

WISCONSIN CENTER DISTRICT OPERATIONS REVIEW VOLUME II OF II



Barrett Sports Group, LLC
Crossroads Consulting Services, LLC
March 17, 2017

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LIMITING CONDITIONS AND ASSUMPTIONS

I. INTRODUCTION

I. INTRODUCTION

Introduction

- Barrett Sports Group, LLC (BSG) and Crossroads Consulting Services, LLC (Crossroads) are pleased to present our review of the Wisconsin Center District (WCD) operations
- Purpose of the Study
 - Provide an independent, objective evaluation of the current management and operations of the WCD facilities
 - Develop strategic recommendations and operating strategies to optimize performance and assist the WCD in future planning efforts
 - Although we did consider the existing (or potential) relationships of the WCD and VISIT Milwaukee or the Marcus Center, we did not review the operations of those entities
 - We did not complete a convention center expansion feasibility study
- The WCD's mission statement is a critical element as it dictates the operating strategy for the management team
 - Maintain, and continuously build, our professional reputation in the convention, entertainment, and sporting events industry on all levels, both locally and nationally
 - Present first-class facilities in the 21st century
 - Provide the most effective use of space for our clients by utilizing the collective talents of all WCD employees
 - Create and sustain jobs, income, and prosperity in the greater Milwaukee community

I. INTRODUCTION

Summary of Tasks Completed

- Conducted over 60 interviews from individuals in the following organizations: WCD Board of Directors, WCD staff, City of Milwaukee, Milwaukee County, VISIT Milwaukee, tenants, event promoters, others
- Reviewed and summarized WCD financial and operating performance, including but not limited to: revenue and expense statements, lost business reports, event attendance/occupancy reports, per capita revenue reports, and capital repairs reports
- Reviewed and summarized key agreements and documents
- Completed five event site visits at WCD facilities
- Reviewed market area and summarized key market characteristics
- Compiled a list of comparable complexes and individual facilities
- Compared demographic characteristics of Milwaukee to similar sized markets/comparable complexes
- Reviewed competitive facilities and other key market factors
- Reviewed financial and operating performance of comparable facilities
- Completed benchmarking study for all three WCD facilities on individual facility and complex level
- Reviewed WCD relationship with VISIT Milwaukee
- Provided overview of Destination Marketing Organization (DMO) structures and facility management structures
- Completed SWOT analysis for WCD
- Provided strategic recommendations for WCD

I. INTRODUCTION

The Consulting Team

Barrett Sports Group, LLC

- BSG's team has unmatched technical skills and years of industry experience
 - Daniel S. Barrett, MBA – Principal
 - Joshua C. Cohen, MBA – Senior Manager
 - Brett D. Rasmussen – Consultant

- Daniel S. Barrett would lead the engagement
 - Over 26 years experience – over 1,000 sports industry projects
 - Extensive sports facility feasibility and finance experience
 - Extensive negotiation advisory experience
 - Former Managing Director Western Region Sports Investment Banking Division A.G. Edwards
 - Former Western Region Hospitality Sports & Leisure Consulting Practice Leader Deloitte
 - Sports industry expert witness
 - Adjunct Professor University of San Francisco Sports Management Graduate Program
 - UCLA, BA – Economics/International Studies
 - USC, MBA – Finance/Real Estate

I. INTRODUCTION

The Consulting Team

Barrett Sports Group, LLC

Selected Comparable Projects

State of Wisconsin – New Milwaukee Bucks Arena
City of Sacramento/Sacramento Kings – Golden 1 Center
City of San Francisco – Golden State Warriors New Arena
Broward County – BB&T Center
Gateway Economic Dev. Corp. – Quicken Loans Arena
Memphis Grizzlies – Consulting Services
San Antonio Spurs – Consulting Services
Barclays Center – Consulting Services
Prudential Center – Consulting Services
New Orleans Pelicans – Feasibility/Relocation Evaluation
Oakland-Alameda Co. Coliseum Authority – Oracle Arena
City of Oklahoma City – Chesapeake Energy Arena
City of Atlanta-Fulton Co. Recreation Auth. – Philips Arena
City of Dallas – American Airlines Center
City of Auburn Hills – The Palace of Auburn Hills Valuation
NHL – Sports Valuation Expert (Coyotes Bankruptcy)
City of Anaheim – Honda Center of Anaheim
Tampa Bay Lightning – Arena Financial Analysis
Franklin Co. Convention Facilities Auth. – Nationwide Arena
Hillsborough Co. – Amelie Arena Valuation Support

City of Edmonton – Arena Leasehold Valuation
Carolina Hurricanes – Franchise Valuation
NJ SEA – Arena Strategic Planning Support
Wachovia Bank – Sprint Center Financing Due Diligence
City of Stockton – Stockton Arena Lease Negotiations
Augusta-Richmond Coliseum Auth. – Management Evaluation
Co. of Maui – Proposed Arena Project
CenturyLink Center Arena (Omaha) – Situational Analysis
City of Bellevue – Arena Due Diligence
Paso Del Norte Group (El Paso) – Arena Feasibility Study
City of Richmond/Counties/et. al – Arena Feasibility Study
City of Albuquerque – Arena Advisory
City of Rio Rancho – Arena Management Selection Advisory
Los Angeles Co. Fair – Arena Feasibility Study
Gwinnett Co. – Arena Feasibility Report Review
Maryland Stadium Authority – Arena Market Analysis
Co. of Sacramento – Arena Strategic Planning/Negotiations
City of Inglewood – Arena Negotiation and Plan of Finance
Numerous Additional Stadium/Public Assembly Facility Projects

I. INTRODUCTION

The Consulting Team

Crossroads Consulting Services, LLC

- Crossroads is a market leader in providing advisory and development planning services to the Convention Center industry
- Susan Sieger – Managing Principal
 - Over 25 years experience in convention, sports, entertainment, hospitality, and tourism industries
 - Previously National Director of KPMG’s Convention, Sports, and Entertainment Practice
 - Conducted 400+ studies including multiple performance audits/operational assessments
 - Unparalleled reputation for providing credible, reliable advice to public and private sector clients
 - First-hand facility management experience working which offers unique industry-related insights
 - Ohio University – Master of Science in Sports Administration
 - University of Virginia – Bachelor of Arts
- Amy Brown – Senior Analyst
 - Over 25 years of industry experience including operating arenas in Spokane and Boston
 - Involved with operations reviews, strategic planning studies, market/economic analyses
 - Extensive experience in facility operations
 - University of Massachusetts at Amherst - Master of Science in Sports Management
 - Boston College - Bachelor of Arts

I. INTRODUCTION

The Consulting Team

Crossroads Consulting Services, LLC

Selected Comparable Projects

Albuquerque Convention Center in NM	Meydenbauer Center in WA
Alerus Center in ND	Montgomery County Conference Center in MD
Anaheim Convention Center in CA	Nashville Convention Center in TN
Annapolis Convention Center in MD	Pennsylvania Convention Center
Atlantic City Convention Center, NJ	Raleigh Convention Center in NC
Baltimore Convention Center in MD	Richmond Convention Centre in VA
Baton Rouge River Center in LA	Roland E. Powell Convention Center in MD
Bismarck Event Center in ND	SeaGate Convention Centre in OH
CenturyLink Center Omaha in NE	Tampa Convention Center in FL
Cobb Galleria Centre in GA	Walter E. Washington Convention Center
Cobo Center in MI	Wichita Falls Multi-Purpose Event Center
Connecticut Convention Center	Cobb Energy Performing Arts Centre in GA
Dayton Convention Center in OH	Hippodrome Theatre in MD
Duke Energy Center in OH	Portland's 5 Centers for the Arts in OR
Georgia International Convention Center	Progress Energy Center's Mahaffey Theater in FL
Hampton Roads Convention Center in VA	Spartanburg Memorial Auditorium in SC
Indiana Convention Center	Stanley Performing Arts Center in NY
Las Cruces Center in NM	War Memorial Auditorium in NC
Los Angeles Convention Center in CA	Numerous Other Public Assembly Facilities

II. WCD OVERVIEW

II. WCD OVERVIEW

Background

- In 1974, the Milwaukee Exposition & Convention Center Authority (MECCA) was formed to operate the existing Milwaukee Auditorium (opened 1909) and Milwaukee Arena (opened 1950), and a new convention center. MECCA and its assets were owned and operated by the City of Milwaukee.
- In 1994, the Wisconsin State Legislature enacted enabling legislation authorizing municipalities to create special purpose districts for purposes of acquiring, constructing, and operating exposition centers and exposition center facilities. The City of Milwaukee voted to create such a district, the WCD, and the City transferred all MECCA assets to WCD. The WCD is the owner and operator of the Wisconsin Center, UW-Milwaukee Panther Arena, and Milwaukee Theatre.
- In 2015, the Wisconsin State Legislature enacted legislation known as Act 60 that expanded the WCD's powers to include acquiring, constructing, and equipping a sports and entertainment arena. Act 60 also established a framework for financing a new sports and entertainment arena and modified the composition of the WCD Board of Directors. The WCD is overseeing construction of the new Milwaukee Bucks arena and demolition of the BMO Harris Bank Bradley Center.



II. WCD OVERVIEW

Funding

- The WCD does not receive property tax money or Federal, State, or local subsidy. Its operations are funded by operating revenues.
- Special sales taxes on hotel rooms, prepared food and drinks sold in restaurants and taverns, and car rentals repay a \$185 million bond issue that funded the Wisconsin Center project, capital projects, VISIT Milwaukee, and certain unrestricted funds are utilized for WCD operations
- WCD collects 2.5% on rooms, 3.0% on car rentals, and 0.5% on food and beverage sales in addition to a 7.0% hotel room tax formerly collected by the City of Milwaukee.
- In January 2011, the county-wide hotel room tax of 2.0% increased to 2.5% at the request of hoteliers to provide additional funding for VISIT Milwaukee.



II. WCD OVERVIEW

Governance

- The WCD is governed by an unpaid, 17-member Board of Directors. The Act 60 legislation will modify the composition of the Board after the construction of the new arena facilities is completed, however, the number of members will remain consistent at 17.
- Current Board Composition:
 - Two members appointed by the Mayor
 - Three members appointed by the President of the Common Council
 - Three members appointed by the County Executive
 - City Comptroller
 - Secretary of the Department of Administration
 - Three members appointed by the Governor
 - Assembly Speaker, Senate Majority Leader, Assembly Minority Speaker, Senate Minority Leader
- Future Board Composition (Post-Arena Construction):
 - Two members appointed by the Mayor
 - Three members appointed by the President of the Common Council
 - Five members appointed by the County Executive
 - County Comptroller
 - City Comptroller
 - Secretary of the Department of Administration or Designee
 - Assembly Speaker, Senate Majority Leader, Assembly Minority Speaker, Senate Minority Leader

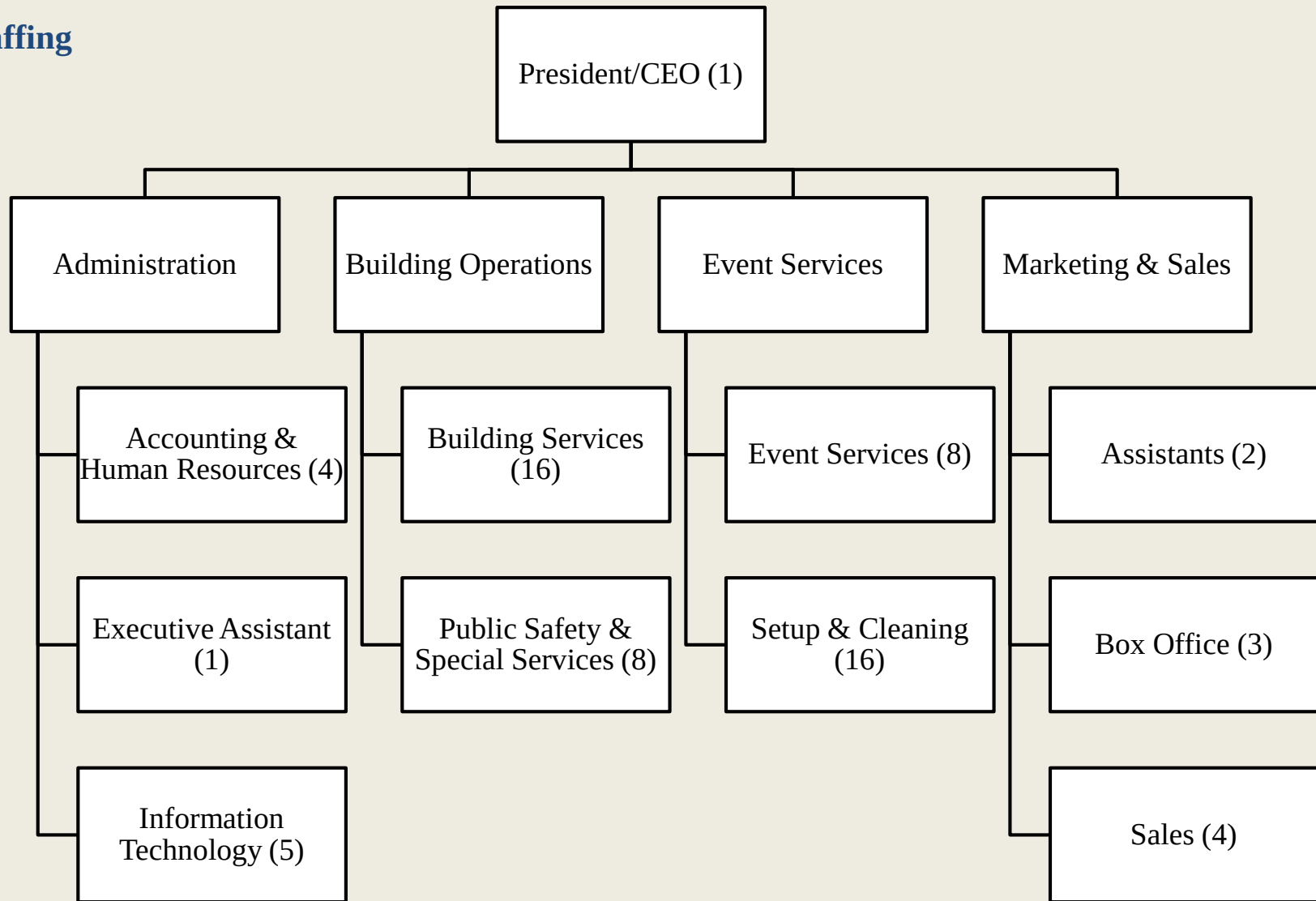
II. WCD OVERVIEW

Staffing

- An analysis of comparable facilities in the U.S. indicates that the permanent full-time staffing plans vary based on several factors
 - Management philosophy of maintaining event-related personnel as full-time or part-time staff
 - Whether the facility is stand-alone or part of a complex
 - Union labor atmosphere
 - Extent of contract services vs. providing services in-house for areas such as concessions, janitorial cleaning, and security
- WCD utilizes staff at all three of its facilities
 - 68 full-time employees (includes recently added staff resulting from additions of Admirals)
 - Approximately 220 part-time employees, excluding third party contract employees
 - Business development and social media functions are handled by part-time staff

II. WCD OVERVIEW

Staffing



Note: Does not include contract vendors

II. WCD OVERVIEW

Booking/Marketing

Booking

- The WCD contracts with VISIT Milwaukee to serve as the non-exclusive principal booking agent for the Wisconsin Center
- VISIT Milwaukee is given booking priority on all dates more than 18 months in the future
- VISIT Milwaukee receives an amount equal to ½% of Milwaukee County hotel tax (net of fees)

Marketing

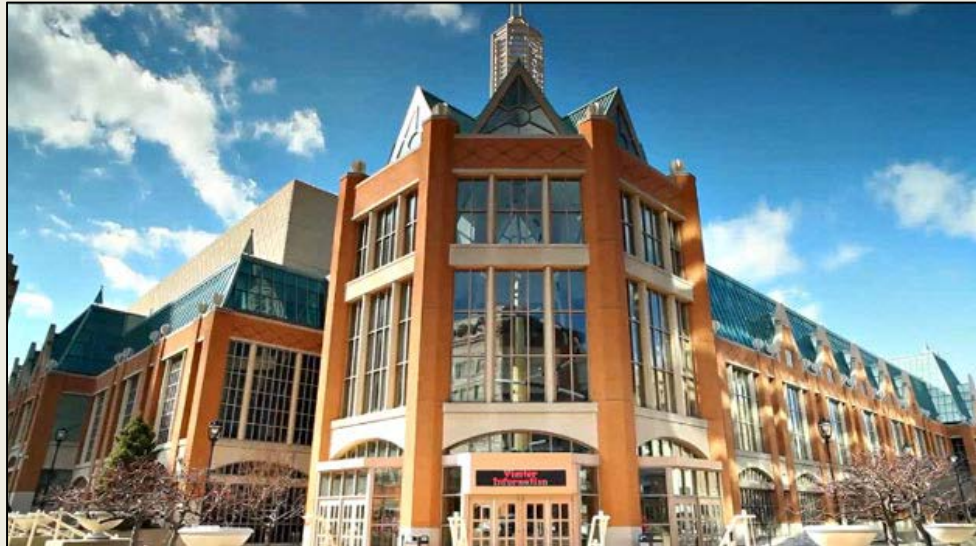
- The Wisconsin Center does not have a formal marketing plan
- The District recently added a part-time Business Development position and a Director of Communications & Public Affairs
- The WCD is a member of Venue Coalition, an organization that helps venues secure event content for their facilities either through renting the facility, co-promoting with other promoters, or self-promoting
 - The goal of this membership is to increase programming for UW-Milwaukee Panther Arena and the Milwaukee Theatre

A. WISCONSIN CENTER

A. WISCONSIN CENTER

Wisconsin Center

- Opened in 1998
- 188,695 square feet of contiguous exhibit space
- 37,500 square-foot ballroom
- 39,600 square feet of meeting space that can be subdivided into 28 meeting/break-out rooms
- Capacity for 2,530 banquet style or 4,440 theater style
- \$1.2 million in public art

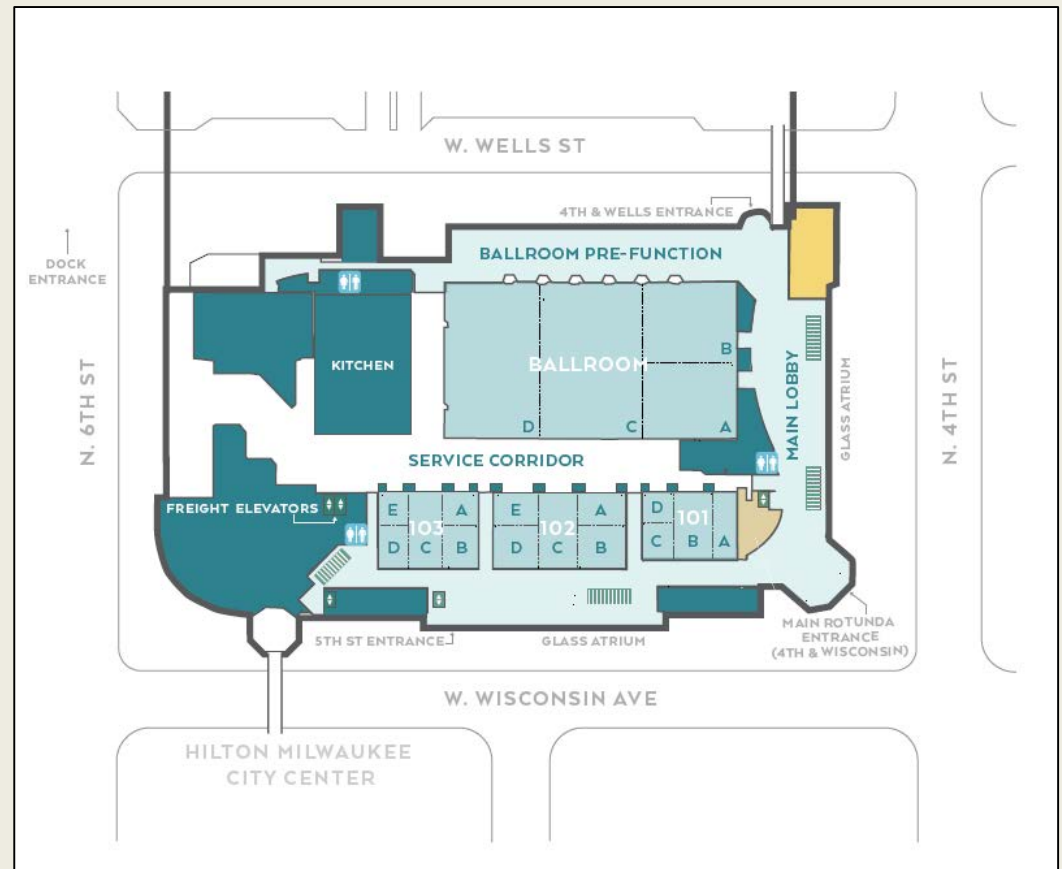


A. WISCONSIN CENTER

Wisconsin Center

Street Level

- Main Lobby
- Ballroom
 - Divisible into four rooms
 - Total of 37,500 SF
- Meeting Rooms
 - 101
 - Divisible into four rooms
 - Total of 5,200 SF
 - 102
 - Divisible into five rooms
 - Total of 8,300 SF
 - 103
 - Divisible into five rooms
 - Total of 6,300 SF

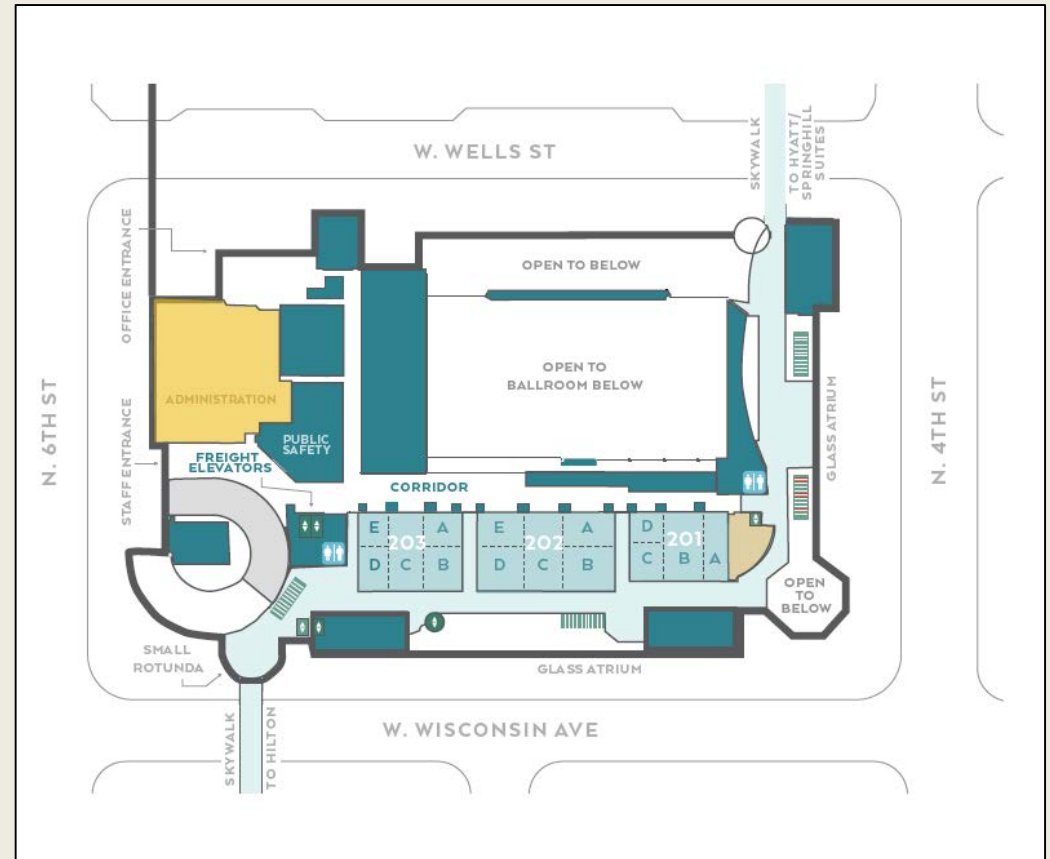


A. WISCONSIN CENTER

Wisconsin Center

Mezzanine Level

- Administration Offices
- Meeting Rooms
 - 201
 - Divisible into four rooms
 - Total of 5,200 SF
 - 202
 - Divisible into five rooms
 - Total of 8,300 SF
 - 203
 - Divisible into five rooms
 - Total of 6,300 SF



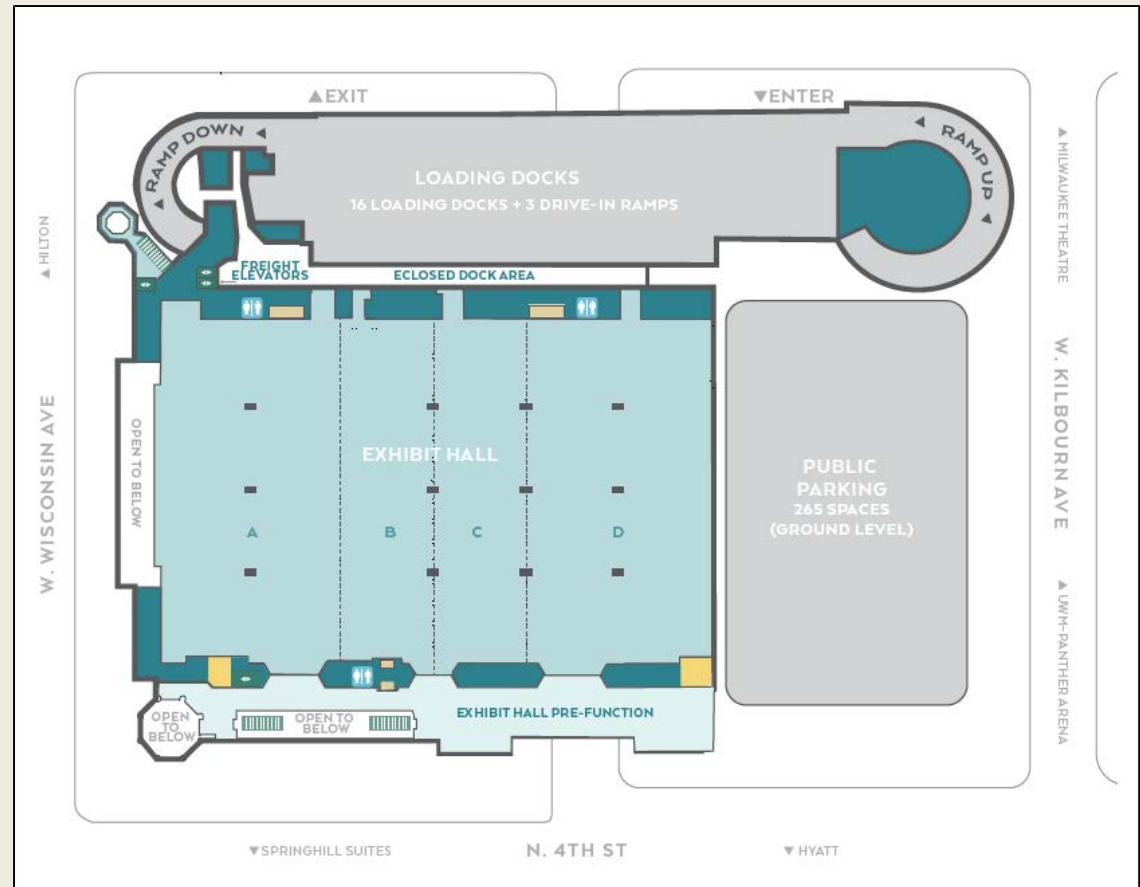
A. WISCONSIN CENTER

Wisconsin Center

Upper Level

■ Exhibit Hall

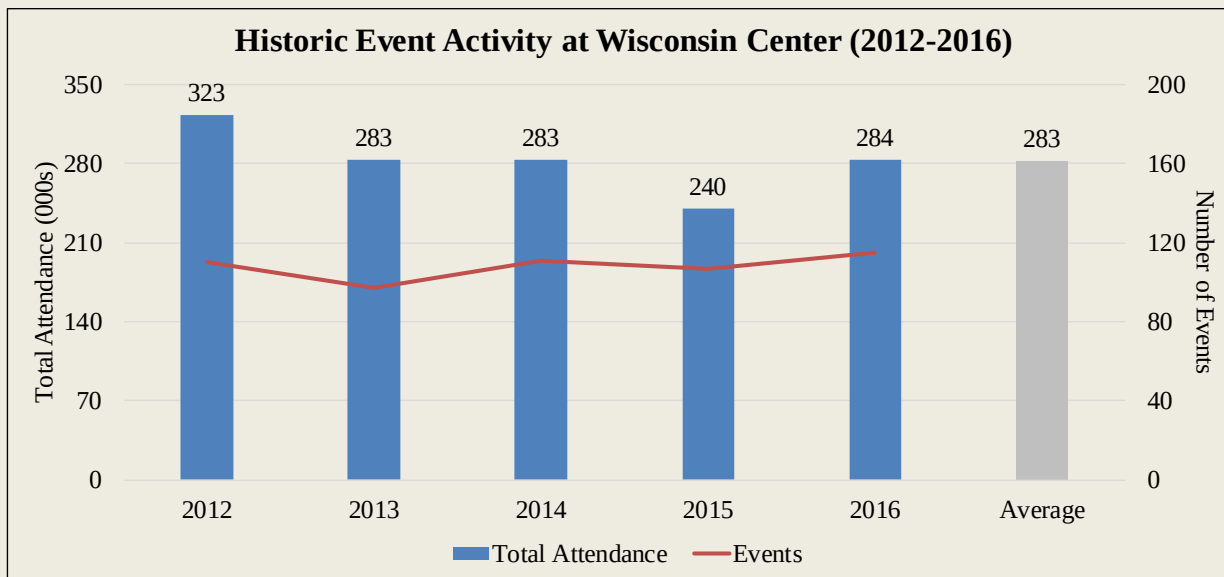
- Divisible into four parts
 - Hall A – 63,060 SF
 - Hall B – 31,005 SF
 - Hall C – 31,115 SF
 - Hall D – 63,515 SF
- Total of 188,695 SF



A. WISCONSIN CENTER

Wisconsin Center – Utilization

- The Wisconsin Center averaged 108 events and 282,500 in total attendance during the profiled five-year period
- Total attendance declined each year from 2012 to 2015 before increasing by 18% in 2016
- During the profiled period, total attendance peaked in 2012 which was primarily due to high attendance at consumer shows and tradeshows
- The increase in event activity in 2016 was driven by an increase in banquets (8) and conventions (6)



A. WISCONSIN CENTER

Wisconsin Center – Utilization

- During the profiled five-year period, the Wisconsin Center hosted an average of 26 conventions/tradeshows which accounted for 84 event days and approximately 67,100 in total attendance
- From 2012 to 2016, conventions/tradeshows averaged 24% of total attendance at the Wisconsin Center
- In 2015, the Wisconsin Center hosted 17 convention/tradeshows, which was the lowest number during the profiled period
- In 2016, the number of conventions/tradeshows increased to 23
- Meetings/conferences/seminars accounted for the highest percentage of events (40%) and event days (35%) during the profiled period
- Consumer/public shows averaged 41% of total attendance from 2012 to 2016
- During the profiled period, conventions/tradeshows averaged 3.3 event days and consumer/public shows averaged 4.5 event days

A. WISCONSIN CENTER

Wisconsin Center – Utilization

Summary of Historical Event Activity at the Wisconsin Center						
Events	2012	2013	2014	2015	2016	Five-Year Average
Convention/Tradeshows	28	26	35	17	23	26
Consumer/Public Shows	9	8	7	6	5	7
Meetings/Conferences/Seminars	47	39	29	53	48	43
Banquets/Receptions	15	12	20	15	23	17
Sporting Events	7	7	8	10	8	8
Other	4	5	12	6	8	7
Total	110	97	111	107	115	108
Event Days	2012	2013	2014	2015	2016	Five-Year Average
Convention/Tradeshows	75	93	111	50	91	84
Consumer/Public Shows	41	39	28	25	25	32
Meetings/Conferences/Seminars	95	86	61	115	85	88
Banquets/Receptions	16	14	21	15	25	18
Sporting Events	16	15	17	21	18	17
Other	4	27	16	12	8	13
Total	247	274	254	238	252	253
Total Attendance	2012	2013	2014	2015	2016	Five-Year Average
Convention/Tradeshows	85,200	63,200	75,500	50,600	61,100	67,100
Consumer/Public Shows	142,700	130,200	119,200	84,600	103,100	116,000
Meetings/Conferences/Seminars	39,300	31,100	18,000	32,900	40,200	32,300
Banquets/Receptions	16,400	15,700	22,700	18,700	25,400	19,800
Sporting Events	24,100	31,300	22,200	39,100	35,100	30,400
Other	15,000	11,800	25,500	14,100	18,600	17,000
Total	322,700	283,300	283,100	240,000	283,500	282,500
Average Attendance Per Event	2012	2013	2014	2015	2016	Five-Year Average
Convention/Tradeshows	3,000	2,400	2,200	3,000	2,700	2,700
Consumer/Public Shows	15,900	16,300	17,000	14,100	20,600	16,800
Meetings/Conferences/Seminars	800	800	600	600	800	700
Banquets/Receptions	1,100	1,300	1,100	1,200	1,100	1,200
Sporting Events	3,400	4,500	2,800	3,900	4,400	3,800
Other	3,800	2,400	2,100	2,400	2,300	2,600

Source: WCD.

A. WISCONSIN CENTER

Wisconsin Center – Bookings vs. Rebookings

- From 2012 to 2016, the Wisconsin Center rebooked between 53 and 55 events each year, which resulted in an average rebooking rate of 50%
- From 2012 to 2016, rebooked events accounted for an average of 72% of total attendance, with a high of 82% in 2015
- The percentage of room nights (43%) and economic impact (39%) resulting from rebooked business is lower than for events and attendance
 - During the profiled period, banquets, meetings and consumer shows accounted for 35% to 45% of rebooked events and 45% to 60% of rebooked attendance
 - However, these events accounted for a relatively minimal number of room nights and economic impact
 - The majority of room nights and economic impact are associated with conferences, conventions, sporting events and tradeshow

A. WISCONSIN CENTER

Wisconsin Center – Bookings vs. Rebookings

Booking Rates				
Year	Events	Attendance	Room Nights	Economic Impact
2012	110	322,700	103,800	\$67,207,900
2013	96	281,800	117,500	\$65,680,900
2014	111	283,100	106,000	\$61,626,600
2015	107	239,800	84,200	\$46,293,000
2016	116	283,500	94,300	\$67,307,000
Average	108	282,200	101,200	\$61,623,100

Rebooking Rates				
Year	Events	Attendance	Room Nights	Economic Impact
2012	55	216,100	42,600	\$27,183,600
2013	55	208,800	45,100	\$23,896,000
2014	54	201,200	40,400	\$23,487,700
2015	53	197,600	40,700	\$19,421,700
2016	53	188,100	44,300	\$27,000,700
Average	54	202,400	42,600	\$24,197,900

% Rebooked				
Year	Events	Attendance	Room Nights	Economic Impact
2012	50%	67%	41%	40%
2013	57%	74%	38%	36%
2014	49%	71%	38%	38%
2015	50%	82%	48%	42%
2016	46%	66%	47%	40%
Average	50%	72%	43%	39%

Note: Totals may differ from those previously reported due to different reporting methods.

Amounts are rounded.

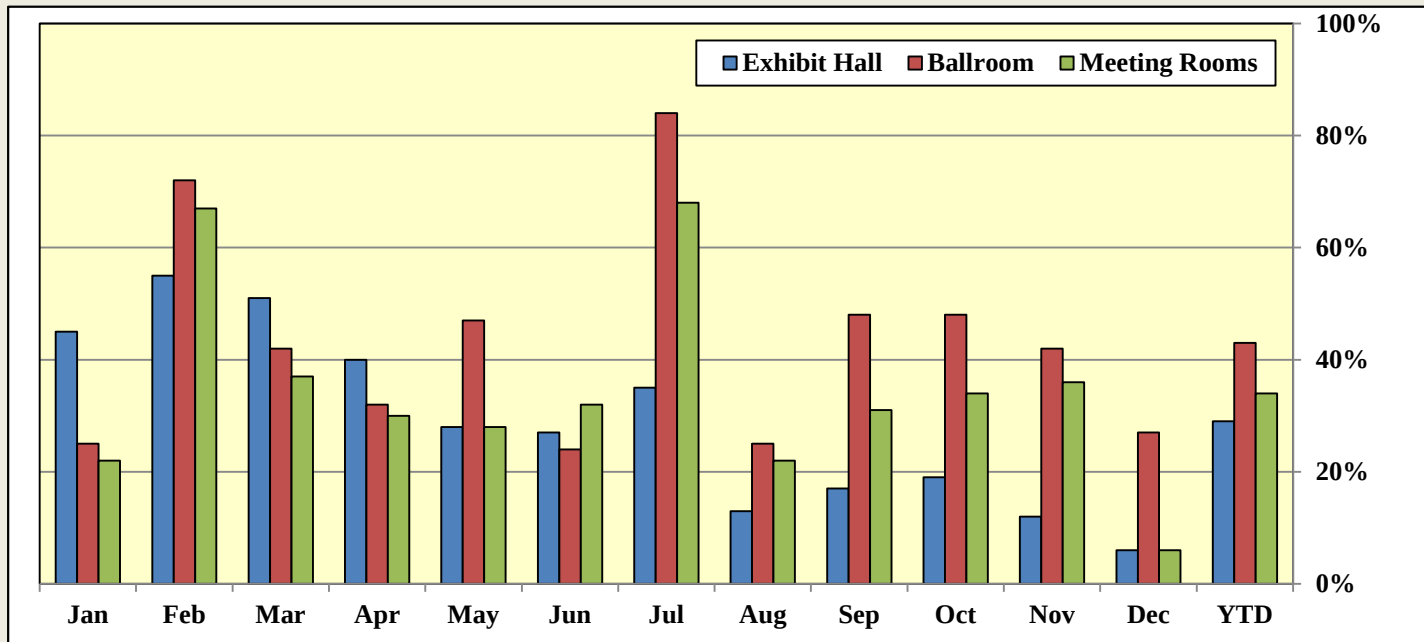
Source: WCD.

A. WISCONSIN CENTER

Wisconsin Center – 2015 Occupancy

- Exhibit hall occupancy was the highest from January to March
- Ballroom occupancy was highest in July and February as well as in May, September and October
- Meeting room occupancy was the highest in February and July, respectively
- Relatively low occupancy levels indicate the facility likely has available dates for additional business

Wisconsin Center Occupancy by Component in 2015



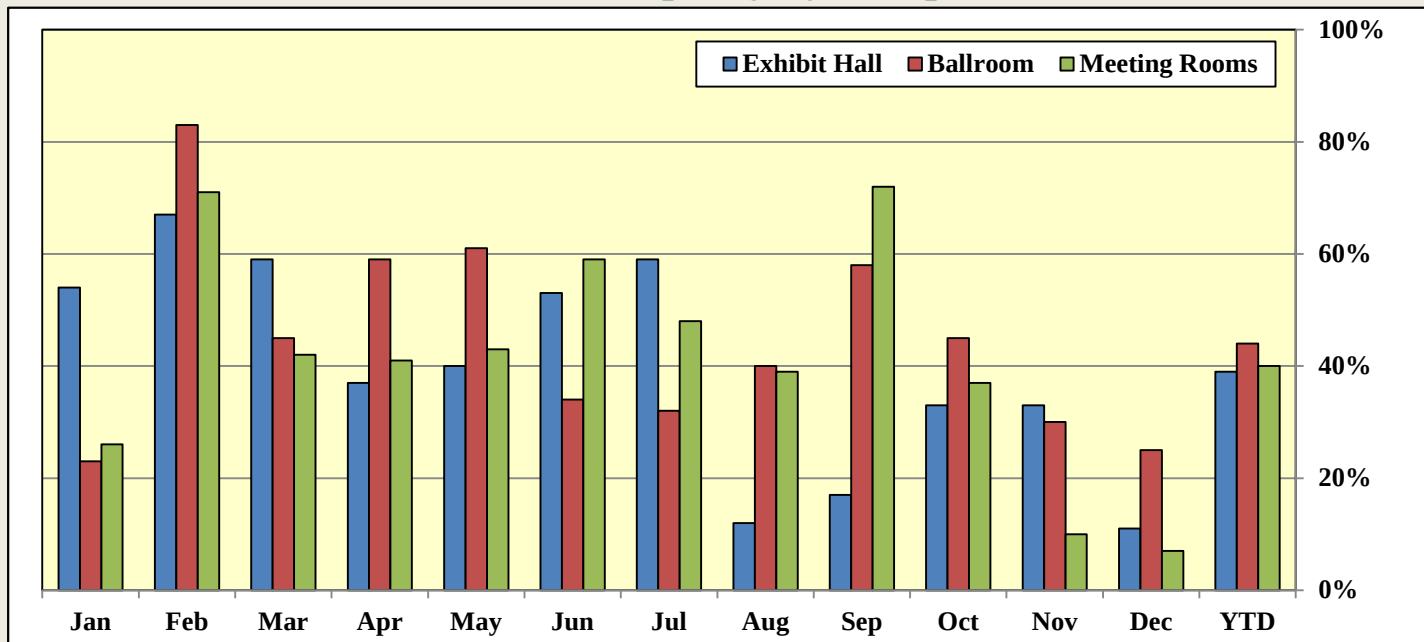
Source: WCD.

A. WISCONSIN CENTER

Wisconsin Center – 2016 Occupancy

- Year end total occupancy in 2016 was higher for all three components of the Wisconsin Center as compared to 2015

Wisconsin Center Occupancy by Component in 2016



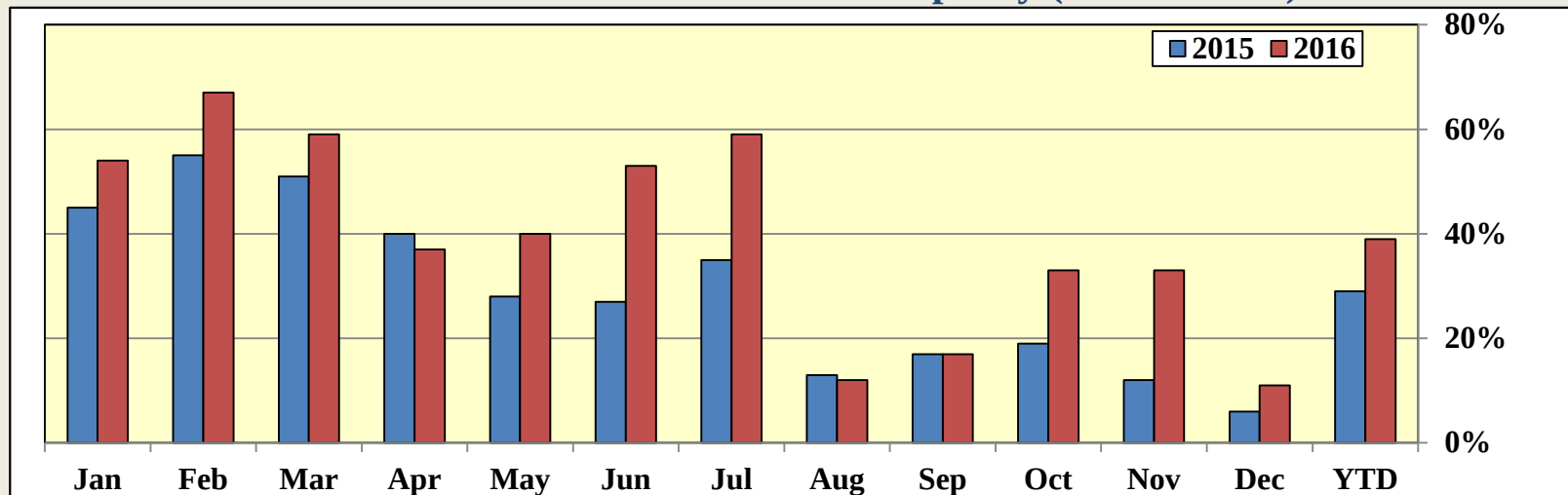
Source: WCD.

A. WISCONSIN CENTER

Wisconsin Center – 2015-2016 Exhibit Hall Occupancy

- Year end exhibit hall occupancy was 10 points higher in 2016 compared to 2015
 - Increased occupancy is partially attributable to the increase in convention activity which accounted for 41 additional event days in 2016, an 82% increase over 2015
- The Wisconsin Center’s exhibit hall occupancy was 39% in 2016, which is below industry standards
 - Industry sources typically define the “practical” maximum exhibit hall occupancy rate as 70% and the “efficient” range is generally considered to be between 50% and 60%
- The Exposition Center at Wisconsin State Fair Park is capturing a large portion of the consumer/public shows that are typically held at convention centers similar to the Wisconsin Center such as home and garden, golf, sports and boat shows, which negatively impact the exhibit hall occupancy rate

Wisconsin Center Exhibit Hall Occupancy (2015 & 2016)



Source: WCD.

A. WISCONSIN CENTER

WCD vs. VISIT Milwaukee Bookings

- The following table shows the distribution of total license agreement fee and food and beverage revenue as well as the number of events booked by both the WCD and VISIT Milwaukee from 2012 to 2016 at the Wisconsin Center
- On average, WCD bookings accounted for 78% of events from 2012 to 2016 and 63% of revenues generated from license agreement fees and food and beverage
- The average revenue per event booked by VISIT Milwaukee (\$111,800) was more than twice that of events booked by WCD (\$52,400)

A. WISCONSIN CENTER

WCD vs. VISIT Milwaukee Bookings

Summary of Revenue Allocation for the Wisconsin Center (2012-2016)						
Year	Total License Agreement Fee Revenue	Total Food & Beverage Revenue	Grand Total Revenue	Percentage of Grand Total Revenue	Total Number of Events	Percentage of Events
Wisconsin Center District						
2012	\$1,611,775	\$3,812,263	\$5,424,038	71%	87	79%
2013	\$1,363,415	\$2,799,561	\$4,162,976	63%	68	71%
2014	\$1,396,381	\$2,771,140	\$4,167,521	54%	88	79%
2015	\$1,401,609	\$2,666,298	\$4,067,907	68%	86	80%
2016	\$1,444,014	\$2,748,311	\$4,192,325	58%	91	79%
VISIT Milwaukee						
2012	\$654,565	\$1,566,920	\$2,221,485	29%	23	21%
2013	\$873,966	\$1,589,298	\$2,463,264	37%	28	29%
2014	\$957,917	\$2,625,573	\$3,583,490	46%	23	21%
2015	\$555,620	\$1,387,784	\$1,943,404	32%	21	20%
2016	\$897,920	\$2,194,953	\$3,092,873	42%	24	21%
Total						
2012	\$2,266,340	\$5,379,183	\$7,645,523	100%	110	100%
2013	\$2,237,381	\$4,388,859	\$6,626,240	100%	96	100%
2014	\$2,354,298	\$5,396,713	\$7,751,011	100%	111	100%
2015	\$1,957,229	\$4,054,082	\$6,011,311	100%	107	100%
2016	\$2,341,934	\$4,943,264	\$7,285,198	100%	115	100%

Source: WCD.

A. WISCONSIN CENTER

Wisconsin Center – Events & Room Nights

- The adjacent table illustrates estimated definite room nights booked by VISIT Milwaukee at the Wisconsin Center from 2017 to 2023
 - There are a total of 130 definite events booked through 2023 according to VISIT Milwaukee
 - Approximately 351,000 definite room nights are associated with these events

VISIT Milwaukee Definite Bookings Related to Convention Center Business		
Year	Definite Events	Definite Room Nights
2017	48	87,800
2018	29	60,300
2019	25	73,200
2020	12	56,000
2021	8	31,300
2022	5	23,300
2023	3	19,100
Total	130	351,000

Notes: Data represents room nights generated by Convention Sales Department as of 12/31
Amounts are rounded.

Sources: The Tap Report & VISIT Milwaukee.

A. WISCONSIN CENTER

Wisconsin Center – Financial Performance (Before G&A Allocation)

- The Wisconsin Center averaged an operating profit of \$2.7 million from 2012 to 2016, prior to allocation of general and administrative expenses
- Operating income decreased by 31% from 2014 to 2015 before rebounding in 2016
 - The decline was primarily attributable to a decrease in net concessions revenue and event room fees
 - Despite lower operating income in 2015, the Wisconsin Center still realized an operating profit of \$1.5 million
- In 2016, the Wisconsin Center realized an operating profit of \$3.0 million
- *Figures do not include any allocation for general and administrative expenses*

FYE December	2012	2013	2014	2015	2016	Average	CAGR
Total Operating Income	\$7,292,194	\$7,059,731	\$8,219,250	\$5,711,751	\$7,280,946	\$7,112,774	0.0%
Total Operating Expenses	\$4,831,393	\$4,426,553	\$4,387,226	\$4,170,495	\$4,235,510	\$4,410,235	-3.2%
Operating Profit Contribution	\$2,460,800	\$2,633,178	\$3,832,023	\$1,541,256	\$3,045,436	\$2,702,539	5.5%

A. WISCONSIN CENTER

Wisconsin Center – Financial Performance (Before G&A Allocation)

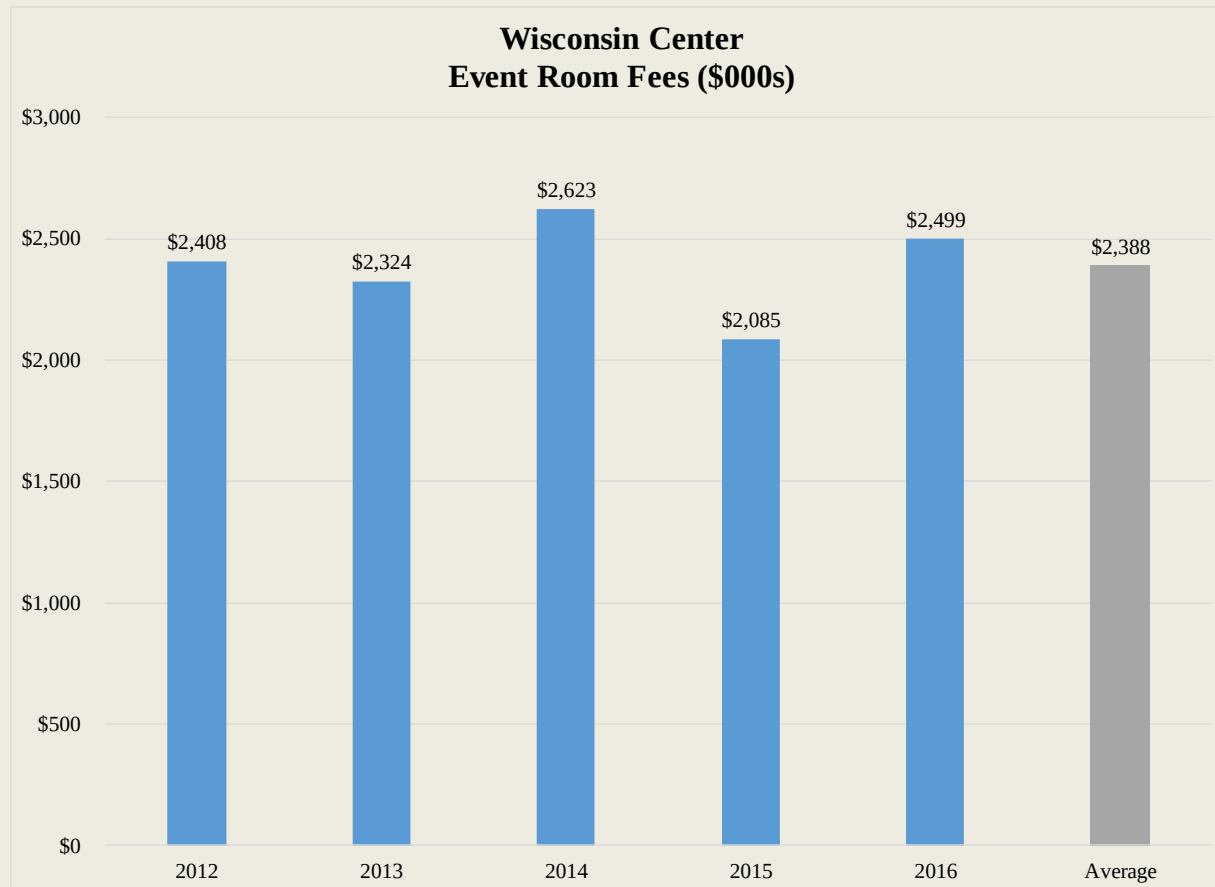
FYE December	2012	2013	2014	2015	2016	Average	CAGR
Operating Income							
Event Room Fees	\$2,407,882	\$2,323,742	\$2,622,964	\$2,085,444	\$2,499,113	\$2,387,829	0.9%
Equipment Rentals	\$979,084	\$852,778	\$1,095,174	\$775,419	\$1,088,555	\$958,202	2.7%
Net Concessions Revenue	\$2,221,178	\$2,185,002	\$2,759,907	\$1,547,827	\$2,124,078	\$2,167,598	-1.1%
Box Office Revenue	\$1,912	\$2,926	\$3,222	\$3,574	\$6,241	\$3,575	34.4%
Parking Revenue	\$387,597	\$372,373	\$482,013	\$341,121	\$463,024	\$409,226	4.5%
Office Space Rentals	\$90,234	\$75,600	\$73,200	\$61,540	\$61,200	\$72,355	-9.3%
Telecommunications Revenue	\$91,705	\$107,040	\$109,034	\$102,550	\$127,010	\$107,468	8.5%
Advertising Revenue	\$153,825	\$210,798	\$174,534	\$172,483	\$240,762	\$190,480	11.9%
Datacommunications Revenue	\$393,144	\$444,270	\$430,517	\$294,683	\$318,986	\$376,320	-5.1%
Video Production Service Revenue	\$11,702	\$9,260	\$4,425	\$11,476	\$2,600	\$7,893	-31.3%
Other Income	\$3,077	\$8,261	\$1,702	\$0	\$69	\$2,622	-61.2%
Naming Rights Revenue	\$166,667	\$0	\$0	\$0	\$0	\$33,333	-100.0%
Labor Service/Show Reimbursement Revenue	\$384,187	\$467,682	\$462,556	\$315,635	\$349,308	\$395,874	-2.4%
Total Operating Income	\$7,292,194	\$7,059,731	\$8,219,250	\$5,711,751	\$7,280,946	\$7,112,774	0.0%
Operating Expenses							
Operating Wages	\$801,728	\$790,765	\$832,824	\$822,336	\$810,486	\$811,628	0.3%
Cleaning Wages	\$1,178,150	\$1,144,941	\$1,095,646	\$1,053,617	\$1,089,367	\$1,112,344	-1.9%
Attendant Wages	\$304,404	\$306,397	\$297,864	\$260,728	\$361,831	\$306,245	4.4%
Technician Wages	\$0	\$0	\$0	\$0	\$41,390	\$8,278	NA
Contract Services	\$30,413	\$53,058	\$37,277	\$45,258	\$4,575	\$34,116	-37.7%
FICA Tax Expense-Operating	\$174,748	\$171,522	\$170,315	\$163,456	\$170,976	\$170,203	-0.5%
Steam & Gas	\$390,733	\$482,142	\$488,508	\$485,043	\$406,453	\$450,576	1.0%
Electricity	\$860,302	\$857,015	\$824,236	\$800,621	\$872,568	\$842,949	0.4%
Water	\$54,568	\$45,830	\$56,996	\$73,716	\$87,627	\$63,748	12.6%
Miscellaneous Show Expense	\$559,842	\$114,468	\$55,453	\$20,922	\$21,833	\$154,504	-55.6%
Maintenance-Combined	\$476,504	\$460,415	\$528,107	\$444,798	\$368,404	\$455,645	-6.2%
Total Operating Expenses	\$4,831,393	\$4,426,553	\$4,387,226	\$4,170,495	\$4,235,510	\$4,410,235	-3.2%
Operating Profit Contribution	\$2,460,800	\$2,633,178	\$3,832,023	\$1,541,256	\$3,045,436	\$2,702,539	5.5%

Source: WCD.

A. WISCONSIN CENTER

Wisconsin Center – Operating Revenue

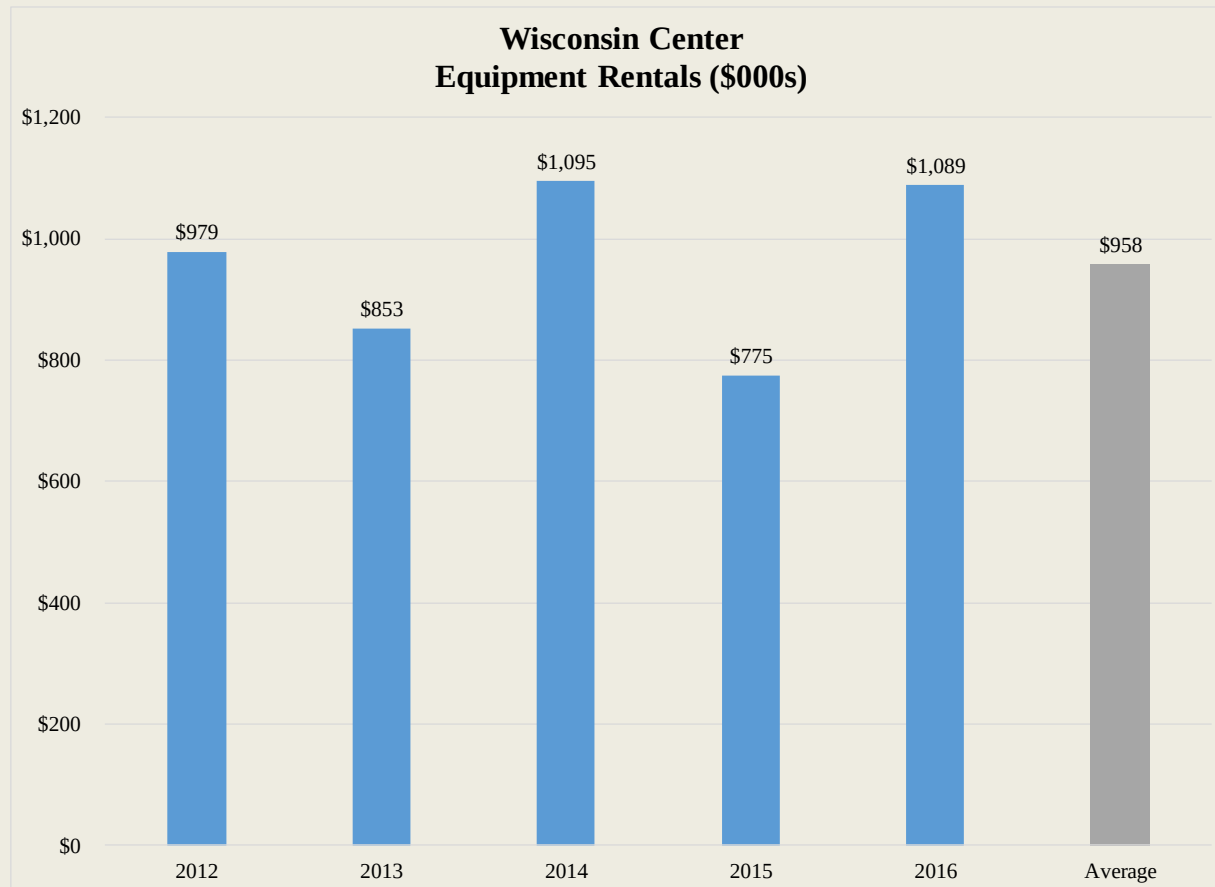
- Event room fee revenue increased significantly in 2014 and 2016 – five year average of \$2.4 million



A. WISCONSIN CENTER

Wisconsin Center – Operating Revenue

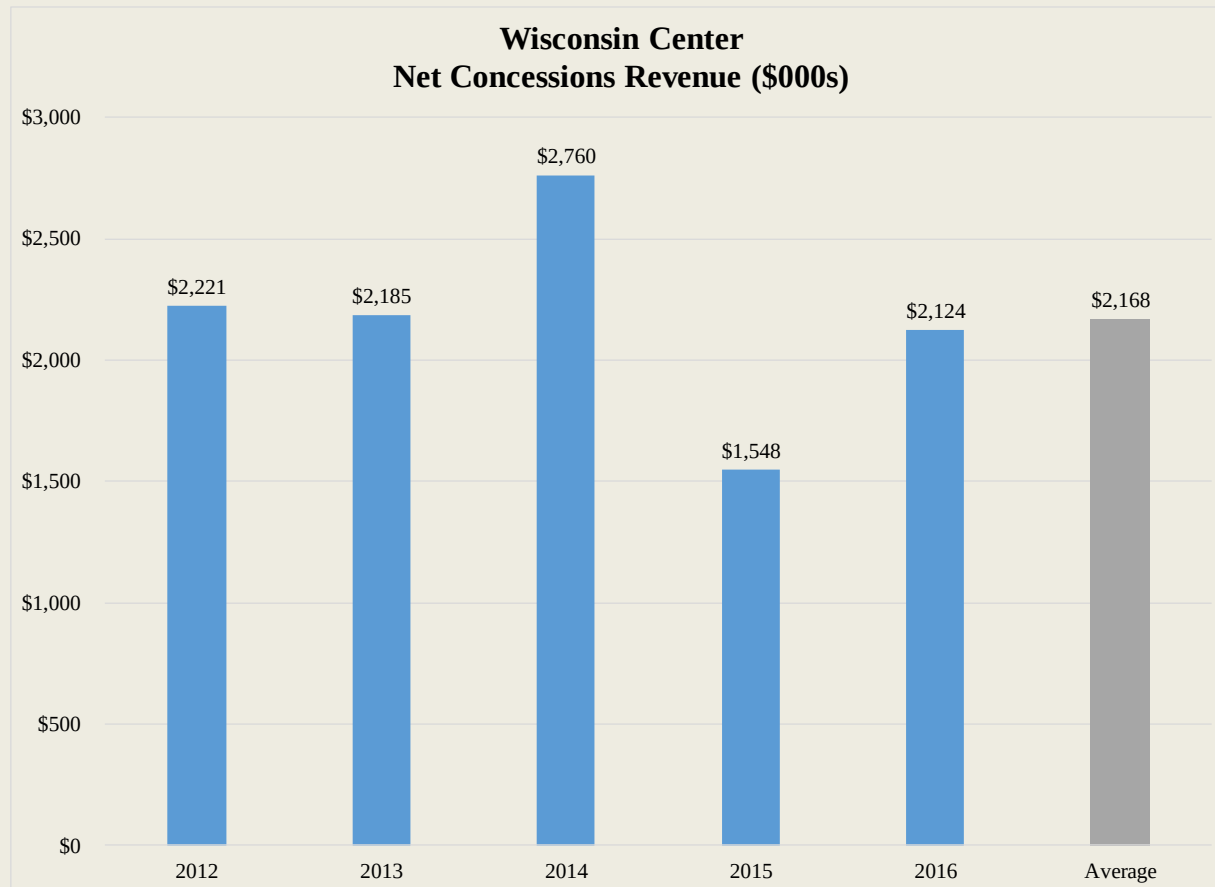
- Equipment rentals revenue increased significantly in 2014 and 2016 – five year average of \$958,000



A. WISCONSIN CENTER

Wisconsin Center – Operating Revenue

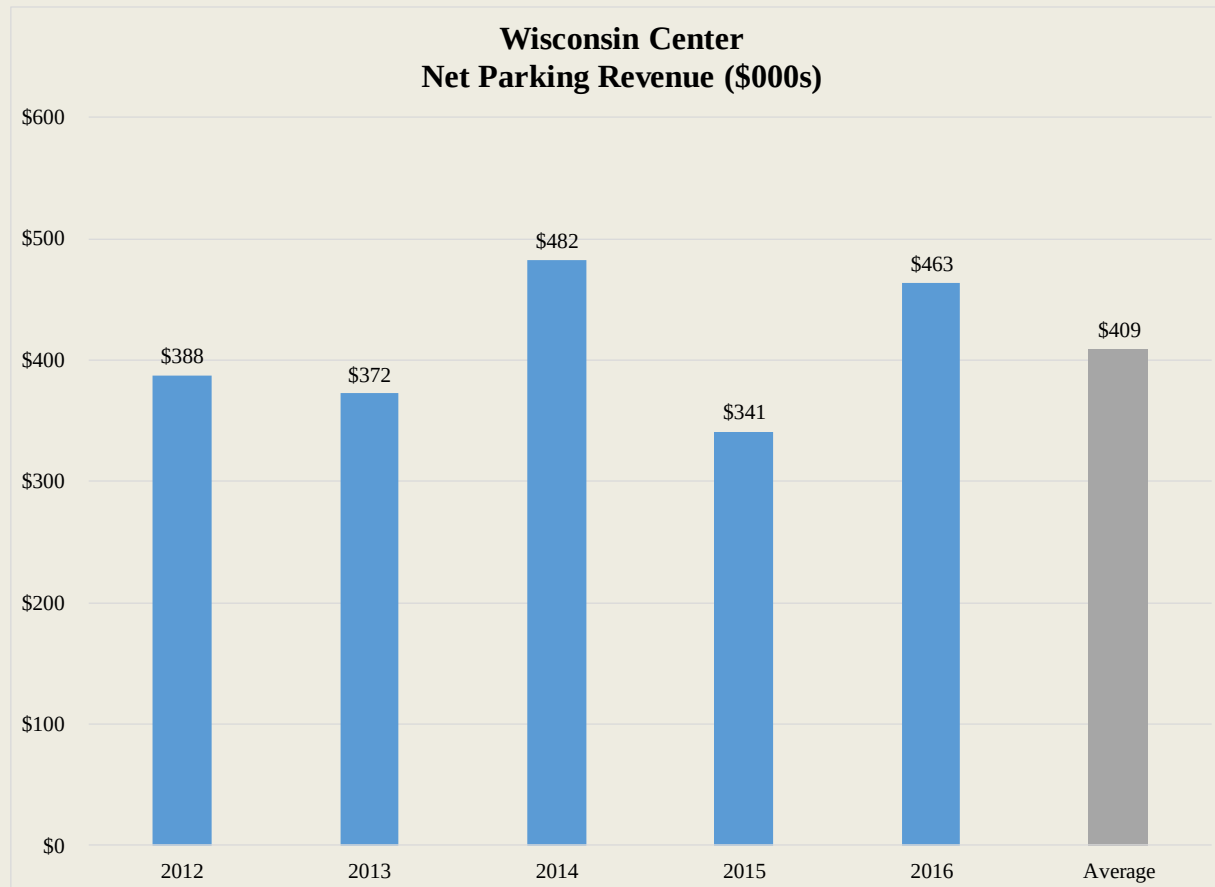
- Net concessions revenue increased significantly in 2014 and 2016 – five year average of \$2.2 million



A. WISCONSIN CENTER

Wisconsin Center – Operating Revenue

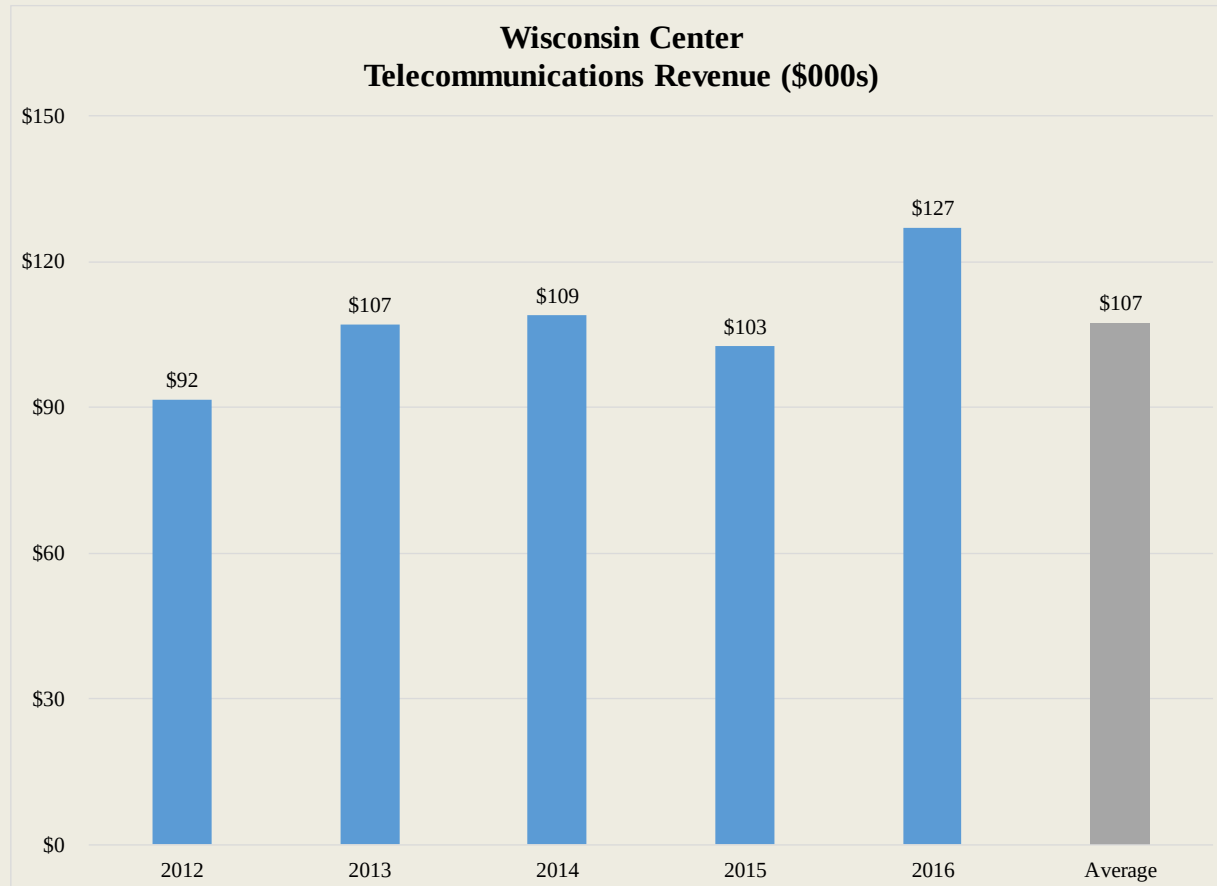
- Net parking revenue increased significantly in 2014 and 2016 – five year average of \$409,000



A. WISCONSIN CENTER

Wisconsin Center – Operating Revenue

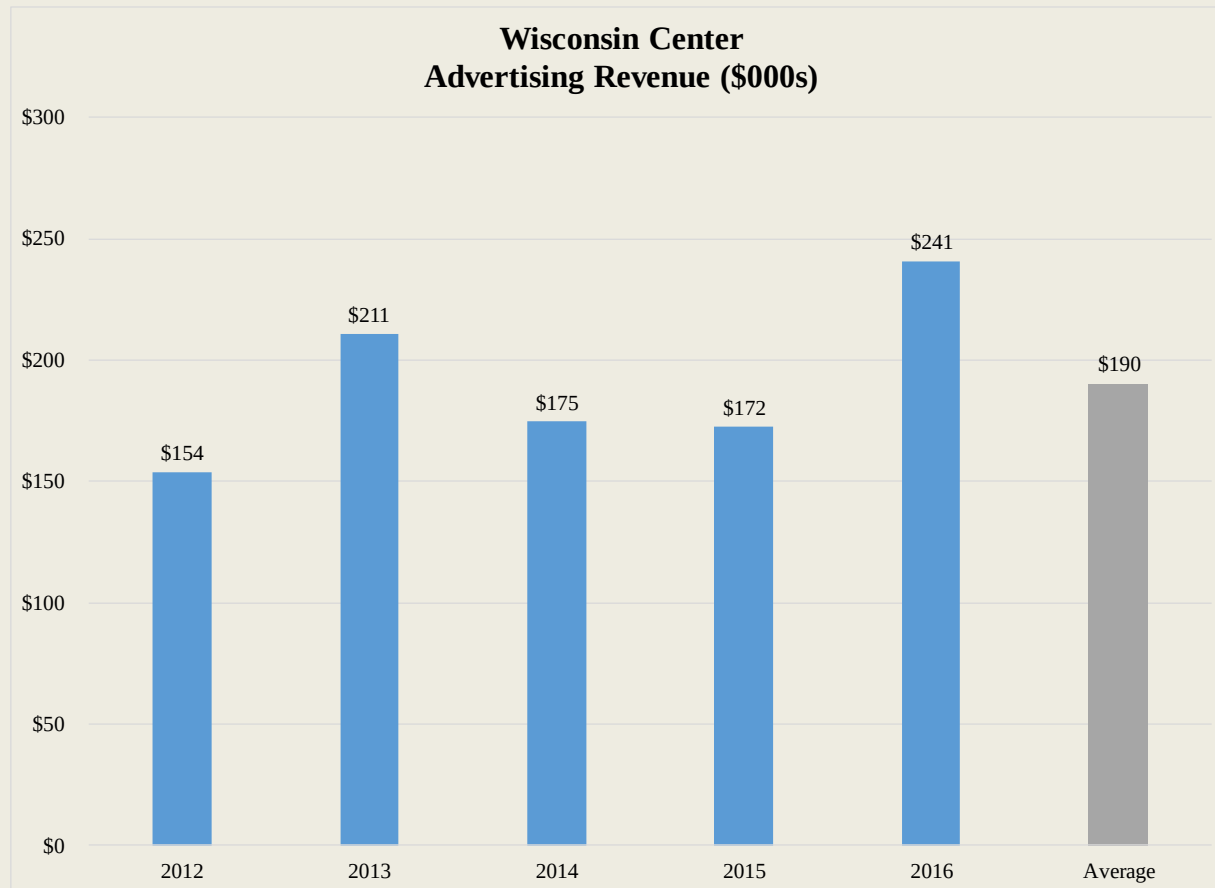
- Telecommunications revenue increased significantly in 2016 – five year average of \$107,000



A. WISCONSIN CENTER

Wisconsin Center – Operating Revenue

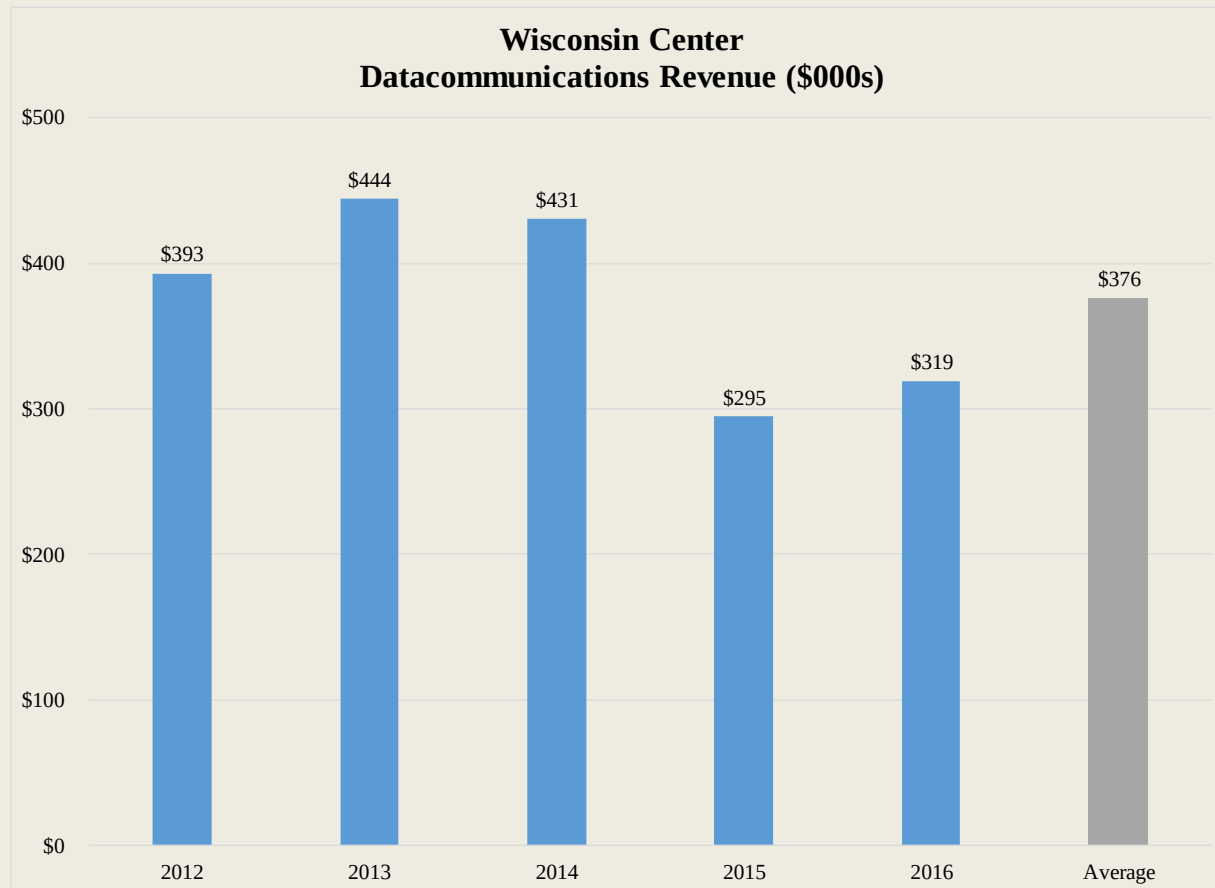
- Advertising revenue increased significantly in 2013 and 2016 – five year average of \$190,000



A. WISCONSIN CENTER

Wisconsin Center – Operating Revenue

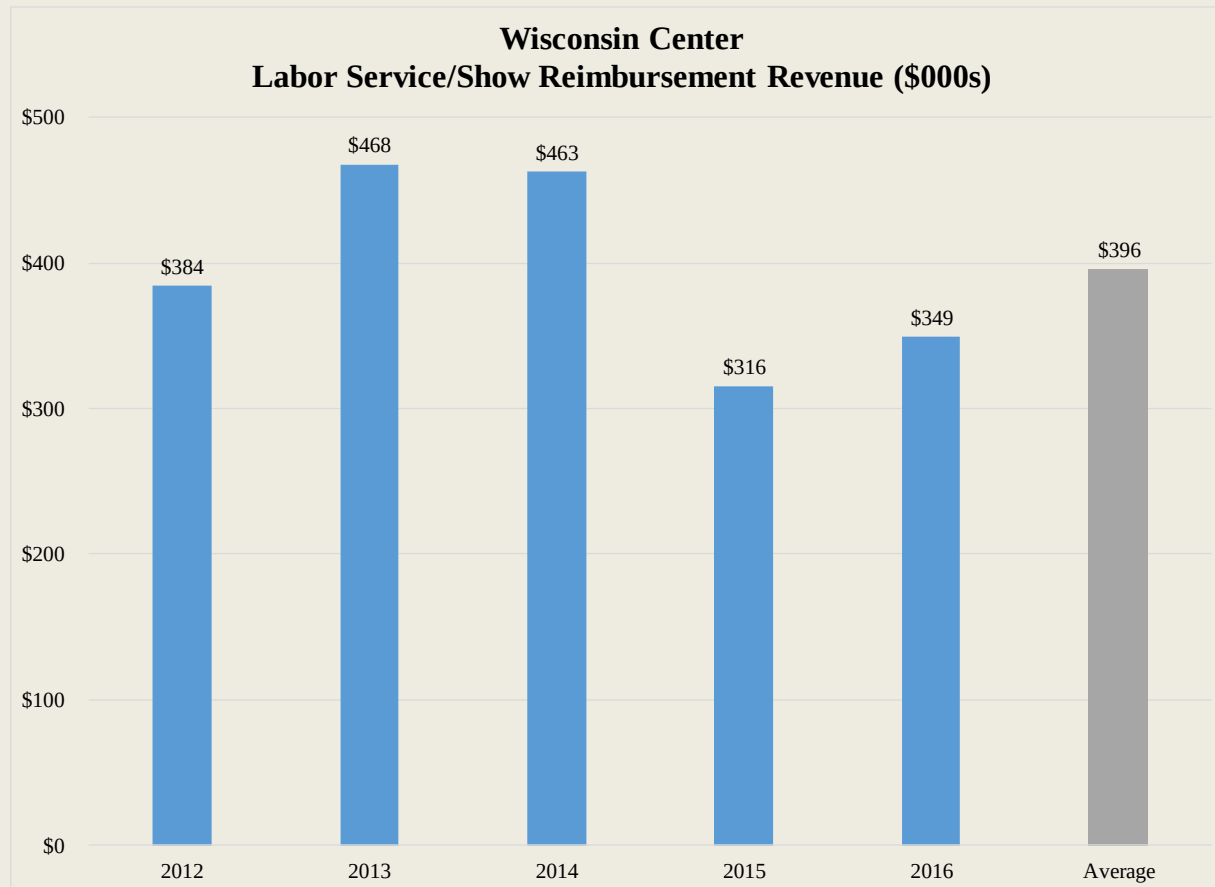
- Datacommunications revenue has decreased in recent years – five year average of \$376,000



A. WISCONSIN CENTER

Wisconsin Center – Operating Revenue

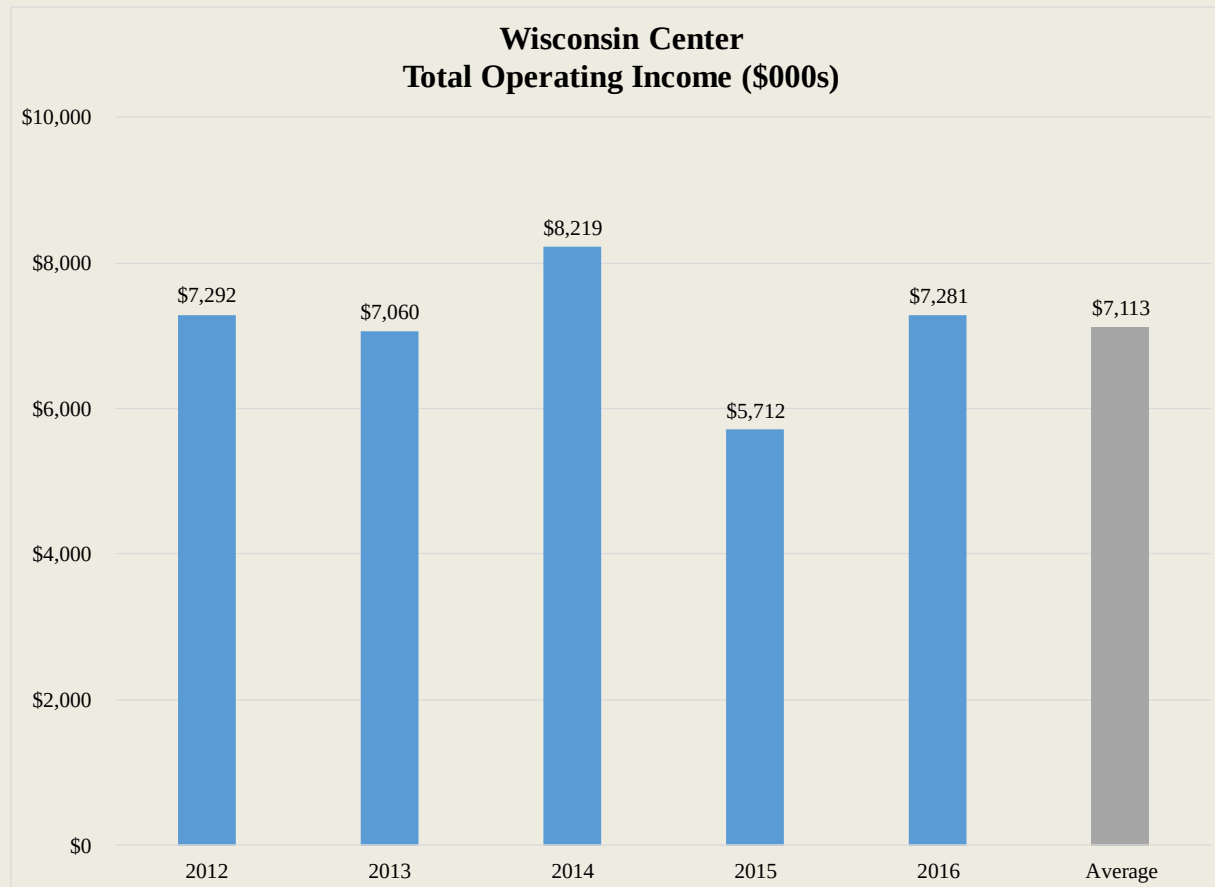
- Labor service/show reimbursement revenue decreased significantly in 2015 – five year average of \$396,000



A. WISCONSIN CENTER

Wisconsin Center – Operating Revenue

- Total operating income increased significantly in 2014 and 2016 – five year average of \$7.1 million



A. WISCONSIN CENTER

Wisconsin Center – Operating Expenses

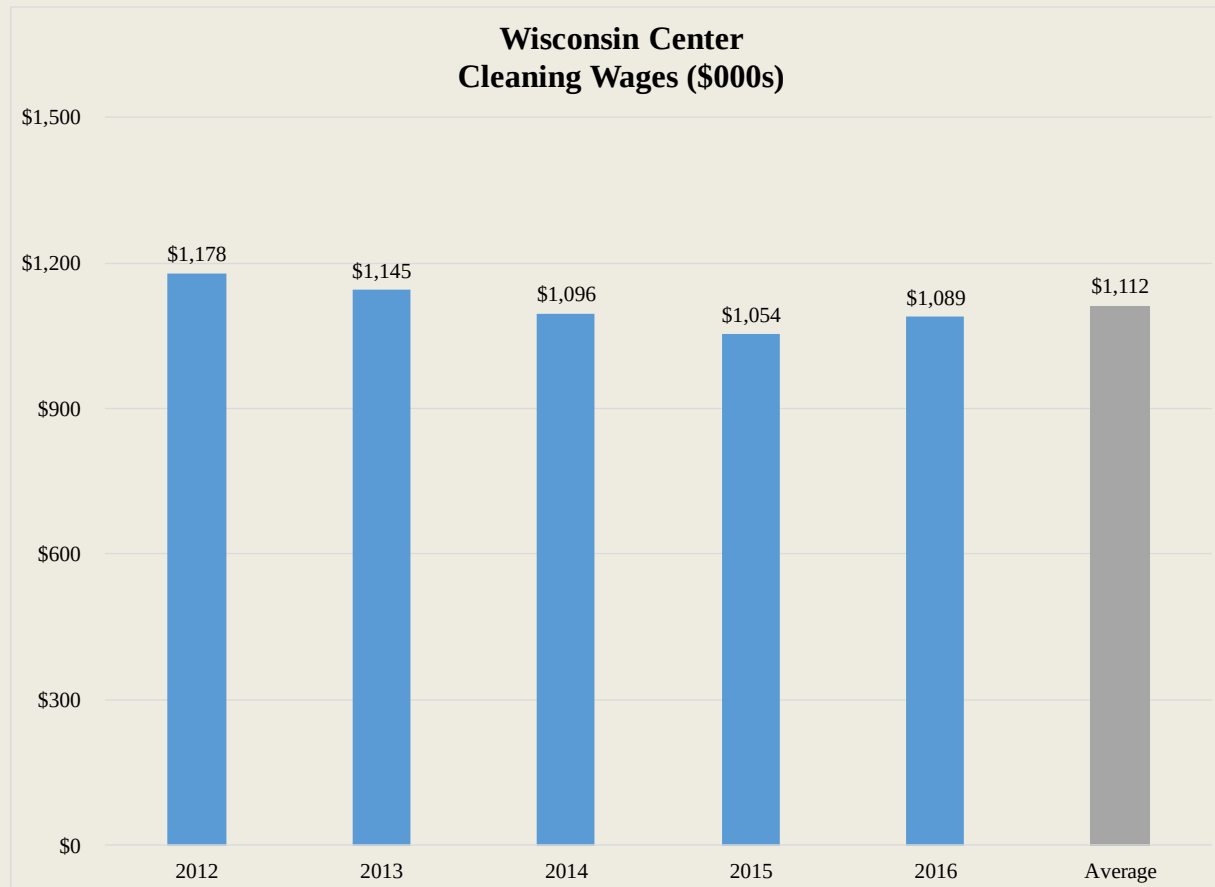
- Operating wages varied slightly over time – five year average of \$812,000



A. WISCONSIN CENTER

Wisconsin Center – Operating Expenses

- Cleaning wages have generally decreased slightly over time – five year average of \$1.1 million



A. WISCONSIN CENTER

Wisconsin Center – Operating Expenses

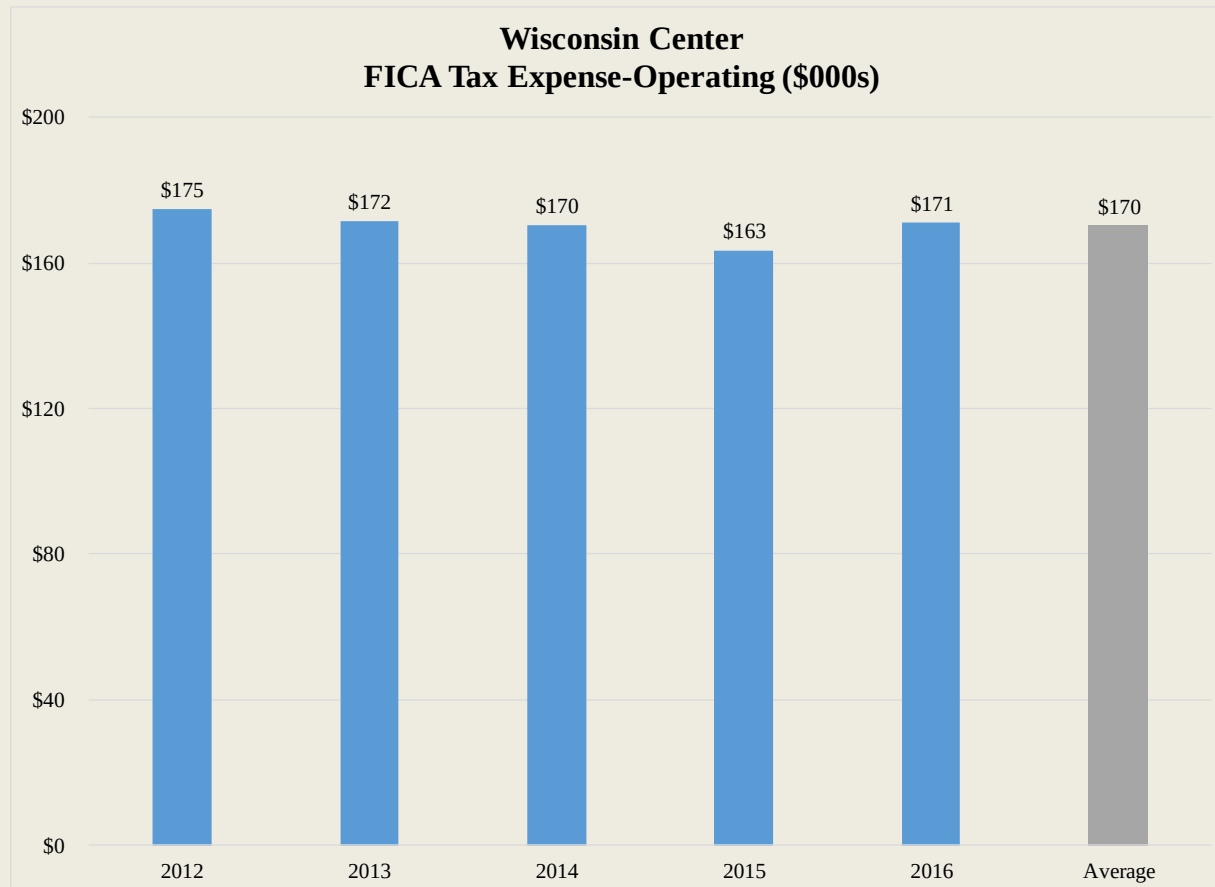
- Attendant wages increased significantly in 2016 – five year average of \$306,000



A. WISCONSIN CENTER

Wisconsin Center – Operating Expenses

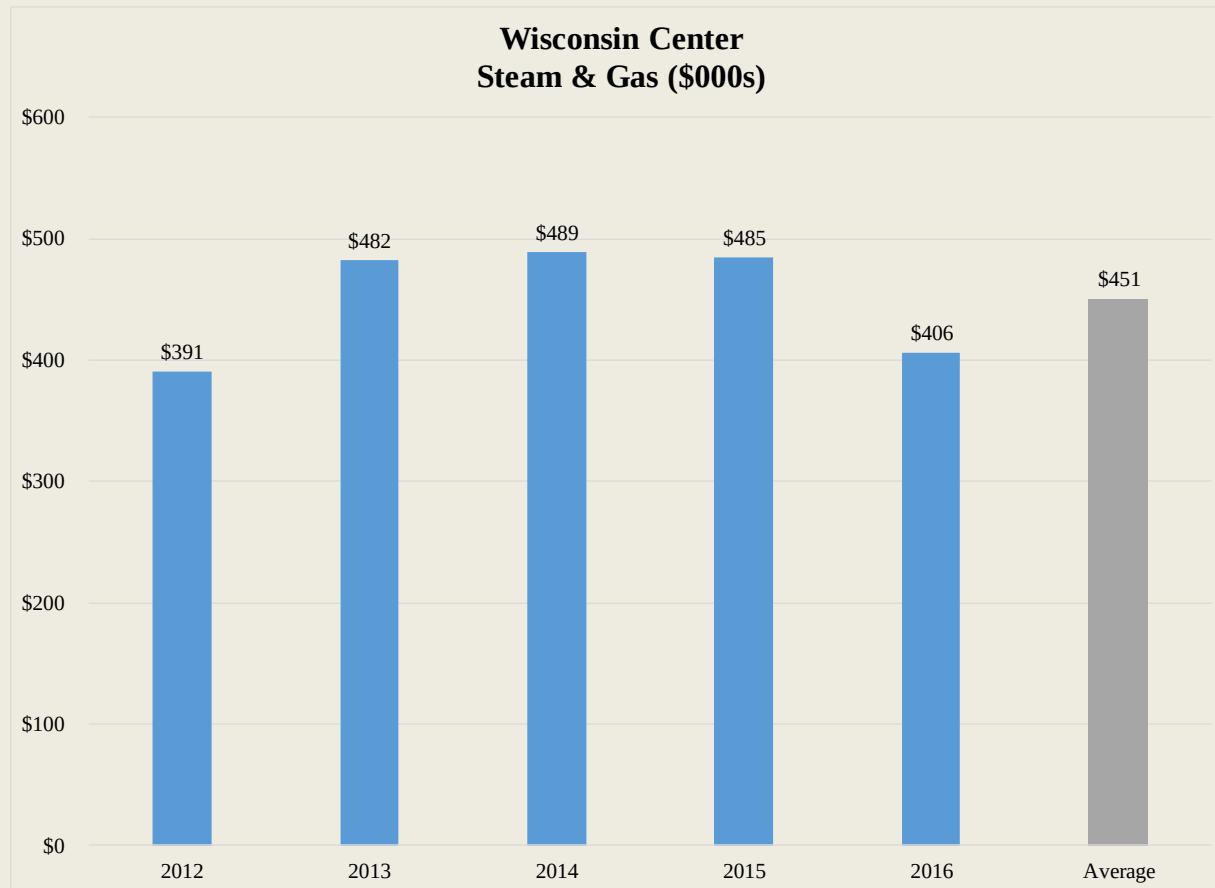
- FICA tax expense-operating has varied slightly over time – five year average of \$170,000



A. WISCONSIN CENTER

Wisconsin Center – Operating Expenses

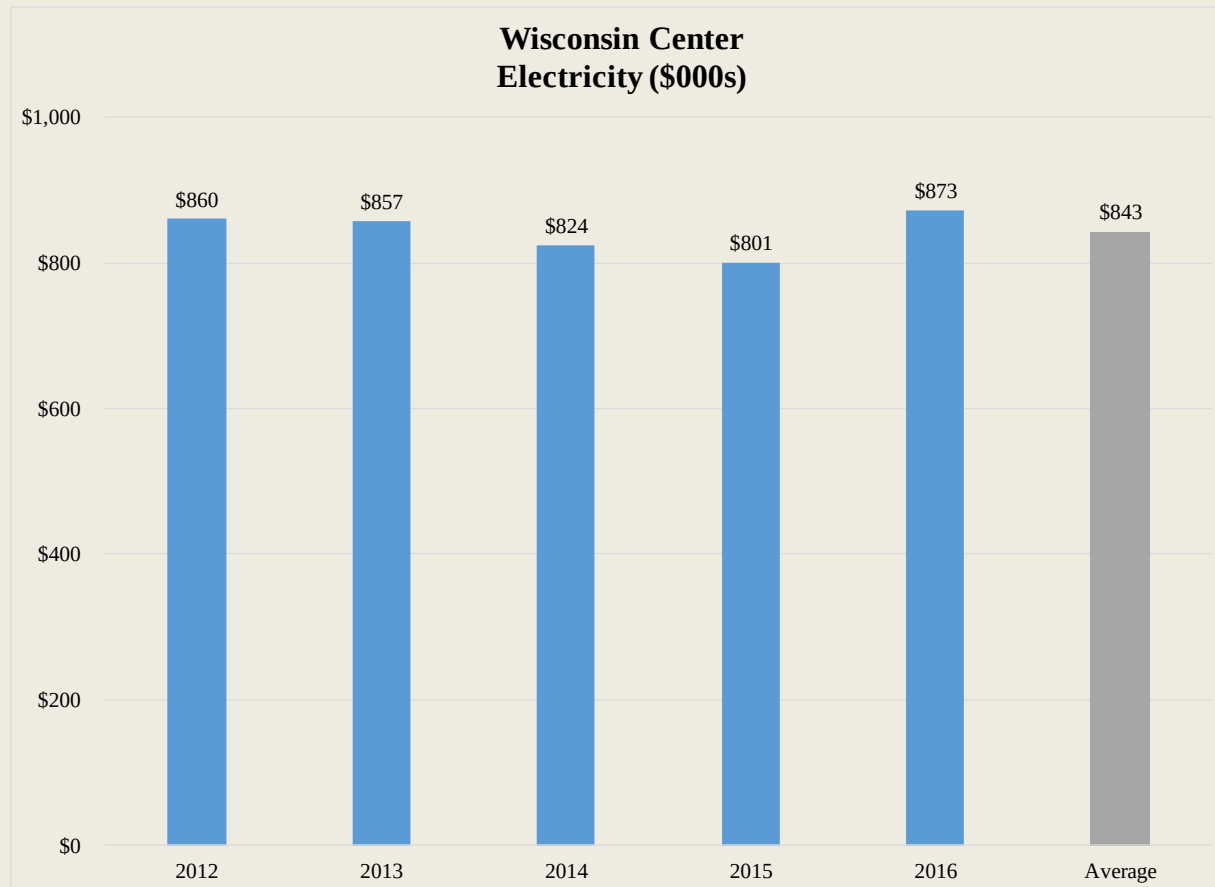
- Steam & gas expense has varied over time – five year average of \$451,000



