

State of the City Address

Mayor Mark Funkhouser – April 24, 2008

Thank you all for coming today.

Over the last year, I've had the pleasure of becoming acquainted with a great many people that I would have never gotten to know if I hadn't become mayor. People like Stretch and Bill Drummond from the Crossroads. Bill Haw and John O'Brien from the West Bottoms. Lali Garcia from the Westside. Marie Young of the Black Chamber. Anita Dixon. Pat Clark. Jay Stock. Jane Rinehart. KB Winterowd...

The list goes on and on.

Recently I had a conversation with Ollie Gates. He told me how when he was younger, the neighborhoods on the East side were as vibrant and alive as any in the city. There were grocery stores, dime stores, restaurants—you name it. The sidewalks were full of people.

Today, we see a hint of that time that Mr. Gates spoke of—in the fake storefronts at 18th and Vine built for Robert Altman's movie, *Kansas City*. In that film, the bustling K.C. of the early 20th century seemed so real and exciting that city leaders kept the movie sets and built around them. A year after the movie came out, the Jazz District Redevelopment Corporation was formed, and the city opened the Jazz and Negro leagues museums.

Today, the Jazz District is an indispensable part of Kansas City. We visit the museums often, catch shows at the Gem Theater, dance at the Rhythm and Ribs festival, and while away the wee hours at the Mutual Musicians Fund.

And we're eager for more. We peer through the windows of the empty storefronts along 18th Street and dream about the day when they're filled with shops and restaurants once again.

Unfortunately – we can't help but see the vacant lots behind the old movie sets. We can't help but notice that there's still work to be done.

All across the city, we find similar signs of success, promise – and unfinished work.

In Kansas City we have attractions fine enough to draw envy from any city on earth. In addition to the Jazz and Negro League museums, we have the Country Club Plaza. The Sprint Center. The Nelson. KCI. Our parks and boulevards. Our Fountains. Gate's, Bryant's, and Manny's. And on and on...

And there's more to come... Downtown is experiencing a tremendous rebirth, with more restaurants, theaters and even a grocery store. Out south, we'll have a soccer stadium. In the Northland, the possibility of a world-class airplane manufacturer. And on the Eastside, Ollie Gates' plan for the Black Heritage District.

Yet the people who live here – those of us who travel to and from work on this city’s streets – proud as we are of everything that makes Kansas City great – and all that will make it greater still...

We see.

We see the vacant lots between the museums.

We see the reality amid the renaissance.

We see the reality that many of the streets and sidewalks leading to our new attractions are – quite simply – broken. They’re broken because we have not paid to get them fixed. They’ve been so broken for so long that it’ll cost billions to fix them.

We see the reality of our neglected sewer system. Bringing this system into the 21st century will cost more than \$3 billion.

We see the reality of our debt. We pay \$120 million per year—roughly the cost of 3,000 miles of resurfaced streets or the salary of 2,000 city employees—just to service the debt.

And the unpleasant reality is that, despite our hard work this year, our budget remains structurally imbalanced. Our expenditures will grow at 4 percent while our revenues grow at just 2 percent.

And if our citizens are happy with the new Sprint Center, the reality is that they're unhappy with lots of other stuff. In the annual citizen satisfaction survey, they ranked us below the metropolitan average in almost every single category. And there were—care to guess?—44 such measures. In several areas, we were dead last.

I keep hearing that perception is reality. But I'm here to tell you: reality is reality.

And it's time for us to align our reality with our imagination – not just at 18th and Vine – but throughout the city.

This year, your new Mayor and Council have taken giant steps toward making this happen.

First, we agreed as a Council to reign in our debt. Debt was out of control because the city didn't have a debt policy. Now we have a good one.

A second step was to bring discipline to our use of economic development tools. For years, we did not have a policy to guide our use of incentives. Now we have a good one.

A third and critical step was to bring our spending under control. The highlight of my first year was when the City Council and I came together to adopt a budget that was---- refreshingly . . . sane! This was politics at its best.

These are major accomplishments!

If we were to do nothing else for the next three years, our first term together will have been a success. We made three major steps that our predecessors were unwilling or unable to make.

