

Voice of the people

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Centre smells rank

The economic details of the Rank Inc. proposal for a new convention centre smell distinctly rank. Projections indicate that the province and city would each pay \$164 million over 25 years (i.e. a total of \$328 million) including \$57 million each in construction costs (amortized at 6.98 per cent) plus \$2.9 million (combined) in annual operations, maintenance, and upgrades.

Added to this is the \$47 million that Ottawa would contribute to cover one-third of construction and design costs. Thus, a total taxpayer cost of \$375 million, again over 25 years.

Scott Ferguson, CEO of Trade Centre Limited, projects that revenues would grow from \$6 million to \$12 million over the first decade and then continue at a \$12-\$14 million level. This works out to \$275-\$285 million over 25 years. Thus, under these optimistic projections, taxpayers would lose a minimum of \$90-\$100 million.

And what if construction costs end up being higher than projected? Or if convention delegates don't spend \$1,600 per visit? Or if the centre attracts fewer conventions than projected? The situation only grows worse. As for the convention centre creating 12,000 jobs, I smell the aroma of something very peculiar being smoked.

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