Feasibility Analysis of a Potential New Agribusiness Center in Lauderdale County, Alabama

October 21, 2019

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Senator Tim Melson
Chairman
Lauderdale County Agriculture Center Authority
5061 County Road 41
Florence, Alabama 35633

Dear Senator Melson:

Conventions, Sports & Leisure International (CSL) has completed the feasibility study of a proposed new Agribusiness Center in Lauderdale County, Alabama. Phase 1 consisted of a detailed market demand and program analysis. Phase 2 consisted of analyses of cost/benefit and funding issues.

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. All primary market research conducted for this project was completed in early 2018.

The findings presented herein are based on analyses of present and near-term conditions in the Lauderdale County area. As in all studies of this type, the recommendations and estimated results are based on competent and efficient management of the subject facility and assume that no significant changes in the event 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.

The report has been structured to provide study stakeholders with a foundation of research to provide decision makers with the information necessary to evaluate issues related to potential future decisions concerning the proposed development of a new Agribusiness Center 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

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1. INTRODUCTION

1. INTRODUCTION: Project Background

Conventions, Sports & Leisure International (CSL), in collaboration with Populous, was retained by the Lauderdale County Agriculture Center Authority (LCACA) to conduct a feasibility study associated with a proposed new Agribusiness Center near Florence, Alabama. It is understood that the proposed Agribusiness Center may incorporate several types of event facilities/spaces for the purpose of hosting a variety of event types, including concerts and other live entertainment, exhibitions, tradeshows, agriculture/livestock/equestrian shows, festivals and fairs, conferences, meetings, community/civic events, and other such events and uses.

The study process consisted of detailed research and analysis, including a comprehensive set of market-specific information derived from the following:

1. Experience garnered through more than 1,000 multipurpose event facility planning and benchmarking projects throughout the country.
2. Local market visits at the outset of the project, including community and facility tours, and discussions with study stakeholders.
3. In-person and telephone interviews, meetings and focus groups with approximately 100 local Lauderdale County area individuals including LCACA representatives; Lauderdale County, City of Florence, Shoals Chamber of Commerce, Florence/Lauderdale Convention and Visitors Bureau, Shoals Economic Development Authority, local hoteliers and business leaders; and, other visitor industry and other community stakeholders.
4. Benchmarking research and analysis of facility data and interviews conducted with 32 competitive/regional and 17 comparable national multipurpose equestrian, livestock, agricultural and other event facilities.
5. Completed telephone interviews with 50 potential new users of a Lauderdale County Agribusiness Center, including planners of ag/equestrian events, flat floor exhibition shows and events, national and regional touring show promoters, and amateur sporting events/tournaments/competitions.

1. INTRODUCTION: Scope of Work

The feasibility study conducted under this engagement consisted of a detailed set of research and analysis designed to generate informed conclusions regarding the potential new Agribusiness Center as to market demand, building program, event and market performance levels, financial operations, and funding issues.

An outline of the scope of work is provided below.

PHASE 1: MARKET DEMAND ANALYSIS

1. Site visit, tours, meetings
2. Local market conditions
3. Industry characteristics and trends
4. Competition analysis
5. Comparable analysis
6. Potential user telephone surveys
7. Indicated building program

PHASE 2: COST/BENEFIT ANALYSIS

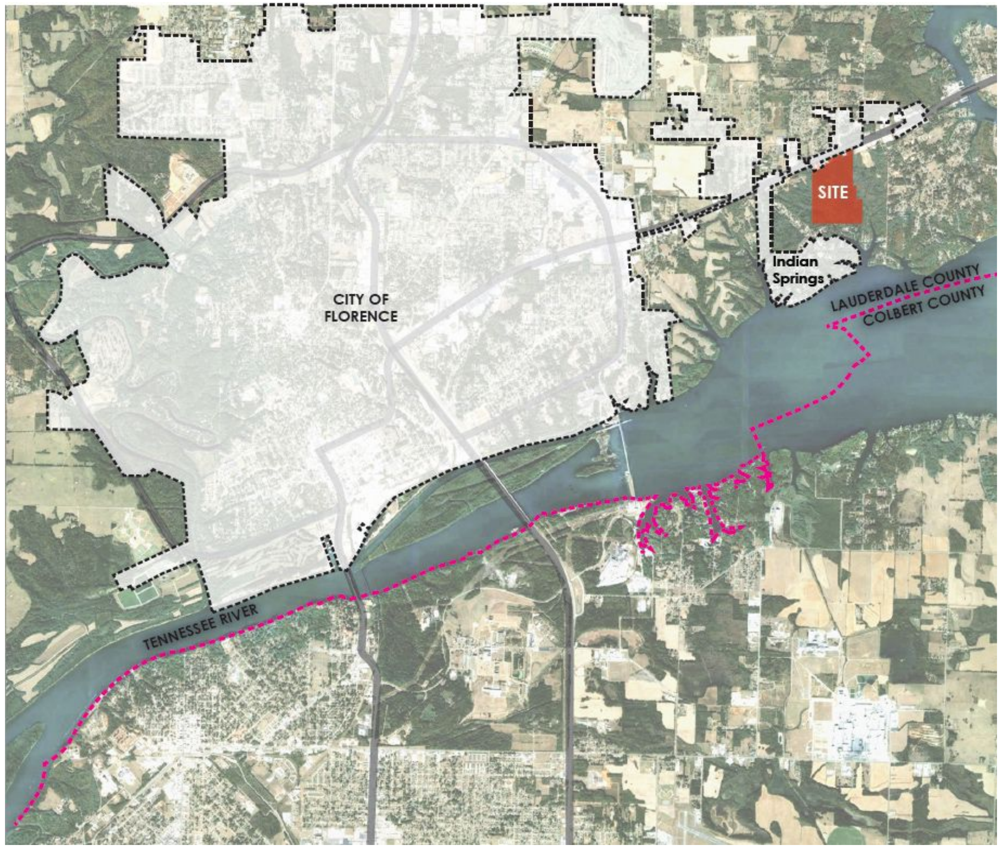
1. Market supportable facility analysis
2. Event/use levels analysis
3. Financial operations analysis
4. Economic impact analysis
5. Cost/benefit analysis and funding issues
6. Preparation of report

CONVENTIONS SPORTS CSL LEISURE

2. LOCAL & REGIONAL ANALYSIS

2. LOCAL & REGIONAL: Proposed Complex Site

In 2017, the State of Alabama approved funding an Agriculture Authority to develop and oversee the operations of a Agribusiness Center near Florence, Alabama. The Agribusiness Center would be developed on approximately 170 acres of privately owned land behind the Florence Fire Station, south of Highway 72/ Florence Boulevard. The intent of the multipurpose event facilities would be to accommodate agricultural, equestrian, livestock, exposition, meetings, amateur sports, concerts, entertainment and other such events. Additionally, Northwest Shoals Community College plans to develop a career and technical center on site to assist in workforce development. Funding for the project comes from an existing two-cent gas tax and Tennessee Valley Authority "In-Lieu-of-Tax" dollars. Additionally, under SB345, the Authority can enter into leases with third parties on its property and retain local sales and use tax revenue generated at the greater Agribusiness Center site.



PROS

1. Main arena at the front of the site. Possibly visible from Florence Blvd
2. Two access point at existing medians/curb cuts
3. Commercial mixed-use development on Florence Blvd
4. Riverside restaurant & marina
5. Educational campus is free standing
6. All AG components are interconnected
7. Has a grand view of the arena from entry

CONS

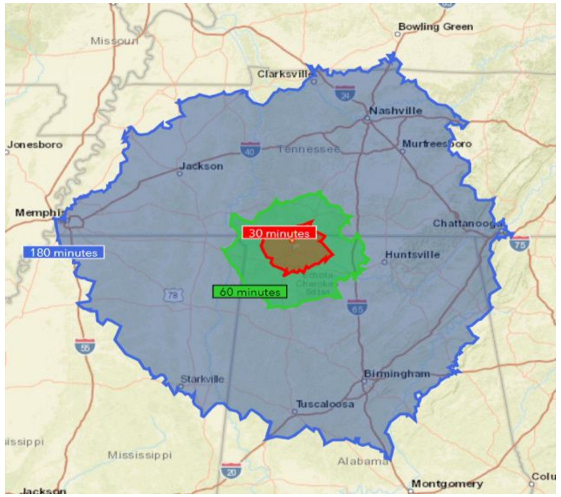
1. AG component is at the back of the site

2. LOCAL & REGIONAL: Key Market Demographics

The exhibit below illustrates the location of Lauderdale County and its proximity to nearby markets. Additionally, the exhibit demonstrates the markets and land area captured within 30-, 60- and 180-minute estimated driving distances from the Proposed facility site. These distances will be utilized throughout the report for analyzing and comparing demographic and socioeconomic variables.

Florence is located in the northwestern portion of Alabama at the confluence of Highways 17, 20 and 72. Less than three hours away along these major roadways include major population centers such as Huntsville to the east, Birmingham to the south, Nashville to the north and Memphis to the west.

As shown, the estimated 2017 population within a 30-minute drive of the Lauderdale County site is approximately 145,500, which is an estimated 5.2 percent increase over the 2000 population within that radius. This increase, as well as the population growth in markets captured by 60- and 180-minute radii, is less than the estimated 11.4 percent increase throughout the state of Alabama and the 12.4 percent increase throughout the U.S.



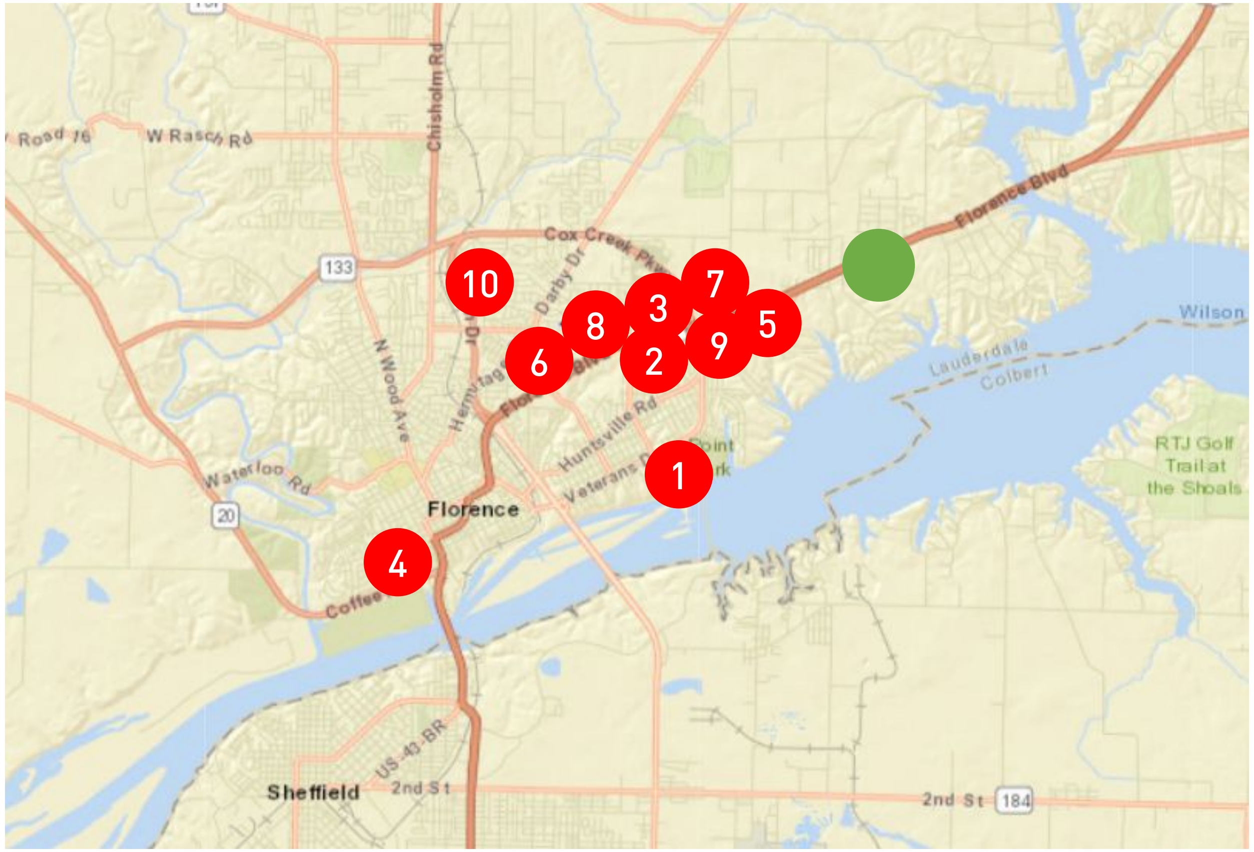
Market	Distance (miles)	Drive Time	Market Population
Huntsville, AL	73	1:26	417,593
Birmingham, AL	118	1:59	1,128,047
Tuscaloosa, AL	125	2:28	219,461
Nashville, TN	131	2:34	1,830,345
Memphis, TN	155	2:44	1,324,108
Chattanooga, TN	174	2:56	547,776
Montgomery, AL	206	3:13	374,536
Atlanta, GA	263	4:16	5,470,795
Pensacola, FL	368	5:41	455,102
New Orleans, LA	404	6:44	1,227,096

Demographic Variable	City of Florence	Lauderdale County	30-minute	60-minute	180-minute	State of Alabama	U.S.
Population (2000)	36,800	88,000	138,400	384,800	6,482,700	4,447,100	281,421,900
Population (2010)	39,300	92,700	143,300	408,600	7,180,800	4,779,700	308,745,500
Population (2017 est.)	39,600	93,500	145,500	416,400	7,616,900	4,951,800	316,297,000
% Change (2000-2017)	*7.5%*	*6.3%*	*5.2%*	*8.2%*	*17.5%*	*11.4%*	*12.4%*
Population (2022 est.)	39,500	93,200	145,900	421,200	7,932,500	5,063,778	327,981,300
% Change (2017-2022)	*-0.2%*	*-0.4%*	*0.3%*	*1.2%*	*4.1%*	*2.3%*	*3.7%*
Avg. Household Inc. (2017 est.)	$ 55,600	$ 61,600	$ 59,600	$ 58,100	$ 68,800	$ 64,300	$ 72,800
Avg. Household Inc. (2022 est.)	$ 63,500	$ 70,800	$ 68,600	$ 66,670	$ 77,900	$ 72,400	$ 83,900
% Change (2017-2022)	*14.2%*	*15.0%*	*15.0%*	*14.8%*	*13.3%*	*12.6%*	*15.3%*
Median Age (2017, in years)	38.7	42.3	42.6	41.2	38.2	39.1	37.7
Businesses (2017 est.)	2,350	3,500	5,800	14,900	264,400	173,000	24,262,000
Employees (2017 est.)	29,820	37,200	61,300	156,800	3,539,900	2,201,000	141,523,800
Employee/Residential Population Ratio	0.74:1	0.40:1	0.42:1	0.38:1	0.46:1	0.44:1	0.45:1

Source: Google Maps, ESRI, 2017

2. LOCAL & REGIONAL: Florence Hotel Inventory

There are 10 hotel properties throughout the city of Florence that offer at least 30 sleeping rooms. As shown, a majority of these hotels are mid-scale properties located within approximately 10 minutes of the proposed Lauderdale County Agribusiness Center site. It is estimated that there are a total of 860 sleeping rooms within the city of Florence, with all of the hotel facilities within a 15 minute drive of the proposed facility site.



1	Marriott Shoals Hotel and Spa	199
2	Residence Inn by Marriott	110
3	Hampton Inn Midtown	90
4	Hampton Inn and Suites Downtown	88
5	Holiday Inn Express	80
6	Knights Inn	80
7	Comfort Suites	68
8	Baymont Inn and Suites	64
9	Quality Inn	48
10	Budget Inn	32

Source: Florence/Lauderdale Convention and Visitors Bureau, 2017

2. LOCAL & REGIONAL: Local Event Facilities

There are currently 3 primary event facilities within the Lauderdale County and Florence region that could possibly compete with the proposed Ag Center including the Florence-Lauderdale Coliseum, Flowers Hall at the University of Northern Alabama, a 4,000 seat basketball arena, and the Marriott Shoals Hotel and Spa with an 11,840-square foot ballroom, 19 meeting rooms spanning 11,400 square feet and 199 hotel rooms. Additionally, the Inspiration Landing development, across the Tennessee River in Sheffield, is currently in the planning stages. As envisioned, the development would include a 10,000-seat amphitheater and 47,000-SF event center.

1 **Florence-Lauderdale Coliseum –**
10,000-square foot exhibition space with bleacher seating

2 **Flowers Hall – UNA –**
4,000-seat basketball arena

3 **Marriott Shoals Hotel and Spa –**
11,840 SF ballroom, 11,400 SF meeting space, 19 breakout meeting rooms, 199 hotel rooms

4 **Inspiration Landing (proposed) –**
Proposed 10,000-seat amphitheater, event center, marina & mixed use

Source: Florence/Lauderdale Convention and Visitors Bureau, 2017

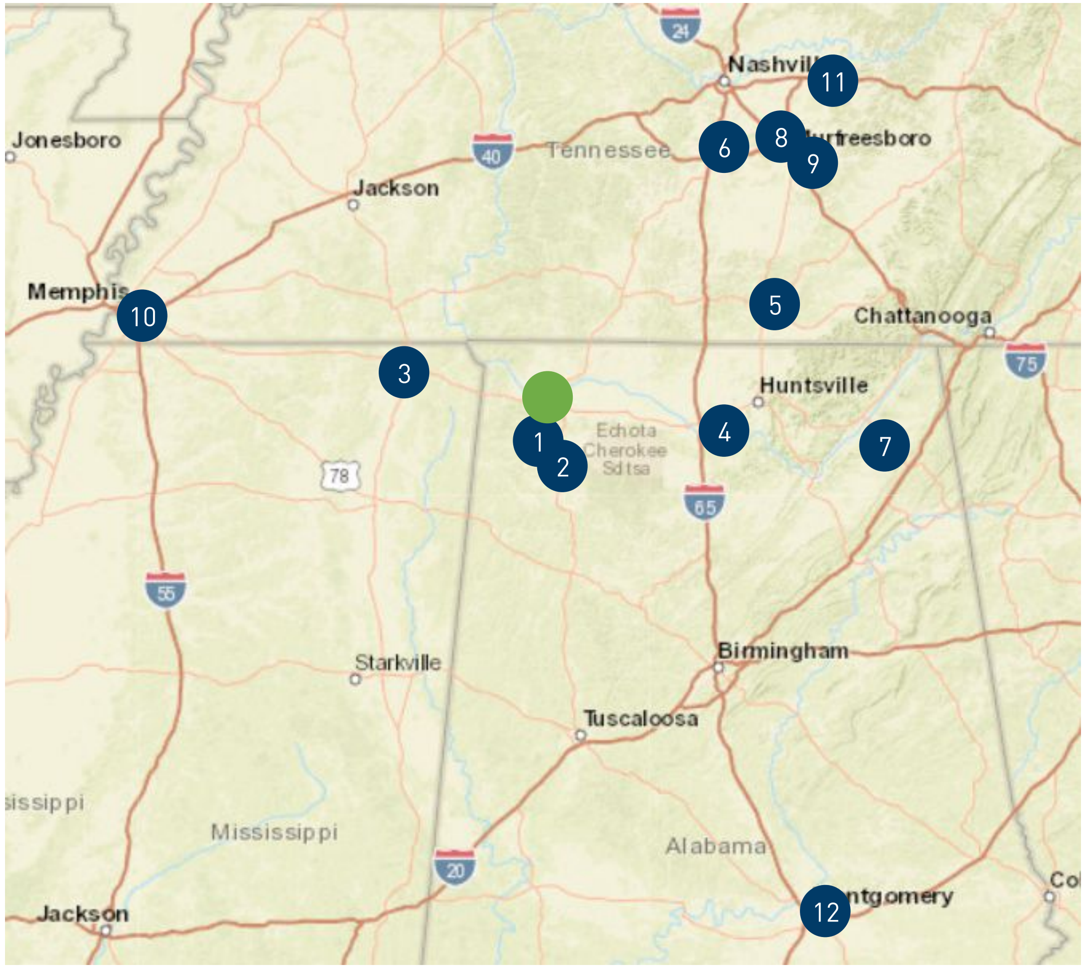
2. LOCAL MARKET ANALYSIS: Inspiration Landing

The City of Sheffield, Alabama and a private developer group are currently working on a project to develop a resort destination along the Tennessee River spanning over 300 acres including 150-room hotel, a 47,000-square foot event center, 4,000 fixed-seat amphitheater with an additional 6,000 lawn seating, and a 200 slip marina. The total project is estimated to cost $160 million. Additionally, retail shopping and restaurants are planned to be included in development area surrounding the complex. Partial funding has been established for the development; however, additional investment is needed before construction begins on the project.

2. LOCAL & REGIONAL: Competitive Equine/Fair/Expo Facilities

CSL identified 12 fairgrounds and expo facilities throughout the region that would compete for similar event activity to the proposed Lauderdale County Agribusiness Center. A state-of-the art Lauderdale County equestrian/livestock/exposition event facility would experience limited competition from its immediate competitors within 10 miles, however regional competition from Decatur, AL, Corinth, MS, Shelbyville, TN and others may provide significant competition.

