

This is Part Two of two full page paid ads I ran immediately after my theater's closing; this one just days before the local election where my nemeses, Deputy Mayor Melina Kennedy, was running for her first public office as the Prosecutor for Marion County / Indianapolis, Indiana. The story was picked up City wide with extensive broadcast television and radio coverage. Melina was defeated.

Part Two

Hollywood Bar & Filmworks Has Closed!

Say Goodbye to Hollywood, It's Been a Great 15 Years!

Lets talk about Indianapolis Downtown Inc. & The Capital Improvement Board

IDI claims to be the voice of all downtown merchants. Their stated mission is to develop, manage and market downtown Indianapolis, to promote downtown business development and visits; a task usually handled by a actual government organization such as an economic development agency.

Actually they were formed to avoid the open meeting laws, and have several publicly paid employees 'on loan' from Indianapolis.

IDI's budget from membership dues and donations is matched by the City of Indianapolis and direct funding is over \$1,000,000 annually, and additional in kind help such as full time employees who are on the public payroll but are loaned out full time to IDI . The Executive Director of IDI since its inception has been Tamara Zahn.

Although the group claims to be the guiding hand in downtown development and the voice of all downtown merchants and industries, in fact that voice is for sale. In order to have a real voice, you can join the Board of Directors for a fee. A seat on the Board is for sale at a cost of \$25,000. Some people have paid more, some have paid a little less. IDI receives matching public funds. Tamara, who is paid more than even the Mayor, has a vested interest in covering up any downtown problems, especially parking issues, because she can take credit for positive news in the press (even if the news is manufactured) and so maintain funding, often with the President of Denison Parking also on her board. (Wouldn't you like to be a fly on the wall for those lunches?)

IDI has not officially partnered with any other industry except the parking industry. Other industries that actually attract people to downtown such as restaurants, hotels, retail merchants, property owners, etc., do not enjoy a "partnership" with IDI. Only the parking industry which leaches off what others attract enjoys this extra special consideration with IDI. A major player in the "IDI Parking Partnership" is the President of Denison Parking and has also been the Vice Chairman and Chairman of the Board for IDI. The IDI Parking Partnership is headed by a

paid employee of the Department of Metropolitan Development, City of Indianapolis who is “on loan” to IDI for this exclusive use. Denison at one time, and maybe still, operates the downtown parking meters for Indianapolis. The number of tickets issued aggressively increased when they took over, and of course vehicles were increasingly driven to use private parking facilities, some of which Denison controls. I have heard, but not verified, that the management of the CIB parking lots on the open land previously occupied by the old demolished sports arena, was awarded to Denison without competitive bids even being solicited. Denison controls more parking spaces than another company, including Circle Centre Mall, the CIB spaces and several of their own garages.

Often, parking companies victimize the public by using the events as an excuse to maintain the higher rates even after an event like a basketball game is over! The parking industry has fought any market driven solution tooth and nail as they catch huge quantities of non-event cars in the hyperinflation. At their rate of increase, well over 50% of the non-event traffic could stop coming downtown and this industry would still increase its profits considerably. In other words, the profits reaped from the hyperinflation are so high that even if 50% of evening downtown visits disappear, the parking industry would still be better off. That’s the math.

In rallying the neighborhood (I was the founding President of the Downtown Restaurant Association) I caused a considerable stir. The then Mayor, Steven Goldsmith, after receiving a signed petition from three dozen restaurants, convened a Special Event Parking Task Force chaired by Tamara Zahn and conducted through IDI. Obviously with her partnership with the parking industry and the money she takes from them is a huge conflict of interest

Add to that conflict the fact that Tamara and Barney Leavengood, the Executive Director of the Capital Improvement Board, enjoy free transportation on the President of Dennison Parking’s private plane to his vacation home in Colorado.

Both certain IDI staff, Capital Improvement Board staff and other city officials also have nice little cards for free parking anytime (including events) at any of Dennison’s garages. Nice perk.

The Majority Leaders of both parties in the City Council have personally told me, ‘everyone knows the CIB is the Mayors slush fund’.

