



## Legislative Fiscal Bureau

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June 4, 2001

Joint Committee on Finance

Paper #258

### State Fair Park Board Projects (Building Program)

[LFB 2001-03 Budget Summary: Page 158-11, #2 (part) & #7b]

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#### CURRENT LAW

The State Fair Park Board is provided \$14,887,100 in general fund supported bonding for the construction of a housing facility and improvement of facilities at State Fair Park and \$44,787,100 million in program revenue (PR) supported general obligation bonding to construct or improve facilities at the Park. To date, \$14.6 million in PR supported bonding authority and \$1.5 million in GPR supported bonding authority remains unexpended.

#### BUILDING COMMISSION

Provide \$10,000,000 in general fund supported borrowing as follows: (a) \$7,000,000 for a new agricultural building; (b) \$2,000,000 for new barns; (c) \$700,000 for primary electrical system replacement; and (d) \$300,000 for parking, landscaping and demolition of existing exhibit halls.

Further, provide \$96,950,000 in PR supported bonding as follows: (a) \$50,000,000 for a Wisconsin heritage hall and youth area; (b) \$34,000,000 for an exposition hall; (c) \$6,500,000 for a new grandstand (in addition to \$14,500,000 enumerated in the 1999-01 budget bill); (d) \$2,000,000 for land acquisition; (e) \$2,000,000 for a great lawn and fountain area; (f) \$1,000,000 for a perimeter fence and gates; (g) \$800,000 for parking, landscaping and demolition of existing exhibit halls; and (h) \$650,000 for lot paving and landscaping at the north gate.

In addition, require the Department of Natural Resources (DNR) to earmark \$2 million for infrastructure projects approved by the State Fair Park Board from the property development and local assistance subprogram of stewardship 2000 program bonding. According

to State Fair Park officials, the \$2,000,000 would be used for infrastructure costs related to the exposition hall.

## DISCUSSION POINTS

### State Fair Park Revenues and Expenditures

1. It is estimated the State Fair Park will pay \$5.4 million PR and \$2.2 million GPR in debt service over the biennium for previously authorized bonds. In addition, once the remaining \$14.6 million authorized in PR supported bonding authority is released, debt service on that amount would be approximately \$1,166,000 PR annually. The additional general fund and program revenue payments that would be expected after issuance of bonds recommended by the Building Commission are shown below. Due to the timing of bond issuance and construction schedules, actual debt service on new bonds would be considerably lower in 2001-03. Further, the table shows that another \$22.65 million in GPR supported borrowing is anticipated to be needed in future biennia to complete implementation of the State Fair Park's redevelopment master plan.

**TABLE 1**

### Additional Bonding Request and Annualized Debt Service

	2001-03 <u>BR</u>	<u>Annualized Debt</u>	Future Biennia GPR <u>supported BR</u>	Total <u>Masterplan</u>
Agricultural Buildings	\$9,000,000	\$717,100 GPR	\$5,000,000	\$14.0 M
Exposition Hall Demolition	300,000	23,900 GPR	500,000	0.8 M
Exposition Hall Infrastructure	2,000,000	159,300 GPR*		2.0 M
Electric System Replacement	<u>700,000</u>	<u>55,800 GPR</u>		0.7 M
Subtotal	\$12,000,000	\$956,100 GPR		
Heritage Hall and Youth Area	\$50,000,000	\$3,983,600 PR		50.0 M
Exposition Hall	34,800,000	2,772,600 PR		34.8 M
Grandstand	6,500,000**	517,900 PR		6.5 M
Major Utilities and Safety			9,500,000	9.5 M
Land Acquisition	2,000,000	159,300 PR	4,000,000	6.0 M
Great Lawn	2,000,000	159,300 PR	2,000,000	4.0 M
Fencing, Landscaping and Paving	<u>1,650,000</u>	<u>131,500 PR</u>	<u>1,650,000</u>	<u>3.3 M</u>
Subtotal	\$96,950,000	\$7,724,200 PR	\$22,650,000	
<b>TOTAL</b>	<b>\$108,950,000</b>	<b>\$8,680,300</b>		<b>\$131,600,000</b>

\* Designated from existing stewardship 2000 bonding authority (DNR would pay the debt service).