A. WISCONSIN CENTER

Wisconsin Center – Operating Expenses

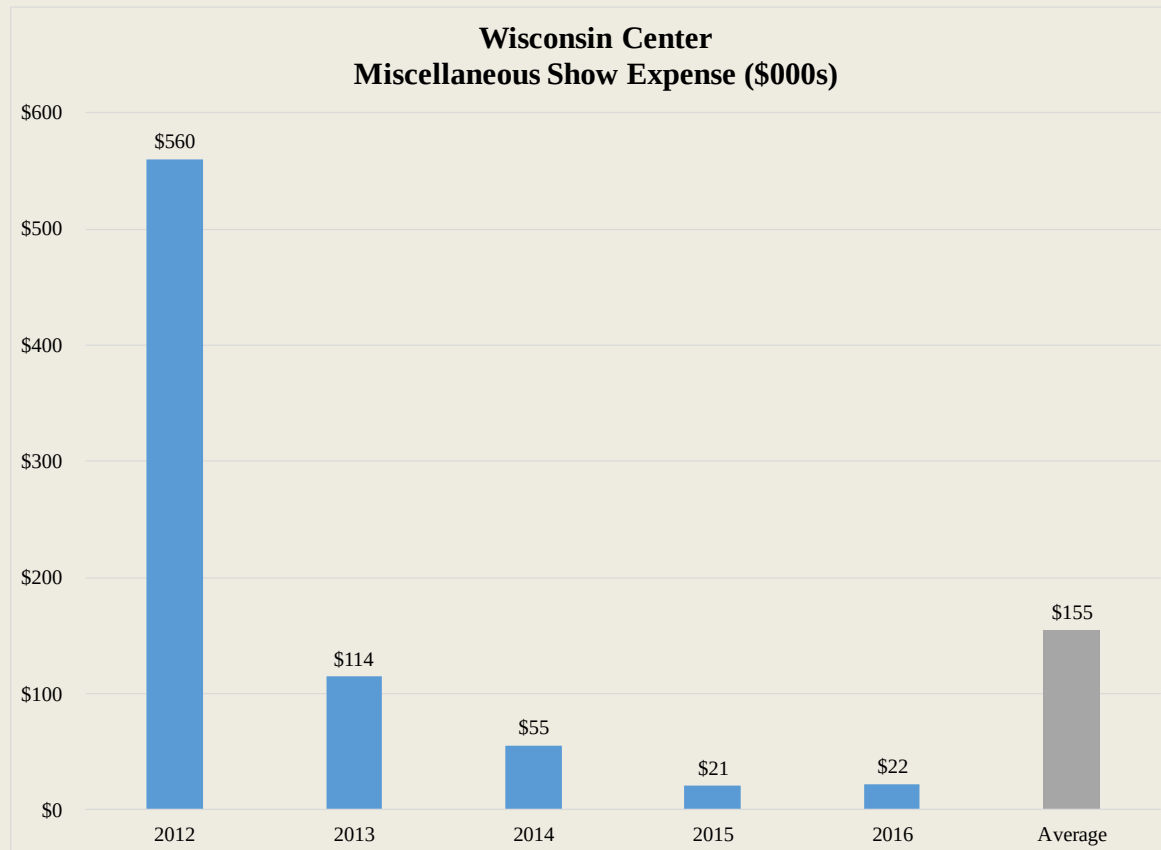
- Electricity expense has varied over time – five year average of \$843,000



A. WISCONSIN CENTER

Wisconsin Center – Operating Expenses

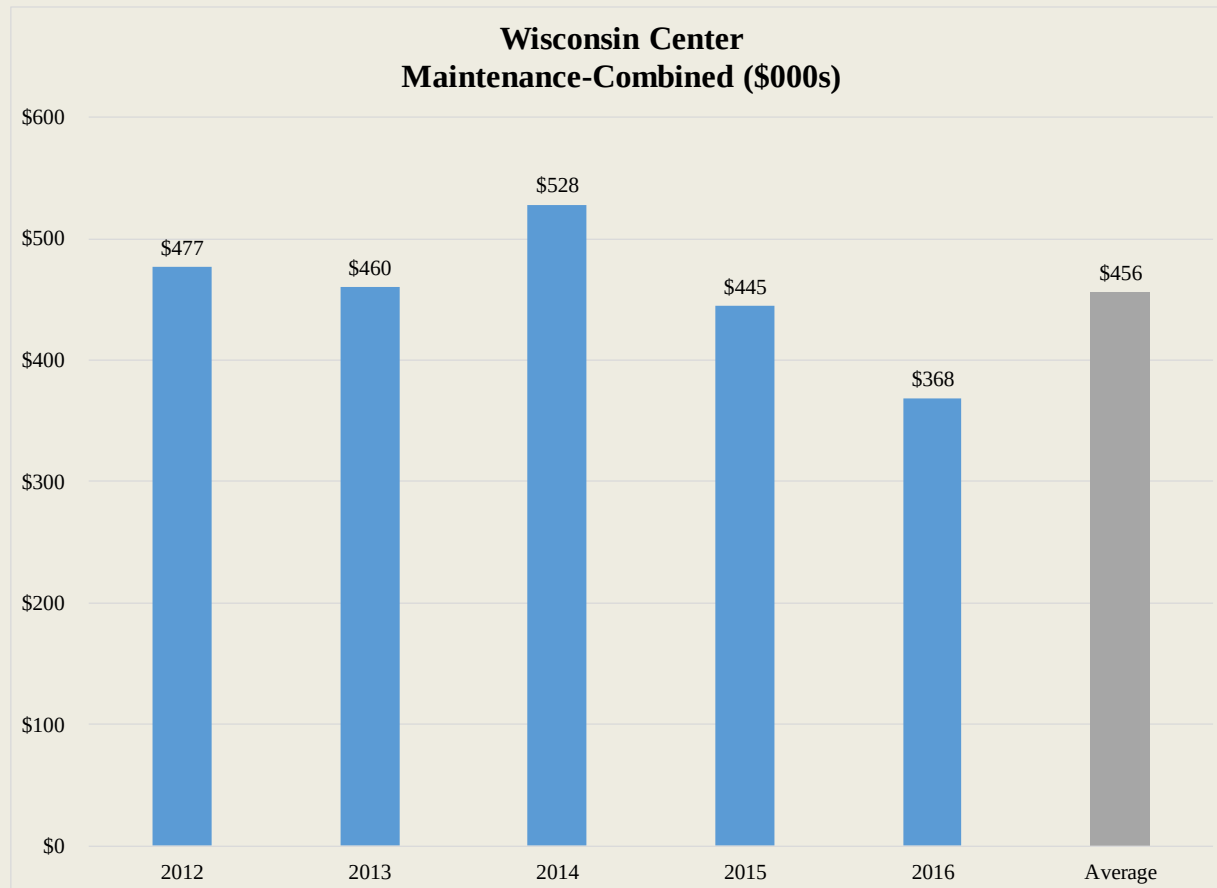
- Miscellaneous show expense decreased significantly after 2012 and is now nominal – five year average of \$155,000



A. WISCONSIN CENTER

Wisconsin Center – Operating Expenses

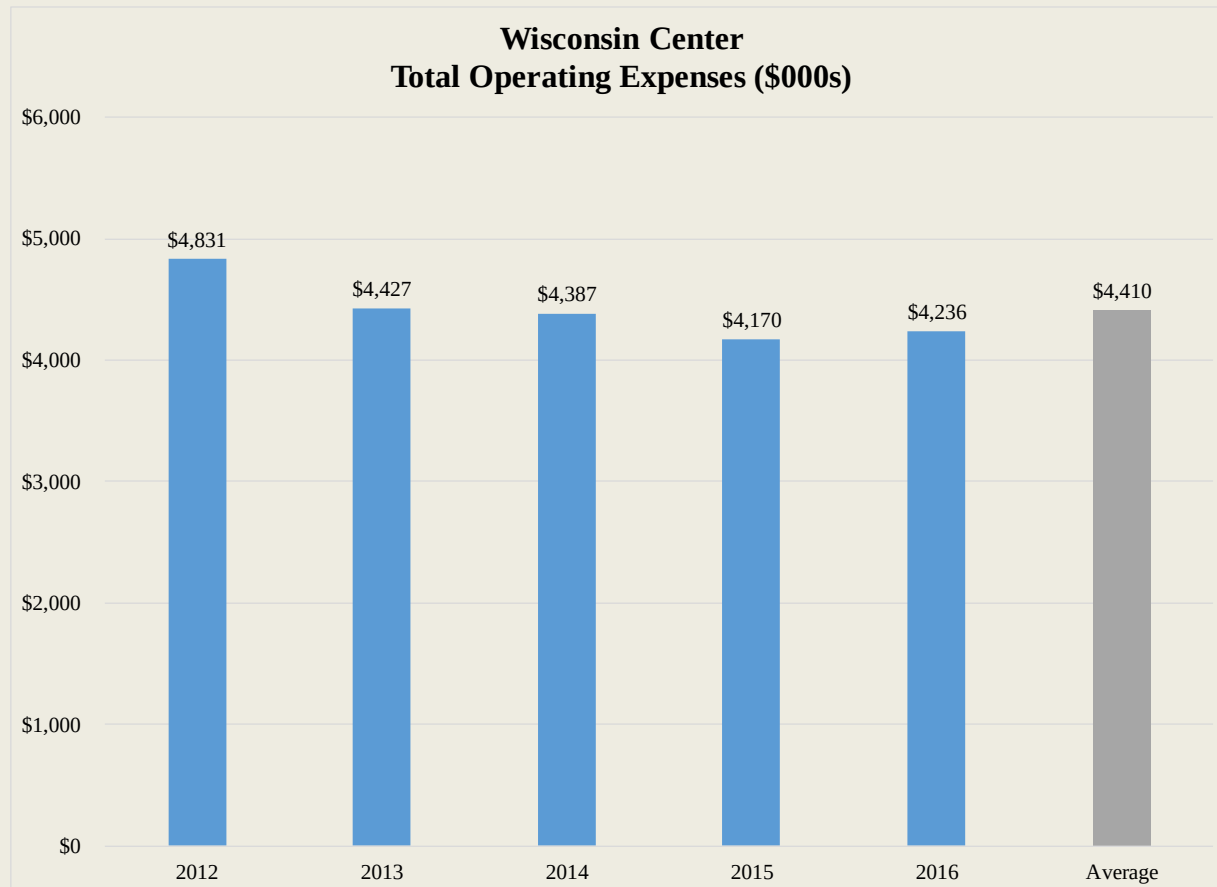
- Maintenance-combined expense has decreased since 2014 – five year average of \$456,000



A. WISCONSIN CENTER

Wisconsin Center – Operating Expenses

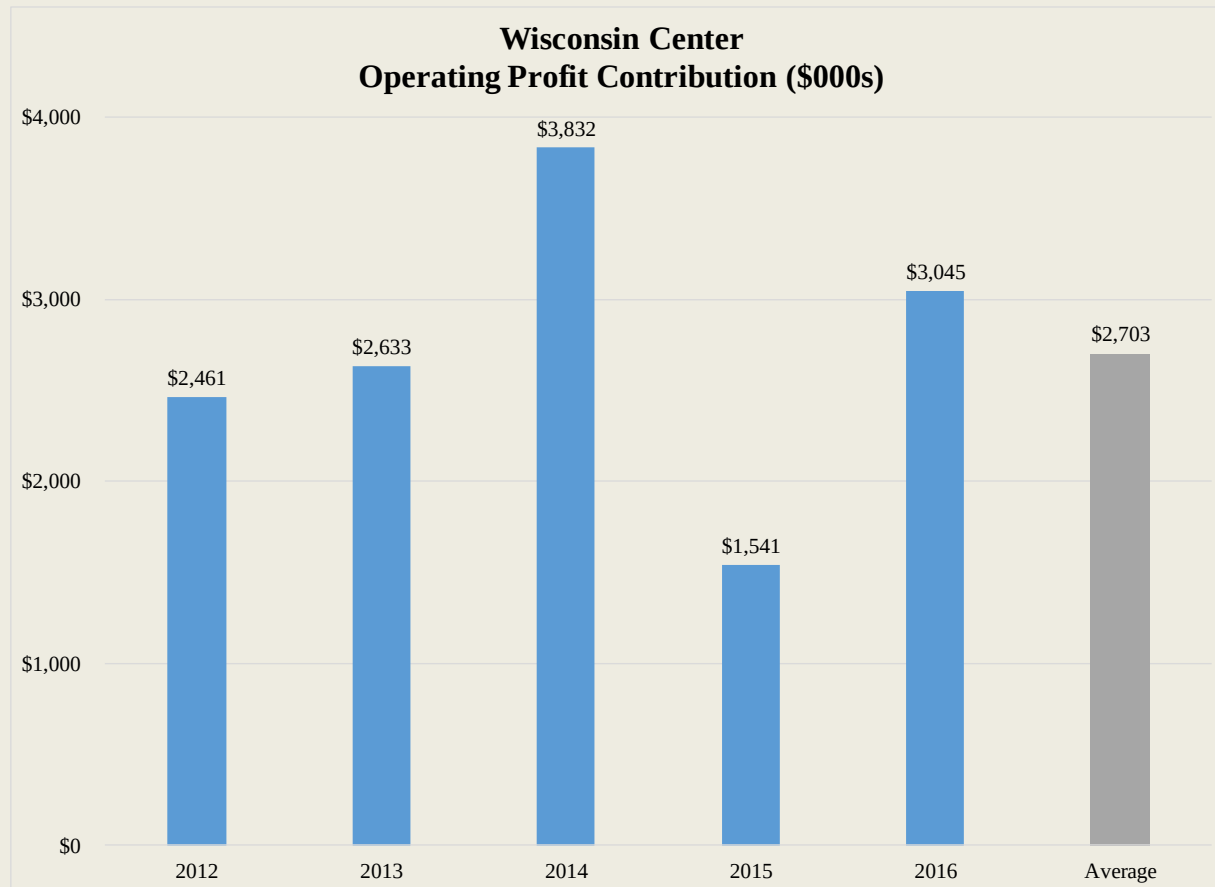
- Total operating expenses have generally decreased since 2012 – five year average of \$4.4 million



A. WISCONSIN CENTER

Wisconsin Center – Operating Profit Contribution (Before G&A Allocation)

- Operating profit contribution increased significantly in 2014 and 2016 – five year average of \$2.7 million



A. WISCONSIN CENTER

Wisconsin Center – Event Feedback

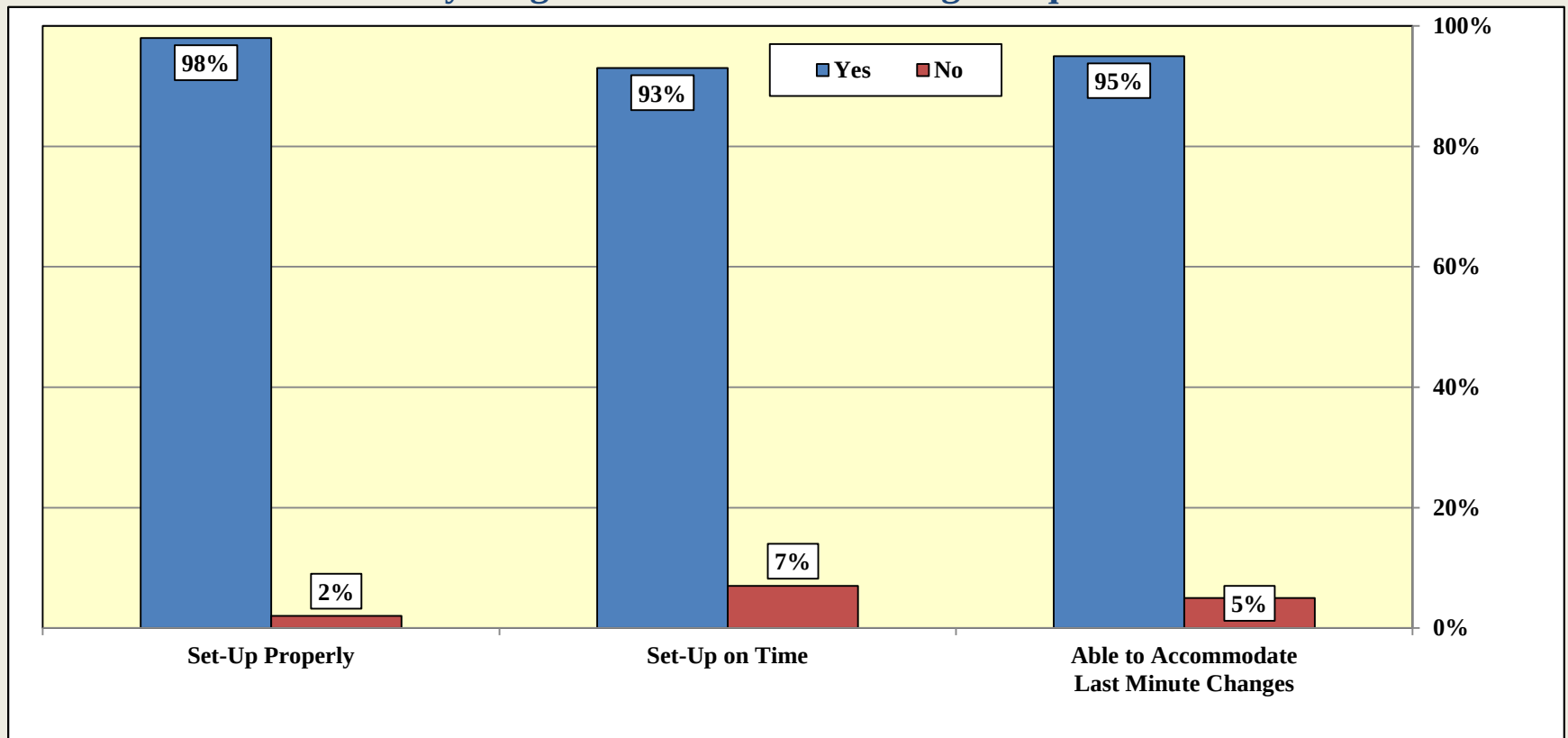
- The WCD conducts customer service surveys with meeting/event planners after their event at the Wisconsin Center related to overall satisfaction and willingness to hold additional events at the WCD
 - License agreements
 - Facility set-up
 - Cleanliness
 - Physical environment
 - Quality of service
 - Levy Restaurants
 - In-house audio visual services
 - Individual staff members
 - Other
- Questions were either posed as Yes/No or on a Rating Scale as follows:
 - A – Excellent
 - B – Good
 - C – Adequate
- Results were analyzed for feedback received from 2014 to 2016 which included 43 event surveys

A. WISCONSIN CENTER

Wisconsin Center – Event Set-Up

- Event set up was generally positive among survey participants with regards to proper set-up, timely set-up and ability to accommodate changes

Was Everything Correct in Your Meeting/Banquet Facilities?



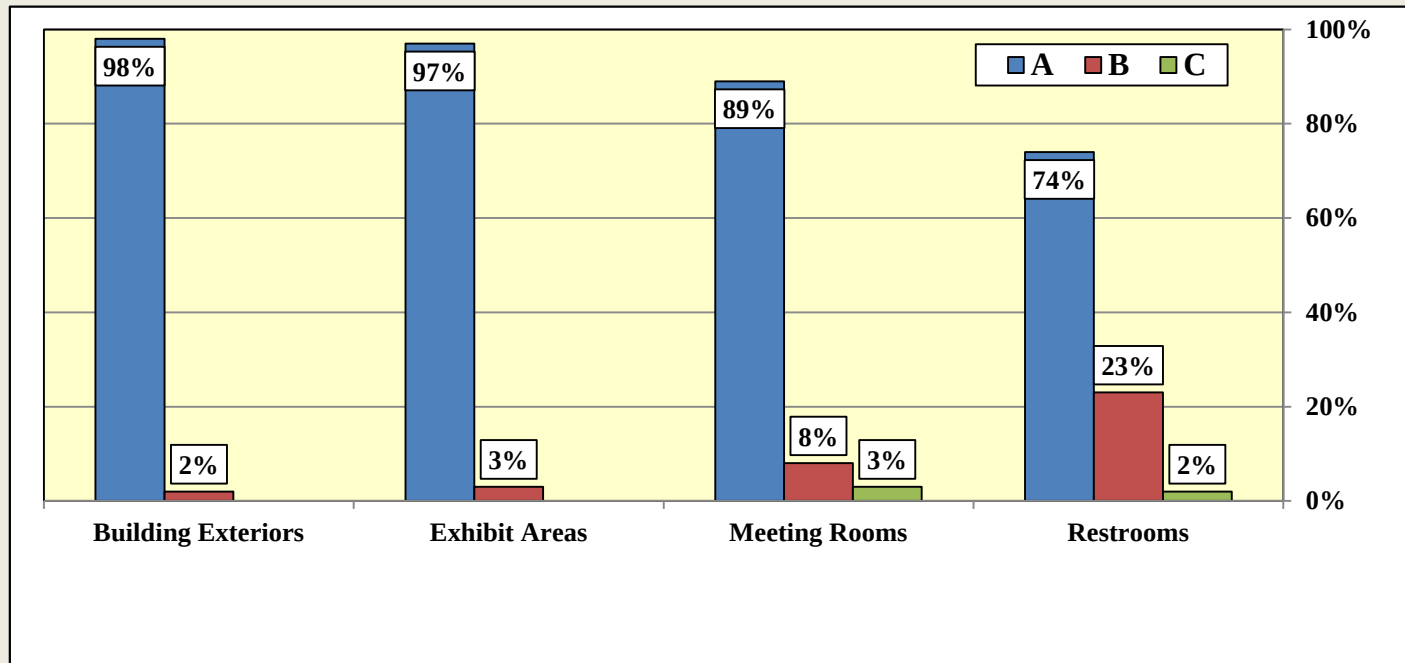
Source: WCD.

A. WISCONSIN CENTER

Wisconsin Center – Cleanliness of Facilities

- Cleanliness of facilities is an important factor for overall customer satisfaction
- Survey respondents gave the best overall ratings to building exterior cleanliness
- Restrooms received the highest number of “B” or “Good” ratings indicating an opportunity for future improvement

Cleanliness of Facilities



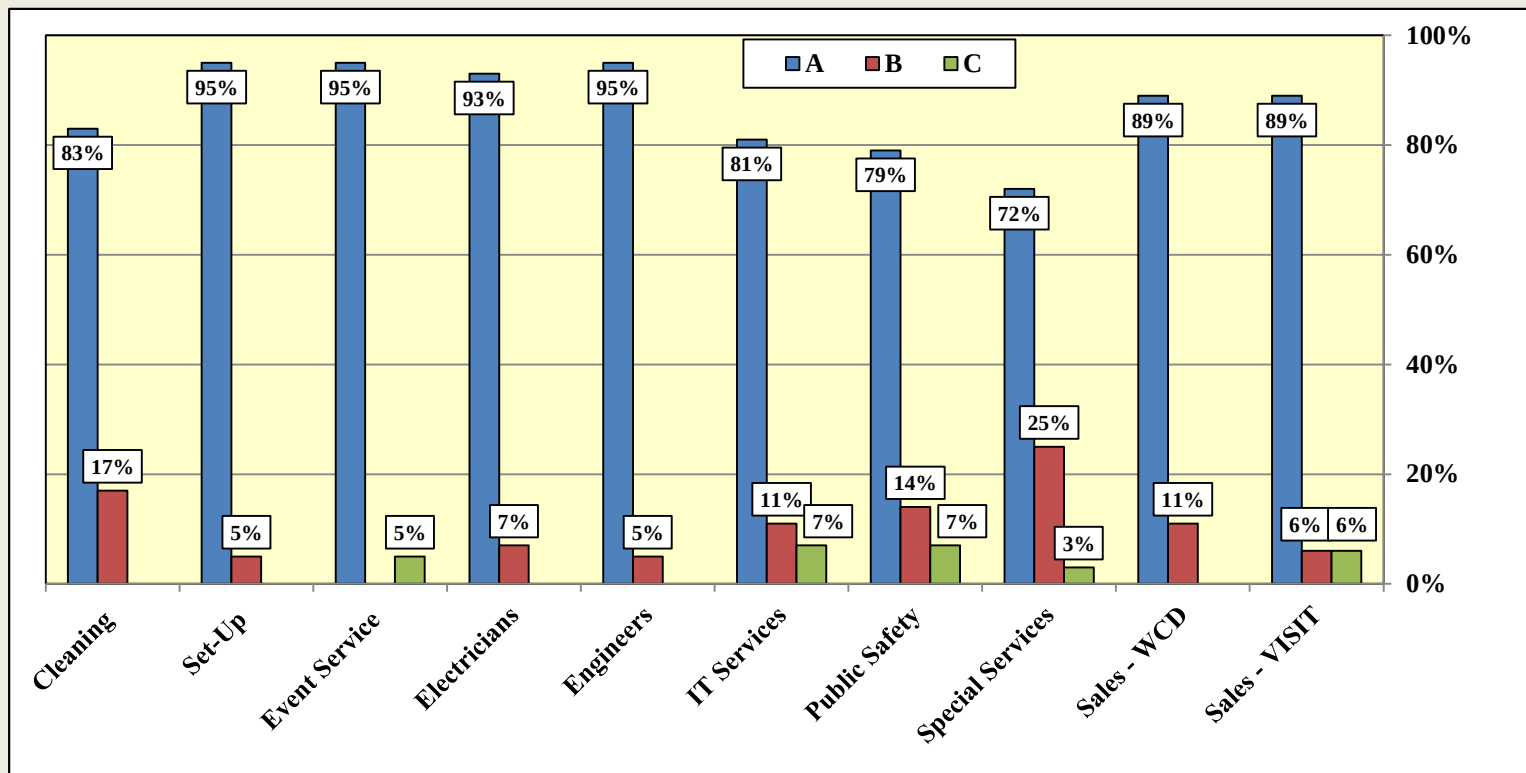
Source: WCD.

A. WISCONSIN CENTER

Wisconsin Center – Quality of Service by Department/Function

- Set-Up, Event Service and Engineers rated the highest in quality of service
- Special Services rated the lowest in quality of service

Quality of Service By Department/Function



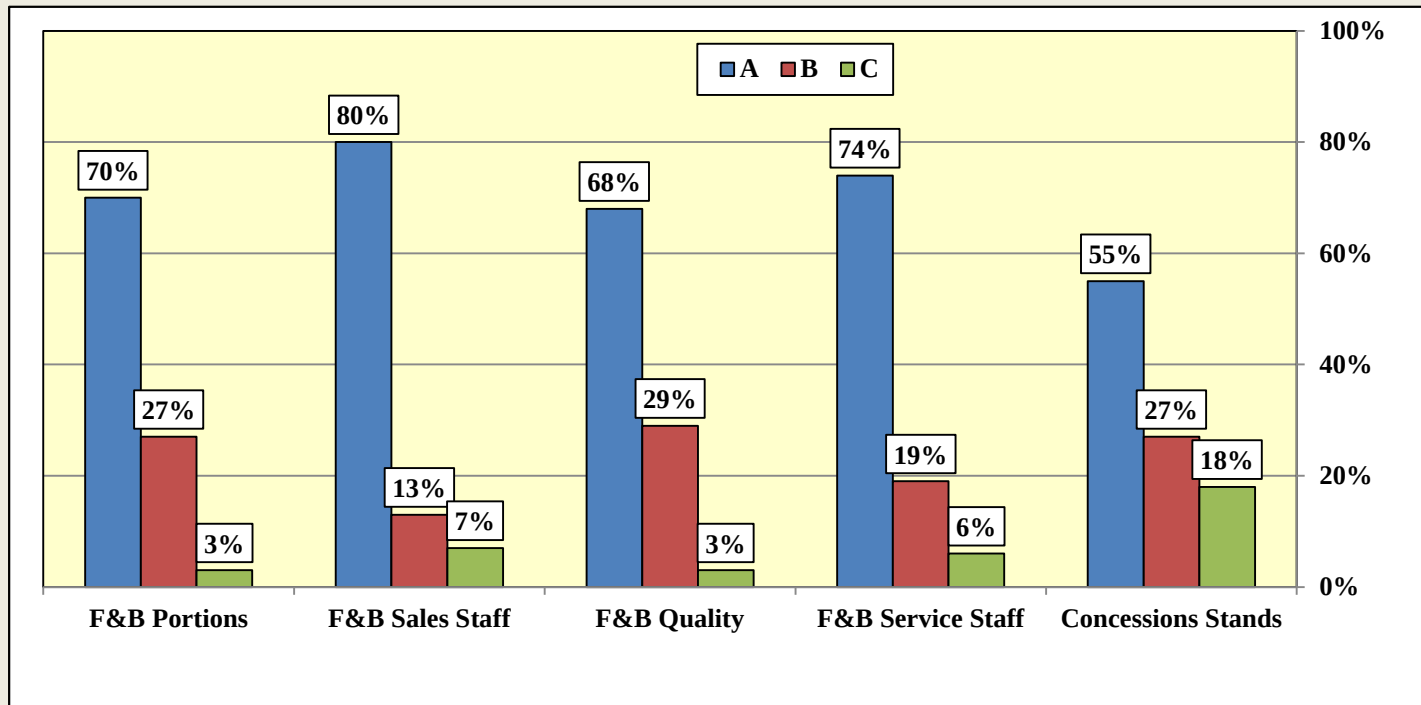
Source: WCD.

A. WISCONSIN CENTER

Wisconsin Center – Levy Restaurants

- 74% of survey respondents utilized Levy Restaurants
- 80% of respondents rated the Sales Staff as Excellent
- Concessions stands ranked the lowest which indicates an opportunity for improvement

Levy Restaurants



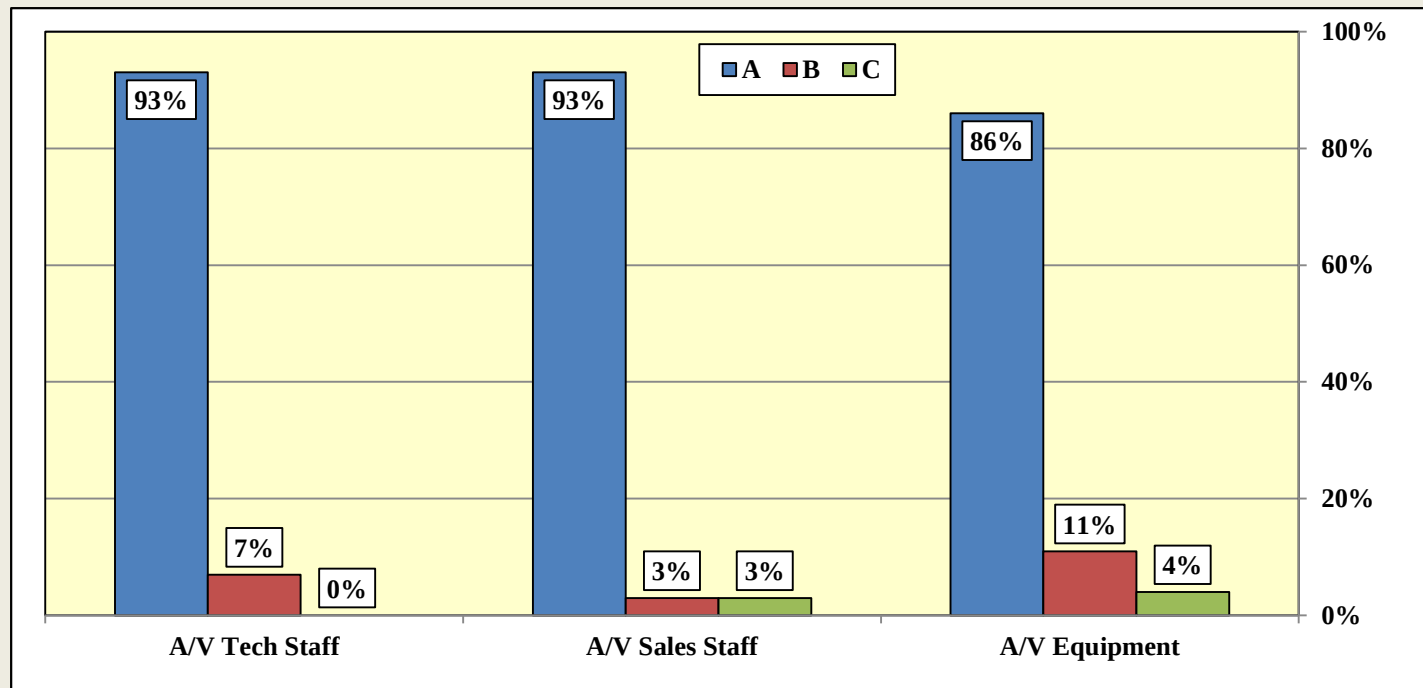
Source: WCD.

A. WISCONSIN CENTER

Wisconsin Center – Universal Audio Visual (A/V) Productions, LLC

- 67% of survey respondents utilized the in-house A/V provider
- 91% responded that A/V functions were set on time
- 93% of respondents rated A/V Tech Staff and A/V Sales Staff as Excellent

Audio Visual Services



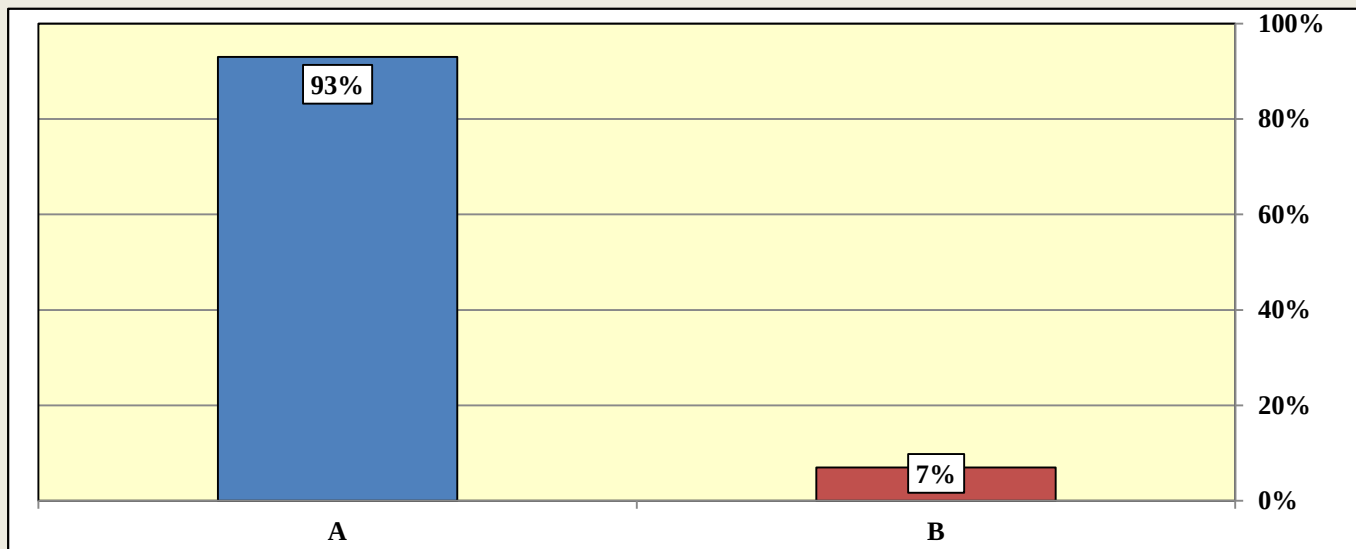
Source: WCD.

A. WISCONSIN CENTER

Wisconsin Center – Overall Satisfaction

- While survey respondents cited some problem areas, the overall rating of facilities and staff was positive with 93% giving an “A” rating
- Positive feedback included:
 - Excellent venues
 - Great service from the staff
 - An overall positive experience with all aspects of the event

Overall Rating of Our Facilities and Staff



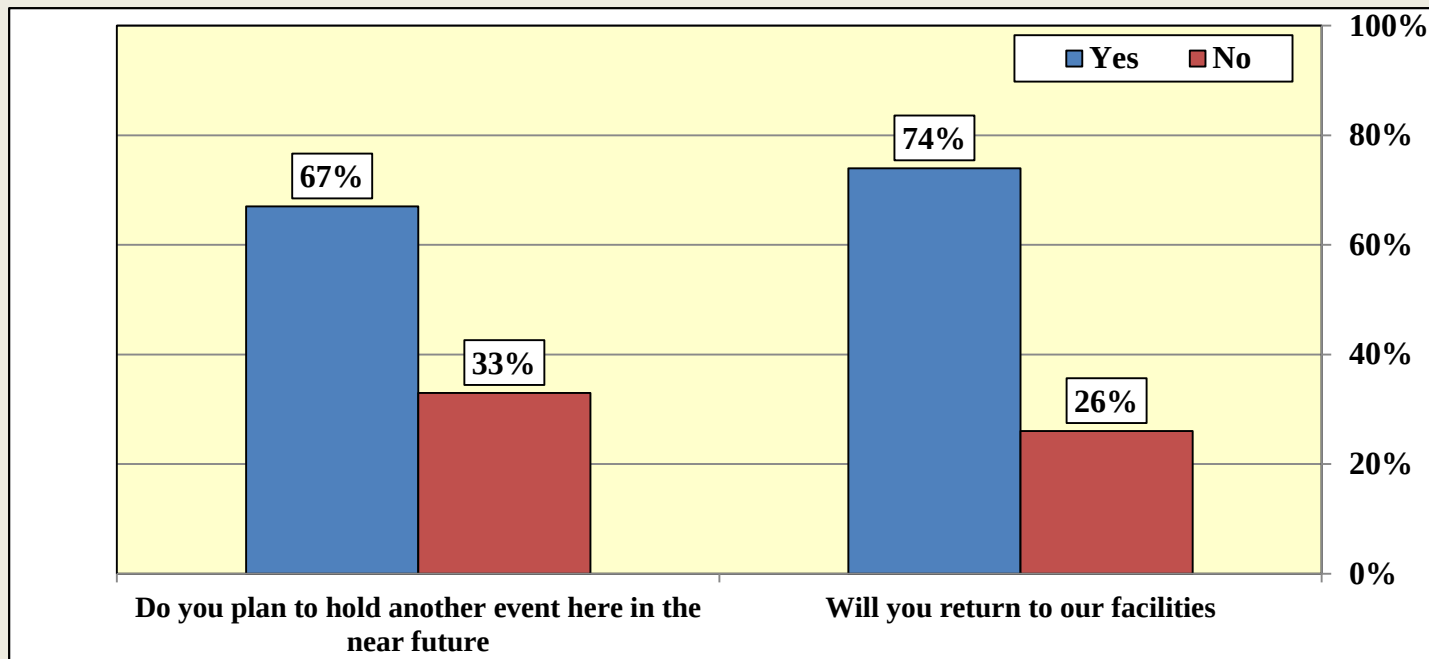
Source: WCD.

A. WISCONSIN CENTER

Wisconsin Center – Return Business

- Approximately 74% of respondents indicated that they would return to WCD facilities
- Approximately two-thirds (67%) of respondents indicated that they plan to host another event at the Wisconsin Center in the near future
- The most common reason indicated for not returning was the event rotates between various cities

Will You Return to WCD Facilities?



Source: WCD.

A. WISCONSIN CENTER

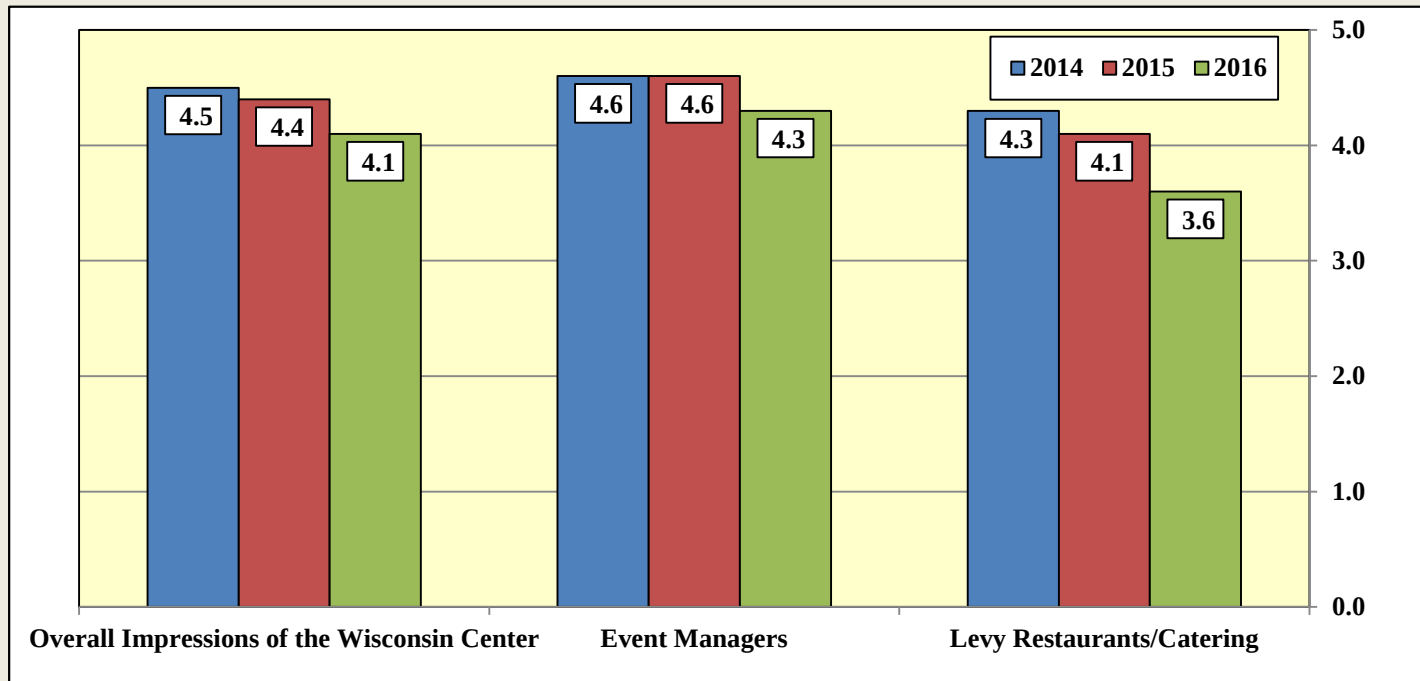
Wisconsin Center – User Feedback

- VISIT Milwaukee also conducts customer service surveys with meeting/event planners
 - The survey consists of 35 questions that seek feedback regarding
 - Event attributes
 - Services/contractors utilized
 - Impressions of Milwaukee and the Wisconsin Center
 - Experience at hotels
 - Other
 - Approximately 70 surveys were received from January 2014 to November 2016
- Based on a scale of 1 (Poor) to 5 (Excellent), ratings have been trending downward in overall impressions of the Wisconsin Center, Event Managers and Levy Restaurants/Catering
- In 2016, meeting planners ranked their overall impressions of the Wisconsin Center as Very Good (4.1), event managers at 4.3 and Levy Restaurants/Catering at 3.6 which indicates an opportunity for improvement

A. WISCONSIN CENTER

Wisconsin Center – User Feedback

- Based on surveys conducted by VISIT Milwaukee, user feedback in terms of overall impressions of the Wisconsin Center, Event Managers, and Levy Restaurants has been trending downward



Note: 2016 results are based on returned surveys received through November 2016.
Source: VISIT Milwaukee.

A. WISCONSIN CENTER

Expansion Study

- The WCD and VISIT Milwaukee engaged HVS and tvsdesign to conduct an expansion analysis for the Wisconsin Center that was completed in 2014
- The study found that market conditions were generally positive, but many potential users of the building cited that the destination appeal of downtown Milwaukee needed to be improved
 - Issues cited included insufficient hotel rooms, lack of air access, poor local transportation, and an overall lack of destination appeal
- The study concluded that the Wisconsin Center offered a limited amount of space, particularly exhibit and meeting space, compared to its national competitors
- The conceptual plan, developed by tvsdesign, proposed an expansion to the north that added space on all three levels of the Wisconsin Center. The study recommended expanding exhibit space to 250,000 SF, ballroom space to 50,000 SF, and meeting space to 75,000 SF
- If expansion is pursued, the Wisconsin Center would be in a better position to attract new national, regional and State conventions and tradeshow to the Milwaukee market according to the study

A. WISCONSIN CENTER

Expansion Study

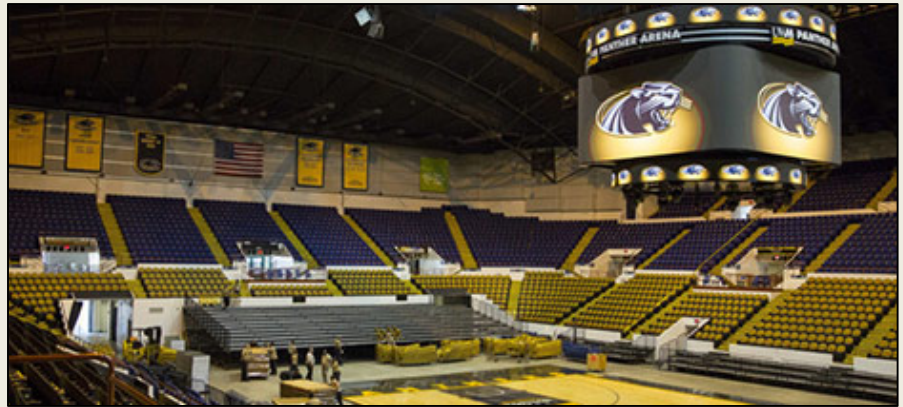
- The study estimated that an expanded facility would result in an increase of 48 events and 145,000 in total attendance in a stabilized year of operation as well as additional room nights, operating revenues and economic and fiscal benefits as compared to a status quo scenario
 - These increases included the addition of 10 conventions/tradeshows, five consumer shows/fairs, 12 conferences, nine meetings, eight banquets and four exhibit hall events annually
- Without expansion, HVS projected that the decline in event activity would continue

B. UW-MILWAUKEE PANTHER ARENA

B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena

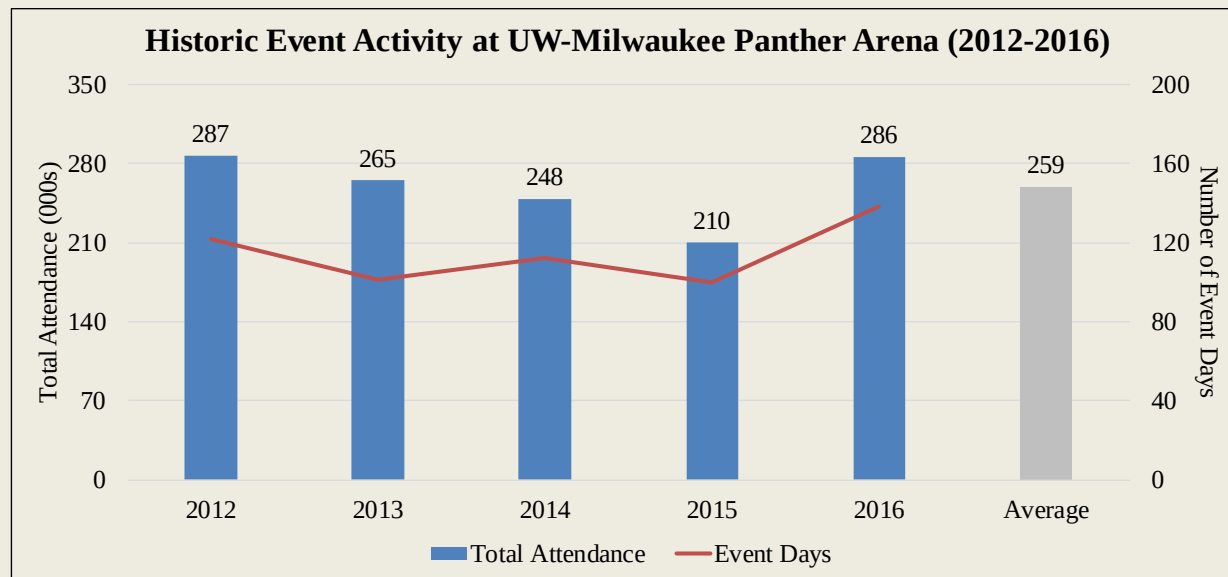
- Opened in 1950
- Renovated in 1998 for \$12 million and 2016 for \$6.3 million – closed during summer 2016
- Acquired by WCD in 1995
- Home to several teams
 - University of Wisconsin-Milwaukee Panthers
 - Milwaukee Admirals (AHL)
 - Milwaukee Wave (MASL)
 - Brewcity Bruisers (WFTDA)
- Capacity
 - Maximum: 12,148
 - Basketball: 11,119
 - Hockey: 9,652



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Utilization

- UW-Milwaukee Panther Arena averaged 115 event days and 259,200 in total attendance during the profiled five-year period
- Total attendance declined each year from 2012 to 2015 before increasing by 36% in 2016
 - The increase can be primarily attributed to the Admirals, graduations, and assemblies



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena

Event/Attendance Summary (Turnstile)

- Includes events categorized as “arena and theatre” and “convention center and arena”

	Arena - Total																	
	2012			2013			2014			2015			2016			Average		
	Event Days	Total Attendance	Average per Day	Event Days	Total Attendance	Average per Day	Event Days	Total Attendance	Average per Day	Event Days	Total Attendance	Average per Day	Event Days	Total Attendance	Average per Day	Event Days	Total Attendance	Average per Day
Concert	5	19,477	3,895	3	15,783	5,261	3	11,185	3,728	2	7,691	3,846	5	18,198	3,640	4	14,467	4,019
Disney	4	30,602	7,651	5	38,544	7,709	6	31,477	5,246	4	24,845	6,211	5	25,766	5,153	5	30,247	6,301
Shrine Circus	4	67,580	16,895	4	53,302	13,326	4	58,088	14,522	4	39,249	9,812	4	25,742	6,436	4	48,792	12,198
UWM Game	8	22,132	2,767	4	4,541	1,135	13	23,395	1,800	11	13,828	1,257	12	18,465	1,539	10	16,472	1,716
UWM Practice/Other	12	360	30	6	180	30	24	3,205	134	13	390	30	7	210	30	12	869	70
UWM Women	0	0	NA	0	0	NA	1	2,000	2,000	2	631	316	0	0	NA	1	526	877
Wave Game	14	49,228	3,516	14	48,646	3,475	13	38,471	2,959	12	31,238	2,603	13	37,191	2,861	13	40,955	3,103
Wave Practice/Other	35	6,520	186	22	3,940	179	18	492	27	10	2,270	227	11	1,275	116	19	2,899	151
Admirals Game	0	0	NA	0	0	NA	0	0	NA	0	0	NA	12	45,251	3,771	2	9,050	3,771
Admirals Practice/Other	0	0	NA	0	0	NA	0	0	NA	0	0	NA	19	3,857	203	4	771	203
Bruisers	7	13,014	1,859	9	11,766	1,307	8	8,565	1,071	8	8,166	1,021	9	7,972	886	8	9,897	1,207
Other Sporting	0	0	NA	4	5,137	1,284	4	6,910	1,728	9	9,857	1,095	8	13,303	1,663	5	7,041	1,408
Assembly/Graduation	16	57,250	3,578	19	71,230	3,749	9	40,000	4,444	14	58,099	4,150	19	81,500	4,289	15	61,616	4,001
Other	17	20,743	1,220	11	11,850	1,077	9	24,621	2,736	11	13,670	1,243	14	7,252	518	12	15,627	1,260
Total/Average	122	286,906	2,352	101	264,919	2,623	112	248,409	2,218	100	209,934	2,099	138	285,982	2,072	115	259,230	2,262

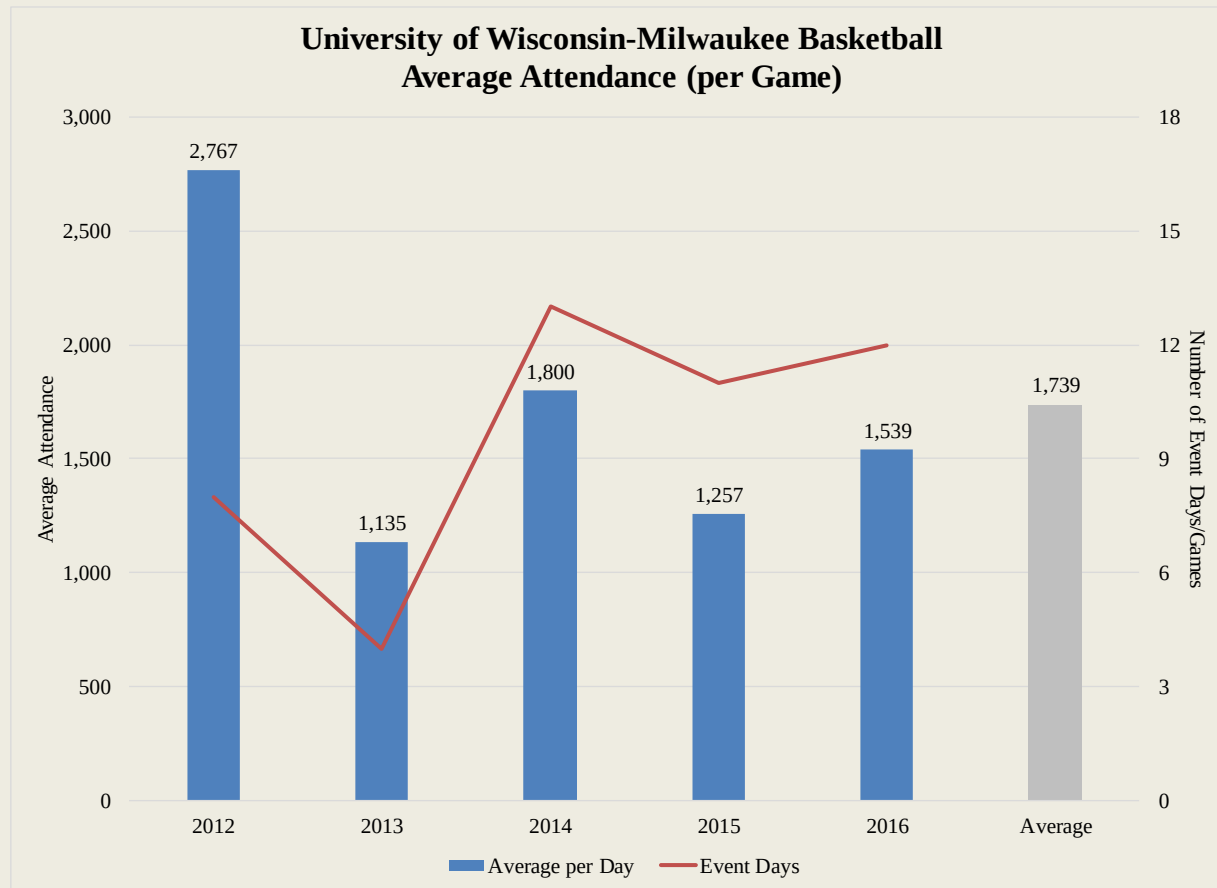
Source: WCD.

B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena

UW-Milwaukee Men's Basketball Attendance

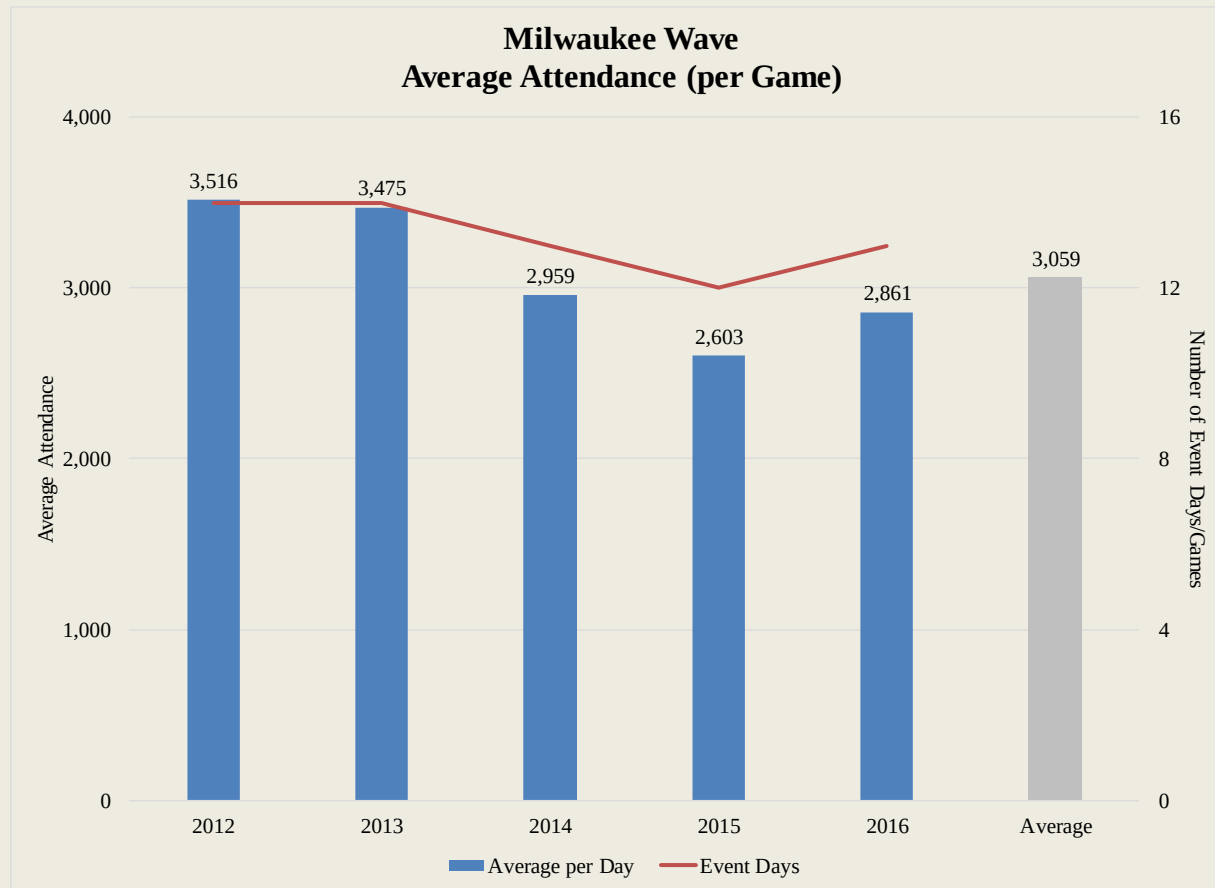
- The Panthers have averaged 1,739 in attendance over the past five years



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena Milwaukee Wave Attendance

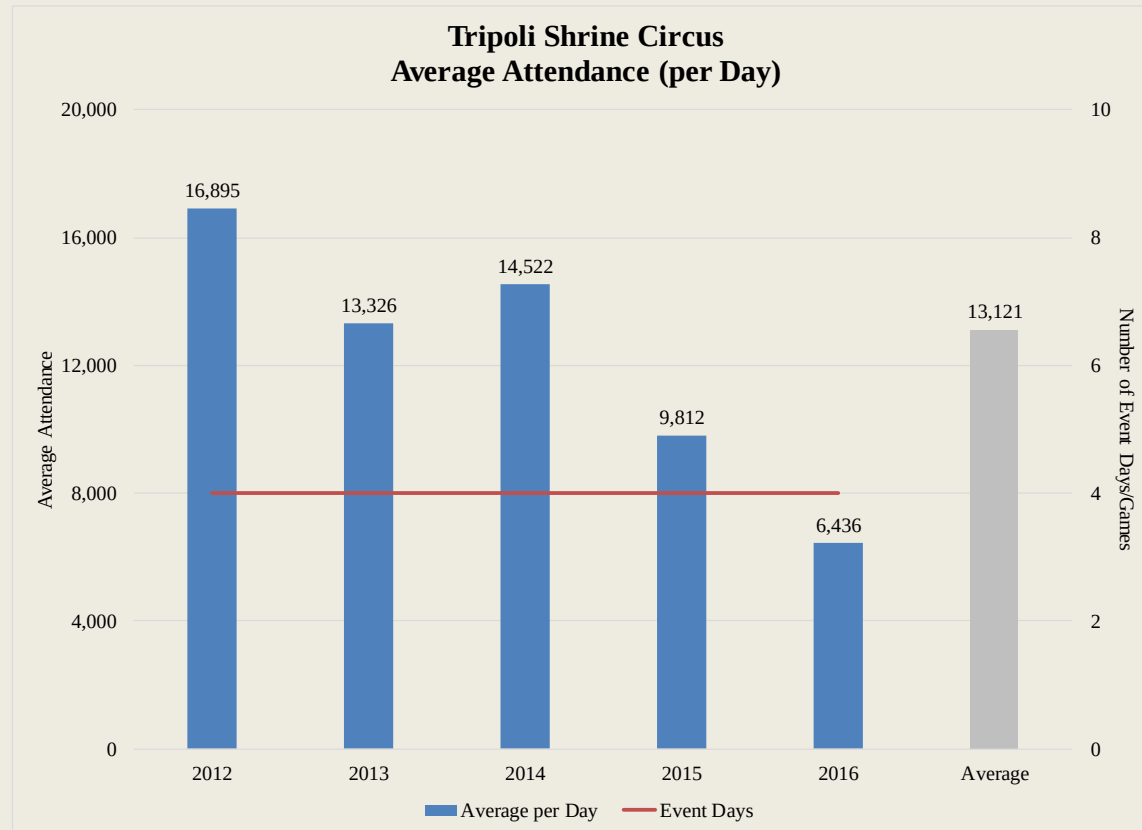
- The Milwaukee Wave have averaged 3,059 attendance over the past five years



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena Tripoli Shrine Circus Attendance

- Shrine Circus attendance has decreased in recent years – 2016 took place in April, spring break for children may have played a factor



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Financial Performance (Before G&A Allocation)

- Operating profit contribution averaged \$1.47 million per year
- Operating profit contribution has generally declined, reaching a low of \$1.16 million in 2016
- *Figures do not include general and administrative allocation*

FYE December	2012	2013	2014	2015	2016	Average	CAGR
Total Operating Income	\$2,672,469	\$2,442,191	\$2,492,850	\$2,292,416	\$2,181,797	\$2,416,344	-4.9%
Total Operating Expenses	\$973,911	\$934,778	\$909,262	\$886,638	\$1,021,043	\$945,126	1.2%
Operating Profit Contribution	\$1,698,558	\$1,507,413	\$1,583,588	\$1,405,778	\$1,160,753	\$1,471,218	-9.1%

B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Financial Performance (Before G&A Allocation)

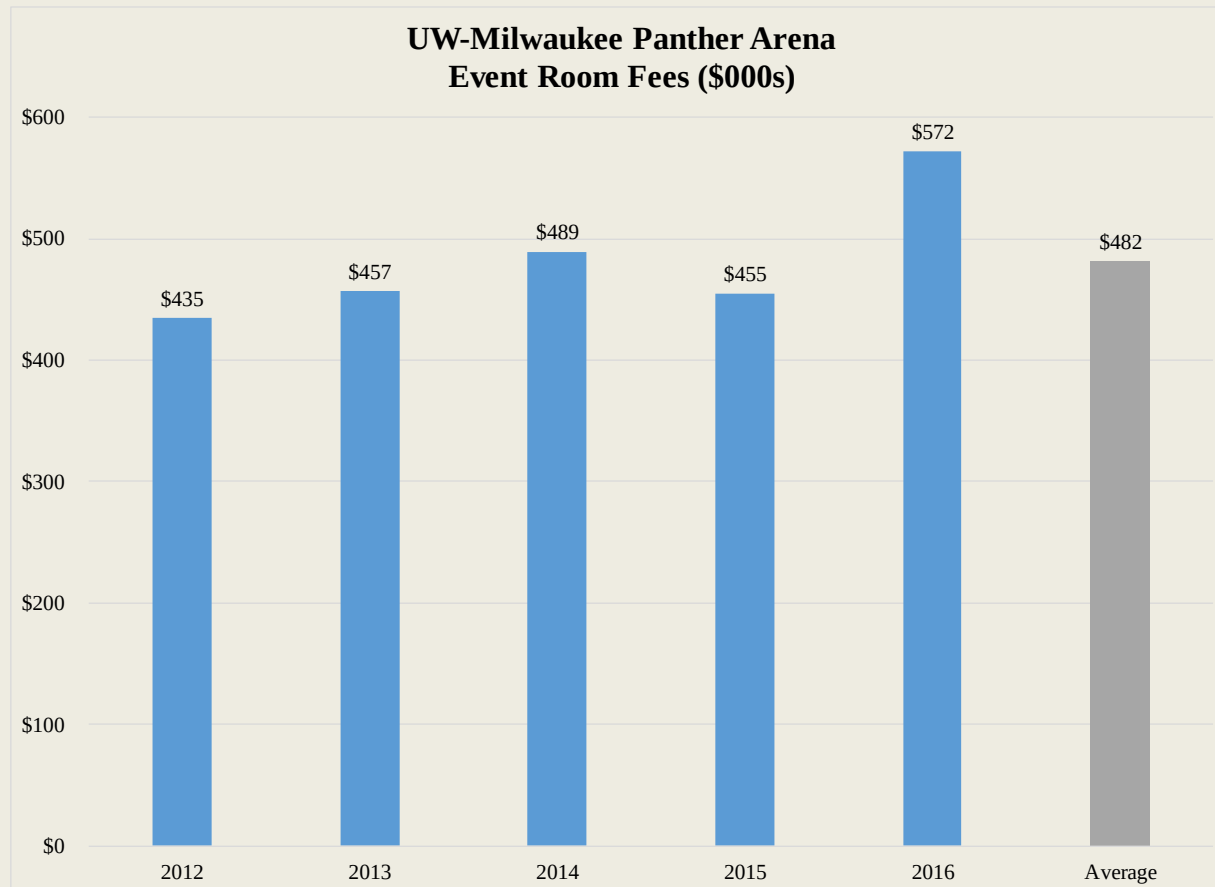
FYE December	2012	2013	2014	2015	2016	Average	CAGR
Operating Income							
Event Room Fees	\$434,764	\$456,581	\$489,446	\$455,103	\$571,651	\$481,509	7.1%
Equipment Rentals	\$32,731	\$33,764	\$28,443	\$51,569	\$26,935	\$34,688	-4.8%
Net Concessions Revenue	\$464,873	\$311,504	\$356,767	\$268,413	\$191,980	\$318,707	-19.8%
Box Office Revenue	\$282,564	\$257,487	\$219,038	\$233,576	\$382,551	\$275,043	7.9%
Parking Revenue	\$79,925	\$79,440	\$93,220	\$81,205	\$117,943	\$90,347	10.2%
Telecommunications Revenue	\$38,859	\$24,117	\$33,579	\$13,263	\$9,410	\$23,845	-29.9%
Advertising Revenue	\$479,708	\$418,500	\$423,083	\$407,992	\$169,000	\$379,657	-23.0%
Datacommunications Revenue	\$26,665	\$46,575	\$31,100	\$56,420	\$73,239	\$46,800	28.7%
Video Production Service Revenue	\$101,491	\$95,045	\$119,263	\$127,705	\$77,882	\$104,277	-6.4%
Naming Rights Revenue-Arena	\$457,917	\$462,917	\$402,083	\$383,333	\$300,000	\$401,250	-10.0%
Labor Service/Show Reimbursement Revenue	\$272,972	\$256,262	\$296,828	\$213,838	\$261,206	\$260,221	-1.1%
Total Operating Income	\$2,672,469	\$2,442,191	\$2,492,850	\$2,292,416	\$2,181,797	\$2,416,344	-4.9%
Operating Expenses							
Operating Wages	\$0	\$0	(\$170)	\$0	\$0	(\$34)	NA
Cleaning Wages	\$0	\$53	\$1,387	\$0	\$0	\$288	NA
Attendant Wages	\$236,736	\$253,434	\$250,059	\$219,111	\$220,801	\$236,028	-1.7%
Technician Wages	\$0	\$0	\$0	\$0	\$1,408	\$282	NA
Contract Services	\$69,495	\$64,614	\$141,968	\$107,076	\$179,608	\$112,552	26.8%
FICA Tax Expense-Operating	\$18,109	\$19,391	\$19,235	\$16,762	\$16,891	\$18,078	-1.7%
Steam & Gas	\$59,743	\$86,480	\$72,431	\$97,254	\$90,844	\$81,350	11.0%
Electricity	\$205,948	\$254,410	\$189,567	\$227,634	\$262,232	\$227,958	6.2%
Water	\$41,124	\$25,733	\$23,670	\$36,268	\$28,074	\$30,974	-9.1%
Ticket Expense	\$78,109	\$64,678	\$68,000	\$26,645	\$20,948	\$51,676	-28.0%
Miscellaneous Show Expense	\$83,242	\$81,500	\$54,000	\$0	\$3,143	\$44,377	-55.9%
Maintenance-Combined	\$181,405	\$84,487	\$89,114	\$155,889	\$197,095	\$141,598	2.1%
Total Operating Expenses	\$973,911	\$934,778	\$909,262	\$886,638	\$1,021,043	\$945,126	1.2%
Operating Profit Contribution	\$1,698,558	\$1,507,413	\$1,583,588	\$1,405,778	\$1,160,753	\$1,471,218	-9.1%

Source: WCD.

B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Operating Revenue

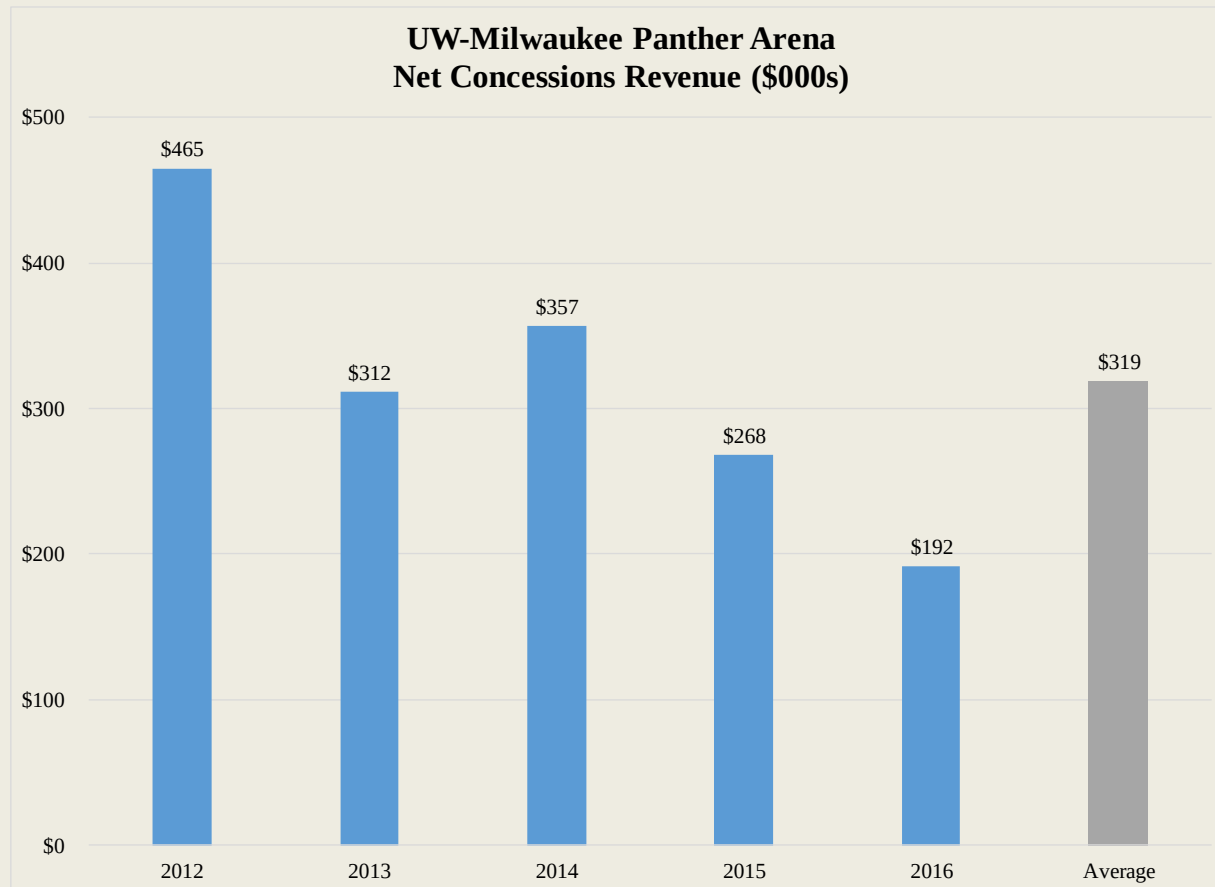
- Event room fees increased significantly in 2016 – five year average of \$482,000



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Operating Revenue

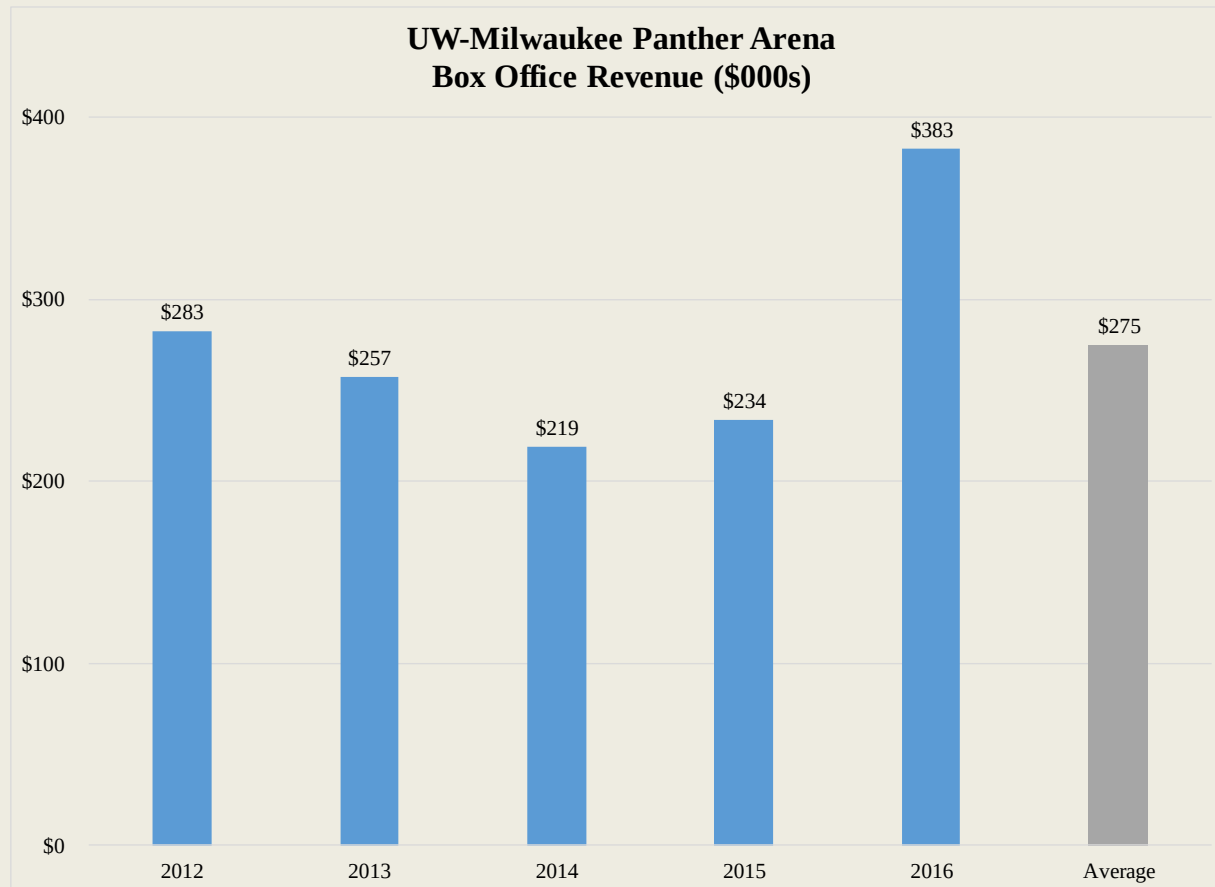
- Net concessions revenue has generally decreased over time – five year average of \$319,000



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Operating Revenue

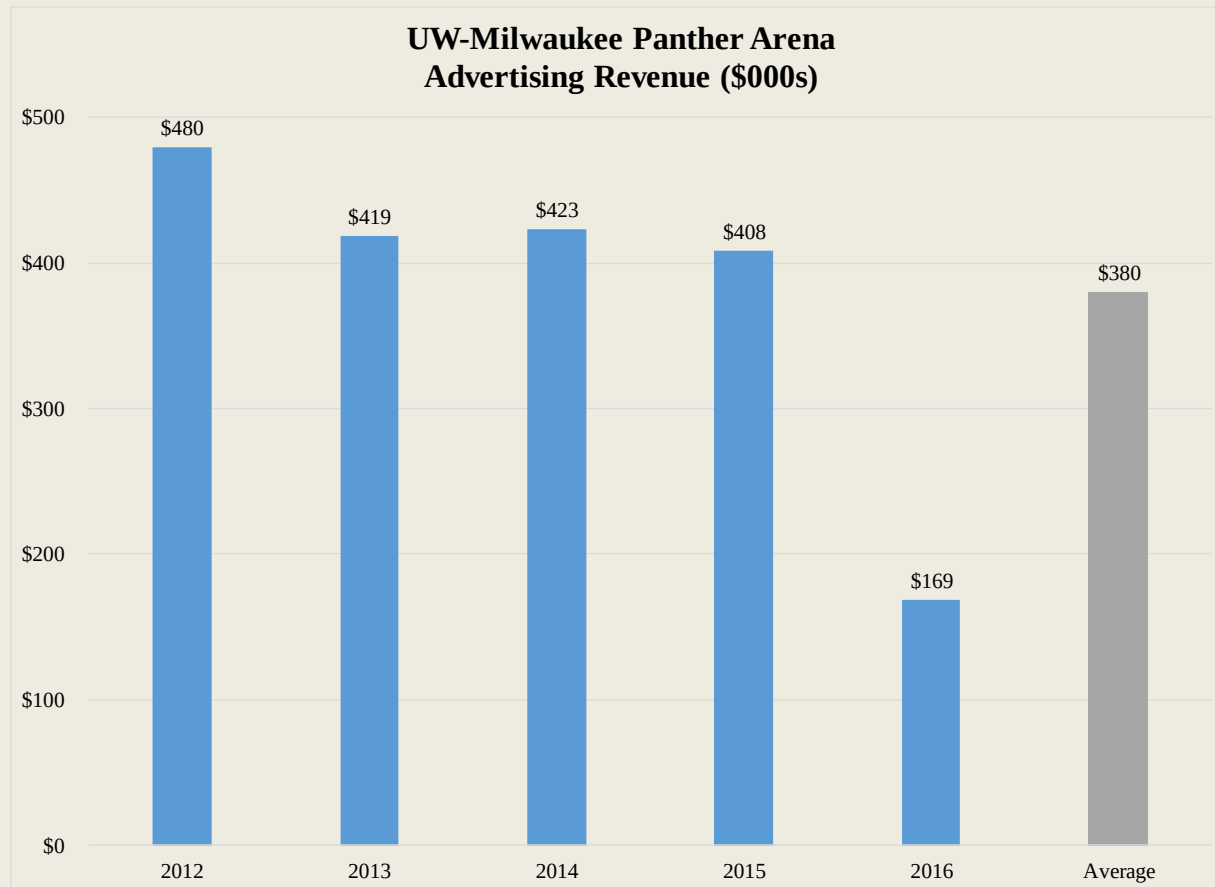
- Box office revenue increased significantly in 2016 – five year average of \$275,000



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Operating Revenue

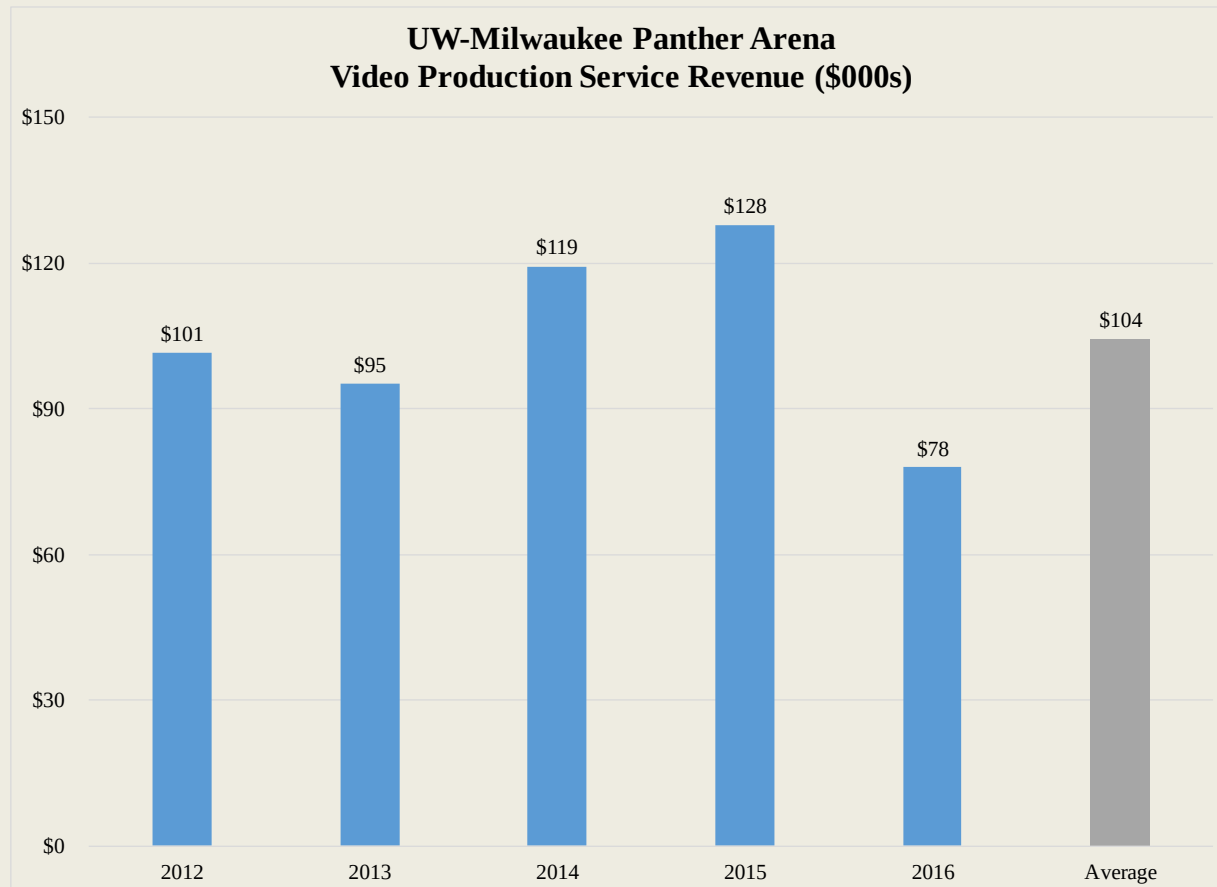
- Advertising revenue decreased significantly in 2016 – five year average of \$380,000



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Operating Revenue

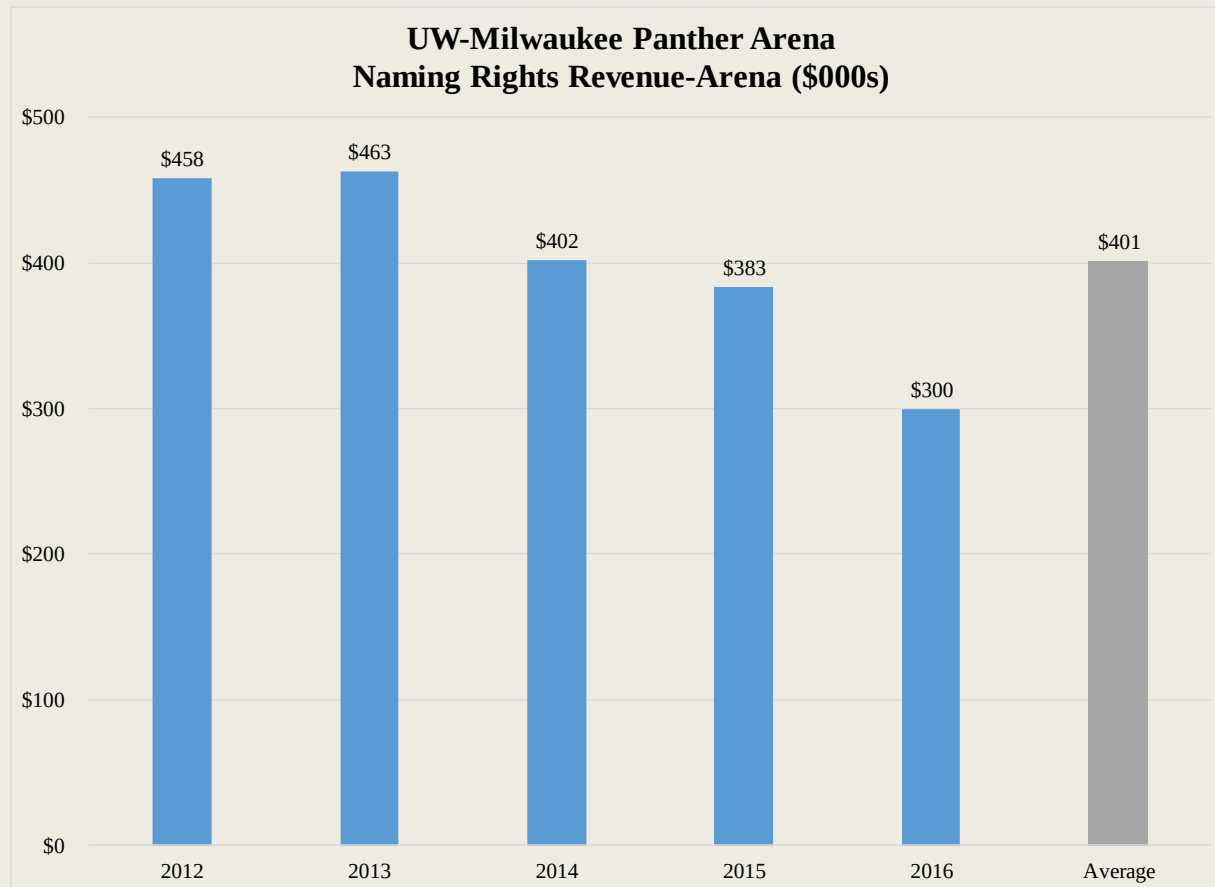
- Video production service revenue decreased significantly in 2016 – five year average of \$104,000



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Operating Revenue

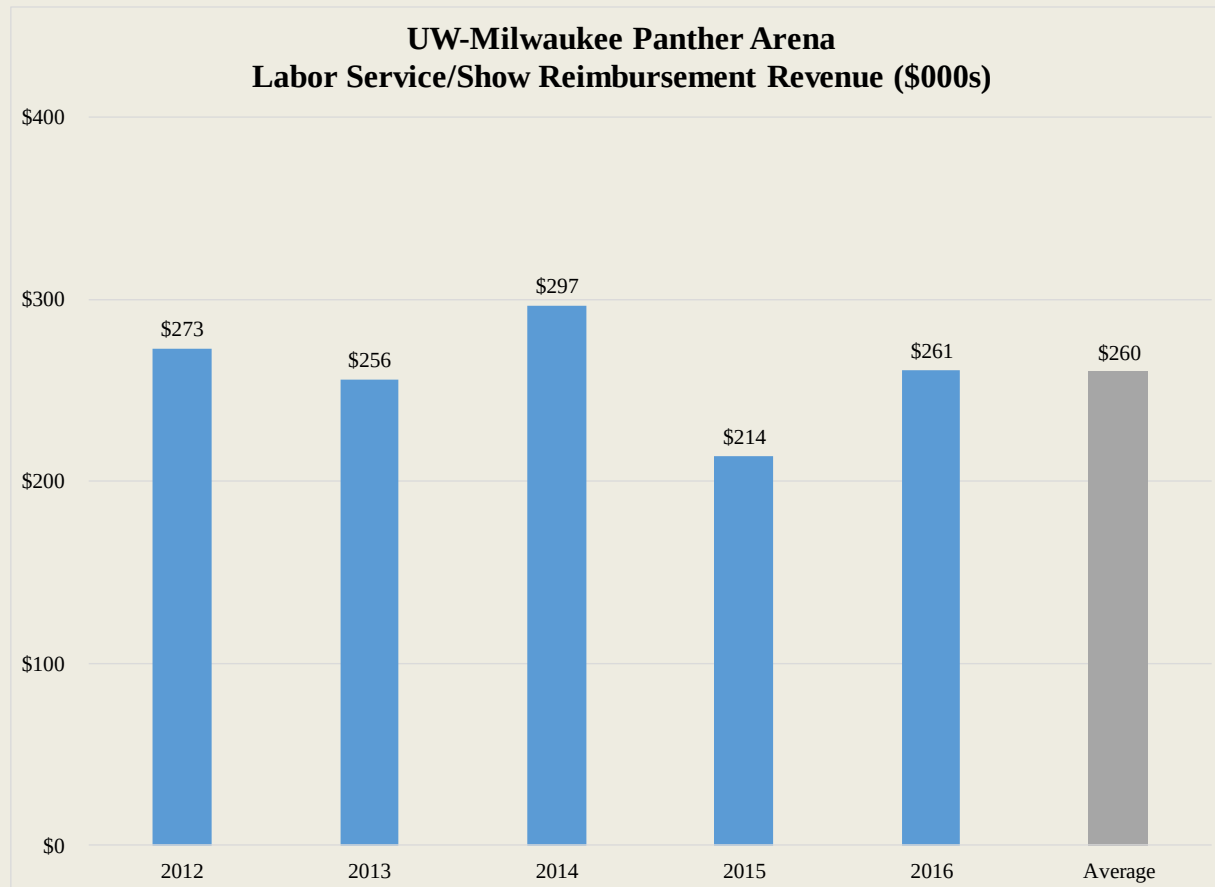
- Naming rights revenue has decreased since 2013 – five year average of \$401,000
 - New naming rights deal did not include Walk of Fame



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Operating Revenue

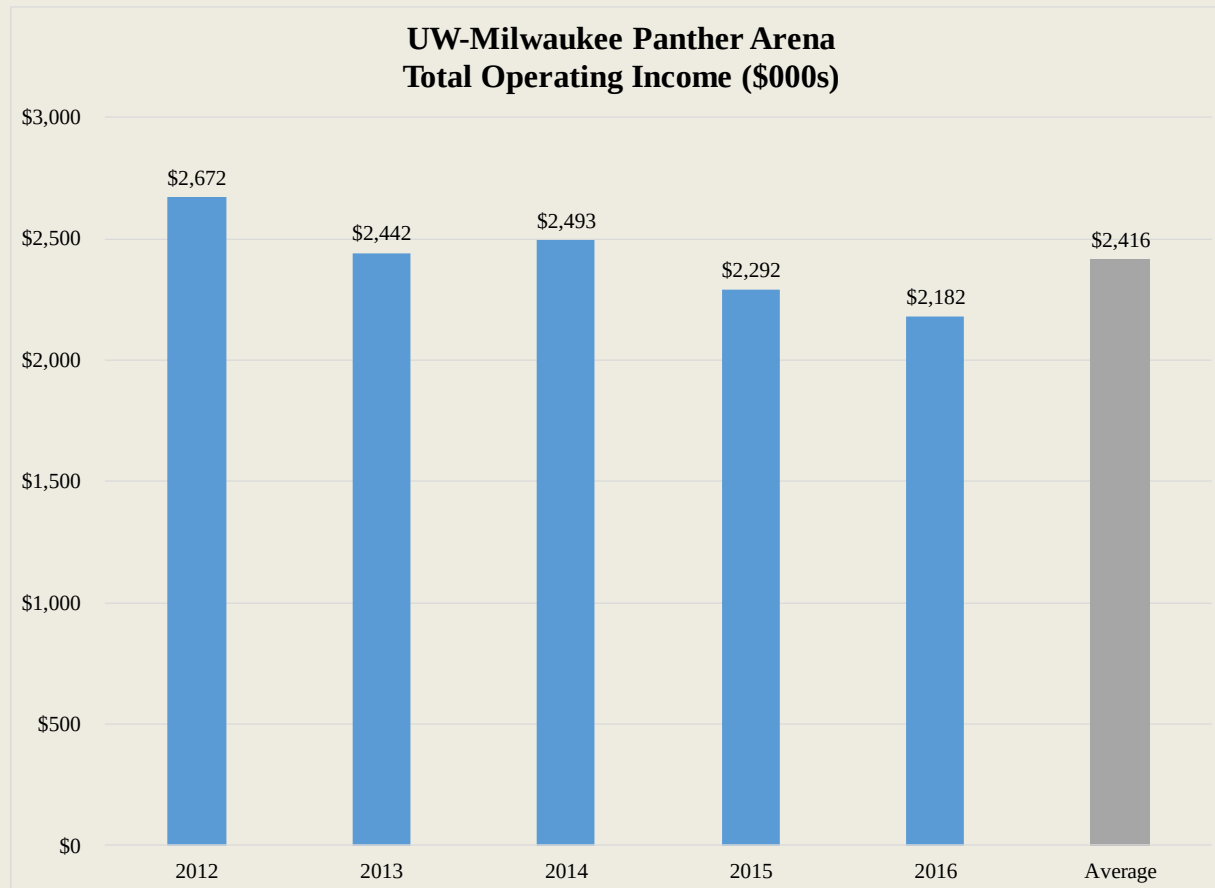
- Labor service/show reimbursement revenue has varied over time – five year average of \$260,000



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Operating Revenue

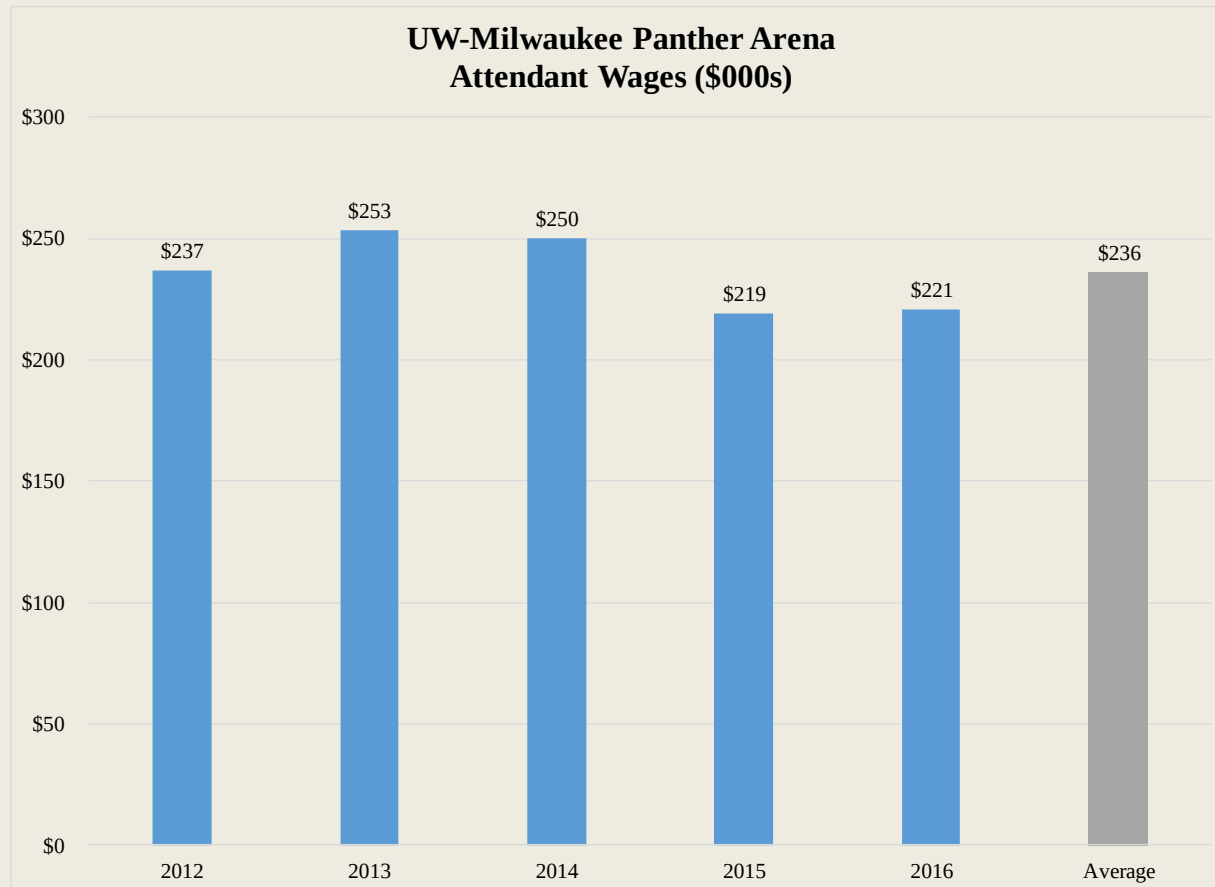
- Total operating income has generally decreased over time – five year average of \$2.4 million



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Operating Expenses

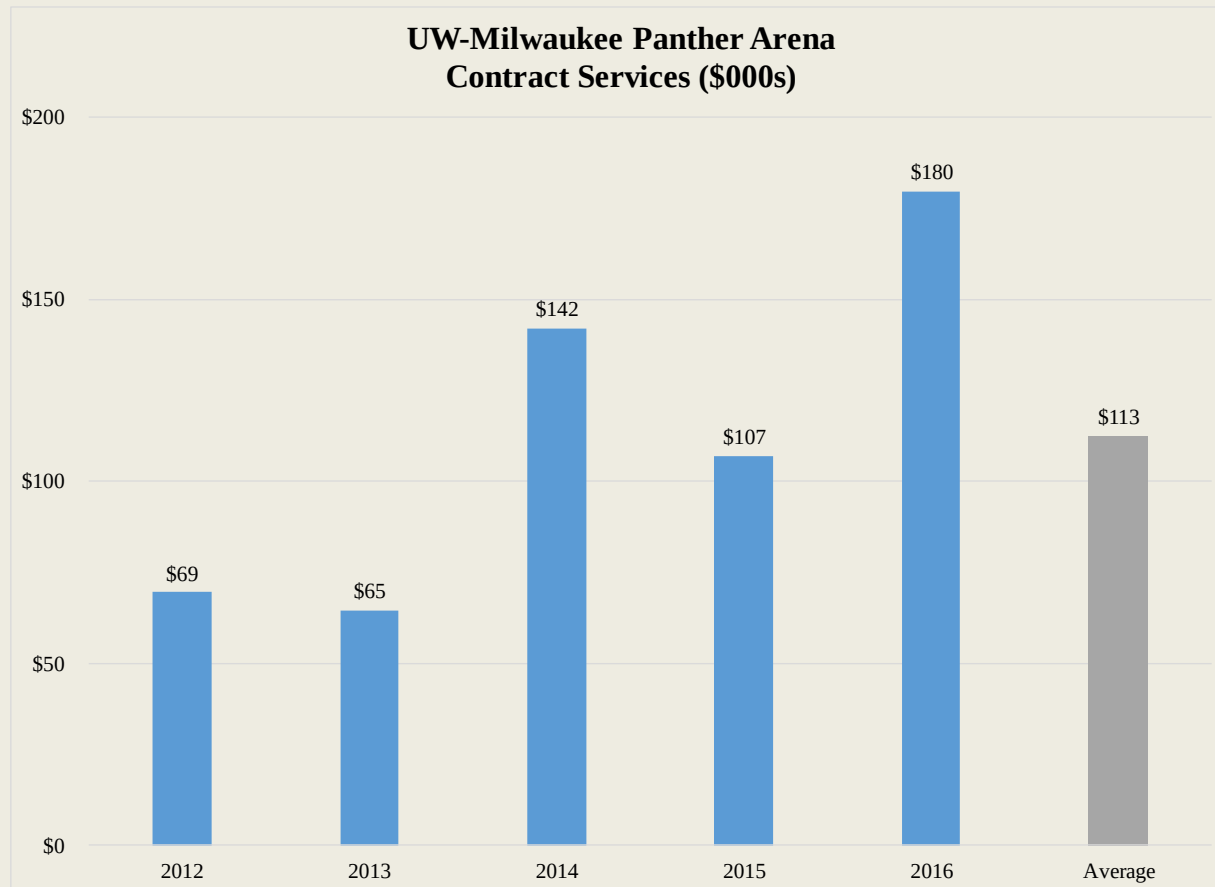
- Attendant wages have varied over time – five year average of \$236,000



