

# **Economic Impact Analysis**

*of the*

## **Proposed Community Venues**

*Presented to:*

### **The Metro Orlando Economic Development Commission**

*Presented by:*



*August 15, 2006*



August 15, 2006

Mr. Charlie Sloan  
Executive Vice President  
Business Development  
Metro Orlando Economic Development Commission  
301 East Pine Street, Suite 900  
Orlando, FL 32801

Dear Mr. Sloan:

We have completed the economic impact analysis of the proposed Community Venues in Orlando. The attached report summarizes the study's research and analyses, and is intended to assist the Metro Orlando Economic Development Commission ("MOEDC") in evaluating the potential economic impacts related to the construction and on-going operations of the proposed Community Venues and should not be used for any other purposes.

The information contained in this report is based on estimates, assumptions and other information developed from research of the market, knowledge of the public assembly facility industry and other factors, including certain information you have provided. All information provided to us by others was not audited or verified and was assumed to be correct. Because procedures were limited, we express no opinion or assurances of any kind on the achievability of any projected information contained herein and this report should not be relied upon for that purpose. Furthermore, there will be differences between projected and actual results. This is because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We sincerely appreciate the opportunity to assist you with this project, and would be pleased to be of further assistance in the interpretation and application of the study's findings.

Very truly yours,

CSL International

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## **Executive Summary**

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### **Executive Summary**

The Orlando market is internationally recognized as one of the premier destinations in the world with an array of world class attractions and resorts. Orlando's diversity of attractions and amenities provide visitors with a first-class experience, making the Orlando area one of the most successful tourist destinations in the world. The area's significant inventory of tourist amenities, coupled with the area's world-class, modern airport and newly expanded convention center, Orlando has also become one of the top convention destinations in America.

However, while the market provides for excellent tourist and convention attractions and amenities, the market does not provide the community with modern, competitive arts, entertainment and sports venues that are consistent with the market's world class status. Due to a lack of amenities and features found in similar facilities in other markets, Orlando's current public assembly venues are unable to attract major economic impact events such as major Broadway touring events, NCAA championship events, major professional All-Star games, conference football championship games, and other events that result in significant national and international exposure. The growing competition for these types of events and the number of newer facilities located in other markets has placed Orlando at a significant disadvantage in terms of the area's ability to attract such events.

In an effort to provide the highest quality arts, entertainment and sports venues for residents of and visitors to the Orlando area, the City of Orlando and Orange County are currently considering significant investments in a variety of new or renovated Community Venues, including:

- A renovated Florida Citrus Bowl Stadium;
- A new Performing Arts Center complex; and
- A new Events Center that would host a wide variety of events, such as concerts, family and cultural shows, and sports events, including Orlando Predators and Orlando Magic home games.

These facilities (collectively, "the Community Venues" or "the Venues") could have significant economic and fiscal impacts on the community by attracting and retaining high impact events, while also improving the overall quality of life for residents and businesses. In order to quantify the impacts the Community Venues could have on the local area, the Metro Orlando Economic Development Commission (MOEDC) retained CSL International (CSL) to develop estimates of the potential economic and fiscal impacts related to the Community Venues. The remainder of this summary provides an overview of the results of the analyses undertaken as part of this project as well as an overview of the proposed Community Venues. As this is only a summary, the entire report and related appendices should be read in its entirety to fully understand the results outlined herein.

## Executive Summary

The quantified impacts in this report include direct spending, indirect spending, jobs, personal earnings and tax revenues related to the construction and operation of each of the Community Venues and their respective tenants. The assumptions underlying the estimates of economic and fiscal impacts presented herein are based on historical and/or projected future operations of the facilities as well as industry data from similar projects around the country.

### Economic Impact Analysis

- The presence of arts, entertainment and sports venues, and their resident tenants, can provide significant impacts to a community. The direct, economic impacts related to such facilities takes place in the form of spending related to facility and tenant operations as well as spending by patrons outside the facility before and after events at local restaurants, retail shops, hotels and other establishments.
- The estimated overall impacts related to each of these three components are presented in the following exhibit. The Community Venues include a renovated Citrus Bowl, a new Events Center and new Performing Arts Center.

**Estimated Economic Impacts  
Community Venues - Combined**

	Community Venues		
	Construction	Operations	
	Period <sup>(1)</sup>	Annual <sup>(2)</sup>	NPV <sup>(3)</sup>
<i>Economic Impacts</i>			
Direct Spending	\$595,137,500	\$416,305,000	\$6,187,000,000
Total Output	\$1,142,531,000	\$619,373,000	\$9,884,000,000
Earnings	\$452,886,000	\$247,079,000	\$3,946,000,000
Jobs	10,800	7,500	n/a
<i>Fiscal Impacts</i>			
Sales Taxes			
State	n/a	\$24,249,000	\$357,070,000
County	n/a	\$2,021,000	\$29,771,000
TDT Revenues	n/a	\$3,512,000	\$52,323,000

n/a - not applicable

(1) Estimated impacts that would take place over three to four year construction period

(2) Reflects on-going impacts from operations that would be generated each year over the life of the Venues

(3) Assumes 3% growth per year and a 6% discount rate over 20 years.

(4) County tax revenues generated within the Downtown CRA are diverted in their entirety to the Downtown CRA

- The construction of the Community Venues is estimated to generate approximately \$1.1 billion in local economic impact, including approximately \$452.9 million in personal earnings, and would support approximately 10,800 jobs during the three to four year construction period.

## Executive Summary

- The operations of the proposed Venues would generate approximately \$619.4 million in output per year, including approximately \$247.1 million in earnings and supporting approximately 7,500 jobs per year. This level of spending would also generate approximately \$24.2 million in State sales taxes, \$2.0 million in County sales taxes and \$3.5 million in County Tourist Development Tax (TDT) revenues per year.
- Considering the impacts over time, the operations of the Venues would generate approximately \$9.9 billion in total output, \$3.9 billion in earnings, \$357.1 million in State sales taxes, \$29.8 million in County sales taxes and \$52.3 million in County TDT revenues.
- It is also anticipated that the development of these types of venues would spur additional development in the downtown area. Assuming such development occurs as envisioned by project representatives, spending at the ancillary development is estimated to generate approximately \$7.0 billion in total output and \$2.3 billion in personal earnings over 20 years. This spending would generate approximately \$58.3 million in State sales taxes, \$4.9 million in County sales taxes and \$7.2 million in County TDT. In addition, this development could result in significant property tax revenues for each of the various taxing entities in downtown Orlando. It is important to note that the City of Orlando has received a \$17 million federal grant that has been earmarked for street-scaping the Church Street corridor, which will be the central corridor linking the Community Venues.
- The following exhibit summarizes the estimated impacts from each of the individual Community Venues. The assumptions utilized in developing these impacts are based on the historical operations of the existing venues as well as the estimated future operations of the proposed Venues and the operations of similar facilities throughout the country.

Estimated Economic Impacts  
Community Venues - Individual

	Annual <sup>(1)</sup>				NPV <sup>(2)</sup>			
	Citrus Bowl	OPAC	Events Center	Total	Citrus Bowl	OPAC	Events Center	Total
<i>Economic Impacts</i>								
Direct Spending	\$158,629,000	\$50,542,000	\$207,134,000	<b>\$416,305,000</b>	\$2,309,882,000	\$860,796,000	\$3,016,182,000	<b>\$6,186,860,000</b>
Total Output	\$226,423,000	\$94,852,000	\$298,098,000	<b>\$619,373,000</b>	\$3,297,066,000	\$1,615,453,000	\$4,971,682,000	<b>\$9,884,201,000</b>
Earnings	\$88,053,000	\$31,698,000	\$127,328,000	<b>\$247,079,000</b>	\$1,282,187,000	\$539,858,000	\$2,123,581,000	<b>\$3,945,626,000</b>
Employment	3,100	1,500	2,900	<b>7,500</b>	n/a	n/a	n/a	n/a
<i>Fiscal Impacts</i>								
State Sales Tax	\$10,698,000	\$4,362,000	\$9,189,000	<b>\$24,249,000</b>	\$155,779,000	\$74,291,000	\$127,000,000	<b>\$357,070,000</b>
County Sales Tax	\$892,000	\$363,000	\$766,000	<b>\$2,021,000</b>	\$12,989,000	\$6,182,000	\$10,600,000	<b>\$29,771,000</b>
TDT	\$2,416,000	\$390,000	\$706,000	<b>\$3,512,000</b>	\$35,181,000	\$6,642,000	\$10,500,000	<b>\$52,323,000</b>

(1) Represents estimated annual, on-going impacts related to the presence of the Community Venues

(2) Assumes 3% growth in spending per year and a discount rate of 6% over 20 years

## **Executive Summary**

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- It is important to note that the impacts presented herein represent the gross impacts generated by the facilities and related development. A portion of this spending and the related impacts currently occurs in the current market due to the presence of the existing venues and events. The development of these venues will significantly enhance the existing level of economic activity and ensure the impacts continue to occur for the foreseeable future. It is also important to consider the long-term future viability of the events that currently take place at the existing facilities. In today's highly competitive environment, it is likely that one or more of the events or tenants would not remain economically viable. This would result in the loss of a significant portion of the impacts currently being generated by the Citrus Bowl, TD Waterhouse Centre and the Bob Carr Performing Arts Centre.
- In addition to the quantifiable impacts related to the Community Venues discussed above, such facilities also generate significant intangible benefits to the overall community. While these benefits cannot be directly quantified, they must also be considered in a comprehensive review of the benefits derived from the proposed Venue developments. Examples of such benefits include:
  - Significant national and international exposure for the Orlando area related to the events held at the Community Venues will generate.
  - The availability of high quality venues that can host a variety of events also plays a significant role in business and individual decisions to remain in or to relocate to the Central Florida area. With the area's recent and projected future growth, it will be ever more critical to provide residents and businesses with a world class community that offers a variety of entertainment and education options.
  - Additional potential intangible benefits to the Orlando area include:
    - Providing state-of-the-art facilities for patrons and users;
    - Enhancing community pride, self image, exposure and reputation;
    - Enhancing economic growth and ancillary private sector development spurred by the operations and activities associated with the Community Venues;
    - Diversifying consumer-oriented activities for area families and individuals attending events;
    - Providing assets that can augment the community's world class convention center, attractions, accommodations and international airport.

## **Local Market Overview**

- The Citrus Bowl has served the Orlando area since 1936 as host to a variety of football and other events. Currently, the stadium hosts the Capital One Bowl and Champs Sports Bowl, as well as the Florida Classic and a variety of other events including concerts, motor sports, soccer matches, high school football and drum corps competitions.

## **Executive Summary**

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- Despite several renovations and expansions over the years, the Citrus Bowl has become outdated in terms of amenities and revenue generating opportunities, significantly impacting the long-term viability of not only the stadium but also Florida Citrus Sports and the bowl games and other events held at the facility.
- Without major renovations, it is possible that the Capital One Bowl and the Champs Sports Bowl would be moved to lower profile games or could be relocated to other markets with stadiums capable of accommodating the games, while the facility would continue to decline and likely become economically unviable.
- Bob Carr Performing Arts Centre, which originally opened in 1925 as the Municipal Auditorium, currently hosts the Orlando Philharmonic, Orlando Ballet, Orlando Opera, Festival of Orchestras and a variety of Broadway performances and other events. While the Centre hosts over 180 events per year, the venue lacks many of the technical characteristics required by world class performance artists while also lacking patron amenities consistent with Orlando's status as a world class destination.
- Despite serving a regional population of almost two million people, downtown Orlando currently offers only one true performing arts center, with a total of only 2,450 seats for the market. Most similar markets offer an average of approximately 5,500 total performing arts seats. The Linda Chapin Theater, which is located within the Orange County Convention Center, offers a secondary performing arts venue within the community. However, given the primary focus of the complex on convention and conference-related events, the Theater has not proven to be a viable location alternative that attracts a local audience and event support.
- With three resident organizations and a variety of other events with only one theatre, scheduling has become a major issue at the Centre. In today's highly competitive entertainment environment, this has placed significant economic pressure on the Centre's resident organizations and touring events. It is unique for a community to have professional companies in all three disciplines of opera, ballet and symphony. It is equally unique for a city with all three of these companies without a world class facility to serve and house them.
- The TD Waterhouse Centre has served as the Orlando area's primary indoor sports and entertainment venue since its opening in 1989. The Centre currently hosts a broad array of events such as concerts, family shows, other sports and other events and is also the home of the NBA's Orlando Magic and the Orlando Predators of the AFL. The Centre has become outdated and does not provide the square footage or spectator amenities offered by most major event centers.
- There are several newer facilities located throughout the southeastern United States that are currently competing directly with the Centre for a variety of touring events. The age, size and lack of amenities limit the ability of the Centre to attract various high-impact events that require larger venues or better amenities than can currently be accommodated in Orlando.

## **Executive Summary**

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- The TD Waterhouse Centre ranks as the oldest arena among the peer markets, and has the smallest capacity and square footage of any venues that host an NBA or NHL franchise.
- Several markets of similar size and characteristics to the Orlando area have recognized the benefits of building performing arts centers, stadiums and event centers. These benefits include the ability to better compete with other markets for major impact events as well as providing residents with quality arts, sports and entertainment venues.
- The development of these new facilities would provide the economic stability required to maintain the existing events that currently utilize the Bob Carr Centre, TD Waterhouse Centre and Citrus Bowl and would also enable Orlando to attract the types of major events that cannot currently be accommodated by the Centre. Such facilities would provide world class venues for area residents and visitors alike, commensurate with Orlando's status as a world class destination market.
- The Orlando market currently falls well behind those markets considered most comparable and/or competitive with the Orlando market in terms of performing arts centers, stadiums and event center facilities.
- All of Orlando's existing facilities lack the types of modern amenities found at newer facilities, including patron amenities as well as user amenities. In each of the peer markets, the communities have made concerted efforts using public funds to improve the overall quality of life of residents by providing state-of-the-art venues that can accommodate a broad array of events that are appealing to the entire population.

## **1.0 Introduction**

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### **1.0 Introduction**

The Orlando market is internationally recognized as one of the premier destinations in the world with an array of world class attractions and resorts. Orlando's diversity of attractions and amenities provide visitors with a first-class experience, making the market one of the most successful tourist destinations in the world. The area's significant inventory of tourist amenities, coupled with the area's world-class, modern airport and newly expanded convention center, Orlando has also become one of the top convention destinations in America.

However, while the market provides for excellent visitor attractions amenities, the market does not provide the community with modern, competitive arts, entertainment and sports venues that are consistent with the market's world class status. Due to the lack of amenities and features found at similar facilities in other markets, Orlando's current public assembly venues are unable to attract major economic impact events such as major Broadway touring events, NCAA championship events, major professional All-Star games, conference football championship games, and other events that result in significant national and international exposure. The growing competition for these types of events and the number of newer facilities in other markets has placed Orlando at a significant disadvantage in terms of the area's ability to attract such events.

In an effort to provide the highest quality arts, entertainment and sports venues for residents of and visitors to the Orlando area, the City of Orlando and Orange County are currently considering significant investments in a variety of new or renovated Community Venues, including:

- A renovated Florida Citrus Bowl Stadium;
- A new Performing Arts Center complex; and
- A new Events Center that would host a wide variety of events, including Orlando Magic home games.

These facilities (collectively, "the Community Venues") could have significant economic and fiscal impacts on the community by attracting and retaining high impact events, while also improving the overall quality of life for residents and businesses. In order to quantify the impacts the Venues could have on the local area, the Metro Orlando Economic Development Commission (MOEDC) retained CSL International (CSL) to develop estimates of the potential economic and fiscal impacts related to the Venues.

## **1.0 Introduction**

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This report is comprised of the following sections:

1. Introduction
2. Existing Market Overview
3. Economic Impact Analysis
4. Non-Quantifiable Impacts Analysis

Appendix 1. Peer Market Analysis Detail

Appendix 2. Charitable Impact Overview

The remainder of this report provides the methodology and results of the analyses undertaken as part of this project as well as an overview of the proposed Community Venues. The intent of this report is to enable the MOEDC and other constituencies to make informed decisions regarding the potential development of the Community Venues.

## 2.0 Local Market Overview

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### 2.0 Local Market Overview

While the Orlando market is largely known as the home of Walt Disney World, Universal Studios and other theme and amusement parks, the City of Orlando is also host to a variety of events that attract both area residents and visitors alike. Currently, the area's primary sports and entertainment venues include:

- Florida Citrus Bowl Stadium
- Bob Carr Performing Arts Centre
- TD Waterhouse Centre

While these facilities have served the greater Orlando area for a number of years, they have become outdated and do not offer the level of spectator amenities and experience that other facilities in similar markets are able to offer. The following exhibit compares the current and estimated future population growth of the Orlando market to several markets considered comparable to and/or competitive with the Orlando market. The markets included in this comparison are those markets identified by the MOEDC as markets with which Orlando competes directly for attracting businesses and events. Within the discussion of the individual Community Venues, additional markets have been included as potentially comparable or competitive to Orlando. Additional information on the peer markets and their primary public assembly facilities is provided in Appendix 1 of this report.

**Peer Market Demographic Overview**

Market	Population		Growth Rate	
	2005	2010	Annual	5-Year
<b>Orlando, FL</b>	<b>1,958,500</b>	<b>2,235,800</b>	<b>2.8%</b>	<b>14.2%</b>
Phoenix, AZ	3,730,600	4,238,200	2.7%	13.6%
Raleigh, NC	1,481,500	1,655,900	2.4%	11.8%
Atlanta, GA	5,093,900	5,658,700	2.2%	11.1%
Houston, TX	5,341,300	5,894,400	2.1%	10.4%
Jacksonville, FL	1,243,100	1,371,600	2.1%	10.3%
Charlotte, NC	2,081,800	2,275,000	1.9%	9.3%
Tampa, FL	2,592,800	2,803,600	1.6%	8.1%
Miami, FL	5,379,500	5,778,500	1.5%	7.4%
Nashville, TN	1,398,200	1,490,400	1.3%	6.6%
Memphis, TN	1,256,500	1,311,200	0.9%	4.4%
San Jose, CA	7,256,600	7,424,400	0.5%	2.3%
<b>Average (excl. Orlando)</b>	<b>3,351,000</b>	<b>3,627,000</b>	<b>1.7%</b>	<b>8.7%</b>

As shown, the Orlando market is one of the fastest growing markets in the country, with annual growth estimated to be approximately 2.8 percent over the next five years. This growth is largely due to relocations from other markets. Many of the markets from which individuals will be relocating have public assembly facilities that provide a better overall experience to patrons than can currently be provided by the existing Community Venues in Orlando. This factor can play a role in the attractiveness of the Orlando market for both individuals and corporations considering a relocation to the area.

## 2.0 Local Market Overview

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### *Florida Citrus Bowl Stadium*

The Florida Citrus Bowl stadium originally opened in 1936 and is currently one of the oldest collegiate football stadiums in the nation. The stadium is currently host to over 20 annual events, including three popular college football games – the Capital One Bowl, the Champs Sports Bowl and the Walt Disney World Florida Classic. Other events at the stadium include concerts, drum corps competitions, motor sports, soccer matches, high school football and other events each year. The stadium also currently serves as the home field for the University of Central Florida football program; however the University has begun construction on a new on-campus stadium that will bring the team back to campus for the 2007 football season. With the loss of the University football team, the Citrus Bowl will be one of the largest facilities in the country that does not host either a collegiate or professional sports tenant.



The stadium was originally built with a capacity of 10,000 seats, but has undergone several expansions over the years, resulting in a current capacity of approximately 65,000 seats, although through the use of temporary bleachers, capacity can be increased to approximately 70,000 seats. While the stadium's capacity has increased significantly, the facility lacks many of the amenities and revenue generating characteristics that other competitive and more modern stadiums offer. Additionally, the stadium currently does not meet any current ADA standards, and would need to be brought up to code in any renovation.

With only 28 private suites, outdated and limited concession areas and other similar issues, the stadium lacks the revenue generating potential typically required to be able to attract top quality events, such as a Bowl Championship Series (BCS) game, conference championship games, neutral-site collegiate games, NFL pre-season or neutral site games and other similar major events. In addition, given the age and physical condition of the facility, it is possible that events that currently take place at the stadium could experience declines in attendance or could potentially be driven to other venues that offer better fan experience and revenue generating capabilities. As shown on the exhibit on the following page, over the past decade a number of major stadiums have been built or renovated that compete directly with the Citrus Bowl for potential major events. The following exhibit presents a summary of the characteristics of those facilities considered most comparable and potentially competitive with the Citrus Bowl.

## 2.0 Local Market Overview

Comparable/Competitive Bowl Game Facilities

Market	Stadium	Bowl Game	Year Built/ Renovated	Maximum Capacity	Suites	Club Seats
<b>NFL/Bowl Game Facilities</b>						
Arlington, TX	Cowboys Stadium	Cotton Bowl <sup>(1)</sup>	2009	90,000	400	13,000
<b>Glendale, AZ</b>	<b>Cardinals Stadium</b>	<b>Fiesta Bowl (BCS)</b>	<b>2006</b>	<b>73,000</b>	<b>86</b>	<b>7,000</b>
Houston, TX	Reliant Stadium	Houston Bowl	2002	73,000	191	8,250
Nashville, TN	LP Stadium	Music City Bowl	1999	68,400	171	12,000
Tampa, FL	Raymond James Stadium	Outback Bowl	1998	75,000	197	12,000
Jacksonville, FL	Alltel Stadium	Gator Bowl	1997	76,976	89	10,500
San Diego, CA	Qualcomm Stadium	Holiday Bowl	1997	71,500	112	8,500
Atlanta, GA	Georgia Dome	Peach Bowl	1992	75,125	204	4,600
<b>Miami, FL</b>	<b>Dolphins Stadium</b>	<b>Orange Bowl (BCS)</b>	<b>1987</b>	<b>72,230</b>	<b>182</b>	<b>10,193</b>
<b>NCAA-Only Facilities</b>						
Shreveport, LA	Independence Stadium	Independence Bowl	2000	53,000	6	850
Las Vegas, NV	Sam Boyd Stadium	Las Vegas Bowl	1999	40,000	16	488
Memphis, TN	Liberty Bowl Stadium	Liberty Bowl	1987	63,500	40	250
El Paso, TX	Sun Bowl	Sun Bowl	1963	51,900	0	0
<b>Pasadena, CA</b>	<b>Rose Bowl</b>	<b>Rose Bowl (BCS)</b>	<b>1922</b>	<b>94,000</b>	<b>46</b>	<b>0</b>
<b>Orlando, FL</b>	<b>Florida Citrus Bowl</b>	<b>Capital One Bowl</b>	<b>1989 <sup>(2)</sup></b>	<b>70,000</b>	<b>28</b>	<b>0</b>

Note: BCS games and facilities are highlighted in Gray

- (1) It is considered likely that the AT&T Cotton Bowl Classic game will move from the Cotton Bowl to the new Cowboys Stadium upon completion
- (2) The last major renovation to the Citrus Bowl was completed in 1989, when capacity was increased from 52,000 to approximately 65,000. The Stadium also underwent minor renovations in 2002, when the ability to add temporary seating was added to bring the maximum capacity to approximately 70,000.

While the possibility exists for the Capital One Bowl to become a part of the BCS, the likelihood of this occurring is directly impacted by the potential revenue generating capability of the stadium. The Capital One Bowl will likely face direct competition from other Bowl games, including the Cotton Bowl, the Gator Bowl and others that are or will be played in new stadiums that offer significantly improved fan amenities and revenue generating potential than the Citrus Bowl currently offers.

It is also important to note that the Citrus Bowl Stadium is relatively unique in that it is one of very few facilities of its size that does not have a collegiate football program or an NFL franchise as a primary tenant. The Cotton Bowl in Dallas is the only similar facility currently in operation on a regular basis. The Cotton Bowl currently hosts less than 10 regularly scheduled events each year: including the annual Red River Shootout game between the University of Texas and the University of Oklahoma and the SBC Cotton Bowl Classic. It is likely that the AT&T Cotton Bowl Classic will move from the Cotton Bowl to the new Dallas Cowboys Stadium that will be opening in Arlington in 2009, leaving the Red River Shootout as the facility's primary event. However, the City of Dallas, which owns the facility, has announced an \$80 million renovation to the facility to bring it up to modern standards and to continue to accommodate the Shootout. It is important to note that the proposed renovations will address a limited number of the physical issues with the stadium including expanding the seating capacity. However, as the renovation will not provide additional revenue generating components, the facility will likely not be able to retain the Cotton Bowl Classic.

