



ALLIANT ENERGY CENTER REDEVELOPMENT COMMITTEE

MAY 20, 2019



CONNECTING DOWNTOWN MADISON...
A DESTINATION DISTRICT VISION
...WITH THE GREATER SOUTHSIDE

May Agenda

1. Alliant Energy Center 2018 Annual Report
2. Potential Funding Sources
3. June Meeting Structure

MEETING PURPOSE

Review potential funding options for Phase 1 and identify additional information needed to aid in shaping funding strategy components as part of Committee breakout group discussions to be held at the June meeting.



Alliant Energy Center 2018 Annual Report

OVERVIEW

Financials



**ALLIANT ENERGY CENTER OF DANE COUNTY
REVENUES AND EXPENSES BY COST CENTER
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2018**

(Unaudited)

	Coliseum	Exhibition Hall	Conference Center	Arena	New Holland Pavilions	Grounds	Total
Operating Revenues	\$ 2,167,464	\$ 5,157,557	\$ 673,496	\$ 125,033	\$ 1,096,001	\$ 651,287	\$9,870,838
Operating Expenses							
Personal Services	\$642,844	\$1,460,328	\$678,644	\$98,885	\$458,130	\$150,291	\$3,498,122
Utilities	311,311	248,441	50,109	26,974	250,988	23,861	920,664
Other Operating Expenses	300,497	530,546	27,907	38,694	360,749	85,936	1,344,328
Contractual	299,982	108,487	27,692	18,239	41,829	4,468	500,698
Indirect Charges (Note - A)	58,124	137,384	18,494	2,642	29,062	18,494	264,200
Parking	76,458	181,588	3,186	-	12,743	44,601	318,575
Administrative Overhead	379,118	896,097	120,628	17,233	189,559	120,628	1,723,263
Total Operating Expenses	\$2,088,334	\$3,562,870	\$926,661	\$202,666	\$1,352,040	\$457,279	\$8,569,850
Operating Income (Loss)	\$99,130	\$1,594,687	(\$253,165)	(\$77,633)	(\$256,039)	\$194,008	\$1,300,988
Other Income (Note - B)	-	371,344	-	-	155,875	8,500	535,719
Other Expense (Note - C)	-	(342,157)	-	-	-	-	(342,157)
Debt Service	(391,538)	(102,433)	(12,215)	(5,019)	(620,698)	(56,570)	(1,188,472)
Capital Outlay	(28,558)	(1,353)	-	(133)	(12,420)	(5,855)	(48,319)
Net Revenue (Expense)	(\$320,966)	\$1,520,087	(\$265,379)	(\$82,785)	(\$733,282)	\$140,083	\$257,758

For the Twelve Months Ended December 31,

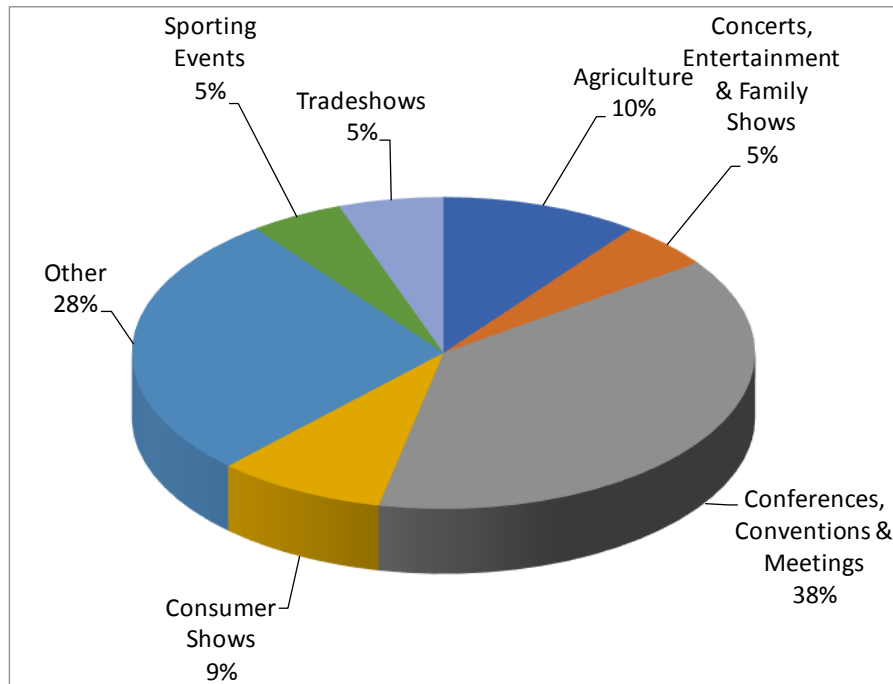
Net Revenue (Expense) - 2017	(\$355,088)	\$1,714,806	(\$171,809)	(\$140,792)	(\$605,210)	\$232,640	\$674,549
Net Revenue (Expense) - 2016	(\$571,230)	\$1,615,758	(\$314,203)	(\$123,135)	(\$581,604)	\$188,242	\$193,828
Net Revenue (Expense) - 2015	(\$442,388)	\$1,369,696	(\$206,779)	(\$122,459)	(\$643,492)	\$127,203	\$81,781

