Webinar

ULI Kansas City: How Incentives Impact Equitable Development

Date: June 18, 2020

00:00:00 --> 00:00:03:	Good afternoon everybody. Welcome back to another are Kansas City
00:00:03 --> 00:00:06:	making a city we can all afford webinar.
00:00:06 --> 00:00:09:	It's great to have everybody back so my name is
00:00:09 --> 00:00:10:	Kevin McGinnis.
00:00:10 --> 00:00:13:	I'm the CEO of the Keystone Community Corporation and again,
00:00:13 --> 00:00:15:	welcome to this week's webinar.
00:00:15 --> 00:00:17:	I want to thank you all for joining us this
00:00:18 --> 00:00:20:	week and being a part of the conversation.
00:00:20 --> 00:00:23:	These conversations are a chance for us to bring together
00:00:23 --> 00:00:27:	a small group of experts and openly discuss the challenges
00:00:27 --> 00:00:30:	and opportunities to hopefully change how we see our city
00:00:30 --> 00:00:33:	and how the various development patterns.
00:00:33 --> 00:00:36:	And decisions that influence our ability to grow in a
00:00:36 --> 00:00:37:	sustainable way.
00:00:37 --> 00:00:39:	As a community, how those are impacting us.
00:00:39 --> 00:00:42:	This week, we're taking another step forward in our conversation
00:00:42 --> 00:00:46:	about equitable development and discussing the role incentives have on
00:00:46 --> 00:00:47:	this very important topic.
00:00:47 --> 00:00:50:	I realize incentives are always a hot topic in our
00:00:50 --> 00:00:54:	by state region are particularly timely given some recent discussions.
00:00:54 --> 00:00:56:	And it's a very broad and impactful part of what
00:00:56 --> 00:00:57:	we all do.
00:00:57 --> 00:00:59:	So I'll keep my best to keep us on point
00:00:59 --> 00:01:02:	and would ask that you all help out during your
00:01:02 --> 00:01:05:	portion of the conversation to focus our short lunchtime

discussion.

00:01:05 --> 00:01:08: On the relationship between incentives,

00:01:08 --> 00:01:10: an equitable development. I mean,

00:01:10 --> 00:01:13: we're all eating, but we're not going to solve world

00:01:13 --> 00:01:13: hunger today,

00:01:13 --> 00:01:16: so a few quick housekeeping items.

00:01:16 --> 00:01:18: First, thank you to all of our UI sponsors.

00:01:18 --> 00:01:21: You saw those on the opening slide without them.

00:01:21 --> 00:01:23: None of this programming would be possible.

00:01:23 --> 00:01:25: So a huge thanks to the UI.

00:01:25 --> 00:01:28: Kansas City sponsor list. Also,

00:01:28 --> 00:01:29: the goal of these conversations,

00:01:29 --> 00:01:32: we're not here to advocate a position,

00:01:32 --> 00:01:35: but to educate, inform, and challenge how we think about

00:01:35 --> 00:01:39: our individual roles and collective responsibility to move us forward.

00:01:39 --> 00:01:42: This is 45 minutes each week to scratch the surface

00:01:42 --> 00:01:43: on important topics.

00:01:43 --> 00:01:45: And how can we, as a development community,

00:01:45 --> 00:01:48: move our city and our region forward?

00:01:48 --> 00:01:50: So we're going to go back to our regular weekly

00:01:50 --> 00:01:51: format.

00:01:51 --> 00:01:53: This is the second week of our three week Kansas

00:01:54 --> 00:01:55: City specific pieces,

00:01:55 --> 00:01:57: and then we go to the regional format.

00:01:57 --> 00:02:00: Today's program we split into three segments.

00:02:00 --> 00:02:03: The first segment will bring on a featured speaker,

00:02:03 --> 00:02:06: introduced the conversation. Second segment will expand.

00:02:06 --> 00:02:08: The conversation will bring on a few more panelists.

00:02:08 --> 00:02:11: A few more speakers with additional perspectives,

00:02:11 --> 00:02:14: and then we'll open the conversation through Q&A.

00:02:14 --> 00:02:16: So please use the Q&A function.

00:02:16 --> 00:02:18: Use the crowd voting function to vote up the questions

00:02:19 --> 00:02:21: that you most want to see this panel answer this

00:02:21 --> 00:02:22: week and again,

00:02:22 --> 00:02:24: this is the second of three weeks,

00:02:24 --> 00:02:26: and we're focused on equitable development.

00:02:26 --> 00:02:29: Last week we talked a little bit about history.

00:02:29 --> 00:02:33: Implications to the community of inch of equitable development and

00:02:33 --> 00:02:35: some of the issues surrounding that and some of the

00:02:35 --> 00:02:38: things that have created inequities this week.

00:02:38 --> 00:02:41: We're going to talk about incentives in the role that
00:02:41 --> 00:02:44: incentives to played in this conversation and then next week
00:02:44 --> 00:02:47: we three we're going to talk about policy and regulations.
00:02:47 --> 00:02:50: So join us again next week for a continuation of
00:02:50 --> 00:02:51: this conversation.
00:02:51 --> 00:02:52: And then on July 2nd,
00:02:52 --> 00:02:55: we're going to expand again to regional conversation.
00:02:55 --> 00:02:58: We're excited this time to have guests with us from.
00:02:58 --> 00:03:01: I think most likely Memphis and Oklahoma City.
00:03:01 --> 00:03:03: So please join us on July 2nd for that expanded
00:03:03 --> 00:03:04: conversation as well.
00:03:04 --> 00:03:07: Alright, well let's go ahead and get into the show
00:03:07 --> 00:03:08: this week.
00:03:08 --> 00:03:10: Joined in the conversation by Daniel Cerda.
00:03:10 --> 00:03:12: Daniel if you'll join us.
00:03:12 --> 00:03:15: Daniel is the case. Secure project manager at list he's
00:03:15 --> 00:03:15: have.
00:03:15 --> 00:03:18: He has a variety of roles here within the Kansas
00:03:18 --> 00:03:18: City Metro,
00:03:18 --> 00:03:21: and he's been here for awhile and has some significant.
00:03:21 --> 00:03:24: I think expansive knowledge about this topic.
00:03:24 --> 00:03:26: He's a city planner specializing in urban design,
00:03:26 --> 00:03:30: economic development, and stakeholder driven community planning.
00:03:30 --> 00:03:33: Daniel, welcome to this week's webinar.
00:03:33 --> 00:03:34: Thank you for having me.
00:03:34 --> 00:03:37: It's great to be here with everyone you know.
00:03:37 --> 00:03:39: It's great to have you thank you for being here
00:03:39 --> 00:03:40: again.
00:03:40 --> 00:03:42: So if you would start this conversation off a little
00:03:42 --> 00:03:43: bit,
00:03:43 --> 00:03:45: tell us about some of the work that you've done
00:03:45 --> 00:03:48: at least related to equitable development and some of the
00:03:48 --> 00:03:51: projects that kind of kicked off some of your work
00:03:51 --> 00:03:54: there. Yeah, so I am the manager for an initiative
00:03:54 --> 00:03:55: called Casey Cure,
00:03:55 --> 00:03:58: which is an acronym that stands for Kansas City Catalytic
00:03:58 --> 00:03:59: Urban Redevelopment.
00:03:59 --> 00:04:02: Casey Cure is an outgrowth actually of the chambers work
00:04:03 --> 00:04:05: around the Urban Neighborhood Initiative.
00:04:05 --> 00:04:08: Back in about 2016, the idea was that there was
00:04:08 --> 00:04:12: a need to identify discrete catalytic investments that could be

00:04:12 --> 00:04:14: made in specific targeted geographic areas.
00:04:14 --> 00:04:18: What we call priority areas within the larger you and
00:04:18 --> 00:04:22: I boundaries for those VR familiar Urban neighborhood initiative,
00:04:22 --> 00:04:25: their service areas very geographically large.
00:04:25 --> 00:04:28: It's about 10 square miles runs from Truman Rd to
00:04:28 --> 00:04:29: 52nd St Ann from truce,
00:04:29 --> 00:04:31: roughly to prospect. There's a little,
00:04:31 --> 00:04:34: you know, little bit of East West if it's here
00:04:34 --> 00:04:35: and there.
00:04:35 --> 00:04:39: But you know, very large rectangular geography that includes some
00:04:39 --> 00:04:42: of the most disinvested neighborhoods in the city of Kansas
00:04:43 --> 00:04:43: City,
00:04:43 --> 00:04:45: and so the idea was identified.
00:04:45 --> 00:04:46: What we call priority areas.
00:04:46 --> 00:04:49: We identified three commercial corridors.
00:04:49 --> 00:04:52: The 39th St Corridor in the Ivanhoe neighborhood,
00:04:52 --> 00:04:54: Prospect Hoarder from about 25th to 35th,
00:04:54 --> 00:04:57: and then the the city of 31st and Troost,
00:04:57 --> 00:05:00: Anne. What distinguished each of those areas was there was
00:05:00 --> 00:05:04: already some degree of community capacity and interest in redevelopment
00:05:05 --> 00:05:05: of those areas.
00:05:05 --> 00:05:09: There was already some degree of market momentum identified in
00:05:09 --> 00:05:12: each of those areas and there was potential for discrete
00:05:12 --> 00:05:15: investments that both the city and and listen others could
00:05:15 --> 00:05:19: make in those areas to help advance development that would
00:05:19 --> 00:05:22: have both secondary and tertiary positive impacts,
00:05:22 --> 00:05:25: particularly for both residents and minority business owners.
00:05:25 --> 00:05:28: Within those areas there are three core tools that we've
00:05:28 --> 00:05:30: been seeking to develop within.
00:05:30 --> 00:05:33: Casey Cure operate in each of those corridors.
00:05:33 --> 00:05:35: The first is to build a pool of patient capital,
00:05:35 --> 00:05:38: and we've been primarily focusing on.
00:05:38 --> 00:05:42: A lot of project identification and project structuring opportunities that
00:05:42 --> 00:05:45: were in various levels of discussion with the second piece
00:05:45 --> 00:05:49: is building community capacity around the commercial quarters themselves.
00:05:49 --> 00:05:52: There's a lot of community development capacity in the form
00:05:52 --> 00:05:56: of CDC's that are focused specifically on housing

development as

00:05:56 --> 00:05:59: well as engaging residents and business owners together.

00:05:59 --> 00:06:02: But on the Troost and prospect hoarders until the Prospect

00:06:02 --> 00:06:05: Business Association came together a couple of years ago,

00:06:05 --> 00:06:08: there really wasn't an umbrella organization.

00:06:08 --> 00:06:11: To pull together business, an resident stakeholders in and kind

00:06:11 --> 00:06:12: of ongoing conversations.

00:06:12 --> 00:06:15: We've been focusing a great deal ever last year in

00:06:15 --> 00:06:19: building a community Improvement District on truth that would take

00:06:19 --> 00:06:21: the same kind of function on on the truce corridor,

00:06:21 --> 00:06:24: and then the third piece is directly support women and

00:06:24 --> 00:06:28: minority on business center prices within the side by helping

00:06:28 --> 00:06:31: create a space for inclusion and opportunity for them.

00:06:31 --> 00:06:34: As each of those quarters revitalized.

00:06:34 --> 00:06:36: Thanks, you know when we talk about incentives,

00:06:36 --> 00:06:38: I think we instantly, you know,

00:06:38 --> 00:06:41: everyone's mind instantly goes to tax abatements to tax increment

00:06:41 --> 00:06:41: financing.

