



TO: Senate Committee on Commerce

FROM: The City of Olathe and the Olathe Chamber of Commerce

SUBJECT: Opposition to SB 434

March 8, 2018

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Madam Chair and Members of the Committee:

The City of Olathe and the Olathe Chamber of Commerce stand jointly in their strong opposition to SB 434 regarding STAR Bond authority. While we recognize there are opportunities to improve the legislation, STAR Bonds are a powerful tool to ensure high quality development that encourages tourism occurs with significant magnitude and lasting benefit to our community, the region and the State of Kansas. As currently drafted, SB 434 would significantly undermine the tool's original intent.

Plans for a STAR Bond district in Olathe have been underway since 2016, and based on the current STAR Bond law, significant resources and private capital have been invested in its development. After the moratorium on STAR Bonds, the Olathe project was grandfathered and given a "green light" to continue moving forward. However, should SB 434 become law, the Olathe STAR Bond project would no longer be viable.

The site of the former Great Mall of the Great Plains has been largely vacant for a number of years, and efforts to redevelop the property have been underway for over a decade with no success. However, a willing developer emerged based on opportunities available through STAR Bonds. Lacking a STAR Bond component including a regional tourism draw, the prospect of commercial retail/entertainment development in the next decade or two are slim to non-existent for the mall site without STAR bonds.

While there has been no indication of interest to this point, the most likely near-term use at the site would be warehouse distribution and/or industrial use. While that use has value in the community, it is neither what the community envisions nor expects for the site. In addition, it would have an adverse impact on future plans of two neighboring employers, Garmin International and Olathe Medical Center.

In absence of STAR Bonds, the area is likely to remain vacant for many, many years or develop in a way that is not conducive to the area's ultimate success, community desire or create the type of community amenity that has regional benefit.

While the private market is the single biggest driver to economic growth, it does not consider the need for a diversified and sustainable tax base or a community's desire for quality of life. STAR Bond projects such as in Olathe can help ensure both and bring tourism dollars from outside the State.