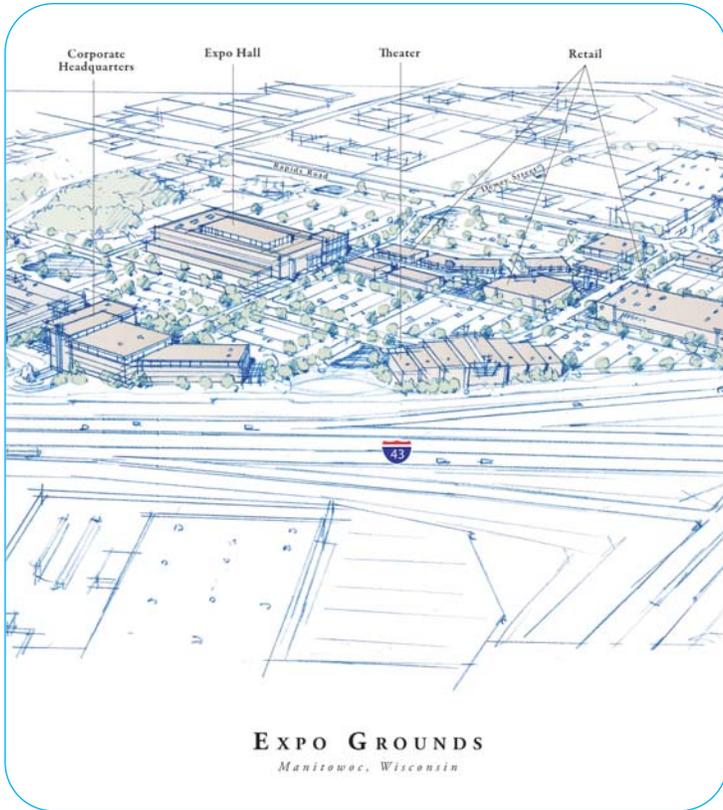




MANITOWOC EXPO GROUNDS  
MASTER PLAN



Vandewalle & Associates, Inc.  
September 2009



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## Introduction

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As part of the City of Manitowoc 2008 Comprehensive Plan project, the City is evaluating the redevelopment priorities related to the Manitowoc County Expo Grounds to better understand the usage and value of the existing facilities, and to explore potential opportunities to enhance the property.

The Expo Grounds site (northeast quadrant of the intersection of Calumet Avenue/USH 151 and I-43) is a 90-acre property at a highly visible location in the southwestern part of the City of Manitowoc. The southwest quadrant of the City has recently experienced a high level of commercial development resulting in the Harbor Town commercial area to the east of the site, and continued development of the Manitowoc I-43 Technology and Enterprise Campus Park on the west side of I-43. The character, traffic intensity, and level of development surrounding the Expo Grounds has clearly changed in recent years, and since the area was annexed into the City in 1972.

The City's objective in studying the site is to: (i) determine if the long term vision is for the continued use of the Expo Grounds as they presently exist with the potential addition of an Exposition Center and limited commercial development along the south boundary, or to relocate all, or part of, the Expo complex to a more rural location beyond the City limits, (ii) take advantage of this change in a way that maintains and enhances the most essential and valued Expo Grounds facilities, and (iii) discover new opportunities to utilize portions of the site to take advantage of the commercial value and visibility of portions of the property. The Expo Grounds property was once part of a larger County farm and was located in a somewhat rural area. As the community has grown over the years, the visibility and market potential of this site has increased, largely thanks to the location of the I-43 corridor in the 1970's. The City's goal is to create a long-term vision for how it could take advantage of the site's increasing market value without compromising the County's ability to continue to serve the area's need for an Expo Grounds facility.

In order to evaluate the existing Expo Grounds and identify new opportunities for the property and the facilities, it is important to first have a solid understanding of the market realities. Through this analysis and visioning process for the Expo Grounds, the City is providing forward-thinking and bold concepts highlighting potential opportunities for the site. Clearly, developers and retailers will base their investment and location decisions on their return on investment and sales they expect to generate within the development trade area. At the same time however, these concepts are being evaluated within a market context to ground the broad ideas within market realities and market conditions. This market analysis is not a definitive determination of whether particular concepts are feasible or unfeasible, but rather is intended to provide an overall preliminary assessment of where the market is, and what types of development could be supported at this site.

The Expo Grounds is a critical property for the future of the City and County due to its location along I-43 and Calumet Avenue/USH 151. The Expo Grounds is the only interchange property in the County that currently has a complete array of infrastructure and utilities readily available to it; the site is serviced with sanitary, storm, water, electric, gas, and fiber optic infrastructure. Combining the availability of these services with the I-43 exposure and the highest traffic counts in the County, the property has enormous potential for quality development.

The purpose of this market assessment is not to provide a specific plan or direction for development of the County Expo Grounds. Rather, it is intended as a starting point; a place for the City, County, and other interested parties to dialogue about the potential future of this area. The market assessment looks at what the highest and best use of the property could be in the future, and what the future development patterns might be, and how these patterns complement the successful Harbor Town development to the east. The assessment suggests options for developing the property and concurrently increasing the tax base. The concept drawings in this assessment, which display some possible design layouts for the area, are purely visionary at best. Ultimately, the development patterns for the site will be driven by market demand, the expectation of generating sales in the primary trade area, and a developer's vision. The concepts simply represent and show how the site could be accessed, and how buildings could be situated to take advantage of the property.

With a majority of the Expo Grounds being predominantly undeveloped open space, the costs associated with the demolition of buildings would likely be minimal. Costs may include expenditures for the relocation of buildings, businesses, and residences. The site is mostly a "clean canvas" for future development. Once the current economy rebounds, the County and City will be positioned to look at other interchange developments along the I-43 corridor, and learn from those areas what development patterns work and don't work.

## Site Analysis



Vandewalle & Associates conducted a site investigation on March 12, 2009. During this visit, Vandewalle & Associates toured the site and surrounding area. The findings are documented in this report.

### *Location*

The Manitowoc County Expo Grounds site is located in the northeast quadrant of the intersection of I-43 and USH 151/Calumet Avenue. The site is located in the southwest corner of the City of Manitowoc.

### *Existing Uses*

The prominent use of the site is the County Expo Grounds, which occupies 79 acres. Two ball fields are located in the northwest corner, between I-43 and Vista Road, occupying another ten acres. The County Expo Grounds contain the following uses:

- Merchant Building/Fair Office
- Exhibition Building
- Restrooms
- Farm Bureau Stand
- Rock Pavilion
- Dirt Track & Grandstand
- Van's Athletic Stand
- Railroad Building
- Three Horse Buildings
- Horse Ring



- Milk House/Dairy Stand
- Show Ring
- Sheep & Hog Barn
- 4-H/Dairy Cattle Barn
- Poultry & Rabbit Building
- Manitowoc County Ice Center
- Overflow grass County Fair parking



Expo Grounds buildings are constructed with a variety of materials, such as wood siding, metal siding, and cinder block construction. Most of the buildings do not contain insulation and are utilitarian in design.

The buildings are well maintained, and show limited signs of neglect such as peeling paint, wood rot, or metal damage. Most of the buildings have either been refaced with metal siding or have been rebuilt with metal walls, with the exception of the 4-H/Dairy Cattle Barn and two horse barns. The Manitowoc County Ice Center and the Fair Office were the only two buildings in use during the day of the site visit.

### ***Transportation Access***



The northern and eastern sides of the site contain direct access to the City street grid. The main Expo entrance is currently on the north side on Expo Drive. This is an asphalt paved drive which connects to internal drives that circulate within the Expo Grounds.



The secondary access point is located in the southeast corner of the site, off of a frontage road. This gravel drive provides access to the dirt track and grass parking. Vista Road is located in the northwest corner of the site and intersects with Expo Drive. No access is possible to the west or south due to I-43 and Calumet Avenue/USH 151.

### ***Natural Systems***

The site is gently sloped, less than six percent across the site. Two woodlots are located at the north entrance, just south of Expo Drive. The woodlot west of Vista Road contains a pond and associated wetland.

The site contains predominately Kewaunee loam (KnB) soil, which is well drained and suitable for building placement with proper footings. A small portion of the site contains Manawa silt loam (MbA) and Poygan silty clay loam (Po) which both drain poorly. These soils are along the former stream bed, located north of the dirt track and in the southeast corner of the site. Soil borings should be taken prior to development in these areas to determine proper building foundation design.

### ***Stormwater Management***

Most of the Expo Grounds site is turf and gravel, which allows stormwater to infiltrate the ground. During large storm events and spring thaw, stormwater generally flows to the northeast and southeast corners of the site, along the path of the clay-soiled former stream bed. Stormwater from the west side of I-43 overflows from a stormwater pond into the pond on the west side of Vista Road. If future development on the site contains additional impervious development such as buildings or paved parking, on-site stormwater ponds may be required.

### ***Property Information***

- Size: Two publicly-owned parcels at 79-acres and 10-acres. Six privately owned parcels totaling 2.65 acres.
- Location: The site is located at the northeast quadrant formed by the intersection of I-43 and Calumet Avenue/USH 151.
- Adjacent Uses:

- North: Expo Drive with single family houses and medical offices at the northeast corner
- East: Rapids Road with retail buildings at Harbor Town



- South: Calumet Avenue/USH 151 with retail buildings and a hotel; four single family homes and a motel are located at the immediate southern edge, between the Expo Grounds and Calumet Avenue/USH 151



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- West: I-43 and the I-43 Technology & Enterprise Campus (I-TEC)

### ***Challenges***

The site contains no major physical development constraints. Some soils along the former stream bed may require reinforced building foundations.

### *Opportunities*

- Due to its prominent location to the regional transportation network, availability to City utilities, single ownership, visibility from I-43, and soil suitability, the site has a strong redevelopment potential. Specific future land uses are presented in the Market Assessment section of this report.
  
- Future access could be improved through the extension of Dewey Street into the site. This alignment would require the intersection of Dewey Street and South Rapids Road to be lowered, or the Expo site to be raised with fill, as the current intersection of Dewey and Rapids Road is higher than the Expo site. The frontage road along the southern end of the site may no longer be needed if the four homes and motel were to relocate.

