

Until today we have been structuring the Exhibition Center effort from a funding point of view; the first step being to assure adequate available funding. Our bond underwriter, Baird, advised that we needed to take the occupancy tax bond to market no later than November. This has driven our urgency.

Yesterday's announcement by the Federal Reserve to hold short term interest rates low has perhaps changed this need for urgency. But, not directly, since we are going to the long term market which is a different market; granted, initial reaction in the long-term market was to lower rates. The environment has changed and whereas it looked like the low long-term rate window would close in late fall, it may now go on for a while. As a result we are now focusing on the original FCEC goal of having the EC operational for the 2014 convention seasons.

This means we need to have funding in place next summer. The first subsequent step is defining the building programming as well as design and engineering phases of the project. The CVB has offered to fund this work by way of a capital grant. We will proceed to provide an appropriate application. We would plan to start construction in late 2012.

Where we are today is that we have conceptual designs adequate for a cost estimate appropriate for undertaking funding initiatives. These are derived from all the input gathered over the last few years. We believe that a \$20 million budget will produce a extraordinary EC. We believe less funding compromises on the identified expectations of the facility. The project should not go forward without funding commitments.

We have worked with Baird to craft an occupancy tax structure that would accommodate the concerns of the non-Appleton hotels while emphasizing the direct benefit to the downtown hotels. Our proposed occupancy tax plan produces around \$12.5 million of construction funds. We are assuming we would go to the bond market in the Spring of 2012.

We are working with the Paper Valley Hotel owners to have an adequate document in place that commits it to the long term risk.

We are also working with the City and County to finalize the County's terms for the site transfer by the end of August. Discussion with respect to a lead corporate naming gift has been scheduled.

We are additionally working with the City to have an appropriate funding component in the Mayor's proposed budget that will be announced around October 1. Our requested amount will be around \$4 million. At a Council meeting in October we will ask for a 4% increase in the hotel occupancy tax.

We need to schedule requests for a 1.5% occupancy tax increase in Grand Chute, Kimberly, Neenah and Little Chute in October/November. This will require support from the concerned hotels and these discussions are being scheduled with appropriate data to help in the understanding.

The occupancy tax effective date tax should be January 1 to better position the bond market offer.

The actual construction timeline is set at 13 months. It will include a daily average of about 80 workers.

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