

GREAT PLAINS DEVELOPMENT AUTHORITY

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March 1, 2018

Testimony on SB 313 before the Senate Elections, Ethics, and Local Government, Senator Elaine Bowers, Chair.

Senator Bowers and members of the committee, thank you for the opportunity to appear today in support of SB 313. I am Michael Johnston and I represent the Great Plains Development Authority, the entity created by law to develop what was formerly the Kansas Army Ammunition Plant near Parsons. Daniel Mann, the Authority's CEO, is here with me today.

Simply put, SB 313 would authorize the board of the authority, in its own name, to incur debt to "pay the costs of developing and improving properties within the redevelopment district". In the past, the Labette County Commission has been reluctant to be a party to any debt associated with the redevelopment district that may expose county taxpayers in the event the debt became distressed. As a result, this bill makes clear to anyone extending credit to the development authority that "any debt incurred under the provisions of this act shall not be deemed to constitute a debt of the state or of any political subdivision thereof or a pledge of the faith and credit of the state or of any such political subdivision thereof". Moreover, all such debt shall contain on the face thereof a statement to this effect.

In plain terms, anyone extending credit to the development authority is put on notice that they cannot look to the state for any political subdivision for help in the event such debt becomes distressed. While there is no immediate plan to structure a borrowing at this time, this would be another tool that may assist the development authority in its goal of bringing badly needed jobs to Southeast Kansas.

Thanks you again and Mr. Mann and myself would be pleased to answer any questions you may have.

