



ALLIANT ENERGY CENTER DANE COUNTY, WI

STRATEGIC FEASIBILITY STUDY
OVERVIEW
October 28, 2015

Hammes Company



1.0 INTRODUCTION



1.0 INTRODUCTION



ALLIANT ENERGY CENTER CAMPUS

ACKNOWLEDGEMENTS

The following entities contributed to the completion of this Strategic Feasibility Study of the Alliant Energy Center. We thank all parties for their contributions to the study provided in this document.

AEC Strategic Feasibility Study Committee – General oversight and information

CSL International – Survey data, SWOT analysis, and industry trends.

Sink Combs Dethlefs Architects – Facility Condition Survey and Assessment

CG Schmidt – Facility Condition Survey and rough order of magnitude cost assessment

Hammes Company Sports Development – Prime Consultant

Note: This presentation summarizes the Strategic Feasibility Study, which is available on Dane County’s website. A copy of this presentation is also available there.



1.0 INTRODUCTION



Hammes Company

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.



1.0 INTRODUCTION

Hammes Company is one of America’s leading real estate advisory, development and investment companies. Our primary business is working with leading institutions – both public and private – to devise and execute community economic development and investment strategies.



Mayo Clinic



Minnesota Sports Facility Authority /
Minnesota Vikings



National Football League



City of Allentown, Pennsylvania



Green Bay Packers



Detroit Lions



State of Wisconsin



Ford Family



University of Wisconsin –
Madison



Tisch Family Interests / NY Giants



Milwaukee Bucks



Robert Wood Johnson IV / NY Jets



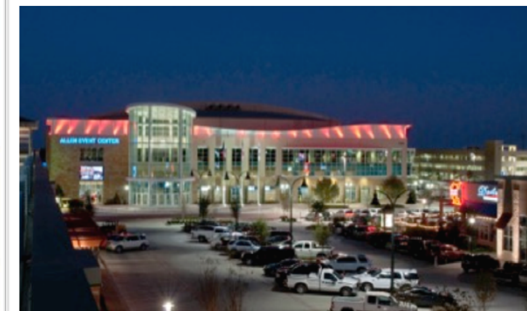
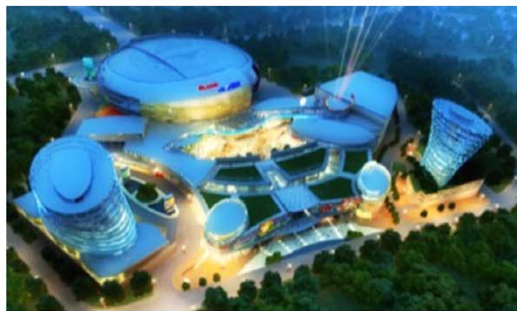
Cleveland Browns



University of Southern California



1.0 INTRODUCTION



Sink Combs Dethlefs has a long standing reputation for excellence in event facility design. Over the Past 53 years, we have designed:

- ◆ 250+ Sports, Entertainment and Exposition Center Projects
- ◆ 50+ Arenas & Event Centers
- ◆ Projects in 31 States & 5 Countries



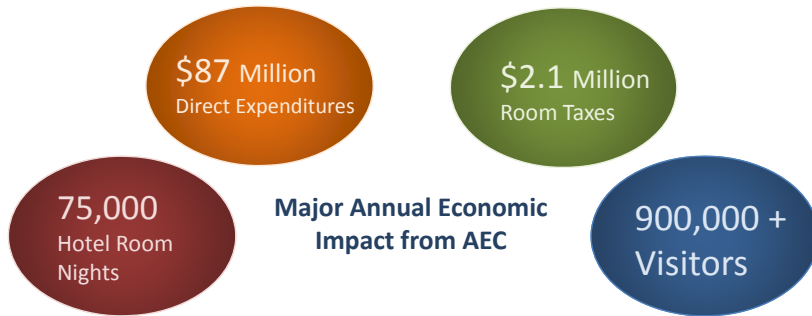
1.0 INTRODUCTION



Convention, Sports & Leisure, International (CSL)

Founded in 1988, CSL is a leading advisory and planning firm specializing in providing consulting services to the convention, sport, entertainment and visitor industries.

1.0 INTRODUCTION



Source: Alliant Energy Center Management, 2014



STRATEGIC FEASIBILITY STUDY OVERVIEW:

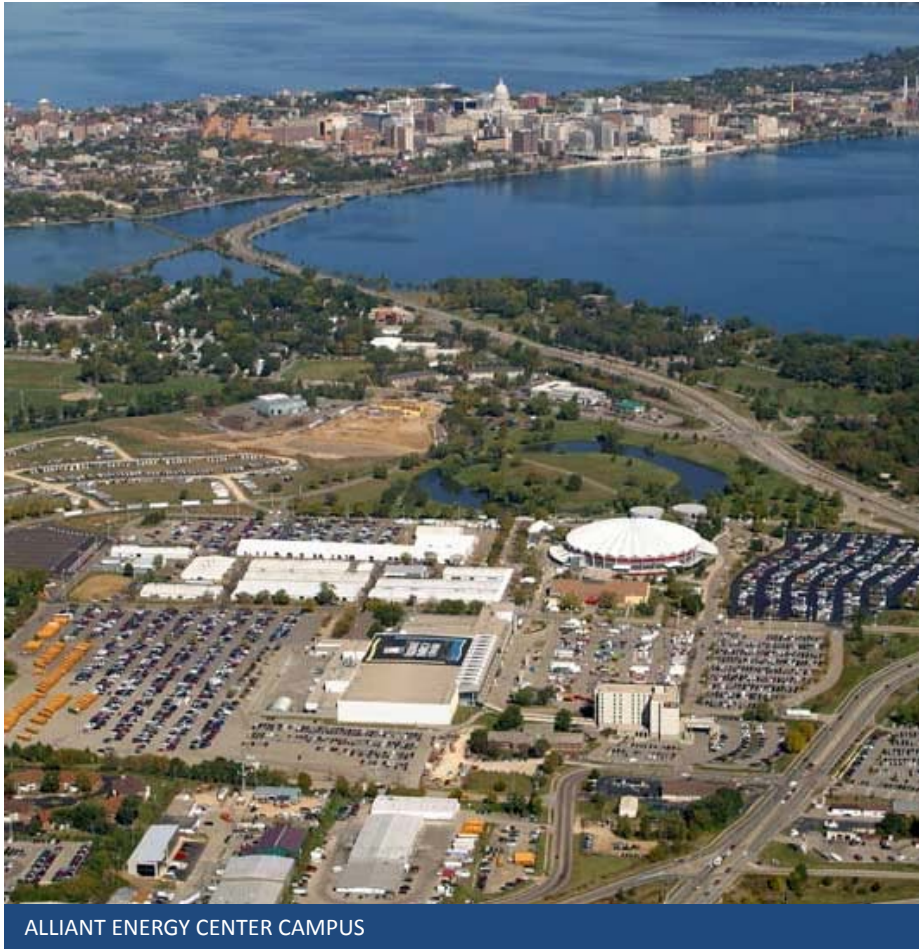
- AEC Background And Status Of Existing Facilities
- Financial Performance / Operating Deficit
- Competitive Market Factors / Challenges From Competition
- Real Estate Opportunities / Redevelopment Options
- Fiscal & Economic Impacts
- Governance Structure Examples
- Strategies and Options for Financing Improvements
- AEC Is At A Critical Stage



ALLIANT ENERGY CENTER FACILITIES

STATEMENT OF THE PROBLEM

- AEC is the only venue within its regional competitive set that is required to pay for all operating, maintenance and debt obligations from facility operating revenues. ***Others receive significant public subsidies.***
- Over recent years, AEC has experienced ***annual net operating deficits*** between \$300,000 and \$500,000. The deficit for 2014 has increased to approximately \$758,000 according to AEC financial statements.
- AEC has been able to rely on its reserve funds to cover annual deficits, but this ***reserve fund is now depleted.***
- ***In order to keep AEC functional and competitive,*** the annual operating deficit will require substantial draws on Dane County general purpose revenue (GPR), ***affecting County services, jobs and other projects.***
- As a result, ***Dane County is exploring alternatives*** to fund ongoing AEC operations and needed capital improvements.



THE OPPORTUNITY

- **Reposition the AEC Campus** to be a top-tier competitor for large events with new facilities and capital improvements to existing facilities.
- **Capture new market share** of large, profitable recurring events with improved facilities.
- **Eliminate AEC's continuing operating deficit** and build an operating surplus to fund future re-investment.
- **Create sustainable amenities and services** for the adjacent neighborhoods and communities.
- **Create a new destination** for the Dane County and the surrounding region that includes large events, commerce, entertainment and sports.
- **Leverage public investment by enabling private investment** to occur on and around the AEC Campus
- **Generate significant fiscal and economic benefits.**

- **Create permanent new jobs** for Dane County and the Region.



STRATEGIC FEASIBILITY STUDY – KEY TOPICS:

- **Gain a better understanding of AEC’s current strengths and weaknesses** relative to trends in the exposition market (SWOT Analysis).
- **Identify improvements required to remain competitive** increasing event bookings, boosting visitation and ticket sales, and ultimately increasing revenues.
- **Evaluate complementary real estate strategies** for the AEC campus to maximize the destination appeal of the site.
- **Review how other communities have established finance and governance frameworks** to manage large-scale infill redevelopment projects of this possible order.
- **Provide a recommended action plan and next steps**

Note: This Strategic Feasibility Analysis is not intended to provide a “master plan” for the AEC campus. It is a framework to review a range of alternatives and create a framework to compare potential initiatives going forward.



1.0 INTRODUCTION



ARENA BUILDING

EXHIBITION HALL

COLISEUM

NEW HOLLAND PAVILLONS

YEAR BUILT	1955	1995	1967	2014
SIZE	40,500 SF	207,499 SF	10,300 Capacity 25,000 to 75,000 SF of Flexible Space	290,000 SF
PROGRAM	Exhibit Space Ice Sheet Renovated Hockey Locker Room	Exhibit Space Flexible Flat Floor Space	Sports, AG, Entertainment Flexible Exhibit Space	AG Shows Trade Shows
CONDITION SUMMARY	Fair/Poor 5 – 10 Years Useful Life	Good	Poor / Fair Near End of Useful Life	New



ALLIANT ENERGY CENTER CAMPUS

REDEVELOPMENT FRAMEWORK

In this Strategic Feasibility Study, we provide a framework which considers a range of potential redevelopment options for improvement of the AEC site:

- **OPTION 1** – Maintenance and Repair (Low Level of Improvement / Low Investment)
- **OPTION 2** - Limited Facility Upgrades or Capital Improvements (Moderate Level of Improvement / Moderate Investment)
- **OPTION 3** - Full Campus Expansion and New Event Venue (High Level of Improvement / High Level of Investment Including Private Investment)

Based on certain development assumptions, we have generated preliminary ranges of potential fiscal and economic impacts, which may be associated with each option.

This information is intended to act as a starting point to help inform future master planning or development efforts. This document is not intended to provide a specific master plan.



2.0 SWOT ANALYSIS OVERVIEW



2.0 SWOT ANALYSIS

S

New Pavilions
Expo Hall
Location
Outdoor Space
Management/Staff
Access to Population

W

Coliseum
Arena Building
Limited meeting/banquet space
Residential location
Access to adjacent amenities
(restaurants, hotels, etc.)

O

Ag / Equestrian events
Entertainment events
Community involvement
Transportation hub
Amateur Sports

T

Community Opposition
Declining Coliseum demand
Increasing competition
Capital repair & replacement
Lack of staff and funding
Facility use costs



2.0 SWOT ANALYSIS

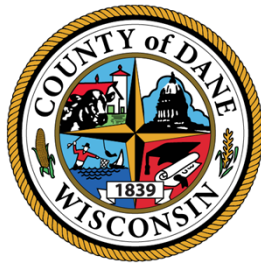
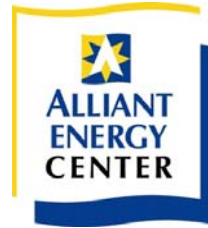
SWOT ANALYSIS OVERVIEW

The purpose of this analysis is to provide an assessment of AEC’s strengths, weaknesses, opportunities, as well as potential threats to AEC (“SWOT”). The SWOT analysis focuses on the following:

- Market demand
- Ability of existing assets to accommodate demand
- Quality of the integration of AEC with surrounding areas
- Structure under which the AEC is financed and managed

Over 60 interviews were held to identify AEC facility and site components that function well, and those that require modification, enhancement and/or expansion. Groups included in this process included:

- AEC
- Dane County
- City of Madison
- Greater Madison CVB
- Greater Madison Chamber
- Wisconsin Department of Agriculture
- Trade and Consumer Protection
- Hoteliers
- Sustainability Partners
- Community/Neighborhood Associations
- Social Equity/Public Health
- Arts, WI
- Visit Downtown Madison
- Madison Area Sports Commission
- Wisconsin Economic Development Corporation



SWOT ANALYSIS OVERVIEW

Following the individual interviews, a thorough evaluation of AEC existing facilities and the ability to attract and accommodate events in the exposition, entertainment, convention, meeting, trade, consumer and other sectors was conducted. Characteristics evaluated as part of this analysis include:

- **Existing/planned events** including exhibition, convention, conference, livestock, agricultural, outdoor and other event space.
- **Physical characteristics**, configuration, amenities, and other features within the existing facilities.
- **Event characteristics** (type, number, length of stay, origination of attendees).
- **Committable hotel** properties and rooms.
- **Proximity** to major metropolitan markets.
- **Air, rail, ground transportation** and shuttle access.
- **Parking** capacity.
- **Entertainment** offerings and attractions.
- **Financial** operating results.