And while all of my colleagues on the council deserve credit and thanks, there is one council member whose leadership was instrumental in all three of these achievements. Deb Hermann. – From the bottom of my heart – I want to thank Deb not only for the budget, but for helping to make this rookie’s first year in office a productive one.

Of course, challenges remain. Today I’m going to outline ten of them.

This council is the most informed, engaged and energetic the city has seen in decades. In the coming weeks, I’m going to be talking with my fellow council members to find a champion for each of these challenges:

The first of these challenges is the need to fund basic infrastructure maintenance. We need to resurface the streets. We need to fix curbs and sidewalks. We need to keep our bridges safe and in good repair.

According to our citizens these are the most important services the city provides.

And yet – year after year – citizens tell us they’re not satisfied with the way these services are being provided. They tell us in surveys, and they tell us to our faces at town hall meetings.

From a business perspective – this is not a good thing. Our citizens are our customers – and we’re competing for them with other cities and towns across the region. If we fail to provide the services they want most, they’ll live somewhere else.

Second, we need to bring our sewer system up to modern standards.

Our system has over 6 billion gallons of overflow each year. This is bad for the environment—not only for our neighbors down stream, but also for our own neighborhoods. And we’re under the gun from the federal government to fix it.

It’s a simple fact that we have to face these challenges and overcome them. But it won’t be easy. We have to find the money.

So then the third challenge—to build regional partnerships to fund regional amenities.

We need to do this not just because of fairness, but to be smart with the money. And that means being efficient and effective.

Kansas City, Missouri has always been the region’s flagship and will remain so. We give the region its identity. The suburbs depend on us.

During the budget debate, the zoo's supporters flooded us with e-mails urging full financial support for the zoo. Most of those supporters live outside the city limits.

But if the region wants a world-class zoo, a world-class arena and a world-class war museum, then the region has to help provide them. One city simply can't afford to do it alone.

That's an effectiveness issue.

And if Kansas City alone tries to fully fund these amenities, we have to cut elsewhere—namely basic services. When we do that, people move away – encouraging even more sprawl. That's an efficiency issue. It impacts the overall efficiency of the metro area, which shows, for example, in the rising costs of transportation.

So this isn't a complaint about Kansas City taking one for the team. This is a challenge to us all to take pragmatic steps to maintain the quality of life the entire metro area has come to depend on.

A fourth challenge is to bring our retirement systems and health care benefits in line with standard business practices.

Most workers across the country handle their retirements through 401K programs. Our pension fund is about as modern as our sewer system.

We can also save money by consolidating our health insurance packages. Right now we have different insurance plans for different sectors of government. We can get a better deal if we buy for the entire work force.

To the citizen, these changes seem like no-brainers. But at City Hall, no change goes un-resisted. Still, I know that this council has the political will to get these changes made.

A fifth challenge is to make it easier to do business in Kansas City.

Last summer, several council members and I met with a group of frustrated restaurant owners. They showed us a thin file of documents needed to open a restaurant in Kansas. Then they hoisted a fat folder stuffed with forms – including a \$10,000 lawyer bill – and said that’s what they needed to open an identical business in Kansas City.

We can’t keep doing business this way. If it’s easier and cheaper to open shop across the state line—shop owners will go across the state line.

A sixth challenge is to make it easier to move around Kansas City.

If conventional wisdom is to be believed, we’re not yet ready for a regional light rail system. But that same conventional wisdom had it that Clay Chastain’s plan would get voted down.

It's clear to me that if we present voters with a light rail system that gets them where they want to go—from downtown to the suburbs and the stadiums and the airport—they'll vote for it in a heartbeat. Especially in a November election. A presidential election. When tens of thousands of people flood the polls to vote for progress and change.

A seventh challenge, and a critical one, is improving our educational system.

On a recent trip, I met a man who told me he used to live in Kansas City, Missouri. But, he said, like so many young families, they chose to move to Kansas when his kids reached school age.

Then he told me that he and his wife earn a combined income of four hundred thousand dollars a year.

We can't afford to keep losing families this way. But – as long as we remain divided and at odds about education in the urban core – families will continue to look elsewhere for better options.

I believe we should start with a bottoms-up educational summit. We need to build a political consensus about what we want from our schools. And that consensus must cross racial lines.