## 2.0 Local Market Overview

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Florida Citrus Sports recently commissioned a study by HNTB Architecture and CSL International that evaluated the potential for renovating the Stadium to bring the facility up to more modern standards. Based on the results of that analysis, a renovation program that would include the renovating existing suites and the addition of 12 new suites as well as the addition of 40 loge boxes and approximately 4,000 club seats has been developed. Approximately 58,000 square feet of club space has been included in the renovation that would support the new club seating and would also be available for non-event utilization such as meetings, receptions and other such usage.

The renovation would increase total fixed capacity to approximately 68,000, with the ability to expand to approximately 73,000 on a temporary basis. In addition, the renovation would also include approximately 100,000 square feet of community exhibition space and would improve all food service and concession facilities and would generally improve the overall fan experience, from arrival in the parking lots to departure after an event. Preliminary cost estimates for the full renovation project have approached approximately \$250 million.

### *Bob Carr Performing Arts Centre*

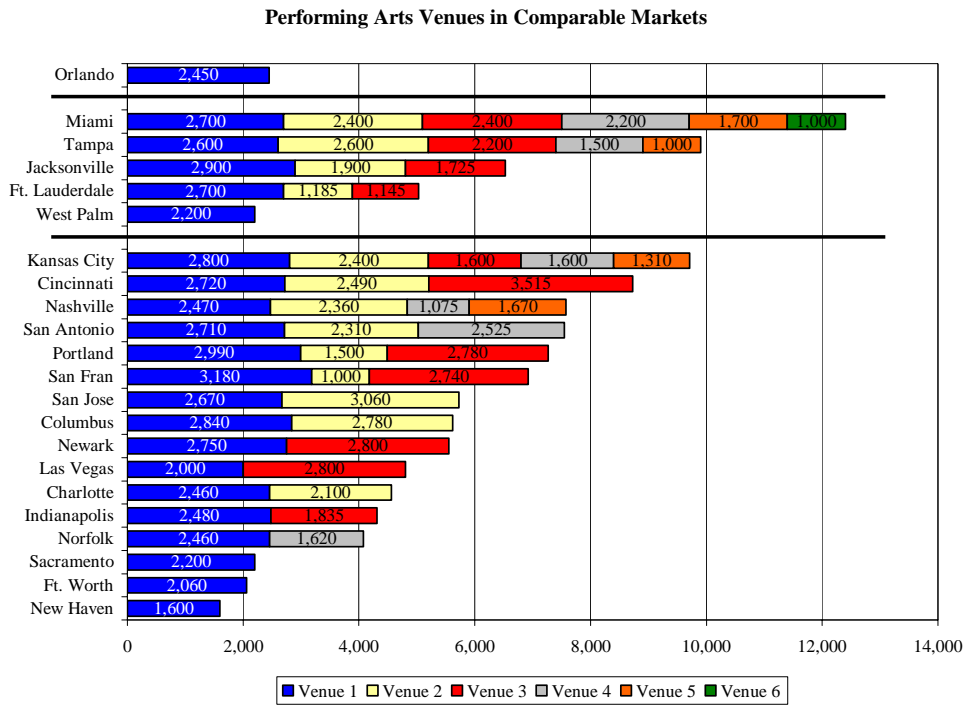
The Bob Carr Performing Arts Centre originally opened in 1925 as the Municipal Auditorium, but was significantly renovated and expanded in 1994 when it was renamed after Orlando's 28<sup>th</sup> mayor, Robert S. Carr. The Centre currently has a capacity of approximately 2,450 seats and provides a venue for concerts, Broadway performances, the Orlando Philharmonic, the Orlando Ballet, the Orlando Opera and other such events. Over the past several years, the Centre has hosted an average of approximately 180 events per year. This level of scheduling places significant constraints on the Centre's ability to host its resident organization and other outside events. In addition, the facility's size is often considered either too small for large Broadway and ballet performances, or too large for symphony and operatic performances. While the Centre has served the Orlando community well for the past 80 years, it no longer offers the level of technical capabilities and patron amenities to adequately compete in the competitive entertainment marketplace of the 21<sup>st</sup> century.



While the Orlando market is a renowned destination with a variety of attractions and resorts, the market has fallen behind other markets that have experienced significant growth and development in recent years, including several markets that have developed world-class performing arts centers. With only one true performing arts center, the Orlando market is significantly underserved in its ability to provide adequate opportunities for performing arts experiences. As shown in the exhibit on the following page, with one true performing arts venue and approximately 2,500 seats, the Orlando market ranks well below comparable markets in terms of performing arts venues. These markets were provided by OPAC and are deemed comparable from a performing arts perspective.

## 2.0 Local Market Overview

On average, these comparable markets, which have populations similar to the Orlando market, offer approximately 5,500 total seats, while the Florida communities offer approximately 7,200 seats in total.



The City has evaluated a variety of renovation options for the Bob Carr Centre, however all of these studies have found that the facility cannot be renovated or upgraded to provide an experience that would be comparable to newer venues. Based on this and the assumption that the market is currently underserved in terms of performance venues, the City and County have been exploring the potential demand for the development of a new Performing Arts Center. Based on research and analyses completed by the Orlando Performing Arts Center Corporation (OPAC), a facility program has been developed that would address the existing and future needs of the Orlando market related to performing arts venues.

The proposed complex would include two primary performance halls, with capacities of approximately 1,800 and 2,800, respectively. The 1,800-seat hall would primarily host acoustical performances and would serve as the primary home for Orlando's existing performing arts groups' activities. The larger hall would feature a proscenium stage capable of hosting large-scale productions such as Broadway performances as well as concerts and other events. The complex would also include a smaller, 300-seat hall that would primarily be used as an educational facility by UCF as well as small, local performing arts groups. Current plans also call for classrooms, studios, rehearsal space and a banquet facility. In addition, the new complex will be the home of an Arts Education Department that will provide programs for children, families and local schools. As part of the proposed plan for OPAC, the site surrounding the facility would be developed with a new office building, hotel, residential and retail space.

## 2.0 Local Market Overview

### *TD Waterhouse Centre*

The Centre opened in 1989 and has served as the Orlando market's primary indoor sports and entertainment venue since that time. The Centre currently hosts a variety of events such as concerts, family shows, sports and other events and is also the home of the NBA's Orlando Magic and the Orlando Predators of the AFL.



The Centre is served with only one main concourse and covers a total of approximately 367,000 square feet, while most newer venues offer multiple concourses and are significantly larger, typically ranging from 700,000 to 800,000 square feet. This limitation on concourses and space results in congestion in the concourses during events and limits the ability of the facility to offer a wide variety of concessions and merchandise points of sale and other similar fan amenities. The Centre currently has a capacity of approximately 17,500 and incorporates a total of 26 private suites, located at the top of the arena above the upper seating bowl. In addition, the arena incorporates no club seating or other premium seating options. The following exhibit compares key characteristics of the TD Waterhouse Centre to other similar venues in major markets.

Comparable/Competitive Major Market Arenas

Market	Arena	Year Built/ Renovated	Maximum Capacity	Square Footage	Suites	Club Seats
<b>Comparable Facilities</b>						
Charlotte, NC	Charlotte Arena	2005	18,500	800,000	147	a
Memphis, TN	FedEx Forum	2004	18,200	805,850	135	b
San Antonio, TX	AT&T Center	2003	19,000	750,000	55	2,000
Houston, TX	Toyota Center	2003	18,500	750,000	94	2,900
Indianapolis, IN	Conseco Fieldhouse	1999	18,345	750,000	69	2,600
	<i>Average</i>		<i>18,500</i>	<i>771,000</i>	<i>100</i>	<i>2,300</i>
<b>Regional Competitive Facilities</b>						
Jacksonville, FL	Veterans Memorial Arena	2003	13,700	470,000	32	1,100
Miami, FL	American Airlines Arena	1999	19,600	680,000	78	c
Atlanta, GA	Philips Arena	1999	19,500	750,000	92	1,850
Ft. Lauderdale, FL	Bank Atlantic Center	1998	20,200	850,000	74	2,300
Tampa, FL	St. Pete Times Forum	1996	20,500	660,000	72	3,000
Nashville, TN	Gaylord Entertainment Center	1996	18,900	750,000	72	1,800
	<i>Average</i>		<i>18,700</i>	<i>693,000</i>	<i>70</i>	<i>1,700</i>
<b>Orlando, FL</b>	<b>TD Waterhouse Centre</b>	<b>1989</b>	<b>17,500</b>	<b>367,000</b>	<b>26</b>	<b>0</b>

a - Includes 58 suites and 89 loge boxes/terrace tables

b - Includes 55 suites and 80 loge boxes

c - Includes 26 suites and 52 loge boxes

## **2.0 Local Market Overview**

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As shown, the TD Waterhouse Centre is by far the smallest arena in terms of square footage among the comparable major market arenas as well as the regional competitive facilities, including the smaller capacity Jacksonville Veterans Memorial Arena, which does not have a major league tenant. In addition, there are several newer facilities located throughout the southeastern United States that are currently competing directly with the Centre for a variety of touring concerts and major sporting events. All of these factors limit the ability of the Centre to attract various high-impact events in a highly competitive environment that require larger venues and state-of-the-art amenities than can currently be accommodated in Orlando.

These factors have led the City and County, along with the Orlando Magic, to pursue a variety of options to renovate the Centre or build a new venue with a larger capacity and square footage and the modern amenities typically associated with similar newer venues around the country. The analyses completed throughout this process have evaluated recent facility renovation projects, such as KeyArena in Seattle. Through this process, it was noted that, with the exception of Madison Square Garden, no renovation project with a scope similar to what would be needed in Orlando has resulted in a long-term, viable venue. However, it is important to note that while the Madison Square Garden renovation was considered successful initially, after only 15 years, Garden owners began considering additional renovation or new arena development options. Therefore, attention has focused on a new Events Center that would be capable of hosting the tenants and events that currently utilize the TD Waterhouse Centre, but also potentially attracting new, major events such as collegiate tournament basketball games and other NCAA championship events, the NBA All-Star game and other such high impact events. As with the existing Centre, it is anticipated that a new Events Center will host a wide variety of events, including concerts, family shows, and other sports and community events, providing entertainment options for the entire Central Florida region.

Several markets of similar size and characteristics to the Orlando area have recognized the benefits of building performing arts centers, stadiums and event centers. These benefits include the ability to better compete with other markets for major impact events as well as providing residents with quality arts, sports and entertainment venues. Such facilities can also serve as a catalyst for development in the surrounding area. In recent years, Memphis, Charlotte and others have each contributed to the development of new sports and entertainment event centers. In Memphis and Charlotte, the public sector contributed over 85 percent of the total project cost for the facilities, with the facility tenant and other private sources comprising the remaining funding. Similarly, Oklahoma City, Tulsa, Nashville and Kansas City have all funded the development of new, large indoor sports and entertainment venues funded with significant levels of public sources. In fact, over 80 percent of the project cost for these facilities was supported via public funds. It is also important to note that each of these facilities have been built without the presence of a major league sports franchise tenant prior to facility completion.

## **2.0 Local Market Overview**

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### **Summary**

The current arts, entertainment and sports venues in the Orlando market are outdated and do not meet the standards of newer, modern facilities. The existing facilities have served the market's entertainment needs, but with the development of new venues in other markets, Orlando is at a competitive disadvantage. The development of new Community Venues will provide Orlando with the ability to not only attract new events, but to retain the events, and the related economic and fiscal impacts, that currently take place in the market. It is likely that without the development of the proposed Community Venues, the Orlando community will experience a significant decrease from the levels of economic impact generated by the existing venues and tenants.

### 3.0 Economic Impact Analysis

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#### 3.0 Economic Impact Analysis

In recent years, a number of communities have recognized the benefits of public investment in facilities similar to the proposed Community Venues in Orlando. In considering such investment, communities typically evaluate the potential economic impact and return on investment generated by the facilities as well as the qualitative impacts that can result from the presence of such facilities and related events. These impacts are derived from the construction of the proposed facilities as well as the on-going operations of the facilities and their tenant events. In addition, the development of such facilities often helps spur additional development in the areas surrounding the venues, providing additional economic impact to the community as a whole.

In this analysis, estimates of the potential construction- and on-going operations impacts of the proposed Community Venues have been developed. In addition, summaries of the potential ancillary development that could take place with the presence of the proposed Community Venues have been provided, including the estimated impacts related with such development. For purposes of this analysis, it is assumed that all of the Community Venues would open for operations in 2009, while the ancillary development would phase in over the first three years of operations, with full development by 2012. Due to the preliminary nature of the ancillary development estimates, the impacts related to the Community Venues have been presented as the base case, while the addition of the development impacts represents a more aggressive scenario.

#### *Economic and Fiscal Impact Methodology*

Measurement of the effects that a particular development or business operation has on a specific economy is typically characterized in terms of *economic impacts* and *fiscal impacts*. *Economic impacts* are conveyed through measures of direct spending, total output, personal earnings and employment. *Fiscal impacts* denote changes in tax revenues and have been quantified for State, County and Local taxes.

The operation of Community Venues creates significant impacts on a community in a variety of ways. As part of ongoing operations, economic and fiscal impacts are generated by facility operations, tenants, visiting performers as well as attendee spending. The impacts most visibly begin with attendee spending on tickets, concessions, parking, merchandise and premium seating at the venues. Other spending sources that comprise the initial round of spending include visiting performer expenditures and spending by attendees at local establishments, including restaurants, retail establishments and hotels before and after events.

### 3.0 Economic Impact Analysis

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The following table provides a summary of the initial round of direct spending that impacts the local economy due to the presence of a public assembly venue. Adjustments to initial spending are necessary to reflect the fact that not all spending takes place in the local economy. For instance, the majority of revenues generated from ticket sales for concerts and similar events are allocated to the performers who do not necessarily reside in the Orlando area.

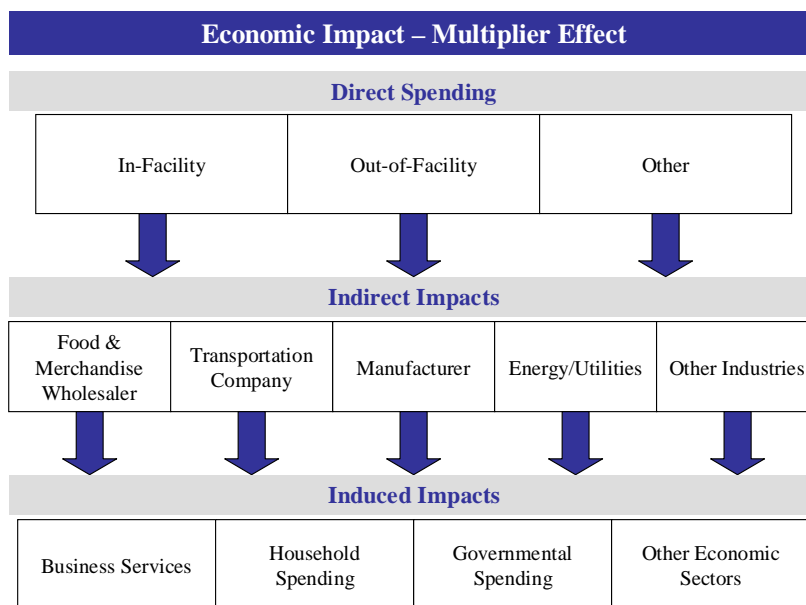
Sources of Direct Spending		
In-Facility	Out-of-Facility	Other
<ul style="list-style-type: none"><li>• Tickets</li><li>• Concessions</li><li>• Merchandise</li><li>• Parking</li><li>• Premium Seating</li><li>• Advertising</li></ul>	<ul style="list-style-type: none"><li>• Hotel</li><li>• Restaurants/Bars</li><li>• Retail</li><li>• Entertainment</li><li>• Transportation</li></ul>	<ul style="list-style-type: none"><li>• Performer Spending</li><li>• Sponsorships</li><li>• Television</li><li>• Radio</li><li>• Licensing</li><li>• Internet</li></ul>

The impacts generated by this round of direct spending are defined as follows:

- **Direct Spending** represents the first round of quantifiable spending, including facility and tenant revenues, spending by patrons before and after events and performer expenditures.
- **Indirect Effects** consist of the re-spending of the direct expenditures. These indirect effects extend further as the dollars originating as direct expenditures continue to change hands. Eventually, the recipients of these dollars will spend all or a part of their income on goods or services outside the local area, which halts the additional rounds of spending within the community. This is termed “leakage” and tends to reduce the overall economic impact effects.
- **Induced Effects** consist of the positive changes in employment, earnings and tax collections generated by changes in population associated with the direct and indirect expenditures.

### 3.0 Economic Impact Analysis

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Utilizing economic multipliers and applying them to the amount of direct spending estimates the re-spending of dollars within the economy. This multiplier effect is estimated in this analysis using a regional impact forecasting model provided by the IMPLAN Group, Inc., a private economic modeling company. The model analyzes economic data on a regional basis by individual industry categories. The multipliers derived for this report are Type II multipliers for 39 aggregated sectors, and are based on IMPLAN data sets and BEA methodology for creation of Type II multipliers. The IMPLAN system is currently utilized by hundreds of universities and governmental entities throughout the country. For purposes of this analysis, the results of the economic impact analyses are measured as follows:

- **Total Output** represents the total direct, indirect and induced spending impacts generated by the facilities and tenant operations.
- **Personal Earnings** represent the wages and salaries earned by employees of businesses associated with or impacted by the facility and tenant operations.
- **Employment** represents the number of full- and part-time jobs generated by the facilities and tenants from the direct and indirect spending.
- **Fiscal Impacts** represent the tax revenue generated for local and state governments.

### 3.0 Economic Impact Analysis

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As a result of the direct and indirect economic impacts generated by the Community Venues throughout the local area, the public sector (City of Orlando, Orange County and the State of Florida) realizes increased tax collections (i.e. fiscal impacts). Based on the estimates of direct spending, the resulting tax collections have been calculated for State and local jurisdictions. The estimated tax revenues generated as a result of venue operations are based on current tax rates for each jurisdiction, reflecting the increase in the TDT to six percent. Any changes in these rates will have an impact on the resulting tax collections. For purposes of this analysis, the following tax rates have been used to estimate the potential fiscal impacts of the proposed Community Venues:

<b>Tax</b>	<b>Tax Rate</b>	<b>Tax Base</b>
Sales Tax - State	6.0 percent	All sales, admission charges, storage and rental fees
Sales Tax – County	0.5 percent	All sales, admission charges, storage and rental fees
TDT – County	6.0 percent	Hotel room charges in Orange County

It is important to note that the impacts presented in this report do not specifically account for any potential displacement. With the operations of any public assembly facility, the phenomena of “displacement” will take place to some extent. Specifically, this refers to the fact that some portion of the spending generated by the facilities or tenants may have otherwise taken place on some other entertainment activity in the Orlando area if the facilities were not built or the tenants were to relocate to another market. While this displacement of spending may take place to some extent, it is important to note that:

- Approximately 25 percent of attendees at events at the Bob Carr Performing Arts Centre and 30 percent of Magic game attendees are from outside Orange and Seminole Counties and specifically visited Orlando to attend these events.
- Entertainment spending that may take place without the existence of the facilities or tenants may occur outside the Orlando area such as at the facilities in Tampa.
- Spending taking place on other items, instead of facility- or tenant-related spending may be on goods and services taxed at a lower rate.
- A significant portion of professional major event and sports franchise revenues are generated from national sources, such as television broadcast rights, visiting team ticket revenue, league merchandise agreements, league sponsorships and other league revenues, all of which are directly related to the presence of the teams and would not occur without their presence.
- Similarly, the majority of spending related to so-called “mega events” such as BCS bowl games, the NBA All Star Game and other events, is derived from visitors to Orlando specifically in relation to the event.

In addition, it is important to note that the economic and fiscal impact estimates presented herein reflect the gross spending and related impacts of the proposed Community Venues. The existing venues currently host events that would be served by the proposed Community Venues and therefore, the spending and related impacts generated from those events already occurs in the Orlando market. However, the development of the proposed Community Venues would enable Orlando to attract new major impact events and secure the benefits of the existing events into the future.

### **3.0 Economic Impact Analysis**

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Without the development of the proposed Community Venues, these events may no longer be economically viable. In addition, without the proposed Venues it is unlikely that the Orlando area could attract the major impact events discussed herein. Specifically, the following issues must be considered in a complete review of the impacts associated with the proposed Venues:

- The long-term viability of the Capital One Bowl, the Walt Disney World Florida Classic, the Champs Sports Bowl and the Orlando Magic relies heavily on the development of a renovated Citrus Bowl and a new Events Center in order to generate the revenues needed to continue operating in today's highly competitive environment.
- The long-term viability of the Festival of Orchestras, Florida Theatrical Association, Orlando Ballet, Orlando Opera, Orlando Philharmonic, Orlando Repertory Theater, Orlando-UCF Shakespeare Festival, United Arts of Central Florida and a number of smaller organizations relies heavily on the development of a new Performing Arts Center in order to generate the revenues needed to continue operating in today's highly competitive environment.
- Without upgraded Community Venues, the Orlando market will continue to fall behind comparable and competitive markets in its ability to provide top quality venues and events for residents and in its ability to compete with other markets for major impact events.

If these events no longer take place in the Orlando area, a significant portion of any existing spending and related impacts would likely be eliminated.

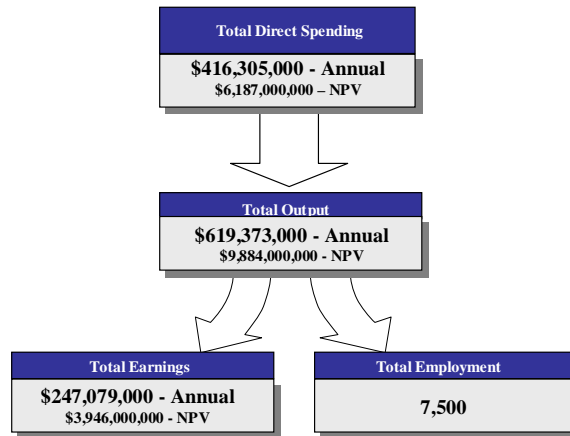
#### *Economic Impact – Operations*

The presence of arts, entertainment and sports venues, and their resident tenants, can provide significant impacts to a community. These impacts include quantifiable economic and fiscal impacts as well as impacts related to the quality of life in the area that cannot be easily quantified. The direct, economic impacts related to such facilities takes place in the form of spending related to facility and tenant operations as well as spending by patrons outside the facility before and after events at local restaurants, retail shops, hotels and other establishments.

For purposes of this analysis, the assumptions utilized to develop the estimates of economic impact related to the Community Venues have been based on historical experience of the existing community facilities, tenants and events as well as the experience of similar venues throughout the country. The following exhibit summarizes the estimated aggregate economic impacts that could be generated by the presence of the proposed Community Venues and related events. Specific information related to the individual facilities is provided later in this section.

### 3.0 Economic Impact Analysis

#### Estimated Economic Impacts Community Venues - Combined



As shown, it is estimated that the operations of the Community Venues could generate approximately \$416.3 million in direct spending each year. This amount of spending is estimated to generate approximately \$619.4 million in economic output per year, which includes approximately \$247.1 million in personal earnings. In addition, this level of spending would support approximately 7,500 full- and part-time jobs in the area each year. The net present value of this spending over the next 20 years is estimated to total approximately \$9.9 billion in total economic activity, including approximately \$3.9 billion in personal earnings.

In addition to the economic impacts outlined above, the operations of the proposed Community Venues will generate significant levels of fiscal impacts, including State and local sales taxes and Tourist Development Taxes. The following exhibit summarizes the estimated fiscal impacts related the presence of the proposed Venues.

#### Estimated Fiscal Impacts Proposed Community Venues - Combined

Tax	Rate	Estimated Revenues	
		Annual <sup>(1)</sup>	NPV <sup>(2)</sup>
State Sales Tax	6.0%	\$24,249,000	\$357,070,000
County Sales Tax	0.5%	\$2,021,000	\$29,771,000
County TDT	6.0%	\$3,512,000	\$52,323,000

(1) Reflects estimated annual, on-going fiscal impacts related to Venues

(2) Assumes 3% growth rate and 6% discount rate over 20 years

### 3.0 Economic Impact Analysis

The on-going operations of the proposed venues are estimated to generate approximately \$24.2 million in State sales tax revenues, \$2.0 million in County sales tax revenues and \$3.5 million in County TDT revenues each year. The net present value of these revenues over the next 20 years is estimated to total approximately \$357.1 million in State sales tax, \$29.8 million in County sales tax and \$52.3 million in County TDT.

