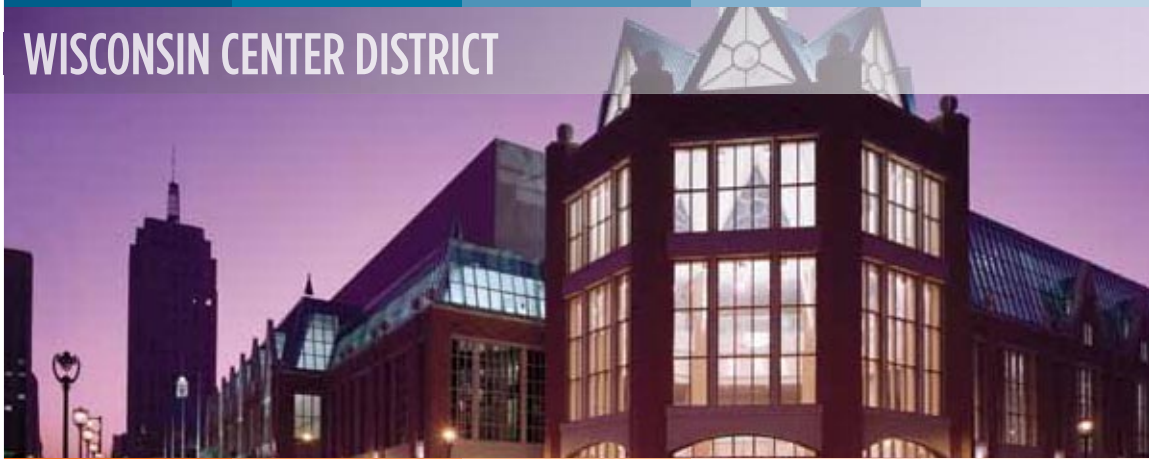




WISCONSIN CENTER DISTRICT



2010 ANNUAL REPORT



U.S. CELLULAR ARENA • FRONTIER AIRLINES CENTER • MILWAUKEE THEATRE

A LETTER FROM OUR **CHAIRMAN & PRESIDENT**

Dear Reader,

We are happy to report that, after a difficult 2009, 2010 was a positive year in the facilities owned and operated by the Wisconsin Center District; continued growth in bookings and revenue is projected through 2011 and beyond. This is consistent with many indicators that the economy is stronger but has not fully rebounded from the terrible recession of 2007-09. We still see signs of caution among our clients and prospects, but they continue to plan events and draw attendees. In many ways, Milwaukee's reputation as a "value destination," where visitors pay less for hotels, meals, and now airfare, is working in our favor more than ever.

Tourism and business travel unrelated to events in our facilities were also up in 2010, another good sign for Milwaukee, and good news for WCD. To repay the project bonds for the convention center, we depend on sales taxes paid by visitors for hotels, car rentals and food and beverages sold in restaurants in Milwaukee County - so business travel and tourist spending are very important to WCD.

Of course we have shared in the challenges facing all sectors of the economy. The recession-driven fall-off in business in 2009, coupled with an already-weak year for bookings, forced WCD to take special steps to ensure we meet our obligations while balancing the budget. We increased the sales tax on prepared foods and beverages from 0.25% to 0.5%, effective July 1, 2010, enacted a wage freeze, required WCD employees to take unpaid furlough days, and extended a hiring freeze already in effect. We revisit the tax increase regularly, with an eye toward rescinding it when economic conditions allow.

We are not willing, however, to defer or cancel significant maintenance projects, capital improvements and technological upgrades in our facilities. Our competitive focus on facility quality and state-of-the-art event infrastructure helps us stay ahead or abreast of industry trends and operate increasingly "lean and green"; it also brings compliments from visitors and clients, and supports our industry reputation for service and attention to detail.

In 2010, the WCD board also voted to increase the county-wide sales tax on hotel rooms from 2% to 2.5%, effective January 1, 2011. Requested by the local hotel/motel industry, this increase allows WCD to increase funding for the marketing activities of VISIT Milwaukee. As a reminder, some 90% of the tax revenues WCD receives are paid by visitors, not local residents. 100% of those funds are used by WCD to repay the convention center bonds, and by VISIT Milwaukee for visitor and convention marketing and services - a fact that continues to earn Milwaukee respect within the travel industry.