	FACILITY	CITY, STATE	TOTAL HORSE STALLS	INDOOR EVENT SPACE	DISTANCE TO FLORENCE (MILES)
1	North Alabama State Fairgrounds	Muscle Shoals, AL	50	48,000	6
2	Longhorn R Arena	Tuscumbia, AL	-	30,000	7
3	Crossroads Arena	Corinth, MS	200	45,000	59
4	Celebration Arena	Decatur, AL	650	46,400	62
5	Calsonic Arena	Shelbyville, TN	1,500	48,000	98
6	Williamson County Ag Expo	Franklin, TN	194	49,050	109
7	Northeast Alabama Agribusiness Center	Rainsville, AL	-	80,000	130
8	Tennessee Miller Coliseum	Murfreesboro, TN	500	46,800	136
9	Tennessee Livestock Center	Murfreesboro, TN	214	14,300	136
10	Agricenter International	Memphis, TN	632	96,200	147
11	Wilson County Fairgrounds	Lebanon, TN	110	68,600	157
12	Alabama National Fair	Montgomery, AL	600	77,700	209
	AVERAGE		390	53,000	105

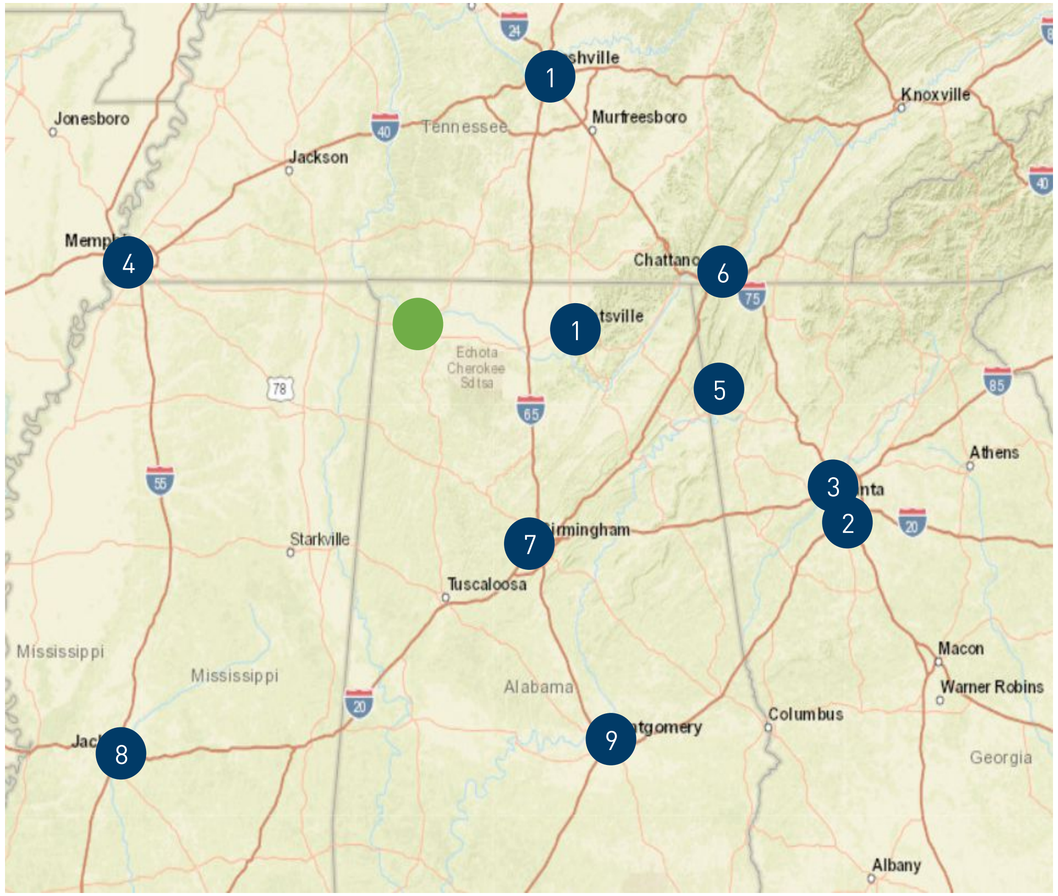


Source: Facility management, 2017.

2. LOCAL & REGIONAL: Competitive Exhibition Facilities

Nine flat floor event facilities throughout the region were identified that fall within the competitive spectrum for various rotating convention, conference, banquet, meeting, corporate, tradeshow, public/consumer show, and other such events. Only one facility, the Von Braun Center in Huntsville, is within 100 miles of the proposed Lauderdale County Agribusiness Center.

	FACILITY	CITY, STATE	DISTANCE TO FLORENCE	EXHIBIT SPACE	TOTAL SPACE	LARGEST CONTIGUOUS EXHIBIT
1	Music City Center	Nashville, TN	121	353,100	519,900	353,100
2	Georgia International Convention Center	College Park, GA	266	151,200	206,600	151,200
3	Cobb Galleria	Atlanta, GA	265	144,000	189,100	144,000
4	Memphis Cook Convention Center	Memphis, TN	156	160,100	233,800	125,000
5	Von Braun Center	Huntsville, AL	73	109,200	163,800	100,800
6	Chattanooga Convention Center	Chattanooga, TN	173	100,800	144,800	100,800
7	Birmingham-Jefferson Convention Complex	Birmingham, AL	116	205,800	274,700	95,800
8	Jackson Convention Complex	Jackson, MS	273	60,000	107,600	85,000
9	Renaissance Montgomery Hotel and Spa	Montgomery, AL	206	75,500	104,400	75,500
	AVERAGE		183	151,100	216,100	136,800

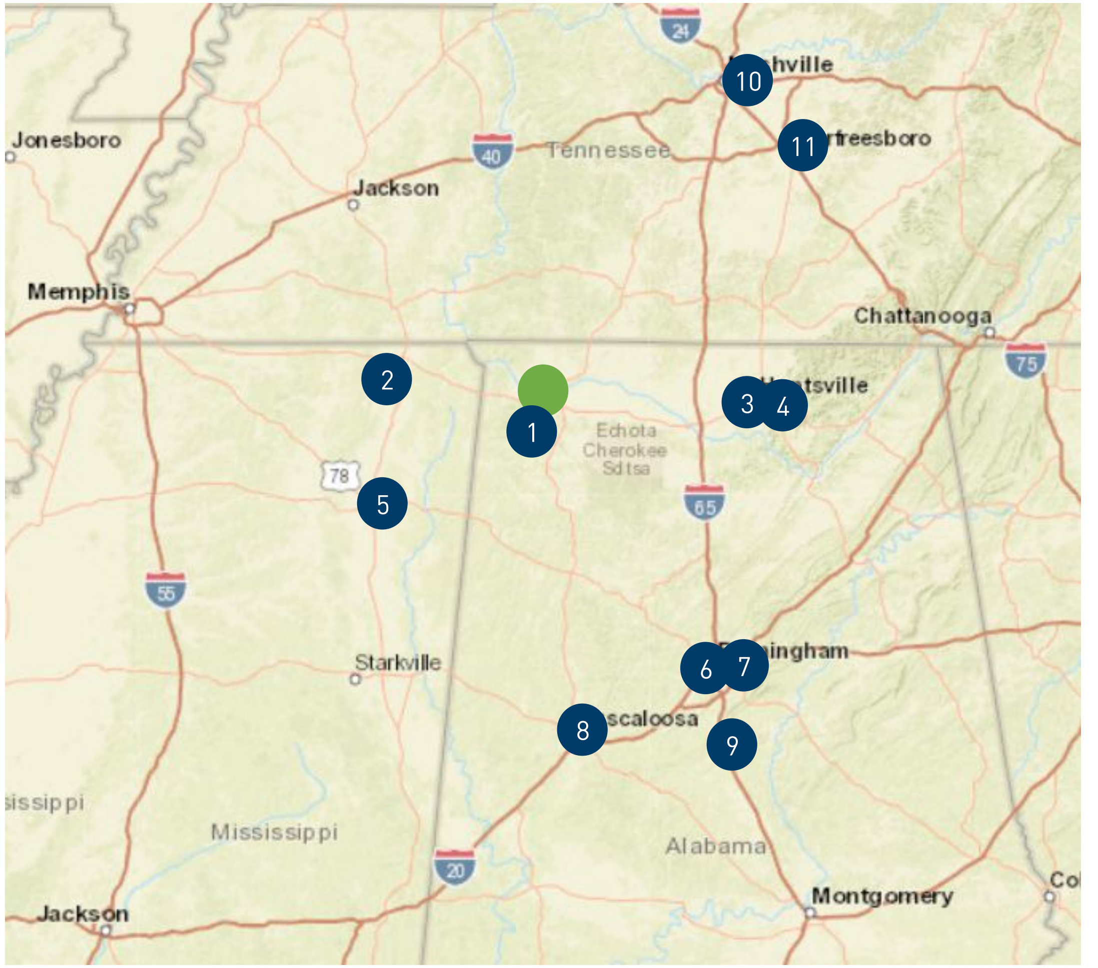


Source: Facility management, 2017.

2. LOCAL & REGIONAL: Competitive Entertainment Facilities

CSL identified 11 arenas and amphitheaters throughout the region that would compete for similar concert and entertainment event activity the proposed Lauderdale County Agribusiness Center would seek to attract. Population density, established presence and roadway accessibility of competitor markets will be obstacles for the Lauderdale County facility in order to attract event activity over these markets.

	FACILITY	CITY, STATE	YEAR BUILT/ RENOVATED	MAX SEATING CAPACITY	DISTANCE TO FLORENCE (MILES)
1	Inspiration Landing (1)	Sheffield, AL	2018	10,000	4
2	Crossroads Arena	Corinth, MS	1999	9,000	59
3	Mark Smith Concert Hall at the VBC	Huntsville, AL	2010	1,955	61
4	Propst Arena	Huntsville, AL	2010	9,000	107
5	Bancorp South Arena	Tupelo, MS	1993	10,000	92
6	Concert Hall at the BJCC	Birmingham, AL	2009	2,800	103
7	Arena Birmingham at the BJCC	Birmingham, AL	1991	15,800	110
8	Tuscaloosa Amphitheatre	Tuscaloosa, AL	2011	8,410	111
9	Oak Mountain Amphitheatre	Pelham, AL	-	10,500	115
10	Ascend Amphitheatre	Nashville, TN	2015	6,800	130
11	Murphy Center	Murfreesboro, TN	1972	11,520	136
	AVERAGE			8,700	89



Source: Facility management, 2017.
(1) Inspiration Landing is currently still in the planning phase awaiting funding.

2. LOCAL & REGIONAL: Conclusions

The Lauderdale County and greater Shoals area is a unique destination situated in northwest Alabama. Important aspects of the surrounding destination as they relate to the potential opportunity for developing a new Agribusiness Center include:

- The city of Florence is located near the border of Mississippi and Tennessee, with drivable access to markets such as Huntsville, Birmingham, Tuscaloosa, Tupelo (MS), Nashville (TN) and Memphis (TN) and more than 7.6 million residents. Additionally, Florence is within a three-hour drive of four major airports, providing daily non-stop access to nearly 50 domestic markets.
- There are approximately 860 sleeping rooms within the city of Florence, with all of the hotel facilities within a 15 minute drive of the proposed facility site, including the 199-room Marriott Shoals Hotel and Spa and the 110-room Residence Inn by Marriott.
- Lauderdale County and the greater Shoals market is a regional economic center for education (University of North Alabama, Northwest Shoals Community College and Heritage Christian University campuses located within the market), health care (Eliza Coffee Memorial Hospital) and retail.
- The music heritage and history present in Muscle Shoals recording studios and the Helen Keller birthplace offer unique destination attractions.
- There are a number of competitive regional equestrian, livestock and agricultural event facilities; however, facilities located in northern Alabama and Mississippi are somewhat lacking in terms of state of the industry event spaces, while the more complete event facilities are located in the larger metropolitan markets of Memphis and Nashville and tend to serve a different market segment than what a new Agribusiness Center in Lauderdale County would be expected to pursue.
- Large exhibition facilities exist in regional metropolitan areas with greater population bases than what currently exists in Lauderdale County. This market segment is expected to consume some limited use of a new Agribusiness Center in Lauderdale County among smaller, niche and/or price sensitive events.
- Similarly, sufficient supply of entertainment arena and event venues exist throughout the greater regional area suggesting that most large touring shows and promoted acts would likely route through other existing facilities and markets. Limited usage of a new Agribusiness Center in Lauderdale County is possible among market segments targeting the local demographic base (e.g., college students, families, certain specific acts).

3. COMPARABLE ANALYSIS

3. COMPARABLE ANALYSIS: Ag/Equestrian Facilities

The facilities reviewed primarily focus on attracting a variety of agricultural, equestrian, livestock or other fair-related events, public, consumer and trade shows requiring significant amount of flat floor space, indoor amateur sports tournaments, and other such event activity. On average, the facilities reviewed consist of 180 acres of space, offer approximately 530 total stalls and 110 RV hookups. Seating in the largest enclosed arena averages 4,700 seats.

Facility	City, State	Ownership Structure	Size (in acres)	Total Stalls	RV Hookups	Largest Arena Seating
Kansas Star Event Center Arena	Mulvane, KS	Private	60	180	50	6,000
Georgia National Fairgrounds	Perry, GA	State	1,100	2,056	300	4,400
Osceola Heritage Park	Kissimmee, FL	County	150	600	50	10,500
Tunica Arena and Expo Center	Tunica, MS	County	88	605	83	5,500
Central Kentucky Agriculture-Exposition Center	Liberty, KY	County	160	402	50	0
Western North Carolina Agricultural Center	Fletcher, NC	State	87	874	132	3,000
Williamson County Ag Expo Park	Franklin, TN	County	109	110	0	4,180
Wilson County Fairgrounds	Lebanon, TN	County	157	110	0	3,100
Idaho Horse Park	Nampa, ID	City	180	700	44	12,600
Taylor County Expo Center	Abilene, TX	501(c)3	117	750	502	5,000
Clark County Fair Exhibition Center	Ridgefield, WA	County	170	222	25	225
Bell County Expo	Belton, TX	County	43	220	12	6,000
Extraco Events Center	Waco, TX	County	50	710	250	6,000
Deschutes County Fair	Redmond, OR	County	132	400	106	4,000
Larimer County Fairgrounds	Loveland, CO	County	244	360	50	5,300
Mallet Event Center and Arena	Levelland, TX	County	150	288	84	2,133
Stephens County Free Fairgrounds	Duncan, OK	County	79	465	125	2,000
Average			**181**	**530**	**110**	**4,700**
Median			**132**	**400**	**50**	**4,400**

Source: Facility management, 2017.

3. COMPARABLE ANALYSIS: Ag/Equestrian Facilities

On average, the facilities reviewed offer two enclosed arenas, one covered arena, three livestock/equestrian barns and three flat-floor event halls. The largest single space among reviewed facilities offers approximately 54,200 square feet of space, while the average facility reviewed offers a total of approximately 117,500 square feet of indoor event space.

Facility	Event Buildings	Enclosed Arenas	Covered Arenas	Outdoor Arenas	Barns	Event Halls	Largest Contiguous Exhibit Space	Total Indoor Event Space
Kansas Star Event Center Arena	4	1	1	0	1	1	42,000	55,230
Georgia National Fairgrounds	20	4	3	0	5	8	84,500	208,000
Osceola Heritage Park	4	2	0	0	1	1	47,900	100,400
Tunica Arena and Expo Center	4	1	2	0	1	0	100,000	149,300
Central Kentucky Agriculture-Exposition Center	5	1	0	1	2	1	70,000	74,000
Western North Carolina Agricultural Center	16	2	1	3	7	3	45,000	112,300
Williamson County Ag Expo	6	1	2	0	2	1	45,000	49,050
Wilson County Fairgrounds	12	0	1	1	3	7	52,000	68,570
Idaho Horse Park	10	2	1	2	5	0	63,000	100,800
Taylor County Expo Center	10	2	2	0	2	4	26,800	114,200
Clark County Fair Exhibition Center	12	1	0	1	6	4	97,200	183,600
Bell County Expo	7	2	1	0	1	3	55,000	127,800
Extraco Events Center	7	2	1	0	2	2	38,800	108,000
Deschutes County Fair	12	1	1	1	5	4	40,000	92,600
Larimer County Fairgrounds	11	3	0	2	0	6	45,000	220,800
Mallett Event Center and Arena	4	1	0	0	1	2	25,200	101,325
Stephens County Free Fair	7	2	0	1	3	1	32,500	69,200
Average	**9**	**2**	**1**	**1**	**3**	**3**	**54,200**	**117,500**
Median	**7**	**2**	**1**	**0**	**2**	**2**	**46,500**	**104,700**

Source: Facility management, 2017.

3. COMPARABLE ANALYSIS: Ag/Equestrian Facilities – Demographics

The table below compares the population, average household income, and corporate base present within the 30-minute drive time, 60-minute drive time and 180-minute drive time of the venues in the 17 identified markets. Markets are sorted by their 30-minute drive time metrics.

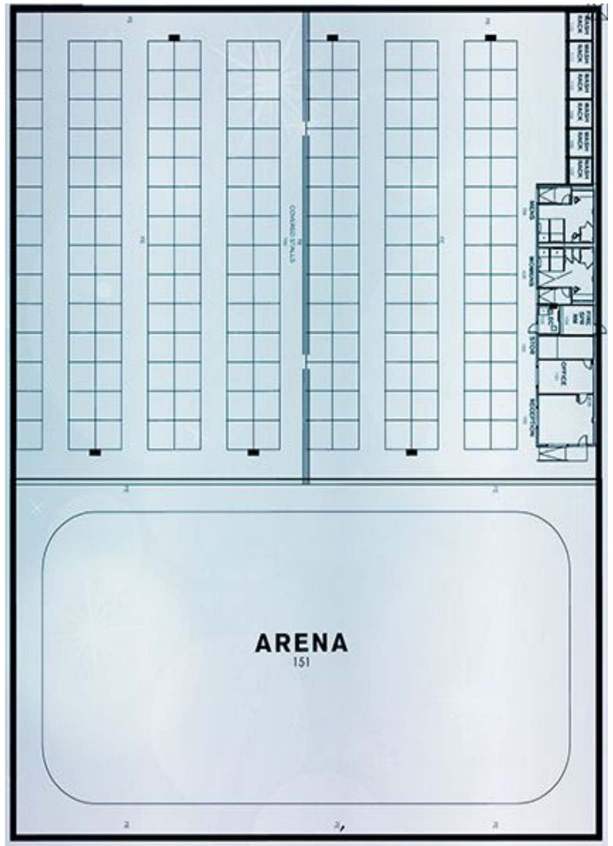
POPULATION			
Market	30-minute	60-minute	180-minute
Kissimmee, FL	643,833	2,961,881	14,034,245
Nampa, ID	624,001	769,798	1,056,485
Loveland, CO	577,947	2,158,036	5,173,961
Mulvane, KS	457,416	712,445	5,487,482
Ridgefield, WA	454,948	2,149,260	7,083,895
Belton, TX	393,600	1,868,362	17,569,650
Fletcher, NC	317,786	1,062,959	11,309,115
Perry, GA	278,920	581,698	10,628,955
Waco, TX	254,324	586,593	17,502,069
Lebanon, TX	251,999	1,716,342	8,720,142
Redmond, OR	172,680	228,833	2,125,512
Abilene, TX	163,490	228,413	6,939,073
Florence, AL	145,495	416,373	7,616,882
Levelland, TX	81,528	384,958	1,708,266
Duncan, OK	47,058	242,620	9,383,505
Liberty, KY	38,948	269,725	7,209,059
Tunica, MS	31,199	885,179	4,161,416
Average	290,304	1,013,146	8,100,571
Rank (out of 17)	13	12	8

AVG. HOUSEHOLD INCOME			
Market	30-minute	60-minute	180-minute
Loveland, CO	89,042	87,848	90,494
Ridgefield, WA	80,788	86,614	87,590
Lebanon, TX	74,358	79,150	65,869
Redmond, OR	74,300	73,451	71,573
Belton, TX	69,631	82,220	87,232
Nampa, ID	69,445	70,009	66,759
Fletcher, NC	66,742	62,093	67,836
Mulvane, KS	66,384	70,414	73,913
Levelland, TX	66,254	67,768	67,206
Kissimmee, FL	65,822	71,124	71,544
Abilene, TX	65,698	63,704	80,906
Waco, TX	65,654	67,623	87,030
Duncan, OK	64,484	62,941	83,918
Perry, GA	63,293	61,394	73,515
Florence, AL	59,641	58,129	68,798
Tunica, MS	53,424	59,584	61,874
Liberty, KY	43,245	51,095	67,566
Average	$66,950	$69,100	$74,900
Rank (out of 17)	15	16	11

CORPORATE BASE			
Market	30-minute	60-minute	180-minute
Nampa, ID	21,525	25,708	38,729
Kissimmee, FL	21,253	95,261	487,533
Loveland, CO	21,015	85,071	199,279
Mulvane, KS	16,779	24,576	199,896
Ridgefield, WA	16,484	83,526	269,275
Fletcher, NC	14,980	39,199	378,502
Belton, TX	9,910	56,010	556,829
Redmond, OR	8,969	10,541	76,259
Perry, GA	8,336	18,798	376,767
Waco, TX	8,322	18,609	573,399
Lebanon, TX	7,629	63,742	296,033
Abilene, TX	5,979	9,035	236,889
Florence, AL	5,765	14,857	264,354
Levelland, TX	2,459	13,673	62,075
Duncan, OK	1,738	7,936	320,670
Liberty, KY	1,175	9,344	247,259
Tunica, MS	600	30,646	140,721
Average	10,200	35,700	278.000
Rank (out of 17)	13	12	9

Source: Esri, 2017.

3. COMPARABLE ANALYSIS: Kansas Star Event Center and Arena



FACILITY: Kansas Star Event Center and Arena

City, State: Mulvane, Kansas

Owner: Boyd Gaming

Operator: Boyd Gaming

Facility Specs:

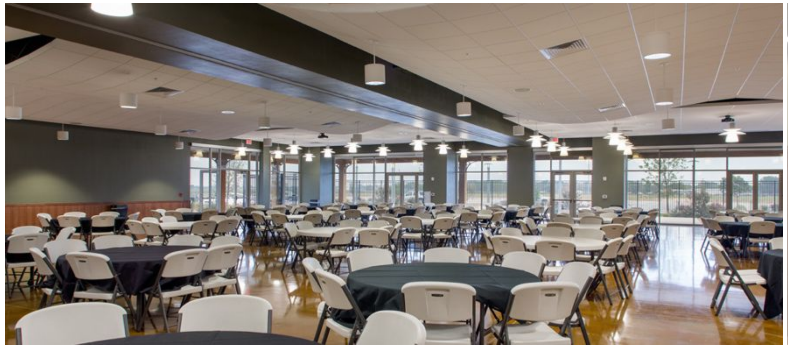
Exhibit Space:	42,000 sf
Ballroom Space:	11,230 sf
Largest Indoor Arena:	42,000 sf
Max Arena Seating:	6,000 seats
Stalls:	180 stalls
Covered Warm-up Arena	

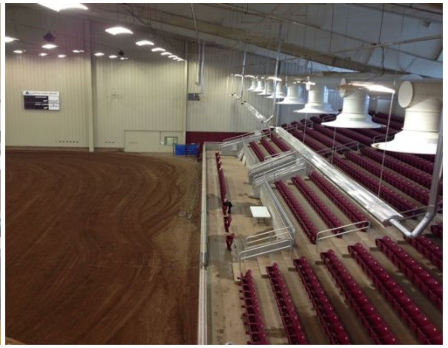
Notes:

- Opened in 2012, adjacent to a 300 room Hampton Inn.
- In December of 2011 the facility initially opened in a temporary facility, and in 2012 was converted into the permanent arena. The first concert was hosted at the arena in June of 2013.
- The facility hosts annual events such as the Miss Kansas USA Pageant, Kansas High School Rodeo Association Finals, Professional Rodeo Cowboys Association, other various equestrian and entertainment events.