## Economic Impact/Economic Value of Existing Expo Grounds

In order to evaluate potential opportunities to enhance the Expo Grounds, it is important to first understand the property's current conditions and its economic value as it exists today.

Expo Grounds 2009 Costs/Revenues		
<b>Revenues</b>		
<b>Operating Revenues</b>		
Event Revenue		\$48,600
Rental		\$59,500
Concessions		\$30,000
Fair Revenue		\$517,150
Ice Revenue		\$146,450
Dry Floor Event		\$23,700
Vending Machine		\$4,500
Pro Shop Sales		\$8,200
Advertising Income		\$14,000
<b>Total Operating Revenue</b>		<b>\$852,100</b>
<b>Other Revenues</b>		
Property Tax Revenue		\$53,450
Donations		\$49,000
<b>Grand Total Revenue</b>		<b>\$954,550</b>
<b>Costs</b>		
<b>Operating Costs</b>		
Personal		\$53,407
Contracted Services		\$706,222
Operation and Maintenance		\$97,059
Fixed Charges		\$4,591
<b>Total Operating Costs</b>		<b>\$861,279</b>
<b>Outlay For Capital Improvements</b>		<b>\$78,000</b>
<b>Grand Total Costs</b>		<b>\$939,279</b>
<b>Profit/Loss</b>		
<b>Revenue to Reserve Fund</b>		<b>\$15,271</b>

Source: Manitowoc County, 2009

from Expo Grounds visitors spending money in the community, an indirect economic activity, than from the Expo Grounds directly. Upon review of the event and activity schedule at the Expo

### *Direct Costs and Revenues for the Existing Facility*

According to 2009 budget projections provided by Manitowoc County, the Expo Grounds require approximately \$860,000 in operating funds plus yearly outlays for capital projects. On the revenue side, the facilities bring in about \$850,000 in operating revenues, utilize \$50,000 in property tax funding, and collect funding from private donations. Consequently, the Expo Grounds is essentially a "break even" operation for the County that is neither a revenue generator for the County or a major burden to the tax payers. Overall, when the opportunity cost related to the potential growth in tax base and development value of the site are factored in, the Expo Grounds could be considered a cost to the City and County.

### *Types of Events and Level of Visitation*

The Expo Grounds is a large, multi-use operation that includes several different facilities and hosts a wide variety of events. Since 1990, the County has facilitated the construction of:

- Restroom/concession stand (1,950 sf);
- Ice center in 1994 (30,567 sf main floor plus 3,460 of mezzanine);
- Addition to the ice center in 1999 (7,820 sf); and a
- 2,500 seat grand stand and a one-third mile clay oval race track.
- In total, an addition of over 40,300 sf of facilities has been added to the Expo Grounds complex since 1990.

Based on the available information from Manitowoc County, the Expo Grounds is essentially revenue neutral for the County, so the economic value from the facility comes more

Grounds and talking to involved community members, most of the visitors who attend events at the Expo Grounds are drawn locally. However, the facility does generate overnight stays and attracts people from outside the area.

For any given event at the Expo Grounds, a certain level of indirect or off-site spending is generated when visitors to the Expo Grounds shop in local stores, eat in local restaurants, stay in local hotels/motels, etc. The level of this spending is largely a function of whether the attendees to an event are local residents, regional residents, or from outside the area. Local residents are less likely to contribute new economic activity to the area. Regional residents and out-of-town guests are more likely to include shopping, dining, or lodging expenditures as part of their visits.

The following provides a summary of the many of the events the Expo Grounds currently hosts and provides an estimate of how much indirect economic activity the site generates. For this analysis, it is assumed that the average Expo Grounds daily visitor (without overnight stay) will spend on average \$40 in the community. An overnight guest will spend on average \$133 per visit (\$93 on average in lodging and \$40 in expenditures). These estimates are based on the Wisconsin Department of Tourism 2008 *Economic Impact of Expenditures by Travelers* report. These are broad estimates generated through statewide reporting, for a more detailed understanding of the specific economic value of the Expo Grounds, surveys of visitors would be needed.

### The County Fair

The signature event of the Expo Grounds is the Manitowoc County Fair, which is a week-long event held every summer. As with most county fairs, the event includes a variety of agriculture-related exhibits and contests as well as concerts, games, amusement rides, and other entertainment. According to the County's budget information, the fair generates approximately \$517,000 in gate revenue. Assuming a typical fair attendee pays the daily gate admission fee of \$10, the fair attracts about 52,000 visitors per year.

<b>County Fair Economic Impact Estimate, 2009</b>				
	<b>Visitor Profile</b>	<b>Visitors by Origin</b>	<b>Ave Spending Per Visitor Per Visit</b>	<b>Economic Impact</b>
Events Per Year	1			
Average Attendance	50,000			
Total Attendance <sup>1</sup>	50,000			
Percent Local (Within Manitowoc County)	75%	37,500	\$40	\$1,500,000
Percent Regional (Outside of County but Daily)	20%	10,000	\$40	\$400,000
Percent Overnight Visitors (Including Hotel Stays)	5%	2,500	\$133	\$332,500
<b>Total</b>	<b>100%</b>	<b>50,000</b>		<b>\$2,232,500</b>

Source: Manitowoc County and Wisconsin Department of Tourism

<sup>1</sup> A September 1, 2009, *Herald Times Reporter* article quoted Jeff Beyer, Public Works Director for Manitowoc County, who stated total attendance (which includes season passes, senior and tot tickets, and exhibitors) was 45,332 this year (2009); compared with 51,610 last year (2008); 47,402 in 2007; and 54,631 in 2006.

### Ice Center Hockey and Figure Skating Events

The Ice Center was primarily built through a local fundraising effort and is used for a variety of events, particularly youth hockey and figure skating. With ice on the floor, the center has a capacity of approximately 800 spectators. Based on the County's revenue data, the Ice Center attracts approximately 26,000 annual visitors for figure skating and youth hockey events. Most of the attendees at these events are local people from within the County with children involved in league hockey and club skating. However, there is some out-of-town attendance for certain tournaments and events.

Ice Center Hockey and Figure Skating Events Economic Impact Estimate, 2009				
	Visitor Profile	Visitors by Origin	Average Spending Per Visitor Per Visit	Economic Impact
Events Per Year	26			
Average Attendance	1,000			
Total Attendance	26,000			
Percent Local (Within Manitowoc County)	85%	22,100	\$40	\$884,000
Percent Regional (Outside of County but Daily)	12%	3,120	\$40	\$124,800
Percent Overnight Visitors	3%	780	\$133	\$103,740
<b>Total</b>	<b>100%</b>	<b>26,000</b>		<b>\$1,112,540</b>

Source: Manitowoc County and Wisconsin Department of Tourism

### Dry-Floor Ice Center Events

In addition to ice events, the Ice Center is also utilized for a variety of other events including concerts and shows. When used without ice, the facility has a capacity of approximately 2,000. With ten events per year, the total attendance for non-ice events at the Ice Center is estimated to be 20,000. Most of these events primarily attract a local crowd, but there is also out-of-town guest participation as indicated below.

Dry-Floor Ice Center Events Economic Impact Estimate, 2009				
	Visitor Profile	Visitors by Origin	Average Spending Per Visitor Per Visit	Economic Impact
Events Per Year	10			
Average Attendance	2,000			
Total Attendance	20,000			
Percent Local (Within Manitowoc County)	85%	17,000	\$40	\$680,000
Percent Regional (Outside of County but Daily)	10%	2,000	\$40	\$80,000
Percent Overnight Visitors	5%	1,000	\$133	\$133,000
<b>Total</b>	<b>100%</b>	<b>20,000</b>		<b>\$893,000</b>

Source: Manitowoc County and Wisconsin Department of Tourism

## Racing

The Expo Grounds include a one-third mile clay race track with a grandstand that seats approximately 2,500 spectators. The track is the home to Eastern Wisconsin Stock Car Racing (EWSC). The 2009 EWSC schedule includes 24 events from April through September. The County estimates that each race attracts approximately 1,000 spectators. Most of these spectators are local residents, but some are likely to be racing enthusiasts from other areas.

<b>Racing Economic Impact Estimate, 2009</b>				
	<b>Visitor Profile</b>	<b>Visitors by Origin</b>	<b>Average Spending Per Visitor Per Visit</b>	<b>Economic Impact</b>
Events Per Year	24			
Average Attendance	1,000			
Total Attendance	24,000			
Percent Local (Within Manitowoc County)	75%	18,000	\$40	\$720,000
Percent Regional (Outside of County but Daily)	15%	3,600	\$40	\$144,000
Percent Overnight Visitors	10%	2,400	\$133	\$319,200
<b>Total</b>	<b>100%</b>	<b>24,000</b>		<b>\$1,183,200</b>

Source: Manitowoc County and Wisconsin Department of Tourism

## Horse-A-Rama

Horse-A-Rama is an equestrian club that works to improve the Manitowoc County Expo, and to promote interest in horse events and activities. The group hosts an annual two-day main event, as well as smaller educational events throughout the year. This club sees potential for growth, draws from throughout the region, and is interested in a permanent enclosed facility for shows and events.

<b>Horse-A-Rama Economic Impact Estimate, 2009</b>				
	<b>Visitor Profile</b>	<b>Visitors by Origin</b>	<b>Average Spending Per Visitor Per Visit</b>	<b>Economic Impact</b>
Events Per Year	1			
Average Attendance	6,000			
Total Attendance	6,000			
Percent Local (Within Manitowoc County)	60%	3,600	\$40	\$144,000
Percent Regional (Outside of County but Daily)	20%	1,200	\$40	\$48,000
Percent Overnight Visitors	20%	1,200	\$133	\$159,600
<b>Total</b>	<b>100%</b>	<b>6,000</b>		<b>\$351,600</b>

Source: Manitowoc County and Wisconsin Department of Tourism

### Other Miscellaneous Events

Other miscellaneous events include regular events and shows beyond the fair and other major events described previously such as: dog shows, bingo, book fairs, flea markets, circus, home show, etc. These events also draw visitors from outside the County, but most are primarily locally-oriented. Looking at the event schedule for the Expo Grounds, there is typically at least one of these miscellaneous events at the Expo Grounds each week.