The SWOT identified facility and operational components of the AEC campus and surrounding area that function well, and those that require modification, enhancement and/or expansion.



ALLIANT ENERGY CENTER EVENTS

MARKET / INDUSTRY TRENDS

While not all trends are applicable to all regions and markets, it is useful to consider certain best practices when creating a strategy for future facility/complex investment.

As specific industry trends can vary greatly depending on the specific type of facility product and/or market segment pursued by the complex, we have segmented our discussion into the following 3 categories:

- Agricultural, Equestrian and Livestock Facilities
- Convention, Conference and Meeting Facilities
- Sports and Entertainment Facilities



TRENDS



2.0 SWOT ANALYSIS

MARKET DEFINITION – COMPETITIVE / COMPARABLE SET

COMPARABLE FACILITIES – COMPLEX SUMMARY								
Facility	City, State	Ownership Structure	Size (in acres)	Total Horse Stalls	RV Hookups	Largest Arena Seating	Largest Contiguous Exhibit Space	Total Indoor Event Space
Expo New Mexico	Albuquerque, NM	501(c)3	236	2,500	65	11,286	62,100	154,400
Ohio State Fair	Columbus, OH	State	360	1,012	363	5,000	152,900	579,600
National Western Center	Denver, CO	501(c)3	100	2,400	0	7,300	118,400	570,600
Iowa State Fairgrounds	Des Moines, IA	State	445	600	2,378	3,500	110,400	327,100
Iowa Events Center	Des Moines, IA	County	n/a	0	0	17,000	96,100	223,400
Will Rogers Memorial Center	Fort Worth, TX	City	105	3,200	190	5,700	95,000	164,200
American Royal Center	Kansas City, MO	501(c)3	74	1,474	50	19,500	96,000	315,400
Kentucky State Fair	Louisville, KY	State	400	2,498	218	19,000	425,700	1,140,600
Idaho Horse Park	Nampa, ID	City	180	880	44	12,657	63,000	100,800
Oklahoma State Fair	Oklahoma City, OK	City	435	2,600	330	9,000	70,000	328,000
Centurylink Center	Omaha, NE	City	n/a	0	0	14,000	194,300	287,600
SunnyView Expo Center	Oshkosh, WI	County	100	100	150	600	31,500	31,500
North Carolina State Fairgrounds	Raleigh, NC	State	344	585	200	7,600	95,000	224,600
Tulsa Expo Center	Tulsa, OK	County	240	2,500	0	4,500	334,000	501,000
Wisconsin State Fair	West Allis, WI	State	200	850	120	3,120	198,900	313,700
Alliant Energy Center	Madison, WI	County	153	1,300	139	10,231	200,000	452,200

Source: CSL



2.0 SWOT ANALYSIS

MARKET ANALYSIS

	Convention Center	Conference Center	Expo Center	Community/Civic Center	Spectator Arena	Ag./Equestrian Center	Fairgrounds Complex
AEC Facility	N/A	N/A	Expo Center	Expo Hall, Coliseum	Coliseum	Coliseum, Pavilions, Arena Bldg.	Expo Hall, Coliseum, Pavilions, Arena Bldg
Strength of AEC Space Offered	Strong Exhibit; No Ballroom; Limited Meeting	No Ballroom; Limited Meeting	Strong Exhibit; Limited Meeting	Strong Exhibit; Coliseum Needs Improvement; Flexible Multipurpose	Coliseum Needs Improvement	Pavilions are Competitive Advantage; Coliseum Needs Improvement	Strong Variety In/Out Space; Coliseum and Outdoor Space Need Improvements
Sample AEC Events	WI Agri-Business; Progressive Dairy Publishing	WI Business Analyst Development; UW Health Medical Asst.	Quilting Expo; Fishing Expo; Nursing Matters Expo	Madison Metro School Distr. Meetings; Edgewood College Graduation	Jason Aldean\; Jeff Dunahm; Rock'n Worship; Badger Cheerleading	World Dairy Expo; Midwest Horse Fair; Madison Classic Horse Show	Dane County Fair; Brat Fest
Strength of Support Facilities Surrounding AEC	Weak HQ Hotel Limitations; Proximate Hotel Inventory Inadequate	Weak HQ Hotel Limitations; Proximate Hotel Inventory Inadequate	Strong Parking, Highway Access and Visibility	Strong Highway Access, Parking and Visibility	Strong, Highway Access, Parking and Visibility	Strong Parking, Adequate RV Hookups; Strong Acreage	Strong Acreage, Adequate RV Hookups;
AEC-Specific Economic Impact Generating Ability	Limited Now With Moderate Potential	Limited Now With Strong Potential	Moderate Now with Strong Potential	Limited now with Moderate Potential	Limited Now with Moderate to Strong Potential	Moderate to Strong Now with Strong Potential	Moderate Now with Strong Potential for Ancillary Development Impacts

Source: CSL



2.0 SWOT ANALYSIS

HIGH DEMAND

- Agricultural Shows
- Equestrian/Livestock
- Equipment Shows
- Club/Hobby Events
- Promoted Events
- Entertainment Shows

MODERATE DEMAND

- Amateur Sports
- Car/RV Shows
- Consumer Shows
- Tradeshows
- Community Fairs/Festivals

LOW DEMAND

- Large Conventions

INDUSTRY TRENDS

AGRICULTURAL, EQUESTRIAN AND LIVESTOCK FACILITIES

- Greater flexibility for a wider array of competitions and events and guaranteed cover during inclement weather.
- Improved services, especially food and beverage services for visitors
- Comfortable hospitality spaces to accommodate banquets and meetings
- Displays signage and exhibits provide an opportunity to showcase the history of the venue, sponsors/partners and the community.
- Wi-Fi access throughout the entire complex

CONVENTION, CONFERENCE AND MEETING FACILITIES

- High load-capable concrete floors and sub-divisibility to appeal to wider market.
- Flexible seating and gathering areas for indoor and outdoor events
- Attractive environment surrounding the center
- Walkable, on-site hotels, restaurants, retail and entertainment options
- Increased use of meeting space and break-out areas before, during and after events.

SPORTS & ENTERTAINMENT FACILITIES

- Rigging capacity in excess 100,000 to 125,000 lbs for concerts and other events with state-of-the-art curtaining systems
- Integration of retail and dining choices to create a destination environment
- Reliable Cellular and Wi-Fi service with potential sponsorship activation
- Larger scoreboards and increased digital advertising opportunities
- Retractable seating in the lower bowl to provide added flat floor event space
- Suites and other Premium seating



2.0 SWOT ANALYSIS



STRENGTHS

- New Holland Pavilions
- Large clear span space at Expo Hall,
- Ample outdoor space and parking
- Strength of the facility staff and management team.
- AEC's close proximity to downtown Madison
- Accessible to a large population base

WEAKNESSES

- Poor condition of the Coliseum and Arena: Functionally Obsolete
- Limited funding for capital improvements.
- Limited access to banquet and/or breakout meeting space
- Lack of adjacent visitor industry infrastructure (i.e., restaurants, hotels, entertainment, transportation access, etc.)
- Continuing Operating Deficit.

OPPORTUNITIES

- Greater penetration of the agricultural/equestrian, entertainment and amateur sports markets.
- Development of a destination for local residents as well as the greater region.
- Creation of enhanced transportation connection linking downtown Madison, the UW campus or other area destinations.
- Improve the engagement of the Campus with the surrounding community and City amenities (i.e. parks).
- generate significant additional fiscal and economic impacts for the county and city if it can increase visitation and utilization.

THREATS

- Increasing industry competition for events,
- Poor condition of several AEC facilities
- Lack of funding to support staffing, marketing, capital repair and replacement
- Depletion of Reserved Funds
- Lack of Public Funding Support to match Competing Facilities



2.0 SWOT ANALYSIS

NEW HOLLAND PAVILIONS

CONTRACTED RETURNING EVENTS

- World Dairy Expo*
- Brazen Dropouts Bike Sale
- Bike O Rama*
- Midwest Select Sale
- Madison Classic
- Midwest Horse Fair*
- WI Holstein – 2 Events*
- Dane County Fair*
- WI Barrel Racing
- WI Saddlebred Futurity Horse Show
- Just Between Friends - Resale

CONTRACTED NEW EVENTS

- Badger Kick Off*
- Autofest
- WI Paint Horse – 2 Events
- Quarter Horse Classic
- Cap Gun Horse Show
- Family Motor Coach Association
- WI Pony of Americas
- Wisconsin Quarter Horse Association
- Auto Show
- Jr. National Hereford Association

TENTATIVE NEW EVENTS

- WI Arabian Horse Association
- Pinto Horse Association
- Wisconsin Interscholastic Horse
- Buckskin Horse – 2 Events
- Model Railroad Association
- Morgan Masterpiece
- Clydesdale Breeders
- Pony of Americas
- National Archery in Schools

* Multiple year contracts
Source: Alliant Energy Center Management, 2014

STRENGTH: NEW HOLLAND PAVILIONS

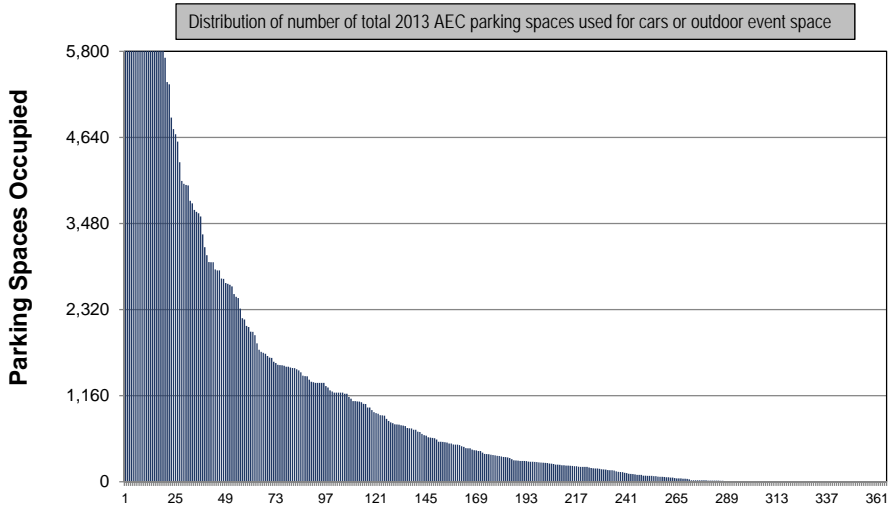
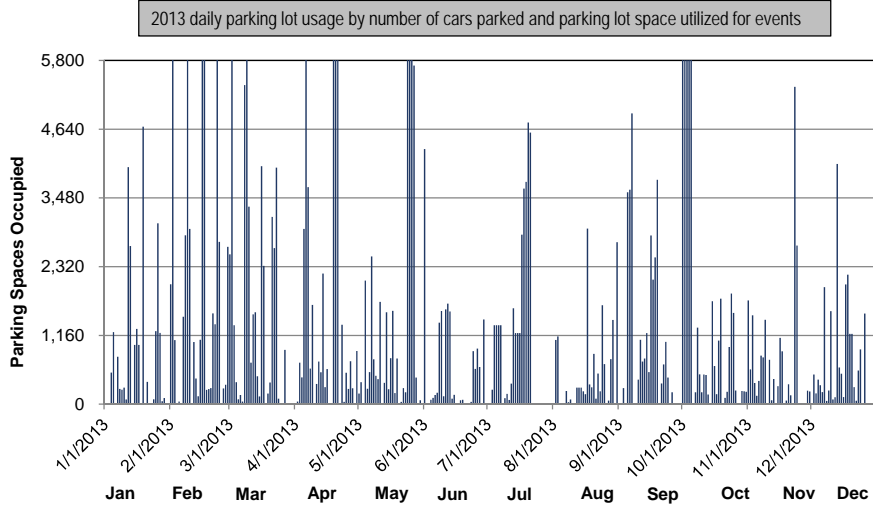
- The New Holland Pavilions provide a competitive advantage over other equestrian or livestock event centers.
- The size and flexibility of the space provide AEC management an opportunity to accommodate existing/recurring event business, contract new business and market new events.
- Response to the New Holland Pavilions has been positive, but it does not appear this investment will enable AEC to reduce its annual operating shortfall, based on 2014 financial results.



