

# No Standing News

Since we have no standing, we stand with those left standing

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## When is a Bribe not a Bribe? When it's a "reimbursement in advance"

**"A rose by any other name..."** At the council meeting on September 15, a lawyer from Kaplan Real Estate Co. 'just happened' to drop by *to give the city \$37,000 for "certain TIF expenses"* expenses the city will have *only* if they vote to contract with Kaplan Real Estate Co. to develop the TIF project. Morgan, Butz and Petersen 'just happened' to have a resolution on the agenda that night with an 11 page agreement with Kaplan attached so the council could vote to accept the bidder's "contribution" without delay. With a **\$680,000** deficit budget for next year the council can't pay their start-up TIF expenses (the ones they will have only if they vote to adopt Kaplan's TIF Plan and hire Kaplan) so James Mello, the Kaplan Co. lawyer dropped in just in the nick of time. Some days are like that – just one lucky coincidence after another.

The council sat in frozen silence like deer caught in the headlights. We'd like to think it was because they were stunned speechless to be offered what had every appearance of a public bribe, but it was probably only because they don't know enough about TIF to think of a question. Mello twice asked if they had any questions? What questions was he expecting? Something like, "Are they small unmarked bills?" or "Could we do this in the alley?" Petersen jumped into the silence to explain (in case they weren't perfectly clear how this 'contribution' worked) that it will be delivered in two payments, they get the \$17,000 'sweetener' now ("up front cash" he called it) *but they don't get the next \$20,000 until after the council votes for the Kaplan development plan.* With Kaplan's money already in their pocket how likely is it that the council will decide the TIF project is too risky, not in the best interest of the public and vote to can the whole thing?

RDN reporter Bill Morrison politely described the transaction as a "reimbursement for future TIF expenses." Like Morrison's own appointment to the Police Personnel Board, the council seemed to be oblivious of the screaming impropriety in taking money 'for expenses' from the St. Louis developer who (with Petersen's enthusiastic help) is lobbying to get this \$15,000,000 contract. What message does this send about Rolla city government? That it's old fashioned to pass the money under the table now? That 'reimbursements-in-advance' from local developers and bidders will be accepted to pay the "up front costs"? This was less a message than a neon "Up Front Cash Taken Here" billboard.

It will occur to no one on the council that if Kaplan Co. is that anxious to get their hands on property at that high

traffic intersection it's evidence that it's very hot real estate and property that hot it will develop without TIF interference and without robbing other taxing districts.

**Wading deeper into the slime.** With the money safely pocketed, Petersen explained why he just had to close the TIF Commission meetings and council meetings to the public when they get down to the really touchy part that Kaplan Co. and the TIF Club don't want the public to hear – how Kaplan gets total control of \$15,000,000 in public funds, what they will do with it, what percentage they get out of it and how the taxpayers will get stuck with a lot of TIF debt if the retailers Kaplan brings in can't make it here and they leave. The Kaplan Co. draft of the TIF Plan that the TIF Commission is pretending to examine conveniently omits all those critical details. If TIF is such a boon to the public and if Kaplan and the city are doing this on the up-and-up why do they have to discuss how they will spend our money in secret? After taking the 'reimbursements in advance' if they sneak around dividing up the tax pie, it will all make interesting testimony in the condemnation hearings before a real Go-To-Jail Judge.

**The Fig Leaf Commission.** The TIF Commission is a fig leaf for the council. The week before the council took Kaplan's...ah... "up front reimbursement in advance" the TIF Commission met for only the second time since the Rolla City Council, with a casual vote and a carefully edited outline of TIF from John Petersen, set the TIF Machine loose on December 16, 2002. That's not exactly heavy lifting for a group that is supposed to be doing extensive due diligence to decide whether it's good public policy for the city to:

1. Throw their constituents in front of Guido's bulldozers.
2. Take the arrogant attitude that because they want to spend more than they can afford the city has the right to seize money voters gave to the county, school district and the disabled.
3. Risk incurring the long-term enmity of county and school district *shoppers* who will be forced to raise their taxes over the next two decades to make up for lost TIF tax revenues and the big question, whether,
4. Gambling public money on a retail development scheme during this economy is the proper activity for city government.

