



SPENDING AND FISCAL IMPACT ANALYSIS

Wisconsin Center District

MILWAUKEE, WISCONSIN



SUBMITTED TO:

Mr. Marty Brooks
Wisconsin Center District
400 West Wisconsin Avenue
Milwaukee, Wisconsin 53203
mbrooks@wcd.org
+1 (414) 908-6050

PREPARED BY:

HVS Convention, Sports & Entertainment
Facilities Consulting
205 West Randolph
Suite 1650
Chicago, Illinois 60606
+1 (312) 587-9900



December 10, 2019

205 West Randolph
Suite 1650
Chicago, Illinois 60606
+1 312-587-9900
+1 312-488-3631 FAX
www.hvs.com

Mr. Marty Brooks
Wisconsin Center District
400 West Wisconsin Avenue
Milwaukee, Wisconsin 53203
mbrooks@wcd.org

Re: Wisconsin Center District
Milwaukee, Wisconsin

Dear Mr. Brooks:

Attached you will find our DRAFT Spending and Fiscal Impact Analysis of the Wisconsin Center in Milwaukee, Wisconsin. This study analyzes whether an expanded Wisconsin Center will meet certain Special Debt Service Reserve Funds Requirements as identified in Wisconsin Statute 229.50.

Specifically, HVS determined that the Wisconsin Center District can reasonably expect that an expanded Wisconsin Center will:

1. Include an exposition hall of at least 100,000 square feet.
2. Support at least 2,000 full time equivalent jobs.
3. Stimulate at least \$6.5 billion in total spending in the state over the 30-year period beginning on the date on which the bonds, the proceeds of which will be used to construct the exposition center expansion, are issued.
4. Attract at least 50,000 out-of-state visitors annually.
5. Generate at least \$150 million of incremental state income, franchise and sales tax revenues over the 30-year period beginning on the date on which the bonds, the proceeds of which will be used to construct the exposition center expansion, are issued.

The attached study provides a detailed description of the methodology and results of the research that supports our conclusions.

We certify that we have no undisclosed interest in the property, and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.



Convention, Sports & Entertainment
Facilities Consulting
Chicago, Illinois

It has been a pleasure working with you. We look forward to hearing your comments.

Sincerely,
HVS Convention, Sports & Entertainment
Facilities Consulting

A handwritten signature in black ink that reads "Thomas Hazinski".

Thomas A. Hazinski, MPP
Managing Director

A handwritten signature in black ink that reads "Jorge Cotte".

Jorge Cotte
Senior Associate



Table of Contents

SECTION	TITLE
1.	Introduction and Executive Summary
2.	Market Area Overview
3.	Industry Trends
4.	Comparable Venues
5.	Building Program Plan
6.	Demand Analysis
7.	State Spending and Fiscal Impacts
8.	Statement of Assumptions and Limiting Conditions
9.	Certification

1. Introduction and Executive Summary

Nature of the Assignment

The Wisconsin Center District (“WCD”) engaged HVS Convention, Sports & Entertainment Facilities Consulting (“HVS”) to conduct a Spending and Fiscal Impact Analysis of the Wisconsin Center in Milwaukee, Wisconsin. The purpose of the study is to determine whether an expanded Wisconsin Center will meet certain Special Debt Service Reserve Funds Requirements as identified in Wisconsin Statute 229.50. To meet these requirements, the Wisconsin Center must:

1. include an exposition hall of at least 100,000 square feet,
2. support at least 2,000 full time equivalent jobs,
3. stimulate at least \$6.5 billion in total spending in the State over the 30-year period beginning on the date on which the bonds, the proceeds of which will be used to construct the exposition center expansion, are issued,
4. attract at least 50,000 out-of-state visitors annually,
5. generate at least \$150 million of incremental state income, franchise and sales tax revenues over the 30-year period beginning on the date on which the bonds, the proceeds of which will be used to construct the exposition center expansion, are issued.

Description of the Project

The WCD owns and operates the Wisconsin Center, the Miller High Life Theatre, and the UW-Milwaukee Panther Arena. The Miller High Life Theatre is the largest theater in Wisconsin and seats between 2,500 and 4,087. The UW-Milwaukee Panther Arena seats 12,700 (1,800 in banquet-style seating) and is configurable as a 24,000 square foot exhibit space.

The Wisconsin Center contains a 37,500-square-foot ballroom, 28 meeting rooms, and an exhibit hall measuring nearly 189,000 square feet. The Wisconsin Center serves as Milwaukee’s primary public venue for conventions, conferences, and trade shows. It also hosts sporting events, consumer shows, banquets, and local meetings.

The proposed expansion of the Wisconsin Center would create approximately 100,000 square feet of multipurpose space and expand existing exhibit space by approximately 115,000 square feet. Figure 1-1 provides an overview of how the

proposed expansion would affect the amount of function space at the Wisconsin Center.

**FIGURE 1-1
WISCONSIN CENTER EXPANSION SPECIFICATIONS**

Function Space	Existing		Expansion*		Total	
	Size (SF)	Divisions	Size (SF)	Divisions	Size (SF)	Divisions
Floor Areas						
Exhibit Space	188,695	4	115,000	7	303,695	11
Multipurpose	0	0	100,000	30	100,000	30
Ballroom Space	37,506	4	0	7	37,506	11
Meeting Space	39,640	28	0	48	39,640	76
Total Space	265,841		215,000		480,841	

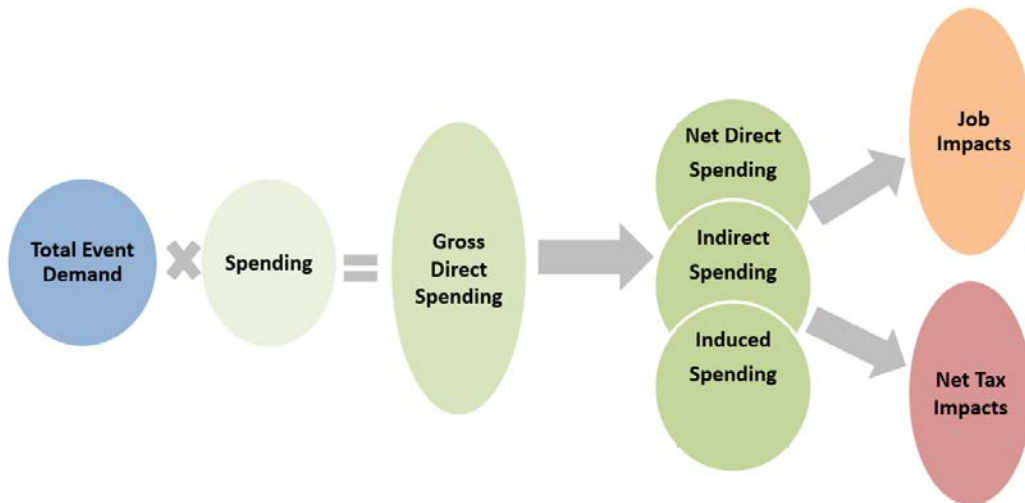
*Approximate floor areas based on early planning studies.

Source: WCD

**Spending Impact
Methodology**

To estimate the total spending, jobs, and fiscal impacts of the Wisconsin Center for a 30-year period. HVS followed the methodology outlined in Figure 1-2.

FIGURE 1-2



HVS estimated future event demand with a Wisconsin Center before and after expansion. HVS estimated demand for overnight visitors, day trip visitors, and attendees to the Wisconsin Center. All total impact were estimated for the geographic areas of the State of Wisconsin.

HVS used estimates of the amounts of spending per visitor or attendee to estimate gross direct spending or income imported into the market. Gross direct spending provides the inputs into the IMPLAN model of the State economy. IMPLAN then generates estimates of total net spending. Spending falls into three categories: net direct spending, indirect spending, and induced spending. Many refer to indirect and induced impacts as multiplier effects. The sum of direct, indirect, and induced spending makes up the total estimated spending impact of the Wisconsin Center’s operations. HVS used the IMPLAN model to estimate the increase in employment associated with the total net spending.

To estimate fiscal impacts, HVS identified the sources of net new spending that would generate tax revenues. The detailed outputs of the IMPLAN model quantify the tax base for each tax. We applied the appropriate effective tax rate to the estimate of spending to generate fiscal impact estimates.

HVS Convention, Sports & Entertainment staff collected and analyzed all information contained in this report. HVS sought out reliable sources and deemed information obtained from third parties to be accurate.

Event Demand Analysis

HVS assumes that the Wisconsin Center expansion would be complete by January 1, 2023. We approximate that event demand would stabilize in the third year of operation—2025. The figure below shows the growth in event demand and attendance for the Wisconsin Center between the base year and stabilized year post-expansion. Figure 1-3 provides the forecast by type of event.

**FIGURE 1-3
DEMAND PROJECTION SUMMARY**

Event Type	Events		Average Attendance		Total Attendance	
	Base 2020	Stabilized 2025	Base 2020	Stabilized 2025	Base 2020	Stabilized 2025
Conventions	20	30	2,656	3,200	53,000	96,000
Tradeshows	5	10	5,132	5,100	28,000	51,000
Consumer Shows/Fairs	9	10	10,880	10,900	96,000	109,000
Conferences	19	35	1,281	1,300	24,000	46,000
Meetings	25	35	458	500	12,000	18,000
Banquets	24	40	1,059	1,100	25,000	44,000
Exhibit Hall Sports	11	10	4,394	5,000	47,000	50,000
Concerts & Entertainment	35	50	3,746	3,700	131,000	185,000
Arena Sports	69	92	2,741	2,700	188,000	248,000
Assemblies	32	30	4,124	4,100	131,000	123,000
Total	248	342			735,000	970,000

Following an expansion, the Wisconsin Center would increase its attendance through significantly more events requiring exhibit hall space—such as conventions and tradeshows. Conferences would also increase both event demand and attendance due to the availability of multipurpose space. HVS forecasts that in a stabilized year, an expanded Wisconsin Center would increase its total attendance by 235,000.

Spending Impact

HVS calculated total spending impacts based on the parameters discussed in Section 7 of this report. Figure 1-4 provides the total spending in a stabilized year of operation after expansion (2025).

**FIGURE 1-4
ANNUAL SPENDING IMPACT ESTIMATES (INFLATED \$)**

Impact (\$ millions)	Baseline			Opened		Stabilized
	2020	2021	2022	2023	2024	2025
Spending Estimates						
Net Direct	\$105.3	\$108.0	\$110.7	\$154.2	\$176.4	\$192.7
Indirect	42.0	43.1	44.1	61.4	70.2	76.6
Induced	42.4	43.5	44.6	62.0	70.8	77.2
Total	\$189.8	\$194.5	\$199.4	\$277.5	\$317.4	\$346.4

In a stabilized year, the Wisconsin Center could expect total spending of over \$346 million.

Based on a multi-year impact model, HVS calculated the future value of spending over the first 30 years beginning with the issuance of debt, as shown in Figure 1-5.

**FIGURE 1-5
30-YEAR VALUE OF SPENDING IMPACT**

Year	Spending Impact (\$ millions)
2020	\$104
2021	195
2022	199
2023	278
2024	317
2025	346
2026	355
2027	364
2028	373
2029	382
2030	392
2031	402
2032	412
2033	422
2034	433
2035	443
2036	455
2037	466
2038	478
2039	490
2040	502
2041	514
2042	527
2043	540
2044	554
2045	568
2046	582
2047	596
2048	611
2049	282
Total	\$12,582

Over a 30-year period and assuming 2.5% annual inflation, the Wisconsin Center would generate over \$12.6 billion in annual spending.

Job Impacts

HVS calculated the full-time equivalent jobs supported by the spending in each economic sector. Figure 1-6 summarizes the results.

**FIGURE 1-6
EMPLOYMENT IMPACT IN A STABILIZED YEAR**

Full-Time Equivalent Jobs	Baseline			Opened		Stabilized
	2020	2021	2022	2023	2024	2025
Direct	800	800	800	1,200	1,400	1,500
Indirect	200	200	200	300	300	400
Induced	200	200	200	300	400	400
Total Permanent Jobs	1,200	1,200	1,200	1,800	2,100	2,300

HVS estimates that the expanded Wisconsin Center would support approximately 2,300 permanent full-time equivalent jobs. The expanded Wisconsin Center supports approximately 1,100 full-time equivalent jobs over the baseline.

Fiscal Impacts

Net direct, induced, and indirect spending serves as the basis for estimating fiscal impacts. IMPLAN estimated applicable tax revenues due to spending generated by Wisconsin Center activity. Figure 1-7 summarizes the estimated fiscal impacts.

**FIGURE 1-7
FISCAL IMPACT (INFLATED \$)**

Tax Revenue Source	Baseline			Opened		Stabilized
	2020	2021	2022	2023	2024	2025
Sales Tax	4,628	4,744	4,863	6,821	7,819	8,552
Personal Income Tax	1,710	1,753	1,797	2,509	2,869	3,133
Corporate Profits Tax	255	261	268	374	430	470
Other Taxes	689	706	724	1,016	1,163	1,273
Total	\$7,282	\$7,464	\$7,652	\$10,720	\$12,281	\$13,428

In a stabilized year of operation, the State could expect a fiscal impact of \$13.4 million. Based on a multi-year impact model, HVS calculated the future value of fiscal impacts over the first 30 years beginning with the issuance of debt, as shown in Figure 1-8.

FIGURE 1-8
30-YEAR VALUE OF FISCAL IMPACT

Year	Fiscal Impact (\$ millions)
2020	\$4.0
2021	\$7.5
2022	\$7.7
2023	\$10.7
2024	\$12.3
2025	\$13.4
2026	\$13.8
2027	\$14.1
2028	\$14.5
2029	\$14.8
2030	\$15.2
2031	\$15.6
2032	\$16.0
2033	\$16.4
2034	\$16.8
2035	\$17.2
2036	\$17.6
2037	\$18.1
2038	\$18.5
2039	\$19.0
2040	\$19.4
2041	\$19.9
2042	\$20.4
2043	\$20.9
2044	\$21.5
2045	\$22.0
2046	\$22.6
2047	\$23.1
2048	\$23.7
2049	\$10.9
Total	\$487.4

Over a 30-year period and assuming 2.5% annual inflation, the Wisconsin Center would generate approximately \$487 million in annual spending.

Conclusion

With an expansion, the Wisconsin Center could continue to increase the number of events and attendance it hosts. HVS provides forecasts of event demand assuming that the proposed expansion is completed by January 1, 2023. Throughout the next 30 years, the State of Wisconsin could benefit from approximately \$12.6 billion in net direct, indirect, and induced spending and approximately \$487 million in fiscal impacts.

metro area include food distribution and retail, department retail, and commercial printing. Companies such as Northwestern Mutual, WEC Energy, and Harley-Davidson are headquartered in Milwaukee.

Tourism to Milwaukee is driven by a robust festival industry and museum presence. Summerfest, the world's largest music festival, attracts visitors annually. In 2019, Summerfest attendance reached approximately 718,000 attendees. In addition to festivals, museums such as the Harley-Davidson Museum and Milwaukee Art Museum attract tourists.

For many years, Milwaukee was the top beer-producing city in the world; however, following consolidation and closures, only one major brewery remains in the city. Home of Miller Brewing Company, and heavily influenced by German and Polish cultures, Milwaukee is world-renowned for its Harley-Davidson motorcycles and festivals along the shores of Lake Michigan.

Professional and collegiate sports teams attract regional visitation to Milwaukee. The Milwaukee Brewers play in Miller Park, the Milwaukee Bucks and Marquette University play in Fiserv Forum, and the Milwaukee Admirals and Milwaukee Wave play in the UW-Milwaukee Panther Arena. Average attendance at the Fiserv Forum for Milwaukee Bucks games in 2019 was 17,602, while average attendance at Miller Park was 36,090 in 2019.

The largest universities in the Milwaukee area are Marquette University and the University of Wisconsin –Milwaukee. In addition to these two schools, Milwaukee is home to the Milwaukee School of Engineering, Alverno College, Cardinal Stritch University, the Medical College of Wisconsin, Milwaukee Area Technical College, Milwaukee Institute of Art & Design, Wisconsin Lutheran College, and Mount Mary University. These institutions provide diverse educational opportunities and serve the needs of the area employers.

Economic and Demographic Review

For this analysis, HVS used the Complete Economic and Demographic Data Source published by Woods & Poole Economics, Inc as a primary source of economic and demographic statistics. Woods & Poole runs a well-regarded forecasting service that uses a database containing more than 900 variables for each county in the nation. Their regional model forecasts of economic and demographic trends. Census data and information published by the Bureau of Economic Analysis serve as the basis for historical statistics. Woods & Poole uses these data to formulate projections, and the group adjusts all dollar amounts for inflation to reflect real change.

**FIGURE 2-1
ECONOMIC AND DEMOGRAPHIC DATA SUMMARY**

Economic Indicator/Area	Beginning Amount	2004	2009	2019	2022	Ending Amount	Estimated Annual Compound Change 2019 to 2022
Resident Population (millions)							
Milwaukee-Waukesha-West Allis, WI MSA	1.5					1.6	0.4%
Milwaukee-Racine-Waukesha, WI CSA	2.0					2.1	0.5%
State of Wisconsin	5.5					6.0	0.6%
United States	292.8					341.3	0.9%
Per-Capita Personal Income* (thousands)							
Milwaukee-Waukesha-West Allis, WI MSA	\$41.5					\$51.5	1.5%
Milwaukee-Racine-Waukesha, WI CSA	\$40.0					\$49.4	1.4%
State of Wisconsin	\$37.1					\$46.1	1.3%
United States	\$38.3					\$48.5	1.2%
W&P Wealth Index							
Milwaukee-Waukesha-West Allis, WI MSA	108					105	0.2%
Milwaukee-Racine-Waukesha, WI CSA	104					101	0.1%
State of Wisconsin	98					95	0.0%
United States	100					100	0.0%
Food and Beverage Sales* (billions)							
Milwaukee-Waukesha-West Allis, WI MSA	\$2.1					\$2.9	1.0%
Milwaukee-Racine-Waukesha, WI CSA	\$2.5					\$3.5	1.0%
State of Wisconsin	\$6.8					\$9.4	1.2%
United States	\$405.3					\$633.9	1.5%
Total Retail Sales* (billions)							
Milwaukee-Waukesha-West Allis, WI MSA	\$21.5					\$24.3	1.0%
Milwaukee-Racine-Waukesha, WI CSA	\$26.9					\$30.4	1.0%
State of Wisconsin	\$79.4					\$94.2	1.1%
United States	\$4,194.5					\$5,381.5	1.4%

* Inflation Adjusted

Source: Woods & Poole Economics, Inc.

The percentage growth in the MSA population, food and beverage and retail sales trails the State of Wisconsin and the United States. Despite lagging in sales and population growth, the growth in the wealth index and per-capita personal income from 2019 to 2022 exceeds the growth for either the State of Wisconsin or the United States.

**Workforce
Characteristics**

The characteristics of an area's workforce indicate the type and amount of group business the convention center would generate. Some employers of manufacturers, construction, transportation, communications, and public utilities (TCPU) contribute many visitors to the area.

Figure 2-2 shows the Milwaukee-Waukesha-West Allis, WI MSA workforce distribution by business sector.

**FIGURE 2-2
HISTORICAL AND PROJECTED EMPLOYMENT**

Sector/Geographic Area	Beginning Amount (thousands)	2004	2009	2019	2022	Ending Amount (thousands)
Milwaukee County						
Health Care And Social Assistance	120					164
Manufacturing	139					126
Retail Trade	102					108
State And Local Government	81					83
Accommodation And Food Services	60					78
Administrative And Waste Services	62					73
Finance And Insurance	59					66
Professional And Technical Services	57					66
Other Services, Except Public Administration	52					64
Construction	45					49
Other	224					267
Total Milwaukee County	1,000					1,143
U.S.	169,037					214,599

Source: Woods & Poole Economics, Inc.