Source: Facility Management, 2017

3. COMPARABLE ANALYSIS: Mallet Event Center and Arena





FACILITY: Mallet Event Center and Arena

City, State: Levelland, Texas

Owner: Hockley County

Operator: County

Facility Specs:

Complex Acreage:	150 acres
Exhibit Space:	40,200 sf
Meeting Space:	625 sf
Largest Contiguous Space:	25,200 sf
Arena Space:	60,500 sf
Main Arena	45,000 sf; 2,133 seats
Warm-up:	15,500 sf
Total Indoor Event Space:	85,825 sf
Horse Stalls:	288 stalls
RV Hook-ups	50 full hook-ups 34 water/electric only

Notes:

- The Mallet Event Center and Arena opened in 2012 at a total cost of approximately $15 million, funded through a county issued bond.
- The Event Center has hosted approximately 120 events, attracting an average of 38,000 visitors annually in each of the past three years.
- County allocates budget annually, covering any operational losses.
- Despite opening in 2012, the County has allocated approximately $250,000 annually for repairs and maintenance.
- Event Center management cites a high level of customer service as being a primary focus of their successful operations.

Source: Facility Management, 2017

3. COMPARABLE ANALYSIS: Georgia National Fairgrounds and Agricenter





FACILITY: Georgia National Fairgrounds and Agricenter

City, State: Perry, Georgia

Owner: State of Georgia

Operator: Georgia Agricultural Exposition Authority

Facility Specs:

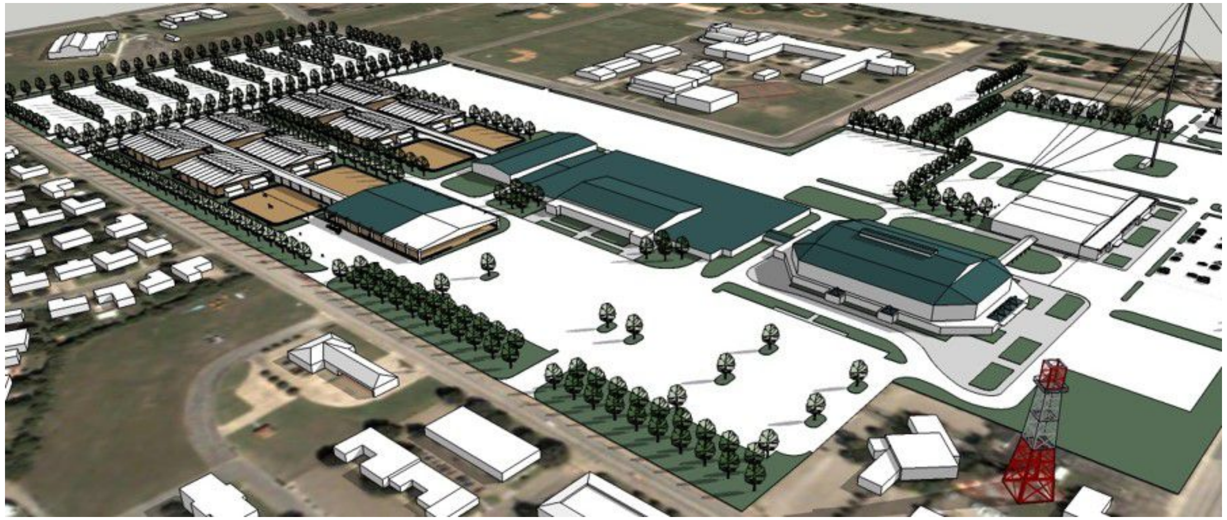
Exhibit Space:	201,900 sf
Largest Contiguous Exhibit:	84,500 sf
Total Arena Space:	152,850 sf
Largest Indoor Arena:	31,250 sf
Stalls:	2,056 Stalls
RV:	300 RV Hook-ups

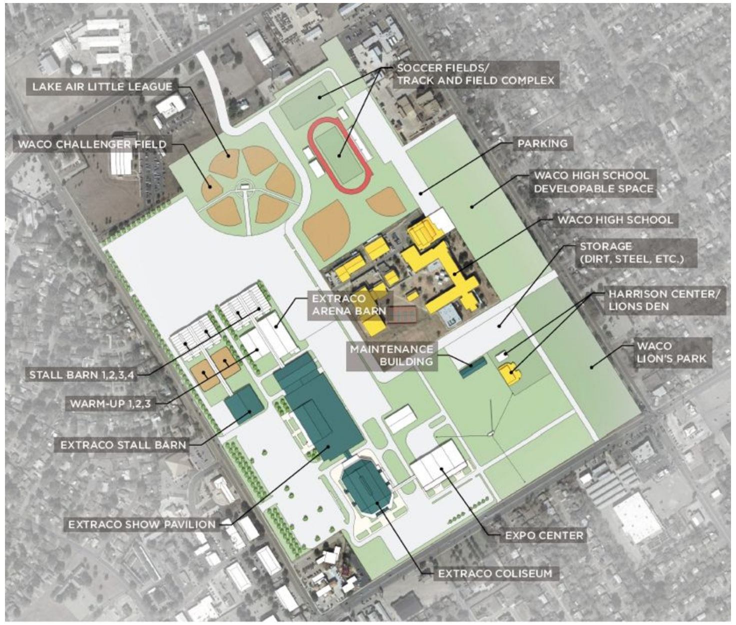
Notes:

- Developed to create a facility to better serve GA youth and agricultural organizations
- Fairgrounds opened in 1990 at a total cost of approximately $25 million funded through issuance of bonds by the State.
- Because the fairgrounds is State owned and paid for through State issued bonds, the fairgrounds cannot have major sponsorships and also does not serve alcohol.
- Purpose of the development was to create an agricultural facility to better serve state's youth, agricultural organizations, among others.
- In 2016, the 11-day fair attracted approximately 536,800 attendees.
- Fair generates an estimated $80 million annual impact to the area.
- There are more than 400 non-fair events drawing more than 500,000 visitors at the Fairgrounds annually, the largest number of which are equestrian shows.

Source: Facility Management, 2017

3. COMPARABLE ANALYSIS: Extraco Events Center





FACILITY:	Extraco Events Center		
City, State:	Waco, Texas		
Owner:	McLennan County		
Operator:	Heart of Texas Fair Inc.		
Facility Specs:	Total Acreage:	50 Acres	
	Exhibit Space:	108,000 sf	
	Largest Contiguous Exhibit:	38,800 sf	
	Largest Indoor Arena:	38,800 sf	
	Largest Arena Seating:	6,000 seats	
	Secondary Indoor Arena:	31,250 sf	
	Stalls:	700 Stalls	
	RV:	250 RV Hook-ups	

Notes:

- Developed in 1953 after voters of the county authorized a bond issue of $1.2 million.
- In 2010, Extraco Banks signed a long-term naming rights deal changing the name from Heart o' Texas Coliseum to the Extraco Events Center.
- In a recent year the facility hosted over 60 events and drew in nearly 1 million attendees.
- The facility on average earns a revenue of approximately $2.4 million and records $2.5 million in expenses. Operating at a $100,000 deficit.

Source: Facility Management, 2017

3. COMPARABLE ANALYSIS: Deschutes County Fair and Expo

FACILITY: Deschutes County Fair and Expo

City, State: Redmond, Oregon

Owner: Deschutes County

Operator: Deschutes County

Facility Specs:

Exhibit Space:	46,400 sf
Largest Contiguous Exhibit:	40,000 sf
Total Arena Space:	40,000 sf
Largest Indoor Arena:	40,000 sf
Largest Arena Seating:	4,000 seats
Stalls:	400 Stalls
RV:	106 RV Hook-ups

Notes:

- The complex has been host to the Deschutes County Fair for the past 95 years drawing over 250,000 attendees annually.
- On average the facility runs at approximately a $400,000 deficit earning $1.1 million in revenues and recording $1.5 million in expenses.
- The facility averages over 200 events with a majority of events including meetings/banquets and equestrian/livestock events.
- Annually the facility draws over 535,000 attendees to its events and fairs.

Source: Facility Management, 2017

3. COMPARABLE ANALYSIS: Wilson County Fair and Exposition





FACILITY:	Wilson County Fair and Exposition	
City, State:	Lebanon, TN	
Owner:	Wilson County	
Operator:	Wilson County Promotions	
Facility Specs:	Complex Acreage:	260 acres
	Exhibit Space:	52,000 sf
	Largest Contiguous Space:	52,000 sf
	Arena Space:	74,000 sf
	Main Arena	45,000 sf; 3,100 seats
	Warm-up:	48,000 sf outdoor
	Total Indoor Event Space:	68,570 sf
	Horse Stalls:	200 stalls
	RV Hook-ups	920 hook-ups

Notes:

- The Wilson County Fair has been ongoing since the 1880's and is operated by Wilson County Promotions.
- Breaking ground in 2015 at a cost of $11.5 million the Wilson County Exposition booked over 40 events in its first year of operations.
- Annually the Wilson County Fair has an attendance of approximately 500,000.

Source: Facility Management, 2017

3. COMPARABLE ANALYSIS: Bell County Expo Center

FACILITY: Bell County Expo Center

City, State: Belton, Texas

Owner: Bell County

Operator: Bell County Expo, Inc.

Facility Specs:

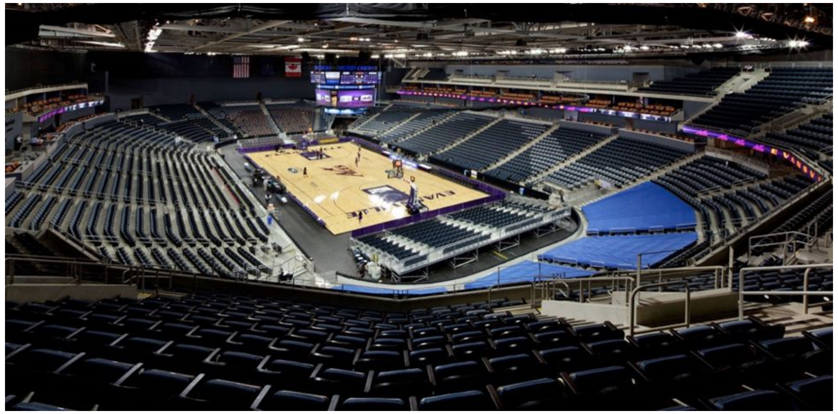
Complex Acreage:	43 acres
Exhibit Space:	55,000 sf
Meeting Space:	23,400 sf
Ballroom Space:	21,600 sf
Largest Contiguous Space:	55,000 sf
Arena Space:	49,400sf; 6,000 seats
Total Indoor Event Space:	127,800 sf
Horse Stalls:	220 stalls
RV Hook-ups	12 Full hook-ups

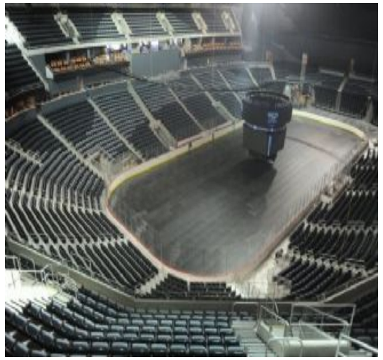
Notes:

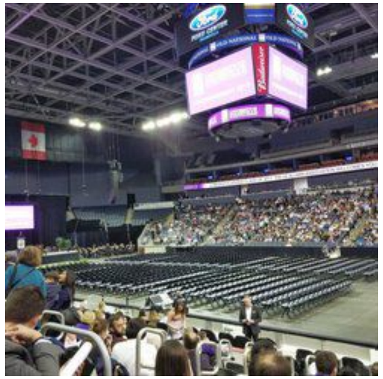
- The Expo Center operates at an approximate $800,000 deficit funded by the County through ad valorem taxes.
- Current efforts are being made to pass an added two percent hotel/motel tax in an effort to establish a permanent revenue stream estimated at $1 million annually to subsidize the Expo Center.
- In 2016, the Bell County Commissioners Court unanimously approved the issuance of $35 million in certificates of obligation to be used to upgrade and expand the Bell County Expo Center.
- The expansion will include a 100,000-square foot air conditioned indoor performance arena with 1,000 spectator seats, a 40,000-square foot warm up arena with livestock stalls, a concourse for vendors, a bar and grill, among others.

Source: Facility Management, 2017

3. COMPARABLE ANALYSIS: Ford Center Evansville







FACILITY: Ford Center Evansville

City, State: Evansville, IN

Owner: City of Evansville

Operator: VenuWorks

Facility Specs: Capacities –
Hockey: 9,000
Center-Stage Event: 11,000

16 suites with avg. annual cost of $55,000 per suite
95 loge boxes with avg. annual cost of $2,000 each
500 club seats with avg. annual cost of $500 per suite

Tenants:
University of Evansville Basketball(NCAA)
ECHL

Notes:

- Opened in 2011
- $127.5 million construction cost, 100% publicly funded
- Since its opening, private investment in downtown Evansville has grown including a $71M 245-room Hilton Doubletree, three large companies relocating/expanding headquarters in downtown and current talks of a new $69.5M Indiana University Medical School Campus
- Hosted approximately 107 events with total attendance of 441,300 in their most recent year

Source: Facility Management, 2017

3. COMPARABLE ANALYSIS: Comparable Facility Events

CSL also conducted an extensive benchmarking analysis of the operational performances of several of the compared venues. This consisted of comparing the events levels, types of event activity, operational revenues/expenses and operational profit/loss associated with each of the facilities. Based on requests for confidentiality that are commonly made by facilities providing this type of data, the names of the facilities/cities have not been specifically attributed to the data that are listed.

To be expected, fairs and festivals tend to have the highest amount of average attendees per event. Meetings, banquets and receptions tend to have the highest number of events with the lowest number of attendees per event.

COMPARISON OF EVENT AND ATTENDANCE LEVELS

Total Events By Event Type	Facility A	Facility B	Facility C	Facility D	Facility E	Facility F	Facility G	Facility H	Facility I	Facility J	Facility K	Average
Livestock/Equestrian Shows	2	75	45	52	24	37	6	22	55	38	21	**34**
Public/Consumer Shows	9	16	6	6	17	22	34	50	24	28	18	**21**
Conventions/Tradeshows	13	19	3	4	0	18	23	0	0	13	18	**10**
Meetings/Banquets/Receptions	8	85	2	14	7	80	28	261	148	23	16	**61**
Fairs/Festivals	4	5	2	4	1	1	8	0	30	2	5	**6**
Sporting Events	2	5	0	3	2	14	14	3	112	16	19	**17**
Entertainment	9	0	5	8	1	9	0	11	15	7	14	**7**
Other Events/Misc.	34	4	2	70	0	22	10	220	23	60	5	**41**
Total	**81**	**209**	**65**	**161**	**52**	**203**	**123**	**567**	**407**	**187**	**116**	**197**

Total Attendance By Event Type	Facility A	Facility B	Facility C	Facility D	Facility E	Facility F	Facility G	Facility H	Facility I	Facility J	Facility K	Average
Livestock/Equestrian shows	1,200	278,116	55,286	-	-	22,023	8,980	-	43,096	14,373	195,909	**77,400**
Public/Consumer Shows	49,766	68,719	27,100	-	-	39,235	101,500	-	52,687	152,829	124,636	**77,100**
Conventions/Tradeshows	89,593	36,737	14,200	-	-	14,210	98,200	-	0	75,038	68,146	**49,500**
Meetings/Banquets/Receptions	6,355	41,134	6,700	-	-	6,211	2,110	-	75,693	115,038	22,095	**34,400**
Fairs/Festivals	138,285	553,927	230,200	-	-	268,200	161,599	-	50,814	525	170,366	**196,700**
Sporting Events	8,126	15,146	0	-	-	45,000	8,300	-	55,736	31,037	132,976	**37,000**
Entertainment	61,252	0	20,573	-	-	36,450	0	-	76,369	103,484	98,081	**49,500**
Other Events/Misc.	164,940	1,045	3,116	-	-	19,541	17,245	-	2,981	351,299	6,895	**70,900**
Total	**519,517**	**994,824**	**357,175**	**-**	**-**	**450,870**	**397,934**	**-**	**357,376**	**843,622**	**819,104**	**592,600**

Source: Facility Management, 2017

3. COMPARABLE ANALYSIS: Comparable Facility Operations

In terms of financial performance, on average ag/equestrian/livestock event facilities operate at a loss of approximately $630,600, with average revenues at $2.76 million and expenses at $3.39 million. Facility rent in on average the largest component of facility revenue while salaries and benefits is the largest expense.

COMPARISON OF FINANCIAL OPERATIONS

	Facility A	Facility B	Facility C	Facility F	Facility G	Facility H	Facility I	Facility M	Facility N	Facility O	Facility P	Average
Operating Revenues												
Facility rent	$952,650	$6,856,868	$1,018,691	$539,591	$972,765	$960,821	$1,279,704	$1,512,151	$1,965,372	$1,486,100	$880,400	$1,675,010
Food service (net)	804,503	0	278,536	92,159	242,719	0	325,330	0	0	0	0	158,477
Contract service/other	28,827	2,994,162	1,097,012	515,255	1,035,412	16,709	61,468	422,162	0	3,943,828	84,885	927,247
Total Operating Revenues	**$1,785,980**	**$9,851,030**	**$2,394,239**	**$1,147,005**	**$2,250,896**	**$977,530**	**$1,666,502**	**$1,934,313**	**$1,965,372**	**$5,429,928**	**$965,285**	**$2,760,735**
Operating Expenses:												
Salaries and benefits	$1,726,240	$4,065,464	$1,066,546	$899,882	$1,049,868	$969,201	$1,510,670	$294,196	$919,117	$1,094,176	$677,244	$1,297,509
Contract labor	136,600	2,953,383	102,855	88,895	818,626	110,144	175,483	760,091	0	1,754,800	66,600	633,407
Utilities	1,224,451	934,762	445,132	265,214	510,593	385,123	637,974	265,132	0	1,608,515	181,830	587,157
Repair & maintenance	554,306	252,452	292,859	100,412	217,300	126,612	162,063	79,097	0	286,500	192,950	205,868
General & administrative	230,616	455,662	279,931	100,155	246,650	2,489	83,590	276,828	1,090,693	280,301	60,600	282,501
Supplies	193,388	796,487	198,072	52,786	224,385	64,757	100,474	0	0	451,860	92,501	197,701
Insurance	141,562	44,946	40,083	36,340	0	0	157,208	0	0	0	12,000	39,285
Other	(14,705)	1,028,401	67,739	0	54,527	191,163	7,061	278,758	0	0	14,500	147,949
Total Operating Expenses	**$4,192,458**	**$10,531,557**	**$2,493,217**	**$1,543,685**	**$3,121,948**	**$1,849,491**	**$2,834,523**	**$1,954,102**	**$2,009,810**	**$5,476,152**	**$1,298,225**	**$3,391,379**
Net Operating Profit/(Loss)	**($2,406,478)**	**($680,527)**	**($98,978)**	**($396,679)**	**($871,052)**	**($871,960)**	**($1,168,021)**	**($19,789)**	**($44,438)**	**($46,224)**	**($332,940)**	**($630,644)**

Source: Facility Management, 2017

4. INDUSTRY TRENDS

4. INDUSTRY TRENDS: Overview

The market success of an event facility can be partially attributed to the characteristics of the industry as a whole. In order to assess the strength of the market with regard to event activity that could utilize a new Lauderdale County Agribusiness Center in the future, it is important to evaluate the industry trends from a national and regional perspective. Broad industry changes, characterized by—sometimes significant—retraction and expansion in event demand and attendance/participation characteristics have taken place within the industry over the past decade.

Additionally, the "state-of-the-industry" in terms of the physical product aesthetics and functionality of agricultural and exposition event facilities has continued to advance year-over-year in cities throughout the country. Event planners increasingly prefer, and oftentimes demand, the modern, spacious aesthetics and optimized, advanced functionality and efficiency of newer facility designs and programs. Beyond attracting higher numbers of groups, visitors and economic impact, modern agricultural and exposition event facilities often offer significant advancements in operating efficiencies and enhanced revenue generation opportunities, as compared to previous generations of facilities.

Beyond broad variation in the physical facility products offered, there are a multitude of differences in structure/approach to operating mission, policies, procedures, sales and marketing, funding, financial/economic performance goals, and other such items.



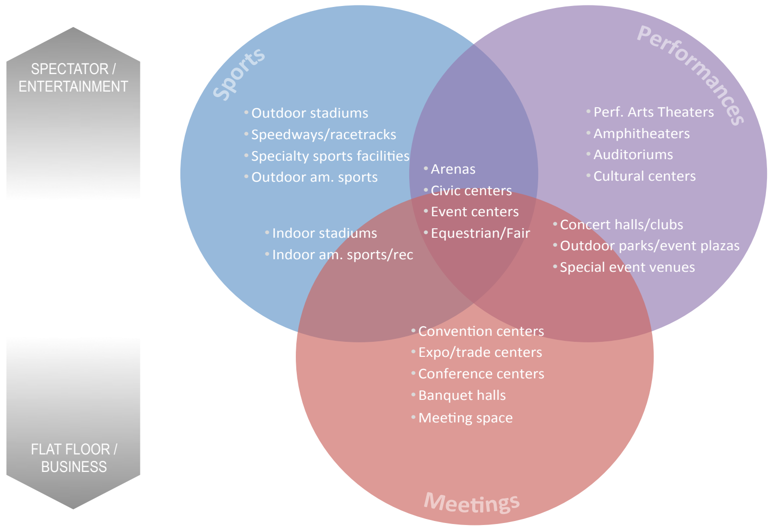


4. INDUSTRY TRENDS: Facility Needs & Preferences

It is often useful to consider events as those residing in one of three general categories: sports, performances, and meetings. Facilities that normally accommodate these event types tend to overlap somewhat, as certain event facilities can accommodate events in multiple categories.

The exhibit to the right illustrates how specific types of industry-typical event facilities fit within this framework of events. As shown, event facilities situated near the top of the diagram tend to be facilities that are more spectator/entertainment event-oriented, while those facilities located near the bottom of the diagram tend to be those that do not integrate fixed seating and are instead flat floor venues that focus on conventions, meetings, tradeshows and other such events.

