

City Gifts for the Influential; City Taxes for the Rest of Us

I oppose the use of city funds to fund the construction of a private building and, if the city is going to commit such funds to construct a mixed-use building as part of the Confluence Project, then the city should wait until it is known that the performing arts center is going to be built at its current proposed location.

It is certainly appropriate for a city to use city funds to build roads and other infrastructure to open up an area for development or to improve an area that has become blighted. In these cases, however, the city is building something that will be owned by the city. For the mixed-use building, the city is being asked to make a contribution to the construction of a building that will be owned by a private party. While this may be legal, to my simple mind it is morally wrong in that it is taking public funds and giving these funds to influential individuals and in this case without the private sector competing for the funds.

To draw an analogy, I bought a blighted house on a nice street with well-maintained houses. Before paying to renovate the house, I should have gone to the city fathers and asked for a contribution to give me an incentive to renovate the house and eliminate the blight from the neighborhood. Not having the influence of those backing the Confluence Project, the taxing authorities did not even lower the assessed valuation on the house to my purchase price. Nor did they wait for the renovations to be completed before increasing the assessed valuation. This is what most of us encounter as we make improvements that make the city look better. That we pay more taxes when we make our neighborhoods more attractive is an undesirable side effect of property taxes, but it is not right to remove this effect for favored interests.

I also note that the land where the proposed mixed-use building is to be built has been purchased for \$2,582,200. It is currently assessed at \$577,400. It is my understanding that construction costs for the mixed-used housing should come in at something like \$26 million for a total project cost of just under \$29 million. However, there is at least a rumor that the developers are asking that the owners of this building pay taxes on an assessed value that will be only 80% of this while most of us pay taxes on our total cost if we build a new house or other building.

In conclusion, I would like to ask the city council to explain why it is right to contribute to the cost of a building that is going to be owned by a private party and why is it right to base the taxes on this building at less than the full value of the building when everyone else pays taxes on the market value of their property. To me, it seems that if the city is going to contribute 20% of the cost of the cost of this building, then the city should own 20% of the building and, in that case, the developers would then only need to pay taxes on the 80% of the total value of the building that they would own. As a minimum, if the council can justify this support of the private sector, then they should wait until it is definite that the performing arts center that this housing is tied to is going to be built at its current proposed location and not rush through a contribution in closed meetings.