The Health Care and Social Assistance sector is expected to grow to become the highest employment sector in Milwaukee—with a growth rate of 37%—while the Manufacturing sector in Milwaukee will continue to decline—with a negative growth rate of -9%.

**Major Business and
Industry**

Providing additional context for understanding the nature of the regional economy, Figure 2-3 presents a list of the major employers in the market area.

**FIGURE 2-3
MAJOR EMPLOYERS**

Firm	Number of Employees
Aurora Health Care	27,600
Froedtert Health	11,800
Ascension Wisconsin	8,700
Quad/Graphics	7,500
Kohl's Department Stores	7,000
GE Healthcare	6,000
Northwestern Mutual	5,600
Medical College of Wisconsin	5,400
Rockwell Automation	4,000
U.S. Bank	3,700

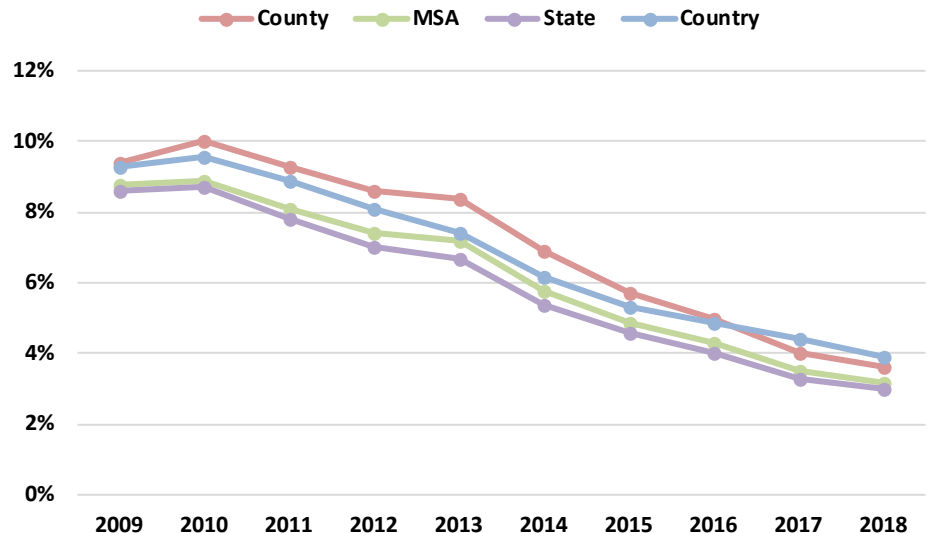
Source: Discover Milwaukee, 2019

The major employment sectors in Milwaukee belong to the Health Care and Social Assistance sectors. The top three employers in the Milwaukee area—Aurora Health Care, Froedtert Health, and Ascension Wisconsin—account for 55% of the employees of the top ten employers.

Unemployment Statistics

Unemployment statistics measure the health of the local. Figure 2-4 presents historical unemployment rates for the market area.

**FIGURE 2-4
UNEMPLOYMENT STATISTICS**



Milwaukee County exceeded the MSA, Wisconsin, and United States unemployment rate until 2017, when the Milwaukee County unemployment rate fell below the national rate. Like the rest of the country, the Milwaukee-Waukesha-West Allis, WI MSA experienced a spike in unemployment in 2010. National economic conditions rebounded during the decade following 2010. According to the Bureau of Labor Statistics, the national unemployment rate hit its lowest value since December 2000 in December 2017.

Airport Traffic

Airport passenger counts indicate a market’s ability to support conference events. Trends in passenger counts reflect local business activity and the area’s economic health. Event planners consider airport access when choosing a destination for their conferences and meetings.

**FIGURE 2-5
AIRPORT PASSENGER STATISTICS**

Year	Passenger Traffic	Annual Percent Change
2009	7,947,000	
2010	9,848,000	23.9%
2011	9,522,000	-3.3%
2012	7,515,000	-21.1%
2013	6,525,000	-13.2%
2014	6,554,000	0.4%
2015	6,549,000	-0.1%
2016	6,757,000	3.2%
2017	6,905,000	2.2%
2018	7,098,000	2.8%
YTD through Aug		
2017	4,868,719	
2018	4,672,551	-4.0%

Source: General Mitchell International Airport

General Mitchell International Airport (MKE) is a medium-hub airport owned and operated by Milwaukee County. Mitchell International has sometimes been described as Chicago's third airport, as some Chicago travelers seek to avoid O'Hare International Airport or Midway Airport. It is also used by travelers throughout Wisconsin and Northern Illinois as an alternative to other local airports. The airport is serviced by many major commercial airlines. In April 2019, a \$45-million construction project that will include a new international terminal and the demolition of the currently closed Concourse E was announced. Since then, it has been approved by the County, but the project is currently on hold.

Mitchell International experienced a dramatic growth in passenger traffic between 2009 and 2010. Since 2010, average passenger traffic at Mitchell International stabilized around 7.2 million enplanements. Passenger traffic at Mitchell International has increased each year since 2016.

Lodging Supply

A convention center’s ability to attract out-of-town groups depends greatly on the availability of nearby hotel rooms within a reasonable distance to the facility. Moreover, different events have different preferences with respect to the types of hotels that best meet the needs of their delegates and attendees. Most planners of professional conferences and trade shows prefer large blocks of full-service hotel rooms in nationally branded properties. Some consumer show and sporting event attendees prefer less expensive, limited-service hotel options that offer guest amenities such as complimentary breakfast and free internet connections.

Smith Travel Research (“STR”) maintains a database of approximately 140,000 hotel properties and 13 million hotel rooms around the world. Figures 2-6 and 2-7 show the STR database inventory of all hotel rooms in the Milwaukee-Waukesha-West Allis, WI MSA by service level and size. The quality of the hotels also indicates the market’s ability to support the convention center.

**FIGURE 2-6
LODGING SUPPLY BY SIZE IN MILWAUKEE**

Size (Number of Guest Rooms)	Number of Properties	Number of Guest Rooms
Less than 50	7	244
50 to 99	17	1,263
100 to 199	35	4,741
200 to 299	5	1,114
300 to 399	2	688
400 and over	2	1,210
Total	68	9,260

Source: STR

**FIGURE 2-7
LODGING SUPPLY BY SERVICE LEVEL IN MILWAUKEE**

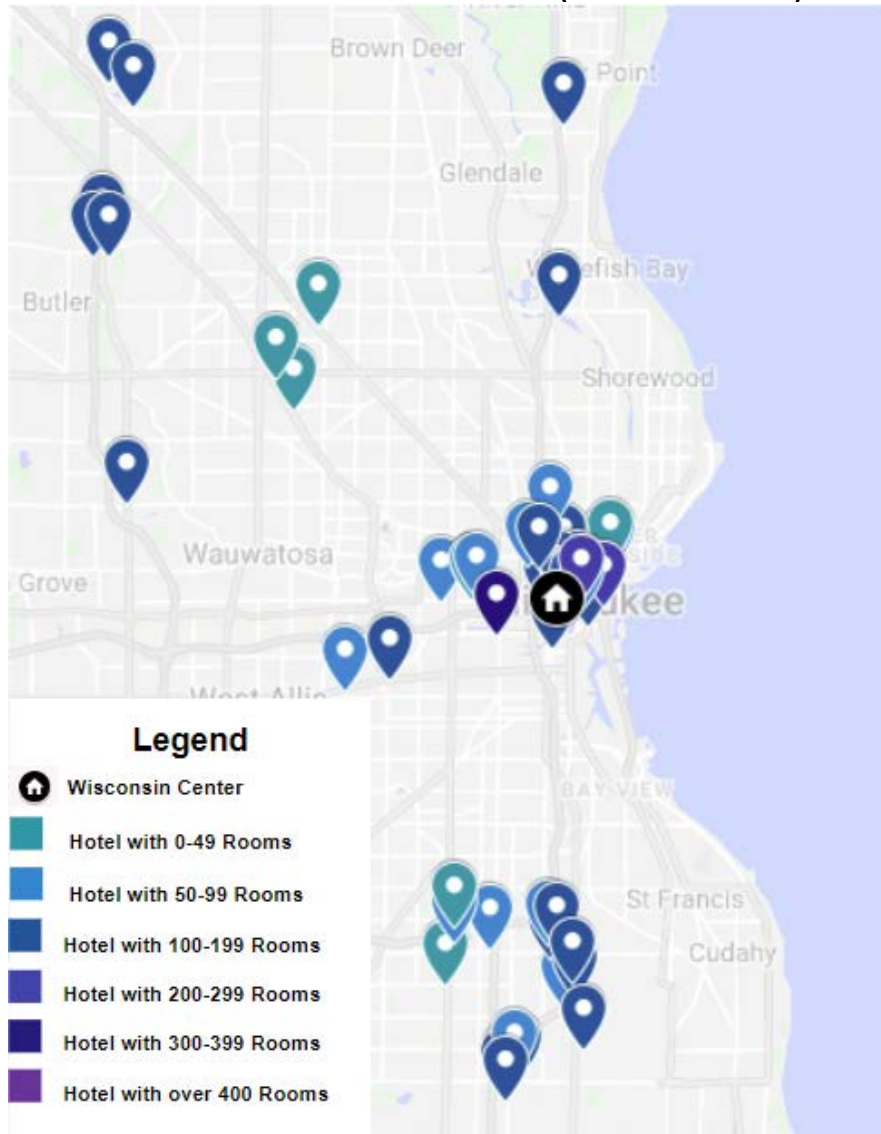
Chain Scale	Number of Properties	Number of Guest Rooms
Luxury	4	559
Upper Upscale	7	2,393
Upscale	23	3,137
Upper Midscale	17	2,006
Midscale	4	354
Economy	13	811
Total	68	9,260

Source: STR

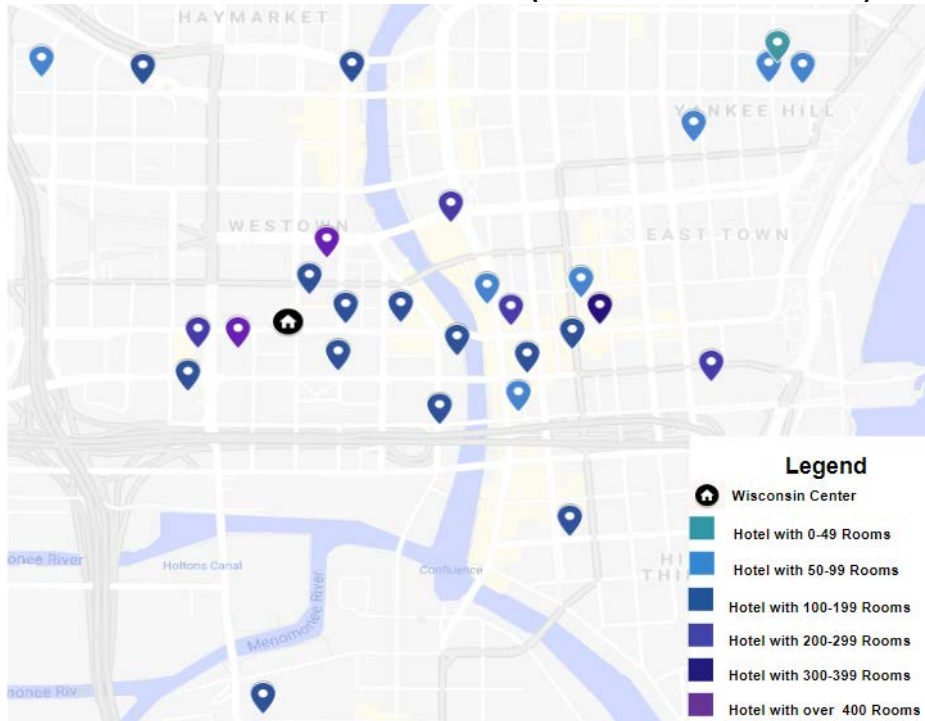
Over half of the lodging supply in Milwaukee consists of properties with 100 to 199 guest rooms. There are only nine properties in the market with over 200 guest rooms. Upscale properties make up over one third of the hotel properties in Milwaukee.

Figures 2-8 and 2-9 show the lodging supply in Milwaukee and the downtown area.

FIGURE 2-8
MAP OF EXISTING HOTEL INVENTORY (MILWAUKEE AREA)



**FIGURE 2-9
MAP OF EXISTING HOTEL INVENTORY (DOWNTOWN MILWAUKEE)**



Lodging is available across Milwaukee, with clusters near to the downtown area and airport. The area surrounding the Wisconsin Center has the only two properties with more than 400 guest rooms.

Changes to Lodging Supply

Downtown Milwaukee has experienced an increase in its lodging supply. Since 2015, Milwaukee has continued to expand and renovate its existing supply. The expected demand increase caused by the Democratic National Convention in 2020 has spurred additional growth in lodging supply. Figure 2-10 lists new hotel development in Milwaukee since 2015.

**FIGURE 2-10
CHANGES TO MILWAUKEE LODGING SUPPLY**

	Rooms
Recently Opened	
Cambria Hotel & Suites	132
Drury Plaza Hotel	216
Homewood Suites by Hilton	94
Hyatt Place	150
Kimpton Journeyman Hotel	164
Potawatomi Hotel Tower	119
Saint Kate Artas Hotel	221
Spring Hill Suites by Marriott	155
The Westin Milwaukee	220
Scheduled to Open in 2020 and Beyond	
Ascendant Hotel	220
Hotel Metro	63
Kinn Hotel	27
Masonic Center Hotel Tower	220
Milwaukee Athletic Club Hotel	96
Tru, Home2 Suites & Holiday Inn Express	541

Tourist Attractions

The market benefits from a variety of tourist and leisure attractions in the area. The peak season for tourism in this area is from May to September. During other times of the year, weekend demand comprises travelers in route to other destinations, people visiting friends or relatives, and other similar weekend demand generators. Primary attractions in the area include the following:

- Miller Park, which is home to the Milwaukee Brewers, offers entertainment and activities. The park is most notable for its fan-shaped convertible roof and the large panes of glass included in its design to allow natural grass to grow. Additionally, Fiserv Forum is home to the NBA's Milwaukee Bucks. The new arena for the Milwaukee Bucks, completed mid-year 2018, is part of a larger development featuring a 55,000-square-foot training center, a 37,000-square-foot community health center, retail shops, and a parking garage.
- The Wisconsin State Fair Park has been the location of the Wisconsin State Fair since 1892. The park hosts other events throughout the year, such as the Milwaukee Mile, the oldest and continuously operating motor speedway in the world. The complex is also home of the Pettit National Ice Center, a U.S. Olympic training facility with a 400-meter indoor speed skating oval and two Olympic-size ice rinks.

- In July 2008, Harley-Davidson Motor Company, an American manufacturer of motorcycles based in Milwaukee, opened a \$75-million museum in Downtown Milwaukee. The 130,000-square-foot building contains a diverse collection of motorcycles, a restaurant, and retail shop, as well as indoor and outdoor meeting space.
- Henry W. Maier Festival Park, located along the Michigan lakefront adjacent to the Third Ward District, annually hosts the popular Summerfest music and food festival. The eleven-day festival extends from the end of June through early July, booking over 800 acts and representing one of the largest gatherings of bands and musicians in the country.
- Near downtown Milwaukee, Potawatomi Hotel & Casino offers high-stakes bingo, nearly 100 table games, 3,100 slot machines, a 20-table Poker Room, a 500-seat theater, and an Off-Track Betting Room.
- The Miller Visitor Center offers daily guided walking tours of Miller Valley, home to over 160 years of brewing history. The free, one-hour tours blend the rich history of Miller Brewing Company with the modern technology of today's brewing process. Paid tours are available for adults, which include souvenir glasses and beers.
- The Milwaukee Art Museum opened its first art gallery in 1888 and presents over 25,000 works of art from various periods and international origins. The venue has over 300,000 square feet of space and attracts approximately 350,000 visitors per year. The museum's Quadracci Pavilion designed in 2001 by Spanish architect Santiago Calatrava, is a Milwaukee icon on the banks of Lake Michigan.
- The Betty Brinn Children's Museum provides exhibits and galleries that teach children skills such as coordination and alternative learning styles through subjects like science and economics. The nonprofit organization opened the museum in 1995 and attracts many locals in addition to transient visitors.
- The Milwaukee County Park System owns and operates the Mitchell Park Horticultural Conservatory, which is made up of three conical domes, which are nicknamed "The Domes." Each of the domes exhibits different types of tropical, desert, and cultural plants. The Domes hosts seasonal plant and flower shows.

Conclusion

The Milwaukee-Waukesha-West Allis, WI MSA benefits from an increasing and well-diversified work force. Resident population, employment projections, and per-capita personal income are expected to grow from 2019 to 2022. Healthcare and financial services remain strong and continue to remain the cornerstones of the market and potential sources for convention, trade show, and meeting demand. The economic outlook for the area is generally positive with employment growth anticipated in most sectors. As a convention and meeting option, Milwaukee has



somewhat limited air services, but is easily access via automobile or bus from O'Hare International Airport. Air travel at General Mitchell International Airport has grown steadily since 2016. Milwaukee also benefits from a vibrant downtown, a growing hotel supply, and various cultural and tourism attractions throughout the metro area, making it a desirable convention destination.

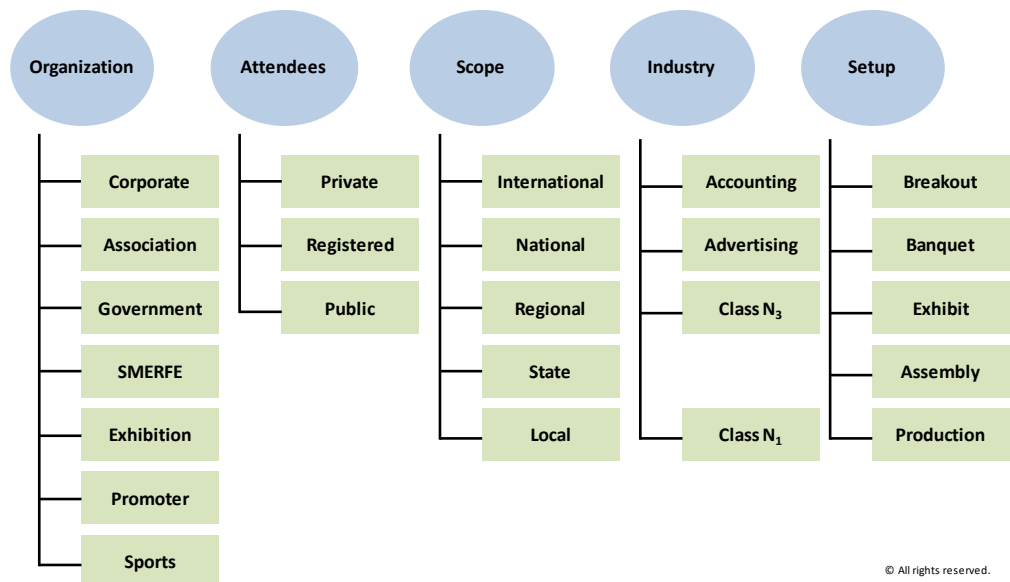
3. Industry Trends

In this section, HVS presents an analysis of the convention, conference, tradeshow and meeting industry, including trends in the supply and demand of meeting and event facilities, as well as trends in expenditures and meeting planner preferences. The purpose of this trends analysis is to provide background information necessary to assess the potential of the expanded convention center in Milwaukee. This section of the report also provides definitions of industry terms used throughout the remainder of this report.

OASIS® Event Classification System

Convention and conference centers measure their performance by tracking event activity, but the definition and classification of events lacks consistency throughout the industry. Each convention center or marketing organization has their own way of classifying and measuring event demand. HVS has developed a proprietary method of event classification called OASIS Event Classification Method® or OASIS®, which is a convenient acronym for five criteria of event categorization: Organization, Attendees, Scope, Industry, and Set-up, as shown in Figure 3-1.

