

Letter to Editor, Tribune & Georgian, 2/16/16

It is in the best interest of the City, its citizens, and the creditors of the Durango Estate for the Bankruptcy Trustee to sell the Gilman/Durango mill site property, allowing for a settlement of the creditor claims and returning the property to productive use.

The question is whether the rezoning proposed by ASM Capital and its front company, Port of St Marys, LLC, is the right choice.

ASM Capital's Chris Ragucci started with a proposal that included various types of manufacturing and logistics activities and a barge port. Each of the proposed activities have been shown to be impractical or unacceptable to the City. Mr. Ragucci has since admitted that the rezoning proposal's "5,300 jobs" at the 15-year build-out, might really be only 500 jobs, and that he "really had no idea" what the uses might be for the property. ASM Capital is not a developer: it buys bankruptcy debt and profits on reselling the assets thus acquired. ASM presumably has purchased much of the senior debt and can get repaid from the sale proceeds. ASM anticipates a large profit, to be realized through the efforts of the Joint Development Authority (JDA) and other development agencies

The JDA wants the property zoned industrial, making it easier to sell. But ASM brings no value to returning the property to productive use. It adds to the cost to an end user, thus making it less likely that we will see any positive results in the near future – and it will be largely up to JDA, the State Economic Development Department and others involved in economic development to find prospects and sell the property to an end user.

The City hopes to see an increase in property taxes from development of the property. The rezoning proposal forecasts annual property taxes of \$2,460,000, along with the projected "5,300" new jobs. This, too, raises false hopes, so a reality adjustment must be applied to the property tax estimate - with no increase in property tax revenue until TAD bonds have been retired many years in the future.

As reported in the T&G, Camden County has enjoyed an increase of "1,000 plus" jobs over the past year, with total number of employees now at 21,309. The increased employment in the rezoning application would be only 2-3% of current employment, fifteen years in the future. A long wait for little results!

The City Council should disapprove the proposal. Then JDA can get to work, unencumbered by having to deal with ASM's profit expectations, to find either a responsible operating company that needs a large site with rail access, or a legitimate industrial developer that can do a professional job of cleaning up and redeveloping the site.

All of the above does not, of course, even begin to address the unknown impacts on St. Marys existing businesses, environment, or our citizens' quality of life.

Please attend the Planning Commission meetings on February 18 and 23, and MAKE YOUR VOICE HEARD! For more complete information, please visit www.portofstmarysga.com