

Market Analysis for Remodeling and/or Expanding the La Crosse Center

Presented to:
La Crosse Center Board

February 5, 2015





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Mr. Art Fahey
Director
La Crosse Center
300 Harborview Plaza
La Crosse, Wisconsin 54601

Dear Mr. Fahey:

Conventions, Sports and Leisure, International (CSL) has completed a report related to a market analysis for the potential remodeling and/or expanding of the La Crosse Center in La Crosse, Wisconsin. The attached report is intended to accompany the slide presentation presented in the appendix. This report presents our research, analysis and findings and is intended to assist the La Crosse Center Board and the City of La Crosse in analyzing the potential demand and needs for remodeling and/or expanding the La Crosse Center (Center).

The analysis presented in this report is based on estimates, assumptions and other information developed from industry research, data provided by the La Crosse Center and other study stakeholders, surveys of potential facility users, discussions with industry participants and analysis of competitive/comparable facilities and communities. The sources of information, the methods employed, and the basis of significant estimates and assumptions are stated in this report. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from those described and the variations may be material.

This report has been prepared for the internal use of the La Crosse Center Board, the City of La Crosse and other study stakeholders, and should not be relied upon by any other party. The report has been structured to provide a foundation of research to provide decision makers with the information necessary to strategically plan for the La Crosse Center's future in the event facility industry and should not be used for any other purpose. This report, its findings or references to CSL may not be included or reproduced in any public offering statement or other financing document.

Should a decision be made to pursue this project to the next level, we suggest the following steps:

- Retain architectural assistance to prepare preliminary project costs based on conceptual planning.
- When retaining this assistance, it will be critical that an architect with extensive experience in the convention and arena building type be retained. Such an individual or firm could team with a local firm with experience in the La Crosse market.
- CSL can assist in identifying qualified firms for the City to consider for this effort.

With conceptual planning and cost estimating completed, the options for viable project financing can then be evaluated.

We sincerely appreciate the assistance and cooperation we have been provided in the compilation of this report and would be pleased to be of further assistance in the interpretation and application of our findings.

Very truly yours,

CSL International

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Conventions, Sports and Leisure, International has completed a preliminary market analysis of the potential remodeling and/or expanding of the La Crosse Center in La Crosse, Wisconsin. This summary is intended to accompany the attached slide presentation presented in the appendix. As part of our analysis, we have reviewed current and potential future conditions within the La Crosse market that may impact the project, analyzed historical operations within the La Crosse Center, conducted an analysis of competitive/regional arena and convention facilities and nationwide venues in markets similar to La Crosse, and have surveyed past, current and potential future users of the La Crosse Center. The analysis presented in this report is based on estimates, assumptions and other information. Information provided to us by others was not audited or verified and was assumed to be correct.

We sincerely appreciate the assistance and cooperation we have been provided in the compilation of this report and would be pleased to be of further assistance in the interpretation and application of our findings.

La Crosse Market Overview

The La Crosse Center (Center) is operated by the La Crosse Center Board and was created to generate economic impact and serve as a home for various community events. The Center originally opened in 1980 and was most recently expanded in 2000, adding approximately 36,000 square feet of exhibit space (within South Hall), a 6,700-square foot ballroom and supporting breakout meeting space. The Center has effectively absorbed this expansion and is at a point where it is important to provide a road map for the next stage of development for the Center.

As presented below, the Center is well positioned along the bank of the Mississippi River on the west side of downtown La Crosse, Wisconsin, well supported by a variety of restaurants, bars, entertainment venues, three hotels within close walking distance and over 2,500 parking spaces among seven public parking lots.

Overview of Downtown La Crosse



As compared to 15 markets offering convention centers and 28 markets offering arenas of similar size and composition comparable to La Crosse Center, La Crosse ranks third and fourth overall, respectively, with a walkability score of 88. This provides an advantage when competing for all types of public assembly events. The Walk Score measures how pedestrian-friendly an area is, with the highest score of 100 (most pedestrian friendly) and lowest score of zero (least pedestrian friendly). The maximum score is given for amenities within one-quarter mile of the venue, with no points awarded for amenities outside of a one-mile radius. Factors influencing walkability include the presence and quality of footpaths, sidewalks, traffic and road conditions, land use patterns, building accessibility, and safety, proximity to amenities such as restaurants, parks, hotels schools, etc.

The La Crosse Center's walk score of 88 was comparable to convention facilities in markets such as Fort Wayne, IN (walk score of 91), Tacoma, Washington (85), and Rochester, Minnesota (82), and arena facilities in markets such as Rapid City, SD (91), Dubuque, IA (89), Mankato, MN (86) and Manchester, NH (86). The average walk score among comparable convention markets was 64, with a median score of 73, while the average and median scores among comparable arena markets was slightly lower at 58 and 57, respectively.

While the overall walkability of the area surrounding the La Crosse Center is relatively high, the hotel base adjacent to the Center is somewhat limited. Event planners are increasingly looking for markets with sufficient room inventory and diversification to be able to accommodate their event's room block within close proximity (connected, adjacent or within walking distance) to the event facility. With 355 total rooms within one-half mile of the Center among the Radisson (169 rooms) the Holiday Inn (114 rooms) and the Courtyard (72 rooms), La Crosse is somewhat limited in its ability to accommodate larger convention-groups utilizing the Center.

Planning is underway for various hotel properties within several blocks of the La Crosse Center, with the potential to significantly improve the room inventory used to support non-local events.

The economic development taking place in the downtown La Crosse area is significant. As many as three new downtown hotels under development, including the 67-room Charmant Hotel, which will occupy the former Ross Furniture building on State Street downtown and features over \$23 million in renovations, and the 126-room Hampton Inn and Suites Hotel. Both projects are planned for completion by fall of 2015. A possible third, 92-room hotel is being currently proposed to occupy the former Habitat for Humanity ReStore.

Additional development projects include the redevelopment of the former Trane Plant 6 property, construction projects at the University of Wisconsin-La Crosse and Western Technical College, and the proposed redevelopment of the county-owned Lot C parking lot. Together, this mix of development projects will have an important relevance to the future marketability of La Crosse Center and the La Crosse destination as a whole. This is particularly true in terms of businesses creating a need for corporate meeting space, hotels that can accommodate event attendees, and restaurant/retail development that provide an important amenity.

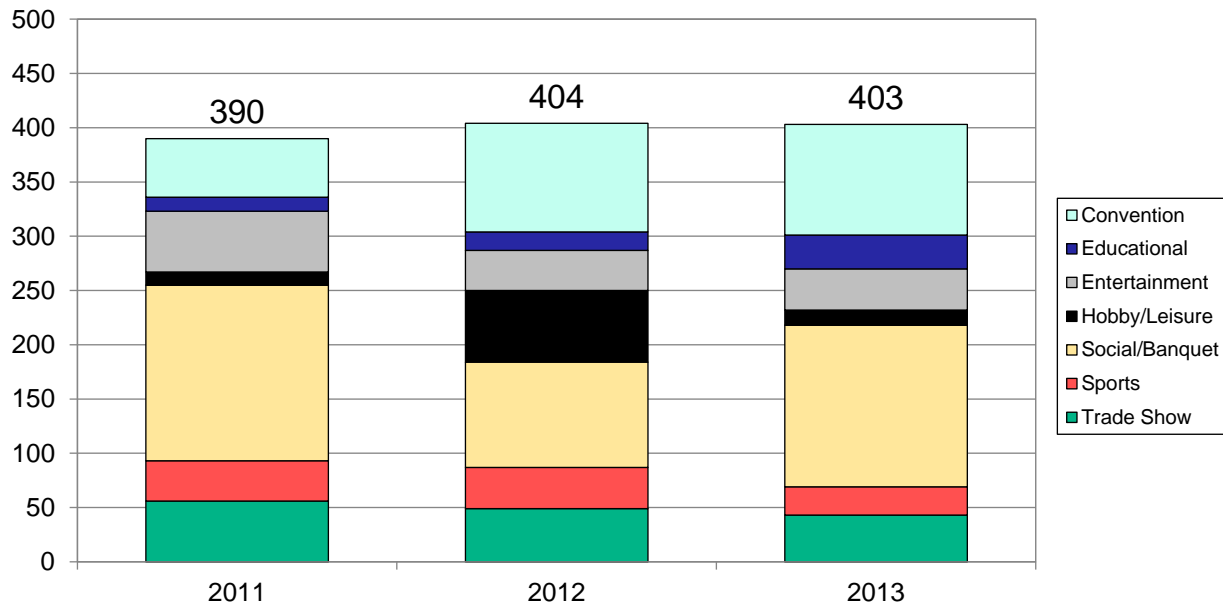
Overall, the La Crosse market provides a strong and growing foundation to support the market's convention and visitor industry. Local leaders predict continued business growth, with extensive construction and even lower unemployment rates for the greater La Crosse area in 2015 after an economically strong 2014. These factors are incorporated into the analysis of future development options for La Crosse Center.

Historical La Crosse Center Operations

The La Crosse Center originally opened in 1980 at a cost of approximately \$29.4 million. In 2000, the Center underwent a \$14.0 million expansion and renovation, adding approximately 36,000 square feet of exhibit space, 6,000 square feet of ballroom space and supporting breakout meeting space to the south of the 7,500-seat Arena. With this expansion, the Center currently offers approximately 54,000 square feet of exhibit space (including up to 36,000 square feet of contiguous exhibit space), a 6,700-square foot ballroom and approximately 7,000 square feet of meeting space throughout 14 breakout rooms.

Event activity in recent years has remained relatively consistent, ranging from 177 events in 2012 to as many as 204 in 2011. Utilization days, a fuller measure of overall usage that consider event set-up and take-down days, has ranged between 390 and 403 over the past three years.

Utilization Days by Event Space at the LCC (2011-2013)



Source: La Crosse Center management, 2014.

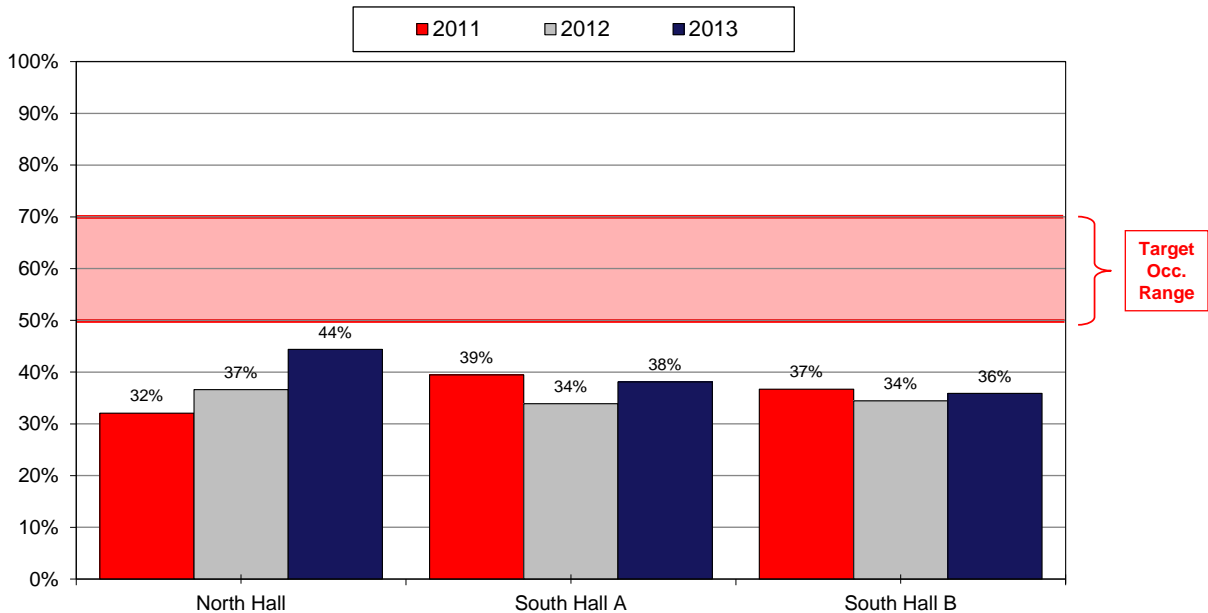
As shown above, Social/Banquet events accounted for the highest percentage of total utilization days within the Center (34 percent), while Conventions accounted for over 21 percent of total Center utilization, increasing in each of the three years reviewed. Other events including trade shows, sports, entertainment and educational events make up the remainder of the Center calendar. Taken together, these data demonstrate a highly multi-use venue catering to local community, and non-local events.

The relative level of consistency exemplified by these data provides some indication of a mature product with respect to the facility and related features of the destination.

The occupancy of a facility is determined to be within a practical maximum capacity range when the actual occupied space in a facility reaches a level of 50 percent of total sellable capacity. Above 70 percent occupancy, a facility has exceeded "practical maximum capacity" and may be turning away significant business. These assumptions account for the reality that a portion of the facility's total capacity is un-

sellable due to holidays, maintenance days and inherent booking inefficiencies that result when events cannot be scheduled immediately back-to-back. The following exhibit illustrates this idea and how the La Crosse Center's occupancy compares to this practical maximum capacity range.

Occupancy by Event Space at the LCC (2011-2013)

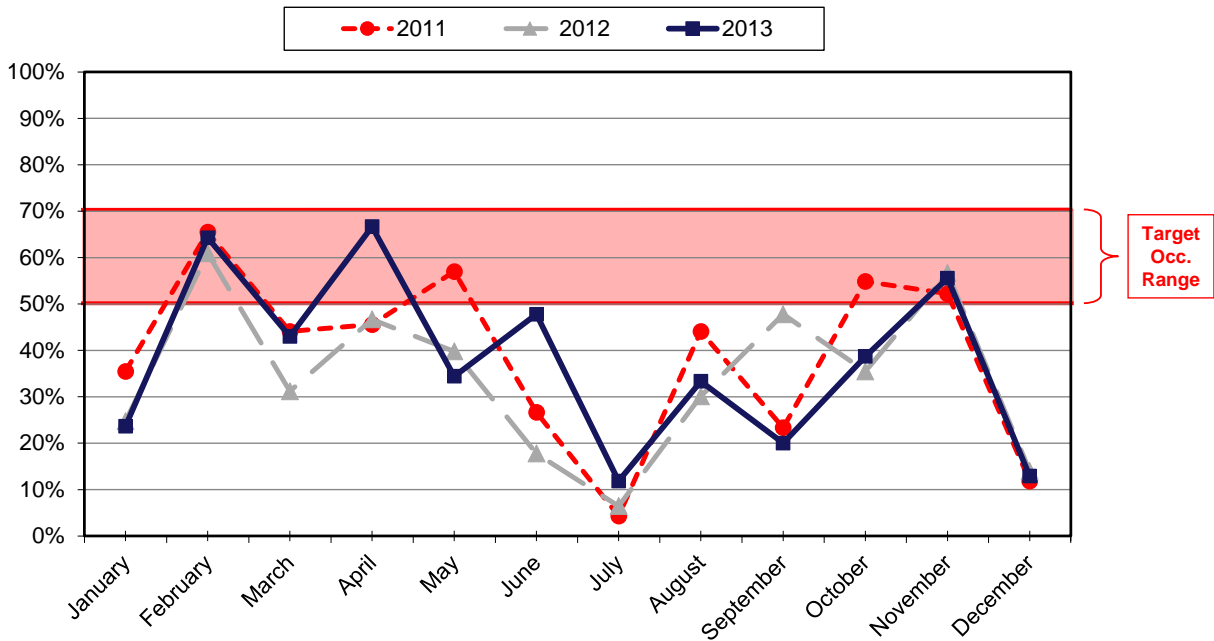


Source: La Crosse Center management, 2014.

As shown, actual square footage occupancy percentages in South Hall A and South Hall B have remained relatively consistent, ranging from 34 to 39 percent between 2011 and 2013, while North Hall's occupancy has increased from 32 percent to 44 percent over during this timeframe. The occupancy percentages for all three halls are below average for the industry, but consistent with smaller market, more functionally challenged facilities in other communities.

Looking more closely at these data (in the following exhibit), we note that monthly La Crosse Center occupancy levels in South Hall approach 70 percent during many of the spring and fall months. Occupancy levels in North Hall (as presented in the Appendix) follow a similar seasonal pattern with occupancy even exceeding 70 percent during many of the spring and fall months.

Occupancy by Month (2011-2013) Events Utilizing South Hall



Source: La Crosse Center management, 2014.

Overall, occupancy data indicate that any expansion of multi-use space could potentially absorb unmet demand during the peak spring and fall seasons. Added utilization during low occupancy periods may be somewhat more difficult to generate given market-wide demand and seasonality patterns.

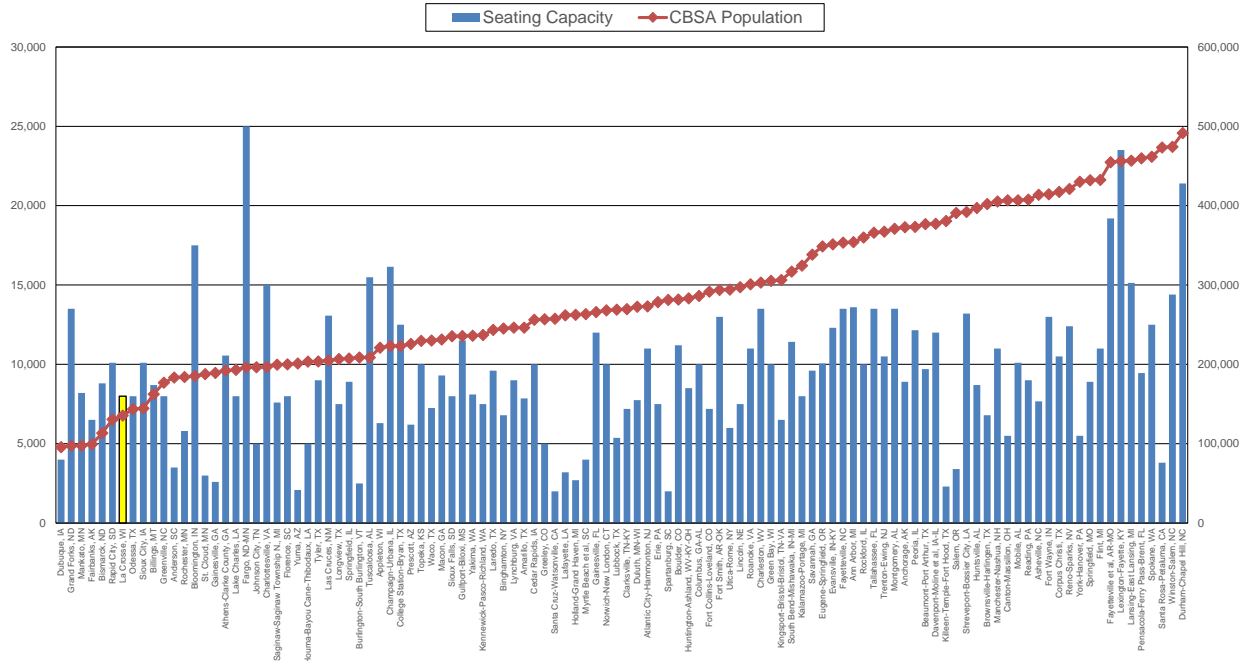
It is important to note that revenue generated within the Arena and Ballroom far exceed the operating revenues generated within North Hall and South Hall on a per square foot basis. Specifically, between 2011 and 2013 the Arena and Ballroom generated an average of \$24 and \$39 per square foot, respectively, compared to \$7 and \$4 per square foot within North Hall and South Hall, respectively.

Competitive and Comparable Arena Facilities

As part of this study effort we have conducted an analysis of various physical characteristics and resources of comparable arena facilities and markets. These data are used to understand the level of space and amount of seating offered by competitive and comparable facilities and destinations, the size of their respective markets in terms of population, and how these factors may contribute to defining program options for the La Crosse Center. These analyses are beneficial in determining an arena facility's and destination's ability to attract nationally touring events, sport competitions and/or professional sports tenants.

We identified 109 arena facilities and markets throughout the nation with populations of 50,000 to 500,000. Capacity and population data for these markets are summarized in the following exhibit.

Arena Seating Capacity in Relation to CBSA Population by Comparable Market



Source: Facility publications, ESRI Business Analyst, 2014

As shown, there is no significant correlation between population and arena capacity. In selected Division I markets, (Bloomington, Champaign/Urbana, Fargo), larger venues cater to a major sports program.

While market population alone is not an adequate benchmark to determine arena capacity and other factors must be considered, it is nonetheless helpful to conduct an extrapolation analysis of population to seating capacity using comparable markets and their respective arena facilities (summarized in the following exhibit).



Population to Seating Capacity Analysis for Comparable Market Arenas

| Market | Facility | Arena Capacity | 50-Mile | | 100-Mile | |
|----------------------------------------|-----------------------------------------------------|----------------|----------------|---------------------------------|------------------|---------------------------------|
| | | | Population | Ratio of Population to Capacity | Population | Ratio of Population to Capacity |
| Allen, TX | Allen Event Center | 8,500 | 6,211,300 | 730.7 | 7,933,400 | 933.3 |
| Manchester, NH | Verizon Wireless Arena | 11,770 | 4,406,800 | 374.4 | 9,967,600 | 846.9 |
| Everett, WA | Comcast Arena at Everett Events Center | 10,000 | 3,354,600 | 335.5 | 4,899,400 | 489.9 |
| Independence, MO | Independence Center | 8,022 | 2,192,300 | 273.3 | 3,013,600 | 375.7 |
| Loveland, CO | Budweiser Events Center | 6,500 | 2,138,700 | 329.0 | 3,941,900 | 606.4 |
| Council Bluffs, IA | Mid America Center | 8,000 | 1,105,478 | 138.2 | 1,871,956 | 234.0 |
| Bloomington, IL | US Cellular Coliseum | 8,000 | 964,200 | 120.5 | 3,689,000 | 461.1 |
| Green Bay, WI | Resch Center | 10,500 | 936,503 | 89.2 | 2,589,662 | 246.6 |
| Wisconsin Dells, WI | Crystal Grand Theatre | 2,000 | 784,443 | 392.2 | 4,063,438 | 2,031.7 |
| Cedar Rapids, IA | U.S. Cellular Center | 8,600 | 641,800 | 74.6 | 2,067,500 | 240.4 |
| Beaumont, TX | Ford Arena | 9,100 | 555,400 | 61.0 | 7,076,400 | 777.6 |
| Mankato, MN | Verizon Wireless Center | 8,200 | 541,700 | 66.1 | 4,500,200 | 548.8 |
| Rochester, MN | Mayo Civic Center/Taylor Arena | 5,200 | 497,600 | 95.7 | 4,554,600 | 875.9 |
| Tupelo, MS | BancorpSouth Arena | 10,000 | 444,900 | 44.5 | 2,749,200 | 274.9 |
| La Crosse, WI | La Crosse Center | 7,500 | 377,280 | 50.3 | 1,750,842 | 233.4 |
| Odessa, TX | Ector County Coliseum | 8,000 | 352,200 | 44.0 | 558,100 | 69.8 |
| Dubuque, IA | Five Flags Center | 4,000 | 343,790 | 85.9 | 3,125,838 | 781.5 |
| Sioux Falls, SD | Denny Sanford Premier Center | 12,000 | 339,600 | 28.3 | 900,100 | 75.0 |
| Sioux City, IA | Tyson Events Center/Gateway Arena | 10,100 | 277,300 | 27.5 | 1,785,400 | 176.8 |
| Duluth, MN | Duluth Entertainment Convention Center/AMSOIL Arena | 8,500 | 233,000 | 27.4 | 622,800 | 73.3 |
| Enid, OK | Enid Event Center and Convention Hall | 3,887 | 222,300 | 57.2 | 2,391,300 | 615.2 |
| Salina, KS | Bicentennial Center | 7,500 | 206,400 | 27.5 | 1,221,700 | 162.9 |
| Billings, MT | MetraPark/Rimrock Auto Arena | 8,700 | 178,900 | 20.6 | 260,500 | 29.9 |
| Grand Forks, ND | Alerus Center | 13,500 | 141,200 | 10.5 | 493,500 | 36.6 |
| Bismarck, ND | Bismarck Civic Center | 8,800 | 132,100 | 15.0 | 246,400 | 28.0 |
| Bemidji, MN | Sanford Center | 6,000 | 104,600 | 17.4 | 527,800 | 88.0 |
| Fairbanks, AK | Carlson Center | 6,500 | 102,500 | 15.8 | 109,600 | 16.9 |
| Rapid City, SD | Rushmore Plaza Civic Center | 10,000 | 96,900 | 9.7 | 737,400 | 73.7 |
| Casper, WY | Casper Events Center | 10,500 | 93,600 | 8.9 | 126,900 | 12.1 |
| Dodge City, KS | Magouirk Conference Center/United Wireless Arena | 6,060 | 92,700 | 15.3 | 283,400 | 46.8 |
| Average (1) | | 8,220 | 954,900 | 120.0 | 2,631,300 | 320.0 |
| Average (2) | | 8,480 | 310,800 | 40.0 | 1,288,700 | 150.0 |
| 50-mile Market Penetration (1) | | 3,140 | | | | |
| 50-mile Market Penetration (2) | | 9,430 | | | | |
| 100-mile Market Penetration (1) | | 5,470 | | | | |
| 100-mile Market Penetration (2) | | 11,670 | | | | |
| AVERAGE | | 7,430 | | | | |

Note: Ratios indicate the ratio of population to seating capacity. The 50 and 100-mile radii represent concentric rings from each market's event facility.

