

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE

The meeting was called to order by Chairperson Lana Gordon at 3:30 P.M. on January 17, 2006 in Room 526-S of the Capitol.

All members were present except:

John Grange- absent
Annie Kuether- excused

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department
Rena Jefferies, Revisor of Statutes
Helen Pedigo, Revisor of Statutes
Carlene Maag, Committee Secretary

Conferees appearing before the committee:

Secretary Howard Fricke, Department of Commerce
Jeff Henry, Schlitterbahn Vacation Village

Others attending:

See attached list.

Chairperson Gordon welcomed the Committee and had the Committee members introduce themselves. Two new members to the Committee are Representatives Richard Proehl and Kay Wolf. The Committee was given a copy of the Rules for Conferees Appearing Before House Economic Development Committee (Attachment 1), Notice to Conferees, (Attachment 2) and Committee Rules (Attachment 3)

Kathie Sparks gave an overview of activity during the interim. The Committee worked with several local film producers in the state and sited **HB 2564** which provides tax credits for production cost of film in Kansas. A maximum of \$50.thousand by one investor per year. Total tax credit would be \$1 million per year.

In **HB 2273**, the committee recommends the repeal of the Workers Compensation Fund Oversight Committee and recommends the Kansas Insurance Department assume the responsibilities for reporting the fund balance, working with the contracted actuarial services and assigning other duties as appropriate. This committee has not met since 1998.

Issues pertaining to the Ft. Riley area with the new housing developments going in with the increase of military personnel coming to Ft. Riley were discussed. It was noted that a provision in Kansas Housing Development (HUD) regulations which establishes income eligibility requires the House Tax Credit Program guidelines to unfairly discriminate against enlisted military personnel and their families who use the basic allowance for housing to obtain off-base housing in low income counties within our state.

The Committee, with the approval of the Legislative Coordinating Council, sent a letter to the Kansas Congressional Delegation supporting the efforts of the HUD program guidelines that unfairly discriminate against enlisted military personnel and their families.

Eminent domain was another topic discussed by the Joint Committee during the interim. The Committee decided not to present a bill, but did say it is hopeful that the Legislature will enact new eminent domain legislation during the 2006 Legislative Session that will provide a clear definition of a blighted area; allow for proper compensation for the property owner; and establish a threshold on local government that allows for the use of eminent domain.

The Committee expressed its desire that once eminent domain legislation is enacted, a private or public entity disseminate the legislation to the public in the best means possible.

Workforce Development was also discussed. The Committee is hopeful that senior citizens in some manor can be represented on both state and local boards. It is believed there are several programs providing excellent workforce training. However, there is lack of communication between the Kansas

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Department of Commerce and other stakeholders.

The Committee defines workforce development as a partnership between the State and business to develop employment opportunities with meaningful and sustainable income to Kansan and providing programs that assist business through specialized training. Goals were established and can be found in (Attachment 4).

The Committee requests that the House Committee on Commerce and Labor, House Committee on Economic Development and the Senate Committee on Commerce continue the exploration and discussion of workforce development during the 2006 Legislative Session.

The Committee requests that the Chairperson of the Joint Committee on Economic Development send a letter to the Secretary of Commerce, expressing the frustration the Committee has experienced over a number of years in trying to receive accurate and complete data on the workforce efforts in Kansas.

The Committee proposed two bills. **SB 319** - Disposal of excess real property of a redevelopment project where the property was obtained through eminent domain for a STAR bond project, and **SB 324** Abolishing the Kansas community entrepreneurship fund as part of the state treasury.

Committee was provided (Attachment 5) Statewide STAR Bond Authority.

Secretary Fricke from the Kansas Department of Commerce (KDOC) presented an overview of STAR Bonds. KDOC has a variety of tools to help grow the economy. STAR Bonds is a powerful financing tool intended to promote the development of major tourism projects in Kansas and stimulate the Kansas economy.

STAR Bonds can be used by any city in Kansas to finance the development of major commercial entertainment and tourism areas.

For projects proposed to be located within a Metropolitan Statistical Area, Kansas law requires a project must have \$50 million in capital investment and \$50 million of projected gross annual sales. For projects proposed to be located outside a Metropolitan Statistical Areas, the proposed project must be located in an eligible area and be of regional or statewide importance.

To date, STAR Bonds have been used to help finance the Kansas Speedway and Village West Tourism District in Wyandotte County, Kansas. The Schlitterbahn Vacation Village project located adjacent to the Village West project has been approved as a STAR Bond project. Abilene, Edwardsville, Hutchinson, Manhattan, Olathe, Overland Park, Topeka and Wichita have submitted proposed projects. (Attachment 6)

Jeff Henry from the Schlitterbahn Vacation Village project presented testimony pertaining to this project. In visiting the Kansas City Area, Mr. Henry learned there was a tremendous market for a park in this area. There was not a lot of substantial competition in Kansas.

The objective was to attract people with something that was outside the normal business region currently available. It is believed people will be attracted from the five state region around Kansas as well as other states.

Economic Development like this village is something that has not been done in Kansas before and is very unique.

Schlitterbahn Vacation Village is the next generation of integrated trend-setting retail, innovative attractions and experiential entertainment, creating a wholesome family destination to be enjoyed for generations to come. "Schlitterbahn Vacation Village" book is on file in the Chairpersons Office.

The Water park , which is part of Phase I is projected to open May 1, 2008. The entire Phase I is scheduled to be completed May 1, 2009.

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The meeting was adjourned at 4:30 pm. The next meeting is scheduled for 3:30 pm, January 19 at the Dillon House. This meeting will be a joint meeting with Senate Commerce and House Commerce and Labor.