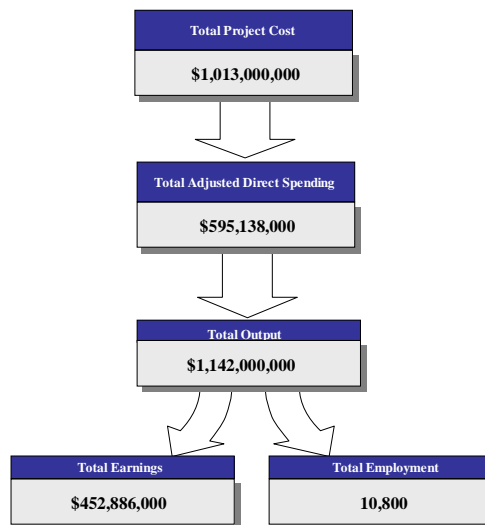
#### *Economic Impact – Construction*

In addition to the on-going economic impacts of the proposed Community Venues, the construction of the facilities will also generate significant economic and fiscal impacts for the Orlando area over a three to four year period. Based on the most recent estimates and on comparable facility development costs, the following project costs have been used as the basis for developing the estimated construction period impacts:

<b>Venue</b>	<b>Estimated Cost</b>
Renovated Citrus Bowl	\$252,000,000
Orlando Performing Arts Center	376,000,000
Events Center	385,000,000
Total	\$1,013,000,000

The total cost for the three proposed Community Venues is currently estimated at approximately \$1.0 billion. While a significant portion of this spending will directly impact the local economy, certain construction materials and specialized labor will be provided from outside the Orlando area. Therefore, this initial round of spending has been reduced to reflect the estimated spending that will take place in the greater Orlando area. The following exhibit summarizes the estimated construction period impacts related to the proposed Venues.

**Estimated Construction Period Economic Impacts  
Community Venues - Combined**



### 3.0 Economic Impact Analysis

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It is estimated that approximately \$595.1 million of the project costs would be spent in the local area. This level of local spending is estimated to generate approximately \$1.1 billion in total output over the construction period, which includes approximately \$452.9 million in personal earnings. In addition, this level of spending would support approximately 10,800 jobs during the construction period, which is estimated to be three to four years for completion of all projects.

The remainder of this section provides specific information related to the impacts of each of the proposed Community Venues. In addition, estimates of the potential ancillary development that could take place in the area surrounding the proposed Venues have been developed and are presented later in this section.

#### Renovated Citrus Bowl

Based on a detailed review of the potential demand for events at a renovated Citrus Bowl, it is assumed that the facility could attract a variety of new events while also providing an upgraded venue for events currently held at the facility. These new events could include a BCS game, conference championship football games, neutral site NCAA football games and other such major impact events. The following exhibit summarizes the estimated event utilization for a renovated Citrus Bowl Stadium:

**Renovated Citrus Bowl  
Estimated Event Utilization Summary**

<b>Event Type</b>	<b># of Events</b>	<b>Average Attendance</b>	<b>Total Attendance</b>
Capital One Bowl (BCS)	1	75,000	75,000
Champs Sports Bowl	1	50,000	50,000
WDW Florida Classic	1	67,000	67,000
Conference Championship	1	72,500	72,500
Neutral Site NCAA/NFL	1	72,500	72,500
US/International Soccer	1	35,000	35,000
Other <sup>(1)</sup>	15	7,500	112,500
<b>Total - Stadium Events</b>	<b>21</b>		<b>484,500</b>
Community/Club Space <sup>(2)</sup>	125	2,000	250,000
<b>Total - All Events</b>	<b>146</b>		<b>734,500</b>

(1) Includes 15 concerts, motorsports or other events

(2) Represents event days for proposed 100,000 square foot community/exhibition space and 58,000 square foot club space included in the renovation plan.

As shown, it is estimated that a renovated Citrus Bowl Stadium, and proposed community and club spaces, would host a total of 146 events per year and would attract a total of approximately 735,000 fans each year.

### 3.0 Economic Impact Analysis

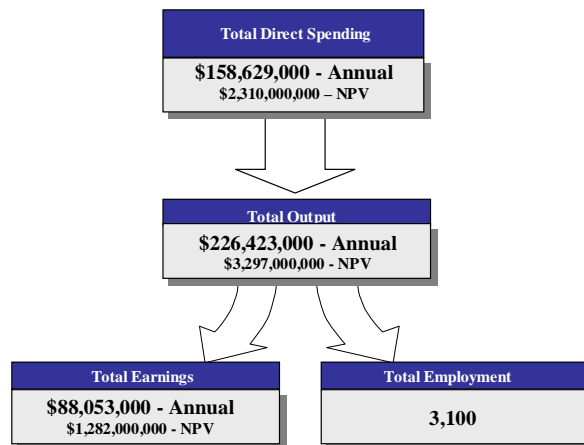
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It is important to note that it is assumed that the Capital One Bowl would join the rotation of Bowl Championship Series (BCS) games, resulting in the facility hosting the NCAA national championship game once every five years. In addition, it is assumed that the renovated facility would host a major conference football championship game each year, such as the SEC, ACC or other major athletic conferences. The renovated stadium may also enable the facility to attract a major neutral-site NCAA or NFL football game, as well as USA National or International soccer matches. All of these events are highly dependent on the renovation taking place based on the increased revenue generating capability of the facility, which results in larger financial guarantees to the participating organizations. It is also assumed that the renovated Stadium would host 15 other events, such as concerts, high school sports, band competitions or other such events. In addition, the new community and club spaces at the Citrus Bowl are estimated to host approximately 125 events, primarily consisting of meetings, receptions and similar events.

#### *On-going Operations Impacts – Renovated Citrus Bowl*

As discussed previously, the direct impact focused on in this report includes stadium-related revenues and spending outside the stadium before and after stadium events at local establishments such as restaurants, retail shops, hotels and other such places. To estimate direct spending related to the proposed renovation, historical spending information gathered by Florida Citrus Sports related to the Capital One Bowl, as well as information from similar projects throughout the country has been utilized to form the basis for the operating assumptions in a renovated Citrus Bowl Stadium. The following exhibit summarizes the estimated impacts related to the ongoing operations of the renovated Citrus Bowl.

#### **Estimated Economic Impacts Renovated Citrus Bowl Annual Operations**



### 3.0 Economic Impact Analysis

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Total local spending related to events at a renovated Citrus Bowl is estimated to total approximately \$158.6 million dollars per year. This amount of spending would support approximately \$226.4 million in total output, including approximately \$88.1 million in personal earnings, and would support approximately 3,100 jobs, annually. Over 20 years of operations, assuming a three percent growth rate and a 6 percent discount rate, the net present value of this spending would total approximately \$2.3 billion, which would support approximately \$3.3 billion in total output and \$1.3 billion in total earnings.

In addition to the economic impacts described above, the operations of the renovated Stadium will also result in significant fiscal impacts. Based on the estimated spending levels related to events at the renovated Citrus Bowl, the related tax revenues have been estimated and are presented in the exhibit on the following page.

<b>Estimated Fiscal Impacts Renovated Citrus Bowl Operations</b>			
<b>Tax</b>	<b>Rate</b>	<b>Estimated Revenues</b>	
		<b>Annual <sup>(1)</sup></b>	<b>NPV <sup>(2)</sup></b>
State Sales Tax	6.0%	\$10,698,000	\$155,779,000
County Sales Tax	0.5%	\$892,000	\$12,989,000
County TDT	6.0%	\$2,416,000	\$35,181,000

(1) Reflects estimated annual, on-going fiscal impacts related to the Renovated Citrus Bowl

(2) Assumes 3% growth rate and 6% discount rate over 20 years

The operations of the renovated Citrus Bowl are estimated to generate approximately \$10.7 million in State sales tax revenues, \$892,000 of County sales tax revenues and approximately \$2.4 million in County Tourist Development Taxes each year. Over a 20 year period, the net present value of this spending would total approximately \$155.8 million in State sales taxes, \$13.0 million in County sales taxes and \$35.2 million in County TDT revenues.

#### *Construction Period Impacts – Renovated Citrus Bowl*

The impact of the construction phase is determined by the volume and nature of construction expenditures in the area. The preliminary project cost of \$252 million has been provided by Florida Citrus Sports, and is based on the latest cost estimates available.

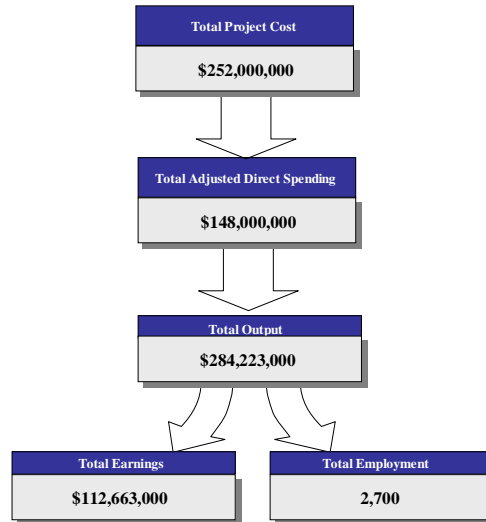
Based on similar projects, it has been assumed that approximately 35 percent of the project cost will consist of labor, with approximately 75 percent of the labor supplied from the Orlando area. Additionally, approximately 65 percent of the project cost will be for construction materials, with approximately 50 percent of the materials supplied from within the Orlando area. Depending on the ability to supply a greater percentage of the labor and materials from within the Orlando area, the one-time impact could vary from the figures presented.

### 3.0 Economic Impact Analysis

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Incorporating the construction period direct spending and related multipliers utilized for this analysis, the economic impacts generated within the Orlando area during the renovation of the Citrus Bowl have been estimated and are summarized in the following exhibit.

**Estimated Economic Impacts of Citrus Bowl Renovation**



As shown, it is estimated that approximately \$148.0 million of the total renovation cost would be spent in the Orlando area. This level of spending is estimated to support approximately \$284.2 million in total output, including approximately \$112.7 million in earnings, and would support approximately 2,700 full- and part-time jobs in the Orlando area.

#### *Ancillary Development Potential*

With its location at the western end of Church Street, a renovated Citrus Bowl could play a significant role in anchoring redevelopment of the entire area. The City has already begun significant redevelopment projects throughout the Parramore neighborhood, including several housing initiatives as well as retail and other developments. The City, through its work with Glatting-Jackson, has developed estimates of potential development that could take place near the Citrus Bowl that would tie the area to the Parramore development, and through that, to downtown Orlando. The most recent development estimates include approximately 600 new housing units, including a mix of single- and multi-family residences, as well as approximately 45,000 square feet of commercial space and 310,000 square feet of office space. Due to the preliminary nature of these plans, no cost estimates have been developed at this point. However, based on the experience of other communities and the preliminary estimates for this development, such a development could play a significant role in creating a western anchor for the entire Church Street development plan. Additional information on the ancillary development related to all of the Community Venues will be addressed later in this section.

### **3.0 Economic Impact Analysis**

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#### **Orlando Performing Arts Center**

In 2004, Mayor Buddy Dyer of the City of Orlando and Mayor Rich Crotty of Orange County undertook steps to evaluate the demand and viability for a new Performing Arts Center (PAC) in Orlando. As a first step in the process, the Mayors met with local corporate leaders and developers to address a variety of issues related to the proposed facility. Through this process, the Orlando Performing Arts Center Corporation (OPAC) was established as a 501(c)3 non-profit corporation. Since its establishment, OPAC has evaluated a variety of issues related to the viability of the proposed facility, and subsequently has developed a funding and operation plan for the proposed Center. OPAC teamed with the development company Hines to assist throughout the process. The result of this analysis is a master plan that calls for:

- A new PAC that will feature:
  - An acoustic performance hall with a capacity of approximately 1,800
  - A proscenium theater hall for large-scale productions, with a capacity of approximately 2,800
  - A smaller hall with a capacity of approximately 300 to be used for educational purposes as well as smaller local performing groups
  - Support facilities, including classrooms, studios, rehearsal spaces and a banquet facility
  - A large public plaza for outdoor community and performance events
  - An Arts Education facility that will host programs for children, families and local schools
- Additional development on the site surrounding the PAC, to include:
  - A new 400,000 square foot office building
  - A new boutique hotel with approximately 200 rooms
  - Approximately 300 to 500 condominium/apartment units
  - Additional retail and office space, as demand arises in the future
  - A site capable of accommodating a 400,000 square foot County administration building

These development recommendations have been based on interviews with potential local and national user groups as well as case studies of similar developments around the country. Based on this research, OPAC has developed estimated event utilization levels, as presented in the following exhibit.

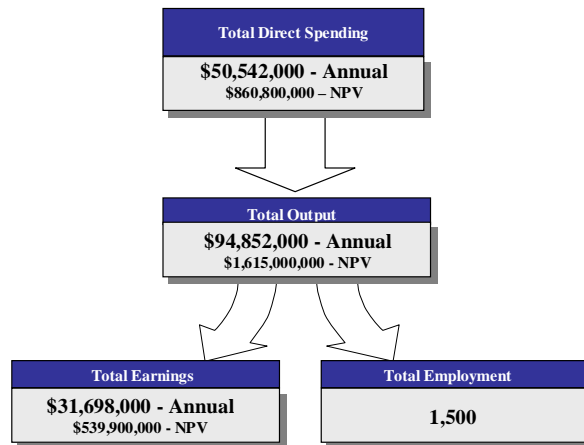
### 3.0 Economic Impact Analysis

Estimated Event Utilization New Performing Arts Center			
Event Type	Performances	Attendance	
		Average	Total
<b>Resident Organizations</b>			
Orlando Philharmonic	50	1,325	66,250
Orlando Ballet	30	783	23,500
Orlando Opera	12	1,583	19,000
Festival of Orchestras	10	1,675	16,750
Broadway in Orlando	96	2,135	205,000
Total	198		330,500
<b>Rentals &amp; OPAC Presents</b>	131	954	125,000
<b>Educational Events (non-revenue)</b>	50	1,800	90,000
<b>Total</b>	<b>379</b>		<b>545,500</b>

#### *On-Going Operations Impacts – Orlando Performing Arts Center*

The presence of the new Performing Arts Center in Orlando is estimated to generate significant, on-going economic impacts for the Orlando area related to the facility's operations. The focus of this analysis is on the spending that is assumed to take place within the proposed PAC as well as outside the Center before and after events. In addition, this analysis includes estimates of the impacts generated by the resident organizations as well as visiting touring performance companies while presenting events at the proposed Center.

#### Estimated Economic Impacts Performing Arts Center Annual Operations



### 3.0 Economic Impact Analysis

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In the initial years of operations, the proposed Orlando Performing Arts Center is estimated to generate approximately \$50.5 million in annual direct spending, which would support approximately \$94.9 million in total economic output in the local area. This output includes approximately \$31.7 million in total earnings, and would support approximately 1,500 jobs in the area. It is important to note that the annual impacts presented herein represent only the first year of operations. Current OPAC budgets assume utilization will grow over the first five to six years to a normalized level going forward. Over a 20 year period, it is estimated that the proposed Center would generate approximately \$1.6 billion in total output, which includes approximately \$539.9 million in personal earnings. The estimated fiscal impacts related to the proposed Center are presented in the following exhibit.

<b>Estimated Fiscal Impacts</b>			
<b>Proposed Orlando Performing Arts center</b>			
<b>Tax</b>	<b>Rate</b>	<b>Estimated Revenues</b>	
		<b>Annual <sup>(1)</sup></b>	<b>NPV <sup>(2)</sup></b>
State Sales Tax	6.0%	\$4,362,000	\$74,291,000
County Sales Tax	0.5%	\$363,000	\$6,182,000
County TDT	6.0%	\$390,000	\$6,642,000

(1) Reflects estimated annual, on-going fiscal impacts related to the new PAC

(2) Assumes 3% growth rate and 6% discount rate over 20 years

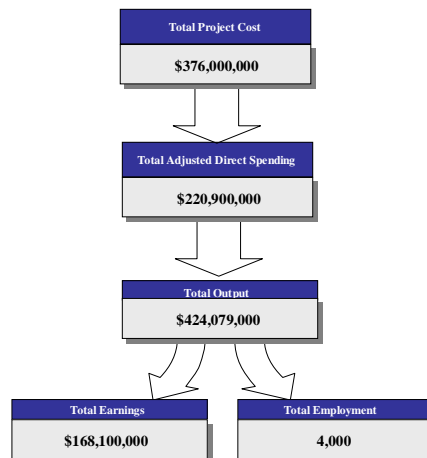
The on-going operations of the proposed Performing Arts Center are estimated to generate approximately \$4.4 million in annual State sales tax revenues, \$363,000 in County sales tax revenues and approximately \$390,000 in County TDT revenues. The net present value of these revenues is estimated to total approximately \$74.3 million in State sales tax, \$6.2 million in County sales tax and \$6.6 million in County TDT.

#### *Construction Period Impacts – Orlando Performing Arts Center*

Current estimates for the proposed PAC assume a total project cost of approximately \$376.0 million. This amount does not include the estimated cost of the ancillary development that is planned for the proposed site, which will be discussed subsequently in this section. As with the other Community Venues, the construction of the proposed facility would have a significant economic impact on the Orlando area. The following exhibit summarizes the estimated impacts related to the construction of the PAC, assuming a 35/65 percent split of labor and materials, with approximately 75 percent of the labor provided by the local Orlando area and approximately 50 percent of the materials provided by the local area.

### 3.0 Economic Impact Analysis

Estimated Economic Impacts of Performing Arts Center Construction



It is estimated that approximately \$220.9 million of the total project cost would be spent locally in the Orlando market. This level of spending would result in approximately \$424.1 million in total output, which includes \$168.1 million in total earnings. This spending is estimated to support approximately 4,000 full- and part-time jobs in the Orlando market during the construction period.

#### *Ancillary Development – Orlando Performing Arts Center*

A significant component of the proposed PAC development and funding plan involves the ancillary development that could take place on the portions of the site not used by the PAC. The most recent master plan assumes the development of a new office tower, a new boutique hotel and approximately 400 residential apartments or condominiums initially, with additional office and retail space to be developed in the future as demand dictates. The non-school property taxes allocated to the Community Redevelopment Area (CRA) generated by this proposed development have been included by OPAC in the annual funding requirements related to the development of the PAC itself. Specific components to be included are detailed in the following exhibit.

New Performing Arts Center  
Proposed Private Development Components

Component Type	Square Footage	Units	Project Cost
<b>Hotel</b>			
Boutique Hotel	183,000	204	\$58,000,000
<b>Residential</b>			
Tower A	223,000	133	\$65,000,000
Tower B	445,000	270	\$130,000,000
Total	668,000	403	\$195,000,000
<b>Office</b>			
400,000 square foot tower	400,000	NA	\$95,000,000
<b>Total</b>	<b>1,251,000</b>	<b>607</b>	<b>\$348,000,000</b>

### 3.0 Economic Impact Analysis

As shown, the initial master plan includes approximately \$348 million in private development components, in addition to the PAC itself. It is assumed that this development would open in two primary phases, with the first residential tower and the new 400,000 square foot office space completed by 2010, and the hotel and second residential tower completed in 2012.

#### Events Center

Based on an analysis of the Orlando market and the potential viability of a new Events Center, the following event estimates have been utilized to determine the estimated economic impacts related to the proposed Events Center:

<b>Estimated Event Utilization New Events Center</b>			
<b>Event Type</b>	<b># of Event Days</b>	<b>Attendance</b>	
		<b>Average/Day</b>	<b>Total</b>
Concerts/Other Events <sup>(1)</sup>	146	3,450	503,700
Mega Events <sup>(2)</sup>	6	20,500	123,000
Orlando Predators	8	14,000	112,000
Orlando Magic	45	14,100	634,500
<b>Total <sup>(3)</sup></b>	<b>205</b>		<b>1,373,200</b>

(1) Consists of minor league hockey, concerts, family shows, other sporting events, community events, and other similar event utilization.

(2) Consists of major, multi-day events such as NCAA championship events, NBA All-Star Games, etc.

(3) Total event utilization assumes the proposed Events Center will host a minor league hockey franchise as a tenant. If a hockey tenant cannot be attracted to the venue, event utilization is estimated to total approximately 175 events per year.

It is estimated that a new Community Events Center in Orlando would host a total of approximately 205 event days per year. The majority of the Center's utilization would be derived from concerts, family shows, community events and sports events (not including the Orlando Magic). The Magic are assumed to utilize the Center approximately 45 games per year. In addition, it is assumed that the facility would host an average of two "mega events" per year, comprising a total of six event days. These events consist of major impact events such as NCAA championship events, NBA All-Star Games and other such events. The market currently has the infrastructure to be able to support these events, but lacks an appropriate venue. With the existing attractions in the market and the development of a new Community Events Center, the Orlando market will be uniquely positioned to be able to attract such events on a regular basis. It is important to note that this event utilization total assumes that a minor league hockey franchise would be attracted to play in the new Events Center. If the proposed venue does not attract a minor league hockey tenant, event utilization is estimated to total approximately 175 events per year.

### 3.0 Economic Impact Analysis

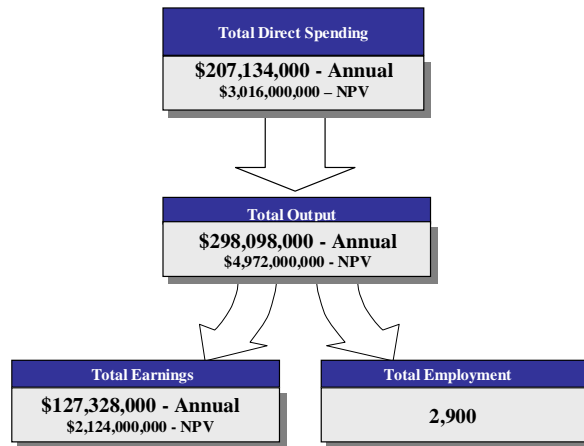
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#### *On-Going Operations Impacts – Events Center*

As with the other facilities discussed herein, the on-going impact of the proposed Events Center includes arena and tenant revenues as well as spending outside the arena at local restaurants, bars, retail shops and other such places. To evaluate the estimated economic impact related to the operations of the proposed Center, preliminary event utilization and operating assumptions for the Center and the Magic have been developed by CSL, in conjunction with SMG, a worldwide leader in facility management. Estimates for out-of-arena spending were based on surveys conducted at Magic events as well as information gathered from similar projects around the country. The economic impacts related to the operations of the proposed facility have been developed by Ernst & Young LLP.

The following chart summarizes the initial round of direct spending and the resulting economic impacts associated with the on-going operations of the proposed Events Center. As shown, the operations of the Events Center are estimated to generate approximately \$298.1 million in annual total output, which includes approximately \$127.3 million in annual personal income, and would support approximately 2,900 full- and part-time jobs. Over a 20-year period, this spending would result in total output of approximately \$5.0 billion in total output, including approximately \$2.1 billion in personal income.

#### **Estimated Economic Impacts Events Center Annual Operations**



In addition to the economic impacts outlined above, the operations of the proposed Center will also result in significant fiscal impacts for the Orlando area. The following exhibit summarizes the estimated tax revenues that will be generated by the presence of the proposed Center.

### 3.0 Economic Impact Analysis

#### Estimated Fiscal Impacts Proposed Events Center Operations

Tax	Rate	Estimated Revenues	
		Annual <sup>(1)</sup>	NPV <sup>(2)</sup>
State Sales Tax	6.0%	\$9,189,000	\$127,000,000
County Sales Tax	0.5%	\$766,000	\$10,600,000
County TDT	6.0%	\$706,000	\$10,500,000

(1) Reflects estimated annual, on-going fiscal impacts related to the new Events Center

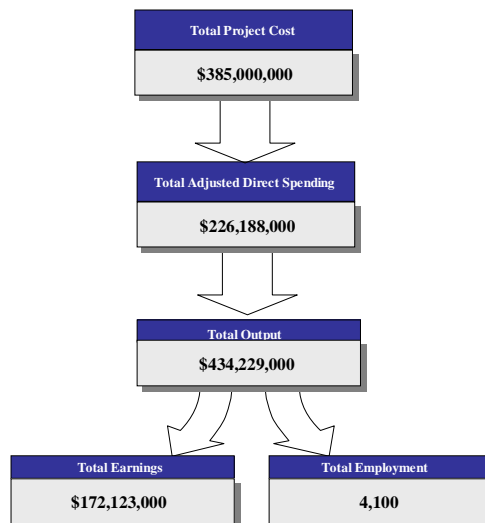
(2) Assumes 3% growth rate and 6% discount rate over 20 years

It is estimated that the operations of the proposed Events Center would generate approximately \$9.2 million in State sales tax revenues annually, along with approximately \$766,000 in County sales tax revenues and \$706,000 in County TDT revenues each year. Over a 20 year period, this spending would result in approximately \$127.0 million in State sales tax revenues, \$10.6 million in County sales tax revenues, and approximately \$10.5 million County TDT revenues.

