



Where Is That City Report on Economic Development?

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Are economic development incentives worthwhile? Abundant research from all over the country says they are not. Kansas City leaders disagree, and the City commissioned its own study of the practice—but that report is already over a year late and counting.

On November 1, 2016, the Council of Development Finance Agencies (CDFA) signed a contract with Kansas City to study the city's economic development practices. Show-Me [was critical](#) of the City for hiring CDFA, because they are a trade association whose mission is “to promote the common interest of Development Finance Agencies with respect to public policies and programs.” In other words, this group is being hired to analyze the success of the programs they promote. That hardly sounds like an impartial researcher. (But then our TIF Commission staff [is funded by fees collected from TIF recipients](#), so conflicts of interest seem to be the standard operating procedure.)

Nevertheless, a study such as this is warranted, because Kansas City spends or diverts a lot of tax money to private developers. Studies of TIF and other incentives have found they are largely a waste of taxpayer money. This includes [a report recently completed in St. Louis](#) for the very corporation that doles out these dollars. That study concluded that TIF does not spur investment or create jobs; that it is not used in the economically struggling areas that need it; and that the level of reporting on these subsidies is poor. Other studies by universities and research institutions have likewise found TIF policies greatly wanting. Kansas City is due such an examination.

The contract signed with CDFA set a maximum payment of [\\$350,000](#) for the study and set a deadline of May 1, 2017 for the final report. In an October 2017 email, Kerrie Tyndall, the director of economic development for Kansas City, wrote that the report should be received by the end of 2017—seven months late. In a [November 2017 Kansas City Star story](#), Steve Vockrodt wrote that the report should be released in January 2018—eight months late. Ms. Tyndall indicated to me in March that the report should be delivered in mid-April—11 months late. As of this writing, May 25, there still is no report.

It is noteworthy that Public Financial Management, Inc., the company retained to provide analysis of economic development subsidies in St. Louis completed [its study](#) in 15 months and for [half the cost of what Kansas City authorized](#). The Show-Me Institute issued [its own analysis of TIF use in Kansas City and St. Louis](#) after less than a year of study and at no cost to taxpayers.

A pricey, publicly funded and repeatedly delayed report on subsidies—performed by a group that supports such spending— isn't likely to build confidence among residents. Kansas Citians deserve better policy and better policymaking.

Tags:

- [TIF](#)

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