



Additional Scenario Analysis

MASTER PLAN FOR THE CAM-PLEX MULTI-EVENT FACILITIES

In Gillette, Wyoming

September 6, 2024



POPULOUS[®]



September 6, 2024

Mr. Aaron Lyles
Executive Director
Cam-Plex Multi-Event Facilities
1635 Reata Drive
Gillette, Wyoming 82718

Dear Mr. Lyles:

In 2023, Conventions, Sports & Leisure International (CSL), in conjunction with Populous and Dowl, completed a market analysis and feasibility study to assist the Campbell County Public Land Board (CCPLB) develop a Master Plan for the Cam-Plex Multi-Event Facilities (Cam-Plex) in Gillette, Wyoming. The final report was issued in February 2024 under a separate cover. Following the completion of the market analysis and feasibility study, the CCPLB and other Gillette/Campbell County community stakeholders engaged in discussions exploring potential funding opportunities for developing the program recommended within the Master Plan. These conversations resulted in a request by the CCPLB for an analysis relating to a new potential development scenario, with a summary of associated analysis findings presented within this document.

The analysis presented in this report is based on estimates, assumptions and other information developed from industry research, data provided by study stakeholders, surveys of potential facility users, discussions with industry participants and analysis of competitive/comparable facilities and communities. The sources of information, the methods employed, and the basis of significant estimates and assumptions are stated in this report. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from those described and the variations may be material.

The findings presented herein are primarily based on analyses of current conditions in Gillette. As in all studies of this type, the recommendations and estimated results are based on competent and efficient management of the subject facilities and assume that no significant changes in the event/utilization markets or assumed immediate and local area market conditions will occur beyond those set forth in this report. Furthermore, all information provided to us by others was not audited or verified and was assumed to be correct. As previously stated, all primary market research was completed for this study in 2023.

The report has been structured to provide decision makers with the foundational information necessary to evaluate issues related to potential future investment in multi-use event facilities in Gillette and should not be used for any other purpose. This report, its findings or references to CSL may not be included or reproduced in any public offering statement or other financing document.

We sincerely appreciate the assistance and cooperation we have been provided in the compilation of this report and would be pleased to be of further assistance in the interpretation and application of our findings.

Very truly yours,

CSL International

CSL International



REVISED SCENARIO ANALYSIS: Overview

COMPLETED STUDY WORK

In 2023, Conventions, Sports & Leisure International (CSL) completed a market analysis and feasibility study to assist Populous and Dowl in the development of a Master Plan for the Cam-Plex Multi-Event Facilities (Cam-Plex) on behalf of the Campbell County Public Land Board (CCPLB). Cam-Plex has the potential opportunity to attract regularly recurring signature events, such as the National High School Finals Rodeo, with improved/expanded facilities. The purpose of the initial analysis was to consider the market potential for improved Cam-Plex facilities and to provide a cost/benefit analysis for potential development scenarios. The final report was issued in February 2024.

RATIONALE FOR REVISED MASTER PLAN

Since receiving the Master Plan recommendations, the CCPLB has held discussions regarding potential funding capacity for the projects, which were projected at approximately \$240.0 million (\$276.8 million in total development costs accounting for the recommended three-phase development approach). These conversations prompted the CCPLB to consider revising the recommended facility program. Components of the Master Plan that were removed from current consideration include the new Hockey Center and partial renovation of the Wyoming Center, new Wrangler and Little Levi Arenas, renovations to Central and East Pavilions and Race Paddocks. This revised program is projected to decrease the construction cost to approximately \$180.4 million (\$207.5 million in total development costs). The analysis on the following pages considers the overall impact of such a Revised Master Plan scenario. Importantly, this reduction in programming would not prohibit Cam-Plex from hosting events such as the National High School Finals Rodeo.

UPDATED MASTER PLAN COMPONENTS

The updated Master Plan presented to the CCPLB and other Gillette and Campbell County community stakeholders included the following program recommendations:

- A new enclosed 5,000-seat arena, an adjacent new 2,200-seat covered arena and two new attached multipurpose barns.
- Replacement of Boxelder stall barns, other covered stalls and maintenance facilities.
- Renovation of racetrack infield arenas.
- Other civil and infrastructure improvements.



