



Feasibility Validation Study:

The Music Center at The Heights

March 14, 2013





March 14, 2013

Mr. Jim Borland
City Manager
City of Huber Heights
6131 Taylorsville Road
Huber Heights, OH 45424

Dear Mr. Borland:

Conventions, Sports & Leisure International ("CSLI") is pleased to present this report regarding the feasibility of The Music Center at the Heights, a planned 4,500 seat, covered outdoor live music venue. The attached report summarizes our research and analyses and is intended to assist the City of Huber Heights ("City") and other project stakeholders with making informed decisions regarding the planned music center development.

The information contained in this report is based on estimates, assumptions and other information developed from research of the market, knowledge of the live music industry, interviews with potential user groups, and other factors, including certain information provided by the City. 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.

Mr. Jim Borland
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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,

A handwritten signature in cursive script that reads "CSL International". The letters are fluid and connected, with a prominent "C" and "S" at the beginning.

CSL International

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EXECUTIVE SUMMARY

In August 2011, the Huber Height City Council approved the commencement of master planning for a regional mixed-use destination called The Heights. The Heights is envisioned as a mixed-use commercial development that will offer retail, restaurant, entertainment, hospitality, residential and office space designed to spur economic activity in northern Dayton. As part of The Heights mixed-use master plan, the City of Huber Heights (“City”) is considering the development of The Music Center at The Heights, a 4,500-seat, covered outdoor live music venue that would be developed at a cost of \$18 million, including \$16.5 million for construction and \$1.5 million for land acquisition. It is envisioned that The Music Center at The Heights would host concerts, graduation ceremonies, festivals and other local and regional events.

The City engaged Conventions, Sports & Leisure International (“CSL”) to provide an independent validation study of The Music Center at The Heights. In order to validate the feasibility of The Music Center at The Heights, CSL reviewed local market demographic and socioeconomic characteristics; reviewed industry trends, analyzed competitive and comparable facilities, and interviewed concert and other event promoters. Research results were used to estimate potential demand for The Music Center at The Heights, validate general building program elements necessary to accommodate demand, estimate potential financial operating results, quantify potential economic and fiscal impacts and evaluate potential facility management options. The following are key conclusions from a comprehensive, market-based study of the viability of the proposed Music Center.

LOCAL MARKET CHARACTERISTICS

Concert promoters view several key market characteristics as critical to the success of their events, and therefore, represent important selection criteria when choosing an outdoor live entertainment venue. These attributes include local market demographic characteristics, transportation access, climate and competitive entertainment establishments in the local and regional market. The following is a summary of the key findings of the analysis of local market characteristics.

Demographic Characteristics

- The Music Center at The Heights’s primary market, defined as the Dayton metropolitan area, has a population of approximately 849,700. Approximately 5.7 million people reside within the combined primary and secondary markets of the Music Center (defined as the area within a 75-mile radius of the site), an area that includes the Columbus and Cincinnati markets. Population growth in the region is anticipated to be lower than the national average growth rate over the next five years.
- The primary market for The Music Center at The Heights exhibits slightly older demographics than the secondary market and the U.S. as a whole, with a higher median age and a higher percentage of the population aged 55 and over. The age demographics of the market area will need to be considered in identifying appropriate programming for The Music Center at The Heights.
- The median income of households located within the primary market (\$42,200) is approximately 14 percent below the national median, while the combined primary and secondary market median household income (\$47,000) is approximately five percent lower than the

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national median. It will be important to consider the income demographics of the market when pricing tickets, seating and other offerings associated with the facility.

- The primary market for The Music Center at The Heights is home to approximately 41,900 corporations. Approximately 800 of these companies have annual sales in excess of \$5.0 million, representing the companies that may be most likely to have the wherewithal to support the facility through the purchase of premium seating, advertising and sponsorships. Approximately 5,700 companies exceed the \$5.0 million threshold within the combined primary and secondary markets.

Transportation Access

- Huber Heights' proximity to the Columbus, Cincinnati and Indianapolis markets, along with the Interstate highway access linking these markets to The Music Center at The Heights site, could make the facility a convenient stop for touring events routing through the region. However, artists and promoters may choose not to play the Dayton market if their tour already includes stops in Columbus and/or Cincinnati due to the proximity of those markets. Therefore, The Music Center at The Heights will likely compete with venues in Columbus and Cincinnati for events routing through the region or could be relegated to second leg shows for tours that go through Columbus or Cincinnati. Second leg shows occur towards the end of an artist's tour and occur in or near markets visited earlier in the tour.
- The Music Center at The Heights site appears to be well-positioned to draw patrons from the regional market. The facility would enjoy a visible location along Interstate Highway 70, which links to major north/south arteries such as Interstate 70 five miles to the west, Highway 4/Highway 235 three miles to the east and Interstate Highway 675 six miles to the east. This visibility could also serve to enhance the value associated with venue naming rights and sponsorships, particularly if the venue's marquee is visible to Interstate Highway 70 traffic.

Climate

- The typical outdoor concert season in Ohio runs from late May (Memorial Day) through early September (Labor Day). The Memorial Day to Labor Day operating season is characterized by relatively pleasant, temperate weather, which could make The Music Center at The Heights an attractive entertainment option for area residents. The covered seating design will help minimize the potential of cancelled events due to rain or other inclement weather, an important advantage that the Music Center at the Heights would have over other local outdoor venues.

