



A New Agenda for Cities Must Come from Cities

Published on *Show-Me Institute* (<https://showmeinstitute.org>)



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Recently, Kansas City, Missouri's mayor, Sly James, wrote in *The Hill* that America needed a new agenda for cities. No argument here. But contrary to the Mayor's suggestion, the new thinking needs to come not from Washington but from the communities with a vested interest in their own success.

One of the biggest problems in Kansas City (as with other metropolitan areas) is that the city's affairs have been so poorly managed for a very long time through regular rounds of bad "public investments." It's not that Kansas City needs more money—it receives plenty through various taxes—but that the city spends and invests that money so poorly, chasing glitz while letting basic services languish. Throwing more federal dollars at failed initiatives won't retroactively salvage these projects.

Here's some background. Kansas City is the 29th-largest metropolitan area in the United States. Like many Midwestern cities, our population growth hasn't kept up with that of cities in other regions.

Unlike many cities (but similar to Washington, DC, where I grew up), our metro region is divided right down the middle by State Line Road. Half our population resides in Kansas, with the entire city proper and the urban core in Missouri.

Also like many urban cities over the past few decades, our city leaders have chosen to bet our

future on large development projects. In our downtown we spent—and continue to spend—millions to prop up a large entertainment district whose revenue has yet to meet rosy projections. We have diverted taxpayer dollars to subsidize luxury apartment buildings and world headquarters for wealthy international corporations. We have committed millions more to build a convention hotel downtown despite the unpleasant experiences of our sister cities in Missouri and across the country with similarly ambitious—but ultimately disappointing—investments.

The assessed value of property in Kansas City has been largely flat since 2007, but because of tax diversions to developers, the amount we actually collected in taxes in 2015 was \$200 million less than it would have been without those giveaways.

City leaders are eager to spend over a billion dollars to tear down and rebuild our international airport despite its widespread popularity as a convenient and efficient place to travel to and from. And we have the honor of having just finished one of the country's most expensive streetcar systems for over \$46 million per mile, and advocates now want to expand it at an even higher cost.

Kansas City bears the scars of all this misspending. While we suffer through a spike in homicides, our police department has fewer officers than it did in 2011. Embarrassed by a recent documentary on the plight of the urban core, city leaders issued bonds to demolish 800 dangerous buildings—the majority of which were city-owned. City leaders now contemplate a billion-dollar bond to fund badly needed infrastructure repairs due to years of neglect.

Yet Kansas City's taxes are high. We have a combined sales tax in many neighborhoods of 10% or higher. The Tax Foundation listed Kansas City as having the 15th-highest sales tax in the country. A 2013 Brookings Institution study found that our county and the surrounding counties have well-above-average property taxes paid and taxes paid relative to home value. And of course, Kansas City also charges a 1% earnings tax on those who live or work within city limits.

Mayor James is correct to say that “we clearly cannot afford the status quo.” But his solution is to seek more government funds to bail out decades of bad investments and decision making in Kansas City and elsewhere. If cities like Kansas City, Chicago, Detroit, Newark, and Stockton are allowed to throw good money after bad, none of us will be any better off. America's new agenda for cities must start with those cities, and it must involve a serious effort to right the wrongs of the past and return to sound management. The solution is not federal bailouts but better management of the money that cities are already collecting.

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