#### Construction Period Impacts – Events Center

Based on the most recent estimates, the total cost of the proposed Events Center will be approximately \$385.0 million. It is assumed that approximately 35 percent of the total cost is related to labor, of which approximately 75 percent would be supplied from within the Orlando area. It is further assumed that the remaining 65 percent of the project cost would be related to construction materials, of which approximately 50 percent would be supplied from the Orlando area. Incorporating these assumptions for direct spending and the related construction multipliers, the economic impacts related to the construction of the proposed facility have been estimated and are presented in the following exhibit.

#### Estimated Economic Impacts of Events Center Construction



### **3.0 Economic Impact Analysis**

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It is estimated that of the \$385.0 million project cost, approximately \$226.2 million would be spent in the greater Orlando market. This level of local spending is estimated to generate approximately \$434.2 million in total output, including approximately \$172.1 million in total earnings, and would support approximately 4,100 full- and part-time jobs in the Orlando area.

#### *Ancillary Development – Events Center*

As will be discussed in the peer market analysis, the development of facilities similar to the proposed Community Events Center has played a role in significant redevelopment initiatives in other communities around the country. With its year-round utilization, the proposed Community Events Center could serve as the hub of a new residential, office and entertainment district in downtown Orlando. While no specific plans have been developed, the City and Glatting-Jackson have developed estimates of the potential development that could take place in the area surrounding the proposed Events Center. While there are several sites under consideration for the proposed Center, for purposes of this analysis, it is assumed that the facility would be constructed immediately west of I-4 in downtown Orlando, near Church Street. Such a development would provide a direct tie between downtown Orlando and the PAC and the Parramore neighborhood and the Citrus Bowl, resulting in a corridor of residential, commercial and office space.

Preliminary estimates call for a mixed-use development that would include new building as well as redevelopment of existing buildings in the area. The most recent estimates include approximately 840 residential units, including a mix of apartments and/or condo units, as well as town houses. In addition, it is estimated that the development could include approximately 140,000 square feet of commercial space and 800,000 square feet of office space. A comprehensive plan should be completed to develop specific cost estimates and to ensure the viability and compatibility of the development related to each of the Community Facilities.

#### **Ancillary Development Potential**

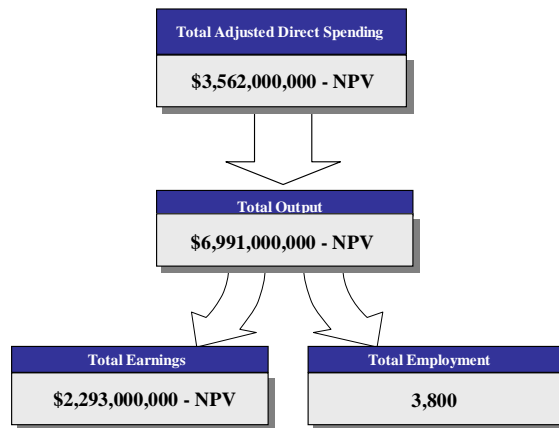
As discussed throughout this section, each of the proposed Community Venues could potentially spur additional development in the area surrounding the facilities. Several other communities have used similar facility development projects as the centerpieces of major redevelopment initiatives, including Memphis, Nashville, Jacksonville and other communities. The potential development opportunities include a variety of residential, commercial, office and hotel components that will play a role in creating a new downtown for the Orlando community. Such a development program could result in a revitalized downtown Orlando, including a new Church Street corridor anchored by the renovated Citrus Bowl and potentially the proposed Events Center.

### 3.0 Economic Impact Analysis

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The presence of such development will generate significant ongoing economic impacts related to spending by residents of the new developments, employees of businesses located in the new office space, and spending at the retail, restaurants and other establishments included in the potential development opportunities. In addition, the new development will generate significant property tax revenues for the City, County, local schools and other taxing authorities in the downtown area. The following exhibit summarizes the estimated present value of these impacts over the next 20 years that could be generated by the proposed developments.

**Estimated Economic Impacts  
Ancillary Development – Combined  
20 Year Net Present Value**



As shown, this ancillary development is estimated to generate approximately \$3.6 billion in spending over the next 20 years. This spending is estimated to support approximately \$7.0 billion in total output, including approximately \$2.3 billion in total earnings. In addition, approximately 3,800 jobs would be supported by this spending each year when fully developed.

In addition to the economic impacts noted above, the presence of this new development will result in significant fiscal impacts for the greater Orlando area. The following exhibit summarizes the estimated impacts related to the ancillary development.

### 3.0 Economic Impact Analysis

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**Estimated Fiscal Impacts  
Ancillary Development - 20 Year NPV**

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<b>Tax</b>	<b>Estimated Revenues NPV <sup>(2)</sup></b>
<i>Sales Taxes</i>	
State	\$58,280,000
County	\$4,857,000
TDT Revenues	\$7,193,000
<i>Property Taxes</i>	
City	\$48,814,000
County <sup>(1)</sup>	\$44,288,000
Schools	\$66,563,000
Library	\$3,709,000
St. Johns Water Management	\$3,962,000
Downtown Improvement	\$8,577,000

(1) County tax revenues generated within the Downtown CRA are diverted in their entirety to the Downtown CRA

(2) Assumes 3% growth rate and 6% discount rate over 20 years

Over 20 years, it is estimated that spending at the assumed ancillary development could generate approximately \$58.3 million in State sales taxes, \$4.9 million in County sales taxes, and \$7.2 million in TDT revenues. In addition, the development is estimated to generate significant property tax revenues over this period, including approximately \$48.8 million in City property taxes, \$44.3 million in County property taxes and \$66.6 million in school district property taxes.

## **4.0 Non-Quantifiable Impacts Analysis**

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### **4.0 Non-Quantifiable Impacts Analysis**

In addition to the quantifiable economic and fiscal benefits related to the Community Venues, the presence of a renovated Citrus Bowl Stadium, a new Performing Arts Center and a new Events Center generates significant intangible benefits to the local community. These impacts, often related to the “quality of life” for local residents and businesses cannot be directly quantified, but must also be considered in a comprehensive review of the economic benefits derived from the Community Venue developments. Important potential qualitative benefits for the Orlando area include:

- Providing state-of-the-art facilities for patrons and users;
- Enhancing community pride, self image, exposure and reputation;
- Enhancing economic growth and ancillary private sector development spurred by the operations and activities associated with the Community Venues;
- Diversifying consumer-oriented activities for area families and individuals attending events;
- Enhancing its international and national image;
- Improving the possibility of attracting corporate relocations and continued market growth; and
- Providing assets that can augment the community’s world class convention center, international airport, attractions and accommodations.

By ensuring that the Orlando market is able to attract top-quality, national and international events such as the Capital One Bowl, the Champs Sports Bowl, NBA All-Star games, NCAA championship events and other major impact events, the Orlando market receives a significant amount of recognition through national and international telecasts of various facility events. This exposure can serve to raise the profile of the Orlando area in the eyes of corporations and individuals considering relocating to the area, which in turn helps strengthen the overall economy of the area.

Discussions with corporate relocation consultants have indicated that such facilities often serve to “tip the scales” in favor of communities with first class public assembly venues. While each of the proposed Venues would have a positive impact on the attractiveness of the Orlando market, in recent years the presence of high-quality performing arts facilities and events has become increasingly popular. By providing a variety of world class venues, the Orlando community will be viewed as an attractive relocation option.

Conversely, the community would likely be viewed in a negative light if the facilities are not constructed and the existing events no longer exist or are replaced with lower profile events. This is particularly true for higher profile, national events such as the Capital One Bowl and Orlando Magic games. When events and teams leave a market, the perception is that the community lacked a coherent direction and ability to move forward and retain important assets. The loss of such events would also result in a loss of the national and international exposure generated by such events.

#### **4.0 Non-Quantifiable Impacts Analysis**

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While the proposed venues will have an impact on the attractiveness of the Orlando community to new businesses and individuals, the proposed Community Venues will also provide state-of-the-art venues for locally-oriented events, providing area residents with amenities and attractions on a par with other world-class communities. The renovated Citrus Bowl will continue to serve as the area's largest entertainment venue, while also featuring new spaces for local events such as receptions, meetings and other community-oriented events. The Performing Arts Center will provide a venue of a quality that has not existed in the Orlando area to date, serving as a home to the area's performing arts organizations and providing a new educational facility for the community's youth. The new Events Center will enable the market to attract more and higher quality events such as concerts, family shows, major national events, other sporting events and community events, while also serving as the home of the Orlando Magic and the Orlando Predators.

In addition to the exposure and other intangible benefits outlined above, the presence of top quality venues and tenants in the Orlando market generates significant charitable contribution levels. The remainder of this section provides specific intangible benefits provided by each of the Community Venues. Additional information related to the charitable efforts related to the Venues and their events or tenants is provided in Appendix 2.

#### **Florida Citrus Bowl and Florida Citrus Sports**

Due to the nature of the events held at the Citrus Bowl, the Orlando market receives significant national and international exposure. The Capital One Bowl, Champs Sports Bowl and the Florida Classic are all televised nationally, resulting in millions of impressions for the Orlando market. In addition, the potential new events that could take place at the renovated Citrus Bowl, including an upgrade to a BCS bowl as well as neutral site and conference championship football games, will also be nationally televised. Each of these events provide significant opportunities to market the Orlando area to audiences around the world, resulting in increased awareness and visits to the area overall. For instance, during the most recent Capital One Bowl, the City of Orlando received approximately \$2.3 million worth of exposure via on-air mentions

In addition, the events sponsored by Florida Citrus Sports at the Florida Citrus Bowl generate significant funds for a variety of charitable organizations and initiatives throughout the Orlando area, with the Florida Citrus Sports Foundation being the primary beneficiary. Specific information related to the Foundation's charitable efforts is provided in Appendix 2.

## 4.0 Non-Quantifiable Impacts Analysis

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### Orlando Performing Arts Center

The Orlando Performing Arts Center Corporation is responsible for determining the development, construction and operational model for an arts center complex in Orlando. OPAC's primary mission is to:

- Provide a showcase for regional arts groups,
- Create a multi-cultural center for artistic excellence,
- Develop a center of arts education for children and adults,
- Establish a destination for Floridians and visitors to the Orlando area,
- Build a welcoming place that establishes community pride, and
- Create an environment that encourages participation and new experiences.

Through this mission, OPAC will work toward providing a facility that is accessible to all and that offers what is not currently available in the market today: a world class performing arts venue.

#### *OPAC Educational Programs*

OPAC will develop a comprehensive Arts Education Department that will provide a variety of programs for children (ages 3-18), families and schools. In addition to new initiatives that incorporate the art center, OPAC will partner with local performing arts organizations including: The Orlando Ballet, Orlando Opera, Orlando Philharmonic Orchestra, Festival of Orchestras, Florida Theatrical Association and more. Together, OPAC and its resident organizations will provide educational opportunities in the following programmatic areas:

- Performance-Based Programs - School Day performances will serve students PreK-12th grade and children ages 3 to 18. Curriculum materials, professional development workshops, pre-performance workshops, and meet-the-artist sessions will also be offered.

*Projected activity: 50-60 performances, 90,000 - 110,000 students.*

- Artist-in-Residence Program - Students will experience the performing arts through close interaction with professional artists in their schools. Academies in theater, dance and music will be offered.

*Projected activity: 65-85 academies, 1,700-2,200 students.*

#### **4.0 Non-Quantifiable Impacts Analysis**

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- Professional Development Workshops for Educators - Education professionals will experience interactive workshops, collaborate with professional artists, network with colleagues, and discover new arts activities to support daily classroom lessons.

*Projected activity: 10-15 workshops, 100-150 educators.*

- Advance Education Programs - A variety of programs will instruct and guide talented students.

*Projected activity: 5-20 weeks, 50-200 students.*

- Partnership Opportunities - OPAC will partner with schools, school districts and community-based organizations in order to provide Central Florida children, families, and educators with the opportunity to participate in high-quality performing arts experiences.

In addition, the Orlando area's resident performing arts groups will be provided with a permanent home that will enable them to expand their community outreach programs to a wider, more diverse audience than is currently possible. Specific information related to these programs is provided in Appendix 2.

#### **New Events Center**

As noted previously, the proposed Events Center will host a variety of events, ranging from community oriented events such as high school graduations, to "mega-events" such as NCAA championship events and NBA All-Star games. The proposed Center will serve the Orlando community at large by providing a first class venue for such events. The new Center will enable the Orlando market to actively and successfully pursue major impact events that raise the area's exposure nationally and internationally via television, internet and radio broadcasts of the various events at the facility. Despite the presence of an infrastructure system that can accommodate essentially any event, the existing TD Waterhouse Centre could not support these types of events.

In addition to the exposure from the "mega-events" that could be held at the proposed Center, the Orlando Magic will also generate a significant amount of national and international exposure. By hosting an NBA franchise, the Orlando market benefits by being termed a "major league market," which can serve to make the market more attractive for current and potential new residents and companies. The NBA is broadcast in 214 countries in 43 languages, reaching over 750 million households, providing significant opportunities to promote the Orlando market as a whole. Additional information on the qualitative impacts related to the Events Center and the Orlando Magic is provided in Appendix 2.

## Appendix 1. Peer Market Analysis Detail

### Appendix 1. Peer Market Analysis Detail

As discussed in the previous section, the existing public assembly facilities in the Orlando market have grown outdated. The disparity is clear when Orlando's facilities are compared to related venues in similar markets. While Orlando is considered a world-class destination, the majority of the attractions in the area are focused on visitors to the market. The deficiency of high quality community facilities may place Orlando at a competitive disadvantage with other markets in terms of attracting and retaining residents, corporations, as well as high impact events that can provide national and international exposure to the area.

The purpose of this section is to present an overview of selected peer market's existing and proposed performing arts and sporting facilities to provide a benchmark from which to evaluate the existing facilities in the City of Orlando. A multitude of performing arts centers and theaters with 5,000 seats or less were identified to provide an analysis of the total seats dedicated to the performing arts within each market. An assessment of the physical and funding characteristics of comparable venues is a critical component in assessing the market potential for new or renovated facilities in Orlando. Each of the markets selected for this analysis are considered comparable to or competitive with the Orlando Market.

This section also evaluates the commercial, residential and public works projects that surround the various facilities. As demonstrated herein, the sports and entertainment facilities are often a catalyst for the development of condominiums, lofts, office space, mixed-use and retail, as well as expansions and renovations of municipal parks and plazas.

Physical, funding and surrounding developments were reviewed for the following peer markets:

Peer Market Facility Overview							
Market	Performing Arts Venues		Arenas		Stadiums		
	Total Seats (1)		Opened	Capacity	Opened	Capacity	
Atlanta	19,723	Phillips Arena	1999	20,300	Georgia Dome	1992	71,250
Charlotte	5,400	Bobcats Arena	2005	20,200	Bank of America Stadium	1995	71,215
Fort Lauderdale	5,619	Bank Atlantic Center	1998	20,000			
Houston	12,079	Toyota Center	2003	18,500	Reliant Stadium	2002	70,000
Jacksonville	7,300	Memorial Auditorium	2003	16,000	Alltel Stadium	1995 <sup>(2)</sup>	76,976
Memphis	4,433	FedEx Forum	2004	18,500	Liberty Bowl Stadium	1965 <sup>(3)</sup>	63,506
Miami	10,139	American Airlines Arena	1999	19,600	Dolphins Stadium	1987	72,230
Nashville	13,777	Gaylord Entertainment Center	1996	17,500	LP Stadium	1999	68,400
Phoenix	13,020	Glendale Arena	2003	17,500	New Cardinals Stadium	2006	67,000
Raleigh	2,470	RBC Center	1999	21,000			
San Jose	2,665	HP Pavillion	1993	18,200			
Tampa	6,886	St. Pete Times Forum	1996	19,500	Raymond James Stadium	1998	65,657
<b>Average</b>	<b>8,626</b>		<b>2000</b>	<b>18,900</b>		<b>1993</b>	<b>69,582</b>
<b>Orlando</b>	<b>2,450</b>	<b>TD Waterhouse Centre</b>	<b>1989</b>	<b>17,250</b>	<b>Citrus Bowl</b>	<b>1936 <sup>(4)</sup></b>	<b>65,000</b>

(1) Includes seats at all indoor venues with a focus on performing arts.

(2) Stadium underwent a \$46 million renovation in 2003.

(3) Liberty Bowl was renovated in 1987 for \$17 million.

(4) Citrus Bowl was most recently renovated in 1989

## **Appendix 1. Peer Market Analysis Detail**

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### **Atlanta, Georgia**

The Atlanta market has experienced considerable growth and development within the last 15 years. With an arena and stadium that have hosted major events, the market has received significant national and international exposure. Atlanta includes a multitude of venues for the performing arts, dedicating nearly 20,000 existing or planned-seats. Included is the Cobb Energy Performing Arts Centre, a new performing arts center scheduled to open in 2007 that will feature world class amenities to host a variety of performances.

#### *Cobb Energy Performing Arts Centre*

The \$125 million Cobb Energy Performing Arts Centre (“Cobb Centre”) is expected to open in 2007. Located in the Cumberland Galleria area of northwest Atlanta, adjacent with the Cobb Galleria Centre, it is envisioned that the Centre will complement the



convention, business, and hospitality community that is already present in the arena. The Cobb Energy Centre is located adjacent with the Cobb Galleria Centre.

Cobb Energy Management Corporation, a Marietta, Georgia-based company, secured naming rights of the regional performing arts facility with an investment of \$20 million. A local businessman and civic leader also contributed \$10 million to the project. Funding for the performing arts centre includes \$11 million from Galleria Centre reserve funds as well as the 11 acres that the Cobb Centre is located on.

The Centre will feature programming from Broadway productions, opera and ballet to concerts, corporate events and community theater. The Cobb Centre will include a 3,000-seat theater, a 10,000 square foot ballroom, a 700-seat recital hall; a 200-seat experimental theatre, as well as teaching classrooms and meeting space. The Cobb Centre is envisioned to be a catalyst for cultural arts initiatives in metro Atlanta.

## **Appendix 1. Peer Market Analysis Detail**

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The Cobb Centre is also projected to be a catalyst for economic development in the area, generating \$220 million in spending and wages during the project's two-year construction period. Within the construction period alone, the project is expected to generate \$164.7 million in direct and indirect spending. In addition, the Centre is also expected to produce \$59.9 million in wage and salary earnings. The

\$164.7 million in spending includes \$111 million directly associated with designing, erecting, furnishing and equipping the centre. Cobb Energy Performing Arts Centre will create 1,520 area jobs during the construction period and 2,840 jobs for the state of Georgia.

Cobb Energy Centre's total annual impact on spending is projected to be \$27.3 million during its first year, increasing to \$38.4 million by the year 2010. The Centre's impact on earnings is projected to be \$11.3 million its first year and \$16 million by 2010.

The Cobb Energy Centre is being constructed adjacent to the Cobb Galleria Centre. The Galleria Centre is a premiere convention, tradeshow and meeting facility. Located next to the Galleria Centre is a 520-room, four-star, Renaissance Waverly Hotel, a specialty mall, and gardens which host numerous outdoor festivals and year-round musical and theatre events. The Centre is also connected via a pedestrian walkway to Cumberland Mall, one of Atlanta's largest shopping destinations. There are more than seventy restaurants and more than 6,000 additional hotel rooms in the vicinity. In 2005, the Cobb Galleria Centre hosted 1,128 events with attendance of over 500,000 people.



In addition to the Cobb Center, the Atlanta market contains a variety of venues including the Fox Theater, the Atlanta Civic Center Theater, the Woodruff Arts Center, the Ferst Center and Marcus Auditorium.

### Fox Theater

Atlanta's Fabulous Fox Theater opened December, 25, 1925 and hosts a variety of events from musicals to movies. The 4,678-seat theater attracts approximately 750,000 people on an annual basis.

## **Appendix 1. Peer Market Analysis Detail**

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### Atlanta Civic Center

Atlanta Civic Center includes the largest stage in the Southeast. The 4,600-seat auditorium hosts Broadway productions, concerts, stage plays, operas and other events and meetings.

### The Woodruff Arts Center

The Woodruff Arts Center is an arts center in the Midtown District of Atlanta. The center includes the 770-seat Alliance Theatre Stage, the 200-seat Hertz Stage, Atlanta Symphony Hall which seats 1,762 patrons, the 400-seat Rich Theater, the 14th Street Playhouse which includes 3 theaters with a total capacity of 690-patrons, the High Museum of Art, and the Atlanta College of Art.

### The Ferst Center

The Ferst Center for the Arts, located on the Georgia Tech campus, hosts concerts, recitals, operas, lectures, dance, film and theater events in the 1,155 seat auditorium. The center opened in 1992 and hosts events from September to May. Funding for the center came from matching donations, \$3.75 million, from the Callaway Foundation and the State of Georgia.

### Marcus Auditorium

The 1,740-seat Sidney Marcus Auditorium is located in the Georgia World Congress Center. The Center, built in 1976, hosts speeches, award presentations and entertainment events.

### *Philips Arena*

Philips Arena is the home of NBA's Atlanta Hawks and the Atlanta Thrashers of the NHL. The Arena is owned by the Atlanta-Fulton County Recreation Authority and managed by Atlanta Spirit LLC. In September of 2003, the Atlanta Hawks, Atlanta

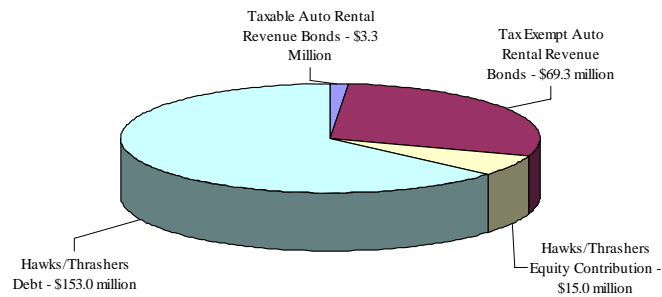


Thrashers and operating rights to Philips Arena were sold by Turner Broadcasting Systems to Atlanta Spirit LLC, an Atlanta-based investment partnership. The arena opened in 1999 and includes seating capacity for 20,300 spectators. Naming rights to the facility were sold in 1999 to Royal Philips Electronics. The agreement calls for a \$168 million total payment over the 20-term of the contract.

## Appendix 1. Peer Market Analysis Detail

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Public participation in arena funding totaled approximately \$72.6 million. The Atlanta-Fulton County Recreation Authority issued \$69.3 million in tax-exempt bonds and \$3.3 million in taxable bonds. The bonds are both secured by a 3 percent auto rental tax in Atlanta and College Park. The proceeds of the tax-exempt bond were used for public infrastructure, plazas and acquisition of the land. The proceeds of the taxable bonds retired the existing debt on the Omni, which was previously paid for by the Hawks. Private funds came from a \$15.0 million equity contribution by the Hawks and Thrashers and a \$153.0 million revenue bond issued by the Atlanta-Fulton County Recreation Authority. The revenue bond issue is secured by all arena revenues and a first lien on all gross revenues of the Atlanta Hawks and Thrashers and a second guarantee of debt service by the City of Atlanta and Fulton County.



Philips Arena is located downtown and is bordered by Centennial Park, which was built for the 1996 Olympic Games and continues to attract local residents as well as visitors from around the world. Nearby development includes the recently opened Georgia Aquarium and Inside CNN.

### *Georgia Dome*

The Georgia Dome is home to the Atlanta Falcons (NFL) and the Peach Bowl. The Georgia Dome opened in 1992 and has a fixed seating capacity of 71,250 seats, expandable to over 75,000 with the addition of temporary seating. The stadium is owned and operated by the Georgia World Congress Center Authority.