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Operating Expenses

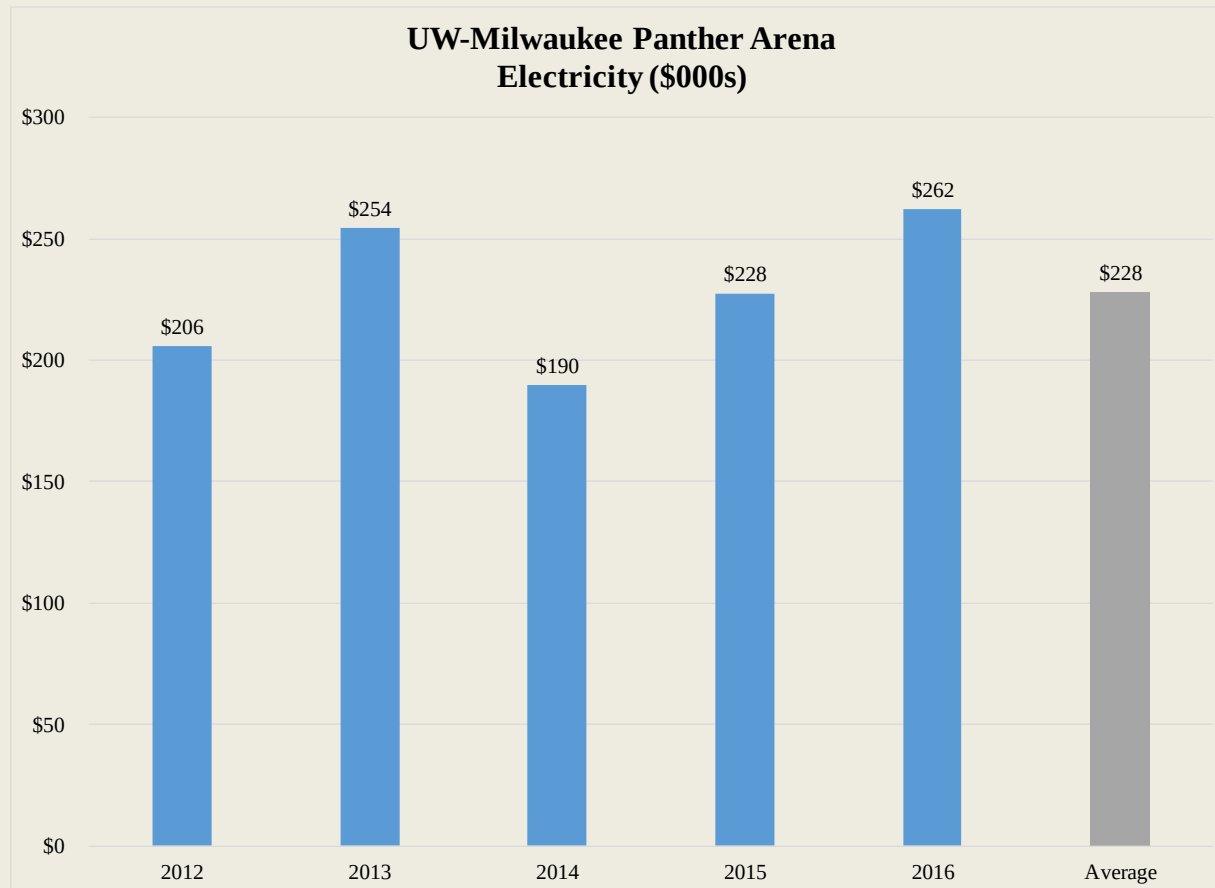
- Contract services expense increased significantly in 2014 and 2016 – five year average of \$113,000



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Operating Expenses

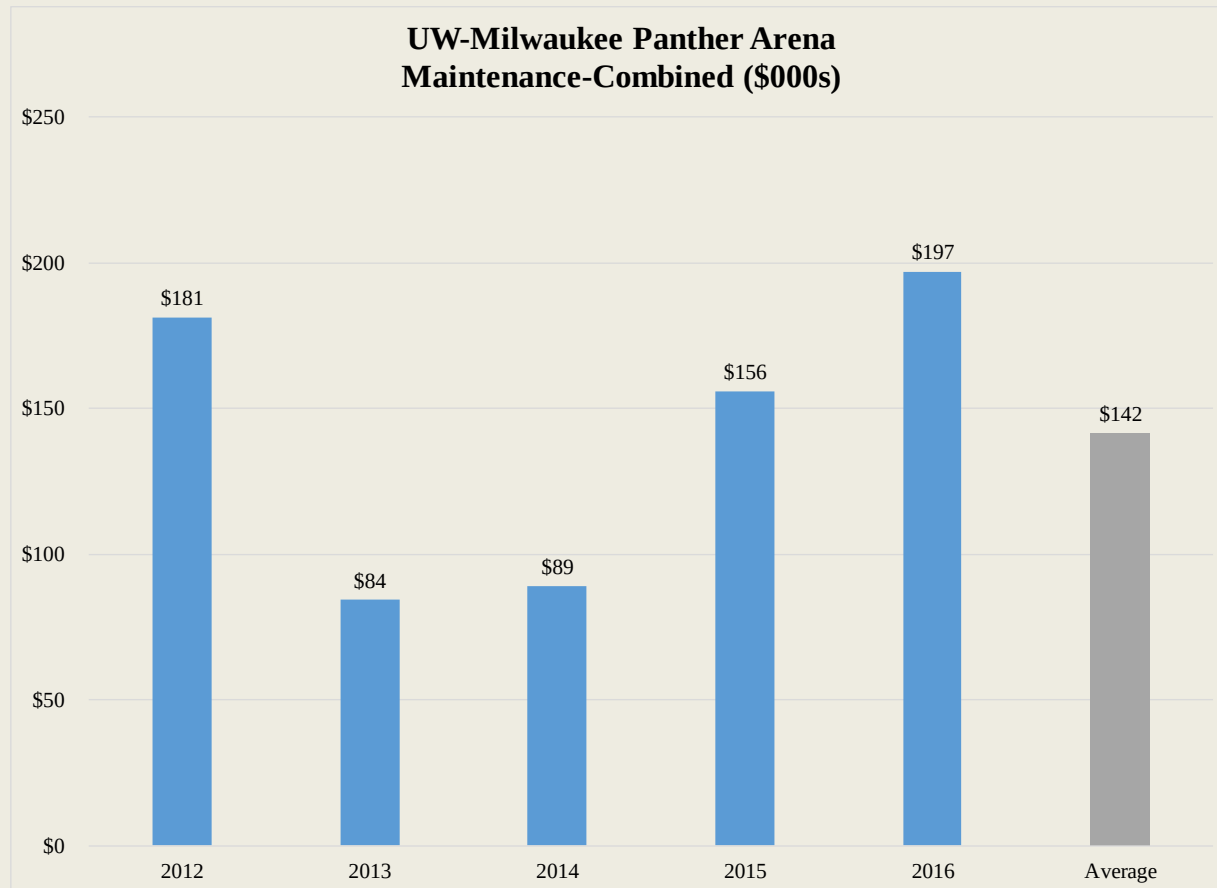
- Electricity expense has increased since 2014– five year average of \$228,000



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Operating Expenses

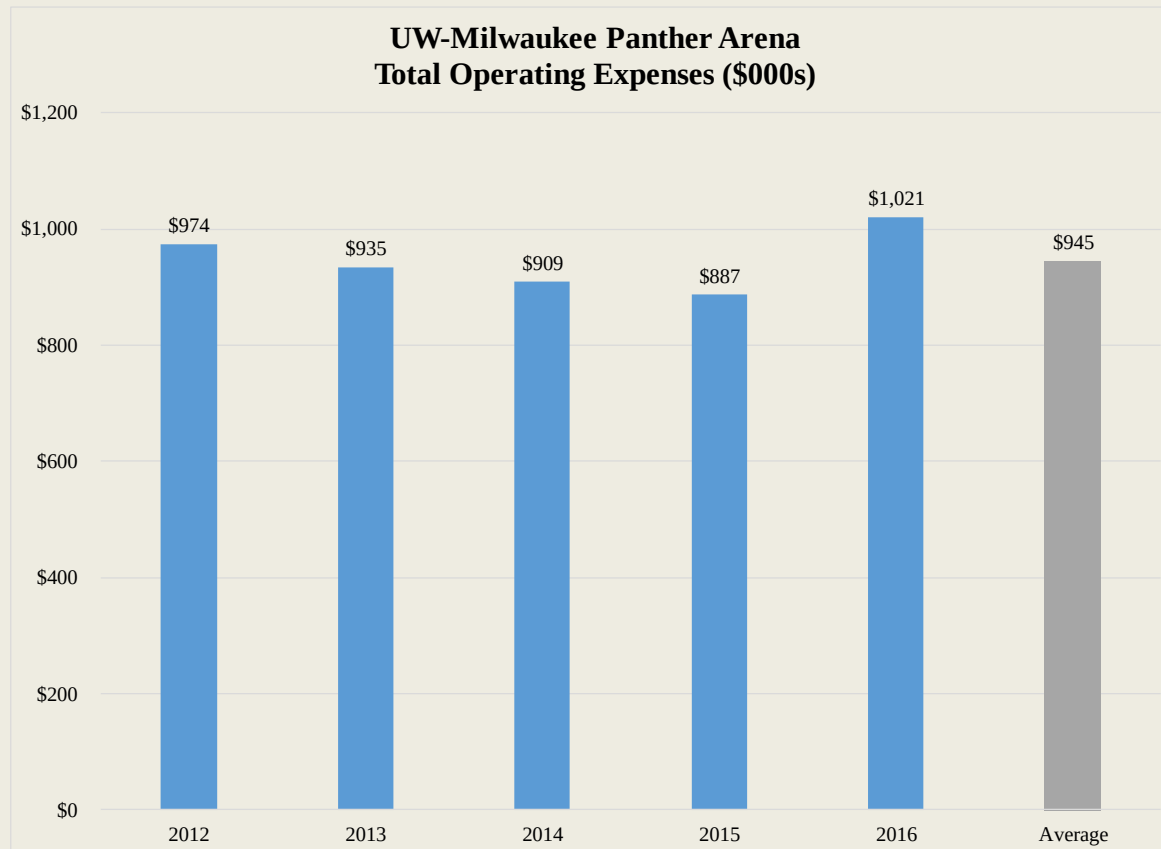
- Maintenance-combined expense has increased since 2013 – five year average of \$142,000



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Operating Expenses

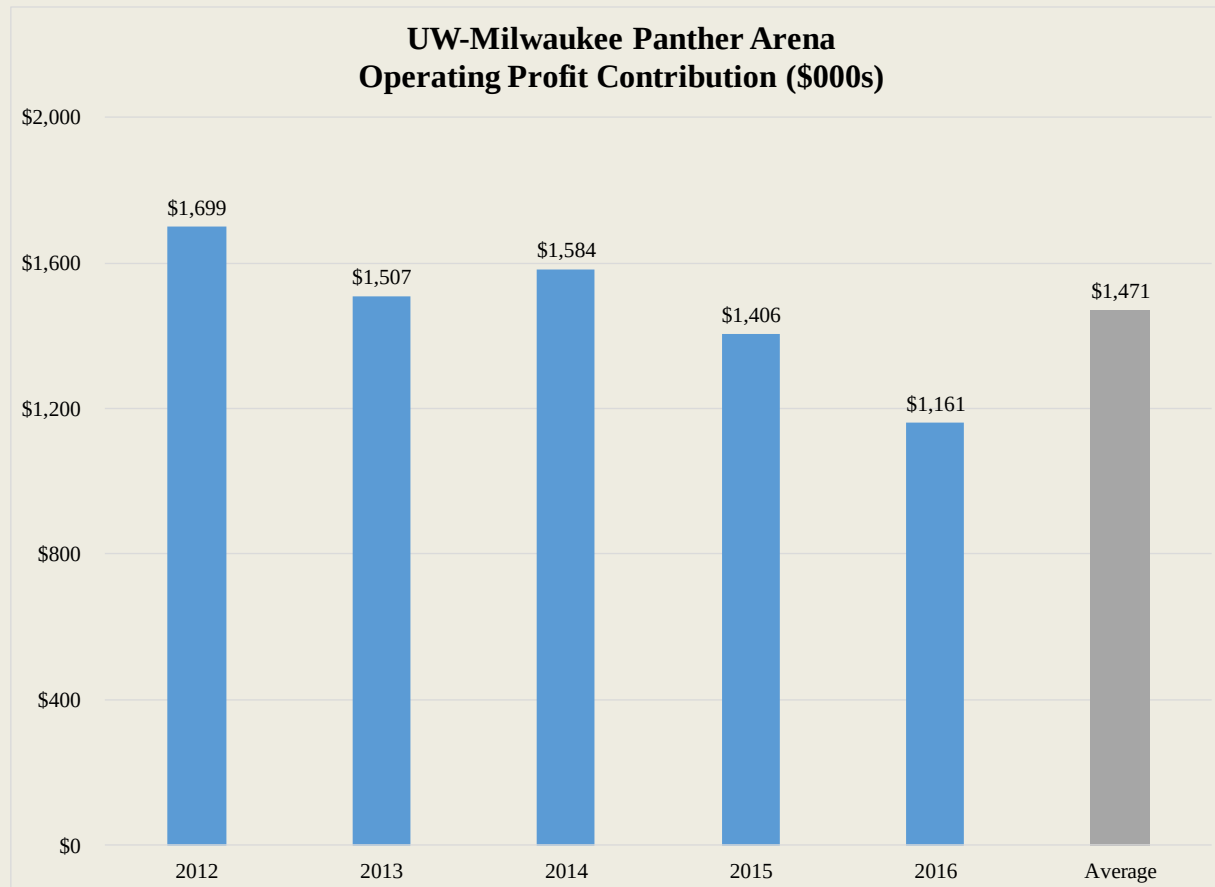
- Total operating expenses increased significantly in 2016 after decreasing over time – five year average of \$945,000



B. UW-MILWAUKEE PANTHER ARENA

UW-Milwaukee Panther Arena – Operating Profit Contribution (Before G&A Allocation)

- Operating profit contribution has generally decreased over time – five year average of \$1.47 million

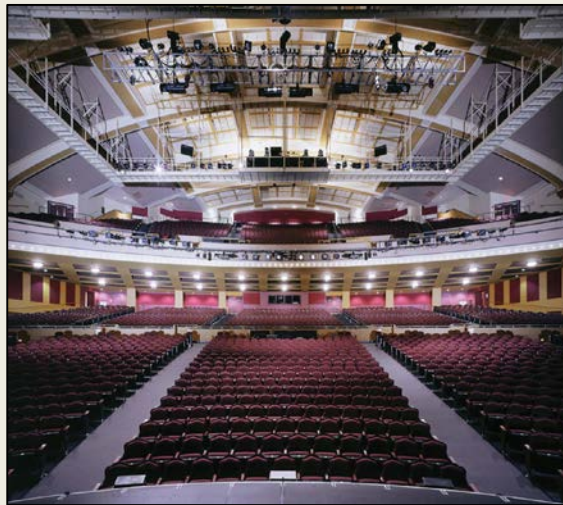


C. MILWAUKEE THEATRE

C. MILWAUKEE THEATRE

Milwaukee Theatre

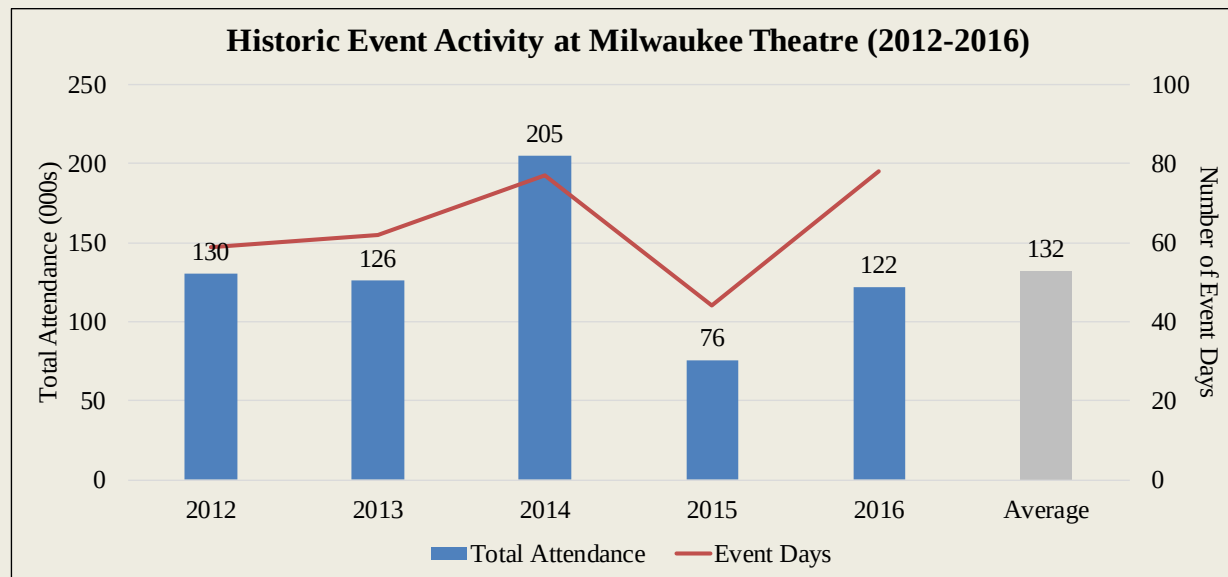
- Opened in 1909 and renovated in 1978
- Underwent a \$41.9 million renovation/modernization in 2001
- Reopened as the Milwaukee Theatre in 2003
- Seating capacity of 4,087 seats
- Theatre can be downsized to a more intimate setting for 2,500 people
- Additional spaces include the Rotunda, Plankinton Hall and Kilbourn Hall which are jointly used with UW-Milwaukee Panther Arena for events such as Admirals pre-game activities
- The lack of connectivity to the Wisconsin Center is a limiting factor for joint usage



C. MILWAUKEE THEATRE

Milwaukee Theatre – Utilization

- The Milwaukee Theatre averaged 64 event days and 131,800 in total turnstile attendance during the profiled five-year period
- In 2014, the Milwaukee Theatre hosted Disney's The Lion King which was primarily responsible for the significant increase in event days and attendance
- In 2016, the Milwaukee Theatre hosted the highest number of event days (78) during the five-year period
 - This increase is partially attributable to a shift in booking focus towards concerts with WCD creating a relationship with Venue Coalition (a booking advocate) and establishing relationships with local, regional, and national concert promoters and agents



C. MILWAUKEE THEATRE

Milwaukee Theatre – Utilization

- The Milwaukee Theatre does not have a tenant organization (e.g., Broadway series, Symphony, Ballet, etc.) which results in a lack of a steady base of event activity but increases the number of available dates
- The Theatre's bookings are led by entertainment events, other events, and assembly/graduation events, respectively
- In 2014, the number of event days and associated attendance increased significantly due to Disney's The Lion King
- From 2015 to 2016, the Milwaukee Theatre experienced a significant increase in the number of event days and total attendance which was partially attributable to management's proactive and aggressive booking strategy
 - It is anticipated that this trend will continue as the WCD recently added a part-time Business Development position and as the WCD continues to actively work with Venue Coalition and pursue event programming
- Entertainment acts accounted for the highest number of events, event days and attendance during the profiled five-year period

C. MILWAUKEE THEATRE

Milwaukee Theatre – Utilization

Event/Attendance Summary (Turnstile)

- Includes events categorized as “arena and theatre” and “convention center and theatre”

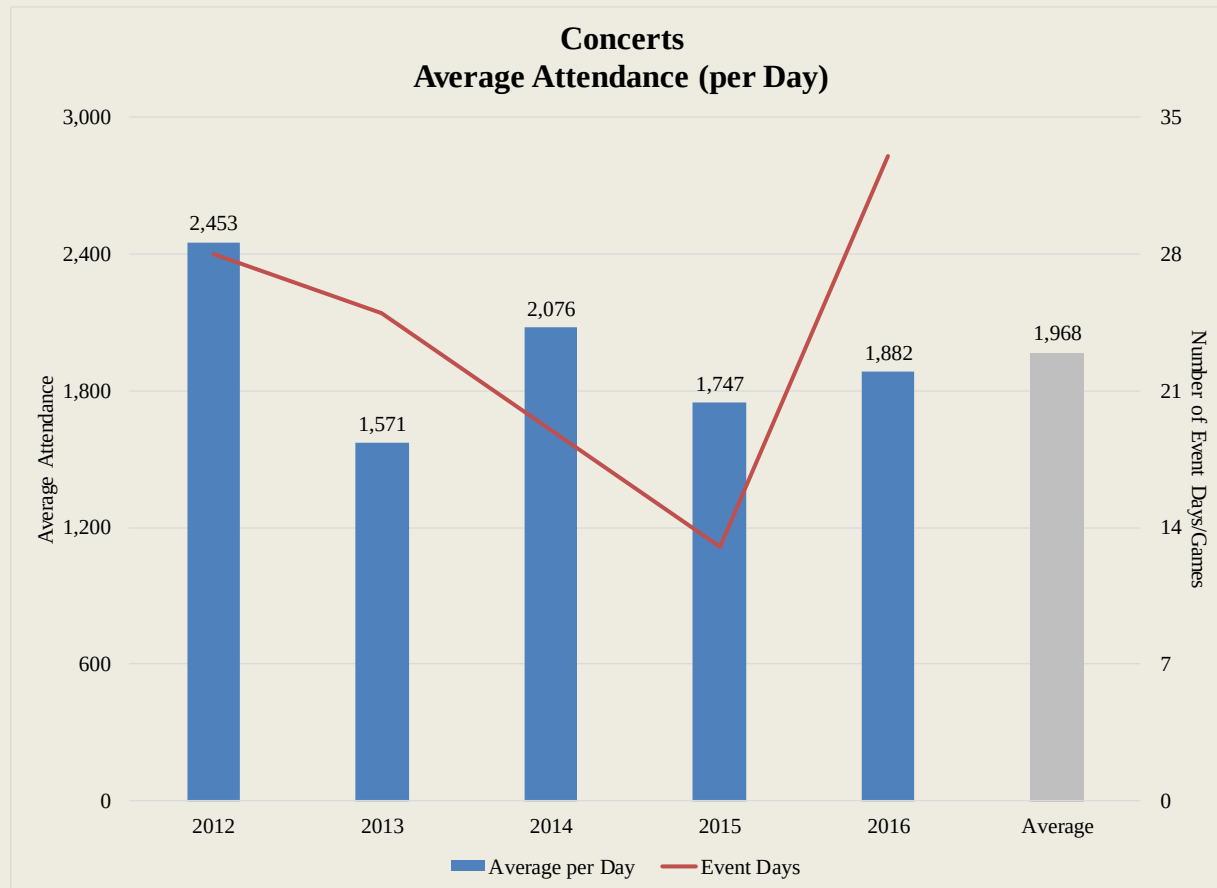
Theatre - Total																		
	2012			2013			2014			2015			2016			Five-Year Average		
	Event Days	Total Attendance	Average per Day	Event Days	Total Attendance	Average per Day	Event Days	Total Attendance	Average per Day	Event Days	Total Attendance	Average per Day	Event Days	Total Attendance	Average per Day	Event Days	Total Attendance	Average per Day
Concert	28	68,684	2,453	25	39,271	1,571	19	39,439	2,076	13	22,712	1,747	33	62,114	1,882	24	46,444	1,968
Disney	1	2,779	2,779	1	2,748	2,748	0	0	NA	0	0	NA	0	0	NA	0	1,105	2,764
Assembly/Graduation	7	23,200	3,314	15	41,436	2,762	23	57,753	2,511	16	36,170	2,261	12	32,545	2,712	15	38,221	2,618
Broadway	0	0	NA	0	0	NA	28	92,396	3,300	0	0	NA	0	0	NA	6	18,479	3,300
Other	23	35,660	1,550	21	42,330	2,016	7	15,300	2,186	15	16,750	1,117	33	27,517	834	20	27,511	1,389
Total/Average	59	130,323	2,209	62	125,785	2,029	77	204,888	2,661	44	75,632	1,719	78	122,176	1,566	64	131,761	2,059

Source: WCD.

C. MILWAUKEE THEATRE

Milwaukee Theatre Concert Attendance

- Concerts averaged 1,968 in attendance over the past five years

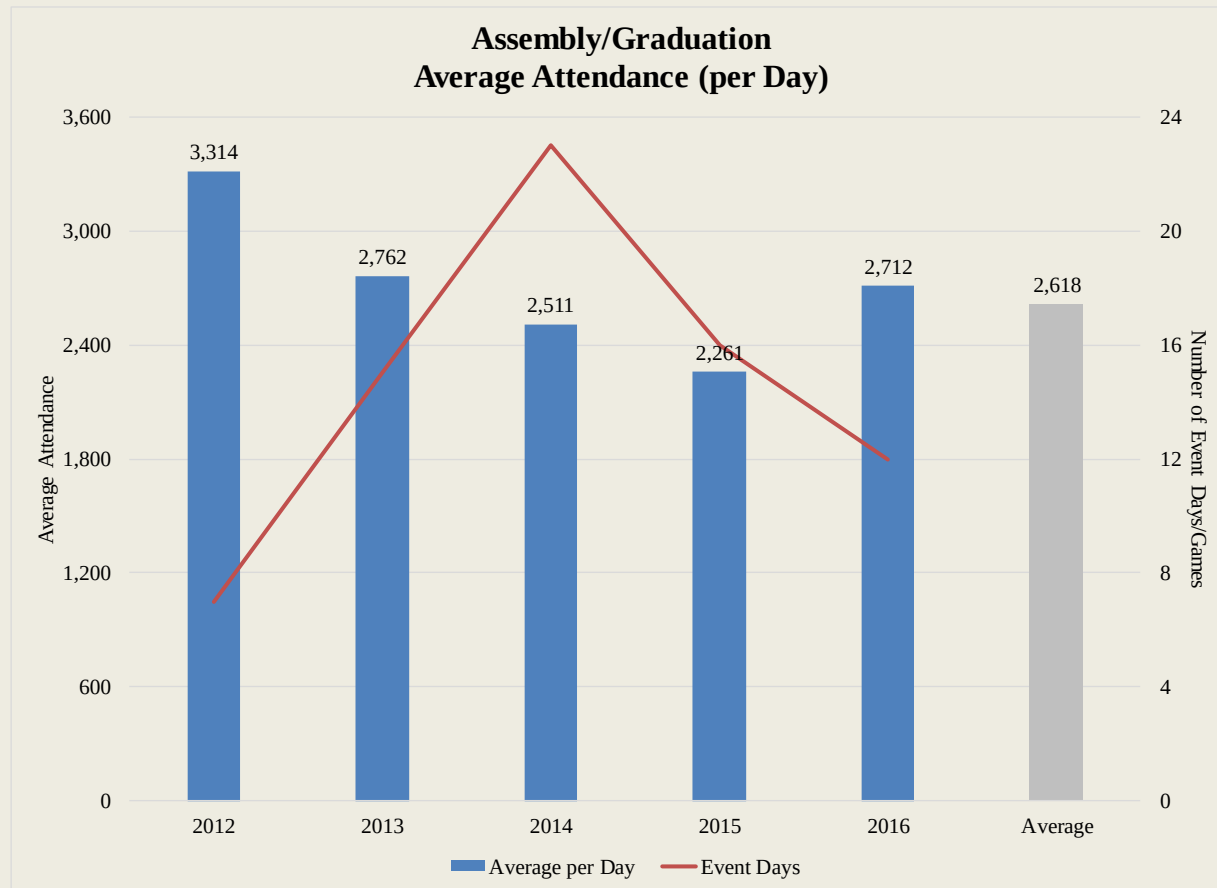


C. MILWAUKEE THEATRE

Milwaukee Theatre

Assembly/Graduation Attendance

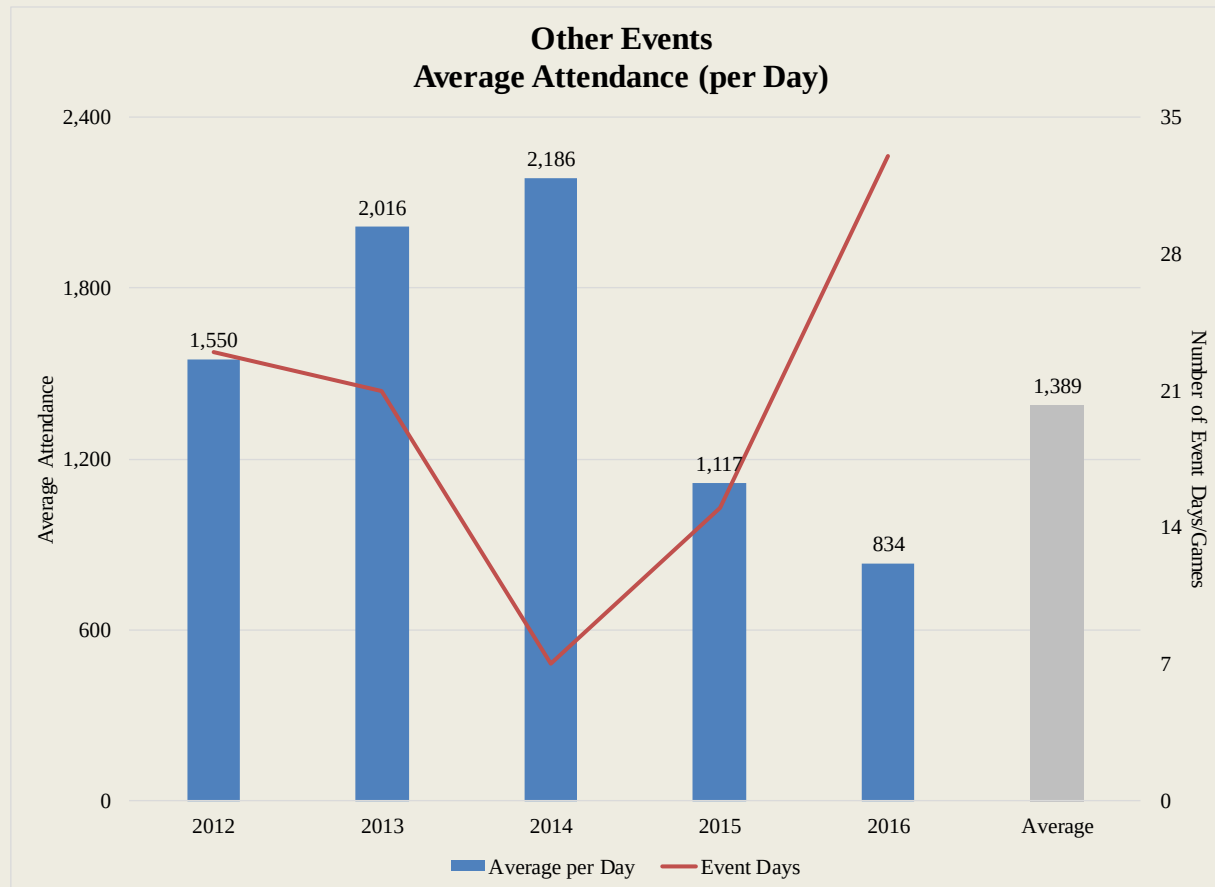
- Assembly/graduation events averaged 2,618 per event day over the last five years



C. MILWAUKEE THEATRE

Milwaukee Theatre Other Event Attendance

- Other events averaged 1,389 per event day over the last five years



C. MILWAUKEE THEATRE

Milwaukee Theatre – Financial Performance (Before G&A Allocation)

- The Milwaukee Theatre averaged approximately \$729,300 in operating profit from 2012 to 2016
- Operating income increased by 76% in 2016
 - Attributable to large increases in box office revenue and labor service/show reimbursement revenues
 - The Milwaukee Theatre also realized \$180,000 in naming rights revenue in 2016
- Operating expenses decreased by 46% in 2015 and remained relatively consistent in 2016
- *Figures do not include general and administrative allocation*

FYE December	2012	2013	2014	2015	2016	Average	CAGR
Total Operating Income	\$1,418,220	\$1,507,214	\$1,600,218	\$1,043,065	\$1,830,979	\$1,479,939	6.6%
Total Operating Expenses	\$760,023	\$909,092	\$1,002,331	\$539,349	\$542,448	\$750,649	-8.1%
Operating Profit Contribution	\$658,197	\$598,122	\$597,888	\$503,716	\$1,288,532	\$729,291	18.3%

C. MILWAUKEE THEATRE

Milwaukee Theatre – Financial Performance (Before G&A Allocation)

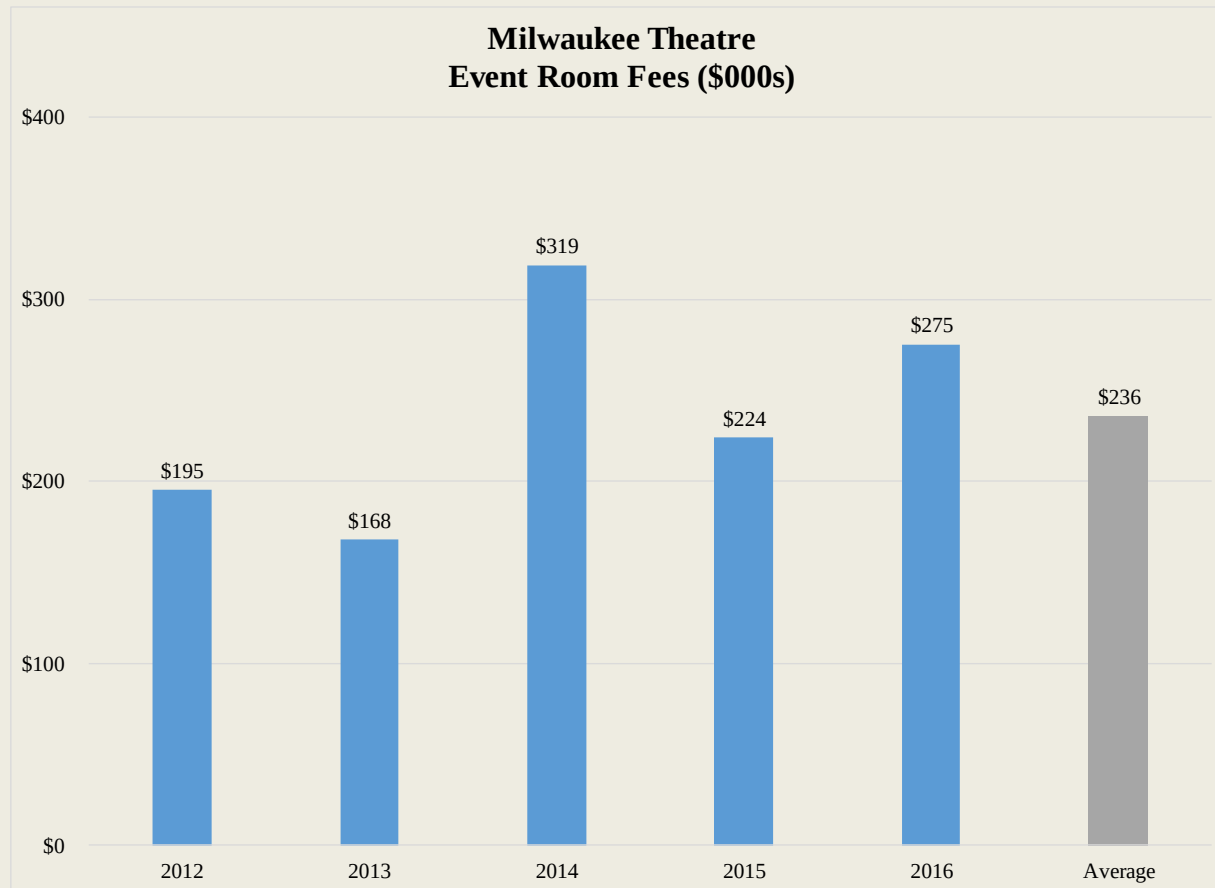
FYE December	2012	2013	2014	2015	2016	Average	CAGR
Operating Income							
Event Room Fees	\$195,250	\$167,750	\$318,585	\$223,875	\$275,305	\$236,153	9.0%
Equipment Rentals	\$16,505	\$19,358	\$18,975	\$40,808	\$26,666	\$24,462	12.7%
Net Concessions Revenue	\$113,830	\$77,796	\$131,867	\$145,900	\$149,540	\$123,787	7.1%
Box Office Revenue	\$234,028	\$202,018	\$330,564	\$130,818	\$343,218	\$248,129	10.0%
Parking Revenue	\$116,610	\$125,790	\$136,475	\$127,500	\$105,560	\$122,387	-2.5%
Office Space Rentals	\$154,387	\$185,321	\$179,184	\$62,024	\$109,222	\$138,028	-8.3%
Telecommunications Revenue	\$11,734	\$9,098	\$11,259	\$25,834	\$23,536	\$16,292	19.0%
Advertising Revenue	\$154,500	\$198,167	\$159,000	\$18,000	\$18,000	\$109,533	-41.6%
Miscellaneous Income-Activity Committee	\$9,489	\$10,678	\$6,302	\$0	\$0	\$5,294	-100.0%
Datacommunications Revenue	\$8,495	\$9,055	\$0	\$11,500	\$9,982	\$7,806	4.1%
Video Production Service Revenue	\$38,435	\$33,528	\$24,364	\$22,805	\$16,250	\$27,076	-19.4%
Naming Rights	\$0	\$0	\$0	\$0	\$180,000	\$36,000	NA
Labor Service/Show Reimbursement Revenue	\$364,958	\$468,655	\$283,643	\$234,003	\$573,700	\$384,992	12.0%
Total Operating Income	\$1,418,220	\$1,507,214	\$1,600,218	\$1,043,065	\$1,830,979	\$1,479,939	6.6%
Operating Expenses							
Attendant Wages	\$76,208	\$70,169	\$140,694	\$48,691	\$53,548	\$77,862	-8.4%
Contract Services	\$947	\$0	\$15,084	\$2,552	\$744	\$3,866	-5.9%
FICA Tax Expense-Operating	\$5,830	\$5,368	\$10,763	\$3,725	\$4,096	\$5,956	-8.4%
Steam & Gas	\$57,060	\$96,700	\$96,576	\$78,644	\$55,143	\$76,825	-0.9%
Electricity	\$205,423	\$164,644	\$222,154	\$210,833	\$210,327	\$202,676	0.6%
Water	\$10,610	\$23,890	\$17,588	\$15,063	\$9,805	\$15,391	-2.0%
Show Expense	\$341,263	\$458,109	\$374,116	\$92,953	\$159,507	\$285,190	-17.3%
Maintenance-Combined	\$62,681	\$90,213	\$125,355	\$86,888	\$49,276	\$82,883	-5.8%
Total Operating Expenses	\$760,023	\$909,092	\$1,002,331	\$539,349	\$542,448	\$750,649	-8.1%
Operating Profit Contribution	\$658,197	\$598,122	\$597,888	\$503,716	\$1,288,532	\$729,291	18.3%

Source: WCD.

C. MILWAUKEE THEATRE

Milwaukee Theatre – Operating Revenue

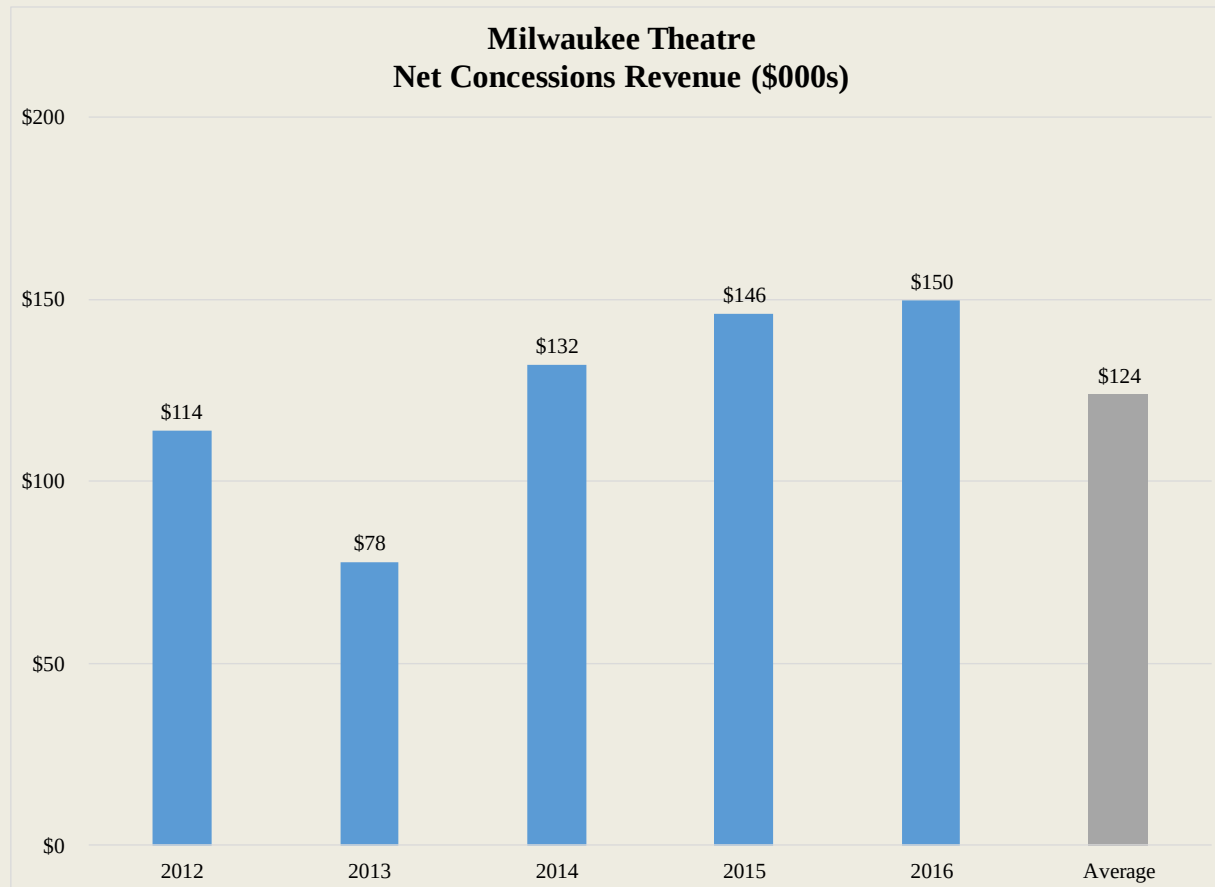
- Event room fees increased significantly in 2014 and 2016 – five year average of \$236,000



C. MILWAUKEE THEATRE

Milwaukee Theatre – Operating Revenue

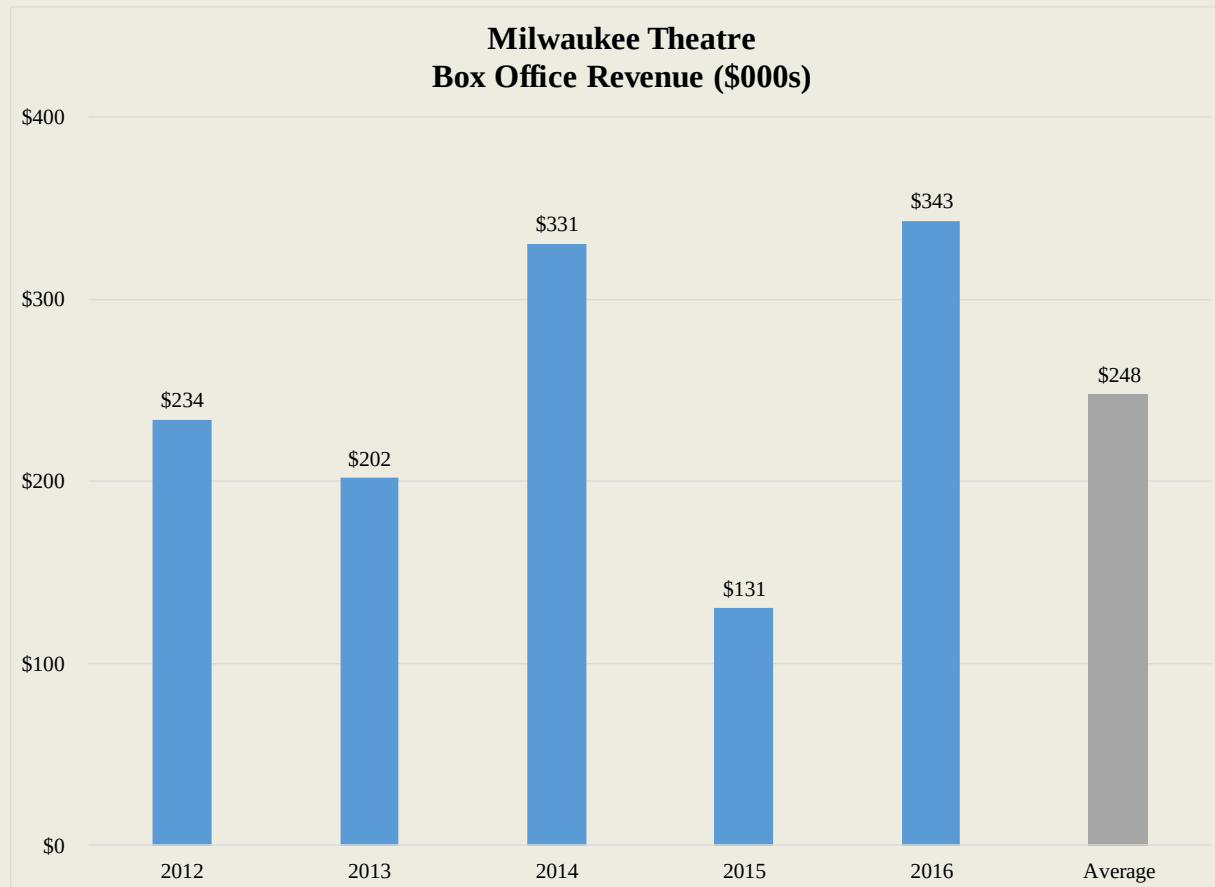
- Net concessions revenue has increased since 2013 – five year average of \$124,000



C. MILWAUKEE THEATRE

Milwaukee Theatre – Operating Revenue

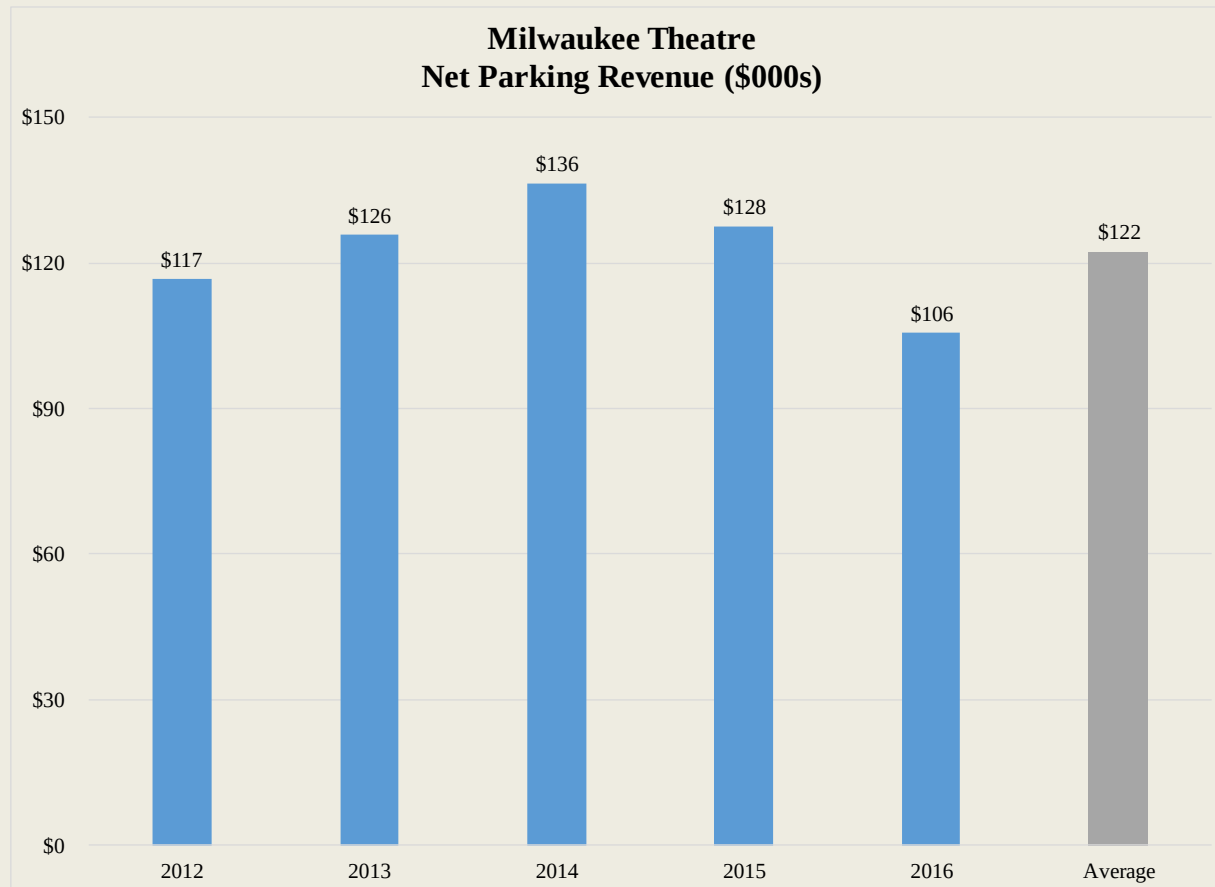
- Box office revenue increased significantly in 2014 and 2016 – five year average of \$248,000



C. MILWAUKEE THEATRE

Milwaukee Theatre – Operating Revenue

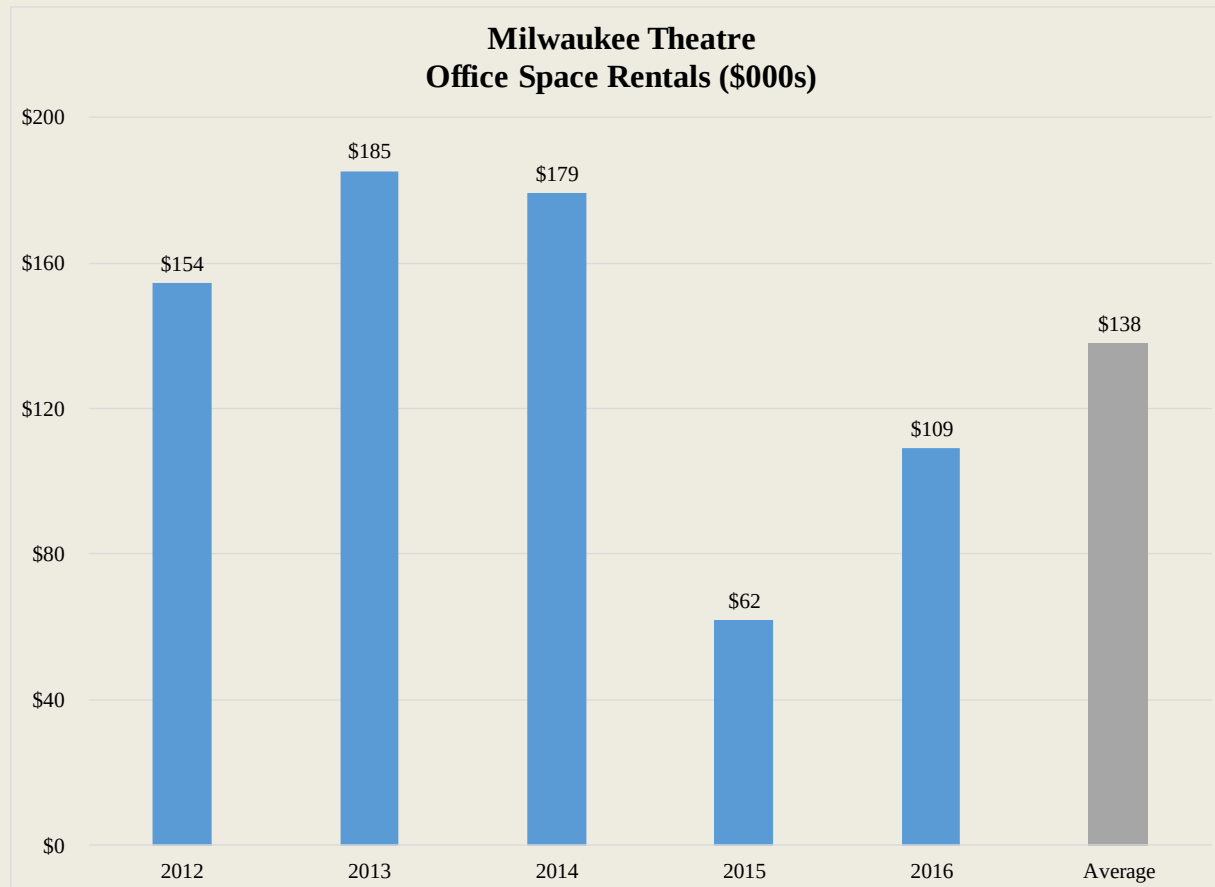
- Net parking revenue has decreased since 2014 – five year average of \$122,000



C. MILWAUKEE THEATRE

Milwaukee Theatre – Operating Revenue

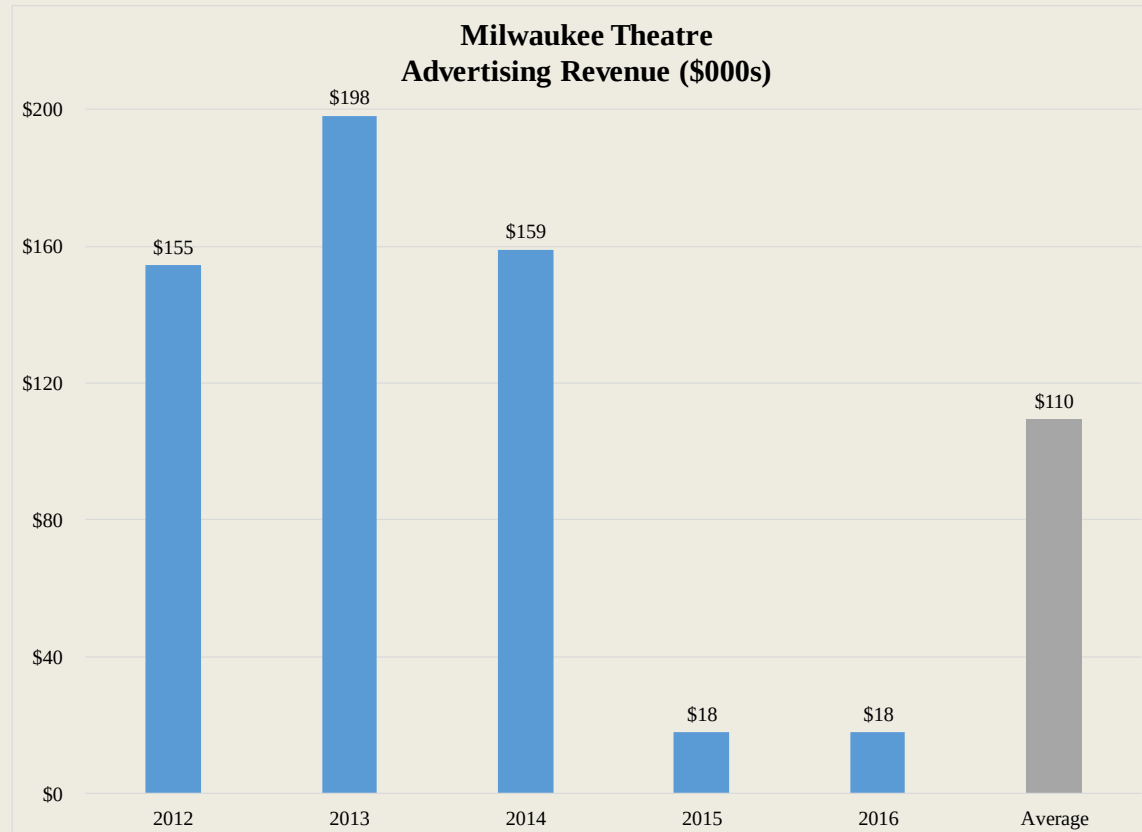
- Office space rentals revenue decreased significantly in 2015 – five year average of \$138,000



C. MILWAUKEE THEATRE

Milwaukee Theatre – Operating Revenue

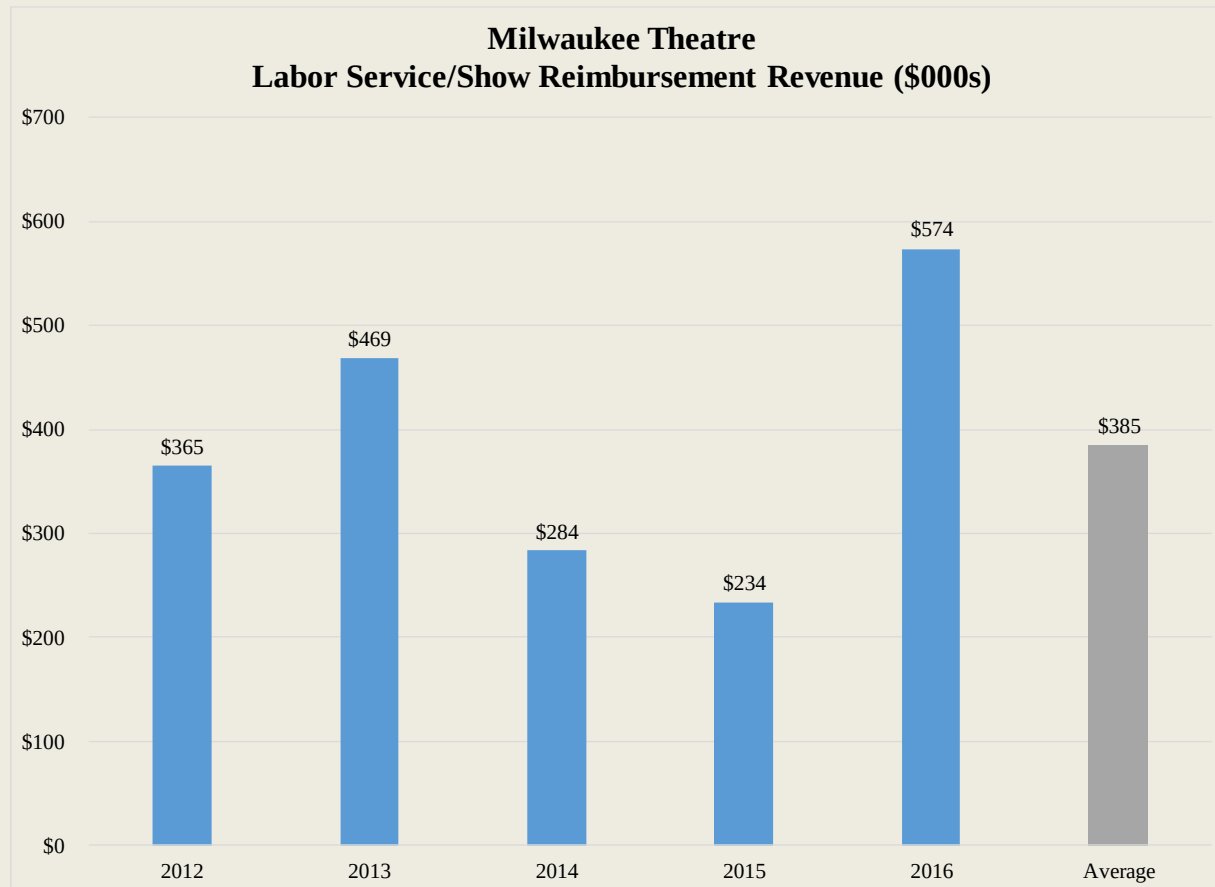
- Advertising revenue decreased significantly in 2015 and has remained nominal – five year average of \$110,000
 - Staffing related issues have taken focus from this area



C. MILWAUKEE THEATRE

Milwaukee Theatre – Operating Revenue

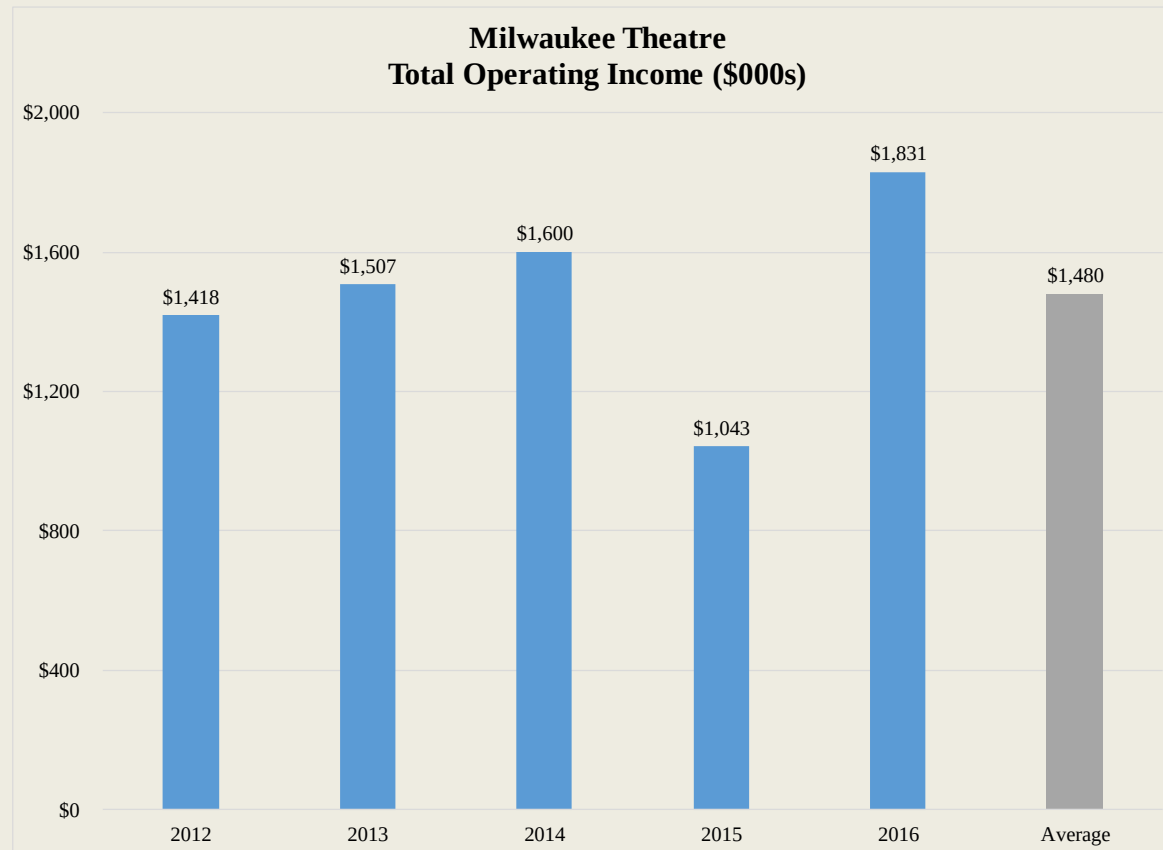
- Labor service/show reimbursement revenue increased significantly in 2016 – five year average of \$385,000



C. MILWAUKEE THEATRE

Milwaukee Theatre – Operating Revenue

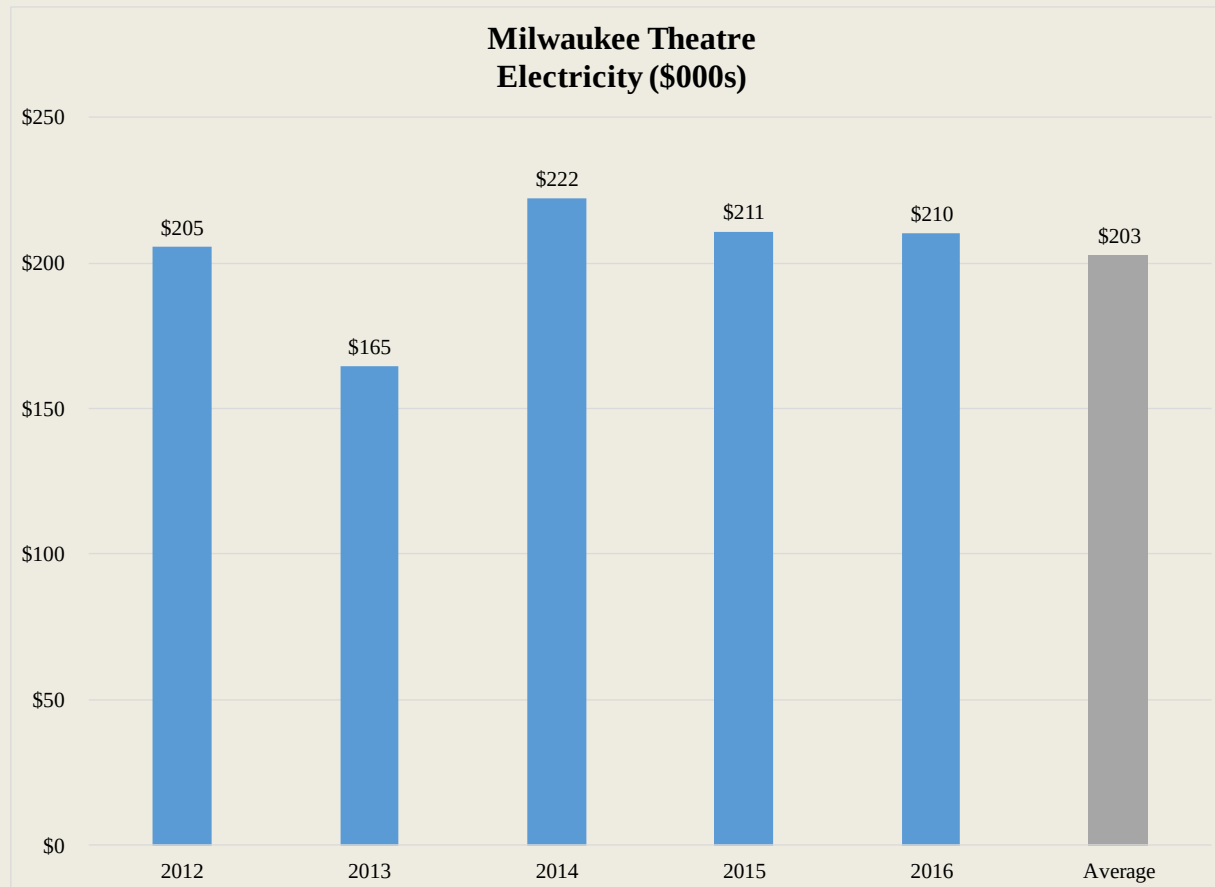
- Total operating income decreased significantly in 2015, but increased significantly in 2016 – five year average of \$1.5 million



C. MILWAUKEE THEATRE

Milwaukee Theatre – Operating Expenses

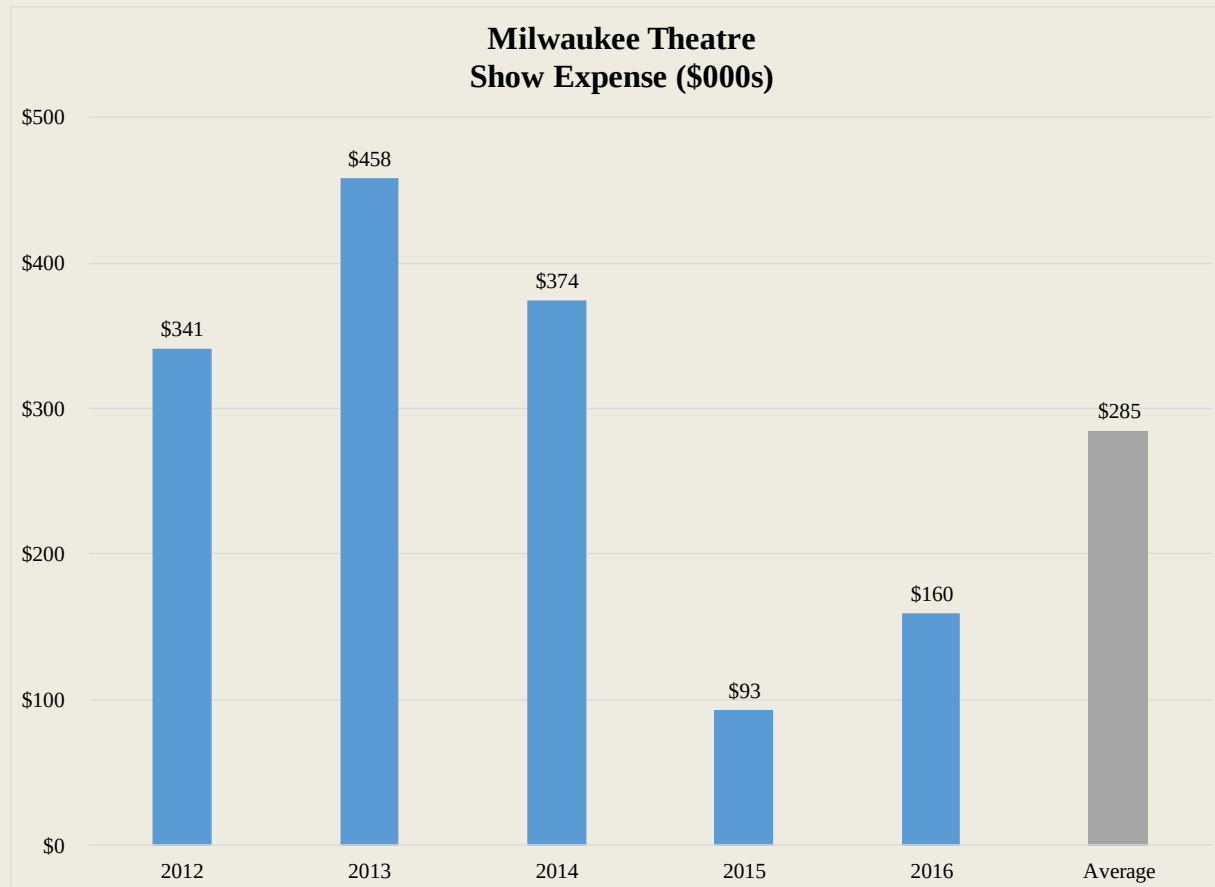
- Electricity expense has varied over time – five year average of \$203,000



C. MILWAUKEE THEATRE

Milwaukee Theatre – Operating Expenses

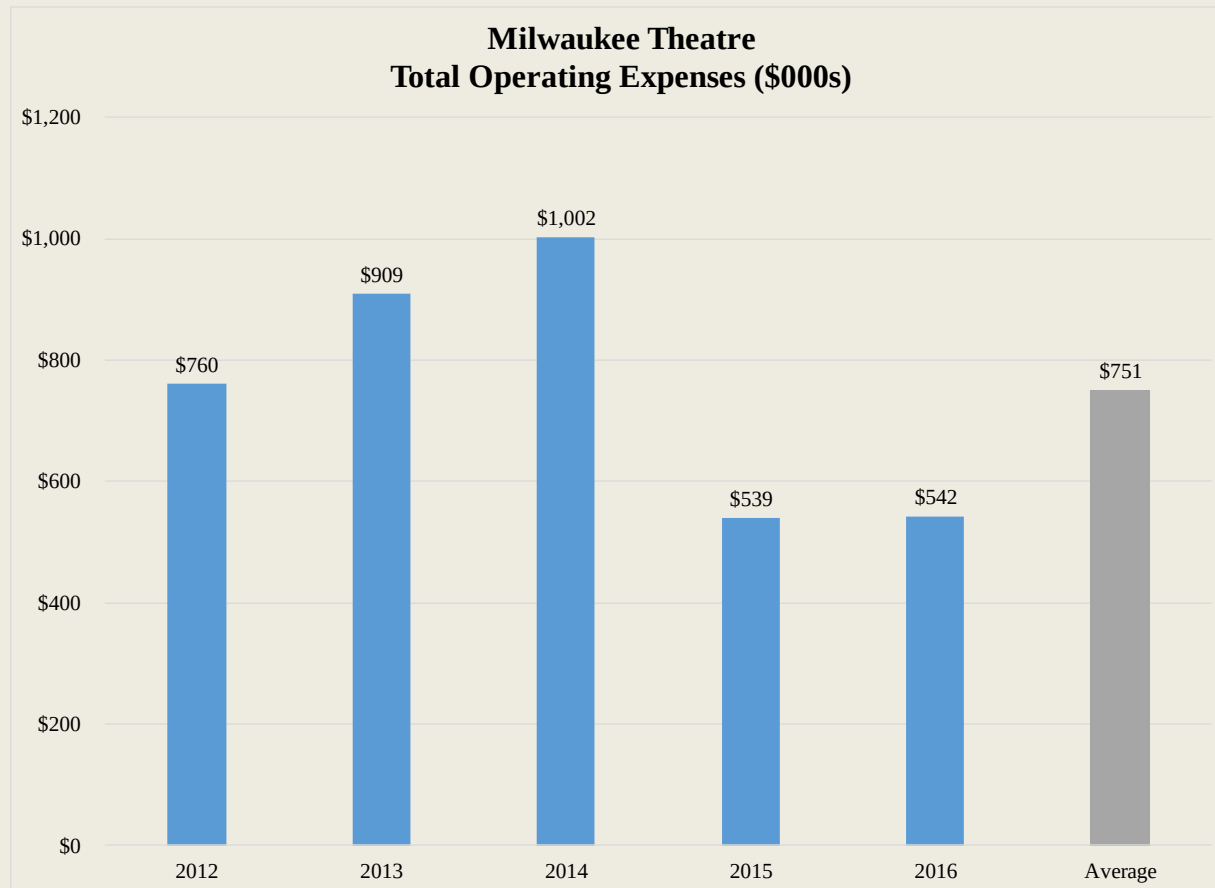
- Show expense decreased significantly in 2015 – five year average of \$285,000



C. MILWAUKEE THEATRE

Milwaukee Theatre – Operating Expenses

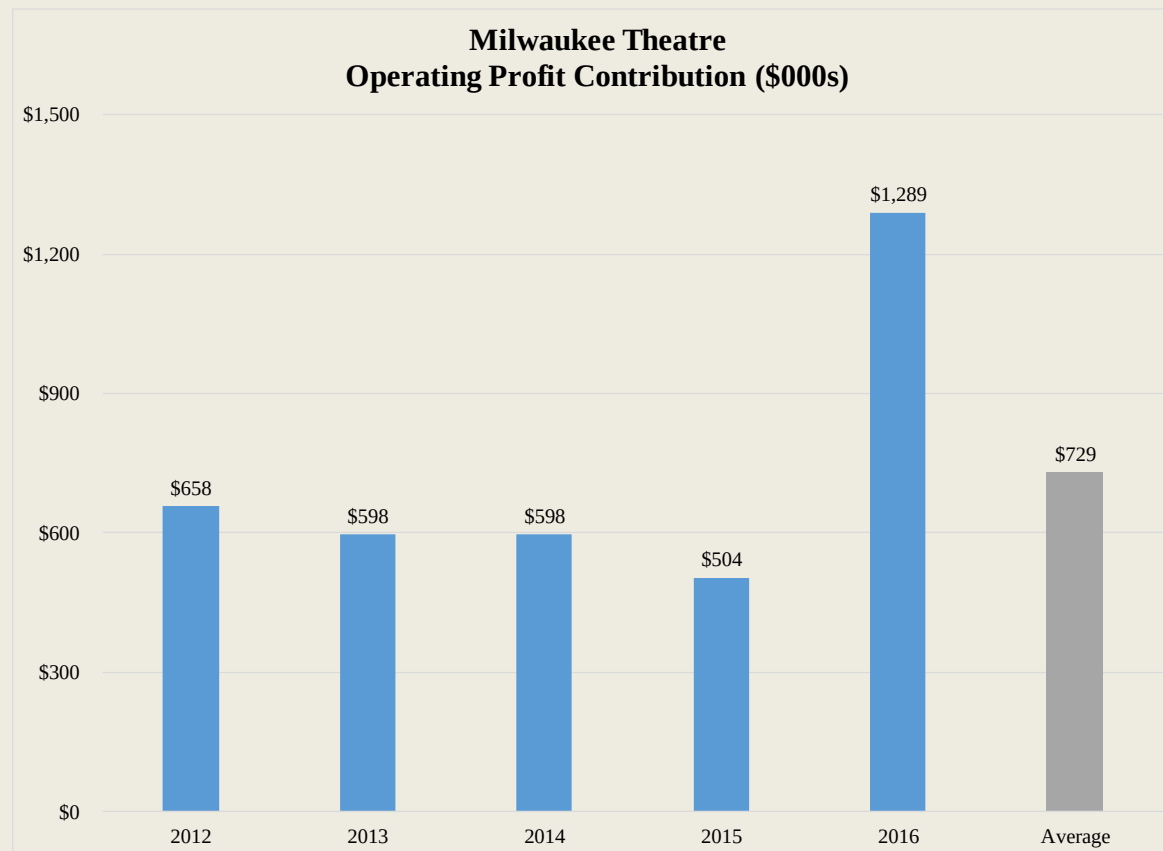
- Total operating expenses decreased significantly in 2015 – five year average of \$751,000



C. MILWAUKEE THEATRE

Milwaukee Theatre – Operating Profit Contribution (Before G&A Allocation)

- Operating profit contribution had been declining from 2012 to 2015, but increased significantly in 2016 – five year average of \$729,000



D. CONSOLIDATED STATEMENTS

D. CONSOLIDATED STATEMENTS

Revenue Allocation for WCD Facilities

- The following table shows the total license agreement fee and food and beverage revenue, as well as the number of events booked by both the WCD and VISIT Milwaukee from 2012 to 2016 for events occurring at all WCD facilities
- In aggregate, WCD bookings averaged 89% of event activity and 71% of revenues from 2012 to 2016
- However, the average revenue per event booked by VISIT Milwaukee (\$106,000) was more than three times that of events booked by WCD (\$30,000) during the profiled period

Summary of Revenue Allocation for WCD Facilities (2012-2016)						
Year	Total License Agreement Fee Revenue	Total Food & Beverage Revenue	Grand Total Revenue	Percentage of Grand Total Revenue	Total Number of Events	Percentage of Events
Wisconsin Center District						
2012	\$2,160,367	\$4,955,882	\$7,116,249	76%	215	89%
2013	\$1,932,013	\$3,976,379	\$5,908,392	70%	180	85%
2014	\$2,162,077	\$4,128,706	\$6,290,783	63%	210	89%
2015	\$2,052,832	\$3,889,293	\$5,942,125	75%	209	90%
2016	\$2,295,544	\$4,641,274	\$6,936,818	69%	258	91%
VISIT Milwaukee						
2012	\$712,475	\$1,582,506	\$2,294,981	24%	26	11%
2013	\$938,366	\$1,652,796	\$2,591,162	30%	31	15%
2014	\$1,016,517	\$2,690,366	\$3,706,883	37%	26	11%
2015	\$582,620	\$1,403,227	\$1,985,847	25%	22	10%
2016	\$897,920	\$2,194,953	\$3,092,873	31%	24	9%
Total						
2012	\$2,872,842	\$6,538,388	\$9,411,230	100%	241	100%
2013	\$2,870,379	\$5,629,175	\$8,499,554	100%	211	100%
2014	\$3,178,594	\$6,819,072	\$9,997,666	100%	236	100%
2015	\$2,635,452	\$5,292,520	\$7,927,972	100%	231	100%
2016	\$3,193,464	\$6,836,227	\$10,029,691	100%	282	100%

Note: Data is as of February 2017.

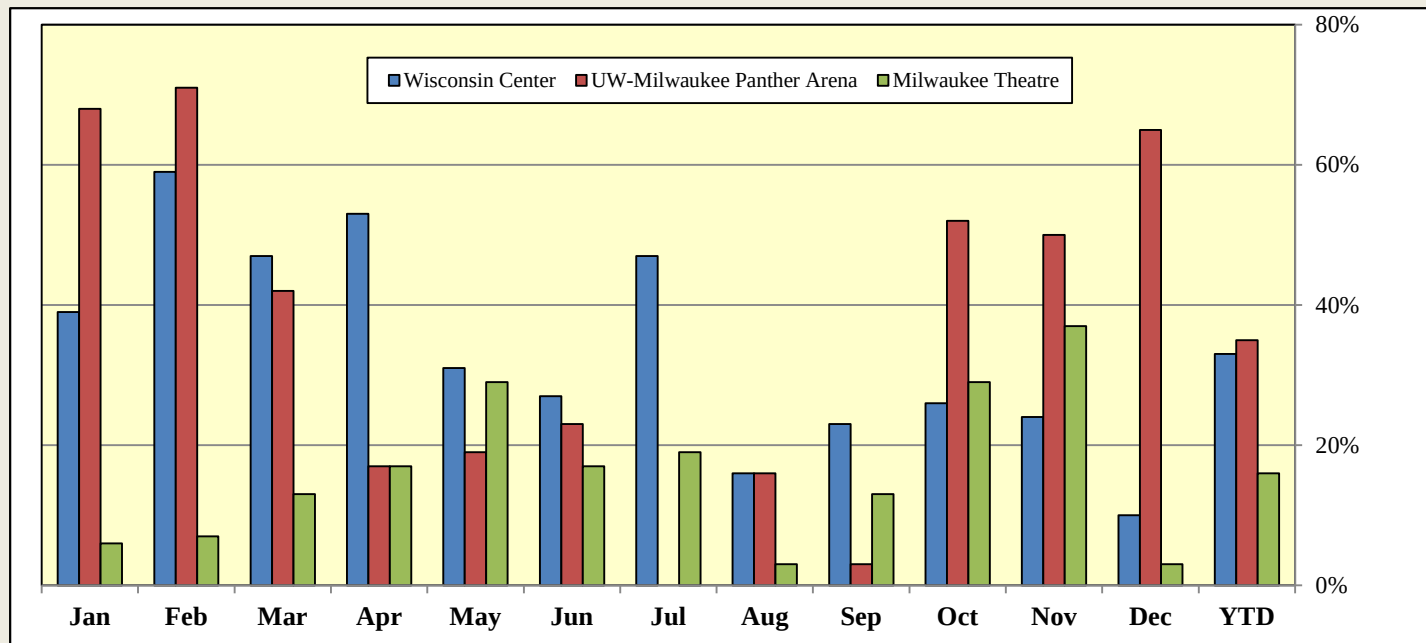
Source: WCD.

D. CONSOLIDATED STATEMENTS

2015 Occupancy – All Three Facilities

- The Wisconsin Center's occupancy was 33% in 2015, which was well below industry standards
- The Milwaukee Theatre experienced its highest levels of occupancy in May, October and November, but these levels were under 20% in all other months
- UW-Milwaukee Panther Arena's occupancy declined sharply outside the seasons of its sports tenants

WCD Occupancy by Facility – 2015



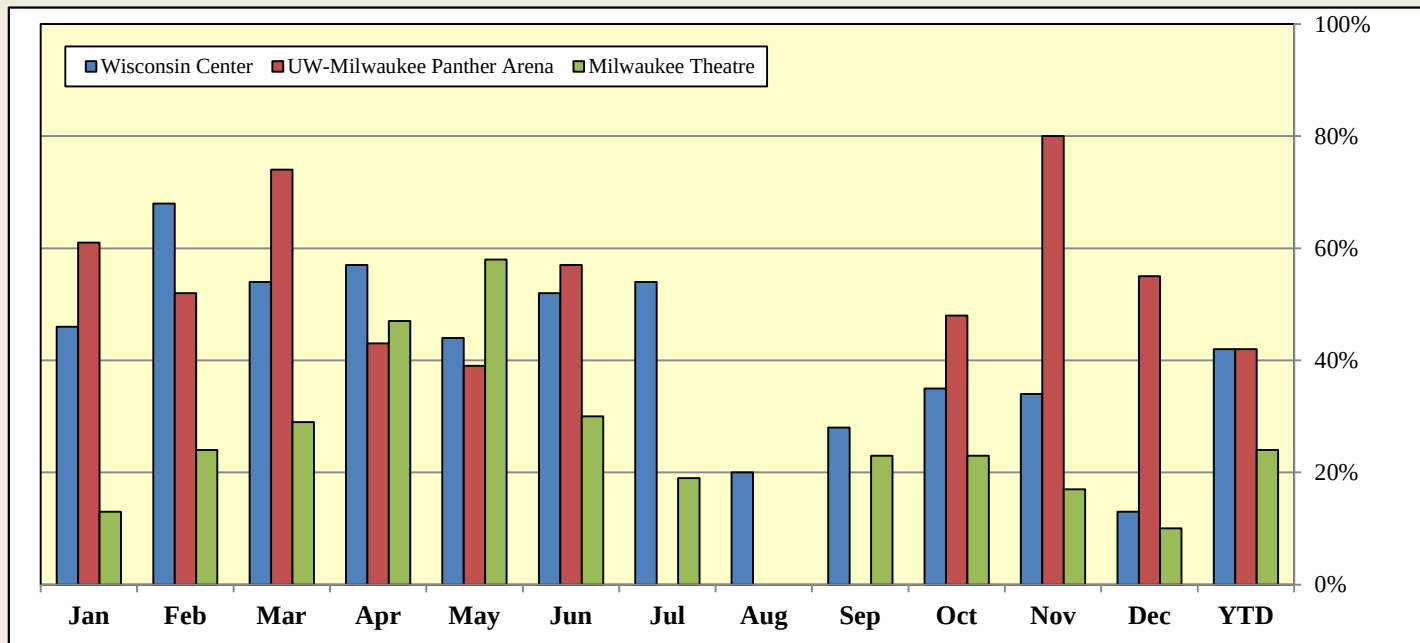
Source: WCD.

D. CONSOLIDATED STATEMENTS

2016 Occupancy – All Three Facilities

- The Wisconsin Center's occupancy was 42%, a significant increase from 2015, but still well below industry standards
- The Milwaukee Theatre's occupancy increased 7 points from 2015
- UW-Milwaukee Panther Arena was closed from July-September, typically the least busy months

WCD Occupancy by Facility – 2016



Note: The Arena was closed for construction from July-September.

Source: WCD.

D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating (Before G&A Allocation)

- On a consolidated basis, the WCD averaged approximately \$3.7 million in operating profit from 2012 to 2016
- Operating income increased by 42% in 2016
 - 22% when excluding \$2 million contribution from Admirals

FYE December	2012	2013	2014	2015	2016	Average	CAGR
Total Operating Income	\$12,110,256	\$11,858,625	\$13,105,398	\$9,983,980	\$14,180,184	\$12,247,689	4.0%
Total Operating Expenses	\$9,259,708	\$8,837,809	\$8,571,872	\$7,835,187	\$8,592,377	\$8,619,391	-1.9%
Operating Revenues Over Expenses	\$2,850,548	\$3,020,816	\$4,533,526	\$2,148,793	\$5,587,807	\$3,628,298	18.3%

D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements Consolidated – Operating (Before G&A Allocation)

FYE December	2012	2013	2014	2015	2016	Average	CAGR
Operating Income							
Event Room Fees	\$3,037,896	\$2,948,073	\$3,430,995	\$2,764,422	\$3,346,069	\$3,105,491	2.4%
Equipment Rentals	\$1,028,320	\$905,899	\$1,142,592	\$867,796	\$1,142,156	\$1,017,353	2.7%
Net Concessions Revenue	\$2,799,880	\$2,574,302	\$3,248,541	\$1,962,139	\$2,465,598	\$2,610,092	-3.1%
Box Office Revenue	\$518,504	\$462,432	\$552,825	\$367,968	\$732,009	\$526,747	9.0%
Parking Revenue	\$584,132	\$577,603	\$711,708	\$549,826	\$686,527	\$621,959	4.1%
Office Space Rentals	\$244,621	\$260,921	\$252,384	\$123,564	\$170,422	\$210,382	-8.6%
Telecommunications Revenue	\$142,298	\$140,255	\$153,872	\$141,646	\$159,956	\$147,605	3.0%
Advertising Revenue	\$788,033	\$827,464	\$756,617	\$598,474	\$427,762	\$679,670	-14.2%
Miscellaneous Income-Activity Committee	\$9,489	\$10,678	\$6,302	\$28,229	\$40,266	\$18,993	43.5%
Datacommunications Revenue	\$428,304	\$499,900	\$461,617	\$362,603	\$402,207	\$430,926	-1.6%
Video Production Service Revenue	\$151,629	\$137,833	\$148,052	\$161,986	\$96,732	\$139,246	-10.6%
Other Income	\$740,549	\$856,034	\$788,470	\$915,015	\$2,784,398	\$1,216,893	39.2%
Miscellaneous Income Discounts Taken	(\$10,098)	\$1,717	\$6,312	(\$6,498)	\$61,868	\$10,660	NA
Naming Rights Revenue	\$624,583	\$462,917	\$402,083	\$383,333	\$480,000	\$470,583	-6.4%
Labor Service/Show Reimbursement Revenue	\$1,022,118	\$1,192,599	\$1,043,027	\$763,476	\$1,184,215	\$1,041,087	3.7%
Total Operating Income	\$12,110,256	\$11,858,625	\$13,105,398	\$9,983,980	\$14,180,184	\$12,247,689	4.0%
Operating Expenses							
Operating Wages	\$1,001,479	\$990,436	\$1,038,407	\$1,026,222	\$1,035,981	\$1,018,505	0.9%
Cleaning Wages	\$1,178,096	\$1,147,706	\$1,098,561	\$1,054,900	\$1,090,426	\$1,113,938	-1.9%
Attendant Wages	\$624,655	\$637,690	\$690,360	\$529,537	\$641,097	\$624,668	0.7%
Technician Wages	\$79,334	\$82,368	\$84,441	\$86,841	\$134,127	\$93,422	14.0%
Contract Services	\$591,008	\$554,333	\$645,181	\$616,866	\$731,979	\$627,874	5.5%
H&D Insurance Allocation-Operating	\$522,000	\$482,400	\$504,000	\$523,200	\$534,000	\$513,120	0.6%
Pension Allocation-Operating	\$84,000	\$78,000	\$52,000	\$0	\$0	\$42,800	-100.0%
FICA Tax Expense-Operating	\$225,149	\$221,921	\$225,838	\$209,462	\$225,114	\$221,497	0.0%
Steam & Gas	\$507,536	\$665,321	\$657,515	\$660,941	\$552,440	\$608,750	2.1%
Electricity	\$1,271,673	\$1,276,069	\$1,235,957	\$1,239,088	\$1,345,128	\$1,273,583	1.4%
Water	\$106,303	\$95,454	\$98,254	\$125,047	\$125,507	\$110,113	4.2%
Uniform Expense	\$13,786	\$13,176	\$13,028	\$9,242	\$15,658	\$12,978	3.2%
Ticket Expense	\$86,752	\$87,526	\$89,408	\$39,202	\$32,961	\$67,170	-21.5%
Telecommunications Expense-Events	\$50,524	\$48,903	\$71,383	\$40,097	\$55,942	\$53,370	2.6%
Datacommunications Expense-Events	\$81,276	\$53,385	\$80,685	\$38,919	\$61,491	\$63,151	-6.7%
Video Productions Expense-Events	\$149,806	\$133,722	\$158,682	\$139,912	\$155,438	\$147,512	0.9%
Miscellaneous Show Expense	\$1,434,756	\$1,112,219	\$582,073	\$372,892	\$728,180	\$846,024	-15.6%
Cleaning Supplies	\$82,422	\$82,052	\$82,241	\$73,372	\$100,439	\$84,105	5.1%
Other Supplies	\$0	\$0	\$0	\$0	\$308	\$62	NA
Maintenance-Combined	\$1,169,152	\$1,075,127	\$1,163,860	\$1,049,448	\$1,026,160	\$1,096,749	-3.2%
Total Operating Expenses	\$9,259,708	\$8,837,809	\$8,571,872	\$7,835,187	\$8,592,377	\$8,619,391	-1.9%
Operating Revenues Over Expenses	\$2,850,548	\$3,020,816	\$4,533,526	\$2,148,793	\$5,587,807	\$3,628,298	18.3%

Source: WCD.

D. CONSOLIDATED STATEMENTS

Budgeting

- The following table compares actual financial data for the WCD to budgeted amounts

WCD Financial Comparison - Actual vs. Budget										
Year	2012		2013		2014		2015		2016	
Actual										
Operating Income	\$	12,110,000	\$	11,859,000	\$	13,105,000	\$	9,984,000	\$	14,180,000
Operating Expenses	\$	9,260,000	\$	8,838,000	\$	8,572,000	\$	7,835,000	\$	8,592,000
Operating Profit	\$	2,850,000	\$	3,021,000	\$	4,533,000	\$	2,149,000	\$	5,588,000
% Change			6%		50%		-53%		160%	
Budget										
Operating Income	\$	12,761,000	\$	12,883,000	\$	12,973,000	\$	12,285,000	\$	11,093,000
Operating Expenses	\$	9,343,000	\$	9,410,000	\$	9,509,000	\$	8,971,000	\$	8,624,000
Operating Profit	\$	3,418,000	\$	3,473,000	\$	3,464,000	\$	3,314,000	\$	2,469,000
% Change			2%		0%		-4%		-25%	
Actual vs Budget										
Operating Income	\$	(651,000)	\$	(1,024,000)	\$	132,000	\$	(2,301,000)	\$	3,087,000
Operating Expenses	\$	(83,000)	\$	(572,000)	\$	(937,000)	\$	(1,136,000)	\$	(32,000)
Operating Profit	\$	(568,000)	\$	(452,000)	\$	1,069,000	\$	(1,165,000)	\$	3,119,000
% Change			-20%		-337%		-209%		-368%	

Note: Amounts are rounded.

Source: WCD.

