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WHAT'S DONE | A CIVIC WHAT'S NEXT | PACT

Chapter Two: Underlying Big Decisions, An Owensboro Operating System That Works, Mostly

By Keith Schneider
Citistates Group

The Citistates Project

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In 1991, the Messenger-Inquirer retained syndicated columnist Neal Peirce and his associates to assess the challenges and opportunities facing Owensboro-Daviess County. The report focused on many aspects of community life.

Now 20 years later, the Public Life Foundation is bringing The Peirce Group (now known as Citistates) back for a fresh, objective update and analysis. Citistates has conducted comparable studies in 26 communities and regions.

The report is based on extensive research and interviews with dozens of local residents. The lead analysts are Citistates CEO Curtis Johnson and veteran New York Times reporter Keith Schneider.

The Citistates Group is a network of journalists, speakers and civic leaders focused on building competitive, equitable and sustainable 21st century cities and metropolitan regions. The Group's forte is communications to stimulate active debate on the real-world choices facing 21st century regions.

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The Public Life Foundation of Owensboro is the sponsor of the Citistates project. Established in 1996 by John Hager, former owner, editor and (with brother Larry Hager) co-publisher of the Messenger-Inquirer, the foundation fosters broad and meaningful citizen participation in community decisions and public policy. The foundation studies public issues; commissions research; publishes articles, reports, discussion guides and more. PLFO creates opportunities for civic engagement and public dialogue through focus groups, public forums and town meetings.

Governing in Kentucky's Fourth Largest City Is Civil, Determined, Producing Big Outcomes

By Keith Schneider

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Right off the bat, it's important to note how different Owensboro's attitude about the future is from much of the rest of the country. Owensboro is in transition, to be sure. But its vector is pointing up, not down.

That's not the case in too many other places. The public mood is so hollowed out that Americans have settled on a single word – “dysfunctional” – as a polite way to describe the ideological fanaticism, political ruthlessness, and economic heedlessness that has made the intrinsically messy process of governing the nation unbearable. Similarly fierce conflict and feckless results also characterize the brand of democracy that has taken hold in Frankfort, Sacramento, Lansing and most other state capitals bullied by deficits, slashed programs, and demoralizing layoffs.

Indeed dysfunction and disinvestment define much of America's painful era of national reckoning and stagnation. But not all of it.

It turns out that American democracy still works at the local level, a select group of big and small cities and counties. The reality of day-to-day civic needs – street repair, garbage collection, emergency services, construction permits, contracts – tends to temper political combat, reward insightful and strong leaders, and replace ideology and revenge with shared values and some measure of common decency.

The local governments that are widely regarded as setting the gold standard in municipal management – Chicago, New York, Denver, Charleston, S.C., Chattanooga, Grand Rapids, to name a few – also are defying the tax-cutting, investment-starving economic logic of the times. They are spending taxpayer dollars on new transit systems, housing, schools, research centers, parks, city-wide Internet access, college scholarships, inducements to attract entrepreneurs, and any number of other public programs and civic equipment to leverage private investment. All are performing much better economically than the states they are in.

These cities, managed by capable elected and appointed officials and supported by pragmatic residents, understand that spending on public assets is one of the principal tools for encouraging a strong business sector, generating good jobs, and providing for an economic culture that provides personal safety and financial security.

That, of course, is the same formula that built America in the 20th century, but which is being abandoned in Washington and state capitals. It also is the formula that Owensboro embraced over the last six years under Democratic and Republican leadership, and which in the last two years produced almost 2,400 new jobs, more than any city in Kentucky.

That statistic, by itself, provides a persuasive argument for Owensboro to be included in the short list of small cities considered among America's best, a distinction that *Money Magazine*, *Forbes Magazine*, and several other well-regarded periodicals already recognized over the last year.

Owensboro, as we learned in chapter one of *What's Done, What's Next: A Civic Pact*, is building its next era of economic competitiveness on these basic pillars of American progress:

1. Investing in public schools and higher education institutions to both build a durable economic sector that employs more people with good jobs in Owensboro than any other sector than health care, and to develop a skilled and educated workforce that is strengthening existing businesses and attracting new employers.
2. Building new infrastructure – roads, airport runways, port facilities, streets, downtown neighborhoods, a business incubator, parks, sports facilities, and a convention center – to enhance the competitiveness of a self-conscious community that shows clear signs of outgrowing its provincialism.