As always, our success at WCD truly depends on others. Our sponsors are critically valuable to us; just operating our facilities would be incredibly difficult without their generous in-kind and financial support. Thank you! Our employees continued to exemplify true professionalism throughout 2010, while sacrificing earnings and working harder than ever. Time and time again, we hear from promoters, clients and patrons that the WCD staff's devotion to customer service is what brings them back. Thank you! Past and present members of the WCD Board of Directors similarly demonstrate a deep and steady commitment to WCD's public mission, and we benefit just as much from the integrity they bring to its oversight. Thank you! VISIT Milwaukee is a great ally and supporter of WCD, and we look forward to our relationship growing even stronger for the benefit of all Milwaukee businesses, especially those in the hospitality industry. Thank you!

Of course we are nothing without our clients, especially those who come back year after year. Annual clients such as Harley-Davidson, Kalmbach Publishing, Northwestern Mutual, the Wisconsin Emergency Medical Services Association and Wisconsin State Reading Association bring in thousands of visitors to support our city's downtown businesses year after year. The Home Builder's Expo, JOY Publications Wedding Show, Greater Milwaukee Auto Show, Brewers On Deck and the Milwaukee Journal Sentinel's Wine & Dine are important events on many local citizens' calendars, and help to ensure they continue to embrace our facilities and our role in the community. To our clients, thank you

A LETTER FROM OUR **CHAIRMAN & PRESIDENT (CONT'D)**

for the challenges you bring us, your confidence in our abilities to meet them, your honest criticism, and your continued support.

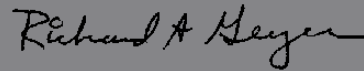
We also want to thank our signature tenants at the U.S. Cellular Arena – the Milwaukee Wave and the UWM Panthers – for the excitement and recognition they bring to the venue. Fan enthusiasm and event attendance was at an all-time high this past year, and we wish both teams winning conclusions to their seasons in 2011. We also want to welcome the Brewcity Bruisers Roller Derby league as our third “team” tenant, as they bring their entire 2011 season of five league bouts to the U.S. Cellular Arena.

Finally, thanks to the wonderful people in the city of Milwaukee and our surrounding communities for their support of the many different events at our facilities. We continue to offer a wide variety of great entertainment in 2011, starting with two new-to-Milwaukee Broadway hits at the Milwaukee Theatre – *Disney's Beauty and the Beast* and *Rock of Ages*. Enjoy!

Sincerely,



Franklyn M. Gimbel
Chairman, Wisconsin Center District



Richard A. Geyer
President/CEO, Wisconsin Center District

OUR **MISSION**

To maintain and continuously build our professional reputation in the convention, entertainment and sporting events industries on all levels, both locally and nationally; to present first class facilities in the 21st century; to provide the most effective use of space for our clients by utilizing the collective talents of all Wisconsin Center District employees; and to create and sustain jobs, income, and prosperity in the Greater Milwaukee community.

OUR **BOARD OF DIRECTORS***

Franklyn M. Gimbel
Gimbel, Reilly, Guerin & Brown, Chairperson

James C. Kaminski
Kaminski Consultants, Vice Chairperson

Alderman Willie L. Hines, Jr.
Milwaukee Common Council President, Secretary

W. Martin Morics
City of Milwaukee Comptroller, Treasurer

Joel Brennan
Discovery World

John J. Burke, Jr.
Burke Properties

Senator Alberta Darling
Wisconsin State Senate

Mayor Jill Didier
City of Wauwatosa

Alderman Ashanti Hamilton
City of Milwaukee

Michael Huebsch
Wisconsin Secretary of Administration

Stephen H. Marcus
The Marcus Corporation

Alderman Terry Witkowski
City of Milwaukee

James Villa
Commercial Association of Realtors

Representative Robin Vos
Wisconsin State Assembly

Richard A. Geyer
Wisconsin Center District, President & CEO

One seat is vacant
*As of 1st quarter, 2011



FRONTIER AIRLINES CENTER

WCD continues to work hard to ensure that Milwaukee is a desirable convention destination.