D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements Consolidated – Operating Revenue

- Event room fees increased significantly in 2014 and 2016 – five year average of \$3.1 million

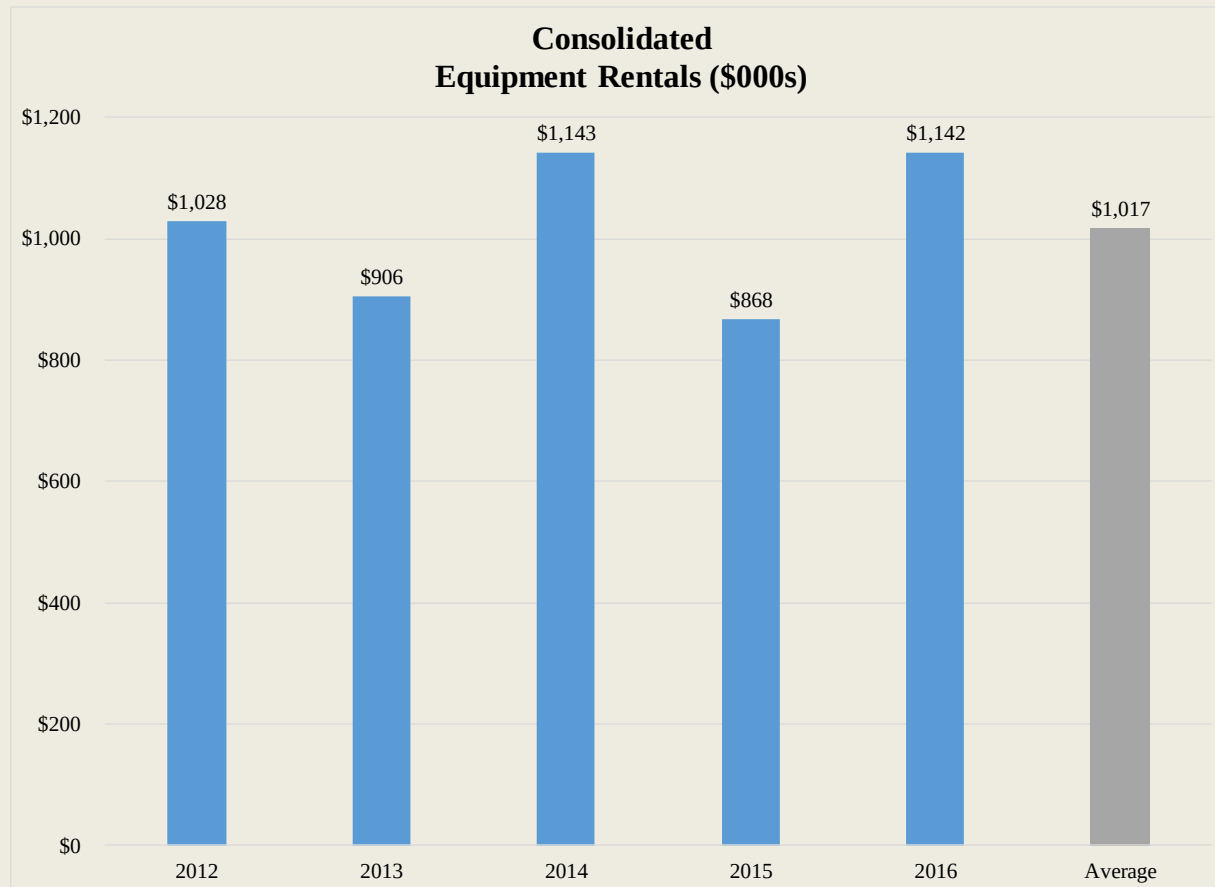


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Revenue

- Equipment rentals revenue increased significantly in 2014 and 2016 – five year average of \$1.0 million



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Revenue

- Net concessions revenue increased significantly in 2014 and 2016 – five year average of \$2.6 million

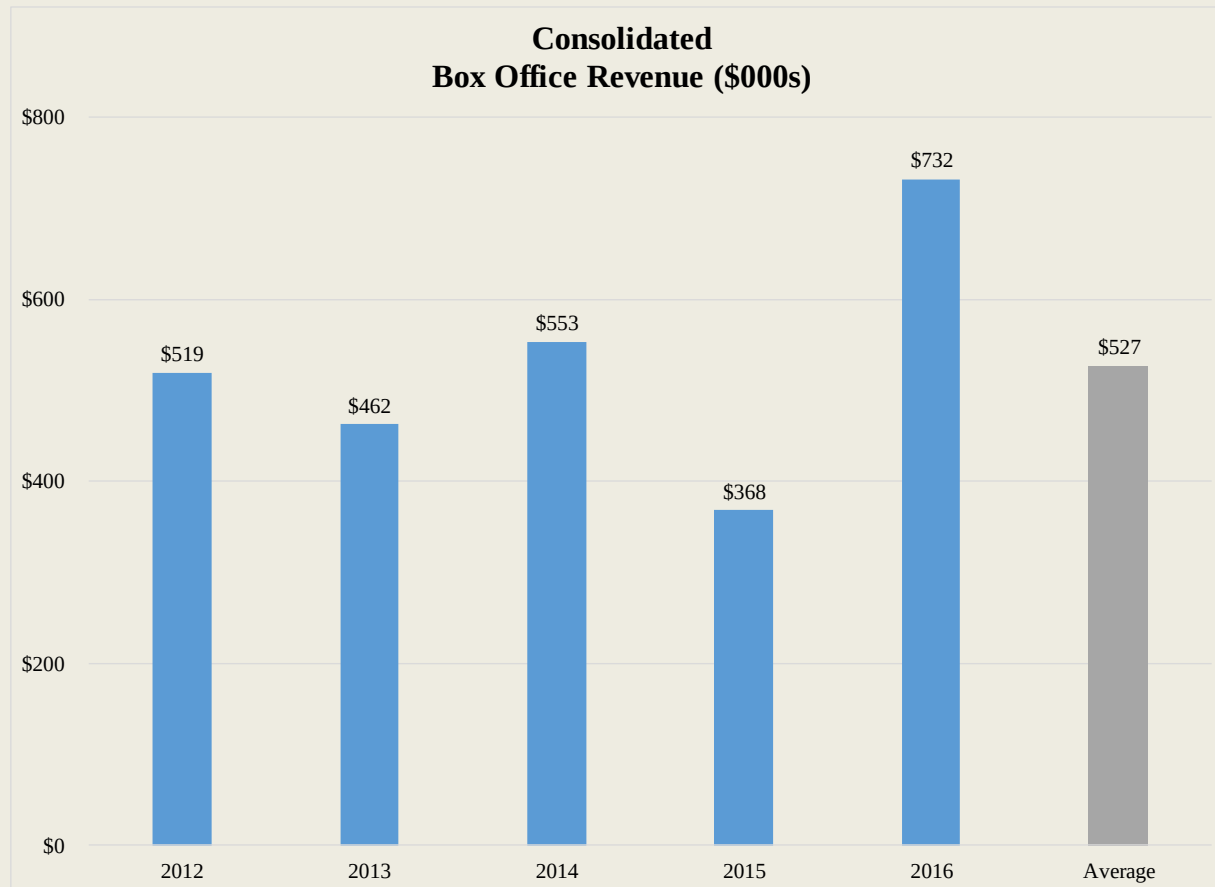


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Revenue

- Box office revenue increased significantly in 2016 – five year average of \$527,000

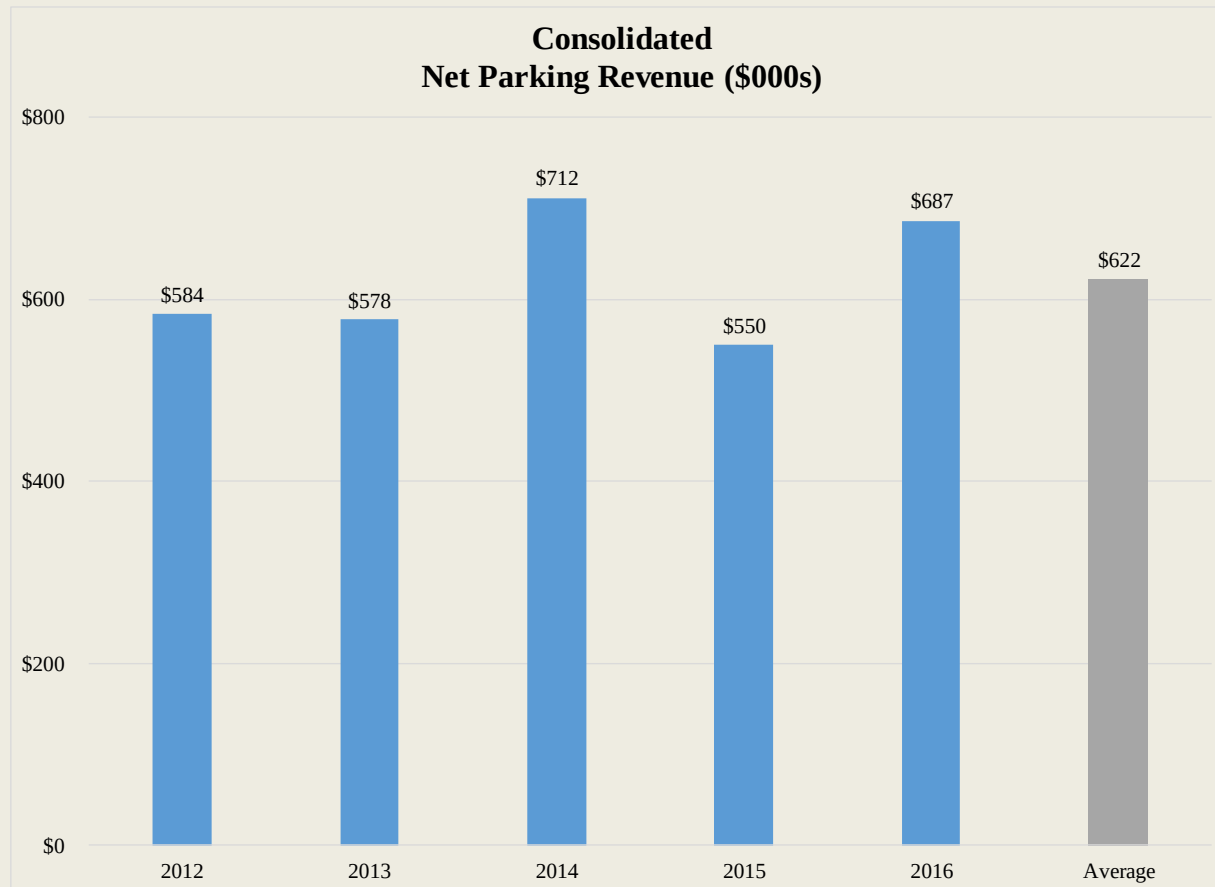


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Revenue

- Net parking revenue increased significantly in 2014 and 2016 – five year average of \$622,000

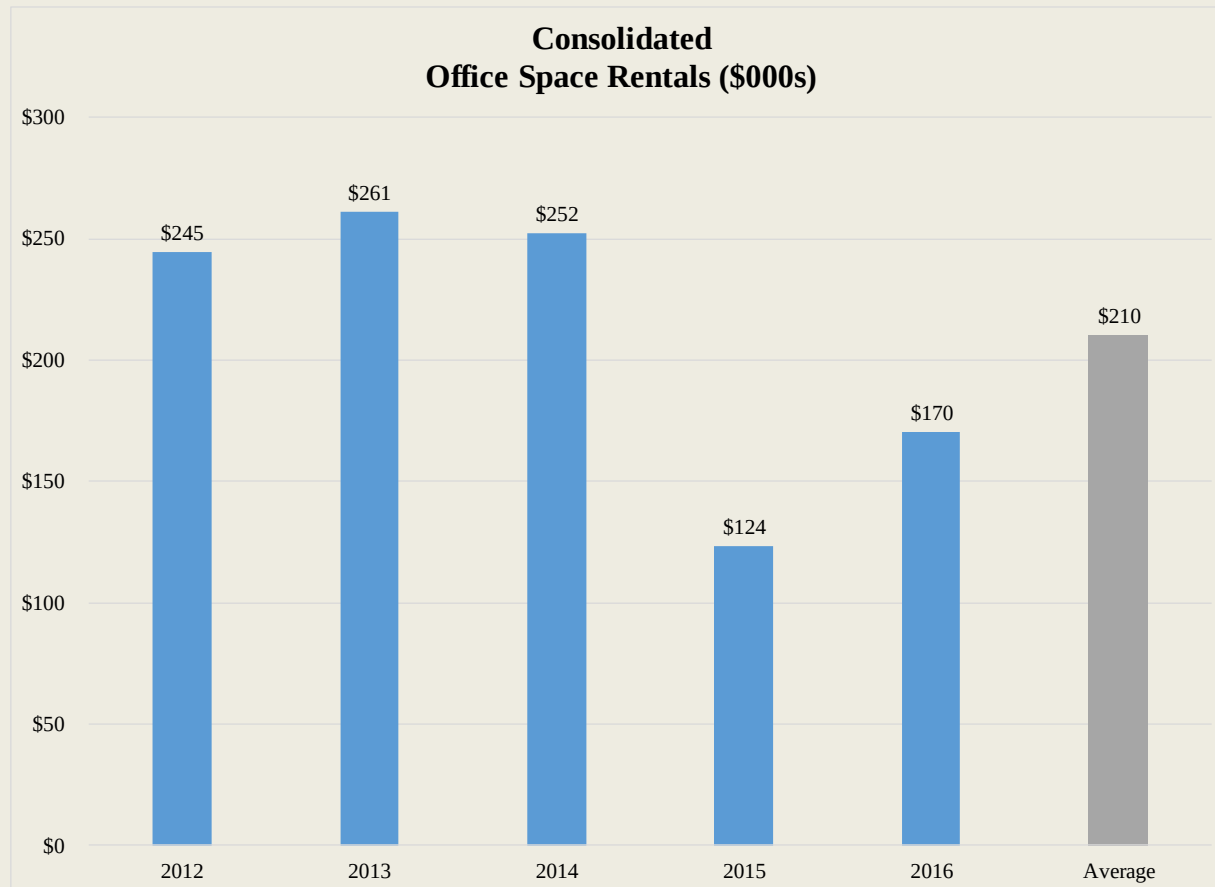


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Revenue

- Office space rentals revenue decreased significantly in 2015 – five year average of \$210,000



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Revenue

- Telecommunications revenue has varied slightly over time – five year average of \$148,000

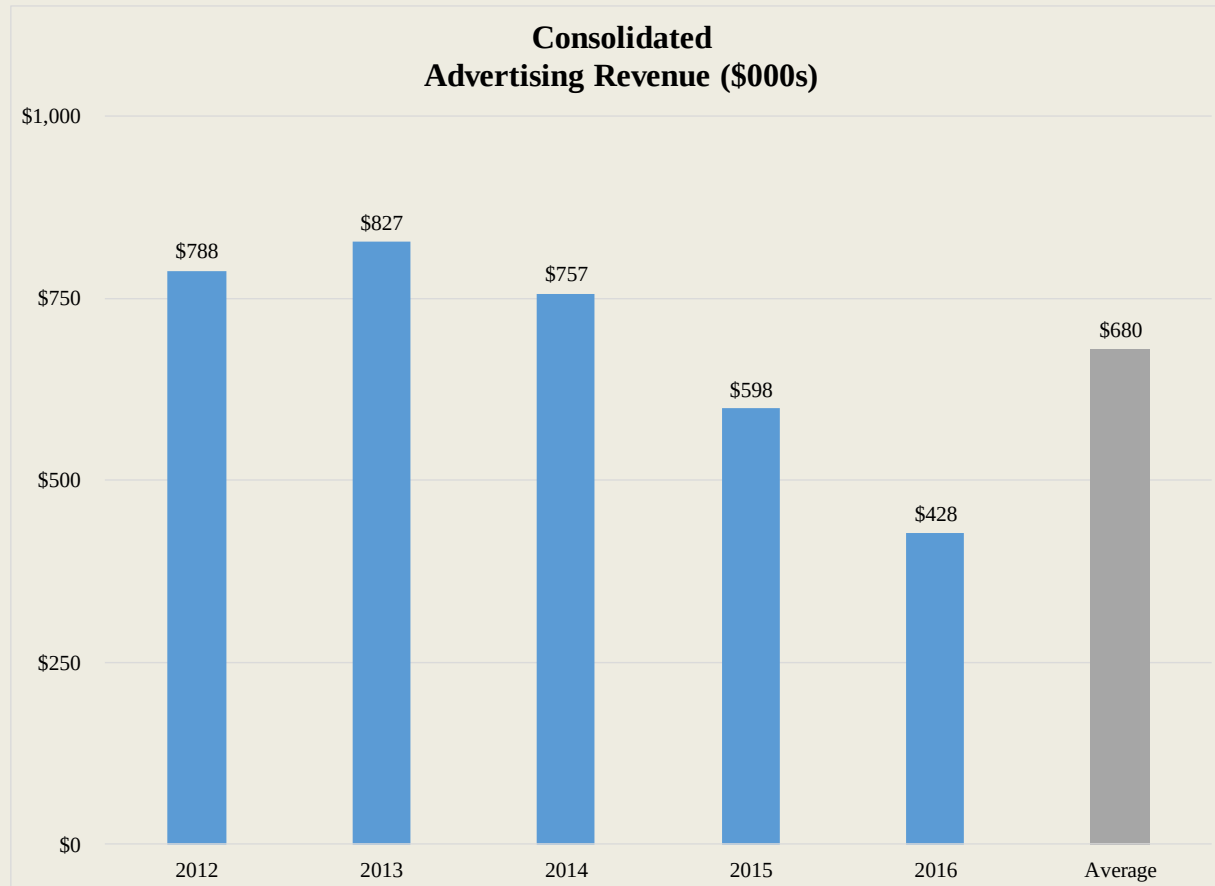


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Revenue

- Advertising revenue has generally declined over time – five year average of \$680,000

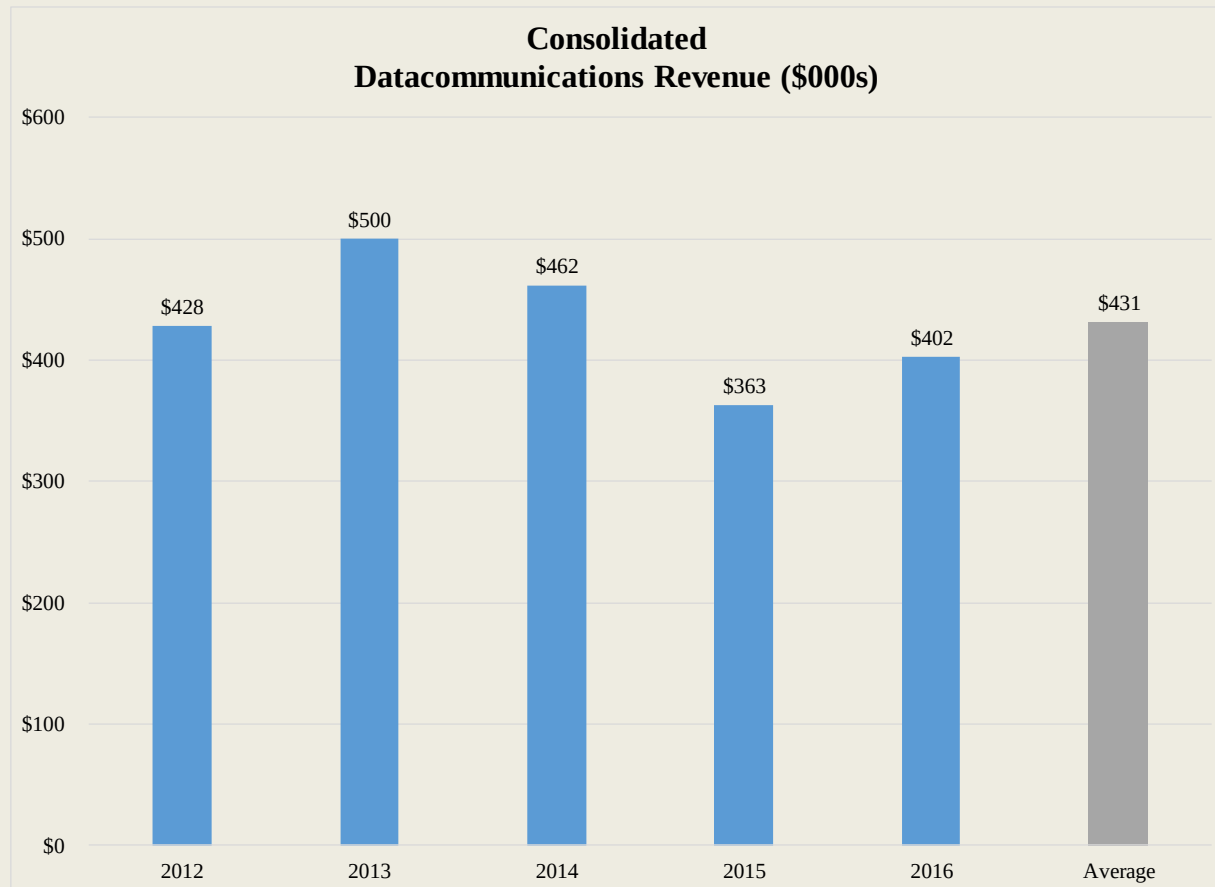


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Revenue

- Datacommunications revenue has varied over time – five year average of \$431,000

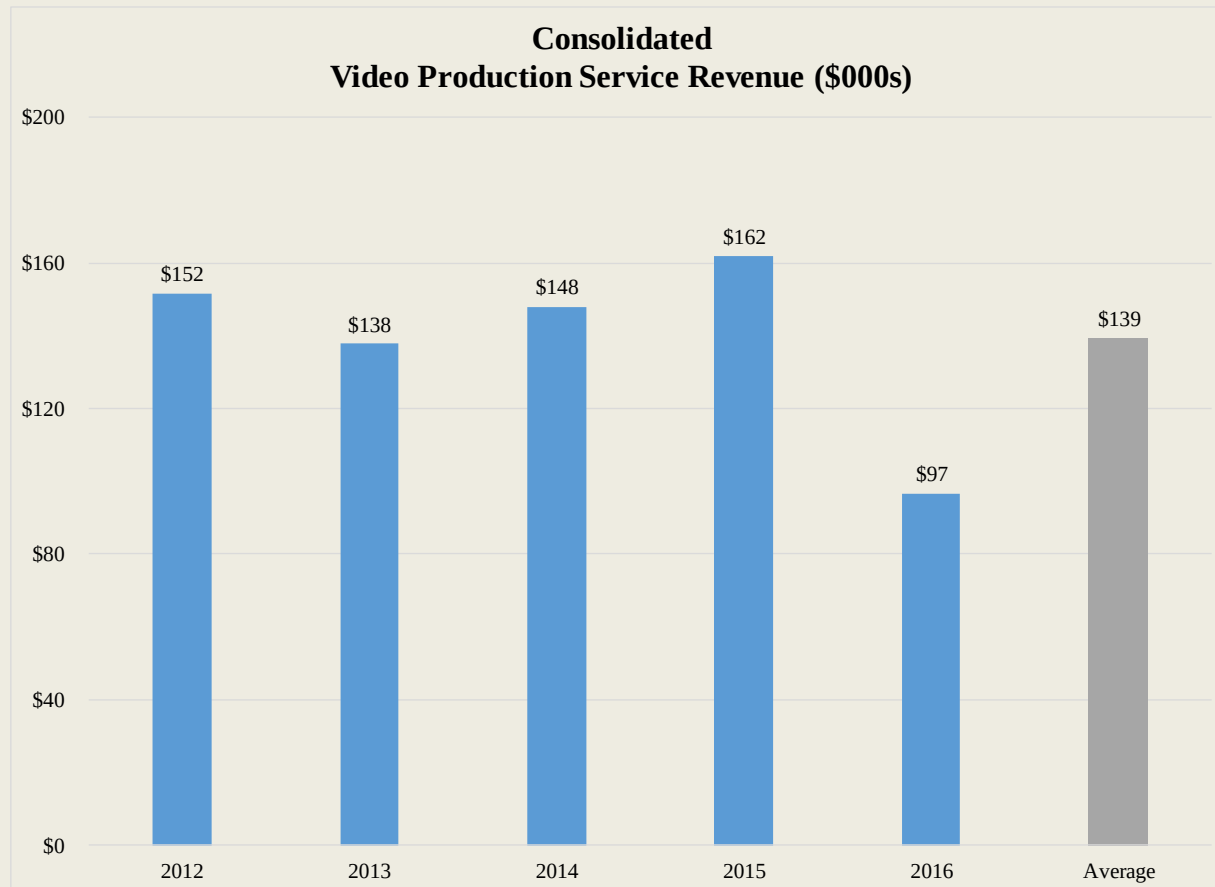


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Revenue

- Video production service revenue decreased significantly in 2016 – five year average of \$139,000



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Revenue

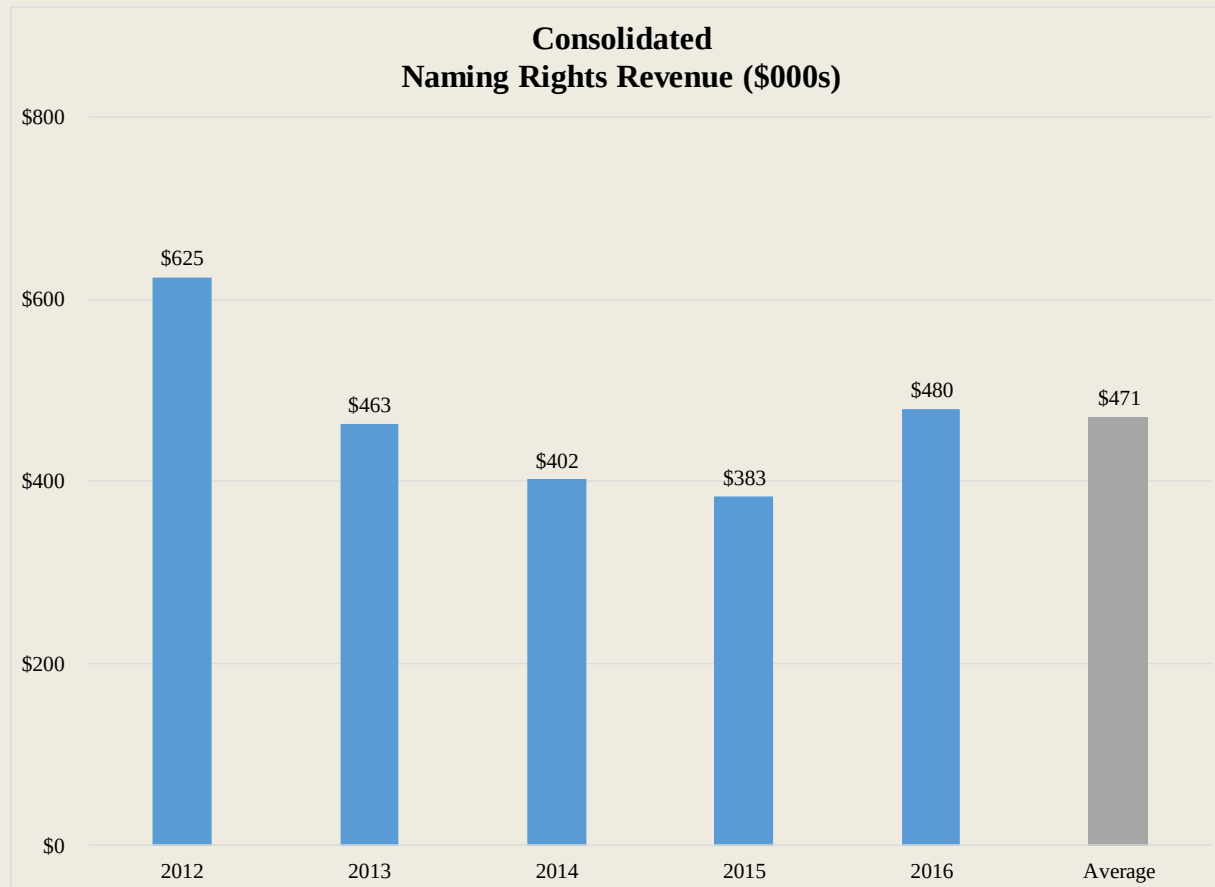
- Other income increased significantly in 2016 – five year average of \$1.2 million
 - Milwaukee Admirals contributed \$2 million in 2016 toward arena upgrades



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements Consolidated – Operating Revenue

- Naming rights revenue decreased from 2012 to 2015 – five year average of \$471,000



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Revenue

- Labor service/show reimbursement revenue increased significantly in 2016 – five year average of \$1.0 million



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Revenue

- Total operating income decreased significantly in 2015, but increased significantly in 2016 – five year average of \$12.2 million – includes \$2 million contribution from Admirals



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Expenses

- Operating wages have remained relatively constant over time – five year average of \$1.0 million

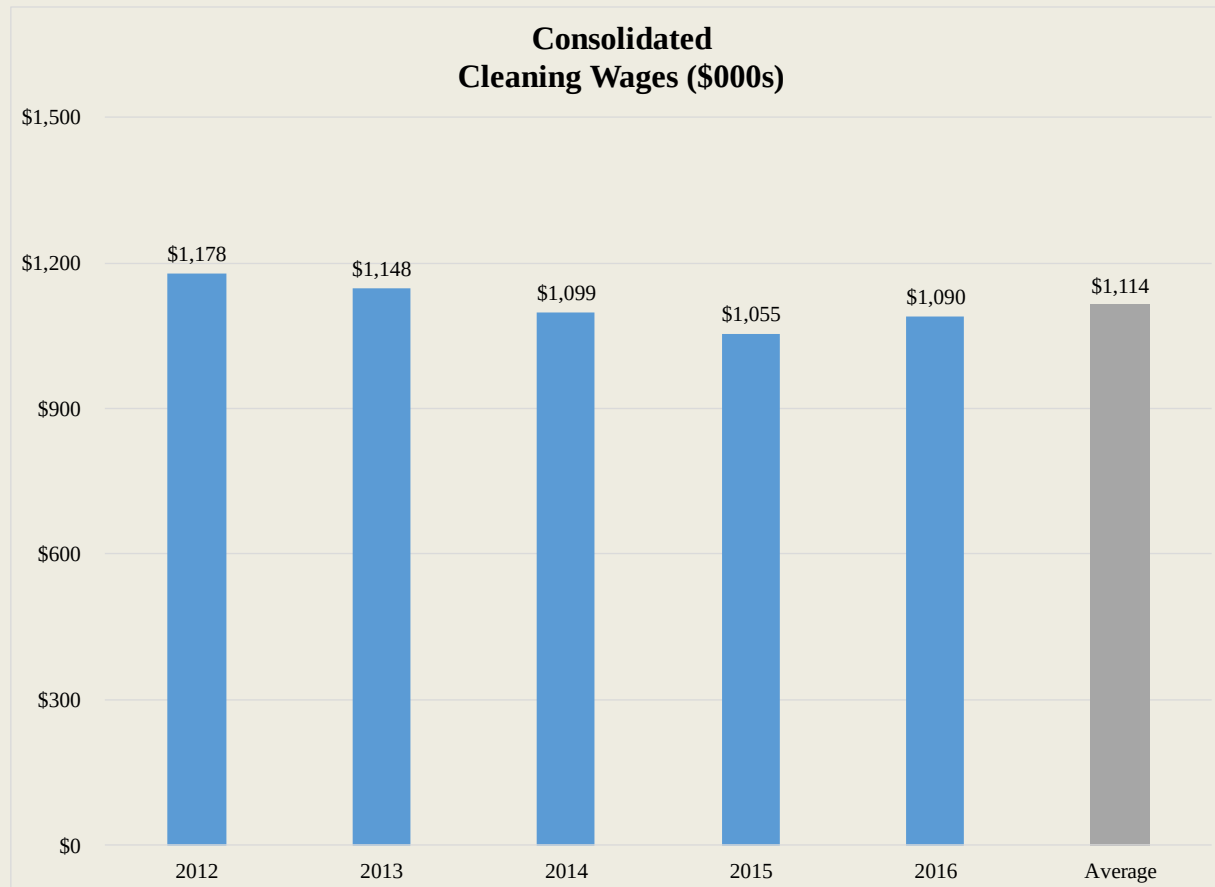


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Expenses

- Cleaning wages have remained relatively constant over time – five year average of \$1.1 million

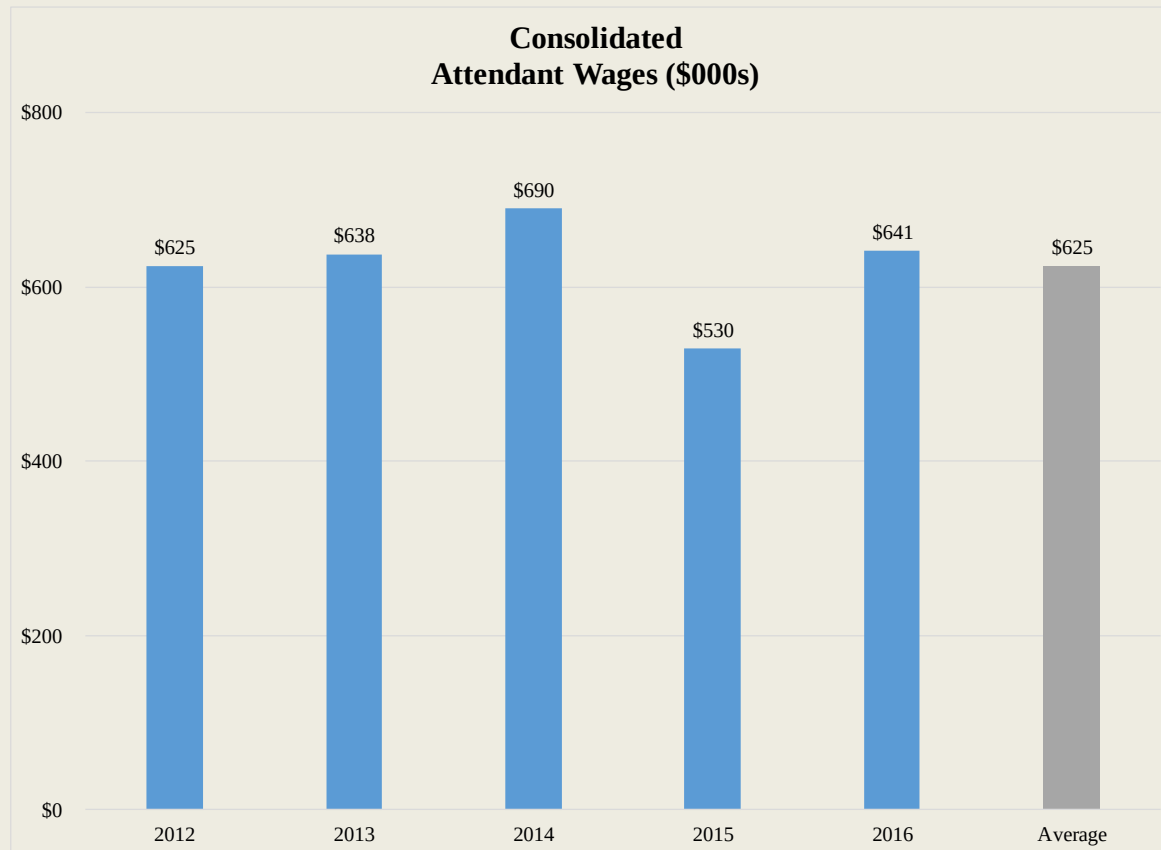


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Expenses

- Attendant wages decreased significantly in 2015, but increased significantly in 2016 – five year average of \$625,000

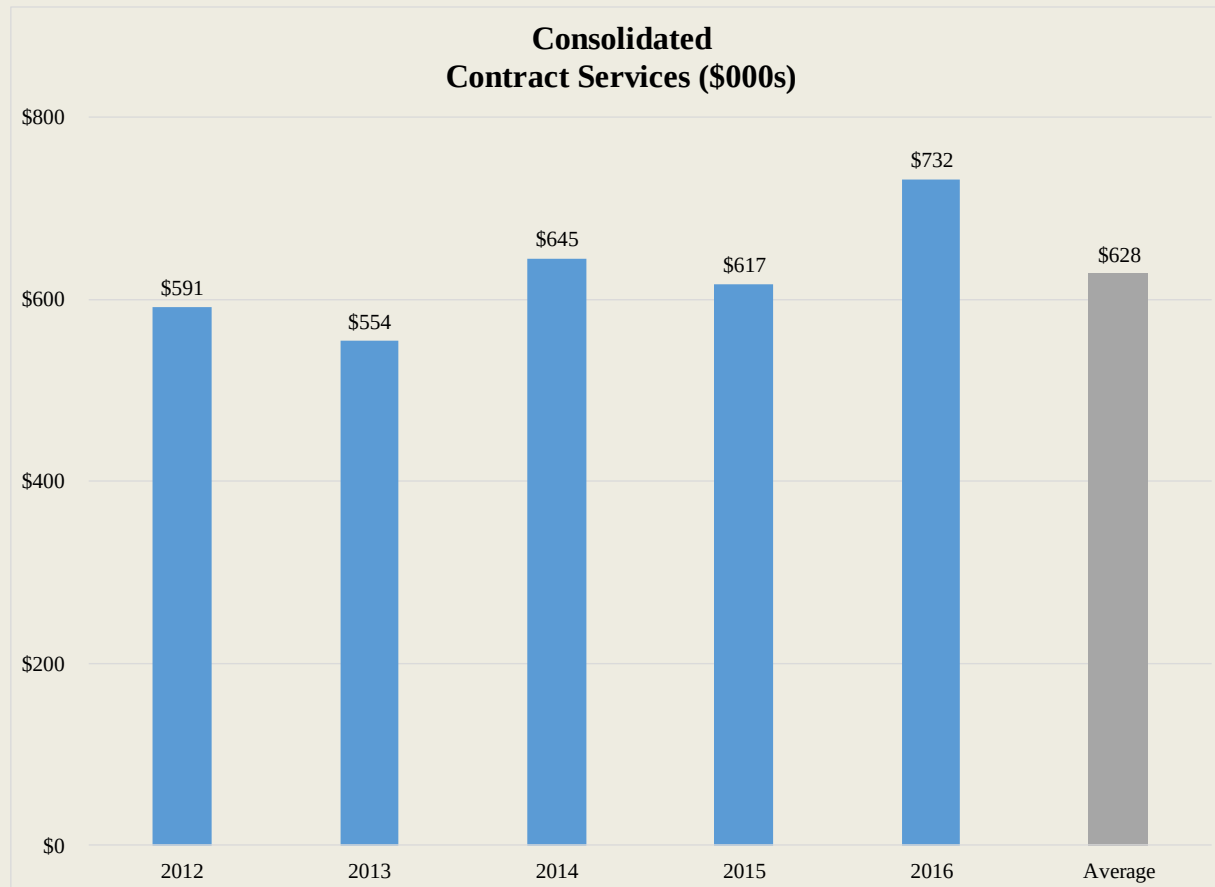


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Expenses

- Contract services expense increased significantly in 2016 – five year average of \$628,000

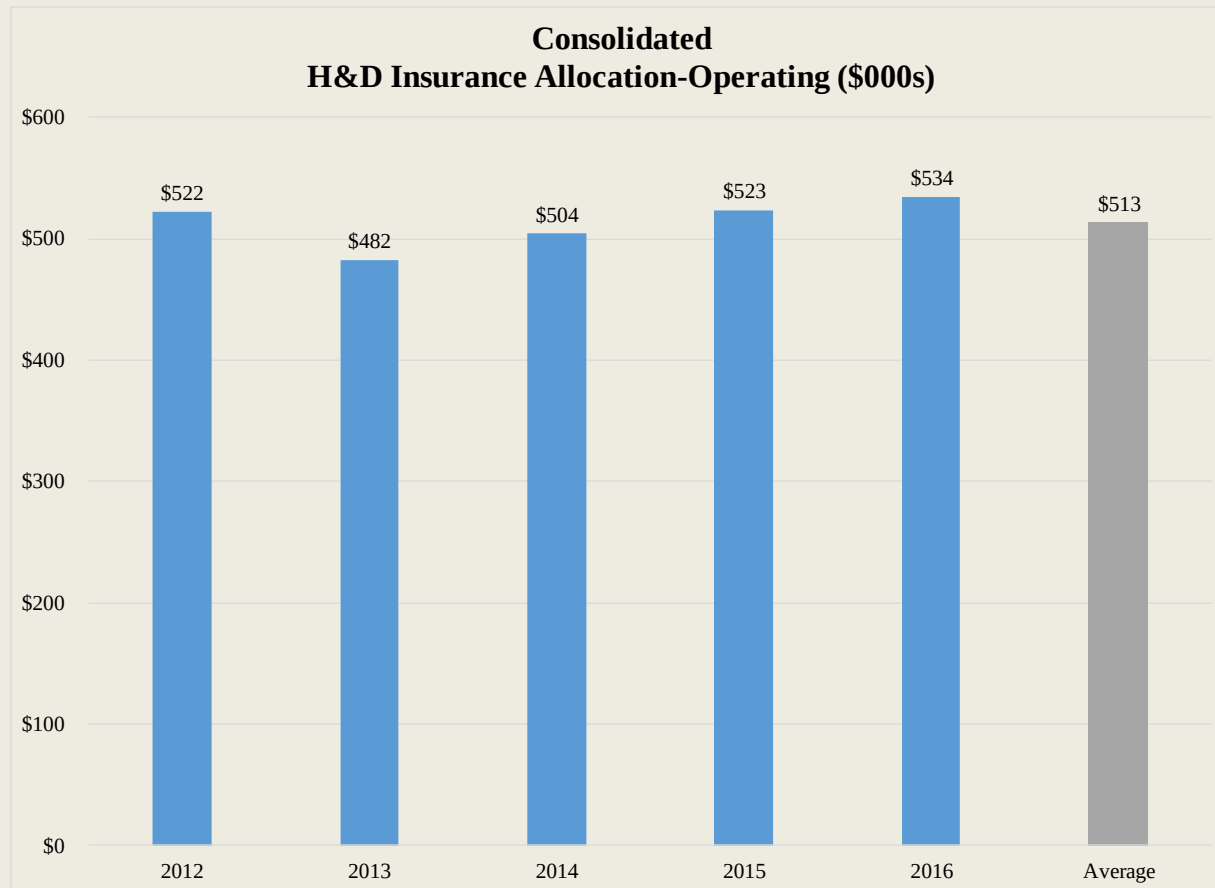


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Expenses

- H&D Insurance allocation has increased somewhat since 2013 – five year average of \$513,000

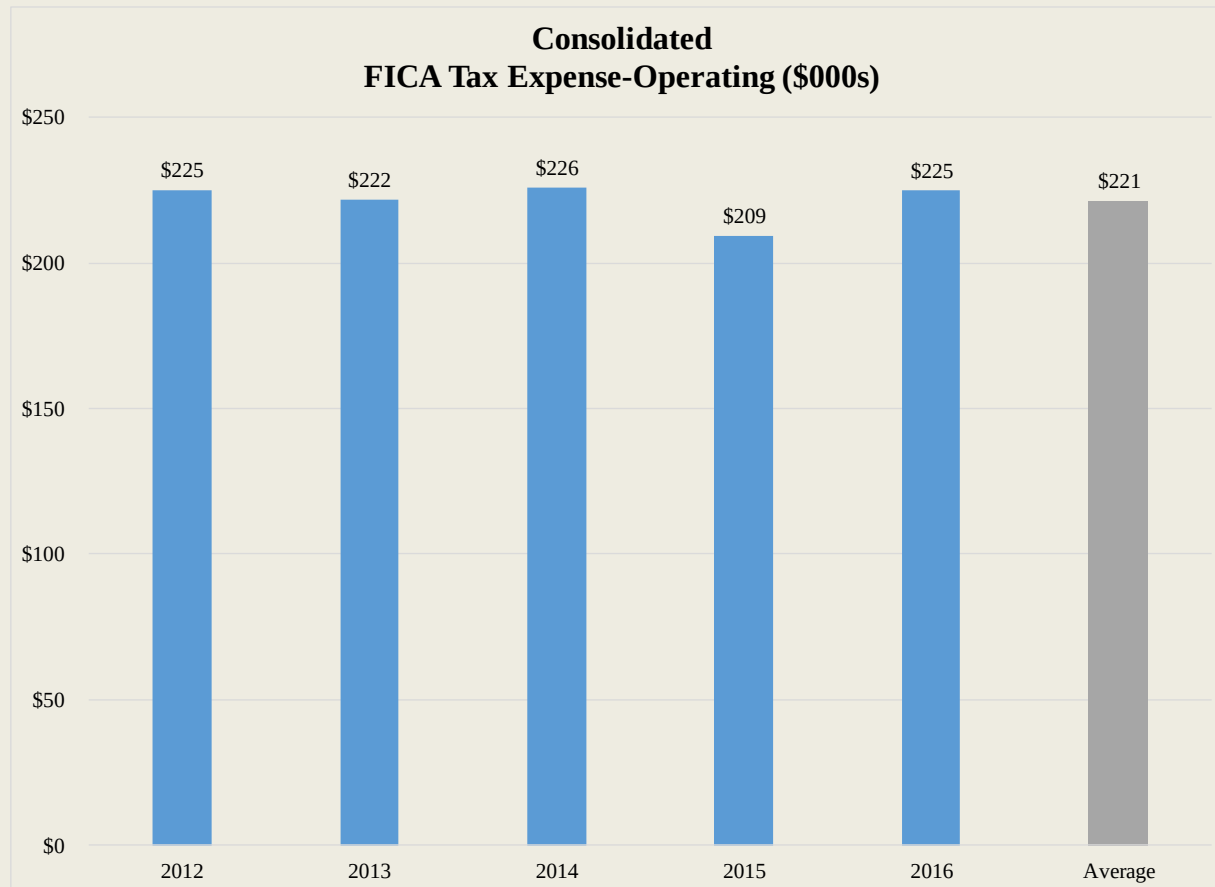


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Expenses

- FICA tax expense-operating has varied over time – five year average of \$221,000



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Expenses

- Steam & gas expense has varied over time – five year average of \$609,000

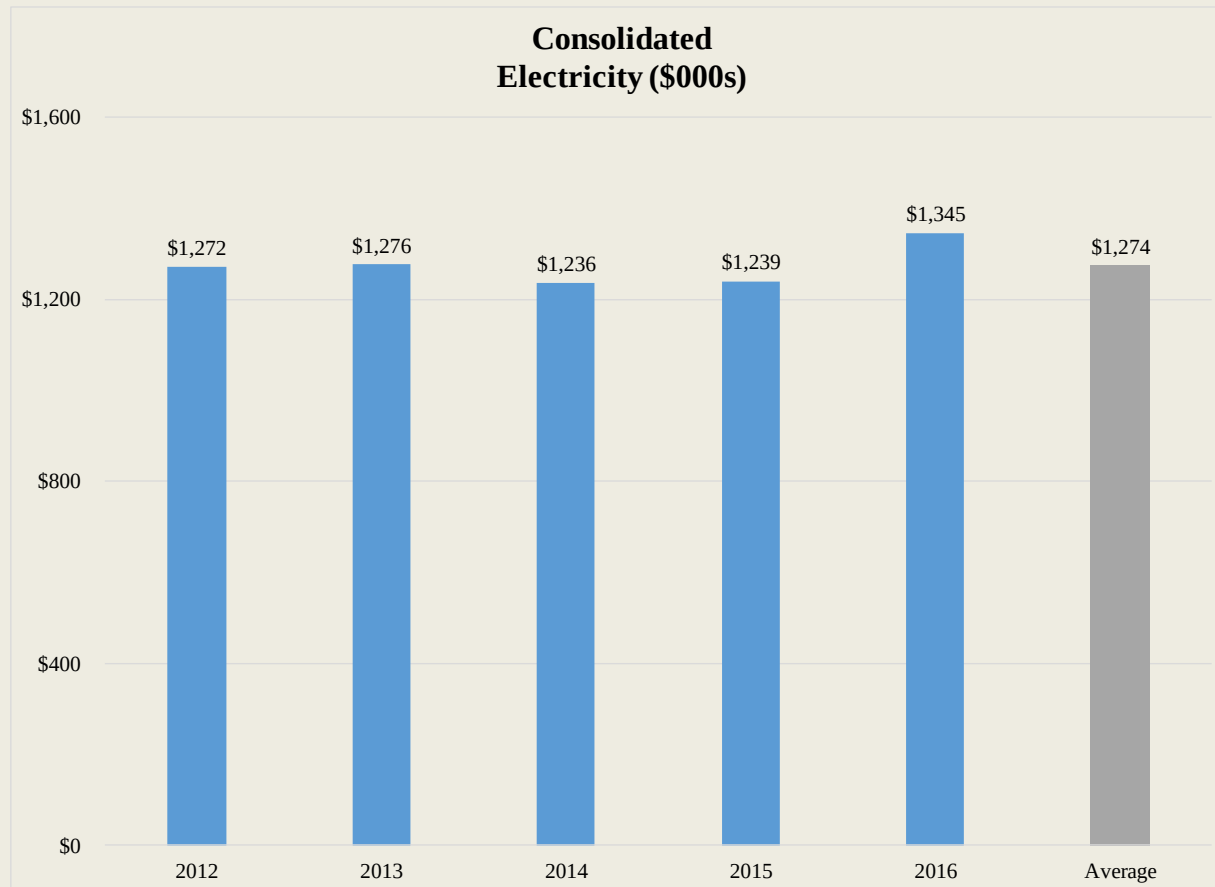


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Expenses

- Electricity expense increase significantly in 2016 – five year average of \$1.3 million



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Expenses

- Water expense has increased since 2013 – five year average of \$110,000

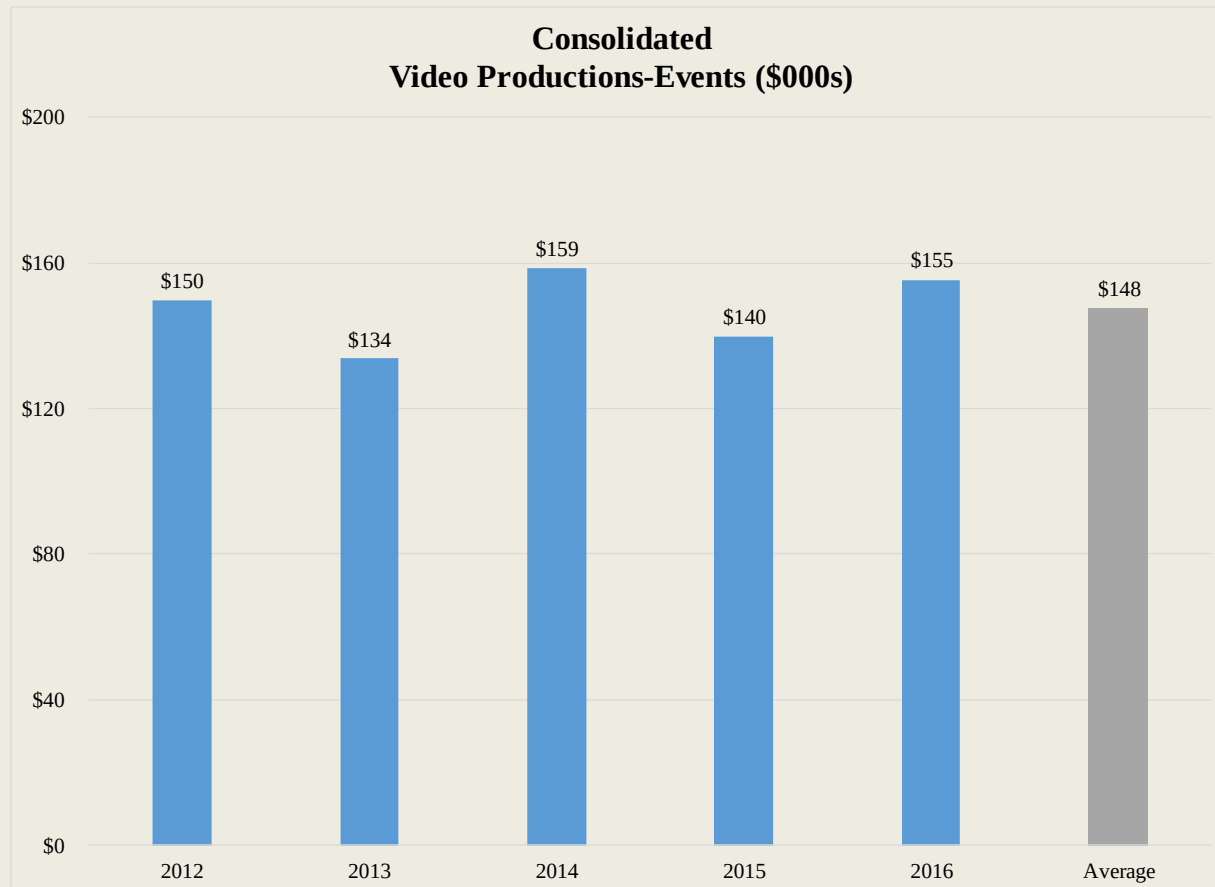


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Expenses

- Video productions-events expense has varied over time – five year average of \$148,000

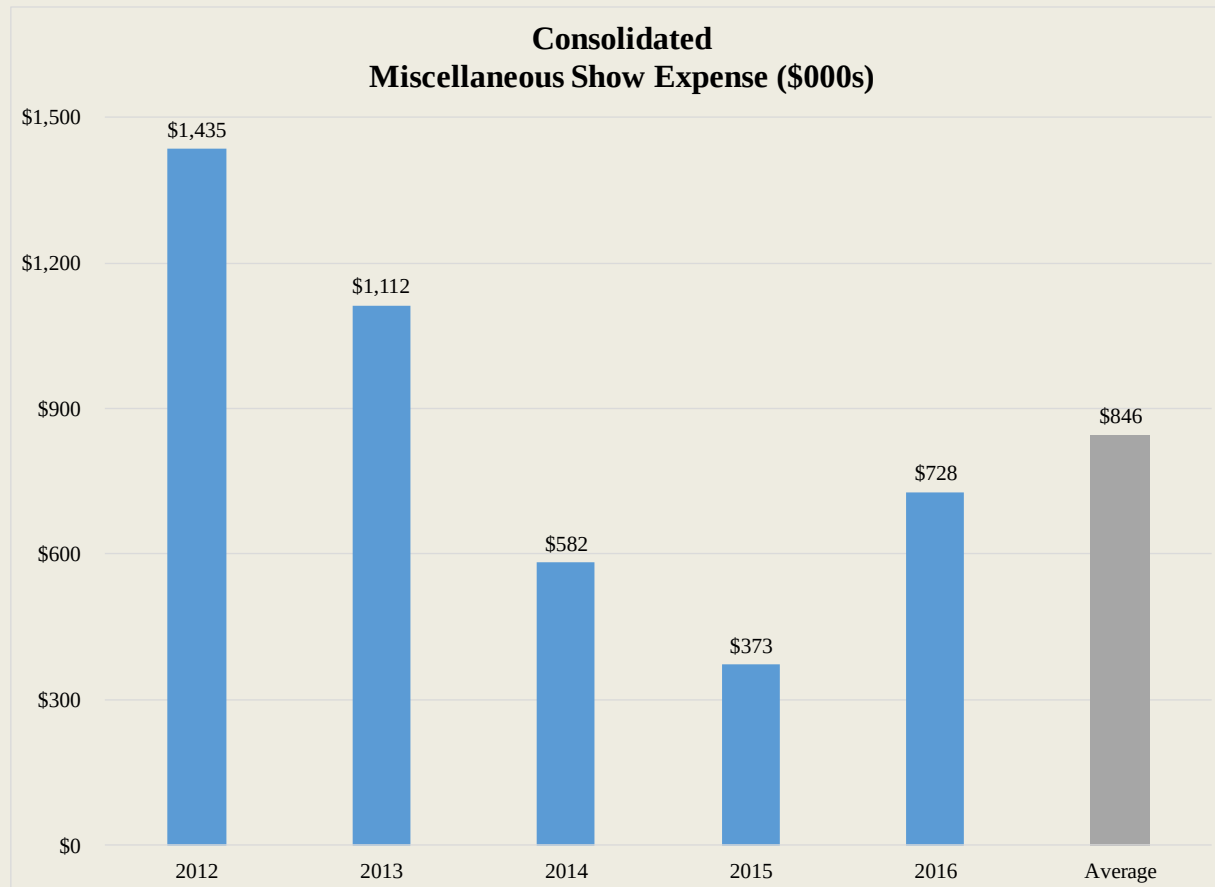


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Expenses

- Miscellaneous show expense decreased from 2012 to 2015, but increased in 2016 – five year average of \$846,000



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Expenses

- Maintenance-combined expense has decreased since 2014 – five year average of \$1.1 million



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Expenses

- Total operating expenses have generally declined over time – five year average of \$8.6 million

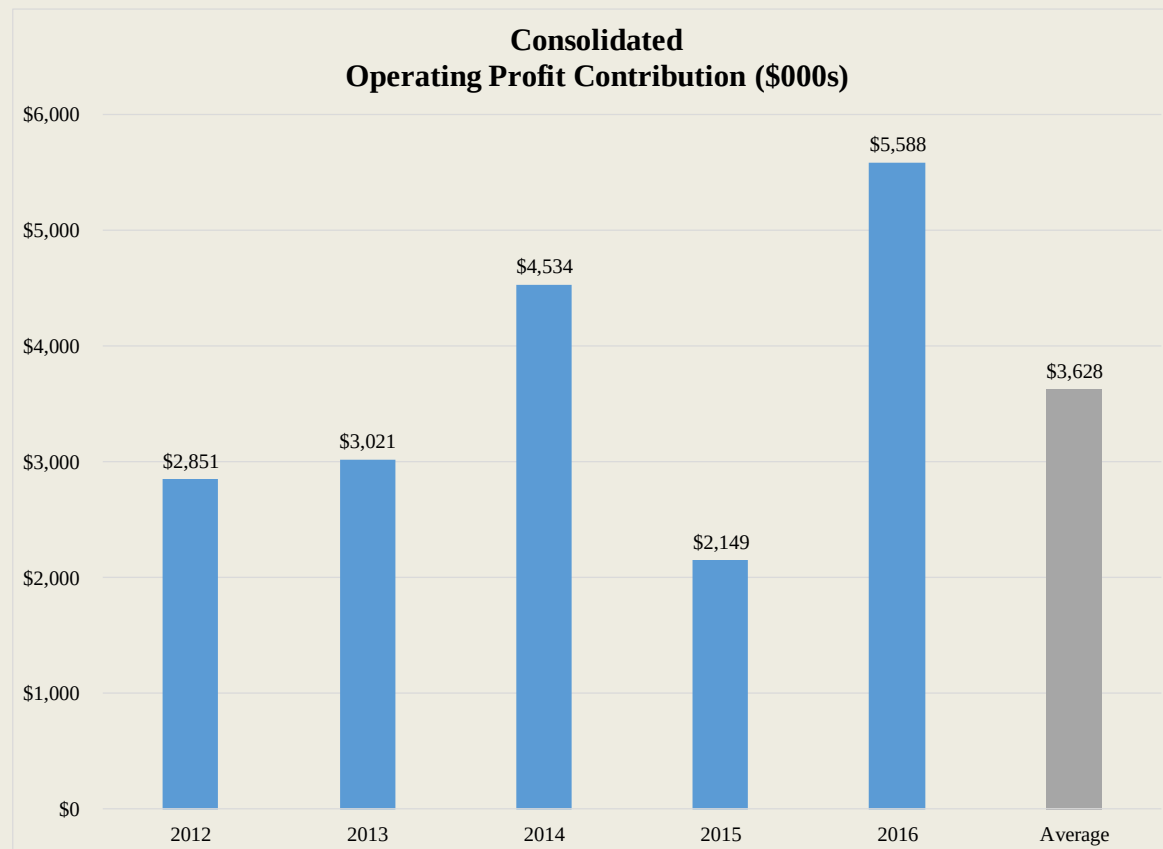


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Profit Contribution (Before G&A Allocation)

- Operating profit contribution increased significantly in 2014 and 2016 – five year average of \$3.6 million – includes \$2 million contribution from Admirals



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Operating Profit Contribution (Before G&A Allocation)

- Operating profit contribution increased significantly in 2014 and 2016 – five year average of \$3.6 million – excludes \$2 million contribution from Admirals



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Non-Operating

- Total Non-Operating Income has increased each year from 2012 to 2016
 - Average of approximately \$31.5 million

- Non-Operating Expenses have averaged approximately \$25.5 million from 2012 to 2016

FYE December	2012	2013	2014	2015	2016	Average	CAGR
Operating Revenues Over Expenses	\$2,850,548	\$3,020,816	\$4,533,526	\$2,148,793	\$5,587,807	\$3,628,298	18.3%
Total Non-Operating Income	\$27,745,575	\$29,387,264	\$31,196,945	\$33,140,007	\$35,792,209	\$31,452,400	6.6%
Total Non-Operating Expenses	\$23,021,276	\$23,690,813	\$26,162,471	\$24,569,168	\$29,850,002	\$25,458,746	6.7%
Net Income (Loss) Before Non-Cash Items	\$7,574,847	\$8,717,267	\$9,568,000	\$10,719,632	\$11,530,013	\$9,621,952	11.1%
Total Noncash Expenses	\$7,834,564	\$7,985,480	\$8,052,988	\$9,197,903	\$12,538,373	\$9,121,862	12.5%
Net Income (Loss)	(\$259,717)	\$731,787	\$1,515,012	\$1,521,730	(\$1,008,360)	\$500,091	40.4%

D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements Consolidated – Non-Operating

FYE December	2012	2013	2014	2015	2016	Average	CAGR
Operating Revenues Over Expenses	\$2,850,548	\$3,020,816	\$4,533,526	\$2,148,793	\$5,587,807	\$3,628,298	18.3%
<u>Non-Operating Income</u>							
City Room Tax	\$10,482,184	\$11,395,906	\$12,344,695	\$13,240,998	\$13,758,711	\$12,244,499	7.0%
County Room Tax	\$4,908,284	\$5,307,845	\$5,643,580	\$6,075,990	\$6,382,660	\$5,663,672	6.8%
Food & Beverage Tax	\$9,405,832	\$9,624,199	\$10,004,053	\$10,653,854	\$10,884,597	\$10,114,507	3.7%
Car Rental Tax	\$2,414,379	\$2,389,031	\$2,595,397	\$2,642,869	\$2,697,401	\$2,547,815	2.8%
Tax Revenue Administration Fee	(\$693,872)	(\$732,283)	(\$779,987)	(\$831,650)	(\$859,919)	(\$779,542)	5.5%
Interest Income	\$1,228,768	\$1,402,565	\$1,389,206	\$1,357,946	\$2,928,759	\$1,661,449	24.3%
Total Non-Operating Income	\$27,745,575	\$29,387,264	\$31,196,945	\$33,140,007	\$35,792,209	\$31,452,400	6.6%
<u>Non-Operating Expenses</u>							
Administrative Wages	\$2,147,840	\$2,180,285	\$2,183,457	\$2,148,987	\$2,309,908	\$2,194,095	1.8%
FICA Taxes	\$152,455	\$155,937	\$160,566	\$152,379	\$164,921	\$157,251	2.0%
Unemployment Taxes	\$54,698	\$66,612	\$59,668	\$34,008	\$22,651	\$47,527	-19.8%
Health Insurance	\$686,384	\$384,300	\$570,327	\$643,404	\$505,307	\$557,944	-7.4%
Health Insurance-Employee Contribution	(\$52,831)	(\$55,675)	(\$66,463)	(\$72,892)	(\$63,763)	(\$62,325)	4.8%
Life Insurance	\$17,195	\$20,559	\$12,107	\$10,647	\$11,478	\$14,397	-9.6%
Pension	\$344,879	\$352,532	\$379,112	\$390,158	\$375,143	\$368,365	2.1%
Advertising	\$112,079	\$137,127	\$166,378	\$86,319	\$125,041	\$125,389	2.8%
Promotional Items	\$31,264	\$17,609	\$48,347	\$1,458	\$1,937	\$20,123	-50.1%
Visit Milwaukee Management Fee	\$5,835,049	\$6,038,419	\$8,257,673	\$7,039,365	\$7,214,809	\$6,877,063	5.4%
Maintenance-Copier/Fax/Software	\$1,880	\$2,086	\$138	\$0	\$0	\$821	-100.0%
Office Supplies	\$7,616	\$16,441	\$15,143	\$11,210	\$18,488	\$13,780	24.8%
Legal Services	\$23,959	\$47,176	\$48,201	\$58,238	\$194,989	\$74,513	68.9%
Professional Services	\$107,068	\$64,695	\$98,619	\$81,577	\$102,739	\$90,939	-1.0%
Information Technology Expense	\$233,316	\$255,851	\$324,660	\$299,783	\$287,038	\$280,129	5.3%
Signage for Advertisers	\$760	\$440	\$0	\$0	\$0	\$240	-100.0%
Insurance	\$525,645	\$549,087	\$579,731	\$615,530	\$600,022	\$574,003	3.4%
Employee Activity Expense	\$8,052	\$10,550	\$7,886	\$26,559	\$20,655	\$14,741	26.6%
Interest Expense	\$40,060	\$29,278	\$31,262	\$57,978	\$45,193	\$40,754	3.1%
Bond Interest Expense	\$12,549,422	\$13,226,445	\$13,039,249	\$12,729,423	\$17,584,679	\$13,825,844	8.8%
Travel	\$12,293	\$18,955	\$21,806	\$25,851	\$15,394	\$18,860	5.8%
Business Meetings	\$10,673	\$15,115	\$29,064	\$32,798	\$29,467	\$23,423	28.9%
Postage	\$17,103	\$14,191	\$16,268	\$8,698	\$9,704	\$13,193	-13.2%
Recruiting	\$13,573	\$11,023	\$11,368	\$7,462	\$28,785	\$14,442	20.7%
Training Expense	\$7,237	\$3,301	\$3,051	\$12,796	\$5,221	\$6,321	-7.8%
Dues & Subscriptions	\$4,886	\$4,638	\$7,696	\$38,004	\$55,839	\$22,213	83.9%
Bad Debt Expense	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	0.0%
Miscellaneous Expense	\$104,722	\$99,837	\$133,158	\$105,427	\$160,360	\$120,701	11.2%
Total Non-Operating Expenses	\$23,021,276	\$23,690,813	\$26,162,471	\$24,569,168	\$29,850,002	\$25,458,746	6.7%
Net Income (Loss) Before Non-Cash Items	\$7,574,847	\$8,717,267	\$9,568,000	\$10,719,632	\$11,530,013	\$9,621,952	11.1%
<u>Noncash Expenses</u>							
Depreciation Expense	\$7,689,554	\$7,790,624	\$7,886,232	\$8,271,670	\$8,633,875	\$8,054,391	2.9%
Amortization-Financing Costs	\$55,453	\$105,299	\$77,198	\$836,676	\$3,795,239	\$373,973	187.6%
Amortization Expense-Surety Bond	\$89,557	\$89,557	\$89,557	\$89,557	\$109,259	\$93,498	5.1%
Total Noncash Expenses	\$7,834,564	\$7,985,480	\$8,052,988	\$9,197,903	\$12,538,373	\$9,121,862	12.5%
Net Income (Loss)	(\$259,717)	\$731,787	\$1,515,012	\$1,521,730	(\$1,008,360)	\$500,091	40.4%

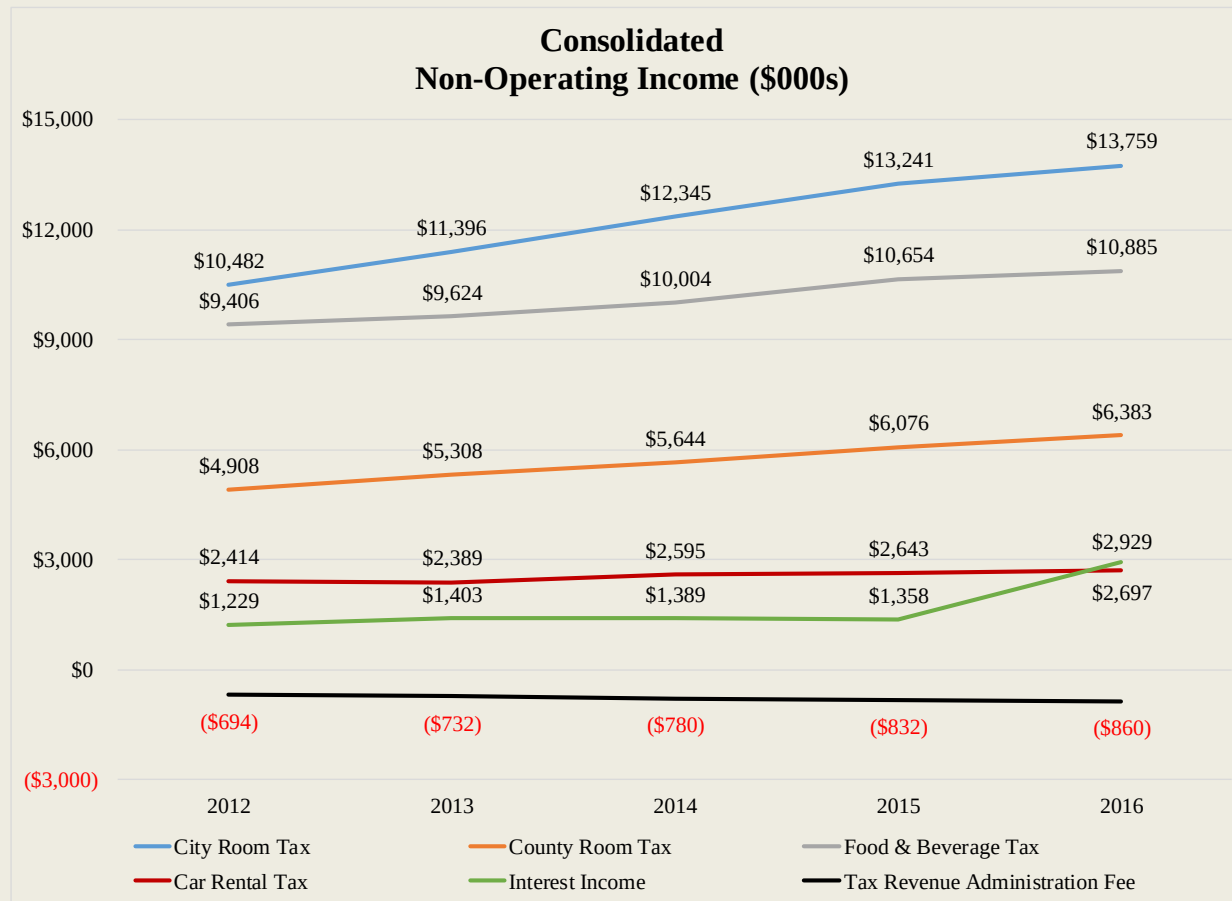
Source: WCD.

D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Non-Operating Income

- Non-operating income has generally increased over time – five year average of \$31.4 million



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Non-Operating Expenses

- Administrative wages increased in 2016 – five year average of \$2.2 million



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Non-Operating Expenses

- FICA taxes have varied over time – five year average of \$157,000

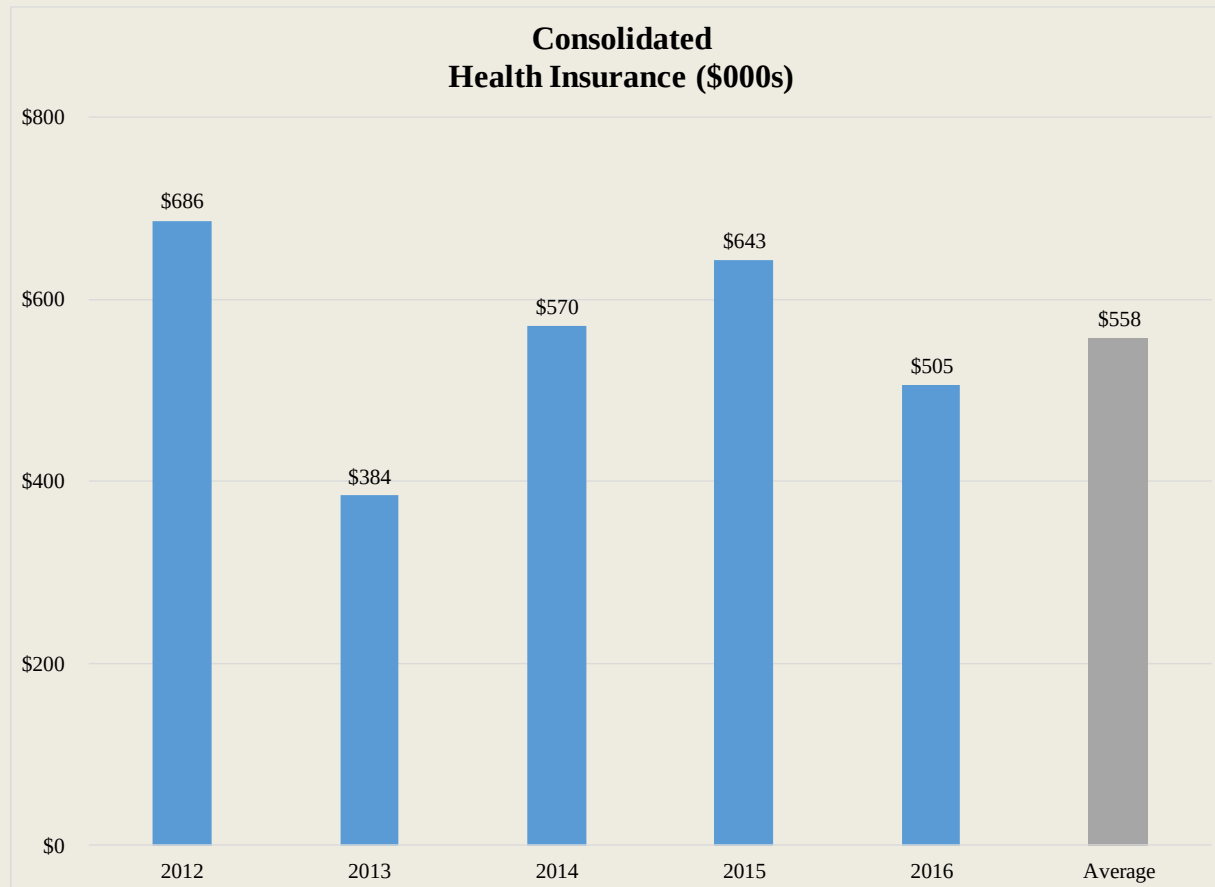


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Non-Operating Expenses

- Health insurance expense decreased significantly in 2013 – five year average of \$558,000



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Non-Operating Expenses

- Pension expense increased until 2015 then decreased in 2016 – five year average of \$368,000

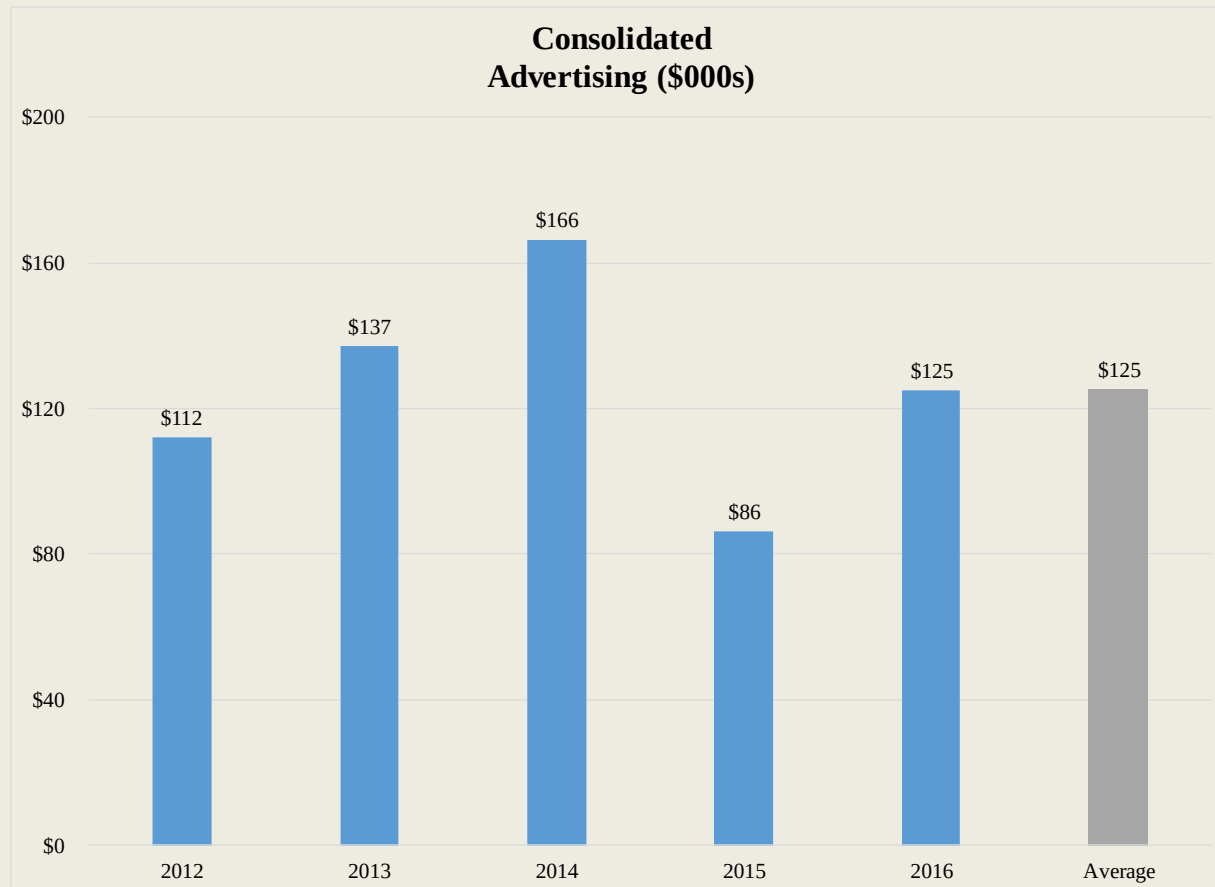


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Non-Operating Expenses

- Advertising expense decreased significantly in 2015 – five year average of \$125,000

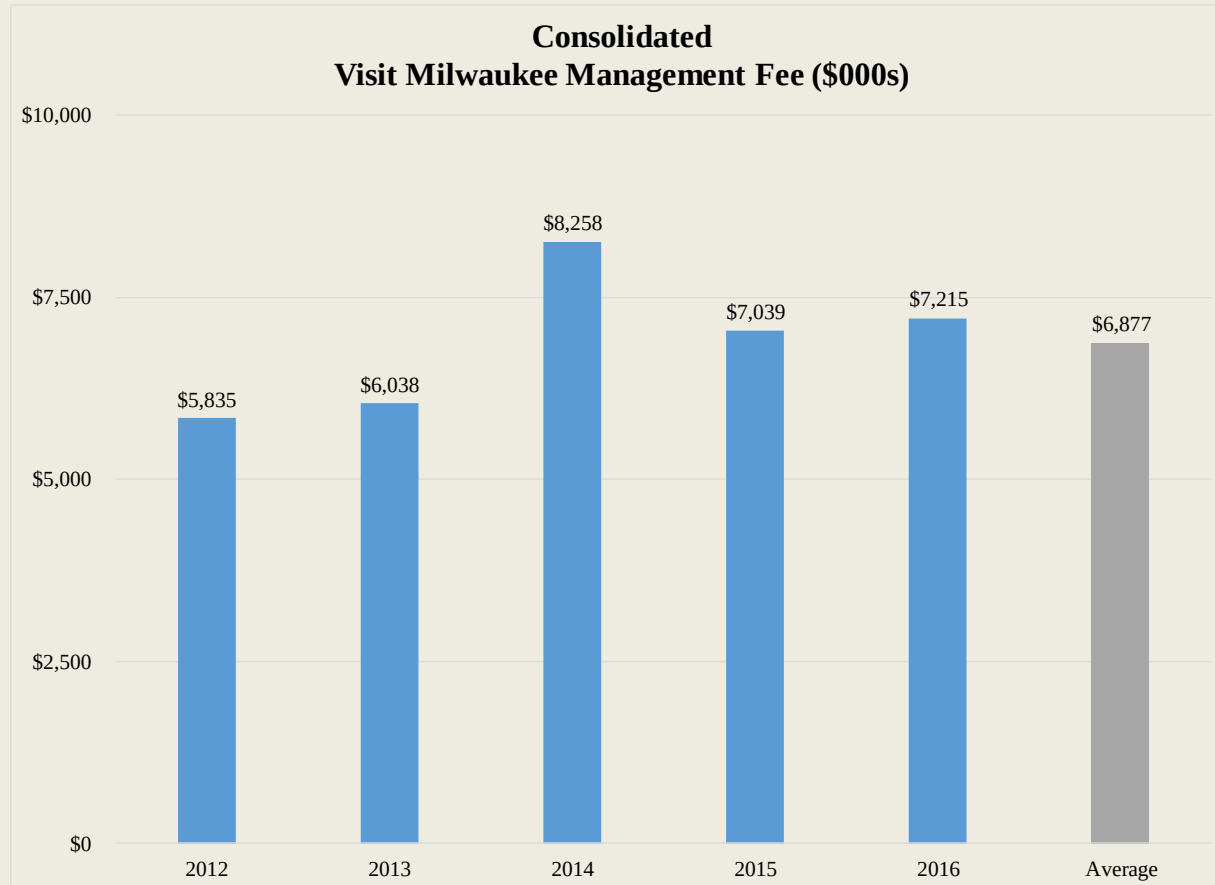


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Non-Operating Expenses

- VISIT Milwaukee Management Fee expense increased significantly in 2014 – five year average of \$6.9 million

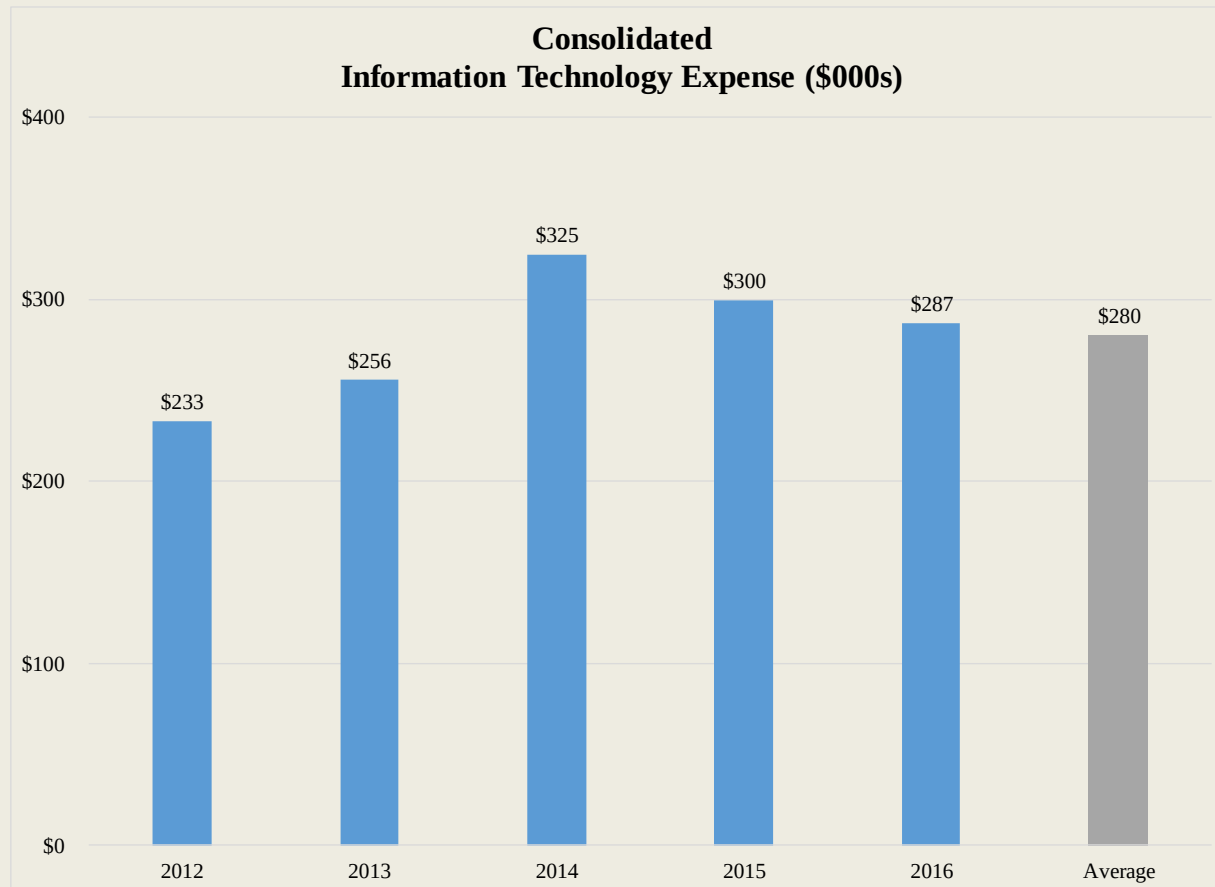


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Non-Operating Expenses

- Information technology expense has varied over time – five year average of \$280,000



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Non-Operating Expenses

- Insurance expense increased from 2012 to 2015 then decreased slightly in 2016 – five year average of \$574,000



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Non-Operating Expenses

- Bond interest expense increased significantly in 2016 due to debt incurred for new Bucks arena – five year average of \$13.8 million



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Non-Operating Expenses

- Miscellaneous expense has varied over time – five year average of \$121,000



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Non-Operating Expenses

- Total non-operating expenses have fluctuated, but increased significantly in 2016 – five year average of \$25.5 million



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Net Income (Loss) Before Non-Cash Expenses

- Net income before non-cash items has increased every year – five year average of \$9.6 million



D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Non-Cash Expenses

- Total non-cash expenses increased significantly in 2016 – five year average of \$9.1 million

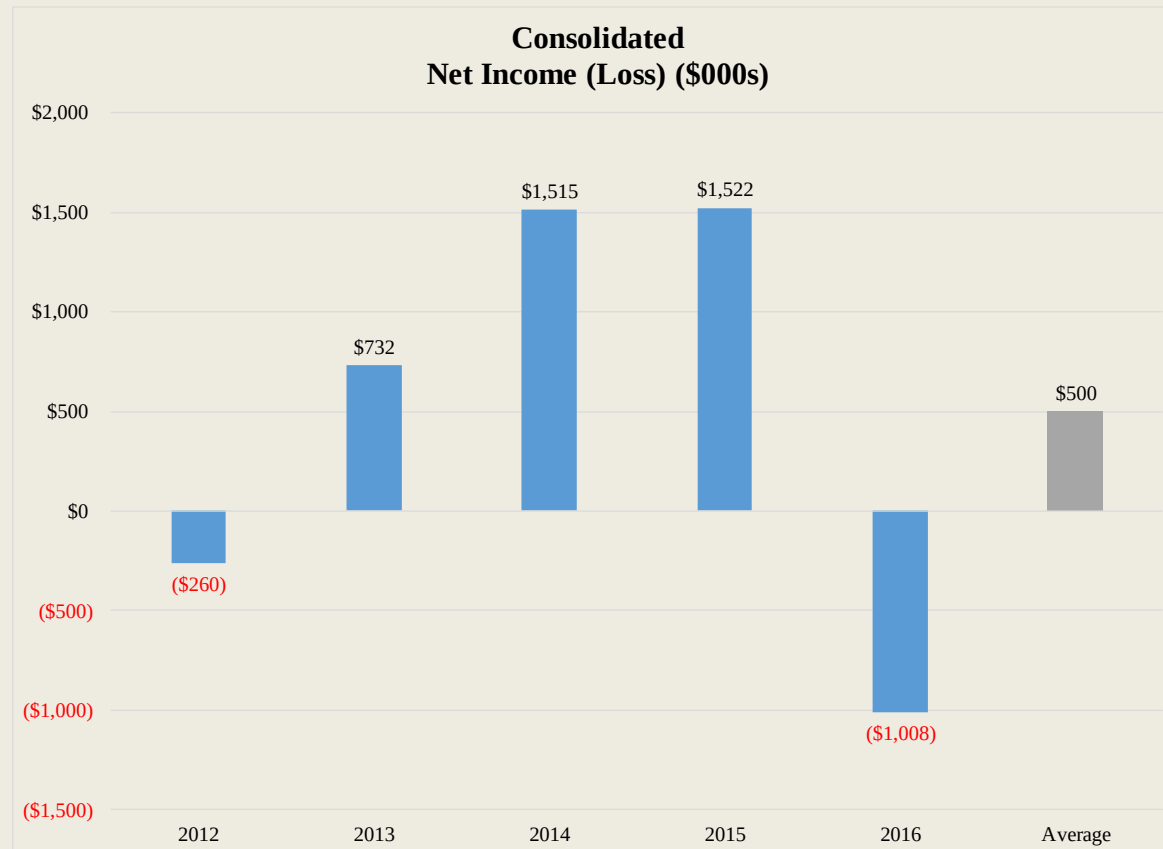


D. CONSOLIDATED STATEMENTS

Revenue and Expense Statements

Consolidated – Net Income (Loss)

- Net income (loss) has fluctuated over time – 2016 had the most significant loss of the last five years (due in part to increase in annual debt service resulting from new Bucks arena)



D. CONSOLIDATED STATEMENTS

Audited Financial Statements

Consolidated – Operating

- Total operating revenue declined significantly in 2015, leading to an increase in the operating loss
- Operating revenue decrease experienced across the board
- 2016 audited financial statements not available

FYE December	2011	2012	2013	2014	2015	Average	CAGR
Operating Revenue							
Space Rentals	\$3,201,475	\$3,282,516	\$3,208,994	\$3,683,379	\$2,887,986	\$3,252,870	-2.5%
Equipment Rentals	\$961,708	\$1,028,320	\$905,899	\$1,142,592	\$867,796	\$981,263	-2.5%
Commission on Concession Sales	\$3,149,020	\$2,799,880	\$2,574,302	\$3,248,541	\$1,962,139	\$2,746,776	-11.2%
Labor Service Revenue	\$1,305,356	\$1,022,118	\$1,192,599	\$1,043,027	\$763,476	\$1,065,315	-12.5%
Advertising Revenue	\$1,276,463	\$1,412,616	\$1,290,382	\$1,158,700	\$981,808	\$1,223,994	-6.4%
Information Technology Revenue	\$788,133	\$722,230	\$777,988	\$763,540	\$666,235	\$743,625	-4.1%
Box Office Revenue	\$554,715	\$518,504	\$462,431	\$552,824	\$367,968	\$491,288	-9.8%
Parking Revenue	\$581,258	\$584,132	\$577,603	\$711,708	\$549,826	\$600,905	-1.4%
Other	\$641,873	\$736,863	\$989,176	\$799,382	\$936,747	\$820,808	9.9%
Total Operating Revenue	\$12,460,001	\$12,107,179	\$11,979,374	\$13,103,693	\$9,983,981	\$11,926,846	-5.4%
Operating Expenses							
Allocated Expenses							
Wages	\$3,396,153	\$3,286,553	\$3,266,503	\$3,356,913	\$3,046,565	\$3,270,537	-2.7%
Utilities	\$1,941,189	\$1,885,511	\$2,036,844	\$1,991,726	\$2,033,716	\$1,977,797	1.2%
Building Maintenance and Repairs	\$1,226,832	\$1,259,648	\$1,166,603	\$1,255,570	\$1,127,857	\$1,207,302	-2.1%
Ticket Expenses	\$82,468	\$86,752	\$87,527	\$89,409	\$39,202	\$77,072	-17.0%
Other	\$1,586,102	\$1,722,075	\$1,351,976	\$896,387	\$596,025	\$1,230,513	-21.7%
Total Allocated Operating Expenses	\$8,232,744	\$8,240,539	\$7,909,453	\$7,590,005	\$6,843,365	\$7,763,221	-4.5%
Unallocated Expenses							
Administrative Salaries and Wages	\$1,883,343	\$2,147,840	\$2,180,285	\$2,183,456	\$2,148,987	\$2,108,782	3.4%
Employee Benefits	\$2,097,976	\$2,249,533	\$1,852,619	\$2,097,191	\$2,149,528	\$2,089,369	0.6%
Advertising and Promotion	\$5,522,420	\$5,977,627	\$6,193,155	\$8,467,805	\$7,131,679	\$6,658,537	6.6%
Legal Services	\$43,034	\$23,959	\$47,176	\$48,201	\$58,238	\$44,122	7.9%
Insurance	\$460,846	\$525,645	\$549,087	\$579,731	\$615,530	\$546,168	7.5%
Professional Services	\$31,400	\$107,068	\$64,695	\$98,619	\$71,577	\$74,672	22.9%
Depreciation	\$7,470,291	\$7,689,554	\$7,790,624	\$7,974,633	\$8,271,670	\$7,839,354	2.6%
Other	\$417,172	\$446,882	\$476,427	\$598,823	\$598,051	\$507,471	9.4%
Total Unallocated Operating Expenses	\$17,926,482	\$19,168,108	\$19,154,068	\$22,048,459	\$21,045,260	\$19,868,475	4.1%
Total Operating Expenses	\$26,159,226	\$27,408,647	\$27,063,521	\$29,638,464	\$27,888,625	\$27,631,697	1.6%
Operating Income/Loss	(\$13,699,225)	(\$15,301,468)	(\$15,084,147)	(\$16,534,771)	(\$17,904,644)	(\$15,704,851)	6.9%

Source: WCD Audited Financial Statements.

D. CONSOLIDATED STATEMENTS

Audited Financial Statements Consolidated – Non-Operating

- Total tax revenue has increased each year which has resulted in the change in net position to improve each year since 2012

FYE December	2011	2012	2013	2014	2015	Average	CAGR
Operating Income/Loss	(\$13,699,225)	(\$15,301,468)	(\$15,084,147)	(\$16,534,771)	(\$17,904,644)	(\$15,704,851)	6.9%
Non-Operating Income (Expense)							
Tax Revenue							
Additional Room Tax Revenue	\$9,938,361	\$10,482,184	\$11,395,906	\$12,344,694	\$13,240,998	\$11,480,429	7.4%
Basic Room Tax Revenue	\$4,698,986	\$4,908,284	\$5,307,845	\$5,643,579	\$6,075,991	\$5,326,937	6.6%
Food and Beverage Tax Revenue	\$8,901,044	\$9,405,832	\$9,624,199	\$10,004,052	\$10,653,854	\$9,717,796	4.6%
Rental Car Tax Revenue	\$2,539,854	\$2,414,379	\$2,389,031	\$2,595,397	\$2,642,869	\$2,516,306	1.0%
Total Tax Revenue	\$26,078,245	\$27,210,679	\$28,716,981	\$30,587,722	\$32,613,712	\$29,041,468	5.8%
State of Wisconsin Administrative Fee	(\$664,995)	(\$693,872)	(\$732,283)	(\$779,987)	(\$831,650)	(\$740,557)	
Net Tax Revenue	\$25,413,250	\$26,516,807	\$27,984,698	\$29,807,735	\$31,782,062	\$28,300,910	5.8%
Other Income	\$970,091	\$971,498	\$971,828	\$960,820	\$938,682	\$962,584	-0.8%
Bond Amortization and Interest Expense	(\$12,632,604)	(\$12,575,567)	(\$13,011,581)	(\$12,807,178)	(\$13,294,370)	(\$12,864,260)	1.3%
Total Non-Operating Income (Expense)	\$13,750,737	\$14,912,738	\$15,944,945	\$17,961,377	\$19,426,374	\$16,399,234	9.0%
Change in Net Position	\$51,512	(\$388,730)	\$860,798	\$1,426,606	\$1,521,730	\$694,383	133.1%

Source: WCD Audited Financial Statements.

E. LOST BUSINESS REPORTS

E. LOST BUSINESS REPORTS

Wisconsin Center – Lost Business Reports

- The WCD maintains lost business reports that track potential events and the reasons they were not hosted at WCD facilities
 - Some events would have occurred in multiple facilities and therefore are accounted for in each facility's lost business report
- From 2011 to 2016, the most common reasons for lost business (excluding no reason known and database maintenance) were date conflicts, moved dates, site competition, and high expenses
- Further analysis indicates that Minneapolis, St. Louis and Indianapolis were the most common cities where lost business went
- The most common types of lost business were meetings, conferences and seminars; conventions and tradeshow; and other event types

Summary of Lost Business Reports for the Wisconsin Center (2011-2016)				
Reason	Events		Event Days	
	Number	%	Number	%
No Reason Known	755	46%	3,879	49%
Database Maintenance	247	15%	960	12%
Date Conflict	144	9%	742	9%
Moved Dates	133	8%	528	7%
Site Competition	77	5%	314	4%
Expenses too high	67	4%	325	4%
Geographic Location	49	3%	200	3%
Not under one roof	45	3%	234	3%
Local Support	38	2%	144	2%
Hotel Rooms	36	2%	213	3%
Rent too high	24	1%	114	1%
Space	24	1%	100	1%
Poor Client Planning	7	0%	33	0%
Ticket Sales	4	0%	14	0%
Weather	3	0%	19	0%
Constructions/Renovations	1	0%	1	0%
Headquarters Hotel	1	0%	7	0%
Area Parking too expensive	1	0%	4	0%
Lack of Meeting Rooms	1	0%	9	0%
Total	1,657	100%	7,840	100%

Notes: "No Reason Known" includes "Convention Bureau Related".

Sorted in descending order by Number of Events.

Adjustments were made to the number of event days for select "Moved Dates" and "Database Maintenance" events.

Source: WCD.

E. LOST BUSINESS REPORTS

Wisconsin Center – Convention-Related Lost Room Nights

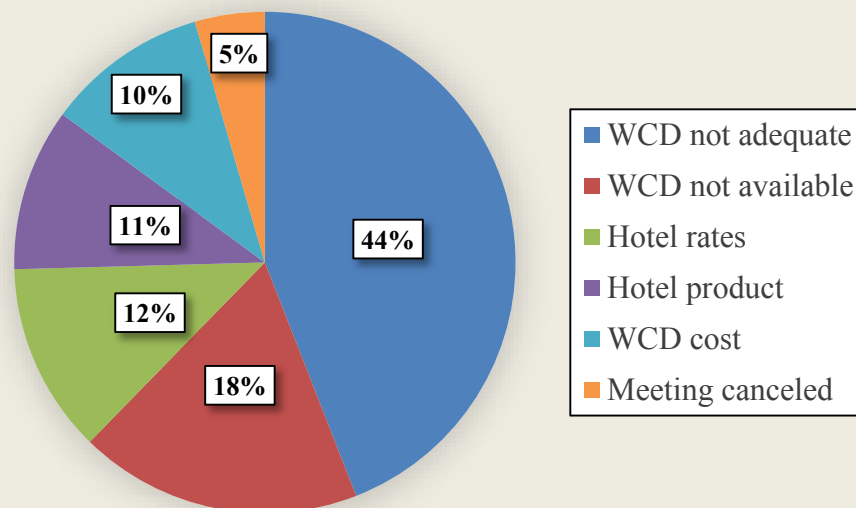
- VISIT Milwaukee also tracks lost business
- Approximately 101,700 potential room nights were lost for 2016 due to the WCD not being adequate for groups needs – reflects the highest number of lost room nights in each of the three profiled years.
- Date availability, hotel rates, and hotel product were other major reasons for lost convention-related business
- VISIT Milwaukee noted that there is no traditional rotation and, as such, Milwaukee loses business to a variety of cities
 - Minneapolis and Omaha were the most common cities that Milwaukee lost convention-related business to

Convention-Related Lost Business - Room Nights			
Reason	2016	2017	2018
WCD not adequate	101,700	53,800	70,000
WCD not available	42,100	31,300	29,100
Hotel rates	28,300	18,900	19,800
Hotel product	24,200	8,900	32,700
WCD cost	24,100	28,700	3,800
Meeting canceled	10,400	8,900	9,800
Total	230,800	150,500	165,200

Note: Sorted in descending order by room nights lost for 2016.

Source: VISIT Milwaukee.

2016 Distribution of Convention-Related Lost Business



E. LOST BUSINESS REPORTS

UW-Milwaukee Panther Arena – Lost Business Reports

- From 2011 to 2016, the most common reasons for lost business (excluding no reason known and database maintenance) were moved dates, date conflicts and high expenses
- Further analysis of the WCD lost business report shows that business was most frequently lost to the Klotsche Center – UWM, Rave/Eagles Club and Bradley Center
- The most common types of lost business were concerts, entertainment, and other events

Summary of Lost Business Reports for the UW-Milwaukee Panther Arena (2011-2016)				
Reason	Events		Event Days	
	Number	%	Number	%
Moved Dates	136	33%	391	32%
Database Maintenance	112	27%	262	21%
No Reason Known	91	22%	316	26%
Date Conflict	33	8%	103	8%
Expenses too high	15	4%	28	2%
Local Support	8	2%	19	2%
Site Competition	6	1%	12	1%
Space	4	1%	21	2%
Hotel Rooms	3	1%	22	2%
Ticket Sales	3	1%	11	1%
Rent too high	2	0%	13	1%
Geographic Location	1	0%	8	1%
Not under one roof	1	0%	8	1%
Lack of Meeting Rooms	1	0%	9	1%
Total	416	100%	1,223	100%

Notes: "No Reason Known" includes "Convention Bureau Related".

Sorted in descending order by Number of Events.

Adjustments were made to the number of event days for select "Moved Dates" and "Database Maintenance" events.

Source: WCD.

E. LOST BUSINESS REPORTS

Milwaukee Theatre – Lost Business Reports

- From 2011 to 2016, the most common reasons for lost business at the Milwaukee Theatre (excluding no reason known and database maintenance) were moved dates, date conflicts, and site competition
- Further analysis of the WCD lost business report shows that business was most frequently lost to the Riverside Theater
- The most common types of lost business were concerts and entertainment; meetings, conferences and seminars; and other event types

Summary of Lost Business Reports for the Milwaukee Theatre (2011-2016)				
Reason	Events		Event Days	
	Number	%	Number	%
Moved Dates	363	46%	1,114	46%
No Reason Known	184	23%	591	24%
Database Maintenance	112	14%	240	10%
Date Conflict	63	8%	237	10%
Site Competition	25	3%	62	3%
Space	11	1%	56	2%
Local Support	7	1%	19	1%
Expenses too high	6	1%	9	0%
Rent too high	5	1%	18	1%
Ticket Sales	4	1%	21	1%
Not under one roof	3	0%	16	1%
Geographic Location	2	0%	17	1%
Headquarters Hotel	1	0%	4	0%
Hotel Rooms	1	0%	9	0%
Total	787	100%	2,413	100%

Notes: "No Reason Known" includes "Convention Bureau Related".
Sorted in descending order by Number of Events.
Adjustments were made to the number of event days for select "Moved Dates" and "Database Maintenance" events.

Source: WCD.

E. LOST BUSINESS REPORTS

All Lost Business – Room Nights & Economic Impact

- VISIT Milwaukee also maintains a database of lost business at WCD facilities
- Reasons for lost business include:
 - Board of directors decision
 - City's image
 - Date conflicts
 - Geographic location
 - Hotel deficiencies
 - Lack of local support
 - WCD being inadequate or unavailable
- From 2015 to 2017, there are a total of approximately 1.2 million requested rooms that were not/will not be realized for an estimated economic impact of \$773.8 million

WCD Lost Business By Year		
Year	Requested Rooms	EEI Value
2015	393,200	\$243,003,000
2016	441,000	\$275,935,000
2017	407,600	\$254,906,000
Total	1,241,800	\$773,844,000

Notes: EEI represents estimated economic impact.

Amounts are rounded.

Source: VISIT Milwaukee.

E. LOST BUSINESS REPORTS

Lost Business Due to Physical Product/Date Availability

- The following chart displays lost business at all WCD facilities due to inadequate or unavailable space
- The majority of this event activity would have occurred in the Wisconsin Center and includes multiple event types: conventions, conferences, annual corporate meetings and sporting events
- In aggregate, these lost events could have potentially resulted in approximately 334,800 room nights and an estimated economic impact of more than \$209.6 million

WCD Lost Business Due to Physical Product/Date Availability				
Year	Number of Events	Requested Rooms	Total Attendance	Estimated Economic Impact
2014	2	1,700	700	\$1,042,700
2015	6	21,400	24,200	\$13,383,000
2016	15	71,000	67,300	\$44,475,600
2017	10	43,900	30,800	\$27,507,400
2018	14	69,100	27,200	\$43,287,000
2019	8	46,200	21,100	\$28,914,600
2020	4	42,100	9,800	\$26,352,600
2021	2	22,900	6,000	\$14,316,700
2022	2	16,500	6,000	\$10,348,800
Total	63	334,800	193,100	\$209,628,400

Notes: Amounts are rounded.

Data is as of February 2017.

Source: VISIT Milwaukee.

E. LOST BUSINESS REPORTS

Lost Business Due to Physical Product/Date Availability

- Further analysis reveals that during the profiled period approximately 43% of the events, 77% of the requested rooms, 53% of the total attendance, and 77% of the economic impact were attributable to the physical product including inadequate space and not meeting the group's needs
- Date availability accounted for the remaining lost business which was more weighted towards the number of events and total attendance as compared to requested rooms and economic impact

WCD Lost Business Due to Physical Product/Date Availability				
Reason	Number of Events	Requested Rooms	Total Attendance	Estimated Economic Impact
Physical Product	27	257,200	102,500	\$ 161,099,100
WCD Space Not Available	36	77,500	90,500	\$ 48,529,400
Total	63	334,700	193,000	\$209,628,500
Physical Product	43%	77%	53%	77%
WCD Space Not Available	57%	23%	47%	23%
Total	100%	100%	100%	100%

Notes: Amounts are rounded.

Data is as of February 2017.

Source: VISIT Milwaukee.

F. KEY AGREEMENT SUMMARIES

F. KEY AGREEMENT SUMMARIES

Overview

- Staffing levels can vary greatly between complexes/facilities depending on management's philosophy/structure as to which services should be provided in house and which should be contracted through a third party. Key agreements/contracts were reviewed to develop an understanding of contractual relationships associated with WCD facilities. The slides that follow summarize the following WCD third party agreements:
 - VISIT Milwaukee – marketing and booking services
 - Levy Restaurants – food and beverage services
 - Conference Technologies, Inc. – business and audio/visual services
 - American Security – security services
 - Ticketmaster – ticketing software
 - UW-Milwaukee – partnership agreement
 - Milwaukee Admirals – license agreement
 - Milwaukee Wave – license agreement

The following are summaries of key terms, please refer to actual agreements for details.

F. KEY AGREEMENT SUMMARIES

VISIT Milwaukee – Marketing and Booking Services

■ Term

- Agreement signed May 16, 2011 and extends through December 31, 2018
- There is an automatic extension for a two-year period through December 31, 2020

■ Scope of Services

- Book conventions, meetings and tradeshow at WCD facilities with priority on all dates more than 18 months in the future
- Prepare a long-range Strategic Marketing Plan that is revised annually
- Prepare an annual tactical marketing plan
- Send sales leads to WCD
- Provide high-quality, customer-oriented convention and visitor services to Milwaukee hospitality industry users
- Act as a coordinating entity for activities of the hospitality industry within the Metro Milwaukee Area

F. KEY AGREEMENT SUMMARIES

VISIT Milwaukee – Marketing and Booking Services (continued)

■ Compensation

- VISIT Milwaukee will receive one half of one percent of Milwaukee County Hotel Tax
- In addition, VISIT Milwaukee receives either a minimum or a calculated base, which is based on a percentage of City Hotel Tax Collections
- Incentive Package that is based on room nights, room fees and food and beverage revenues relate to VISIT Milwaukee and “Team” Bookings

F. KEY AGREEMENT SUMMARIES

Levy Restaurants – Food and Beverage Services

■ Term

- July 1, 2008 – June 30, 2015
- On April 28, 2015, WCD renewed the three-year option, the Caterer contract will expire June 30, 2018

■ Scope of Services

- Caterer shall be the exclusive provider of concessions, catering, novelties and food and beverage service for the WCD facilities

F. KEY AGREEMENT SUMMARIES

Levy Restaurants – Food and Beverage Services (continued)

■ Compensation

- Fixed Fee – \$165,000 per year
- Incentive Fee – Amount equal two (2%) of Gross Revenues for the first, second and third accounting years and an amount equal to three (3%) of Gross Revenues for the fourth through seventh Accounting Years and any Option Years. Gross Revenues means all receipts derived by Caterer from the provision of Services except any sums paid out for any separately stated sales or excise tax.