00:06:41 --> 00:06:43: TIF and some of those larger conversations.

00:06:43 --> 00:06:45: Those aren't the only tools that are available.

00:06:45 --> 00:06:47: So talk about some of the tools or some of

00:06:47 --> 00:06:48: the incentives.

00:06:48 --> 00:06:51: I guess that are available or or you've used in

00:06:51 --> 00:06:53: some of these projects that you're looking at in this

00:06:54 --> 00:06:54: area.

00:06:54 --> 00:06:58: Well, the cities. Instead of so I wanted to distinguish,

00:06:58 --> 00:07:00: as you know, being in their own unique category,

00:07:00 --> 00:07:04: whether it's abatements or other other forms of direct subsidy,

00:07:04 --> 00:07:05: that the city can offer,

00:07:05 --> 00:07:09: what we focused on Lisk specifically has really built two

00:07:09 --> 00:07:10: specific tools.

00:07:10 --> 00:07:13: The primary one is a catalytic pre Development Fund that

00:07:13 --> 00:07:16: we have capitalized with a lot of philanthropic support and

00:07:16 --> 00:07:19: what we've been able to do with that fund is

00:07:19 --> 00:07:23: actually pulled together. Funds to help derisk development by providing

00:07:23 --> 00:07:25: direct financing and project grants.

00:07:25 --> 00:07:29: For pre development expenses to really encourage development to happen

00:07:30 --> 00:07:32: in each of those areas and in the second piece
00:07:32 --> 00:07:34: is a longer term prospect,
00:07:34 --> 00:07:36: which is an idea of building a full of patient
00:07:37 --> 00:07:40: capital which would be lower cost capital that is dedicated
00:07:40 --> 00:07:42: to relatively long time horizons,
00:07:42 --> 00:07:47: again with the focus on the risking providing basically financial
00:07:47 --> 00:07:49: backstop for investments.
00:07:49 --> 00:07:51: It could be deployed in each of those targeted areas
00:07:51 --> 00:07:52: within the corridor.
00:07:52 --> 00:07:55: As I mentioned before, capacity building is a huge piece
00:07:55 --> 00:07:58: of this because there has to be stability in the
00:07:58 --> 00:07:58: marketplace.
00:07:58 --> 00:08:01: There has to be certainty about the goals and objectives
00:08:01 --> 00:08:04: and the underlying plan frameworks that are going to support
00:08:04 --> 00:08:05: development.
00:08:05 --> 00:08:08: And so again, that's been another key piece of of
00:08:08 --> 00:08:10: the work we've been pulling together.
00:08:10 --> 00:08:13: So Daniel, when you were talking previously,
00:08:13 --> 00:08:15: I think we were kind of jumping in and talking
00:08:15 --> 00:08:17: a little bit about the the gap.
00:08:17 --> 00:08:21: I think between incentives and how incentive uses is done
00:08:21 --> 00:08:23: on the developer side versus you know,
00:08:23 --> 00:08:25: kind of the goals of projects and so on.
00:08:25 --> 00:08:27: So talked a little bit about.
00:08:27 --> 00:08:30: You know this concept that we hear a lot of
00:08:30 --> 00:08:30: you know,
00:08:30 --> 00:08:34: preventing displacement as a function of equitable development,
00:08:34 --> 00:08:37: but then also the role of understanding kind of the
00:08:37 --> 00:08:42: target consumer in these developments and other incentives work.
00:08:42 --> 00:08:43: Yeah, well, so you know,
00:08:43 --> 00:08:46: I think a key issue that often doesn't get talked
00:08:46 --> 00:08:50: about when you think about the notion of revitalization.
00:08:50 --> 00:08:54: Revitilization, you know just the word itself suggests putting life
00:08:54 --> 00:08:56: back into a place where there used to be life
00:08:56 --> 00:08:57: before,
00:08:57 --> 00:09:00: right? And when we talk about in a development context,
00:09:00 --> 00:09:04: we're talking obviously in terms of discrete real estate investment
00:09:04 --> 00:09:04: opportunities.

00:09:04 --> 00:09:07: But you also have to think about that in terms
00:09:07 --> 00:09:10: of the level of activity and bringing people back into
00:09:10 --> 00:09:13: a marketplace that has been disinvested overtime.
00:09:13 --> 00:09:16: So one of the uncommonly unspoken questions in the context
00:09:16 --> 00:09:19: of revitalization is who's your modal consumer?
00:09:19 --> 00:09:21: Who is it that you're trying to draw back?
00:09:21 --> 00:09:23: Into an area and there are a lot of different
00:09:23 --> 00:09:26: strategies for doing that in terms of investments you know,
00:09:26 --> 00:09:28: I think there's an important role.
00:09:28 --> 00:09:30: As I mentioned before, for D risking,
00:09:30 --> 00:09:33: but also sending very clear signals to the marketplace that
00:09:33 --> 00:09:35: this area is now ready and ripe for investment.
00:09:35 --> 00:09:37: That may have been overlooked in the past in terms
00:09:37 --> 00:09:38: of consumers.
00:09:38 --> 00:09:41: You know the potential customers for those businesses or the
00:09:41 --> 00:09:43: potential future residents for development.
00:09:43 --> 00:09:45: That's going to happen on a cord.
00:09:45 --> 00:09:47: Or it's a matter of sending signals about what kind
00:09:47 --> 00:09:48: of place this is.
00:09:48 --> 00:09:49: But this is an exciting,
00:09:49 --> 00:09:52: interesting place to be that it's a safe place that
00:09:52 --> 00:09:53: it's a healthy place.
00:09:53 --> 00:09:55: That it's a walkable environment.
00:09:55 --> 00:09:57: I mean, all of those kinds of things in terms
00:09:57 --> 00:10:00: of both marketing and packaging developments that we think about.
00:10:00 --> 00:10:01: But, again, like I said,
00:10:01 --> 00:10:03: one of the unstated assumptions underlying that is,
00:10:03 --> 00:10:05: who is that modal consumer?
00:10:05 --> 00:10:07: Who is it? You're actually trying to draw into the
00:10:07 --> 00:10:07: area,
00:10:07 --> 00:10:10: and I think we have to focus on that question
00:10:10 --> 00:10:12: very explicitly to ensure that we're actually meeting you.
00:10:12 --> 00:10:15: Know what you might call a baseline required for requirement
00:10:15 --> 00:10:17: for equitable development?
00:10:17 --> 00:10:18: There are a lot of vacant sites,
00:10:18 --> 00:10:21: including city owned land, on which residential development is either
00:10:21 --> 00:10:23: being proposed or is under construction.
00:10:23 --> 00:10:25: The truth quarter, for example,
00:10:25 --> 00:10:26: and it's very easy to say.

00:10:26 --> 00:10:28: You know that on a vacant site,

00:10:28 --> 00:10:31: you're not displacing anybody who was previously there.

00:10:31 --> 00:10:33: You're creating new opportunity and new housing.

00:10:33 --> 00:10:36: That wasn't, you know, units that weren't available.

00:10:36 --> 00:10:38: But again, you know the truth.

00:10:38 --> 00:10:39: Divide is the truth, divide.

00:10:39 --> 00:10:40: It has a long history.

00:10:40 --> 00:10:43: You had entirely separate, you know discussions around that,

00:10:43 --> 00:10:46: and the reality is that the residents on the West

00:10:46 --> 00:10:49: side of truth not only are demographically and racially very

00:10:49 --> 00:10:51: distinct from the ones on the East side,

00:10:51 --> 00:10:54: but there are profound differences in terms of the underlying

00:10:54 --> 00:10:56: economics of each of those marketplaces,

00:10:56 --> 00:10:59: so. You know their existing residents and there are 10s

00:10:59 --> 00:11:01: of thousands of them on the East side of truth.

00:11:01 --> 00:11:04: Who would love to and add fire to having higher

00:11:04 --> 00:11:06: quality access to higher quality housing?

00:11:06 --> 00:11:08: But if we're not explicit about the opportunity for those

00:11:08 --> 00:11:11: residents to be able to afford the rents in these

00:11:11 --> 00:11:13: new developments are going on along the truth corridor.

00:11:13 --> 00:11:15: You know my argument would be,

00:11:15 --> 00:11:17: and I've said this, and throughout the work that we've

00:11:17 --> 00:11:18: done,

00:11:18 --> 00:11:21: we're effectively locking them out of new housing opportunities.

00:11:21 --> 00:11:23: And I think we have to be very careful about

00:11:23 --> 00:11:24: how we navigate that.

00:11:24 --> 00:11:27: I think that doesn't necessarily mean that every development that

00:11:27 --> 00:11:29: happens on Troost has to be quote unquote,

00:11:29 --> 00:11:32: affordable at 100% level. But the reality is that you

00:11:32 --> 00:11:32: know,

00:11:32 --> 00:11:35: there's you know more than half a dozen developments,

00:11:35 --> 00:11:38: either in planning stages or under construction,

00:11:38 --> 00:11:41: or recently completed on the truth quarter between Hospital Hill

00:11:42 --> 00:11:43: in the Country Club Plaza.

00:11:43 --> 00:11:46: It's over 1000 units that are projected to be built

00:11:46 --> 00:11:46: there,

00:11:46 --> 00:11:49: and every one of those developments has some level of

00:11:49 --> 00:11:50: city subsidy in it.

00:11:50 --> 00:11:53: And there has been no formal condition is part of

00:11:53 --> 00:11:56: that city subsidy that any of those developments actually provide
00:11:56 --> 00:11:59: any kind of set aside for what we consider affordable
00:11:59 --> 00:12:01: units, and we can delve into.
00:12:01 --> 00:12:03: What affordability means in that context?
00:12:03 --> 00:12:05: But again, it's. It's not.
00:12:05 --> 00:12:08: You know when part of the purpose of providing incentives
00:12:08 --> 00:12:11: in any context is obviously when you know the private
00:12:11 --> 00:12:16: marketplace either is unwilling or unable to structure development adequately
00:12:16 --> 00:12:17: to happen on its own.
00:12:17 --> 00:12:20: Through pure market forces, then you have you know rationale
00:12:20 --> 00:12:23: for public intervention through providing incentives.
00:12:23 --> 00:12:27: And unfortunately, if we're not explicit about what our policy
00:12:27 --> 00:12:30: goals are and if explicit affordability is not one of
00:12:30 --> 00:12:31: our policy goals,
00:12:31 --> 00:12:33: then you have incentives being issued.
00:12:33 --> 00:12:35: Again, a key lever and a key tool on the
00:12:35 --> 00:12:36: part of the city,
00:12:36 --> 00:12:38: but also key point of leverage in terms of,
00:12:38 --> 00:12:42: you know building and affordability that might not happen otherwise.
00:12:42 --> 00:12:44: It's it's not likely to happen and and that becomes
00:12:44 --> 00:12:48: a real challenge because effectively we're creating new units with
00:12:48 --> 00:12:51: city subsidy that though then create new opportunity for people
00:12:51 --> 00:12:53: that already levies to Troost.
00:12:53 --> 00:12:56: I think it's one of the things I've heard over
00:12:56 --> 00:12:58: and over again was and you said it.
00:12:58 --> 00:13:01: I think several times explicit you have to be explicit
00:13:01 --> 00:13:04: about tying your equity goals and what you're trying to
00:13:04 --> 00:13:07: accomplish from an equity perspective to your incentive uses.
00:13:07 --> 00:13:10: Yeah, explicit in how those things are connected and how
00:13:10 --> 00:13:13: the efficacy of those tools are used to meet those
00:13:13 --> 00:13:14: goals.
00:13:14 --> 00:13:16: Well, you know, in the context of the kinds of
00:13:16 --> 00:13:20: issues we're dealing with socially right now politically with you
00:13:20 --> 00:13:23: very charged issues around everything from policing to you,
00:13:23 --> 00:13:27: know explicit discrimination too. The eviction crisis to everything we're

