



# Bid Waiver Form

Revised 02/2023

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|--|--|-------------------|-------------|
| <b>Short Description of Goods/Services</b> | Marketing Feasibility and Master Plan Update for the Alliant Energy Center | <b>Total Cost</b> | \$99,800.00 |
|--|--|-------------------|-------------|

|                    |                          |                |  |              |  |
|--------------------|--------------------------|----------------|--|--------------|--|
| <b>Vendor Name</b> | Hunden and Partners Team | <b>MUNIS #</b> |  | <b>Req #</b> |  |
|--------------------|--------------------------|----------------|--|--------------|--|

|                           |                       |              |                                      |
|---------------------------|-----------------------|--------------|--------------------------------------|
| <b>Purchasing Officer</b> | Pete Patten           | <b>Date</b>  | May 15, 2023                         |
| <b>Department</b>         | Alliant Energy Center | <b>Email</b> | heffron.adam@alliantenergycenter.com |
| <b>Name</b>               | Adam Heffron          | <b>Phone</b> | 267-3982                             |

**\*A VENDOR QUOTE MUST BE ATTACHED TO THE WAIVER FOR APPROVAL\***

**Provide a detailed description of the goods/services intended to be purchased:**

The report will include an update to all relevant trends, market data, and demand opportunity for the uses and chapters in Hunden’s 2017 report, as well as updates to the demand and financial modeling as appropriate.

The update will focus on the following major components that came out of the original plans:

- Expansion of the exhibit/convention building,
- The addition of perimeter fencing around the property in Phase 1,
- An update to construction cost estimates,
- The feasibility of building an outdoor stage for live entertainment performances, and
- AEC campus land development options that benefit current event clientele, or attract new events to the venue, as well as provide an amenity or service that event clients, attendees and exhibitors would benefit from.

Hunden proposes a scope of work that meets or exceeds all of the elements necessary for a study update of this type.

All work will be performed on a time and materials basis and only as directed by the Committee and County staff with a maximum budget not to exceed \$99,800 for 2023.

**\*Send to a Purchasing Officer Once Completed\***



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## Procurement Exception List

- Emergency Procurement
- Unique and specific technical qualifications are required
- A special adaptation for a special purpose is required
- A unique or opportune buying condition exists
- Only one vendor possesses the unique and singularly available ability to meet the Department's requirements

Provide a detailed explanation as to why the competitive bidding (RFB/RFP) process cannot be used. Also provide a detailed justification in relation to the Procurement Exception(s) chosen:

The Alliant Energy Center is a 164-acre multi-venue event space which is undertaking a redevelopment plan to expand and update the facilities found throughout the campus. In order to keep our venue relevant and competitive with other public assembly facilities, we seek to engage and contract with Hunden and Partners Team to complete an update to a market, financial feasibility, and master plan study originally completed by Hunden and Perkins and Will in 2017 and 2018.

The purpose of the update is to create a companion report to the 2017 report that focuses on what has changed the local and competitive markets, as well as national trends changes post-Covid. The report update will identify the market segments with the most immediate opportunity for the AEC, facility renovations, and efforts needed to accommodate them, and the expected return on investment.

The services for the original report that produced the 2017 report was competitively bid out and awarded to Hunden via RFP 116033 - Market Study of the AEC Campus. It's critical that Hunden is used for this report so the comparisons can be reviewed amongst the same assumptions and criteria used originally by Hunden. A different vendor for this companion report would bring different assumptions and criteria and would not portray an accurate review and comparison.