Midwest Airlines, the former title sponsor of our convention center, merged with Denver-based Frontier Airlines in the spring of 2010. On April 13th, the combined airlines announced that they would operate under the Frontier Airlines banner, officially changing the name of the Midwest Airlines Center to the Frontier Airlines Center. Frontier Airlines replaced the signage for the convention center in the weeks following the official announcement.

Bookings and attendance for conventions, conferences and trade shows at the Frontier Airlines Center improved greatly in 2010. Prospective 2011 convention bookings and attendance figures also surpass levels set before the recession, and WCD expects this trend to continue into 2012 and beyond. The Frontier Airlines Center hosted the American Legion 2010 National Convention in August, which brought approximately 12,000 guests to downtown Milwaukee over a seven-day period. Other big events included the National Model Railroad Association's 75th Anniversary Convention and Train Show, and the Regional Airlines Association Annual Convention.





OUR EVENTS

Annual and returning conventions, conferences, consumer shows, and expositions included Northwestern Mutual, the National Electrical Wire Processing Technology Expo, the Home Builder's Expo, Joy Publications Bridal Show, the Bead & Button Show, and the Greater Milwaukee Auto Show. These shows continue to grow in both attendance and revenue as the economy recovers. The Milwaukee Brewers' "Brewers on Deck" pre-season fan expo and the Milwaukee Journal Sentinel's Wine & Dine are newer "flat shows" that started strong here in 2009 and continued to grow in 2010.

Companies that operate under the "distributive marketing" model are a growing business sector and an increasingly valuable source of bookings for the Frontier Airlines Center over the past few years. 2010 clients from this industry included Mary Kay, lia sophia, Southern Living at Home, Amway, Willow House and Herbalife.

The Frontier Airlines Center has become an unexpected destination for a wide variety of sporting competitions, including gymnastics, cheer, dance, fencing and volleyball. The convention center currently hosts the spring Badger Regional Volleyball Tournament, two gymnastics competitions, and two Irish dance "feis" events every year. This past year, WCD also hosted the 2010 North American Cup Youth Fencing Tournament. The competition drew approximately 4,000 young fencers, coaches and families from around the country for the four-day weekend. In 2011, we will host the 2011 Table Tennis U.S. Open.

"...I have had the opportunity to travel across the country attending similar conventions. I must say that your staff was, by far, one of the most attentive and hardworking that I have ever experienced...never once did I see a negative attitude, and there was never a time I had to wait or ask for service. Your entire staff is to be commended. It is because of this hospitality that I will promote this city and also promote your staff, and suggest that Milwaukee be a place to host other conventions."

- American Chamber of Commerce Executives 2010 Annual Convention



FRONTIER AIRLINES CENTER

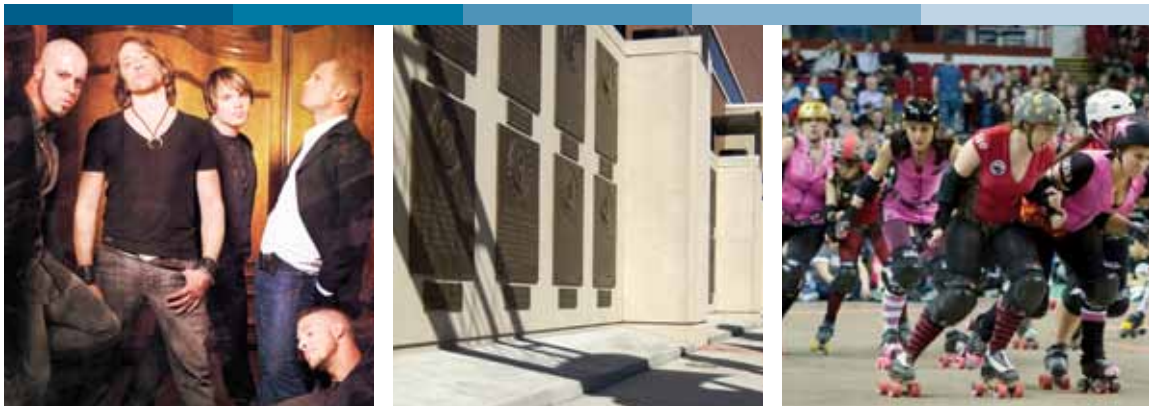


U.S. CELLULAR ARENA

Disney on Ice and the annual Tripoli Shrine Circus were very successful 2010 events at the Arena.

