#### MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE.

The meeting was called to order by Chairperson Nancey Harrington at 10:30 a.m. on January 23, 2001 in Room 245-N of the Capitol.

All members were present.

Committee staff present:

Russell Mills, Legislative Research Department

Dennis Hodgins, Legislative Research Department

Theresa Kiernan, Office of the Revisor Nikki Kraus, Committee Secretary

Conferees appearing before the committee: Gary Sherrer, Lt. Governor and Secretary of Commerce and

Housing

Others attending:

See Attached List

Chairman Harrington opened the meeting by introducing Gary Sherrer, Lt. Governor and Secretary of Commerce and Housing.

Mr. Sherrer began by stating that the Department of Commerce and Housing materials are included in his packet, starting with a flow chart of Department of Commerce and Housing organization. (Attachment 1). He went on to a map entitled "Kansas Field Offices". (Attachment 2). He stated that NASCAR would be building a new Business Information Field Office/Tourist Information Center and loaning it to Kansas for one dollar for the next fifteen years. He stated that this would be beneficial not only because it would save expense, but also because the location would draw in a greater number of people.

Mr. Sherrer referred to a map entitled "Kansas National and International Offices". (<u>Attachment 3</u>). He stated that these offices are contracted, not state employees. He then went on to a series of charts. (<u>Attachment 4</u>).

Mr. Sherrer presented "Agricultural Products Development Division". (<u>Attachment 5</u>). Mr. Sherrer presented "Business Development Division". (<u>Attachment 6</u>). Mr. Sherrer directed the committee's attention to the "Kansas Department of Commerce and Housing Fiscal Year 2000 Annual Report" and the "Kansas Department of Commerce and Housing Fiscal Year 2000 Annual Report: Executive Summary," both booklets available from the Department.

Mr. Sherrer went on with sheets on the Divisions of Community Development, Housing, Trade Development, and Travel and Tourism Development. (<u>Attachment 7</u>).

Mr. Sherrer asked the committee to look at the "Kansas, Simply Wonderful: 2001 Getaway Guide" available from the Department of Commerce and Housing. He stated that about one-third of the people who requested this tour guide came to the state of Kansas and then spent about \$25 million in the state. He stated that the entire budget of EDIF was \$22 million.

He explained that the use of EDIF funds could be further shown in the reference booklet entitled "Putting Kansas Values to Work: Resource Directory" available from the Kansas Department of Commerce and Housing.

Mr. Sherrer concluded his testimony by referring the committee to "Kansas Department of Commerce and Housing: Favorable Feedback". (Attachment 8). He stated that many companies choose to operate in Kansas because of programs made possible by EDIF funds.

#### CONTINUATION SHEET

Chairman Harrington then thanked Mr. Sherrer, complimented his presentation, and reminded the committee that they would begin hearings on reauthorization of the lottery the following day. Chairman Harrington went on to explain that the committee could reauthorize or not reauthorize, but that it did not have an appropriations ability.

Chairman Harrington then asked for questions and recognized Senator Gooch.

In response to Senator Gooch's question, Mr. Sherrer explained that the lottery had helped TeleTech, a local business, by financially supporting the training of people with limited skills but talent and by giving the company money to convert an old building into an office building for their business. He went on to explain that he felt that the investment of about seven-hundred and fifty thousand dollars was reasonable because the company employed 790 people with good wages and benefits. He also stated that the Department of Commerce and Housing did a cost effectiveness analysis for five years on any company in which they invested resources to be sure that they were continuing as a good investment, and this performance insured that the money which the business received was considered a forgivable loan by the government. He stated that if the business had not continued at a desirable level, they would have to pay back the money. He stated that some companies would still settle in Kansas without these funds, but many wold not.

Senator Gooch stated that he felt the state of Kansas was in effect playing the lottery with the lottery, but Mr. Sherrer said that he felt that the odds of success were much better with this type of investment.

In response to another question from Senator Gooch, Mr. Sherrer stated that federal funds were very restricted and that as a result, without the existence of EDIF money, many of the programs which he had spoken about would not be possible. Mr. Sherrer also stated that in the majority of projects, the business used local workers so that even if the businesses eventually left, the workers still had the training to help them in the future.

Senator Gooch stated that he was concerned for people who spent a great deal of money playing the lottery and that he would like to see a sizeable amount of that money earmarked and used to assist people who have a lower income.

