



# Are Kansas City and Saint Louis Getting Taken?

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



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*By: Patrick Tuohey*

The deadline for submissions to Amazon to host their new headquarters building has come and gone, and both Kansas City and Saint Louis tendered proposals. Unfortunately, neither city is releasing its proposal to the public, citing a non-disclosure agreement with Amazon.

*The Kansas City Star* editorial board has been critical of the secrecy, noting in an [October 6 column](#) that the agreement is

aimed at keeping a lid on Amazon's proprietary information — not the cities' best arguments about why they would be perfect for HQ2. Other contender cities that are playing by the same Amazon-imposed rules have managed to make more information public.

The state of Missouri, without favoring either Kansas City or Saint Louis, issued what can best be called [a brochure](#) for doing business in the Cave State. (It's been called a proposal, but that is a generous description of the 13-page slide show.)

Until we know the details, we'll just have to sit and wait to see what commitments municipal leaders have made on behalf of taxpayers. If the past is any indication, they will include generous

taxpayer subsidies in the form of abatements, tax credits, and tax-exempt freebies wherever possible. [Philadelphia](#) is offering ten years of property tax abatement. [New Jersey's bid](#) included \$7 billion in tax incentives.

The question for taxpayers will be whether the benefit is worth the investment. Research suggests this is rarely the case. One economist from Mizzou, Saku Aura, [put it bluntly](#) :

As a Missouri taxpayer, I really hope Amazon doesn't come here. The place that most grossly overestimates the benefits from a large company moving is going to be the one who's going to get it. If they choose to come to Missouri, to me that would almost imply that we ended up being the biggest sucker among the 50 states.

Is Missouri being played for a sucker? Richard Florida, an urban studies theorist focusing on social and economic theory seems to think so. According to the [St. Louis Post-Dispatch](#) , Florida said, "the cities I talked (to) all know they are being taken and resent it." Among those cities would be Kansas City, as Florida was [a paid consultant](#) to its effort

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- [Amazon](#)

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[4] [http://www.makemohq2home.com/uploads/1/1/3/2/113207741/final\\_proposal.pdf](http://www.makemohq2home.com/uploads/1/1/3/2/113207741/final_proposal.pdf)

[5] <http://fortune.com/2017/10/16/amazon-hq2-new-jersey-newark-jeff-bezos/>

[6] <http://www.missourinet.com/2017/10/18/mizzou-economist-hopes-amazon-does-not-choose-missouri-for-hq-missouri-would-be-the-biggest-sucker/>

[7] [http://www.stltoday.com/business/local/billions-in-tax-breaks-offered-to-amazon-for-second-headquarters/article\\_d38c1924-2d18-5504-bde6-0c7f01fe3f71.html](http://www.stltoday.com/business/local/billions-in-tax-breaks-offered-to-amazon-for-second-headquarters/article_d38c1924-2d18-5504-bde6-0c7f01fe3f71.html)

[8] <https://www.bizjournals.com/kansascity/news/2017/09/14/amazon-hq2-florida-kotkin-kansas-city.html>

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