

# CHEYENNE HERALD

THE LOCAL ADVOCACY JOURNAL

July 21, 2009 – Issue No. 174 – Next Issue, August 4, 2009

est. January 30, 2002

## Former mayor Jack Spiker wants to undo the trade made with the former owners of the ice center so they can now receive \$3.0 million cash. *That would be immoral. And illegal.*

by Dave Featherly

I privately and editorially supported the swap of city-owned land for the ice center behind the Hitching Post. My support was based on my firm belief that the city land given up in trade for the IKON Center had no real value. At least, no appreciable value for development. I made that clear in several articles presented on these pages. Earlier and now.

The first stories on this subject appeared in the December 13, 2007 issue. It doesn't seem like it was that far back, but it was indeed. Because the words in those two articles and subsequent offerings in August 2008 and January 2009 convey my thoughts as well today as they did then, those pages are repeated in this issue. They are on pages 6, 7 and 8.

The recent announcement that Jack Spiker wanted to cancel the trade and pay the original investors in the IKON Center

upwards of \$3.0 million cash is bizarre.

This is not the first time Jack sided with outsiders against the City - the City he was elected to serve ahead of the individuals he considered his friend.

When his friend and onetime council member mentor stole from the City, he sided with her and kept her on the City payroll for several months - costing residents an unnecessary \$6,000. He then aided her in gaining employment with another municipality - in California - even though by that time the former councilwoman and City employee had admitted her criminal acts.

When the Cheyenne Herald disclosed that the Cheyenne police chief had been reimbursed from public funds for his purchase of a master's degree from an unaccredited degree seller in Mississippi, Jack endorsed the purchase of a worthless "degree" and again sided with a

fraudulent use of public funds against residents financial interests.

Jack found it impossible to define "morality" and again is misusing the term to describe why he wants to pay investors in the IKON Center money they do not have coming. Once a very moral person, the mayor's office made a different man of him. If he were right and we should go back and consider "morality" in decisions he made during eight years as mayor, there are countless others we should review - starting with his treatment of Mary Coonts after the downtown fire destroyed her building and business. If he really believes he treated her morally, he sank further than even I thought.

Jack Speight, representing the original investors, spoke to a crowded council chambers on December 27, 2007. The great urgency to conclude a deal that day may have played into his words but he made it clear that his group had made a mistake with the IKON Center and while they could not run it profitably, he was certain the City could. He also expressed resignation that his group would get nothing in exchange for the ice rink - at least in the words of some of us, including Frank Cole, who knows that land north of the city like no one else.

The investors, the mayor and most city council members knew that land - all three parcels - would be problematic to impossible for development. But, the investors needed to get something done before year-end and chose to willingly accept the valueless land in exchange for free and clear title to the ice center.

It is contract boilerplate language which cancels any side deal, verbal understandings, etc., in cases like this one. The words underlined at the bottom of the box at the left properly, legally and succinctly cancel any side arrangement Jack Spiker may have made with the former IKON Center owners. If he made such a "deal," he is guilty of malfeasance. Malfeasance is defined at the top of the right column:

"wrongdoing or improper or dishonest conduct, especially by a person who holds public office or a position of trust." If it surfaces that Jack Spiker made promises to those who traded the ice center to the City, and if other members of the city council knew about that promise, it will fall on new mayor Rick Kaysen and new city attorney Dan White to pursue prosecution for wrongdoing. The law is clear. No side deals. No secret promises to friends withheld from the public.

### Frontier Days surrenders on cell phone ban

Cheyenne Frontier Days (CFD) made the right decision in rescinding their ban on cell phones at rodeo events. Those phones now include still and video cameras and banning them from rodeo events, including slack, would have been the absolute worst policy CFD could adopt.

It's too bad that they tried to spin their retreat by using weasel words like "misunderstood." No one misunderstood anything. CFD intended to ban cell phones and their announcement of a ban hit the oscillating device.

