

Convention Center Vote on Hold

By Steve Vied, July 27, 2011

The brakes were slammed Tuesday on Owensboro's downtown convention center plans.

Less than a day before a special committee was set to approve the center's final design and cost, the Greater Owensboro Chamber of Commerce and the Owensboro-Daviess County Convention & Visitors Bureau jointly raised pointed concerns at a press conference about those plans—specifically questioning the escalating size and price tag of the facility, and questioned the overall direction of the downtown revitalization project under way since 2009.

Less than two hours later, today's scheduled meeting of the Downtown Convention and Events Center Steering Committee to consider the final design and cost figure for the convention center was canceled, along with today's meeting of the Owensboro-Daviess County Industrial Development Authority (IDA), which had been set to consider approval of the steering committee's recommendation on the convention center.

Daviess County Judge-Executive Al Mattingly, a member of the steering committee, said he was notified of the steering committee meeting's cancellation by email from Beth Cecil, executive assistant to Owensboro Mayor Ron Payne, saying that "Per Mayor Payne, given the actions by the Chamber and the resignation of an IDA member, the topic needs to be revisited."

Owensboro City Commissioner Roger Stacy, who attended the Chamber-CVB press conference, said a lot of things were going on and the concerns of the Chamber and CVB need to be considered.

Payne did not return multiple calls Tuesday seeking comments about developments regarding the convention center and downtown revitalization.

Mattingly said Industrial Development Authority member Susan Free, a county appointee, resigned late Monday afternoon. He gave no explanation for her resignation. Telephone calls to Free's home were not answered. A special Daviess Fiscal Court meeting called for noon today to name her replacement was later canceled to give the county more time to find her replacement, Mattingly said.

Jody Wassmer, the chamber's president, said the chamber wanted answers before the steering committee was scheduled to act today.

"We wanted to make sure we got them before the steering committee voted it through," Wassmer said. "We hadn't heard the answers.... Time was running out."

With the committee meetings on hold, Wassmer said it is the chamber's hopes that its questions about the size and affordability of the center will be addressed.

One other thing won't happen today. On Tuesday, Owensboro City Manager Bill Parrish said he hoped to reveal today the city's plan for paying for its share of the convention center construction costs, a plan he said would not include any increases in taxes or tax rates. But with the cancellation of the steering committee and IDA meetings and in light of the questions raised by the chamber and others, city officials will step back and re-evaluate everything, Parrish said.

"I think what happened, the mayor asked for input and he got it," Parrish said. "It's time to study and answer those questions. We'll work on answering those questions."

Parrish said it won't be a matter of going back to square one on downtown revitalization.

"We can say 'here's where the plan started and here's where we are,'" he said. "We will revisit the plan and address the comments of the chamber and others."

While both the chamber and the CVB stressed that they still support "the best events center we can afford" according to Wassmer, both organizations raised concerns about the city of Owensboro's ability to adequately pay for other items in the overall downtown revitalization project with so much of the project's budget now apparently going to pay for the convention center. Finally, both organizations complained that some important elements of the original downtown revitalization plan as outlined by Gateway Planning Group, which the chamber endorsed along with tax increases to pay for it, have been abandoned.

"What has become of the original Gateway plan, the one that was passed by both local governments in early February of 2009?" said Wassmer, Chamber president and CEO. "The plan called for a \$30 million, 80,000-square-foot facility. The \$80 million (downtown revitalization fund) was also to be used to fund a new parking garage, major changes to downtown streets to increase 'walkability,' an arts academy to draw students and talent to the community, the finish out of Smothers Park and the Market Square Plaza, which was changed to Riverfront Crossing."

Wassmer said those features were envisioned to spur downtown activity and private development.

"What is the status of those other projects?" Wassmer asked. "What are the changes to Second Street that would slow traffic and make the area more pedestrian-friendly?"

As to the escalating cost of the convention center, Wassmer asked how the city intends to pay the extra costs. Last week, convention center architect Trahan Architects unveiled the latest design for a 169,015-square-foot facility, some 26,000 square feet larger than the previous design. The latest design carries a construction cost of between \$32.6 million and \$36.6 million, but the total cost of the convention center including land, architectural fees, construction management fees, furnishings and other necessary items may come to as much as \$47 million to \$49 million, Mattingly has estimated.

"Until last week we had been told only that it was to be a slightly more than \$30-million-dollar project. Last week, the true cost of nearly \$50 million was revealed," Wassmer said. "We've heard city leaders say they have identified funds to pay for this difference, but what funds are being used? Is it the "Your Community Vision" funds, general city reserves, the Atmos Energy franchise fund, the interest from Sanitation Department reserves? Local business and industry and citizens need to be told exactly what these extra funds are and not simply that 'We have the money.' More importantly, will raiding every available nickel and dime put the city in a precarious financial situation that will eventually lead to an increase in the occupation and net profits tax and/or a reduction in city services?"

Brian Smith, chairman of the board of the Owensboro Daviess County Convention & Visitors Bureau, said the CVB echoed the Chamber's concerns, while also supporting a new convention center and hotel.

"We strongly support the completion of this downtown development plan," Smith said. "This will bring tourism dollars to all of Owensboro and the surrounding area, thereby limiting the city and county tax dollars needed to support our community. As we have done successfully with our sporting events; recruiting the best "right sized" tournaments into our "Class A" facilities, a new event center must be top quality and the right size to ensure success along with a cost that allows us to complete the center and be able to take advantage of any opportunities that may present themselves at a later time. In order to successfully market to potential users, we feel the event center should be sized more appropriately to fit the market."

Both Wassmer and Smith expressed confidence in the Malcolm Bryant Corp., the local company that is to build a 150-room Hampton Inn & Suites hotel next to the convention center, to build a top-notch hotel. But they questioned if Owensboro is big enough to support a 169,000-square-foot convention center, with only 150 hotel rooms near it.

“Owensboro would have about 1,000 rooms total and almost all of them are driving distance to downtown,” Wassmer said. “Will our lack of hotel rooms put Owensboro in a competitive position to attract the type of conventions and shows that will be necessary to sustain the proposed center? Sure, more hotels could be built, but that is only speculative at this point. The Chamber is as ‘bullish’ about Owensboro and its future as anyone, but this classic ‘build it and they will come’ proposal seems very risky.”

As he concluded his remarks, Wassmer once again noted that the downtown plan had departed from the original Gateway Planning vision.

“The comprehensive Gateway plan that was used to justify the insurance premium tax increase in 2009 is nowhere to be found and we fail to see the logic in building a 169,000-square-foot events center with very limited nearby hotel rooms,” he said. “We urge the steering committee, the IDA board and the city to consider these issue before proceeding.”

Public meetings planned on convention center

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Responding to questions and concerns raised Tuesday by the Greater Owensboro Chamber of Commerce and Owensboro-Daviess County Convention & Visitors Bureau about the cost and size of a downtown convention center, Owensboro Mayor Ron Payne announced Wednesday that three public meetings will be held in August to present information and hear comments about the facility.

Information to be presented at those meetings will include the reasoning behind the size and design of the convention center, the total costs of the facility, where any additional funds would come from to complete the center and a reconciliation of the original Gateway plan for downtown revitalization and where the project is now.

Payne said recommendations on how to proceed on the convention center will be sought from the chamber, downtown merchants and downtown hotel developer Malcolm Bryant. After those recommendations are received, a joint meeting of the Downtown Events Center Steering Committee and the Owensboro-Daviess County Industrial Development Authority will be held on Aug. 31 to act on the recommendations.