2.0 SWOT ANALYSIS

PARKING

STRENGTH: ACCESSIBILITY AND PARKING



Source: Alliant Energy Center Management, 2014

- A majority of the AEC campus is comprised of vacant land and 5,800 parking spaces. Most of the parking areas are in need of restriping and repaving.
- A lack of landscaping causes the parking areas to appear dull and unattractive. However the parking areas are important for hosting the largest events at AEC.
- The outdoor space is used to the fullest extent by World Dairy Expo and Midwest Horse Fair, which are major revenue generators for AEC. Other events rarely use all available parking stalls.
- Future real estate planning should account for the relationship between necessary parking capacity along with outdoor staging and outdoor exhibit space. A detailed parking and staging study should evaluate the AEC core facilities to assist in future planning needs.



WEAKNESS: OVERALL AEC UTILIZATION

The following slides summarize the key findings of the SWOT Analysis for each major component of AEC. Those components include:

- Expo Hall
- Veterans Memorial Coliseum
- New Holland Pavilions
- Parking Lots



ALLIANT ENERGY CENTER CAMPUS & FACILITIES

Areas of Importance

Facilities

- Coliseum
- Arena
- Expo Hall
- Outdoor space

Amenities

- AV and other equipment
- Wireless technology
- Staff resources

Campus

- Sustainability
- Green space
- Community/social equity
- Barriers to access
- Parking

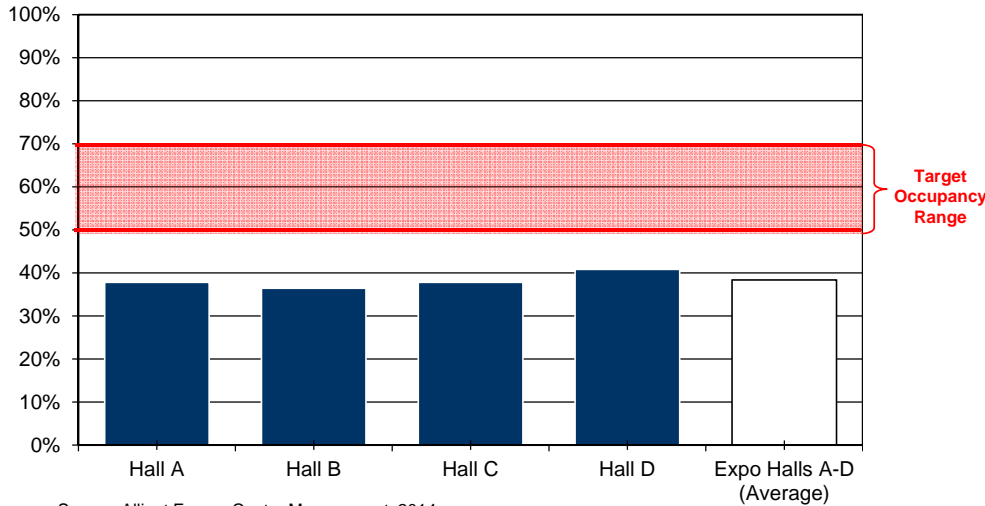
Site Area

- Hotel
- Restaurant(s)
- Transportation
- Retail
- Other

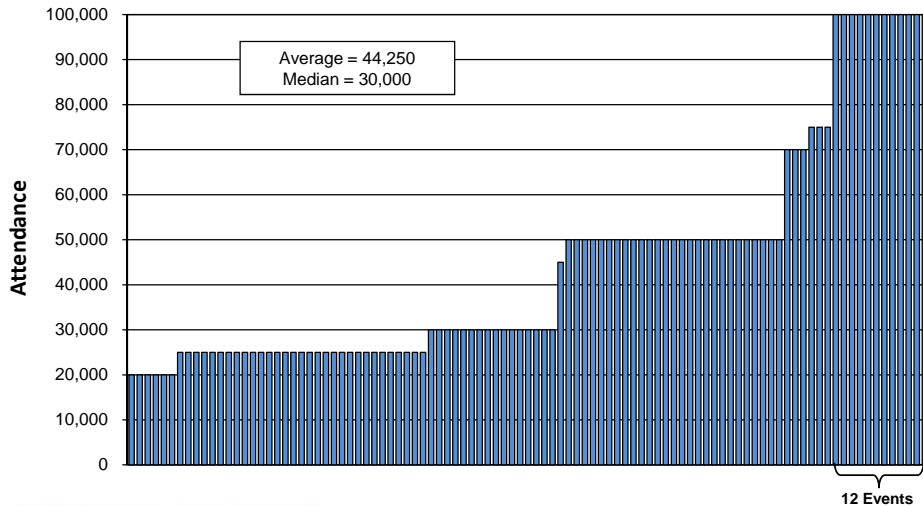


2.0 SWOT ANALYSIS

EXPO HALL



Source: Alliant Energy Center Management, 2014



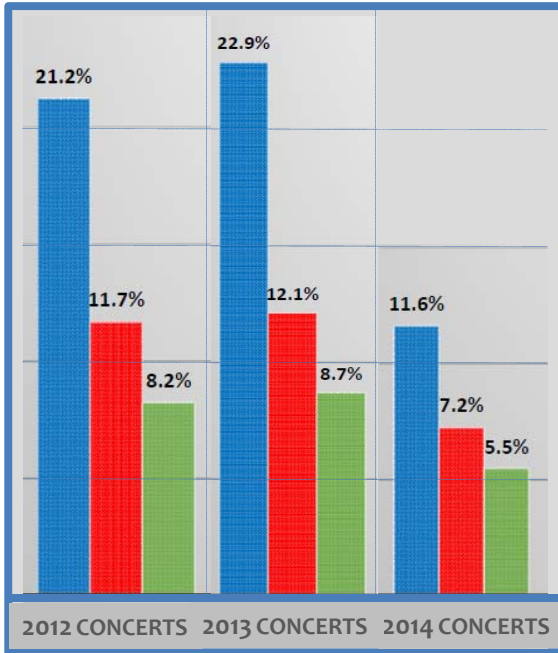
EXPO HALL

- Occupancy at the Expo Hall averages less than approximately 40 percent. Industry-wide, occupancy levels in the 50 percent to 70 percent range.
- This data suggests that significant expansion of Expo space is not currently required unless incremental and new visitation drivers are created on the AEC site.
- The event space at Expo Hall is adequate to host continuing major events and the condition of the facility is very good.

Largest Events Utilizing The Entire Expo Hall

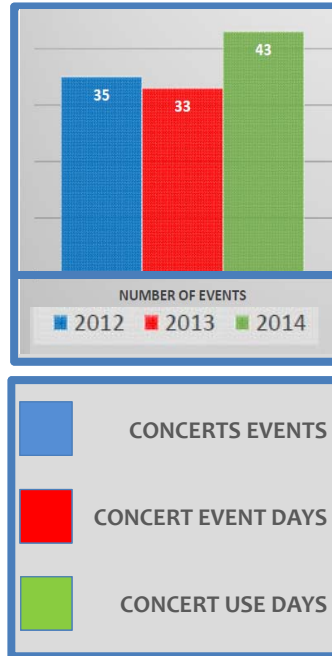
- Canoecopia
- Dane County Fair
- Deer & Turkey Expo
- Garden Expo
- Madison Fishing Expo
- Madison RV & Camper Show
- Midwest Horse Fair
- Quilt Expo
- State FFA Convention
- WABA Conv. & Trade Show
- WI Counties
- World Dairy Expo

CONCERTS AS A PERCENTAGE OF OVERALL EVENTS



Source: Alliant Energy Center and Markin Consulting - 2015

NUMBER OF EVENTS BY YEAR



VETERANS MEMORIAL COLISEUM

- The poor condition of the 48 year-old Coliseum indicates that it has reached and even exceeded its useful life.
- World Dairy Expo (WDE) and Midwest Horse Fair (MHF) are the two most prominent of the Coliseum users, but can use other AEC facilities
- Minor league hockey (USHL – Madison Capitols) used the Coliseum for 14 games in 2014 and has projected additional annual attendance of 45,000 for 2015. (Source AEC and CSL)
- The costs to produce events at the venue are much higher than at newer competitive arenas, and the costs to continue to maintain the facility are increasing.
- Demand for other sports and entertainment events is present, but the current limitations of Coliseum prevent capturing these events. A replacement of the Coliseum is needed since a renovation is very costly (Markin Report) and would still result in a sub-standard configuration.





2.0 SWOT ANALYSIS

COMPETITIVE / COMPARABLE FACILITY AND MARKET ANALYSIS

WEAKNESS: COMPARABLE FACILITIES – FINANCIALS

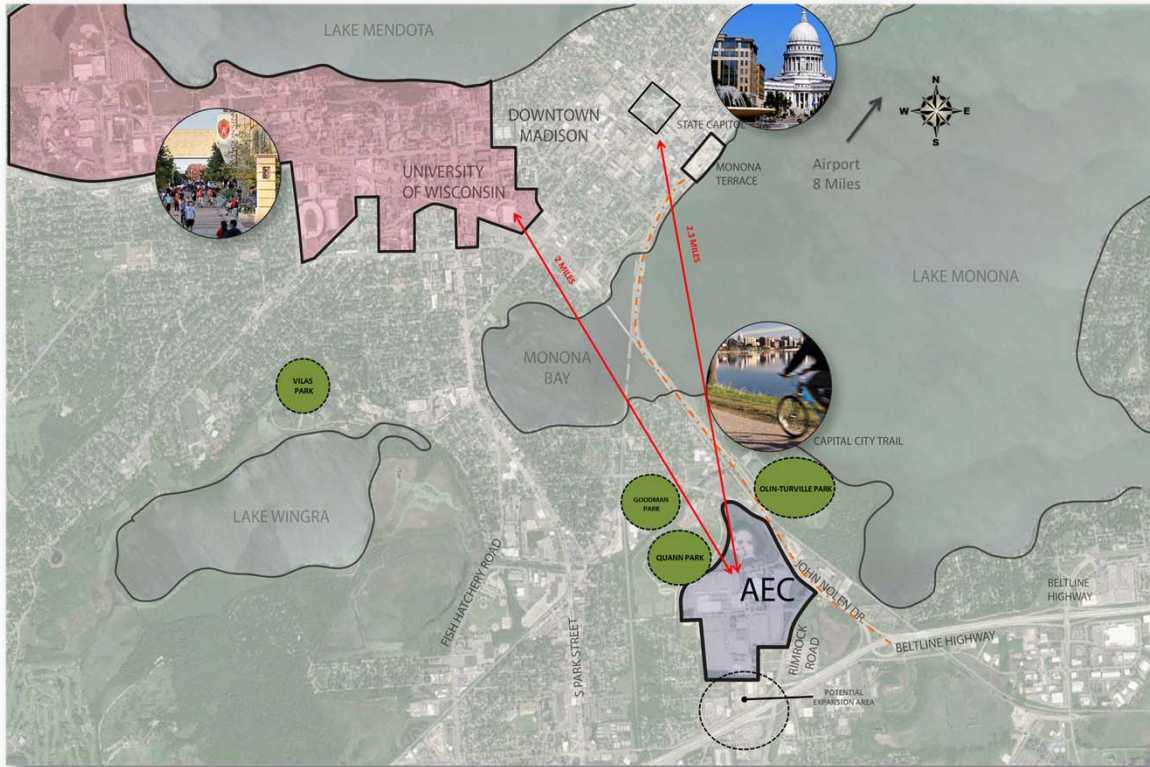
The following table presents the revenues, expenses and maintenance, debt and other costs supported by facility operations for the AEC and several comparable venues. It is important to consider the financial operating ability of these facilities to maintain and market their venues. Not only do the competing facilities avoid carrying the burden of debt service but they also typically receive some sort of public contribution to assist operations or buy future business and events.

COMPARABLE FACILITIES - FINANCIAL OPERATIONS - 2014				
	Alliant Energy Center	Ohio Expo Park	Idaho Horse Park	Expo New Mexico
Revenue	\$7,980,643	\$13,042,738	\$895,045	\$11,982,968
Expenses	\$7,718,450	\$13,579,980	\$2,391,440	\$12,862,785
Net Operating Profit / (Loss)	\$262,193	(\$537,542)	(\$1,496,395)	(\$879,817)
Other Revenue	\$642,595	\$250,001	\$0	\$0
Debt Service	(\$1,663,753)	\$0	(\$66,544)	\$0
Public Contribution	\$0	\$1,347,256	\$1,562,939	\$5,896,169
Change in Net Assets	(\$758,965)	\$1,060,015	\$0	\$5,016,352

Source: Alliant Energy Center and CSL



3.0 REAL ESTATE ANALYSIS



REAL ESTATE ANALYSIS OVERVIEW

Many factors allow for a multitude of enhancement options for AEC.

