

MARKET ASSESSMENT

LOCAL MARKET CONDITIONS

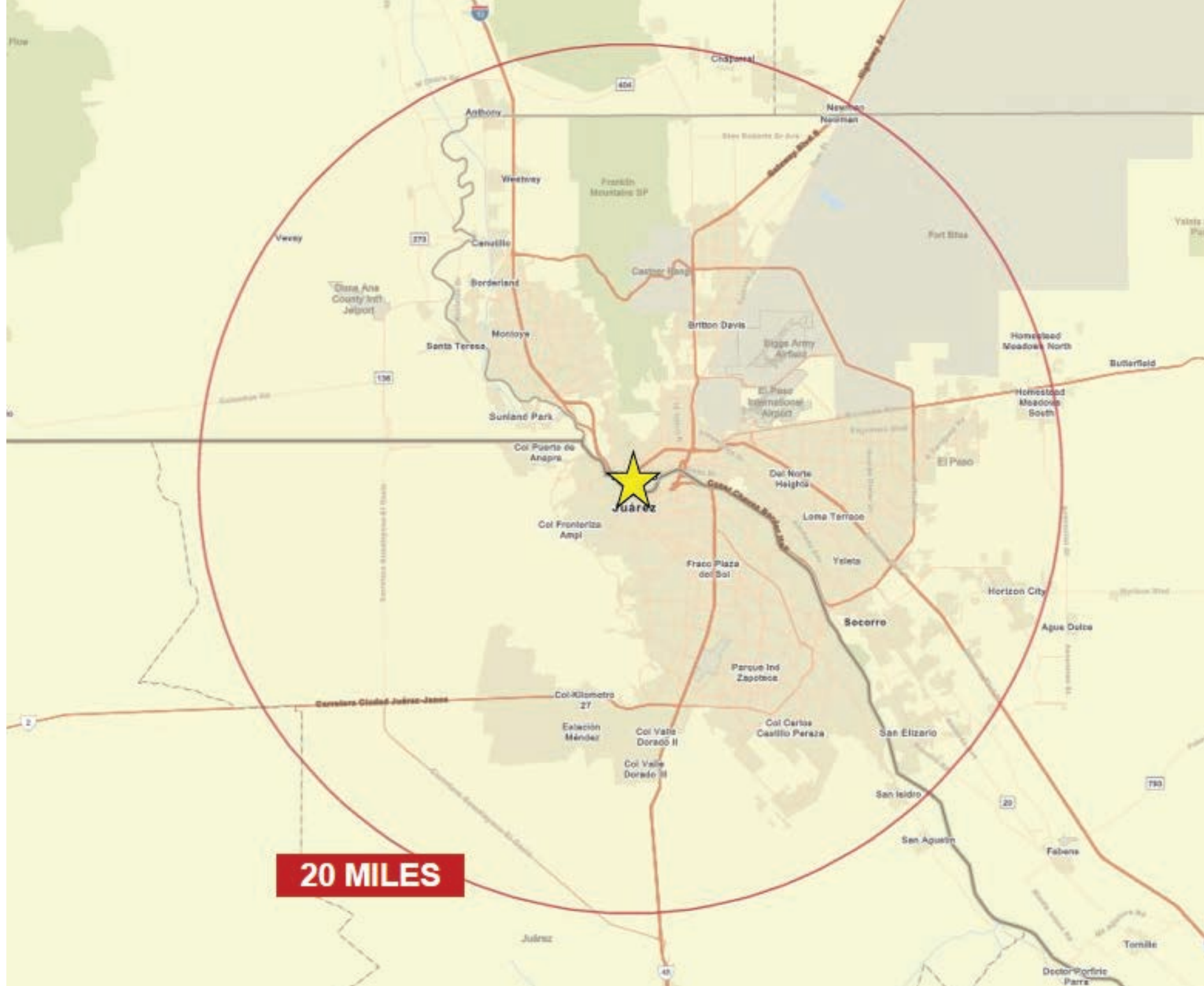
Key Findings

Primary Market: 20-Mile Radius
(I.e., 30-60 Minute Drive Time)