Mr. Sherrer responded that he believed that the money did address those people by creating jobs with benefits and training for the employees, but that if there was more money, they could do even more.

In response to a question from Senator Barnett, Mr. Sherrer explained that the lottery money did allow the development of these programs and that they are now one-hundred per cent dependent on that money to survive, although he had thought about what point economic development would have to stand alone. He stated that EDIF funds had been misused in the past. He also stated that these programs should not be killed because the returns on them had been so clear. He further stated that he was at a point where he could see that economic development might have to be treated like everything else and made to do what it can on its own, but that he thought that if the state neglected it, that would be to the state's own disadvantage.

Senator Lyon stated that he was also interested in addressing the EDIF standing on its own.

Senator Teichman stated that she wanted clarification by Mr. Sherrer if his department wanted not only lottery money, but also state general fund money. Mr. Sherrer said that the Department receives no State Federal Fund money.

Mr. Sherrer stated that he believed eliminating \$60 million would be a great shock to the state's system.

Senator Gooch stated again that he was still concerned about the money that he felt ought to go to the poor.

Chairman Harrington thanked Mr. Sherrer and reminded the committee that they would be discussing SB 22 on Wednesday, and concluding SB 22 and discussing SB 32 on Thursday, in addition to bill introductions both days.

The meeting adjourned at 11:37 a.m. The next scheduled meeting will be at 10:30 a.m. on January 24, 2001.

# SENATE FEDERAL AND STATE AFFAIRS COMMITTEE GUEST LIST

DATE: January 23, 2001

| NAME               | REPRESENTING             |      |
|--------------------|--------------------------|------|
| KEITH KOCHER       | KS Lottery               |      |
| Gleun Thompson     | STand Up FOR KS,         |      |
| In Edward          | KCCC "                   |      |
| Andy Shaw          | Kearney Law Office       |      |
| Alecea Y           | Ks Clubs 4 Assoc.        |      |
| Bill Howard        | Covernor's office        |      |
| Marsha Stralin     | CWA                      |      |
| Tom Hofts          | Ks Lotlary               |      |
| Roberca Dep. de    | Sen- Bynett              |      |
| Loui Rost          | KTEC                     |      |
| Sherry Brown       | KDOCÉH.                  |      |
| Bernie Koch        | Wichita Area Chamber     |      |
| Stephanie Buchanan | DQ3                      |      |
| Roger Franks       | RGC                      |      |
| BUD BURKE          | Olathe Chamber of Comm   | erce |
| Whitney Damron     | KC, KS/WYCO              |      |
| Trista Bendles     | Gokernor's Office        |      |
| Kp Peresson        | Lr. Governor's Office    |      |
| Es O'Malley        | O.P. Chamber of Commerce |      |

# SENATE FEDERAL AND STATE AFFAIRS COMMITTEE GUEST LIST

DATE: January 23, 2001

| NAME         | REPRESENTING              |
|--------------|---------------------------|
| Shelley King | KSPE/Daches, Braden, Brus |
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# Commerce & Housing