**FIGURE 3-1
OASIS EVENT CLASSIFICATION SYSTEM**



© All rights reserved.

Following are definitions of the criteria in the OASIS Event Classification Method® and descriptions of the categories within each.

ORGANIZATION—The organization that sponsors or owns the event provides a key area of classification and can be described in five mutually exclusive categories:

- **Corporations**—corporations, or private business interests, are responsible for organizing most events. The event organizers may be internal to the business or professional meeting planners.
- **Associations**—associations are usually membership organizations centered on specific business types, professions, or political purposes.
- **Government**—international, national, state, or local government organizations sponsor events. This category is particularly important in markets with a large government office presence.
- **Exhibition Company**—exhibiting organizations are companies or subsidiaries of companies established for the purpose of owning and promoting exhibiting events, such as trade and consumer shows.
- **Event Promoter**—event promoters are organizations that exist for the purpose of promoting concerts, entertainment, and other types of live events that require production set-up.
- **Sports Enterprise**—sports enterprises are companies or subsidiaries of companies that exist for the purpose of owning and promoting sporting events.
- **Social, Military, Educational, Religious, Fraternal and Ethnic (“SMERFE”)**—although similar to associations, this category includes the types of organizations described in the title. Sometimes called “affinity groups” SMERFE represents a distinct category because members of these organizations use personal disposable income for membership dues and event attendance and therefore tend to be more price-sensitive than associations with professional memberships.

The Organization criterion is most useful to marketing and sales organizations that rely on this information to make decisions on the allocation of staff and resources according to the type of organization sponsoring the event. Other industry participants, such as destination management companies and venue operators, also need to understand the type of organizations active in sponsoring events and value personal relationships with the event planners that represent them.

ATTENDEES—Event attendees can be placed in three distinct categories that distinguish the ways in which attendees gain access to events:

- **Private**—attendees come to the event by invitation only and do not pay a registration or admission fee. Private attendees may be individually asked to

attend, as to a wedding, or invited by virtue of belonging to a certain group, such as company employees or shareholders.

- **Registered**—attendees do not necessarily need an invitation, but typically pay an advance registration fee to attend the event. Registered attendees are often called delegates or qualified buyers and they usually attend an event for multiple days.
- **Public**—the event is open to the general public. Attendees may need to purchase a ticket for admission such as at a consumer show. Other civic events may be free of charge.

In addition, some events have combination shows with an initial period of exclusive registered attendance and subsequent public attendance.

The Attendees category is particularly important to venue operators and industry analysts. Understanding the type of attendee at a given event is critical for assessing the impact on convention center operations and projecting spending impacts. The length of stay of attendees and their spending patterns varies considerably among the types of attendees.

SCOPE—this category refers to the geographic origin of the attendees. Events are classified accordingly if a significant proportion of the attendees come from the indicated geographic region surrounding the convention center. Five categories capture all the potential geographic scopes and are self-explanatory:

- International
- National
- Regional
- State/Provincial
- Local

Understanding the origin of attendees is critical to event planners and in the estimation of the spending impact of events. Events that draw attendees from larger geographic regions tend to have higher new spending associated with the event. The allocation of marketing and sales resources may also break down according to the geographic scope of events.

INDUSTRY—in North America, HVS recommends relying on the North American Industry Classification System (“NAICS”) which replaced the previously used U.S. Standard Industrial Classification (“SIC”) system. NAICS was developed jointly by the U.S., Canada, and Mexico to provide new comparability in statistics about business activity across North America. Other economic regions and countries have

similar industrial classification systems that are widely used and can be adopted for the purposes of classifying events by industry.

NAICS has hundreds of categories but these categories are organized hierarchically in five levels. All categories can be rolled up into twenty of the top levels in the hierarchy. However, not all top-level industry classifications are useful for event classification because little or no event activity is associated with them. Other top-level categories, such as Manufacturing, are too broad to provide meaningful information, and level two or three categories can be used to form a useful breakdown of events.

The choice of industry classifications should result in a reasonable share of events falling into each category. According to the Tradeshow Week data book, the leading industries that are represented by conventions, tradeshows and exhibition include:

- Medical and Health Care
- Home Furnishings and Interior Design
- Sporting Goods and Recreation
- Apparel
- Building and Construction
- Landscape and Garden Supplies
- Computers and Computer Applications
- Education
- Gifts
- Associations

Use of the NAICS codes allows for the orderly roll-up of industrial classifications across different events and venues, regardless of the categories or the hierarchical levels that different people may choose to use. Industrial classification information is useful for those planning to develop new events and for other analysts that need to understand how trends in economic health of the underlying industries affect the success of particular events and venues.

SPACE SETUP—this final criterion provides for the categorization of events by set-up of the function spaces they utilize. These categories are not mutually exclusive as events may use any combination of the five primary types of event set-up.

- **Breakout**—typically involves the use of meeting rooms, boardrooms or other multi-purpose spaces for meeting functions in a classroom or meeting setting. This set-up may involve some catering services such as coffee breaks or lunches.
- **Banquet**—includes the set-up for catered banquets events such as weddings and may include some staging for presentations such as at a general session event.
- **Exhibit**—includes the set-up displays in exhibition halls or other multi-purpose spaces. Concession services and buffet lunches are often a component of this set-up.
- **Assembly**—includes set-up in theater style seating in plenary halls and fixed seat theaters or other multi-purpose spaces that are used primarily for assemblies and general sessions.
- **Production**—includes the set-up for concerts, entertainment, sporting events and other types of events that require significant staging, lighting, and other live-event related set-up.

Event Types

Application of the OASIS® system can provide precise definitions of commonly used event classifications. All commonly used terms for event types can be defined by a combination of three OASIS® categories: organization, attendees, and space set-up.

- **Conventions**—associations, government, and SMERFE organizations register attendees for multi-day events. Facility set up includes breakout, banquet and exhibit space set-up and may include plenary sessions. Typically, the primary purpose of a convention is information exchange.
- **Tradeshows**—provide a means for wholesalers and retailers to transact business with industry buyers. Like conventions, tradeshows offer a forum for exchanging industry ideas. To clearly differentiate conventions from tradeshows, HVS assumes that only corporations and enterprises can sponsor and produce tradeshows. Like conventions, tradeshows require registered attendees. While they also require exhibit space set-up, they only sometimes require banquet, plenary, and/or breakout space set-up.
- **Combination Shows**—are either corporate or enterprise produced, typically with an initial period of attendance by registered attendees only, and later by the public. Always requiring exhibit set-up, they sometimes also require plenary, banquet and/or breakout set-up for additional portions of their show.
- **Consumer Shows**—public, ticketed events featuring the exhibitions of merchandise for sale or display. Exhibition companies produce consumer shows, as they provide a means of product distribution and advertising. They only require exhibit space set-up.

- **Conferences**—require a mix of banquet and breakout space set-up as well as occasional assembly space. Conferences do not require the dedicated use of an exhibit hall but may have a small number of table-top exhibits. Conferences can be conducted by any organization type, but always require attendees to be registered.
- **Meetings**—only require breakout space set-up. Like conferences, they can be produced from any of the organization types, but unlike conferences, they are private events to which one must be invited.
- **Banquets**—only require a banquet set-up for food and beverage meal service. These events also can be produced by any organizational type, and are either held privately or require guests to register.
- **Assemblies**—usually involve a ceremony, a speech, or another similar activity that attracts a crowd of spectators. Produced by any type of organization, assemblies are always public events. Additionally, assemblies only require a plenary set-up.
- **Fairs**—usually involve an exhibit booth set-up for a public event in which organizations or companies represent themselves and their products or services. Fairs typically are organized around a single purpose (e.g. a job fair), industry (e.g. agriculture) or a theme (e.g. state or county fairs). Corporations, associations, governments, or SMERFE groups may organize fairs.
- **Concert/Entertainment**—usually a concert or some form of live entertainment, owned and organized by an event promoter for the public. Entertainment events only require production set-up.
- **Sports/Amateur Sports**—require only a production set-up. Attendees to sporting events, which are always organized by sports enterprises, may be public or registered. Some sporting events have both a registered and public aspect to the event over the span of a few days.

Trends

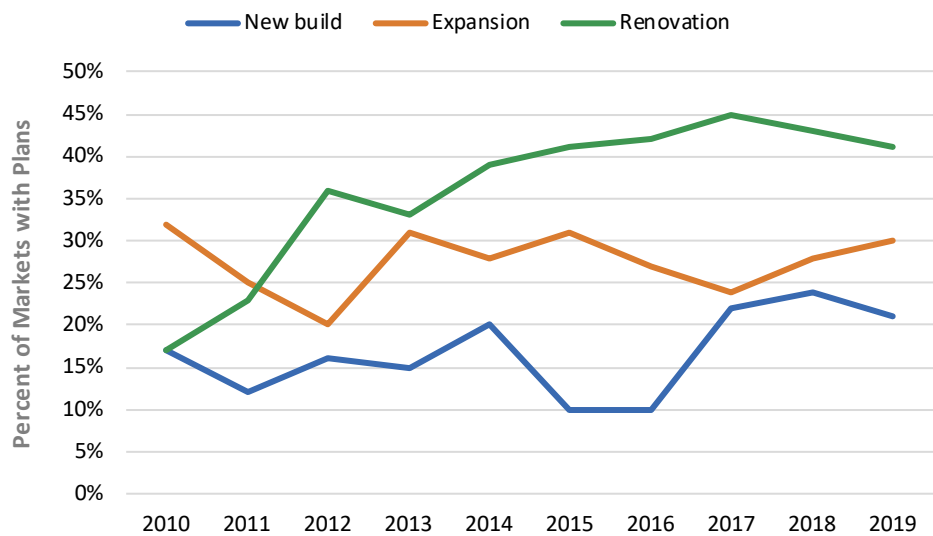
The purpose of this section is to describe the conference, convention, and meeting industry and analyze trends in the number of events, attendance, and the supply of facilities.

Supply Trends

The convention and conference center industry experienced significant year-over-growth in supply from 2000 through 2006. Starting in 2007, the rate of growth in supply slowed significantly but remained positive throughout the national recession. As most convention and meeting facilities involve public funding, economic conditions affect the level of public investment in convention and meeting facilities that are intended to stimulate economic activity. As economic conditions improved, public budgets began to support funding for convention and meeting facilities, and several new facilities and major expansions moved forward. Since

2010, the percentage of convention markets planning or developing a new build, expansion or renovation project has varied between 60-80%. Figure 3-2 demonstrates that the nature of planned convention center improvements has changed over the past few years.

**FIGURE 3-2
PLANNED IMPROVEMENTS BY TYPE**



Source: AIPC 2019 Member Survey

Beginning in 2015, the percentage of markets planning a new build convention venue dropped to 10%; however, the market has since rebounded, and the percentage now steadily exceeds 20%. Around 2017—when the market for new builds rebounded—the percentage of markets planning a renovation began to decline. The percentage of markets planning a renovation remains above 40% and has more than doubled in the past decade. In 2017, new build plans increased to 22%, almost equaling the percentage with expansion plans, which has remained relatively steady between 25-30%.

While the percentage of convention markets actively developing or planning a renovation or expansion of their convention venues has grown to around 70%, the nature of these improvements has also changed. The focus on exhibition hall expansion from the 1990s and 2000s has been replaced by the need to provide larger and more flexible ballroom, meeting spaces, and prefunction spaces. Event delegates want more networking opportunities in lounges and hospitality suites. They would like faster room changeovers and custom furniture configurations. Clients need more flexible and casual spaces, including prefunction spaces that

serve as informal gathering areas with adaptable seating configurations, Wi-Fi, and interactive tools.

Convention venues currently report that technology infrastructure and services need the greatest investment, outweighing the needs for more function space. Technology and connectivity needs drive bandwidth requirements higher, while clients seek innovative smart building technologies including audio visual, climate control, signage, and key access.

Current plans for convention center expansions and renovations far outweigh those for new development, as detailed in Figure 3-3.

**FIGURE 3-3
NEW & EXPANDED FACILITIES UNDER DEVELOPMENT**

Venue	City	New Build	Expansion	Renovation	HQ Hotel	Expected Completion
Georgia World Congress Center Authority	Atlanta, GA		✓			2019
Caesars Forum	Las Vegas, NV	✓				2020
Cox Business Center	Tulsa, OK		✓			2020
Kalahari Resorts & Conventions Round Rock	Round Rock, TX	✓				2020
Las Vegas Stadium	Las Vegas, NV	✓			✓	2020
Memphis Convention Center	Memphis, TN			✓		2020
Oklahoma City Convention Center	Oklahoma City, OK	✓				2020
Roland E. Powell Convention Center	Ocean City, MD		✓			2020
The Broadmoor	Colorado Springs, CO		✓			2020
WorldMarket Center	Las Vegas, NV		✓			2020
Wynn Encore, Wynn Park	Las Vegas, NV		✓			2020
Brown County Expo Center	Ashwaubenon, WI	✓				2021
Charlotte Convention Center	Charlotte, NC		✓			2021
Gaylord Palms Resort & Convention Center	Kissimmee, FL		✓			2021
Harrah's Cherokee Casino	Cherokee, NC		✓			2021
Infinite Energy Center	Duluth, GA		✓			2021
Jacob K. Javits Convention Center	New York, NY		✓			2021
NRG Park	Houston, TX			✓		2021
SAFE Credit Union Convention Center	Sacramento, CA		✓			2021
Stormont Vail Events Center	Topeka, KS		✓			2021
Walt Disney World Swan & Dolphin Resort	Lake Buena Vista, FL		✓			2021
Lexington Convention Center	Lexington, KY		✓			2022
Washington State Convention Center	Seattle, WA		✓			2022
Broward County Convention Center	Ft. Lauderdale, FL		✓		✓	2023
Colorado Convention Center	Denver, CO		✓			2023
Las Vegas Convention Center	Las Vegas, NV		✓			2023
Marriott Marquis Miami Worldcenter Hotel & Expo Center	Miami, FL	✓				2023
National Western Center	Denver, CO		✓			2023
Orange County Convention Center	Orlando, FL		✓			2023
Calgary Stampede	Calgary, AB		✓			2024
America's Center	St. Louis, MO		✓			TBD
San Diego Convention Center	San Diego, CA		✓			TBD

Source: Trade Show Executive, Respective Venues

The type of supply growth has transformed in recent years to meet planners' needs. Meeting and breakout sessions have become more common during large conventions, thus increasing the need for additional meeting space and/or flexible function space. Several future venue expansions will respond to this trend. The Colorado Convention Center expansion includes an 80,000-square foot ballroom and a 50,000-square foot outdoor roof terrace, the Washington State Convention Center addition will include a 100,000-square foot "flex hall," and the Charlotte Convention Center is expanding its meeting space to allow for 54 simultaneous breakout sessions.

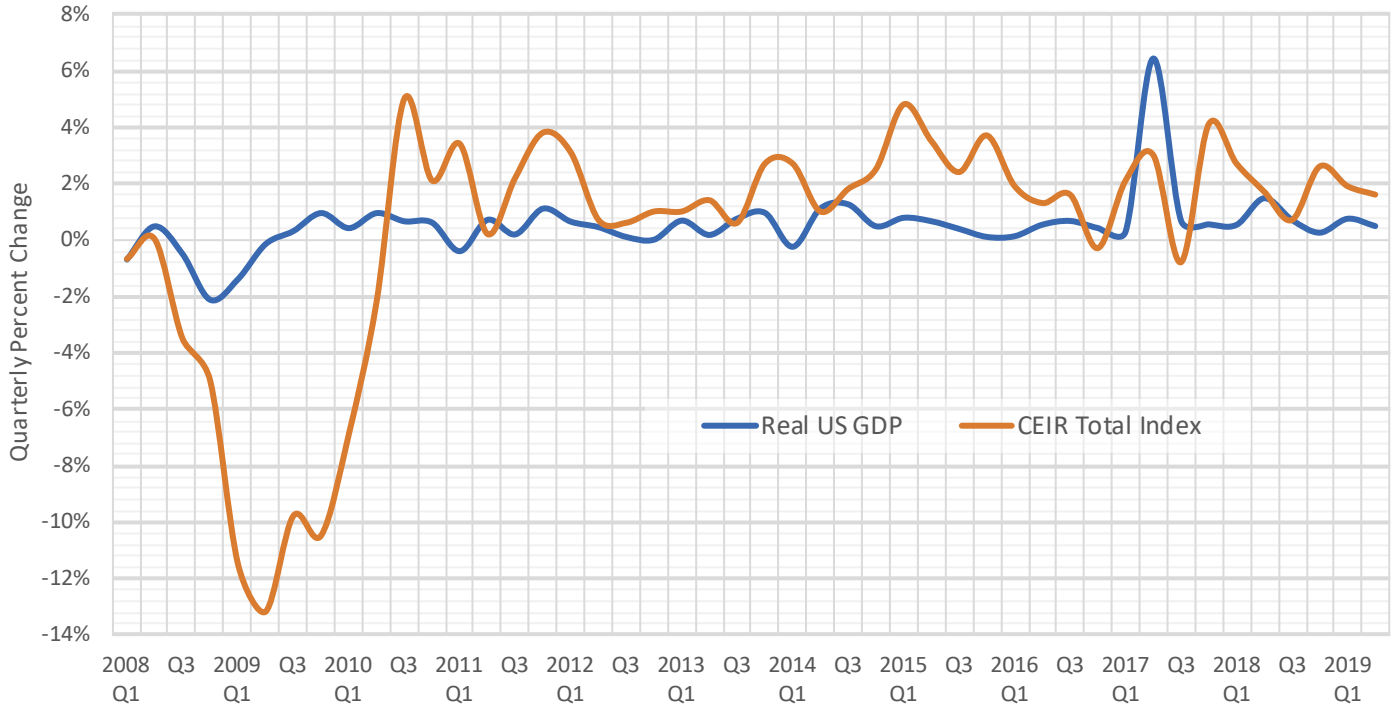
As the industry has matured, meeting planner expectations for service and quality have increased. Recent and planned renovations of both large and small convention centers focus not only on technology improvements, but also on providing high-quality finishes, furnishings, and lighting. Many venues are striving to provide high-quality food and beverage service, requiring larger, more modern kitchens and improved delivery service.

Cities have also recognized that the attendees' experience extends beyond the walls of the convention center. Plentiful, attached and adjacent lodging has become a key point of comparison for event planners. Adjacent full-service hotel properties not only provide convenient lodging options for attendees, but also additional meeting and banquet spaces for events. Over the past few years, convention markets have recognized the importance of an active and vibrant Convention Center district. Parks, plazas, and retail outlets allow attendees to experience the local atmosphere during breaks, while restaurants, bars, and entertainment venues provide convenient and safe after hours' activities. Houston has recently completed Avenida Houston, an entertainment and cultural district. Avenida Houston, in front of the George R. Brown Convention Center, runs from Minute Maid Park to the Hilton Americas Houston hotel. Attractions and amenities include restaurants and night clubs, a 1,000-room Marriott Marquis hotel, public art displays, parking garages, and Discovery Green, a 12-acre urban park. Multiple cities throughout North America are actively pursuing convention center district development to create an appealing destination for meeting attendees, other visitors, and residents.

Demand Trends

The Center for Exhibition Industry Research (CEIR) has created an index of "total" demand in the convention and meeting industry and compared the demand index to the United States GDP. Figure 3-4 demonstrates how the combined or "Total" demand index shown in the above chart moves in step with the U.S. GDP.

