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ALACHUA COUNTY FAIRGROUNDS

**Business Plan
For
Capital Projects that Promote Tourism**

Submitted to:
Alachua County Purchasing Division, Third Floor
County Administration Building
12 SE 1st Street
Gainesville, Florida 32601-6983

Submitted by:
Richard A. Drummond
Assistant County Manager
Alachua County Government
May 18, 2010

Intoduction

This Business Plan for the Alachua County Fairgrounds, Phase I, is submitted in response to the request from the Alachua County Board of County Commissioners for complete business plans for projects that promote tourism in accordance with the requirements of subsection 125.0104(5), Florida Statutes. If the available portion of the Tourist Development Tax were designated for this project, it is estimated that it could be used to financed approximately \$7,000,000 over a fifteen year timeframe. This represents about one-third of the funds necessary to complete construction of the Fairgrounds, Phase I, and would be allocated toward the components in the Fairgrounds Conceptual Master Plan that are designed to promote tourism.

A brief description of the project.

On September 9, 2008, the Alachua County Board of County Commissioners approved the conceptual master plan for the construction of a new Fairground on 100 ± acres of the tract that is commonly referred to as the Weseman tract, located on NE Waldo Road between NE 63rd Avenue and NE 69th Avenue. This action signaled a culmination of many years of community involvement and deliberation. As approved by the Commission, the design of the new Fairground includes:

- 50,000 sq. ft. Arena/Coliseum with 5,000 permanent seating and space for 2,500 temporary seating, and 10,000 sq. ft. of meeting/office space
- 48,000 sq. ft. Multi-Purpose Auditorium/Exhibition Hall
- 50,000 sq. ft. Covered Equestrian/Livestock Arena, with tent pads and animal barns
- Midway and Events Lawn
- Parking

The Fairground is planned to be constructed in three phases. Phase I includes the first 25,000 sq. ft. of the Multi-Purpose Auditorium/Exhibition Hall, the Covered Equestrian/Livestock Arena and associated tent pads, the midway and events lawn, parking, stormwater facilities and roadways. Phase II includes the expansion of the Auditorium/Exhibition Hall and the conversion of the tent pads into animal barns. Phase III completes the development with the construction of the Arena/Coliseum.

Although portions of this business plan and the supporting material discuss the entire Fairgrounds development, the focus is on the components of Phase I, because of its essential connection to the reinvigoration of East Gainesville as envisioned in Plan East Gainesville.

Plan East Gainesville was completed in 2003 as the result of a joint planning effort undertaken by Alachua County, the City of Gainesville and the Metropolitan Transportation Planning Organization. The Plan established a series of strategies and priorities for the reinvestment and redevelopment in the area of East Gainesville. The recommendations included in Plan East Gainesville were subsequently adopted as amendments to the Comprehensive Plans of both the City of Gainesville and Alachua County. One of the more important strategies included in the Plan is for the City of Gainesville and the County to coordinate with other stakeholders in

converting the existing Alachua County Fairgrounds site to a mixed-use employment center (Future Land Use Policy 8.5.3).

The many stakeholders involved in the preparation of Plan East Gainesville and in the development of the conceptual master plan for the new Fairgrounds have concluded that redevelopment of the existing Fairgrounds site can only happen upon the completion of at least Phase I of the new Fairgrounds.

Phase I basically replicates the capacity of the existing Fairgrounds, although by providing state-of-the-art interior space in the new Auditorium/Exhibition Hall and enhanced facilities for equestrian and livestock events in the new Covered Equestrian/Livestock Arena, the new facility will be equipped to attract a far greater number of regional events compared to the existing facility.

The estimated cost for constructing all three phases of the new Fairgrounds is \$50,500,000. Phase I construction is estimated at \$20,510,000. If awarded to this project, the approximately \$7,000,000 that could be financed with the estimated Tourist Development Tax available for this program will be combined with other financing strategies to complete the project.

How does the project fit the statutory requirements?

The Auditorium/ Exhibition Hall, Covered Equestrian/Livestock Arena and the Arena/Coliseum (Phase III) are planned and designed to attract tourists to Alachua County by providing new venues for sports, equestrian and other events of regional importance. These uses are consistent with the specific statutory requirements that the proceeds of the Tourist Development Tax be used “to acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate or promote one or more publicly owned and operated convention centers, sports stadiums, sports arenas, coliseums or auditoriums...”

What is the anticipated return on investment (ROI) for tourism?

Once the use of the facility reaches a stabilized status, it is estimated that local expenditures for hotel/motel will be approximately \$5,131,200, generating \$256,560 in Bed Tax and \$384,840 in State Sales Tax. Additional sales tax from other expenses generated by activities hosted at the Fairgrounds is estimated at \$342,608. Therefore, total new revenue estimated to be generated annually by Phase I of the Fairgrounds development is \$984,000. These estimates are based on the attached market and economic analysis prepared for the County by AECOM. Their report concludes that, after a stabilizing period of three years, the facilities contained in Phase I will generate 160 event days with 132,500 attendees, 66,800 room nights of lodging and over \$25,000,000 in total direct, indirect and induced expenditures.

Name of events that could be hosted at facility

Based on interviews, market research and demographic analysis conducted by AECOM, “the Phase I program can expect to host approximately 160 event days (110 in the multipurpose [auditorium] building and 50 in the equestrian facility).” In its report, AECOM provides an illustrative schedule of typical events that are expected to be attracted to this facility, as follows:

Type of Event	Total Event Days of Use	Average Attendance Per Event Day	Total Attendance Per Event Type
Equestrian	50	25	1,250
Sporting	30	1,000	30,000
Activities/Festivals	10	3,000	30,000
Trade Shows	25	1,500	37,500
Performing Arts	5	1,000	5,000
Corporate Events	15	250	3,750
Public Use	15	1,500	22,500
Meeting/Social Functions	10	250	2,500
Total	160		132,500

Number of attendees from out of county

Of the total estimated attendance of 132,500 people based on the above typical event schedule, 44,313 (33%) of the people will be from out of town; 33,063 (25%) will be day visitors; and 55,125 (42%) will be local. For the purposes of this analysis, local visitors are defined as those living within 50 miles of the facility; day visitors live between 50 and 100 miles of the facility; and overnight visitors reside over 100 miles from the facility.

Number of hotel rooms booked per event

Bed-tax generated by out of county visitors

Sales tax generated by out of county visitors

Please refer to the AECOM and ERA reports contained in the Appendix for detailed analyses related to this set of questions. In addition to the data provided above regarding the potential out of town attraction generated by Phase I of the Fairgrounds, an earlier study completed for Alachua County in 2008 by Economics Research Associates (ERA) concluded that the Arena/Coliseum alone can be expected to generate 200 event days annually, based on performance stabilization in year three of operations. Based upon the 2008 study, once Phase III of the Fairgrounds is built out, the facility can be expected to attract more than 300,000 attendees, 28% of whom would be from out-of-town, or overnight visitors who reside more than 100 miles away. These overnight visitors can be expected to consume approximately 103,000 room nights of lodging, equating to approximately \$395,600 of bed tax [adjusted to include the recently adopted increase]. ERA also concluded that the Arena/Coliseum would have a total dollar impact on the community, in 2007 dollars, of \$52,464,300.

Where is the project to be located and how would this be the best location for attracting tourists?

Is project located near an area for secondary spending: restaurants, retail, grocery, service etc?

Is location visitor friendly – easy access, easy to find, proper signage, adequate parking?

The Fairgrounds will be located at the northwest corner of State Route 24 (Waldo Road) and NE 63rd Avenue in Gainesville, Florida approximately two mile north of the regional airport and five miles north of downtown Gainesville. According to ERA's site analysis, the location "has excellent visibility with its frontage on Waldo Road, the heavily-traveled main thoroughfare between Jacksonville and Gainesville which leads directly to downtown Gainesville and the University of Florida." The ERA report continues "The site has excellent access to visitor amenities, restaurants and hotels regionwide..." The report concludes "that the proposed site is well suited for the proposed Arena/Coliseum and that it provides excellent local and regional access for potential events promoters and attendees."

What is the actual cost associated with proposals:

Total estimated construction cost of all three phases of the project is \$50,500,000. Construction costs for Phase I, which is the subject of this proposal, is \$20,510,000.

Construction, land and infrastructure

In November 2006, the County purchased the 148 acre Weseman Property for slightly under \$2,000,000. Approximately 102 acres of the property is dedicated to the future Fairgrounds development.

The estimates costs for construction of Phase I of the Fairgrounds are broken out in the following Categories:

Exhibition Building: 40,000 gsf = \$6,800,000	
Covered Arena: 56,000 gsf = \$3,600,000	
Open Warm-up Arena: 15,000 gsf = \$100,000	
Animal Tent Pads: 65,000 gsf = \$200,000	
Gates/Portals/Graphics: 2 = \$80,000	
Fencing: 4,000 lf = \$160,000	
Events Lawn: 9 acres = \$720,000	
Paved Parking: \$600,000	
RV Connections: 50 = \$150,000	
General Site Development: \$4,500,000	
Fixtures/Furnishings/Equipment: \$500,000 (allowance)	
	Subtotal: \$17,410,000
	Contingency: \$1,800,000
	Architectural Fees and Related Soft Costs: \$1,300,000

Order of Magnitude Projected Cost: \$20,510,000

Operations and Management

Upkeep and maintenance

How will project sustain itself and what revenue generation is possible?

In its 2010 report, AECOM provides an estimate of operating expenses and revenues for the first five years of operations of the Auditorium/Exhibition Hall. This estimate, which is based on management assumptions that are consistent with typical industry standards for operating these kinds of facilities, concludes that the facility can be expected to operate at a deficit of approximately \$190,000 once operations reach a point of stabilization after three years of operation.

It must be noted that the County has not determined the management structure it will employ for this facility. Based on the results of the AECOM report, during the first several years of operations, the County will have to strike the balance between maintaining a cost efficient operation and developing a professional managing and marketing capability. It is likely that the County will assume many of the staffing costs under the County's existing personnel structure, using the experience gained by managing the existing Fairgrounds, including coordinating and scheduling events, and maintaining the grounds and buildings. The County staff has directly managed the existing Fairgrounds since April 2009. Prior to that date, the County had leased the grounds to the Alachua County Fair Association who had full responsibility for conducting the Alachua County Fair as well as maintaining the facilities and grounds and booking event throughout the year.

In the County's first full year of management, we expect to expend approximately \$100,000 for operations, half of which will be covered by event fees with an appropriation from the County General Fund covering the remainder. The rationale for this "operating deficit" is based on the understanding that the Fairgrounds is a community facility. In addition to attracting regionally significant events such as car and truck shows, circuses, and the Medieval Faire, it is the home for events such as the Alachua County Youth Fair and Livestock Show and other not-for-profit charitable activities which are allowed to use the facility at little or no cost.

List all matching funds, donations

As stated above, the total cost estimate for Phase I is \$20,510,000. The County will provide the funds necessary to make up the difference between the construction cost and the approximately \$7,000,000 that could be financed with the tourist development tax. Between now and the time we anticipate beginning construction in two to three years, we expect to accrue a balance of about \$3,000,000 in the County Fairgrounds capital improvements fund. The remainder would be financed with a dedicated funding source for a 15-20 year period. Actual financing terms will be developed once final architectural and engineering plans are completed.

Another critical component of local match for this project has already been expended from the County's General Fund with the 2006 purchase of the property.

How does the project support the brand and the main purposes of travel into Alachua County?

The main purposes of travel in order of most important to least important are

- 1) Sports**
- 2) Meetings and Conferences**
- 3) Visiting Friends and Relatives**
- 4) Festivals and Events**
- 5) Leisure**
- 6) Medicine**

The new Fairgrounds will be uniquely positioned to capitalize and expand on events that have used the current Fairground facilities in the past. Many regional promoters have indicated that a modern facility would allow them to expand their events and draw larger crowds. Sports promotion organizations have indicated that Gainesville is seriously lacking in competitive athletic venues that would allow them to compete with cities of a similar market size. Gainesville is perceived as a sports-friendly market and the existence of a competitive venue such as the new Fairgrounds with its Auditorium/Exhibition Hall, Equestrian/Livestock Arena and Arena/Coliseum would make Gainesville a serious contender for a variety of events that cannot be accommodated currently.

The AECOM report shows that, although there are some limitations attendant due to size and seating limitations in the planned Auditorium/Exhibition Hall for Phase I, a significant number of sports and equestrian events, festivals and trade shows should be attracted to this facility. Refer to the schematics that are contained in the Appendix for examples of utilization of the space for a variety of vent types. The capacity limitations expressed in the AECOM report actually provide the County with an incentive to investigate construction of the Auditorium/Exhibition Hall to a larger size than indicated in its plan for Phase I. Ultimately, this facility is planned for expansion to approximately 45,000 square feet (net interior space). Prior to its final decision to construct Phase I, the County should undertake a cost/benefit analysis to determine if the return on investment warrants that a larger venue be constructed initially.

The Alachua County Visitors and Convention Bureau has reported that inquiries for consumer shows and large conventions have significantly decreased because regional organizers are aware of Gainesville's lack of facilities and scheduling limitations at existing facilities such as the Stephen C. O'Connell Center. The facilities at the Fairground will include 10,000 sq. ft. of meeting/office space which, with the large amount of "flat" floor space available in both the Arena/Coliseum and Auditorium/Exhibition Hall, will allow Gainesville to be significantly more competitive in attracting these kinds of events.

What would be the secondhand benefit to the County other than tourism?

As stated previously, the construction of the new Fairgrounds represents a unique investment opportunity for the success of Plan East Gainesville. This cannot be understated.

The ERA report indicates that the 200 event days of use projected for the Arena/Coliseum alone include many community events that would attract more than 200,000 day visitors and local participants. Day visitors are defined as people who live within a distance of 50 miles from the site. The expanded and modern facilities are expected to be attractive to a large number of community events, such as high school graduations, large banquets/meetings of local community groups, local agricultural shows and equestrian events, and concerts and outdoor festivals. Of

particular note is the Alachua County Youth Fair and Livestock Show which is hosted at the Fairgrounds annually.

The Arena/Coliseum and the Auditorium/Exhibition Hall at the new Fairgrounds will be constructed to meet FEMA hurricane shelter standards and will accommodate more than 2,500 residents in case of emergency.

How will the project be marketed to tourists?

The new Fairgrounds will be managed with a full-time professional staff, which is expected to be phased in during the early stabilization years. Whether it is to be government-run or contracted to a private entity is yet to be determined. The key to success will be the establishment of a booking policy that balances the needs of the County's residents, i.e., community-based events with the requirements of the regional and national events that will be targeted to use the facility. The professional Fairground management will work closely with the Alachua County Visitors and Convention Bureau and organizations such as the Gainesville Sports Commission to market the Fairgrounds as a venue for regional and national events through its regular contacts and outlets. It is also expected that the County, through the professional management staff, will be active members of trade organizations such as the International Association of Fairs and Expositions, and the Florida Federation of Fairs. Events that are booked to the Fairgrounds, that meet the statutory requirements, may be promoted through the activities of the Alachua County Visitors and Convention Bureau.

Describe how project will have national and international recognition?

The facilities constructed as part of Phase I are expected to be competitive for a variety of events throughout the southeastern United States, although the initial capacity, if the Auditorium/Exhibition Hall is constructed in accordance with the conceptual master plan, will limit its attractiveness somewhat in need of greater floor space or seating capacity. Expansion of the Auditorium/Exhibition Hall and completion of the Arena/Coliseum in Phase III will make the Fairgrounds extremely competitive for a number of regional and national events as described in the ERA analysis provided to the County in its 2008 report.

ALACHUA COUNTY FAIRGROUNDS

Business Plan For Capital Projects that Promote Tourism

APPENDIX CONTENTS

1. AECOM Alachua County Fairgrounds – Phase I Program Market and Economic Analysis, May 12, 2010
2. ERA – Project Report Alachua County Arena/Coliseum,
3. January 10, 2008
4. POPULOUS – Alachua County Fairgrounds – Programmatic Diagrams and Schematics

ALACHUA COUNTY FAIRGROUNDS

**Business Plan
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APPENDIX 1.

**AECOM Alachua County Fairgrounds – Phase I Program Market
and Economic Analysis, May 12, 2010**

Memorandum

To: Alachua County
Populous

From: AECOM, Economics

Date: May 12, 2010

Re: Alachua County Fairgrounds- Phase I Program Market and Economic Analysis

AECOM (formerly ERA) has updated the market and economic portions of the Alachua County Fairgrounds study completed in 2008. This update reflects the current proposed Phase I building program for the Alachua County Fairgrounds site which includes a 25,000 square foot auditorium/exhibition building, covered equestrian arena, parking, and infrastructure and site improvements. Using data from the previous study and working papers, supplemented by additional primary research, AECOM updated the analysis to reflect the new proposed program. The following report presents a summary of AECOM's findings, including estimated event demand, an updated financial pro forma, and an economic impact analysis.

Key Findings

Following is a brief description of AECOM's key findings.

- AECOM estimates that (after an initial build-up period) the Phase I program can expect to host approximately 160 annual event days (including 110 days of multipurpose facility use and 50 days of equestrian use, compared to 200 estimated event days in the 2008 report. In contrast to the 2008 report (which proposed a 40,000 square foot facility with 5,000 fixed seats), the reduced sizing of the current proposed facility significantly limits the number, type and size of events. The Phase I Building program will be able to host a reduced number of sporting events, and smaller consumer shows and flat floor events. The proposed facility plan does not allow for high attendance events such as concerts and family shows that require arena-style seating. The reduced number of event dates from these changes will create some additional date availability for community and locally-organized events such as festivals, fairs, conferences, and banquets.
- The reduced amount of seating and floor area in the new building program limits the ability of the proposed facility to attract highly attended performance and sporting events. This constraint to facility programming will significantly reduce rental income as well as ticket and concessions sales. The reduced floor size limits the number and attendance of potential

sporting events, which generated significant economic impact associated with the previous facility program.

- Increasing the available floor space in 5,000 square foot increments would result in proportionate increases in the order of magnitude of approximately 10 additional event days at each adjustment and allow the facility to attract a larger, more-heavily attended events in general, and larger sporting events, in particular. The significant increase to event potential occurs at 40,000 square feet, at which point the total number of viable events increases to include a broader variety and scope of sporting events with the largest number of participants and spectators. Approximately 2,500 seats would allow the facility to begin to attract significantly more and larger sporting events. However in order to attract these larger sporting events, the addition of increased floor area would also be required. Additional testing would be required to determine the cost-benefit associated with changes to floor area size and seating capacity, both in terms of increased capital investment and increased operating cost versus increased revenues and economic impacts.
- Estimates of facility performance assume a modern, well-managed facility. As there are fewer potential national events for the proposed facility, management and event booking policies will be extremely important in order to balance the needs of local groups and still have dates available for these events which will help drive the facility's economic impact. This booking policy is especially important, as the hotel inventory needed to accommodate these events is limited when large events take place at the University of Florida, which limits the number of viable dates for events which attract significant numbers of overnight guests.
- AECOM estimates that the Phase I program will generate an estimated \$632,000 in operating revenues in its first stabilized year (Year 3 of operation), increasing to approximately \$650,000 by Year 5. Stabilized expenses are estimated at \$829,000 in Year 3 and approximately \$841,000 by Year 5. This creates a resultant operating deficit of approximately \$197,000 in Year 3, which is assumed to be the first year of stabilized operations.
- As previously mentioned, the reduced size of the planned facility will adversely affect potential attendance levels, as well as focusing the facility on more localized events. This shift will decrease the estimated economic impacts as compared to the previous (2008) study. AECOM estimates that attendance at events will generate an estimated \$25.5 million in direct, indirect, and induced visitor spending. Based on the current tax structure, of this

level of expenditures will result in approximately \$727,000 in state taxes and \$257,000 in County taxes.

Market Analysis for Potential Events

In the following section, AECOM has updated the market research portion of the 2008 feasibility study for a new facility. AECOM evaluated changes to the regional market population within 100-miles of the proposed site; evaluated changes to the events market; and performed select interviews of various event promoters and event organizers. Our findings regarding market demand and potential users are presented below.

Market Overview

In order to evaluate the market potential for the Phase I program, AECOM analyzed the changes in population of the regional market. Table 1, below illustrates future estimated population within 25, 50, 75, and 100-mile radiuses of the facility site versus population levels in 2007. Compared to population levels from the 2008 findings, all of the markets are anticipated to increase, with the strongest growth seen in the market 50-75 miles from the site. This is a strong sign for the health of the overall market for events.

Approximately 1.3 million people are anticipated to live within 50 miles of the site, a strong market size for local activities. Almost six million people are anticipated to live within the greater regional market, within 100 miles of the site by 2014. With a smaller facility, strong management and a strong marketing effort will be important to attract events which can draw from this larger market.

Table 1: Market Population

Area	2007 Population	Estimated 2014	Change 2007-2014	Percent Change
0-25 Miles	339,625	362,712	23,087	6.8%
25-50 Miles	890,364	977,634	87,270	9.8%
50-75 Miles	1,556,260	1,842,720	286,460	18.4%
75-100 Miles	2,201,811	2,519,136	317,325	14.4%
Total	4,988,060	5,702,202	714,142	14.3%

Source: AECOM, May 2010.

Review of Regional Facilities

The following are AECOM's updated findings regarding inventory and utilization of competitive facilities in the Gainesville area and their impact on the proposed Fairgrounds development plan:

- The Stephen C. O'Connell Center, a multipurpose facility operated by the University of Florida continues to be Gainesville's premier facility of this type. The main level offers over 20,000 square feet of exhibition space. When combined with a 30,000 square foot upper level, the facility can host events of up to 50,000 square feet. However, the Center is highly booked with University events, which receive preference in booking dates. Also, a recent increase to the commercial rental rates may price out some potential events. There is an opportunity for the new facility to host events that are unable to find available dates at the O'Connell Center or cannot afford the new rate structure. Additionally, the new facility may be able to work with the O'Connell Center to attract larger athletic events or conventions that may use multiple facilities. However, there is somewhat increased competition, with the new facility programmed to be of similar size and finish to the existing O'Connell Center, which is well-established in the market.
- The University of Florida Conference Center on the University of Florida campus offers 25,000 square feet of divisible meeting space. There is a slight increase in competition, as the new facility is anticipated to be of the same size as the Conference Center, although the anticipated quality of finish of the new auditorium/exhibition building is not likely to meet that of the Conference Center. However, limited availability and limited competition for the Conference Center have created premium prices and a new, lower priced facility may be able to attract additional meeting and convention-type events.
- Canterbury Showplace is a full-service equestrian facility with a covered arena, five outdoor rings, stalling for 200 horses, and 52 full RV site. The facility is full most weekends with a mix of local and regional shows. The Showplace's property has been sold and is pending development. When development occurs, there would be an opportunity for the Alachua County Fairgrounds to expand its equestrian facilities to accommodate displaced events and grow the facility as a center of equestrian activity in Alachua County and Northern Florida.

