

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS

X. COMMUNITY INVOLVEMENT - CITY, STATE, AND NATION

C. Graaskamp and the Convention Center Controversy

8. League of Women Voters Report on Convention
Center Site Selection

THE LEAGUE OF WOMEN VOTERS OF DANE COUNTY

Reprinted with permission of League of Women Voters of Dane County, a report entitled **The Role of Economic Impact Analysis in the Decision-Making Process--Case Study: City of Madison Convention Center Project**, (May 1987), third among four reports on their 1984-1987 study of **Economic Impacts of Development**. Copies of these reports are to be found at the office of LWVDC, 738 E. Dayton Street, Madison, WI 53703, and the LWVDC records of the State Historical Society.

In the Spring of 1987, the League of Women Voters of Dane County published **A Citizen's Guide to Development**, a 28 page booklet intended to reduce the frustrations of the lay person encountering issues of development for the first time. Copies of these are also in the LWVDC office and in the LWVDC records of the State Historical Society.

INTRODUCTION

The League of Women Voters of Dane County has studied the Economic Impact of Development for three years.

During the first year, members reviewed the development process, and became familiar with the statutory provisions for the Plan Commission, the Master Plan, zoning, and various financial tools such as Tax Incremental Financing and Industrial Revenue Bonds.

During the second year, members explored the relationship between public and private economic investment decisions, and how these might affect fiscal balance, property valuation, employment and housing.

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*   SUMMARY OF ECONOMIC ISSUES RAISED BY DEVELOPMENT   *
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* Housing:                                           *
* -How will the development affect housing needs as    *
* estimated by population projections?                  *
* -Is the type of housing likely to be promoted--single *
* family, duplex, or multifamily; low, medium, or high *
* income level--in the best interest of the community? *
*
* Employment:                                       *
* -Will the number of new jobs be increased, or will   *
* jobs simply be reshuffled from one area (or sector) *
* of the community to another?                          *
* -How many long or short term jobs will be created?   *
* -How well do job requirements match available skills? *
*
* Property Values:                                  *
* -What effect will the development have on the property *
* values ( i.e. the use and enjoyment) of the develop- *
* ment and surrounding sites?                            *
*
* Fiscal Balance:                                   *
* -How will public investment in construction and operat- *
* ing costs (if any) affect fiscal balance if the      *
* development succeeds?                                  *
* -What would be the fiscal effect of not having develop- *
* ment? of having the development fail?                 *
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* Source: Study material for March 1986 EID.           *
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Special attention was given to the fact that often some of the people who will be most affected by decisions--lower-income individuals, the unorganized general public, future users of newly developed facilities--are not adequately represented during decision-making.

This year the focus will be on the role of economic impact analysis in the decision-making process. We will use the City of Madison Convention Center project as a case study.

The case study is intended to assist members in determining whether or not economic impact analysis is desirable, and, if so, what form it should take, and when in the process it should occur. Discussion questions set the foundation for member agreement.

While the setting is an urban one, the issues of economic impact and interaction between private and public interests apply to all settings. The study committee is well aware that the last word has not been said on the matter of a convention center, and that between preparing this material in February, and having it discussed in May, new and different options may arise. The point of this exercise is not to decide where, or if at all, a convention center should be sited, but rather to identify information that should be considered in a discussion of economic impact.

Case studies and real-life situations have common informational defects. If one were to wait for every conceivable piece of information to be in before decisions are made, very little would be accomplished. However, there is a difference between not having all the information one could want, and not having enough on which to base a prudent judgment. The material presented here is a summary of information from two main sources. The first source, which provides a chronology of events, is a compilation of materials from (1) selected newspapers (The Capital Times, Wisconsin State Journal, Isthmus); (2) the minutes of the Hotel Convention Center Criteria Committee (HCCCC); and (3) various reports, letters, and other documents. The second source consists of interviews with people representing opposing interests and having a direct impact on decision-making.