<b>Other Miscellaneous Events Economic Impact Estimate, 2009</b>				
	<b>Visitor Profile</b>	<b>Visitors by Origin</b>	<b>Average Spending Per Visitor</b>	<b>Economic Impact</b>
Events Per Year	52			
Average Attendance	500			
Total Attendance	26,000			
Percent Local (Within Manitowoc County)	85%	22,100	\$40	\$884,000
Percent Regional (Outside of County but Daily)	10%	2,600	\$40	\$104,000
Percent Overnight Visitors	5%	1,300	\$133	\$172,900
<b>Total</b>	<b>100%</b>	<b>26,000</b>		<b>\$1,160,900</b>

Source: Manitowoc County and Wisconsin Department of Tourism

### Summary of Economic Impact

Based on the estimates and assumptions included in the data above, the Expo Grounds attracts approximately 156,000 visitors per year. Most of those visitors (approximately 124,000) are residents of Manitowoc County, about 23,000 are from outside the County but are daily visitors, and approximately 9,000 are out-of-town visitors whose visits include an overnight stay in or near Manitowoc. According to these very rough estimates the Expo Grounds generates approximately \$6.9 million in economic impact in the community. According to the 2009 Economic Tourism Impact Booklet from the Wisconsin Department of Tourism, Manitowoc County saw \$132.3 million in travel expenditures in 2008; so the Expo Grounds may draw roughly 5% of the County's travel expenditures.

<b>Summary of Expo Grounds Visitation and Economic Impact Estimates, 2009</b>				
	<b>Events Per Year</b>	<b>Average Attendance</b>	<b>Total Attendance</b>	<b>Estimated Economic Impact</b>
County Fair	1	50,000	50,000	\$2,232,500
Ice Center Hockey and Figure Skating Events	26	1,000	26,000	\$1,112,540
Dry-Floor Ice Center Events	12	2,000	24,000	\$893,000
Racing	24	1,000	24,000	\$1,183,200
Horse-A-Rama	1	6,000	6,000	\$351,600
Other Miscellaneous Events	52	500	26,000	\$1,160,900
<b>Total</b>			<b>156,000</b>	<b>\$6,933,740</b>

Source: Manitowoc County and Wisconsin Department of Tourism

## Retail Market Area Delineation and Demographic Overview

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In order to understand the commercial market potential of the Expo Grounds site, it is important to first understand the economic and demographic characteristics of the Manitowoc community and the site's likely trade area. The following provides a general demographic profile of the community and surrounding areas, identifies a commercial trade area for the Expo Grounds, and profiles some of the consumer characteristics of trade area residents.

### ***General Demographic and Economic Profile***

The City's Comprehensive Plan provides detailed demographic and economic analysis of the community through the Manitowoc Economic Base and Market Assessment report which includes a market overview of the Harbor Town area and other commercial districts in the City. These resources should be used to provide additional information on Manitowoc's demographic profile, employment clusters, consumer spending behavior, and housing market. The following data provides some additional general information about demographics in the community that are particularly relevant to the market opportunities for the Expo Grounds property. The data provided utilizes U.S. Census information as well as estimates provided by ESRI, which is a mapping and data provider that does yearly demographic estimates nationwide.

### **Population and Household Growth Trends**

The City is a stable community experiencing moderate population growth. The estimated population in 2008 is 34,670 and the City's population is not expected to grow significantly in the immediate future. Looking more broadly at the areas surrounding Manitowoc, the population is similarly stable. However, areas farther from the City, captured by the 50-mile radius area and a one-hour drive time, are expected to see somewhat higher rates of population and household growth.

<b>Population Change</b>						
	<b>Manitowoc</b>	<b>10 Mile Radius</b>	<b>25 Mile Radius</b>	<b>50 Mile Radius</b>	<b>30 Minute Drive</b>	<b>1 Hour Drive</b>
2000	34,053	60,445	153,434	881,045	88,252	494,494
2008	34,670	60,237	157,406	943,345	90,293	530,729
2012 (estimated)	33,841	60,385	160,304	985,372	91,631	555,698

Source: ESRI and U.S. Census

### **Age Profile**

Manitowoc's population is growing older. The median age in 2000 was 38.6 years and that median is expected to jump to 41.4 by 2012. This shifting age profile is mirrored within the areas surrounding Manitowoc. Having an older population and an increasing median age may have implications for the existing Expo Grounds, and for the type of development that could be accommodated at the site. The County's event programming staff for the Expo Grounds should recognize this shift and be aware of how it may affect the marketing and scheduling of events for the facility. For example, more events catering toward retirees (i.e. boat shows, garden shows, etc.), may start to have more appeal than events catering to families or young adults (circus shows, rock concerts, etc.). Related to this, the City should think carefully about the types of new commercial development and housing development that best meets the needs of the City's changing age group distribution. For example, the future housing market in the community may see a growing demand for housing

designed to meet the needs of aging, empty-nesters and a decreasing demand of traditional single-family homes typically designed to meet the needs of families with children.

<b>Median Age</b>						
	<b>Manitowoc</b>	<b>10 Mile Radius</b>	<b>25 Mile Radius</b>	<b>50 Mile Radius</b>	<b>30 Minute Drive</b>	<b>1 Hour Drive</b>
2000	38.6	38.7	37.1	35.5	38.5	35.6
2007	40.4	40.8	39.2	37.2	40.8	37.3
2012 (estimated)	41.4	42.1	40.5	37.9	42.1	37.9

Source: ESRI and U.S. Census

A closer look at Manitowoc’s overall population growth patterns by specific age groups further reveals the changing profile of the community and surrounding areas. The phenomenon of the “Baby Boom” population moving into their retirement years is clearly evident in this area. For the Expo Grounds site, the declining number of young people in Manitowoc, and the growing number of people in the 45-65 year old age group again has market implications for development and event programming.

<b>Population Growth by Age Group 2007-2012</b>						
	<b>Manitowoc</b>	<b>10 Mile Radius</b>	<b>25 Mile Radius</b>	<b>50 Mile Radius</b>	<b>30 Minute Drive</b>	<b>1 Hour Drive</b>
0-20	(331)	(628)	(535)	2,310	(405)	1,135
20-45	(362)	(617)	(1,772)	1,039	(858)	1,490
45-65	719	1,249	4,321	31,703	2,306	17,706
65-85	(97)	80	808	5,146	440	3,558
85+	69	125	236	1,826	219	524
Total	(2)	209	3,058	42,024	1,703	24,414

Source: ESRI and U.S. Census

### **Household Income and Home Values**

Manitowoc median household income in 2007 is estimated to be about \$48,000. This median is somewhat modest compared to the statewide median, and is below the medians for surrounding areas. Income growth in Manitowoc is stable. Overall, the City’s income profile reflects the fact that the City and region have traditionally been dominated by manufacturing and agricultural employment, and it is a somewhat working class community, but certainly not poor. Future uses of the Expo Grounds facilities need to be tailored to the specific preferences and interests of the community given Manitowoc’s character and culture.

<b>Median Household Income</b>						
	<b>Manitowoc</b>	<b>10 Mile Radius</b>	<b>25 Mile Radius</b>	<b>50 Mile Radius</b>	<b>30 Minute Drive</b>	<b>1 Hour Drive</b>
2000	\$38,218	\$41,197	\$43,953	\$46,585	\$43,931	\$46,326
2007	\$47,776	\$50,846	\$53,499	\$58,197	\$53,746	\$57,678
2012 (estimated)	\$54,785	\$58,045	\$61,215	\$67,219	\$61,518	\$66,549
Compound Annual Growth	2.78%	2.68%	2.73%	2.92%	2.74%	2.90%

Source: ESRI and U.S. Census

## **Affects of Regional and National Commercial Real Estate Trends**

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### ***Impact of the Current Economic Situation***

The recent economic downturn and the financial crisis are affecting the commercial development industry nationwide, and Manitowoc is no exception. According to members of the local development community, the credit market in Manitowoc is less constrained than it is in other places and developers can still get loans. However, lenders are being more careful in their reviews of applications, and projects must meet higher cash flow standards for developers to get financing. The tight credit market has constrained commercial development somewhat in Manitowoc, but has not completely stopped it.

Simultaneous with the tightening credit market, the overall economic decline and the weakening of the real estate market is also likely to affect the type of development potential on the Expo Grounds site in the near future. With an economy in recession, there is a high degree of uncertainty about future levels of retail spending, and many large national retailers are holding off on opening new stores and entering new markets for the foreseeable future as many enclosed malls become obsolete and the inventory of empty big-box stores increases.

Related to the overall economic malaise, the decline in real estate values is another factor likely to limit new development opportunities on the Expo Grounds site in the near future. Developers, to stay competitive and maintain full occupancy, may have to offer concessions to attract and retain prospective tenants. Declining property values and retail sales are leading many commercial tenants in existing buildings to renegotiate leases and demand lower rents. Faced with no other options, property owners are largely willing to accept these lower rents. With commercial tenants paying lower rents for existing space, the cost of launching new retail development is too high to justify the lower rents needed to compete with existing retail space. Additionally, the recent nationwide uptick in retail chain bankruptcies and store closings has not directly affected Manitowoc but may limit the likelihood of nationwide retailers expanding into new markets.

