

## Medical Mart and new Convention Center July 23, 2007

*By: Brian Cummins, Cleveland City Council, Ward 15, complete version of an edited shorter letter to the editor than ran in the Plain Dealer that week. The .25% tax was passed by the Cuyahoga County Commissioners on Thursday July 26<sup>th</sup>, 2007.*

Cleveland, Cuyahoga County and the region should attract the Medical Mart and use the existing convention center site to build a new modernized facility that would support it.

Just because the County Commissioners have the authority to pass a tax increase this Thursday to help bring a Medical Mart to Cleveland doesn't mean they should. And, just because they are narrowing the terms of that tax doesn't make it right either. With a few more details worked out and communicated, voters would be better informed and likely vote for some form of financing for a convention center if it in fact could secure a Medical Mart for the region.

There are three primary details for this project that must be worked out to the fullest extent possible before we start raising taxes for it. The three details are; 1) The Medical Mart's needs, 2) a modern convention facility that compliments the Mart and 3) the most effective incentives and financing to make it all happen.

**1) Medical Mart needs** – As stated by [Medical Mart Properties Inc](#), (MMPI) “it is imperative that the medical mart be located directly adjacent to or in close proximity to Cuyahoga County's new trade show facility”. Additional requirements include 500,000 to 700,000 square feet of showroom space in a location that is convenient to hotels, restaurants and entertainment.<sup>1</sup>

**2) Requirement and considerations for a modern convention facility** – The Cleveland-Cuyahoga County Convention Facilities Authority ([CFA](#)), created in 2004 has recommended the following requirements for a state-of-the-art facility; 350,000 – 450,000 square feet in exhibit, ballroom and meeting space combined with a 600 room headquarter hotel.

**Location, location and location** – The needs of the Medical Mart (**M**) and the requirements of a complimentary convention (**C**) or trade show facility need to be combined to determine the optimal location of these important and costly investments. For the city of Cleveland, which represents the primary investor<sup>2</sup> in the region for a new convention center, reutilization of the existing Convention Center site should be a critical requirement for the **MC<sup>2</sup>** project.

The Cleveland City Planning Commission and the CFA when last deliberating on the possible location of a new convention center (in 2003 and 2005 respectively) recommended the consideration of two primary locations, the current Mall site and property behind Tower City. The CFA – the public body that would run a new facility – in February 2006, stopped their work on analyzing the points of location and financing in order to give MMPI time to determine the feasibility of bringing the Medical mart to Cleveland.

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<sup>1</sup> <http://www.traveleleveland.com/medicalmart/faq> - Convention and Visitors Bureau of Greater Cleveland and the Greater Cleveland Partnership.

<sup>2</sup> Cleveland and Cuyahoga County's role in the region -- Northeast Ohio region consists of 13 counties with a population of more than 4 million. Cuyahoga County makes up 32% of that population with 1.3 million people and the City of Cleveland represents 11% of the region and 34% of the County's population with 440,000 people.

By the Cuyahoga County Commissioner's actions in pursuing the approval of a .25% county sales tax, the question of the feasibility of the Medical Mart to be located in Cleveland seems to be confirmed. The work of siting the new convention center, being so important and linking with the Medical Mart, should be a decision that the CFA makes with thorough design and financial analysis and public deliberation. A decision to pass a .25% sales tax should not be made without knowing for certain where the site location of the new convention facility will be.

The reasoning for locating the new convention facility at the existing Mall site is compelling. If a comprehensive assessment is made of the broad range of factors that should be considered for the location I am confident that there would be a much higher benefit to the City of Cleveland if the existing site is utilized.

A Quick Assessment of five critical ranking factors:

	<b>Ranking Criteria</b>	<b>Mall Site</b>	<b>Characteristics</b>	<b>Tower City Site</b>	<b>Characteristics</b>
<b>1</b>	<b>Proximity to Medical Mart.</b> Assumes location of MM at former Higbee Bldg	-	within two blocks, Waterfront line access	+	Attached
<b>2</b>	<b>Hotel Accomodations</b>	+	2,200 rooms w/in 1/4 mile, majority are unionized hotels	-	1,416 rooms w/in 1/4 mile, majority are non-unionized hotels
<b>3</b>	<b>Development Impact Area</b>	+	The footprint and land area is larger and would provide synergies for adjacent districts including the Financial, Galleria, Warehouse districts and Pubcil Square/Euclid Cooridor	-	Smaller land area, would require significant air rights and potentially distract from viewshed of Cuyahoga River due to the required closeness in proximity
<b>4</b>	<b>Land Utilization</b>	+	Premier location that would save significant current and future costs due to current land ownership (by City of Cleveland) as well as providing for 200,000 square feet of outdoor public plazas (the Mall) and Lake Erie views. Significant in securing a use for the Historic Landmark Public Hall building	-	Contrained area that is currently privately owned. River views and efficient utilization of existing private assetts and public investment that has been made in Tower City and the Gateway projects.
<b>5</b>	<b>Transportation/ Accessibility</b>	<b>X</b>	Accessisble by GCRTA Waterfront Line, Amtrak passenger rail service, Euclid Corridor and major bus routes	<b>X</b>	Attached to Tower City, GCRTA hub, Euclid Corridor and major bus routes

**3) Financing** - Is the additional ¼ point on the County's sales tax<sup>3</sup> is the only way to finance this? There is clearly no easy way to finance anything of this scale when our economy and overall tax base has been stagnant to shrinking. A combination of a smaller revenue stream and possibly a one-time payment in lieu of taxes for our county's two largest employers could help ease the burden of a proposed 2% sales tax.

Although the area's bed tax is already high, hotels would be major beneficiaries of this project, estimated to generate \$300 million in economic impact. If we increased the county bed tax by 1% or 2% it could raise \$2.5 to 5 million per year. An even larger share of funding should be considered to come from a one-time payment in lieu of taxes from the Cleveland Clinic Health System and University Hospitals Health System.

The Medical Mart would benefit these Health Systems enormously and the use of a one-time payment in lieu of taxes from institutions such as these is not uncommon. A 2004 Policy Matters study reported that together these two Systems held property valued at \$1.3 billion and if payments based on property tax rates were made they would total some \$34 million per year. The question of some payments over some period of time should be discussed with these premier Health Systems to help this project.

By far the five biggest challenges we face are; 1) safety, 2) education, 3) housing conditions – vacant/deteriorating property, 4) economic growth/jobs, and 5) a viable regional framework to address these issues more comprehensively. Although we have an excellent opportunity in attracting the Medical Mart to Cleveland, people are concerned about the limited financing capacity we have and the effect or lack there of on these other essential needs. Without economic growth and jobs our ability to provide safety and quality education is limited. But, without a more comprehensive regional approach to fund these priorities the region's core – Cleveland and Cuyahoga County – will continue to bare the brunt of the costs as we have for decades through suburban sprawl and loss of population and jobs to the outlying areas of our region. Our region's local, county, state and federal officials need to show leadership on this front because our citizenry understands that we are at our limits and we can no longer fund one large project at a time and believe that it alone can make a difference.

If other counties in the region could assist in our broad and shared priorities and our two largest employers in Cuyahoga County could commit to helping fund the medical mart/convention center project then projects like the convention center would be better received.

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<sup>3</sup> [ORC 5739.09](#)