Nothing was really accomplished, but at the last meeting the neighborhood agreed on a trial basis to the only proposal on the table. Just after the meeting adjourned we found that a CIB official had lied to us and we went to the press with the lie. The minutes for that last IDI Task Force meeting were never issued, even though I requested a transcript. Zahn refused because they would have proven that official had lied. That CIB official later told a neighborhood businessman that if we thought we were bad off now; just wait until he was done with us (meaning getting even for the blowing of the whistle). At that time, I received the casket company brochure through the mail which I am sure was an implied threat for someone. My business then also became a target for every state and city inspector available. Within weeks my business was inspected by agencies that had never looked at us before. Anybody who had signed the petition was contacted by either Zahn or the head of the IDI parking partnership who tried to pressure them to take their name off the petition. This effort also included both IDI and other government officials contacting the Landlords of many of the restaurants in an effort to solicit their help in suppressing their tenant’s vocal unrest with the situation. In two cases the pressure tactics worked and restauranteurs asked (or should I say were forced to ask) that their names be removed from the petition.

When the Downtown Restaurant Association conducted a survey of downtown customer attitudes about parking, Zahn called me up literally screaming that IDI is the only one who should be conducting any surveys. Of course the customer comments were shocking and fully verified our association's position. Later, when IDI conducted their regular bi-annual survey of downtown visitors (which is not a cross section of downtown customers but rather a survey of IDI members), the problem still showed up. That information was not included in the final report, and the real results were leaked to me by a sympathetic IDI employee. Later, even though parking had always ranked as downtown's number one negative in all previous IDI surveys and it had been noted as getting worse since the Fieldhouse opened, they just stopped asking the question. Why? Since they don't ask the question – nothing negative to report.

You should know that surveys are produced to show that Indianapolis has lower priced parking than other cities, but the comparisons are generally big congested East Coast metropolitan areas and not comparable sized cities, and they use the overall prices of the vast Indianapolis general region since Indianapolis encompasses the entire county and not comparing downtown to downtown. These prices also do not count the special event rate which is where the biggest downtown Indianapolis problem lies. Even if downtown Indianapolis rates are lower than other cities; the choice is not one of citizens moving from our city to the another city; the choice is one of visiting downtown or staying close to home in the suburbs.

One proposal by the neighborhood was to have an independent research study conducted to verify the problem (as IDI and the parking industry maintained there was no problem) and look at solutions. A committee was formed to come up with study questions and the CIB said they would fund it. After three meetings the study questions were decided on, but at the last moment Tamara Zahn objected vociferously, said that parking was not the problem, it was the economy and other odd things, and stomped out of the meeting. Melina later cancelled the study, reversing herself and saying a study was not necessary. The association believed an independent study would have easily validated our position which would then have mandated the problem truly be addressed; by not having an independent study identifying solutions, no solutions would have to be offered. See no evil. Of course such an independent study would have proven contrary to the interests of the parking industry.

Another association proposal was to pass an ordinance that rates must be posted so as to be more visible to the driving public prior to entering a parking facility at all times when a lot is open. This would promote competition and prevent dishonest practices such as not posting prices at all, so operators could switch rates based on the perceived affluence of the driver or by the type of vehicle driven. Every honest citizen should want full disclosure protection for the consumer, and IDI should also want this so as to promote downtown visits, again their stated mission. The committee to review this proposal was co-chaired by Zahn and the Director of this states restaurant association. Tamara objected to this idea tooth and nail, saying it was not necessary. She eventually dead-locked the committee and nothing was accomplished.

More than a year later, I went to City Councilors who were friendly to the cause and got them to introduce the full disclosure rate sign legislation. The parking partnership was tipped off and held an emergency meeting. A delegation from the partnership led by IDI's city paid employee attended the City Council hearing to oppose the legislation. They all huddled upon arrival with the IDI representative and he was their sole mouthpiece. They again said it was not necessary at all. A study subcommittee was formed and IDI led the opposition to dilute the measure although I did get the bill passed unanimously through the city council. Note that despite the fact that I have reported obvious violations; no citation has ever been issued by the city. I wonder why?