While facilities employ varying degrees of flexibility and multipurpose space, allowing them to technically accommodate events from all three general categories (for instance, arenas and civic centers), any event facility will possess attributes that will allow it to better compete/serve certain event types, while being less competitive/efficient/effective in other segments.

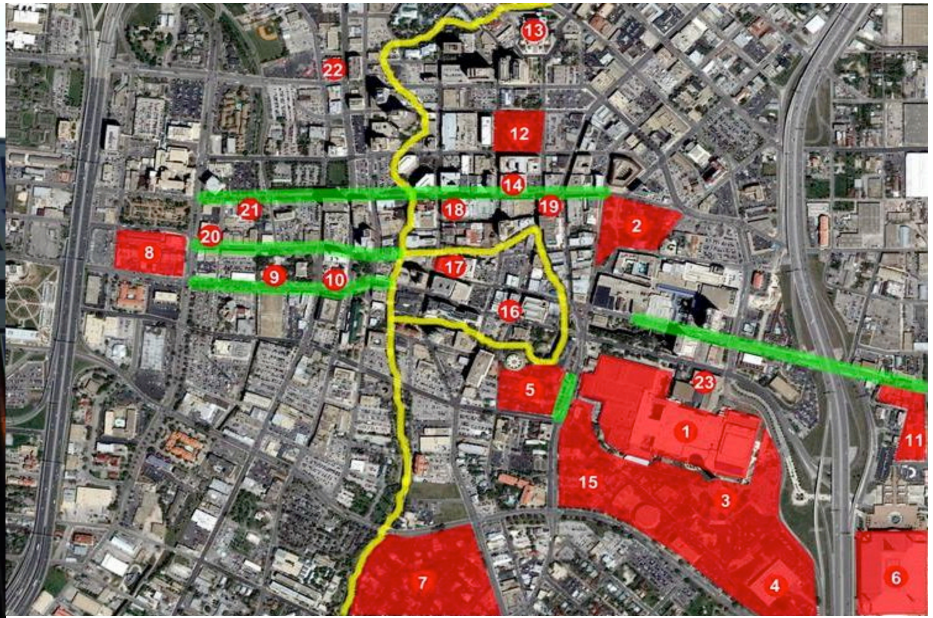


	High Quality Finish	Exhibit/ Lg. Event Facility	Upscale Banquet Hall	Breakout Rooms	Spectator Seating	Parking	Nearby Hotels	Secondary Facilities	Nearby Visitor Amenities
Conventions	HIGH	HIGH	HIGH	HIGH	LOW	MED	HIGH	LOW	HIGH
Conferences	HIGH	MED	HIGH	HIGH	LOW	MED	HIGH	LOW	HIGH
Meetings	HIGH	LOW	MED	HIGH	LOW	LOW	LOW	LOW	MED
Banquets/Receptions	HIGH	LOW	HIGH	MED	LOW	MED	LOW	LOW	MED
Tradeshows	MED	HIGH	LOW	LOW	LOW	HIGH	MED	LOW	HIGH
Consumer/Public Shows	LOW	HIGH	LOW	LOW	LOW	HIGH	LOW	LOW	MED
Agricultural Shows	LOW	HIGH	LOW	LOW	LOW	HIGH	LOW	HIGH	LOW
Equestrian Events	LOW	HIGH	LOW	LOW	MED	HIGH	LOW	HIGH	LOW
Rodeos	LOW	HIGH	LOW	LOW	HIGH	HIGH	LOW	MED	LOW
Tractor pulls	LOW	HIGH	LOW	LOW	HIGH	HIGH	LOW	MED	LOW
Sporting Events	LOW	HIGH	LOW	LOW	HIGH	HIGH	LOW	LOW	LOW
Concerts	LOW	MED	LOW	LOW	HIGH	HIGH	LOW	LOW	MED
Festivals	LOW	HIGH	LOW	LOW	LOW	HIGH	LOW	LOW	LOW

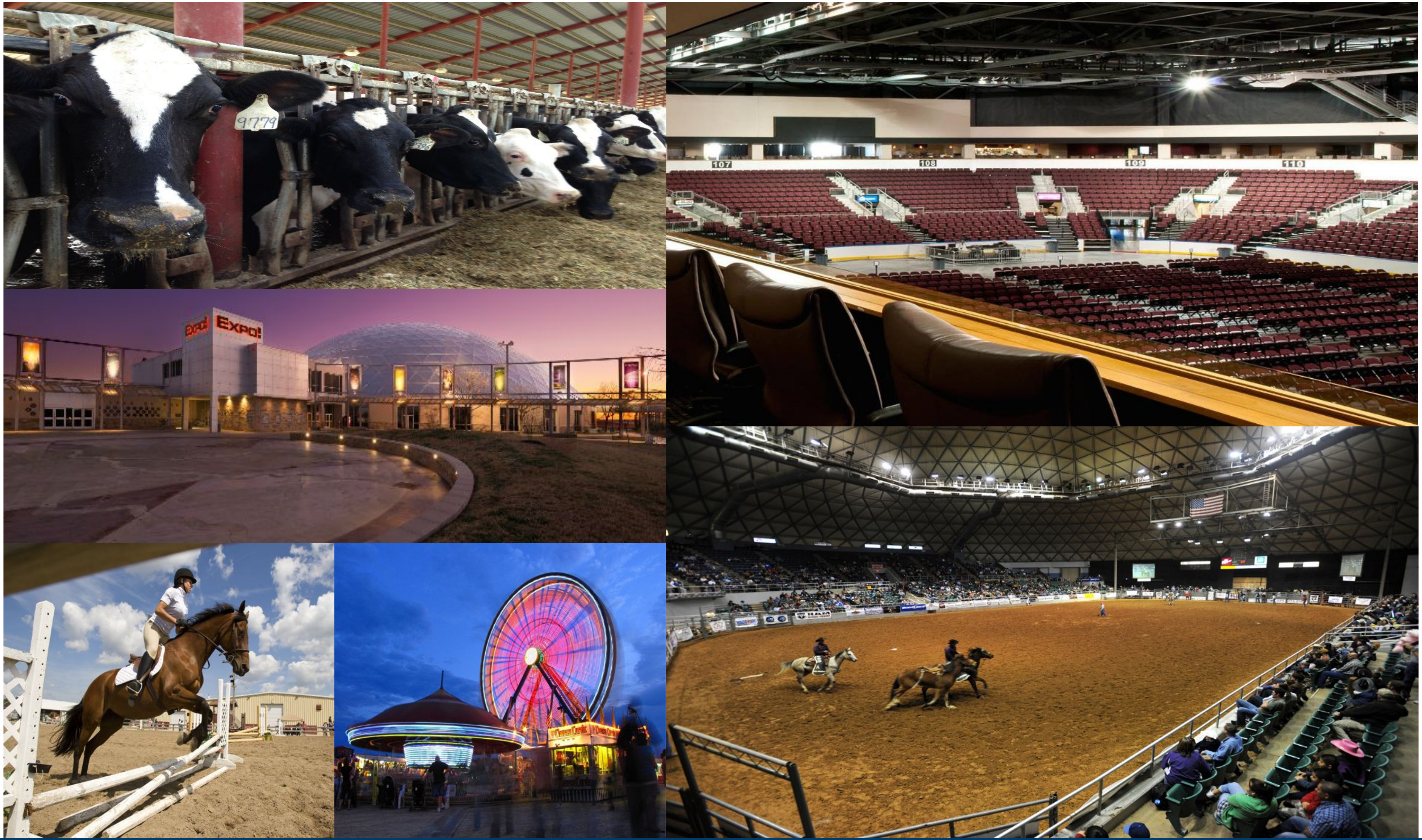
As shown in the exhibit to the left, different types of events can have very different preferences and requirements with regard to facility characteristics. For example, conventions typically place high premiums on high quality finish of event space (including carpeted space), adjacent/proximate full-service hotel rooms and other visitor amenities (i.e., restaurants, retail, entertainment, etc.) in close walking distance, while sporting events typically focus on large seating capacities and plentiful parking.

This discussion begins to lay the groundwork for some important issues that will likely affect the types of events that may be attracted to an event facility. The type, level of finish, configuration, and amenities of the space offered in any potential facility will play a strong role in determining the ability of the facility to attract and accommodate certain types of events. Ultimately, this information also implies that industry best practices dictate that event facilities cannot, and should not, be "everything to everyone".

4. INDUSTRY TRENDS: Destination & Amenity Preferences



4. INDUSTRY TRENDS: Equine/Livestock/Ag/Expo Industry



CONVENTIONS SPORTS & LEISURE

4. INDUSTRY TRENDS: Equine/Livestock/Ag/Expo Industry

HORSE SHOW/EVENT

- Gaited
- Barrel racing
- Carriage
- Pleasure
- Cutting
- Dressage
- Driving
- Equitation
- Hunter
- Jumper
- Racing
- Reigning
- Penning
- Western
- Walking
- Roping
- Rodeo

COMSUMER/PUBLIC SHOWS

- Gun show
- Antique show
- Auto show
- Bridal show
- Craft & quilt fair
- Home improvement show
- Home & garden show
- Sports show
- Gun show

CONVENTIONS/TRADESHOWS

- Corporate
- Private trade
- State association
- Regional association
- National association
- International association
- Social, military, education, religious, fraternal

LIVESTOCK SHOWS

- Pig shows/sales
- Cattle show/sales
- Sheep show/sales
- Goat show/sales
- Alpaca show/sales

MEETINGS/BANQUETS

- Meetings
- Banquets
- Receptions
- Weddings
- Seminars
- Corporate training
- Lectures

OTHER EVENTS

- Graduations
- Festivals
- Flea markets
- Motocross
- Exams
- Concerts
- Amateur Sports

4. INDUSTRY TRENDS: Equine/Livestock/Ag/Expo Industry

Equestrian Industry Trends:

- There are an estimated 9.2 million horses in the United States.
- According to the U.S. Equine Market 3rd Edition report by Packaged Facts, while less than 3 million U.S. households own at least one horse, down from more than 4 million such homes in 2004, horse ownership declines have stabilized.
- Based on the most recent research by the American Horse Council, the horse industry generates more than $102 billion in economic impact to the GDP of the U.S. and produces over 1.4 million full-time equivalent jobs.

Livestock Industry Trends:

- Global production across all protein categories (beef, pork, poultry, fish, lamb/goat) has risen for decades to feed a growing global population and must continue to increase to meet continued growing global demand.
- Many production systems are increasing their efficiency and environmental sustainability, while developments in breeding, nutrition and animal health continue to contribute to increasing potential production and further efficiency and genetic gains.
- In 2017 all major livestock species are on track to post production increases — approximately 3 to 4 percent more beef, following a 4 percent to 5 percent increase in 2016; 2 to 3 percent more pork; 2 to 3 percent more chicken; and 2 percent to 3 percent more turkey.

4. INDUSTRY TRENDS: Equine/Livestock/Ag/Expo Industry

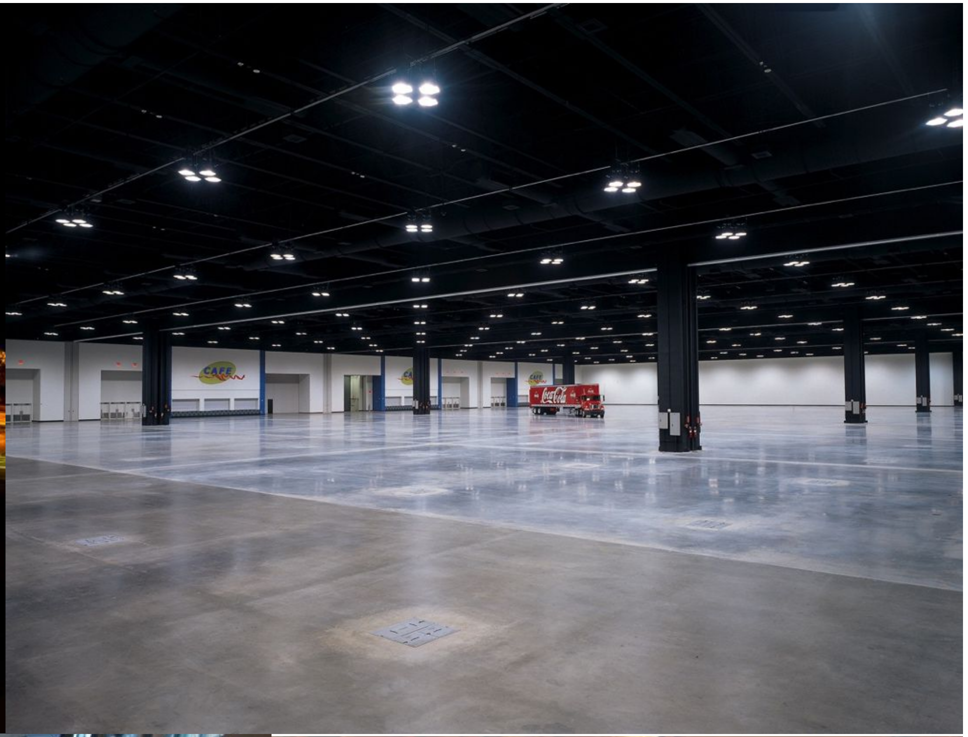
Competitive Riding and Rodeo Industry Trends:

- The competitive horse show industry is comprised of judged exhibitions of horses and ponies. The United States Equestrian Federation (USEF) is the American national body for equestrian sport and it also organizes and sponsors horse shows for many horse breeds.
- Several organizations that govern rodeo events and activities throughout the Unites States, with the two prominent governing bodies being the Professional Rodeo Cowboys Association (PRCA) and the Professional Bull Riders (PBR).
- The industries experienced a decline in participation during the recession, but have since stabilized. It is expected that participation in equine and rodeo competitions will increase, primarily with younger demographics.

Fair Industry Trends:

- Over 3,200 fairs are held in North America each year providing industrial exhibits, demonstrations and competition aimed at the advancement of livestock, horticulture and agriculture with special emphasis placed on educational activities such as 4-H, FFA and similar youth development programs.
- With fewer people directly involved in agriculture and changes in the way media informs consumers, the need for public education about agricultural issues has never been stronger.
- Early fairs served as a venue for farmers and ranchers to exhibit and sell their products, learn about new technology and practices and network with suppliers. While today's fairs still provide these important opportunities, they play an increasingly important role in educating and entertaining the general public about agriculture and agricultural issues.

4. INDUSTRY TRENDS: Convention/Meeting Industry



4. INDUSTRY TRENDS: Convention/Meeting Industry

According to a PricewaterhouseCoopers study, just over 1.8 million meetings are held annually, attracting a total of just under 225 million meeting participants. Corporate/business meetings made up the largest portion of this meeting activity, encompassing 50 percent of all meetings, with conventions/conferences/congresses following behind at 27 percent.

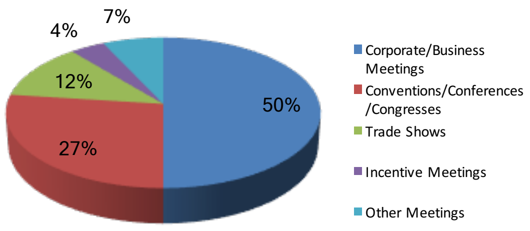
Direct spending levels resulting from these meetings approximate $280 million, that is directly attributable to meeting activity. Spending on accommodations and food and beverage resulted in just under $70 million of total direct spending, making up a majority of the $130 million of direct spending on travel and tourism commodities. Also of note, money spent on meeting planning and production resulted in a total of $107 million of direct spending.

Number of Meetings and Participants

Number of Meetings and Participants by Meeting Type

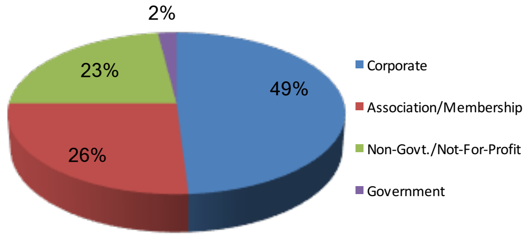
Meeting Type	Number of Meetings	Participants (in millions)
Corporate/Business Meetings	1,298,300	113,337
Conventions/Conferences/Congresses	273,700	60,960
Trade Shows	10,900	26,768
Incentive Meetings	67,700	9,172
Other Meetings	182,600	14,710
Total	**1,833,200**	**224,947**

Percentage of Participants



Number of Meetings and Participants by Host Type

Host Type	Number of Meetings	Participants (in millions)
Corporate	1,017,000	109,571
Association/Membership	315,400	59,495
Non-Govt./Not-For-Profit	432,100	51,572
Government	68,600	4,308
Total	**1,833,200**	**224,947**



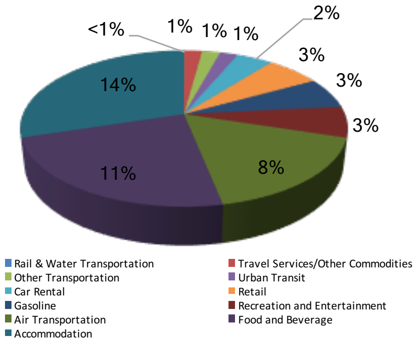
Source: PWC, The Economic Significance of Meetings in the U.S. Economy, 2014

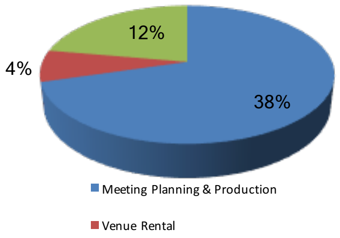
Meeting/Event Spending by Industry Sector

Commodities	Direct Spending (in millions)
Travel & Tourism Commodities	
Accommodation	$39,315
Food and Beverage	29,832
Air Transportation	23,761
Retail	8,235
Gasoline	7,498
Recreation and Entertainment	7,034
Car Rental	6,258
Travel Services and Other Tourism Commodities	3,707
Other Transportation	2,369
Urban Transit	1,577
Rail & Water Transportation	600
Subtotal	**$130,186**
Meetings & Other Commodities	
Meeting Planning & Production	$106,658
Venue Rental	10,363
Other Meetings-related Commodities	33,195
Subtotal	**$150,216**
Total Direct Spending	**$280,402**

Source: PWC, The Economic Significance of Meetings in the U.S. Economy, 2014

Percentage of Direct Spending





4. INDUSTRY TRENDS: Convention/Meeting Industry

The Center for Exhibition Industry Research (CEIR) is a nonprofit organization whose mission is to advance the growth, awareness and value of exhibitions in the United States. The annual CEIR Index Report is developed to provide an objective measure of the annual performance of the exhibition industry. The CEIR Index Report measures year-over-year changes in key metrics of industry performance. The industry's performance within these metrics was calculated from data provided from over 400 events. The CEIR Index Report displays and analyzes actual event-specific data and provides future forecasts. The Report's findings for number of events and direct spending by commodity are shown below. The exhibits on the following page plot historical trend data concerning industry demand and performance by segments.

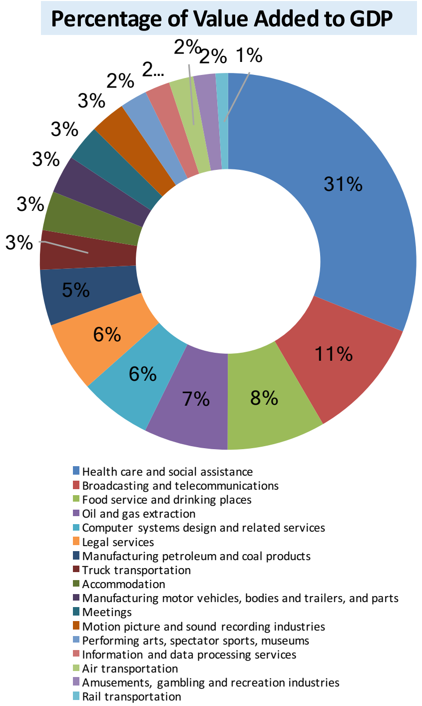
Number of Exhibition Events by Industry Sector

Industry Sector	Number of Events
Medical and Health Care	1,549
Raw Materials and Science	930
Professional Business Services	893
Communications and Information Technology	784
Education	672
Financial, Legal and Real Estate	658
Consumer Goods and Retail Trade	649
Sporting Goods, Travel and Amusement	491
Discretionary Consumer Goods and Services	472
Industrial/Heavy Machinery and Finished business Outputs	435
Transportation	413
Building, Construction, Home and Repair	386
Government	352
Food	278
Total Events	**8,962**

Source: Center for Exhibition Industry Research (CEIR), 2014

Direct Contribution to GDP of Select Industries

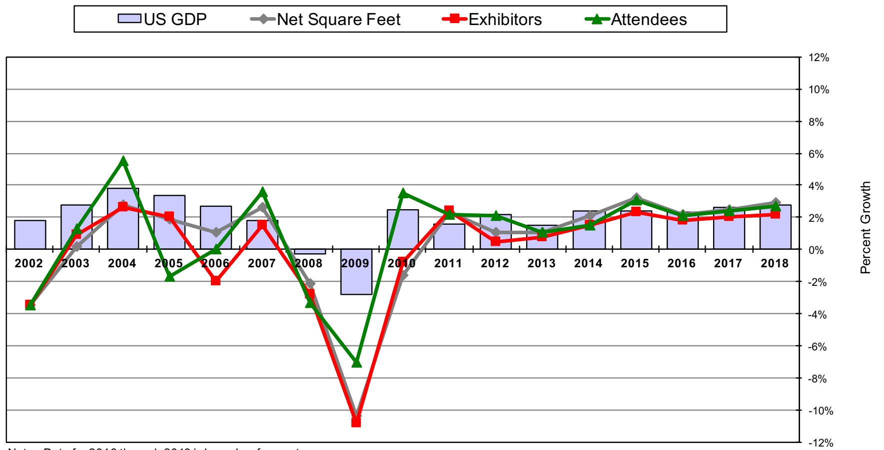
Industry	Estimated Value Added to GDP (in millions)
Health care and social assistance	$1,157,000
Broadcasting and telecommunications	392,000
Food service and drinking places	315,000
Oil and gas extraction	269,000
Computer systems design and related services	230,000
Legal services	225,000
Manufacturing petroleum and coal products	179,000
Truck transportation	126,000
Accommodation	125,000
Manufacturing motor vehicles, bodies and trailers, and parts	122,000
Meetings	**115,615**
Motion picture and sound recording industries	113,000
Performing arts, spectator sports, museums	87,000
Information and data processing services	80,000
Air transportation	78,000
Amusements, gambling and recreation industries	71,000
Rail transportation	40,000



