

No Standing News

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

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Buying Corporate “Pork Parks” (part 2)

“You have a lot of tenants out there who want to be shown some appreciation... This shows the 1,500 employees that they are no longer second-class citizens, that they have the right to some amenities out there” - E. Bax delivering RCDC’s demand for a private park at Hy Point

It’s too bad the newspaper left out all details of the Chamber and RCDC’s Pork Parks at the June 19th council meeting because the discussions were full of headline material. We can’t decide whether the low point was when **Elizabeth Bax** told the council that they *owed it* to RCDC and the “second-class citizens” at Hy Point (who pay no taxes) to build and maintain a private park for them, or when we learned the Chamber was “offended” that the city would charge them interest and expected them to cut their own grass, or if it was the discussion of what to do about the stinking park toilets.

The council again interrupted more important city businesses to hold another ad hoc Park Board meeting. After way too much discussion about potties the council finally made a toilet commitment. **C. Ruck**, a plumber himself, was not exactly delicate as he described the feces on the walls and how the toilet sprays ah...“water” back on you when you flush. The council has to regularly micromanage such trivia because **Parks Director Ken Kwantes** can’t cope with routine maintenance decisions. At worst, this kind of thing should be decided for Ken at administrative staff meetings but it doesn’t appear that Administration has those – or maybe they don’t tell him when they’re having them. At best they should replace him with someone whose hand doesn’t have to be held over potty issues. Does **Chief Pikka** need the council to tell him when to rotate the tires on the patrol cars? Does **Solid Waste Director Brady** ask the council when to hose out the garbage trucks?

But let’s get back to the neglected “second-class citizens” at Hy Point. **Elizabeth Bax, RREC’s Economic Development Director**, was sent to deliver RCDC’s message that they “have a right” to a private park at Hy Point. These were her words: *“I look at this as a business retention, attraction and expansion issue. You have a lot of tenants out there who want to be shown some appreciation. This plan has been on the books and talked about for quite time...people are wondering when it’s going to happen....This shows the 1,500 employees that they are no longer second-class citizens, that they have the right to some amenities out there....This sends a loud and clear signal to the businesses out there that they are appreciated.”* They have rights to amenities? You mean if we spend enough money on their “amenities” to show our “appreciation” and if we are properly deferential to their “rights” they will no longer feel like “second-class” citizens? Making them feel loved and appreciated is, of course, the chief desire of all Rolla’s citizens. What...a...load...of...arrogant...elitist...crap.

The tone of a bunch of spoiled children having a tantrum wasn’t an accident or just poor communication, (this was not the opinion of all 1500 employees at Hy Point) it was the demand of

RCDC and the “I want what I want and I want it right now” landowners. Bax was reading from a typed list fresh from her meeting with RCDC and the misnamed “tenants” in the industrial park. They are not “tenants” they’re landowners but landowners with a difference – they don’t pay taxes on the land and buildings they own. We’re paying the taxes that provide the services they use but they think *we* should build *them* a nice private park and maintain it forever to show *our* gratitude? *They’re* being neglected when they’re the ones who aren’t paying public library or public park taxes, aren’t paying school taxes, aren’t helping the handicapped or paying for the city and county services they use?

Elizabeth, we suggest you change their diapers and send them to bed.

The RCDC park plan. They’re impatient for the city to build their park, after all, they ordered this “amenity” some time ago Bax said and it’s outrageous that the city hasn’t started the work yet. Bax told the council that the “tenants” propose forming a private association. *Some* of the business owners, she said, will contribute \$5,000 each for the park. They expect the city to pay the rest – whatever the rest comes to. After the city has completed the park to their satisfaction the city can lease the park to the Hy Point Tenants Association “for a nominal sum.” Then the city can show them more “gratitude” by maintaining it for them forever. Bax guesses the cost to be \$30,000 or more but she had no cost estimates. After Bax left, Butz said it would be more like \$50-\$60,000. Due to our appallingly selfish neglect of their “rights,” and knowing the extravagance of some of the tenants who will expect to be shown a *whole* lot of gratitude, we predict the price will be closer to \$150,000.

Last August, John Butz told the council they couldn’t afford to put a basketball goal in a city park because it cost \$20,000 so these token corporate contributions totaling \$15,000 won’t even pay for their basketball court. They also want a baseball field, a soccer field, a large pavilion, six picnic tables and a tree-lined, rubberized walking trail. Bax admitted there were little things like insurance and liability issues that would have to be addressed. Guess who the RCDC will decide should address them.

