

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT AND TOURISM COMMITTEE

The meeting was called to order by Chairman Lana Gordon at 3:30 P.M. on February 21, 2008 in Room 519-S of the Capitol.

All members were present except:

Broderick Henderson- excused

Committee staff present:

Emalene Correll, Kansas Legislative Research Department
Ryan Hoffman, Kansas Legislative Research Department
Jason Long, Office of the Revisor of Statutes
Matt Todd, Office of the Revisor of Statutes
Ann Deitcher, Committee Assistant

Conferees appearing before the committee:

Maj. Gen. Tod Bunting, Kansas Adjutant General
Representative Dennis McKenney
Stephen Reece Hardy, Greensburg
Stephen R. Weatherford, President KFDA
Ashley Jones, Greater Kansas City LISC
Jeff Morris, City Manager Coffeyville, KS
Representative Jeff King

The Chair introduced Major General Tod Bunting who addressed the Committee regarding the disasters of 2007. (Attachment 1).

First, speaking of the winter storm of December 2006 - January 2007, he showed pictures of the severe ice damage to residences, livestock and collapsed the main transmission towers.

General Bunting told of the devastation done by the tornado to the town of Greensburg, calling it an EF-5 Tornado (205+ mph). He stressed the importance of bringing the Kiowa County hospital back because it was the only hospital within 30 miles and was the largest employer in the county. He spoke of the prompt response by the National Guard Expeditionary Medical System (EMEDS), arriving within five days.

Going next to the damaging floods of southeast Kansas that began in June of 2007, he spoke of the immediate response of the National Guard. In answer to the question of payment when the Guard is sent to other states to offer assistance, the General said that goes under the Emergency Assistance Compact and the state who receives the assistance is charged to repay them for any expenses incurred.

Questions and answers followed.

HB 2712 - concerning rural housing; development grant program.

The meeting on **HB 2712** was opened.

Matt Todd offered a memorandum in explanation of **HB 2712**. (Attachment 2).

Representative McKenney offered testimony regarding **HB 2712**. (Attachment 3). He said that in his tour of communities affected by disasters this past summer he was struck by the fact that all the communities identified housing as their number one priority need.

Speaking of the City of Greensburg, he said how it will take several years to recover after losing 91A% of its residential valuation and an estimated 96% of its commercial valuation. They were encouraged however with the return of their John Deere and General Motor dealerships.

CONTINUATION SHEET

MINUTES OF THE House Economic Development and Tourism Committee at 3:30 P.M. on February 21, 2008 in Room 519-S of the Capitol.

Next to address the Committee as a proponent of **HB 2712**, was Stephen Hardy, a city planner from Kansas City, who took the place of Steve Hewitt, Greensburg City Administrator who was unable to appear. He gave a power point presentation of the rebuilding of Greensburg.

Mr. Hardy said that prior to the tornado, 70% of Greensburg householders owned their own homes and nearly half no longer had mortgage payments. Approximately 75% of homeowners had insurance; however, the vast majority were underinsured. The average home was valued at \$46,500. Now one of the biggest challenges for homeowners is the gap between what their house was insured for and the \$120,000 - \$160,000 estimated replacement cost of a home.

Next to testify in support of **HB 2712**, Steve Weatherford who told the Committee that it was the mission of his organization to be active in the rebuilding of Greensburg. ([Attachment 5](#)).

Mr. Weatherford said that while the State Finance Council approved a one-time allocation to begin the rebuilding, those dollars along with the programmed federal dollars can only be stretched so far and designated annual funding for both disasters and general housing needs are vitally important.

He said that he felt that **HB 2712** would provide an additional tool for this purpose, initially in disaster areas, but later transitioning to throughout the State.

Ashley Jones spoke of **HB 2712** saying that it did an excellent job of addressing the parts of Kansas affected by the 2007 disasters but it did not cover the housing needs that were present before the tornado and floods. Ms Jones offered an amendment on pages 6-4, 6-5 and 6-6. ([Attachment 6](#)).

Appearing in support of **HB 2712**, Jeff Morris offered pictures of the damage left behind by the flood waters of the Verdigris River that exceeded the height of the levee by four feet. ([Attachment 7](#)).

Representative King spoke briefly to the Committee of the personal cost of the disaster – over 2,000 homes were damaged with at least 50% of them completely destroyed.

Questions and answers followed.

Written only testimony was offered by: Steve Hewitt, ([Attachment 8](#)); Martha Neu Smith, KMHA, ([Attachment 9](#)); Larry R. Baer, Asst. General Counsel, LKM, ([Attachment 10](#)); Chris Wilson, Exec. Dir. KBIA), ([Attachment 11](#)); Jeanette Siemens, Kiowa County Economic Development Dir., ([Attachment 12](#)); Kim Alderfer, Asst. City Administrator, Greensburg, ([Attachment 13](#)); Luke Bell, KAR Dir. of Governmental Relations, ([Attachment 14](#)); Dennis Pruitt, CecD, AICP Director, Montgomery County Action Council, ([Attachment 15](#)) and Stephen Kirk, Vice President Centera Bank, Greensburg, ([Attachment 16](#)).

The hearing on **HB 2712** was closed.

The meeting was adjourned at 5:05 p.m. The next meeting is scheduled for February 25, 2008.