Gary Sherrer, Lt. Governor Secretary of Commerce & Housing

Fred Schwien
Deputy Secretary
Administration

Ag Products Development Connie Fischer

Community Development Ned Webb

Trade Development John Watson

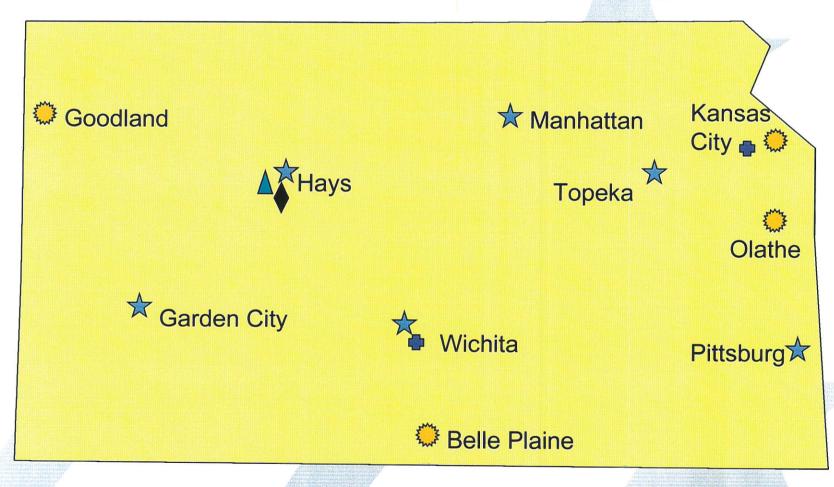
Business Development Steve Kelly

Housing Development Randy Speaker

Travel & Tourism Mary Lou McPhail

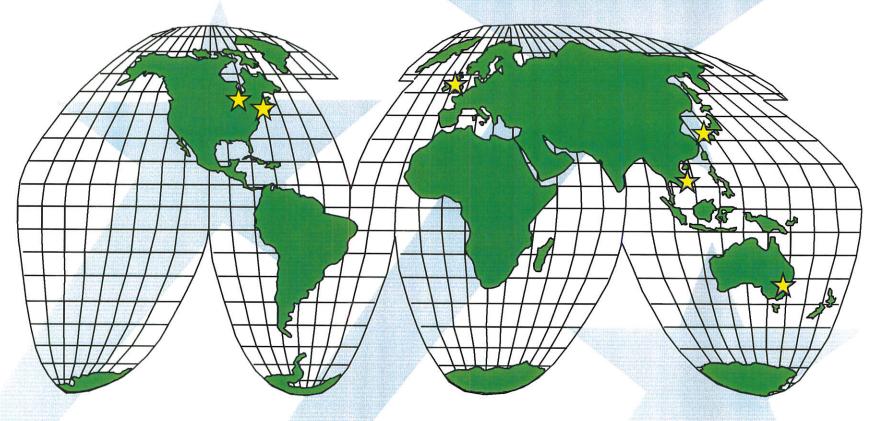
Hachment 1

# Kansas Field Offices



- ★ Business Development Field Office
- Travel Information Center
- Ag Products Development Field Office
- Trade Development Field Office
- ♦ Community Development Field Office

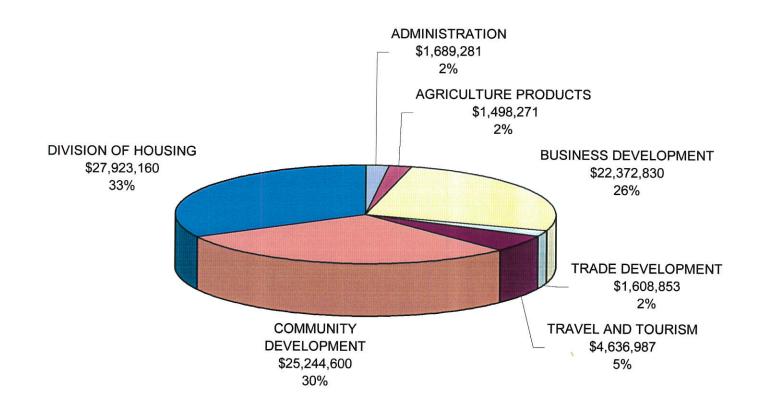
# Kansas National and International Offices



Great Lakes Office - Chicago
East Coast Office - New York
European Field Offices - Leatherhead
Pacific Rim Field Office - Tokyo
Greater China Area Field Office - Hong Kong
South Pacific Field Office - Sydney

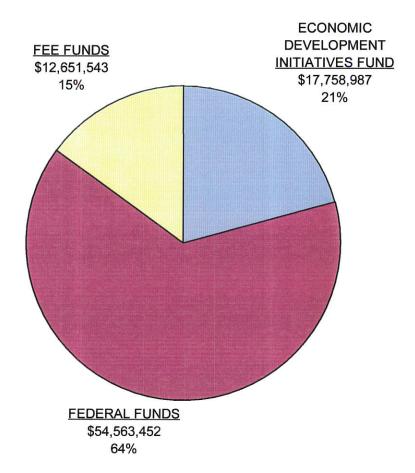
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#### **FY2001 EXPENDITURES BY DIVISION**

