

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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January 19, 2010

To: Representative Larry Powell
From: Heather O'Hara, Senior Fiscal Analyst
Re: Parsons Army Ammunition Plant Facility and Grounds Funding

You requested information regarding the Parsons Army Ammunition Plant facility and grounds located near Parsons, Kansas, and information regarding the funding that was approved by the 2008 Legislature. You also requested an update on the status of purchase of a portion of the grounds by the Kansas Department of Wildlife and Parks (KDWP) and a copy of the KDWP contract that was executed by the agency and the Local Redevelopment Planning Authority in Parsons. The copy of the contract is enclosed.

The Local Redevelopment Planning Authority received \$750,000, all from the Economic Development Initiatives Fund (EDIF), in FY 2009 through a grant awarded by the Kansas Department of Commerce. The grant was for an entranceway to the Parsons Army Ammunition Plant facility and to develop a master plan for the facility and grounds. According to 2008 Senate Sub. for HB 2946, Sec. 21(h), the 2008 Legislative Session Omnibus Bill, before any purchase of land may commence between the Local Redevelopment Planning Authority and the KDWP, the \$750,000 from the EDIF must be repaid to the state. The Local Redevelopment Planning Authority repaid the \$750,000 to the EDIF in FY 2009. According to the KDWP, the entranceway has been built and is completed, but is not yet open to the public. The KDWP also stated that the agency does not know how much the entranceway cost, as it was the responsibility of the Local Redevelopment Planning Authority to cover all construction costs for the project.

In the 2008 Omnibus Bill, the KDWP received the authority to purchase an option to buy land at the Parsons Army Ammunition Plant facility and the agency paid \$750,000, all from the agency's Wildlife Fee Fund, on December 1, 2008, to exercise that authority. The option to buy land at the facility is exclusive to the agency until December 31, 2013. The agency states that it is KDWP's intention to buy land at the facility; however, no payments for the land have yet been made in FY 2010. The purchase is contingent on the U.S. Army transferring ownership of the land to the Local Redevelopment Planning Authority, which has not yet occurred. According to the agency, there has been some progress toward this initial transfer, but the agency is not party to the discussions between the U.S. Army and the Local Redevelopment Planning Authority and therefore, the reasons for any delays in transferring ownership of the land are not known. The agency states that if the land is not transferred and the KDWP cannot purchase the land by December 31, 2013, the \$750,000 that the agency paid to the Local Redevelopment Planning Authority will be refunded.

The land that surrounds the Parsons Army Ammunition Plant is separated into two tracts which total 3,000 acres. One tract totals 1,000 acres, which the agency has contracted to buy directly from the U.S. Army for \$1.0 million, all from special revenue funds. The agency states that this contract will be finalized within the next several weeks and will provide a copy of its contract to

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House Agriculture & Natural
Resources Budget Committee
Date 1-26-2011
Attachment 3

our department once it is a matter of public record. The second tract totals 2,000 acres and this is the tract of land for which the agency has purchased an option.

The KDWP has included funding for the Parsons Army Ammunition Plant in its FY 2011 budget submission. The agency requested \$52,000, all from special revenue funds, and 1.0 FTE Public Land Manager position, which would be stationed at the wildlife area the agency plans to create on the land purchased by the Parsons Army Ammunition Plant. The position would be responsible for the management of wetlands, ponds, uplands, timber, and agricultural lands within the wildlife area and would be a state certified law enforcement officer, providing for public health, safety, and enforcement of natural resources regulations in the wildlife area. The Governor did not recommend the agency's request as part of the Governor's FY 2011 budget.

In addition, the agency requested \$1.0 million, all from federal funds, to finance the purchase of the 1,000 acres from the US Army by the Parsons Army Ammunition Plant. The KDWP states that because the land will be purchased with federal funds, the agency will be reimbursed approximately 75.0 percent, or \$750,000, of the acquisition cost by the U.S. Fish and Wildlife Service.

Should you require any further information, please do not hesitate to contact me. My direct phone number is (785) 296-7792 and my e-mail address is Heather.OHara@klrd.ks.gov.
HO/mkl

Enclosure

~~venues fund to the school of pharmacy expansion project fund of the university of Kansas for fiscal year 2011 for the capital improvement project to construct and remodel the school of pharmacy for the university of Kansas; and~~

~~SEVENTH, as provided in subsections (c), (f), and (g) of this section, any moneys remaining in the expanded lottery act revenues fund during fiscal year 2009, fiscal year 2010 and fiscal year 2011, after transferring the moneys from the expanded lottery act revenues fund in accordance with the preceding priorities, shall be transferred from the expanded lottery act revenues fund to the state property tax relief reserve fund, state infrastructure reserve fund and state property tax relief reserve fund.~~

Sec. 20.

KANSAS RACING AND GAMING COMMISSION

(a) On July 1, 2008, the aggregate limitation established by section 89(h) of 2008 Senate Bill No. 534 on the amount that the pooled money investment board is authorized and directed to loan to the Kansas racing and gaming commission during fiscal year 2009 as needed for the operating expenses of the Kansas racing and gaming commission for the expanded lottery operations under chapter 110 of the 2007 Session Laws of Kansas, which is stated as an aggregate for all such loan amounts provided to the Kansas racing and gaming commission by the pooled money investment board during both fiscal year 2008 and fiscal year 2009, is hereby increased from \$3,000,000 to \$5,000,000.

