

# **Northwest Arkansas Blogging**

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## On Cockroach Caucuses, Urban Growth Machines, and Airports

Michael Bates of BatesLine received a cease-and-desist letter from the *Tulsa World's* attorneys demanding, among other things, that he stop linking to the newspaper:

...we hereby demand that you immediately remove any Tulsa World material from your website, to include unauthorized links to our website, and cease and desist from any further use or dissemination of our copyrighted content.

The *World* has reason for its ill feelings toward Mr. Bates. In the past, BatesLine has described the *World's* editors as part of the Tulsa “Cockroach Caucus,” otherwise known as “the ‘Developers, Chamber, and Establishment’ party,” and a “cluster of special interests which has been trying to run the City of Tulsa without public input, and preferably without public debate.” More recently, he elaborated on the nature of the Cockroach Caucus:

The World is more than just an observer of the local scene. It is an integral part of the tight social network that has run local politics for as long as anyone can remember. This network... has pursued its own selfish interests under the name of civic progress, with disastrous results for the ordinary citizens of Tulsa and its metropolitan area...

The Cockroach Caucus is most recently infamous for convincing state and local elected officials to pour \$47 million in public funds into Great Plains Airlines... It went bankrupt, leaving local taxpayers liable for millions in loan guarantees. Many leading lights of the Cockroach Caucus, including World Publishing Company, were investors in Great Plains Airlines.

The Cockroach Caucus has wasted tens of millions in public funds on failed economic development strategies..., and has bent and sometimes broken the rules of the land use planning system to favor those with political and financial connections. The same small number of connected insiders circulates from one city authority, board, or commission to another, controlling city policy, but beyond the reach of the democratic process.

Talk about *deja vu!* Change a few of the names, and he could be talking about Fayetteville, Ark.; but I guess every town has its Cockroach Caucus. Harvey Molotch, working from a sort of Millsian Power Elite theory, calls them “urban growth machines”: basically a smaller version of C. Wright Mills’ Power Elite, but operating on a local scale. In essence Molotch’s growth machines were exactly what Bates describes in Tulsa: a coalition of corporate welfare queens from the real estate developers, banks, and Chamber of Commerce, all united in their ambition to gorge themselves on billion-dollar slop at the public trough.

Here in Northwest Arkansas, the Cockroach Caucus represents mainly Wal-Mart, Tyson Foods, J.B. Hunt, and the Jim Lindsey real estate agency. Like C. Wright Mills’ national Power Elite (and like its Tulsa counterpart), our local Cockroach Caucus unites all the major economic and political organizations in the area, through a constant revolving door of good ol’ boy personnel, into a single interlocking directorate of oligarchies.

The local monument to our Cockroach Caucus is the Northwest Arkansas Regional Airport, which was completed in 1998. The movers and shakers behind the Airport were a nominally private organization called the Northwest Arkansas Council—despite its pretensions to be a “public

interest” advocacy group, actually a shadow government built in 1990 around a core membership of Tysons, Waltons and Hunts. The Northwest Arkansas Council’s central mission was to lobby for the “infrastructure” the area needed for “economic growth”—i.e., for subsidized highway and airport pork to line the pockets of the Tysons, Waltons, Hunts, and Lindseys at taxpayer expense.

Following extensive undercover lobbying by the NWA Council, several city and county governments voted in 1990 to create an intergovernmental NWA Regional Airport Authority. Intergovernmental authorities, under state law, are immortal so long as any of the member governments remain party to it; and they have all sorts of interesting powers, like the power to issue bonds and condemn property. The creation of this authority was presented to the people of Northwest Arkansas as a *fait accompli*. Given the immortality of the Authority, and the extent of its powers, you might expect its creation to be a matter for extensive public debate. You would be wrong. The local governments, for the most part, voted on it as an emergency measure: no prior public notice, no public debate, no multiple readings, etc., etc., ad nauseam. Some local aldermen and members of county government explicitly stated that they acted in secret because they didn’t want the Great Unwashed gumming up the works.

That was smart thinking on their part. See, the richbastards had been trying, periodically, to shove a regional airport project down our throats since the 1970s. And each time, it was voted down in a public referendum. This time, they decided it would be a whole lot easier without all that democratic nonsense to slow things down.

