



MARK FUNKHOUSER

Former Auditor of the City of Kansas City

Written Testimony before the City Council's Finance and Audit Committee

Appearing as a Citizen of Kansas City

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“As City Auditor I studied TIF extensively and I reported several times on the substantial flaws in the City’s TIF process.

“The main problems are that:

- **the process is not directed by the City,**
- **there is no policy framework for evaluating individual projects,**
- **there is no analysis of the impact on the tax base,**
- **there is no credible analysis of the financial projections of the developers,**
- **and if the “but for test” is actually real, the municipal government is backing 59 projects, to date, that the market will not support.**

“The City must set a policy direction and use careful analysis.

“I understand from an article in the Kansas City Business Journal that the Council already made the decision to approve this project three years ago. I hope that is not true. I don’t see how you could have done that without violating the Open Meetings Law.

“You should NOT approve this project or any other TIF project until a policy is in place that provides for clear policy direction on the part of the City and careful transparent analysis by City staff.

“The current City Council should exercise self-restraint by enacting a moratorium on tax breaks. This moratorium should continue until the new Council and Mayor have adopted the new economic development policy that voters demanded when they approved a new city charter.”

Funkhouser for Kansas City, 1800 Summit, Kansas City, Missouri 64108
816.283.3535 funkhouserformayor@gmail.com www.markfunkhouser.com
Paid for by Funkhouser for Kansas City, Evert Asjes, III, Treasurer