\*\*Excludes \$14.5 million in currently authorized bonding.

2. A March, 1996, Legislative Audit Bureau report indicated that the State Fair Park's ability to finance additional program revenue debt was limited because the availability of sufficient revenues is questionable. The audit indicated that it would be particularly difficult to finance any major construction or renovation projects from Park revenues, especially since the Park's expenditures had been exceeding revenue for most of the early 1990's. The audit was conducted based on data through 1995.

3. Any revenue from State Fair Park activities (including lease payments from the race track and the Pettit National Ice Center) that remains after operation costs are paid, is transferred to the Park capital improvement continuing appropriation account. Revenues are generally available for capital improvement projects in the following year. Any reduction in revenues or increase in debt service or other operating costs effectively reduces the amount of funds that are available for immediate capital improvements. Over the past five years, \$2.5 million in excess of operational expenses has been transferred to the capital improvement fund, or an average of \$500,000 per year. The Park Board has spent \$2.4 million from the fund over the same time.

4. Historically, the capital improvement fund has been used to finance renovation and repair projects related to the Park's existing facilities. However, the balance in the fund has declined from \$3.0 million in 1990-91 to approximately \$722,300 estimated to be available on June 30, 2001. State Fair Park officials have stated that good management practice requires that a minimum balance of \$500,000 be maintained in the capital improvement fund for emergency repairs. Under current projections, it is anticipated no revenues will be transferred to the capital improvement fund in 2000-01, as Park operating expenditures will exceed revenues. Further, the June 30, 2003, balance of the capital improvement fund is estimated at \$30,000. With such a limited balance, the capital improvement fund will have difficulty funding even small projects. In order to maintain an adequate balance in the capital improvement fund, the Committee may wish to reduce capital expenditure authority by one-half to \$224,000 annually, which was the amount authorized prior to the 1999-01 budget. By limiting expenditure authority to \$224,000 annually, it is estimated the June 30, 2003 balance of the capital improvement fund would be \$478,000. If the Park needed additional expenditure authority in its continuing appropriation, it could request it from the Department of Administration.

5. Between 1995-96 and 1999-00, Park revenue increased by 16.7%, while operating expenditures increased by 18.2% (not including capital improvements). Table 2 portrays State Fair Park expenditures and revenues in each of the past five fiscal years and projections through the 2001-03 biennium.

**TABLE 2****State Fair Park Expenditures and Revenues (in thousands)**

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01*</u>	<u>2001-02*</u>	<u>2002-03*</u>
<b>Revenue</b>								
State Fair	\$8,189	\$8,314	\$8,428	\$8,061	\$8,682			
Racing**	864	1,047	1,111	1,387	1,467			
Other	<u>4,005</u>	<u>4,030</u>	<u>4,581</u>	<u>4,735</u>	<u>5,093</u>			
Total	\$13,058	\$13,391	\$14,120	\$14,183	\$15,242	\$15,672	\$16,142	\$16,626
<b>Expenditures</b>								
General Ops.	11,392	11,506	12,031	12,245	13,270	14,029	13,578	13,603
PR Debt Service	1,153	1,369	1,451	1,475	1,560	1,702	2,413	2,971
Capital Improvements	<u>200</u>	<u>981</u>	<u>290</u>	<u>147</u>	<u>781</u>	<u>448</u>	<u>448</u>	<u>448</u>
Total	\$12,745	\$13,856	\$13,772	\$13,867	\$15,611	\$16,179	\$16,439	\$17,022

\*Estimated.

\*\* Racing revenue includes rent, debt service payments and payments related to concessions, parking and other activities that are used to offset additional Park costs due to racing.

6. As shown in Table 2, the annual State Fair generates approximately 57% of the Park's total revenue. If the State Fair has low attendance due to inclement weather or other circumstances, the Park Board may have difficulty meeting expenditures or continuing general maintenance activities. Further, if program revenues are insufficient, the state's general fund is ultimately responsible for the debt service on all of the bonds issued for improvements to the Park.

