

### Fiscal Estimate - 2005 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-3666/3</b>	<b>Introduction Number</b> <b>AB-1191</b>
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**Description**  
 Sale of Olympic Ice Training Center and making an appropriation

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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**Local:**

<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
SFPB/ Craig Barkelar (414) 266-7011	Craig Barkelar (414) 266-7011	4/25/2006

## Fiscal Estimate Narratives

SFPB 4/25/2006

LRB Number	05-3666/3	Introduction Number	AB-1191	Estimate Type	Original
<b>Description</b> Sale of Olympic Ice Training Center and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

The bill would authorize the sale of the Pettit Center building to the Pettit National Ice Center, Inc. To facilitate a sale, a sum sufficient general purpose revenue appropriation would be created with an expectation that GPR support would be no more than \$2.0 million in present value terms.

1. NOTE: The \$2 million is a present value figure; actual GPR cost would be higher.
2. Pettit National Ice Center, Inc. will fund the present value of debt service less the \$2.0 million that would be provided by GPR. NOTE: Actual payout figure would need to be calculated by Capital Finance.
3. Pettit National Ice Center Inc., funds (plus interest earned on those funds over time) would be used first to fund remaining debt service. Subsequent debt service would be paid by GPR.
4. Assuming a June 30, 2006 closing date and an earnings rate of 5 percent on funds deposited to a bond redemption sinking fund:

--> if all proceeds were invested, payout figure would approximate \$5.5 million

--> Pettit National Ice Center, Inc., contribution would be \$3.5 million

--> GPR contribution would be \$2.0 million in present value terms

5. Pettit National Ice Center, Inc.'s \$3.5 million payment would generate approximately \$350,600 of interest. The Pettit National Ice Center Inc., would fund the first \$3,850,600 of debt service. Debt service payments would approximate:

--> \$875,700 in FY 2006-07

--> \$945,200 in FY 2007-08

--> \$944,100 in FY 2008-09

--> \$868,000 in FY 2009-10

--> \$217,600 in FY 2010-11

Total of \$3,850,600

6. Because there would be no interest earned on the State's contribution, GPR would fund approximately \$2.6 million over a fifteen year period:

--> \$650,300 in FY 2010-11

--> \$894,400 in FY 2011-12

--> \$896,600 in FY 2012-13

--> \$184,100 in total over the next 12 years

Total of \$2,625,400

7. Note: As part of the transaction, the Pettit National Ice Center, Inc., would also pay State Fair Park all past-due lease charges, which are expected to total approximately \$1,532,100 at June 30, 2006.

### Long-Range Fiscal Implications

1. GPR support totalling slightly more than \$2.6 million, beginning in five years and disbursed over a fifteen year period.

2. State Fair Park would avoid unnecessary and involuntary subsidies of \$600,000 or more per year, which it

cannot fund with program revenues.

3. State Fair Park would avoid annual costs of \$90,000 or more for the provision of municipal services, lot maintenance, and equipment and building repairs.

4. State Fair Park and the State of Wisconsin would not be liable for future building and equipment improvements, which will run into the millions.

5. State Fair Park's receipt of past-due lease charges will allow it to reduce its deficit by more than \$1 million immediately and systematically reduce its deficit in subsequent years by \$500,000 or more, which will reduce its reliance on General Fund support to operate.