3. Promoting art and music, and providing financial incentives to attract dynamic employers who, in turn, will recruit high-I.Q. and goal-oriented employees.
4. Promoting science, health, and new research and manufacturing practices, chief among them the promising plant-based pharmaceutical contract work at Kentucky BioProcessing, to push the boundaries of innovation and elevate Owensboro's brand as a premier place to live and do business.

Strong Leadership

Still, there is one more critical facet of Owensboro's progress that is neither well-recognized nor well-regarded in the city or in Daviess County. And that asset is how effectively both jurisdictions have been managed in recent years, and how they've learned to cooperate and collaborate.

Those features of local governing have done more than produce budget surpluses in an era more commonly defined by deficit. They prompted the city and county to jointly approve a tax increase on local insurance policies in 2009 that provided \$80 million in funding for far-reaching downtown development projects. They've enabled Daviess County to invest \$6 million in a local 27-acre campus for Western Kentucky University that includes a 30,000 square foot, wired-for-the-new century classroom building that serves hundreds of students and where 40 people are employed. Smart decision-making and surpluses also provided the wherewithal for Owensboro to provide \$14.5 million in incentives and grants to enable the U.S. Bank Home Mortgage Company to expand its facilities over the last year and add 500 new jobs, although those jobs are not downtown.

Just as importantly, Owensboro's Mayor Ron Payne, a Republican who endorsed the re-election of Democratic Governor Steve Beshear, and Daviess County Judge Executive Al Mattingly, a Republican who once was an Independent, are civil to each other in public, and in private are said by colleagues to have found a way to work together. That has helped accelerate the pace of decisions, an important competitive advantage that unlike big-ticket infrastructure projects, doesn't cost

anything. The two ran against each other three years before in the Owensboro mayoral race.

Describing the city and county governments as well-managed, of course, is certain to generate either dismay or howls of laughter in the quarters of the community familiar with the back-and-forth, missed opportunities, unexpected decisions, and the other actions taken by elected leaders that one or another group considers foolish.

For instance, Jeff Barber, the chief executive of the Owensboro Medical Health System, sourly recounts five months in the late summer and fall of 2009. That was the time that it took the region's largest employer to secure from the city commission and the Metropolitan Planning Commission's Board of Adjustment the zoning changes and conditional use permits needed to start construction on a \$385 million hospital. The hospital, he said in an interview, fit the requirements of the regional land use master plan and was less than two miles from its current downtown location. "It baffled me," Barber said.

If the same proposal to move a big downtown hospital, though, was made in Pennsylvania, Ohio, or any of a dozen Michigan cities, the public process to decide on zoning changes and permits could easily consume years, and end up with a decision to deny the new location.

A Process That Works

Disagreement, after all, describes the give and take of democracy -- when it's working well. Over time, Owensboro developed a public process that generally encouraged civil debate, not public bludgeoning, even when disagreements grew fierce, as they did in 2007. That year a group of citizens hired attorney Charles Wible to block a proposed \$300 million development along Highway 54 that would have used public financing to build a sports arena, hotel, convention center, office developments, cinemas, homes, and retail space. A Kentucky state board later determined that the tax incentives and financing sought by the developers did not fit state criteria.

There were several useful outcomes from that policy struggle. It focused fresh attention on the need to put those same big public

assets downtown. The defeat of the Highway 54 proposal informed and energized a ground-breaking community meeting in November 2007, hosted by the Public Life Foundation and Washington-based *AmericaSpeaks* and attended by hundreds of citizens, that confirmed Owensboro's commitment to investing in the downtown core. It helped in the election of Mayor Payne, who recognized he could work directly with Judge Executive Reid Haire and the Daviess County Fiscal Court to implement a land use development plan and a funding strategy to pay for new downtown projects.

By the current standards of American policy-making, the campaign for downtown development proceeded steadily, and by comparison, quickly enough. The momentum bolstered the traditional culture of civility in Owensboro's public process, which helped explain why there was such stability in the community's leadership.

Owensboro's public meetings for the most part aren't brutal, as they've become in so many other communities, where citizens verbally bludgeon elected leaders and officials operate in a sphere of suspicion and doubt. Even the February 2009 meeting to approve the insurance tax increase, described by those who attended as tense, did not break down into chaos. There were legitimate questions and concerns about a tax increase during a recession. There was also a sense – even from the business community – that it was time that Owensboro invested in its future.

