



# KCStat Follow-Up Memo

## Planning, Zoning and Economic Development KCStat Meeting

October 2, 2018, 9:00 AM

Full presentation and link to video (when available) can be found at: [kcmo.gov/kcstat/meetings](http://kcmo.gov/kcstat/meetings)

Live-tweet stream can be found by searching Twitter for #KCStat

The October KCStat meeting on Planning, Zoning and Economic Development focused on reporting progress toward the objectives outlined in the Adopted 2017 - 2022 Citywide Business Plan. Major discussion points, follow-up items, and data questions that arose at the meeting are summarized below. For questions on these items, please contact Julie Steenson ([julie.steenson@kcmo.org](mailto:julie.steenson@kcmo.org)).

### Objective 1

*Create and implement aggressive neighborhood revitalization plans with special emphasis on historically disinvested corridors and neighborhoods.*

#### Strategy A

**Develop a strategy to update the City comprehensive plan (FOCUS) (City Planning and Development)**

- FOCUS (Forging Our Comprehensive Urban Strategy) was adopted in 1997 and is the comprehensive plan for the City. Plans like these are traditionally utilized for a time period of approximately twenty years.
- Developing scope of work for allocated funding is next.
- In 2018, City Planning and Development held a series of listening sessions to identify stakeholder priorities.
- Potential start of the comprehensive plan update is still schedule for 2019.
- **Follow-up:** CPD and OPM are planning on meeting to talk about developing a feedback process.

#### Strategy B

**Evaluate the effectiveness of area plan implementation committees and develop ways to strengthen them. (City Planning and Development)**

- All 18 planning areas have been updated.
- Active Implementation Committee to be formed.
- Attention will then switch to updating the City's comprehensive plan.

### Objective 4

*Enhance the operational efficiency of City development activity.*

#### Strategy A

**Implement and monitor the performance of the community development software system, EnerGov (CompassKC) to streamline business processes related to development. (Office of the City Manager)**

- CompassKC went Live 4/23/2018.
- Since the launch of CompassKC, benefits of consolidating payments, permits, services, etc. are evidence and many of the customer comments have been very positive. Phase 1B should begin by the end of the year. At that time 311, NPD, Animal Control and Parks and Recreation will be added bringing the number of total department up to nine.

## Objective 3

*Strategically target economic development throughout the City.*

### Strategy C Combined \*

**Target City resources toward neighborhood revitalization in targeted, distressed areas by using the Market Value Analysis (MVA). (Office of the City Manager)**

**Target and implement economic development strategies by utilizing the Market Value Analysis (MVA). (City Planning and Development)**

- Federal Government Opportunity Zone Program- Program Snapshot- Allows investors to defer paying taxes on unrealized gains, if they invest in an Opportunity Zone fund (tiered-bonus system). 5-year investment provides 10% and 7-year investment provides 15% reduction in capital gain tax. Guidelines for this program are still under review by the U.S Treasury. Pre-develop portfolios are in the works, and should be ready once the new guidelines come out.
- Comprised of local and regional organizations, KCMO, Local Initiatives Support Corporation(LISC) Urban Neighborhood Initiative (UNI) Mid-American Regional Council (MARC), Kansas City District Council of the Urban Land Institute and KC-CUR (Urban Redevelopment) started in 2015, to work on neighborhoods in the East Side. This included Troost Corridor, Ivanhoe Neighborhood, Prospect Corridor and Wendell Phillips Community.
- **Follow-up:** Could we add an incentive package layer? This would distinguish our program from others. Update receipt of guidelines and next steps.
- Shared Success Fund (SSF) definition: (Ordinance 160383) a portion of the City's property taxes from eligible incentive programs will be place in the SSF (Shared Success Fund), currently no funds are available. This should change by years' end. Projections show \$27,475 for 2018 with more projects slated to come online in 2019. This can be used to gap fill commercial redevelopment in dedicated census tracts, with 25% being the minimum pilot.
- **Follow-Up:** To further define the program, the ordinance should be followed up.