(1) Excludes La Crosse

(2) Excluding La Crosse and markets with a 50-mile population over 1,000,000 and/or 100-mile population over 4,000,000.

Source: Esri Business Analyst, 2014; facility publications

When analyzed against 28 comparable markets, the population/seat data within a 50 and 100 mile radius indicate that the existing Arena capacity of 7,500 is generally sufficient for the market.

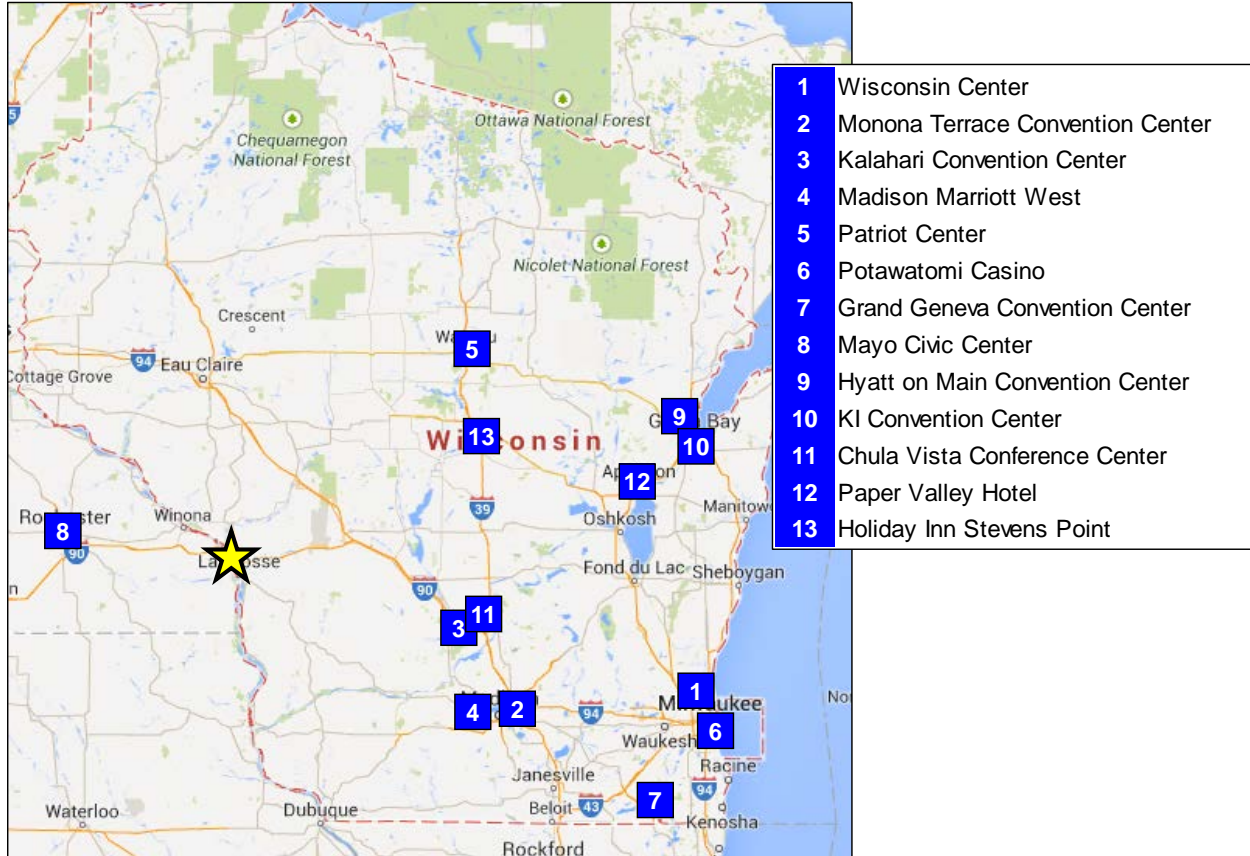
Competitive and Comparable Convention Facilities

We have also conducted a similar analysis of various physical characteristics and resources of both competitive (regional) and comparable convention facilities and markets. These data are used to understand the level of space and hotel room inventory offered by competitive and comparable facilities and destinations, how other similar markets are performing within current industry conditions, and how these factors may contribute to defining program options for the La Crosse Center. This is an instrumental component of our analysis as event planners consider a number of characteristics while determining the ability of a destination to host their convention, conference and tradeshow business.

We identified 13 regional convention, conference and hotel venues throughout Wisconsin and Minnesota that may offer some level of competition to the La Crosse Center. The La Crosse Center is the only facility

located on the western half of Wisconsin, with the nearest competitive facility being the Mayo Civic Center located in Rochester, Minnesota.

Competitive Venues in the Greater Wisconsin Area

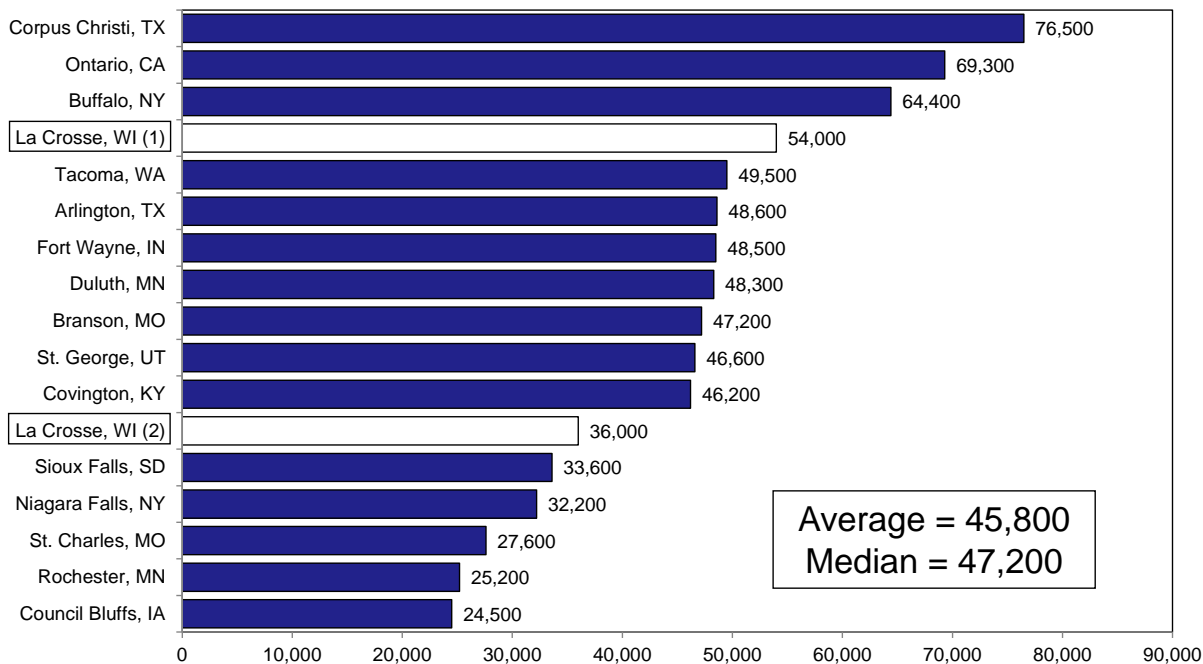


We note that amongst the regional venues analyzed, only the Wisconsin Center provides more total exhibit or total sellable space. When only prime exhibit space is considered (South Halls A and B at the La Crosse Center), the existing 36,000 square feet of space ranks third in the state, behind the Wisconsin Center and the 37,200 square feet at the Monona Terrace.

However, there are six other competitive venues that offer between 25,200 and 37,200 square feet of prime exhibit space, representing significant competition for rotating events. Additionally, there are eight venues that offer more meeting space, and 11 venues (nearly all) that offer more ballroom space than provided at the La Crosse Center. These data serve to suggest the primary competitive deficiencies of the existing La Crosse Center product.

We have also identified a set of 15 convention and conference facilities located in markets similar to La Crosse throughout the country that could offer some element of insight. In the exhibit below we have presented a summary of total exhibit space offered at the comparable facilities reviewed.

Exhibit Space Available by Comparable Convention Center



(1) Includes all exhibit space throughout North and South Halls.

(2) Includes 24,000 square feet of prime exhibit space in South Hall A and 12,000 square feet of exhibit space within South Hall B with 18-foot ceilings.

Source: Facility floorplans, management, and industry publications, 2014.

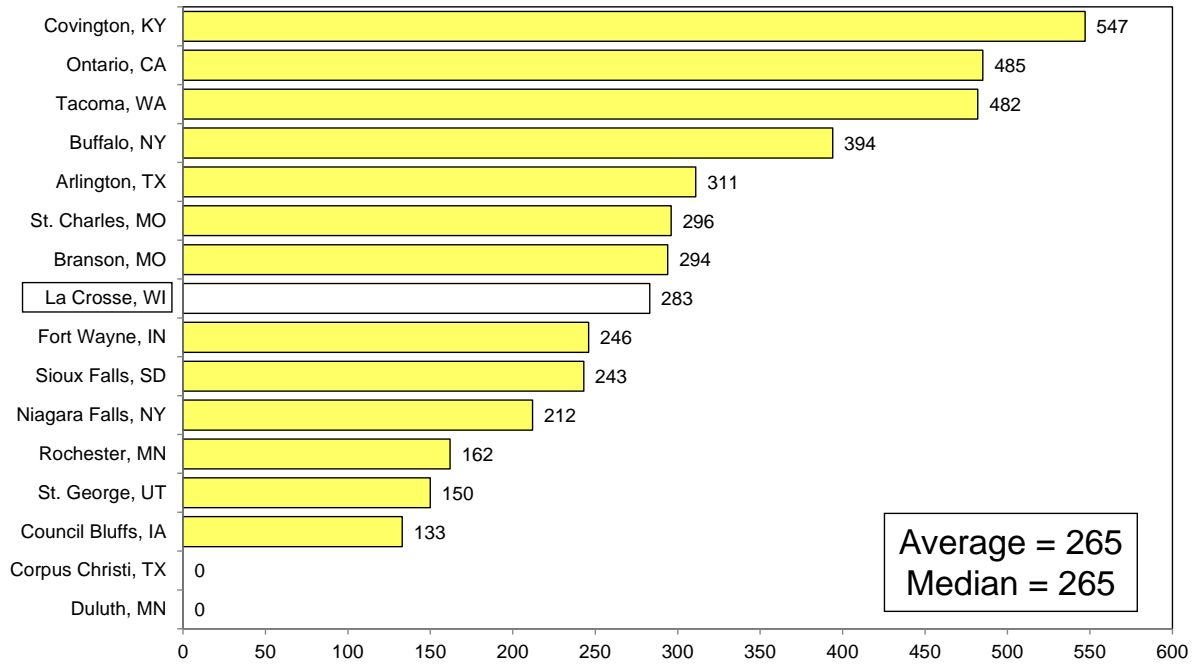
For purposes of this analysis, only “prime” exhibit space has been included for the comparable facilities reviewed. “Prime” space refers to dedicated exhibition area that is column-free or with minimal columns, has a concrete floor and high ceilings. La Crosse offers approximately 54,000 square feet of exhibit space combined within North Hall and South Hall; however, North Hall’s exhibit space offers only 16 feet of ceiling height. While South Hall A offers a ceiling height of 30 feet (and is thus considered prime exhibit space by the aforementioned standards). While South Hall B has lower ceiling heights, it is contiguous to Hall A and is column free.

While La Crosse Center’s largest contiguous space ranks somewhat unfavorably relative to comparable national event facilities, it is the third most offered within the state of Wisconsin, trailing only the Wisconsin Center in Milwaukee and Monona Terrace in Madison. As with competitive regional venues, the La Crosse Center ranks near the bottom among national event facilities in terms of both ballroom and breakout meeting space.

From a non-local event planner’s perspective, the availability of quality, headquarters hotel support is normally critical when considering a destination. In most cases, the headquarters hotel is considered most desirable if the hotel is physically attached to the convention facility, providing a “seamless” experience for overnight convention attendees (i.e., drive into town, park at the hotel, check in, walk through the lobby into the conference center and attend event functions, etc.). The host event facility and destination becomes somewhat less appealing (within the context of competitive destinations) if convention attendees are required to either drive or walk long distances to their hotels from the convention center. This becomes intensified in markets with inclement weather such as extreme heat or cold. It is for this reason that most convention centers (particularly those in mid-sized and large markets) offer one or more full-service headquarters hotel property physically attached or across the street. As presented in the exhibit below, La

Crosse ranks favorably relative to the comparable markets reviewed in terms of total headquarters hotel rooms, with 283 rooms between the Radisson and Holiday Inn.

HQ Hotel Rooms Available by Comparable Convention Center



Source: Convention and visitors bureaus, industry publications, 2014.

Larger events may stay in multiple hotel properties around the convention facility and/or destination. Therefore, the total number of rooms within close walking distance of the event facility (estimated at approximately one-half mile) is another important consideration among event planners. When reviewing the total number of hotel rooms within close walking distance of the La Crosse Center, the 355 rooms (which additionally includes the 72 rooms at the Courtyard) surrounding the La Crosse Center ranks at the bottom of the comparable set of markets reviewed. This will be an important element to address when considering improvements to La Crosse's overall convention and destination package.

Planning efforts for new hotel development adjacent to and near the La Crosse Center are on-going, and could substantially improve the marketability of the La Crosse hotel inventory for attracting non-local events.

Market Demand Analysis

To form a basis for the market demand analysis, detailed surveys were completed with meeting planners within various key segments that represent the existing and potential event market for La Crosse. This survey-based technique provides a detailed understanding of potential user needs, their willingness to use a potentially remodeled, renovated and/or expanded La Crosse Center, as well as overall perceptions of La Crosse as a potential host community for their event.

In order to test the potential event market for La Crosse, a detailed telephone survey was conducted with planners of state and regional conventions, conferences, tradeshow, amateur sports tournaments/competitions and promoters of concert, touring and other ticketed events. The survey resulted in over 40 completed surveys with individual planners, representing more than 100 annual events.

State and Regional Conventions

Following a series of introductory questions, event planners were asked to indicate the likelihood of their organization using an improved/expanded La Crosse Center, assuming the resulting event space and associated hotel package would fully accommodate their event. The overall positive interest by respondents in rotating one or more events to La Crosse, assuming sufficient improvements/expansion of the facility space and hotel inventory existed is 68 percent. Specifically, ten percent indicated their group would “definitely” hold an event in La Crosse, 12 percent “likely”, 46 percent “possibly”, 22 percent “not likely” and ten percent “definitely not”. Based on other surveys that CSL has completed in recent years, La Crosse’s response is characterized as moderate to strong overall interest.

Importantly, this level of interest varied among those organizations that have utilized the La Crosse Center in the past, as compared to those that have not. The interest level is much higher for organizations that have held an event at La Crosse Center in the past, with a positive response rate of nearly 100 percent, compared to 57 percent for organizations that have not held an event at La Crosse Center. Furthermore, nearly all of the demand among organizations that have not held an event in La Crosse indicated they would “possibly” utilize the facility.

Specific comments from event planners with past experience utilizing the La Crosse Center indicated that some strengths of the Center and destination include:

- The Center’s location with access to downtown, park areas, entertainment, restaurants, the river and other such amenities;
- An appropriate sizing of the complex overall;
- The upstairs reception/ballroom/suite area has been a welcome addition and work well; and,
- A very friendly and accommodating staff.

Event planners also shared some elements of the Center and destination that could use improving, including:

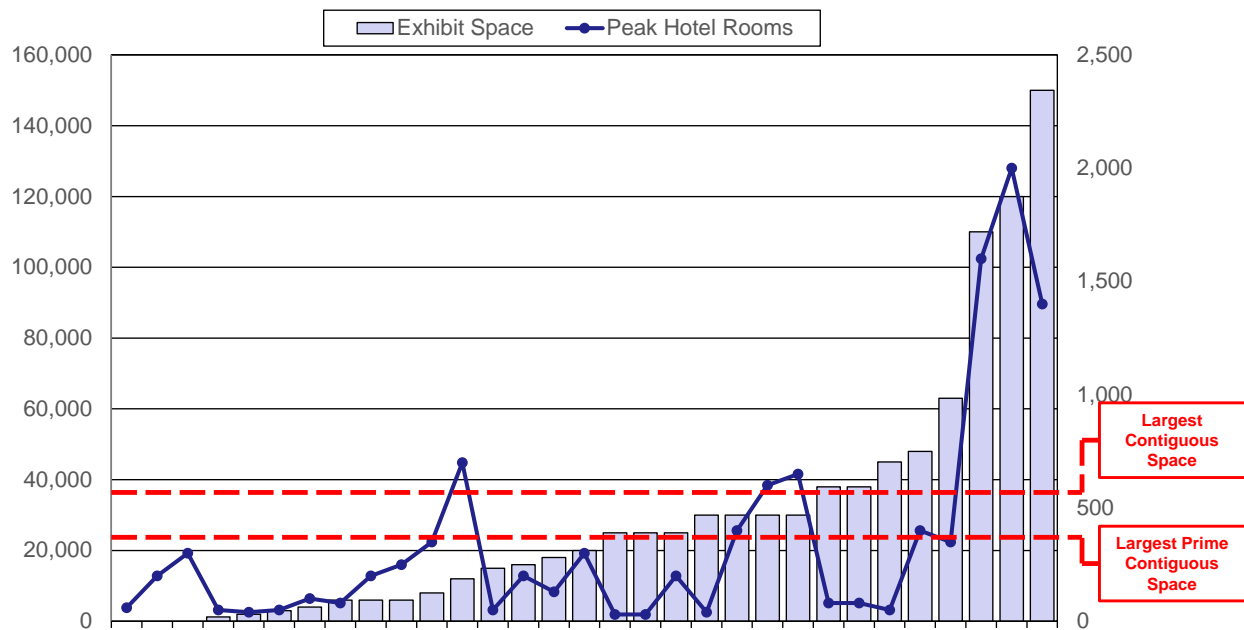
- The facility is too spread out with North and South Halls on opposite sides of the Arena and lacks a cohesive flow throughout the facility;
- A dated and “sterile” appearance could use a more modern presentation;
- There are no handrails for elderly guests trying to traverse the stairs in the Arena;
- The skyway system to access the Center can be difficult to navigate; and,

- Geographic location in far western Wisconsin is somewhat inaccessible for delegates located in population centers on the eastern side of the state;

This overall response suggests that La Crosse presents a desirable product for event planners throughout the state and regional marketplace. However, it will be increasingly important to update and maintain the appearance, flow and functionality of the Center and supporting destination amenities to be able to continue to compete within an increasingly competitive sector.

Organization event planners with positive responses were also asked to estimate the average total amount of exhibit space that their event(s) need as represented in the individual bars in the following exhibit. In addition, the number of hotel rooms required on the peak night of each event has been reflected in the chart in line form. The following exhibit summarizes the responses given.

**State/Regional Organization Survey –
Exhibit Space and Peak Hotel Room Requirements by Event**



Note: Some events do not require exhibit space.
Source: CSL State/Regional Organization Survey, 2014.

As presented, the existing 36,000 square feet of prime exhibit space at the La Crosse Center can effectively accommodate approximately 80 percent of the identified event demand for an expanded/improved Center. Of the demand that cannot be currently accommodated, several require total room blocks well in excess of 1,000 total rooms, and are not likely candidates for the La Crosse market.

As a result, the un-met potential for the La Crosse Center in terms of exhibit space is currently approximately 10 percent. In other words, added exhibit space may generate an incremental 10 percent market capture for the Center, not considered sufficient to justify the costs for immediate, significant expansion of exhibit space.

Concert and Entertainment Events

The La Crosse Center has successfully accommodated a significant number of concert and entertainment events, serving to enhance entertainment options for residents, and generating increases in non-local visitation.

In order to measure the potential demand for expanded/improved Arena event space, we conducted detailed interviews with regional and national promoters of concerts, touring acts and other ticketed shows with potential routing or other interest in the La Crosse market. These promoters represent hundreds of annual events that occur in the Upper Midwest and throughout the country on an annual basis.

Overall, promoters suggest that La Crosse has been a strong market for concerts and other touring acts with the Center's location in downtown, with access to sufficient residential and university-based population bases, and as a connector between larger markets (i.e., Chicago, Milwaukee, Minneapolis, Des Moines, etc.) for routing purposes. However, promoters are becoming increasingly apprehensive about the appearance of the Center, suggesting that both the exterior and interior could benefit from a facelift to reflect a welcoming environment for event attendees.

With greater competition for entertainment dollars, consumers are increasingly seeking out a venue that not only delivers the act/performance they desire but also a venue capable of enhancing their overall experience while attending that act. Conversations with promoters and event facility management suggests that there is an increasing segment of the market can be negatively impacted due to poor aesthetic, acoustic and seating value. Further, as promoters are increasingly looking for additional revenue enhancing opportunities to minimize their risk when bringing an act to a venue, facilities are becoming increasingly dependent on food and beverage and other sponsorship sales to create a mutually beneficial partnership with promoters and touring acts.

Improvements to aesthetics and revenue producing areas of the Arena should be considered a central component of any future La Crosse Center improvement project. Conversations with area promoters, and as suggested earlier through a comparison among comparable national event facilities, the existing Arena cavity is largely sufficient given the various population/capacity comparisons. Added seating capacity may not necessarily translate to additional events or a significant improvement in event attendance, and is less likely to do so without subsequent investment into the overall aesthetic appeal of the Center as a whole.

