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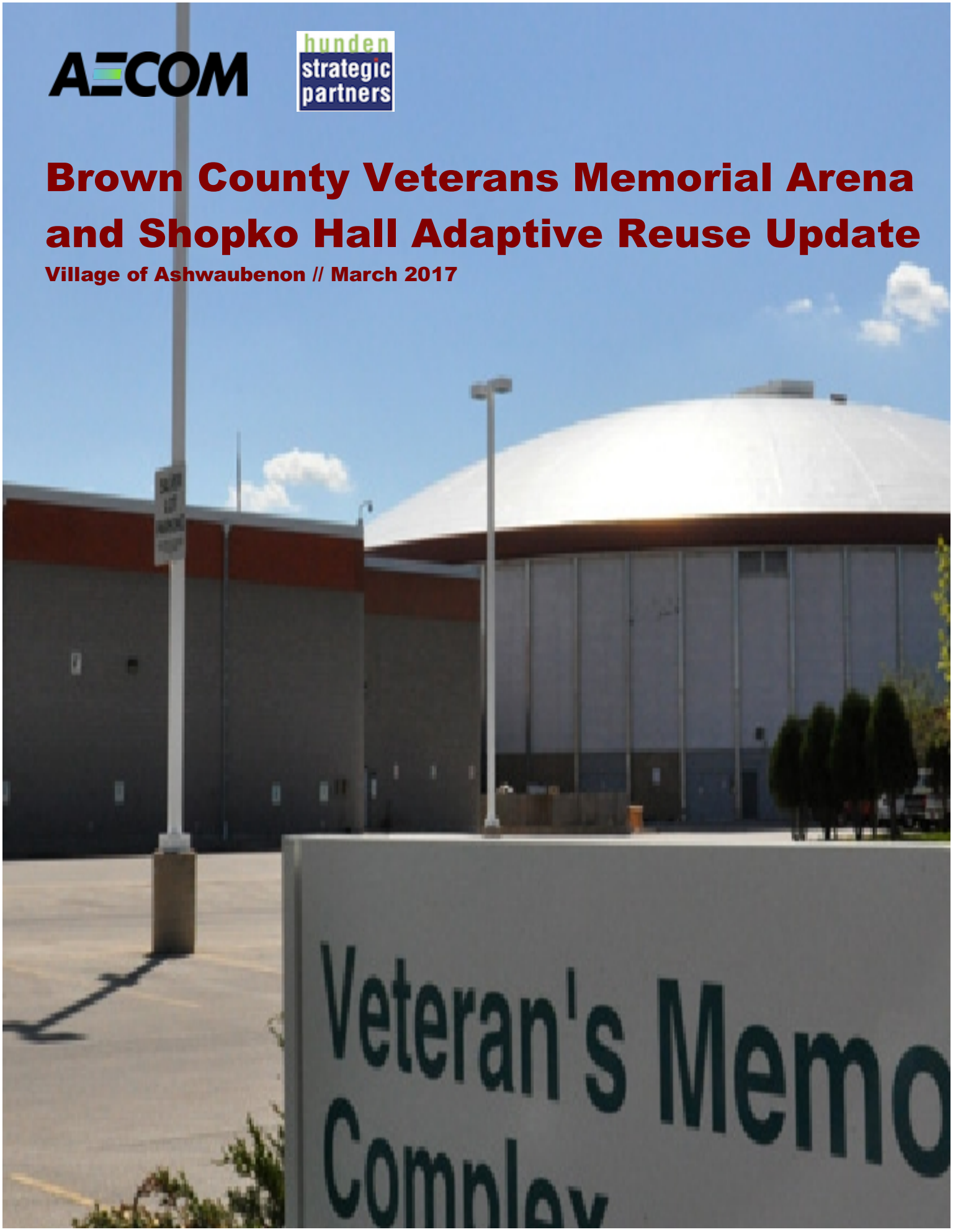
Brown County Veterans Memorial Arena and Shopko Hall Adaptive Reuse Update

Village of Ashwaubenon // March 2017



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General & Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of AECOM and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by AECOM from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.

This report is based on information that was current as of January 2017 and AECOM has not undertaken any update of its research effort since such date.

Because future events and circumstances, many of which are not known as of the date of this study, may affect the estimates contained therein, no warranty or representation is made by AECOM that any of the projected values or results contained in this study will actually be achieved.

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This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

1. Introduction and Executive Summary

AECOM was engaged by the Village of Ashwaubenon to update previous analyses of future uses of the Brown County Veterans Memorial Arena and the adjacent Shopko Hall, including renovation or replacement of the facilities. (The report does not directly address the Resch Center, beyond its presence next to the facilities and any impact that it could have on their usage.) The following summarizes the results of our analyses, conclusions, recommendations, and forecasts that appear in the full report.

Local Market

- Brown County has more than 255,000 residents, and the three-county Green Bay metropolitan area has a total of approximately 315,000 residents. The City of Green Bay, Brown County, and metro area have all experienced modest to above-average population growth in recent years, although the Village of Ashwaubenon has lost residents since 2000.
- Demographic characteristics related to age, household size, unemployment, and income are generally average and do not particularly point to significantly strong or weak demand for future facility usage or demand.
- The Green Bay area is highly accessible by major roadways and a local airport, and is well-located relative to other markets in Wisconsin.
- The area is also a strong market for visitation, with major attractions such as the Green Bay Packers and Lambeau Field, as well as other natural, entertainment, and shopping attractions.
- The market (particularly the area near the Arena and Shopko Hall) is planned for significant growth in the near future, through the Packers' Titletown development and other urban planning initiatives.

The Events and Facilities Industry

- Two of Brown County's main events facilities are the Arena and Shopko Hall, which are located next to each other. A third, the Resch Center, is also adjacent to Shopko Hall. The facilities are immediately east of Lambeau Field and have been connected in order to allow for potential joint use. However, the facilities' floor space is not technically contiguous, although some events do use more than one of the facilities concurrently.
    - The Arena has 5,200 seats and 20,000 square feet of event spac, and like Shopko Hall, offers very little beyond its basic offerings.

  - Shopko Hall has 43,000 square feet of column-free space but is a very basic facility with very few amenities.
  - The Resch Center has 10,200 seats and has become the area's primary indoor sports and entertainment venue, in place of the Arena.

- AECOM reviewed the past operations of the Arena and Shopko Hall. Generally, many of their events are outgrowing the facilities, others have already left the facilities due to their lack of space, and the physical offerings in the facilities are often inadequate for events. For example, some of the market's largest consumer shows have outgrown both facilities and require use of outdoor parking lots.
- Previous studies that have analyzed the Arena and Shopko Hall have generally identified a number of physical deficiencies of the facilities (such as mechanical systems, restroom and concession facilities, loading docks, a lack of breakout meeting rooms, and their general condition) and a lack of available event space. For the most part, in the last ten years since these reports have been issued, no major improvements have been made to the facilities.
- The Arena is one of the few of its age and type in the country that is still in existence and has not been significantly renovated or improved.
- Our recent analysis of the facilities and their markets identified a number of events that have been lost due to the facilities' size and condition, a lack of available dates, and an overall decrease in usage.
- Other major exposition and meetings facilities throughout Wisconsin include the Alliant Energy Center, the Wisconsin Expo Center, Monona Terrace, the Wisconsin Center, the La Crosse Center, and facilities in the Dells and Lake Geneva areas. In the Green Bay area, primary facilities include the KI Convention Center, Lambeau Field's Atrium, the Radisson Hotel and Conference Center, and the planned Fox Cities Exhibition Center in Appleton.
- Our review of local facilities as well as a set of comparable facilities in other markets show that these types of public-assembly facilities rarely generate revenues that are sufficient to fund operating expenses. As a result, these facilities are typically owned by a public body that funds construction and subsidizes operations, with the intent of qualitative and quantitative benefits to the local community.

Facility Conclusions and Recommendations

- In general, we believe that the Arena and Shopko Hall are approaching obsolescence from a physical and market standpoint. While they continue to host events, usage has declined

recently and the facilities are significantly outdated, and too small and poorly configured, for many of their users.

- Specific deficiencies of the facilities include a lack of sufficient restroom and concession offerings, Wi-Fi service, their mechanical plant, loading docks, configuration and connections between the Arena and Shopko Hall, and their general condition. For the Arena in particular, very few arenas of its age across the country are still in operation without having undergone significant improvements.
- Without significant improvements to the offerings onsite, we believe that usage will further decline, as events continue to outgrow the Arena and Shopko Hall and require offerings and amenities that do not currently exist at the facilities.
- We do not believe that renovation of the existing facilities is prudent, as costs of approximately $30 million to improve ADA accessibility and improve basic offerings and systems would be expected. While this could result in a slightly more attractive and efficient event destination, it would not address the problem of a lack of event space and the connections between existing space. As a result, we do not recommend renovation of the Arena and Shopko Hall.
- We have analyzed three future scenarios for a new facility on the Arena/Shopko Hall site, as well as a scenario in which nothing is changed at the facilities. These scenarios vary in the amount of space that would be provided in a new facility. For each new-facility scenario, we assume that the Hall of Fame, Arena, and other ancillary buildings will be demolished, but the Shopko Hall structure would remain intact and be incorporated into a new facility. We also assume that the veterans memorial will remain intact.

  A new facility would include free-span expo space, prefunction space, a 5,000-square foot kitchen, an ice sheet and retractable seating, breakout meeting rooms, and support/administration space such as restrooms, concessions, storage, offices, and loading docks. The major difference between the scenarios is the amount of event square footage created, as a larger facility extends farther north on the site towards Lombardi Avenue.

  Our smallest new-facility scenario essentially replaces the Arena with a new expo facility that fully connects to the existing Shopko Hall structure, and extends slightly north of the current Arena footprint. This would provide a total of approximately 86,000 square feet of event space, with an estimated construction cost of $63 to $67 million.

  The next largest scenario continues further north towards Lombardi and would offer approximately 100,000 square feet, with an estimated construction cost of $71 million to $75 million.

The largest facility scenario extends towards the corner of Lombardi and Oneida, with a total of approximately 122,000 square feet, with an estimated construction cost of $81 million to $85 million.

Operating Projections and Economic/Fiscal Impacts

- Based on the facility assumptions for each scenario, we have forecasted future operations for a ten-year period. The following tables summarize the projected number of events, event days, and attendees, as well as revenues and expenses, for a stabilized year of future operations (assumed to be 2023, or the fifth year of a new facility's operations) compared to 2015's actual results.

Table 1: Estimated Annual Events and Attendance – Actual 2015 and Four Future Scenarios (2023)

	Actual - 2015		Future Scenarios - 2023							
			As-Is		86,400 SF		100,800 SF		122,400 SF	
Events	*# of Events*	*# of Event Days*	*# of Events*	*# of Event Days*	*# of Events*	*# of Event Days*	*# of Events*	*# of Event Days*	*# of Events*	*# of Event Days*
Consumer/Public Shows	31	50	29	46	29	46	36	58	40	64
Sports/Competitions	6	12	5	10	5	10	6	12	9	18
Family Shows	10	10	10	10	10	10	10	10	10	10
Concerts	0	0	0	0	1	1	2	2	4	4
Social Events	1	2	1	2	1	2	2	4	5	10
Hourly Rentals*	520	520	600	600	520	520	500	500	500	500
Other Events	7	8	6	7	6	7	8	9	10	11
Total (not including hourly rentals)	**55**	**81**	**51**	**75**	**52**	**76**	**64**	**94**	**78**	**117**
Average Attendance	*Per Event Day*	*Per Event*	*Per Event Day*	*Per Event*	*Per Event Day*	*Per Event*	*Per Event Day*	*Per Event*	*Per Event Day*	*Per Event*
Consumer/Public Shows	2,300	3,700	2,250	3,600	2,250	3,600	2,500	4,000	2,813	4,500
Sports/Competitions	1,500	2,900	1,400	2,800	1,400	2,800	1,500	3,000	1,500	3,000
Family Shows	1,000	1,000	900	900	900	900	1,050	1,050	1,050	1,050
Concerts	0	0	1,500	1,500	1,500	1,500	2,250	2,250	2,250	2,250
Social Events	1,500	3,000	1,500	3,000	1,500	3,000	1,500	3,000	1,500	3,000
Hourly Rentals*	30	30	30	30	30	30	30	30	30	30
Other Events	1,300	1,400	1,182	1,300	1,182	1,300	1,364	1,500	1,636	1,800
Total (not including hourly rentals)	--	--	--	--	--	--	--	--	--	--
Total Attendance										
Consumer/Public Shows	--	115,200	--	105,400	--	105,400	--	145,100	--	179,200
Sports/Competitions	--	17,400	--	14,000	--	14,000	--	18,000	--	27,000
Family Shows	--	10,000	--	9,000	--	9,000	--	10,500	--	10,500
Concerts	--	0	--	0	--	1,500	--	4,500	--	9,000
Social Events	--	3,000	--	3,000	--	3,000	--	6,000	--	15,000
Hourly Rentals*	--	15,600	--	18,000	--	15,600	--	15,000	--	15,000
Other Events	--	9,800	--	7,800	--	7,800	--	12,000	--	18,000
Total (not including hourly rentals)	**--**	**155,400**	**--**	**139,200**	**--**	**140,700**	**--**	**196,100**	**--**	**258,700**

*Hourly rentals are not considered in event or attendance totals.
Source: AECOM

Table 2: Estimated Annual Revenues and Expenses – Actual 2015 and Four Future Scenarios (2023)

	Actual - 2015	Future Scenarios - 2023			
		As-Is	New - 86,400 SF	New - 100,800 SF	New - 122,400 SF
Event Revenues					
Gross Ticket Revenue	$748	$647	$756	$1,046	$1,467
Rent	228	349	344	429	524
Gross Building Charges	1,329	1,580	1,604	2,140	2,468
Gross Concessions	366	345	407	568	739
Gross Catering	30	36	42	59	82
Gross Merchandise	13	15	19	27	39
Gross Parking	151	146	149	204	262
Gross Event Revenue	$2,866	$3,118	$3,320	$4,472	$5,581
Event Expenses					
Event/Talent Expense	$569	$518	$605	$837	$1,174
Bulding Expense	677	790	802	1,070	1,234
Concession Expense	179	172	203	284	369
Catering Expense	15	18	21	29	41
Merchandise Expense	1	1	2	3	4
Parking Expense	68	66	67	92	118
Total Event Expenses	$1,508	$1,565	$1,700	$2,315	$2,940
Gross Profit (Loss)	$1,358	$1,553	$1,620	$2,158	$2,641
Non-Event Revenues					
Advertising/Sponsorships	$332	$327	$475	$475	$594
Miscellaneous Income	87	94	100	134	167
Non-Event Expenses/Overhead					
Salaries and Benefits	$1,116	$1,326	$1,459	$1,751	$1,926
Maintenance	93	111	138	145	153
Advertising/Marketing	29	34	38	38	38
Insurance	45	53	48	56	88
Supplies	76	90	99	104	109
Utilities	288	342	410	513	641
Building Services	49	58	64	70	77
Equipment Rental	6	8	8	9	9
G&A	99	118	130	136	143
Facility Rent	222	230	300	325	350
Total Expenses	$2,022	$2,369	$2,694	$3,146	$3,534
Facility Net Income (Loss) [TO MANAGER]	($246)	($396)	($499)	($379)	($131)
Average Annual Facility NI (Loss)	--	*($359)*	*($442)*	*($426)*	*($286)*
Cumulative 10-Year Facility NI (Loss)	--	*($3,590)*	*($4,416)*	*($4,261)*	*($2,864)*
County Revenues					
From Facility Rent Payment	$222	$230	$300	$325	$350
Interest from O&M Account	0	0	104	104	104
Total County Revenues	$222	$230	$404	$429	$454
Average Annual County Revenues	*$222*	*$233*	*$396*	*$416*	*$437*
Cumulative 10-Year County Revenues	--	*$2,334*	*$3,956*	*$4,161*	*$4,366*

Facility Manager Revenues and Expenses

County Revenues

Source: AECOM

In the as-is scenario, the facility manager's operating loss is estimated to be approximately $400,000 in 2023, with an average operating loss over the ten-year period of approximately $360,000. However, the County would receive $230,000 in rent payments from the manager.

In the smallest new-facility scenario, the operating deficit could increase from the as-is scenario, as expense increases for a new, larger facility would outpace additional revenues. In this scenario, the County's revenue from rent payments and interest is estimated to be $404,000.

In the 100,000-square foot scenario for a new facility, the operating deficit is expected to decrease (to approximately $380,000), and the County's revenue would increase to $429,000.

In the largest new-facility scenario, the operating deficit is expected to further decrease (to an estimated $131,000 in 2023), and County revenues would increase to approximately $455,000.

As previously mentioned, this type and scale of facility is generally not expected to be profitable from operations, and subsidies are typically the responsibility of the public sector. Over ten years, the cumulative operating loss would range from approximately $2.9 million to $4.4 million. However, these are assumed to remain the responsibility of a private manager rather than the County. In addition, under these scenarios, the County's revenue – from rent payments and interest – would range from $2.3 million to $4.4 million.

- We have also estimated the economic and fiscal impacts to the County from the future operations of the facility or facilities and construction. These impacts for the stabilized, or fifth, year of operations are summarized below compared to estimated 2015 impacts.

Table 3: Summary of Economic and Fiscal Impacts – Estimated 2015 and Four Scenarios (2023, thousands of dollars)

	Estimated - 2015	Future Scenarios - 2023			
		As-Is	New - 86,400 SF	New - 100,800 SF	New - 122,400 SF
Economic Impacts - Spending (Annual)					
Gross Direct Spending Impacts					
Gross Facility Revenue	$2,929	$3,271	$3,556	$4,578	$5,579
Total Spending Outside the Facility	$4,104	$3,218	$3,141	$4,394	$6,220
Total Gross Direct Spending - Inside and Outside of the Facility	$7,033	$6,489	$6,697	$8,972	$11,799
Net Direct Spending Impacts					
In-Facility	$2,536	$2,840	$3,045	$3,927	$4,613
Outside the Facility	$2,557	$2,016	$1,967	$2,734	$3,544
Total Direct Spending	$5,093	$4,856	$5,012	$6,661	$8,157
Total Net Spending - Direct and Indirect					
Total Direct	$5,093	$4,856	$5,012	$6,661	$8,157
Net Indirect - In-Facility	$1,603	$1,798	$1,914	$2,486	$2,916
Net Indirect - Outside of Facility	$1,612	$1,266	$1,235	$1,714	$2,196
Total Net Spending - Direct and Indirect	**$8,308**	**$7,920**	**$8,161**	**$10,861**	**$13,269**
# of Room Nights	**4,183**	**3,796**	**3,843**	**5,317**	**9,018**
Economic Impacts - Jobs and Earnings (Annual)					
Total Jobs (Full-Time Equivalent)	**83**	**91**	**95**	**105**	**111**
Total Earnings	**$2,786**	**$2,497**	**$2,473**	**$2,878**	**$3,472**
Fiscal Impacts - Operations (Annual)					
Room Tax	**$65**	**$70**	**$71**	**$98**	**$166**
Sales Tax (if enacted)	**--**	**$19**	**$19**	**$26**	**$34**
Economic Impacts - Construction (One-Time)					
Labor Expenditures	**--**	**--**	**$9,512**	**$10,683**	**$12,146**
Sales of Materials and Services	**--**	**--**	**$58,157**	**$65,314**	**$74,261**
Employment	**--**	**--**	**199**	**224**	**254**

Source: AECOM

Similar to the effect on operations, economic and fiscal impacts are generally expected to increase as a new facility becomes larger and can accommodate more and larger events.

Funding Analysis

- Public-assembly facilities such as a potential new multipurpose expo center in Brown County have been funded with many different sources throughout Wisconsin and across the country. These can include taxes on hotel rooms, car rentals, and food and beverage, a general sales tax, a public entity's general fund, TIF districts, and others.
- Potential funding sources that have been identified as opportunities in Brown County for a new facility include a countywide 0.5-percent sales tax, contributions from the Green Bay Brown County Professional Football Stadium District, general obligation County bonds, and others.

- Based on the estimated project costs for each scenario and the desire to fund an account for future capital improvements, we have estimated the length of time that a 0.5-percent countywide sales tax would have to be in place in order to fund a new facility (not considering other potential funding sources). This also includes assumptions regarding future growth in sales tax collections (five percent per year), and contributions from past excess Stadium District taxes.
    - 86,400-Square Foot Scenario: within two years and five months,
    - 100,800-Square Foot Scenario: within two years and nine months, and
    - 122,400-Square Foot Scenario: within three years and one month.

  The assumed five-percent annual growth in sales tax revenues can be conservative, given growth rates of the Stadium District's sales tax collections through late 2015. We have also explored growth rates of three and seven percent; under these assumptions for the three facility sizes, a sales tax could be sunset within approximately two years and three months to three years and five months.
- Also, any contributions from other sources that cannot yet be quantified would further decrease the amount of time that a sales tax would have to be in place.

Management Analysis

- PMI currently manages the Arena, Shopko Hall, and Resch Center on behalf of the County. Its current agreement runs through 2026 and began with PMI paying the County $300,000 per year (to be inflated) as rent. Other major terms of the contract include:
    - Rent payments are to be used by the County for capital improvements,
    - PMI will invest $1 million of its own money in capital improvements,
    - Should a new facility be built, PMI would operate it for the first two years, after which PMI and the County could renegotiate a new contract. PMI has the right of first refusal to match any other potential manager's terms.
    - PMI is solely responsible for the facilities' operating deficits and retains all revenues from operations.
- While this arrangement (with PMI guaranteeing the facilities' financial operations) is highly uncommon in the public-assembly industry, its ownership of other associated assets such as the Green Bay Gamblers and the facilities' ticketing and food and beverage companies allows for the company to assume this operating risk. From 2004 through 2015, the combined

operating deficits of the three facilities have totaled approximately $10.5 million, which would typically be the responsibility of the County to subsidize.