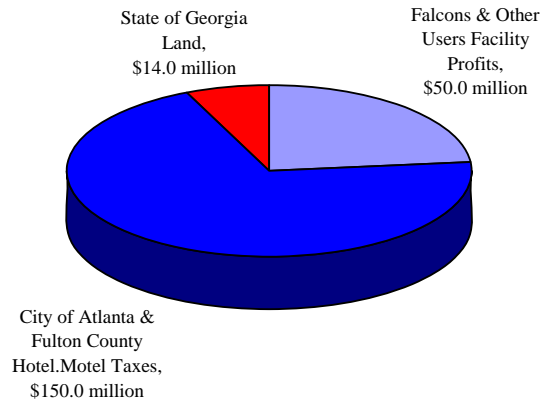


Since opening, the Georgia Dome has hosted a multitude of events including Bull Riding, Supercross, professional wrestling, U.S. Indoor Track and Field Championships, NCAA basketball, and Georgia High school football, basketball tournaments, three Olympic events (basketball, gymnastics, and the finals of team handball) during the 1996 Centennial games and two Super Bowls (1994 and 2000). Apart from the Atlanta Falcons, the Dome annually hosts the Chick-fil-A Peach Bowl, Atlanta Football Classic and the SEC Football Championship.

## **Appendix 1. Peer Market Analysis Detail**

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The Georgia World Congress Center Authority issued \$200.0 million in industrial revenue bonds for the development and construction of the Georgia Dome. The State donated land valued at \$14.0 million. The revenue bonds are secured primarily by 39.3 percent of all hotel/motel taxes collected in the City of Atlanta and unincorporated Fulton County. The current hotel/motel tax is 7 percent. The bonds are secured by stadium profits as a secondary source of funds to the extent that hotel/motel taxes are not sufficient to pay debt service.



As previously demonstrated, the City of Atlanta's arts and entertainment facilities are high quality facilities that garner local and national exposure. The Cobb Energy Centre will open in 2007 and further enhance the arts and convention industry in Atlanta. The recently built Philips Center can host major sporting events, as well as large-scale concerts and other productions. The recent Philips Center development is a part of the downtown landscape that includes Centennial Park, the Georgia Aquarium, the Georgia Dome, and CNN's and Coca-Cola's headquarters.

### **Charlotte, North Carolina**

The City of Charlotte is one the fastest growing metro areas in the nation and known for a high quality of life. Along with the growth in population, the city has experienced a growth in commercial, residential and entertainment development. The high quality of life in Charlotte is supported by the recent development of the Blumenthal Performing Arts Center, the recently built Charlotte Bobcats Arena and the Bank of America Stadium, all of which were built within the last 15 years. All three facilities are located within the same downtown vicinity. The Blumenthal Performing Arts Center is located less than a mile from both the Charlotte Bobcats Arena and the Bank of America Stadium.

## **Appendix 1. Peer Market Analysis Detail**

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### *Blumenthal Performing Arts Center*

The \$38 million North Carolina Blumenthal Performing Arts Center (“Blumenthal PAC”) opened in November 1992 and is home to 10 local performance groups including the Carolinas Concert Association, Charlotte Philharmonic Orchestra, Charlotte Symphony Orchestra, Community School of the Arts, North Carolina Dance Theatre, and Opera Carolina. The performing arts center is named after the Blumenthal Foundation, the largest private contributor to the capital campaign.



The State of North Carolina allocated \$15 million for a performing arts centre, the citizens of Charlotte approved a \$15 million bond referendum and an additional \$32 million was contributed by individuals, corporations and foundations. In 1987, the Belk Brothers Company donated the land in downtown Charlotte to develop the Center. The Blumenthal PAC features three performance spaces including: the 2,100-seat Belk Theater; the 434-seat Booth Playhouse, and the 150-seat Studio Theater. In 1997, Blumenthal PAC annexed the adjacent Spirit Square Center for Arts and Education. Spirit Square is a community center that is committed to arts education and community theater. Spirit Square includes a 720-seat McGlohon Theatre and the Duke Power Theatre which seats 180.

The Center attracts nearly 630,000 attendees annually, including 150,000 students and children to its programs, theaters, classrooms and galleries, injecting \$50 million annually into the local economy. Since opening in 1992, 5.1 million people have attended an event, performance, activity or meeting at the Center or Spirit Square. Combined, the Charlotte cultural community produces 55,000 performances and events annually and generates \$94 million for the local economy and supports 1,700 jobs.

The Performing Arts Center is located in the City’s First Ward, adjacent to the Bank of America’s Corporate Center and Founders Hall. The area surrounding the Blumenthal Center has witnessed a significant amount of development, including the new Bobcats Arena, and additional growth is planned. Examples of current and planned development include:

- The Courtside is a 16 floor residential complex that costs \$32 million to develop. The expected completion date is in 2006.

## **Appendix 1. Peer Market Analysis Detail**

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- The Urban Village is a four acre park with 2,700 housing units, a retail center, office space and 250 hotel rooms.
- Project Twelve is a \$100 million high-rise development that includes 400 condos and 150 hotel rooms. The project is expected to be completed by the end of 2008.
- A 15-floor and 150-room Ritz Carlton is also expected to be completed by 2009.
- The Trade Street Light Rail Station is the signature Station of the South Corridor light rail line that includes 9.6 miles of rail line and 15 stations. The \$427 million project is expected to be completed by 2007.
- The Berkman Tower at Carolina Theater is a 22 floor development with 125 units that will sell for an average price of \$400,000.



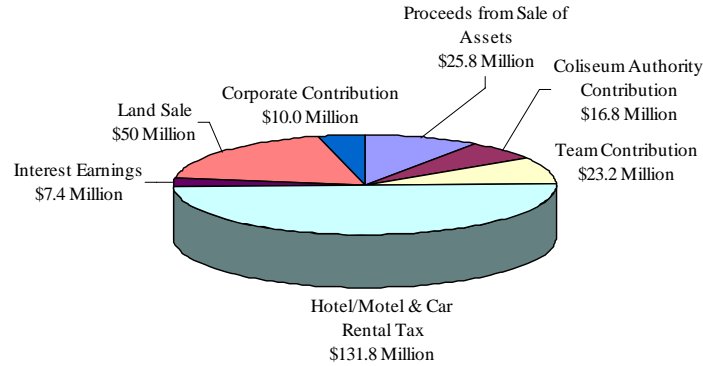
### *Charlotte Bobcats Arena*

Charlotte Bobcats Arena is located in the City's First Ward, approximately .7 miles from the Blumenthal Center. The arena opened in 2005 and is home to the NBA's Charlotte Bobcats, the Charlotte Sting of the WNBA and the ECHL's Charlotte Checkers. The \$265 million facility has a seating capacity of approximately 18,500. The arena is owned by the City of Charlotte and operated by Bobcats Sports and Entertainment. The arena development was spurred by the relocation of the Hornets to New Orleans.



Public participation for financing of the arena accounted for approximately \$231.8 million, or 87 percent, in the form of a hotel/motel and car rental tax, the proceeds from the sale of assets, a contribution by the Coliseum Authority, the sale of land and interest earnings. The remainder of the necessary funding, approximately \$33.2 million was derived from private sources via team and corporate contributions. In connection with the lease agreement, the team is responsible for the management and operations, booking, marketing, sales and related activities of the arena and must pay all operating expenses. The team has the right to retain all arena-operating revenues in exchange for of a \$23.2 million loan to the banking partners over a 10-year period.

## Appendix 1. Peer Market Analysis Detail

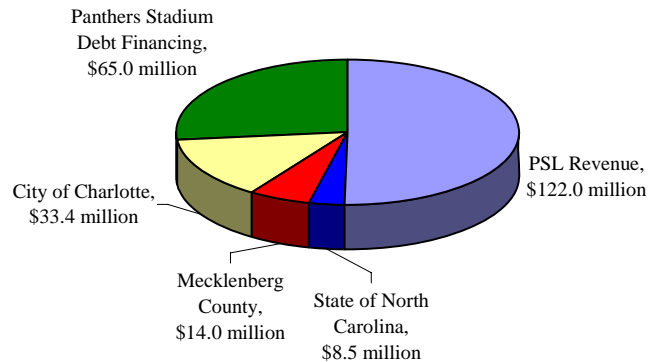


### *Bank of America Stadium*

Bank of America Stadium opened in 1995, and has a capacity of 71,215 seats. The \$242.9 million Stadium is owned and operated by the Carolina Panthers. Development costs included \$187.0 million in total construction costs and \$55.9 million in costs related to land acquisition and infrastructure improvements. Naming rights for the facility were sold to Bank of America for \$140 million for 20 years.



Approximately \$55.9 million in funds were provided by the public, all related to land acquisition and infrastructure improvements. The City of Charlotte funded \$33.4 million for land acquisition and site improvements, the state of North Carolina provided \$8.5 million for roadway improvements, and Mecklenberg County funded \$14.0 million for purchase and relocation of a jailhouse and other buildings.



## **Appendix 1. Peer Market Analysis Detail**

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Approximately \$187.0 million in private funds comprise the remainder of the stadium funding; all related to stadium construction costs, with approximately \$150.0 million in hard costs and \$37.0 million in soft costs. The Carolina Panthers provided \$65.0 million through stadium debt financing through NationsBank. The remaining \$122.0 million (\$192.0 million before income taxes) was raised through the sale of personal seat licenses. The Panthers were responsible for all cost overruns. The Panthers are also responsible for property taxes, which are estimated at approximately \$2.0 million per year.

The City of Charlotte includes three high quality arts and sports and entertainment facilities that have served as a catalyst for development within the City. The development includes both private investments and public works projects. These developments enable the citizens of Charlotte to enjoy a high quality of life and entice corporations and people to relocate, as evidenced by the City's population growth. The quality of the facilities can also attract national performances and acts to the City.

### **Houston, Texas**

The City of Houston, downtown in particular, has witnessed a tremendous amount of arts and entertainment development within the last five years, alone. A nationally renowned performing arts center opened in 2002; an arena, which hosted the 2006 NBA All-Star game, opened in 2003; and a stadium, which hosted Super Bowl XXXVIII, opened in 2002. Houston includes over 12,000 seats dedicated to the performing arts including The Hobby Center for the Performing Arts, which serves as the anchor of the Theater District. The Center is located in downtown Houston and is within minutes of the Toyota Center and Minute Maid Park, which was also built in 2000. These developments have served as a catalyst for other development such as other live theater venues, concert-halls, high-rise condominiums, retail and office space and restaurants.

#### *The Hobby Center for Performing Arts*

The Hobby Center for Performing Arts (“Hobby Center”) was built as part of a major donation initiative, along with the Downtown Aquarium and several improvement projects along the Buffalo Bayou, which runs behind the district. The \$102 million Hobby Center opened in May 2002 and is in the heart of Houston's Theater District.



## **Appendix 1. Peer Market Analysis Detail**

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The Hobby Center was developed by the Music Hall Foundation and includes Sarofim Hall, Zilkha Hall, Michael Cordua's Artista restaurant and an above-ground 800-car parking garage. The 2,650-seat Sarofim Hall is home to the Hobby Center's two resident companies, Theatre Under The Stars and Broadway in Houston. The theatre offers three tiers: orchestra, mezzanine, and upper gallery. Zilkha Hall is a 500-seat proscenium theatre with a full orchestra pit. It is home to *Uniquely Houston*®, an innovative program that features community-based performances.

In addition to the Hobby Center, Houston includes several venues for the performing arts including the Wortham Center, Jones Hall and the Verizon Wireless Theater.

### **The Wortham Center**

The Wortham Center opened in 1987 and is home to the Houston Ballet and the Houston Grand Opera. Since opening, the center has hosted more than 5 million visitors. The center includes the 2,423-seat Alice and George Brown Theater and the 1,100-seat Roy and Lillie Cullen Theater. The Wortham Theater Center is managed by the City of Houston's Convention & Entertainment Facilities Department. The facility was funded exclusively by private funding with 3,500 donors contributing \$66 million. The Gus S. Wortham Foundation contributed \$20 million to the capital campaign, the Cullen Foundation contributed \$7.5 million and the Brown Foundation contributed \$6 million.

### **Jones Hall**

Jones Hall opened in 1966 and is currently the home of the Houston Symphony and the Society for the Performing Arts. The 2,911-seat Hall attracts more than 400,000 visitors and 250 events annually. Jones Hall is managed by the City of Houston's Convention & Entertainment Facilities Department. The \$7.4 million construction cost was paid for by Houston Endowment Inc.

### **Verizon Wireless Theater**

The 2,495-seat Verizon Wireless Theater is located in downtown Houston and hosts a variety of events including concerts, comedies and musicals. The Theater hosts over one hundred events every year and includes three seating arrangements.

## **Appendix 1. Peer Market Analysis Detail**

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The Theater District is located in downtown Houston and is anchored by the Hobby Center for Performing Arts. The Theatre District consists of Houston's nine world-class performing arts organizations, the 130,000 square foot Bayou Place entertainment complex, restaurants, movies, plazas, and parks. More than two million people visit the Houston Theater District annually. With 12,948 seats for live performances and 1,480 movie seats, the district ranks second behind New York City for the number of theater seats in a concentrated downtown area. It is also only one of only five cities with permanent professional resident companies in all of the major performing arts areas of opera, ballet, music, and theater.

The theater district helped spur development in the surrounding area, including the redevelopment of Bayou Place into an entertainment destination. Theater District development includes condominiums, retail space and the creation of parks and plazas. Examples of development surrounding the Theater District include the following:

- The Bayou Place project is the redevelopment of a former convention center into a theater, live entertainment, cinema and restaurant complex. The Bayou Place opened in 1997 at a cost of \$23 million. Bayou Place Phase II includes the development of office space and is attracting office tenants within the artistic and creative industry including architectural and graphics design firms.



- The Buffalo Bayou is a development that includes a 23-acre promenade through downtown Houston with hike & bike trails on both sides of the bayou to link The Allen Parkway trail system to Sesquicentennial Park. The promenade is being developed by the City of Houston and the Buffalo Bayou Partnership for an estimated \$15 million.
- The Buffalo Bayou North Side Trail project connects Sesquicentennial Park to the University of Houston-Downtown campus. The City of Houston is implementing the project for \$2.8 million.
- The Buffalo Bayou - Sesquicentennial Park phase II project includes channel improvements to the Buffalo Bayou. Harris County Flood Control and Central Houston Civic Improvement, Inc. are conducting the project at a cost of \$18.4 million.

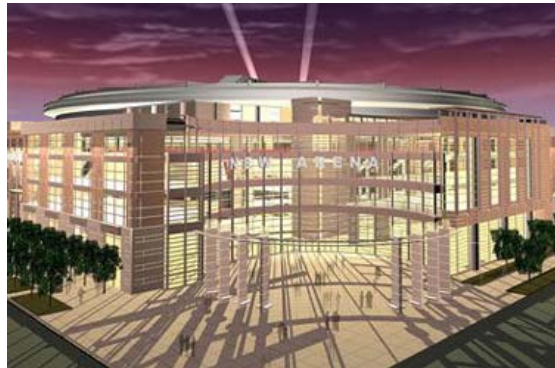
## **Appendix 1. Peer Market Analysis Detail**

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- The Downtown Aquarium project includes a conversion of an old fire station to a 400-seat restaurant with several aquariums that hold a combined total of 500,000 gallons of water. The project also includes a 6,000 square-foot ballroom that seats 500, a cafe and a gift shop. The project features an amusement park that includes a Ferris wheel and a train. The City of Houston's historic central waterworks building is also part of the five-acre site. The project includes a 200,000 gallon shark tank and a pedestrian plaza with 350 parking spaces. The project is being developed by Landry's Seafood Restaurants for \$38 million.
- Jones Plaza Reconstruction is the \$6 million reconstruction of a downtown plaza for outdoor events, developed by The City of Houston.

### *Toyota Center*

Toyota Center is located in Downtown Houston, approximately 1.25 miles from the Hobby Center. It is the home of the NBA's Houston Rockets, the Houston Comets of the WNBA and the Houston Aeros of the American Hockey League. The \$308 million facility incorporates seating for approximately 18,500 and opened for the 2003-2004 NBA season. Toyota purchased the naming rights of the arena for \$100 over

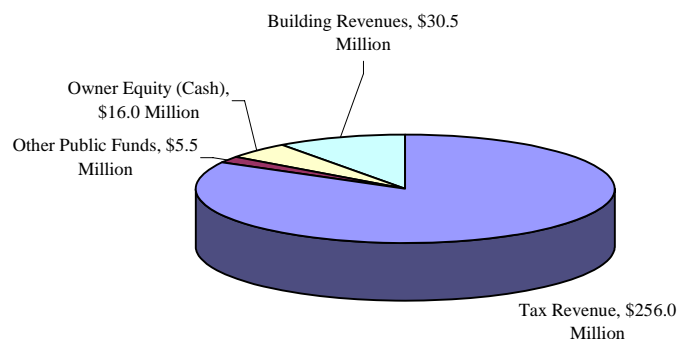


20 years. The arena is owned by the Harris County-Houston Sports Authority and operated by Clutch City Sports & Entertainment (Houston Rockets). The arena development was approved by a County-wide referendum a year after the public defeated a similar proposal. The new arena was constructed in the downtown area in close proximity to Minute Maid Ballpark. The Toyota Center replaces the Compaq Center, home to the Rockets since 1975.

The Harris County/Houston Sports Authority issued \$256 million in bonds supported by a 2 percent hotel/motel tax and a 5 percent vehicle rental tax. Approximately \$194 million was deposited into the project fund with \$62 million used for financing and other pre-development costs. The Authority also contributed \$5.6 million in surplus proceeds to fund a new 2,500 space parking garage. A commercial loan of \$30.4 million secured by the Rockets' rent payments was obtained by the Authority to construct the parking garage. The Rockets' \$5.2 million annual rent is put toward debt service. The Rockets also contributed \$8.0 million in concession equipment and funded \$8.0 million of arena change orders.

## Appendix 1. Peer Market Analysis Detail

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The Toyota Center opened at the beginning of October 2003 and hosts over 150 events per year including the NBA All-Star Game in 2006. The Texas Comptroller predicted that the National Basketball Association's All-Star weekend events produced \$79.6 million in economic gains to Texas. It was estimated that the event attracted 25,000 out-of-state basketball fans to Texas. The NBA's and the organizing committee's in-state expenses, promotion and other expenses associated with hosting the event are expected to add another \$9.7 million in direct economic impact.

### *Reliant Stadium*

Reliant Stadium is home to the Houston Texans (NFL), the EV1.Net Houston Bowl and the Houston Livestock Show and Rodeo. The \$474.0 million facility opened in 2002 and has a seating capacity of 70,000, which includes 191 suites and 8,250 club seats. The stadium added 3,000 temporary seats for Super Bowl XXXVIII. The stadium is owned by the Harris County/Houston Sports Authority and is operated by SMG. Naming rights for the facility were sold to Reliant Energy for \$300 million for a 30-year contract. Applicable ticket taxes include a 10 percent ticket tax not to exceed \$2.00 per ticket.

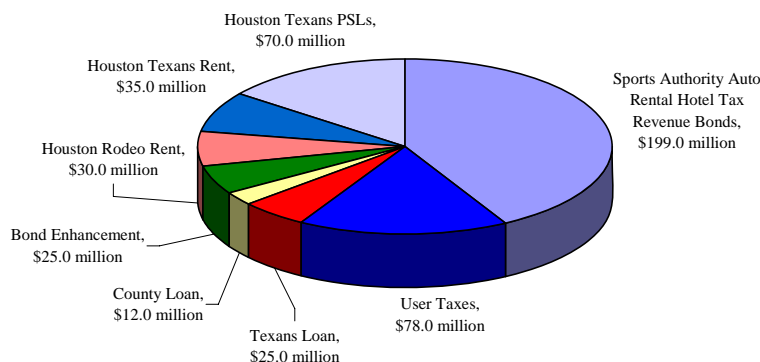


The Harris County Sports Authority issued revenue bonds totaling \$342 million for construction of the stadium. The bonds are supported by County hotel/motel tax revenue, auto rental tax revenue, user fees generated at the complex including a 10 percent parking tax, \$1 ticket surcharge and sales tax rebates on in-stadium spending. The auto/rental tax supports approximately \$199 of the \$342 in revenue bonds. The bond issue is also supported by rental payments from the Texans and Rodeo. The County provided a \$12 million loan that is subordinate to the two Sports Authority bond issues and the Texans loan (see below).

## Appendix 1. Peer Market Analysis Detail

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It is estimated that Texans rent supports approximately \$35 million of the \$342 million, while the Rodeo rent and other user taxes supports upwards of \$108 million. The Authority also issued \$25 million in additional bonds to cover improvements requested by the Texans. The additional bonds are supported by an increase of \$2.0 million per year in the Texans rent. The Houston Texans contributed \$70 million, which was generated by the sale of PSLs. In addition, the Texans provided a \$25 million loan that is subordinate to the two Authority bond issues and could potentially be repaid if the growth in auto rental and hotel taxes is sufficient to cover all three amounts.



### *Sports District Development*

The development and location of the Toyota Center may be attributed to the success of Minute Maid Park, which paved the way as the right location choice. The George R. Brown Convention Center lies between the two stadiums and has expanded in the last few years along with the development of the Hilton Americas and other developments in the surrounding area called the Sports District. The Hilton Americas-Houston is a \$285 million 1,200-room hotel next to the convention center that includes 66 suites, 2 ballrooms, 28 meeting rooms, and a 1,600-space parking. Other developments in the Sports District include:

- New downtown urban park, which is planned to be a highly active urban park comprised of 11.78 acres in front of the George R. Brown Convention Center. Construction is scheduled to begin in the summer of 2006 and be completed by late fall 2007. The estimated cost is \$81 million with \$41 million in land donated by the city and \$40 million raised by the Houston Downtown Park Conservancy.

## **Appendix 1. Peer Market Analysis Detail**

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- The Houston Pavilions, an entertainment, retail and urban living nucleus that encompasses nearly 700,000 square feet on three city blocks. The \$200 million development includes a 12-story, 134,000 square foot condominium tower offering 140 luxury units and approximately 200,000 square feet of loft office space will be available. The House of Blues has been announced as the project's first major tenant and it is estimated to be completed by early 2008.
- Root Memorial Square is a \$1.5 million renovation of the historic downtown park built in 1937 and is being developed by the City of Houston. The redesigned space is projected to be a pedestrian plaza for the Toyota Center.
- The Inn At The Ballpark is a \$37 million renovation of the former World Trade Center into a 12-story baseball-themed boutique hotel with 202 rooms with full service restaurant. The project is being developed by Landry's Hospitality.

The City of Houston has three of the most recently built arts and sports and entertainment facilities in the United States, not including Minute Maid Park, which was opened in 2000. The world-class facilities are capable of holding major events such as the Super Bowl, the World Series, the NBA All-Star Game, major concerts and Broadway Shows. In addition, the Hobby Center and Toyota Center have served as a catalyst for the Theater District and the Sports District, respectively.

### **Jacksonville, Florida**

Downtown Jacksonville is located along the St. Johns River and has undergone major changes in the past five years, with \$2.2 billion in private and public investment ranging from a new arena, baseball stadium and Jacksonville Museum of Modern Art to the additional 2,200 units of housing under construction or in the planning phases. Downtown Jacksonville envisions 10,000 housing units in place by 2013, ranging from affordable to luxury housing options and to develop a sense of neighborhood and encourage retail development and promote a pedestrian environment. The City of Jacksonville includes approximately 7,300 dedicated seats for the performing arts including the Times-Union Center for the Performing Arts and the Florida Theater.



## Appendix 1. Peer Market Analysis Detail

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### *Times-Union Center for the Performing Arts*

In 1962, the \$5 million Jacksonville Civic Auditorium opened with a 3,200-seat auditorium and a 600-seat theater. In 1993, the Mayor of Jacksonville unveiled a \$238.5-million River City Renaissance Plan, including \$17-million to renovate Civic Auditorium into a new, modern performing arts center. The project was designed to spur new development and encourage redevelopment of older buildings in the area. In addition to \$17 million from the City, the Jacksonville Symphony led a fund-raising campaign to raise \$17 million (\$9 million to supplement its existing \$4.5 million endowment, \$7 million to supplement the city \$17 million in renovation funding, and \$1 million for other purposes). In 1994, the Florida Times-Union's publisher, Carl Cannon, announced the newspaper had purchased the naming rights to the new performing arts center for \$3 million. Mr. Canon's gift is part of \$9.2 million in private funds used for restoration of the auditorium. Other contributions included \$2 million for the Moran Theater and \$2.5 million for the Jacoby Symphony Hall, which is used for acoustic symphony orchestra performance.



