

A Few Simple Questions

[from] David Schankula, Joe Sonka, and Willie Davis

Dear Mayor Newberry,
In January, at the Bluegrass Ball in Washington, DC, you told local blogger Joe Sonka, of the website Barefoot and Progressive, that CentrePointe construction would be underway within two weeks. That was nearly a month ago.

What happened?

At the same event, you told local writer Willie Davis: "CentrePointe is on track to be built. Progress is continuing." When asked about the crater in the ground where Downtown Lexington used to be, you expressed no remorse. "Look," you said, "it's a step that had to be taken. Whether it's CentrePointe or something else, it's the first step to building something better."

Other than a mud pit, what did you mean by "something else"?

I don't know if you saw the news this week. Marriott had an earnings call announcing a \$10 million fourth-quarter loss, due in part to a \$55 million charge for staff cuts and canceled projects. Their CFO said :

"As we look ahead beyond 2009 U.S. hotel supply growth is likely to substantially trail demand recovery. This is the reverse of the situation we will encounter this year but it is clearer than ever that the brakes on new construction are being and will be applied more dramatically than ever before. This is not likely to change for some time.

....

There is obviously more risk in the rooms that are financed but not under construction yet than there are on the rooms under construction and the most risk on the projects that maybe we have received a franchise fee and it has been approved and we have got signed contracts but they haven't either financed or started construction."



Photo by Rhea Kennedy

Willie Davis and Joe Sonka (right) interviewed Mayor Newberry at the Bluegrass Ball (aceweekly.blogspot.com)

Show Us the Money

CentrePointe Marriott & Foreign Financing

By David Schankula

Business Lexington recently ran an interview-cum-press release with Webb Company's chieftan Woodford Webb. (Webb is the Commerce Lexington Board Chair.) Here's an excerpt:

"BL: What is the status of the Webb Company's downtown project, CentrePointe?"

WW: One of the things that the community and your readers may want to realize is that the appeals by some of groups, Preserve Lexington in particular, they didn't burn off and expire until January 4, which really slowed some things down. And you have to realize that this is a large project and to finalize architectural plans and permitting processes does take some time. But I think we're really poised to report some very good news here soon. And so the hope is that by this spring you'll see a lot more activity than you see now.

BL: I don't think people could be faulted in these times for wondering if the finances are there?

WW: The finances are there."

Apparently that answer is good enough for BizLex. And why shouldn't it be? Mayor Newberry and perhaps too many of our state legislators are similarly willing to take that Webbs' word for it.

It's been the Webb Companies' strategy from the outset: Blame those who tried to save the block from becoming a pointless mud pit, assert a truth you're not willing to defend, claim Marriott remains gung-ho about the project, and insinuate some foreign Arab big \$\$\$ is backing the deal.

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—Arne Sorenson, CFO of Marriott

Mayor Newberry, what's going on with CentrePointe? Where is the money coming from? What is that "something else" you have planned for the hole in the ground? Why won't you or the Webbs answer these very direct, very basic questions?

Sincerely,

Joe Sonka, Willie Davis, and David Schankula

But just because our Mayor and those boys in Frankfort aren't willing to look a little deeper, it doesn't mean we can't. Let's start with the Friday, February 13 *Wall Street Journal*:

Marriott International Inc. slipped into the red during the fourth quarter, as leisure and corporate travel dried up across the globe.

Company executives warned the lodging business could deteriorate further this year.

The hotel company reported a fourth-quarter loss of \$10 million.... Revenue per available room, a key hotel-industry measure, dropped 7.5% at Marriott's properties world-wide.

The Bethesda, MD, company also reported a \$55 million charge for restructuring costs as it cut staff and canceled projects.

Canceled projects! Say it ain't so. Let's see — there was that Marriott that destroyed a city-wide block in Downtown Austin.

There's the \$100 million Marriott in South Florida that would've been built on city-owned land in the downtown historic district. In scrapping that one, developers blamed the economic downturn and their worry about "the city's ability to build a promised parking garage after its estimated costs quadrupled to \$48 million."

The Marriott in downtown Fort Wayne, IN is still on hold while its developer hunts for financing. And there's another stalled Marriott in downtown Birmingham, AL.

The list goes on.

Oh, and then there's Marriott International's "Earnings Call" with investors Thursday February 13. It's delightful reading, but if you don't have time, here's a taste, straight from the mouth of Arne Sorenson, CFO of Marriott:

"As we look ahead beyond 2009 U.S. hotel supply growth is likely to substantially trail demand recovery. This is the reverse of the situation we will encounter this year but it is clearer than ever that the brakes on new construction are being and will be applied more dramatically than ever before. This is not likely to change for some time.

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And if all of that wasn't enough for you, here's a little peak from the *New York Times* at how things stand on the economic front in the Middle East, where this phantom funding supposedly comes from:



"With Dubai's economy in free fall, newspapers have reported that more than 3,000 cars sit abandoned in the parking lot at the Dubai Airport, left by fleeing, debt-ridden foreigners (who could in fact be imprisoned if they failed to pay their bills). Some are said to have maxed-out credit cards inside and notes of apology taped to the windshield.

....

Some things are clear: real estate prices, which rose dramatically during Dubai's six-year boom, have dropped 30 percent or more over the past two or three months in some parts of the city. Last week, Moody's Investor's Service announced that it might downgrade its ratings on six of Dubai's most prominent state-owned companies, citing a deterioration in the economic outlook. So many used luxury cars are for sale, they are sometimes sold for 40 percent less than the asking price two months ago, car dealers say. Dubai's roads, usually thick with traffic at this time of year, are now mostly clear."