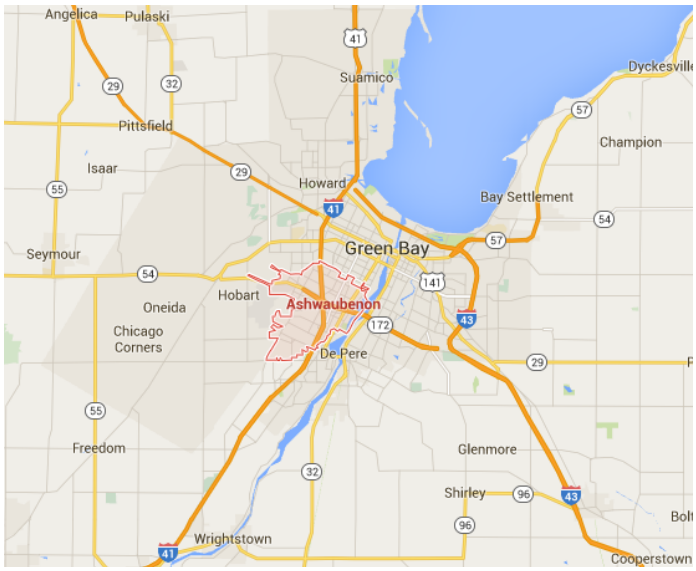
- In a typical private management relationship, the public sector would fund operating deficits, capital improvements, and a manager's fee. However, the County is guaranteed an annual revenue stream with no offsetting expense (aside from any capital improvements, which are at least partially subsidized by PMI).
- It appears as though PMI is a good steward of the facilities and that the County's contractual arrangement is very advantageous, particularly compared to the industry norm. We do not believe that the County should significantly change the structure of its relationship with PMI or replace PMI with a different private manager. Should the latter occur, it would likely lead to a more typical management contract that would shift responsibility for subsidizing the facilities to the County, and would likely increase the necessary subsidy through the assumed loss of PMI-owned events.

2. Economic and Demographic Analysis

The success of future public-assembly facility offerings in the Ashwaubenon, Green Bay, and Brown County market will depend on characteristics of the local market, as the local population will would provide much of their use. However, visitation to the area and the local visitor infrastructure will also be important, as events will also be targeted to non-local residents.

AECOM analyzed the local and regional markets to provide background and context for the analysis of future public assembly facilities in the area. The following section provides an overview of the economic and demographic characteristics of the Village of Ashwaubenon, the City of Green Bay, Brown County, the Green Bay Metropolitan Statistical Area (MSA), Wisconsin, and the US. The "local market" is defined as Ashwaubenon and Green Bay, while the "regional market" includes Brown County and the Green Bay MSA (Brown, Kewaunee, and Oconto Counties). Data was collected from a variety of sources, including ESRI Business Analyst, the US Census, the Bureau of Labor Statistics, and local sources.

Figure 1: Map of Market Area



Population

The following table provides population information for the local and regional market areas. Data for 2000 and 2010 was provided by the US Census, while 2015 and 2020 was provided by ESRI Business Analyst.

Table 4: Population (2000-2020)

Market Area	2000	2010	2014	2020	2000-2014 CAGR	2014-2020 CAGR
Ashwaubenon	17,634	16,963	17,111	17,679	-0.2%	0.5%
Green Bay	102,313	104,057	104,891	106,825	0.2%	0.4%
Green Bay MSA	282,599	306,241	314,000	322,889	0.8%	0.6%
Brown County	226,778	248,007	256,670	263,870	0.9%	0.6%
Wisconsin	5,363,675	5,686,986	5,757,564	5,834,632	0.5%	0.3%
USA	281,421,906	308,745,538	318,857,056	330,622,575	0.9%	0.7%

Source: ESRI, US Census

Ashwaubenon is the only market area that declined in population from 2000 to 2014; however, the Village's population is projected to increase slightly from 2014 to 2020. The City of Green Bay is projected to experience similar growth trends through 2020. The population of the Green Bay MSA has grown at an average annual rate of 0.8% since 2000, adding approximately 31,000 residents during that time. This increase in population exceeds or is consistent with the growth rates found in Brown County (0.8%), Wisconsin (0.5%), and the United States (0.8%). The regional market is projected to grow at a slightly faster rate (0.6%) than the local market (0.4%) from 2015 to 2020.

Age Demographics

The table below shows age group characteristics of the local, regional, and national market areas in 2015. All of the market areas have fairly similar age group distribution, with higher concentrations of 20 and 50-year old residents and lower concentrations of individuals ages 70 and up. According to 2010 Census data, many of the older age groups (50+) in the local and regional market have increased their share of the population, while younger age groups (<19) have seen a decrease in population share. Individuals between the ages of 40 and 49 saw the most significant decrease in both the local and regional market areas.

Table 5: Age Groups (2015)

Age Group	Ashwaubenon	Green Bay	Green Bay MSA	Brown County	Wisconsin	USA
0-9	10.0%	14.2%	12.7%	13.1%	12.1%	12.6%
10-19	11.6%	12.9%	13.2%	13.5%	13.0%	13.0%
20-29	15.2%	16.1%	13.4%	14.1%	13.4%	14.0%
30-39	12.4%	13.9%	12.8%	13.2%	12.4%	12.9%
40-49	12.1%	11.8%	12.8%	12.7%	12.6%	12.8%
50-59	15.5%	13.1%	14.9%	14.4%	14.9%	13.9%
60-69	11.8%	9.6%	10.9%	10.3%	11.5%	11.0%
70-79	6.8%	4.8%	5.7%	5.2%	6.1%	6.0%
80+	4.8%	3.6%	3.6%	3.4%	4.1%	3.7%

Source: ESRI Business Analyst

The median age in Ashwaubenon has remained relatively stable at 40 years old, and according to ESRI, is projected to remain at this level in 2020. The table below indicates that Ashwaubenon has a higher median age than the local and regional market. The other five market areas have grown older since 2010 and are projected to continue aging through 2020.

Table 6: Median Age

Market Area	2010	2015	2020
Ashwaubenon	40.1	40.8	40.8
Green Bay	33.8	34.5	35.2
Brown County	36.2	36.9	37.6
Green Bay MSA	37.5	38.3	39.0
Wisconsin	38.4	39.3	39.9
USA	37.1	37.9	38.6

Source: US Census, ESRI

Household Information

Average household size has been decreasing in all market areas since 2010. While there is only a slight decrease, it is another indication of an aging population. According to ESRI, the average household size of all market areas is projected to either decrease or remain the same by 2020.

Table 7: Average Household Size

Market Area	2010	2015	2020
Ashwaubenon	2.25	2.22	2.21
Green Bay	2.39	2.37	2.37
Green Bay MSA	2.45	2.43	2.42
Brown County	2.45	2.43	2.43
Wisconsin	2.43	2.41	2.40
USA	2.58	2.57	2.57

Source: US Census, ESRI

The table below provides median income figures for households located in the six market areas. In 2014, Green Bay had the lowest median household income of all the market areas, with income of approximately $10,000 less than that of the MSA, county, state, and US. Despite the close proximity of Ashwaubenon to Green Bay, the median household income in Ashwaubenon is approximately $9,000 higher than in Green Bay. Many regions were affected by the 2008 Recession, and despite Ashwaubenon's higher income, it has recovered from the Recession at a slower rate (0.2%) than Green Bay (1.6%) and the MSA (2.1%) since 2010.

Table 8: Median Household Income

Market Area	2005	2010	2014	2020	2005-2020 CAGR	2010-2014 CAGR	2014-2020 CAGR
Ashwaubenon	$51,220	$52,477	$52,914	$60,556	1.1%	0.2%	2.3%
Green Bay	$40,477	$41,078	$43,738	$47,065	1.0%	1.6%	1.2%
Brown County	$48,460	$50,743	$53,392	$60,412	1.5%	1.3%	2.1%
Green Bay MSA	$47,809	$49,016	$53,208	$60,005	1.5%	2.1%	2.0%
Wisconsin	$47,105	$49,001	$52,622	$60,187	1.6%	1.8%	2.3%
USA	$46,242	$50,046	$53,657	$60,683	1.8%	1.8%	2.1%

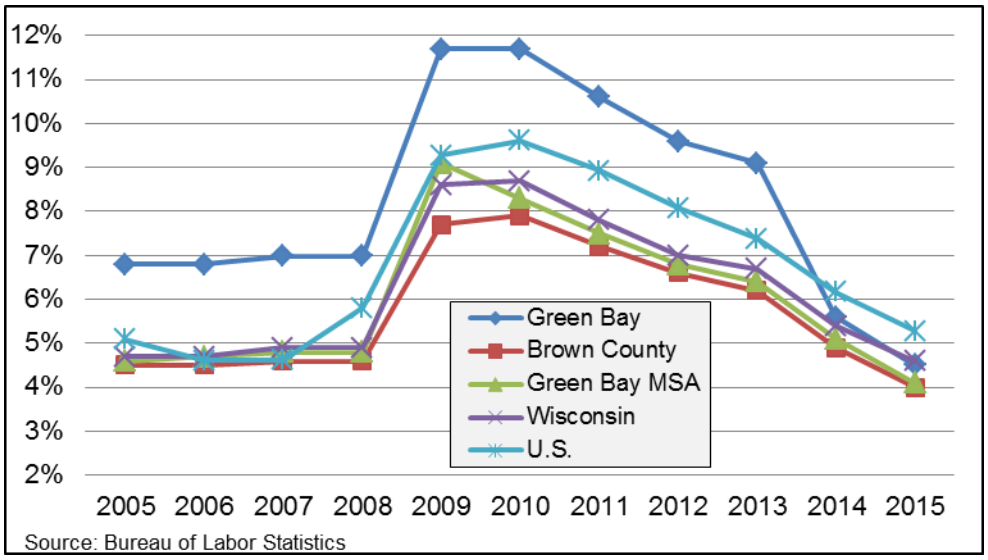
Source: US Census, ESRI

From 2005 to a projected 2020, the median household income in all six market areas will grow at an average annual rate ranging from 1% (Green Bay) to 1.8% (US). During this time, the income levels in both local (1.1%) and regional (1.5%) markets will grow slower than the state (1.6%) and national (1.8%) rates.

Employment

The Bureau of Labor Statistics does not track employment data for cities with less than 25,000 residents; therefore, Ashwaubenon is missing from the following information. The figure below shows the unemployment rate for the other five market areas from 2005 to 2015.

Figure 2: Unemployment Rate (2005-2015)



Prior to the 2008 recession, Green Bay had the highest unemployment (7 percent), compared to the other market areas (approximately 5 percent). After the 2008 recession, Green Bay remained the highest of the market areas with nearly 12 percent unemployment, while Brown County had the lowest unemployment rate (7.7 percent). Since 2010, unemployment in all five market areas has gradually declined, reaching pre-recession levels that are similar to the national rate.

The following table outlines the top 15 private employers in the Green Bay area in 2015.

Table 9: Top Employers in the Greater Green Bay Area

Employer	NAICS Industry	Employees
Humana	524114 - Direct health and medical insurance carriers	3,283
Schneider	484230 - Specialized freight	2,725
Oneida Tribe of Indians	921190 - Other central Gov't support	2,652
Bellin health	622110 - General medical and surgical hospitals	2,529
Georgia-Pacific	322121 - Paper mills	1,950
United Health Care	524292 - Third party administration of insurance	1,828
Aurora Health Care	622110 - General medical and surgical hospitals	1,819
St. Vincent Hospital	622110 - General medical and surgical hospitals	1,573
Prevea Health	621111 - Offices of physicians	1,572
American Food Group	311611 - Animal slaughtering	1,504
Wisconsin Public Service	221112 - Fossil fuel electric power generation	1,413
Shopko Stores	551114 - Corporate and subsidiary managing offices	1,308
JBS Green Bay	311611 - Animal slaughtering	1,137
Wal-Mart Stores Inc.	452112 - Discount department stores	1,119
Associated Banc-Corp	522110 - Commercial banking	1,092
Total		**27,504**

Source: Greater Green Bay Chamber

There are a variety of major industries located in Green Bay, including health care, freight, paper manufacturing, and meat processing. Like many areas throughout the US, health care is a rapidly expanding sector. In Green Bay, approximately 40% of the employees in the top 15 are in healthcare-related industries.

Area Attractions

Other attractions within a host market often play an important role in drawing non-local residents to a meetings and events facility. Meeting planners and promoters, as well as potential attendees, look for activities beyond the event itself, and a prime example in Wisconsin is the Wisconsin Dells' waterparks.

The largest generator of visitation to Green Bay is the Green Bay Packers. The Packers have a historically dedicated following and a unique relationship with the community, and the entire state, due to the size of the market (Green Bay is the smallest market in the US to host a major professional sports franchise) and the team's public ownership structure. Every game at the Packers' home stadium, Lambeau Field, has been sold out since 1960 and there is a season-ticket waiting list of more than 75,000 people.

The Green Bay area has a diverse range of other natural, entertainment, shopping, and sporting attractions. Some examples include: the Bay Beach Amusement Park (a municipally-owned amusement park with rides, playgrounds, and sports fields), City Stadium (former home of the Packers), Cofrin Memorial Arboretum (290-acre nature preserve), Heritage Hill (48-acre non-profit state park), National Railroad Museum (railroad history museum with over 75,000 annual visitors), and the NEW Zoo (1,560-acre zoo that attracts over 500,000 visitors per year).

Access

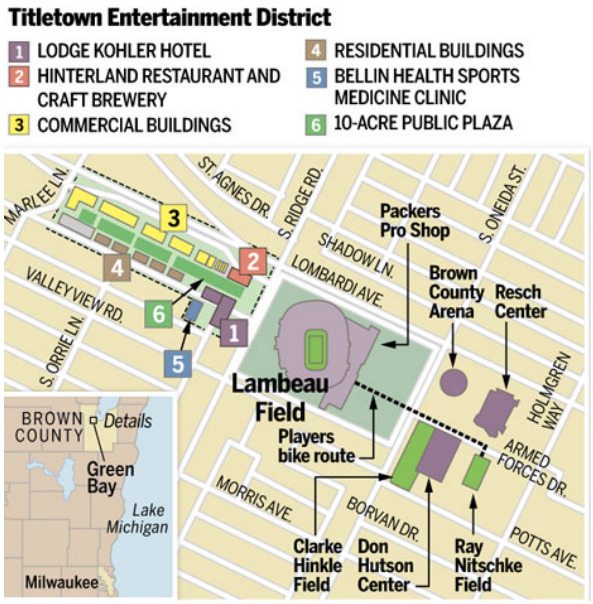
Ashwaubenon is accessible via two major north-south roadways (I-43 and I-41) and one east-west roadway (WI-29). I-41 connects the Green Bay area to the Fox Cities as well as Oshkosh, Fond du Lac, and Milwaukee. I-43 leads to Milwaukee and further south into the Chicago area (in conjunction with I-94). The Green Bay area is also accessible from western Wisconsin and Minnesota via WI-29. Austin Straubel International Airport is located just west of Ashwaubenon and provides air travel to the greater Green Bay area. There are approximately 40 commercial flights per day at Austin Straubel, with approximately 665,000 passengers and 361,000 pounds of freight per year. Direct flights are available to and from Chicago, Detroit, Minneapolis, and Atlanta.

Major Development Trends

The area surrounding the Arena and Shopko Hall, as well as Lambeau Field, has undergone significant growth in recent years and is planned for much more growth. This includes new hotels and restaurants, the future Titletown District, and others, as described below.

Titletown District

The Titletown District is a mixed-use development that will provide 34 acres of commercial entertainment, residential, and recreational directly west of Lambeau Field. In 2015, the Packers unveiled the master plan for the Titletown project, including initial cost figures of $120 million to $130 million ($65 million to be funded by the Packers) and an anticipated completion date of Fall 2017.



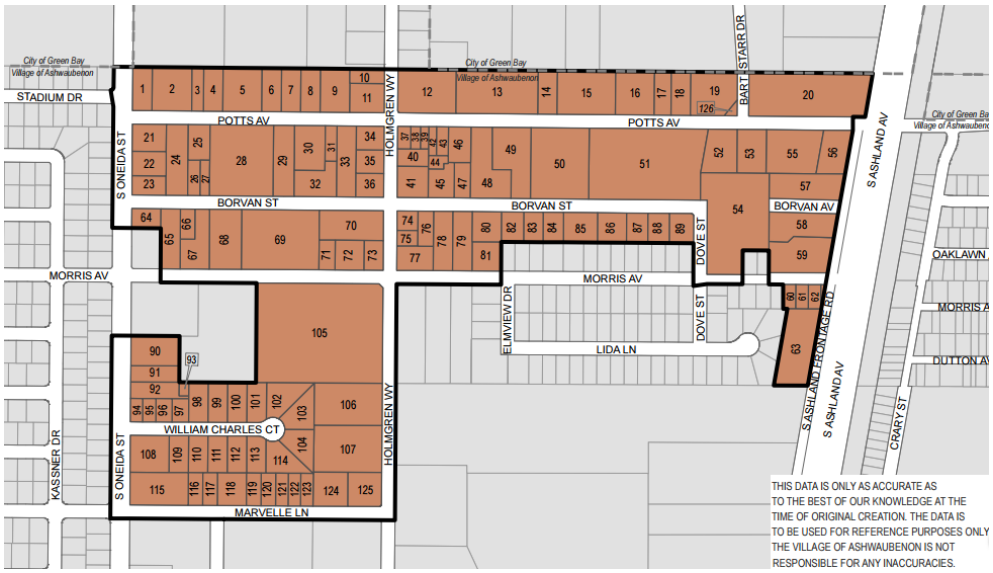
Facilities will be built around a 10-acre centralized plaza that will feature fitness-related activities, an ice rink, gameday activities, and other cultural opportunities. Phase one of the project includes the following tenants and is scheduled to be completed by the 2017 season:

- The Lodge Kohler, a 110,000-square foot, four-star hotel with 144 rooms, spa and fitness facility, panoramic bar, indoor/outdoor pool. The hotel will be built without any event space and will use the Lambeau Field Atrium as the designated event space.
- Hinterland Restaurant and Brewery, a local Green Bay brewery will build a new 20,000-square foot restaurant/brewery. Hinterland will have retractable exterior walls and will have events geared toward tailgating and gameday events.
- Bellin Health Sports Medicine Clinic will be a 30,000-square foot facility, with a laboratory and X-ray and MRI services. The clinic will be staffed by the Packers team physician and sports medicine specialists.

In addition to these tenants, there are approximately 16 acres available for future retail, commercial, office space, and residential development to be built in later phases.

Tax Incremental District #5

Ashwaubenon's TID #5 is adjacent to the Arena, Shopko Hall, and Resch Center; its boundaries generally run from Oneida on the west to Ashland on the east, and from Marvelle to Stadium Drive north-south. A map of the TID's area is shown below.



The TID was formed under a state statute based on the area's consideration as a "Blight Elimination District" in need of rehabilitation. Various public improvements are planned by the Village throughout the 22-year term of the TID, and in 2014, the Village projected a value of approximately $100 million in land and improvements through redevelopment.

Stadium Entertainment District

The City of Green Bay has recently commissioned a study to create a master plan for the city's Stadium Entertainment District. The proposed development will provide public improvements to a 75-acre area east of Lambeau Field, by creating a pedestrian-friendly environment with an emphasis on visual appeal that is reflective of its proximity to the stadium. The 75 acres will be bound by Ashland Avenue, Lombardi Avenue, Holmgren Way, and the Green Bay city limits. One of the primary goals of the Stadium Entertainment District is to link the surrounding areas of Ashwaubenon, Lambeau Field, and downtown Green Bay to promote a more connected and walkable community.

Military Avenue Business District

Military Avenue, Inc. is a non-profit agency that oversees the Business Improvement District that was approved in 2013 (as one of Green Bay's four BIDs). The district, which is located slightly to the west and north of Lambeau Field, runs from Lombardi Avenue to Shawano Avenue along Military Avenue. The district organizes events and programming (such as a farmers market) and encourages economic development, with near-term goals of increased occupancy rates for retail businesses, funding and developing a formal gateway project for the Military/Lombardi entrance, increased assessed values, and increased residential occupancy rates.

3. The Facilities and Events Industry

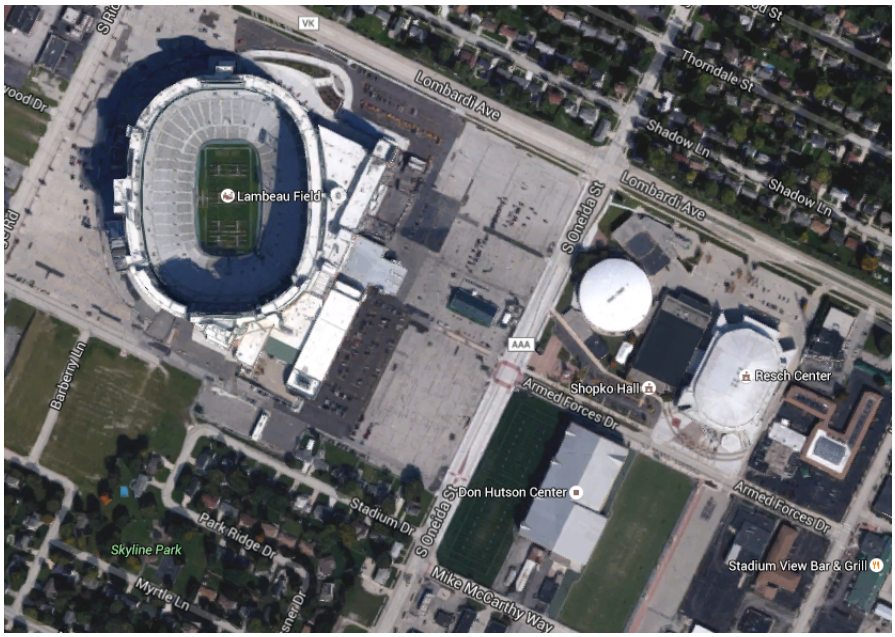
We assume that a new multipurpose exposition facility in Ashwaubenon/Green Bay would be focused primarily on the types of events that are currently held in the Brown County Veterans Memorial Arena (Arena) and Shopko Hall, such as consumer shows, trade shows, sports and entertainment events, and others. As a result, we explore the market for events that are not or cannot currently be held in the facilities but could potentially come to the area with renovated or new facilities, as well as events that are currently held at the Arena and Shopko Hall.

In this section, we also address the characteristics of existing public-assembly facilities in the Green Bay area (including the Arena and Shopko Hall) and throughout Wisconsin, facilities in other markets that are similar to potential future offerings at the Arena/Shopko Hall site, and feedback from a wide range of stakeholders.

Analysis of BCA, Shopko Hall, and the Resch Center

The subject facilities of this study are the Arena and Shopko Hall, which are connected to each other across Oneida Street from Lambeau Field. While the focus of this section is on these two facilities, we also address the presence of the Resch Center, which is adjacent to the facilities and like the Arena and Shopko Hall, is operated by PMI Entertainment Group. (PMI also owns the Green Bay Gamblers, the hockey tenant at the Resch Center, and also controls the facilities' ticketing and food and beverage companies.) The proximity of the Resch Center to the Arena and Shopko Hall could potentially allow for simultaneous use of the Resch Center and a new facility, and as a result, we provide an overview of its operations and characteristics below.

The Arena is located near the corner of Oneida Street and Lombardi Avenue, with Shopko Hall to the immediate east. The Resch Center is east of Shopko Hall, and the Packers' current indoor and outdoor practice complex (the Don Hutson Center, Ray Nitschke Field, and Clarke Hinkle Field) is south of the facilities.



