

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 A.M. on March 1, 2006 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department
Helen Pedigo, Revisor of Statutes
Alex Lovely

Conferees appearing before the committee:

Lt. Governor John Moore
Jeff Keating

Others attending:

Chairperson Brownlee introduced Lt. Governor John Moore to give a presentation and update on the Economic impact on Ft. Riley and the surrounding area with the return of the "Big Red One". Lt. Governor Moore presented written testimony. (Attachment 1) Lt. Governor Moore stated the military is an important component of the Kansas economy. The number of troops and related Department of Defense civilian jobs is equivalent to the individuals employed by the states' eight largest private sector employers combined. This creates a \$2 billion plus annual impact on the economy in Kansas. The Department of Defense sought to reduce its capacity by up to 20% in 2005.

All of the Department of Defense's recommendations regarding Kansas were accepted making all four of the major installations to be left open and expanded. The Kansas Army Ammunition Plant was recommended for closure losing 275 jobs and vacating 14,000 acres of land. A local redevelopment planning authority has been formed and approved by the Department of Defense. Also, grants have been received for redevelopment. Lt. Governor Moore feels with proper redevelopment and use, they can turn this closure into a real opportunity for Southeast Kansas. He stated that all four major installations will remain open and will expand. There will be 13,000 additional troops and related Department of Defense civilian jobs and \$500 million additional economic impact annually.

The growth at Ft. Riley is going to be substantial. An active brigade combat team will arrive in 2006 which will add 3400 troops and civilian jobs. Ft. Riley will be the 1st Infantry Division Headquarters. They will also receive a Division Support Command Headquarters along with the Attack Aviation Battalion and lastly they will establish multi-functional aviation brigade.

Ft. Riley will go from 16,429 total employees to 26,488 total employees. This total includes both military and civilian employees. The economic impact of Ft. Riley will go from \$866 million annually to \$1,225 million annually with a one time investment of \$840 Million.

It has been estimated that the total population growth in the area will approach 28,000 plus dependents of off-post secondary jobs. Ft. Riley will receive 8,071 additional troops, 2,000 related civilian positions, 13,800 dependents and 4,000 off-post secondary jobs.

The Lt. Governor stated he created a task force in December of 2004 to accommodate the troops and their dependents being assigned to Ft. Riley in the manner they deserve. The task force addressed the following: housing; education; transportation; workforce; and childcare.

The housing in the Riley, Geary, Pottawatomie, and Clay county areas will be increased to add 8,000 to 9,000 additional housing units with 5,600 new units already being started or planned. A \$32 million School Bond issue passed in Junction City allowing for a new 1,100 student middle school, a new 400 student elementary school and the expansion of two existing elementary schools. They have created 16 school districts in this area that operate as one.

Lt. Governor Moore stated that \$58 Million has been committed to road construction or planning projects to accommodate the estimated 16,000 additional cars that will be on the roads. Childcare in the area has

CONTINUATION SHEET

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on March 1, 2006 in Room 123-S of the Capitol.

been researched and there are 6,500 slots available and plans to fill the gaps if there are any. In Geary County there will be a \$34 Million hospital expansion.

Lt. Governor Moore stated their greatest challenge is the workforce. The Kansas Department of Commerce and the Department of Labor are working together to recruit first on a local level, then on a regional level, and lastly on a national level. There is so much work in the Riley and the Geary county area related to Ft. Riley. The heavy construction in the area is making the construction work available all year round. The timing of having new housing availability is another challenge. They have worked with the military to find out what would come, the number of troops and when that would happen. The city officials, county officials and the school districts in this area, along with the Legislature, the Department of Labor and the Department of Commerce, and the task force, are working together on this project.

In closing, Lt. Governor Moore stated the planned expansion at Ft Riley is unprecedented. For the growth at Ft. Riley to occur the BRAC gains must be protected and Kansas must participate in the future DOD decisions processes. The Governor's Military Council (GMC) has been created to fulfill these responsibilities plus others.