The **Briggs & Stratton** corporation made **\$2,654,875,000.00** (that’s billions) last year. The B&S corporation often build baseball fields for the communities where they have factories. Here, they’ve only offered to build one for the Hy Point Tenants Association. B&S pay no real estate taxes on ‘their’ multi-million RCDC-owned building. RCDC pays no taxes on it either because they lied about being a “charity” to escape all taxation. **Brewer** and **MoSci**, who also are enjoying tax exemptions given to them by the city, (this wasn’t enough appreciation?) might

contribute “something.” RCDC, who have their remaining 40 acres of Hy Point land priced at \$25,000 an acre, (that’s \$1 million when sold) may also chip in \$5,000 for this city-funded improvement to their property values. RREC has pledged \$5,000 of the money the city gave them to spend on economic development. They will claim this park is economic development. If parks are now economic development why is the council selling our parks? Well, they have to get the money somewhere to appease these corporate brats.

The Butz “public benefit” theory. After the closed session **C. Wiggins** asked if the Hy Point park would be a public or private park. Butz said it would be a private park. Wiggins replied emphatically, “Oh, no, public money - public park.” She’s right and that’s not just Charlotte’s preference - that’s the law. Butz - scrambling for something to help choke down this large greasy chunk of pork - said it would be a “public benefit.” The council groaned out loud at his flimsy fig leaf. This park, if it’s ever built, might be a “public benefit” to the children in the trailer park across from Hy Point and in the subdivision behind it. They’ve never had a neighborhood park to play in, but they’re probably the reason for the Tenants Association. Bax said it was to bring the tenants together so they could “speak with one voice” about their “vision and maintenance issues.” We suspect the real reason is to make sure no trailer park kids or “unauthorized” taxpayers ever set foot on this “public benefit.”

Another “who owns the land” mystery. Since the last council meeting when the question of ownership of the old lagoon at Hy Point came up **C. Sibley** had checked the records. He reported the courthouse has no recorded deed of the city owning the lagoon property – part of the original 120 acres the city sold to RCDC in 1967 for \$1. That doesn’t include the additional acres around Hy Point the city has secretly bought over the years with our taxes and also given away to RCDC. Giving RCDC all that free land wasn’t gratitude enough either. When Sibley pointed out the absence of any proof of city ownership, Butz claimed that the city did own it they just didn’t have a deed to it! As best we can tell, Butz said that probably the deed just didn’t get recorded with the County Recorder of Deeds because the property out there hadn’t been platted and... mumble, mumble. Whenever Butz is trying to get out of a jam he rattles, mumbles and jumps from one subject to another in desperate hope that he will stumble upon a plausible answer to bail himself out. This is called tongue-dancing. No one can decipher what he’s saying but the confusion he creates usually bumfuzzles the council enough that they back off. This time they didn’t. Butz tried again. He said Jim Sowers had just faxed him an old agreement between RCDC and the city dated November 25, 1974, where RCDC agreed to a dedicated easement for water lines and a sewage lagoon. He said this was approved by the council but nothing was recorded.

Another Butz version: He claimed that the city didn’t need deeds and they hadn’t used any for about 20 years and all they needed was a recorded plat but they had only been recording plats for 6-7 years. Yet another version: Butz was also sure the property had been transferred to the city a few years ago. He was referring to last time RCDC and the same cast of tax freeloaders wanted the city and state to build them a day-care center; another city-supported facility that only the people at Hy Point would be allowed to use. This seemed to contradict his first theory that title had transferred with the RCDC utility easement and the second

theory that they only needed a plat. Sibley still wasn’t buying any of this so Beger and Bushie are supposed to research the ownership of the old sewage lagoon at Hy Point and find a way to claim the city does own it. The explanation should be a doozy.

