Mr. Michael J. Krasner, Senior Planner  
Erie County Department of Environment and Planning  
Edward A. Rath County Office Building  
95 Franklin Street, Room 1014  
Buffalo, NY 14202

Dear Mr. Krasner,

I would like to submit the following comments on the draft EIS for the proposed new convention center. They address several problems, but primarily in four areas: the calculation of economic impact; the projections of attendance at a new convention center, on which the economic impact calculations are based; the estimate of how much housing the Mohawk site could sustain (and consequently the resulting economic impact of that alternative development path); and the comparisons of the various sites.

**Calculation of Economic Impact**

For now, let us assume the projections of future attendance are accurate (the next section will address those). Even so, the calculation of economic impact that follows is seriously misleading because it fails to adjust for baseline activity. The benefits we would get from building a new convention center must be measured by the *increase* in economic activity above what we would get from not building a new facility; what matters is how much more activity is created than would exist in the “no action” alternative of spending nothing and sticking with the status quo.

Table 1 in the Executive Summary projects total economic impact of $35.5 million annually if no action is taken (at a cost of $0), and $65.7 million annually if we spend $233 million on a new facility at the Mohawk site. So what we would get for our $233 million is *not* $65.7 million annually, but $30.2 million ($65.7 million from activity at the new facility, minus $35.5 million from doing nothing). Similarly, the number of jobs created is not 845, but 845 minus the 456 projected for the “no action” alternative, or 389. Yet the rest of the analysis proceeds as though the project would *add* $65.7 million and 845 jobs to the Erie County economy, vastly overstating the benefit.

Consider Tables C-26 and C-27. (These use statewide projections rather than county ones; the statewide figures come from Tables C-6 and C-7.) Line 1 for the Mohawk site should be not $67.3, but $30.9 ($67.3 of activity generated by a new facility minus $36.4 generated by the “no action” alternative), and line 3 should become $(1.2), to reflect the $1.5 operating subsidy under the “no action” alternative. As a result, line 6 drops from $46.5 to only $11.6.* And the figures for the Waterfront and Expansion sites become negative ($-4.4 and -$11.7)!

In short, even if one accepts the draft’s attendance projections, and ignores any costs of displacing current and potential future economic activity at the Mohawk site, the return on public investment is still overstated by a factor of 4, according to the report’s own figures. And the Waterfront and Expansion sites would result in negative net returns.

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* That may need to be reduced further—p. C-52 states that line 2 (annualized total project costs) excludes site acquisition costs. No reason is provided. If those costs are included, line 6 drops another $1.1, to $10.5.
Now Table C-27: line 1 for the Mohawk site should be 393 (857 minus 464), line 2 becomes $30.9, line 6 becomes $(19.3) [or $(20.4) if the previous footnote is correct], line 7 becomes $49,109 (or $51,908), line 8 becomes $78,626, and line 9 becomes $29,517 (or $26,718).

Line 7 is the critical one here: it says we’d be spending $50,000 per year for each new job created. And those jobs would pay an average of $26,000 (see Table 1). Please pause and let that sink in for a moment.

Sure, those employees would then go out and spend their pay, and due to the economic multipliers the total impact would be about $28,000 more than the $50,000 we invested in the first place (lines 5 and 6), but we could get the same benefit at half the cost by just giving $26,000 of public money away to each of 393 unemployed people to spend on whatever they need. (Or by putting them on the County payroll at that rate for the added benefit of whatever work they do.) To proceed with this project would be utterly mad—again, that’s even if we accept the draft’s attendance projections.

And of course it’s even worse for the other two sites, with their negative returns on investment: they would entail spending $100,000+ (Waterfront) and $190,000+ (Expansion) per job annually, for the same ~$26,000 in wages and ~$78,000 total return.

**Attendance Projections**

The entire analysis of the projected economic impact of a new convention center rests on the claim that replacing the current facility will lead to a large increase in out-of-town attendance at events. But some of the data that would allow evaluation of that claim are left out, and what data are provided actually seem to support the opposite conclusion. Let’s review the draft’s chain of reasoning:

Section 2.1 presents trends in usage of the current convention center during 1996-2000. (The variation from year to year within that period is so large compared to the net change from 1996 to 2000 that it’s questionable whether any meaningful trend can be extrapolated, but since the draft bases its analysis on the 96-00 net change without regard to the intervening years, I will do the same.) The draft notes declines in the number of events and total number of attendees over that period. But the estimates of future economic impact are based entirely on the number of out-of-town attendees (p. C-10), and specific figures are not provided for the past trend in out-of-town attendees. The draft does, however, note that among the various event types, out-of-town attendees are primarily drawn to conventions, suggesting that convention attendance is a good proxy for gauging out-of-town attendance. And during 96-00, the number of conventions rose by 40% and convention attendees rose by 87%. That is most certainly not a profile of dwindling usage.

