

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on February 9, 2010, in Room 548-S of the Capitol.

All members were present.

Committee staff present:

Ken Wilke, Office of the Revisor of Statutes
Reed Holwegner, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Marilyn Arnone, Committee Assistant

Conferees appearing before the Committee:

Dotty Riley on behalf of Lenexa
Gary Anderson, Gilmore & Bell, PC
John Peterson, Community Improvement Coalition
Mike Taylor, Unified Government of Wyandotte County

Others attending:

SB 482 - Community improvement district act; reallocation of assessments on certain exempted property.

Chairperson Brownlee opened the Hearing on **SB 482**. Ken Wilke, Revisor of Statutes, reviewed the bill and explained changes. Chairperson Brownlee then called on proponents of the bill.

Proponents:

Dotty Riley on behalf of Lenexa recommended amendments to **SB 482** which relate to community improvement districts and an amendment that speaks to the definition of "projects." She believes these amendments will assist Lenexa and other municipalities to better utilize this financing tool to encourage economic development. (Attachment 1)

Gary Anderson, Gilmore & Bell, is bond counsel to several Kansas cities, and on their behalf, requests approval of **SB 482**. One of the important provisions of the bill is that it will allow property to be added to an existing CID or TDD by a petition signed by the owners of the property to be added. (Attachment 2)

Jason Hilgers, Assistant City Manager of Manhattan, provided written testimony only stating the City of Manhattan supports **SB 482**. (Attachment 3)

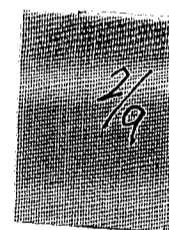
Erik Sartorius, in written testimony only, stated the City of Overland Park supported **SB 482** and asks the committee recommend the bill favorably for passage. (Attachment 4)

Opponent:

John Peterson, Community Improvement Coalition testified in response to **SB 482** which would make several amendments to the CID Act. While he is not in opposition to most of the proposed amendments, he does have concern and opposition to four provisions being proposed. (Attachment 5)

SB 495 - STAR bonds; use of sales tax revenue; approval of certain projects.

Chairperson Brownlee continued the meeting with the Hearing on **SB 495**. Ken Wilke, Revisor of Statutes, reviewed the bill and explained changes. There were no proponents of the bill represented. Chairperson Brownlee asked for opponents of the bill.



CONTINUATION SHEET

Minutes of the Senate Commerce Committee at 8:30 a.m. on February 9, 2010, in Room 548-S of the Capitol.

Opponents

Mike Taylor testified on behalf of the Unified Government of Wyandotte County opposing **SB 495**. Mr. Taylor cites the Kansas Speedway and Village West projects as very successful and are attracting businesses and housing without use of more STAR bonds. He believes other communities can do this as well. (Attachment 6)

TJ Reardon expressed his opposition to **SB 495** by written testimony only. (Attachment 7)

The next meeting is scheduled for February 12, 2010.

The meeting was adjourned at 09:30am

COMMERCE COMMITTEE GUEST LIST

DATE: 2-9-10

NAME	REPRESENTING
Bill Sneed	Ks Speedway
Mike Hattles	Schlitterbahn
John Petersen	Capitol Strategies
LARRY BEEG	CITY OF WEAVER
Dennis Kriesel	KS Assn of Counties
LARRY R. BAEZ	"
Steve Kelly	KS Dept of Commerce
Bob North	" "
Gary Anderson	Gilmore + Bell
Ashley Sherard	Lenexa Chamber
ERIK SARTORIUS	City of Overland Park
JEAN MILLEN	CAPITOL STRATEGIES
Berend Koops	Hein Law Firm
KEN DANIEL	TIBA
DAN MORGAN	Builders Assn.
DICK CARTER	City of Manhattan

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February 8, 2010

The Honorable Senator Karin S. Brownlee, Chairperson,
Honorable Senator Julia Lynn, Vice Chairperson
and Members of the Senate Commerce Committee
Statehouse, Room 548-E
Topeka, KS 66612

Re: Senate Bill No. 482

Ladies and Gentlemen:

As bond counsel to the City of Lenexa, Kansas, we are recommending, on its behalf, amendments to K.S.A. 2009 Supp. 12-6a27 through 12-6a31 and 12-6a36 referenced in Senate Bill No. 482 and which relate to community improvement districts. The recommended amendments accomplish the following:

- (1) Section 1(f) – eliminates an unnecessary restriction on the ability of municipalities to receive payment for services the municipality provides in administering and supervising the projects and bonds issued under the Community Improvement District Act (the “CID Act”).
- (2) Section 2(a) – changes the requirement that the petition requesting the formation of a CID be signed by the owners of all property proposed to be *liable* for assessments, rather than signed by the owners of all property in a district. This eliminates the need to obtain signatures from the owners of property that cannot be assessed because they are exempt from special assessments under State or Federal law.
- (3) Section 2(b), Section 3(b) and Section 4(c) – addresses the situation when property originally included in a district becomes exempt from assessments by operation of law.
- (4) Section 3(a) – clarifies the manner of determining the sufficiency of a petition requesting a district to be formed that includes the levy of a CID sales tax and clarifies that the CID sales tax can be combined as a financing method with special assessments in the same district under this Section (K.S.A. 2009 Supp. 12-6a29).
- (5) Section 5(a) – clarifies the maximum time period that a CID sales tax will remain in effect.

The Honorable Senator Karin S. Brownlee, Chairperson,
Honorable Senator Julia Lynn, Vice Chairperson
and Members of the Senate Commerce Committee

February 8, 2010

Page 2


- (6) Section 6(c) – clarifies that full faith and credit bonds in an amount up to 3% of the assessed value of the municipality which are outstanding under the CID Act are exempt from bonded debt limits.

I have also attached as Exhibit A an additional requested amendment to K.S.A. 2009 Supp. 12-6a27 which is shown as an insert at the end of Section 1 of the Bill and provides that the definition of “Project” may include the acquisition of land for and construction and installation of publicly owned infrastructure located outside the district which serves property in the district. This addition will permit required public infrastructure improvements, such as water or sewer line extensions that connect to main lines outside the district, to be financed under the CID Act.

We believe the amendments contained in this Bill will assist Lenexa and other municipalities to better utilize this financing tool to encourage economic development.

If we may be of any assistance to the committee on this matter, please let me know.

Very truly yours,


Dorothea K. Riley

1 music, news, child-care, or parking lots or garages, and buses, minibuses
2 or other modes of transportation;

3 (3) Within the district, to provide or contract for the provision of
4 security personnel, equipment or facilities for the protection of property
5 and persons;

6 (4) Within the district, to provide or contract for cleaning, mainte-
7 nance and other services to public or private property;

8 (5) Within the district, to produce and promote any tourism, recre-
9 ational or cultural activity or special event, including, but not limited to,
10 advertising, decoration of any public place in the district, promotion of
11 such activity and special events and furnishing music in any public place;

12 (6) Within the district, to support business activity and economic de-
13 velopment, including, but not limited to, the promotion of business ac-
14 tivity, development and retention and the recruitment of developers and
15 business;

16 (7) Within the district, to provide or support training programs for
17 employees of businesses; and

18 (8) To contract for or conduct economic impact, planning, marketing
19 or other studies.

20 Sec. 2. K.S.A. 2009 Supp. 12-6a28 is hereby amended to read as
21 follows: 12-6a28. (a) In addition to any other power provided by law and
22 as a complete alternative to all other methods provided by law, the gov-
23 erning body of any municipality may create a district as provided by this
24 act for the purpose of financing projects. Under this section, a munici-
25 pality may create a district, or may modify a district previously created
26 under this section, upon receipt of a petition that is signed by the owners
27 of all of the ~~land area~~ *property proposed to be liable for the assessments*
28 within the proposed district, and is both (1) seeking financing only by
29 assessments and (2) not seeking the issuance of full faith and credit bonds
30 pursuant to this act. The petition shall contain:

31 (A) The general nature of the proposed project;

32 (B) the estimated cost of the project;

33 (C) the proposed method of financing the project;

34 (D) the proposed amount and method of assessment;

35 (E) a map of the proposed district; and

36 (F) a legal description of the boundaries of the proposed district.