One important proposal from the neighborhood was for the Capital Improvement Board to lower their parking rates during events to approximate those experienced in the neighborhood on non-event nights. The CIB price

structure is the root cause of the hyper-inflation; without the CIB charging higher rates no one else could increase theirs due to normal competitive pressures. The high priced city spaces act like a price support. After two years of other schemes failing, by which time I am sure IDI thought we would get tired and go away, Melina finally agreed to implement the market driven plan submitted by the restaurant association. She told the Democratic Party County Chairman (who worked for me as a lobbyist), the State Director of the Restaurant & Hospitality Association of Indiana, and me in individual phone calls. Melina then publicly announced her intention to adopt the proposal at her last working group meeting. Zahn was furious, again having the last word at that meeting, stating that parking wasn't the problem but rather downtown restaurants just weren't attractive enough to draw people downtown. She left the meeting vigorously complaining, and I overheard her stating that she just didn't understand what we (the neighborhood) wanted, although we had just got it. Three weeks later, Melina reneged on her promise, explaining nothing more than that it was no longer necessary to do anything. The Mayors Parking Task Force never met again, despite repeated entreaties by the state restaurant association's Director and succeeding Presidents of the local chapter that the problem still wasn't solved, something the mayors own working group also concluded prior to reneging on what was to be the final deal. Two letters were then written by the officers of the local restaurant association to the Mayor stating the problem still was not solved. The first response was a standard type form letter. The second letter was sent attached to a petition with 20,000 signatures from downtown customers asking the Mayor to finally solve this problem. That received a response from Melina being mildly sympathetic but again not doing anything. I later spoke to the Mayor at a social gathering and he said that he has never seen or heard about the letters or the petition. I told him I would send copies over and his Deputy, Steve Campbell, promised he would personally get them into the Mayor's hands. I later found that Campbell had lied and diverted the material to Melina. There was no response. I later handed copies of the letters, and dozens of letters from individual businesses along with the petition directly to the Mayor in his own conference room. Again, no response.

You should know that the first market driven proposal to solve the problem would have worked as about 50% of the spaces on the CIB controlled lots are empty during even sold out events. It was demonstrated that it was in the CIB's own financial interest (or at least not to their detriment) to discount the spaces to the non-event rate to fill these spaces as we recommended. The plan has still not been implemented, I believe because it would deprive the parking industry of that price support. A second plan was submitted, suggesting a 50 cent or 75 cent ticket surcharge for parking, and then open the CIB lots to only those with tickets. This would substantially increase the revenue for the CIB, depending on the formula by as much as 300%! They claim they need money for the new football arena, but won't do what is clearly in their own financial interest. Why? I have to believe it is the influence of the parking industry. A city councilor once proposed a tax on parking to subsidize public transportation, IDI was a big opponent of the idea and it never saw the light of day.

Over the first several years of this issue, there have been four different employees of the city lent to IDI as parking specialists to head the IDI Parking Partnership. Three have left over differences with Zahn. At least two were because the neighborhood was right on this issue and had tried to honestly help us; but Zahn would have none of that. One told me he was tasked to show continual annual increases in the number of parking spaces downtown and to keep counting until he got to the number Zahn wanted. That employee had to go way out of the area traditionally thought of as downtown to get to that number, even counting spaces at Delaware & South Towing (which is involuntary parking). Similarly, IDI reported increases in the number of people visits (to prove parking was not a deterrent) but failed to mention to the press that they increased the number of attractions they took counts from, so the count was naturally higher; not because more people were visiting downtown than before but rather they just counted people at more locations.

Zahn's support of the parking industry and her callousness and disregard for restaurants and other downtown industries has led many downtown restaurants to drop membership in her organization. Even though restaurateurs had never been invited to sit on her board, after I wrote a Letter to the Editor that was published in the Indianapolis Star about how the restaurants did not receive her support but IDI did get a huge check from city government, only then did IDI attempt to solicit restaurants and offered a few select operations a seat at the bargain price of \$5,000. Everyone declined.

