

Nash sees no quick movement to alter KC incentive policy

By Jim Davis. Kansas City Business Journal: May 2, 2003.

Kansas City's economic development machinery isn't broken, City Councilman Troy Nash said, so he thinks there is no pressing need to fix it.

Nash, new chairman of the council's powerful Planning, Zoning and Economic Development Committee, said he'll take his time before starting to revamp the city's development policies. He said he doesn't want to impose restrictions that would discourage private investment in Kansas City.

"Flexibility, certainly in tough economic times, makes more sense than not," Nash said.

Former Councilman Ed Ford, Nash's predecessor in the post, attempted to redraw and tighten the city's policies for granting development incentives before he left office earlier this month. Ford backpedaled after his plan to target incentives Downtown riled developers in the Northland and other parts of the city.

Nash said he doesn't expect to alter oversight of the city's incentives. This authority now is split between the City Planning Department, which controls Chapter 353 and Chapter 99 tax abatements, and the Economic Development Corp. of Kansas City, which runs other programs, including tax increment financing, the most popular public benefit in Kansas City. TIF returns local taxes generated by new business to cover development costs.

"My view is to work within the existing infrastructure and try to put the right people around the table on a routine basis, so the right hand would know what the left hand is doing," Nash said. "I guess that's kind of consistent with my style of bringing people together."

Andi Udris, CEO of the EDC, said he wants to consolidate responsibility for incentives at the EDC.

This unification would save the city money by avoiding duplication, he said, and speed developers' requests because they would know where to go for help.

"We're fighting for jobs, and we're trying to make it easier for companies," Udris said.

City Development Director Vicki Noteis, however, had supported Ford's plan as a way to stop what she called "desperation development."

Despite these differences, Nash said he thinks Udris and Noteis get along well.

"But that's a right-now solution," Nash said. "If the players change, the structure, the processes and the procedures in place should endure."

Nash said he meets with Noteis every morning. Udris said he has a good relationship with Nash but hasn't talked with him since his re-election.

The city's budget woes also could play a part in shaping any development plan. The shortfall for the fiscal year that began May 1 is \$10 million, Nash said, and the gap could reach \$30 million. These estimates could widen if the city's 4 percent growth projection isn't met, he said.

Nash said help could come from the Missouri Downtown Economic Stimulus Act, or Modesa, being debated in the Missouri General Assembly. The act would divert new state taxes generated by downtown development in Kansas City and elsewhere to offset infrastructure costs.

Nash said he supports Kansas City Mayor Kay Barnes and her campaign for a new downtown arena -- provided taxes wouldn't have to be raised.

"I supported her before," he said. "The last term, it was sort of a quiet advisory role. This term, having a leadership position, obviously will be more visible. That doesn't mean we won't disagree, but if we do, she'll know in private, rather than trying to publicly embarrass or humiliate her."

He predicted that Barnes will be able to pursue her downtown revitalization agenda more aggressively during the next four years because she'll have the support of most City Council members.

But Nash warned that new business will be hard to find until the economy improves.

"We can talk about downtown development; we can talk about Modesa; we can talk about shifting the chairs around on the deck of the Titanic," Nash said. "Eventually, this thing (the sluggish economy) is going to catch up with us."