

# WISCONSIN CENTER DISTRICT



ANNUAL REPORT 2007





## A Letter From Our Chairman & President

Dear Reader,

Even considering the state of the economy and its effect on the convention industry, the Wisconsin Center District had a great year in 2007. We continue to book many regional and state conventions and assemblies, and our sales team has been diligent in booking short-term sports, entertainment and corporate events to keep our facilities busy and our calendar full. The University of Phoenix is the latest in a long list of institutions that host graduation ceremonies here at WCD.

In addition to concession and parking revenue, the U.S. Cellular Arena and The Milwaukee Theatre are very valuable sources of revenue for WCD. We have been successful in attracting extremely popular events with show promoters, including the Broadway smash hit, *The Lion King*, which we are looking forward to in 2008.

Our great reputation for service earns WCD many returning clients. It also earned us accolades in the industry in 2007 – both the Midwest Airlines Center and the U.S. Cellular Arena received *FACILITIES* magazine's "Prime Site" Awards in their respective categories, convention center and arena.

Over the past several years, we've noticed an emerging trend – an upsurge in energy-related events. In the past year alone, we hosted the Renewable Energy Summit in addition to events for Coal-Gen, Ethanol, and others. We're also focused on going green here at WCD. We're constantly seeking new ways to conserve, from recycling and separation programs to installing motion sensor lights throughout our facilities.

We'd like to thank the entire WCD staff for their loyal, dedicated and professional service. Every year is a new challenge, and you're only as good as the people that work for you. Fortunately we have an incredible staff that continuously goes above and beyond. Our thanks go out as well to Levy Restaurants, for their efficient and high-quality food and beverage service at all of our facilities, and to United Visual for the high-quality audio/visual services that are such an important aspect of making our buildings attractive and appealing to prospective clients. AlliedBarton Security Services also deserves a special thanks for their highly effective work with our Department of Public Safety in the critical mission of ensuring the safety and security of our facilities, our customers, and their property.

And finally, we'd like to thank our patrons for their continued support and allegiance. With so many options nearby, we are grateful that you choose WCD facilities as your entertainment destination. We will continue to work diligently to bring you a wide variety of the finest entertainment for years to come.

Sincerely,

Franklyn M. Gimbel  
Chairman  
Wisconsin Center District

Richard A. Geyer  
President/CEO  
Wisconsin Center District





## Our Mission

To maintain and continuously build our professional reputation in the convention, entertainment and sporting events industries on all levels, both locally and nationally; to present first-class facilities in the 21st century; to provide the most effective use of space for our clients by utilizing the collective talents of all Wisconsin Center District employees; and to create and sustain jobs, income and prosperity in the Greater Milwaukee community.

## Board of Directors

Franklyn M. Gimbel, Gimbel, Reilly, Guerin & Brown, *Chairman*

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\* One seat is vacant

Richard A. Geyer, Wisconsin Center District President & CEO





## Bringing Business Downtown Midwest Airlines Center

The Midwest Airlines Center remained competitive in the convention industry in 2007 in spite of increasing competition from other convention centers. The recent replacement of carpeting in all public areas has given the facility a "like new" appearance as it approaches its tenth anniversary. WCD is also currently working with Time Warner Cable to upgrade the video cable infrastructure from analog to digital for high definition displays throughout the building. These cosmetic and technological updates are part of the top-notch customer service that keeps the Midwest Airlines Center's schedule filled with a variety of conventions, trade shows, meetings and banquets year round. These events bring attendees from all over the country to do business in Milwaukee's downtown.

A noteworthy number of national conventions came to the Midwest Airlines Center over 2007. These included national associations representing County Engineers, Diecutting & Diemaking, Snow & Ice Management, Meat Processors, Numismatists, Tactical Officers and Pediatric Hematology/Oncology Nurses, and the religious groups Call to Action and Church of God in Christ, among others. The National Wire Technology Processing Expo, which WCD owns and manages, drew record numbers of patrons and exhibitors from all over the world in its eighth year. The ADA-friendly Midwest Airlines Center was also a site of the National Veterans Wheelchair Games in 2007.