37 (b) Names may not be withdrawn from the petitions by the signers
38 thereof after the governing body commences consideration of the peti-
39 tions or later than seven days after the filing of such petition with the
40 clerk of the municipality, whichever occurs first. The petition shall contain
41 a notice that: (1) The names of the signers may not be withdrawn after
42 such a period of time; and (2) the signers consent to any assessments to
43 the extent described therein without regard to benefits conferred by the

(9) The acquisition of land for and construction and installation of publicly-owned infrastructure improvements located outside the district which serve property within the district.

GILMORE & BELL

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ST. LOUIS, MISSOURI
WICHITA, KANSAS
LINCOLN, NEBRASKA

February 9, 2010

The Honorable Karin Brownlee, Chairperson
Honorable Julia Lynn, Vice Chairperson
And Members of the Senate Commerce Committee
Statehouse, Room 548-S
Topeka, Kansas

Re: SB 482

Ladies and Gentlemen:

As bond counsel to many cities (including Olathe, Manhattan, Salina, Hays, Unified Government of Wyandotte County and many others), in the State, we request your approval of Senate Bill 482.

Community Improvement Districts (CIDs) and Transportation Development Districts (TDDs)

One of the important provisions of the bill for CIDs and TDDs is that it will allow property to be added to an existing CID or TDD by a petition signed by the owners of the property to be added. This would allow property to be added to existing CIDs and TDDs and pay the applicable sales tax or special assessments.

Tax Increment Financing Districts

SB 4821 would:

1. allow the financing of infrastructure costs that are located outside the district but contiguous if determined by the City to be necessary to implement the redevelopment plan (for example a traffic signal at an abutting intersection that is required by the proposed TIF project)
2. clarify what costs are prohibited to be funded by TIF. This would also make the prohibited costs identical to those prohibited in the STAR Bond Financing Act (K.S.A. 12-17,162(r)(20))
3. allow cities to commit all or a percentage of its local sales tax for TIF just like its currently allowed to do for property tax increment. Local jurisdictions do not always want to commit 100% of local sales tax to TIF projects.

Thank you for your consideration.

Sincerely,



Gary A. Anderson

Senate Commerce Committee
Date: February 9, 2010
Attachment # 2-1

Senate Committee on Commerce

Hearing on Senate Bill 482

Tuesday, February 9, 2010

Written Testimony of Jason Hilgers

Assistant City Manager, City of Manhattan, Kansas

Good morning Chairperson Brownlee, Vice Chairperson Lynn, and Honorable Members of the Senate Commerce Committee. My name is Jason Hilgers, and I am the Assistant City Manager for the City of Manhattan. I want to thank you for this time to address the Committee regarding a bill that holds potential for the City of Manhattan.

The City of Manhattan supports SB 482. The bill offers the City a mechanism to add property to an established Community Improvement District (CID) and Transportation Development District (TDD) by a petition signed by the owner of the property to be added. We have established and added property to several TDD's in Manhattan in the past, and this change would allow for a much easier and efficient process to make such additions.

This bill also allows for the financing of infrastructure costs on the periphery of the district if determined necessary to implement the redevelopment plan; and would allow cities to commit all or a percentage of its local sales tax for TIF. This gives the City greater flexibility with this economic development tool.

Thank you for your consideration.

OVERLAND PARK

K A N S A S

ABOVE AND BEYOND. BY DESIGN.

8500 Santa Fe Drive
Overland Park, Kansas 66212
913-895-6000 | www.opkansas.org

Testimony before the Senate Commerce Committee
Regarding Senate Bill 482
Presented by Erik Sartorius
February 9, 2010

The City of Overland Park appreciates the opportunity to appear before the committee in support of Senate Bill 482. As you know, legislation authorizing community improvement districts (CIDs) was passed last year by the legislature as an additional tool for cities and counties to utilize in aiding economic development and redevelopment.

As communities have begun to approve CIDs, it is apparent that clarification is needed within the statute. These proposed changes should make Community Improvement Districts more workable. Some of the changes include:

- Allowing municipalities to recover ongoing costs associated with CIDs rather than capturing a one-time administrative fee equal to 5% of the total cost of the project
- Changing the language describing the requirement for signing a petition creating a CID to clarify that government-owned property which is exempt from the CID assessments may still be included within the boundaries of a CID but not required to sign the petition.
- Clarifying the time frame for the district when issuing bonds without also using pay-as-you-go financing. Specifically state that the term should be the earlier of 22 years from the date the CID sales tax begins collection or when the bonds have been paid
- Clarifying that the exemption from inclusion in the statutory debt limit for certain CID-eligible projects, such as sewer and water improvements, continue to enjoy their exemption under the CID Act.