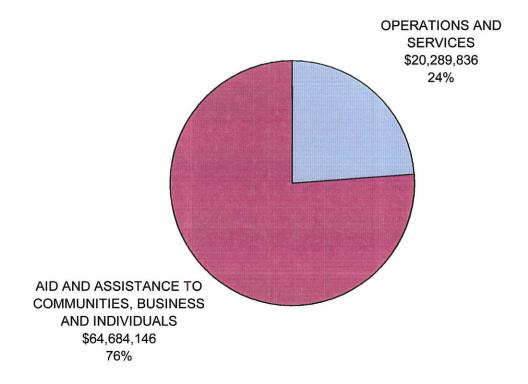


-23-01 ttachment 4-1

# EXPENDITURES BY SOURCE OF FUNDS FY2001



# EXPENDITURES BY CATEGORY FY2001



# AGRICULTURE PRODUCTS DEVELOPMENT DIVISION

The Agricultural Products Development Division provides new and existing businesses that utilize Kansas's agriculture products with assistance in marketing, research, and product development.

<u>Mission</u>: To help improve the economic conditions of Kansas producers, while boosting the prosperity of rural communities

**Director**: Connie Fischer **Phone**: 296-5253 **FAX**: 296-3776

#### **Major Programs:**

✓ Agricultural Value Added Center

Loans to businesses to assist with development and commercialization of agricultural products and processes.

✓ International Marketing Program

Promotion of Kansas agricultural products sales abroad through trade missions, technical assistance and market analysis.

✓ Market Development Services

Producer assistance through identifying new markets for Kansas products, and research and promotion of cooperative efforts between agribusiness, commodity and trade organizations, producer groups and others.

✓ From the Land of Kansas

Marketing and technical assistance to producers to help them establish viable companies; financial assistance is also available to defray some of the costs of attending trade show.

#### FY 2000 Highlights:

- Value Added Center clients reported sales, patronage and premiums totaling \$14.7 million.
- The Division assisted food companies in earning awards totaling \$514,053 from the Mid-America International Agri-Trade Council.
- KSU pilot plant facilities, with funding from the Division, provided \$248,301 worth of services to clients.

Senate Fed + State 1-23-01 Attachment 5-1

#### BUSINESS DEVELOPMENT DIVISION

The Business Development Division helps stimulate the Kansas economy through the creation and retention of jobs and by increasing capital investment in our state.

<u>Mission</u>: To maximize positive impacts on the Kansas economy through the creation and retention of jobs and increased capital investment

**Director**: Steve Kelly **Phone**: 296-5298 **FAX**: 296-3490

#### **Major Programs:**

✓ Kansas Economic Opportunity Initiatives Fund (KEOIF)

Funding to address opportunities or emergencies that may have substantial impact on the Kansas economy. Projects may include major expansions, location of a major new employer, matching a federal or private sector grant, or mitigating the effects of a loss of a major employer.

✓ Kansas Existing Industry Expansion Program (KEIEF)

Addresses the expansion needs of existing Kansas businesses. KEIEP is a performance-based program that stresses business growth and job retention and creation. The funds have a high level of flexibility that allows the state to participate as a funding source when other options have been exhausted.

✓ Kansas Enterprise Zone Act

Incentives are available to qualified businesses throughout Kansas, based on the location of the facility, the type of facility, the capital investment made, and the number of jobs created.

✓ Kansas Partnership Fund

Provides financial assistance to Kansas cities and counties by making low-interest loans for infrastructure projects necessary to attract new business or expand existing local businesses.

✓ Investments In Major Projects And Comprehensive Training (IMPACT)

Provides training assistance through tax-exempt and public-purpose bonds. Targets large firms or projects involving several smaller firms with common skill requirements.

- State of Kansas Investments in Lifelong Learning (SKILL)
- The Major Project Investment fund (MPI)

Senate Fed + State 1-23-01 Attachment 6-1

### √ Kansas Industrial Training (KIT)

Provides training assistance to manufacturing, distribution, and regional or national service firms in the process of adding five or more new jobs to a new or existing Kansas facility.

#### √ Kansas Industrial Retraining (KIR)

Provides retraining assistance to employees who are likely to be displaced due to obsolete or inadequate job skills.

### ✓ Training Equipment Grant Program

Provides community colleges and area technical schools an opportunity to purchase instructional equipment to train or retrain Kansas workers.

#### ✓ High Performance Incentive Program (HPIP)

Provides tax and other incentives to companies that pay above-average wages and have a strong commitment to skills development for their workers.

#### ✓ Kansas Business First

Assist communities in establishing a customized local retention and expansion program by assessing the business climate in their area with a survey software program.