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Competitive Entertainment Venues

- Several venues in the Dayton metropolitan area currently host touring entertainment events and will provide varying levels of competition with The Music Center at The Heights. As an outdoor concert venue with a capacity similar to that of The Music Center at The Heights, Frazee Pavilion in Kettering represents the most direct potential local competitor. However, Frazee Pavilion offers limited fixed seating, does not have a protective canopy over the seating area and does not have immediate on-site parking, three elements that are envisioned to be included in The Music Center at The Heights's building program. These amenities may provide The Music Center at The Heights with a competitive advantage over Frazee Pavilion.
- The greater Dayton area is home to two collegiate arenas that host entertainment events in addition to collegiate athletic events. Of the two, the Nutter Center at Wright State University hosts a higher number of touring concert events and therefore will likely represent a higher degree of competition than the University of Dayton Arena. Both venues primarily host events during the late fall, winter and early spring seasons, which will reduce their competition with The Music Center at The Heights, which will operate primarily during the summer.
- Dayton's Hara Arena also hosts touring concerts and has a capacity that is more similar to that of The Music Center at The Heights than the other indoor arenas in the market. However, Hara Arena is relatively antiquated and does not provide the level of amenities associated with the market's more modern concert venues. In recent years, Hara Arena has focused largely on specific niches such as hard rock concerts, and is unlikely to compete directly with The Music Center at The Heights for the majority of acts.
- Both Columbus and Cincinnati are home to outdoor music venues similar in size to The Music Center at The Heights. Both of these venues could compete directly with The Music Center at The Heights for touring events seeking an open air venue with a capacity of approximately 4,000 seats in the central/southwest Ohio region.
- It will be imperative that the Music Center at The Heights offer competitive rental rates and be managed by competent personnel with extensive live music venue experience and good relationships with key event promoters in order to effectively compete with local and regional venues.

OVERVIEW OF LIVE MUSIC INDUSTRY

The live music industry has undergone significant changes over the past several years, which has impacted the operations of amphitheaters and live entertainment venues nationwide. A summary of key data and trends regarding the live music industry include:

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- The size of the North American concert market hit a record \$4.7 billion in ticket sales in 2012. This represents an eight percent increase over the previous year. Total concert tickets sold reached 36.7 million in 2012, an increase of more than five percent from the previous year, but still below the industry record of 40.5 million in 2009.
- Talent costs have increased substantially, resulting in an upward trend in ticket prices and a downward trend in attendance. As a result, the margins generated to promoters and concert venues have decreased.
- Venue operators have increasingly relied on revenue from rent, facility fees, ticket sales rebates, concessions, merchandise, parking and advertising/sponsorships to generate operating profits.
- The average concert ticket price for the top 100 North American tours was \$68.76 in 2012, an increase of 2.3 percent over the previous year.
- Approximately 29 percent of the U.S. population, ages 15 and older, reported attending at least one concert each year. According to research conducted by International Demographics, 14.7 percent of the Dayton, Ohio metropolitan adult population reported attending at least one concert annually. This percentage ranks 75th out of more than 100 major markets in which this research was conducted.
- The concert industry has experienced a significant consolidation of promoters, with fewer promoters controlling more artists than ever before. Strong consideration should be given to forming a partnership with a leading promoter, such as Live Nation or AEG, to either manage The Music Center at The Heights or provide exclusive or preferred booking arrangements for the venue.
- Amphitheaters can be a popular option for touring acts for a variety of reasons including:
 - low event costs relative to arenas, performance halls or stadiums;
 - seasonality of amphitheater season coincides with popular summer tours
 - capacities provide ample seats to keep ticket prices lower;
 - variety of ticket prices available due to lawn seating versus covered, permanent seating appeals to a wider socioeconomic spectrum;
 - less competition for dates with other event types that are hosted at other multi-purpose facilities such as arenas or stadiums; and,
 - comparatively low development costs relative to arenas or theaters has encouraged private and/or public-private development of amphitheaters by concert promoters that control bookings for many of the “A” and “B” concert acts.
- Large-scale amphitheater development has slowed over the past decade due to increasing capital costs, tightening concert economics, dwindling appetite for publicly-funded projects and other such factors. However, the development of smaller, community based amphitheaters has continued during this time because of their lower development costs, focus on community-based events and mid-to-lower tier national touring acts and other such factors.

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ESTIMATED DEMAND

In order to estimate the potential utilization of the Music Center at The Heights, interviews were conducted with concert and promoters and other organizations that could represent potential users of the facility. The following is a discussion of the market potential for each of several potential event categories based on discussions with event promoters, information collected from comparable concert venues, the unique characteristics of the Huber Heights/greater Dayton market, and other such considerations.

- Touring concert promoters generally indicated that, while Dayton is not considered a top-tier market, it has been a successful secondary market, particularly in the country and rock music genres. Major acts would likely bypass the Dayton market, focusing their efforts on larger markets with larger facilities. However, a 4,500-seat venue in the Dayton market would be positioned to capture second and third-tier acts. Given the stratification of the concert market, in which relatively few acts are capable of selling out large venues, these second and third-tier acts represent an attractive niche comprised of a relatively large number of acts.
- As the only major outdoor venue in the market, Frazee Pavilion is uniquely positioned to capture summer concert tours, particularly those that are specifically seeking an outdoor venue. However, promoters indicated that Frazee Pavilion is somewhat lacking in amenities, with no fixed seating and no covering over any of the seats. The sound quality at Frazee Pavilion was also generally described as subpar. A covered pavilion with fixed seating and more modern amenities may be better suited to capture outdoor concert demand in the Dayton/south east Ohio market.
- Competition with venues in Columbus and Cincinnati (and to a lesser extent, Indianapolis), will impact the operations of the proposed Music Center. Generally, concert promoters have found that people are willing to drive from a smaller market to a larger market to attend a major concert event, but people who reside in larger markets are less inclined to travel to smaller markets to attend a concert. However, promoters contacted for this study indicated that venues in the Dayton market have historically overcome this trend and have been successful in drawing a portion of attendees from the larger Cincinnati and Columbus markets.
- The location of the proposed Music Center in a highly visible location within the mixed-use Heights development could have a positive impact on the facility's event levels over the long term, particularly if The Heights succeeds in becoming a popular destination for area residents.
- Contracting management of the facility to a national or regional organization that is able to leverage its contacts in the concert industry to bring events to the Music Center would likely have a significant positive impact on the facility's concert levels. Alternatively, efforts could be made to reach an exclusive booking arrangement with a major promoter in order to drive concert activity to the venue.
- In addition to touring concerts, organizations such as the Dayton Performing Arts Alliance and the Cincinnati Symphony Orchestra may represent additional opportunities for local and regional fine-arts programming.

