

Government Destruction of Historic Buildings Through Private Subsidies

I want to express my appreciation for the decision to hold this public hearing. For our form of representative government to work, it is important that all matters be aired in public.

I also would like to state my concern about the plans to build a city subsidized project on the historical Confluence block.

First, I want to make sure that Eau Claire never again repeats the kinds of errors that occurred in connection with the Klein Department store property. If ever a property deserved local landmark status that one did. Before holding a hearing like the one on the Klein, let's make sure that the City Council does have an opportunity to walk through the building. Had they done so, they would have been aware that the building was in mint condition, not the wreck that was described – a wreck that was incorrectly described as requiring “millions and millions” of dollars of rehabilitation. Likewise, the Council does need to ask all of the relevant questions in this kind of hearing. If the question had been asked as to the anticipated purchase price, it would have been very clear that the owner's alleged “hardship” was the possible loss of an opportunity for a financial bonanza – she sold the property she bought for \$250,000 in late 2012 for \$450,000 in June of 2014. That is an 80% profit. Under the statute the loss of financial expectations is specifically excluded from hardship.

Prior to purchase the owners, presumably with the blessing of Haymarket Concepts (the purchaser) proceeded to destroy the Confluence property by removing everything – and I mean everything – that had possible value – from floors to windows; from wiring to duct work; from furnaces to elevator shafts. If nothing else, those actions insured that the properties were wrecks at the time of purchase, destroying any possible historical value or significance and making the property truly blighted.

Nonetheless, the new owner, Haymarket, paid full assessed value as if the buildings were in good condition – effectively it paid 4.5 times the land value - \$2.58 million for land appraised at \$577,400. Given the condition of the buildings, it now has no choice but to add to that expenditure by paying the cost to raze them. Then before it can build anything, it must move the land out of the floor plain. In the process of all of this destruction, it will also have destroyed all of the existing infrastructure. That too must be replaced. Normally, that cost would be borne by the land owner via special assessment. All in all, this has to be a very expensive venture. To me as a lay person, it appears to be a very bad bargain indeed.

As a private property owner, Haymarket is free to make whatever bargains it likes, but we as taxpayers should not be asked to provide it with a subsidy to make it whole. The \$5.9 million direct subsidy and the \$3.6 million infrastructure subsidy are just that.

As someone who truly values historical buildings, that which the City is proposing is adding insult to injury. Not only has the city lost its heritage in this venture, but we as citizens are being asked to compensate the very party that effectively funded the destruction.

I would like to add one more point and that is the city should not try to do indirectly that which it could not do directly. By law, neither the City nor the State can be party to demolishing property like the Confluence block that is on the National Register of Historic places, particularly with the use of TIF money.

Accordingly, I would ask first and foremost that Haymarket not receive subsidies to develop the Confluence block. At the very least, no funds should be offered if there is to be no Confluence Performing Art Center.