00:13:27 --> 00:13:30:	dealing with in terms of the kovit impacts,
00:13:30 --> 00:13:32:	you know, one of the core philosophies of any kind
00:13:32 --> 00:13:36:	of diversity and inclusion strategy is the idea of intentionality,
00:13:36 --> 00:13:39:	right? You have to be very explicit about a what
00:13:39 --> 00:13:42:	are your goals and what explicit steps are you taking
00:13:42 --> 00:13:43:	to meet those goals?
00:13:43 --> 00:13:44:	And so, again, we have a tool,
00:13:44 --> 00:13:47:	various tools that the city has in the way of
00:13:47 --> 00:13:48:	financial incentives,
00:13:48 --> 00:13:49:	but so far you know,
00:13:49 --> 00:13:51:	for a variety of reasons.
00:13:51 --> 00:13:54:	At a policy level, there is no explicit mandate from
00:13:54 --> 00:13:56:	the city that requires housing affordability.
00:13:56 --> 00:13:59:	As as a precondition for the use of those incentives,
00:13:59 --> 00:14:00:	even on a quarter, like truth,
00:14:00 --> 00:14:03:	where you would think that would make a lot of
00:14:03 --> 00:14:03:	sense.
00:14:03 --> 00:14:06:	Yeah thanks, thanks Daniel. This is great setup,
00:14:06 --> 00:14:08:	so let's go ahead and expand the conversation.
00:14:08 --> 00:14:11:	I'd like to bring on our next to guess this
00:14:11 --> 00:14:11:	week.
00:14:11 --> 00:14:13:	First I'd like to introduce Pat Jordan.
00:14:13 --> 00:14:15:	Pat is the President, CEO,
00:14:15 --> 00:14:18:	and owner of PET Jordan Associates Inc and she's the
00:14:18 --> 00:14:21:	executive director of the Gym Cultural and Educational Center.
00:14:21 --> 00:14:24:	Past decades of experience helping government entities,
00:14:24 --> 00:14:28:	nonprofits and for profits navigate the terrain to get these
00:14:28 --> 00:14:29:	types of projects done.
00:14:29 --> 00:14:32:	And then I'd also like to bring on Catherine Carter
00:14:32 --> 00:14:32:	Catherines,
00:14:32 --> 00:14:36:	the Director of Economic Development at Unified Government of Kansas
00:14:36 --> 00:14:37:	City,
00:14:37 --> 00:14:40:	KS and Wyandot County. And she also had a six
00:14:40 --> 00:14:43:	year tenure over on the Kcmo side in a variety
00:14:43 --> 00:14:46:	of roles and economic development.
00:14:46 --> 00:14:49:	So welcome Katherine Ann Pat to the program.
00:14:49 --> 00:14:51:	Thank you. Good to be here.
00:14:51 --> 00:14:52:	Glad to have you both here.
00:14:52 --> 00:14:56:	Let's start with you. Two of the things I enjoy
00:14:56 --> 00:15:01:	most about our conversations are one year eternal optimism into

00:15:01 --> 00:15:03: your affinity for innovation.
00:15:03 --> 00:15:06: And so I imagine these two influences have some impact
00:15:06 --> 00:15:08: on how you think about this role of incentives.
00:15:08 --> 00:15:12: An equitable development. Can you share your thoughts on this
00:15:12 --> 00:15:12: topic?
00:15:12 --> 00:15:15: Here and thank you for for setting this up.
00:15:15 --> 00:15:17: We're in a Black Lives Matter,
00:15:17 --> 00:15:21: pandemic era and so there are a couple of things
00:15:21 --> 00:15:22: I know for sure.
00:15:22 --> 00:15:25: Kevin and that is is that it cannot be business
00:15:25 --> 00:15:29: as usual behind me are examples of projects I'm involved
00:15:29 --> 00:15:29: in.
00:15:29 --> 00:15:33: On my right is the old townhouse hotel in downtown
00:15:33 --> 00:15:33: Kansas City,
00:15:33 --> 00:15:36: KS and it's 126 units of subsidized housing,
00:15:36 --> 00:15:40: so $25,000,000 rehab and it took about four years for
00:15:40 --> 00:15:41: the board,
00:15:41 --> 00:15:44: along with Bob Hughes and Matt Folsom to put the.
00:15:44 --> 00:15:49: Financing together and we utilized every incentive and tool imaginable
00:15:49 --> 00:15:51: to my left is the art house,
00:15:51 --> 00:15:55: and that's the art organization that I'm president of Phones
00:15:55 --> 00:15:55: at 27th.
00:15:55 --> 00:15:58: In Brooklyn. An artist now lives in the house,
00:15:58 --> 00:16:01: and he's there. Rent Free in exchange for his work
00:16:02 --> 00:16:03: in the neighborhood,
00:16:03 --> 00:16:06: and that took four years to put together as as
00:16:06 --> 00:16:06: well.
00:16:06 --> 00:16:09: So in the middle is a concept drawing of three
00:16:09 --> 00:16:13: story live work townhouses that I'd like to build.
00:16:13 --> 00:16:16: The average time. We all know that it takes to
00:16:16 --> 00:16:17: do a project in the core.
00:16:17 --> 00:16:20: Spell 4 to 8 years and because of historical to
00:16:20 --> 00:16:20: collect,
00:16:20 --> 00:16:22: there's so much to be done.
00:16:22 --> 00:16:24: That's just that's just way too long and it's not
00:16:24 --> 00:16:26: that we don't have the expertise.
00:16:26 --> 00:16:28: It's not that we don't have the talent,
00:16:28 --> 00:16:31: it's the unique challenge of trying to finance these very
00:16:31 --> 00:16:33: sometimes very unique projects.
00:16:33 --> 00:16:39: With these tools that were really not designed for them.

00:16:39 --> 00:16:41: Evan, I believe that yes,
00:16:41 --> 00:16:44: we should continue to work with politicians to an existing
00:16:44 --> 00:16:46: incentives and creating new ones.
00:16:46 --> 00:16:49: But the reality is, I think that government can't do
00:16:49 --> 00:16:50: this alone.
00:16:50 --> 00:16:52: Banks can't solve this alone.
00:16:52 --> 00:16:55: Community lending institutions can't solve this alone.
00:16:55 --> 00:16:57: I think that each of these entities,
00:16:57 --> 00:17:01: yes, of course, needs to look internally and make systemic
00:17:01 --> 00:17:05: changes that better reflect the needs of communities of color
00:17:05 --> 00:17:06: and the underserved.
00:17:06 --> 00:17:08: There's there's no question about that,
00:17:08 --> 00:17:11: but besides that, and by that I mean,
00:17:11 --> 00:17:14: right? Alongside of all of those things that are going
00:17:15 --> 00:17:15: on,
00:17:15 --> 00:17:17: we need a brand new engine,
00:17:17 --> 00:17:20: so I was happy to hear the update from about
00:17:20 --> 00:17:21: you and I and list.
00:17:21 --> 00:17:25: But this brand new engine that I'm talking about as
00:17:25 --> 00:17:29: well needs to be very flexible and very versitile.
00:17:29 --> 00:17:33: Because these projects are vastly different in the core,
00:17:33 --> 00:17:37: vastly unique and we need an engine and hopefully we
00:17:37 --> 00:17:37: can,
00:17:37 --> 00:17:41: you know work with listen you and I am developing
00:17:41 --> 00:17:42: something that's not.
00:17:42 --> 00:17:49: Risk adverse, but at the engine instead that embraces adversity.
00:17:49 --> 00:17:51: Yeah, that's a great point.
00:17:51 --> 00:17:55: Pat Katherine Owen turned to you and kind of drawn
00:17:55 --> 00:17:59: your by state municipal experience there.
00:17:59 --> 00:18:00: Do we have an accurate,
00:18:00 --> 00:18:03: meaningful, timely way to evaluate?
00:18:03 --> 00:18:06: Kind of the advantages, disadvantages?
00:18:06 --> 00:18:10: The upside and downside of how we use current incentive
00:18:11 --> 00:18:11: tools?
00:18:11 --> 00:18:16: And as it relates to achieving equitable development goals.
00:18:16 --> 00:18:19: So I think the most important part of that question
00:18:19 --> 00:18:22: was equitable development goals.
00:18:22 --> 00:18:25: At this point, you know if you don't actually have
00:18:25 --> 00:18:26: stated goals,
00:18:26 --> 00:18:29: that there is nothing to measure against,
00:18:29 --> 00:18:32: so that is one of our I think on both

00:18:32 --> 00:18:35: sides of the state line an issue that we do
00:18:35 --> 00:18:36: need to tackle.
00:18:36 --> 00:18:38: And this goes as far as you know,
00:18:38 --> 00:18:42: every single incentive tool that we have is based on
00:18:42 --> 00:18:45: some state statute and almost all of those are based
00:18:45 --> 00:18:46: on the.
00:18:46 --> 00:18:50: The goal of blight remediation and the first thing that
00:18:50 --> 00:18:50: we do.
00:18:50 --> 00:18:54: You know this is a local government and an attorneys
00:18:54 --> 00:18:55: alike is figure out?
00:18:55 --> 00:18:58: How do we kind of get around some of these
00:18:58 --> 00:19:02: things to make this as broad as possible and which
00:19:02 --> 00:19:03: OK I get it.
00:19:03 --> 00:19:05: We, you know we want to use it for a
00:19:05 --> 00:19:07: bunch of different things,
00:19:07 --> 00:19:11: but I believe today having stated goals an actually you
00:19:11 --> 00:19:15: know holding our elected officials to those goals an having
00:19:15 --> 00:19:16: consistency.
00:19:16 --> 00:19:19: I mean this is. Anywhere from,
00:19:19 --> 00:19:24: you know, having wage standards or targeted training and targeted
00:19:24 --> 00:19:24: hiring,
00:19:24 --> 00:19:28: you know there are a lot of different things that
00:19:28 --> 00:19:30: we can do with incentives that can,
00:19:30 --> 00:19:34: you know, move the ball forward and do the things
00:19:34 --> 00:19:36: that we actually want to do.
00:19:36 --> 00:19:39: And that's actually the end of the day.
00:19:39 --> 00:19:41: What incentives are are made?
00:19:41 --> 00:19:44: You know this is a secret that I probably,
00:19:44 --> 00:19:49: as Director of Economic Development for municipality shouldn't share,
00:19:49 --> 00:19:53: but. What incentives are actually for is to fill the
00:19:53 --> 00:19:55: gap for extraordinary costs,
00:19:55 --> 00:19:59: so it's to level some playing fields alot of times
00:19:59 --> 00:20:03: it is more about winning a deal which is certainly
00:20:03 --> 00:20:03: important,
00:20:03 --> 00:20:07: but if we're winning a deal then we need to
00:20:07 --> 00:20:11: add some of those things into the the package that.
00:20:11 --> 00:20:15: You move forward. Some of the items that were looking
00:20:15 --> 00:20:15: at.
00:20:15 --> 00:20:17: I mean, I'll give one quick example.
00:20:17 --> 00:20:21: You know there is a project right now that I