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- Based on discussion with City representatives, there appears to be interest in hosting festivals and other community events at the Music Center at The Heights. The facility would be well-suited for such events, which could utilize the concert stage as well as parking lots and green space in the surrounding area. An advantage of such events is they can be independently produced by the venue or an affiliated organization such as a City events department, making them less dependent on the whims of the concert industry.
- Other event opportunities for the Music Center at The Heights include non-musical ticketed events such as speaking engagements, comedic performances and movie nights, as well as private rentals for corporate meetings, graduations and other such uses.
- As summarized in the table on the right, it is estimated that the Music Center at the Heights could host approximately 34 events and draw 85,000 attendees in a normalized year of operations (assumed to begin in Year 3 of operations).

ESTIMATED DEMAND The Music Center at The Heights					
Annual Events					
	2014 *	2015	2016	2017	2018
National Touring Concerts	8	10	12	12	12
Local / Regional Concerts	2	3	4	4	4
Festivals	2	4	6	6	6
Other Ticketed Events	2	3	4	4	4
Private Rentals	4	6	8	8	8
Total Events	18	26	34	34	34
Total Annual Attendance					
	2014 *	2015	2016	2017	2018
National Touring Concerts	26,000	30,000	33,000	33,000	33,000
Local / Regional Concerts	5,000	6,750	8,000	8,000	8,000
Festivals	10,000	20,000	30,000	30,000	30,000
Other Ticketed Events	3,000	4,500	6,000	6,000	6,000
Private Rentals	4,000	6,000	8,000	8,000	8,000
Total Attendance	48,000	67,250	85,000	85,000	85,000
* partial year of operations					

BUILDING PROGRAM VALIDATION

The preliminary building program for the Music Center at The Heights includes 4,500 fixed seats, all of which would be covered by a roof structure. In order to evaluate the Music Center at The Heights' envisioned capacity of 4,500 seats, industry data was compiled related to the seating capacities of the top 100 amphitheater venues of 2012, average attendance levels at the top 200 concert tours of 2012, historical paid attendance levels at comparable venues, and the capacities of existing Dayton-area concert venues.

- Of the top 100 grossing amphitheaters of 2012, 24 percent have a total seating capacity of 5,000 seats or fewer. This indicates that facilities with capacities similar to the Music Center at The Heights can attract events and generate ticket revenues that are among the top facilities in the country.
- Of the top 200 concert tours of 2012, 55 percent drew average paid attendance of 5,000 or fewer tickets sold per performance. These are the acts that could best be accommodated by a facility with a capacity of 4,500 seats.

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- Only one-fourth of the major concerts held at comparable amphitheater venues attained “sell-out” status, indicating that increasing the Music Center at The Heights’ capacity beyond 4,500 seats would not necessarily result in a significant increase in overall average attendance levels.
- Two existing venues in the Dayton market, Hara Arena and Frazee Pavilion, have capacities relatively similar to that of the proposed Music Center. This could result in these facilities competing for certain events. Promoters’ decisions among these facilities will likely be based on considerations such as a preference for an indoor versus outdoor venue (covered or uncovered), the location and accessibility of the venues, the level of amenities and services provided, and perhaps most importantly, the cost to rent the venues.
- Premium seating can provide a source of ancillary revenue for concert venues. For purposes of this analysis, a total of 10 private boxes have been assumed with an average of four seats per box, providing an offering for corporate partners and others desiring a VIP experience.
- The parking inventory currently planned for The Heights development appears to be more than adequate to support the parking needs of a 4,500-seat event venue. However, many of these parking spaces will likely be shared with other businesses and establishments located within the development, making it difficult to assess parking charges specifically for vehicles entering to attend a Music Center event. Based on discussions with project representatives, a parking fee may be added to the price of each ticket as a means of recouping parking revenue that could have been generated if the facility had dedicated parking lots.

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FINANCIAL PROJECTIONS

Estimates were developed regarding the potential operating revenues and expenses for The Music Center at The Heights for the first five years of operations. Since detailed facility design, configuration, and cost estimates have not yet been finalized, the assumptions used in this analysis are based on the results of the market analysis, industry trends, knowledge of the marketplace, financial results from comparable facilities and discussions with City officials and other project stakeholders. These estimates are summarized in the table to the right.

- In its first partial year of operations The Music Center at The Heights is estimated to generate operating revenues of approximately \$1.4 million and incur operating expenses of \$1.5 million, resulting in a net operating deficit of approximately \$119,900.
- The operating performance of The Music Center at The Heights is expected to improve through the first five years of operations as the venue reaches a stabilized year of operations. By year five, the venue is estimated to generate revenues of \$2.5 million and incur operating expenses of \$2.2 million, resulting in operating income of approximately \$213,900.
- It is important to note that these estimates do not include payments associated with any potential debt service related to the facility, but does include a self-funded contribution to a capital reserve account in order to maintain the facility as a pre-eminent outdoor live music venue in south eastern Ohio.
- Additional detailed physical development planning must be completed before more precise estimations of The Music Center at The Heights operating costs can be made. Also, upon completion of preliminary planning, revenue and expense assumptions should be updated to reflect changes to assumptions made herein. These changes could significantly affect the analysis of future operating results.

