



**STATEMENT OF QUALIFICATIONS  
SOQ-4080-15-SH**

**EVENT CENTER FEASIBILITY UPDATE**

**RESPONSES DUE:**

August 18, 2015 prior to 2:30 P.M. LOCAL TIME

**Accepting Electronic Responses Only**

**Responses Only Submitted Through the Rocky Mountain E-Purchasing System (RMEPS)**

**<https://www.rockymountainbidsystem.com/default.asp>**

(Purchasing Representative does not have access or control of the vendor side of RMEPS. If website or other problems arise during response submission, vendor **MUST** contact RMEPS to resolve issue prior to the response deadline. 800-835-4603)

This solicitation has been developed specifically for a Statement of Qualifications intended to solicit competitive responses for this solicitation, and may not be the same as previous City of Grand Junction/Mesa County solicitations. All offerors are urged to thoroughly review this solicitation prior to submitting. Submittal by **FAX IS NOT ACCEPTABLE** for this solicitation.

## **TABLE OF CONTENTS**

Section I.	ADMINISTRATIVE INFORMATION
Section II.	SCOPE OF SERVICES
Section III.	REQUIRED INFORMATION AND SUBMITTALS
Section IV.	EVALUATION CRITERIA/PROCESS
Exhibit A	2003 FEASIBILITY STUDY

## SECTION I. ADMINISTRATIVE INFORMATION

**A. ISSUING OFFICE:** This Statement of Qualifications, hereinafter referred to as SOQ, is being issued by the City Purchasing Division for the City of Grand Junction Internal Services department, hereinafter referred to as Owner.

**B. INTENT:** It is the intent of this SOQ to update a previous study done in 2003 on a Feasibility Analysis of a Downtown Event Center in Grand Junction, CO. The Qualifications received will be reviewed for consideration by an evaluation team.

**C. INQUIRES:** All inquiries shall be made in writing via the e-mail address provided below. All responses reflecting a change in Qualification requirements will be made in writing in the form of an addendum. To be given consideration, inquiries must be received by the deadline stated in Section E, Calendar of Events. All addenda will be made in similar fashion, posted on RockyMountainBidSystem.com and on the City's website.

**Susan J. Hyatt, Senior Buyer**  
Email: [susanh@gjcity.org](mailto:susanh@gjcity.org)  
Phone (970) 244-1513

**D. ADDENDA:** All questions shall be submitted in writing to the appropriate person as shown in item C above. Any interpretations, corrections and changes to this SOQ or extensions to the opening/receipt date shall be made by a written Addendum to the SOQ by the City Purchasing Division. Sole authority to authorize addenda shall be vested in the City of Grand Junction Purchasing Representative. Addenda will be issued electronically through the City's website at [www.gjcity.org](http://www.gjcity.org) by selecting the Bids link; and the Rocky Mountain Bid System at [www.rockymountainbidsystem.com](http://www.rockymountainbidsystem.com). Offerors shall acknowledge receipt of all addenda in their proposal.

### **E. TENTATIVE CALENDAR OF EVENTS:**

SOQ/SOQ Available on or about	July 30, 2015
Questions deadline	Aug 7, 2015 at noon
Submittal deadline for SOQ	Aug 18, 2015
Short list of qualified firms	TBD
Contract Execution	TBD

**F. SUBMISSION:** Please refer to Section III for what is to be included. *Each proposal shall be submitted in electronic format only, and only through the Rocky Mountain E-Purchasing website (<https://www.rockymountainbidsystem.com/default.asp>). This site offers both "free" and "paying" registration options that allow for full access of the Owner's documents and for electronic submission of proposals. (Note: "free" registration may take up to 24 hours to process. Please Plan accordingly.)* Please view our "Electronic Vendor Registration Guide" at <http://www.gjcity.org/BidOpenings.aspx> for details. For proper comparison and evaluation, the City requests that proposals be formatted as directed in Section 5.0 "Preparation and Submittal of Proposals." Submittals received that fail to follow this format may be ruled non-responsive. (Purchasing Representative does not have access or control of the vendor side of RMEPS. If website or other problems arise during response submission, vendor **MUST** contact RMEPS to resolve issue prior to the response deadline. **800-835-4603**).

**G. LATE RESPONSES:** Responses received after the time and date specified, whether delivered or mailed, **will not be considered**. It is the sole responsibility of each respondent to ensure that their submittals arrive at the City Clerk office prior to the time and date specified.

