



WISCONSIN CENTER DISTRICT
2008 ANNUAL REPORT

A LETTER FROM OUR CHAIRMAN & PRESIDENT

Dear Reader,

In spite of the challenges of the current economy, 2008 was a good year for the Wisconsin Center District. We understand our clients' financial constraints and we have worked very hard to meet their needs. As a result, we have established a great reputation for service, evidenced by our strong repeat business, which has been very important to our continued success. We also strive to keep members of the community happy by keeping ticket and concession prices down and providing extra value through large group and family package deals. The popularity and success of our events is reflected in our 2008 tax collections, which suggests significant event activity in the greater Milwaukee area.

Some highlights of 2008 included an extraordinarily successful run of children's shows, a number of sold-out concert, theatrical and comedy performances, and the return of the Radio City Rockettes, this time for their first-ever arena tour. The 2008 Presidential campaign brought excitement and a variety of political rallies, banquets and special events to our facilities. It's always fun to have the candidates visit, and we're proud of the great reputation our facilities have for hosting national political events, going all the way back to the Presidential election of 1912.

At WCD we are ever mindful of environmental issues, and seek to be a leader in improving the "green" qualities of our facilities and operations. Aside from the clear environmental benefits, reducing energy costs and waste is critical to the continued success of our venues. As time goes by, we will continue to look for new and inventive ways to save money, conserve energy, serve our customers and protect the environment and our community.

2009 will clearly be a much more challenging year, given the downturn affecting all sectors of the economy. Fortunately, our staff is knowledgeable about industry, audience and marketing trends, well disciplined in adhering to budgets, and highly adept at addressing client needs efficiently. We look forward to maximizing opportunities to provide our customers, at all levels, the best possible service and value at The Milwaukee Theatre, the U.S. Cellular Arena and the Midwest Airlines Center.

Projecting further ahead, 2010 convention bookings are back up again. We continue to seek and find ways to optimize use of our opportunity fund to bring new conventions to Milwaukee. The opportunity fund helps us assure association executives and meeting planners that their events will be financially successful if held in our facilities; it has been an effective competitive tool to attract events that otherwise may not have come to Milwaukee.

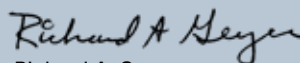
We have so many people to thank for the success of the past year. We first want to thank all of our returning clients, exhibitors, attendees and patrons for their invaluable repeat business. We also wish to thank our sports team tenants – the Milwaukee Wave, the UWM Panthers Men's Basketball program and the Milwaukee Bonecrushers – who bring a lot of excitement and a host of fans to our facilities. We commend our staff for all of their hard work; our continued success would be impossible without their dedication, and thanks in part to them, we have enjoyed 13 consecutive balanced budgets since the District was created in 1995.

Finally, we'd like to thank our board, which is representative of people who have made significant contributions to the betterment of the community in both what they do in their careers and in their volunteer endeavors. They serve on the board without compensation and are very mindful of our fiduciary responsibility to the economic well-being of the hospitality industry in southeast Wisconsin.

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.



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Wisconsin Center District President & CEO



MIDWEST AIRLINES CENTER



Despite the economy, the Midwest Airlines Center remained competitive in the convention industry in 2008, with a number of national conventions from such clients as the Alexander Graham Bell Association for the Deaf and Hard of Hearing, the American Zoo and Aquarium Association, the Ecological Society of America, the National Association for Music Education, the National Association of Councils on Developmental Disabilities, the National Association of State Chief Information Officers, and the Tree Care Industry Association, among others.



WCD also hosted a wide variety of local and national corporate clients including Assurant Health, API Healthcare, Auto-Wares, Bon-Ton Department Stores, Bradley Corporation, CapStone Investments, Funjet Vacations, H&R Block, Harley-Davidson, Kohl's, Metavante, Northwestern Mutual, Reinhart FoodService, Subaru of America, U.S. Bank, U.S. Cellular and U.S. Foodservice, in addition to many others.

Annual and returning conventions and conferences in the Midwest Airlines Center in 2008 included the Society of Plastics Engineers, Wisconsin Association of School Boards, Wisconsin Emergency Medical Services Association, Wisconsin State Reading Association, and the Wisconsin Restaurant Association. The National Wire Technology Processing Expo, a highly successful trade show and District investment, returned for its eighth profitable appearance.