Brown County Veterans Memorial Arena

The Arena opened in 1957 and has 5,200 seats; prior to the opening of the Resch Center, it served as the area's primary indoor sports and entertainment arena. Since the addition of the Resch Center, the Arena has lost many of its major users, such as UWGB basketball and concerts, to the newer facility. Despite its age and lack of amenities (described in more detail below), the Arena still hosts many events that are important to the community but do not require the seating capacity of the Resch Center. However, many of the Arena's events also simultaneously use Shopko Hall; the Arena itself has a 20,000-square foot event floor.

Across the US, it is rare for a facility of the Arena's age to remain in operation without significant renovations. According to our research, nearly 200 arenas (not including NBA/NHL and university arenas) have been built across the country since the Arena opened. Many of these replaced older facilities, while some were new to a market that did not previously offer an arena. Of arenas built prior to 1960 that are still in operation (approximately 50 facilities including the Arena), virtually all have undergone significant renovations in order to remain relatively viable. Of the small number of arenas that have not undergone significant improvements and are not planned for demolition, many are fairgrounds arenas that do not necessarily need the amenities that are required by modern events.

Since its opening, the Arena has received very little investment. More than ten years ago, a new roof (with a 20-year life span) was installed but virtually all of the facility's interior offerings are original.

Shopko Hall

Shopko Hall opened in 1986 and has 43,000 square feet of column-free event space, but is a relatively basic facility that offers only its floor space without amenities such as meeting and office space. The facility has undergone minor improvements in recent years, as well as the addition of a new warehouse in 2004.

The Resch Center

The Resch Center has 10,200 seats and currently serves as the area's primary indoor arena for sports and entertainment events. The facility is the home of UWGB basketball, the Green Bay Gamblers junior hockey team (USHL), and the Green Bay Blizzard football team (IFL). In addition to these permanent tenants, the Resch Center hosts other major entertainment events such as concerts and family shows, and has also hosted events such as NCAA men's hockey tournament games.

While not a direct focus of this study, the Resch Center is relevant because it is located next to the current Shopko Hall and Arena, and the site of a potential future facility. Its ongoing usage, and potential ability to be used in conjunction with a new facility, requires our consideration in this analysis. In addition, any renovated or new facilities offered in the market should not compete with the Resch Center.

Review of Operating Data

AECOM reviewed the past and ongoing operations of the Arena and Shopko Hall. We met with management representatives to better understand the facilities' operations, competitive environment, the local events industry, and other relevant factors, as well as to tour the facilities. We have also reviewed all relevant data and have used this information as a factor in the development of our conclusions related to new facilities and their future performance.

Data reviewed by AECOM for the Arena, Shopko Hall, and the Resch Center (for multiple years), include:

- Annual events and attendance by event type,
- Per-event and annual operating revenues and expenses,
- The facilities' "lost business" (generally defined as events that have shown an interest in a facility but were not held at a facility, or events that were once held at a facility but no longer are), and reasons for not using the facilities,
- Data related to the hosting of specific events and their attendees (such as events' geographic scope, visitation, and the like),

- Capital investments made by management, and
- Company audits.

The following general conclusions regarding the facilities and the potential for a new exposition facility in Brown County are based on our observations regarding the facilities and our review of the facilities' operating data.

- A number of consumer shows that are currently held at the Arena and/or Shopko Hall, or were previously held at the facilities, have been identified as events that need additional square footage.
    - The facilities have lost multiple events to other markets due to the lack of square footage available. Examples include the Logging Congress and the WPS Farm show.
    - Other events use virtually every square foot available within the complex (including the Resch Center and/or outdoor space), and are unable to grow in the future.
    - Some events were originally held in one of the two facilities but now require the use of both, and/or the space that connects Shopko Hall to the Resch Center, due to event growth.
    - Some events use all available square footage in both facilities and also require outdoor space because the space inside the facilities is not sufficient. For example, the RV and Camping Expo needs 25,000 square feet of outdoor exhibit space to accommodate its vendor demand.
    - Some events are booked in either the Arena or Shopko Hall depending on date availability. However, a single facility is often not sufficient to accommodate the desired square footage, and the other facility is unavailable. For example, when some events have to be placed in Shopko Hall, they also have to provide outdoor space or are unable to accommodate all vendor demand.
- In the last three fiscal years, the total number of events and attendees at the Arena and Shopko Hall have decreased.
- PMI currently owns and promotes 12 shows that are held at the facilities. Some of these are significant statewide and regional events.
- Geographically, the Brown County market benefits from its location, in that it is a premier destination without much facility competition to the north and west in Wisconsin. Statewide, the primary competition is from Madison and Milwaukee, and to a lesser degree, Oshkosh.

- Shopko Hall and the Arena are limited in their ability to generate revenues and maintain expenses, due to factors such as their lack of offerings/amenities and their age.
- The size of the Arena and Shopko Hall is limited, and the facilities are generally outmoded and inadequate for many events.
- Because of Shopko Hall's limited size, many flat-floor events require the use of one of the adjoining arenas, but there are often scheduling difficulties due to factors such as the Resch Center's tenants and the need to hold dates for potential events.
- A larger and modern facility would allow the following to occur:
    - Many current events would be allowed to grow and generate greater revenues and economic impacts,
    - Events that have been lost could potentially return to the market (such as the Logging Congress and Farm Show),
    - The market could retain events that are in danger of outgrowing the current facilities (at the complex as well as other local facilities),
    - A larger facility would allow for multiple events to be held simultaneously, and
    - The area could attract events that cannot currently be accommodated locally (due to square footage and/or availability limitations). Example of new events include Antiques Roadshow, the Professional Football Hall of Fame Tour (an event that tours to NFL markets), the state high school archery competition, an auto show, and many others.

A new facility should have the following offerings:

- 100,000 square feet or more of contiguous, clear-span space (ideally 120,000) that can be divisible.
- Portable seating for events such as concerts, family shows, and sporting events, and other characteristics necessary to host these events (such as ceiling height, loading docks, and rigging capacity).
- Event floor based on a hockey configuration, and an ice sheet.
- Multipurpose prefunction space and opportunities for outdoor event/exhibit space.
- Supporting event and administrative space such as breakout rooms, management and event/promoter offices, storage, box office, restrooms, loading docks, and covered bus bays.
- Kitchen.
- Appropriate technology, including Wi-Fi, electrical points, and radio coverage.

- Digital billboards that are visible from Oneida and Lombardi, as well as Armed Forces.
- Sufficient parking (potentially with a parking deck).

Review of Previous BCA and Shopko Hall Studies

Since 2005, two studies have analyzed the ongoing operations and future of the Arena and Shopko Hall.

2005 Study

The first ("Brown County Veterans Memorial Arena Adaptive Reuse") was completed in 2005 and reviewed the condition and performance of the complex and future opportunities for renovated or new facilities. This report identified a number of physical deficiencies, including the Arena's roof, mechanical plant, concession facilities, loading docks and doors, and its general condition, design, and layout, and Shopko Hall's kitchen and lack of storage space. The report also noted the following:

> *"In the 40 years that have elapsed since the BCA was constructed (and 20 years since Shopko Hall was constructed) arena and convention center design have evolved considerably, as have the demands of the industries that use them. Newer facilities are more versatile, efficient, and incorporate revenue-producing features that enhance the quality of programming that a facility can attract."*

Recommendations of the report included expansion of the available flat-floor space to 100,000 or more square feet of contiguous space; new meeting space, concessions, and other amenities; general improvements to the Arena, improved storage and operational areas; improved service access, circulation, and exterior appearance; and investments in deferred maintenance.

The report then analyzed anticipated results of the following options:

- Option 1: demolition of the Arena and Hall of Fame building to allow for other development.
- Option 2: maximizing the Arena's floor space by removing the permanent seating, better integrating the Arena with Shopko Hall, and other improvements. A second scenario within Option 2 involved demolishing the Arena and building a new 30,000-square foot expansion to Shopko Hall.
- Option 3: demolition of the Arena and HOF and building and construction of a 100,000-square foot multipurpose expo hall that could accommodate two ice sheets.

2011 Study

In 2011, AECOM completed a similar study that addressed the potential replacement of both the Arena and Shopko Hall with a new multipurpose exposition facility. No significant physical

improvements had taken place between 2005 and 2011 and therefore, all deficiencies found in 2005 remained. Our 2011 study also found that:

> *Many of the Arena and Shopko Hall's events "are outgrowing the facilities, others have already left the facilities due to their lack of space, and the physical offerings in the facilities are often inadequate for events."*
>
> *From surveys, "Shopko Hall scored poorly in terms of its amount of space, quality, and additional offerings such as meeting space," and "many other comments received indicated that the area needs additional and improved meeting space."*

Our report recommended replacement of the Arena and Shopko Hall with a new, multipurpose expo building with approximately 100,000 to 120,000 square feet of contiguous space, in addition to dedicated meeting space, offices, breakout rooms, and other support space. This type and size of facility was thought to allow the community to attract new events, retain events it was in danger of losing, and alleviate constraints of the Resch Center in hosting large events within its limited availability.

Analysis of Local Facilities

This section analyzes the other facilities in the Green Bay/Brown County market that also serve the events industry. As will be described below, these facilities generally do not compete with the Arena and Shopko Hall, as they have varying sizes, orientations, availability, locations, and quality levels. We also do not expect that a new facility at the Arena/Shopko Hall site would compete directly with existing facilities (as it would be significantly larger than existing facilities), as the intent is to improve upon current offerings at the site, complement other facilities, and allow the market to attract new events.

KI Convention Center

The KI Convention Center (KICC) is located in downtown Green Bay and is adjoined by two hotels, the 241-room Hyatt Regency and the 135-room Hampton Inn. The facility was built as part of a public/private partnership, with the Hyatt Regency managing the facility's event and catering services. The KICC currently has approximately 80,000 square feet of event space, including:

- A 17,000-square foot exhibit hall,
- Three ballrooms (measuring 25,228, 8,024, and 9,600 square feet),
- Three Riverview Rooms (5,000 total square feet),
- A 1,480-square foot auditorium,
- Seven individual meeting rooms, and
- An executive boardroom.

Figure 3: KI Convention Center (West and East Wings)

In 2013, the KICC underwent a $24-million renovation/expansion project that included multiple meeting rooms, ballrooms, Wi-Fi, and digital signs. The 30,000-square foot expansion was completed in 2015 and was funded by excess hotel room tax from the first eight percent collected, as well as a $2-million grant from the state and $2 million in naming rights. The room tax revenues are pledged to the convention center through 2029 and are therefore unavailable for other uses.

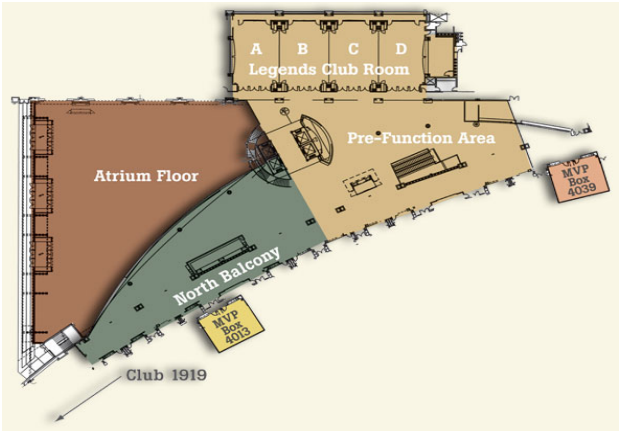
According to the Green Bay Convention and Visitors Bureau and facility, the KICC hosts 100 or more conventions each year. A majority of these conventions and trade shows are held by business associations from throughout Wisconsin, including the Wisconsin Dental Association, Home Builders Association and the Wisconsin Credit Union Association. The facility also hosts fashion shows, job fairs, weddings, and other social, business, and community events.

According to facility management, the strengths of the facility include state-of-the-art technology, location (near the Fox River), and connection to the Hyatt. The primary weakness of the facility is the lack of contiguous space, as the largest event space is only approximately 25,000 square feet.

Lambeau Field Atrium

The Lambeau Field Atrium is a 376,000-square-foot, five-story structure on the east side of the stadium. Originally built in 2003, the Atrium underwent a $140-million renovation in 2013 that provided a new east gate entrance to the stadium, a new Packers Pro Shop, an improved Packers Hall of Fame, and a new restaurant (the 1919 Kitchen &Tap). This renovation project was part of a larger $312-million project that added 7,600 new seats to the south end zone and other upgrades. The renovations were funded in part by the Stadium District ($21 million). The image below shows the layout of the Atrium and adjacent areas.

Figure 4: Lambeau Field Atrium Floor Plan



The Atrium has approximately 40,000 square feet of floor space and can host trade shows, job fairs, banquets, corporate events, and galas. Some of the higher floors and club areas in the Atrium (listed below) can accommodate smaller events such as weddings, luncheons, and business meetings.

- **The Legends Club Room** – located adjacent to the Atrium, the Legends Club Room provides 6,827 square feet of divisible meeting space. The room has exclusive access to an MVP box with views of Lambeau Field.
- **North Balcony** – the North Balcony is a 6,769-square foot space overlooking the Atrium floor. In addition to a full bar and menu options, the North Balcony also has access to an MVP box with views of Lambeau Field.
- **Club 1919** – primarily for social and corporate gatherings, Club 1919 has 3,700 square feet of space, with theater-type seating, as well as a dining table and access to club seats.
- **MVP Box 4039** – MVP Box 4039 is a larger version of a typical gameday suite, with 696 square feet, and a capacity of 50 people. The space is primarily for meetings and other small events.

Each event space and their respective rates are shown in the table below

Table 10: Lambeau Field Event Space Rates

Event Space	June 1-December 31	January 1-May 31
Atrium Floor	$7,000-$8,500	$6,000-$6,500
Legends Club Room	$2,500-$3,000	$2,000-$2,500
Legends Club Room Per Section	$750-$1,000	$650-$750
North Balcony	$1,250-$1,500	$1,000
Club 1919	$500-$750	$500-$750
MVP Box 4039	$395	$395

Source: Lambeau Field

Radisson Hotel and Conference Center

The Three Clans Ballroom is a 30,000-square foot conference center located in the Radisson Hotel and Conference Center, across from Austin Straubel International Airport and next to the Oneida Casino. The facility was built in 1986 (renovated in 2013) and has a maximum capacity of 2,000 people. Events that are typically held at the Three Clans Ballroom include weddings, banquets, concerts, and conferences. The conference space can be separated into three sections (Bear, Turtle, and Wolf) and is accompanied by several meeting rooms, as shown in the floor plan below.

Figure 5: Three Clans Ballroom

Local Hotels

In addition to the local facilities listed above, a number of hotels in the immediate Green Bay area have their own event space. The hotels with significant event spaces (approximately 10,000 square feet or more) are listed below.

Table 11: Local Hotels' Event Space

Hotel	Location	Total Event Space (Square Feet)	Largest Meeting Space (Square Feet)
Radisson Paper Valley	Appleton	38,000	13,730
Comfort Suites	Green Bay	20,000	8,673
Tundra Lodge Resort	Green Bay	18,000	5,328
Fox Hills Resort	Mishicot	15,000	6,800
Best Western	Ashwaubenon	12,000	5,000
Country Inn & Suites / The Meadows	Green Bay	9,000	7,000

Source: Hotel Websites, AECOM

While these facilities are capable of hosting a variety of events, none of them have more than 40,000 square feet of event space or an individual room with more than 14,000 square feet. In general,

hotels' event usage is oriented towards functions that will generate onsite room nights, rather than events such as consumer shows and other expos.

Statewide Analysis

It is reasonable to believe that a renovation of the Arena and Shopko Hall, or an entirely new facility, would compete with other similar facilities at the statewide level. As a result, AECOM has also analyzed the inventory and market for other multipurpose facilities throughout the state. The following facilities are major facilities in Wisconsin that have a primary orientation towards hosting large events such as sports, entertainment, meetings, social events, consumer shows, and expositions.

Alliant Energy Center – Madison

The Alliant Energy Center (AEC) is a 164-acre, multi-building complex located in Madison, approximately 140 miles southwest of the Green Bay area. The complex includes the Veterans Memorial Coliseum (10,000-seat multi-purpose arena), Exhibition Hall (255,000-square foot convention facility), Willow Island (29-acre natural outdoor area), New Holland Pavilions (290,000-square foot facility for agricultural and livestock shows), and the Arena (22,000-square foot space for trade shows and equine events). While recent and future studies are expected to help shape the future of the AEC site and its individual facilities, no changes to the complex are currently known.

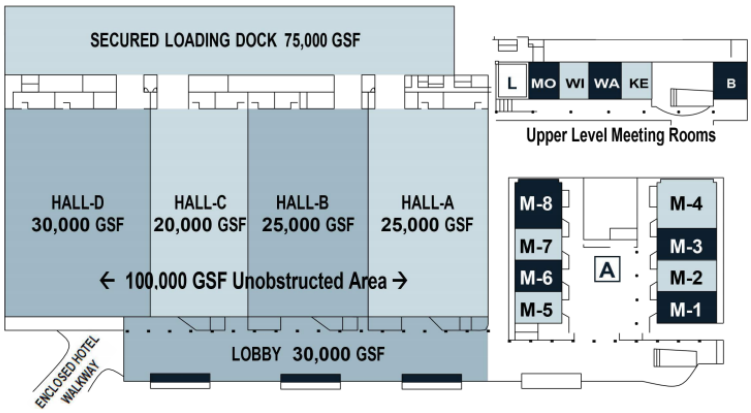
The following analysis will focus specifically on the Exhibition Hall and Coliseum, as they are the most relevant to this study.

Exhibition Hall

The Exhibition Hall was built in 1995 with 100,000 square feet of contiguous exhibit space that can be divided into four separate rooms ranging from 20,000 to 30,000 square feet each (the entire facility contains approximately 207,500 square feet). The facility hosts 500 events per year; of these events, 195 (39%) are consumer shows, 120 (24%) are conventions, 105 (21%) are concerts and touring

shows, 60 (12%) are sporting events, and 20 (4%) are meetings and banquets. A layout of the Exhibition Hall is shown below.

Figure 6: Exhibition Hall Layout



The table below summarizes the operating revenues and expenses of the Exhibition Hall in 2014.

Table 12: Exhibition Hall Revenues and Expenses, 2014 (thousands)

Program Revenue	
Intergovernmental Revenue	$257
Public Charges & Services	4,245
Miscellaneous	18
Total	**$4,520**
Program Expenditures	
Personnel Costs	$1,585
Operating Expenses	747
Contractual Services	88
Operating Capital	9
Total	**$2,429**
Net Operating Income	**$2,091**

Source: Dane County

In 2014, the Exhibition Center generated approximately $4.5 million in revenue (including non-earned revenue) and had $2.4 million in expenditures, resulting in $2.1 million in net operating income. According to Dane County, the Exhibition Hall is the only significantly profitable facility at the AEC. Five-year financial forecasts indicate that all of the other facilities are projected to either operate at a loss or have insignificant profits.

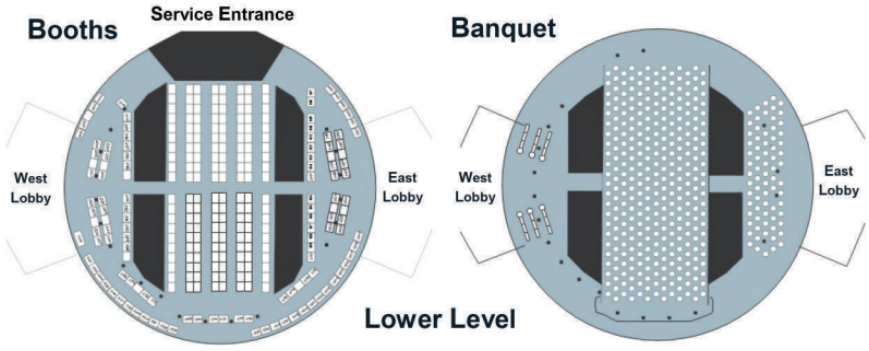
According to a recent study of the AEC, the Exhibition Hall is considered to be a strength of the complex and is in very good condition. However, suggested improvements included better informal spaces in the lobby for prefunction and other usage, a greater ability to host smaller events, and the addition of new flooring that would allow the facility to host sporting events.

Coliseum

The Veterans Memorial Coliseum is a 10,231-seat multi-purpose arena with up to 75,000 square feet of floor space. The Coliseum opened in 1967, and in 2004, it underwent a significant renovation of seats, suites, locker rooms, sound system, and lobbies. The arena has eight luxury boxes, each with a capacity of 12 people.

According to a recent consulting study of the Coliseum, it has a number of physical shortcomings, such as rigging and loading limitations, locker/dressing room conditions, narrow concourses and entryways, lack of concession areas, and its overall condition. The study concluded that the Coliseum is a weakness of the AEC, that it is near the end of its useful life, and is “in danger of becoming functionally obsolete without significant, costly upgrades or a full replacement.”

Figure 7: Veterans Memorial Coliseum Floor Plans



The two floor plans above show the Coliseum’s ability to host a trade show and banquet with booths and tables, respectively. In addition to these two layouts, the Coliseum can accommodate a variety of other events, including conventions, consumer and trade shows, concerts, and sporting events. The

most prominent users of the Coliseum are the World Dairy Expo, the Midwest Horse Fair, and the Madison Capitols minor league hockey team.

Table 13: Veterans Memorial Coliseum Events and Attendance by Type (2012-2014)

Event Type	2012	2013	2014
Concerts	8	7	5
Fair	1	1	1
Horse Events	4	4	3
Madison Capitols	0	0	14
Other	4	5	2
Spectator Events	5	3	4
Sporting Events	10	10	12
Trade Shows	3	3	2
Total	**35**	**33**	**43**
Total Concert Attendance	50,120	33,789	32,580
Total Other Event Attendance	92,799	99,424	138,320
Total Event Attendance	**142,919**	**133,213**	**170,900**

Source: Alliant Energy Center

Due to the addition of the Capitols in 2014, the total number of events has increased from 35 in 2012 to 43 in 2014. Despite a significant decrease in average concert attendance in 2013, overall event attendance has grown by approximately 17,000 attendees since 2012.

The table below lists the operating revenues and expenses of the Coliseum in 2014.

Table 14: Veterans Memorial Coliseum Revenues and Expenses, 2014 (thousands)

Program Revenue	
Intergovernmental Revenue	$73
Public Charges & Services	2,029
Miscellaneous	52
Total	**$2,154**
Program Expenditures	
Personnel Costs	$993
Operating Expenses	542
Contractual Services	258
Operating Capital	10
Total	**$1,803**
Net Operating Income	**$351**

Source: Dane County

Despite the fact that the Coliseum generated approximately $350,000 in profits in 2014, Dane County projects that the Coliseum will experience an operating deficit of approximately $380,000 to $400,000 in future years.