**H. REJECTION OF SUBMITTALS:** The Owner reserves the right to accept or reject any or all submittals received in response to this solicitation. The Owner further reserves the right to waive any informalities and/or minor irregularities in submittals received, if deemed to be in the best interest of the Owner.

**I. PROPRIETARY INFORMATION:** All submittals in response to this request become public record and become subject to public inspection. Any confidential information contained in your submittals **must be clearly identified** as such or it will not be treated as confidential or proprietary by the city and then only to the extent allowable by law in the Open Records Act. Unrestricted disclosure of proprietary or confidential information by the Advertiser places it in the public domain. Proprietary or confidential information is defined by the City to be any information that is not generally known to competitors and which may provide a competitive advantage. **SUBMITTALS IN THEIR ENTIRETY CAN NOT BE SPECIFIED CONFIDENTIAL OR PROPRIETARY.**

**J. SUBMITTAL OWNERSHIP:** All materials submitted with regard to this solicitation become the property of the City and will only be returned at the City's option.

**K. OPEN RECORDS:** Statements shall be received and publicly acknowledged at the location, date, and time stated herein. Offerors, their representatives and interested persons may be present. Statements shall be received and acknowledged only so as to avoid disclosure of process. However, all statements shall be open for public inspection after the contract is awarded. Trade secrets and confidential information contained in the statement so identified by such shall be treated as confidential by the City to the extent allowable by the Open Records Act.

**L. EXPENSES:** Expenses incurred by prospective respondents in preparation and submission of this SOQ are the responsibility of the respondents and can not be charged to the City.

**M. ASSIGNMENT:** The selected firm shall not sell, assign, transfer or convey any contract resulting from this SOQ in whole or in part without prior written approval from the City. Any claims for payment due to the provider from the City under this contract may not be assigned to a bank, trust company, or other financial institution or bankruptcy trustee without the prior written approval by the City.

**N. INDEMNIFICATION:** The awarded Firm shall defend, indemnify and save harmless the City of Grand Junction, State of Colorado, and all its officers, employees, insurers, and self-insurance pool, from and against all liability, suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the Firm, or of any Firm's agent, employee, sub-consultant or supplier in the execution of, or performance under, any contract which may result from Qualification award. Firm shall pay any judgment with cost which may be obtained against the City growing out of such injury or damages.

**O. SALES TAX:** The Owner is, by statute, exempt from the State Sales Tax and Federal Excise Tax; therefore, all fees shall not include taxes.

## II. SCOPE OF SERVICES

**A. BACKGROUND:** In 2003, the City commissioned a Feasibility Study in an effort to determine if the market demand existed to support a proposed multi-purpose event center in Grand Junction. The objective of this solicitation is to validate and update that analysis using the downtown location as the site for the event center. The 2003 Study is attached as Exhibit A.

**B. EXECUTIVE SUMMARY:** Include information regarding your experience with this type of analysis including key tasks you performed, your study background and methods, and key findings.

**C. MARKET PERSPECTIVE:** Include a market perspective that identifies if a new event center in downtown Grand Junction is market feasible using estimated event levels. Include in your study a preliminary cost analysis using Base Case, Low Case and High Case scenarios.

**D. IMPACTS:** Include estimated annual impacts generated by a new facility, as well as various other impacts to be considered. I.e., spinoff development, property tax changes/revenues, qualitative impacts regarding facility operations, etc.

**E. NON-APPROPRIATION OF FUNDS:** The contractual obligation of the City of Grand Junction under this contract is contingent upon the availability of appropriated funds from this fiscal year budget as approved by the City Council for this fiscal year only. State of Colorado Statutes prohibit obligation of public funds beyond the fiscal year for which the budget was approved. Anticipated expenditures/obligations beyond the end of the current City of Grand Junction fiscal year budget shall be subject to budget approval. Any contract will be subject to and must contain a governmental non-appropriation of funds clause.

**F. PROPERTY RIGHTS:** It shall be clear to all parties City of Grand Junction owns all intellectual materials generated as a result of this contract. Any materials for which the Agency is or has been reimbursed by the City shall become the property of the City. "Materials" hereunder shall include, without limitation, proposals, specifications, procedures, systems, photographs, copy, videos, recordings, and all contents of websites or pages created here. Materials shall be furnished to the City in the form they were created, developed and/or used, whether electronic or in hard copy, without cost to the City.

