

SUNNYVIEW EXPOSITION CENTER **PROPERTY PURCHASE**

Recall that during last month's County Board meeting the Parks Department delivered a presentation that expounded upon the reasons why consideration should be given towards approving the \$175,000 funding needed to purchase a 20 acre parcel of farmland adjoining the east boundary of the Expo Center. The explanations for those reasons were contained within the summary document included in last month's packet and herein provided again for your reference (see Attachment "A").

It was also during last month's presentation that questions were raised by Board members regarding several facets of the purchase. In response, I have included below the various questions that I felt still needed to be addressed along with an accompanying answer:

Question – Why hasn't the search for added property included land to the northwest of the expo?

Answer – The need for additional property is mainly driven by the attempt to counter some of the recurring problems we are having with the increasing program sizes of the horse shows. With the continued growth of these shows their footprint on the grounds has likewise gotten larger, particularly along the east side of the main parking lot. Our goal is to free-up the main parking lot from use by the large RVs and horse show trailers so that a promoter renting the expo building and/or the stadium will no longer have to employ extraordinary measures to work around large rigs taking-up key areas of the parking lot. Because of its remoteness, acquisition of property to the northwest of the expo would not help this situation whereas purchasing property along the east boundary would allow horse show parking to be expanded out in that direction.

Question – Is the subject property considered a landlocked parcel?

Answer – The answer to the question of whether-or-not the property is considered to be landlocked is relative to the position of the seller and the party purchasing the property. Specifically, property is considered to be landlocked if the purchaser is someone who does not own any of the acreage adjoining the parcel. However, if the land abuts the property of the potential buyer, it is not considered to be landlocked and therefore it is not uncommon for the seller to demand a higher asking price from the buyer.

Question – Because several different inquiries were made about the property concerning the financial aspects of acquiring it, I felt it would work best to bundle the answers into a single summary sheet that provides a profile of revenues vs. expenses (see Attachment "B").

Rob Way
Winnebago County Parks & Expo Director

Attachment "A"

(originally provided the County Board - July 17, 2018)

Identified as Parcel #0180278 and owned by the Netzer family for over 55 years, this 20 acre lot has been on the market since November. Last month the County decided to submit an *Offer to Purchase* for the north parcel that abuts the east boundary of the Expo Center. Although the County's *Offer to Purchase* was rejected by the Netzer family, a counter offer soon followed. The \$175,000 counter offer subsequently fell within the range of what the County felt was acceptable and the processes required to have the matter go before the County Board for consideration have since moved forward.

The reasons why the County is in need of acquiring added land along the eastern border of the Expo Center are as follows:

1. The various horse shows that have long been the mainstay of summer programming and revenue at the Expo Center have been increasing in size. Because these shows are now bringing in more and more RVs, campers and horse trailers onto the site, staff is beginning to struggle with where to park these large rigs so they do not interfere with other programs using the main parking lot and causing electrical overloads in some areas. The electrical hook ups within the main horse show area are tapped out as far as adding more plug-ins and the 11 acre area to the east has room on its panel for growth as well as the capacity to extend the electrical service further to the east, as necessary. In particular, the department's chief concern is that once the new stadium begins to regularly attract crowds of 4,000+ for grandstand shows, the main parking lot will have to assume a bigger role in accommodating the parking for these shows as well as events using the exposition building. These circumstances will force management to have to move horse show parking and camping into the limited space presently available on the east side of the Expo. As these horse shows continue to grow this limited space will quickly be used up and there will be no additional areas left unless new land is added to the east.
2. Because of the growth of the horse shows, it is anticipated that there likely will be a future need to build another barn on site, which has been in long range plans for over a decade. With nowhere else to put it, the building will likely be installed in what is presently an open field area on the northeast side of the property currently being used for RV camping purposes. Given this eventuality, this pending loss of space will further exacerbate the need to come up with more horse show camping and general parking accommodations.
3. In the coming years it is anticipated that with the potential for the new stadium to attract one or two large scale concerts or festivals to the Expo grounds, there will be an overwhelming need to accommodate crowd sizes of 30,000 or more people. In order to avoid the logistical conflicts that are likely to develop if the Community Park were to be regularly used as a back-up location for overflow parking at the Expo, it is management's aim to attempt to contain as much of the Expo related parking to areas situated on the north side of E. County Road Y. As such, more land must be acquired around the Expo to diminish the chances for conflicting use of the Community Park, promote safety for event attendees as well as park patrons, and to alleviate pressure on law enforcement to erect a formal staffed crossing area on East County Road Y.

4. Concerning the continued unprecedented growth being experienced by Life Promotions for Lifest, building of the new stage within the stadium has managed to free-up several new acres of camping in the front portion of the Expo which in all probability will be used up well ahead of schedule because of the higher than anticipated demand for camping space. It had originally been calculated that with relocation of the stage inside of what is now the stadium, Life Promotions would have a 10 year supply of land available to be able to address its increasing camping needs; this was based on a 6% per year growth rate.

