

Request for Support of Expanding Exposition Districts for Small Market Communities

The Citizens of Northwest Wisconsin Request

Northwestern Wisconsin requests that the legislature redraft or modify Exposition District legislation to benefit small market communities in their effort to develop modern quality of life, attract and retain Millennials, and maintain and grow a workforce for current business needs.

A Competitive Disadvantage

Currently Exposition District legislation as written is 20 years old in Wisconsin, and has been used to fund successful projects, which are projected to be economically successful. These projects have and will contribute to attracting visitors, enhancing quality of life within their project communities, and will add vibrant activities in a concentrated format.

Communities like Superior compete against communities like Duluth, MN that have a greater variety of economic development tools, many of which exist in the framework



of the Exposition District legislation in Wisconsin. This places Wisconsin communities at a competitive disadvantage as they attempt to modernize and provide modern amenities that citizens and visitors alike expect in a community.

Issue Summary:

Request to expand Exposition District enabling legislation allowing for small market communities.

Expansion would allow for a food & beverage, hotel sales tax, and project tax increment to help defray development costs and establish infrastructure for a mixed use development.

Proposed Development in Superior, WI would support local and regional citizens, and increase the appeal of desire as a tourism destination. The proposed mixed use development includes \$125 million in private and public investment, and estimates that it will attract 400,000 outside visitors annually.



Potential Impact

By expanding Exposition District funding opportunities for small and mid-markets, the legislature will create a locally funded economic development engine that will create exponential growth. Better City Superior has been meeting for three years to propose a mixed use

development within the City of Superior. The cornerstone of this proposed development requires an infrastructure investment that can only be funded locally through a funding source such as an Exposition District.

Superior is across the St. Louis River from Duluth, Minnesota, a very powerful tourist destination. Duluth attracts significantly from the Minneapolis and St. Paul metro area and the City of Superior and Wisconsin stands to gain greatly from creating complementary and dynamic venues within the region. In 2015, tourism accounted for \$1 billion in economic activity in Duluth, Minnesota, with over \$319 million in direct spending. Tourism in the arrowhead continues to grow. In 2016, room tax revenues were up 10% year-over-year and food and beverage were up over 4% amounting to \$11 million in tourism taxes. Based on a 2015 study by Longwoods International USA Inc. done for Visit Duluth and reported by Business North, Duluth attracts 6.7 million annual visitors with over 3.3 million of them overnight stays.

Better City Superior is proposing a development that amounts to a \$125 million public/private sector investment that is leveraged through a .05% exposition district city-wide food and beverage tax, and 2.75% hotel/motel room tax plus other consumption tax and tax increment tools dedicated back to the district bonding repayment for the life of the bonds. This legislation would enable a community to leverage optional expenditures, many of which are made from visitors to the community to provide foundational for funding for a significant economic development project that would benefit local citizens as well as tourists.

Further, mixed use proposals such as this often include a variety of projects that meet the needs and desires of visitors and citizens alike, and across many age groups. Both the State of Wisconsin and Northwest Wisconsin are concerned about brain drain caused by relocation of Millennials to areas that are considered to be more desirable to live. Development such as this will help to create what researchers such as Richard Florida have coined as "cool cities."

Better City | **Superior**