

Changed Deal – The Building that Funded Confluence Now Needs Subsidies?

Is the Confluence Performing Arts Center with its accompanying UW-Eau Claire living and learning community aka the mixed-use bldg. of student housing and retail space still “on the table?” It seems that the Confluence proposal discussed prior to the April 1 referendum has changed significantly during the Council’s April and July closed sessions.

Without informing the public, the City has apparently made offers to the developers that differ significantly from what the public was originally told.

First, it was touted that the performing arts center was, for all intents and purposes “free.” The \$5 million City pledge would be 100% funded by the property taxes on the student residence hall/mixed-use building.

There was discussion about the developer’s request for a \$5.9 million subsidy and a reduced property tax increment, but each time the City assured us that the ask for the \$5.9 million subsidy was just that, a request, not something the City had agreed to.

However, it now appears that the City has assented to the \$5.9 million subsidy plus \$3.6 million for street improvements in the area, increasing the subsidy to \$9.5 million. Is this true?

Second, it was our understanding that the public plaza was fully funded through the property taxes from the North Barstow TIF No. 8 project. That also no longer appears to be the case.

Downtown Eau Claire’s “free” performing arts center and plaza were supposed to be part of TIF No. 8. It now seems that it’s a stand-alone TIF of \$16.5 million; a huge amount of money the City doesn’t have. To put it in perspective; the entire Eau Claire City tax levy, the amount the city collects in taxes, is \$30.7 million. \$16.5 million is more than half of that amount – almost 54%.

All the plans presented before April 1 made it clear that the performing arts center and the student residence hall/mixed-used building were linked projects, neither one happening without the other. Citizen taxpayers have now heard that the City plans to move forward with ONLY the student residence hall/mixed-use building.

Was anyone truly enthusiastic about having student housing downtown? I certainly wasn't. The idea was somewhat acceptable, if as promoted, it was the key to funding the performing arts center. And, it was to be a living and learning community for performing arts students.

Instead, the City may simply be subsidizing student housing! Good grief, this act of corporate welfare would be unconscionable! Will the property on Graham intended for the Confluence Performing Arts Center also become a residence hall? Will citizen taxpayers be expected to subsidize that as well? Historically, university student housing is either funded by the State, by student fees, or by private enterprise. Student Housing should neither be a City expense nor a city responsibility. Why would anyone on this Council advocate that citizen taxpayers subsidize this student housing; a private, for-profit enterprise.

**Is student housing the answer to revitalizing downtown? No!
It is difficult to build a strong economic base with university students who need housing for only nine months and who typically have limited discretionary income.**

Statements have also been made that the housing could be designed to meet the needs and desires of adults for year-round occupancy. Whether a student residence hall or an apartment for adults, it is still a private, for-profit enterprise that we should not subsidize!

It is imperative that the Council and Haymarket LLC honor what was discussed before the referendum and what the citizen taxpayers voted to move forward, the Performing Arts Center with the accompanying student residence hall/mixed-use building. It was presented as a package and it should only move forward as a package.

However, under no circumstances should citizen taxpayers subsidize a private, for-profit enterprise!

Do not participate in what simply amounts to corporate welfare; do not subsidize this private, for-profit, enterprise!