

Space remains between positions on downtown garages

By Jim Davis. Kansas City Business Journal: June 20, 2003.

Andi Udris hopes soon to complete his long drive for publicly owned parking spaces in Downtown, but roadblocks remain.

Udris, CEO of the Economic Development Corp. of Kansas City, said he's working with the Kansas City Finance Department on a way for the city to finance construction that could provide thousands of new spaces. After 18 months of effort, Udris said he expects word "any day now."

That doesn't tie out with the word from Kansas City Treasurer Randy Landes, who acknowledged talks but no imminent policy recommendation.

"All this is still pretty conceptual," he said.

The city must be judicious about issuing debt to preserve its credit rating, Landes said. The budget shortfall increases pressure to act prudently. With other projects such as the Bartle Hall expansion and a proposed performing arts center also vying for money, he said he wants to stay flexible.

Udris called parking a public utility that's needed to retain companies such as HOK Sport + Venue + Event and renovate property such as the former Fidelity National Bank building at 909 Walnut St.

Udris, who worked in parking garage management when he lived in Ohio, said Downtown's future hinges on his strategy.

"The reason these (downtown) buildings aren't getting redeveloped is because building owners can't afford the parking," Udris said. "That's why we've seen so much square footage built in the suburbs because it's just cheaper."

Parking garages typically cost about \$15,000 a space to build in urban settings where land is limited. Suburban surface parking lots cost about \$2,000 a space.

A Kansas City Council member cautioned against pinning Downtown's fate on parking.

Troy Nash, chairman of the council's Planning, Zoning and Economic Development Committee, said it's more important to build more downtown housing because these residents will enliven Downtown during non-business hours.

Additional questions came from a member of a parking authority appointed by Kansas City Mayor Kay Barnes.

Gib Kerr, vice president of Tower Properties Co., said Udris' desire to use all taxes in developments served by new garages to finance the garages' construction discriminates against companies such as Tower, which has spent \$14 million building and renovating its downtown garages.

Tower tapped tax increment financing, which returns all property taxes and half of sales, earnings and utilities taxes to a company to offset garage construction costs.

Kerr said that he's no fan of publicly owned garages but that the proposed policy could be a "necessary evil" to retain companies like HOK that are being wooed to move across the state line.

"This is just the latest example of fratricide," said Kerr, a Civil War buff. "It's like the days of Quantrill's Raid and Bloody Bill Anderson, except now it's economic warfare."

Udris said he wants downtown garages to qualify for Super TIF designation, which has been reserved for downtown hotels and the Midtown Marketplace shopping center. All property and economic activity taxes generated by a project would retire publicly issued bonds issued to finance the garages. Bond payments would be guaranteed by the city if tax revenues fall short.

Five publicly owned garages could be built, Udris said. They would be next to the Fidelity National Bank building, near the Power & Light Building at 106 W. 14th St., near the former U.S. Courthouse at 811 Grand Blvd., and in the River Market and Freight House District.

Jon Copaken, chairman of the parking authority, said he would welcome public assistance for downtown parking. Copaken, a principal at Copaken White & Blitt, said this money could spur downtown development that wouldn't otherwise make financial sense.

The first beneficiary could be the Fidelity National Bank building's owner. Simbol Commercial of Dallas plans a mixed-use conversion that would turn the 36-story structure's upper floors into residential condominiums. Offices are planned for the lower levels, along with a street-level restaurant or stores.

Roxsen Koch, a lawyer at King Hershey who represents Simbol, said her client needs parking. A garage with about 350 spaces is planned in a vacant lot immediately south of the building. Simbol would be willing to let the city own the garage, Koch said.

"We're ready to go, and we're waiting on the city," she said.