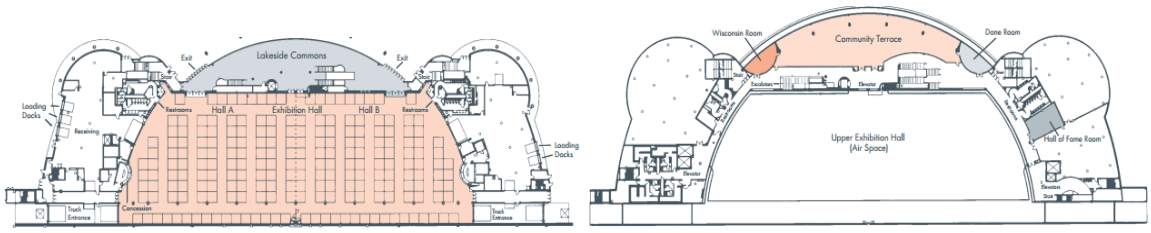
Monona Terrace – Madison

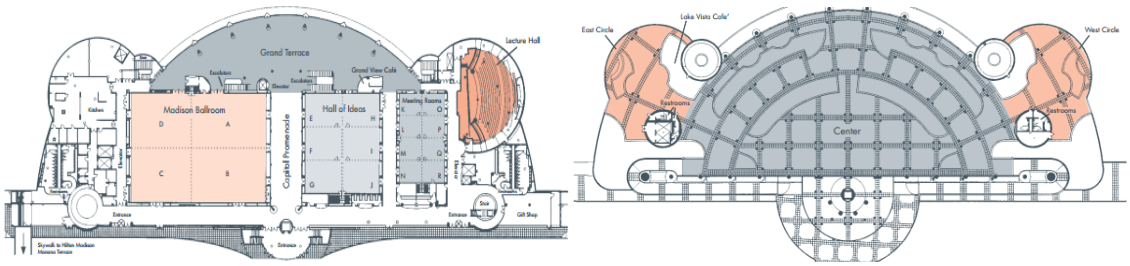
Monona Terrace is a convention center located on the shores of Lake Monona in Madison. The facility is owned and operated by the City of Madison and was designed by Frank Lloyd Wright in 1938. After many years, the facility was completed in 1997 with a construction cost of $67.1 million. The facility has four levels of event space, including 40,000 square feet of exhibit space, a 14,000-square foot ballroom, 28,000 square feet of meeting space in 21 rooms, a 310-seat lecture hall, and 68,000 square feet of outdoor event space on its rooftop.

Monona Terrace is capable of hosting a wide variety of events including conventions, banquets, meetings, consumer shows, community, and entertainment events.

The following images depict the four levels of available event space (from top left to right: Level 1 – Lakeside, Level 2 – Mezzanine, Level 4 – Meeting Rooms/Grand Terrace, Level 5 – Rooftop Gardens).

Figure 8: Monona Terrace Layouts





The table below outlines the number of events and average attendance at Monona Terrace from 2011 to 2014. Of the three event types, local events comprised the majority of the events attendance. However, conventions and conferences typically had the highest attendance per event.

Table 15: Monona Terrace Events and Average Attendance

Year	Events/Annual Attendance	Conventions and Conferences	Local Events	Community Events
2011	**Events**	62	470	98
	Avg. Attendance	40,858	136,770	33,712
2012	**Events**	65	434	95
	Avg. Attendance	46,540	121,520	55,195
2013	**Events**	67	562	107
	Avg. Attendance	45,225	168,038	55,747
2014	**Events**	54	529	105
	Avg. Attendance	43,308	151,823	49,980

Source: Monona Terrace, AECOM

Conventions and conferences experienced a decrease in the number of events in 2014, while the number of local and community events have increased annually since 2011. Average annual attendance for conventions and conferences has remained stable, ranging from 40,000 to 47,000 since 2011, while local (121,520–168,038) and community events (33,712–55,747) have experienced stronger fluctuations in attendance during the four-year period.

The following table summarizes financial information for Monona Terrace for 2014.

Table 16: Revenues and Expenses, 2014 (thousands)

Revenues	
Building Use Fee	$4,137
Gift Shop	140
Building Tours	6
Miscellaneous Revenue	76
Total	**$4,359**
Expenses	
Salaries	$3,579
Fringe Benefits	1,226
Supplies	515
Purchased Services	1,853
Inter-Dept. Charges	72
Total	**$7,245**
Net Operating Income	**-$2,885**

Source: Dane County

In addition to the revenues and expenses shown above, there are a number of non-operating items, such as debt service and transfer payments that allow the facility to break even. Not considering these non-operating items, the facility's deficit in 2014 was approximately $2.9 million.

Fox Cities Exhibition Center – Appleton

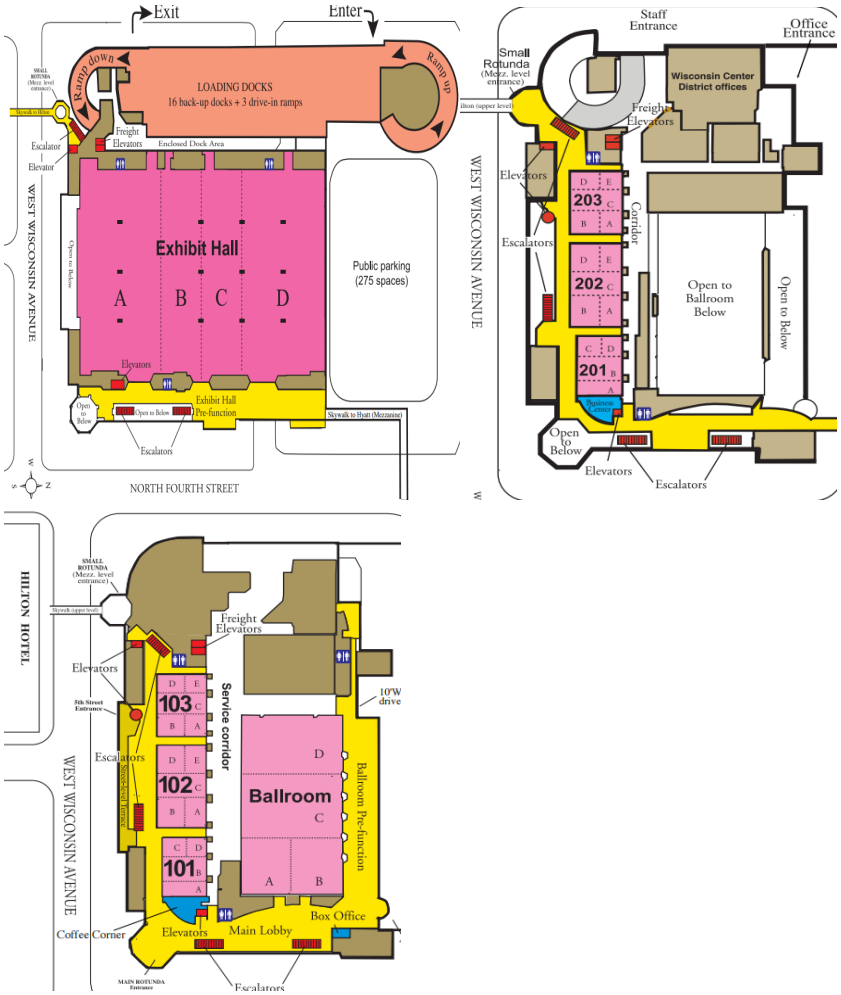
The Fox Cities Exhibition Center is a proposed facility in downtown Appleton, approximately 30 miles outside of Ashwaubenon. The facility has been in the early planning stages for nearly 30 years, but has recently made strides towards development.

In November of 2015, the City of Appleton purchased land from Outagamie County for $2 million in order to build the proposed exhibition center. The facility would be attached to the Radisson Hotel, which will contracted by the City of Appleton for day-to-day management and operations. The proposed project will be financed by the City of Appleton, grants/contributions, and a 3% increase in room tax. The facility will be owned by a government-chartered authority or a private non-for-profit organization, and managed on a long-term basis by the Radisson. In May 2016, the City issued RFPs for facility architectural and construction services. According to the RFPs, the $25-million facility will contain 65,000 square feet.

Wisconsin Center – Milwaukee

The Wisconsin Center opened in 1998 in downtown Milwaukee. The facility is part of the Wisconsin Center District, which includes the UWM Panther Arena (12,700-seat arena) and the Milwaukee Theatre (4,086-seat theatre). The following will focus primarily on the Wisconsin Center. The facility is operated by the Wisconsin Center District (WCD), a semi-autonomous agency with leaders appointed by elected officials. The three levels of the Wisconsin Center are shown below.

Figure 9: Wisconsin Center (Left to right: Upper Level, Mezzanine Level, Street Level)



The Wisconsin Center has 188,695 square feet of contiguous exhibit space, a 37,506-square-foot ballroom, and 39,364 square feet of meeting space that can be divided into 28 separate rooms.

In a recent year, the Wisconsin Center hosted a total of approximately 200 events and 610,000 attendees.

The following table shows the operating revenues and expenses of the Wisconsin Center in 2014.

Table 17: Wisconsin Center Revenues and Expenses, 2014 (thousands)

Operating Revenue	
Space Rentals	$3,683
Equipment Rentals	1,143
Concession Sales	3,249
Labor Service	1,043
Advertising	1,159
Information Technology	764
Box Office	553
Parking	712
Other	799
Total Operating Revenue	**$13,104**
Operating Expenses	
Allocated	
Wages	$3,357
Utilities	1,992
Building Maintenance	1,256
Ticket Expenses	89
Other	896
Unallocated	
Administrative Salaries	2,183
Employee Benefits	2,097
Advertising and Promotion	8,468
Legal Services	48
Insurance	580
Professional Services	99
Depreciation	7,975
Other	860
Total Operating Expenses	**$29,899**
Operating Loss	**$ (16,796)**

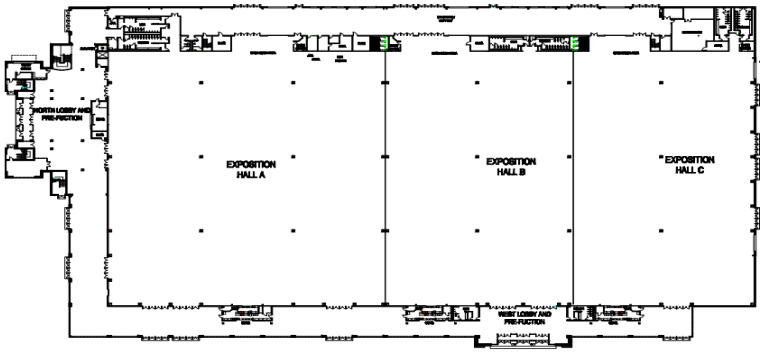
Source: Wisconsin Center Annual Report

The Wisconsin Center earned approximately $3.7 million in space rentals in 2014. Other significant revenue streams included concession sales ($3.2 million), advertising ($1.2 million), and equipment rentals ($1.1 million). Primary operating expenses for the Wisconsin Center included advertising ($8.5 million) and wages ($3.3 million). In 2014, the Wisconsin Center operated at a loss of approximately $16.8 million, including nearly $8 million in depreciation. Special sales taxes on hotel rooms (2.5%), prepared food and beverage (0.5%), and car rentals (3%) are used to repay a $185-million bond issue that funded the Wisconsin Center.

Wisconsin Expo Center – West Allis

The Wisconsin Expo Center is located on a large campus of buildings and venues known as the Wisconsin State Fair Park, which includes several barns, an ice arena, an amphitheater, and the Milwaukee Mile Speedway. The following segment will focus primarily on the exposition center. The Wisconsin Expo Center is a 271,000-square foot convention center that is owned and operated by the State of Wisconsin. The facility was built by the City of West Allis in 2002 for $45 million as a replacement for the previous State Fair Park's previous expo hall. The Expo Center was later purchased by the State for approximately $17 million. The following figure shows the layout of the Expo Center.

Figure 10: Wisconsin Expo Center Layout



The Expo Center has approximately 200,000 square feet of exhibit space on the ground level, making it the largest event space in Wisconsin. The ground level can be divided in three exhibit halls (of 86,000, 58,000, and 56,000 square feet each). In addition to the ground level, the Expo Center has a second floor with 3,000 square feet of meeting space that can be divided into four rooms. The Exposition Center has hosted events such as consumer shows, trade shows, food functions, and public events. The facility also serves as one of the primary venues for the Wisconsin State Fair. Most

consumer/public shows are held from January through April, and September through November. The facility also hosts private events such as meetings and catered events.

La Crosse Center – La Crosse

The La Crosse Center is a 7,500-seat, multi-purpose arena located in downtown La Crosse. The arena was built in 1980 (expanded in 2000) as part of a larger complex of event facilities including the arena, south exhibit hall (38,740-square foot exhibit space), and north hall (14,935-square foot exhibit space), for a total of 75,275 square feet of available event space. There is also a group of five meeting rooms (9,432 square feet) and a 6,000-square foot ballroom. The entire complex provides nearly 100,000 square feet of meeting and exhibit space. A map of the complex is shown below.

Figure 11: La Crosse Center Layout

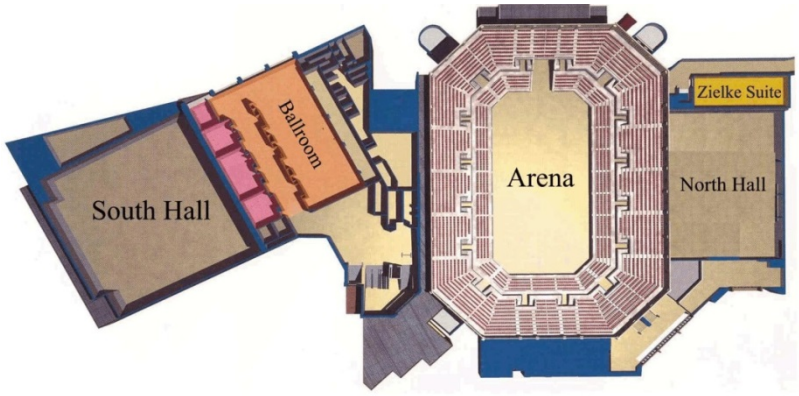


Table 18: La Crosse Center Events (2015)

Event Type	Events	Event Days
Conferences/Conventions	3	7
Consumer Shows	12	22
Concerts	13	13
Sports	7	13
Entertainment	9	12
Community/Social	13	22
Meetings/Banquets	1	1
Other Events	1	1
Total	**59**	**91**

Source: La Crosse Center, AECOM

According to the La Crosse Center's event calendar, there were 59 events held at the facility in 2015 with 91 total event days. A majority of these events were concerts (13) and community events (13); however, the events with the most days include consumer shows and community events, each with 22 total event days.

In a recent year, the La Crosse Center reported a deficit of approximately $200,000 that was funded by room tax revenue.

Earlier this year, the La Crosse Common Council approved a $45-million expansion of the complex. The project will add a 40,000-square foot ballroom, a renovation of the lobby and hallways, and new office space for the La Crosse County Convention and Visitors Bureau. According to reports, the city will bond $35 million and apply for $10 million in state funding through the Wisconsin Building Commission.

Wisconsin Dells Facilities

Meetings and convention facilities in the Wisconsin Dells generally differ from many of those throughout the rest of the state in that they are privately owned as part of hotel waterpark resorts. The primary resorts with significant meetings facilities are the Kalahari (100,000 square feet), Chula Vista (100,000 square feet), Glacier Lodge (56,000 square feet), and Wilderness (55,000 square feet). In addition, the Ho-Chunk Casino in the Dells has significant ballroom space (32,000 square feet), and its casino offers an amenity that is different from the nearby waterparks as well as from most non-Dells facilities in Wisconsin.

Because these properties are privately owned, detailed information on their operations is not available.

Lake Geneva Facilities

Similar to the Dells, meetings facilities in the Lake Geneva area differ from typical convention and meetings facilities because they are part of larger resorts. However, in Lake Geneva, the surrounding

resorts are more high-end than in the Dells, with spas, golf courses, and other amenities typically found in a resort setting. As they are part of resorts, the meetings facilities are also privately owned and operated. Two of the more prominent venues in the Lake Geneva area are the Grand Geneva Resort and Spa (65,000 square feet) and the Riviera Ballroom (7,2000 square feet).

Stakeholder Feedback

The following section summarizes feedback received by the consulting team from various local and industry stakeholders, regarding the local market, the Arena and Shopko Hall, and potential future opportunities. (Feedback from PMI is shown separately in this section.)

The Local Market

- Additions to the local hotel supply (from the current inventory of approximately 400 rooms to 500) will allow the area to host events that could generate more room nights.
- The presence of the Packers can complicate the scheduling of other events, particularly at the Arena, Shopko Hall, and Resch Center because of their proximity to Lambeau Field. The facilities have to wait until the NFL schedule is released in April before scheduling large events on weekends during the football season.

The Arena and Shopko Hall

- The facilities are in poor condition.
- The facilities have lost a number of events because of their size and condition. One example is the WPS Farm Show, which is now in Oshkosh because of the size of its facility.
- Parking is currently limited at the Arena/Shopko Hall/Resch Center site and attendees often have to use Lambeau Field parking across Oneida.
- The two facilities are used simultaneously as often as possible, and if one of the facilities is demolished, these events could not be held locally.
- The Arena does not have sufficient restroom and concession offerings.
- The facilities' Wi-Fi offerings are not sufficient for many events.
- According to an event promoter, some events would benefit from dedicated breakout meeting rooms.
- One trade show contacted by AECOM currently uses all of Shopko Hall (75 percent for booths and 25 percent of staging/support areas) and is growing approximately 15 percent per year. It expects to soon need all of the facility for booths and would be unable to grow to its potential without additional space.

Opportunity for Renovated or Improved Facilities

- There is a need for a facility that is larger than the combined Arena and Shopko Hall.

- Events such as the Antiques Roadshow could potentially be held at a new facility with more contiguous space.
- If a new facility is built, it should connect directly to the Resch Center in order to allow for simultaneous use of the facilities.
- Both facilities, as well as the Resch Center, are used for Packers pregame activities, and the site could accommodate more tailgating-related activities with more event space.
- A major concert promoter that has held shows in all three facilities in the past indicated that the market could support additional events in a new facility such as the one being studied.
- Two types of music that have been particularly successful in the market have been country and rock.

Comparable Facilities Analysis

This section describes various characteristics of a set of facilities that are in many ways similar to the offerings of the Arena and Shopko Hall, as well as a potential new facility in Brown County. In general, these facilities are multipurpose, indoor venues that are able to accommodate a wide range of events. The facilities are:

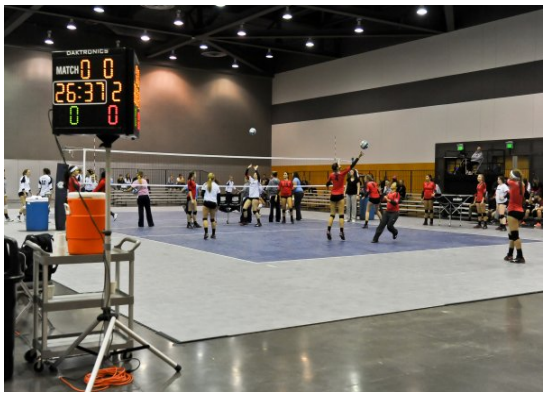
- The Greater Tacoma Convention & Trade Center in Tacoma, Washington,
- The Swiftel Center in Brookings, South Dakota,
- The Big Sandy Superstore Arena in Huntington, West Virginia, and
- The Allen County War Memorial Coliseum Exposition Center in Fort Wayne, Indiana.

Greater Tacoma Convention & Trade Center, Tacoma, Washington

The Greater Tacoma Convention & Trade Center (GTCTC) is a multipurpose convention center that is primarily focused on flat-floor events, in comparison to the nearby Tacoma Dome (sports and entertainment events). It differs from a potential new multipurpose expo facility in Brown County in multiple ways, but also has many similarities. For this analysis, we focus on the facility's exhibit floor.

The facility opened in November 2004 and is owned by the City of Tacoma and self-operated by its Public Assembly Facilities department. A regional Public Facilities District funded construction as well as its ongoing operating deficits, through the collection of hotel taxes and tax credits (PFDs in Washington can also collect admissions, parking, and sales taxes).

Figure 12: GTCTC Exhibit Hall



Market

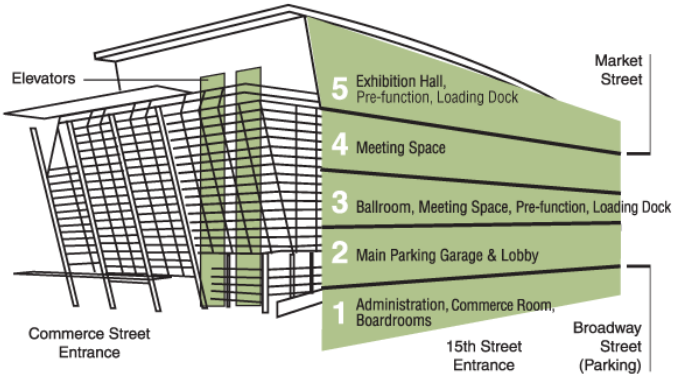
The City of Tacoma has approximately 200,000 residents, and is part of the Seattle metro area, which has more than 3.6 million residents. The metro area is known for its relatively well-educated and highly-paid population.

Facility

The five-level facility has approximately 120,000 square feet of multipurpose event space, including a 50,000-square foot, column-free exhibit hall, a ballroom and more than 42,000 square feet of other meeting and event space. There are approximately 400 hotel rooms within walking distance, and 400 on-site parking spaces (parking costs are $5 for four hours or less, or $10 for four or more hours).

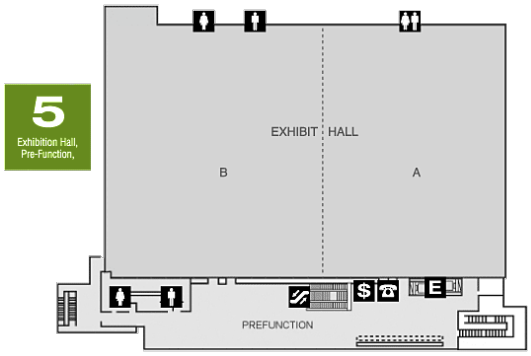
- The exhibit hall, on the fifth floor, has 9,000 square feet of prefunction space, and the hall can be subdivided into two smaller rooms of 27,500 square feet and 22,500 square feet. The fifth floor has a 30-foot ceiling.
- The 13,400-square foot ballroom is on the third floor and has 17,800 square feet of prefunction space.
- Meeting rooms on the first, third, and fourth floors total 24,000 square feet in as many as 14 individual rooms.