The IDI Parking Partnership has consistently acted as a protectionist/lobbying organization for that industry to the exclusion of IDI's stated mission whenever there is a conflict. IDI's support is obviously for sale to special interests despite the fact it already receives public money and is lent publicly paid employees for their exclusive use. There has to have been discussions in the closed door meetings of how to prevent a market driven solution and on how to maintain high parking rates. There has to have been discussions in those meetings on preventing independent studies of Indianapolis parking and prices, and on preventing ordinances that promote competition by forcing them to disclose rates to potential parkers prior to entering a facility. I can't help but to think that those discussions included rate charges for special events, especially since during that period the Executive Director of the CIB attended the closed door IDI meetings. However, even though public money also funds the parking partnership and minutes are kept, they are not public documents since IDI is a private group with no oversight. Why in a time of a budgetary crises is the city giving out a million dollars annually to IDI, especially when the group makes so much money by selling board seats? The group's predecessor, The Commission for Downtown, attracted enough grass roots support so as to not need public money and they did a great job because they were truly responsive to their membership. It is time for a change at IDI.

The Capital Improvement Board is another interesting organization. Having lunch with two separate groups of City Councilors (each group being two members of the opposite party) they both had essentially the same thing to say about the CIB, to quote one precisely "Everyone knows the CIB is the Mayor's slush fund". The Mayor selects many of the members of the board, and one is mandated to be from the City Council so of course it is always from the Mayor's political party. Too bad that there is not a mandate to have one Councilor from each party on the board so there is a semblance of a watchdog on hundreds of millions of dollars of public funds, instead of the Board being a rubber stamp for the Mayor.

As detailed previously, you would think that any Mayor would want experts from the hotel and restaurant industries on such a board, not only out of fairness to the industries who are being taxed for the board's funding, but also because they are the experts whose opinion will be important in the success of that board's stated mission and could also help it avoid costly mistakes and pitfalls such as the entire special event parking mess. If people like this were put on the board, they might push the board to behave better. The best example is the Economic Impact Study done to justify hundreds and hundreds of millions of dollars in public spending for the Colts. Years ago Irsay hired the Kelly School of Business at IUPUI to do an independent study of the economic impact of the Colts on Indianapolis. Irsay was so sure it would be a huge positive that he prematurely scheduled a press conference before the report was issued and he had a chance to review the results. The objective, unbiased scholarly study evidently showed that there was no great economic impact since Irsay abruptly cancelled the press conference and never released the objective results. One can infer what the substance of that study was since one of the researchers went on to write a book called "Major League Losers" detailing the false economies of major league sports and the cost to the public of sports welfare. This work is now used as a text book in many universities. If the CIB were being good stewards of public money and worthy of the public trust, they (and the Mayor) would have insisted that this first report be made public before they spent over \$100,000 on another study. Even if the report was negative, it should have seen the light of day and been part of the debate, even if a second study needed to be done. But worse is the non-scholarly work the CIB later paid for

from a Certified Public Accountant which claims to be a serious unbiased economic study. For instance the sole evidence cited as proof that there is an indirect economic benefit was to ask exiting ticket holders if the “thought” there was an economic impact. Well of course ticket holders are going to say yes because the cost of a ticket receives a public subsidy. What makes an opinion poll a study of serious merit? Even if an opinion poll is a scientific measure, (and its not) why did the CPA firm only ask ticket holders instead of the general public who are taxed for the teams benefit? Doesn't the publics opinion count or do only Colts ticket purchasers count and not the taxpayer? Why didn't the CPA firm contact the surrounding businesses and attempt to get a hard measure of what the annual impact is? That would have been at least an attempt at a true econometric measure. And why would the Mayor, after reading this report and being an intelligent man, tout this as a true scholarly study instead of using this tripe as the cornerstone of his whole argument? In a democracy, shouldn't the facts be laid out before the people and let the collective wisdom make the decision, instead of this ridiculously biased report. In the private sector, if management predetermines the outcome of what is supposed to be an impartial, objective independent study; they are sued by the stockholders and the Justice Department starts to look at the preparer. It's another example of how public servants use public money to carry out private agendas without proper oversight, or in this case, a shred of honest dealing.