2008 consumer shows included the Metropolitan Builders Association Home Builders Expo, JOY Publications *Wedding Planner & Guide* Bridal Show, Greater Milwaukee Auto Show, Fine Furnishings & Fine Crafts Show, and the Bead&Button Show.

Among our 2008 charitable banquet and ball clients were the Hispanic Chamber of Commerce, Professional Dimensions, AIDS Resource Center of Wisconsin, YWCA, Wisconsin Right to Life, Muscular Dystrophy Association, My Home Your Home, MICAH, Milwaukee Urban League, IndependenceFirst, Multiple Sclerosis Society, NAACP, Christ Child Society, Wisconsin Women's Business Initiative, Teen Challenge of Milwaukee, Partners in Philanthropy, and Neighborhood House.





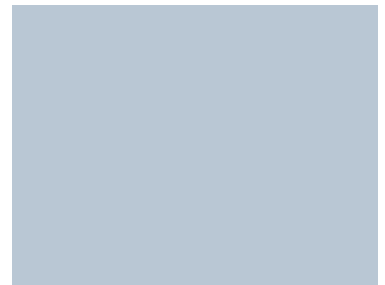
2008 also marked the 10th anniversary of the opening of the Midwest Airlines Center. Designed for visual appeal both inside and out, this hardworking facility was also carefully designed for efficiency and convenience. The Midwest Airlines Center offers customers an extremely flexible environment that anticipates their technical expectations, controls costs, and facilitates hassle-free move-in, show operation and move-out.

In addition, our staff operates the facility with strict attention to customer service, ensuring the return of many of our clients year after year.

U.S. CELLULAR ARENA & WISCONSIN ATHLETIC WALK OF FAME

The U.S. Cellular Arena, Milwaukee's 12,700-seat home for sports, entertainment and assemblies, had another action-packed year in 2008. The year's most popular events included: *Disney's High School Musical: The Ice Tour*, which broke all records for our Disney On Ice shows; the Cream City Blues Festival; Andrew Rieu and the Johann Strauss Orchestra; International Takeover headlined by T.I., Keyshia Cole and Young Jeezy; Jamfest 2008 featuring Lil Boosie and Webbie, Yung Berg and Hurricane Chris; Get Out and Vote 2008 with the Beastie Boys, Ben Harper, Crosby & Nash and Tenacious D; the 2008 Fresh Coast Basketball Classic; and The Cheetah Girls. The U.S. Cellular Arena was again the exclusive Milwaukee venue for the Tripoli Shrine Circus in 2008. The circus has been a staple event since the building opened in 1950, and is always a hit with families.

The U.S. Cellular Arena's biggest coup in 2008 was welcoming The Radio City Christmas Spectacular for eight performances in November during the Rockettes' first-ever arena tour.



The Arena continues to provide affordable, world-class sporting entertainment to its patrons. The Milwaukee Wave, which is now part of the Xtreme Soccer League (XSL), had another successful season, and the UWM Panthers Men's basketball team had a phenomenal year. The Milwaukee Bonecrushers, of the Continental Indoor Football League (CIFL), played their first pro indoor football season in the U.S. Cellular Arena in 2008.



The U.S. Cellular Arena's Wisconsin Athletic Walk of Fame continues to attract visitors and draw the interest of passersby enroute to and from nearby events and nightspots. The next Walk of Fame induction ceremony will take place in November of 2009, in The Milwaukee Theatre.



2008 GRADUATION CEREMONIES

WCD facilities hosted graduation ceremonies for the following institutions in 2008:

Bay View High School
Bryant & Stratton College
Cardinal Stritch University
Divine Savior Holy Angels High School
Lynde and Harry Bradley School of Technology
Hamilton High School
Marquette University
Marquette University School of Business Administration
Marquette University School of Engineering
Marquette University School of Law

Medical College of Wisconsin
Milwaukee Area Technical College
Pius XI High School
Riverside University High School
Rufus King High School for the College Bound
University of Phoenix
University of Wisconsin-Milwaukee



THE MILWAUKEE THEATRE



2008 was another great year at Milwaukee's world-class entertainment venue, The Milwaukee Theatre. The year began with a month-long run of Disney's incredibly popular Broadway production, *The Lion King*. The show was a huge success, bringing in over 110,000 patrons and \$6 million in ticket sales. Nearly every single performance sold out! The year also came to a close with another highly successful show run – two sellouts and one near-sellout of *The Christmas Music of Mannheim Steamroller* by Chip Davis.