5-YEAR OPERATING PRO FORMA

The Music Center at The Heights

	2014 *	2015	2016	2017	2018
Total Events	18	26	34	34	34
Total Annual Paid Attendance	48,000	67,250	85,000	85,000	85,000
REVENUES:					
Facility Rental	\$141,000	\$187,500	\$231,800	\$237,400	\$243,200
Facility Fee (per ticket)	\$70,000	\$91,300	\$110,000	\$110,000	\$110,000
Ticket Rebates	\$35,000	\$46,100	\$56,900	\$59,900	\$63,000
Box Office Fees	\$20,100	\$37,600	\$58,600	\$65,600	\$72,600
Event Services	\$235,400	\$347,900	\$466,300	\$480,300	\$494,700
Parking	\$79,000	\$106,900	\$132,000	\$132,000	\$132,000
Food and Beverage	\$378,000	\$532,500	\$682,700	\$703,200	\$724,300
Merchandise	\$148,000	\$186,700	\$221,700	\$228,400	\$235,200
Premium Seating	\$44,800	\$65,900	\$88,300	\$90,900	\$93,600
Sponsorships	\$240,000	\$247,200	\$254,600	\$262,300	\$270,100
Other	\$15,000	\$15,500	\$15,900	\$16,400	\$16,900
TOTAL REVENUES	\$1,406,300	\$1,865,100	\$2,318,800	\$2,386,400	\$2,455,600
EXPENSES:					
Direct Costs:					
Food and Beverage	\$207,900	\$292,900	\$375,500	\$386,700	\$398,300
Merchandise	\$133,200	\$168,000	\$199,600	\$205,500	\$211,700
Premium Seating	\$29,100	\$42,200	\$55,600	\$56,400	\$57,200
Parking Expenses	\$11,900	\$16,000	\$19,800	\$19,800	\$19,800
Event Marketing	\$50,000	\$51,500	\$53,000	\$54,600	\$56,300
Event Expenses	\$215,700	\$318,900	\$427,500	\$440,300	\$453,500
Total Direct Expenses	\$647,800	\$889,500	\$1,131,000	\$1,163,300	\$1,196,800
Indirect Costs:					
Salaries & Wages	\$273,400	\$281,600	\$290,000	\$298,700	\$307,700
General and Administrative	\$250,000	\$309,000	\$318,300	\$327,800	\$337,700
Utilities	\$55,000	\$56,700	\$58,300	\$60,100	\$61,900
Insurance	\$80,000	\$82,400	\$84,900	\$87,400	\$90,000
Repairs and Maintenance	\$40,000	\$41,200	\$42,400	\$43,700	\$45,000
Capital Reserve	\$180,000	\$185,400	\$191,000	\$196,700	\$202,600
Total Indirect Costs	\$878,400	\$956,300	\$984,900	\$1,014,400	\$1,044,900
TOTAL EXPENSES	\$1,526,200	\$1,845,800	\$2,115,900	\$2,177,700	\$2,241,700
NET INCOME/(LOSS)					
FROM OPERATIONS	(\$119,900)	\$19,300	\$202,900	\$208,700	\$213,900

* Partial year of operations. Venue expected to be opened in June of 2014.

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- The live music business is very competitive and dependent on rapidly changing public tastes and dependent on the availability of popular artists and events. Various risks associated with the live music entertainment business can adversely affect the financial performance of The Music Center at The Heights, leading to potential decreases in overall revenue, the number of sponsors, event attendance, ticket prices, fees and profit margins.
- To gain an understanding of the potential impact to The Music Center at The Heights's estimated net operating income associated with fluctuations in key study assumptions, a sensitivity analysis has been completed. The sensitivity analysis compares the operating revenue, operating expenses and resulting net income from operations before any applicable debt service payments that could result based on differing event levels, attendance levels and changes to operating expense, rental rate and naming rights assumptions. The table on the right summarizes the results of the sensitivity analysis.

SENSITIVITY ANALYSIS The Music Center at The Heights					
Variable	2014 *	2015	2016	2017	2018
Base Analysis					
Total Operating Revenues	\$1,406,300	\$1,865,100	\$2,318,800	\$2,386,400	\$2,455,600
Total Operating Expenses	\$1,526,200	\$1,845,800	\$2,115,900	\$2,177,700	\$2,241,700
Net Income (Loss) From Operations	(\$119,900)	\$19,300	\$202,900	\$208,700	\$213,900
Reduced National Touring Concerts - 4 Fewer Events Each Year					
Total Operating Revenues	\$1,014,400	\$1,487,200	\$1,956,100	\$2,013,700	\$2,072,700
Total Operating Expenses	\$1,324,840	\$1,649,398	\$1,924,943	\$1,981,457	\$2,039,667
Net Income (Loss) From Operations	(\$310,440)	(\$162,198)	\$31,157	\$32,243	\$33,033
Increased National Touring Concerts - 4 More Events Each Year					
Total Operating Revenues	\$1,798,139	\$2,242,776	\$2,681,325	\$2,758,961	\$2,838,594
Total Operating Expenses	\$1,727,356	\$2,042,029	\$2,306,785	\$2,374,287	\$2,443,815
Net Income (Loss) From Operations	\$70,783	\$200,747	\$374,540	\$384,673	\$394,779
Reduced Attendance - 20 percent reduction					
Total Operating Revenues	\$1,224,110	\$1,617,194	\$2,012,379	\$2,065,960	\$2,120,906
Total Operating Expenses	\$1,441,574	\$1,729,318	\$1,968,526	\$2,026,233	\$2,085,672
Net Income (Loss) From Operations	(\$217,464)	(\$112,123)	\$43,853	\$39,726	\$35,234
Increased Attendance - 20 percent increase					
Total Operating Revenues	\$1,591,840	\$2,119,436	\$2,639,838	\$2,716,931	\$2,796,131
Total Operating Expenses	\$1,611,027	\$1,962,304	\$2,263,173	\$2,329,482	\$2,397,780
Net Income (Loss) From Operations	(\$19,187)	\$157,131	\$376,665	\$387,450	\$398,351
Increased Operating Expenses - 20 percent					
Total Operating Revenues	\$1,428,665	\$1,898,450	\$2,363,848	\$2,432,792	\$2,503,503
Total Operating Expenses	\$1,686,484	\$2,030,798	\$2,316,376	\$2,384,399	\$2,454,464
Net Income (Loss) From Operations	(\$257,818)	(\$132,348)	\$47,472	\$48,393	\$49,039
Reduced Facility Rental Rates - 25 percent					
Total Operating Revenues	\$1,335,752	\$1,771,258	\$2,202,846	\$2,267,620	\$2,334,036
Total Operating Expenses	\$1,526,098	\$1,845,714	\$2,115,864	\$2,177,872	\$2,241,741
Net Income (Loss) From Operations	(\$190,346)	(\$74,456)	\$86,982	\$89,748	\$92,295
No Naming Rights Agreement					
Total Operating Revenues	\$1,246,252	\$1,700,208	\$2,148,992	\$2,211,490	\$2,275,562
Total Operating Expenses	\$1,526,098	\$1,845,714	\$2,115,864	\$2,177,872	\$2,241,741
Net Income (Loss) From Operations	(\$279,846)	(\$145,506)	\$33,128	\$33,618	\$33,821
* Partial year of operations					