## SECTION III REQUIRED INFORMATION AND SUBMITTALS

**A. COVER LETTER:** A cover letter shall be provided which succinctly explains the contractor's interest in this contract. The letter shall contain the name/address/phone number of the person who will serve as the firm's principal contact person (account executive) and shall identify individual(s) who will be authorized to make presentations on behalf of the firm. The statement shall bear the signature of the person having proper authority to make a formal commitment acting as the legal agent of the firm. If Addenda have been issued, state the number of Addenda received in this cover letter.

**B. GENERAL AGENCY INFORMATION:**

1. Provide a concise description of your firm including the professional services typically provided.
2. Provide a reference list consisting of at least three clients similar in size and scope with whom you have done business in the last twelve months. Provide a brief description of each contract and include the budget, activities, unique creative approaches, and analytics to providing the services. Include the name and telephone number of your client reference.
4. Additional information that demonstrates the Agency's qualifications and ability relative to successfully performing the activities under a contract with City of Grand Junction as a result of this solicitation.

**C. STRATEGY AND IMPLEMENTATION PLAN:** Describe your firm's interpretation of the Owner's objective with regard to this SOQ. Describe the proposed strategy and/or plan for achieving the objectives of this SOQ. The Firm may utilize a written narrative or any other printed technique to demonstrate ability to satisfy the Scope of Services. The narrative should describe a logical progression of tasks and efforts starting with the initial steps or tasks to be accomplished and continuing until all proposed tasks are fully described and the SOQ objectives are accomplished. Include a **time schedule** for completion of your firm's implementation plan and an estimate of time commitments from Owner staff.

**D. COST OF SERVICES:** Provide detailed and itemized cost for each objective of the Strategy and Implementation Plan. Include costs for travel time, meetings, mailings, printing or any reimbursable or time/material accruals on per unit and aggregate basis. Award will not be based solely on low price, but the overall best value to the City of Grand Junction.

## SECTION IV. EVALUATION CRITERIA/PROCESS

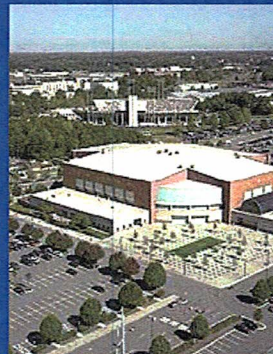
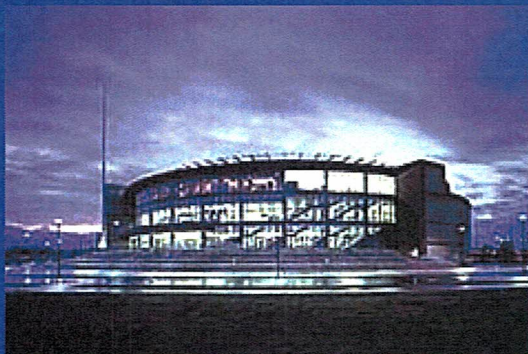
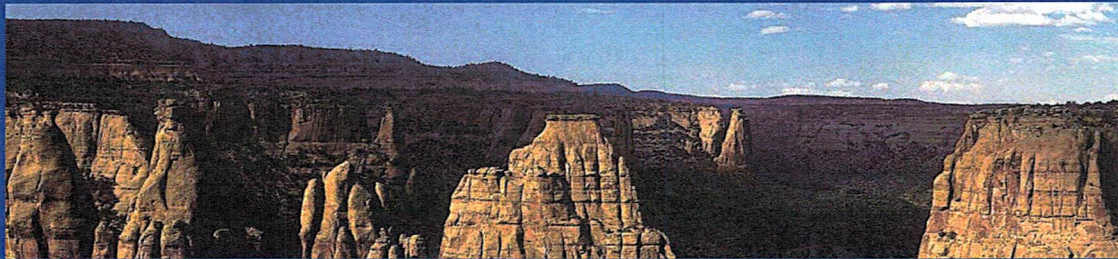
**A. EVALUATION:** An evaluation team shall review all responses and select those agencies that best meet the qualifications and experience criteria. Based on the evaluation criteria, the team will select respondents who clearly demonstrate the capability in all aspects to perform the scope of services as well as the integrity and reliability that will ensure good faith performance/best value for the City of Grand Junction. Agencies will be chosen on the basis of their apparent ability to best meet the overall expectations of the project.