Source: PWC, The Economic Significance of Meetings in the U.S. Economy, 2014

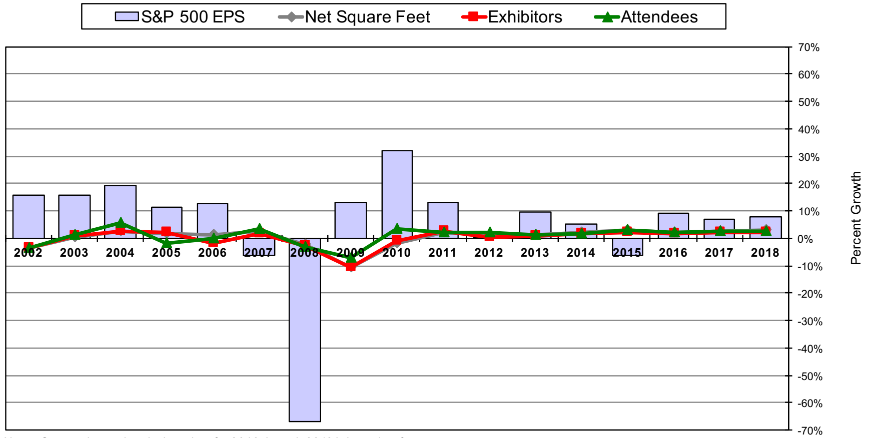
4. INDUSTRY TRENDS: Convention/Meeting Industry

Annual Convention Demand Change vs. U.S. GDP



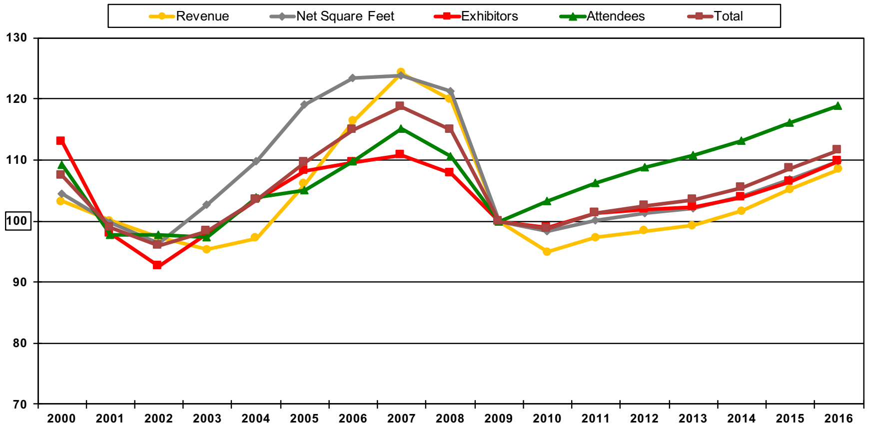
Note: Data for 2016 through 2018 is based on forecasts.
Source: Center for Exhibition Industry Research (CEIR), 2016

Annual Convention Demand Change vs. S&P Earnings per Share



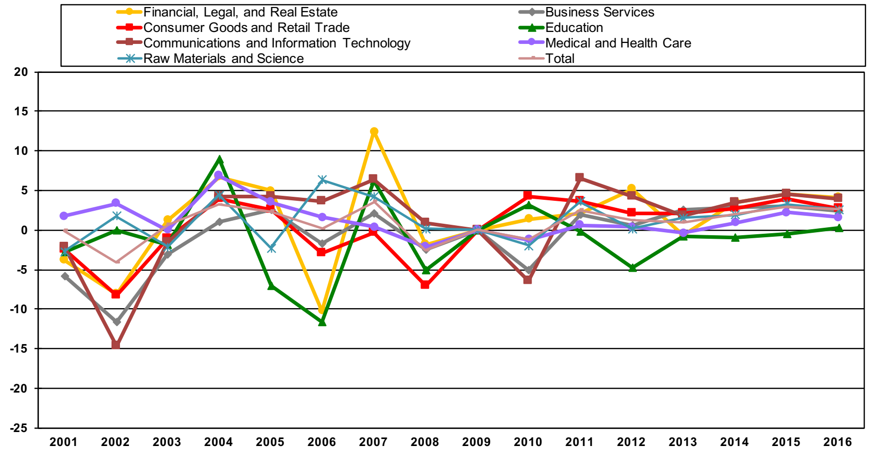
Note: Convention and tradeshow data for 2016 through 2018 is based on forecasts.
Sources: Center for Exhibition Industry Research (CEIR), Standard & Poors, Goldman Sachs, 2016

Comparison of Overall Exhibition Industry Performance



Source: Center for Exhibition Industry Research (CEIR), 2014

Exhibition Industry Performance Percentage Change by Market Segment



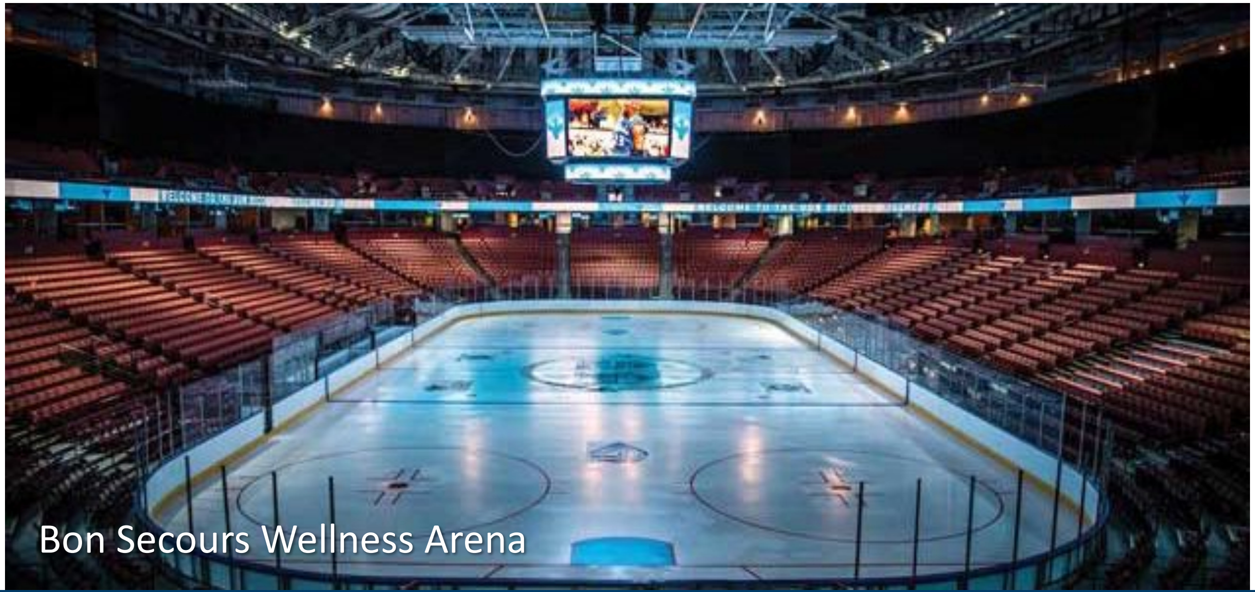
Source: Center for Exhibition Industry Research (CEIR), 2014

4. INDUSTRY TRENDS: Entertainment Industry


Ford Center


Kentucky Horse Park


Bell County Expo Center


Bon Secours Wellness Arena


Mallet Event Center

4. INDUSTRY TRENDS: Entertainment Industry

BOK Center - Exterior


Pinnacle Bank Arena – Premium Areas


Ford Center – Entryway/Lobby

Indiana Farmers Arena – Hospitality Areas


Gateway Arena – Premium Seating

4. INDUSTRY TRENDS: Entertainment Industry

CONCERT INDUSTRY CHARACTERISTICS & TRENDS

- The size of the North American concert industry hit a record **$7.3 billion** in ticket sales in 2016, representing a six percent increase over the previous year.
- The average concert ticket price for the top 100 North American tours was **$76.80** in 2016, an increase of 2.4 percent over the previous year.
- **Artist guarantees costs have increased** substantially, resulting in an upward trend in ticket prices and neutral gains in attendance. As a result, the **margins generated to promoters and concert venues have decreased.**
- Venue operators have increasingly relied on revenue from rent, facility fees, ticket sales rebates, concessions, merchandise, parking and advertising/sponsorships to generate operating profits.





	TIER 1	TIER 2A	TIER 2B	TIER 3	TIER 4
Typical Acts	Beyoncé, Guns N' Roses, Garth Brooks, Adele, Justin Bieber, Coldplay, Drake, Kenny Chesney	Elton John, Jason Aldean, Florida Georgia Line, Selena Gomez, Dolly Parton, Fall Out Boy, The Cure	Reba, Demi Lovato, Brad Paisley, Gwen Stefani, Bob Dylan, Darius Rucker, Ellie Goulding	The Beach Boys, Willie Nelson, Goo Goo Dolls, Ron White, Steve Miller Band, Donny & Marie Osmond	Vince Neil, Tony Orlando, Nick Swardson, Englebert Humperdink, local bands/cover bands
Average Gross per Market	$800,000 +	$500,000 - $799,999	$200,000 - $499,999	$100,000 - $199,999	‹ $100,000
Average Attendance	15,000 - 20,000+	8,000 - 10,000	6000 - 8,000	1,500 - 3,000	500 - 2,000
Average Ticket Prices	$100 - $150	$70 - $95	$55 - $65	$50 - $60	$45 - $65
Typical Venues	Large markets; destination amphitheaters and festival grounds	Prime dates in large market arenas; routing through secondary markets	Well distributed among a variety of markets and event facilities	Theaters, casinos and smaller arenas or amphitheaters	Intimate local venues, casinos and other low budget/ finish event venues

5. MARKET DEMAND ANALYSIS

5. MARKET DEMAND: Overview

The proposed Lauderdale County Agribusiness Center has the opportunity to compete in a wide variety of event sectors, and as a result, the analysis of potential market opportunities must take a relatively broad focus. Agricultural and exposition event facilities accommodate a diverse and dynamic set of event industries consisting of a wide variety of events, including ag/equestrian events, conventions, tradeshows, public consumer shows, entertainment events, meetings, banquets, and sporting events, among others.

In order to provide guidance to the Lauderdale County Agricultural Center Authority and other stakeholders on potential market opportunities that could be pursued we have conducted direct outreach to planners of events that have used regionally competitive facilities, national facilities and would have interest in the proposed Lauderdale County Agribusiness Center.

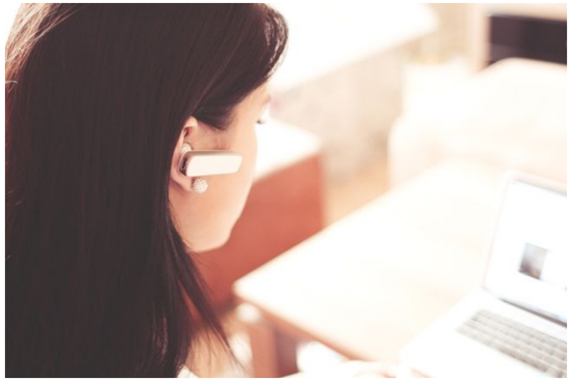
5. MARKET DEMAND: Market Demand Analysis

The market demand analysis associated with the potential new Agribusiness Center near Florence, Alabama included a detailed set of telephone surveys with meeting planners representing potential agricultural, equestrian, livestock, exposition, amateur sports, entertainment and other events. Specifically, the key components of the primary market research completed for the proposed Lauderdale County Agribusiness Center included:

1. Site visit and meetings with LCACA representatives; Lauderdale County, City of Florence, Shoals Chamber of Commerce, Florence/Lauderdale Convention and Visitors Bureau, Shoals Economic Development Authority, local hoteliers and business leaders and other visitor industry and community stakeholders.
2. Completed approximately 50 telephone interviews with:
    a. Agricultural, equestrian and livestock related events;
    b. Flat floor exhibition show and event producers;
    c. Promoters of concert, entertainment, motorsports and other regional and national touring shows/events;
    d. Amateur sports events planners; and,
    e. Promoters of concert, entertainment and other regional and national touring shows/events.

The detailed telephone interviews were completed with a survey-based technique that provides a detailed understanding of potential user's willingness to use a potential Lauderdale County facility, their overall perceptions of Lauderdale County as a potential host community for their event(s), the physical facility requirements needed to accommodate their event and any requirements of the destination/community.

The focus of much of the remainder of this section is focused on quantified survey data associated with the four primary groupings of surveys completed for this study: 1) potential ag/livestock/equestrian event planners; 2) potential flat floor event planners; 3) potential entertainment/concert and promoted event planners; and, 4) amateur sports. These events would be expected to represent the logical targets for new non-local, economic impact generating activity for the proposed Lauderdale County Agribusiness Center. Further detail relating to event planners' responses is presented on the following pages.



5. MARKET OPPORTUNITIES: Ag/Equestrian/Livestock

25
completed telephone interviews

150+
events planned

60%
positive response

620
average attendance

250'x150'
average arena dimensions required

200
Average horse stalling required

2,500
Average seats required

70
Average RV hookups required

Summary of Key Findings

- Telephone survey of local, state, regional and national agriculture, equestrian and livestock event planners.
- Event planners and promoters represent equine events, 4-H organizations, sheep, cattle, goat, horse and other livestock sales, agricultural associations.
- Completed 25 telephone interviews with planners representing more than 150 events.
- Approximately 60 percent of survey respondents expressed positive interest in bringing one or more future events to Lauderdale County.
- Interested respondents could envision utilizing the proposed facility for approximately 25 events per year.
- Of those approximately 25 events, average event attendance is 620.
- Interested events required an average arena size of 250'x150' and approximately 200 stalls.
- Additional warm-up arena is required for most equestrian events with sizing on average at 150'x100'. Warm-up arena should have easy access to main arena and can be covered or outdoors.
- Most would need more than one concurrent space, such as an additional event hall for meal functions or breakout meeting space but would be able to work with flexible space.

CONVENTIONS SPORTS & LEISURE CSL

5. MARKET DEMAND: Ag and Equestrian

Reasons for Not Considering Lauderdale County

- Lack of user/population base – Event promoters indicated a potential issue with a lack of regional participants and suggested there are too few within their organization in the region to consider hosting an event.
- Non-central location – Some event planners indicated that the remote location of Lauderdale County would cause issues for some attendants travelling and stated they would prefer to host in a more centralized market.
- Accessibility – Lack of major interstate accessibility provided concern for larger national promoters and event organizers.

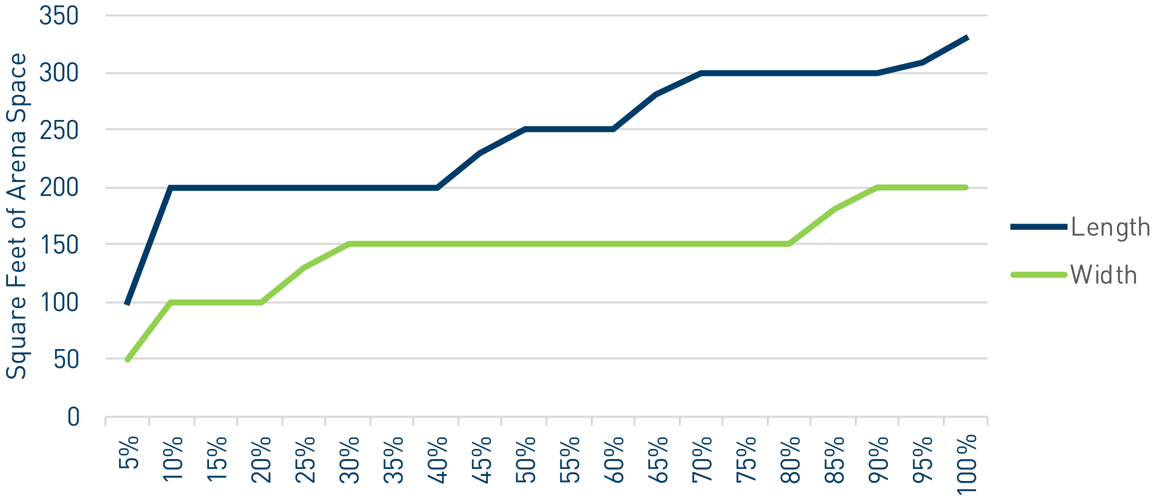
Potential Event Activity

- Alabama Arabian Horse Association – Stated a strong interest in bringing 2 to 3 events to Lauderdale County with an average of 150 participants and 500 spectators per event.
- Alabama Youth and Junior Bull Riding Association – Indicated the potential to bring 2 to 3 events annually estimating 40 participants and 1,000 to 2,000 in spectator attendance.
- Alabama High School Rodeo Association - Expressed potential to bring 1 to 2 events to Lauderdale County with approximately 40 to 60 participants per event.
- North Central Alabama Horse Association – Would bring 1 to 2 smaller events to a Lauderdale County Expo Facility ranging 100 to 200 in total attendance.
- Southeast Red Angus Association – Stated the potential to bring 1-2 events annually of approximately 150 participants.

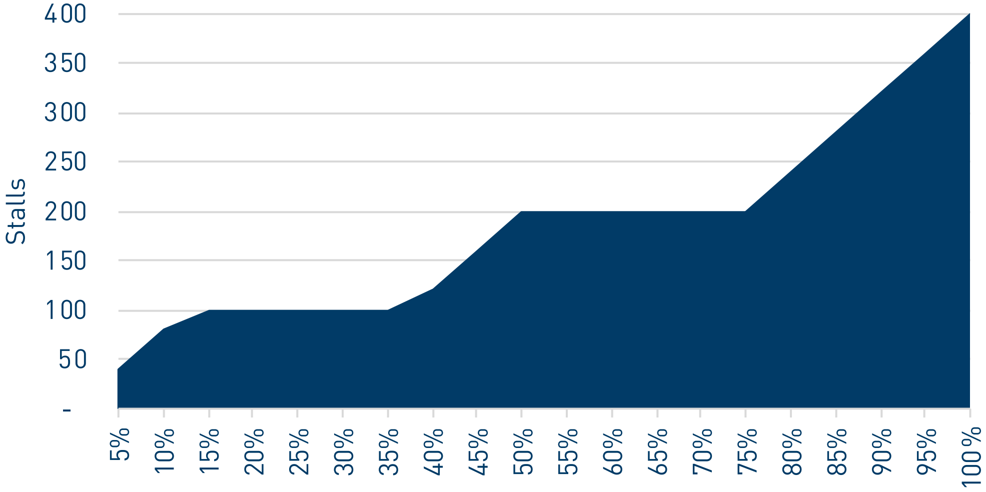
Source: CSL Surveys, 2017.

5. MARKET DEMAND: Ag and Equestrian

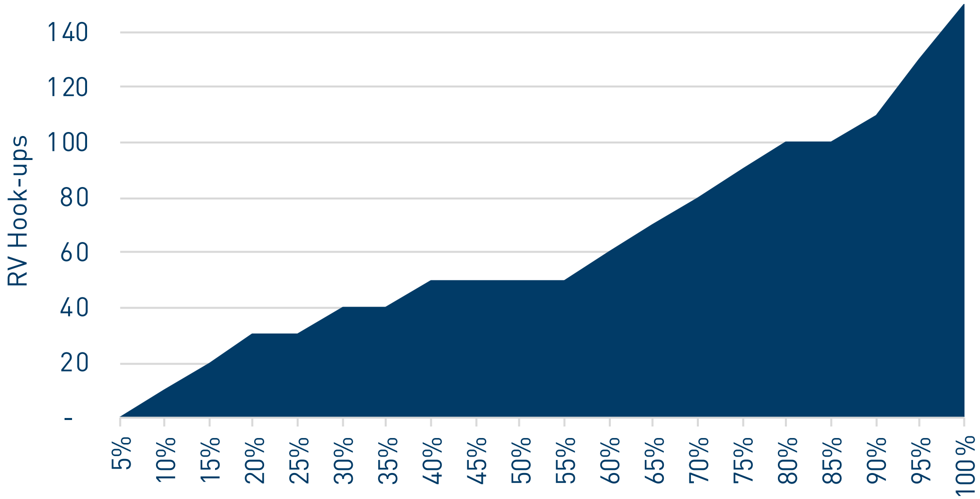
Arena Size



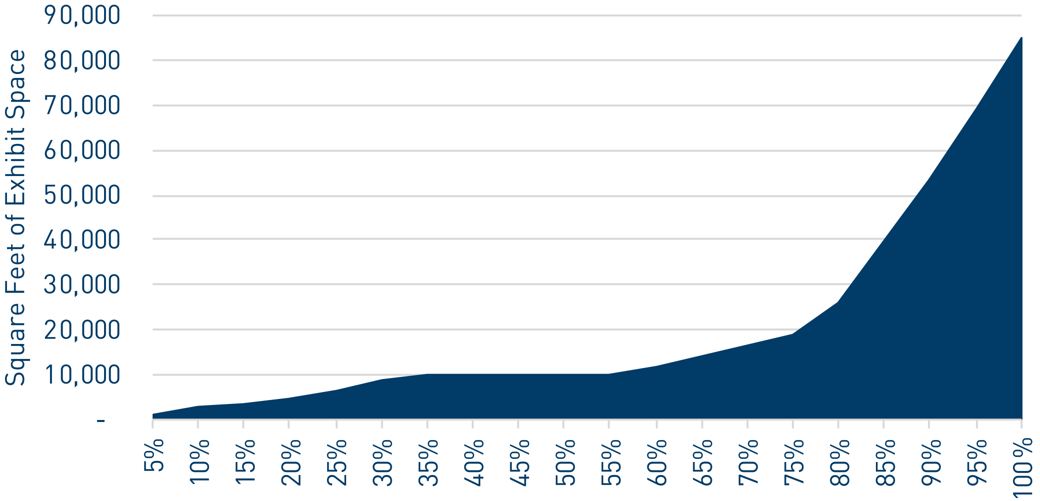
Number of Stalls



RV Hook-ups



Exhibition Space



Source: CSL Surveys, 2017.

