Written by Kathleen McCarthy
Tuesday, 01 May 2001 18:00

The limits as to how much damage a single council can do to a city is fast being stretched in Davenport. Area developers are in full swing to put upwards of 400 acres under development (additional acreage has just been added to the mix in the past few weeks, and that is not the end of it—look for even more petitions in the coming weeks, including the commercial parcel of Jersey Farm Partners lurking in the background), all of which is intended to funnel onto 53rd Street. The potential danger relative to traffic and congestion is staggering, as is the frightening lack of planning.

What can the public do? Understand what is at stake. This council adopted a pseudo-philosophy of “Let developers pay for development,” but they are only practicing what they preach to a point. This Wednesday, May 2nd, the council will vote on the third and final consideration for the rezonings that will allow the Super Wal-Mart project to move forward. To date, there is no signed written development agreement formalizing, let alone detailing, all the promises made by developer THF Realty. So the rezonings could very well pass without a completed, formalized agreement of all the terms, including who pays for what, and when, and accounting for certain contingencies should things change, etc. What savvy businessperson would give up property for a particular use, when all the conditions of the use and payment terms were not clearly and specifically defined in writing? Yet this is precisely what this council has done from day one.

Furthermore, should any terms finally get inked, this council will have less than a day to review them in their entirety. This does not allow sufficient time for negotiation or refinement, let alone a sound understanding of all the legal ramifications.

The Davenport City Council defends their support of the rezonings and subsequent actions based on the perception of an increased tax base resulting from the development of such entities as Super Wal-Mart. However, because no economic impact study has been done, they cannot substantiate their rationale. Could it be that they just don’t want to know? It certainly appears that way since they are unwilling to insist on the processes that would provide this critical information. The larger consideration that never gets discussed is that any profit from these mega stores leaves the area. While there might be a slight gain in tax base from a new super center after the loss of smaller merchants is accounted for, the revenues of these retailers ultimately leave the area to wherever their corporate headquarters are located. Contrarily, local merchants’ profits stay right here because this is where they live. Who is bothering to measure the significant economic impact created as a result of losses of local merchants’ profits that would have accrued to our community? Once again, no one at city hall is looking out for the local merchants, who are the true backbone of this community.

Beyond THF’s rezoning petitions, there are side deals being made concerning the current Wal-Mart store, road improvements to the Elmore Avenue/53rd Street intersection, and the creation of no less than two Self-Supporting Municipal Improvement Districts (SSMIDs) to provide a revenue stream to THF Realty to pay for infrastructure improvements—another area of inadequate terms and conditions spelled out in the SSMID petitions, not to mention questionable time frames and projections. These two petitions have no business moving forward on such a fast track, and they are arguably outside the parameters of due process as stated by the state law that governs how SSMIDs are to be enacted.

The two rezonings that THF needs to move forward with its Super Wal-Mart plans are scheduled for final voting on Wednesday, May 2nd. The council will take their final vote on the SSMIDs the following cycle, Wednesday, May 16th. If the rezonings pass, but the SSMIDs do not, then THF Realty will come back to the council for reconsideration of their rezoning petitions, to return the properties to their original zoning of agricultural. Alderman McGivern has enthusiastically promised to champion that cause, as well. Wouldn't it be grand if this young alderman fought as valiantly for the moral obligations due Davenport taxpayers as he does for the legal positions of out-of-town developers? THF insists that they cannot proceed with the Super Wal-Mart if they do not get the SSMIDs. That declaration alone should be a fire-engine-red flag for this city council, especially since Davenport is setting a highly controversial precedent should they establish SSMIDs for the benefit of a single property owner/developer. How have other Super Wal-Mart's developed elsewhere? The answer is sometimes on the backs of taxpayers using other public financing mechanisms, such as Tax Increment Financing (TIF). However, in more conscientious communities, the Wal-Marts of the world do business the old fashioned way—they pay for development of their own stores and the necessary infrastructure improvements themselves, without public assistance. Imagine that!

The final insult to Davenport taxpayers is the brainchild of Alderman McGivern, in which the city has an option to purchase the "dark" Wal-Mart store two years from now, after the store has been vacant, deliberately creating planned obsolescence on that block of Elmore Avenue. It is a common strategy of Wal-Mart to hold onto its abandoned stores so that no other competitor can occupy them. If Alderman McGivern wants to create incentive to protect against a deteriorating commercial neighborhood as he claims, then ink an agreement with the owners of the current Wal-Mart property that demands they accept any fair market value offer that is forthcoming for this dark property. This is a far better strategy than tying up taxpayers' money and forcing the city into the real estate business. Otherwise, what incentive does Wal-Mart have to sell before the two years is up, especially when the whole scheme fits perfectly into their strategy of "dark" stores, and they have a guaranteed buyer at the end of the two years at a fair market value?

The systemic problem is really the mindset that prevails with this current council. No better picture of their individual philosophies can be had than their various statements during Monday evening's Committee of the Whole meeting, April 30th. Alderman Englemann, obtuse as ever, claimed that while he had concerns about sprawl, this was a "market driven economy" and this is how people buy here. In other words, developers dictate to the likes of Alderman Englemann how development will occur in Davenport. News flash Mr. Englemann—nearly all American communities' economies are market driven. But in many of those communities, the local municipality dictates how development occurs so as to serve the interests of the entire community and not just those of a few market-driven developers. Please get a clue, Mr. Englemann, then pass it along to your fellow aldermen, most especially Aldermen Sherwood, McGivern, and Brown (if he is awake).

Alderman Sherwood appears clearly misguided in his conclusions about what is constructive v. destructive to older neighborhoods, especially where sprawl is concerned. To claim that new development of mega stores north of 53rd Street helps to support improvements in our older neighborhoods by accounting for 2% of the increase in our tax base is pure spin on Mr. Sherwood's part. He further aggravates the issue by declaring this kind of development as "the

difference between growth and smart growth, and this is as smart as we can make it." Well, it may be as smart as he can make it, but many of us beg to differ.

It has been repeatedly demonstrated to this council that Davenport's population growth is stagnant, meaning no growth. Translation—the new jobs created by Wal-Mart will have to be filled by taking other merchant's existing employees. It is robbing Peter to pay Paul from a job-creation and employment standpoint. If merchants can't populate their businesses with employees, then they fold. Which means the whole tax base is decreased in terms of property taxes, income taxes, sales taxes, user taxes, and any other applicable taxes that are affected as a result.

Finally, as for bragging that most of the public's concerns relative to the Super Wal-Mart development and the creation of SSMIDs to pay for public infrastructure improvements required by ordinance have been addressed, I respectfully refer readers to last week's list (published in the Reader) of unresolved issues. In truth, only the first three of the seventeen concerns listed appear to have been mitigated, not entirely resolved mind you, and even this is questionable because the physical documents have not been finalized or reviewed by the council. The council won't get final review copies until Wednesday, May 2, just hours before they are scheduled to vote on these items. Could this be on a faster track? Crashing and burning is the predictable, if not inevitable outcome for such haste.