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Community news

Thursday, July 14, 2005

Garden Grove's gambling addiction

Officials won't give up the idea of a big score - a casino and/or taxes - to fix city finances

Here we go again. Instead of making fundamental changes in the way they run the government, Garden Grove officials are looking for a big new redevelopment project and a new tax to meet a supposed shortfall in city revenues.

This is the latest in a long string of counterproductive ideas proposed by a city more interested in longshot proposals than in the sensible, everyday things that make governments work efficiently.

As expected, a Blue Ribbon financial committee, whose members were hand-picked by the city, has released its report, which closely echoes the desires of the city manager and staff.

After months of being provided financial information from the city, the committee is recommending th Grove solve its financial problems by luring an Indian casino to a redevelopment site on Harbor Boul consider imposing new utility taxes, to step up the city's controversial redevelopment efforts, as well ideas.

This is problematic on several levels.

First, the city isn't actually short \$6.7 million, according to an analysis of the city's budget by Steven F Rose Institute of State and Local Government in Claremont. The city is projecting the amount of mon to spend by 2007-08, but would not be short if it kept a lid on current obligations.

Second, Mr. Frates argues that the city could fix its entire problem if it froze salaries and benefits for years. Instead, city staff told the Register that police and fire services would be cut if residents don't q the tax-and-casino plan. But our budget analysis shows that the city has caused most of its financial increasing pension benefits for police and fire employees, driving costs up 51 percent in two years. It overspend on benefits, then threaten residents with cuts in services if they don't pay up.

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Third, the city has embraced redevelopment and eminent domain, pinning its hopes on heavily subsidized projects that pay a small percentage of the amount once promised by city officials. Yet the committee is pushing continuation of redevelopment activities rather than an analysis of what has gone wrong.

Fourth, a casino would take years to develop, and Gov. Arnold Schwarzenegger has come out again against any casinos in urban areas.

Fifth, as committee member Tony Flores has complained, the committee started with the assumption that the budget is tight and did not look closely at current spending habits.

Bottom line: the committee's plan will only exacerbate the image of Garden Grove as a city with a poor climate, unless you happen to be one of the favored, subsidized business owners.

Garden Grove officials try to emulate their neighbor to the north, Anaheim, by building new hotels and resorts that might lure Disneyland tourists south. This has led to a variety of failed government-driven development proposals. Instead of trying to grab Anaheim tourist dollars, Garden Grove ought to emulate that city's approach to economic growth.

Instead of looking to the big score, and depending on redevelopment, central planning, subsidies and tax breaks, Anaheim is protecting property rights, treating all businesses fairly and lowering taxes.

Too bad the Garden Grove financial committee hasn't learned that lesson, rather than embrace the status quo it was spoon-fed by city leaders.

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