If the Owensboro process was dominated by angry hand waving and vile language -- behavior that participants certainly didn't learn from their mothers -- Owensboro's primaries wouldn't be so competitive, city commissioners wouldn't routinely run for mayor or county judge executive, and business executives wouldn't choose to devote so much of their time to be involved in big public decisions.

Debate, Not War

It's not perfect. To be sure, Owensboro's citizens, and a good number of its leaders outside of government consistently critique the local governing process as too closed to differing views, to some extent too insulated from public opinion. Questions of fairness are routinely raised.

Owensboro's residents and leaders, though, need to spend time in the verbal abuse chamber of public meetings in Illinois or North Carolina or California, where citizens come emotionally armed for pitched combat, and the shouting is so loud the needle on the decibel meter swings to the top of the scale.

In those communities the democratic process is broken. Conflict takes priority over resolution. Delay and defeat prevail. Most importantly citizens and elected officials spend much of their time coming to the conclusion that doing nothing is superior to taking action. The result is fear of the future, now defined in the United States by new and disorienting battle slogans -- shouldn't, can't, won't and don't.

Owensboro, though, rejected that trend. It produced a kind of golden era of growth and change from 2005 to 2011 that is characterized by the principles and values that once defined the United States but are now largely confined to well-managed American cities – should, can, will, and do.

The steps Owensboro took to achieve that new positioning are readily visible. Research organizations, among them the Greater Owensboro Economic Development Corporation, made the case for a regional business strategy that stressed the quality of downtown as a magnet for people and new growth. Citizens elected capable leaders to the city and county governments who embraced the concept.

Owensboro and Daviess County officials defied the tax-cutting, investment-starving tilt of much of Kentucky and the nation and made courageous and highly disputed decisions to raise revenues for public projects. Those included a downtown master plan, new riverfront parks, enhanced public spaces to reconnect the waterfront to the heart of downtown, mixed-use redevelopment project downtown, and streetscaping, to name a few. Real estate investors, among them Larry Conder, Malcolm Bryant, Terry Woodward, and First Security Bank quickly justified the public investment with over \$32 million in proposals for a hotel, office building, and new residences and shops that already are generating new jobs.

Chapter two of *What's Done, What's Next: A Civic Pact* focuses on the governing process that made those achievements possible. From

the 2005 phone call from Senator Mitch McConnell to former Mayor Tom Watson offering serious federal aid for a riverfront park, to the upcoming 2011 design decision for a new convention center, Owensboro has embraced big economic development steps that put it in rare company among small cities anywhere in the nation.

Indeed, underlying Owensboro's decisions on downtown development, and the other policy and investment breakthroughs of recent years, is an operating system that has moved more diligently than most small metropolitan regions in the United States to raise money and compete in an era of enormous change that has no fixed rules of engagement.

How that operating system functions defines much of what Owensboro provides for its citizens and presents to the world.

A Formative Public Event

The steady transformation of downtown Owensboro from late 20th century exhaustion to a 21st century showcase of lively streets and riverfront parks was already six years old the afternoon of July 20, 2011. Some 50 citizens joined Mayor Ron Payne, a special city-county steering committee, and several reporters on City Hall's fourth floor to view the latest design and consider the projected cost of a new convention center. Most business leaders and many residents considered the building an essential new fixture on Owensboro's riverfront. Payne and the six other members of the city-county steering committee were closing in, after 16 months of work, on a final decision on the design, size, and cost of the center.

Done right, the convention center would anchor the \$120 million downtown redevelopment project that was under construction four blocks away, a good measure of which the city helped to finance. The convention center also could become the city's architectural signature, a convergence of great zones of interior glass, and crisp exterior angles that celebrated Owensboro's determination to thrive in a new era.

That, however, was not the convention center's original intent. The

building was envisioned as a kind of bookend to the RiverPark Center, the early 1990s performing arts building a few blocks upriver.

The July 20 meeting and the events that preceded and followed it serve as a set piece, a week-long scene within a larger narrative that illustrates not only how difficult it is to build a city's new economic foundation but also how Owensboro's operating system functions around big decisions. The steering committee meeting and its aftermath provides useful insights into the strengths and weaknesses of how Owensboro manages itself to succeed.

