



Dane County

Minutes - Final Unless Amended by Committee

Alliant Energy Center Redevelopment Committee

Consider:

Who benefits? Who is burdened?

Who does not have a voice at the table?

How can policymakers mitigate unintended consequences?

Monday, May 20, 2019

3:00 PM Board Room on the second level of the Exhibition Hall

Board Room on the second level of the Exhibition Hall

A. Call To Order

S. Corrigan called the meeting to order at 3:04 p.m.

Present 11 - SHELIA STUBBS, SHARON CORRIGAN, SHERI CARTER, DEB ARCHER,
BREWER STOUFFER, ROBERT CRAIN, DAVE RIPP, TERESE BERCEAU, GARY
WOLTER, MARK CLARKE, and HEATHER STOUDE

Excused 2 - RUBEN ANTHONY, and TOM DECHANT

*Others present: L. Alvarez, B.Franz, S. Harrington, L. Kuhl, S. Mesch, D. Morganthaler,
P. Nelson, K. Peterson Thurlow, Vandenberg, T. Violante and L. Wood*

B. Consideration of Minutes

1. [2019 MIN-044](#) Minutes of the 4/15/19 Alliant Energy Center Redevelopment Committee Meeting

Attachments: [2019 MIN-044](#)

A motion was made by BERCEAU, seconded by RIPP, that the minutes be approved. The motion carried by a voice vote.

C. Action Items

None

D. Presentations

None

E. Reports to Committee

1. [2019](#) Alliant Energy Center 2018 Annual Report
[RPT-053](#)

Attachments: [AEC 2018 Year-End Financial Report](#)

B. Franz, CFO of AEC addressed the committee. He indicated that 3 things are 75% of the budget: personal services, debt service, and utilities.

Franz said that, in 2018, the AEC had operating income of \$1.3 million and net revenue of \$257,758.

The Exhibition Hall makes the most money for the AEC.

Wolter asked about debt level and whether there is deferred maintenance.

Franz indicated that the parking lot could use \$2 Million in improvements. Clarke said in 2013-2014, they decided to do less in deferred maintenance because of the need to pay debt service on the pavillions. He tries to prioritize and juggle maintenance needs.

Corrigan mentioned the use of the SMART fund for lighting and bathroom improvements.

Clarke spoke of the Coliseum market and maintenance study. They identified the events that would come with investment. In the last five year, about \$5 million has been invested in things the consumer sees including lighting, restrooms, painting, and carpeting.

Concerts and family shows are doing very well. Corrigan indicated that these are great community and family gathering events. Clarke said the number of events have decreased but the revenue has increased because of the types of events.

Berceau asked about the investment in repairs. Franz will put together a history of this. Carter pointed out that the grounds are also profitable. Clarke says it is because there is little overhead and little labor.

2. [2019 RPT-054](#) Potential Funding Sources Discussion

Attachments: [Local Expo. Dist. Authority Summary Comp. Criteria](#)

[List of Potential Funding Sources](#) [New Holland Funding Sources](#)

[State Funding Proposal FAQ](#)

Harrington spoke of various local, state and private sector funding sources and what costs they might be available to cover. Property sale or lease could provide \$8 - \$10 Million either as outright sale or in lease to cover debt service. He indicated the goal is \$90 million for Phase I.

Another source of revenue would be the hotel room tax. Other sources can only support private development; such as tax increment districts, business improvement districts and special assessments.

State sources would include a local exposition district but this would require legislative action. Dane County has requested funding in grants from the state. Private investments to support redevelopment could come from contractors, Alliant Energy Center users, naming rights, corporate sponsors, foundation grants, and developers. If everything came in as estimated, we would have between \$60 - \$100 Million.

Crain asked about the opportunity zones. Harrington said people can invest in a zone and any gain is free of capital gains if leave it there for 20 years. It might help us with building hotels.

Harrington spoke of the anticipated increased economic activity and asked, 'How could new activity allow sharing of revenue?'

Ripp asked if AEC gets the room tax from the Clarion. They do. The City of Madison spends 70% of room tax revenue on tours/promotions and 30% for general purposes.

Harrington spoke of the Exhibition district statutes. It would be necessary to get change from the Legislature. An Expo District would allow capture of some of that increased economic activity. An Expo District would also be the entire geography of the municipality that created it - so the district would extend to the borders of Dane County. Harrington spoke of taxes available for Expo districts and the hotel tax.

In 2022, the \$90K generated from the Clarion will go to the City and AEC will need to request that money from the Room Tax Commission. An Expo District becomes its own unit of government with members appointed by the state.

Ripp pointed out that this had been a discussion over 15 years ago and Madison did not want to give up the room tax.

3. June Meeting Structure

Harrington spoke of the potential breakout sessions for the June Meeting.

1. *Project messages and building county wide support*
2. *Corporate outreach*
3. *Local Expo District and Room tax sharing*

Stubbs reminded the committee to continue the discussion of equity, environment and economy.

Archer wondered if sharing growth in sales tax could also be discussed.

Stouffer wondered if the hotel tax would follow the expansion. Harrington said it would go hand in hand. Discussion ensued regarding covering that gap.

Ripp wondered if we could say how much the state got back for this building. Build the case to show the state what they got back.

Berceau asked, what is the lobbyist is presenting to the Legislature? Clarke is doing much of this work.

Stouffer asked to revisit the potential for sale/lease of property.

Wolter asked, "If we do this, what do we get? What are the financials? It is a tougher message to say we need to do something to keep from failure. What is the problem we are trying to fix?"

Wolter spoke of sunseting a sales tax for an Expo district.

F. Future Meeting Items and Dates

G. Public Comment on Items not on the Agenda

There was no public comment on items not on the agenda.

H. Such Other Business as Allowed by Law

There was no other business as allowed by law.

I. Adjourn

A motion was made by ARCHER, seconded by CLARKE, that the meeting be adjourned. The motion carried by a voice vote.

Minutes respectfully submitted by Janice L. Lee, subject to approval by the committee.