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Supporting equitable and quality mental health care in Jackson County.

June 15, 2021

Members of the City Council:

As Executive Director of the community mental health fund, a Missouri statutory taxing jurisdiction, I am writing to offer public testimony regarding ordinance 210514, which would grant tax subsidies for the redevelopment of the historic Katz drugstore at Westport Road and Main Street.

I urge you to vote no on Ordinance Number 210514 for many reasons, including the following:

- **Duration:** this ordinance provides for 25 years of tax incentives, which is excessive. An independent analysis performed by SB Friedman indicated that the project could be achieved at 10 years.
- **Purpose:** the project contains no affordable housing. No market study which justifies the creation of additional small, high-end units. Families with children in Kansas City need affordable housing with suitable floor plans.
- **Incentivized luxury Amenities:** an independent analysis performed by SB Friedman found that incentives for this project were needed due in large part to the quantity of amenities, such a rooftop, audio room, sky lounge, and more. Community Mental Health funds should not be diverted or abated to create luxury amenities that exacerbate our city's disparities.
- **Costly Parking Garage on Transit Line:** an independent analysis performed by SB Friedman found that the high cost of the parking structure also figures prominently in the rationale for tax incentives. This is of particular concern because zoning does not require parking on this transit corridor. The proposed project is directly on the streetcar extension and should be contributing to a walkable neighborhood.
- **Lookback Absent:** The proposed project budget fails to reflect higher rental revenue that will be achieved at the start-up of the streetcar. This is an additional subsidy. A Look Back at the five-year term is necessary to true-up returns and reduce excessive incentives which will otherwise be achieved at this extremely desirable location.

This building has historic importance and should be saved. Tax subsidies may be necessary in achieving this, but the current project extracts excessive amounts from public services for a project that should be created for less.

No market study supports the need for additional small units of luxury housing in midtown. On the contrary all available evidence suggests that affordable housing for working families is desperately needed.

Thank you for the opportunity to provide input on this important matter.
Sincerely,

Bruce A. Eddy, PhD
Executive Director