00:20:21 --> 00:20:25: know both sides of the state line have put in.
00:20:25 --> 00:20:28: A proposal to to win a project.
00:20:28 --> 00:20:31: Great project, I love it,
00:20:31 --> 00:20:34: but one of the things that we did on in
00:20:34 --> 00:20:36: on the KCK side,
00:20:36 --> 00:20:40: which I think we need to start putting in more
00:20:40 --> 00:20:44: and more of our deals is we said very very
00:20:44 --> 00:20:48: strongly you know you'll get extra bump.
00:20:48 --> 00:20:53: Specifically, you need for childcare or.
00:20:53 --> 00:20:57: Transportation for you know you need to hire such as
00:20:58 --> 00:21:02: percentage of wine.com present and really being.
00:21:04 --> 00:21:09: Very intentional about putting these items.
00:21:09 --> 00:21:12: Into the deal when when incentives are involved.
00:21:12 --> 00:21:15: Yeah, I think we'll touch on that a little bit
00:21:15 --> 00:21:16: later,
00:21:16 --> 00:21:18: Pat. You know a lot of times when we talk
00:21:18 --> 00:21:22: about incentives and we talk about what's happening with incentives
00:21:22 --> 00:21:24: or or with equitable development.
00:21:24 --> 00:21:27: The focus seems to be on large projects.
00:21:27 --> 00:21:28: Seems to be on these,
00:21:28 --> 00:21:31: you know, 10s of million $20,000,000 projects,
00:21:31 --> 00:21:33: and so on. And I think when we were talking,
00:21:33 --> 00:21:37: there doesn't typically seem to be alignment between the incentives
00:21:37 --> 00:21:39: that are available to.
00:21:39 --> 00:21:41: I think what you phrase this impossible projects.
00:21:41 --> 00:21:45: He's smaller projects that. Really often times are the ones
00:21:45 --> 00:21:49: that are needed or the ones that are probably most
00:21:49 --> 00:21:51: applicable to you know these communities.
00:21:51 --> 00:21:56: Of concern in these areas where equitable development is probably
00:21:56 --> 00:21:57: most important so.
00:21:57 --> 00:22:00: How do you like talk to me about how we
00:22:01 --> 00:22:06: could use incentives to better work with those smaller projects
00:22:06 --> 00:22:10: that are probably more impactful or probably more?
00:22:10 --> 00:22:12: Model loss for words here.
00:22:12 --> 00:22:15: Probably more catalytic catalytic in those areas.
00:22:15 --> 00:22:17: Yeah, and that's what they.
00:22:17 --> 00:22:20: That's definitely what they are Kevin and and so they
00:22:20 --> 00:22:22: need to get credit for that.
00:22:22 --> 00:22:25: I mean, if you're coming up with some new medical

00:22:25 --> 00:22:29: innovation then you are you are deemed a Rockstar,
00:22:29 --> 00:22:32: but if you're talking about something it within the core
00:22:32 --> 00:22:34: that is that is outside the box,
00:22:34 --> 00:22:38: then people just look at you and you know eyes.
00:22:38 --> 00:22:41: Glaze over because you know that doesn't fit the norm.
00:22:41 --> 00:22:43: So we need to first of all,
00:22:43 --> 00:22:47: embrace innovation as it relates to economic development in the
00:22:47 --> 00:22:48: core.
00:22:48 --> 00:22:52: Those different kinds of ideas that are also viewed however,
00:22:52 --> 00:22:55: as risky. So I think that's that's one of the
00:22:55 --> 00:22:57: first things that we need to do.
00:22:57 --> 00:23:01: So let's take another example of a tool that already
00:23:01 --> 00:23:01: exists.
00:23:01 --> 00:23:04: That is not, however, being utilized a lot,
00:23:04 --> 00:23:07: and that is the guarantor.
00:23:07 --> 00:23:10: If there's there's.
00:23:10 --> 00:23:14: If those of us who are emerging developers and and
00:23:14 --> 00:23:19: really small onesie twosie folks knew of of individuals or
00:23:19 --> 00:23:22: entities that could guarantee loans right,
00:23:22 --> 00:23:25: then that would solve one huge problem.
00:23:25 --> 00:23:29: You know you go to a bank and they say,
00:23:29 --> 00:23:32: OK, you don't have the.
00:23:32 --> 00:23:35: Balance sheet that's necessary to guarantee this loan,
00:23:35 --> 00:23:39: So what that entity needs with that small emerging developer
00:23:39 --> 00:23:42: needs is a joint venture partner who's willing to do
00:23:42 --> 00:23:43: that.
00:23:43 --> 00:23:46: That's not really something that's strange,
00:23:46 --> 00:23:50: or you know that that is something that we can
00:23:50 --> 00:23:52: probably make happen more.
00:23:52 --> 00:23:55: It's a tool that already exists.
00:23:55 --> 00:23:58: Captured
00:23:58 --> 00:24:00: so we've got just a quick reminder to the audience.
00:24:00 --> 00:24:01: We've got Q&A going on.
00:24:01 --> 00:24:03: If you've got a question,
00:24:03 --> 00:24:05: make sure you get it in there when we hit
00:24:05 --> 00:24:07: the Q&A section here in a few minutes.
00:24:07 --> 00:24:09: If you don't have a question and take a look
00:24:09 --> 00:24:10: at the questions,
00:24:10 --> 00:24:12: you can crowd vote him up and give us a
00:24:12 --> 00:24:14: better idea of which ones that the group wants to
00:24:15 --> 00:24:16: see this panel address.

00:24:16 --> 00:24:18: You know, Catherine? I want to come back to you
00:24:18 --> 00:24:20: when we talk about equitable development,
00:24:20 --> 00:24:23: and I think one of the issues related to Equitable
00:24:23 --> 00:24:27: development is this relationship between affordable housing and jobs and
00:24:27 --> 00:24:28: where jobs are at.
00:24:28 --> 00:24:31: In this kind of spatial mismatch that we see,
00:24:31 --> 00:24:35: there is a city like KCK in unified government.
00:24:35 --> 00:24:39: How can incentives help that and move that along?
00:24:39 --> 00:24:42: So I think this goes back to again kind of.
00:24:42 --> 00:24:46: The purpose of incentives. So if you are asking for,
00:24:46 --> 00:24:49: you know you want to build a new building,
00:24:49 --> 00:24:52: and you're bringing all these jobs and it's wonderful,
00:24:52 --> 00:24:55: but you want to do it in a Greenfield that
00:24:55 --> 00:24:57: is 20 miles from you.
00:24:57 --> 00:25:00: Know where the actual workforce for those jobs is is
00:25:00 --> 00:25:01: likely located.
00:25:01 --> 00:25:04: That's a hard sell. You know it's you know,
00:25:04 --> 00:25:08: of course, it makes the most sense financially,
00:25:08 --> 00:25:11: but that's where you know using incentives to kind of
00:25:12 --> 00:25:13: redirect people.
00:25:13 --> 00:25:17: And have them actually place those those jobs and businesses
00:25:17 --> 00:25:21: in a location where you can really start to focus
00:25:21 --> 00:25:25: on on workforce development and creating career pipelines.
00:25:25 --> 00:25:29: Then that also has the you know there's kind of
00:25:29 --> 00:25:33: multiple issues with affordable housing that we could spend,
00:25:33 --> 00:25:37: you know, an entire week talking about just in and
00:25:37 --> 00:25:38: of itself,
00:25:38 --> 00:25:40: but if you were able to,
00:25:40 --> 00:25:43: you know, first and foremost provide.
00:25:43 --> 00:25:48: Uh, people live in under invested areas with access to
00:25:48 --> 00:25:51: good jobs with a future and that pipeline,
00:25:51 --> 00:25:54: you know then you will be.
00:25:54 --> 00:25:57: Not surprised to see that investing in in their homes
00:25:57 --> 00:26:01: and in their communities and in their neighborhoods.
00:26:01 --> 00:26:05: That all happens once there is some disposable income.
00:26:05 --> 00:26:10: Then you know, in terms of actually using incentives for
00:26:10 --> 00:26:13: affordable housing specifically,
00:26:13 --> 00:26:17: you know finding one of I think the things that
00:26:17 --> 00:26:19: we've we're getting better,
00:26:19 --> 00:26:24: but we definitely need to find more ways to finance

00:26:24 --> 00:26:26: mixed income housing.
00:26:26 --> 00:26:29: I mean, that is if you want a a strong,
00:26:29 --> 00:26:34: diverse community, and that is let's you know that's what
00:26:34 --> 00:26:35: we all want is.
00:26:35 --> 00:26:38: You need to have mixed income housing.
00:26:38 --> 00:26:41: You need to have housing that is not only you
00:26:41 --> 00:26:44: know is is affordable for everyone at their at their
00:26:44 --> 00:26:44: level,
00:26:44 --> 00:26:47: and is attainable and unfortunately,
00:26:47 --> 00:26:51: mixed income housing is. Just the most challenging thing because
00:26:51 --> 00:26:55: trying to finance that you know you've got the low
00:26:55 --> 00:26:57: income housing tax credits,
00:26:57 --> 00:26:59: but there's only work in different things.
00:26:59 --> 00:27:02: You know it is very complex and starting to try
00:27:02 --> 00:27:05: to think outside the box and come up with ways
00:27:05 --> 00:27:09: as a municipality that we can help fill that gap
00:27:09 --> 00:27:11: and and make them more possible.
00:27:11 --> 00:27:14: It is something that I think we all need to
00:27:14 --> 00:27:16: be focusing on.
00:27:16 --> 00:27:19: So Daniel, you know Pat was talking about smaller developers
00:27:19 --> 00:27:22: or smaller projects in the relationship and ways that we
00:27:22 --> 00:27:24: can help those projects move forward.
00:27:24 --> 00:27:27: The types of things we can use to incent that
00:27:27 --> 00:27:30: development programs like Ready at ULI that are really trying
00:27:30 --> 00:27:34: to focus on increasing the supply of minority developers and
00:27:34 --> 00:27:37: the supply of developers? That's not that's not going to
00:27:37 --> 00:27:39: get us all the way to the finish line.
00:27:39 --> 00:27:42: There is a roll of incentives in doing that.
00:27:42 --> 00:27:45: Can you describe to me a little bit the disconnect
00:27:45 --> 00:27:47: or the gap that yet not at all I?
00:27:47 --> 00:27:50: I really think there's there's two or three issues out
00:27:50 --> 00:27:51: there,
00:27:51 --> 00:27:54: but but Pat really already hit the primary one,
00:27:54 --> 00:27:56: which is D, risking. I mean,
00:27:56 --> 00:27:58: there has to be a guarantor,
00:27:58 --> 00:28:00: and typically I mean even Lisk,
00:28:00 --> 00:28:04: even what we look for in terms of our borrowers
00:28:04 --> 00:28:08: in terms of a balance sheet sometimes is challenging for
00:28:08 --> 00:28:08: you know,
00:28:08 --> 00:28:13: smaller scale developer or undercapitalized developers to me.