### Strategy B

**Collaborate with the Advisory Committee for the Central City Economic Development Sales Tax to support the effective use and implementation of the 1/8 cent economic development sales tax. (Neighborhood and Community Services – Housing Division)**

- Central City Sales Tax Board Priorities- Commercial/Industrial Development, Residential Development and Catalytic and Incremental Projects. The boundaries for CCED are 9th St. on the north, Gregory Boulevard on the south, The Paseo on the west, and Indiana Avenue on the east.
- 5-Member Board includes 3 appointed by the Mayor; 1 appointed by Jackson County and 1 appointed the Kansas City School District.
- The sales tax revenue is anticipated to generate approximately \$8 million per year.
- Redevelopment Opportunities Areas- 6 Tax Increment Financing Districts, 8 Planning Initiatives.
- **Follow-Up:** At this time, the Board is working to vote on proposals soon based on the applications they have already received and plans to review another round of applications at a later date.

## Strategy A

### **Monitor and report performance of the current and historic use of incentives. (Office of Economic Development)**

- Key finding of the Incentive Analysis Report 2006-2015 (snapshot).
  - 3.83:1 Average ROI.
  - 4.75B Average Increase in Business Sales.
  - 2.66B Average Increase in Economic Activity (GCP).
  - 23,430 Average Jobs Created Across All Industries.
  - 3,906 Average Increase in Personal Income.
  - 2.29B Average Increase in Personal Income.
- **Data:** Next steps for consideration, review incentive application forms and reports for clarity and defined measures. Continue to update the data sets using City and County Sources.
- **Reporting:** Add job and investment reporting on ACTUAL outcomes from active projects, as well recently approved projects and expected outcomes, this should be separate with a clear distinction. KCStat should have incentive outcomes.
- **Engagement:** Select additional indicators of interest by working with the community and stakeholders. (Triple Bottom Line).
- Ratio of Private Investment to Abatements for (FY2018) Public investment leveraged 327 Million in private investment, ratio greater than 8:1. Overall average of local incentives approved 40,633,905.
- TIF Aggregate Benefits for (FY2018) Sum of Base Assessed Value (AV) 8,648,000 Sum of Assessed Value (AV) at Termination 54,857,000. Noteworthy: This is an increase of 46,209,000 dollars or 534%.
- Agency Utilization Minority and Women Business Enterprise (M/WBE). From (FY16-18) Land Clearance for Redevelopment Authority (LCRA) projects has seen steady increase due to a more residential scope.
- **Follow-Up:** Defining outcomes and metrics, City Staff, OPM and EDC to convene for discussion.

## **Objective 2**

### ***Implement strategies to promote the social and economic well-being of City residents.***

#### Strategy A

#### **Develop and implement a plan to foster entrepreneurship, small business growth, and development. (Office of the City Manager)**

- Identifying gaps in the entrepreneurship eco-system is the focus. There is a working draft for a Strategic Plan and Budget Decision Packages that came out of recent Resident Work Sessions. Microgrants supporting emerging entrepreneurs was another idea, also generated from recent Resident Work Sessions.
- Tech Week starts Monday October 8<sup>th</sup> and runs through Friday October 12<sup>th</sup>. This year, focus is on diversity/inclusion.
- On the last day of Tech Week, LaunchKC will be announcing it's 2018 winners. This is the 4<sup>th</sup> year for this international competition. They select 10 winners each year that could receive a grant for up to \$50k. Winner must stay committed to Kansas City for 2 years. Of the past Launch KC Grant winners, 17 out of 20 still live in KC. When LaunchKC first started, it had 38 employees attending the classes, now they are up to 92.

- BizCare status update, still in transition as they begin interviewing candidates to fill John Pajor position.

### Strategy C

#### **Create a “Shop Local” program. #ShopLocalKC. (Office of the City Manager)**

- The purpose of the ShopLocalKC Roundtable was to bring together business associations and small business entrepreneur support organizations to share and develop strategies for growing locally-owned businesses. ShopLocal has been very successful with events such as Troostapalooza, Wanderfest and Westport Public Safety. Participation at all of these events was high and generated a new buzz to remember to buy local.
- Consumer spending at locally-owned businesses keeps more of the dollar in KC, ultimately generating more wealth and employment opportunities. This also holds true when spending within one’s own neighborhood (corridor).

### Strategy D

#### **Implement a business-to-business mentorship program. (Human Relations)**

- Prime Contracts opportunities, for firms that have exceeded the “startup” status.
- Small Local Business Enterprise (SLBE) total contracts 37, total value 4,241,888.

