

East Village push moves to Jeff City

By Jim Davis. Kansas City Business Journal: April 7, 2006.

Kansas City officials and backers of the proposed East Village project are blitzing the Missouri General Assembly for financing.

The \$360 million-plus project would build a new headquarters for J.E. Dunn Construction Co. amid a new Quality Hill-style neighborhood on 12 drab blocks east of City Hall.

State financing for East Village became uncertain after the General Assembly removed the project from the state's coming budget.

David Frantze, a Stinson Morrison Hecker LLP lawyer representing the East Village's housing developer, said the Tax Increment Financing Commission of Kansas City's April 5 endorsement of \$38 million in incentives ought to encourage the Senate Appropriations Committee to restore state financing for the project.

The committee removed financing for East Village from the state budget bill on March 29 because committee members wanted more information about the project, according to a committee staff member.

"We're going to be saying that we hope this demonstration of local support persuades you this is a high priority," Frantze said.

The Kansas City TIF Commission's Super TIF designation would divert all new economic activity and property taxes generated by the project for 23 years. About half this money would finance property acquisitions. The rest would pay for a city-owned parking garage containing at least 550 spaces. J.E. Dunn would use the garage during business hours.

East Village LLC, Frantze's client, is led by Swope Community Builders, a community development corporation that focuses on Kansas City's East Side. Housing plans call for spending about \$300 million to build nearly 1,200 residential units -- "affordable and working-class housing that is sorely needed," Swope CEO Kelvin Simmons said.

Simmons said project supporters are faced with a timing crunch.

State law requires the legislature to pass the budget for the coming fiscal year by May 5. Lobbying efforts are focused on Senate Appropriations Committee Chairman Chuck Gross, R-St. Charles, and committee member Luann Ridgeway, R-Clay County.

Although approval of TIF by the Kansas City Council is probable -- council members Troy Nash and Sandra McFadden-Weaver voiced their support at the TIF Commission's meeting -- Simmons said he and other East Village proponents will need to stump hard in Jefferson City during the session's closing weeks.

"We have to engage our legislators," said Simmons, who is familiar with the state Capitol after having served as director of the Missouri Department of Economic Development. "We've had a bevy of individuals, from the mayor to city council people to myself, who have lobbied. That has to continue. You can never take that (approval) for granted."

Steve Dunn, J.E. Dunn's chairman, said the construction company's headquarters needs more room. Plans call for a \$21 million building containing 150,000 square feet to be built northeast of 11th and Locust streets.

Dunn said he's "getting some pretty good vibes" that the state will finance East Village this year.

"It was encouraging to get (the TIF Commission's) unanimous support," he said. "It does send the signal to the state that Kansas City is behind this project."