The result, when we woke up the next morning and learned about the *fait accompli*, was a public outcry and a polarizing debate. In the process of that debate, the authority’s chairman subjected airport critics to a barrage of ridicule. They were, he said, just “troublemakers” and “agiggers,” “housewives” who didn’t know enough about the issues to have a valid opinion. An elite group within the Fayetteville Chamber of Commerce, known as “Leadership Fayetteville,” held special seminars for the creme de la creme of the good ol’ boy Power Elite to discuss ways of dealing with the “small but vocal minority” who wanted to “hijack” area progress (quite an interesting exercise in mirror-imaging, that). Following their conclave, as a result of Cockroach Caucus pressure on the owners of the main Fayetteville newspaper and a major radio station, an editor and DJ who had called for a public vote on the issue were fired.

Before it was over, the pressure for a public vote was just too great to resist. The citizens of each member city and county were allowed to vote in 1992 on whether to remain in the Authority. But the Cockroach Caucus put together a propaganda barrage that no doubt made Josef Goebbels chuckle with approval from the depths of Hell. If a local government voted to withdraw, they shrieked, the citizens would “lose their voice” because they would no longer have any say in the Authority. Of course—that was the whole point of setting it up that way in the first place: the Frankenstein’s monster was deliberately created so that it couldn’t be destroyed except by the unanimous action of all seven member governments. The Cockroach Caucus designed the Authority so that once it was sprung on the public, there would be virtually no way to destroy it. As for our “voice,” the process was rigged from the beginning to make sure we wouldn’t have one. Odd that people who engineered a secret vote would be so worried about us “losing our voice,” don’t you think?

Along the way, there were some pretty entertaining howlers. For example, the FAA proposal drawn up by the Authority’s consultants initially called for a cargo airport: there was, they said, insufficient demand to justify a passenger facility. On the FAA’s ruling that insufficient demand existed for a cargo port, the consultants reversed course and drew up a new proposal

for a passenger airport! But a passenger airport with runways long enough to accomodate fully laden cargo jets! Can you say “Trojan horse”?

My dad used to say that regular organized crime couldn't get a foothold in this area because the competition from the good ol' boys in the Chambers of Commerce and City Councils was too stiff.

## **More Welfare for Wal-Mart**

I guess corporate welfare for Wal-Mart falls into the “Dog Bites Man” category; but anyway, here goes. Via Progressive Review. “House OKs \$37 million for Wal-Mart H.Q. road”

BENTONVILLE, Ark. — The U.S. House has approved a federal highway bill that includes \$37 million for widening and extending the Bentonville street that provides the main access to the headquarters of Wal-Mart Stores Inc.

The company says it asked U.S. Rep. John Boozman, R-Ark., to help get federal money for the proposed project. U.S. Rep. Don Young, R-Alaska, added an amendment that put the work into the \$284 billion bill, which is now before the Senate.

Wal-Mart spokesman Jay Allen said the company wants Eighth Street improved so the 10,000 workers at company headquarters will have an easier time getting to their jobs. In the time Wal-Mart's headquarters has been at the site, the company has grown at a much greater rate than the street has been improved. Wal-Mart, as measured by sales, is the world's largest company. Wal-Mart has 20,000 employees in the Bentonville area; about half of them work at the company's headquarters.

“We have people living all over the area,” Allen said. “Infrastructure in northwest Arkansas is a big issue for us. This would represent another east-west corridor connected to the interstate, which would benefit everybody.”

The money in the transportation bill would widen the street and pay for connecting it to Interstate 540.

For most of living memory, the central function of “our” elected representatives in northwest Arkansas has been to secure lots and lots of highway and airport pork for local corporate interests. For years, Third District Congressman John Paul Hammerschidt pursued federal highway funds with a single-mindedness that made Al “Senator Pothole” D'Amato look like a piker. I've written before in this blog about the Northwest Arkansas Council's (aka Cockroach Caucus) role in lying and manipulating its way into a taxpayer-funded regional airport. As long as I can remember, “our” local government has been a corrupt good ol' boy club serving the interests of Tyson, Wal-Mart, J.B. Hunt, and Jim Lindsey.

Nice to know those public-spirited citizens are still tirelessly pursuing the “public interest” (while lining their own pockets, of course).

What a bunch of filthy pigs.

## **Corporate Welfare for Wal-Mart**

Charles N. Todd has a post at Uncapitalist Journal on more pork barrel spending for Wal-Mart.

At some point in the last two years, Wal-Mart approached the city of Bentonville, Arkansas (where Wal-Mart's headquarters is located) with plans to expand their operations at the David Glass Technology Center.

City officials said that was fine, but that the quality of the road leading to the facility didn't meet standards for the increased traffic volume the expansion would bring, and so the city requested that if Wal-Mart wanted to expand their facilities, then Wal-Mart should pay to have the street improved. In particular, the city wanted Wal-Mart to widen the road to three lanes plus add curb and gutter.

