From: J. Kevin Hunt
To: Grp. City Council and City Web Site; Jordan Hess
Subject: Gwen Jones" Outrageous Hypocrisy and Buchanan"s Falsehoods
Date: Saturday, May 13, 2023 9:30:00 AM

AN OPEN LETTER TO MISSOULA CITY COUNCIL, INTERIM MAYOR HESS, AND MRA CZAR ELLEN BUCHANAN

Greetings:

I guess my only question is whether Councilwoman Jones will scream "point of Order!" when I mention her by name, during Citizen Comments, as having committed an outrage by characterizing the peaceful, entirely constitutionally protected activism of a former City Councilor (whom polls showed was Missoula's favorite politician) and scores of citizens testifying in Helena, as "CRIMINAL." She and Councilwoman Stacey Anderson have repeatedly raised meritless (and unconstitutional) objections against citizens who have mentioned city officials' names, or criticized specific officials. Will Gwen yell "Point of Order!" when I, and/or someone else, criticizes her at a Council meeting for, in her capacity as an elected Missoula official, calling the exercise of democratic rights by named persons "criminal?" *That is, trying to both censure and censor that which she herself practices?*

I COMPLETELY AGREE, AND COULD NOT HAVE SAID THIS ANY BETTER THAN GABRIEL LAFAYETTE HAS ON THE OUTER LIMITS RADIO SHOW, *to-wit*":

"An addict is a person with an uncontrolled compulsion to continue engaging in an activity despite the negative personal or professional consequences that result. Addiction can also be defined by the overreaction that occurs when the object of addiction is taken away from the user.

"Tax Increment Financing began as a complex and convoluted financial scheme of using public money to repair blighted areas that has gradually morphed into a silver bullet solution for every municipal problem and often gives rise to rampant cronyism at the expense of the taxpayers.

"Bureaucrats who become predictably overdependent on Tax Increment Financing constitute TIF addicts and their overuse of this legal financial tool signifies an obvious perversion of the original intentions set down by the state legislature that enacted it in 1974.

"This spring Senator Greg Hertz championed a bill meant to reign in some of the abuse during Montana’s 2023 legislative session, prompting an army of lobbyists and business people to come out of the woodwork and assemble in defense of the status quo.

"Anyone who earnestly studies TIF will eventually recognize that the law is loose, open to interpretation and riddled with loopholes. There are plenty of instances of Cities using this tool responsibly, but nobody can deny the fact that TIF has also consistently birthed a scourge of runaway redevelopment agencies staffed by unelected bureaucrats who enjoy uninterrupted control over municipal budget spending decisions.

"Don't take it from me. Take it from former MRA director Geoff Badenoch, who ran the agency for 18 years:

“"The history of Tax Increment around the country has been that it is a temptation that many cities have not been able to resist. And tax increment gets used in ways that go way out on the fringe of what I think legislatures intended. And as a result, in Minnesota, California, Illinois, other states, legislatures have felt the need to come in and restrict the use of tax increment or eliminate it altogether. And, yes. But that’s a political response to abuse. The danger with TIF is that there is a temptation to use it every which way, if you can square it in the law any way, to use it.'

"Ellen Buchanan has run the MRA ever since Mr. Badenoch left over two decades ago, and today she makes $180,000 a year to dictate how our tax money is spent. Last month Ellen was quoted in the Missoulian piece titled, Missoula Officials Lash Out At Proposed Bill That Would Revise TIF Laws:

“ 'The one that absolutely just destroys Tax Increment Financing in the state of Montana is a Senate bill sponsored by Sen. Hertz and it just puts us out of business,' Buchanan said. 'There’s no way to amend it that makes it functional or even just less efficient. It just destroys Tax Increment Financing.'

"When SB 523 came before the Senate Committee in March, Ellen Buchanan showed up to defend her access to the municipal purse strings. After the Montana Senate passed it Buchanan went into overdrive, sending out a mass Email that included the business community, fellow MRA board members, former mayors, TIF dealers like Stockman Bank and major TIF recipients like Peter Lambros. The Email expressed grave concern about the bill and provided an eight-bullet list of talking points with which to appeal to the members of the Tax Committee that would be deciding the bill’s fate.

"Many of Ellen’s bullet points are factually problematic, like the claims made in Bullet #7:

“"Elimination of TIF may result in higher property taxes, not lower property taxes. Without TIF investment in public facilities, roads, bridges, parks, other infrastructure, this puts more pressure on local governments to find ways to pay for these services.'

"So without TIF there aren't any resources for government to fix the roads? What about the taxes that were collected to begin with? Do we really need a bank loan to fix our roads?

