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## **Downtown Racine Hotel and Event Center Frequently Asked Questions**

### **How will the downtown Racine hotel and event center benefit the public?**

The downtown Racine hotel and event center will benefit the public in a number of ways:

- **Economic impact**: By bringing revenue to the city, the hotel and event center will aid in the revitalization of the Racine community. This revenue helps to fund city programs, infrastructure development and community services.
- **Job Growth**: The hotel and event center will bring in hundreds of new jobs to the area, many of which will be staffed by Racine residents.
- **Downtown revitalization**: The hotel and event center helps in the revitalization of downtown Racine by bringing in more family-friendly events, showcasing the growth and continuous improvement of the city and drawing the community together by providing a fun, exciting place to gather and enjoy entertainment.
- **Tourism**: The convention center allows local companies to hold events and have more visitors stay in our community.

### **What does this project mean for the city of Racine?**

- The development of a hotel and event center will have an unparalleled economic impact including job creation, an increase in tourism and a positive effect on the quality of life for all who live, work, and play in Racine.
- This development is catalytic for our community and will start a renaissance that will drive growth, vibrancy, and economic sustainability.

### **How will the development contribute to Racine's economic growth?**

- According to market analysis conducted by Hunden Strategic Partners:
  - The hotel and event center is estimated to generate \$7 million in net new local spending annually.
  - Over the next 30 years, it will bring in an estimated \$104 million in net new earnings locally.
  - The project is expected to draw approximately 50,000 visitors annually.

### **How many jobs will this project create?**

- Estimated Event Center Jobs (w/USHL Tenant): 131 FTE
  - Direct Jobs: 75 FTE
  - Indirect Jobs: 26 FTE
  - Induced Jobs: 30 FTE
- Estimated Hotel Jobs: 80-100 FTE
- Estimated Construction Jobs: 443 job years



**How will the project affect Racine residents' quality of life?**

- The goal in developing the hotel and event center is to continue to build a vibrant and thriving downtown area for all to enjoy.
- The hotel and event center will be a safe destination for families to gather to enjoy sports, shows, and other national attractions.
- The construction of the downtown Racine hotel and event center will also position Racine as a leader in tourism, sports, job creation, and economic growth.

**How can the public get involved in the Downtown Racine hotel and event center project?**

- City officials invite the public to share their input on what types of sports, activities and events they'd like to enjoy at the arena and event center.
- The public is invited and encouraged to attend the public common council meetings to share their thoughts, concerns and recommendations.

**How will the City work to promote the new event center and Festival and Memorial Hall?**

- We will position the new event center as a destination for large events.
- In our experience we've seen a number of companies want to host large-scale events, but Festival and Memorial Hall did not have the capacity.
- The goal of the event center is to provide a space for larger groups. We will still recommend that smaller groups use Festival and Memorial Hall.

**How does the city plan to come up with \$43-\$49 million for total project costs?**

- During the first phase of the development project, we will work with SB Friedman Development Advisors to create a detailed financial model, including an analysis of funding sources and recommendations. The funding of the project is a Phase I work outcome.

**Will this project affect taxpayers?**

- Our goal is to minimize the effect on the property tax levy. Financing could come from many sources, including the private sector and other partners. We will work to leverage a combination of funding sources

**Would/Is the City consider/considering non-binding citizen input on the arena, i.e., town halls or a non-binding referendum? If not, why?**

- We are currently developing the community outreach process, which will include public meetings to discuss the results of Phase I of the development project.
- We value and encourage citizen input and recognize that the decision to proceed with the project lies with the City's Redevelopment Authority (RDA) and the Common Council.



**How many firms does Hammes Company Sports Development need to bring in for Phase I?**

- Using its expertise, Hammes Company Sports Development will determine the number of firms needed for third party contracting. The services of an architect, civil engineer, structural engineer, geotechnical engineer, financial analyst, environmental consultant, and community outreach will be needed to complete Phase I work.
- The costs for Hammes's owner's representative work and third party consultants is included in the \$600,000 (not to exceed) estimate.

**How would you characterize the commitment from Craig Leipold and the USHL at this stage?**

- Mr. Leipold has expressed his commitment to bringing a USHL hockey team to Racine if we are able to open the event center doors by the beginning of Fall 2019.

**Why did the City choose the most expensive of the three options?**

- The City's Development Team conducted interviews, background checks and litigation research and reviewed proposals from Hammes Company Sports Development, International Coliseums Company (ICC), and International Facilities Group, LLC (IFG) before making its recommendation.
- Hammes Company Sports Development was recommended as the owner's representative based upon qualifications, with price being only one component of the selection process.
- Hammes Company Sports Development has deep industry expertise, including these recent developments – Lambeau Field Atrium and Titledown District in Green Bay, the Kohl Center in Madison, MTS Center in Winnipeg, Manitoba and the PPL Center in Allentown, Pennsylvania.
- Hammes Company Sports Development has the most recent experience among the three companies in the development of event center/sports arenas.
- The Development Team is confident that Hammes Company Sports Development will provide the best value for the investment.