An eighth challenge is to build a new agenda for dealing with the leadership in Jefferson City and Washington D.C. Part of the reason why we had such a hard time with the budget this year is because we - as a city – have to

shoulder much of the burden of services that should be provided by the state and federal governments.

We need to change the focus of our efforts in Jefferson City and Washington.

In recent years, the city has focused its legislative agenda on development incentives like TIF. We need to focus instead on larger issues that better reflect our values. We need to fight for more money for health care, for alternatives in crime prevention, and for education and social services.

And we need allies.

An urban alliance.

The moment is right. It's an election year. Politicians will listen to us—especially if we speak in unison with our counterparts in Blue Springs, Lee's Summit, St. Joe, Columbia, Springfield, and – yes – even in St. Louis.

As a ninth challenge, we need to continue using incentives to encourage our economy to grow. Not just downtown or on the Plaza or north of the river. But in the forgotten parts of our city.

In my inaugural address, I said that the first TIF that crossed my desk had darned well better be for the Eastside. What I didn't understand then is that the tools we have—like TIF—don't work well there. They're geared toward big projects in wealthier areas.

So we need to create "New Tools" for economic development. New tools that will help revitalize the economically distressed areas. Tools that will work for us as we turn our attention to neglected neighborhoods.

Tools that will help us make 27th and Prospect – once again – as nice as 63rd and Brookside.

In this effort, I intend for us to take a national lead, – to make Kansas City a model for other cities to look to for solutions to the problem of disinvestment in the urban core.

To create these new tools, I'm convening a symposium on May 5 where we'll generate ideas for economic development in the urban core. I've invited several dozen community, business and political leaders to participate. From there, I'll work with the council and city staff to transform these ideas into policies and plans. Then – we're going to make them work.

In a sense, what we'll be doing is turning the old façades at 18th and Vine into reality. We'll be making the vibrant neighborhoods that Ollie Gates remembers come alive again!

All of these challenges culminate in a tenth challenge—the most critical one we face.

We need to repopulate the urban core.

Since the 1980s, we've gained 50,000 new residents north of the river and lost almost as many south. As a result, our tax base has all but flat-lined. Worse, our economy has weakened. In 1970, Kansas City, Missouri's market share of the metro economy was 40 percent. Now it's less than 20 percent.

If you go to 44th and Cyprus—in the heart of our city—you'll feel as if you're in a rural area. All around you'll see open fields of grass, with nothing but crumbling concrete steps coming up from the street to remind you of the houses that once filled the neighborhood.

To reverse this trend, Kansas City will need great strength.

Fortunately - that's something we have in abundance.

We have strength of location. That's why a great city rose in this spot. It's where the Missouri meets the Kaw and turns northward—a perfect station for western expansion. It's where the railroads later converged, and then the highways, and the international Airport. It's where our ability to adapt and grow has forged a new crossroads for the global economy.

We also have strength of character and personality. For whatever else the great cities of the world might have—not one of them has the Spirit of Kansas City.

This Spirit is the one-of-a-kind quality that opened the eyes of Dan and Debra Engravalle.

Not too long ago, the couple – who come from the New York area – scored some free plane tickets. Dan said to Debra, “I’m hungry for barbeque. Let’s go to Kansas City.”

After being here just a few days, Debra said—“I’d like to live here.”

And they moved!

Now they’re settled in the Northland. And they’ve brought their business with them. Best of all, they’re urging friends and family to move to Kansas City too.

I’ve asked Engravalles to come here today. Dan, Debra, could you please stand so your fellow Kansas Citians can meet you?

The Engravalles love how there’s so much to do here. They love how they can enjoy the amenities of big city life and still see deer and wild turkey from their patio. They love that they can see and do it all without the East-Coast hassle.

And what they love the most is the friendliness of the people.

Folks – Let me tell you – Boomtowns have been built on less.

Looking across this room, I see the political strength we'll need to take this city over the top, to help 50,000 more people see what the Engravalles' see: a community of choice.

We're going to pull this off!

We'll do it with the big things like light rail. And, more importantly - we'll do it by paying attention to the small things: Basic services – Infrastructure – Better business practices. And development incentives for neighborhoods that need them most.

My friends, we are a strong city. And we are about to emerge as a city that dreams. A city that plans. And, above all, a city that works-----for everyone.

Thank you.