



RESOLUTION # 64-3/22

TO: HONORABLE MEMBERS OF THE LA CROSSE COUNTY BOARD OF SUPERVISORS

ITEM # 3-13

BOARD ACTION

Adopted:
For: 24
Against: 0
Abstain: 0
Abs/Excd: 5
Vote Req: Majority
Other Action: ---

EXECUTIVE COMMITTEE ACTION

Adopted:
For: 9
Against: 0
Abstain: 0
Abs/Excd: 0

RE: PROVIDING COUNTY FINANCIAL SUPPORT FOR LA CROSSE CENTER MAINTENANCE

WHEREAS, the La Crosse Center is a multi-purpose event arena that provides space for conventions, nationally known concert performances and regional trade shows, in addition to venues for banquets, graduations, weddings and social events used by residents outside the City of La Crosse; and

WHEREAS, the La Crosse Center is a vital asset to the area economy, attracting visitors from throughout the mid-west, serving western Wisconsin, southeast Minnesota and eastern Iowa with expanded entertainment choices, while enhancing the tourism, hotel and hospitality demands of businesses across La Crosse County and the region; and,

WHEREAS, the City invested \$42 million in the expansion of the La Crosse Center which included a significant investment in addressing deferred maintenance, which could be mitigated in the future if there was a dedicated funding source to address this ongoing maintenance need; and,

WHEREAS, the estimated economic impact of the La Crosse Center to La Crosse County Sales Tax receipts after the expansion is between \$205,000 and \$248,000 per year.

NOW THEREFORE BE IT RESOLVED, that the La Crosse County Board directs the County Administrator to include an annual contribution of \$225,000 in the 2023 budget, approximately equivalent to the estimated sales tax benefit received by the County from the La Crosse Center.

BE IT FURTHER RESOLVED, that the County contribution is to be dedicated to capital maintenance of the La Crosse Center and that the City shall provide an annual report identifying the use of this funding.

FISCAL NOTE: The County 1/2% sales tax has exceeded budget expectations for the past two years and this contribution is less than approximately 1.7% of the 2022 \$13.5 million budgeted revenue. Fiscal analysis of the estimated impact of the La Crosse Center is attached to this resolution.

Date: 3/9/22
Ronica L. Kruee
EXECUTIVE COMMITTEE CHAIR

Date: 3-9-22
R.T.K.
RECORDING CLERK

	Reviewed Only	Recommended	Not Recommended	
Co. Admin.	<u>[Signature]</u>	_____	_____	Requested By: Ralph Geary Date Requested: March 1, 2022 Drafted By: Corporation Counsel
Fin. Director	<u>[Signature]</u>	_____	_____	
Corp. Counsel	<u>[Signature]</u>	_____	_____	
Board Chair	<u>[Signature]</u>	_____	_____	

Adopted by the La Crosse County Board this 17 Day of March, 2022

STATE OF WISCONSIN
COUNTY OF LA CROSSE
I, Ginny Dankmeyer, County Clerk of La Crosse County do hereby certify that this document is a true and correct copy of the original resolution required by law to be in my custody and which the County Board of Supervisors of La Crosse County adopted at a meeting held on the 17th day of March 2022.

[Signature]
Ginny Dankmeyer, La Crosse County Clerk

La Crosse Center Economic Impact April 2019

County staff, Gensler, and CSL have done some analysis of the estimated existing economic impact of the La Crosse Center, as well as the projected economic impact of the expanded facility.

