

TESTIMONY IN OPPOSITION TO HB 2168

Mr. Chairman and Members of the House Federal and State Affairs Committee:

My name is Richard Klemp, Director of Governmental Affairs for the Kansas Star Casino in Mulvane, Kansas. I am here today on behalf of our team of more than 900 employees.

We are opposing HB 2168 because of the provision to allow a re-vote in Sedgwick County for Wichita Greyhound Park to have slot machines because this would drastically and negatively alter the market conditions upon which the Kansas Star Casino based its decision to invest in south central Kansas.

Fundamentally, it is an issue of fairness and the State of Kansas fulfilling its commitment to abide by the Kansas Expanded Lottery Act or SB 66. One key provision of KELA was the requirement that the counties in the south central zone have referendums on casinos and slots at the tracks. Sedgwick County voters in August of 2007 defeated both measures, thus rendering Sedgwick County ineligible to have a casino or slot machines at Wichita Greyhound Park.

With that critical market condition established, we applied to be a lottery gaming facility manager as set forth in KELA. We followed every step, requirement and condition to the letter. As you may be aware, KELA required a minimum investment of \$225 million. Our current planned investment stands at more than \$300 million.

We are following the intent and letter of KELA to be a destination resort which will attract out of state visitors, increase tourism for Kansas, generate tax revenue for state and local governments, provide jobs and stimulate economic development.

Our new gaming facility opened in December 2012 with five new restaurants, the hotel opened in October 2012 with 150 rooms with another 150 rooms to open later, and we are remodeling our events center to be able to have equestrian events, concerts, sporting events and a variety of other events. We expect to have our first event, a concert, in July 2013.

Our final phase will be the construction of the Kansas Star Equestrian Center which will feature temperature controlled horse stalls, two outdoor practice arenas and RV parking. We expect this to be ready for use in the 2015 equestrian season. Our equestrian center will be first class; it was designed by the firm which designed the equestrian facilities for the 2012 Summer Olympics in London.

In closing, changing the south central Kansas market after the fact would be unfair and contrary to the unique public-private partnership created by KELA and which on a statewide basis has resulted in nearly three-quarters of a billion dollars in capital investment without any taxpayer incentives, subsidies or abatements.

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