



# Branson Water Park to Soak Taxpayers

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By: *Patrick Tuohey*

Imagine someone knocking on your door with a business proposal. He and his partners want to build on the vacant lot next to your home. Right now the venture is a guaranteed money-loser, but if you chip in some of your money, the other investors are guaranteed a better return. You'll never get your money back—and if the project is successful, the other investors won't share its profits with you, but in 23 years, maybe, the city will see increased tax revenue. So . . . are you in?

According to news reports, this is exactly the deal developers are seeking from the city of Branson. The developer wants to build a water park that they project will bring 600,000 visitors each year, making it the 7th most popular water park in the country. They claim the project will create 900 full-time jobs immediately and ramp up to 1,200 as the park is completed. The park also will include restaurants, hotels, and other amenities.

Despite all that potential, there isn't enough financial interest—from the people who invest in these sorts of things for a living—for the project to move forward. So the developer has come knocking on the door of the taxpayers—in the form of the Branson Tax Increment Finance (TIF) Commission—asking for your money. And the members of the TIF commission voted 7 to 4 in favor of awarding TIF. The board of aldermen will pass judgment at a later meeting.

Overwhelmingly, research on TIF in Missouri and around the country shows that the process does not live up to its promises. (This perhaps explains why private investors aren't so excited

about these deals to start with.) If you were to peruse the 2017 TIF Annual Report compiled by the Missouri Department of Revenue you'll find that only about one-half to one-third of the promised jobs ever materialize—and those numbers are reported by the developers themselves without audit.

The argument in favor of TIF largely rests on a logical fallacy: an assumption that development that happened *after* TIF happened *because of* TIF. But the research tells another story. One study of TIF in Kansas City and St. Louis—the state's most prolific users and abusers—found that economic growth in areas without TIF met or exceeded growth in areas with TIF. In St. Louis, a report prepared by the very people who staff the TIF commission concluded that it was a waste of taxpayer money.

Perhaps the developers should scale back their ambitious plans. Maybe it makes sense as a smaller project—say, the country's 12th most visited water park. If it is as successful as the developer claims, the park can always be expanded with the profits. But all of this should be done entirely with private money, from people who know a good investment and expect to see a return.

In Branson and across Missouri, cities are struggling to deliver basic services. Diverting sales and property tax dollars away from education, infrastructure, and public safety to invest in a park that itself may increase demand in all three of those areas is unwise and unnecessary. Branson's success is due to individuals realizing great success from private investments, there is no reason now to change that winning formula.

## About the Author



*Patrick Tuohey*  
*Director of Municipal Policy*

*Patrick Tuohey is the Director of Municipal Policy at the Show-Me Institute.*

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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](mailto:info@showmeinstitute.org)

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