitment to this project. Please feel free to provide a copy of this letter to the legislative leadership. I look forward to an opportunity to visit Kansas with you at the earliest convenient date. Until then, I would be happy to speak with key legislators by telephone. I am in New York for the next ten days.

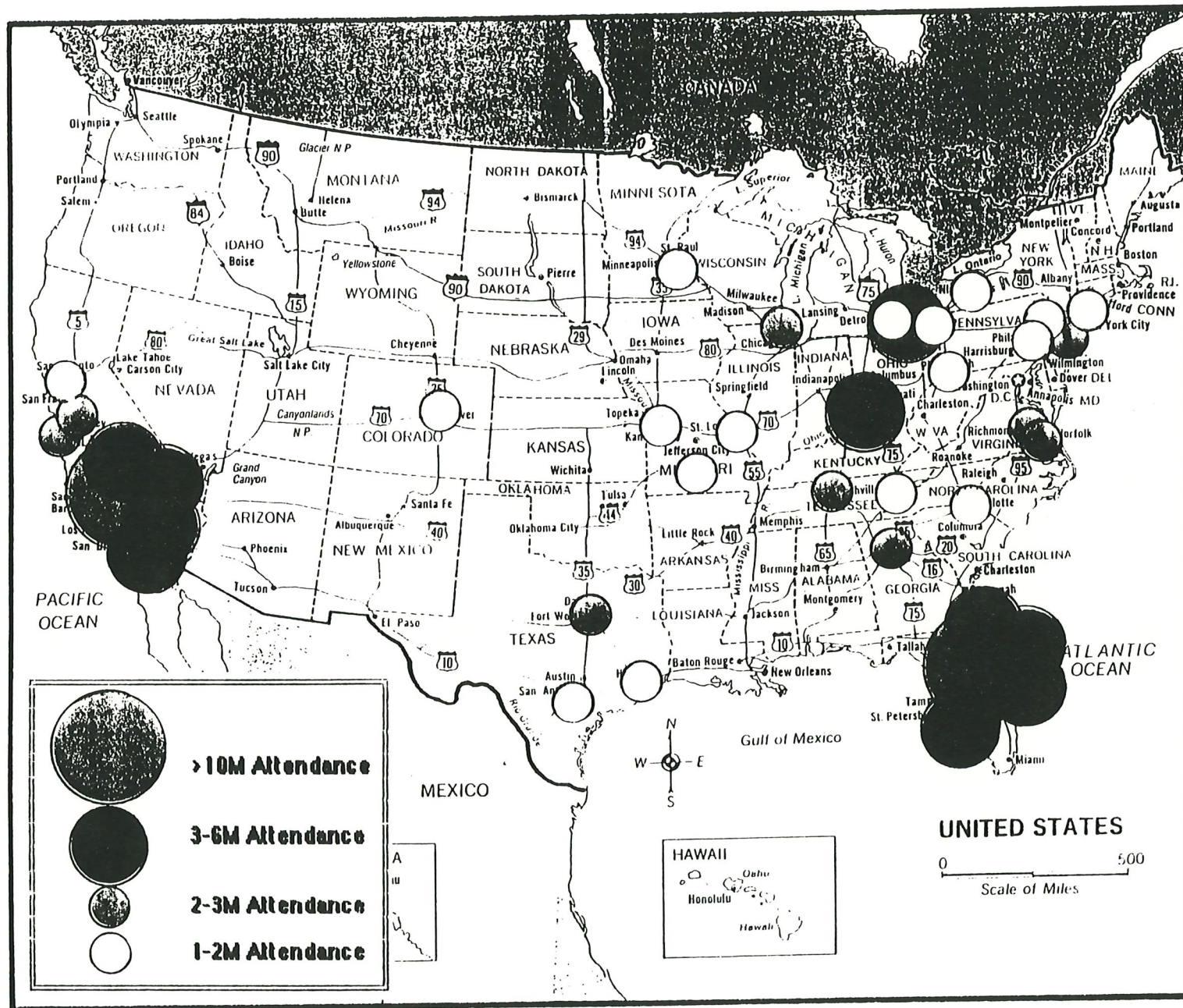
After the enormous resources we have committed to analysis of your project, even the hard boiled skeptics in our firm have become believers in your project. We look forward to working with you and Paine Webber to take this project to a successful conclusion.

