



MEMO

"...meeting community needs...enhancing quality of life."

TO: Finance Committee

FROM: Karen Harkness, Director of Community & Economic Development and
Tony Saucerman, Director of Finance

DATE: February 25, 2019

RE: Fixture, Furniture and Equipment (FF&E) for the Fox Cities Exhibition Center
(FCEC)

The FCEC Management Agreement, signed on November 18, 2015 between the City of Appleton and the owners of Red Lion, indicated that the City would purchase the required initial FF&E for the FCEC. The Mayor has discussed and supported this direction since the beginning of this important community project.

The original plan was to borrow for the FF&E with the financing of the construction of the FCEC. However, when the other municipalities prohibited borrowing for the costs related to developing a private financing option, funds that were originally intended for FF&E were reallocated to reimburse the City for private financing costs already incurred.

As a result, the FCEC opened on January 11, 2018 without all the required initial FF&E in order to operate the FCEC at maximum efficient capacity.

The total cost provided by the Exhibition Center management for FF&E is approximately \$216,000.

We have asked the FCEC Management Company (owners of the Red Lion) to provide a prioritized list of FF&E with costs estimated at \$75,000, which is what we have identified as available funding at this time. This prioritized list of FF&E is attached. We are requesting funding to come from the Community and Economic Development Capital Project fund balance. Staff is working to identify other sources of funding in order to purchase all the needed initial FF&E in the future.