## Bid Waiver Approval (For Purchasing Use Only)

Under \$43,000 (Controller)

\$43,000+ (Personnel & Finance Committee)

Date Approved:

**\*Send to a Purchasing Officer Once Completed\***



## Alliant Energy Center Report Update Proposal

**To:** Adam Heffron, Executive Director  
Alliant Energy Center  
1919 Alliant Energy Center Way  
Madison, WI 53713  
Heffron.Adam@alliantenergycenter.com

**From:** Rob Hunden, CEO  
Hunden Partners  
213 W Institute Place, Suite 707  
Chicago, IL 60610  
rob@hunden.com

**Date:** May 3, 2023

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### Project Understanding

The Alliant Energy Center (AEC or Client) is seeking to engage the Hunden Partners Team (Hunden or Team), including design experts at Perkins&Will (P&W), to complete an update to the market, financial feasibility, and master plan studies originally completed by the Team in 2017 and 2018.

The purpose of the report update is to create a companion report to the original 2017 and 2018 documents that focuses on what has changed the local and competitive markets, as well as national trends changes post-Covid. This new effort will not duplicate items included in the original reports, but will be a comprehensive update via a PowerPoint-style analysis. It will focus on how the various market segments considered at the AEC have changed since the Covid-19 pandemic and what implications/recommendations can be drawn regarding future renovations of the AEC. The report update will identify the market segments with the most immediate opportunity for the AEC, the facility renovations and efforts needed to accommodate them, and the expected return on investment.

This assignment will include an update to all relevant trends, market data, and demand opportunity for the uses and chapters in Hunden's 2017 report, as well as updates to the demand and financial modeling as appropriate.

The update will focus on the following major components that came out of the original plans:

- Expansion of the exhibit/convention building and

- In a future phase of analysis and update, Hunden will assess scenarios for the Coliseum building as outlined in the 2018 Master Plan. No assessment of the Coliseum will take place in this phase of work.

In addition to that scenario, the study update will also address:

- The addition of perimeter fencing around the property in Phase 1,
- An update to construction cost estimates,
- The feasibility of building an outdoor stage for live entertainment performances, and
- AEC campus land development options that benefit current event clientele, or attract new events to the venue, as well as provide an amenity or service that event clients, attendees and exhibitors would benefit from (remove consideration of residential and office).

Hunden proposes a scope of work that meets or exceeds all of the elements necessary for a study update of this type. Hunden is happy to discuss any changes to this scope and to modify the report organization and methodology as needed.

*In order to keep scope, timing and fees at a reasonable level, the assessments and updates will be from a higher-level perspective and will not be the deep and detailed 300+/- page document completed previously, but a PowerPoint deck of updates and most important datapoints.*

## Scope of Work

Hunden's methodology will be organized as follows:

- Task 1 – Kickoff, Project Orientation and Interviews
- Task 2 – Update of Alliant Energy Center Campus Profile
  - Physical Review
  - Review of Surrounding Amenities/Commercial Development
  - Historical Performance Profile
- Task 3 – Update of Economic and Demographic Analysis
- Task 4 – Amphitheater Market & Trends Analysis
- Task 5 – Update of Convention Center Industry Trends
- Task 6 – Update of Convention, Meetings and Event Market Analysis
- Task 7 – Update of Equine and Livestock Market Analysis; Trends
- Task 8 – Update of Indoor Sports Market Analysis; Trends; Tournament Opportunity
- Task 9 – Update of National Comparable Ag-Expo-Event Complexes

- Task 10 – Updated Recommendations and Market Findings
- Task 11 – Updated Cost Estimates and Design Concepts
- Task 12 – Updated Demand and Financial Projections
- Task 13 – Updated Master Plan Recommendations

### **Task 1: Kickoff, Project Orientation and Interviews**

Hunden will perform the following orientation and due-diligence oriented tasks:

- Obtain information and data from AEC, Madison and Dane County officials, additional key stakeholders, economic development officials, and any other appropriate agencies.
- Tour the AEC, surrounding demand generators, and any support amenities.
- Interview stakeholders from a variety of local private and public organizations and perform fieldwork as appropriate.
- Review the 2017 and 2018 studies and achieve alignment on the goals for the updated study.
- Gather and review available economic, demographic, and financial data.
- Inventory current Madison meetings, concert and entertainment venues, as appropriate.