Payne, who was raised in Owensboro and whose career includes stints as city manager, finance director, auditor, and city commissioner, as well as director of finance in Tulsa, Oklahoma, fully understood the moment. Since his election in 2008, Payne has been the central hub in the circle of Owensboro's elected officials and opinion leaders that is overseeing downtown redevelopment and the new convention center. His peers generally commend the mayor's vision, intelligence, and persistence. If there's a reason to be critical, they say, it's how driven and stubborn Payne can be.

As the mayor approached the steering committee meeting, his convention center goals for July were characteristically straightforward. First, unveil the newest design on July 20. Second, put the design before the special seven-member, city-county steering committee a week later, on July 27, for a final vote of approval. Payne had arranged for the city-county Industrial Development Authority to meet that same day to okay the bonding authority to fund construction.

In short, if the steps worked, the convention center would be on its way to completion, perhaps in 2013. "It's like building a house, you know," Payne said on July 20. "We are getting very close."

The Hard Last Steps To A Decision

Payne knew that his late-game strategy was risky. Policymaking occurs in two theaters of engagement. One is public and is generally defined by regular open meetings. Payne felt the public portion of the steering committee's work, which met with calendar-like certainty,

was going well.

The other theater is what occurs in private. In that realm Payne knew he had problems.

Other prominent members of Owensboro's leadership network were pushing back, many of them personal friends who were confidentially calling the mayor and seeking private meetings. They included Nick Brake, an educator and the chief executive of the Greater Owensboro Economic Development Corporation, plus a good portion of his 17-member board, among them Rod Kuegel, a farmer and the board chair, and Darrell Higginbotham, the previous chair and president of Independence Bank.

Other people of influence also were leaning on Payne. Jody Wassmer, the president of the Greater Owensboro Chamber of Commerce and a good number of his board's 23 members were getting restive. And so was the Owensboro Daviess County Convention & Visitors Bureau. Karen Miller, its executive director and one of the very few women included in this issue to be among the city's elite leadership, was quietly and urgently summoning the attention of her peers -- in phone calls, emails, lunches, and meetings -- to what she regarded as flaws in the steering committee's review.

Her work, politically delicate, was having an effect.

At issue for the development leaders wasn't a campaign to reject the convention center. All of Owensboro's important business institutions had supported the 2009 tax increase that would pay for it. Rather, Miller, Brake, Wassmer, Kuegel, Higginbotham and other leaders were worried about its expanding size and cost at the expense of funding the remainder of the catalytic projects called for in the master plan. New details were steadily emerging in the regular public meetings of the steering committee, and through the network of internal channels available to the city's leadership loop. The conclusions that Miller, Brake and their peers reached about where the convention center design was heading were easy to make, and to them, disturbing.

In early 2010, the convention center was initially marketed as a kind of utility infielder—small, locally-focused, versatile, and moderate in

cost. Gateway Planning Group, the Texas-based town planning firm that drew up Owensboro's downtown development plan, recommended a \$20 million, 80,000 square-foot facility capable of holding sporting events, indoor tournaments, concerts, and conventions.

At that price, the convention center budget readily fit into the long list of other downtown development projects – a market area, a park on the river distinguished by a state-of-the-art water jet fountain, the re-invention of Second Street and Veterans Boulevard as walkable urban destinations, a first-class hotel, new urban residential buildings, and the like. Gateway Planning envisioned a downtown Owensboro that would be exciting to visit and a great place to live. In the fall of 2008, Gateway presented the plan to the city commission, which formally approved it in January 2009 as the blueprint for rezoning downtown and setting in motion a comprehensive list of infrastructure projects.

In March, 2010 Payne and Reid Haire, then Daviess County Judge Executive, formed the seven-member steering committee to decide the convention center's design. One of the committee's first acts was to agree to a \$200,000 consulting contract for expert assistance for the convention center with a Louisville-based firm. By May that year the new consultants suggested that the city and county drop the idea of incorporating sporting events into the building's design.

In October, after considering applications from 26 architecture firms, the steering committee selected a Louisiana-based group, Trahan Architects, to design the building.

The City's Leadership Loop Reacts

By January 2011 the steering committee had approved a preliminary concept for the building that was a jolt to prominent civic leaders outside City Hall. The Trahan concept called for a building encompassing almost 145,000 square feet and costing \$30 million to construct.

In February, Trahan and the committee displayed the first drawings that described such a building but also suggested the construction costs had grown to \$32 million.