The Times-Union Center for the Performing Arts (“TUCPA”) has a riverfront view of the St. Johns River and attracts several thousand theatre and music goers every month. The TUCPA was originally built in 1962 and redeveloped in 1997 for approximately \$34 million. Approximately one-third of the funding for the TUCPA came from private donations. The performing arts center is owned by the City of Jacksonville and managed by SMG and has an annual budget of \$2.1 million.



The TUCPA is comprised of three theaters, an upper and lower lobby, South Marquee, Shircliff Lounge, Davis Gallery, five meeting rooms, and a 300,000 square foot exhibit hall. The center includes the 1,800-seat Robert E. Jacoby Symphony Hall, designed for non-amplified stage events. The 3,000-seat Moran Theater, designed for amplified performances, and other large production and performances. The third theater is the 600-seat Terry Theater, which is a multi-purpose hall with stage. The TUCPA also includes a 20,000 square foot exhibit hall. Programming at the TUCPA includes Broadway shows, symphony, dance, chamber music, theater, ballet and opera. In a recent year, the TUCPA hosted 293 events with over 315,000 attendees.

## **Appendix 1. Peer Market Analysis Detail**

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### *Florida Theater*

The 1900-seat Florida Theater opened in 1927 and has hosted a variety of events including ballet, opera, contemporary pop, jazz, rock, country and blues. The facility is located along the St. Johns River and serves as an anchor to downtown development. The Theatre hosts 200 cultural and entertainment events annually and attracts 250,000 people to Jacksonville's center each year.

### *Riverfront Development*

Downtown Jacksonville has recently seen over a half a billion dollars in new investment with another \$2.2 billion in new or proposed construction. Over 1,400 housing units have been completed since 2001, and an additional 690 units under construction, with over 2,800 units proposed for development for the near future. The majority of development took place along the St. Johns riverfront in the late 80's & early 90's, coinciding with the renovation of the Times-Union Center. The Center has a prime location along the St. John's riverfront located between the CVX building, a corporate headquarters built in the 1960's and the Landing, a retail development that was built in the late 80's. The majority of the development that is taking place in Jacksonville is along the riverfront and consists of high-rise residential space with office and retail space.

Developments surrounding the TUCPA and the Landing include hotels, condominiums, retail space and a residential community. Much of the development is centered around renovations of older buildings such as the SunTrust building. Recent plans call for a \$250 million hotel and condominium tower project near the Jacksonville Landing, which includes the redevelopment of the SunTrust Tower and Barnett Bank. Construction is scheduled to start in late 2006 with an opening in 2008. Other recent developments include:

- The Berkman Plaza is another recent development located along the St. Johns River. Phase one of this residential community has already been completed. The completed 22-story development currently includes a 198-unit high-rise condominium tower, 20 town homes, a swimming pool and a private parking garage with rooftop tennis courts, sun deck and gardens. The first phase also included the extension of the Northbank Riverwalk to the end of the town homes on the property. The total investment of this development is \$43.3 million with 226 condos to be called Plaza Condos. A \$36 million Phase Two of the Berkman Plaza includes the development of another 206-unit apartment tower, swimming pool, parking garage and seven more town homes.

## **Appendix 1. Peer Market Analysis Detail**

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- The \$20 million two-year renovation and modernization project for the 10-story Charles E. Bennett Federal Building has recently been completed. The public renovation included overall modernization, wiring improvements, asbestos abatement, elevator improvements and improvements to the exterior of the building.
- Renovations have recently been completed at the Dyal Upchurch building. The building now includes an art gallery that is located on the second floor, and a sit-down restaurant will eventually be added on the ground floor of the 45,000 square foot historic building. Total estimated investment is approximately \$1,700,000.

### *Jacksonville Veterans Memorial Arena*

The \$130 million Jacksonville Veteran’s Memorial Arena (‘Memorial Arena’) opened in November, 2003. The 14,000-seat arena serves as the area’s primary indoor sports and entertainment venue, and is home to the Southern Professional Hockey League (SPHL) Jacksonville Barracudas as well as other events including concerts, family shows and other sporting events. The arena is owned by the City of Jacksonville and managed by SMG.



The Jacksonville Veteran’s Memorial Arena is one of the premier components of the Better Jacksonville plan. In 2000, the Jacksonville voters approved The Better Jacksonville Plan as a blueprint for Jacksonville’s future. The \$2.25 billion plan is an all inclusive strategy that includes road and infrastructure improvements, environmental preservation and targeted economic development, and new and improved public facilities. The Plan is funded through a half-penny sales tax and by utilizing existing revenue sources.

The Memorial Arena is capable of hosting a variety of sport and entertainment events. It is also home to the Jacksonville Sports Halls of Fame. While the facility is smaller than the TD Waterhouse Centre, Jacksonville is now able to compete with Orlando for touring events such as concerts and other sporting events.

## Appendix 1. Peer Market Analysis Detail

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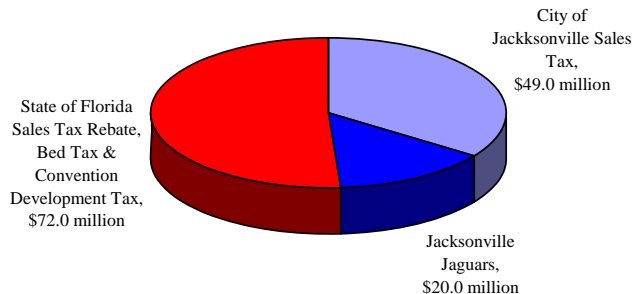
### *Alltel Stadium*

ALLTEL Stadium is home of the Jacksonville Jaguars, the Gator Bowl, an annual game between the University of Florida and the University of Georgia and in 2005 hosted the ACC Championship game. The stadium was completed in 1995 and is located in Jacksonville, Florida. The \$141.0 million open-air stadium is owned by the City of Jacksonville (City), operated by SMG Facility Management and has a seating capacity of approximately 76,976 seats. With the addition of temporary seating, the facility can hold up to 79,000 people. ALLTEL Corporation purchased the naming rights for \$6.2 million over 10 years.



Alltel Stadium hosted Super Bowl XXXIX on February 6, 2005. In preparation for hosting the Super Bowl, the facility underwent a \$46 million renovation in 2003 that added a Terrace Suite for 700 people, a 25,000-square-foot sports bar, a 20,000-square-foot patio, 20 new escalators, four new elevators, and a new secure perimeter fence around the stadium that includes a 50 percent increase in entry points. The stadium has approximately 6,000 available on-site parking spaces. The City of Jacksonville provided nearly \$11 million towards the stadium renovation project, and the Jaguars supplied the remaining \$35 million.

The original cost of the stadium was funded by the City of Jacksonville, the State of Florida, and the Jaguars. The City of Jacksonville issued \$49.0 million in revenue bonds secured by sales tax revenue. The State of Florida contributed \$72.0 million of funds in the form of a sales tax rebate, bed tax and convention development tax. The Jaguars contributed \$20.0 million to assist in project funding.



## **Appendix 1. Peer Market Analysis Detail**

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The City of Jacksonville has been infused with \$2.2 billion in private and public investment over the last five years, including funds for the renovation for a performing arts theater. The Times-Union Center for the Performing Arts serves as an anchor for the development along the St. Johns riverfront. The recently built Jacksonville Veterans Memorial Arena enables the City to attract major events to northeast Florida including concerts and family events. The recently renovated Alltel Stadium hosted the 2005 Super Bowl, which created an estimated economic impact of approximately \$300.

### **Memphis, Tennessee**

The City of Memphis has recently experienced the opening of two major arts and entertainment venues that have been key components to the revitalization of downtown. Memphis includes two chief performing arts venues including the historic Orpheum Theater and the recently built Cannon Center for the Performing Arts, totaling nearly 4,500 seats dedicated to the performing arts. The performing arts center opened in 2003 as an expansion of the Memphis Cook Convention Center. The new performing arts center is located less than a mile from the FedEx Forum, which opened in 2004. The Forum anchors the sports and entertainment district that includes the revitalized Beale Street and AutoZone Park. The sports and entertainment district attracts both locals and tourists.

#### *The Cannon Center for the Performing Arts*

The Cannon Center for the Performing Arts (“Canon Center”) officially opened in January 2003. The 2,100-seat performing arts center is the home of the Memphis Symphony Orchestra and hosts a variety of events including ballet, opera, pop and jazz concerts, touring theatrical productions, children's theater and general sessions for conventions at the Memphis Cook Convention Center.



The Cannon Center was built as part of the \$92 million expansion and renovation project for the Memphis Cook Convention Center. After renovation and expansion, the Memphis Cook Convention Center offers more than 300,000 square feet in of meeting and exhibit space. The Memphis Cook Convention Center is managed by SMG.

## **Appendix 1. Peer Market Analysis Detail**

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### *The Orpheum Theater*

The Orpheum Theater opened in 1928 at a cost of \$1.6 million and was renovated for \$5 million in 1982. The 2,333-seat theater is managed by the Memphis Development Foundation and hosts two seasons of Broadway tours. It is estimated that The Orpheum has hosted more Broadway touring productions than any other theater in the country on an average annual basis. It is home to Ballet Memphis and Opera Memphis groups.

### *FedEx Forum*

The FedEx Forum, located approximately one mile from the Cannon Center, opened in 2004 and is the home of the NBA's Memphis Grizzlies. The 18,200-seat arena is owned by the Memphis Public Building Authority and operated by Hoops LP, a subsidiary of the Grizzlies. Naming

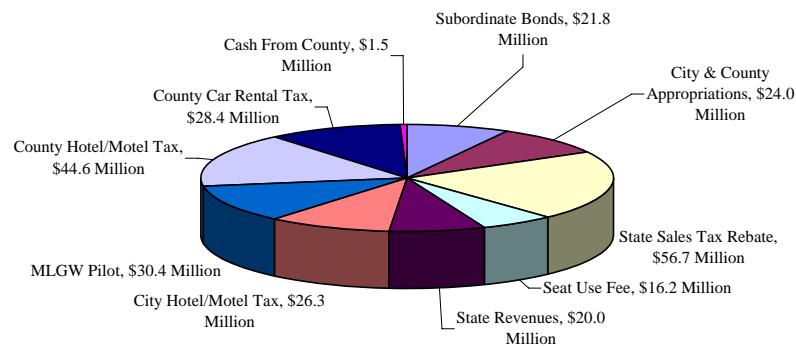


rights to the facility were sold to FedEx Corporation in 2004. The 20-year agreement calls for total payment in the amount of \$90.0 million. The impetus for this project was the relocation of the Grizzlies from Vancouver to Memphis. The Grizzlies relocated to Memphis in 2001 and are played in the Pyramid until the Forum opened.

Total development costs of the arena were approximately \$269.9 million. The Memphis and Shelby Sports Authority Inc. issued \$202.6 million in senior bonds, secured by six primary sources. The County backed \$44.6 million of the senior bonds via a hotel/motel tax and \$28.4 million through a car rental tax. The City also backed \$26.3 million of the senior bonds by car rental and hotel/motel taxes, and the State backed \$56.7 million of the senior bonds by a sales tax rebate. Privately held subordinate bonds totaling \$21.8 million are supported by a lien on the sales tax rebate, the car rental taxes and the seat use fee. The City's electric utility (MLGW) backed \$30.4 million of the senior bonds from payments in lieu of taxes. State revenues funded \$20.0 million for a parking facility, and the City and the County each funded \$12.0 million for construction and infrastructure improvements. The county provided \$1.5 million in available cash and \$16.2 million of the senior bonds are backed by seat use fees (\$1.15 per seat on all paid admissions). The \$269.9 million project included renovations to the Pyramid Arena, a 1,500 space parking garage and a \$10.0 million capital improvement fund.

## Appendix 1. Peer Market Analysis Detail

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The FedEx Forum is located in the Beale Street Historic District (“District”). The District averages 5.5 million visitors per year and is the top tourist attraction in Tennessee. Beale Street redevelopment began in 1983 and \$41 million dollars in tax revenue has since been generated. The District includes the Smithsonian’s Rock n’ Soul Museum, Auto Zone Park, and Peabody Place retail center. Peabody Place and Hotel includes 300,000 square feet of retail and 640 hotel rooms with over 2 million annual visitors and 250,000 hotel guests. Auto Zone Park is home of the Memphis Redbirds with 72 games/ a year and is attended by an estimated 1.5 million people.

### *Liberty Bowl Stadium*

The stadium is home to the University of Memphis Tigers football team, the Auto Zone Liberty Bowl and also hosts the annual Southern Heritage Classic college football game. The stadium opened in 1967 at a cost of approximately \$4 million and underwent renovations in 1987. The \$19.5 million expansion included the addition of private suites, 12,000 general seats, a new stadium club, lighting system and numerous concession stands and restroom facilities. The stadium currently has a seating capacity of 63,506 including 40 suites and 250 indoor club seats. The stadium is owned and operated by the City of Memphis. In addition to the bowl game and six University of Memphis football games, the stadium hosted several high school football games and two “battle of the bands” competitions in 2005.



The FedEx Forum and Cannon Center for the Performing Arts have increased the quality of life for residents of Memphis by spurring development, tourism, and revitalization to the downtown area. The once decrepit Beale Street, adjacent to the FedEx Forum, has been revitalized into the top tourist attraction in Tennessee. The FedEx Forum opened in 2004 and now enables Memphis to host major sporting events and concerts. The Cannon Center recently opened in 2003 and serves the residents of Memphis with a quality venue for the symphony, ballet, opera, jazz concerts, touring theatrical productions and children's theater.

## **Appendix 1. Peer Market Analysis Detail**

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### **Miami, Florida**

Miami is one of the most culturally diverse cities in the world with more than half of its residents born in other nations. It is a national and international destination with recently built, world-class entertainment facilities. In addition to an arena, which opened in 1999, and a stadium, which has hosted multiple Super Bowls since opening in 1997, a new performing arts center is opening in 2006. The Miami Performing Arts Center and the American Airlines Arena are located along Biscayne Boulevard, about one half mile from one another. The performing arts center is approximately 1.5 miles from Dolphins Stadium.

#### *Miami Performing Arts Center*



The Miami Performing Arts Center (“MPAC”) is expected to open in the fall of 2006. The \$446 million project is one of the largest public/private-sector partnerships ever undertaken by Miami-Dade County. The MPAC will include three theaters, an education center, a 57,000-square-foot outdoor plaza and a 1929 Art Deco tower. The 570,000 square foot Center is expected to attract 617,000 patrons on an annual basis.

In 1990, the Concert Association of Florida, Florida Grand Opera, the Florida Philharmonic, Miami City Ballet and New World Symphony formed the Performing Arts Center Foundation to raise money for a new performing arts center. In 1991, the Metropolitan Dade County Commission created the Performing Arts Center Trust to manage the operations of the Center. Sears, Roebuck & Co. and Knight Ridder donated 5.9 acres for the future site of the Miami Performing Arts Center. In 2001, construction for the MPAC began in conjunction with plans for the preservation and eventual renovation of the Art Deco tower.

The MPAC will contain the 2,400 seat Ziff Ballet Opera House, the 2,200-seat Carnival Concert Hall and the 200-seat Studio Theater. The facility will be home to the Concert Association of Florida, Florida Grand Opera, Miami City Ballet, and New World Symphony. The MPAC is expected to host a variety of performances including Broadway musicals, visiting classical artists, hip hop, world music, Latin concerts, and popular entertainment from many cultures.

## **Appendix 1. Peer Market Analysis Detail**

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Miami-Dade County, the Performing Arts Center Foundation and the Performing Arts Center Trust all collaborated in a private-public partnership to oversee the completion of the Center. Miami-Dade County owns the Center complex and is charged with overseeing the construction. The construction of the MPAC is being financed largely by public revenues from the Convention Development Tax (CDT), revenue from the Omni Tax Increment District and private contributions raised by the Performing Arts Center Foundation.

The \$446 million construction costs for the arts center include \$315 million in hard costs, \$100 million in soft costs and a more than \$30 million acceleration fee to contractor payments in order to complete the center by August.

The Performing Arts Center Foundation represents the private sector and the four future MPAC resident companies. The Foundation was responsible for raising funds from the private sector. The Foundation generated a total investment of \$80 million in the project from private-sector contributions. The MPAC originally expected \$82 million in tax dollars over the next 20 years from the proposed extension of the Omni Redevelopment District Community Redevelopment Agency until 2027, based on conservative estimates of tax-roll growth over that period

The MPAC is expected to have a direct tax impact of \$25 million to \$30 million per year, and increased private real estate development valued at over \$2.5 billion. An economic impact study completed in 2002 projected the development to have an impact of \$690 million and bring the City of Miami approximately \$4 million a year in taxes. The study also projected the MPAC to annually generate \$6 million to \$8 million in taxes for Miami-Dade County and \$5 million to \$8 million in taxes for the state. The project was expected to generate 6,300 jobs during construction, and spur 70,000 square feet of retail and restaurant space, 1 million square feet of middle- and high-end office space and about 800 new hotel rooms in the district.

The MPAC is one of several performing arts venues in Miami which includes approximately 10,100-seats dedicated to the performing arts. Additional theaters include the Coconut Grove Playhouse, Fair Expo Playhouse, Miami-Dade County Auditorium and Olympia Theater.

### **Coconut Grove Playhouse**

The Coconut Grove Playhouse, first opened as a movie house in 1926, was converted to a live performance theater in 1956. The 1,100-seat theater closed for a short period of time in 2006 for financial reasons but has since resumed operations.

## **Appendix 1. Peer Market Analysis Detail**

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### Fair Expo Center – Playhouse

The 22-acre Fair Expo Center is the home of the Miami-Dade County Fair. The Center houses numerous facilities including the 150-seat Playhouse which is located inside Arnold Hall, a multi-use exhibition hall constructed in the 1950's.

### Miami Dade County Auditorium – Theater

The Miami-Dade County Auditorium, opened in 1951, is performing arts center for opera, symphony, theater, concerts, ballets, lectures and other programs of community interest. The 2,429-seat theater underwent an extensive renovation in 1995 including technical upgrades as well as complete interior and exterior remodeling.

### Olympia Theater

The Olympia Theater at Gusman Center for the Performing Arts first opened in 1926 as a silent movie house. The 1,710-seat theater is listed with the National Historic Register of Places and underwent total paint and plaster interior restorations in 2002.

### *Development*

The MPAC is a focal point for the development boom on Biscayne Boulevard. The MPAC is located in the Omni District, where real estate taxes have increased by 280 percent since 1999, and property values have risen to more than \$300 million. The Downtown Development Authority has also documented 20,800 new rental and condominium units built, under construction or planned--a total of 3.9 million square feet of new construction since 1995.

Boulevard is the first designer condominium located just south of the Design District and is expected to be complete by the end of 2007. It is a 16-story mixed use development composed of 127 residences ranging from 667 to 2,100 square feet and 12,776 square feet of retail. Over 22 major residential and commercial projects are under construction, approved or proposed along Biscayne Boulevard and Biscayne Bay, on the site of the Omni Mall, and in the area surrounding the MPAC.

To date, there are already 13,000 residential units being developed or in the planning stages. There are also three major shopping centers containing hundreds of thousands of square feet of retail space being developed. The Florida Grand Opera, one of MPAC's resident companies, is planning to build a \$34 million headquarters and a 500-seat recital hall next to the center.

## Appendix 1. Peer Market Analysis Detail

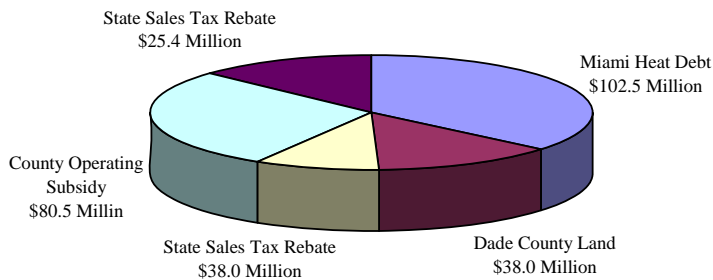
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### *American Airlines Arena*

American Airlines Arena (AAA) is located near downtown Miami, approximately one half mile from the Miami Performing Arts Center. It is the home of the NBA's Miami Heat. The \$283 million facility opened in 1999 and has a seating capacity of 19,600. The arena is owned by Miami/Dade County and operated by Heat Basketball Properties, Inc. Naming rights for the arena were sold to American Airlines Corporation in 1999, calling for a \$42 million total payment over the 20-year term of the agreement. The arena development was approved by a County-wide referendum a year after the public defeated a similar proposal.



Public sources of the arena's construction cost accounted for approximately 51 percent of the total cost, consisting of a County operating subsidy of \$80.5 million, County land with an appraised value of \$38.0 million and approximately \$25.4 million from a State sales tax rebate. The remaining development costs were funded privately, with the Heat supporting \$102.5 million in debt and other Heat sources including seat deposits, sponsorship rights, interest income and team equity. The Heat were responsible for the financing of the facility. However, as noted, the Heat receive an annual operating subsidy which enabled the team to contribute a higher upfront amount.



## **Appendix 1. Peer Market Analysis Detail**

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### *Dolphins Stadium*

Dolphins Stadium is home to the Miami Dolphins (NFL), the Florida Marlins (MLB) and the FedEx Orange Bowl. The stadium opened in 1987 and has a seating capacity of 72,230, which includes 182 suites and 10,193 club seats. Dolphin Stadium was constructed entirely with private funds and cost \$115 Million. With the addition of temporary seating, the capacity can be increased to 77,000. The stadium is owned by Mr. H. Wayne Huizenga and operated by SMG.



In addition to hosting the Orange Bowl, in 2005 Dolphins Stadium was host to ten Miami Dolphins home games, 81 Florida Marlins home games, a Florida Atlantic University football game, the Florida High School Football State Championship as well as a limited number of non-sporting events. The biggest non-sporting event held in 2005 was the Monster Truck Jam with attendance of approximately 50,000. Events held in the past have included the UniverSoul Circus and other trade shows. Dolphins Stadium has previously such concerts such as U2, Rolling Stones, Paul McCartney, and Elton John. The Stadium has hosted the Super Bowl three times; Super Bowl XXIII in 1989, Super Bowl XXIX in 1995 and Super Bowl XXXIII in 1999. It has also hosted the World Series in 1997 and 2003.

### **Greater Miami Facilities and Developments**

Metropolitan Miami also includes several sports and entertainment facilities that are located outside downtown. The Broward Center for the Performing Arts, located in Fort Lauderdale, serves as an anchor to the Riverwalk Arts and Entertainment District. Fort Lauderdale also hosts smaller venues for the performing arts including the Bailey Concert Hall and the Parker Playhouse Theater. The Bank Atlantic Center, built in 1998, has attracted numerous internationally renowned artists and has hosted the 2000 NHL Stanley Cup Championship and the 2003 NHL All-Star game.

## Appendix 1. Peer Market Analysis Detail

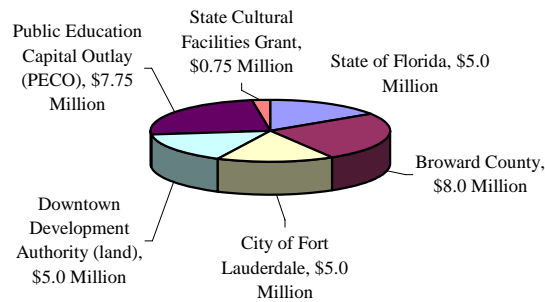
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### *Broward Center for the Performing Arts*

The Broward Center for the Performing Arts (“Broward Center”) is located at the heart of Fort Lauderdale's Arts and Entertainment District. The \$54 million complex opened in 1991 and consists of the 2,700-seat Au-Rene Theater, and the 590-seat Amaturro Theater. The Broward Center hosts Broadway musicals, modern dance, ballet, classical music and pop concerts. The Center is owned by Broward County and operated by the Performing Arts Center Authority, a semi-governmental entity that is supported by the Broward Performing Arts Foundation, a not-for-profit entity.



The \$54 million Broward Center was funded by public and private partnerships. A total of \$18.5 million in private funds were contributed by individuals, corporations and foundations. The following is a summary of public contributions:



The Broward Center attracts nearly 700,000 annually and generates \$20 million annually in ticket sales. The facility typically hosts over 600 performances a year, which accounts for 30 percent of all performances in Broward County.

The economic impact of the Broward Center was approximately \$330 million in the first five years after the Center's opening and continues to exceed \$30 million annually. The Broward Center was built as the anchor of a new Riverwalk Arts & Entertainment District located in downtown Fort Lauderdale. The district has witnessed an increase in new construction and renovation of existing structures.