### ***Shifting Retail Formats***

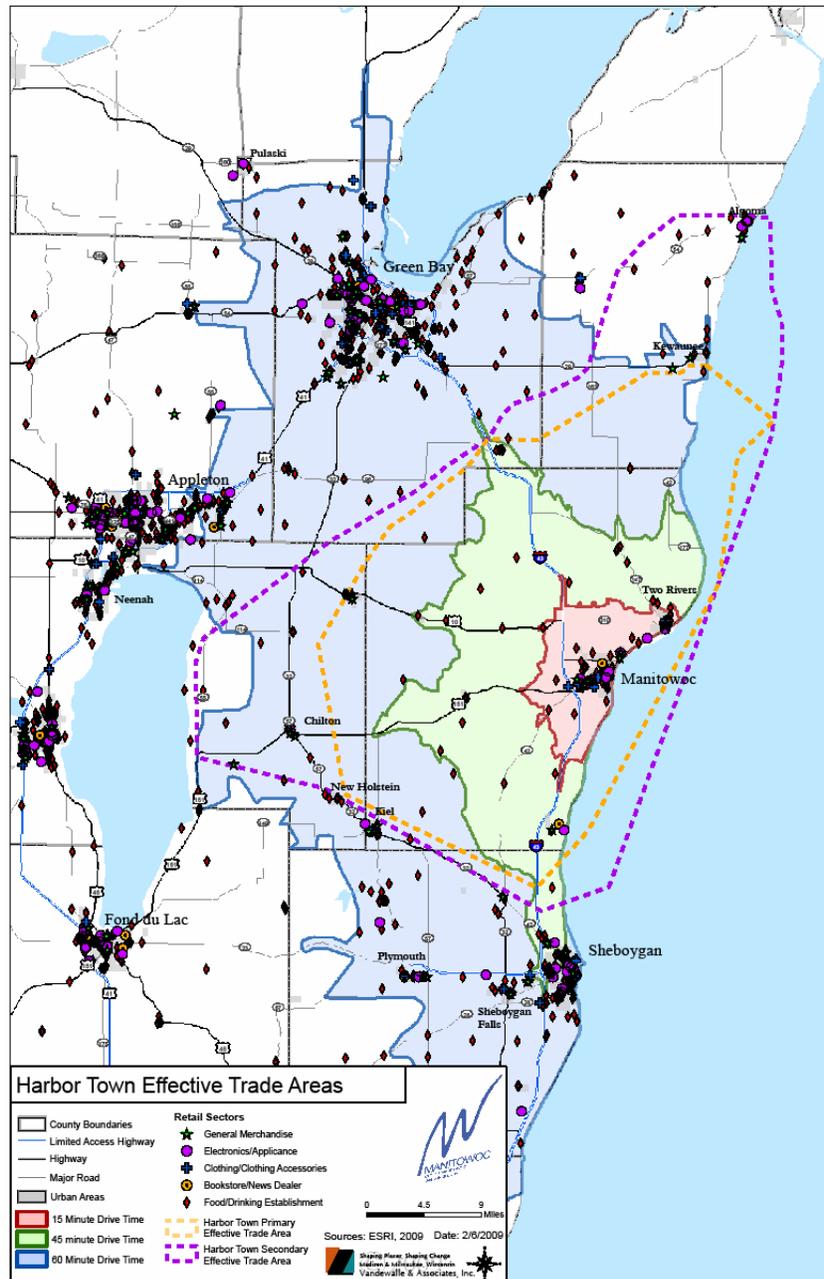
Even before the recent economic downturn, the landscape of the retail industry had been undergoing a period of change. For one, the growth in online shopping over the last decade may lead to a permanent decline in the percentage of shopping done at traditional retail establishments. According to a report by Forrester Research (a national economic research firm), online shopping has been increasing by about 15 percent per year over the last eight years and is projected to continue to grow.

In addition to online shopping, the retail industry has been increasingly focused on creating positive retail “experiences” rather than simply utilitarian shopping. This is another trend that may reshape the retail industry in coming years. The emergence of “lifestyle centers” (mixed-use, well-landscaped, retail centers that support traditional big-box formats as well as smaller, niche retail) as alternatives to traditional big box establishments and enclosed malls, and the re-focus on mixed-use and downtown retail districts may change the shape of green space or vacant land availability for retail development once the economy rebounds. Lifestyle center retail is probably not a realistic option for Manitowoc as the developments tend to be upscale retail in a “Main Street” format, and are higher margin ventures. An outlet mall format for the Expo Grounds may be more realistic.

# Retail Gap Analysis & Estimates of Supportable Retail Space

## Trade Area Delineation

As part of the Harbor Town market assessment included as an appendix to the City's Comprehensive Plan, Harbor Town's "Primary Trade Area" was defined using a combination of drive time analysis, and by looking at competing clusters of retail activity. As the Expo Grounds site is adjacent to Harbor Town, which includes nearly 423,000 square feet of commercial space, and has similar access and visibility, the same trade area is used in this analysis. For details on how the trade area was defined, please refer to that analysis.



***Retail Gap Analysis***

Retail sector gap or “leakage” analysis is a tool that compares existing levels of retail sales within a defined trade area to the potential retail sales based on the demographic characteristics and the number of households in the area. The existing retail sales are essentially the current retail supply, and the potential retail sales are essentially the retail demand. If retail sales (supply) exceed potential sales (demand), it is generally assumed that the market for that sector is saturated and there is not room for additional stores. If retail demand exceeds supply, it indicates that the trade area is experience retail “leakage” meaning that customers in the trade area are leaving the trade area to find comparable shopping opportunities elsewhere. If a sector is experiencing leakage, there is unmet consumer demand for stores in this sector and new stores in this sector might be feasible.

The following table shows estimates of retail potential (demand), existing retail sales (supply) and retail surplus/leakage (demand – supply) for key retail sectors. As the table highlights, this trade area has unmet demand for retail for most retail sectors. This excess demand indicates that the trade area is “leaking” sales to other area and customers within the trade area are shopping in other communities. Gasoline stations and building materials stores are the only retail sectors in the trade area where the current level of sales fully meets and exceeds the local demand. All other sectors listed have unmet demand indicating the potential to add new stores.

<b>Expo Trade Area Retail Gap Analysis (2007 estimates)</b>			
<b>Retail Sector</b>	<b>Retail Potential</b>	<b>Retail Sales*</b>	<b>Gap (Surplus/Leakage)</b>
Furniture & Home Furnishings	\$21,108,154	\$6,154,839	\$14,953,315
Electronics & Appliance	\$27,108,669	\$6,877,479	\$20,231,190
Bldg Materials, Garden Equip.	\$23,821,105	\$31,811,346	-\$7,990,241
Health & Personal Care	\$27,658,734	\$22,558,913	\$5,099,821
Gasoline Stations	\$125,310,450	\$168,502,903	-\$43,192,453
Grocery Stores	\$164,796,070	\$139,755,513	\$25,040,557
Clothing Stores	\$14,350,960	\$1,642,697	\$12,708,263
Sporting Goods/Hobby	\$8,077,866	\$2,771,409	\$5,306,457
Book, Periodical, and Music	\$4,974,896	\$1,358,363	\$3,616,533
General Merchandise	\$102,270,236	\$39,827,830	\$62,442,406
Restaurant	\$119,128,477	\$69,408,604	\$49,719,873

\* These numbers do not include sales in stores opened after 2007

Source: ESRI

***Estimates of Supportable Retail Space by Sector***

The data on retail surplus/leakage can be used with industry standards for retail development to further identify whether there are market viable opportunities for new retail development. The Urban Land Institute maintains benchmark data on the expected levels of sales per square foot of establishments in different retail sectors. By using that data combined with the gap analysis for the Expo Grounds trade area, it is possible to estimate the supportable square footage by retail sector. If the supportable square footage is more than the square footage of a typical store in that sector, a new store may be market viable. Using this analysis indicates that furniture, health and personal care, clothing, general merchandise, and restaurants are the types of stores that could be feasible. However, very recent projects, or planned projects in the trade area, may not be included in the data and could affect potential demand.

<b>Expo Trade Area Supportable Retail Space (estimates based on 2007 data)</b>						
<b>Retail Sector</b>	<b>Gap (Surplus/ Leakage)</b>	<b>Industry Average Sales PSF</b>	<b>Supportable Square Feet</b>	<b>Recently Added Stores*</b>	<b>Typical Store Size</b>	<b>New Store Market Feasibility?</b>
Furniture & Home Furnishings	\$14,953,315	275	54,376		35,000	<i>Likely</i>
Electronics & Appliance	\$20,231,190	800	25,289		40,000	<i>Maybe</i>
Bldg Materials, Garden Equip.	-\$7,990,241	-	-	154,000	-	<i>No</i>
Health & Personal Care	\$5,099,821	215	23,720		20,000	<i>Likely</i>
Gasoline Stations	-\$43,192,453	-	-	4,800	-	<i>No</i>
Grocery Stores	\$25,040,557	500	50,081		80,000	<i>Unlikely</i>
Clothing Stores	\$12,708,263	400	31,771	69,000	40,000	<i>No</i>
Sporting Goods/Hobby	\$5,306,457	275	19,296	22,000	50,000	<i>No</i>
Book, Periodical, and Music	\$3,616,533	200	18,083		30,000	<i>Maybe</i>
General Merchandise	\$62,442,406	375	166,513		100,000	<i>Likely</i>
Restaurant	\$49,719,873	1000	49,720	19,000	15,000	<i>Likely</i>

\* Depending on when these stores opened and when data was collected, the sales resulting from this additional retail space within Harbor Town may or may not be included in the data.

Source: ESRI, Urban Land Institute

## Analysis of Specific Market Opportunities

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### *Exposition Center Development*

One of the ideas that has been discussed by the County and others for several years as an opportunity to enhance the Expo Grounds is to add an indoor exposition center. The purpose of an exposition center would be to provide a large, high-quality indoor space to enhance ongoing events hosted at the Expo Grounds, and to hopefully attract additional visitation and event activity to Manitowoc. Currently, Manitowoc lacks a space for large meetings and events, and the existing activities and events at the Expo Grounds could potentially take advantage of new, large, high-quality indoor facilities.

Currently, the City's largest hotel and convention center facility is the Holiday Inn with over 20,000sf available in their ballroom. The Holiday Inn, for sit down banquets and plated meals, can presently handle between 450-500 patrons, but space is very tight for a group that size. The Holiday Inn current comfort level would be a group sized between 250 and 350. In addition to the Holiday Inn, the County Ice Center has a meeting-only area of around 23,700sf.

The Manitowoc market for overnight event and meetings/convention planning continues to be confronted with problems caused by: (i) the lack of break out rooms to accommodate a larger number of attendees for concurrent breakout sessions; and (ii) lack of sufficient space for a larger number of exhibitors with full pipe and drape accommodations.