The City of Overland Park asks that the committee recommend Senate Bill 482 favorably for passage.

Senate Commerce Committee
Date: February 9, 2010
Attachment # 4-1

**TESTIMONY OF JOHN C. PETERSON
COMMUNITY IMPROVEMENT COALITION
SENATE BILL 482
February 11, 2010**

Madam Chair, Senators:

My name is John Peterson and I represent the Community Improvement Coalition, a coalition of interested parties from both the private and public sectors that championed and supported the passage of K.S.A. 2009 Supp. 12-6a26 through 12-6a36 (the "CID Act"). On behalf of the Coalition, I am testifying today in response to Senate Bill 482 which would make several amendments to the CID Act. At the outset, please know that we are not in opposition to most of the proposed amendments. However, after reviewing the Bill, the written testimony provided to your Committee (i.e. testimony from Dorothea Riley, Gary Anderson, the City of Overland Park, and the City of Manhattan), and the oral testimony given before your Committee on February 9, 2010, I would like to express our concern and opposition to four specific provisions being proposed.

I. Section 3(a) regarding the exclusion of the assessed value of the improvements when determining if the petition has been signed by owners collectively owning more than 55% by assessed value of the land area within the proposed district.

The primary reason we sought the adoption of the CID Act was to create an economic development tool that could be utilized for vertical construction costs, as such costs are explicitly forbidden under the Transportation Development District ("TDD") Act and the Tax Increment Financing ("TIF") Act. In allowing for vertical construction costs, CID financing will often be the preferred economic development tool for redevelopment projects, because in redevelopment projects the majority of the project's cost will be in the renovation/rehabilitation of existing buildings. With that as a backdrop, it seems counter-intuitive to ignore the value of the improvements, and to look solely at the value of the land when determining whether the 55% threshold has been met. It is these improvements that are often the reason to create the CID in the first place, and it is these improvements that will be generating the sales tax to finance the CID project costs.

Further, if as indicated by Ms. Riley, the purpose of this particular amendment to the CID Act is to provide clarification on how the property within the District is to be valued, this Amendment will not bring any clarification. You would still have the unresolved issue of how the City is to determine the assessed value of the land, and only the land, within the proposed district.

As an alternative approach to address this stated concern, we would propose that "excluding the assessed value of improvements" be deleted from Section 3(a) of the Bill, and that the following definition be added in Section 1: "Assessed value of the land area" means the assessed value of real property, which includes both the land and improvements, as reflected in the records of the county in which the property is located as of the last appraisal performed by the county appraisers office.

Senate Commerce Committee

Date: February 9, 2010

Attachment # 5-1

II. Section 3(g) regarding the addition of property to an existing district without notice or hearing through a petition signed by the owners of the land area proposed to be added to the district.

We concur with Mr. Anderson's and Jason Hilger's testimony that it would be beneficial to have the ability to enlarge a district through an expedited approval process. However, we take issue with the fact that the Bill does not require the approval of the petitioners of the original district.

When a district is established, a great deal of time is spent by both the petitioners and the applicable city in setting forth the project's budget and the sources of revenue that will be utilized to finance the cost of the project. When property is added to a district, it modifies the scope/cost of the project and impacts the financing for same (why would a property owner join a district other than to make improvements within its property). There needs to be a meeting of the minds between the original petitioners, the property owners wishing to join the district, and the city before property is added to the district, so that these items can be worked out and there is one cohesive plan for the district.

We would propose that Section 3(g) be modified to state that the petition seeking to enlarge the district not only be signed by the owners of all of the land area proposed to be added to the district, but also by all property owners that signed the petition creating the original district. We would also suggest adding the following language as the first phrase in the Section to make clear that this is not the only way to add property to a district under the act: "As an alternative to the other methods described in this act for modifying an existing district, ...".

III. Section 1(m)(9) regarding the definition of "project" including infrastructure improvements located outside the district.