- Significant annual visitation
- Convenient access
- Abundant land
- Flexible facilities
- Experienced operations staff
- Close proximity to downtown Madison
- Name recognition and history

AEC has the potential to create additional positive economic impacts and new community benefits
Local and statewide fiscal and economic impacts

- Strengthen the Madison market through increased visitation and spending
- Permanent Jobs
- Community pride
- Stronger linkages with existing surrounding assets
- Important community destination with strong attractions and services



3.0 REAL ESTATE ANALYSIS

HIGHEST AND BEST USE

OPTION	INVESTMENT	CHARACTERISTICS	POTENTIAL PROGRAM AND OUTCOME
OPTION 1 Minor Deferred Maintenance with Green Space	Low	<ul style="list-style-type: none"> • Open space • Civic projects • Public in nature • Community investment • Maintain existing operations 	<ul style="list-style-type: none"> • Open spaces / green space • Sports fields • Simple Transportation links • No private development • Continuing Operating Deficit • Budget Burden for Dane County.
OPTION 2 Limited Facility Upgrades	Medium	<ul style="list-style-type: none"> • Limited facility upgrades • Capitalize on surrounding amenities and site attributes • Limited new economic impacts 	<ul style="list-style-type: none"> • Improvements to existing facilities • Potential new facilities • Limited ancillary facilities • Linkages between facilities • Enhanced transportation connections • Limited or Neutral Operating and Financial Impacts
OPTION 3 Full Campus Expansion and New Event Venue	High	<ul style="list-style-type: none"> • Major destination elements • Drive new visitation • Significant private investment • Significant growth in economic impacts 	<ul style="list-style-type: none"> • Higher density pedestrian-oriented development • Hospitality • Retail, dining & entertainment • Transportation hub • Residential • Entertainment anchor(s) • Regional destination • Operating Surplus • Long-term Sustainability

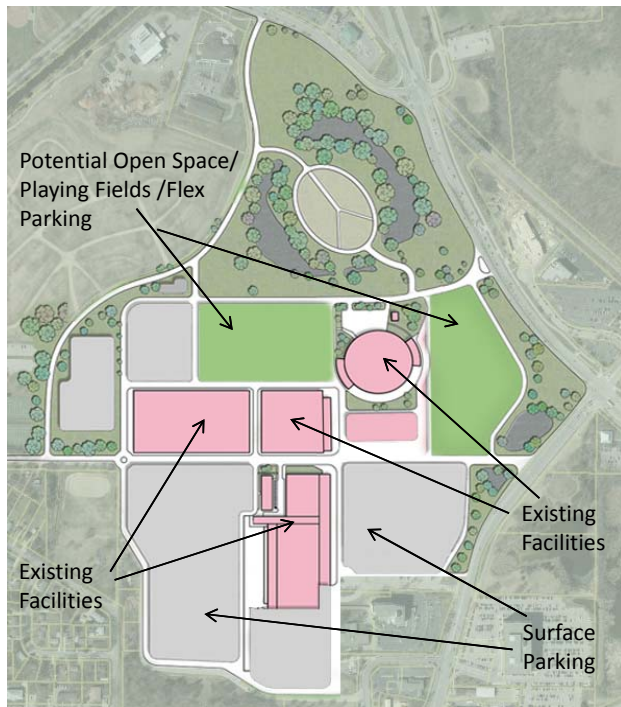
SUMMARY OF OPTIONS

- The table on the left summarizes a range of real estate strategies and options for this site.
- The purpose of this framework is not to present a specific master plan, but instead to present a range of potential options for further study.
- The following pages explore each of these options through case studies, which are provided to assist in further understanding each option.

3.0 REAL ESTATE ANALYSIS

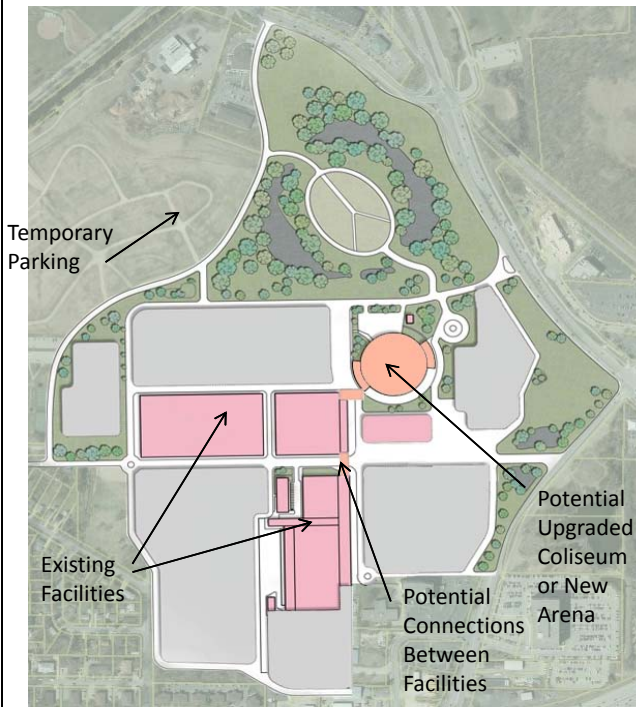
SUMMARY OF OPTIONS

OPTION 1 SUMMARY – MINOR DEFERRED MAINTENANCE & REPAIRS



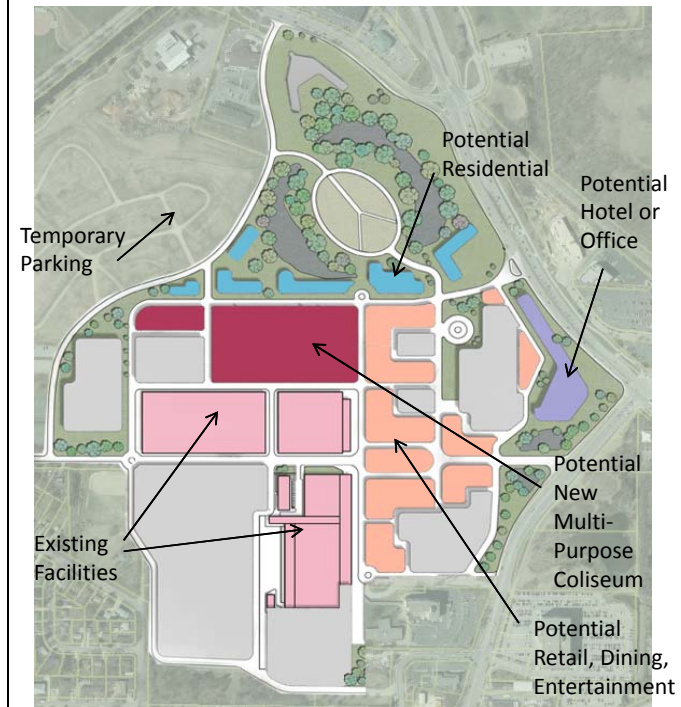
- Deferred maintenance and repairs.
- Potential enhancement of green spaces
- Does not solve competitive disadvantages or recurring operating deficits
- Significant ongoing funding burden for Dane County, which is not sustainable.
- Not a sustainable long-term strategy

OPTION 2 – LIMITED FACILITY UPGRADES OR REPLACEMENTS



- Limited redevelopment
- May include certain facilities improvements with limited pedestrian, transportation, and technology upgrades .
- Would require significant public funding to keep pace with competing facilities
- Unlikely to attract private investment
- Not a sustainable long-term strategy

OPTION 3 – COMPREHENSIVE DESTINATION CAMPUS REDEVELOPMENT



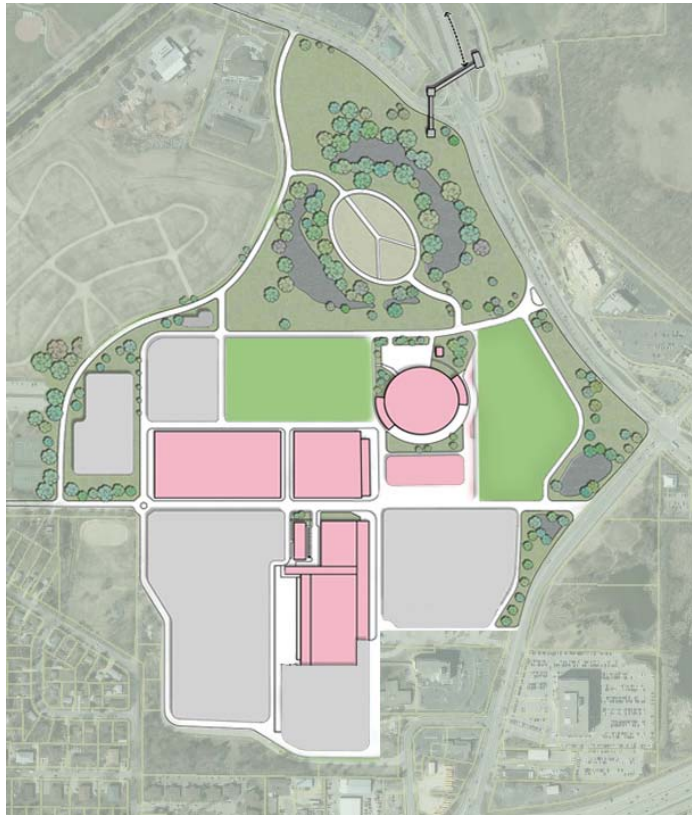
- Higher density, phased redevelopment
- Would require a comprehensive master planning process, with input from community leaders and key stakeholders
- Would facilitate significant private investment
- Significant fiscal and economic impacts
- Long-term, sustainable strategy with operating surplus



3.1 OPTION 1

3.1 REAL ESTATE ANALYSIS

OPTION 1



KEY	
■	Open Space/ Playing Fields /Flex Parking
■	Existing Facilities
■	Surface Parking

OPTION 1 SUMMARY – MINOR DEFERRED MAINTENANCE & REPAIRS

Option 1 contemplates the completion of deferred maintenance and repairs, along with the potential enhancement or addition of green spaces, which could include outdoor fields to support recreation. Due to its limited scope, Option 1 addresses only a few of the competitive and economic challenges facing the AEC and would not provide a long term solution to the competitive disadvantages and recurring operating deficits, which currently impact the AEC campus. Option 1 also would not provide significant economic or fiscal impacts to Dane County, or the surrounding region.





3.1 REAL ESTATE ANALYSIS

OPTION 1

OPTION 1: CONCEPTUAL PROGRAM, INVESTMENT AND ECONOMIC IMPACTS

In summary, Option 1 addresses a very limited number of the competitive and economic challenges facing the AEC and would not provide a long term solution to the competitive disadvantages and recurring operating deficits that impact the AEC campus. No new operating revenues would be expected and there is a high probability of continuing operating deficits in the future.

It is expected that all investment for Option 1 would need to come from public sources and there would little or no opportunities generated for private investment to be stimulated. Continuing operating deficits may require the elimination of jobs due to the financial burden on Dane County. Option 1 would not provide significant economic or fiscal impacts to Dane County or the region. The following table summarizes the expected impacts of Option 1.

Option #1	Program	Capital Investment	Economic Impacts	Impacts to AEC Operations
Minor Deferred Maintenance & Repair with Green Space	<ul style="list-style-type: none"> • General Repairs & Maintenance • Priority Capital Investments <ul style="list-style-type: none"> • Energy Efficiency Improvements • Expo Hall HVAC Zoning • Boilers & Chillers • Fire Alarm System • Expo Hall Roof • ADA Improvements • Replace furniture • Parking Lot Repaving • Landscaping & Signage 	<ul style="list-style-type: none"> • \$0 to \$9 Million of Public Investment • \$0 of Private Investment 	<ul style="list-style-type: none"> • No new fiscal impacts • Operating deficit may require the elimination of jobs. • Financial burden on Dane County 	<ul style="list-style-type: none"> • No new revenue • Somewhat reduces energy consumption (see 2015 RCx Report) • Continuing operating deficits



3.1 REAL ESTATE ANALYSIS

OPTION 1

OPTION 1: SOURCES AND USES ASSUMPTIONS

The following table provides a preliminary summary of the potential funding sources and uses/cost assumptions for the repairs and improvements that must be provided, based on site evaluations by Sink Combs Dethlefs Architects, CG Schmidt, and discussions with AEC Staff. Preliminary cost estimates provided by CG Schmidt indicate that, when combined, the total cost of the short term and long terms capital repairs and improvements identified in this report is in the range of approximately \$5.5 to \$9.0 Million. The following table is for discussion purposes only.