Upon the conclusion of Lt. Governor Moore's presentation there was discussion with the Committee. Lt. Governor Moore stated that \$840 Million would be privately funded in the area of housing. The issue of the workforce for the military spouses was discussed. Lt. Governor Moore stated they will work with the military to make certain that they have vehicles in place for spouses and dependents that want to seek jobs. The source of the transportation funding was also discussed. Lt. Governor Moore stated the source of the funds is a combination of federal, state and local with these construction projects taking several years to complete. The Committee has concerns that Kansas will be the victim of a future BRAC cut-back. Lt. Governor Moore stated that the Governor's Military Council was in place to protect the interest of Kansas and prevent this from happening. He also stated the Governor's Strategic Military Planning Commission was formed 15 months prior to the DOD recommendations being announced. This enabled them to fully understand what was going to happen in Kansas months before the Department of Defense made their recommendations. Lt. Governor Moore feels that by having the Governor's Military Council in place and retaining the Washington based consultant firm that was used in the BRAC process and by having an executive director, Kansas will be involved in all the decision making processes in the military. The cleanup of the Parsons Ammunition Plant was also discussed. Lt. Governor Moore stated they were pursuing several options to take advantage of the opportunity.

Chairperson Brownlee introduced Jeff Keating to give his presentation on Encroachment Management Through Use of Army Compatible Use Buffers. Mr. Keating presented a power point presentation regarding Encroachment Noise Issues, Ft. Riley Encroachment, and Encroachment Conservation Issues. Mr. Keating presented a solution to the encroachment issues; which would be buffer areas around Ft. Riley in a power point presentation. ([Attachment 2](#)) Upon the conclusion of the presentation, Mr. Keating presented his written testimony. ([Attachment 3](#)) Mr. Keating stated that every year since 2002 when Kansas became eligible to receive conservation easement purchase funds under the USDA Farm and Ranch Lands Protection Program (FRPP), the state has turned back money because there were no matching funds available for the minimum 25% match. Kansas turned back \$239,087 of FRPP funds in 2003, \$735,500 in 2004 and \$824,933 in 2005. Mr. Keating stated Army Compatible Use Buffer (ACUB) funds can be used as a match for FRPP funds. Almost all lands within Ft. Riley's buffer zones are eligible for FRPP funding. Ft. Riley is projected to receive FY 2006 ACUB funding. During the six weeks that the ACUB program has been known to the public, 55 landowner inquiries have been received by the Kansas Land Trust and 14 applications submitted for additional information. Mr. Keating stated there is no good mechanism in Kansas to be able to pay for the other costs and the state could be a very good partner to help with these costs. Mr. Keating feels that when the next BRAC comes around one of the criteria they will be looking at is what installations have been able to buffer themselves from encroachment and those installations that have been able to better do this are going to fair better than installations facing encroachment issues that may restrict their training capabilities.

Upon the conclusion of Mr. Keating's presentation and testimony, there was discussion with the Committee. Senator Emler inquired if the easements were multi-year or single-year payments and how they worked. Mr. Keating stated that in most cases they were up front lump sum payments. Senator

Emler inquired if the landowner sells off the land would it still be a conservation easement. Mr. Keating stated the easement would be perpetual and would go with that land. Senator Emler asked if easements cover the noise issues or just the drainage issues. Mr. Keating stated this land is most commonly used for farm land and ranch land and the cows don't complain about the noise. Senator Emler also asked if the purchase of an easement would eliminate the ability of a developer to develop the land. Mr. Keating stated it would. Chairperson Brownlee stated it was interesting to find out about these issues and thanked Mr. Keating for coming before the Committee. In closing, Senator Emler committed he was normally very much opposed to conservation easements but would not be opposed to funding these easements and stated maybe this is something they should do now.

Meeting adjourned at 9:30 a.m. with the next meeting scheduled for March 2, 2006 at 8:30 a.m. in room 123 S.