

Testimony

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House Bill 2069

Delivered February 14, 2013 House Commerce, Labor and Economic Development Committee

The Unified Government of Wyandotte County/Kansas City opposes House Bill 2069. This bill is an unnecessary and unwelcome intrusion in local affairs and violates the spirit of Home Rule for cities which has been a guarantee in the Kansas Constitution for more than 50 years.

House Bill 2069 will undermine the extremely successful approach to economic development which has transformed our community into a regional tourism and manufacturing center, creating thousands of good paying jobs and promoting small local, minority and women owned businesses.

The Unified Government does require prevailing wage be paid on public projects and on projects where tax incentives are used. The Unified Government also sets supplier diversity goals on construction projects more than \$250,000 and on projects involving tax incentives. HB 2069 would clearly prevent the prevailing wage requirement and there is concern the language could also hamper the supplier diversity program.

The prevailing wage and supplier diversity requirements fit the nature of our community and are supported by our citizens. They have encouraged economic success, not hurt it. The Unified Government has been recognized as one of the most business friendly local governments in the Kansas City region by Ingram's Business magazine.

The Federal Bureau of Labor Statistics shows employment in Wyandotte County increased 4% from March 2011 to March 2012. The sharp rise in the number of people going to work puts Wyandotte County number 19th in the nation and 1st in the Kansas City metro for job growth. During the same time period, job growth nationally was only 1.8% overall. The Labor Bureau ranks the 329 largest counties in the country. Meanwhile Wichita, a city which does not require prevailing wage grew jobs by only 0.9%. And during the heart of the Great Recession, the Association of General Contractors ranked Wyandotte County third in the nation for creating new construction jobs.

Kansas City, Kansas ranked third in the metro area in the issuance of overall building permits in 2012 with 490 new housing permits issued. KCK issued 113 single family and 377 multi-family permits. The 377 new multi-family permits were the most by any City in the region. All data was obtained from the Kansas City Home Builders Association and published in the February 2013 edition of the Building Business News.

Wyandotte County has established itself as the place to build for today's top companies. McDonald's chose Edwardsville for its \$23-million Midwest distribution center, Sara Lee invested \$130-million in a

new state-of-the-art facility, creating over 250 new jobs, and General Motors is investing more than \$600-in its Fairfax automobile plant.

The Village West development continues to spur growth. Cerner, a health care software provider is building two nine story office towers for its new client support operations center that will ultimately bring 4,000 new jobs. Sporting Kansas City, the State of Kansas' first major league sporting franchise, opened its new stadium for soccer fans in 2011 and the \$200-million Hollywood Casino at the Kansas Speedway opened in early 2012. Most recently NorthPoint Development began construction on a \$30-million luxury apartment complex. Two other luxury apartment complexes are also underway.

All of these projects pay prevailing wage and set goals of hiring local businesses under our local economic development programs. Clearly, the requirement of paying prevailing wage has not hindered development nor kept businesses away from Wyandotte County.

Prevailing wage and supplier diversity programs are an important part of the success. Success which is benefitting not only Wyandotte County, but the entire State of Kansas. Success which will be seriously damaged by HB 2069.

Investment in Wyandotte County 2008-2012

