

Lawsuit Filed Over Consolidated Grain Project

(KTNC) - A lawsuit has been filed in Richardson County District Court, seeking to stop the Consolidated Grain and Barge project from going forward.

The lawsuit was filed last Wednesday by Salem Grain Company, and David Frederick and William Lester. It names as defendants the City of Falls City, the Community Redevelopment Agency, Falls City Planning Commission, and Consolidated Grain and Barge.

The lawsuit challenges actions the city, CRA, and Planning Commission have taken regarding the project – including granting tax increment financing and other financial incentives for the project.

There are a total of 12 causes of action listed in the 28-page lawsuit.

The lawsuit asks the court to declare, among other things, that the Blight and Substandard Study the city approved in July as null and void.

It also asks the court to declare the Redevelopment Plan approved by the C-R-A as null and void, and that TIF funding should not have been included in the Redevelopment Plan.

Frederick and Lester say in the lawsuit that the CRA acted without a quorum or an affirmative vote of its members during its meetings on July 11, September 10, and October 1, and all actions taken at those meetings should be null and void.

At issue there, the lawsuit claims that Kevin Malone and Beth Sickel were not eligible to serve as voting members of the Community Redevelopment Authority, because they were also members of the Planning Commission.

The Plaintiffs contend further that Tax Increment Financing should not have been included in the redevelopment plan. The lawsuit cites comments made by Mayor Tim Hersh on October 1st, indicating that TIF funding is not needed to fund the CGB project.

The lawsuit also claims that the Towle addition, recently annexed into the city, was improperly added and needs to be detached or vacated.

It claims also that the city did not provide enough time for public comment on the request to relend CDBG funds. There was a 15 day comment period, but the plaintiffs say that should have been 30 days.

The plaintiffs are asking the court to issue a permanent injunction against the City of Falls City, C-R-A, and Planning Commission, from proceeding with the C-G-B project.

In another lawsuit, David Frederick, filed suit in Richardson County District Court against the City of Falls City and Falls City Economic Development and Growth Enterprise.

According to court records, Frederick requested the city and EDGE provide public records regarding the CGB project on August 29th.

Falls City provided documents in its custody on September 4th, but EDGE – through its attorney – has refused to release records, saying the records requested are not public and EDGE is not in a position to “voluntarily produce the requested documents.”

The lawsuit originally named just the City of Falls City, but the court directed lawyers to amend the complaint to include EDGE.

The next court date in Frederick’s lawsuit is scheduled for November 13th.