

PKMSTEEL SERVICE

March 6, 2017

Kansas House of Representatives
Attn: Steven Johnson, Chairperson
House Taxation Committee
Kansas State Capitol
Topeka, KS 66603

Re: HOUSE BILL No. 2146, AN ACT concerning property taxation; relating to exemptions, certain property used for educational or scientific purposes; amending K.S.A. 2016 Supp. 79-201a and repealing the existing section.

Dear House Taxation Committee,

Thank you for receiving comments on House Bill 2146 this session. PKM Steel Service, Inc. is a global producer of heavy and intermediate structural steel for all types of industrial and commercial buildings and we are headquartered in Salina, KS.

Salina has a cluster of companies that focus on the movement and scientific aspects of dry bulk solids including pneumatic conveyance systems. Dry bulk solids make up more than 80 percent of items transported around the world, yet formal education and research about the science of these materials is not completely understood. The Kansas State University Bulk Solids Innovation Center, located in Salina, KS, is a valued resource to companies that design and utilize systems for bulk solids. The center is used to research and gain understanding of how to handle these materials, and in turn, will enhance efficiency and productiveness in those businesses' operations.

K-State Polytechnic understands the importance of providing students and industry with research opportunities, cutting edge technology and equipment and this university-level research center is the only one of its kind in North America. K-State Polytechnic is the key tenant in the center, while two local companies, Coperion K-Tron and Vortex Valves, supplement the facility by serving as anchor occupants. The facility includes office space for researchers and six flexible bulk solids laboratories to allow for collaborative and proprietary research projects by the building's tenants.

This project was a private/public collaborative effort that includes Kansas State University, U.S. Department of Commerce Economic Development Administration, State of Kansas, City of Salina, Salina Chamber of Commerce, Salina Economic Development Corporation and several private businesses.

While tax expenditures represent forgone revenue to the county and state, we know that tax exemptions serve as significant economic development tools to local communities and counties. House Bill 2146 would continue that by providing a value added incentive for higher education institutions, employers that currently have operations in Salina and also to the economic development organizations fulfilling their mission of retaining and recruiting businesses seeking to call Salina and Kansas home.

Thank you for your attention and consideration of House Bill 2146 and your commitment to economic advancement of Salina, Saline County and the state of Kansas as a whole.

Frieda Mai Weis
President
PKM Steel Service