*Here's what the CH wrote a month ago.* "The PRCA cowboys and the other contestants at Cheyenne Frontier Days take what they do very seriously. In this day and age, everyone views video of their performances in an effort to do better." And, "...many of the participants, especially those who don't reach the NFR regularly, need amateur video to try to sharpen their skills." Cheyenne Herald, June 16, 2009

*Here's what CFD wrote a few days ago.* "In retrospect, we recognize that the previous policy was overstated. Many contestants use private video of their performances to improve their performances and their technique." CFD press release, July 13, 2009

*This article first appeared in the August 26, 2008 issue of the Cheyenne Herald*

### Contract for the Exchange of City Land for the IKON Ice Rink

Resolution No. 5005, adopted December 20, 2007, laid out the specifics of the agreement for the City of Cheyenne to exchange four pieces of land then owned by the City for the property commonly known as the Taco John's Events Center (originally the IKON Center).

The four parcels, all along or near the Storey Blvd. east extension, totaled 13.789 acres and the "estimated appraised value" of the four parcels was \$3,031,000.00. The Taco John's Events Center consisted of "7.97 acres" of land and has an "estimated appraised value" of \$6,998,000.00.

The swap, as represented to the public, was a good one for the City and was supported by the Cheyenne Herald. That swap. Not just any swap. That swap.

The four parcels to be received by the sellers (exchangors) of the ice center were called "worthless" on these pages.

Now that the land recipients are having problems rezoning the parcels to develop commercially, there is talk of providing them other parcels of land to "make good" the deal. On that basis, the Cheyenne Herald may not have supported the swap.

Whether the City has any legal obligation to provide other assets to the former owners of the ice center in the event they cannot develop any or all of the four parcels near Storey Blvd., is doubtful.

Contract No. 5187 was to take effect by December 31, 2007. A Bulk Transfer Agreement of Sale is dated December 27, 2007 and is part of the documents. In it, the purchase price of \$3,031,000.00 is "payable through an exchange of land, with the four parcels of land described as follows: ..." and again lists the four parcels on or near Storey Blvd.

There is nothing in any document which would require the City to provide alternative parcels of land to the former owners of the ice center if the four parcels of land they accepted in exchange for the ice center can not be developed.

Section XIII (A.) reads: "**This contract supersedes in its entirety any pre-existing Option to Purchase to the Property (sic). There are no oral agreements or representations between Exchangee, Exchangor or Brokers to modify the terms and condition of this Contract.**"

Notes: "Exchangor" in these agreements should be "Exchanger." Underlining and bold above CH's.

**Developing ... Assessed land values for the parcels traded by the City to the Ice Center investors have taken a startling leap into Fantasyland. For some reason, the three (one is split) parcels shows assessed values in the stratosphere compared to adjacent parcels. Specifics in the next issue.**

This article and the one on the following page first appeared in the Cheyenne Herald of December 13, 2007. I stand by these words.

# Is the IKON Center a good deal for the City?

by Dave FEATHERLY

To say that the current city administration is distrusted by many of Cheyenne's residents would be a major understatement. An inherent suspicion that they are lying if their lips are moving makes it impossible for the mayor or council members to convince the public of much of anything.

They have repeatedly approved illegal annexations and matters related to those annexations. They have lost five times. At the district court level and at the Wyoming Supreme Court, to residents' lawsuits involving those illegal annexations.

They have sought and embraced repeated schemes involving the disposal of municipal trash. They seem to learn nothing from each mistake made.

They have spent, along with the Board of Public Utilities, \$5.9 million to acquire 17,000 acres of land for which they had no use or plans. To justify the purchase, they told residents the Belvoir Ranch would be used for a new landfill - a landfill they repeatedly and falsely said was an absolute requirement in the near future. At the time the City and BOPU made the purchase, and water was said to be a major reason for the purchase, neither knew anything about the availability of water nor whether it could be accessed if readily and plentifully available. Neither had done a water rights search - the Cheyenne Herald did and they then took advantage of that being paid for here and, after the fact, got some of the details about priority rights, existing wells, etc.

A downtown parking garage was built and subterfuge was used to enable the sale of bonds without risking voter disapproval. For the first time in Wyoming, a resolution was used to approve the issuance of revenue bonds - instead of the usual ordinance. Why? Voters can use a petition drive to force a referendum on actions taken by ordinance, they cannot do that on actions taken by resolution.

When questioned about the status of the downtown parking garage paying for itself, the mayor and his designees have lied to residents. The garage does not now, nor likely ever will, pay for itself. The new mayor has been honest - the parking garage loses several hundred thousand dollars a year.

Mineral royalty revenues are pledged toward payment of the bonds and are being used for that purpose. And it will get much worse because these bonds are back-end loaded. Meaning principal and interest payments escalate over time.

