Is U City Considering Eminent Domain After All?

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Trust your gut. That's about as good and as universal of a piece of advice as you can get.

Skeptics of a massive taxpayer-subsidized redevelopment project in University City were right to trust their guts. While the City's website says that “The City will not use eminent domain under the tax-increment financing (TIF) law to condemn owner-occupied residential property,” now it sounds as if that might be an option. In a recent interview, City Manager Gregory Rose said “there may be an option that the developer says 'we understand what council's position has been regarding the use of eminent domain but we'd like you to take a look at this' . . . and so the council will end up making that decision at that time.”

Why might eminent domain be on the table now? Well, my gut is telling me this: City officials have a lot to gain (in terms of sales tax revenue) from the development going through, and now, given that some homeowners don't want to sell for the price being offered to them by the developer, city officials might be starting to worry. And if they have convinced themselves that this development must happen, no matter the cost to taxpayers, then kicking property owners out of their homes might be a price they are willing to pay.

This is worrisome for several reasons. First, the economic renaissance promised by
Development proponents, which is the main justification for the project, is unlikely to occur. Unfortunately, TIF—the subsidy mechanism the development most heavily relies on—just hasn’t been shown to increase surrounding property values. Trust me, a part of me wishes TIF did this, as I live just a few minutes from the redevelopment area. Unfortunately as the economic research suggests, TIF projects don't make the neighborhoods surrounding them more valuable. If the ends justifying a blunt tool like eminent domain aren't likely to materialize, we might not want to incur the costs of using that tool.

Second and most important is the fact that property owners—especially owner-occupied residential property owners—simply shouldn't be forced out of their homes for the benefit of a private developer. Perhaps certain public projects, such as interstates and railroads, can justify the coercive removal of property owners from their property, but it is far from clear that homeowners should be ousted from their homes so that a politically-favored big-box store can make a nice profit. We've seen how these things can go.

But if you wonder why you, perhaps someone living far away from University City, should care about this, just keep in mind that your local government body is populated by the same sorts of people that populate University City government. If we are to learn anything from public choice theory, it’s that institutions—such as local governments—have values and goals of their own, and that the people behind local institutions are as fallible and greedy as everyone else. This isn't to cast a blanket of doubt on all institutions, but rather to make clear that the violation of property rights in some areas of Missouri is a threat to the property rights everyone in the state.

In the end, University City officials should get over their infatuation with the I-170 & Olive redevelopment and abandon their apparent “any means necessary” strategy for ensuring its materialization. The threat of use of eminent domain is politically and morally disturbing, and would signal to University City residents and others that their homes and lives are for sale, so long as city hall thinks that the price is right.

Tags:

- eminent domain

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