SOURCES AND USES

SOURCES OF FUNDS		USES OF FUNDS	
Private Funding	\$ 2,000,000	Site Acquisition	NA
Public Funding	\$ 7,000,000	Site Improvements	\$ 700,000
		Construction Costs & FFE	7,000,000
		A/E and Professional Fees	700,000
		Development Costs	600,000
TOTAL	\$ 9,000,000	TOTAL	\$ 9,000,000

Notes:

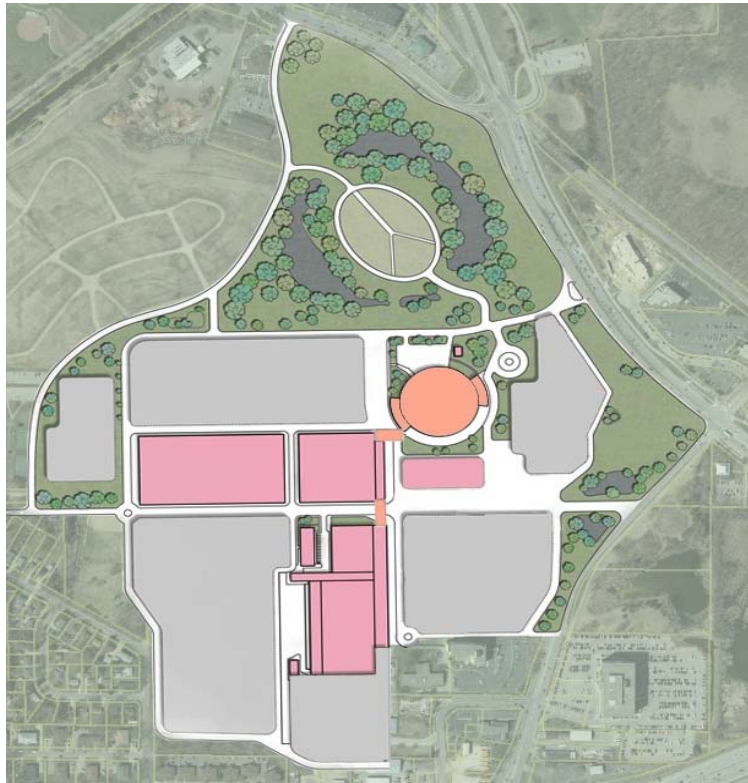
- Assumes "Short Term" Capital Investment Needs are Addressed.
- Assumes "Long Term" Capital Investment Needs are Addressed on Expo Hall and Site
- Preservation of existing economic and fiscal impacts.
- Provides no new economic or fiscal impacts.



3.2 OPTION 2

3.2 REAL ESTATE ANALYSIS

OPTION 2

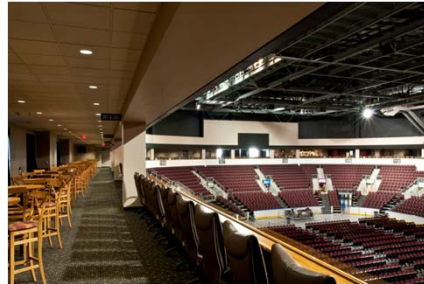


KEY	
	Existing Facilities
	Surface Parking
	Upgraded or New Facilities

OPTION 2 – LIMITED FACILITY UPGRADES OR REPLACEMENTS

Option 2 would provide a limited amount of AEC campus redevelopment, which may include certain facility upgrades or new facilities, pedestrian upgrades, transportation upgrades and technology upgrades.

This option would require significant public funding in order to keep pace with competing facilities and would not attract significant private investment. It does not address long-term operating deficit at the AEC campus.





3.2 REAL ESTATE ANALYSIS

OPTION 2

OPTION 2: CONCEPTUAL PROGRAM, INVESTMENT AND ECONOMIC IMPACTS

In summary, Option 2 addresses only some of the upgrades identified in the SWOT analysis in this report, achieving low to moderate additional event demand and low to moderate new revenue.

Option #2	Program	Capital Investment	Economic Impacts	Impacts to AEC Operations
OPTION 2 Limited Facility Upgrades or Replacements	<ul style="list-style-type: none"> • Upgrades and repairs needed to remain reasonably competitive in the short term. • Add Industry Standard Amenities. • Coliseum Renovation or Replacement. 	<ul style="list-style-type: none"> • \$60 to 75 Million of Public Investment. • Cost burden for Dane County may affect County services. • Debt Service may be \$4 to \$5 Million per yr. • Very Limited Potential Private Investment (Including Sponsorship Agreements). 	<ul style="list-style-type: none"> • Low to Moderate Additional Event Demand. • Total annual fiscal impacts of approximately \$1 to \$3 Million. 	<ul style="list-style-type: none"> • Low to Moderate new revenue from events. • Potential Operating Cost efficiencies related to certain improvements. • Does not address long-term operating deficit.



3.2 REAL ESTATE ANALYSIS

OPTION 2

OPTION 2: SOURCES AND USES ASSUMPTIONS

The following table provides a very preliminary summary of a potential funding structure and uses /cost assumptions for the repairs and improvements that would be provided in Option 2, based on certain assumptions provided in this report. In summary, Option 2 assumes a major renovation, or replacement of the Coliseum, completion of “Short Term” and certain “Long Term” Capital investment needs, and certain site improvements as discussed in connection with Option 1.

The following table is for discussion purposes only. If Option 2 improvements move forward, determination of the anticipated sources and uses of funds would require a development plan, master plan, finance plan, detailed design, cost estimating, budgeting, bidding and other information in order to be verified, prior to implementation.

SOURCES OF FUNDS		USES OF FUNDS	
Equity	\$ 5,000,000	Site Acquisition	NA
Debt	\$ 75,000,000	Site Improvements	\$ 3,000,000
		Construction Costs & FFE	66,200,000
		A/E and Professional Fees	6,000,000
		Development Costs	4,800,000
TOTAL	\$ 80,000,000	TOTAL	\$ 80,000,000

Notes:

- Assumes “Short Term” capital investment needs are addressed.
- Assumes Certain “Long Term” capital investment needs are addressed on Expo Hall and AEC Site, assuming a major renovation or replacement of the Coliseum would address such needs for the Coliseum.



3.2 REAL ESTATE ANALYSIS

OPTION 2

TARGET FISCAL AND ECONOMIC IMPACTS – PUBLIC DEVELOPMENT

The following potential impacts have been provided, based on a review of the impacts reported on similar projects in other US markets. More detailed study is required to define those potential improvements, their impacts on AEC operations and other factors.

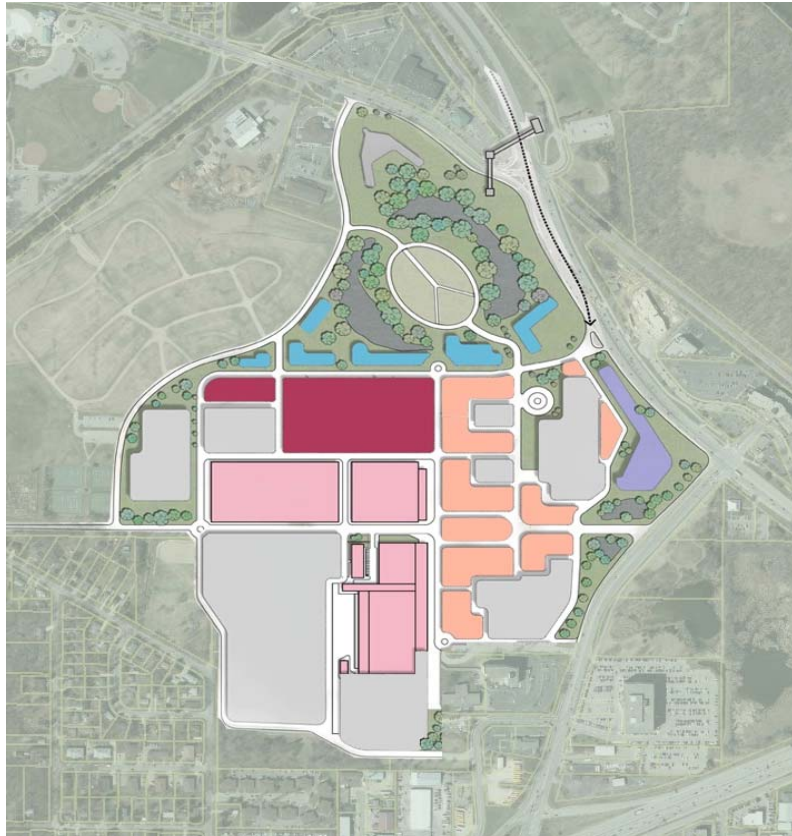
<u>Annual Impacts (2015 \$)</u>	<u>Arena Project and Upgrades to Existing Facilities</u>
Direct Spending	\$25 Million to \$40 Million
Fiscal Impacts	\$1 Million to \$3 Million
New Visitation to AEC	250,000 - 400,000 visits



3.3 OPTION 3

3.3 REAL ESTATE ANALYSIS

OPTION 3



KEY	
 Existing Facilities	 Facility Expansion, New
 Surface Parking	 Office or Hotel
 Retail	 Residential

OPTION 3 – COMPREHENSIVE CAMPUS REDEVELOPMENT, NEW EVENT VENUE(S) AND DESTINATION - ORIENTED ANCILLARY DEVELOPMENT

Option 3 represents a higher density, phased redevelopment plan intended to create major economic and fiscal impacts. This option is more comprehensive and complex than Option 1 or Option 2, requiring a detailed level of development planning. A plan of this type would involve a comprehensive master planning process, with input from community leaders and key stakeholders. It would also require a detailed development plan including a finance plan, marketing plan and operations plan. Option 3 would envision a “best-in-class” destination development and would accommodate significant private investment. Fiscal and economic impacts to the region would be very significant.





3.3 REAL ESTATE ANALYSIS

OPTION 3: CONCEPTUAL PROGRAM, INVESTMENT AND ECONOMIC IMPACTS

In summary, Option 3 provides for a comprehensive, phased redevelopment of the AEC campus and facilities. Through a Public-Private partnership approach. Capitol investment, positive impacts to AEC of sections and economic / fiscal impacts would be very significant.

Option #3	Program	Capital Investment	Economic Impacts	Impacts to AEC Operations
OPTION 3 Comprehensive Campus Redevelopment, New Event Venue(s) & Destination Development Strategy	<ul style="list-style-type: none"> • New Arena / Multi-purpose Event Center • Site Improvements • Enhanced Destination • Commercial Office • Residential • Hotel • Retail • Dining • Walkable Amenities • Connect to Downtown • 1,000 to 1,100 Car Parking Deck 	<ul style="list-style-type: none"> • \$90 to \$120 Million of Public Investment • \$300 to \$400 Million of Private Investment 	<ul style="list-style-type: none"> • New Jobs • Private Investment • Additional Spending • Total annual fiscal impacts of up to \$30 Million to \$40 Million 	<ul style="list-style-type: none"> • Significant annual operating surplus created • Net of approximately 650 to 800 parking spaces would need to be located for large events such as WDE.



3.3 REAL ESTATE ANALYSIS

OPTION 3

SUMMARY OF ASSUMPTIONS

Key assumptions related to the economic and fiscal impact targets include:

- We have considered a **“Conservative Case”** and a **“Moderate Case”** to study a range of outcomes for **Option 3**. **We are not presenting a “High Case” in order to be conservative in our analysis.**
- Fiscal Impacts are Comprised of various tax revenue streams that flow to the City, County and State primarily from the mixed-use components of the potential projects in **Option 3**, which are assumed to be privately funded.
- 10% to 20% of the fiscal impacts also result from the increased activity at a new multi-purpose Arena and upgraded existing facilities at Alliant Energy Center
- Each component of the mixed-use redevelopment works collectively to make the “destination” and create a broader identity for the Alliant Energy Center campus.
- Working together these components drive both fiscal impact and economic benefit to the local jurisdictions and the State.