Wal-Mart, in turn, went to their U.S. Congressman John Boozman and asked if it was possible to get federal funding to pay for city street improvements, to widen the street to five lanes, and to extend the street so that it could tie in with the interstate.

Boozman followed up by asking U.S. Representative from Alaska Dan Young to see if funds for the project could be added to the federal highway transportation bill since the proposed project now included a possible highway interchange.

Young added a 35\$ million dollar amendment to the bill which passed the House and later the Senate and was signed into law by President Bush this month.

Of course, all of this came as a big surprise to city officials in Bentonville since they never requested the funds. Even more troubling to the city: federal highway transportation funds require a local 20% match. Bentonville is now required by law to come up with the additional funds for the project, despite the fact that their budget has already been stretched really thin.

That's a common pattern for Wal-Mart. If a city doesn't cough up the money for expanding the sewer and road infrastructure to serve their new supercenter, they threaten to take it to another city that offers a higher bid.

Charles is originally from Bentonville himself, so he knows first-hand how things go here in northwest Arkansas. We've got a corporate welfare regional airport, built mainly as a result of lobbying by Wal-Mart, Tyson Foods, the J.B. Hunt trucking company, and the Lindsey real estate interests. The Northwest Arkansas Council, a "private" advocacy group made up mainly of representatives from the above companies, was formed as a "civic-minded" organization to lobby for spending more tax money on infrastructure pork that said companies need to be profitable. Under the influence of these lobbyists, local governments acted in secret (as an "emergency measure," with no prior notice or public debate) to create an inter-governmental airport authority. The authority, acting in collusion with the local University and usual suspects from assorted chambers of commerce, worked not only to secure federal loot (with a lot of skullduggery by ethically challenged consultants in manufacturing an FAA proposal), but to suppress local dissent. I told the utterly sickening story of how the regional airport got shoved down our throats here: "Northwest Arkansas Blogging: On Cockroach Caucuses, Urban Growth Machines, and Airports"

## **Close Call for Fayetteville Cockroach Caucus**

I first wrote early this year about the Cockroach Caucus phenomenon. Members of that genus tend to scuttle out from under the refrigerator whenever the light is safely off, in any community

where the local government and chamber of commerce are controlled by a good ol' boy network. In other words, just about any community in America. Michael Bates coined the term to describe collusion between local government and business interests (especially real estate developers), particularly in his own town of Tulsa. Millsian "Power Elite" sociologist Harvey Molotch, more politely, used the term "urban growth machine." But I prefer Bates' colorful terms: "the 'Developers, Chamber, and Establishment' party," a "cluster of special interests which has been trying to run the City of Tulsa without public input, and preferably without public debate," and (at greater length)

the tight social network that has run local politics for as long as anyone can remember. This network... has pursued its own selfish interests under the name of civic progress, with disastrous results for the ordinary citizens of Tulsa and its metropolitan area...

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In my own "Cockroach Caucus" post, I described the schemes of Northwest Arkansas' version of that clique to shove a corporate welfare regional airport down our throats.

Well, the Cockroach Caucus never tires, and is never slack in its mission of comforting the comfortable (at the afflicted taxpayer's expense, of course). According to an account by the *Northwest Arkansas Times*' Greg Harton, democracy reared its ugly head and almost quered a deal between the Fayetteville Economic Development Council and Biobased Technologies, the would-be beneficiary of a taxpayer pork transfusion.

The Fayetteville mayor might have been forgiven if he had accepted Biobased Technologies CEO Tom Muccio's impatient reaction to questions asked by a handful of Fayetteville residents in last week's City Council meeting. On the agenda was a plan to sell city-owned land to Biobased so that the company — a maker of a soybean-based polyurethane insulation — could move its headquarters and plant from Rogers to Fayetteville. The price is \$940,000, hundreds of thousands below the market value of the land. FEDC officials who want to lure the company here believe Biobased, which hopes to expand its environmental technology into many more products that now use petroleum, is a seed that could spark more technology-based companies starting or locating in Fayetteville.

If it's such a promising idea and all, it should be profitable even if the little piggie pays for all the slop in his own trough. At any rate, there ought not to be one price of land for the politically

connected, and another for the rest of us second-class citizens. One law for the lion and another for the lamb is tyranny.

Last Tuesday, after a lengthy discussion, Coody began repeating questions raised by residents for Muccio, who was participating by conference call. As usual at critical moments, the technology didn't create a very workable environment for discussion, so Coody proposed that Muccio come visit the City Council to help ease some concerns.