WCD was again privileged to host a wide variety of local and national corporate clients in all three buildings, primarily the Midwest Airlines Center. Among them were Assurant Health, Aurora Healthcare, Bon-Ton Department Stores, Harley-Davidson, Kohl's, Metavante, Miller Brewing Company, Northwestern Mutual, Reinhart FoodService, Rockwell Automation, Roundy's, Sysco Foods and Waukesha Engine.

State and regional associations – mostly annual clients – included School Boards, Emergency Medical Services, State Reading, Restaurants, the Tavern League, Credit Union League, WEAC and Midwest Food Processors.





Consumer shows and charity fundraisers enhance the Midwest Airlines Center's local exposure and help cement WCD's ties to the community. The Home Builders Expo, Wedding Planner & Guide Bridal Show and Auto Show have been valued annual clients for decades, and the Fine Furnishings & Fine Crafts Show, in its second year, was a great repeat success for its artisan exhibitors and is returning in 2008. The Bead & Button Show, both a consumer show and a convention, draws an international and local audience that has grown every year since it first came to Milwaukee in 2004.

Our charitable banquet and ball clients make great use of the Midwest Airlines Center's large ballroom to grow their events; in 2007 they included the Hispanic Chamber of Commerce, Professional Dimensions, AIDS Resource Center of Wisconsin, YWCA, Wisconsin Right to Life, Muscular Dystrophy Association, My Home Your Home, MICAH, Milwaukee Urban League, Independence First, Multiple Sclerosis Society, NAACP, Christ Child Society, Wisconsin Women's Business Initiative, Teen Challenge of Milwaukee, Partners in Philanthropy, Neighborhood House, Wisconsin Athletic Hall of Fame, and others.





## A Little Something For Everyone U.S. Cellular Arena & Walk of Fame

The U.S. Cellular Arena is home to such a wide variety of entertainment and events, that there truly is something for everyone. In 2007, the Wisconsin Center District negotiated a new naming rights agreement for the Arena with U.S. Cellular Corp. The new agreement extends through 2014 and brings WCD cash and wireless services totaling more than \$2.4 million. In addition, the agreement provides visitors with an enhanced sports and entertainment experience at the Arena with new LED display boards and the U.S. Cellular Cell Zone, a sound-resistant cell phone booth that provides privacy and a quiet environment for callers.

WCD has also renewed its agreement with Feld Entertainment to present Disney on Ice performances at the Arena through at least 2010. The U.S. Cellular Arena is the exclusive venue in Milwaukee for both Disney on Ice and the Tripoli Shrine Circus, a staple event since the building opened in 1950.

The U.S. Cellular Arena hosted many blockbuster events in 2007, including *Disney on Ice Presents Mickey & Minnie's Magical Journey*; Andre Rieu & the Johann Strauss Orchestra, the Street Dream Tour headlining Young Jeezy and Lil Wayne; and Holiday Jam featuring Lil Wayne and Playaz Circle. In addition, the Arena hosted many public and private civic, corporate, political and religious assemblies, including the Kenneth Copeland Ministries Great Lakes Believers Convention.

The Arena continues to fulfill its historic role as an exciting venue for sporting events. The Milwaukee Wave had another successful season, and the UWM Panthers Men's basketball team had an improving season. WCD also signed an agreement with the Milwaukee Bonecrushers, who will play their first professional indoor football game in the Spring of 2008. The FIRST Robotics Wisconsin Regionals, an intense student technology competition with all the excitement of a hotly contested sporting event, returned again in 2007 and will be back in 2008 and beyond.





Six new sports figures were added to the U.S. Cellular Arena's Wisconsin Athletic Walk of Fame at an induction dinner on November 9, 2007: Milwaukee Brewers great Cecil Cooper; America's Cup and world-class sailor Harry "Buddy" Melges; sports owner, philanthropist and Senator Herb Kohl; University of Wisconsin basketball coach Dick Bennett; NFL football Hall of Famer Mike Webster; and Notre Dame football standout and Miller Brewing executive Fred C. Miller. The next Walk of Fame induction ceremony will take place in November of 2009.