"But it doesn't matter that many of the bullets are factually and demonstrably false because if you get enough people to repeat the lie everyone starts to believe that it’s true. And she definitely harnessed enough people to repeat her points.

"In fact, Buchanan’s recruitment efforts were so successful that she didn’t even have to herself testify before the committee. Her newly unelected mayor, Jordan Hess (alongside his handler Council President Gwen Jones), also came to her bidding and helped hypnotically repeat the phrases “affordable housing” and “workforce housing” while she lingered in the background on her phone building the next wave of testimony. The real power remains behind the throne.

"A cacophony of lobbyists and business owners stepped up to the microphone to read versions of Buchanan’s talking points at the tax committee. Among the hyperbolic allegations was the predictable claim that “TIF critics are just ignorant,” which seemed particularly offensive given the explosive history of TIF criticism in Missoula.

"Speaking of offensive, Missoula City Council President Gwen Jones publicly projected the word 'criminal' onto Adam Hertz and Jesse Ramos – two former Missoula City Councilmen – for compiling a list of TIF abuses in their City. By *The Missoulian*'s account, Jones is 'an experienced attorney in town' (ostensibly meaning her enunciation of the word 'criminal' has extra authority). The article went on to illustrate how the MRA unanimously characterized professional criticism to their spending habits as a 'lot of misinformation' being presented deliberately by elected officials:

"Everyone in the room murmured in agreement. 'By elected officials who know precisely what they're doing,' Jones said.

"One wonders if Ms. Jones has access to a mirror, as she too is an elected official who knows exactly what she's doing. She is also well versed in the practice of abusing her power. As a board member of Missoula Aging Services, Gwen Jones threatened the job of another MAS employee who had written a poem critical of her policy as a City Councilwoman of placing crippling debts on local homeowners for unnecessary and unsolicited sidewalk updates. She also made a habit throughout 2019 and 2020 of performing background checks on all constituents who presented TIF information to the City Council that she personally disagreed with.

"Ellen Buchanan likewise recently resorted to absurdist ad hominem attacks of the citizens critical of her agency's shenanigans, comparing lawful populist opposition in Helena to the J6 "insurrection":

"'You watch what's going on in Helena and it's just terrifying,' Buchanan said. 'It's just a microcosm for what went on in D.C. … It's pretty scary,' Buchanan said. 'It's frightening for staff. It's frightening for me and it's frightening to city administration. So not to be a Debbie Downer, but it's been a tough couple weeks around here.'

"She also alleged that there's been a 'criminal' amount of disinformation spread about TIF. Former City Councilman Jesse Ramos responded, saying, 'And citizens going to Helena to fight for what they think is right is "criminal"'? That's fantastic.'

"Big Business opposed the bill with extreme prejudice, and many of the lobbyists who rose in opposition are paid by Montana tax dollars. Most of them parroted Chicken Little's claim that 'the sky is falling' and other apocalyptic predictions foreshadowing the end of the world as we know it should this bill ever become law.

"They couldn't debate obvious instances of TIF abuse so they instead try to divert attention elsewhere. And their buzzwords this session were 'affordable housing' and 'workforce housing.' But we don't need to build affordable housing. We need to make existing housing affordable. Native Montanans are supposed to be represented by their legislature and their existing housing is under threat from the commonly occurring phenomenon of sudden property tax inflation. TIF districts disproportionately affect the working classes who pay for them because their property taxes balloon when the 'taxable value' of their homes increases.

"A stated purpose of TIF is the increase of taxable value, which thereby theoretically grows the tax base.

"Theoretical benefits of TIF aside, the demonstrable abuses are as numerous as they are

egregious but are all still technically 'legal' since the legislature hasn't really begun to regulate TIF in Montana yet. They include banks loaning their own TIF handouts to municipal governments at interest, unlawful claims of eliminating 'future blight' and 'blight down the trail,' designating newly constructed buildings as 'blighted' to justify additional spending, weaponizing tax monies against local businesses who pay for their corporate competitors to out-compete them, and the cronyism inherent to a runaway board of unelected bureaucrats who have seized control of the City budget and decide economic winners and losers without regard to public will.

"While snakes in suits kicked the legislative can down the road in the halls of Montana's Capitol, many hardworking Montanans continue to be taxed out of their homes and businesses to make room for tourists with townhouses and second-home snowbirds. For the development regime who opposed Hertz's bill last month that's not a bug but a feature.