### **Task 2: Update of Alliant Energy Center Campus Profile**

During the site visit, the Team will tour the Alliant Energy Center Campus and interview AEC management to get an understanding of the current programs and services, what events the AEC has been able to host in the past and what it believes it has the ability to induce in the future with optimal facility updates. Hunden will identify Dane County's convention destination package and those issues that impact destination appeal and visitation levels. Hunden will make notes of what has changed since 2017, what is working and what has not been working.

**Physical Review.** P&W will lead the assessment update of the physical characteristics of the current AEC complex, with a focus on the Exhibition Hall. The Team will consider, as appropriate:

- Architectural issues (the condition of interior and exterior components),
- Major programmed spaces, types and quality (size and quality of ballroom, meeting and other spaces)
- Capital improvements and long-term facility planning data,
- Foodservice operations (concessions, catering, merchandise, vending, etc.),
- Accessibility for ADA compliance,
- Patron facilities, including restrooms,

- Parking and parking conditions, and
- Site entrance and egress.

**Historical Performance Profile.** Hunden will update the profile of the historical event, attendance, group activity and financial history for the AEC, as available and relevant to the update. The existing and past business will be a baseline from which future expanded business will occur due to a rehabilitated Coliseum and expanded Exhibition Hall. Hunden will identify potential gains in group activity due to the Project elements, based on interviews with the Client, venue management, current/potential clients, as well as experience and examples from elsewhere.

### Task 3: Update of Economic and Demographic Analysis

Hunden update relevant economic and demographic data, including:

- Geographic attributes, accessibility, and transportation links,
- Trends in population growth and income,
- Airport information, and
- Other key datapoints as relevant.

The analysis will provide implications for the updated recommendations and market findings.

### Task 4: Amphitheater Market & Trends Analysis

**Trends.** In this task, Hunden will provide an update of industry trends impacting the development and renovation of indoor and outdoor performance venues.

**Market Analysis/Competitive Supply.** This task will provide an updated understanding of the market that Madison finds itself in, and the opportunities and challenges associated with the current marketplace. Are there gaps in quality, supply of certain facility types, and overabundance of certain types of outdoor entertainment venues? An analysis of the competitive supply will paint a clear picture.

**Promoter Demand Interviews.** The real key to understanding the market opportunity and feasibility of a new outdoor venue is an understanding of who will most likely use the facility. Amphitheaters have many potential user types, from concerts, comedy shows, and performing arts to family shows, graduations, and others. Hunden will conduct interviews with the show promoters and others who cover this region (from the companies who route events in the area) and will determine what shows and events are likely to come to the facility and under what conditions. What are the pros and cons of the market? Are there elements that the facility should include in order to be more attractive to these events? What are the needs of concerts and other events that are logical for an outdoor performance venue?

### **Task 5: Update of Convention Center Industry Trends**

Hunden will provide relevant updates to the industry trends chapter to reflect the current and future convention/conference, banquet, meetings and events market. This will provide the Client with a strong grasp on current forces shaping building development and event needs. The update will focus on what has changed since 2017 and the implications for the potential expansion of exhibit, meeting and ballroom spaces at AEC.

### **Task 6: Update of Convention, Meetings and Event Market Analysis**

Hunden will update the convention and meetings market analysis with a tailored focus on the opportunity for expansion of exhibit, meeting and ballroom spaces at AEC. The update will focus on what has changed in the competitive market since 2017, as well as address known expansions or new facilities opening in the local market – Monona Terrace expansion, new conference center in Brookfield, expanded Wisconsin Center in Milwaukee, etc. Hunden will provide conclusions for the potential expansion of exhibit, meeting and ballroom space at AEC.

### **Task 7: Update of Equine and Livestock Market Analysis; Trends**

Hunden will provide relevant updates to the equine and livestock industry trends and competitive market chapters to reflect the current and future market opportunity for this use type. The update will focus on what has changed since 2017 and the implications for the AEC.