Sec. 21.

DEPARTMENT OF WILDLIFE AND PARKS

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2008, by the state finance council on the rehabilitation and repair account of the wildlife fee fund is hereby increased from \$1,284,860.74 to \$1,684,860.74.

(b) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 132(b) of 2008 Senate Bill No. 534 on the wildlife fee fund for state operations is hereby increased from \$19,526,062 to \$19,684,161.

(c) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 132(b) of 2008 Senate Bill No. 534 on the boating fee fund for state operations is hereby increased from \$1,142,854 to \$1,168,905.

(d) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 132(b) of 2008 Senate Bill No. 534 on the parks fee fund for state parks operating expenditures is hereby increased from \$4,828,437 to \$5,011,427.

(e) Notwithstanding the current executive department policy for replacing state agency vehicles that requires one vehicle to be removed from the state fleet in order to acquire a replacement vehicle, the Kansas department of wildlife and parks is hereby authorized and directed to retain up to 31 vehicles that are scheduled to be replaced during the fiscal year ending June 30, 2009: *Provided*, That the secretary of wildlife and parks shall have authority to reallocate any such vehicles to be retained: *Provided further*, That the secretary of wildlife and parks is authorized to make any necessary funding adjustments to offset any potential diversion of federal funds and to subsequently relocate the vehicles to and among the state parks for use by seasonal and temporary staff.

(f) On July 1, 2008, the position limitation established for the fiscal year ending June 30, 2009, by section 134(a) of 2008 Senate Bill No. 534 for the department of wildlife and parks is hereby increased from 414.55 to 416.55.

~~(g) During the fiscal year ending June 30, 2009, notwithstanding the provisions of section 132(b) of 2008 Senate Bill No. 534 to this or any other appropriation act of the 2008 regular session, or any other statute, no expenditures shall be made by the department of wildlife and parks from the state agricultural production fund to provide any financial support for the cabin program of the department of wildlife and parks.~~

(h) In addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated for the fiscal year ending June 30, 2008, or June 30, 2009, from the state general fund or any special revenue fund or funds, the above agency shall make expenditures to purchase from the Kansas Army Ammunition Plant Parsons —

Labette Redevelopment Planning Authority (KSAAP-LRPA) an option to purchase any portion of the former United States Army ammunition plant facility located near Parsons, Kansas, on or before December 1, 2008: *Provided*, That such option to purchase shall include a right of first refusal within one year of the date of the offer by KSAAP-LRPA to sell such property to the department of wildlife and parks: *Provided further*, That the purchase price paid for such option to purchase such property shall be \$750,000: *And provided further*, That prior to exercising the option to purchase such property, the secretary of wildlife and parks shall certify that the amount equal to the grant awarded by the department of commerce pursuant to section 13(b) of 2008 Senate Bill No. 534 to the KSAAP-LRPA has been paid to the state and deposited in the state treasury to the credit of the state economic development initiatives fund: *And provided further*, That the department of wildlife and parks is hereby authorized to purchase such property from KSAAP-LRPA for an amount of not to exceed the appraised value of such property: *And provided further*, That, if the department of wildlife and parks does not exercise the option to purchase such property within the allotted time period, then the KSAAP-LRPA may sell such property to another entity.

Sec. 22.

DEPARTMENT OF TRANSPORTATION

(a) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 133(b) of 2008 Senate Bill No. 534 on the state highway fund for state operations is hereby increased from \$269,078,434 to \$271,383,054.

(b) During the fiscal year ending June 30, 2009, notwithstanding the provisions of the state surplus property act, K.S.A. 75-6604, and amendments thereto, or any other statute or the provisions of this or any other appropriation act of the 2008 regular session of the legislature, all moneys received as proceeds from the sale of 123 vehicles of the department of transportation that are scheduled for replacement, including automobiles and light trucks, shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and, upon receipt of each such remittance, shall be credited to the state general fund.

Sec. 23.

KANSAS HOUSING RESOURCES CORPORATION

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

State housing trust fund	
For the fiscal year ending June 30, 2008.....	No limit
For the fiscal year ending June 30, 2009.....	No limit

Provided, That all expenditures from the state housing trust fund shall be made by the Kansas housing resources corporation pursuant to 2008 Senate Bill No. 417: *Provided further*, That, notwithstanding the provisions of K.S.A. 74-8959, and amendments thereto, or any other statute, the Kansas housing resources corporation may make expenditures from the state housing trust fund for the purposes of implementing and administering the provisions of sections 4 through 9, and amendments thereto, of 2008 Senate Bill No. 417, the Kansas rural housing incentive district act.

Sec. 24.

DEPARTMENT OF LABOR

(a) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 93(b) of 2008 Senate Bill No. 534 on the federal indirect cost offset fund is hereby increased from \$203,195 to \$308,517.

Sec. 25.

KANSAS COMMISSION ON VETERANS AFFAIRS

(a) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 94(b) of 2008 Senate Bill No. 534 on the commission on veterans affairs federal fund is hereby increased from \$127,942 to \$189,672.