The last two hazards shouldn't be discounted. Kaplan Co. seems to think that if they build it we will shop. How does Kaplan know what Rolla shoppers will buy? With the Internet and mail order it's much too easy to shop

everywhere else and if all Kaplan can bring in is more cheaply made clothing and do-dad stores the city's retail gamble will go bust long before their TIF debt is repaid. The council is going to shoot craps here based on the whims of Rolla shoppers? No wonder anyone buying TIF paper wants 125% coverage to take the risk.

Of the two TIF representatives for the school district, **Superintendent Adams** and **School Board member Keith Strassner**, only Strassner showed up this time. Strassner should be protesting any attempt to deprive the school district of money; he is after all on the Rolla School Board, he is after all "for the children" and he was after all **Charlotte Wiggins** Co-chairman for the 80¢ tax levy increase and the school bond issue. The way the board spends money they need every dime they can get now – not 23 years from now, however, Strassner seems to be quite pleased with the city scheme to rob the school district of their taxes. If it puts a strain on school budgets for the next two decades, what the hey, they can always sack more teachers. **Tom Arnold**, representing the disabled had little to say. TIF Commission members, **Julie Turley** and **Councilman Harry Keifer** have not attended any TIF meetings. After the Fig Leaf Commission recommends the council adopt the Kaplan Co. plan the council will say they can't go against their appointed commissioners who surely must understand all the complicated things about TIF that the council doesn't know ...they do know don't they?

**Tom Thomas' Public Hearing Rules.** The Fig Leaf Commission had one other public meeting in August but the public didn't know it about it. At both meetings the TIF proponents, Kaplan Co. their lawyers, finance advisors and Rolla Development Czar John Petersen monopolized the floor to "sell" the TIF case to commission members. At the meeting on September 10, news of the "public" meeting leaked out and some citizens were present – mostly those living in the path of Kaplan's bulldozers. By unilateral order of **TIF Commission Chairman Tom Thomas** (not by vote of the TIF Commission members) only one side – the TIF side – was again allowed to speak to the commission. Chairman Thomas told the citizens the commission was only there to "learn about TIF" but the purpose of these "public" meetings was not for the public to take up commission time asking questions. One would think that the commission would extend some courtesy to these unfortunate people who will be the first victims of TIF but if one did one was wrong.

### City and School Board have 2<sup>nd</sup> Annual Chicken 'n Chew Dinner Meeting

The September 25th get-together was supposed to be a horse-trading session. Since the school board and administration have been so meek about going along with having 23 years of school property and sales taxes ripped off by the city, the Rolla School Board felt that they were entitled to some quid pro quo in the form of several monetary concessions from the City of Rolla but their 'quid' looked like an empty tin cup because the school board has no 'pro quo' the city wants. The Rolla School Board wants the city to put in the \$120,000 road

Chairman Thomas said if the Williams Road people had any questions they could write them down and give them to Petersen - or somebody. He told them they had to sign their writings or he, the TIF High Commissioner, would ignore them. Thomas kept explaining that he was "just a volunteer." It's unclear whether he felt this was an adequate excuse for his rudeness or for his unwillingness to listen to another point of view about TIF, or both.

"Shut up and Put It In Writing" is the same tactic that was used to suppress mounting public criticism and opposition to the Rec Center plans. (Thomas and his daughter Maggie were also involved in promoting that progressive experiment. Maggie Thomas is now married to RDN reporter Bill Morrison who reports on his father-in-law's TIF meetings.) The "Shut up and Put It In Writing" tactic worked well for the Rec Center lobbyists. They selected the few questions they were willing to answer and reworded or simply ignored the ones they didn't like. Consequently, glaring flaws in the Rec Center proposal and financial plan weren't exposed and worked out at the public meetings when there was still time to change the plans – those expensive mistakes are now surfacing in deficit city budgets. The most valuable part of the "Put-It-In-Writing" ploy is that it keeps the public, including city council members, from hearing weak answers to reasonable questions, weak answers from the TIF Club that might dangerously influence the final council vote on TIF - the less the council know about TIF the better.