A new facility would, at minimum, need to have:

1. Capacity to accommodate at least 400-500 attendees for a sit down, plated meal;
2. Adequate serving capacity;
3. Kitchen for on-site food preparation;
4. Adequate number of bathrooms;
5. Adequate electrical outlets and cables for exhibitor lighting, PC usage, and phones;
6. Pipe and drape exhibit capability for enhanced presentations typically allowing for exhibit lengths of 8-14 feet instead of limitations created by 6 foot long draped tables; and
7. Enough exhibitor space so all exhibitors could be located in a single, large room versus locating exhibitors in side rooms or adjacent hallways.

If the City and County choose to move forward with this idea, an exposition center at the Expo Grounds should be a large facility that includes a central, divisible floor space that allows for events of varying sizes and multiple events at the same time, ranging from group events and conventions to agricultural events. The facility should be strategically designed to be integrated with both the existing Expo Grounds facilities and new adjacent development, and the center should include large doors for animal events, boat shows, car shows, etc.

## Potential Users

A flexible, multi-use exposition facility at the Expo Grounds could be aggressively marketed and programmed to attract a variety of events. The types of events could include:

- **County Fair and Existing Expo Events** – The County Expo Grounds currently hosts a wide variety of events and activities that could potentially be expanded and improved with the development of a new, exposition center. The Horse-A-Rama club, for example, has expressed a strong interest in having access to a large indoor space for equestrian events. Additionally, concerts, flea markets, and other events currently using the Ice Center and Merchants Building, as well as the County Fair events needing large display areas, could utilize an exposition hall.
- **Consumer Shows** – These shows would be open to the public. They would generally use a large exhibit space and possibly a small amount of event space. These events would typically charge a small admission fee and the focus would be on showcasing products and industries such as boat shows, home shows, garden shows, outdoor shows, etc. These events would primarily draw from the local market, but could potentially draw visitors to Manitowoc from a larger area or attract pass-by traffic off I-43.
- **Trade Shows** – Trade shows are typically industry-specific events, focused on the exchange of ideas within a particular business sector and are not typically open to the public. These are often multi-day events and can draw visitors from around the country, but are typically more regional. Region's that have specific niche industries and are hubs of specialized economic clusters can be more successful in hosting trade shows with a larger geographic draw.
- **Conventions and Conferences** – These are typically multi-day events that would utilize the exposition center's main floor as well as meeting rooms. Conventions and conferences hosted at the facility could include events hosted by local companies and attract primarily area residents, but would also include statewide events.
- **Entertainment** – Currently, the Ice Center, the Merchants Building, and the Race Track within the existing Expo Grounds host entertainment events. A large multi-use event space could potentially attract and host additional entertainment events (small concerts, comedy, circus, live performance, etc.) during the County Fair and throughout the year.
- **Sports** – A large, open exposition hall could also be used for some sporting events depending on the ability to bring in equipment, flooring, and spectator seating for specific sports. Given that this would not be a facility specifically designed for sports, it would probably primarily attract youth and local sporting events.

## Comparable Facilities

The following list highlights a few event facilities in Wisconsin. Not surprisingly, larger communities typically can support larger event facilities. Given the current lack of a larger capacity, multi-purpose event space in Manitowoc, the identified need for space and market strengths of this location, a facility at the large end of the spectrum should be considered for this site. The Resch Center in Green Bay is a 120,000 square foot facility which seats 11,500, and a

building near this size and with similar amenities could be used as a benchmark for an exposition center in Manitowoc.

<b>Sample of Wisconsin Event Facilities</b>		
<b>Facility</b>	<b>Location</b>	<b>Square Feet</b>
Resch Center	Green Bay	120,000
Alliant Energy Center	Madison	255,000
Washington County Fair Park	West Bend	49,000
Midwest Airline Center	Milwaukee	265,000
Radisson Paper Valley Hotel	Appleton	37,000
Blue Harbor Resort & Conference Center	Sheboygan	29,000
Waukesha County Expo Center	Waukesha	21,000

Source: Vandewalle & Associates

### **Key Market Strengths**

- **Enhance and Expand Existing Events**

One of the key strengths of this idea of adding an exposition center to the County Expo Grounds is that rather than launching this facility from scratch, it would be adding to and enhancing the existing programming of the current Expo Grounds. Manitowoc County already has staff in place for maintenance and operations, and there is a diverse array of events already occurring on site. The County has discussed the possibility of adding an exposition center, and could potentially be ready to work with the City to launch the project.

- **Highly Visible Site with Access to Major Markets**

As stated above, one of the key assets of this site is its location at the intersection of two of Wisconsin's most important and highest traffic volume highway corridors. This visibility and accessibility is particularly important for an event facility. The adjacency to I-43 enhances the possibility of attracting conventions and other event activity out of population centers such as Milwaukee, Green Bay, and possibly Chicago. The high level of north-south tourist traffic between Chicago/Milwaukee and Door County, northern Wisconsin, and the Upper Peninsula of Michigan further enhances the potential of this idea if programming is partially marketed toward drive-by tourist traffic.

- **Ability to Draw on Manitowoc's Industry Leadership**

Manitowoc is fortunate to have several large locally-based employers. The Manitowoc Company; Tower Tech; Orion Energy Systems, Inc.; Lakeside Foods; and others are all major employers in niche industries. Importantly, most of Manitowoc's largest private sector employers are not satellite operations of companies located elsewhere, but rather are headquartered in Manitowoc. From the standpoint of building an event facility, this local corporate base could help create demand for events by holding their internal companywide events and meetings at the center. These local companies could also be approached as potential sponsors of the facility, and naming rights and partnership opportunities could be explored.

## **Key Market Weaknesses**

- **Unprofitability**

In a direct sense, an exposition center would most likely lose money, and would probably be a net revenue drain that would require tax support or corporate sponsorship to pay for construction and annual operations. Nationwide, most publically-owned event facilities require public support to operate. The economic returns to the community from this center would likely only come in the form of indirect economic benefits gained by attracting people to the community.

- **Zero Tax Base Growth**

As discussed above, the Expo Grounds is high-value property due to its size, access, and visibility. It is also tax exempt and does not contribute to the tax revenue generation that supports local services. The property included in developing an exposition center would most likely remain under public ownership by the County and therefore would not bring additional property onto the tax roles, unless the County would be open to a long term ground lease agreement which would allow the property to be taxable. However, if a portion of the Expo Grounds were used for an exposition center and a portion were used for complementary private development, the addition of the center could help facilitate new development and indirectly enhance the taxable value of surrounding land by creating a valued amenity nearby.

- **Limited Commercial Airport Accessibility**

One limitation to attracting events is the community's lack of a large commercial airport. Though the site has excellent access for ground vehicles and is within driving distance of major markets, the lack of commercial air traffic would limit the exposition center's ability to attract event activity with a nationwide draw.

## ***Additional Retail Development***

### **Description of Opportunity**

As discussed above, retail sales and demographic data for the Expo Grounds trade area indicates potential demand for additional retail development in certain target sectors. Specifically, furniture stores, health and personal care stores, and general merchandise are sectors where there appears to be surplus demand for retail space and potential feasibility for new stores. With the Harbor Town project already established as a major retail cluster, new retail development would need to be integrated so as to supplement Harbor Town and provide complementary stores.

## **Key Market Strengths**

- **Location and Visibility**

The key market strength of the Expo Grounds as a site for retail development is its location. The intersection of I-43 and Calumet Avenue/USH 151 is the convergence of two major corridors, and is one of the highest traffic volume interchanges in east central Wisconsin. According to 2005 data from the State DOT, the section of I-43 that crosses Calumet Avenue/USH 151 carries about 21,000 cars per day. The section of Calumet Avenue/USH 151 just west of Rapids Road carries about 13,000 daily cars, and the section just east of I-43

carries about 16,000 cars. No other intersection in the County has as high a total traffic volume as this intersection.

- **Potential to Integrate with Harbor Town**

This site is adjacent to the Harbor Town development, and could be integrated with Harbor Town's existing retail base to enhance this area as a regional retail destination. Further, as discussed above, there are a number of retail sectors in which Manitowoc is currently under-supplied given its size and demographic characteristics of the trade area, so there are stores that could potentially be viable at this location without being competitive with existing establishments. Additionally, consideration should be given to develop this facility as a "green" real estate project to further enhance its appeal.

- **Identified Retail Market Gaps and Supportable Space**

According to the gap analysis and estimates of supportable retail space, the ripest opportunities for new retail include a furniture store, a health and personal care store, and a general merchandise store. There is some demand for book stores and clothing stores, but the supportable retail space may not justify a typically sized store. There is also significant unmet demand for larger, sit-down oriented restaurant space. Through conversations with City officials and the community survey completed through the Comprehensive Plan process, the community has indicated a strong desire for family dining establishments such as Chili's, Olive Garden and Red Lobster. Regardless, this site will need to overcome undersized market demographics, which have typically driven these types of establishments to urban areas with larger populations.

### **Key Market Weaknesses**

- **Economic Conditions**

The primary weakness to development of new retail space at this site is the population of the Manitowoc market. As discussed above, the commercial real estate industry is struggling right now, many major retail companies are in a holding pattern, and few new stores or new leasable retail spaces are being built right now. The recent rash of bankruptcies and store closures among major retail chains has resulted in a growing excess supply of existing retail space, and this glut of retail space is driving down the market for new retail development. Macro market conditions will eventually turn around, and the assets of the Expo Grounds site as a potential retail location will remain, but new retail development in the near future is unlikely until the credit market is unclogged, the real estate market turns around, and the overall economy and thus the level of consumer spending comes back to a growth pattern.

