

COMMENTARY

Community center won't save Rocky Mount

For four-and-a-half years, Rocky Mount has been working on plans for an event center or "Downtown Community Facility" as it's now being called. Over time, the name has changed, as have its proposed uses, but at this point it has evolved into a multipurpose facility with a particular focus on indoor amateur sports tournaments. In addition, there will be meeting rooms, some event and conference space, and a family entertainment center.

There also may be a health clinic, but that depends. It was one of the interesting issues addressed at a Dec. 9 meeting of the Local Government Commission, the organization that oversees local debt and must approve the issuance of local bonds.

The city manager, Charles Penny, was asked how the health center fit with a sports facility. He said the city wanted to be able to treat anyone who might be injured playing in a tournament or something of that nature. Fair enough. But then he also said the clinic would be included only if the project could get New Markets Tax Credits (essentially a federal subsidy) for the clinic. Otherwise, the city would leave it out.

The statement made perfect sense. I've been digging into the history of this facility for weeks. What I've found is an ever-changing project that seems entirely lacking in focus. All the local media coverage and city council meetings and various plans and reports come together to create a picture of a city desperate to do something — anything — to try to spur some economic growth. So they'll throw in anything that attracts some money and figure out a justification later. If they really needed the clinic, they probably would have worked it into the plans regardless of the New Markets Tax Credits, but that's not the city council's approach. The city's just desperate for a cash injection to get something going.

Frankly, I understand the desperation. Things aren't looking great for Rocky Mount. The city will publish a property

revaluation sometime in January that everyone expects will result in double-digit drops in property valuations. The population is declining. Employers aren't exactly beating down the doors to set up shop. Downtown is full of vacancies. Things are hard for the city.

But Rocky Mount's approach assumes there are only two possible outcomes; either something helps, or it's neutral. But there is a third possibility.

What if the Downtown Community Facility actually harms the community?

It's not a crazy notion. Despite falling population and falling property values, Rocky Mount is issuing special obligation bonds to finance this project. That's debt, almost \$37 million of it. Plus interest. Altogether, we're talking more than \$50 million. What if the facility fails to meet revenue projections and the taxpayers

are left paying off all that initial debt as well as operating losses every year? That's happened with similar projects before. It could happen here, too.

City manager Penny said in the local paper just days after the LGC meeting, "If the DCF fails, Rocky Mount fails." That's a pretty big gamble on a facility that might make money but might never break even, in a community with a shrinking tax base. And it also reveals a bigger philosophical problem.

The City Council will not be Rocky Mount's salvation. Neither will the Downtown Community Facility. The strength of Rocky Mount is the people who live there, the parents who choose to raise their children there, and the small-business owners who provide services and jobs to the community.

Rather than taxing heavily, forcing the city's resources toward some big government project, the council should be getting out of the way of parents and entrepreneurs, allowing them to create the strong community that everyone wants to see.

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