Moving the convention center expansion forward is a win-win-win for city, residents

Statement of Common Council President Ashanti Hamilton
April 15, 2020

Yesterday (Tuesday, April 14) the full Common Council made an important decision that I believe will bring positive impacts to the City of Milwaukee and its residents for many years to come. The Council voted Tuesday to sustain a veto from Mayor Barrett that will move forward the planned $419 million expansion of the downtown convention center, which is operated by the Wisconsin Center District (WCD).

The expansion will double the square footage of the convention center, create more than 1,150 on-site construction jobs, attract an additional 100,000 visitors to Milwaukee annually, and generate an estimated $12.6 billion in spending over a 30-year period. The on-site construction jobs will produce estimated earnings of $66.7 million and an additional 1,154 off-site jobs will produce estimated earnings of $33.3 million (earnings totaling more than $100 million) during the two years of construction. The expansion will attract 100,000 new out-of-state visitors to Milwaukee annually.

There were questions raised earlier about certain aspects of the project (that prompted a successful Council vote to rescind a previous action that would prevent the WCD from borrowing for the project – and then the veto of that Council action), but I applaud Council members for taking a longer look at the expansion project and recognizing that it ultimately should move forward to help our city and our residents. I especially thank Alderwoman Milele A. Coggs and Alderman Robert J. Bauman for their expertise and guidance, and I also credit the WCD board for their work in approving the terms of this important agreement, and bringing it forward despite the uncertain times that I am convinced will soon pass.

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Importantly, the WCD has pledged a comprehensive inclusion plan for the expansion project, especially with the percentages of goals for minority businesses and staffing. WCD has committed to contracting with at least 25% of minority-owned businesses, 5% of women-owned businesses and 1% of veteran-owned businesses. The plan also outlines that at least 40% of on-site construction labor hours will be performed by trade workers residing in the City and/or certified through the City as part of its Residents Preference Program (RPP). Similar to the reporting provided during construction of the Northwestern Mutual Headquarters Tower and Fiserv Forum, WCD will provide comprehensive compliance reports throughout the duration of the project.

The Council’s vote Tuesday also keeps in place a Payment In Lieu of Taxes (PILOT) agreement between WCD and the City of Milwaukee. The PILOT agreement states that beginning in 2025, the WCD will pay the City of Milwaukee $1 million for its first $30 million in net income. Additionally, for each additional $10 million of net income above $30 million in any fiscal year, WCD will pay the City an additional $1 million. Also, the WCD will send the City fixed payments of $250,000 in May 2022, $500,000 in May 2023 and $750,000 in May 2024.

The expansion of the convention center is ready and poised to bring economic stimulus to downtown and the city as a whole. It can be the catalyst in creating a greater demand for hotel rooms, restaurants, bars and meeting and convention support businesses.

I want to thank Mayor Barrett for issuing the veto that prompted a needed second look at the project and its benefits, and I again thank my Council colleagues for recognizing those positives and agreeing to (sustain the veto to) make sure the expansion moves forward.

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