(Unaudited)

Year-end Results 2016, 2017, & 2018

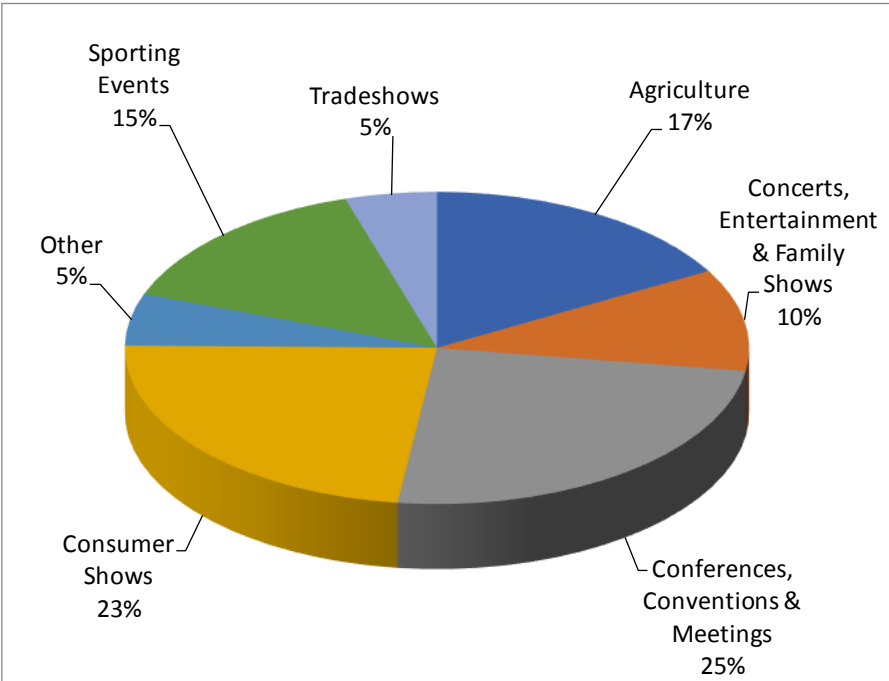
	2016	2017	2018
Operating Revenue	\$9,245,249	\$10,210,715	\$9,870,838
Operating Expenses			
Personal Services	\$4,999,826	\$5,280,158	\$5,154,441
Utilities	\$934,910	\$954,418	\$957,023
Other Operating Expenses	\$1,256,472	\$1,400,517	\$1,625,378
Contractual Services	\$588,119	\$577,383	\$568,808
Indirect Costs	<u>\$270,559</u>	<u>\$303,399</u>	<u>\$264,200</u>
Total Operating Expenses	\$8,049,886	\$8,515,874	\$8,569,850
Operating Income	\$1,195,363	\$1,694,840	\$1,300,988
Other Income	\$515,424	\$525,215	\$535,719
Other Expenses	(\$328,870)	(\$335,448)	(\$342,157)
Debt Service	(\$1,123,601)	(\$1,157,386)	(\$1,188,472)
Capital Outlay	(\$64,488)	(\$52,673)	(\$48,319)
Net Revenue/(Expenses)	\$193,827	\$674,549	\$257,758