The mayor and his designees have estimated costs on major projects and except for the garage (thanks to the Jim Mathewson lawsuit which resulted in lower construction costs and lower interest rates), the projects come in far over estimates. And the mayor went on a local radio call-in program after I had appeared and said that I had lied about the displacement of residents along 5th St. on the southside. To accommodate a new Norris Viaduct, it was apparent residents' homes would have to be taken. And they were - about three dozen of them. Now that land is vacant - all houses moved or demolished. He lied. I did not.

With that track record, it is understandable that many residents do not believe what is fed them by the city administration and its house organ, the Wyoming Tribune-Eagle.

And I certainly do not have a reputation for subscribing to their illegal actions, believing their false claims, or endorsing the schemes they eagerly embrace.

But, I do support the land swap for the IKON Center. With reservations.

First, though, let's clear up some erroneous reports carried by the City's willing tool - the daily newspaper.

The IKON Center is carried on the Laramie County tax rolls at \$4,620,223 and the estimated property tax on the property for the 2007 "fair value" will be \$31,163. Because property taxes are paid one year behind, someone will be liable for that tax this one last time.

The question of what the IKON appraised value should be could be argued endlessly. If it shuts down, the value is minimal. But, based on the assessed value and the fact that there are no comparables to use for an appraisal, the \$6.8 million said to be the appraised value (WT-E) should be taken with a grain of salt.

But, believe or not, it is not the City being snookered on this one (as they were with the Belvoir Ranch). It is the investors.

Investors who ponied up the money to build and operate the ice rink and the other amenities there are to be thanked. They went where no others have been willing to tread. The list of these "sophisticated investors" is impressive.

In my opinion, however, after assessing the various components of this proposed swap, that investors are basically deeding over this property (including 7.97 acres of land) for almost nothing.

It has been written that the three separated parcels of City-owned land on Converse Avenue and Storey Boulevard, which for the most part are contiguous with land purchased from the Cole family to extend those two named streets, consists of about 15 acres and the three parcels are valued at over \$3.0 million.

Horse hockey!

The largest parcel (shown in the box below), severely limited in how it can be developed, is claimed to be 7.669 acres in size and \$2,040,000 in value.

Vacant land being purchased for commercial development **ON OR NEAR DELL RANGE** out north is usually quoted at a "per square foot" cost. Calculations on this City land works out to \$266,005.99 per acre - or \$6.11/sq. ft.

It ain't gonna happen, folks. It ain't gonna happen. No one in their right mind is going to pay over \$6.00 a square foot for land on Converse for commercial

development so long as there is land available on or near Dell Range.

And if the development were residential, the land's value per square foot is less than a quarter of the \$6.00 / sq. ft.

The 2.5 acres west of the North Cheyenne soccer fields has a more reasonable value attached to it - about \$100,000 per acre or \$2.30 / sq. ft. Still a bit high for residential development of that small size but much more sensible than the land on Converse is valued.

Remember, though, it is the sellers who are accepting the inflated values.

The land on Converse is zoned Public so any development could only happen if rezoning is approved. Should this Band of Merries be replaced in next year's election - and if residential neighbors fight the rezoning, which is probable and likely to succeed - the land on Converse will have to be held into perpetuity, with no return to the investors. Or sold back to the City.

I will lay out my opinions on the pros and cons of this deal later. Before we go there, let me say that I have grave reservations about the currently-constituted City Parks Dept. being able to manage the ice arena. This is a city department in turmoil. My suggestion, explained further on page 7, would be to hire Dennis Griess and put him in charge (answerable only to the mayor, whomever that may be after the next general election) of all City "attraction and fee-generated properties" which are not leased to third parties. That would include the IKON Center, the Civic Center, the municipal swimming pool, and the two parking garages.