As stated above, in large part the original intent of the CID Act was to provide a financing mechanism for vertical construction costs. There are other financing tools, such as TDD, available in Kansas to pay for infrastructure costs incurred outside of the district. In addition to the financing mechanisms existing under current law, the Bill looks to expand these tools by amending the TIF Act to cover costs incurred outside of the district. Given its focus of redevelopment and rehabilitation of existing developments, the CID Act should remain as it was originally approved – as a tool to provide financing for costs incurred within the boundaries of the district.

IV. Section 1(f) regarding the deletion of language capping a municipality's charge for administration costs at 5% of the total project cost.

The deleted language in this Section removes the cap on the amount charged by a municipality for "the services rendered by the municipality in the administration and supervision of such project". Stated plainly, these are purely administrative costs incurred by the municipality and would not include the cost of city financed public improvements. Administrative costs are ordinarily capped at a reasonable amount, and 5% of the total cost of the project is an appropriate amount.

Thank you for your consideration. If I may be of any assistance to the committee on this matter, please let me know.



Testimony

Unified Government Public Relations
701 N. 7th Street, Room 620
Kansas City, Kansas 66101

Mike Taylor, Public Relations Director
913.573.5565 mtaylor@wycokck.org

Senate Bill 495 STAR Bond Restrictions

Delivered February 9, 2010
Senate Commerce Committee

The Unified Government of Wyandotte County/Kansas City opposes Senate Bill 495. The reason is simple:

The Unified Government supports creating thousands of new high-paying jobs and hundreds of millions of dollars in economic development activity, particularly this devastating economic recession. And we believe other communities should have the same opportunity to create the kinds of economic successes Wyandotte County has produced.

Success breeds success and that is the case with Village West, The Legends Shopping Center and Kansas Speedway. Village West has 114 businesses, including 28 restaurants. Those businesses employ nearly 5,700 people. They generated over \$610 million in retail sales in 2009, producing \$41-million in local and state sales tax collections. The 2009 real and personal property taxes levied on Village West is just over \$11-million.

In addition to the Great Wolf Lodge, four other hotels have opened the past three years in Village West, including Hampton Inn with 76 rooms, the Chateau Avalon with 62 rooms, a Holiday Inn Express with 96 rooms and Country Inn with 117 rooms. Construction is now underway on an 86-room Best Western Hotel.

The International Economic Development Council handed out its 2009 Excellence in Economic Development award in the Public-Private Partnership Category for the Village West Project. IEDC is the largest and most respected professional economic development organization with members worldwide.

The Village West development has sparked construction of surrounding retail which is not part of the STAR Bond district, including a Wal-Mart Supercenter, Best Buy, Kohl's Department store, JC Penney, Target, Payless Shoes, National Tire and Battery and Olive Garden and Red Lobster restaurants. Those retail establishments generate sales tax which goes to the State of Kansas, Unified Government and schools.

The Kansas Speedway and Village West District sparked a new housing boom in western Wyandotte County. In 2004, Wyandotte County issued 476 new single family housing permits, setting a 40-year high. Since, then the Home Builders Association of Greater Kansas City consistently ranks KCK 5th in the metro for new homes built. Despite a slow down in the new housing construction market, KCK remains number 5 in the metro for housing permits, following Kansas City, Missouri, Overland Park, Lee's Summit and Olathe.

The synergy generated by the Kansas Speedway and Village West are creating new destination tourism attractions. The Schlitterbahn Vacation Village Resort opened in 2009 and continues to expand. It is slated to be a \$750-million water park and retail shopping and dining destination. Already nearly \$200-million in private funds have been invested without a dime of STAR Bond dollars even issued.

Senate Commerce Committee

Date: February 9, 2010

Attachment # 6-1

The recent success is a \$400-million deal to bring a major expansion of the Cerner Corporation and an 18,000-seat stadium for the Kansas City Wizards MLS soccer team to the Village West tourism district in Wyandotte County.

The project will bring 4,000 new high-paying healthcare technology jobs to the State of Kansas, create several thousand additional jobs connected with the sports stadium and spin-off employment, will help the State meet its goal of becoming a national leader in the healthcare field, will create educational and job opportunities for Wyandotte County students and brings to the Kansas its first and only major league sports franchise.

