



LEAVENWORTH
COUNTY

PORT AUTHORITY
DEDICATED TO THE
INDUSTRY OF INNOVATION

Testimony on HB 2386
Senate Committee on Federal and State Affairs, Room 144-S

Steve Jack, Executive Director
Leavenworth County Development Corporation

The purpose of the state statute allowing cities to create port authorities is “to promote, stimulate and develop the general welfare, economic development and prosperity of the state of Kansas by fostering the growth of intrastate and interstate commerce within the state.” The act also states that port authorities shall be established “to promote the economic stability of the state by maintaining and providing employment opportunities, thus promoting the general welfare of the citizens of this state.”

To that purpose, the Leavenworth County Port Authority (LCPA) has developed two industrial parks, one in Leavenworth and one in Tonganoxie that together are home to nearly 20 companies and over 600 employees. Additionally, the LCPA has worked with other companies in the county with employment of more than 500 individuals. The LCPA is currently working with the cities of Tonganoxie and Leavenworth as well as Leavenworth County officials to develop two new business parks that will give the port authority an additional 200 acres of shovel-ready land to promote.

Currently, the law requires a port authority to have property it sells to be appraised, and to sell that property at or above the appraised value. We believe that there are times, though, when it may be in the public’s interest to sell property below the appraised value to incentivize jobs and capital investment.

The change in statute we are suggesting would allow port authorities the flexibility to set the price of property based on a return to the community and state. The following change would allow for this flexibility: “...such sale of property shall be for no less than the appraised value of such property, ***unless the port authority declares that selling it at less than appraised value is in the public interest due to the return of new jobs, capital investment or increased tax revenue.***”

The business of economic development has become increasingly competitive, with communities across the country aggressively offering incentives and other assistance as they recruit new businesses. This change would allow our Port Authority to focus on the currency of economic development – jobs, capital investment and tax revenue – rather than on the profits involved in selling property.

I have reached out to my peers in each of the fewer than 10 port authorities established in statute or allowed by concurrent resolution concerning this change. Most port authorities were never formally established at the local level, have been inactive, or have long since been abandoned by local communities as an economic development tool. The only other active port authority in Kansas is in Pittsburg which utilizes the statute on behalf of the short-line railroad Watco, which has expressed support for this bill. We believe that this change would give those which may be active, or may be active in the future, more flexibility to meet the intent of the law. For us in Leavenworth County that flexibility will help us bring new jobs and capital investment to our communities.