5. MARKET DEMAND: Exhibition/Flat Floor

15
completed telephone interviews

100+
events planned

55%
positive response

1,000
average attendance

30,000
average square feet exhibit space required

50
average hotel rooms required within ½ mile

2-3 days
Average number of days per event

Summary of Key Findings

- Telephone survey of local, state, regional and national trade shows, consumer shows and association events.
- Event planners and promoters represent gun shows, boat and RV shows, state associations, gun and knife shows, and other such flat floor exhibitor events.
- Completed 15 telephone interviews with planners representing more than 100 annually recurring events.
- Approximately 55 percent of survey respondents expressed positive interest for one or more future events to be held in a new Lauderdale County Agribusiness Center.
- Collectively, interested respondents envision utilizing the proposed facility for approximately 10 to 15 events per year.
- On average, exhibition/flat floor events last 2 to 3 days.
- Of those approximately 10 to 15 events, average event attendance is 1,000 attendees and approximately 30 to 40 exhibitors.
- Interested events required an average exhibit space of approximately 20,000 to 30,000 square feet.
- Most would need more than one concurrent space, such as an additional event hall for meal functions or breakout meeting space but would be able to work with flexible space as long as it had solid air walls and sufficient square footage to do so.

5. MARKET DEMAND: Exhibition/Flat Floor

Reasons for Not Considering Lauderdale County

- Destination amenities – Event promoters indicated a potential issue with a lack of destination amenities within the immediate vicinity of the site and would prefer a downtown location.
- No headquarter hotel – Conventions and large flat floor event planners indicated need for a headquarters hotel.
- Market size – Some event promoters indicated a preference for a larger market in which to promote their events.
- Overall facility size – The proposed facility wouldn't contain a large enough contiguous exhibit space needed for larger events, would prefer to use a major market convention center.

Potential Event Activity

- BK Productions – Stated the potential to bring 1 to 2 large consumer shows for RV's and Boats separately with approximately 30 to 40 vendors lasting 2 to 3 days per event.
- VPI Gun and Knife Shows – Expressed interest in bringing 2 to 3 shows annually with approximately 40 vendors and attendance ranging from 1,200-2,000. Events typically last 2 to 3 days in length.
- Alabama Gun Collector's Association – Indicated potential to bring 1 event annually to a Lauderdale County facility that would typically last 2 days if the facility contained 85,000 sf contiguous flat floor space.
- Alabama Agribusiness Council – Stated the potential to create a new 1 to 2 day event for a Lauderdale County facility with approximately 75 to 100 people in attendance.
- Alabama Library Association – Expressed interest in bringing 1 event annually on rotating basis to a Lauderdale County Agribusiness Center with approximately 30 vendors and over 500 in attendance.

Source: CSL Surveys, 2017.

5. MARKET DEMAND: Entertainment

10
completed telephone interviews

500+
events planned

2,000
average attendance

4,000 – 5,000
average maximum seating capacity

1 - 2
number of annual events each could consider Routing through Lauderdale County

$50 - $75
average expected ticket price per show

Summary of Key Findings

- Telephone survey of state, regional and national concert and entertainment promoters.
- Event planners and promoters represent family shows, national and regional touring acts, professional motorsports and equine events, comedic acts, etc..
- Completed telephone interviews with various entertainment promoters representing hundreds of national touring acts.
- Overall limited demand from regional and national promoters for a 10,000 seat venue in Lauderdale County. However, potential exists for a smaller scale 4,000 to 5,000 seat multipurpose arena venue.
- Limited to moderate potential to dip into UNA student population to attract events to a Lauderdale County Agribusiness Center.

5. MARKET DEMAND: Entertainment Segment

Reasons for Not Considering Lauderdale County

- Lack of population – Planners cited other markets with stronger destination appeal in terms of market population and the capabilities to attract attendees. Lauderdale County would struggle to compete and attract touring acts over markets such as Huntsville, Birmingham, and Tuscaloosa.
- Accessibility – Lack of major interstate accessibility provided concern for larger national promoters and event organizers.
- Lack of established market presence – Promoters highlighted the difficulty of competing with established markets within the region.
- Regional marketability – According to concert promoters, Alabama is traditionally a difficult market to attract talent and concerts, a secondary city within the Alabama market would not be the ideal location for an entertainment venue.

Direct Promoter Feedback

- Live Nation – Noted difficulties with regional booking throughout the state of Alabama and the presence of competitors in larger, established markets such as Huntsville and Birmingham. Recommended facility focus on other event activity as entertainment will only provide a marginal opportunity.
- Red Mountain Entertainment – Expressed concern over the area's overall population and draw relative to other regional markets.
- Police Productions – Stated potential interest in hosting events at a smaller venue (2,000 to 3,000 seats) within Lauderdale County, but would caution against a larger venue due to regional competition.

Source: CSL Surveys, 2017.

5. MARKET DEMAND: Amateur Sports

10
completed telephone interviews

50+
events planned

60%
positive response

200-300
average number of participants

300-400
average number of spectators

4 to 8
average number of courts required per event

Summary of Key Findings

- Telephone survey of local, state, regional and national amateur sports organizations and event planners.
- Event planners and promoters represent volleyball, basketball, wrestling, martial arts, and other indoor amateur sports associations.
- Completed 10 telephone interviews with planners representing more than 50 events.
- Approximately 60 percent of survey respondents expressed positive interest for one or more future events.
- Interested respondents could envision utilizing the proposed facility for approximately 10 events per year.
- On average, these events last approximately 2 to 3 days over the weekends.
- Most events would average 200 to 300 participants per event and 300 to 400 spectators.
- Interested basketball and volleyball organizations typically require portable hardcourt surfaces of up to 4 to 8 total courts.

5. MARKET DEMAND: Amateur Sports

Reasons for Not Considering Lauderdale County

- Accessibility and preference for larger market – Florence's remote location and lack of major market population was indicated as a concern by some event planners for larger national events.
- Hardcourt flooring necessary – Many volleyball and basketball event organizers indicated the need for hardcourt flooring, either permanent or portable and indicated that they would not consider playing on sport court.
- Mass quantity of courts – Some event organizers indicated the amount of courts would be a concern that the proposed facility would not be able to accommodate the number of courts required for their events.
- Satisfaction with regional competition: – Event organizers indicated levels of satisfaction with sports facilities in markets such as Birmingham and Huntsville and would not move their events from these facilities.

Potential Event Activity

- Southern Stars Basketball – Indicated the potential to bring 1 to 2 events of approximately 40 to 60 teams with about 400 to 600 total players per tournament with a facility with portable hardcourt and up to 6 to 8 courts.
- Shoals Attack Volleyball – Stated potential to host up to three tournaments of over 160 local participants within the club and 20 to 30 teams total. Tournaments last 1 to 2 days, and would consider hosting weekly practices dependent on rental rates. Four (4) portable hardcourts would be needed to accommodate their events.
- Rocket City Wrestling Club – Expressed interest in hosting 1 to 2 shows annually at a potential facility with approximately 500 to 800 spectators in attendance.
- Xtreme Performance Volleyball – Indicated potential to host one event and participate in additional tournaments at a potential Lauderdale County facility of approximately 120 to 130 players per event.
- Alabama USA Wrestling – Stated the potential to host one large tournament annually if the facility had the capabilities to accommodate 5 total wrestling mats in the main arena concurrently. Tournament would draw in over 600 participants.

Source: CSL Surveys, 2017.

5. MARKET DEMAND: Minor League Sports Tenant

10+
minor league sports leagues considered

3
regionally relevant leagues identified

10-12
existing teams per league

7,100
average arena seating capacity

3,000 to 13,500
range of area seating capacities

6 / 28
home games for indoor football/ hockey teams, respectively

17,900 / 85,300
average total attendance for the season for indoor football/hockey teams, respectively

Summary of Key Findings

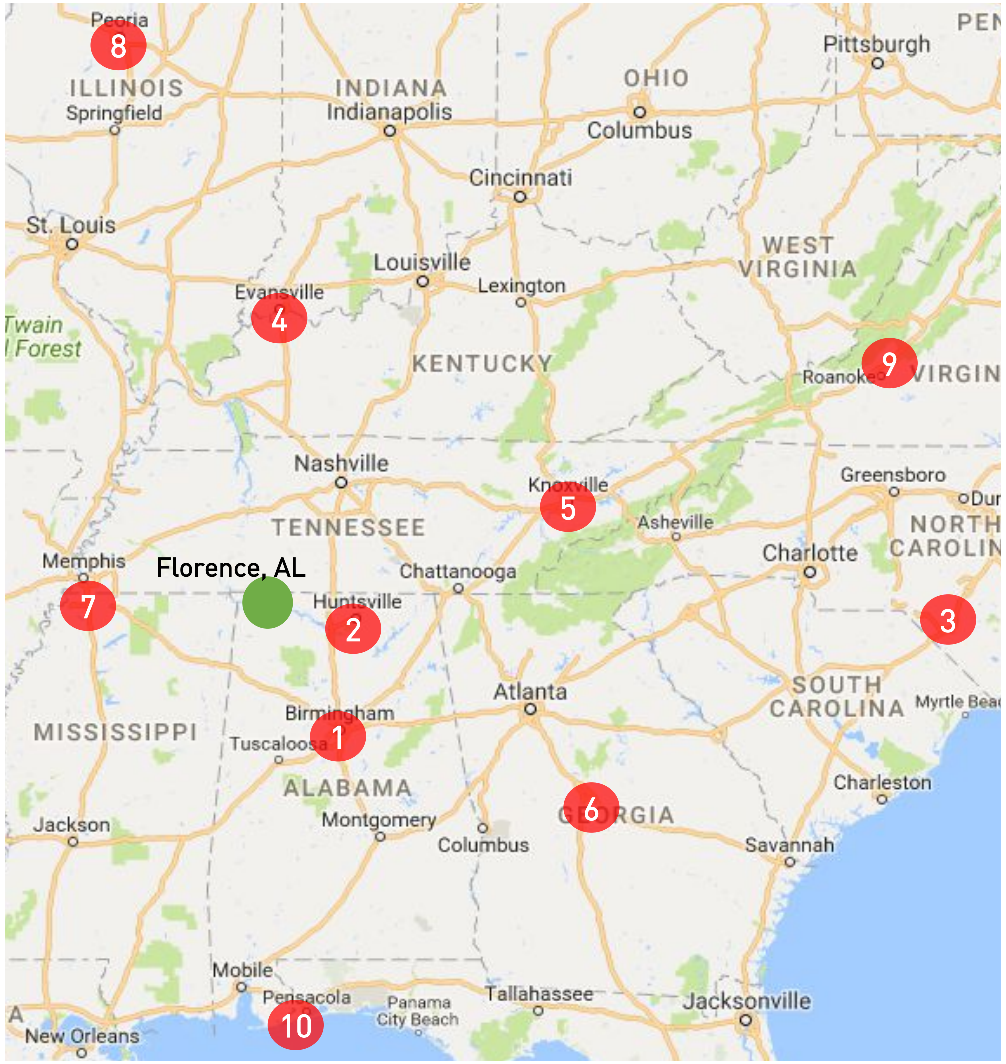
- Opportunities to host a primary tenant can provide a steady base of event annual attendees.
- Continuity of leagues and/or teams can be very tenuous.
- Opportunity to add an indoor football team would require a more modest investment than hosting a hockey franchise due to the difference in cost of maintaining the playing surface.
- Significantly more impact among hockey teams due to the number of home games per season.
- Cost of owning a team in Lauderdale County may be somewhat prohibitive due to travel expenses to distant markets (e.g., Bismarck, North Dakota; Burlington, Vermont; Peoria, Illinois; Albuquerque, New Mexico).
- Additional arena infrastructure that would need to be incorporated into facility design includes scoreboards, locker rooms, premium seating/hospitality space, announcers area, etc.

5. MARKET DEMAND: Southern Professional Hockey League

There are currently 10 teams in the Southern Professional Hockey League, with potential regional rivalries among Huntsville, Pelham and Southaven teams. On average, arenas offer 7,600 seats and teams attract just over 3,000 attendees for each of their 28 home games. Total annual attendance ranges from approximately 50,000 for the Fayetteville Marksmen and Macon Mayhem to 130,000 for the Huntsville Havoc.

	Team	Arena	City	Capacity	Average Attendance
1	Birmingham Bulls	Pelham Civic Complex Ice Arena	Pelham, AL	5,000	n/a
2	Huntsville Havoc	Von Braun Center	Huntsville, AL	6,200	4,648
3	Fayetteville Marksmen	Crown Coliseum	Fayetteville, NC	9,500	1,857
4	Evansville Thunderbolts	Ford Arena	Evansville, IN	9,000	2,280
5	Knoxville Ice Bears	Knoxville Coliseum	Knoxville, TN	4,973	3,611
6	Macon Mayhem	Macon Centreplex	Macon, GA	7,100	1,859
7	Mississippi RiverKings	Landers Center	Southaven, MS	8,400	2,259
8	Peoria Rivermen	Peoria Civic Center	Peoria, IL	9,919	4,025
9	Roanoke Rail Yard Dawgs	Berglund Center	Roanoke, VA	7,752	3,136
10	Pensacola Ice Flyers	Pensacola Civic Center	Pensacola, FL	8,150	3,736

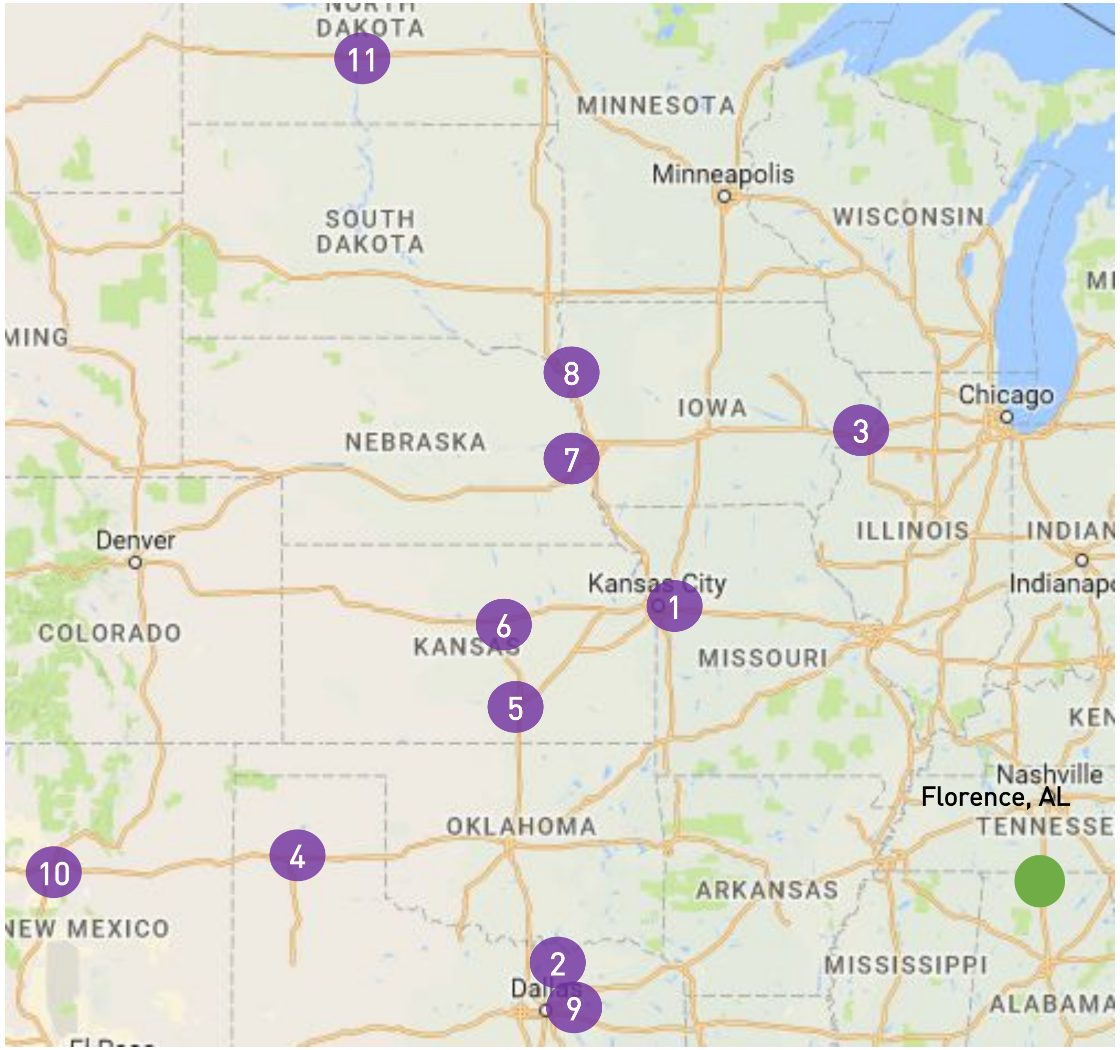
Source: Southern Professional Hockey League 2016-17 season attendance



5. MARKET DEMAND: Champions Indoor Football League

There are currently 11 teams in the Champions Indoor Football League, with teams located from Bismarck, North Dakota to the Dallas-Fort Worth metropolitan area. On average, arenas offer 7,700 seats and teams attract just under 3,000 attendees for each of their 6 home games. Total annual attendance ranges from approximately 13,000 for the Duke City Gladiators (Albuquerque, NM) and Salina Liberty to 22,000 for the Texas Revolution (Allen, TX).

	Team	Arena	City	Capacity	Average Attendance
1	Kansas City Phantoms	Silverstein Eye Center Arena	Independence, MO	5,800	n/a
2	Texas Revolution	Allen Events Center	Allen, TX	6,006	3,667
3	Quad City Steamwheelers	I Wireless Arena	Moline, IL	9,200	n/a
4	Amarillo Venom	Cal Farley Coliseum	Amarillo, TX	4,912	2,916
5	Wichita Force	Intrust Bank Arena	Wichita, KS	13,450	3,467
6	Salina Liberty	Salina Bicentennial Center	Salina, KS	7,583	2,187
7	Omaha Beef	Ralston Arena	Omaha, NE	4,600	3,530
8	Sioux City Bandits	Tyson Events Center	Sioux City, IA	6,941	3,467
9	Dallas Marshalls	Mesquite Rodeo Arena	Mesquite, TX	7,000	2,505
10	Duke City Gladiators	Tingley Coliseum	Albuquerque, NM	9,286	2,131
11	Bismarck Bucks	Bismarck Event Center	Bismarck, ND	10,100	n/a



Source: Champions Indoor Football League 2016 season attendance

5. MARKET DEMAND: American Arena League

There are currently 10 teams in the American Arena League, with teams primarily located along the eastern seaboard from Estero, Florida (south Florida) to Burlington, Vermont, with six teams located in Georgia, North Carolina or South Carolina. On average, arenas offer 5,900 seats. 2018 will be the inaugural season for the league, which was formed as a part of a merger between Arena Pro Football and the Can-Am Indoor Football League after each played their inaugural seasons in 2017.

	Team	Arena	City	Capacity
1	Atlanta Havoc	Buford Arena	Buford, GA	5,000
2	Georgia Doom	Macon Coliseum	Macon, GA	9,252
3	Upstate Dragons	Anderson Civic Center	Anderson, SC	3,000
4	High Country Grizzlies	George M. Holmes Convocation Center	Boone, NC	8,325
5	Cape Fear Heroes	Crown Coliseum	Fayetteville, NC	8,500
6	Triangle Torch	Dorton Arena	Raleigh, NC	5,060
7	Florida Tarpons	Germain Arena	Estero, FL	7,186
8	Rochester Kings	Bill Grays Iceplex	Rochester, NY	3,000
9	Glens Falls Gladiators	Cool Insuring Arena	Glens Falls, NY	--
10	Vermont Bucks	Gutterson Fieldhouse	Burlington, VT	4,035

Source: American Arena League is currently playing inaugural season; complete attendance data not available.

5. MARKET DEMAND: Conclusions

Based on the market interviews, surveys, research and analysis conducted for this study, we have developed the following set of findings and recommendations:

1. Unmet demand exists in Lauderdale County for a new Agribusiness Center project. Success of the project will be partially dependent on development of a compelling, mixed-use "destination" to attract events, attendees and spending.
2. Primary and strongest source of demand comes from agriculture, equestrian and livestock event activity:
   - Competitive state and regional facilities have limited capacity to accommodate existing and growing demand within this market segment
   - Will be critical to coordinate efforts among the City of Florence, the North Alabama State Fairgrounds and other local stakeholders to ensure a unique and highly leveraged event facility product.
   - Remote geographic location and limited destination appeal indicates greatest opportunity exists among smaller and/or start-up events – significant facility development not currently supportable, though consideration should be given to the potential for future (near-term) facility expansion.
3. Other types of non-dirt events such as public/consumer shows, meetings/banquets/receptions, amateur sports tournaments/competitions, and certain entertainment events could also provide important facility utilization:
   - The majority of demand among these market segments is expected from a regional drive distance, as residents more proximate to larger markets with similar/competing event facilities will likely continue to utilize those venues/markets.
   - Facility design and development should be proportionate to regional market size.
4. Development of a state-of-the-industry entertainment/sports arena is not indicated at this time:
   - Limited population base and existing competitive venues in nearby large cities constrains demand for entertainment.
   - Opportunity exists to develop brand identity in conjunction with Shoals music industry; though it is likely that facility and/or market would need to assume most of the risk in sponsoring/promoting entertainment acts.
5. A well-conceived strategy and masterplan for the greater site to shape, incentivize and induce synergistic mixed-use investment will be critical for the Project:
   - A focus on "destination" offerings and unique event spaces can provide a differentiator among similar regional event facilities.
   - Broader strategy must consider greater site and destination. Industry best practices investment strategy would include initiatives and incentives to assist in development of a more compelling sub-destination at the Agribusiness Center. Developing a master plan for growth in proximate visitor amenities and encouraging private investment will enhance the sustainability of the development.
   - Should development of the Inspiration Landing project, as currently conceptualized, occur, it is believed that this would negatively impact certain types of Ag Center event activity, as well as reducing potential private developer/investor interest in project opportunities at or near the Agribusiness Center site. In turn, this would be expected reduce overall Agribusiness Center site economic impacts and tax revenue generation.

6. PROGRAM ANALYSIS

6. PROGRAM ANALYSIS: Subject Facility

Multipurpose event facility complexes, such as that proposed for the Lauderdale County Agribusiness Center, typically host events that vary widely in terms of space needs, attendance and service requirements. The size, type and flexibility of the space at many of these complexes, allows for the accommodation of a wide range of event types, including small private meetings and parties, large flat floor consumer shows, concerts, sporting events, and a wide variety of dirt-oriented/animal events, such as equestrian, livestock and agricultural shows and activities.