7. In recommending bonding for the construction of any facility at State Fair Park, the Building Commission is statutorily required to assure that the proposed project is consistent with the overall objectives of State Fair Park and that the Park is able to pay the full debt service.

### **Contracts and Race Track Improvements**

8. The State Fair Park maintains a contractual relationship with the Pettit National Ice Center and Haas Racing Teams. The Pettit National Ice Center currently is required to pay the Park approximately \$892,000 annually for debt service reimbursement, but the Center is five months (\$370,000) behind on payments. Park officials indicate that the Center has missed monthly payments before, but has made larger payments in the summer months to catch up. However, it is uncertain when these payments will be made. In addition, the revenues of the Pettit Center may be less stable in the future due to the construction of a new Olympic oval in Salt Lake City where the U.S. national team now trains. The Park provides some maintenance for the facility, but required rental payments (approximately \$74,300 per month) are only sufficient to reimburse the Park for debt service on the ice center bonds. Responsibility for major maintenance or capital equipment replacement (such as eventual overhaul or replacement of heating, cooling or ventilation systems) is not addressed in the lease. The current lease agreement will expire in 2013 when debt service costs would be paid off.

9. The current racing contract was amended for the second time in November, 1997, to update debt service payments owed by Haas Racing Teams for track resurfacing costs. The contractor can unilaterally extend the contract for up to three, seven-year terms if the contractor remains current on the payments required under the contract. The first extension began on November 1, 1998. Under the contract, Haas is required to pay base rent of \$300,000 annually beginning in August, 1999, with additional rents based on a proportion of net income. Table 3 displays the revenue received since 1994 from the contract with the race promoter.

**TABLE 3**

**State Fair Park Revenues from the Racing Contract**

	<u>Base Rent</u>	<u>Additional Rent</u>	<u>Total Rent</u>	<u>Debt Service</u>
1994 Race Season	\$25,000	\$0	\$25,000	\$0
1995 Race Season	110,000	195,276	305,276	8,433
1996 Race Season	135,000	383,269	518,269	51,261
1997 Race Season	135,000	362,670	497,670	51,193
1998 Race Season	135,000	300,694	435,694	319,272
1999 Race Season	300,000	0	300,000	353,418
2000 Race Season	308,040	N.A.*	N.A.	361,874

\*Final reconciliation of 2000 rents is not expected until July.

10. Although the State Fair Park Board was authorized \$14.5 million in PR-supported bonding for racetrack seating replacement in 1999-01, the project has not been started and approximately \$2 million of the bonding authority was used for other projects, including a new entrance gate and fencing at the Park. In May, 2001, the Building Commission instead allowed \$1 million in general fund supported bonding that had been authorized for land acquisition and \$1 million in PR supported bonding that was residual or designated for utility improvements to be used for the grandstand as well. Thus, the Building Commission has approved the use of \$14.5 million in general obligation bonding authority for the \$20.5 million project. Further, at the May, 2001 Building Commission meeting, the Park requested \$6,000,000 for the grandstand project from gifts and grants. In earlier action under its budget request, the Building Commission recommended providing an additional \$6.5 million in PR-supported bonding for the \$20.5 million grandstand project. However, it is now estimated that an additional \$6 million (rather than the \$6.5 million) would be needed to complete the project for \$20.5 million. Further, since the \$6,000,000 has been authorized from gifts and grants, the Committee may wish to decrease bonding authority recommended for the project by \$6,500,000 to recognize anticipated gifts and grants funding.

11. The price of the grandstand project has increased from 1999-01 authorized levels of \$14.5 million due to new design plans that would allow the space below the new bleachers to be utilized for retail space that would open both to the fairgrounds and to the racetrack. According to Park officials, the overall number of seats would increase from the current grandstand capacity of

12,500 to 21,000. Further, it is anticipated that the improved sight lines and other features of the new design would increase the desirability, and thereby the pricing of seats. To the extent that State Fair Park receives a portion of Haas revenue under the current contract, increased revenue from additional seating could also increase revenues to the Park. Further, Fair officials anticipate additional revenue from placing advertising on the grandstands and from renting the 40,000 square feet of space beneath the bleachers to vendors and retailers.