3.3 REAL ESTATE ANALYSIS

OPTION 3

OPTION 3: PROGRAM AND VALUE ASSUMPTIONS: CONSERVATIVE CASE

	DEVELOPMENT PROGRAM (PUBLIC)	UNIT VALUE	VALUE (\$MM)
New Program			
6,000 to 8,000 seat Arena and Related Program	200,000 SF	\$400.00 /SF	\$ 80.0
Existing / Renovated to Remain			
New Holland Pavilions	290,000 SF	0	\$ 0.0
Exhibition Hall	207,500 SF	\$50.00 /SF	\$ 10.4
"Arena"	40,500 SF	\$50.00 /SF	\$ 2.0
Site Infrastructure inc Parking	\$1,000.00 Stalls	\$25,000 /Stall	\$ 25.0
TOTAL "PUBLIC"	738,000 SF	0	\$117.4

COMPONENT SUMMARY	DEVELOPMENT PROGRAM (PRIVATE)	UNIT VALUE	ASSUMED VALUE (\$MM)
Commercial Office (incl. TI)	800,000 SF	\$200.00 /SF	\$160.0
Retail, Dining & Entertainment	300,000 SF	\$200.00 /SF	\$ 60.0
Hotel	240 KEYS	\$200,000 /KEY	\$ 48.0
Residential	400 DU	\$150,000 /DU	\$ 60.0
TOTAL "PRIVATE"	1,744,000 SF		\$328.0
TOTAL PUBLIC + PRIVATE	2,482,000 SF	0	\$445.4



3.3 REAL ESTATE ANALYSIS

OPTION 3

TARGET FISCAL AND ECONOMIC IMPACTS – PRIVATE DEVELOPMENT – CONSERVATIVE CASE

AEC ECONOMIC DEVELOPMENT STRATEGY
PRELIMINARY TARGET FISCAL & ECONOMIC IMPACTS

Development Program (Private)	Unit Value	Assumed Value (\$MM) 2015	Annual Fiscal Impacts											Annual Fiscal Impacts - By Jurisdiction					Annual Economic Output		Employment			
			Property Tax (\$MM)					City Room Tax (\$MM)	County Sales Tax (\$MM)	State Sales Tax (\$MM)	State Corp Tax (\$MM)	State Income Tax (\$MM)	City	Schools	County	MATC	State	TOTAL	Direct (\$MM)	Total (\$MM)	Jobs	Wages (\$MM)		
			City	Schools	County	MATC	State	TOTAL																
Commercial Office (incl. TI)	800,000 SF	\$200.00 /SF	\$160.0	\$ 1.5	\$ 1.7	\$ 0.5	\$ 0.2	\$ 0.0	\$ 3.9	\$ 0.0	\$ 0.1	\$ 1.0	\$ 2.2	\$ 6.5	\$ 1.5	\$ 1.7	\$ 0.6	\$ 0.2	\$ 9.7	\$13.7	\$506.6	\$ 713.9	4,775	\$208.9
Retail, Dining & Entertainment	300,000 SF	\$200.00 /SF	\$ 60.0	\$ 0.6	\$ 0.6	\$ 0.2	\$ 0.1	\$ 0.0	\$ 1.5	\$ 0.0	\$ 0.4	\$ 3.9	\$ 0.4	\$ 1.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.1	\$ 5.9	\$ 7.8	\$ 49.3	\$ 58.5	1,861	\$ 50.7
Hotel	240 KEYS	\$200,000 /KEY	\$ 48.0	\$ 0.5	\$ 0.5	\$ 0.1	\$ 0.0	\$ 0.0	\$ 1.2	\$ 0.6	\$ 0.1	\$ 0.6	\$ 0.1	\$ 0.2	\$ 1.1	\$ 0.5	\$ 0.2	\$ 0.0	\$ 0.8	\$ 2.7	\$ 11.2	\$ 16.3	235	\$ 7.3
Residential	400 DU	\$150,000 /DU	\$ 60.0	\$ 0.6	\$ 0.6	\$ 0.2	\$ 0.1	\$ 0.0	\$ 1.5	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.6	\$ 0.6	\$ 0.2	\$ 0.1	\$ 0.1	\$ 1.5	\$ 8.5	\$ 9.9	58	\$ 0.7
TOTAL "PRIVATE"	1,744,000 SF	\$328.0		\$ 3.1	\$ 3.5	\$ 1.0	\$ 0.3	\$ 0.1	\$ 7.9	\$ 0.7	\$ 0.5	\$ 5.5	\$ 2.7	\$ 8.4	\$ 3.8	\$ 3.5	\$ 1.5	\$ 0.3	\$16.6	\$25.7	\$575.6	\$ 798.6	6,929	\$267.6

Note: Annual Fiscal Impacts \$1 Million to \$3 Million from a new Arena as described in Option 2 would be in addition to the impacts of private development described above. Impacts from higher utilization of existing AEC facilities would likely increase this annual positive impact as well and merit further study.

The preliminary economic impacts, fiscal impacts and pro formas included in our study are provided only to illustrate general feasibility, based on very preliminary assumptions. This information is not in any way provided as an investment opportunity. No warranties or representations are made by Hammes Company, its affiliates, assignees or any other third parties as to the accuracy or completeness of the information included herein, which necessarily involves known and unknown risks, uncertainties and other factors. Accordingly, actual results may vary materially from the projected results included in this document. Parties reviewing this document should make their own investigations, projections and conclusions without reliance upon the materials contained herein. The assumptions presented are subject to modification. AEC, Dane County nor Hammes Company, nor other consultants providing information in this report, shall have any obligation to update or revise any information to reflect any change in expectations or results, or any change in events.



3.3 REAL ESTATE ANALYSIS

OPTION 3

OPTION 3: PROGRAM AND VALUE ASSUMPTIONS: MODERATE CASE

	DEVELOPMENT PROGRAM (PUBLIC)	UNIT VALUE	VALUE (\$MM)
6,000 to 8,000 seat Arena and Related Program	200,000 SF	\$400.00 /SF	\$ 80.0
Existing / Renovated to Remain			
New Holland Pavilions	290,000 SF	0	\$ 0.0
Exhibition Hall	207,500 SF	\$50.00 /SF	\$ 10.4
"Arena"	40,500 SF	\$50.00 /SF	\$ 2.0
Site Infrastructure inc Parking	1000 stalls	\$ 25,000 /Stall	\$ 25.0
TOTAL "PUBLIC"	738,000 SF		0 \$117.4

COMPONENT SUMMARY	DEVELOPMENT PROGRAM (PRIVATE)	UNIT VALUE	ASSUMED VALUE (\$MM)
Commercial Office (incl. TI)	975,000 SF	\$200.00 /SF	\$195.0
Retail, Dining & Entertainment	350,000 SF	\$200.00 /SF	\$ 70.0
Hotel	250 KEYS	\$200,000 /KEY	\$ 50.0
Residential	500 DU	\$150,000 /DU	\$ 75.0
TOTAL "PRIVATE"	2,087,500 SF		\$390.0
TOTAL PUBLIC + PRIVATE	2,825,500 SF		0 \$507.4



3.3 REAL ESTATE ANALYSIS

OPTION 3

TARGET FISCAL AND ECONOMIC IMPACTS – PRIVATE DEVELOPMENT – MODERATE CASE

AEC ECONOMIC DEVELOPMENT STRATEGY
PRELIMINARY TARGET FISCAL & ECONOMIC IMPACTS

Development Program (Private)	Unit Value	Assumed Value (\$MM) 2015	Annual Fiscal Impacts												Annual Fiscal Impacts - By Jurisdiction					Annual Economic Output		Employment			
			Property Tax (\$MM)					City Room Tax (\$MM)	County Sales Tax (\$MM)	State Sales Tax (\$MM)	State Corp Tax (\$MM)	State Income Tax (\$MM)	City	Schools	County	MATC	State	TOTAL	Direct (\$MM)	Total (\$MM)	Jobs	Wages (\$MM)			
			City	Schools	County	MATC	State	TOTAL																	
Commercial Office (incl. TI)	975,000 SF	\$200.00 /SF	\$195.0	\$ 1.9	\$ 2.1	\$ 0.6	\$ 0.2	\$ 0.0	\$ 0.0	\$ 4.7	\$ 0.0	\$ 0.1	\$ 1.2	\$ 2.7	\$ 7.9	\$ 1.9	\$ 2.1	\$ 0.7	\$ 0.2	\$11.9	\$16.7	\$617.4	\$ 870.1	5,820	\$254.7
Retail, Dining & Entertainment	350,000 SF	\$200.00 /SF	\$ 70.0	\$ 0.7	\$ 0.7	\$ 0.2	\$ 0.1	\$ 0.0	\$ 0.0	\$ 1.7	\$ 0.0	\$ 0.5	\$ 5.2	\$ 0.5	\$ 2.1	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.1	\$ 7.8	\$10.0	\$ 69.1	\$ 84.1	2,438	\$ 65.8
Hotel	250 KEYS	\$200,000 /KEY	\$ 50.0	\$ 0.5	\$ 0.5	\$ 0.2	\$ 0.0	\$ 0.0	\$ 0.0	\$ 1.2	\$ 0.9	\$ 0.1	\$ 0.8	\$ 0.1	\$ 0.3	\$ 1.4	\$ 0.5	\$ 0.2	\$ 0.0	\$ 1.2	\$ 3.4	\$ 16.3	\$ 23.8	263	\$ 8.4
Residential	500 DU	\$150,000 /DU	\$ 75.0	\$ 0.7	\$ 0.8	\$ 0.2	\$ 0.1	\$ 0.0	\$ 0.0	\$ 1.8	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.7	\$ 0.8	\$ 0.2	\$ 0.1	\$ 0.1	\$ 1.9	\$ 10.7	\$ 12.3	73	\$ 0.9
TOTAL "PRIVATE"	2,087,500 SF	\$390.0		\$ 3.7	\$ 4.1	\$ 1.2	\$ 0.4	\$ 0.1	\$ 0.0	\$ 9.4	\$ 1.0	\$ 0.7	\$ 7.3	\$ 3.3	\$10.3	\$ 4.7	\$ 4.1	\$ 1.9	\$ 0.4	\$20.9	\$32.0	\$713.5	\$ 990.3	8,594	\$329.7

Note: Annual Fiscal Impacts \$1 Million to \$3 Million from a new Arena as described in Option 2 would be in addition to the impacts of private development described above. Impacts from higher utilization of existing AEC facilities would likely increase this annual positive impact as well and merit further study.

The preliminary economic impacts, fiscal impacts and pro formas included in our study are provided only to illustrate general feasibility, based on very preliminary assumptions. This information is not in any way provided as an investment opportunity. No warranties or representations are made by Hammes Company, its affiliates, assignees or any other third parties as to the accuracy or completeness of the information included herein, which necessarily involves known and unknown risks, uncertainties and other factors. Accordingly, actual results may vary materially from the projected results included in this document. Parties reviewing this document should make their own investigations, projections and conclusions without reliance upon the materials contained herein. The assumptions presented are subject to modification. AEC, Dane County nor Hammes Company, nor other consultants providing information in this report, shall have any obligation to update or revise any information to reflect any change in expectations or results, or any change in events.



3.3 REAL ESTATE ANALYSIS

OPTION 3

SUMMARY OF ASSUMPTIONS

Key assumptions related to the **Retail, Dining and Entertainment** component include:

- The Retail, Dining and Entertainment component serves as an amenity to both the existing Alliant Energy Center facilities during events and on a year-round basis for the mixed-use campus redevelopment.
- Approximately 20% to 25% of the Retail, Dining and Entertainment program is expected to be food & beverage operations.
- This type of development is assumed to drive sales on the order of \$375 to \$425 per square foot generating local and state sales taxes and capturing visitor dollars.



3.3 REAL ESTATE ANALYSIS

OPTION 3: SOURCES & USES WITH PRO FORMA OPERATING ASSUMPTIONS

RETAIL, DINING & ENTERTAINMENT COMPONENT

SOURCES OF FUNDS		USES OF FUNDS	
Private Equity	\$ 24,000,000	Site Acquisition	\$ 500,000
Private Debt	\$ 36,000,000	Site Improvements	\$ 1,500,000
		Construction Costs (excludes TI)	\$ 48,000,000
		A/E and Professional Fees	\$ 6,000,000
		Development Costs	\$ 4,000,000
TOTAL	\$ 60,000,000	TOTAL	\$ 60,000,000

	1	2	3	4	5
OPERATING ASSUMPTIONS					
Leased Program	300,000	300,000	300,000	300,000	300,000
Lease Rate (NNN)	\$16.00	\$16.48	\$16.97	\$17.48	\$18.01
OPERATING REVENUES					
Retail Rent (NNN)	4,800,000	4,944,000	5,092,320	5,245,090	5,402,442
Expense Reimbursements	117,000	120,000	121,000	124,000	127,000
Vacancy Allowance	(492,000)	(380,000)	(261,000)	(268,000)	(276,000)
<i>Total Revenues</i>	4,425,000	4,684,000	4,952,320	5,101,090	5,253,442
OPERATING EXPENSES					
Common Area Maintenance	80,000	82,000	83,000	85,000	87,000
Property Taxes	37,000	38,000	38,000	39,000	40,000
<i>Total Expenses</i>	117,000	120,000	121,000	124,000	127,000
NET OPERATING INCOME					
Annual Debt Service (6.50% , 25-yr Amort)	2,916,895	2,916,895	2,916,895	2,916,895	2,916,895
DSCR	1.48x	1.56x	1.66x	1.71x	1.76x
BEFORE TAX CASH FLOW					
	1,391,105	1,647,105	1,914,425	2,060,195	2,209,547



3.3 REAL ESTATE ANALYSIS

OPTION 3

SUMMARY OF ASSUMPTIONS

Key assumptions related to the **Hotel** component include:

- The Hotel component would provide an enhanced destination hospitality experience at the AEC campus, which is needed from a competitive standpoint as described in the SWOT analysis.
- The Hotel would benefit from the surrounding employer base within the campus to sustain balanced, year-round occupancy beyond event days.
- The Retail, Dining and Entertainment elements would serve as amenities to improve the attractiveness of the Hotel beyond just proximity to the Alliant Energy Center on event days.
- Occupancy of up to 70% or more and an Average Daily Rate (ADR) on the order of \$160 or more can be achieved. However, our fiscal impact targets are more conservative, with an ADR of approximately \$105 and lower occupancy of 65%.