As Table 2-2 shows, it is only consumer shows—attended almost exclusively by local residents—whose attendance has dropped since 1996. If consumer shows are excluded from the analysis, as they rightly should be with the claims of economic impact being based on out-of-town attendance, the trend since 1996 is a net positive. Moreover, if it were the case that attendance were dropping due to the current facility’s deteriorating competitiveness, as the draft asserts without justification, that dropoff should be most pronounced in the convention category, as that would be the category of event most susceptible to being picked off by competing facilities in other regions. Indeed, it is the only category where event organizers are free to choose from multiple regions. But since the drop in total attendance is due to performance in the consumer show category, where we are not in direct competition with Milwaukee or Columbus or Providence, one can only conclude that decreasing total attendance has nothing whatever to do with superior facilities in other regions.

Based on comparing 1996 with 2000, the only conclusion that can be drawn is that in convention attendance—the only category that matters for the draft’s claims of future economic impact—the current facility is more than holding its own, despite its aesthetic and functional shortcomings.
The rest of Chapter 2 is perfectly consistent with this conclusion. Figure 2.3 (p. 2-5) suggests no need to increase the size of the facility, since we obviously have a great deal of excess capacity already. Section 2.2, “Deficiencies of the Current Facility” (p. 2-12), really only documents a parking shortage. There are surely better ways to address lack of parking than building an entirely new facility twice the size of the current one. Table 2-11 and Figure 2-6 (p. 2-18), which show steadily growing regional hotel revenues coinciding with decreasing total attendance at the convention center, confirm that the current facility is losing attendees not to other regions, but to other meeting facilities within the region—again, its attendance problems are exclusively with consumer shows, which do not bring attendees from out of town.

There is simply no basis for concluding that the region is losing out-of-town visitors at all, much less that we are doing so because of the condition of the current facility. Indeed, quite the opposite.

Beginning with that mistaken presumption, however, Appendix C goes on to project growth in out-of-town attendance at a new convention center, and consequent economic impact. Unfortunately, none of the data actually used to calculate the projections are provided. All that’s given are some general qualitative statements of the kinds of factors that were considered. That certainly reduces the opportunity for readers to examine the procedures and verify the findings. Nonetheless, some concerns can be raised at the same qualitative level as the explanations that are provided.

First, since the analysis is concerned with impacts on the regional economy “regardless of who pays the costs or enjoys the benefits” (p. C-2), events that move to other facilities within the region should not be considered “lost.” If the convention center is losing business to, for instance, the Adam’s Mark, there is no loss to the regional economy, and upgrading the facility to win that business back produces no gain for the regional economy. Since Chapter 2 shows no drop in out-of-town attendance at the convention center, and a drop in total attendance that appears to represent merely a shift of local events to other regional facilities, it’s difficult to imagine what basis there is for projecting that out-of-town attendance will drop if the facility is not replaced, or even that total attendance would drop on a regional basis. Certainly the data presented provide no basis for those conclusions.

The section “Micro-Level Indicators” (p. C-8) lists factors expected to increase demand at a new facility. The ability to host concurrent events would matter only to the extent that demand is able to overfill the schedule. In itself, it isn’t going to increase demand at all; all it provides is the capacity to handle additional business if there were enough demand to double-book the facility. But that demand would have to be created by some other factor. And given how far below capacity the current facility is operating, the growth in demand would have to be quite dramatic before the ability to double-book became relevant at all.

Having a larger facility similarly doesn’t itself create demand, but only provides the opportunity to compete for larger events. (Note also that booking larger events reduces the size of concurrent events that can be booked. These two capacities thus tend to be exclusive rather than additive; each is reduced precisely to the extent the other is used.) The new facility would compete successfully for some percentage of the 1000 conventions identified as newly within reach, but what percentage? That absolutely crucial datum is not provided in the draft, and without it there is no way to confirm the plausibility of the usage projections. At the very least, we’d need to know how that assumed percentage compares to Buffalo’s current rate of obtaining conventions at the upper range of our capacity. The analysis should assume that the success rate would be no greater than now, and likely considerably lower; is that in fact what it assumed? The draft doesn’t say.