12. When bonding authority of \$14.5 million was approved in the 1999-01 budget, State Fair Park officials indicated that the Haas Racing Teams would pay the debt service on both the seating and race track improvements, as is specified in the current contract. However, that no longer appears to be the case. While Haas is paying the debt service on race track improvements authorized in 1999-01, it is uncertain how much, if any, of the grandstand seating debt service will be paid by the racing team. Some would argue the Park should pay bleacher debt service since it utilizes the grandstands for non-racing events and would gain revenues from the retail space beneath the bleachers in the new design. On the other hand, as the seating is used mainly for racing events, it could be argued that the racing team should be primarily responsible for debt service. However, if the project increased rents from Haas to pay for the bonding beyond the increased revenues to the racing team, rent revenue (net of debt related payments) to the Park could be lowered under the formula in the contract. However, no estimate of revenues has been made available. The Building Commission believes that the project would increase revenue since more quality seats would be available. However, if the racing contract is not renewed before November, 2005 or if the contractor does not make payments sufficient to cover the debt service cost on the bonds used to fund improvements at the track (approximately \$1.67 million annually associated with bonding under the Commission's recommendations, including previously authorized bonds), State Fair Park would be required to make the payments. If the Park were unable to pay for the bonding, the state would be responsible for payments.

### **Infrastructure Improvements**

13. Prior to the authorizing of \$13.0 million in GPR supported bonding for a dormitory in 1995, State Fair Park had been a self-sufficient, program revenue supported entity. The dormitory facility was constructed to replace an aging facility and to safely house the state's youth during the State Fair. The 1997-99 budget bill transferred \$2 million of the \$13 million in authorized bonds to a separate bonding appropriation to acquire, construct, develop, enlarge or improve State Fair Park facilities. The 1999-01 budget bill authorized an additional \$1,887,100 in general fund supported bonding to provide 50% of the cost of some infrastructure improvements and a land purchase. As noted previously, the \$1 million in general fund supported bonding authority enumerated for a land purchase instead is being used for the grandstand project.

14. The Building Commission's recommendation would provide unmatched, additional GPR supported borrowing for general improvements at the Park. Further, as shown in Table 2, the Park estimates requesting an additional \$22.65 million in general fund supported bonding in future years for implementing the Park's masterplan. Annual debt service on the additional \$22.65 million for future projects is estimated at approximately \$2 million GPR annually for 20 years. Thus, when

all masterplan projects are implemented, the states GPR debt service payments for the Park would be roughly estimated at \$4.0 million annually.

15. Under the Building Commission's recommendation, \$7 million would be used for a new, multipurpose agricultural building. The building would be a four-season facility that could be used for promotional events as well as for agricultural exhibits. In addition, \$2 million would be used for the construction of new barns. These buildings would replace the agricultural products facility and the horse, swine, sheep and rabbits, and poultry barns at the Park. State Fair Park officials indicate that by building fewer, but larger structures with a higher total net square footage to replace multiple agricultural facilities, the Park grounds would be better able to host larger events such as the National Junior Angus Show, as well as to use the facilities for events outside of the annual state fair.

16. Another \$300,000 in general fund supported borrowing would be used for parking, landscaping and demolition of existing structures in conjunction with the exposition hall project. According to Park officials, the \$2 million in stewardship dollars would be used to fund additional costs related to the proposed placement of the exposition hall over Honey Creek (a streambed that runs under the State Fair grounds in an enclosed channel constructed in 1963 by the Milwaukee Metropolitan Sewerage District). As envisioned by Park officials, the \$2 million would be used to build a bridge on which the exposition hall would rest.