## Graduation Ceremonies

In 2007, WCD facilities hosted graduation ceremonies for the following institutions:

Bay View High School

Bryant & Stratton College

Cardinal Stritch University

Divine Savior Holy Angels High School

Lynde and Harry Bradley School of Technology

Madison University High School

Marquette University

Marquette University School of Business Administration

Marquette University School of Engineering

Marquette University School of Law

Medical College of Wisconsin

Milwaukee Area Technical College

Nicolet High School

Pius XI High School

Riverside University High School

Rufus King High School for the College Bound

University of Phoenix

University of Wisconsin-Milwaukee

Vincent High School





## The Destination for World-Class Entertainment The Milwaukee Theatre

The Milwaukee Theatre continues to fulfill its role as a "destination theater," providing Milwaukee and southeastern Wisconsin with a wide variety of concerts and theater productions in 2007. The Theatre is accessible, comfortable and simply a great place to catch a show, and it has been very well received by patrons, promoters and artists alike. Some of the more popular events of 2007 included *Jesus Christ Superstar*, Chris Tomlin, Tyler Perry's *What's Done In the Dark*, Harry Connick, Jr., Daniel O'Donnell, Wynton Marsalis, *Go Diego Go*, Ron White, *Rent*, The Wiggles, Billy Ray Cyrus, *Cirque Eloize's Rain*, Casting Crowns, and Lorie Line.

The Theatre hosted a variety of corporate assemblies in 2007 for companies that included Metavante, U.S. Cellular Corp., Miller Brewing Company and Funjet Vacations. Hosting these events helps ease ballroom turnaround pressure and free up convention space in the Midwest Airlines Center for other bookings.

In addition, The Theatre is a great venue for religious gatherings, political rallies and similar events, such as an April 16 rally for Barack Obama. As Election Day approaches, WCD anticipates a dramatic increase in these types of events.

Not only is The Milwaukee Theatre a valuable civic and cultural asset to Milwaukee, but it is also a valuable source of revenue for the District. Through ticket sales, rent, parking fees and concessions, The Theatre has become an important source of revenue for WCD since its Grand Opening in 2003.





# A Centennial Celebration

## 100th Anniversary of the Milwaukee Auditorium (1907-2007)

September of 2007 marked the 100th anniversary of the groundbreaking for the former Milwaukee Auditorium, which was renovated and renamed The Milwaukee Theatre in 2003. This anniversary is a proud milestone for the District as it marks a century of our facilities and a century of service heritage to the Milwaukee community. A predecessor to modern-day convention centers, the Milwaukee Auditorium fulfilled the role of a gathering place for the community and hosted concerts, theatrical performances, trade shows and traveling exhibits long before WCD was established.

We are celebrating the centennial over the course of two years, as September 21, 2009 marks the 100th anniversary of the Milwaukee Auditorium's dedication and opening. A new anniversary logo for The Milwaukee Theatre will be unveiled in 2008, and plans are under way to cap off the celebration in 2009.





## More Good Things to Come Looking to the Future

2008 looks to be an even busier year for WCD. Among other anticipated business, the upcoming presidential election is sure to bring a variety of political rallies and other events to our facilities.

We are thrilled that Disney's extremely popular Broadway production, *The Lion King*, is coming to The Milwaukee Theatre in early 2008. The month-long run of 33 performances, by Broadway Across America and the Marcus Center for the Performing Arts, is sure to be a huge hit and will bring in patrons from all over the area.

The Continental Indoor Football League's (CIFL) newest expansion team, the Milwaukee Bonecrushers, is bringing pro indoor football to the U.S. Cellular Arena in March of 2008. Milwaukee has been without a football team since the Milwaukee Mustangs folded in 2001. Many players on the Bonecrushers' roster have had successful semi-professional careers, so fans can expect world-class sporting entertainment at a reasonable price.

WCD will also welcome back The Radio City Christmas Spectacular in the Fall of 2008. "The World's Biggest and Most Spectacular Christmas Show" will feature the Rockettes' signature eye-high kicks and precision choreography in their first-ever arena tour. Next door at The Milwaukee Theatre, a fantastic 2008-09 season is shaping up to include *The Rat Pack Is Back!*, *Oliver!*, *Ain't Misbehavin'* starring Ruben Studdard and Frenchie Davis from *American Idol*, and other shows to be announced in the spring or summer of 2008.