**An apology to visitors to Cheyenne during Frontier Days. Cheyenne's downtown has not always been like you see it today. Until eight years ago, there were thriving businesses, including a new car dealership, a major printing operation, and the city's three largest furniture stores. Yes, local residents are embarrassed about what you see. Try us again in about ten years. It might be improved. No guarantees. But, maybe.**

**What is the Cheyenne Herald? It is a bi-weekly publication that I hesitate to refer to as a "newspaper" but calling it only an Opinion/Commentary publication does not adequately describe it, either. While much of what appears on these pages is opinion, commentary, essay and/or writing mode, there is also no denying that much of it is breaking news. When we disclosed that Cheyenne Police Chief Bob Fecht had purchased, with public money, a master's degree in criminal justice from an unaccredited diploma mill in Mississippi that was never authorized to issue degrees, that was not opinion. That was not commentary. That was fact. That was news. On the other side of the coin, when I opine that Cheyenne's James Johnson will have a long and productive NBA career, that is my opinion. The long and short of it is that the Cheyenne Herald is many things to many people. Pages are longer headed with a description of the words on that page. They are what readers make of them.**

*Dave Featherly*

**Editor's Note:** This article also appeared in the December 13, 2007 issue of the Cheyenne Herald. It is presented again here because the information offered, the positions taken then, and the points made at that time, still apply.

## The IKON Center

When I told a friend the other day that I was going to come out in support of the City swap of land for the IKON Center, he commented about my being from Minnesota and, by virtue of that, having ice and hockey in my blood.

Actually, I cannot ice skate (or roller skate, either) and I have never been ice fishing. I have gone on one long (50 mile) snowmobile ride and didn't particularly enjoy it. I hate scraping ice from my windshield. Below zero weather is for penguins. And hockey is not my favorite sport.

I have repeatedly said "dance with the one that brung ya," on these pages. By that, I mean that government should provide services and amenities for those who have paid the freight - recognize that those who have been around deserve more consideration than those they wish were here. To offer incentives for new businesses while ignoring existing ones is wrong to my way of thinking.

I do not propose wasteful spending or foolish additions and I do not support asking for state or federal money for fringe items such as a spray park which have proven dangerous to health elsewhere. I also don't buy into the myth that Lowe's Distribution Center located in Cheyenne because of 11 miles of concrete walkway. That is an insult to their intelligence - and mine - to continue to claim that is true.

And I have mixed emotions about the Civic Center. It has limited potential and has never been operated at close to a breakeven point - even when expenses aren't all allocated to its operations. It continues to require several hundred thousand dollars of subsidies a year from the general fund to keep doors open. That is unacceptable. That should change.

As I wrote before, I support the acquisition of the IKON Center with reservations.

The property must be conveyed to the City debt-free. No exceptions. Debt-free.

An amount of \$250,000 was loaned to the IKON Center by the Cheyenne-Laramie County Economic Development Joint Powers Board. That money was a loan, not a grant. It must be cleared and the City must not take it on as an obligation. (Note: As of 7/21/09, it was not.)

The \$250,000 was loaned to the Ice Center operation in mid-2000 and was drawn down in October 2000. The term was ten years at six percent interest, with monthly installment payments - which have been made on a timely basis.

All mortgages, loans, notes payable or accounts payable must be paid before the City takes ownership. There must be recourse on any undisclosed debts.

The ice-making plant must also be certified to be problem-free before the City takes ownership. To accept the IKON Center only to learn that it will take a million dollars (give or take) to bring the ice-making equipment and property up to speed is also unacceptable.

A further condition of the City taking ownership of this facility would be a due diligence done by a reputable independent firm with experience in this specific field.

No one now in City employment knows the first thing about ice. Sure, there are some councilmen who know "on the rocks" means their drinks have ice cubes, but no one knows the first thing about operating such a unique facility. Such a person must be hired and it cannot be another retired Air Force Colonel from the officer's club at F.E. Warren.

The City must look at this acquisition and its operation honestly. They cannot say that current City employees can take on the additional load of operating the IKON Center. It cannot, will not and should not be operated that way.

*I continue to identify the facility as the IKON Center because that is what most local residents still call it and I believe that Taco John's will end the naming arrangement in the near future.*

I have another major concern about this property becoming City owned and operated. One of the revenue producers there is a miniature golf course. I cannot accept the notion that the City can use public funds and mailings to promote miniature golf at that location to the detriment of the Putt Hutt in Lions Park.

How that can be handled is something I do not have the answer for. But it is imperative, in my opinion, that the Putt Hutt owners be kept whole if this transaction comes to fruition. They cannot be hurt.

One of the greatest objections I am hearing about the City swapping land for the IKON Center is that such an action will bail out a bunch of rich guys. What it will do for certain is relieve those of the investors who now provide money to cover operating losses by continuing cash calls. They can also take advantage of a loss on their investment and benefit in whatever way federal income tax code allows.