00:28:13 --> 00:28:15: So those are real challenges.
00:28:15 --> 00:28:19: One of the ideas that we've explored within the context
00:28:19 --> 00:28:22: of the patient capital model that I talked about before
00:28:22 --> 00:28:23: is using.
00:28:23 --> 00:28:27: You know, some significant part of that patient capital,
00:28:27 --> 00:28:29: purely as a financial backstop.
00:28:29 --> 00:28:31: As a as a as a basically a loss reserved
00:28:31 --> 00:28:35: for those investments for a pull of stable investments within
00:28:35 --> 00:28:36: those corridors.
00:28:36 --> 00:28:39: So the financial peace can't be discounted.
00:28:39 --> 00:28:42: The other issue is there are barriers to entry out
00:28:42 --> 00:28:43: there,
00:28:43 --> 00:28:45: you know. Everything from, you know,
00:28:45 --> 00:28:48: the formal barriers in terms of being able to operate
00:28:48 --> 00:28:49: in the space to,
00:28:49 --> 00:28:51: you know, sort of. The credentialing,
00:28:51 --> 00:28:54: navigating the network kind of base piece in terms of
00:28:54 --> 00:28:54: you know,
00:28:54 --> 00:28:57: building credibility to package and present,
00:28:57 --> 00:29:00: and give the necessary entitlements for a project.
00:29:00 --> 00:29:03: Those are all real significant barriers to entry.
00:29:03 --> 00:29:06: You know, I've had discussions with more than one small
00:29:06 --> 00:29:07: scale developer who said,
00:29:07 --> 00:29:10: you know, I would love to contemplate on this project.
00:29:10 --> 00:29:13: I think, you know, it's going to be a little
00:29:13 --> 00:29:14: bit challenging given the scale,
00:29:14 --> 00:29:17: but. I I I would love to look at the
00:29:17 --> 00:29:18: city incentive process,
00:29:18 --> 00:29:21: but you know, I don't have the $17,000 fee to
00:29:21 --> 00:29:23: pay DC to go through the review for it.
00:29:23 --> 00:29:27: So again, looking at those formal barriers to entry those,
00:29:27 --> 00:29:30: that's another key piece. And then I think just the
00:29:30 --> 00:29:31: third part is,
00:29:31 --> 00:29:34: it's more a matter of building in that expectation.
00:29:36 --> 00:29:40: Formal participation by both developers of color and smaller scale
00:29:40 --> 00:29:41: developers themselves.
00:29:41 --> 00:29:44: Again, Pat alluded to this joint venturing opportunities,
00:29:44 --> 00:29:47: opportunities for formal partnering, opportunities for working,
00:29:47 --> 00:29:50: and the kind of mentorship model that ready already has
00:29:50 --> 00:29:51: that that's that.
00:29:51 --> 00:29:55: Those are initial steps, but really formalizing that process and

00:29:55 --> 00:29:55: trying to again,
00:29:55 --> 00:29:58: if that becomes a condition of the city incentive process
00:29:58 --> 00:30:01: that you've got somebody on your development team,
00:30:01 --> 00:30:03: that's there is a junior partner,
00:30:03 --> 00:30:06: could be another way of building that end that starts
00:30:06 --> 00:30:08: building again that long term structural capacity.
00:30:08 --> 00:30:11: To actually undertake these developments,
00:30:11 --> 00:30:13: one of the biggest concerns we have right now at
00:30:13 --> 00:30:15: Lisk in terms of and this was preco.
00:30:15 --> 00:30:19: But it's probably been heightened by some of the covid
00:30:19 --> 00:30:19: realities.
00:30:19 --> 00:30:23: There are a lot of smaller scale residential developments out
00:30:23 --> 00:30:23: there.
00:30:23 --> 00:30:26: Older developments that are saying the 412 unit range,
00:30:26 --> 00:30:29: many of which are absentee owned and there's a lot
00:30:29 --> 00:30:29: of concern.
00:30:29 --> 00:30:32: You know that as development happens incrementally,
00:30:32 --> 00:30:34: those are going to be rehabbed.
00:30:34 --> 00:30:37: It's going to push people out of the marketplace because
00:30:37 --> 00:30:40: there's going to be an escalation in the rent.
00:30:40 --> 00:30:43: There are some of those that are naturally affordable where
00:30:43 --> 00:30:45: it's going to be harder to for an entity like
00:30:45 --> 00:30:46: list to lean,
00:30:46 --> 00:30:50: and then there's those that actually have more formal affordability
00:30:50 --> 00:30:52: in terms of you know they have tenants that have
00:30:52 --> 00:30:53: vouchers for example,
00:30:53 --> 00:30:56: and that sort of thing where we actually have a
00:30:56 --> 00:30:57: little bit more leverage.
00:30:57 --> 00:31:00: But you know that's already been alluded to in some
00:31:00 --> 00:31:01: of the questions in the comments,
00:31:01 --> 00:31:04: the you know one of the really hard challenges out
00:31:04 --> 00:31:07: there is how to build a an inclusive structure for
00:31:07 --> 00:31:11: redeveloping some of those smaller scale opportunities.
00:31:11 --> 00:31:12: You know, that's like I said,
00:31:12 --> 00:31:14: that's covered by most children.
00:31:14 --> 00:31:16: Talk about one other thing I just want to mention
00:31:16 --> 00:31:19: quickly it that often gets lost in this conversation is
00:31:19 --> 00:31:22: who are the tenants for commercial development?
00:31:22 --> 00:31:24: And that's been a big focus of the work we've
00:31:24 --> 00:31:27: been doing around women and minority owned businesses is thinking
00:31:27 --> 00:31:30: very conscientiously about who has a toehold,

00:31:30 --> 00:31:32: who has potential for getting a toehold into the door
00:31:32 --> 00:31:34: on new developments are coming out,
00:31:34 --> 00:31:38: and again, I've had plenty of conversations with developers who
00:31:38 --> 00:31:41: said I've actively tried to recruit minority entrepreneurs into my
00:31:41 --> 00:31:42: development.
00:31:42 --> 00:31:45: But again, my investors want to see a certain balance
00:31:45 --> 00:31:47: sheet they want to see an ability to sign it
00:31:47 --> 00:31:48: three to five year lease,
00:31:48 --> 00:31:50: not a one to two year lease,
00:31:50 --> 00:31:52: and there are challenges there as well.
00:31:52 --> 00:31:54: But again, I think the same kind of tools could
00:31:54 --> 00:31:58: potentially apply where there's effectively a guarantor on.
00:31:58 --> 00:32:00: At least there's a financial backstop to that to make
00:32:00 --> 00:32:03: sure that the lease is effectively guaranteed,
00:32:03 --> 00:32:06: and that creates an opportunity for those entrepreneurs to benefit
00:32:06 --> 00:32:09: from the revitalization of these quarters as it goes forward.
00:32:09 --> 00:32:12: Yeah, our first jump into Q&A 'cause our first question,
00:32:12 --> 00:32:15: I think, relates to. It's kind of relates to a
00:32:15 --> 00:32:18: few of the things that we've said not not directly,
00:32:18 --> 00:32:20: so I kind of want to touch on this.
00:32:20 --> 00:32:23: The question is really about this idea of bringing small
00:32:24 --> 00:32:25: scale developers in and,
00:32:25 --> 00:32:27: but focusing on community building.
00:32:27 --> 00:32:31: How do we incentivize community building versus the focus on
00:32:32 --> 00:32:32: projects?
00:32:32 --> 00:32:35: And so I wanted to get this group start on.
00:32:35 --> 00:32:37: You know how can we incent the specific question is
00:32:37 --> 00:32:41: how can we incentivize more small scale developers and expand
00:32:41 --> 00:32:44: opportunities for local people to reinvest in their own community,
00:32:44 --> 00:32:47: build wealth versus relying on large developers to come in
00:32:48 --> 00:32:50: an revitalize areas and waiting on the market to be
00:32:50 --> 00:32:52: right for those things to do?
00:32:52 --> 00:32:54: Catherine, I see you raising your hand,
00:32:54 --> 00:32:58: which is quite good webinar etiquette so will go to
00:32:58 --> 00:32:58: you first.
00:32:58 --> 00:33:02: So one of the that case of pay has that
00:33:02 --> 00:33:07: that really should be used more in America.

00:33:07 --> 00:33:11: We apologize is a program called NRA,
00:33:11 --> 00:33:17: so it's. Not the National Rifle Association Neighborhood Revitalization Act
00:33:17 --> 00:33:21: in this is for projects that are under $3,000,000 of
00:33:21 --> 00:33:24: CAP and so this gets to that issue.
00:33:24 --> 00:33:27: That barrier to entry where?
00:33:27 --> 00:33:31: Yeah, let's be honest, I a tip is going to
00:33:31 --> 00:33:31: cost,
00:33:31 --> 00:33:36: you know you as the developer 100 potentially $100,000 really
00:33:36 --> 00:33:41: when all said and done with all the processes where
00:33:41 --> 00:33:42: A and NRA,
00:33:42 --> 00:33:47: this is something creatively approved so you don't even have
00:33:47 --> 00:33:49: to go to Lincoln.
00:33:49 --> 00:33:52: And there are a couple of things that it is.
00:33:52 --> 00:33:54: It is basically the 95%
00:33:54 --> 00:33:58: rebate on your the increase of your taxes.
00:33:58 --> 00:34:03: So that's something that you know like how was talking
00:34:03 --> 00:34:07: about projects that are smaller that have a hard time
00:34:07 --> 00:34:09: getting that there.
00:34:09 --> 00:34:12: It says just one one item that can help.
00:34:12 --> 00:34:16: One other thing I want to do is we're working
00:34:16 --> 00:34:20: with Rehabbers on a lot of our landing.
00:34:20 --> 00:34:23: And the goal here is.
00:34:23 --> 00:34:27: To provide the help them with an area together.
00:34:31 --> 00:34:32: The ability to speak.
00:34:35 --> 00:34:38: I think that will help.
00:34:38 --> 00:34:41: OK, well keep trying to get the skills to rehab
00:34:41 --> 00:34:44: the homes and then the hope is that now they've
00:34:44 --> 00:34:48: built a business and we basically give them a house
00:34:48 --> 00:34:51: for free and they put in their money and it's
00:34:51 --> 00:34:54: great and then they get the the proceeds but then
00:34:54 --> 00:34:57: once you know the goal is that then they will
00:34:57 --> 00:34:58: be able to build now.
00:34:58 --> 00:35:02: Rehab is great, but let's let's do some new infill
00:35:02 --> 00:35:06: and kind of help expand some of those skills so
00:35:06 --> 00:35:09: it really is an opportunity for us to kind of
00:35:09 --> 00:35:14: help. Our homegrown contractors and and folks in that arena
00:35:14 --> 00:35:18: to get those skills to build their own business so.
00:35:18 --> 00:35:20: There's a few things that we're doing.
00:35:20 --> 00:35:23: Sure, thanks.
00:35:23 --> 00:35:25: So let's kind of pivot this conversation.

