

Fact Check #1

Nexsen's session at Schlotzky's

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By Dr Bill Ullery

Nexsen's informal chat session at [Schlotzky's](#) by Greg Moberly, Today's News-Herald, December 7, 2013. Quote; "*The city doesn't give away city funds to attract business, Nexsen said.*" "(Ullery) *in paid political ads that the city has given away \$25 million to big corporate entities (to attract their business) is absolutely false,*" Nexsen said. "*We don't do any of that.*"

These news articles cover the facts!

Council approves \$220k tax break for [Hobby Lobby](#) by Nathan Bruttell, Today's New-Herald, February 23, 2011. Quote; "*The City Council approved a development agreement Tuesday night that could provide about \$220,000 in tax incentives...*" "*Mayor Mark Nexsen said he was pleased the city could offer incentives for the redevelopment.*"

Incentives help bring in competing [businesses](#) by Michael Hays, Today's New-Herald, January 30, 2007. Quote; "*Lake Havasu City is reimbursing Wolford Development - the mall developer - more than \$11.9 million in construction costs. The city also waived its right to collect \$2.7 million from the Centre Mall owners...*" "*Last Tuesday, Lake Havasu City Council approved a deal with North Havasu Holdings L.L.C., to bring an auto mall anchored by Anderson Toyota into town. This deal requires the city to reimburse the developer just over \$3.9 million for anticipated improvements to infrastructure at the site.*"

City to ensure needs met, plan a [rainy-day-fund](#) by Michael Hayes, Today's New-Herald, April 10, 2007. Quote; "*Paying for city improvements and outlining options for developer incentives are two aspects of a policy being presented to City Council tonight.*" "*Developer incentives listed include: improvement districts, tax credits, reimbursement or waiver of certain fees, economic incentive zones and reimbursements for off-site improvements in exchange for collected sales taxes.*"

Banning Public Subsidies for [Big Retailers](#). , Dec 1, 2008, www.ilsr.org

Quote; "*These subsidies distort competition and undermine locally owned businesses, which are rarely given any sort of tax break or special deal. Instead, they often see their tax dollars used to subsidize their biggest competitors. Government officials often justify these deals on the basis of job creation and economic growth, but studies indicate that subsidizing retail development does more economic harm than good.*"

Summary:

1) North Havasu Holdings for an auto mall requiring the city to reimburse the developer just over \$3.9 million for anticipated improvements to infrastructure at the site. 2) LHC reimbursed Wolford Development - the mall developer - more than \$11.9 million in construction costs. The city also allegedly waived its right to collect \$2.7 million from the Centre Mall owners due to projected tax revenues from the development being more than what was due under the current agreement for improvements made in the area. 3) Home Depot - This deal called for paying the company 50 percent of offsite improvements. The total amount paid by the city was \$317,000. 4) The Lowe's agreement included reimbursement of offsite infrastructure improvements at \$524,200 and tax rebates adding up to \$930,150. 5) LHC reimbursed North Havasu Holdings up to \$3,983,197 for materials, construction and other costs related to infrastructure improvements such as water and sewer, electrical service and roadways. 6) The city reimbursed Bradley Chevy for various improvements along H95. 7) The city gave a \$224k tax break to Hobby Lobby. **\$25 million and counting. Could that money have had an impact on sewer rates and fees?**

Voter Initiative (petitions available at the Swap Meet):

"*By an initiative measure, based on the legislative language of ARS 42-6010, be it enacted by the people of Lake Havasu City, Arizona: Lake Havasu City within its boundaries shall not offer or provide a municipal tax incentive to a business entity as an inducement or in exchange for locating or relocating a retail business facility in the city. This section shall cease to be effective upon the repayment of all sewer bonds heretofore issued by the city.*" [LHC-13-119-INT](#)

This initiative must have petitions with over 5,000 valid signatures of Lake Havasu City registered voters. It'll take a small army of volunteers to get it done.

I need your help with this effort. To volunteer, please contact me: Email dbu@dbuhomes.com Cell 928.716.3014.