17. Although bonding from the stewardship fund has been used for infrastructure projects at State Parks in the past, some would argue that funding a building project at State Fair Park is not an appropriate use of stewardship dollars. The Department of Natural Resources (DNR) is authorized \$46 million in general obligation bonding authority annually through 2009-10 for stewardship 2000, with \$34.5 million specified for land acquisition and \$11.5 million for property development and local assistance. While using stewardship 2000 program bonding may seem an appropriate funding source to some, it would also reduce the amount of property DNR could purchase or improve. Further, the Building Commission recommendations would include earmarking an additional \$5 million of stewardship 2000 bonding (\$1 million from land acquisition and \$4 million from property development and local assistance) for three other projects (Lakeshore State Park, an agricultural stewardship initiative and reconstructing a ski chalet at Rib Mountain State Park). This recommendation is discussed in a separate LFB budget paper (#261). However, a general component of the Park's masterplan is to provide additional green space on the grounds. Thus, funding a portion of the masterplan costs at State Fair Park from Stewardship may be viewed as appropriate.

18. The Building Commission also recommends providing \$700,000 for primary electrical system replacement. State Fair Park officials have indicated this funding is needed to improve the Park's current electrical system, which has had numerous failures, most notably during the 2000 State Fair.

19. The Governor has indicated that general fund supported borrowing is needed for these infrastructure improvements since the Park will not realize significant additional revenue from

the construction of the new facilities, infrastructure and updated equipment. Split funding would provide assistance from the state in repairing and upgrading Park facilities while also requiring the Park to make an investment in its infrastructure. However, it is doubtful that the Park would be able to assist in supporting these improvements due to the financial condition of State Fair Park. Thus, given concerns over the Park's ability to fund additional program revenue supported debt, it could be argued that general fund supported borrowing is necessary for immediate infrastructure improvements.

### **Capital Improvements**

20. The Building Commission also recommends providing additional program revenue supported borrowing of \$96,950,000. The State Fair Park Board anticipates funding a \$50 million Wisconsin heritage hall and youth area through gifts, grants and donations. Planning for the multi-use retail, educational and entertainment venue would begin in 2001-03. As part of the conceptualized 175,000 square foot heritage hall, State Fair Park would like to consolidate current private food, beverage and retail operations and to provide a market experience in a common building to allow for year-round operations. Further, it is envisioned that the hall would include a large-screen, high technology theater and a restaurant and beer hall. Plans for the heritage hall are in preliminary stages and the hall has yet to be designed. It is thought the heritage hall would be located in the center of the Park. Another component of the \$50 million project is expected to be an interactive, hands-on center to provide agricultural education and an indoor (44,000 square foot) and outdoor play area specifically designated for youth.

21. The Building Commission recommendation includes providing \$34 million for the construction of a net 200,000-square-foot exposition building (expected to be approximately 270,000 gross square feet). The exposition building would replace five current structures currently owned and operated by the State Fair Park: the South, North and East Exhibit Halls, the Family Living Center and the Youth Expo Building. These buildings are between 60 and 90 years old and together offer 160,000 square feet of exhibit space. The exposition building is proposed to be built where the administration building, police, central park and approximately 600 parking spaces are located. The other five structures would be razed once the exposition building is operating.

22. Some have raised concerns about the exposition building project, including the competition such a building would create with neighboring exposition facilities (for example, in Milwaukee and Madison). Further, whereas State Fair Park currently offers discounted rates for events billed to nonprofit entities that offer free admission, revenue assumptions for the exposition building are based on higher rental rates and on booking those events that provide the greatest financial return. Some nonprofit and lower-cost entities that have a history of operating at the fairgrounds may no longer be able to afford to operate there. Park officials indicate that these are the types of entities that could instead use the proposed agricultural building.

23. To make the exposition hall financially viable, overall revenues of exposition facilities at State Fair Park (excluding the annual State Fair and parkwide events) would need to more than triple from \$2.3 million in 1999-00 at the existing facilities to \$7.8 million in 2004 for the



second year of operations of the new exposition hall.