Event Potential

In order to update the 2008 illustrative event schedule, AECOM surveyed a combination of current local facility users, as well as potential new users based on events currently taking place in the region and nationwide. In addition, AECOM reviewed levels of event demand, event type, and pricing at other comparable facilities.

Based on these interviews, market research, and demographic analysis, AECOM believes that, assuming proper management and marketing, the Phase I program can expect to host approximately 160 event days (110 in the multipurpose building and 50 in the equestrian facility). Compared to the 2008 report the smaller facility with reduced seating eliminates the hosting of arena-type events such as concerts, family shows, and spectator-driven athletics and dictates an event mix dominated by traditional flat floor events. Greater date availability will allow heavier, reduced price usage by small events, community, and non-profit groups. Therefore, it will be extremely important to maximize revenue-generating activities to offset these uses.

AECOM's 2008 program recommendation was based upon the facility sizing and amenities which would enable the facility to capture the greatest possible number of potential events. As seen in the appendix, the elimination of both square-footage and seating capacity has significantly reduced the number of viable large events for the new exhibition facility versus the 2008 assessment. The reduced size has also reduced the number of attendees and scale of these types of events. As seen in the financial portion of the report, larger events such as family performances, concerts, and sporting events generate a significant amount of both rental revenue and subsequent concessions revenues. These reductions are reflected later in the financial analysis and economic impact sections of this memorandum.

The following illustrative schedule of events and event type is intended to show the types of events that the property can be expected to attract. A listing does not imply a commitment on behalf of listed organizations, but are rather considered examples of the types and sizes of events that would be interested in a facility of the planned size and type and could be attracted to the Alachua market. This illustrates the potential event distribution by event type for the planned Phase I developments. The following schedule represents one possible demand scenario, but it is important to note that the actual event mix will depend upon the facility's ability to balance income generating events, community interests, and economic impacts of potential events with effective management and a proper booking policy. The attendance below represents an estimate of average total event day attendance.

Table 2: Illustrative Event Schedule, Phase I

Type of Event	Total Event Days of Use	Average Attendance Per Event Day	Total Attendance Per Event-Type
Equestrian	50	25	1,250
Sporting	30	1,000	30,000
Activities/Festivals	10	3,000	30,000
Trade Shows	25	1,500	37,500
Performing Arts	5	1,000	5,000
Corporate Events	15	250	3,750
Public Use	15	1,500	22,500
Meetings/Social Functions	10	250	2,500
TOTAL	160		132,500

Source: AECOM, May 2010.

Financial Analysis

The financial analysis examines the revenue and expense potential, and resultant operating deficit for the Phase I development. This analysis assumes a multipurpose/exhibition venue with a 25,000 square foot floor; seating for 1,000 and a covered equestrian ring. No assumptions have been made about funding of the facility's capital costs, or the ability of the facility to service any short-term or long-term debt obligations issued for its development. Inputs are based on the 2008 report by AECOM (ERA) updated to reflect the new schedule of events and performance of comparable facilities. All dollar amounts are expressed in 2010 dollars.

Financial Parameters

Revenue and expense inputs for the following analysis were developed by AECOM based on the operating performance of similar facilities, industry standards, and the regional market. AECOM assumes a "bare box" management strategy, where the facility is rented to an outside party who organizes, sponsors, and promotes individual events. Estimates of performance reflect an anticipated stabilized performance in year three, with discounting in initial years to reflect a start up period of marketing and attracting events.

Revenue Parameters

Revenues are divided into two categories for the Phase I development: rental and non-rental revenues. Rental revenue was estimated using daily rates that AECOM believes are competitive based on the rates charged at comparable facilities and industry norms, in the context of the greater Gainesville market. The assumed rates are \$3,500 for a full-service commercial use; \$1,500 for an exhibition use; \$500 for non-profit use; \$350 for a large meeting space; and \$150 for a smaller gathering. Use of the covered equestrian ring is assumed at \$150 per use.

Non-rental revenues consist of concession sales and sponsorship. Concession sales revenues were generated by multiplying per capita expenditure estimates by attendees by event-type. Based on industry standards and comparable performance, AECOM estimates that concession expenditures will range from \$0.50 per capita for performing arts events to \$4.00 per capita for sporting events. Due to the location and quality of the facility and the regional market, sponsorship revenue was estimated to total \$50,000 in the first year, \$60,000 in the second and \$75,000 in each year thereafter. Sponsorship will include revenues from signage throughout the building, exterior signage, scoreboard advertising, etc. Revenues refer solely to the operation of the planned program buildings and do not reflect any potential revenues from independent use of the Fairgrounds property or in conjunction with the auditorium/exhibition building.

Expense Parameters

The following operating expenses reflect operations of the proposed multipurpose facility and covered equestrian arena and do not include operations of the facility grounds or any additional buildings on site. In addition, depreciation and reserves are not included, but should be planned for throughout budgeting processes. Operating expenses are estimated in two principle categories, salaries and wages and other expenses. Staffing expenses are a combination of fixed staffing (management, sales, and full time operations staff) and variable (security and event maintenance). Fringe benefits were estimated at a fixed percentage of 25 percent of total salaries. It should also be noted that initial sales and operations staff would be hired in the year leading up to the completion of construction.

The other expenses category also includes fixed and variable components which reflect the cost of operating the facility year-round, as well as costs which are specific to the operation of individual events. The expense of concessions has been estimated at 80 percent of gross concession sales in order to reflect the high cost of maintaining this amenity. The fixed components include: supplies and materials; maintenance and repair; utilities; concessions; promotions; equipment and capital costs; and miscellaneous.

Supplies and materials are estimated as a lump sum of \$20,000 in the first year and \$20,000 each year thereafter. Maintenance and repairs are estimated at \$0.25 per gross square foot of building area at stabilized year. Utilities were estimated at \$.50 per square foot, taking into account that, when the facility is not in use, the HVAC and electricity will only serve small administrative areas. In addition, the building will likely incorporate some sort of green energy source that will help to reduce operation costs.

The promotional budget to cover general area promotion was estimated at \$25,000 in a stabilized year, with a higher allotted value seen in Years 1 and 2 to cover the creation of materials and start up costs. Equipment costs are estimated at \$10,000 in a stabilized year, with initial years reflecting a higher investment. Miscellaneous expenses have been calculated at five percent of gross revenues to cover additional expense items such as, travel, dues and subscriptions, audit, legal expenses and miscellaneous supplies not included in individual accounts above.

Pro Forma Analysis

Table 3 through Table 5 present AECOM's synthesis of the previous analysis to develop the estimated financial performance of the Phase I developments. This analysis incorporates the revenues and expenses as discussed above and is based on the schedule of events outlined in the market analysis. As shown below, total revenues are estimated to be approximately \$536,000 in the first year, rising to \$632,000 by Year 3.

Table 3: Estimated Operating Revenues, Years 1 – 5

	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Revenue:					
Fat Fee Rental	\$112,000	\$126,000	\$140,000	\$147,000	\$154,000
Equestrian Rental	6,000	6,750	7,500	7,800	8,100
Public Use/Non-profit	9,000	9,500	10,000	13,500	13,500
Exhibition Configuration	54,000	57,000	60,000	60,000	60,000
Large Meetings	1,050	1,400	1,750	1,750	1,750
Small Meeting	450	600	750	750	750
Subtotal Rental Revenue	\$182,500	\$201,250	\$220,000	\$230,800	\$238,100
Other Revenue:					
Concession Sales	\$303,188	\$303,188	\$336,875	\$336,875	\$336,875
Sponsorship	<u>50,000</u>	<u>60,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>
Subtotal Other Revenue	\$353,188	\$363,188	\$411,875	\$411,875	\$411,875
Total Annual Revenues	\$535,688	\$564,438	\$631,875	\$642,675	\$649,975

Source: AECOM, May 2010.

Operating expenses are estimated to total approximately \$829,000 by Year 3. Salaries and wages account for approximately one third of all expenses.

Table 4: Estimated Operating Expenses, Years 1 – 5

	Year 1	Year 2	Year 3	Year 4	Year 5
Salaries and Wages:					
Facility Manager	\$75,000	\$76,125	\$77,267	\$78,426	\$79,602
Sales Director/Coordinator	\$50,000	\$50,750	\$51,511	\$52,284	\$53,068
Administrative Assistant	\$35,000	\$35,525	\$36,058	\$36,599	\$37,148
Operations Manager	\$40,000	\$40,600	\$41,209	\$41,827	\$42,455
Building Operations/Maintenance (2)	\$70,000	\$71,050	\$72,116	\$73,197	\$74,295
Building Attendant	\$21,120	\$23,360	\$25,600	\$27,360	\$28,000
Security (1.5 man-days per event day)	\$15,840	\$17,520	\$19,200	\$20,520	\$21,000
Fringe Benefits (25% of salaries)	<u>\$67,500</u>	<u>\$68,513</u>	<u>\$69,540</u>	<u>\$70,583</u>	<u>\$71,642</u>
Subtotal Salaries and Wages	\$374,460	\$383,443	\$392,501	\$400,796	\$407,210
Other Expenses:					
Supplies and Materials	20,000	20,000	15,000	12,500	12,500
Maintenance and Repair	25,000	25,000	25,000	25,000	25,000
Utilities	50,000	50,000	50,000	50,000	50,000
Concessions (80% of gross sales)	242,550	242,550	269,500	269,500	269,500
Promotion	75,000	65,000	35,000	35,000	35,000
Equipment and Other Capital Costs	15,000	12,500	10,000	10,000	10,000
Miscellaneous Costs	<u>26,784</u>	<u>28,222</u>	<u>31,594</u>	<u>31,594</u>	<u>31,594</u>
Subtotal Other	\$454,334	\$443,272	\$436,094	\$433,594	\$433,594
Total Annual Operating Costs	\$828,794	\$826,714	\$828,595	\$834,390	\$840,804

Source: Bureau of Labor Statistics, Comparable facilities, AECOM, May 2010.

Based on the above revenues and expenses, the Alachua County Arena/Coliseum is expected to operate at a deficit of approximately \$293,000 in Year 1, then decline to a stabilized rate of an approximately \$197,000 deficit by Year 3.

Table 5: Financial Feasibility, Years 1 – 5

	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Operating Revenues	\$535,688	\$564,438	\$631,875	\$642,675	\$649,975
Annual Operating Expenses	<u>\$828,794</u>	<u>\$826,714</u>	<u>\$828,595</u>	<u>\$834,390</u>	<u>\$840,804</u>
Net Operating Income/(Deficit)	(\$293,107)	(\$262,277)	(\$196,720)	(\$191,715)	(\$190,829)

Source: AECOM, May 2010.

Economic Impact

Although the facility is anticipated to operate with a deficit, the proposed facility and the economic development it can help to encourage, is anticipated to create a positive economic impact on surrounding neighborhood of East Gainesville, the City of Gainesville, Alachua County, and the region overall. It will serve to enhance the quality of life of area residents by providing a gathering place for community groups and a facility for residents and businesses to enjoy. As the beginning phases of an overall development plan, the new facilities could also begin to establish the area as a destination and encourage future development and activity. Additional positive fiscal impact could result from the new development as a result of the both construction and on-going operations. However, this section of the report focuses on the quantitative economic impact of operations as anticipated construction costs and scope are not yet known. All dollar figures are expressed in 2010 constant dollars.

Operational Impacts

AECOM estimated gross operational impacts, based on the full schedule of 160 event-days estimated in the first stabilized year of operation. Attendance is expected to total over 132,500, which was estimated based on attendance by event-type and the total event schedule. Operational impacts reflect both on-site and off-site expenditures, as described below.

Table 6 illustrates the distribution of local, daytrip and overnight visitors by event-type. For the purposes of this analysis, local visitors are defined as those living within 50 miles of the facility; daytrip visitors live between 50 and 100 miles of the facility; and overnight visitors reside over 100 miles from the facility. The total number of visitors in each category was estimated based on a percent distribution for each event-type based on event interviews and the performance of similar events nationwide.

Table 6: Estimated Attendance by Event Type

Type of Event	Over 100 Miles	50-100 Miles	Local (less than 50)
Equestrian	25.0%	25.0%	50.0%
Sporting	75.0%	15.0%	10.0%
Activities/Festivals	5.0%	35.0%	60.0%
Trade Shows	45.0%	35.0%	20.0%
Performing Arts	5.0%	35.0%	60.0%
Corporate Events	10.0%	10.0%	80.0%
Public Use	10.0%	10.0%	80.0%
Meetings/Social Functions	10.0%	10.0%	80.0%

Source: AECOM, May 2010.

On-site expenditures include admissions fees for ticketed events, as well as per capita expenditures shown in the appendix. The three categories of off-site expenditures-- lodging, restaurant and other are estimated below. Total restaurant expenditures for off-site local attendees and daytrip visitors were based on a \$25.00 per capita expenditure. It was assumed that daytrip visitors would spend, on average, \$15.00 on other items, including gas and off-site merchandise, during their visit to Gainesville. AECOM has estimated that local attendees would likely go to area restaurants at a rate of 50 percent while attending performances and sporting events. Overnight visitor expenditure categories include \$100.00 per capita of estimated lodging expenditure; \$34.00 per capita of spending at restaurants; \$17.00 per capita of other expenditure. Hotel nights were determined on a weighted average basis according to event type. It was assumed that the average occupancy would be two visitors per hotel room. A complete table of assumptions and inputs appears in the appendix.

Table 7: Total Expenditure Impact of All Events

Total Number of Events (Annually)	160
Expenditures by Overnight Visitors	
Admissions Fees or Rentals	\$ 318,130
Concessions (On-Site)	107,646
Lodging	6,414,000
Food (Off-Site)	3,013,250
Other Expenses	664,688
<i>Total</i>	<i>\$ 10,517,714</i>
Expenditures by Day Trip Visitors	
Admissions Fees or Rentals	\$ 237,364
Concessions	80,317
Food (Off-Site)	661,250
Other Expenses	495,938
<i>Total</i>	<i>\$ 1,474,868</i>
Expenditures by Local Visitors	
Admissions Fees or Rentals	\$ 395,756
Concessions	133,912
Food (Off-Site)	216,250
<i>Total</i>	<i>\$ 745,918</i>
Total Direct Expenditures	\$ 12,738,500
Multiplier	2.00
Total Direct, Indirect, and Induced Expenditures	\$ 25,477,000

Source: AECOM, May 2010.

On-site and off-site expenditures were calculated as direct and indirect (multiplier) impacts. Tax impacts were based on state and local tax rates. The current 0.25 percent discretionary tax charged by the County is not included, as it is in effect temporarily. Lodging taxes reflect a recently approved local 5 percent occupancy tax, for a total of an 11 percent tax. A percentage of the tourist development tax portion (six percent) is collected by Alachua County and allocated to the City of Gainesville.

Based on the above expenditures, the new Phase I developments are projected to generate over \$25 million annually in direct, indirect, and induced expenditures. Direct spending is estimated to generate over \$906,000 in gross state and local tax revenue. As some visitors are anticipated to spend money at restaurants and hotels outside of Alachua County, AECOM estimated that Alachua

County would capture approximately 80 percent of direct spending, for a total of almost \$257,000, with some \$727,000 generated for the State of Florida. The State of Florida returns a portion of collected sales tax based on taxes earned. Alachua County's share is estimated to generate approximately \$3,700 worth of additional revenue for the County.

Table 8: Annual Projected Tax Revenue Generated by Events

	County 1/	State	Total
Hotel Expenditures	\$5,131,200	\$6,414,000	\$6,414,000
Tax Rate (percent)	5.00%	6.0%	11.00%
Hotel Tax Revenue	\$256,560	\$384,840	\$705,540
Admission Fees	\$336,875	\$336,875	\$336,875
Sales Tax Rate	0.00%	6.0%	6.00%
Admission Fee Tax Revenue	\$0	\$20,213	\$20,213
Restaurant Expenditures	\$3,370,100	\$4,212,625	\$4,212,625
Sales Tax Rate	0.00%	6.0%	6.00%
Meals Sales Tax		\$252,758	\$252,758
Other Expenditures	\$928,500	\$1,160,625	\$1,160,625
Sales Tax Rate	0.00%	6.0%	6.00%
Other Tax Revenue	\$0	\$69,638	\$69,638
Gross State and Local Taxes	\$256,560	\$727,448	\$984,008

1/ The County will also receive one half-cent of each dollar of state revenue collected, \$3,637.24

Source: AECOM, May 2010.

Impact of an Expanded Building Program

A preliminary review of potential events shows that increasing the available floor space would have a positive effect in being able to attract larger, more-heavily attended events in general, and larger sporting events, in particular. The increased space makes the facility more versatile and able to accommodate more attendees for flat floor events, which increases overall revenues and drives stronger economic impacts. Increasing the available square footage in 5,000 square foot increments would result in proportionate increases of approximately 10 additional event days to the number of possible event days at each adjustment. The significant increase to event potential occurs at 40,000 square feet, at which point the total number of viable events increases to include a broader variety and scope of sporting events with the largest number of participants and spectators.

Increased amounts of seating would complement many of the building's possible uses, especially as the total floor area increases. Approximately 2,500 seats would allow the facility to begin to attract significantly more and larger sporting events. However in order to attract these larger sporting events, the addition of increased floor area would also be required. Without the addition of formal

seating, increased floor space could allow for additional seating capacity for some events to be achieved through temporary seating solutions, while still offering viable floor space for sporting and performance events.

Additional testing would be required to determine the cost-benefit associated with changes to floor area size and seating capacity, both in terms of increased capital investment and increased operating cost versus increased revenues and economic impacts.

Appendix

Table 9: Estimate of Per Capita Expenditures, Stabilized Year of Operation

REVENUE INPUTS		
Per caps by event type		
Equestrian	\$	0.50
Sporting	\$	4.00
Activities/Festivals	\$	3.25
Trade Shows	\$	2.50
Performing Arts	\$	2.00
Corporate Events	\$	1.50
Public Use	\$	0.25
Meetings/Social Functions	\$	1.50

Source: AECOM, May 2010.

Table 10: Rate Schedule, Initial Year of Operations

Facility	Daily Rate
Flat Fee Rental	\$3,500
Equestrian	\$150
Nonprofit	\$500
Exhibition Configuration	\$1,500
Meeting Space Configuration	
Large	\$350
Small	\$150

Source: AECOM, May 2010.

Table 11: Expense Input Assumptions

Expense	Rate	
Facility Manager	1	\$75,000
Sales Director/Coordinator	1	\$50,000
Administrative Assistant	1	35,000
Operations Manager	1	40,000
Building Operations/Maintenance (2)	2	70,000
Building Attendant	16 \$	10.00 <i>(1.5 man days per event day)</i>
Security	12 \$	10.00 <i>(2 man-days per event day)</i>
Fringe Benefits		25% <i>(percentage of salaries)</i>
Other Expenses:		
Supplies		20,000
Maintenance and Repair		0.25 <i>(per square foot)</i>
Utilities		0.50 <i>(per square foot)</i>
Concessions		80% <i>(percentage of gross sales)</i>
Promotion		25,000
Equipment and Other Capital Costs		10,000
Miscellaneous		5% <i>(gross revenues)</i>

Source: AECOM, Comparable Facilities, May 2010.

Table 12: Total Economic Impact Input

		Total
Total Number of Event Days		160
ATTENDEES		
Total Attendance		132,500
Out-Of-Town		
Number		44,313
Percent		33%
Day Visitors		
Number		33,063
Percent		25%
Local		
Number		55,125
Percent		42%
SPENDING BY OVERNIGHT ATTENDEES		
On-Site Expenditures		
Admissions	\$7.18	\$318,130
Concessions	\$2.43	\$107,646
Subtotal, On-Site Expenditures		\$425,776
Off-Site Expenditures		
Lodging		
Total Room Nights	66,813	
Average Cost per Room	\$96.00	
Total Hotel Spending		\$6,414,000
Food		
Total Meal Days	88,625	
Average Daily Expenditure	\$34.00	
Total Food Spending		\$3,013,250
Other Expenditures		
Transportation, Retail, Misc.	\$15.00	\$664,688
Subtotal, Off-Site Expenditures		\$10,091,938
Subtotal, Out-of-Town Attendees		\$10,517,714
SPENDING BY DAY TRIP ATTENDEES		
On-Site Expenditures		
Admissions	\$7.18	\$237,364
Concessions	\$2.43	\$80,317
Subtotal, On-Site Expenditures		\$317,681
Off-Site Expenditures		
Food		
Total Meal Days	33,063	
Average Daily Expenditure	\$20.00	
Total Food Spending		\$661,250
Other Expenditures		
Transportation, Retail, Misc.	\$15.00	\$495,938
Subtotal, Off-Site Expenditures		\$1,157,188
Subtotal, Day Trip Attendees		\$1,474,868
SPENDING BY LOCAL ATTENDEES		
On-Site Expenditures		
Admissions	\$7.18	\$395,756
Concessions	\$2.43	\$133,912
Subtotal, On-Site Expenditures		\$529,668
Off-Site Expenditures		
Total Meal Days	10,813	
Average Daily Expenditure	\$20.00	
Total Food Spending		\$216,250
Subtotal, Local Attendees		\$745,918
TOTAL ATTENDEE EXPENDITURES		\$12,738,500
MULTIPLIER		2.00
TOTAL DOLLAR IMPACT ON THE ECONOMY		\$25,477,000

Source: AECOM, May 2010.