As circumstances would have it, the most recent numbers taken from Life Promotion's 2018 Lifest camping projections indicate that there has been a 15% increase in camping reservations. Thus, with this year's growth in camping alone, Life Promotions is already nearly two years ahead of where the organization is supposed to be in accounting for available camping space at the Expo. Further, more land is needed to not only accommodate projected growth in camping, but also general daily parking needs as well as it is anticipated that a 12% rise in general daily attendance will take place in 2018.

5. Recently, the Parks Department initiated the beginning phases of updating the Sunnyview Expo Center Master Plan. As an early finding of that process it has been determined that one of the primary facility needs that must be addressed is to both improve and expand the hard surface parking areas at the facility. Unfortunately, one of the main challenges that will need to be confronted in this process will be to come-up with new areas of the grounds to devote towards handling of the increased storm water run-off produced by the expanded hard surface areas. With land use at the Expo already at a premium, it is management's contention that the best means for dealing with the rise in storm water volume will be to purchase new land for retention purposes. Given this contingency, it is perhaps fortuitous that the Netzer family's counter offer includes with it a requirement that the County keep a 6 acre wetland area within the parcel in the same type of natural theme as it had originally been designed and developed into by Dr. Donald Netzer and that it be dedicated in memory of Dr. Netzer by show of a plaque or memorial bench. In having this 6 acre wetland area it will allow the County to more easily accommodate and account for the increased storm water run-off derived from added hard surface areas.

Since the key use intended for the added property revolves around addressing the increasing need for more camping and parking space, it is anticipated that over the next several years a 14 acre area within the 20 acre parcel will need to be converted from cropland to turf; this will mirror the conditions maintained within other camping areas built on porous surfaces. Consequently, it will require between two-to-three years of development before it will be viable to use for camping purposes. It is estimated that given this three year schedule, the total conversion cost will come-out to approximately \$21,000 (labor, material and equipment included) most of which will be completed using in house resources and the County Highway Department.

Lastly, it is to be noted that this property coming on the market is a once in a generation opportunity to purchase land to buffer the Expo grounds from what may eventually become conflicting development. Further, the purchase of the Expo west annex property in 1993, former Sportsman's Park, proved to be invaluable for continued growth of events taking place on the grounds. It is anticipated that purchase of the Netzer property will be equally prudent.

Rob Way
Winnebago County Parks & Expo Director

Attachment "B"

REVENUES & EXPENSES ASSOCIATED WITH NETZER PROPERTY PURCHASE

REVENUES

Forecast of probable financial effects attributable to purchase of the Netzer property.

1. Local economic impact derived from booking of Pyrotechnic Guild International Convention (PGI) at Expo Center beginning 2020:

- a. Additional rental fee income of \$80,294 for week-long PGI event plus potential extended 9 year agreement covering 3 more PGI conventions –

Total All 4 Conventions 2020 - 2029 = \$321,176

- b. Impact on local economy (see attached Exhibit "A" Economic Impact of the 2012 PGI Convention - LaPorte County Indiana) –

Total All 4 Conventions 2020 - 2029 = \$10,724,024

LOCAL ECONOMIC IMPACT OF PGI EVENT 2020 - 2029 = \$11,045,200

2. Revenue generated through show rentals of Netzer property beginning 2020:

- a. Given 3 large horse shows that utilize the west 4 acres at \$100 per use –

Annual Revenue = \$300

- b. Given 2 large horse shows that utilize both the west 4 acres and the east 10 acres at \$200 per use –

Annual Revenue = \$400

- c. Given 2 large concerts plus Lifest that utilize both the west 4 acres and the east 10 acres at \$200 per use –

Annual Revenue = \$600

TOTAL ANNUAL RENTAL REVENUE = \$1,300

3. Speculation on scenarios affecting potential added revenues – timeline(s) unknown:

- a. Given 3 large horse shows that utilize Barn F at \$550 per day with each show being 4 days long –

Potential Annual Revenue = \$6,600

- b. Potential lost revenue associated with rejection of medium size stadium event due to constriction of available rental property (not including stage income or local economic impact) –

Potential Annual Revenue = \$13,000

- c. Local economic impact generated through development of a Barn F and attracting of an additional 212 horse show attendees for each of 3 large horse shows (impact estimate based on non-hotel stays with \$90 spent per attendee per average 4 day stay or \$19,080 per horse show) –

Potential Annual Local Economic Impact = \$57,240

TOTAL POTENTIAL ANNUAL ADDED REVENUES = \$76,840(not included below)

TOTAL POTENTIAL REVENUES 2020 - 2029 = \$11,046,500

EXPENSES

Purchase of Netzer property:

TOTAL = \$175,000

Estimated expenditures following 3 years of property development (includes labor, equipment and materials):

- Grading, tilling and rolling,
- Seeding
- Fertilizing
- Installation of 3 culverts

TOTAL = \$36,000

Estimated annual maintenance expenditures (includes labor, equipment and materials):

- Mowing
- Fertilizing
- Turf repairs
- Trimming
- Misc.

TOTAL = \$2,800

TOTAL EXPENSES 2018 - 2029 = \$241,800