* That’s actually a very generous standard. Although having a snazzy new facility should help, that would likely be outweighed by (1) a large increase in the total square footage available nationally (25% between 2000 and 2005, according to Tradeshow Week), (2) little if any growth in aggregate demand nationally, and (3) a shift to competing
Numerous public comments during the scoping phase of this study requested an evaluation of how accurate usage projections have been for other convention center expansions. Chapter 2 (pp. 2-9 and 2-10) reports that this task was not completed, and for reasons that are not pertinent. It may be true that it would be difficult to isolate economic impacts attributable to convention center projects, but that wasn’t the request. What’s needed is much more straightforward: how do actual usage levels (as measured by number of attendees, or number of events, or total square footage) of a new or expanded facility compare to what had been projected. Those figures are quite concrete and specific. The draft claims that it was “difficult to compare projected and actual values” because “units of measurement…were not consistent from city to city,” but consistency of units across cities is irrelevant. All we need is a list showing what was projected in each city and what actually happened in that city: Baltimore projected attendance would increase by <x%>, and the actual change was <y%>; Milwaukee projected the number of events would increase by <x%>, and the actual change was <y%>. It’s simple, and it’s essential. And it’s not in the draft. If these figures were to show that across the board, projections using methodology similar to what this draft uses were consistently too high, that would provide good reason to doubt the accuracy of this draft’s projections.

So to review the main concerns raised here regarding the attendance projections:

- The draft asserts a five-year historical trend of rapidly dropping attendance. But what data are provided imply no decline at all in out-of-town attendance (the only kind that matters for the economic impact projections). Several different measures all point to that same conclusion. The decline in utilization is entirely linked to consumer shows, which have primarily local attendance.

- The methods used to project future usage (and consequent economic impact) are not shown. What can be inferred from what is said suggests several unfounded assumptions that likely have produced inaccurate conclusions regarding the extent of growth in attendance if the existing facility is replaced: out-of-town attendance at the current facility would not drop as assumed; the ability to hold larger and concurrent events at a new facility would not in itself boost attendance as assumed; it should not be assumed that we would compete any more successfully for larger events than we do now for more modestly sized events; national trends (a rapidly increasing supply of meeting space and no rise in aggregate demand) strongly suggest that our market share is more likely to shrink than expand.

- No comparisons were done of projected to actual attendance growth in other cities that have recently expanded their facilities. The information would be utterly straightforward to present, and very important to have.

Here are some additional, more minor problems in portions of the draft related to attendance projections:

Page 2-10 incorrectly states that “trade shows and meetings are the only two event types that have increased since 1996.” The number of attendees at conventions has also increased over that period. (If what’s meant is the number of events, then conventions are the only type that has increased; the number of trade shows and meetings has dropped since 1996.)

On p. 2-28, the text states that Columbus hosted 543,560 attendees, but Table 2-15 provides a figure of 1,905,488.

with facilities in cities that are viewed as more attractive convention destinations than our current competition. Under these conditions, it would be an amazing feat to match our current success ratio.
Page C-17 indicates that the analysis assumes utilization of the facility during the summer months will improve. What basis is there for this assumption, particularly for applying it to a new facility but not to the existing one (thereby exaggerating the growth in usage and projected economic impact)?

Page C-48 includes “Contrary to common perceptions, the bulk of convention center activity occurs within the first quarter of a given year.” But what matters for economic impact is not the seasonal distribution of attendance for all events; what matters is out-of-town attendance. And as p. 2-5 states, the first quarter peak is due to two large consumer shows, which “mainly attract local attendees.”

**Residential Potential of the Mohawk Site**

Section C.6 addresses the opportunity cost of forgoing residential development on the Mohawk site, but it significantly understates the amount of housing that site could accommodate (thus overstating the relative economic impact of a new convention center). It cites p. 23 of the R/UDAT report to justify an estimate of 70 units, stating that number “is consistent with the numbers proposed in the R/UDAT report for the Mohawk site” (pp. C-33 and C-34). But what p. 23 of the R/UDAT report proposes is approximately 70 units (60-88) on one corner of the site, comprising 1.5 acres, at a density of 40-60 units/acre. A figure of 70 for the entire 11-acre site could be sustained only through the absurd assumption that the other 9.5 acres could accommodate no housing at all. (Demonstrably untrue, as at least one project elsewhere within the site is already underway.) Zoning regulations are mentioned as one factor limiting the amount of housing the site can sustain, but zoning regulations can, of course, be changed should the city prioritize housing on this site. And given the following, which appeared in the March 18 *Business First* (James Fink, “Downtown Projects Have Residential Appeal”), it’s clear that the city does consider it a priority:

> Mayor Anthony Masiello said he would like to see a stretch of Washington Street that, until recently, was considered a prime site for the proposed—but stalled—convention center, now used as the focus of a downtown residential neighborhood.