In addition to the Broward Center, the Riverwalk Arts & Entertainment District includes the Museum of Art the Florida, the Grand Opera, the Concert Association of Florida, the Old Fort Lauderdale Village & Museum and other historical sites. The district also includes sidewalk cafes, art galleries, retail shops, and restaurants located along the waterfront.

## Appendix 1. Peer Market Analysis Detail

Additional performing arts centers within Broward County include the Bailey Concert Hall and the Parker Playhouse.

### The Bailey Concert Hall

The Bailey Concert Hall is a 1,144 seat theater hall located on the Broward Community College Central Campus.

### The Parker Playhouse

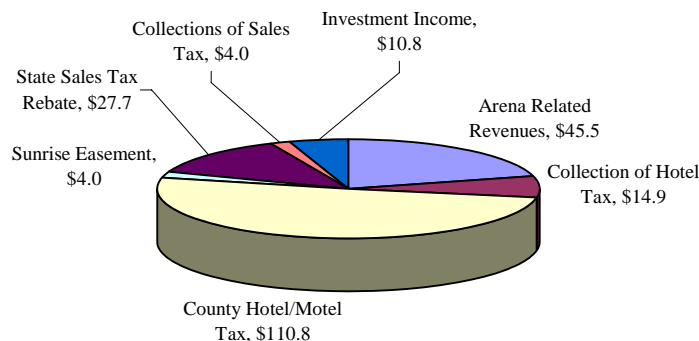
The 1185-seat Parker Playhouse Theater hosts a variety of events including comedy, theater, musicals, and plays.

### *Bank Atlantic Center*

The Bank Atlantic Center is located in Sunrise, Florida and is home to the NHL's Florida Panthers. The Center opened in late 1998 and is owned by Broward County and is operated by the Arena Operator Company, Limited (an affiliate of the Panthers). The Bank Atlantic Center has a capacity of 19,250 seats for hockey and 20,000 for basketball.



The development costs of the Bank Atlantic Center totaled \$217 million, of which 79 percent was funded through public participation. To fund the arena, Broward County issued approximately \$184.0 million in bonds which are secured by arena revenues (private funds), hotel/motel taxes and a State sales tax rebate (public funds). Approximately \$110.77 million was generated from an increase in the local hotel/motel tax, while a State sales tax rebate generated an additional \$27.69 million. Other public funds include current tax collections, interest income and easement revenue (\$33.7 million).



## **Appendix 1. Peer Market Analysis Detail**

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The development agreement between the County and Panthers calls for the Arena Operator to fund the difference between the annual debt services associated with the County's bond issuance and \$10.0 million. The difference is supported by arena-related revenues which are estimated to generate \$45.5 million of the County's \$184.0 million debt issue. A 6% State sales tax is applied to all ticket sales and Property taxes are not applicable since the facility is publicly owned.

Miami and Greater Miami have an inventory of high quality facilities. The oldest venue, Dolphins Stadium, has hosted three Super Bowls and continues to attract major events to the Miami area. Currently, Super Bowls are expected to have an economic impact of between \$300 and \$400 million to the local economy. Miami also has two state of the art arenas, American Airlines Arena and the Bank Atlantic Center, which attract major sporting events and concerts to the metropolitan area. In addition, Greater Miami is home to two performing arts center, the Broward Center and Miami Center. As previously illustrated, both venues have had a direct impact on their areas through private and public investment in the surrounding area.

### **Nashville, Tennessee**

Nashville has long been known as an entertainment destination, serving as the home of country music and the Grand Ole Opry. Nashville includes nearly 14,000-seats dedicated to the performing arts including the 5215-seat Tennessee Performing Arts Center. While the Tennessee Performing Arts Center is not a recently built venue, it continues to serve as a performing arts attraction for residents and tourists alike. Nashville has experienced two major developments within the last 10 years with the opening of the Gaylord Entertainment Center in 1996 and L.P. Field in 1999. The three entertainment venues are all located within one mile of each other.

#### *Tennessee Performing Arts Center*

The Tennessee Performing Arts Center ("TPAC") was built in 1980 and is located in the James K. Polk Cultural Center in Downtown Nashville's Art's District. The Polk Cultural Center occupies an entire city block and includes the Tennessee State Museum. The cultural center adjoins the 18-story James K. Polk Office Tower.



## **Appendix 1. Peer Market Analysis Detail**

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The TPAC includes three performance spaces; the 2,472-seat Andrew Jackson Hall, the 1,075-seat James K. Polk Theater, and the 256-seat Andrew Johnson Theater. The TPAC presents Broadway shows, plays and special engagements. TPAC is also home to four resident performing arts organizations; the Nashville Ballet, the Nashville Opera Association, The Nashville Symphony, and Tennessee Repertory Theatre. In addition to the facilities within the arts center, TPAC manages the 1,668-seat War Memorial Auditorium, a multi-purpose historic landmark across the street.

Additional performing arts centers in Nashville include the legendary Grand Ole Opry House, the Ryman Auditorium and the Nashville Municipal Auditorium.

### **The Grand Ole Opry House**

The Grand Ole Opry House opened in 1974 and became the home of the Grand Old Opry's live music radio broadcasts that have been airing for more than 80 years. The theater, most well known for its country music performances, has a seating capacity of approximately 4,400.

### **The Ryman Auditorium**

The home of the Grand Ole Opry from 1943 to 1974, Ryman Auditorium originally opened its doors in 1892. The current configuration of the 2,362-seat theater was completed during an extensive restoration that took place in 1994.

### **Nashville Municipal Auditorium – James Robertson Theater**

The Nashville Municipal Auditorium was constructed in 1962 and is home to the James Robertson Theater which has a seating capacity of approximately 3,000. The Auditorium, including the theater, underwent 1.2 million in renovations and repairs in 1994.

### **Schmerhorn Symphony Center**

The Schmerhorn Symphony Center will open in September 2006, and will have a capacity of approximately 1,900 seats. The Center will serve as the new, full-time home of the Nashville Symphony, which currently plays at the TPAC.

## Appendix 1. Peer Market Analysis Detail

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### *Nashville Arts Industry*

The arts are important to the local Nashville economy because they add directly to the economy through employment and spending as well as attracting local visitors and out-of-town guests. The presence of a strong arts industry can be a desirable attribute to attract new residents and companies. Middle Tennessee State University, the Nashville Area Chamber of Commerce and the Metropolitan Nashville Arts Commission conducted a study of the Nashville Arts District, which the TPAC is apart included. The study estimated that the arts industry contributed \$65.25 million to Nashville's economy in 2001, which was an increase of 9.03% over the previous year. Total revenues for the arts industry also increased to \$82 million on an annual basis. The chart below is a financial summary of the Nashville arts industry.

2001 Nashville Arts Industry	
Paid Admissions	\$32.3
Contributions (ind)	\$4.3
Contributions (bus)	\$3.8
Guilds/Auxiliaries	\$2.1
Foundations	\$18.7
Governments	\$7.0
Other Sources	\$14.2
Total Revenue	\$82.1
Earned Revenue as a % of Total Revenue	39.2
Note: In Millions	

In 2003, the arts industry supported 1,884 full-time jobs, an increase from the 2,064 in 2002. Total sales revenue that is attributable to arts-related activities in 2003 was \$158 million; \$100 million of which was generated by arts organizations and the rest through arts audiences. Additionally in 2003, total personal income generated by arts organizations and arts audiences totaled \$112 million, an 8% increase over 2002. The sum of personal income is the result of estimated ancillary spending by audiences in connection with arts and the amount generated by the arts organizations. State and Local taxes generated by arts organization totaled \$5 million. In 2003, total attendance was up 300,000 to 2.4 million patrons.

## **Appendix 1. Peer Market Analysis Detail**

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### *Gaylord Entertainment Center*

The Gaylord Entertainment Center, in Nashville, is located about one half mile from the TPAC. The Center opened in 1996 without a professional sports anchor tenant, but received an expansion NHL franchise, Nashville Predators, which began play in the 1998-1999 season. The facility has a seating capacity of approximately 17,500. Gaylord Hotels retained the naming rights of the arena for \$80 million over 20 years.



The \$157 million facility was 100 percent publicly financed. The City of Nashville issued \$143.5 million in general obligation bonds to fund the arena construction. Subsequently, the City issued \$14.1 million in general obligation bonds to fund additional private suites, a restaurant, team offices and locker room space.

The Center is linked to the Nashville Convention Center, Renaissance Nashville Hotel and Church Street Centre Mall by a climate-controlled walkway.

### *LP Field*

LP Field, home of the Tennessee Titans (NFL), the Gaylord Hotels Music City Bowl and the Tennessee State University (TSU) Tigers football team, opened in 1999. The Field is located approximately one mile from the TPAC. The \$291.7 million facility is owned by the Sports Authority of the Metropolitan Government of Nashville and Davidson County and operated by the Titans. The open-air stadium has a seating capacity of approximately 68,400 seats. The Stadium cost approximately \$292 million and is located on a 33-acre complex in the East Bank section of Nashville.

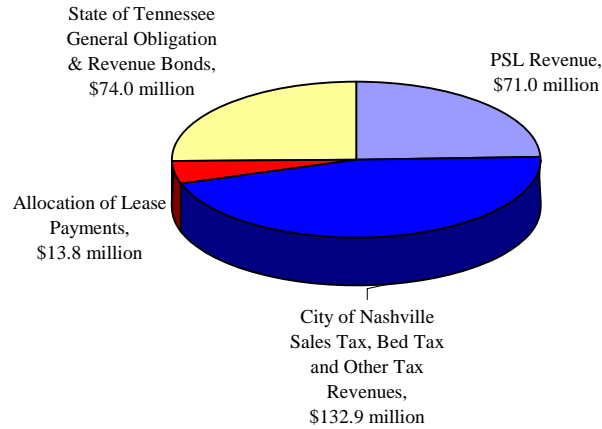


The City of Nashville contributed \$132.9 million in revenue derived from sales tax, bed tax and other taxes. The State provided \$74.0 million of the financing, with the majority coming from \$55.0 million in bonds that will be repaid through sales taxes generated at the facility.

## Appendix 1. Peer Market Analysis Detail

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The sale of personal seat licenses (PSLs) generated approximately \$71.0 million to assist in the funding. The remaining \$13.8 million was provided from funds allocated by the Authority from lease payments.



Nashville is internationally renowned for the country music industry and is widely recognized as the country music capital of the world. The arts and entertainment industry have long been synonymous with the City. The Tennessee Performing Arts Center was built in 1980 and is part of the Nashville Arts Industry that contributes to the local economy and development. The Nashville market has two recent additions; the Gaylord Entertainment Center opened in 1998 and L.P. Field opened in 1999.

### Phoenix, Arizona

The City of Phoenix has one of the fastest growing populations in the United States and its development in the arts and entertainment industry has kept pace. The development of entertainment venues has breached the city limits along with the growing population. The metro area opened one state of the art arena in 2003 and is expected to open the high-tech New Cardinals Stadium in 2006. The US Air Arena opened in 1992 and recently underwent a \$60 million renovation. The City of Phoenix does not include a primary performing arts center, but includes a variety of performance venues which have either recently opened or have recently been renovated. These venues contain approximately 13,000 seats dedicated to the performing arts.

## Appendix 1. Peer Market Analysis Detail

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### *Performing Arts Centers*

Although the City of Phoenix does not include a focal performing arts center, there are a variety of arts and entertainment venues in the region including Symphony Hall, Orpheum Theatre, the Dodge Theater, the Herberger Theater, Webb Theater, and the Celebrity Theater.

#### Symphony Hall in Phoenix

Symphony Hall first opened in 1972, and recently underwent an extensive \$18.5 million renovation and expansion. The multi-purpose Symphony Hall is home to the Phoenix Symphony, Arizona Opera and Ballet Arizona, as well as Broadway touring companies, a variety of dance productions, and seminars. After the renovation, Symphony Hall now seats 2,387 patrons and the lobby was expanded by 2,652 square feet.

#### Dodge Theatre

The recently opened Dodge Theatre is a state of the art entertainment venues that can seat 1,900 to 5,000 patrons for concerts and 5,500 for sporting or corporate events. It was designed specifically for concerts, Broadway shows, family stage shows, boxing, and convention meetings.

#### Orpheum Theater

The historic Orpheum Theatre was originally constructed in 1927 in downtown Phoenix for \$750,000. In need of serious repair and under threat of being razed, the Mayor of Phoenix in the early 1980's endorsed a plan to have the city buy the theater to ensure its preservation. The Junior League of Phoenix played a major role in the restoration of the Orpheum by contributing \$150,000, 175 volunteers and thousands of hours to the restoration efforts. Presently, after 12 years and a \$14 million renovation, the 1,364-seat theater is attracting thousands to downtown for Broadway shows. The Orpheum is owned and operated by the City of Phoenix Civic Plaza Department.



## **Appendix 1. Peer Market Analysis Detail**

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### The Herberger Theater Center

The Herberger Theater Center (“HTC”) was built in 1989 and was part of the redevelopment and revitalization of downtown Phoenix. Since opening, the HTC has had over 2.3 million patrons and is home to four resident companies. The HTC has three theaters including an 800-seat Center Stage Theater.

### Del E. Webb Center for the Performing Arts

The Del E. Webb Center for the Performing Arts is located approximately one hour northwest of Phoenix, in Wickenburg, Arizona. The 600-seat theater, commonly referred to as the Webb Center officially opened in 2001.

### Celebrity Theater

Built in 1963, the Celebrity Theatre was originally designed as a multipurpose conference center and has been hosting performing arts since its opening. In 1995, the theater was extensively renovated and can seat 2,100 people as a proscenium stage or 2,665 people in the round.

### *Glendale Arena*

Glendale Arena is located in the Phoenix suburb of Glendale, near the Cardinal’s new Stadium. It is home to the NHL’s Phoenix Coyotes, and the National Lacrosse League’s Arizona Sting. The facility cost \$207 million, including \$30.0 million in infrastructure improvements. Glendale Arena opened for the 2003-2004 NHL season and has a seating capacity of approximately 17,500. The arena is owned and operated by the City of Glendale. The Coyotes previously played at the American West Airlines Arena.

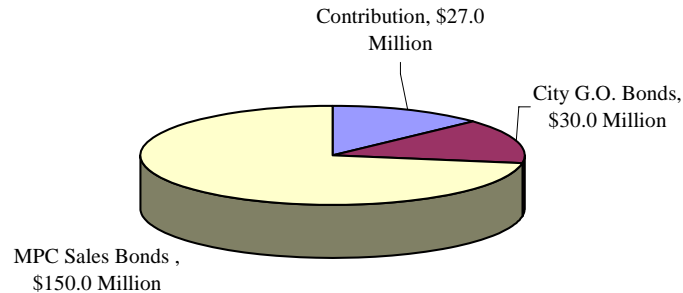


The City of Glendale contributed a total of \$180 million toward the project cost, including the issuance of \$150.0 million in Municipal Property Corporation bonds backed by existing City sales tax revenues. The remainder of the City’s contribution consisted of \$30.0 million in G.O. Bonds used to fund infrastructure improvements. The City expects to recoup its investment in arena construction through incremental taxes generated by the Westgate development.

## Appendix 1. Peer Market Analysis Detail

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The team agreed to fund any cost overruns beyond the City's \$180 million contribution. The team's contribution amounted to approximately \$27.0 million. In addition, the team is responsible for developing the Westgate City Center complex. The Westgate development is going to be an entertainment and retail hub centered around the arena; including a 320-room Renaissance Hotel and Conference Center. The arena is located adjacent to the new Cardinal's stadium.



After losing the 2006 All-Star Game due to the Olympics, the Arena will host the 2009 game. According to the Phoenix Coyotes, NHL All-Star Weekend is expected to generate \$15-\$18 million for the local economy. Visitors, players, fans and participants will occupy more than 2,000 hotel rooms on peak night and a total of 5,000 room-nights during the weekend. Additionally, more than 20,000 meals will be consumed at local restaurants and hotels.

### *US Airways Arena*

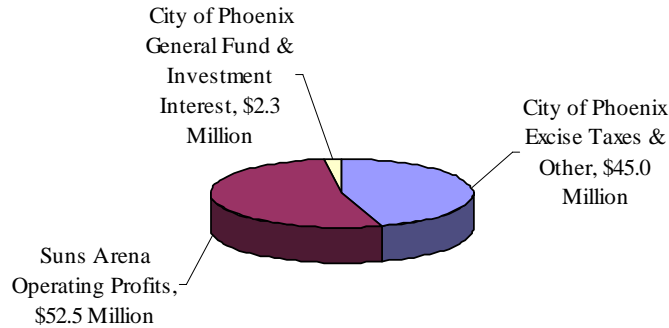
The \$100 million US Airways Arena (formerly America West Arena), is located in downtown Phoenix. It is the home of the NBA's Phoenix Suns and has a total seating capacity of approximately 19,000 for basketball with 88 suites, 32 loge boxes and 1,350 club seats. Originally constructed in 1992, the facility underwent approximately \$60 million in renovations from 2001 to 2003.

The City of Phoenix issued \$45.0 million in revenue bonds, which are backed by excise taxes. The bonds are being paid by a portion of the excise taxes and by an additional tax placed on hotels, motels and car rentals. The proceeds of the bond issue were distributed towards the City's share of construction costs of \$35.0 million and the site's land cost of \$10.0 million. As the City's portion of total cost of the land was \$12.3 million, the City made up its portion of the remaining cost (\$2.3 million) from the general fund and investment income. A 6.8% (1.3% City and 5.5% State) sales tax is applied to all ticket sales and since the arena is owned by the City, property taxes are not applicable.

## Appendix 1. Peer Market Analysis Detail

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The Suns (Phoenix Arena Development Limited Partnership) contributed \$52.5 million towards the construction of the arena. The Suns source of funding was a line of credit from Fuji Bank which was secured through arena revenues.



Major renovations to US Air Arena totaled approximately \$70 million. The City contributed \$25.0 million in funds derived from the hotel/motel and car rental taxes used to fund the original construction. Proceeds from the taxes have historically exceeded the amount required for debt service. A portion of the excess revenues represented the City's contribution to the renovation project. The Suns (Phoenix Arena Development Limited Partnership) privately financed the remaining \$45.0 million in project costs.

### *New Cardinals Stadium*

The New Cardinals \$416 Stadium is scheduled to open in 2006 in Glendale, Arizona, approximately 9.5 miles from downtown Phoenix. The stadium will include 67,000 fixed seats with the capability to temporarily expand to 73,000 for special events. The facility will feature a retractable roof and a natural grass field that can be rolled out of the stadium to accommodate trade shows, convention, and other such events.



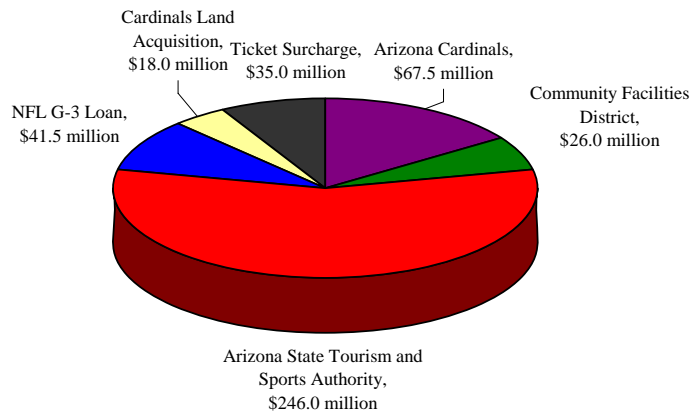
The development of the stadium and site infrastructure will create more than 3,500 jobs and more than \$400 million in economic benefits to Arizona's economy. In addition to hosting the Arizona Cardinals home games, the Stadium will host the NFL's Super Bowl XLII. The average economic impact of Super Bowl XLII is expected to be between \$300-400 million. While the Cardinals Stadium is projected to seat approximately 73,000 people, an additional 50,000 non-game ticket holders are expected to visit Phoenix during the festivities.

## Appendix 1. Peer Market Analysis Detail

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Public funding includes the Arizona State Tourism and Sports Authority contributing \$246.0 million to the project. The Community Facilities District is funding approximately \$61.0 million of infrastructure project costs of which \$35.0 million of this is secured by bonds backed by the Arizona Cardinals ticket surcharge of \$4.50 per ticket.

Private participation includes the NFL providing a \$41.5 million G-3 loan. In addition, the Arizona Cardinals have committed to paying \$67.5 million of stadium development costs and purchased the land for \$18.0 million.



Although Phoenix does not have a signature performing arts center, there are several venues for the citizens of Phoenix to patronize including the Symphony Hall in Phoenix, which recently underwent an \$18 million renovation and the Herberger Theater Center, which opened in 1989 and has been a catalyst for downtown revitalization. The Phoenix arts and entertainment has expanded to the suburbs with the opening of Glendale Arena in 2003 and the opening of the New Cardinals Stadium in the fall of 2006. These recent developments serve as the anchor tenants of the Westgate project. The Westgate project is an entertainment, hotel and retail development centered around the arena and stadium complex.

### Raleigh, North Carolina

Raleigh is the second largest city in the Carolinas and has the fastest growing population, adding 10,000 residents annually to the current population of 360,000 residents. Downtown Raleigh is considered by businesses, residents and visitors, a great place to live, work and play.

## **Appendix 1. Peer Market Analysis Detail**

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The Raleigh Convention and Conference Center Complex is located in the center of downtown Raleigh, North Carolina. The complex includes Memorial Auditorium, a 2,277 seat theater for music, dance, comedy, and Broadway touring productions, and the Progress Energy Center for the Performing Arts - a new theater and music hall complex. A new state-of-the-art convention center is currently being constructed to replace the original convention center. The new convention center will include more than 500,000 total square feet of space, twenty individual meeting rooms totaling 32,600 square feet, an exhibit hall that offers 150,000 square feet, a reception area with views of the city and a 32,000 - square foot ballroom. The RBC Center is a recently built arena that is located approximately seven miles from downtown Raleigh and the performing arts center.

### *Progress Energy Center for the Performing Arts*

The Progress Energy Center for the Performing Arts (“PECPA”), located in downtown Raleigh, opened in 2001. The venue consists of three theaters and joins the existing Memorial Auditorium to offer an additional 2,470-seats for the arts and entertainment. PECPA includes The Fletcher Opera Theater, Meymandi Concert Hall and the Kennedy Theatre. The 1,700-seat Meymandi Concert Hall is located on the west side of the PECPA. The Fletcher Opera Theater, on the east side of the PECPA is a 600-seat theater designed for opera, dance, and theatrical productions. The Kennedy Theatre is a new 170-seat, experimental theater that provides performance space for innovative groups.



### *Downtown Raleigh Development*

The Downtown Raleigh office market is composed of about six million square feet of office space, with the majority concentrated around the Fayetteville Street District. The downtown vacancy rate is less than ten percent, one of the lowest in the region. There are approximately 4,200 apartments, condominiums, town homes and single family homes in the heart of downtown. Over 11,000 residents live within a one mile radius and 85,660 residents within a three-mile radius of Downtown Raleigh. Residents living within a one mile of downtown generate an average household income of over 58,000 per year, 70.4% have some secondary education and 73.2% hold a professional job.

The Fayetteville Street District, which incorporates the PECPA and the State Capital, is considered the Central Business District of Downtown Raleigh. It is distinguished by its skyscrapers, the density of the building, and the pedestrian traffic. Fayetteville Street, otherwise known as North Carolina’s main street, is currently undergoing revitalization from a pedestrian mall to a traditional street with outdoor cafes, street-level retail and wide sidewalks.

## **Appendix 1. Peer Market Analysis Detail**

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Development in the Fayetteville Street District includes condominiums, hotels, company headquarters, retail space and the redevelopment of the street. Other examples include The Hudson, which is a high rise development with 64 condominium units, street-level retail and a local news studio. The 366,000 square foot Two Progress Plaza will serve as the company headquarters for a Fortune 500 Company.



Projects that are ready to begin construction include the Four-Star, 400- room Marriott Convention Hotel. Also planned for development is the RBC, which will serve as the headquarters for the RBC Centura Bank. The building will include 31 floors of office, condominiums, retail and parking. RBC Centura Bank will relocate their headquarters to Raleigh in 2008. The new headquarters, will host as many as 500 employees.