April 9, 2010 marked the 60th anniversary of the opening of the former Milwaukee Arena, which underwent a major renovation in 1997-98, and was renamed the U.S. Cellular Arena in 2000. We are proud that its original quality and a history of good stewardship have kept the facility up-to-date, customer-friendly and viable for so many years.

Some of the more noteworthy family events held at the Arena in 2010 include *Disney on Ice: Princess Classics* and the annual Tripoli Shrine Circus. The FIRST Robotics Wisconsin Regional Competition has also become an annual staple. It's a fun and educational event we hope more Milwaukee business leaders will embrace, because it involves some of the best and brightest high school students in the state.



OUR EVENTS

Our sports tenants continue to have successful seasons at the U.S. Cellular Arena. The Milwaukee Wave had a great 2009-10 season and enjoyed continued fan support. The UWM Panthers Men's basketball team also had an exciting season in 2009-10, winning their way to the Horizon League Bracket Buster game and the chance to host the first-round matchup in the Speedway Horizon League 2010 Championship at the U.S. Cellular Arena.

We were very excited when the skater-owned Brewcity Bruisers roller derby league brought their 2010 Championship Bout to the U.S. Cellular Arena. The event drew a lot of attention and a large fan turnout, prompting the Bruisers to schedule all five bouts of their 2011 season at the venue.

Other entertainment in the U.S. Cellular Arena included Daughtry with Cavo and Lifehouse, rapper Rick Ross, Tyler Perry's *Madea's Big Happy Family*, and the Milwaukee Public Schools' Biennial Music Festival. Among private events in the building were several highly-attended distributive marketing conventions, a Presidential speech at one of two political campaign events, and over a dozen college and high school commencement ceremonies.

OUR GRADUATION CEREMONIES

Graduation exercises may not excite the same public enthusiasm as sports and entertainment events, but they represent educational achievement, hope and pride for thousands of families in the Milwaukee area. They also benefit WCD's bottom line, bring business to downtown restaurants, and ensure work hours for people in our facilities and nearby. The WCD campus hosted a total of 23 commencement ceremonies in 2010 for the following institutions:

Bay View High School

Bryant & Stratton College

Cardinal Stritch University (2 ceremonies)

Divine Savior Holy Angels High School

Hamilton High School

Lynde and Harry Bradley School of Trades and Technology

Marquette University (2 ceremonies)

Marquette University College of Business Administration

Marquette University Klingler College of Letters & Sciences

Marquette University School of Law

Medical College of Wisconsin

Milwaukee Area Technical College (2 ceremonies)

Milwaukee High School of the Arts

Pius XI High School

Riverside University High School

Rufus King High School for the College Bound

University of Phoenix

University of Wisconsin-Milwaukee (3 ceremonies)





MILWAUKEE THEATRE

In 2010, we kicked off our “next 100 years” of great entertainment and service to the community.

2009 marked the 100th anniversary of the opening of the Milwaukee Theatre in its original incarnation as the Milwaukee Auditorium. In 2010, we kicked off our “next 100 years” of great entertainment and service to the community with the opening show of our 2010-11 season, Neil Berg’s *100 Years of Broadway*, and a 101st birthday party. Staff and patrons marked the launch of the Milwaukee Theatre’s next century with champagne, cake, and a mass group photo now displayed in one of the venue’s public lobby spaces.





OUR PERFORMANCES

The Milwaukee Theatre continues to offer something for everyone, from theatrical productions to great live music and comedy.

The Milwaukee Theatre continues to offer something for everyone, from theatrical productions to great live music and comedy. Our own 2010 presentations included *Jesus Christ Superstar*, *Hairspray*, *Rain - A Tribute to The Beatles* and the Wisconsin premiere of *One Night of Queen*. We presented the Wisconsin premiere of *Cirque Dreams Holiday* as part of our 2010-11 season, along with 2005 Tony Award® Best Musical *Monty Python's Spamalot*, and two shows that had terrific previous runs with us, *DRUMLine Live* and *Mannheim Steamroller*.