Table 13: 2008 Potential Events

Name of Event	Type	Number of Events	Event Days	Annual Event Days
ACEL Kickball Tournament	Family/Spectator/Concerts	1	1	1
Chiumba Ensemble- Africa Middle Passage Journey	Family/Spectator/Concerts	1	1	1
Jaycees Haunted House	Family/Spectator/Concerts	1	6	6
Chiumba Ensemble- Lecture Series	Family/Spectator/Concerts	1	1	1
Chiumba Ensemble- June Festivities	Family/Spectator/Concerts	1	1	1
Alachua County Fair	Family/Spectator/Concerts	1	10	10
Gainesville Cultural Affairs- Medieval Faire	Family/Spectator/Concerts	1	5	5
Kaleidoscope Festival	Family/Spectator/Concerts	1	1	1
Jehovah's Witness Convention	Family/Spectator/Concerts	1	3	3
Kidz Karnaval	Family/Spectator/Concerts	1	1	1
Shands Country Music Festival	Family/Spectator/Concerts	1	1	1
County Graduations	Family/Spectator/Concerts	7	1	7
Outer Bands Promotions	Family/Spectator/Concerts	4	1	4
UF Purchasing- Training Programs- Large	Meeting/Social/Other	2	10	20
UF Purchasing- Training Programs- Small	Meeting/Social/Other	8	1	8
UFIFAS Conferences	Meeting/Social/Other	12	2	24
UF Purchasing- Large Conference	Meeting/Social/Other	1	2	2
UF Conference Department- Major Events	Meeting/Social/Other	5	4	20
UF Conference Department- Regional Events	Meeting/Social/Other	25	1	25
USA Volleyball- Youth Championships	Sporting/Equestrian	1	6	6
World Cup	Sporting/Equestrian	1	5	5
Barrel Racing	Sporting/Equestrian	1	4	4
US Fencing- Sectional Championships	Sporting/Equestrian	1	4	4
4H Horse Shows	Sporting/Equestrian	11	1	11
Senior Nationals	Sporting/Equestrian	1	5	5
4H District Horse Shows	Sporting/Equestrian	4	1	4
National Weightlifting Championships	Sporting/Equestrian	1	3	3
American Open Weightlifting	Sporting/Equestrian	1	3	3
National Junior Weightlifting Championships	Sporting/Equestrian	1	3	3
4H Youth Fair	Sporting/Equestrian	1	5	5
Junior Olympic National Championships	Sporting/Equestrian	1	9	9
USA Indoor Track & Field Championships	Sporting/Equestrian	1	3	3
US Fencing- National Tournament	Sporting/Equestrian	1	4	4
Taekondo Regional Qualifier	Sporting/Equestrian	1	2	2
AAU Karate National Championships	Sporting/Equestrian	1	4	4
AAU Taekwondo National Championships	Sporting/Equestrian	1	4	4
USA Volleyball- Men's World League	Sporting/Equestrian	1	2	2
USA Volleyball-National Team Tournaments	Sporting/Equestrian	1	2	2
NCA/NDA Collegiate Cheer & Dance Championship	Sporting/Equestrian	1	2	2
NCA/NDA Collegiate Cheer & Dance Championship	Sporting/Equestrian	1	2	2
Junior Olympic Championships	Sporting/Equestrian	1	2	2
Florida Law Enforcement Games	Sporting/Equestrian	1	2	2
Florida Senior Games	Sporting/Equestrian	1	2	2
Florida Sunshine State Games	Sporting/Equestrian	1	2	2
USA Wrestling	Sporting/Equestrian	1	2	2
National Junior Olympic Judo Championships	Sporting/Equestrian	1	2	2
Florida Food Show	Trade Show/Convention	1	1	1
MarketPro Computer Shows	Trade Show/Convention	6	2	12
Florida RV Shows	Trade Show/Convention	1	4	4
Gainesville Sun Home Show	Trade Show/Convention	1	2	2

Source: Interviews, AECOM, May 2010.

Figure 1: Effect of Proposed Program on (2008) Potential Event Schedule

Name of Event	Type	Fits with New Program	Eliminated Based on Seating	Eliminated Based on Available SF
ACEL Kickball Tournament	Family/Spectator/Concerts	X		
Chiumba Ensemble- Africa Middle Passage Journey	Family/Spectator/Concerts	X		
Jaycees Haunted House	Family/Spectator/Concerts	X		
Chiumba Ensemble- Lecture Series	Family/Spectator/Concerts	X		
Chiumba Ensemble- June Festivities	Family/Spectator/Concerts	X		
Alachua County Fair	Family/Spectator/Concerts	X		
Gainesville Cultural Affairs- Medieval Faire	Family/Spectator/Concerts	X		
Kaleidoscope Festival	Family/Spectator/Concerts		X	
Jehovah's Witness Convention	Family/Spectator/Concerts		X	
Kidz Karnaval	Family/Spectator/Concerts		X	
Shands Country Music Festival	Family/Spectator/Concerts		X	
County Graduations	Family/Spectator/Concerts		X	
Outer Bands Promotions	Family/Spectator/Concerts		X	
UF Purchasing- Training Programs- Large	Meeting/Social/Other	X		
UF Purchasing- Training Programs- Small	Meeting/Social/Other	X		
UF/FAS Conferences	Meeting/Social/Other	X		
UF Purchasing- Large Conference	Meeting/Social/Other	X		
UF Conference Department- Major Events	Meeting/Social/Other	X		
UF Conference Department- Regional Events	Meeting/Social/Other	X		
USA Volleyball- Youth Championships	Sporting/Equestrian			X
World Cup	Sporting/Equestrian			X
Barrel Racing	Sporting/Equestrian	X		
US Fencing- Sectional Championships	Sporting/Equestrian	X		
4H Horse Shows	Sporting/Equestrian	X		
Senior Nationals	Sporting/Equestrian			X
4H District Horse Shows	Sporting/Equestrian	X		
National Weightlifting Championships	Sporting/Equestrian	X		
American Open Weightlifting	Sporting/Equestrian			X
National Junior Weightlifting Championships	Sporting/Equestrian	X		
4H Youth Fair	Sporting/Equestrian	X		
Junior Olympic National Championships	Sporting/Equestrian			X
USA Indoor Track & Field Championships	Sporting/Equestrian			X
US Fencing- National Tournament	Sporting/Equestrian	X		
Taekondo Regional Qualifier	Sporting/Equestrian			X
AAU Karate National Championships	Sporting/Equestrian	X		
AAU Taekwondo National Championships	Sporting/Equestrian			X
USA Volleyball- Men's World League	Sporting/Equestrian			X
USA Volleyball-National Team Tournaments	Sporting/Equestrian			X
NCA/NDA Collegiate Cheer & Dance Championship	Sporting/Equestrian		X	
NCA/NDA Collegiate Cheer & Dance Championship	Sporting/Equestrian		X	
Junior Olympic Championships	Sporting/Equestrian			X
Florida Law Enforcement Games	Sporting/Equestrian			X
Florida Senior Games	Sporting/Equestrian			X
Florida Sunshine State Games	Sporting/Equestrian			X
USA Wrestling	Sporting/Equestrian			X
National Junior Olympic Judo Championships	Sporting/Equestrian	X		
Florida Food Show	Trade Show/Convention			X
MarketPro Computer Shows	Trade Show/Convention	X		
Florida RV Shows	Trade Show/Convention			X
Gainesville Sun Home Show	Trade Show/Convention	X		

Source: Interviews, AECOM, May 2010.

ALACHUA COUNTY FAIRGROUNDS

**Business Plan
For
Capital Projects that Promote Tourism**

APPENDIX 2.

**ERA – Project Report Alachua County Arena/Coliseum,
January 10, 2008**



Economics Research Associates

Project Report

Alachua County Arena/Coliseum

Prepared for

**Alachua County
Gainesville, FL**

Submitted by

Economics Research Associates

January 10, 2008

ERA Project No. 17543

1101 Connecticut Avenue, NW Suite 750
Washington, DC 20036
202.496.9870 FAX 202.496.9877 www.econres.com
Los Angeles San Francisco San Diego
Chicago Washington DC London New York



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General & Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of Economics Research Associates and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by Economics Research Associates from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.

This report is based on information that was current as of January 2008 and Economics Research Associates has not undertaken any update of its research effort since such date.

Because future events and circumstances, many of which are not known as of the date of this study, may affect the estimates contained therein, no warranty or representation is made by Economics Research Associates that any of the projected values or results contained in this study will actually be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Economics Research Associates" in any manner without first obtaining the prior written consent of Economics Research Associates. No abstracting, excerpting or summarization of this study may be made without first obtaining the prior written consent of Economics Research Associates. This report is not to be used in conjunction with any public or private offering of securities, debt, equity, or other similar purpose where it may be relied upon to any degree by any person other than the client, nor is any third party entitled to rely upon this report, without first obtaining the prior written consent of Economics Research Associates. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from Economics Research Associates.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.



Executive Summary

Introduction

Economics Research Associates (ERA) was retained by Alachua County, Florida to provide an economic analysis of a potential coliseum/arena, to be located on Waldo Road in Alachua County. This evaluation is intended to provide decision-making information for Alachua County as it considers investment requirements and opportunities associated with the site. It will also be used to inform the facility's design effort being undertaken by HOK/Smith Forkner.

ERA performed a detailed market analysis, including demographic evaluation, comparable and competitive event analysis, and interviews with stakeholders and potential facility users. Based on estimated levels of demand, ERA developed a potential schedule of events for the facility and provided program recommendations. ERA then evaluated the financial performance and economic impact of the facility's operations. The results of the analyses are summarized in the Key Findings section below and presented in their entirety in the subsequent report.

Key Findings

ERA's market analysis involved an evaluation of the feasibility for an arena/coliseum to serve the residents of Alachua County and the surrounding region. ERA also evaluated the market for potential events by reviewing comparable facilities and interviewing numerous potential users. Overall, our findings regarding the new facility in Alachua County are highly positive. The arena/coliseum can expect to attract a strong mix of sporting events, events, concerts, meetings, trade shows and conventions, as well as support the facility needs of the local community.

Following is a brief description of ERA's key findings.

- The proposed site has excellent regional access and visibility on Route 24, a major access route for the Gainesville market and traffic to and from the larger Jacksonville market.
- Gainesville is considered a regional center of activity. Due to the presence of the University of Florida, residents in the region are accustomed to traveling to Gainesville for both work and entertainment. In addition, Alachua County has a strong visitor services infrastructure in place with approximately 4,600 hotel rooms, and the region's concentration of restaurants and retail.
- Alachua's primary market, defined as the area within 50 miles of the site, has a large population of over one million people. In addition, this market is young, making it an active market for events. Within 100 miles of the site, the market is even stronger with around five million residents from which events at the new arena/coliseum should be able to draw.
- There is a significant lack of competitive facilities in the region. Existing area facilities will be able to continue to support specialized events (such as performing arts and University athletic competitions) but the new arena/coliseum will be able to support large regional attractions, previously not accommodated by the market.
- There is strong local and regional demand for the facility as Alachua County lacks an easily-accessible, large, indoor, multi-purpose facility. While local facilities are heavily utilized, availability of the principal facility, the O'Connell Center, is constrained by its primary



purpose as a facility for the University of Florida. The meetings and conferences market in the area is also underserved, with strong demand for facilities of this type raising prices and making scheduling difficult.

- Potential stakeholders were optimistic about the success of a new, modern facility based on its location, lack of competitive facilities in the market, and sizeable market population.
- Potential stakeholders and promoters did not feel that the facility would appeal for national and international events due to lack of competitive air access, but felt that the arena could attract significant volume of regional events. Further, parties interested in the facility felt that Gainesville had appeal due to the market size, access, location, reputation and presence of the University. For this reason, Gainesville was considered a desirable market, unique from Jacksonville. While Jacksonville's proximity was desirable for some event organizers, they felt that Jacksonville was a very different type of market from Gainesville and did not consider Jacksonville and its venues to be competitive with the proposed facility.
- Several facilities nationwide were considered as benchmarks for the development of Alachua's facility based on their size and location. Seating capacity at these facilities range from 2,200 to 23,000, with the average size around 4,600 fixed seats and 2,300 temporary seats (excluding the facility with 23,000 seats, an outlier among the comparables set). Exhibit space ranges from 20,000 to 72,000 square feet and averages around 40,000 square feet. The number of annual event days ranged from 180 to 259 days with an average of 212 days.
- With the exception of one of the facilities (The Ranch), the composition of utilization at the benchmark facilities was similar. Meeting/Social events constituted between 30 and 50 percent of total use. The average event composition (excluding The Ranch) was around 45 percent meeting/social, 22 percent trade show/convention business, 20 percent family/spectator events, and 13 percent sporting/equestrian.
- Based on event promoter interviews, market research, and demographic analysis, ERA estimates that the new facility, after an initial build-up period, can expect to host approximately 200 annual event days, given the hiring of a capable facility director and the scheduling of an appropriate mix of events. Creating a proper booking policy which reflects the need to balance community needs with financial security will be important to the arena's successful operation.
- Based on the market analysis, and described in-depth later in the report, ERA concludes that Alachua County could support an indoor, multipurpose facility with a mixture of event types. ERA recommends the following facility program:

Number of seats: ERA recommends a facility with 5,000 permanent seats and the ability to add 2,500 additional temporary seats.

Floor size: While ERA feels that 40,000 square feet of space would be sufficient based on current demand, we recommend an increase to 50,000 square feet to accommodate future demand, if the increase in construction cost of going from 40,000 to 50,000 are reasonable.



Meeting space: ERA recommends approximately 10,000 square feet of meeting space to accommodate banquets for up to around 500 guests. The meeting space should offer flexible configurations to allow for multiple simultaneous events.

Parking spaces: The largest events for which simultaneous parking will be required are concerts or athletic events utilizing all of the arena's 7,500 seats. Based on a guideline of 2.5 people per car, ERA recommends 3,000 parking spaces.

Outdoor space/concrete pads: Additional facilities will be needed to support the County fair and other similar uses. A covered arena for agricultural events, as well as pads for livestock could be used to accommodate outdoor concerts, community events, fairs, and festivals as well.

RV hookups: ERA recommends at least 50 RV hookups. This equipment will not be used for commercial purposes, but rather to accommodate event sponsors and participants. Agricultural concerns expressed interest in over 200 RV sites.

- Based upon the estimated performance of a facility of this size and type, ERA estimates that the proposed arena/coliseum will generate operating revenues of approximately \$1.8 million in its first stabilized year (Year 3 of operation), increasing to approximately \$2 million by Year 5. Expenses are anticipated to stabilize at \$1.9 million in Year 3 and around \$2 million by Year 5. This would result in an operating deficit of around \$24,000 in Year 3, and a modest profit (between \$12 and \$15 thousand) in Years 4 and 5 of operation. For all practical purposes, the proposed arena/coliseum should be considered a breakeven operation on an operating basis.
- ERA estimates direct, indirect, and induced visitor spending generated by attendance at events will total approximately \$52.5 million. Direct expenditures are estimated to result in approximately \$1.6 million generated in state and county taxes. Based on the current tax structure, of this total, approximately \$1.3 million will be generated in state taxes and \$283,500 will be generated in County taxes.



Site Analysis

The site of the future Alachua County Arena/Coliseum is on State Road 24 (Waldo Road) in Gainesville, Florida. It is approximately five miles north of downtown Gainesville and 70 miles south of Jacksonville. The 150-acre property is bound by Waldo Road to the west, NE 63rd Avenue on the South and NE 69th Avenue on the North side of the property.

The new facility will most likely be situated on the western edge of the property, fronting Waldo Road, in front of a planned light industrial business park (to be approximately 500,000 square feet). Due to 19 acres of wetland areas within the property boundaries and the intended industrial park, the useable area for the proposed Alachua County Arena/Coliseum will be approximately 100 acres.

The following section presents ERA's evaluation of the site from a market perspective.

- The property has excellent access, facing a four-lane road (Waldo Road), with access roads (NE 63rd Avenue and NE 69th Avenue) to the North and South of the property.
- The site has excellent visibility with frontage on Waldo Road/Route 24, the heavily-traveled main thoroughfare between Jacksonville and Gainesville which leads directly to downtown Gainesville and the University of Florida.
- The physical attributes of the site appear to be suitable for the purposes of developing a public use facility.
- The site has excellent access to visitor amenities, restaurants, and hotels regionwide (within reasonable distance of the hotels concentrated in the Newbury Road/I-75, Archer Road/I-75, and 13th Street/Route 441 markets).
- Some parties expressed that regionally, there is a poor perception of the East Gainesville area. However, the same parties felt that this would not be a significant deterrent to hosting or attending events there. They also felt that the addition of a new arena/coliseum would be beneficial for the area and its reputation.
- Overall, ERA has concluded that the proposed site is well suited for the proposed Alachua County arena/coliseum and that it provides excellent local and regional access for potential event promoters and attendees.

Market Analysis for Potential Events

ERA examined the market for potential events in order to determine how the arena/coliseum might be utilized on a year round basis. To do this, ERA examined characteristics of comparable facilities including utilization and market characteristics nationwide, as well as examining the market for existing area facilities. We have also analyzed the regional market, looking at the population and demographics of the market within 100-miles of the proposed site. In addition, we surveyed regional stakeholders, various event promoters and event organizers. Our findings regarding market demand, local utilization, comparable facilities, and potential users are presented below.



Market Overview

Alachua County covers 977 square miles in Northern Central Florida. There are approximately 245,000 residents countywide, including around 40,000 University of Florida students.

In order to evaluate the market potential for the proposed new arena/coliseum, ERA analyzed the population of the regional market. Table 1, below illustrates current and future population within 25, 50, 75, and 100-mile radiuses of the facility site. Over 1.2 million people live within a 50-mile radius of the proposed arena/coliseum site and almost five million live within 100 miles. Table 1, below, shows the surrounding population and anticipated growth. While there is a significant population within 50-miles of the site, the populations grow significantly in the areas farthest from the site. Therefore, in order to tap into this larger market, it will be important to create a facility which can appeal to events with regional drawing capabilities. Illustrative maps of the region appear in the appendix.

Table 1: Market Population

Area	2007 Population	2012 Population
0-25 Miles	339,625	365,754
25-50 Miles	890,364	1,043,142
50-75 Miles	1,556,260	1,842,398
75-100 Miles	2,201,811	2,509,195
Total	4,988,060	5,760,489

Source: ESRI Business Analyst, Economics Research Associates, November 2007.

Table 2, below shows detailed demographics of the market surrounding the proposed Alachua County Arena/Coliseum. Median age and household income closer to the site are lower than that of the populations further away, likely due to the high percentage of University students in this market. The relative youth of this primary market indicates an active population that will be a strong market for a variety of event types. Average household income in the market closest to the site is significantly lower than the region overall, but increases significantly with distance. Events at the proposed venue will want to penetrate the market farther from the site, as it is larger and has a higher median household income as it begins to draw from the Jacksonville market.

**Table 2: Market Demographics, 2007**

	0-25	25-50	50-75	75-100	Total
	Miles	Miles	Miles	Miles	0-100 Miles
Population	339,625	890,364	1,556,260	2,201,811	4,988,060
Households	134,145	340,828	643,265	868,101	1,986,339

	0-25	25-50	50-75	75-100	Total
	Miles	Miles	Miles	Miles	0-100 Miles
Age					
Under 15	51,962	166,498	263,008	394,124	875,593
15-24	77,434	119,309	192,977	295,043	684,762
25-34	48,227	98,830	177,414	279,630	604,101
35-44	40,415	120,199	200,758	308,254	669,626
45-54	46,528	130,884	220,989	323,666	722,068
55+	74,717	253,754	504,229	603,296	1,435,996
Median Age	33.0	40.5	42.5	39.6	n/a

	0-25	25-50	50-75	75-100	Total
	Miles	Miles	Miles	Miles	0-100 Miles
Household Income					
Under \$25,000	45,071	82,480	158,243	404,531	690,326
\$25,000-\$49,999	36,486	101,226	190,406	501,758	829,876
\$50,000+	52,449	156,781	295,259	829,897	1,334,386
Median Household Income	\$ 38,634	\$ 46,063	\$ 46,133	\$ 48,246	n/a

Source: ESRI Business Analyst, Economics Research Associates, November 2007



Competitive Regional Facilities

To determine what events currently exist in the region, as well as to identify potential events given the existence of a proper facility, ERA spoke with local officials, business owners, and community leaders. Information was initially gathered via focus groups conducted by HOK/Smith Forkner and Alachua County in which local citizens and civic leaders participated in a discussion about the facility's potential uses. These meetings were supplemented with telephone interviews conducted by ERA with additional key stakeholders. The following are ERA's key findings regarding facility utilization in the Gainesville area.

ERA has found that the Alachua County region is limited in terms of large exhibition type facilities. The Stephen C. O'Connell Center is the region's only significant competitive venue of this type. The O'Connell Center and other facilities for which there may be some overlap in competition for events are presented below.

While there are a number of facilities in Jacksonville, Event promoters and regional organizers felt that facilities in Jacksonville were not generally competing for the same events due to the size of the markets and air access to Jacksonville. Parties interested in Gainesville for events were specifically interested in Gainesville due to its reputation, market size, amenities, and location and did not consider Jacksonville to be a competitive market for similar types of events.

The Stephen C. O'Connell Center

The O'Connell Center is a multipurpose facility operated by the University of Florida (UF). The O'Connell Center is approximately 296,000 square-feet and includes a 12,000-seat arena, an Olympic swimming pool, dance and gymnastics studios, practice facilities, locker rooms, weight rooms, and a martial arts room. The O'Connell Center is home to the University's men's and women's basketball teams, volleyball, gymnastics, indoor track, and men's and women's swimming and diving. In addition, the Center can be rented by the University and Gainesville community at-large for a variety of other uses.

Athletic events using the main floor can host around 12,000 people. Concerts can hold between 6,000 and 9,000 depending on the staging. The main level has over 20,400 square feet of exhibition space, while the upper level has 30,000 square feet, for a combined total of 50,400 square feet of exhibition space. In a trade show setting, the first level can host 114 8' x 10' booths, while the upper level can hold 280 of the same sized booths for a total of 280 booths. Over 2,800 people can be sat for banquet-style events. The O'Connell Center offers four rate classes for rentals: University, University Athletic Association, Non-University Non-Profit, and Non-University Commercial.

As seen below in Table 3, during the 2004-2005 season, 171 event days were held in the main arena. Of these, around 80 percent were athletic events, 13 percent were University, non-athletic functions, and less than seven percent were non-University functions. Larger, non-University events hosted at the O'Connell Center in the 2005-2006 season include a Jehovah's Witness conference, 4-H Club Fun Day, concerts and speakers, a home show, two construction/building shows, and charity fundraising events. Events during the 2005-2006 school year, reflected similar usage with 169 event days in the main arena.

Attendance at special events was over 170,000 for the 2004-2005 season. In terms of overall number of unique events (individual events, not event days, including everything from meetings to athletic



classes) being held, the arena hosted over 600 events in 2003-2004, over 700 events in 2004-2005, and around 550 in 2005-2006 (as estimated prior to year's end).

Table 3: O'Connell Center Arena, Event Days

	Event Days	Percent
Athletic	137	80.1%
University	23	13.5%
Non-University	11	6.4%
Total	171	100.0%

Source: O'Connell Center Mgmt, Economics Research Associates, November 2007.

One of the difficulties in booking outside events is that, as a University facility, the primary usage of the O'Connell Center is for University athletics. Other events may not be booked until the NCAA schedule for each season has been received. Therefore, September and October dates can not be booked until around February when the volleyball schedule is released. Dates in November-March can not be booked until around August, when the NCAA releases basketball schedules.

O'Connell Center management reports that they used to receive many inquiries to host athletic tournaments, but due to the inability to book in advance, were unable to host, and receive fewer calls now, as promoters and organizers are aware of their restrictions. Many potential users surveyed reported frustration in being unable to accommodate desired events on desired dates.

Additional University policies prohibit high-risk events; some types of consumer shows; gun and knife shows; any event which allows the purchasing of pets and animals; concerts which encourage moshing; and events with alcohol (except in specific instances where alcohol can be served at private events, but not sold).

Other facilities for which there are some instances of overlap and potential joint-programming with the new facility appear below:

Hilton University of Florida Conference Center

The University of Florida Conference Center Gainesville is a 251 room conference facility located on the University of Florida campus. The conference center offers 25,000 square feet of meeting space in up to 13 conference rooms.