2018 Number of Events by Event Type



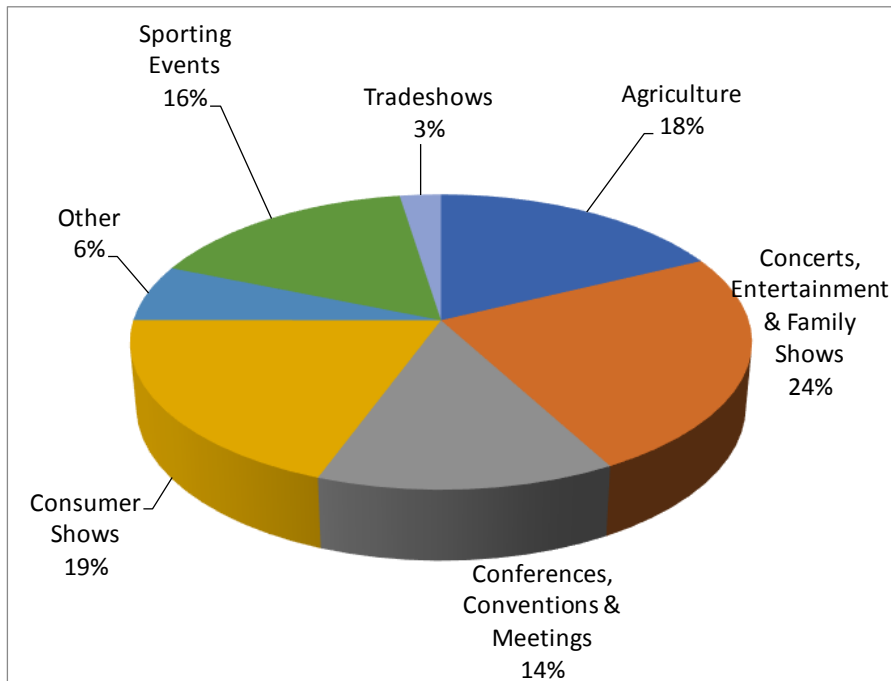
Agriculture	34
Concerts, Entertainment & Family Shows	16
Conferences, Conventions & Meetings	126
Consumer Shows	29
Other	91
Sporting Events	16
Tradeshows	18
Total	330