Sporting Events

Another market segment La Crosse Center could potentially attract consists of indoor amateur sports tournaments, meets and competitions including basketball, volleyball, wrestling, cheerleading, dance and other such sports. At most comparable event facilities, non-local tournaments and competitions are typically held on Friday, Saturday and Sunday throughout their respective seasons. These tournaments and competitions can utilize space within a traditional exhibition hall with minimal columns and a minimum ceiling height of 25-feet and space within an arena with stadium seating for championship games/matches.

Additionally, tournament organizers and attendees tend to gravitate to markets with family and budget-friendly accommodations and are willing to drive 10 to 15 minutes to/from their lodging to the site of their event. Ideally, tournament games/matches would be held in a single location (or within close proximity) to minimize travel time between venues.

Conversations with amateur sports tournament promoters from basketball, volleyball, wrestling, cheerleading, dance and other such indoor competitions suggested that the La Crosse market, and the La

Crosse Center present an intriguing value proposition for their events. However, the limited ceiling height in much of the Center (with the exception of the 24,000 square feet of space within South Hall A) prevents its usage among most tournament organizers.

Organizations that host basketball and volleyball tournaments, specifically, indicated a potential interest in hosting future tournaments at the La Crosse Center, but would require enough space for at least eight basketball courts (minimum of approximately 40,000 square feet of space) with a ceiling height of 25 feet or more.

Assuming expanded event space of sufficient quality to accommodate these tournaments, the potential exists to compete for four to six incremental tournaments each year, with a likely retention of at least two or three added tournaments annually at the La Crosse Center. It may be difficult to justify the cost of a substantial exhibit space expansion based on relatively limited incremental demand.

Summary of Preliminary Findings

In developing preliminary program findings for future investment in the La Crosse Center, we have considered the following market demand aspects.

- The availability of restaurant, nightlife, natural amenities and other features very proximate to the La Crosse Center provide a competitive advantage against many other markets competing for public assembly events.
- Occupancy percentages at the existing La Crosse Center are below levels that would suggest an immediate need for added space. In addition, the existing 36,000 square feet of prime exhibit space is larger than most regional venues, and accommodates a significant share of existing state and regional convention demand.
- Event planner interest in La Crosse is relatively high, particularly from planners who have hosted an event in the market in the past.
- The competition for conventions is significant, and other regional markets will likely continue to improve their product. This suggests that there will be improvements needed over time at the La Crosse Center in order to remain competitive, while at the same time it will be important to prevent overbuilding that does not provide sufficient market capture.
- The exhibit space at the La Crosse Center compares favorably in size to other regional markets; however, the meeting and ballroom space sizing rank very low.
- Comparable market population to arena capacity ratios suggest that the La Crosse Center Arena is appropriately sized; however, promoters have identified numerous improvements that will have to be considered in order to maintain long-term market capture.
- Convention and other event planners also identify various improvements to lobby, internal circulation, aesthetics and other areas needed to remain competitive.

These summary findings, in addition to the overall analyses conducted for this project, are used to develop the following specific planning priorities for the La Crosse Center. We have worked closely with HSR Associates in La Crosse to develop conceptual renderings of the primary recommended development initiatives. These are summarized throughout the remainder of this report.

Added Indoor and Outdoor Event Space

There are several areas within the overall La Crosse Center campus that could be considered for added space. The following exhibit highlights the primary areas for future consideration, labeled Area 1 and Area 2.

Potential Areas for Added Space



Area 1 – One primary opportunity for added space is located towards the River along what is currently considered the backside of the Center. This space runs from the north, adjacent to the North Hall, across the Arena, intersecting with the back of the existing Ballroom space.

This area provides for an opportunity to achieve the following objectives:

- Add needed meeting and ballroom space to the Center, with desirable views back to the River. This helps to create a second “front door” to the complex, taking advantage of a primary natural asset.
- Develop pedestrian linkages to the River. The following image shows the potential for a grand walkway connecting the Center to Harborview Plaza. The image also shows the potential for the new meeting/ballroom area and a significant outdoor plaza that extends over Front Street.

Potential Riverside Development Opportunities



Area 2 – There is an existing Event Center space currently controlled by Radisson ownership and located at the intersection of Jay Street and 2nd Street South. This site could provide future development opportunities for the La Crosse Center. The current structure on the site is underutilized and not configured to interact well with the existing La Crosse Center.

Should this site be acquired, a development approach should consider the following:

- Use of the space for outdoor and tented functions. This would require substantial built-in amenities to allow for heavy, potentially semi-permanent and climate controlled structures, as well as outdoor plaza space for community events (food, athletic, music and other entertainment events). Outdoor space as part of the Monona Terrace, Century Center in South Bend and the Lasing Center provide examples of this type of approach.
- While the addition of significant amounts of exhibit space may not be warranted by current demand levels, the site could serve as a placeholder for future expansion contiguous to the existing South Hall. Ultimately, controlling what is a very important piece of real estate within respect to the La Crosse Center campus for long term planning should be a priority.

Outdoor Tented Space



The above image shows a potential open-air tented structure on the site, representing only one example of the flexible uses for the site.

Added Lobby Connector

As noted by many event planners and supported by our site review, the existing lobby space connecting various components of the campus is not highly functional. There is a requirement to exit the building and re-enter in order to move from Arena to Banquet areas of the facility. The overall size of the space does not allow for convenient registration other pre-function activities. The image created by the existing lobby looking back on the city is not of a high quality.

To address these issues, consideration should be given to the demolition of existing lobby and management office space, and the development of a new larger lobby area, as conceptualized in the following image.

New Lobby Connector



As summarized in the image, the new lobby connector would extend along the existing front of the Center, providing a key focal point of entry near 2nd Street South and Pearl Street.

This would address each of the issues identified above, and could create an architecturally important point of reference for the Center that ties back into the entertainment area of downtown.

Interior Renovations

There are numerous interior renovations and improvements identified by facility customers and staff that will have to be invested in to allow the Center to remain competitive, including the following.

- North Hall air walls
- North Hall facelift (walls, lighting, floors, etc.)
- Arena seats
- Concession stands
- Arena bathrooms/dressing rooms
- Arena sound system
- Zielke Suite facelift (ceiling, walls, carpet, aesthetic, etc.)
- Lobby/entryway
- Refinish/update exterior
- Marquee signage
- Signage/entryway on River-side

These improvements should be considered necessary to the extent that the added space components described above should not be considered unless the basic building improvements are undertaken.

In addition to these basic improvements, we have prepared a concept for enhancing the flexibility of the existing South Hall. In several markets nationally (Fort Wayne, Indiana and Bellevue, Washington, for example), center management has installed enhanced floor, wall and ceiling conditions within their primary exhibit areas. This includes carpeting (usually carpet squares to allow for repairs), acoustical panels in the ceiling and higher grade wall treatment.

Meydenbauer Center Exhibit Space

The existing exhibit space at the Meydenbauer Center in Bellevue highlights the use of the hall for a banquet. Management routinely follows various guidelines described below to protect the carpeting, while undertaking various repairs when needed.

- Fire code dictates less than ¼ tank of gas in vehicles on the floor.
- Before vehicles roll in, tires are checked for dirt and debris, they are wiped off, or cleaned with an air compressor.
- All vehicles are rolled in onto cardboard and dried off if raining.



- The biggest challenge is turning too tight, or turning wheels without moving, it can tear carpet.
- Drip mats are used by the show planner to catch oil leaks. If they don't want to use them, they have to replace damaged carpet tiles at \$60 a square.
- Carpet tile replacement is 20 percent higher than in meeting rooms, so a larger back stock is important.

For the La Crosse Center, consideration should be given to providing for these upgrades within the 12,000 square foot South Hall B. This approach would likely increase the flexibility of the space, allowing for more cost effective use by event customers. For some events, the cost of converting exhibit areas into large banquet space can be avoided. For more cost-conscious events, the typical concrete floor they have to accept would be substantially upgraded to a carpeted environment. In addition, the ability to cater more to high-end functions that generate significant Center operating revenue.

Note that to the extent the development of ballroom and meeting room space along Front Street may reduce or eliminate the importance of adding flexibility to South Hall B.

Projected Future Operations Analysis

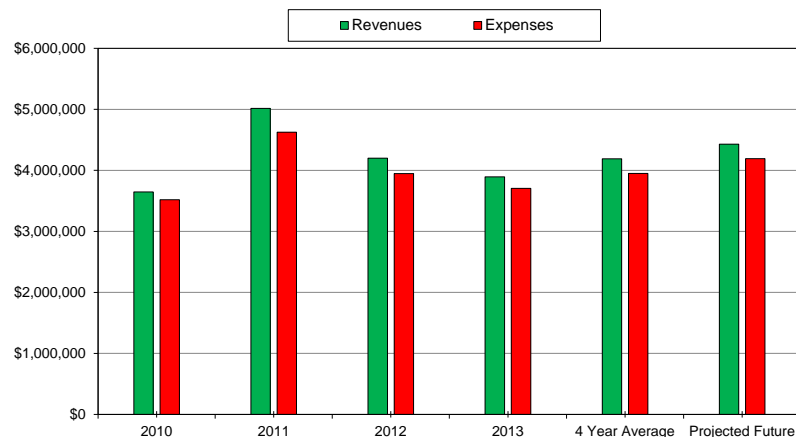
The purpose of this section is to provide an analysis of the potential financial operating implications of the recommended development initiatives for the La Crosse Center.

Based on historical financial operating activity as well as research into comparable facilities, industry trends, facility pricing, cost structures, assumed development initiatives and related elements, we have prepared an assessment of future operating revenues and expenses for a remodeled/improved La Crosse Center.

The recommended improvements outlined are projected to help retain the La Crosse Center's existing market share while potentially expanding its ability to accommodate incremental business in various flat-floor and fixed-seating event sectors.

In order to estimate the financial operating impact of potential future La Crosse Center improvements, the following chart presents a summary of the La Crosse Center's financial operations from the past four years and an estimate of revenues and expenses that would be incurred by incorporating these incremental events.

Historical and Projected Future La Crosse Center Financial Operations



As shown, the La Crosse Center has operated at a modest positive net income over the past four years. We do not expect that the improvements to the Center, while protecting and enhancing market share, will add significant net income to the operation. There will likely be incremental operating revenue from added event activity, as well as increased costs to operate added square footage. We suggest that future financial planning and budgeting continue to assume modest net income from operations.

Importantly, without improvements to the aesthetic and physical layout of the Center, it is anticipated that overall event levels will slowly erode, leading to a more precipitous exodus of events further down the road with the continued growth of regional competitive venues and diminishing competitive position of the La Crosse Center.

Market Analysis for Remodeling, Renovating and/or Expanding the La Crosse Center

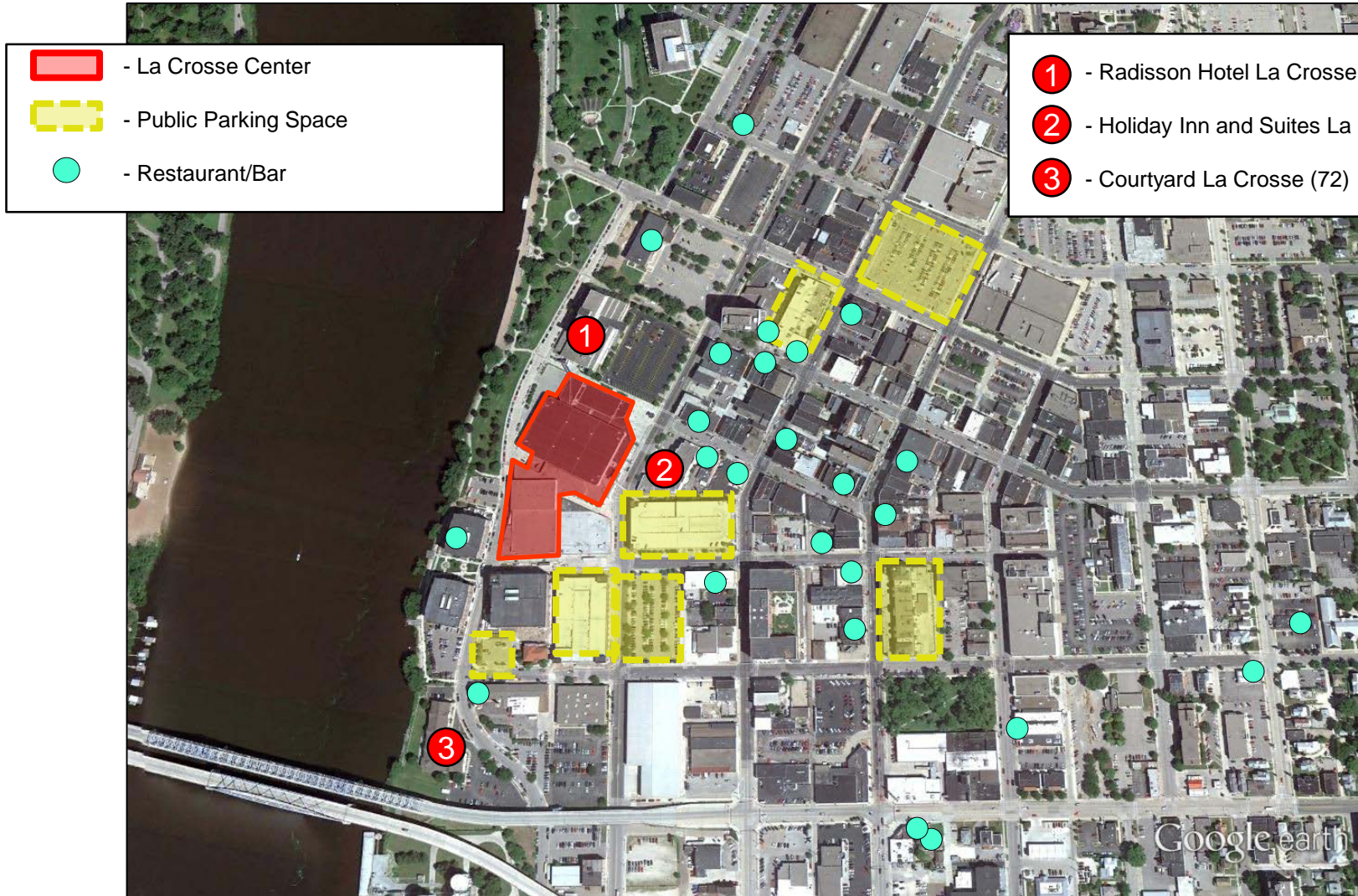
Preliminary Findings

February 5, 2015

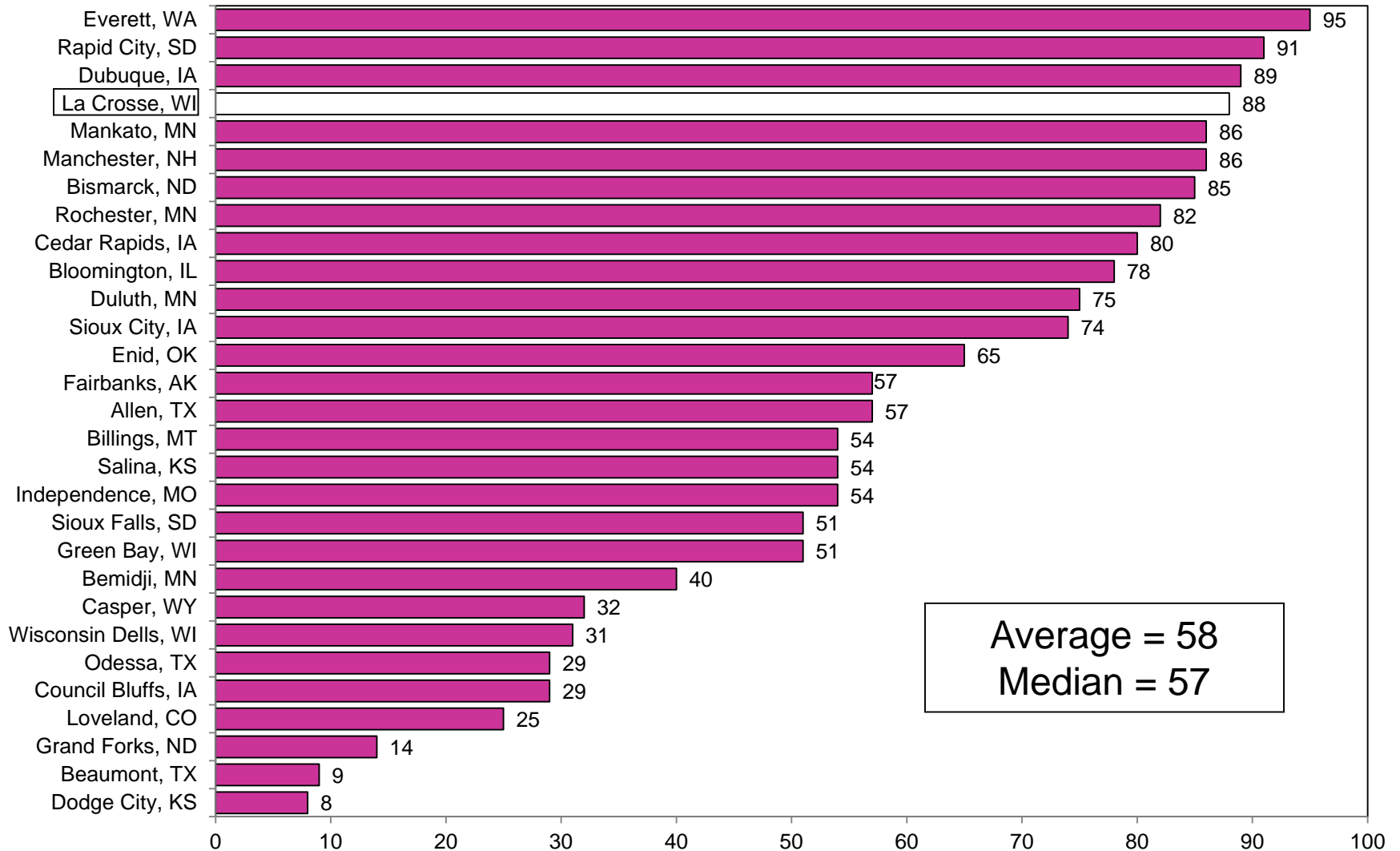
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- III. Competitive and Comparable Convention Facilities
- IV. Market Demand Analysis
- V. Preliminary Findings
- VI. Projected Future Operations Analysis

Downtown La Crosse

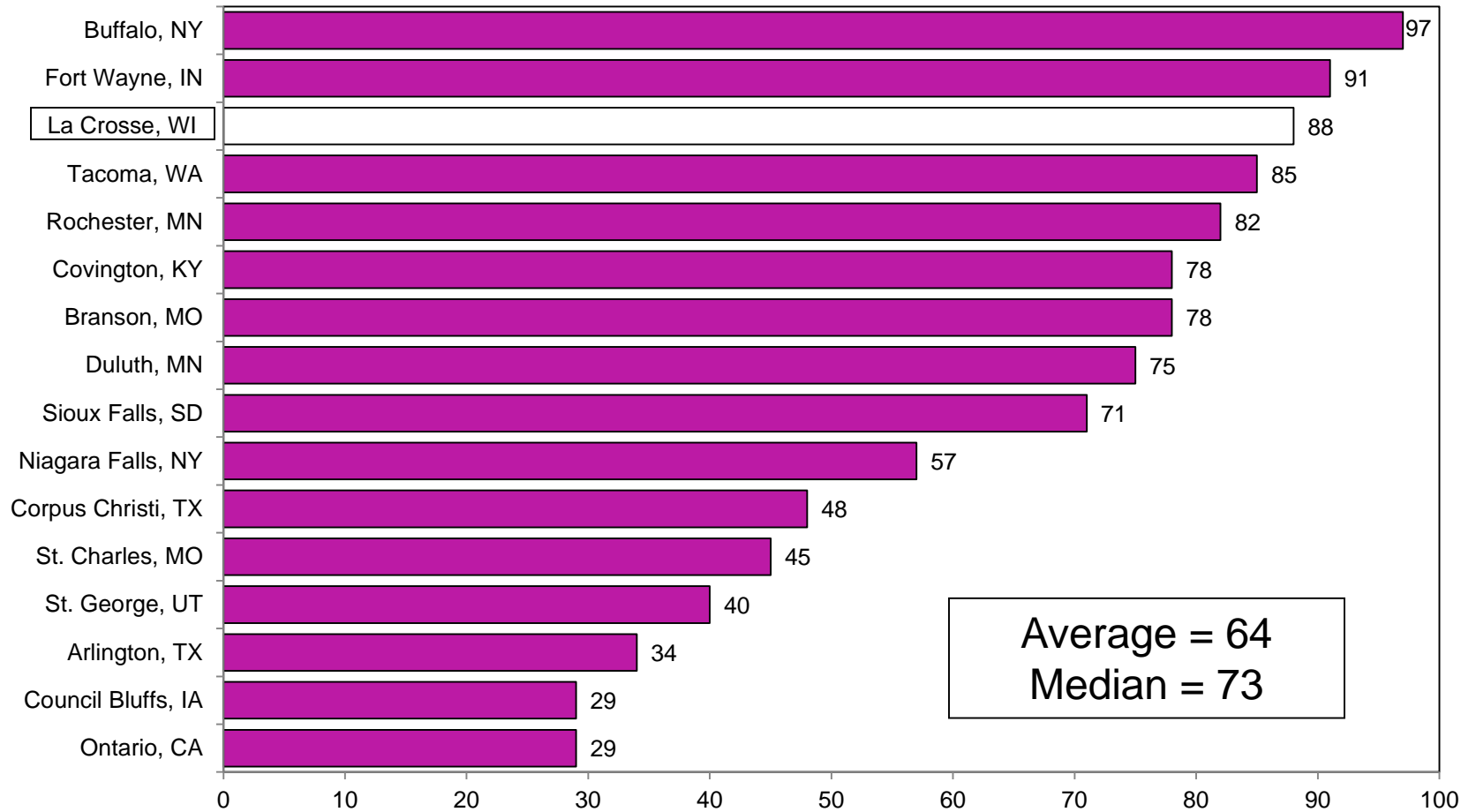


Comparable Arenas – Walkability Score



Source: Walkscore.com

Comparable CC's – Walkability Score



Source: Walkscore.com

Historical La Crosse Center Operations Analysis

Historical Operations – Event Days by Event Type (2011-2013)

| Event Type | Number of Events | | |
|----------------|------------------|------------|------------|
| | 2011 | 2012 | 2013 |
| Convention | 15 | 29 | 26 |
| Educational | 11 | 13 | 20 |
| Entertainment | 20 | 11 | 12 |
| Concerts | 12 | 9 | 8 |
| Hobby/Leisure | 5 | 7 | 6 |
| Social/Banquet | 114 | 84 | 103 |
| Sports | 11 | 12 | 8 |
| Trade Show | 16 | 12 | 11 |
| Total | 204 | 177 | 194 |

Source: La Crosse Center management, 2014.