REVISED SCENARIO ANALYSIS: Cam-Plex Financial Operations

The analysis presented below includes updated information pertaining to actual fiscal year 2023 data. Cam-Plex has maintained an operational subsidy ranging from nearly \$2.9 million to just under \$3.8 million annually for the past seven fiscal years. In Fiscal Year 2023, Cam-Plex generated nearly \$2.0 million in operating revenue, the most in the past seven fiscal years.

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY17-FY23 Average
Operating Revenues								
Facility Rent	\$1,262,528	\$533,423	\$612,634	\$124,940	\$353,619	\$1,211,608	\$1,389,877	\$784,090
Food Service (net)	\$59,187	\$71,925	\$31,865	\$27,930	\$21,731	\$36,513	\$86,928	\$48,011
Contract services/other	\$411,555	\$348,538	\$318,640	\$223,626	\$269,273	\$456,335	\$484,877	\$358,978
Total Operating Revenues	\$1,733,271	\$953,886	\$963,139	\$376,496	\$644,623	\$1,704,456	\$1,961,682	\$1,191,079
Operating Expenses								
Salaries & Benefits	\$3,241,160	\$2,949,272	\$3,064,046	\$2,955,780	\$2,699,884	\$2,912,079	\$3,392,974	\$3,030,742
Contract labor	\$91,748	\$105,218	\$81,235	\$134,037	\$71,199	\$118,146	\$169,198	\$110,111
Utilities	\$495,820	\$498,602	\$515,756	\$468,107	\$517,018	\$644,978	\$714,561	\$550,692
Repair & Maintenance	\$146,311	\$156,547	\$128,547	\$95,983	\$109,100	\$114,978	\$137,425	\$126,985
General & Administrative	\$265,209	\$328,272	\$191,808	\$185,735	\$168,970	\$199,782	\$320,331	\$237,158
Supplies	\$237,847	\$284,729	\$183,981	\$153,194	\$132,198	\$173,872	\$355,372	\$217,314
Insurance	\$151,370	\$149,896	\$149,141	\$158,866	\$181,634	\$192,820	\$248,343	\$176,010
Other	\$67,477	\$65,127	\$42,814	\$18,119	\$2,039	\$82,578	\$25,224	\$43,340
Total Operating Expenses	\$4,696,942	\$4,537,663	\$4,357,328	\$4,169,821	\$3,882,044	\$4,439,234	\$5,363,428	\$4,492,351
Net Operating Profit/(Loss)	(\$2,963,671)	(\$3,583,777)	(\$3,394,189)	(\$3,793,325)	(\$3,237,421)	(\$2,734,778)	(\$3,401,747)	(\$3,301,273)

Source: Facility management, 2024.

REVISED SCENARIO ANALYSIS: Estimated Development Costs

As shown below, the Revised Master Plan is proposed to be built out in three stages. The first stage would develop important infrastructure to maintain operations through subsequent construction phases. Importantly, removing the cost of a new Hockey Center, redeveloping Wrangler and Little Levi Arenas and renovating the Wyoming Center will reduce the total estimated construction cost to approximately \$39.4 million (\$43.4 million in total development cost). Assuming funding is approved, it is assumed that Phase I would be bid out in 2025, completing construction in approximately 18 months.

Phase II development would remain unchanged and consist of developing the new enclosed and covered arenas, attached warm-up arenas and two new enclosed stall barns with a total capacity of 640 stalls. It is assumed that Phase II would be bid out in 2026 (with some overlap with the completion of Phase I construction) and completing construction in approximately 36 months. Upon completion of Phase II construction, Phase III construction would be bid out (assumed in 2029) and consist of final site work. Removing the cost of redeveloping Central and East Pavilions and the Race Paddock would reduce the total estimated construction cost to \$4.6 million (\$6.2 million in total development cost).

Estimated construction cost for all three phases is approximately \$180.4 million (\$207.5 million in total development costs), reducing the total estimated construction and total development costs by approximately \$59.6 million and \$69.3 million, respectively.

