



ALLIANT ENERGY CENTER DANE COUNTY, WI

*STRATEGIC FEASIBILITY STUDY
AEC STRATEGIC DESIGN STUDY COMMITTEE*

Hammes Company

JULY 24, 2014

Hammes Company



INDUSTRY LEADERS

Hammes Company is a full-service real estate development and investment firm. We have been directly involved in leading several of the largest and most complex sports and entertainment destination projects in the industry over the past decade. As a consultant to Hammes Company, CSL brings extensive experience in planning studies for exhibition, arena, convention, conference, equestrian and other event facilities.



THIS IS OUR CORE BUSINESS

Our extensive experience in developing destination projects across the country provides the foundation needed to execute a project of this complexity over multiple phases.

The project you are embarking on aligns perfectly with our core business and the expertise within our organization.

- ◆ Development
- ◆ Feasibility
- ◆ Planning
- ◆ Finance
- ◆ Marketing
- ◆ Operations





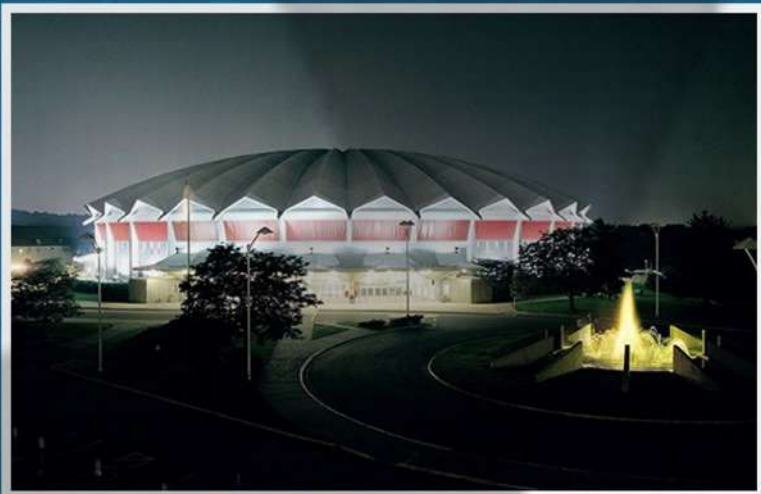
WHY HAMMES COMPANY & CSL?

Our Business... Comprehensive planning and development of major public-private destination projects is our core business

Our Approach... We bring an owner's perspective to these assignments meaning we are accustomed to investing our own capital which gives us knowledge and understanding of the fundamental drivers of these projects

Our Hometown... We know this market and the dynamic factors that will determine success long-term

Our People... No other organization has the combined experience and expertise — in Madison — to match the credentials of our AEC project team