The length of the discussion and apparently the fact that anyone was asking questions led to the following comments by Muccio: "Mr. Mayor, having gone through seven months of questioning with the Fayetteville Economic Development Committee [sic], having opened the factory and blending plants and everything we're doing for folks to come up and look at it and whatever, I can only assume that if there's not enough information for the City Council to make a decision today that they're really not interested in us being in Fayetteville. We didn't petition to come to the city; the city came after us and said we want you to come. On that basis, we withheld a lot of investment, as you well know, and put ourselves in a noncompetitive situation vs. our business plan. So if the city's not interested in having us, then we'll find another alternative, but we need to get on with building our business."...

But let's consider this: Last Tuesday's council meeting came precisely 17 days after the city and the Fayetteville Economic Development Council revealed that a deal had tentatively been struck for the company to relocate, and for it to benefit from a sweetheart land deal created to entice the company to move to Fayetteville. Tuesday's meeting was the first at which any comments were accepted from anyone outside the very secretive, closed environment of the Fayetteville Economic Development Council, which was formed 19 months ago through private funding. Its structure is such that the FEDC is said to speak with a unified voice on behalf of city government, the University of Arkansas and the Fayetteville Chamber of Commerce, but the city and university have specifically avoided providing any funding so that the FEDC can operate outside the public's view.

Uh huh. I'm not sure what this means. But it appears to imply that, despite being empowered to speak on behalf of the city and give away taxpayer property, so long as the Council isn't actually funded by tax money it isn't *really* a government body, and therefore doesn't *quite* fall under the Freedom of Information Act. Bullshit.

Even Mayor Coody, affectionately known as "Dictator Dan" by locals who opposed the city smoking ban, felt some obligation to defend at least a cursory public review. After all, believe it or not, Coody was originally part of a slate of "reform" candidates who ran against the Cockroach Caucus and its high-handed methods in catering to real estate developers and other local business interests. (Of course, the policies of Coody and his allies turned out to be "progressive" social engineering, which is another way of saying yuppie gentrification; they weren't the opposite of the Cockroach Caucus after all, but just an alternative Bobo version of it). Anyway, here's Coody's lame attempt not to seem quite as bought-and-paid-for as both he and Muccio knew very well he was:



Now, back to Tuesday's meeting. Coody didn't fall into Muccio's ill-tempered baiting. Instead, the mayor calmly explained what shouldn't have to be explained, that the elected leaders of Fayetteville have a responsibility to let the public speak on issues of public policy. Last I checked, the sale of public land to lure a company to town qualifies. "Fayetteville is interested in having Biobased locate your shop here," Coody responded. "I think it's our responsibility as the governing body to answer the concerns of the constituents we have here, so once they can get their questions answered, the fear factor goes down and we can live happily ever after. I don't think having the public come up and ask questions and having us help provide answers is necessarily a bad thing, and I don't think it shows bad faith on Fayetteville's part. Obviously, we want you here or we wouldn't be dealing with you as we have. Please don't take this as a negative perspective on your company. I think the opposite is true. We think very highly of Biobased very much."

Well, at least he still has his dignity (snicker). But Muccio wasn't having any of it:

Good save, mayor. But Muccio, whose connections to Fayetteville include his years as a senior officer with Procter & Gamble before he left to head Biobased, continued, giving us a glimpse, perhaps, of what rankled him most. "I thought what we were doing over the last seven months was working within the guidelines that the city had allocated to the Fayetteville Economic Development Committee to put us through a vetting process and ask the questions," Muccio said. "It was my understanding that we were dealing with the professionals who were charged with what's best for Fayetteville economic development. We've been through four or five different meetings, we've offered tours, we've answered every question that has been posed to us. We've shared business plan. I'm not sure what else we can do, Mr. Mayor."

In other words, I thought we had a done deal—can't you people keep your serfs in line? There you have it! That's exactly the spirit behind at-large representation, the city manager/city board form of government, unelected commissions and authorities, and all the other manifestations of "professionalism" in government. Government is to be "depoliticized" and managed by "competent professionals" who "know what's best" for the people, without said people getting their grubby little hands on the levers of power or interfering in the business of their betters. Like all New Class Crolyites, the intellectuals behind such "reforms" believe in the existence of disinterested "expertise"; in practice, such experts wind up being the servants of those with wealth and power. The New Class intellectuals of the "Progressive" Era, who started out thinking that immaculate managerialism could transcend class conflict, wound up being coopted as Taylorist overseers for the corporate rich.

By the way, I didn't realize that "business plan" was a bodily fluid; but it sure seems that way, doesn't it?

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