Regardless of whether the city owns the land, even if RCDC gives them the land, no matter what manipulation takes place to get our tax money for their private facility it is illegal for the council to give money or loan money to any private group or person for anything. The Missouri Constitution says very clearly that, “*No county, city or other political corporation or subdivision of the state shall be authorized to lend its credit or grant public money or property to any private individual, association or corporation...*” That is not difficult for anyone to understand. The city can’t legally build a private park for RCDC and they can’t legally lend money to the Chamber either. The reason both these proposals were not dismissed out of hand as they deserved to be is because the council is confused by their own history of law-breaking. They’ve violated the constitution repeatedly for RCDC’s benefit because they were told the ends would justify the means. The “ends,” they were told, would be a big economic development pay-off. They were right; it paid off big time for RCDC. RCDC has amassed a large valuable portfolio of land at the city’s expense. Because they repeatedly compromised the law the council lost control of their own resources and the city’s future. They didn’t foresee that the “ends” someday would be two tantrum-throwing corporations cutting to the head of the line demanding expensive parks while the city is drowning in a \$2.2 million deficit.

The Chamber wants their Pork Park rent-free

When Bax said the Hy Point prima donna’s “felt like second-class citizens” and they had “a *right* to some amenities” to show our “appreciation” she (they) may have been referring to the fact that the council has been talking for years about giving the Chamber their very own city-financed park. If the Chamber kids get a park the RCDC kids have to have one too. If they don’t get what the other kids get they’ll feel “unappreciated.” The council passed a resolution that night telling the Forestry Service that they *intend* to buy the property for \$511,000, or whatever the price turns out to be after the appraisal is updated. **Ruck** left the chamber and didn’t vote. **Eudaly** was absent, **Wiggins** didn’t vote because she works for the Forestry Service, **Hicks** and **Sibley** voted against it. The rest voted for it indicating that seven of your representatives are willing for you to make whatever sacrifices are necessary in order to pander to the Chamber. If the city is millions in the red but they increase spending and overhead for these prima donna’s, something’s got to go. What else are you willing to do without?

The Chamber won’t pay any rent. The next agenda item was the Chamber “lease” which requires the city to loan the Chamber \$47,092 for five years at 4.5% interest so the Chamber can take *the city’s tourism taxes* and make *the city’s payments* of \$25,550 a year to the Forestry Service so *the city* can buy the land for *the Chamber* to use. You’re right, it doesn’t make a bit of sense. Did you really expect it to when it was negotiated by the city’s Chief Dealmaker John Butz? To cloud what’s really happening the city’s tax money is just being shuffled back and forth like an offshore Columbian money laundry. The Chamber, is “offended” that the city would have the cheek to charge them interest. They deserve to have to pay it but legally the city can’t charge them interest. The city also can’t forgive or reduce these alleged “rent” payments in

any way that requires the city to subsidize the payments from the general fund. Any way you slice it, that's a loan of public funds. The same constitutional prohibition applies to the Chamber park and the RCDC park, "*No county, city or other political corporation or subdivision of the state shall be authorized to lend its credit or grant public money or property to any private individual, association or corporation...*" Any interest charged any price break or subsidy is unconstitutional. It's lending city money to private corporations. But forget the illegal interest, that's not the worst screw-up of this whole screwed up Chamber deal.

Unclouding the deal. Just as the GAO is making the city pay "fair market price" for the land, the city has to charge the Chamber "fair market rental." Governments can't undercut market prices for anyone – if they do it's called graft. If you untangle the 1993 Chamber contract and factor in this "rental" contract the bottom line is that the Chamber *isn't paying the fair market rent of \$25,550 a year to lease the property* from the city. In fact, they aren't paying any rent at all! What Butz won't point out to the council – or maybe he can't figure it out - is that as soon as the Chamber makes their last payment on the VC building in 2009, the Chamber is no longer entitled to receive 33% of the Motel Tax. Their contract allows 33% of the Motel tax to be used *only* for making mortgage payments specifically on the Visitor's Center building. (That was also a violation of the constitution but let's just deal with the current proposed violation.) When the Chamber is no longer making mortgage payments they no longer get the mortgage payment money from the tax. That part of the Tourism contract is ended and the tax money reverts to the city. The city keeps that 33% (about \$66,000) and uses it to make the payments to the Forestry Service themselves. They will have some left over to pay down their \$2.2 million deficit. If the city continues to give 90% of the Motel Tax money to the Chamber after 2009, as if they were still making mortgage payments on the VC building, it will be a breach of contract and a fraud on the taxpayers. But if the city is making the FS payments directly, what is the Chamber paying to rent the 9.4 acres and the buildings? Nothing. Not one dime. The cash shuffling "lease" Butz negotiated *for* the Chamber's benefit makes it look like the Chamber is paying rent but take away the 33% of the Motel tax that they aren't entitled to receive after 2009, and they aren't paying any rent. ***They're getting the whole property rent-free just for mailing the city's payments*** to the Forestry Service. Who but Butz could have come up with something so totally screwy and backwards? Will anyone on the council figure this out before it's too late?