Historical Operations – Entertainment Events

72 Total Entertainment Events 2011-2013

2011 (32 events)

Circus (1)
George Cardin Circus

Misc. (1)
Taste of Homes

Concert (12)

All City Orchestra
 Avenged Seven Fold
 Blake Shelton
 City Prayz (2)
 Derks Bently
 Elton John
 Elvis
 Hinder
 Korn
 Lady Antebellum
 World's Largest Office Party

Performance (2)

Disney Show
 Sesame Street

Sports (13)

Bull Riding
 Harlem Globetrotters
 God's Country Racing
 La Crosse Spartans (7)
 Monster Trucks
 Tough Man
 WWE Wrestling

Festivals (3)

Heritage Night
 Mardi Gras Big Event
 New Years Family Fest

2012 (20 events)

Circus (1)
Shrine Circus

Misc. (1)
Night Storm Dance

Concert (9)

Elvis Explosion
 Fall Choir Festival
 Fiddler on the Roof
 Josh Turner Concert
 Miranda Lambert Concert
 Rob Zombi Concert
 Ron White Concert
 Trans-Siberian Orchestra
 World's Largest Office Party

Performance (5)

Mama Mia Show
 Mannheim Steamroller
 Dancing with the Stars
 Riverdance
 Sesame Street

Sports (3)

Bull Riding
 Harlem Globetrotters
 Monster Trucks

Festivals (1)

Heritage Night

2013 (20 events)

Circus (1)
Circus

Performance (5)
 Beauty and the Beast
 Disney Show
 Price is Right
 Sesame Street
 Spamalot

Concert (8)

Elvis Explosion
 Hollywood Undead
 In This Moment
 Martina McBride
 Rodney Carrington
 Shine Down
 Willie Nelson
 World's Largest Office Party

Sports (4)

Bull Riding
 Monster Trucks
 Tough Man
 WWE Wrestling

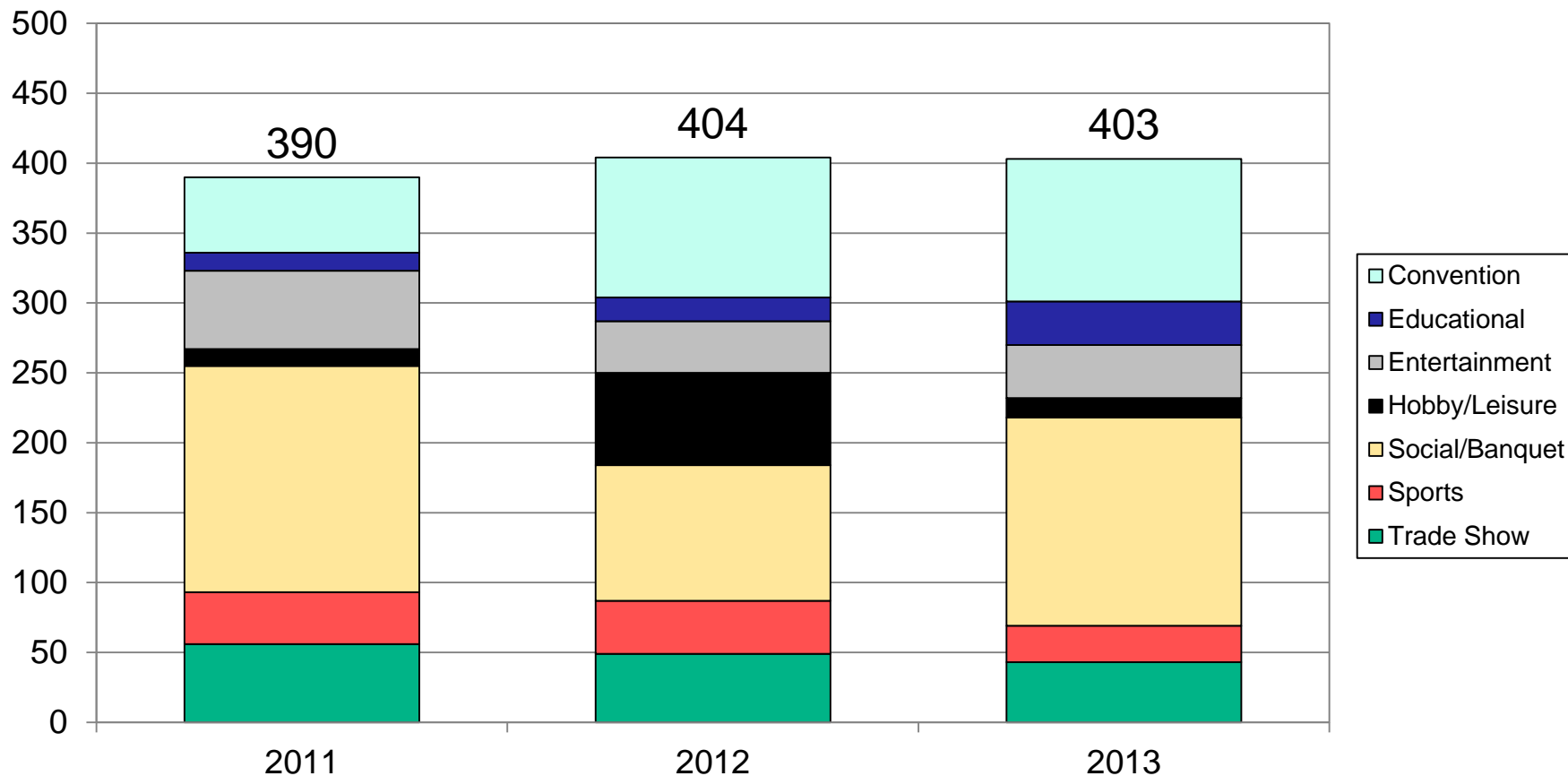
Misc. (2)

Night Storm Dance
 Taste of Home



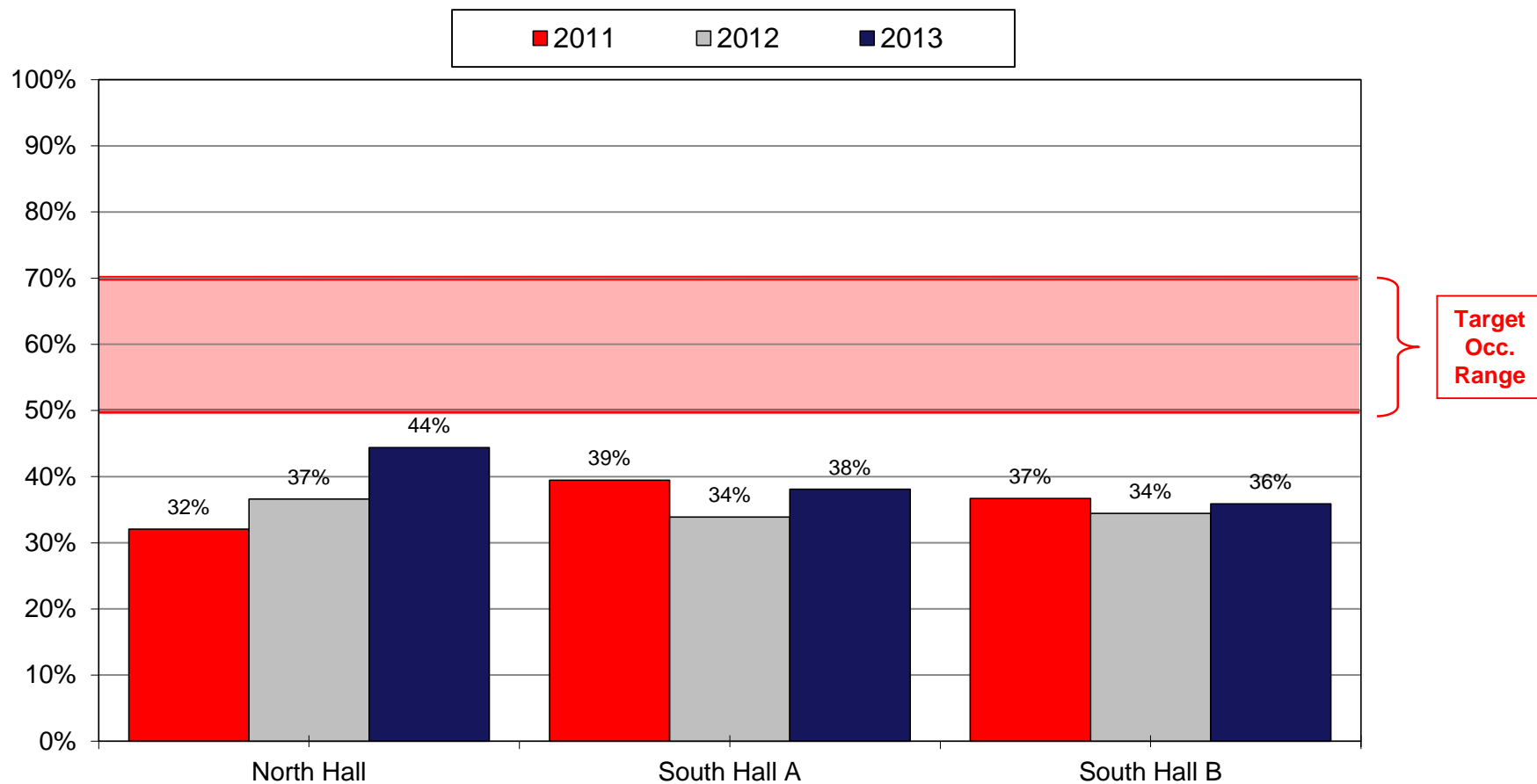
Source: La Crosse Center management, 2014.

Historical Operations – Utilization Days by Event Type (2011-2013)



Source: La Crosse Center management, 2014.

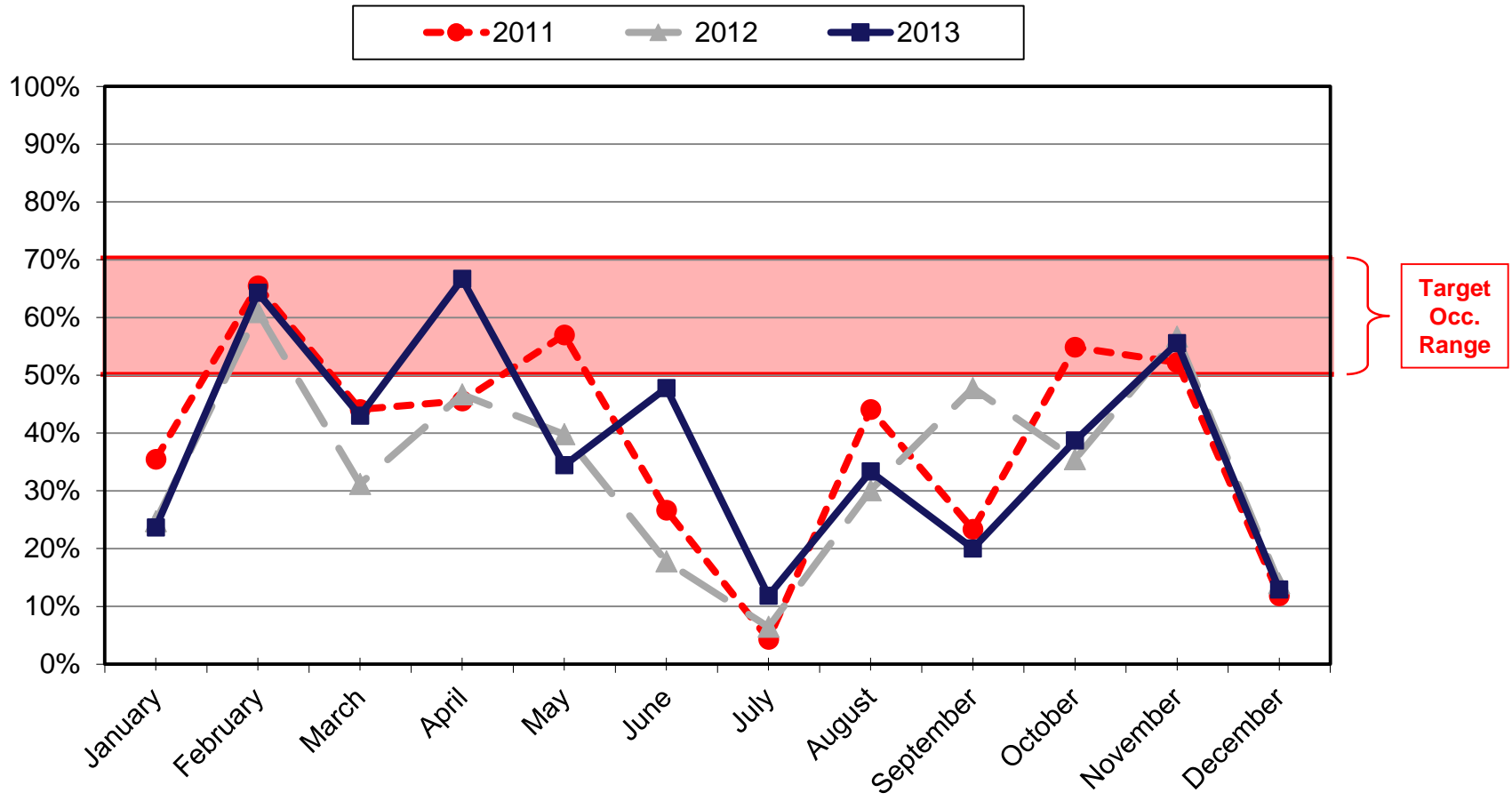
Historical Operations – Occupancy by Event Space (2011-2013)



Source: La Crosse Center management, 2014.

Historical Operations – Occupancy by Month (2011-2013)

Events utilizing South Hall

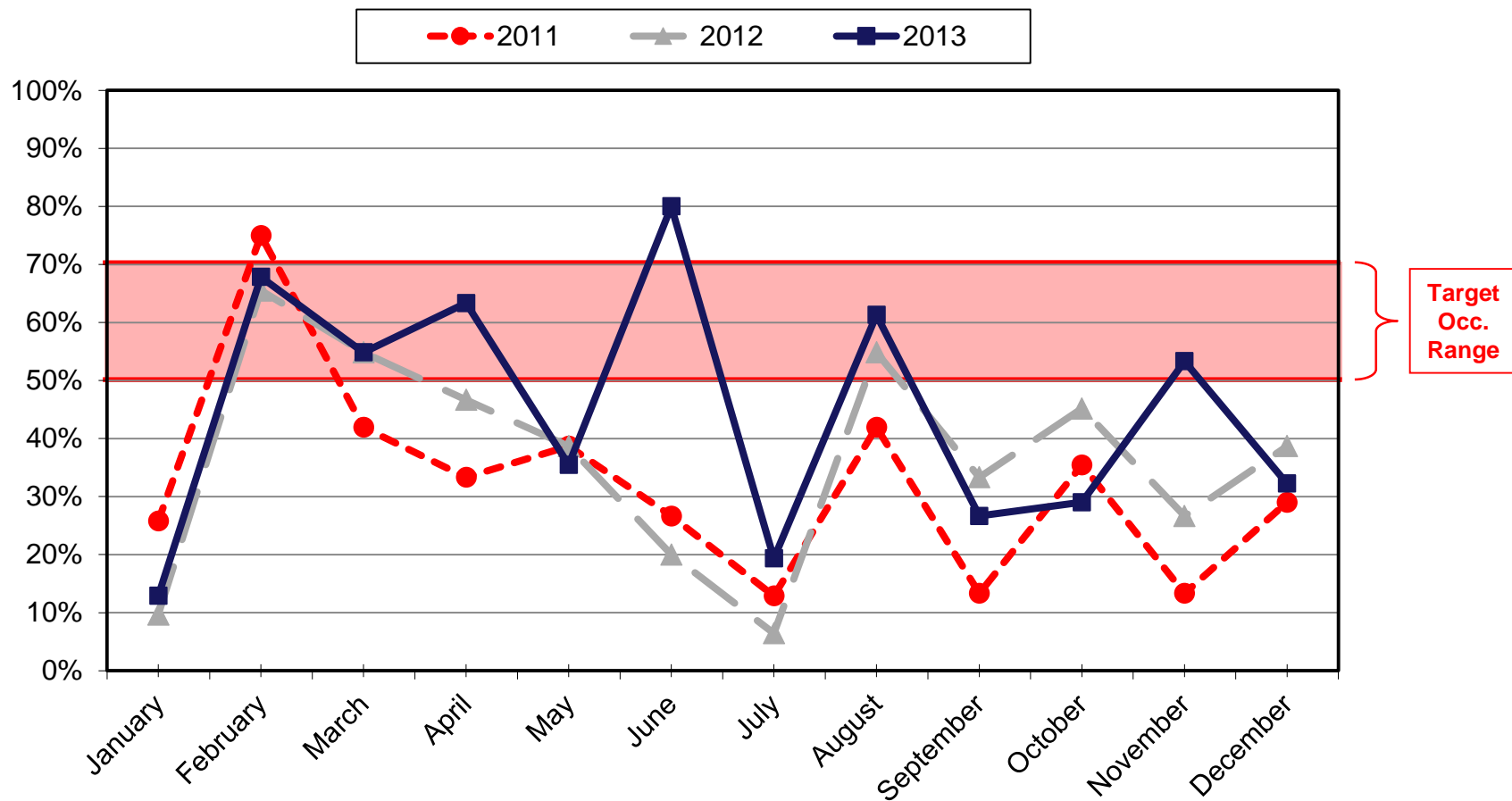


Source: La Crosse Center management, 2014.



Historical Operations – Occupancy by Month (2011-2013)

Events utilizing North Hall

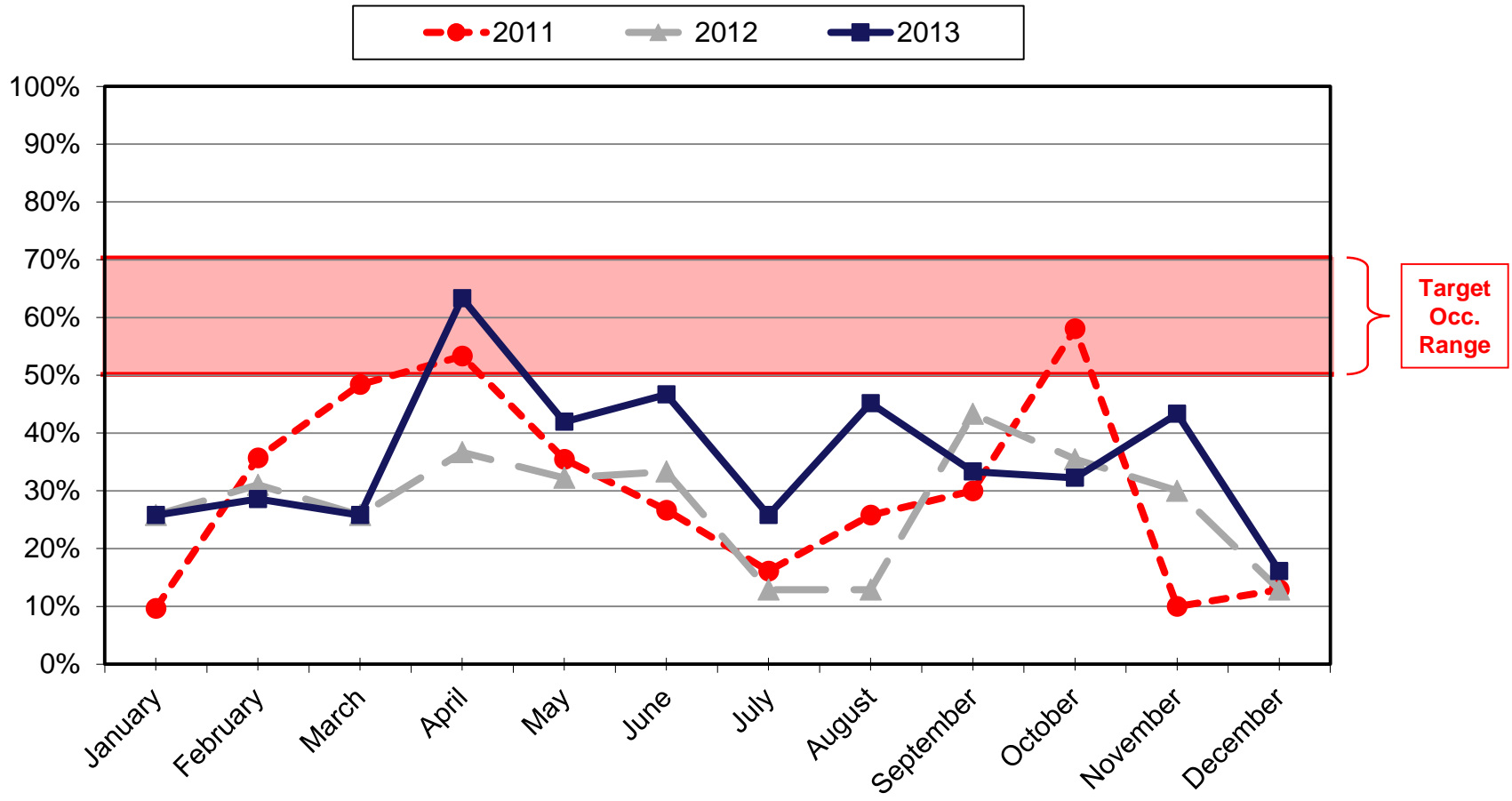


Source: La Crosse Center management, 2014.



Historical Operations – Occupancy by Month (2011-2013)

Events utilizing Ballroom Space



Source: La Crosse Center management, 2014.



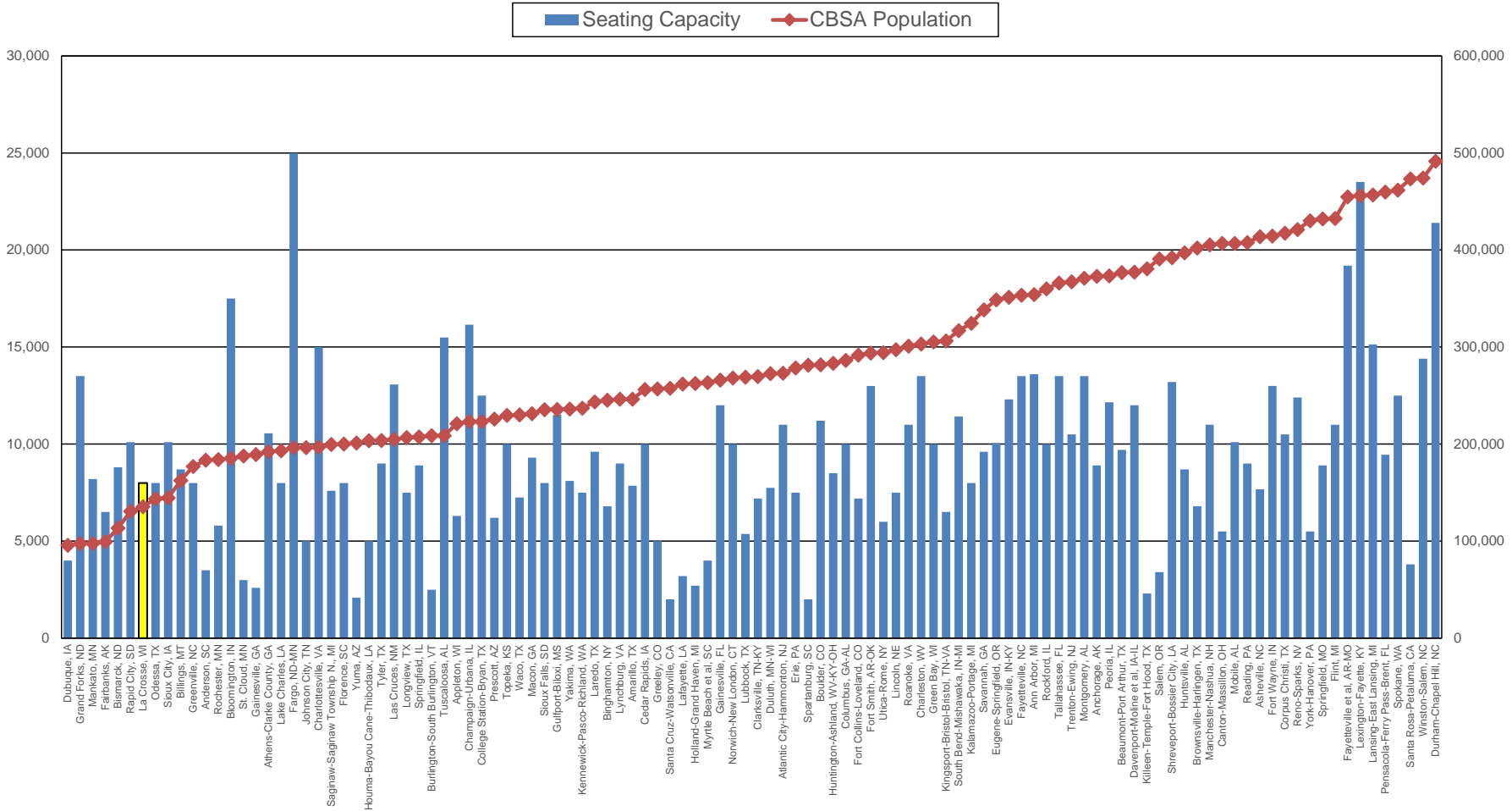
Historical Operations – Gross Revenue by Event Space (2011-2013)

| Event Space Used | Gross Revenue by Type | | | Avg. Rev. per Sq. Foot |
|------------------|-----------------------|--------------------|--------------------|---------------------------|
| | 2011 | 2012 | 2013 | |
| Arena | \$757,804 | \$416,293 | \$348,018 | \$24 |
| Ballroom | \$256,412 | \$193,385 | \$245,233 | \$39 |
| North Hall | \$123,871 | \$98,845 | \$133,982 | \$7 |
| South Hall | \$166,602 | \$116,600 | \$155,833 | \$4 |
| Zielke Suite | \$2,815 | \$9,076 | \$4,458 | NA |
| Multiple Spaces | \$1,224,757 | \$1,375,958 | \$1,374,854 | NA |
| Total | \$2,532,261 | \$2,210,157 | \$2,262,378 | |

Source: La Crosse Center management, 2014.

