

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE

The meeting was called to order by Chairperson Lana Gordon at 3:30 P.M. on February 15, 2005 in Room 526-S of the Capitol.

All members were present.

Committee staff present:

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

Conferees appearing before the committee:

Raymond Irwin, President, Heartland Park
Doug Kinsinger, President, Topeka Chamber of Commerce
Steve Johnson, President, Sports Car Club of America
Honorable James McClinton, Mayor of Topeka
Matt Jordan, Department of Commerce
James Bartle, Department of Revenue

Others attending:

See attached list.

A motion was made by Representative Huntington and seconded by Representative Carlin to approve the minutes of the February 3, 2005. The minutes were approved.

HB 2144: Tax increment financing; motorsports complex

Staff gave a briefing on **HB 2144**. This bill defines “major motorsports complex” as a complex in Shawnee County that is utilized for the hosting of competitions involving motor vehicles, including, but not limited to, automobiles, motorcycles or other self-propelled vehicles other than a motorized bicycle or motorized wheelchair. The committee may wish to consider amending **HB 2144**. The amendment would provide STAR bond eligibility for a major motorsports complex, just as the law presently provides for a major tourism area. (Attachment 1)

Raymond Irwin, President and Owner of Heartland Park Topeka gave testimony in support of **HB 2144** which will provide usage of special obligation bonds to fund the completion of Heartland Park Topeka, making it a world class motorsports entertainment complex. Utilization of Special Obligation Bonds to renovate Heartland Park Topeka is a logical and proper use of economic development. (Attachment 2) A pamphlet of information was given to the Committee. This information may be obtained by contacting Heartland Park, P O Box 19228, Topeka, KS 66619. The website is www.hpt.com.

Doug Kinsinger, President of the Greater Topeka Chamber of Commerce, gave testimony as a proponent for **HB 2144**. This legislation is necessary, because for a community the size of Topeka, the threshold requirements for STAR bond usage is not obtainable.

Two years ago, our community was successful in attracting the headquarters of Sports Car Club of America to Topeka. In January, 2005, Topeka was chosen as the site of the 2006 SCCA National Championship Runoffs. Topeka, Kansas will stand side-by-side with some of the great racing communities across our nation.

Last fall the City of Topeka re-committed itself to Heartland Park by approving \$5 million in additional investment to repaving the track and making other infrastructure improvements. Today, the City of Topeka is asking the Legislature to continue support for Kansas motorsports by approving **HB 2144**. (Attachment 3)

Steve Johnson, President and CEO of the Sports Car Club (SCC) of America testified as a proponent for **HB 2144**. Topeka was chosen for the SCC because Topeka and the state of Kansas was viewed to be proactive in the world of motorsports. Indianapolis, Daytona and Topeka are the hotbeds and capitals of racing. (Attachment 4)

CONTINUATION SHEET

MINUTES OF THE House Economic Development Committee at 3:30 P.M. on February 15, 2005 in Room 526-S of the Capitol.

Representative Carlson thanked Mr. Johnson for bringing the SCC to Kansas and stated he thought it would be a tremendous asset to the area.

Mayor James McClinton gave testimony as a proponent for **HB 2144**. Provisions of this bill would provide Heartland Park Topeka with some of the financial tools it needs to continue its development into a world class racing facility. Over the past two years, Raymond Irwin and his staff have rejuvenated this facility back into the regional and national destination attraction that was envisioned when it was first developed. This facility has annually provided the city and state with significant economic benefits. **HB 2144** is an opportunity to solidify Kansas as the heart of motor racing. (Attachment 5)

Matt Jordan, Department of Commerce stated Commerce is neutral on **HB 2144**. The current special bond designation requires at least \$50,000,000 in capital investment and \$50,000,000 in projected gross annual sales revenues for projects located in metropolitan statistical areas. A departure from the current "bright line" criteria would constitute a significant change in policy and result in less clarity regarding which projects are appropriate for STAR bond financing in metropolitan statistical areas. The effect of these changes creates great concern for Commerce. (Attachment 6)

Chairperson Gordon commended the Committee for asking lots of questions to better understand proposed legislation.

James Bartle of the Department of Revenue stated the Department's primary concern with **HB 2144** was addressed earlier by the revisor suggesting there be consideration given to minor amendments. The amendment the revisor proposed would make **HB 2144** unique to the Heartland Park project. On behalf of the Secretary of Revenue, Mr. Bartle suggested strong consideration be given to the revisor's amendment.

The meeting adjourned at 5 p.m. The next meeting is scheduled for February 17, 2005.