FIGURE 3-4
GROWTH IN EXHIBITION DEMAND VS. GDP GROWTH (% CHANGE)

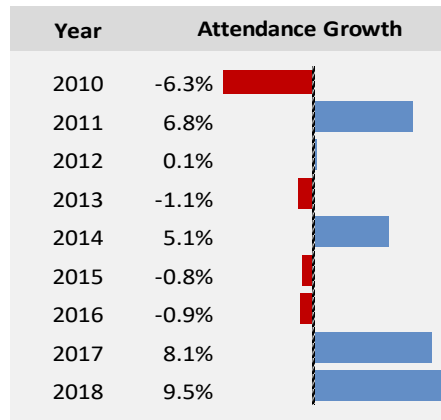


Sources: Center for Exhibition Industry Research & Bureau of Economic Analysis

During the recession, limited funding mechanisms slowed supply growth as demand also decreased. Corporations, associations, and governmental entities decreased total demand for convention and meeting space in 2009, largely due to strained budgets. The year 2010 saw growth in GDP as well as the beginnings of a recovery in the exhibition industry. Subsequent years have seen both steady growth in GDP and continued growth in convention and meeting demand.

Following the national recession, attendance growth at convention venues in North America has lagged exhibition demand, with recovery beginning in 2011, as presented in Figure 3-5.

FIGURE 3-5
NORTH AMERICAN GROWTH IN CONVENTION CENTER ATTENDANCE



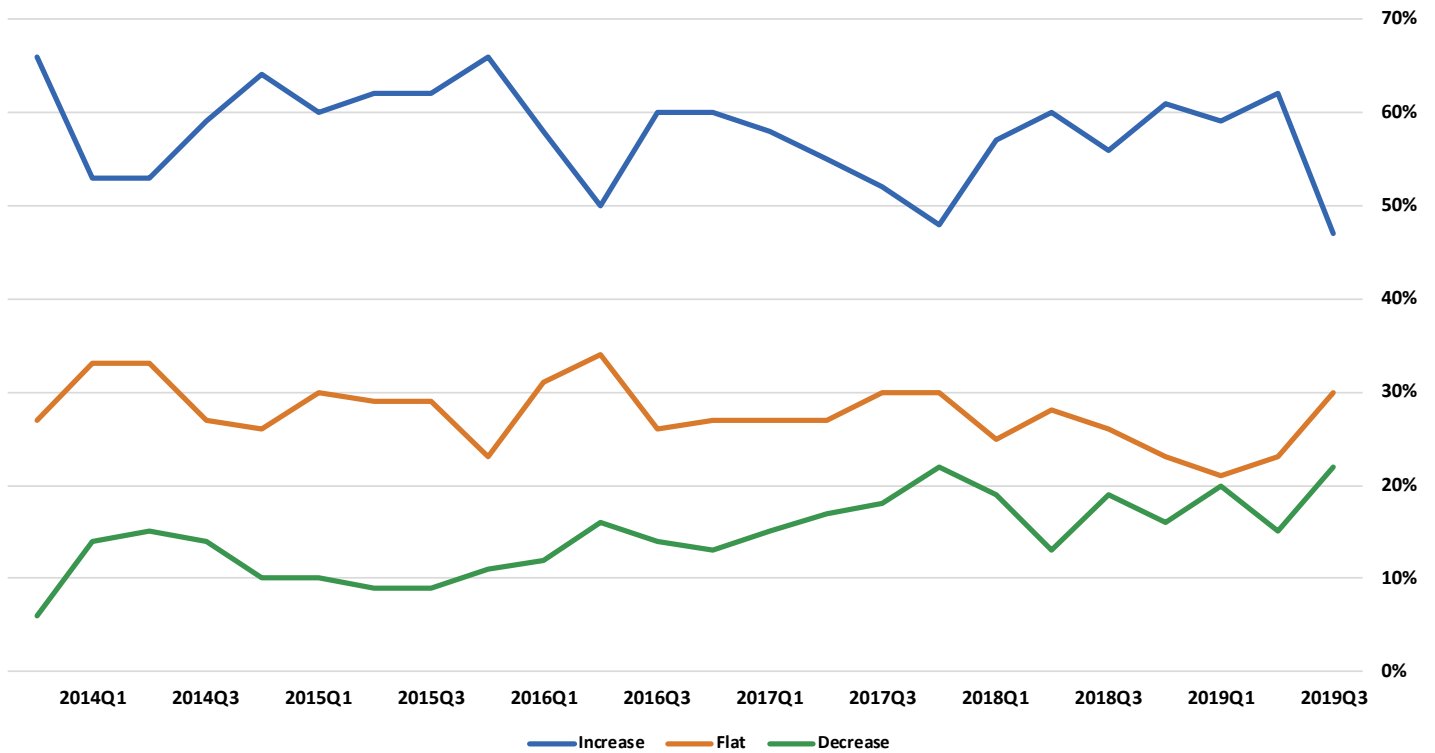
Source: AIPC 2018 Member Survey

After two consecutive years of declining attendance, North American venues are expected to see increases in 2017. For the five-year period from 2011 through 2016, convention center attendance in North America grew a modest 5.5%. Worldwide growth was nearly 14% with venues in Europe and Asia experiencing double-digit growth rates

The AIPC 2019 Member Survey does not forecast attendance growth; however, they reported that 90% of North American venues anticipate attendance holding steady or increasing modestly or substantially over the next three to five years.

Meeting Professionals International (“MPI”) regularly surveys event planners to assess attendance forecasts for the coming year, asking them to indicate whether they believe attendance will increase, decrease, or remain flat. Figure 3-6 presents the results of these surveys for the past several quarters.

**FIGURE 3-6
ATTENDANCE FORECASTS**

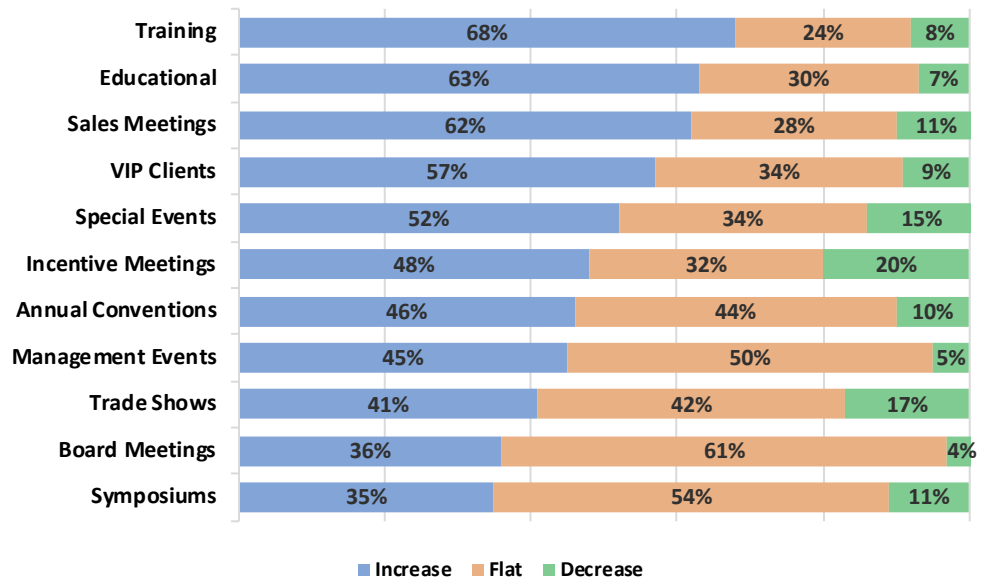


Source: MPI Meetings Outlook

In recent months, the percentage of planners expecting event attendance to increase has fallen below 50%. The percentage of planners projecting decreases in attendance has grown above 20% in recent months, while the percentage of planners projecting no change in attendance has returned to around 30%.

The type of meeting plays an important role in the planners' forecasts. Figure 3-7 segments the projected number of events by type.

**FIGURE 3-7
FORECASTS BY EVENT TYPE**



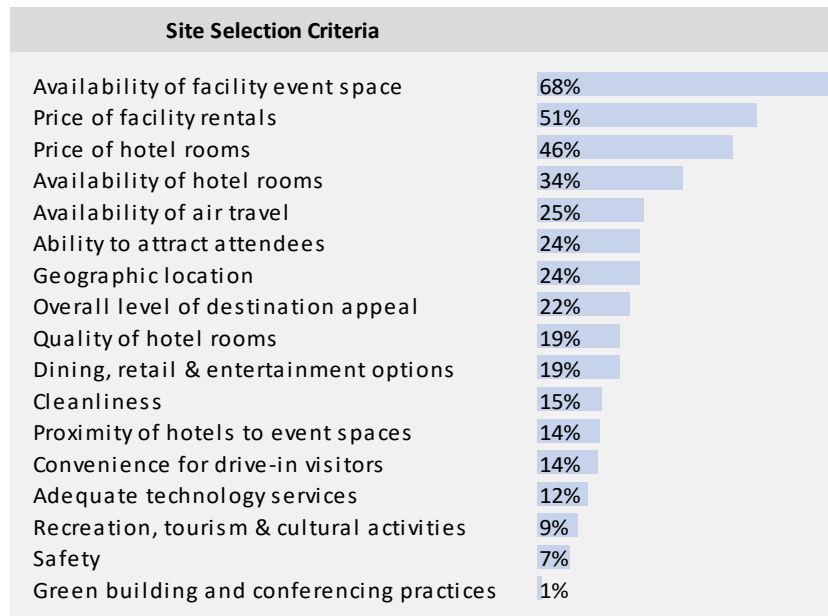
Source MPI Meetings Outlook

Training, educational events, and sales meetings will see the most increases in events and attendance. As the economy improves, increases in hiring and investment in employees likely drive this trend.

Event Selection Criteria

Over the past several years, HVS has surveyed over ten thousand event planners asking them to identify their top criteria for selecting a city and venue for their events. Figure 3-8 presents the summary results of these surveys highlighting the most often mentioned selection criteria.

FIGURE 3-8
SITE SELECTION CRITERIA FOR PLANNERS



Source: HVS

Availability and price of facility rental are the two most often mentioned criteria for selecting an event location. In addition to actual facility size, the survey indicates that site selection is largely based on two other important amenities - hotels and airports. This reaffirms the changing dynamic of the convention and meeting industry that is now focused on reducing costs for the hosting organization and its attendees as well as maximizing accessibility.

Convention and Meeting Trends for the Future

Over the past few decades, the meeting and convention industry has evolved dramatically from a budding industry to a more mature one that has become an important driver of the national economy. As an established industry, the meeting and convention industry has been marked by rapid growth in the last four decades and a subsequent slowdown in supply growth in the late 2000s. The economic recession significantly impacted the level of demand and available budgets for conventions and meetings. In the current decade, the industry continues to evolve as economic recovery occurs.

Changes in Demand and Supply Transformation: As discussed earlier, the maturity of the industry has sharply increased competition. Nearby or attached hotel rooms, flexible meeting space, price points at convention centers and hotels, and airport capacity and rates continue to drive site selection, and thus dictate how

supply changes over time. The quality of convention facilities and hotels continues to be a key factor in site selection.

Technology: Technology advancements have shifted the nature and focus of the meetings industry. As attendees become more comfortable with a paperless, digital platform, demand for facility-wide Wi-Fi, greater bandwidth, and even more power outlets has increased. Planners and attendees have less need for generic conference spaces, preferring a more interactive environment with flexible layouts, furniture, and audio-visual capabilities. Technology has also enabled a new level of service from convention venues. Automated assistance devices and apps can put a planner or attendee in direct contact with event service or food and beverage personnel. Quality acoustics and lighting are also becoming increasingly sought-after amenities.

Travel Costs: Organizations hosting and planning events continue to work with tightened budgets, as do attendees. Recent increases in travel costs have decreased the desire to travel for some attendees and exhibitors. In the long run, expansions in the transportation system and continued innovations, as well as improved economic conditions, are likely to support the growth of the meeting industry.

Electronic Meetings: In recent years, industry experts have speculated that improvements in telecommunications technology would supplant the need for face-to-face meetings. While data indicates that some meetings and events have been replaced by webinars or other electronic forms of meetings, in the long run, electronic meetings act as a demand generator for future meeting growth by expanding the networks and interactions of businesses and organizations. Further advancements in communications technology will be necessary before electronic meeting becomes a realistic substitute for face-to-face meetings.

Mixed-Use Developments: For many markets, the presence of conference and convention centers offer an opportunity to develop an adjacent mixed-use attraction with land uses such as hotels, retail, dining, sports venues, and other entertainment uses. Some conference and convention centers have become the center of their own “districts,” offering a wide variety of entertainment options to delegates, event organizers, or exhibitors. Attendees prefer districts that offer an authentic city experience. Local businesses that reflect the vibe of a destination are much preferred over chain restaurants and retail stores. The growth of mixed-use developments, particularly as economic conditions improved, will continue to change the meeting and convention industry as supply transforms.

Implications for Milwaukee

While the pace of growth in convention and event space slowed to a trickle during the recession, trends show a return to the development and expansion of venues across the country. Despite the recent economic recovery, the convention and

meeting industry remains highly competitive and price sensitive. Some of the recession's impacts will have lasting effects on the industry such as substitution to electronic meetings and reduced spending by associations and corporate event planners. Convention venues can distinguish themselves and overcome downward price pressures. Enhancing overall destination appeal through developing a convention center district is one such method that has been successful in many markets. Facility improvements that enhance quality, increase flexibility, and provide state-of-the-art technology in function spaces are necessary elements for future success. The Wisconsin Center would need to make similar efforts to be successful.

4. Comparable Venues

This analysis of comparable venues provides a basis for developing program recommendations and forecasts of event demand. HVS compared the function spaces, adjacent hotel capacities, and characteristics of the markets relevant to the success of a convention center.

Event planners select host cities for their events based on a wide range of criteria. These factors include the attributes of the convention facilities, lodging supply, the economic and demographic profile of the community, transportation access, tourism amenities, and overall destination appeal. At a minimum, a city must offer an event venue that meets user needs and for events that require lodging, an adequate supply of available hotel rooms near the venue. The price of venue rental and hotel rooms are also important to event planners. Cities that meet these threshold criteria, must then compete based on their destination appeal.

HVS analyzed two sets of venues and destinations.

- Public and privately-owned convention centers in Wisconsin, that may compete for state-based association and corporate group meeting events, and
- Venues of similar size and comparable cities that would compete for rotating national association events.

The venues and their locations are listed in the Figure 4-1 along with their location and the total amount of rentable function space.

**FIGURE 4-1
COMPARABLE VENUES**

Name of Venue	Location	Total Function Space (sf)	Exhibition Space	Ballroom Space	Meeting Space
In-State Competitors					
Alliant Energy Center	Madison	390,320	370,000	0	20,320
Wisconsin Center	Milwaukee	265,841	188,695	37,506	39,640
Wisconsin Expo Center	Milwaukee	202,727	198,989	0	3,738
Kalahari Resorts	Wisconsin Dells	115,078	0	89,760	25,318
La Crosse Center*	La Crosse	80,646	50,342	19,592	10,712
KI Convention Center	Green Bay	72,982	35,003	25,228	12,751
Monona Terrace Convention Center	Madison	62,830	37,200	13,524	12,106
Grand Geneva Resort & Spa	Lake Geneva	48,166	13,770	28,516	5,880
National Competitors					
Indiana Convention Center	Indianapolis	736,975	566,600	57,073	113,302
Americas Center	St. Louis	644,369	485,000	27,625	131,744
Kansas City Convention Center	Kansas City	598,954	434,800	64,580	99,574
Minneapolis Convention Center	Minneapolis	591,411	475,200	27,522	88,689
Greater Columbus Convention Center	Columbus	564,494	373,000	113,729	77,765
Music City Center	Nashville	518,643	353,143	75,500	90,000
David L. Lawrence Convention Center	Pittsburgh	423,046	313,106	33,058	76,882
Huntington Convention Center of Cleveland	Cleveland	318,225	225,000	43,175	50,050
Kentucky International Convention Center	Louisville	299,592	200,455	40,256	58,881
Duke Energy Convention Center	Cincinnati	296,972	195,320	57,311	44,341
Wisconsin Center	Milwaukee	265,841	188,695	37,506	39,640
CHI Health Center	Omaha	258,226	194,300	41,876	22,050
DeVos Place	Grand Rapids	234,243	162,000	40,000	32,243

*Reflects post-expansion square footage.

Source: Respective Venues

With 265,841 square feet of function space, the Wisconsin Center ranks second among the In-State Competitors in the amount of total function space, which ranges from 390,000 to 48,000 square feet. The New Holland Pavilions at the Alliant Energy Center create substantial exhibition space and place the Alliant Energy Center above the Wisconsin Center in terms of total function space.

The Wisconsin Center ranks eleventh among National Competitors in amount of total function space, which ranges from 737,000 to 48,000 square feet.

Exhibition Space Assessment

The amount and quality of exhibition space determines the size and type of events that a venue can accommodate and is critical for several types of events such as conventions, tradeshow, and consumer shows. A comparison of the exhibition space available at each of the selected comparable facilities provides an indication of the appropriate amount of space for Milwaukee and whether any further exhibition space is warranted.

**FIGURE 4-2
TOTAL EXHIBITION SPACE IN COMPARABLE VENUES**

Name	Location	Exhibit Space (sf)	# Halls
Alliant Energy Center	Madison	370,000	6
Wisconsin Expo Center	Milwaukee	198,989	3
Wisconsin Center	Milwaukee	188,695	4
La Crosse Center	La Crosse	50,342	4
Monona Terrace Convention Center	Madison	37,200	2
KI Convention Center	Green Bay	35,003	3
Grand Geneva Resort & Spa	Lake Geneva	13,770	3
Kalahari Resorts	Wisconsin Dells	0	0
Average		127,714	

National Competitors

Name	Location	Exhibit Space (sf)	# Halls
Indiana Convention Center	Indianapolis	566,600	11
Americas Center	St. Louis	485,000	6
Minneapolis Convention Center	Minneapolis	475,200	5
Kansas City Convention Center	Kansas City	434,800	6
Greater Columbus Convention Center	Columbus	373,000	4
Music City Center	Nashville	353,143	5
David L. Lawrence Convention Center	Pittsburgh	313,106	5
Huntington Convention Center of Cleveland	Cleveland	225,000	3
Kentucky International Convention Center	Louisville	200,455	5
Duke Energy Convention Center	Cincinnati	195,320	3
CHI Health Center	Omaha	194,300	3
Wisconsin Center	Milwaukee	188,695	4
DeVos Place	Grand Rapids	162,000	3
Average		320,509	5

Source: Respective Venues

With 188,695 square feet of dedicated exhibit space, the Wisconsin Center ranks third among In-State Competitors in amount of total exhibit space, which ranges from approximately 370,000 square feet to venues without any exhibition space.

**Ballroom Space
Assessment**

The Wisconsin Center ranks twelfth among National Competitors in the amount of total exhibit space, which ranges from 567,000 to 162,000 square feet.

In addition to social events that host banquets, several other types of events, such as conventions and tradeshow, typically require food services in a ballroom setting. General assemblies at conventions and tradeshow use a ballroom with a theater or banquet set-up. As facility operators attempt to grow food service revenues at their facilities and event planners seek a higher level of service for their attendees, the size of the ballroom often determines a venue's event size capacity. Figure 4-3 compares the amounts of available banquet space in the comparable and competitive venues.