Figure 13: GTCTC Floorplan



The exhibition hall hosts a wide range of events, including sporting events and competitions such as gymnastics, volleyball, karate, cheerleading, and others. The hall's floorplan is shown below.

Figure 14: GTCTC Exhibit Hall Floorplan



Operations

The following table summarizes the usage of the GTCTC by event type for a recent year. These events include usage of the entire convention center, and not just the exhibit hall.

Table 19: GTCTC Event Usage

	# of Events	# of Event Days
Conventions/Conferences	23	76
Trade/Consumer Shows	9	25
Banquets	57	74
Meetings/Corporate Events	12	17
Competitions	12	28
Other	5	6
Total	**118**	**226**

Source: GTCTC

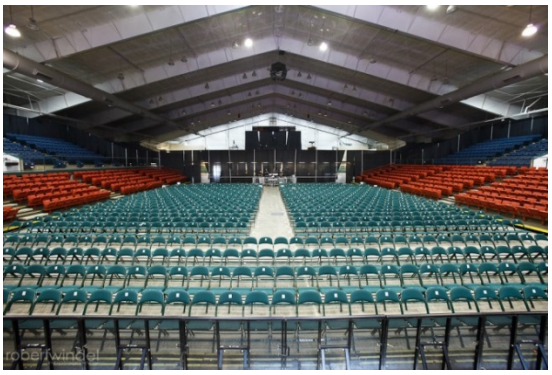
Total attendance at the facility is approximately 150,000 per year.

Usage or financial information for the exhibit hall only is not available. However, the entire facility lost approximately $2 million in a recent year based on $2.1 million in revenues and $4.1 million in expenses. An operating deficit for a true convention center is expected, but the GTCTC's is larger than might otherwise be expected due to a number of factors that are unique to Tacoma and the facility, such as the facility's need to market itself with its own staff (and without help from the local CVB).

Swiftel Center, Brookings, South Dakota

The Swiftel Center is a multipurpose arena/expo center with supporting meeting space that opened in 2001 in Brookings, South Dakota. The facility was funded through a one-cent city sales tax that also funded other local projects. The facility is owned by the City of Brookings and is privately managed by VenuWorks. Swiftel Communications pays $50,000 per year for naming rights.

Figure 15: Swiftel Center Event Floor



Market

Brookings is in eastern South Dakota, near the Minnesota border and approximately 60 miles north of Sioux Falls, which is the state's largest city and has a new, 10,000-seat arena. Brookings has a population of approximately 22,000 and is the home of South Dakota State University, the state's largest university. It is the county seat of Brookings County, which has approximately 32,000 residents.

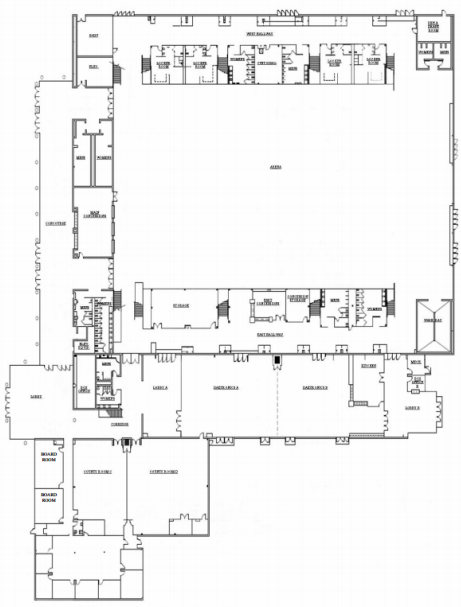
Facility

The Swiftel Center has the following offerings:

- Arena:
    - 30,000-square foot concrete floor with both permanent and retractable seating
    - Seating: approximately 3,300 permanent seats and a maximum capacity of approximately 5,800 for a reserved concert or 6,500 for a GA concert
    - Capacity for 250 10 x 10 booths
    - Rigging capacity for 56,300 pounds
    - Two loading docks (doors are 24' x 16' and 10' by 12')
    - Two end scoreboards, concessions, and merchandise stand
- Concourse:
    - 4,000 square feet of prefunction space
- Meeting rooms:
    - Daktronics Banquet Room: 6,800 square feet; can be subdivided into two smaller rooms of 2,900 and 3,900 square feet
    - Country Room: 4,773 square feet; can be subdivided into two smaller rooms of 1,845 and 2,928 square feet

The facility has approximately 720 paved spaces onsite, as well as other gravel parking.

Figure 16: Swiftel Center Floorplan



Operations

The following table summarizes the usage of the Swiftel Center by event type for a recent year. These figures include events that used any component of the facility, including meeting rooms only.

Table 20: Swiftel Center Events and Attendance

	Events	Event Days	Attendance
Banquets	34	34	6,158
Concert	7	7	16,079
Family Shows	2	2	2,654
Conventions/Trade Shows	2	6	2,266
Meetings/Conferences	73	106	12,215
Consumer Shows	4	5	4,784
Wedding Receptions	19	19	4,790
Community/Civic Events	27	32	22,165
Sporting Events	71	89	53,412
Internal Use	10	10	85
Total	**249**	**310**	**124,608**

Source: Swiftel Center

The facility generated approximately $1.5 million in revenues and $1.9 million in expenses, including $93,000 in management fees. The resulting operating deficit was approximately $400,000, which is funded through the city's general fund and "3B" taxes on alcohol, food, and lodging. The Swiftel Center has approximately 24 full-time equivalent employees.

Big Sandy Superstore Arena, Huntington, West Virginia

The Big Sandy Superstore Arena (BSSA) is primarily an arena but is also very multipurpose, as all of its seats are retractable, which allows the event floor to also function as a multipurpose exhibit hall. The facility also offers supporting meeting space. The facility was originally built in 1977 but was renovated and expanded in 2000 and 2011; it is owned by the City of Huntington and is managed by SMG. Big Sandy Superstores pays $150,000 per year for naming rights.

Figure 17: BSSA Event Floor

Market

Huntington is located near the Ohio and Kentucky borders, and on the Ohio River. The city is the second-largest in West Virginia and has a population of approximately 50,000, and the tri-state metro area has approximately 365,000 residents.

Facility

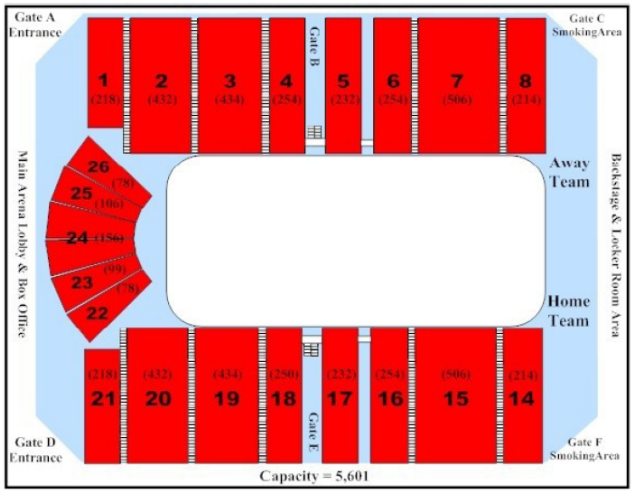
BSSA has the following offerings:

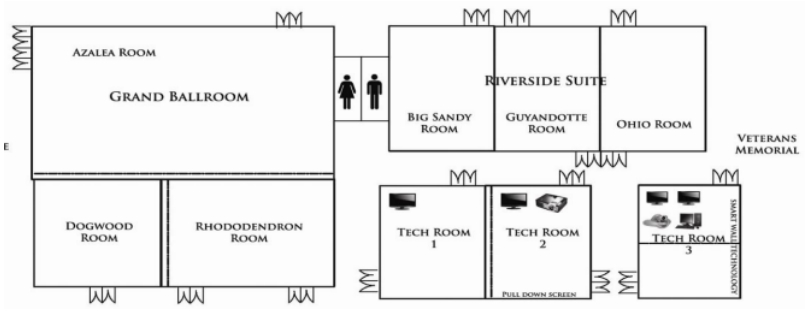
- Arena:
    - Approximately 5,600 retractable seats, with a maximum capacity of 8,100 for a GA concert
    - 55,200-square foot event floor with airwalls to divide the space into thirds for simultaneous or smaller functions
- Conference center:
    - Grand Ballroom: 8,500 square feet, divisible into three smaller rooms of 5,000, 1,500, and 2,000 square feet
    - Riverside Suite: 4,224 square feet, divisible into two smaller rooms of 1,408 and 2,816 square feet
    - Six meeting rooms with 560 square feet each

There are three parking garages next to the facility with a total of 1,675 spaces.

The configuration of the arena (with seating) and conference center is shown below.

Figure 18: BSSA Floorplans





Operations

The BSSA is the market's primary large events facility, and in the past, has had multiple minor-league sports tenants. A full listing of facility events is not available; however, in recent years, the BSSA has hosted a wide range of concerts, family shows, motorsports, graduations, trade shows, and the West Virginia state high school wrestling and volleyball championships. Individual events include the Harlem Globetrotters, Sesame Street Live, Jeff Dunham, the WWE, Florida Georgia Line, and Dierks Bentley.

According to the facility, in recent years it has hosted approximately 230 event days and 150,000 to 230,000 attendees. Of this usage, approximately 100 event days are generated by the arena – the majority (approximately 70 percent) are seated events and the remainder are flat-floor events. The conference center typically hosts 100 to 125 event days per year. While most flat-floor events use the entire 55,000-square foot arena floor, some use the airwalls to utilize less than the full floor.

The facility's 2014 operating revenues and expenses are shown below.

Table 21: BSSA Operating Revenues and Expenses (thousands)

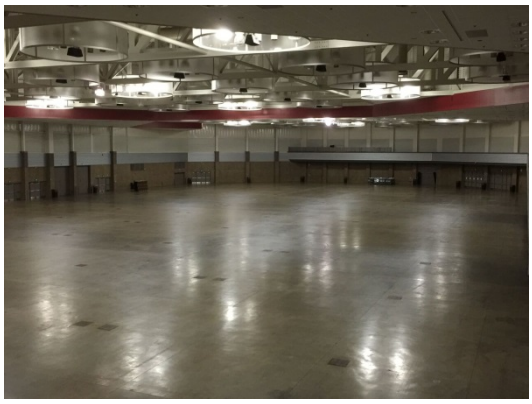
Operating Revenues	
Sales/Services	$1,028
Contributions	47
Rebates/Reimbursements	375
Rental Fees	401
Miscellaneous	44
Total Operating Revenues	**$1,895**
Operating Expenses	
Personal Services	$698
Contractual Services	249
Administrative and General	980
Miscellaneous	86
Liability Insurance	143
Materials and Supples	5
Utilities	189
Maintenance	43
Total Operating Expenses	**$2,393**
Operating Income (Loss)	**($498)**

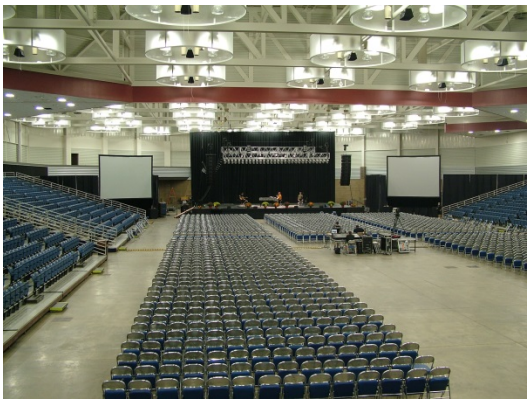
Source: City of Huntington

Allen County War Memorial Coliseum Exposition Center, Fort Wayne, Indiana

The Allen County War Memorial complex has multiple connected facilities in Fort Wayne, Indiana. Its Coliseum is a 13,000-seat arena and the Exposition Center has 108,000 square feet of multipurpose event space and a seating capacity of 7,500 with retractable seating. (The city is currently planning a smaller replacement of the Coliseum.) The complex also includes a 151-room Holiday Inn and Johnny Appleseed Park, and a conference center with nearly 50,000 square feet that opened in 2015. While the Coliseum originally opened in 1952, it has undergone multiple renovations and expansions, and the Exposition Center opened in 1989. The complex is owned and operated by Allen County. This section focuses on the multipurpose Exposition Center.

Figure 19: ACWMC Exposition Center Event Floor





Market

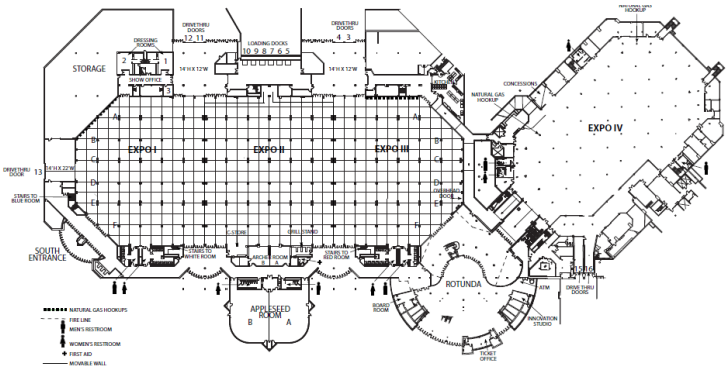
Fort Wayne is in northeastern Indiana and is the county seat of Allen County. It is Indiana's second-largest city, with a population of approximately 260,000, and the Fort Wayne metro area has approximately 420,000 residents.

Facility

The 108,000-square foot Exposition Center is the area's largest single event facility in terms of square footage and can be subdivided into three halls of approximately 35,000 square feet each. The maximum seating capacity of the full expo hall is approximately 7,800 with retractable and floor seating. An additional 44,000 square feet (Expo IV) is adjacent to the 108,000 square feet, and in 2015, a Conference Center with 27,000 square feet of event space and 20,000 square feet of prefunction space, was also added to the south end of the Expo Center.

The daily rental rate for the full hall (Expo I through III) is $4,200; one-third and two-thirds of the space is $2,100 and $3,150, respectively. Events can also rent portions of the 35,000-square foot divisions for lesser amounts. The expo hall also has a 6,000-square foot lobby that is rented for $500 per day. The full Expo IV is rented for $1,500 per day, and its 44,000 square feet can be divided into halves, thirds, or fourths.

Figure 20: ACWMC Exhibition Center Floorplan



Operations

The complex's 2016 usage is summarized below, according to its published event calendar.

- Expo Center – 31 total events (primarily consumer shows), including:

  Table 22: ACWMC Expo Center 2016 Events

	# of Events	# of Event Days	Avg. # of Days/ Event
Use entire Expo Center and Conf. Center	2	4	2.0
Use entire Expo Center	4	7	1.8
Use 1 Expo Center Division Only	14	25	1.8
Use 2 Expo Center Divisions Only	4	7	1.8
Use 3 Expo Center Divisions Only	7	18	2.6
Total	**31**	**61**	**2.0**

Source: ACWMC, AECOM

  Of the 31 events, 21 are consumer/public shows, five are sporting events, three are concerts, and two are social events.

- Arena – 45 events including minor league sports, concerts, family shows, and other sports and entertainment events,
- Conference Center – six events that will use part or all of the Conference Center (primarily Greater Fort Wayne Business Weekly social events),
- Parking lot – four events (a car sale, run, festival, and autocross).

Financial information for individual facilities within the complex is not available. However, the last three fiscal years, the entire complex has operated near breakeven with revenues and expenses between approximately $5 million and $5.5 million (a $40,000 profit in 2013, a $270,000 deficit in 2014, and a $180,000 profit in 2015).

4. Market Conclusions and Recommendations

This section presents the results of our market research. The research was completed with the goal of addressing the following issues:

- What stakeholders desire from a new facility,
- The market for a new facility,
- The ideal size for a new facility,
- Who the largest users of the facility would be,
- The most profitable redevelopment scenario for the Brown County taxpayers,
- How a redeveloped site would fit in with its immediate surroundings (Lambeau Field, Titletown, the Green Bay Military Avenue Business District, Ashwaubenon's TID #5),
- What redevelopment scenario would have the greatest local impact on lodging, restaurants, and entertainment businesses,
- Required infrastructure changes to address pedestrian and vehicle traffic, as well as ADA,
- The portion of sales taxes from redevelopment scenarios that would be generated from outside of Brown County,
- Revenues available to help fund a facility, and
- Financing options for redevelopment and operations.

These issues are addressed in this and other sections.

General Conclusions and Recommendations

Based on our market research, as well as the results of previous studies of the Arena and Shopko Hall, we believe that the facilities are generally approaching obsolescence from a physical and market standpoint. While they continue to successfully host events and create positive economic impacts to the community, the facilities are significantly outdated and too small (and poorly configured) for many of their users. In recent years, usage of the Arena and Shopko Hall has declined, and mechanical systems, restroom and concession facilities, loading docks, and other aspects of the facilities are inadequate for modern events.

Should the facilities remain largely unchanged, we believe that their usage will further decrease as events continue to outgrow the event space and their needs can no longer be accommodated due to the Arena and Shopko Hall's lack of amenities and deteriorating physical condition.

Below, we identify specific recommendations regarding a future facility on the Arena/Shopko Hall site that can better accommodate the events market in Brown County and serve the community into the future.

Future Facility Scenarios

Potential Renovations to the Arena and Shopko Hall

General improvements to the spectator facilities in the Arena would include renovation and addition of toilets and concession spaces as well as improving ADA accessibility to the raised seating areas and concourses. Mechanical and plumbing systems would also need to be upgraded.

It is our conclusion that the efforts to improve the Arena and Shopko Hall would result in costs in the area of $30 million just to bring the facility to ADA compliance and create a generally more operationally-efficient building. This investment would not add any additional event space and the facility would still be divided into two event spaces that are not well-connected.

As a result, we do not further explore a renovation scenario.

Recommended Redevelopment Scenarios

Demolition

Each scenario assumes that the existing Hall of Fame, Arena, and attached ancillary buildings will be demolished. The Shopko Hall structure is to remain intact. The concepts also include demolition of site flatwork and structures to the north and south, while maintaining the existing veterans memorial.

Shopko Hall Reuse Strategy

Our initial studies have concluded that retaining Shopko Hall's structure should prove to be cost-effective. Our cost modeling has determined that a savings of at least $3 million may be achieved by reusing the hall for general back-of-house and administration spaces in lieu of demolishing Shopko Hall and building a new structure to include these spaces at the same site. Each scenario assumes Shopko Hall's structural components remain, including all columns and bracing,as well as existing roof decking. All extraneous walls and mechanical, lighting, and plumbing will be demolished and replaced to accommodate the new program to be placed within its environs. Each concept also assumes that the existing Shopko Hall structure would be skinned or enveloped with the new building's exterior skin system so as to present a new and cohesive architectural aesthetic.

Assumed New Program Spaces

The following constitutes a cursory list of key program items to be considered for a new facility. There will also be additional program spaces such as mechanical and electrical rooms to service the new facility.

- Free-span exhibition floor space (divisible into thirds, and the square footage would vary from scenario to scenario)
- Pre-function space

- Toilets and concessions to serve the exposition and pre-function spaces
- Kitchen (5,000 SF)
- Storage for furniture and equipment used to service events
- Administration space (12,500 SF)
- Ice sheet and ancillary mechanical/plumbing systems
- Retractable seating systems (up to 3,000 to 3,500 capacity)
- Support rooms – separate, individual rooms that can support larger events, such as for use as show offices or classrooms
- Concert setup with associated rigging requirements
- Adequate loading dock and marshaling space

Facility Scenarios

We have presented three scenarios to match the above program requirements, each differing by the amount of clear-span event floor space, and therefore the estimated construction costs differ for each scenario. The following illustrates a potential construction cost range for each scenario. For each scenario, we assume that soft costs would be an additional 20 to 25 percent of construction costs.

86,400 sf	$63 - $67 million
100,800 sf	$71 - $75 million
122,400 sf	$81 - $85 million

Design Assumptions

As mentioned above, most of the flat and tall storage, as well as the kitchen area, would be placed within the existing boundary of Shopko Hall. This has been determined to be the most cost-effective placement of these back-of-house spaces. The administration spaces can also be placed within the bounds of Shopko Hall, but located along the southern edge with half of the program on an elevated slab; therefore, an elevator and additional exit stairs will be required. The southern administration spaces will have views south into the new enclosed pedestrian link (or corridor) connecting the existing Resch Center to the new pre-function area of the expo hall.

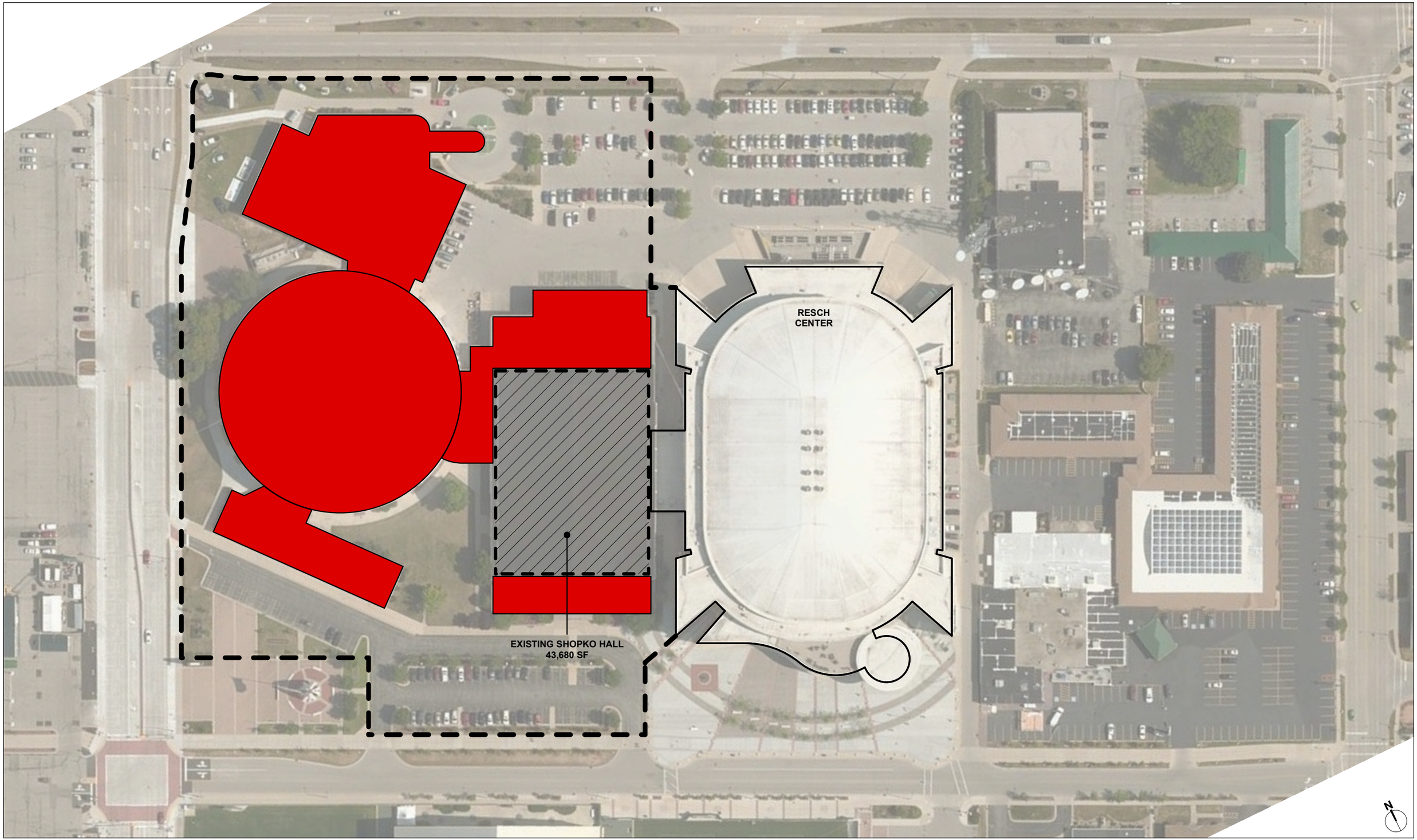
The main pedestrian circulation spine would be oriented in a north-south configuration and be placed between the new expo hall and the back-of-house spaces. The new expo hall will span up to 240 feet, with a minimum floor to bottom of structure distance of 40 feet. An ice sheet is included in each scheme with space for up to 3,500 spectators. Each scenario assumes space for an ice event, with remaining divisible space for separate and simultaneous programmed events.