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ECONOMIC AND FISCAL IMPACTS

The construction and operation of the Music Center at The Heights can provide quantifiable benefits to the City of Huber Heights, Montgomery County and the State of Ohio. These quantifiable benefits often serve as the “return on investment” of public dollars that are contributed to develop facilities of this type. Quantifiable measurements of the effects that The Music Center at The Heights could have on the local economy are characterized in terms of *economic impacts* and *fiscal impacts*, including the following specific impacts estimated as part of this analysis:

- **Direct spending** represents the primary spending that would occur as a result of the construction and operations of The Music Center at The Heights, including construction spending, Music Center operations spending, and expenditures made by patrons, event staff and artists made in connection with their activities at the Music Center at The Heights.
- **Total Output** represents the total direct, indirect, and induced spending effects generated by The Music Center at The Heights as the initial direct expenditures are cycled through the local and regional economy.
- **Personal Earnings** represent the wages and salaries earned by employees of businesses impacted by The Music Center at The Heights.
- **Employment** is expressed in terms of total jobs supported by the economic activity generated by the Music Center at The Heights and includes both full and part-time jobs.
- **Fiscal Impacts** represent tax revenues generated from the following sources: income taxes (State and City), sales taxes (State and County), and hotel/motel taxes (County and City).

The economic impact estimates developed for this analysis include *gross impacts* generated as a result of all direct spending associated with the Music Center at The Heights, as well as *net new impacts* to the City, County and State that would not have taken place within the jurisdiction if not for the presence of the Music Center at The Heights. The following table summarizes the gross impacts estimated to be generated as a result of the construction and operations of the Music Center at The Heights, and the portion of those impacts that are estimated to be “net new” to the City, County and State.

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ECONOMIC AND FISCAL IMPACTS				
The Music Center at The Heights				
	Gross Impacts	Net New Impacts		
		City of Huber Heights	Montgomery County	State of Ohio
One-Time Construction Impacts				
Direct Spending	\$18,000,000	\$5,400,000	\$3,900,000	\$5,700,000
Total Output	\$28,097,257	\$8,429,177	\$6,087,739	\$8,897,465
Jobs	252	76	55	80
Earnings	\$12,272,916	\$3,681,875	\$2,659,132	\$3,886,423
Tax Revenues	\$224,837	\$72,491	\$53,755	\$77,919
Recurring Annual Operations Impacts				
Direct Spending	\$3,700,072	\$3,396,065	\$1,686,878	\$402,849
Total Output	\$5,893,353	\$5,404,002	\$2,689,193	\$642,080
Jobs	119	109	53	12
Earnings	\$2,328,326	\$2,134,957	\$1,057,656	\$248,970
Tax Revenues	\$138,768	\$95,387	\$27,081	\$25,877
Cumulative Impacts from Construction & 30 Years of Operations				
Direct Spending	\$279,717,143	\$243,710,950	\$119,676,363	\$34,455,907
Total Output	\$444,039,903	\$386,753,354	\$190,277,533	\$54,647,650
Jobs	183	162	78	21
Earnings	\$175,960,203	\$152,549,821	\$74,759,683	\$21,532,108
Tax Revenues	\$26,677,983	\$6,948,781	\$1,920,865	\$1,852,818

- The Music Center at the Heights is estimated to generate \$280 million in cumulative gross direct spending during construction and the first 30 years of operations. Through multiplier effects, new direct spending associated with The Music Center at The Heights is estimated to generate \$444 million in total output (direct, indirect and induced spending) and support an average of 183 full and part-time jobs each year that generate \$176 million in new personal earnings during construction and the first 30 years of operations. Gross income, sales and hotel/motel tax revenues estimated to be generated to the City, County and State are estimated to total \$26.7 million during construction and the first 30 years of operations.

EXECUTIVE SUMMARY

- In terms of City impacts, the Music Center at the Heights is estimated to generate \$244 million in cumulative new direct spending in the City of Huber Heights during construction and the first 30 years of operations, resulting in \$387 million in new total output and supporting an average of 162 new full and part-time jobs that generate \$153 million in new personal earnings during construction and the first 30 years of operations. New income and hotel tax revenues generated to the City of Huber Heights are estimated to total \$6.9 million during construction and the first 30 years of operations.
- Net new impacts generated to Montgomery County are estimated to include \$120 million in cumulative new direct spending, \$190 million in new total output, and an average of 78 new full and part-time jobs that generate \$75 million in new personal earnings during construction and the first 30 years of operations. New sales and hotel tax revenues generated to Montgomery County are estimated to total \$1.9 million during construction and the first 30 years of operations.
- Net new State of Ohio impacts are estimated to include \$34 million in cumulative new direct spending, \$55 million in new total output, 21 new full and part-time jobs, and \$22 million in new personal earnings during construction and the first 30 years of operations. New income and sales tax revenues generated to the State of Ohio are estimated to total \$1.9 million during construction and the first 30 years of operations.
- While the quantifiable net new impacts of The Music Center at The Heights will be important to the City, County and State, more substantial benefits are expected to be generated upon the full build-out of The Heights mixed-use development. According to project developers, The Heights mixed-use development is anticipated to generate approximately \$31 million in tax revenue annually and create 2,175 jobs (including 200 temporary construction jobs) at full build out. Over 30 years, the potential total economic impact is estimated to exceed \$1 billion.
- Project representatives anticipate that the construction and operations of the Music Center at The Heights will serve to accelerate the development of The Heights development by providing a destination and critical mass (approximately 85,000 patrons annually estimated in this report) of activity to support other commercial development. While The Music Center at The Heights will certainly create exposure, excitement and momentum for The Heights mixed-use development, there are numerous other factors that will impact the timing and amount of development of The Heights including the current and expected number of residents in the immediate area, traffic counts near the site, economic conditions, availability of favorable financing and many other factors.

EXECUTIVE SUMMARY

MANAGEMENT OPTIONS

Various options exist regarding the potential management and operations of The Music Center at The Heights. Each potential management structure has its own unique advantages and disadvantages, which should be considered when making decisions regarding the management of the venue. The following are the key findings of the evaluation of management options for the Music Center at The Heights.