2018 Revenue by Event Type



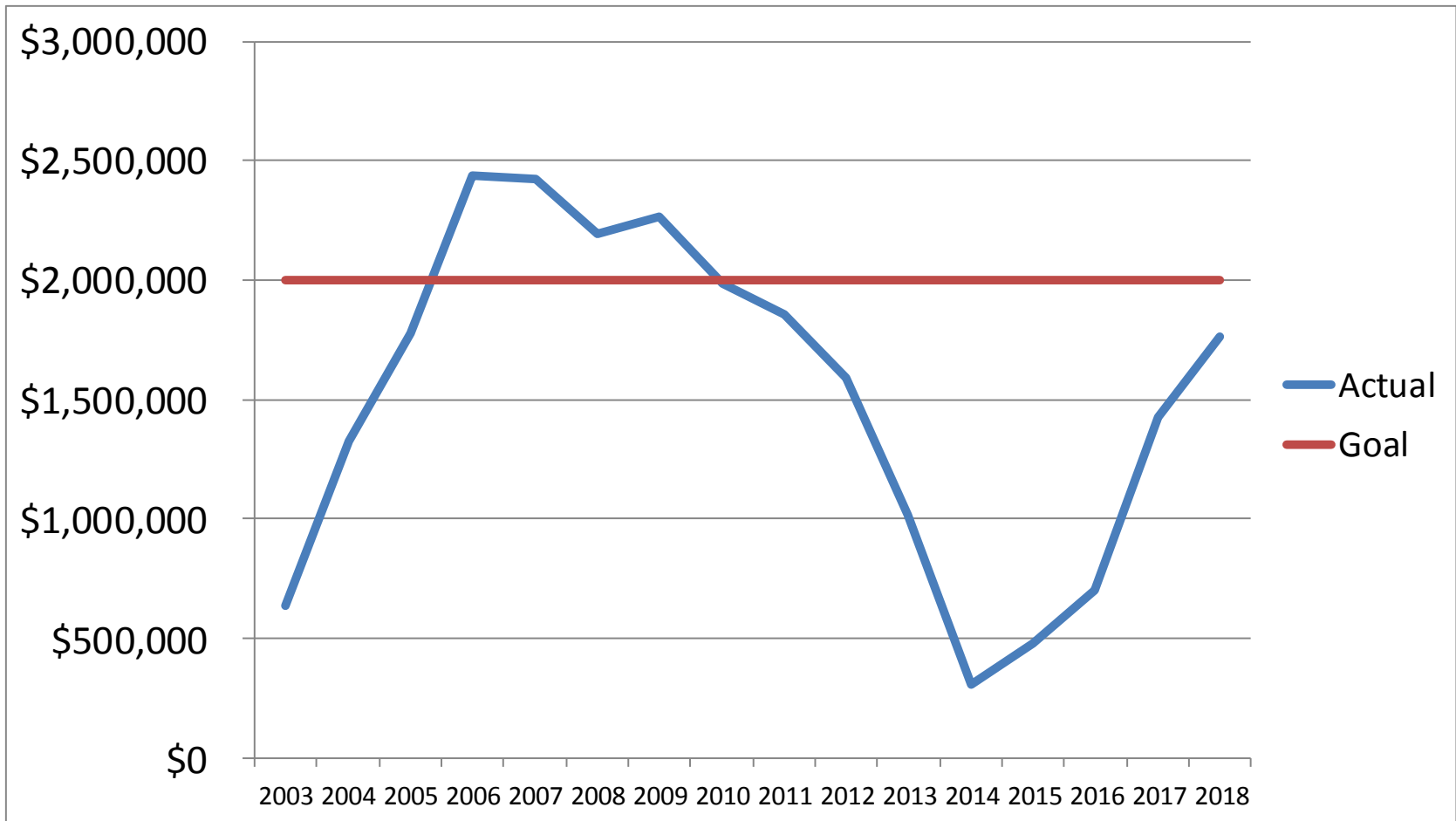
Agriculture	\$1,574,605
Concerts, Entertainment & Family Shows	\$990,908
Conferences, Conventions & Meetings	\$2,311,235
Consumer Shows	\$2,177,432
Other	\$504,664
Sporting Events	\$1,370,208
Tradeshows	\$446,122
Total	\$9,375,173

2018 Attendance by Event Type



Agriculture	159,519
Concerts, Entertainment & Family Shows	217,145
Conferences, Conventions & Meetings	121,255
Consumer Shows	173,933
Other	55,516
Sporting Events	146,076
Tradeshows	22,105
Total	895,549

Reserve Fund Balance



Potential Funding Sources

REVIEW

Potential Funding Sources		Alliant Energy Center Venues ⁽¹⁾	Alliant Energy Center Infrastructure ⁽²⁾	Private Development Infrastructure ⁽³⁾
LOCAL	AEC Operating Revenues	●	●	
	AEC Property Sale/Lease	●	●	
	County Capital Budget and Levy	●	●	
	Hotel Room Tax	○	○	
	Tax Increment District			●
	Business Improvement District			●
	Special Assessment			●
STATE	Local Exposition District ⁽⁴⁾	○	○	
	State Grants/Appropriations	●	●	○
PRIVATE SECTOR	AEC Contractors/Partners	●	●	
	Major AEC Users	●	●	
	Venue Naming Rights	●	●	
	Corporate Sponsorships	●	●	
	Foundation Grants	●	●	
	Developers		●	●