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INDIVIDUALS AND GROUPS INVOLVED IN OR AFFECTED BY THIS PROJECT

1 Citizens and residents of the City of Madison

Downtown Institutions

Downtown Madison, Inc. (DMI); Downtown Madison Partners Inc. (DMPI)--offshoot of DMI: Director, William Belden
Upper State Street Merchants' Association: President, Harold Langhammer
Greater Madison Convention and Visitors Bureau (GMCVB): Director, Lynn Russell
Madison Area Technical College (MATC): Director, Norman Mitby; Chairman of the Board, Dr. Alan Rosenthal
Madison Metropolitan School District (MMSD)

General Taxpayers (federal funds are proposed)

Other Communities with existing Convention Centers

Other Communities considering Convention Centers (Dane County)

Groups and Organizations that may use the Convention Center

City Government

POLITICIANS

The Mayor; the Common Council; the Plan Commission; the Economic Development Commission
The Hotel Convention Center Criteria Commission: F. Joseph Sensenbrenner, Jr., Mayor; Ald. Susan J.M Bauman;
Ald. Michael Blumenfeld; Ald. Robert W. Dye; Ald. Eve Galanter, Council President; Ald. Henry S. Lufler, Jr.;
Ald. David Wallner.

STAFF

Department of Planning and Development: Director, George Austin; Planner, John Urich
Comptroller, Paul Reilly
Many others

Political Candidate: Mary Kay Baum

Hotel Owners/Managers

The Concourse, Darrel Wild
The Inn on the Park, Jerome Mullins
Embassy Suites (proposed for block B2), Warren Barberg

Consultants

X Prof. James Graaskamp
Laventhol and Horwath: Charles Johnson, V.P.
Brooks, Borg and Skiles; Py-Vavra Development; Kenton Peters and Associates: Kenton Peters, James McFadden

Map of City of Madison Central Business District

PLANNING:

Early interest in a convention center

1982

As early as February 1982, MATC consultants recommended that the downtown campus include a conference center to serve the MATC District and the central city.

1985

In 1985 the subject of a convention center came up again. In January John Smith, general manager of the Concourse Hotel, requested and received from Lynn Russell of the Greater Madison Convention and Visitors' Bureau (GMCVB) a listing of conventions lost to Madison due to inadequate exhibit space.

In late winter, the Common Council directed the Department of Planning and Development (P&D) to update the 1970 downtown Master Plan. As a result, City P&D staff interviewed major players--property owners, developers, institutions such as banks, neighbors, residents and business people throughout '85.

In October city P&D staff issued the CAPITOL SQUARE NORTH WORKING PAPER, a document outlining planning concepts for the area and intended to generate discussion and input.

"As part of the interviews [with major downtown players] it became apparent that there was concern in the hotel industry downtown; there was not enough space in the hotels for conventions and large meetings. We took this as a potential redevelopment option that deserved consideration and review. We identified a lack of flat floor exhibition space and suggested that the Orpheum Theatre and one-half block of MATC might serve a new purpose. There was no market study; we just raised the thought." (Austin interview.)

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* The CAPITOL SQUARE NORTH WORKING PAPER included as
* planning goals:
*
* 1. To create a compact specialty shopping area.
*
* 2. To encourage mixed-use developments with high
* density residential use above ground floor
* commercial activities in areas adjacent to State
* Street Mall and Capitol Concourse.
*
* 3. To encourage greater concentration in the Central
* Business District of commercial and office
* employment activities.
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* Source: Capitol Square North Working Paper, Oct. 1985.p3.*
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"As we viewed it, from the first, in order to restore retail presence in the square, retail had to be concentrated and accessible. The pieces showed we needed a people generator, that is, the current market might not lead to increased retail. Therefore, if the 1/2 MATC block were sufficient for exhibition space, this plus the Concourse Hotel could provide a conference/convention center (the names were used interchangeably in the beginning), together with the Orpheum Theatre, which was on sale at that time. At that time we were not sure about size.

We apprised the mayor of this in late '85. The genesis was the planning work we did for redevelopment work on the square.

