

Date: February 17, 2020

To: House Commerce

From: Amanda L. Stanley, General Counsel

Re: Testimony in Support of HB 2529

I want to thank Chairmen Tarwater and the Committee members for allowing the League of Kansas Municipalities the opportunity to provide testimony in support of HB 2529.

HB 2529 renews the STAR Bond Act while making key changes to ensure the program fulfills its original mission of providing Kansas municipalities an important economic development tool to finance the development of major commercial, entertainment and tourism areas.

Several significant projects and developments have been accomplished and/or are underway because of the financing options afforded under the STAR Bond Act. The most visible of these projects is Village West and the Kansas Speedway, which was paid off five years early and is now contributing additional revenue to Kansas City, Wyandotte County and the State. There are many other projects across the State, perhaps not as visible, but just as important to the local and statewide economy. The City of Manhattan for instance, was awarded a STAR Bond project in 2006. The City issued \$50 million in STAR bonds in 2009 toward Manhattan's Downtown Redevelopment, including the construction of the Flint Hills Discovery Center which hosts over 80,000 visitors a year. In 2018, those visitors came from 48 states and 36 countries. Over \$100M of private investment was leveraged during Manhattan's Downtown Redevelopment due to the influence of STAR Bonds. The property valuation of the downtown district grew from \$15.9 million in 2006 to over \$42 million in valuation today. It is anticipated the Bonds will be paid off by the end of 2021, well in advance of the district life of 2026. The STAR Bond Act has proven it is an important piece of legislation for both local and statewide economic development. This Act has been used by both large and small cities including Kansas City, Atchison, Dodge City, Wichita, Garden City, Manhattan, Derby, Salina, and Topeka.

We support the changes HB 2529 makes to the Act such as (1) the increase in capital investment and projected gross annual sales requirements to \$75 million, (2) having the feasibility study controlled by the Department of Commerce to ensure an accurate study of each project is completed, and (3) the requirement for the submission of visitor tracking plans and data to the Department of Commerce to provide accountability these projects are attracting tourism to the State. These changes are designed to help ensure the projects leveraging this important economic development tool result in increased tourism to the State.

For these reasons, the League asks this Committee to favorably recommend HB 2529 to the full House for its consideration.