■ Food Service and Novelty Operations

- Caterer will set aside one (1%) of Gross Revenues each month for marketing, advertising and promotion of Caterer's catering services – WCD approves expenditures

F. KEY AGREEMENT SUMMARIES

Levy Restaurants – Food and Beverage Services (continued)

■ Caterer's Investment

- Caterer made a previous investment of \$1,500,000 to fund improvements to the WCD Facilities. The remaining unamortized amount of the foregoing investment by Caterer as of the effective date is \$750,000 which amount shall be reimbursed by the WCD to the Caterer by amortizing the same over 120 months on a straight line basis without interest and such amortized amount shall be included in Direct Operating Costs on a monthly basis.
- Caterer shall provide an additional grant in the amount of \$550,000. A minimum of \$100,000 will be allocated to refresh the concessions of the three (3) permanent concession stands. In the event the Agreement is terminated prior to the completion of the tenth (10th) contract year, then the additional grant shall be amortized over a 10-year term for purposes of buyback protection and the unamortized portion of the additional grant shall be repaid to the Caterer by the WCD as a pre-condition to the effectiveness of termination.

F. KEY AGREEMENT SUMMARIES

Conference Technologies, Inc. (CTI) – Business and Audio/Visual Services

■ Term

- January 1, 2016 to December 31, 2016
- Agreement may be extended for three (3) years at the initial expiration date as long as notice is provided to WCD 180 days before the term expires exercising such rights
- Length of Agreement extensions may be changed to a length mutually agreed upon by both parties – one year extension was mutually agreed upon

F. KEY AGREEMENT SUMMARIES

Conference Technologies, Inc. (CTI) – Business and Audio/Visual Services (continued)

■ Scope of Services

- In 2015, CTI acquired Universal Audio Visual Productions and expanded event solutions in Milwaukee
- Operate and maintain a Business Service Center and an audio/visual and multimedia sales, service and rental center at the WCD for all phases of the convention center complex, which includes the Center, Theatre and the Arena
 - Business Center will be complimentary and self-service – CTI will provide computers, copiers and internet
 - AV Business – CTI will rent a wide variety of current portable audio/visual equipment and provide related operational and maintenance services of the equipment for any and all exhibitors and clients of the Center on a first-come/first-served basis
 - All equipment stocked at the WCD will be current

F. KEY AGREEMENT SUMMARIES

Conference Technologies, Inc. (CTI) – Business and Audio/Visual Services (continued)

■ Commission, Payment Arrangements and Responsibilities

■ AV Business

- Twenty-five (25%) percent of monthly gross revenues up to \$1,000,000
- Thirty (30%) percent of monthly gross revenues from \$1,000,000 to \$1,200,000
- Thirty-five (35%) percent of monthly gross revenues at \$1,200,001 and above
- CTI will pay WCD a commission as set forth above on any income attributable to the rental of Equipment that CTI receives from any other venue in Milwaukee, WI, if the services generating that income are directly related to ongoing business at the WCD
- CTI will provide one (1) complimentary podium and microphone for WCD clients contractually given that incentive in the Ballroom or Theatre Rotunda per Levy Restaurants' contracts

F. KEY AGREEMENT SUMMARIES

Conference Technologies, Inc. (CTI) – Business and Audio/Visual Services (continued)

- Monthly Audio/Visual Management Fee – \$2,000
 - This amount shall be billed by CTI to WCD each month for the duration of the contract as well as pending extensions
- Licensed Space and Fees
 - WCD grants a license to CTI for the following spaces: CTI Office, Business Center, Cage Storage, Recording/Satellite/Amp Room, AV storage and Hallway storage
 - Fee for the CTI office and Business Center – \$1,150/month
 - Fee for storage areas – \$3,950/month
- Advertising Space Fee – CTI will pay to WCD \$4,300 per month

F. KEY AGREEMENT SUMMARIES

American Security – Security Services

- Term
 - January 1, 2015 – January 1, 2018
- Contract provides for service furnished at the WCD Facilities
- Schedule, shifts, number of Security Officers per shift
 - Two uniformed, unarmed security officers providing on-site security services 24 hours per day, seven days per week, for a total of 336 hours per week
- Fees
 - Regular charge for Security Officers shall be \$15.84 per hour, per officer
 - WCD agrees to pay American Security a sum equal to one and one-half times the regular rate for Security Officers for any Client requested service hours in excess of regularly schedule hours and for service on the six major holidays

F. KEY AGREEMENT SUMMARIES

Ticketmaster – Ticketing Software

- Term
 - On June 30, 2015, Ticketmaster extended the term of the Licensed User Agreement, which was scheduled to expire on December 31, 2015, until December 31, 2021
- Ticketmaster is the Exclusive Ticket Seller for all Telephone, Internet and Outlets Sales
- WCD retains the right to sell Tickets via the Facility Box Office
- On July 1, 2015, Ticketmaster paid WCD \$75,000 as a recoupable advance against portions of the Convenience Charges, Processing and Mail Fee
- Ticketmaster will charge a Convenience Fee between \$3.50 - \$5.00 per ticket that is bought via Internet, Telephone or Outlet
- In the event Live Nation Entertainment presents two (2) or more Attractions at the Facility during any given Contract Year, the then-current Convenience Fee shall be subject to automatic increase. For Tickets to Sports and Family Attractions – an increase of \$0.10 per ticket. For Tickets to Concerts, Theater and all other attractions – an increase of \$0.25 per ticket.

F. KEY AGREEMENT SUMMARIES

Ticketmaster – Ticketing Software (continued)

■ Convenience Charge and Processing Fee

- If the per Ticket Convenience Charges in any single transaction for Tickets to Sports and Family Attractions exceeds the amount of \$7.00 per Ticket, then WCD and Ticketmaster shall each retain fifty (50%) of any amount in excess. For Tickets to Concert, Theater and all other Attractions exceed the amount of \$10.00 per Ticket, then WCD and Ticketmaster shall each retain fifty (50%) of any amount in excess.
- Charges and fee with respect to any attractions presented by Feld Entertainments at the Facility shall be determined pursuant to a separate national agreement between Ticketmaster and Feld Entertainment.

■ Payment Processing Fees

- Payment Authorization and Processing Fee – 2.61% of the Face Value of all Tickets
- Mail Fee – \$2.25 per order

■ TM Messenger

- Ticketmaster shall provide WCD with TM Messenger services in exchange for an annual subscription fee, ranging from \$3,500 – \$49,000 based on volume of emails sent using TM Messenger.

F. KEY AGREEMENT SUMMARIES

UW-Milwaukee Panthers

- Term: 10 Years
 - 2014-15 to 2023-24

- UWM can use facility for graduations for \$6,000-\$8,000 and has the right to hold three other events per year

		<u>Amount Paid by Team</u>
Arena Rent		
Minimum Rent		Not Applicable
Base Rent		\$11,000 - (1)
Additional Rent		Not Applicable
Taxes/Surcharges		
Ticket Sales Tax		5.6%
Ticket Surcharge		\$1.50 - (2)
Admissions Tax		Not Applicable
Parking Tax/Surcharge		5.6%
Revenue Sharing	<u>WCD Share</u>	<u>Team Share</u>
Concessions	100%	0%
Novelties	0%	100%
Advertising – Game Day Advertising	Nominal	100%
Advertising – Permanent	(3)	(3)
Naming Rights	100% - (4)	0% - (4)
Parking (Net)	70%	30%
Arena Expenses		
Game Day Operating Expenses	Shared	Shared
Annual Operating Expenses	100%	0%
Capital Repairs/Improvements	100%	0%

F. KEY AGREEMENT SUMMARIES

UW-Milwaukee Panthers

1) Per Game License Fee:

First five years: \$11,000

Next five years: \$12,000

Renewal five years: \$12,500

Team can earn a Paid Attendance Incentive Rebate of \$1,000-\$10,000 per game (excludes complimentary tickets)

2,500-2,999	\$1,000
3,000-3,499	\$1,500
3,500-3,999	\$2,000
4,000-4,499	\$4,000
4,500-4,999	\$6,000
5,000-5,499	\$6,500
5,500-5,999	\$7,000
6,000-6,499	\$7,500
6,500-6,999	\$8,000
7,000-7,999	\$8,500
8,000-8,999	\$9,000
9,000-9,999	\$9,500
10,000+	\$10,000

F. KEY AGREEMENT SUMMARIES

UW-Milwaukee Panthers

- 2) Facility Fee increases from \$1.50 to \$2.00 after five seasons.
- 3) District receives 100% of Fixed Ad revenue sold by the District and 20% of that sold by UWM
- 4) Naming Rights Payment by UWM to WCD:
 - Years 1-3: \$300,000
 - Years 4-7: \$350,000
 - Years 8-10: \$375,000
 - Renewal five years: \$400,000

F. KEY AGREEMENT SUMMARIES

Milwaukee Admirals

- Term: 10 Years
 - 2016-17 to 2025-26
 - One renewal term for five years by mutual agreement

Arena Rent	<u>Amount Paid by Team</u>	
Minimum Rent	Not Applicable	
Base Rent	\$1,500/\$2,500 - (1)	
Additional Rent	Not Applicable	
Taxes/Surcharges		
Ticket Sales Tax	5.6%	
Ticket Surcharge	\$2.00 - (2)	
Admissions Tax	Not Applicable	
Parking Tax/Surcharge	5.6%	
Revenue Sharing	<u>WCD Share</u>	<u>Team Share</u>
Concessions	(3)	(3)
Novelties	25%	75%
Advertising – Game Day Advertising	0%	100%
Advertising – Permanent	100%	0%
Naming Rights	100%	0%
Parking (Net)	70%	30%
Arena Expenses		
Game Day Operating Expenses	Shared	Shared
Annual Operating Expenses	100%	0%
Capital Repairs/Improvements	100%	0%

F. KEY AGREEMENT SUMMARIES

Milwaukee Admirals

1) Per Game License Fees

Weekday:

First five years: \$1,500

Next five years: \$1,800

Renewal five years: \$2,000

Weekend:

First five years: \$2,500

Next five years: \$3,000

Renewal five years: \$3,500

Team pays \$1,000 per game in October if drop count is below 4,000

2) Facility Event Use Fee increases from \$2.00 to \$2.50 after five seasons. After 4,000 paid attendees, fee is split.

3) Team receives 26-41% of gross concession revenue, depending on attendance.

Less than 1,999: 26%

2,000-4,999: 33.5%

5,000+: 41%

F. KEY AGREEMENT SUMMARIES

Milwaukee Wave

- Term: 5 Years
 - 2015-16 to 2019-20

- Games: Estimated to be 14 per season plus a preseason game and playoffs

		<u>Amount Paid by Team</u>
Arena Rent		
Minimum Rent		Not Applicable
Base Rent		\$6,200 - (1)
Additional Rent		Not Applicable
Taxes/Surcharges		
Ticket Sales Tax		5.6%
Ticket Surcharge		(2)
Admissions Tax		Not Applicable
Parking Tax/Surcharge		5.6%
Revenue Sharing	<u>WCD Share</u>	<u>Team Share</u>
Concessions	80% - (3)	20% - (3)
Novelties	Negotiated Separately	Negotiated Separately
Advertising – Game Day Advertising	(4)	(4)
Advertising – Permanent	100%	0%
Naming Rights	100%	0%
Parking (Net)	No Charge	No Charge
Arena Expenses		
Game Day Operating Expenses	Shared	Shared
Annual Operating Expenses	100%	0%
Capital Repairs/Improvements	100%	0%

F. KEY AGREEMENT SUMMARIES

Milwaukee Wave

1) License Fee:

2015-16: \$6,200 Per Game

2016-17: \$6,400 Per Game

2017-18: \$6,600 Per Game

2018-19: \$6,800 Per Game

2019-20: \$7,000 Per Game

2) Facility Fee:

First 1,500 paid tickets: \$1.50

Second 1,500 paid tickets: \$1.00

Additional tickets over 3,000: None

3) Team is rebated 20% of net F&B revenue after the first \$3,000

4) Team receives 100% of advertising revenues from the turf and 50% of revenues from video, scoreboard, concourses, and others.

G. CAPITAL REPAIRS HISTORY

G. CAPITAL REPAIRS HISTORY

Capital Budget Spending

- Historical and proposed capital budget spending is summarized below
- WCD has over \$15.9 million in capital budget spending proposed for 2017 and beyond

Capital Budget Spending - Final					
	Arena	Theatre	Convention Center	All/Multiple	Total
2011	\$195,626	\$298,256	\$873,853	\$12,224	\$1,379,959
2012	\$769,157	\$104,469	\$1,609,523	\$43,089	\$2,526,238
2013	\$477,284	\$498,581	\$1,423,477	\$109,423	\$2,508,765
2014	\$1,025,327	\$169,253	\$874,105	\$55,128	\$2,123,813
2015	\$754,796	\$111,437	\$284,605	\$150,284	\$1,301,122
2016	\$1,436,912	\$72,925	\$250,455	NA	\$1,760,292
Total	\$4,659,102	\$1,254,921	\$5,316,018	\$370,148	\$11,600,189
Average	\$776,517	\$209,153	\$886,003	\$74,030	\$1,933,365

Note: 2016 data was provided from a different source.

Source: WCD.

Capital Budget Spending - Proposed					
	Arena	Theatre	Convention Center	All/Multiple	Total
2017	\$1,362,000	\$334,735	\$2,054,000	\$923,600	\$4,674,335
2018	\$1,326,000	\$190,000	\$1,285,000	\$603,000	\$3,404,000
2019	\$184,000	\$235,000	\$2,330,000	\$393,500	\$3,142,500
2020	\$130,000	\$790,000	\$2,195,000	\$395,000	\$3,510,000
2021	\$30,000	\$350,000	\$815,000	\$0	\$1,195,000
Total	\$3,032,000	\$1,899,735	\$8,679,000	\$2,315,100	\$15,925,835
Average	\$606,400	\$379,947	\$1,735,800	\$463,020	\$3,185,167

Note: Items below the total line in each year are not included.

Source: WCD.

H. SITE VISIT OBSERVATIONS

H. SITE VISIT OBSERVATIONS

Overview

- We have completed event audits for the following events
- Wisconsin Center
 - Mothers of Preschoolers International Convention – September 30, 2016
 - Working Together Emergency Services Midwest Conference & Exposition - January 26, 2017
- UW-Milwaukee Panther Arena
 - UWM vs. Cleveland State – January 20, 2017
 - Admirals vs. Rockford IceHogs and The Eli Young Band post-game concert – February 10, 2017
- Milwaukee Theatre
 - Frankie Valli & The Four Seasons – November 17, 2016

H. SITE VISIT OBSERVATIONS

Wisconsin Center

- Facility were clean and well-maintained
- Meeting rooms, ballroom, and exhibit halls were clean and well-maintained
- WCD Event Manager on-site was engaged and had good communication with Event Representative
- Set-up appeared to meet Event Representative's needs
- Loading dock well-managed with incoming vendor vehicles, equipment, and booth supplies
- Ushering staff had an efficient manner – not overly friendly or welcoming to attendees
- Staffing levels of ushers appeared to be consistent with the number of attendees
- Café staff appeared to be efficient, but not welcoming or engaging with attendees

H. SITE VISIT OBSERVATIONS

Wisconsin Center (continued)

- Exhibitor services – preferred vendors but non-exclusive – event choice
- A/V services – preferred vendor with one being co-located in the Wisconsin Center – non-exclusive with event having choice
- Addition of new seating areas – recommend more to create a more friendly environment for attendees – felt somewhat cavernous with a smaller attended conference
- Restrooms functional and clean – suggest a cosmetic upgrade at some point
- Overall feel of the facility was not energetic or engaging

H. SITE VISIT OBSERVATIONS

UW-Milwaukee Panther Arena

- Directional/wayfinding and instructional signage could be improved
 - Fans attempting to enter grew frustrated pulling on locked doors until finding one that was unlocked
 - Limited direction to South Goal Tap Room
- Limited points of sale lead to long concession lines during larger events
- Loud building – creates positive and energetic environment
- U.S. Bank Club creates a viable VIP experience
 - Entrance through back of house could be improved
- Attendees were confused by liquor service at specific concession stands
- Many attendees at Admirals game seemed to be there primarily for the concert

H. SITE VISIT OBSERVATIONS

Milwaukee Theatre

- Front doors are not utilized as entry points creating a sense of confusion for the guest
- Lack of exterior signage pointing guests to the Box Office entrance and away from the unused front doors
- Facility is clean and well-maintained
- Lobby aesthetics are period appropriate, but ambience creates a large and somewhat overwhelming space for a modest concert crowd
- Due to the cavernous space of the lobby, it lacks ambience and energy for a concert
- Theatre feels large, but panels were utilized to create a more intimate environment for the guest
- Staffing levels appeared reasonable
- Food and beverage options were created with portables in the lobby and, while efficient, there may be opportunity for more creative portables that are more enticing to the guest
- Merchandise area was adequate
- Overall feel of the Milwaukee Theatre felt unenergetic, lack of buzz

III. MARKET OVERVIEW

III. MARKET OVERVIEW

Overview

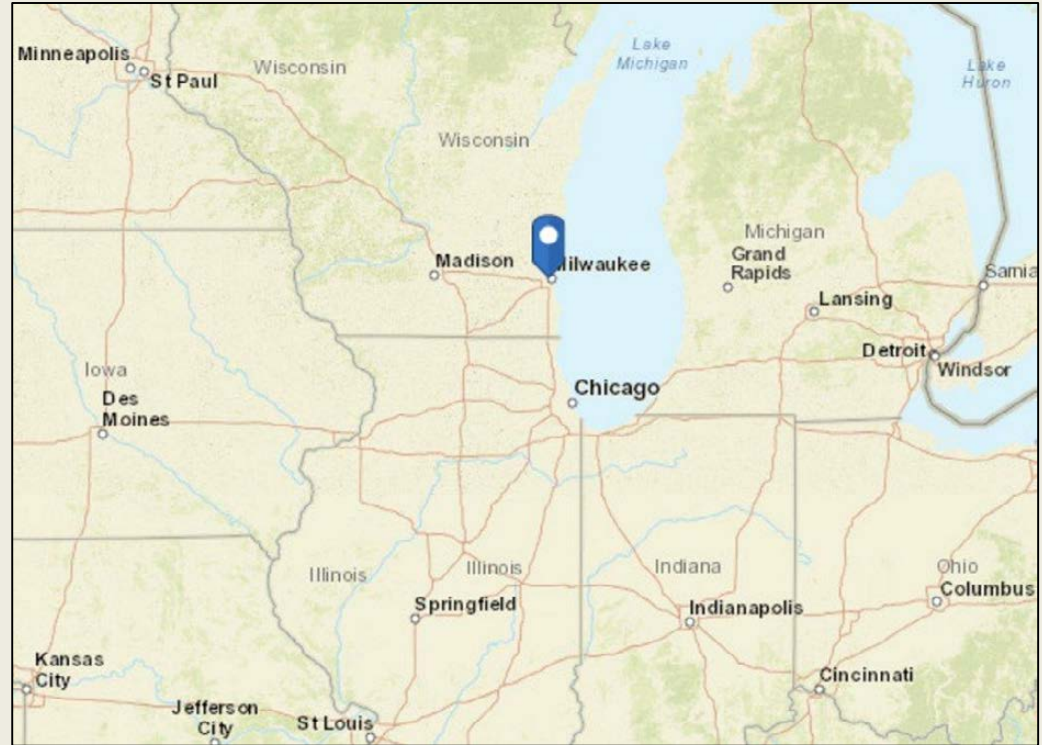
- General market conditions are important to understand when evaluating the overall performance of any public assembly facility
- Factors such as demographics, the vibrancy of the area immediately surrounding a facility, and overall destination appeal to both event organizers and attendees can all impact a facility's overall competitiveness within the broader marketplace
- We have completed an overview of the Milwaukee market that includes the following
 - Overview of Milwaukee's demographic characteristics
 - Hotel and airport data
 - Competitive facilities
 - Demographic comparison of Milwaukee with similar sized markets
 - Demographic comparison of Milwaukee with comparable complexes
 - Comparable complex case studies
 - Local sports teams
 - Festivals/other events
 - Downtown development
 - General observations

A. DEMOGRAPHIC OVERVIEW

A. DEMOGRAPHIC OVERVIEW

General Market Overview

- **Milwaukee, WI is located approximately**
 - 93 miles northwest of Chicago, IL
 - 79 miles east of Madison, WI
 - 337 miles southeast of Minneapolis, MN
 - 374 miles northeast of Des Moines, IA
 - 382 miles northwest of Detroit, MI
 - 279 miles northwest of Indianapolis, IN
 - 373 miles northeast of St. Louis, MO

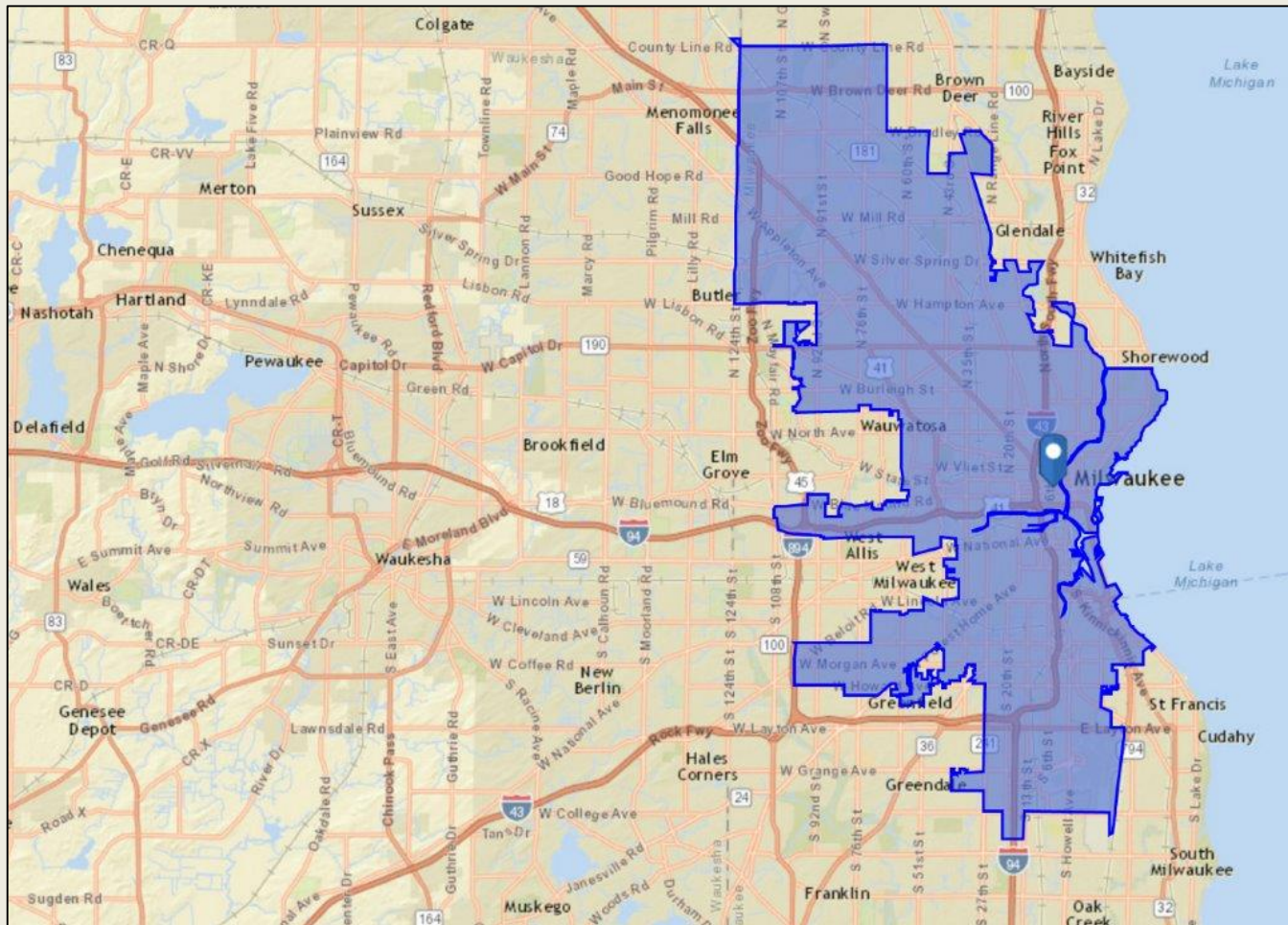


Note: Distances above reflect driving distances.

A. DEMOGRAPHIC OVERVIEW

General Market Overview

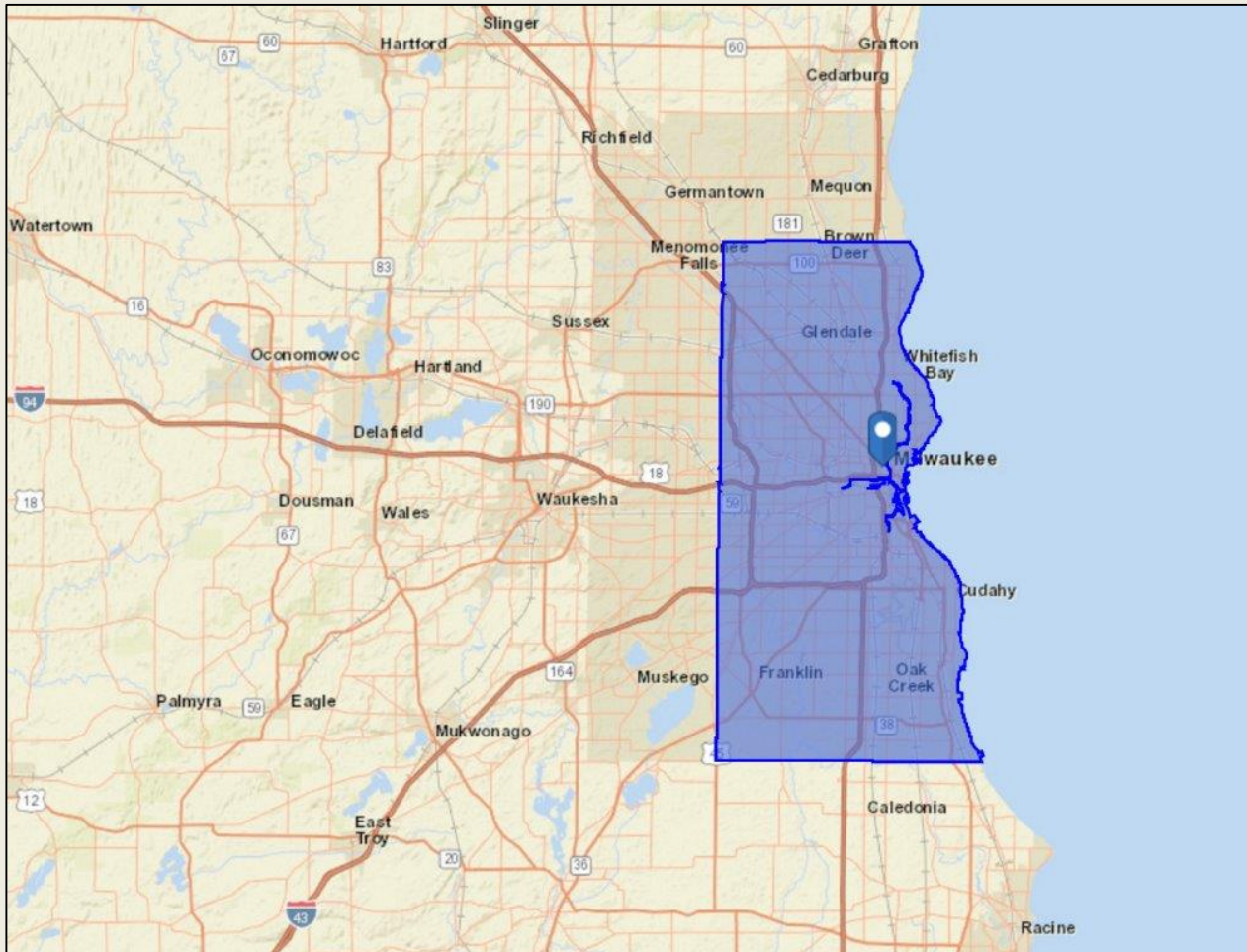
- City of Milwaukee Border



A. DEMOGRAPHIC OVERVIEW

General Market Overview

- Milwaukee County Border



A. DEMOGRAPHIC OVERVIEW

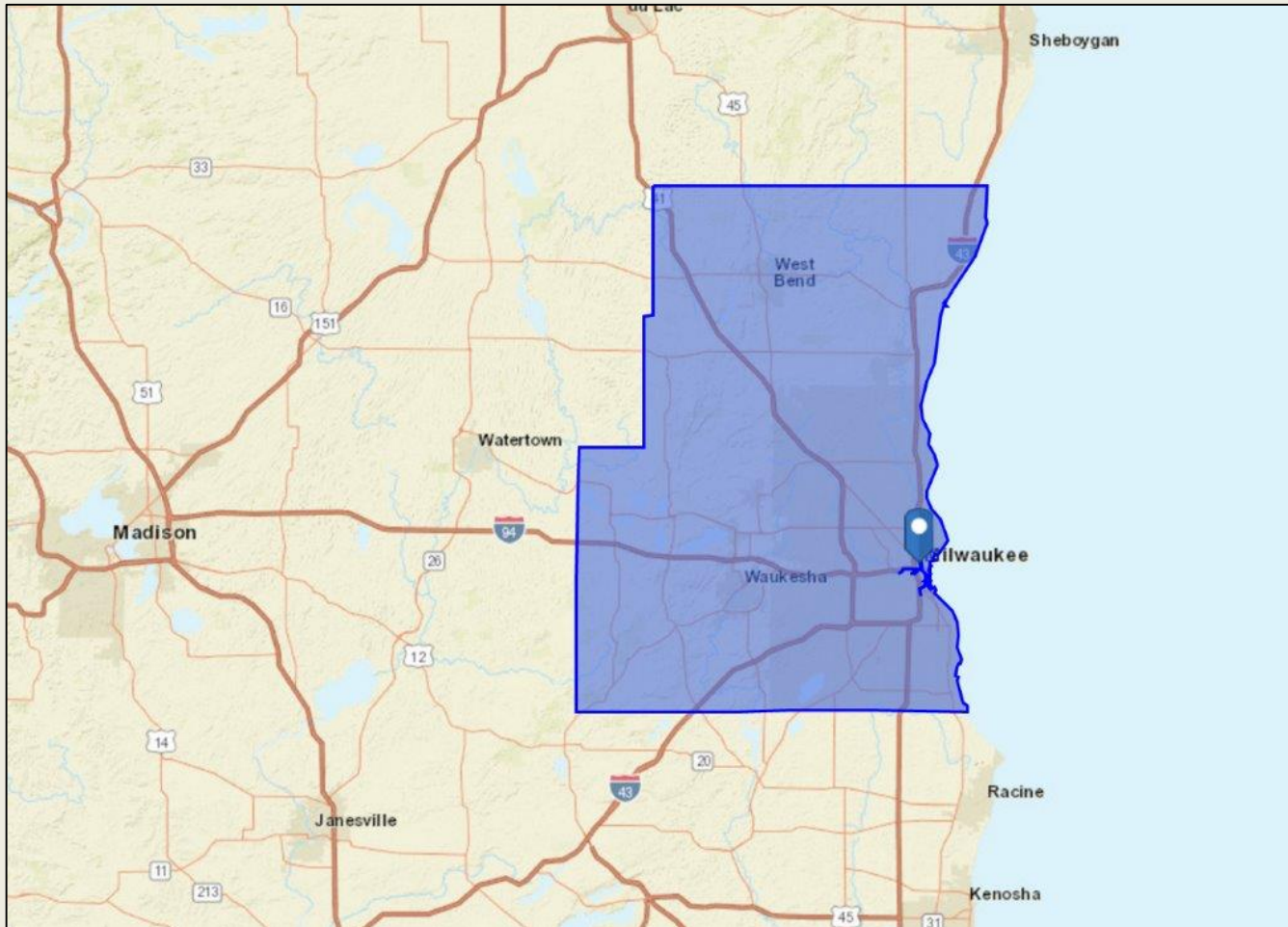
General Market Overview – Combined Statistical Areas

- A core based statistical area (CBSA) is an area consisting of a conglomeration of counties. A CBSA is further defined as a metropolitan or micropolitan CBSA. A metropolitan CBSA consists of a geographic area with an urban core population of at least 50,000. A micropolitan CBSA consists of a geographic area with an urban core population of between 10,000 and 49,999.
- *Milwaukee's data will be based on the Milwaukee-Waukesha-West Allis, WI CBSA*
- Our primary source for demographic information is Esri
 - Esri is an international supplier of geographic information system (GIS) software, web GIS and geodatabase management applications – utilizes U.S. Census Bureau data
 - Esri has a team of demographers, statisticians, and economists who use a wide variety of public and private data sources to develop a uniquely accurate and detailed picture of local population, economic, housing, and business characteristics
 - Ranked most accurate data in 2011 benchmarking study of five major demographic vendors

A. DEMOGRAPHIC OVERVIEW

General Market Overview

- Milwaukee-Waukesha-West Allis, WI CBSA

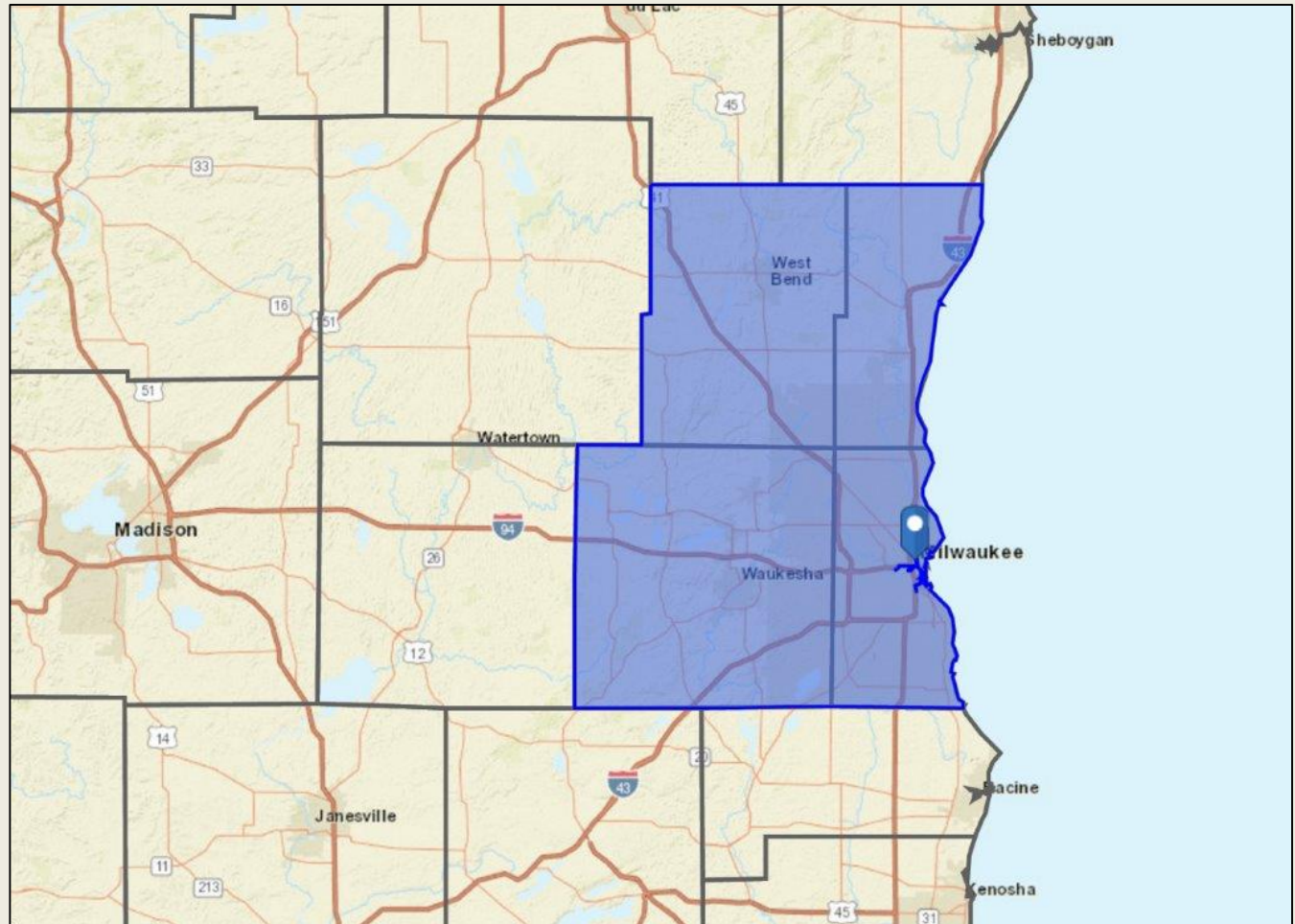


A. DEMOGRAPHIC OVERVIEW

General Market Overview

- Milwaukee-Waukesha-West Allis, WI CBSA includes the following counties:

- Waukesha
- Ozaukee
- Washington
- Milwaukee



A. DEMOGRAPHIC OVERVIEW

General Market Overview – Population

	City of Milwaukee	Milwaukee County	CBSA	<u>Ring</u> 30 Miles	<u>Drive Time</u> 30 Minutes
Population					
2021 Projection	593,404	949,032	1,584,003	1,741,034	1,230,287
2016 Estimate	592,535	946,673	1,569,070	1,724,891	1,222,959
2010 Census	594,746	947,735	1,555,908	1,711,461	1,219,010
2000 Census	596,827	940,164	1,500,741	1,652,443	1,198,348
Growth 2016-2021	0.1%	0.2%	1.0%	0.9%	0.6%
Growth 2010-2016	-0.4%	-0.1%	0.8%	0.8%	0.3%
Growth 2000-2010	-0.3%	0.8%	3.7%	3.6%	1.7%

Source: Esri 2016.

A. DEMOGRAPHIC OVERVIEW

General Market Overview – Households

	City of Milwaukee	Milwaukee County	CBSA	<u>Ring</u> 30 Miles	<u>Drive Time</u> 30 Minutes
Households					
2021 Projection	228,020	381,382	633,549	693,825	496,827
2016 Estimate	228,273	381,445	627,541	687,448	494,306
2010 Census	230,171	383,591	622,087	682,018	493,419
2000 Census	232,120	377,729	587,657	645,309	477,374
Growth 2016-2021	-0.1%	0.0%	1.0%	0.9%	0.5%
Growth 2010-2016	-0.8%	-0.6%	0.9%	0.8%	0.2%
Growth 2000-2010	-0.8%	1.6%	5.9%	5.7%	3.4%

Source: Esri 2016.

A. DEMOGRAPHIC OVERVIEW

General Market Overview – Income

	City of Milwaukee	Milwaukee County	CBSA	<u>Ring</u> 30 Miles	<u>Drive Time</u> 30 Minutes
Income					
2016 Est. Per Capita Income	\$19,473	\$24,931	\$30,343	\$30,041	\$28,663
2016 Est. Average HH Income	\$49,632	\$61,048	\$75,130	\$74,517	\$70,197
2016 Est. Median HH Income	\$36,015	\$43,473	\$54,051	\$53,760	\$50,049
HHs w/ Income \$100,000+	24,197	62,557	149,982	162,238	103,804
2016 Est. Average Disposable HH Income	\$38,233	\$45,841	\$55,179	\$54,833	\$51,813
2016 Est. Median Disposable HH Income	\$29,032	\$34,596	\$42,877	\$42,577	\$38,977
HHs w/ Disposable Income \$100,000+	8,585	25,429	68,584	73,846	47,329

Source: Esri 2016.

B. HOTEL AND AIRPORT DATA

B. HOTEL AND AIRPORT DATA

Downtown Milwaukee – Hotel Statistics

- Accessibility and hotel supply are among the most important destination attributes for event producers
- A consistent desire from both professional and trade associations is the number of convention quality hotel rooms proximate to the facility which allows the attendees to move freely between meetings and can decrease the cost of hosting the event if a shuttle service is not required
- The Hilton Milwaukee City Center and Hyatt Regency Milwaukee Downtown serve as Headquarters Hotels for the Wisconsin Center and combine to offer 1,210 rooms
- There are approximately 5,300 hotel rooms in Downtown Milwaukee, 2,172 of which are within walking distance of the Wisconsin Center
- Future hotel projects, such as those proposed at 4th & Wisconsin Avenue will enhance Milwaukee's competitive position

Hotel Supply - Downtown Milwaukee	
Property	Number of Rooms
Hilton Milwaukee City Center*	729
Hyatt Regency Milwaukee Downtown*	481
Potawatomi Hotel & Casino	381
Pfister Hotel	307
DoubleTree Milwaukee Downtown	243
InterContinental Milwaukee	221
The Westin Milwaukee	220
Marriott Milwaukee Downtown	205
Courtyard Milwaukee Downtown	169
aloft Hotel Milwaukee Downtown	160
Park East Hotel	159
Kimpton Journeyman Hotel	158
Springhill Suites Milwaukee Downtown	155
Ramada Milwaukee Downtown	154
Hampton Inn Suites Milwaukee Downtown	138
Ambassador Hotel Milwaukee	132
Residence Inn Milwaukee Downtown	131
Hilton Garden Inn Milwaukee Downtown	127
Fairfield Inn & Suites Milwaukee Downtown	103
The Iron Horse Hotel	100
All Other Hotels	866
Total	5,339

Notes: All Other Hotels includes all hotels with less than 100 rooms.

* indicates a Headquarters Hotel to the Wisconsin Center.

Highlighted properties are within walking distance of the Wisconsin Center.

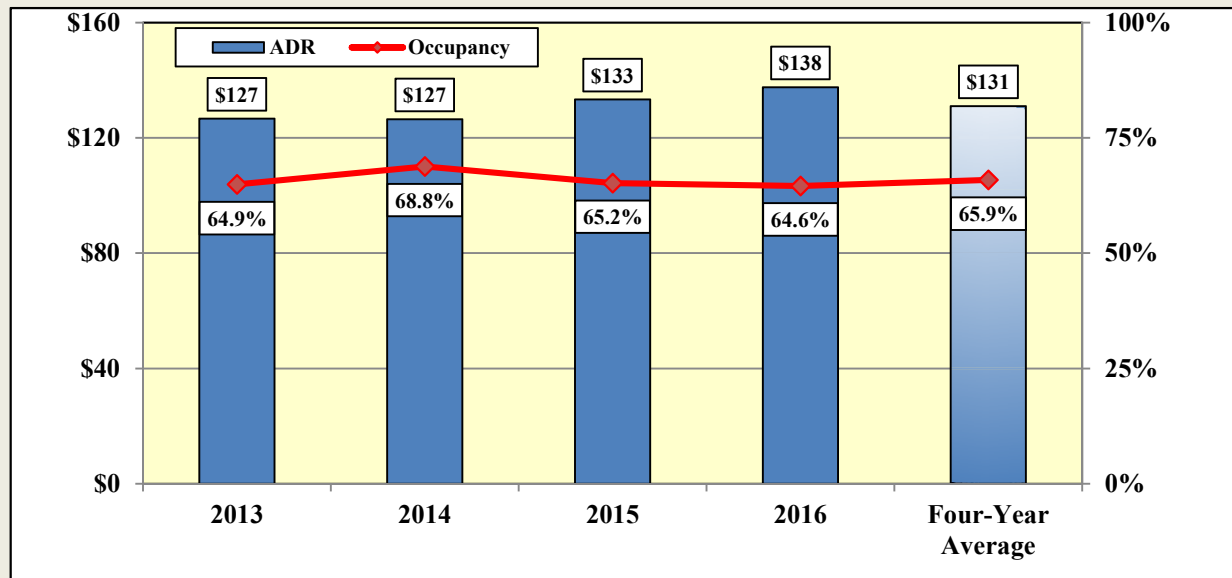
Source: WCD.

B. HOTEL AND AIRPORT DATA

Downtown Milwaukee – Hotel Statistics

- The WCD facilities' ability to attract events that generate overnight stays is impacted by the availability and affordability of area hotels
- The average daily rate (ADR) of hotel rooms in Downtown Milwaukee steadily increased from 2014 to 2016
- The occupancy rate at Downtown hotels was relatively consistent over the profiled four-year period, with the exception of 2014, when occupancy increased to 68.8%

Downtown Milwaukee Hotel Occupancy & ADR (2013-2016)



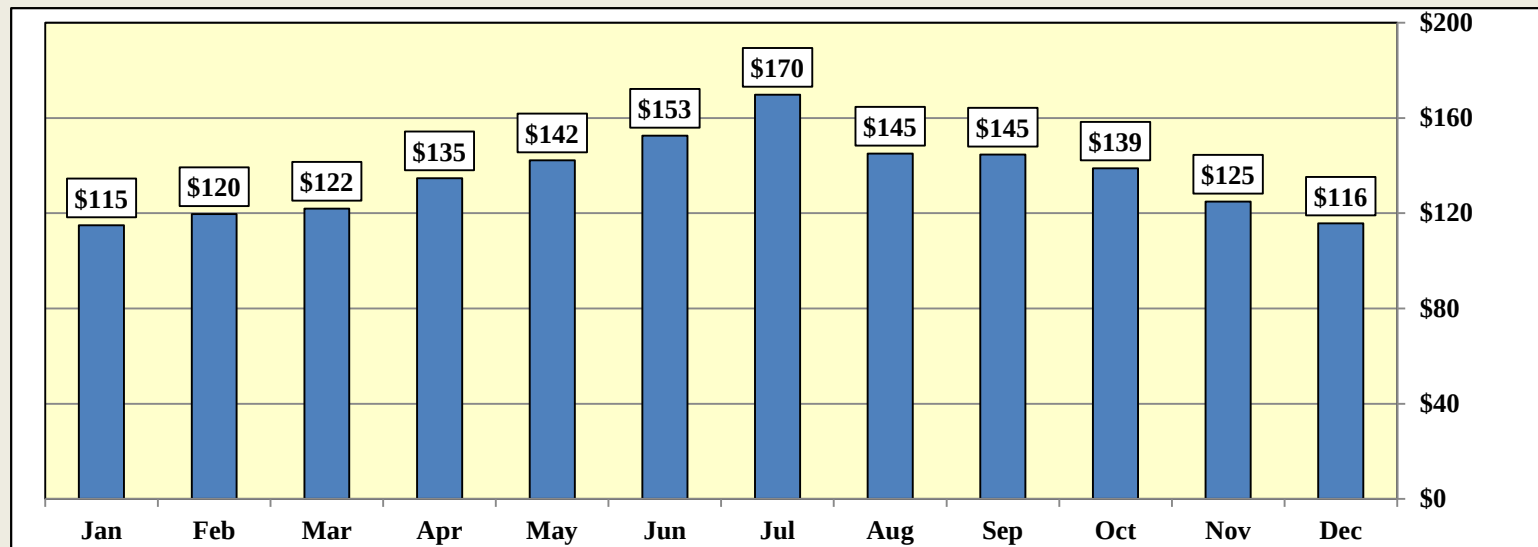
Source: WCD.

B. HOTEL AND AIRPORT DATA

Downtown Milwaukee – Hotel Statistics

- Downtown Milwaukee hotels experience their highest ADR from April through October
- Summerfest is hosted each year in June and July, the months with the highest ADR in 2016

Downtown Milwaukee ADR by Month - 2016



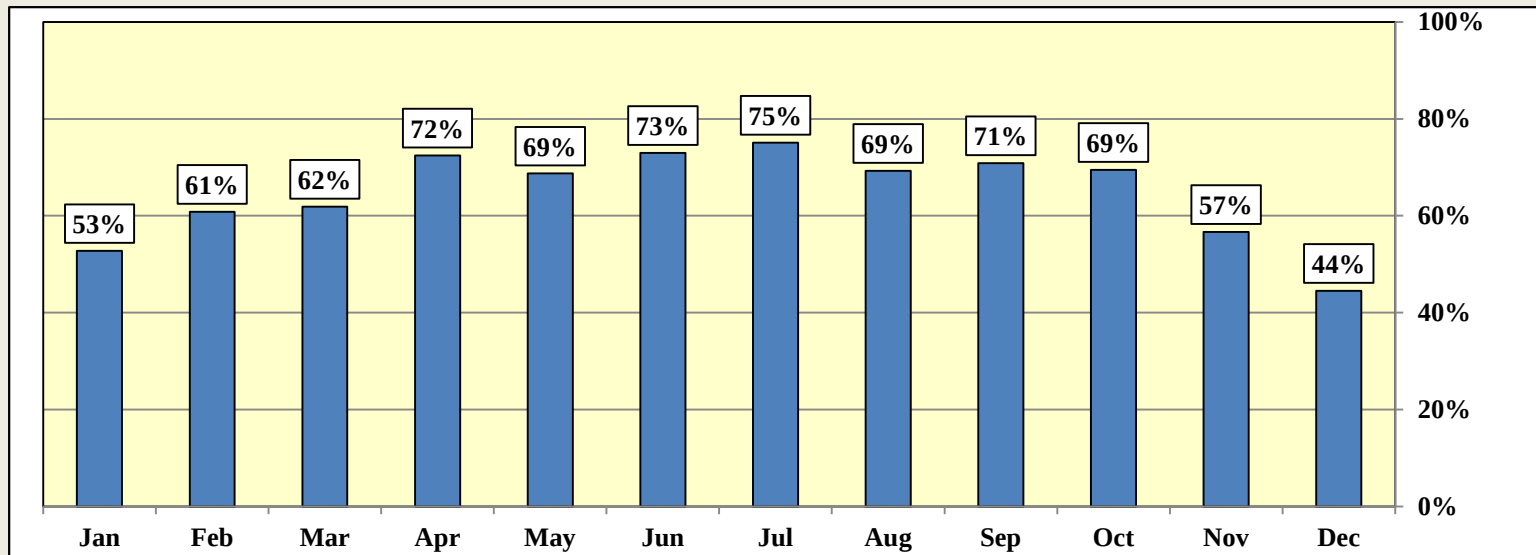
Source: WCD.

B. HOTEL AND AIRPORT DATA

Downtown Milwaukee – Hotel Statistics

- The highest occupancy in 2016 occurred in July, the month that also had the highest ADR
- Occupancy rates were relatively consistent at approximately 70% from April to October
- As one would expect, occupancy rate decreased during the winter months

Downtown Milwaukee Occupancy by Month - 2016



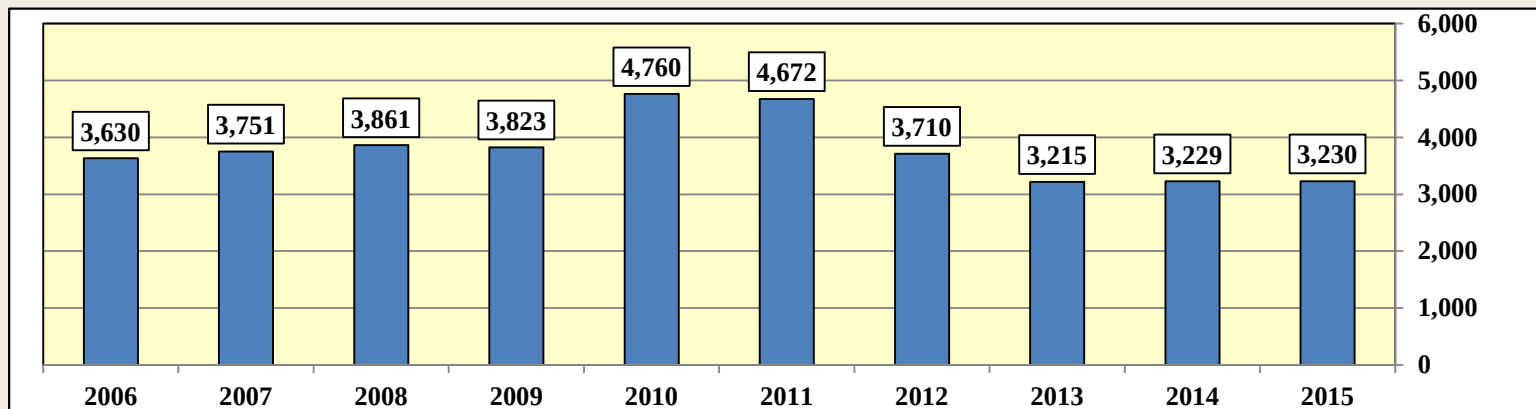
Source: WCD.

B. HOTEL AND AIRPORT DATA

Air Accessibility

- Meeting planners consider accessibility a determining factor when weighing multiple destinations
- Enplanements are used as a measure of the ease with which out-of-town delegates can get to a city
- Enplanements are defined by the Federal Aviation Administration as domestic, territorial and international passengers who board an aircraft in scheduled and non-scheduled service of aircraft
- The number of enplanements at General Mitchell International Airport increased by 25% in 2010, but decreased significantly (21%) in 2012 and 2013-2015
 - This decrease was due in large part to Frontier Airlines, which once used Milwaukee as a hub, decreasing their daily flights out of the airport from 86 to seven

Historical Enplanements at the General Mitchell International Airport (000s)



Source: FAA.

B. HOTEL AND AIRPORT DATA

Air Accessibility

- Management is currently considering a renovation that would allow for the construction of a state-of-the-art international terminal that is more conveniently located than the current option and would help to attract more international flights
- According to Airport Management, the number of enplanements increased in 2016 as a direct result of new nonstop flights to major cities – Orlando, Dallas, Philadelphia, San Diego and Phoenix
 - In 2017, new direct flights are expected to be added to Seattle, Portland and Guadalajara, Mexico
- However, Milwaukee continues to face strong competition from Chicago O'Hare International and Midway International in Chicago, which combined accounted for more than 47 million passenger enplanements in 2015

C. COMPETITIVE FACILITIES

C. COMPETITIVE FACILITIES

State Convention, Meeting & Expo Facilities

- Other than the Wisconsin Center, eight facilities in the State offer a minimum of 50,000 SF of total function space including the Exposition Center at Wisconsin State Fair Park and the Alliant Energy Center, each of which offer at least 100,000 SF of exhibit space
- While many of these facilities do not directly compete with the Wisconsin Center for large conventions, tradeshow and consumer shows, they do serve as alternative locations for State associations as well as corporate and meeting business
- Resort hotels with exhibit and/or meeting space traditionally can have an advantage over stand-alone meeting facilities/convention centers because they control all major components of an event (e.g., function space, lodging and food/beverage) under one roof. Since these facilities are the primary beneficiary of all revenue streams, they can negotiate packages in any or all areas to attract business.

C. COMPETITIVE FACILITIES

State Convention, Meeting & Expo Facilities

Supply of Convention, Meeting & Expo Facilities in Wisconsin

Facility	Location	Exhibit Hall SF	Ballroom SF	Meeting Room SF	Total Function SF	Ratio of Ballroom/ Meeting SF to Exhibit SF	Divisible Meeting Rooms	Average SF/Meeting Room
Wisconsin Center	Milwaukee	188,700	37,500	39,600	265,800	41 %	28	1,400
Exposition Center at Wisconsin State Fair Park	West Allis	199,000	0	3,700	202,700	2%	6	600
Chula Vista Resort	Wisconsin Dells	90,000	19,900	19,000	128,900	43%	18	1,100
Alliant Energy Center - Exhibition Hall	Madison	100,000	0	20,300	120,300	20%	14	1,500
KI Convention Center	Green Bay	35,000	25,200	12,000	72,200	106%	13	900
La Crosse Center	La Crosse	56,700	6,700	6,300	69,700	23%	8	800
Monona Terrace Community and Convention Center	Madison	37,200	13,500	12,100	62,800	69%	17	700
Kalahari Resorts	Wisconsin Dells	0	37,800	23,600	61,400	n/a	19	1,200
Central Wisconsin Convention & Expo Center	Rothschild	25,600	24,200	3,300	53,100	107%	8	400
Average (Excluding Wisconsin Center)		67,900	15,900	12,500	96,400	53 %	13	900
Median (Excluding Wisconsin Center)		46,950	16,700	12,050	70,950	43 %	14	850

Notes: Includes facilities with at least 50,000 SF of total function space.

Sorted in descending order by total function square feet.

Prefunction, concourse, lobby and theater/auditorium spaces are excluded from all centers.

Event space square footage is rounded to the nearest hundredth.

n/a denotes not applicable.

Sources: Individual facilities; secondary research.

C. COMPETITIVE FACILITIES

Exposition Center at Wisconsin State Fair Park West Allis

- The Exposition Center offers more than 200,000 SF of space including a 199,000 SF exhibit hall that is divisible into three separate halls
- The facility also features four meeting rooms and two board rooms
- In addition to the Exposition Center, the State Fair Park features a Youth Center, various pavilions, agricultural facilities, more than 300,000 SF of parking and a 2,000-seat amphitheater
- State Fair Park hosted more than one million attendees each year since 2013, including the Wisconsin State Fair which is held in August



C. COMPETITIVE FACILITIES

Chula Vista Resort Wisconsin Dells

- Meeting facilities include more than 120,000 SF of meeting, ballroom and exhibit hall space including the 90,000 SF clear-span, Wisconsin Dells Center
 - The new Wisconsin Dells Center offers 13,000 SF of pre-function space and 1,200 parking stalls and primarily hosts sporting events, expos and special events
- The resort features housing accommodations including rooms, suites, condominiums and villas
- Amenities include various dining options, a spa, indoor water park, and other on-site attractions
- Recent renovations include updated guest rooms and enhanced sound, A/V equipment, and Wi-Fi



C. COMPETITIVE FACILITIES

Alliant Energy Center – Exhibition Hall Madison

- Alliant Energy Center offers the Veterans Memorial Coliseum, Exhibition Hall, Willow Island outdoor space, and agricultural components such as The New Holland Pavilions and The Arena
- The Exhibition Hall features 100,000 SF of unobstructed exhibit space that is divisible into four halls
- The 14 meeting rooms offer more than 20,000 SF of flexible space
- The complex hosts a wide variety of event activity, with the exhibition hall primarily hosting trade shows, banquets, sporting events and meetings
- Dane County is contemplating various renovations/improvements both the Exhibition Hall and the Coliseum



C. COMPETITIVE FACILITIES

KI Convention Center Green Bay

- The KI Convention Center is owned by the City of Green Bay and managed/operated by the Hyatt Regency Green Bay, the attached headquarters hotel
- The East wing features an auditorium, meeting rooms and the Exhibit Hall, which is divisible into a ballroom and additional meeting rooms
- The West wing houses the three Riverview rooms and the Grand Ballroom, which is divisible into eight separate rooms
- In addition to the various meeting spaces, the facility features a restaurant and separate bar as well as recreational amenities



C. COMPETITIVE FACILITIES

La Crosse Center

La Crosse

- The La Crosse Center is owned and operated by the City of La Crosse
- The North Hall features eight meeting rooms on the first level that can open up to connect to the arena as well as the 3,500 SF Zielke Suite on the second level
- The South Hall features an exhibit hall and meeting rooms on level one and a ballroom and board rooms on level two
- The facility also has a 7,500-seat arena
- The City is currently in the planning stages of a \$45 million expansion which anticipates adding a new glass enclosed ballroom and updating the Center's aesthetics



C. COMPETITIVE FACILITIES

Monona Terrace Community and Convention Center Madison

- The facility has more than 60,000 SF of space on five levels including an exhibit hall, meeting rooms, a lecture hall and a ballroom
- In addition to this traditional space, there is more than 40,000 SF of rooftop space
- Event activity primarily includes meetings, conventions, weddings and special events that attract nearly 400,000 people each year



C. COMPETITIVE FACILITIES

Kalahari Resorts

Wisconsin Dells

- The facility offers African inspired housing accommodations and meeting spaces as well as an indoor-outdoor water park
- The meeting facilities do not feature any exhibit space but offer two large ballrooms, each of which is divisible into eight spaces, and 19 carpeted meeting rooms
- The resort offers a 154,000 SF lot that features 2,000 free parking spaces and can be used for outdoor events



C. COMPETITIVE FACILITIES

Central Wisconsin Convention & Expo Center Rothschild

- The facility offers approximately 55,000 SF of space on one level
 - Includes two ballrooms, eight meeting rooms and a 25,000 SF exhibit hall that is divisible into three sections
 - Can accommodate 1,000 guests in a banquet setting and 2,000 in an assembly style
- Primarily hosts conferences, corporate meetings and trade shows
- There are 575 hotel rooms within walking distance, including an adjoined Holiday Inn with a full- service restaurant and bar
- Offers 1,500 complimentary parking spots, including space for RV parking
- Food and beverage services are provided by local caterers



C. COMPETITIVE FACILITIES

Competitive Venues – Local

- Existing and planned competitive inventory of arenas/stadiums and music/entertainment venues in the Milwaukee market will impact the operations of the WCD facilities
 - Patrons, advertising/sponsorships, ancillary revenues
- There are a number of competitive arenas/stadiums in the Milwaukee market in addition to UW-Milwaukee Panther Arena
 - New Milwaukee Bucks Arena
 - BMO Harris Bradley Center (to be demolished)
 - Miller Park

C. COMPETITIVE FACILITIES

Competitive Venues – Local

- There are a number of competitive music/entertainment venues in the Milwaukee market in addition to the Milwaukee Theatre
- Outdoor Venues
 - Marcus Amphitheater
 - American Family Insurance Amphitheater
 - Alpine Valley Music Theatre (Regional)
- Theaters/Indoor Venues
 - Eagles Ballroom
 - Modjeska Theater
 - Pitman Theatre
 - The Pabst Theater Group
 - Marcus Center for the Performing Arts

C. COMPETITIVE FACILITIES

Competitive Venues – Local

- Wisconsin Entertainment and Sports Center
 - Opening: 2018
 - Capacity: 17,500
 - Luxury Suites: TBD
 - Club Seats: TBD
 - Tenants: Milwaukee Bucks, Marquette University

- BMO Harris Bradley Center
 - Opened: 1988
 - Capacity: 18,717
 - Luxury Suites: 42
 - Club Seats: 500
 - Tenants: Milwaukee Bucks, Marquette University
 - Expected to be demolished after 2018



C. COMPETITIVE FACILITIES

Competitive Venues – Local

■ Miller Park

- Opened: 2001
- Capacity: 41,900
- Luxury Suites: 66
- Club Seats: 2,760
- Tenant: Milwaukee Brewers



■ Marcus Amphitheater

- Opened: 1987
- Capacity: 23,000
 - 18,000 seats
 - 5,000 lawn seats
- Hosts headlining acts for Summerfest
 - Reports indicate it will soon be replaced



C. COMPETITIVE FACILITIES

Competitive Venues – Local

- American Family Insurance Amphitheater
 - Opening: 2019-2020
 - Capacity: 23,000
 - Cost: \$30-\$35 million
 - Will be the new primary venue for Summerfest



C. COMPETITIVE FACILITIES

Local Supply of Theaters in Milwaukee

- Milwaukee is a highly competitive market for theaters as indicated by the local supply – Milwaukee Theatre is the largest of its competitive set
- Although similar in size, the Eagles Ballroom offers standing room, is more club-like in nature and is part of a larger complex with multiple performance rooms referred to as The Rave/Eagles Club
- The Pabst Theater Group has three performance spaces ranging in capacity from 990 to 2,450 with an emphasis on concert activity
- The Marcus Center for the Performing Arts has four performance areas with the smallest space accommodating 400 and the largest 2,300. The Marcus Center has six resident companies and is home to the majority of the Broadway events in the market in addition to concerts, family programming, and special events.

Select Auditoriums, Theaters and Entertainment Venues in Milwaukee	
Facility	Capacity
Milwaukee Theatre	4,090
Eagles Ballroom	4,000
Modjeska Theater*	1,200
Pitman Theatre	930
The Northern Lights Theater	500
The Pabst Theater Group	
Riverside Theater	2,450
Pabst Theater	1,340
Turner Hall Ballroom	990
Marcus Center for the Performing Arts	
Uihlein Hall	2,300
Todd Wehr Theater	500
Wilson Theater at Vogel Hall	470
Peck Pavilion	400

Note: * Facility is currently being reconstructed.

Sources: Individual facilities; Pollstar; secondary research.

C. COMPETITIVE FACILITIES

Marcus Center for the Performing Arts

- The Marcus Center serves as a direct competitor to the Milwaukee Theatre
- Event activity includes several resident groups
 - Milwaukee Symphony Orchestra/First Stage/Florentine Opera/Milwaukee Ballet/Black Arts Think Tank
- Additional event activity includes a Broadway series, musicals, theatrical performances, concerts, special events and various other performing arts for a total of more than 2,100 events and rehearsals
- In 2015, the Marcus Center had operating revenues of \$11.0 million (which does not include \$1.1 million of County support) and operating expenses of \$11.9 million that yielded an operating loss of \$872,000
- There are four performance areas
 - Uihlein Hall – 2,300 seats
 - Todd Wehr Theater – 500 seats
 - Wilson Theater at Vogel Hall – 465 seats
 - Peck Pavilion – 400 seats
- In 2017, the County's subsidy is budgeted to be \$900,000 and will be reduced by \$50,000 annually through 2025 with the ultimate goal of the Marcus Center no longer depending on a County subsidy



C. COMPETITIVE FACILITIES

The Pabst Theater Group

- The Pabst Theater Groups' facilities serve as direct competition to the Milwaukee Theatre
- There are three performance areas and a pub
 - The Pabst Theater – 2,450 capacity
 - Concerts, meetings, plays, dance competitions, musical acts and special events
 - Renovations in 2000 helped increase patron comfort and ease of access – including elevators, new seats and a new ventilation system
 - Riverside Theater – 1,340 capacity
 - Concerts, lectures and various other seated style performances
 - In 2005, The Riverside Theater Foundation began leasing and renovating the venue and the number of performances has increased every year since



C. COMPETITIVE FACILITIES

The Pabst Theater Group

- Turner Hall Ballroom – 990 capacity
 - Weddings, concerts, meetings, conventions, plays, social gatherings
 - Renovated in 2004 and 2006
 - Entertainment operations were taken over by the Pabst Theater Foundation in 2007 which increased the overall competitiveness

- Cudahy's Irish Pub
 - Opened in 2001 and is located off The Pabst Theater's main lobby
 - Available for rentals and offers pre-event and intermission cocktails



C. COMPETITIVE FACILITIES

The Rave/Eagles Club

- Consists of 180,000 SF over seven levels and eight independent clubs
 - The clubs include bars, lounges, and performance halls with capacities ranging from 400 to 4,000
- Although offering multiple, diverse venues, the Eagles Ballroom serves as the primary competitor to the Milwaukee Theatre



Eagles Ballroom

- Offers a 25,000 SF dance floor with a standing capacity of 4,000
- Includes a balcony that circles the ballroom
- The facility primarily hosts large, commercial concert acts
 - Includes various genres such as Alternative, Hard Rock, Dance/EDM, Country, Pop and Hip Hop



C. COMPETITIVE FACILITIES

Modjeska Theater

- The facility is currently undergoing renovations to redesign the entire performance space which are expected to be completed in April 2017
- According to management, the new space is expected to offer seating for approximately 700 on the floor and an additional 500 on the balcony level
- Event activity is expected to primarily include children's theater, local musical acts and banquets



The Northern Lights Theater

- This 500-seat performance space is located at the Potawatomi Hotel & Casino
- Hosts a wide range of musical and entertainment acts, including national touring artists, the Bonkerz Comedy Series and "Tribute to the King" shows in an intimate setting



C. COMPETITIVE FACILITIES

Pitman Theatre

- The 930-seat facility was built in 1953, and is located on the campus of Alverno College
- Primarily serves the needs of the university and regularly hosts musical performances and dance
- Hosted Alverno Presents, a performing arts series, for more than 50 years but these events have recently moved and will continue through a partnership with the Pabst Theater Group



C. COMPETITIVE FACILITIES

Regional Facilities

- The adjacent table provides a list of select regional facilities that have a capacity between 2,000 and 5,000 and offer similar event programming to the Milwaukee Theatre
- The regional market is dominated by Chicago which directly impacts its ability to attract event activity
- In an attempt to minimize the financial risk of a facility and/or a promoter, many venues have protection clauses by which an artist is limited in their ability to play a market multiple times within a certain date window, mileage window and/or media market
 - For instance, an artist may not be able to play a market in a window of 90 days before or after a show and/or that artist may not be able to play another facility on the same tour within a 50 to 200-mile radius
 - In some cases, an artist may not be able to play another concert in the same media market on a particular tour

Regional Supply of Theaters/Auditoriums		
Facility	Location	Capacity
Symphony Center	Chicago, IL	5,000
Aragon Ballroom	Chicago, IL	4,873
Rosemont Theatre	Rosemont, IL	4,300
Arie Crown Theater at McCormick Place	Chicago, IL	4,249
Auditorium Theatre	Chicago, IL	3,900
Civic Opera House	Chicago, IL	3,703
Chicago Theatre	Chicago, IL	3,604
Braden Auditorium	Normal, IL	3,487
Mayo Civic Center Auditorium	Rochester, MN	3,400
Northrop Auditorium	Minneapolis, MN	2,692
Orpheum Theatre	Minneapolis, MN	2,670
Orchestra Hall	Chicago, IL	2,521
Overture Hall	Madison, WI	2,450
Genesee Theatre	Waukegan, IL	2,429
Cadillac Palace Theatre	Chicago, IL	2,344
Symphony Hall / Auditorium	Duluth, MN	2,322
Coronado Performing Arts Center	Rockford, IL	2,309
Oriental Theatre	Chicago, IL	2,253
Peoria Civic Center Theater	Peoria, IL	2,196
Mystic Showroom	Prior Lake, MN	2,104
Orchestra Hall	Minneapolis, MN	2,089
Weidner Center for the Performing Arts	Green Bay, WI	2,021
Sangamon Auditorium	Springfield, IL	2,018
Crystal Grand Music Theatre	Lake Delton, WI	2,000
Orpheum Theater	Madison, WI	2,000

Sources: Pollstar Pro; secondary research.

D. DEMOGRAPHIC COMPARISON

D. DEMOGRAPHIC COMPARISON

General Market Overview

- We have analyzed Milwaukee's demographic characteristics relative to similarly sized markets as an initial screening mechanism to identify comparable complexes and facilities
 - “Median Comparable Markets”
- Review of demographic characteristics of the Median Comparable Markets
 - CBSA Designation
 - Base demographics
- Market area size and characteristics will have an impact on market support and the potential demand for events

D. DEMOGRAPHIC COMPARISON

Median Comparable Market Demographic Overview

- 30 CBSAs comparable to Milwaukee in terms of population (15 CBSAs above and below Milwaukee)
 - “Median Comparable Markets”

Markets Above Milwaukee		Markets Below Milwaukee	
CBSA	Market	CBSA	Market
Portland-Vancouver-Hillsboro, OR-WA	Portland, OR	Jacksonville, FL	Jacksonville, FL
Orlando-Kissimmee-Sanford, FL	Orlando, FL	Oklahoma City, OK	Oklahoma City, OK
Pittsburgh, PA	Pittsburgh, PA	Memphis, TN-MS-AR	Memphis, TN
Sacramento--Roseville--Arden-Arcade, CA	Sacramento, CA	Louisville/Jefferson County, KY-IN	Louisville, KY
Cincinnati, OH-KY-IN	Cincinnati, OH	Raleigh, NC	Raleigh, NC
Las Vegas-Henderson-Paradise, NV	Las Vegas, NV	Richmond, VA	Richmond, VA
Kansas City, MO-KS	Kansas City, MO	New Orleans-Metairie, LA	New Orleans, LA
Cleveland-Elyria, OH	Cleveland, OH	Hartford-West Hartford-East Hartford, CT	Hartford, CT
Columbus, OH	Columbus, OH	Salt Lake City, UT	Salt Lake City, UT
Austin-Round Rock, TX	Austin, TX	Birmingham-Hoover, AL	Birmingham, AL
Indianapolis-Carmel-Anderson, IN	Indianapolis, IN	Buffalo-Cheektowaga-Niagara Falls, NY	Buffalo, NY
San Jose-Sunnyvale-Santa Clara, CA	San Jose, CA	Rochester, NY	Rochester, NY
Nashville-Davidson--Murfreesboro--Franklin, TN	Nashville, TN	Grand Rapids-Wyoming, MI	Grand Rapids, MI
Virginia Beach-Norfolk-Newport News, VA-NC	Virginia Beach, VA	Tucson, AZ	Tucson, AZ
Providence-Warwick, RI-MA	Providence, RI	Urban Honolulu, HI	Honolulu, HI

D. DEMOGRAPHIC COMPARISON

Median Comparable Market Demographic Overview CBSA Designation

- Milwaukee is generally below the Median Comparable Market average in terms of size
 - Population/Households – the median
 - Income Levels – average to below average
 - High Income Households – below average
 - Economy Size – above average
 - TV Population – below average
 - Radio Population – above average
 - Corporate Base – above average
- Milwaukee market is generally comparable in size to the following CBSAs
 - Virginia Beach
 - Providence
 - Jacksonville
 - Oklahoma City

Median Comparable Market Summary - CBSA Designation Overview			
Statistical Measure	Milwaukee, WI	Rank of 31	Median Comparable Market Average - (1)
2016 Population (000s)	1,569.1	16	1,640.0
2021 Population (000s)	1,584.0	16	1,723.7
Est. % Growth 2016-2021	0.95%	27	4.79%
2016 Households (000s)	627.5	16	627.7
2021 Households (000s)	633.5	16	658.2
Est. % Growth 2016-2021	0.95%	27	4.68%
Per Capita Income	\$30,343	12	\$29,952
Average Household Income	\$75,130	15	\$77,546
Median Household Income	\$54,051	16	\$56,893
HHs w/ Income \$100,000+ (000s)	150.0	17	155.1
Average Disposable Income	\$55,179	20	\$59,221
Median Disposable Income	\$42,877	20	\$46,446
HHs w/ Disposable Income \$100,000+ (000s)	68.6	20	85.2
Median Age	37.8	17	37.8
Unemployment Rate	4.00%	11	4.24%
Economy Size (GDP-Billions)	\$102.2	13	\$96.8
TV Population (000s)	1,985.0	15	2,178.5
Radio Population (000s)	1,502.5	15	1,432.7
Companies w/ \$20mm Sales	1,017	7	702
Companies w/ \$50mm Sales	480	7	341
Companies w/ 500+ Employees	175	11	148
Cost of Living Index	99.7	23	102.4

(1) - Average excludes Milwaukee, WI.

Source: Esri 2016, Nielsen 2016, BLS 2016, Hoovers 2017, The Council for Community and Economic Research 2016, and U.S. BEA.

D. DEMOGRAPHIC COMPARISON

Median Comparable Market Demographic Overview CBSA Designation

- Milwaukee is slightly below the Median Comparable Market average in terms of key spending categories

Median Comparable Market Summary - CBSA Designation Overview			
Statistical Measure	Milwaukee, WI	Rank of 31	Median Comparable Market Average - (1)
Recreation Spending Total (Millions)	\$359.0	17	\$368.0
Recreation Spending Average	\$572.03	13	\$588.17
Sports Admission Spending Total (Millions)	\$34.3	16	\$34.5
Sports Admission Spending Average	\$54.67	12	\$54.99
Concert Admission Spending Total (Millions)	\$33.3	17	\$33.5
Concert Admission Spending Average	\$53.09	12	\$53.51

(1) - Average excludes Milwaukee, WI.

Source: Esri 2016.

E. COMPARABLE COMPLEXES

E. COMPARABLE COMPLEXES

Overview

- Our initial screening identified 16 “comparable” complexes (multiple facilities) for evaluation
- We analyzed Milwaukee’s demographic characteristics relative to 16 comparable complex markets
- Market area size and characteristics will have an impact on market support and the potential demand for events at the comparable complexes
- Review of demographic characteristics of the comparable complexes
 - CBSA Designation
 - Base demographics
 - Geographic Ring Designation
 - 30 mile ring base demographics
 - Drive Time Designation
 - 30 minute drive time base demographics

E. COMPARABLE COMPLEXES

Comparable Complexes

- The 16 comparable complexes are illustrated below
 - Some complexes contain theaters as well – see benchmarking analysis for more details

WCD Comparable Complexes				
CBSA	Market	Convention Center	Arena	Operator
Atlanta-Sandy Springs-Roswell, GA	Duluth, GA	Infinite Energy Forum	Infinite Energy Arena	AEG
Bakersfield, CA	Bakersfield, CA	Rabobank Theater and Convention Center	Rabobank Arena	AEG
Baton Rouge, LA	Baton Rouge, LA	Baton Rouge River Center	Baton Rouge River Center Arena	SMG
Birmingham-Hoover, AL	Birmingham, AL	Birmingham-Jefferson Convention Complex	Legacy Arena	Spectra/BJCC Authority
Charlotte-Concord-Gastonia, NC-SC	Charlotte, NC	Charlotte Convention Center	Bojangles' Coliseum	Charlotte RVA
Dallas-Fort Worth-Arlington, TX	Fort Worth, TX	Fort Worth Convention Center	Fort Worth Convention Center Arena	City of Fort Worth
Des Moines-West Des Moines, IA	Des Moines, IA	Hy-Vee Hall	Wells Fargo Arena	Spectra
Fort Wayne, IN	Fort Wayne, IN	Allen County War Memorial Exposition Center	Allen County War Memorial Coliseum	Allen County
Grand Rapids-Wyoming, MI	Grand Rapids, MI	DeVos Place Convention Center	Van Andel Arena	SMG
Greensboro-High Point, NC	Greensboro, NC	Greensboro Coliseum Complex Special Events Center	Greensboro Coliseum	City of Greensboro
Gulfport-Biloxi-Pascagoula, MS	Biloxi, MS	Mississippi Coast Convention Center	Mississippi Coast Coliseum	Mississippi Coast CC
Kansas City, MO-KS	Kansas City, MO	Bartle Exhibit Hall	Municipal Auditorium	Kansas City CEF
Madison, WI	Madison, WI	Alliant Energy Center Exhibition Hall	Veterans Memorial Coliseum	Dane County
Omaha-Council Bluffs, NE-IA	Omaha, NE	CenturyLink Center Omaha Convention Center	CenturyLink Center Omaha Arena	MECA
Spokane-Spokane Valley, WA	Spokane, WA	Spokane Convention Center	Spokane Veterans Memorial Arena	Spokane PFD
Tucson, AZ	Tucson, AZ	Tucson Convention Center	Tucson Arena	SMG

E. COMPARABLE COMPLEXES

Comparable Complex Map

- The 16 locations of the comparable complexes are illustrated below



E. COMPARABLE COMPLEXES

Comparable Complex Demographic Overview CBSA Designation

- Milwaukee is generally near to below the Comparable Complex average in terms of size
 - Population/Households – average to below average
 - Last (17th) in terms of growth
 - Household Income Levels – above average
 - Disposable Income Levels – below average
 - High Income Households – below average
 - Economy Size – above average
 - TV Population – above average
 - Radio Population – above average
 - Corporate Base – above average

Comparable Facility Summary - CBSA Designation Overview			
Statistical Measure	Milwaukee, WI	Rank of 17	Comparable Facility Average - (1)
2016 Population (000s)	1,569.1	5	1,660.0
2021 Population (000s)	1,584.0	5	1,769.7
Est. % Growth 2016-2021	0.95%	17	5.21%
2016 Households (000s)	627.5	5	617.1
2021 Households (000s)	633.5	5	655.7
Est. % Growth 2016-2021	0.95%	17	5.10%
Per Capita Income	\$30,343	5	\$28,046
Average Household Income	\$75,130	8	\$72,721
Median Household Income	\$54,051	7	\$53,406
HHs w/ Income \$100,000+ (000s)	150.0	5	152.8
Average Disposable Income	\$55,179	9	\$56,193
Median Disposable Income	\$42,877	8	\$44,383
HHs w/ Disposable Income \$100,000+ (000s)	68.6	5	84.5
Median Age	37.8	13	36.5
Unemployment Rate	4.00%	7	4.60%
Economy Size (GDP-Billions)	\$102.2	5	\$99.4
TV Population (000s)	1,985.0	5	1,839.7
Radio Population (000s)	1,502.5	5	1,447.5
Companies w/ \$20mm Sales	1,017	5	783
Companies w/ \$50mm Sales	480	5	408
Companies w/ 500+ Employees	175	5	147
Cost of Living Index	99.7	12	94.7

(1) - Average excludes Milwaukee, WI.

Source: Esri 2016, Nielsen 2016, BLS 2016, Hoovers 2017, The Council for Community and Economic Research 2016, and U.S. BEA.

E. COMPARABLE COMPLEXES

Comparable Complex Demographic Overview CBSA Designation

- Milwaukee is above the Comparable Complex average in terms of key spending categories

Comparable Facility Summary - CBSA Designation Overview			
Statistical Measure	Milwaukee, WI	Rank of 17	Comparable Facility Average - (1)
Recreation Spending Total (Millions)	\$359.0	5	\$358.3
Recreation Spending Average	\$572.03	6	\$534.47
Sports Admission Spending Total (Millions)	\$34.3	5	\$33.2
Sports Admission Spending Average	\$54.67	6	\$50.33
Concert Admission Spending Total (Millions)	\$33.3	5	\$31.9
Concert Admission Spending Average	\$53.09	5	\$48.16

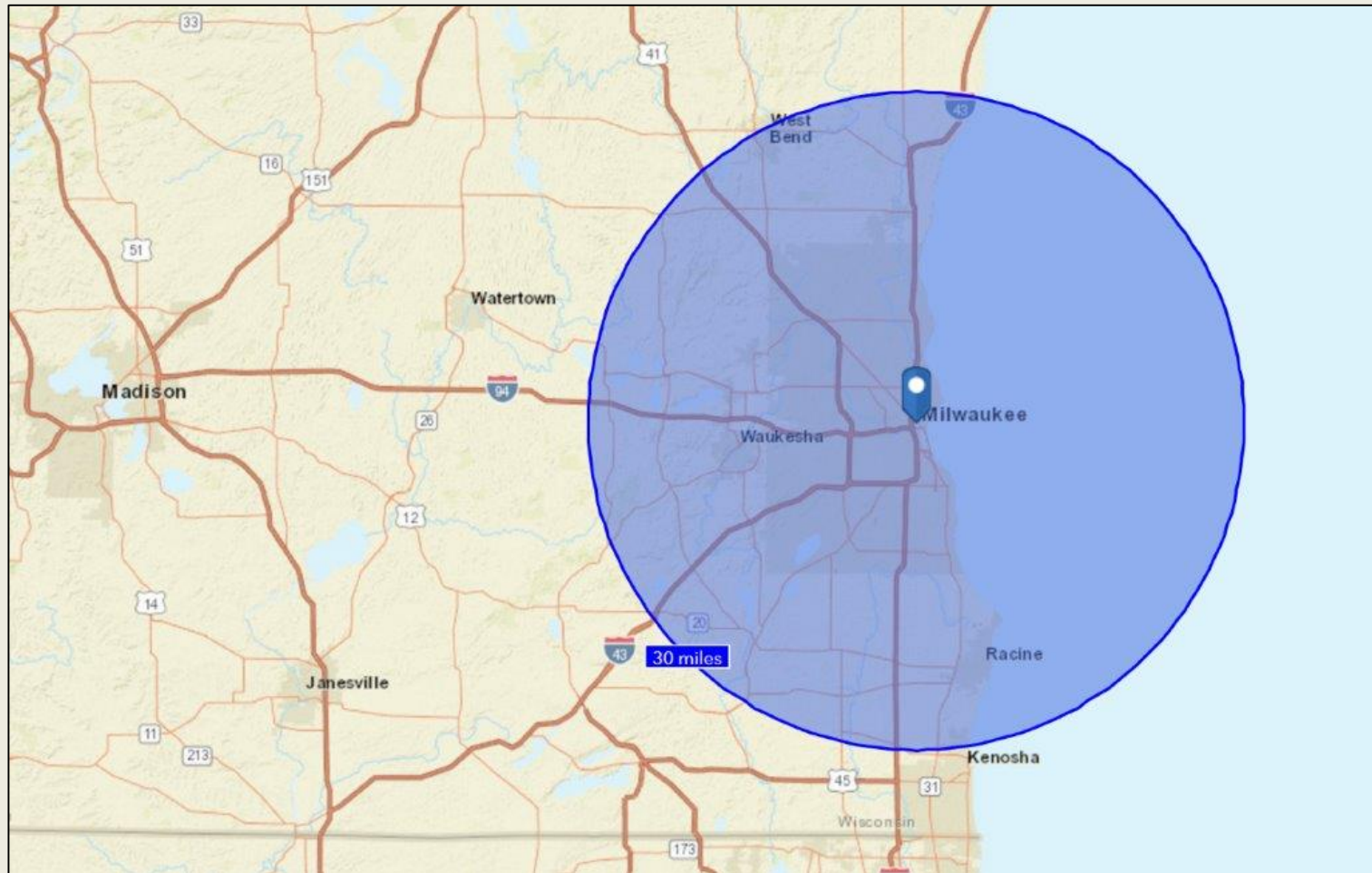
(1) - Average excludes Milwaukee, WI.

Source: Esri 2016.

E. COMPARABLE COMPLEXES

Comparable Complex Demographic Overview

- Market demographics also evaluated based on geographic ring designation (30 mile)



E. COMPARABLE COMPLEXES

Comparable Complex Demographic Overview

30 Mile Ring Designation

- Milwaukee is generally above the Comparable Complex average in terms of size
 - Population/Households – above average
 - Last (17th) in terms of growth
 - Income Levels – average to above average
 - Disposable Income Levels – below average
 - High Income Households – above average
 - Corporate Base – above average
- Milwaukee is generally comparable in size to the following market
 - Kansas City

Comparable Facility Summary - 30 Mile Ring Designation Overview			
Statistical Measure	Milwaukee, WI	Rank of 17	Comparable Facility Average - (1)
2016 Population (000s)	1,724.9	5	1,323.0
2021 Population (000s)	1,741.0	5	1,405.1
Est. % Growth 2016-2021	0.95%	17	5.33%
2016 Households (000s)	687.4	5	496.6
2021 Households (000s)	693.8	5	525.9
Est. % Growth 2016-2021	0.90%	17	5.22%
Per Capita Income	\$30,041	6	\$28,157
Average Household Income	\$74,517	8	\$73,223
Median Household Income	\$53,760	8	\$53,771
HHs w/ Income \$100,000+ (000s)	162.2	5	120.0
Average Disposable Income	\$54,833	11	\$56,518
Median Disposable Income	\$42,577	11	\$44,795
HHs w/ Disposable Income \$100,000+ (000s)	73.8	5	65.4
Median Age	37.9	14	36.3
Companies w/ \$20mm Sales	1,093	4	718
Companies w/ \$50mm Sales	519	4	372
Companies w/ 500+ Employees	188	3	133

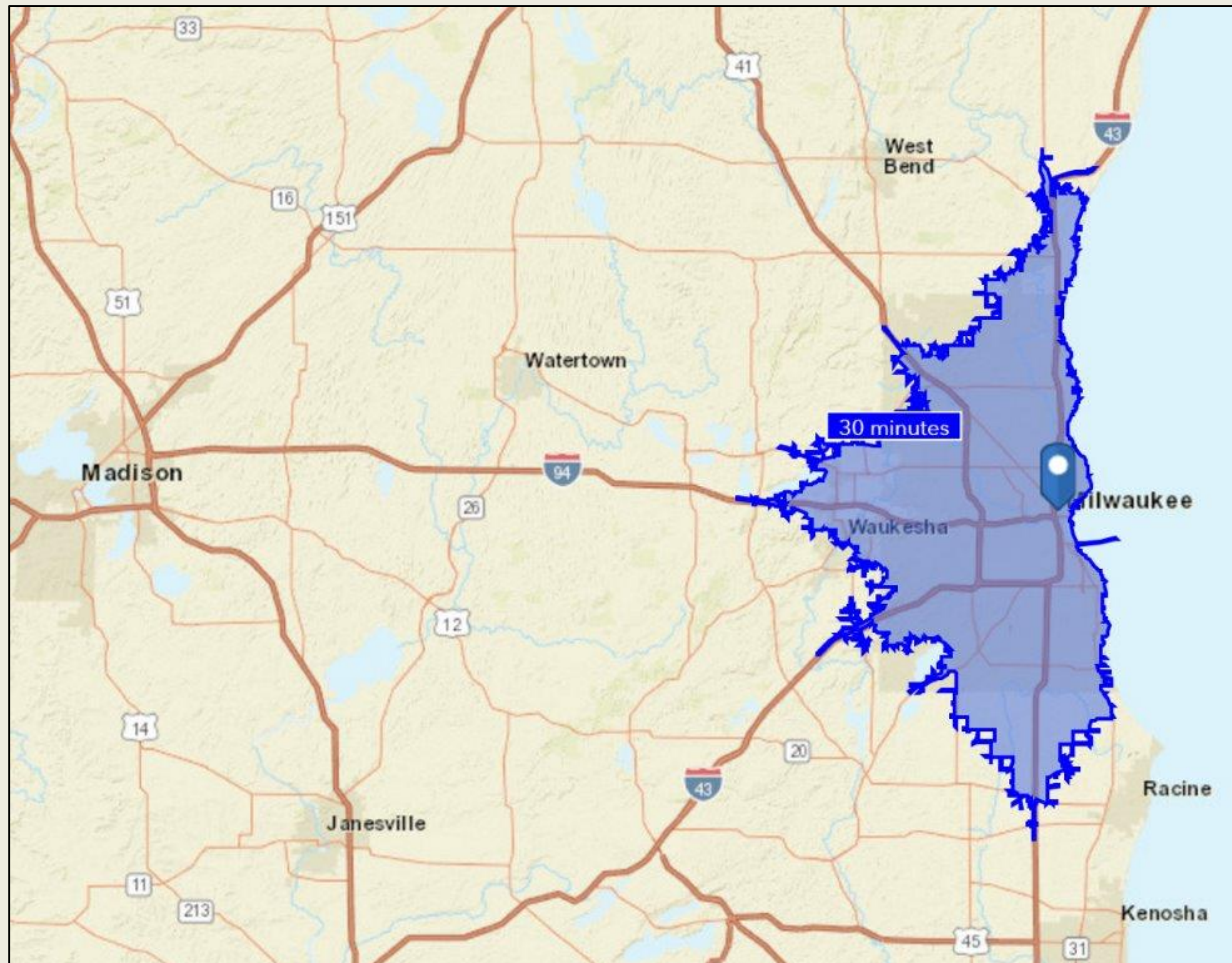
(1) - Average excludes Milwaukee, WI.

Esri 2016, Hoovers 2017.

E. COMPARABLE COMPLEXES

Comparable Complex Demographic Overview

- Market demographics also evaluated based on drive time designation (30 minute)



E. COMPARABLE COMPLEXES

Comparable Complex Demographic Overview

30 Minute Drive Time Designation

- Milwaukee is generally above the Comparable Complex average in terms of size
 - Population/Households – above average
 - Last (17th) in terms of growth
 - Income Levels – average to below average
 - High Income Households – above average
- Milwaukee is generally comparable in size to the following markets
 - Charlotte
 - Kansas City

Comparable Facility Summary - 30 Minute Drive Time Designation Overview			
Statistical Measure	Milwaukee, WI	Rank of 17	Comparable Facility Average - (1)
2016 Population (000s)	1,223.0	4	861.3
2021 Population (000s)	1,230.3	5	913.2
Est. % Growth 2016-2021	0.60%	17	5.48%
2016 Households (000s)	494.3	4	326.4
2021 Households (000s)	496.8	4	344.9
Est. % Growth 2016-2021	0.50%	17	5.34%
Per Capita Income	\$28,663	8	\$28,521
Average Household Income	\$70,197	11	\$73,668
Median Household Income	\$50,049	13	\$53,738
HHs w/ Income \$100,000+ (000s)	103.8	5	77.8
Average Disposable Income	\$51,813	13	\$56,723
Median Disposable Income	\$38,977	15	\$44,526
HHs w/ Disposable Income \$100,000+ (000s)	47.3	5	42.1
Median Age	36.6	10	35.6

(1) - Average excludes Milwaukee, WI.

Source: Esri 2016.

F. COMPARABLE COMPLEX CASE STUDIES

F. COMPARABLE COMPLEX CASE STUDIES

Comparable Complexes Bakersfield, CA

The Rabobank Arena, Theater, and Convention Center began with the construction of the theater, then known as the Civic Auditorium, in 1962. In 1980, Bakersfield completed the first expansion that included the construction of the convention center. Rabobank Arena was later built in 1998, which completed the complex. Rabobank renewed its naming rights contract for the complex in 2014 for \$3.5 million over 10 years. The complex is operated by AEG.

Convention Center:	Rabobank Theater and Convention Center
Year Open/Renovated:	1980
Operator:	AEG
Total Function SF:	TBD
Arena:	Rabobank Arena
Year Open/Renovated:	1998
Operator:	AEG
Capacity:	10,400
Luxury Suites:	28
Club Seats:	1,000
Theater:	Rabobank Theater
Year Open/Renovated:	1962/1980
Operator:	AEG
Capacity:	3,000



F. COMPARABLE COMPLEX CASE STUDIES

Comparable Complexes

Baton Rouge, LA

Opening in 1977, the Raising Cane's River Center complex is operated by SMG and includes an arena, ballroom, exhibition center, theatre, and library. A new exhibition hall was built in 2005, adding 70,000 square feet of additional space. The complex recently agreed to a 10-year \$3.87 million naming rights deal with Raising Cane's. The deal is set to expire in 2026.

Convention Center:	Raising Cane's River Center
Year Open/Renovated:	1977/2005
Operator:	SMG
Total Function SF:	146,900
Arena:	Raising Cane's River Center Arena
Year Open/Renovated:	1977
Operator:	SMG
Capacity:	12,000
Luxury Suites:	0
Club Seats:	0
Theater:	Raising Cane's River Center Theatre for the Perf. Arts
Year Open/Renovated:	1979
Operator:	SMG
Capacity:	1,900



F. COMPARABLE COMPLEX CASE STUDIES

Comparable Complexes

Charlotte, NC

Charlotte Convention Center opened in 1995 and includes an exhibit hall, a ballroom, and meeting rooms. The NASCAR Hall of Fame was opened in 2010 and is connected to the Charlotte Convention Center. Bojangles' Coliseum was opened in 1955 and was renovated in 2016. The oldest component of the complex, Owen's Auditorium, was built in 1955. The four buildings are operated by the Charlotte Regional Visitors Authority despite the arena and auditorium being located several miles away from the convention center.

Convention Center:	Charlotte Convention Center
Year Open/Renovated:	1995
Operator:	Charlotte RVA
Total Function SF:	372,200
Arena:	Bojangles' Coliseum
Year Open/Renovated:	1955/2016
Operator:	Charlotte RVA
Capacity:	8,600
Luxury Suites:	0
Club Seats:	0
Theater:	Owen's Auditorium
Year Open/Renovated:	1955
Operator:	Charlotte RVA
Capacity:	2,460



F. COMPARABLE COMPLEX CASE STUDIES

Comparable Complexes

Des Moines, IA

The Iowa Events Center includes Wells Fargo Arena, Hy-Vee Hall, and the Community Choice Credit Union Convention Center. Community Choice Credit Union Convention Center was built in 1955, with Hy-Vee Hall being added in 2004 and the 16,980 seat Wells Fargo Arena in 2005. The complex is managed by Spectra.

Convention Center:	Hy-Vee Hall
Year Open/Renovated:	2004/2010/2012
Operator:	Spectra
Total Function SF:	226,000
Arena:	Wells Fargo Arena
Year Open/Renovated:	2005
Operator:	Spectra
Capacity:	16,980
Luxury Suites:	36
Club Seats:	630
Theater:	NA
Year Open/Renovated:	NA
Operator:	NA
Capacity:	NA



F. COMPARABLE COMPLEX CASE STUDIES

Comparable Complexes

Duluth, GA

The Infinite Energy Center is made up of the Infinite Energy Forum, 13,100 seat Infinite Energy Arena, 710 seat Infinite Energy Theater, and the Jacqueline Casey Hudgens Center for the Arts. In 2015, Infinite Energy purchased the naming rights to the complex, then known as the Gwinnett Center, for \$18 million over 20 years. The complex has relationship with AEG for certain aspects of the operation (to be confirmed).

Convention Center:	Infinite Energy Forum
Year Open/Renovated:	1992/2003
Operator:	Gwinnett CVB Board
Total Function SF:	85,400
Arena:	Infinite Energy Arena
Year Open/Renovated:	2003
Operator:	Gwinnett CVB Board
Capacity:	13,100
Luxury Suites:	36
Club Seats:	1,388
Theater:	Infinite Energy Theater
Year Open/Renovated:	1992
Operator:	Gwinnett CVB Board
Capacity:	710



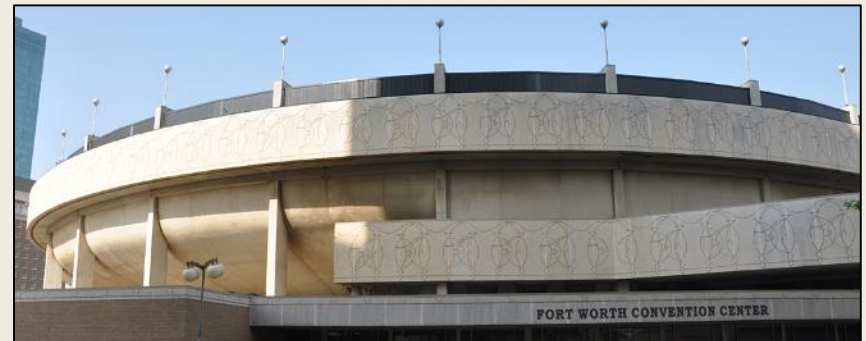
F. COMPARABLE COMPLEX CASE STUDIES

Comparable Complexes

Fort Worth, TX

Fort Worth Convention Center opened in 1968 and has undergone multiple expansions. The convention center includes an arena that has hosted several different sports tenants throughout its history. The City of Fort Worth operates the convention center and the Will Rogers Memorial Center, which includes exhibit space and the Will Rogers Auditorium. The Will Rogers Memorial Center is located approximately two miles from the convention center.

Convention Center:	Fort Worth Convention Center
Year Open/Renovated:	1968/1983/2003
Operator:	City of Fort Worth
Total Function SF:	340,200
Arena:	Fort Worth Convention Center Arena
Year Open/Renovated:	1968
Operator:	City of Fort Worth
Capacity:	13,500
Luxury Suites:	0
Club Seats:	0
Theater:	Will Rogers Auditorium
Year Open/Renovated:	1936/TBD
Operator:	City of Fort Worth
Capacity:	2,860



F. COMPARABLE COMPLEX CASE STUDIES

Comparable Complexes Grand Rapids, MI

The DeVos Performance Hall opened in 1980 and was renovated as part of the DeVos Place Convention Center's opening in 2004. The convention center was named after Richard DeVos, who donated \$20 million toward its construction. The 10,834 seat Van Andel Arena is located several blocks away. The facilities are operated by SMG.

Convention Center:	DeVos Place Convention Center
Year Open/Renovated:	2004
Operator:	SMG
Total Function SF:	236,100
Arena:	Van Andel Arena
Year Open/Renovated:	1996
Operator:	SMG
Capacity:	10,834
Luxury Suites:	44
Club Seats:	1,800
Theater:	DeVos Performance Hall
Year Open/Renovated:	1980/2004
Operator:	SMG
Capacity:	2,400

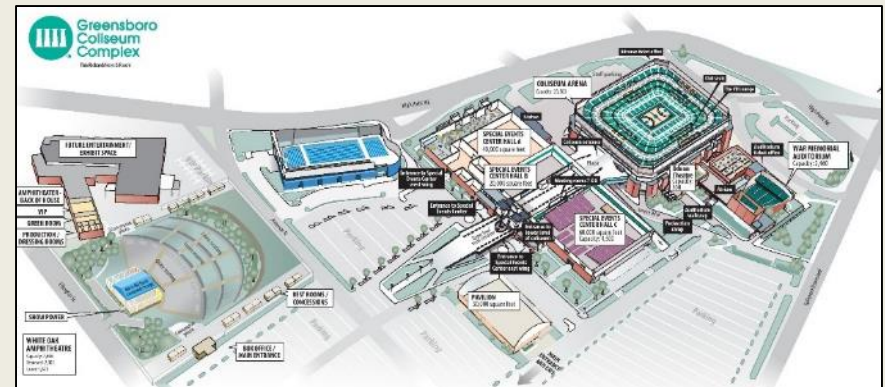


F. COMPARABLE COMPLEX CASE STUDIES

Comparable Complexes Greensboro, NC

The Greensboro Coliseum Complex holds several buildings, including the Greensboro Coliseum, the Greensboro Coliseum Complex Special Events Center, Odeon Theatre, White Oak Amphitheatre, a smaller exhibition hall, and an aquatic center. One of the original buildings of the complex, the War Memorial Auditorium, was demolished in 2014. The complex is managed by the City of Greensboro.

