

Bank takes TIF to council without commission's OK

By Jim Davis. Kansas City Business Journal: December 23, 2005.

Commerce Bank's owner wants the Kansas City Council to approve a tax increment financing request that was rejected in November by the Kansas City TIF Commission in a 5-3 vote.

The subsidy would reimburse Commerce for one-quarter of a proposed \$24 million rehabilitation of an office building and garage at 811 Main St. TIF diverts taxes generated by a development to offset construction costs that provide public benefits.

The TIF application will be reviewed Jan. 4 by the council's Planning, Zoning and Economic Development Committee. The full council could consider the plan as soon as the next day.

Aaron March, a lawyer with White Goss Bowers March Schulte & Weisenfels PC who represents Commerce, said the bank decided not to return to the TIF Commission because the appeal would take too long. Further, he said, the TIF Commission can make only recommendations, not final decisions.

"We need to get a thumbs up or thumbs down from the City Council," he said.

Commerce wants to start the renovation by March, March said.

"Unless the TIF assistance is granted, the project will not happen," he said.

Councilman Troy Nash, who is chairman of the Planning, Zoning and Economic Development Committee, said Commerce's maneuver is unusual but not unprecedented. He said he won't be beholden to the TIF Commission's ruling.

"Those guys are appointed," Nash said. "We're elected. We have a fiduciary responsibility."

Commerce, which uses only three floors of the building, would expand into the remaining four floors. The space would be used to house nearly 800 bank employees who now work elsewhere in Downtown. March said these jobs could leave Downtown if the rehab doesn't happen.

The Kansas City School District would bear the brunt of the TIF diversion's hit because it receives more than half of property tax payments. In the proposal, all the property taxes on improvements to the building would revert to Commerce for 23 years.

The school district's TIF Commission representatives, Bonnie McKelvy and Vince O'Flaherty, voted against Commerce's request in November.

March said he had met informally with McKelvy and O'Flaherty but didn't offer for Commerce to make payments in lieu of taxes to the district.

A blight study prepared in August for Commerce by Integra Realty Resources Inc.'s Westwood office said the 46-year-old building at 811 Main St. is blighted.