In addition to the blockbuster start and finish to the year, highlights of 2008 included: *Ring of Fire: The Music of Johnny Cash*; *Jesus Christ Superstar*; *My Little Pony Live: The World's Biggest Tea Party*; *A Prairie Home Companion* with Garrison Keillor; *The Rat Pack is Back!*; Robin Williams; Randy Jackson Presents *America's Best Dance Crew Live*; Jerusalem Symphony Orchestra; *Disney Live! Winnie the Pooh*; *So You Think You Can Dance* auditions; and Celtic Thunder. Of these, Garrison Keillor and Robin Williams were also effectively sold out.

The National Association for Music Education's 61st National Biennial In-Service Conference presented several outstanding public concerts in The Milwaukee Theatre, including a Milwaukee Showcase featuring the Milwaukee Youth Symphony Orchestra, Milwaukee Children's Choir & Youth Chorale, Trinity Irish Dancers, Ton Ko-Thi Drummers, America Sings and Unkalung Ensemble; An Evening with the Ahn Trio; The President's Own United States Marine Band; and The President's Own United States Marine Ensemble.

The Milwaukee Theatre hosted a variety of corporate assemblies in 2008 for companies that included Metavante, U.S. Cellular Corp., and Northwestern Mutual, among others. The Theatre adds great value to our complex by offering an adjacent assembly venue, and by bringing in revenue through ticket sales, rent, parking fees and concessions to help subsidize convention business.

Since opening in 2003, The Milwaukee Theatre has been embraced by patrons, promoters, producers and artists. Patrons enjoy the luxury, comfort and superior sight lines The Theatre offers. Producers and artists love the efficient layout, the spacious backstage area, the simplicity and flexibility of the seating, and the available technology. For all these reasons and more, The Milwaukee Theatre successfully draws the finest entertainment Milwaukee has to offer, and brings in patrons from all over southeast Wisconsin, many of whom return time and time again.



A CENTURY OF SERVICE

WCD facilities have a 100-year history of serving the Milwaukee community with an endless variety of theatrical, sporting, political, religious and corporate events, convention assemblies, graduations, concerts, and more.

The District is celebrating the centennial over the course of two years, as 2007 marked the 100th anniversary of the groundbreaking of the Milwaukee Auditorium, and 2009 will mark the 100th anniversary of the dedication and opening of the building. The anniversary also acknowledges that our organization, despite changes in name and governance, has functioned continuously over the years as stewards of a growing and evolving campus of public assembly venues.

The Milwaukee Auditorium was a minor marvel when it was dedicated on September 21, 1909. A true multi-use facility – and a predecessor to the modern “convention center” – it was built in part to serve a growing industrial trade show circuit with roots in Milwaukee, and in part to provide our city a public arena for civic, cultural, religious and political assemblies, as well as sports and entertainment. The Auditorium’s cantilevered balcony was an engineering triumph that eliminated support columns from the main hall’s interior, and attached side halls enhanced its versatility, making it possible to host multiple events at the same time. Its success helped fuel the opening of similar municipal auditoriums across the country, especially in the 1930s and 1940s, and the Auditorium gained a second life after being renovated and reopening in 2003 as The Milwaukee Theatre.

WCD unveiled a new anniversary logo in 2008. The celebration will continue in the spring of 2009, when this milestone anniversary is recognized at the Milwaukee County Historical Society’s annual event honoring corporations and community organizations that have contributed to the quality of life in Milwaukee County for many years.



GOING GREEN AT THE WISCONSIN CENTER DISTRICT



In ongoing efforts to be a “greener” organization, WCD has implemented a variety of changes and upgrades to conserve energy and water, increase recycling and reduce waste throughout its facilities and operations. In 2008, we tallied our initiatives, and learned we are actually ahead of the curve in our industry.