Looking even further into the future, we are happy to learn that The Great Circus Parade will return to Milwaukee on Sunday, July 12, 2009, after a six-year hiatus. In addition to attracting the finest entertainment, WCD continues to focus on both short- and long-term convention bookings to bring visitors to the city and keep our downtown hotels, restaurants and businesses prosperous.

# Wisconsin Center District

## Statement of Net Assets

December 31, 2007 and 2006

### Assets

	2007	2006
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 2,087,145	2,175,873
Accounts receivable, less allowance for doubtful accounts of \$39,495 in 2006 and \$34,001 in 2005	1,313,958	1,406,553
Tax revenues receivable	2,688,706	2,695,599
Loans receivable, current portion	40,041	37,715
Accrued interest receivable	40,320	39,061
Prepaid expenses and other current assets	208,034	209,919
<b>Total Current Assets:</b>	<b>6,378,204</b>	<b>6,564,720</b>
<b>Noncurrent Assets:</b>		
Restricted cash and cash equivalents	23,749,703	23,794,446
Loans receivable, less current portion	614,559	654,600
Financing costs, net of accumulated amortization of \$1,099,205 in 2006 and \$990,375 in 2005	2,163,361	2,272,191
<b>Capital Assets:</b>		
Non depreciable	22,958,953	22,958,953
Depreciable, net	164,963,230	171,295,894
<b>Total Noncurrent Assets:</b>	<b>214,449,806</b>	<b>220,976,084</b>
<b>Total Assets:</b>	<b>220,828,010</b>	<b>227,540,804</b>

### Liabilities

<b>Current Liabilities:</b>		
Current installments of bonds payable	\$ 5,600,000	5,060,000
Accounts payable	687,422	981,377
Accrued expenses	372,716	483,974
Accrued interest expense, current portion	320,584	596,248
Concession improvement deposits	825,000	975,000
Deferred revenue	2,052,053	2,049,584
Obligation under capital lease, current portion	123,642	90,000
<b>Total Current Liabilities:</b>	<b>9,981,417</b>	<b>10,236,183</b>
<b>Long-term Liabilities:</b>		
Obligation under capital lease, less current portion	961,850	1,012,500
Bonds payable, net, less current portion	239,254,668	239,256,508
<b>Total Long-term Liabilities:</b>	<b>240,216,518</b>	<b>240,269,008</b>
<b>Total Liabilities:</b>	<b>250,197,935</b>	<b>250,505,191</b>

### Net Assets

Invested in capital assets, net of related debt	\$ 7,157,919	8,678,487
Restricted for debt service	3,042,927	2,737,208
Unrestricted (deficit)	(39,570,771)	(34,380,082)
<b>Total Net Assets: (deficit)</b>	<b>(29,369,925)</b>	<b>(22,964,387)</b>

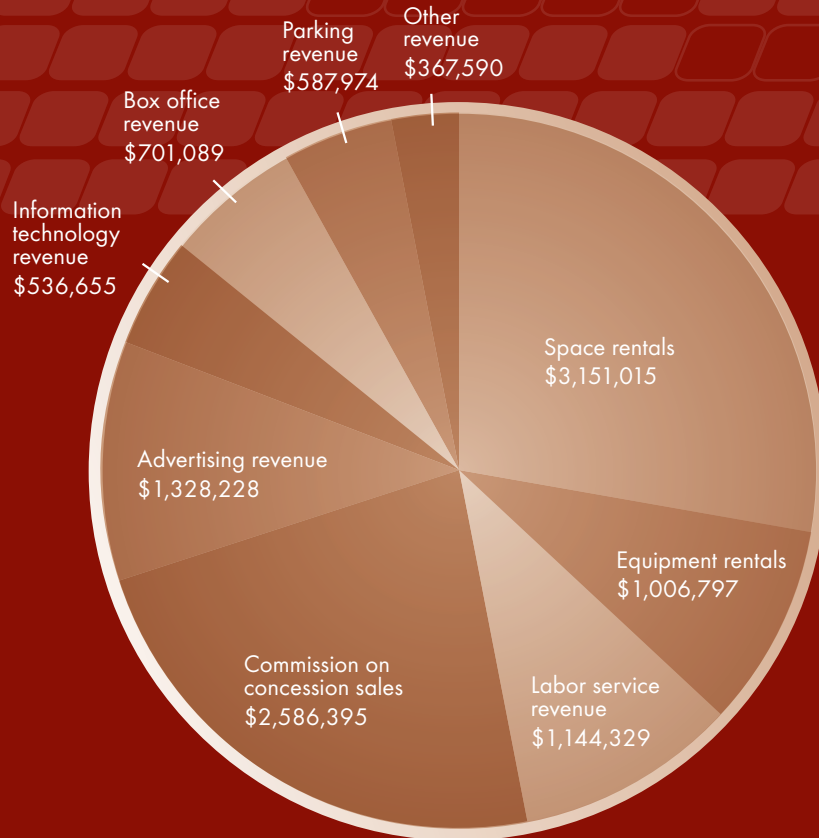
Wisconsin Center District  
Statement of Revenues, Expenses and Changes in Net Assets  
Years Ended December 31, 2007 and 2006