CASE STUDIES

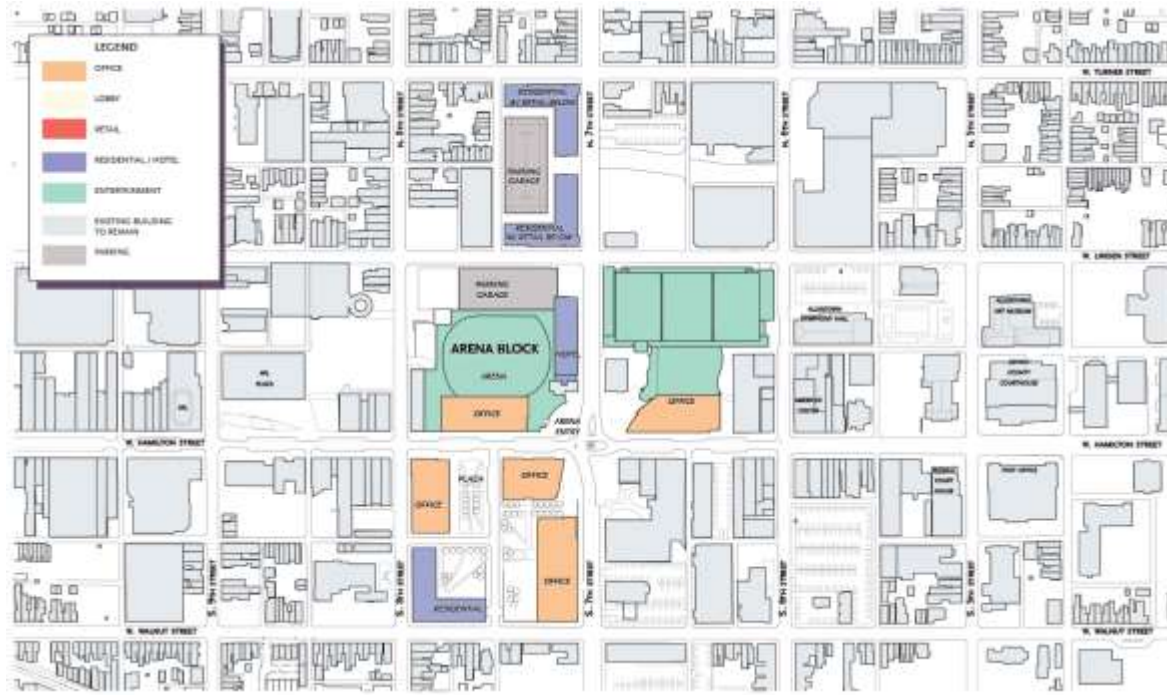


ALLENTOWN ENTERTAINMENT DISTRICT

Allentown, Pennsylvania

Hammes Company

A multi-phased mixed-use development comprised of sports / entertainment, hospitality, health & wellness, commercial, urban retail and residential uses involving a 130-acre development district. The project is financially supported by a Neighborhood Improvement Zone (NIZ) established by the City of Allentown and the State of Pennsylvania.

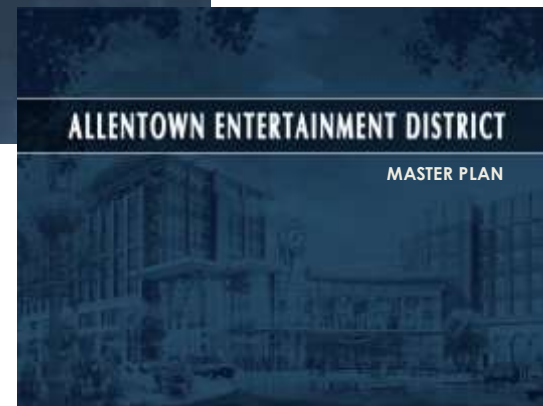


PROBLEM

- ◆ Industrial Decline Erodes Urban Core
- ◆ Urban Flight to Suburbs
- ◆ Declining Central City Property Values
- ◆ Central City Unemployment
- ◆ Blight
- ◆ Declining Tax Base
- ◆ Crime

SOLUTION

- ◆ Strong Vision and Leadership
- ◆ Neighborhood Improvement Zone (NIZ)
- ◆ Arena Anchor... Entertainment District
- ◆ Integrated Mixed-Use Development
- ◆ Scale/Critical Mass
- ◆ Attract Employers to Downtown
- ◆ Transformative Impact Brings Residents, Employers and Retail Establishments Back



GOVERNANCE AND FINANCING

- ◆ Authority (ANIZDA) Oversight & Approvals
- ◆ Existing Tax Revenues Used as Debt Coverage
- ◆ Bond Issuance for Anchor Projects
- ◆ State & Local Tax Increment from Private Projects Used to Support
- ◆ Gap Financing for Private Projects Approved by ANIZDA

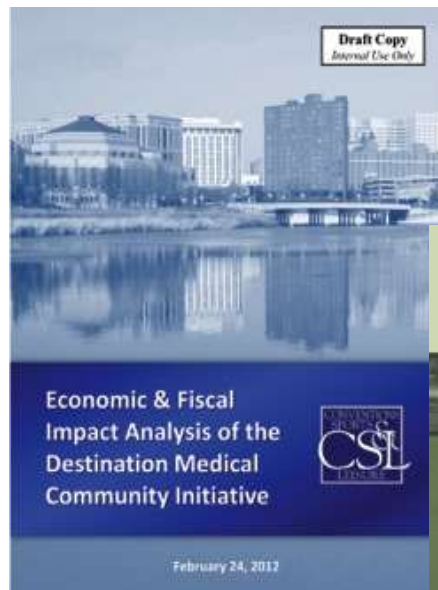




DESTINATION MEDICAL CENTER
Rochester, Minnesota

Hammes Company

The DMC strives to create a stronger collaboration with the community to strengthen Mayo Clinic’s position as the world’s leader in the health care industry. The DMC project is one of the most ambitious and complex urban development efforts in the United States with a projected total investment in excess of \$5 billion.



PROBLEM

- ◆ A Destination Based Medical Practice Requires A World Class Destination
- ◆ Major Growth of Competing Medical Centers Domestically and Globally
- ◆ Recruitment and Retention of Staff Suffering
- ◆ High Costs for Land Assembly in an Urban Location Present a Barrier to Entry for Redevelopment

SOLUTION

- ◆ Destination Medical Community (DMC) Initiative
- ◆ Master Planned Strategy – Seven (7) Districts
- ◆ Legislation to Provide State and Local Public Investment to Support Continued Mayo Growth
- ◆ Anchoring Element(s) Integrating Public Space with Healthcare Uses and Commercial Uses
- ◆ Foster Research & Technology Commercialization



GOVERNANCE AND FINANCING

- ◆ The DMC Funding Structure Captures a Portion of New Taxes
- ◆ Generate Substantial Economic Returns for the State and Local Jurisdictions.
- ◆ Destination Medical Center Corporation and Economic Development Authority created