The installation of an all-new, efficient HVAC system with recalibrated controls has reduced the District’s energy usage by 10 to 15 percent, and motion sensor lighting controls in restrooms and elevators have reduced electricity usage by 35 to 60 percent. WCD continues to replace less efficient fixtures in its facilities with high-pressure sodium, compact fluorescent, LED and other high-efficiency light sources in further efforts to use less energy. WCD is planning to upgrade the signage at the U.S. Cellular Arena and The Milwaukee Theatre to save energy. To conserve water, WCD installed “low flow” restroom fixtures, including motion sensors and automatic shutoffs.

All disposable food service items used on our premises, including sandwich wrappers, cups and silverware, are now 100% recyclable or made from a high content of recycled materials. WCD also reduces waste by digitally printing a minimal number of annual reports, and instead making it available as a download on the District’s website. We are also working with Levy Restaurants and the waste industry to implement comprehensive, single-stream waste recycling.

WCD will continue its environmentally friendly efforts with ongoing utility cost trend analysis, including the monitoring and regular review of steam, electricity, gas and water consumption, to help identify where greater efficiencies can be achieved.

LOOKING TO THE FUTURE

Unfortunately 2009 is going to be a more challenging year at WCD, especially in terms of convention business. Although convention bookings are down, WCD will play host to many exciting events in the coming year, including conventions and conferences of the American Agricultural Economics Association, the American Needlepoint Guild, the American Orff-Schulwerk Association, the Association of Avian Veterinarians, the Greenleaf Center for Servant Leadership, the International Downtown Association, the National Association of College and University Food Services, and the National Onsite Wastewater Recycling Association.

We are also excited to welcome two new public events to the Midwest Airlines Center in 2009: the first Milwaukee Baby Expo, based on a successful event in Madison, and the Milwaukee Brewers' "Brewers On Deck" pre-season fan expo. In the Milwaukee Theatre, we are looking forward to the return of several highly successful shows that we have hosted in the past, including *Celtic Woman*, *Dora the Explorer Live* and Daniel O'Donnell.

WCD will once again offer bleacher seating when the Great Circus Parade returns to Milwaukee on Sunday, July 12, 2009. In addition to a cushioned seat and a great view, the \$35 ticket includes food and drink vouchers and access to the air-conditioned interior of the U.S. Cellular Arena, where patrons will find restrooms, concessions and giant-screen video coverage of the parade.

With a notable increase in convention bookings, 2010 is shaping up to be a much better year. It also marks another anniversary year for the District, as it is the 60th anniversary of the opening of the former Milwaukee Arena, which underwent a major renovation and was renamed the U.S. Cellular Arena in 2000.

Through both prosperous years and more challenging ones, WCD is proud to serve Milwaukee's downtown hotels, restaurants and businesses by attracting patrons with incomparable service and a wide variety of conventions, concerts, theatrical productions, sporting events, and other exceptional entertainment.



WISCONSIN CENTER DISTRICT Statement of Net Assets
December 31, 2008 and 2007

ASSETS

Current Assets:

	2008	2007
Cash and cash equivalents	\$ 2,951,363	\$ 2,087,145
Accounts receivable, less allowance for doubtful accounts of \$81,643 in 2008 and \$64,241 in 2007	1,055,607	1,313,958
Tax revenues receivable	2,519,899	2,688,706
Loans receivable, current portion	42,511	40,041
Accrued interest receivable	39,852	40,320
Prepaid expenses and other current assets	187,971	208,034
Total current assets	6,797,203	6,378,204

Noncurrent Assets:

Restricted cash and cash equivalents	24,064,971	23,749,703
Loans receivable, less current portion	572,048	614,559
Financing costs, net of accumulated amortization of \$1,316,865 in 2008 and \$1,208,035 in 2007	2,054,531	2,163,361
Capital assets		
Non-depreciable	22,958,953	22,958,953
Depreciable, net	159,312,450	164,963,230
Total noncurrent assets	208,962,953	214,449,806
Total assets	215,760,156	220,828,010

LIABILITIES

Current Liabilities:

Current installments of bonds payable	6,155,000	5,600,000
Accounts payable	1,157,848	687,422
Accrued expenses	477,024	372,716
Accrued interest expense	289,220	320,584
Concession improvement deposits	1,235,000	825,000
Deferred revenue	1,842,392	2,052,053
Obligation under capital lease, current portion	126,211	123,642
Total current liabilities	11,282,695	9,981,417

