



It Takes a Village to Raise a Subsidy

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By: Graham Renz

The Cardinals recently [announced](#) plans to move forward with a second phase of development at Ballpark Village, an entertainment district directly adjacent to Busch Stadium. This phase of development is seeking, just like [the first phase sought and received](#), tens of millions of dollars in public subsidies.

The team is [asking city officials to impose an additional 1% sales tax](#) on Ballpark Village to help fund the second phase of development. This tax is estimated to generate \$16 million. But why does a project like Ballpark Village, which by many accounts is doing quite well—[albeit at the expense of other businesses](#)—need yet another subsidy? Is there a good reason why ordinary Saint Louisans should cough up more of their cash just so a successful business can expand?

In short, no—*there is no good reason*. All the subsidy does is increase the profits of a [hugely wealthy](#) corporation. One of the biggest proponents of the subsidy, 7th Ward Alderman Jack Coatar, even [admits the project would move forward \(albeit on a “scaled-down” scale\) without the subsidy](#). So why are city officials trying to put taxpayers on the hook for yet another development?

Proponents of the subsidy might object that the additional sales tax is self-imposed, and so only Ballpark Village customers will actually pay the tax. While that's true, we should ask ourselves why there should be an extra *tax* in the first place. That is, if the project is so great, why don't the

Cardinals just increase their prices by 1% [instead of securing revenue via taxation](#) ?

And while the Cardinals promise the project will create 2,500 jobs, we shouldn't get our hopes up ([as the Business Journal cautions](#)). Many of those jobs are temporary construction jobs, and the definition of a "new job" is somewhat slippery. New jobs could be jobs that moved in from just outside city limits, or jobs that a tenant at Ballpark Village claims *would* have left the city if not for the subsidies the project could receive. But moving jobs from, say, Clayton to downtown Saint Louis doesn't help our regional economy, and there is so way to prove what a business tenant *would have done* if not for the subsidy. In short, the "Net New Jobs" clause touted by city officials as a way to protect taxpayers appears to be just a fig leaf that will not ensure that taxpayers actually get a return on their investment.

This project offers no real guarantees to the city or to taxpayers. The only guaranteed winner is a billion-dollar corporation. Does that sound fair to you?

About the Author



*Graham Renz
Policy Analyst*

Graham Renz is a policy analyst at the Show-Me Institute.

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- [2] http://www.stltoday.com/business/local/expansion-coming-to-ballpark-village-with-apartments-offices-and-retail/article_352b3808-936b-5e87-872d-b1fb356b7cf8.html
- [3] <http://showmeinstitute.org/blog/corporate-welfare/does-ballpark-village-really-need-subsidies>
- [4] <http://fox2now.com/2016/10/25/cardinals-president-says-ballpark-village-phase-2-shows-teams-commitment-to-downtown-st-louis/>
- [5] <http://showmeinstitute.org/blog/corporate-welfare/ballpark-village-crushing-it>
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- [7] <http://stlouis.cbslocal.com/2016/10/25/alderman-defends-new-ballpark-village-tax-breaks/>
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- [9] <http://www.bizjournals.com/stlouis/news/2016/10/28/editorial-rethinking-downtown-development.html>

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Show-Me Institute

5297 Washington Place 3645 Troost Avenue
Saint Louis, MO 63108 Kansas City, MO 64109
Phone: (314) 454-0647 Phone: (816) 287-0370
Fax: (314) 454-0667

Email: info@showmeinstitute.org

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