



**Overland
Park
Chamber™**

To: House Commerce, Labor and Economic Development Committee
From: Beth Johnson, Senior Vice President of Economic Development
Overland Park Chamber of Commerce
Date: 31 January 2022

Chairman Tarwater and Members of the Committee, I am Beth Johnson, Senior Vice President of Economic Development for the Overland Park Chamber of Commerce. I appreciate the opportunity to speak today in support of SB 347.

As many of you are aware, the Overland Park Chamber has appeared before you over the past couple of years addressing the various economic development incentives the State of Kansas offers. We have supported your efforts to increase transparency. We have supported your efforts to evaluate the effectiveness of the programs. And, most importantly, we have supported your efforts to ensure that the investment of taxpayer resources are protected.

While working with you to accomplish those goals, we have also been clear that it is important that Kansas have the tools to compete in a very competitive economic development climate. The Kansas workforce is educated and hard-working. Our central location is a geographical advantage. Our quality of life and cost of living are exceptional. However, those attributes alone are not enough. Whether you like incentives or not, they are used by all 50 states and without well-crafted and unique incentives, we place Kansas at a disadvantage.

The bill before you creates an extraordinary incentive – a tool that will allow Kansas to compete for extraordinary and transformative projects for the State of Kansas. Projects of this magnitude do not come along every day. To be successful we must be creative

and bold, and this bill creates an incentive that is both. In the case of the project at hand that is precipitating this new incentive, we are looking at:

- \$4 billion in investment in our State
- 4,000 jobs paying above-average wages
- 6,000 additional jobs during the construction phase
- Nearly \$54 million in annual employee compensation, sales tax, property tax and personal income to the state and local units of government
- New industrial sectors and enhanced infrastructure

These numbers are staggering, and Kansas stands poised to capture just such a project. SB 347 will bolster the effort to help us advance from finalist to victor.

As I mentioned before, we understand the need to be accountable to the taxpayers. The bill also does that. The bill contains claw backs should a recipient not meet the agreed upon terms of the deal. Details of the deal will be publicly available. Regular reports will be provided to this Committee. And lastly, completion bonds will be required if the company doesn't hold an investment grade rating.

Landing a project of this magnitude would be transformative and put Kansas on a national stage. We believe having an extraordinary incentive tool like this one is important for this, and potential future "mega projects." In short, a tool like this allows Kansas to compete for game-changing opportunities and for that reason we ask that you recommend SB 347 for passage.

We do request that you restore the refundable nature of the investment tax credit that was removed via a Senate amendment. We believe a refundable investment tax credit is a significant and attractive element of this new incentive and is critical to maximize its impact.