We had shared the information with Downtown Madison Inc., which commissioned a meeting/exhibition space study by the National Feasibility study group." (Austin interview.)

Mayor Sensenbrenner became interested in the issue in November 1985, when reviewing the use of the 1/2 MATC block for parking. He remembered that [Professor] James Graaskamp had said that the City should buy up underutilized land. A proposal to do so passed the Council. (Sensenbrenner interview.)

A memo dated December 4, 1985, to Mayor Sensenbrenner from George Austin, discusses exhibit space. Points made include the following:

Representatives of the Concourse Hotel and the Park Motor Inn say that exhibit space (the bulk of which is currently in their hotels) is inadequate. Those interested say we need 30,000 square feet. The Orpheum and the eastern half of the MATC block were mentioned as possible sites.

Darrell Wild [Concourse Hotel] approached MATC regarding exhibition space over a public parking structure. The Orpheum, at this point, was expected to be a health club. Therefore, MATC was the most viable option--linked to a two-level retail complex over a parking garage between 30 on the Square and Wisconsin Avenue.

As to the appropriateness of the eastern half of the Municipal Building block for this purpose, the area is about the same as the MATC parcel but the linkages to the Civic Center and State Street are not present. Also, the hotel being contemplated for block 89 redevelopment is too small for headquartering larger conventions, which would have need for this much exhibit space. (Austin memo.)

Austin concludes his memo:

I point out that the Capitol Square North report yet to be released suggests that, 'before any decision is made relative to providing exhibition space of this sort in the central area, an in-depth study should be undertaken to document this need and to recommend alternative methods of financing.' (Austin memo.)

In June, 1986, city P&D staff issued the CAPITOL SQUARE SOUTHEAST WORKING PAPER. The paper refers to the possibility of block 89 being the site for a convention center, and block 88 (Penney's block) becoming a mixed use hotel-office-retail development, and recommends that whether "block 88 is developed for office or convention center use, skywalk connections should be made to block 89 and to the Doty Ramp." (Capitol Square Southeast Working Paper: p.6)

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* CAPITOL SQUARE SOUTHEAST WORKING PAPER planning goals:
*
* 1. Provide additional locations for central area
* residential development while reducing the pressure on
* established isthmus neighborhoods by redeveloping
* suitable under-utilized or vacant commercial and
* industrial lands for residential and mixed uses at
* relatively high density.
*
* 2. Strengthen and stabilize the isthmus area residen-
* tial neighborhoods to encourage a diverse population
* of all income levels.
*
* 3. Acquire, develop and maintain strategically located
* parkland in specific central city residential areas.
* This open space, which is needed to serve the existing
* population, could also be an attraction to redevelop-
* ment and new development.
*
* 4. Maintain, and where possible, increase pedestrian
* access to the city's lakes and lakeshores.
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* Source: Capitol Square Southeast Working Paper, p.2.
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REALITY AND THE ACTORS

Developers become interested in a convention center

Even as the Common Council was giving approval to city purchase of the half MATC block, Glen Hovde wrote a letter to MATC and to the mayor, proposing that the one half block be used for a hotel/ convention center rather than for parking. This started activities rolling. (Sensenbrenner interview.)

1986

In January 1986 preliminary talks of a convention center on the MATC site began. Alderman Blumenfeld mentioned discussions with MATC and the Concourse. Mayor Sensenbrenner liked the idea, and looked forward to a feasibility study. (Capital Times article.)

In private meetings with Hovde, DMI, a Green Bay developer, and the mayor, Ald. Blumenfeld stated his position that the City Council would not support MATC having to leave downtown because, under the 1982 City/MATC "split-campus" agreement, MATC was to continue to provide education in downtown facilities. (Blumenfeld interview.)

In February DMPI and GMCVB commissioned a feasibility study for a northside convention center by a Florida firm, National Feasibility Corporation. (This study was to be released in early June.)

In March the Common Council passed Resolution #42,167 instructing the Department of Planning and Development to work with developers of hotels and convention centers: ". . . to market feasibility sites in the square area . . . consistent with previous Council land use decisions, including the timely implementation of the 1982 City Council/MATC "split campus" agreement." This had to be interpreted as an order to maintain MATC activities in downtown Madison.