**B. SOQ CRITERIA:** Evaluation of responses to the SOQ portion of this solicitation will be done in accordance with the criteria defined below, in no particular order of priority:

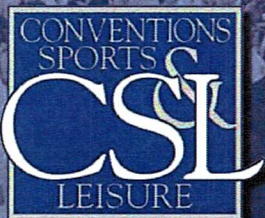
1. Qualifications of firm/team members
2. Evidence that a majority of the work product will be completed by in-house staff
3. Past relevant experience, technical competence
4. Experience working with advisory committees, government boards, etc.
5. Previous analyses and their success
6. Research capabilities/utilization
7. Responsiveness to SOQ
8. References
9. Strategy & Implementation Plan

**Draft Copy**  
For Discussion Purposes  
Only

# Feasibility Analysis of a Proposed Multipurpose Events Center in Grand Junction, Colorado



Presented to the:  
**Grand Junction Area Chamber of Commerce  
and the Events Center Steering Committee**  
August 19, 2003



Conventions, Sports & Leisure International





## **Executive Summary**

Conventions, Sports and Leisure International (CSL) was engaged by the Grand Junction Area Chamber of Commerce (Chamber) and the Events Center Steering Committee (Committee) to perform a feasibility study of a proposed multipurpose events center (Center) to be located in Grand Junction.

The scope of the analyses completed by CSL included the following key tasks:

- Assembled and analyzed key operating issues related to the development of a new Center;
- Assembled and analyzed information related to the local and regional market, including information on the local economy and other entertainment/event options;
- Assembled and analyzed the market demographics and facility characteristics of several competitive and comparable event facilities and host communities throughout the country;
- Analyzed the potential event mix and size of the proposed venue utilizing a number of research methods, including penetration ratios, interviews with event organizers, the results of the aforementioned analyses and various other techniques; and
- Developed recommendations regarding facility size and other building program related issues, as well as estimates of event levels and facility characteristics.
- Created a computer-based financial model in effort to estimate and evaluate the potential financial operating results of a new Center under three operating scenarios;
- Estimated total potential project costs, including building (both construction and non-construction costs), site development and parking garage expenses;
- Calculated potential annual economic and fiscal benefits generated by facility development, in addition to one-time facility construction economic impacts and non-quantifiable benefits; and
- Performed an analysis of ten proposed sites for the potential facility.

The following report focuses on the study methods and results of the aforementioned research and analyses and is presented to the Chamber and the Committee in order to assist in making informed decisions with regard to the future of the proposed events center project.

As this section is only a summary of the findings, the full report should be read in its entirety to ensure that all study methods, assumptions, and analyses are considered.

### Study Background and Methods

- The events center concept has been contemplated in the Grand Junction community for some time, with various levels of public interest and discourse, ultimately resulting in preliminary research by the Regional Hub Committee and the formation of the Events Center Steering Committee to further pursue the proposed project. Based on the Committee’s Mission Statement, the proposed Center, as envisioned, would act as a “year-round multipurpose facility capable of hosting a wide variety of entertainment, sports, community and regional activities that will enhance the quality of life and viability of the Grand Valley as an economic magnet for Western Colorado.”
- This summary presents an overview of key study findings, including analysis of (1) local market conditions, (2) competitive and comparable facilities, (3) demographic and socioeconomic characteristics, (4) market demand/potential, (5) market supportable facility programming, (6) event levels (7) financial operations, (8) construction costs, (9) economic and tax impacts and (10) preferred facility sites associated with a potential new events center in Grand Junction.

### Key Findings

- Grand Junction presently possesses several public assembly facilities, including the Two Rivers Convention Center, the facilities comprising the Mesa County Fairgrounds, Stocker Stadium, Suplizo Field, Avalon Theater and other facilities. However, each of these facilities has certain space and functionality limitations that prevent them from hosting certain types of spectator events (i.e., sports, concerts, family shows, etc.) and flat floor events (i.e., public/consumer shows, tradeshows, etc.).
- As the largest flat floor event venue in Grand Junction with 18,600 square feet of contiguous space, the Two Rivers Convention Center offers state-of-the-industry convention space and is capable of hosting a wide variety of small and medium-sized meetings, conferences, exhibitions and entertainment events. While a small number of larger conventions and tradeshows may be being lost due to space constraints, it is believed that (1) the relatively limited number of hotel rooms in the community and (2) air/drive accessibility are limiting factors in attracting larger out-of-town events to the area. The incidence of other large flat floor events, such as public/consumer shows (that primarily draw local attendees), tend to be correlated with population density within driving distance of the event facility. Grand Junction’s population is fairly modest relative to the markets

hosting other large facilities, providing potential challenges for attracting public/consumer show attendees under a scenario with a larger flat floor venue.