PHASE I DEVELOPMENT COSTS

PHASE II DEVELOPMENT COSTS

PHASE III DEVELOPMENT COSTS

Facility Component	Hard + Soft Const Costs
Site Civil Works	\$22,875,000
Maintenance/Storage Yard	\$2,674,485
Covered Stalls & Parking Space	\$6,991,380
Replace Boxelder Barns & Covered Stalls	\$6,860,700
PHASE I TOTAL CONSTRUCTION COST	\$39,401,565
Assumed Project Escalation to 2025 Bid Year	\$4,038,660
PHASE I TOTAL DEVELOPMENT COST	\$43,440,225

Facility Component	Hard + Soft Const Costs
Site Civil Works	\$12,904,000
New Primary & Secondary Event Arenas	\$103,417,148
Multi-Use Barns	\$20,073,678
PHASE II TOTAL CONSTRUCTION COST	\$136,394,826
Assumed Project Escalation to 2026 Bid Year	\$21,499,234
PHASE II TOTAL DEVELOPMENT COST	\$157,894,060

Facility Component	Hard + Soft Const Costs
Site Civil Works	\$4,596,000
PHASE III TOTAL CONSTRUCTION COST	\$4,596,000
Assumed Project Escalation to 2029 Bid Year	\$1,563,080
PHASE III TOTAL DEVELOPMENT COST	\$6,159,080

Source: DOWL, Populous, 2023.

REVISED SCENARIO ANALYSIS: Financial Operating Impacts

An analysis of estimated operating revenues and expenses associated with the Revised Master Plan was conducted and compared against Scenarios 1 & 3, which represented existing Cam-Plex operations and the projected impacts from the full build-out of the recommended Master Plan, respectively. It is important to review the full report to understand the assumptions used to develop these projections. In addition to these assumptions, additional data from actual Cam-Plex operations during Fiscal Year 2023 were incorporated into this updated analysis. As such, line-items such as Insurance are projected as higher based on updated information.

The exhibit below shows a stabilized year of operations (assumed to occur in Year 11, or Fiscal Year 2033, due to the extended construction timeline) for each of the scenarios analyzed. As presented, while operating expenses are projected to remain relatively consistent between the Master Plan and Revised Master Plan scenarios, the reduction in programmable event space in Spirit Hall and the non-renovated event spaces in Central and East Pavilions would be projected to result in approximately \$850,000 lower annual revenue. The resulting annual net operating deficit for the Revised Master Plan is estimated at nearly \$3.9 million, approximately \$970,000 larger than the Master Plan and slightly larger than the typical year of existing Cam-Plex operations. While the Master Plan scenario presents a greater opportunity to drive rental rate increases by offering modernized, event space above industry-standards, the Revised Master Plan scenario presents challenges with increasing rental revenue. In order to command rate increases, it is important for facilities like Cam-Plex to offer incremental benefit to existing and/or potential new event space users.

In addition to a stabilized year of operations, it is helpful to consider the cumulative 30-year impact on financial operations. As shown, the incremental operating cost over 30 years of the Revised Master Plan is approximately \$31.7 million larger than the Master Plan.

	Annual Financial Operations			Operating Years 1-30 Cumulative		
	Scenario 1: Base Case	Scenario 3: Master Plan	Scenario 4: Revised Master Plan	Scenario 1: Base Case	Scenario 3: Master Plan	Scenario 4: Revised Master Plan
FINANCIAL OPERATIONS						
OPERATING REVENUES						
Rental Income	\$1,786,838	\$3,277,238	\$2,778,933	\$60,688,451	\$103,160,951	\$87,628,724
Food & Beverage	\$50,315	\$484,698	\$128,831	\$1,934,466	\$15,489,644	\$4,130,027
Contract services/other	\$651,634	\$835,837	\$835,837	\$23,984,221	\$43,262,219	\$31,839,333
Total Operating Revenues	\$2,488,787	\$4,597,773	\$3,743,600	\$84,672,672	\$146,423,170	\$119,468,056
OPERATING EXPENSES						
Personnel	\$3,807,515	\$5,167,942	\$5,167,942	\$116,174,965	\$172,317,809	\$172,164,657
Utilities	\$871,046	\$948,380	\$1,020,425	\$28,192,738	\$31,164,141	\$34,008,269
Operations	\$889,502	\$618,866	\$618,814	\$30,098,639	\$20,768,234	\$21,140,611
General & Administrative	\$464,398	\$458,710	\$433,461	\$15,714,140	\$15,310,423	\$14,512,517
Insurance	\$278,500	\$283,500	\$354,500	\$9,467,000	\$9,314,000	\$11,820,000
Total Operating Expenses	\$6,310,961	\$7,477,399	\$7,595,143	\$199,647,482	\$248,874,607	\$253,646,054
NET OPERATING INCOME (LOSS)	(\$3,822,175)	(\$2,879,626)	(\$3,851,543)	(\$114,974,810)	(\$102,451,436)	(\$134,177,998)

