

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 well as engaging residents and business owners together. But on the Troost and prospect hoarders until the Prospect Business Association came together a couple of years ago, there really wasn't an umbrella organization. To pull together business, an resident stakeholders in and kind of ongoing conversations. We've been focusing a great deal ever last year in building a community Improvement District on truth that would take the same kind of function on on the truce corridor, and then the third piece is directly support women and minority on business center prices within the side by helping create a space for inclusion and opportunity for them. As each of those quarters revitalized. Thanks, you know when we talk about incentives, I think we instantly, you know, everyone's mind instantly goes to tax abatements to tax increment financing. TIF and some of those larger conversations. Those aren't the only tools that are available. So talk about some of the tools or some of the incentives. I guess that are available or or you've used in some of these projects that you're looking at in this area. Well, the cities. Instead of so I wanted to distinguish, as you know, being in their own unique category, whether it's abatements or other other forms of direct subsidy, that the city can offer, what we focused on Lisk specifically has really built two specific tools. The primary one is a catalytic pre Development Fund that we have capitalized with a lot of philanthropic support and what we've been able to do with that fund is actually pulled together. Funds to help derisk development by providing direct financing and project grants. 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: Revitalization, 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
potential future residents for development.
00:09:41 --> 00:09:43: That's going to happen on a cord.
00:09:43 --> 00:09:45: Or it's a matter of sending signals about what kind
00:09:45 --> 00:09:47: of place this is.
00:09:47 --> 00:09:48: But this is an exciting,
00:09:48 --> 00:09:49: interesting place to be that it's a safe place that
00:09:49 --> 00:09:52: it's a healthy place.
00:09:52 --> 00:09:53: That it's a walkable environment.
00:09:53 --> 00:09:55: I mean, all of those kinds of things in terms
00:09:55 --> 00:09:57: of both marketing and packaging developments that we think
00:09:57 --> 00:10:00: 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

00:12:20 --> 00:12:23: 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

00:15:49 --> 00:15:51: 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 versatile.
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
00:19:24 --> 00:19:24: 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
00:19:49 --> 00:19:53: shouldn't share,
00:19:53 --> 00:19:55: but. What incentives are actually for is to fill the
00:19:55 --> 00:19:59: gap for extraordinary costs,
00:19:59 --> 00:20:03: so it's to level some playing fields alot of times
00:20:03 --> 00:20:03: it is more about winning a deal which is certainly
00:20:03 --> 00:20:07: important,
00:20:07 --> 00:20:11: but if we're winning a deal then we need to
00:20:11 --> 00:20:15: add some of those things into the the package that.
00:20:15 --> 00:20:15: You move forward. Some of the items that were looking
00:20:15 --> 00:20:17: at.
00:20:17 --> 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

00:29:40 --> 00:29:41: 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 about 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

00:37:20 --> 00:37:22: programs,

00:37:22 --> 00:37:25: but we already have, you know,

00:37:25 --> 00:37:27: a lot of the core transportation infrastructure in the way

00:37:27 --> 00:37:28: public transit in place.

00:37:28 --> 00:37:32: In the core, you know,

00:37:32 --> 00:37:34: we've already effectively incentivized their investments we

00:37:34 --> 00:37:38: have made in

00:37:38 --> 00:37:41: transportation and other services.

00:37:41 --> 00:37:43: Some of that development, but clearly not enough to

00:37:43 --> 00:37:46: incentivize

00:37:46 --> 00:37:48: the private real estate development market to come in.

00:37:48 --> 00:37:51: And locate in those areas.

00:37:51 --> 00:37:55: So again, we just need to have you know a

00:37:55 --> 00:37:58: more open conversation about that.

00:37:58 --> 00:38:00: I you know, I've heard so many iterations of,

00:38:00 --> 00:38:04: you know, a growth boundary won't work in Kansas City.

00:38:04 --> 00:38:09: I think that flips it the conversation backwards.

00:38:09 --> 00:38:10: I think the more direct question is,

00:38:10 --> 00:38:12: it's just a very explicit question of why are we

00:38:12 --> 00:38:15: continuing to subsidize development that not only stretches

00:38:15 --> 00:38:16: our transportation

00:38:16 --> 00:38:18: resources,

00:38:18 --> 00:38:21: but it stretches our workforce.

00:38:21 --> 00:38:25: Interest, you know it's really stresses workforce,

00:38:25 --> 00:38:28: access to employment and we're really,

00:38:28 --> 00:38:31: I think it seems like in the last two or

00:38:31 --> 00:38:33: three years that is something where those major employers

00:38:33 --> 00:38:35: and

00:38:35 --> 00:38:36: developers themselves are starting to recognize the dilemma

00:38:36 --> 00:38:39: you're seeing.

00:38:39 --> 00:38:41: Production, Phyllis abilities that are built where they can't

00:38:41 --> 00:38:43: staff

00:38:43 --> 00:38:45: a full workforce at their full production capacity because they

00:38:45 --> 00:38:47: just don't have the retention.

00:38:47 --> 00:38:49: And then when they delve into what why aren't we

00:38:49 --> 00:38:51: retaining employees?

00:38:51 --> 00:38:53: 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
00:45:14 --> 00:45:17: 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
00:45:21 --> 00:45:23: 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
00:45:35 --> 00:45:36: 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
00:45:40 --> 00:45:42: 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.

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