- While offering several fairly specialized entertainment facilities (i.e., performing arts theaters, football and baseball stadiums, college auditorium, etc.), the Grand Junction market lacks a traditional multipurpose arena venue to host larger entertainment events. Specifically, the Avalon Theater, with an approximate 1,000-person capacity, is the largest venue capable of hosting many types of traditional touring concerts and performing arts acts. While concerts, family shows and other spectator events are sometimes held at other local facilities (i.e., Two Rivers Convention Center, Brownson Arena, etc.), the facilities' characteristics, configuration and amenities tend to be substandard relative to state-of-the-industry venues.
- When comparing demographic and socioeconomic characteristics, Grand Junction generally ranks below the average market among a variety of indicators, including population, household income and entertainment expenditures. However, given the lack of entertainment facilities in Western Colorado, it is expected that Grand Junction will be able to draw event attendees from its secondary geographic market (i.e., 50 to 100-miles) to a more significant degree than other similarly-sized communities are generally able to.
- Further, while comparative market population and related demographic statistics can be useful indicators when considering the viability of specific markets for a potential new arena/event facility, it is also important to consider the total inventory and quality of existing public assembly facilities in the specific market as part of any comparison. Overall, analysis results indicate that Grand Junction's supply of state-of-the-industry convention space (i.e., flat floor space) relative to population is consistent with the average comparable market, while there is a significant undersupply of state-of-the-industry arena seating in Grand Junction as compared to other similar markets (with 10 of the 11 comparable markets reviewed providing "state-of-the-industry" arenas).
- Event levels and physical characteristics of comparable venues were used as benchmarks to gain an understanding of the types and number of events typically hosted by mid-sized event facilities. These facilities are outlined in the exhibit presented on the following page.

### Comparable Facility Summary

<u>Arena</u>	<u>Location</u>	<u>MSA Population</u>	<u>Year Opened</u>	<u>Total Seating Capacity</u>	<u>Arena Flat Floor Space (sq. ft)</u>
Van Andel Arena	Grand Rapids, MI	1,111,400	1996	12,500	20,000
Bi-Lo Center	Greenville, SC	982,300	1998	16,000	17,000
First Union Arena	Wilkes-Barre, PA	619,500	1999	10,500	17,000
Bank of America Centre	Boise, ID	455,000	1998	5,000	17,000
CenturyTel Center	Bossier City, LA	391,900	2000	14,440	30,000
Mark of the Quad Cities	Quad Cities, IA/IL	357,600	1992	12,000	31,000
Columbus Civic Center Arena	Columbus, GA	275,500	1994	10,000	22,000
Cedar Rapids Exhibition Center	Cedar Rapids, IA	194,300	1999	n/a	60,000
St. Cloud Civic Center	St. Cloud, MN	170,300	1989	3,300	42,000
La Crosse Center	La Crosse, WI	128,000	1980	8,000	21,000
Florence Civic Center	Florence, SC	126,700	1992	10,000	29,000
Alerus Center	Grand Forks, ND	96,600	2001	22,000	97,000
Bancorp South Center	* Tupelo, MS	76,600	1993	10,000	32,000
Oakley-Lindsay Civic Center	* Quincy, IL	68,200	1994	3,500	30,000
Midwest Wireless Civic Center	* Mankato, MN	56,300	1995	8,100	28,500
West Plains Civic Center	* West Plains, MO	37,800	1993	3,600	30,000
<b>Average</b>		<b>599,029</b>	<b>--</b>	<b>9,929</b>	<b>32,719</b>

\* Indicates county population

n/a: not available

Source: Sales and Marketing Management, 2002; Mapquest, Billboard AudArena Guide, 2003; industry publications

- In addition, a number of facilities that could compete with a potential Grand Junction events center were analyzed to evaluate the level of competition present in the market and to identify strengths/niches that may give the facility an advantage over its competition in attracting events. These facilities are outlined below.

