

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT.

The meeting was called to order by Chairperson Nancy Brown at 1:30 p.m. on March 18, 1993 in Room 521-S of the Capitol.

All members were present except.

Committee staff present: Michael Heim, Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Lois Hedrick, Committee Secretary

Conferees appearing before the committee: Representative Richard Reinhardt
Representative Jim Garner
Glen Welden, City Manager, Coffeyville

Others attending: See Guest List, Attachment 1.

The Chairman opened the hearing on **SCR 1613**, approving creation of the Coffeyville and Chanute joint port authority. Chairman Brown first explained that KSA 12-3401 et seq., establishes the legal requirements for port authorities; and that to her knowledge there are two such authorities in existence in Kansas.

Representative Richard Reinhardt testified in favor of the resolution (see Attachment 2). He noted the letter from Robert Walker, Chanute's City Manager, which is attached to his testimony. Representative Garner stated his support of the resolution and urged its passage.

Glen Welden, Coffeyville City Manager, testified in support of the resolution, stating the importance of maintaining the vitality of the short-run railroads in southeast Kansas. He indicated that two major manufacturers would close and move to another location if the rails were shut down. He presented testimony identifying the needs of Chanute and Coffeyville to organize a port authority and to come to the Legislature for approval (see Attachment 3). He stated the authority is needed so the cities can act quickly if a situation develops that requires action to preserve the rail lines.

Several questions were raised concerning port authorities generally, and especially their statutory powers to tax and tax limits, and of eminent domain. Chairman Brown questioned the accountability of the authority to the electorate. Mr. Welden stated that although the authority's board members were appointed by the city, the elected city officials would have power to change the members at the next appointment time. Representative Wootton asked about a cooperative agreement with the Port of Catoosa in Oklahoma to serve the southeast portion of Kansas, and particularly what authority would the Coffeyville-Chanute authority have to tax or obtain right-of-way in Oklahoma. Representative Mays questioned why only two cities participated in the organization of the authority. Mr. Welden explained that all cities and counties in the area were involved in the planning process but in essence of time and organization, the two cities were able to pass the enabling ordinances needed to form the authority.

Mike Heim interjected that port authorities are used as an economic development tool, with autonomy similar to airport authorities, and gave the example of Kansas City's authority which was originally developed as a financial tool to attract General Motors to Kansas City. Mr. Heim stated that because of accountability concerns in the operations of such authorities about ten years ago, the Legislature set down an approval requirement and that is the reason this resolution is before the committee and the Legislature. If the committee desires to limit the scope of taxing or other authority, other individual state statutes would need to be amended.

Representative Mollenkamp inquired if the short-haul railroad operator had been involved in this new authority, and Mr. Welden replied that it had been involved and is in agreement with the proposal.

There being no others present to testify, the hearing on **SCR 1613** was closed.

The Chairman asked members if they would please read K.S.A. 12-3401 et seq. on port authorities in order to be prepared to act on the resolution next week.

The meeting was opened to discussion of committee activities and the manner in which business is conducted. Representative Alldritt questioned the dominance of eastern counties local proposals in the legislative process

and the possibility of handling those issues in interim study. The Chairman responded that the interim procedures this year are planned to differ in that rather than referring certain bills for study, policy questions will be studied. Representative Tomlinson reminded the committee that a large portion of the state's revenue comes from Johnson County, and the issues they bring forward are germane to the rest of the state. Representative Ballard indicated that the various areas of the state undoubtedly take turns in the predominance of issues brought before the Legislature, and felt each area would have its turn.

Representative Wempe believes as long as the Local Government Committee exists the committee will have local issues to deal with. Representative Watson reminded members that the chair's method of operation varies from chairman to chairman. Representative Pettey stated that Chairman Brown had been more straight forward on committee matters than others she has encountered, and she appreciates that honesty.

The meeting was adjourned at 3:10 p.m. The Chairman announced that the assigned subcommittees (Attachment 4) will meet on Monday, March 22, and the full committee will meet together on Tuesday, March 23, 1993 at 1:30 p.m., in Room 521-S of the State Capitol.

GUEST LIST

MITTEE: House Local Government

DATE March 1 1993

[illegible]

STATE OF KANSAS

RICHARD R. REINHARDT
REPRESENTATIVE, 8TH DISTRICT
MOST OF NEOSHO COUNTY
AND PART OF ALLEN COUNTY
R. R. #1, BOX 118
ERIE, KANSAS 66733



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
MEMBER: AGRICULTURE
EDUCATION
TRANSPORTATION

DATE: March 18, 1993

TO: House Local Government Committee

FROM: Rep. Richard R. Reinhardt

RE: SCR 1613

Madam Chair and members of the Committee:

I want to thank you for holding a hearing on SCR 1613, establishing a Port Authority between Chanute and Coffeyville.

Attached is testimony from Robert Walker, City Manager of Chanute, that I would like to share with you.

