

Proponent Testimony for SB 197, STAR Bond Extension
Rachel Willis, Director of Legislative Affairs, Kansas Department of Commerce
March 10, 1:30 P.M.
Room 346 S

Thank you for allowing us to provide proponent testimony for SB 197. This bill extends the sunset on the STAR Bond program from July 1, 2026, to July 1, 2028. With the STAR Bond program booming, the agency is excited to continue the success.

The Sales Tax and Revenue (STAR) Bond Act (KSA 12-17, 160) was established in 1999. STAR Bonds are a financing tool that allows Kansas municipalities to issue bonds to finance the development of major commercial, entertainment and tourism projects. The bonds are paid off through the sales tax revenue generated by the attraction and surrounding development. The intent is to increase regional and out of state tourism; increase economic activity in the state; and improve the quality of life.

Specifically, STAR Bonds provide Kansas municipalities the opportunity to issue bonds to finance the development of major commercial, entertainment and tourism areas and attractions, drawing visitors from across the region and out of state. The new sales taxes generated by the tourist or entertainment attraction go toward paying down the bonds that were issued to help finance the project. STAR Bond attractions and amenities also improve the quality of life in our state. Currently, there are 17 projects at various stages of completion and repayment throughout the state.

Since 1999, STAR Bonds have been a critical tool for economic development in the state. It is a unique program that creates tourism and entertainment attractions. The current 17 projects have spurred economic activity in each of the regions, created jobs and increased tourism. The Village West district has been the most successful project to date. Village West now provides over \$40 million in sales tax to the state general fund every year; has created several billion dollars of private investment; and created tens of thousands of jobs. Village West's record of improving both the economy and the general welfare of Wyandotte County and the state as a whole is beyond dispute. In fact, the Village West project returns nearly as much state sales tax to the state general fund than the amount of state sales tax "foregone" by the state and applied to debt service for all other STAR Bond projects across the state. On pages 3 through 6 are the STAR Bond district statistics, which include the bond amount, the remaining bond amount, sales tax generated in the district and visitor numbers.

During 2024, the agency assisted in 11 visitation and feasibility studies for potential STAR Bond projects. These potential projects are all based on tourism-related attractions and will improve the quality of life in Kansas. They have an aggregate potential capital investment of several

billion dollars and are located across the state. The extension in SB197 is important to give these projects predictability and stability the STAR Bond program will be available. Recent grand opening ceremonies were held this year at two STAR Bond districts including at Homefield in Wyandotte County and at BluHawk in Overland Park. Below is a current list of STAR Bond districts.

City	Project Name	Status
Atchison	Amelia Earhart Museum	Operational
Derby	Field Station: Dinosaurs	Phase 1: Operational Phase 2: Under Construction
Dodge City	Boot Hill Museum	Operational
Garden City	Sports of the World Complex	Under Construction
Goddard	Champion Aquatic Center, Ball Field, Softball and Baseball	Operational
Hutchinson	Salt Mine Museum	Operational
Kansas City	U.S. Soccer Training Center	Operational
Kansas City	Children's Mercy Park	Operational
Kansas City	Kansas Speedway	Operational
Kansas City	Homefield	Operational
Manhattan	Flint Hills Discovery Center Museum, Museum of Art and Light	Phase 1: Operational Phase 2: Operational
Overland Park	PrairieFire Museum	Operational
Overland Park	BluHawk Arena & Fieldhouse	Operational
Salina	Fieldhouse and Antique Car Museum	Operational
Topeka	Heartland Park Racetrack	Operational
Wichita	Riverwalk, Riverbank Improvements, Baseball Stadium	Phase 1: Operational Phase 2: Under Construction
Wichita	K-96 and Greenwich Sports Complex	Operational

The extension of the STAR bond program will allow Commerce to work with local communities to continue to utilize this tool. As the committee is considering the extension, we also ask that you make a permanent fix in the statute to hold those established districts that have a grocery store harmless since the state's food sales tax has been eliminated. Lastly, we ask that the bill effective date is January 1, 2026, rather than July 1, 2025. This will allow the businesses in the district and the communities to have adequate time to implement the process to count visitors and report them accordingly.

STAR Bonds play an important role in growing the Kansas economy. It is a unique program that creates tourism and entertainment attractions. We look forward to supporting our current projects and working to establish new ones.

