



## Testimony regarding Senate Bills 498 & 515, T-WORKS

**Submitted by Jennifer Bruning  
On behalf of the Overland Park Chamber of Commerce**

**Senate Transportation Committee  
Tuesday, March 16, 2010**

Chairman Umbarger and Committee Members:

My name is Jennifer Bruning, and I am Vice President of Government Affairs with the Overland Park Chamber of Commerce. I am submitting testimony today on behalf of our board of directors and our nearly 1,000 member companies in support of passage of a new statewide comprehensive transportation plan (CTP).

Kansas' transportation systems are the foundation for the efficient movement of people and goods, and they are crucial for economic development, business retention and expansion, and job creation throughout the entire State. In short, sufficient transportation funding is key to seizing economic opportunities.

Today, four out of five highways in Kansas are in good condition. However, without continued investment to maintain and modernize our highways, the progress we have made over the last twenty years will be lost. Our State's current level of transportation funding is inadequate to even maintain existing systems in the good condition that we now enjoy, especially as the State Highway Fund is continually raided to fill ever increasing budget holes. According to Secretary of Transportation Deb Miller, over \$1 billion has been diverted from the current CTP to other parts of the state budget, with \$179 million being diverted in 2010 alone. Quoting Miller, "This is not enough money to keep the Kansas road system in working order." This statement is extremely troubling to the Overland Park business community.

T-WORKS should be viewed as an economic stimulus tool. One of our larger members, HNTB, grew from 65 to 105 employees over the last 10 years, and they attributed the passage of the 1999 CTP, and the work it provided, as the major reason for their exponential company growth. Their story is not unique. With the high level of engineering and construction companies in our region, we are confident this program will act as a desperately needed economic stimulant.

**9001 W. 110<sup>th</sup> Street • Suite 150  
Overland Park, KS 66210  
t: 913.491.3600 • w: opks.org**

On a more specific project level, the Overland Park Chamber supports the City of Overland Park's highest transportation priority, which is completing the improvement and widening of US-69 from I-435 to 167<sup>th</sup> Street and the improvement and widening of I-435 from I-35 to US-69.

We urge these projects to be identified as priorities in recognition of their economic impact on the entire state's economy; they promote safety, ease congestion, and support economic growth.

We are extremely encouraged that many of the elements of the T-WORKS Program fall directly in line with the OP Chamber's list of priority items our members wish to see in a new CTP. First and foremost, we highly support the flexibility this program offers to alter or adjust projects based on transportation needs that may not have been known or even contemplated at the program's start. Overland Park's business community is rapidly growing – in just the last three months, we have announced 4,500 new jobs being created in our city boundaries. T-WORKS offers an expanded project selection process to allow communities such as Overland Park to capture these emerging economic opportunities.

We also support the T-WORKS provision which requires an economic analysis, in addition to local consultation and engineering factors, when prioritizing and selecting expansion projects. Economic development, job creation, and local financial support should always be included as factors in establishing project priorities.

The OP Chamber does recognize that while a new CTP is extremely worthwhile and important to our region's continued economic prosperity, it is also costly. In that vein, we fully support the KDOT proposal to continue utilizing bonding as a funding option, but with the added flexibility of implementing a "debt service to revenue" restriction which would allow KDOT to issue debt as long as the State Highway Fund's debt service expense does not exceed 18% of the agency's annual revenues (less extraordinary cash inflows and Special City and County Highway Funds).

We also urge the Legislature to take advantage of the newly available federal Build America Bonds, which assist both state and local governments in financing capital projects at lower borrowing costs. Current market conditions mandate a bond life of at least 25 years for the bonds to be most advantageous, but KDOT is now statutorily restricted to issuing debt for only 20 years or less. We ask the Legislature to take action on extending KDOT's 20 year debt issuance restriction to 25 years. Utilizing this bonding source would allow KDOT to fully fund all preservation projects, under current revenues, through FY2014 and allow the agency to remain below the proposed 18% debt service cap.

Furthermore, we are open to the consideration of adding a pilot project to the CTP allowing KDOT to utilize tolling as one of the financing mechanisms to possibly assist the start-up of the larger proposed transportation projects.

In summary, a high quality transportation system is of utmost importance to the OP business community. Having well-maintained roads enhances our quality of life, and a comprehensive transportation plan provides jobs for our citizens. We urge you to adopt a new transportation program this year.