

AD HOC ATHLETIC FIELDS DEVELOPMENT COMMITTEE MEETING
CITY OF WISCONSIN DELLS
MUNICIPAL BUILDING ~ 300 LA CROSSE STREET
WISCONSIN DELLS, WI 53965
APRIL 25, 2012

Chairperson Landers called the meeting to order at 4:00P.M. Notice of the meeting was provided to the *Dells Events*, WNNO Radio, and posted in accordance with State Statutes. A quorum of committee members was verified.

1. Present: Mayor Brian Landers, Vice Chair Ald. Dar Mor, Romy Snyder representing the WDVCB, Jesse Weaver representing the WSD, Dan Gavinski representing the BID District, and citizen member Chris Lechnir.

Others: City Clerk Nancy R. Holzem, City Treasurer Kate Anger-Seep, Ald. Jesse DeFosse, Ald. Brian Holzem, Ald. Mike Freel, Ald. Dave Murray, Police Chief Jody Ward, Parks Director Thad Meister, Assistant City Attorney Joseph Hasler, Brad Boettcher, Karen Robinson-Landers, Doug Clausen, Mark Nykaza, Lance Massey, Representative Joan Ballweg and Kay James from the Dells Events.
2. Motion by Dan Gavinski seconded by Ald. Dar Mor to approve the minutes of the March 21, 2012 meeting. Motion carried unanimously.
3. Mayor Landers provided to committee members a copy of a Memorandum of Intent between the City of Wisconsin Dells, Damon Zumwalt, WDVCB, and the BID for the development of athletic fields along Hwy. 13 (copy attached as Exhibit A). Also provided to committee members was a FAQ sheet prepared by Mayor Landers (copy attached as Exhibit B.). Mayor Landers gave an overview of the proposed project and the funding sources for Mr. Zumwalt to purchase and develop the 49 acres marked for Phase I. Discussion points included protecting the city financially, having development standards and benchmarks, limitations for on-site retail and food services, obtaining a more accurate cost estimate for the project, how the Mauston project would work in conjunction with the Dells project, DOT infrastructure costs, and a possible land swap with the School District. Mayor Landers stated the proposed Memorandum of Intent is the next step in moving the project forward, not a firm commitment at this time. Dan Gavinski stated that the city needs to make sure Mr. Zumwalt has a vested interest to develop the property. He added that the more money he has invested in the project up front, there's less of a chance for something to go wrong. Gavinski also stated that Zumwalt should be required to establish an escrow account for assurances. School Board President Jesse Weaver stated that you couldn't ask for a better situation for the city and school to have access to these fields without any cost to the taxpayers. Ald. Mor stated that this project would be more successful as a team effort.

Motion by Ald. Mor seconded by Jesse Weaver to continue moving forward on this project by having the WDVCB and BID hold meetings to review the Memo of Intent with Damon Zumwalt. Motion carried unanimously.

4. No date was set for the next meeting.
5. Motion by Ald. Dar Mor seconded by Jesse Weaver to adjourn. Motion carried unanimously and the meeting adjourned at 4:43P.M.



Nancy R. Holzem
Nancy R. Holzem
City Clerk

Exhibit A

DRAFT 04/24/2012

Memorandum of Intent

This Memorandum of Intent sets forth the intentions of the parties, or their designees or assigns, regarding the development, management, operation and marketing of an athletic, competition and training venue in the City of Wisconsin Dells.

The parties to this Memorandum are the City of Wisconsin Dells (City), Damon Zumwalt/Contemporary Services Corporation (Z/CSC), Wisconsin Dells Visitor and Convention Bureau, Inc. (VCB) and Wisconsin Dells Business Improvement District (BID)

This Memorandum is not a binding contract. It is a summary of the parties' current intentions with respect to the negotiation of the terms of definitive agreements.

Project Overview

Z/CSC will develop, in phases, an athletic venue on lands currently owned by the City in the STH 13 corridor. The City, BID and VCB support the project because they believe it will contribute to the tax base and attract visitors and customers.

Location/Real Estate

The City owns 92.20 acres of land purchased in 2011 for the development of an athletic field venue. Z/CSC will purchase acres 49.35 (Phase 1) and have an option to purchase, the balance, of 42.85 acres (Phase 2). See Exhibit A. The City shall have the right to repurchase the lands sold to Z/CSC on terms to be negotiated.