Developed through City of El Paso zip code analysis of event attendees (~80% of visitors)

Similar primary market as other entertainment venues in similarly-sized markets from previous CSL studies

Also includes sizable population base in Ciudad Juárez (1.5M)



NOTE: Primary market represents the area from where the majority of event attendees are estimated to originate. For certain high-profile events, it is anticipated that the secondary market could expand beyond 60 miles (90+ minute drive time)

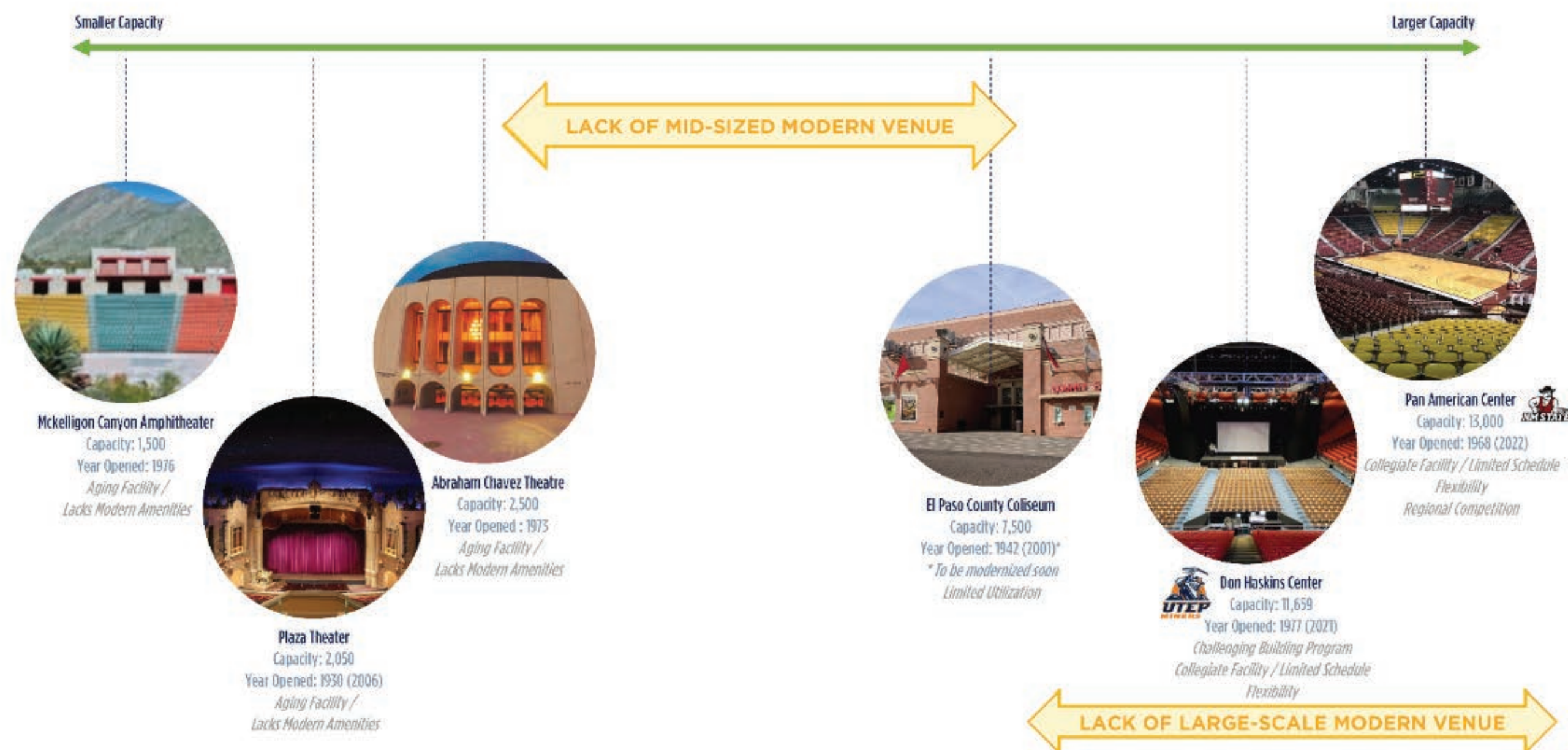
KEY DEMOGRAPHIC & SOCIOECONOMIC CHARACTERISTICS

POPULATION 883,000 (U.S. ONLY) 0.4% GROWTH (DOUBLE THE U.S. RATE)	AGE 33.0 5.9 YEARS YOUNGER THAN U.S.	INCOME \$52,800 27% LOWER THAN U.S. 17% LOWER AFTER COST OF LIVING	DIVERSITY 77.7 9% HIGHER THAN U.S. 83% HISPANIC (U.S. AT 19%)	UNEMPLOYMENT 4.3% (MAY 2022) 19% HIGHER THAN U.S. (3.6%)	CORPORATE BASE 1,100 \$2.0M IN SALES 10+ EMPLOYEES
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KEY TAKEAWAYS

Young Population Presents strong base from which to draw from for entertainment events	Low Income Limits discretionary income available for entertainment events	High Diversity Programming at Performance Center should be geared to cater to all populations in El Paso market	Access to Ciudad Juárez Population in Juarez (1.5 million) could serve as an additional market that could attend the Performance Center
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COMPETITIVE LANDSCAPE



KEY TAKEAWAY

There are multiple market gaps for modern entertainment venues within the greater El Paso market, including both for mid-sized venues (3,000 to 8,000) and large-scale venues (10,000+)

STUDY METHODOLOGY



STAKEHOLDER AND PROMOTER FEEDBACK

Key Organizations Contacted

Note: Only lists organizations contacted to estimate demand for events and attendance and key building program preferences; does not include other project stakeholders or community leaders.