Independent promoters also brought a wide variety of entertainment to the Milwaukee Theatre in 2010, including: the Milwaukee Blues Festival and the vocal quintet Celtic Woman, both of which have become annual events here; comedy performances by Mo'Nique, Jim Gaffigan and Chelsea Handler; family shows *Nickelodeon Presents Storytime Live* and *Mickey's Rockin' Road Show*; concerts by Frankie Beverly & Maze and Trey Songz with Monica; and performances of Shen Yun Performing Arts.

"I would like to pass along my sincere thanks to...every staff person I encountered both before and after the event. As a singer/pianist who has entertained for countless corporate events over the years, I truly appreciate the professionalism and assistance of your staff."

- Entertainer, American Association of Cardiovascular & Pulmonary Rehabilitation Annual Meeting





LOOKING TO THE FUTURE

WCD has a lot to look forward to in 2011.

Among the highlights for 2011, the Frontier Airlines Center will host Winter Fest, a new, family-oriented event with live music, a gift market, and activities for all age groups, including an indoor ice skating rink, bounce houses and rock climbing wall. Winter Fest is scheduled for December 21-31 in 2011, and this will be the first year for this event.

In 2011 we will host a lot of smaller but significant bookings from such groups as the National Congress of American Indians, General Federation of Women's Clubs, International Association for Food Protection, International Association for Identification, American Association of Motor Vehicle Administrators, National Guard Association of the United States, and International City Management Association.





THE YEARS **AHEAD**

The Brewcity Bruisers will host every home bout of their 2011 season at the U.S. Cellular Arena. The league hopes to break the Women's Flat Track Derby Association single-bout attendance record of over 6,000, currently held by Seattle's Rat City Rollergirls.

The Milwaukee Theatre's current season continues in 2011 with the always-popular *Riverdance*, and five performances of the Broadway smashes and Wisconsin premieres *Disney's Beauty and the Beast* and *Rock of Ages*, starring Tony Award® nominee and *American Idol* finalist Constantine Maroulis. Some independently-promoted shows committed early to 2011 dates as well, including a concert by Yanni, the family show *Imagination Movers Live*, and comedian Mike Epps.

The WCD Board of Directors has completed a new five-year contract with VISIT Milwaukee, the region's visitors and convention bureau. Through this agreement, VISIT Milwaukee will receive an increase in hotel tax revenue funding in 2011, as sought by the hospitality industry and approved this past year, to help fund their efforts to attract both individual tourism and convention business to Milwaukee. The updated agreement will also set a higher standard of accountability that should help both WCD and VISIT Milwaukee meet their goals and continue to enhance to the region's economic prosperity and national stature.

"From all perspectives, [our event] exceeded our expectations. The participants had an overwhelmingly positive experience...your partnership helped create an event and a welcoming atmosphere that showed Baird at its best."