### **Task 8: Update of Indoor Sports Market Analysis; Trends; Tournament Opportunity**

AEC will provide a copy of the recent Destination Madison Sports Analysis report for relevant updates to the indoor sports industry trends, competitive market and tournament opportunity chapter to reflect the current and future market opportunity for this use type. The update will focus on what has changed since 2017 and the implications for the AEC. Hunden will rely on the recent study to inform its work and will not conduct additional analysis in this area, but instead will provide a summary of findings and implications for the AEC.

### **Task 9: Update of National Comparable Ag-Expo-Event Complexes**

The 2017 study identified five nationally comparable facilities to the AEC:

- Indiana State Fairgrounds
- National Western Complex
- Kentucky Exposition Center
- Oklahoma State Fair Park, and
- Will Rogers Memorial Center.

As appropriate and relevant, Hunden will update this chapter, providing updates on these facilities and performance data using Placer.ai analytics.

### Task 10: Updated Recommendations

Based on the prior analysis and market research, the Hunden Team will provide updated recommendations for the AEC. The focus will be on the convention, meetings, outdoor concerts and event elements related to:

- A new outdoor event/performance venue,
  - If recommended, the amount of seating, entertainment and specialty space, as well as back-of-house space necessary to optimize the facility for the future market opportunity,
  - Detail on capacity, seat count and amenities,
  - Detail on programming and number/types of events,
  - Number, size and quality of food and beverage outlets, and
- Expansion of the exhibit/convention building, and
- Need for surrounding support amenities (hotel, restaurant, retail, etc.)

### Task 11: Updated Cost Estimates and Design Concepts

In this task, P&W will provide high-level cost estimates based on the updated recommendations for the Exhibition Hall, Coliseum, outdoor venue, and fencing. These estimates will inform the updated financial projections for the Project scenarios. P&W will also update design concept drawings and layouts, as appropriate and relevant to the recommendations.

### Task 12: Updated Demand and Financial Projections

Hunden will update the financial models and create a new model for the outdoor entertainment venue. Hunden will determine how the market will absorb the recommended Project elements over time, providing a ten-year performance projection of event demand, attendance and financial performance, as well as new room nights generated by out-of-town visitors.

Based on the projection of demand and applying a number of assumptions regarding rental rate, food and beverage per-caps and others, Hunden will prepare financial projections for the agreed upon Project elements and scenarios. This financial analysis includes the following:

- **Estimated revenues for ten years of operations.** Expenses directly related to the proposed Project will also be projected for the period. The demand profile, experience with other similar facilities, and data from any existing facility will be used to model the operating revenues and costs of the new facility. The model will generate a pro forma operating statement that includes the revenue and expense items, including the following:

- **revenues:** ticket sales/splits, concessions, stage and equipment rentals, reimbursed expenses, naming and other rights/sponsorships and other income,
- **direct operating expenses:** wages and salaries, contract services, utilities, maintenance and repair, supplies and other expenses,
- **unallocated expenses:** employee benefits, advertising and promotion, general and administrative, professional services, insurance and other expenses.

Hunden will provide a net operating income statement incorporating the operating revenues and expenditure as to arrive at a projected surplus or loss, which may or may not require an ongoing subsidy.

### Task 13: Updated Master Plan Recommendations

Hunden will collaborate with P&W to update the master plan findings and outputs from the 2018 document based on the updated market research and findings. This will include, as appropriate:

- Update to the Master Plan Recommendations, including:
  - Campus Master Plan
  - Landscape + Open Space Improvements
  - Parking
  - Campus Facility Expansion and Renovation
  - Campus Character and Built Form
  - Public Realm Improvements
- Implementation, including:
  - Short-Term Recommendations
  - Phasing and Mid-Term Improvement Projects

### Milestones and Touchpoints

- 1) **Kickoff Organizing Call** – Once the administrative engagement paperwork process is complete, Hunden will schedule an initial kickoff organizing call/Zoom with the Client team for introductions and to schedule the in-person site visit, tours, and meetings. Hunden will send a kickoff memo outlining requests for data, scheduling arrangements, and key contact information.
- 2) **Site Visit/Local Discovery** – Members of the Hunden key personnel team will travel to Madison to conduct an in-person kickoff trip with the Client, including stakeholder meetings and interviews, a tour of the AEC campus, and tours of surrounding demand generators.