The land they will receive in the exchange is worth little. It is my opinion that the investors who control the decision to divest themselves of this property have decided that they would rather end the hemorrhaging of money (in losses) and get little to nothing in exchange than to continue to invest the money it takes just to keep the doors open.

Could the investors sell the IKON Center to another private investor? They face the same problem the City concluded they had with the former UP depot. No one would buy it because there was no evidence money could be made on their investment to purchase and remodel the depot. This group of savvy investors has admitted they could not turn a profit under the circumstances of their ownership, which has included considerable debt.

But, could they give it away? If I knew how to run an ice rink, I'd take it. First off, I could borrow a few million dollars on the value of the property for operating funds until profitable. But I am not a 501(c)(3).

Without a doubt. If the investors said, "We will give the IKON Center to any non-profit (church, etc.), that can satisfy us that they can operate the place and will keep it open for the foreseeable future," the line would form to the left. A long one. But buy it? There'd be no interest.

If the City had done the same thing with the UP depot, developers from all over the region would have tripped over each other. But buy it, remodel it and then lease it? Was not going to happen. The outcome of the depot would have been better had it been GIVEN to the right group. That majestic building deserves

better than a tavern, a picture gallery and offices for non-profits that were already in other offices in the downtown.

I see an advantage even for those who oppose the swap. Voters might be persuaded to hold the rec center in abeyance until the City proves it can operate this much smaller facility well. The City will promise voters they can operate the \$55 million rec center at a profit. A fair test would be whether they can operate a free ice rink and events center at a profit. (Note: The rec center vote failed.)

If the \$55 million rec center is not approved in the next specific purpose sales tax election and if the Archer Property funds are also denied, it would take less than two years to collect sales tax for all of the other items on next May's ballot. The City could hardly argue that would be an unfair test.

Is the way this exchange was handled proper and the way a city government should operate? Of course not. But that is where Cheyenne is at now. The mayor and his majority voting bloc do not share information with two of the members of the city council. But, hell, they also can't get along with the county commissioners and have chosen to saddle the County with a new cost for their own development office. When the County wanted to take the escalating building permit revenues of a few years ago away from the City and open their own development office, the City begged them to stay where they were. Now that residential construction has tanked here, the City is perfectly willing - make that eager - to throw the County (which does include residents of the City, of course) over the side.

Nothing is going to change in the immediate future.

While I support the debt-free acceptance of the IKON Center, I do not support taking the property with ANY debt, nor do I support taking it with maintenance costs hanging, nor do I support taking it without consideration for Putt Hutt, nor would I support it if the city land being used in the trade had matching value to it. It is my opinion that the 15 acres of land being traded is virtually without development potential and has a true value of less than a million dollars. (Note: Nailed that one, huh?) If an appraiser for the investors told them otherwise, this becomes a classic case of caveat emptor. Is there a gamble to taking this ice rink, events center and miniature golf course, and the attendant land? Yes, there is.

I have made all the arguments about the failings of this administration since the first issue of the Cheyenne Herald was published - in January of 2002, 137 issues ago - and it is not easy to support their having yet another chance to screw something up. What is the worst thing that can happen? The City can lose money operating the rink and other amenities there. But this property is much more likely to break even than the depot or the Belvoir. Much better. And with no debt, the City can sell the facility. At even \$1 million, we make money.

My position has been and is: Public amenities do not have to be profitable.

### The IKON Center debt

Some question whether the City will actually receive the ice rink, miniature golf course, and almost eight (8) acres of land without debt. Their cursory review of public records indicated that there is substantial debt on the property. But, based on my personal review of county records and discussion with a principal of the Cheyenne Ice & Events Center, here is the situation as of December 10, 2007:

- 1.) \$3,087,500.00 Mortgage by American National Bank, recorded May 23, 2001. Has been satisfied but has not been released by ANB. Investor group will insure that is now done.
- 2.) \$1,306,190.77 Mortgage by Remount Capital LLC, recorded July 31, 2006. This loan is from a principal investor and will be released now.
- 3.) \$250,000.00 Mortgage by Cheyenne-Laramie County Economic Development Joint Powers Board, recorded June 30, 2000 - drawn down in October, 2000. This loan is for a term of ten (10) years, with Six percent (6%) interest. Monthly payments of \$2,775.51 have been timely made through November 2007 and the outstanding balance is \$104,379.00. That mortgage will also be removed before conveyance of the property to the City.
- 4.) City Treasurer Barb Dorr told me the City never put any money into the IKON Center - in the form of a loan, investment or grant. No money is owed to the City by the Ice Center.