- The three ownership and management structures in place at comparable amphitheaters consist of:
 1. Public ownership and management (typically by a designated city or other public sector department)
 2. Public ownership with management contracted to a third-party private management firm
 3. Private ownership and management.
- Based on discussions with City personnel, it is assumed that the City of Huber Heights will retain ownership of The Music Center at The Heights. Given the City's lack of experience in operating public assembly venues on the scale of The Music Center at The Heights and the importance of experienced management in operating and booking similar venues, it is recommended that the City consider retaining private management for the Music Center.
- It is our understanding that City representatives have discussed The Music Center at The Heights project with representatives of Music and Event Management, Inc. ("MEMI"), which owns and operates the PNC Pavilion and Riverbend Music Center in Cincinnati on behalf of the Cincinnati Symphony Orchestra. A partnership or management agreement with MEMI could allow The Music Center at The Heights to take advantage of MEMI's experience in operating similar venues, as well as MEMI's booking partnership with Live Nation, one of the nation's leading concert promoter organizations. Such a partnership or management arrangement could also reduce competition between PNC Pavilion and The Music Center at The Heights, although the terms of the partnership or management agreement would need to be structured to ensure that the routing of events through The Music Center at The Heights and PNC Pavilion is fair and equitable.
- As an alternative, the City could consider procuring third party management through an open bid or request for proposals process. This would allow management firms such as Live Nation, AEG Live, SMG, Global Spectrum and others (potentially including MEMI) to submit management proposals. The City could then select the firm that provides the best value in terms of management expertise, financial terms and other considerations.
- These options would potentially allow the City to maximize the national touring concert event potential, manage the competition among regional facilities and to achieve economies-of-scale associated with the operations of multiple facilities. The operational agreement could include a base annual management fee paid to the management entity and additional incentives tied to the number of touring concerts and attendance generated.

Executive Summary

- | | |
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| 1. | Introduction |
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- 2. Local Market Characteristics
 - 3. Live Music Industry Overview
 - 4. Music Venue Case Studies
 - 5. Estimated Demand & Building Program Validation
 - 6. Financial Projections
 - 7. Economic and Fiscal Impacts
 - 8. Management Options
- Appendix - Financial Model

1. INTRODUCTION

1. INTRODUCTION

In August 2011, the Huber Heights City Council approved the commencement of master planning for a regional mixed-use destination called The Heights. Located on 167 acres at the Interstate 70 and State Route 201 (Brandt Pike), The Heights is envisioned as a mixed-use commercial development that will offer retail, restaurant, entertainment, hospitality, residential and office space designed to spur economic activity in northern Dayton.

The Heights would continue the trend toward additional development in the surrounding area, joining recent developments such as the nearby Carriage Trails (a 625-acre residential development with up to 2,000 homes at full build-out) and a new recreation complex that includes the Kroger Aquatics Center at The Heights and a YMCA. The area is further anchored by Walmart (built in 2004) and Mijer (built in 2008).

As part of The Heights mixed-use master plan, the City of Huber Heights is considering the development of The Music Center at The Heights, a 4,500-seat, covered outdoor live music venue that would be developed at a cost of \$18 million, including \$16.5 million for construction and \$1.5 million for land acquisition. It is envisioned that The Music Center at The Heights would host concerts, graduation ceremonies, festivals and other local and regional events.



1. INTRODUCTION

As the local and national economy continues to rebound from one of the worst economic downturns in history, the City anticipates the development of The Music Center at The Heights, coupled with momentum created from the development of the aquatics and recreation complex and nearby housing, will serve as an anchor in spurring The Heights mixed-use development.

As a next step in the planning process, the City engaged Conventions, Sports & Leisure International (“CSL”) to provide an independent validation study of The Music Center at The Heights. In order to validate the feasibility of The Music Center at The Heights, CSL reviewed local market demographic and socioeconomic characteristics; reviewed industry trends, analyzed competitive and comparable facilities, and interviewed concert and other event promoters. Research results were used to estimate potential demand for The Music Center at The Heights, validate general building program elements necessary to accommodate demand, estimate potential financial operating results, quantify potential economic and fiscal impacts and evaluate potential facility management options.

THE MUSIC CENTER AT THE HEIGHTS

Conceptual Rendering



The study’s findings are presented in the following sections:

Executive Summary

1. Introduction
 2. Local Market Characteristics
 3. Live Music Industry Overview
 4. Music Venue Case Studies
 5. Estimated Demand and Building Program Validation
 6. Financial Projections
 7. Economic and Fiscal Impacts
 8. Management Options
- Appendix: Financial Model

This report outlines the key highlights of a feasibility study for The Music Center at The Heights. The study is designed to assist the City and other project representatives in making informed decisions regarding the development of The Music Center at The Heights and should be read in its entirety to obtain the background, methods and assumptions underlying the findings.

Executive Summary

1. Introduction
 2. Local Market Characteristics
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- Appendix - Financial Model

2. LOCAL MARKET CHARACTERISTICS

2. LOCAL MARKET CHARACTERISTICS

Concert promoters view several key market characteristics as critical to the success of their events, and therefore, represent important selection criteria when choosing an outdoor live entertainment venue. These attributes include transportation access, local market demographic characteristics, climate and competitive entertainment establishments proximate to the event site. As the live entertainment industry becomes more competitive, these characteristics will become more critical to the success of live entertainment venues.

This section provides an overview of the Huber Heights market in terms of key market characteristics that can impact the viability of The Music Center at The Heights. Accordingly, this section is presented in the following components:

- Demographic Characteristics;
- Transportation Access;
- Climate; and,
- Competitive Entertainment Venues.

DEMOGRAPHIC CHARACTERISTICS

An important component in assessing the potential success of The Music Center at The Heights is the demographic profile of the local market. The strength of a market in terms of its ability to attract events, attract patrons and generate revenues is measured, to some extent, by the size of the regional market area population and its income characteristics. Specific demographic and socioeconomic information that can provide an indication of the ability of a market to support The Music Center at The Heights includes population, median age and age distribution, household income and corporate base. Event producers typically consider these factors when selecting the appropriate markets for their events.

