

EXHIBITION CENTER DEVELOPMENTS STATUS June 2, 2011

The last status report was April 14. This update reports on progress along with a call for assistance.

Last month the Outagamie County Board's Airport and Property Committee resolved to ask the Outagamie County Board to decide, on a contingent basis, whether it would release County owned land for the proposed Exhibition Center site (bounded by Eighth St, Elm St., Lawrence St. and Jones Park) if appropriate terms could be reached, and if other aspects of the project would fall in place with respect to project funding.

On June 14 this resolution will be considered by the County Board. Board approval of the resolution at this meeting is important for the project to move forward in its funding phase. Waiting for more data or talk is potentially wasteful in terms of lost favorable funding resources and lost future convention revenue.

I encourage you to contact as many County Board members as you can. Urge them to read the advance material in the meeting packet and to support the resolution at the June 14 meeting as presented. Final agreements on terms will come back to the Board for approval; the issue now is whether the County will release the site if the contingencies are satisfied.

As a status update, let me provide information in a format that may be helpful for you to have as you personally interface with County Board members.

The proposal we are working on calls for construction of an exhibition facility adjacent to the Paper Valley Hotel (RPV) on existing County owned land. The facility will be operated by the RPV, and construction will be funded primarily by an increase in hotel occupancy tax throughout the region as well as City of Appleton development funds. We urge County Board action pointing out a window of opportunity with the current low cost financing and construction environment.

Last January, the not-for-profit Fox Cities Exhibition Center, Inc., (FCEC) was organized with the objective of building the Exhibition Center, renting it net-net-net long-term to the RPV for \$1 a year plus taxes, and opening for business in the Spring of 2014. The initial undertaking of FCEC was to obtain conceptual designs for discussion and cost estimating. \$20 million, the middle of the Coalition cost estimate, was confirmed.

The estimated annual economic benefit to the Fox Cities of creating a full convention center facility is nearly \$8.5 million or approximately 140 full time jobs. Over 20 years, the present value of the economic impact is as much as \$105 million.

The RPV has agreed in principle to a long-term lease including the assumption of all of the financial risk of operations. This agreement is based on the assumption that the site would be on land released to FCEC by Outagamie County. Terms of the release are yet to be negotiated.

The County site is exceptional as a site with respect to proximity to available facilities and services to be provided by the RPV, and it transfers land from a tax exempt state to being subject to property tax, as well as being able to accommodate an early construction start.

The Exhibition Center conceptual design satisfies the results of a 2008 professionally done feasibility study that indicated that the Fox Cities would support a quality convention center because of its positive appeal as a convention site for Wisconsin and wider regional groups. It also indicated that Downtown Appleton has adequate sleeping rooms and meeting space (including a sizable ballroom) and that the missing component is a 30,000 square foot, column free, 24-ft high exhibition hall, with supporting areas for networking, services and storage.

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Funding sources for construction of the Exhibition Center include approximately \$14 million from bonds supported by a regional hotel occupancy tax (a common approach to funding convention facilities) and redevelopment support from the Appleton Redevelopment Authority, plus grants and contributions from the Fox Cities Convention and Visitors Bureau Capital Fund, foundations and private corporations. Long-term financial risk will rest with the bondholders (who depend on the Fox Cities regional hotels to maintain their occupancy experience), as well as RPV for operating results.

The Fox Cities region will benefit from the Exhibition Center in several ways. Businesses, especially in Grand Chute, and in the eastern commercial corridor, will benefit from more hotel stays and the propensity of convention goers to be shoppers. Citizens will have access to more events in the form of trade shows, exhibits, tours, youth programs, and other activities with a wider base than a local focus. The presence of a full service convention hotel will present unanticipated benefits. All of these will contribute to \$100 million of economic impact, which is why it is so compelling!

Here are the County Board members. Details are on the County web site.

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Now is the opportunity; now is the time to build an Exhibition Center in the Fox Cities! Thanks for your help.

WSR June 2