Sincerely,



Stephen K. Bannon

cc: Kip Frey, Esq.



KEY TO FIGURE 4

Mega-Parks (> 10 Million Attendance)

Disneyland (Anaheim, CA)

Disney World/EPCOT/MGM Studios (Orlando, FL)

Other Large Parks (3-6 Million Attendance)

Busch Gardens Dark Continent (Tampa, FL)

Cedar Point (Sandusky, OH)

King's Island (Cincinnati, OH)

Knott's Berry Farm (Buena Park, CA)

Sea World of California (San Diego, CA)

Sea World of Florida (Orlando, FL)

Six Flags Magic Mountain (Valencia, CA)

Spaceport USA (Cape Canaveral, FL)

Universal Studios Florida (Orlando, FL)

Universal Studios Hollywood (Universal City, CA)

Middle Tier Parks (2-3 Million Attendance)

Busch Gardens Old Country (Williamsburg, VA)

Great America (Santa Clara, CA)

King's Dominion (Doswell, VA)

Opryland (Nashville, TN)

Santa Cruz Beach Boardwalk (Santa Cruz, CA)

Six Flags Great Adventure (Jackson, NJ)

Six Flags Great America (Gurnee, IL)

Six Flags Over Georgia (Atlanta, GA)

Six Flags Over Texas (Arlington, TX)

KEY TO FIGURE 4

(Continued)

Smaller Parks (1-2 Million Attendance)

Carowinds (Charlotte, NC)
Darien Lake Theme Park (Darien Center, NY)
Dollywood (Pigeon Forge, TN)
Dorney Park (Allentown, PA)
Elitch Gardens (Denver, CO)
Geauga Lake (Aurora, OH)
Hersheypark (Hershey, PA)
Kennywood Park (West Mifflin, PA)
Marine World/Africa USA (Vallejo, CA)
Playland (Rye, NY)
Sea World of Ohio (Aurora, OH)
Sea World of Texas (San Antonio, TX)
Silver Dollar City (Branson, MO)
Six Flags AstroWorld (Houston, TX)
Six Flags Over Mid-America (Eureka, MO)
Valleyfair (Shakopee, MN)
Worlds of Fun (Kansas City, MO)

MAYER HOFFMAN McCANN

November 9, 1992

Attached is a five-part executive summary of the economic and tax impact of The Wonderful World of OZ theme park. Part I is a summary of the assumptions that were used in the preparation of the economic impact study that was prepared by Mid-America Regional Council (MARC). In Part II we have presented the estimated Kansas tax impact by applying current Kansas tax rates. In Parts III, IV and V we have stated the amounts obtained from the studies that were prepared by MARC, Harrison Price Company and Hospitality Valuation Services.

Any reader should consider this an estimate and realize that these rates may change and that the actual results could vary considerably from these estimates. For a full understanding of this executive summary, it is important to read the full reports prepared by MARC dated October 14, 1992, by Harrison Price Company dated September, 1992, and by Hospitality Valuation Services dated July 10, 1992.

Sincerely,

MAYER HOFFMAN McCANN



Charles R. McCann, CPA

CRM:cg

Attachments

Page 1 of 3

4-7

THE WONDERFUL WORLD OF OZ ECONOMIC AND TAX IMPACT

PART I

Mid-America Regional Council (MARC) prepared a preliminary economic impact study (on the Kansas City metropolitan area) of the Wonderful World of OZ theme park and related hotel. The average annual economic impact was calculated for a 13-year period from 1993 to 2005. The total economic impact took into account the construction of the park and hotel, the operation of the facilities and the revenue derived from tourism. These figures are presented on the next page (PART III).

