



# Testimony

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## Economic Development Act for Public Levees House Bill 2648

Delivered to:  
Senate Commerce Committee  
March 13, 2014

Wyandotte County has a fantastic opportunity to increase jobs and draw millions of dollars in economic development investment for the State of Kansas because of the development of a new industrial park just south of the General Motors plant in Fairfax. The planned development will bring a \$30-million industrial development creating 250-300 new jobs to Kansas. That's what this bill is about.

The development is a new industrial park in a portion of the Fairfax Industrial District in Kansas City, just south of the General Motors plant on a tract of land called the Public Levee which is owned by the Unified Government. The Public Levee was deeded to the city and county back in 1859 for use as a port and for river related commerce. The buildings were built in 1937 and are no longer useful.

A partnership of developers want to tear the buildings down and construct a new warehouse for a major automotive supply company. But because of the way the land was deeded for public use, the city and county must continue to own the land. The Unified Government will sign a long term lease with the developers for the new economic development project. No problem there. But because of ambiguities in the law, the Unified Government is having to pay itself property taxes on the land it owns.

As you know, in most cases governments don't pay taxes on land and buildings they own for public use. This bill simply clarifies that the Unified Government will not have to pay property taxes to itself on the land. The new \$30-million industrial building will be taxable.

By clarifying that the Unified Government doesn't have to pay property taxes to itself, it will make the economics of this new job creating project more workable so the deal can move ahead. The money saved by not paying property taxes on the land can then be used for enviromental clean-up needed when the old buildings are torn-down.

The language of the bill is simple. It says, "All land owned by a municipality that is part of a public levee that is leased pursuant to K.S.A. 13-1243."

By passing this bill, we will be attracting 250-300 new jobs to Kansas and make the Fairfax Industrial District in KCK competitive with newer industrial areas just across the river in Missouri.

This bill is about hundreds of new jobs and millions of dollars in new economic development investment in Kansas. HB 2648 passed the House with 100 votes.