Long-term Liabilities:

Obligation under capital lease, less current portion	835,640	961,850
Bonds payable, net, less current portion	238,726,422	239,254,668
Total long-term liabilities	239,562,062	240,216,518
Total liabilities	250,844,757	250,197,935

NET ASSETS

Invested in capital assets, net of related debt	1,459,973	4,449,927
Restricted for debt service	3,592,518	3,042,927
Unrestricted (deficit)	(40,137,092)	(36,862,779)
Total net assets (deficit)	\$ (35,084,601)	\$ (29,369,925)

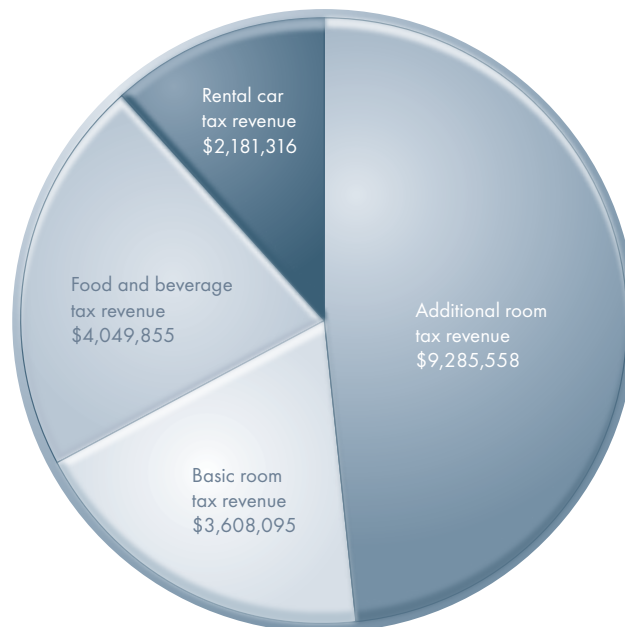
WISCONSIN CENTER DISTRICT Statement of Revenues, Expenses and Changes in Net Assets
 Years Ended December 31, 2008 and 2007

Operating Revenue	2008	2007
Space rentals	\$ 3,319,999	\$ 3,151,015
Equipment rentals	959,691	1,006,797
Commission on concession sales	2,485,749	2,586,395
Labor service revenue	878,684	1,144,329
Advertising revenue	1,266,757	1,328,228
Information technology revenue	564,385	536,655
Box office revenue	799,113	701,089
Parking revenue	630,342	587,974
Other	569,500	367,590
Total operating revenue	11,474,220	11,410,072
Operating Expenses		
Allocated expenses:		
Wages	3,201,372	3,426,375
Utilities	1,792,037	1,666,254
Building maintenance and repairs	1,096,731	970,587
Ticket expenses	86,370	51,921
Other	1,000,890	1,138,582
Total allocated operating expenses	7,177,400	7,253,719
Unallocated Expenses:		
Administrative salaries and wages	1,753,387	1,727,756
Employee benefits	1,756,927	1,279,314
Advertising and promotion	4,785,520	4,678,818
Legal services	14,519	52,366
Insurance	512,054	515,359
Professional services	52,548	27,977
Depreciation and amortization	7,249,079	7,539,612
Other	349,247	359,391
Total unallocated operating expenses	16,473,281	16,180,593
Total operating expenses	23,650,681	23,434,312
Operating loss	\$ (12,176,461)	(12,024,240)