With each change in the building's dimension and expense, members of Owensboro's leadership outside of City Hall grew more agitated. "The new park, walkable streets, more shops, the farmers market, outdoor pavilions," said Miller in an interview. "The Gateway Plan stressed building downtown into an experience for residents and visitors. But all the money started going to the events center. The plan was being changed and there wasn't much public discussion about it."

Though the rising numbers were much discussed among EDC and Chamber of Commerce board members, most of whom knew each other by growing up in Owensboro or by serving on the region's interlocking web of college, business, and non-profit boards, all understood the potential consequences of formally raising their concerns with Mayor Payne. In other words, how hard was Owensboro's leadership loop willing to lean on the man currently sitting at its hub in order to compel him to blink?

It was a serious question. Payne had indicated to EDC board members, said several in interviews, that he was prepared to cut city funding to the Centre For Business and Research, a new business incubator overseen by the EDC that was producing new jobs and actively recruiting new tenants. He also put into play, but hadn't acted on, an idea to increase the city's room tax by three percent in order to fund a city-managed visitor and convention marketing office, a direct swipe at the existing convention and visitors bureau. Raising the room tax would make Owensboro's hotel and motel tax the highest in the state.

At first, leaders tried a gentle, private, but insistent approach. Higginbotham placed a call, according to several EDC board members. So did several others. Payne, they reported back, was intent on building the center at the size Trahan proposed. Payne asserted that data Owensboro had amassed from the steering committee's experts warranted such dimensions. The city's consultant conducted a market study that found that Owensboro's convention should measure 98,000 to 143,000 square feet.

The city, Payne predicted, would attract enough traffic to support a big riverfront-gathering place. Miller and other leaders disagreed. Her research, and interviews with convention and visitor bureau execu-

tives in and outside Kentucky, indicated that Trahan and Owensboro might be pursuing an outdated business plan. The total number of big conventions was declining. The convention business is highly competitive. Would Owensboro really succeed in filling such a big and expensive building, especially if it resulted in stripping out elements of the downtown development plan that would attract more visitors?

"Where's the marketing plan for this project?" she asked her colleagues. "What is the reason for the project being that big? We started with 90,000 square feet. Who is going to sell it and how are they going to sell it? Who's going to pay for it? Has anybody reached out to the state organizations that historically have annual conferences? Are they interested in coming here?"

Leaning On The Mayor

In April, Kuegel and several EDC board members secured a meeting with the mayor to talk about these sorts of questions, and describe their fear that moving from Gateway Planning's \$20 million, 90,000 square-foot project to Trahan's 145,000 square-foot, \$32 million concept would prompt a backlash when the numbers were made public.

In interviews, Kuegel and others in attendance said the mayor dismissed their concerns. Kuegel recalled that Payne calmly eyed the small group and said "'Hold on!' We're not talking about the Gateway plan."

It was the last time the EDC met with the mayor, said Kuegel. "We'd gotten as far as putting another meeting on his schedule just a few weeks ago with the EDC and the Chamber of Commerce," said Kuegel in mid-July. "But he called that morning and cancelled."

Meanwhile, the Greater Owensboro Chamber of Commerce also was putting its concerns in front of Payne. The organization's leadership felt its credibility and the city's prospects were on the line with the decision on the convention center's size and cost. The Chamber's support for the 2009 tax increase was essential to the measure's passage, a rare act by any chamber of commerce, few of which endorse tax increases. The Chamber decision, said Executive Director Was-

smer, “cost us a handful of members.”

On April 25, 2011, Wassmer and a group of the Chamber’s executive committee held a mid-morning meeting with the mayor and Bill Parrish, the city administrator. Two Chamber board members who had served on statewide association boards, and had participated in decisions on where to hold conferences, told the mayor they would not recommend Owensboro for an event, said Wassmer in an email message. Why? Because the city did not have enough hotel rooms downtown.

“It’s fair to say those educated opinions were dismissed by Payne and Parrish,” said Wassmer. He added: “Conference attendees like to park their car when they arrive and have all events within easy walking distance. Any conference with more than 150 attendees will not allow for that with the current hotel configuration.”

In an interview, Payne describes why he’s driving the project so hard. He walks to a corner of his City Hall office and points to a map of metropolitan Owensboro. There are more than a dozen sticky notes, like yellow butterfly wings, fixed to the map. Each designates the title, location, and cost of a local construction project either recently completed, underway, or planned. The total value of the projects is over \$1 billion.