The demographic data presented in this report is based on the anticipated primary and secondary markets of The Music Center at The Heights. The primary market is the geographic area in which it is anticipated that the majority of attendees and corporate partners are expected to originate. The size of this primary market can be influenced by such factors as transportation systems, site accessibility, media coverage and competing entertainment venues in the surrounding region.

For purposes of this analysis, the primary market is assumed to comprise the Dayton Core-Based Statistical Area (“CBSA”), which is comprised of Greene, Miami, Montgomery and Preble counties. A CBSA, as defined by the United States Office of Management and Budget (“OMB”), is a geographical area consisting of a county or counties associated with at least one core (i.e. the City of Dayton), plus adjacent counties having a high degree of economic and social integration with that core. A review of geographic distribution of concert ticket sales markets similar to Dayton indicates, on average, that 70 to 80 percent of ticket sales typically come from within the primary market area.

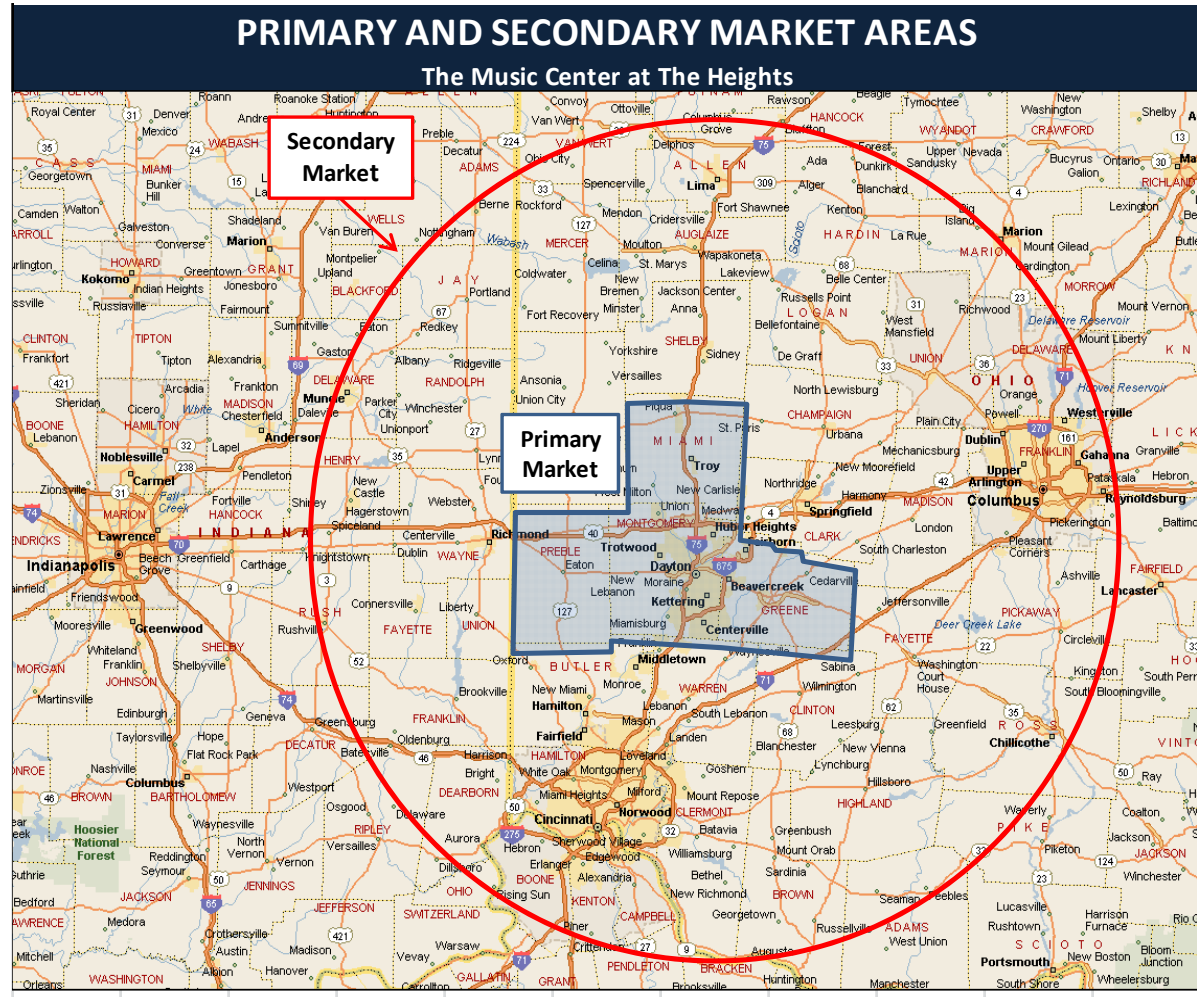
2. LOCAL MARKET CHARACTERISTICS

In addition to the assessment of the primary market area, the analysis presented herein also includes an assessment of the combined primary and secondary market for The Music Center at The Heights, which is anticipated to include a 75-mile radius from the proposed facility. It is likely that the vast majority of ticket sales to events at the Music Center would originate from within the combined primary and secondary market areas. As illustrated in the map to the right, The Music Center at The Heights' secondary market includes the Columbus and Cincinnati metropolitan areas, as well as smaller regional markets such as Middletown, Springfield, Lima and Chillicothe, Ohio and Richmond and Muncie, Indiana.

Generally, concert promoters have found that people are willing to drive from a smaller market to a larger market to attend a major concert event, but people who reside in larger markets are less inclined to travel to smaller markets to attend a concert. However, promoters contacted for this study indicated that venues in the Dayton market have historically overcome this trend and have been successful in drawing a portion of attendees from the larger Cincinnati and Columbus markets.

A number of key demographic variables pertaining to the primary and secondary market for The Music Center at The Heights were analyzed, including:

- **Population** - The level of population from which to draw can impact the ability of The Music Center at The Heights to attract events and patrons and operate at sustainable levels. Population represents a key criterion for live music and entertainment promoters for touring



2. LOCAL MARKET CHARACTERISTICS

acts in determining which cities to route their acts. In addition to current year population, past and future population growth has also been assessed.