## Oroweat Bakery Outlet

**Travel A Little,  
Save A Lot!**

**308 Southwest Dr. • 635-8400**

**Open Monday - Saturday 10-4**

South across from Tyrrell-Doyle Chevrolet - west at PTA Self-Storage

## Rezoning the ice land

*Appeared first in the August 12, 2008 issue of the Herald*

When the City first spoke publicly about acquiring the IKON Center, which was well after I was made aware that such a transaction was already in the works, I supported the move.

There were two predominant reasons for the support. First, my long-held stand that "you should dance with the one that brung ya" and, second, because of the attractiveness of the purchase price.

Amenities for those who have stuck it out in Cheyenne before it had major retail shopping and a wide variety of restaurants, deserve more consideration than those people who now live somewhere else and we are trying to entice to move to Cheyenne. Facilities like the ice rink, swimming pools, a clean public lake, playgrounds, a safe "tree house," a reasonably designed and priced rec center, a public event venue like the Civic Center, the amphitheater in Lion's Park and community parks throughout the city - residents have a right to expect those.

The 17,000 acres of land now called open space (which is half way to Buford) isn't an amenity. It's still a granite quarry.

My support for the City acquiring the ice rink and the other attractions that came with it had caveats. One was that the property be inspected by an independent firm whose report could be trusted - not a local toady who would not come up with a list of the needed repairs for fear they would lose the City account. That was not done and now some major repair requirements are being disclosed.

Some assumed that since I came here from Minnesota anything frozen would hold great appeal to me. But my wife and I have reached a point in life that broken bones and muscle strains are no longer desired. I do want the families in Cheyenne to have reasonable amenities available to them. I do not believe, nor have I ever believed, that the 11 miles of concrete walkway called the Greenway in any manner, shape or form attracted the Lowe's Regional Distribution Center.

I think it's important to have amenities for those here now, not those who may move here at a later date.

A major reason I supported the swap, from a financial standpoint, was that the land being traded was of little to no value to the City. I think I referred to it as worthless. And, of course, land zoned "P" is of absolutely no value to a private party.

So, the ice rink givers have begun the process to rezone the three parcels of land so it can be used for something productive to them - commercial, residential, industrial, etc.

In days gone-by, the City took the matter of spot rezoning very seriously. In fact, the opening line was always that they just didn't do it. But since the growth-at-any-cost addiction has set in, this City government has ignored rules that used to apply. Now, it depends on whom is asking and what the end product will be.

The Cheyenne Herald, P.O. Box 2208, Cheyenne WY 82003 --- [www.cheyenneherald.com](http://www.cheyenneherald.com) --- E-mail: [cheyenneherald@yahoo.com](mailto:cheyenneherald@yahoo.com) --- (307) 637-2879

Because of what's been said during this attempt to rezone the land near North Cheyenne Park, it appears time to suspect this group of skullduggery on this land for ice rink exchange.

They just can't do anything above board.

Probably no one who has watched this group operate for the past eight years doubts that side deals were made - at least verbally. For example, did Jack and Patrick promise the past owners of the ice rink that rezoning would be a slam dunk, regardless of what the powerless Planning Commission recommended?

Who can forget that this same Planning Commission recommended approval on a subdivision off Chalk Bluffs Road only to have the new Rural City Council reject it on personal friendship bases?

Governing bodies have little idea what represents that right decision when it comes to approval of subdivision plats or rezoning requests. All that matters is who is involved. A friend, yes. Others, no. Ice rink investors included a councilman.

Why did the City "trade" land which was zoned "P" instead of effecting the rezoning while they still owned the land? Were they afraid that the public outcry would have stalled the deal so it could not have been accomplished before that calendar year-end, which was critical? They must have known that this land is near Mustang Ridge and some of the residents there are movers and shakers in town.

Was that their out? If the rezoning could not eventually be accomplished, the City would re-do the deal or be sued for trading land that was zoned to a classification those receiving it could not use? Is that kosher? Shouldn't a deal be a deal? Buyer beware? When those on the receiving end of the land are attorneys, can they claim abuse of the law as an excuse to demand more marketable land now?

