# Webinar

**ULI Kansas City: How Incentives Impact Equitable Development**

Date: June 18, 2020

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|---|---|
| **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.

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| **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. |

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| **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,

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| **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. |

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| **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.

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