

State Funding Proposal FAQ

March 14, 2019

The Alliant Energy Center is a valuable cultural, social and economic asset to Dane County and the state of Wisconsin. Throughout its 100-year history, the Center has generated substantial economic impacts and contributed to the quality of life of locals and visitors from across the state and around the world. However, community needs and market analyses have shown great potential to increase impacts and that a failure to begin making improvements will diminish this asset and create a fiscal burden.

What is being requested?

- State assistance is requested to fund a portion of a net 200,000 square foot addition to the Exhibition Hall in order to expand existing events and attract additional events that will bring increased national prominence to Wisconsin.
- The total estimated cost is \$77.4 million. The governor's budget includes \$30 million for the project.
- Other funding sources are expected to include naming rights, land lease/sale proceeds from on-campus private development, existing vendors, contributions from existing large users, new operating revenues, and the County.

Where did this idea come from?

- Beginning in 2016, a County-appointed public-private committee used a methodical approach to future planning for the Alliant Energy Center Campus, including extensive public outreach.
- A detailed market and economic analysis completed in 2017 concluded there was significant potential to attract larger, national events in addition to retaining and expanding existing events, especially those related to agriculture.
- A detailed Campus Master Plan completed in 2018 prioritized the Exhibition Hall expansion and included significant areas for private development on the grounds to support the additional visitors, including hotels and restaurants, as well as offices and residential units.
- The Exhibition Hall expansion is driven by existing users who need more space for vendors and programming and by feedback from events that chose other locations due to a lack of adequate meeting space.

Why is this a matter of statewide interest?

1. ***State investment in the Alliant Energy Center expansion will enrich Wisconsin's position as a premiere global convener in the agricultural industry.***
 - Wisconsin agriculture contributes \$88.3 billion annually to our state's budget, and the dairy industry alone employs nearly 42,000 skilled individuals and has an economic impact of \$43 billion.
 - Dane County is the fifth-ranked dairy producing county in the state and 27th in the nation. Agriculture provides 17,294 jobs in Dane County, contributes \$1.3 billion to the County's total income, and pays \$80.6 million in state and local taxes (not including school property taxes).
 - In 2017, Wisconsin exported \$3.5 billion of agricultural products to 147 countries, ranking 12th among states in the value of agricultural exports.
 - In 2017 and 2018, the Alliant Energy Center hosted more than 55 ag-related events of state and national significance bringing in more than 455,000 people from around the country and across the globe.
 - In 2018, the World Dairy Exposition alone had 835 exhibitors from 24 countries and 44 states and attracted 296 media members from 13 countries.
 - A 2012 study found that the World Dairy Exposition had a direct and indirect \$50 million impact on the regional economy.
2. ***The Alliant Energy Center expansion will raise Wisconsin's profile nationally and internationally in general and across a variety of other rapidly expanding industry clusters in the region and state with convening needs including biomedical/biotech, information technology, knowledge creation, and business and financial.***
 - In 2017 and 2018, the Alliant Energy Center held 14 national and international non-agricultural events that drew nearly 200,000 people from dozens of countries.
 - The Reebok CrossFit Games, alone, are televised nationally, attract athletes and spectators from over 31 countries, generate \$12 million in visitor spending, and pay \$1.2 million in state taxes.
 - The biohealth industry in Wisconsin is a fast-growing, high-paying sector with more than 4,000 companies, 107,600 jobs, and directly contributes \$27 billion to State's economy.