### Competitive Facility Summary

<u>Arena</u>	<u>Location</u>	<u>MSA Population</u>	<u>Distance From Grand Junction</u>	<u>Year Opened</u>	<u>Seating Capacity</u>	<u>Arena Flat Floor Space (sq. ft.)</u>
National Western Complex Events Center	Denver, CO	2,199,500	247	1994	7,532	39,900
West Valley "E" Center	West Valley City, UT	1,361,400	280	1997	12,500	20,900
World Arena	Colorado Springs, CO	537,300	315	1995	9,700	20,000
McKay Events Center (Utah Valley State College)	Orem, UT	387,100	250	1996	7,500	25,000
Budweiser Events Center	Loveland, CO	263,900	285	2003	7,500	n/a
Moby Arena (CO State University)	Fort Collins, CO	263,900	304	1966	8,477	18,000
Island Grove Event Center	Greeley, CO	192,600	302	2001	8,200	60,000
CO State Fair Events Center	Pueblo, CO	144,600	357	1995	7,884	34,700
Massari Arena (University of Southern CO)	Pueblo, CO	144,600	352	1971	5,000	33,900
MetraPark	Billings, MT	130,000	672	1975	11,746	30,000
Dixie Center	* St. George, UT	94,700	388	1998	6,000	46,600
Holt Arena	Pocatello, ID	76,500	445	1970	15,000	74,000
Casper Events Center	Casper, WY	66,700	390	1982	10,452	28,500
Centrum Arena (Southern Utah University)	* Cedar City, UT	36,300	337	1985	5,200	16,000
<b>Average</b>		<b>421,364</b>	<b>352</b>	<b>--</b>	<b>8,764</b>	<b>34,423</b>

\* Indicates county population

n/a: not available

Source: Sales and Marketing Management, 2002; Mapquest, Billboard AudArena Guide, 2003; industry publications

- Finally, interviews with minor league sports franchise representatives, as well as local, regional, and national event promoters and organizers were conducted to gauge interest in utilizing a potential new Grand Junction facility.

- Based on interview results, four minor league sports leagues expressed interest in relocating or expanding a franchise to Grand Junction if a new facility was developed. It appears that the Central Hockey League (CHL) represents the most likely candidate, with the National Indoor Football League (NIFL), the Continental Basketball League (CBA) and the United States Basketball League (USBL) representing other potential sports tenants.
- Further, all interviews conducted with promoters of touring spectator events (i.e., concerts, family shows, motor sports, etc.) were generally positive, with a number of promoters indicating that they would anticipate producing multiple events in a new Grand Junction facility. While this positive result was slightly unexpected, it is potentially explainable by the void of existing arena facilities within the region between Denver and Salt Lake City.
- Overall, limited events center usage is expected to originate from high school and collegiate athletics. However, special events, such as regional sports tournaments and commencements, could contribute to the utilization of the potential facility.
- Analysis results do not indicate a significant amount of unmet market demand for flat floor offerings in excess of that available at the Two Rivers Convention Center (i.e., for events such as public/consumer shows, tradeshow or conventions).
- Utilizing the results of the market demand analysis, an evaluation was conducted concerning the ability of local Grand Junction event facilities to accommodate existing market demand. The exhibit presented below illustrates the extent that local facilities are able to absorb/accommodate measured Grand Junction demand by event type. As shown, the greatest event categories exhibiting unmet demand are those representing traditional arena events, such as minor league sports, concerts, family shows and other such seated events. In general, unmet demand levels for traditional flat floor events are estimated to be limited.

**Present Ability of Local Grand Junction Facilities  
To Accommodate Indoor Public Assembly Event Demand**

	Limited <span style="float: right;">Strong</span>									
	1	2	3	4	5	6	7	8	9	10
Minor League Sports	■									
High School / Collegiate Events	■	■	■	■	■	■	■	■		
Other Amateur Sports	■	■	■	■	■	■	■			
Concerts	■	■	■							
Family Shows / Other Ticketed Events	■	■								
Recreational Activities	■	■	■	■	■	■	■			
Conventions / Tradeshow	■	■	■	■	■	■	■	■		
Public / Consumer Shows	■	■	■	■	■	■	■			
Non-Local Conferences / Meetings	■	■	■	■	■	■	■	■		
Local Meetings / Banquets / Receptions	■	■	■	■	■	■	■	■		