> “I’m not going to wait five or 10 years for a final decision on the convention center,” Masiello said. “I want housing on that site.”

The R/UDAT report doesn’t address the suitability of the rest of the site for housing development. Establishing the same density of 40-60 units/acre would yield 440-660 units. It probably overstates the potential to assume the rest of the site is equally suitable for housing as the corner the R/UDAT team selected, but it would be reasonable to take the midpoint (thus assuming the rest of the site could support half the density as the selected corner), or 255-365 units. If 300 units were brought online over several years (say, 75 per year over four years), that would be only 1/4 of the projected ability of the market to absorb 300 units/year of new downtown housing (p. 4-45 of the draft).

If Tables C-12 and C-13 are adjusted accordingly, we find that the short-term (construction) economic impact of the housing option is not 8-9% of the impact of constructing a new convention center, but ~35%. And Table C-14, showing the ongoing countywide economic impact of residential use, would indicate not $5.2 million total impact, but $22 million. That’s over 70% of $30.2 million (the total economic impact, corrected as explained above, for building a convention center on the site), and twice the net impact of a new convention center after subtracting the public investment, as discussed above for Table C-26.
Comparisons of the Various Sites

Several of the factors used to assess the relative advantages and disadvantages of the various potential sites are problematic. (Note that my previous comments on the economic inferiority of the Waterfront option compared to the Mohawk site accepted the draft’s projection of much lower attendance at the Waterfront. If, as I will suggest below, that projection may be inaccurate, then the relative economics of the two sites would change accordingly.)

First, the matter of accessibility. Appendix C equates access with walking time to various amenities, much to the detriment of the Waterfront Site, ignoring the fact that the site is adjacent to the light rail system, offering free and rapid transportation to all sites within the downtown retail/entertainment core. When Portland, Oregon planner Tuck Wilson (former Director of the Oregon Convention Center Project) spoke in Buffalo (Nov. 11, 1999), he stated that a similar arrangement in Portland—a convention center outside the downtown core but linked by light rail—had worked well. In fact, he said, such an arrangement is better than a facility located within the CBD because it leaves the core intact for visitors to enjoy. Public comments during this study’s scoping phase offered extensive lists of other cities whose convention centers are outside the downtown core and/or not immediately adjacent to major hotels. Accessibility to entertainment and to hotels is important, but adjacency is not, and our free light rail system provides accessibility. If there is any doubt about this issue, please consult with Mr. Wilson or other officials in Portland as to whether their attendance has been hurt by the facility’s location.

Section 3.3 asserts that, compared to the Mohawk site, the Waterfront site has inferior mass transit and highway access. But it’s only a block from the light rail system and, as p. 4-98 indicates, within two blocks of I-190. Its mass transit access is thus comparable to the Mohawk site’s, and its highway access is superior, with direct access to the Interstate system.

Pages 3-12 and 4-27 present the Waterfront site’s current usage for HSBC parking as a significant barrier. But with the convention facility already planned to include a parking structure, why can’t it simply be heightened to accommodate HSBC employees as well? Moreover, p. 4-31 indicates that HSBC is considering eastward expansion onto this site. This is presented as another drawback of the site, but in fact it invalidates the parking objection: if HSBC would consider building on the site themselves, they must not need it to remain a parking lot. Whatever alternative options they would pursue for parking should also be feasible were a convention center built on the site.

Regarding the Mohawk site, there appears to be no consideration of the huge energy wastage entailed by demolishing 46 structures there (vs. zero at the Waterfront site). “Green Design” was designed a priority for this project, and as public comments during scoping observed, from an energy efficiency perspective, discarding so many existing structures is enormously wasteful. Why do neither Chapters 3 nor 9 say anything about this?

Page 4-82 specifies that impacts to historically significant structures on the Mohawk site must be avoided or reduced; likewise, p. 5-3 states that “all practical measures will be taken during final design to avoid the need to demolish these structures.” But the project cannot possibly proceed on that site without demolishing these structures. That surely fails to “avoid or reduce” the impact. Where is this major difficulty weighed in comparing the sites?

Page 5-2 proposes mitigating the dislocation of existing business and loss of residential development opportunities by providing financial incentives for relocating the businesses elsewhere within Buffalo and developing housing at other R/UDAT-identified sites. Since this mitigation is a necessary cost of building on the Mohawk site, those costs should be included in the financial projections for this site. Does the “relocation cost” item in Table C-15 full reflect these costs?
Among the structures occupying the Mohawk site is the Fire Dispatch Center. As noted on p. 4-56, keeping it on site would present a “significant design challenge.” How a programmatically functional convention center could be designed around it is not clear. If such a design is nonetheless formulated and adopted, it’s difficult to see how the Dispatch Center could remain in place without its operation being “hindered or disrupted” during convention center construction, as the draft states would be “imperative.” How could its residing in the middle of a major construction site “not result in significant impacts on the provision of emergency services”? If, conversely, it is to be relocated, then the cost of replacing it needs to be included in the financial projections for this site.