Meeting planners interviewed felt that the Hilton was the area's primary, and sole, destination for meetings and smaller conventions. Interviewees felt that prices at the Hilton were not within budget for many groups and events. All meeting planners and event organizers interviewed felt that they, and other groups, would be highly interested in alternate meeting space in the region if available.

Santa Fe Community College Gymnasium

Santa Fe Community College has a 2,000 seat gymnasium where its men's and women's basketball teams compete. While this is not a significant competitor to the proposed facility, it is sometimes used in conjunction with larger events at The O'Connell Center and could be used for auxiliary space in conjunction with events at the new facility.



Curtis M. Phillips Center for the Performing Arts

The Phillips Center is a performing arts facility on the University of Florida campus consisting of a 1,754 seat performance hall and a 180 seat theatre. The University hosts performances at the Center and also rents the facility for outside events.

Martin Luther King (MLK) Jr. Multipurpose Center

The MLK Jr. Multipurpose Center is owned and operated by the City of Gainesville. The 19,000 square-foot building can accommodate up to 800 guests in the gymnasium facility. The facility also includes a fitness center, locker rooms, and a meeting room with kitchen.

Alachua County Fairgrounds

The Alachua County Fairgrounds are approximately 100 acres located on NE 39th Avenue off of Waldo Road, adjacent to the Gainesville regional airport. The facilities offer approximately 25,000 square-feet of exhibit space in a concrete-floor building. The Alachua County Fair receives around 15,000 visitors over its ten day run in mid-to-late October. The fair includes a midway (on dirt), RV hookups, office space, tents for animal exhibitions, and temporary ties for cattle. In addition to the fair, the fairgrounds also hosts two large agricultural shows, the Hoggetowne Medieval Faire, the Gainesville Jaycees annual haunted house, outdoor concerts, and occasional local events.

Flavet Field

Flavet field is on the University of Florida campus at the intersection of Woodlawn Drive between Stadium and Museum Road. It is currently used by University organizations and for special events and festivals. The bandshell is a popular space for concerts and other performances, organized by the University's Student Government Productions. Groups interviewed reported that the University's long range plan calls for construction of dormitories on this site, though this has not been confirmed. If this is the case, the new facility could benefit by hosting a number of large outdoor concerts.

Canterbury Showplace

Canterbury Showplace features one covered arena (with seating for up to 2,000), five outdoor rings, stalling for 200 horses, turn out paddocks, cross-country jumps, 16 wash racks, and 52 RV sites with hook-ups. The facility hosts events (some, self-organized) approximately 48 weekends out of the year. Ownership reports that the facility meets demand, but does not experience significant demand over levels that are currently accommodated. They report that events vary in size. Some larger events have tried to use the Jacksonville Equestrian Center, but were unable to continue due to price.

While many of the competitors come from out-of-state, or from outside the region, there are few spectators, and the majority of visitors for events are participants and their families. Management reports that it is often difficult to accommodate events and their guests during UF home football games, as area hotels raise their prices and often have two-night minimums.

Some sources reported that Canterbury Showplace is scheduled to close in the upcoming year; however, this was not confirmed. If the facility does cease operating, the proposed arena/coliseum would likely compete with Jacksonville Equestrian Center (detailed below) for the displaced events.



Jacksonville Equestrian Center

Canterbury Equestrian Center competes with the Jacksonville Equestrian Center for larger, regional competitions. The 45,000 square-foot Championship Arena features seating for 4,000 and an indoor concourse of 80,000 square-feet. The facility also includes two outdoor competition arenas, two outdoor warm-up arenas, a turf arena, over 400 stalls, and 70 RV sites with water and electric hook-ups.



Comparable Facilities

Several facilities were considered as models for the development of a similar facility in Alachua County based on their size and location. Facilities surveyed for this analysis include the following:

- Lexington Center (Lexington, Kentucky)
- The Ranch – Larimer County Fairgrounds and Events Complex (Loveland, Colorado)
- Big Sandy Superstore Arena (Huntington, West Virginia)
- Salem Civic Center (Salem, Virginia)
- Roanoke Civic Center – The Coliseum (Roanoke, Virginia)
- Lexington Center – Rupp Arena (Lexington, Kentucky)
- Show Place Arena and Prince George’s Equestrian Center (Upper Marlboro, Maryland)
- Jackson Center (Carl Perkins Civic Center)

These facilities range in size from 2,200 seats to 23,000 seats. Exhibition space available also varied, from around 20,000 square feet to over 70,000 square feet. With the exception of The Ranch, the composition of utilization was similar at all facilities. Meeting/Social events constituted between 30 and 50 percent of total use. The average event composition (excluding The Ranch) was around 45 percent meeting/social, 22 percent trade show/convention business, 20 percent family/spectator events, and 13 percent sporting/equestrian.

The facilities ranged from 180 to 259 event days per year, with an average of 212. Table 7 at the end of this section illustrates the population within a 50 mile radius of the comparable facilities. The proposed site in Alachua County compares favorably with these venues. With the exception of Show Place Arena (which overlaps the Washington, DC metropolitan area), the other arenas have between roughly 500,000 and two million residents within 50 miles. Alachua has 1.2 million within this market, which is higher than five out of the six remaining comparable facilities. With the exception of the Roanoke Civic Center, facility utilization tends to be higher at facilities with larger market population, though there is some variation, as shown below:

**Table 4: Comparable Facilities, Market Population and Utilization**

	0-50 Miles	Annual Event Days
Alachua County Arena/Coliseum Gainesville, FL	1,229,989	TBD
Show Place Arena and Prince George's Equestrian Center Upper Marlboro, Maryland	7,423,498	210 - 215
The Ranch (Larimer County Fairgrounds and Events Complex) Loveland, CO	1,966,867	200+
Lexington Center (Rupp Arena) Lexington, Kentucky	938,073	253
Roanoke Civic Center (Coliseum) Roanoke, Virginia	890,655	259
Big Sandy Superstore Arena Huntington, West Virginia	887,973	210
Salem Civic Center Salem, VA	867,354	199
Jackson Centre (Carl Perkins Civic Center) Jackson, Tennessee	497,961	180

Source: ESRI, Economics Research Associates, December 2007.

Below are ERA's key findings regarding comparable arena/coliseum facilities, followed by detailed tables:

Lexington Center (Lexington, Kentucky)

The Lexington Convention Center is part of Lexington Center, which also includes the 23,000 seat Rupp Arena (home of the University of Kentucky basketball team), the 1,000 seat Lexington Opera House, and the Shops at Lexington Center (two levels of locally owned stores and the University of Kentucky Basketball Museum).

The Lexington Convention Center includes 130,000 square feet of meeting and exhibition space (66,000 square feet of dedicated exhibition space and 40,000 square feet of meeting room space) and is adjacent to the Hyatt Regency Lexington and Radisson Plaza Lexington, which together offer 741 hotel rooms. The facility includes full service catering from the Hyatt Regency-Lexington as well as an in-house concessions department.

The Rupp Arena was built in 1976 and, together with the convention center, recently underwent a \$50 million renovation. The arena has a capacity of 23,000 for basketball and full-house performance concerts, 21,000 for arena football, and 5,000 in a theater setting. The arena has had a contract with the University of Kentucky basketball team since it first opened, with the 15 to 20 home games



accounting for about 40 to 50 percent of annual attendance at the arena. The arena also benefits from a diverse mix of bookings with average annual attendance of about 800,000.

The center is constrained to some extent by the limits of a smaller market (about 425,000) and demographics with a limited minority population (e.g. shows which might do well in a more urban market do not generate high attendance levels at Rupp Arena). Since the existing building is 32 years old, it is constrained to some extent by the older infrastructure (e.g. there are no existing suites and the concourses are not designed for merchandising). The city is looking at constructing a new arena within the next six to seven years. According to a representative at the arena, it is critical that an operational manager have input into the building configuration early in the design process.

The Ranch – Larimer County Fairgrounds and Events Complex (Loveland, Colorado)

The Ranch is the official name of the new Larimer County Fairgrounds and Events Complex that opened in September 2003 in Loveland, Colorado, approximately a one-hour drive from Denver. Phase I of the project includes six buildings and encompasses approximately 150 acres. The master plan for the complex includes 13 buildings and an additional 92 acres of land. The facility currently includes a number of major facilities, as follow. With the exception of the Budweiser Events Center, all facilities are managed by Larimer County. The events center is currently operated by Global Spectrum.

The Budweiser Events Center is a 7,200 seat multi-purpose venue and is home to the Colorado Eagles (Central Hockey League) and the Colorado ICE (United Indoor Football League). The facility accommodates hockey, basketball, football, rodeos, concerts and trade shows. The center includes three levels and 159,000 square feet of total space.

The First National Bank Exhibition Hall (55,000 square feet) opened in the fall of 2003. The facility includes an East Hall, West Hall, five multipurpose rooms, three 4-H classrooms, three lobbies, a ticket booth, concession area and offices. The East and West Exhibit Halls are 18,000 square feet each and can be used separately or together. The halls together can accommodate up to 185 booths (10' x 10'). The First National Bank Exhibition Hall can be used for events such as trade shows, meetings, parties, and festivals.

The Ranch-Way Feeds Arena and Pavilions consists of an indoor arena and two identical pavilions. The arena is 76,000 square feet with the ring being 150' x 300'. The arena holds up 1,500 seats. Each pavilion is 40,000 square feet with approximately 38,000 square feet of floor space and can accommodate up to 196 (10' X 10') stalls. If needed, the pavilions can be used together.

The Budweiser Events Center hosts approximately 200 events annually. This is the fifth season for the center; family shows (such as those produced by Disney) attract large audiences, as do Disson produced ice-skating shows. The center classifies shows as “rentals” (no marketing required), “co-promotion” (an outside promoter also has a stake in the performance of the show), and “risk” (Global Spectrum assumes all the risk and revenues of the show). Within their market in Colorado, bull riding shows (two held annually) and motorcycle ice racing have performed well. The breakdown of shows is 66 percent sports related, 17-20 percent family shows, and about 15 percent miscellaneous types of events. Trade shows and conventions are held at the exhibition hall located on site. The center benefits from the network of Global Spectrum, including the ticketing system, Front Row marketing, and Ovations food service.



Big Sandy Superstore Arena (Huntington, West Virginia)

The Big Sandy Superstore Arena (managed by SMG) is a city-owned multi-purpose arena located in Huntington, West Virginia. The facility serves as the home for the American Indoor Football Association's Huntington Heroes. The naming rights for the facility were purchased by Big Sandy Superstores, a regional chain of furniture and appliance stores. The Riverfront Ballroom and Conference Center is located adjacent to the arena. The facility was renovated in 2000, with expansion of the adjacent conference center.

The arena is a clear spanned space of 55,000 square feet (which can be subdivided into two smaller halls) with four concession stands and commissary rooms. Telescopic seating in the arena can be fully retracted. The Exhibit Hall is 60,000 square feet of space, which can be expanded to 86,000 square feet by incorporating the lobby and concourse areas. The Conference Center is a 15,000 square foot facility. It includes a registration area, two suites, six 32' by 44' meeting rooms, twelve 22' by 28' meeting rooms and banquet facilities for up to 350 persons. The center is served by its own entry lobby and catering kitchen. Capacities for different configurations are the following: 7,513 for a fully seated concert; 8,101 for a concert with general admission floor (standing); 7,817 for wrestling events; and, 5,601 for football and hockey games.

Both the arena and conference center book about 210 event days annually. Four family events were booked over the past year, including Sesame Street and the circus. Approximately six to eight concerts are booked during a typical year. Sporting events held at the arena include seven arena football home games, the toughman contest (two days), arena cross (two days), monster truck rally (two days), and an indoor demolition derby. About eight annual trade shows are also held at the facility. The toughman competition is the highest grossing event held at the arena and has been held at the center for the past twenty years. Motor sport events also generate high attendance levels and revenues for the center. The closest competitive facility is located in Charleston, which is approximately 50 miles from Big Sandy Superstore Arena. Marshall University is nearby; however, they currently have their own athletic facilities, although they do hold graduation ceremonies at the arena.

Roanoke Civic Center (Roanoke, Virginia)

The Roanoke Civic Center opened in 1971 and serves the western Virginia market. The facility includes the following major components:

The Roanoke Performing Arts Theater has a seating capacity of 2,088 and hosts traveling Broadway productions, concerts, and performances by the Roanoke Symphony Orchestra. Annual concert attendance at the performing arts center is typically less than 10,000 (attendance of 8,773 in 2005 at six concerts).

The Coliseum at the Roanoke Civic Center has a total seating capacity of 11,000. The coliseum hosts larger concerts, family events and various sporting events. In 2005, the coliseum held four concerts with a total attendance of 27,071. Concert attendance levels can vary greatly from year to year.

The Exhibit Hall includes 14,000 square feet of exhibit space (10,000 square feet column free) and can accommodate 100 8' X 10' booths.

The Roanoke Civic Center hosted 185 events during the past year (259 event days). Family and spectator events accounted for just under one-third of the total events.



Recently, the center lost two sports franchises. The loss of a UHL (hockey) team and a NBDL (basketball) team in April 2006 left the center with 61 empty dates. The center staff put together an aggressive marketing and sales campaign to seek business to fill the dates. Although they have not secured 61 bookings, the events booked are large enough to compensate for the loss of the two franchises.

On March 31, 2007 a 46,000 square foot Special Events Center (SEC) opened. The center can now book more events in the Coliseum since some shows can be moved to the new facility. However, the addition of the new center has compounded previous parking problems (requiring 500 new spaces). The center has also increased utility expenses by almost 50 percent.

On July 1, 2007, the City of Roanoke made the decision to outsource the food and beverage operations. Ovation, the company that secured the contract, agreed to build out a brand new kitchen in the SEC in exchange for a ten year deal to operate the concessions and catering at our facility. F&B was previously one-third of operating revenue at the center and now the center is challenged with seeking alternative ways of cutting expenses and generating revenue.

In July 2006, the brand new John Paul Jones Arena in Charlottesville (two hours north) opened its doors. Since that time, they have been able to host numerous headliners (e.g. Billy Joel, the Police, Bruce Springsteen). They are managed by SMG, which has the buying power to secure national artists. Being a municipality, the Roanoke Center does not have the authority or funding to buy talent. Therefore, they rely heavily on promoters to book the shows.

Salem Civic Center (Salem, Virginia)

The Salem Civic Center is part of the James E. Taliaferro Sports and Entertainment Complex which was built in 1967. It includes the 7,400-seat civic center as well as a 6,300-seat baseball stadium and a 7,200-seat football stadium. Salem Civic Center hosts about 200 event days per year, although approximately 50 of the event days are weekly meetings of the Salem Kiwanis and rotary clubs. About 15-20 percent of the event days are booked with family/spectator events such as Monster Trucks and the Harlem Globetrotters. The center also hosts numerous sports events at the youth, high school, and college level (the college level sports events generate significant revenues for the center).

Due to Salem's proximity to the Roanoke Civic Center, approximately 10 miles away, the facility relies heavily on smaller trade shows and local social events. The center attracts about 12 to 20 concerts per year, but they are often passed over for the region's larger markets. The two largest events are the Salem Fair, an 11-day event attracting 300,000 people, and the Roanoke Valley Horse Show, a six day event which attracts about 25,000. Approximately 25 percent of the market for Salem Civic Center is from the Salem Roanoke Valley and the remaining 75 percent is traveling from central and southwest Virginia.

Showplace Arena (Upper Marlboro, Maryland)

The Show Place Arena and Prince George's Equestrian Center are facilities of The Maryland-National Capital Park and Planning Commission, Department of Parks and Recreation/Prince George's County, Maryland. The Show Place Arena is a multi-purpose arena which is used for sporting events, concerts, boxing and professional wrestling events, consumer shows, trade shows, religious services, etc. The Show Place Arena encompasses approximately 125,000 square feet of total space. The arena can also accommodate indoor equestrian events. Capacities for various events are as follows:



4,700 for concerts; 5,100 for basketball/hockey; 5,200 for boxing/wrestling; and horse shows/rodeos for up to 3,007. The arena is currently home to the Chesapeake Tide indoor football team. The facility has also been the host venue for the 2004-2005 season of the American Basketball Association Maryland Nighthawks as well as home of the Patriot League Men's and Women's Basketball Championships in 2002-2004, and the Chesapeake Icebreakers minor league hockey team.

The facility currently books about 210 to 215 event days annually, with about 50 percent of the bookings consisting of banquets and another 23 percent sporting and equestrian events. The arena is able to book events consistently because of the flexibility of the space, including retractable seating. The arena can accommodate up to 160 banquet style in smaller rooms, but larger banquets must utilize the larger arena. As a result, the facility typically does not attract mid-sized banquets of about 200 to 400 people. The meeting rooms are located adjacent to the arena and therefore, their use is limited to those days and nights when a large arena event is not being held. Storage space at the arena is also somewhat limited. Some promoters feel that the center competes with the Verizon Center, in Washington, DC. However, Show Place Arena draws strongly among residents of Anne Arundel County, Annapolis, and Southern Maryland.

Jackson Centre (Jackson, Tennessee)

The Jackson Centre is a complex of six facilities, including the Carl Perkins Civic and Convention Center, Oman Arena, Ned McWherter West Tennessee Cultural Arts Center, Fairground Park, Carnegie Center and Pringle Park. The six venues sponsor between 600 and 700 events annually, with the majority of events being held at the Carl Perkins Civic Center, Oman Arena, and the Fairground Park. About 60 percent of the events held at the Oman Arena are sporting events while 90 percent of the events held at Fairground Park are trade shows or expositions.

The Civic Center at Jackson Centre books about 180 event days per year, with fixed seating of 2,200. The configuration includes fixed balcony seating plus collapsible risers for floor seating. The center also includes 16 meeting rooms and 22,000 square feet of exhibition space. The center was constructed in 1973. The event breakdown is as follows: 40 percent trade shows and conventions; 30 percent family and spectator events; and, 30 percent meetings and other social events. Sporting events are held at the other on-site venues.

Anderson Sports & Entertainment Center (Anderson County, South Carolina)

The Anderson Sports & Entertainment Center encompasses 337 acres and is located between Charlotte, North Carolina and Atlanta, Georgia. The complex includes the 37,000 square foot Anderson Civic Center, the Anderson Sports Center (a 64-acre recreation center), and the William A. Floyd Amphitheater (a 15,000-seat outdoor concert venue). The center also hosts the Great Southwest Balloon Fest, a four-day hot air balloon festival which is held each Labor Day weekend.

The multi-use civic center hosts business meetings, conventions, receptions, trade shows, and entertainment events and can seat up to 3,200 spectators and accommodate 200 trade show booths.

Tables with complete breakdowns of the above described facilities appear below.

**Table 5: Arena Description, Selected Comparable Facilities**

Name of Facility	Arena/Theater		Total		Meeting Rooms	Banquet Capacity	On-Site Parking
	Seating Permanent	Capacity Portable	Size (sf)	Exhibition Space (sf)	Total No.	Capacity	
The Ranch (Larimer County Fairgrounds and Events Complex) 1/ Loveland, CO	4,500	2,700	159,000	55,000	see note	see note	10,000
Salem Civic Center Salem, VA	4,027	3,373	25,000	26,040	6	25-600	2,800
Roanoke Civic Center (Coliseum) Roanoke, Virginia	8,372	2,628	20,286	20,286	5	25-100	1,850
Lexington Center (Rupp Arena) 2/ Lexington, Kentucky	21,000	2,500	26,000	72,500	18	40-2,000	2,500
Show Place Arena and Prince Georges Equestrian Center Upper Marlboro, Maryland	3,002	2,890	125,000	dna	6	100-500	2,500
Jackson Centre (Carl Perkins Civic Center) Jackson, Tennessee	2,200	0	23,750	22,000	16	30-2,200	1,200
Big Sandy Superstore Arena Huntington, West Virginia	5,771	2,729	60,000	55,000	8	50-1,000	3,500

1/ The Exhibition Hall includes 5 multi-purpose rooms (up to 200 people each), three 4-H classrooms, and capacity for 800 at a catered event in the East and West Halls.

2/ Exhibition size and meeting room data reflects space available at Lexington Convention Center.

Source: Management of individual facilities.; 2006 AudArena Facilities Guide; Economics Research Associates, December 2007.

Table 6: Utilization, Selected Comparable Facilities

	Salem Civic Center	Jackson Centre	Big Sandy Superstore Arena	The Show Place Ranch 2/ Arena	Roanoke Civic Ctr
Sporting/Equestrian	20%	0%	10%	66%	11%
Family/Spectator/Concerts	16%	30%	10%	20%	31%
Meeting/Social/Other	50%	30%	50%	14%	47%
Trade Show/Convention	15%	40%	30%	0%	11%
Total Event Days	199	180	210	200+	210 - 215

1/ Reflects utilization at Rupp Arena.

2/ Reflects utilization at the Budweiser Events Center. Trade shows and conventions held at the Exhibition Hall.

Source: Management of individual facilities; Economics Research Associates, December 2007.

Table 7: Market Size, Selected Comparable Facilities

	Market Population		
	0-25 miles	25-50 miles	Total
Alachua County Arena/Coliseum Gainesville, FL	339,625	890,364	1,229,989
The Ranch (Larimer County Fairgrounds and Events Complex) Loveland, CO	578,750	1,388,117	1,966,867
Salem Civic Center Salem, VA	389,325	478,029	867,354
Roanoke Civic Center (Coliseum) Roanoke, Virginia	341,105	549,550	890,655
Lexington Center (Rupp Arena) Lexington, Kentucky	566,790	371,283	938,073
Show Place Arena and Prince George's Equestrian Center Upper Marlboro, Maryland	3,226,495	4,197,003	7,423,498
Jackson Centre (Carl Perkins Civic Center) Jackson, Tennessee	190,717	307,244	497,961
Big Sandy Superstore Arena Huntington, West Virginia	315,638	572,335	887,973

Source: ESRI, Economics Research Associates, December 2007.

Event Potential

The market analysis involved findings from focus groups with HOK/Smith Forkner; interviews with area stakeholders; survey of regional facilities; and interviews with local regional, and national event organizers. This included a combination of current local facility users, as well as potential new users based on events currently taking place in the region and nationwide. In addition, ERA interviewed event organizers and promoters regarding facility requirements, level of interest in the Alachua County location, and general impressions of the market.

Based on these interviews, market research, and demographic analysis, ERA estimates that the new facility can expect to host approximately 200 event days, given the hiring of a capable facility director; proper marketing and management; and the scheduling of an appropriate mix of events. The number and mix of events will be determined by the facility, available dates, pricing, booking availability, and marketing.

Interviews were conducted in order to test the receptiveness by types of events of potential facility users to the market and proposed facility. The following breakdown of events and event type is intended to be illustrative of the types of events that the arena/coliseum can expect to attract. Some of the potential events may visit a market annually, while some rotate locations and repeat visits on a limited basis. Events are to be considered examples of the types and sizes of events that would be and are interested in the Gainesville market.