- 3) **Circle Back Call** – After the kickoff trip, Hunden will schedule a ‘circle-back call’ with the Client to wrap up data requests and any outstanding discovery phase items.
- 4) **Check-In Calls** – Throughout the research update tasks, Hunden can schedule check-in calls with the Client to ensure timely forward direction through the study process.
- 5) **Market Findings Presentation** – Hunden will present a PowerPoint-style deliverable of updated market findings electronically to the Client. This will include the recommended scenarios for the Client to consider. Hunden will collaborate with the Client to receive feedback prior to beginning financial modeling.
- 6) **Draft Analysis** – Hunden will complete all financial and impact modeling elements of the scope of work and compile the results into an updated PowerPoint-style draft analysis of its financial outputs, which will be presented to the Client electronically for review and comment.
- 7) **Final Analysis** – After receiving comments from the Client on the draft analysis, Hunden will issue its final PowerPoint-style analysis.

## Timing

Hunden proposes the following timing for each distinct deliverable:

- Market Findings – approximately eight weeks after the in-person site visit
- Draft Analysis – approximately four weeks after market findings
- Final Analysis – approximately two weeks after receiving Client comments on the draft

We expect the overall timeline for the study to be approximately 15 weeks, assuming no delay in Client responsiveness and availability.

## Fees

Hunden Partners proposes to complete this analysis, inclusive of one trip to Madison for the kickoff site visit, for a lump-sum fee of **\$99,800**. Hunden will bill the Client according to the following payment schedule broken out by deliverable milestones:

- |                             |          |
|-----------------------------|----------|
| ▪ Kickoff to initiate work: | \$20,000 |
| ▪ Market Findings:          | \$40,000 |
| ▪ Draft Analysis:           | \$25,000 |
| ▪ Final Analysis:           | \$14,800 |

**PowerPoint style:** The deliverable will be a high-level report format in PowerPoint, with a goal of providing an update, and not a new version of the 300+/-page highly-detailed and written ‘word-style’ document that was original masterplan.

Hunden remains flexible in our approach and open to adjustments in order to best meet the needs of the Client.

## Contractual Conditions

The following conditions apply to this engagement with you.

**SCOPE LIMITATIONS.** Hunden's services do not include the following: any assistance with a bond marketing strategy; any assistance with the preparation or distribution of any official statement; or any advice on the municipal bond market. Hunden does not provide advice with respect to municipal financial products or the issuance of municipal securities, including services with respect to the structure, timing, terms and other similar matters concerning such financial products or issues.

Hunden is not a municipal advisor and Hunden is not subject to the fiduciary duty set forth in section 15B(c)(1) of the Registration and Regulation of Brokers and Dealers Act (15 U.S.C. 78o-4(c)(1)) with respect to the municipal financing product or issuance of municipal securities. Client is advised that any actual issuance of debt must be done under the advice of its bond counsel and financial advisors. Your financial advisor should provide any advice concerning the specific structure, timing, expected interest cost, and risk associated with any government loan or bond issue. Potential advisors should not rely on representations made in this report with respect to the issuance of municipal debt.

The findings and recommendations of Hunden's research will reflect analysis of primary and secondary sources of information. Estimates and analyses presented in our work product will be based on data that are subject to variation. Hunden will use sources that it deems reliable, but will not guarantee their accuracy. Recommendations will be made from information provided by the analyses, internal databases, and from information provided by external sources.