The basic site layout of each scenario will allow for access from the south and the north, depending on the programming of events within the facility. It is assumed that multiple and simultaneous events can take place within the facility in all scenarios. The new site layout should also better address the surrounding streetscapes and Lambeau Field to the west. The ultimate goal would be a facility that helps define, in a more coherent aesthetic form, the event district of the existing block and other surrounding attractions and districts.

We also include an enclosed, climate-controlled skywalk/bridge-type structure that would safely connect the facility to the Lambeau Field parking lot across Oneida Street. According to client representatives, this amenity is largely funded and additional fundraising is expected to be completed. One funding source that has been identified is the Wisconsin Department of Transportation's Transportation Assistance Program.

Each scenario can be expandable in the flat free-span areas to the north. The backbone or back-of-house spaces could essentially remain or stay the same. This may prove to be a rational way of comparing the options by maintaining in each scenario what is only essential to operate the facility against the space required to meet the projected setup and storage demands of shows and schedules.

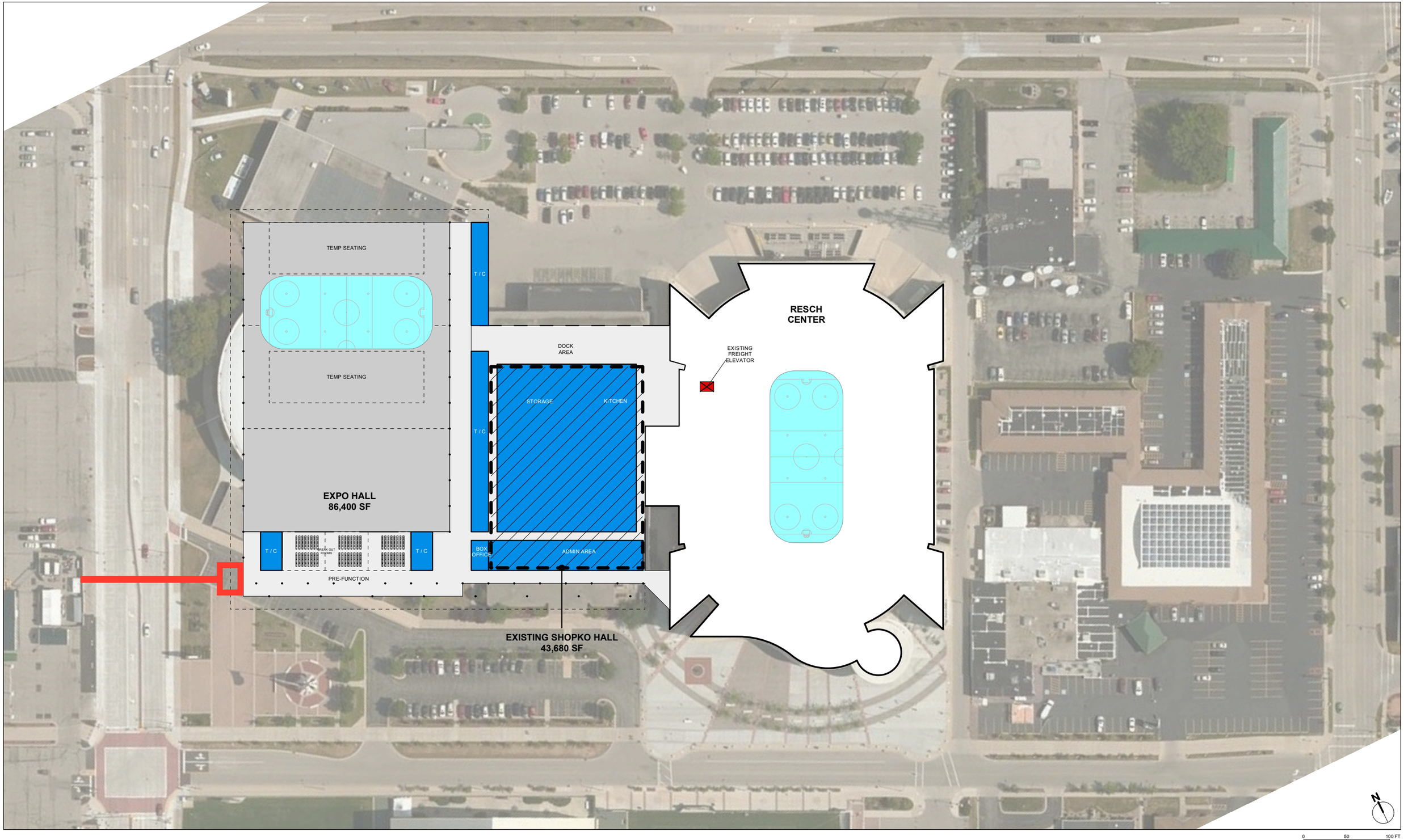
The following pages first show the existing site and the facilities to be demolished (in red), followed by the three new-facility scenarios. In each new-facility scenario, the red lines indicate a potential location of a skywalk that would directly connect the facilities to Lambeau Field and its parking lot across Oneida.



CONCEPT : DEMOLITION TO KEEP SHOPKO

Brown County Veterans Memorial & Shopko Hall Adaptive Reuse Update

AECOM



CONCEPT A: + 86,400 SF NEW CLEAR SPAN (240' span)

Brown County Veterans Memorial & Shopko Hall Adaptive Reuse Update

AECOM

TEMP SEATING

TEMP SEATING

T / C

EXPO HALL
100,800 SF

T / C

BLACK OUT ROOMS

T / C

PRE-FUNCTION

DOCK AREA

STORAGE

KITCHEN

T / C

BOX OFFICE

ADMIN AREA

EXISTING SHOPKO HALL
43,680 SF

RESCH CENTER

EXISTING FREIGHT ELEVATOR

N

0 50 100 FT

CONCEPT B: + 100,800 SF NEW CLEAR SPAN (240' span)

Brown County Veterans Memorial & Shopko Hall Adaptive Reuse Update

AECOM

TEMP SEATING

TEMP SEATING

T / C

EXPO HALL
122,400 SF

T / C

BREAK OUT ROOMS

T / C

PRE-FUNCTION

DOCK AREA

STORAGE

KITCHEN

T / C

BOX OFFICE

ADMIN AREA

EXISTING SHOPKO HALL
43,680 SF

RESCH CENTER

EXISTING FREIGHT ELEVATOR

N

0 50 100 FT

CONCEPT C: + 122,400 SF NEW CLEAR SPAN (240' span)

Brown County Veterans Memorial & Shopko Hall Adaptive Reuse Update

AECOM

5. Demand and Financial Projections, and Funding Analysis

In this section, we address the facilities' current and potential future relationship with its private management company, forecast future usage of the recommended new facility for all future scenarios described in the previous section, and analyze funding opportunities.

Forecasts of Future Operations

Based on the scenarios of future facility offerings that are described in the previous section, we have forecasted their future operations (usage and financial). In the following section, we also estimate their economic and fiscal impacts. Below, we summarize our forecasts of future operations and major assumptions that guide our forecasts.

Event and Attendance Demand

The following table summarizes the forecasted number of events and event days, average attendance, and total attendance by event type for each future scenario for a stabilized year (assumed to be 2023). In general, these are based on the characteristics of the past events of the Arena and Shopko Hall, events at similar facilities, and the characteristics of the facility offerings in each scenario. We also compare these projections to actual results from 2015.

Table 23: Annual Events, Event Days, and Attendance – Actual 2015 and Four Future Scenarios (2023)

	Actual - 2015		Future Scenarios - 2023							
			As-Is		86,400 SF		100,800 SF		122,400 SF	
Events	*# of Events*	*# of Event Days*	*# of Events*	*# of Event Days*	*# of Events*	*# of Event Days*	*# of Events*	*# of Event Days*	*# of Events*	*# of Event Days*
Consumer/Public Shows	31	50	29	46	29	46	36	58	40	64
Sports/Competitions	6	12	5	10	5	10	6	12	9	18
Family Shows	10	10	10	10	10	10	10	10	10	10
Concerts	0	0	0	0	1	1	2	2	4	4
Social Events	1	2	1	2	1	2	2	4	5	10
Hourly Rentals*	520	520	600	600	520	520	500	500	500	500
Other Events	7	8	6	7	6	7	8	9	10	11
Total (not including hourly rentals)	**55**	**81**	**51**	**75**	**52**	**76**	**64**	**94**	**78**	**117**
Average Attendance	*Per Event Day*	*Per Event*	*Per Event Day*	*Per Event*	*Per Event Day*	*Per Event*	*Per Event Day*	*Per Event*	*Per Event Day*	*Per Event*
Consumer/Public Shows	2,300	3,700	2,250	3,600	2,250	3,600	2,500	4,000	2,813	4,500
Sports/Competitions	1,500	2,900	1,400	2,800	1,400	2,800	1,500	3,000	1,500	3,000
Family Shows	1,000	1,000	900	900	900	900	1,050	1,050	1,050	1,050
Concerts	0	0	1,500	1,500	1,500	1,500	2,250	2,250	2,250	2,250
Social Events	1,500	3,000	1,500	3,000	1,500	3,000	1,500	3,000	1,500	3,000
Hourly Rentals*	30	30	30	30	30	30	30	30	30	30
Other Events	1,300	1,400	1,182	1,300	1,182	1,300	1,364	1,500	1,636	1,800
Total (not including hourly rentals)	--	--	--	--	--	--	--	--	--	--
Total Attendance										
Consumer/Public Shows	--	115,200	--	105,400	--	105,400	--	145,100	--	179,200
Sports/Competitions	--	17,400	--	14,000	--	14,000	--	18,000	--	27,000
Family Shows	--	10,000	--	9,000	--	9,000	--	10,500	--	10,500
Concerts	--	0	--	0	--	1,500	--	4,500	--	9,000
Social Events	--	3,000	--	3,000	--	3,000	--	6,000	--	15,000
Hourly Rentals*	--	15,600	--	18,000	--	15,600	--	15,000	--	15,000
Other Events	--	9,800	--	7,800	--	7,800	--	12,000	--	18,000
Total (not including hourly rentals)	**--**	**155,400**	**--**	**139,200**	**--**	**140,700**	**--**	**196,100**	**--**	**258,700**

*Hourly rentals are not considered in event or attendance totals.
Source: AECOM

As the table shows, we generally assume the following for the future scenarios, compared to historical operations:

- As-Is: a gradual decrease in usage across many event categories, with the exception of hourly rentals, which could increase due to greater availability of the facility and demand for ice time.
- New Facility:
    - 86,400 Square Feet: we expect usage to be similar to the as-is scenario, as a result of the modest increase in square footage and the need for the ice sheet configuration to fill two-thirds of the hall and leave less than 30,000 square feet for other events.
    - 100,800 Square Feet: increases across most event categories and average attendance levels. However, hourly ice rentals would likely decrease with the increased usage of the hall.
    - 122,400 Square Feet: further increases in events/event days and attendance levels in most categories.

In general, with the additional square footage available in the two larger facility scenarios, we expect the facility to be able to accommodate larger events, such as major events that cannot currently be held at the current facilities (such as the Antiques Roadshow and the Pro Football Hall of Fame tour), events that have outgrown the facilities (the Logging Congress and WPS Farm Show), and existing events that could remain in Brown County and expand (RV/camping, boat, and home and garden shows).

Operating Revenues and Expenses

We have also developed a ten-year financial pro forma statement for the facility or facilities for each scenario. Similar to the event and attendance projections, they are largely based on the past operations of the Arena and Shopko Hall, the operations of similar facilities, and the assumed characteristics of the recommended scenarios and the events that they could host.

A summary pro forma statement for one stabilized year (2023) of all four scenarios is shown below, as well as actual 2015 results and an average annual net income throughout the ten-year period for each scenario.

Table 24: Estimated Annual Revenues and Expenses – Actual 2015 and Four Future Scenarios (2023)

	Actual - 2015	Future Scenarios - 2023			
		As-Is	New - 86,400 SF	New - 100,800 SF	New - 122,400 SF
Event Revenues					
Gross Ticket Revenue	$748	$647	$756	$1,046	$1,467
Rent	228	349	344	429	524
Gross Building Charges	1,329	1,580	1,604	2,140	2,468
Gross Concessions	366	345	407	568	739
Gross Catering	30	36	42	59	82
Gross Merchandise	13	15	19	27	39
Gross Parking	151	146	149	204	262
Gross Event Revenue	$2,866	**$3,118**	**$3,320**	**$4,472**	**$5,581**
Event Expenses					
Event/Talent Expense	$569	$518	$605	$837	$1,174
Bulding Expense	677	790	802	1,070	1,234
Concession Expense	179	172	203	284	369
Catering Expense	15	18	21	29	41
Merchandise Expense	1	1	2	3	4
Parking Expense	68	66	67	92	118
Total Event Expenses	$1,508	**$1,565**	**$1,700**	**$2,315**	**$2,940**
Gross Profit (Loss)	$1,358	**$1,553**	**$1,620**	**$2,158**	**$2,641**
Non-Event Revenues					
Advertising/Sponsorships	$332	$327	$475	$475	$594
Miscellaneous Income	87	94	100	134	167
Non-Event Expenses/Overhead					
Salaries and Benefits	$1,116	$1,326	$1,459	$1,751	$1,926
Maintenance	93	111	138	145	153
Advertising/Marketing	29	34	38	38	38
Insurance	45	53	48	56	88
Supplies	76	90	99	104	109
Utilities	288	342	410	513	641
Building Services	49	58	64	70	77
Equipment Rental	6	8	8	9	9
G&A	99	118	130	136	143
Facility Rent	222	230	300	325	350
Total Expenses	$2,022	**$2,369**	**$2,694**	**$3,146**	**$3,534**
Facility Net Income (Loss) [TO MANAGER]	($246)	($396)	($499)	($379)	($131)
Average Annual Facility NI (Loss)	--	*($359)*	*($442)*	*($426)*	*($286)*
Cumulative 10-Year Facility NI (Loss)	--	*($3,590)*	*($4,416)*	*($4,261)*	*($2,864)*
County Revenues					
From Facility Rent Payment	$222	$230	$300	$325	$350
Interest from O&M Account	0	0	104	104	104
Total County Revenues	$222	**$230**	**$404**	**$429**	**$454**
Average Annual County Revenues	*$222*	*$233*	*$396*	*$416*	*$437*
Cumulative 10-Year County Revenues	--	*$2,334*	*$3,956*	*$4,161*	*$4,366*

Source: AECOM

Facility Manager Revenues and Expenses

County Revenues

As previously described, we assume that a private manager will manage the facility or facilities in the future under a similar arrangement as its current contract, and as a result, will continue to retain any operating profits and subsidize any deficits. As a result, any projected future operating deficits would

be the responsibility of the manager and would not represent an expense of the County. However, we estimate that the future operating deficits would generally decrease from the current level (after accounting for inflation) in the new facility scenarios.

The County would capture rent revenues from management per the terms of a management contract; these revenues are shown as a facility expense (paid by management) as well as a County revenue at the bottom of the table. The other County revenue source would be interest earned from the balance of a reserve account intended to fund future facility improvements.

Major assumptions within individual revenue and expense line items are described below (particularly as they may change from scenario to scenario).

Event Revenues

Gross Ticket Revenue

This line includes ticket revenues from all ticketed shows. Some of management's consumer shows generate ticket revenues that are retained by the company/facilities; for events held by other promoters, the manager serves as a passthrough for ticket revenues and the resulting expense is accounted for as "Event/Talent Expense."

Gross ticket revenues are a function of total attendance for ticketed events (consumer/public shows, sports/competitions, family shows, and concerts) and average ticket prices. For ticketed events, we assume that average ticket prices are similar to historical averages, and increase slightly for the new facility scenarios.

Rent

For events that are not promoted by the facility manager, rent is paid for use of the facilities. Similar to ticket prices, we generally assume that rates would remain similar to historical levels for the as-is scenario. For each new facility scenario, we assume an increase over the as-is scenario, as the project cost level increases and the facility becomes larger than the current facilities and events are able to grow.

Gross Building Charges

The facilities provide labor, equipment, and other services and items to events, and the resulting revenue is captured in this line item (the facility's own expenses are accounted for separately). These per-event charges are increased similarly to rent revenues for the individual scenarios.

Gross Concessions

This item includes the gross sales of food and beverages at events, and is based on assumptions of per-capita attendee spending. Concession sales generally occur at public concession stands, as compared to catering sales (see below). The cost of goods sold is accounted for separately as a facility expense.

Gross per-capita sales vary for individual event types. In general, we assume that they will increase from the current and as-is scenarios in the new facility scenarios due to improved offerings and greater abilities to sell concessions.

Gross Catering

Similar to concessions, catering includes the sale of food and beverages associated with facility events. However, catered F&B service is generally a higher-quality offering that is available to smaller groups of attendees, rather than sales to the general public at concession stands. Historically, the Arena and Shopko Hall have generated very little catering revenue from a limited number of events. In the future, we assume that per-capita catering sales will increase from historical levels due to facility improvements but will continue to be limited.

Gross Merchandise

Some events sell merchandise, such as clothing, souvenirs, and other items. Historically, most Shopko Hall consumer/expo events have not generated merchandise sales and it is more common with typical arena-based sports and entertainment events. The event that generates the greatest merchandise revenue to the facilities is Monster Trucks at the Arena, and this event pays the facility a commission rather than sharing in revenues and expenses; this structure is considered in our calculations of merchandise revenues.

We do not expect per-capita sales to increase significantly due to new facility construction; however, revenue growth could come from increased attendance. We assume that future per-capita merchandise sales will be similar to historical levels for the as-is scenario and increase slightly for all other scenarios.

Gross Parking

Parking revenue is generated from events that have charged parking for attendees. Most, but not all, Arena and Shopko Hall events have charged for parking, but the number of spaces available onsite is currently extremely limited. However, attendees can also park in Lambeau Field lots across the street, and this revenue is shared with the Packers (54 percent to the team and 46 percent to

management). In future scenarios, we do not expect the number of available onsite spaces to change materially, and as a result, historical per-attendee spending levels are assumed to remain constant.

Event Expenses

Event/Talent Expense

As mentioned above, this line item accounts for payments to artists for their ticket sales (for events that are not owned by management). Historically, Event/Talent Expense has been approximately 80 percent of total ticket sales, and this amount is assumed for all future scenarios.

Building Expense

Building expenses account for the cost of items and services that are provided to facility renters (the amount billed to renters appears above as Gross Building Charges). In recent years, the expense has been roughly 50 percent of associated revenues, and this percent is assumed for all future scenarios.

Concession Expense

This accounts for the costs associated with the sale of concessions; it has historically been approximately 50 percent of revenues and is not assumed to change in the future.

Catering Expense

This accounts for the costs associated with the sale of catered F&B, and similar to concessions, has historically been approximately 50 percent of revenues. This ratio is also assumed to remain the same in future scenarios.

Merchandise Expense

As previously described, the facilities' events do not generate significant merchandise sales, and the event with the highest sales (Monster Trucks) pays the facilities a commission in return for the ability to sell its own merchandise, without an associated expense. As a result, its overall expense as a percent of sales (10 percent) is relatively low compared to industry standards but is consistent with facility policies and operations. This rate is assumed to remain for all future scenarios.

Parking Expense

In recent years, parking expense has been approximately 40 to 45 percent of the associated revenues. In all future scenarios, we assume that this expense will be 45 percent of parking revenues.

Gross Profit (Loss)

The facility or facilities' Gross Profit or Loss is calculated as the Event Revenues less Event Expenses.

Non-Event Revenues

Advertising/Sponsorships

Advertising and Sponsorship revenues of the current facilities include signage and other marketing opportunities that have been sold inside the Arena and Shopko Hall. In the future, we assume these revenues in the "as-is" scenario will remain consistent with historical levels (with a decrease beginning in 2023), and will increase in new facility scenarios (to $400,000 to $500,000 in the facility's first year).

Miscellaneous Income

This is a relatively minor line item that accounts for revenues that do not appear within the other line items. In recent years, Miscellaneous Income has been approximately 2.5 percent to three percent of gross event revenue. In all future scenarios, we assume that it will be three percent per year.

Non-Event Expenses/Overhead

Salaries and Benefits

Salaries and benefits expense is for operational and management staff of the facility or facilities. In the as-is scenario, this expense is assumed to be consistent with past levels, and increases in each of the new-facility scenarios due to the larger facility.

Maintenance

Maintenance expenses represent costs associated with regular, ongoing maintenance of the facility and not major, one-time capital improvements. Simialr to Salaries and Benefits, Maintenance expense is assumed to be similar to actual past levels in the as-is scenario and increases as the square footage increases in the new facility scenarios.

Advertising/Marketing

Advertising and Marketing expenses are for promotion of the facility and individual events. This expense is assumed to remain similar to historical levels in the as-is scenario and increase slightly in the new-facility scenarios.

Insurance

This line item accounts for management's business operations/liability insurance expenses. Insurance expense would be expected to increase as facility activity increases. As a result, we base future increases in cost on changes in facility attendance compared to the historical baseline.