Site Improvements

Z/CSC will make Phase 1 site improvements at an anticipated cost of \$4.6 million including competition and practice fields and facilities, parking and concession areas. Conceptually, Phase 1

will include 6 baseball/softball fields and 11 soccer fields and appurtenant facilities; subject to modification by Z/CSC after consultation with the City. The City will have site plan review authority. Construction shall commence in Fall 2012 with Spring 2014 completion and opening.

Financing

The City will finance the purchase of the real estate at a price and on terms to be negotiated.

The expense of public infrastructure improvements, up to \$1.5 million, shall be paid by the City and specially assessed against the property. The special assessment shall be payable over ten (10) years and shall bear interest at the City's borrowing rate, plus up to 2%.

Z/CSC will endeavor to finance the site improvements with Midwest Area Disaster Bonds without reliance on the City. If such financing is not available, the City will act as the borrower, not to exceed \$3 million, and will, in turn, loan those monies to Z/CSC subject to negotiated payment terms and security interests. The City will use its best efforts to assist Z/CSC to obtain other available financing.

The City, acting through BID, and VCB, will make the following annual contributions to Z/CSC to help defray operating expenses of the athletic venue:

| | <u>Term</u> | <u>Annual Amount</u> |
|-----|-------------|----------------------|
| VCB | 10 years | \$150,000.00 |
| BID | 10 years | \$ 85,000.00 |

Lodging

Z/CSC will not construct, subsidize or maintain overnight lodging accommodations on the premises and shall not enter into exclusive or preferential arrangements with lodging providers connected to events conducted on the premises.

Marketing

Z/CSC will contract with youth sports entities to market the facility and events. VCB will use its best efforts to market the facility and events. Z/CSC and VCB will coordinate the scheduling of events.

Other Considerations

Z/CSC owns a resort and conference center in Juneau County along with 1,250 acres at which he may develop an athletic facility focused on competitions, tournaments, instructional camps and other events. The Wisconsin Dells and Juneau County projects are not mutually exclusive and the parties will cooperate to insure the success of each within their respective niches.

The parties agree not to make any public disclosures about the status of this project or the negotiations contemplated by this agreement without prior notice to and approval by other parties.

The parties, as part of their due diligence, may receive and exchange confidential information. The parties shall respect and protect the confidentiality of such information.

Z/CSC will cooperate with Wisconsin Dells area educational and community groups to allow use of the facilities consistent with their intended use.

An advisory committee will be created to foster communication and cooperation between Z/CSC and the Wisconsin Dells Community.

CITY OF WISCONSIN DELLS

Dated: _____, 2012.