**FIGURE 4-3
BALLROOM SPACE IN COMPETITIVE VENUES**

Name	Location	Ballroom Space (sf)	# Divisions
Kalahari Resorts	Wisconsin Dells	89,760	26
Wisconsin Center	Milwaukee	37,506	4
Grand Geneva Resort & Spa	Lake Geneva	28,516	18
KI Convention Center	Green Bay	25,228	8
La Crosse Center	La Crosse	19,592	6
Monona Terrace Convention Center	Madison	13,524	4
Wisconsin Expo Center	Milwaukee	0	0
Alliant Energy Center	Madison	0	0
	Average	35,688	10

National Competitors

Name	Location	Ballroom Space (sf)	# Divisions
Greater Columbus Convention Center	Columbus	113,729	8
Music City Center	Nashville	75,500	15
Kansas City Convention Center	Kansas City	64,580	7
Duke Energy Convention Center	Cincinnati	57,311	6
Indiana Convention Center	Indianapolis	57,073	11
Huntington Convention Center of Cleveland	Cleveland	43,175	5
CHI Health Center	Omaha	41,876	7
Kentucky International Convention Center	Louisville	40,256	5
DeVos Place	Grand Rapids	40,000	4
Wisconsin Center	Milwaukee	37,506	4
David L. Lawrence Convention Center	Pittsburgh	33,058	3
Americas Center	St. Louis	27,625	10
Minneapolis Convention Center	Minneapolis	27,522	2
	Average	50,709	7

Source: Respective Venues

With 37,506 square feet of dedicated ballroom space, the Wisconsin Center ranks second among In-State Competitors in amount of total ballroom space, which ranges from approximately 90,000 square feet to venues without any ballroom space.

The Wisconsin Center ranks tenth among National Competitors in the amount of total ballroom space, which ranges from 114,000 to 28,000 square feet.

**Meeting Space
Assessment**

Meeting rooms can accommodate sub-groups as they break out of larger general sessions at conventions and tradeshows. Additionally, these smaller rooms can support self-contained meetings, training sessions, seminars, classes, and a variety

of small meeting functions. A facility’s meeting rooms are often its most frequently used function spaces. Generally, convention centers should offer meeting space proportionate to the amount of exhibition and ballroom space available at the facility. However, the optimum amount of meeting space can vary depending on type of events that a city may attract and the needs of event planners.

Figure 4-4 presents a comparison of available meeting space in the comparable and competitive venues.

FIGURE 4-4
MEETING SPACE IN COMPARABLE VENUES

Name	Location	Meeting Space (sf)	# Rooms
Wisconsin Center	Milwaukee	39,640	28
Kalahari Resorts	Wisconsin Dells	25,318	21
Alliant Energy Center	Madison	20,320	14
KI Convention Center	Green Bay	12,751	14
Monona Terrace Convention Center	Madison	12,106	17
La Crosse Center	La Crosse	10,712	12
Grand Geneva Resort & Spa	Lake Geneva	5,880	9
Wisconsin Expo Center	Milwaukee	3,738	6
Average		16,308	15

National Competitors

Name	Location	Meeting Space (sf)	# Rooms
Americas Center	St. Louis	131,744	89
Indiana Convention Center	Indianapolis	113,302	71
Kansas City Convention Center	Kansas City	99,574	42
Music City Center	Nashville	90,000	60
Minneapolis Convention Center	Minneapolis	88,689	87
Greater Columbus Convention Center	Columbus	77,765	75
David L. Lawrence Convention Center	Pittsburgh	76,882	53
Kentucky International Convention Center	Louisville	58,881	50
Huntington Convention Center of Cleveland	Cleveland	50,050	30
Duke Energy Convention Center	Cincinnati	44,341	30
Wisconsin Center	Milwaukee	39,640	28
DeVos Place	Grand Rapids	32,243	26
CHI Health Center	Omaha	22,050	12
Average		71,166	50

Source: Respective Venues

**Adjacent Hotel
Capacity**

With 39,640 square feet of dedicated meeting space, the Wisconsin Center ranks first in the amount of total meeting space, which ranges from approximately 39,640 to 4,000 square feet among In-State Competitors.

The Wisconsin Center ranks eleventh among National Competitors in the amount of total meeting space, which ranges from 132,000 to 22,000 square feet.

The quality and proximity of hotel supply represents one of the most important selection factors for facility users. To attract out-of-town groups, an adequate supply of nearby hotel rooms should support the lodging needs of delegates, exhibitors, and other attendees. Event planners consider proximity and connectivity as critical factors when evaluating the overall hotel package. The number of rooms offered at adjacent or connected hotels is a key point of comparison. Other important factors include hotel brands, service levels, building conditions, quality of service, ease of access, and available meeting and banquet spaces in these hotels.

Figure 4-5 compares the number adjacent hotel rooms in the comparable and competitive venues.

**FIGURE 4-5
ADJACENT HOTEL ROOMS IN COMPARABLE VENUES**

Name	Location	Adjacent Hotel Rooms
Wisconsin Center	Milwaukee	1,368
Kalahari Resorts	Wisconsin Dells	750
KI Convention Center	Green Bay	356
Grand Geneva Resort & Spa	Lake Geneva	355
La Crosse Center	La Crosse	283
Monona Terrace Community and Convention Center	Madison	240
Alliant Energy Center	Madison	140
Wisconsin Expo Center	Milwaukee	0
Average		499

National Competitors

Name	Location	Adjacent Hotel Rooms
Indiana Convention Center	Indianapolis	4,754
Duke Energy Convention Center	Cincinnati	1,919
Minneapolis Convention Center	Minneapolis	1,787
Huntington Convention Center of Cleveland	Cleveland	1,484
Americas Center	St. Louis	1,422
Wisconsin Center	Milwaukee	1,368
Kansas City Convention Center	Kansas City	1,185
Greater Columbus Convention Center	Columbus	1,163
Music City Center	Nashville	1,130
DeVos Place	Grand Rapids	1,016
Kentucky International Convention Center	Louisville	1,009
David L. Lawrence Convention Center	Pittsburgh	798
CHI Health Center	Omaha	600
Average		1,510

Source: Respective Venues

With 1,368 adjacent hotel rooms, the Wisconsin Center ranks first in the number of adjacent rooms, which ranges from 1,368 to venues without any adjacent rooms among In-State Competitors.

The Wisconsin Center ranks sixth among National Competitors in the number of adjacent rooms, which ranges from 4,800 to 600 adjacent rooms.

Air Service Capacity

Transportation links, including airports, play a critical role in the success of convention centers that target regional and national user groups. Air service

capacity, generally measured as total annual passenger volume, indicates the relative convenience of a destination.

Figure 4-6 presents 2018 passenger traffic data as measured by enplanements, for the primary airports serving the competitive markets.

**FIGURE 4-6
ANNUAL AIRPORT ENPLANEMENTS**

City	Airport Name	Enplanements
Milwaukee	General Mitchell International Airport	7,097,627
Lake Geneva	General Mitchell International Airport	7,097,627
Madison	Dane County Regional Airport	2,157,861
Wisconsin Dells	Dane County Regional Airport	2,157,861
La Crosse	La Crosse Municipal Airport	190,228

Annual Airport Enplanements		
City	Airport Name	Enplanements
Minneapolis	Minneapolis St. Paul International Airport	38,037,381
Nashville	Nashville International Airport	15,996,029
St. Louis	Lambert St. Louis International Airport	15,632,586
Kansas City	Kansas City International Airport	11,841,289
Pittsburgh	Pittsburgh International Airport	9,658,897
Cleveland	Cleveland Hopkins International Airport	9,642,729
Indianapolis	Indianapolis International Airport	9,413,962
Cincinnati	Cincinnati/Northern Kentucky International Airport	8,865,568
Columbus	John Glenn Columbus International Airport	8,141,656
Milwaukee	General Mitchell International Airport	7,097,627
Omaha	Eppley Airfield	5,043,194
Louisville	Louisville International Airport	3,866,057
Grand Rapids	Gerald R. Ford International Airport	3,265,242

Source: Respective Airports

The General Mitchell International Airport services passengers for both Milwaukee and Lake Geneva. General Mitchell International Airport ranks first among In-State Competitors in the number of enplanements—with over triple the number of enplanements at Dane County Regional Airport.

While General Mitchell International Airport ranks first among In-State Competitors, it ranks tenth amongst National Competitors. The presence of airport options in nearby Chicago likely decreases the number of enplanements from General Mitchell. General Mitchell has a comparable number of enplanements when compared to markets of similar sizes as Milwaukee.

Changes in Competitive Venue Supply

As the competitive landscape is constantly shifting, many cities have considered new or expanded convention center developments. The following list of developments shows that only some attempts to develop new venues or expand existing venues have been successful. Some projects remain in an early planning stage.

- The La Crosse Center in La Crosse, Wisconsin is expected to complete a renovation and expansion project in 2021. This expansion will introduce new ballroom and meeting space, while renovations will focus on exhibit space and the arena within the La Crosse Center.
- The Alliant Energy Center in Madison, Wisconsin is currently designing an expansion to its Exhibition Hall and campus.
- The Brown County Expo Center in Ashwaubenon, Wisconsin is under construction and expected to be completed in 2021. The Brown County Expo Center will feature three convention halls and 125,000 square feet of exhibit space.
- Kalahari Resorts and Conventions in Wisconsin Dells, Wisconsin completed an expansion in 2019, which resulted in larger exhibit and flexible space available at the venue.
- The Indianapolis Convention Center in Indianapolis, Indiana is considering an expansion to provide approximately 50,000 square feet of additional ballroom space. The convention center expansion also aims to introduce two additional hotels near the convention center.
- The Duke Energy Convention Center in Cincinnati, OH is considering an expansion project that would also include the redevelopment of the Millennium Hotel.
- The America's Center Convention Complex in St. Louis, Missouri recently agreed to financing terms for an expansion project. The expansion of the America's Center will introduce 92,000 square feet of exhibit space and 65,000 square feet of ballroom space.

The change in the competitive supply for local and national competitors focuses on the introduction of flexible meeting and exhibit space. The meeting venue supply in Wisconsin and the Midwest continues to evolve and renovate to capture new demand.

These initiatives by the owners of the comparable and competing convention centers demonstrate that ongoing investment in facilities and destination improvement is necessary to remain competitive.

Destination Analysis

To maximize attendance, event planners seek attractive destinations for their events. The availability of amenities that support tourist visitation and overall attractiveness of a destination play important roles in event planner decisions. To assess the suitability of a city for convention center events, we defined the destination as an area within a 15-minute walk of the convention center.

HVS used Esri Business Analyst Online (“Esri”) to compare the suitability of an event destination to competitive cities. Esri is a well-regarded forecasting service that applies geographic information system technology (“GIS”) to produce extensive demographic, consumer spending, and business data analyses. Esri employs a sophisticated location-based model to forecast economic and demographic trends. Esri models rely on U.S. census data, the American Community Survey, and other primary research.

Using Esri data, HVS ranked the competitive venues in the national comparable venue set on nine indicators of destination quality. The first four variables compare destinations from a citywide perspective. The final five variables assess the area within a 15-minute walk of the convention center to compare the amenities specifically around the venue. To supplement Esri data on lodging availability, HVS used STR figures to calculate available hotel rooms within a 15-minute walk of the convention center.

Citywide Parameters

- 2019 Total Population—The size of the local area population data provides evidence of a community’s ability to support public services and visitor amenities, and potential demand for local events.
- 2019 Median Household Income—Median household income provides an overall measure of community well-being. It indicates a community’s ability to support and sustain a venue and its surrounding neighborhood and market.
- Public Transportation Spending—Total sales of public transportation indexed to enable comparisons between cities. Higher spending on public transportation indicates a more accessible city for visitors.
- Number of Businesses—The number of businesses indicates the level of corporate and industry presence. The density and breadth of a city’s

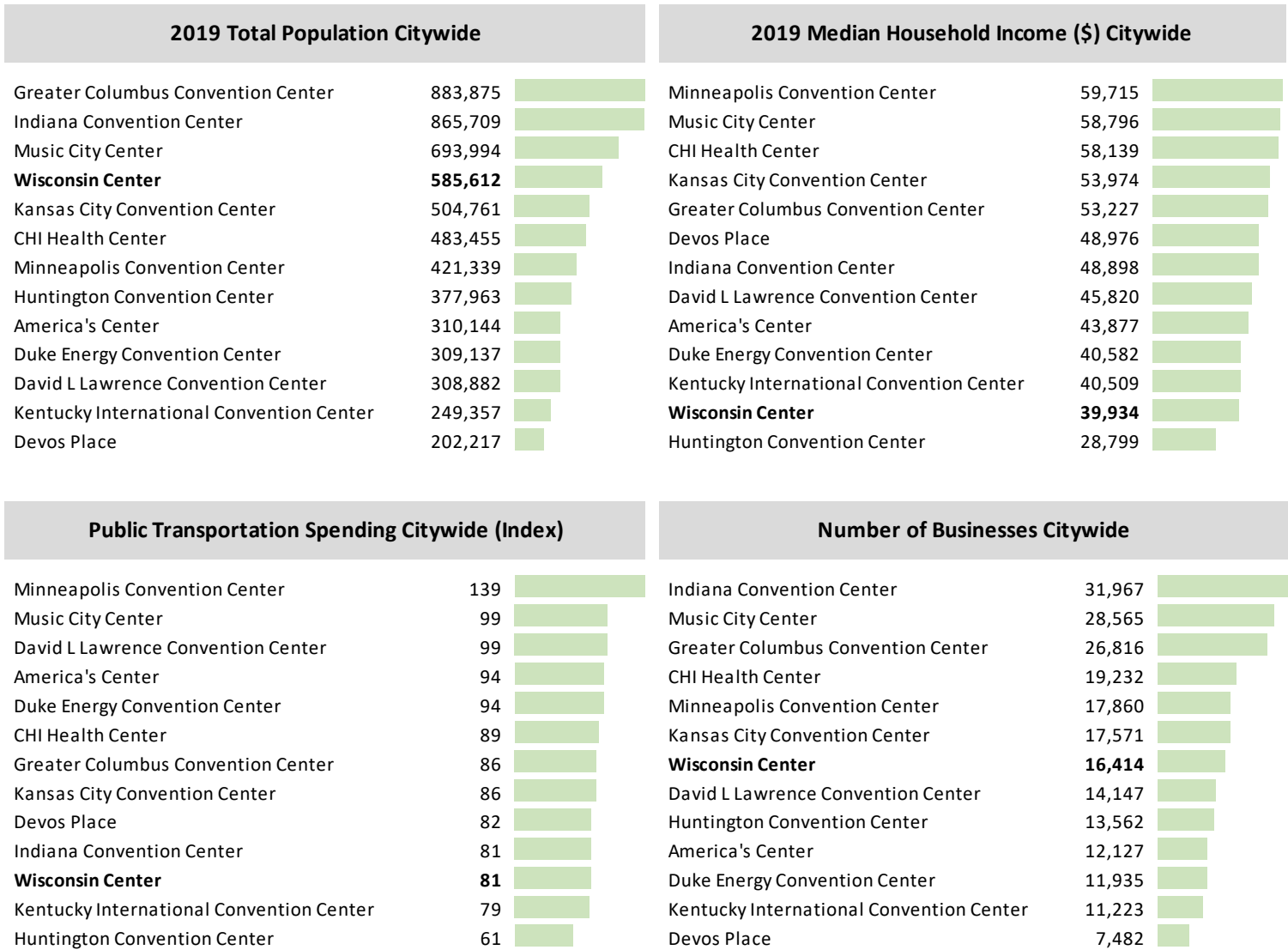
corporate base indicates demand potential in the meetings industry. Businesses generate demand for conventions, conferences, training, and other industry-specific events.

Convention Center District Parameters (15-minute walk from venue)

- **Food Service & Drinking Businesses**—The number of food service and drinking businesses measures the presence of restaurants, bars and other outlets that support local and tourism visitation.
- **Arts, Entertainment & Recreation Businesses**—Arts, entertainment and recreation business enhance the quality and attractiveness of a destination.
- **Storefront Businesses**—A sum of the number of Food and Beverage Stores, Clothing and Accessory Stores, Sports, Hobby and Music stores, General Merchandise and Miscellaneous stores. This indicates the presence of retail shopping, grocery and liquor stores and other destination attractions for visitors.
- **Occupied Housing (%)**—The quality of the neighborhood around the convention center is very important. The more vacant housing indicates a lower quality area and is a large detractor from destination quality.
- **Hotel and Lodging Rooms**—The quantity of hotel supply represents one of the most important selection factors for facility users in recent years. To attract out-of-town groups, an adequate supply of nearby hotel rooms should support the lodging needs of delegates, exhibitors, and other attendees.

The data sets in Figure 4-7 rank the Wisconsin Center among the sets of competitive venue cities on each of the criteria described above.

**FIGURE 4-7
NATIONAL COMPARABLE DESTINATION ANALYSIS**



Food Service & Drinking Businesses (within 15 min.)

Minneapolis Convention Center	280	
David L Lawrence Convention Center	241	
Music City Center	215	
Duke Energy Convention Center	194	
Huntington Convention Center	186	
Wisconsin Center	176	
Greater Columbus Convention Center	176	
Indiana Convention Center	172	
Kentucky International Convention Center	148	
Kansas City Convention Center	134	
Devos Place	123	
America's Center	118	
CHI Health Center	74	

Arts, Entertainment & Recreation Businesses (within 15 min.)

Music City Center	87	
Duke Energy Convention Center	73	
Minneapolis Convention Center	72	
Wisconsin Center	62	
Indiana Convention Center	62	
David L Lawrence Convention Center	60	
Kentucky International Convention Center	53	
Kansas City Convention Center	50	
America's Center	48	
Huntington Convention Center	46	
Greater Columbus Convention Center	41	
Devos Place	36	
CHI Health Center	25	

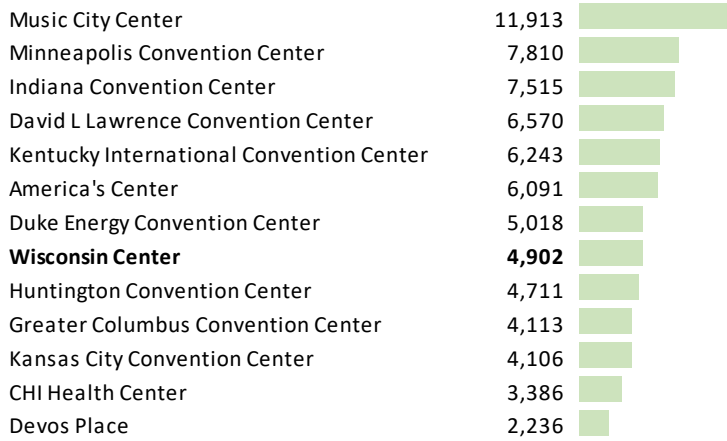
Storefront Businesses (within 15 min.)

David L Lawrence Convention Center	141	
Minneapolis Convention Center	139	
Duke Energy Convention Center	119	
Wisconsin Center	115	
Music City Center	100	
Indiana Convention Center	95	
Huntington Convention Center	89	
Greater Columbus Convention Center	87	
Kentucky International Convention Center	75	
Kansas City Convention Center	63	
Devos Place	54	
America's Center	54	
CHI Health Center	40	

Occupied Housing (%)

Indiana Convention Center	91	
Wisconsin Center	91	
Huntington Convention Center	91	
Greater Columbus Convention Center	90	
Devos Place	87	
Kentucky International Convention Center	86	
Minneapolis Convention Center	86	
David L Lawrence Convention Center	86	
Kansas City Convention Center	85	
Duke Energy Convention Center	83	
CHI Health Center	83	
Music City Center	79	
America's Center	72	

Hotel and Lodging Rooms (within 15 min.)



Source: ESRI

Summary of National Destination Indicators

Despite having one of the largest populations across the National Competitor set, Milwaukee ranks in the middle for number of businesses citywide and is amongst the bottom three cities in terms of public transportation spending and median household income.

The area surrounding the Wisconsin Center ranks better than Milwaukee as a whole, with the second highest percentage of occupied housing and an above average number of storefront businesses and arts, entertainment, and recreation businesses. The area surrounding the Wisconsin Center only ranks in the bottom half for the number of hotel rooms.

Destination Ranking

To assess the relative strength of each destination, HVS calculated a score for each convention area's ranking within the criteria. Destination quality criteria were weighted to reflect their importance to event planners.

