



TO: Fox Cities Municipal Leaders
FROM: Pam Seidl
RE: Sports Facility Update
DATE: 5-2-18

Following up on my letter of December 11, 2017 that announced a gift of land for the Fox Cities Sports Facility. In that letter, I promised further details on design, financing and cost estimates when we had all of the information. I have requested meetings with the leadership of each municipality that has enacted the Tourism Facilities Room Tax. At those meetings, I will provide an update on the construction, ownership, financing and branding of the proposed facility. I hope to schedule all the meetings by the first full week of May. Below is a summary of the subjects to be covered at these meetings:

The Building

As previously stated, the facility will include indoor hard court and ice surfaces. Having BOTH of these surface types in one facility provides the flexibility for multiple sport event utilization, allow us to change the surface to the season, in an attempt to reduce seasonal “downtime” as much as possible. There will be two ice surfaces. One will be convertible to additional court space. Ice facilities are one of the most expensive to build and operate, and this convertible space helps make the facility more stable operationally.

Design has been completed to a state from which construction estimates can be generated. While the project has not been put out for public bids yet, initial estimates indicate a construction cost of \$29.2 million. The proposed facility will be approximately 164,000 square feet.

Financing & Ownership

Initially, the facility was to be owned by Fox Cities Sports Development, Inc. a 501 c(3) subsidiary of the Fox Cities Convention & Visitors Bureau and the Town of Grand Chute was to provide a conduit to municipal financing.

Once we began exploring financing details with Baird and Foley & Lardner (the same underwriting team that worked on the Exhibition Center financing), it became apparent that our ownership model needed to change in order to take advantage of the best financing rates available (municipal lease revenue bonds).

In order to maintain momentum and ensure completion of the project by the fall of 2019, I’m pleased to share that the Town of Grand Chute has agreed to step into the role of financing and owning the Sports Facility. Under this modified project team structure, a newly formed Grand Chute Community Development Authority (CDA) will issue the debt and own the facility. The facility will be leased to the Town of Grand Chute, who will be responsible for making lease payments equal to debt service on the bonds. The Tourism Facilities Room Tax will provide the revenue for repayment of the bonds. However, the Town of Grand Chute would be responsible for covering any shortfall between debt service and actual room tax revenues.

The Town of Grand Chute will enter into an agreement with Fox Cities Sports Development, or another entity of the CVB if necessary, to operate the facility. In turn, the CVB entity will contract with a professional sports management firm to conduct the day-to-day operations.

In addition to engaging Baird and Foley & Lardner in issuing bonds for the project, the Grand Chute CDA will also receive financial advisory services from Ehlers, Inc. As is typical in public bond issuance, fees of the underwriter, underwriter's counsel, bond counsel, financial advisor, and rating agency will be included in the final bond financing package for the facility. Ehlers' role as financial advisor is critical in representing the interests of all municipalities in the Fox Cities Tourism Zone by negotiating the best possible financing scenario.

Steps Going Forward

1. Grand Chute CDA organizational meeting – May 9
2. Grand Chute CDA application for Tourism Development Funds
3. Initial bond document distributed
4. Municipalities adopt resolution approving pledge and security agreement
5. First construction bid packets released
6. Final bond rating and bond documents released
7. Ground breaking
8. Bond pricing
9. CDA execution of Bond Purchase Agreement
10. Bond closing – Target date of June 27, 2018
11. Building complete and open – October 2019

We are very excited to be a part of moving this facility forward. Estimates for economic impact of this facility are \$6.5 million annually, and up to \$8 million annually when the facility is fully operational and booked. While this facility will focus on tourism, we look forward to collaborating with many partners and user groups in our region to enhance the overall sports experience.

Thank you for your support of the CVB and tourism in the Fox Cities.