Brian L. Landers, Mayor

Dated: _____, 2012. _____
Damon Zumwalt

**CONTEMPORARY SERVICES
CORPORATION**

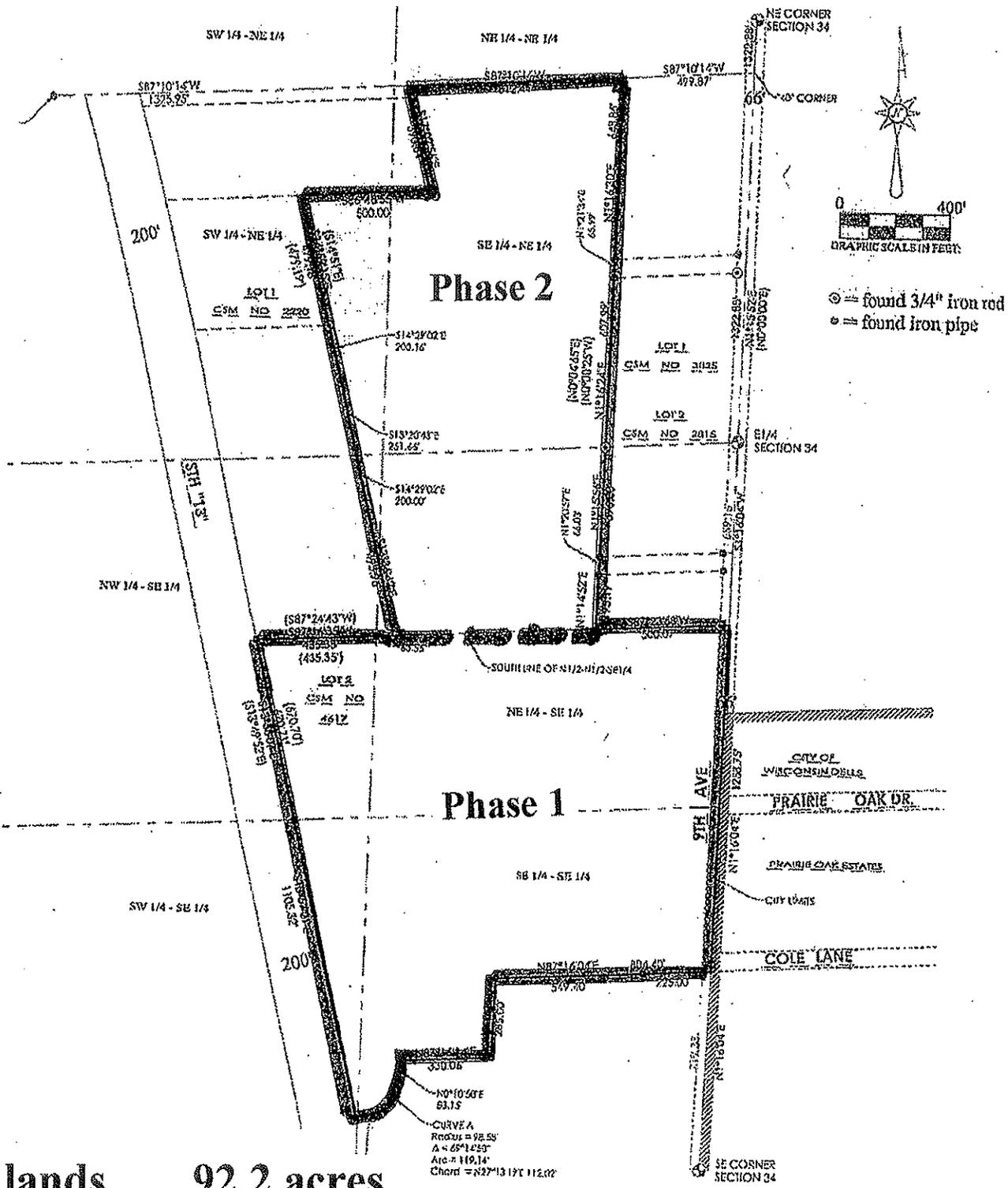
Dated: _____, 2012. _____
By: _____
Its: _____

**WISCONSIN DELLS VISITOR AND
CONVENTION BUREAU, INC.**

Dated: _____, 2012. _____
By: _____
Its: _____

**WISCONSIN DELLS BUSINESS
IMPROVEMENT DISTRICT**

Dated: _____, 2012. _____
By: _____
Its: _____



City lands 92.2 acres

Phase 1 49.35 acres

Phase 2 42.85 acres

EXHIBIT A

Exhibit B

Athletic Field FAQ's.

In an attempt to settle some of the questions and concerns, I have provided a FAQ sheet for interested parties to learn more about the status of the athletic fields.

Q 1: Who is Damon Zumwalt and what is the proposal to Mr. Zumwalt?

A: Damon Zumwalt is the owner of several businesses, the largest being "Contemporary Services Corporation" (CSC) in California. CSC provides organization, event planning, and security for various collegiate and professional athletic facilities. Some of his clients include several NFL teams, Major League Baseball, University of Wisconsin Athletics, and the Olympic Organization Committee. He is also the owner of Woodside Ranch in Mauston, and is building an athletic field facility on his site there. The proposal is for him to purchase half of the land purchased by the City of Wisconsin Dells on STH 13 in 2011 for athletic fields. The portion of land he seeks to purchase is identified as "Phase 1" (49.35 acres) for approximately \$ 769,000.

Q 2: What will be built on that land?

A: Athletic fields that meet approval by the Ad-Hoc Committee and the City of Wisconsin Dells. Currently, the Phase 1 has a conceptual plan of 6 baseball and 11 soccer fields with adequate parking and concession areas.

Q 3: What is the cost of the entire project?

A: The cost for just highway improvements to include adequate entrance/exits onto STH 13 is expected to be \$1.5 million. The Cole Lane/ 9th Avenue roadway improvement is expected to cost approximately \$410,000. A pending State DOT Safety Grant looks promising to lower cost on the Cole Lane/9th Avenue intersection.

The cost for field development depends on final approval if the facility will be all soccer, or baseball and soccer. An all soccer facility would cost approximately \$3 million for development. A soccer/baseball facility would cost approximately \$4.6 million. Total Cost Range: \$4,910,000 to \$6,510,000.

Q 4: Who is going to pay for the development?

A: The proposal with Mr. Zumwalt is that the cost for Hwy. 13 improvements (\$1.5 million) would be assessed back to his property. He would work to secure funding for the rest of the field development through the application for Midwest Disaster Recovery Bonds. (Federal bonds issued to private developers for economic impact development in counties that were identified as disaster zones by the 2008 floods. This project meets criteria. Bonds expire at end of this year).

