Ehlmann opposes TIF for Schnucks-anchored complex near Lindenwood

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ST. CHARLES • St. Charles County Executive Steve Ehlmann has declared his opposition to a $9.6-million tax increment financing subsidy requested for a planned Schnucks-anchored shopping complex near Lindenwood University.

Ehlmann, a longtime critic of TIFs, said he supports the project itself and the city of St. Charles' request for $6 million in county aid for related street work.

However, he said "it's bad public policy" for the city to adopt a TIF that channels back into the $28 million project some of the new property tax revenue generated by it that would otherwise go to the St. Charles School District and other local governments.

"If the city can do a TIF to make others pay for what is their responsibility, when are we going to start using city money for schools?" Ehlmann said Friday in an interview.

In response, David Leezer, the city's economic development director, pointed out that the TIF only captures some of the additional tax revenue that would otherwise not be generated.

So, he said, the project still would result in a net gain for the school district and the other taxing entities.

"I can guarantee you they're going to get none of it the way it is now," Leezer said of the site.

The project by DESCO Group, the grocery chain's development arm, would go up on university-owned land mainly occupied by vacant older homes, commercial buildings and other structures. Tax-exempt university land becomes taxable when leased to DESCO, Leezer said.

City property tax and sales tax money also is involved in the TIF. But unlike with some other TIF projects, no county sales tax money - the main revenue source for general county operations - would be diverted. State sales tax money also wouldn't be tapped.

Ehlmann announced his opposition Thursday night at a meeting of a city-county commission reviewing the TIF request.
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He also released statistics showing the average pay of St. Charles city employees this year exceeds that of employees of the county and of three other major cities in the county.

"If the city of St. Charles was as efficient as the rest of the jurisdictions in providing services...then they wouldn't have to ask the schools and libraries" to help subsidize the project, he said.

Among those speaking in favor of the TIF was Mayor Sally Faith. She said it is essential to carrying out the project, which involves two of the city's largest employers - Lindenwood and St. Joseph Health Center. Faith said she wanted to review Ehlmann's salary data before commenting on it.

Plans also call for the city's main post office to move to the 20-acre site from its current location near St. Joseph on the edge of downtown St. Charles. SSM says the post office shift is needed to allow for needed expansion of the hospital complex.

A later phase - not included in the TIF proposal - would include a multi-story residential building to house Lindenwood students.

The 12-member TIF commission is made up of six people named by Ehlmann, including one of his own assistants; three appointed by Faith and three representing school districts and other taxing districts. The panel is expected to make its decision next Thursday (Nov. 10.)

Ehlmann said his appointees are free to vote however they wish.

If the commission turns down the TIF plan, a two-thirds vote of the City Council can still approve it.