Operating Revenue:	2007	2006
Space rentals	\$ 3,151,015	3,166,142
Equipment rentals	1,006,797	974,534
Commission on concession sales	2,586,395	2,999,355
Labor service revenue	1,144,329	1,009,986
Advertising revenue	1,328,228	1,522,219
Information technology revenue	536,655	462,934
Box office revenue	701,089	884,761
Parking revenue	587,974	498,368
Other	367,590	232,253
<b>Total Operating Revenue:</b>	<b>11,410,072</b>	<b>11,750,552</b>
Operating Expenses:		
Allocated expenses:		
Wages	\$ 3,426,375	3,244,814
Utilities	1,666,254	1,647,610
Building maintenance and repairs	970,587	949,292
Ticket expenses	51,921	45,963
Other	1,138,582	1,205,526
<b>Total allocated operating expenses</b>	<b>7,253,719</b>	<b>7,093,205</b>
Unallocated Expenses:		
Administrative salaries and wages	1,727,756	1,610,915
Employee benefits	1,279,314	1,471,534
Advertising and promotion	4,678,818	4,258,685
Legal services	52,366	32,826
Insurance	515,359	567,929
Professional services	27,977	37,026
Depreciation and amortization	7,539,612	7,795,159
Other	359,391	348,661
<b>Total unallocated operating expenses</b>	<b>16,180,593</b>	<b>16,122,735</b>
<b>Total operating expenses</b>	<b>23,434,312</b>	<b>23,215,940</b>
<b>Operating Loss:</b>	<b>(12,024,240)</b>	<b>(11,465,388)</b>