Richard R. Reinhardt
State Representative
District #8

ATTACHMENT 2-1
3-18-93

*City of...***CHANUTE, KANSAS**

MUNICIPALLY OWNED GAS, WATER, AND ELECTRIC UTILITIES

March 18, 1993

Representative Nancy Brown, Chairperson
House Local Government Committee

Honorable Chairperson and Members of the Committee:

Since August, 1990, efforts have been underway to establish a Port Authority to acquire the rail right-of-way and trackage sold by Santa Fe to the South Kansas and Oklahoma Railroad. Rail service is essential to communities and businesses dependent upon rail access to move products to and from markets outside the Southeast Kansas region.

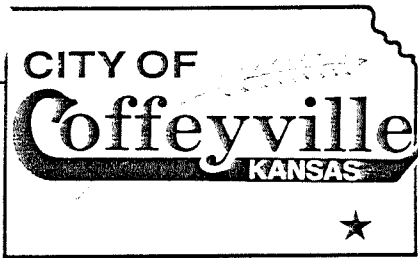
The primary purpose of establishing the Coffeyville-Chanute Joint Port Authority, is to acquire and preserve rail facilities serving Southeast Kansas. Creation of the Port Authority has broad support from cities and counties in Southeast Kansas and from the South Kansas and Oklahoma Railroad, which currently owns the rail facilities.

State law, K.S.A. 12-3401 et. seq., permits two or more cities and/or counties to join together to create a Joint Port Authority to promote economic development by fostering the growth of intrastate and interstate commerce. Under the Port Authority Act, the Port may acquire and operate a variety of industrial facilities, including railroad facilities.

The Port Authority Act encourages the creation of joint port authorities and requires Legislative approval as a part of the process. Preservation and improvement of rail service is essential to the Southeast Kansas economy and in turn, is important to the State's overall prosperity. There are many companies and jobs dependent upon rail service and we believe the Port Authority is the best way to ensure retaining rail access in the future. The cities of Coffeyville and Chanute respectfully request approval of SCR No. 1613 by the Legislature as required by K.S.A. 12-3402 (a).

ATTACHMENT 2-2

3-18-93



7th & WALNUT

• P.O. BOX 1629 •
COFFEYVILLE, KANSAS 67337

(316) ~~251-7008~~
252-6142

PROPOSED PORT AUTHORITY - CITY OF COFFEYVILLE/CITY OF CHANUTE

Chairperson, Committee Members:

My name is Glen Welden. I am City Manager for Coffeyville. Thank you for the opportunity to address you today on the matter of a creation of a port authority by the cities of Chanute and Coffeyville.

In August of 1990, City Manager Bob Walker of Chanute and I met to discuss the possible impact of a Santa Fe Railroad proposal to sell approximately 286 miles of rail lines from Iola to Coffeyville, from Cherryvale through Bartlesville to Tulsa, and from Chanute to Wellington. Our concern was that the rail would be sold to a salvage operation and ultimately we would lose rail service, tracks and right-of way. Loss of rail service would be extremely detrimental to our area's economy and would almost certainly result in the cessation of operations by companies dependent on rail service to ship and receive materials.

We believe it was of interest to the region to pursue some form of public ownership to preserve rail service, tracks, and right-of-way.

We had already witnessed the sale of the railroad between Iola and Ottawa to a salvage company who had removed the trackage on this section and effectively eliminated a direct railroad link between Coffeyville, Chanute and Kansas City.

In November of 1990 a meeting was held with representatives from cities, counties, and shippers in Kansas and Oklahoma. Consequent to that several other meetings were held with these same representatives in a continual discussion of our situation and avenues to pursue to assure continuation of rail service for our area. These representatives responded positively to the concept of a port authority to pursue public acquisition of the railroad.

Mr. Walker and I also had several meeting with representatives of the Oklahoma Port of Catoosa Port Authority in an effort to include them in the formation of a bi-state port authority. However, because of several factors and commitments we were unable to bring that to a quick conclusion. Therefore, we presented to our respective governing bodies the concept of the two cities creating a port authority and in February, 1993 both of our city commissions approved the creation of a port authority.

