

January 2, 2007  
Letter to the Editor  
The Kentucky Post



## OVATION SHOULD GET IN LINE – WHY NOT IN THE FRONT OF THE LINE?

The Kentucky Post editorial board raised new big points for debate when they wrote about the proposed center city project dubbed OVATION. They wrote on December 21<sup>st</sup>:

“We believe public institutions have first claim on any State dollars. The needs of NKU and Gateway Technical and Community College and local units of government take precedence over those of the for-profit corporation ...”

Interesting perspective. Indeed, in recent history such higher education funding has been in the forefront, and economic development progress has been neglected. The last time I recall a direct development investment by the State into our urban core was 12 years ago! Then-Governor Brereton Jones called a special session to fulfill a promise to fund \$30 million to construct the Northern Kentucky Convention Center. The other time, 12 years before that, John Y. Brown in 1982 gave the City of Covington \$3 million in cash to acquire the land along the floodwall which gave rise to the Towers of RiverCenter. Two direct investments in 24 years.

Neither higher education nor economic development should have a higher priority. Were Northern Kentucky getting its fair share of State budgets, there would be plenty of money for both. We celebrate when the State transfers money from one pocket to another to build institutional buildings. The community believes that \$50 million or \$80 million invested into our educational facilities is a homerun, because we have grown to expect less than other parts of the Commonwealth. Now, as 2007 begins, we have an opportunity to do something economically as big as the international airport, and it is time for us with the help of our legislators to step up the expectations. Why should we put off redeveloping our urban core, the very heart of our identity for any cause when both can be funded?

Next question: Why should the State of Kentucky invest money to build parking structures for OVATION? Answer: Because the return to the State will be 20-fold, and will help to fund the institutional needs. Two examples are evident. The \$3 million grant in 1982 was catalytic to \$250 million in private capital investment, 4,000 jobs, annual taxes in the range of \$15 million to \$18 million, big raises for police and firemen and a renewed esteem for our urban center. Likewise, the Convention Center immediately gave rise to the Marriott hotel at RiverCenter, plus the Courtyard hotel on Third Street and supports multiple retail enterprises on a continuing basis. Newport on the Levee is a by-product of the Covington successes.

Economic impact computations indicate that OVATION, when fully developed, will contribute \$1.9 billion in taxes and other income to the governmental bodies, both local and State. Herein lies the difference between investment in public and private use of State money – leverage! When the State or local government assists a commercial development, additional private capital ranging from 10 to 20 times the amount will be invested, produces in turn an actual cash payback.

Developments like RiverCenter, The Banks in Cincinnati, and OVATION are designed to restore viability in our suppressed and neglected urban centers, but cannot go it alone. In Northern Kentucky the obstacles and risks are even greater. For example, success is dependent on building an elevated platform via parking structures, a cost other locations do not require. Did you ever wonder why so much happened on the other side of the River for years? Well, the flood protection systems, when constructed in the 1940s, solved one problem, but created a bigger one; stole our community's front door, created barriers to development, eliminated our connection to the River. Our urban cities have been orphaned behind walls for 50 years. It is essential that we create a podium of sorts at the height of the top of the levee as a way to reconstruct a front door, key to the views. Public parking structures achieved this in Covington, and the task is no different in Newport.

We at Corporex seek not grants, rather we seek a simple investment on the part of the State to build, own and operate a large parking structure, a leverage that will be paid back 20-fold. The monies may seem large to some, but are small in relation to the benefit and of course very slight compared to the State's annual \$9 billion annual budget.

OVATION is no ordinary opportunity. It is big, world-class, a unique development of business, retail, entertainment and living that will house 6,000 new jobs for the community and 1,000 urban homes. OVATION will complete a big piece of our urban vision, enhance again our sense of community, elevate pride and contribute greatly to the generations that will follow. What logic could justify needlessly deferring this project when so much progress is at stake, and there is a proven track record for performance and results?



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