STUDY OVERVIEW

PURPOSE OF STUDY

- ◆ Analyze the Alliant Energy Center facilities' (AEC)
- ◆ Identify strengths and weaknesses
- ◆ Determine options for attaining the “highest and best” use of the 164 acre AEC property
- ◆ Study will result in a market-driven, financially sustainable strategy for AEC
- ◆ Enhance the market position of AEC through capital investment in AEC facilities
- ◆ Use a lens of sustainability and social equity, priorities for our region, when considering overall development
- ◆ Integration with area neighborhoods and surrounding vicinity are key

SWOT ANALYSIS

- ◆ Assess the AEC's strengths, weaknesses, opportunities and threats
- ◆ In-person one-on-one interviews and/or focus groups with AEC management, government officials, primary customers, local business leaders, neighborhoods and community organizations
- ◆ Assess the market and the ability of AEC to accommodate that market
- ◆ Review the quality of integration of AEC parcels with surrounding areas
- ◆ Integrate the assessment of AEC's real estate potential
- ◆ Review the structure under which the AEC is financed and managed

EXPOSITION MARKET ANALYSIS

- ◆ Develop primary industry research in order to define the event market for existing and potential future AEC facilities
- ◆ Competitive and Comparable Facilities/Communities Analysis
- ◆ Market Definition and Trend Analysis
- ◆ Analysis of Supportable Building Program and Business Model Options

CAPITAL INVESTMENT NEEDS ANALYSIS

- ◆ Outline of proposed short and long-term options and recommendations for capital improvement
- ◆ Emphasis placed on ways to maximize the strengths of existing operations at AEC
- ◆ identify ways in which capital investments can be made to maximize future growth and generate economic value
- ◆ Meet sustainability goals

REAL ESTATE POTENTIAL

- ◆ Identify and map areas of the AEC site
- ◆ Analyze areas that may be suitable for further development
- ◆ Provide overview of possible uses that may complement the existing assets
- ◆ Focus on a range of potential and feasible uses... not specific uses

FINANCE AND GOVERNANCE OPTIONS ANALYSIS

- ◆ Provide a sampling of governance structures and funding mechanisms
- ◆ Identify would best support potential uses of the AEC
- ◆ Review financial tools and structures used for similar types of projects
- ◆ Identify cooperative, multijurisdictional governance and public-private partnership options

SUSTAINABILITY

- ◆ County has made it a priority to become more environmentally, socially, and economically sustainable
- ◆ Lay the groundwork for and include recognition of County's sustainability objectives
- ◆ Consider sustainability and social equity throughout the study (holistic)
- ◆ Consider the impacts on opportunities related to the AEC's surrounding assets
 - ◆ Adjacent neighborhoods
 - ◆ Natural resources
 - ◆ Infrastructure

Study Methodology

SWOT Analysis:

Assess the AEC's strengths, weaknesses, opportunities and threats.

(June – Sept 2014)

Exposition Market Analysis:

Develop primary industry research in order to define the event market for existing and potential future AEC facilities.

(June – Sept 2014)

Capital Investment Needs Analysis:

Outline of proposed short and long-term options and recommendations for capital improvement. Emphasis will be placed on ways to maximize the strengths of existing operations at AEC while identifying ways in which capital investments can be made to maximize future growth, generate economic value and ensure sustainability.

(Aug – Oct 2014)

Real Estate Potential Analysis:

Identify and map areas of the AEC site that may be suitable for further development and combine that research with an overview of possible uses that may complement the existing assets. Research will focus on an approach that does not rely on specific uses, but on a range of potential and feasible uses.

(Aug – Oct 2014)

Finance and Governance Options Analysis:

After assessing the real estate potential for the AEC property, a sampling of governance structures and funding mechanisms will be identified that would best support potential uses of the AEC. Financial tools and structures used across the nation for similar types of projects will be reviewed.

(Sept – Nov 2014)

Sustainability:

The AEC study will be viewed through a lens of sustainability and social equity in addition to the perspective of economic opportunities. The scope of the study and analysis will be holistic and consider the impacts on opportunities related to the AEC's surrounding assets such as the adjacent neighborhoods, natural resources and infrastructure.

(Oct – Nov 2014)

CURRENT PHASE

STRATEGIC FEASIBILITY STUDY

- I. SWOT Analysis and Research
- II. Exposition Market Analysis
- III. Capital Investment Needs
- IV. Real Estate Potential
- V. Finance and Governance Options
- VI. Sustainability

FUTURE PLANNING

VISION

- Core Objectives
- Conceptual Programming

MASTER PLAN

- Public Infrastructure
- Preliminary Program Concepts

IMPLEMENTATION

- Legal and Organizational
- Financing