Key Findings by Type of Event

Key findings from ERA's survey of event organizers, promoters, and stakeholders are provided below:

Shows/Festivals/Concerts

- Large outdoor events currently held at the fairgrounds or in public spaces are interested in spaces for outdoor lawn events with better amenities such as restrooms, parking, and access to power
- 50-150 person class room/ballroom space would be well utilized
- A concrete floor, a flexible layout, and high quality acoustics are important
- The Alachua County Visitors and Convention Bureau reports that the Gainesville community has a strong history in music and a thriving music scene that would benefit from the addition of a large, modern venue.
- Current concerts such as those at the University are well-attended suggesting a strong market for these types of events

Community

- Meeting organizers who currently host meetings in other markets were willing to consider relocating events to Gainesville, given additional facilities. Organizers were unwilling to relocate events whose attendees relied heavily on air transportation, due to Gainesville's lack of a major international airport.

- Many community groups report that the UF Hilton, currently their only choice for meeting facilities was either cost-prohibitive or did not have desired dates available.
- Local groups currently utilizing the Fairgrounds for exhibition-type events would be interested in a more modern facility. With such a facility, they felt that there was potential to improve or expand upon their current events.
- Community groups that host events in multiple venues were interested in the prospect of having one facility with a variety of meeting facilities and exhibition areas in order to host simultaneous events, or multiple events as part of a larger conference or meeting.
- Representatives from Alachua County government felt that 5,000 seats would be adequate for their needs. They report that there is a local need for meeting rooms, midway-type outdoor space, outdoor concerts, and campgrounds. Additional uses that they felt would be supported include rodeos, equestrian events, dog and pet shows, gun shows, district athletic competitions, and graduations.
- The County needs the building to be available for use as a FEMA shelter that could house around 2,000 to 2,500 residents in case of emergency.
- The County school board would consider 5,000 fixed and 2,500 temporary seats adequate for their needs for graduations and other events.
- University of Florida has a number of groups that would utilize a new facility, including large meetings and community events. University departments were most interested in banquet/meeting type space.
- A venue that could accommodate both indoor traditional concerts and outdoor festivals would be welcomed by regional promoters. The inability of the O'Connell Center to serve alcohol and poor sound quality makes it difficult to promote concerts there. Promoters state that the area market could support shows for around five to eight thousand guests and that there are large numbers of touring acts that attract audiences of similar size.
- The Florida Museum of Natural History currently hosts several large events, generally in-house or at the University's Cultural Plaza (an open air courtyard where the Florida Museum of Natural History, the Harn Museum of Art and the Phillips Center for the Performing Arts reside). Butterfly Fest is a two-day event with up to 15,000 people who could use some element of the new facility. The Florida Association of Museums Conference is a potential event that could be housed in the new facility.

Consumer/Trade Shows

- Event organizers reported that a modern, well-established and well-promoted facility in a market of Gainesville's size would be strongly desirable for regional shows

- The Alachua County Visitors and Convention Bureau reports that inquiries for consumer shows and large conventions have significantly decreased, as regional organizers are aware of Gainesville's lack of facilities and scheduling limitations. The addition of a new facility would allow them to be significantly more competitive in bringing these types of events to Gainesville.
- Events that have been held at the Fairgrounds in previous years anticipate that climate control and proper parking areas would allow them to draw larger crowds and potentially more events.
- Organizers of shows in other markets report that it is important to have a well-run, well-respected, well-known venue that regional residents are familiar with and comfortable with finding and visiting. They believe that the new facility's proximity to the former fairgrounds and publicity surrounding its opening would quickly make it a strong location.

Sports/Recreation

- Sports promotion organizations and governing bodies believe that Gainesville is seriously lacking in competitive athletic venues that would allow them to compete with cities of similar (or lesser) market size. They felt that Gainesville was a strong market in terms of population, location, access, visitor amenities, and sports interest.
- Due to the University of Florida, Gainesville is perceived as a sports-friendly market and sporting event organizers report that the addition of a competitive venue would make Gainesville a serious contender for a variety of events.
- Sports organizers were most interested in the facility for regional, sectional, or local competitions. Many felt that national competitions could not be accommodated due to the market size and air access.
- Organizers report that the locations of regional and sectional competitions are often determined based on community support and volume of area resident participation. They responded favorably to the idea of hosting events in Gainesville due to its ability to attract participants, volunteers, and community support.
- Sports organizers and promoters think that the venue would be well-served to accommodate events that the O'Connell Center can not accommodate (karate tournaments, volleyball, drum corps) as they are unable to schedule far enough in advance to serve these groups.
- The addition of a large community venue to the existing smaller venues would create an opportunity for more business for all venues, as some larger events that the new facility could attract would necessitate additional overflow venues.

- Organizers of flat floor events reported that, while some events and portions of their events can be accommodated in convention center facilities, arenas were preferable due to their set-up and staging capabilities.
- Events with competitions that could utilize the proposed facility include volleyball, weightlifting, wrestling, archery, badminton, table tennis, basketball, drum and flag corps, chess, martial arts, fencing, gymnastics, pet shows, Olympic-type competitions, rodeos.
- Non-arena events such as boating or car racing could utilize the facility for the expo portion of the events and/or opening and closing events.
- In addition to traditional indoor events (basketball, volleyball, martial arts, archery, etc.) barrel racing, rodeo, and rodeo queen contests exist in the area and would consider a new venue.
- Gainesville Sports Commission feels that a 6,000-8,000 seat arena would accommodate the types of tournaments and events that are interested in the potential arena.

Agricultural

- Local residents who are active in the agricultural community reported that there are a number of cattle shows and sales in the region and a large number of equestrian groups.
- The Youth Fair & Livestock show, organized by the Farm Bureau and Cattleman's Association, is currently held at the fairgrounds. It has around 300-400 participants and around 500 total attendees. It would ideally like to locate at a new property with proper show rings and stalls.
- The Alachua County Fair is a ten day event (October 12-28). It needs approximately 25,000 square-feet of exhibit space to replace the existing facility. The current event also includes a midway (on dirt), RV hookups, and office space. The fair sets up temporary ties for cattle. The event receives around 15,000 visitors over its ten day run.
- Representatives from local agricultural organizations felt that RV facilities for around 200 could be supported. They host two agricultural fairs (Youth Fair and The Fall Fair). They felt that meeting spaces to accommodate 50 to 150 were also in demand. In addition, outdoor space for open field events and parking were important. They felt that a 60' x 90' arena would suit their livestock judging needs.
- Many local sources state that the Showplace is likely to close in the near future, creating a need for equestrian facilities. However, Ocala and Jacksonville have equestrian centers that may pick up some of the regional business.

Based on interest reported by interviews with potential users, Table 8, below illustrates the potential event breakdown for the new arena/coliseum facility. However, these are intended to as illustrative events, indicative of the type of events achievable in the market.

Table 8: Alachua County Arena/Coliseum Potential Event Days by Type

Event Type	Potential Annual Events	Potential Annual Event Days	Event Days %
Family/Spectator/Concerts	22	42	16.2%
Meeting/Social/Other	53	99	38.2%
Sporting/Equestrian	68	99	38.2%
Trade Show/Convention	9	19	7.3%
Total	152	259	100.0%

Source: Interviews, Economics Research Associates, December 2007.

As not all surveyed events are likely to be annual events, and the number of potential events in the marketplace are greater than those surveyed, Table 9, below illustrates the estimated adjusted, realizable event days, based on comparable facilities and level of interest from various market segments. ERA feels that the proposed coliseum will likely appeal to a larger percentage of sporting events than the comparable facilities, due to the presence of the University, and Gainesville's appeal as a sporting events market. However, due to the high sample for these events and the fact that they often rotate between markets, the total number of annual sporting event days has been decreased. The number of trade shows and conventions has been increased based on the average of comparable facilities of approximately two and a half trade show event days per month.

The following break down of event days represents one realizable demand scenario. The actual event mix will depend upon the facility's booking policy balancing income generating events, community interests, and economic impacts of potential events.

Table 9: Alachua County Arena/Coliseum, Realizable Event Days by Type

Event Type	Realizable Annual Events	Realizable Annual Event Days	Event Days %
Family/Spectator/Concerts	15	30	15.0%
Meeting/Social/Other	30	60	30.0%
Sporting/Equestrian	38	75	37.5%
Trade Show/Convention	18	35	17.5%
Total	100	200	100.0%

Source: Interviews, Economics Research Associates, December 2007.

Table 10 below shows examples of potential events by type, attendance, and event days.

Table 10: Alachua County Arena/Coliseum Potential Events

Name of Event	Type	Number of Events	Event Days	Annual Event Days	Attendance by Event Day
ACEL Kickball Tournament	Family/Spectator/Concerts	1	1	1	500
Chiumba Ensemble- Africa Middle Passage Journey	Family/Spectator/Concerts	1	1	1	650
Jaycees Haunted House	Family/Spectator/Concerts	1	6	6	667
Chiumba Ensemble- Lecture Series	Family/Spectator/Concerts	1	1	1	1,000
Chiumba Ensemble- June Festivities	Family/Spectator/Concerts	1	1	1	1,000
Alachua County Fair	Family/Spectator/Concerts	1	10	10	1,500
Kaleidoscope Festival	Family/Spectator/Concerts	1	1	1	2,000
Jehovah's Witness Convention	Family/Spectator/Concerts	1	3	3	2,500
Gainesville Cultural Affairs- Midevil Faire	Family/Spectator/Concerts	1	5	5	2,700
Kidz Karnaval	Family/Spectator/Concerts	1	1	1	7,000
Shands Country Music Festival	Family/Spectator/Concerts	1	1	1	7,500
County Graduations	Family/Spectator/Concerts	7	1	7	7,500
Outer Bands Promotions	Family/Spectator/Concerts	4	1	4	7,500
UF Purchasing- Training Programs- Large	Meeting/Social/Other	2	10	20	10
UF Purchasing- Training Programs- Small	Meeting/Social/Other	8	1	8	50
UF/IFAS Conferences	Meeting/Social/Other	12	2	24	100
UF Purchasing- Large Conference	Meeting/Social/Other	1	2	2	125
UF Conference Department- Major Events	Meeting/Social/Other	5	4	20	125
UF Conference Department- Regional Events	Meeting/Social/Other	25	1	25	250
USA Volleyball- Youth Championships	Sporting/Equestrian	1	6	6	27
World Cup	Sporting/Equestrian	1	5	5	80
Barrel Racing	Sporting/Equestrian	1	4	4	100
US Fencing- Sectional Championships	Sporting/Equestrian	1	4	4	125
4H Horse Shows	Sporting/Equestrian	11	1	11	150
Senior Nationals	Sporting/Equestrian	1	5	5	180
4H District Horse Shows	Sporting/Equestrian	4	1	4	200
National Weightlifting Championships	Sporting/Equestrian	1	3	3	217
American Open Weightlifting	Sporting/Equestrian	1	3	3	227
National Junior Weightlifting Championships	Sporting/Equestrian	1	3	3	417
4H Youth Fair	Sporting/Equestrian	1	5	5	500
Junior Olympic National Championships	Sporting/Equestrian	1	9	9	500
USA Indoor Track & Field Championships	Sporting/Equestrian	1	3	3	600
US Fencing- National Tournament	Sporting/Equestrian	1	4	4	775
Taekondo Regional Qualifier	Sporting/Equestrian	1	2	2	1,100
AAU Karate National Championships	Sporting/Equestrian	1	4	4	1,250
AAU Taekwondo National Championships	Sporting/Equestrian	1	4	4	1,500
USA Volleyball- Men's World League	Sporting/Equestrian	1	2	2	2,500
USA Volleyball-National Team Tournaments	Sporting/Equestrian	1	2	2	2,500
NCA/NDA Collegiate Cheer & Dance Championship	Sporting/Equestrian	1	2	2	-
NCA/NDA Collegiate Cheer & Dance Championship	Sporting/Equestrian	1	2	2	-
Junior Olympic Championships	Sporting/Equestrian	1	2	2	-
Florida Law Enforcement Games	Sporting/Equestrian	1	2	2	-
Florida Senior Games	Sporting/Equestrian	1	2	2	2,500
Florida Sunshine State Games	Sporting/Equestrian	1	2	2	9,000
USA Wrestling	Sporting/Equestrian	1	2	2	-
National Junior Olympic Judo Championships	Sporting/Equestrian	1	2	2	-
Florida Food Show	Trade Show/Convention	1	1	1	1,000
MarketPro Computer Shows	Trade Show/Convention	6	2	12	1,000
Florida RV Shows	Trade Show/Convention	1	4	4	2,500
Gainesville Sun Home Show	Trade Show/Convention	1	2	2	3,000

Source: Interviews, Economics Research Associates, December 2007.

Table 11 below shows total potential events by event day attendance. The attendance below represents total event day attendance, and does not necessarily reflect seating size required. Events with daily attendances over 7,000 would not require attendance of that size to be accommodated in simultaneous seating, and could be accommodated by a facility of the recommended size.

Table 11: Potential Events by Event Day Attendance

	Attendance per Event					Total
	Less than 1,000	1,000 - 2,999	3,000 - 4,999	5,000 - 6,999	7,000 +	
Family/Spectator/Concerts	8	21	0	0	13	42
Percent	19.0%	50.0%	0.0%	0.0%	31.0%	100.0%
Meeting/Social/Other	99	0	0	0	0	99
Percent	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Sporting/Equestrian	69	14	5	6	5	99
Percent	69.7%	14.1%	5.1%	6.1%	5.1%	1
Trade Show/Convention	0	17	2	0	0	19
Percent	0.0%	89.5%	10.5%	0.0%	0.0%	100.0%
Total	176	52	7	6	18	259
Percent	68.0%	20.1%	2.7%	2.3%	6.9%	100%

Source: Interviews, Economics Research Associates, December 2007.

As seen in Table 12, of events with reported square footage requirements, the majority of sporting events require between 30,000 and 40,000 square feet of floor space.

Table 12: Facilities with Required Flat Floor Square Footage

	<20,000	20,000-30,000	30,000-40,000
Family/Spectator/Concerts		10	
Sporting/Equestrian		12	44
Trade Show/Convention	12		5
Total	12	31	24

Source: Interviews, Economics Research Associates, December 2007.

Program Recommendations

Based on the market analysis, ERA recommends the follow facility program:

- **Number of seats:** ERA recommends a facility with 5,000 permanent seats and the ability to add 2,500 additional temporary seats.
- **Floor size:** While ERA feels that 40,000 square feet of space would be sufficient based on current demand, we recommend an increase to 50,000 square feet to accommodate future demand, if the increase in construction cost of going from 40,000 to 50,000 are reasonable.
- **Meeting space:** ERA recommends approximately 10,000 square feet of meeting space to accommodate banquets for up to around 500 guests. The meeting space should offer flexible configurations to allow for multiple simultaneous events.
- **Parking spaces:** The largest events for which simultaneous parking will be required are concerts or athletic events utilizing all of the arena's 7,500 seats. Based on a guideline of 2.5 people per car, ERA recommends 3,000 parking spaces.
- **Outdoor space/concrete pads:** Additional facilities will be needed to support the County fair and other similar uses. A covered arena for agricultural events, as well as pads for livestock could be used to accommodate outdoor concerts, community events, fairs, and festivals as well.
- **RV hookups:** ERA recommends at least 50 RV hookups. This equipment will not be used for commercial purposes, but rather to accommodate event sponsors and participants. Agricultural concerns expressed interest in over 200 RV sites.

Financial Analysis

This section of the report examines the financial performance of the Alachua County Arena/Coliseum. Specifically, it looks at the revenue and expense potential, and resultant profit potential for the facility. It is based on the assumption that the facility will include a fixed seating capacity up to 5,000 (with the ability to add 2,500 temporary seats) and 40,000-50,000 square feet of exhibit space. 10,000 square-feet of meeting space will also be available.

No assumptions have been made about funding of the facility's capital costs, or the ability of the facility to service any short-term or long-term debt obligations issued for its development. The analysis incorporates the experience of other similar facilities, as well as the pricing structure of existing regional facilities. All dollar amounts are expressed in 2007 dollars.

The facility's financial performance will rely greatly on the booking policy instituted at the facility. The mix of events booked at the facility and the rates they will be charged will be an important element of facility management. As this will be a County-owned facility, it is important that facility management, whether government-run or privately-managed, recognize that it must accommodate both the needs of the County's residents and the arena/coliseum's need to operate profitably. Issues to be addressed include date availability, price, economic impact of events, and meeting community needs. The following analysis assumes that facility booking will be dictated by a clearly defined booking policy which allows for this to be done in a fair and responsible fashion. It is also assumed that the facility will be operated in a cost-effective manner with proper cost-management in terms of contracting, procurement, staffing, etc.

Financial Parameters

The analysis of financial performance has been structured using revenue and expense parameters that were developed by ERA based on the following: fees and charges at comparable facilities, modified to meet local requirements and needs; and the operating experience of comparable civic center facilities in terms of event financial performance. ERA assumes a "bare box" management strategy, where the facility is provided to others who organize, sponsor and promote events.

Financial projections are based on a stabilized performance in year three. Events in years one and two were discounted to reflect the realities of attracting and retaining events and attendants during the initial opening of the facility. A moderate estimate of attracting one to two events per year after the facility is stabilized is also reflected in the financial model.

Revenue Parameters

The two principle revenue categories are rental and non-rental revenue. Rental revenue was estimated based on the following daily rates: commercial arena configuration, \$5,000 or 10 percent gross ticket sales; non-profit or community use, \$500; exhibition configuration, \$1,000 (plus 10 percent of ticket sales for consumer/trade shows); and meeting space, \$250 for a large meeting space and \$100 for a smaller gathering. It was assumed that concerts and family shows would generate overage rental, therefore rental revenues from these events are based on 10 percent of projected gross ticket sales. The

rental rates selected for the proposed facility reflect what ERA believes to be a competitive rate based on comparable facility rentals and industry norms, in the context of the Gainesville market.

Non-rental revenue includes concession sales, which is expected to be the facility's largest source of revenue and sponsorship. Concession sales revenues were based on estimates of per capita expenditures, which vary by event-type. Based on standards established by Amusement Business and comparable performance, ERA estimates that concession expenditures will range from \$2.00 per capita for performing arts events to \$4.50 per capita for concerts, with an average per capita spending overall of around \$3.25. Due to the location and quality of the proposed facility and market, sponsorship revenue was based on a lump sum budget estimate of \$90,000 in the first year, \$95,000 in the second and \$100,000 in each year thereafter. Sponsorship will include revenues from signage throughout the building, exterior signage, scoreboard advertising, etc.

Expense Parameters

The following details operating expenses for the proposed arena/coliseum facility and does not apply to the building grounds or any additional buildings on site. In addition, depreciation and reserves are not included, but should be planned for throughout budgeting processes. Operating expenses can be divided into two principle categories, salaries and wages and other expenses. The majority of expenses within this category are fixed, representing the annual salaries of full-time and part-time personnel. Fringe benefits were estimated at a fixed percentage of 30 percent of total salaries. Staffing for security and building attendants are variable, estimated at two man-days each, per event at \$10.00 per hour. It should also be noted that some staff should be hired in the year leading up to the completion of construction. A facility manager should oversee opening efforts such as the hiring of staff and ordering of supplies and materials. The sales director should be hired in advance, in order to begin publicizing the new facility and booking events.

The other expenses category also has fixed and variable components. The largest single expense in this category is concessions, a cost factor estimated at 80 percent of gross concession sales. The fixed components include the following: supplies and materials, a lump sum budget estimate of \$20,000 in the first year and \$20,000 each year thereafter; maintenance and repair, estimated at \$1.25 per gross square foot of building area at stabilized year; and the promotional budget, \$75,000 allotted to cover press kits, brochures and general area promotion for the first year, reducing to \$50,000 during stabilized years. Utilities were estimated at a fixed \$1.50 per square foot. This figure takes in to account that, when the facility is not in use, the HVAC and electricity will only serve small administrative areas. In addition, the building will likely incorporate some sort of green energy source such as solar power that will help reduce operation costs. Miscellaneous expenses have been computed at five percent of gross revenues. Miscellaneous expenses would cover all expense items not included in individual accounts above, such as, travel, dues and subscriptions, audit, legal expenses and miscellaneous supplies.

Facility Utilization

Based on the stabilized year projection of 200 event days, ERA estimates that during the first year of operation, the facility could generate roughly 168 event days. Local and non-profit events will likely utilize the space at a higher percentage than outside events during the initial start up years. The larger spectator events will take more time to attract and therefore were discounted by 20 percent and 10 percent respectively before estimated stabilization in Year 3.

Table 13: Event Days by Utilization, Years 1 – 5

Facility Usage	Year 1	Year 2	Year 3	Year 4	Year 5
Arena Configuration					
Commercial					
Flat Fee Rental	60	68	75	77	79
Overage Rental	13	16	20	20	20
Public Use/Non-profit	18	19	20	27	27
Exhibition Configuration	41	43	45	45	45
Meeting Space Configuration					
Large meeting	18	19	20	20	20
Small meeting	18	19	20	20	20
Subtotal Meetings	36	38	40	40	40
Total Annual Number of Event Days	168	184	200	209	211

Source: Economics Research Associates, December 2007.

Pro Forma Analysis

Table 14 through Table 16 present ERA's analysis of the financial performance of a 150,000 square foot facility. This analysis incorporates the revenue and expense parameters discussed above and is based on the schedule of events outlined in the market analysis. As shown in

Table 14, total revenues are estimated to be \$1.5 million in the first year, rising to \$1.8 million by Year 3.

Table 14: Estimated Operating Revenues, Years 1 – 5

	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Revenue:					
Arena Configuration	\$512,200	\$601,000	\$702,500	\$716,000	\$726,000
Exhibition Configuration	90,200	94,600	99,000	99,000	99,000
Large Meeting	4,500	4,750	5,000	5,000	5,000
Small Meeting	<u>1,800</u>	<u>1,900</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Subtotal Rental Revenue	\$608,700	\$702,250	\$808,500	\$822,000	\$832,000
Other Revenue:					
Concession Sales	\$880,800	\$1,000,375	\$982,500	\$1,147,750	\$1,154,250
Sponsorship	<u>90,000</u>	<u>95,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Subtotal Other Revenue	\$970,800	\$1,095,375	\$1,082,500	\$1,247,750	\$1,254,250
Total Annual Revenues	\$1,579,500	\$1,797,625	\$1,891,000	\$2,069,750	\$2,086,250

Source: Economics Research Associates, December 2007.

Operating expenses are estimated to total \$1.7 million in Year 1 and grow to \$1.9 million by Year 3. Salaries and wages account for approximately one third of all expenses. Of other expenses, utilities and concessions are the highest of around \$300,000 in total.