Over several months, others suggested alternative sites:

Kenton Peters opposed an MATC hotel site, and suggested a hotel be placed on block 89, Penney's, with a convention center on block 88, behind the municipal building.

Dane County Executive Jonathan Barry, proposed building a convention center close to the Dane County Coliseum.

✓ Professor James Graaskamp proposed still another northside convention center.

The MATC Perspective:

On June 12, the MATC Board voted not to accept city plans for its half block: it counter-proposed that the city take the whole block, or nothing, and that a decision be made by July 11. [In July the City Council postponed a decision on the MATC site to September 16.]

MATC had an agenda, commitments and a timetable of its own; plans for remodelling at the existing site were complete, and renovation was scheduled to begin on June 16.

A Shift in the Focus of Discussion: the Common Council creates a Hotel/Convention Center Criteria Commission

On June 3 a resolution went before the Common Council to create a Hotel/Convention Center Criteria Commission (HCCCC), which was to:

1. develop a work plan
2. review consultant's recommendations
3. determine the feasibility and desirability of a downtown convention center from both market and operations viewpoint
4. develop Request for Proposal (RFP) criteria to be reported back to the Common Council and the Economic Development Commission
5. review proposals
6. recommend selection of proposals to CC and EDC

The resolution authorized consulting work in the amount of \$15,000.

The HCCCC had its first meeting June 20th, although resolution #42,482 creating it was not adopted until July 16. During the summer of 1986, the HCCCC discussed a number of subjects, including adoption of the work plan, which included addressing the following issues:

- I. Potential Impact of Convention Center
 - A. Economic Benefits
 - B. Job Creation
 - C. Long-Range Benefits
 - D. Determination of Market and Competition
- II. Size
- III. Location
- IV. MATC Issues
- V. Cost Considerations
- VI. What is City Prepared to Do? (expanded to "what are city and private sector prepared to do?")

VII. RFP

VIII. Recommendation to CC

IX. Important Dates (1986)

- June 16, asbestos removal at MATC begins;
- July 11, date by which MATC has requested a response from the City relating to a suggested use of block 82.

Given the fact that remodelling was scheduled to begin on June 16, any delay in a resolution on the MATC site would lead to additional purchasing costs. As a result, HCCCC attention focused on siting questions in spite of a more balanced initial work plan that included exploring need, size, cost, financing of construction and operation, and whether the city could afford a convention center. (Galanter interview.)

In August, HCCCC commissioned the firm of Laventhol and Horwath to conduct a study to determine the optimum size and type of convention center based on market needs that would minimize deficit to the city.

Issues Surrounding the MATC site:

On July 1, William Belden (DMPI) proposed to the HCCCC the use of the whole MATC block, and the relocation of MATC to block 53 (the Klein-Dickert site). Fred Mohs (DMI) outlined his group's interest in siting a convention center on block 82 (MATC), and offered to provide particulars in two months' time. Eve Galanter was concerned about the effect this might have on the southside of the square. Mohs responded that an increase in retail would lead to an increase in housing demand, which could be accommodated on the southside.

By July 8, more arguments for and against siting a convention center on the MATC block were presented to the HCCCC. According to Prof. Graaskamp, who favored the MATC site,

--there is presently \$31 million in assessed valuation along State Street from the square to the University Book Store, but vacancies indicate the area is not as strong as perceived;

--increased valuation, less parking expenditures, and a stronger retail base leading to increased demand for housing, should be the fiscal basis for a decision on the MATC block;

--MATC needs are better suited to the Klein-Dickert site, which is closer to the railroad corridor, the bus depot, and John Nolen Drive.

--the southside should be residential.

Kenton Peters argued that better returns could be expected from a convention center on the southside, for

- it has better potential for spin-off development;
- continuing education facilities downtown are important, and MATC should not relocate;
- MATC has high acquisition costs (\$10.3M), whereas those of block 88 are low (\$0.2M);
- a 1984 Real Estate Research Study indicates that the southside is a viable area for retail.