PROMOTER OUTREACH & ESTIMATED UTILIZATION

Strong Market Need for a New Venue Promoters largely agreed that the El Paso market could be better served by the development of a new entertainment venue	Desire for Multi-Purpose / Flexible Venue Promoters indicated a desire for a flexible venue capable of hosting a wide range of events at various levels of capacity	Limited Market Competition There are no venues in the El Paso area that would be directly competitive with the proposed Performance Center. Promoters indicated demand for a mid-sized flexible venue with capacity between 6,000 and 8,000 or a larger arena between 10,000 and 14,000	Juárez Potential The direct proximity of the Juárez market could provide a unique marketplace for Performance Center events, including many Latin/Mexican entertainment acts	Ideal Tour Routing El Paso is ideally situated geographically to pick up event utilization routing between the Dallas/Austin and Phoenix corridor	Potential for Redevelopment of Downtown Multiple promoters noted that the development of the proposed Performance Center could directly lead to the redevelopment and revitalization of the identified site in downtown
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PREFERRED EVENT TYPES



FINANCIAL PROJECTIONS

BUILDING PROGRAM SCENARIOS		
Arena		
Seats	Square Feet	Total Estimated Project Cost
8,000	228,000	\$257,572,000
10,000	285,000	\$321,965,000
12,000	342,000	\$386,357,000
15,000	427,500	\$482,947,000
Flexible Hybrid Venue		
Indoor Seats	Square Feet	Total Estimated Project Cost
4,000	96,000	\$99,840,000
4,000	104,000	\$108,160,000
4,000	112,000	\$116,480,000
4,000	120,000	\$124,800,000
6,250	150,000	\$156,000,000
6,250	162,500	\$169,000,000
6,250	175,000	\$182,000,000
6,250	187,500	\$195,000,000