REVISED SCENARIO ANALYSIS: Economic Impacts

It is also beneficial to consider the affect of the Revised Master Plan program on the overall economic impact of events held at Cam-Plex. As shown below, the Revised Master Plan scenario would be expected to generate approximately \$1.6 million less in direct spending and \$2.3 million less in total economic output on an annual basis (approximately a 4.1 percent annual reduction). Over the course of 30 years, the Revised Master Plan scenario would result in approximately \$80.3 million less in direct spending and \$115.2 million less in total economic output (approximately a 5.8 percent reduction). This is largely due to the limited impact on hosting some of the largest events, such as the National High School Finals Rodeo. Importantly, adjustments have been made to account for “net new” spending and tax revenue in Campbell County; however, it is estimated that approximately 60 percent of the quantified economic impacts projected for the Master Plan and/or the Revised Master Plan scenarios would be “net new” to the State of Wyoming.

	Annual Economic Impacts			Operating Years 1-30 Cumulative		
	Scenario 1: Base Case	Scenario 3: Master Plan	Scenario 4: Revised Master Plan	Scenario 1: Base Case	Scenario 3: Master Plan	Scenario 4: Revised Master Plan
TOTAL ECONOMIC IMPACTS						
New Hotel Room Nights	23,614	53,444	51,582	822,416	1,489,882	1,449,357
Total Attendee Days	159,315	276,890	264,128	5,796,164	8,418,770	8,139,161
New Non Local Visitor Days	47,846	132,835	128,844	2,401,253	4,311,389	4,222,838
Direct Spending	\$17,171,566	\$40,997,174	\$39,389,628	\$680,722,732	\$1,478,813,329	\$1,398,467,776
Indirect/Induced Spending	\$6,876,884	\$16,357,438	\$15,709,378	\$272,772,391	\$600,944,299	\$566,061,776
Economic Output	\$24,048,450	\$57,354,613	\$55,099,006	\$953,495,122	\$2,079,757,628	\$1,964,529,552
Personal Income	\$8,417,386	\$19,591,973	\$18,797,183	\$331,930,650	\$722,674,996	\$679,673,849
Employment (full & part-time jobs)	300	691	663	11,794	24,149	22,971
State Sales Tax	\$414,208	\$1,255,458	\$1,225,328	\$17,800,218	\$47,394,494	\$44,994,421
County Sales Tax	\$103,552	\$313,864	\$306,332	\$4,450,054	\$11,848,623	\$11,248,605
County Lodging Tax	\$130,850	\$409,503	\$400,496	\$5,388,440	\$13,103,612	\$12,859,946
State Lodging Tax	\$98,138	\$307,127	\$300,372	\$4,041,330	\$9,827,709	\$9,644,959
Total Taxes	\$746,748	\$1,980,429	\$2,232,528	\$31,680,041	\$82,174,438	\$78,747,931

REVISED SCENARIO ANALYSIS: Summary of Key Projections

SUMMARY OF KEY ANNUAL PERFORMANCE PROJECTIONS (2033) ASSOCIATED WITH THE REVISED MASTER PLAN SCENARIO FOR CAM-PLEX MULTI-EVENT FACILITIES IN GILLETTE, WYOMING

(Annual Operating Impacts Upon Stabilization Plus One-Time Construction Period Impact)



ANNUAL EVENTS

418



ANNUAL EVENT DAYS

644



ANNUAL ATTENDANCE

264,100



ANNUAL HOTEL ROOM NIGHTS

51,600



ANNUAL DIRECT SPENDING

\$39.4M

+

ANNUAL INDIRECT/INDUCED SPENDING

\$15.7M

=

ANNUAL ECONOMIC OUTPUT

\$55.1M



ANNUAL PERSONAL INCOME

\$18.8M



ANNUAL EMPLOYMENT (FULL & PART-TIME JOBS)

663



CONSTRUCTION PERIOD IMPACT

\$152.9M



COUNTY SALES TAX

\$306,300



COUNTY LODGING TAX

\$400,500



STATE SALES & LODGING TAX

\$1.5M