### Strategy E

#### **Develop a plan that defines paths to economic mobility for residents. (Health)**

- Economic Mobility Taskforce- A multi-departmental working group has been meeting since late 2017. Researching issues and compiling data related to economic mobility for City Council.
- One of the most recent Task Force activity was to design Thinking Sessions on payday lending.
- Updates have been submitted to the city-wide business plan and are now in council committees and Theme for Task Force in 2019: FOCUS.
- Recent data on payday loans shows people are still paying higher interest rates on loans that are not risky. As of now, the City does not have any programs or emergency loans available that provide assistance in the tradition sense to citizens.
- What factors contribute to low income and the need to apply for a payday loan? Most important correlation- poor mental health at census track, followed by unforeseeable events (crisis).
- Economic Mobility Taskforce (EMT) is working to educate and redirect citizens to better alternatives. We have the availability to increase oversight and regulations in house by working with Regulated Industries on payday lending.
- Noteworthy: KCMO has some of the strongest planning and zoning limitations on payday lending.
- Focus on LifeEx in November, how can we work on policies impacting City workforce.
- **Follow-up** Need to do co-creation of ideas/programs with community.

### Strategy E

#### **Implement the digital equity strategic plan. (Office of the City Manager)**

- Plan was approved by the City Council on April 7, 2017.
- Need to identify funding to engage with a digital equity partner.

### Strategy B

**Identify creative space development needs of the arts, culture, and creative sectors. (Office of Cultural and Creative Services)**

- **Strategy is complete!**

## **Objective 5**

***Enhance the City as a destination for leisure and business travel.***

### Strategy E

**Monitor the use of Neighborhood Tourist Development Fund (NTDF) resources. (Office of Cultural and Creative Services)**

- GOAL: Remains the same, to increase awareness and access to funding by diverse organizations across the city and to increase access to arts & leisure activities by all citizens and visitors to Kansas City.
- Neighborhood Tourist Development Fund-2017-2018 Snapshot: Total Funding Requests \$5.27M (an increase). Current annual funding is \$1.51M. Total NTDF funding Awarded 1.65M.
- Eligibility Criteria remains the same for the Neighborhood Tourist Development fund: Economic and Neighborhood Impact (55 Points), Activity/Program Merit and Excellence (25 Points), Organizational Capacity (20 Points).
- Neighborhood Tourist Development Fund (Economic Impact) It pays to invest in tourism. To date, event related spending in the City of Kansas City is on the rise among visitors. On the average, they are spending \$31.18, this compares to local residents, who spend just a little over \$21.00 on events. Total attendance also reflects increased numbers of visitors, with 202,382 more than local attending KCMO events. Yet, overall local participation, has increased by over 89,000 from FY2017 to FY2018.
- The 4<sup>th</sup> Council District still has the highest amount of Art & Leisure Activity participation, NTDF will not have 4<sup>th</sup> quarter allocation.
- Noteworthy (Open Spaces stats coming soon)

### Strategy C

**Develop a plan to ensure Kansas City International Airport achieves success in becoming a 21st century airport for business and leisure. (Aviation)**

- New KCI Timeline Review: 2018 FAA Environmental Study, guaranteed max Price, Groundbreaking, 2019 Concessions planning, 2022 Grand Opening. (Time line is still on track, grand opening November 2022).
- Environmental assessment expected to be completed by end of the year.
- Load factor for 2017 is the 3rd fullest in airport history, so far, the trend is still present for 2018 with 81.3 % of seats filled per departure. Trend: airline partners are increasing aircraft size.
- Air Service Update: 3 New Airlines and 7 New Destinations. OneJet ceased operations. Iceland is looking to increase frequency next summer.
- Citizen Satisfaction with Airport Services- Overall Satisfaction with Airport, this campaign changed the mind of non-users greater than users, which is typically a trend that is reversed. With that being said, unfortunately, citizen satisfaction with Airport services continues to go down.

- Overall, residents are not happy with the Airport, satisfaction has dropped and dissatisfaction is on the raise. Worth noting, Ease of moving through airport security and availability of parking at the airport seems to be holding steady.
- Enplanements (number of passengers who get on a plane at KCI). 2018 is on pace at 5.95 million passengers, this is very close to our record of 6.08 million set in 2000.

