

"ANYTHING TWO PEOPLE KNOW IS NOT A SECRET."

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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 an 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. The reason? Voters can mount 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.

Mineral royalties 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.

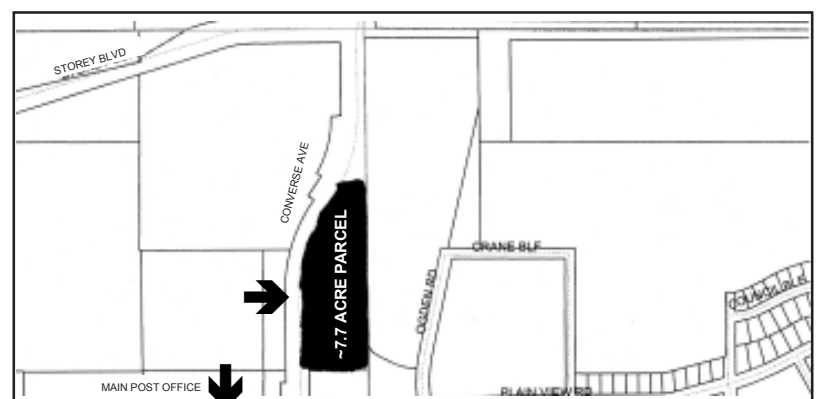
And if the development were residential, the land's value per square foot is less than a quarter of the \$6.00 / sq. ft.

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 5, would be to rehire 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. (See page 5.)



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