00:35:25 --> 00:35:27: We've been talking about incentives.
00:35:27 --> 00:35:30: Let's talk about disincentives. So is there any appetite for
00:35:30 --> 00:35:32: conversation around disincentives?
00:35:32 --> 00:35:36: Actually proactively restricting and discouraging development that doesn't pay for
00:35:36 --> 00:35:40: itself or undermines broader community goals related to equity,
00:35:40 --> 00:35:41: Accessibility, and inclusion.
00:35:45 --> 00:35:47: Throw that out to the group.
00:35:47 --> 00:35:50: Anyone want to touch that one?
00:35:50 --> 00:35:52: I'll jump in on that if nobody else wants to,
00:35:52 --> 00:35:55: because it's easy for me to give him the space
00:35:55 --> 00:35:55: that we work in.
00:35:55 --> 00:35:58: You know, I, I think in the context of the
00:35:58 --> 00:36:01: broader conversation that you Ally his help facilitate over the
00:36:01 --> 00:36:02: last couple of months,
00:36:02 --> 00:36:04: particularly around interest rates, work I.
00:36:04 --> 00:36:05: I really do think. I mean,
00:36:05 --> 00:36:08: this is I've been hearing this my entire adult life.
00:36:08 --> 00:36:10: You know that at some point we've got to stand
00:36:10 --> 00:36:13: back and look at what we're doing in terms of
00:36:13 --> 00:36:16: Greenfield units for all versus urban core development.
00:36:16 --> 00:36:18: Obviously we are leaps and bounds here in 2020,
00:36:18 --> 00:36:19: ahead of where we were,
00:36:19 --> 00:36:22: but still have tremendous. Straight we need to take and
00:36:22 --> 00:36:25: moving that kind of conversation forward.
00:36:25 --> 00:36:28: I think you know there's a combination of two or
00:36:28 --> 00:36:31: three things that just need to really be laid out.
00:36:31 --> 00:36:36: One is, you know, we have existing underutilized infrastructure that
00:36:36 --> 00:36:39: is desperately in need of reinvestment.
00:36:39 --> 00:36:43: And I'm just talking the physical infrastructure that facilitates development.
00:36:43 --> 00:36:45: Whether you're talking about the streets of the road,
00:36:45 --> 00:36:47: so you're talking bout the sewers,
00:36:47 --> 00:36:49: the utilities, all that kind of thing.
00:36:49 --> 00:36:51: The second piece that I you know I didn't even
00:36:51 --> 00:36:52: fit explicitly.
00:36:52 --> 00:36:54: I was thinking about this minute ago.
00:36:54 --> 00:36:56: You know, one of our key criteria for identifying these
00:36:56 --> 00:36:59: case secure nodes related to transportation,
00:36:59 --> 00:37:01: Accessibility and, and Kathryn alluded to this.
00:37:01 --> 00:37:03: I know from my engagement my former position on the

00:37:03 --> 00:37:05:	ATA Board of Commissioners.
00:37:05 --> 00:37:07:	For example, you know there's a lot of development that's
00:37:07 --> 00:37:10:	happening outside of the context of how workforce is going
00:37:10 --> 00:37:11:	to get to that.
00:37:11 --> 00:37:14:	Development and you know where we have you know.
00:37:14 --> 00:37:16:	Workforce available tremendous need you know?
00:37:16 --> 00:37:20:	High unemployment need for workforce development formal programs,
00:37:20 --> 00:37:22:	but we already have, you know,
00:37:22 --> 00:37:25:	a lot of the core transportation infrastructure in the way
00:37:25 --> 00:37:27:	public transit in place.
00:37:27 --> 00:37:28:	In the core, you know,
00:37:28 --> 00:37:32:	we've already effectively incentivized their investments we have made in
00:37:32 --> 00:37:34:	transportation and other services.
00:37:34 --> 00:37:38:	Some of that development, but clearly not enough to incentivize
00:37:38 --> 00:37:41:	the private real estate development market to come in.
00:37:41 --> 00:37:43:	And locate in those areas.
00:37:43 --> 00:37:46:	So again, we just need to have you know a
00:37:46 --> 00:37:48:	more open conversation about that.
00:37:48 --> 00:37:51:	I you know, I've heard so many iterations of,
00:37:51 --> 00:37:55:	you know, a growth boundary won't work in Kansas City.
00:37:55 --> 00:37:58:	I think that flips it the conversation backwards.
00:37:58 --> 00:38:00:	I think the more direct question is,
00:38:00 --> 00:38:04:	it's just a very explicit question of why are we
00:38:04 --> 00:38:09:	continuing to subsidize development that not only stretches our transportation
00:38:09 --> 00:38:10:	resources,
00:38:10 --> 00:38:12:	but it stretches our workforce.
00:38:12 --> 00:38:15:	Interest, you know it's really stresses workforce,
00:38:15 --> 00:38:16:	access to employment and we're really,
00:38:16 --> 00:38:18:	I think it seems like in the last two or
00:38:18 --> 00:38:21:	three years that is something where those major employers and
00:38:21 --> 00:38:25:	developers themselves are starting to recognize the dilemma you're seeing.
00:38:25 --> 00:38:28:	Production, Phyllis abilities that are built where they can't staff
00:38:28 --> 00:38:31:	a full workforce at their full production capacity because they
00:38:31 --> 00:38:33:	just don't have the retention.
00:38:33 --> 00:38:35:	And then when they delve into what why aren't we
00:38:35 --> 00:38:36:	retaining employees?
00:38:36 --> 00:38:39:	You know there's a variety of things that factor into

00:38:39 --> 00:38:39: it,
00:38:39 --> 00:38:42: but the thing that stands out more than anything is
00:38:42 --> 00:38:43: transportation access.
00:38:43 --> 00:38:45: Just costing too much, both in time and money.
00:38:45 --> 00:38:48: For those employees, employees at that wage range to get
00:38:48 --> 00:38:50: to those jobs on a regular basis.
00:38:50 --> 00:38:52: And so you know we need to be looking in
00:38:52 --> 00:38:55: a very discreet way at more targeted opportunities.
00:38:55 --> 00:38:58: Again, not everything is going to fit in the core,
00:38:58 --> 00:39:01: right? There isn't the available land area to do everything
00:39:01 --> 00:39:02: you need to do at scale,
00:39:02 --> 00:39:04: but there are certainly sites.
00:39:04 --> 00:39:08: There's certainly opportunities there. Certainly you know a whole range
00:39:08 --> 00:39:11: of different kinds of micro enterprises that could become,
00:39:11 --> 00:39:14: you know, the next generation in the economy I heard.
00:39:14 --> 00:39:16: Discussion earlier today about, you know a lot of our
00:39:17 --> 00:39:18: assumptions even about offshoring,
00:39:18 --> 00:39:22: are changing now, given kovid and the disruptions that have
00:39:22 --> 00:39:23: happened in supply chain.
00:39:23 --> 00:39:25: And again, that might be a short term issue,
00:39:25 --> 00:39:27: but structurally it's a long.
00:39:27 --> 00:39:29: It's been a long term issue,
00:39:29 --> 00:39:32: right? We've been offshoring for decades and have been kind
00:39:32 --> 00:39:34: of oblivious to the extent that we can be to
00:39:34 --> 00:39:38: the consequences we need to start thinking very actively about
00:39:38 --> 00:39:41: what they all of the adverse consequences event of a
00:39:41 --> 00:39:44: lot of long-term patterns of that and try to turn
00:39:44 --> 00:39:44: that around and.
00:39:44 --> 00:39:47: Find ways to do things in a different way.
00:39:47 --> 00:39:50: So Daniel, we've got a question here that I think
00:39:50 --> 00:39:51: is a little bit related,
00:39:51 --> 00:39:54: and so you're all in charge for a day.
00:39:54 --> 00:39:56: Alright, so that's the setup for the question,
00:39:56 --> 00:39:59: and I think this you know how we talk about
00:39:59 --> 00:39:59: consenting,
00:39:59 --> 00:40:03: dissenting. We talk about growth boundary talk about really at
00:40:03 --> 00:40:04: the end of the day,
00:40:04 --> 00:40:06: it's how do you look at this,
00:40:06 --> 00:40:08: and in the totality versus looking at it,

00:40:08 --> 00:40:11: you know, in a project by project basis or from
00:40:11 --> 00:40:12: a bottom line.
00:40:12 --> 00:40:16: So the question is, how can we encourage elected officials
00:40:16 --> 00:40:18: to think about the community as a whole?
00:40:18 --> 00:40:22: As opposed to just the bottom line when considering incentive
00:40:22 --> 00:40:22: policy.
00:40:25 --> 00:40:26: And again, you're all in charge for a day.
00:40:30 --> 00:40:33: OK, this is. I'll take a stab at this and
00:40:33 --> 00:40:36: I and I think that what comes to mind is
00:40:36 --> 00:40:37: is local.
00:40:37 --> 00:40:40: I think that if I was in charge for a
00:40:40 --> 00:40:41: day I would encourage.
00:40:44 --> 00:40:50: Our communities, our residents, are citizens to everyone to think
00:40:50 --> 00:40:55: more from a local standpoint that is local buying businesses
00:40:55 --> 00:40:57: in our neighborhoods,
00:40:57 --> 00:41:02: buying from them, encouraging investing in our in our local
00:41:02 --> 00:41:03: infrastructure.
00:41:03 --> 00:41:07: There's a lot that needs to be done there,
00:41:07 --> 00:41:11: and I think that the pandemic and also Black Lives
00:41:12 --> 00:41:13: Matter movements have.
00:41:13 --> 00:41:17: Are encouraging us to look more in that direction more
00:41:17 --> 00:41:18: local?
00:41:21 --> 00:41:24: Alright.
00:41:24 --> 00:41:25: Next question, so in addition.
00:41:25 --> 00:41:28: So this goes back to the developers.
00:41:28 --> 00:41:31: In addition to creating a pipeline of minority developers,
00:41:31 --> 00:41:35: what is this groupthink or the other skill sets that
00:41:35 --> 00:41:39: need to be developed to have more minority participation in
00:41:39 --> 00:41:41: the development ecosystem?
00:41:41 --> 00:41:43: And how do we incentivize that participation?
00:41:47 --> 00:41:50: I think that I think we really first have to
00:41:50 --> 00:41:52: examine what's already going on.
00:41:52 --> 00:41:55: My guess is that there are probably 150 to 200
00:41:55 --> 00:42:00: million dollars worth of small scale development projects in the
00:42:00 --> 00:42:01: third district alone.
00:42:04 --> 00:42:07: And until I think we need to more closely examine
00:42:07 --> 00:42:09: what's happening already,
00:42:09 --> 00:42:12: so that we'd really do understand that we have a
00:42:12 --> 00:42:15: lot of magnificent talent that's already here.
00:42:15 --> 00:42:18: Just looking for a little bit of an assist.