**What are Jon Hammes's ties to Racine?**

- Jon Hammes, founder and managing partner of Hammes Company, is a Racine native and members of his family reside in Racine and run local businesses.
- Mr. Hammes was a major donor to Hammes Field at Case High School.

**What tasks will be done in Phase I?**

- During Phase I, Hammes Company Sports Development will be responsible for selecting and supervising architectural planning and design, securing a commitment from a hotelier, negotiating with anchor tenants and vendors, and working with the City's Development Team to navigate any potential environmental and site issues. Ultimately, Hammes Company Sports Development will deliver a Phase I report that includes an Initial Guaranteed Maximum Price (IGMP).



## City of Racine, Wisconsin

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### **What tasks will be done by the Owner's Representative after Phase I?**

- The decision to proceed to Phase II will be made by the RDA and Common Council in June 2017, after the Phase I work is complete.
- Phase II work will include the development of schematic designs, plans and specifications, and preparing detailed construction documents for bidding.
- Phase III work will include construction oversight and delivery of a completed development.

### **How much has SB Friedman Development Advisors been paid and where has that money come from?**

- In December of 2016, the Redevelopment Authority's Executive Director secured a purchase order of \$25,000 for professional services by SB Friedman Development Advisors.
- SB Friedman Development Advisors were paid \$24,900 by the RDA.

### **What is SB Friedman Development Advisors' role in the project?**

- SB Friedman Development Advisors has served as the RDA's redevelopment advisor, as part of the City's Development Team, to create a streamlined process for issuing a prospectus, interviewing and vetting candidates for the owner's representative, and reviewing hotel and event center reports and studies.
- SB Friedman Development Advisors is developing a financial model for the funding of the project.
- SB Friedman Development Advisors will assist the RDA in contracting services with Hammes Company Sports Development, and will continue their work as development and financial advisors to the Redevelopment Authority and City of Racine.

### **What is the source of funding for Phase I?**

- The RDA and Development Team recommend that Phase I be funded from the City's Intergovernmental Revenue Sharing Fund.

### **What is the balance of the Intergovernmental Shared Revenue Fund?**

- As of December 30, 2016, the balance of the Intergovernmental Shared Revenue Fund was \$3.49 million.

### **How does the \$4.5 million loan for Machinery Row factor into the Intergovernmental Shared Revenue Fund?**

- The Machinery Row transaction was completed in 2014 and the loan has no current effect on the Intergovernmental Shared Revenue Fund. Loan proceeds were used to purchase the Machinery Row properties.



**What are some details of the Intergovernmental Shared Revenue Fund?**

- The Intergovernmental Revenue Sharing Fund (IG) was created within the 2002 area-wide sewer service agreement between the City of Racine and surrounding municipalities served by the Racine Wastewater Utility. The agreement stipulated that payments from surrounding municipalities would be made to the IG Fund within the City of Racine to be used for capital improvement projects that increase the City's total property value.
- Over the past 14 years the Intergovernmental Shared Revenue Fund has had revenues in excess of \$19.16 million and expenditures and encumbrances totaling \$15.67 million.
- The highest balance of the Intergovernmental Shared Revenue Fund was \$7.03 million on January 1, 2013.
- The lowest balance of the Intergovernmental Shared Revenue Fund was \$917,000 on January 1, 2004.

**What projects have been funded with the Intergovernmental Shared Revenue Fund?**

- RCEDC brownfields management
- Facade Grant Program
- Horlicks Complex redevelopment plan
- Jacobsen-Textron purchase and demolition
- RCEDC Commercial Corridors Management Program
- KRM Metra study
- Redevelopment activities
- Delta Hawk incentive
- Butter Buds incentive
- Summit Packaging incentive
- 233 Lake Avenue purchase
- RootWorks Master Plan
- CEDCO Small Business Development
- Racine Steel Castings site work
- Launchbox
- RCEDC EDA Capitalization
- West Bluff Overlook
- Business Development
- Vista Dental incentive
- Advances to Tax Increment Districts (TIDs)
  - TID 10-Southside Industrial Park
  - TID 11-West Racine
  - TID 12-Riverbend Lofts
  - TID 15-Homeward Bound Site
  - TID 16-Uptown
  - TID 17-Porter's Building
  - TID 18-Machinery Row
- Road Construction Projects
  - Chicory Road (Complete)
  - Oakes Road (Complete)
  - 3 Mile Road (Partially complete)



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### **When do Intergovernmental Shared Revenue payments end?**

- The Intergovernmental Shared Revenue Fund ends after 2032.

### **About how much revenue comes from surrounding municipalities each year?**

- Annual revenue varies depending on changes in the assessed valuations of the City and the villages.
- Over the past 14 years the average annual revenue from surrounding municipalities has been \$1.27 million.