C. Ruck asked who owned the Visitor's Center building. Butz said the Chamber owned it but he had no documents to prove it. After 13 years of paying the mortgage payments someone should demand to see the proof because Butz has three versions of this ownership too. At last year's budget meetings Butz proposed that the city toss the Chamber out and run the VC themselves, but they couldn't do that if the Chamber owns the \$290,000 building could they? On another occasion Butz said the Chamber had a "ground lease" for the property but no one has seen that either. Now he says the Chamber owns it. Which version is true? Shouldn't the ownership be sorted out before they sign more contracts and dig this hole any deeper?

Under council questioning, Butz admitted that the state could *take this historic property at any time*. If the Chamber was dissolved, if they lost their contract with the city or didn't want to run the VC anymore they could sell it or lease it to anyone who could use it for something else having nothing at all to do with

tourism. If it is their building they could move the building somewhere else. When their tourism contract and their welfare check expires in 2017, and if, as Butz suggested the city wants to set up their own tourism "bureau" and spend the tax money themselves, you can bet the city won't wind up with a Butz-type deal from the Chamber to rent their building. The Chamber will want blood *and* the city would still have to make the rest of the \$25,550 a year payments to the Forestry Service. These are all excellent reasons for dropping this whole scheme right now.

C. Hicks asked what would happen if the city didn't agree to buy the property. Butz admitted that *the Chamber could continue to run the Visitor Center by simply renewing the temporary 5-year operating permit from the Forestry Service*. He said the Chamber has been operating under this kind of permit since they built the building. Realizing someone might have spotted this easy solution, Butz put pressure on the council. "We made a conscious decision in '93-'95 to build that building with the tax," he said. ("We" did that did we? Why did "we" do that if "they" own the building?) Butz continued, "The intent was clear that we would buy that property." The intent may have been clear to Butz and the Chamber but that was when they all thought they could sell Buehler Park to buy the Chamber a private estate. That was before the price went from \$250,000 to \$511,000. That was before Butz and Morgan spent millions the city didn't have on Joe's Road, Joe's special fence and his 42-acre park. That was before the way over-budget city hall renovation, before the annual budget shortage for the Rec Center, before the Chamber demanded \$250,000 more in "park improvements" and before the line formed for corporate pork parks.

Butz told the council that because they had the Tourism, or Hotel/Motel tax, they *had to have* a Visitor's Center "bureau." That's totally false. State law does not require us to have a hut with sodas and toilets where people can relieve themselves and let their poodles poop in a park-like setting. That concept exists only in his mind because he wants the council to believe they are tied to the Chamber's building and must continue to fund a Visitor's Center at any price. The state law only says the tax must be used to establish a tourism "bureau" but it doesn't define what a "bureau" is. A "bureau" can be a tourist center, a home office or a City Hall phone number. A lot of cities have this tax but they prudently did not pay the mortgage payments for someone else to build themselves a \$290,000 building called a Visitor's Center on property neither party owned.

A vote on the Chamber contract was postponed because the Chamber board isn't happy with the council. They are "offended" that the city would charge them interest on money they want to borrow from the city treasury and they also "feel strongly" that the taxpayers should do all the maintenance on the buildings as well as pay for the park development for them too. Just cutting the grass will cost the city \$6,400 a year. Here's another group of over-indulged brats who need to be sent to their rooms.

The solutions: Just say no to both. The city council is at another fork in the road. They chose the wrong road 39 years ago and have been RCDC's vassals ever since. These demands will never stop unless the council tells them Rolla's taxes are for building up Rolla, not for indulging people who think they have the "right" to expensive displays of "appreciation" paid for by people who are having an increasingly hard time putting food on the table and buying gas to get to work.

Chamber Solution. The solution for the Chamber is simple. John Butz provided it and the council doesn't have to do a thing or spend a dime. The Chamber can continue to renew the Forestry operating permits they've been using for the last 13 years. They will pay \$25,000 a year in real rent to the Forestry Service. After 2009 they won't have any more VC mortgage payments. If paying \$25,000 rent and their mortgage payments for a few years out of \$220,000 gives them a cash-flow problem – tough, everyone has cash-flow problems. They can continue to operate just as they have been until their city contract runs out in 2017. If someday the Forestry Service wants to re-occupy their property they can deal with the Chamber and the VC building issue but it won't be the city's expensive problem. The Forestry Service might rent the VC from the Chamber if the Chamber really does own it. This solution saves the city the cost of the land, the cost of development, the annual cost of repairs to the buildings and they won't be spending \$6,400 a year of our money to provide perpetual maintenance so pit-stoppers can use the \$511,000 "park" for a poodle potty.