Another example.....The CIB had decided years ago while the Fieldhouse was being built to add another whole level of parking with about 600 spaces to the new adjacent garage at an additional cost of six million dollars. The CIB staff made a deal with the Pacers to not park any cars on this level for Fieldhouse events. When the garage opened I repeatedly asked the Director of the CIB why people were not allowed to park on this level and received ridiculous replies like the construction wasn't finished (when it obviously was and in checking found it had passed inspection). Then the ridiculous speculation that the public is just are not smart enough to realize they can park above the four lower levels because the area landscaping wasn't finished (which failed to address why the level was always roped off during events).

I made a Freedom of Information Act request for all the documents and was likewise stalled for many months. When I finally obtained the four inch stack of agreements between the CIB and the Pacers, the true story was obvious. The Pacers did not want the level used because it might make the rich executive suite holders a little late for their bedtime because of possible added congestion. Six million dollars of tax payer money spent to build an entire level of a garage that the agreement required the city not to use.

Out of the huge volume of paperwork, this condition was buried in one little paragraph. When the actual Board was asked to vote on the document, they were handed the huge document, along with a short two page synopsis prepared by the staff that covered everything else **but somehow failed to mention that the additional six million dollar level was prohibited from being used.**

Until I brought up the issue, no member of the year 2000 board that I talked to knew about this provision or that they had wasted these millions. An honest man, Board Member and City Councilor Phil Borst, was justifiably outraged and forced the issue so the level could be used. I believe he was also the reason Council Hearings were first held, and the findings from that hearing stated affirmatively that there was a real problem with downtown parking on event nights that should be fixed. Borst also cared enough to meet with the restaurants and hear their concerns; and then write to Zahn at IDI the results of his fact finding that despite her 'spin' there really was a problem. That was ignored by Zahn for the sake of her “Parking Partnership”.

The head of the Marion County Democratic Party who at the time was acting as lobbyist on my behalf once told me that government will often use a strategy of drawing the process out so long that people just give up, something I believe happened here especially since so many independent restaurateurs just went out of

business or left downtown as I am. I have always suspected that the Pacers were obstructionists on these issues, but at least publicly they stated they would adopt whatever policy Melina Kennedy and the Mayor wanted them to do. Melina had no prior experience in economic development (but just as in the case of her running for Prosecutor, experience should not be an issue?) and as far as I was concerned, reneged on every pledge she ever made. Again, one of those pledges was to do a truly independent study of downtown parking, both as it stands now and also forward looking. When the outcome wouldn't have been controlled, she cancelled it even though it was already funded. Evidently study, fact-finding and knowledge are no more important than experience. I really encourage the press and public to take a look at any study ever issued by government or IDI, they should not get away with such overt self-serving, special interest serving, propaganda. They should not get away with misrepresentations, half-truths and whole lies to the public. Indianapolis, I am gone, it is up to you to put an end to this and hold them accountable.

This statement is solely my opinion. I know many downtown businessmen also share these opinions but are afraid to speak up about the administration. (I was visited by more government inspectors in the first ten days after I first brought up the problems caused by special event parking than in the previous ten years combined.)

As truth is an absolute defense for liable, and I have full filing cabinets and 5000 pages of documents in my computer on these matters, I have no problem backing up what I have said and would welcome the opportunity to do so if someone in the administration cares to make it a matter for the courts or Editorial rebuttal.

If any of the public has information on this or any other disreputable actions by IDI or local government, just let me know and I'll pass it on. I already have files from lots of people on various local issues who don't have the means to bring them to public attention. I'll see the information gets into the right hands.

Perhaps you could email them here at the Star to Matt Tully or Jennifer Whitson at the IBJ.