Q 5: Are there any other sources of funding?

A: Yes, the Wisconsin Dells Visitors Bureau initially agreed to assist with the project by providing \$150,000 a year for 10 years. The BID agreed to provide \$85,000 a year for 10 years. Upon the time of their agreement, the project was going to be developed by the

City of Wisconsin Dells. The WDVCB and BID respectfully have concerns about the project possibly falling under private development.

Q 6: Are any other governments involved?

A: Yes, Adams County Economic Development has shown a strong interest in providing up to \$500,000 towards the project.

Q 7: How much of this project is being paid for by tax payers of the City of Wisconsin Dells?

A: Conceptually, zero. Mr. Zumwalt has agreed to an assessment of the road construction cost back over a 10 year period, plus 2%. He will be responsible for securing Disaster Bonds for the remainder of the project.

Q 8: If Mr. Zumwalt is not able to get the Disaster Bond Funds, what happens?

A: The City may agree to bond up to \$3 million for development of the athletic fields, which would be paid by Mr. Zumwalt. Mr. Zumwalt would guarantee the repayment by his personal wealth and his parent company CSC. CSC has annual service sales between \$100 and \$150 million annually. Mr. Zumwalt will also provide a contingency fund balance to guarantee payments are made annually.

Q 9: If Mr. Zumwalt is building fields in Mauston, why is he interested in WI Dells?

A: The size, number, and scope of the tournaments that Mr. Zumwalt plans has an immediate need for more fields. In lieu of being in competition with the Dells site, he seeks to work together and expand his athletic field business by purchasing and developing the land we current own. Mr. Zumwalt also recognizes that the WI Dells area has the lodging, food, and attractions needed to accommodate the families and athletes that play in the tournaments.

Q 10: Is Mr. Zumwalt putting any money down on the project?

A: He has agreed to pay for the fields in cash up front, and one year of the construction repayment and potential bond payment up front annually.

Q 11: Why doesn't the City fund and manage this project?

A: In short, the City can't provide the financial means expected to do this project right without outside assistance. The City has long supported private development by using the borrowing power of the City (usually lower interest rates) to assist private parties to build or expand large commercial projects. Not all of these agreements were in the best interest of the taxpayer when certain contingencies and responsibilities were not placed upon the private developer. The use of city resources to expand Chula Vista and support Grand Cambrian, combined with the overall loss in property values due to the recession has limited the city's borrowing power. The City also has community needs that have been ignored for many years that it needs to remain open and flexible to potentially fund.

Q 12: Can the project be scaled back and allow for the City to borrow the money and use the WDVCB and BID contributions to help pay for it?

A. There are other residual cost that are not being considered if this project is not privately developed and operated. The cost of maintenance, management, concession workers, etc would be responsibility of the City. The fields also would not have the immediate economic impact as they would under Mr. Zumwalt's potential ownership and management. Mr. Zumwalt is also financially responsible for the field development and continually use in the eventual contract and financial terms. There is a significantly lower risk to our city and our taxpayers if this project is funded and managed privately.

Q 13: What is the economic impact of this project?

A. Using similar projections from the Woodside Ranch projections in Mauston, this project has the potential to create hundreds of new positions in the Dells area and have an annual economic impact over \$34 million dollars.

Q 14: Will this project go forth if the WDVCB and BID withdraw their support if it is privately funded by Mr. Zumwalt?

A: Yes. I understand the WDVCB's concern and will respect their decision either way. the WDVCB has a vast membership and there may be some opposition to support a private developer. The BID is a related entity to the City of Wisconsin Dells and I am hopeful that the businesses who support the BID also support the financial commitment to this project. The project has the ability to bring new life into our downtown and smaller businesses in the City of Wisconsin Dells. Mr. Zumwalt has agreed to provide performance, lodging, and design guarantees to satisfy the concerns of the BID and WDVCB to the best of his ability and to guarantee that the athletic fields will be viable and productive as soon as possible. He has stipulated to not signing exclusive lodging agreements, allow for competitive interest in hosting tournaments, and annual performance reviews of the use and productivity of the fields. He has also agreed and showed a special interest to allow for community events and school events on the property.

Q 15: What will happen with Phase 2:

A: There are no definite plans for Phase 2 at this time, but the I am open to working with Mr. Zumwalt or the school district on further developing this site.

Drafted by Mayor Brian Landers