MARC's study did not differentiate between dollars spent in Kansas versus dollars spent in the Kansas City metropolitan area.

In a study which was done by Harrison Price Company (see next page, PART IV) it was estimated that 4.5 million tourists come to Kansas City each year and that 20% of these tourists would visit The Wonderful World of OZ. MARC used these numbers and assumed that the tourists would have a set budget and would not spend any more money due to the OZ Theme Park (except MARC did assume 1/2 of the 20% of the tourists would spend dollars on an extra hotel night).

In the MARC study, no impact was calculated for people from the Kansas City area who would visit the park. The study assumed that if the people had not gone to the park, they would have spent their money elsewhere in the Kansas City metropolitan area.

Mayer Hoffman McCann has applied current tax rates to estimate the tax impact of the theme park on Kansas City, Kansas. In applying these tax rates we have used a national average multiplier for theme parks of 2.7 and numbers from all three studies as presented in PARTS III, IV and V.

See Accompanying Letter Dated November 9, 1992.

PART II

ANNUAL KANSAS TAX IMPACT

KANSAS INDIVIDUAL INCOME TAX	\$ 4,794,000
KANSAS SALES TAX	14,013,000
COUNTY SALES TAX	2,859,300
CITY SALES TAX	2,859,300
HOTEL ROOM TAX	<u>672,300</u>
 TOTAL ANNUAL KANSAS TAX IMPACT	 \$ <u>25,197,900</u>
 FIVE-YEAR TOTAL ESTIMATED KANSAS TAX IMPACT	 \$ <u>125,989,500</u>

PART III

The following is a summary of MARC's economic impact study:

ANNUAL ECONOMIC IMPACT

TOTAL JOBS CREATED	8,202
WAGES & SALARIES	\$ 159.8 MILLION
RETAIL SALES	\$ 101.1 MILLION
HOTEL ROOM SALES	\$ 23.4 MILLION
 TOTAL ANNUAL ECONOMIC IMPACT	 \$ 230.9 MILLION
 FIVE-YEAR TOTAL ECONOMIC IMPACT	 \$ <u>1,154,500,000</u>

PART IV

Harrison Price Company was engaged by the Wonderful World of OZ to perform a feasibility study. The following facts were obtained from this study:

ESTIMATED ANNUAL ATTENDANCE	2.80 MILLION
ESTIMATED PER ATTENDEE EXPENDITURES	\$ 33.30
ESTIMATED TOTAL ANNUAL REVENUES	\$ 93.24 MILLION

PART V

Hospitality Valuation Services prepared a market study of the proposed Emerald City Resort Hotel and Conference Center from which the following numbers were obtained:

ESTIMATED OCCUPANCY RATE	59%
AVERAGE HOTEL ROOM RATE	\$ 96.36
NUMBER OF ROOMS AVAILABLE	300
TOTAL ANNUAL ROOM REVENUE	\$ 6.225 MILLION
TOTAL ANNUAL FOOD & BEVERAGE REVENUE	\$ 6.460 MILLION

See Accompanying Letter Dated November 9, 1992.

Kansas AFL-CIO

110 W. 6th St.

Topeka, KS 66603

(913)357-0396



President
Dale Moore

Executive Secretary
Treasurer
Jim DeHoff

Executive Vice
President
Wayne Maichel

Executive Board

*Walt Bernhardt
Mike Bellinger
Eugene Burrell
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Garold Good
David Han
Jim Hastings
Cliff Henderson
John Hoover
Adrain Loomis
Duane Nordick
Dwayne Peaslee
John Rider
Wallace Scott
Allen Smith
Debbie Snow
Art Veach
John Weber*



Testimony Presented To House Taxation Committee

By
**Jim DeHoff, Executive Secretary-Treasurer
Kansas AFL-CIO**
on
SB 421
March 31, 1993

Mr. Chairman, members of the committee: My name is Jim DeHoff. I am Executive Secretary-Treasurer of the Kansas AFL-CIO and I appear before you today in support of SB 421. However, I ask that you amend SB 421 by striking New Section 9, which effectively alters the purpose for passage of this bill.