# ✓ Office of Minority and Women Business Development / Single Source Certification Program

Promotes and assists in the development of minority- and women-owned businesses in Kansas. The program provides assistance in procurement and contracting, financing resources, business planning, and identification of business opportunities. The Single Source Certification program certifies minority and women-owned businesses by verifying ownership and control of a company.

## ✓ Certified Development Companies (CDC)

The state provides financial support to a network of Certified Development Companies throughout the state that assist the small business communities with financial packaging services, using a variety of private and government sources.

# ✓ Small Business Development Centers (SBDC)

Provide support to help small businesses succeed through free professional consultation services and low-cost seminars. The centers provide assistance in a variety of business management areas including accounting, business planning, market analysis, personnel, and procurement.

### FY 2000 Highlights:

- Business recruitment efforts helped bring 5,851 new jobs to Kansas.
- New businesses attracted to the state will make \$416 million in capital investments.
- Nearly 14,500 employees from 111 Kansas companies will receive training as a result of grants awarded.
- Jobs added with the help of KEOIF and KEIEP loans will generate a projected payroll of \$169 million.
- Small Business Development Centers counseled 14,000 clients.

# COMMUNITY DEVELOPMENT DIVISION

The Community Development Division provides funding, technical expertise and coordination of community improvements

Mission: To preserve and enhance the livability of Kansas communities by improving their capacity to meet their needs.

Director:

Ned Webb

**Phone:** 296-3485

FAX: 296-0186

E-Mail: nwebb@kdoch.state.ks.us

#### **Major Programs:**

# ✓ Community Development Block Grant

Federal grant program to benefit low- and moderate-income individuals; remove or prevent slums and blight; or resolve an urgent need created by a severe or natural disaster. Grants are made to cities and counties under 50,000 for:

- -- Loans to private businesses that create or retain jobs.
- --Community improvements projects, such as fire protection, water or sewer improvements, senior centers, etc.
- -- Urgent needs
- --Housing and neighborhood rehabilitation
- -- Downtown revitalization
- --Comprehensive development
- --Micro-loan pools to assist micro enterprises
- --Self-help improvements (KAN STEP)

#### **Community Service Tax Credits**

State tax credits for contributions to private, nonprofit organizations that provide services to disadvantaged children and families, health care services or crime prevention services.

### Kansas Main Street Program

Technical and financial assistance to assist with the preservation and revitalization of downtown districts in communities of less than 50,000.

Technical assistance to communities to help with a hands-on approach to selfimprovement.

> Senate Feel + State 1-23-01 Attachment 7-1

- ✓ Community Capacity Building
  Grants to cities or development organizations to encourage community
  development planning, neighborhood revitalization, downtown revitalization, etc.
- ✓ Flood Mitigation Assistance
  Grants to selected communities to reduce the long-term risk of flood and other disaster damages.

### FY 2000 Highlights:

- Generated 328 net new jobs in Main Street cities.
- Leveraged \$30.9 million in private investment in Main Street cities.
- Completed 90 Community Development Block Grant projects (CDBG), benefiting 68,959 Kansans.
- CDBG projects retained or created 272 jobs, rehabilitated 240 homes, demolished 47 unsafe structures, and laid 131 miles of water mains and 6.9 miles of sewer lines.

#### HOUSING DIVISION

The Housing Division provides funding and technical expertise to Kansas communities.

Mission: To provide housing opportunities for Kansas through the development of resources, partnerships, and technical assistance.

Director:

Randy Speaker

Phone: 296-2954

FAX: 296-8985

#### Major Programs:

#### ✓ Home Ownership Assistance

Federal grant program to benefit low- and moderate-income individuals with funds to assist first time homebuyers, or to assist current homeowners with repairs.

#### ✓ Rental Housing Assistance

Tax credits to develop and maintain affordable rental housing. Private activity bonds to finance residential rental projects. Development loans to accelerate the development of rental housing.

Tenant based rental assistance.

Compliance monitoring to ensure safe and livable rental housing.

#### **Housing With Supportive Services**

Emergency shelter grants.

Community Services Block Grants to local community action agencies. Weatherization assistance

## √ Kansas Accessibility Modification Program (KAMP)

Grants for both homeowners and renters to make housing units more accessible to handicapped or disabled occupants.

