

## Seven Ways that the Promise is Bad for Business

Written by Administrator

Wednesday, 18 February 2009 07:40

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The Davenport Promise seems pro-business. However, there are seven ways that the Davenport Promise hurts business.

1. The Davenport Promise is a bait-and-switch scheme that undermines confidence in government. The implementation of the Local Option Sales Tax was supposed to result in property-tax relief and an increase in infrastructure funding. Businesses have no security – when investing in jobs or property improvements – when the local government is not trustworthy.

2. The Davenport Promise stifles capital improvements. Property tax is a disincentive to improve a business façade, since doing so would raise the property value and increase taxes due. Since the money spent on the Promise can't be used for tax relief, the Promise has the real effect of raising taxes, since tax relief will be less than it could be without the Promise.

3. The Davenport Promise will defer infrastructure improvements. Davenport's roads, which are used by businesses to move goods and services through our community, are getting worse. The city claims it can "defer infrastructure projects" to fund the Promise in the early years. Since customer satisfaction with our roads is already nearly 30 percent below the national average, local businesses can't afford to wait for the infrastructure that they have already been promised (pun intended).

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4. Davenport Promise reduces funding for property-tax relief. If Davenport has this money surplus available for giving away free education, it could reduce the capital disincentive mentioned in number two by reducing property-tax rates.

5. The Davenport Promise doesn't guarantee the kind of workforce that local businesses might need. Before moving to the Midwest, I lived with a similarly ill-conceived tax-funded program; the state paid unemployment benefits for people to go to college in state-designated career fields. We ended up with bachelor's degree burger-flippers and still had high unemployment, since the bachelors degrees weren't in what business really needed.

6. Taxing all businesses equally through property tax and sales tax makes the Promise a form of wealth redistribution. For example, since they have more property and pay more property tax, a manufacturing company would pay more in taxes for an associate-degree machinist than an accounting firm would pay for a bachelor's degree accountant.

7. The Davenport Promise guarantees a workforce with an entitlement mentality. Workers who have been handed a free education not based on educational or social merit will also be trained to believe they deserve certain perks. Employers are likely to see employees demand higher wages and benefits; after all, they are better educated.

When you look at the groups supporting this, you realize that they stand to benefit at the expense of everyone else. The colleges are obvious. Less obvious are home-builders who expect to profit from families in neighboring communities moving into Davenport. The private foundations gain money for frivolous projects and personal perks by refusing to privately fund the Promise like in Kalamazoo. And the shameless City of Davenport benefits by being able to retain dishonestly gained tax revenues by using our own money to buy us off.

**Thomas Rutherford**

**Davenport**

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### A Bribe to Families

Opposition to the Davenport Promise program might well be the position of those citizens who have been hopeful for *one* Quad Cities. Many of us have dreamed of a time when the municipalities would work together for the betterment of the entire region.

Some may remember the effort spearheaded by John Gardner, then publisher of the *Quad-City Times*, to implement the vision of a region committed to working together. I was excited by that vision. During that time hundreds of people worked together in related projects.

Now my city has established a program with the announced purpose of recruiting families to move to Davenport with a financial bribe.

I trust that many Davenport voters will recognize the Davenport Promise program as faulty and divisive and will vote “no” on March 3.

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Let's suppose the Davenport Promise works like it's supposed to. Jeff Ignatius explores why it's

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still a bad idea – and how it could be fixed - in "[Go Back to the Drawing Board with the Promise](#)  
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Send your views on the Promise, pro or con, to [letters@rcreader.com](mailto:letters@rcreader.com) .