In the Kansas City area and the Eastern part of Kansas, there is approximately 20% unemployment in the building trades construction industry. The percentage of unemployed will remain in the range of 20% unless projects like the Wonderful Land of Oz are started. This \$350 million project would provide approximately two years of work in the construction industry for Kansas contractors and Kansas workers.

1,500 part-time and full-time jobs will be available when the Land of Oz Park is completed and opened. These jobs are badly needed in Kansas. Over the past few years, there have been layoffs and plant closings in Kansas that have had major impacts on our communities. The State of Kansas has had an on-going economic development program for many years. Opportunities such as the Land of Oz don't come along very often. In today's difficult economic times, we cannot afford to allow a project of this magnitude to go elsewhere. It is extremely important to encourage any form of development that will provide jobs.

You have the means at your disposal to do just that by amending and passing SB 421 to help with a major economic development project. We urge you to pass SB 421.

Thank you for the opportunity to appear before you today.

*3/31/93
House Taxation Cmte
Attachment 5*



LAND OF OZ TESTIMONY

MARCH 30, 1993

Chairman Roe, Members of the Committee, my name is Bert Cantwell and I am pleased to appear today on behalf of the Kansas City Kansas Area Chamber of Commerce to voice our strong support of SB 421.

Just as the passage of this legislation is vital to the private financing of the proposed Land of Oz Theme Park - the Theme Park is vital to the future of Kansas City, Kansas and Wyandotte County.

The Land of Oz project has and should cause excitement not only in residents of Wyandotte County but in the entire state as well. It will be a world entertainment park on the level of Disney World and Disneyland. Why am I so certain of this? Because of the built-in loyalty and love of the characters and story of the Land of Oz. How many of us every year sit with our children or maybe now even our grandchildren for the yearly showing of the classic "Wizard of Oz". How many of us can honestly say we ourselves don't also look forward to seeing the little girl from Kansas go over the rainbow and discover "there's no place like home".

Well ladies and gentlemen, there is no place like home to build this wonderful multi use facility. It will create jobs - a minimum of 1500 in the park itself. It will bring periphery businesses such as motels, hotels, restaurants, and retail which will add more jobs. Some say that the majority of these jobs are low paying. Maybe so, but remember, many of these jobs will go to our youth who need jobs, who need training and need a place to grow in possible careers. Besides can any of us say that the first jobs we had could support a family? But these jobs give youths the skills to go on to better paying jobs. And there will be many of those career positions in the Land of Oz as well. This will certainly help our unemployment rate which only yesterday was reported at 8.1% in the county. This was higher than the month prior and still number one in the state.

Let's talk about taxes. There are those who ask why should the state allow a portion of the sales taxes generated within the park to be used to help finance the project. I say, why not? That type of financing is used quite often in other states and besides any tax revenues generated to the state by the project is more than the state is receiving now from the proposed site.

The Land of Oz will attract people from all over the country and all over the world just like Disney World. Many of these visitors will drive through other parts of Kansas to get to Kansas City. We know that other Chamber of Commerces are already discussing ways on how to get these visitors to spend money in their communities. Another potential area for all of us to take advantage of is the creation of special events tying in with the Land of Oz which will also generate revenues, taxes and more economic potential in communities in our state who decide to do something with it.

There are some who say no one would come to Kansas City, Kansas for a world renowned entertainment theme park. I ask those of you who can remember back as far as I can, what the swamplands in Orlando, Florida looked like 40 years ago before Walt Disney developed Disney World. What do you think possessed the federal government to provide 84% of the financing for sculptor, Gutzon Borglum carve Mount Rushmore in the Dakotas? A dream created these two world famous places in two totally unlikely places. To borrow a line from the movie "Field of Dreams", "If you build it, they will come."

Please give us the tools to build this brilliant piece of the economic rainbow right in our own backyard. Thank you.

3/31/93
House Taxation Cmte
Attachment 6