STAR Bond District Numbers

City of Atchison (Amelia Earhart Hangar Museum):

- 20,242 people visited the attraction this year representing 864 US zip codes and 24 countries.
- **Bond Details**
 - Bonds Issued: \$2,370,000
 - Bonds Outstanding: \$84,500
 - Sales Tax Revenues: \$602,957

City of Derby (Field Station: Dinosaurs and Sports Zone)

- 32,465 visitors went to this attraction.
- **Bond Details**
 - Bonds Issued: 1.) 2017 - \$20,465,000; 2.) 2020 - \$14,375,000; 3.) 2022 - \$35,285,000
 - Bonds Outstanding: 1.) **2017 - PAID OFF (zero balance); 2.) 2020 - PAID OFF (zero balance); 3.) 2022 - \$29,980,000**
 - Sales Tax Revenues: \$7,534,905

City of Dodge City (Boot Hill Museum)

- Museum hosted 71,878 visitors
- **Bond Details**
 - Bonds Issued: 1.) 2015 - \$13,150,000; 2.) 2018 - \$15,690,000
 - Bonds Outstanding: 1.) 2015 - \$5,000,000; 2.) 2018 - \$12,235,000
 - Sales Tax Revenues: 1.) 2015 - \$2,155,880; 2.) 2018 - \$1,301,739

City of Garden City (Sports of the World Complex)

- Construction is underway and the project will include indoor soccer fields, indoor basketball courts, indoor trampoline park, indoor baseball cages, outdoor sand volleyball courts, outdoor pickleball courts and outdoor cornhole courts
- **Bond Details**
 - Bonds Issued: \$29,540,000
 - Bonds Outstanding: \$4,040,000
 - Sales Tax Revenues: \$6,666,420

City of Goddard (Olympic Park Project)

- Visitor numbers to come
- **Bond Details**
 - Bonds Issued: 1.) 2014 - \$30,000,000; 2.) 2019 - \$25,880,000; 3.) 2021 - \$11,065,000
 - Bonds Outstanding: 1.) 2014 - PAID OFF (zero balance); 2.) 2019 - \$8,535,000; 3.) 2021 - \$11,065,000
 - Sales Tax Revenues: \$4,255,869

Hutchinson

- Numbers not being collected.
- **Bonds have been PAID OFF**

City of Kansas City (US Soccer Training Center)

- Visitor numbers to come
- **Bond Details**
 - Bonds Issued: \$65,229,559
 - Bonds Outstanding: \$98,042,215
 - Sales Tax Revenues: \$9,434,771

City of Kansas City (Children's Mercy Park)

- One game drew over 72,000
- **Bond Details**
 - Bonds Issued: \$150,289,488
 - Bonds Outstanding: PAID OFF (zero balance)
 - Sales Tax Revenues: PAID OFF

City of Kansas City (Kansas Speedway)

- Visitor numbers to come
- **Bond Details**
 - Bonds Issued: \$24,300,413
 - Bonds Outstanding: \$9,020,000
 - Sales Tax Revenues: \$1,146,738

City of Kansas City (Homefield)

- Fields opened in April 2024; Big Shots Golf, Atlas 9 immersive museum to open in 2025 (no visitor numbers yet)
- **Bond Details**
 - Bonds Issued: \$145,275,000
 - Bonds Outstanding: \$141,085,000
 - Sales Tax Revenues: \$6,954,765

City of Manhattan (Flint Hills Discovery Center & Museum of Art and Light)

- Museum opened in November 2024 (no visitor numbers yet)
- **Bond Details**
 - Bonds Issued: 1.) 2009 - \$65,229,559; 2.) 2022 - \$24,975,000
 - Bonds Outstanding: **1.) 2009 - PAID OFF (zero balance); 2.) 2022 - \$3,490,000**
 - Sales Tax Revenues: \$5,183,457

City of Overland Park (Prairiefire)

- Museum hosted 499,579 visitors
- **Bond Details**
 - Bonds Issued: \$64,990,000
 - Bonds Outstanding: \$58,267,178
 - Sales Tax Revenues: \$3,695,554

City of Overland Park (BluHawk)

- No visitor numbers yet because the multi-sport complex opened at the end of October 2024
- **Bond Details**
 - Bonds Issued: \$53,540,000
 - Bonds Outstanding: \$50,550,000
 - Sales Tax Revenues: \$5,418,778

City of Salina (Salina Fieldhouse & Antique Car Museum)

- Facility experienced an increase in regular programming such as leagues, tournaments, special events, rental, after school functions, drop-in and summer camp with an overall increase of 29% (visitor numbers to come)
- **Bond Details**
 - Bonds Issued: \$18,250,000
 - Bonds Outstanding: \$13,080,000
 - Sales Tax Revenues: \$2,484,102

City of Topeka

- No visitor numbers
- **Bond Details**
 - Bonds Issued: \$10,405,000
 - Bonds Outstanding: \$490,438
 - Sales Tax Revenues: \$972,813

City of Wichita (River District)

- District experienced overall attendance of 2,241,638 annual visitors
- **Bond Details**
 - Bonds Issued: 1.) 2015 - \$13,150,000; 2.) 2018 - \$42,140,000
 - Bonds Outstanding: **1.) 2016 - PAID OFF (zero balance); 2.) 2018 - \$32,285,000**
 - Sales Tax Revenues: \$3,656,385

City of Wichita (K-96 Greenwich)

- Project experienced 5,240,029 annual visitors
- **Bond Details**
 - Bonds Issued: 1.) 2013 - \$36,325,000*; 2.) 2017 - \$71,305,000
 - Bonds Outstanding: 1.) 2013 - \$0*; 2.) 2017 - \$5,605,000
 - Sales Tax Revenues: \$12,402,552