Competitive/Comparable Arena Facilities

Competitive & Comparable Arena Facilities



Source: Facility publications, ESRI Business Analyst, 2014

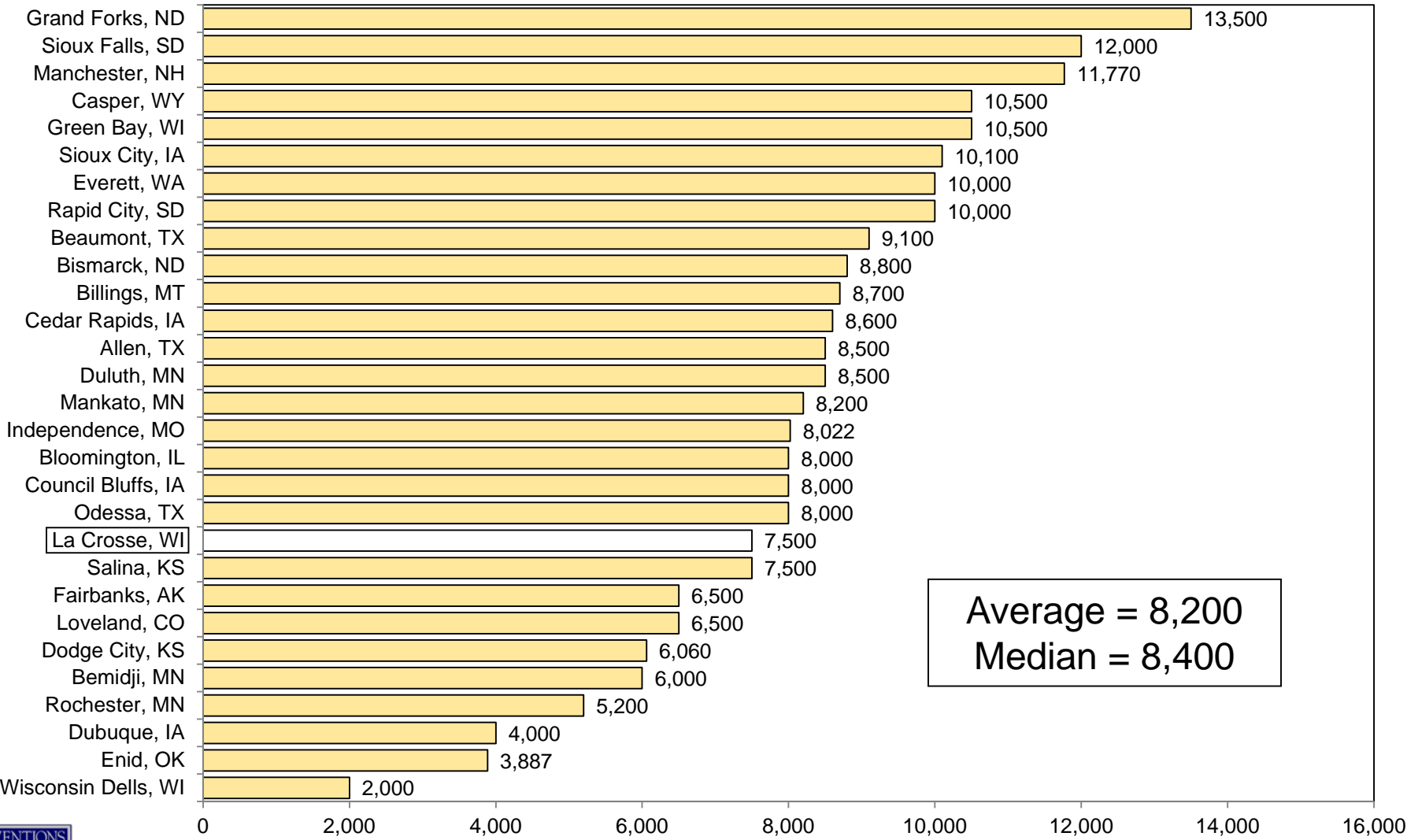
Comparable & Competitive Arena Facilities

| Venue | City, State | Year Opened | 50-Mile Population | Concert Capacity | Tenants |
|-----------------------------------------------------|----------------------|-------------|--------------------|------------------|------------------|
| Allen Event Center | Allen, TX | 2009 | 6,211,280 | 8,500 | CHL, PASL, IFL |
| Verizon Wireless Arena | Manchester, NH | 2001 | 4,406,769 | 11,770 | AHL |
| Comcast Arena at Everett Events Center | Everett, WA | 2003 | 3,354,616 | 10,000 | WHL |
| Independence Center | Independence, MO | 2009 | 2,192,284 | 8,022 | MISL, CHL, NCAA |
| Budweiser Events Center | Loveland, CO | 2003 | 2,138,653 | 6,500 | ECHL, IFL |
| Mid America Center | Council Bluffs, IA | 2002 | 1,105,478 | 8,000 | None |
| US Cellular Coliseum | Bloomington, IL | 2006 | 964,160 | 8,000 | SPHL, CPIFL, PBL |
| Resch Center | Green Bay, WI | 2002 | 936,503 | 10,500 | USHL, IFL |
| Crystal Grand Theatre | Wisconsin Dells, WI | 1994 | 784,443 | 2,000 | None |
| U.S. Cellular Center | Cedar Rapids, IA | 1979 | 641,772 | 8,600 | IFL |
| Ford Arena | Beaumont, TX | 2003 | 555,429 | 9,100 | PASL |
| Verizon Wireless Center | Mankato, MN | 1995 | 541,713 | 8,200 | NCAA |
| Mayo Civic Center/Taylor Arena | Rochester, MN | 1984 | 497,553 | 5,200 | None |
| La Crosse Center | La Crosse, WI | 1980 | 376,220 | 7,500 | None |
| Ector County Coliseum | Odessa, TX | 1954 | 352,195 | 8,000 | NAHL, LSFL |
| Five Flags Center | Dubuque, IA | 1979 | 343,790 | 4,000 | None |
| Denny Sanford Premier Center | Sioux Falls, SD | 2014 | 339,604 | 12,000 | USHL, IFL |
| Tyson Events Center/Gateway Arena | Sioux City, IA | 2003 | 277,349 | 10,100 | USHL, CPIFL |
| Duluth Entertainment Convention Center/AMSOIL Arena | Duluth, MN | 2010 | 233,025 | 8,500 | NCAA |
| Enid Event Center and Convention Hall | Enid, OK | 2013 | 222,344 | 3,887 | None |
| Bicentennial Center | Salina, KS | 1979 | 206,445 | 7,500 | CPIFL |
| MetraPark/Rimrock Auto Arena | Billings, MT | 1975 | 178,875 | 8,700 | IFL |
| Alerus Center | Grand Forks, ND | 2001 | 141,220 | 13,500 | NCAA |
| Bismarck Civic Center | Bismarck, ND | 1995 | 132,106 | 8,800 | None |
| Sanford Center | Bemidji, MN | 2010 | 104,561 | 6,000 | NCAA, IFL |
| Carlson Center | Fairbanks, AK | 1990 | 102,456 | 6,500 | NCAA |
| Rushmore Plaza Civic Center | Rapid City, SD | 1977 | 96,926 | 10,000 | CHL |
| Casper Events Center | Casper, WY | 1982 | 93,572 | 10,500 | None |
| Magouirk Conference Center/United Wireless Arena | Dodge City, KS | 2011 | 92,670 | 6,060 | CPIFL |
| Average (excluding La Crosse) | | | 973,100 | 8,200 | |

Source: Facility publications, ESRI Business Analyst, 2014



Comparable Arenas – Concert Capacity



Market Demand Analysis – Capacity Analysis

Ratios of Population to Seating Capacity – Comparable and Competitive Markets and Facilities

| Market | Facility | Arena Capacity | 50-Mile | | 100-Mile | |
|----------------------------------------|-----------------------------------------------------|----------------|----------------|---------------------------------|------------------|---------------------------------|
| | | | Population | Ratio of Population to Capacity | Population | Ratio of Population to Capacity |
| Allen, TX | Allen Event Center | 8,500 | 6,211,300 | 730.7 | 7,933,400 | 933.3 |
| Manchester, NH | Verizon Wireless Arena | 11,770 | 4,406,800 | 374.4 | 9,967,600 | 846.9 |
| Everett, WA | Comcast Arena at Everett Events Center | 10,000 | 3,354,600 | 335.5 | 4,899,400 | 489.9 |
| Independence, MO | Independence Center | 8,022 | 2,192,300 | 273.3 | 3,013,600 | 375.7 |
| Loveland, CO | Budweiser Events Center | 6,500 | 2,138,700 | 329.0 | 3,941,900 | 606.4 |
| Council Bluffs, IA | Mid America Center | 8,000 | 1,105,478 | 138.2 | 1,871,956 | 234.0 |
| Bloomington, IL | US Cellular Coliseum | 8,000 | 964,200 | 120.5 | 3,689,000 | 461.1 |
| Green Bay, WI | Resch Center | 10,500 | 936,503 | 89.2 | 2,589,662 | 246.6 |
| Wisconsin Dells, WI | Crystal Grand Theatre | 2,000 | 784,443 | 392.2 | 4,063,438 | 2,031.7 |
| Cedar Rapids, IA | U.S. Cellular Center | 8,600 | 641,800 | 74.6 | 2,067,500 | 240.4 |
| Beaumont, TX | Ford Arena | 9,100 | 555,400 | 61.0 | 7,076,400 | 777.6 |
| Mankato, MN | Verizon Wireless Center | 8,200 | 541,700 | 66.1 | 4,500,200 | 548.8 |
| Rochester, MN | Mayo Civic Center/Taylor Arena | 5,200 | 497,600 | 95.7 | 4,554,600 | 875.9 |
| Tupelo, MS | BancorpSouth Arena | 10,000 | 444,900 | 44.5 | 2,749,200 | 274.9 |
| La Crosse, WI | La Crosse Center | 7,500 | 377,280 | 50.3 | 1,750,842 | 233.4 |
| Odessa, TX | Ector County Coliseum | 8,000 | 352,200 | 44.0 | 558,100 | 69.8 |
| Dubuque, IA | Five Flags Center | 4,000 | 343,790 | 85.9 | 3,125,838 | 781.5 |
| Sioux Falls, SD | Denny Sanford Premier Center | 12,000 | 339,600 | 28.3 | 900,100 | 75.0 |
| Sioux City, IA | Tyson Events Center/Gateway Arena | 10,100 | 277,300 | 27.5 | 1,785,400 | 176.8 |
| Duluth, MN | Duluth Entertainment Convention Center/AMSOIL Arena | 8,500 | 233,000 | 27.4 | 622,800 | 73.3 |
| Enid, OK | Enid Event Center and Convention Hall | 3,887 | 222,300 | 57.2 | 2,391,300 | 615.2 |
| Salina, KS | Bicentennial Center | 7,500 | 206,400 | 27.5 | 1,221,700 | 162.9 |
| Billings, MT | MetraPark/Rimrock Auto Arena | 8,700 | 178,900 | 20.6 | 260,500 | 29.9 |
| Grand Forks, ND | Alerus Center | 13,500 | 141,200 | 10.5 | 493,500 | 36.6 |
| Bismarck, ND | Bismarck Civic Center | 8,800 | 132,100 | 15.0 | 246,400 | 28.0 |
| Bemidji, MN | Sanford Center | 6,000 | 104,600 | 17.4 | 527,800 | 88.0 |
| Fairbanks, AK | Carlson Center | 6,500 | 102,500 | 15.8 | 109,600 | 16.9 |
| Rapid City, SD | Rushmore Plaza Civic Center | 10,000 | 96,900 | 9.7 | 737,400 | 73.7 |
| Casper, WY | Casper Events Center | 10,500 | 93,600 | 8.9 | 126,900 | 12.1 |
| Dodge City, KS | Magouirk Conference Center/United Wireless Arena | 6,060 | 92,700 | 15.3 | 283,400 | 46.8 |
| Average (1) | | 8,220 | 954,900 | 120.0 | 2,631,300 | 320.0 |
| Average (2) | | 8,480 | 310,800 | 40.0 | 1,288,700 | 150.0 |
| 50-mile Market Penetration (1) | | 3,140 | | | | |
| 50-mile Market Penetration (2) | | 9,430 | | | | |
| 100-mile Market Penetration (1) | | 5,470 | | | | |
| 100-mile Market Penetration (2) | | 11,670 | | | | |
| AVERAGE | | 7,430 | | | | |

Note: Ratios indicate the ratio of population to seating capacity. The 50 and 100-mile radii represent concentric rings from each market's event facility.

(1) Excludes La Crosse

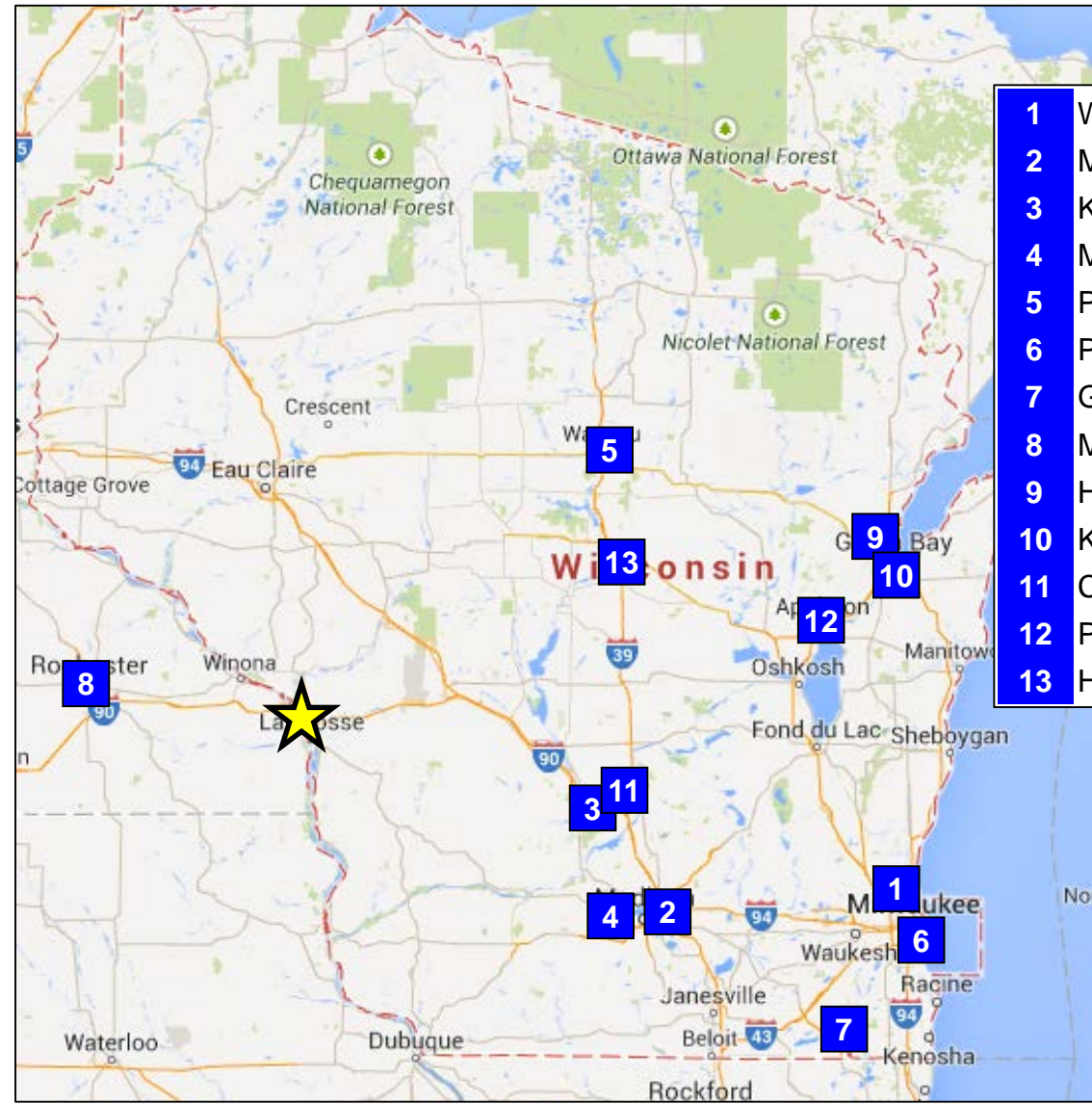
(2) Excluding La Crosse and markets with a 50-mile population over 1,000,000 and/or 100-mile population over 4,000,000.

Source: Esri Buseinss Analyst, 2014; facility publications



Competitive/Comparable Convention Facilities

Competitive Regional Convention Facilities



- 1 Wisconsin Center
- 2 Monona Terrace Convention Center
- 3 Kalahari Convention Center
- 4 Madison Marriott West
- 5 Patriot Center
- 6 Potawatomi Casino
- 7 Grand Geneva Convention Center
- 8 Mayo Civic Center
- 9 Hyatt on Main Convention Center
- 10 KI Convention Center
- 11 Chula Vista Conference Center
- 12 Paper Valley Hotel
- 13 Holiday Inn Stevens Point

Competitive Convention Facilities

| Facility | Location | Exhibit Space | Meeting Space | Ballroom Space | Total Space | Largest Contiguous Space |
|-----------------------------------------|----------------------|---------------|---------------|----------------|---------------|--------------------------|
| Wisconsin Center | Milwaukee, WI | 188,700 | 39,600 | 37,500 | 265,800 | 188,700 |
| Monona Terrace Community and Conv. Ctr. | Madison, WI | 37,200 | 5,300 | 20,400 | 62,900 | 37,200 |
| Kalahari Convention Center | Wisconsin Dells, WI | 0 | 23,600 | 37,800 | 61,400 | 20,600 |
| Madison Marriott West | Middleton, WI | 28,800 | 13,600 | 9,800 | 52,200 | 28,800 |
| Patriot Center | Wausau, WI | 0 | 27,590 | 24,159 | 51,749 | 14,895 |
| Potawatomi Casino | Milwaukee, WI | 32,000 | 9,500 | 6,700 | 48,200 | 32,000 |
| Grand Geneva Convention Center | Lake Geneva, WI | 13,800 | 13,700 | 19,700 | 47,200 | 13,800 |
| Mayo Civic Center | Rochester, MN | 25,200 | 14,700 | 4,100 | 44,000 | 25,200 |
| Hyatt on Main Convention Center | Green Bay, WI | 26,900 | 6,300 | 8,000 | 41,200 | 26,900 |
| KI Convention Center | Green Bay, WI | 27,200 | 3,800 | 8,200 | 39,200 | 17,600 |
| Chula Vista Conference Center | Wisconsin Dells, WI | 11,500 | 7,500 | 19,900 | 38,900 | 11,500 |
| Paper Valley Hotel | Appleton, WI | 0 | 20,000 | 13,700 | 33,700 | 13,700 |
| Holiday Inn Stevens Point | Stevens Point, WI | 16,000 | 1,400 | 8,400 | 25,800 | 16,000 |
| La Crosse Center (1) | La Crosse, WI | 54,000 | 7,700 | 6,700 | 68,100 | 36,000 |
| La Crosse Center (2) | La Crosse, WI | 36,000 | 7,700 | 6,700 | 68,100 | 36,000 |

(1) Includes all exhibit space throughout North and South Halls.

(2) Includes 24,000 square feet of "Prime" exhibit space and 12,000 square feet of space within South Hall with 18-foot ceiling height.

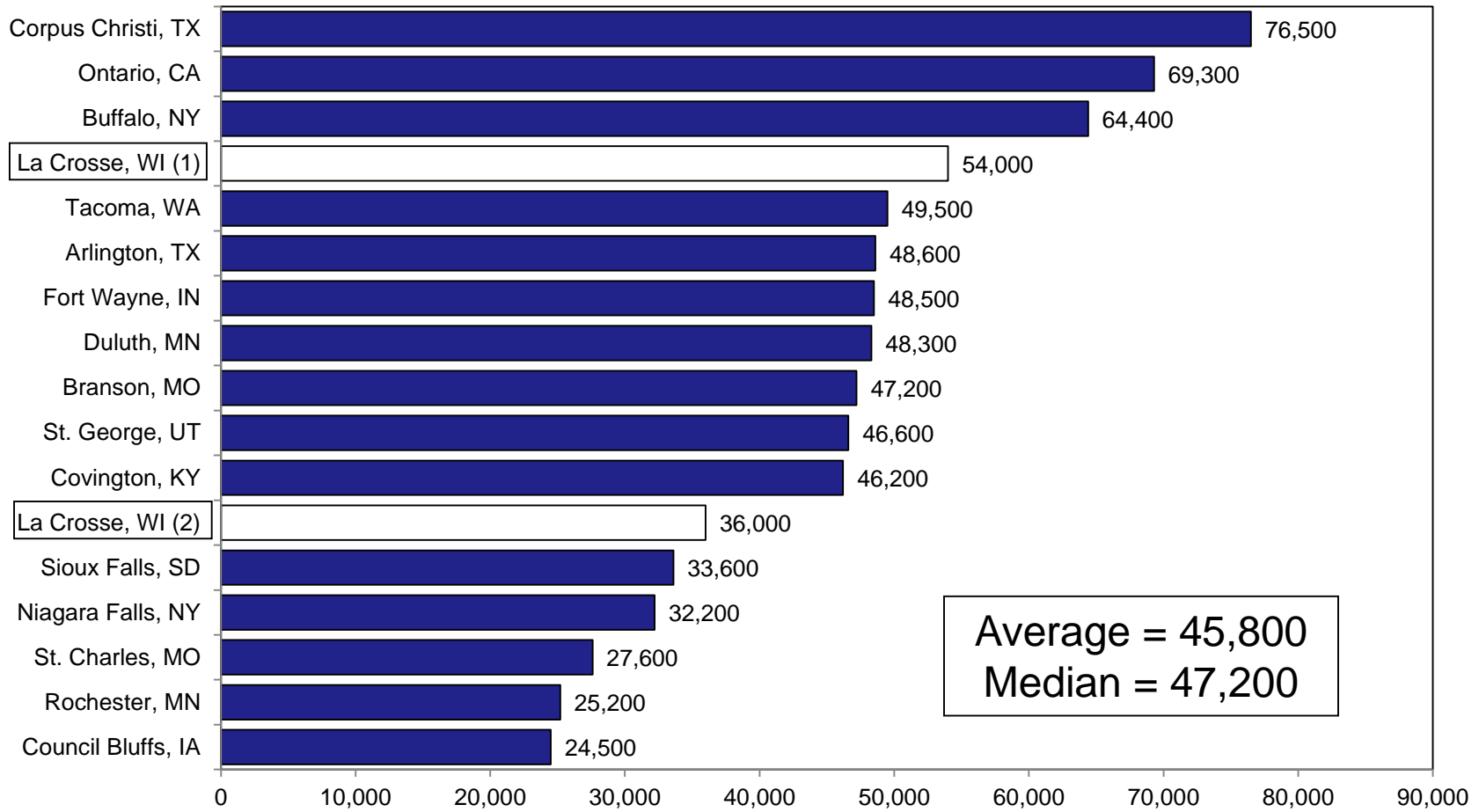
Source: Facility floorplans, management, and industry publications, 2014.