Finally, p. 3-17 dismisses the Oak Street alternative site because it would require elevating the facility over Oak Street, rendering it unfriendly to pedestrians and precluding a single-level exhibition hall with “safe and easy” (meaning at-grade?) truck access. Why wouldn’t the same problems apply to elevating the facility over Ellicott Street, and thereby eliminate the Mohawk site from consideration?

**Other Issues**

Page 1-3 urges the County to “take into account lessons learned from other peer cities, and learn from other similar regions with dual urban centers.” Just what are the lessons learned from peer cities? Sections 2.7 and 2.8 present some comparative data for other regions but don’t seem to offer any analysis of those data. What can we conclude from the experiences of other regions? What do they say about what we should do, or how we should do it?

Page 1-17 similarly urges that the County coordinate with Niagara Falls and learn from what other dual-city regions have done to avoid intra-regional competition for convention business. Well, what exactly can we learn from other dual-city regions, and what are the solutions to intra-regional competition?

Page 16 acknowledges that alternative investments of public funding could result in greater economic impact but rules out analyzing any possibilities because the alternatives are too numerous and open-ended. But an exhaustive analysis of all possibilities is not needed; illustrative examples would be quite useful. One could, for instance, refer to what BERC and the various area IDA’s report as to the economic impact of the tax incentives they provide. One could analyze the Adelphia incentive package. One could report the findings of national studies on the impact of investment in infrastructure improvements. All of these would help provide some comparative sense of how much bang for the buck the convention center project offers, a sense which is wholly lacking at present.

**Summary of Main Points**

First, and perhaps most critically, the economic analysis errs by treating investment in a new facility as responsible for all future convention-based economic activity, rather than just the incremental activity beyond what the “no action” alternative would yield, for no investment. Although some of my other comments involve matters of judgment and interpretation, on this point the draft is flat-out, demonstrably wrong, and making the necessary adjustments dramatically alters key findings. The corrected figures show that even according to the draft’s own projections, building a new facility would be economically disastrous.

Second, the draft’s entire analysis depends on out-of-town attendance projections (substantially increasing at a new Mohawk facility, and decreasing at the current facility if not replaced) for which adequate data are not provided; further, what data are provided run counter to those projections. If, as seems likely, the attendance projections overstate the benefits of a new facility, the economic results would be even worse than what my previous point indicates.
Third, the draft understates the economic impact of residential development on the Mohawk site. In combination with overstating the impact of a convention center on that site (due to the previous two points), that yields a greatly distorted image of the relative value of the two.

Fourth, the draft portrays the Waterfront option as far inferior to the Mohawk option, due to questionable assumptions. Although none of the new-construction alternatives make sense economically, the Waterfront site is probably no worse than Mohawk.

**Concluding Comments**

My comments have focused on the economic implications of the proposed project. At least as important is the impact on the urban fabric of downtown Buffalo. By their very nature, considerations of streetscape vitality and quality of life are difficult to quantify; the draft does offer important observations on these matters in passing, which would be easy to overlook because they don’t show up in any of the tables and figures. The Mohawk site contains a unique collection of diverse and unique structures, some of which are individually of historical significance, but more importantly, they collectively constitute an irreplaceable resource: the basis for mixed-use development exemplifying the unique character of Buffalo and creating a future sustained by our past (see pp. 2-40, 3-11, 4-24 through 4-26). Destroying that resource and precluding what it could become, simply to make room for a facility that could just as well go elsewhere, and won’t do us any good anyway, would be criminal.

Meanwhile, the area is suffering from “planner’s blight.” While uncertainty persists, property owners are reluctant to begin alternative development, sell to someone who would, or even spend money to maintain their properties; so long as the possibility exists of selling to the County above actual market value, the properties only deteriorate (see pp. 15-16). That is why it is essential that the County not merely allow this project to die a gradual death, suffocating under its own weight, but announce definitively that it will not take place on the Mohawk site.

The County Executive has said that there is no money to proceed at this time, but he has not shut the door on next year or succeeding years. What is urgently needed to save this district and all its potential benefits is for him to publicly encourage the initiation of housing conversion and related development projects, and the sooner the better.

Thank you for the opportunity to provide these comments.

Sincerely,

Hank Bromley