In response to these developments, Dr. Alan Rosenthal and Norman Mitby (MATC) were willing to relocate, in the "spirit of cooperation". They feared sharing the block would create parking, traffic, and expansion problems, and possibly create political pressure to take over the remaining half-block if the convention center proved successful. However, they did not consider Klein-Dickert a part of the Central Business District (a 2- to 3-block radius around the square). They also foresaw that relocating would require an environmental impact statement, provoking a further 6-to 9-month delay.

Other Issues:

In addition to location, other issues included the center's marketing and competition, costs both of operation and construction, and methods of financing. These issues will be discussed later.

THE DES MOINES EXPERIENCE

On September 12 the HCCCC traveled to Des Moines, Iowa to get first-hand knowledge of the development of the Des Moines Convention Center.

According to Capital Times reporter, Barbara Mulhern, who went on the trip, private sector involvement had been very instrumental. The Des Moines Development Co., which spearheaded the effort, is composed of 56 CEO's [chief executive officers of business corporations] who came up with \$1.6M for land and \$1.5M for budget overruns.

No taxpayer subsidy was involved; private financing, parking revenues, room tax and land sale receipts were being used to cover losses. It was generally held that skywalks are key. As one CEO put it, they are "the glue that holds it together".

In Des Moines the HCCCC also learned that:

- The convention center is not downtown, but several blocks from shopping areas similar to Madison's State Street.
- It was built with the flexibility to attract both large and small conventions.
- Hotels are one to three blocks away.
- Other businesses were not hurt; hotel occupancy increased from 50 to 60%.
- The center kept busy 85% of the time.
- It showed a first-year operating loss of \$360,000.
- The private sector contributed \$3.1M of a \$14.8M total cost.

The HCCCC trip to Des Moines also showed that a one-half-block convention center was not feasible.

The immediate result of the Des Moines trip was a redrawing of lines and effort. At about the same time, MATC refused for the third time to sell the entire block to the city. These two facts led Mayor Sensenbrenner, DMI, and others to support an evaluation of the southside site. Ald. Blumenfeld spoke of "pulling together"; Mayor Sensenbrenner pledged his effort towards the "most successful convention center at least cost"; Ald. Lufler called the convention center "the project of the 80's"¹.

REFOCUSING THE DEBATE TOWARD CONVENTION CENTER DESIGN

The HCCCC continued hearing testimony regarding the feasibility, design and financing of the project.

On September 30, Charles Johnson, V.P. of Laventhol and Horwath, presented an analysis of convention center needs and compared it to the earlier National Feasibility Corporation (NFC) study. His comments were that:

1. "Financing is the next hurdle for Center", by Barbara Mulhern, Capital Times, September 17, 1986.

--although the NFC study suggested blending convention and conference facilities, the needs of each are incompatible;

--the NFC study estimated first-year revenues of \$90.0M growing to \$148.8M by the fifth year, but Mr. Johnson suggested that, given the square footage proposed, annual revenues from a 12-15,000 sq. ft. conference center would be \$3.5M, and from a 18-20,000 sq.ft. convention center they would be \$10.0, for a total of \$13.5M in direct spending by conference participants--substantially less than NFC estimates;

--a survey of convention promoters should be undertaken;

--Madison is a middle-tier city and can support 40,000 sq.ft. of exhibit space; and

--private management firms might charge \$150,000 in addition to a projected deficit of \$100-250,000 annually.

The HCCCC considered a number of financial topics, such as construction and operational costs for convention centers in comparable cities and the identification of projects in the TIF on the southside of the square that would yield \$5.5M of tax increments available for convention center financing. The committee voted 7-0 to recommend that the mayor send a letter to DMI soliciting its assistance in developing a financing package for the convention center. (In late July, Harold Langhammer, of the Upper State Street Merchants' Association, had proposed a special tax district in the State Street area to raise approximately \$250,000 to help finance a northside convention center.)