- June 2016, County staff did an analysis of the economic impact of the *existing La Crosse Center*.
 - Estimated Direct Impact – \$15.6m to \$17.3m
 - Multiplier of 2.5 to 3
 - Total Economic Impact - \$39.2m to \$43.4m (using 2.5 multiplier)
 - Estimated County Sales Tax Revenues from above - \$205,000/year

 - December 2017, Gensler performed an economic impact analysis of the *existing facility and projected expansion (that was being proposed at that time)* of the facility.
 - Estimated Total Impact of the existing facility - \$37.59m
 - Estimated Direct Impact of expansion - \$7.51m
 - Multiplier of 1.6
 - Total Economic Impact of expansion - \$12.1m
 - Estimated County Sales Tax Revenue from expansion - \$60,500/year
 - Estimated County Sales Tax Revenue from total facility w/ expansion - \$248,000/year

 - March 2019, CSL did an analysis of the economic impact of the *current proposal for the expansion* of the facility.
 - Estimated Direct Impact - \$4.0m
 - Total Impact, when Combined with Indirect Spending - \$6.3m
 - Estimated County Sales Tax Revenue from expansion - \$31,500/year
 - Estimated County Sales Tax Revenue from total facility w/ expansion - \$219,500/year

 - It is also important to note that without these updates and expanded facilities, the Center would be likely to lose some of their existing business, and the County would potentially see sales tax revenues decrease as the Center has less economic impact.

 - La Crosse County would also see other returns on investment in the La Crosse Center, as the Center is certainly an economic driver for the entire region. The region will see benefits in property tax base growth, workforce attraction, and general economic health.
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explore LA CROSSE

At the last La Crosse County board meeting, we were asked to return with information regarding the impact the La Crosse Center has on La Crosse County lodging properties that are not located in the City of La Crosse.

As a starting point, the La Crosse County Convention and Visitors Bureau is able to track a number of large conventions and or events held at the La Crosse Center that we assist with booking. We are then able to enter that information into our Simpleview system. Recent history shows that these events generated a total of 23,505 room nights or lodging rooms sold and brought a total of 38,600 attendees to our region. (As we go through these numbers, please keep in mind that there are additional events held at the La Crosse Center that are not in our system that would have further impact on our region, so these numbers are on the conservative side.)

While there is no way to track the exact locations of visitor spending by individuals, we have created the following equation to demonstrate the economic impact of the conventions and events held at the La Crosse center using industry standards and recommendations from the Department of Tourism for the State of Wisconsin.

La Crosse County currently has 2,551 lodging rooms county-wide with 65% of these rooms located within the City of La Crosse and 35% of these rooms being located outside of the City of La Crosse but within La Crosse County. These percentages were used as the basis for our findings. Please keep in mind that the average hotel occupancy for our county is right at 56% which tells us that many attendees for events held at the La Crosse Convention Center will be displaced outside the La Crosse city limits and will be booking at hotels in other areas of our county.

Taking our above total of 23,505 room nights sold and the total of 38,600 attendees tied to those room nights, we can compute that at a rate of \$160 per visitor per night/day (formula supplied by the Wisconsin Department of Tourism) and this equates to \$16,960,000 in direct visitor spending from the large conventions and events brought to the La Crosse Center.

Reflecting back on our 65% - 35% split in hotel room locations as listed above, we can consider that a third of the room nights booked for the events at La Crosse Convention Center which equates to 7,835 room nights with 12,867 attendees were booked outside the City of La Crosse, but still in the County. Using the state's formula as above this equates to \$5,653,333 in revenue or direct visitor spending being generated for the communities outside the City of La Crosse.

To be even more conservative in our figures, we can calculate the booking at a 25% of the room nights as 5,876 room nights and 9,650 attendees and still see direct visitor spending of \$4,240,000 in the communities outside the City of La Crosse from large conventions and events held at the La Crosse Convention Center.

As stated at the February meeting, these things are more art than science so our calculations may not be exact to the penny, but we have used the state's calculations and processed those calculations and information through our Simpleview software to produce the most accurate scenario for you.

I hope this helps and I am happy to answer any questions.