Convention Center:	Greensboro Coliseum Complex Special Events Center
Year Open/Renovated:	1970/2004
Operator:	City of Greensboro
Total Function SF:	132,700
Arena:	Greensboro Coliseum
Year Open/Renovated:	1959/2012
Operator:	City of Greensboro
Capacity:	23,500
Luxury Suites:	24
Club Seats:	0
Theater:	Odeon Theatre
Year Open/Renovated:	1958/2004
Operator:	City of Greensboro
Capacity:	300



F. COMPARABLE COMPLEX CASE STUDIES

Comparable Complexes

Omaha, NE

CenturyLink Center Omaha opened in 2003 and contains a convention center and 18,320 seat arena. It is operated by the Metropolitan Entertainment & Convention Authority (MECA). MECA also operates TD Ameritrade Park, the home of the College World Series.

Convention Center:	CenturyLink Center Omaha Convention Center
Year Open/Renovated:	2003
Operator:	MECA
Total Function SF:	258,300
Arena:	CenturyLink Center Omaha Arena
Year Open/Renovated:	2003
Operator:	MECA
Capacity:	18,320
Luxury Suites:	32
Club Seats:	1,000
Theater:	NA
Year Open/Renovated:	NA
Operator:	NA
Capacity:	NA



F. COMPARABLE COMPLEX CASE STUDIES

Comparable Complexes Spokane, WA

Spokane Convention Center opened in 1974 and has undergone multiple renovations. It is located adjacent to 2,700 seat INB Performing Arts Center. Inland Northwest Bank (INB) purchased the theater's naming rights in 2006 for \$1.5 million over 10 years. The deal was set to expire in 2016, but INB had a right to extend the contract. Spokane Arena, which opened in 1995, is located approximately one mile away. The facilities are operated by the Spokane Public Facilities District.

Convention Center:	Spokane Convention Center
Year Open/Renovated:	1974/2006/2015
Operator:	Spokane PFD
Total Function SF:	197,000
Arena:	Spokane Veterans Memorial Arena
Year Open/Renovated:	1995
Operator:	Spokane PFD
Capacity:	12,638
Luxury Suites:	16
Club Seats:	0
Theater:	INB Performing Arts Center
Year Open/Renovated:	1974/2003
Operator:	Spokane PFD
Capacity:	2,700



F. COMPARABLE COMPLEX CASE STUDIES

Comparable Complexes

Tucson, AZ

Tucson Convention Center opened in 1971 and is located adjacent to the 2,290 seat Tucson Music Hall. The convention center contains the Tucson Arena, which was renovated in 2015. The facilities are operated by SMG.

Convention Center:	Tucson Convention Center
Year Open/Renovated:	1971
Operator:	SMG
Total Function SF:	144,700
Arena:	Tucson Arena
Year Open/Renovated:	1971/2015
Operator:	SMG
Capacity:	7,440
Luxury Suites:	0
Club Seats:	0
Theater:	Tucson Music Hall
Year Open/Renovated:	1971
Operator:	SMG
Capacity:	2,290



G. LOCAL SPORTS TEAMS

G. LOCAL SPORTS TEAMS

Local Professional and Collegiate Sports

- Milwaukee currently has two major professional sports teams
 - Milwaukee Bucks (NBA)
 - Milwaukee Brewers (MLB)
- Milwaukee is currently home to two minor league professional sports teams
 - Milwaukee Wave (MASL)
 - Milwaukee Admirals (AHL)
- The following major collegiate sports teams are in the market
 - Marquette University Golden Eagles (Big East)
 - University of Wisconsin – Milwaukee Panthers (Horizon League)
- We considered but did not include University of Wisconsin-Madison Badgers (Big 10) and Green Bay Packers (NFL)

G. LOCAL SPORTS TEAMS

Milwaukee Bucks

BMO Harris Bradley Center / Wisconsin Entertainment and Sports Center

The Milwaukee Bucks are a professional basketball team that plays in the NBA Eastern Conference. The Bucks are also one of five teams that compete in the Central Division. Without an official name, the team was founded on January 22, 1968. The teams name was later decided on in a fan contest in which 40,000 people participated. The Bucks have won one league title (1971), two conference titles, (1971, 1974), and 13 division titles. In 2014, Herb Kohl (the long time owner of the team) sold the Bucks to Wesley Edens and Marc Lasry for \$550 million. The Bucks currently play their home games in the BMO Harris Bradley Center, but will be moving into the Wisconsin Entertainment and Sports Center when it opens in 2018. The Wisconsin Entertainment and Sports Center will have a capacity of 17,500.



Announced Attendance Per Game		
Season	Attendance	Rank of 30
2011-12	14,718	26
2012-13	15,035	27
2013-14	13,487	30
2014-15	14,907	27
2015-16	15,166	26

Source: ESPN.

G. LOCAL SPORTS TEAMS

Milwaukee Brewers

Miller Park

The Milwaukee Brewers are a professional baseball team that plays in the MLB National League Central Division. The team was originally founded in 1969 as the Seattle Pilots, an American League expansion team. In 1970, the Pilots relocated to Milwaukee and were renamed the Brewers in reference to the City's beer industry. The Brewers are the only franchise to play in four MLB divisions since the creation of divisional play in 1969. The team reached the World Series in 1982, but lost to the St. Louis Cardinals. Additionally, the Brewers have won two division titles, one in both the NL Central and the AL East. The team plays its home games at Miller Park, which was built in 2001 and has a capacity of 41,900.



Announced Attendance Per Game		
Season	Attendance	Rank of 30
2012	34,955	11
2013	31,248	16
2014	34,535	8
2015	31,389	13
2016	28,575	16

Source: ESPN.

G. LOCAL SPORTS TEAMS

Milwaukee Wave

UW-Milwaukee Panther Arena

The Milwaukee Wave is a professional soccer team that plays in the Major Arena Soccer League (MASL). Founded in 1984, the Wave is currently the longest continuously operating professional soccer team in the U.S. In its two seasons in the MASL, the Wave has lost twice in the Central Division Final (2014-15, 2015-16). The Wave plays its home games at UW-Milwaukee Panther Arena, which has a soccer capacity of 9,600.



G. LOCAL SPORTS TEAMS

Milwaukee Admirals

UW-Milwaukee Panther Arena

The Milwaukee Admirals are a professional hockey team in the American Hockey League (AHL). The Admirals compete in the Western Conference Central Division. Before entering the AHL at the beginning of the 2001-02 season, the team played in the International Hockey League (IHL) from 1977 until 2001, when the IHL ceased operations. Since joining the AHL, the Admirals have won one Calder Cup in 2003-04, along with two conference championships in 2003-04 and 2005-06. AS of 2016-17, the team plays its home games at UW-Milwaukee Panther Arena, which was built in 1950 (most recently renovated in 2016) and has a hockey capacity of 9,652. The team previously played at the Bradley Center.



Announced Attendance Per Game		
Season	Attendance	Rank of 30
2011-12	6,226	10
2012-13	5,624	14
2013-14	5,844	11
2014-15	5,809	11
2015-16	6,169	11

Source: HockeyDB.

G. LOCAL SPORTS TEAMS

Marquette University – Men’s Basketball **BMO Harris Bradley Center**

The Marquette Golden Eagles basketball team began play in 1916. The Golden Eagles compete in the Big East, an NCAA Division I conference. Marquette has reached the NCAA Tournament 31 times, with its best finish coming in 1977 when the Golden Eagles won the tournament. Additionally, the team has three Final Four appearances and seven Elite Eight appearances. Despite only having around 8,334 undergraduate students, Marquette has placed inside or near the top 20 in NCAA Division I attendance consistently over the past ten years. Marquette plays its home games at the BMO Harris Bradley Center, which was built in 1988 and has a basketball capacity of 18,717.



Announced Attendance Per Game		
Season	Attendance	NCAA Rank
2011-12	15,138	13
2012-13	15,033	15
2013-14	15,327	14
2014-15	13,657	22
2015-16	13,308	21

Source: NCAA.

G. LOCAL SPORTS TEAMS

University of Wisconsin-Milwaukee – Men's Basketball

UW-Milwaukee Panther Arena

The UW-Milwaukee Panthers basketball team began play in 1896. The Panthers compete in the Horizon League, an NCAA Division I conference. The team has won the Horizon League conference tournament four times with wins coming in 2003, 2005, 2006, and 2014. With the conference tournament winner being granted an automatic bid, the Panthers also reached the NCAA Tournament in those four years. The team's best finish came in 2005 when it reached the Sweet Sixteen. The Panthers play their home games at UW-Milwaukee Panther Arena, which has a basketball capacity is 11,119.



Announced Attendance Per Game		
Season	Attendance	NCAA Rank
2011-12	4,154	122
2012-13	2,266	192
2013-14	2,847	159
2014-15	3,134	149
2015-16	2,667	168

Source: NCAA.

H. FESTIVALS/OTHER EVENTS

H. FESTIVALS/OTHER EVENTS

Festivals/Other Events

- One of the biggest changes to the concert industry recently has been the increasing number of large multi-day festivals
 - According to *Pollstar's* 2016 Global Festival Events Calendar there were approximately 1,900 confirmed events in 2016 that spanned 74 countries around the world
 - Many festivals are willing to pay large sums of money to attract the best headliners and this has changed the landscape of booking tours
 - Some artists book a few festivals and then fill-in the remaining dates for their tour
 - In general, there is some concern regarding the potential oversaturation of the festival market
- In addition to the supply of regional facilities, there are several large festivals in the Milwaukee region that further impact the ability and/or interest of artists to play at UW-Milwaukee Panther Arena and Milwaukee Theatre including, but not limited to, the following:
 - Summerfest – Milwaukee
 - Eaux Claires Music & Art Festival – Eau Claire
 - Pitchfork Music Festival – Chicago
 - Chicago Blues Festival – Chicago
 - Lollapalooza – Chicago
 - Country LakeShake Festival – Chicago

H. FESTIVALS/OTHER EVENTS

Festivals/Other Events

- Secondary sources report that American Family Insurance and Milwaukee World Festival Inc. have agreed to a 10-year partnership that includes title sponsorship of Summerfest and the construction of a new 23,000-seat amphitheater at Henry Maier Festival Park
 - Construction is tentatively slated for 2019-2020

I. DOWNTOWN DEVELOPMENT

I. DOWNTOWN DEVELOPMENT

Wisconsin Entertainment & Sports Center Entertainment Block

- A new entertainment block will be constructed adjacent to the new Bucks arena
- It will feature dining, entertainment, and retail along 4th Street
- Expected to be completed in time for the opening of the arena in 2018



I. DOWNTOWN DEVELOPMENT

4th and Wisconsin Avenue Development

- The Redevelopment Authority of the City of Milwaukee issued a RFP in the Fall of 2016 for a transit-oriented development opportunity for a two-acre parcel at 4th and Wisconsin Avenue
 - Directly across from the Wisconsin Center
- The site is located on both the proposed Milwaukee Streetcar route and the Bus Rapid Transit line
- A portion of the site is reserved by the City to locate a Pavilion structure to service transit users
- Submittals were received from Jackson Street Holdings LLC and from Marcus Corporation
- Both projects sought to expand the supply of hotel rooms to support an expansion of the convention center

I. DOWNTOWN DEVELOPMENT

4th and Wisconsin Avenue Development “Nexus”

- The \$297.6 million “Nexus” proposed project by Jackson Street Holdings LLC anticipates creating three hotels with 506 rooms and expanding meeting and exhibit space. The hotels would include a 12-story, 150-room tower and two hotels in a 20-story, 356-room tower. A combined 103,000 SF of exhibit, meeting, and ballroom space on four shared space floors would be located in the proposed three hotels. The meeting and exhibit space would be financed, owned, and operated by the WCD.



I. DOWNTOWN DEVELOPMENT

4th and Wisconsin Avenue Development “eMbarKE”

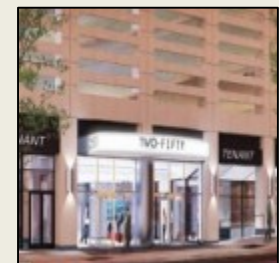
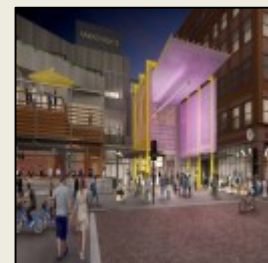
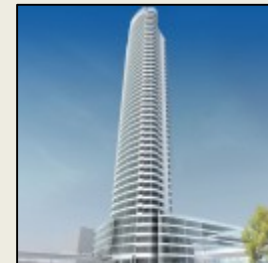
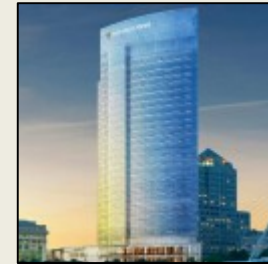
- The \$125 million “eMbarKE” proposed project by the Marcus Corporation proposes an addition of 61,000 SF of meeting and exhibit space in the Hilton Milwaukee City Center, a 276-room expansion of the Hilton property in a new 11-story tower, and the creation of a 16-story, 200-unit apartment complex.



I. DOWNTOWN DEVELOPMENT

Other Downtown Development

- 833 East Michigan Avenue
 - 18 story, \$100 million tower
- Northwestern Mutual office tower
 - 32 story, 1.1 million square foot, \$450 million tower
 - Also building a \$100 million residential, parking, and retail tower adjacent to the office tower
- The Couture
 - 44 story, \$122 million tower
- Westin Hotel
- The Shops of Grand Avenue
- Two-Fifty East
- Lakefront Gateway Project



J. GENERAL OBSERVATIONS

J. GENERAL OBSERVATIONS

General Observations

- Milwaukee is generally considered a mid-sized to small market area
- Milwaukee's income levels and spending are generally near to slightly below the average for similarly sized markets
 - Slightly above average relative to comparable complex markets
- Milwaukee has a strong corporate base relative to similarly sized markets
- Milwaukee is an attractive but highly competitive market from a sports and entertainment perspective
 - Milwaukee is the home of two major league sports teams, two minor league teams, and two major college sports teams
 - In terms of perception, Milwaukee is considered a good concert market, but not a “must play” for artists
 - Milwaukee is well positioned for routing of shows – easily routes with Chicago
 - Significant amount of theater-style competition in Milwaukee market
 - Presence of several large music festivals in the region impacts the WCD facilities' ability to draw artists – potential restrictions based on proximity

J. GENERAL OBSERVATIONS

General Observations

- Milwaukee's busiest hotel and tourism months are June and July
 - Summerfest occurs during these months
- Air accessibility to Milwaukee has decreased in recent years, but is expected to improve
- There is a great deal of development occurring in downtown Milwaukee – potential positive impact on WCD facilities with increased activity in the area and improved destination appeal
 - New Bucks arena
 - 4th and Wisconsin
 - Several other developments underway
- Wisconsin Center is the largest meeting & expo facility in Wisconsin in terms of total function square feet
 - In-state facilities compete for events such as State associations and corporate meetings

IV. BENCHMARKING ANALYSIS

IV. BENCHMARKING ANALYSIS

Overview

- The previous sections provided an overview of current operations at WCD facilities, as well as the competitive landscape, which served as the basis for our limited benchmarking analysis. This section profiles attributes of competitive and comparable facilities for benchmarking purposes.
- For purposes of this analysis, facilities used in the benchmarking analysis were chosen based several factors including, but not limited to: geographic location; market attributes; building program; type of event activity hosted; destination attributes offered; owner/management structure; as well as input from WCD management, VISIT Milwaukee and event promoters/producers/planners.
- Benchmarking is a key element to short and long-term strategic planning. While providing significant data, benchmarks still only serve as a guide. Other attributes such as specific facility/market factors and industry trends are also considered when developing our conclusions and recommendations.

IV. BENCHMARKING ANALYSIS

Overview (continued)

- Benchmarking operations at WCD facilities to other similar venues can be beneficial in terms of identifying various strengths, weaknesses, opportunities, and threats. The challenge to benchmarking is ensuring comparisons are accurate. Operating data was obtained and analyzed from the profiled sets based on data from facility management, industry resources, published reports and our internal database. The data shown in the report is based on available information for each of the profiled facilities. Individual facilities are not identified in the benchmarking analysis because some information was provided confidentially.
- The project team analyzed four peer sets including operations of the complex as a whole and each of the three individual facilities:
 - WCD Complex
 - Wisconsin Center
 - UW-Milwaukee Panther Arena
 - Milwaukee Theatre
- WCD does not currently allocate all revenues and expenses to each individual venue – we have evaluated alternative allocation methods for benchmarking purposes and elected to use the event based allocation method

IV. BENCHMARKING ANALYSIS

Revenue and Expense Statement

Unallocated Revenue and Expenses

- Illustrated below is the calculation of 2016 Unallocated Operating Revenue and Expenses in the statements provided by WCD
- \$2.9 million in Operating Revenue and \$2.8 million in Operating Expense were unallocated
 - \$2.0 million of the Operating Revenue was a one-time contribution from the Milwaukee Admirals

Calculation of Unallocated Operating Revenues and Expenses FYE December 2016	Allocated by WCD				Calculation of Unallocated	
	Wisconsin Center	UWM Panther Arena	Milwaukee Theatre	Total	WCD Consolidated Statement	Unallocated Operating Revenues and Expenses
Total Operating Income	\$7,280,946	\$2,181,797	\$1,830,979	\$11,293,722	\$14,180,184	\$2,886,462
Total Operating Expenses	\$4,235,510	\$1,021,043	\$542,448	\$5,799,001	\$8,592,377	\$2,793,376
Operating Revenues Over Expenses	\$3,045,436	\$1,160,753	\$1,288,532	\$5,494,721	\$5,587,807	\$93,086

IV. BENCHMARKING ANALYSIS

Revenue and Expense Statement Unallocated Revenue and Expenses

Calculation of Unallocated Operating Revenues and Expenses FYE December 2016	Allocated by WCD				Calculation of Unallocated	
	Wisconsin Center	UWM Panther Arena	Milwaukee Theatre	Total	WCD Consolidated Statement	Unallocated Operating Revenues and Expenses
<u>Operating Income</u>						
Event Room Fees	\$2,499,113	\$571,651	\$275,305	\$3,346,069	\$3,346,069	\$0
Equipment Rentals	\$1,088,555	\$26,935	\$26,666	\$1,142,156	\$1,142,156	\$0
Net Concessions Revenue	\$2,124,078	\$191,980	\$149,540	\$2,465,598	\$2,465,598	\$0
Box Office Revenue	\$6,241	\$382,551	\$343,218	\$732,009	\$732,009	\$0
Parking Revenue	\$463,024	\$117,943	\$105,560	\$686,527	\$686,527	\$0
Office Space Rentals	\$61,200	\$0	\$109,222	\$170,422	\$170,422	\$0
Telecommunications Revenue	\$127,010	\$9,410	\$23,536	\$159,956	\$159,956	\$0
Advertising Revenue	\$240,762	\$169,000	\$18,000	\$427,762	\$427,762	\$0
Miscellaneous Income- Activity Committee	\$0	\$0	\$0	\$0	\$40,266	\$40,266
Datacommunications Revenue	\$318,986	\$73,239	\$9,982	\$402,207	\$402,207	\$0
Video Production Service Revenue	\$2,600	\$77,882	\$16,250	\$96,732	\$96,732	\$0
Other Income	\$69	\$0	\$0	\$69	\$2,784,398	\$2,784,328
Miscellaneous Income Discounts Taken	\$0	\$0	\$0	\$0	\$61,868	\$61,868
Naming Rights Revenue	\$0	\$300,000	\$180,000	\$480,000	\$480,000	\$0
Labor Service/Show Reimbursement Revenue	\$349,308	\$261,206	\$573,700	\$1,184,215	\$1,184,215	\$0
Total Operating Income	\$7,280,946	\$2,181,797	\$1,830,979	\$11,293,722	\$14,180,184	\$2,886,462
<u>Operating Expenses</u>						
Operating Wages	\$810,486	\$0	\$0	\$810,486	\$1,035,981	\$225,495
Cleaning Wages	\$1,089,367	\$0	\$0	\$1,089,367	\$1,090,426	\$1,059
Attendant Wages	\$361,831	\$220,801	\$53,548	\$636,180	\$641,097	\$4,917
Technician Wages	\$41,390	\$1,408	\$0	\$42,798	\$134,127	\$91,329
Contract Services	\$4,575	\$179,608	\$744	\$184,927	\$731,979	\$547,052
H&D Insurance Allocation-Operating	\$0	\$0	\$0	\$0	\$534,000	\$534,000
Pension Allocation-Operating	\$0	\$0	\$0	\$0	\$0	\$0
FICA Tax Expense-Operating	\$170,976	\$16,891	\$4,096	\$191,964	\$225,114	\$33,150
Steam & Gas	\$406,453	\$90,844	\$55,143	\$552,440	\$552,440	\$0
Electricity	\$872,568	\$262,232	\$210,327	\$1,345,128	\$1,345,128	\$0
Water	\$87,627	\$28,074	\$9,805	\$125,507	\$125,507	\$0
Uniform Expense	\$0	\$0	\$0	\$0	\$15,658	\$15,658
Ticket Expense	\$0	\$20,948	\$0	\$20,948	\$32,961	\$12,014
Telecommunications Expense-Events	\$0	\$0	\$0	\$0	\$55,942	\$55,942
Datacommunications Expense-Events	\$0	\$0	\$0	\$0	\$61,491	\$61,491
Video Productions Expense-Events	\$0	\$0	\$0	\$0	\$155,438	\$155,438
Miscellaneous Show Expense	\$21,833	\$3,143	\$159,507	\$184,482	\$728,180	\$543,698
Cleaning Supplies	\$0	\$0	\$0	\$0	\$100,439	\$100,439
Other Supplies	\$0	\$0	\$0	\$0	\$308	\$308
Maintenance-Combined	\$368,404	\$197,095	\$49,276	\$614,775	\$1,026,160	\$411,385
Total Operating Expenses	\$4,235,510	\$1,021,043	\$542,448	\$5,799,001	\$8,592,377	\$2,793,376
Operating Revenues Over Expenses	\$3,045,436	\$1,160,753	\$1,288,532	\$5,494,721	\$5,587,807	\$93,086

Source: WCD.

IV. BENCHMARKING ANALYSIS

Revenue and Expense Statement

Allocation of Operating Revenue and Expenses

- Unallocated Operating Revenue and Expenses were allocated to each building based on event days (we also considered alternative methods described herein)
- The remaining \$0.9 million in Unallocated Operating Revenue (after deducting the Admirals contribution) and the \$2.8 million in Unallocated Operating Expenses have been distributed to each building, as illustrated below

Distribution of Unallocated Operating Revenues and Expenses (Allocated+ Unallocated) FYE December 2016	Unallocated Operating Revenues and Expenses	Wisconsin Center	UWM Panther Arena	Milwaukee Theatre	Total
% Allocation		54%	31%	15%	100%
Total Operating Income	\$886,462	\$7,760,783	\$2,453,869	\$1,965,532	\$12,180,184
Total Operating Expenses	\$2,793,376	\$5,747,550	\$1,878,385	\$966,442	\$8,592,377
Operating Revenues Over Expenses	(\$1,906,914)	\$2,013,233	\$575,484	\$999,089	\$3,587,807

IV. BENCHMARKING ANALYSIS

Revenue and Expense Statement

Allocation of Operating Revenue and Expenses

Distribution of Unallocated Operating Revenues and Expenses (Allocated+ Unallocated) FYE December 2016	Unallocated Operating Revenues and Expenses	Wisconsin Center	UWM Panther Arena	Milwaukee Theatre	Total
% Allocation		54%	31%	15%	100%
<u>Operating Income</u>					
Event Room Fees	\$0	\$2,499,113	\$571,651	\$275,305	\$3,346,069
Equipment Rentals	\$0	\$1,088,555	\$26,935	\$26,666	\$1,142,156
Net Concessions Revenue	\$0	\$2,124,078	\$191,980	\$149,540	\$2,465,598
Box Office Revenue	\$0	\$6,241	\$382,551	\$343,218	\$732,009
Parking Revenue	\$0	\$463,024	\$117,943	\$105,560	\$686,527
Office Space Rentals	\$0	\$61,200	\$0	\$109,222	\$170,422
Telecommunications Revenue	\$0	\$127,010	\$9,410	\$23,536	\$159,956
Advertising Revenue	\$0	\$240,762	\$169,000	\$18,000	\$427,762
Miscellaneous Income- Activity Committee	\$40,266	\$21,796	\$12,358	\$6,112	\$40,266
Datacommunications Revenue	\$0	\$318,986	\$73,239	\$9,982	\$402,207
Video Production Service Revenue	\$0	\$2,600	\$77,882	\$16,250	\$96,732
Other Income (Admirals Contribution Excluded)	\$784,328	\$424,622	\$240,726	\$119,050	\$784,398
Miscellaneous Income Discounts Taken	\$61,868	\$33,489	\$18,988	\$9,391	\$61,868
Naming Rights Revenue	\$0	\$0	\$300,000	\$180,000	\$480,000
Labor Service/Show Reimbursement Revenue	\$0	\$349,308	\$261,206	\$573,700	\$1,184,215
Total Operating Income	\$886,462	\$7,760,783	\$2,453,869	\$1,965,532	\$12,180,184
<u>Operating Expenses</u>					
Operating Wages	\$225,495	\$932,545	\$69,209	\$34,227	\$1,035,981
Cleaning Wages	\$1,059	\$1,089,940	\$325	\$161	\$1,090,426
Attendant Wages	\$4,917	\$364,493	\$222,310	\$54,295	\$641,097
Technician Wages	\$91,329	\$90,826	\$29,439	\$13,862	\$134,127
Contract Services	\$547,052	\$300,691	\$347,509	\$83,779	\$731,979
H&D Insurance Allocation-Operating	\$534,000	\$289,051	\$163,895	\$81,054	\$534,000
Pension Allocation-Operating	\$0	\$0	\$0	\$0	\$0
FICA Tax Expense-Operating	\$33,150	\$188,920	\$27,066	\$9,128	\$225,114
Steam & Gas	\$0	\$406,453	\$90,844	\$55,143	\$552,440
Electricity	\$0	\$872,568	\$262,232	\$210,327	\$1,345,128
Water	\$0	\$87,627	\$28,074	\$9,805	\$125,507
Uniform Expense	\$15,658	\$8,476	\$4,806	\$2,377	\$15,658
Ticket Expense	\$12,014	\$6,503	\$24,635	\$1,823	\$32,961
Telecommunications Expense-Events	\$55,942	\$30,281	\$17,170	\$8,491	\$55,942
Datacommunications Expense-Events	\$61,491	\$33,285	\$18,873	\$9,333	\$61,491
Video Productions Expense-Events	\$155,438	\$84,138	\$47,707	\$23,593	\$155,438
Miscellaneous Show Expense	\$543,698	\$316,134	\$170,014	\$242,032	\$728,180
Cleaning Supplies	\$100,439	\$54,367	\$30,827	\$15,245	\$100,439
Other Supplies	\$308	\$167	\$95	\$47	\$308
Maintenance-Combined	\$411,385	\$591,084	\$323,357	\$111,719	\$1,026,160
Total Operating Expenses	\$2,793,376	\$5,747,550	\$1,878,385	\$966,442	\$8,592,377
Operating Revenues Over Expenses	(\$1,906,914)	\$2,013,233	\$575,484	\$999,089	\$3,587,807

Note: Allocations have been made based on event days for 2016. Events taking place in multiple facilities were split evenly.

Source: WCD.

IV. BENCHMARKING ANALYSIS

Revenue and Expense Statement

Allocation of Non-Operating Expenses

- Non-Operating Expenses have been allocated to each facility according to event days
 - Over \$5 million in total was allocated
- VISIT Milwaukee Management Fee and Bond Interest Expense were excluded – not applicable for benchmarking of facility operations
- Non-Operating Income such as Taxes and Noncash Expenses such as Depreciation and Amortization have been excluded

Allocation of Non-Operating Expenses FYE December 2016	Consolidated Statement	Wisconsin Center	UWM Panther Arena	Milwaukee Theatre
Allocation %	100%	54%	31%	15%
Total Non-Operating Expenses	\$5,050,514	\$2,733,816	\$1,550,102	\$766,596

Note: Allocations have been made based on event days for 2016. Events taking place in multiple facilities were split evenly.

IV. BENCHMARKING ANALYSIS

Revenue and Expense Statement

Allocation of Non-Operating Expenses

Allocation of Non-Operating Expenses FYE December 2016	Consolidated Statement	Wisconsin Center	UWM Panther Arena	Milwaukee Theatre
Allocation %	100%	54%	31%	15%
<u>Non-Operating Expenses</u>				
Administrative Wages	\$2,309,908	\$1,250,341	\$708,956	\$350,611
FICA Taxes	\$164,921	\$89,271	\$50,618	\$25,033
Unemployment Taxes	\$22,651	\$12,261	\$6,952	\$3,438
Health Insurance	\$505,307	\$273,520	\$155,089	\$76,698
Health Insurance-Employee Contribution	(\$63,763)	(\$34,515)	(\$19,570)	(\$9,678)
Life Insurance	\$11,478	\$6,213	\$3,523	\$1,742
Pension	\$375,143	\$203,063	\$115,139	\$56,941
Advertising	\$125,041	\$67,684	\$38,377	\$18,979
Promotional Items	\$1,937	\$1,048	\$594	\$294
Visit Milwaukee Management Fee	Excluded	NA	NA	NA
Maintenance-Copier/Fax/Software	\$0	\$0	\$0	\$0
Office Supplies	\$18,488	\$10,007	\$5,674	\$2,806
Legal Services	\$194,989	\$105,546	\$59,846	\$29,597
Professional Services	\$102,739	\$55,612	\$31,533	\$15,594
Information Technology Expense	\$287,038	\$155,372	\$88,097	\$43,568
Signage for Advertisers	\$0	\$0	\$0	\$0
Insurance	\$600,022	\$324,789	\$184,159	\$91,075
Employee Activity Expense	\$20,655	\$11,181	\$6,340	\$3,135
Interest Expense	\$45,193	\$24,463	\$13,871	\$6,860
Bond Interest Expense	Excluded	NA	NA	NA
Travel	\$15,394	\$8,333	\$4,725	\$2,337
Business Meetings	\$29,467	\$15,950	\$9,044	\$4,473
Postage	\$9,704	\$5,253	\$2,978	\$1,473
Recruiting	\$28,785	\$15,581	\$8,835	\$4,369
Training Expense	\$5,221	\$2,826	\$1,602	\$792
Dues & Subscriptions	\$55,839	\$30,225	\$17,138	\$8,475
Bad Debt Expense	\$24,000	\$12,991	\$7,366	\$3,643
Miscellaneous Expense	\$160,360	\$86,802	\$49,218	\$24,340
Total Non-Operating Expenses	\$5,050,514	\$2,733,816	\$1,550,102	\$766,596

Note: Allocations have been made based on event days for 2016. Events taking place in multiple facilities were split evenly.

Source: WCD.

IV. BENCHMARKING ANALYSIS

Revenue and Expense Statement

Adjusted Revenue and Expenses

- Operating Revenue and Expenses have been combined with Non-Operating Expenses to calculate adjusted figures for benchmarking purposes
- On a consolidated basis, the WCD had an Adjusted Net Loss of \$1.5 million in 2016
 - Excludes:
 - Admirals Contribution
 - Non-Operating Income
 - VISIT Milwaukee Management Fee
 - Bond Interest Expense
 - Noncash Expenses

Adjusted Revenue and Expenses for Benchmarking FYE December 2016	Wisconsin Center	UWM Panther Arena	Milwaukee Theatre	Consolidated	Benchmarking Category
Total Adjusted Revenue - For Benchmarking	\$7,411,475	\$2,192,663	\$1,391,831	\$10,995,969	Total Revenue
Total Adjusted Expenses - For Benchmarking	\$8,132,058	\$3,167,281	\$1,159,338	\$12,458,677	Total Expense
Adjusted Net Income - For Benchmarking	(\$720,583)	(\$974,618)	\$232,493	(\$1,462,708)	NI Before Depreciation (After Mgmt. Fee)

IV. BENCHMARKING ANALYSIS

Revenue and Expense Statement Adjusted Revenue and Expenses

Adjusted Revenue and Expenses for Benchmarking FYE December 2016	Wisconsin Center	UWM Panther Arena	Milwaukee Theatre	Consolidated	Benchmarking Category
Adjusted Revenue - For Benchmarking					
Event Room Fees	\$2,499,113	\$571,651	\$275,305	\$3,346,069	Facility Rent
Equipment Rentals	\$1,088,555	\$26,935	\$26,666	\$1,142,156	
Net Concessions Revenue	\$2,124,078	\$191,980	\$149,540	\$2,465,598	Net Concessions/Catering Revenue
Box Office Revenue	\$6,241	\$382,551	\$343,218	\$732,009	Ticket Rebates/Facility Fees
Parking Revenue	\$463,024	\$117,943	\$105,560	\$686,527	Parking Revenue
Office Space Rentals	\$61,200	\$0	\$109,222	\$170,422	
Telecommunications Revenue	\$127,010	\$9,410	\$23,536	\$159,956	
Advertising Revenue	\$240,762	\$169,000	\$18,000	\$427,762	Advertising/Sponsorship Revenue
Miscellaneous Income-Activity Committee	\$21,796	\$12,358	\$6,112	\$40,266	
Datacommunications Revenue	\$318,986	\$73,239	\$9,982	\$402,207	
Video Production Service Revenue	\$2,600	\$77,882	\$16,250	\$96,732	
Other Income	\$424,622	\$240,726	\$119,050	\$784,398	
Miscellaneous Income Discounts Taken	\$33,489	\$18,988	\$9,391	\$61,868	
Naming Rights Revenue	\$0	\$300,000	\$180,000	\$480,000	
Labor Service/Show Reimbursement Revenue	\$349,308	\$261,206	\$573,700	\$1,184,215	
Labor Service/Show Reimbursement Revenue	(\$349,308)	(\$261,206)	(\$573,700)	(\$1,184,215)	
Total Adjusted Revenue - For Benchmarking	\$7,411,475	\$2,192,663	\$1,391,831	\$10,995,969	Total Revenue
Adjusted Expenses - For Benchmarking					
Staffing Expenses-Operating	\$3,256,467	\$859,752	\$276,506	\$4,392,725	Staffing Expense
Staffing Expenses-Non-Operating (Non-Operating)	\$1,800,154	\$1,020,706	\$504,785	\$3,325,646	Staffing Expense
Labor Service/Show Reimbursement Revenue	(\$349,308)	(\$261,206)	(\$573,700)	(\$1,184,215)	Staffing Expense
Insurance (Non-Operating)	\$324,789	\$184,159	\$91,075	\$600,022	Insurance Expense
Steam & Gas	\$406,453	\$90,844	\$55,143	\$552,440	Utilities Expense
Electricity	\$872,568	\$262,232	\$210,327	\$1,345,128	Utilities Expense
Water	\$87,627	\$28,074	\$9,805	\$125,507	Utilities Expense
Uniform Expense	\$8,476	\$4,806	\$2,377	\$15,658	
Ticket Expense	\$6,503	\$24,635	\$1,823	\$32,961	
Telecommunications Expense-Events	\$30,281	\$17,170	\$8,491	\$55,942	
Datacommunications Expense-Events	\$33,285	\$18,873	\$9,333	\$61,491	
Video Productions Expense-Events	\$84,138	\$47,707	\$23,593	\$155,438	
Miscellaneous Show Expense	\$316,134	\$170,014	\$242,032	\$728,180	
Cleaning Supplies	\$54,367	\$30,827	\$15,245	\$100,439	
Other Supplies	\$167	\$95	\$47	\$308	
Maintenance-Combined	\$591,084	\$323,357	\$111,719	\$1,026,160	Repairs and Maintenance
Other Non-Operating Expense (Non-Operating)	\$608,873	\$345,237	\$170,736	\$1,124,846	
Total Adjusted Expenses - For Benchmarking	\$8,132,058	\$3,167,281	\$1,159,338	\$12,458,677	Total Expense
Adjusted Net Income - For Benchmarking	(\$720,583)	(\$974,618)	\$232,493	(\$1,462,708)	NI Before Depreciation (After Mgmt. Fee)

Source: WCD.

IV. BENCHMARKING ANALYSIS

Revenue and Expense Statement

Adjusted Revenue and Expenses

Reconciliation to WCD Financials

- Below is a summary of adjustments made to WCD financials for benchmarking purposes

FYE December	2012	2013	2014	2015	2016	Average	CAGR
Total Operating Income	\$12,110,256	\$11,858,625	\$13,105,398	\$9,983,980	\$14,180,184	\$12,247,689	4.0%
Total Operating Expenses	\$9,259,708	\$8,837,809	\$8,571,872	\$7,835,187	\$8,592,377	\$8,619,391	-1.9%
Operating Revenues Over Expenses	\$2,850,548	\$3,020,816	\$4,533,526	\$2,148,793	\$5,587,807	\$3,628,298	18.3%
Total Non-Operating Income	\$27,745,575	\$29,387,264	\$31,196,945	\$33,140,007	\$35,792,209	\$31,452,400	6.6%
Total Non-Operating Expenses	\$23,021,276	\$23,690,813	\$26,162,471	\$24,569,168	\$29,850,002	\$25,458,746	6.7%
Net Income (Loss) Before Non-Cash Items	\$7,574,847	\$8,717,267	\$9,568,000	\$10,719,632	\$11,530,013	\$9,621,952	11.1%
Total Noncash Expenses	\$7,834,564	\$7,985,480	\$8,052,988	\$9,197,903	\$12,538,373	\$9,121,862	12.5%
Net Income (Loss)	(\$259,717)	\$731,787	\$1,515,012	\$1,521,730	(\$1,008,360)	\$500,091	40.4%
Adjustments							
Milwaukee Admirals Contribution	\$0	\$0	\$0	\$0	(\$2,000,000)	(\$400,000)	NA
Total Non-Operating Income	(\$27,745,575)	(\$29,387,264)	(\$31,196,945)	(\$33,140,007)	(\$35,792,209)	(\$31,452,400)	6.6%
Visit Milwaukee Management Fee	\$5,835,049	\$6,038,419	\$8,257,673	\$7,039,365	\$7,214,809	\$6,877,063	5.4%
Bond Interest Expense	\$12,549,422	\$13,226,445	\$13,039,249	\$12,729,423	\$17,584,679	\$13,825,844	8.8%
Total Noncash Expenses	\$7,834,564	\$7,985,480	\$8,052,988	\$9,197,903	\$12,538,373	\$9,121,862	12.5%
Adjusted Net Income (Loss)	(\$1,786,256)	(\$1,405,133)	(\$332,023)	(\$2,651,587)	(\$1,462,708)	(\$1,527,541)	-4.9%

Source: WCD.

IV. BENCHMARKING ANALYSIS

Revenue and Expense Statement Alternative Allocation Percentages

- For illustrative purposes, we have calculated 2015 and 2016 allocation percentages based on several allocation methodologies
- Events that took place at multiple facilities have been divided equally in terms of attendance and event days
 - As a result, figures will not tie directly to attendance and event day figures in this report

2015 Allocations	Wisconsin Center	UWM Panther Arena	Milwaukee Theatre	Total
Operating Revenue %	\$5,711,751 63%	\$2,292,416 25%	\$1,043,065 12%	\$9,047,233 100%
Operating Expense %	\$4,170,495 75%	\$886,638 16%	\$539,349 10%	\$5,596,482 100%
Attendance %	234,700 46%	208,124 41%	68,542 13%	511,366 100%
Event Days %	235.5 63%	99.5 26%	41.0 11%	376.0 100%

2016 Allocations	Wisconsin Center	UWM Panther Arena	Milwaukee Theatre	Total
Operating Revenue %	\$7,280,946 64%	\$2,181,797 19%	\$1,830,979 16%	\$11,293,722 100%
Operating Expense %	\$4,235,510 73%	\$1,021,043 18%	\$542,448 9%	\$5,799,001 100%
Attendance %	275,130 41%	283,982 42%	111,806 17%	670,918 100%
Event Days %	242.5 54%	137.5 31%	68.0 15%	448.0 100%

IV. BENCHMARKING ANALYSIS

Revenue and Expense Statement

Adjusted Net Income

Alternative Allocation Methodologies

- For illustrative purposes, we have calculated 2015 and 2016 Adjusted Net Income figures based on several allocation methodologies

- The preceding pages reflect allocation by event days for 2016

2015	WC	Arena	Theatre	WCD
By Operating Revenue	(\$2,311,306)	(\$140,451)	(\$199,829)	(\$2,651,587)
By Operating Expense	(\$3,006,201)	\$438,998	(\$84,384)	(\$2,651,587)
By Attendance	(\$1,259,514)	(\$1,077,850)	(\$314,223)	(\$2,651,587)
By Event Days	(\$2,280,819)	(\$209,069)	(\$161,698)	(\$2,651,587)
Average	(\$2,214,460)	(\$247,093)	(\$190,034)	(\$2,651,587)

2016	WC	Arena	Theatre	WCD
By Operating Revenue	(\$1,439,947)	(\$183,329)	\$160,568	(\$1,462,708)
By Operating Expense	(\$2,036,174)	(\$64,257)	\$637,723	(\$1,462,708)
By Attendance	\$192,334	(\$1,784,144)	\$129,102	(\$1,462,708)
By Event Days	(\$720,583)	(\$974,618)	\$232,493	(\$1,462,708)
Average	(\$1,001,093)	(\$751,587)	\$289,972	(\$1,462,708)

A. WCD BENCHMARKING

A. WCD BENCHMARKING

Comparable Complex Overview

- We have obtained operating and financial information for 11 of the 16 identified comparable complexes
- The convention center, arena, and theater (as applicable) characteristics of these 11 comparable complexes are illustrated on this slide

Comparable Complex	Operator	Convention Center		
		<u>Name</u>	<u>Year Open/Renovated</u>	<u>Total Function SF</u>
Bakersfield, CA	AEG	Rabobank Theater and Convention Center	1980	TBD
Baton Rouge, LA	SMG	Raising Cane's River Center	1977/2005	146,900
Charlotte, NC	Charlotte RVA	Charlotte Convention Center	1995	372,200
Des Moines, IA	Spectra	Hy-Vee Hall	2004/2010/2012	226,000
Duluth, GA	Gwinnett CVB Board	Infinite Energy Forum	1992/2003	85,400
Fort Worth, TX	City of Fort Worth	Fort Worth Convention Center	1968/1983/2003	340,200
Grand Rapids, MI	SMG	DeVos Place Convention Center	2004	236,100
Greensboro, NC	City of Greensboro	Greensboro Coliseum Complex Special Events Center	1970/2004	132,700
Omaha, NE	MECA	CenturyLink Center Omaha Convention Center	2003	258,300
Spokane, WA	Spokane PFD	Spokane Convention Center	1974/2006/2015	197,000
Tucson, AZ	SMG	Tucson Convention Center	1971	144,700

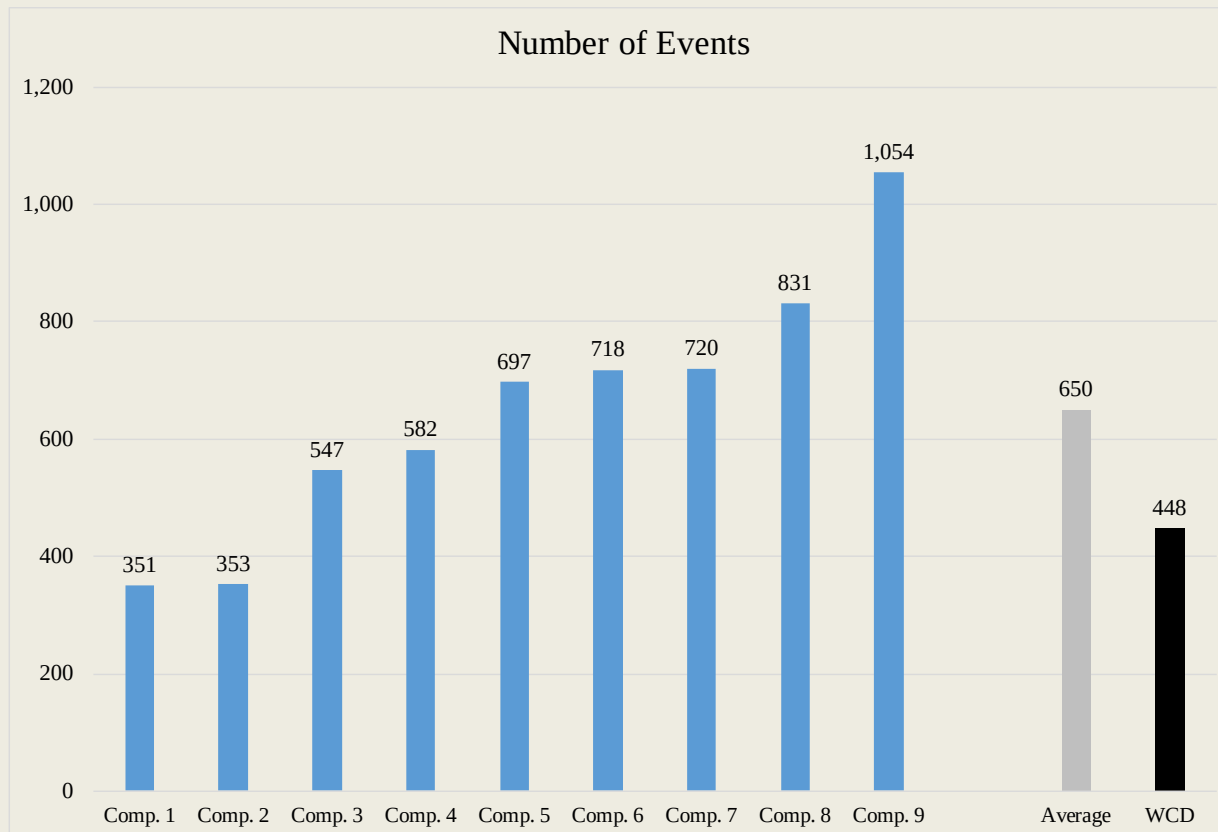
Comparable Complex	Operator	Arena				
		<u>Name</u>	<u>Year Open/Renovated</u>	<u>Capacity</u>	<u>Suites</u>	<u>Club Seats</u>
Bakersfield, CA	AEG	Rabobank Arena	1998	10,400	28	1,000
Baton Rouge, LA	SMG	Raising Cane's River Center Arena	1977	12,000	0	0
Charlotte, NC	Charlotte RVA	Bojangles' Coliseum	1955/2016	8,600	0	0
Des Moines, IA	Spectra	Wells Fargo Arena	2005	16,980	36	630
Duluth, GA	Gwinnett CVB Board	Infinite Energy Arena	2003	13,100	36	1,388
Fort Worth, TX	City of Fort Worth	Fort Worth Convention Center Arena	1968	13,500	0	0
Grand Rapids, MI	SMG	Van Andel Arena	1996	10,834	44	1,800
Greensboro, NC	City of Greensboro	Greensboro Coliseum	1959/2012	23,500	24	0
Omaha, NE	MECA	CenturyLink Center Omaha Arena	2003	18,320	32	1,000
Spokane, WA	Spokane PFD	Spokane Veterans Memorial Arena	1995	12,638	16	0
Tucson, AZ	SMG	Tucson Arena	1971/2015	7,440	0	0

Comparable Complex	Operator	Theater		
		<u>Name</u>	<u>Year Open/Renovated</u>	<u>Capacity</u>
Bakersfield, CA	AEG	Rabobank Theater	1962/1980	3,000
Baton Rouge, LA	SMG	Raising Cane's River Center Theatre for the Perf. Arts	1979	1,900
Charlotte, NC	Charlotte RVA	Oven's Auditorium	1955	2,460
Des Moines, IA	Spectra	NA	NA	NA
Duluth, GA	Gwinnett CVB Board	Infinite Energy Theater	1992	710
Fort Worth, TX	City of Fort Worth	Will Rogers Auditorium	1936/TBD	2,860
Grand Rapids, MI	SMG	DeVos Performance Hall	1980/2004	2,400
Greensboro, NC	City of Greensboro	Odeon Theatre	1958/2004	300
Omaha, NE	MECA	NA	NA	NA
Spokane, WA	Spokane PFD	INB Performing Arts Center	1974/2003	2,700
Tucson, AZ	SMG	Tucson Music Hall	1971	2,290

A. WCD BENCHMARKING

Event Mix

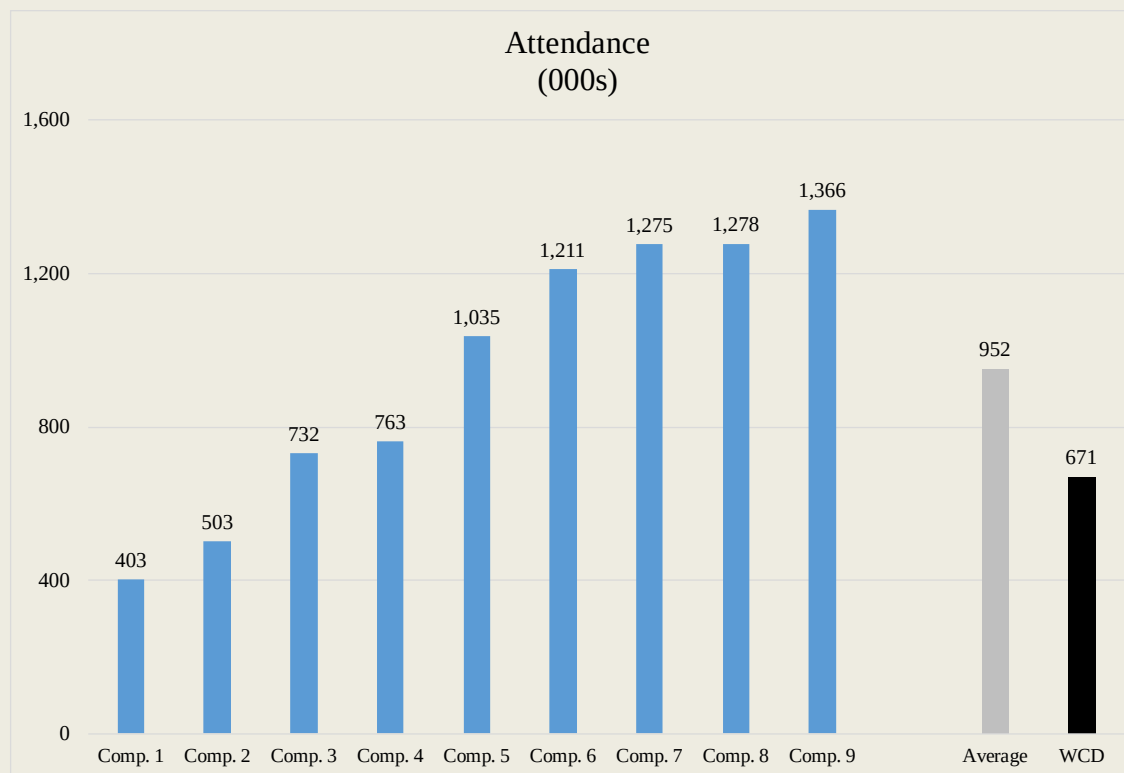
- Number of events per comparable complex vary significantly due to a variety of factors. Number of events ranged from a low of 351 to a high of 1,054 with an average number of events of approximately 650. WCD is 31% below the comparable complex average.



A. WCD BENCHMARKING

Attendance

- Attendance at the comparables vary significantly due to a variety of factors including: tenant mix; market competition; age; amenities; accounting/reporting policies etc.
- Total attendance ranged from a low of 403,000 to a high of 1.3 million. Average attendance was approximately 952,000. WCD is 30% below the comparable complex average.



A. WCD BENCHMARKING

Rental Revenues

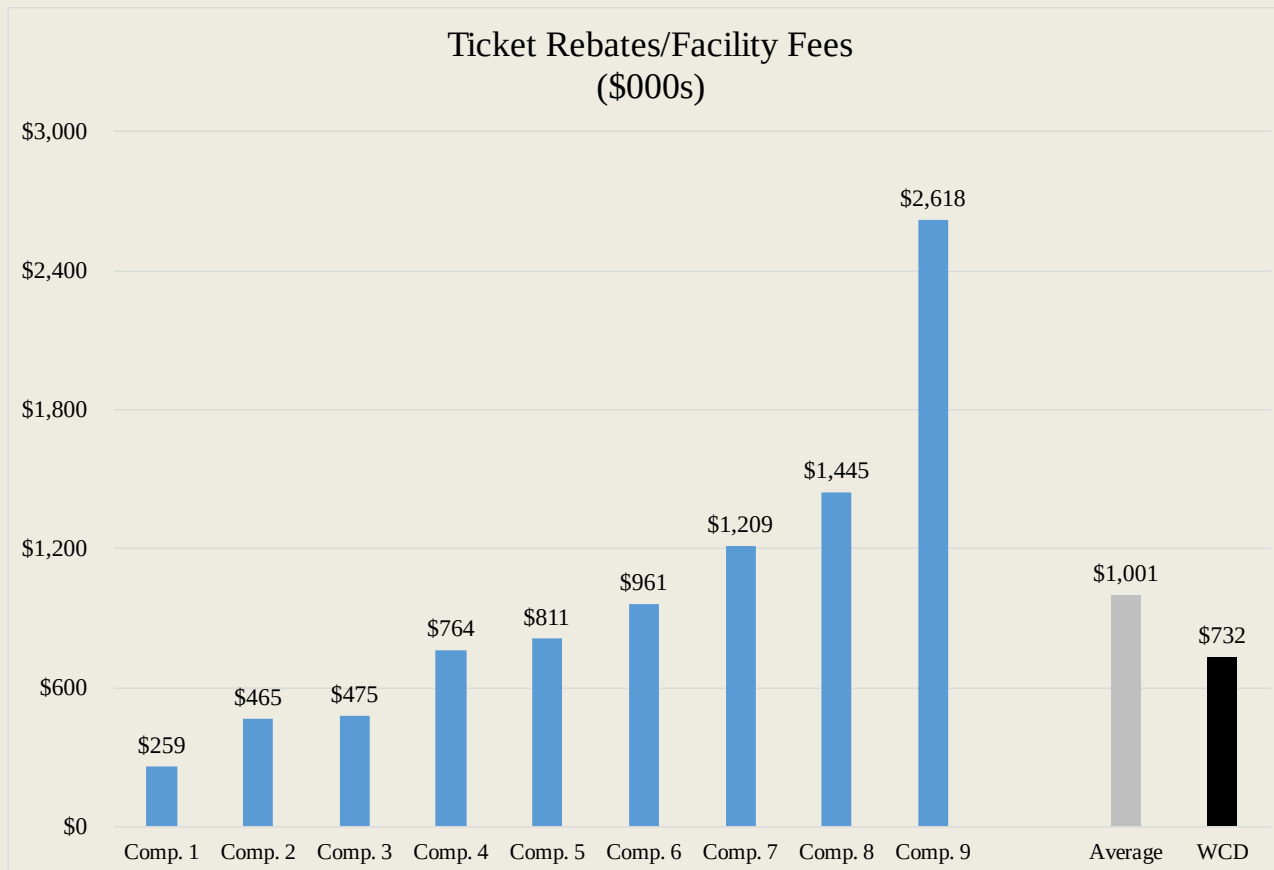
- Rental revenue (before service income and service expense) ranged from a low of \$1.3 million to a high of \$6.0 million. Average rental revenue was approximately \$2.9 million. WCD is 15% above the comparable complex average.



A. WCD BENCHMARKING

Ticket Surcharge/Facility Fee Revenues

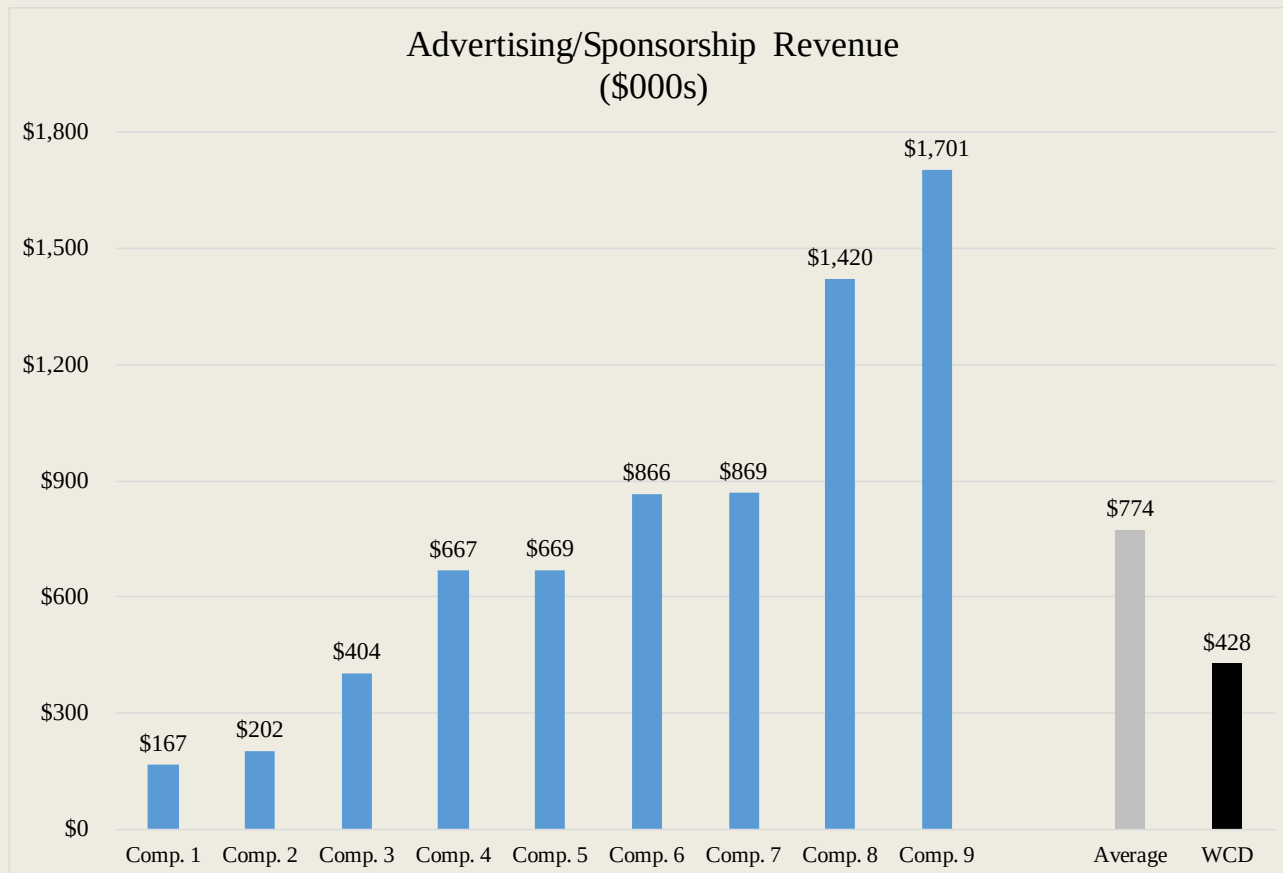
- Ticket surcharge/facility fee revenue ranged from a low of \$259,000 to a high of \$2.6 million. Average ticket surcharge/facility fee revenue was approximately \$1.0 million. WCD is 27% below the comparable complex average.



A. WCD BENCHMARKING

Advertising Revenues

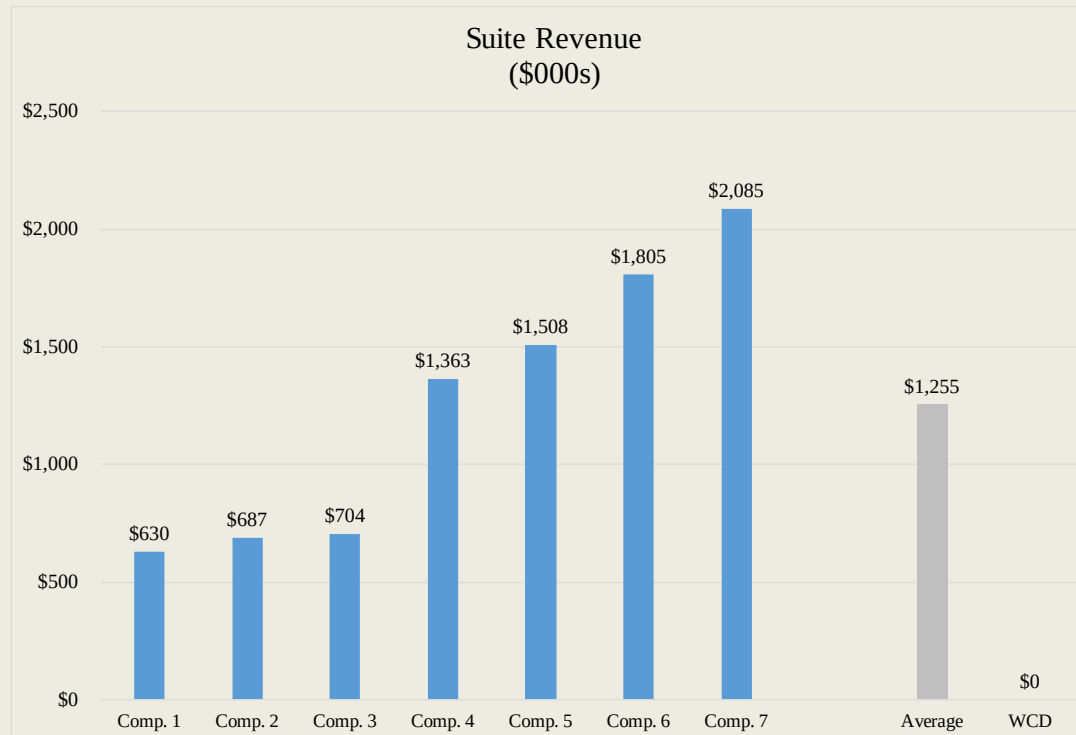
- Annual advertising revenues for comparable complexes ranged from approximately \$167,000 to approximately \$1.7 million. Average annual advertising revenue was approximately \$774,000. WCD is 45% below the comparable complex average.



A. WCD BENCHMARKING

Luxury Suite Revenue

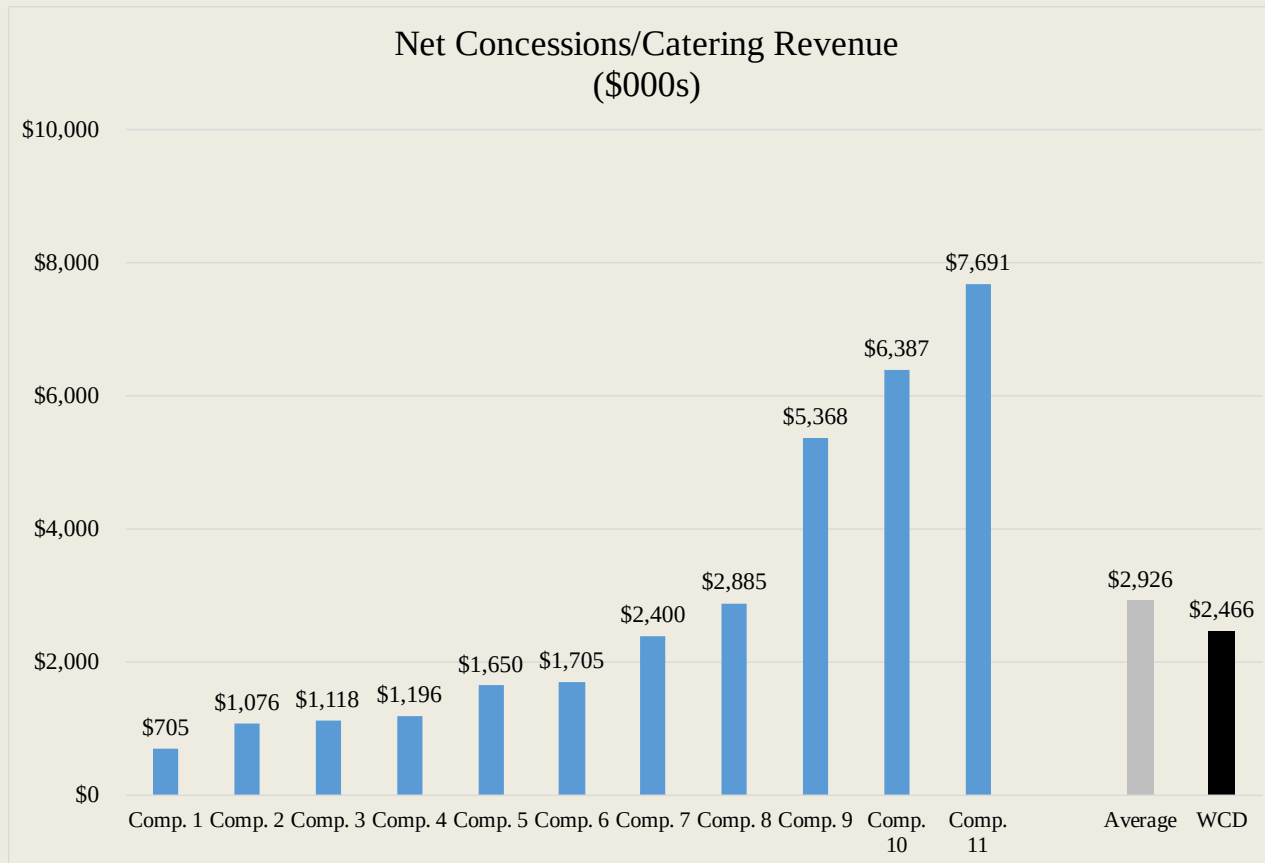
- Luxury suite prices vary considerably based on numerous factors, including: age of complex facilities; market; corporate base; premium seat demand; amenities; etc.
- Annual luxury suite revenue in comparable complexes ranged from approximately \$630,000 to approximately \$2.1 million. Average annual luxury suite revenue was approximately \$1.3 million. WCD does not have luxury suites.



A. WCD BENCHMARKING

Concessions Revenue

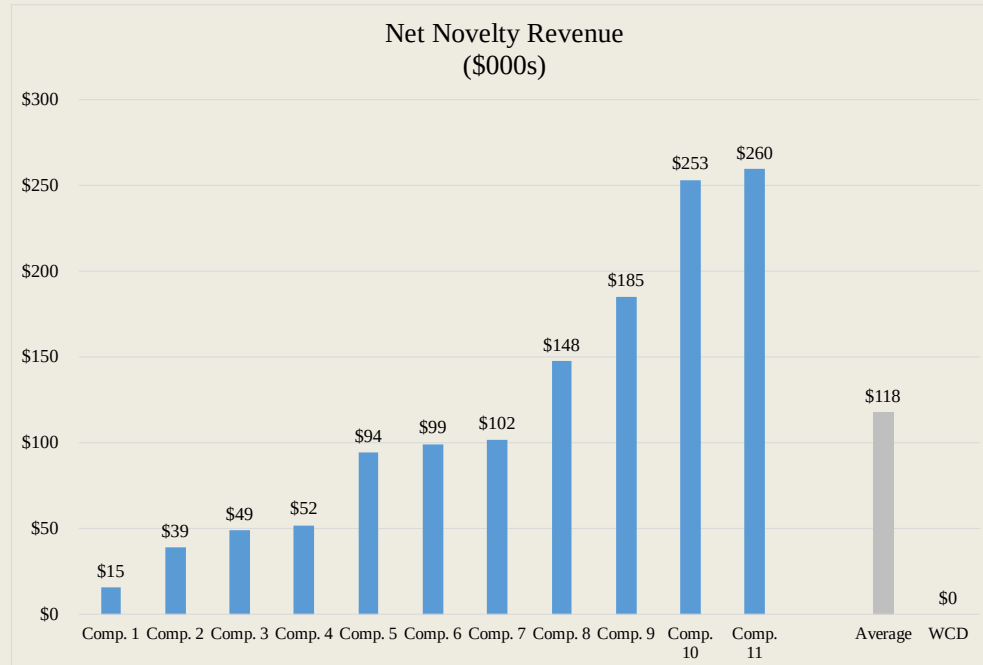
- Annual concessions revenues for comparable complexes ranged from approximately \$705,000 to approximately \$7.7 million. Average annual concessions revenue was approximately \$2.9 million. WCD is 16% below the comparable complex average.



A. WCD BENCHMARKING

Novelties Revenue

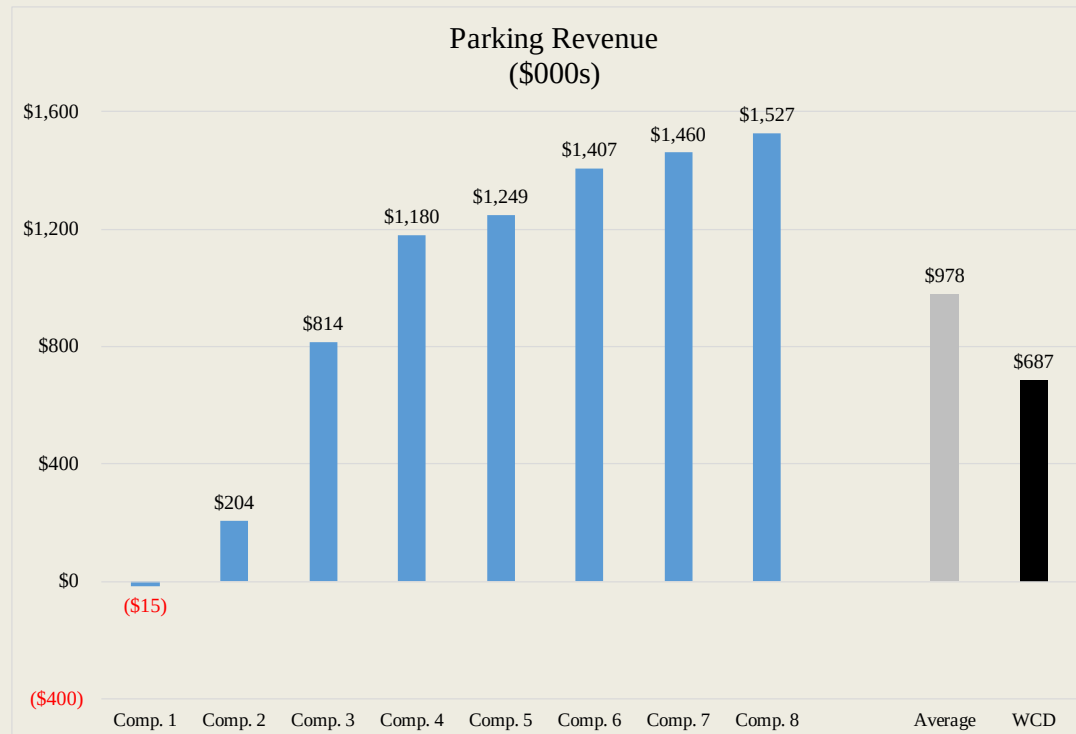
- Novelties revenues are typically retained by tenant or act
 - Complex occasionally receives nominal share of novelties revenues
- Annual novelties revenues for comparable complexes ranged from approximately \$15,000 to approximately \$260,000. Average annual novelties revenue (when received) was approximately \$118,000. WCD's novelties revenue is included in concessions.



A. WCD BENCHMARKING

Parking Revenue

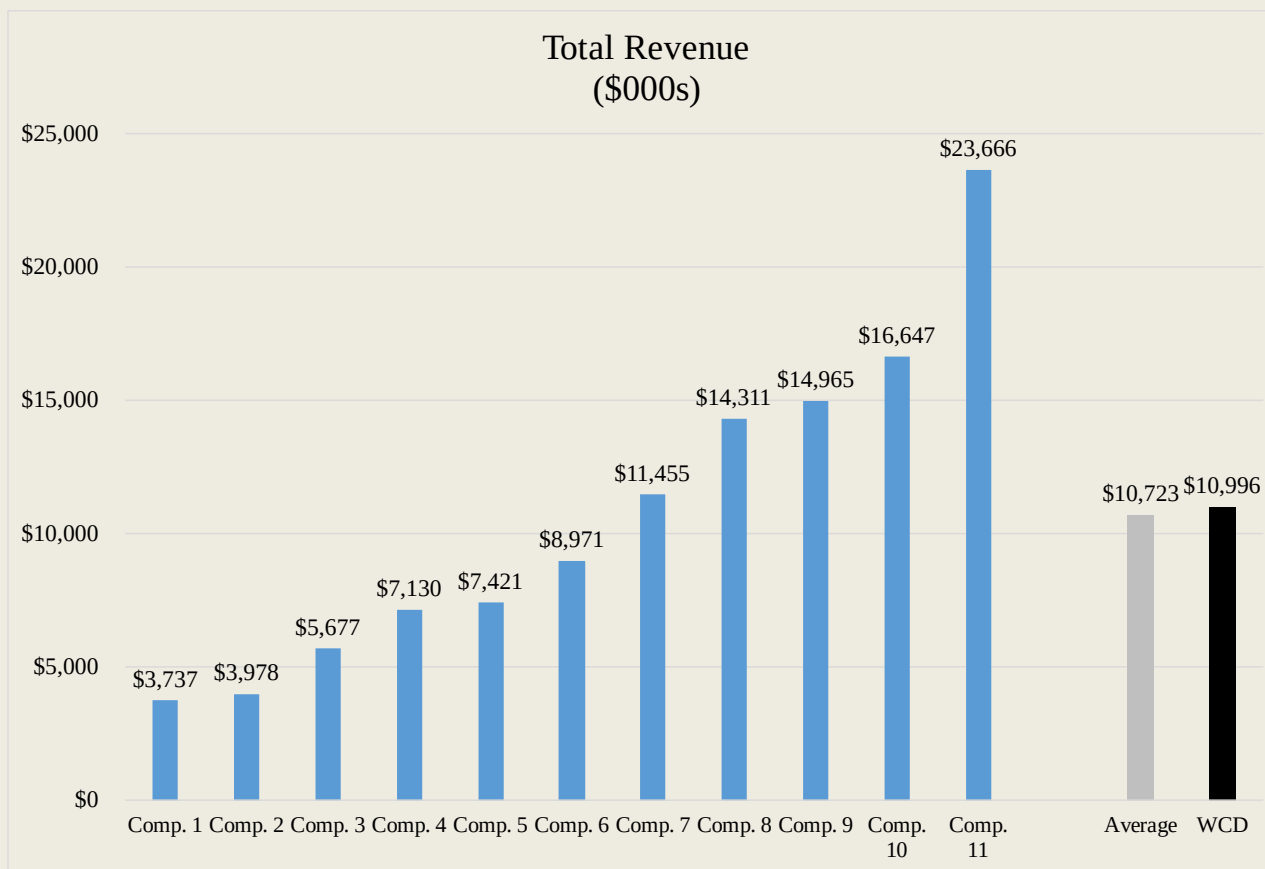
- Complex location impacts the number of required parking spaces – downtown facilities typically require fewer controlled parking spaces
- Parking revenue in comparable complexes ranged from a loss of approximately \$15,000 to approximately \$1.5 million. Average parking revenue was approximately \$978,000. WCD is 30% below the comparable complex average.



A. WCD BENCHMARKING

Total Operating Revenue

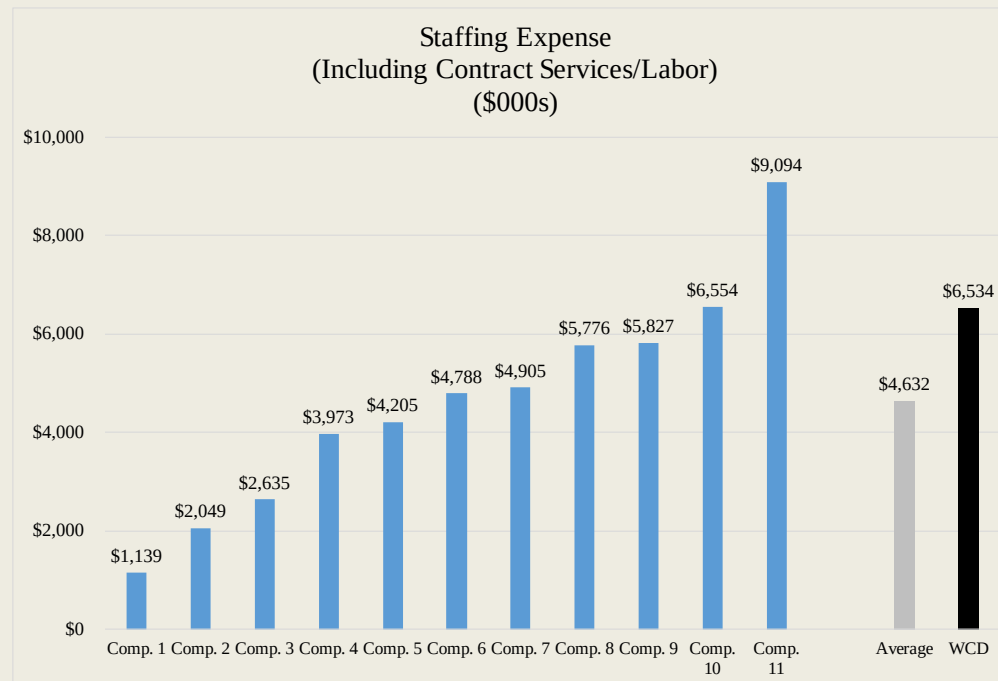
- Total operating revenue in comparable complexes ranged from approximately \$3.8 million to approximately \$23.7 million. Average total operating revenue was \$10.7 million. WCD is 3% above the comparable complex average.



A. WCD BENCHMARKING

Staffing Expense

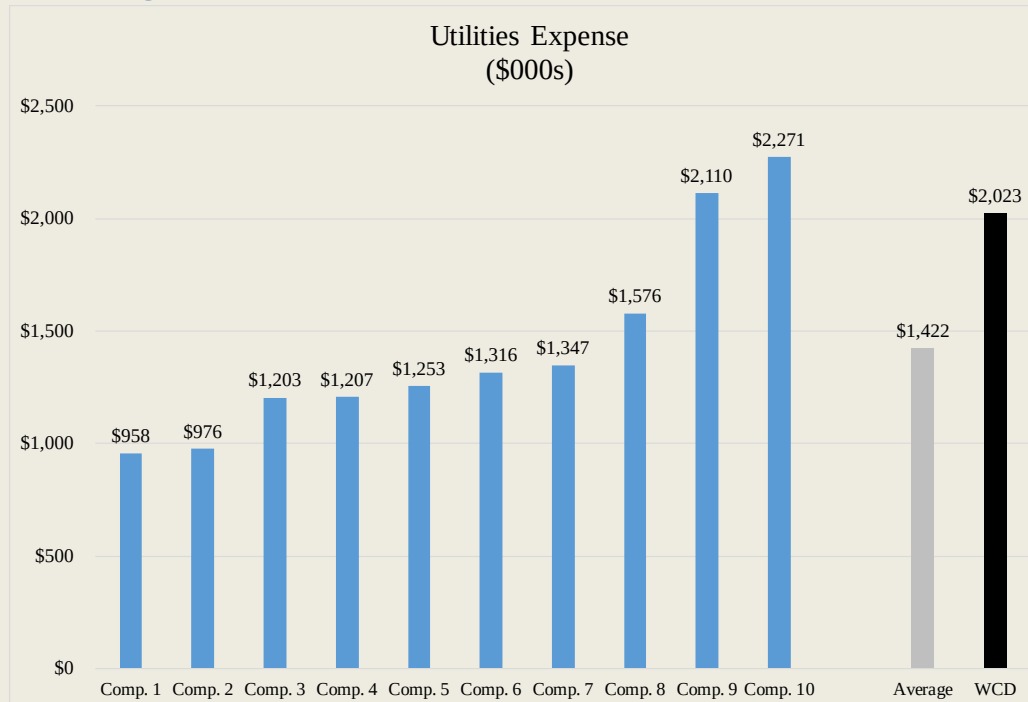
- Staffing expenses vary considerably due to several factors, including: local wage levels; event mix/schedules; accounting policies/procedures; overhead allocations; contract labor policies; and reimbursement policies for game/event related staffing expenses
- Staffing expense in comparable complexes ranged from approximately \$1.1 million to approximately \$9.0 million. Average staffing expense was approximately \$4.6 million. WCD is 41% above the comparable complex average.



A. WCD BENCHMARKING

Utilities Expense

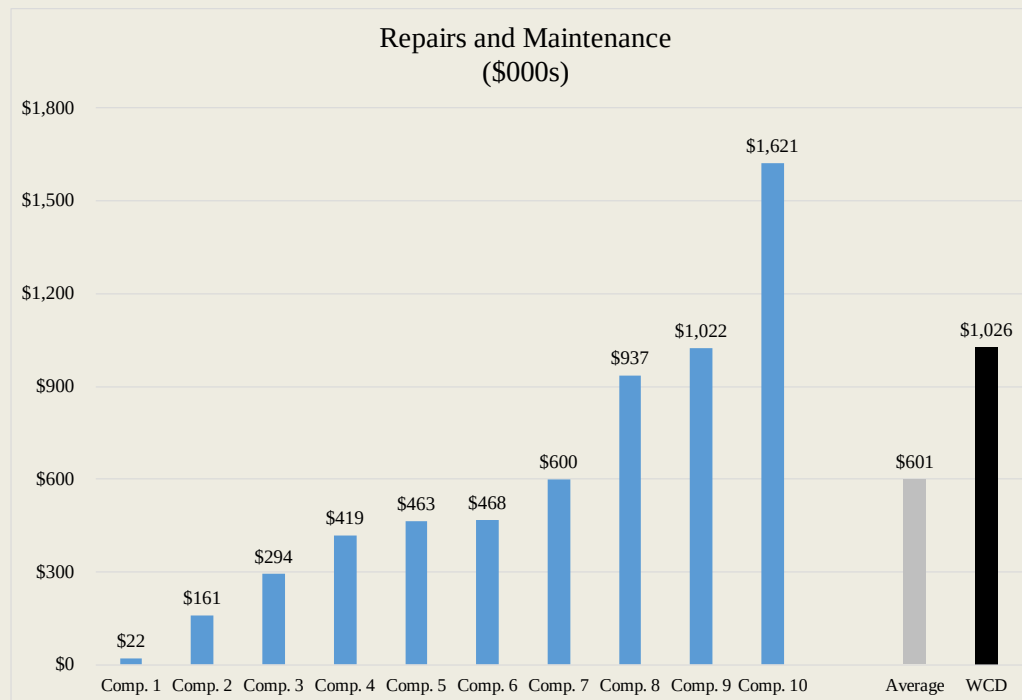
- Utilities expense vary considerably due to several factors, including: event mix/schedules and local climate, etc.
- Utilities expense in comparable complexes ranged from approximately \$958,000 to approximately \$2.3 million. Average utilities expense was approximately \$1.4 million. WCD is 42% above the comparable complex average.



A. WCD BENCHMARKING

Repairs and Maintenance Expense

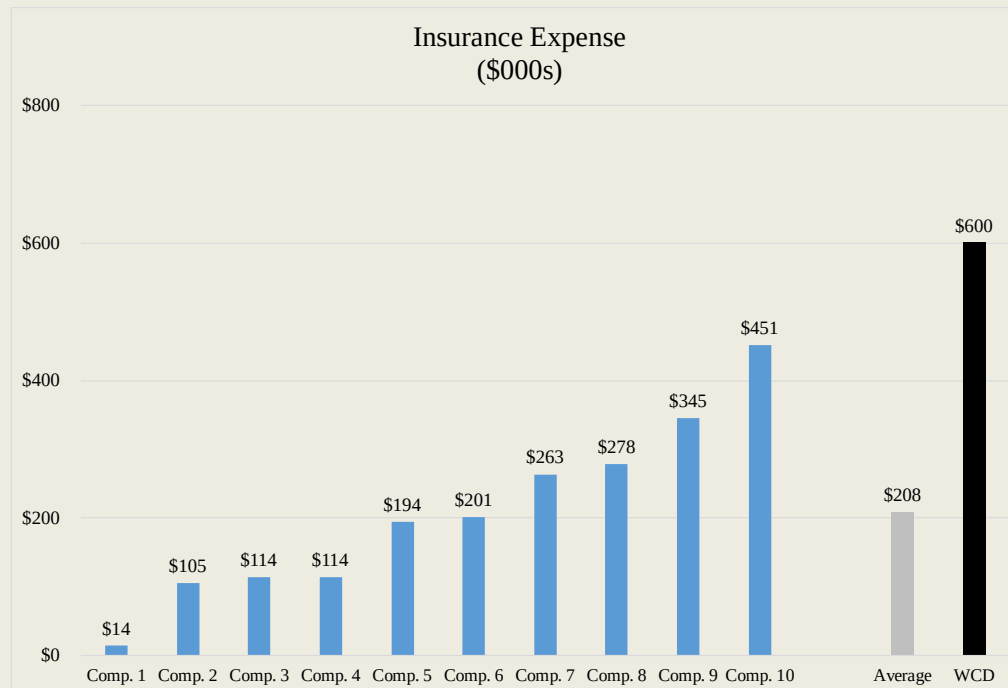
- Repairs and maintenance expense vary due to a number of factors, including: age and condition of facility; accounting policies/procedures; etc.
- Repairs and maintenance expense in comparable complexes ranged from approximately \$22,000 to approximately \$1.6 million. Average repairs and maintenance expense was approximately \$601,000. WCD is 71% above the comparable complex average.



A. WCD BENCHMARKING

Insurance Expense

- Insurance typically reflects an important expense for operations
 - Tenants may share in insurance expenses or facility covered by municipality umbrella policy
- Insurance expense in comparable complexes ranged from approximately \$14,000 to approximately \$451,000. Average insurance expense was approximately \$200,000. WCD is 188% above the comparable complex average.



A. WCD BENCHMARKING

Management Fee Expense

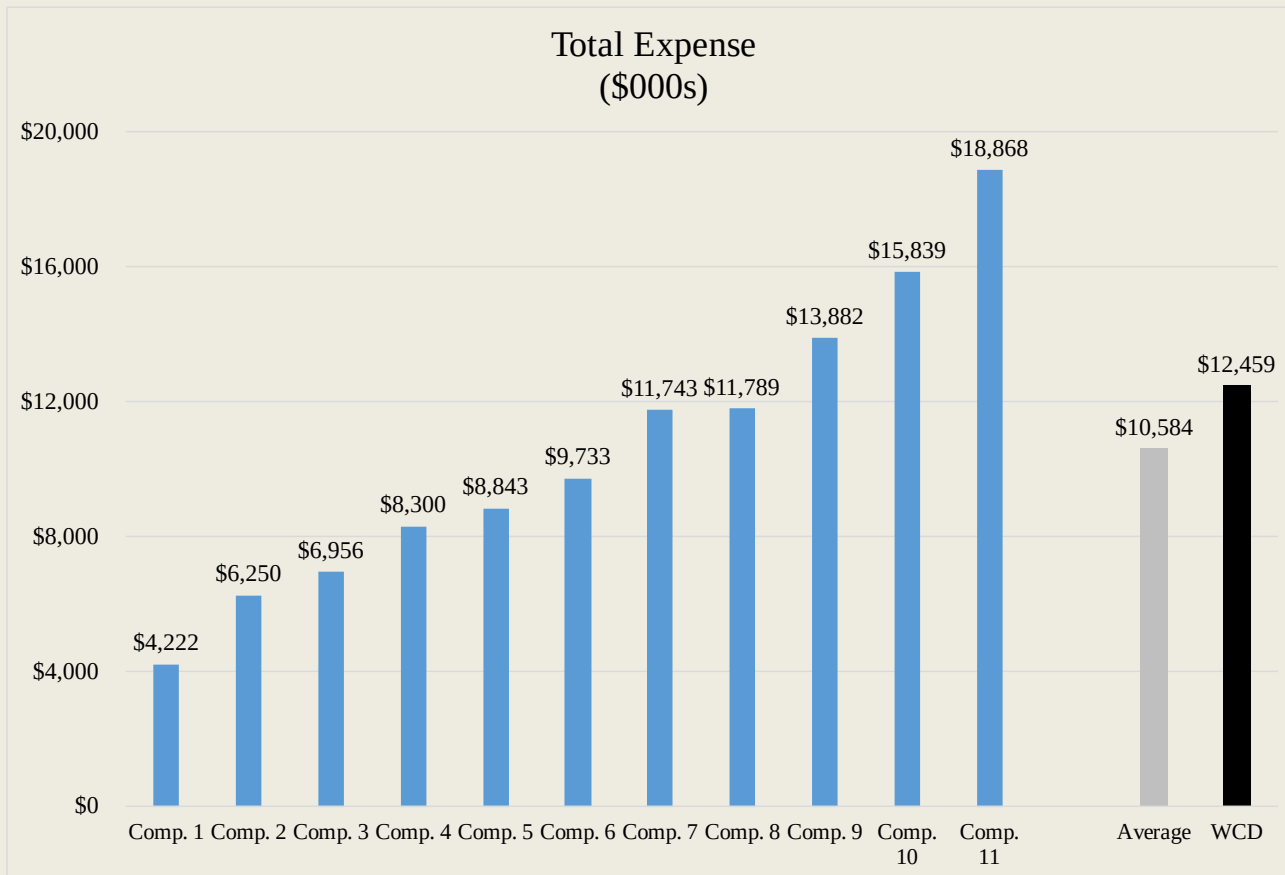
- Some facilities hire an outside manager or team affiliate for management of complex
- Management fee typically consists of base fee and incentive fee
- Management fee expense in comparable complexes ranged from approximately \$53,000 to approximately \$489,000. Average management fee expense was \$294,000.
- WCD facilities do not have a management fee



A. WCD BENCHMARKING

Total Operating Expenses

- Total operating expenses in comparable complexes ranged from approximately \$4.2 million to approximately \$18.9 million. Average total operating expenses were approximately \$10.6 million. WCD is 18% above the comparable complex average.



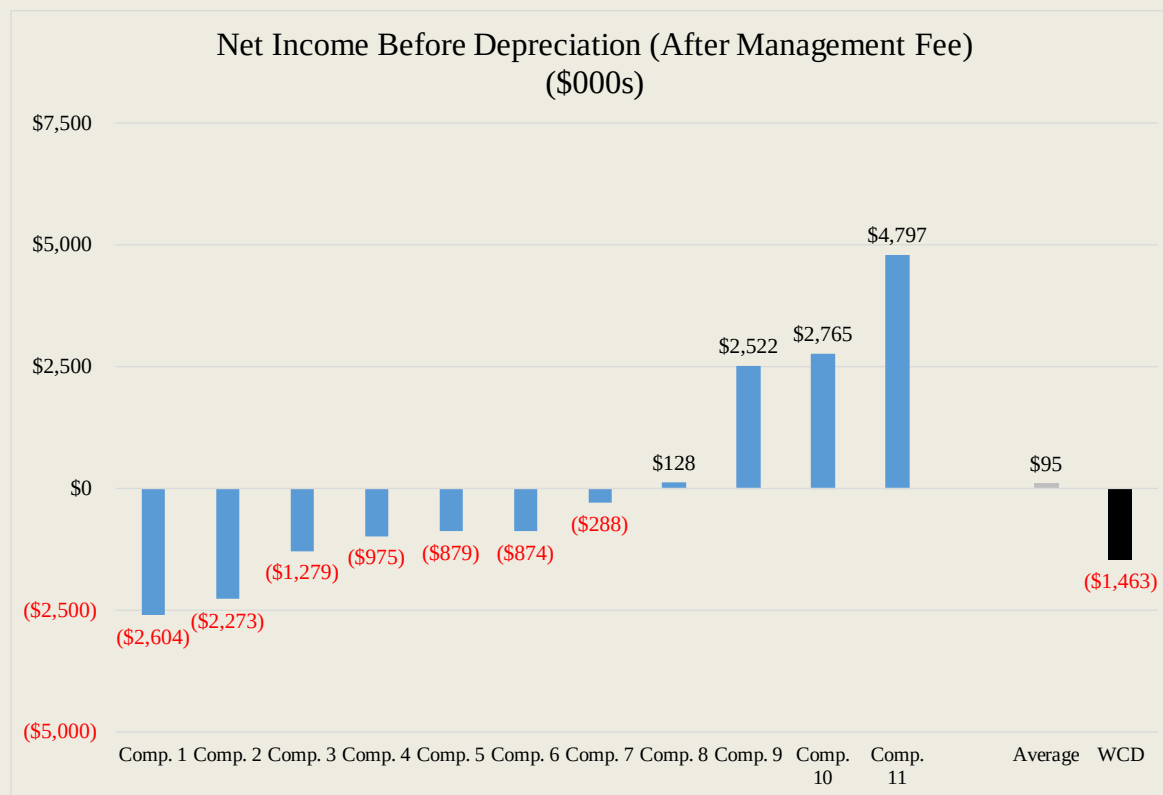
A. WCD BENCHMARKING

Net Operating Income

- For illustrative purposes, below is a summary of net operating income for comparable complexes.
- Facilities in other markets may realize higher (or lower) net operating income based on:

- Market demographics
- Physical characteristics
- Anchor tenants
- Entertainment alternatives
- Competitive facilities
- Other

- WCD is well below the comparable complex average



B. WISCONSIN
CENTER
BENCHMARKING

B. WISCONSIN CENTER BENCHMARKING

Overview

- Although the profiled convention centers used in this analysis include both competitive facilities such as those in Cincinnati, Columbus, Grand Rapids, Indianapolis, Kansas City, Louisville, Minneapolis, Nashville, Omaha, and St. Louis as well as comparable facilities, differences exist between each facility and its surrounding amenities relative to the Wisconsin Center and its market attributes. For instance, some profiled convention centers offer significantly more hotels within walking distance to their venue as compared to the Wisconsin Center. In addition, the quality and proximity of hotel rooms can directly impact a facility's marketability to certain events that attract out-of-town attendees. While there is no perfect comparable facility, valuable lessons can still be learned relative to evaluating Wisconsin Center operations.
- Profiled convention centers include:
 - America's Center
 - CenturyLink Convention Center
 - Charlotte Convention Center
 - David L. Lawrence Convention Center
 - DeVos Place Convention Center
 - Duke Energy Convention Center
 - Greater Columbus Convention Center
 - Huntington Convention Center of Cleveland
 - Indiana Convention Center
 - Kansas City Convention Center
 - Kentucky International Convention Center
 - Minneapolis Convention Center
 - Music City Center
 - Oregon Convention Center
- This section profiles each facility's owner/operator, building program, operating attributes (e.g., utilization, occupancy, staffing levels, operating revenues, operating expenses, operating income, etc.) along with select destination attributes.

B. WISCONSIN CENTER BENCHMARKING

Comparable Facility Overview

- Ten of the 14 profiled facilities (71%) are owned by a public entity and four (29%) are owned by an authority – none are privately owned
- Six of the profiled facilities are publicly operated, five are privately operated, and three are managed by an authority

Profiled Set - Owner/Operator		
Facility	Owner	Operator
America's Center Convention Complex	City of St. Louis	Explore St. Louis
CenturyLink Convention Center	City of Omaha	Metropolitan Entertainment & Convention Authority (MECA)
Charlotte Convention Center	City of Charlotte	Charlotte Regional Visitors Authority
David L. Lawrence Convention Center	Sports & Entertainment Authority of Pittsburgh and Allegheny County	SMG
DeVos Place Convention Center	Grand Rapids-Kent County Convention/Arena Authority	SMG
Duke Energy Convention Center	City of Cincinnati	Spectra
Greater Columbus Convention Center	Franklin County Convention Facilities Authority	SMG
Huntington Convention Center of Cleveland	Cuyahoga County	SMG
Indiana Convention Center	Capital Improvement Board of Managers of Marion County	Capital Improvement Board of Managers of Marion County
Kansas City Convention Center	City of Kansas City, Missouri	City of Kansas City, Missouri
Kentucky International Convention Center	Commonwealth of Kentucky	Kentucky Venues
Minneapolis Convention Center	City of Minneapolis	City of Minneapolis
Music City Center	Convention Center Authority	Convention Center Authority
Oregon Convention Center	Metro	Metropolitan Exposition Recreation Commission (MERC)
Wisconsin Center	Wisconsin Center District	Wisconsin Center District

Note: Sorted alphabetically by facility.

Sources: Individual facilities; secondary research.

B. WISCONSIN CENTER BENCHMARKING

Building Program

- The table below summarizes key building program elements for profiled facilities

Profiled Set - Building Program Characteristics							
Facility	Exhibit Hall SF	Ballroom SF	Meeting Room SF	Total Function SF	Ratio of Ballroom/ Meeting SF to Exhibit SF	Divisible Meeting Rooms	Average SF/ Meeting Room
Indiana Convention Center ¹	566,600	62,200	113,300	742,100	31%	71	1,600
Minneapolis Convention Center	475,200	27,500	95,400	598,100	26%	87	1,100
Kansas City Convention Center	388,800	58,700	100,200	547,700	41%	42	2,390
Music City Center	353,100	75,400	82,100	510,600	45%	57	1,440
America's Center ²	340,000	27,600	131,900	499,500	47%	88	1,500
Greater Columbus Convention Center ³	338,400	89,500	58,100	486,000	44%	61	950
David L. Lawrence Convention Center	313,100	33,100	76,900	423,100	35%	53	1,450
Charlotte Convention Center	280,000	35,000	57,200	372,200	33%	46	1,240
Oregon Convention Center	255,000	59,400	52,300	366,700	44%	50	1,050
Huntington Convention Center of Cleveland	225,000	43,200	52,600	320,800	43%	34	1,550
Kentucky International Convention Center ⁴	200,100	40,000	62,500	302,600	51%	50	1,250
Duke Energy Convention Center	195,300	57,300	44,300	296,900	52%	30	1,480
Wisconsin Center	188,700	37,500	39,600	265,800	41%	28	1,410
CenturyLink Convention Center	194,300	41,900	22,100	258,300	33%	12	1,840
DeVos Place Convention Center	162,000	40,000	34,100	236,100	46%	26	1,310
Average (Excluding Wisconsin Center)	306,200	49,300	70,200	425,800	39%	51	1,380
Median (Excluding Wisconsin Center)	296,550	42,550	60,300	397,650	44%	50	1,445

Notes: Sorted in descending order by total function SF.

Prefunction, concourse, lobby and theater/auditorium spaces are excluded from all centers.

Event space square footage is rounded to the nearest hundred.

¹ Excludes Lucas Oil Stadium.

² Excludes The Dome at America's Center.

³ Facility is currently undergoing renovation/enhancements, amounts reflect current offerings.

⁴ Facility is currently undergoing renovation/enhancements, amounts reflects post construction offerings - Building is scheduled to re-open in August 2018.

Sources: Individual facilities; secondary research.