#### FY 2000 Highlights:

- Constructed 1,288 rental units and rehabilitated 184 units
- Assisted 1,781 first-time homebuyers
- Rehabilitated 100 owner-occupied homes
- Constructed 1,288 rental units and rehabilitated 184 units
- Assisted 23,676 homeless.
- Weatherized 708 homeowner units and 442 rental units.
- Provided rental assistance to 2,804 tenants.

#### TRADE DEVELOPMENT DIVISION

The Trade Development Division helps Kansas companies develop international trade.

<u>Mission</u>: To increase international sales of Kansas goods and services and to increase the number of international corporations located in Kansas

**Director**: John Watson **Phone**: 296-6333 **FAX**: 296-5263

#### **Major Programs:**

#### ✓ Export Counseling/International Market Research

Free, on-site counseling to help businesses identify new markets around the world, research foreign markets, and implement an export-marketing plan.

#### ✓ Overseas Missions and Trade Shows

Actively recruit Kansas companies to attend trade shows and missions in regions around the world.

#### ✓ Educational Seminars

Educational programs are offered periodically to address general export activities, specific issues, and market information.

#### ✓ Kansas Export Loan Guarantee Program

Loan guarantees are available for companies that have the ability to export products, but lack sufficient working capital.

#### ✓ Kansas Trade Show Assistance Program (KTSAP)

Provides financial support for Kansas businesses exhibiting in foreign and domestic trade show attracting international buyers.

#### ✓ Overseas Offices

Kansas companies have an access to resources and information about foreign markets from offices located in Europe, Australia, and the Pacific Rim.

#### ✓ International Investment Recruitment

Assists international investors by marketing the state as a location for new business facilities.

### FY 2000 Highlights:

- Provided technical assistance to 280 companies.
- Completed 101 market/regulatory analyses.
- Awarded Trade Show Assistance grants to 60 companies that reported export sales of over \$22 million.
- Attracted \$11.5 million in foreign investment, aiding in creation of 570 new jobs.

# TRAVEL & TOURISM DEVELOPMENT

The Travel & Tourism Development Division affects the economy in Kansas in a positive way through attracting visitors to Kansas, assisting communities to develop more tourist attractions, and encourage film producers to use Kansas as their film location site.

<u>Mission</u>: To generate and facilitate tourism and film-related spending throughout the state

**Director**: Mary Lou McPhail **Phone**: 296-6847 **FAX**: 296-6988

#### **Major Programs:**

### ✓ Tourism Advertising Campaign

Advertisements are placed in national and international magazines to promote Kansas as a travel destination.

# ✓ Kansas Travel & Event Guide/Kansas! Magazine/Groups Tour Planner

Publications are one of the major tools to promote Kansas as a tourist attraction.

#### ✓ Media Relations

Generate Kansas travel-related feature articles by working directly with travel journalists from regional, national, and international consumer and travel trade publications.

#### ✓ Travel Information Centers

Provide visitors with various travel kits and information about tourist attractions.

# ✓ Attraction Development Matching Grant Program

Provides financial assistance for the development of new tourist attractions and the enhancement of existing ones.

#### ✓ Kansas Film Commission

The Commission participates in various activities that promote Kansas as an attractive destination for film production.

#### FY 2000 Highlights:

- Generated 119,110 inquiries through print advertising.
- Travel expenditures influenced by print advertising exceeded \$25 million.
- Almost 450,000 visitors stopped at the Travel Information Centers.
- Sites featured in the KANSAS! Magazine experienced a 21 percent increase in visitors.
- Feature stories on Kansas in national consumer and travel publications produced the equivalent of \$4.3 million in print advertising.
- The Film Commission assisted 25 projects, filmed in 15 counties, accounting for over \$13.2 million in production expenditures.

#### KANSAS DEPARTMENT OF COMMERCE & HOUSING

#### Favorable Feedback

"The Kansas Department of Commerce & Housing played a key role in attracting this company (Sauer-Sundstrand) to the State of Kansas."

Debi Moore Lawrence Chamber of Commerce

\* \* \*

"As a small business, we wouldn't have been able to do a trade show in South Africa without your (KTSAP) program."

Leawood Export Finance, Inc. Overland Park

\* \* \*

"The Kansas Department of Commerce & Housing has been a major player in every community development and economic development project the city has undertaken over the last six or seven years."