“We talked here for years and years, got really good about doing studies,” Payne says. “I came in absolutely determined to get something done, something important enough to be worth being mayor. We’re starting to have young people move back after they’ve spent time in other places. When this convention center is built this will be the most beautiful riverfront on the Ohio.”

It’s Not Personal, It’s Policy

“This is not a power struggle,” Kuegel insists. “If we just sit back and go along with what’s happening, and the convention center cost gets to \$50 million, the next group of leaders has to raise taxes. And that becomes a real problem for the city.”

Kuegel and the other people raising concerns puzzled over the next step. The quiet diplomacy to convince Payne to justify the center’s growing size and cost didn’t work. But business leaders were wary of taking their concerns public. Such a move might be interpreted as an act of condemnation that could put the convention center in political jeopardy, a consequence none wanted.

“The real problem is how negative you’d have to be to really pull it back,” said Kuegel. “We don’t want to be negative.”

Al Mattingly, the Daviess County Judge Executive and a member of the steering committee, is nervous for the same reason. A former city commissioner who narrowly lost mayoral races in 2004 and 2008, Mattingly is a pragmatic conservative who worries about the mood of his constituents. The 2009 vote to increase the insurance tax aggravated people.

“As the architectural rendering and the financing becomes visible, it will reignite controversy,” he said in an interview. “Grumpy will come out.”

“Even if it’s the best thing, the right thing to do,” Mattingly added, “the process isn’t good and it feeds discontent that has long festered. But the community has now placed its bet and cannot really take it back. We have to hope for the best.”

To Fund Publicly Or Not?

Publicly funded projects, which traditionally serve as cornerstones of the American economy, are not easy to build anymore. Though residents of Owensboro generally understand the logic of economic competitiveness, and accept the necessity of developing new wealth and jobs, the basic mortar of public agreement to achieve those goals is fracturing.

What’s causing conflict in Owensboro and nearly everywhere else in the United States is not simply disagreement about the government’s appropriate role in economic development but also how much, if

anything, taxpayers are expected to contribute?

Even in Owensboro, where civic progress of late has been marked by public decisions to finance and embark on momentous public projects –roads, flood control, river port modernization, airport runways, higher education infrastructure, downtown development plans, ball fields that attract big tournaments, riverfront parks, and a convention center – the value that residents hold in taxpayer-financed investment is far from decided.

This is a place, after all, that more than 20 years ago was prompted by such fear of economic stagnation that it invested \$100 million in taxpayer financed incentives to attract a new Scott Paper Company plant and its 350 jobs. Landing the Scott plant was widely viewed as an important boost to community morale. It occurred during a time when several major manufacturing plants had closed and unemployment was around 13 percent to 14 percent. There was a sense in Owensboro that city leaders needed to “do whatever it takes” to recruit Scott. Bumper stickers, posters in storefronts, and rallies on the riverfront were all part of the campaign and the incentive package involved state assistance as well as local government funds.

But the investment was driven by an obsolete approach to development. Over the next decade the city and county, like listless ships, bobbed on the sea of slow growth, middling new business starts, and stagnant median incomes.

Two years ago, following a burst of new thinking and energy about the value of a thriving city center to encourage new development, a good deal of it influenced by a strategic planning program initiated by the city commission, Owensboro tried again. On February 3, 2009, in a decisive moment considered either a heroic act of statesmanship or political suicide, city commissioners and the county fiscal court voted 7-2 to increase taxes on insurance policies. The vote, which came amid an ice storm and in the teeth of a grinding national recession, was meant to raise \$80 million for downtown development projects, including the convention center.

“We knew it would be very unpopular,” said Haire, then the County Judge Executive. “It cost some their political careers. But I’d traveled

to so many communities about the same size and seen decline. Seen some of them die. I felt that we’d join the club of communities that merely used to be. So it was either do something bold or stay with the status quo and babysit the community until deterioration set in. In a way there wasn’t a lot of choice. We had to do something significant. No doubt that downtown needed to be the target.”

Just as Haire predicted, a year later the tax increase emerged as the central issue in local elections. Of the seven officials who approved the hike, just two remain in office; two were defeated and three did not seek reelection. Both of the officials that disapproved were easily elected to the Daviess County Fiscal Court, now dominated by fiscal conservatives.