More and more, property buyers around Cheyenne cannot protect themselves against the future. It used to be that buying land closest to a park or school would give the buyer peace of mind that he/she wouldn't one day look out the living room window into a 24/7 Walgreen's. Tell that to the residents off Dell Range who faced exactly that future until they figured out using covenants could stop the move. No thanks to the City. The City had approving rezoning for Walgreen's to build right outside the window of residents. Ditto the new Walmart SuperCenter.

Will the city governing body reverse the decision of the Planning Commission? Will they go the route of two members of the Rural City Council (County Commission) and appease those closest to them personally rather than protect the property interests of those who have relied on that land out north being owned by the City or LCSD1 and zoned "P" to protect them against a "C" store, liquor store or adult book store. *It would take L-I zoning for an adult book store. But, stay tuned. Almost anything could happen.*

## The Ice Rink

*Appeared first in the January 27, 2009 issue of the Herald*

Critics of the City trading nearly valueless land for the IKON Center property are saying "I told you so" on the news that the ice rink / miniature golf facility won't take in as much money as it will require to operate through the fiscal year.

Obviously, given my druthers, I would like to see the ice rink self-supporting in the first year. But, honestly, in spite of what the mayor and his minions promised, who really expected that to happen? I didn't.

The Civic Center has been an Enterprise Fund since it opened and it's no closer to covering its costs now than at any time in the past. The City's solution for the Parking Division (which was also an Enterprise Fund before the Spiker administration) when they decided to build a parking garage they knew would be a financial drain and unprofitable, was to shift it to being just another city department. To hide the true results. An Enterprise Fund is supposed to cover its costs of operation, including depreciation, from revenue it generates. Meaning no other funds should be required to cover its costs of operation. The Civic Center has drained millions from the general fund during its life.

Once again, here's the deal with the Ice Center: The original owners could not operate the facility profitably and decided the best choice for their collective financial interests was to divest themselves of the Center. They, in my opinion, took what they could get. The land the City swapped for the facility is of questionable value but the sellers accepted the trade so it's "buyer beware."

The group may also gain tax advantages as the result of a loss on their investment or a donation - that will be between them and tax accountants. Several years ago, the concern was that such a facility would be built with public funds. It wasn't. It was built with private funds and borrowed money.

The City took on no debt in the exchange for land.

And, as far as that land out on Storey Blvd. and Converse Ave., residents didn't even know the City owned that land until the trade for the ice center was announced. It has no real value.

The value of property is, of course, what a willing buyer and a willing seller agree it is worth. Figures up to \$7.0 million were bandied around about the appraised value of the Ice Center. I use the value at which it was taxed. Its latest "fair value" when it was privately owned was \$4,620,223, with property taxes of \$31,163.

Let's assume the City were to build a similar Ice Center and miniature golf area today, at a cost of \$5,000,000 and sell revenue bonds to fund it. As they did with the parking garage, they could lie and say the project would generate the funds to cover its principal and interest payments. With repayment over 20 years, at 4.5% interest, the annual P&I payments would be \$381,773. With no balloon payments nor escalating annual payments - payments would be \$381,773 per year for 20 years. The total interest paid would be \$2,635,475.61 and the total cost from public funds would be \$7,635,475.61.

There'd still be the same operating losses or profits as we'll see as a result of getting the ice center property as a gift. But it won't cost residents the \$7.6 million that could be dumped on them if the same facility were built today for \$5.0 million. Could you argue that you would oppose building such a facility - at any cost? Sure you could. But it wouldn't matter. You could have argued that about the parking garage, too. It was built without your approval and you'll pay \$9,750,000 plus interest for it.

The ice rink was a steal.

I don't use it. I don't have children or grandchildren who use it. But it isn't hard to see why it was a good deal for the City. Now, they need to find someone who can run it.

Profitably.

**In the next issue of the Cheyenne Herald, we will publish a transcript of the presentation made to the Cheyenne City Council on December 27, 2007 by Jack Speight on behalf of the investors of the IKON Center.**

[WyomingNETWORK.com](http://WyomingNETWORK.com)

What's your opinion? Read and participate in the forums at [www.CheyenneNetwork.com](http://www.CheyenneNetwork.com)