Besides the nine categories discussed above, the number of airport enplanements and a cost index were included as criteria to calculate the aggregate ranking of cities. Airport enplanements indicates the ease of access for the destination and is a major factor in event planner decisions. The cost index is from the Bureau of Economic Analysis and uses the Regional Price Parity (RPP) statistic. RPP is based on a combination of price quotas from the Consumer Price Index and rent data from the American Community Survey. It provides a general indication of the cost of goods and services in that destination along with the cost of food, lodging, and entertainment.

Food service and drinking businesses, storefront businesses, the cost index, and airport enplanements were weighted the highest and occupied housing and public transportation index were weighted the lowest. Figure 4-8 shows the overall rank among the competitive cities. The first shows the score for each city on the criteria as well as the weights assigned and the second shows the aggregate score of the destinations.

**FIGURE 4-8
RANK ON ALL DESTINATION CRITERIA**

Weight (1 to 5)		1	2	1	2	4	4	3	2	5	4	3	2	Weighted Destination Score
Rank	City	2019 Total Population Citywide	2019 Median Household Income (\$) Citywide	Public Transportation Spending Citywide (Index)	Number of Businesses Citywide	Food Service & Drinking Businesses (within 15 min.)	Arts, Entertainment & Recreation Businesses (within 15 min.)	Storefront Businesses (within 15 min.)	Occupied Housing (%)	Hotel and Lodging Rooms (within 15 min.)	Cost Index	Airport Enplanements	CTI	
1	Music City Center	0.72	0.97	0.49	0.86	1.00	0.76	1.00	0.74	0.58	0.62	0.77	0.83	0.779
2	CHI Health Center	0.41	0.95	0.36	0.48	0.68	1.00	0.40	0.39	1.00	0.71	0.11	0.00	0.621
3	Greater Columbus Convention Center	1.00	0.79	0.32	0.79	0.81	0.56	0.46	0.72	0.45	0.75	0.29	0.08	0.578
4	Minneapolis Convention Center	0.32	1.00	1.00	0.42	0.58	0.77	0.44	0.60	0.29	0.00	1.00	1.00	0.562
5	Kansas City Convention Center	0.44	0.81	0.32	0.41	0.48	0.60	0.51	1.00	0.55	0.68	0.52	0.20	0.560
6	Indiana Convention Center	0.97	0.65	0.26	1.00	0.50	0.60	0.51	0.98	0.28	0.76	0.11	0.20	0.532
7	America's Center	0.16	0.49	0.42	0.19	0.36	0.45	0.47	0.74	0.41	0.94	0.74	0.28	0.506
8	David L Lawrence Convention Center	0.16	0.55	0.49	0.27	0.50	0.26	0.50	0.93	0.19	0.63	0.38	0.40	0.428
9	Wisconsin Center	0.56	0.36	0.26	0.36	0.54	0.34	0.51	0.98	0.26	0.52	0.23	0.24	0.419
10	Duke Energy Convention Center	0.16	0.38	0.42	0.18	0.29	0.40	0.46	0.69	0.19	0.70	0.00	0.45	0.361
11	Kentucky International Convention Center	0.07	0.38	0.23	0.15	0.21	0.37	0.32	0.00	0.40	0.93	0.04	0.19	0.329
12	Huntington Convention Center	0.26	0.00	0.00	0.25	0.00	0.00	0.44	0.60	0.12	1.00	0.38	0.53	0.305
13	Devos Place	0.00	0.65	0.27	0.00	0.24	0.18	0.47	0.78	0.00	0.70	0.00	0.13	0.282

**Implications for
Milwaukee**

On aggregate, Milwaukee scores 8th among comparable cities with competitors for the Wisconsin Center. Milwaukee does not score the highest in any categories. Improving the number of hotel and lodging rooms within 15 minutes of the Wisconsin Center should allow the Wisconsin Center to remain competitive with other venues across the Midwest.

Overall, the expansion trend in comparable markets seems to focus on the renovation and introduction of exhibition and flexible space. Given the existing composition of the exhibition, ballroom, and meeting space at the Wisconsin Center, an expansion focused on exhibition and flexible space will position the Wisconsin Center for success moving forward.

5. Building Program Plan

The building program plan presented herein describes the floor areas of various types of function spaces as well as other important amenities for the existing Wisconsin Center. The building program plan for the proposed expansion of the Wisconsin Center is based on previous market research and architectural planning studies conducted on behalf of the WCD.

The Wisconsin Center serves the city well as the main convention center venue, hosting a variety of events including conventions, trade shows, consumer shows, meeting, and social events. Adjacent to the Wisconsin Center, the 8,900-seat UW-Panther Arena and the 4,100-seat Miller High Life Theatre host a variety of sports and entertainment events. These venues also house function spaces that host stand-alone meetings and banquets and serve as additional function space for Wisconsin Center events. A single management team under the Wisconsin Center District operates the three facilities.

Currently, the Wisconsin Center houses approximately 266,000 square feet of total function space. Function spaces include exhibit halls, ballrooms, and meeting rooms. Figure 5-1 presents a summary of existing function spaces at the Wisconsin Center, the UW-Panther Arena, and the Miller High Life Theatre.

**FIGURE 5-1
EXISTING FUNCTION SPACES**

Event Space	Total Area (SF)	Capacities				
		Theatre	Classroom	Banquet	Reception	Booths (10'x10')
Wisconsin Center						
Exhibit Halls (Third Floor)	188,695	18,300	9,272	9,120		986
Hall A	63,060	5,700	2,928	3,120		326
Hall B	31,005	2,958	1,468	1,440		170
Hall C	31,115	2,916	1,432	1,440		163
Hall D	63,515	5,664	2,904	3,120		330
Ballroom (First Level)	37,506	3,840	1,840	2,100	3,756	
Section A	6,160	600	312	300	616	
Section B	6,248	590	304	300	625	
Section C	12,690	1,452	736	700	1,264	
Section D	12,408	1,337	712	700	1,264	
Meeting Rooms	39,640					
Block A (Street Level)	19,820					
101 A & B & C & D	5,192	547	252	280	525	
102 A & B & C & D & E	8,349	857	438	450	840	
103 A & B & C & D & E	6,279	695	338	340	644	
Block B (Second Floor)	19,820					
201 A & B & C & D	5,192	547	252	280	525	
202 A & B & C & D & E	8,349	857	438	450	840	
203 A & B & C & D & E	6,279	695	338	340	644	
Total WC Floor Area	265,841					
Other Wisconsin Center District						
UW-Panther Arena						
Arena Floor	24,000	12,700*	1,000	1,500		155
Arena Exhibit Hall	17,340					
Miller High Life Theater						
Main Hall	31,897	4,087				
Rotunda	32,815				1,000	
Plankinton Hall	6,131	650			400	
Kilbourn Hall	3,993	390			250	
Kilbourn Hall Rotunda	1,581				50	

* 8,901 fixed seats

Source: WCD

Currently, the Wisconsin Center hosts approximately 115 group events per year, while the Wisconsin Center District hosts approximately 275. The groups using the Wisconsin Center include corporations and associations, social groups, and families. The functions spaces at the Wisconsin Center host a variety of events, including conventions, tradeshow, consumer shows, conferences, meetings, banquets, and exhibit hall sporting events. However, the existing function space at

the Wisconsin Center ranks poorly against national competitors. Failure to improve the Wisconsin Center—in tandem with expansions and renovations to several in-state and national competitive destinations—would further erode Milwaukee’s competitiveness and its share of state and national meetings.

Facility Program Plans

The proposed building program plan would place the proposed Wisconsin Center Expansion in a position to attract new national, regional, and state conventions and tradeshows to the Milwaukee market. The venue could also serve the customer base currently using the Wisconsin Center, Wisconsin State Fair Park, hotel properties, and other venues in Milwaukee, allowing many events, which face venue size restrictions to grow. The proposed Wisconsin Center expansion would continue to accommodate local demand for conferences, meetings, banquets, and civic events.

Functional requirements of the expanded Wisconsin Center revolve around the principle that the venue must host simultaneous events with different venue needs, such as trade shows that use exhibition space and corporate meetings that use meeting and banquet space. Banquet and meeting spaces should accommodate large conventions with flexible divisions that can also serve as meeting and banquet space for smaller association and corporate events. Back of house spaces, including the loading dock and storage areas, should serve multiple events without hindering the efficiency of another event’s operation.

Prior planning studies have called for the addition of over 200,000 square feet of new function space, largely focused on the creation of exhibit and multipurpose space.

Facility Expansion Specifications

An additional exhibit hall could be accommodated on the upper level of the Wisconsin Center and multipurpose space that could serve exhibits, banquets and meetings could be constructed on the ground level. Figures 5-2 and 5-3 show how the Wisconsin Center expansion will change the size and divisibility of function spaces at the Wisconsin Center.

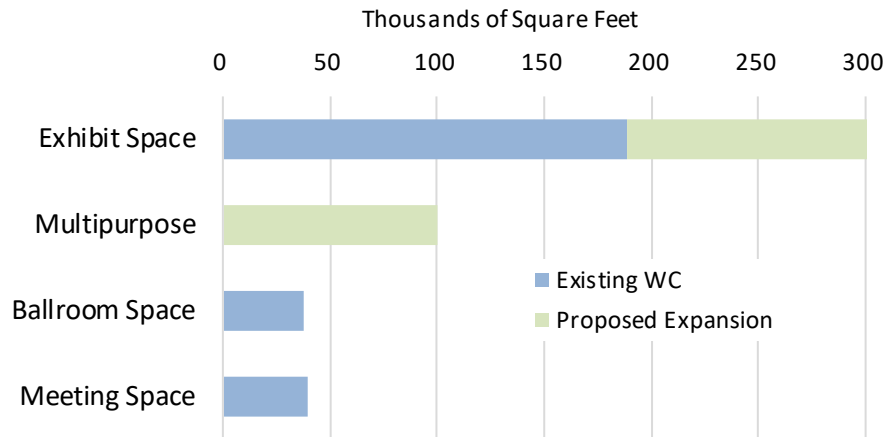
**FIGURE 5-2
BUILDING PROGRAM SPECIFICATIONS**

Function Space	Existing		Expansion*		Total	
	Size (SF)	Divisions	Size (SF)	Divisions	Size (SF)	Divisions
Floor Areas						
Exhibit Space	188,695	4	115,000	7	303,695	11
Multipurpose	0	0	100,000	30	100,000	30
Ballroom Space	37,506	4	0	7	37,506	11
Meeting Space	39,640	28	0	48	39,640	76
Total Space	265,841		215,000		480,841	

*Approximate floor areas based on early planning studies.

Source: WCD

**FIGURE 5-3
BUILDING PROGRAM SPECIFICATIONS**



Source: WCD

Following its expansion, the Wisconsin Center will contain approximately 295,000 square feet of exhibit space and total rentable function space of over 470,000 square feet. Future planning efforts will refine the building program.

Exhibit Hall Expansion

While site constraints and other design issues will affect the final layout of the exhibit hall expansion, the expanded exhibit hall would be contiguous with the existing exhibit hall for combined use during larger events. The proposed exhibit hall expansion will have unfinished floors and walls with ceilings heights suitable for exhibit and sporting events. The exhibit hall expansion will have convenient access to a corresponding expansion of pre-function and service access spaces. The new exhibit hall created during the expansion will allow an event to take place in one division while service for a separate event takes place in an adjoining hall.

Meeting and Ballroom Space Expansion

Meeting and ballroom spaces provide essential breakout space for larger conference and convention events and supports stand-alone meetings and food and beverage functions. Many events require distinct banquet space separated from a meeting room block. The expansion will increase the number of divisions available for meeting and banquet events. The multipurpose space at the expanded Wisconsin Center would provide flexibility for event planners. Multipurpose space can be configured as meeting, ballroom, or exhibit space—either as entirely one type of space or a combined use of space.

Event Support and Service Spaces

In addition to the function spaces provided above, the gross floor area of the expanded Wisconsin Center would include the following elements:

- Lobby and Pre-function Areas – A well-appointed lobby and pre-function areas provide meeting planners areas for greeting and registration, social gatherings, and well-defined public access to the exhibit hall, ballroom, and meeting rooms. This space is also appropriate for stand-alone receptions, meals, and other community events.
- Circulation – Circulation spaces provide movement for attendees into and through the Wisconsin Center. These areas would include end hallways, connecting walkways, and bridges as required. Depending on the concept plan, these areas could also include vertical circulation via stairwells, elevators, and escalators.
- Service access – Service corridors provide non-public access to the event hall and meeting rooms and connection to the facility’s loading docks, mechanical rooms, and storage.
- Loading areas – The expanded Wisconsin Center needs service access along with the drop-off zone, truck docks, and waste disposal areas.
- Storage – Adequate and convenient equipment storage is important to the efficient operation of the facility.
- Facility Operations – Additional systems should support the facility’s physical plant, including administrative offices as well as HVAC, plumbing, electrical and fire protection systems.

Cost Estimate

Based on the above parameters, the WCD estimates that expansion project costs could range between \$300 million to \$375 million in 2019 dollars. Additional escalation could be 4% per year beyond 2019. This cost estimate includes project soft costs, expansion, on-site parking, existing building modernization, and the construction of an elevated connection over Kilbourn Avenue.

6. Demand Analysis

HVS based event demand projections at the Wisconsin Center District (“WCD”) on the following research and analysis:

- The general program plan presented in Section 5,
- Historical WCD demand data,
- Industry data and trends reports,
- Key market and economic indicators outlined in Section 2, and
- Comparable venue program and demand data.

In developing the demand projections, HVS assumes that the expansion of the WCD is completed by January 1, 2023. HVS estimates that event demand would stabilize in the third year after expansion—2025. Demand projections also assume the continued presence of a highly qualified, professional sales and management team for the WCD.

For the purpose of this analysis, event demand projections include those which would take place in the renovated and the existing meeting and convention spaces at the WCD.

Historical Demand

The WCD provided HVS with a summary of the number of events and corresponding total attendance that occurred at the facility from calendar years 2015 through 2019. HVS reclassified event types into standard event categories to allow comparisons with other venues and for the projection of financial operations.

HVS classified all events into one of the following categories.

Conventions—associations, government, and SMERFE organizations register attendees for multi-day events. Facility set up includes breakout, banquet and exhibit space set-up and may include plenary sessions. Typically, the primary purpose of a convention is information exchange.

Tradeshows—provide a means for wholesalers and retailers to transact business with industry buyers. Like conventions, tradeshows offer a forum for exchanging industry ideas and attendees must register for the event. To clearly differentiate conventions from tradeshows, HVS assumes that only corporations and enterprises

can sponsor and produce tradeshows. While they also require exhibit space set-up, they only sometimes require banquet, plenary, and/or breakout space set-up.

Consumer Shows/Fairs—public, ticketed events featuring the exhibitions of merchandise for sale or display. Exhibition companies produce consumer shows, as they provide a means of product distribution and advertising. They only require exhibit space set-up.

Conferences—require a mix of banquet and breakout space set-up as well as occasional assembly space, but do not require any exhibit set-up. Conferences can be conducted by any organization type, but always require attendees to be registered.

Meetings—only require breakout space set-up. Like conferences, they can be produced from any of the organization types, but unlike conferences, they are private events to which one must be invited.

Banquets—only require a banquet set-up for food and beverage meal service. These events also can be produced by any organizational type, and are either held privately or require guests to register.

Exhibit Hall Sports—typically require the set-up of a competition area in a large function space. Attendees to sporting events, which are usually organized by sports enterprises, may be public or registered. Some sporting events have both a registered and public aspect to the event over the span of a few days.

Concerts & Entertainment—usually a concert or some form of live entertainment, owned and organized by an event promoter for the public. Entertainment events only require production set-up.

Arena Sports—arena sports teams currently play their home games in the UW-Milwaukee Panther Arena. The Milwaukee Admirals, Milwaukee Wave, Milwaukee Panthers, and Brewcity Bruisers all make use of the arena for basketball, hockey, roller derby, and other uses.

Assemblies—usually involve a ceremony, a speech, or another similar activity that attracts a crowd of spectators. Produced by any type of organization, assemblies are always public events. Additionally, assemblies only require a plenary set-up.

Figure 6-1 presents the event and attendance history at the WCD for the past five years.

**FIGURE 6-1
SUMMARY OF DEMAND HISTORY**

	2015	2016	2017	2018	2019
Event					
Conventions	15	19	14	30	22
Tradeshows	7	6	6	4	4
Consumer Shows/Fairs	7	7	10	8	12
Conferences	25	20	19	13	18
Meetings	25	30	22	21	28
Banquets	19	26	26	24	24
Exhibit Hall Sports	11	12	11	12	7
Concerts & Entertainment	18	38	35	42	42
Arena Sports	35	52	84	80	92
Assemblies	29	38	35	31	26
Total	191	248	262	265	275
Attendee					
Conventions	40,252	38,280	28,125	91,274	77,717
Tradeshows	27,700	37,772	51,069	20,275	7,315
Consumer Shows/Fairs	88,600	101,057	91,633	67,419	116,583
Conferences	21,451	30,122	12,170	11,770	44,875
Meetings	8,940	9,303	12,619	12,020	13,280
Banquets	23,180	25,879	23,991	28,295	23,461
Exhibit Hall Sports	38,641	43,216	61,000	48,310	37,000
Concerts & Entertainment	96,525	133,050	125,599	133,984	129,610
Arena Sports	71,834	125,999	249,091	263,689	272,863
Assemblies	94,269	124,226	145,048	140,230	141,224
Total	511,392	668,904	800,345	817,266	863,928

Source: WCD

The demand profile for the WCD consists of a variety of exhibit-based and other group functions. In 2019, approximately 16% of events used an exhibit hall including conventions, tradeshows, consumer shows, or exhibit hall sports events. Events that used an exhibit hall accounted for 28% of all attendees. Other events that do not use exhibit space include stand-alone meetings, conferences, banquets, exams, and graduations.

The demand profile for the WCD includes events that require use of the Wisconsin Center and events that require use of spaces like the UW-Panther Arena and the Miller High Life Theatre.

**Function Space
Utilization**

HVS analyzed room utilization data for all events from calendar year 2015 through 2018. Figure 6-2 presents the occupancy for the Wisconsin Center, UW-Panther Arena, and Miller High Life Theatre. Due to a change in reporting, 2019 and 2020 occupancy percentages are only available for the Wisconsin Center.

**FIGURE 6-2
WCD ANNUAL ROOM OCCUPANCY**

	Wisconsin Center	Arena	Theatre	Average
Annual Percentage Occupancy				
2015	33.0%	35.0%	16.0%	28.0%
2016	42.0%	42.0%	24.0%	36.0%
2017	37.0%	50.0%	23.0%	36.7%
2018	44.0%	55.0%	27.0%	42.0%
2019	52.0%	na	na	na
2020*	40.0%	na	na	na
*Projected				

Over the past five years, the Wisconsin Center has had an average occupancy rate of around 42%. As is common with other venues, theater spaces are the most underutilized spaces in the WCD, with average occupancy around 22%.

Seasonal Trends

To further evaluate the seasonality of the WCD, HVS also analyzed overall facility occupancy by month. Figure 6-3 presents the Wisconsin Center building occupancy defined as total occupied space as a percentage of the maximum available square footage at the Wisconsin Center.