(You too can sit in the "Shut up and Put It In Writing" cheap seats. The next TIF meeting is **October 1, at 5:30 p.m. in the Rec Center.**)

If it were not for the questions and comments of **Bud Dean** and **Gerald Pietsch** the County representatives on the Commission, the meeting would have been another Kaplan dog and pony show. Dean and Pietsch seem to be the only members who have researched TIF projects on their own and found that many of them have not been successful; most have been nothing more than schemes to get public subsidies for private developers who need public subsidies to protect them from high risk projects. When faced with one of Bud Dean's TIF examples – a "blighted" bean field - the Kaplan people admitted that TIF has been a bad development tool in some cases and they also admitted they have only had experience with one TIF project in Edwardsville - it flopped. These are the 'experts' and sole bidders the council picked to manage this complicated and potentially dangerous retail gamble?

at Mark Twain, (the back of the school will be the new front and the bus and car traffic will dump out on Soest Road) just one of many expenses the school board didn't think of in their rush to get the bonds passed. They also want to get out of building codes inspection and out of paying \$45,000 in inspection fees on the \$8.5 million in new construction. The issue of who gets dibs on the voters next April, the city and their \$6 million bond for Joe's Road or the school board and their 69¢ levy, was tap-danced but no conclusion was reached

because the school board was coy about saying when they would put up their 69¢ tax vote. **Superintendent Adams** said if they didn't get the 69¢ "the effect would be devastating" but not devastating enough apparently to fight the city raid on their tax revenues.

**School wants exemption from building codes and inspection.** "Crass," "callous," "penny-pinching" were just a few of the words that came to mind as Terry Adams pitched the reasons why the city should exempt the school board's four construction projects from all city codes inspection and the \$45,000 inspection fees. "We've never had our buildings inspected or paid for it," was Adams first cackhanded excuse. That major negligence of past boards is unfortunately quite true, in fact failure to comply with city codes and lack of regular fire inspection was a big factor in the admin building fire. "It will increase our costs" was Adams next lame excuse. School board member **Ralph Wilkerson** asked Adams the obvious question: "Why *wouldn't* we want codes inspection?" Adams replied, "There's a cost to it." Wilkerson's rebuttal, that there's also a cost associated with loss of life, should have been the debate killer since everyone sitting there has loudly professed to be "for the children" during the last two school tax elections, but Adams kept dragging his road-kill back on the table, he just wouldn't give up the idea of saving a few dimes even at the risk of the safety of thousands of children. Even after John Butz pointed out some of the obvious benefits of having code inspections for any construction Adams persisted in repeating his objection to spending \$45,000 of the \$8.5 million project budget on compliance with national building safety codes and again repeated the feeble excuse that the *school board has always been allowed to skip this inspection*. Butz pointed out that architects aren't always familiar with all the building and safety codes and they aren't on site every day. "*We trust the architects to comply with everything that should be done,*" Adams insisted. Sure, trust the 'experts' to approve their own work just because the state gave them a license. That's the same state bureaucracy that gave Corky Stack a license and look how well that turned out.

**Councilman Lou Magdits** asked who their owner's rep was on the project. The school people all looked puzzled. After Butz and Magdits gave them a tutorial on the virtues of hiring an independent construction manager to check up on both architects and contractors (the first time the city ever used one was on the Rec. Center) again a lame response from Adams. He said that **Aaron Zalis** (art teacher elevated to management) was keeping an eye on "things." Zalis said the architect promised to come down every two weeks from Kansas City to check on "things" too. Adams added they "hoped" there would be plenty of inspections. Well, golly we 'hope' so too but we just don't think it's likely. Lou Magdits told them bluntly "You're being short-sighted by not having someone there every day." Magdits was right, a contractor can pour a lot of watery cement and hide a lot of rusty rebar and salvaged wiring between those two-week inspections and The Art Teacher won't know the difference. Adams dismissed this good advice by saying hiring a construction manager was "Just another layer of bureaucracy." No codes

inspection, no construction manager, no fees, no fire inspection; all to save nickels and dimes while they're spending millions. If Adams and that school board ever again use their favorite "For the Children" cliché they ought to be tarred and feathered.