"The problem in Missoula is not a lack of housing, it's that people can't afford it. One Army veteran we interviewed returning home to Montana in April of this year couldn't find a one-bedroom studio apartment for less than $2,200 in his hometown of Missoula. But TIF addicts love to twist the reasons for our affordability problem around, which is why they talk a lot about their false solution to the problem: so-called "affordable housing." TIF addicts like this subject because it technically allows them to administer many additional hits of industrial-grade TIF, even though the TIF statute says nothing whatsoever about building housing.

"But Ellen Buchanan won't let a petty thing like facts get in the way of her propaganda. And beyond quoting her inane blathering, the stenographers at the corporate-owned Missoulian won't ask her any follow-up questions to statements she utters that make absolutely no sense:

"'One of the arguments that is being made by some of the folks testifying for this bill is that we've got no business doing housing,' Buchanan said. 'All we're supposed to do is remove blight and housing is not something that's permitted under TIF statutes, which is ridiculous. That's been said over and over again, by one of our former city council members that's really pushing this bill hard. So that's a little bit ironic that there's this dichotomy going on.'

"I fail to see what Ellen Buchanan means by 'ironic' since irony is an outcome opposite from and in mockery of the expected result. She doesn't provide any evidence whatsoever that her critics are incorrect in their assertion, just that said assertions are 'ridiculous'. Having said that, it does indeed seem ironic that a former elementary school principal and superintendent would oppose a bill supported by the School Administrators of Montana:

"Rep. Ed Butcher, R-Winnifred, said he supported the bill because he believes 'bad actors' are abusing the system. 'Big corporations that don't need these tax dollars for their construction projects. We have a person from Big Sky coming up here wanting his money, that really turned me off because those guys have more damn money than the U.S. government has.'

"The bill was supported by the School Administrators of Montana, who argue that TIF diverts funds from school districts and instead into construction projects in Urban Renewal Districts.

"But Rep. Mark Thane, D-Missoula, took issue with Butcher's comments. Thane is the former superintendent of Missoula County Public Schools.

"'We've heard essentially people say that there are abuses, that it's corrupt, that it's corporate

welfare,' Thane said. 'And I just want to go on record as saying that these funds are audited. There's oversight by local government entities. There is no evidence that there's been any kind of fraud or corruption or even abuse' Thane went on to say, 'I do take some offense at the allegations that it's in some way corrupt or being abused when there's been no evidence presented.'

"But plenty of evidence of abuse was presented before Thane and his peers by Senator Greg Hertz during the hearing. Thane's definitely come a long way from his 1995 appointment as principal of the newly constructed Chief Charlo Elementary. Isn't it interesting that he opposed a bill supported by the School Administrators of Montana, since TIF districts adversely affect school budgets?

"TIF addicts won't bother trying to defend the $1.5 million to Stockman at 4% interest or the $1.6 million to First Interstate at 6%.

"They can't deny the fact that Andy Halloran's Home Base received over $3.6 million in TIF and used it to add an additional floor to the Marriott.

"They can't rebut the fact that 'future blight' is not covered under state code, but was employed to justify $8.6 million in TIF subsidy to Peter Lambros to build a new road toward SouthGate Mall to incentivise Lucky's Market to move in. But Lucky's went out of business after only two years and Lambros sold Southgate to Washington Prime Group for $58 million. According to the Mayor Engen, the reason we helped Peter make a cool fifty million dollars of profit with over eight million in public money was to prevent 'future blight,' since malls were going out of business all over the country.

"Nevertheless, SB 523 died in committee on its way to the House after being tabled by a vote of 13-8. Former City Councilman Jesse Ramos said of the bill's defeat, 'Most unfortunately,SB 523 died in Committee today because of the Great Falls Caucus who believe it is their job to represent their local government. Not their constituents.'

"It also didn't help that certain committee members seemed hellbent on abdicating their responsibility to even consider regulating demonstrably irresponsible behavior. Committee member Dan Fern from Whitefish pigeonholed the debate as 'the Missoula show' and even tried forcing a requirement on speakers to identify what town they were from. Chair Feilder overruled Fern's requirement, but his minimization of the issue was duly noted.

"All in all, Ellen Buchanan's success was a manifest reality. Her persuasion machine succeeded, however narrowly, in convincing the legislature to leave her magic wand collection alone. With the legislative session finally over, she can breathe a sigh of relief knowing that her access to the tax coffers – and her ability to continue profiting from them – remains unimpeded.

"At least for now.

"Efforts to reign in TIF in Montana multiplied following this legislative session as more citizens began to familiarize themselves with the law, learning for themselves just how deep the rabbit hole goes. SB 523 awoke the multi-tentacled TIF Leviathan. And when the next round of TIF debates fill the halls of the Helena Capitol in 2025, Montana taxpayers can expect an even larger and more menacing beast to rear its ugly head."

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