



To: The Honorable Richard Carlson, Chairman
Members, House Taxation Committee

From: Ashley Sherard, Vice-President
Lenexa Chamber of Commerce

Date: February 16, 2012

Re: HB 2747–Opposing Deferral of Scheduled T-WORKS Funding Increase

The Historic Lackman-Thompson Estate

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While we fully appreciate the intent behind HB 2747 to create jobs and promote economic growth, the Lenexa Chamber of Commerce opposes its proposed deferral of increased funding for the T-WORKS transportation program. We strongly believe that increasing transportation funding as scheduled will itself clearly create and maintain significant jobs and provide immediate and substantial economic benefits.

The impact of transportation projects goes far beyond simply meeting important community needs. Transportation-related projects provide direct economic benefits through jobs and wages, state and local tax revenues, and commercial income generated by contractors, engineers, suppliers, and other support businesses, estimated by KDOT to result in as much as \$3 overall for every \$1 invested. During a difficult recession that has been slow to recover, transportation projects are an immediate and meaningful means to create and maintain jobs and help support the economy.

In addition, Lenexa knows first-hand how important transportation projects can be to the continued economic growth of a community. Growth and development on Lenexa’s western edge and commuters from Lawrence to the west and from KCK to the north have hastened the need to reconfigure the interchange of K-10/I-435/I-35, known as The Gateway. This proposed project would facilitate major commercial development and help control growing bottlenecks at key commercial access points – bottlenecks acknowledged as among the worst in the state. KDOT estimates completion of the first two phases of the project would create \$2.4 billion in economic impact. But with transportation funds uncertain, timely construction of this needed project would not be assured – along with all the jobs and economic activity it would unlock.

We believe the provisions of HB 2747 would indeed make transportation funds more uncertain. While we understand the bill proposes to both fully fund and “pay back” the T-WORKS program in the future, the legislature has not built a strong track record of keeping promises regarding future funding -- and HB 2747 also includes a 2% annual spending cap that will already be challenged by inflation and issues such as KPERs, K-12 education, and social services, as well as scheduled income tax reductions that may reduce revenues.

For all of these reasons, we strongly encourage the legislature not to defer its scheduled increase in T-WORKS transportation funding. We believe the T-WORKS program clearly and immediately creates jobs, provides significant financial returns, and avoids deferring maintenance that will become more costly over time. Thank you for your consideration.