Comparable Convention Facilities

| Facility | City, State |
|------------------------------------------|--------------------|
| Arlington Convention Center | Arlington, TX |
| Branson Convention Center | Branson, MO |
| Buffalo-Niagara Convention Center | Buffalo, NY |
| American Bank Center | Corpus Christi, TX |
| Mid-America Center | Council Bluffs, IA |
| Northern Kentucky Convention Center | Covington, KY |
| Duluth Entertainment Convention Center | Duluth, MN |
| Grand Wayne Convention Center | Fort Wayne, IN |
| The Conference Center Niagara Falls | Niagara Falls, NY |
| Ontario Convention Center | Ontario, CA |
| Mayo Civic Center | Rochester, MN |
| Sioux Falls Convention Center | Sioux Falls, SD |
| St. Charles Convention Center | St. Charles, MO |
| Dixie Convention Center at St. George | St. George, UT |
| Greater Tacoma Convention & Trade Center | Tacoma, WA |



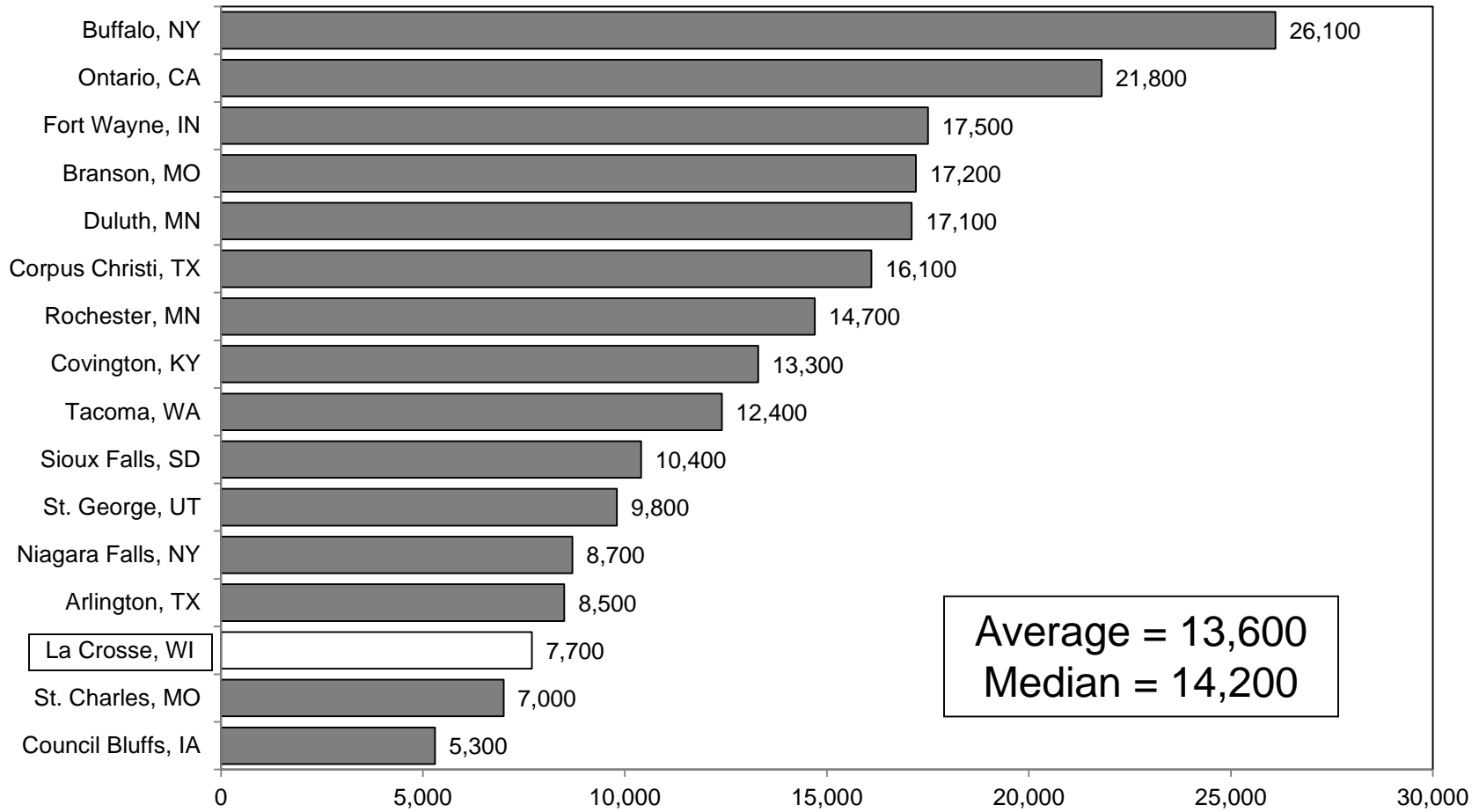
Comparable CC's – Exhibit Space (SF)



(1) Includes all exhibit space throughout North and South Halls.
 (2) Includes 12,000 square feet of exhibit space within South Hall with 18-foot ceiling height.
 Source: Facility floorplans, management, and industry publications, 2014.



Comparable CC's – Meeting Space (SF)

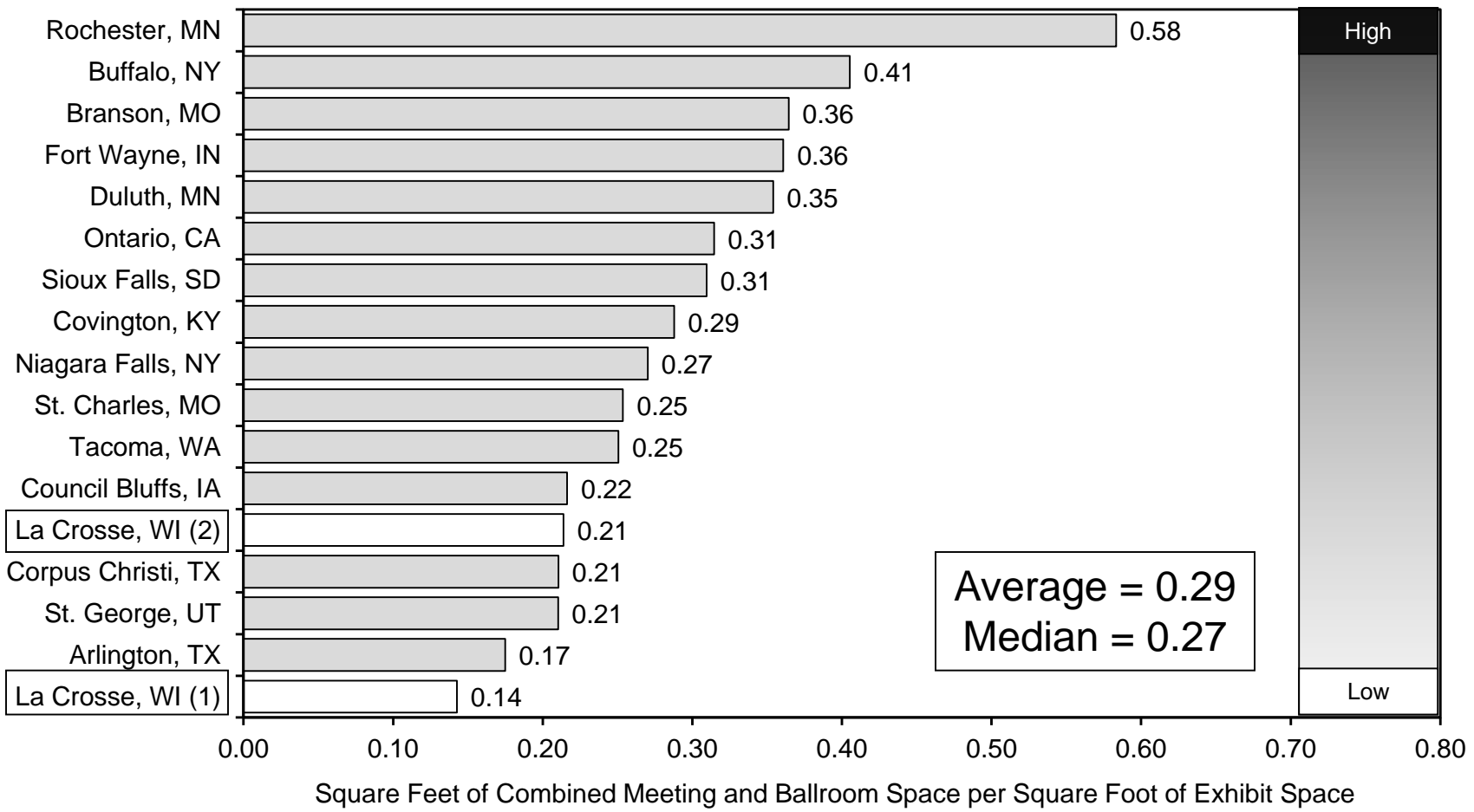


Source: Facility floorplans, management, and industry publications, 2014.



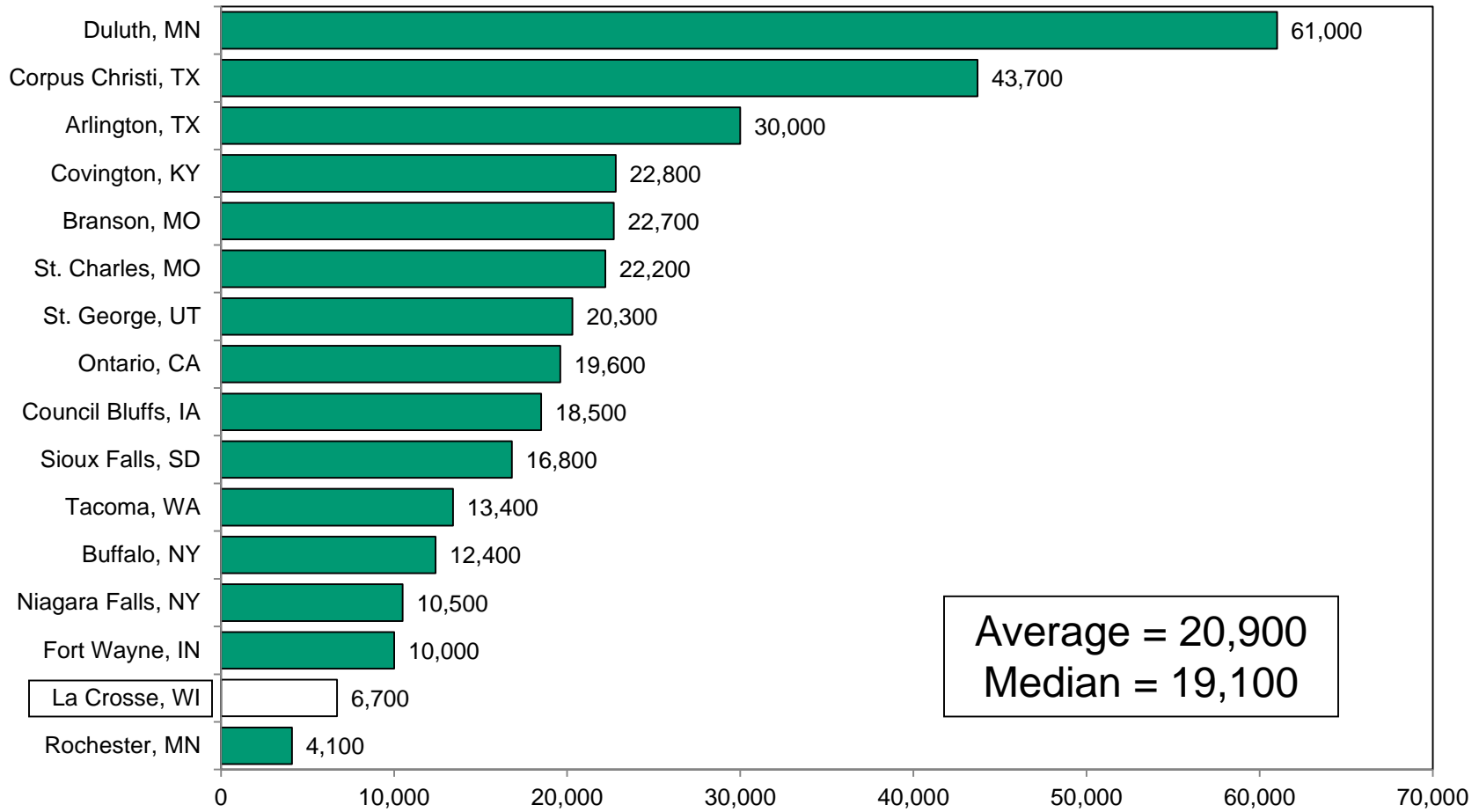
Comparable CC's – Ratio of Meeting to Exhibit Space

Meeting/Ballroom
Space Intensity



(1) Includes all exhibit space throughout North and South Halls.
 (2) Includes 12,000 square feet of exhibit space within South Hall with 18-foot ceiling height.

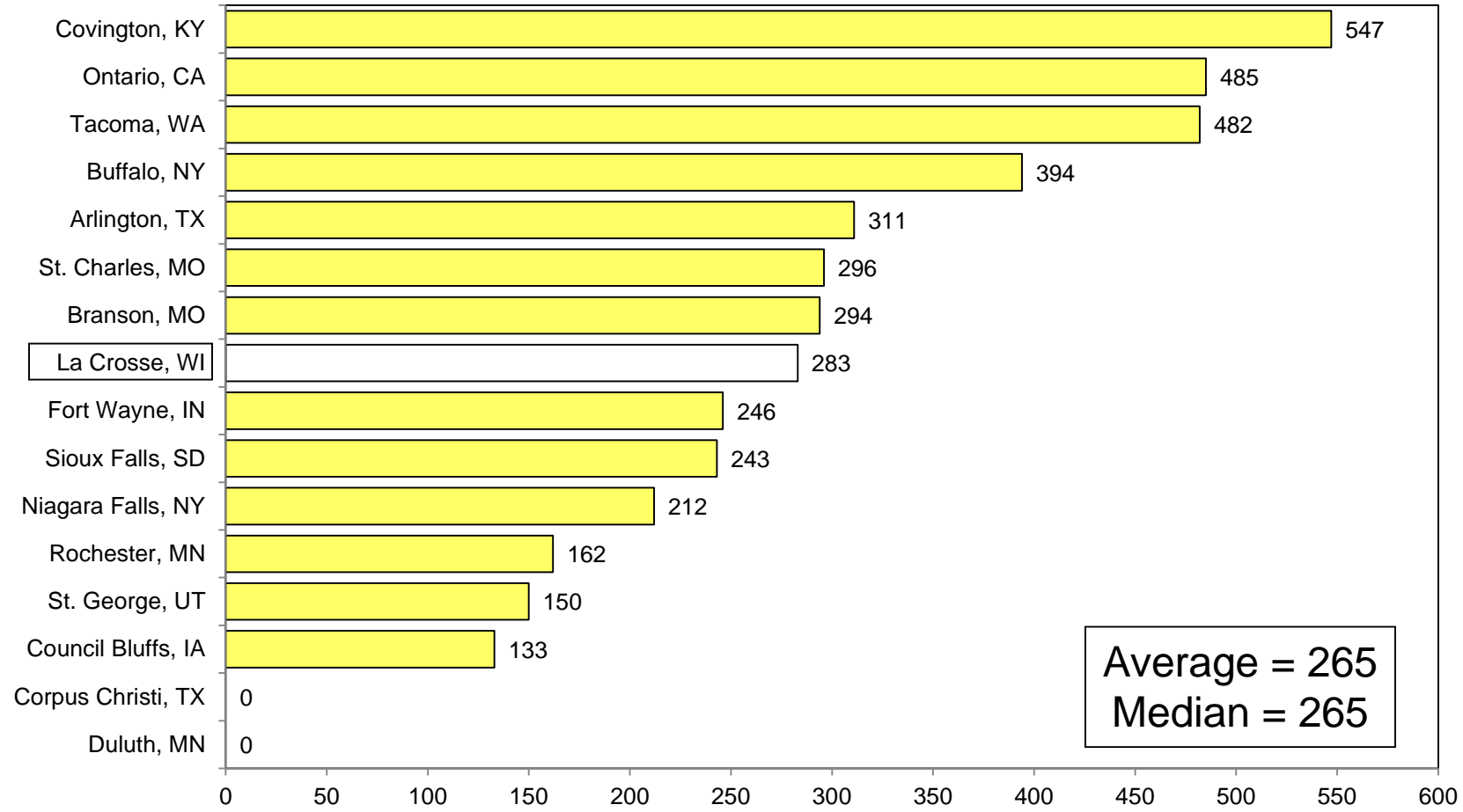
Comparable CC's – Ballroom Space (SF)



Source: Facility floorplans, management, and industry publications, 2014.



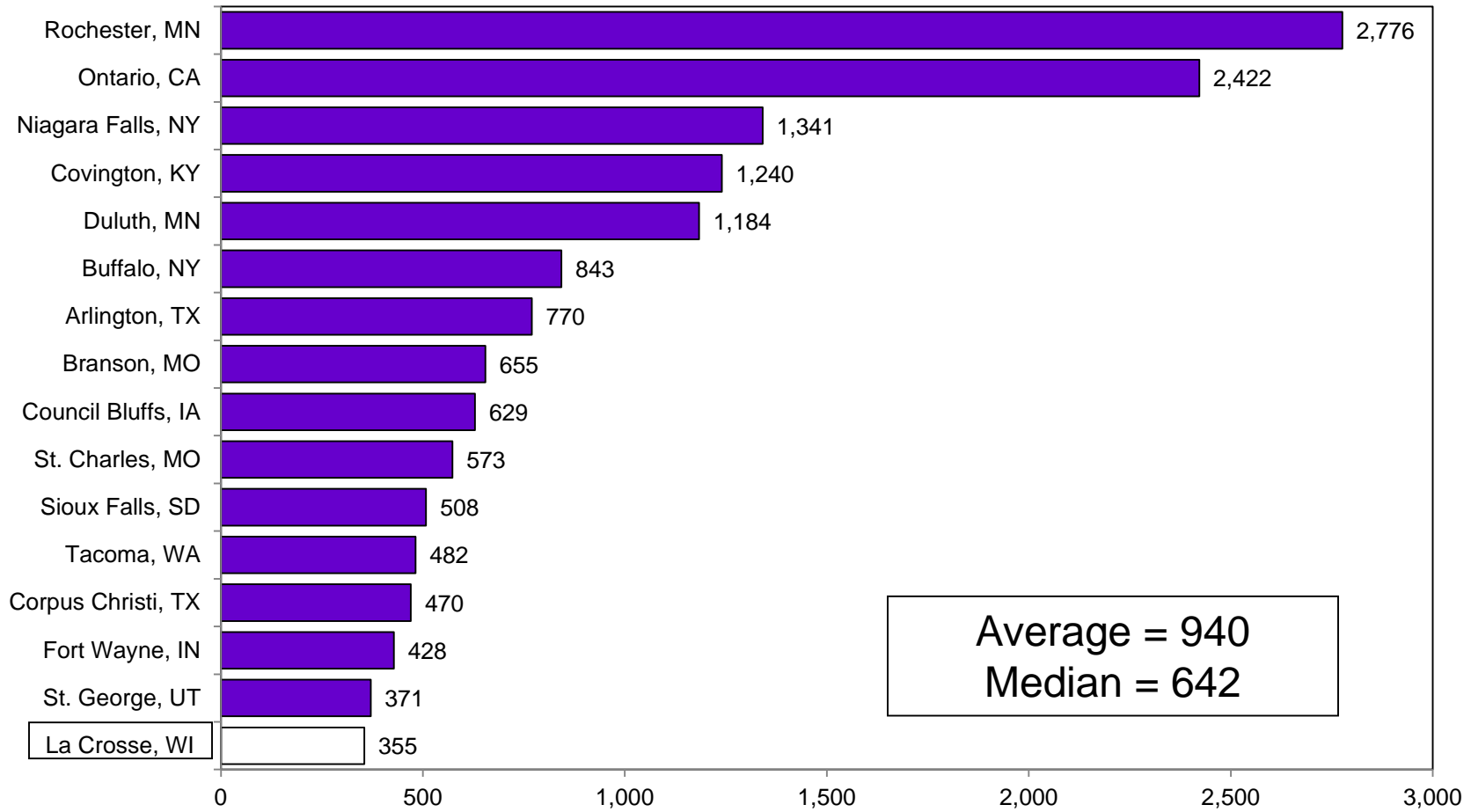
Comparable CC's – Rooms at Headquarter Hotel



Source: Convention and visitors bureaus, industry publications, 2014.



Comparable CC's – Hotel Rooms within Walking Distance (1/2 Mile)



Source: Convention and visitors bureaus, industry publications, 2014.