B. WISCONSIN CENTER BENCHMARKING

Building Program Analysis

- The Wisconsin Center ranks 13th among the profiled set in total function space offered (265,800 SF)
- The Wisconsin Center's exhibit hall, ballroom, and meeting room space is significantly lower than the average and median of the profiled set
 - Exhibit hall SF is 38% lower than the average
 - Ballroom SF is 24% lower than the average
 - Meeting room SF is 44% lower than the average
- The number of divisible meeting rooms (28) is also significantly below the peer set average of 51
- The average SF per meeting room is generally consistent with the average and the median of the peer set

B. WISCONSIN CENTER BENCHMARKING

Building Program Analysis (continued)

- The Wisconsin Center's ratio of ballroom/meeting SF to exhibit hall SF (41%) is generally consistent with the average and the median of the peer set
- Convention centers in the U.S. continue to expand and renovate their facilities and campuses, including several projects among the profiled set
 - The Greater Columbus Convention Center is investing \$125 million to add additional exhibit and meeting room space, new atrium, outdoor event plaza, and a 800-space structured parking garage
 - The Kentucky International Convention Center is in the midst of a \$180 million expansion/enhancements including exhibit and ballroom space and kitchen and meeting room upgrades

B. WISCONSIN CENTER BENCHMARKING

Utilization

- Analyzing a facility's usage characteristics can be helpful in assessing the management team's overall effectiveness – however, utilization at convention center facilities tends to fluctuate from year to year
- Factors impacting event activity include the size, configuration and quality of the physical product, market attributes, geographic location, accessibility to the market from both an event producer/meeting planner and an attendee perspective, nearby patron amenities, mission statement, booking policy, rental rate structure, date availability, regionally competitive facilities, marketing efforts, touring product, event rotation pattern, and general economic conditions
- In 2016, the Wisconsin Center hosted 115 events and 283,500 in total attendance which was significantly lower than the average for the profiled facilities
- The Wisconsin Center drew an average of more than 20,000 attendees per consumer show, which was double the average and ranked second among the profiled set. However, the facility only hosted five of these events in 2016 as many of these types of events are held at the Expo Center at Wisconsin State Fair Park
- Approximately 22% of the Wisconsin Center's attendance was from convention/tradeshow activity which fell well below the average (31%) for the profiled set
- However, average attendance per convention/tradeshow (2,700) was only 13% the average for the profiled set (3,100)

B. WISCONSIN CENTER BENCHMARKING

Utilization

Profiled Set - Utilization																
	Wisconsin Center															
Category		A*	B	C	D	E	F	G	H	I*	J	K	L*	M	Average	Median
Number of Events																
Conventions/tradeshows	23		154	42	22	101	32	73	32		31	42			59	42
Consumer/public shows	5		12	24	21	27	15	56	19		15	5			22	19
Other	87		135	318	107	165	200	224	124		465	111			205	165
Total	115		301	384	150	293	247	353	175		511	158		196	277	270
Number of Event Days																
Conventions/tradeshows	91	153	370					225	116	122			55		174	138
Consumer/public shows	25	39	34					115	54	57			30		55	47
Other	136	403	157					307	173	150			186		229	180
Total	252	595	561					647	343	329			271	332	440	343
Total Attendance																
Conventions/tradeshows	61,100	231,300	490,600	135,100	196,000	246,500	240,000	171,900	100,200	133,300	100,100	106,300	66,200		184,800	153,500
Consumer/public shows	103,100	349,500	287,600	314,400	304,300	163,800	170,000	332,400	295,100	190,000	134,300	56,100	71,400		222,400	238,800
Other	119,300	395,900	65,100	337,400	269,000	275,600	225,000	110,700	87,000	101,500	92,100	122,700	137,800		185,000	130,250
Total	283,500	976,700	843,300	786,900	769,300	685,900	635,000	615,000	482,300	424,800	326,500	285,100	275,400	214,600	563,100	615,000
% Conventions/Tradeshows	22%	24%	58%	17%	25%	36%	38%	28%	21%	31%	31%	37%	24%		31%	30%
Average Attendance																
Conventions/tradeshows	2,700	1,500	3,200	3,200	8,900	2,400	7,500	2,400	3,100	1,100	3,200	2,500	1,200		3,100	2,800
Consumer/public shows	20,600	9,000	24,000	13,100	14,500	6,100	11,300	5,900	15,500	3,300	9,000	11,200	2,400		10,100	10,100
Other	1,400	1,000	500	1,100	2,500	1,700	1,100	500	700	700	200	1,100	700		900	850

Notes: Sorted in descending order by total attendance (Excluding the Wisconsin Center).

* Denotes facility only provided Event Days - Average Attendance is Per Event Day.

Source: Management at individual facilities.

B. WISCONSIN CENTER BENCHMARKING

Comparison of Low and High Yield Event Bookings

- The table below compares Milwaukee to a peer set which includes Columbus, Cleveland, Cincinnati and Grand Rapids
- From 2011 to 2016, Milwaukee hosted a significantly higher percentage of High-Yield business (53%) when compared to this peer set (31%)
 - This metric is consistent with WCD's strategy to maximize event-related revenue

Percentage of Low & High Yield Business - WCD & Peer Set							
	2011	2012	2013	2014	2015	2016	Average
Milwaukee							
Low-Yield	57%	40%	50%	28%	57%	48%	47%
High-Yield	43%	60%	50%	72%	43%	52%	53%
Peer Set							
Low-Yield	65%	70%	65%	70%	75%	69%	69%
High-Yield	35%	30%	35%	30%	25%	31%	31%

Notes: Peer Set includes Columbus, Cleveland, Cincinnati, and Grand Rapids.

High-Yield includes Medical, Business-Trade, Corporate and Engineering-Scientific.

Low-Yield includes Education, Government, State Association, Sports, Fraternal-Social, Religious and Other.

Source: VISIT Milwaukee.

B. WISCONSIN CENTER BENCHMARKING

Occupancy

- Convention center square footage occupancy is one measure of a facility's usage and can help determine if a facility is reaching its maximum capacity
 - A convention center's practical maximum exhibit hall occupancy rate is generally considered to be approximately 70% based on industry standards
 - Occupancy levels above 60% generally indicate that a facility is beginning to approach full capacity
 - Occupancy levels less than 50% typically indicate that the facility has available dates to attract additional business
- These industry guidelines reflect that occupancy levels at convention centers are impacted by the total number of days that a facility can realistically be sold and/or occupied
 - For instance, events often require move-in/move-out days which can hinder a facility's ability to immediately accommodate another incoming event
 - Occupancy is further impacted by the number of days that are required for building maintenance and upkeep as the facility cannot be sold during this time

B. WISCONSIN CENTER BENCHMARKING

Occupancy

- Despite the Wisconsin Center's 10 point increase in exhibit hall occupancy from 29% in 2015 to 39% in 2016, it ranked last among the profiled set and was 28% below the average for the profiled set of 54%

Profiled Set - Occupancy	
Facility	Exhibit Hall Occupancy
A	65%
B	59%
C	58%
D	54%
E	48%
Wisconsin Center - 2016	39%
F	39%
Average (Excluding Wisconsin Center)	54%
Median (Excluding Wisconsin Center)	56%

Note: Sorted in descending order by Exhibit Hall Occupancy.

Source: Individual Facilities.

B. WISCONSIN CENTER BENCHMARKING

Staffing Levels

- Salaries and wages typically represent a significant expense and vary among convention centers based on permanent full-time staffing plans and other factors such as:
 - Management's philosophy of maintaining event-related personnel as full-time or part-time staff
 - Whether the facility is stand-alone or part of a complex
 - The extent of contract services are used vs. providing services in-house
- The Wisconsin Center currently has 68 full-time employees which manage/oversee all of the facilities
 - This figure is 35% below the average for the profiled set
 - It is difficult to provide a direct comparison of staffing levels among facilities for the reasons noted above

Profiled Set - Staffing Levels	
Facility	Full-Time Employees
A	166
B*	152
C	127
D*	115
E	95
F	75
Wisconsin Center**	68
G	59
H	45
Average (Excluding Wisconsin Center)	104
Median (Excluding Wisconsin Center)	105

Notes: Sorted in descending order by Full-Time Employees.

* Staffing levels represent Full-Time Equivalents.

** Staffing levels represent the entire WCD.

Source: Individual Facilities.

B. WISCONSIN CENTER BENCHMARKING

Financial Performance

- Comparing financial performance at competitive/comparable facilities can offer a general frame of reference from which to benchmark financial operations of the Wisconsin Center
- Most stand-alone convention centers realize an operating deficit
- It is important to recognize that facilities vary in their methods of financial reporting and, as such, not all categories or line items are uniformly reported
 - Consequently, for purposes of this analysis, adjustments have been made to the financial information as reported by the facilities in the profiled set to make the data as consistent as possible for comparative purposes
 - For instance, operating revenues do not include any public funding or tax revenue such as hotel/motel collections for any of the profiled facilities
 - Similarly, facility operating expenses exclude depreciation expense, debt service, large asset purchases, any expenses related to capital improvements and any effect of taxes
- As previously mentioned, tax revenues collected by the WCD are solely dedicated to retiring bond debt for the original construction of the Wisconsin Center and to the new Bucks Arena
 - This financial model relies on operating revenues streams and, thus, places importance on maximizing rent, exhibitor services, food and beverage, and parking
 - Cost allocations among facilities is also a consideration

B. WISCONSIN CENTER BENCHMARKING

Financial Performance

- Operating revenues at the Wisconsin Center were 39% less than the average for the profiled facilities
- These lower operating revenues were offset by the fact that operating expenses were 44% lower than the average for the profiled facilities
- The Wisconsin Center's operating loss was significantly less than the average for the profiled set

Profiled Set - Financial Operating Data (\$000s)														
Category	Wisconsin Center	A	B	C	D	E	F	G	H	I	J	K	Average	Median
Operating Revenue														
Facility Rental	\$2,499	\$4,839	\$1,626	\$3,790	\$5,917	\$1,600	\$3,020	\$2,095	\$2,974	\$4,878	\$13,573	\$9,213	\$4,866	\$3,790
Food and Beverage	\$2,124	\$2,296	\$1,197	\$1,119	\$6,916	\$2,924	\$6,448	\$2,023	\$2,455	\$3,715	\$3,291		\$3,238	\$2,690
Exhibitor Services	\$1,537	\$934	\$694	\$1,246	\$3,516	\$3,513	\$1,864	\$1,090	\$496	\$2,674		\$6,523	\$2,255	\$1,555
Parking	\$463	\$5,701	\$2,240		\$5,372		\$696	\$11					\$2,804	\$2,240
Other Operating Revenues	\$788	\$1,341	\$10	\$685	\$120	\$138	\$88	\$3,281	\$132	\$2,386	\$51	\$3,960	\$1,108	\$138
Total	\$7,411	\$15,111	\$5,767	\$6,840	\$21,841	\$8,175	\$12,116	\$8,500	\$6,057	\$13,653	\$16,915	\$19,696	\$12,243	\$12,116
Operating Expenses														
Staffing Expense	\$4,708	\$6,031	\$3,020	\$2,729	\$8,099	\$4,077	\$8,622	\$5,830	\$4,629	\$10,521	\$10,184	\$34,684	\$8,948	\$6,031
Utilities	\$1,367	\$2,834	\$1,016	\$1,575	\$4,705	\$1,769	\$1,692	\$2,336	\$2,339	\$2,748			\$2,335	\$2,336
Repairs and Maintenance	\$591	\$699	\$359	\$583		\$116	\$1,093	\$467	\$391				\$530	\$467
Insurance	\$325	\$238		\$242	\$584	\$176	\$222	\$77	\$140	\$1,983			\$458	\$230
Other Operating Expenses	\$1,142	\$2,538	\$437	\$961	\$8,308	\$2,077	\$874	\$1,681	\$1,385	\$1,478	\$11,861	\$1,471	\$3,006	\$1,478
Total	\$8,133	\$12,340	\$4,832	\$6,090	\$21,696	\$8,215	\$12,503	\$10,391	\$8,884	\$16,730	\$22,045	\$36,155	\$14,535	\$12,340
Operating Income/(Loss)	(\$722)	\$2,771	\$935	\$750	\$145	(\$40)	(\$387)	(\$1,891)	(\$2,827)	(\$3,077)	(\$5,130)	(\$16,459)	(\$2,292)	(\$387)

Notes: Profiled facilities are sorted in descending order by Operating Income/(Loss).

Staffing Expense includes Salaries/Wages, Benefits, Contract Services and Labor Reimbursement.

Other Operating Expenses includes Overhead, Materials/Supplies, Marketing/Advertising and various other expenses.

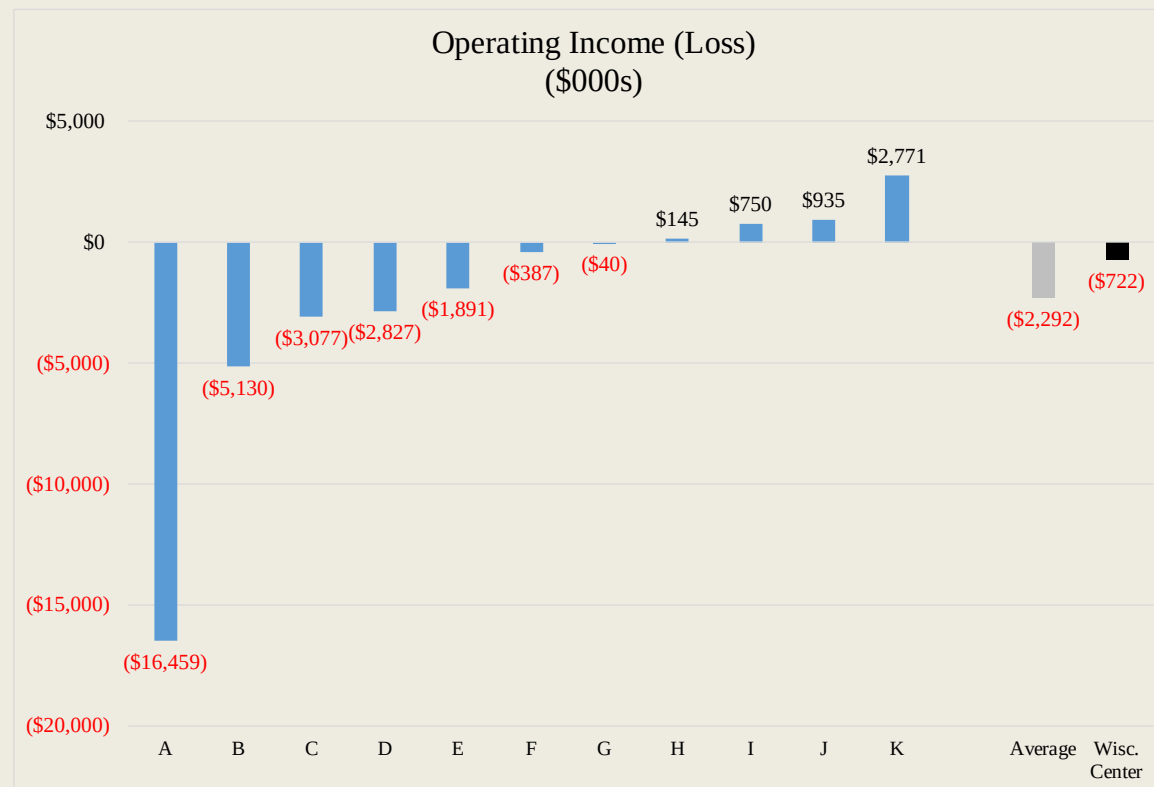
Average and median exclude the Wisconsin Center.

Source: Management at individual facilities.

B. WISCONSIN CENTER BENCHMARKING

Financial Performance

- Operating revenues at the Wisconsin Center were 39% less than the average for the profiled facilities – offset by the fact that operating expenses were 44% lower than the average for the profiled facilities
- The Wisconsin Center's operating loss was significantly less than the average for the profiled set

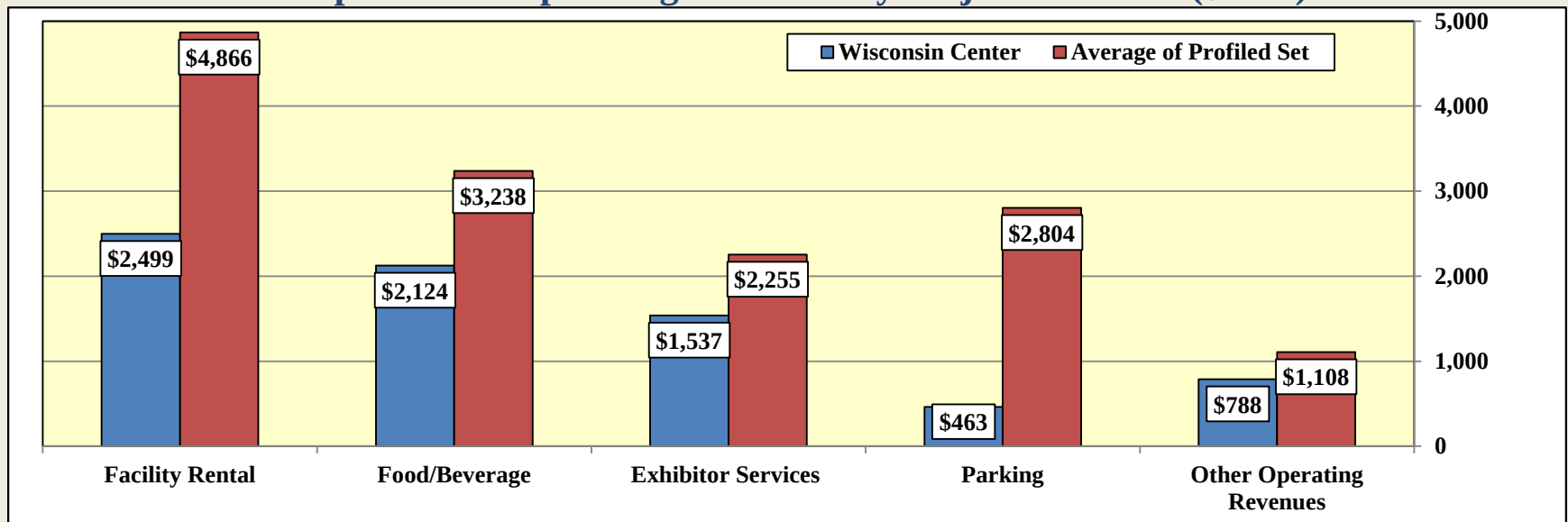


B. WISCONSIN CENTER BENCHMARKING

Financial Performance

- Facility Rental at the Wisconsin Center is 49% below the average for the profiled set
- Food and Beverage and Exhibitor Services revenue at the Wisconsin Center are both approximately 33% below the average for the profiled set
- Parking revenues are 83% lower than the average for the profiled set

Comparison of Operating Revenues by Major Line Item (\$000s)



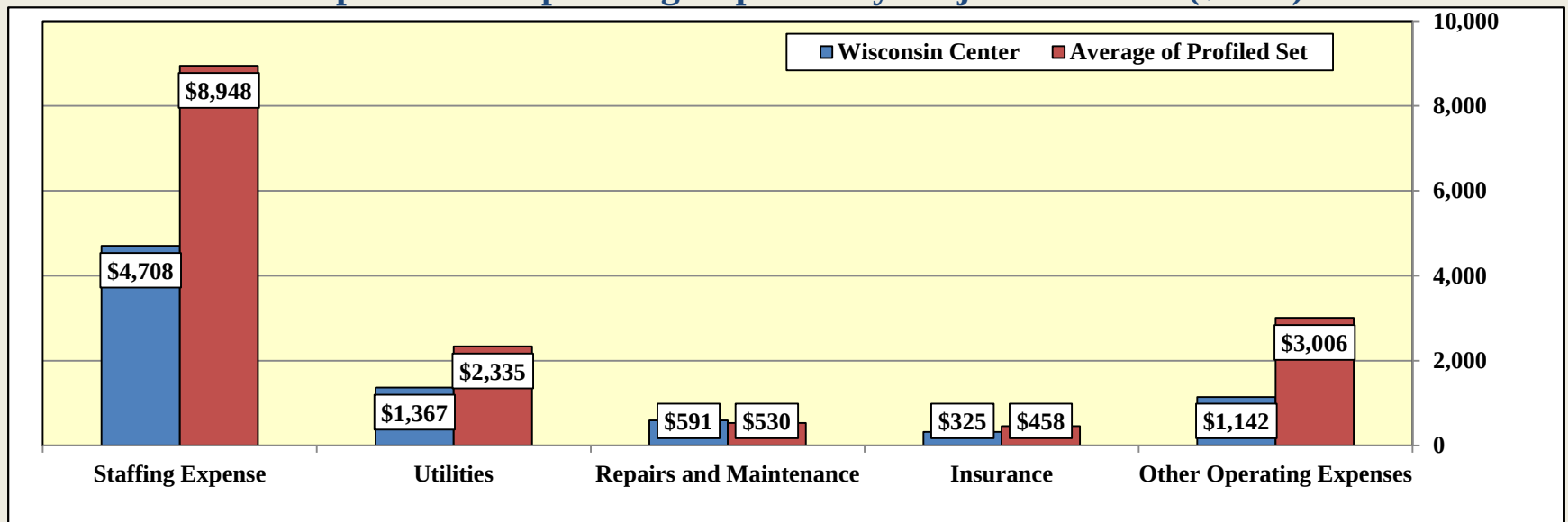
Source: WCD.

B. WISCONSIN CENTER BENCHMARKING

Financial Performance

- Staffing expenses at the Wisconsin Center were 47% lower than the average for the profiled set
- Utilities expenses were 41% lower at the Wisconsin Center compared to the average for the profiled set - however, this expense is related to the gross square footage of the building
- Repairs and Maintenance expense was 12% higher than the average for the profiled set which is indicative of WCD's approach not to have deferred maintenance
- Insurance expense was generally consistent with the average of the profiled facilities
- Other operating expenses were significantly lower than the average for the profiled set

Comparison of Operating Expenses by Major Line Item (\$000s)



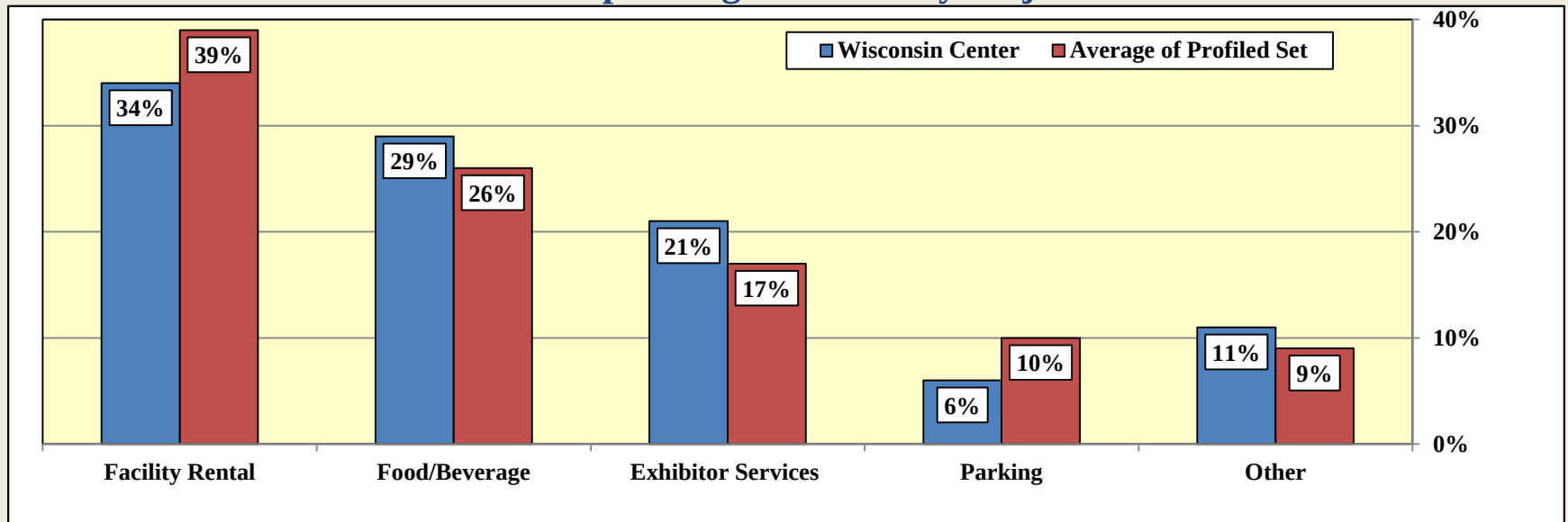
Source: WCD.

B. WISCONSIN CENTER BENCHMARKING

Financial Performance

- Irrespective of the total operating revenues, the Wisconsin Center's distribution is similar to the average of the profiled set for facility rental and food/beverage line items
- The Wisconsin Center realized a higher percentage of total revenue from exhibitor services and a lower percentage from parking revenue relative of the profiled facilities

Distribution of Operating Revenues by Major Line Item



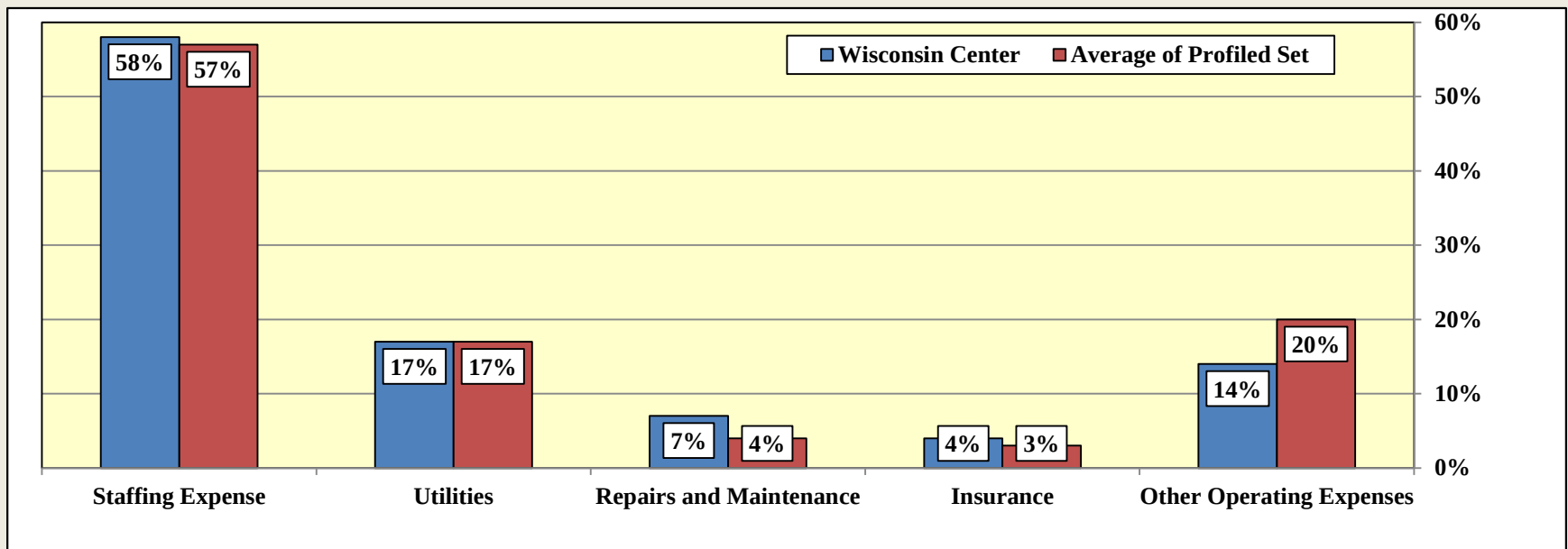
Source: WCD.

B. WISCONSIN CENTER BENCHMARKING

Financial Performance

- The Wisconsin Center's distribution of operating expenses is similar to the average for the profiled set, with a higher percentage of expenses spent on repairs/maintenance
- The higher percentage spent on repairs/maintenance is indicative of the WCD's commitment to use operating income to cover repairs and maintenance as opposed to carrying deferred maintenance

Distribution of Operating Expenses by Major Line Item



Source: WCD.

B. WISCONSIN CENTER BENCHMARKING

Financial Performance

- Ratios help mitigate differences among facilities for comparative purposes
- The Wisconsin Center's ratio of operating revenues per exhibit space SF (\$39) was 9% lower than the average of profiled facilities (\$43)
- Similarly, its ratio of operating expenses per exhibit space SF (\$43) was 10% less than the average for the profiled facilities (\$48)
- In 2016, the Wisconsin Center's operating loss per exhibit space SF was \$4, which ranked 7th among the profiled facilities
 - Profiled facilities averaged a net operating loss of \$6 per exhibit space SF

Profiled Set - Comparison of Financial Ratios Per Exhibit Space SF					
	WC - 2016	Low	Average	Median	High
Operating Revenue					
Facility Rental	\$13	\$8	\$17	\$14	\$53
Food and Beverage	\$11	\$6	\$12	\$10	\$23
Exhibitor Services	\$8	\$2	\$8	\$7	\$18
Parking	\$2	\$0	\$9	\$11	\$17
Other	\$4	\$0	\$4	\$1	\$15
Total	\$39	\$19	\$43	\$42	\$66
Operating Expenses					
Staffing Expense	\$25	\$15	\$28	\$23	\$73
Utilities	\$7	\$5	\$9	\$8	\$13
Repairs and Maintenance	\$3	\$1	\$2	\$2	\$4
Insurance	\$2	\$0	\$2	\$1	\$6
Other Operating Expenses	\$6	\$2	\$11	\$6	\$47
Total	\$43	\$24	\$48	\$45	\$86
Operating Income (Loss)	(\$4)	(\$35)	(\$6)	(\$1)	\$8

B. WISCONSIN CENTER BENCHMARKING

Financial Performance

- The Wisconsin Center's ratio of operating revenues per attendee (\$26) was 8% higher than the average of profiled facilities (\$24)
- By contrast, its ratio of operating expenses per attendee (\$29) was 7% more than the average for the profiled facilities (\$27)
- In 2016, the Wisconsin Center's operating loss per attendee was \$3, which ranked 7th among the profiled facilities
 - Profiled facilities averaged a net operating loss of \$4 per attendee

Profiled Set - Comparison of Financial Ratios Per Attendee					
	Wisconsin Center	Low	Average	Median	High
Operating Revenue					
Facility Rental	\$9	\$2	\$9	\$9	\$22
Food and Beverage	\$7	\$2	\$7	\$5	\$20
Exhibitor Services	\$5	\$1	\$4	\$5	\$8
Parking	\$2	\$0	\$5	\$6	\$8
Other	\$3	\$0	\$2	\$0	\$15
Total	\$26	\$11	\$24	\$23	\$40
Operating Expenses					
Staffing Expense	\$17	\$5	\$16	\$11	\$44
Utilities	\$5	\$2	\$5	\$4	\$11
Repairs and Maintenance	\$2	\$0	\$1	\$1	\$3
Insurance	\$1	\$0	\$0	\$0	\$1
Other Operating Expenses	\$4	\$2	\$6	\$3	\$19
Total	\$29	\$11	\$27	\$25	\$48
Operating Income (Loss)	(\$3)	(\$21)	(\$4)	(\$1)	\$3

B. WISCONSIN CENTER BENCHMARKING

Destination Attributes

- As the exhibition/meeting industry has undergone a supply boom and a demand slump in recent years, and, as such, planners are increasingly booking venues with better overall destination packages (e.g., accessibility, proximate hotel rooms, nearby entertainment/restaurants, safe/secure surroundings, etc.) to support their events
- In addition, the resulting buyer's market has planners considering the overall price of hosting their event in a particular city including facility, lodging, food and transportation costs
- The following factors are used by meeting planners to gauge the relative competitiveness of destinations under consideration to host their events:
 - Travel Costs for Lodging, Meals, and Rental Cars
 - Hotel Supply Proximate to the Convention Center
 - Total Tax on Hotel Rooms
 - Air Accessibility

B. WISCONSIN CENTER BENCHMARKING

Fenich & Associates LLC Comparison

- In 2015, the WCD engaged Fenich & Associates LLC to update its ongoing research related to the attractiveness of Milwaukee as a convention destination
- The WCD selected 20 cities to serve as the “comp set”, the majority of which are in our profiled set
- As shown below, Milwaukee’s average ranking was 12.7 out of 20 attractiveness categories
- Milwaukee ranked low in composite leisure score, violent crime, total hotel rooms, total convention hotel rooms and largest single convention center, respectively

Category	Rank (1-20)	Category	Rank (1-20)
Total Convention Hotel Rooms	15	Amusement, Golf Gambling	7
Total Hotel Rooms	17	Room Occupancy	8
Largest Single Convention Center	15	Average Daily Rate	15
Quality of Restaurants	7	Shopping	13
Availability of Restaurants	9	Population Growth	14
Violent Crime	17	Museum & History	13
Performing Arts	11	Composite Arts & Culture Scope	6
Federal Per Diem Meal	15	Spectator Sports	14
Quality of Hotels	13	Composite Leisure Score	18
Property Crime	12	<i>Average Rank</i>	<i>12.7</i>
Air Lift	15	<i>Adjusted/Weighted Rank</i>	<i>13.6</i>

Source: Fenich & Associates LLC, October 2015.

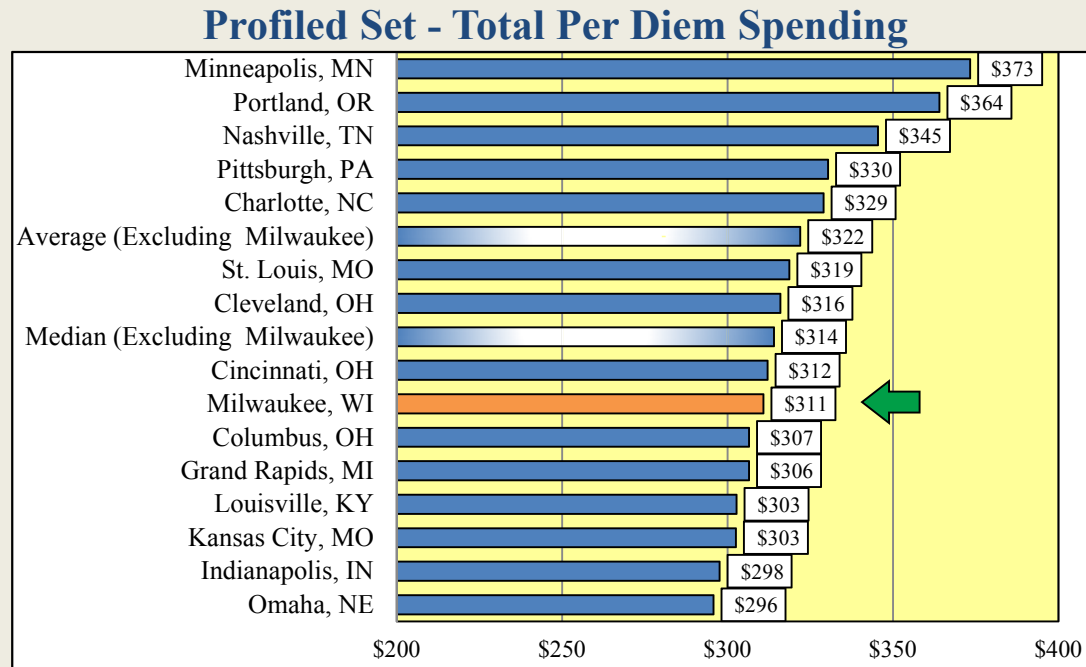
B. WISCONSIN CENTER BENCHMARKING

Per Diem Spending

- *Business Travel News* publishes an annual corporate travel index ranking 100 U.S. cities in terms of various travel-related costs, including lodging, car rental and food
- Costs external to the convention center are important to meeting planners when assessing the overall cost of destinations
- Milwaukee's total per diem spending (\$311) ranks 9th among the profiled destinations and is lower than the average (\$322)
- Total per diem spending amounts are higher in both Minneapolis and St. Louis, two of Milwaukee's biggest competitors, providing a competitive advantage to Milwaukee
- As a point of reference, Milwaukee's per diem spending for hotels (\$161) ranks 13th among the profiled destinations and is lower than the average (\$176) which may serve as a competitive advantage to some groups

B. WISCONSIN CENTER BENCHMARKING

Per Diem Spending



Source: Business Travel News 2016 Corporate Travel Index.

B. WISCONSIN CENTER BENCHMARKING

Hotel Supply

- The hotel industry is expected to experience 1.7% growth in the number of properties annually from 2017 to 2021
- The supply of new rooms coming on line is projected to provide some rate relief for show organizers challenged with budget constraints
 - New projects currently in the works as reported by Smith Travel Research include upscale and upper mid-scale hotels often utilized by show organizers and convention attendees
 - These projects are also being linked with convention facilities, following the trend toward campus-style facilities that include destination amenities with an area easily accessible from the convention centers
 - Some of the projects will be attached to the convention centers themselves, while others will be within a short walk

B. WISCONSIN CENTER BENCHMARKING

Hotel Supply

- The number of convention quality hotels within walking distance to a convention center is an important site selection factor for meeting planners when making the decision where to host an event
 - The Wisconsin Center has approximately 2,170 rooms within walking distance, which ranks 12th among the profiled set
 - In general, the hotels in downtown Milwaukee have less hotel rooms than those in the profiled destinations meaning that more hotels are required to achieve the same room block
 - Both of these factors place Milwaukee at a competitive disadvantage for convention/meeting business
 - Downtown Milwaukee offers hotels with multiple brands (e.g., Hilton, Hyatt, Marriott) at various price points (e.g. full-service, select service, limited service and boutique)
 - Future hotel projects such as those proposed at 4th & Wisconsin Avenue will enhance Milwaukee's competitive position, but there will likely still be a gap
- Of the profiled set, only Indianapolis, Kansas City, and Portland do not currently have a headquarters hotel
 - Although Indianapolis does not have a headquarters hotel, there are approximately 4,700 hotels within walking distance to the Indiana Convention Center which is desirable to meeting planners
 - Both Kansas City and Portland are planning to open new headquarters hotels in 2019 with 800 and 600 rooms, respectively

B. WISCONSIN CENTER BENCHMARKING

Hotel Supply

Profiled Set - Hotel Supply			
Destination	Hotel Supply - Rooms		
	HQ Hotel	HQ Hotel Rooms	Within Walking Distance
Indianapolis, IN	No	n/a	4,700
Louisville, KY	Yes	610	4,400
Charlotte, NC	Yes	700	4,090
Minneapolis, MN	Yes	820	3,740
Cincinnati, OH	Yes	2,390	3,650
Nashville, TN	Yes	850	3,600
St. Louis, MO	Yes	920	3,400
Pittsburgh, PA	Yes	620	3,200
Omaha, NE	Yes	600	2,660
Cleveland, OH	Yes	600	2,500
Columbus, OH	Yes	1,170	2,500
Milwaukee, WI²	Yes	1,210	2,170
Kansas City, MO ¹	No	n/a	2,000
Grand Rapids, MI	Yes	1,230	1,710
Portland, OR ¹	No	n/a	1,510
Average (Excluding Milwaukee)		960	3,120
Median (Excluding Milwaukee)		820	3,300

Notes: Sorted in descending order by hotel rooms within walking distance.

n/a denotes not applicable.

¹ denotes a new HQ hotel is expected to open in 2019

²HQ hotels include the Hilton Milwaukee City Center and the Hyatt Regency Milwaukee Downtown.

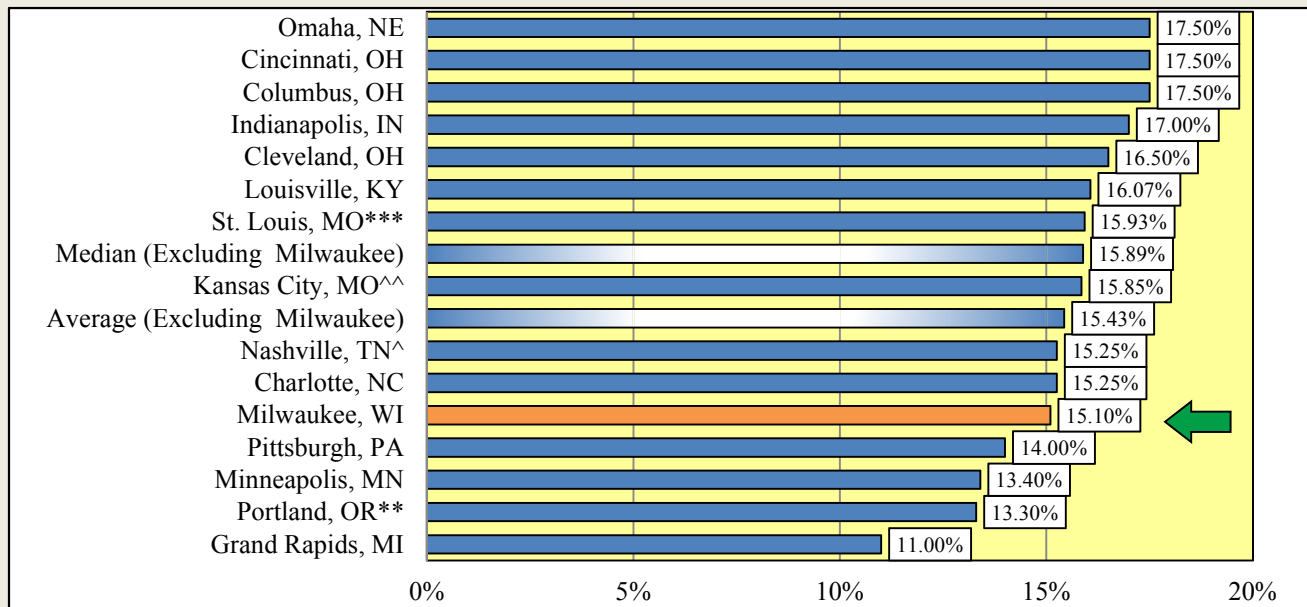
Sources: Destination marketing organizations; secondary research.

B. WISCONSIN CENTER BENCHMARKING

Hotel Cost – Total Tax on Hotel Rooms

- Meeting planners rank affordability of the destination high when choosing facilities to host their events
- The total tax rate on hotels in Milwaukee is 15.10% which ranks lower than both the average (15.43%) and median (15.89%) for the profiled set making Milwaukee competitive from a meeting planner perspective

Profiled Set - Total Tax on Hotel Rooms



Notes: Total lodging tax rates include State, County, City and Special Districts Taxes.

**hotel rooms at hotels with more than 50 rooms in the City may be assessed an additional 2% tax.

***hotel rooms in special districts may be assessed an additional 1% Community Improvement Tax and/or a 1% Transpiration Development Tax.

^hotel rooms will be assessed an additional \$2.50 excise tax per room night.

^^hotel rooms will be assessed an additional \$1.73 Kansas City Development Fee per room night.

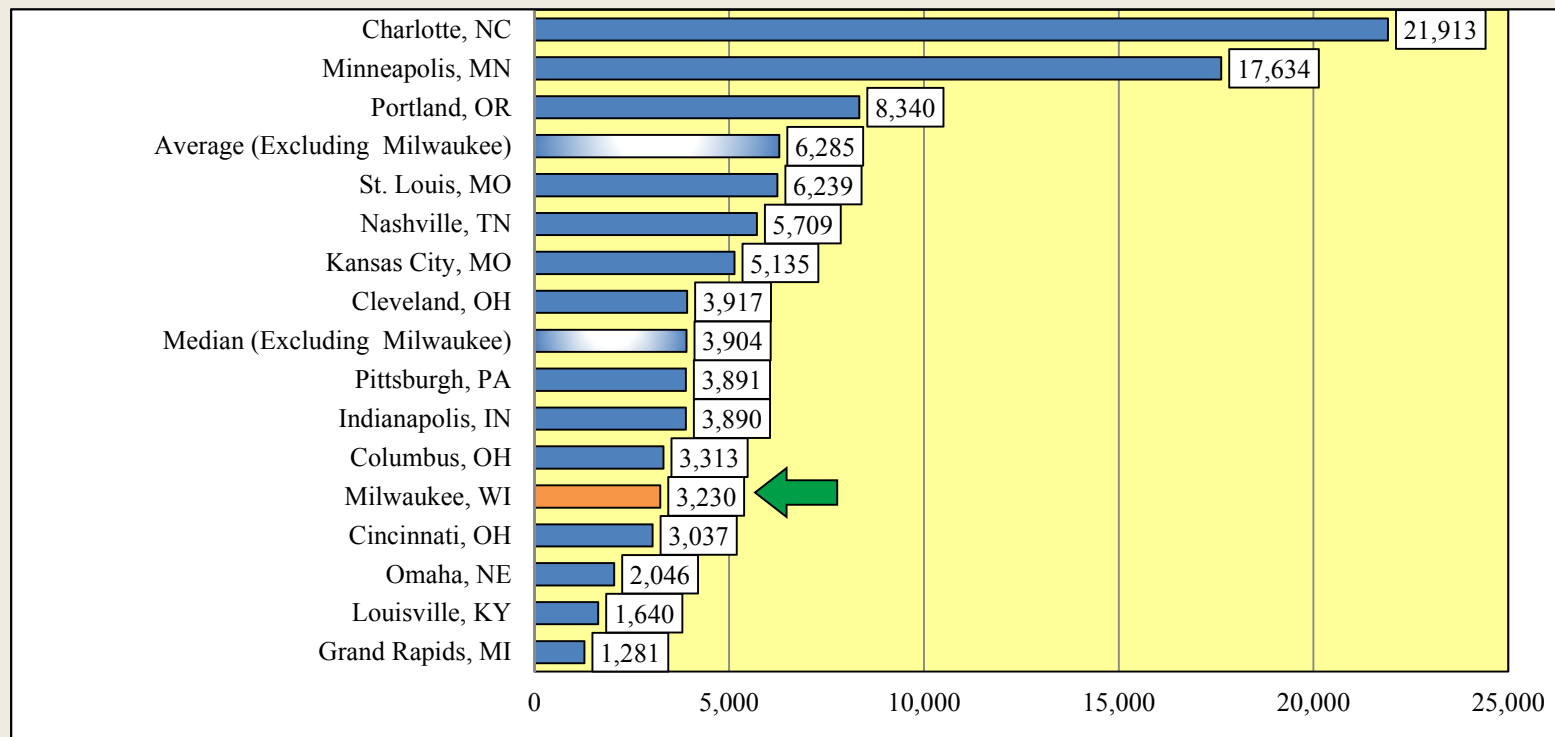
Sources: Individual DMOs; secondary research.

B. WISCONSIN CENTER BENCHMARKING

Air Accessibility

Milwaukee ranks 11th in terms of the number of enplanements and has less direct flights than most of the profiled facilities which can be a disadvantage for many meeting planners and attendees

Profiled Set - Passenger Enplanements in 2015 (000s)



Note: Figures represent passenger enplanements for the most proximate major airport.

Source: Federal Aviation Administration.

B. WISCONSIN CENTER BENCHMARKING

VISIT Milwaukee Structure and Staffing

- The primary objective of Destination Marketing Organizations (DMOs) is to generate hotel room nights that drive economic activity to the area
- VISIT Milwaukee is the primary tourism marketing organization of the Greater Milwaukee area – their focus is to attract visitors that produce economic impact and tax revenues that support job creation and the growth of our convention and tourism infrastructure
- Similar to VISIT Milwaukee, most of the DMOs in the profiled set operate as a 501(c)(6) nonprofit organization
 - DMOs in St. Louis and Charlotte are structured as independent authorities
 - The DMO in Omaha operates as a City government agency
- Staffing levels at DMOs in the profiled set range from 19 to 72 full-time equivalents (FTEs) and average approximately 47 FTEs
 - VISIT Milwaukee has approximately 39 FTEs which is 18% less than the average of the profiled set

B. WISCONSIN CENTER BENCHMARKING

VISIT Milwaukee Budget

- DMO budgets are based on a variety factors including roles and responsibilities
 - For instance, the DMO in St. Louis also operates it convention center
- VISIT Milwaukee's budget is approximately \$8.2 million which is consistent with those in Cincinnati and Grand Rapids, but less than the average of the profiled set
- Regardless of the organizational structure or budget size, the majority of DMO funding is derived from public sources and primarily from hotel room tax
 - VISIT Milwaukee received approximately 85% of its funding through public sources which is consistent with the median (83%) of the profiled set

Profiled Set - DMO Total Funding (\$ 000s)	
Location	FY 2015 Budget
St. Louis, MO*	\$39.9
Nashville, TN	\$28.1
Portland, OR	\$18.5
Louisville, KY	\$16.0
Charlotte, NC	\$14.8
Columbus, OH	\$14.8
Indianapolis, IN	\$13.6
Minneapolis, MN	\$11.8
Pittsburgh, PA	\$11.0
Kansas City, MO	\$10.5
Cincinnati, OH	\$8.4
Milwaukee, WI	\$8.2
Grand Rapids, MI	\$7.9
Omaha, NE	\$5.3
Cleveland, OH	n/s
Average (Excluding Milwaukee)	\$15.4
Median (Excluding Milwaukee)	\$13.6
Average (Excluding Milwaukee & St. Louis)	\$13.4
Median (Excluding Milwaukee & St. Louis)	\$12.7

Notes: Sorted in descending order by FY 2015 Budget.
 n/s denotes data not supplied.
 * Budget includes convention center operations.

Sources: DMAI; secondary research.

C. UWM PANTHER ARENA BENCHMARKING

C. UWM PANTHER ARENA BENCHMARKING

Comparable Facility Overview

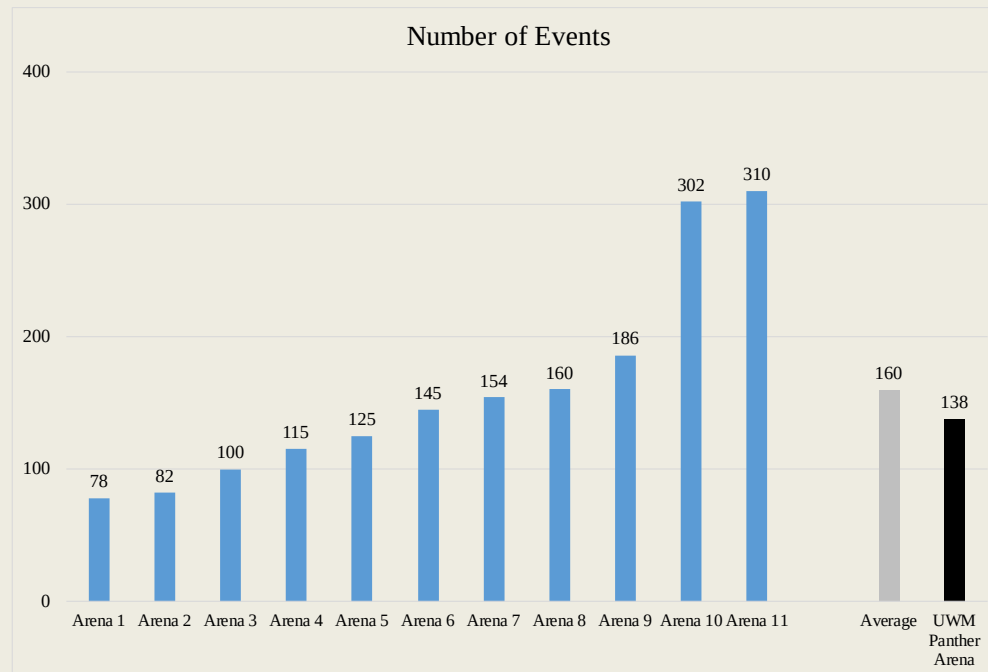
- Below are the six arenas we have benchmarked from our comparable complexes, and six additional comparable arenas for benchmarking purposes
- We have included certain facilities which may include the operations of other complementary buildings

Arena	Location	Operator	Year Open/Renovated	Capacity	Suites	Club Seats
Bojangles' Coliseum	Charlotte, NC	Charlotte RVA	1955/2016	8,600	0	0
CenturyLink Center Omaha Arena	Omaha, NE	MECA	2003	18,320	32	1,000
Infinite Energy Arena	Duluth, GA	AEG	2003	13,100	36	1,388
Spokane Veterans Memorial Arena	Spokane, WA	Spokane PFD	1995	12,638	16	0
Van Andel Arena	Grand Rapids, MI	SMG	1996	10,834	44	1,800
Wells Fargo Arena	Des Moines, IA	Spectra	2005	16,980	36	630
Budweiser Events Center	Loveland, CO	Spectra	2003	7,200	24	777
Denny Sanford PREMIER Center	Sioux Falls, SD	SMG	2014	12,000	22	500
Donald L. Tucker Civic Center	Tallahassee, FL	Spectra	1981/1998/2014	12,100	34	468
MassMutual Center	Springfield, MA	Spectra	1972/2005	7,485	2	222
Stockton Arena	Stockton, CA	SMG	2005	10,000	24	344
Xfinity Arena at Everett	Everett, WA	Spectra	2003	10,000	21	859

C. UWM PANTHER ARENA BENCHMARKING

Event Mix

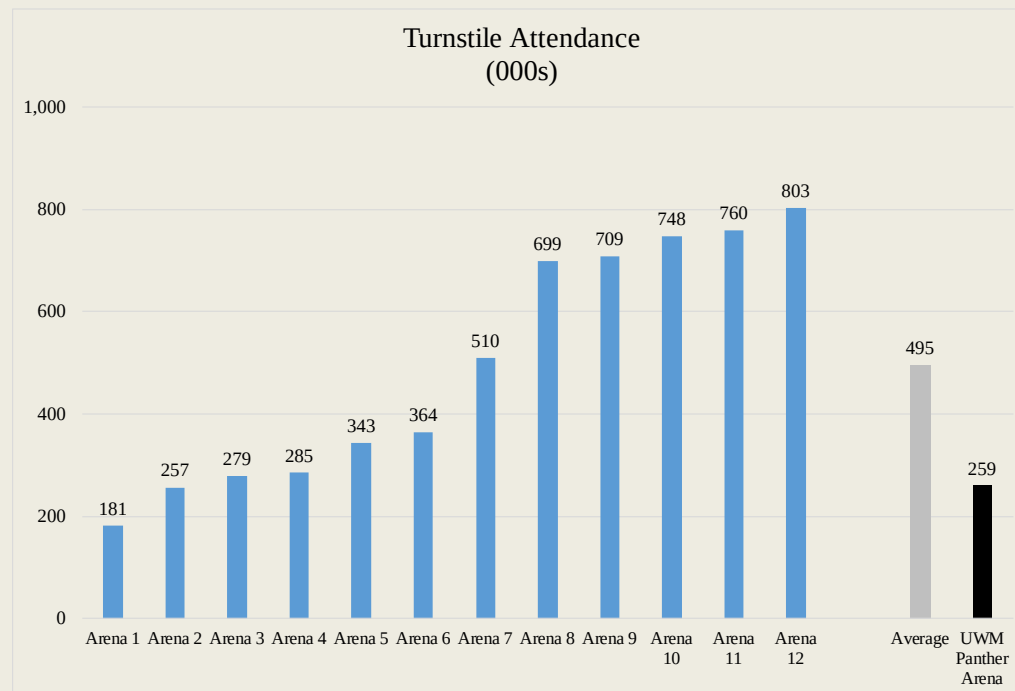
- Number of events per comparable vary significantly due to a variety of factors including: tenant mix; market competition; age; amenities; etc.
- Number of events ranged from a low of 78 to a high of 310 with an average number of events of approximately 160. UW-Milwaukee Panther Arena is 14% below the comparable arena average. 2016 includes 12 Admirals games (normal year would include approximately 26 additional games)



C. UWM PANTHER ARENA BENCHMARKING

Turnstile Attendance

- Attendance at the comparables vary significantly due to a variety of factors including: tenant mix; market competition; age; amenities; accounting/reporting policies etc.
- Total attendance ranged from a low of 181,000 to a high of 803,000. Average attendance was approximately 495,000. UW-Milwaukee Panther Arena is 48% below the comparable arena average. 2016 attendance includes 45,251 for 12 Admirals games (normal year would include approximately 98,000 additional attendees)



C. UWM PANTHER ARENA BENCHMARKING

Comparable Arena Event Mix

- We have analyzed detailed event statistics for nine comparable arenas
- Concerts
 - Five arenas hosted 10 or more concerts in a single year
 - These arenas were generally among the highest in total revenue and all but one had positive net income
 - UW-Milwaukee Panther Arena's average concert attendance was well below that of comparable arenas – significant impact on F&B revenue

■ Sports Tenants

- UWM's average attendance was well below the comparable arena basketball average
- Admirals attendance is slightly below the comparable arena hockey average

Show Type	Comparable Arena Averages - (1)		Average Attendance
	Event Days	Total Attendance	
Concerts	12	90,211	7,807
Family Shows	15	37,911	2,546
Broadway	4	3,503	876
Basketball	16	88,505	5,532
Hockey	41	166,255	4,098
Other Sporting	25	101,540	4,135
Assembly/Graduation	12	57,798	4,661
Trade/Consumer/Convention	18	18,203	997
Other	68	51,377	754

(1) - Average includes only arenas that hosted at least one of that event.

Source: Internal Database.

C. UWM PANTHER ARENA BENCHMARKING

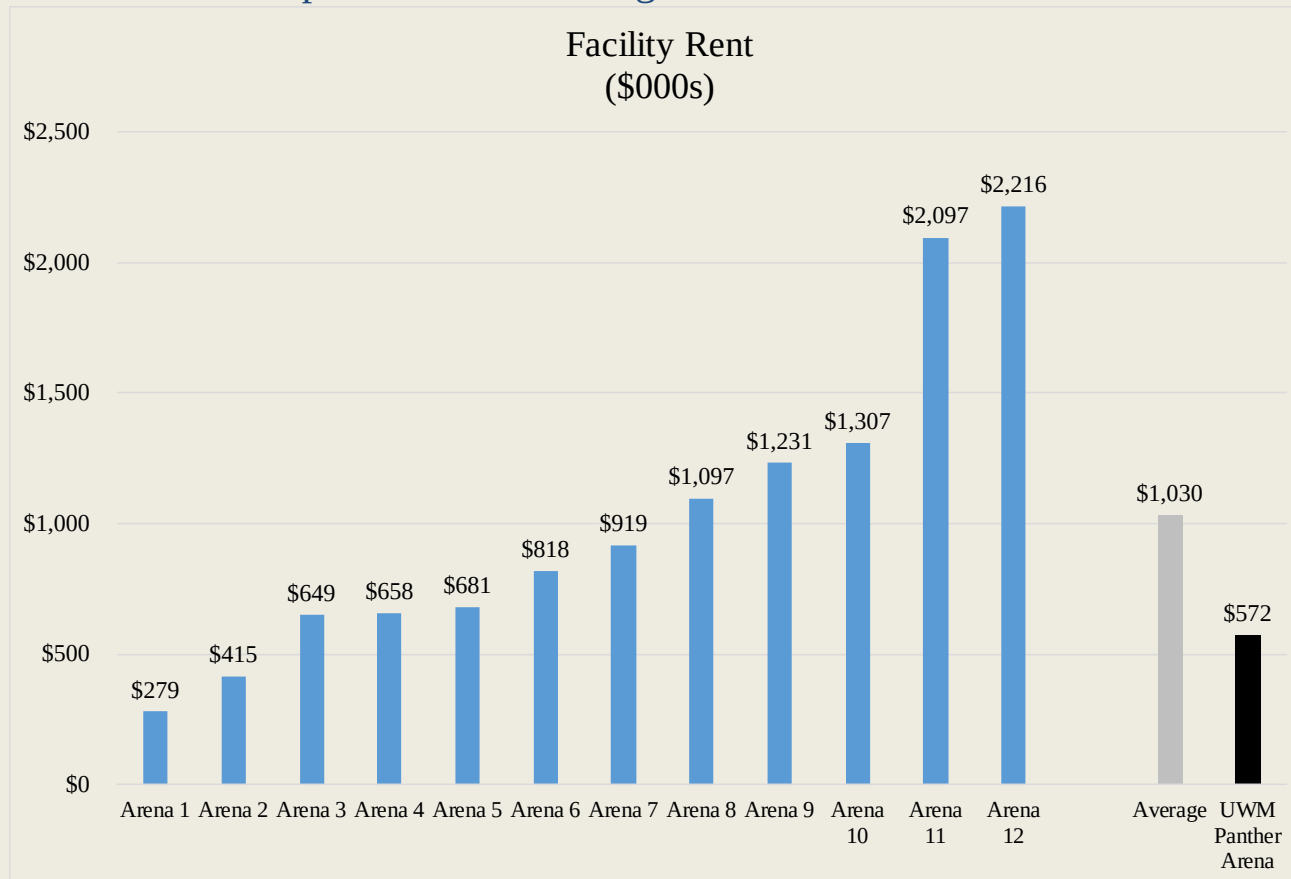
Rental Revenues

- Rental revenues are generally determined by a percentage of ticket sales, flat use fees (annual or one-time), or other methods
- Rental rates among comparables may vary significantly depending on a number of factors including: methodology of calculations; age and design of facility; and team/event performance
- The rental rate varies dramatically from promoter to promoter and show to show

C. UWM PANTHER ARENA BENCHMARKING

Rental Revenues

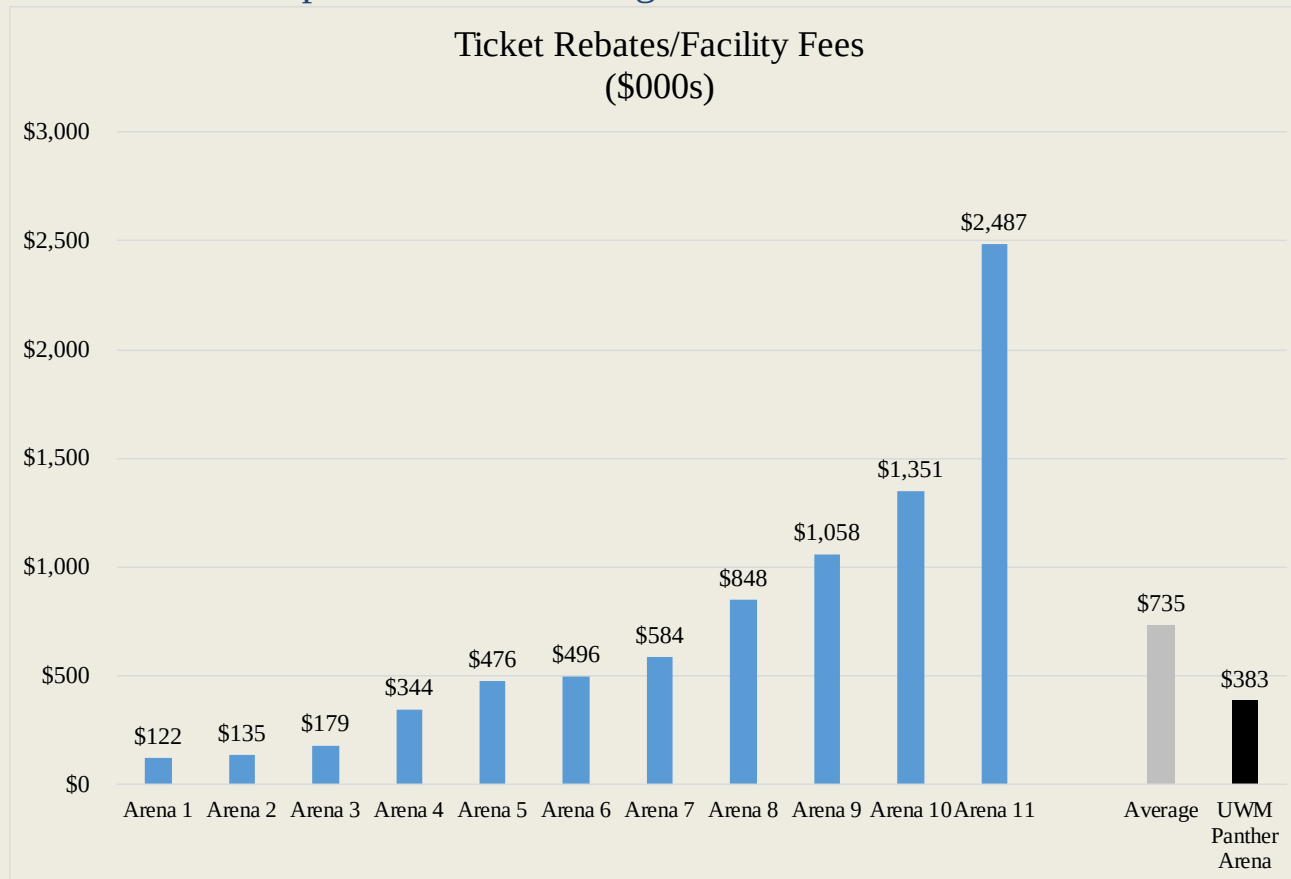
- Rental revenue (before service income and service expense) ranged from a low of \$279,000 to a high of \$2.2 million. Average rental revenue was approximately \$1.0 million. UW-Milwaukee Panther Arena is 45% below the comparable arena average.



C. UWM PANTHER ARENA BENCHMARKING

Ticket Surcharge/Facility Fee Revenues

- Ticket surcharge/facility fee revenue ranged from a low of \$122,000 to a high of \$2.5 million. Average ticket surcharge/facility fee revenue was approximately \$735,000. UW-Milwaukee Panther Arena is 48% below the comparable arena average.



C. UWM PANTHER ARENA BENCHMARKING

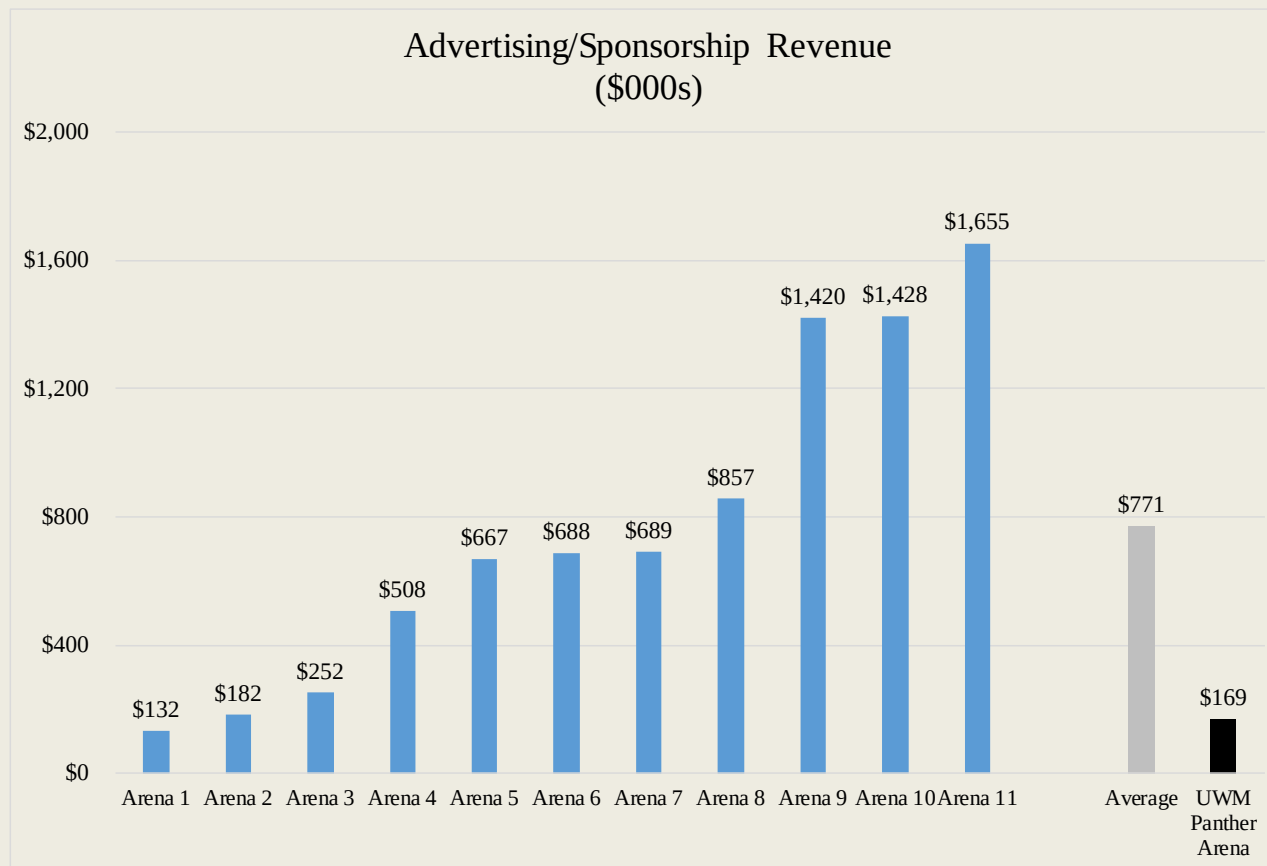
Advertising Revenues

- Advertising revenues are generally derived from the following sources:
 - Display Advertising: signage throughout the concourses, concession stands, and other common areas in the building
 - Scoreboard Advertising: fixed signage, electronic advertising on the scoreboard, and video message boards
 - Basketball Advertising: advertising on the basketball standards, basketball floor, ball carts, scorers' table and players benches
 - Dasher Board Advertising: signage on the hockey dasher board
- It is important to note that direct comparison of advertising revenue is difficult
 - Trade and barter arrangements
 - Revenue sharing
 - Gross advertising vs. net advertising
 - Overall sponsorship revenues

C. UWM PANTHER ARENA BENCHMARKING

Advertising Revenues

- Annual advertising revenues for comparable facilities ranged from approximately \$132,000 to approximately \$1.7 million. Average annual advertising revenue was approximately \$771,000. UW-Milwaukee Panther Arena is 78% below the comparable arena average.



C. UWM PANTHER ARENA BENCHMARKING

Naming Rights Revenues

- Value of naming rights transaction can often be misunderstood and misrepresented
 - Reported in generic terms
- Variety of factors to consider in valuing and comparing naming rights deals from purchaser and seller perspectives
 - Regional/national/international media exposure
 - Market size and demographic profile
 - Number and profile of major tenants
 - Number and type of facility events
 - Facility attendance
 - Facility location/visibility
 - Location of naming rights signage
 - Deal structure and other amenities
- Value of naming rights to purchaser is a function of following factors
 - Number of impressions/exposures
 - Brand exclusivity
 - Public relations/community image
 - Sponsorship/cross promotion opportunities
 - Tax deductible expense (as applicable)
 - Other

C. UWM PANTHER ARENA BENCHMARKING

Naming Rights Revenues (continued)

- Naming rights deals for minor league and collegiate arenas are illustrated to the right
- It is important to note that naming rights revenues may be included as part of arena financing plan
- Facilities included in benchmarking are highlighted
- UW-Milwaukee Panther Arena's naming rights deal is for \$3.425 million over 10 years
 - Average of \$342,500

Arena	City	Total Value		Years	Annual Value	Expiration
		(Millions)				
KFC Yum! Center	Louisville, KY	\$13.50	10	\$1,350,000	2020	
CenturyLink Center Omaha	Omaha, NE	\$14.00	15	\$933,333	2018	
SNHU Arena - (1)	Manchester, NH	\$7.60	10	\$760,000	2026	
Budweiser Gardens	London, ON	\$6.20	10	\$620,000	2022	
Indiana Farmers Coliseum	Indianapolis, IN	\$6.00	10	\$600,000	2024	
Sears Centre Arena	Hoffman Estates, IL	\$1.80	3	\$600,000	2019	
Wells Fargo Arena	Des Moines, IA	\$11.50	20	\$575,000	2025	
CenturyLink Center	Bossier City, LA	\$5.50	11	\$500,000	2018	
Giant Center - (2)	Hershey, PA	\$5.00	10	\$500,000	2022	
DCU Center	Worcester, MA	\$4.80	10	\$480,000	2025	
Pinnacle Bank Arena	Lincoln, NE	\$11.25	25	\$450,000	2036	
Bon Secours Wellness Arena	Greenville, SC	\$4.50	10	\$450,000	2023	
Dunkin' Donuts Center	Providence, RI	\$4.25	10	\$425,000	2021	
iWireless Center	Moline, IL	\$4.25	10	\$425,000	2017	
Ford Center	Evansville, IN	\$4.20	10	\$420,000	2021	
U.S. Cellular Center	Cedar Rapids, IA	\$3.80	10	\$380,000	2023	
Xfinity Arena at Everett	Everett, WA	\$3.70	10	\$370,000	2017	
Alerus Center	Grand Forks, ND	\$7.20	20	\$360,000	2020	
Intrust Bank Arena	Wichita, KS	\$8.75	25	\$350,000	2034	
Germain Arena	Esterro, FL	\$7.00	20	\$350,000	2018	
Rabobank Arena	Bakersfield, CA	\$3.50	10	\$350,000	2025	
SaskTel Centre	Saskatoon, SK	\$3.50	10	\$350,000	2024	
Webster Bank Arena at Harbor Yard	Bridgeport, CT	\$3.50	10	\$350,000	2021	
Huntington Center	Toledo, OH	\$2.10	6	\$350,000	2017	
MassMutual Center	Springfield, MA	\$5.00	15	\$333,333	2020	
ShoWare Center	Kent, WA	\$3.18	10	\$318,000	2019	
FirstOntario Centre	Hamilton, ON	\$3.13	10	\$313,000	2024	
Santander Arena	Reading, Pa.	\$9.00	30	\$300,000	2030	
Verizon Arena	North Little Rock, AR	\$6.00	20	\$300,000	2019	
Erie Insurance Arena	Erie, PA	\$3.00	10	\$300,000	2022	
Sun National Bank Center - (3)	Trenton, NJ	\$2.10	7	\$300,000	2016	
BMO Harris Bank Center	Rockford, IL	\$1.50	5	\$300,000	2021	
WesBanco Arena	Wheeling, WV	\$2.50	10	\$250,000	2023	
Tribute Communities Centre	Oshawa, ON	\$2.50	10	\$250,000	2026	
Royal Farms Arena	Baltimore, MD	\$1.25	5	\$250,000	2019	
Mohegan Sun Arena at Casey Plaza	Wilkes-Barre, PA	\$2.38	10	\$238,000	2020	
Times Union Center	Albany, NY	\$1.18	5	\$236,000	2020	
Toyota Center	Kennewick, WA	\$1.13	5	\$226,000	2020	
Covelli Centre	Youngstown, OH	\$1.05	5	\$210,000	2021	
Cross Insurance Center	Bangor, ME	\$3.00	15	\$200,000	2028	
The Sanford Center	Bemidji, MN	\$2.00	10	\$200,000	2020	
Blue Cross Arena at the War Memorial	Rochester, NY	\$2.93	15	\$195,333	2028	
WFCU Centre	Windsor, ON	\$1.64	10	\$164,000	2018	
Essar Centre	Sault Ste. Marie, ON	\$1.52	10	\$152,000	2018	
Big Sandy Superstore Arena	Huntington, WV	\$0.75	5	\$150,000	2018	
Bojangles' Coliseum	Charlotte, NC	\$1.25	10	\$125,000	2019	
Verizon Wireless Center	Mankato, MN	\$2.20	20	\$110,000	2018	
CN Centre	Prince George, BC	\$1.30	15	\$86,667	DND	
Budweiser Events Center	Loveland, CO	\$1.50	20	\$75,000	2023	
Credit Union iPlex	Swift Current, SK	\$0.60	10	\$60,000	DND	
Progressive Auto Sales Arena	Sarnia, ON	\$0.43	10	\$42,500	2026	

(1) - Assumption for value is based on previous deal with Verizon Wireless.

(2) - Giant Food Stores renewed its sponsorship of the Giant Center at unavailable terms for 10 years in 2012.

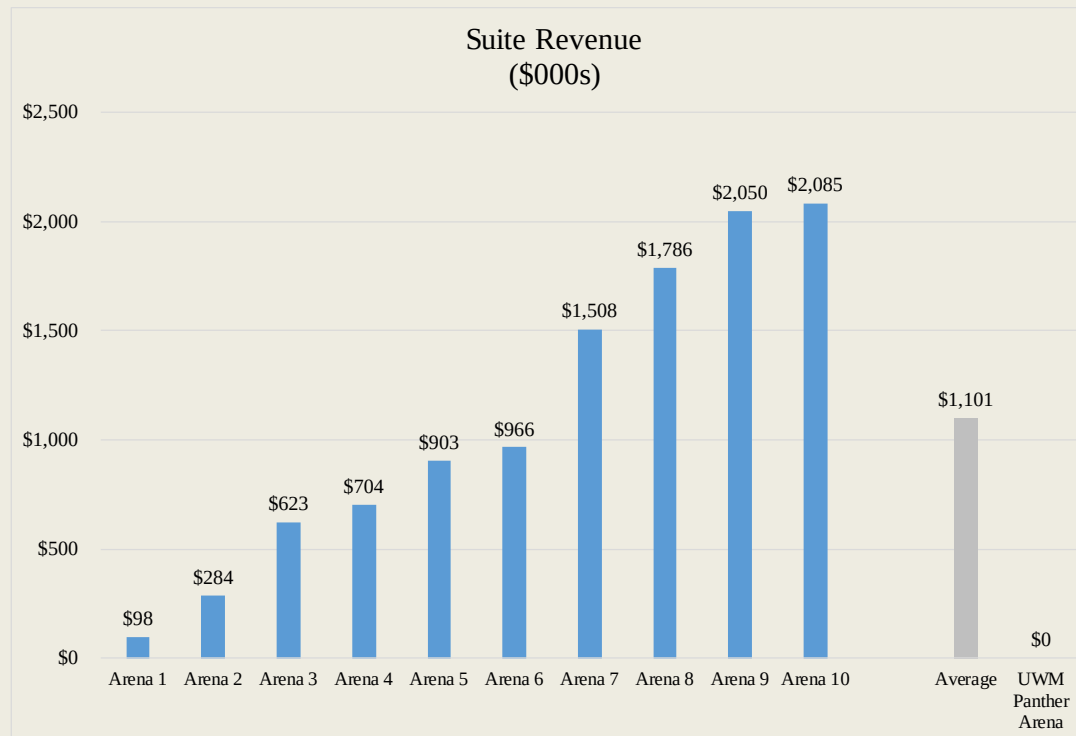
(3) - Deal was set to expire in 2016, no information has been disclosed on an extension.

Source: Resource Guide Live.

C. UWM PANTHER ARENA BENCHMARKING

Luxury Suite Revenue

- Luxury suite prices vary considerably based on numerous factors, including: age of facility; market; corporate base; premium seat demand; amenities; etc.
- Annual luxury suite revenue in comparable facilities ranged from approximately \$98,000 to approximately \$2.1 million. Average annual luxury suite revenue was approximately \$1.1 million. UW-Milwaukee Panther Arena does not have luxury suites.



C. UWM PANTHER ARENA BENCHMARKING

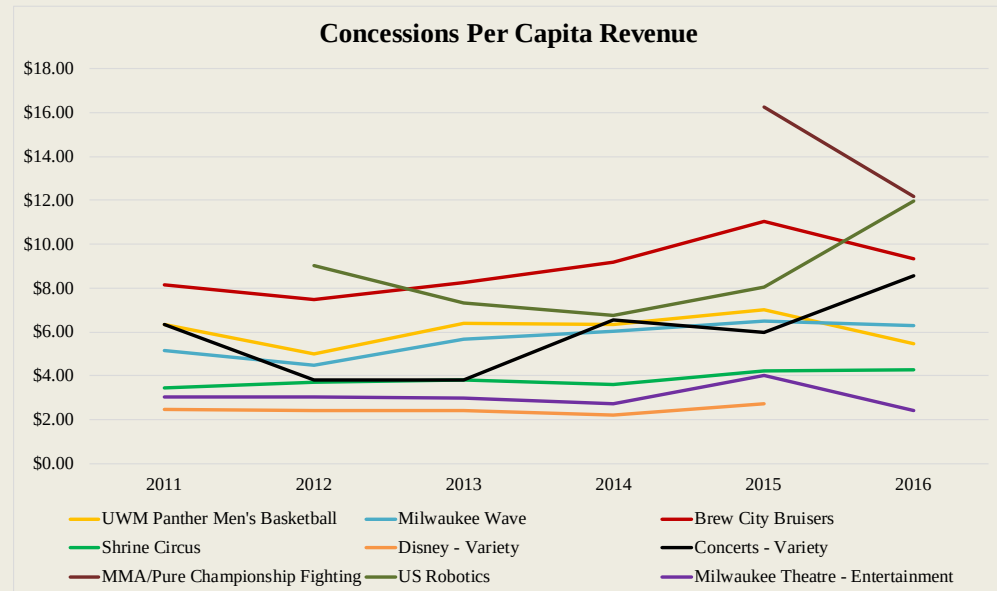
Concessions Revenue

- Concessions typically provide significant revenue
- Concession spending is typically higher at newer facilities than older facilities due to increased number of points-of-sale and improved locations
- UW-Milwaukee Panther Arena debuted new concessions in 2016 and will soon open a Saz's (barbecue)
- We have summarized the per capita concessions information provided by WCD
- The Milwaukee Admirals had a per cap of \$7.79 in 2016

	2011	2012	2013	2014	2015	2016
<u>UW-Milwaukee Panther Arena</u>						
UWM Panther Men's Basketball	\$6.32	\$5.02	\$6.40	\$6.36	\$7.02	\$5.46
Milwaukee Wave	\$5.18	\$4.50	\$5.69	\$6.04	\$6.50	\$6.31
Brew City Bruisers	\$8.15	\$7.49	\$8.24	\$9.18	\$11.04	\$9.32
Shrine Circus	\$3.48	\$3.70	\$3.83	\$3.63	\$4.24	\$4.28
Disney - Variety	\$2.50	\$2.40	\$2.43	\$2.21	\$2.72	NA
Marvel Universe	NA	NA	NA	NA	NA	\$2.94
Concerts - Variety	\$6.35	\$3.83	\$3.82	\$6.55	\$5.96	\$8.56
MMA/Pure Championship Fighting	NA	NA	NA	NA	\$16.24	\$12.19
US Robotics	NA	\$9.03	\$7.31	\$6.77	\$8.07	\$11.95
Milwaukee Theatre - Entertainment	\$3.02	\$3.05	\$2.99	\$2.71	\$4.04	\$2.43

Note: Data has been compiled from different sources.

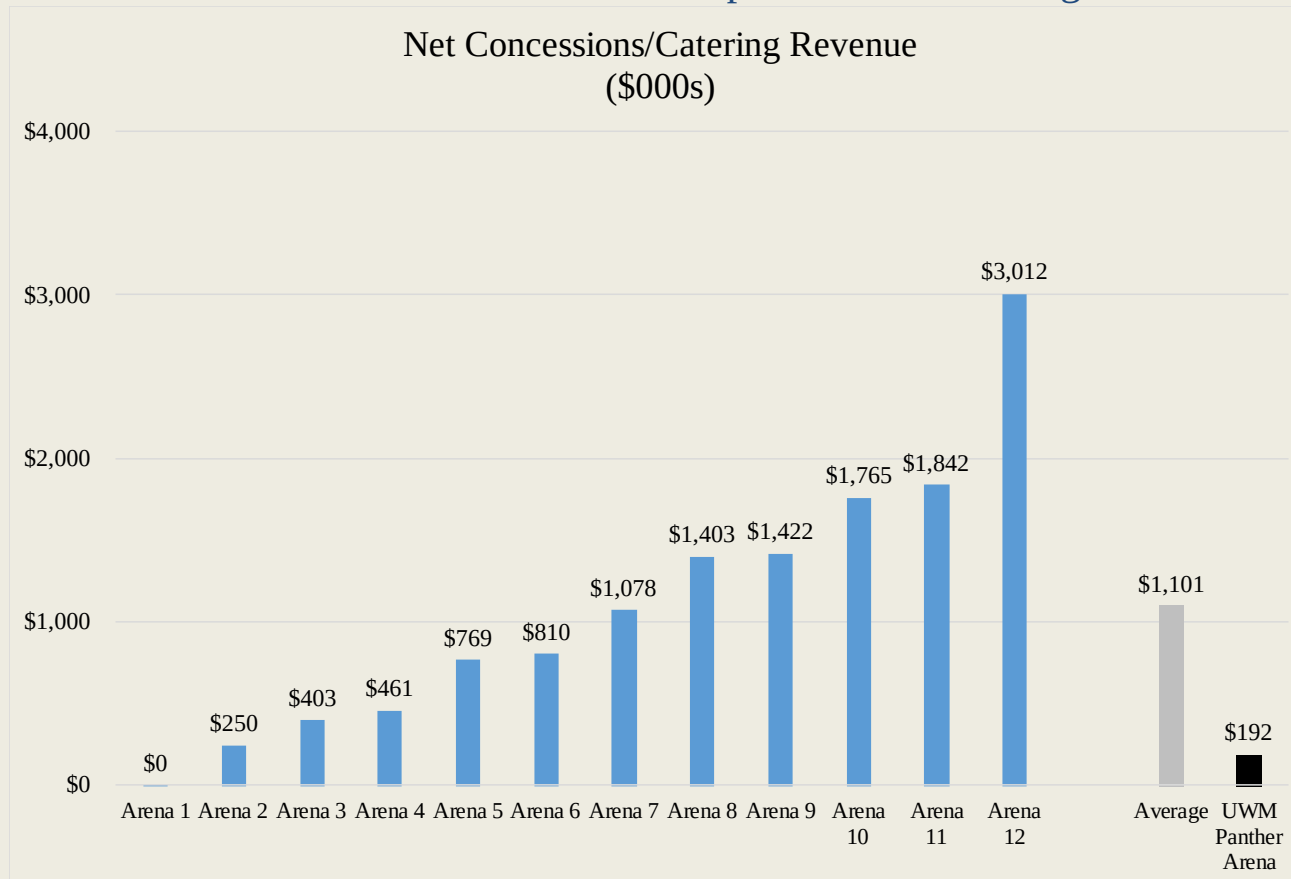
Source: WCD, Levy.



C. UWM PANTHER ARENA BENCHMARKING

Concessions Revenue

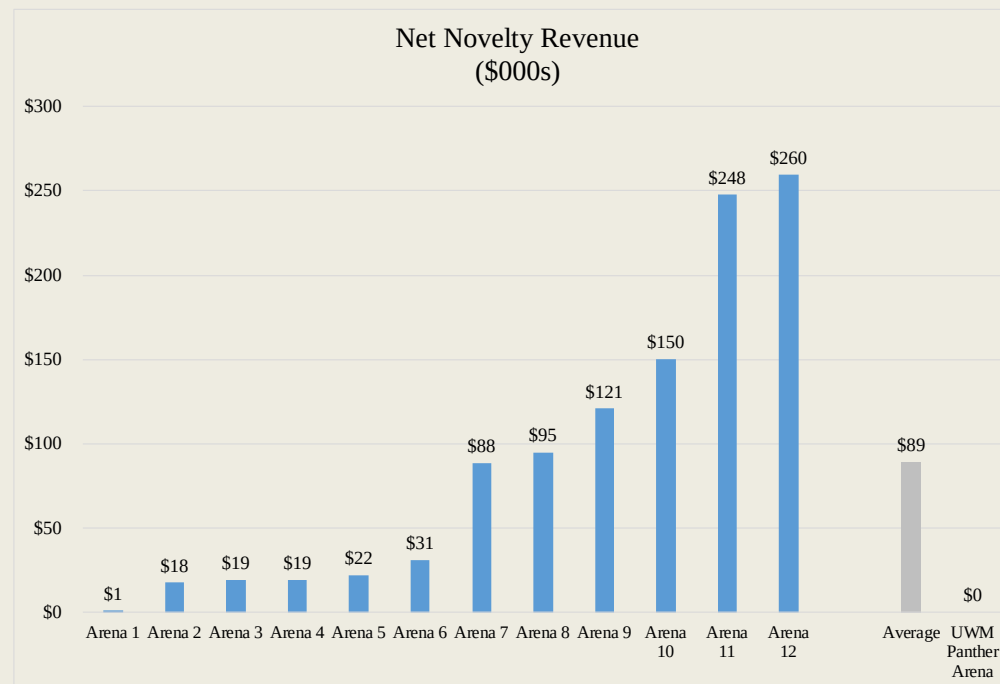
- Annual concessions revenues for comparable facilities ranged from approximately \$0 to approximately \$3.0 million. Average annual concessions revenue was approximately \$1.1 million. UW-Milwaukee Panther Arena is 83% below the comparable arena average. Area of concern.



C. UWM PANTHER ARENA BENCHMARKING

Novelties Revenue

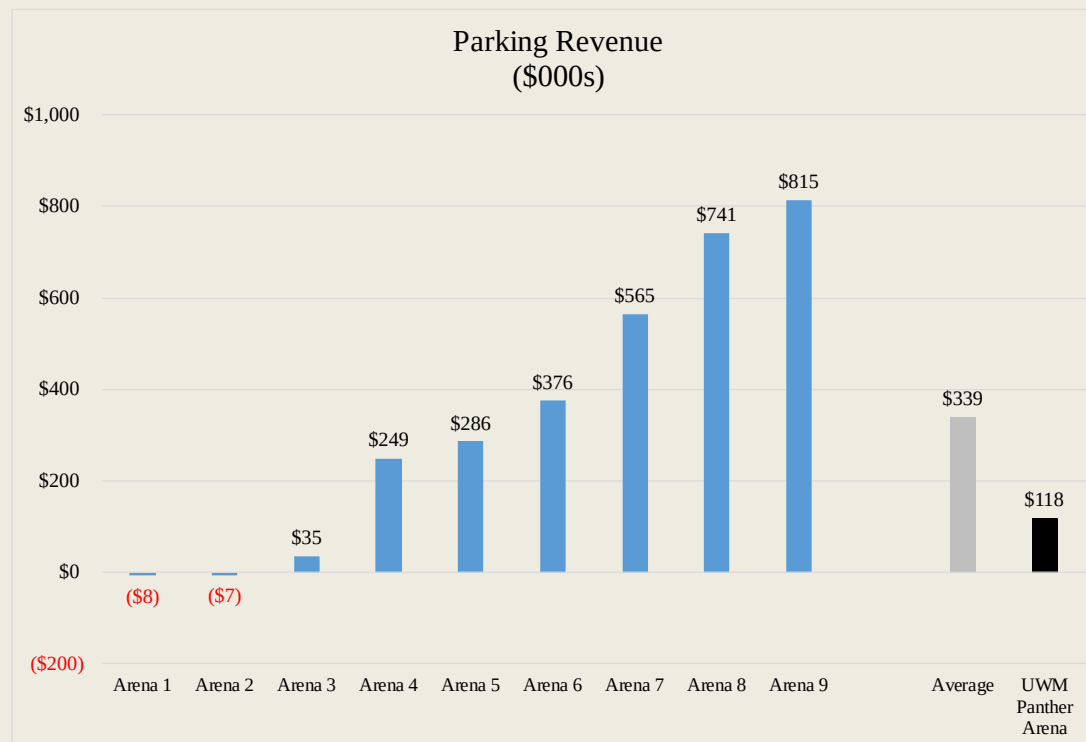
- Novelties revenues are typically retained by tenant or act
 - Facility occasionally receives nominal share of novelties revenues
- Annual novelties revenues for comparable facilities ranged from approximately \$1,000 to approximately \$260,000. Average annual novelties revenue was approximately \$89,000. UW-Milwaukee Panther Arena's novelties revenue is included in concessions. No breakout provided.



C. UWM PANTHER ARENA BENCHMARKING

Parking Revenue

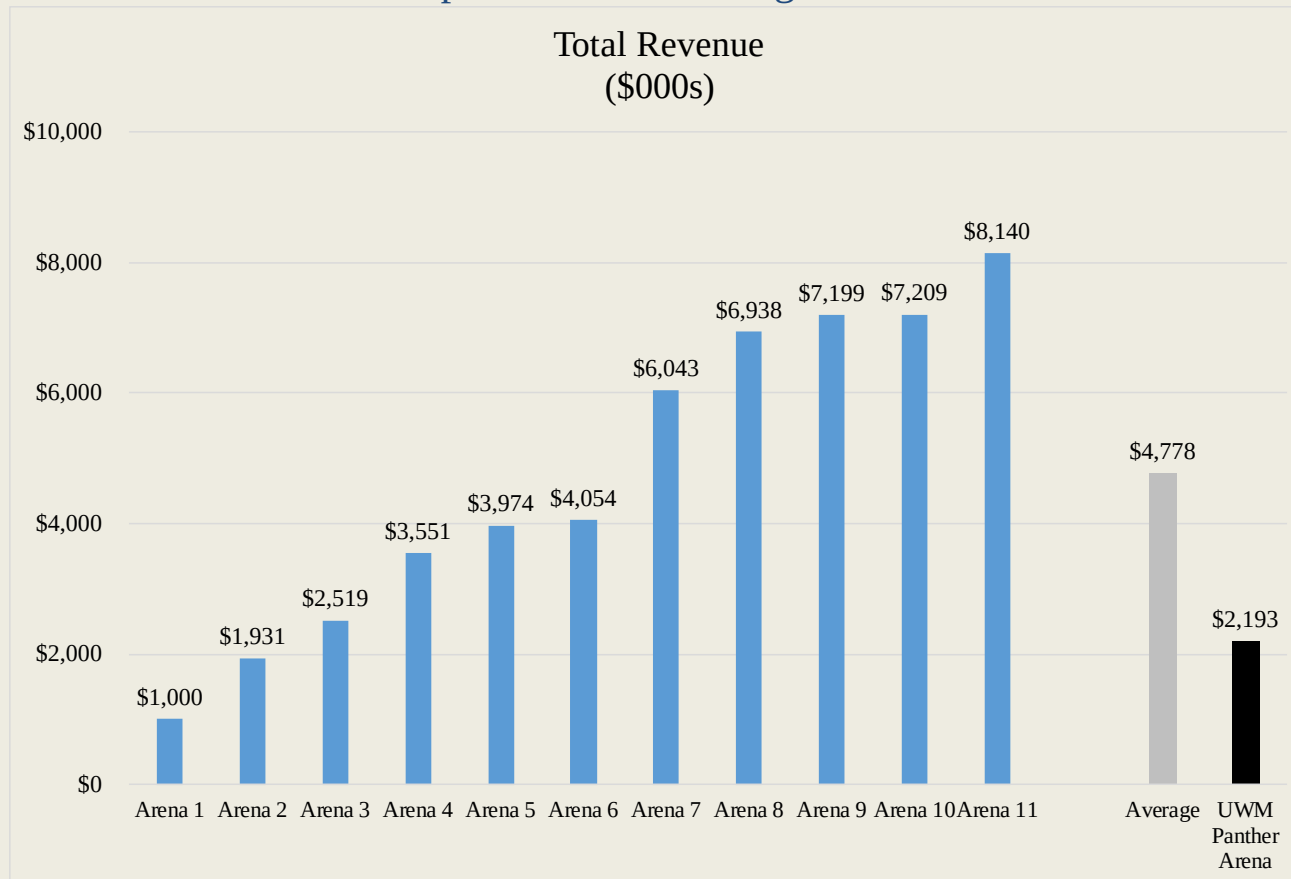
- Facility location impacts the number of required parking spaces – downtown facilities typically require fewer controlled parking spaces
- Parking revenue in comparable facilities ranged from a loss of approximately \$8,000 to approximately \$815,000. Average parking revenue was approximately \$339,000. UW-Milwaukee Panther Arena is 65% below the comparable arena average.



C. UWM PANTHER ARENA BENCHMARKING

Total Operating Revenue

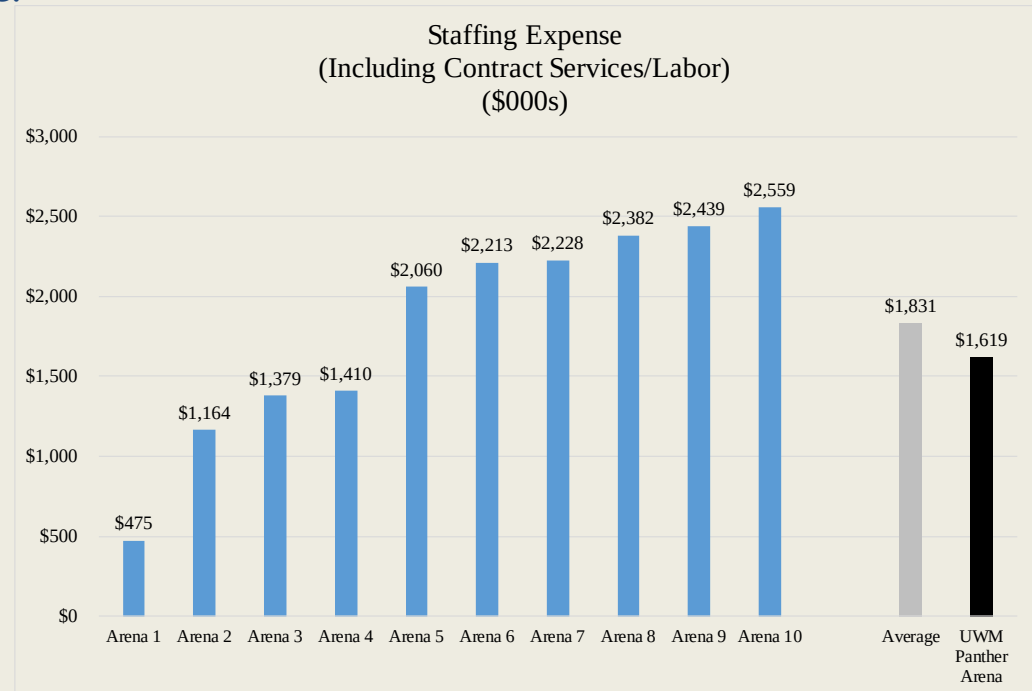
- Total operating revenue in comparable facilities ranged from approximately \$1.0 million to approximately \$8.1 million. Average total operating revenue was \$4.8 million. UW-Milwaukee Panther Arena is 54% below the comparable arena average.



C. UWM PANTHER ARENA BENCHMARKING

Staffing Expense

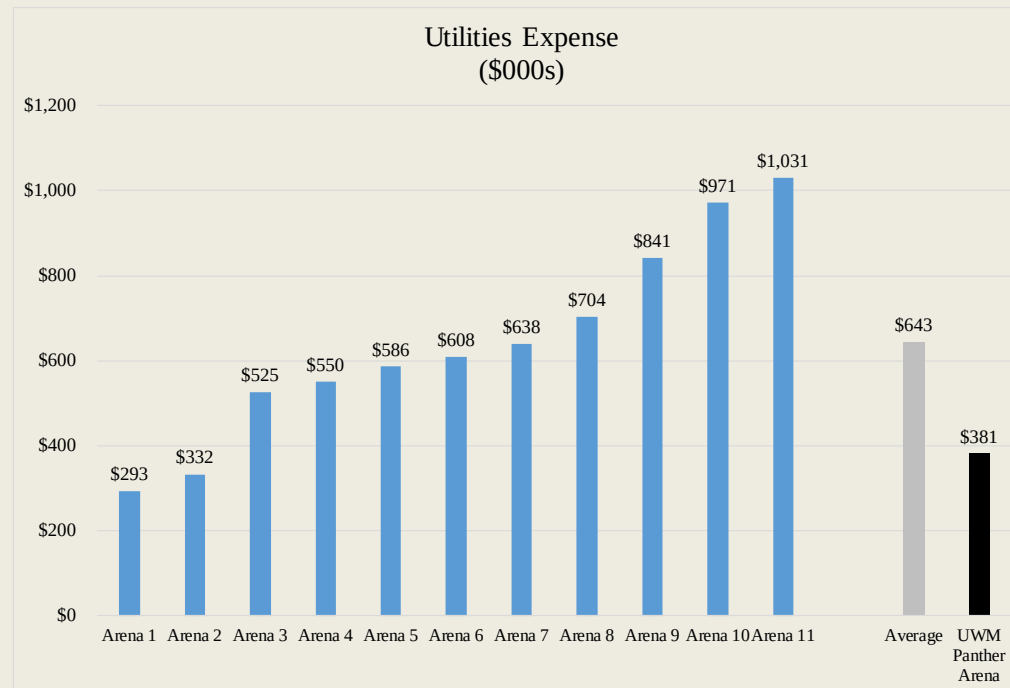
- Staffing expenses vary considerably due to several factors, including: local wage levels; event mix/schedules; accounting policies/procedures; overhead allocations; contract labor policies; and reimbursement policies for game/event related staffing expenses
- Staffing expense in comparable facilities ranged from approximately \$475,000 to approximately \$2.6 million. Average staffing expense was approximately \$1.8 million. UW-Milwaukee Panther Arena is 12% below the comparable arena average.
- WCD does not allocate certain staffing expenses by facility
- We have assumed 31% of these expenses are attributable to UW-Milwaukee Panther Arena (based on event days)



C. UWM PANTHER ARENA BENCHMARKING

Utilities Expense

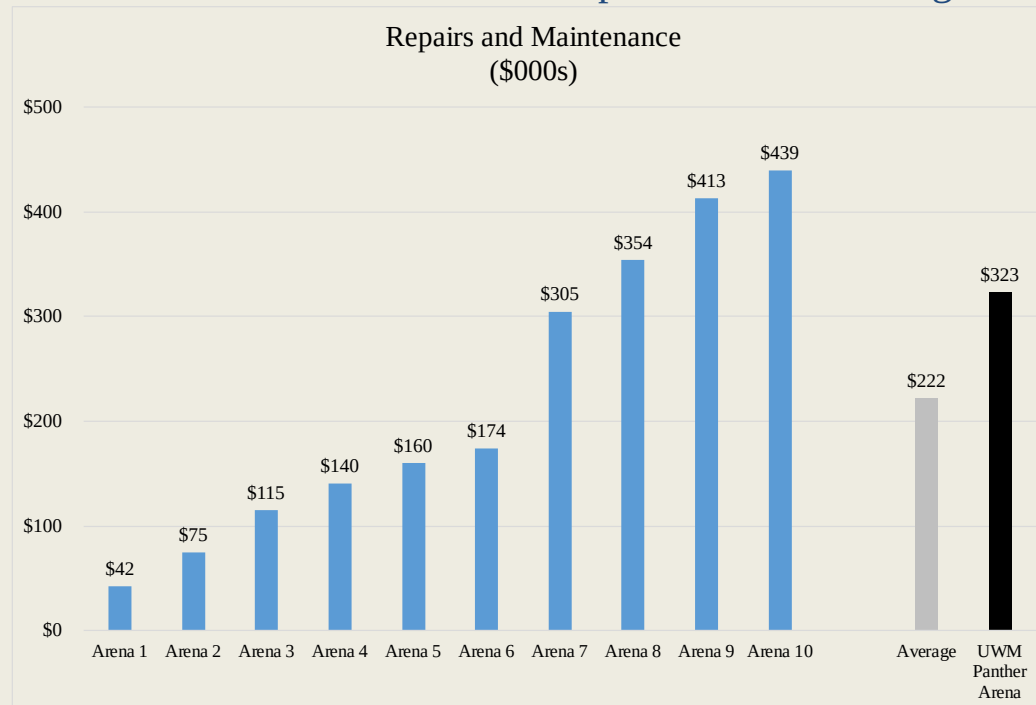
- Utilities expense vary considerably due to several factors, including: event mix/schedules and local climate, etc.
- Utilities expense in comparable facilities ranged from approximately \$293,000 to approximately \$1.0 million. Average utilities expense was approximately \$643,000. UW-Milwaukee Panther Arena is 41% below the comparable arena average.