### ***Multiplex Movie Theater Development***

#### **Industry Trends**

The City of Manitowoc currently lacks a high quality multiplex movie theater complex. A portion of the Expo Grounds site could potentially support a state-of-the-art multiplex theater (8-15 screens), and there is potential interest in the community. Nationwide, the movie theater industry appears to be relatively strong in comparison to other entertainment venues, and a multiplex theater may be a viable market niche for Manitowoc. Regarding overall industry trends, the Motion Picture

Association of America (MPAA) notes the following: (i) domestic theater admissions in 2008 declined 2.6 percent over 2007 levels; (ii) admissions have stayed flat over the past ten years; (iii) admission prices remained significantly lower than alternative entertainment options; (iv) the market continues to shift to theaters with a larger number of screens with an emphasis on digital screens; (v) theater complexes with eight or more screens now represent 74 percent of all U.S. screens; and (vi) teens and college ages still dominate with 12-24 year olds representing 38 percent of all movie goers.

According to data from MPAA, the total number of movie admissions has decreased over the last year, but increased steadily from 1,289,000 in 1998 to 1,470,000 in 2007. In terms of movie theater revenues, total domestic box office sales also increased over the last 10 years from \$7.3 billion in 1998 to \$9.8 billion in 2008. Furthermore, developers are continuing to build new theaters and expand existing ones, and approximately 3,000 new screens were built between 1999 and 2008 in the U.S.

<b>Nationwide Movie Theater Industry Trends</b>					
	<b>Total Movie Attendance</b>	<b>Total Domestic Box Office Revenue</b>	<b>Average Ticket Price</b>	<b>Total Screens</b>	<b>Revenue / Screen</b>
1998	1,289,000,000	NA	NA	NA	NA
1999	1,311,000,000	\$7,314,000,000	\$6	37,185	\$196,692
2000	1,340,000,000	\$7,468,000,000	\$6	37,396	\$199,701
2001	1,339,000,000	\$8,125,000,000	\$6	36,764	\$221,004
2002	1,406,000,000	\$9,272,000,000	\$7	35,280	\$262,812
2003	1,421,000,000	\$9,165,000,000	\$6	36,146	\$253,555
2004	1,470,000,000	\$9,215,000,000	\$6	36,594	\$251,817
2005	1,415,000,000	\$8,832,000,000	\$6	38,852	\$227,324
2006	1,472,000,000	\$9,138,000,000	\$6	39,668	\$230,362
2007	1,470,000,000	\$9,629,000,000	\$7	40,077	\$240,262
2008	NA	\$9,791,000,000	NA	40,194	\$243,594
CAGR	1.47%	3.29%		0.87%	

Source: Motion Picture Association of America, 2008 data

This is a changing industry trending toward larger, more advanced theater complexes with more screens. Though the market for movie theaters is continuing to grow, the market for movie theater entertainment is continually shifting. In the past, the movie theater industry was dominated by single screen cinemas which eventually grew into facilities with two to five screens. Today, most new theaters are multiplexes with 8-15 screens or “megaplexes” with 16 or more screens. In addition to being larger, today’s movie theaters are also often multi-use facilities that market themselves as full-service family entertainment complexes that include more than just movies. For example, many modern multiplexes include enhanced dining and gaming opportunities, may include separate rooms for birthday parties, and many rent theaters for corporate and private events.

### **Existing Theaters in Manitowoc**

Manitowoc currently has three locally owned and independent movie theaters - Family Cinema, the Strand, and Lakeshore Cinema Café. All of these theaters are relatively small, and have somewhat outdated formats. All of these businesses would be classified as miniplexes, defined by the MPAA as featuring between two and seven screens. None are multiplex facilities with 8-15 screens, and none are megaplexes (16+ screens). None of these existing facilities include the types of enhanced viewing

experience provided by modern theaters (stadium seating, state-of-the-art digital sound and imagery, extra large screens). In total, Manitowoc’s operating theaters have 11 individual screens, of which nine would likely be classified as first run screens, and two are second run or discount screens.

<b>Existing Movie Theaters in Manitowoc</b>	
	<b>Screens</b>
Family Cinema	4
Strand	6
Lakeshore Cinema Cafe	1
<b>Total Screens</b>	<b>11</b>

Source: Vandewalle & Associates

### **Potential Movie Theater Demand (Supportable Screens)**

Manitowoc’s 2008 population is estimated by the Wisconsin Department of Administration at 34,670, which equates to a ratio of population to screen count of 3,152:1. The estimated trade area population for the Expo Grounds is 86,244, which equates to a population to screen count ratio of 7,840:1. The movie theater industry’s current “rule of thumb” for the amount of population it takes to economically support a movie screen is in the range of 8,000 - 9,000 people per screen, which suggests that Manitowoc is overscreened. This suggests that a decision to support a multiplex theater at the Expo Grounds may negatively impact the sustainability and practicality of other theaters in the City. Due to an abundance of screens existing in the City, it is unlikely that a prudent developer/theater operator would incur the economic risk of constructing and owning a multiplex theater, but may operate and manage such a facility. Contributing to this impact is not only the screen count, but also a trade area population overlap between existing Manitowoc theaters. This suggests that the allocation of film between competitive theaters is not simply a mathematical equation based upon screen count. While screen count plays a role, in practice, both the number and quality of films is also a contributing factor. In any event, such an investment would require a more thorough market feasibility study to determine if the market size was adequate to support such a development, as well as a final location, size, and financial pro forma results.

### **Market Strengths**

- **Growing Market**

As the data from the MPAA suggests, the market for movie theaters appears to be growing steadily, primarily among younger age cohorts. This suggests that a state-of-the-art theater could play an important role in further reducing the leakage of the community to outlying areas. Regardless of how advanced home entertainment options are becoming, people still enjoy getting out of the house to watch a movie when theaters provide a quality experience.

- **No Direct Competition**

There is currently no direct competition for high quality modern movie theater experience in all of Manitowoc. The City has several movie theaters, but none that offer the advanced sound, picture, stadium seats, large screens, and other amenities that are expected in contemporary theaters. A multiplex movie theater in Manitowoc would essentially have a relatively large market area all to itself. The downside of this would be that a new theater would likely capture market share currently going to the existing theaters, and these theaters would likely need to adopt different, niche formats or close.

## **Market Weaknesses**

- **Economic Downturn and Shifting Entertainment Preferences**

As with the retail market, the economic downturn is likely to affect the immediate term feasibility of developing a movie theater. The size of the market, limited opportunities for greater population densities within a 15-minute drive time, the impact of more advanced home entertainment systems, and the declining levels of disposable income may affect the willingness of potential customers to spend money on entertainment, and may make the construction of a theater project challenging, if not impossible.

- **Demographics**

The largest market segment for movie theaters in terms of age is 12-24 year olds. As mentioned in the demographic overview, Manitowoc is a somewhat older community with a large and growing population of people at or near retirement age, and a declining number of children. A more detailed market analysis of the feasibility of a multiplex movie theater, and the implications of Manitowoc's existing theater stock and Manitowoc's demographic profile would likely be needed before a project would be launched.

## ***New Hotel Development***

An additional hotel/motel is another idea that has been discussed for this site. There are currently nine lodging establishments in the City of Manitowoc; five that carry national flags and represent 507 of the 584 rooms available in the City. In terms of room tax collections on a City-wide basis, the average monthly room tax collection increased 7.8 percent in the period 2000-2005, and 8.35 percent between 2005-2008.

Without more detailed market analysis focused exclusively on hotel feasibility, it is difficult to estimate whether this existing supply of rooms is enough to satisfy the need of the market area. However, if an exposition center were developed at the Expo Grounds, it would significantly increase the local market for lodging and a new adjacent hotel/motel could be viable.

## **Market Strengths**

- **Connection to the Expo Grounds and Potential New Exposition Center**

One of the keys to the success of a hotel/motel at the Expo Grounds would be whether an exposition center moves forward. If an event facility is built and actively marketed toward conferences and other events that would attract overnight guests, a new hotel/motel could be successful, particularly if it included unique amenities such as an indoor water park or aquatic facility. The impact of this type of development on existing lodging establishments would have to be determined.

- **Visible Location and Potential Drive-By Stays**

Interstate 43 is a major tourism corridor linking destinations to the north with population centers to the south, and moving income along this north/south route. There may be opportunities to take advantage of this drive-by traffic and attract additional visitors to Manitowoc and to a hotel at this location, particularly if the establishment featured visitor-oriented amenities such as a water park or aquatic center. The impact of this type of development on existing lodging establishments in Manitowoc would need to be determined.

- **Potential to Market to Manitowoc's Major Businesses**

Manitowoc's diversified base of local employers may have lodging needs that are not being met by the City's current hotel supply. Manitowoc is home to companies that do business nationally and globally, and likely bring partners and clients into the community for meetings. Partnering with these companies to identify their needs and establish dedicated rooms could enhance the viability of a new hotel/motel. Duplication of existing lodging offerings should be avoided whereas other types of niche lodging such as extended stay or boutique hotels should be considered as a way to complement existing market participants.

### **Market Weaknesses**

- **Economic Downturn**

As with the other opportunities, the current economic situation and limited financing options will affect the market for a hotel/motel. The lack of credit for development and reduced demand for both business-related hotel stays and personal hotel stays is likely to impact near-term lodging development potential.

- **Unclear Level of Demand**

Unlike the movie theater market where Manitowoc currently has no direct competition for a new multiplex theater, there are existing quality hotels and motels in the City. In addition to the franchise operations, there are also smaller facilities, and it is difficult to estimate whether there is excess demand.

### ***Other Development Opportunities (Office, Residential, or Mixed-Use)***

Based on discussions with local real estate professionals and the analysis of local demographics, there is a limited market for new office space in Manitowoc. There is currently a high office vacancy rate in the community and office rents have not kept pace with increasing development costs in recent years making new office projects unfeasible. Though speculative office development is not market feasible in the near term, a single end-user of office space could conceivably build a large office campus and the visibility and access and utility readiness of this site could make it a good location for this type of use.

In terms of residential and mixed use opportunities, Manitowoc's population is stable and, generally speaking, there does not appear to be a growing demand for large numbers of new housing units. Additionally, noise issues related to this site's location adjacent to the I-43 could limit the potential for residential development. At the same time however, the City has a large number of residents at or nearing retirement age. Some of these residents may have an interest in transitioning to smaller housing units and may value an opportunity to live in a location that has close proximity to water, medical care facilities, and retail and restaurant opportunities.