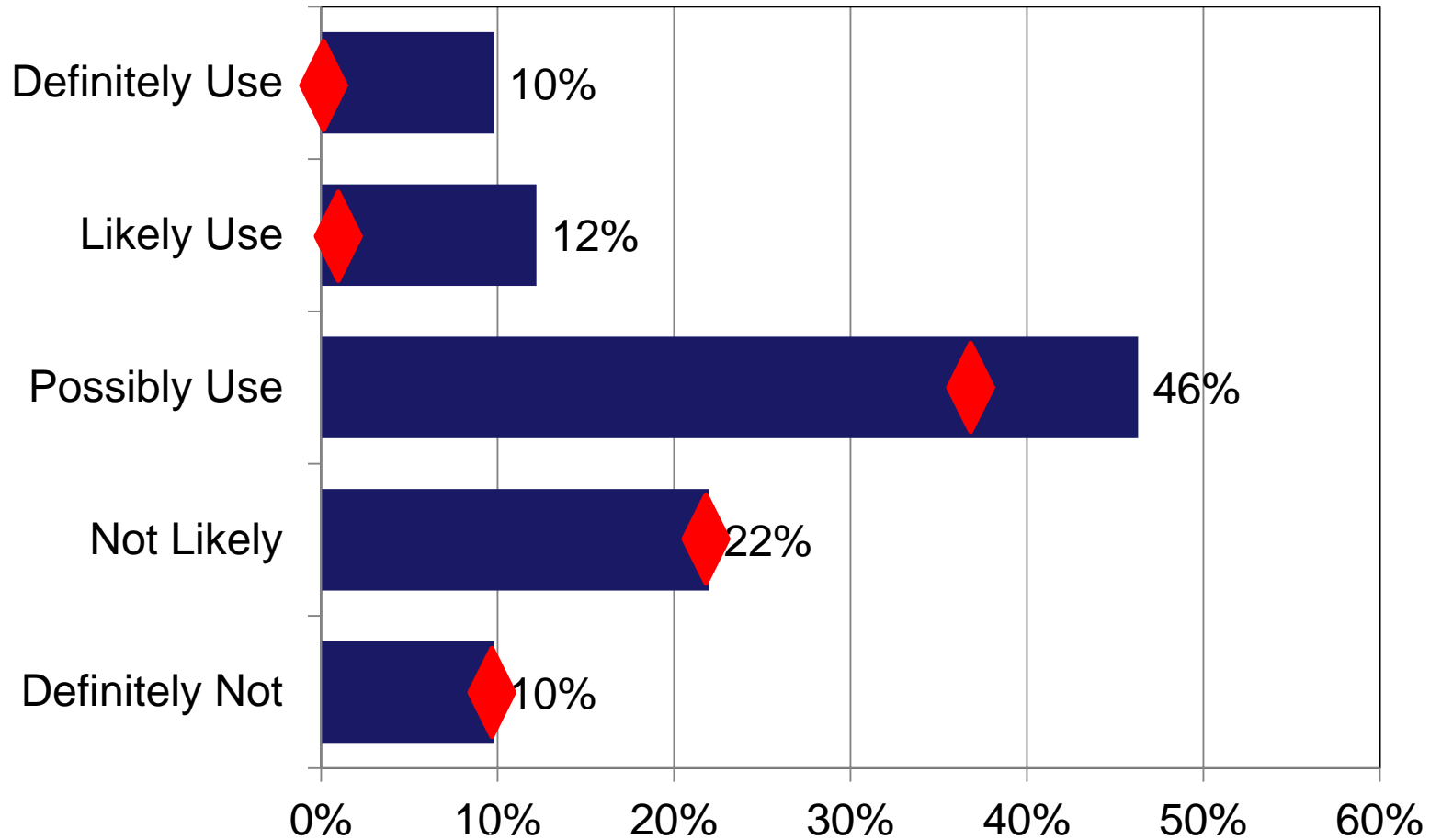
Market Demand Analysis

Organization Surveys – Survey Respondents

Participating Organizations

| | |
|----------------------------------------------------------|--------------------------------------------------|
| AAU Gymnastics | Outback Productions |
| AAU Tae Kwon Do | Pheasants Forever |
| American Emu Association | Pro Bull Riders Tour |
| American Institute of Architects-Wisconsin | U.S. Twirling Association |
| American Truck Historical Society | U.S. Youth Futsal |
| Botanical Society of America | United States Trampoline & Tumbling Association |
| Centro Hispano | USA Gymnastics Wisconsin |
| Checkered Flag | Weekend Warrior Wrestling Camps |
| Department of Agriculture, Trade and Consumer Protection | WI Academy of Family Physicians |
| Frank Productions | WI Alliance of Hearing Professionals |
| Ginseng Board of Wisconsin | WI Arborist Association |
| International Jugglers' Association | WI Association for Perinatal Care |
| JAMfest Cheer and Dance Events | WI Association of Health Plans |
| JVA Volleyball | Wisconsin AAU Boys Basketball |
| Live Nation | Wisconsin AAU Girls Basketball |
| Midwest Basketball Youth Tournaments | Wisconsin AAU Volleyball |
| Midwest Food Processors | Wisconsin Cheese Makers Association |
| Midwest Shippers Association Global Conference | Wisconsin Health Care Engineering Association |
| MOSES Organic Farming Conference | Wisconsin Library Association |
| Moscow Ballet | Wisconsin NAACP |
| Mother Earth News | Wisconsin Potato & Vegetable Growers Association |
| National Archery in the Schools Program | Wisconsin State 4-H Dog Show |
| National Association for Pupil Transportation | Wisconsin State Cranberry Growers Association |
| National Dart Association | Wisconsin State Fire Chiefs Association |
| National International Harvester Collectors Club, Inc. | Wisconsin Wrestling Federation |
| National Model Railroad Association | |

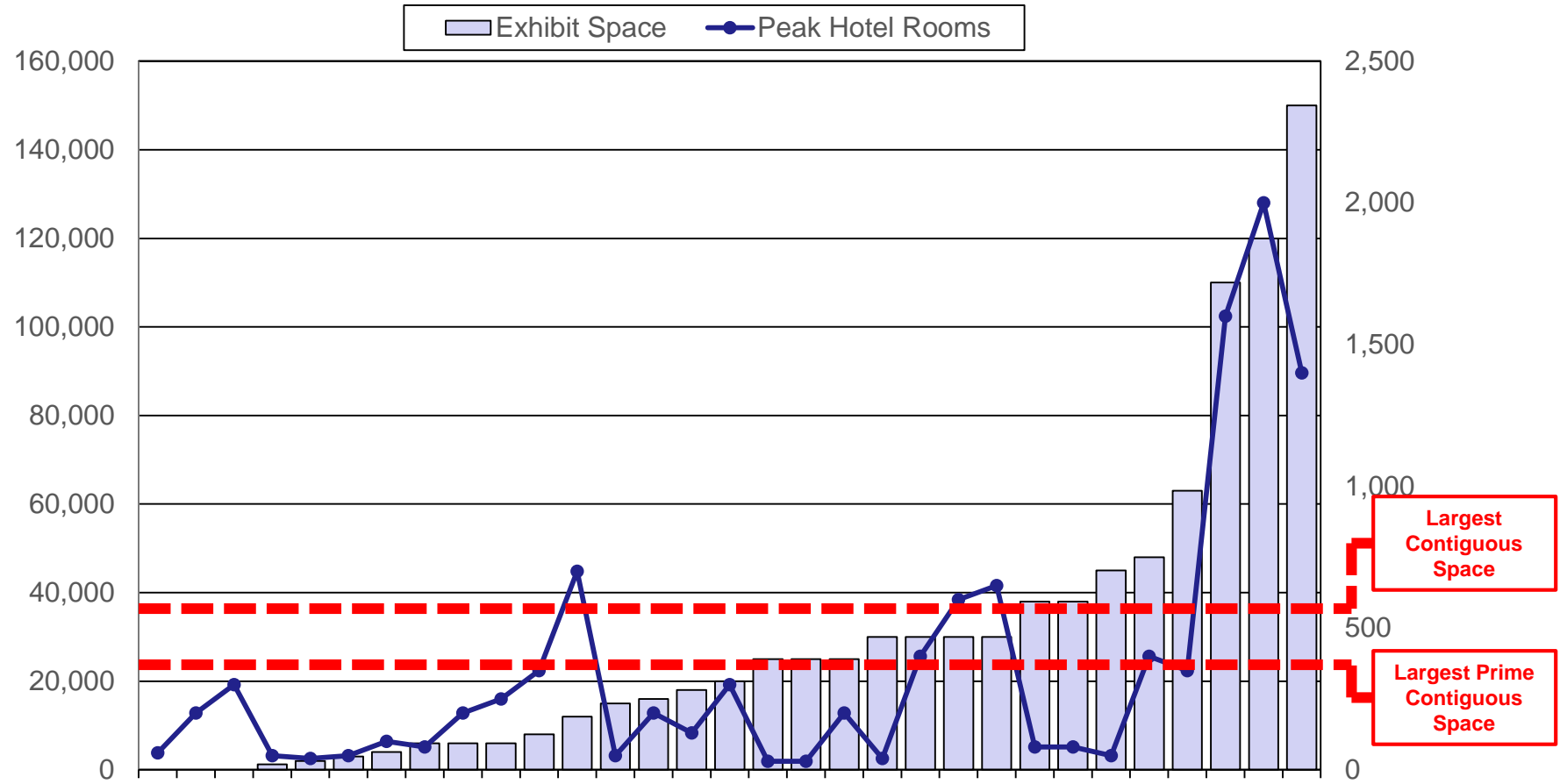
State/Regional Organization Survey – Likelihood of Utilizing La Crosse Center (by organization)



Likelihood of Utilizing La Crosse Center among organizations that have not been to La Crosse in the past (71 percent of respondents).

Source: CSL State/Regional Organization Survey, 2014.

State/Regional Organization Survey – Exhibit Space Needed by Event



Note: Some events do not require exhibit space.
 Source: CSL State/Regional Organization Survey, 2014.

State/Regional Organization Survey – Past Experience with La Crosse Center

Likes:

- Location: City, park areas, walkability, river
- Size of the complex was appropriate for event
- Large meeting spaces
- Upstairs reception/ballroom/suite areas worked well
- Very friendly and accommodating staff

Dislikes:

- Facility is too spread out
- Confusing skyway
- Located in far western WI
- Dated appearance
- Layout lacks flow
- “Sterile” appearance
- No handrails for elderly guests

Sources: CSL State/Regional Organization Survey, 2014.

State/Regional Organization Survey – Additional Comments

- Make the skyway less confusing
- Will need more event space eventually
- Too much bland exhibit space; need more ballroom space
- Need to make it easier to navigate within the facility
- Improved access to hotel rooms
- Needs aesthetic updates

Source: CSL State/Regional Organization Survey, 2014.

Market Demand – Touring Show Promoter Comments

- Strong market, but building is starting to show its age
- Arena needs a facelift to reflect welcoming environment for event attendees – appearance reflects on the overall image of the destination
- Arena may be slightly undersized; however, added seating capacity may not necessarily translate to more events
- Arena needs to be able to seat six thousand with some front rows blocked off and no floor seating

Source: CSL State/Regional Organization Survey, 2014.

Market Demand – Amateur Sports Organization Comments

Basketball

- Moderate to strong market potential for additional basketball events.
- Proximity to UW-La Crosse is good for scouting opportunities.
- Proximity to the Minnesota and Iowa markets a strength.
- Need space for at least 5 to 8 full-sized courts and seating for 300-400 spectators per court and minimum 25' ceiling height.
- Potential to attract AAU Boys and Girls Basketball State Championship tournaments, one to two additional Spring Shootouts and expansion of existing tournaments.
- State Championships feature approximately 140 teams, 2,500 attendees and over 200 room nights.
- Potential exists to compete for 1-2 other regional tournaments.

Source: CSL State/Regional Organization Survey, 2014.

Market Demand – Amateur Sports Organization Comments

Volleyball

- Moderate potential to attract volleyball tournaments.
- Large youth volleyball market nearby in Minnesota.
- Need space for at least 16 volleyball courts and in-house equipment.
- Potential exists to compete for 1-3 50-team AAU tournaments per year.

Wrestling

- Limited to moderate potential to compete for incremental wrestling clinics and/or tournaments.
- Arena can currently hold 10 mats, which is sufficient to accommodate majority of identified demand.
- Minnesota wrestling market draws from La Crosse and greater regional area; may be difficult to gain incremental market share.
- Potential exists to host an annual week-long wrestling camp that would attract approximately 150 participants.

Source: CSL State/Regional Organization Survey, 2014.

Market Demand – Amateur Sports Organization Comments

Gymnastics

- Moderate potential to attract statewide AAU and/or USA competitions.
- Limited to moderate potential to attract national twirling and/or trampoline competitions.
- Like the destination appeal of La Crosse (downtown, access to river, etc.) in combination with the presence of the UW-La Crosse Gymnastics program.
- Require approximately 30,000 square feet of contiguous space and seating for 1,000 attendees to accommodate statewide events, and 50,000 square feet of contiguous space and seating for 3,000 attendees to accommodate national competitions.

Dance

- Limited potential to compete for a 1,000-participant competition.
- Need 5,000 square feet of contiguous flat space and a 1,000-seat theater.

Source: CSL State/Regional Organization Survey, 2014.

Preliminary Findings

Preliminary Findings – Market

- Increasing competition
- Stable event supply
- Moderate to strong demand for La Crosse
- High satisfaction from existing customers
- Needed aesthetic / system improvements

Preliminary Findings – Space Program

- Site planning / exterior space

Monona Terrace

Madison, WI

Rooftop Terrace

- Offers just over 50,000 square feet of total event space
- Overlooks Lake Monona and features scenic views of the downtown skyline and the State Capitol dome
- Site of popular events such as free summer concerts and Dane Dances for the city of Madison and frequently holds up to 4,000 people for events
- Holds weekends nearly every weekend from Memorial Day to Labor Day
- Frequently used for corporate receptions
- Venue's catering service has a separate retail outlet for the Rooftop



Century Center

South Bend, IN

Island Park Pavilion

- Opened in May of 2012
- Approximately 20,000 square feet of event space overlooking the St. Joseph River
- Features 6,400 square feet of covered space underneath the Pavilion
- Used during spring and summer months for outdoor banquets, receptions, concerts and weddings and has received positive reviews from users

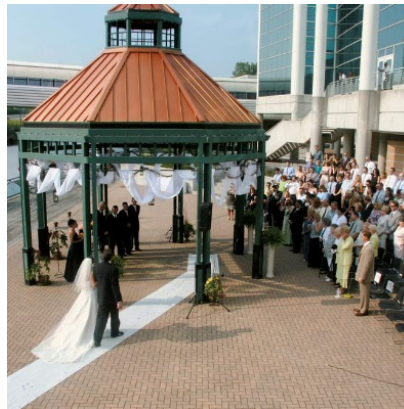


Lansing Center

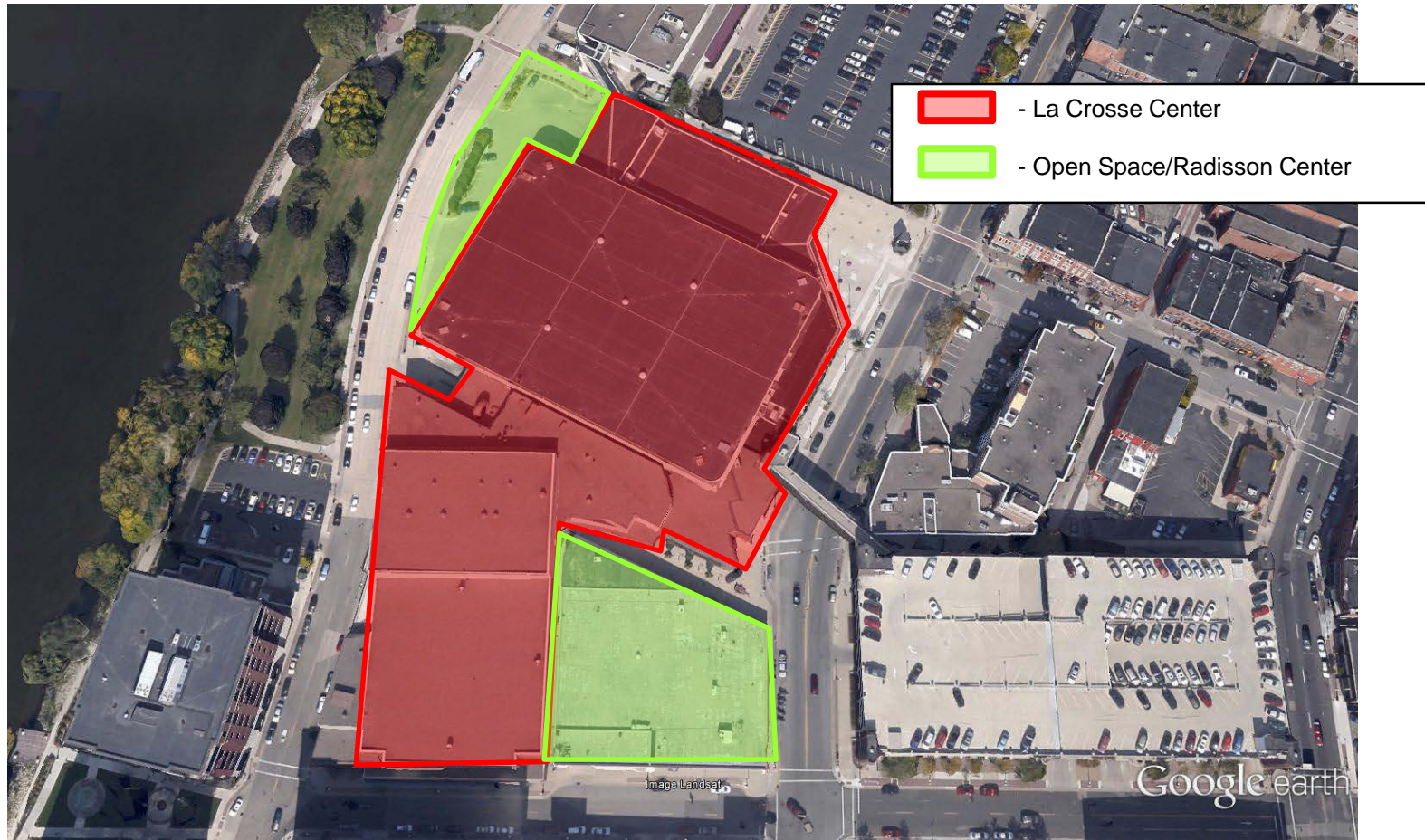
Lansing, MI

Riverfront Gazebo

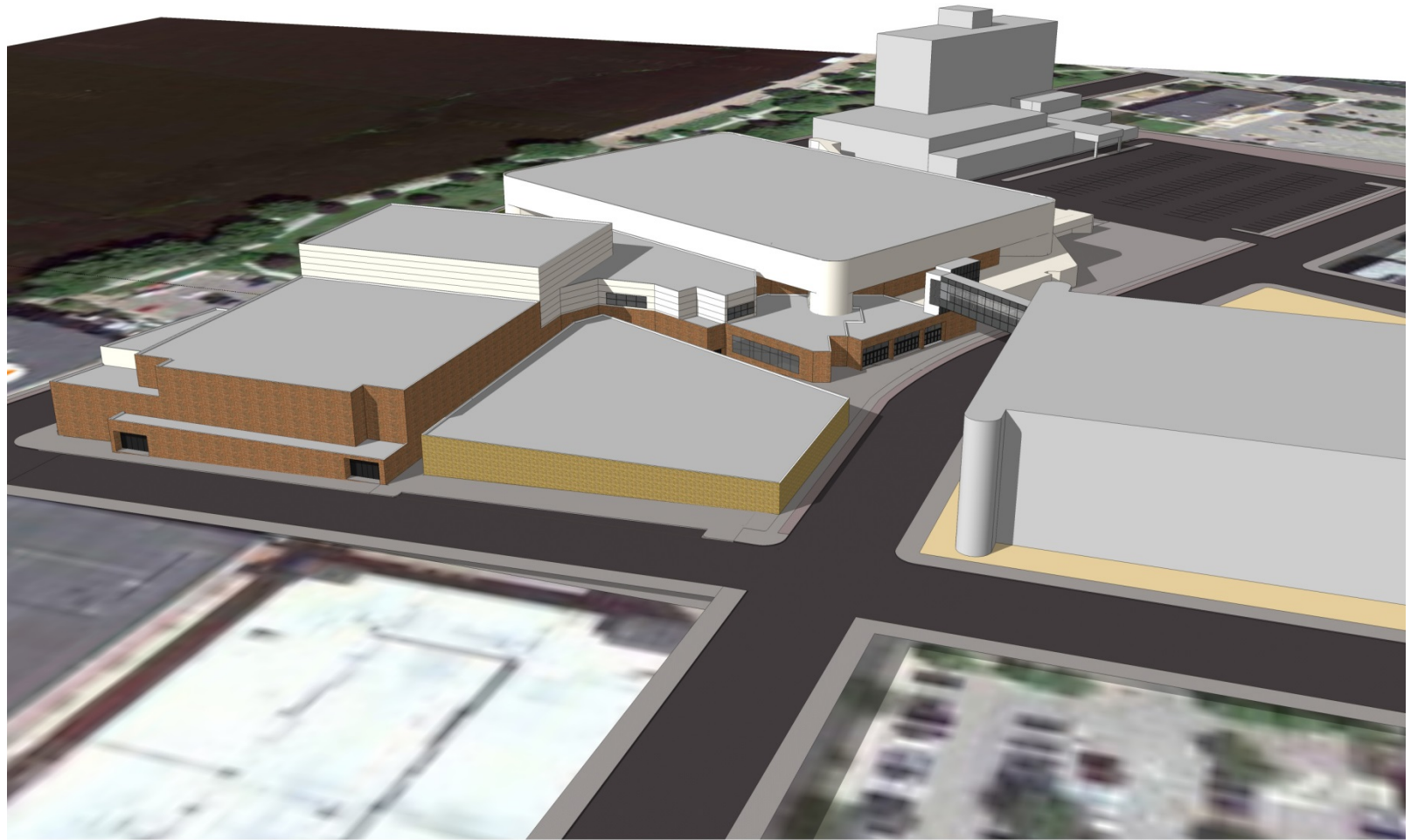
- Open space at back of Center overlooking the Grand River
- Features approximately 7,500 square feet of outdoor space
- Specializes in weddings and outdoor meal functions
- Picnic tables available for rent from Center