Table 15: Estimated Operating Expenses, Years 1 – 5

	Year 1	Year 2	Year 3	Year 4	Year 5
Salaries and Wages:					
Executive Director	\$85,000	\$86,275	\$87,569	\$88,883	\$90,216
Sales Director	\$55,000	\$55,825	\$56,662	\$57,512	\$58,375
Event Coordinator	\$45,000	\$45,675	\$46,360	\$47,056	\$47,761
Administrative Assistant	\$30,000	\$30,450	\$30,907	\$31,370	\$31,841
Bookkeeper	\$30,000	\$30,450	\$30,907	\$31,370	\$31,841
Operations Manager	\$40,000	\$40,600	\$41,209	\$41,827	\$42,455
Building Operations/Maintenance (3)	\$105,000	\$106,575	\$108,174	\$109,796	\$111,443
Building Attendant (2 man days per event day)	\$26,848	\$29,360	\$32,000	\$33,440	\$33,760
Security (2 man-days per event day)	26,848	29,360	32,000	33,440	33,760
Fringe Benefits (30% of salaries)	<u>64,500</u>	<u>65,468</u>	<u>66,450</u>	<u>67,446</u>	<u>68,458</u>
Subtotal Salaries and Wages	\$508,196	\$520,038	\$532,237	\$542,141	\$549,910
Other Expenses:					
Supplies and Materials	20,000	20,000	20,000	20,000	20,000
Maintenance and Repair	93,750	140,625	187,500	187,500	187,500
Utilities	225,000	225,000	225,000	225,000	225,000
Concessions (80% of gross sales)	704,640	800,300	786,000	918,200	923,400
Promotion	75,000	65,000	50,000	50,000	50,000
Equipment and Other Capital Costs	15,000	17,500	20,000	20,000	20,000
Miscellaneous Costs	<u>78,975</u>	<u>89,881</u>	<u>94,550</u>	<u>94,550</u>	<u>94,550</u>
Subtotal Other	\$1,212,365	\$1,358,306	\$1,383,050	\$1,515,250	\$1,520,450
Total Annual Operating Costs	\$1,720,561	\$1,878,344	\$1,915,287	\$2,057,391	\$2,070,360

Source: Bureau of Labor Statistics, Comparable facilities, Economics Research Associates, December 2007.

Based on the above revenues and expenses, the Alachua County Arena/Coliseum is expected to operate at a deficit of approximately \$141,061 in Year 1, and operating at a modest profit by Year 4.

Table 16: Financial Feasibility, Years 1 – 5

	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Operating Revenues	\$1,579,500	\$1,797,625	\$1,891,000	\$2,069,750	\$2,086,250
Annual Operating Expenses	<u>1,720,561</u>	<u>1,878,344</u>	<u>1,915,287</u>	<u>2,057,391</u>	<u>2,070,360</u>
Net Operating Income/(Deficit)	(\$141,061)	(\$80,719)	(\$24,287)	\$12,359	\$15,890

Source: Economics Research Associates, December 2007.

Economic Impact

The Alachua County Arena/Coliseum is expected to have a positive economic impact on the Alachua County, the region, and the state as a whole. Not only will the new facility help stimulate economic activity in East Gainesville, throughout the city, county, and the region overall, but it will enhance the quality of life for area residents by providing a modern facility for residents and businesses. This facility could help stimulate additional regional economic activity by potentially attracting new businesses and development to the area.

The positive fiscal impact will result from both construction and on-going operations, however this section of the report presents solely the quantitative economic impact of operations as anticipated construction costs and scope are not yet known. All dollar figures are expressed in 2007 constant dollars.

Operational Impacts

ERA estimated gross operational impacts, based on the full schedule of 200 event-days projected in the third year of operation and includes both in-state and out-of-state visitation. Attendance is expected to total over 300,000, which was estimated based on attendance by event-type. Operational impacts were divided into both on-site and off-site impacts.

On-site expenditures include the following: admissions, based on estimates of attendance and average ticket prices for each event-type and concessions, based on the per capita expenditures shown previously. ERA assumed that promoters would keep 100 percent of merchandise sales, as an incentive to sponsoring a show in Alachua County and therefore were not estimated in the projected operating revenues.

There are three categories of off-site visitors; local, daytrip, and overnight. Table 17 illustrates the distribution of local, daytrip and overnight visitors by event-type. For the purposes of this analysis, local visitors are defined as those living within 50 miles of the Alachua County Arena/Coliseum. Daytrip visitors live between 50 and 100 miles of the facility, while overnight visitors reside over 100 miles from the facility. The total number of visitors in each category was estimated based on a percent distribution for each event-type.

Table 17: Estimated Attendance by Event Type

Type of Event	Over 100 Miles	50-100 Miles (less than 50)	Local	Total Event-Days
Concert	3,250	19,500	42,250	65,000
Sporting/Equestrian	33,750	18,750	22,500	75,000
Family Shows	3,000	21,000	36,000	60,000
Trade Shows/Conventions	42,000	14,000	14,000	70,000
Performing Arts	500	3,500	6,000	10,000
Corporate Events	250	250	2,000	2,500
Meetings/Social Functions	1,900	1,900	15,200	19,000
TOTAL	84,650	78,900	137,950	301,500

Source: Economics Research Associates, December 2007.

There are three categories of off-site expenditures; lodging, restaurant and other. Total restaurant expenditures for off-site local attendees and daytrip visitors were based on a \$20.00 per capita expenditure. ERA assumed that about 50 percent of local attendees would likely go to area restaurants while attending large concerts and sporting events. It was assumed that daytrip visitors would spend, on average, \$15.00 on other items, including gas and off-site merchandise, during their visit to Gainesville. Overnight visitor expenditure categories include the following: lodging, estimated at \$96.00 per capita (the ADR for the past year for local properties, as reported by the CVB); restaurant, \$34.00 per capita; and other, \$17.00 per capita. Hotel nights were determined on a weighted average basis dependant upon the event type. It was assumed that two people would occupy each room.

Table 18: Total Expenditure Impact of All Events

Total Number of Events (Annually)	200
Expenditures by Overnight Visitors	
Admissions Fees or Rentals	\$ 1,233,953
Concessions (On-Site)	275,850
Lodging	9,890,400
Food (Off-Site)	5,756,200
Other Expenses	1,439,050
<i>Total</i>	\$ 18,595,452
Expenditures by Day Trip Visitors	
Admissions Fees or Rentals	\$ 1,150,134
Concessions	257,112
Food (Off-Site)	1,578,000
Other Expenses	1,183,500
<i>Total</i>	\$ 4,168,746
Expenditures by Local Visitors	
Admissions Fees or Rentals	\$ 2,010,913
Concessions	449,539
Food (Off-Site)	1,007,500
<i>Total</i>	\$ 3,467,951
Total Direct Expenditures	\$ 26,232,150
Multiplier	2.00
Total Direct, Indirect, and Induced Expenditures	\$ 52,464,300

Source: Economics Research Associates, December 2007.

On-site and off-site expenditures were further described in terms of direct and indirect (multiplier) impacts. Tax impacts were based on the state and local tax rates outlined in .

Table 19. In addition to a state sales tax of six percent, a 0.25 percent local discretionary tax is assessed by the state and returned to the County, less a small administrative fee. Due to a recently passed referendum, funds earned by the local discretionary tax must be used to fund indigent health care services, and cannot be used for general operations.

Lodging is subject to both sales and tourist taxes, for a total of a 9.25 percent tax. A percentage of the tourist development tax portion (three percent) is collected by Alachua County and allocated to the City of Gainesville.

The Alachua County Arena/Coliseum is projected to generate over \$52 million in direct, indirect and induced expenditures annually. Gross state and local tax revenues based solely on direct spending are estimated to total over \$1.6 million. Realistically as some visitors will be spending restaurant and hotel dollars outside of the County, it was estimated that based on the current tax structure, Alachua County will capture approximately 80 percent of direct spending (\$283,500), with a total of \$1.3 million generated for the State of Florida. In addition, the State of Florida returns a portion of the six percent sales tax received, the county revenue share is based on taxes earned and is estimated to total around \$6,800 worth of additional County income.

While the majority of taxes are earned for the State of Florida, supplementary tax structures could be explored that would allow Alachua County to recoup additional taxes from spending related to the new facility.

Table 19: Annual Projected Tax Revenue Generated by Events

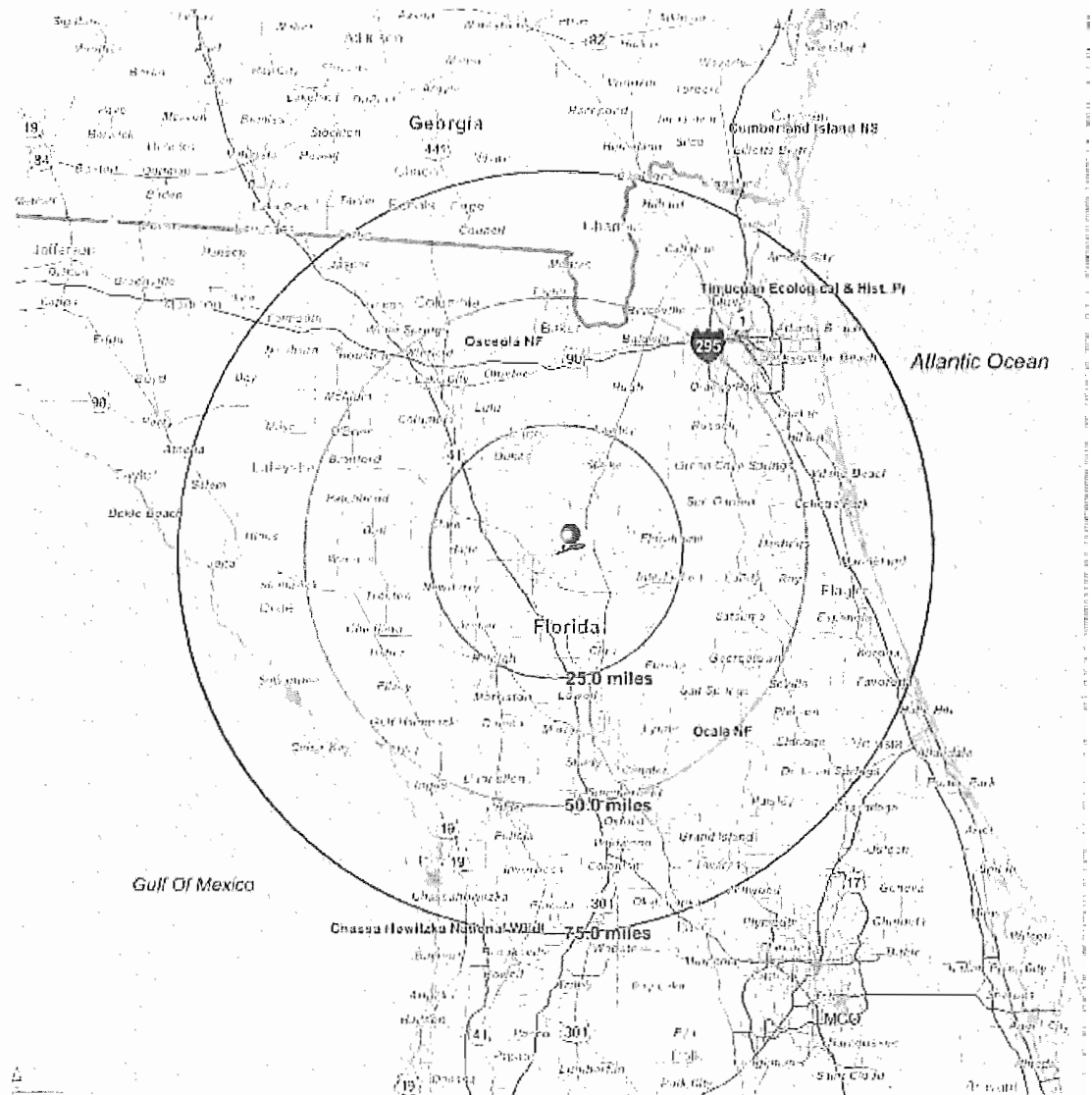
	County 1/	State	Total
Hotel Expenditures	\$7,912,320	\$9,890,400	\$9,890,400
Tax Rate (percent)	3.25%	6.0%	9.25%
Hotel Tax Revenue	\$257,150	\$593,424	\$914,862
Admission Fees	\$982,500	\$982,500	\$982,500
Sales Tax Rate	0.25%	6.0%	6.25%
Admission Fee Tax Revenue	\$2,456	\$58,950	\$61,406
Restaurant Expenditures	\$7,459,360	\$9,324,200	\$9,324,200
Sales Tax Rate	0.25%	6.0%	6.25%
Meals Sales Tax	\$18,648	\$559,452	\$582,763
Other Expenditures	\$2,098,040	\$2,622,550	\$2,622,550
Sales Tax Rate	0.25%	6.0%	6.25%
Other Tax Revenue	\$5,245	\$157,353	\$163,909
Gross State and Local Taxes	\$283,500	\$1,369,179	\$1,652,679

1/ The County will also receive one half-cent of each dollar of state revenue collected, \$6,845.90

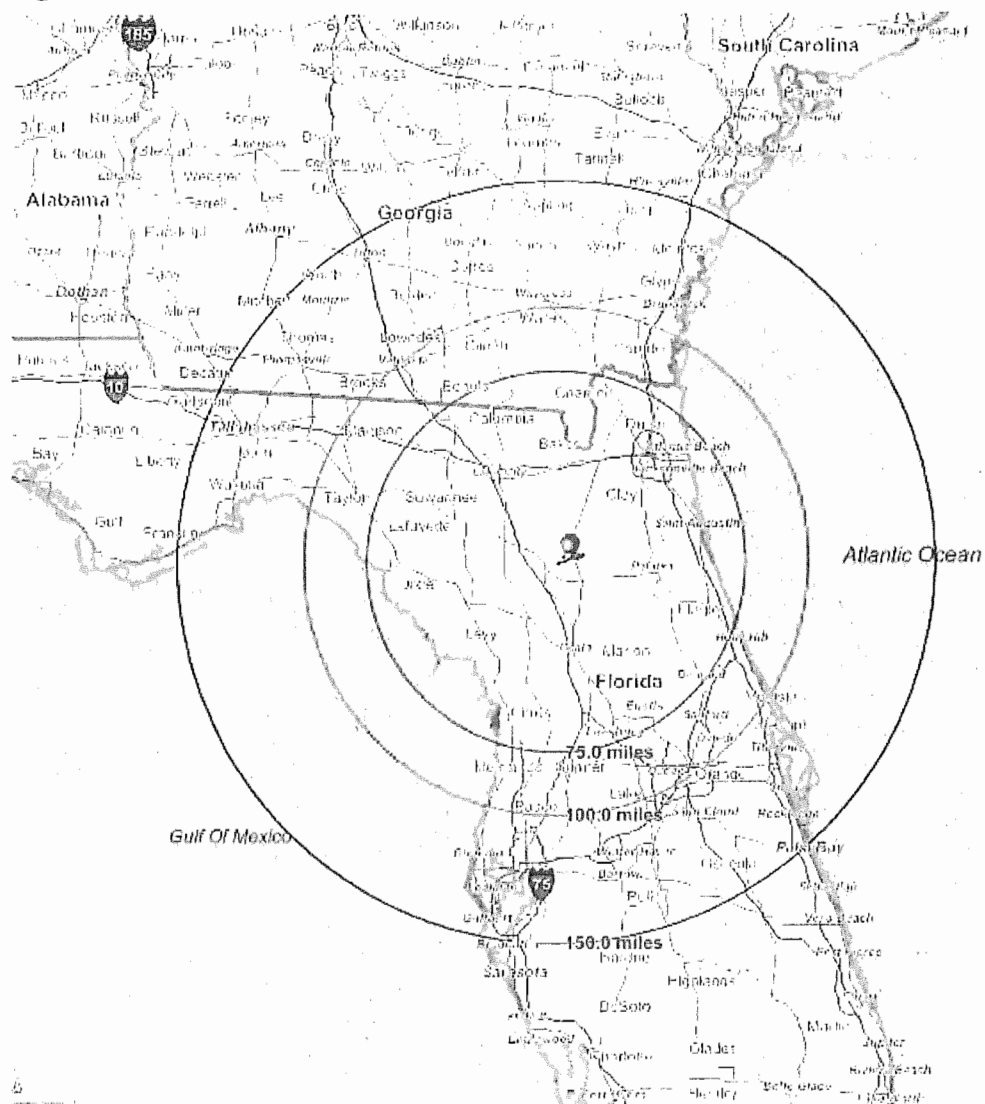
Source: Economics Research Associates, December 2007.

Appendix

Figure 1: 25, 50, 75-Mile Radii



Source: ESRI Business Analyst, Economics Research Associates, January 2008.

Figure 2: 75, 100, 150 Mile Radii

Source: ESRI Business Analyst, Economics Research Associates, January 2008.

Table 20: Market Potential for Events, Stabilized Year of Operation

Type of Event	Total Event Days of Use	Average Attendance Per Event Day	Total Attendance Per Event-Type
Concert	10	6,500	65,000
Sporting/Equestrian	75	1,000	75,000
Family Shows	10	6,000	60,000
Trade Shows	35	2,000	70,000
Performing Arts	10	1,000	10,000
Corporate Events	10	250	2,500
Meetings/Social Functions	50	380	19,000
TOTAL	200		301,500

Source: Economics Research Associates, December 2007.

Table 21: Estimate of Per Capita Expenditures, Stabilized Year of Operation

Type of Event	Total Attendance by Event-Type	Per Capita Expenditure	Total Expenditure by Event-Type
Concert	65,000	\$4.50	\$292,500
Sporting/Equestrian	75,000	\$4.00	\$300,000
Family Shows	60,000	\$3.25	\$195,000
Trade Shows/Conventions	70,000	\$2.50	\$175,000
Performing Arts	10,000	\$2.00	\$20,000
Corporate Events	10,000		\$0
Meetings/Social Functions	4,000		\$0
Total	301,500		\$982,500

Source: Economics Research Associates, December 2007.

Table 22: Rate Schedule, Initial Year of Operations

Facility	Daily Rate
Arena Configuration	
Commercial	\$5,000 or 10% gross
Nonprofit	\$500
Exhibition Configuration	\$1,000
Commercial Trade Shows	\$1,000 and 10% gross
Meeting Space Configuration	
Large	\$250
Small	\$100

Source: Economics Research Associates, December 2007.

Table 23: Expense Input Assumptions

	Number	Stabilized Year	2nd Year	3rd Year
Executive Director	1	\$85,000	\$85,000	\$85,000
Sales Director	1	\$55,000	\$55,000	\$55,000
Event Coordinator	1	45,000	\$45,000	\$45,000
Administrative Assistant	1	30,000	\$30,000	\$30,000
Bookkeeper	1	30,000	\$30,000	\$30,000
Operations Manager	1	40,000	\$40,000	\$40,000
Building Operations/Maintenance (3)	3	105,000	\$105,000	\$105,000
Building Attendant (2 man days per event day)	16	10	\$10	\$10
Security	16	10	10	10
Fringe Benefits		30%	30%	30%
Other Expenses:				
Supplies		20,000	20,000	20,000
Maintenance and Repair		1.25	1.25	1.25
Utilities		1.50	1.50	1.50
Concessions		80%	80%	80%
Promotion		40,000	40,000	40,000
Equipment and Other Capital Costs		20,000	22,500	25,000
Miscellaneous		5%	5%	5%

Source: Economics Research Associates, Bureau of Labor and Statistics, Comparable Facilities, December 2007.

Table 24: Economic Impact Analysis Input

		Total
Total Number of Event Days		200
ATTENDEES		
Total Attendance		301,500
Out-Of-Town		
Number		84,650
Percent		28%
Day Visitors		
Number		78,900
Percent		26%
Local		
Number		137,950
Percent		46%
SPENDING BY OVERNIGHT ATTENDEES		
<u>On-Site Expenditures</u>		
Admissions	\$14.58	\$1,233,953
Concessions	\$3.26	\$275,850
Subtotal, On-Site Expenditures		\$1,509,802
<u>Off-Site Expenditures</u>		
Lodging		
Total Room Nights	103,025	
Average Cost per Room	\$96.00	
Total Hotel Spending		\$9,890,400
Food		
Total Meal Days	169,300	
Average Daily Expenditure	\$34.00	
Total Food Spending		\$5,756,200
Other Expenditures		
Transportation, Retail, Misc.	\$17.00	\$1,439,050
Subtotal, Off-Site Expenditures		\$17,085,650
Subtotal, Out-of-Town Attendees		\$18,595,452
SPENDING BY DAY TRIP ATTENDEES		
<u>On-Site Expenditures</u>		
Admissions	\$14.58	\$1,150,134
Concessions	\$3.26	\$257,112
Subtotal, On-Site Expenditures		\$1,407,246
<u>Off-Site Expenditures</u>		
Food		
Total Meal Days	78,900	
Average Daily Expenditure	\$20.00	
Total Food Spending		\$1,578,000
Other Expenditures		
Transportation, Retail, Misc.	\$15.00	\$1,183,500
Subtotal, Off-Site Expenditures		\$2,761,500
Subtotal, Day Trip Attendees		\$4,168,746
SPENDING BY LOCAL ATTENDEES		
<u>On-Site Expenditures</u>		
Admissions	\$14.58	\$2,010,913
Concessions	\$3.26	\$449,539
Subtotal, On-Site Expenditures		\$2,460,451
<u>Off-Site Expenditures</u>		
Total Meal Days	50,375	
Average Daily Expenditure	\$20.00	
Total Food Spending		\$1,007,500
Subtotal, Local Attendees		\$3,467,951
TOTAL ATTENDEE EXPENDITURES		\$26,232,150
MULTIPLIER		2.00
TOTAL DOLLAR IMPACT ON THE ECONOMY		\$52,464,300

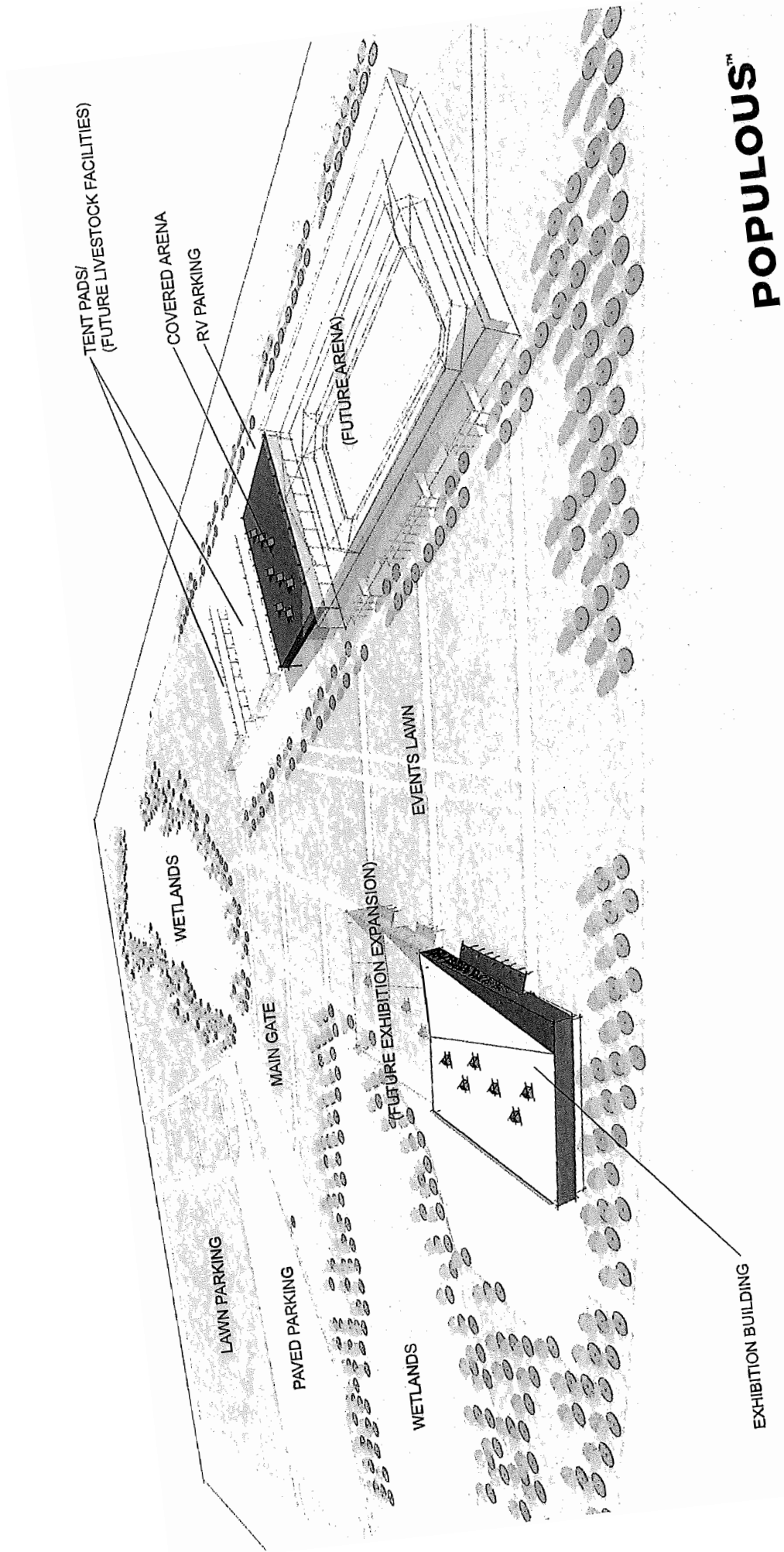
Source: Economics Research Associates, December 2007.