### ***Coordination of Land Uses***

The Expo Grounds and the commercial and residential properties abutting Calumet Avenue/ USH 151 are very important to the overall economy and tax base for both the City and County. By themselves, these properties abutting Calumet/USH 151 have limited development potential because of their lot sizes and configuration. But, when viewed as part of a larger development combined with, and in conjunction with at least a portion of the Expo Grounds to the north, the

area suddenly becomes a significant development parcel. Additionally, this area is one of the only interchanges along I-43 in Manitowoc County that have the full complement of utilities available. This readily available infrastructure plus adjacency to I-43, adds an enormous amount of potential market valuation to the property. The City should only encourage and support development of this area pursuant to an approved comprehensive development and site plan, and should discourage piece meal developments that could diminish the utility of the larger, remaining area. As such, this area should be planned and developed in the most efficient way, with a keen eye to: (i) development targets not currently present in the Manitowoc marketplace; and (ii) businesses that create substantial new tax base and jobs as well as attract income to the area.

To secure the maximum development benefit from this area, and to increase future property values, the Expo Grounds and the properties abutting Calumet Avenue/USH 151 should be developed as a Planned Unit Development (PUD). A PUD would allow the greatest amount of flexibility for design and development guidelines. The project area will reach its highest and best use by being developed in a comprehensive and uniform development pattern. The properties with the highest value and marketability would likely be at the southern portion of the subject area, and diminishes moving northward away from Calumet Avenue/USH 151. To maximize this potential, all the properties need to be planned and developed as a single uniform and cohesive site. A comprehensive and well planned development pattern would maintain property values, and allow owners to attain the highest value for their properties.

The Common Council, Plan Commission and City staff should not encourage or approve land divisions made irrespective of a comprehensive development plan for the area, and that is not in harmony with an overall, approved concept plan. Individual lot splits and zoning reclassifications should not be approved unless they are consistent with the plan of development for the area. A comprehensive approach in developing the properties will be an asset for the both the current property owners and community as a whole.

## Summary of Stakeholder Interviews

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As a part of Expo Grounds Master Plan process, interviews were held with key stakeholders and government agencies to discuss their plans, initiatives, ideas, and concerns as they relate to the County Expo Grounds. Discussion topics varied by interview and included land use; pace and location of development and redevelopment; housing; transportation; economic development; community resources; facilities; and services. The interviews included commercial real estate professionals and members of the development community who provided valuable insight in the market for the site and the viability of potential opportunities. The stakeholders who were interviewed were:

- Mark Herzog, CEO and Pat Brandl, CFO Holy Family Memorial Hospital
- Tim Schneider, Investors Community Bank, EDC of Manitowoc County Past President
- Sarah Hoppe, City Assessor
- Ken Stubbe and Diana Schultz, Economic Development Corporation of Manitowoc County
- Dean Graunke, City Alderman, and Owner, Birch Creek Inn
- Mark Walter, Executive Director, Bay-Lake Regional Planning Commission
- Richard Ramminger, Owner, Statewide Commercial Appraisal
- Kevin Behnke, Town of Newton Chair, County Expo Board Member
- Christopher Allie and Daniel Wergin, local developers
- Jeff Beyer, Manitowoc County Director of Public Works
- Curt Mauer, regional developer, Commercial Horizons

**The following are the key themes or points of discussion that have been drawn from the interviews.**

- The Expo Grounds and the annual County fair activity are valued in the County as a gathering space to celebrate the region's agricultural heritage.
- The Expo Grounds and its year-round use brings money to the community and is in an ideal location (visitors support hotel rooms, restaurants, shopping, downtown uses also). The impact is important in this location; more important than in a remote area in the County.
- The buildings/facilities of highest use at the Expo Grounds are the Ice Center and the Office Building which are programmed year-round. Subdivision of a portion of the Expo Grounds for development has not been thoroughly discussed, but concern about this thought initially is the loss of parking for the week of annual County Fair events. If parking could be accommodated and the heart of the fairgrounds maintained, some site infill might be considered a good idea assuming all parties would be made whole.
- The race track may be considered the most expendable component of the Expo Grounds; it is noisy, and perhaps not as important to the long-term sustainability of the fairgrounds as the other components.
- The Expo Grounds Calumet Avenue frontage has the best market opportunity. Further back in the site there is less accessibility, visibility, and market viability.
- The market could support a larger multiplex cinema, retail uses such as Target, Old Navy, and Best Buy, and restaurants that are typically located near these retailers (Red Lobster, Olive Garden, etc.). There is not a current need for a new hotel or office in this area.

- There is interest in a multi-purpose building in this area of Manitowoc. Uses could include exhibition/convention hall, health/wellness uses, sports training, trade shows, and other events that have taken place on the Expo Grounds such as horse-a-rama and other horse shows, flea markets, concerts, etc. An indoor exhibition center would likely have a positive impact on the market perception for potential retailers.
- Mixed use commercial/residential is a reasonable consideration for the interior area of the Expo Grounds site; however the Manitowoc market may not be ready for this.
- The City should focus its redevelopment efforts on downtown, the I-43 Technology and Enterprise Center (I-TEC), urban neighborhoods and the Calumet Avenue/USH 151 corridor before actively promoting the implementation of the Expo Grounds master plan.
- A “green” campus might be a concept that would work well here and could incorporate local green company involvement. In addition, master planning for this area should consider the connection to the Ice Age Trail and promoting connectivity from this area of the community to the Manitowoc River and then to downtown.
- The Ice Center was built using locally raised private funds and is a well-used facility for hockey, figure skating, and non-ice events. The Ice Center is the highest quality youth hockey facility in northeast Wisconsin and is a unique Center (for example, it includes the only electric-powered zamboni in the world).
- There was a recent proposal for an indoor family recreation and sports facility in the area, and there is a need for additional sports, recreation, and wellness facilities in Manitowoc that could be accommodated at this site.
- There is potential interest in developing an outlet mall in Manitowoc and the Expo Grounds site could potentially be a good location for this use.
- The office market in Manitowoc is limited right now. The City has about 15 percent office vacancy and rents have been stale or declining recently.
- Commercial property in Sheboygan, Green Bay, and the Fox Valley typically has higher land values than Manitowoc, and commercial buildings typically have higher lease rates.
- The hotel/motel market in Manitowoc is currently relatively strong. Major regional events including Packer games, Road America events, golf tournaments at and near Kohler, and some Expo Grounds events generate significant numbers of hotel stays.

## Overall Market Conclusions

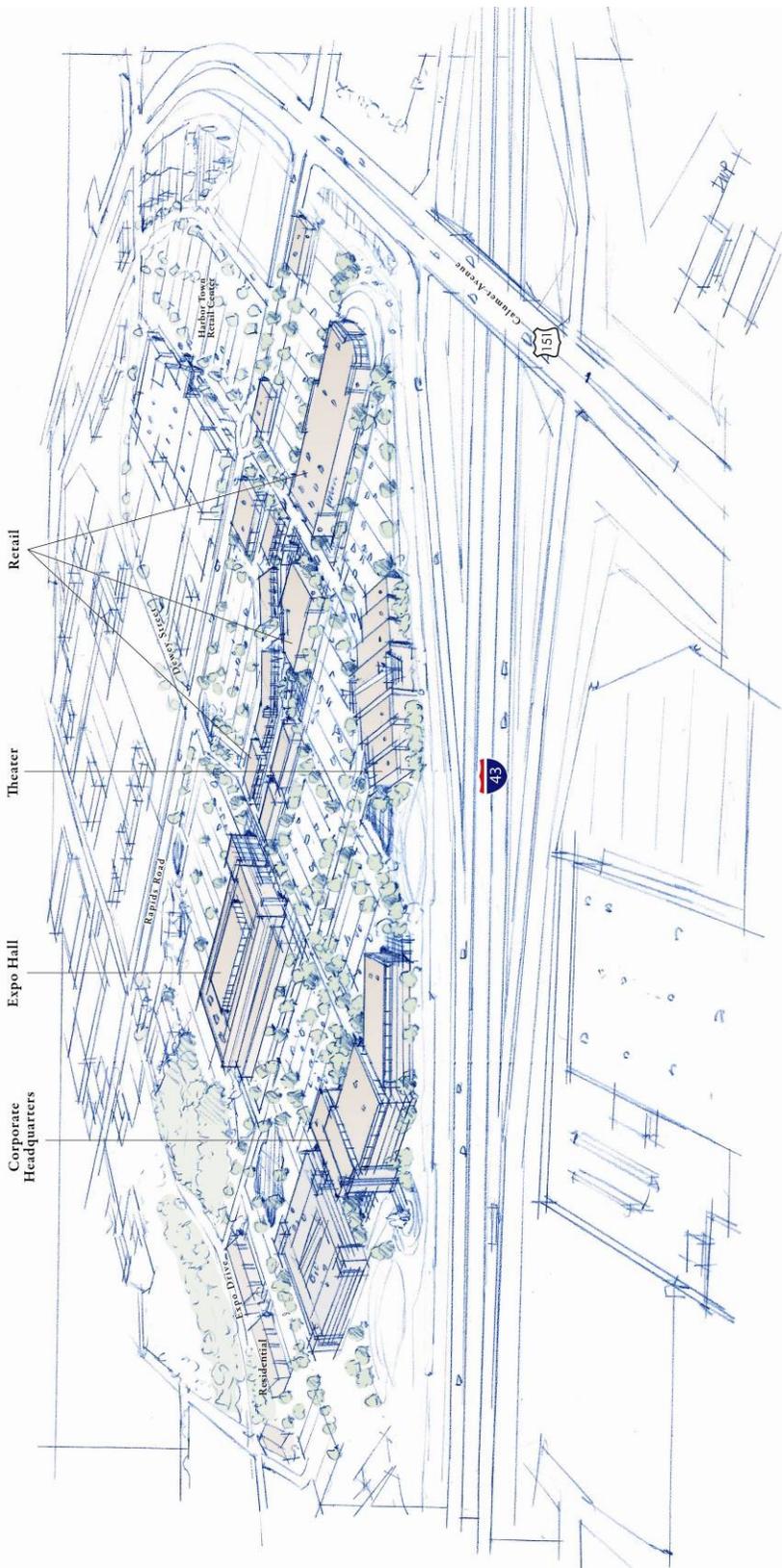
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- The Manitowoc County Expo Grounds property is an excellent location for a number of potential commercial uses that could be incorporated into the site in a manner that is complementary and synergistic with many of the existing facilities.
- The existing Expo Grounds facilities are well-used by the community, host a wide range of events and activities, and provide a significant indirect economic benefit to the City and County by bringing consumer spending to this area.
- The nationwide credit crisis, as well as declining real estate and consumer spending will likely to affect any potential for commercial development on the site in the short term. Without credit to finance a project, with the decline in commercial lease rates, and with consumers tightening their belts, major retailers and commercial developers are largely unwilling to initiate new projects right now in smaller markets.
- Community members and County representatives have expressed a strong interest in adding a multi-use exposition center to the Expo Grounds. With the current high level of usage of the existing Expo facilities, the potential to attract new conferences, trade shows, and entertainment events, and the potential to partner with Manitowoc's local companies, this could be a viable and exciting idea. Further, a new event facility would help strengthen Harbor Town, and could help attract new lodging and retail development in the long term.
- Ignoring the near term nationwide economy, the Expo Grounds trade area has surplus demand in a number of retail categories sufficient to support a new store. These categories include furniture, restaurants, and general merchandise.
- Manitowoc currently lacks a high quality, modern multiplex movie theater. Market data indicates some potential to support a new theater in the City, particularly given the lack of modern amenities at the City's other theaters.
- There may be a market for an additional lodging establishment at the Expo Grounds site. However, the addition of an exposition center that would be marketed toward events and that would attract out-of-town guests would significantly improve this opportunity.

