

### Fiscal Estimate - 2005 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-4915/1</b>	<b>Introduction Number</b> <b>SB-690</b>
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**Description**  
 Sale of Olympic Ice Training Center and making an appropriation

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Create New Appropriations				<input type="checkbox"/> Decrease Costs

**Local:**

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	<b>5. Types of Local Government Units Affected</b>		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village	<input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory			

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b> SFPB/ Craig Barkelar (414) 266-7011	<b>Authorized Signature</b> Craig Barkelar (414) 266-7011	<b>Date</b> 4/18/2006
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## Fiscal Estimate Narratives

SFPB 4/19/2006

LRB Number	05-4915/1	Introduction Number	SB-690	Estimate Type	Original
<b>Description</b> Sale of Olympic Ice Training Center and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

The proposal would authorize the sale of the Pettit Center building to the Pettit National Ice Center, Inc. To facilitate a sale, a sum sufficient general purpose revenue appropriation would be created with a present value of no more than \$2 million.

1. NOTE: The \$2 million is a present value figure; actual GPR cost would be higher.
2. Pettit National Ice Center, Inc. will fund the present value of debt service less the \$2.0 million that would be provided by GPR. NOTE: Actual payout figure would need to be calculated by Capital Finance.
3. Pettit National Ice Center Inc., funds (plus interest earned on those funds over time) would be used first to fund remaining debt service. Its contribution would fund debt service through Fiscal Year (FY) 2009-10 and about one-quarter of FY 2010-11 debt service. Subsequent debt service would be paid by GPR.
4. Assuming a June 30, 2006 closing date and an earnings rate of 5 percent on funds deposited to a bond redemption sinking fund:
  - > if all proceeds were invested, payout figure would approximate \$5.5 million
  - > Pettit National Ice Center, Inc., contribution would be \$3.5 million
  - > GPR contribution would be \$2.0 million in present value terms
5. Pettit Center contribution would pay debt service as due and generate approximately \$333,000 of interest. Overall, the Pettit National Ice Center Inc., would fund the first \$3,833,000 of debt service.
6. Because there would be no interest earned on the State's contribution, GPR would fund approximately \$2.6 million over a fifteen year period:
  - > \$650,000 in FY 2010-11
  - > \$894,000 in FY 2011-12
  - > \$897,000 in FY 2012-13
  - > \$184,000 in total over the next 12 years

### Long-Range Fiscal Implications

1. GPR support totalling slightly more than \$2,6 million, beginning in five years and ranging over a fifteen year period.
2. State Fair Park would avoid unnecessary and involuntary subsidies of \$600,000 or more per year, which it cannot fund with program revenues.
3. State Fair Park would avoid annual costs of \$90,000 or more for the provision of municipal services, lot maintenance, and equipment and building repairs.
4. State Fair Park and the State of Wisconsin would not be liable for future building and equipment improvements, which could run into the millions.