

Tuesday, Feb. 2, 2010
Posted on Tue, Feb. 02, 2010

Hotel deal may be as good as it gets

Wichita City Council members surely wish they could land another high-quality hotel for WaterWalk without the use of public funds and incentives, and that the proposal for a \$12 million Marriott Fairfield Inn and Suites had come up when the public mood wasn't so hostile toward government and its spending.

When the council and Mayor Carl Brewer consider issuing a letter of intent for the Fairfield Inn today, they need to ask a lot of questions, hear out the opponents, then do what seems best for the city at this time.

That may mean swallowing hard and proceeding with the deal, which calls for developer Four-G LLC to receive \$2.5 million from the city to help pay for construction (to be paid back eventually by the hotel's guest taxes), involves the use of industrial revenue bonds and sales-tax exemptions, and would create a "community improvement district" allowing the hotel to add a 2 percent sales tax on its sales, primarily rooms. The hotel developer also would give \$760,000 from an anticipated bank loan to WaterWalk developers for rights to develop on the site.

It's an unusually complicated arrangement that has given council members pause, and for good reason. They were smart to allow three more weeks for consideration and public input.

But it's hard to see a "request for proposals" process and more delay sparking a true competition among developers — or changing the minds of critics opposed to public incentives under any circumstances.

WaterWalk and downtown in general have had ample time and opportunity to attract top hotels on their own, without some incentive from City Hall. It hasn't happened.

Meanwhile, the lack of downtown hotel rooms was part of why the new Intrust Bank Arena lost the NCAA men's basketball regionals on its first try. Go Wichita, the local convention and visitors bureau, calculates that it's also lost seven conventions of national trade associations and six of religious associations because of insufficient hotel rooms within walking distance of Century II. It views up to 1,000 committable rooms in the downtown area as necessary to be competitive with other cities within the Midwest region including Oklahoma City and Overland Park (only 600 of the current 1,000 rooms in downtown Wichita are "committable," meaning they can all be booked at a given time). The 130-room Fairfield Inn would help, giving "price-sensitive" visitors an alternative to the city-owned Hyatt Regency Wichita and creating "potential for more demand for larger groups that require rooms from multiple downtown properties," in the words of a new consultant's report.

All in all, the risks to the city seem reasonable, and the rewards could be significant.

This looks like a strong proposal involving a proven developer, and a way to further the success of the WaterWalk development and the city's convention business. Given the economy and the slowness of lending, it also may be as good as it gets.

— For the editorial board, Rhonda Holman