Raleigh also has several projects that are in the planning stages including a 500,000 square foot renovation to the convention center scheduled to open in 2008. The LaFayette Hotel is another planned development that includes an 80-room boutique hotel with 40 residential condos and a rooftop bar and swimming pool.

The Fayetteville Street Renaissance is a major public sector projects under construction. The first phase is expected to be complete by July, 2006, and the project will include 28-foot wide sidewalks to accommodate outdoor dining, stone paver sidewalks, benches, bike racks, trees and planters and public artwork. Wake County is also renovating and redesigning the public space in front of the Wake County Courthouse.

### *RBC Center*

RBC Center in Raleigh, North Carolina was completed prior to the start of the 1999/2000 season. The Arena has a seating capacity of 21,000 and is home to the NHL's Carolina Hurricanes and North Carolina State University basketball. Total development costs of the facility totaled \$176.3 million, 68 percent of which were public funds. The arena is publicly-owned by the Centennial Authority (Authority) and operated by the team.

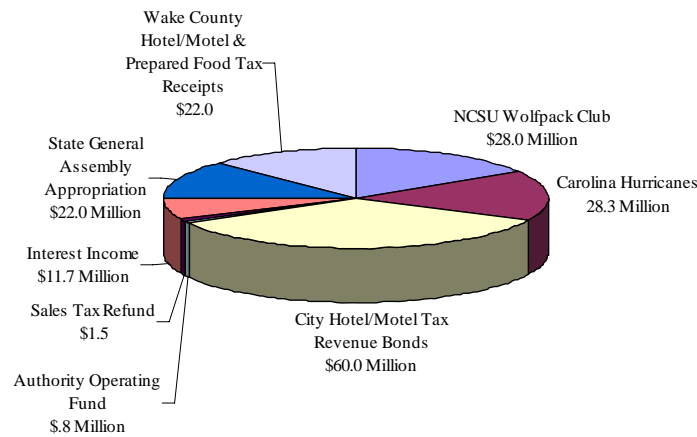


## Appendix 1. Peer Market Analysis Detail

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RBC Center was initially designed by NCSU for basketball use only. In 1996, the Centennial Authority was created and inherited the architectural drawings and redesigned the building to incorporate suites and club seats as well as to accommodate a variety of other events. Subsequent to the Hurricane's decision to relocate in Raleigh, the arena had to be further redesigned to accommodate the NHL even after it was under construction.

The Authority issued \$60 million in revenue bonds of which \$42 million of the proceeds were used to finance the development of the arena. The remaining \$14 million was used for construction period interest, debt reserve fund, and issuance costs. The revenue bonds are secured by hotel taxes. The City/County also contributed \$22 million from hotel and prepared food tax revenue, while the State of North Carolina appropriated \$22 million. Other public funds included \$11.6 million of interest income, a sales tax refund from the tax which the Authority paid on construction materials and a contribution from the Authority's operating fund. The State provided the land (which they already owned) for the project. Four million of the State's appropriation related to the initial site preparation. The Carolina Hurricanes contributed \$28.3 million, while the North Carolina State University Wolfpack Club contributed \$28.1 million. The Authority was responsible for all facility development cost overruns.



Raleigh is the second largest city in the Carolinas and has witnessed a significant amount of growth surrounding the Progress Energy Center for the Performing Arts. The Center was opened in 2001 and is at the center of the Fayetteville Street District development that includes Street District includes condominiums, hotels, company headquarters, retail space and the redevelopment of the street. Although the RBC Center is not located in downtown Raleigh, it opened in 1999 and is capable of hosting major sporting, concert and other entertainment events.

## **Appendix 1. Peer Market Analysis Detail**

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### **San Jose, California**

Although San Jose does not have any recently built facilities, the community continues to support the arts and entertainment industry. The San Jose Center for the Performing Arts is home to multiple performance companies and was renovated in 1987. The HP Pavilion opened in 1993 and has since been one of the most active arenas in the United States, hosting over 190 annual events.

#### *San Jose Center for the Performing Arts*

Designed by the Frank Lloyd Wright Foundation, the San Jose Center for the Performing Arts (“SJCPA”) was originally opened in 1972 as a community theater space. It was renovated in 1987 and a new acoustic shell was installed. The SJCPA seats 2,665 patrons and includes a 2,400 square foot stage. It is owned and operated by the City of San Jose. The SJCPA has approximately 240,000 visitors a year.



The SJCPA is primarily used by the San Jose Dance Theater, Ballet San Jose Silicon Valley and the American Musical Theatre of San Jose (AMTSJ). The AMTSJ is a not-for-profit organization and is one of the oldest musical theatre companies in the nation. The AMTSJ has approximately 19,000 season ticket holders and an annual operating budget of \$15 million.

#### *HP Pavilion*

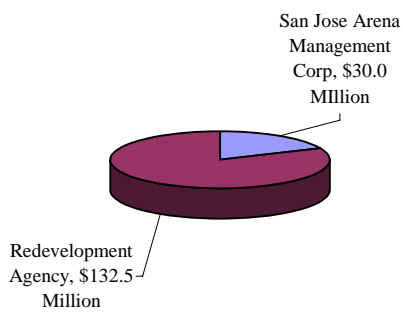
The HP Pavilion (“Pavilion”) at San Jose opened in 1993 and has a total seating capacity of approximately 18,200. The facility is home to the NHL’s San Jose Sharks. While the arena is owned by the City of San Jose, it is operated by the San Jose Arena Management Corporation (a Sharks affiliate).



## **Appendix 1. Peer Market Analysis Detail**

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The facility was developed for a total cost of \$162.5 million, 82 percent of which was publicly funded. The Redevelopment Agency of San Jose issued \$132.5 million in tax-exempt, tax allocation bonds used to fund the development of public areas of the new facility. The tax allocation bonds are similar to tax-increment bonds and they are repaid by the property taxes generated within a specific area. The San Jose Arena Management Corporation provided \$30.0 million for arena construction and development.



The HP Pavilion is one of the most active venues in the nation, hosting an average of 190 events a year. It hosted the 1997 NHL All-Star game and has hosted other events such as the U.S. Figure Skating Championships, NCAA tournament games, the Pac-10 women's basketball championship and the SAP Open men's tennis tournament. The venue continually ranks in the top in the United States for most tickets sold to non-sporting events.

Although the facilities in San Jose are not recent, the arts and entertainment industry are well supported. The San Jose Center for the Performing Arts hosts the San Jose Dance Theater, Ballet San Jose Silicon Valley and the American Musical Theatre of San Jose, which is one of the oldest theater companies in the nation. The HP Pavilion has hosted numerous major events since opening in 1993 and continues to sell the most tickets to non-sporting events.

### **Tampa Bay, Florida**

Tampa Bay is home to over 3.7 million people and hosts an additional 20 million visitors annually. With nearly 7,000 seats, the performing arts and entertainment is a significant part of the City's ability to retain residents and attract new residents and visitors. The performing arts center was built in 1987 and is one of the largest performing arts centers in the United States, attracting over 600,000 to performances on an annual basis. The city also includes an arena that was built in 1996 and has hosted the NHL All-Star game and the Stanley Cup Finals in 2004. In 1998, Raymond James Stadium opened and has attracted national and international attention to Tampa Bay by hosting Super Bowl XXXV in 2001 and will host Super Bowl XLIII in 2009.

## **Appendix 1. Peer Market Analysis Detail**

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### *Tampa Bay Performing Arts Center*

The Tampa Bay Performing Arts Center (“TBPAC”) opened in 1987 at a cost \$57 million. The 300,000 square foot complex is located along the Hillsborough River in Downtown Tampa and is one of the largest performing arts centers in the southeast United States. The Tampa Bay Performing Arts Center is located 1.2 miles from the St. Pete Times Forum and approximately 5 miles from Raymond James Stadium.



The center accommodates a variety of performances including major musical, dance, opera, theatrical and television productions. Resident groups include orchestra, youth choirs, master chorale, and theater. The TBPAC is owned by the City of Tampa Bay and operated by the non-profit Tampa Bay Performing Art Center, Inc and has an annual budget of \$29.9 million. The TBPAC recently hosted 682 annual events, 46 percent of which were theater productions, and more than 600,000 attendees.

The TBPAC is comprised of five separate theaters, a performing arts conservatory, a rehearsal hall, banquet facilities and retail facilities. In addition to the rehearsal hall, the TBPAC includes The Carol Morsani Hall which seats 2,552 and is primarily used for Broadway musicals, operas, ballets and orchestral concerts. The Ferguson Hall seats 1,042 and is hosts plays, musical concerts and dance events. The 268-seat Jaeb Theater can accommodate cabaret shows, plays, as well as recording session, television productions, seminars and business meetings. Shimberg Theater seats 130 and is primarily used for poets, musicians, dancer, comedians, performance artists and small theater companies.

Art and cultural institutions in the Tampa Bay area have an annual economic impact of approximately \$521.3 million, supporting 7,800 jobs. Over 5.6 million people annual attend plays, musical performances, and other cultural institutions in Tampa Bay.

In the addition to the TBPAC, the market includes the Tampa Theatre, the Falk Memorial Theatre and the University of South Florida Theatre.

### Tampa Theatre

The Tampa Theatre was originally constructed in 1926 as a movie house. The theatre closed for a period in the 1970’s but the City of Tampa acquired the facility and reopened it in 1978. The 1,466-seat theater hosts over 600 events per year with a reported average annual attendance of more than 170,000.

## **Appendix 1. Peer Market Analysis Detail**

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### University of Tampa - David Falk Memorial Theatre

The David Falk Memorial Theater was originally constructed in 1926. The 1,000-seat, proscenium-style theatre is home to the University of Tampa's Department of Speech, Theatre and Dance.

### University of South Florida – Theatre

The College of Visual and Performing Arts is home to four performing arts venues at the University of South Florida. The two main theatre, Theatre I and Theatre II have seating capacities of 550 and 200 respectively. The two smaller theaters at the campus seat up to 90 people each.

### *St. Pete Times Forum*

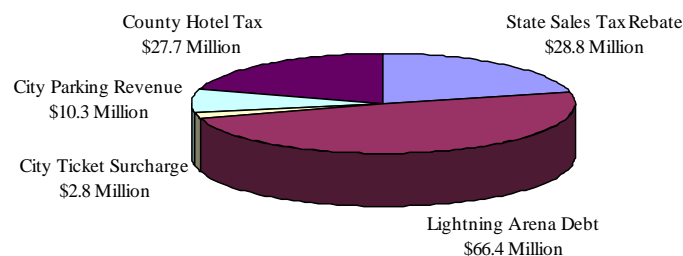
The St. Pete Times Forum, located in Tampa, is approximately 1.2 miles from the Tampa Bay Performing Arts Center. Florida and opened in the fall of 1996. The arena has a seating capacity of 19,500 seats for hockey and is home to the NHL's Tampa Bay Lightning. The St. Pete Times paper purchased the naming rights of the arena for \$33 over 12 years. The arena is owned by the Tampa Sports Authority and operated by the Lightning.



Total development costs for the Forum totaled \$153 million, 57 percent provide through public participation. The Lightning provided \$66.4 million, which was financed over 20 years, is secured through arena revenues, primarily premium seating. The public participation involved State, City and County funds. Approximately \$28.8 million was generated from a State sales tax rebate, \$17.0 million from a \$.50 County ticket surcharge, \$2.8 million from a \$.25 City ticket surcharge, \$10.3 million from City parking revenues and \$27.7 million from a reallocation of the County hotel tax. Property taxes are not applicable since the facility is publicly owned. A 7.0% sales tax and \$.75 ticket surcharge is applied to all tickets. The arena retains all revenues and pays all expenses, with the exception of 10 percent of suite revenue which is allocated to the County. The Lightning were responsible for all cost overruns. The County has recently announced plans to direct \$35 million in tourist tax dollars for ongoing maintenance and renovations at the St. Pete Times Forum.

## Appendix 1. Peer Market Analysis Detail

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In addition to hosting the Lightning, the Forum typically hosts major concerts, NBA exhibition games, USF Basketball, tennis, professional wrestling, boxing, figure skating, and rodeos. The Forum hosted the 1999 NHL All-Star Game, first and second round games of the 2003 NCAA men's basketball tournament and the 2004 Stanley Cup Finals/ The Forum is scheduled to host the 2007 ACC Men's Basketball Tournament, first and second round games of the 2008 NCAA men's basketball tournament, 2008 NCAA Women's Basketball Final Four, 2009 Southeastern Conference Men's Basketball Tournament and the 2012 NCAA Hockey Frozen Four.

### *Raymond James Stadium*

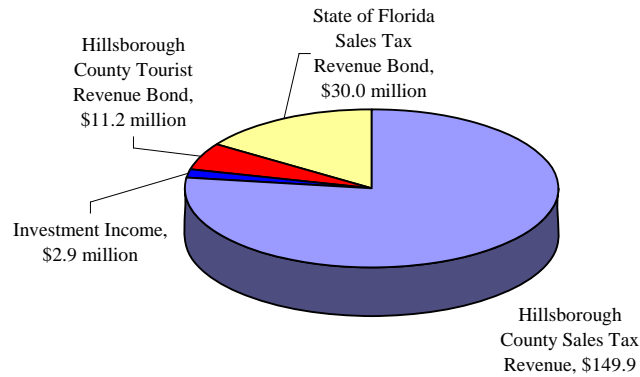
Raymond James Stadium, located approximately five miles from the Tampa Bay Performing Arts Center, opened in 1998. It is the home of the Buccaneers (NFL), the University of South Florida Bulls (NCAA) and the Outback Bowl. The open-air stadium is owned and operated by the Tampa Sports Authority and has a seating capacity of 65,657 seats. The \$194.0 million development costs of the facility were funded entirely through public participation. Raymond James Financial of Tampa purchased the naming rights for \$32.5 million over 13 years. The Stadium hosted Super Bowl XXXV in 2001 and will host Super Bowl XLIII in 2009.



Public funding consisted of three tax-exempt revenue bond issues, which were used to finance the stadium debt. Hillsborough County issued \$149.9 million in sales tax revenue bonds to help fund infrastructure costs. These bonds are supported by a voter-approved half-cent increase in the sales tax. Tax-exempt sales tax revenue bonds were issued in the amount of \$30.0 million and are supported by an annual \$2.0 million sales tax rebate from the State of Florida. Tax-exempt tourist revenue bonds were issued for \$11.2 million and are supported by a new dedicated resort tax (bed tax). Investment income funded approximately \$2.9 million of total project costs.

## Appendix 1. Peer Market Analysis Detail

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The City of Tampa Bay offers first class arts and entertainment facilities. The Tampa Bay Performing Arts Center opened nearly 20 years ago, but it continues to host over 600,000 performances a year. The St. Pete Times Forum opened 10 years ago and has hosted a multitude of major events such as the NHL All-Star game, the NCAA men's basketball tournament, Stanley Cup Finals and will host in the future the ACC Men's Basketball Tournament, NCAA men's basketball tournament, and the NCAA Hockey Frozen Four. Raymond James Stadium opened in 1998 and hosted Super Bowl XXXV in 2001 and will host Super Bowl XLIII in 2009, which create a large economic impact on the host city and attract a significant amount of visitors.

### Summary Overview

As further demonstrated within this section, the facilities within the Orlando market are inferior to similar-use venues in a preponderance of their peer markets. Orlando is a world class city with tremendous attractions and activities for visitors; however, it falls short when compared to its peers with regards to cultural facilities and attractions for its residents. The majority of these peer markets have made a significant investment in improving the quality of life for their citizens by promoting the development and restoration of performing arts centers as well as sporting facilities. Often the City's investment is rewarded by improving the quality of life for residents, attracting tourists to the city, and creating an attractive place for people and businesses to relocate. The facilities within the Orlando market are either outdated or non-existent.

As noted in this section, some of the most attractive peer markets with new facilities and tremendous growth are located within the State of Florida. The proximity to Orlando converts these peer markets to competitive ones; contending for not only tourists, but for entertainment events, residents, and even corporations. The insufficiency of quality community facilities may place Orlando at a competitive disadvantage with markets within Florida.

## **Appendix 1. Peer Market Analysis Detail**

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Orlando is the one of only a few markets in the United States that does not have a quality comprehensive performing arts center. A quality performing arts center could enable Orlando to not only attract arts and entertainment programming, it can also serve the community through education, cultivating local and national artists, providing a center for arts organizations, and becoming a source of community pride.

## **Appendix 2. Charitable Impact Analysis**

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### *Florida Citrus Sports Foundation*

The Foundation oversees various programs in the greater Orlando community that benefit at-risk youth, including:

- Summer Camp – over 450 disadvantaged children from Orange and Seminole Counties participate in this free program that focuses on athletics, academics, attitude and achievement.
- Golf Camp – 40 children per year participate in this weeklong camp in which they learn lifelong skills through the game of golf.
- Day for Kids Festival – physically, emotionally and financially disadvantaged children enjoy an afternoon of food, fun and festivities while interacting with players participating in the Capital One Bowl.
- Give Kids the World Village Visit – players participating in the Champs Sports Bowl visit the children suffering from life threatening illnesses staying at the Give Kids the World Village.
- Play it Smart – academic coaches are placed in two underperforming area high schools for the specific purpose of raising student-athletes’ grade point averages, SAT scores, graduation rates and community service participation.
- You Can Soar – an after school program that utilizes the Warren Sapp Computer Lab located at the Stadium to improve SAT/ACT entrance exam scores for financially disadvantaged Orange County high school students.
- High School Scholar Athlete Program – one student-athlete from each of the 27 high schools in Orange, Seminole and Osceola counties is awarded with a \$1,000 scholarship.
- NFFCHF – an \$18,000 fellowship is granted to a nationally recognized college student through this program.
- College Support – funds are donated annually to support local universities, including Rollins College and UCF, as well as Florida Classic participants, Bethune-Cookman College and Florida A&M. Scholarships are also awarded to the top scholar-athlete on the two teams competing in the Champs Sports Bowl.

### *Orlando Philharmonic Orchestra*

The Orlando Philharmonic Orchestra is the area’s resident orchestra, presenting over 100 performances each season. In its 13<sup>th</sup> season, the Philharmonic brings over 80 professional musicians together to present a variety of programs throughout the year. The Philharmonic also serves as the resident orchestra for the Orlando Opera. The Philharmonic’s stated mission is to “foster and promote symphonic music through excellence in performance, education and cultural leadership.”

## **Appendix 2. Charitable Impact Analysis**

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The Philharmonic presents 30 Young People’s Concerts for over 56,000 students from Central Florida currently at the Bob Carr Performing Arts Center. The Philharmonic also hosts the Tiny Tots program that focuses on pre-school aged children, presenting a comprehensive introduction to the instruments of the orchestra. In addition, the Philharmonic has created the Darden Family Series which is aimed at broadening appreciation for classical music for local families. With a new facility that will serve as a permanent home, the Philharmonic will be able to grow its current programs while also developing new programs that will cater to a culturally diverse audience of all income levels.

### *Orlando Ballet*

Founded in 1974, the Orlando Ballet is one of the oldest professional dance companies in the southern United States. The company’s mission is to “set and promote the standards of dance not only as an art form, but as a vehicle for bringing culture and artistic education to the community.” The Ballet performs over 50 free outreach programs each year, entertaining over 75,000 individuals. In addition, the Orlando Ballet School offers educational options for over 400 students. Through scholarship assistance, fee waivers and other means, the Orlando Ballet School has awarded over \$275,000 in scholarships since 1980.

The Orlando Ballet Youth Ensemble (OBYE) presents new and classical works to underprivileged youth and senior citizens at performances that are either free or affordable for all. OBYE performs for over 50,000 individuals each year at local festivals, schools, nursing homes and other venues in and around the Orlando market.

The Ballet’s Scholarship Training for the Enrichment of Primary Students (STEPS) program is targeted to reach at-risk youth, inspiring children to stay in school and possibly discover a career path. The after school program positions dance as a positive activity, and has been shown to limit the incidence of at-risk behavior. The program currently reaches approximately 40 students each year. The ability to utilize the proposed Performing Arts Center as true home facility, the Ballet will ensure its ability to continue these existing programs while also developing new outreach programs.

### *Orlando Opera*

The Orlando Opera has served the Central Florida community for nearly 50 years, bringing world-class singers, conductors and directors together to create unique presentations. The Opera’s stated mission is to “position Orlando Opera as a financially sound, pre-eminent performing arts institution in Central Florida and make opera an indispensable part of the region’s cultural scene.” The Opera’s Resident Artist Program provides training and performance opportunities for young performers from around the country.

## **Appendix 2. Charitable Impact Analysis**

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The Opera also sponsors the Orlando Youth Opera, a training program for children from ages eight to 18 who are interested in music and performing. Students receive instruction in a variety of performing skills, including voice training, drama, movement and stage production. The participants also serve as the children's chorus in main stage productions when required.

In addition, the Opera presents the Entrée to Opera program, in which approximately 1,000 middle- and high-school students attend the Orlando Opera's program. The program explores a variety of issues related to the opera, with a focus on producing opera. Like the Philharmonic and the Ballet, the Opera will be able to expand its existing programming and develop new community outreach programs with a new home at the proposed Performing Arts Center.

### *Festival of Orchestras*

The Festival of Orchestras is a permanent concert series that presents at least five symphony orchestras each season. The Festival has attracted symphonies from around the world, including the New York Philharmonic, Montreal Symphony, Moscow Philharmonic and the National Orchestra of France, among others. The Festival focuses on continually improving the concert experience, promoting international trade and supporting children's music education.

The Festival has an extensive outreach program, including master classes, workshops, in-school performances and scholarships. Since 1984, the Festival has distributed over 12,000 free tickets to school children, hearing/sight impaired, senior citizens and economically disadvantaged individuals. Through the Fifth Grade Essay Contest program, children are invited to write an essay explaining why they would like to attend a symphony orchestra concert. Contest winners are invited to attend a performance, along with a parent and their teacher. Winners also receive a t-shirt and award ribbon and are allowed backstage to meet orchestra soloists.

While the Bob Carr Performing Arts Center has served the Festival adequately, the Center's acoustics do not provide the first class experience that a true, modern performing arts center can provide. With a new performing arts center in Orlando, the Festival will be able to continue to secure top quality orchestras from around the world while also expanding its community outreach programs throughout the community.

## **Appendix 2. Charitable Impact Analysis**

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### *Orlando Magic Charitable Contributions*

The ownership of the Orlando Magic, along with the team's players and staff, has a strong history of charitable giving and participation in the greater Orlando area. To date, Magic owner Rich DeVos has donated \$9.0 million to the University of Central Florida to support the DeVos Sports Business Management Program, as well as \$1.0 million to the Florida United Way and \$1.0 million to aid the victims of the 2005 hurricanes in Florida. In addition to these efforts, the Orlando Magic is involved in a variety of other programs, including:

- Orlando Magic Youth Foundation (OMYF) – founded in 1988, the OMYF is committed to supporting the area's youth in achieving their full potential through a variety of programs and partnerships. The OMYF has distributed over \$13.0 million to local non-profit organizations.
- Orlando Magic Community Relations – the Magic's community relations department works to build partnerships, promote volunteerism and provide unique resources that match corporate goals with community needs. In 2005 alone, Orlando Magic community relations impacted more than 75,000 local youth through player appearances, community partnerships, donated items, mascot and talent appearances and service projects.
- Read to Achieve – the Magic's primary community focus is Read to Achieve (RTA), a program designed to help local students in becoming interested in reading. RTA targets more than 300,000 children from kindergarten through fifth grade in Central Florida. Magic players and coaches, along with various community and business leaders, have formed an All-Star Reading Team to encourage students to read. In addition, the team has created the Read to Achieve Storyline that encourages local children to call and hear a Magic player read a book each month.
- Orlando Magic Scholarship Program – the Magic offers two scholarships per year to deserving local high school seniors. The UCF Minority Scholarship provides a four-year, \$20,000 scholarship to a Central Florida High School senior that meets specific academic and financial need requirements and is registered to attend UCF. The Magic Achiever Scholarship awards a four-year, \$10,000 scholarship to an area senior that can be used at any accredited four-year college in Florida.
- Thanksgiving Outreach – each year the Magic partners with the Coalition for the Homeless to serve a Thanksgiving meal to over 500 homeless families. Magic players, coaches and staff host a carnival that features games, puppets and activities for children.
- Child Abuse Prevention – Magic player Grant Hill and his wife, Tamia, serve as the national spokespeople for Prevent Child Abuse America. The Hills and the Magic partnered with the Orange County Child Abuse Prevention Task Force to raise awareness of the issue in Central Florida, distributing literature and wristbands at Magic games.