Leroy Alsup Coffeyville City Manager

\* \* \*

"...I have had numerous occasions to work with the Kansas Department of Commerce & Housing and I continue to be astounded at the level of service they provide. They have proactively sought us out and taken the time to understand our business and objectives in order that they could come back with offers and proposals designed to help support and extend our efforts to grow our business."

Bob LaGarde, President LaGarde, Inc.

+ + 4

"On behalf of BOC, I want to express my appreciation for your efforts. The recently completed expansion and modernization of our helium plant in Otis would very likely not have taken place but for your support and direction."

Dan Breen The BOC Group

\* \* 4

"Your help (KEOIF and CDBG) with Nu Alpha Manufacturing has simply been fantastic. Without the help from the state of Kansas there is no way that Parsons could have attracted this industry and the 125 jobs that it will create."

Carolyn Kennett
Parsons Economic Development Director

Senate Fed + State 1-23-01. Attachment 8-1 "It is a pleasure interacting with a state government that is so proactive and works so hard to create a cooperative atmosphere between itself and its local government counterparts."

Christopher Eppley Tonganoxie City Administrator

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"The Main Street Program is responsible for unprecedented progress in the revitalization of the downtown core area. Vacancy rates are extremely low and restoration projects and re-use of former 'white elephants' have made a significantly positive impact on the economic vitality of Salina."

Nick Slechta Salina Downtown, Inc.

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"On behalf of the City of Emporia, I would like to express our appreciation for your help on the Emergency Shelter Grant program. This program has provided much needed monies to the emergency shelters in our city."

Raymond Toso Mayor of Emporia

+++

"With the Comprehensive Grant we secured (from KDOC&H), we were able to reconstruct five miles of streets and improve the water storage and distribution lines at the Shilling Airport. This grant has transformed our airport into a modern industrial park that supports 4,500 employees working for 70 companies."

Roy Dudark
Director of Planning & Development, Salina

\* \* \*

"Your presence made all the difference for Smith & Loveless (Lenexa) in impressing our clients and forwarding the relationship. We appreciate the support of the state in our efforts to continue exporting."

Stuart Marshall Smith & Loveless

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"I pinched myself to make sure I wasn't dreaming. What a fun special day for Anderson County! Please know how much we appreciate all you have done!" (Tourism Attraction grant for Gerth Cabin)

Dorothy Lickteig

Gerth Cabin Committee

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"The contribution of your effort certainly made a difference in bringing the project to a timely and successful completion. We sincerely appreciate the attention and recognition you have given to this most important project (bridge repairs)."

Titus Falcon Lincoln Co. Board of Commissioners

+++

"Thank you for your wonderful story about our Maple Leaf Festival (Kansas! Magazine). I have received many inquiries, questions and comments from people who read your magazine. Thanks for a great story!"

Star Novak Baldwin City

\* \* \*

"For the past year I have worked with various members of this agency (KDOC&H) and found them to be outstanding. Neodesha Industries is a small operation, but we have been treated as if we are a big organization. Your concern and assistance has been excellent."

Neodesha Industries Neodesha

++4

"Thank you for meeting with me regarding exporting Kansas agricultural products. I found the information you had to offer illuminating. I believe the services offered by the Agriculture Products Development Division will be of benefit to us as we continue our efforts to develop markets in Mexico."

Morgan Consulting Group, Ltd.

\* \* \*

"This was, by far, the nicest place (travel information center) I have ever visited—so clean, so organized, and the staff were friendly and helpful. Thanks for a great place!"

Carol Nutter Richmond, IN

\* \* \*

"Let me restate how much we at Pines appreciate the work you and the state have done in assisting our business both in the U.S. and overseas. You have provided me with many opportunities and good counsel on various occasions since I have been with Pines, and I look forward to a continued relationship."

Pines International Lawrence

**\* \* \*** 

"Because of our receiving our sewer grant, our district will benefit tremendously, both financially and health-wise. The average sewer rates will be reduced from \$42 monthly to \$30, which is a great savings for our members."

Joan Cumpton
Lakewood Hills Improvement District
Jefferson County

+ + +

"We are grateful to the Governor and the Kansas Department of Commerce & Housing for their support and efforts to promote exports worldwide."