In addition to the thousands of Cerner and stadium related jobs, as many as 3,000 construction workers will be put to work building the project. Those jobs will be paid prevailing wage and meet strong goals for local, minority and women-owned business participation.

Governor Mark Parkinson praised the project and the partnership making it possible, saying, "I applaud the work of Mayor Reardon, the Wyandotte County Commissioners, Secretary Thornton and the entire team at the Department of Commerce for bringing thousands of jobs to Kansas and helping our state get back on track. The proposal we offered was responsible and did not overreach; as a result, we were successful."

Under the agreement, the Cerner Corporation will begin construction of a 600,000 square foot office complex by the end of 2011. Construction on the sports stadium will start in 2010 and be completed in time for the 2012 Major League Soccer season.

In addition to the soccer stadium, the proposal includes 18 tournament quality soccer fields designed to attract national soccer tournaments to be located in Wyandotte County Park. The \$30-million tournament complex will be one of the largest in the Midwest, attracting more than two million athletes, family members and spectators every year to Kansas City. The tournament fields will be built before the end of 2012. The developers will also construct three recreational soccer fields located throughout Wyandotte County for use by residents.

The more than \$400-million total public/private investment is financed in part by \$147-million in Star Bonds. In fact, the project wouldn't have been possible without using the existing Village West STAR Bond revenue stream. The economic analysis of the project shows in the first six years the cost benefit will exceed \$10-million more than what would be realized if the project was not built. Projections show even with the Kansas City Wizards Soccer stadium project, the original Village West STAR Bonds will still be retired early.

All of the developments at Village West, including the Cerner office complex and the sports stadium will pay full property taxes. So will the Schlitterbahn Vacation Village. And the taxpayers of Wyandotte County are not obligated to pay a dime on the STAR Bonds should a project fail. That obligation rests solely with the investors who purchased the bonds.

If Senate Bill 495 had been law last summer, those thousands of high-paying jobs at Cerner, the major league soccer stadium, the jobs training program for students and the tournament soccer fields could not have happened. The Unified Government supports creating thousands of new high-paying jobs and hundreds of millions of dollars in economic development activity and wants other communities to have the same opportunity. We hope as legislators you would want that as well.



Info Brief

Unified Government Public Relations
701 N. 7th Street, Room 620
Kansas City, Kansas 66101

Mike Taylor, Public Relations Director 913.573.5565

Cerner Corp and Kansas City Wizards Project

The landmark development agreement with the Unified Government will result in:

Overview

- Amazing job growth by the nation's leading healthcare technology company;
- Establishment of the only major league professional sports franchise in Kansas;
- Sports tourism through construction of a world-class tournament soccer complex; and
- Unprecedented educational and career job opportunities for students.
- \$414-million total public/private project investment.

Cerner Corporation Expansion

- Expansion of the Cerner Corporation with a 600,000 square foot first class office complex.
- 4,000 new Cerner Corporation jobs paying an average annual salary of \$54,000.
- Cerner Corporation will create and implement an educational/training program in conjunction with Wyandotte County educational institutions to provide job opportunities to Wyandotte County students.
- Helps State of Kansas meet the goal of becoming a national leader in the healthcare industry.
- \$85-million in State of Kansas tax credits and cash for creating the 4,000 new jobs.
- \$30.4-million penalty to be paid if the new jobs are not created on agreed upon schedule.

Kansas City Wizards

- 18,000 seat multi-sport stadium which will be the permanent home of the Kansas City Wizards Major League Soccer team. Stadium designed to also host concerts and other sporting events.
- Stadium projected to be complete by 2012 Major League Soccer season.
- \$147-million in STAR Bond proceeds to construct the multi-use sports stadium, paid for by sales tax revenues generated from Village West retailers.
- \$30-million in private investment for 18 tournament quality youth soccer fields in Wyandotte County Park designed to attract national tournaments.
- 3 recreational soccer fields located throughout Wyandotte County for use by residents.
- Keeping the Kansas City Wizards in Kansas City is a benefit to both Missouri and Kansas. No matter which side of the state line the stadium sits, the team is still a Kansas City team.