**FIGURE 6-3
OVERALL BUILDING OCCUPANCY BY MONTH (2015 THROUGH 2020)**

	2015	2016	2017	2018	2019	2020	Average
Jan	39%	46%	50%	49%	51%	35%	45%
Feb	59%	68%	59%	69%	64%	69%	65%
Mar	47%	54%	77%	69%	78%	53%	63%
Apr	53%	57%	38%	58%	66%	74%	58%
May	31%	44%	25%	60%	43%	17%	37%
Jun	27%	52%	35%	48%	72%	95%	55%
Jul	47%	54%	40%	36%	42%	90%	52%
Aug	16%	20%	20%	1%	59%	36%	25%
Sep	23%	28%	11%	33%	47%	6%	25%
Oct	26%	35%	41%	53%	51%	8%	36%
Nov	24%	34%	34%	36%	27%	6%	27%
Dec	10%	13%	9%	25%	29%	2%	15%
Total	33%	42%	37%	44%	52%	40%	41%
	Min	1%	Average	42%	Max	95%	

Source: WCD

Occupancy peaked in the months of February through April, though the highest occupancy is expected in summer 2020 when the Wisconsin Center will host the 202 Democratic National Convention. The lowest occupancy occurred in August 2018, when only one event took place in the Wisconsin Center.

Lost Business Analysis

The WCD provided HVS with a summary of lost convention center business for events that were lost from 2018 to 2019. Events are counted as lost if they tentatively reserved dates but ultimately decided not to book a WCD venue. The summary contains lost event data for approximately 130 events. The data included the total room nights, projected attendance, visitation days, and the reason the event was lost. HVS utilized the seven lost business categories provided by the WCD. Figure 6-4 presents the number of events lost in each category.

FIGURE 6-4
2014-2018 EVENTS LOST BY CATEGORY

	Events	Attendance	Vistation Days	Room Nights
Lost Business Reason Provided (2018-2019)				
WCD Space Inadequate	22	125,485	185	171,522
WCD Space Not Available	43	72,082	285	96,005
Want Guestrooms and Space Under One Roof	34	31,157	220	60,863
Lack of Adequate Sports Venue/Facility/Grounds	13	47,725	70	26,908
WCD Costs	13	16,450	67	17,338
Hotel Physical Product Does Not Meet Group Needs	6	4,590	38	13,679
WCD Physical Product Does Not Meet Group Needs	2	10,100	19	8,911
Total Lost Business	133	307,589	884	395,226

Source: WCD

The most common reason for the WCD to lose an event was that the space at the WCD was not available, which comprised nearly one third of all reasons for lost business. The second most common cause of lost business was event planners wanting guestrooms and event space under one roof, which comprised nearly one fourth of all reasons for lost business. The least referenced reasons provided by event planners were that the hotel and WCD physical product did not meeting group needs; however, this lost business sample does not include planners that currently do not consider the Wisconsin Center because of size constraints.

Figure 6-5 summarizes the room nights and the estimated economic impact value (“EEI Value”) associated with lost business for the WCD.

FIGURE 6-5
2014-2018 ROOM NIGHTS AND VALUES

Lost Codes	Sum of Requested Rooms	Sum of EEI Value
Hotel Physical Product Does Not Meet Group Needs	13,689	\$8,480,753
Lack of Adequate Sports Venue/Facility/Grounds	26,908	16,851,135
Want Guestrooms and Space Under One Roof	60,863	38,115,454
WCD Costs	17,338	10,857,923
WCD Physical Product Does Not Meet Group Needs	8,911	5,580,514
WCD Space Inadequate	171,522	107,415,653
WCD Space Not Available	96,005	60,123,131
Total	395,263	247,424,561

Source: WCD

Despite accounting for only 17% of lost business, events where planners stated that WCD space was inadequate accounted for 43% of lost rooms and \$107 million of lost EEI Value.



**Event Demand
Forecast**

HVS projected demand for a base year and with expansion of the Wisconsin Center in January 1, 2023. HVS estimates that event demand would ramp up following the completion of the expansion and stabilize in 2025.

Figure 6-6 breaks out event projections by type of event. Total and average attendance figures represent individual event attendees.

**FIGURE 6-6
SUMMARY OF DEMAND PROJECTIONS**

	Base Year	Opening		Stabilized
	2020	2023	2024	2025
Events				
Conventions	20	26	29	30
Tradeshows	5	8	9	10
Consumer Shows/Fairs	9	10	10	10
Conferences	19	24	30	35
Meetings	25	30	33	35
Banquets	24	30	35	40
Exhibit Hall Sports	11	8	9	10
Concerts & Entertainment	35	44	48	50
Arena Sports	69	92	92	92
Assemblies	32	28	29	30
Total	248	300	324	342
Attendees				
Conventions	53,000	83,000	93,000	96,000
Tradeshows	28,000	41,000	46,000	51,000
Consumer Shows/Fairs	96,000	109,000	109,000	109,000
Conferences	24,000	31,000	39,000	46,000
Meetings	12,000	15,000	17,000	18,000
Banquets	25,000	33,000	39,000	44,000
Exhibit Hall Sports	47,000	40,000	45,000	50,000
Concerts & Entertainment	131,000	163,000	178,000	185,000
Arena Sports	188,000	248,000	248,000	248,000
Assemblies	131,000	115,000	119,000	123,000
Total	735,000	878,000	933,000	970,000
Event Days				
Conventions	98	128	142	147
Tradeshows	16	24	27	30
Consumer Shows/Fairs	29	33	33	33
Conferences	70	88	110	128
Meetings	49	58	64	68
Banquets	33	41	48	55
Exhibit Hall Sports	33	25	28	31
Concerts & Entertainment	58	72	79	82
Arena Sports	92	123	123	123
Assemblies	42	37	38	39
Total	518	628	692	736

The addition of exhibit and multipurpose space would allow the WCD to attract more conventions, tradeshows, and banquets. Other event types such as arena sports would not change due to the expansion of the Wisconsin Center.

**Room Night
Projections**

HVS calculated the potential generation of room nights by the WCD. These room nights represent new, induced demand into Milwaukee, Wisconsin as a direct result of the expansion of the WCD. To calculate room nights, HVS first estimated the room nights generated by existing WCD operations. Figure 6-7 presents the assumptions used to generate room night estimates after the expansion.

**FIGURE 6-7
ROOM NIGHT PARAMETERS**

Event Type	Occupied Room Night Parameters					
	Percent Lodgers		Length of Stay		Lodgers per Room	
	Base 2020	Stabilized 2025	Base 2020	Stabilized 2025	Base 2020	Stabilized 2025
Conventions	60%	60%	2.5	2.5	1.25	1.25
Tradeshows	38%	38%	2.5	2.5	1.25	1.25
Consumer Shows/Fairs	4%	4%	1.0	2.0	1.50	1.50
Conferences	45%	45%	2.5	2.5	1.25	1.25
Meetings	40%	40%	1.0	1.0	1.25	1.25
Banquets	3%	3%	1.0	1.0	2.00	2.00
Exhibit Hall Sports	21%	21%	2.0	2.0	2.00	2.00
Concerts & Entertainment	3%	3%	1.0	1.0	2.00	2.00
Arena Sports	3%	3%	1.0	1.0	1.75	1.75
Assemblies	10%	10%	1.0	1.0	2.00	2.00

Figure 6-8 presents the resulting estimates of room night generation in the base year and from 2023 through year 2025.

**FIGURE 6-8
ROOM NIGHT ESTIMATES**

	Base Year	Opening		Stabilized
	2020	2023	2024	2025
Occupied Room Night				
Conventions	63,600	99,800	111,400	115,200
Tradeshows	21,300	31,000	34,900	38,800
Consumer Shows/Fairs	2,200	5,100	5,100	5,100
Conferences	21,600	28,400	35,500	41,400
Meetings	3,800	5,000	5,500	5,800
Banquets	300	500	500	600
Exhibit Hall Sports	9,900	8,400	9,500	10,500
Concerts & Entertainment	2,000	2,500	2,700	2,800
Arena Sports	3,200	4,300	4,300	4,300
Total	134,500	190,800	215,400	230,700
Event Days				
Conventions	98	128	142	147
Tradeshows	16	24	27	30
Consumer Shows/Fairs	29	33	33	33
Conferences	70	88	110	128
Meetings	49	58	64	68
Banquets	33	41	48	55
Exhibit Hall Sports	33	25	28	31
Concerts & Entertainment	58	72	79	82
Arena Sports	92	123	123	123
Assemblies	42	37	38	39
Total	518	628	692	736
Lodgers				
Conventions	31,800	49,800	55,800	57,600
Tradeshows	10,600	15,600	17,500	19,400
Consumer Shows/Fairs	3,400	3,800	3,800	3,800
Conferences	10,800	14,000	17,600	20,700
Meetings	4,800	6,000	6,800	7,200
Banquets	600	800	1,000	1,100
Exhibit Hall Sports	9,900	8,400	9,500	10,500
Concerts & Entertainment	3,900	4,900	5,300	5,600
Arena Sports	5,600	7,400	7,400	7,400
Total	94,500	122,200	136,600	145,600

In a stabilized year, HVS estimates that the WCD would generate approximately 230,700 occupied room nights. Some of these room nights would result from contract blocks with groups and others would result from individual hotel reservations.



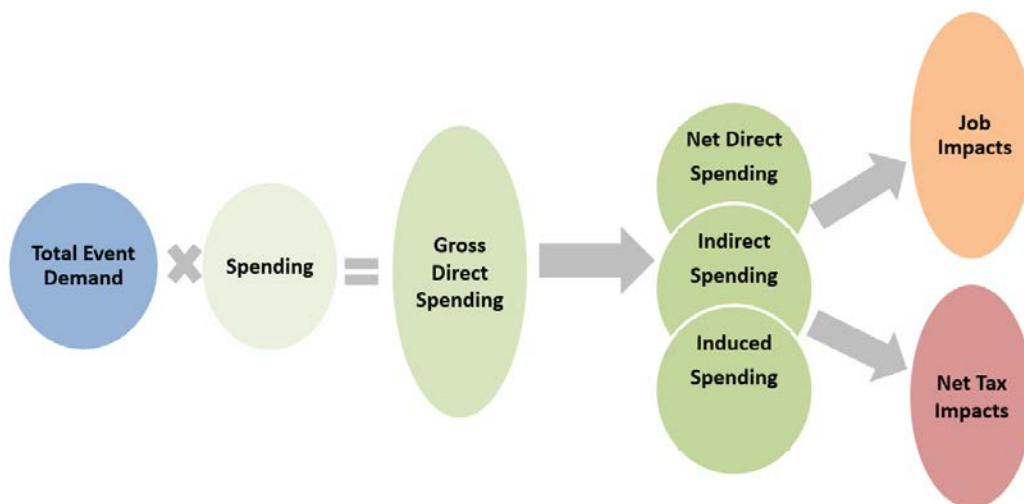
HVS intends for demand projections to show the expected levels of event numbers and attendance. Projections show smooth growth over time. However, event demand and booking cycles do not always run smoothly. Unpredictable local and national economic factors can affect businesses. Event demand often moves in cycles based on rotation patterns and market conditions. Therefore, HVS recommends interpreting the demand projections as a mid-point of a range of possible outcomes and over a multi-year period, rather than relying on projections for any one specific year.

7. State Spending and Fiscal Impacts

Based on the demand projections presented in this report, HVS identified the total spending and fiscal impacts generated by an expanded Wisconsin Center. HVS also estimated the amounts of income and employment that new visitors, event organizers, and exhibitors would generate in the State of Wisconsin.

Figure 7-1 demonstrates our methodology.

FIGURE 7-1
METHODOLOGY FOR SPENDING AND FISCAL IMPACT ANALYSIS



Using historical event demand and attendance levels, HVS estimated future event demand with an expansion. HVS estimated demand for overnight visitors, day trip visitors, and attendees.

Estimates of the amounts of spending per visitor or attendee are used to calculate gross direct spending. Gross direct spending provides the inputs into the IMPLAN model of the local area economy. IMPLAN then generates estimates of total spending. Spending falls into three categories: net direct, indirect, and induced spending. Many refer to indirect and induced impacts as multiplier effects. The sum of direct, indirect, and induced spending estimates makes up the total estimated spending impact of Wisconsin Center’s operations. HVS used the IMPLAN model to estimate the increase in employment associated with the total spending.

To estimate fiscal impacts, HVS identified the sources of spending that would generate tax revenues. The detailed outputs of the IMPLAN model quantify the tax base for each tax. We applied the appropriate effective tax rate to the estimate of spending to generate fiscal impact estimates.

HVS Convention, Sports & Entertainment staff collected and analyzed all information contained in this report. HVS sought out reliable sources and deemed information obtained from third parties to be accurate.

Direct, Indirect, and Induced Spending

Spending falls into three categories:

- **Direct spending** includes the new spending of event attendees and organizers. For example, an attendee's expenditure on a restaurant meal is a direct spending impact. Net direct spending are the amounts of direct spending that falls into the State economy. For retail purchases for example, net direct spending includes only the retail margin on the product sold if it is produced outside of the State.
- **Indirect spending** is the business spending that follows from the initial direct spending. For example, an event attendee's direct expenditure on a restaurant meal causes the restaurant to purchase food and other items from suppliers. The portion of these restaurant purchases that remain within the State count as indirect impacts.
- **Induced spending** represents the change in local consumption due to the personal spending by employees whose incomes change from direct and indirect spending. For example, a waiter at a local restaurant may have more personal income as a result of an event attendee dining at the restaurant. The amount of the increased income that the waiter spends in the local economy is an induced impact.

To generate direct spending estimates, HVS applied spending parameters to the demand projections to calculate the amounts of spending generated by Wisconsin Center events. HVS used the IMPLAN input-output model of the local economy to estimate indirect and induced spending. The sum of direct, indirect, and induced spending makes up the total estimated spending impact of an expanded Wisconsin Center.

Some refer to indirect and induced impacts as multiplier effects. The relationship between direct spending and the multiplier effects vary based upon the specific size and characteristics of a local area's economy.

Sources of Direct Spending

HVS identified four sources of new direct spending impact:

- **Overnight Guests:** Visitors who require overnight lodging, including convention delegates, meeting attendees, and attendees at other Wisconsin

Center events. Overnight delegate spending includes the spending on lodging, meals, shopping, local transportation, recreation and entertainment, and other goods and services while in town.

- **Daytrip Attendees:** Visitors to the Wisconsin Center who do not require paid lodging. In most markets, day-trippers typically spend money on meals, shopping, local transportation, recreation and entertainment, and other goods and services.
- **Event Organizers:** Individuals, associations, or other organizations that plan, sponsor, organize, and coordinate events that take place at the Wisconsin Center. In addition to facility spending, event organizers also spend on lodging, meals, local transportation, facility rentals, equipment rentals, and other goods and services required to plan and organize a successful event.
- **Exhibitors:** Individuals or companies that rent exhibition space, typically from event organizers, to display information or products at events. In addition to spending at the facility, exhibitors purchase lodging, meals, local transportation, vendor services, meeting room rentals, equipment rentals, and other goods and services.

Estimation of spending of each of these sources involves three sets of assumptions: 1) the number of visitors to the market, 2) the geographic location of their spending, and 3) the amounts typically spent by each of the sources.

Figure 7-2 shows the number of new visitors to the State of Wisconsin that generate new spending.

FIGURE 7-2
SOURCES OF SPENDING IMPACTS – STABILIZED YEAR

Demand Type	Overnight Visitor Days	Day Trips	Event Delegate Days*
2025			
Conventions	144,000	115,000	230,000
Tradeshows	48,500	101,000	130,000
Consumer Shows/Fairs	7,600	105,000	168,000
Conferences	51,800	56,000	51,000
Meetings	7,200	0	4,000
Banquets	1,100	0	9,000
Exhibit Hall Sports	21,000	79,000	75,000
Total	281,200	456,000	667,000

*Used to estimate organizer and exhibitor spending.

The Wisconsin Center would attract over 280,000 overnight visitors. If 20% of these visitors were from out of State, this level of visitation would exceed 50,000 out of State visitors.

Spending Parameters

Delegates, attendees, event organizers, and exhibitors spend locally on lodging, meals, local transportation, facility rentals, vendor services, meeting room rentals, equipment rentals, and other goods and services.

To estimate the spending for overnight and day trip visitors, HVS used results from several tourism spending data sources. Our primary source is the Travel USA study by Longwoods International. This survey is conducted annually with a sample size of approximately 350,000 trips and assesses origin, spending, party size, and primary purpose of the trip. HVS supplements this with the Destination International (“DI”) Convention Expenditure & Impact Study which surveyed event organizers across over 1,000 events to gather daily spending parameters on overnight convention attendees, day-trip event attendees, exhibiting companies, and event organizers. HVS applies parameters from the Corporate Travel Index (“CTI”) to account for local spending patterns. Adjusted data from DI provides estimates of organizer spending per visitor day.

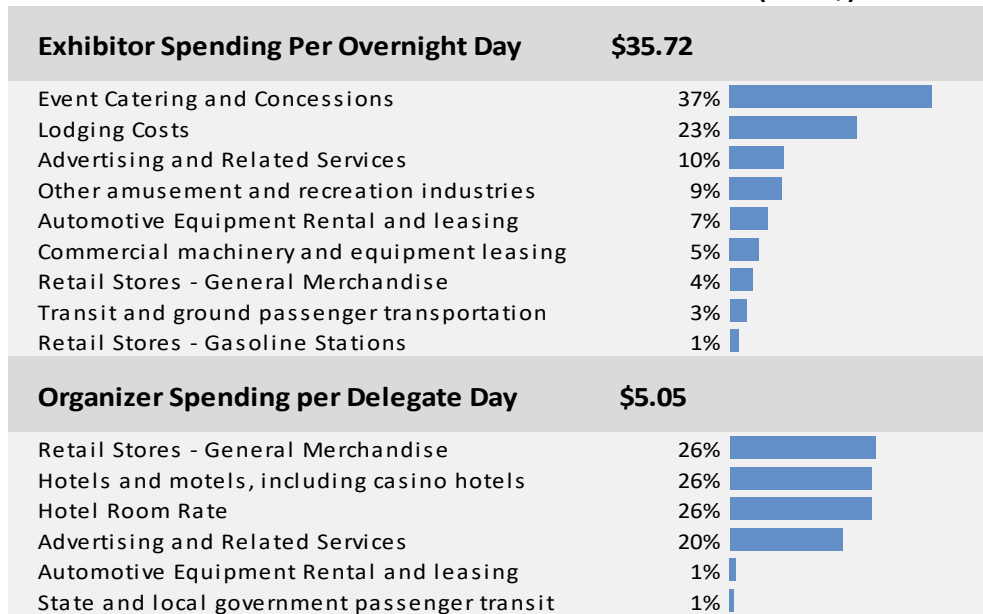
All spending parameters are stated as the daily spending by individual overnight guests and day-trippers in 2019 dollars. Figures 7-3 through 7-6 present the direct spending estimates for each spending category.