Analysis results indicate that investment in a new Lauderdale County Agribusiness Center (including planning and incentives to promote site, or site proximate, mixed-use development) could enhance the entertainment opportunities and quality of life of Lauderdale County residents, while generating new tourism and associated economic impacts in the County and region.

Analysis findings indicate that a market indicated facility program would include the core elements shown to the right:

1. **Main Arena**
    - Equine/ag/expo represent key demand segments
    - Entertainment/sports/miscellaneous represent secondary demand segments
    - multipurpose spectator event arena
    - 4,000-5,000 fixed seats (5,500-6,500 capacity for end stage concert)
    - concrete floor
    - climate controlled
    - up to 300' x 150' floor area
2. **Exhibition Center**
    - 40,000SF contiguous multipurpose space, concrete floor, subdividable, minimal columns
    - 10,000SF meeting rooms/show offices
    - approx. 60,000 GSF building
    - climate controlled
    - admin offices
    - warming/prep kitchen
3. **Covered/Warm-up Arena**
    - covered, open sides, dirt floor
    - min 250' x 125' ring
    - 200-300 seats
4. **Stalls**
    - 300 stalls (200 permanent + 100 temporary/flex)
    - stall barn for permanent
    - temporary could be set up in Exhibition Center when needed
5. **RV hookups**
    - 100

6. PROGRAM ANALYSIS: Greater Site/Destination

Beyond the facilities themselves, the importance of amenities and location attributes "outside the box" continues to strengthen. Recognizing that the event facility/complex itself is only one piece of a larger puzzle that event planners, exhibitors, attendees, participants and spectators tend to consider when selecting sites and/or deciding whether to attend/participate in an event, more and more communities have been focusing on ways to strengthen the appeal of the proximate area surrounding the event facility/complex itself. This often involves comprehensively master planning a mixed-use or entertainment district containing the event facility/complex, whereby an attractive pedestrian-friendly environment is created to welcome attendees and visitors, through offerings of restaurants, retail, nightlife, entertainment and attractions. "Connectivity" issues are often addressed that physically and perceptually bring together the district to other nearby attractions and districts. Healthy, vibrant and exciting environs surrounding the center are normally viewed very attractively by event planners and can provide important advantages in marketing a destination and its event facility/complex.

In the case of a potential new Lauderdale County Agribusiness Center, the importance of this destination-building strategy is heightened beyond most projects, given that SB345 provides that the Authority can retain local sales and use taxes generated at the site, as well as lease sub-parcels to third parties (providing additional revenue streams to the Authority)

Typical Event Complex Important Site Factors

1. Ability to leverage existing facility investment / infrastructure
2. Requirements / preferences of private partner (if applicable)
3. Size, cost and ownership complexity of site
4. Proximity to quality full-service hotel inventory
5. Proximity to restaurants, retail, nightlife, entertainment
6. Pedestrian-friendly walking environment
7. Parking availability
8. Ingress / egress
9. Site visibility
10. Synergy with other development initiatives / master plans
11. Compatibility with surroundings
12. Other considerations

7. COST/BENEFIT ANALYSIS

7. COST/BENEFIT: Identified Scenarios

Working with Populous and the Lauderdale County Agriculture Center Authority, three different development scenarios were identified for additional analysis.

- **OPTION A: Market-Indicated Program**
  - Event Center Arena (4,000 fixed seats, up to 9,000 max capacity)
  - Expo Center (40,000SF floor)
  - Covered Arena (300 seats)
  - Stall Barn (300 stalls)
- **OPTION B: Arena-Only Program**
  - Event Center Arena (2,500 fixed seats, up to 6,100 max capacity)
- **OPTION C: Expo/Equine/Livestock Program**
  - Expo Center (53,000SF floor)
  - Livestock/Equine Center (1,500 seats, 240 stalls)

The analysis of each scenario includes the development of assumptions and estimates concerning Agribusiness Center events by type, utilization days, operating revenues and expenses, attendance (local versus non-local), spending levels by type of event and type of attendee, hotel rooms nights and other such metrics.

The analysis of the financial operations of the proposed Agribusiness Center only considers revenues and expenses generated through the operation of the Agribusiness Center itself. The analysis is designed to assist project representatives in assessing the financial effects and potential of the Agribusiness Center and cannot be considered a presentation of expected future results.

The exhibits on the following pages present a summary of estimated utilization, financial operations and economic impacts for each of the three identified scenarios for the proposed Lauderdale County Agribusiness Center.

2. COST/BENEFIT: Estimated Utilization

OPTION A: Market-Indicated Program

	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	10-Year TOTAL	20-Year TOTAL
NUMBER OF EVENTS							
Equestrian/Livestock/Ag	23	26	29	32	35	320	670
Rodeo	6	7	8	9	10	90	190
Flat Floor	14	16	18	19	22	199	419
Fairs/Festivals	1	1	2	2	3	24	54
Concerts/Entertainment	4	5	6	7	8	70	150
Sports/Recreation	7	9	11	13	15	130	280
Meetings/Banquets/Receptions	32	34	36	38	40	380	780
Total	87	98	110	120	133	1,213	2,543
EVENT DAYS							
Equestrian/Livestock/Ag	51	57	64	70	77	704	1,474
Rodeo	13	15	17	19	21	189	399
Flat Floor	28	32	36	38	44	398	838
Fairs/Festivals	4	4	8	8	12	96	216
Concerts/Entertainment	4	5	6	7	8	70	150
Sports/Recreation	15	20	24	29	33	286	616
Meetings/Banquets/Receptions	35	37	40	42	44	418	858
Total	150	170	194	213	239	2,161	4,551
UTILIZATION DAYS							
Equestrian/Livestock/Ag	67	75	84	93	102	928	1,943
Rodeo	16	18	21	23	26	234	494
Flat Floor	35	40	45	48	55	498	1,048
Fairs/Festivals	6	6	12	12	18	144	324
Concerts/Entertainment	6	8	9	11	12	105	225
Sports/Recreation	19	24	30	35	41	351	756
Meetings/Banquets/Receptions	35	37	40	42	44	418	858
Total	183	209	240	263	297	2,678	5,648

2. COST/BENEFIT: Estimated Utilization

OPTION B: Arena-Only Program

	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	10-Year TOTAL	20-Year TOTAL
NUMBER OF EVENTS							
Equestrian/Livestock/Ag	8	9	10	11	12	110	230
Rodeo	6	7	8	9	10	90	190
Flat Floor	6	7	8	9	10	90	190
Fairs/Festivals	1	1	2	2	2	18	38
Concerts/Entertainment	8	9	10	11	12	110	230
Sports/Recreation	6	7	8	9	10	90	190
Meetings/Banquets/Receptions	10	10	11	13	15	134	284
Total	45	50	57	64	71	642	1,352
EVENT DAYS							
Equestrian/Livestock/Ag	18	20	22	24	26	242	506
Rodeo	13	15	17	19	21	189	399
Flat Floor	12	14	16	18	20	180	380
Fairs/Festivals	4	4	8	8	8	72	152
Concerts/Entertainment	8	9	10	11	12	110	230
Sports/Recreation	13	15	18	20	22	198	418
Meetings/Banquets/Receptions	11	11	12	14	17	147	312
Total	78	88	103	114	126	1,138	2,397
UTILIZATION DAYS							
Equestrian/Livestock/Ag	23	26	29	32	35	319	667
Rodeo	16	18	21	23	26	234	494
Flat Floor	15	18	20	23	25	225	475
Fairs/Festivals	6	6	12	12	12	108	228
Concerts/Entertainment	12	14	15	17	18	165	345
Sports/Recreation	16	19	22	24	27	243	513
Meetings/Banquets/Receptions	11	11	12	14	17	147	312
Total	99	111	131	145	159	1,441	3,034

2. COST/BENEFIT: Estimated Utilization

OPTION C: Expo/Equine/Livestock Program

	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	10-Year TOTAL	20-Year TOTAL
NUMBER OF EVENTS							
Equestrian/Livestock/Ag	18	22	26	28	30	274	574
Rodeo	3	4	5	5	6	53	113
Flat Floor	16	18	20	22	24	220	460
Fairs/Festivals	1	1	2	2	3	24	54
Concerts/Entertainment	2	2	3	3	4	34	74
Sports/Recreation	7	9	11	13	15	130	280
Meetings/Banquets/Receptions	26	28	30	32	34	320	660
Total	73	84	97	105	116	1,055	2,215
EVENT DAYS							
Equestrian/Livestock/Ag	40	48	57	62	66	603	1,263
Rodeo	6	8	11	11	13	111	237
Flat Floor	32	36	40	44	48	440	920
Fairs/Festivals	4	4	8	8	12	96	216
Concerts/Entertainment	2	2	3	3	4	34	74
Sports/Recreation	15	20	24	29	33	286	616
Meetings/Banquets/Receptions	29	31	33	35	37	352	726
Total	128	149	176	191	213	1,922	4,052
UTILIZATION DAYS							
Equestrian/Livestock/Ag	52	64	75	81	87	795	1,665
Rodeo	8	10	13	13	16	138	294
Flat Floor	40	45	50	55	60	550	1,150
Fairs/Festivals	6	6	12	12	18	144	324
Concerts/Entertainment	3	3	5	5	6	51	111
Sports/Recreation	19	24	30	35	41	351	756
Meetings/Banquets/Receptions	29	31	33	35	37	352	726
Total	157	183	218	236	265	2,380	5,025

2. COST/BENEFIT: Estimated Attendance

OPTION A: Market-Indicated Program

	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	10-Year TOTAL	20-Year TOTAL
ATTENDEE DAYS							
Equestrian/Livestock/Ag	20,240	22,880	25,520	28,160	30,800	281,600	589,600
Rodeo	10,710	12,495	14,280	16,065	17,850	160,650	339,150
Flat Floor	33,600	38,400	43,200	45,600	52,800	477,600	1,005,600
Fairs/Festivals	16,000	16,000	32,000	32,000	48,000	384,000	864,000
Concerts/Entertainment	8,800	11,000	13,200	15,400	17,600	154,000	330,000
Sports/Recreation	7,700	9,900	12,100	14,300	16,500	143,000	308,000
Meetings/Banquets/Receptions	6,160	6,545	6,930	7,315	7,700	73,150	150,150
Total	103,210	117,220	147,230	158,840	191,250	1,674,000	3,586,500
ATTENDEE DAYS (NON-LOCAL)							
Equestrian/Livestock/Ag	13,156	14,872	16,588	18,304	20,020	183,040	383,240
Rodeo	7,497	8,747	9,996	11,246	12,495	112,455	237,405
Flat Floor	6,720	7,680	8,640	9,120	10,560	95,520	201,120
Fairs/Festivals	4,800	4,800	9,600	9,600	14,400	115,200	259,200
Concerts/Entertainment	1,760	2,200	2,640	3,080	3,520	30,800	66,000
Sports/Recreation	4,620	5,940	7,260	8,580	9,900	85,800	184,800
Meetings/Banquets/Receptions	1,232	1,309	1,386	1,463	1,540	14,630	30,030
Total	39,785	45,548	56,110	61,393	72,435	637,445	1,361,795
HOTEL ROOM NIGHTS							
Equestrian/Livestock/Ag	5,701	6,445	7,188	7,932	8,675	79,317	166,071
Rodeo	1,499	1,749	1,999	2,249	2,499	22,491	47,481
Flat Floor	1,008	1,152	1,296	1,368	1,584	14,328	30,168
Fairs/Festivals	960	960	1,920	1,920	2,880	23,040	51,840
Concerts/Entertainment	132	165	198	231	264	2,310	4,950
Sports/Recreation	1,001	1,287	1,573	1,859	2,145	18,590	40,040
Meetings/Banquets/Receptions	411	436	462	488	513	4,877	10,010
Total	10,712	12,194	14,636	16,047	18,561	164,953	350,560

2. COST/BENEFIT: Estimated Attendance

OPTION B: Arena-Only Program

	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	10-Year TOTAL	20-Year TOTAL
ATTENDEE DAYS							
Equestrian/Livestock/Ag	7,040	7,920	8,800	9,680	10,560	96,800	202,400
Rodeo	10,710	12,495	14,280	16,065	17,850	160,650	339,150
Flat Floor	14,400	16,800	19,200	21,600	24,000	216,000	456,000
Fairs/Festivals	4,000	4,000	8,000	8,000	8,000	72,000	152,000
Concerts/Entertainment	20,000	22,500	25,000	27,500	30,000	275,000	575,000
Sports/Recreation	3,300	3,850	4,400	4,950	5,500	49,500	104,500
Meetings/Banquets/Receptions	1,375	1,375	1,513	1,788	2,063	18,425	39,050
Total	60,825	68,940	81,193	89,583	97,973	888,375	1,868,100
ATTENDEE DAYS (NON-LOCAL)							
Equestrian/Livestock/Ag	4,576	5,148	5,720	6,292	6,864	62,920	131,560
Rodeo	7,497	8,747	9,996	11,246	12,495	112,455	237,405
Flat Floor	2,880	3,360	3,840	4,320	4,800	43,200	91,200
Fairs/Festivals	1,200	1,200	2,400	2,400	2,400	21,600	45,600
Concerts/Entertainment	4,000	4,500	5,000	5,500	6,000	55,000	115,000
Sports/Recreation	1,980	2,310	2,640	2,970	3,300	29,700	62,700
Meetings/Banquets/Receptions	275	275	303	358	413	3,685	7,810
Total	22,408	25,540	29,899	33,085	36,272	328,560	691,275
HOTEL ROOM NIGHTS							
Equestrian/Livestock/Ag	1,983	2,231	2,479	2,727	2,974	27,265	57,009
Rodeo	1,499	1,749	1,999	2,249	2,499	22,491	47,481
Flat Floor	432	504	576	648	720	6,480	13,680
Fairs/Festivals	240	240	480	480	480	4,320	9,120
Concerts/Entertainment	300	338	375	413	450	4,125	8,625
Sports/Recreation	429	501	572	644	715	6,435	13,585
Meetings/Banquets/Receptions	92	92	101	119	138	1,228	2,603
Total	4,975	5,654	6,582	7,279	7,976	72,345	152,104

2. COST/BENEFIT: Estimated Attendance

OPTION C: Expo/Equine/Livestock Program

	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	10-Year TOTAL	20-Year TOTAL
ATTENDEE DAYS							
Equestrian/Livestock/Ag	15,840	19,360	22,880	24,640	26,400	241,120	505,120
Rodeo	3,150	4,200	5,250	5,250	6,300	55,650	118,650
Flat Floor	38,400	43,200	48,000	52,800	57,600	528,000	1,104,000
Fairs/Festivals	12,000	12,000	24,000	24,000	36,000	288,000	648,000
Concerts/Entertainment	1,600	1,600	2,400	2,400	3,200	27,200	59,200
Sports/Recreation	7,700	9,900	12,100	14,300	16,500	143,000	308,000
Meetings/Banquets/Receptions	5,005	5,390	5,775	6,160	6,545	61,600	127,050
Total	83,695	95,650	120,405	129,550	152,545	1,344,570	2,870,020
ATTENDEE DAYS (NON-LOCAL)							
Equestrian/Livestock/Ag	10,296	12,584	14,872	16,016	17,160	156,728	328,328
Rodeo	2,205	2,940	3,675	3,675	4,410	38,955	83,055
Flat Floor	7,680	8,640	9,600	10,560	11,520	105,600	220,800
Fairs/Festivals	3,600	3,600	7,200	7,200	10,800	86,400	194,400
Concerts/Entertainment	320	320	480	480	640	5,440	11,840
Sports/Recreation	4,620	5,940	7,260	8,580	9,900	85,800	184,800
Meetings/Banquets/Receptions	1,001	1,078	1,155	1,232	1,309	12,320	25,410
Total	29,722	35,102	44,242	47,743	55,739	491,243	1,048,633
HOTEL ROOM NIGHTS							
Equestrian/Livestock/Ag	4,462	5,453	6,445	6,940	7,436	67,915	142,275
Rodeo	441	588	735	735	882	7,791	16,611
Flat Floor	1,152	1,296	1,440	1,584	1,728	15,840	33,120
Fairs/Festivals	720	720	1,440	1,440	2,160	17,280	38,880
Concerts/Entertainment	24	24	36	36	48	408	888
Sports/Recreation	1,001	1,287	1,573	1,859	2,145	18,590	40,040
Meetings/Banquets/Receptions	334	359	385	411	436	4,107	8,470
Total	8,133	9,727	12,054	13,005	14,835	131,931	280,284

2. COST/BENEFIT: Comparison of Stabilized Years

	OPTION A: Market	OPTION B: Arena	OPTION C: Expo/Equine
NUMBER OF EVENTS			
Equestrian/Livestock/Ag	35	12	30
Rodeo	10	10	6
Flat Floor	22	10	24
Fairs/Festivals	3	2	3
Concerts/Entertainment	8	12	4
Sports/Recreation	15	10	15
Meetings/Banquets/Receptions	40	15	34
Total	133	71	116
EVENT DAYS			
Equestrian/Livestock/Ag	77	26	66
Rodeo	21	21	13
Flat Floor	44	20	48
Fairs/Festivals	12	8	12
Concerts/Entertainment	8	12	4
Sports/Recreation	33	22	33
Meetings/Banquets/Receptions	44	17	37
Total	239	126	213
UTILIZATION DAYS			
Equestrian/Livestock/Ag	102	35	87
Rodeo	26	26	16
Flat Floor	55	25	60
Fairs/Festivals	18	12	18
Concerts/Entertainment	12	18	6
Sports/Recreation	41	27	41
Meetings/Banquets/Receptions	44	17	37
Total	297	159	265

	OPTION A: Market	OPTION B: Arena	OPTION C: Expo/Equine
ATTENDEE DAYS			
Equestrian/Livestock/Ag	30,800	10,560	26,400
Rodeo	17,850	17,850	6,300
Flat Floor	52,800	24,000	57,600
Fairs/Festivals	48,000	8,000	36,000
Concerts/Entertainment	17,600	30,000	3,200
Sports/Recreation	16,500	5,500	16,500
Meetings/Banquets/Receptions	7,700	2,063	6,545
Total	191,250	97,973	152,545
ATTENDEE DAYS (NON-LOCAL)			
Equestrian/Livestock/Ag	20,020	6,864	17,160
Rodeo	12,495	12,495	4,410
Flat Floor	10,560	4,800	11,520
Fairs/Festivals	14,400	2,400	10,800
Concerts/Entertainment	3,520	6,000	640
Sports/Recreation	9,900	3,300	9,900
Meetings/Banquets/Receptions	1,540	413	1,309
Total	72,435	36,272	55,739
HOTEL ROOM NIGHTS			
Equestrian/Livestock/Ag	8,675	2,974	7,436
Rodeo	2,499	2,499	882
Flat Floor	1,584	720	1,728
Fairs/Festivals	2,880	480	2,160
Concerts/Entertainment	264	450	48
Sports/Recreation	2,145	715	2,145
Meetings/Banquets/Receptions	513	138	436
Total	18,561	7,976	14,835

2. COST/BENEFIT: Estimated Financial Performance

OPTION A: Market-Indicated Program

	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	10-Year TOTAL	20-Year TOTAL
Operating Revenues:							
Space Rental	$513,092	$587,234	$679,376	$746,018	$845,660	$7,599,680	$16,056,280
Food & Beverage	502,338	575,119	667,100	735,081	831,863	7,470,813	15,789,438
Contract Service & Other	227,563	235,149	257,905	280,661	303,418	2,821,785	5,855,963
Total Operating Revenue	$1,242,993	$1,397,502	$1,604,381	$1,761,761	$1,980,940	$17,892,278	$37,701,681
Operating Expenses:							
Salaries & Benefits	$684,075	$689,075	$694,075	$699,075	$704,075	$6,990,750	$14,031,500
Food & Beverage	326,519	373,827	433,615	477,803	540,711	4,856,028	10,263,134
Contract Labor	88,733	93,602	98,472	103,341	108,211	1,033,414	2,115,523
Utilities	421,123	432,821	444,519	456,217	467,915	4,562,167	9,241,313
Repair & Maintenance	101,865	106,011	110,156	114,302	118,448	1,143,022	2,327,500
General & Administrative	80,877	82,168	83,458	84,749	86,040	847,490	1,707,886
Supplies	66,407	69,569	72,731	75,894	79,056	758,937	1,549,495
Insurance	37,637	37,637	37,637	37,637	37,637	376,370	752,740
Management Fee/Other	158,831	164,246	169,661	175,075	180,490	1,750,753	3,555,653
Total Operating Expenses	$1,966,068	$2,048,956	$2,144,325	$2,224,093	$2,322,581	$22,318,931	$45,544,745
Net Operating Profit/Deficit	($723,075)	($651,455)	($539,944)	($462,332)	($341,641)	($4,426,653)	($7,843,064)
Capital Repair/Replacement Reserve	($159,000)	($159,000)	($159,000)	($159,000)	($159,000)	($1,590,000)	($3,180,000)
HB534,527,525	$2,300,000	$2,300,000	$2,300,000	$2,300,000	$2,300,000	$23,000,000	$46,000,000
Authority Taxes (net 6% on sales)	$75,000	$84,000	$96,000	$106,000	$119,000	$1,075,000	$2,265,000
County operating support	$300,000	$300,000	$300,000	$300,000	$300,000	$3,000,000	$6,000,000
Net Amount Available for Debt (annual)	$1,792,925	$1,873,545	$1,997,056	$2,084,668	$2,218,359	$21,058,347	$43,241,936
Net Amount Available for Debt (cumulative)	$1,792,925	$3,666,470	$5,663,527	$7,748,194	$9,966,553	$21,058,347	$43,241,936

