Government Sues Government over Government’s Common-Sense Decision

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Truth is stranger than fiction.

The Post-Dispatch recently reported that the City of Maryland Heights is suing the St. Louis County TIF commission. Back in January, the TIF commission voted down a proposal to use upwards of $150 million in subsidies to help develop 2,000 acres in a floodplain in Maryland Heights. As Patrick Tuohey then noted, this was finally something to cheer about regarding economic development policy.

But the powers that be don't appear to be happy with the common-sense decision that had been rendered. So in response, they're filing suit because of a technicality: The state law dictating how the TIF commission could be set up no longer applies because it governs counties with at least one million people. St. Louis County no longer has a population over one million, so the city claims that the commission's decision to decline the subsidy was illegal.

If you’re head is spinning, don’t be alarmed—you’re not the only one.

First off, the lawsuit seems petty. I mean, come on. I’m not saying the lawsuit is frivolous, or of
no consequence—it clearly is—but that the city would resort to such a move on behalf of a developer is sad. Our government is supposed to be better than this.

Secondly, that the city would so brazenly cast aside the commission's decision is especially disappointing. The commission's job is to evaluate TIF plans and then approve or reject them based on the merits of a proposed development. In this case the commission had at least two good reasons to reject the development. First, the area is a floodplain, and so, developing it would cause significant environmental harm. Second, taxpayers shouldn't be burdened with the costs of an especially risky development. How could city officials disagree with this? Why do they think developing in a floodplain with taxpayer money is a good idea? Why would they go through the trouble of a court battle to develop a floodplain?

The city will probably respond to these sorts of questions with promises of economic growth and boosted sales tax revenues for the city. But these supposed benefits of TIF rarely materialize. And when they do, they often come at the expense of other cities in the area.

Time will tell whether the commission was formed illegally or not, and whether its recommendation is valid. But even if the city wins in the courtroom, should the TIF proposal move ahead, city officials will have lost another battle: the battle for common sense and fiscal responsibility.

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