00:42:22 --> 00:42:25: I would I would add to what patches said you
00:42:25 --> 00:42:29: know something that's been true throughout this where you have
00:42:29 --> 00:42:31: people you have pent up demand,
00:42:31 --> 00:42:34: and when that demand is not being met locali you
00:42:34 --> 00:42:37: know people are having to go outside their areas for
00:42:37 --> 00:42:39: basic and essential services.
00:42:39 --> 00:42:42: You know there are 10s of thousands of households on
00:42:42 --> 00:42:46: the East side that are spending billions of dollars every
00:42:46 --> 00:42:46: year,
00:42:46 --> 00:42:49: returning basic goods and services.
00:42:49 --> 00:42:52: This idea you know this is very super superficial notion.
00:42:52 --> 00:42:55: That there is no market there misses,
00:42:55 --> 00:42:58: you know, the profound need that exists.
00:42:58 --> 00:43:00: Even areas that are, you know,
00:43:00 --> 00:43:03: have concentrated poverty just by sheer numbers.
00:43:03 --> 00:43:06: There is a lot of purchasing power there that is
00:43:06 --> 00:43:07: not being met.
00:43:07 --> 00:43:09: Locali and you know again,
00:43:09 --> 00:43:13: it's hard to imagine that you know what has transpired
00:43:13 --> 00:43:13: or less.
00:43:13 --> 00:43:17: Several decades is purely a function of where there's more
00:43:17 --> 00:43:19: market opportunity.
00:43:19 --> 00:43:22: I mean, we have to be very open and acknowledging.
00:43:22 --> 00:43:25: The history of redlining, both in housing as well as
00:43:26 --> 00:43:28: in location of commercial activity,
00:43:28 --> 00:43:30: an and commercial enterprises in the core,
00:43:30 --> 00:43:33: there are commercial businesses that are not retail that are
00:43:33 --> 00:43:36: employers within the core that could be doing a better
00:43:37 --> 00:43:40: job of outreach and training and recruitment to create opportunity
00:43:40 --> 00:43:43: within the core. But by the same token,
00:43:43 --> 00:43:45: you know we have to be doing everything we can
00:43:45 --> 00:43:47: to make sure that essential services,
00:43:47 --> 00:43:51: whether it's food, access, groceries or or simple retail goods,
00:43:51 --> 00:43:53: are provided closer to where people live.
00:43:53 --> 00:43:56: Again, this whole idea of a walkable,
00:43:56 --> 00:43:58: more vibrant you know safer City.
00:43:58 --> 00:44:01: It's hard to imagine that really fully coming to pass
00:44:01 --> 00:44:05: without reinventing and rethinking how we approach our urban core
00:44:05 --> 00:44:06: neighborhoods.
00:44:06 --> 00:44:09: Because, you know, for every great development,

00:44:09 --> 00:44:11: every great turn that's happened,
00:44:11 --> 00:44:14: whether downtown, the crossroads, Longfellow,
00:44:14 --> 00:44:17: some of those other neighborhoods nearby,
00:44:17 --> 00:44:19: there's another neighborhood that has,
00:44:19 --> 00:44:23: you know, just as much potential that has just continued
00:44:23 --> 00:44:24: to be overlooked by.
00:44:24 --> 00:44:27: By developers and investors. Thanks Daniel,
00:44:27 --> 00:44:30: um, so that's a wrap on this part of the
00:44:30 --> 00:44:30: show.
00:44:30 --> 00:44:33: I appreciate everybody's time. A few housekeeping items.
00:44:33 --> 00:44:37: First of all, don't forget these conversations are recorded.
00:44:37 --> 00:44:40: You can go to kansascity.uli.org and share it with your
00:44:40 --> 00:44:43: Contacts who weren't able to be here today or watch
00:44:43 --> 00:44:44: the show again.
00:44:44 --> 00:44:46: Be on the lookout for an email.
00:44:46 --> 00:44:47: Follow up from the UI team.
00:44:47 --> 00:44:49: More info on today's topic.
00:44:49 --> 00:44:52: Resources that you can look at to go a little
00:44:52 --> 00:44:55: bit deeper on these conversations and then also a quick
00:44:55 --> 00:44:55: reminder.
00:44:55 --> 00:44:57: Join us tomorrow morning at 8:30.
00:44:57 --> 00:45:01: For coffee connect its weekly forum for networking for you
00:45:01 --> 00:45:03: a lion on Julai members to really get together and
00:45:03 --> 00:45:05: talk about some of these issues,
00:45:05 --> 00:45:08: we're going to try something new going forward.
00:45:08 --> 00:45:11: We're actually going to invite some of the guests that
00:45:11 --> 00:45:14: we've had onto Friday morning Coffee Connect to maybe further
00:45:14 --> 00:45:17: this conversation a little bit so you can go to
00:45:17 --> 00:45:21: the UI website againkansascity.uli.org and get the information for the
00:45:21 --> 00:45:23: zoom meeting to join us there tomorrow,
00:45:23 --> 00:45:26: not next week. We're going to talk about regulations.
00:45:26 --> 00:45:29: We're going to talk about policy and their role in
00:45:29 --> 00:45:30: equitable development.
00:45:30 --> 00:45:32: And then on July 2nd again as a reminder,
00:45:32 --> 00:45:35: we're going to regional conversation with guests from Memphis and
00:45:35 --> 00:45:36: Oklahoma City,
00:45:36 --> 00:45:40: joining us to talk about their perspectives on equitable development.
00:45:40 --> 00:45:42: Some of the things that they see in some of
00:45:42 --> 00:45:45: the best practices that they're talking about in their

communities.
00:45:45 --> 00:45:47: So please join us down on July 2nd.
00:45:47 --> 00:45:48: So thanks again to the panelists.
00:45:48 --> 00:45:50: If, for those of you are interested,
00:45:50 --> 00:45:52: we've been doing this last couple of weeks.
00:45:52 --> 00:45:55: We've got more questions than we have time,
00:45:55 --> 00:45:57: so we're going to stick around for a few minutes
00:45:57 --> 00:45:59: and do some after show Q&A.
00:45:59 --> 00:46:01: So stick around for those of you who are glad
00:46:01 --> 00:46:03: you could make it and hopefully will see you next
00:46:03 --> 00:46:04: week.
00:46:06 --> 00:46:09: So I want to start this after show segment off
00:46:09 --> 00:46:12: and get your feedback on something that I was reading
00:46:13 --> 00:46:15: about and so this goes back to the Virginia,
00:46:15 --> 00:46:18: Virginia winning Amazon HQ 2.
00:46:18 --> 00:46:21: And I was fascinated to read about this and how
00:46:21 --> 00:46:25: they were up against two other cities that had offered
00:46:25 --> 00:46:28: 5 to 7 billion dollars of tax incentives or employment
00:46:28 --> 00:46:32: incentives. Then Virginia wins and you unpeel why they want
00:46:32 --> 00:46:36: and what the incentives that were that they used for
00:46:36 --> 00:46:36: that.
00:46:36 --> 00:46:39: And it was, I think it was less than a
00:46:39 --> 00:46:42: billion dollars of employment or tax incentives.
00:46:42 --> 00:46:46: But it was incentive commitments to things like I think
00:46:46 --> 00:46:50: 375 million dollars to expand the George Mason and Virginia
00:46:50 --> 00:46:50: Tech.
00:46:50 --> 00:46:54: Innovation campus. It was $50,000,000 2K through 12 education.
00:46:54 --> 00:46:59: It was 295 million dollars to infrastructure that the community
00:46:59 --> 00:46:59: could reuse.
00:46:59 --> 00:47:03: Regardless of that project. So wanted to kind of throw
00:47:03 --> 00:47:06: that out there to this group and you know what
00:47:06 --> 00:47:07: do you think about?
00:47:07 --> 00:47:12: Like whether it's big projects or whether it's small projects.
00:47:12 --> 00:47:16: Do we think broadly enough about who the benefactors are
00:47:16 --> 00:47:20: of the incentives and how they might actually incent the
00:47:20 --> 00:47:23: developers to come into a specific area?
00:47:23 --> 00:47:26: Yeah, I'll take a first stab at this one.
00:47:26 --> 00:47:29: I mean, I, I think the the best incentive offers
00:47:29 --> 00:47:33: are the ones that include benefits to both the residents
00:47:33 --> 00:47:34: and the business.
00:47:34 --> 00:47:37: You know, kind of going off of what Daniel mentioned

00:47:38 --> 00:47:38: earlier.
00:47:38 --> 00:47:40: You know with the transportation,
00:47:40 --> 00:47:43: one of the things that I think we are slowly
00:47:43 --> 00:47:47: getting our our businesses and developers to kind of look
00:47:47 --> 00:47:49: at this a bit more holistically,
00:47:49 --> 00:47:51: because they're realizing, you know,
00:47:51 --> 00:47:54: if they put their. Yeah,
00:47:54 --> 00:47:58: their business in what some location that people can't get
00:47:58 --> 00:48:00: to that's not can be great.
00:48:00 --> 00:48:03: Or you know, in the case of Amazon there you
00:48:03 --> 00:48:04: know they recognize that,
00:48:04 --> 00:48:08: especially in their HQ two situation that they were going
00:48:08 --> 00:48:10: to need a lot of programmers.
00:48:10 --> 00:48:14: A lot of folks with computer science degrees and that
00:48:14 --> 00:48:15: knowledge,
00:48:15 --> 00:48:17: and that's a that's a heavy lift in,
00:48:17 --> 00:48:20: you know, for any city to you know,
00:48:20 --> 00:48:23: have a a company that's coming in and going to
00:48:23 --> 00:48:24: need 50,000.
00:48:24 --> 00:48:28: Computer scientists there are very few cities that have that
00:48:28 --> 00:48:30: and so to be able to look.
00:48:30 --> 00:48:33: And this goes for a project as large as the
00:48:33 --> 00:48:34: Amazon HQ 2,
00:48:34 --> 00:48:37: but also much smaller projects.
00:48:37 --> 00:48:42: You know when you're looking at what those incentives are.
00:48:42 --> 00:48:45: We really need to think outside the box a lot
00:48:45 --> 00:48:46: of times.
00:48:46 --> 00:48:51: Great, you know you're you're a small business having.
00:48:51 --> 00:48:54: Some you know production in in your property tax is
00:48:54 --> 00:48:55: certainly helpful,
00:48:55 --> 00:48:58: but what you really need right now and that would
00:48:58 --> 00:49:00: also benefit the neighborhood,
00:49:00 --> 00:49:01: is to have this. You know,
00:49:01 --> 00:49:05: the the street resurfaced and rebuilt or whatever.
00:49:05 --> 00:49:08: You know there may be some infrastructure issues or things
00:49:08 --> 00:49:12: like that that would actually be more beneficial than than
00:49:12 --> 00:49:15: a straight property tax abatement and so being able to
00:49:15 --> 00:49:17: not be so hemmed in by.
00:49:17 --> 00:49:20: What are our tools have historically been an be able
00:49:20 --> 00:49:21: to look a little broader.
00:49:21 --> 00:49:25: And give some extra benefit to your bringing a child
00:49:25 --> 00:49:28: care facility for for that neighborhood.