Potential Funding Sources		Alliant Energy Center Venues ⁽¹⁾	Alliant Energy Center Infrastructure ⁽²⁾	Private Development Infrastructure ⁽³⁾
LOCAL	AEC Operating Revenues	●	●	
	AEC Property Sale/Lease	●	●	
	County Capital Budget and Levy	●	●	
	Hotel Room Tax	○	○	
	Tax Increment District			●
	Business Improvement District			●
	Special Assessment			●
STATE	Local Exposition District⁽⁴⁾	○	○	
	State Grants/Appropriations	●	●	○
PRIVATE SECTOR	AEC Contractors/Partners	●	●	
	Major AEC Users	●	●	
	Venue Naming Rights	●	●	
	Corporate Sponsorships	●	●	
	Foundation Grants	●	●	
	Developers		●	●

Estimated Fiscal Impact - Tax Impacts from Net New Spending (000s) - HQ Hotel & Mixed-Use Private Developments

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 20	Year 30	Total
Local Taxes Collected									
County Sales Tax (0.5%)	\$818	\$112	\$115	\$118	\$121	\$138	\$179	\$232	\$5,604
Local Property Tax	\$1,671	\$1,704	\$1,738	\$1,773	\$1,808	\$1,997	\$2,434	\$2,967	\$67,773
City Lodging Tax (9% City of Madison)	\$660	\$470	\$484	\$499	\$513	\$595	\$801	\$1,077	\$21,928
Total	\$3,149	\$2,286	\$2,337	\$2,390	\$2,443	\$2,730	\$3,413	\$4,275	\$95,305

* First year includes construction period spending on the project

Source: Hunden Strategic Partners

Local Exposition District: Wis. Stat. § 229.40

- State law authorizes cities, villages, towns, and counties to create a special local exposition district
- A district's jurisdiction includes the sponsoring municipality's entire geographical area
- District can do several things including build, maintain, and operate exposition centers
- Under certain circumstances, a district can impose room taxes, food and beverage taxes, and car rental taxes

Hotel Room Tax

- In 2016, City of Madison created a Room Tax Commission
- Room Tax Commission is authorized by state law to use room tax revenue it receives from the City for tourism promotion and development pursuant to Wis. Statute § 66.0615
- 70% of room tax revenues must be transferred for allocation and 30% are retained by the City

City of Madison Room Tax Fund

	2017 Actual	2018 Actual	2019 Budget	% of 2019 Budget
Sources				
Room Tax Receipts	15,483,106	18,077,051	18,800,133	
Interest	10,763	10,546	12,186	
Total	\$ 15,493,869	\$ 18,087,597	\$ 18,812,319	
Uses				
Room Tax Commission				
Tangible Municipal Development				
Monona Terrace	4,370,296	5,380,798	5,610,523	
Vilas Zoo & Olbrich Gardens	642,352	642,352	642,352	
Overture Center	1,900,000	1,900,000	2,000,000	
Subtotal	6,912,648	7,923,150	8,252,875	43.3%
Tourism Marketing				
Destination Madison	3,601,664	4,225,608	4,900,033	
City Tourism Marketing	136,935	215,000	225,000	
Subtotal	3,738,599	4,440,608	5,125,033	26.9%
Administration & Enforcement	28,345	32,206	33,800	0.2%
Subtotal	\$ 10,679,592	\$ 12,395,964	\$ 13,411,708	70.4%
General Purposes	\$ 4,644,932	\$ 5,423,115	\$ 5,643,696	29.6%
Total Uses	\$ 15,324,524	\$ 17,819,079	\$ 19,055,404	100.0%

Potential Breakout Session Topics

1. Project Messaging and Building Countywide Support

- What problem are we solving by investing in this project?
- What larger community needs can be addressed by this project?
- What are strategies to build overall countywide support from the community for this project?

2. Corporate Outreach

- How do we identify potential corporate partners who have convening needs?
- What does the project need to include to address these needs?

3. Local Exposition District & Room Tax Sharing

- Is a Local Exposition District a feasible option to explore and what are initial steps?
- Is there potential to share City room taxes to help fund the project and what might such an arrangement look like?