## **Development Program**

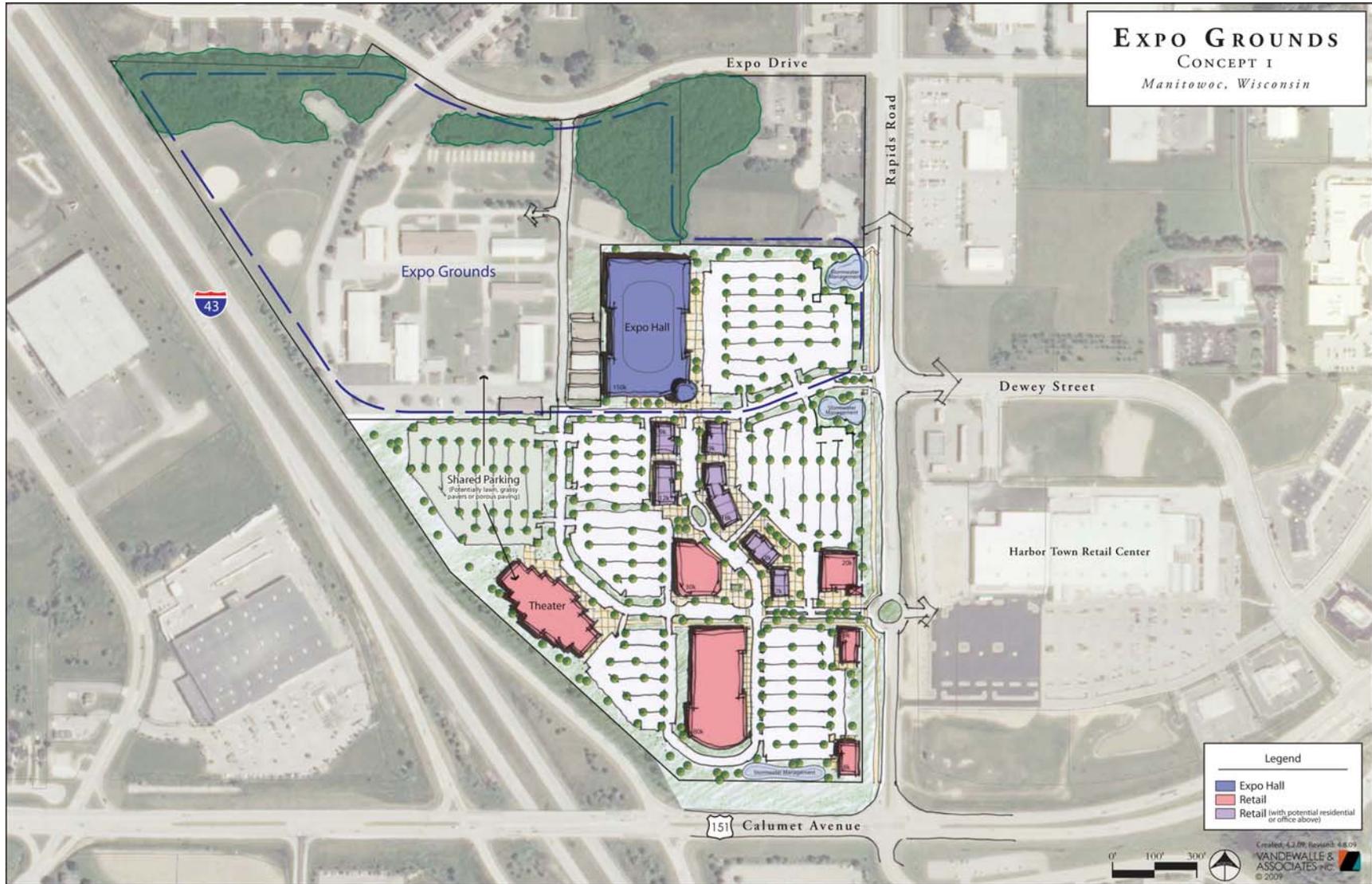
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The following Vision Perspective and Concept Plans reflect the site plan ideas developed for ongoing discussions related to the Manitowoc County Expo Grounds.

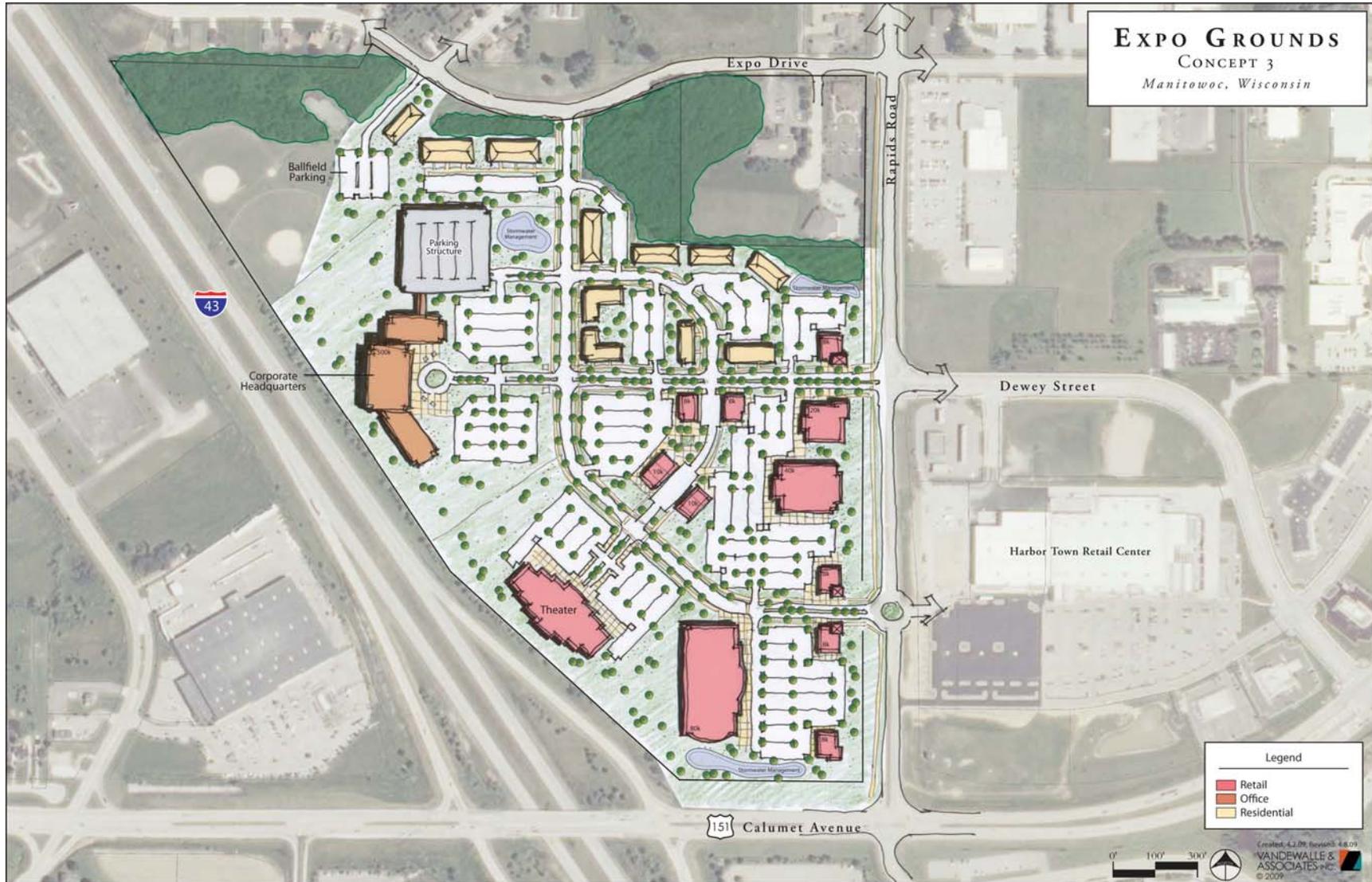


**EXPO GROUNDS**  
*Manitowoc, Wisconsin*









ACKNOWLEDGEMENTS

This document has been produced by the City of Manitowoc with leadership and guidance from the City Planning Department, the City Plan Commission, the City Council, and an appointed Expo Grounds & Market Analysis Ad-Hoc Committee.

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PORT OF MANITOWOC EXPO GROUNDS MASTER PLAN

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