- Study results conclude that a traditional, state-of-the-industry spectator arena with a seating capacity of between 6,000 and 7,000 seats is market supportable in Grand Junction. To allow for a minor league hockey tenant and to maximize utilization and facility revenue, the facility should integrate ice capabilities and integrate a limited number of premium seating options (i.e., upscale seating such as private boxes and/or club seating). Certain important efficiencies may also exist to consider integrating a second ice sheet with the events center facility to fulfill a wide variety of community recreation and amateur athletic needs.
- Under a Base Case scenario and this type of building program, it is estimated that 117 events per year could be attracted to a new Grand Junction events center, attracting over 270,000 attendees. One minor league sports tenant is assumed under this scenario (CHL franchise), holding nearly 40 games per year. A more aggressive scenario that has also been developed assumes a second sports tenant (NIFL franchise), while a Low Case scenario assumes lower event levels and no primary sports tenants. Further detail is provided in the exhibit below.

**Summary of Estimated Event and Attendance Levels  
For a Potential New Grand Junction Events Center**

	Events			Attendance	Total Attendance		
	Low	Base	High	Average	Low	Base	High
Hockey Tenant	0	38	46	3,000	0	114,000	138,000
Football Tenant	0	0	10	3,500	0	0	35,000
High School & Collegiate	8	10	12	2,000	16,000	20,000	24,000
Other Sports (1)	8	10	12	3,200	25,600	32,000	38,400
Concerts	7	9	11	3,250	22,750	29,250	35,750
Family Shows (1)	13	15	17	2,500	32,500	37,500	42,500
Community/Religious Events	4	5	6	1,500	6,000	7,500	9,000
Conventions/Conferences	2	3	4	1,000	2,000	3,000	4,000
Tradeshows	2	3	4	750	1,500	2,250	3,000
Public Shows (2)	3	4	6	1,750	5,250	7,000	10,500
Other Events	25	20	22	1,000	25,000	20,000	22,000
<b>Totals</b>	<b>72</b>	<b>117</b>	<b>150</b>	<b>--</b>	<b>136,600</b>	<b>272,500</b>	<b>362,150</b>

Source: CSL International, 2003

(1) Event estimates are based on number of performances, as many such events comprise multiple shows per day.

(2) Event estimates are based on total shows and attendance is presented as total attendance over the course of the event.

- From a market perspective, a new Grand Junction events center is considered “market feasible”, with estimated event levels consistent with the average comparable arena facility reviewed. A new events center in Grand Junction would provide the regional area with entertainment and recreation options that do not presently exist.
- Under the Base Case scenario, a new events center/arena in Grand Junction is estimated to generate an annual operating profit of approximately \$90,000, before

debt service and capital reserve funding. Under the High Case scenario, the operating profit is estimated to increase to approximately \$260,000 per annum. Under the Low Case (without important tenant revenue streams), it is estimated that the facility will operate at an annual loss of approximately \$470,000 per annum. The estimated results are presented below.

**Summary of Estimated Operating Results for a  
New Events Center in Grand Junction (in 2003 Dollars)**

	Low	Base	High
<b>Operating Revenue:</b>			
Rental Revenue	\$381,250	\$612,750	\$797,250
Concessions (net)	164,630	301,155	393,130
Merchandise (net)	60,525	70,344	84,131
Suites	175,000	456,600	546,400
Club Seats	87,500	185,625	117,500
Advertising/Sponsorships	300,000	350,000	400,000
Naming Rights	275,000	300,000	300,000
<b>Total Operating Revenue</b>	<b>\$1,443,905</b>	<b>\$2,276,474</b>	<b>\$2,638,411</b>
<b>Operating Expenses:</b>			
Salaries & Wages	\$900,000	\$1,050,000	\$1,150,000
Repairs & Maintenance	150,000	162,500	175,000
Materials & Supplies	90,000	112,500	125,000
Utilities	350,000	400,000	425,000
Insurance	125,000	125,000	125,000
Advertising & Promotions	100,000	112,500	125,000
General & Administrative	200,000	225,000	250,000
<b>Total Operating Expenses</b>	<b>\$1,915,000</b>	<b>\$2,187,500</b>	<b>\$2,375,000</b>
<b>Operating Cash Flow/Loss Before Debt Service &amp; Capital Reserve Funding</b>	<b>(\$471,095)</b>	<b>\$88,974</b>	<b>\$263,411</b>

Source: CSL International, 2003

- Sink, Combs and Dethlefs Architects, with participation of CSL, developed a preliminary cost analysis for the proposed development. Based on the analysis conducted, total facility construction costs, comprised of hard and soft facility and site preparation costs (but excluding site acquisition costs), are estimated at approximately \$35 million. Under a construction scenario requiring the development of one or more parking garages in lieu of surface parking, total construction costs are estimated to total approximately \$50.4 million.
- The exhibit on the following page presents the estimated annual fiscal (tax) impacts generated by the operation of a new facility in Grand Junction.

