

## KC agency, PIEA clash on oversight of abatements

By Jim Davis. Kansas City Business Journal: June 13, 2003.

On second thought, Kansas City Councilman Troy Nash said, introducing some rules to guide the city's economic development policies might not be such a bad idea.

Nash, who succeeded Ed Ford in April as chairman of the council's Planning, Zoning and Economic Development Committee, initially had backed away from Ford's attempt to revamp the city's ad hoc approach to providing incentives.

Ford's effort to target assistance in Downtown was stymied by howls from developers in the Northland and elsewhere who didn't want to be treated like second-class citizens when they sought public help.

Now, Nash said, he wants to make sure incentives provided by a once-obscure agency, the Planned Industrial Expansion Authority, aren't abused.

The authority was established in the mid-1960s to improve undeveloped industrial areas by abating property taxes. Developers receiving this benefit pay no property taxes on their investment for the first 10 years and only half of the bill for an additional 15 years.

Those rules could change soon. The authority is considering an unprecedented application for a full 25-year abatement for a proposed development in the River Market.

Nash said this request disturbs members of the City Planning & Development Department, including Vicki Noteis, the department's director. They stew that the authority is usurping their power.

The department oversees similar abatements provided through Chapter 353 of the Missouri Urban Redevelopment Corporations Law. Chapter 353 eliminates property taxes on improvements for 10 years and cuts them in half for an additional 15 years.

Disagreements have been simmering for months between city planners and the Economic Development Corp. of Kansas City, a quasi-public agency that's affiliated with the PIEA.

Andi Udris, the EDC's CEO, exacerbated the rift earlier this year when he proposed moving Chapter 353 oversight to the EDC.

Noteis bristled at the change, saying it would add red tape.

As the PIEA's abatements are being sought more frequently, Nash said, they need to be monitored more closely. Noteis and other city staff members want to make sure the process doesn't further weaken the

city's already-stretched general budget and divert money that needs to be spent fixing roads and making other capital improvements.

"As we use (the PIEA) more and more, the goal would be to make sure it's consistent with the mayor's goal of increasing development Downtown and in other industrial areas," Nash said. "We want it to be a useful tool that creates jobs and promotes positive development."

Noteis could not be reached for comment.

Nash said the 3rd District, which he represents, on the East Side of Kansas City has been a prime user of PIEA abatements. Among the beneficiaries have been the 18th and Vine Authority, the Paseo West Business Center and the Troost Avenue corridor redevelopment.

But Nash said he's troubled by the PIEA's absence of requirements for using businesses owned by women and minorities in projects the agency finances. He said he's also concerned about timing. If a project doesn't begin within five years of its being approved by the authority, he said, the abatement ought to disappear.

Al Figuly, the authority's executive director, said he wants to comply with the guidance of Nash and the rest of the City Council. Figuly and Nash each said they work well together, but Figuly cautioned that the council's input could be limited.

"These are state issues," Figuly said. "We do no more than statute allows us to do. Someone would need to make changes in the statutes."