Funding possibilities for the project could include:

- Tax Incremental Financing (TIF)
- Urban Development Action Grant (UDAG)
- Community Development block Grant (CDBG)
- Parking Utility Bonds
- Industrial Revenue Bond (IRB)
- increased room-tax revenues

On October 24 the team of Brooks, Borg, & Skiles, of Des Moines, Py-Vavra Development of Orlando, and Kenton Peters and Associates of Madison, was chosen as the planning consultant for a hotel/convention center on the southside.

The team presented their recommendations on December 11, suggesting that:

--a convention center with approximately 40,000 sq. ft. of

exhibit space, 15,000 sq. ft. of assembly space, and 15,000 sq. ft. of meeting space would be appropriate for Madison.

--a facility of this size can accommodate 98% of meetings and conventions held by state associations . . . and 75% of state, regional, and national Associations.

--a facility of this size can accommodate, if properly designed, two, three, or even four meetings and conventions simultaneously. (This is very important, as there are 1,100 associations and only 11 convention facilities in the state of Wisconsin.)

--a facility of this size will fill a market niche between the 10 Wisconsin convention facilities with exhibit halls ranging in size from 8,000 to 20,000 sq. ft., and MECCA, Milwaukee's convention center, at 132,000 sq. ft.

--a 250-room hotel and 1,160 parking spaces will be needed².

On January 8, 1987, Brian Py, a member of the consultant team, again discussed the need for a 250-room hotel, and proposed that:

--a marketing study for such a hotel would be necessary;

--it would cost around \$15-20,000;

--it should be undertaken by the city, as it was unlikely that developers would do this on an individual basis;

--the RFP should include not only market analysis for the hotel, but information on parking, site assemblage, street improvements and catering rights.

Northside Revisited

While the HCCCC was collecting information pertaining to a convention center on the southside of the square, Prof. Graaskamp was developing an alternative plan for the northside. ←

On February 10, 1987, he presented his proposal to about a dozen business persons and property owners. The proposal calls for a "more modest convention complex to be built adjacent to the Concourse Hotel on land now occupied by the Woolworth, Brathaus

2. Hotel-Convention Center for the City of Madison, Report by Brooks, Borg, Skiles/ Py-Vavra/ Kenton Peters and Associates, December, 1986.

II and 14 West Mifflin buildings"³. Less parking and no hotel would be needed during the first phase. The proposal contemplates a second phase of expansion into the Hub and McDonald's buildings, construction of a continuing education facility on the MATC parking site, and a sky walk extending to the Civic Center. The 30 on the Square building would be converted to a low-cost hotel.

The Referendum--An Alternative Decision-making Process

On November 25, 1986, a group of Madison citizens headed by 5th. Dist. Ald. Joe Szwaja and Phil Ball announced a referendum. Ball, a member of mayoral candidate Mary Kay Baum's steering committee, said discussions of the convention center had been skewed towards the issue of location as opposed to dealing with the questions: "Do we need a convention center? Can we afford one? Do we want one?"⁴.

The referendum reads: "The City of Madison shall not pay for or subsidize the construction or operation of any convention center complex proposed for blocks 88 and 89 south of the Capitol Square with property taxes, general obligation borrowing or tax incremental financing."

LWVDC opposed the referendum in a letter to the editor of the Wisconsin State Journal on February 7, 1987. Among other issues, the letter mentioned the following:

--The League has taken no position on the need for a convention center in Madison at this date. We neither support nor oppose it. However, we do oppose the mandatory referendum in its present form and timing. We find it premature to say either "yes" or "no" to a convention center at any location at this time . . .

--In particular we would stress the importance of including the following questions, some of which are already under study:

What would be the costs to the city of no convention center at all? . . .

→ 3. "Graaskamp Presents Convention Center Plan", by Bill Lueders, in Isthmus, February 13, 1987. p.5.

4. "Petitions seek referendum on meeting center", by Mike Miller, in The Capital Times, November 25, 1986. p.23.