ALACHUA COUNTY FAIRGROUNDS

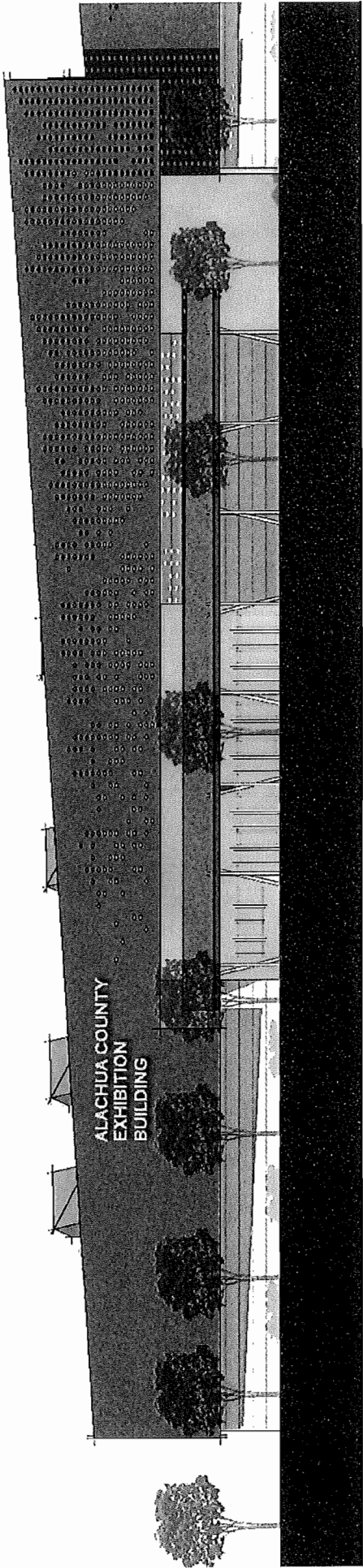
**Business Plan
For
Capital Projects that Promote Tourism**

APPENDIX 3.

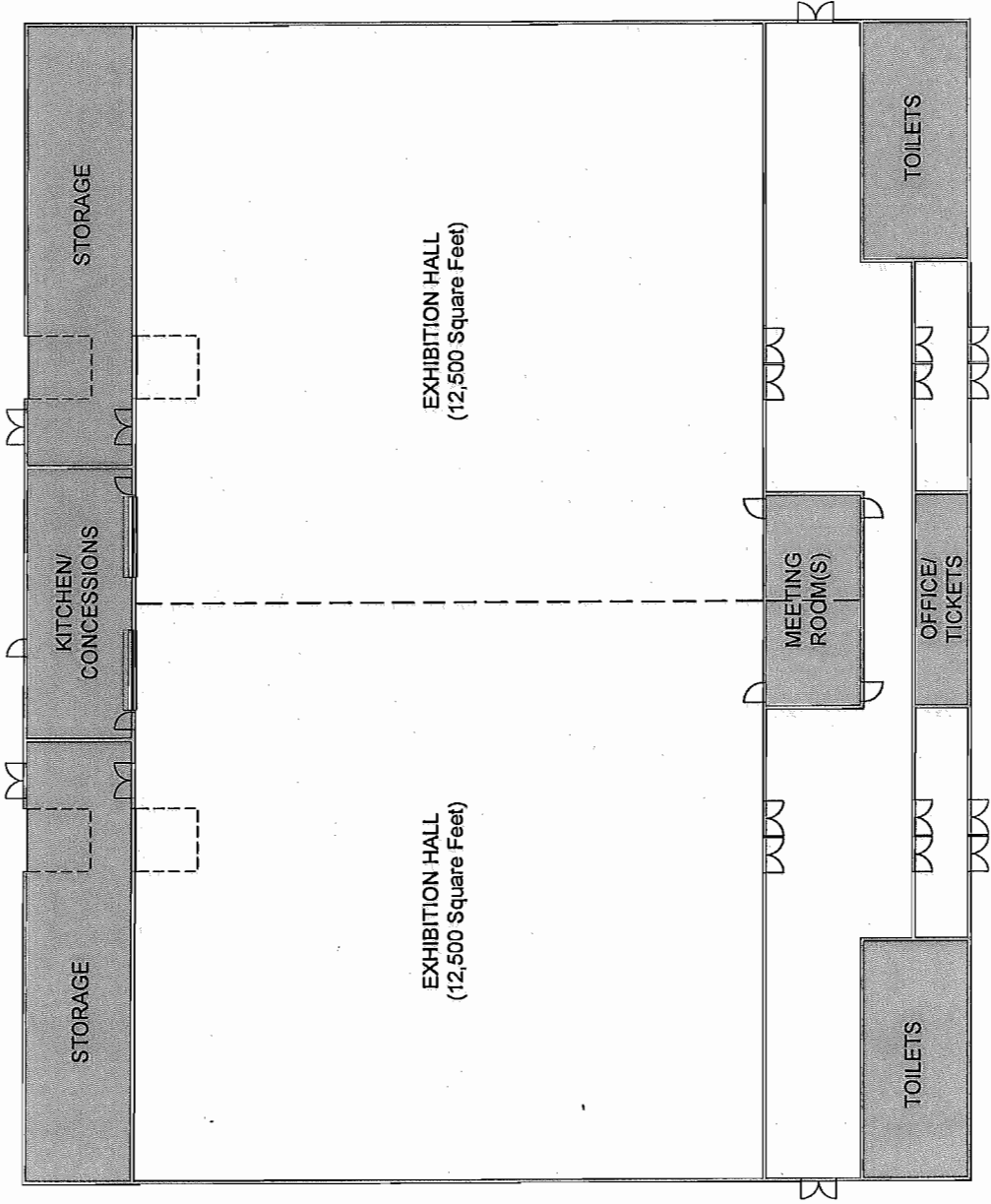
**POPULOUS – Alachua County Fairgrounds – Programmatic
Diagrams and Schematics**



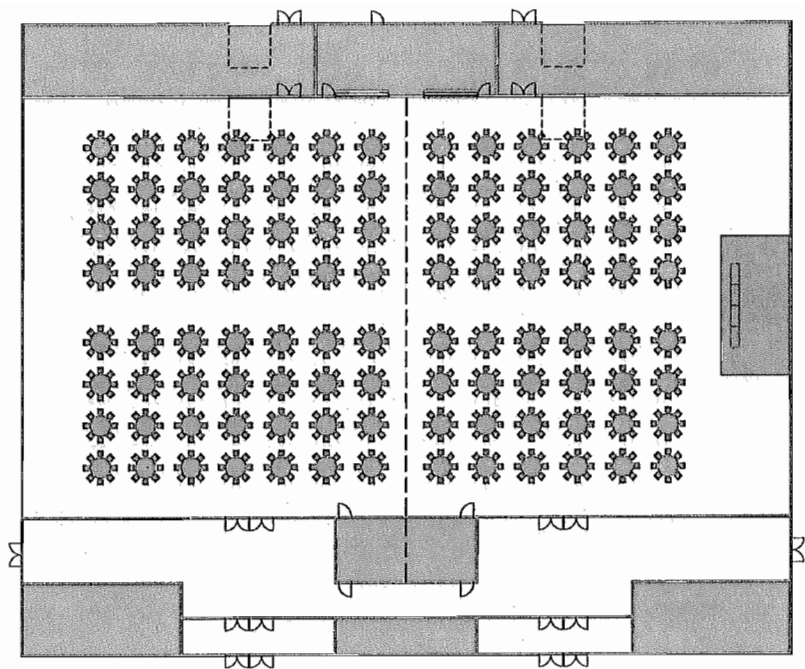
POPULOUS™



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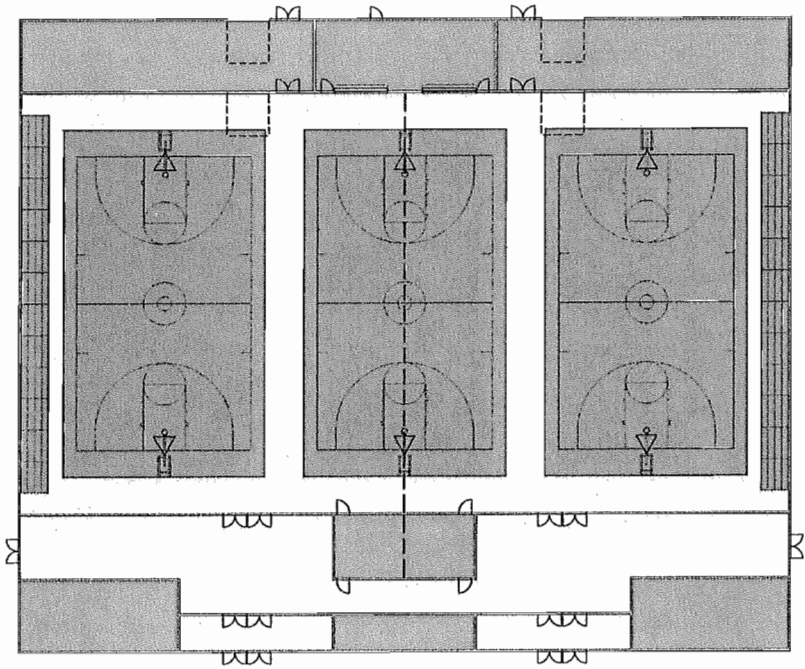


EXHIBITION HALL PLAN
- 25,000 Square feet of exhibition space
- 39,600 Total square feet



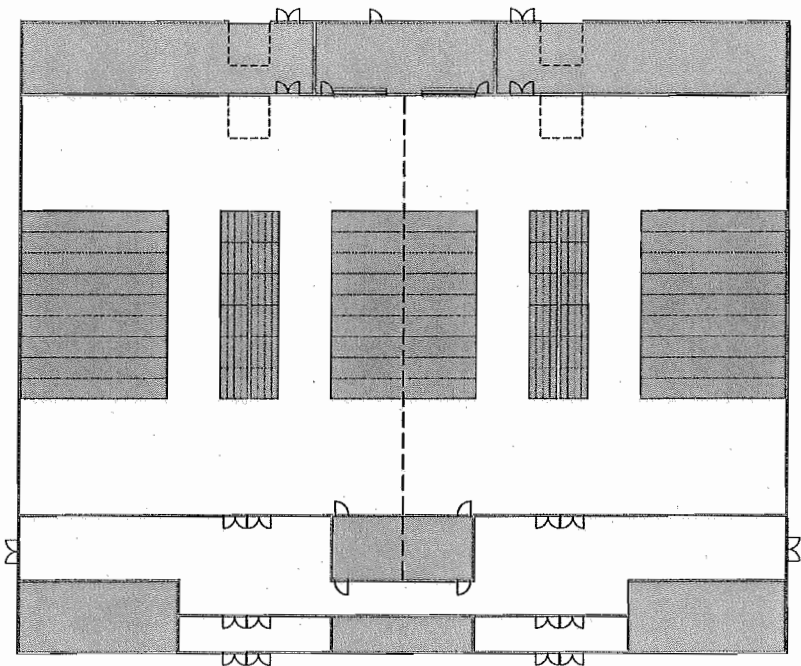
BANQUET
- 840 Seats

POPULOUS™



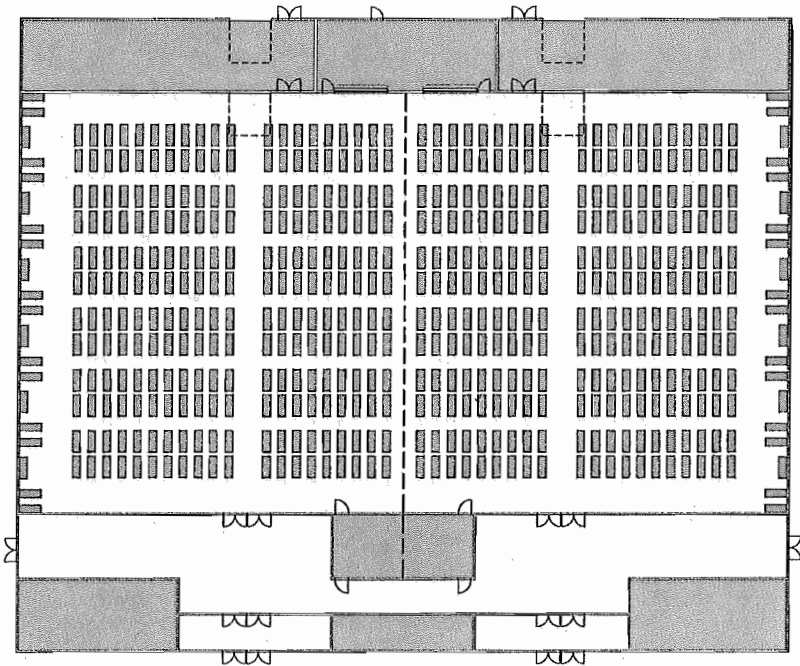
BASKETBALL
- 3 NCAA Courts
- 500 Temporary bleacher seats

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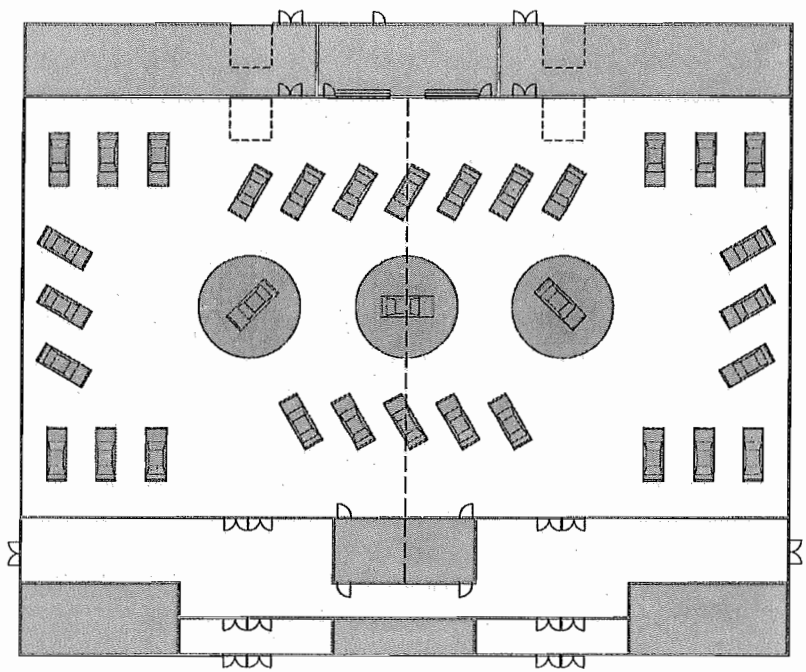
CHEERLEADING
- 500 Temporary bleacher seats

POPULOUS™



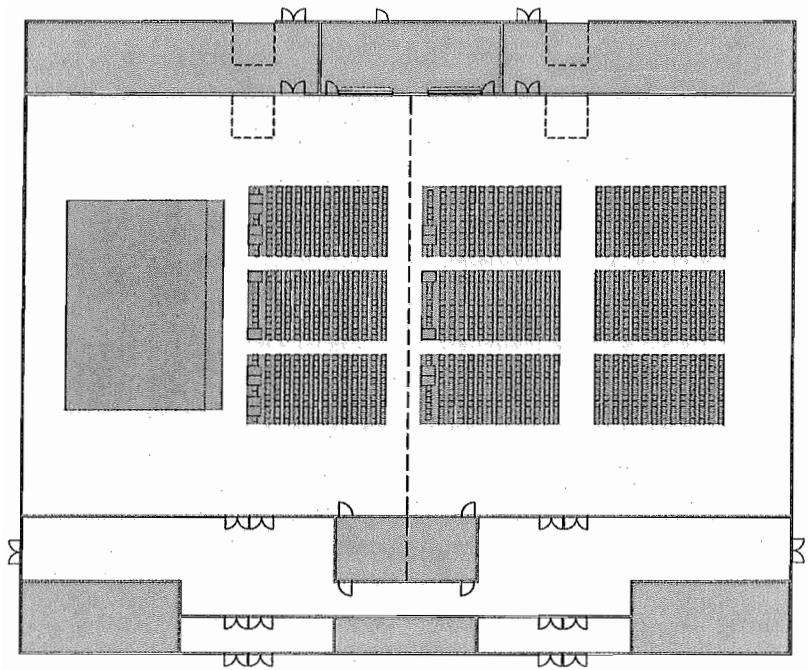
EMERGENCY SHELTER

POPULOUS™



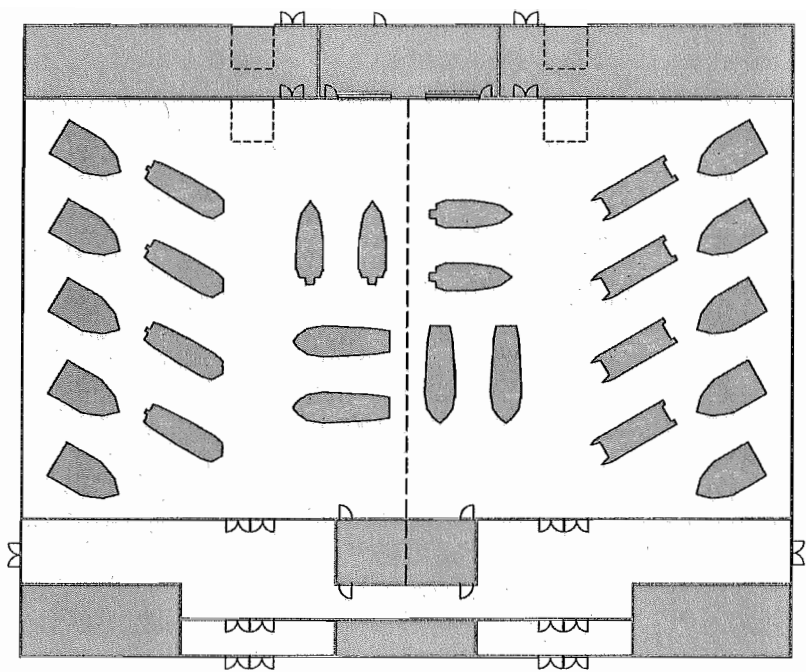
CAR SHOW

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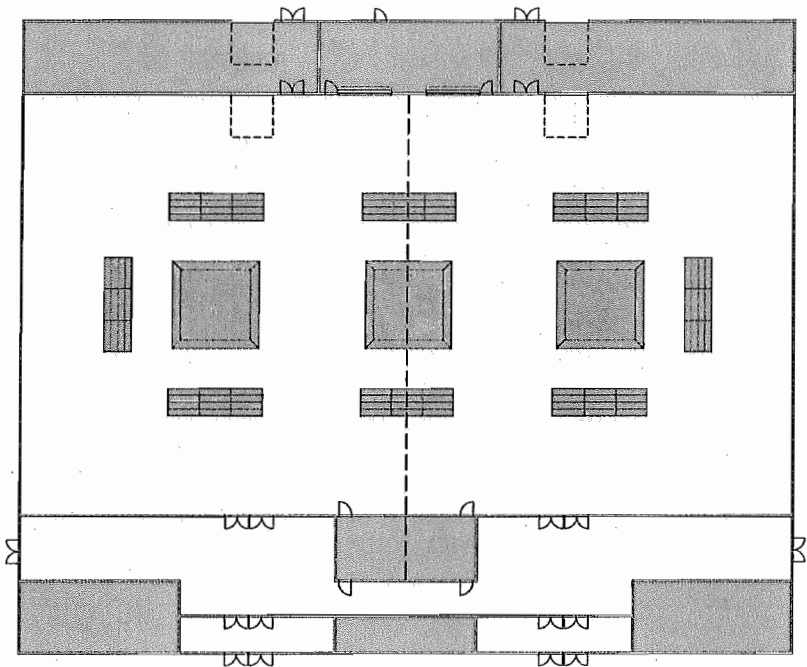
CONCERT
- 1,500 Seats