3.3 REAL ESTATE ANALYSIS

OPTION 3

HOTEL COMPONENT

SOURCES OF FUNDS	
Private Equity	\$ 19,200,000
Private Debt	\$ 28,800,000
TOTAL	\$ 48,000,000

USES OF FUNDS	
Site Acquisition	\$ 500,000
Site Improvements	\$ 2,000,000
Construction Costs and FF&E	\$ 38,780,000
A/E and Professional Fees	\$ 3,840,000
Development Costs	\$ 2,880,000
TOTAL	\$ 48,000,000

	1	2	3	4	5
OPERATING ASSUMPTIONS					
Number of Rooms	240	240	240	240	240
Average Daily Rate (ADR)	\$165.00	\$169.95	\$175.05	\$180.30	\$185.71
Occupancy Rate	64.0%	66.0%	68.0%	68.0%	68.0%
OPERATING REVENUES					
Rooms Revenue	9,251,000	9,826,000	10,427,000	10,740,000	11,062,000
F&B Revenue	2,625,000	2,704,000	2,785,000	2,869,000	2,955,000
Other Revenue	625,000	664,000	705,000	726,000	747,000
<i>Total Revenues</i>	12,501,000	13,194,000	13,917,000	14,335,000	14,764,000
OPERATING EXPENSES					
Departmental Expenses	4,355,000	4,565,000	4,782,000	4,926,000	5,073,000
Undistributed Expenses	3,125,000	3,299,000	3,479,000	3,584,000	3,691,000
Management Fee	375,000	396,000	418,000	430,000	443,000
Taxes & Insurance	438,000	462,000	487,000	502,000	517,000
CAPEX Reserve	125,000	264,000	418,000	573,000	591,000
<i>Total Expenses</i>	8,418,000	8,986,000	9,584,000	10,015,000	10,315,000
NET OPERATING INCOME					
	4,083,000	4,208,000	4,333,000	4,320,000	4,449,000
Annual Debt Service (6.50% , 25-yr Amort)	2,333,516	2,333,516	2,333,516	2,333,516	2,333,516
DSCR	1.75x	1.80x	1.86x	1.85x	1.91x
BEFORE TAX CASH FLOW					
	1,749,484	1,874,484	1,999,484	1,986,484	2,115,484



3.3 REAL ESTATE ANALYSIS

OPTION 3

SUMMARY OF ASSUMPTIONS

Key assumptions related to the **Residential** component include:

- The Residential component would provide a convenient housing option for the employees working in downtown Madison or near the AEC Campus
- The Commercial Office buildings on the campus and also serve to add to the consumer base within close proximity of the Retail, Dining and Entertainment program
- The fiscal impacts from this component are estimated primarily based upon the added tax base and associated property taxes
- This conservative approach avoids potential double counting of the consumer spending that may be accounted for within the Retail, Dining and Entertainment component or Commercial Office component.



3.3 REAL ESTATE ANALYSIS

OPTION 3

RESIDENTIAL COMPONENT

SOURCES OF FUNDS	
Private Equity	\$ 24,000,000
Private Debt	\$ 36,000,000
TOTAL	\$ 60,000,000

USES OF FUNDS	
Site Acquisition	\$ 500,000
Site Improvements	\$ 2,100,000
Construction Costs	\$ 49,000,000
A/E and Professional Fees	\$ 4,800,000
Development Costs	\$ 3,600,000
TOTAL	\$ 60,000,000

	1	2	3	4	5
OPERATING ASSUMPTIONS					
Number of Units	400	400	400	400	400
Average Monthly Rent	\$1,680	\$1,730	\$1,782	\$1,836	\$1,891
Occupancy Rate	90.0%	95.0%	95.0%	95.0%	95.0%
OPERATING REVENUES					
Apartment Rents	8,064,000	7,891,000	8,127,000	8,371,000	8,622,000
Parking Rent	-	-	-	-	-
Vacancy / Collections Losses	(806,000)	(395,000)	(406,000)	(419,000)	(431,000)
<i>Effective Gross Income</i>	7,258,000	7,496,000	7,721,000	7,952,000	8,191,000
OPERATING EXPENSES					
Administrative	290,000	284,000	293,000	301,000	310,000
Marketing	161,000	158,000	163,000	167,000	172,000
O & M	282,000	276,000	284,000	293,000	302,000
Utilities	403,000	395,000	406,000	419,000	431,000
Insurance	121,000	118,000	122,000	126,000	129,000
Miscellaneous	161,000	158,000	163,000	167,000	172,000
Property Taxes	1,158,000	1,133,000	1,167,000	1,202,000	1,238,000
Management Fee	218,000	225,000	232,000	239,000	246,000
<i>Total Expenses</i>	2,794,000	2,747,000	2,830,000	2,914,000	3,000,000
NET OPERATING INCOME					
	4,464,000	4,749,000	4,891,000	5,038,000	5,191,000
Annual Debt Service (6.50% , 25-yr Amort)	2,916,895	2,916,895	2,916,895	2,916,895	2,916,895
DSCR	1.53x	1.63x	1.68x	1.73x	1.78x
BEFORE TAX CASH FLOW					
	1,547,105	1,832,105	1,974,105	2,121,105	2,274,105



3.3 REAL ESTATE ANALYSIS

OPTION 3

SUMMARY OF ASSUMPTIONS

Key assumptions related to the **Commercial Office** component include:

- The Commercial Office component provides a base for employment growth, which also contributes to spending through the retail, dining and entertainment elements of the redeveloped campus.
- Much of the estimated employment growth is tied to this component of the development with the ability to attract employers in industries with strong multiplier effects
- At full build out, the Commercial Office component represents approximately half of the overall private program, property tax base and taxes to local jurisdictions.



3.3 REAL ESTATE ANALYSIS

OPTION 3: SOURCES & USES WITH PRO FORMA OPERATING ASSUMPTIONS

OFFICE COMPONENT

SOURCES OF FUNDS	
Private Equity	\$ 64,000,000
Private Debt	\$ 96,000,000
TOTAL	\$ 160,000,000

USES OF FUNDS	
Site Acquisition	\$ 2,000,000
Site Improvements	\$ 3,300,000
Construction Costs (excludes TI)	\$ 132,000,000
A/E and Professional Fees	\$ 13,200,000
Development Costs	\$ 9,500,000
TOTAL	\$ 160,000,000

	1	2	3	4	5
OPERATING ASSUMPTIONS					
Leased Program	800,000	800,000	800,000	800,000	800,000
Lease Rate (NNN)	\$18.00	\$18.54	\$19.10	\$19.67	\$20.26
OPERATING REVENUES					
Office Rent (NNN)	14,400,000	14,832,000	15,276,960	15,735,269	16,207,327
Expense Reimbursements	309,000	315,000	322,000	328,000	334,000
Vacancy Allowance	(1,471,000)	(1,136,000)	(780,000)	(803,000)	(827,000)
<i>Total Revenues</i>	13,238,000	14,011,000	14,818,960	15,260,269	15,714,327
OPERATING EXPENSES					
Common Area Maintenance	212,000	216,000	221,000	225,000	229,000
Property Taxes	97,000	99,000	101,000	103,000	105,000
<i>Total Expenses</i>	309,000	315,000	322,000	328,000	334,000
NET OPERATING INCOME					
	12,929,000	13,696,000	14,496,960	14,932,269	15,380,327
Annual Debt Service (6.50% , 25-yr Amort)	7,778,386	7,778,386	7,778,386	7,778,386	7,778,386
DSCR	1.66x	1.76x	1.86x	1.92x	1.98x
BEFORE TAX CASH FLOW					
	5,150,614	5,917,614	6,718,574	7,153,882	7,601,940



3.4 REAL ESTATE ANALYSIS

SUMMARY OF OPTIONS

PRELIMINARY INVESTMENT AND IMPACT SUMMARY FRAMEWORK

The following table summarizes programmatic options, estimated capital investment and resulting annual economic impacts. Target financial impacts to AEC operations associated with each option are also provided. The values provided for the economic and fiscal impacts are order of magnitude estimates based on certain assumptions for each development program. Market studies for any proposed real estate uses on campus such as retail, office, and residential will be needed to understand the economic potential of further development of the campus beyond the core AEC facilities.

Options	Program	Capital Investment	Economic Impacts	Impacts to AEC Operations
OPTION 1 Minor Deferred Maintenance & Repair with Green Space	<ul style="list-style-type: none"> General Repairs & Maintenance Priority Capital Investments 	<ul style="list-style-type: none"> \$0 to \$15 Million of Public Investment \$0 of Private Investment 	<ul style="list-style-type: none"> No new fiscal impacts Preservation of existing fiscal impacts 	<ul style="list-style-type: none"> No new revenue High probability of deficit
OPTION 2 Limited Facility Upgrades or Replacements	<ul style="list-style-type: none"> Upgrades in line with existing competition Add Industry Standard Amenities Coliseum Renovation or Replacement 	<ul style="list-style-type: none"> \$60 to 75 Million of Public Investment \$6 to \$12 Million of Private Investment (Including Sponsorship) 	<ul style="list-style-type: none"> Additional Event Demand Total annual fiscal impacts of approximately \$1.5 to \$3 Million 	<ul style="list-style-type: none"> New revenue from events
OPTION 3 Comprehensive Campus Redevelopment, New Event Venue(s) and Destination Development Strategy	<ul style="list-style-type: none"> New Event Center (200,000 SF) Commercial Office (800,000 SF) Residential (400 DU) Hotel (240 Keys) Retail (260,000 SF) Dining (40,000 SF) Upgrades to Existing Facilities Walkable Amenities Connection to Downtown Site Upgrades 	<ul style="list-style-type: none"> \$90 to \$120 Million of Public Investment \$300 to \$400 Million of Private Investment 	<ul style="list-style-type: none"> New Jobs Private Investment Additional Revenue for AEC Total annual fiscal impacts of up to \$30 to \$40 Million 	<ul style="list-style-type: none"> Significant annual operating surplus created



3.4 REAL ESTATE ANALYSIS

PRELIMINARY PUBLIC INVESTMENT ANALYSIS

	Conservative (\$MM)	Moderate (\$MM)
POTENTIAL ANNUAL NET INCREMENTAL PUBLIC REVENUES (\$MM)		
County - Fiscal Impacts (1)	\$ 1.5	\$ 1.9
City - Fiscal Impacts (1)	\$ 3.8	\$ 4.7
Ground Lease Revenue (2)	\$ 1.3	\$ 1.5
Naming Rights / Signage (3)	\$ 0.8	\$ 1.0
Additional Parking Revenue (4)	\$ 0.4	\$ 0.5
Incremental Net Income from Operations (5)	\$ 0.9	\$ 1.6
New Event / Ticket Fee (5)	\$ 0.5	\$ 0.8
ANNUAL TOTAL	\$ 9.2	\$ 12.0
PUBLIC INVESTMENT (1)	\$ 117.4	
POTENTIAL RETURN ON INVESTMENT (6)	7.8%	to 10.2%
Assumed Annual Debt Service	\$ 7.5	\$ 7.5
Net Annual Public Benefit	\$ 1.7	to \$ 4.5

ASSUMPTIONS:

- (1) See Preliminary Fiscal Impact Model in this report
- (2) Preliminary Ground Lease Revenue assumption is based on Option 3 of this study and a 1.0 FAR, with a land value at approximately \$15/SF and a 5% annual rent factor (40 to 45 AC of developed area)
- (3) Based on industry comparables
- (4) Assumes a 30% to 40% Increase on Existing Parking Revenues
- (5) Assumes similar Coliseum/Arena attendance projections from the Markin Study (2015) and 1 to 3 incremental major AEC campus-wide events per year with a \$1 event ticket fee.
- (6) Assumes Up-Front Public Capital Investment Phase over 2 years without Debt Financing

Note: New taxes, increased taxes, TIF and other tax-related financing mechanisms are not included in this preliminary analysis. Potential exists for such tax and financing tools to be additive.



