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Riding the cost overrun railroad

By DAVE HELLING
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Randy Landes is one of the smartest people in Kansas City government, and one of the most important.

You may have never heard of him.

Landes is Kansas City's finance director, in charge of the city's borrowing. He's the guy who juggles bond issues, revenue reports, cost estimates and credit ratings to keep the city's budget ship afloat.

Right now the Police Department's new crime lab budget is leaking. In 2010, voters approved borrowing \$100 million for a series of department initiatives, including the new lab — which can't be built for anything close to the original projection.

Cost overruns aren't a new problem. The police training academy cost twice as much as originally thought. The 1990s Bartle Hall expansion bumped against its budget. Cost estimates for the city's part of the Power & Light District fell far short of the actual price.

In most cases, City Hall responds to overruns by cutting back. Space is reduced. Finishes simplified. Amenities delayed.

But when downsizing a project isn't enough, Landes goes to work.

Right now he's planning to borrow an extra \$14 million for the Police Department projects, including the lab. He says the city can issue "special obligation bonds" for the cash.

We'll see. For our purposes, though, let's focus on this: When projects go over budget, there are usually ways to cover the cost.

Which is why the city may find itself in a pickle before the state Supreme Court this year when it argues against a certain ballot measure for a light-rail plan proposed by a well-known light-railroader from Virginia.

In court papers, the city's legal department says his light-rail petition violates the state's constitution because it promises only to help fund a light-rail system. That's a no-no, the city argues: A petition involving spending has to fully pay for itself, or the City Council is free to keep it off the ballot.

And the petition, the city says, explicitly concedes it won't provide all the money needed for light rail.

But the activist's lawyer says inaccurate estimates make it impossible to know whether any proposal pays for itself.

"Facts change over time," the activist's legal brief dryly notes.

The crime lab guys would surely agree with that.

That leaves the city in the sticky position of opposing an underfunded light-rail petition while refinancing its own underfunded police bond issue.

The city says the two things are different. In essence, it suggests, the council can use wrong estimates, but citizens can't.

The state Supreme Court will settle the issue. If they need help, Randy Landes is presumably available.

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