



June 17, 2024

Governor Laura Kelly
Kansas Statehouse
300 SW 10th Ave., Ste. 241S
Topeka, KS 66612

Governor Michael Parson
Capitol Building
201 W Capitol Ave., Room 218
Jefferson City, MO 65101

Dear Governors Kelly and Parson,

We write today to urge you to renew and improve the “Border War” economic development truce between the Sunflower and Show-Me states. We respectfully ask you to immediately extend the spirit of that truce to our beloved Royals and Chiefs. While taxpayer-subsidized stadiums have regrettably become the norm, it is the taxpayers on both sides of the State Line who will ultimately suffer.

When inaugurating the 2019 truce, Gov. Parson said, “Sometimes common sense does prevail. Because you don’t have to be a scientist to figure out [the Border War] was a bad deal for both states.” Gov. Kelly echoed this sentiment, noting that the competition for new jobs and business development had “[spiraled] into something else that did not support the goal of new job creation.” Those sentiments were true then and remain so today.

The Kansas City Metro may be divided by a state line and numerous jurisdictions, but it is one vital community in America’s heartland. If state and local leaders allow a bidding war over stadiums to occur across all levels of government, then one set of taxpayers will ultimately be left with a deal that will likely exceed what Jackson County taxpayers rejected in April. Yet, the same people from across the region will still be able to attend games or visit the surrounding commercial and retail districts. The only difference will be which direction they travel to and from the games.

It is worth repeating the economic analysis you have certainly heard—these projects do not benefit taxpayers or the overall economy. “Nearly all empirical studies find little to no tangible impacts of sports teams and facilities on local economic activity, and the level of venue subsidies typically provided far exceeds any observed economic benefits,” according to the *Journal of Economic Surveys*. Articles in both the *Journal of Public Policy* and the *Journal of Urban Affairs* support these findings. These subsidies never live up to their economic promises; they only divert funds away from important city and state services.

We need look no further than the Zona Rosa development in Platte County (MO) or Kansas's own Division of Legislative Post Audit on STAR Bonds to see how these programs do not work as promised but only increase risk to public funds.

Subsidized projects do not work for taxpayers largely because ongoing economic activity is merely shifted. Citizens have no *new* money to spend; they are just spending existing dollars elsewhere. That shift must come at someone else's expense. We would simply be shifting money spent at Town Center Plaza or the Country Club Plaza to some new location within the Metro area.

Instead, let this be an opportunity to rekindle the bipartisanship you both spoke of in 2019, not only to save taxpayers the burdens of a stadium bidding war, but to inaugurate a national discussion about ending economic bidding wars between states.

Kansas and Missouri have a unique opportunity to explore the use of Interstate Compacts to codify and extend our Border War truce across the country. As of 2022, 18 states have considered legislation to end these economically harmful cross-border subsidies. The Carolinas, New York and New Jersey, and other metropolitan areas face the same problems that our region does.

You have before you a truly unique opportunity to again speak with one voice on an issue that bedevils policymakers across the country. Everyone will be watching. Honoring the spirit of the Border War truce is not only the right thing to do for our two states; it will serve as a national example and a call to end all border wars across the country.

There will still be opportunities for our states and municipalities to compete through public policy, the real Border War of KU v. Mizzou, and barbecue. That is as it should be. But throwing public dollars at a competition you have both conceded was a bad deal for job creation serves no one.

Sincerely,



David Trabert
CEO
Kansas Policy Institute



Brenda Talent
CEO
Show-Me Institute

CC: Mayor Quinton Lucas, Mayor Tyrone Garner, Missouri and Kansas legislators, Metro-area county commissioners and city councils