24. The Building Commission and the State Fair Park Board already have authorized the issuance of \$36 million in Industrial Revenue Bonds (IRBs) for the exposition building. The \$36 million in IRBs are expected to be issued by the City of West Allis to a nonprofit corporation (controlled by State Fair Park Board members) under s. 501(c)(3) of the Internal Revenue Code that would own and/or operate the exposition center until the IRBs were retired. Park officials anticipate that if bonding were authorized in the budget at lower interest rates, the state-authorized bonding revenue would replace the IRBs. Further, Park officials contend that while state-issued bonds would be preferable, they chose IRBs initially in order to get the project started more quickly. At this point, it appears the project would continue regardless of whether the Legislature supports providing state-issued bonding authority. Generally, prior to beginning construction, state building projects in excess of \$500,000 are enumerated in state law and are typically included in the biennial state budget. Generally, debt costs for state general obligation bonds are lower than for IRBs (each 1% difference on a \$36 million bond issue would result in a decreased annual payment of approximately \$250,000 based on a 20-year level debt repayment structure). According to Park officials, the dissolution of the 501(c)(3) organization and ownership of the exposition building would revert to the state once the IRB debt were retired (which could occur almost immediately if PR-supported bonds were authorized for the project).

25. In addition to the grandstand, heritage hall and exposition building bonding, the Building Commission recommends providing \$2,000,000 for land acquisition, \$2,000,000 for a great lawn and fountain area, \$1,000,000 for a perimeter fence and gates, \$800,000 for parking, landscaping and demolition of existing exhibit halls and \$650,000 for lot paving and landscaping at the north gate. The Park hopes to acquire approximately 16 acres of land within and adjacent to the grounds for additional parking and to relocate current grounds department equipment to an area further from Park activities. The great lawn and fountain area would be located between the grandstand and the proposed heritage hall (in the current international amphitheater area). In addition to the walkways, trees and fountain, funding would be used for providing outdoor electrical service hook-ups for mobile vendors, for acquisition of current vendor structures and for general demolition of existing structures. The fencing would be of the same wrought iron design as was used for the new entryway at the Park and would be put in as projects in each portion of the Park are completed.

26. It is planned that donations would be used in conjunction with program revenues to fund major portions of the costs of the capital improvements. In addition, Park officials hope to receive additional revenue to support debt service from naming rights of the exposition hall and grandstand. Park officials have stated that the \$50 million in bonding for the heritage hall and youth area would be completely funded from gifts, grants and donations. Further donations of \$1 million are being sought to pay for a large portion of the great lawn and fountain project. Providing less PR supported general obligation bonds could be considered to reflect anticipated gifts, grants and donations.

27. Park officials indicate it is important to authorize \$96.95 million in program revenue

supported bonding, even though a majority of those projects is expected to be funded from donations and some of the projects are not slated to begin until at least August 2003, in order to attract funding from private sources. It is their belief that it will be easier for others to donate when they see the state is prepared to authorize the bonds. Further, as gifts and grants were received, State Fair Park officials have indicated it would substitute the non-state revenues for general obligation bonding authority. On the other hand, if program revenue supported bonds are issued and anticipated donations and revenues fail to materialize, the State Fair Park Board and ultimately the state's general fund would be responsible for paying off the bonds. In this regard, it should be noted that the bill would more than triple the amount of PR-supported general obligation bonding authorized for the State Fair (from \$44.8 million to \$141.7 million).

28. Further, once the Legislature authorizes the bonding, the Legislature retains little control over a project. For example, while the Legislature had provided bonding authorization of \$14.5 million for grandstand improvements that were portrayed as being completely paid for by Haas Racing Teams, that no longer appears to be the case. Further, a portion of that bonding was used for other projects and general fund supported bonding will now be used for part of the project. Thus, the state may now be directly funding at least \$14.5 million in debt service that had originally been intended to be supported from other revenues (the racing promoter).

29. One option the Committee could consider would be to specify that the Building Commission may not to approve any state funding commitment or issue a certain amount of the bonding that would be enumerated in the 2001-03 state building program until the Joint Committee on Finance determines that the State Fair Park has secured adequate funding commitments from gifts, grants, or other receipts to finance the project. This would allow the Legislature to maintain some control over the amount of bonding actually authorized to help ensure that the Park would be able to cover debt service on the amounts released while showing an up-front commitment from the state in order to draw in private funding for the projects.