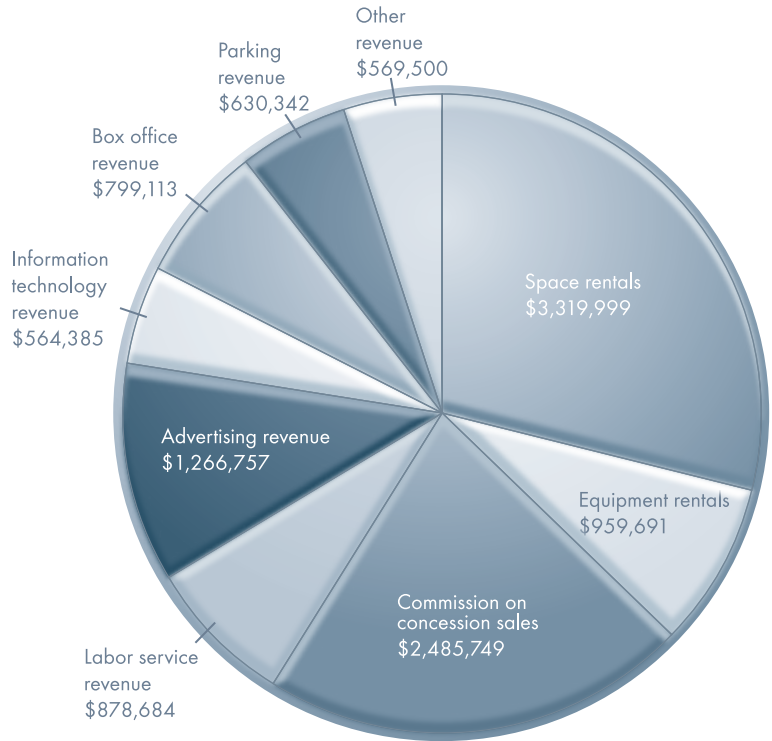
WISCONSIN CENTER DISTRICT Statement of Revenues, Expenses and Changes in Net Assets
 Years Ended December 31, 2008 and 2007 (cont.)

Nonoperating Income (Expense):	2008	2007
Tax revenue		
Additional room tax revenue	\$ 9,285,558	\$ 8,769,839
Basic room tax revenue	3,608,095	3,324,320
Food and beverage tax revenue	4,049,855	3,974,303
Rental car tax revenue	2,181,316	2,056,518
	19,124,824	18,124,980
State of Wisconsin administrative fees	(487,684)	(462,520)
Net tax revenue	18,637,140	17,662,460
Interest income	1,242,517	1,822,500
Bond amortization and interest expense	(13,417,872)	(13,866,258)
Donation revenue - transit study	723	14,403
Federal grant revenue - transit study	243,506	308,031
Expenditures - transit study	(244,229)	(322,434)
Total nonoperating income (expense)	6,461,785	5,618,702
Change in net assets	(5,714,676)	(6,405,538)
Net assets (deficit), beginning of year	(29,369,925)	(22,964,387)
Net assets (deficit), end of year	\$ (35,084,601)	\$ (29,369,925)

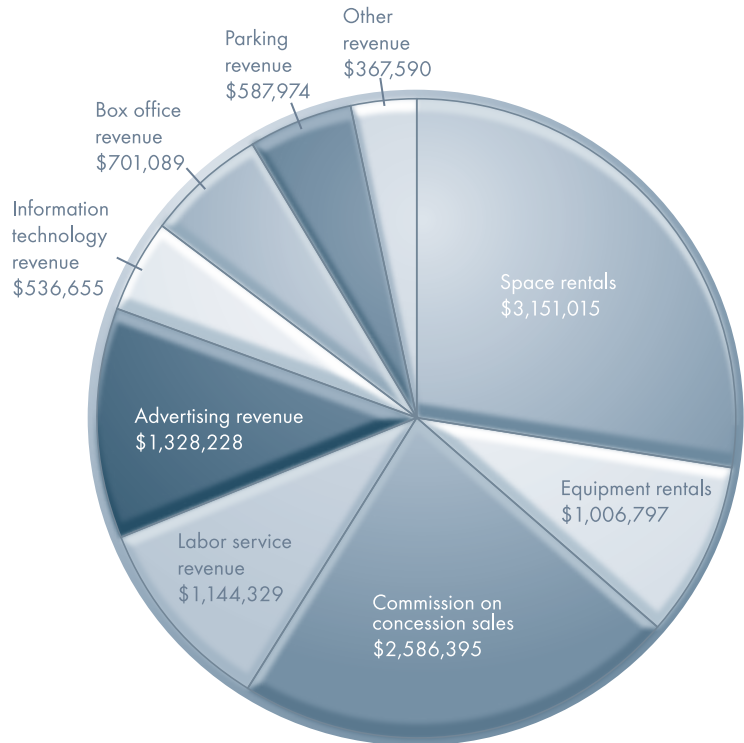
2008 Tax Revenues



2008 Operating Revenues



2007 Operating Revenues



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