



TESTIMONY

to

KANSAS SENATE COMMERCE COMMITTEE

Melissa Mundt, Assistant City Administrator, City of Gardner, Kansas

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**February 15, 2007
Senate Bill 316**

Honorable Chairperson Brownlee and Committee Members:

The City of Gardner is currently working on a major economic development project that will provide a substantial benefit to the State of Kansas. The proposed BNSF Intermodal and Logistics Park, now known as KC Logistics Hub, is an approximately 800 plus acre development that will afford a major economic engine¹ to the State of Kansas. The KC Logistic Hub is projected to generate billions in revenue directly to the State of Kansas and other governmental entities and in excess of 13,000 new jobs over twenty years.

An intermodal facility is a place where transportation containers are moved between railcars and trucks to adjacent warehousing that stores goods for further distribution. Currently BNSF has a small intermodal facility located in Kansas City, Kansas. This location can no longer support the operations due to the ever increasing flow of consumer goods from Asia and the Pacific Rim. Land abutting Gardner has been selected for this project due to its prime geographic location between BNSF's main line from the Port of Los Angeles to Chicago and Interstate 35. The Kansas City area is a strategic location for distribution of goods to population centers up to 350 miles away, which includes places from Des Moines, IA to Oklahoma City, OK.

The City of Gardner is here today to request a change in the TIF legislation to provide financing options for the massive amounts of public infrastructure required to support this project. In addition to a necessary new interchange there are many miles of roadways that will need to be upgrade from gravel to roadway standards to support the projected 5,900 vehicular trips per day at the opening of the facility to 59,800 trips at build out.² In addition, there are several overpasses that will need to be constructed as well as improvements and extensions of utility services. Currently, the KC Logistics Hub property is in unincorporated Johnson County and, therefore, does not have City level services. The City of Gardner provides water, wastewater, and electric services within it its City limits and anticipates extension of services to the logistics hub. Cost for the roadway infrastructure and interchange alone is estimated between \$60-100

¹ Per CH2M Hill/Lockwood Green on behalf of BNSF and a separate study by Southwest Johnson County Economic Development Corporation. Completed in 2006.

² Per HDR Traffic Study on behalf of BNSF and assistance from the City of Gardner. Completed in 2006.

million. The City of Gardner cannot bare that burden and needs an additional financing tool to facilitate providing the necessary infrastructure funding to make the project a success for the State of Kansas and, as importantly, not unduly harm the residents and business that currently exist in Gardner.

The City of Gardner recommends changes to K.S.A. 12-1770a in the current TIF legislation to assist Gardner is using local TIF revenue to pay for a portion of the project. Specifically, the changes to K.S.A. 12-1770a in the current TIF legislation which Gardner is requesting consist of the following:

1. Adding "intermodal transportation area" as a new category to the types of eligible TIF areas.
2. Adding a definition of "intermodal transportation area" to mean an area of not less than 800 acres to be developed primarily to handle the transfer, storage and distribution of freight through railway and trucking operations.
3. Permitting redevelopment project costs for intermodal transportation areas to include the acquisition of land for, and the construction and installation of, publicly-owned infrastructure improvements which serve an intermodal transportation area but may be located outside of the TIF district.

These changes would permit Gardner to use the incremental increase in property taxes created by the development of the KC Logistics Hub to assist in paying for a portion of the massive public infrastructure requirements that are a result of this project.