Butz left the council some wiggle room by casting doubt on the "legal authority" of the city to require the school district to comply with any public safety provisions if they really were determined to save the money. That was just in case he finds council members are swayed by what will undoubtedly be Charlotte Wiggins plea to exempt "our school partners" from compliance with the building safety codes. Wiggins often has this trouble remembering which group she was elected to. If Butz doubts the city's 'legal authority' to see that all public buildings are safe for the public he should consider the moral implications of leaving 4,000 children and staff members at risk and the legal liability of going on record to withdraw that safeguard.

**The TIF/School tax discussion.** Petersen started his TIF lecture by informing them that TIF is "process driven." That's Petersen code for "We've got to get this done fast before the cracks widen." **Frank Blum** asked about the condemnation of land for TIF and Petersen gave his stock reply that eminent domain was necessary to "assemble" the "package" or "no project would *ever* be possible." Translation: "We have to be able to use a Judge to put the heavy on people who have silly objections to this Fascist seizure of their property for commercial purposes." Wilkerson asked what explanation the school board could give their voters when, after raising their taxes twice, they let TIF take their new tax increases for the next 23 years; the likelihood being that they will have to ask for more tax increases to make up the loss? Petersen's curt reply was "*You can't lose what you don't have. Without TIF you don't have anything.*" Petersen's my-way-or-the-highway premise is "but for" his personal intervention Callen's corner will forever remain a wasteland.

Butz admitted that Warren Dean has plans for developing his property and Walgreen's also has plans (that pretty much blows up the "but for" excuse for TIF doesn't it?) and Kaplan doesn't really have any retailers on board yet for his TIF plan but his plan is the right plan and the city gets all those millions to spend so that naturally makes it a better plan than anyone else's plan. Wilkerson cited a recent report that in the KC area voters are turning down school and municipal tax issues because they're incensed at being asked to replace lost TIF revenues from the many TIF projects in the KC area. Petersen, ever the Dale Carnegie dropout, shot back that he doesn't care what goes on in KC or anywhere else.

Various quorums not being present there were no votes on any of the school board requests. The meeting ended with a homily from council member Charlotte Wiggins on the virtues of fiscal prudence in the hard times ahead. A bit much coming from someone who has had both feet in every city and school Tax-and-Spend issue for the last four years, don't you think? She said the city and school board should trade "value for value." Butz said, "But Charlotte, they don't have anything we want." That about summed up the whole meeting – nothing anybody wanted. The 40 or so fascinating slides of

dirt by Aaron Zalis bragging on their new Bray Storm Drain Sports Complex and the implications of the increased annual maintenance costs associated with it might have hurt their "value for value" bargaining position just a little.

**The Park Study.** The third and last "public" meeting for the park study was held on September 17<sup>th</sup>. The influence of the Focus Group, contractors and bicyclist's – the only people who were invited to the invisible second meeting - was evident; neighborhood parks are now passé, bicycle trails are 'in.' The survey results were interesting although the data was skewed by including Lions Club Park. The survey said most citizens were not in favor of selling any parkland. The consultant firm **"Is of the opinion that the sale of parkland for any purpose establishes a mindset that all park property is for sale and that the establishment of a park system is arbitrary."** The purpose of this park study was to

guide the city council in making public policy decisions about the parks. Public policy drives budget decisions and the allocation of budget resources to serve identified community needs and priorities. The final report will be presented to the council and the conclusions of the park consultants will be: **1.** Buehler Park should not be sold, (proof that Mayor Morgan is out of touch with the public) **2.** The council should buy more parkland on the Southside and, **3.** The city should have an in-depth plan for development of its underdeveloped parks. There was one good question from the audience that should have been on the park survey. If the city has an airport committee why shouldn't they have a Park Board or at least some mutant version like the one Morgan invented for the Rec Center? The consultants declined to comment. Morgan, Peterson and Kwantes sitting in the back row didn't comment either.

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TIF isn't just a city issue. No matter where you live, vote and pay taxes you'll feel the effects of the GREAT TIF TAX RAID for the next 23 years. Need to catch up? **Read NSN Vol. 1, #88 & # 89.**

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