Client is entitled to receive the work product(s) prepared by Hunden pursuant to this Agreement. Client has no right to access or deliverance of any underlying statistics, models, or any other information developed by Hunden in preparing the Report to which this Agreement pertains.

**REVISIONS.** Hunden will complete a maximum of two drafts of the report. The Client is expected to provide comments and edits on the draft report and those will be addressed by Hunden. Hunden's results may not always agree with the desires of the Client. Hunden will use its independent perspective and research to drive our results. Any revisions, questions, conversations, zooms or travel requested after two drafts (initial draft report, then final draft), will be billed at Hunden's hourly rates of: \$400 for Rob Hunden and \$300 for the project team. Payment on the final milestone will be required and an advance of \$2,500 on the hourly work that would be required by the Client or its designees, such as lenders and others.

**UPDATES.** Hunden has no responsibility to update its work product(s) for events and circumstances occurring after the date presented to the Client. Delayed invoice payments will result in delay of deliverables for the next portion of work. If edits and comments are not received from the Client

related to any prior deliverable within thirty (30) days of the delivery of the deliverable, the work product will be considered final, and the current billing will be sent and become due.

**TIMING OF DELIVERABLES.** The timeline for the study begins when the following have occurred: 1) receipt of first payment, 2) signing of this contract and 3) receipt of any Client materials related to the Project requested by Hunden.

**BILLING.** Any past invoices must be paid prior to the delivery of the next Milestone Deliverable. If an invoice remains unpaid 30 days after it was emailed to the client, Hunden may without further obligation, cease the assignment and terminate the Agreement. All previous invoices will remain due. Any invoice unpaid after 30 days will accrue a 3% per month late fee. Any invoice unpaid after 90 days will result in legal action by Hunden to collect such invoice(s).

Failure by Hunden to assess late fees does not preclude Hunden from assessing late fees in the future.

**TRAVEL.** In the event that the Client chooses to alter, adjust or change dates/times of any Client-related trip after Hunden has booked and purchased travel arrangements, it shall be the responsibility of the Client to reimburse Hunden for any fees and fare/price differences associated with cancellation/change of travel arrangements.

**USE OF DELIVERABLE.** The Work Product is copyrighted and cannot be manipulated in any way beyond the format that it was provided to the Client.

**TERMINATION.** Notwithstanding the Billing language above, Hunden reserves the right to terminate this Agreement on fifteen (15) days written notice to Client should Client fail to satisfactorily perform its obligations under this Agreement. In the event Hunden terminates this Agreement, Client is obligated to pay Hunden for all services rendered under this Agreement prior to termination, including work through the next unbilled milestone. Nothing contained herein shall constitute a waiver of Hunden's right to bring suit for damages or to enforce specific performance of this Agreement. In the event of termination of this Agreement by the Client, Client is obligated to pay Hunden for all services rendered under this Agreement prior to termination, including work through the next unbilled milestone. Hunden further reserves the right to take any legal action necessary to enforce its rights under this Agreement. In the event Hunden is required to commence suit to collect any unpaid amounts due to it from Client, Client agrees to reimburse Hunden for its costs and attorneys' fees in bringing such suit.

It is agreed that the liability of Hunden to the Client is limited to the amount of the fees paid by client to Hunden.

Hunden limits its responsibility to the Client and any use of the study produced pursuant to this Agreement by third parties shall be at the risk of the Client and/or said third parties. By the execution of this Agreement, Client acknowledges that he/she/it has read and agrees to the terms and conditions of this Agreement and agrees to the inclusion of a standard set of General Assumptions and Limiting Conditions in the report. Additional conditions prompted by the discovery of



extraordinary or unusual circumstances uncovered during the course of investigation may be added to the study assignment, if necessary.

**DISPUTES.** Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, other than non-payment of amounts due hereunder, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial [or other applicable] Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

If this document meets with Client's approval, Client may accept this letter and authorize Hunden to proceed by signing below.

Authorization

Accepted By:

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Date: \_\_\_\_\_