Site Planning / Exterior Space

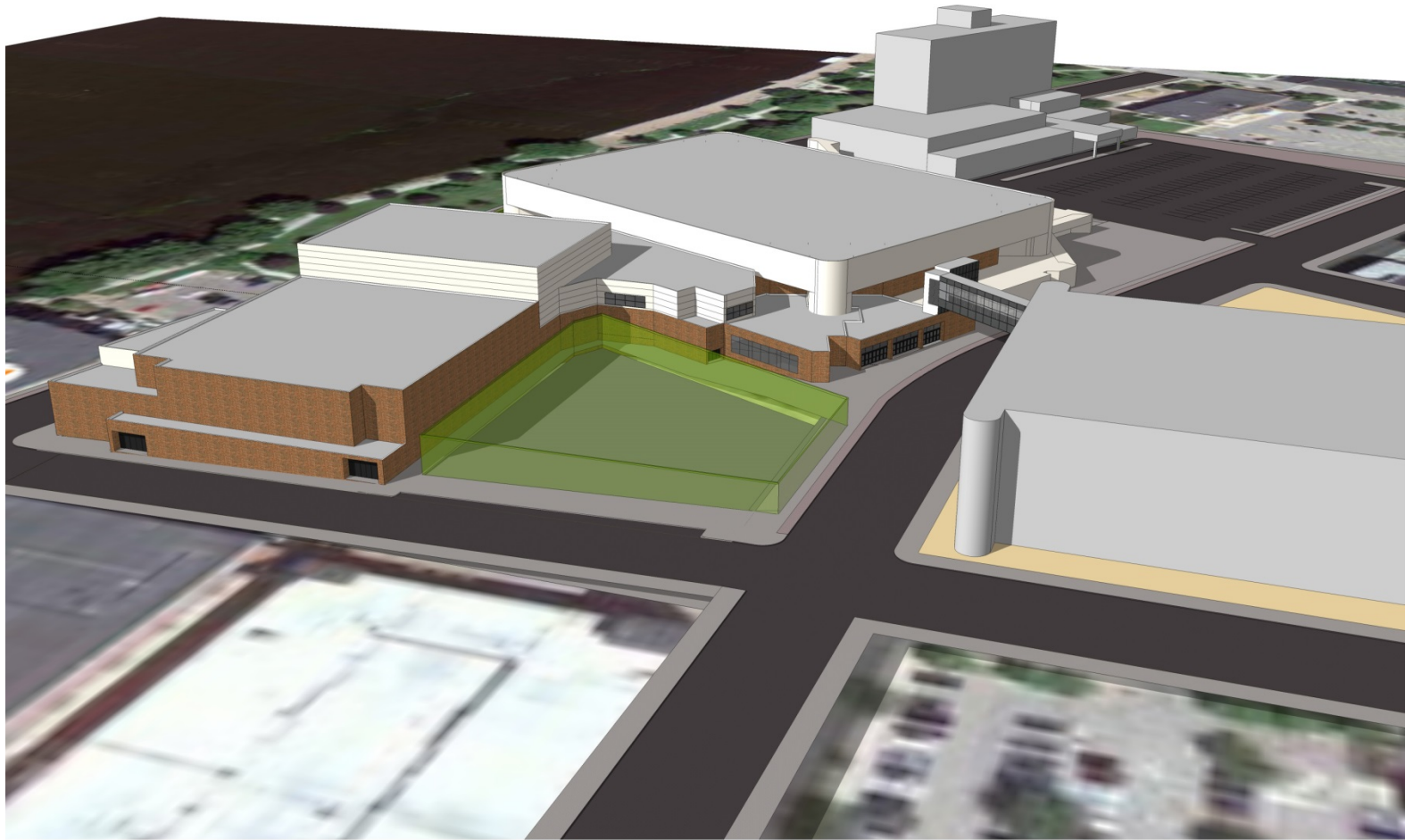


Site Planning / Exterior Space



La Crosse Center - Existing

Site Planning / Exterior Space



La Crosse Center - Area to Remodel

Site Planning / Exterior Space



La Crosse Center - Remodeled Public Plaza

Site Planning / Exterior Space



Site Planning / Exterior Space



Site Planning / Exterior Space



La Crosse Center - Existing West side

Site Planning / Exterior Space



La Crosse Center - Area for Addition

Site Planning / Exterior Space

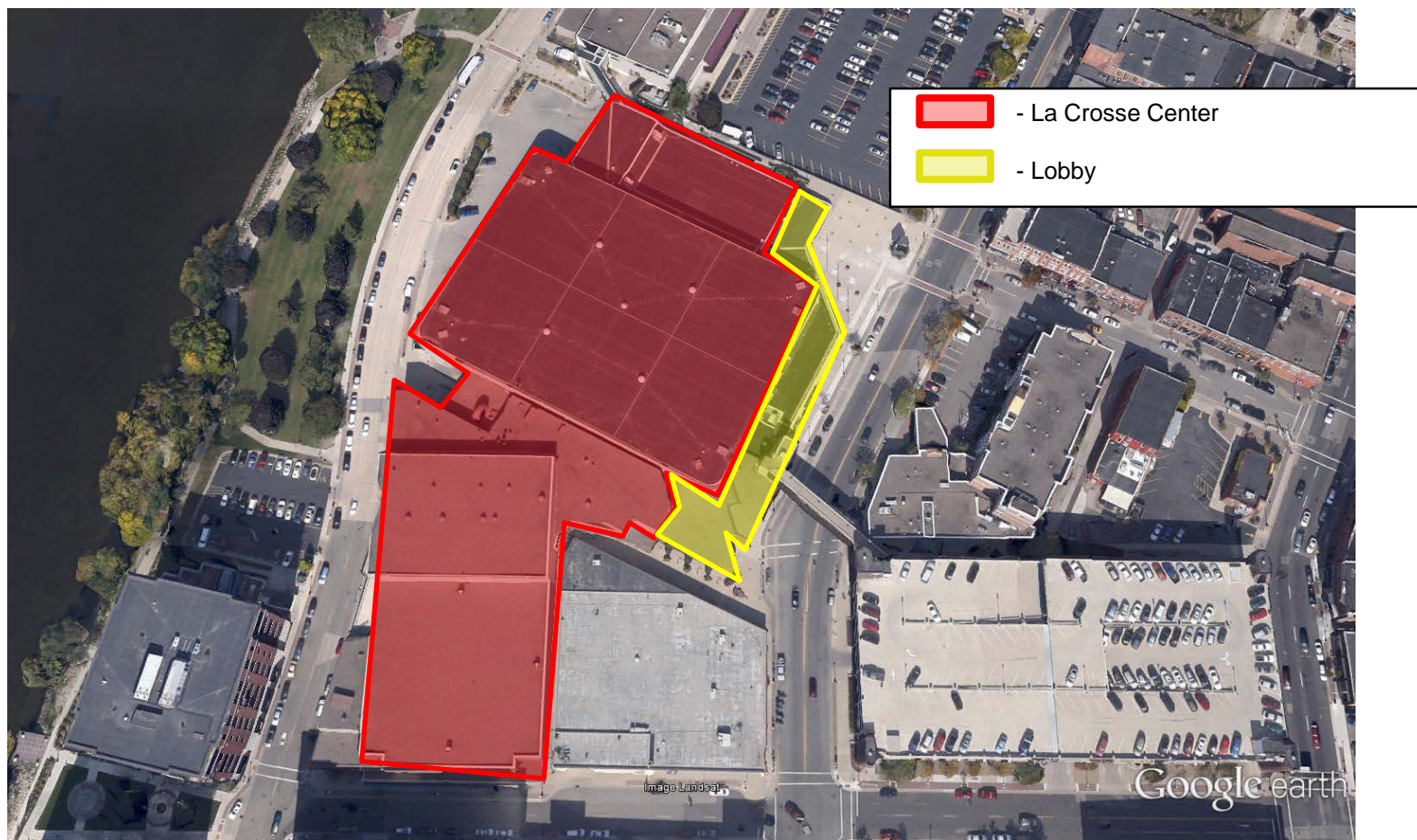


La Crosse Center - Roof Terrace Addition

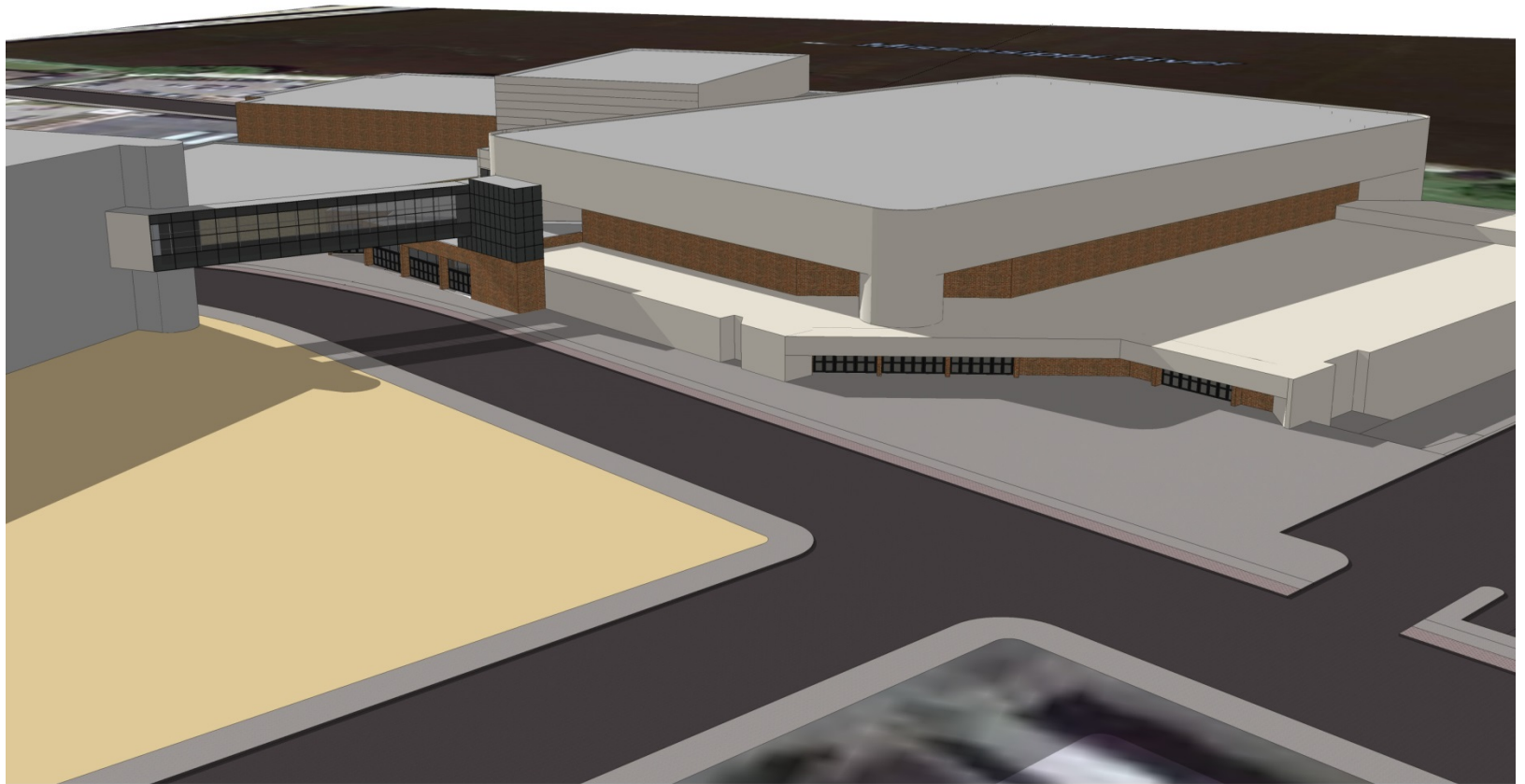
Preliminary Findings – Space Program

- Site planning / exterior space
- Lobby connector / potential meeting space

Lobby Connector



Lobby Connector



La Crosse Center - Existing Front Entry

Lobby Connector



La Crosse Center - Lobby Connector Remodel

Preliminary Findings – Space Program

- Site planning / exterior space
- Lobby connector
- Carpeted space

Meydenbauer Center (Bellevue, WA)



Meydenbauer Center (Bellevue, WA)



Grand Wayne Center (Fort Wayne, IN)



Preliminary Findings – Space Program

- Site planning / exterior space
- Lobby connector
- Carpeted space
- **Capital improvements**

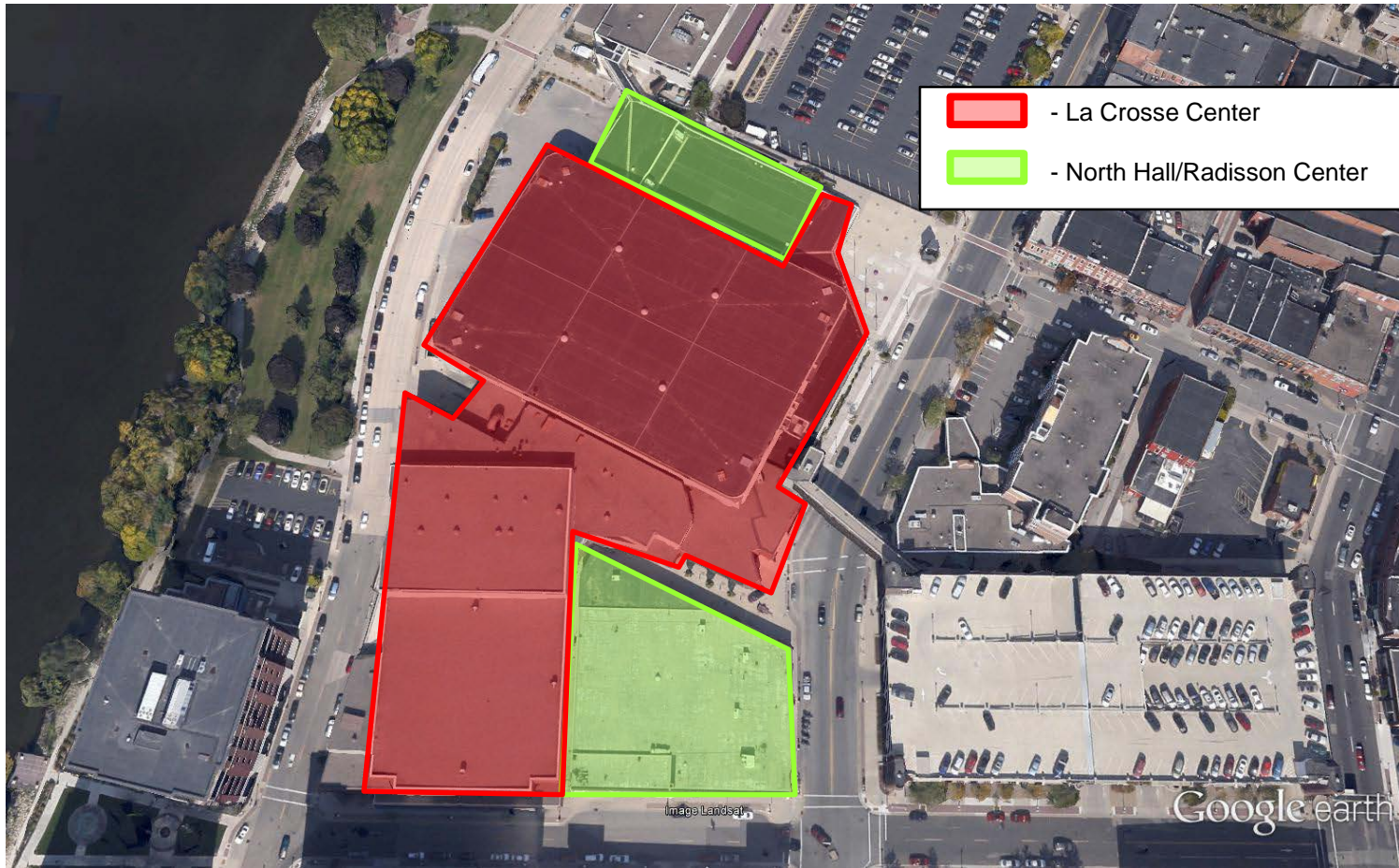
Capital Improvements

- North Hall air walls
- North Hall facelift (walls, lighting, floors, etc.)
- Arena seats
- Concession stands
- Arena bathrooms/dressing rooms
- Arena sound system
- Zielke Suite facelift (ceiling, walls, carpet, aesthetic, etc.)
- Lobby/entryway
- Refinish/update exterior
- Marquee signage
- Signage/entryway on River-side

Preliminary Findings – Space Program

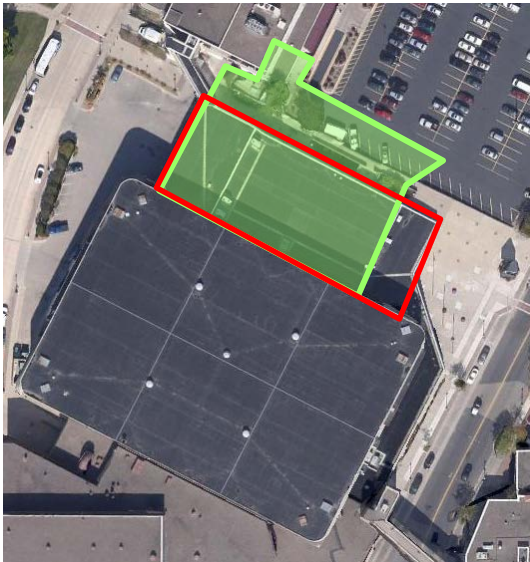
- Site planning / exterior space
- Lobby connector
- Carpeted space
- Capital improvements
- **Expansion**

Expansion



Potential Performing Arts Center – Comparable Venues

Numerica Performing Arts Center
(Wenatchee, WA)
622 seats



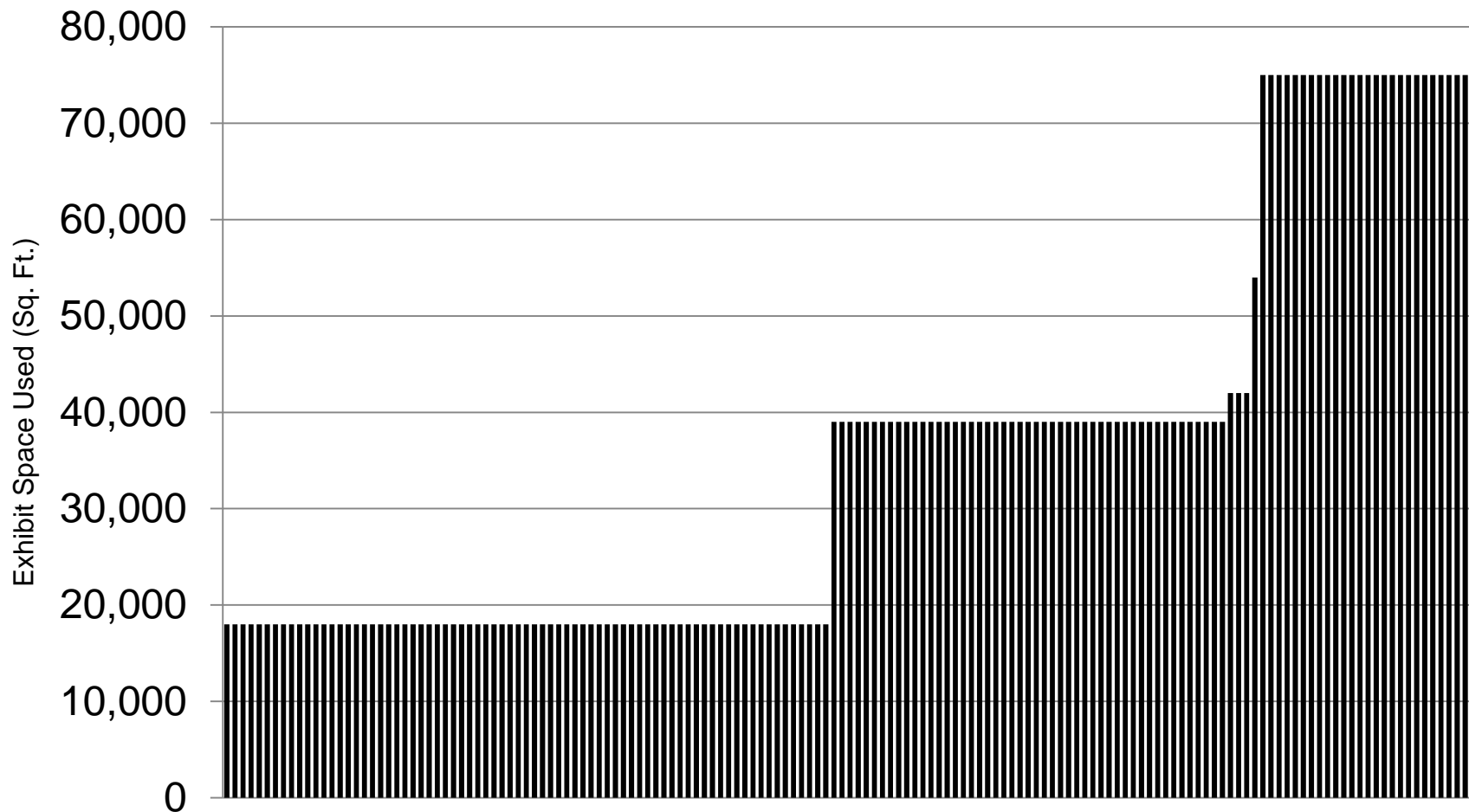
Fort Smith Performing Arts Center
(Fort Smith, AR)
1,300 seats



Montgomery Performing Arts Centre
(Montgomery, AL)
1,800 seats

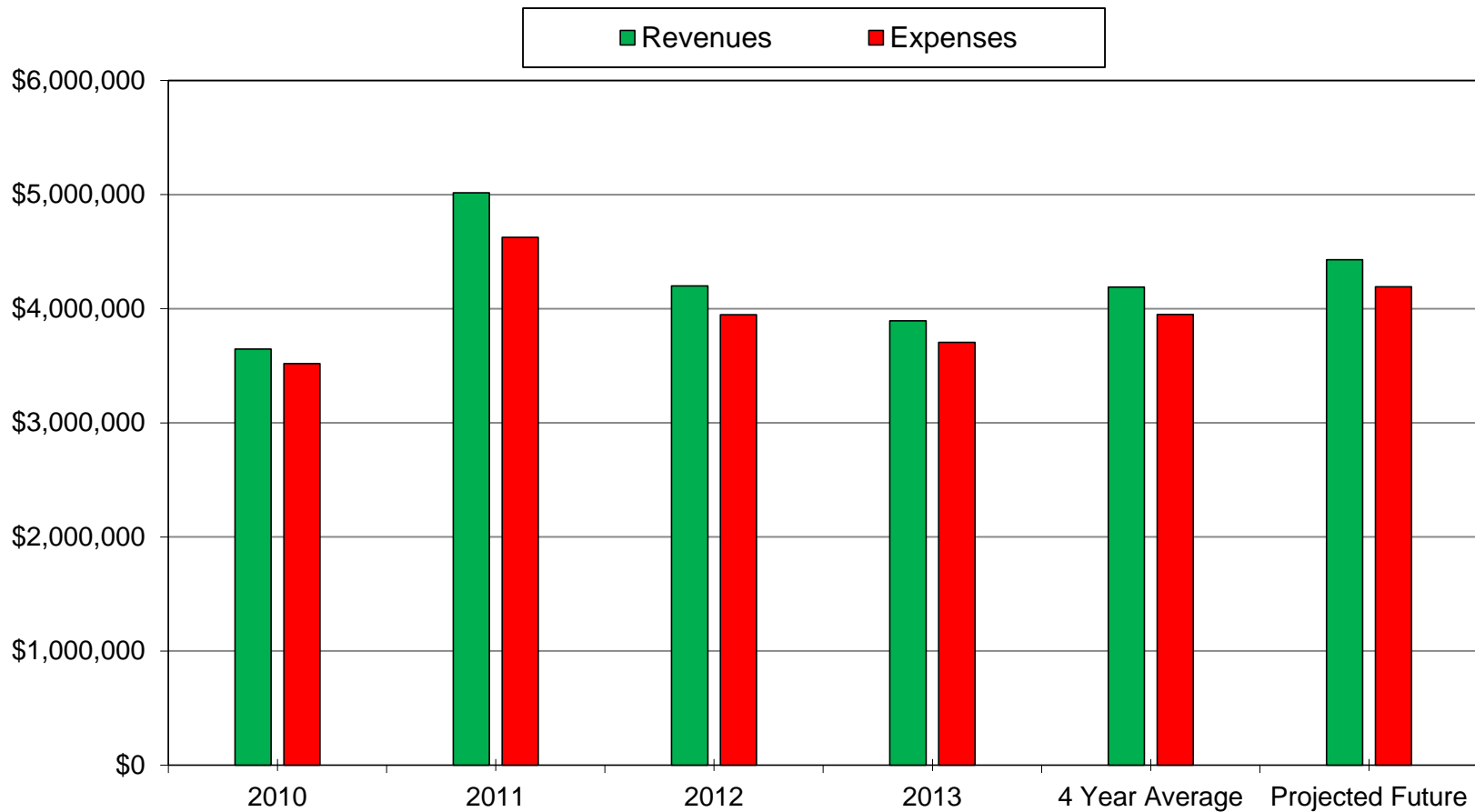



Exhibit Space Usage Among Events Utilizing North Hall (2011-2013)



Source: La Crosse Center management, 2014.

Historical and Potential Future Operations – LCC Revenues and Expenses





Market Analysis for Remodeling, Renovating and/or Expanding the La Crosse Center

February 5, 2015