FIGURE 7-3
CONVENTIONS ATTENDEE SPENDING (2019 \$)



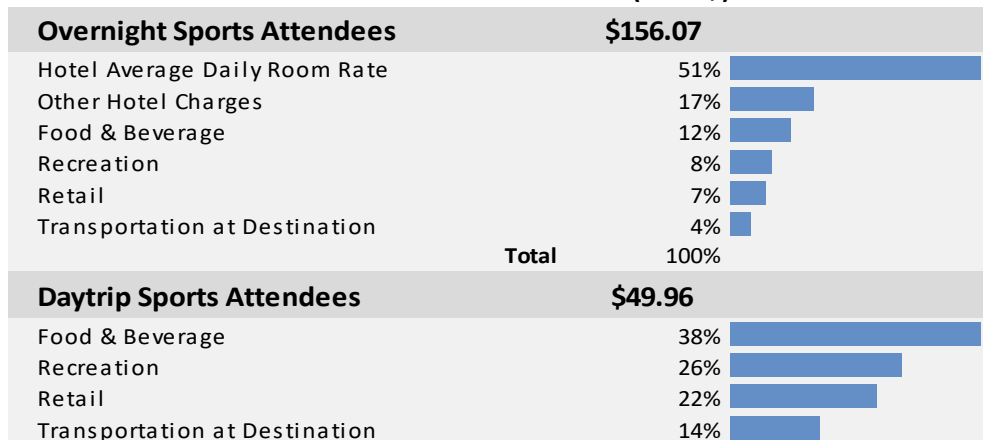
Sources: Longwoods International, STR, CTI

**FIGURE 7-4
EXHIBITOR AND ORGANIZER ATTENDEE SPENDING (2019 \$)**



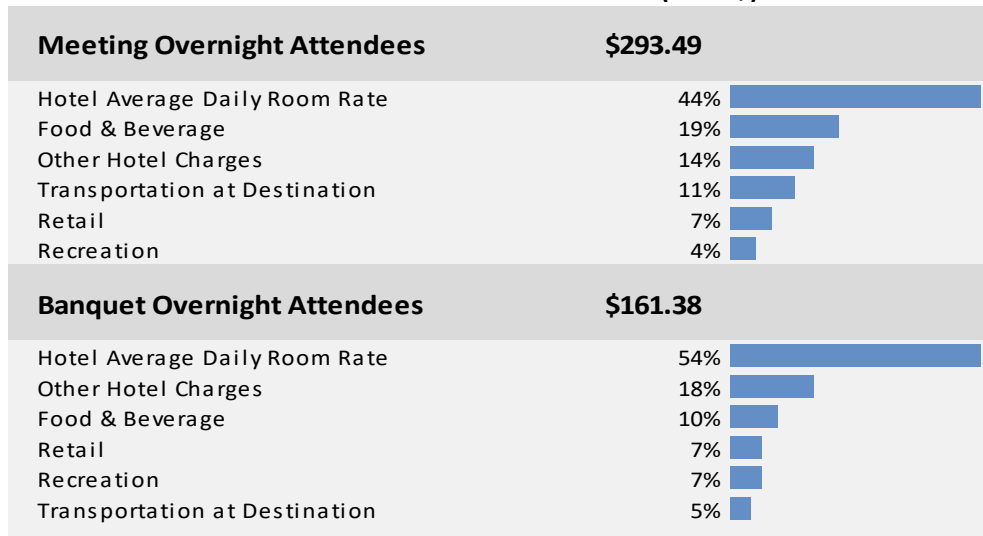
Sources: Destinations International, CTI

**FIGURE 7-5
SPORTS ATTENDEE SPENDING (2019 \$)**



Sources: Longwoods International, STR, CTI

**FIGURE 7-6
BUSINESS AND LEISURE SPENDING (2019 \$)**



Sources: Longwoods International, STR, CTI

**Convention Center
Revenue Impact**

HVS used the revenues generated by the convention center to measure certain spending impacts. HVS used a proprietary financial operating model that quantifies the key variables and operating ratios to estimate revenue potential. Unless otherwise indicated, HVS applied an annual inflation rate of 2.50% to revenues, which are initially estimated in 2019 dollars..

Operating revenue is the income derived from business operations. WCD revenues generated by the convention center include Space Rental, Equipment rental, Food & Beverage (Net), which are commissions paid by a third-party provider, Event Labor, Information Technology and Parking. HVS estimates operating revenues as fixed amounts (subject to inflation) or as amounts per unit of demand. In this analysis, we used Attendees and Event Days (number of events times event length) as units of demand. To formulate the revenue parameters (amounts per unit of demand), HVS relied on historical operating data, industry information, knowledge of the performance of comparable venues, and information on price levels from local area sources. We adjusted the assumptions for inflation and other anticipated trends in price levels.

Figure 7-7 below summarizes the Operating Revenue parameters for each unit of demand and by type of event.

**FIGURE 7-7
REVENUE PARAMETERS (\$ 2020)**

Revenue Line Item and Demand Source	Revenue Estimation Unit	Amount per Unit	
		Pre-Opening	Post Opening
Space Rental			
Conventions	Event Days	\$11,000	\$11,000
Tradeshows	Event Days	12,000	12,000
Consumer Shows/Fairs	Event Days	15,000	15,000
Conferences	Event Days	7,100	7,100
Meetings	Event Days	2,500	2,500
Banquets	Event Days	1,500	1,500
Exhibit Hall Sports	Event Days	10,000	10,000
Equipment			
Conventions	Event Days	\$3,600	\$3,600
Tradeshows	Event Days	3,904	3,904
Consumer Shows/Fairs	Event Days	4,900	4,900
Conferences	Event Days	2,300	2,300
Meetings	Event Days	800	800
Banquets	Event Days	490	490
Exhibit Hall Sports	Event Days	3,300	3,300
Food & Beverage (Net)			
Conventions	Attendee	\$22.00	\$22.00
Tradeshows	Attendee	4.75	4.75
Consumer Shows/Fairs	Attendee	0.75	0.75
Conferences	Attendee	10.00	10.00
Meetings	Attendee	5.00	5.00
Banquets	Attendee	15.50	15.50
Event Labor			
Conventions	Attendee	\$1.50	\$1.50
Tradeshows	Attendee	1.50	1.50
Consumer Shows/Fairs	Attendee	1.55	1.55
Conferences	Attendee	1.50	1.50
Meetings	Attendee	1.50	1.50
Banquets	Attendee	1.50	1.50
Exhibit Hall Sports	Attendee	1.55	1.55
Information Technology			
Conventions	Event Days	\$1,700	\$1,700
Tradeshows	Event Days	1,800	1,800
Consumer Shows/Fairs	Event Days	2,300	2,300
Conferences	Event Days	1,100	1,100
Meetings	Event Days	400	400
Banquets	Event Days	230	230
Exhibit Hall Sports	Event Days	1,500	1,500
Parking			
Conventions	Attendee	\$1.00	\$1.00
Tradeshows	Attendee	1.00	1.00
Consumer Shows/Fairs	Attendee	1.00	1.00
Conferences	Attendee	1.00	1.00
Meetings	Attendee	1.00	1.00
Banquets	Attendee	1.00	1.00
Exhibit Hall Sports	Attendee	1.00	1.00

The revenue parameter estimates shown above are based on analysis of historical operations. HVS calibrated revenue parameters in the VenueModel® so that they generate revenue estimates for a base year that reflect average or recent operating revenues. In aggregate, these parameters produce revenue estimates that reflect historical food and beverage revenues as stated in 2019 dollars.

A brief description of each line item follows.

Space Rental—Space rental revenue includes the revenue venues receive from clients that reserve one or more function areas in the facility. Despite having published rates, convention centers typically charge rental fees based on negotiated daily rental fees. Not all events incur a facility rental fee. Management may reduce or waive the exhibit rental charges to book an event that generates significant food and beverage revenue or has a positive spending impact.

Equipment—Equipment includes revenue earned through the rental of equipment and other use fees charged to event organizers and attendees.

Food & Beverage (Net)—Most events that use a venue's function space will arrange for food service for their attendees during their events. This food service includes catering which can range from coffee breaks associated with a meeting to a full dinner associated with a convention or banquet. Consumer shows, sporting events, and other events may generate concessions revenue. Most conventions and conferences generate demand for multiple meals during these multi-day events. Meetings and banquets generally include a single meal or refreshment services. Events like conventions and tradeshow typically spend the most per attendee. Consumer shows have lower per capita spending. Net food and beverage revenue are commissions paid to the venue by the food service operator.

Event Labor—Event labor represents the labor charges to users associated with providing event services.

Information Technology—Information and telecommunications systems revenue consists of charges associated with the venue's communications services. Services include wireless access and Internet services.

Parking—Parking revenue include charges collected by a the venue. Conventions, trade shows, and consumer shows generate a significant amount of parking revenue.

Gross Direct Spending

HVS applied the previous sources of spending impacts and spending parameters to estimate gross direct spending for a stabilized year. See the Figure 7-8 below.

FIGURE 7-8
GROSS DIRECT SPENDING – STABILIZED YEAR (2019 \$)

Convention Delegate Overnight Spending	=	251,850	overnight visitors	x	\$322.67	=	\$81.26	M
Convention Delegate Daytrip Spending	=	377,000	daytrip visitors	x	153.73	=	57.96	
Exhibiting Company Spending per attendee	=	691,000	attendees	x	35.72	=	24.68	
Event Organizer Spending per attendee	=	667,100	attendees	x	5.05	=	3.37	
Overnight Sports Attendees	=	21,000	overnight visitors	x	156.07	=	3.28	
Daytrip Sports Attendees	=	79,000	daytrip visitors	x	49.96	=	3.95	
Meeting Overnight Attendees	=	7,200	overnight visitors	x	293.49	=	2.11	
Banquet Overnight Attendees	=	1,100	overnight visitors	x	161.38	=	0.18	
					Facility Revenue	=	<u>10.55</u>	
					Total Gross Direct Spending	=	\$187.34	M

IMPLAN Impact Modeling

HVS uses the IMPLAN input-output model to estimate indirect and induced spending and employment impacts. IMPLAN is a nationally recognized model developed at the University of Minnesota. An input-output model generally describes the commodities and income that normally flow through the various sectors of a given economy. The indirect and induced spending and employment effects represent the estimated changes in the flow of income, goods, and services caused by the estimated direct spending. The IMPLAN model accounts for the specific characteristics of the local area economy and estimates the share of indirect and induced spending that it would retain.

HVS categorized new direct expenditures into spending categories that we provide inputs into the IMPLAN model. Specifically, the IMPLAN model relies on spending categories defined by the U.S. Census according to the North American Industry Classification System (“NAICS”). Because the spending data from the spending surveys used by HVS do not match the NAICS spending categories, HVS translates the spending categories into the NAICS spending categories that most closely match.

Annual Net Direct Spending

Not all of the gross direct spending counts as an spending impact because some of the spending does not generate income within the State. HVS adjusts gross direct spending to account for income that leaks out of the local economy by estimating retail margins and local purchase percentages. As a result, the realized direct spending (“net direct spending”) is lower than the gross direct spending in the market area.

Retail Margins

Spending at retailers creates a smaller spending impact compared to spending in other industries. Retailers add value equal to the margin or price increase of the good above the original price paid to obtain the good. The IMPLAN model is product based, so HVS uses IMPLAN margin numbers to account for the discrepancy between retail purchaser prices and producer prices.

Indirect and Induced Spending

The relationship between direct spending and the multiplier effects can vary based on the specific size and characteristics of a local area’s economy. HVS enters the gross direct spending estimate into the IMPLAN input output model of the local economy to estimate the net direct, indirect and induced spending. HVS obtained the most recent available data from IMPLAN for 2017.

The following figures present the output of the IMPLAN model—the net new direct, indirect, and induced spending impacts and that are attributable to the expansion of the Wisconsin Center. HVS also used IMPLAN to estimate the jobs created based on the direct, indirect, and induced spending estimates.

Annual Spending Impacts

Figure 7-9 below shows the annual direct, indirect and induced spending generated for the State of Wisconsin by current WCD operations until the opening of the expansion and stabilization of the expanded operation.

FIGURE 7-9
ANNUAL SPENDING IMPACT ESTIMATES (INFLATED \$)

Impact (\$ millions)	Baseline	Opened				Stabilized
	2020	2021	2022	2023	2024	2025
Spending Estimates						
Net Direct	\$105.3	\$108.0	\$110.7	\$154.2	\$176.4	\$192.7
Indirect	42.0	43.1	44.1	61.4	70.2	76.6
Induced	42.4	43.5	44.6	62.0	70.8	77.2
Total	\$189.8	\$194.5	\$199.4	\$277.5	\$317.4	\$346.4

Future Value of Spending Impacts

The Special Debt Service Reserve Funds Requirements as identified in Wisconsin Statute 229.50 require that the Wisconsin Center generates a \$6.5 billion threshold of spending in the State over a 30-year period beginning on the date of bond issuance. As shown in Figure 7-10, HVS calculated the future value of the spending generated over a 30-year period beginning in June 15, 2020, the assumed date of debt issuance. Throughout the projection period, we have assumed an inflation rate of 2.5%. The first calendar year (2020) includes spending impact from June 15 through December 31 and the last calendar year (2049) includes spending impact from January 1 through June 14.

FIGURE 7-10
30-YEAR VALUE OF SPENDING

Year	Spending Impact (\$ millions)
2020	\$103
2021	195
2022	199
2023	278
2024	317
2025	346
2026	355
2027	364
2028	373
2029	382
2030	392
2031	402
2032	412
2033	422
2034	433
2035	443
2036	455
2037	466
2038	478
2039	490
2040	502
2041	514
2042	527
2043	540
2044	554
2045	568
2046	582
2047	596
2048	611
2049	283
Total	\$12,582

Over a 30-year period, the future value of spending impacts is approximately \$12.6 billion.

Employment Impacts

HVS calculated the full-time equivalent jobs supported by the spending in each economic sector. Figure 7-11 summarizes the results.

**FIGURE 7-11
EMPLOYMENT IMPACTS**

Full-Time Equivalent Jobs	Baseline			Opened		Stabilized
	2020	2021	2022	2023	2024	2025
Direct	800	800	800	1,200	1,400	1,500
Indirect	200	200	200	300	300	400
Induced	200	200	200	300	400	400
Total Permanent Jobs	1,200	1,200	1,200	1,800	2,100	2,300

In its current operation, spending associated with the WCD supports approximately 1,200 jobs. By a stabilized year of operation, the project would support approximately 2,300 permanent full-time equivalent jobs.

Fiscal Impacts

Fiscal impacts are the public sector share of the spending impacts generated by tax collections. The previously discussed spending estimates provide a basis for estimating potential tax revenue, as certain existing State of Wisconsin taxes would apply to some of the spending.

The IMPLAN model generates tax revenues based on spending impacts for the State of Wisconsin using state government tax revenue reports. IMPLAN uses detailed data on Taxes on Production and Importation and sectoring by the Bureau of Economic Analysis to estimate tax revenues by geography. These taxes include sales tax, income taxes, other taxes on production and importation, and other personal taxes. Figure 7-12 shows the potential tax revenues from spending generated by the WCD.

**FIGURE 7-12
FISCAL IMPACT (INFLATED \$)**

Tax Revenue Source	Baseline			Opened		Stabilized
	2020	2021	2022	2023	2024	2025
Sales Tax	4,628	4744	4863	6,821	7,819	8,552
Personal Income Tax	1,710	1753	1797	2,509	2,869	3,133
Corporate Profits Tax	255	261	268	374	430	470
Other Taxes	689	706	724	1,016	1,163	1,273
Total	\$7,282	\$7,464	\$7,652	\$10,720	\$12,281	\$13,428

Source: IMPLAN and HVS

Current operations at the WCD generate approximately \$7.3 million in annual tax revenue to the State of Wisconsin. In a stabilized year, tax sources would generate approximately \$13.4 million in annual tax revenue to the State.



**Future Value of
 Spending Impacts**

The Special Debt Service Reserve Funds Requirements as identified in Wisconsin Statute 229.50 require that the Wisconsin Center generates a \$150 million threshold of fiscal impact in the State over a 30-year period beginning on the date of bond issuance. As shown in Figure 7-13, HVS calculated the future value of the fiscal impacts generated by the spending the WCD would generate over a 30-year period beginning in June 15, 2020. Throughout the projection period, we have assumed an inflation rate of 2.5%. The first calendar year (2020) includes fiscal impact from June 15 through December 31 and the last calendar year (2049) includes fiscal impact from January 1 through June 14.

**FIGURE 7-13
 30-YEAR VALUE OF FISCAL IMPACT**

Year	Fiscal Impact (\$ millions)
2020	\$4.0
2021	\$7.5
2022	\$7.7
2023	\$10.7
2024	\$12.3
2025	\$13.4
2026	\$13.8
2027	\$14.1
2028	\$14.5
2029	\$14.8
2030	\$15.2
2031	\$15.6
2032	\$16.0
2033	\$16.4
2034	\$16.8
2035	\$17.2
2036	\$17.6
2037	\$18.1
2038	\$18.5
2039	\$19.0
2040	\$19.4
2041	\$19.9
2042	\$20.4
2043	\$20.9
2044	\$21.5
2045	\$22.0
2046	\$22.6
2047	\$23.1
2048	\$23.7
2049	\$11.0
Total	\$487.4

Over a 30-year period, the future value of fiscal impacts is approximately \$487 million.

Summary

Figure 7-14 summarizes recurring annual spending and fiscal impacts from the current operation until stabilization of the expanded WCD.

**FIGURE 7-14
SUMMARY OF SPENDING AND FISCAL IMPACTS (INFLATED \$)**

Summary of Impacts	Baseline			Opened		Stabilized
	2020	2021	2022	2023	2024	2025
Spending Impact (millions)	\$189.8	\$194.5	\$199.4	\$277.5	\$317.4	\$346.4
Fiscal Impact (millions)	\$7.3	\$7.5	\$7.7	\$10.7	\$12.3	\$13.4
Jobs	1,200	1,200	1,200	1,800	2,100	2,300

These spending and fiscal impact estimates are subject to the assumptions and limiting conditions described throughout the report. Numerous assumptions about future events and circumstances form the basis for these estimates. Although we consider these assumptions reasonable, we cannot provide assurances that the project will achieve the forecasted results. Actual events and circumstances are likely to differ from the assumptions in this report and some of those differences may be material. The readers should consider these estimates as a mid-point in a range or potential outcomes.

8. Statement of Assumptions and Limiting Conditions

1. This report is to be used in whole and not in part.
2. No responsibility is assumed for matters of a legal nature.
3. We have not considered the presence of potentially hazardous materials on the proposed site, such as asbestos, urea formaldehyde foam insulation, PCBs, any form of toxic waste, polychlorinated biphenyls, pesticides, or lead-based paints.
4. All information, financial operating statements, estimates, and opinions obtained from parties not employed by HVS are assumed to be true and correct. We can assume no liability resulting from misinformation.
5. Unless noted, we assume that there are no encroachments, zoning violations, or building violations encumbering the subject property.
6. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and only when our standard per-diem fees and travel costs are paid prior to the appearance.
7. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.
8. We take no responsibility for any events or circumstances that take place subsequent to the date of our report.
9. The quality of a convention facility's on-site management has a direct effect on a facility's economic performance. The demand and financial forecasts presented in this analysis assume responsible ownership and competent management. Any departure from this assumption may have a significant impact on the projected operating results.
10. The impact analysis presented in this report is based upon assumptions, estimates, and evaluations of the market conditions in the local and national economy, which may be subject to sharp rises and declines.
11. We do not warrant that our estimates will be attained, but they have been developed on the basis of information obtained during the course of our market research and are intended to reflect reasonable expectations.
12. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded. Thus, these figures may be subject to small rounding errors.

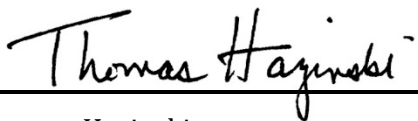


13. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client and use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.
14. Although this analysis employs various mathematical calculations, the final estimates are subjective and may be influenced by our experience and other factors not specifically set forth in this report.
15. This report was prepared by HVS Convention, Sports & Entertainment Facilities Consulting. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of this organization, as employees, rather than as individuals.
16. This report is set forth as a spending and fiscal impact study of the subject facility; this is not an appraisal report.

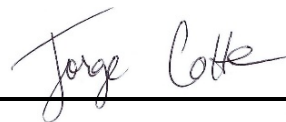
9. Certification

The undersigned hereby certify that, to the best of our knowledge and belief:

1. the statements of fact presented in this report are true and correct;
2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. we have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;
4. HVS is not a municipal advisor and is not subject to the fiduciary duty set forth in section 15B(c)(1) of the Act (15 U.S.C. 78o-4(c)(1)) with respect to the municipal financial product or issuance of municipal securities;
5. we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
6. our engagement in this assignment was not contingent upon developing or reporting predetermined results;
7. our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
8. Thomas A Hazinski personally inspected the property described in this report.



Thomas Hazinski
Managing Director



Jorge Cotte
Senior Associate