### **Strategy B**

#### **Aggressively promote our community as a place to visit and live in partnership with VisitKC. (Conventions and Entertainment Facilities)**

- Return on Investment- Visitor Spending increased 8.9%, Hotel/Motel Tax is now the highest local tax collected in terms of total dollars of revenue.
- Business, conventions have been booked well into 2028, 12 Major Events booked in 2017.
- Largest 2019 Conventions in KC: Destination Imagination and Educational Testing Service total over 58,000 hotel rooms alone.
- Two huge drivers motivating Big 12 to stay: convention hotel and the new airport terminal.
- No other peer city has more overnight visitors than Kansas City, (12M).
- 2018 Yearly Placement shows sharp increases across the board for 2019. Room nights increased by 40,583, Attendance has increased by a whopping 240% and total Economic Impact grew to 50.1 Million.
- Metro Hotel Development Pipeline shows 1,700 rooms under construction with another 1,800 announced, 1,100 recently open rooms.
- 2019 KC Restaurant Week: this year will be January 11-20<sup>th</sup>. Registration is live and we have 113 restaurants already signed up. The Boys and Girls Club of Greater KC will be our charity beneficiary this year.
- National Media Mission: “*Kansas City Brings Unique Flavor to New York City*” (Manhattan Digest), market primarily targeted to travel, lifestyle, culinary and business media. Last event was held June 20<sup>th</sup> 2018 in NYC’s Hudson Yards. This event included Kansas City’s own 2018 Foods and Drink Ambassadors as well as local Makers and Musicians.
- KC Film Projects: Commercials and TV still make up more than half of the City’s film projects at 51%.
- *Queer Eye in KC*: This is a direct result of the city’s Film Development Program. Extra bonus: Cast participated in City Hall Selfie Day and where instrumental in winning the 2018 City Hall Selfie Day.

### **Strategy A**

#### **Continually invest in annual appropriated capital improvement projects for the City’s convention and entertainment facilities. (Conventions and Entertainment Facilities)**

- Capital Improvement Projects: Municipal Auditorium Renovations, 13th Street Digital Marquee Installation, Portable Telescopic Seating Riser Replacement, Lobby 2200 Café Renovation, new Café (last year generated \$1K this year \$6K), Security Camera System Replacement.
- Future Capital Improvement Projects: Grand Ballroom Kitchen build out with new carpet, roof and escalator replacements, along with other renovations.
- Convention Center held 283 total events in 2017 and 289 in 2018. The bulk of events fall in the Banquet, wedding and prom department.
- Post Event Survey scores for FY 2019 are still above target at 4.8 satisfaction and have been since 2010.

#### **Strategy D**

**Develop a plan to preserve and invest in historic and cultural assets and destinations. (City Planning and Development).**

- Historic Preservation - Modern Architecture Historic Resource Survey – Over 3000 Surveyed Properties, New Preservation Façade Easements on building in the Library District.
- Focus on the Historic Santa Fe Neighborhood, Satchel Paige home soon to be reconstructed. Opportunities to leverage tax credit programs for strategic investment in the boarding areas.
- Kansas City Museum- Stage I Construction: Restoration and Renovation of Corinthian Hall into a leading-edge 21st-century museum of the City's history and cultural heritage. Museum collection has over 100,000 historical objects. Construction with JE Dunn Construction Co. began in November 2017. (no update)

#### **Strategy F**

**Develop a short-term rental ordinance to regulate residential unit sharing. (City Planning and Development) Complete**

- Short-term rental ordinance, The City Council passed ordinance no. 170771 on February 22, 2018.
- The ordinance establishes a legal path for residents and property owners to offer short-term stay (Airbnb, Homeaway, VRBO, etc.) with provisions and restrictions based on the zoning of the property.
- The ordinance prohibits short-term stay in zoning districts R-7.5 (unless the property is in a historic district) and R-10. R-7.5 and R-10 zoning districts are generally composed of low-density single-family residential units.
- The ordinance also includes a provision that allows short-term stay rentals that were established prior to passage of the ordinance to continue to operate in districts R-7.5 and R-10.
- Emerging Technologies and Sharing Economy, Shared Mobility and Peer-to-Peer Carsharing currently being negotiate.