Supplies

Supplies include expenses for office supplies, uniforms, and other similar items. In the new-facility scenarios, we assume relatively minor increases in this line item compared to historical amounts.

Utilities

Utilities expense represents amounts spent for electricity, water, and gas at the facility. Similar to other expenses that will be affected by facility usage and the size of the building, this expense is assumed to increase in each of the new-facility scenarios.

Building Services

Building services expenses are incurred by PMI for items such as waste hauling, armored car services, and other non-event expenses. We assume relatively modest increases in this expense as the assumed facility increases in size and usage.

Equipment Rental

This line item represents expenditures for various types of equipment that are necessary for facility maintenance but not directly associated with individual events, such as lift rentals to repair or change lights and machinery to clean F&B equipment. This is also assumed to remain consistent with historical levels in the as-is scenario, and increase modestly as the new facility's size and usage increases.

G&A

General and Administrative expenses include those for professional fees, dues and subscriptions, staff travel/education, and other miscellaneous expenses. These expenses are not expected to be significantly affected by the size of the facility but are assumed to increase slightly in the new-facility scenarios.

Facility Rent

PMI's contract to manage the Arena, Shopko Hall, and the Resch Center currently ends on May 31, 2027. As previously described, in the event of a demolition and/or addition of facilities, PMI would manage the new facility for at least two years under the current contract terms, after which a new contract could be negotiated (and PMI has the right to match offers from other potential managers).

While the rental rates could potentially change after the second year of our projection period, we assume that PMI will continue to manage all facilities. Two-thirds of PMI's total rent for the Arena, Shopko Hall, and Resch Center is allocated to the Arena and Shopko Hall, and this is continued in the future (including scenarios with one new facility to replace the two facilities).

In the as-is scenario, we assume that there are no changes to the financial terms of the management contract, as PMI's opportunity to decrease deficits is expected to be limited. As a result, we assume the current terms of the agreement and for the last two years of our projection (after the current contract expires), we inflate the previous year's rent by three percent, as is done throughout the contract term.

In the new-facility scenarios, we have forecasted that operating deficits (before management's rent expense) would decrease as the facility size increases. As a result, we assume increased annual rental payments to the County, starting in 2012 at $300,000 in the smallest new-facility scenario, $325,000 in the 100,000-square foot scenario, and $350,000 in the largest new-facility scenario.

While Facility Rent is shown as an expense of the facility, it also represents revenue to the County, with no offsetting County expense (as shown below).

Facility Net Income (Loss)

The facility's net income is calculated as the gross event profit plus non-event revenues, less non-event expenses. As previously described, this profit or loss is the responsibility of management.

In a future as-is scenario, we assume that the operating loss will be approximately $400,000 in 2023. In the new facility scenarios, the operating loss ranges from approximately $130,000 (high-cost facility) to $500,000 (low-cost facility).

County Revenues

As described above, we assume the same general structure for a management contract as the current deal. Under these terms, the County receives an annual rental payment for all facilities at the complex, and all operating revenues and expenses would be the responsibility of the manager.

From Facility Rent Payment

As previously described, we assume that the private manager would pay an annual rental fee to the County in return for the rights to all operating revenues and expenses. While this is recognized as a facility expense above, it is also a County revenue.

Interest from Capital Improvements Fund

We assume that a new facility will have an account that would fund its future capital improvements. For the purposes of this report, we have assumed that the account for the three new-facility scenarios will have a starting balance of $10 million to $15 million, and would be funded through potential sources such as excess County sales tax, fundraising, negotiations with a facility manager, and a state earmark. For the intital ten-year period, we assume no deductions from this account towards capital improvements for a new facility.

Over time, the County will earn interest (assumed to be one percent per year) from the balance of the account.

Total County Revenues

For the as-is scenario, the County will only generate revenues from mangement rent payments (assumed to be $230,000) in 2023 for the Arena and Shopko Hall.

In the new facility scenarios, County revenues will include rent payments from management as well as interest revenue, and are estimated to range from approximately $400,000 to $455,000 in 2023. As a result, over a ten-year period, cumulative County revenues are estimated to be approximately $2.3 million in the as-is scenario, and $4 million to $4.4 million in the new facility sceanrios.

Funding Opportunities

In this section, we identify potential sources and amounts for project funding. First, the following are examples of methods of funding for renovation and construction of similar public-assembly venues and complexes:

- **Wisconsin Center District taxes** – the WCD in Milwaukee imposes the following taxes in Milwaukee County to repay costs associated with its exposition center facilities: a 2.5-percent room tax, an additional seven-percent room tax in the City of Milwaukee, a 0.5-percent food and beverage tax, and a three-percent rental car tax.

  An extension of these taxes is also helping fund the public's share of costs for a new Milwaukee arena that will replace the BMO Harris Bradley Center, which is currently under construction.

- **La Crosse Center** – as previously mentioned, the City of La Crosse is expected to apply for $10 million in funding from the Wisconsin Building Commission, as part of a $45-million renovation of the La Crosse Center.

- **Denny Sanford PREMIER Center, Sioux Falls, SD** – the $115-million, 10,000-seat arena opened in 2014 and was funded by half of an existing two-cent sales tax; the project was approved by local voters.
- **Ford Center, Evansville, IN** – the 9,000-seat arena opened in downtown Evansville in 2011 and was funded through food and beverage taxes, casino revenues, and a Downtown Development Area TIF district.
- **U.S. Cellular Coliseum, Bloomington, IL** – the $37-million, 5,600-seat arena opened in 2006 and was funded by a 0.25-percent city sales tax.
- **Greensboro Coliseum, Greensboro, NC** – the complex recently underwent a $24-million renovation project, which was funded by bonds backed by hotel tax revenues.
- **Budweiser Events Center, Loveland, CO –** the land for the site was purchased with the proceeds from a one-year, 0.1-percent countywide sales tax increase, and construction was funded with a 20-year, 0.15-percent countywide sales tax increase. The 5,300-seat arena opened in 2003.
- **The Crown Complex, Fayetteville, NC** – its operating deficit and debt service are funded by Cumberland County's general fund, a share of the county's hotel tax, and a food and beverage tax. The complex includes a 10,000-seat arena, a theater, ballroom, and expo hall.
- **The Sanford Center, Bemidji, MN –** funding was provided by $45 million from a half-cent city sales tax, $20 million in state construction bonds, $3 million in state planning funds, $5 million in TIF revenues, $4 million from the sale of city-owned land, and a $1.2-million grant from the Department of Employment and Economic Development. The 4,700-seat facility opened in 2010.
- **Wilmington Convention Center, Wilmington, NC –** the $62-million, 107,000-square foot facility opened in November 2010 and was funded through a three-percent hotel tax in New Hanover County.
- **Mayo Civic Center, Rochester, MN –** expansion of the $84-million expansion is scheduled to be completed in 2017 and is being funded by increased food and beverage and hotel taxes, as well as $35 million from the State of Minnesota.

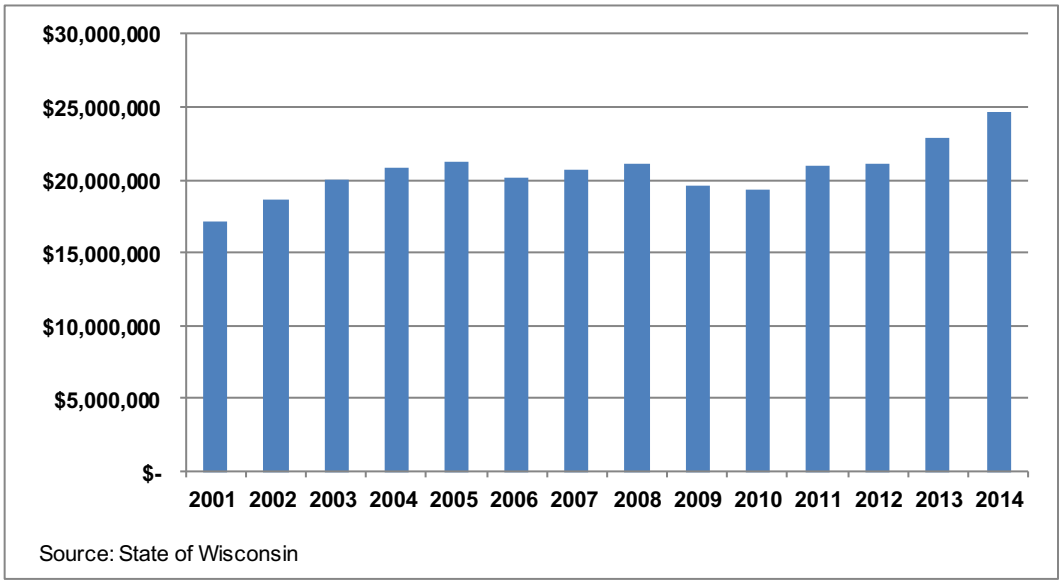
Potential opportunities that have been identified for new facility funding in Brown County are described below.

Brown County Sales Tax

The Green Bay/Brown County Professional Football Stadium District (Stadium District) imposed a 0.5-percent sales tax in Brown County from November 1, 2000 through September 30, 2015. The tax sunset when the District had sufficient funds to repay bonds and maintenance of Lambeau Field through 2031 (when the Packers' lease ends).

It is possible that a new 0.5-percent sales tax similar to the Stadium District tax could fund new facility construction in Brown County, and would also sunset when the needed amounts are collected. Brown County is one of the few counties in Wisconsin that does not currently impose a local-option 0.5-percent sales tax. The historical annual collections of the Lambeau Field tax, for the 14 full years it was imposed, are shown below.

Figure 21: Actual Stadium District Sales Taxes, 2001-2014

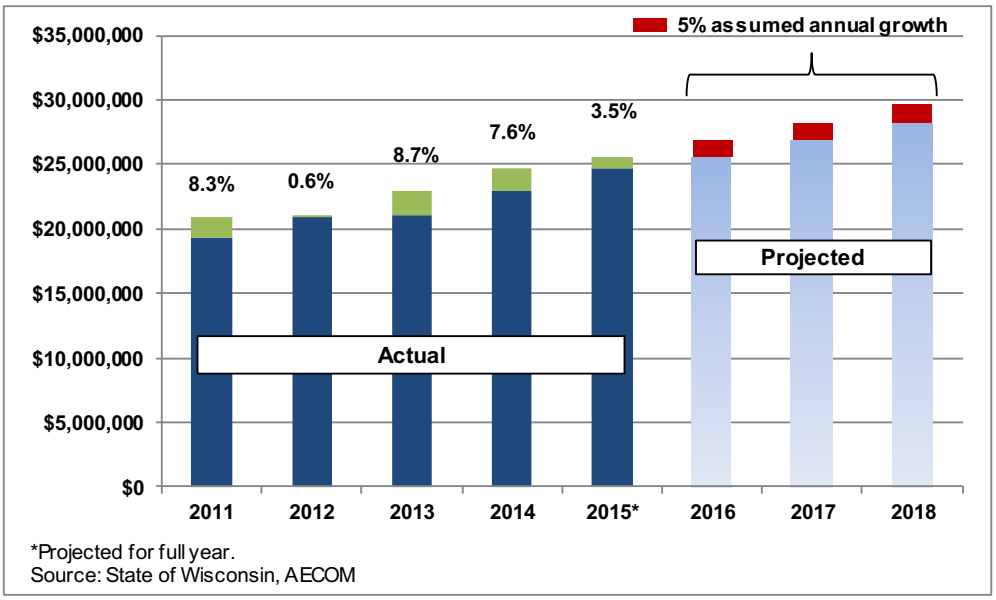


Source: State of Wisconsin

During the 14 full years that the Stadium District tax was in effect, collections increased from approximately $17 million to nearly $25 million. In its last four years, it increased by approximately eight percent per year, with the exception of 2012. In 2015, it increased by 3.5 percent through September 30 (when the tax ended) and was on pace to exceed $25.5 million for the full year.

Assuming that this tax remained in place and increased by five percent per year (which can be considered conservative due to recent increases and planned development that will increase the sales tax base), collections from a 0.5-percent tax in Brown County would reach approximately $30 million in 2018. This is shown below, beginning at the recovery in 2011 with actual (2011-15) and assumed (2016-2018) annual growth rates.

Figure 22: Actual and Assumed Stadium District Taxes, 2011-2018



*Projected for full year.
Source: State of Wisconsin, AECOM

Sales Taxes Paid by Non-Residents

As part of this analysis, we also attempt to estimate the share of a potential local sales tax that would be generated and paid by non-County residents. Exact data on this subject does not exist, and as a result, we have calculated an estimate based on various available points of data from multiple sources. However, various pieces of data are inconsistent with others, and as a result, this analysis is not considered to be fully reliable. The major sources of this data include:

- 2015 estimates of tourist spending by category in Brown County from Tourism Economics,
- 2014 Stadium District sales tax collections by NAICS code in Brown County from the Wisconsin Department of Revenue, and
- 2015 room tax collections in Brown County from the Greater Green Bay CVB.

In addition to the inconsistency of data, we recognize that the years analyzed for this data vary but we do not anticipate significant changes in amounts from one year to another, and we believe that this is adequate for a high-level estimate, particularly given the other limitations of the data. We utilize 2014 for Stadium District sales taxes because it was the last full year that the tax was in place.

While tourists will spend money in categories other than the five identified below, it would likely be nominal and has not been estimated by other analyses. Therefore, we assume that all tourist spending in Brown County is only for hotels; food and beverage; retail; recreation, arts, and entertainment; and transportation. The following table shows our estimates of the percent of spending that generates sales tax by category and in total.

Table 25: Estimated Tourist and Total Spending in Brown County ($000s)

	Estimated Tourist Spending	Total Spending	Tourist % of Total
Accommodations*	$53,014	$53,014	100%
Food & Beverage	$145,000	$411,118	35%
Retail	$121,000	$1,064,682	11%
Recreation/Arts/Entertainment	$115,000	$139,246	83%
Transportation	$101,000	$123,123	82%
All Other Categories	--	$3,062,125	0%
Total	**$535,014**	**$4,853,307**	**11%**
Total - not including "other" spending			**30%**

* Estimated tourist spending is assumed to be the same as total estimated spending.
Source: Tourism Economics, WI Department of Revenue, Greater Green Bay CVB, AECOM

Tourist spending is based on 2015 estimates from Tourism Economics' study of local tourism. However, its estimate of $132 million of hotel spending by tourists is inconsistent with the estimated $53 million in total hotel spending derived from tax collection reports. As a result, for hotel spending, we do not utilize Tourism Economics' estimate of $132 million but rather assume that the implied $53 million in spending (from room-tax reports) is fully generated by visitors.

For the other categories, Tourism Economics' estimates appear to be realistic relative to the total spending. As a result, given the limitations of this analysis, we estimate that visitors to Brown County generate approximately 11 percent of the sales tax revenues. However, as previously described, we assume no tourist spending in the "other" categories, which include utilities, manufacturing, wholesale trade, and various other categories that have a sales tax. Not including the "other" spending and the associated sales taxes, tourists generate approximately 30 percent of the sales taxes for the categories of spending that they participate in.

Event Ticket Sales

The previous estimate considered tourist activity throughout Brown County and the resulting sales taxes. In addition, estimates of non-local attendance at the Arena and Shopko Hall, and a potential new facility, can guide estimates of the percent of non-local sales taxes generated by facility activity specifically. However, as a sales tax would be enacted countywide, this would only address a small share of the spending and taxes considered above.

Based on data related to past ticket sales at facility events, out-of-county attendance at various categories of events range from approximately 58 percent to 63 percent. Overall, the non-local attendance is approximately 61 percent.

Stadium District Contributions

The Stadium District has earmarked $4.5 million from excess Stadium District taxes that can be made available to this project.

County Bonds

It is also possible that the County could issue bonds for facility construction that would be repaid by its general revenues.

Others

Various other potential funding sources could be available for development but are not quantified in this analysis. These include:

- Private contributions,
- State funding,
- Stadium District BID revenues, and
- Additional/new taxes.

Potential Funding Scenarios

Based on the estimated project costs and the funding analysis, we have identified various scenarios that could fund new facility development, as described below.

From Sales Tax and Other Contributed Amounts

We first explore opportunities to fund construction through the implementation of a 0.5-percent sales tax, as well as contributions from the Stadium District. This includes the following assumptions:

- **Project costs:** we have assumed the midpoint of estimated ranges for both construction costs and soft costs, or a total of $79.6 million for the smallest facility scenario, $89.4 million for the second scenario, and $101.7 million for the largest scenario.
- **Stadium District**: we assume that $4.5 million in excess tax collections is contributed from the Stadium District that will decrease total project costs.

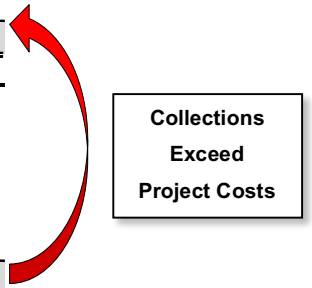
As described above, the 0.5-percent sales tax generated approximately $25 million in 2014, its last full year. Assuming five-percent annual increases into the future, a similar sales tax would generate

approximately $30 million in 2018. For the purposes of this analysis, we assume that a sales tax is implemented beginning in 2018 and sunsets when the required amount is collected. The table below summarizes these calculations for the three new facility scenarios.

Table 26: Sales Tax Funding Scenarios

	Future - New Facility		
	86,400 SF	**100,800 SF**	**122,400 SF**
Project Costs			
Construction	$65,000,000	$73,000,000	$83,000,000
Soft Costs	22.5%	22.5%	22.5%
Total Project Costs	**$79,625,000**	**$89,425,000**	**$101,675,000**
Less:			
From Past Stadium District Taxes	($4,500,000)	($4,500,000)	($4,500,000)
Total Net Project Costs	**$75,125,000**	**$84,925,000**	**$97,175,000**
Sales Tax Revenues to Meet Project Costs			
2018	$29,986,629	$29,986,629	$29,986,629
2019	$31,485,961	$31,485,961	$31,485,961
2020	$13,775,108	$24,795,194	$33,060,259
2021			$2,892,773
Total Sales Tax Collections	**$75,247,698**	**$86,267,785**	**$97,425,622**
Length of Time for Sales Tax Revenues to Meet Project Costs	***2 Years, 5 Months***	***2 Years, 9 Months***	***3 Years, 1 Month***

Source: AECOM



Based on our assumptions, we estimate that the three new facility scenarios could be funded within two years and five months (the smallest facility option), two years and nine months (second-largest facility), or three years and one month (largest facility).

For illustrative purposes, we also show the estimated length of time that would be required to pay off the same project costs, assuming other growth rates in sales tax collections (three percent and seven percent).

Table 27: Estimated Term of Sales Tax Lengths Under Alternative Growth Rates

	Future - New Facility		
	86,400 SF	**100,800 SF**	**122,400 SF**
3.0% Growth	2 Years, 8 Months	3 Years	3 Years, 5 Months
5.0% Growth	2 Years, 5 Months	2 Years, 9 Months	3 Years, 1 Month
7.0% Growth	2 Years, 3 Months	2 Years, 6 Months	2 Years, 10 Months

Source: AECOM

Other Scenarios

Any other contributions towards project costs (from sources such as County bonds, state funding, private donations, Stadium District BID revenues, and/or other taxes) would decrease the amounts needed to be raised from a sales tax, and the amount of time that a sales tax would exist. Because amounts from any of these sources cannot be reasonably estimated at this point, we have not included them in additional funding scenarios.

6. Economic and Fiscal Impact Analysis

This component of the analysis estimates the economic and fiscal impacts of the various scenarios to Brown County. For these future scenarios, the analysis focuses on one future, stabilized year of impacts (assumed to be 2023).

Also, construction of a new facility will generate a variety of one-time economic and fiscal impacts during the construction period, and these impacts are also estimated.

Introduction to Economic and Fiscal Impacts from Facility Operations

This section discusses the estimated economic and fiscal impacts that would accrue to the County, as well as the methodology and theory behind all major calculations and assumptions. In addition to these recurring annual impacts that will be generated by the facility's, impacts will also be created by construction of a new facility.

In general, the following impacts are estimated:

- **Economic impacts from operations –** these are defined as total spending associated with the facility or facilities' usage, such as within the facility itself and at local businesses such as hotels, restaurants, and others.
    - Economic impacts can be separated into gross and net impacts. Gross economic impacts measure all spending within the County that is attributable to the facility, regardless of the origin of the spending. Net impacts, which are a subset of gross impacts, only include spending by non-local residents (from outside of the County), as spending by local residents is considered "transfer" spending that likely would have otherwise been spent locally. For example, net spending to the County would only include spending by non-County residents. While it is possible that certain facility-related spending from local residents, for example, could be considered an impact to Brown County (as the spending may have otherwise occurred elsewhere, such as at an event in La Crosse or Madison), no transfer spending is considered to be an economic impact in this analysis.
    - Total economic impacts can also be separated into direct and indirect impacts. Direct impacts measure the actual spending impacts described above, otherwise referred to the "first round" of spending. Indirect impacts measure subsequent spending that remains within the local economy after changing hands multiple times before leaving it entirely. This is described in more detail later in this section. The sum of the direct and indirect impacts measures the full economic impacts to an area.

- **Jobs and payroll impacts from operations –** estimate new employment and related income for local residents associated with the economic activity described above. As compared to spending impacts that are generated from non-local residents, employment and income impacts are concerned with those who live within a defined area. For example, employment impacts to the County will measure new employment for local residents only.
- **Fiscal impacts from operations –** represent new public-sector (tax) revenues that are generated by the economic impacts. For example, use of a hotel room by an event attendee will generate room tax revenue.
- **Economic impacts from construction –** similar to operations, construction of a new facility will also generate impacts to the County, based on the share of project spending that would go to local firms and workers.

The remainder of this section discusses the concepts described above in more detail, as well as many assumptions that guide our estimates. We then show a side-by-side comparison of the resulting impact estimates for the four scenarios addressed in this report.

Economic Impacts from Operations

First, we estimate the economic impacts generated by facility operations (for a stabilized year of operations that is assumed to be 2023). All dollar amounts are shown in current (2023) prices.

Facility Revenues

The annual operating revenues of a facility represent a significant part of the overall economic activity that it generates. This revenue includes spending for items such as tickets, facility rent, concessions, parking, and others. These have been previously described and shown in the financial analysis of facility operations, and range from approximately $3.3 million to $5.6 million in 2023, for the four scenarios analyzed.

Attendee Spending Outside of the Facility

The other component of the economic activity generated by a facility's operation is the money spent by event attendees on items such as lodging, transportation, meals, entertainment, and shopping outside of the facility but as a result of their trip to the facility.

Based on analysis of event characteristics at other similar facilities, past characteristics of Arena and Shopko Hall events, the geographical characteristics of the region, and others, we have made assumptions regarding the geographic origin of attendees, whether they stay in the County overnight, and their spending characteristics outside of the facility (spending within the facility is included as facility revenue above).