## **ALTERNATIVES TO BASE**

### **A. General Fund Supported Bonding Authorization**

1. Approve the Building Commission's recommendation to provide general fund supported borrowing as follows:

- (a) \$7,000,000 for a new agricultural building;
- (b) \$2,000,000 for new barns;
- (c) \$700,000 for primary electrical system replacement; and
- (d) \$300,000 for parking, landscaping and demolition of existing exhibit halls.

<b>Alternative A1</b>	<b>BR-GPR</b>
<b>2001-03 FUNDING</b> (Change to Base) <i>[Change to Bill]</i>	\$10,000,000 \$10,000,000

2. Maintain current law.

**B. Program Revenue Supported Bonding Authorization**

1. Approve the Building Commission’s recommendation to provide additional general obligation PR supported borrowing as follows:

- (a) \$50,000,000 for a Wisconsin heritage hall and youth area;
- (b) \$34,000,000 for an exposition building;
- (c) \$6,500,000 for a new grandstand (in addition to \$14,500,000 enumerated in the 1999-01 budget bill);
- (d) \$2,000,000 for land acquisition;
- (e) \$2,000,000 for a great lawn and fountain area;
- (f) \$1,000,000 for a perimeter fence and gates;
- (g) \$800,000 for parking, landscaping and demolition of existing exhibit halls; and
- (h) \$650,000 for lot paving and landscaping at the north gate.

<b>Alternative B1</b>	<b>BR-PR</b>
<b>2001-03 FUNDING</b> (Change to Base) <i>[Change to Bill]</i>	\$96,950,000 \$96,950,000

2. Provide additional general obligation PR supported borrowing of \$6,000,000 (the amount needed to complete the project) for a new grandstand rather than \$6.5 million under the Building Commission recommendation.

<b>Alternative B2</b>	<b>BR-PR</b>
<b>2001-03 FUNDING</b> (Change to Alternative B1)	- \$500,000

3. Specify that the Building Commission may not to approve any state funding commitment or issue the amount of bonding listed below until the Joint Committee on Finance determines that the State Fair Park has secured adequate funding commitments from gifts, grants, or

other receipts to support the project.

- a. \$50,000,000 for a Wisconsin heritage hall and youth area
  - b. \$6,000,000 for a new grandstand
  - c. \$2,000,000 for a great lawn and fountain area
4. Modify the Governor’s recommendation to enumerate the following projects as follows:
- a. \$50,000,000 in gifts, grants or donations for a Wisconsin heritage hall and youth area (to reflect anticipated donations for this project).
  - b. \$6,000,000 in gifts, grants or donations for a new grandstand (to reflect anticipated revenues from the Haas Racing Teams or donations).
  - c. \$1,000,000 in general obligation PR supported bonding and \$1,000,000 in gifts, grants or donations for a great lawn and fountain area (to reflect anticipated donation levels for this project).

<b>Alternative B4</b>	<b>PR</b>	<b>BR-PR</b>
<b>2001-03 FUNDING</b> (Change to Alternative B1)	\$57,000,000	- \$57,000,000

- 5. Maintain current law

**C. State Fair Park Stewardship 2000 Earmark**

- 1. Approve the Building Commission’s recommendation to require DNR to earmark \$2 million for projects approved by the State Fair Park Board from the property development and local assistance sub program of stewardship 2000 program bonding.
- 2. Approve the Governor’s recommendation, but allow DNR to determine from where the stewardship funds are allocated.
- 3. Provide an additional \$2 million in general fund supported borrowing.

<b>Alternative C3</b>	<b>BR-GPR</b>
<b>2001-03 FUNDING</b> (Change to Base) [Change to Bill]	\$2,000,000 \$2,000,000

- 4. Maintain current law.

**D. Capital Improvement Fund**

1. Delete \$224,000 PR from the State Fair Park capital budget in each fiscal year. (\$224,000 in authority would remain in the continuing appropriation.)

<b>Alternative D1</b>	<b>PR</b>
<b>2001-03 FUNDING</b> (Change to Base)	- \$448,000
<i>[Change to Bill</i>	<i>- \$448,000]</i>

2. Maintain current law.

Prepared by: David Schug