00:49:28 --> 00:49:31: Or you know that there are so many other things
00:49:31 --> 00:49:33: that are such a big benefit,
00:49:33 --> 00:49:36: but will only make our our incentives and and business
00:49:36 --> 00:49:37: is stronger.
00:49:40 --> 00:49:43: Alright, so the next question that we've got here,
00:49:43 --> 00:49:48: can you talk about indirect subsidies that incentivize unproductive development
00:49:48 --> 00:49:51: patterns such as federal slash state highway expansion enables us
00:49:52 --> 00:49:54: to spread out or are in our tax structure,
00:49:54 --> 00:49:57: encourages land speculation and disinvested neighborhoods.
00:49:57 --> 00:49:59: Parking lots in downtown, etc.
00:50:02 --> 00:50:04: I I can speak to that quickly because I think
00:50:04 --> 00:50:08: one of the things that happens is we actually have
00:50:08 --> 00:50:12: incentives within our decision making structures and disincentives that are
00:50:12 --> 00:50:16: unfortunate. So it's really interesting to me how you know
00:50:16 --> 00:50:19: federal transportation allocations happen.
00:50:19 --> 00:50:21: For example, you know there's lobbying,
00:50:21 --> 00:50:24: there's jockeying, there's you know,
00:50:24 --> 00:50:27: political pressure for that. But the reality is,
00:50:27 --> 00:50:30: given the fact that those are federal resources,
00:50:30 --> 00:50:31: it's really I mean to me,
00:50:31 --> 00:50:35: excruciatingly. Easy to argue for something like a quarter of
00:50:35 --> 00:50:39: a billion dollars to build a new fly over interchange
00:50:39 --> 00:50:41: somewhere out at the periphery.
00:50:41 --> 00:50:45: Without realizing you know all of the foregone opportunities,
00:50:45 --> 00:50:48: what are the opportunity costs of doing something out there?
00:50:48 --> 00:50:51: You know for 270 million dollars versus what you could
00:50:51 --> 00:50:55: do with eight or ten different project investments at you
00:50:55 --> 00:50:57: know 5 to $20,000,000 range somewhere in the core.
00:50:57 --> 00:51:01: That would be phenomenally more transformative in terms of what
00:51:01 --> 00:51:05: it does for providing workforce access opportunity for revitalization,
00:51:05 --> 00:51:08: new infusion of capital or new location of you know
00:51:08 --> 00:51:12: whether it's manufacturing other kind of job sourcing facilities.
00:51:12 --> 00:51:14: Enter closer the core for whatever reason,
00:51:14 --> 00:51:17: we just again it's. I think it's the decision making
00:51:17 --> 00:51:18: process itself.
00:51:18 --> 00:51:20: We don't have that kind of conversation around those kinds
00:51:21 --> 00:51:21: of investments.

00:51:21 --> 00:51:23: It's it's the new fire that needs to be put

00:51:23 --> 00:51:24: out.

00:51:24 --> 00:51:27: Those project cycles actually have relatively long decision timelines.

00:51:27 --> 00:51:31: I mean there there federal dollars right now they're being

00:51:31 --> 00:51:35: programmed three to five years out for major transportation investments.

00:51:35 --> 00:51:37: Then you know, not on a project.

00:51:37 --> 00:51:39: I mean, they technically aren't a project basis,

00:51:39 --> 00:51:41: but not on a scale of project basis that we

00:51:41 --> 00:51:44: talked about in terms of real estate development.

00:51:44 --> 00:51:47: So you know, that's the reality of the landscape out

00:51:47 --> 00:51:47: there.

00:51:47 --> 00:51:50: Until you know we want to have that conversation in

00:51:50 --> 00:51:50: that space,

00:51:50 --> 00:51:52: that's not going to change,

00:51:52 --> 00:51:54: but back to something you were both alluding to Kevin

00:51:55 --> 00:51:57: and something the Captain said before that,

00:51:57 --> 00:51:59: I think is tremendously important to to highlight,

00:51:59 --> 00:52:02: because to me, this is the core of everything about

00:52:02 --> 00:52:04: equity and equitable development is,

00:52:04 --> 00:52:06: you know, every day that goes by.

00:52:06 --> 00:52:09: Year that goes by that we have the level of

00:52:09 --> 00:52:11: disinvestment that we have in the core.

00:52:11 --> 00:52:15: What we're really disinvesting in is not the real estate,

00:52:15 --> 00:52:18: we're just investing is the human capital that's out there.

00:52:18 --> 00:52:22: There is a tremendous base of talent of opportunity of

00:52:22 --> 00:52:25: wisdom in the bodies of the people that live in

00:52:25 --> 00:52:28: this area that are not being afforded the opportunity.

00:52:28 --> 00:52:30: I mean, I grew up in the core.

00:52:30 --> 00:52:33: I had a different level of opportunity than a lot

00:52:33 --> 00:52:35: of folks that I know,

00:52:35 --> 00:52:37: but you know, it can't just be me.

00:52:37 --> 00:52:38: Right, I mean it needs it.

00:52:38 --> 00:52:41: There needs to be a phenomenal level opportunity made available

00:52:41 --> 00:52:42: to everybody out there.

00:52:42 --> 00:52:44: Because if not then you know our most precious resource

00:52:44 --> 00:52:46: which is the lives of the people.

00:52:46 --> 00:52:48: We're talking about. The human capital that's out there,

00:52:48 --> 00:52:50: so to speak.

00:52:50 --> 00:52:53: You know why are we doing any of this right?

00:52:53 --> 00:52:55: If it's not to directly benefit the residents of our

00:52:55 --> 00:52:58: communities and and that is something that we just,
00:52:58 --> 00:53:01: you know, constantly have to bring the needle back to
00:53:01 --> 00:53:01: you.
00:53:01 --> 00:53:03: Know that there has to be an explicit focus on
00:53:04 --> 00:53:06: who is or who is not benefiting from these investments.
00:53:06 --> 00:53:08: And it doesn't matter if it's again,
00:53:08 --> 00:53:12: even transportation with relative to which workforce is involved and
00:53:12 --> 00:53:15: whether or not there is minority participation in those projects.
00:53:15 --> 00:53:18: It really has to be both the geographic and and
00:53:18 --> 00:53:20: you know direct community benefit,
00:53:20 --> 00:53:22: focus of why are we doing the level of work.
00:53:22 --> 00:53:25: That we're doing. Why are we investing the level of
00:53:25 --> 00:53:26: public resources we are?
00:53:26 --> 00:53:28: If we're not materially improving the,
00:53:28 --> 00:53:30: you know the lives of,
00:53:30 --> 00:53:32: you know, the majority of the population out there.
00:53:32 --> 00:53:34: It's just weird to me.
00:53:34 --> 00:53:37: You know, if we would start every conversation thinking about
00:53:37 --> 00:53:38: that at the core,
00:53:38 --> 00:53:39: we would be making very,
00:53:39 --> 00:53:44: very different decisions than we are as a community.
00:53:44 --> 00:53:46: Yeah, I think one of the things I've heard is
00:53:46 --> 00:53:48: if you're investing in things like the creative class.
00:53:48 --> 00:53:51: If you're investing in kind of the vibrancy of the
00:53:51 --> 00:53:51: people,
00:53:51 --> 00:53:54: then that's the incentive that people want to be there
00:53:54 --> 00:53:56: and you know you create that demand that would fuel
00:53:56 --> 00:53:58: the performance for developers.
00:53:58 --> 00:54:00: So I think that's you know the human capital side
00:54:00 --> 00:54:02: of this thing as an incentive.
00:54:02 --> 00:54:04: It is often not.
00:54:04 --> 00:54:08: Often dealt with so. Um?
00:54:08 --> 00:54:13: Alright, so how can municipalities better coordinate between incentive governing
00:54:13 --> 00:54:13: bodies?
00:54:13 --> 00:54:17: An other planning and development agencies the those planning agencies
00:54:17 --> 00:54:19: also have levers to pull waivers,
00:54:19 --> 00:54:22: density bonuses, etc based on the merits of the project,
00:54:22 --> 00:54:25: but the conversations are isolated from incentive analysis.

00:54:25 --> 00:54:28: So is this an overlay of the overlays or how
00:54:28 --> 00:54:31: do you see the coordination that we might be missing
00:54:31 --> 00:54:31: here?
00:54:34 --> 00:54:39: Well, this is something we've definitely working with the city
00:54:39 --> 00:54:42: of Kcmo and with the unified government.
00:54:42 --> 00:54:45: This is this is not just a kcmo thing,
00:54:45 --> 00:54:50: this is across the board that this isn't a real
00:54:50 --> 00:54:51: issue.
00:54:51 --> 00:54:53: You know?
00:54:53 --> 00:54:55: There needs to be. I mean,
00:54:55 --> 00:54:58: this starts to get into some like internal kind of
00:54:58 --> 00:55:01: just how cities are structured.
00:55:01 --> 00:55:04: You know, we we are kind of pretty pretty siloed
00:55:04 --> 00:55:08: and having more things like the you know a design
00:55:08 --> 00:55:11: review committee that has the folks who have,
00:55:11 --> 00:55:14: you know, figured out all the the incentive side of
00:55:15 --> 00:55:15: things.
00:55:15 --> 00:55:18: And you know, having some of that be kind of
00:55:18 --> 00:55:21: consistent throughout the process.
00:55:21 --> 00:55:23: You know we've talked about.
00:55:23 --> 00:55:26: I feel like every city of work where we've talked
00:55:26 --> 00:55:26: about this,
00:55:26 --> 00:55:28: but no one's kind of cracked the code.
00:55:28 --> 00:55:31: But you know, having kind of a concierge type of
00:55:31 --> 00:55:34: person who actually is with the project from beginning to
00:55:34 --> 00:55:34: end,
00:55:34 --> 00:55:36: and so it's not just well,
00:55:36 --> 00:55:38: these were conversations that were had in this.
00:55:38 --> 00:55:43: You know, section phase of the project and now those
00:55:43 --> 00:55:45: are completely forgotten.
00:55:45 --> 00:55:49: Wrapping said there are also opportunities you know in the
00:55:49 --> 00:55:53: planning stages and this does require planners to be again
00:55:53 --> 00:55:54: kind of.
00:55:54 --> 00:55:58: Think outside the box and an be real facilitators and
00:55:58 --> 00:55:59: not always regulators,
00:55:59 --> 00:56:02: which on going process but you know,
00:56:02 --> 00:56:06: I do think that there are opportunities you know once
00:56:06 --> 00:56:10: the project gets into the planning phase that you can
00:56:10 --> 00:56:13: think about different ways to get something,
00:56:13 --> 00:56:16: something done and whether that's.
00:56:16 --> 00:56:18: You know, waiving fees that's also helpful,
00:56:18 --> 00:56:21: especially when you're talking about small scale

development.

00:56:21 --> 00:56:23: Those can be, you know,

00:56:23 --> 00:56:26: fairly significant, but there are also ways to just really

00:56:26 --> 00:56:29: think through this as a much more holistic.

00:56:29 --> 00:56:34: Project and a lot of that does fall on on

00:56:34 --> 00:56:36: cities too.

00:56:36 --> 00:56:38: Get their communication better so.

00:56:38 --> 00:56:40: Take that one. Pat. Did you want to add?

00:56:40 --> 00:56:43: So I saw you reaching for the the unmute button.

00:56:43 --> 00:56:45: Did you want to add something there?

00:56:47 --> 00:56:50: To add to what Catherine was saying,

00:56:50 --> 00:56:53: I think that cities are making huge strides in that

00:56:53 --> 00:56:54: direction,

00:56:54 --> 00:56:57: but I just don't want us to put all of

00:56:57 --> 00:57:00: that burden on once again on government,

00:57:00 --> 00:57:04: San and on mid level managers and on our political

00:57:04 --> 00:57:09: representatives because I think that as Rahm Emanuel has pointed

00:57:09 --> 00:57:10: out in his new book,

00:57:10 --> 00:57:14: I think there's a lot more power in neighborhoods and

00:57:14 --> 00:57:18: residents and small businesses and innovators.

00:57:18 --> 00:57:21: Up to then, then we ever that we then we

00:57:21 --> 00:57:26: know and that we need to make our voices heard

00:57:26 --> 00:57:30: more so and especially now more so than ever.

00:57:30 --> 00:57:32: Definitely well, I thank you all again for your time.

00:57:32 --> 00:57:35: Thank you for sticking around for a few extra questions.

00:57:35 --> 00:57:37: Thank you to everybody out there who stuck with us

00:57:37 --> 00:57:39: and for being a part of the conversation so appreciate

00:57:39 --> 00:57:42: it and hopefully we'll see you all again next week.