2. COST/BENEFIT: Estimated Financial Performance

OPTION B: Arena-Only Program

	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	10-Year TOTAL	20-Year TOTAL
Operating Revenues:							
Space Rental	$254,120	$288,560	$336,900	$373,540	$410,180	$3,714,200	$7,816,000
Food & Beverage	361,763	409,099	463,298	514,759	566,220	5,146,238	10,808,438
Contract Service & Other	131,747	136,139	149,313	162,488	175,663	1,633,665	3,390,295
Total Operating Revenue	$747,630	$833,798	$949,511	$1,050,787	$1,152,063	$10,494,103	$22,014,732
Operating Expenses:							
Salaries & Benefits	$490,475	$492,975	$495,475	$497,975	$500,475	$4,979,750	$9,984,500
Food & Beverage	235,146	265,914	301,143	334,593	368,043	3,345,054	7,025,484
Contract Labor	51,372	54,191	57,010	59,829	62,648	598,292	1,224,776
Utilities	278,638	286,378	294,118	301,858	309,598	3,018,577	6,114,553
Repair & Maintenance	58,975	61,375	63,775	66,175	68,575	661,749	1,347,500
General & Administrative	46,824	47,571	48,318	49,065	49,812	490,652	988,776
Supplies	38,446	40,277	42,108	43,938	45,769	439,384	897,076
Insurance	24,514	24,514	24,514	24,514	24,514	245,136	490,272
Management Fee/Other	134,396	138,977	143,559	148,141	152,722	1,481,406	3,008,630
Total Operating Expenses	$1,358,784	$1,412,171	$1,470,019	$1,526,088	$1,582,157	$15,260,002	$31,081,567
Net Operating Profit/Deficit	($611,154)	($578,374)	($520,508)	($475,301)	($430,094)	($4,765,899)	($9,066,835)
Capital Repair/Replacement Reserve	($72,000)	($72,000)	($72,000)	($72,000)	($72,000)	($720,000)	($1,440,000)
HB534,527,525	$2,300,000	$2,300,000	$2,300,000	$2,300,000	$2,300,000	$23,000,000	$46,000,000
Authority Taxes (net 6% on sales)	$45,000	$50,000	$57,000	$63,000	$69,000	$629,000	$1,319,000
County operating support	$300,000	$300,000	$300,000	$300,000	$300,000	$3,000,000	$6,000,000
Net Amount Available for Debt (annual)	$1,961,846	$1,999,626	$2,064,492	$2,115,699	$2,166,906	$21,143,101	$42,812,165
Net Amount Available for Debt (cumulative)	$1,961,846	$3,961,472	$6,025,964	$8,141,663	$10,308,570	$21,143,101	$42,812,165

2. COST/BENEFIT: Estimated Financial Performance

OPTION C: Expo/Equine/Livestock Program

	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	10-Year TOTAL	20-Year TOTAL
Operating Revenues:							
Space Rental	$301,098	$352,008	$414,518	$455,274	$509,688	$4,581,026	$9,677,906
Food & Beverage	339,043	394,320	470,398	504,693	568,450	5,119,153	10,803,653
Contract Service & Other	201,214	211,275	226,366	236,426	251,517	2,384,385	4,899,559
Total Operating Revenue	$841,354	$957,603	$1,111,281	$1,196,393	$1,329,655	$12,084,563	$25,381,117
Operating Expenses:							
Salaries & Benefits	$525,850	$528,350	$530,850	$533,350	$535,850	$5,333,500	$10,692,000
Food & Beverage	220,378	256,308	305,758	328,050	369,493	3,327,449	7,022,374
Contract Labor	78,459	82,764	87,070	91,376	95,681	913,756	1,870,568
Utilities	279,271	287,029	294,786	302,544	310,301	3,025,437	6,128,450
Repair & Maintenance	84,441	87,877	91,314	94,750	98,187	947,505	1,929,375
General & Administrative	53,634	54,490	55,346	56,202	57,058	562,020	1,132,598
Supplies	49,543	51,902	54,261	56,621	58,980	566,207	1,156,005
Insurance	28,079	28,079	28,079	28,079	28,079	280,792	561,584
Management Fee/Other	153,944	159,192	164,440	169,688	174,936	1,696,884	3,446,248
Total Operating Expenses	$1,473,599	$1,535,992	$1,611,905	$1,660,660	$1,728,565	$16,653,549	$33,939,202
Net Operating Profit/Deficit	($632,245)	($578,390)	($500,624)	($464,267)	($398,910)	($4,568,985)	($8,558,085)
Capital Repair/Replacement Reserve	($77,000)	($77,000)	($77,000)	($77,000)	($77,000)	($770,000)	($1,540,000)
HB534,527,525	$2,300,000	$2,300,000	$2,300,000	$2,300,000	$2,300,000	$23,000,000	$46,000,000
Authority Taxes (net 6% on sales)	$50,000	$57,000	$67,000	$72,000	$80,000	$726,000	$1,526,000
County operating support	$300,000	$300,000	$300,000	$300,000	$300,000	$3,000,000	$6,000,000
Net Amount Available for Debt (annual)	$1,940,755	$2,001,610	$2,089,376	$2,130,733	$2,204,090	$21,387,015	$43,427,915
Net Amount Available for Debt (cumulative)	$1,940,755	$3,942,366	$6,031,742	$8,162,474	$10,366,564	$21,387,015	$43,427,915

2. COST/BENEFIT: Comparison of Stabilized Years by Scenario

	OPTION A: Market	OPTION B: Arena	OPTION C: Expo/Equine
Operating Revenues:			
Space Rental	$845,660	$410,180	$509,688
Food & Beverage	831,863	566,220	568,450
Contract Service & Other	303,418	175,663	251,517
Total Operating Revenue	$1,980,940	$1,152,063	$1,329,655
Operating Expenses:			
Salaries & Benefits	$704,075	$500,475	$535,850
Food & Beverage	540,711	368,043	369,493
Contract Labor	108,211	62,648	95,681
Utilities	467,915	309,598	310,301
Repair & Maintenance	118,448	68,575	98,187
General & Administrative	86,040	49,812	57,058
Supplies	79,056	45,769	58,980
Insurance	37,637	24,514	28,079
Management Fee/Other	180,490	152,722	174,936
Total Operating Expenses	$2,322,581	$1,582,157	$1,728,565
Net Operating Profit/Deficit	($341,641)	($430,094)	($398,910)
Capital Repair/Replacement Reserve	($159,000)	($72,000)	($77,000)
HB534,527,525	$2,300,000	$2,300,000	$2,300,000
Authority Taxes (net 6% on sales)	$119,000	$69,000	$80,000
County operating support	$300,000	$300,000	$300,000
Net Amount Available for Debt (annual)	$2,218,359	$2,166,906	$2,204,090

CONVENTIONS SPORTS & LEISURE

2. COST/BENEFIT: Economic Impact Concepts & Methods

A detailed analysis was conducted to estimate quantifiable economic impacts associated with the proposed Lauderdale County Multipurpose Agribusiness Center. While not a component of CSL's contracted study scope of services, hypothetical order-of-magnitude figures are presented to consider the "total" impact of investment in other non-Agribusiness Center mixed-use elements that could be executed at the greater site.

The impact of an event facility project is maximized when out-of-town guests, attendees, participants, and exhibitors spend money in a community while visiting. This spending by visitors represents new money to the community hosting the event. This new money then creates multiplier effects as the initial spending is circulated throughout the local economy.

It is important to note that spending estimates associated with the potential new Agribusiness Center only represent spending that is estimated to be <u>new to Lauderdale County</u> (net new spending), directly attributable to the operation (and existence) of the Agribusiness Center. The analysis does not consider any assumed displaced local spending.

For purposes if this study, economic impacts will be analyzed in terms of (A) construction impacts, (B) in-facility impacts, and (C) out-of-facility impacts.

A) Construction (one-time)

Construction materials, labor, design and professional fees, and other soft cost spending are generated during the planning and construction of the subject facility.

1. Direct Spending
   - Materials
   - Labor
2. Indirect & Induced Spending
3. Output (direct + indirect + induced spending)
4. Employment (full & part-time jobs)
5. Earnings (personal income)
6. Tax Revenue
   - Sales & use taxes

B) In-Facility (ongoing)

Direct spending is generated through the operations of the subject facility (represented through operating revenues) driven by events and patronage. This spending occurs with respect to both event and non-event items, such as rentals, admissions, food and beverage, merchandise, sponsorship and advertising, education, and retail leases.

1. Direct Spending
   - Room & Space Rentals
   - Food & Beverage
   - Retail & Merchandise
   - Entertainment
   - Sponsorship & Advertising
   - Contract & Other Services
2. Indirect & Induced Spending
3. Output (direct + indirect + induced spending)
4. Employment (full & part-time jobs)
5. Earnings (personal income)
6. Tax Revenue
   - Sales & use taxes
   - Excise, gaming & other taxes

C) Out-of-Facility (ongoing)

Outside the subject facility itself, additional direct spending is generated in city, county and regional areas by visitors, spectators, attendees, participants, event staff, and exhibitors users on lodging, food and beverages, retail, entertainment, transportation, etc. in connection with their visit to the area.

1. Direct Spending
   - Lodging
   - Restaurants/Bars
   - Retail
   - Entertainment/Gaming
   - Transit
   - Services/Other
2. Indirect & Induced Spending
3. Output (direct + indirect + induced spending)
4. Employment (full & part-time jobs)
5. Earnings (personal income)
6. Tax Revenue
   - Lodging taxes
   - Sales & use taxes
   - Car rental & transit taxes
   - Excise, gaming & other taxes

7. COST/BENEFIT: Economic Impacts

OPTION A: Market-Indicated Program

	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	10-Year TOTAL	20-Year TOTAL
CONSTRUCTION IMPACTS							
Direct Spending	$34,105,500	$0	$0	$0	$0	$34,105,500	$34,105,500
Indirect/Induced Spending	23,417,455	0	0	0	0	23,417,455	23,417,455
Total Output	$57,522,955	$0	$0	$0	$0	$57,522,955	$57,522,955
Personal Income (earnings)	$19,370,987	$0	$0	$0	$0	$19,370,987	$19,370,987
Employment (full & part-time jobs)	409	0	0	0	0	409	409
Tax Revenue	$1,645,229	$0	$0	$0	$0	$1,645,229	$1,645,229
IN-FACLITY IMPACTS							
Direct Spending	$650,115	$711,919	$794,671	$857,622	$945,294	$8,686,092	$18,139,034
Indirect/Induced Spending	279,359	305,035	339,606	365,975	402,625	3,705,723	7,731,970
Total Output	$929,474	$1,016,953	$1,134,276	$1,223,597	$1,347,919	$12,391,815	$25,871,004
Personal Income (earnings)	$327,718	$359,236	$401,357	$433,372	$477,988	$4,389,610	$9,169,489
Employment (full & part-time jobs)	14	15	17	18	20	20	20
Tax Revenue	$59,282	$61,718	$64,979	$67,458	$70,913	$678,912	$1,388,038
OUT-OF-FACILITY IMPACTS							
Direct Spending	$3,515,773	$4,039,726	$4,851,679	$5,341,552	$6,187,585	$54,874,240	$116,750,090
Indirect/Induced Spending	1,313,308	1,508,883	1,813,337	1,996,106	2,313,367	20,511,838	43,645,510
Total Output	$4,829,081	$5,548,609	$6,665,016	$7,337,658	$8,500,952	$75,386,078	$160,395,600
Personal Income (earnings)	$1,516,740	$1,742,507	$2,094,936	$2,305,859	$2,673,133	$23,698,841	$50,430,170
Employment (full & part-time jobs)	72	83	100	110	127	127	127
Tax Revenue	$251,822	$285,882	$335,820	$367,841	$419,817	$3,760,268	$7,958,441
TOTAL ECONOMIC IMPACTS							
Direct Spending	$38,271,388	$4,751,645	$5,646,350	$6,199,174	$7,132,879	$97,665,832	$97,665,832
Indirect/Induced Spending	25,010,122	1,813,918	2,152,943	2,362,081	2,715,992	47,635,016	47,635,016
Total Output	$63,281,510	$6,565,563	$7,799,293	$8,561,256	$9,848,871	$145,300,848	$145,300,848
Personal Income (earnings)	$21,215,444	$2,101,743	$2,496,294	$2,739,231	$3,151,121	$47,459,437	$47,459,437
Employment (full & part-time jobs)	494	98	116	128	147	494	494
Tax Revenue	$1,956,333	$347,600	$400,799	$435,300	$490,730	$6,084,410	$6,084,410

7. COST/BENEFIT: Economic Impacts

OPTION B: Arena-Only Program

	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	10-Year TOTAL	20-Year TOTAL
CONSTRUCTION IMPACTS							
Direct Spending	$15,327,000	$0	$0	$0	$0	$15,327,000	$15,327,000
Indirect/Induced Spending	10,523,796	0	0	0	0	10,523,796	10,523,796
Total Output	$25,850,796	$0	$0	$0	$0	$25,850,796	$25,850,796
Personal Income (earnings)	$8,705,315	$0	$0	$0	$0	$8,705,315	$8,705,315
Employment (full & part-time jobs)	184	0	0	0	0	184	184
Tax Revenue	$739,366	$0	$0	$0	$0	$739,366	$739,366
IN-FACLITY IMPACTS							
Direct Spending	$893,460	$1,024,716	$1,020,727	$1,120,612	$1,131,835	$10,850,525	$22,168,877
Indirect/Induced Spending	395,507	453,815	450,082	493,909	497,224	4,776,658	9,748,900
Total Output	$1,288,966	$1,478,531	$1,470,808	$1,614,521	$1,629,059	$15,627,183	$31,917,777
Personal Income (earnings)	$445,614	$510,994	$509,815	$559,792	$566,071	$5,422,643	$11,083,356
Employment (full & part-time jobs)	18	20	20	22	23	23	23
Tax Revenue	$80,939	$86,069	$85,937	$89,847	$90,306	$884,628	$1,787,688
OUT-OF-FACILITY IMPACTS							
Direct Spending	$1,853,803	$2,113,094	$2,446,859	$2,711,100	$2,975,340	$26,976,895	$56,730,295
Indirect/Induced Spending	694,370	791,477	916,726	1,015,678	1,114,631	10,106,034	21,252,340
Total Output	$2,548,173	$2,904,570	$3,363,585	$3,726,778	$4,089,971	$37,082,929	$77,982,635
Personal Income (earnings)	$803,264	$915,589	$1,060,644	$1,175,098	$1,289,553	$11,691,914	$24,587,444
Employment (full & part-time jobs)	38	44	51	56	62	62	62
Tax Revenue	$129,642	$145,834	$166,158	$182,675	$199,192	$1,819,461	$3,811,381
TOTAL ECONOMIC IMPACTS							
Direct Spending	$18,074,263	$3,137,809	$3,467,586	$3,831,711	$4,107,175	$53,154,420	$53,154,420
Indirect/Induced Spending	11,613,673	1,245,291	1,366,807	1,509,588	1,611,855	25,406,488	25,406,488
Total Output	$29,687,936	$4,383,101	$4,834,393	$5,341,299	$5,719,030	$78,560,908	$78,560,908
Personal Income (earnings)	$9,954,193	$1,426,583	$1,570,458	$1,734,891	$1,855,624	$25,819,871	$25,819,871
Employment (full & part-time jobs)	240	64	71	79	84	240	240
Tax Revenue	$949,946	$231,903	$252,095	$272,522	$289,498	$3,443,455	$3,443,455

7. COST/BENEFIT: Economic Impacts

OPTION C: Expo/Equine/Livestock Program

	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025	10-Year TOTAL	20-Year TOTAL
CONSTRUCTION IMPACTS							
Direct Spending	$16,555,500	$0	$0	$0	$0	$16,555,500	$16,555,500
Indirect/Induced Spending	11,367,307	0	0	0	0	11,367,307	11,367,307
Total Output	$27,922,807	$0	$0	$0	$0	$27,922,807	$27,922,807
Personal Income (earnings)	$9,403,069	$0	$0	$0	$0	$9,403,069	$9,403,069
Employment (full & part-time jobs)	198	0	0	0	0	198	198
Tax Revenue	$798,628	$0	$0	$0	$0	$798,628	$798,628
IN-FACLITY IMPACTS							
Direct Spending	$930,950	$1,074,238	$1,085,435	$1,178,854	$1,202,872	$11,486,709	$23,515,431
Indirect/Induced Spending	413,438	476,964	479,399	520,877	529,605	5,068,309	10,364,361
Total Output	$1,344,388	$1,551,202	$1,564,834	$1,699,732	$1,732,477	$16,555,019	$33,879,792
Personal Income (earnings)	$463,762	$535,187	$541,810	$588,352	$601,116	$5,735,807	$11,746,965
Employment (full & part-time jobs)	18	21	22	24	24	24	24
Tax Revenue	$84,274	$89,876	$90,344	$93,996	$94,957	$928,234	$1,877,808
OUT-OF-FACILITY IMPACTS							
Direct Spending	$2,670,195	$3,191,165	$3,939,295	$4,274,315	$4,890,885	$43,420,280	$92,329,130
Indirect/Induced Spending	996,698	1,190,775	1,470,739	1,595,538	1,826,648	16,213,639	34,480,121
Total Output	$3,666,893	$4,381,940	$5,410,034	$5,869,853	$6,717,533	$59,633,919	$126,809,251
Personal Income (earnings)	$1,150,559	$1,374,324	$1,698,010	$1,841,894	$2,109,364	$18,720,972	$39,814,615
Employment (full & part-time jobs)	55	65	81	87	100	100	100
Tax Revenue	$192,498	$227,159	$274,325	$296,628	$334,719	$2,998,922	$6,346,109
TOTAL ECONOMIC IMPACTS							
Direct Spending	$20,156,645	$4,265,403	$5,024,730	$5,453,169	$6,093,757	$71,462,489	$71,462,489
Indirect/Induced Spending	12,777,443	1,667,739	1,950,139	2,116,415	2,356,253	32,649,255	32,649,255
Total Output	$32,934,087	$5,933,142	$6,974,868	$7,569,584	$8,450,010	$104,111,745	$104,111,745
Personal Income (earnings)	$11,017,389	$1,909,511	$2,239,821	$2,430,246	$2,710,480	$33,859,848	$33,859,848
Employment (full & part-time jobs)	271	86	102	111	124	271	271
Tax Revenue	$1,075,400	$317,035	$364,669	$390,624	$429,676	$4,725,784	$4,725,784

7. COST/BENEFIT: Comparison 20-Year Totals

	OPTION A: Market	OPTION B: Arena	OPTION C: Expo/Equine
CONSTRUCTION IMPACTS			
Direct Spending	$34,105,500	$15,327,000	$16,555,500
Indirect/Induced Spending	23,417,455	10,523,796	11,367,307
Total Output	$57,522,955	$25,850,796	$27,922,807
Personal Income (earnings)	$19,370,987	$8,705,315	$9,403,069
Employment (full & part-time jobs, peak year)	409	184	198
Tax Revenue	$1,645,229	$739,366	$798,628
IN-FACLITY IMPACTS			
Direct Spending	$18,139,034	$22,168,877	$23,515,431
Indirect/Induced Spending	7,731,970	9,748,900	10,364,361
Total Output	$25,871,004	$31,917,777	$33,879,792
Personal Income (earnings)	$9,169,489	$11,083,356	$11,746,965
Employment (full & part-time jobs, peak year)	20	23	24
Tax Revenue	$1,388,038	$1,787,688	$1,877,808
OUT-OF-FACILITY IMPACTS			
Direct Spending	$116,750,090	$56,730,295	$92,329,130
Indirect/Induced Spending	43,645,510	21,252,340	34,480,121
Total Output	$160,395,600	$77,982,635	$126,809,251
Personal Income (earnings)	$50,430,170	$24,587,444	$39,814,615
Employment (full & part-time jobs, peak year)	127	62	100
Tax Revenue	$7,958,441	$3,811,381	$6,346,109
TOTAL ECONOMIC IMPACTS			
Direct Spending	$97,665,832	$53,154,420	$71,462,489
Indirect/Induced Spending	47,635,016	25,406,488	32,649,255
Total Output	$145,300,848	$78,560,908	$104,111,745
Personal Income (earnings)	$47,459,437	$25,819,871	$33,859,848
Employment (full & part-time jobs, peak year)	494	240	271
Tax Revenue	$6,084,410	$3,443,455	$4,725,784

7. COST/BENEFIT: Cost/Benefit Conclusions

As shown in the exhibits on the previous pages, the development and operation of the proposed Lauderdale County Multipurpose Agribusiness Center is expected to generate quantitative benefits to Lauderdale County. Based on the analysis, key annual and 20-year cumulative utilization and cost/benefit metric estimates include those indicated to the right.

The quantified economic impact estimates represent spending that is estimated to be "new" to Lauderdale County as generated by the construction and operation of the Multipurpose Agribusiness Center. The new Lauderdale County spending is generated through the construction period and then from in-facility spending and out-of-facility spending by Agribusiness Center attendee that are assumed to be non-local.

Key Performance Estimates	OPTION A: Market	OPTION B: Arena	OPTION C: Expo/Equine
Events (annual)	133	71	116
Event Days (annual)	239	126	213
Utilization Days (annual)	297	159	265
Operating Revenue (annual)	$1,980,940	$1,152,063	$1,329,655
Operating Expenses (annual)	$2,322,581	$1,582,157	$1,728,565
Hotel Room Nights (annual)	18,561	7,976	14,835
Direct Spending by Non-Locals (20 year cumulative)	$97,665,832	$53,154,420	$71,462,489
Total Economic Output (20 year cumulative)	$145,300,848	$78,560,908	$104,111,745
Personal Earnings (20 year cumulative)	$47,459,437	$25,819,871	$33,859,848
Full & Part-time Jobs (peak year over 20 years)	494	240	271
Tax Revenue (20 year cumulative)	$6,084,410	$3,443,455	$4,725,784

In addition to the quantifiable benefits associated with a new facility, there are a number of existing and potential benefits that cannot be quantified. In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in facilities of this nature, particularly those involving existing venues with a productive history of service locally and regionally. These include issues pertaining to quality of life (through attracting events that would not otherwise travel to the site or County, as well as hosting civic, entertainment and private events), ancillary economic development facilitation, employment opportunities, community pride, etc.

The quantitative impact figures do not include economic impact that could be generated by other facility elements at the greater site (such as potential new hotel, restaurant, retail, residential and other such elements that could be developed in addition to the Agribusiness Center itself). Some of the quantified economic impacts associated with Agribusiness Center attendance would be quantitatively captured by some of these potential other facilities, but substantial additional economic impact could be generated by any additional mixed-use elements that are developed at the site. The net effect of a calculation of quantified economic impact could hypothetically be several times greater in magnitude (depending on the level of investment and development that is ultimately realized at the site).

Relative to traditional industry models, there are a number of unique issues that positively impact the Lauderdale Agribusiness Center project. SB345 is advantageously written, giving the Authority significant autonomy to conduct business and transactions at its owned site. The extent to which private sector investment and development can be drawn to the site will provide significant benefits not only to the marketing, financial and economic performance of the Agribusiness Center itself, but also has a direct correlation with the funds available for capital and operating needs. The more ancillary development that is induced to the Authority's site, the more successful and impactful the Agribusiness Center can become.