Attendees' Geographic Origin

Because impacts are being considered for the County, we differentiate between facility attendees who are Brown County residents and those who live outside of the area. Spending by all attendees is calculated as the gross spending impact; however, only those who are non-local residents are considered in the calculations of net economic impacts, which are the true impacts to the County.

For these assumptions, we have primarily based our estimates on characteristics of actual attendees and ticket sales from past Arena and Shopko Hall events. According to management, for expos, sporting events, family shows, and concerts, the share of attendees from outside of Brown County ranges from approximately 58 to 63 percent. For social events, hourly usage, and "other" events, we assume that virtually all attendees live in Brown County.

We assume that these characteristics remain the same in the future as-is scenario as well as the two smaller new-facility scenarios, as we do not expect these scenarios to have a significantly different geographic attendee draw. However, for the largest new facility scenario (more than 122,000 square feet), we assume that the facility will be able to attract a share of larger regional and national expo events that cannot currently be held in Brown County, and therefore the percent of non-local attendees increases.

Types of Travelers

Event attendees are further divided into two other categories: daytrippers or overnight travelers. The majority of attendees will be daytrippers, including all local residents. However, a share of attendees will stay overnight before, during, and/or after an event.

It is assumed that a small share of attendees to many event types will stay overnight. We assume that no hourly users or "other" event attendees are overnight travelers, and the other event types are assumed to have two percent to ten percent of attendees stay overnight.

According to a recent tourism study of travelers to Brown County, 63 percent of overnight visitors stay in paid accommodations such as hotels (others generally stay with friends and relatives). Therefore, we assume that this same percentage of overnight visitors that use the facilities will spend money on hotel rooms.

For all attendees we assume an average of two people per hotel room. In addition, attendees' average length of stay will vary by the length of an event, but is generally assumed to be one to two nights.

Out-of-Facility Spending Assumptions

Assumptions related to out-of-facility spending by all event attendees is based on factors such as past studies of tourists' spending in Brown County, adjusted for assumed spending characteristics of attendees of Arena/Shopko Hall or new facility events. (For example, overall tourist spending numbers may be slightly skewed by spending associated with Packers games, which have higher ticket, food, merchandise, and hotel prices than events at the Arena and Shopko Hall.)

Daily spending has been separated into four categories: food and beverage, retail and entertainment, lodging, and transportation and other. Overnight attendees are generally assumed to spend more than daytrippers, as they will spend more time in the County. Beginning with 2015 D.K. Shifflet estimates of tourists' spending in Brown County, we then reduce these figures by estimated amounts to be spent inside the facility for items such as tickets and F&B. Remaining amounts are assumed to be spent within Brown County during an attendee's stay.

Estimates of daily spending apply to attendees of all event types except hourly rentals and "other" events. For other event attendees, total daily spending ranges from approximately $15 to $100.

Gross vs. Net Impacts

The total economic activity summarized above does not represent actual economic impacts; it merely shows the total (gross) spending generated by facility operations, including transfer spending by local residents. After estimating this gross spending, transfer spending is deducted to arrive at the estimated net economic impacts for the County. In other words, for the purposes of calculating economic impacts to the County, all spending by County residents is subtracted and only spending captured within the County by non-local residents is considered.

Spending impacts to the County related to out-of-facility spending are based on assumptions of attendee origin and their spending characteristics, as previously described. However, revenues captured by the facility itself are analyzed separately. Assumptions related to these revenues are as follows:

- **Rental Revenues –** we assume that all of the events held at the existing facilities and a new facility would not be able to be held in Brown County but for the presence of the facilities. As a result, it is assumed that 100 percent of facility rental revenues are considered to be net impacts.
- **Advertising and Sponsorships –** 75 percent of this revenue is considered to be a net new impact to Brown County. While some of this revenue will be generated from local businesses and would possibly have been spent locally without the facility (for example, with the

Packers/Lambeau Field), the facilities provide a venue for advertising and sponsorships to a specific niche audience that is not necessarily the same as that of other local facilities. In addition, some of the facility's sponsorship revenues will be generated from regional or national firms, and even locally-based firms may have otherwise spent their advertising dollars elsewhere.

- **Ticket Sales –** generally, revenues from ticket sales are retained by an event promoter and/or performer and often immediately leave a facility's market. For the facilities in Brown County, locally-based PMI is the promoter of many events and therefore, its ticket revenues are local impacts to the extent that they are purchased by non-local residents. As a result, only PMI ticket revenues are considered to be gross spending impacts, and the net impacts are based on the percent of non-local attendees to their events.
- Calculations of other facility revenues that are directly related to attendee use of the facility (such as concessions, merchandise, and parking) are based on the share of local and non-local attendees for each event type, and their assumed spending. This is consistent with estimates of non-local, out-of-facility spending. For example, facility parking revenue that is considered to be an impact to the County is based on calculations of parking spending by non-County residents.

Multiplier Effect and Indirect Spending

As the spending from the direct economic activity takes place in the County's economy, it will trigger other, indirect, levels of economic activity. For example, the operating businesses that are affected by facility use (including the facility itself and hotels and restaurants, retail stores, and others) will purchase various goods and services from local and regional vendors (e.g., utilities, inventory, supplies, labor, and the like). As this occurs, these workers and vendors receive income and, in turn, make purchases of goods and services themselves. Within each round, some spending occurs in the local economy and some flows outside of that economy (referred to as "leakage"). The total amount of spending that stays within the local economy includes both the first round ("direct") and all subsequent rounds of economic activity ("indirect").

These total impacts are estimated through the use of "multipliers" applied to the estimates of direct impacts. The multipliers, which are calculated by the federal government and are unique to each geographic area, are regarded as the most reliable and accurate measure of indirect spending that is available. Multipliers differ from area to area because of geography; proximity to other business centers and the size of an area will affect the length of time that direct spending is retained by an economy before fully leaking out. In addition, different sectors of an economy have unique multipliers,

based on their own proximity to other industry-specific economies, vendors and suppliers, and the like.

For this analysis, we have utilized multipliers developed by IMPLAN for Brown County. Various multipliers for different industries are used, as every type of spending that comprises the direct impacts ("Category") has a multiplier, based on a corresponding "Industry Sector." As the table below shows, the multipliers for various industries generally range from approximately 1.5 to 1.7. In other words, a multiplier of 1.5 indicates that total economic activity is estimated at 1.5 times the estimate of direct impacts; this includes the direct impacts (at 1.0) and the indirect impacts (at 0.5). Multipliers typically increase as the size of a geographic area increases, as it takes more time for later rounds of spending to leave a larger area (for example, Wisconsin compared to Brown County). The County-level multipliers for the various revenues and spending types are shown below.

Table 28: Brown County Spending Multipliers

Category	Industry Sector	Multipliers
Facility Revenues		
Gross Ticket Sales	Perf. Arts, Spectator Sports, Museums, Zoos, Parks	1.6423
Facility Rental	Perf. Arts, Spectator Sports, Museums, Zoos, Parks	1.6423
Gross Building Charges	Perf. Arts, Spectator Sports, Museums, Zoos, Parks	1.6423
Gross Food and Beverage Sales	Food Services and Drinking Places	1.6882
Gross Merchandise Sales	Retail Trade	1.5629
Facility Advertising and Sponsorships	Broadcasting (non-Internet)	1.4896
Facility Fees	Perf. Arts, Spectator Sports, Museums, Zoos, Parks	1.6423
Parking	Transit and Ground Passenger Trans.	1.6570
Miscellaneous	Perf. Arts, Spectator Sports, Museums, Zoos, Parks	1.6423
Spending Outside the Facility		
Food and Beverage	Food Services and Drinking Places	1.6882
Retail and Entertainment	Retail Trade; Perf. Arts, Spectator Sports, etc.	1.6026
Lodging	Accommodation	1.5484
Transportation and Other	Transit and Ground Passenger Trans.	1.6570

Source: US Department of Commerce, AECOM

Jobs and Payroll

The operation of a facility creates jobs both within the facility and throughout the community. Jobs within a facility include full-time staff and temporary, part-time event staff. The facility's use and attendees' spending will also support jobs throughout the area, at hotels, restaurants, retail stores, and the like (from both direct and indirect spending). Employment and income impacts to the County refer to jobs and income that are captured by County residents only.

Average hourly and annual wage information for various types of occupations (in the lodging, F&B, retail and entertainment, transportation, and amusement and recreation industries) are provided by the US Department of Labor's Bureau of Labor Statistics, based on data compiled for the Green Bay area in 2015.

Similar to spending, multipliers are used to estimate indirect employment and earnings, based on the direct estimates. The following table summarizes employment and income multipliers used in the calculation of indirect jobs and earnings.

Table 29: Estimated Employment-Related Multipliers

Category	Employment Multipliers	Earnings Multipliers
Facility Operations	1.3381	1.3932
Concessions, Food and Beverage	1.2364	1.5584
Retail and Entertainment	1.3306	1.4522
Lodging	1.3136	1.5472
Transportation and Other	1.3666	1.5298

Source: US Department of Commerce, AECOM

Fiscal Impacts from Operations

As previously described, fiscal impacts represent new public-sector tax revenues that are generated based on the presence and use of a facility. The only local-level taxes that are expected to be affected by facility usage is the room tax, and if enacted, a potential County sales tax. (Other taxes, such as the state sales tax and income tax, are not considered in this analysis because they are state revenues.)

The current room tax is ten percent, and if enacted, a local-option sales tax would be 0.5 percent.

Fiscal impacts do not include any taxes generated by sales of products at consumer shows (such as sales taxes from the purchase of a boat at a boat show), but these are assumed to increase in the new facility scenarios due to the events' ability to expand.

Economic Impacts from Construction

The construction of a new facility will represent a one-time economic activity that will create income and employment impacts to Brown County, based on spending on construction-related items such as labor and materials. Since a recent legislative change, the public sector is exempt from paying taxes on construction materials, and as a result, there would be no associated fiscal impacts. Major assumptions that drive the calculations of local impacts include the total costs associated with construction and the detailed components of this spending, as well as the anticipated geographical origin of workers and firms involved in the construction project.

The estimated project costs for each scenario are summarized in a previous section. Average annual wages for project workers are based on industry wage data for the County, as compiled by the US

Department of Labor. Also, we assume that the following levels of local participation on a construction project are achievable, based on available data from the Lambeau Field Atrium construction project:

  - 30 percent of construction workers will live in Brown County, and
  - 37 percent of materials will be provided by County-based firms.

- Construction industry multipliers for the area are as follows:

Table 30 – Construction Spending and Employment Multipliers

	Multipliers
Spending	1.6320
Employment	0.8048
Earnings	0.5928

Source: US Department of Commerce

Summary of Economic and Fiscal Impacts

Based on the assumptions and methodology described above, all relevant economic and fiscal impacts are summarized below for each development scenario, as well as estimated amounts from 2015 operations.

Table 31: Summary of Economic and Fiscal Impacts – Estimated 2015 and Four Future Scenarios (2023, thousands of dollars)

	Estimated - 2015	Future Scenarios - 2023			
		As-Is	New - 86,400 SF	New - 100,800 SF	New - 122,400 SF
Economic Impacts - Spending (Annual)					
Gross Direct Spending Impacts					
Gross Facility Revenue	$2,929	$3,271	$3,556	$4,578	$5,579
Total Spending Outside the Facility	$4,104	$3,218	$3,141	$4,394	$6,220
Total Gross Direct Spending - Inside and Outside of the Facility	$7,033	$6,489	$6,697	$8,972	$11,799
Net Direct Spending Impacts					
In-Facility	$2,536	$2,840	$3,045	$3,927	$4,613
Outside the Facility	$2,557	$2,016	$1,967	$2,734	$3,544
Total Direct Spending	$5,093	$4,856	$5,012	$6,661	$8,157
Total Net Spending - Direct and Indirect					
Total Direct	$5,093	$4,856	$5,012	$6,661	$8,157
Net Indirect - In-Facility	$1,603	$1,798	$1,914	$2,486	$2,916
Net Indirect - Outside of Facility	$1,612	$1,266	$1,235	$1,714	$2,196
Total Net Spending - Direct and Indirect	**$8,308**	**$7,920**	**$8,161**	**$10,861**	**$13,269**
# of Room Nights	**4,183**	**3,796**	**3,843**	**5,317**	**9,018**
Economic Impacts - Jobs and Earnings (Annual)					
Total Jobs (Full-Time Equivalent)	**83**	**91**	**95**	**105**	**111**
Total Earnings	**$2,786**	**$2,497**	**$2,473**	**$2,878**	**$3,472**
Fiscal Impacts - Operations (Annual)					
Room Tax	**$65**	**$70**	**$71**	**$98**	**$166**
Sales Tax (if enacted)	**--**	**$19**	**$19**	**$26**	**$34**
Economic Impacts - Construction (One-Time)					
Labor Expenditures	**--**	**--**	**$9,512**	**$10,683**	**$12,146**
Sales of Materials and Services	**--**	**--**	**$58,157**	**$65,314**	**$74,261**
Employment	**--**	**--**	**199**	**224**	**254**

Source: AECOM

As the table shows, economic and fiscal impacts generally increase from the as-is scenario to the new-facility scenarios.

7. Appendix – Management Analysis

As part of our scope of work, we have also considered options for oversight and management of the future operations of any facilities at the Arena/Shopko Hall site. In the past, the facilities were operated by Brown County through its CVB and by all accounts, this was not a successful model because the CVB wsa unable to accept the risk associated with events and facility operations. As a result, PMI was spun out of the CVB and became the facilities' operator as a private-sector contractor.

Current Management Contract

The most recent extension of PMI's contract was executed in 2012; major terms of PMI contract include:

- PMI is the subtenant to Brown County for the Resch Center, the Arena, Shopko Hall, the former Packers Hall of Fame building, the Blue parking lot, and all adjacent parking and vacant land located at 1901 South Oneida Street.
- 15-year term beginning June 1, 2012, with two additional five-year options.
- Annual rental payments from PMI to Brown County beginning at $300,000 per year in 2012 and increasing through inflation to approximately $355,000 by 2024.
- These rental payments are to be placed in a fund to be used by the County only for capital improvements to the facilities (for items in excess of $15,000).
- During the term of the lease, PMI will invest $1 million for other capital improvements.
- In the event of a demolition and/or addition of facilities, PMI and the County have two years to determine new operational costs. After two years, the County has the right to renegotiate rent payments. The County also has the right to opt out of the lease, provided that PMI has the right of first refusal. Should PMI exercise this right, the County must reimburse it for certain items.
- PMI is responsible for all operating deficits of the facilities, and retains all revenues with the exception of naming rights and other major sponsorships (which were used to help fund the Resch Center's construction).

PMI effectively takes all risk for the facilities' operations by funding any deficits, has committed to invest in capital improvements, and guarantees an annual revenue stream to the County. The only potential public expenses are for major capital improvements, and this is at least partially funded by PMI's rent payments. (PMI's ownership of the facilities' ticketing and food and beverage operations, as well as the Gamblers, provide for other revenue opportunities to PMI that are associated with the facilities and help it to make these financial commitments to the County.) According to PMI audits that

are provided to the County, annual operating deficits of the three facilities totaled approximately $10.5 million from 2004 through 2015, or an average of nearly $875,000 per year (which would otherwise be the County's responsibility).

It appears as though PMI is a good steward of the Arena, Shopko Hall, and the Resch Center and is invested in their broader positive impacts to the community and maximizing their usage. According to PMI, through late 2015 (less than 3.5 years into the 15-year contract), it has already invested more than $700,000 of the required $1 million in capital improvements, for items such as a new scoreboard and menu boards, office renovations, new flooring for the Gamblers' locker room, and other items. According to PMI, it has also invested approximately $3.9 million in other facility-related improvements that are beyond its contractual obligations.

Other Public-Assembly Facility Management Contracts

As part of our analysis of the terms of the partnership from the County's perspective, we identify major financial terms of private-sector management contracts for other similar, publicly-owned facilities and complexes across the country. We focus on arenas and multi-facility complexes, as convention centers alone are rarely profitable and the private sector would not take on operating risk.

- **Contract #1 (6,000-seat arena and 15,000-SF conference center):**
  - City pays a fixed management fee of $125,000
  - Incentive management fees based on F&B and ticket sales, concert attendance, and customer satisfaction can equal an additional $125,000
  - Manager invested $285,000 at contract renewal for new LED lighting
  - Facility was 100% publicly funded; City has all operating risk
  - Facility approximately breaks even from operations after initial deficits
- **Contract #2 (8,000-seat arena, 15,000-SF exhibit hall, and 2,800-seat theater):**
  - Fixed and incentive management fee paid by City has been approximately $175,000 and $310,000 in the last two years
  - F&B contract with manager has a fixed and incentive component, and has paid approximately $77,000 and $125,000 in the last two years
  - Sponsorship sales contract with manager has a fixed and commission component, and has paid approximately $90,000 per year in the last two years
  - Ticketing contract with manager pays $7,500 per year
  - Facilities were 100% publicly funded; City has all operating risk
  - Facilities lost approximately $650,000 in a recent year
- **Contract #3 (7,000-seat arena):**
  - Fixed management fee of $114,000 per year

  - Incentive fees can double total compensation
  - Manager receives 5% of gross F&B and sponsorship sales
  - Facility was 100% publicly funded; City has all operating risk
  - Facility lost nearly $700,000 last year
- **Contract #4 (8,000-seat arena):**
  - Fixed management fee of $120,000
  - Incentive management fee: 30% of net profits and customer service award
  - F&B contract with manager: City receives 4% of gross sales
  - Manager provided $200,000 for event and facility marketing
  - Facility was 100% publicly funded; City has all operating risk
  - Facility lost approximately $1.4 million in a recent year
- **Contract #5 (12,000-seat arena, 7,000-seat arena, 50,000-SF convention center, and 700-seat theater):**
  - Fixed management fee of $100,000 per year
  - Incentive fees can double total compensation (based on qualitative and quantitative factors)
  - Manager invested $275,000 for operations, preopening, and grand opening expenses
  - Facilities were 100% publicly funded; City has all operating risk
  - Food and beverage contracted with a separate company; concessionaire to invest $640,000 over the term of its five-year agreement, City's commission expected to be approximately 36% of sales; City is responsible for repairs greater than $2,500 per item.

The terms outlined above are generally representative of management and other service contracts between a public-sector entity and private contractors for public-assembly civic facilities in the US. In general, the public entity typically funds capital investment in a facility and assumes all operating risk, and hires a private company or companies for a fee (which often includes incentives). Because these civic facilities typically do not generate operating profits, the public owners are generally responsible for funding operating deficits as well as payments to private partners.

In addition to the facilities above, two of the four facilities analyzed as comparable facilities in the previous section (the Swiftel Center and Big Sandy Superstore Arena) are privately managed on behalf of the public sector. The management contracts for both publicly-funded facilities are similar to the ones summarized above, in that the public owner is responsible for all expenses and deficits (as well as improvements), retains all revenues, and pays an agreed-upon management fee. As shown in

the previous section, both facilities generate operating deficits of approximately $400,000 to $500,000.

In Brown County, the terms are essentially reversed; while the facilities were publicly funded, PMI is at risk for operations and provides a guaranteed fee to the County (as previously mentioned, PMI's ownership of ancillary companies helps allow it to make these commitments). While this is not entirely unique in the industry, it is highly uncommon, particularly for smaller and older facilities in non-major markets. Based on our research, examples of terms that are similar to the Brown County-PMI structure are as follows:

- **Contract #1 (15,000-seat arena):**
    - Private manager is responsible for operating losses (the arena has significant revenue-generating opportunities from two minor-league tenants, premium seating, sponsorships, and other sources)
    - Manager retains the first $400,000 in net income as its management fee; excess net income is divided equally between manager and County
    - County retained approximately $250,000 in a recent year
- **Contract #2 (15,000-seat arena):**
    - The facility is part of a complex with other events facilities; the arena is leased by the private manager from the County and serves as manager for a fee for the two other facilities
    - The arena also has significant revenue-generating opportunities from three minor-league tenants, premium seating, and a facility surcharge
    - The private manager has operating risk and shares net income as follows: the first $500,000 goes to the manager; 70% of the next $1 million goes to the County; 80% of excess revenue then goes to the County
    - Last year, the County retained approximately $1.3 million and the manager retained $925,000 from operating revenues
    - The County also retains 3% of gross F&B sales from the manager (approximately $167,000 last year)
    - The County typically uses its revenues for capital improvements

These two facilities are significantly different in many ways from not only the Arena and Shopko Hall, but also from a possible new multipurpose expo facility in Brown County. They are actually more similar to the Resch Center, but are newer and are in larger markets, with professional sports tenants, more premium seating, access to naming rights and other major sponsorship revenues for operations, the ability to attract and host events of a larger scale, and other advantages. Neither a renovation of the existing facilities or construction of a new facility in Brown County would be

expected to generate the scale of revenues that, on their own, would allow a private manager to assume all operating risk.

Conclusions

As a result, we believe that the County's arrangement with PMI is advantageous to the County. The County receives a fixed revenue stream each year from the facilities, retained naming rights and sponsorship revenues that helped to fund construction of the Resch Center, and does not have any operating risk. The County is primarily responsible for capital improvements to the facilities, as would be expected, but also receives assistance from PMI through its rent payments as well as PMI's agreement to invest in improvements. While it is common for a city or county to subsidize operations and pay a management fee, Brown County receives guaranteed profits from the facilities' operations. In 2015 alone, the facilities' reported deficit was nearly $800,000, which was absorbed by PMI rather than the County.

Per the terms of the current contract, should the Arena and Shopko Hall be improved or replaced, PMI would remain as manager for at least two years, after which lease terms could be renegotiated. While the County has the right to opt out of the lease at that point, PMI has the right of first refusal to continue as manager. At this point in the process, we do not believe that there would be any need to replace PMI after a renovation or construction of a new facility. As previously described, PMI appears to be a good steward of the facilities and maximizes their usage, while taking on significant risk. In addition, switching managers could have the following negative impacts:

- a loss of continuity in operations,
- would likely lead to a management contract that is more typical in the industry, with the County becoming liable for any operating deficits in addition to management fees and construction/capital repairs. We do not believe that another facilities management firm would agree to the terms currently in place, assuming that they would not own the assets that allow PMI to generate profits to offset the facilities' deficits. Even if these assets were to become available to a PMI competitor, these firms do not typically take the associated risks, and
- the likely loss of PMI's events at the facilities, which are among their major users and generators of economic impacts.

For the purposes of this study, we assume that PMI continues to operate the facility or facilities throughout the projection period for all scenarios, under the same general terms. Amounts assumed to be paid in future years as rent for each scenario are described below in more detail.