WE CAN SUSTAIN A 12,000 SEAT MAX

MARKET ASSESSMENT

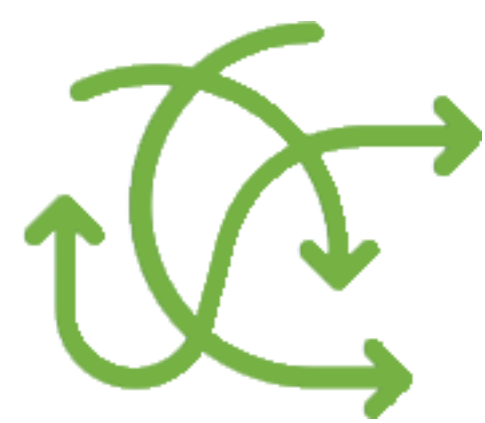
ESTIMATED EL PASO VENUE UTILIZATION



ARENA

Concerts: 22%
Other Events: 27%
Non-Ticketed Events: 51%
Potential for numerous Sporting events
Potential for conventions, Conferences, and trade shows

SEATING CAPACITY:
12,000



FLEXIBLE HYBRID VENUE

Concerts: 60%
Other Events: 3%
Non-Ticketed Events: 37%
Ability to host a variety of Concert types due to flexibility
Indoor & outdoor capabilities

SEATING CAPACITY:
8,000

Estimated Utilization						
	Arena			Flexible Hybrid Venue		
Utilization Summary	Events	Average Attendance	Total Attendance	Events	Average Attendance	Total Attendance
Concerts						
Tier 1	4	12000	48000	0	--	--
Tier 2A	4	10000	40000	7	6000	42000
Tier 2B	4	8000	32000	15	4500	67500
Tier 3	4	7000	28000	25	3000	75000
Tier 4	4	5000	20000	20	1500	30000
Other Performances	5	5000	25000	5	5000	25000
Subtotal	25	7833	193000	72	4000	239500
Other Events						
Family Shows	15	4000	60000	4	2500	10000
Other Sporting Events	10	6000	60000	0	--	--
High School Sports	6	3000	18000	0	--	--
Subtotal	31	4333	138000	4	2500	10000
Non-Ticketed Events						
Community Events	10	750	7500	10	750	7500
Private Rentals	35	150	5250	35	150	5250
Special Events	8	7500	60000	0	--	--
Trade Shows / Consumer Shows	5	7500	37500	0	--	--
Subtotal	58	3975	110250	45	450	12750
Total	114	5,381	441,250	121	2,000	262,000

RECOMMENDED BUILDING PROGRAM



ARENA

SEATING CAPACITY



12,000

TOTAL SEATING CAPACITY

PREMIUM SEATING

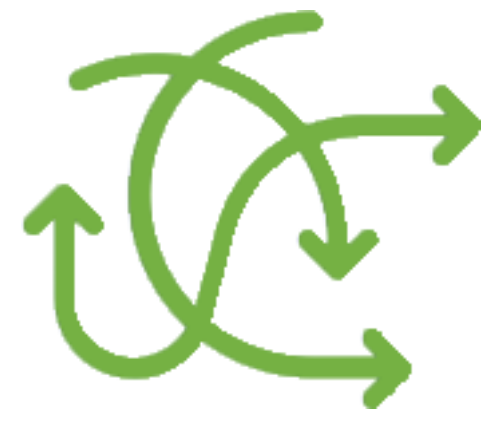


1,000 Total premium seats
600 Club seats
20 Loge boxes (4 seats per box)
20 Luxury suites (16 seats per suite)

OTHER AMENITIES



3,000 Parking spaces
40 Concession points-of-sale
240 WCs & 120 urinals
4+ Locker rooms



FLEXIBLE HYBRID VENUE

SEATING CAPACITY



8,000

TOTAL SEATING CAPACITY

PREMIUM SEATING



350 Total premium seats
250 Club seats
25 VIP boxes (4 seats each)

OTHER AMENITIES



2,000 Parking spaces
27 Concession points-of-sale
160 WCs & 80 urinals
2+ star dressing rooms

PARTNERSHIP OPPORTUNITIES

COMPARABLE VENUE OWNERSHIP STRUCTURES

	Owner	Operator
Arena		
PPL Center	Public	Private
Stockton Arena	Public	Private
CHI Health Center	Public	Public
Amica Mutual Pavilion	Public	Private
Van Andel Arena	Public	Private
Flexible Hybrid Venue		
Toyota Music Factory	Private	Private
KEMBA Live!	Private	Private
Stage AE	Private	Private