Sincerely,

A.J. Frels

LA-CROSSE CENTER

\$35,000,000

City of La Crosse, Wisconsin
Taxable General Obligation Corporate Bonds, Series 2020-C
La Crosse Center Financing

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
03/01/2021	-	-	248,690.00	248,690.00
09/01/2021	500,000.00	2.000%	310,862.50	810,862.50
03/01/2022	-	-	305,862.50	305,862.50
09/01/2022	1,555,000.00	2.000%	305,862.50	1,860,862.50
03/01/2023	-	-	290,312.50	290,312.50
09/01/2023	1,570,000.00	2.000%	290,312.50	1,860,312.50
03/01/2024	-	-	274,612.50	274,612.50
09/01/2024	1,585,000.00	2.000%	274,612.50	1,859,612.50
03/01/2025	-	-	258,762.50	258,762.50
09/01/2025	1,605,000.00	2.000%	258,762.50	1,863,762.50
03/01/2026	-	-	242,712.50	242,712.50
09/01/2026	1,625,000.00	0.750%	242,712.50	1,867,712.50
03/01/2027	-	-	236,618.75	236,618.75
09/01/2027	1,650,000.00	0.900%	236,618.75	1,886,618.75
03/01/2028	-	-	229,193.75	229,193.75
09/01/2028	1,675,000.00	1.050%	229,193.75	1,904,193.75
03/01/2029	-	-	220,400.00	220,400.00
09/01/2029	1,705,000.00	1.200%	220,400.00	1,925,400.00
03/01/2030	-	-	210,170.00	210,170.00
09/01/2030	1,735,000.00	1.350%	210,170.00	1,945,170.00
03/01/2031	-	-	198,458.75	198,458.75
09/01/2031	1,770,000.00	1.500%	198,458.75	1,968,458.75
03/01/2032	-	-	185,183.75	185,183.75
09/01/2032	1,810,000.00	1.650%	185,183.75	1,995,183.75
03/01/2033	-	-	170,251.25	170,251.25
09/01/2033	1,855,000.00	1.750%	170,251.25	2,025,251.25
03/01/2034	-	-	154,020.00	154,020.00
09/01/2034	1,895,000.00	1.850%	154,020.00	2,049,020.00
03/01/2035	-	-	136,491.25	136,491.25
09/01/2035	1,945,000.00	1.950%	136,491.25	2,081,491.25
03/01/2036	-	-	117,527.50	117,527.50
09/01/2036	1,990,000.00	2.050%	117,527.50	2,107,527.50
03/01/2037	-	-	97,130.00	97,130.00
09/01/2037	2,045,000.00	2.150%	97,130.00	2,142,130.00
03/01/2038	-	-	75,146.25	75,146.25
09/01/2038	2,105,000.00	2.250%	75,146.25	2,180,146.25
03/01/2039	-	-	51,465.00	51,465.00
09/01/2039	2,160,000.00	2.350%	51,465.00	2,211,465.00
03/01/2040	-	-	26,085.00	26,085.00
09/01/2040	2,220,000.00	2.350%	26,085.00	2,246,085.00
Total	\$35,000,000.00	-	\$7,520,360.00	\$42,520,360.00

There are 2 payments a year on the bonds, March and September. The annual payment amount fluctuates from year to year. Above is the annual payments by year. Refer to the total P+I Column on the far right for the annual amount for debt service.

The budgeted amount for ROOM TAX is \$550,000 for 2021 and \$600,000 in 2022 and levied for the remainder of the debt service payment.

LA CROSSE CENTER

EXPERIENCE THE MAGNIFICENT

March 3, 2022

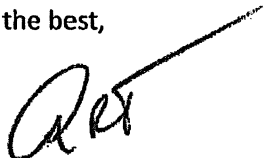
La Crosse County Board of Supervisors
Administrative Center
212 6th Street North
La Crosse, WI 54601

Reference: Investment of La Crosse County funds for the La Crosse Center.

One of the questions that came up when discussing the possibility of an annual investment in the La Crosse Center from La Crosse County was what would the money be used for. As an example, there is a need in the near future of new carpeting in the South Ballroom. Also, the South Hall Bathrooms need remodeling. Another area of investment would be replacement of pipe and drape for trade show booths as well as replacement tables and chairs. There would be the ability for La Crosse County to place some directives on what the funds could be used for.

I trust this gives just a snap shot of where investment moneys could be used.

All the best,



Art Fahey
Director
La Crosse Center