- Dane County plays a key role in that sector with some of the biggest and fastest growing companies in biohealth: Epic Systems Corp., Exact Sciences Corp. and Promega Corp.
 - IT-intensive industries employ nearly 18,000 workers in south central Wisconsin, with a 30% growth in employment from 2010 to 2015.
- 3. *State investment is critical to catalyzing significant on-campus private investment that improves the visitor experience and enhances our market position against a host of competing facilities in other states that are investing tens of millions of dollars and pursuing our customers.***
- The Exhibition Hall expansion will catalyze \$205 million in on-campus private development generating \$1.7 million in new property taxes and providing an array of needed support services demanded in the convening marketplace.
 - The Alliant Energy Center is a County-owned and operated facility and one of the very few nationwide with self-supporting operations; expansion will nearly double our net revenues to help support the related debt.
 - Over the past four years, significant facility investments have been made by states that are in direct competition with Wisconsin for major agricultural shows, conferences and conventions including: Indiana, Oklahoma, Colorado, Kentucky and Texas.
 - Investments by these competing states have ranged from \$50 to nearly \$700 million using a variety of sources including state bonds and capital campaigns, state grants, hotel taxes, and private donations.
 - The Exhibition Hall addition will help Wisconsin attract several more national events such as those that recently opted to go elsewhere including the Family Motor Coach Association, American Shetland Pony Club, and Association of Moving Image Archivists, each of which draws 500-1,200 attendees and generates 700-2,400 room nights.
- 4. *Investment in the Alliant Energy Center expansion will drive significant return on investment to the State.***
- Create 1,400 new jobs generating an additional \$670,000 in annual State income taxes, or \$25.3 million over 20 years
 - Generate more than \$1 million in additional annual State sales taxes, or \$58.9 million over 20 years.
 - Total new state taxes over 20 years with a present value of \$31.8 million.

What's the plan for getting this built?

- The County is beginning the preliminary design this year.
- The County is aggressively pursuing the additional funding in 2019 and 2020 with the goal of starting construction in 2021.

Didn't the State already make a significant investment in the facility?

- In 2014 the New Holland Pavilions were constructed at a total cost of \$23.9 million; the State contributed 38%, the private sector 25%, the Center itself 25%, and 12% in County borrowing.
- The Pavilions replaced several antiquated barns and were a requirement to retain the World Dairy Exposition and Midwest Horse Fair, both of which contributed to the cost and have seen increased event attendance and revenues.
- The Pavilions also have allowed all of our other agriculture events to expand and helped to attract several additional national livestock shows as well as the Reebok CrossFit Games.
- In the five years since the opening of the Pavilions, the Alliant Energy Center has attracted 24 new events (many of which are now annual), which have attracted more than 580,000 attendees and generated nearly 59,000 room nights.

Addendum 1 - Alliant Energy Center Competitive Scan

Sources: Hunden Strategic Partners, Destination Madison, Vandewalle & Associates

Indiana State Fairgrounds – Indianapolis, IN

- Owner – Indiana State Fair Commission
- 250 acres
- 1,000,000 SF of event space, arena, pavilions, barns
- \$53 million renovation to coliseum in 2014
 - State bonds and capital campaign

Oklahoma State Fair Park – Oklahoma City

- Owner – Oklahoma State Fair, Inc. – 501(c)(3)
- 435 acres
- Arena, exposition hall, pavilions, and horse barns
- \$100 million barn complex in 2016
 - 3% hotel-motel tax
- \$59 million event center in 2017
 - 1% sales tax

National Western Complex – Denver, CO

- Owner – City of Denver
- 240 acres
- Arena, events center, exposition halls, barns
- \$669 million in expansions and renovations committed in 2016 to \$1.1 billion overall master plan
 - Lodging and rental car tax
 - \$200 million in state certificates of participation
 - State grant
 - Private donations

Kentucky Exposition Center – Louisville, KY

- Owner – Kentucky State Fair Board
- 1.7 million square feet of event space
- Arena, exposition halls, pavilions
- \$200 million in expansions and renovations planned for 2020

Will Rogers Memorial Center – Fort Worth, TX

- Owner – City of Fort Worth
- 85 acres
- Coliseum, auditorium, exhibit halls, equestrian barns
- \$450 million new arena in 2020
 - \$225 million in special use taxes within 3 miles
 - \$225 million private sector

Colorado Convention Center – Denver, CO

- Owner – City of Denver
- Exposition halls and meeting rooms
- \$250 million expansion
 - Lodging and rental car taxes

American Royal Center – Kansas City, KS

- Owner – American Royal Association
- 112 acres
- 300,000 SF exposition space, arena, barns
- \$200 million new complex
 - State sales tax revenue bonds and county transient guest tax
 - Private sector donations