Cobalt Boats 1999 Governor's Exporter of the Year Neodesha "Support from Kansas and the Kansas Europe Office was outstanding! The KTSAP enabled Keddeg to exhibit for the first time and to support each distributor independently at their meetings with potential customers for us."

Tom Laughlin, President Keddeg Company

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"...Godly Plan Resources is still kicking and grossed a half a million last year. Also, our sister enterprise Worship Woodworks in Protection is doing very well and has just moved into their new building. Our two enterprises together have twenty some full time employees now, and the financial impact on these two small communities is starting to become realized. Who said you can't start a business in a small rural community???? Not you, and we appreciate your help."

Tom Berryman Godly Plan Resources

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"The City Commission, City Manager and the community of Fort Scott has watched with interest the outstanding growth of Great-West Life Assurance Company which has become one of our community's major employers. KDOC&H has played a major role in this industry's growth."

Kenneth Lunt, Mayor and Richard Nienstedt, City Manager Fort Scott

\* \* \*

"Thank you for your assistance for us with the 2000 Circle Track Racing Expo in Daytona Beach last week. We had an extremely successful show. I am currently processing over 15 national and international leads generated at the show. Each sale will be in the \$35,000 too \$130,000 range."

Clancy Schmidt Oasis Truck Conversions

...

"H.O.P.E., Inc. is successful because of your (KDOC&H) unselfish manner in helping people help themselves. Keep up the good works. We need partners and people like you and your staff."

E. Jean Carter Founder/CEO of H.O.P.E.

+++

"I would like to commend those involved in this (CDBG) housing program. It has been successful in changing this town (Bogue) from the ordinary to a community where the properties are well maintained and the pride of ownership is evident throughout."

Mark Niehaus Graham County Appraiser

\* \* \*

"On behalf of the people of the Salem Valley Community Service Project, we say thank you for awarding us tax credits. This project will benefit many people in our community, and we are truly grateful to have been chosen."

Board of Directors Salem Valley Community Service Project

\* \* \*

"As you can see from the numbers, we've enjoyed considerable growth since moving to our location. There's no way that we could have done this without your assistance."

Dave Drieling GTM Sport Marketing

+++

"Your allowing our Bank to make the interim loan probably made the difference between this company (Central Plans Book Manufacturing) getting started or not. I believe we presently have approximately 45 employees working at Central Plains now. These are jobs that would have been lost by our county (Cowley)."

Michael Mildfelt, Executive Vice President The State Bank

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"...the Butterfly House has been a great success. In talking with other museum directors, they are all reporting a reduction in attendance due to the weather, while we are experiencing a 4.5% increase...Without your ehlp, this project would never have been possible."

- 2

Gerald Carr, Interim Director Botanica, The Wichita Garden

+++

"The State of Kansas was able to offer a critical financial assistance in the form of training funds which made a crucial difference in attracting SITEL to the area. This assistance placed us in a much more competitive position with other non-Kansas locations they were considering. This particular project could not have occurred without Kansas' financial support and your professional cooperation."

William Hower, President Development and Retention Council

\* \* \*

"Wall-Ties & Forms, Inc. would like to express its appreciation for the state of Kansas' Program for International Trade Shows. Through this program we have attended a trade show in Bejing, China which without the state of Kansas, we would not have know of nor pursued. The show was a great success, and is allowing us to pursue a new market in China for our product."

Charles Engleken, President Wall-Ties & Forms, Inc.

"Our relationship with the Kansas Main Street Program givesus a context larger than just one community. It links us to a national organization and it provides us resources such as Incentives Without Walls, architectural advice, and consultations...Your office continues to be curcial to our success."

Michele Jones, Executive Director Manhattan Main Street

+ + +

"I own a motion picture special effects company here in Kansas City. On several projects over the past year, representatives for out of town production companies have approached me in absolute awe as to the ways in which they had been accommodated by the Kansas Film Commission. The professionalism, organization, efficiency, and cooperation was at such a level that they had never experienced before - in any market."

Jeff T. Owens, President Owens Enterprises

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"The availability of incentives from the state such as the training funds, tax credits, and the EKOIF funds played a vital role in TeleTech's decision process as to a site location. Numerous communities and states were under consideration for this project and our ability to utilize these programs as an additional incentive was instrumental in TeleTech's decision to locate in Topeka, Kansas."

Kathy Moellenberndt, Vice President – Director Topeka Chamber of Commerce Economic Development