POPULOUS™



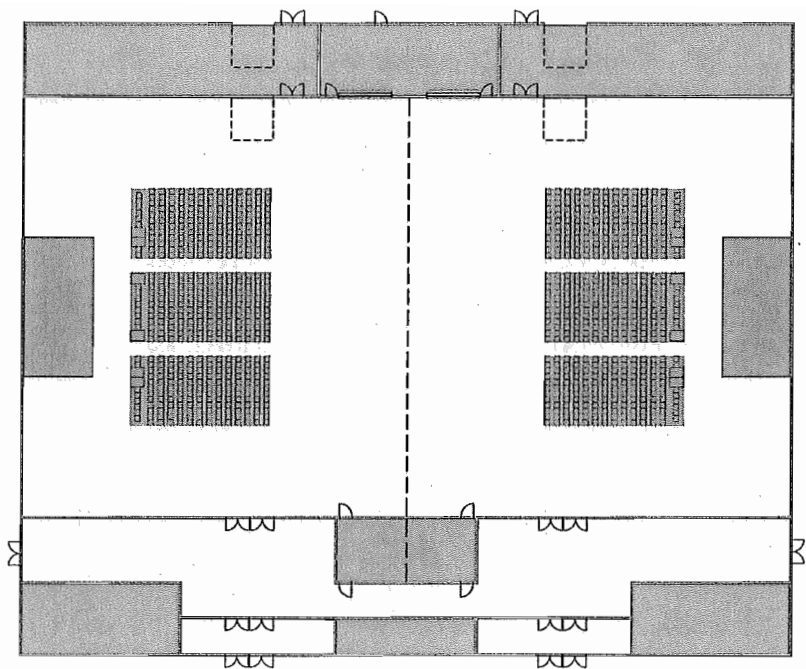
BOAT SHOW

POPULOUS™



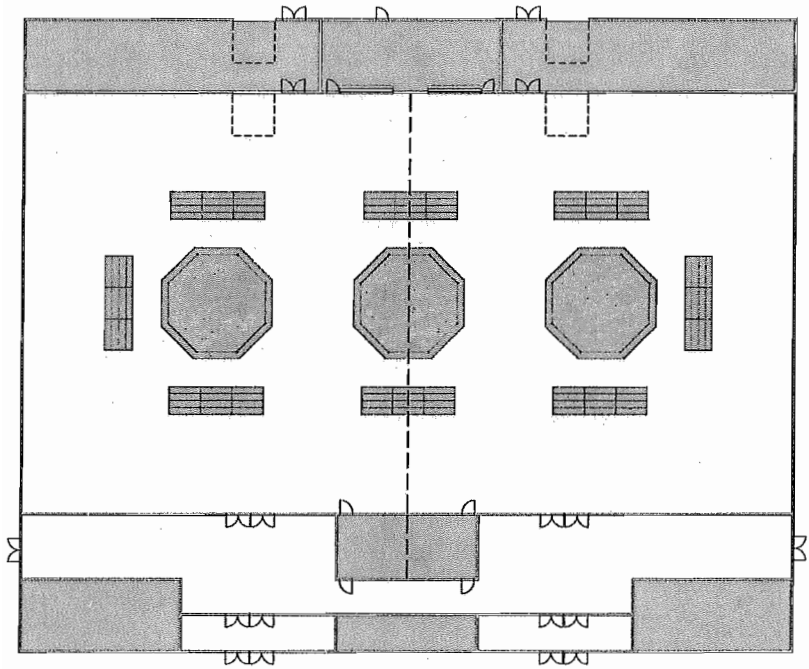
BOXING
- 500 Temporary bleacher seats

POPULOUS™



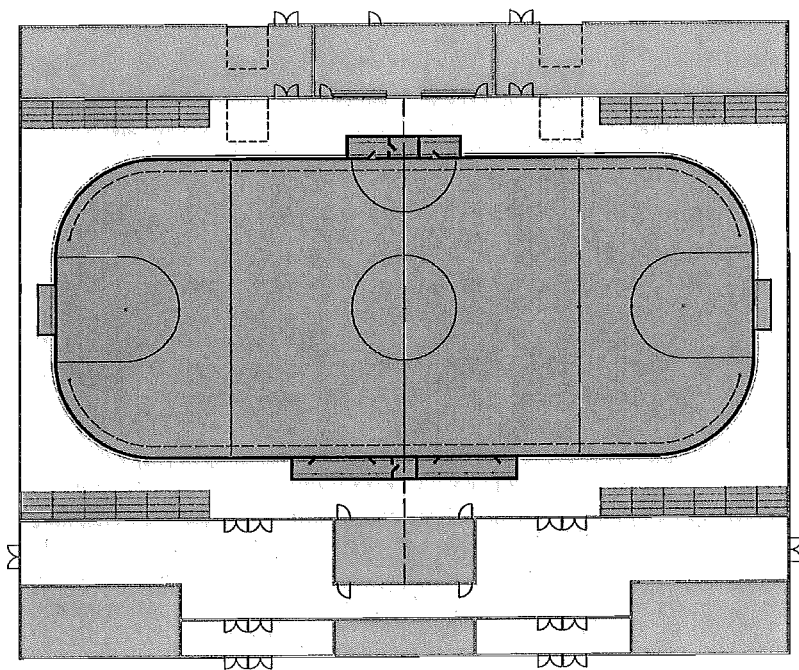
LECTURES
- (2) 500 person lecture halls

POPULOUS™



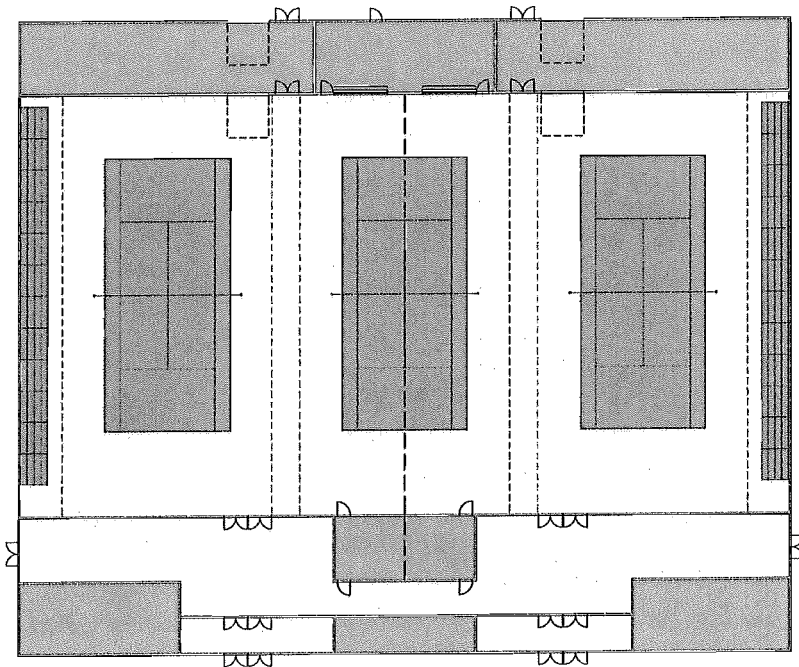
MIXED MARTIAL ARTS
- 500 Temporary bleacher seats

POPULOUS™



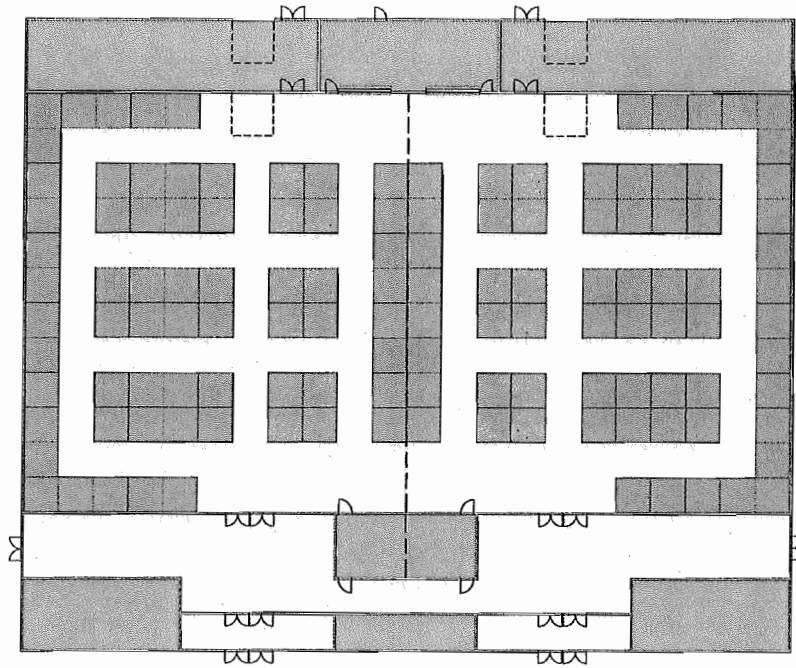
SOCCER
- 200'X85' Indoor soccer field
- 500 Temporary bleacher seats

POPULOUS™



TENNIS
- 3 Championship tennis courts
- 500 Temporary bleacher seats

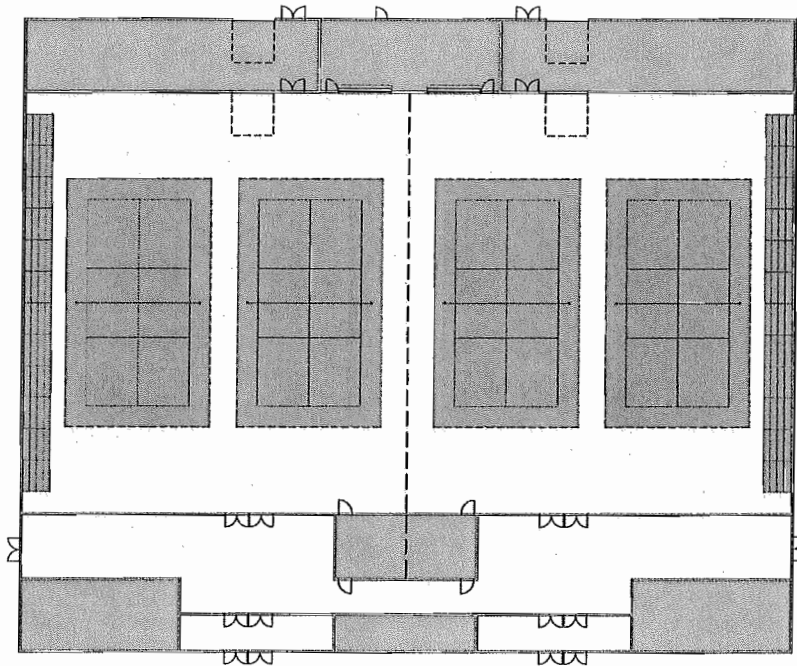
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TRADE SHOW

- 25,000 Square feet of exhibition space
- (128) 10'x10' Exhibition booths

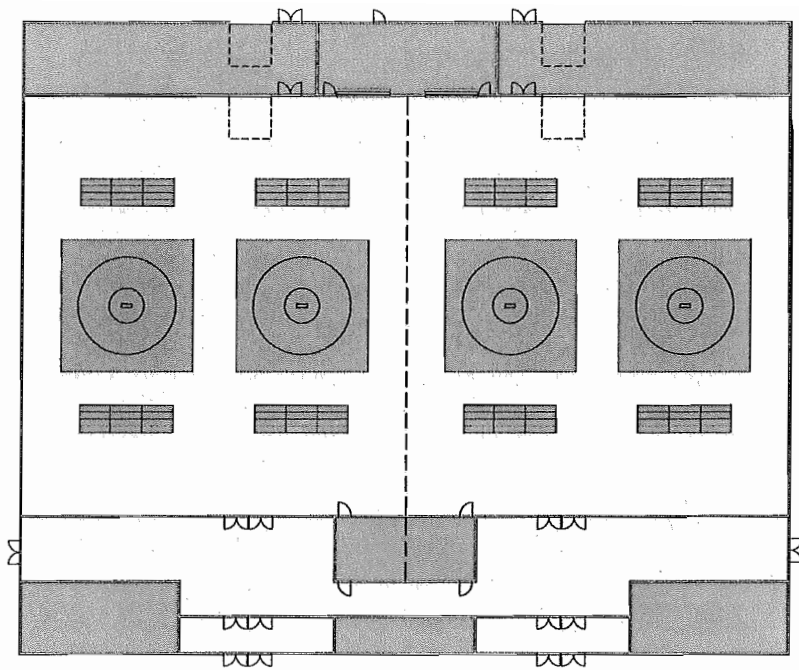
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VOLLEYBALL

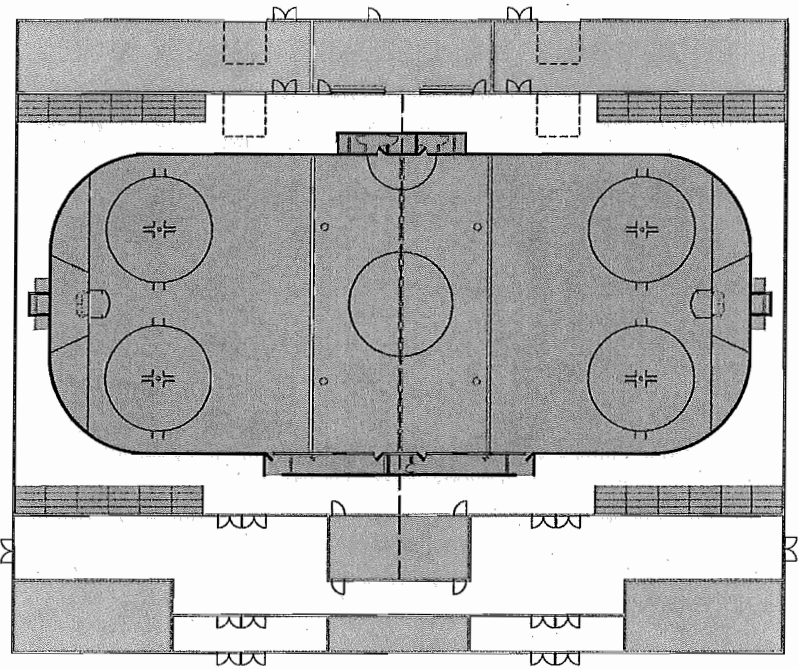
- 500 Temporary bleacher seats

POPULOUS™



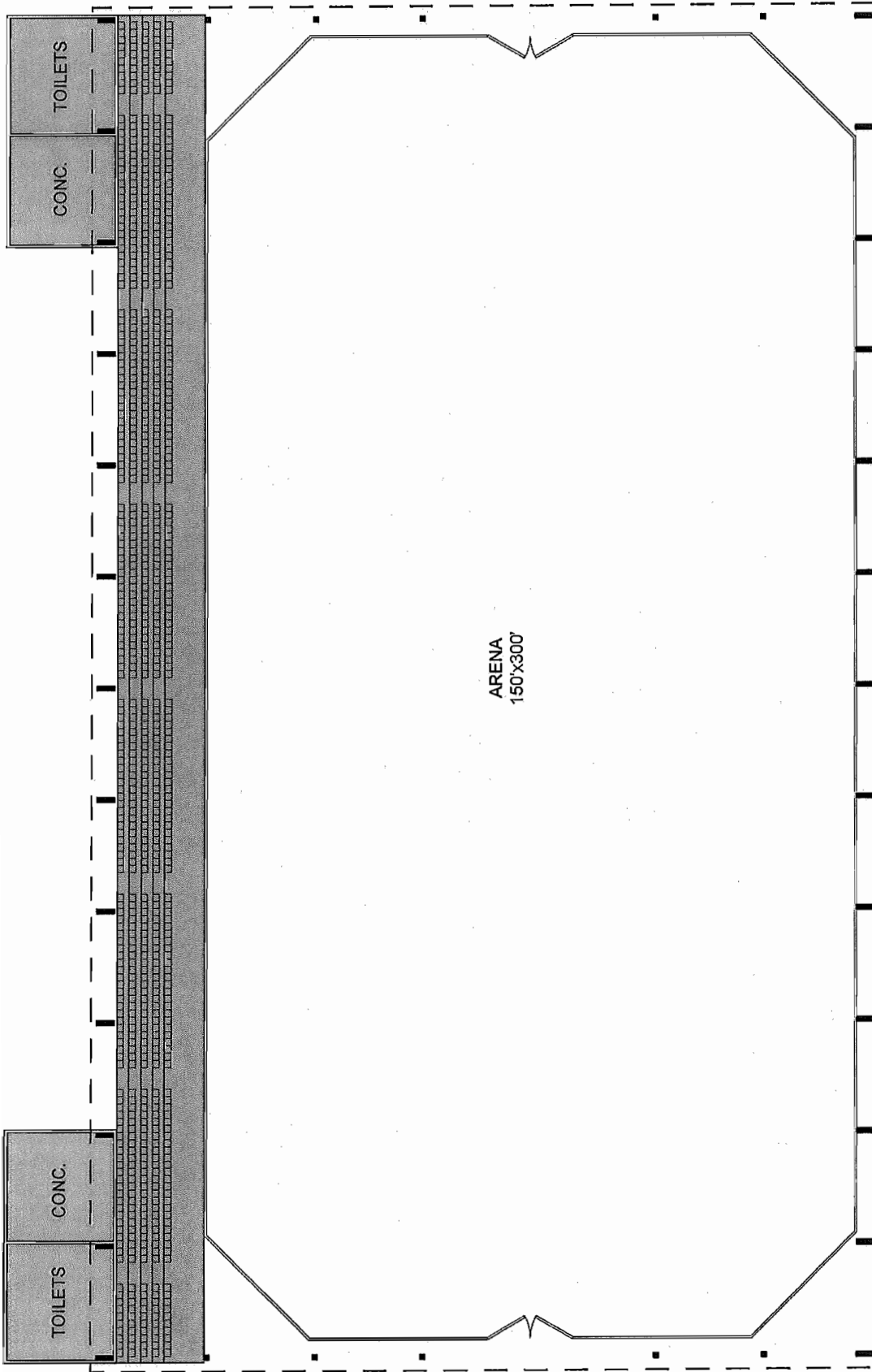
WRESTLING
- 500 Temporary bleacher seats

POPULOUS™



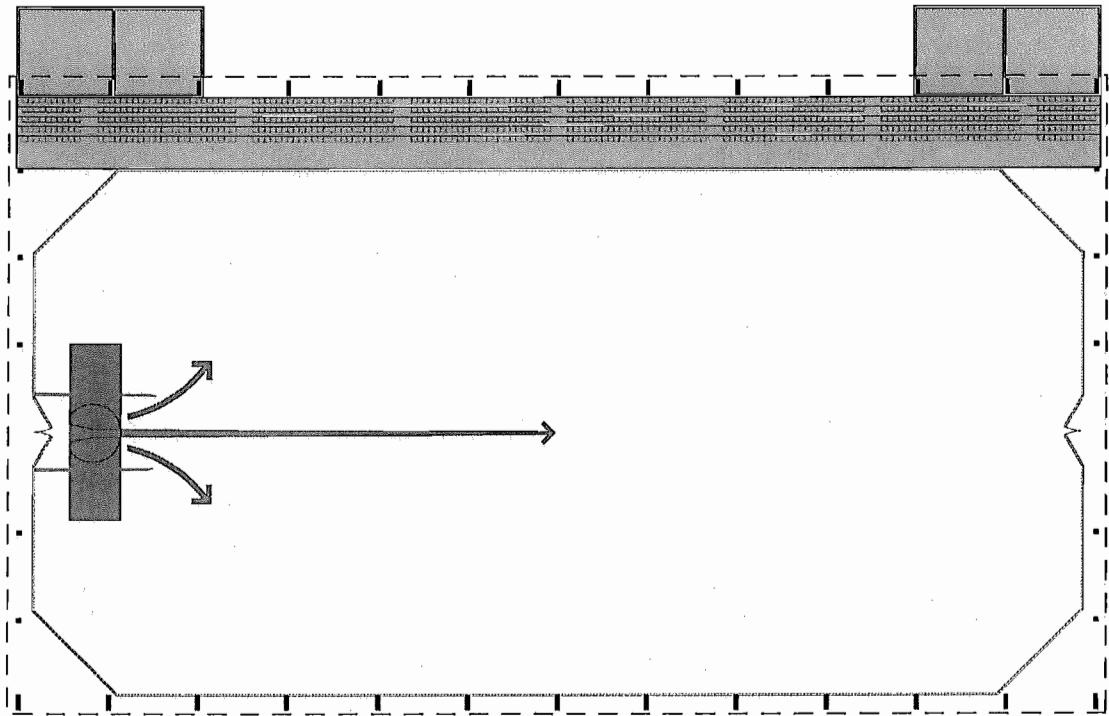
ICE HOCKEY/ ICE SHOWS
- 200'x85' NHL Rink
- 500 Temporary bleacher seats

POPULOUS™



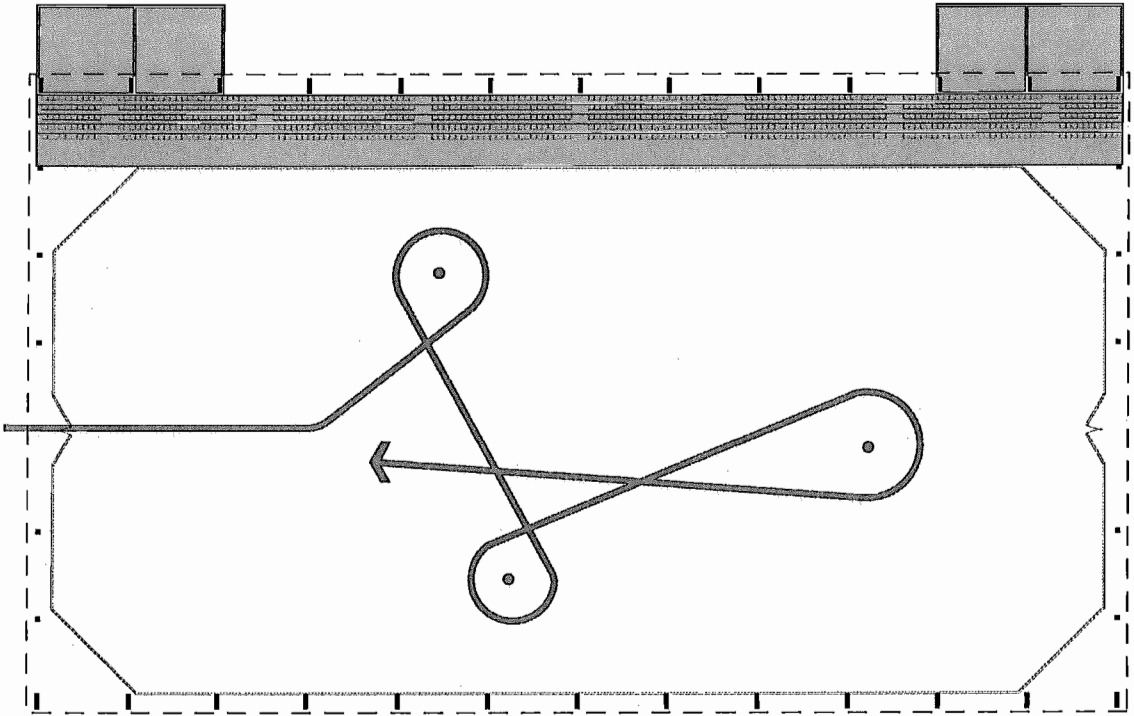
COVERED ARENA

- 820 Seats
- 180'x310' Covered arena
- 58,000 Total square footage



ROPING

POPULOUS™



BARREL RACING

POPULOUS™