Owensboro’s capacity to generate big pools of public funding is clearly in abeyance. Reviving that tool appears almost entirely dependent on how well the downtown development project performs as a generator of new business, jobs, housing, and public excitement. The question may boil down to whether the original strategy -- building a balanced package of projects -- will be replaced with a much more aggressive convention center strategy.

The convention center, very plainly, is the anchor investment and will be viewed as the central metric of the new downtown’s success or failure. Certainly money is required. But success also demands a strong civic operating system capable of identifying new market opportunities, marshaling support, adjusting to unexpected events, and competently executing complex projects.

On July 20 and the days that followed Owensboro’s operating system underwent an important test.

Big Days Of Governance

Though there were friendly smiles exchanged, warm handshakes, and polite hugs, a current of anticipation and frustration also was apparent on City Hall’s fourth floor when Mayor Payne called the July 20 steering committee meeting to order. Early in the hour-long event, the

source of the room's pitched energy emerged.

Two of the principals from Trahan Architects displayed renderings of an impressive angular steel and aluminum building enfolding contiguous zones of glass. They described publicly for the first time that the convention center's dimensions had grown again, to 169,000 square feet, and that the cost of construction could be as much as \$36 million.

When added to the other expenses – land, design, utilities, equipment, furniture, and fees – Owensboro's convention center would not only be among the largest in the state, it would cost \$47 million to \$49 million.

The following morning, Thursday, the *Messenger-Inquirer* reported on the new size and cost with a banner headline article. The day after, Karen Miller hosted a Friday morning meeting with Nick Brake and Rod Kuegel from the EDC; Jody Wassmer from the Chamber of Commerce; Brian Smith, the chair of the Convention & Visitor Bureau board; and Rick Hobgood, a local investment advisor.

"I thought we needed to be more vocal," Miller said. "I think the one piece that propelled me more than anything is that I want this to be a fair process. I want the city to listen to people who have firsthand knowledge. I was determined to bring that information forward.

"My feeling is the city doesn't need to sign on the dotted line until it has a marketing plan that says who is the audience, how are you going to go about the sales and marketing, and who will do the marketing for this center."

"We did not meet with the idea of having a press conference," Miller added. "We met to explore different things that could be done. We felt like this was the best thing to do to really raise awareness. It lasted 90 minutes."

Will The Mayor Push Pause?

When the meeting finished, Rod Kuegel, who's known the mayor for

years, anticipated that a news conference could prompt Payne and the steering committee to pause, at least for a bit, to consider the growing anxiety about the size and cost of the convention center.

Good governance in a democratic society is about flexibility. Communities need leaders who stand up for principles but not in the way of progress. Payne is a capable leader. Kuegel felt a news conference by the Chamber and the Convention & Visitors Bureau would send the mayor and the committee a strong message without embarrassing or cornering them.

"I know Ron," said Kuegel. "He pushes everything to the limit, and then he pulls back."

And that's what happened. At noon on Tuesday, July 26, the Greater Owensboro Chamber of Commerce and the Owensboro-Daviess County Convention & Visitors Bureau held a news conference that was a highly visible and rare public display of opposition from the business sector. The two groups strongly endorsed the convention center in concept, but rebuked the mayor for what they described as an overly furtive design review process.

Payne Blinks

Hours afterward, Payne abruptly cancelled the special review committee meeting and announced a news conference of his own for July 27. There, Payne said that the city would work with the Public Life Foundation to sponsor three public events the fourth week of August. The purpose: to provide citizens with ample opportunity to consider the convention center's new design, and for the city to make its case for the center's size, utility, and anticipated cost.

Payne acknowledged that he and his colleagues in the city administration had not kept the public adequately informed about the nearly 90 percent expansion in the center's dimensions and the \$30 million spurt, to nearly \$50 million, in the projected cost.

But Payne, ever steadfast, vowed to gain closure on the convention design and move to the construction phase. He said the steer-

ing committee would receive a report on the public meetings and convene on August 31, when it would vote on the project. The same day, the Industrial Development Authority would decide on authorizing construction bonds.

"I'm confident that after they hear all of the work, all of the information that we have, that the public is going to support this," said Payne.

"We are sending signals out of this community throughout this nation that this little city is on the move."

Keith Schneider, a New York Times writer since 1981, also founded and directed the Michigan Land Use Institute, one of the nation's premier smart growth organizations.