

## **Do You Need a Larger Convention Center? I Don't**

I don't need a larger convention center. And my guess is, neither do you. So why are we being asked to help pay for one?

The Oshkosh Convention center was built 21 years ago. Over that time, I've been in it 4, maybe 5 times, for various community events. It was plenty big for those events. So I personally have no need to enlarge it.

My guess is, the same story holds for over 95% of the city's taxpayers. We seldom use it, and our livelihoods – as teachers, factory workers, or egghead liberal university kooks – don't depend upon it. Most of us, if the convention center disappeared overnight, wouldn't really miss it. So why spend our tax dollars to enlarge it?

I do understand why the hotels in town want it enlarged. A bigger center means more conventions, more filled hotel rooms, more profits. That's why they've agreed to a higher room tax, to help finance the expansion.

So fine, let them pay for it. That's what hotels do – build meeting spaces to attract business. Every Economics conference I've ever attended was held in a hotel. The Hilton on 20<sup>th</sup> has its own conference space. So let the hotels enlarge the convention center. Just don't involve me, or my taxes.

"But wait a minute," you say. "Didn't I read that they plan to use those room taxes and Tax Increment Financing (TIF) to pay for it, and that none of our property taxes will be used?" Yes, that's exactly what you've read. I have two words for the claim that TIF doesn't involve our property taxes, and one of them is bull.

For the uninitiated, here's how TIF works. Someone builds a building – a store, a factory, apartments – inside an area the city has designated a Tax Increment District (TID). The building owner pays his property taxes, just like everyone else. But instead of being put into the city, county, and school district general funds, to pay for police, fire, streets, and schools, the taxes are put into the TIF fund, to pay for whatever TIF pays for.

So when you read "your property taxes aren't being used on the convention center," that just means that the city has arbitrarily separated your property taxes from someone else's, whose taxes ARE being used. Your taxes only pay for teachers and police. The other guy, who doesn't help pay for teachers or police, only HIS taxes are being used to enlarge the convention center.

As you can see, that's exactly the kind of logic that a large male bovine might deposit in the middle of a pasture. I would strongly advise against swallowing it.

"But won't the larger convention center help our local economy?" Oh no, here it comes: the Economic Impact Study. Well, let me share with you an opinion held by every Economist I know: economic impact studies are mostly that same aforementioned pasture deposit. They do have their uses, but by far and away their number one use is to create a Big Number to put into a newspaper article to convince us taxpayers to pay for something we'd otherwise not be willing to pay for. I would strongly recommend, the next time you see an economic impact Big Number, you not step in it.

Yes, more conventions mean more conventioneers, spending more money, most of which will go to the hotels. Only a small fraction will end up as local wages, mostly for low wage jobs. So I see no need to subsidize the hotels with our property tax dollars. Let them enlarge the convention center by themselves.