

La Crosse Center Remodel and Expansion

Discussion of Financial
Contribution by La Crosse County

May 6, 2019



LA CROSSE COUNTY
Exceptional services. Extraordinary place.

Initial Observations

1. La Crosse Center is an important regional asset and significant economic driver
2. Years of neglected maintenance need to be addressed
3. Center Expansion is needed to remain competitive
4. City and Center Board have been planning for 5 years
5. Logical to seek outside funding, but the County has no obligation and hasn't had any role in the decisions:
La Crosse County has never been asked to participate in any of the facility planning, design, governance or financial plan – only a request for money March 21, 2019

No funding allocated in the 2019 County budget

The request invites many questions

Mayor's funding plan Resolution

Estimated Annual Debt Service	\$	2,550,000	
Room Tax	\$	1,300,000	20 Years
Facility Fees	\$	25,000	20 Years
La Crosse County request	\$	100,000	20 Years
City of Onalaska request	\$	50,000	10 Years
City of La Crosse Property Tax Levy	\$	1,075,000	20 Years*

* Amount would increase after 10 years

Even if approved, the County and City of Onalaska contributions would have a relatively small impact on overall annual plan (5.9%)

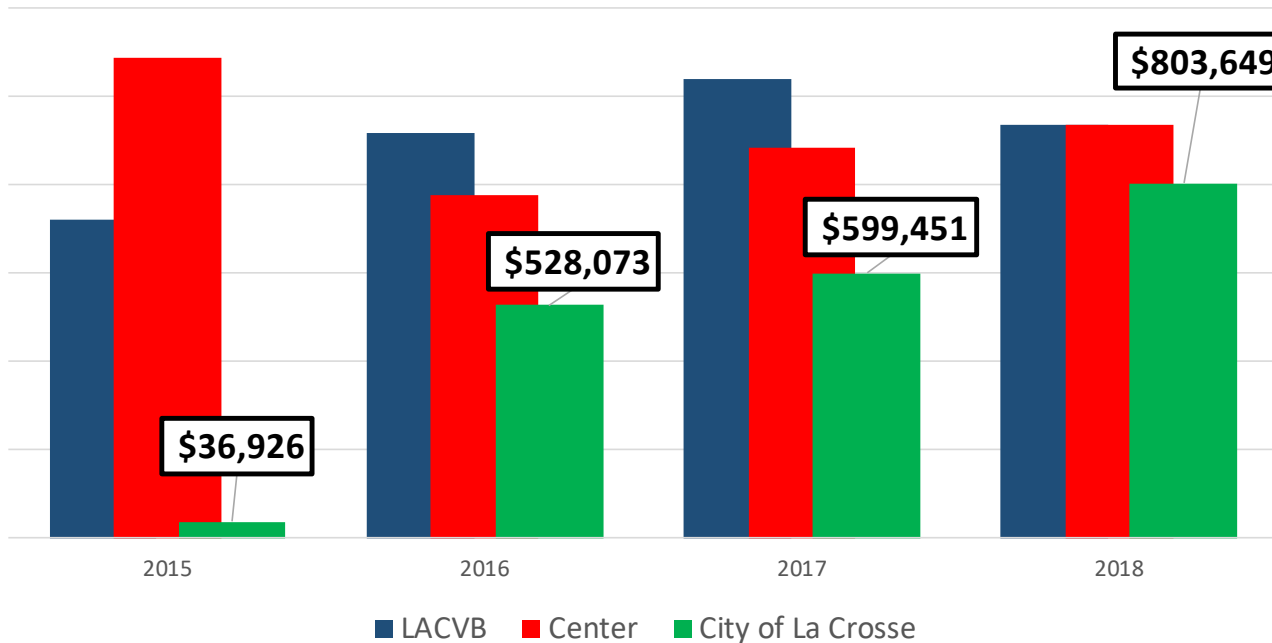
Primary Funding Questions:

- **What's the impact on City taxpayers (residential & commercial) with or without the requested contributions? Can it be phased in over time?**
- **What is the assumed Room Tax rate, or limit on the LACVB budget?**
- **Would these impact competitiveness for attracting events?**

Recent Room Tax History

	2015	2016	2017	2018	% Change
LACVB	\$ 720,064	\$ 917,180	\$ 1,041,151	\$ 937,591	30.2%
Center	\$ 1,089,327	\$ 778,213	\$ 883,401	\$ 937,591	-13.9%
City of La Crosse	\$ 36,926	\$ 528,073	\$ 599,451	\$ 803,649	2076.4%
Total	\$ 1,846,317	\$ 2,223,466	\$ 2,524,003	\$ 2,678,831	45.1%

City of La Crosse Room Total Tax Revenue



City portion
of Room Tax
used for:
Parks,
Recreation,
Streets and
Police.

Presumably
offsets City
Property
Taxes,
General Fund

Additional Questions:

1. What is the most realistic estimated economic impact to sales tax revenues of the expansion?
2. How is it effected by changes in the room tax or cuts to the LACVB, now or in the future?
3. Does the projected tax impact reduce other Capital Improvement priorities for the City?
4. Are naming rights revenues available to reduce costs and how will this decision be made?
5. Is there a governance role for County representation on the Center Board if funding is provided?
6. What's the net-impact on the County Budget if approved?
7. Could County funds leverage other contributions?
8. Other questions from Board members?

Potential Range of Options:

	OPTION #1	OPTION #2	OPTION #3	OPTION #4
<u>INITIAL CONSIDERATIONS</u>	No Contribution	TID #9 Excess Funding	Projected portion of increased County Sales Tax Revenue due to Center Expansion	Mayor Kabat Request March 21 letter
Amount of Funding	0	\$178,000	\$60,000/yr. \$600,000 10 Years	\$100,000/yr. \$2,000,000 20 Years
Funding Frequency	N/A	One-Time	Annual Appropriation vote every year	Annual Appropriation vote every year
Source of Funds	N/A	Unexpected TID #9 Revenue	Reserves, Excess Sales Tax or Tax Levy	Reserves, Excess Sales Tax or Tax Levy
<u>County Board Vote Required</u>				
During 2019 Budget	Majority of those present	2/3's of Full Board	2/3's of Full Board	2/3's of Full Board
2020 Budget and Beyond	Majority of those present	Majority of those present	Majority of those present	Majority of those present