

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Karin Brownlee at 8:15 a.m. on February 21, 2003 in Room 123-S of the Capitol.

All members were present except: Senator Brungardt, absent
Senator Steineger, absent

Committee staff present: April Holman, Legislative Research
Deb Hollon, Legislative Research
Mitch Rice, Revisor of Statutes
Norman Furse, Revisor of Statutes
Jodie Anspaugh, Secretary

Conferees appearing before the committee: Michael Wilks, Olathe City Manager
Tim McKee, Olathe Chamber of Commerce
Larry Baer, League of Kansas Municipalities
Ed Wolverton, Wichita Downtown Development Corp
Steve Graham, Olathe Economic Development Council
Bud Burke, Issues Management Group, Inc.
Don Denney, Unified Government of Wyandotte
County/Kansas City, Kansas

Others attending: See attached list.

Chairperson Brownlee opened the hearing on SB 235, regarding Starbonds. April Holman from Legislative Research gave an overview of the bill. Starbond stands for sales tax and revenue bonds. Ms. Holman answered questions about the bill and explained the differences between this bill and HB 2208, regarding Starbonds.

Michael Wilks, Olathe City Manager, testified in support of SB 235. (Attachment 1) He stressed that both the mayor of Olathe and the Olathe City Council support this bill. The Kansas City Metropolitan Area has a proven model that Starbonds work. Cabela's is now the number one tourist attraction in Kansas, and was financed with the use of Starbonds.

Tim McKee, Vice President of Economic Development for the Olathe Chamber of Commerce, testified in support of SB 235. (Attachment 2) Before Cabela's, the two Indian casinos were the top tourist attractions in Kansas. Starbonds are a tool that can be used to develop other tourist areas in Kansas. Starbonds can be applied statewide, but the kind of investment needed for an urban area may not be the same that is needed for a rural area.

Larry Baer, Assistant Legal Counsel for the League of Kansas Municipalities testified in support of SB 235. (Attachment 3) He supports this bill because it will stimulate economic growth.

Ed Wolverton, President of Wichita Downtown Development Corporation, testified in support of SB 235. (Attachment 4) He has seen the Starbond program in Wyandotte County generate new jobs and investment. The standards for obtaining Starbonds must be kept high. He does not want to see Starbonds used for discount variety stores, grocery stores, home improvement warehouses, and electronic supercenters. Mr. Wolverton referenced three written testimonies from Wichita: Wichita City Council Member Carl Brewer (Attachment 5), John Rolfe, President/CEO of Greater Wichita Convention & Visitors Bureau (Attachment 6), and Lori Usher, VP of Economic Development of the Wichita Area Chamber of Commerce (Attachment 7).

Steve Graham, Vice President of Titan Construction Organization and Chairman of the Olathe Economic

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Development Council, testified in support of SB 235. ([Attachment 8](#)) He stressed that Kansas should implement statewide Starbonds now, to be competitive with other states. Other states will eventually pass similar legislation, and Kansas should be ahead of the curve.

Bud Burke from Issues Management Group, Inc. and the Olathe Chamber of Commerce testified in support of SB 235. ([Attachment 9](#)) This Starbond legislation creates a level playing field for the development of projects across the state and will allow Kansas to be competitive with its neighbors in recruiting new businesses.

Don Denney, Unified Government of Wyandotte County/Kansas City, Kansas, testified as neutral on SB 235. He brought written testimony from Carol Marinovich, Mayor/CEO of the Unified Government. ([Attachment 10](#)) Unified Government clearly supports Starbond legislation, but believes that Starbonds should only be authorized for major state tourism areas.

Written testimony was provided by:

Blake Schreck, President, Lenexa Chamber of Commerce ([Attachment 11](#))

Glenn Thompson, Executive Director, Stand Up for Kansas ([Attachment 12](#))

Greg Kindle, President, Southwest Johnson County Economic Development ([Attachment 13](#))

Chairperson Brownlee closed the hearing on SB 235. The committee members asked questions of the presenters regarding the standards for Starbond authorization and local participation. The committee would like to see parameters which would allow the use of Starbonds in small market areas. One possible example would be the underground salt mine museum. Chairperson Brownlee asked Revisor Norman Furse to look into this and make sure the bill allows for statewide opportunities.

The meeting was adjourned at 9:30 a.m.

The next meeting is scheduled for February 24, 2003 at 8:30 a.m. in Room 123-S.