

## Downtown Rotary Speech

I want to thank you for the invitation to speak here today. It is no secret that I have not always agreed with certain downtown developers.

I have worried that we've spent a lot on our downtown while neglecting basic services for our other neighborhoods.

But I want to be clear, I want downtown to succeed. Everyone in this room, everyone with a business interest in downtown Kansas City, everyone in the metropolitan area should want a growing, thriving, and vibrant downtown.

I do too. It was the reason I pushed for, and continue to pursue a functional regional transit system for our city. Long-term, we can't build the downtown we all envision on parking garages.

I want a successful downtown. And I see a lot of reason for optimism.

You may have read about my sojourn to late-night at the power and light with Star Columnist Yael Abouhalkah, dubbed by some as Funk and Yael's Excellent Adventure.

Shored up by extra coffee, we arrived downtown at 1:30 a.m. on a recent Saturday night.

What I saw was surprising and wonderful. ...

It is a great thing that P&L is drawing crowds downtown. As it grows and evolves it will continue to revitalize that aspect of our community.

As auditor, and now as Mayor, it was not the Power and Light District itself that I have criticized. It is certainly not the gleaming Sprint Center, which, I'm pleased to say, is paying for itself.

It was the deal.

I felt the incentives handed to the developers of the Power and Light District were too much. And that is playing out.

This year, the city is spending \$7 million in general fund money to cover debt service on the bonds issued to build Kansas City Live! Next year, that figure is projected to grow to \$10 million.

That is money that will not be spent to fix roads in our neighborhoods or pay police officers to keep us safe.

I am committed to do what I can to keep that scenario from happening again.

But I am being asked, pushed really, to consider another deal for downtown – a convention headquarters hotel.

For years such a hotel has been championed by a very vocal group of people. Their enthusiasm and political clout have convinced the city government to spend money on consultants before to study such a hotel. Last year, the City Council approved \$37,000 for a report on the feasibility of a headquarters hotel. Just a few weeks ago, the City Council, approved another \$500,000 for another consultant, and created a steering committee to guide the process of building such a hotel.

Again, I find myself in a position where I agree with the concept, but I have questions about the path we take.

I agree that a headquarters hotel could enhance Kansas City's ability to attract large conventions. I agree that a headquarters hotel could bring more tourism dollars to Kansas City. I agree that a new headquarters hotel could raise our image as a destination city. And I agree that a headquarters hotel, especially if it were a union property, could bring good jobs and help working families in Kansas City.

I agree that all of these goals are desirable.

But I have questions about how we get there. I have questions about what the deal will cost Kansas City taxpayers.

I cannot put the residents of Kansas City at risk to achieve those goals. Ultimately, if our residents get frustrated with a lack of basic services, if neighborhoods become unsafe, if our schools fail to educate, then residents will flee. To some extent, they already have. And if they flee, they are taking their purchasing dollars, and their tax dollars, with them. That leaves you with fewer customers and the city with fewer taxpayers to foot the bill.

Because of that I think it is critical that we ask the right questions through this process. I think it is my responsibility as Mayor, and it is your responsibility as concerned business leaders, to make sure that the right questions get asked and answered before we move forward.

Have we completed and understood a complete and well-executed study of the feasibility of a headquarters hotel?

My staff has studied the original consultants report from earlier this year, that \$37,000 we already spent, and it appears the consultants have not finished their work. So, do we know, for certain, that we can even benefit from a headquarter hotel?

Did the feasibility studies we have undertaken use appropriate or accurate data, employ sound assumptions, or apply tested methodologies?

Previous studies have proven to be way off base. Is our analysis on target? Did it take into account economic cycles? Did it assume too much or too little?

Have we looked at other cities that have built headquarters hotels and are we ready and willing to learn from those examples?

For instance, St. Louis built a headquarters hotel. It sits empty and was sold at auction recently for much less than the city of St. Louis spent. Could Kansas City afford that kind of failure? How many such, publicly subsidized hotels have succeeded? How many are paying for themselves?

Which begs the question...how much risk can Kansas City really afford to take?

Can we afford to risk more debt? How will that affect our budgets? How will it affect basic services? How will it affect police funding? How will it affect our already tenuous bond ratings?

Which begs another question...if we don't spend money on a headquarters hotel, how else could we spend that money?

Governing is about choices. If we choose not to publicly fund a headquarters hotel, how many roads could we pave? How many sidewalks could we repair? How many dangerous buildings could we repair or tear down? How many more police officers could we hire?

Is there a better strategy to increase our convention business?

Luring larger conventions to Kansas City is attractive. But we should keep in mind that that puts us in competition with the biggest conventions cities. Established destinations with established reputations will be hard to beat. Would we be better off being the "best" mid-sized convention destination? Would we be better off specializing in another area? Could we achieve the same goals in a different way, without risking public tax dollars?

These are just some of the questions that I hope the hotel steering committee will answer before proceeding.

I have confidence in the steering committee and its leadership, including Councilwoman Cindy Circo and Bill George. I believe they are committed to exploring these questions and finding answers.

I am going to do my best to make sure they do.

And I am asking you, as leaders who have downtown's best interests at heart, to help me.

I will assure you that if the answers to these questions are positive, if the headquarter hotel project is feasible and fits within our budget, you will find no greater cheerleader than Mark Funkhouser.

As I said, I want a successful downtown.

I want our sidewalks to be filled with pedestrians, like they are in those compelling black and white photographs from the early 1900s. Customers from street to storefront. Well maintained awnings over plate glass display windows filled with merchandise. Upstairs offices rented out by business professionals.

During my Excellent Adventure with Yael, I saw a glimmer of this. I see a hint as well in my occasional walks to Ragland Road for lunch or to the beautiful Cosentino's Grocery Store, or my frequent visits to Cascone's.

I want more than hints. I want the whole thing.

A convention center hotel might help.

But I won't allow us to sacrifice healthy neighborhoods to make it happen.

Thank you.