- Robert W. Baird & Co. Incorporated PMW Symposium & Annual Meeting



STATEMENT OF NET ASSETS

DECEMBER 31, 2010 AND 2009

ASSETS	2010	2009
Current Assets:		
Cash and cash equivalents	\$2,635,807	\$2,400,742
Accounts receivable, less allowance for doubtful accounts of \$102,461 in 2010 and \$106,857 in 2009	1,401,702	763,500
Tax revenues receivable	3,812,011	2,407,078
Loans receivable; current portion	47,917	45,133
Prepaid expenses and other current assets	18,568	56,549
Total current assets	7,916,005	5,673,002
Noncurrent Assets:		
Restricted cash and cash equivalents	23,079,589	21,211,916
Restricted interest receivable	380,069	378,068
Loans receivable; less current portion	526,023	526,915
Financing costs, net of accumulated amortization of \$1,534,525 in 2010 and \$1,425,695 in 2009	1,836,870	1,945,700
Capital assets		
Non-depreciable	22,958,953	22,958,953
Depreciable	146,220,093	152,807,694
Total noncurrent assets	195,001,597	199,829,246
Total assets	202,917,602	205,502,248
LIABILITIES		
Current Liabilities:		
Obligation under capital lease; current portion	169,497	157,238
Current installments of bonds payable	7,345,000	6,735,000
Accounts payable	436,677	954,913
Accrued expenses	925,826	335,350
Accrued interest expense	279,298	279,188
Concession improvement deposits	975,000	1,105,000
Deferred revenue	1,828,535	1,732,619
Total current liabilities	11,959,833	11,299,308
Long-term Liabilities:		
Obligation under capital lease; less current portion	899,359	1,043,283
Bonds payable; less current portion	235,859,251	237,615,697
Total long-term liabilities	236,758,610	238,658,980
Total liabilities	248,718,443	249,958,288
NET ASSETS		
Invested in capital assets, net of related debt	(3,529,111)	(390,888)
Restricted for debt service	3,616,579	2,625,243
Unrestricted (deficit)	(45,888,305)	(46,690,395)
Total net assets (deficit)	\$ (45,800,837)	\$ (44,456,040)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2010 AND 2009

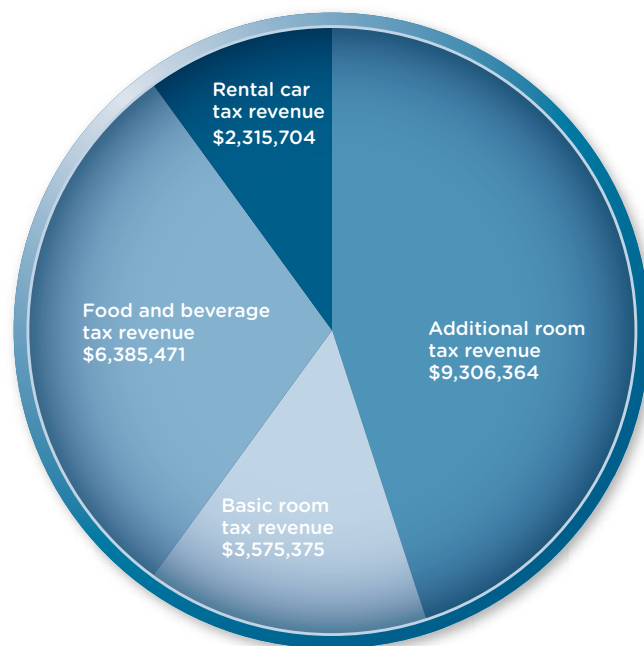
	2010	2009
Operating Revenue:		
Space rentals	\$ 3,680,368	\$ 3,073,815
Equipment rentals	1,061,540	805,524
Commission on concession sales	3,168,554	2,148,564
Labor service	1,230,782	1,398,790
Advertising	1,335,004	1,318,657
Information technology	664,365	461,676
Box office	489,627	528,046
Parking	606,584	511,447
Other	821,338	552,558
Total operating revenue	13,058,162	10,799,077
Operating Expenses:		
Allocated Expenses:		
Wages	3,220,085	3,075,252
Utilities	1,918,064	1,730,506
Building maintenance and repairs	1,161,934	931,856
Ticket expenses	30,868	81,025
Other	1,343,321	1,598,692
Total allocated operating expenses	7,674,272	7,417,331
Unallocated Expenses:		
Administrative salaries and wages	1,791,130	1,805,322
Employee benefits	1,913,237	2,006,268
Advertising and promotion	4,157,771	4,272,755
Legal services	14,499	18,621
Insurance	429,528	522,163
Professional services	55,493	142,325
Depreciation	7,366,208	7,386,186
Other	305,286	314,455
Total unallocated operating expenses	16,033,152	16,468,095
Total operating expenses	23,707,424	23,885,426
Operating loss	\$ (10,649,262)	\$ (13,086,349)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