Community Benefits

- Developer will pay the Unified Government \$18-million for the stadium and office complex land.
- Full property taxes will be paid on the Cerner office complex and the sports stadium.
- More than 1,000 projected construction jobs created.
- Prevailing wage will be paid on construction of the project.
- Strong goals for use of local, minority and women-owned businesses in construction of the project.
- Economic benefit to the Wyandotte County community in the first six years will exceed \$10-million more than what would be realized if the project was not built.
- The Cerner Corporation Campus and the Kansas City Wizards soccer stadium, tournament and practice fields complex ensure the continued success of Village West as a premiere tourist destination, while meeting critical needs in the community for new jobs and economic growth.

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On 2/8/10 5:00 PM, "TJ" <tjreardon@sbcglobal.net> wrote:

Senator Brownlee,

Thank you for informing me of the STAR bond Legislation aimed at closing loopholes in the law.

As you know from experience the current STAR bond laws in Kansas are fraught with loopholes and gaps that allow local governments to abuse the intent of legislation.

First, most recently the Unified Government obtained approval to repurchase land from themselves that they originally received from Nebraska Furniture Mart using the original proceeds of STAR bonds. Yes, I know that is confusing but follow the business transaction.

Initially the State issued STAR bonds to purchase the land and buildings at Nebraska Furniture Mart. The UG then divided the land and resold the land to themselves in another STAR bond transaction and kept the proceeds as if they were a private land owner.

The land for the Soccer Stadium, was purchased from STAR bond proceeds and temporary notes and the UG kept the profit. Were STAR bonds designed to allow local governments to issue more and more public debt until they are bankrupt. STAR bonds are getting ripped off by the UG and the State of Kansas is suffering. The State proceeds of the bonds get placed into the same account as the rest of the money and siphoned off to the UG. This was never the original intent of the State.

Under this theory, every time the operator of a grocery store pays his building off then, the proprietor could keep the sales tax proceeds because he obtained another mortgage. This revolving door of credit harms the State of Kansas because it keeps the sales taxes from them.

The way to deny Wyandotte County from ripping off the State of Kansas is to stop allowing them to issue STAR Bonds. They have proven time and time again that they cannot be trusted. Look at Schlitterbahn and the Speedway. Every time these people get their greedy hands on money it disappears. No wonder they are broke.

Dishonesty and corruption in Wyandotte County are the real problems and no legislation will ever correct that. The powerful politicians that promote these schemes steal the development funds blind and the State of Kansas turns a blind eye.

Please submit this as my written testimony and remember the age old rule... "When the foxes own the chicken house, their will be no chicken soup."

Thank you for your time and interest in policing the criminals that run Wyandotte County.

Sincerely,

TJ Reardon

Senate Commerce Committee
Date: February 9, 2010
Attachment # 7-15

Here are other examples to ponder for Star Bond success and failures:

My comment is what ever happen to: If you want to start a business you get your own funds and you start the business. If the business fails you fail. Why do we want to drag all the taxpayers with these businesses. Sports, Gaming, Eating, Movie Houses, Bars. what ever. The only things that should get taxpayer bonds is for public services to and for the people, only these are benefits to the Public. ?? What do you think! All we ever did in Wyandotte County was to fund Carol Marinovich's Dream given to her by Rick Worner and Gary Grable and passed on to Joe Reardon. These dreams have broke WYCO and the State of Kansas and this bill just modifies how we spend to make even sillier dreams come true. Public money should be spent to help the public who put the money out, not a greedy bondsman or banker.

NASCAR in WYCO was a dream! NASCAR built 3 track at that same time. Joliet IL is the same track as Kansas. Joliet paid \$28,000 to hook that track to sewers and they get the taxes. Texas has a track 2 times the size of Kansas. Texas Motor Speedways was paid for by the City at a cost of \$119 Million. They own the track and lease it to NASCAR. The track has other events and makes the money and concessions etc. Kansas Speedways cost us taxpayers \$300 Million, we don't own it and they get free taxes for 30 years. We make sales tax revenue on whatever they say was sold? This will never help the taxpayer and is NO service to the people or the State. Just a dream! Village West benefits the people who live West all \$700 Million and counting. The rest of this town and the businesses are all on there own, no help, no pity and most of the town, other than Village West, is a ghost town.

Hope all this helps.. TJ
(Kansas City, KS)

re: SB 495