But, hey. Who are we to question the Mayor and the Webbs? What do we know?

There is no need to worry about the CentrePointe financing. The financing is there. Leave the economic questions to the experts.

Ceci n'est pas une hole in the ground. ■

(Read more at aceweekly.blogspot.com.)

Watch This

One World Film Festival delivers diversity

For everyone who said "what Lexington needs is a Film Festival," the answer came in 1998 when the non-profit One World Films was created in Lexington. Since then, they've been showing movies that you'd often be lucky to find on DVD or Sundance, much less at a theatre. You probably remember reading the great reviews of *Under the Same Moon*, for example — a feature film telling the story of one nine year-old boy living in Mexico with his grandmother, who sets out for the U.S. to find his mother — but you never had a chance to see it. You might've loved Pete Seeger's performance inauguration weekend, but you probably haven't seen the documentary of his life, *Power of Song* (it plays this Thursday at the Kentucky).

And when you watch the Oscars this Sunday — even if it's only to root for Lexington native Michael Shannon — you probably won't be familiar with most of the documentary nominees, like *War Dance* (which plays at the Library, March 1). And you might know *Slumdog Millionaire*, but you probably never heard of *Amal*. Now you can see them too.

The mission of One World Films is to increase awareness of issues particularly those of culture, race, ethnicity, sexual orientation and gender that challenge the increasingly diverse population of Lexington and the Bluegrass area.

Discussions follow the films.

Pete Seeger: Power of Song

Thursday Feb. 19, 7pm, Kentucky Theatre

With songs, stories, interviews, and film clips, the film chronicles the major humanitarian and ecological causes of the 20th century, through which the lives of Pete Seeger, his family, and friends are woven.

Reception following film sponsored by Woodsongs Volunteers

Moving Midway

Sunday Feb. 22, 2pm, Lexington Public Library Theater

This film is ... well, nothing like what happened when the Dame moved from one end of Main to the other. When commercial development and a busy highway begin to encroach on Midway Plantation, a beautiful antebellum house near Raleigh, NC, the owner decides to physically relocate the whole plantation. Godfrey Cheshire — a former film critic and cousin to Midway Plantation's owner — documents the move.

Alicestyne Adams, Director, Underground Railroad Research Institute, Georgetown College, will lead an audience participation conversation following the film. Reception following film sponsored by the Human Rights Commission

A Walk To Beautiful

English & Amharic with Subtitles (53 min.)

Thursday Feb. 26, 5pm and 7:30pm, Kentucky Theatre

This documentary is the story of three Ethiopian women, rejected by their husbands and ostracized by their communities. Socially and physically stigmatized, they leave their homes in search of medical treatment for obstetric fistula, a condition caused by obstructed labor during childbirth.

Reception following film sponsored by The Muslim Women's Council of Kentucky

War Dance

Sunday Mar. 1, 2pm and 4:30pm, Lexington Public Library Theater

2008 Academy Award Nominee for Best Documentary Feature Set in civil-war torn Northern Uganda, this film follows the lives of youngsters who attend school in a refugee camp and momentarily forget their struggles on their trip to their nation's capital to participate in a prestigious music festival.

Reception following film sponsored by The International Hospitality Program, University of Kentucky

Outsourced

Sunday Mar. 8, 2pm and 4:30pm, Lexington Public Library Theater Romantic comedy overlays a sharp satire that shows the human side of the frustrations brought about by today's "global economy." A sales manager in Seattle, whose department is being outsourced to India, is sent to Mumbai to train his successor and in the process learns about globalization.

Arranged

Thursday Mar. 12, 5pm and 7:30pm, Kentucky Theatre This film explores the world of orthodox religion (Islam and Judaism), the practices of arranged marriage, and the evolving friendship between two young women.

Reception following film sponsored by The Central Kentucky Council for Peace and Justice

Up the Yangtze

Yung Chang, Director

Mandarin with English Subtitles (109 min.)

Thursday, Mar. 5, 5pm and 7:30pm, Kentucky Theatre *Up The Yangtze* had its U.S. premiere at the 2008 Sundance Film Festival. It portrays a farewell cruise up the Yangtze River in China, where the enormous Three Gorges Dam is under construction. Aboard the luxury cruise ship are prosperous Westerners waiting to catch a last glimpse of the classic river landscape before it is inundated by the dam's rising waters.

Under the Same Moon

Spanish with English Subtitles (109 min.)

Sunday Mar. 15, 2pm, Lexington Public Library Theater

A full-length feature, *Under the Same Moon* shows the painful dilemma of Mexican "illegals" living and working clandestinely in the U.S. and the loved ones they are supporting back home. The film tells the story of a nine-year old boy living in Mexico with his grandmother, who sets out to find his mother in the U.S.

Amal

Hindi with English Subtitles (101 min.)

Thursday Mar. 19, 5pm and 7:30pm, Kentucky Theatre

A multi-layered portrait of contemporary India, this feature film was shot in New Delhi and takes the form of a modern-day fable.

The Year My Parents Went on Vacation

Portuguese with English Subtitles (105 min.)

Sunday Mar. 22, 2pm, Lexington Public Library Theater

In 1970s Brazil, young soccer fan Mauro is whisked from home and sent to live with his grandfather in the Sao Paulo Jewish ghetto. Mauro thinks his parents have gone on vacation, but they're escaping Brazil's political unrest.

Reception following film sponsored by Hadassah, Jewish Women's Organization. ■