**Estimated Fiscal Impact Summary**

	Low	Base	High
<i>State Taxes</i>			
Sales	\$128,195	\$246,665	\$333,850
Personal Income	\$182,794	\$364,420	\$489,056
Corporate	\$18,116	\$36,588	\$48,865
<b>Annual State Tax Revenue</b>	<b>\$329,105</b>	<b>\$647,674</b>	<b>\$871,770</b>
<b>30-year NPV (1)</b>	<b>\$8,212,843</b>	<b>\$16,162,761</b>	<b>\$21,755,116</b>
<i>County Taxes</i>			
Sales	\$90,411	\$174,101	\$235,585
<b>Annual County Tax Revenue</b>	<b>\$90,411</b>	<b>\$174,101</b>	<b>\$235,585</b>
<b>30-year NPV (1)</b>	<b>\$2,256,215</b>	<b>\$4,344,707</b>	<b>\$5,879,049</b>
<i>City Taxes</i>			
Sales	\$111,724	\$214,294	\$290,296
Hotel	\$11,826	\$18,908	\$24,145
<b>Annual City Tax Revenue</b>	<b>\$123,549</b>	<b>\$233,203</b>	<b>\$314,441</b>
<b>30-year NPV (1)</b>	<b>\$3,083,188</b>	<b>\$5,819,593</b>	<b>\$7,846,903</b>
<b>Total Tax Revenue</b>	<b>\$543,065</b>	<b>\$1,054,977</b>	<b>\$1,421,796</b>
<b>30-year NPV (1)</b>	<b>\$13,552,246</b>	<b>\$26,327,061</b>	<b>\$35,481,068</b>

(1) Assumes a 4.0 percent annual revenue growth and a discount rate of 5.0 percent

- As presented, total tax revenues generated by a new event facility in Grand Junction are estimated at between \$543,000 and \$1.4 million annually, for the Low and High Case scenarios, respectively. The 30-year net present value (NPV) of these tax revenue streams (assuming a 4.0 percent annual revenue growth and a discount rate of 5.0 percent) is estimated at between \$13.5 and \$35.5 million. Under the Base Case scenario, such development is estimated to generate nearly \$650,000 per annum in State tax revenue, \$174,000 in County tax revenue and \$233,000 in City tax revenues.
- CSL worked in conjunction with the Events Center Steering Committee to identify a set of ten potential sites to review under this analysis. To develop the list, sites were identified that could potentially meet certain minimum technical standards and specifications, with the most prominent being parcel size.
- Based on the site analysis conducted, the Downtown Site and the Mall Area Site received the highest rankings, with scores of 538 and 526, respectively. Relative to other sites, the top two sites received high scores in a number of critical categories. Specifically, the two sites offer many strengths due to their location in areas with established pedestrian/vehicle infrastructure and adjacent/proximate retail, entertainment and restaurant options. These factors, among others, create key synergistic relationships among the arena and the surrounding areas,



enhancing the arena and proximate area's potential for economic impact, visibility, image and ancillary development.

- The Los Colonias Site and the Fairgrounds Site represent the next highest rated sites, with weighted scores of 423 and 419, respectively. An attractive attribute of the Los Colonias Site is the “image potential” of possible future development at and around the site given its location on the Colorado River. However, to strengthen the attractiveness of the site as host to a new events center/arena, a substantial amount of entertainment/retail/mixed-use development (i.e., entertainment district) would need to occur concurrent to events center/arena development. The Fairgrounds Site benefits from modest synergy that would be generated by existing public assembly facilities as well as transportation access and utilities infrastructure.
- In conclusion, study results indicate that market demand exists to support the proposed Grand Junction multipurpose events center. With at least one primary sports tenant, the facility is estimated to be capable of generating an annual operating profit as well as substantial new economic and tax impacts for the Grand Junction community.