63% Publicly Owned

88% Privately Operated

PARTNERSHIP OPPORTUNITIES



Staff Synergies



Maximize Venue Programming



Property Tax Exemption

RECOMMENDED OWNERSHIP STRUCTURE



Venue Owner



Venue Authority



Venue Operator



Private Management Company

EXCLUSIVE PROMOTER BOOKING AGREEMENT

FINANCIAL PROJECTIONS : 3 PROPOSED MODELS

KEY ASSUMPTIONS

- Owned by the City of El Paso
- Assumes no sports team tenant
- Assumes third-party operator
- Parking revenue is not assumed
- All Costs include 30% soft costs
- Base Management Fee: \$300,000
- F&B % Fee to Management: 20%
- Partnerships Commission % Fee to Management: 8%

ARENA	FLEXIBLE HYBRID A	FLEXIBLE HYBRID B
12,000 SEAT CAPACITY	8,000 SEAT CAPACITY 4,000 Indoor / 4,000 outdoor	8,000 SEAT CAPACITY 6,500 Indoor / 1,500 outdoor
Project Cost: \$386M	Project Cost: \$113 M	Project Cost: \$183M
Square Feet: 342,000	Square Feet: 108,000	Square Feet: 175,500
Capital Reserve: (\$1.9 M)	Capital Reserve: (\$565,000)	Capital Reserve: (\$915,000)
Historic Renovation Cost: \$30M	Historic Renovation Costs: \$30 M	Historic Renovation Costs: \$30M
TOTAL COST: \$416M	TOTAL COST : \$143M	TOTAL COST \$213M
City Economic & Fiscal Impact (32-Year NPV)		
Total Output: \$570,914,000	Total Output: \$338,202,000	Total Output: \$365,064,000
Jobs (FTEs): 595	Jobs (FTEs): 260	Jobs (FTEs): 340
Sales Tax Revenue: \$3,154,000	Sales Tax Revenue: \$1,973,000	Sales Tax Revenue: \$2,075,000
Occupancy Tax Revenue: \$2,917,000	Occupancy Tax Revenue: \$1,687,000	Occupancy Tax Revenue: \$1,687,000

FINANCIAL PRO FORMA			
	1. Arena	2. Hybrid Venue A	3. Hybrid Venue B
Operating Revenues, Rental Income, Net	\$1,674,000	\$1,637,000	\$1,637,000
Premium Seating	\$1,622,000	\$982,000	\$982,000
Concessions, Net	\$2,352,000	\$1,948,000	\$1,948,000
Catering, Net	\$750,000	\$595,000	\$595,000
Merchandise, Net	\$266,000	\$155,000	\$155,000
Advertising & Sponsorships, Net	\$1,620,000	\$918,000	\$918,000
Ticket Rebates, Net	\$648,000	\$857,000	\$857,000
Facility Fees	\$662,000	\$499,000	\$499,000
TOTAL REVENUE	\$9,594,000	\$7,591,000	\$7,591,000
Operating Expenses			
Staffing	\$2,811,000	\$2,198,000	\$2,198,000
Management Fees	\$1,526,000	\$1,213,000	\$1,213,000
General & Administrative	\$788,000	\$791,000	\$791,000
Repairs & Maintenance	\$75,000	\$300,000	\$300,000
Utilities	\$1,368,000	\$432,000	\$554,000
Insurance	\$342,000	\$108,000	\$138,000
TOTAL EXPENSES	\$6,910,000	\$5,042,000	\$5,194,000
NET OPERATING INCOME	\$2,684,000	\$2,549,000	\$2,397,000

ARENA
12,000 SEAT CAPACITY
342,000 SF

FLEXIBLE HYBRID A
8,000 SEAT CAPACITY
4,000 INDOOR/4,000 OUTDOOR
108,000 SF

FLEXIBLE HYBRID B
8,000 SEAT CAPACITY
6,500 INDOOR/1,500 OUTDOOR
175,500 SF

ALTERNATIVE SITE FOR MULTIPURPOSE PERFORMING ARTS AND ENTERTAINMENT