- # What types of employment will the center offer? Will members of Madison's labor market have access to improved job opportunities? . . .
- # Will there be a place for area retail or service outlets that wish to relocate near the center? Will the demand for retail be increased? . . .
- # Will developers make maximum use of existing resources and amenities? . . .
- # What will be the effect on existing low- or moderate-cost housing, already in short supply? Will the center attract new higher-income housing? . . .
- # What will be the annual financing and maintenance costs of the center, including retirement of debt and payments in lieu of taxes?

INTERVIEW ANALYSIS : ECONOMIC IMPACTS ESTIMATED BY INTERVIEWEES

A number of politicians, city staff, and businesspersons identified as being involved in the convention center debate were interviewed for their personal insights.

Their observations with respect to economic impacts are summarized in the following tables:

Table 1. FISCAL BALANCE

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Impact on Municipal Expenditures and Revenues

Sensenbrenner	-We don't know yet; City costs and revenues
Austin	depend on mix of revenue sources (private
Galanter	expenditure, parking revenues, hotel
	payments, etc.). The question of what level of
	city expenditures is appropriate has not yet
	been answered.
Mohs	-Some subsidy will be needed.
Truehl	-Specifics depend on kind of convention center,
	but some subsidy will be required, at least
	initially. Tourism dollars should rise, but
	so will expenditures.

- Belden -Parking will be developed through parking revenue bonds. There should not be a significant impact on fire, police and other services.
- Langhammer -Parking revenue bonds will be exhausted and parking rates will have to be raised. An operating subsidy and additional bonding will be needed. The hotel tax will be eaten up.

Impact on Other Units of Government

- Baum -Creation of a TIF district will mean decreased revenues to other units of government (e.g. school district). Also, loss of state aids because of increased property values will result.

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Table 2. PROPERTY VALUES.

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Increase of Property Values in CBD

Austin, Belden, Blumenfeld, Galanter, Mohs, Truehl, and Sensenbrenner all agree that

- the project will reverse the downward trend of property values.

Decrease of Property Values in CBD

- Graaskamp -Assessed values on existing hotels may decrease if a new hotel is subsidized.
- Langhammer -Immediately, housing values might increase, but generally, a southside convention center would contribute to a decline.

Increase of Property Values : Negative Impact

- Baum -In the State Street area, property values would drop, as the convention center area became more attractive. Also,
 - The increase in downtown property values may force existing businesses away, leaving the area to national chains (e.g. florists, McDonalds) and others that can afford it.

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Table 3. EMPLOYMENT

Impact on Number of Direct Jobs

- Galanter -We need to know size and type of convention center before projecting number of jobs created and skill levels required.
- Baum -Between 10-20 jobs will be created; some existing jobs be lost at other downtown hotels.
- All Others -Jobs will be created but we have no estimates of the number direct jobs.

Impact on Number of Indirect Jobs

- Consensus -Jobs will also be created in retail, entertainment and restaurant businesses downtown.

Impact on Types of New Jobs Created

- Consensus -The jobs created will be predominantly low wage, part-time, seasonal jobs at the convention center and related businesses.
-Some full-time higher wage professional and managerial jobs will also be created.
-Some short-term (12-18 month) high wage construction jobs can be expected.
- Sensenbrenner -Most jobs will be entry level; some will have career advancement potential.

Table 4. HOUSING

Increased Demand for High-income Housing.

- Austin -If the project succeeds in revitalizing the downtown, it will increase the need for housing in the downtown area.
- Bauman
- Blumenfeld
- Galanter -Also, the presence of more people downtown after 5:00 p.m. will make it a more attractive housing area.
- Lufler
- Sensenbrenner

Minimal Impact.

- Belden -Some of the people filling the new jobs will live downtown.

Reduced Demand.

- Baum -The project may raise values so high that residences may not be able to survive economically.
- Graaskamp -People will not want to live next to a convention center; therefore it should not be located in an area where the city wants to encourage residential development.

No Effect.

- Mitby -Little effect since most of the employment will be for residents of the city and the immediate area.
- Langhammer
- Truehl