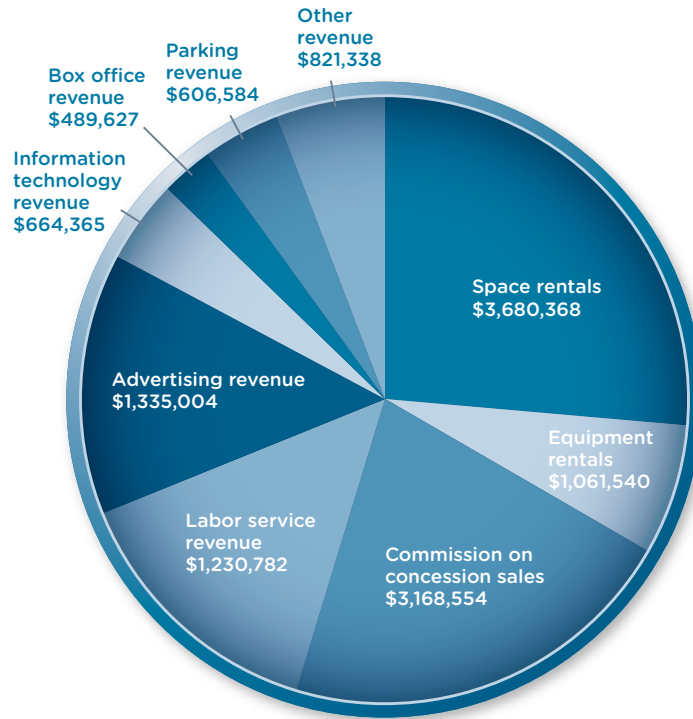
YEARS ENDED DECEMBER 31, 2010 AND 2009 (CONT'D)

	2010	2009
Nonoperating Income (Expense):		
Tax Revenue:		
Additional room tax	\$ 9,306,364	\$ 7,572,637
Basic room tax	3,575,375	2,950,327
Food and beverage tax	6,385,471	3,991,474
Rental car tax	2,315,704	1,931,213
	21,582,914	16,445,651
State of Wisconsin administrative fee	(550,364)	(419,363)
Net tax revenue	21,032,550	16,026,288
Interest income	976,845	1,012,973
Bond amortization and interest expense	(12,704,930)	(13,324,351)
Federal grant revenue - transit study	1,739,461	820,898
Expenditures - transit study	(1,739,461)	(820,898)
Total nonoperating income (expense)	9,304,465	3,714,910
Change in net assets	(1,344,797)	(9,371,439)
Deficiency in net assets, beginning of year	(44,456,040)	(35,084,601)
Deficiency in net assets, end of year	\$ (45,800,837)	\$ (44,456,040)

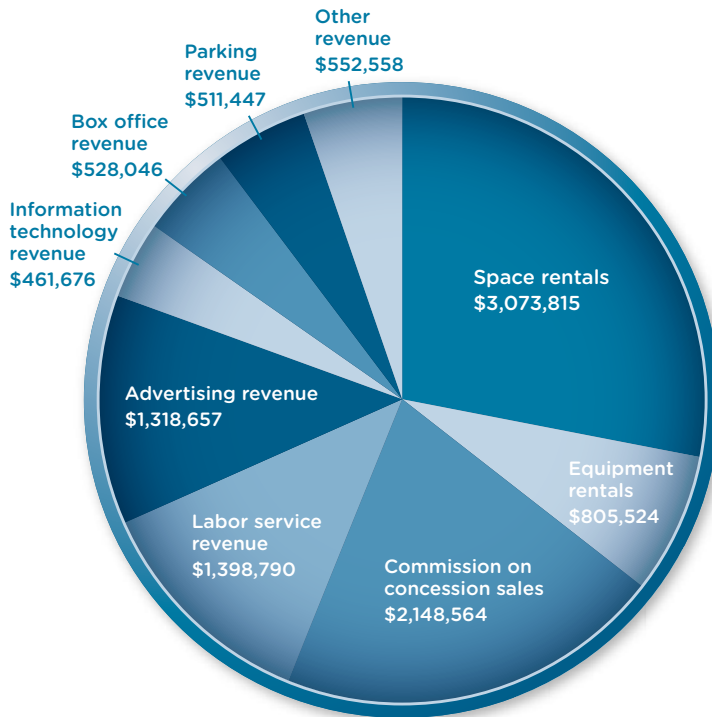
2010 Tax Revenues



2010 Operating Revenues



2009 Operating Revenues



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Frontier Airlines

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