RCDC Solution. This is even simpler. The Hy Point Tenants Association each contribute a year of the property taxes *they won't be paying for the next ten years* and RCDC can give the proceeds from selling one of their \$25,000 per acre lots. The 40 acres they have for sale will make them \$1,000,000 richer anyway so they won't miss the money. The Tenants Association can then build their own private park, gold leaf all the park benches and keep out the riff-raff.

What will the Mayor do? Our new Mayor, a long-time member of the RCDC, said very little during the amazing heel-drumming presentation of reasons why the city should placate the Hy Point prima donna's and put their "right to some amenities" above all the city's more pressing needs. **Mayor Jenks** is about to present his first city budget which starts with a \$2.2 million deficit. The city's reserves are too negligible to mention, his chief administrator can't discipline three of his key managers. Butz, who is responsible for this fiscal mess has a fatal appetite for starting new projects the city can't afford without finishing the old ones the city couldn't afford. The utility board, which Jenks resigned from just hours after he voted for, what by August will be, the highest utility rates in the state, have handicapped local commerce and residents, which sharply reduces their ability to spend money to feed his sales tax kitty. The TIF project is DOA for the second time no matter what Butz says. The \$990,000 windfall from the sale of Buehler Park, which has already been spent by his unrealistically optimistic city administrator, is evaporating with every court appearance. Jenks, a Director of RCDC, knows he and his friends bought the Bahr property assuming that with "their" man as mayor he could get their property annexed and get the council to pay to develop it so RCDC can sell more of their city-developed private property and keep the cash for themselves as they have always

done with the money from their free Hy Point land. It's political payback time and Jenks is the guy who has to payback. Can this Rolla businessman give his friends two more corporate Pork Parks and also apply budget discipline necessary to keep the city from sliding deeper into debt? Stay tuned.

Making money the Old-fashioned way. If you haven't already been there, go out and drive around Blue's Lake. What you're looking at is a commercial development of **Jack Dietzmann's**. It looks great. It's thriving, it has contributed to the commercial assets of the community and the best thing of all is somebody's paying property taxes on all of it. Dietzmann did it the old-fashioned way, without TIF subsidies, without phony charity exemptions, without taxpayers giving him the land for a dollar, without whining for the city to pay for a park or his maintenance and without 10-year, 100% tax abatements. Imagine that. Private enterprise that works without a dime of pork!

Attention Developers! A Pork Park in every Pot. All subdivision developers should watch the decisions on the two Pork Parks with great interest, especially the one at Hy Point. The Hy Point Precedent will add thousands of dollars in net profit to every lot you sell in your next subdivision. Here's how. Plan a common area "park," with a swimming pool or tennis court. Add walking trails, pavilions and other "amenities." Then form a non profit association for the property owners (but call them "tenants") then give the park to the city and have the association rent it back for a "nominal" sum so they have exclusive rights to it. Chip in a few thousand dollars, the city will pay for everything else and they'll take care of it perpetually. You get to laugh all the way to the bank. If they refuse to do this for you just file suit against the city for discrimination and tell the judge you have a "right to some amenities" You feel the city should show you the same "gratitude" they showed the Chamber and RCDC.

Budget adjustment leaves \$2.2million deficit. The reason for a budget adjustment is to look at how much too much you've already spent and cut back on spending so you *don't* wind up with a deficit at the end of the year. The state law forbids cities to deficit spend. The city auditor warned them it's illegal, but in Rolla, law-ignoring is what they do best. This was the message from **Finance Director Stephanie Rodgers** who was sick and not present to explain it. Don't blame her, it would give anyone a tummy-ache to tell them face-to-face that, "The proposed overall budget adjustments decrease revenues \$536,550 and increase expenditures \$1,711,215 resulting in a *net negative impact* to the budget of **\$2,247,765.**" That wasn't a budget *adjustment* that was just a deficit report. With only four months left in the fiscal year its budget suicide to add development and overhead for two more corporate parks to a hemorrhaging budget.