



USDA Moves to Kansas City, Gets Incentives

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By: *Patrick Tuohey*

Alex Muresianu of *Reason* [wrote recently](#) about the USDA moving 550 positions from the Washington, D.C. area to the Kansas City area. This was a good move for the USDA because of the cost savings to the federal government:

The USDA's cost-benefit analysis found that shifting these two agencies to Kansas City would reduce costs by 11.3 percent, saving taxpayers roughly \$300 million (in nominal terms) over the next 15 years. These savings stem primarily from the fact that Kansas City has dramatically cheaper real estate than D.C., as well as marginally lower cost of living. The USDA's report noted that the median sale price of a home (a major factor in determining cost of living for employees) in Kansas City is \$205,400, compared to \$420,000 in D.C.

This isn't a surprise to me; I moved to Kansas City from Washington, D.C. in 2005. Nor should it surprise anyone who read [our paper on the competitive advantages of the Kansas City region](#), as the paper mentions low cost of living as a major advantage for Kansas City.

While we don't know exactly where in the region the USDA will locate, it was disheartening to read in [The Kansas City Star](#) that \$26 million in "unspecified" incentives were part of the deal. The authors reported:

Greg LeRoy, executive director of the watchdog group Good Jobs First, accused the USDA of engaging in an Amazon-style selection process that made states compete for the jobs with incentives.

"It's outrageous that the USDA would run an auction. This is the extreme version of privatized behavior by the federal government. Uncle Sam has no business running auctions, dangling jobs on state and local taxpayers," he said.

LeRoy said the final competition the USDA is setting up between Kansas and Missouri is reminiscent of how corporations set municipalities against each other after a region has been selected.

"This is classic site location consultant chicanery... This is an ugly, extreme version of Uncle Sam imitating Jeff Bezos. Yuck. If I were a Missouri or Kansas taxpayer, I would never stand for this. And as a federal taxpayer I'm cross-eyed."

It's a shame that the USDA encourages such behavior. It's a shame that the Kansas City

region plays ball, and it's a shame that we'll now fight among ourselves for the specific USDA location.

I discussed this topic with Pete Mundo this morning on KCMO Talk Radio. Click [here](#) to listen to the segment.

About the Author



*Patrick Tuohey
Director of Municipal Policy*

Patrick Tuohey is the Director of Municipal Policy at the Show-Me Institute.

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- [1] <https://showmeinstitute.org/blog/subsidies/usda-moves-kansas-city-gets-incentives>
- [2] <https://reason.com/2019/06/17/lets-move-more-federal-agencies-out-of-washington/>
- [3] <https://showmeinstitute.org/publication/local-government/kansas-city-genuinely-world-class>
- [4] <https://www.kansascity.com/news/politics-government/article231523378.html>
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Show-Me Institute

5297 Washington Place 3645 Troost Avenue
Saint Louis, MO 63108 Kansas City, MO 64109
Phone: (314) 454-0647 Phone: (816) 287-0370
Fax: (314) 454-0667

Email: info@showmeinstitute.org

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