



ADVANCING LIBERTY WITH RESPONSIBILITY BY PROMOTING MARKET SOLUTIONS FOR MISSOURI PUBLIC POLICY

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November 5, 2021

To the Honorable Members of the Douglass Hill TIF Commission:

After my testimony at the public hearing on Wednesday, October 27, I was asked to explain further about Senate Bill (SB) 153, which was passed and signed into law this year. SB 153 included a section revising RSMo. §99.847 to exclude the use of tax-increment financing (TIF) in the floodplain. The new law goes into effect on January 1, 2022.

St. Louis County was not exempted from this new law as some other cities and counties were. St. Louis County government deserves credit for not seeking exemption from this law. The use of tax subsidies to develop the floodplain has done serious environmental and economic harm in our region, as documented in studies by Professors Bob Criss, Nicholas Pinter, Jonathan Remo, and others.

Portions of the proposed development site are within the floodplain. As this part of Webster Groves is in neither a port district nor a levee district, the changes to RSMo. §99.847 will apply in this area as of Jan. 1. The letter submitted to this commission about flooding from Stock and Associates Consulting Engineers (Stock) states that the floodplain study is ongoing and that floodplain letters of map revision will be submitted to the appropriate regulatory agencies. The letter from Stock does not state how much of the site will remain within the floodplain after the agency determinations.

Based on the engineering maps and reports submitted to the Metropolitan Sewer District and posted online by the city, it seems clear that a portion of the site will remain in the floodway and floodplain. The letter from Stock also states that, if the project is approved and built, “flooding conditions will be improved (but not eliminated).” In other words, the area will still experience flooding. The accounts and photographs of the August 30, 2021 flash flood at Shady Creek clearly document the risk of flooding in this area.

I do not think that the solution is to take the entire area and lift it out of the floodplain by fill or other means. Taking an area out of the natural floodplain will put another area into the floodplain. The water has to go somewhere. That is precisely why the studies by Professors Criss, Pinter, Remo, and others have documented that flooding has been increasing in our region for decades as we use tax subsidies to encourage floodplain developments.

Overall, the use of TIF has failed to expand our economy. It has not created jobs to justify the subsidies provided except in rare circumstances. It has lowered

taxes for those with special deals while raising them for everyone else. It has helped to increase flooding in our region. It has involved the government—including through the abuse of eminent domain—in areas of the economy that are best left to the private sector. The state attempted to address some of these problems with the passage of SB 153 earlier this year. While it may be legal for this proposal using TIF in the floodplain to go forward at this point, that does not make it right.

Sincerely,

David Stokes

Director of Municipal Policy
Show-Me Institute