

# THE RIVER

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## FOR IMMEDIATE RELEASE

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## PROPOSED CONCERT VENUE UPDATE

Following the June Economic Development Committee meeting, in which “The River” was formally introduced, the committee directed city staff to continue discussions with VY Properties, and negotiate terms for an independent “market analysis”. We certainly understand the desire for the city to conduct thorough due diligence relating to all financial and infrastructural aspects of future growth in the area. Staff subsequently obtained estimates and proposed that VY Properties pay up to fifty thousand dollars, for a “feasibility report” - which is a markedly different study, and would also come with a minimum of a four month timeline to complete.

As a result of further discussions, it has become apparent to us that the city of Wausau is not in a position to meet the infrastructural needs of a development of this scale, which would draw thousands to the city multiple times per week. These include road and traffic improvements to the downtown area and improved public parking. Such infrastructure improvements could take years.

Staff has estimated to VY Properties that in a “best case” scenario, construction for parking and roadway improvements could begin sometime in 2025 or 2026. It was further explained that due to the financial status of the city, money for such improvements would need to be borrowed which could take additional time.

We have notified the Economic Development Committee members that we will no longer be pursuing this development in Wausau at this time. We strongly believe that the regional economy will greatly benefit from the venue, including Wausau, and we will be exploring other potential building site opportunities in the area.

To be clear, our extensive research and business planning has led us to conservatively estimate an economic impact to the local economy of 53 million annually. Our proposed 2.6 million in contribution from the city of Wausau was solely in the form of reverse TIF payments, which means absolutely not one dollar of paid tax by residents would benefit VY Properties. Reverse TIF is a function of time limited, deferred property tax payments in exchange for developing property which, currently is nothing more than a vacant liability to tax payers and the city. The

# THE RIVER

construction and operation of “The River” as proposed would indeed be fully privately funded with the exception of this TIF relief.

We have conducted extensive research via our lengthy business planning process, and we had not been asked to share our expertise either publicly nor privately to date by city staff or council, and while we have offered to share what we can to assist in moving the process with Wausau forward, the City Council has remained focused on questions raised during our initial hearing, which were based solely on information in our press release and out of fear of perceived competition.

Some committee members’ resulting concern, comments, and the action of the council, is a result of the public comments at the June meeting by the Executive Director of the Grand Theater, Sean Wright. In these comments, our proposal was said to be a “Pipe Dream”, with projections classified as “Outrageous”, as the numbers could mean The River would be a top performing venue in the US. The Director also claimed that The River would not serve as a value add and that any money we earn, would be directly taken from the pockets of the Grand Theater. Further, the Grand, via Mr Wright claims that no public money should support such a venue. We would like to give these aggressive comments some context.

Our first meeting, outside of our advisory board members and other stakeholders who were under NDA, was with Sean Wright in his office at the Grand Theater on January 19, 2023. In this meeting we discussed the proposal, the financial realities and limitations to a venue like the Grand with less than 1200 seats and the benefits to having a larger facility in the area. Mr Wright indicated that they have sponsors and patrons that regularly ask for the Grand to bring in acts “like Paul Simon, for example” however they clearly cannot make financial sense of an artist buy of that caliber with only 1200 tickets. We then indicated our intention of being a true value add to the community, and offered a partnership opportunity concept in which the Grand could use The River for several of their own season shows, allowing their ticket holders to indeed see these type of acts through their association with Grand Theater, and allowing the revenue to flow to the Grand from these events. Mr Wright proceeded to decline the concept and further state, “ I think this would be good for the community, but my job is to protect this house, and we will bury this”, continuing to describe the theater’s work in “burying” similar proposals in recent years.

Given this prior position of Mr Wright, we were not surprised to hear the theater publicly oppose our venue. We found it additionally disingenuous to claim venues should not receive public funding assistance, since the grand annually receives significant funding from sources such as room tax dollars, and enjoyed one of it’s most spectacularly profitable years during the COVID shutdown, due to public funding in the form of hundreds of thousand of dollars in CARES act funding. We support these funding sources and believe the theater is deserving, however the aggressive posturing to be the only game in town, even at the expense of encouraging the city to help them maintain a monopoly on ticketed entertainment is deplorable.

Why are “The River” projections indeed reasonably accurate? 1.8 Million people live within 100 miles of Wausau with no other venue of this format or size. That’s a large city, and with incredibly few markets in the nation with this remarkable level of under serviced population, “The River” absolutely would be expected to be a top performing venue in the nation. Further, the radius of travel for concert events extends well beyond 100 miles, proven as even the Grand Theater boasts each year that they draw from nearly all Wisconsin Counties.

# THE RIVER

Taking a look at the thriving music scene in Dane County, and using numbers from only six of the largest concert venues there, presents a seats per capita of .062. The same calculation in Marathon County results in a .009 seats per capita. Even with the addition of 3500 new seats Marathon County would be at less than half seats per capita of the Dane County market.

Finally, looking at a recent post from the Grand Theater, they are ranked 86th in the WORLD as a theater...right here in "Little Wausau". Further, they claim forty four thousand tickets sold midway through the year (post on Facebook 7/5/23) At three times the capacity, we feel it aligns with our conservative and reasonable projection to claim less than three times the ticket sales of the Grand.

The reality is that the Grand is a wildly different service to the community than a facility such as "The River", and progressive communities see the value of both. The Grand wonderfully hosts mid level Broadway shows, tribute bands and legacy acts in addition to community theater type events while "The River" will focus largely on a separate demographic focusing on artists like Kesha, Jake Owen, Jason Mraz, Breaking Benjamin or Mercy Me. In fact, it is essential to have both venues, in addition to smaller venues such as Q&Z Expo, Whitewater Music Hall, and Marathon Park in order to have a competitively relevant economy for the next generation.

We will continue our work to bring this great enhancement to the Wausau Region, and while our initial choice for development on the river will not happen, we are confident that the wonderful benefits to the community a project like "The River" will provide, remain achievable.

For the latest updates and information, visit the venue online @theriverconcerts (Facebook, Instagram) or [www.theriverconcerts.com](http://www.theriverconcerts.com)

Attachments:

- Project Images
- Logos

THE RIVER

# THE RIVER