3.4

REAL ESTATE ANALYSIS PRELIMINARY PUBLIC INVESTMENT ANALYSIS

	Option 3-m	Option 3-c	2014	2013	2012	2011
Operating Revenue	50%	30%				
Rent	\$4,751,520	\$4,117,984	\$3,167,680	\$2,820,584	\$2,860,862	\$2,899,645
Concessions	\$2,110,037	\$1,828,698	\$1,406,691	\$1,261,419	\$1,326,931	\$1,302,885
Parking	\$1,714,557	\$1,485,949	\$1,143,038	\$1,090,563	\$1,084,849	\$1,065,362
Equipment Rental	\$1,266,735	\$1,097,837	\$844,490	\$929,375	\$904,582	\$825,429
Electric & Sound Tech	\$938,576	\$813,432	\$625,717	\$641,372	\$612,146	\$559,187
Other Operating Revenue	\$1,189,541	\$1,030,935	\$793,027	\$855,995	\$974,927	\$976,216
Total Operating Revenue	\$11,970,965	\$10,374,836	\$7,980,643	\$7,599,308	\$7,764,297	\$7,628,724
Operating Expenses	25%	15%				
Personnel Services	\$6,279,886	\$5,777,495	\$5,023,909	\$4,676,577	\$4,526,509	\$4,623,236
Utilities	\$1,078,210	\$991,953	\$862,568	\$729,705	\$751,619	\$797,269
Repairs & Maintenance	\$451,540	\$415,417	\$361,232	\$284,161	\$251,548	\$214,275
Other Operating Expenses	\$979,064	\$900,739	\$783,251	\$660,016	\$671,170	\$759,020
Contractual Services	\$556,589	\$512,062	\$445,271	\$454,494	\$582,997	\$517,009
Indirect Costs	\$302,774	\$278,552	\$242,219	\$203,682	\$186,300	\$213,900
Total Operating Expenses	\$9,648,063	\$8,876,218	\$7,718,450	\$7,008,635	\$6,970,143	\$7,124,709
Net Operating Income/(Loss)	\$2,322,902	\$1,498,618	\$262,193	\$590,673	\$794,154	\$504,015
Alliant Naming Revenue	incl below	incl below	\$343,064	\$336,338	\$329,743	\$323,277
New Net Naming/Sponsorship/Signage	\$1,000,000	\$800,000	NA	NA	NA	NA
Ticket Fee	\$800,000	\$500,000	NA	NA	NA	NA
Ground Lease Revenue	\$1,500,000	\$1,300,000				
UW Debt Service	0	0	\$251,355	\$250,957	\$250,546	\$250,179
State of Wisconsin Debt	\$182,700	\$182,700	\$182,700	\$182,700	\$182,700	\$203,000
Pavilion Funding Partners	\$50,000	\$50,000	\$50,000	\$0	\$0	\$0
Pavilion Naming Revenue	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0
Metcalfe Foundation Revenue	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500
Co-Promotion Revenue (WDE)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Alliant Naming Expense	(\$335,918)	(\$325,918)	(\$315,918)	(\$307,094)	(\$298,876)	(\$297,737)
Debt Service	(\$7,500,000)	(\$7,500,000)	(\$1,663,753)	(\$1,585,354)	(\$1,587,989)	(\$1,512,000)
Capital Outlay	(\$250,000)	(\$250,000)	(\$27,106)	(\$6,199)	(\$6,064)	\$0
Net Revenue/(Expense)	(\$2,071,816)	(\$3,586,100)	(\$758,965)	(\$479,479)	(\$277,286)	(\$470,766)
County - Fiscal Impacts	\$1,900,000	\$1,500,000				
City - Fiscal Impacts	\$4,700,000	\$3,800,000				
Net Public Benefit	\$4,528,184	\$1,713,900				

Source: AEC (2011-2014)



3.4 REAL ESTATE ANALYSIS

PRELIMINARY PUBLIC INVESTMENT ANALYSIS

Key issues in determining a preliminary return on the potential public investment:

- An initial Public Investment of approximately \$117.4 Million is assumed for infrastructure upgrades, parking upgrades, existing facility upgrades and a new multi-purpose Arena to replace the Coliseum.
- The Initial public investment is assumed to induce approximately \$300 Million to \$400 Million of additional, phased private development.
- The Retail, Dining and Entertainment and Hotel components serve as an amenity to both the existing Alliant Energy Center facilities during events and on a year-round basis for the mixed-use campus redevelopment.
- Office and Residential Components provide additional economic and fiscal benefits as well as generating activity to support the Retail, Dining and Entertainment and Hotel components on a 365-day basis.



3.4 REAL ESTATE ANALYSIS

PRELIMINARY PUBLIC INVESTMENT ANALYSIS

Key issues in determining a preliminary return on the potential public investment

- The Public Return on Investment components are assumed to include:
 - County - Fiscal Impacts
 - City - Fiscal Impacts
 - Ground Lease Revenue
 - Naming Rights / Signage
 - Additional Parking Revenue
 - Incremental Net Income from Operations
 - New Event / Ticket Fee / Other
- Total Potential Annual Net Incremental Revenues accruing to the public entities are calculated at between \$9.2 Million and \$12.0 Million per year in 2015\$.
- This would represent a potential 7.8% to 10.2% annual return on the initial public investment of approximately \$117.4 Million
- If the entire amount of public investment must be funded with debt, assumed annual debt service of \$7.5 Million would still allow for a net annual public benefit of between \$1.7 and \$4.5 Million, which could be used to replenish capital reserves, improve operations and fund new public projects at the AEC Campus.



4.0 FINANCE & GOVERNANCE



4.0 FINANCE AND GOVERNANCE

FINANCE AND GOVERNANCE EXAMPLES

In this section we provide several examples of governance structures and discuss how they are organized to finance, oversee, own and operate large projects. The following examples are provided to illustrate a range of options and structures.

Finance and Governance Examples:

- **Development Authority formed by city government**
 - Example 1: Allentown Neighborhood Development Authority (ANIZDA) Allentown, Pennsylvania
- **Commission formed by county government**
 - Example 2: Dane County Regional Airport Commission and AEC Advisory Commission
Dane County, Wisconsin
- **Development District formed by state government**
 - Example 3: Wisconsin Center District
Milwaukee, Wisconsin
- **Development Corporation / Public-Private Partnership**
 - Example 4: Destination Medical Center Corporation (DMCC) & Destination Medical Center Economic Development Agency (EDA) – Rochester, Minnesota

FINANCE AND GOVERNANCE EXAMPLES

In this section of the report, we provide several examples of governance structures and discuss how they are organized to finance, oversee, own and operate large projects. The following examples are provided to illustrate a range of options and structures.



Development Authority formed by city government
Allentown Neighborhood Development Authority (ANIZDA) – Allentown, Pennsylvania



Commission formed by county government
Dane County Regional Airport Commission
Dane County, Wisconsin



Development District formed by state government
Wisconsin Center District
Milwaukee, Wisconsin



Development Corporation / Public-Private Partnership
Destination Medical Center Corporation (DMCC)
& Economic Development Agency (EDA)
Rochester, Minnesota



4.0 FINANCE AND GOVERNANCE

AEC ADVISORY COMMISSION STRUCTURE

Based on our initial research, it appears that the existing AEC Advisory Commission structure could serve as the “umbrella” organization responsible for overseeing all AEC redevelopment and operations-related activities. Steps to form such an organization would include the following activities, which are subject to further discussion and would need to be approved by Dane County:

- The existing AEC Advisory Commission structure would need to be made more broad and flexible to provide it more authority to enter into agreements with various parties. The Dane County Airport Commission is a similar model.
- Several nonprofit corporations would be formed to handle specific aspects of redevelopment for each project type.
- The nonprofit corporations would be under direct oversight of the AEC Advisory Commission.
- The powers of such nonprofit corporations, as well as the structure of the board governing the entity, would be specified within the articles of incorporation and bylaws of the corporation.
- A cooperation agreement would be executed to establish how projects are to be undertaken and the respective responsibilities of the AEC Advisory Commission and the nonprofit corporation.
- The private nonprofit corporations could engage in joint programs or projects with the AEC Advisory Commission.
- Such a corporate structure might be used to facilitate financing, collaborate with other development partners, or allow the county to pursue certain grant opportunities.
- Private developers under this structure would also be able to pursue tax incentives and other programs that the AEC nor the county can pursue.
- The nonprofits could be empowered to enter into ground leases or convey land to private developers. Funds generated from ground rent or sale of parcels pass through the nonprofit to the AEC Advisory Commission.
- The county can issue bonds on behalf of AEC for infrastructure and other improvements on the AEC Campus, which enable the private development to occur.



5.0 RECOMMENDATIONS



5.0 RECOMMENDATIONS

Our recommendations focus on opportunities that we believe will keep AEC and the Madison region on a path for long term growth and sustainability. AEC and Dane County have a unique opportunity to increase AEC's net operating income, create new permanent jobs and generate significant annual economic/fiscal impacts to the region. We believe this can be achieved by creating a comprehensive vision for the AEC campus and then implementing that vision through focused strategic planning and investment – both public and private.

- Create a Strategic Plan and Vision that receives support from diverse stakeholder groups
- Maximize economic and fiscal impacts
- Create a strong, noticeable initial impact through scale and type of redevelopment
- Understand and respond to market demand
- Plan a destination-based program for implementation
- Create new market opportunities
- Become a leader in the industry - not a follower of past trends
- Provide strategic public investment to attract significant private investment
- Create a Governance Structure to enable private investment



5.0 RECOMMENDATIONS

We have targeted the following levels of capital investment, fiscal impacts and operations impacts based on our experience with similar projects. We have provided targets for public and private capital investment for discussion.

Options	Capital Investment	Fiscal Impacts	AEC Operations Impacts
OPTION 1: Minor Deferred Maintenance & Repairs with Green Space	<ul style="list-style-type: none"> • \$0 to \$15 Million of Public Investment • \$0 of Private Investment 	<ul style="list-style-type: none"> • No new fiscal impacts • Preservation of existing fiscal impacts 	<ul style="list-style-type: none"> • No New Revenue. High Probability of Operating Deficit
OPTION 2: Limited Facility Upgrades or Replacements	<ul style="list-style-type: none"> • \$60 to 75 Million of Public Investment • \$6 to \$12 Million of Private Investment (including sponsorship) 	<ul style="list-style-type: none"> • Additional Event Demand • Total annual fiscal impacts of approximately \$1 to \$3 Million 	<ul style="list-style-type: none"> • New Revenue from Events
OPTION 3: Comprehensive Campus Redevelopment, New Event Venue(s) and Destination Development Strategy	<ul style="list-style-type: none"> • \$90 to \$120 Million of Public Investment • \$300 to \$400 Million of Private Investment 	<ul style="list-style-type: none"> • New Jobs • Private Investment • Additional Spending • Total annual fiscal impacts of up to \$30 to \$40 Million 	<ul style="list-style-type: none"> • Significant Annual operating surplus created



5.0 RECOMMENDATIONS

CONCLUSION

As described in this Strategic Feasibility Study, our recommendation is for further evaluation of **Option 3** in order to achieve the “Highest and Best Use” for the AEC Campus now and in the future. Option 3 has the following key attributes:

- Provides the most effective means of achieving positive financial performance of AEC to eliminate operating deficits and generate sufficient operating income to support long-term operational needs.
- Provides an opportunity to achieve significant fiscal and economic gain for the local community, region and State of Wisconsin
- Strengthens Dane County’s and Madison’s position to become a destination community



5.0 RECOMMENDATIONS

CONCLUSION (CONTINUED)

- **Option 3** utilizes strategic public investment in facilities and infrastructure to attract private investment.
- Dane County receives a benefit from private investment and development activity including additional tax revenues, and direct economic impacts such as positive AEC operating revenues, jobs for the community and ground rents or other revenues from private developers.
- Private development of retail, hotel and other mixed-use program enables the creation of diverse ancillary uses and a “destination” to support AEC’s events and remain competitive with other facilities.
- The lack of this type of integrated, pedestrian-oriented ancillary development at AEC has been identified as the most significant shortfall of the current AEC campus in user and event planner surveys.



5.0 RECOMMENDATIONS

NEXT STEPS:

Once a strategic direction for the AEC Campus is determined among the three options presented in this phase, then a comprehensive planning effort must be undertaken that will address each of the following:

- Campus Master Plan and Detailed Facility Improvement Program
- Market Demand Analysis for Specific Facility Program Elements
- Finance Plan for Public and Private Investments
- Governance Model for Finance and Operations
- Marketing Program for the AEC Campus



ALLIANT ENERGY CENTER DANE COUNTY, WI

STRATEGIC FEASIBILITY STUDY
OVERVIEW
October 28, 2015

Hammes Company