

## County Executive Says Senate TIF Bill Gives The People The Final Say

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**St. Charles County** - County Executive Steve Ehlmann said Friday (April 6) he was pleased with the action of the Missouri Senate, which unanimously approved a bill that would make it more difficult for municipalities to give tax increment financing benefits to developers.

Sponsored by Sen. Scott Rupp, R-Wentzville, the bill would prohibit city governments from overruling TIF commissions that have rejected such proposals.

Instead, TIFs rejected by the commissions could take effect only if approved by a two-thirds majority of voters in a countywide election.

"We've been working a long time to reform the TIF laws, and we're pleased with this legislation that would give the people the final say in giving away tax dollars to developers," Ehlmann said. "We're sure the House will receive this bill favorably."

Rupp's bill now moves to the Missouri House. If approved, the law would apply only to St. Louis County, St. Charles County and Jefferson County.

On March 20, Ehlmann presented a letter to the St. Charles City Council at a public hearing on the Noah's Ark Redevelopment Area (since renamed Streets of St. Charles). Ehlmann pointed out the TIF Commission voted 7-4 to oppose this TIF. Nevertheless, the City Council approved a \$55 million TIF, the largest ever awarded in St. Charles County, by a 6-3 vote.

This was supposed to be a \$385 million project, but it has been scaled back dramatically. "The Noah's Arc TIF is the poster child for what can go wrong with this process," Ehlmann said. "One developer sold it to another developer and made a killing, the scope of the project was cut back, but the amount of the TIF was not."

"Before handing out \$55 million in tax incentives to a private developer, I think the people should have the right to vote on it," Ehlmann added. "The bill passed in the Missouri Senate would give them that right."

Supporters of new TIF restrictions say the development incentive too often merely shifts tax revenues from one part of the metro area to another.

"This whole thing is about a regional approach and not just one city's gain at a neighboring city's loss," Rupp told the St. Louis Post-Dispatch.

Besides Ehlmann, St. Louis County Executive Charlie Dooley supports new TIF restrictions.

TIF incentives allow developers to divert part of the new local tax revenue that a development generates to pay for some related costs.

Under state law, a TIF commission has six members named by a county executive, three city appointees, two from school districts and one from a taxing jurisdiction such as a fire or library district.

A municipality can now overturn a negative commission recommendation with a "super majority" of its own council members or aldermen. That's what happened with the Noah's Arc TIF in St. Charles. New TIF proposals are pending in St. Charles, Maplewood, Ellisville and Richmond Heights.

Ehlmann noted that St. Charles County paid out more than \$1.3 million last year to fund TIF projects approved by county municipalities.

"No wonder my predecessor, Joe Ortwerth, called it 'intergovernmental thievery' and 'public larceny,'" Ehlmann said. "And that was *before* the \$55 million Noah's Ark TIF."

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