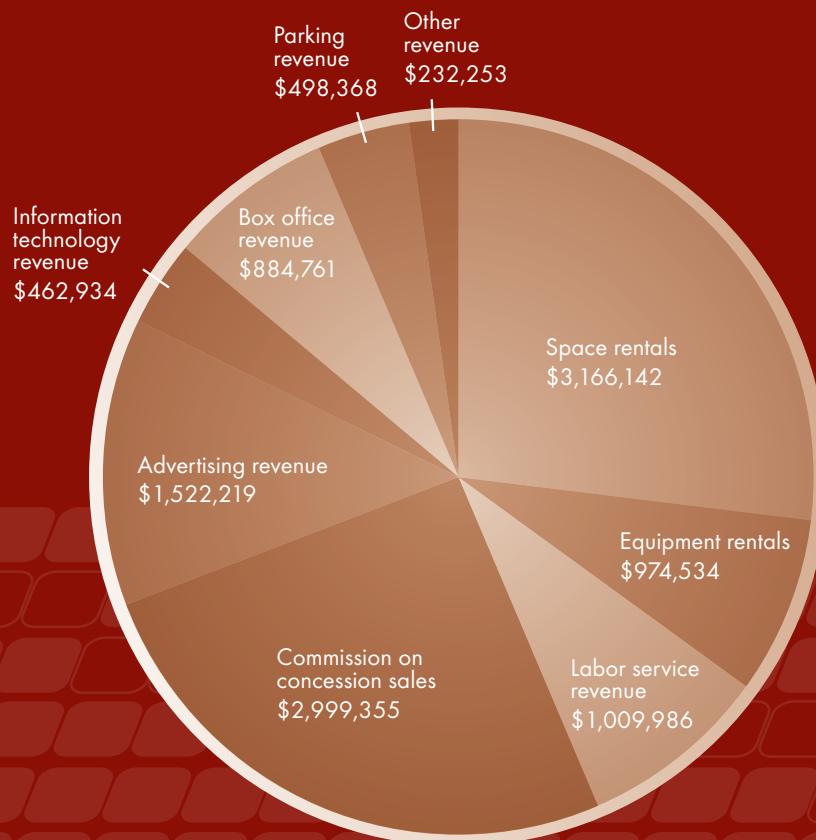
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	2007	2006
Nonoperating Income (expenses):		
Tax Revenue:		
Additional room tax revenue	\$ 8,769,839	8,411,492
Basic room tax revenue	3,324,320	3,175,093
Food and beverage tax revenue	3,974,303	3,625,404
Rental car tax revenue	2,056,518	2,093,953
Total tax revenue:	18,124,980	17,305,942
State of Wisconsin administrative fee	(462,520)	(441,393)
<b>Net tax revenue:</b>	<b>17,662,460</b>	<b>16,864,549</b>
Interest income	\$ 1,822,500	1,450,056
Bond amortization and interest expense	(13,866,258)	(13,200,319)
Donation revenue - transit study	14,403	-
Federal grant revenue - transit study	308,031	1,562,439
Expenditures - transit study	(322,434)	(1,562,439)
<b>Total nonoperating income (expenses):</b>	<b>5,618,702</b>	<b>5,114,286</b>
<b>Change in net assets:</b>	<b>(6,405,538)</b>	<b>(6,351,102)</b>
<b>Net assets (deficit), beginning of year:</b>	<b>(22,964,387)</b>	<b>(16,613,285)</b>
<b>Net assets (deficit), end of year:</b>	<b>(29,369,925)</b>	<b>(22,964,387)</b>

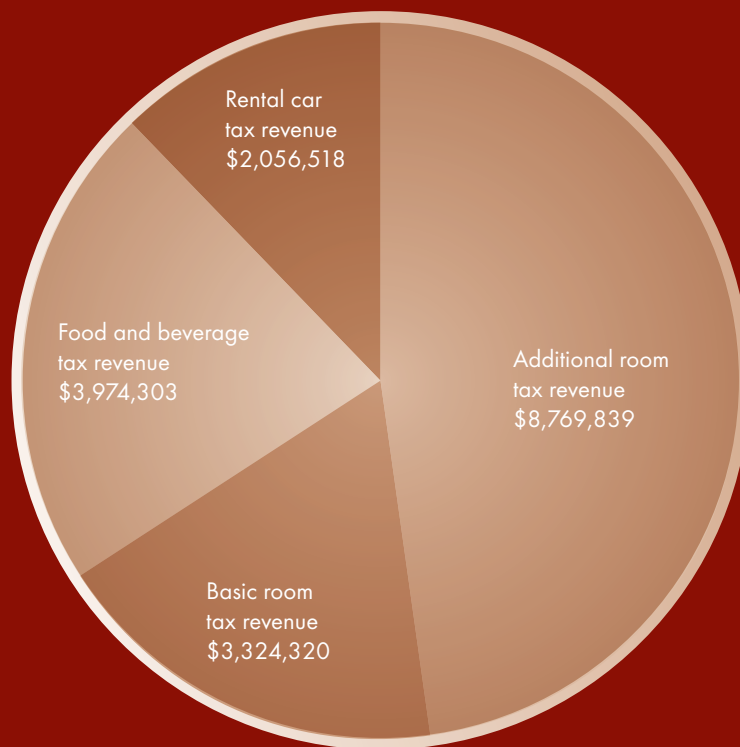
# Wisconsin Center District 2007 Operating Revenues



# Wisconsin Center District 2006 Operating Revenues



## Wisconsin Center District 2007 Tax Revenues



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MIDWEST AIRLINES CENTER



THE  
MILWAUKEE  
THEATRE



U.S. Cellular  
Arena



Layout and Design by **CULVER**  
advertising design