ATTACHMENT 3-1
3-18-93

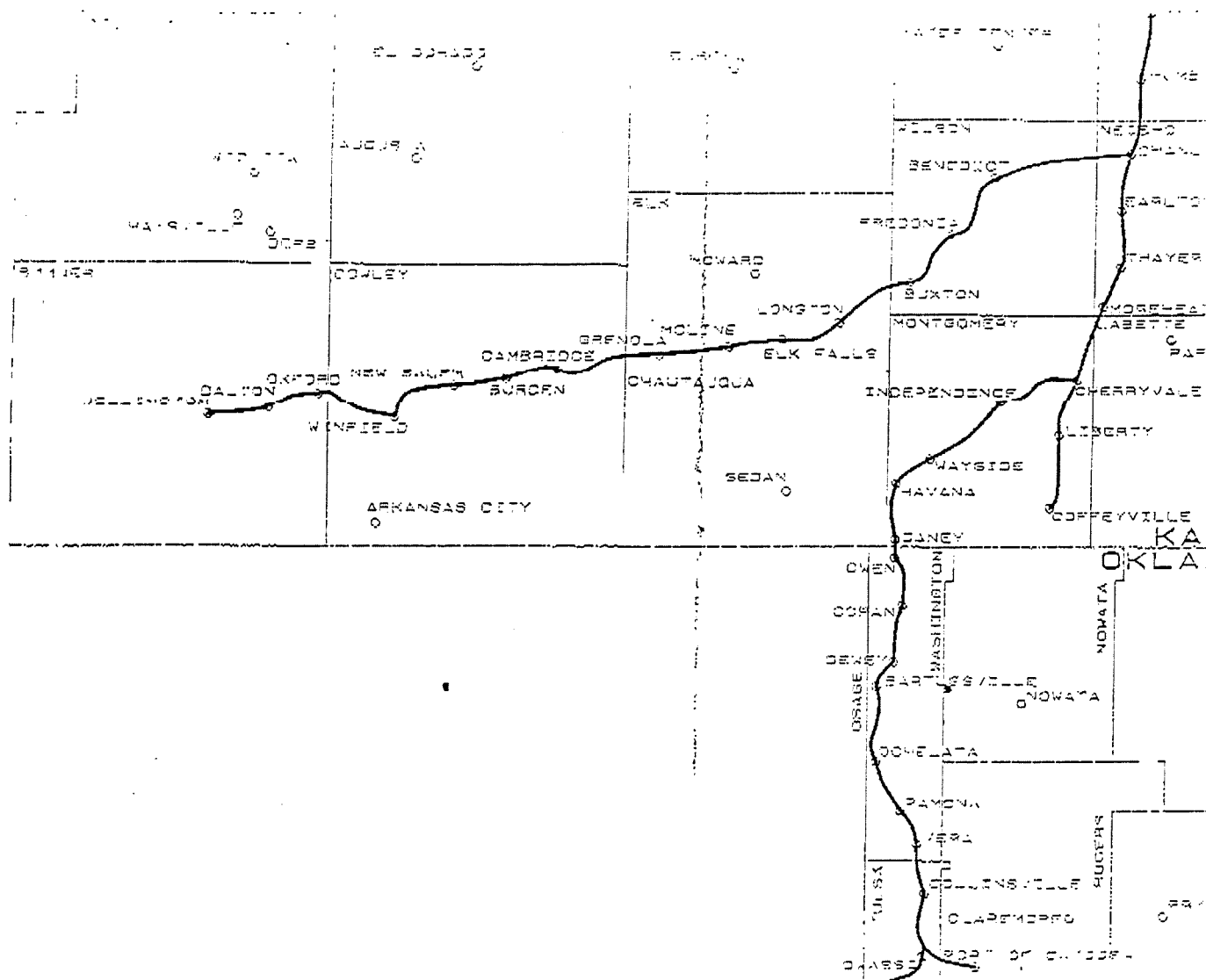
We have had several discussions with the current owners of this railroad line and they have indicated to us repeatedly their support of this concept and would work with us if a port authority were created.

It is our hope that the legislature will approve the port authority for Coffeyville and Chanute. Once this is accomplished the governing bodies of Coffeyville and Chanute will meet to discuss the next steps in the final creation of the port authority.

As I indicated earlier it is our intent to preserve rail service throughout our region. We cannot give a timetable to acquisition by a public entity; we are not certain that is necessary in the immediate future. But we feel we need to have the port authority created so that it may act quickly, if necessary, to preserve rail service.

We thank you for your consideration of our request and I will attempt, if I can to answer any questions you may have.

ATTACHMENT 3-2
3-18-93



HOUSE OF REPRESENTATIVES
COMMITTEE ON LOCAL GOVERNMENT
SUBCOMMITTEE ASSIGNMENTS
Session of 1993

SB 130 - Debt Setoff

Chair - Rep. Hayzlett
Members -

Rep. Ballard
Rep. Grant
Rep. Pettey
Rep. Wootton

SB 153 - Assessment

Chair - Rep. Macy
Members -

Rep. Donovan
Rep. Novak
Rep. Toplikar

SB 273 - Publication

Chair - Rep. Alldritt
Members -

Rep. Bryant
Rep. Mays
Rep. Mollenkamp
Rep. Welshimer

SB 182 - Sales Tax Distribution

Chair - Rep. Tomlinson
Members -

Rep. Holmes
Rep. Packer
Rep. Powers
Rep. Wempe

Subcommittees assigned will meet Monday, March 22, 1993, 1:30 p.m.

Each chairman will determine own meeting place. The meetings will be placed on Committee Agenda. Please call the Committee secretary (7696) regarding location as early as practicable.

Action will be taken on Tuesday, March 23, 1993, on the above bills, plus SCR 1613.

March 18, 1993

ATTACHMENT 4
3-18-93