C. UWM PANTHER ARENA BENCHMARKING

Repairs and Maintenance Expense

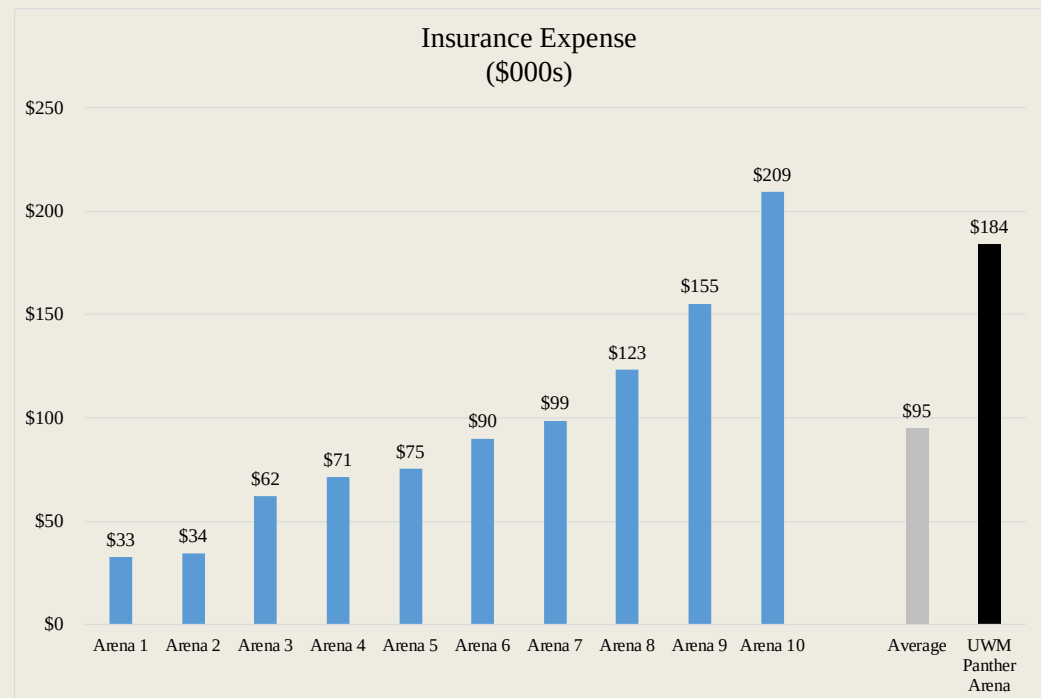
- Repairs and maintenance expense vary due to a number of factors, including: age and condition of facility; accounting policies/procedures; etc.
- Repairs and maintenance expense in comparable facilities ranged from approximately \$42,000 to approximately \$439,000. Average repairs and maintenance expense was approximately \$222,000. UW-Milwaukee Panther Arena is 46% above the comparable arena average.



C. UWM PANTHER ARENA BENCHMARKING

Insurance Expense

- Insurance typically reflects an important expense for operations
 - Tenants may share in insurance expenses or facility covered by municipality umbrella policy
- Insurance expense in comparable facilities ranged from approximately \$33,000 to approximately \$209,000. Average insurance expense was approximately \$95,000. UW-Milwaukee Panther Arena is 93% above the comparable arena average.
- WCD does not allocate insurance expense by facility
- We have assumed 31% of this expense is attributable to UW-Milwaukee Panther Arena (based on event days)



C. UWM PANTHER ARENA BENCHMARKING

Management Fee Expense

- Some facilities hire an outside manager or team affiliate for management of facility
- Management fee typically consists of base fee and incentive fee
- Management fee expense in comparable facilities ranged from approximately \$52,000 to approximately \$266,000. Average management fee expense was \$144,000.
- UW-Milwaukee Panther Arena does not have a management fee



C. UWM PANTHER ARENA BENCHMARKING

Total Operating Expenses

- Total operating expenses in comparable facilities ranged from approximately \$3.0 million to approximately \$6.2 million. Average total operating expenses were approximately \$4.5 million.
- WCD does not allocate certain overhead expenses by facility. We have assumed 31% of these expenses are attributable to UW-Milwaukee Panther Arena (based on event days). UW-Milwaukee Panther Arena is 29% below the comparable arena average.



C. UWM PANTHER ARENA BENCHMARKING

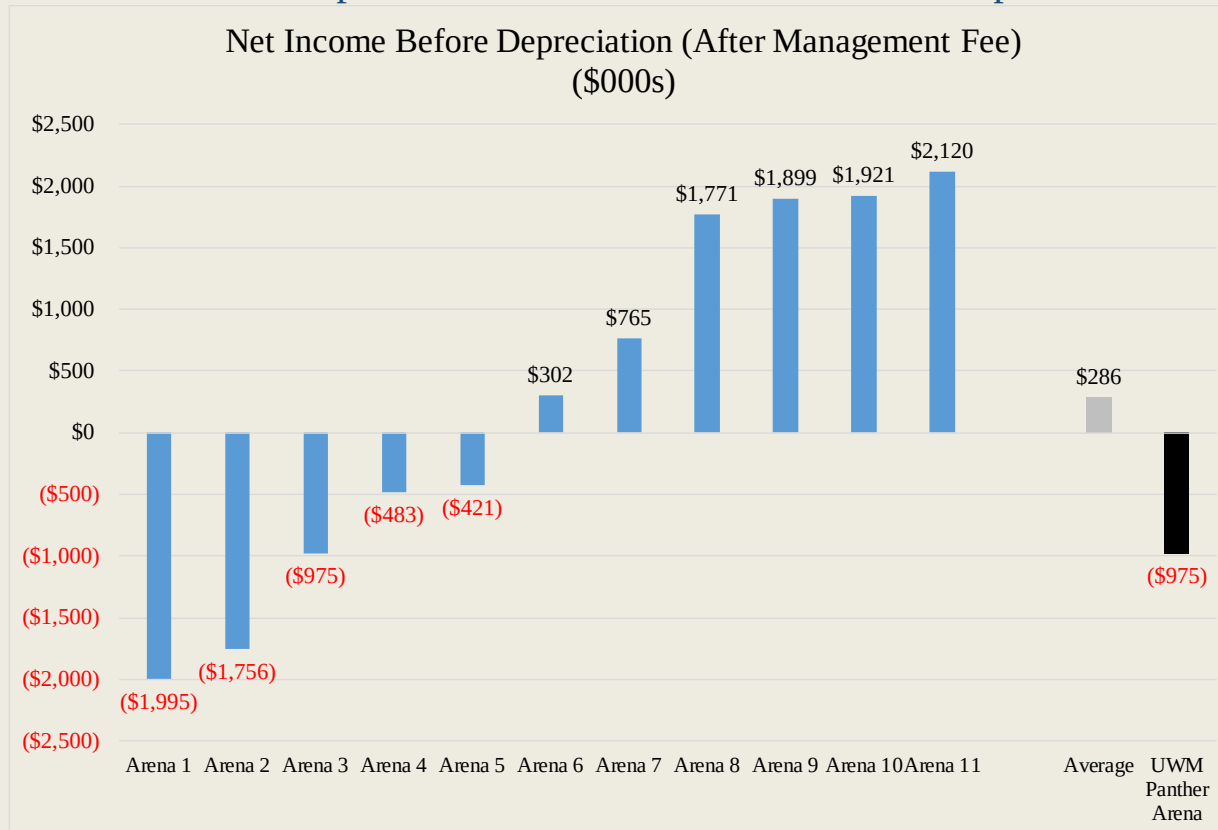
Net Operating Income

- For illustrative purposes, below is a summary of net operating income for comparable facilities.
- Facilities in other markets may realize higher (or lower) net operating income based on:
 - Market demographics
 - Physical characteristics
 - Anchor tenants
 - Tenant lease terms
 - Entertainment alternatives
 - Competitive facilities
 - Other

C. UWM PANTHER ARENA BENCHMARKING

Net Operating Income

- Operating revenues at the arena were 54% less than the average for the profiled facilities – operating expenses were 29% lower than the average for the profiled facilities
- UW-Milwaukee Panther Arena operates at a substantial loss, while the profiled set averages a positive net income



D. MILWAUKEE
THEATRE
BENCHMARKING

D. MILWAUKEE THEATRE BENCHMARKING

Overview

- The Milwaukee Theatre operates in a competitive environment locally, regionally, and nationally. Its seating capacity places it in a unique position as compared to traditional theaters or performing arts centers which tend to be smaller in size.
- The following facilities comprise the profiled set of auditoriums/theaters that focus on hosting entertainment events such as concerts, family shows, Broadway shows, community events and special events.
 - Cobb Energy Performing Arts Centre
 - DeVos Performance Hall
 - Fox Cities Performing Arts Center
 - Hippodrome Theatre
 - INB Performing Arts Center
 - James L. Knight Center
 - Lowell Memorial Auditorium
 - Ovens Auditorium
 - Raising Cane's River Center Theatre for the Performing Arts
 - Rosemont Theatre
 - Sandler Center for the Performing Arts
- This section profiles each facility's owner/operator, capacity, utilization, and financial operations.

D. MILWAUKEE THEATRE BENCHMARKING

Comparable Facility Overview

- The profiled set of comparable facilities include six publicly-owned venues, four venues owned by an authority/district, and one owned by a not-for-profit group
- Six of the profiled facilities are managed by private management groups, two are publicly managed, two are managed by an authority/district, and one is managed by not-for-profit performing arts organization
- The average capacity of the main theater within the profiled set is 2,680 – the Milwaukee Theatre is larger than most of the profiled facilities

Profiled Set - Owner/Operator and Capacity				
Facility	Location	Owner	Operator	Main Theater/ Auditorium Capacity
James L. Knight Center	Miami, FL	City of Miami	SMG	4,570
Rosemont Theatre	Rosemont, IL	Village of Rosemont	Village of Rosemont	4,200
Milwaukee Theatre	Milwaukee, WI	Wisconsin Center District	Wisconsin Center District	4,087
Lowell Memorial Auditorium	Lowell, MA	City of Lowell	Spectra	2,800
Cobb Energy Performing Arts Centre	Atlanta, GA	Cobb-Marietta Coliseum and Exhibit Hall Authority	Cobb-Marietta Coliseum and Exhibit Hall Authority	2,750
INB Performing Arts Center	Spokane, WA	Spokane Public Facilities District	Spokane Public Facilities District	2,700
Ovens Auditorium	Charlotte, NC	City of Charlotte	Charlotte Regional Visitors Authority	2,460
DeVos Performance Hall	Grand Rapids, MI	Grand Rapids-Kent County Convention/Arena Authority	SMG	2,400
Hippodrome Theatre	Baltimore, MD	Maryland Stadium Authority	Broadway Across America	2,280
Fox Cities Performing Arts Center	Appleton, WI	Fox Cities Performing Arts Center Inc	Fox Cities Performing Arts Center Inc	2,100
Raising Cane's River Center Theatre for the Performing Arts	Baton Rouge, LA	City of Baton Rouge	SMG	1,900
Sandler Center for the Performing Arts	Virginia Beach, VA	City of Virginia Beach	Spectra	1,300

Note: Sorted in descending order by main theater/auditorium capacity.

Sources: Individual facilities; secondary research.

D. MILWAUKEE THEATRE BENCHMARKING

Utilization

- As previously stated, the Milwaukee Theatre does not have a tenant organization like some of the profiled facilities
- From 2015 to 2016, the Milwaukee Theatre experienced a significant increase in event activity due to a more aggressive marketing strategy
- In 2016, the Milwaukee Theatre hosted 78 event days and 122,100 in total attendance which ranked 8th and 9th respectively, among the profiled set

Profiled Set - Utilization		
Facility	Event Days/ Performances	Attendance
A	154	244,500
B	158	232,200
C	166	211,900
D	358 *	197,000
E	74 *	192,100
F	279 *	184,500
G	66 *	158,100
H	131 *	149,200
Milwaukee Theatre - 2016	78	122,100
I	102 *	99,100
J	62	71,100
K	28	46,900
Average (Excluding Milwaukee Theatre)	143	162,400
Median (Excluding Milwaukee Theatre)	131	184,500

Notes: Sorted in descending order by total attendance.

* denotes number of events (not event days/performances).

Sources: Management at individual facilities; secondary research.

D. MILWAUKEE THEATRE BENCHMARKING

Financial Operations

- In 2016, the Milwaukee Theatre's revenue of approximately \$1.4 million was 58% less than the average (\$3.3 million) and 47% less than the median (\$2.6 million) of the profiled set
- The Milwaukee Theatre's expenses (\$1.2 million) were 63% less than the average (\$3.1 million) and 50% less than the median (\$2.3 million) for the profiled set in 2016
- The Milwaukee Theatre's operating profit (\$233,000) was higher than both the average (\$154,000) and the median (\$140,500) for the profiled set

Profiled Set - Financials			
Facility	Revenue	Expenses	Net Profit/(Loss)
A	\$5,905,000	\$4,188,000	\$1,717,000
B	\$1,430,000	\$854,000	\$576,000
C	\$2,849,000	\$2,360,000	\$489,000
Milwaukee Theatre - 2016	\$1,392,000	\$1,159,000	\$233,000
D	\$7,924,000	\$7,725,000	\$199,000
E	\$2,358,000	\$2,276,000	\$82,000
F	\$786,000	\$972,000	(\$186,000)
G	\$4,222,000	\$4,939,000	(\$717,000)
H	\$776,000	\$1,702,000	(\$926,000)
Average (Excluding Milwaukee Theatre)	\$3,281,000	\$3,127,000	\$154,000
Median (Excluding Milwaukee Theatre)	\$2,603,500	\$2,318,000	\$140,500

Note: Sorted in descending order by net profit/(loss).

Sources: Management at individual facilities; secondary research.

V. WCD/VISIT MILWAUKEE STRUCTURE

V. WCD/VISIT MILWAUKEE STRUCTURE

DMO Overview

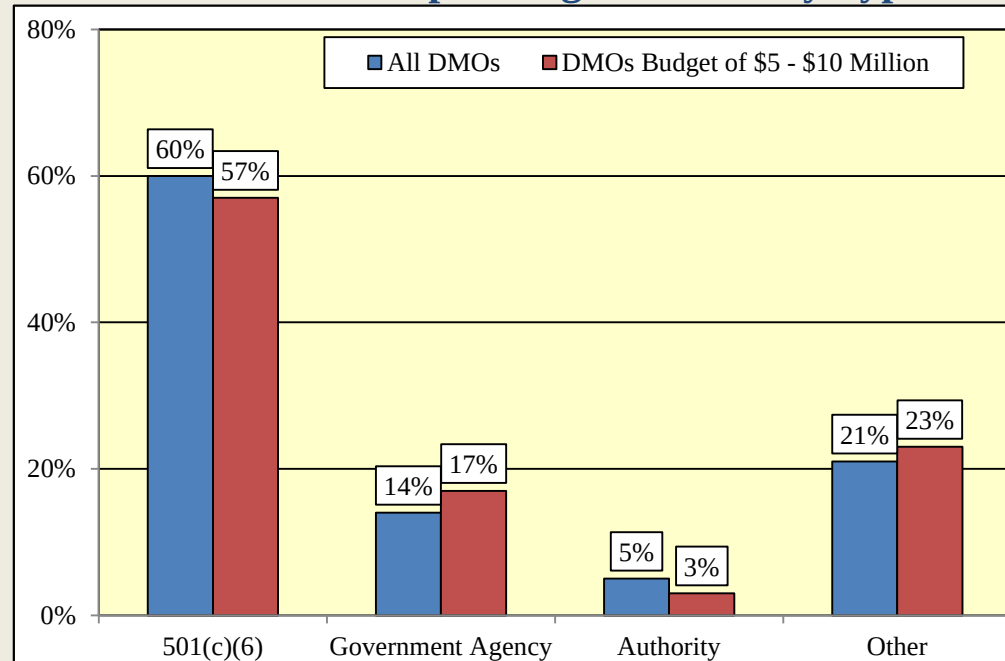
- Convention/meeting planners have a variety of facilities and destinations to choose from when deciding where to host their event. Attendees have diverse options where they can spend their discretionary income. Given the competitiveness in the industry, Destination Marketing Organizations (DMOs) and convention centers need to operate in a manner that is consistent with best practices, which includes the ability to quickly react to changes in industry trends.
- The operating structure is important because it typically impacts all aspects of the organization's operations and performance. Often, one specific entity plays a significant role in oversight, establishing and administering policy and maintaining, accountability in order for it to be effective. Objectives of governance generally include the following:
 - Providing a stable structure for operations insulating it from political influence and involvement
 - Providing an independent entity that focuses on operating the organization in a proper, efficient, economical and business-like manner
 - Establishing policies that are consistent with industry standards to maximize a destination's competitive position, particularly with regard to convention/meeting sales
 - Ensuring that the organization is serving the public needs while being fiscally responsible
 - Providing strategic business planning that is measurable and periodically evaluated for performance

V. WCD/VISIT MILWAUKEE STRUCTURE

DMO Operating Structures

- Destination Marketing Association International (DMAI) conducts a bi-annual organizational and financial survey of DMOs. A total of 246 DMOs responded to the most recent survey. Thirty-five (35) DMO respondents, including VISIT Milwaukee, had budgets ranging between \$5 and \$10 million.
- 60% (147 of 246 respondents) of all DMO survey respondents are structured as 501(c)(6) organizations which allow for more independence and flexibility in making operational changes while still receiving funding from public and private sources
- 14% of DMO survey respondents are structured as government agencies

National DMO Operating Structure by Type

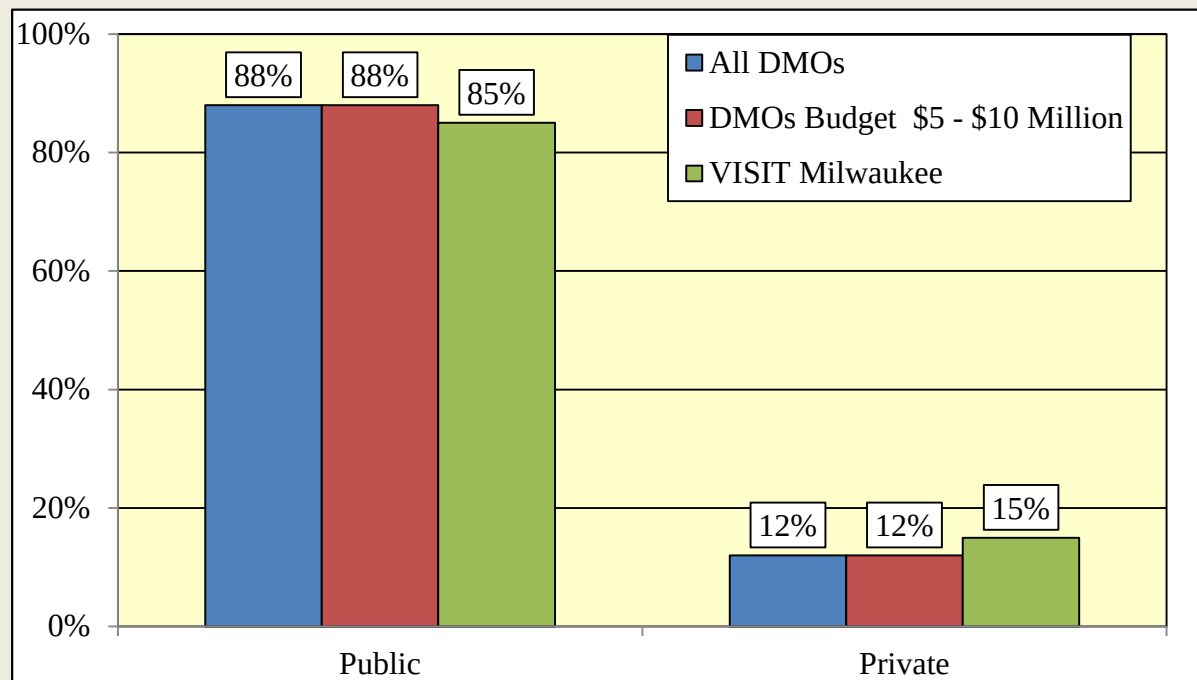


V. WCD/VISIT MILWAUKEE STRUCTURE

DMO Funding

- With regards to all DMOs, on average, 88% of DMO funding is derived from public sources and 12% from private sources. DMOs with a budget of \$5 to \$10 million have similar statistics for the distribution of funding
- VISIT Milwaukee receives a slightly higher percentage of its funding from private sources compared to the average for DMOs with similar budgets

National DMO Funding by Type



V. WCD/VISIT MILWAUKEE STRUCTURE

DMO Operating Structures

- DMO structure can impact its ability to operate efficiently and effectively in a competitive marketplace
- Examples of DMO structures include, but are not limited to, the following:
 - Non-Profit
 - Government Agency
 - Authority
 - Other

V. WCD/VISIT MILWAUKEE STRUCTURE

DMO Operating Structures

Non-Profit

- Based on information from DMAI, the majority of DMOs are independent, not-for-profit associations classified as 501(c)(6) businesses by the Internal Revenue Code. A small percentage of DMOs are structured as independent, non-profit associations known as 501(c)(3) organizations. Both receive tax exempt status and can accept contributions that are tax-deductible to the donors. The primary differences between the two classifications are that 501(c)(3) organizations are required to be charitable organizations with no legislative activity and explicitly prohibit political activity. These limitations are less stringent with the 501(c)(6) classification.
- Many DMOs chose to structure themselves as independent 501(c)(6) or 501(c)(3) organizations in order to:
 - Maintain tax exempt status;
 - Collect membership dues;
 - Establish autonomous identity (e.g. separate from Chamber of Commerce); and
 - Have fewer restrictions with regard to changes in staffing, salary levels, bonus compensation, and other areas.
- Examples of DMOs structured as 501(c)(6) businesses include those in Cleveland, Columbus, Grand Rapids, Indianapolis, Kansas City, Minneapolis, Pittsburgh, and Portland

V. WCD/VISIT MILWAUKEE STRUCTURE

DMO Operating Structures

Government Agency

- Approximately 17% of profiled DMOs with budgets ranging between \$5 and \$10 million or more operate as a government agency
- Given that the majority of funding for DMOs is derived from public sources such as lodging taxes, some destinations have chosen to govern their marketing agency as a governmental department
- Benefits of this type of structure include direct oversight of the funding source expenditure by the taxing entity.
- Most governmental departments are not typically involved in a competitive industry, but instead serve the public interest of the jurisdiction by providing core services. DMOs operate in a distinctly different atmosphere more similar to a business environment where sales and marketing efforts are critical to achieving their mission. As such, many DMOs structured in this manner are hindered by municipal policies with regard to sales/marketing expenditures, staff travel, and personnel compensation.
- Operating a successful DMO as a governmental agency requires that specific policies and procedures be established that differentiate this unique department from other traditional municipal services, allowing it to operate more competitively in the destination marketing industry.
- DMOs that operate as a governmental agency include those in Little Rock, Louisville, Omaha, San Antonio, and Virginia Beach

V. WCD/VISIT MILWAUKEE STRUCTURE

DMO Operating Structures

Authority

- A less common operating structure for DMOs is an authority
- Some of the reasons DMOs are structured as an authority structure are because they:
 - Are charged with oversight of facility operations;
 - Have the ability to issue debt for development and/or operations of public assembly facilities (typically convention centers);
 - Are regional in scope representing multiple jurisdictions; and/or
 - Receive dedicated funding from multiple jurisdictions.
- Several advantages associated with an authority are the same as a 501(c)(6) or 501(c)(3)
 - Authorities typically allow for greater autonomy while still being funded by public sources and maintain tax exempt status
 - Authorities are typically governed by a Board of Directors representative of industry stakeholders that provide organizational oversight
 - However, similar to a government agency, some authorities can have challenges related to limitations on staff compensation, sales/marketing expenditures, and contract procedures
- DMOs in Charlotte and St. Louis are structured as independent authorities
 - These authorities are directly responsible for operating their primary convention center

V. WCD/VISIT MILWAUKEE STRUCTURE

DMO Operating Structures

- Depending on the operating structure, there can be potential conflicts between balancing the event mix with activity that generates overnight visitors vs. events that positively impact the facility's bottom line – in many instances, these are competing operating objectives
 - For example, DMOs use the convention center as a tool to sell room nights which is directly related to hotel occupancy tax revenues, typically their primary funding source. As such, DMOs may offer financial concessions such as discounted rental rates at the convention center in order to book the business and generate hotel room nights and associated tax revenues.
 - Conversely, convention center management is commonly charged with maximizing financial performance which may limit its desire and flexibility to discount rental rates to respond to competitive realities
 - This challenge can be mitigated by clearly reflecting the operating objectives and expectations of the management team relative to facility performance

V. WCD/VISIT MILWAUKEE STRUCTURE

Facility Operating Structures

- As with DMOs, the ownership/operating structure of a facility can impact its ability to operate efficiently and effectively in a competitive marketplace
- Examples of existing management options at public assembly facilities include, but are not limited to, the following:
 - Operating through a traditional governmental management structure
 - Operating as an independent public authority
 - Contracting with a destination marketing organization
 - Contracting with a third party that specializes in managing similar facilities

V. WCD/VISIT MILWAUKEE STRUCTURE

Facility Operating Structures

Traditional Governmental Management

- Historically, convention centers are one of the few public assets that operate in a semi-business atmosphere requiring contractual agreements, frequent short term lease/use of facilities by customers, management of part-time and temporary staff resources for numerous events and partnership with third party vendors and tenants
- As with any governmentally run facility, the goals and objectives may change with each political cycle. For instance, the number and diversity of events may be the primary objective of one official and fiscal performance may be the priority of another
 - These changes in a facility's objectives can be counter-productive if not managed effectively
- Clearly defining a mission statement that reflects community consensus and operating objectives (e.g., generating economic impact) can allow a facility to set forth an operating and marketing strategy that is consistent and long-term in implementation
- This approach can also provide a more stable environment for event promoters/producers when considering a convention center for future use
- In general, governmentally operated facilities are more successful when management has the ability and the authority needed to aggressively operate and book the facility without incurring onerous procedures

V. WCD/VISIT MILWAUKEE STRUCTURE

Facility Operating Structures

Traditional Governmental Management (continued)

- In many instances, publicly operated facilities are overseen by a municipal department
- Advantages
 - Shared human and financial resources among the jurisdiction's various facilities
 - Economies of scale in terms of utilities, insurance, and maintenance expenses
- Disadvantages
 - Balancing civic/non-profit usage needs with those of events that generate overnight visitors which can be politically challenging
 - Civil service constraints in terms of staffing, incentive companion, travel/entertainment policies
 - Subject to changes in political cycles
 - Limited staff connections in the broader industry
- Examples of this type of operating structure include the Kansas City Convention Center, the Oregon Convention Center, and the Greensboro Coliseum Complex

V. WCD/VISIT MILWAUKEE STRUCTURE

Facility Operating Structures

Independent Public Authority

- In many states, an authority is a political subdivision of one or more governmental entities (e.g., City, County and/or State) that is allowed by an act of local or state legislature.
- Authorities, sometimes referred to as districts, are usually governed by a Board of Directors that provides oversight and accountability
 - Board members are typically representatives of the involved government entities as well as related industry professionals (e.g., hoteliers, CVB executives, etc.)
 - An authority can be multi-jurisdictional and can have a quasi-State organization funded by both the City and County
- This form of management structure is typically pursued when a fiscal resource is created or allocated by a unit(s) of government and when an inter-local agreement is pledged to the authority for specific purposes
- Advantages
 - Ability to obtain a funding source that can allow for the independent operations of a facility
 - This approach is particularly valuable if there is a political consensus and will to identify a revenue stream from existing or new fiscal sources that can help stabilize the operations of a public assembly facility and provide for its long-term improvement and maintenance

V. WCD/VISIT MILWAUKEE STRUCTURE

Facility Operating Structures

Independent Public Authority (continued)

- Disadvantages
 - Can have limited industry representation for oversight and strategic planning making them susceptible to political changes
 - Without clear policies to the contrary, can be under same civil service constraints as municipal management that hinder competitive sales function
- Examples of facilities that are operated by an authority include the CenturyLink Center in Omaha and the Music City Center in Nashville as well as a variety of facilities in Charlotte that are operated by the Charlotte Regional Visitors Authority
 - The CRVA also operates Visit Charlotte, the City's Destination Marketing Organization

V. WCD/VISIT MILWAUKEE STRUCTURE

Facility Operating Structures

DMO

- DMOs are typically an important partner for facilities, particularly convention centers, given their efforts to promote the destination to a variety of visitors including conventions/ meetings, sports competitions, and leisure travelers
- DMOs are typically responsible for marketing facilities, primarily convention centers, for longer-term bookings (e.g., 18 months and out)
 - Given this partnership, some communities have chosen to have their DMO operate their facilities
- Advantages
 - Potential tax-exempt status
 - Fewer restrictions with regard to staffing, compensation, and travel /entertainment
 - Seamless sales and event service process and the control of one entity over the entire booking calendar
 - A DMO's mission is to attract overnight visitors which is consistent with most convention centers to generate economic activity

V. WCD/VISIT MILWAUKEE STRUCTURE

Facility Operating Structures

DMO

- Disadvantages
 - Establishing buy-in from the local hotel community who may view the DMO as competing with their own sales efforts

- An example of this type of management structure is America's Center Convention Complex in St. Louis which is operated by Explore St. Louis, the areas visitors commission

V. WCD/VISIT MILWAUKEE STRUCTURE

Facility Operating Structure

Third Party Professional Management

- There are several professional management companies that operate municipally-owned facilities
- Professional management companies can address a variety of needs and issues confronted by public assembly facilities that, in many cases, result in a more effective and efficient means of operations as compared to municipally run venues
- Typically the management company charges a base fee in addition to a performance or incentive fee - the performance or incentive fee can be capped and is usually tied to producing measurable operating results
- There is the potential for a conflict for the management team at facilities such as convention centers which struggles to balance hosting events that operate at a profit and positively impact the facility's financial performance and hosting events that do not necessarily contribute positive cash flow but generate significant economic impact to a community

V. WCD/VISIT MILWAUKEE STRUCTURE

Facility Operating Structure

Third Party Professional Management (continued)

- Professional management may be a more effective approach under certain conditions such as when:
 - Civil service constraints may limit a municipality's ability to retain and hire qualified personnel that are experienced in the industry and compensated for their skill set relative to other similar positions in the industry
 - Efficient operations may be hampered by strong political influence and operating autonomy is desired
 - Municipal constraints make it difficult for facility management to effectively negotiate rates and other concessions and, consequently, the facility may be less competitive with other facilities
 - Contract approval requirements may be onerous and time consuming in a municipal setting
 - Municipalities have limited funds for significant maintenance requirements and/or capital improvements to facilities and a professional management company agrees to provide funding as part of its management agreement

V. WCD/VISIT MILWAUKEE STRUCTURE

Facility Operating Structure

Third Party Professional Management (continued)

- Private management contracts have become more prevalent and, as such, facility owners are expecting more from them
 - Some municipalities require the management company to commit capital funds for a development/enhancement project to help ensure they have a vested interest in its operational success
 - Private management contracts tend to include an increasingly higher portion of the fee based on performance
 - Various regulations restrict management contracts for facilities financed by tax exempt bonds
- Advantages
 - Capability to rotate events through other existing facilities they manage
 - Less civil service constraints on hiring, contract approvals, negotiating financial terms
 - Provides consistent management philosophy during political changes in leadership
 - Potential funding source
 - Provides an expansive network of industry resources as well as proven management techniques

V. WCD/VISIT MILWAUKEE STRUCTURE

Facility Operating Structure

Third Party Professional Management (continued)

- Disadvantages
 - Balancing event base with generating revenues and/or booking events that drive economic impacts
 - State does not control all aspects of its convention sales function
- Examples of privately managed complexes include the DeVos Place Convention Center, Duke Energy Convention Center, Raising Cane's River Center, Infinite Energy Center, Iowa Events Center and Tucson Convention Center

V. WCD/VISIT MILWAUKEE STRUCTURE

Observations

- There are several approaches to the relationship/structure between public assembly facilities, particularly convention centers and DMOs
 - Facility and DMO are separate entities that work together
 - Sales function is combined for the facility and DMO, but entities remain independent
 - One entity oversees both facility and DMO operations/functions
- Although their operating objectives may be diverse (e.g., profitability versus room night generation), the two organizations share similar functions such as administration/human resources, finance/accounting, sales, and marketing of their product
- Transition of functions to a new/blended organization typically requires a cultural change by all parties
 - Change in governance
 - A strong chairperson who advocates organizational change and is effective in conveying benefits to the broader community
 - Restructuring of the senior leadership team
 - Vision/mission statement/operating objectives
 - Strategic plan for a single organization with performance measures
 - Organizational change – retaining/hiring qualified, experienced resources who support the vision and can successfully perform all required functions
 - Consistent, transparent reporting of results
 - Realistic timeline for execution

VI. FINDINGS AND RECOMMENDATIONS

A. WCD SWOT

A. WCD SWOT

General Observations

- We have considered trends in the industry (generally) and at the WCD (specifically) in the following SWOT analysis
- The convention, arena, and theater industries appear to have rebounded from the macro economic conditions of most recent recession
- Special sales taxes on hotel rooms, prepared food and drinks sold in restaurants and taverns, and car rentals primarily fund debt service, capital projects, VISIT Milwaukee, and certain unrestricted funds are utilized for WCD operations
- WCD is governed by a Board of Directors – Act 60 legislation will modify the composition of the Board after the construction of the new Bucks arena is completed
- WCD is considered generally well managed – potential areas of improvement discussed herein
- WCD facilities are well-maintained, but appear somewhat “tired” in their general appearances – a competitive disadvantage in a highly competitive industry
- WCD facilities are generally underutilized
 - Arena utilization expected to improve with addition of Admirals as an anchor tenant

A. WCD SWOT

General Observations (continued)

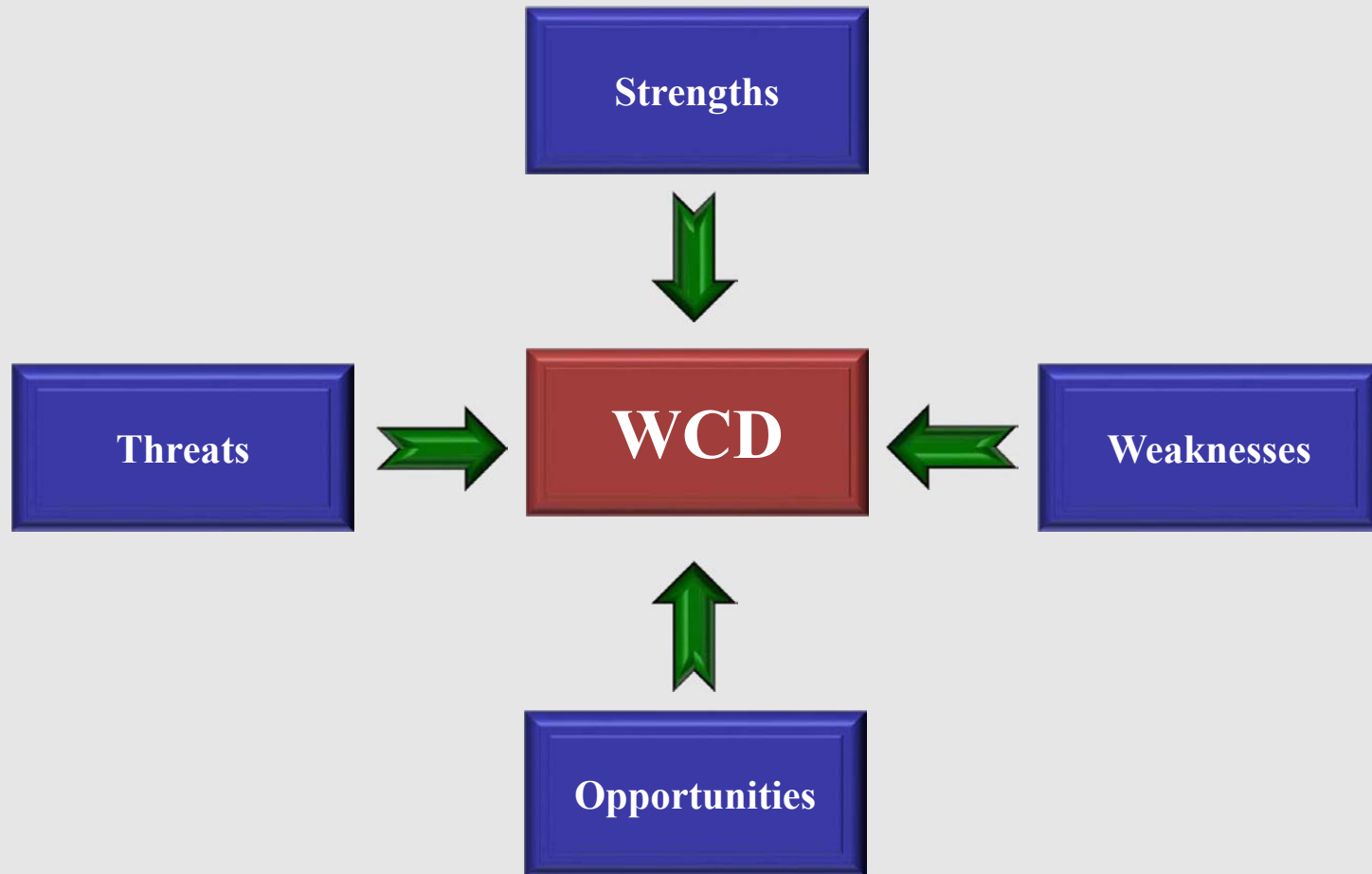
- Most common reasons for Wisconsin Center lost business (excluding no reason known and database maintenance) were date conflicts, moved dates, site competition, and high expenses according to WCD surveys
 - VISIT Milwaukee identified WCD as not being adequate for groups needs as the number one reason for lost business, followed by date availability, hotel rates, and hotel product
 - Prior convention center expansion study cited insufficient hotel rooms, lack of air access, poor local transportation, and an overall lack of destination appeal as issues
- UW-Milwaukee Panther Arena net concessions revenue is lower than comparable arenas
 - Building age, concourse width, lack of kitchen facilities (kitchen recently added) and tenant mix
 - Presence of Admirals and new Levy general manager focus on sales expected to increase revenue
- UW-Milwaukee Panther Arena net advertising revenue is lower than comparable arenas
 - Partially caused by lack of dedicated staff – area of focus
- WCD faces significant competition in the Milwaukee locally and regionally
 - Convention/exhibit space
 - Theaters
 - Arenas
 - Live music facilities

A. WCD SWOT

General Observations (continued)

- Recent renovation at Arena and addition of anchor tenant (Admirals) could have impact on Arena financials – first full year not complete
- Significant investment in downtown Milwaukee (public and private) could improve destination appeal
- Significant capital repair/replacement needs as facilities age – critical to identify a funding source

A. WCD SWOT



A. WCD SWOT

Strengths

- Well-maintained, clean facilities
 - No deferred maintenance
- Engaged, dedicated WCD full-time staff – extensive institutional knowledge
 - Positive customer service surveys from Wisconsin Center users
- Facilities are a significant economic generator to the local and State economies
- Composition of the WCD Board in terms of diverse representation
- Established leisure/hospitality service industry in the Milwaukee market
- Location in downtown Milwaukee
- Wisconsin Center is connected to several hotels via skywalk

A. WCD SWOT

Strengths (continued)

- Being part of a larger complex increases marketability for certain events
 - UW-Milwaukee Panther Arena and Milwaukee Theatre serve as compatible venues for certain events (e.g., Skate America)
 - Milwaukee Theatre serves as compatible venue to Wisconsin Center for convention-related general assembly activities
- Existing base of business at the facilities and solid levels of repeat business at the Wisconsin Center and UW-Milwaukee Panther Arena
- Ratio of ballroom/meeting space to exhibit space is comparable to profiled peer set
- Strong corporate base relative to markets of comparable size and low unemployment rate across the State of Wisconsin
- Several anchor tenants maintain activity in UW-Milwaukee Panther Arena throughout fall, winter, and spring
- Recent arena renovations have received positive reviews

A. WCD SWOT

Strengths (continued)

- UW-Milwaukee Panther Arena is the only mid-sized, multi-purpose sports and entertainment arena in the market
- Theatre performance space allows for larger scale events (e.g., Lion King touring Broadway show)
 - Capacity allows upside potential for promoters
- Combined lobby and theatre space allows for corporate events that need both spaces without shifting venues

A. WCD SWOT

Weaknesses

- Amount of exhibit space and total function space at the Wisconsin Center relative to its direct competitors
 - Limits the size of events that can be held
 - Makes it challenging to efficiently host multiple events simultaneously
- Low exhibit hall occupancy levels at the Wisconsin Center relative to industry standards
 - Impacted by the relatively limited number of consumer shows held at the facility which can be a driver of occupancy (Fairgrounds)
- Exhibit space location on third level not optimal
- Hotel supply within close proximity
 - Small size of hotels requires a larger number of properties to assemble a room block
- Overall destination appeal (particularly during winter months)

A. WCD SWOT

Weaknesses (continued)

- Lack of connectivity to other destination amenities (e.g., restaurants, retail, etc.)
- Lack of connectivity between Wisconsin Center and UW-Milwaukee Panther Arena/Milwaukee Theatre
- Airport, specifically the number of direct flights
- Emphasis on yield management and maximizing rental fees and associated ancillary revenues due to financial operating model can be a deterrent to user groups and limit potential events at Wisconsin Center
- Wisconsin Center first quarter bookings dominated by sports tournament programming
 - Typically not high-yield events for hotels
- Generally dated aesthetics and patron amenities at the Wisconsin Center

A. WCD SWOT

Weaknesses (continued)

- Marketing and sales coordination with VISIT Milwaukee
- VISIT Milwaukee and WCD operating/financial models determine organizational success utilizing different metrics resulting in inconsistencies and a lack of alignment in marketing/sales efforts
- Lack of premium seating inventory limits revenue generating potential in UW-Milwaukee Panther Arena (addition of U.S. Bank Club and Ice Box for Admirals games recently added)
- Low arena net concessions and advertising revenue relative to comparable facilities
- Limited points of sale for arena concessions create long lines even during small events
- Arena circulation limited by long concessions lines and narrow concourses
- Backstage area at the arena is not up to modern standards
- Lack of recognition for the arena and theatre in the music industry at the national level

A. WCD SWOT

Weaknesses (continued)

- Limited box office technology can cause delays and frustration for consumers and events
- Theatre capacity for touring concerts is not optimal for meeting demand of touring shows
 - Too large for smaller drawing artists and too small for major artists
- Lack of high quality, in-house sound and lighting system in Milwaukee Theatre
 - Results in higher costs for shows that do not carry their own sound and light production
- No anchor tenant to provide consistent programming in the Theatre to leverage additional revenue streams (e.g., advertising, ticketing rebates, food and beverage, facility fees, etc.)
- Conversely, UW-Milwaukee Panther Arena has multiple team tenants that consume the majority of prime dates which results in limited date availability for the booking of one-time concert and special events or family shows which can be profitable events
- Limited industry relationships to cultivate event procurement at Milwaukee Theatre and UW-Milwaukee Panther Arena

A. WCD SWOT

Weaknesses (continued)

- Usher, ticket taking, and food and beverage staff part time at all WCD facilities appear to be efficient, but not consistent or well-trained in guest-focused service that emphasizes a welcoming, friendly, and energized environment
- Overall marketing efforts could be improved
 - Need to be more progressive and evolve with changing industry trends
 - Although this could be enhanced with recent part-time position added, consideration should be given to increasing marketing staff (see Strategic Recommendations section)
- External communication and coordination with key stakeholders could be improved
- Number of controlled parking spaces for revenue generating purposes
- Lack of formal WCD marketing plan

A. WCD SWOT

Opportunities

- Investment in downtown entertainment district with new Bucks arena and Entertainment Project creating vibrancy within walkable distance of WCD facilities and hotels and enhancing overall destination appeal
- Infrastructure investment with Milwaukee Streetcar route, Bus Rapid Transit line, and transit Pavilion immediately adjacent to the Wisconsin Center
- Development of 4th and Wisconsin Avenue parcel creating more hotel supply and vibrancy to immediate vicinity of WCD facilities
- Overall value – Milwaukee is among the less expensive destinations when compared to the profiled set of convention center destinations
- New Bucks arena could stimulate concert/event market in Milwaukee – market will be on the minds of promoters/agents
 - Opportunity to enter into strategic relationship with Bucks for booking

A. WCD SWOT

Opportunities (continued)

- Renewed efforts to stimulate concert activity through relationship with Venue Coalition and concentrated efforts with agents and promoters at UW-Milwaukee Panther Arena and Milwaukee Theatre
 - Booking policies/approach at Milwaukee Theatre resulting from change in management allowed staff to pursue broader range of events
- Addition of South Goal Tap Room to the arena presents an opportunity to create a vibrant environment in between hockey periods
 - Direction to Tap Room is currently limited – limited signage to ramp/stairway
 - Video advertisement during Admirals game increased traffic
- Lost business reports suggests more groups interested in meeting at Wisconsin Center with an improved physical product and convention quality hotel supply

A. WCD SWOT

Threats

- Competitive/comparable convention centers regularly negotiate rental fees
 - WCD's financial operating model focusing on yield management limits flexibility
- Lack of available hotel rooms, particularly during summer months
- Competitive supply of convention centers regionally and nationally
 - Competitiveness of the convention/tradeshows and meeting industries predicted to continue to place financial pressure on facilities
- Competitive convention centers continue to improve their physical product and destination attributes
- Fairgrounds is able to accommodate larger consumer shows and tradeshows than the Wisconsin Center
- Limited available arena dates during tenant seasons
- New Bucks arena and ability to modify capacity into smaller configurations could negatively impact UW-Milwaukee Panther Arena ability to attract events

A. WCD SWOT

Threats (continued)

- Competitive theater landscape
 - Local and regional theaters with varying and more targeted capacities to better meet demand
 - Local and regional/national promoters that own their own theaters (e.g., Pabst Theater Group and Madison Square Garden/Chicago Theatre)
- Local theaters have production equipment in-house while the Milwaukee Theatre does not, creating a competitive advantage (e.g., Marcus Center)
- Radius clauses for artists may cause them to be contractually prohibited from playing competitive venues within a certain mileage radius within a certain time frame particularly with festivals (e.g., Summerfest, Eaux Claires, multiple Chicago festivals)
- Consolidation of the live music industry
- Concert activity is cyclical and dependent on type and number of acts that tour in any given year
- Volatility of general economic conditions

B. STRATEGIC RECOMMENDATIONS

B. STRATEGIC RECOMMENDATIONS

Overview

- The strategic recommendations in this section have been summarized into the following categories
 - VISIT Milwaukee/WCD Coordination
 - Food and Beverage
 - Advertising/Sponsorships
 - Staffing
 - Financial Reporting
 - Utilization
 - Convention Center Expansion
 - Other

B. STRATEGIC RECOMMENDATIONS

VISIT Milwaukee/WCD Coordination

Observations

- WCD and VISIT Milwaukee have high level goals that do not always align and lead to the same short term objectives
 - Maintaining facility bottom line (WCD) vs. generating hotel nights (VISIT Milwaukee)
- The WCD and VISIT Milwaukee conduct a significant amount of research and produce valuable reports regarding the visitor industry as a whole and their own organizational performance measurements
 - The reports produced by each organization do not always align

Recommendations

- Create joint sales and marketing advisory board for WCD/VISIT Milwaukee to align goals
 - WCD and VISIT Milwaukee to be represented by:
 - Three board members each with experience in convention/hospitality/food and beverage
 - President/CEO from each organization
 - Senior marketing/sales staff (limited) from each organization
 - Conduct monthly (or quarterly) meetings
 - Consider developing compensation/bonus structure for sales staff at both entities to reward them for booked room nights and profitable events

B. STRATEGIC RECOMMENDATIONS

VISIT Milwaukee/WCD Coordination

Recommendations (continued)

- Jointly develop and adopt a comprehensive strategic plan and marketing strategy
 - WCD management should develop a formal marketing plan and corresponding budget for the complex as a whole, as well as for each facility that is consistent with joint plan
 - Enhance strategic social media presence
- Develop consistent reporting methods between organizations
 - Lost business reports
 - Future bookings/definite room nights
 - Others
- Carefully evaluate WCD yield requirements (currently high) and develop an agreed upon formula to evaluate events on an event-by event basis – to be guided by mission statement, booking policies, and certain eligibility requirements (e.g., event types, seasonality, minimum food/beverage, or other revenue requirements)

B. STRATEGIC RECOMMENDATIONS

VISIT Milwaukee/WCD Coordination

Recommendations (continued)

- Explore relocating VISIT Milwaukee staff to space within WCD facilities – potential lease/other savings estimated at \$500,000+
 - Potential savings could be utilized as follows:
 - \$100,000 rent to WCD (to offset lost revenue from Wave)
 - \$200,000 supplement to opportunity fund
 - Subsidize/reduce rent at Wisconsin Center for events that may not meet WCD yield requirements
 - \$200,000 capital budget reserve fund
- Consider broader relationship/operating structure over time based on results of recommendations above (e.g., finance, accounting, human resources, information technology, etc.)

B. STRATEGIC RECOMMENDATIONS

Food and Beverage

Observations

- Net concessions income at UW-Milwaukee Panther Arena is well below the comparable arena average
 - Partially caused by arena age, historical tenant mix, concourse width, tenant mix, etc.
 - Expected to increase in 2017 with full year of Admirals
- Net concessions percentage fluctuates significantly and appears to be below industry average relative to comparable facilities
- Concessionaire contract does not incentivize cost control/WCD net income
- Customer survey feedback scores for concessions at the Wisconsin Center have declined in recent years
- Food quality was an issue historically
 - Improvements have been made in this area with addition of new kitchen and new Levy general manager

B. STRATEGIC RECOMMENDATIONS

Food and Beverage

Recommendations

- Carefully observe operating and financial performance for 2017 to observe results with new general manager and addition of Admirals
- If operating and financial performance does not materially improve in 2017, consider retaining outside public assembly facility concession specialist to review contract/operations and provide recommendations to maximize revenues and improve customer experience
- Consider alternative contract structures when contract expires that incentivize concessionaire to control expenses and maximize margin
 - Ensure concessionaire compensation reflects market conditions – currently above market given structure and risk profile
 - Contract renewed in April 2015 and expires in June 2018

B. STRATEGIC RECOMMENDATIONS

Food and Beverage

Recommendations (continued)

- Receive and review full food and beverage reports monthly showing:
 - Profit and loss statements – total and by individual event
 - Sales broken down by concessions and catering for each event with attendance and per cap for ticketed events
 - Comparison of actual monthly and year-to-date results to budgeted amounts with an explanation of deviations

B. STRATEGIC RECOMMENDATIONS

Advertising/Sponsorships

Observations

- Advertising/sponsorship revenue are generally below that of comparable facilities, particularly at UW-Milwaukee Panther Arena
- Limited staffing dedicated to this area combined with staffing turnover has resulted in significant declines in advertising/sponsorship revenue
 - WCD is aware of need to address and improve in this area

Recommendations

- Increase advertising/sponsorship sales staff with industry specific experience and relationships to increase advertising revenues at WCD facilities, particularly at UW-Milwaukee Panther Arena and/or consider alternative approaches
 - Consider retaining third party sports marketing firm to sell inventory at WCD facilities
 - Consider entering into strategic partnership with Bucks selling combined advertising packages for new arena, real estate development, and WCD facilities, with minimum guarantee and revenue share to WCD for WCD assets
- Consider independent valuation of WCD assets and inventory (existing and potential) by sports marketing firm (WCD recently retained local firm to conduct similar study)

B. STRATEGIC RECOMMENDATIONS

Staffing

Observations

- WCD operates with limited staff relative to peer set
- Staff members may be somewhat overextended as result of having to serve multiple functions – may detract from focus on new industry trends
 - Focus often on completing tasks rather than innovation
- Significant amount of institutional knowledge given longevity of many staff members
 - Received feedback from several stakeholders that longevity of staff can foster a culture of “business as usual” and “that’s the way we have always done things”
- Full-time staff does a good job with customer service, hosting events, and other key operational areas
- Inconsistency in quality of guest interaction from part time staff

B. STRATEGIC RECOMMENDATIONS

Staffing

Recommendations

- Increase staffing levels with experienced personnel with strong relationships in the industry
 - Sales/marketing
 - Research analyst
 - Concerts/entertainment acts
 - Sports tenant relationships and event bids
 - Coordinate with VISIT Milwaukee Sports and Entertainment Manager
- Staff should be reflective of the makeup of the community, focused on innovation, and entrepreneurial
- A strategy, schedule, and corresponding budget should be developed for staff to have regular access to industry professional development and continuing education training programs
- WCD should continually assess the results of its contracted and in-house services to optimize overall cost/benefit relationships as well as customer service levels
 - Hiring and training practices should be modified to further enhance the guest experience
 - Consider utilizing a third party service for ushers and ticket takers – may provide an opportunity to recognize cost savings, reduce the hiring burden, and provide more consistent customer service

B. STRATEGIC RECOMMENDATIONS

Financial Reporting

Observations

- WCD does not allocate certain non-operating expenses (G&A/overhead)
- WCD does not currently allocate all operating revenues and expenses for internal reporting and monitoring – also results in small discrepancy between the sum of each building and the consolidated statement
- Under the current methodology, all three WCD facilities appear to operate profitably

Recommendations

- Allocate all operating revenues and operating expenses as well as non-operating expenses (G&A/overhead) to all three venues – dedicate resources as appropriate to improve performance
- Consider and adopt appropriate allocation methodology (e.g., events, attendance, revenues, expenses, etc.)
 - Methodology could vary by line item – careful evaluation required
- Incorporate above approach into P&L for each event

B. STRATEGIC RECOMMENDATIONS

Utilization

Observations

- WCD facilities are currently underutilized relative to comparable facilities and complexes – variety of factors contribute to this observation
 - Wisconsin Center – Improved cooperation and communication with VISIT Milwaukee critical
 - UW-Milwaukee Panther Arena – Admirals will improve utilization (concerts an area of concern)
 - Milwaukee Theatre – Although utilization has recently improved, aggressive marketing required

Recommendations

- Wisconsin Center
 - See VISIT Milwaukee/WCD Coordination (must be done at Board level)
 - See Staffing recommendations
 - Utilize Board members as resources
 - Improve/expand industry relationships regionally and nationally – internally or through new hires

B. STRATEGIC RECOMMENDATIONS

Utilization

Recommendations (Continued)

■ UW-Milwaukee Panther Arena

- Utilize increased staff to aggressively pursue concerts and other high margin events at arena, particularly during months where schedule is more flexible
- Continue relationship with Venue Coalition to increase concerts/events
 - Consider booking relationship/cooperation with Bucks to accommodate events
- Approach Summerfest (and similar local events) to augment/expand the footprint of those events (e.g. cooperative booking arrangement) (must be done at Board level)
 - Similar to New Orleans Jazz Fest, where events are held throughout New Orleans during the evening
 - WCD staff has approached Summerfest in the past, according to management – opportunities may be limited given patrons desire to be outdoors during summer months
 - Must consider direct and indirect benefits to both entities

■ Milwaukee Theatre

- Continue relationship with Venue Coalition to increase events
 - Curtaining system has provided increased flexibility, although the capacity is still not optimal
- Consider/evaluate potential booking relationship with Marcus Center (must be done at Board level)
 - Marcus Center has established operation for front of house, back of house, ticketing, sales and marketing, and regional/national relationships with industry promoters and booking agents
 - WCD staff has approached Marcus Center in the past, according to management

B. STRATEGIC RECOMMENDATIONS

Convention Center Expansion

Observations

- Convention center expansion (completion) has been identified by certain stakeholders as a key issue
- Previous convention center expansion study (2013/2014) concluded that the Wisconsin Center offered a limited amount of space, particularly exhibit and meeting space, relative to its national competitors
- The previous study found that market conditions were generally positive, but many potential users of the building cited that the destination appeal of downtown Milwaukee needed to be improved
 - Issues cited included insufficient hotel rooms, lack of air access, poor local transportation, and an overall lack of destination appeal

Recommendations

- Consider convention center expansion feasibility study to account for changes locally (new Bucks arena and real estate development, etc.) and nationally
 - Determine the required space to better penetrate target markets
 - Analyze local market conditions and supporting hospitality infrastructure
 - Analyze industry trends that may impact development of additional space
 - Analyze operating data including reasons for lost business
 - Analyze the competitive market in terms of existing/planned convention space and supporting amenities
 - Conduct surveys/focus groups with meeting planners and other users to understand future space requirements

B. STRATEGIC RECOMMENDATIONS

Convention Center Expansion

Recommendations (continued)

- Refine the building program parameters based on market-driven research
 - Amount/type of space
 - Exhibit
 - Ballroom
 - Meeting
 - Flex
 - Supporting infrastructure (e.g. hotel supply)
- Estimate new business that could be generated from expansion – total events and attendance by type and hotel room nights
- Estimate impact to financial operations – operating revenues, operating expenses, cash flow analysis
- Quantify economic and fiscal impacts – spending, jobs, earnings and tax revenues
- Identify potential funding sources

B. STRATEGIC RECOMMENDATIONS

Other

- Establish capital repair, replacement, and improvement reserve fund
 - Identify dedicated funding source(s) (e.g., potential VISIT Milwaukee lease savings, Wisconsin Center naming rights, Walk of Fame naming rights)
- The 4th and Wisconsin Development will potentially include meeting or other similar space that could be utilized in conjunction with the Wisconsin Center – consider Wisconsin Center and market needs in reviewing development proposals
- Consider cooperative, joint booking, and operating arrangements with other public assembly facilities in the market once operations are stabilized
- Add more specific facility related questions to lost business reports
- Evaluate debt refinancing opportunities (if any)
- Prioritize recommendations included herein

APPENDIX: MARKET DEMOGRAPHICS

APPENDIX: MARKET DEMOGRAPHICS

Median Comparable Market Demographic Overview CBSA Designation – Population and Households

- Milwaukee is the median market in terms of population and households

Team	2016 Population		2021 Population		Est. % Growth		2016 Households		2021 Households		Est. % Growth	
	(000s)	Rank	(000s)	Rank	2016-2021	Rank	(000s)	Rank	(000s)	Rank	2016-2021	Rank
Portland, OR	2,372.8	1	2,514.1	2	5.80%	10	918.1	2	969.9	2	5.50%	10
Orlando, FL	2,371.9	2	2,597.7	1	9.20%	3	873.0	3	950.3	3	8.55%	3
Pittsburgh, PA	2,371.2	3	2,381.6	3	0.45%	29	1,016.6	1	1,025.8	1	0.90%	28
Sacramento, CA	2,258.2	4	2,369.4	4	4.85%	15	818.4	7	854.4	6	4.30%	16
Cincinnati, OH	2,178.4	5	2,236.7	7	2.65%	23	849.3	5	871.9	4	2.65%	22
Las Vegas, NV	2,128.9	6	2,301.8	5	7.85%	6	768.2	10	824.9	10	7.20%	6
Kansas City, MO	2,098.1	7	2,181.5	8	3.90%	18	820.8	6	851.7	7	3.70%	18
Cleveland, OH	2,065.3	8	2,057.3	12	-0.40%	31	861.3	4	863.7	5	0.25%	31
Columbus, OH	2,021.8	9	2,130.7	9	5.25%	13	793.8	8	836.4	9	5.25%	14
Indianapolis, IN	2,006.0	10	2,116.5	10	5.40%	12	770.8	9	810.1	11	5.00%	15
Austin, TX	1,997.0	11	2,272.8	6	13.10%	1	747.6	11	848.2	8	12.80%	1
San Jose, CA	1,970.0	12	2,105.5	11	6.70%	8	658.3	13	701.7	13	6.45%	8
Nashville, TN	1,837.3	13	2,000.0	13	8.55%	4	703.7	12	762.0	12	8.05%	4
Virginia Beach, VA	1,746.9	14	1,809.8	14	3.55%	19	656.3	14	680.1	14	3.55%	19
Providence, RI	1,619.9	15	1,642.1	15	1.35%	25	636.0	15	645.7	15	1.50%	25
Milwaukee, WI	1,569.1	16	1,584.0	16	0.95%	27	627.5	16	633.5	16	0.95%	27
Jacksonville, FL	1,448.6	17	1,551.4	17	6.90%	7	560.0	17	597.8	17	6.55%	7
Oklahoma City, OK	1,379.5	18	1,497.7	18	8.30%	5	532.9	18	576.1	18	7.85%	5
Memphis, TN	1,371.6	19	1,410.9	20	2.85%	22	510.3	20	524.1	22	2.65%	22
Richmond, VA	1,284.2	20	1,356.0	21	5.45%	11	495.7	22	522.8	23	5.35%	12
Louisville, KY	1,278.8	21	1,320.9	23	3.25%	21	511.7	19	527.8	20	3.10%	20
Raleigh, NC	1,275.1	22	1,416.0	19	10.60%	2	481.2	23	532.1	19	10.15%	2
New Orleans, LA	1,265.7	23	1,327.6	22	4.80%	16	498.4	21	526.3	21	5.50%	10
Hartford, CT	1,228.5	24	1,241.1	25	1.05%	26	477.4	25	481.4	24	0.85%	29
Salt Lake City, UT	1,179.8	25	1,257.2	24	6.40%	9	387.2	29	411.8	29	6.20%	9
Birmingham, AL	1,163.5	26	1,193.7	26	2.55%	24	455.0	26	466.5	26	2.50%	24
Buffalo, NY	1,133.0	27	1,133.6	27	0.05%	30	477.8	24	480.7	25	0.60%	30
Rochester, NY	1,088.9	28	1,095.8	28	0.65%	28	438.2	27	443.5	27	1.20%	26
Grand Rapids, MI	1,037.1	29	1,090.8	29	5.05%	14	386.5	30	407.5	30	5.30%	13
Tucson, AZ	1,023.1	30	1,057.5	30	3.30%	20	401.6	28	413.5	28	2.90%	21
Honolulu, HI	999.8	31	1,041.9	31	4.15%	17	324.0	31	336.9	31	3.90%	17
Average (Ex. Milwaukee, WI)	1,640.0		1,723.7		4.79%		627.7		658.2		4.68%	

Source: Esri 2016.

APPENDIX: MARKET DEMOGRAPHICS

Median Comparable Market Demographic Overview

CBSA Designation – Income

- Milwaukee is near or below the Median Comparable Market average in terms most income measurements

Team	Per Capita Income		Average Household Income		Median Household Income		HHs w/ Income \$100,000+ (000s)		Average Disposable Income		Median Disposable Income		HHs w/ Disposable Income \$100,000+ (000s)	
	Rank		Rank		Rank		Rank		Rank		Rank		Rank	
San Jose, CA	\$43,146	1	\$127,563	1	\$93,391	1	312.0	1	\$90,297	1	\$72,378	1	214.9	1
Hartford, CT	\$37,256	2	\$93,978	3	\$67,468	3	159.0	14	\$65,574	4	\$52,031	4	83.7	14
Austin, TX	\$33,360	3	\$87,958	4	\$63,399	5	223.0	4	\$67,173	3	\$52,847	3	130.4	3
Raleigh, NC	\$32,847	4	\$86,304	5	\$63,910	4	147.2	18	\$64,217	6	\$51,475	6	74.6	18
Portland, OR	\$31,806	5	\$81,160	8	\$60,063	8	246.0	2	\$60,184	9	\$48,792	10	128.2	4
Honolulu, HI	\$31,544	6	\$94,342	2	\$74,851	2	115.0	21	\$72,612	2	\$58,672	2	71.4	19
Richmond, VA	\$31,410	7	\$79,982	9	\$59,025	9	133.4	19	\$61,321	8	\$49,178	8	67.9	21
Providence, RI	\$31,271	8	\$78,276	10	\$56,333	12	166.6	12	\$58,160	14	\$44,356	16	89.1	12
Pittsburgh, PA	\$31,037	9	\$71,408	21	\$51,724	23	215.5	5	\$54,772	24	\$41,420	24	121.9	5
Kansas City, MO	\$30,907	10	\$78,252	11	\$57,817	11	207.7	7	\$60,157	10	\$48,527	11	110.4	7
Sacramento, CA	\$30,787	11	\$83,597	6	\$61,241	7	234.1	3	\$64,298	5	\$51,757	5	137.3	2
Milwaukee, WI	\$30,343	12	\$75,130	15	\$54,051	16	150.0	17	\$55,179	20	\$42,877	20	68.6	20
Columbus, OH	\$29,875	13	\$75,232	14	\$54,904	14	193.7	8	\$57,781	16	\$45,458	14	102.9	9
Cincinnati, OH	\$29,839	14	\$75,749	13	\$55,510	13	208.9	6	\$58,064	15	\$45,876	12	112.2	6
Rochester, NY	\$29,779	15	\$72,062	19	\$52,845	20	93.8	27	\$52,370	30	\$41,476	23	39.6	30
Cleveland, OH	\$29,490	16	\$69,787	24	\$50,497	26	181.7	9	\$54,253	26	\$41,388	25	97.4	10
Buffalo, NY	\$29,366	17	\$68,229	30	\$49,373	28	93.6	28	\$49,912	31	\$38,830	31	40.0	29
Virginia Beach, VA	\$29,339	18	\$75,992	12	\$58,564	10	165.4	13	\$59,157	12	\$48,857	9	77.9	15
Nashville, TN	\$28,991	19	\$74,577	16	\$53,424	17	158.3	15	\$59,395	11	\$45,605	13	95.7	11
Jacksonville, FL	\$28,899	20	\$73,327	18	\$53,133	19	123.2	20	\$58,164	13	\$44,633	15	74.6	17
Indianapolis, IN	\$28,721	21	\$73,884	17	\$54,108	15	175.7	11	\$55,993	18	\$44,135	17	83.9	13
Oklahoma City, OK	\$28,191	22	\$71,711	20	\$52,650	21	112.4	22	\$56,398	17	\$43,296	19	60.9	24
Louisville, KY	\$28,103	23	\$69,383	26	\$50,858	24	102.3	25	\$52,855	28	\$41,085	27	51.5	26
New Orleans, LA	\$27,964	24	\$70,095	23	\$47,800	30	107.7	23	\$54,913	23	\$40,079	29	61.2	23
Birmingham, AL	\$27,524	25	\$69,502	25	\$50,143	27	93.3	29	\$54,498	25	\$40,986	28	51.9	25
Salt Lake City, UT	\$27,128	26	\$81,836	7	\$62,339	6	101.8	26	\$62,267	7	\$51,424	7	51.0	27
Orlando, FL	\$26,363	27	\$70,127	22	\$50,559	25	176.3	10	\$55,832	19	\$42,076	22	106.7	8
Grand Rapids, MI	\$26,250	28	\$69,181	27	\$53,167	18	78.5	30	\$53,461	27	\$42,557	21	38.0	31
Tucson, AZ	\$26,060	29	\$65,197	31	\$46,092	31	73.5	31	\$52,558	29	\$39,045	30	41.8	28
Memphis, TN	\$25,956	30	\$68,731	29	\$49,122	29	104.1	24	\$55,004	21	\$41,286	26	61.5	22
Las Vegas, NV	\$25,340	31	\$68,952	28	\$52,476	22	150.6	16	\$54,992	22	\$43,864	18	76.5	16
Average (Ex. Milwaukee, WI)	\$29,952		\$77,546		\$56,893		155.1		\$59,221		\$46,446		85.2	

Source: Esri 2016.

APPENDIX: MARKET DEMOGRAPHICS

Median Comparable Market Demographic Overview

CBSA Designation – Age

- Milwaukee is average among Median Comparable Markets in terms of median age

Team	Median	
	Age	Rank
Salt Lake City, UT	31.8	1
Austin, TX	33.7	2
Oklahoma City, OK	35.7	3
Raleigh, NC	35.9	4
Memphis, TN	36.1	5
Grand Rapids, MI	36.1	5
Columbus, OH	36.2	7
Virginia Beach, VA	36.3	8
Las Vegas, NV	36.4	9
Sacramento, CA	36.7	10
Indianapolis, IN	36.8	11
Orlando, FL	37.0	12
San Jose, CA	37.0	12
Nashville, TN	37.0	12
Kansas City, MO	37.4	15
Portland, OR	37.7	16
New Orleans, LA	37.8	17
Milwaukee, WI	37.8	17
Cincinnati, OH	38.0	19
Honolulu, HI	38.2	20
Jacksonville, FL	38.4	21
Richmond, VA	38.6	22
Birmingham, AL	38.6	22
Tucson, AZ	38.6	22
Louisville, KY	39.3	25
Rochester, NY	40.3	26
Providence, RI	40.6	27
Hartford, CT	41.2	28
Buffalo, NY	41.6	29
Cleveland, OH	41.7	30
Pittsburgh, PA	43.7	31
Average (Ex. Milwaukee, WI)	37.8	

Source: Esri 2016.

APPENDIX: MARKET DEMOGRAPHICS

Median Comparable Market Demographic Overview CBSA Designation – Unemployment

- Milwaukee has an unemployment rate lower than the Median Comparable Market average

Team	Unemployment	
	Rate	Rank
Honolulu, HI	2.7%	1
Austin, TX	2.9%	2
Grand Rapids, MI	3.1%	3
Salt Lake City, UT	3.4%	4
Louisville, KY	3.5%	5
Indianapolis, IN	3.6%	6
San Jose, CA	3.6%	6
Nashville, TN	3.6%	6
Columbus, OH	3.7%	9
Hartford, CT	3.7%	9
Raleigh, NC	4.0%	11
Milwaukee, WI	4.0%	11
Oklahoma City, OK	4.1%	13
Richmond, VA	4.1%	13
Providence, RI	4.2%	15
Portland, OR	4.3%	16
Cincinnati, OH	4.3%	16
Tucson, AZ	4.3%	16
Orlando, FL	4.4%	19
Kansas City, MO	4.4%	19
Rochester, NY	4.5%	21
Virginia Beach, VA	4.6%	22
Jacksonville, FL	4.7%	23
Sacramento, CA	4.9%	24
Cleveland, OH	4.9%	24
Buffalo, NY	5.0%	26
Pittsburgh, PA	5.1%	27
Memphis, TN	5.1%	27
Birmingham, AL	5.2%	30
Las Vegas, NV	5.1%	27
New Orleans, LA	6.2%	31
Average (Ex. Milwaukee, WI)	4.2%	

Note: BLS defines Unemployment Rate by Metropolitan Area.

Source: BLS 2016.

APPENDIX: MARKET DEMOGRAPHICS

Median Comparable Market Demographic Overview CBSA Designation – Economy Size (GDP)

- Milwaukee is above the Median Comparable Market average in terms of GDP

Team	Economy Size (GDP-Billions)	Rank
San Jose, CA	\$235.2	1
Portland, OR	\$159.3	2
Pittsburgh, PA	\$138.9	3
Indianapolis, IN	\$134.1	4
Cleveland, OH	\$128.4	5
Kansas City, MO	\$125.6	6
Columbus, OH	\$124.4	7
Orlando, FL	\$121.3	8
Cincinnati, OH	\$120.1	9
Sacramento, CA	\$118.8	10
Austin, TX	\$115.3	11
Nashville, TN	\$113.7	12
Milwaukee, WI	\$102.2	13
Virginia Beach, VA	\$95.7	14
Las Vegas, NV	\$94.5	15
Hartford, CT	\$86.1	16
Providence, RI	\$78.7	17
New Orleans, LA	\$78.5	18
Raleigh, NC	\$75.8	19
Salt Lake City, UT	\$75.7	20
Richmond, VA	\$74.1	21
Oklahoma City, OK	\$72.0	22
Memphis, TN	\$71.3	23
Louisville, KY	\$70.8	24
Jacksonville, FL	\$67.6	25
Birmingham, AL	\$64.1	26
Honolulu, HI	\$61.1	27
Buffalo, NY	\$56.5	28
Rochester, NY	\$55.4	29
Grand Rapids, MI	\$53.9	30
Tucson, AZ	\$36.2	31
Average (Ex. Milwaukee, WI)	\$96.8	

Note: GDP is defined by Metropolitan Area.

Source: U.S. BEA.

APPENDIX: MARKET DEMOGRAPHICS

Median Comparable Market Demographic Overview

CBSA Designation – Media Market

- Milwaukee is below the Median Comparable Market average in terms of TV population, but above average in terms of radio population

- 15th in TV Population

- 36th in U.S. TV Population

- 15th in Radio Population

- 41st in U.S. Radio Population

Team	TV		U.S. Rank	Radio		U.S. Rank
	Population (000s)	Rank		Population (000s)	Rank	
San Jose, CA	6,580.0	1	5	1,655.0	11	36
Sacramento, CA	3,625.5	2	18	1,992.7	3	28
Orlando, FL	3,617.3	3	19	1,817.1	7	32
Cleveland, OH	3,294.5	4	20	1,774.7	8	33
Portland, OR	2,818.5	5	24	2,308.9	1	23
Raleigh, NC	2,681.9	6	25	1,546.6	13	38
Salt Lake City, UT	2,609.5	7	27	1,885.7	4	29
Indianapolis, IN	2,555.4	8	28	1,528.3	14	39
Pittsburgh, PA	2,482.1	9	29	2,001.5	2	27
Nashville, TN	2,430.4	10	30	1,437.4	16	43
Hartford, CT	2,298.7	11	32	1,080.1	23	52
Columbus, OH	2,210.0	12	33	1,647.4	12	37
Kansas City, MO	2,204.9	13	34	1,720.9	10	35
Cincinnati, OH	2,144.0	14	35	1,820.3	6	31
Milwaukee, WI	1,985.0	15	36	1,502.5	15	41
Las Vegas, NV	1,880.3	16	38	1,838.3	5	30
Austin, TX	1,867.9	17	39	1,745.3	9	34
Grand Rapids, MI	1,738.2	18	41	779.0	31	68
Virginia Beach, VA	1,669.3	19	43	1,409.1	18	45
Oklahoma City, OK	1,627.0	20	45	1,251.0	21	50
Birmingham, AL	1,624.8	21	46	919.4	28	61
Jacksonville, FL	1,614.3	22	48	1,267.3	19	48
Memphis, TN	1,519.2	23	50	1,120.6	22	51
New Orleans, LA	1,505.4	24	51	1,260.1	20	49
Louisville, KY	1,498.7	25	52	1,038.7	25	55
Providence, RI	1,410.1	26	53	1,410.1	17	44
Buffalo, NY	1,344.7	27	54	987.0	26	57
Richmond, VA	1,316.3	28	56	1,041.4	24	54
Honolulu, HI	1,233.7	29	59	858.4	30	63
Tucson, AZ	1,015.7	30	67	872.5	29	62
Rochester, NY	936.4	31	78	966.2	27	58
Average (Ex. Milwaukee, WI)	2,178.5			1,432.7		

Note: TV market data represents the respective DMAs.

Source: Nielsen 2016.

APPENDIX: MARKET DEMOGRAPHICS

Median Comparable Market Demographic Overview

CBSA Designation – Corporate Base

- Milwaukee is above the Median Comparable Market average in terms of corporate base measurements

- 7th in Companies with \$20mm in Sales
- 7th in Companies with \$50mm in Sales
- 11th in Companies with 500+ Employees

Team	Companies w/ \$20mm		Companies w/ \$50mm		Companies w/ 500+	
	Sales	Rank	Sales	Rank	Employees	Rank
Pittsburgh, PA	1,262	1	597	1	248	1
Cleveland, OH	1,187	2	578	3	203	4
Kansas City, MO	1,146	3	572	4	193	6
Cincinnati, OH	1,124	4	587	2	198	5
San Jose, CA	1,062	5	570	5	229	3
Portland, OR	1,024	6	488	6	171	12
Milwaukee, WI	1,017	7	480	7	175	11
Indianapolis, IN	951	8	471	8	193	6
Columbus, OH	902	9	467	9	233	2
Nashville, TN	892	10	465	10	178	10
Orlando, FL	748	11	354	11	186	8
Austin, TX	723	12	349	12	150	15
Hartford, CT	686	13	329	13	142	17
Grand Rapids, MI	674	14	289	17	65	31
Providence, RI	670	15	302	16	134	18
Louisville, KY	642	16	307	15	121	20
Salt Lake City, UT	639	17	316	14	118	23
Las Vegas, NV	560	18	276	20	182	9
Sacramento, CA	556	19	240	24	166	13
Jacksonville, FL	552	20	278	18	121	20
Memphis, TN	546	21	251	23	119	22
Oklahoma City, OK	537	22	266	21	128	19
Birmingham, AL	530	23	264	22	86	29
Buffalo, NY	529	24	240	24	110	25
Richmond, VA	503	25	278	18	144	16
Virginia Beach, VA	497	26	237	26	151	14
New Orleans, LA	466	27	204	28	105	26
Rochester, NY	460	28	196	29	117	24
Raleigh, NC	439	29	221	27	93	28
Honolulu, HI	331	30	140	30	98	27
Tucson, AZ	207	31	97	31	72	30
Average (Ex. Milwaukee, WI)	702		341		148	

Source: Hoovers 2017.

APPENDIX: MARKET DEMOGRAPHICS

Median Comparable Market Demographic Overview CBSA Designation – Cost of Living

- Milwaukee has a cost of living slightly lower than the Median Comparable Market average
- The average is skewed by Honolulu
 - Milwaukee would be near the average if Honolulu was excluded

Team	Cost of Living Index	Rank
Memphis, TN	83.3	1
Oklahoma City, OK	84.7	2
Louisville, KY	86.3	3
Birmingham, AL	87.7	4
Grand Rapids, MI	89.0	5
Austin, TX	90.1	6
Columbus, OH	90.2	7
Cincinnati, OH	90.6	8
Kansas City, MO	91.3	9
Indianapolis, IN	92.4	10
Tucson, AZ	92.4	10
Pittsburgh, PA	93.3	12
Raleigh, NC	93.8	13
Richmond, VA	94.4	14
Salt Lake City, UT	94.6	15
Orlando, FL	94.7	16
Virginia Beach, VA	94.9	17
Buffalo, NY	96.0	18
Nashville, TN	96.1	19
Jacksonville, FL	96.8	20
New Orleans, LA	98.0	21
Cleveland, OH	99.4	22
Milwaukee, WI	99.7	23
Rochester, NY	101.6	24
Las Vegas, NV	106.5	25
Sacramento, CA	115.5	26
Providence, RI	121.2	27
Hartford, CT	123.0	28
Portland, OR	130.6	29
San Jose, CA	149.3	30
Honolulu, HI	192.8	31
Average (Ex. Milwaukee, WI)	102.4	

Note: Index is defined by Urban Area.

Source: Council for Community and Economic Research 2016.

APPENDIX: MARKET DEMOGRAPHICS

Median Comparable Market Demographic Overview

CBSA Designation – Spending

- Milwaukee is slightly below the Median Comparable Market average in terms of key spending categories

Team	Recreation Spending Total		Recreation Spending Average		Sports Admission Spending Total		Sports Admission Spending Average		Concert Admission Spending Total		Concert Admission Spending Average	
	(Millions)	Rank	(Millions)	Rank	(Millions)	Rank	(Millions)	Rank	(Millions)	Rank	(Millions)	Rank
San Jose, CA	\$715.6	1	\$1,087.03	1	\$63.4	1	\$96.30	1	\$65.4	1	\$99.30	1
Portland, OR	\$578.2	2	\$629.77	8	\$53.6	2	\$58.39	7	\$52.6	2	\$57.32	8
Sacramento, CA	\$533.7	3	\$652.04	6	\$48.5	4	\$59.22	6	\$48.1	4	\$58.81	5
Pittsburgh, PA	\$511.1	4	\$502.73	25	\$50.2	3	\$49.41	22	\$48.2	3	\$47.44	21
Austin, TX	\$506.1	5	\$676.99	4	\$46.2	5	\$61.83	4	\$44.6	5	\$59.67	4
Kansas City, MO	\$478.6	6	\$583.10	11	\$45.7	7	\$55.72	11	\$43.4	7	\$52.91	13
Cincinnati, OH	\$474.1	7	\$558.25	14	\$45.9	6	\$54.04	14	\$43.5	6	\$51.18	14
Orlando, FL	\$460.7	8	\$527.75	19	\$41.9	10	\$47.97	27	\$40.9	9	\$46.80	23
Cleveland, OH	\$442.3	9	\$513.55	23	\$43.6	8	\$50.56	20	\$41.3	8	\$48.00	20
Columbus, OH	\$441.6	10	\$556.29	15	\$42.5	9	\$53.53	15	\$40.2	10	\$50.63	15
Indianapolis, IN	\$418.4	11	\$542.81	18	\$40.2	11	\$52.18	16	\$37.8	11	\$49.00	17
Las Vegas, NV	\$402.6	12	\$524.10	20	\$36.2	14	\$47.14	28	\$35.4	13	\$46.03	27
Providence, RI	\$392.8	13	\$617.69	9	\$36.4	12	\$57.28	10	\$36.8	12	\$57.91	6
Nashville, TN	\$388.0	14	\$551.46	16	\$36.3	13	\$51.52	17	\$34.9	15	\$49.54	16
Virginia Beach, VA	\$382.3	15	\$582.53	12	\$35.6	15	\$54.29	13	\$34.9	14	\$53.23	11
Hartford, CT	\$359.0	16	\$752.03	3	\$33.2	17	\$69.51	3	\$33.7	16	\$70.57	3
Milwaukee, WI	\$359.0	17	\$572.03	13	\$34.3	16	\$54.67	12	\$33.3	17	\$53.09	12
Raleigh, NC	\$318.6	18	\$662.20	5	\$29.0	18	\$60.20	5	\$27.9	18	\$57.89	7
Jacksonville, FL	\$304.0	19	\$542.84	17	\$28.3	20	\$50.57	19	\$27.3	20	\$48.78	18
Richmond, VA	\$303.5	20	\$612.13	10	\$28.4	19	\$57.36	9	\$27.7	19	\$55.90	10
Oklahoma City, OK	\$277.9	21	\$521.44	21	\$26.6	21	\$49.96	21	\$25.2	21	\$47.25	22
Honolulu, HI	\$261.6	22	\$807.43	2	\$23.1	26	\$71.40	2	\$23.8	22	\$73.55	2
Louisville, KY	\$257.1	23	\$502.53	26	\$24.9	22	\$48.67	24	\$23.7	23	\$46.23	26
New Orleans, LA	\$255.3	24	\$512.27	24	\$24.1	23	\$48.32	26	\$23.3	24	\$46.76	24
Memphis, TN	\$255.2	25	\$500.07	27	\$23.9	24	\$46.87	29	\$22.9	25	\$44.80	29
Salt Lake City, UT	\$249.2	26	\$643.44	7	\$22.6	27	\$58.37	8	\$22.0	27	\$56.93	9
Buffalo, NY	\$234.6	27	\$491.08	29	\$23.3	25	\$48.87	23	\$22.1	26	\$46.28	25
Rochester, NY	\$227.2	28	\$518.57	22	\$22.4	28	\$51.18	18	\$21.3	28	\$48.64	19
Birmingham, AL	\$222.5	29	\$488.98	30	\$20.7	29	\$45.58	30	\$20.1	29	\$44.20	30
Tucson, AZ	\$194.6	30	\$484.63	31	\$17.9	31	\$44.68	31	\$17.7	30	\$44.16	31
Grand Rapids, MI	\$193.0	31	\$499.49	28	\$18.8	30	\$48.65	25	\$17.7	31	\$45.70	28
Average (Ex. Milwaukee, WI)	\$368.0		\$588.17		\$34.5		\$54.99		\$33.5		\$53.51	

Source: Esri 2016.

APPENDIX: MARKET DEMOGRAPHICS

Comparable Complex Demographic Overview CBSA Designation – Population and Households

- Milwaukee is 5th among the Comparable Complexes in terms of population and households, but last (17th) in estimated growth

Team	2016 Population		2021 Population		Est. % Growth		2016 Households		2021 Households		Est. % Growth	
	(000s)	Rank	(000s)	Rank	2016-2021	Rank	(000s)	Rank	(000s)	Rank	2016-2021	Rank
Fort Worth, TX (Dallas)	7,062.4	1	7,696.8	1	8.70%	2	2,523.4	1	2,736.8	1	8.20%	2
Duluth, GA (Atlanta)	5,666.0	2	6,063.3	2	6.80%	4	2,065.8	2	2,201.5	2	6.40%	4
Charlotte, NC	2,443.4	3	2,653.3	3	8.30%	3	925.7	3	1,001.2	3	7.90%	3
Kansas City, MO	2,098.1	4	2,181.5	4	3.90%	11	820.8	4	851.7	4	3.70%	11
Milwaukee, WI	1,569.1	5	1,584.0	5	0.95%	17	627.5	5	633.5	5	0.95%	17
Birmingham, AL	1,163.5	6	1,193.7	6	2.55%	16	455.0	6	466.5	6	2.50%	16
Grand Rapids, MI	1,037.1	7	1,090.8	7	5.05%	7	386.5	8	407.5	8	5.30%	8
Tucson, AZ	1,023.1	8	1,057.5	8	3.30%	15	401.6	7	413.5	7	2.90%	15
Omaha, NE	925.1	9	976.2	9	5.40%	5	356.8	9	376.4	9	5.35%	7
Bakersfield, CA	888.8	10	937.7	10	5.40%	5	267.2	12	280.0	13	4.70%	9
Baton Rouge, LA	849.6	11	888.8	11	4.55%	10	318.3	10	333.4	10	4.65%	10
Greensboro, NC	752.6	12	778.8	12	3.45%	14	301.0	11	311.0	11	3.30%	14
Madison, WI	634.8	13	665.8	14	4.80%	9	265.7	13	280.3	12	5.40%	6
Des Moines, IA	634.2	14	692.6	13	8.90%	1	246.6	14	268.3	14	8.50%	1
Spokane, WA	553.3	15	573.9	15	3.70%	12	219.4	15	227.3	15	3.55%	12
Fort Wayne, IN	432.7	16	448.3	16	3.55%	13	167.9	16	174.0	16	3.55%	12
Biloxi, MS	395.9	17	416.4	17	5.05%	7	152.6	17	161.6	17	5.75%	5
Average (Ex. Milwaukee, WI)	1,660.0		1,769.7		5.21%		617.1		655.7		5.10%	

Source: Esri 2016.

APPENDIX: MARKET DEMOGRAPHICS

Comparable Complex Demographic Overview CBSA Designation – Income

- Milwaukee is above the Comparable Complex average in terms of household income measurements, but below average in terms of disposable income and high income household measurements

Team	Per Capita		Average Household		Median Household		HHs w/ Income \$100,000+		Average Disposable		Median Disposable		HHs w/ Disposable Income \$100,000+	
	Income	Rank	Income	Rank	Income	Rank	(000s)	Rank	Income	Rank	Income	Rank	(000s)	Rank
Madison, WI	\$33,977	1	\$80,577	4	\$61,041	2	71.1	11	\$58,829	5	\$49,974	3	31.9	12
Des Moines, IA	\$32,736	2	\$83,547	2	\$63,513	1	69.6	12	\$62,771	2	\$52,129	1	36.4	11
Kansas City, MO	\$30,907	3	\$78,252	5	\$57,817	5	207.7	4	\$60,157	4	\$48,527	4	110.4	4
Fort Worth, TX (Dallas)	\$30,905	4	\$85,490	1	\$60,841	3	726.7	1	\$65,756	1	\$51,573	2	424.9	1
Milwaukee, WI	\$30,343	5	\$75,130	8	\$54,051	7	150.0	5	\$55,179	9	\$42,877	8	68.6	5
Duluth, GA (Atlanta)	\$30,041	6	\$81,382	3	\$57,792	6	541.2	2	\$61,703	3	\$48,156	6	317.1	2
Omaha, NE	\$29,612	7	\$76,126	7	\$57,847	4	88.8	7	\$57,895	6	\$48,441	5	42.0	7
Charlotte, NC	\$29,206	8	\$76,302	6	\$53,665	8	219.4	3	\$57,541	7	\$44,230	7	113.2	3
Spokane, WA	\$27,710	9	\$68,281	13	\$51,093	11	41.2	15	\$54,712	10	\$42,627	10	22.8	15
Birmingham, AL	\$27,524	10	\$69,502	10	\$50,143	13	93.3	6	\$54,498	11	\$40,986	13	51.9	6
Baton Rouge, LA	\$27,345	11	\$71,332	9	\$51,341	10	74.8	9	\$56,013	8	\$42,742	9	40.8	9
Grand Rapids, MI	\$26,250	12	\$69,181	11	\$53,167	9	78.5	8	\$53,461	13	\$42,557	11	38.0	10
Tucson, AZ	\$26,060	13	\$65,197	15	\$46,092	16	73.5	10	\$52,558	14	\$39,045	16	41.8	8
Greensboro, NC	\$25,681	14	\$63,199	16	\$43,839	17	50.9	14	\$48,829	17	\$37,222	17	24.5	14
Fort Wayne, IN	\$25,674	15	\$65,510	14	\$50,793	12	28.6	16	\$50,681	15	\$40,826	14	12.7	16
Biloxi, MS	\$23,929	16	\$61,033	17	\$46,385	15	23.5	17	\$49,458	16	\$39,296	15	12.5	17
Bakersfield, CA	\$21,178	17	\$68,628	12	\$49,123	14	55.3	13	\$54,228	12	\$41,804	12	30.4	13
Average (Ex. Milwaukee, WI)	\$28,046		\$72,721		\$53,406		152.8		\$56,193		\$44,383		84.5	

Source: Esri 2016.

APPENDIX: MARKET DEMOGRAPHICS

Comparable Complex Demographic Overview CBSA Designation – Age

- Milwaukee is older than the Comparable Complex average in terms of median age

Team	Median	
	Age	Rank
Bakersfield, CA	31.3	1
Fort Worth, TX (Dallas)	34.4	2
Baton Rouge, LA	35.1	3
Omaha, NE	35.5	4
Duluth, GA (Atlanta)	35.8	5
Grand Rapids, MI	36.1	6
Des Moines, IA	36.1	6
Madison, WI	36.7	8
Fort Wayne, IN	36.9	9
Charlotte, NC	37.1	10
Kansas City, MO	37.4	11
Biloxi, MS	37.7	12
Milwaukee, WI	37.8	13
Tucson, AZ	38.6	14
Birmingham, AL	38.6	14
Spokane, WA	38.7	16
Greensboro, NC	38.7	16
Average (Ex. Milwaukee, WI)	36.5	

Source: Esri 2016.

APPENDIX: MARKET DEMOGRAPHICS

Comparable Complex Demographic Overview CBSA Designation – Unemployment

- Milwaukee has an unemployment rate lower than the Comparable Complex average

Team	Unemployment	
	Rate	Rank
Omaha, NE	2.9%	1
Grand Rapids, MI	3.1%	2
Madison, WI	3.4%	3
Fort Worth, TX (Dallas)	3.5%	4
Fort Wayne, IN	3.6%	5
Des Moines, IA	3.8%	6
Milwaukee, WI	4.0%	7
Tucson, AZ	4.3%	8
Charlotte, NC	4.5%	9
Kansas City, MO	4.5%	9
Baton Rouge, LA	4.7%	11
Duluth, GA (Atlanta)	4.8%	12
Greensboro, NC	4.8%	12
Birmingham, AL	5.2%	14
Biloxi, MS	5.5%	15
Spokane, WA	5.8%	16
Bakersfield, CA	9.2%	17
Average (Ex. Milwaukee, WI)	4.6%	

Note: BLS defines Unemployment Rate by Metropolitan Area.

Source: BLS 2016.

APPENDIX: MARKET DEMOGRAPHICS

Comparable Complex Demographic Overview CBSA Designation – Economy Size (GDP)

- Milwaukee is above the Comparable Complex average in terms of GDP

Team	Economy Size (GDP-Billions)	Rank
Fort Worth, TX (Dallas)	\$485.7	1
Duluth, GA (Atlanta)	\$339.2	2
Charlotte, NC	\$152.4	3
Kansas City, MO	\$121.6	4
Milwaukee, WI	\$102.2	5
Birmingham, AL	\$64.1	6
Omaha, NE	\$57.9	7
Grand Rapids, MI	\$53.9	8
Baton Rouge, LA	\$53.7	9
Des Moines, IA	\$45.2	10
Madison, WI	\$44.1	11
Greensboro, NC	\$39.3	12
Tucson, AZ	\$36.2	13
Bakersfield, CA	\$35.8	14
Spokane, WA	\$23.0	15
Fort Wayne, IN	\$21.3	16
Biloxi, MS	\$16.7	17
Average (Ex. Milwaukee, WI)	\$99.4	

Note: GDP is defined by Metropolitan Area.

Source: U.S. BEA.

APPENDIX: MARKET DEMOGRAPHICS

Comparable Complex Demographic Overview

CBSA Designation – Media Market

- Milwaukee is above the Comparable Complex average in terms of TV and radio population

- 5th in TV Population

- 36th in U.S. TV Population

- 5th in Radio Population

- 41st in U.S. Radio Population

Team	TV		U.S. Rank	Radio		U.S. Rank
	Population (000s)	Rank		Population (000s)	Rank	
Fort Worth, TX (Dallas)	6,553.5	1	6	5,950.3	1	5
Duluth, GA (Atlanta)	5,841.4	2	9	4,747.7	2	8
Charlotte, NC	2,736.7	3	24	2,254.8	3	24
Kansas City, MO	2,204.9	4	34	1,720.9	4	35
Milwaukee, WI	1,985.0	5	36	1,502.5	5	41
Grand Rapids, MI	1,738.2	6	41	779.0	9	68
Birmingham, AL	1,624.8	7	46	919.4	7	61
Greensboro, NC	1,549.0	8	49	1,276.5	6	46
Tucson, AZ	1,015.7	9	67	872.5	8	62
Spokane, WA	1,000.8	10	70	557.6	14	94
Des Moines, IA	987.6	11	71	722.7	10	71
Omaha, NE	948.1	12	75	704.4	11	73
Madison, WI	879.4	13	85	520.3	15	101
Baton Rouge, LA	788.8	14	92	698.5	12	75
Bakersfield, CA	647.4	15	107	647.4	13	79
Fort Wayne, IN	611.6	16	114	455.7	16	116
Biloxi, MS	307.5	17	158	332.4	17	145
Average (Ex. Milwaukee, WI)	1,839.7			1,447.5		

Note: TV market data represents the respective DMAs.

Source: Nielsen 2016.

APPENDIX: MARKET DEMOGRAPHICS

Comparable Complex Demographic Overview CBSA Designation – Corporate Base

- Milwaukee is above the Comparable Complex average in terms of corporate base measurements
 - 5th in Companies with \$20mm in Sales
 - 5th in Companies with \$50mm in Sales
 - 5th in Companies with 500+ Employees

Team	Companies w/ \$20mm		Companies w/ \$50mm		Companies w/ 500+	
	Sales	Rank	Sales	Rank	Employees	Rank
Fort Worth, TX (Dallas)	3,659	1	1,988	1	653	1
Duluth, GA (Atlanta)	2,629	2	1,442	2	477	2
Kansas City, MO	1,146	3	572	3	193	3
Charlotte, NC	1,052	4	545	4	179	4
Milwaukee, WI	1,017	5	480	5	175	5
Grand Rapids, MI	674	6	289	6	65	12
Birmingham, AL	530	7	264	8	86	9
Omaha, NE	512	8	278	7	116	6
Madison, WI	389	9	206	9	105	7
Des Moines, IA	361	10	203	10	61	14
Greensboro, NC	360	11	194	11	74	10
Baton Rouge, LA	315	12	152	12	92	8
Fort Wayne, IN	221	13	99	13	35	16
Tucson, AZ	207	14	97	14	72	11
Bakersfield, CA	198	15	80	16	63	13
Spokane, WA	189	16	90	15	45	15
Biloxi, MS	91	17	31	17	29	17
Average (Ex. Milwaukee, WI)	783		408		147	

Source: Hoovers 2017.

APPENDIX: MARKET DEMOGRAPHICS

Comparable Complex Demographic Overview CBSA Designation – Cost of Living

- Milwaukee has a cost of living higher than the Comparable Complex average

Team	Cost of Living	
	Index	Rank
Fort Wayne, IN	86.6	1
Birmingham, AL	87.7	2
Des Moines, IA	88.8	3
Grand Rapids, MI	89.0	4
Kansas City, MO	91.3	5
Omaha, NE	91.6	6
Tucson, AZ	92.4	7
Charlotte, NC	92.7	8
Baton Rouge, LA	94.0	9
Fort Worth, TX (Dallas)	97.9	10
Duluth, GA (Atlanta)	99.6	11
Milwaukee, WI	99.7	12
Spokane, WA	100.1	13
Madison, WI	106.1	14
Bakersfield, CA	107.5	15
Biloxi, MS	NA	NA
Greensboro, NC	NA	NA
Average (Ex. Milwaukee, WI)	94.7	

Note: Index is defined by Urban Area.

Source: Council for Community and Economic Research 2016.

APPENDIX: MARKET DEMOGRAPHICS

Comparable Complex Demographic Overview CBSA Designation – Spending

- Milwaukee is above the Comparable Complex average in terms of key spending categories

Team	Recreation Spending Total		Recreation Spending Average		Sports Admission Spending Total		Sports Admission Spending Average		Concert Admission Spending Total		Concert Admission Spending Average	
	(Millions)	Rank	(Millions)	Rank	(Millions)	Rank	(Millions)	Rank	(Millions)	Rank	(Millions)	Rank
Fort Worth, TX (Dallas)	\$1,647.6	1	\$652.93	1	\$149.3	1	\$59.15	2	\$144.4	1	\$57.23	1
Duluth, GA (Atlanta)	\$1,273.8	2	\$616.62	3	\$117.1	2	\$56.67	4	\$112.5	2	\$54.44	4
Charlotte, NC	\$517.4	3	\$558.91	8	\$47.8	3	\$51.61	8	\$45.8	3	\$49.45	8
Kansas City, MO	\$478.6	4	\$583.10	5	\$45.7	4	\$55.72	5	\$43.4	4	\$52.91	6
Milwaukee, WI	\$359.0	5	\$572.03	6	\$34.3	5	\$54.67	6	\$33.3	5	\$53.09	5
Birmingham, AL	\$222.5	6	\$488.98	13	\$20.7	6	\$45.58	14	\$20.1	6	\$44.20	13
Omaha, NE	\$202.4	7	\$567.21	7	\$19.4	7	\$54.41	7	\$18.3	7	\$51.35	7
Tucson, AZ	\$194.6	8	\$484.63	14	\$17.9	9	\$44.68	15	\$17.7	8	\$44.16	14
Grand Rapids, MI	\$193.0	9	\$499.49	11	\$18.8	8	\$48.65	9	\$17.7	9	\$45.70	10
Madison, WI	\$161.4	10	\$607.62	4	\$15.6	10	\$58.61	3	\$14.8	10	\$55.72	3
Baton Rouge, LA	\$160.9	11	\$505.37	10	\$15.1	11	\$47.47	11	\$14.4	11	\$45.26	12
Des Moines, IA	\$155.2	12	\$629.61	2	\$14.8	12	\$59.89	1	\$13.9	12	\$56.39	2
Bakersfield, CA	\$139.8	13	\$523.35	9	\$12.3	14	\$46.16	13	\$12.1	13	\$45.46	11
Greensboro, NC	\$133.3	14	\$442.86	16	\$12.7	13	\$42.18	16	\$12.1	14	\$40.29	16
Spokane, WA	\$109.4	15	\$498.74	12	\$10.5	15	\$47.88	10	\$10.2	15	\$46.49	9
Fort Wayne, IN	\$77.8	16	\$463.26	15	\$7.8	16	\$46.58	12	\$7.2	16	\$42.86	15
Biloxi, MS	\$65.4	17	\$428.87	17	\$6.1	17	\$40.10	17	\$5.9	17	\$38.66	17
Average (Ex. Milwaukee, WI)	\$358.3		\$534.47		\$33.2		\$50.33		\$31.9		\$48.16	

Source: Esri 2016.

LIMITING CONDITIONS AND ASSUMPTIONS

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