- Age** - The age characteristics of the local population represent another key demographic variable that is important to the overall viability of The Music Center at The Heights. Generally, the population group between the ages of 35 and 54 represent a strong proportion of concert attendees, as this age range typically demonstrates higher household income and entertainment spending levels compared with other age groups. The 18 to 34-year old age group is also important to concert promoters, as this age range represents a primary consumer of live and recorded popular music. The overall age distribution of the market can also be indicative of the types of events or acts that may be attracted to, and be successful in, the market. The median age of the local population, as well as the percentage of the population falling within key age ranges was compiled and compared to national averages.
- Household Income** - Household income provides an indication of a market's ability to purchase tickets, concessions, merchandise, and parking at concerts and other spectator events. Comparisons were made between the Huber Heights area's median household income and percentage of households by income level with those of the U.S. as a whole.
- Corporate Base** – The depth of the local corporate base can play a critical role in the overall success of The Music Center at The Heights. Corporations support event venues in several ways, including the purchase of tickets and premium seating, advertising and sponsorships opportunities and underwriting events. The demographic analysis includes an assessment of the size of the corporate base within the primary and secondary market areas.

The table to the right presents a summary of the key demographic variables of the primary and secondary markets for The Music Center at The Heights. United States totals have also been included in the table to provide additional context for the local and regional market demographics.

MARKET DEMOGRAPHICS

The Music Center at The Heights

	Primary Market Area ⁽¹⁾	Primary & Secondary Market Area ⁽²⁾	U.S. Totals
Population			
1990	848,200	5,342,100	281,421,900
2000	841,500	5,653,500	308,745,500
2013	849,700	5,717,600	314,861,800
2018	859,400	5,798,400	325,322,300
CAGR 1990-2013	0.0%	0.3%	0.5%
CAGR 2013-2018	0.2%	0.3%	0.7%
Age			
Median age	39.2	37.2	37.5
Under 18	23%	24%	24%
18 to 34	22%	23%	23%
35 to 54	26%	27%	27%
55 & Over	29%	26%	26%
Household Income			
Median HH Income	\$42,200	\$47,000	\$49,300
Less than \$25,000	30%	27%	25%
\$25,000 to \$50,000	28%	26%	25%
\$50,000 to \$75,000	19%	19%	18%
\$75,000 to \$100,000	11%	12%	12%
\$100,000+	12%	17%	19%
Corporate Inventory			
Total Corporate Base	41,900	298,700	17,186,500
By Sales:			
Under \$1.0 MM	39,000	278,800	16,108,600
\$1.0 MM to \$2.4 MM	1,500	10,100	571,100
\$2.5 MM to \$4.9 MM	600	4,000	221,800
\$5.0 MM to \$9.9 MM	370	2,400	125,900
\$10.0 MM to \$24.9 MM	240	1,800	91,500
\$25.0 MM to \$49.9 MM	90	740	33,900
Over \$50.0 MM	80	740	33,600

(1) Primary market is the Dayton CBSA.

(2) The combined primary and secondary markets is equal to a 75 mile radius.

Note: CAGR = Compound Annual Growth Rate

Source: Claritas; Hoovers.

2. LOCAL MARKET CHARACTERISTICS

- The Music Center at The Heights's primary market, defined as the Dayton metropolitan area, has a population of approximately 849,700. After experiencing declining population during the 1990's, the Dayton market's population has increased since 2000, resulting in nearly flat population growth as a whole since 1990. The market's population is projected to grow slightly over the next five years.
- Approximately 5.7 million people reside within 75 miles of The Music Center at The Heights, an area that includes the Columbus and Cincinnati markets. Population growth in the secondary market is projected to slightly outpace that of the primary market over the next five years, but is anticipated to remain less than half of the national average growth rate.
- The primary market for The Music Center at The Heights exhibits slightly older demographics than the secondary market and the U.S. as a whole, with a higher median age and a higher percentage of the population aged 55 and over. The age demographics of the market area will need to be considered in identifying appropriate programming for The Music Center at The Heights.
- The median income of households located within the primary market (\$42,200) is approximately 14 percent below the national median, while the combined primary and secondary market median household income (\$47,000) is approximately five percent lower than the national median. Similarly, a relatively high percentage of primary and secondary market households have annual income lower than \$25,000, with relatively low percentages having annual income in excess of \$100,000. It will be important to consider the income demographics of the market when pricing tickets, seating and other offerings associated with the facility.
- The primary market for The Music Center at The Heights is home to approximately 41,900 corporations. Approximately 800 of these companies have annual sales in excess of \$5.0 million, representing the companies that may be most likely to have the wherewithal to support the facility through the purchase of premium seating, advertising and sponsorships. Approximately 5,700 companies exceed the \$5.0 million threshold within the combined primary and secondary markets.

In order to provide additional context to the population of The Music Center at The Heights's primary market, comparisons were made among the metropolitan area populations of markets that are home to amphitheaters ranking among the top 100 in tickets sold in 2012 as identified by *Pollstar*, a leading publication serving the concert and live entertainment industry. The tables on the following two pages list these facilities, their respective markets and market populations and the number of tickets sold to events at each facility in 2012. It should be noted that the ticket sales figures represent sales reported to *Pollstar*, which typically includes only touring concert and entertainment events. Therefore, the ticket sales figures may not be indicative of total annual attendance at the venues when including community events and other events not reported by *Pollstar*.

2. LOCAL MARKET CHARACTERISTICS

Top 100 Amphitheaters

2012 Ticket Sales

Venue	Location	Market Population	Rank	Seating Capacity	Ticket Sales	Rank	Venue	Location	Market Population	Rank	Seating Capacity	Ticket Sales	Rank
Nikon At Jones Beach Theatre	Wantagh, NY	19,149,600	1	15,000	183,962	23	Greek Theatre	Berkeley, CA	4,458,000	26	6,162	92,156	42
PNC Bank Arts Center	Holmdel, NJ	19,149,600	1	17,500	123,442	35	San Manuel Amphitheater	Devore, CA	4,391,500	27	65,000	32,117	82
Rumsey Playfield / Central Park	New York, NY	19,149,600	1	2,000	71,055	50	Ashley Furniture HomeStore Pavilion	Phoenix, AZ	4,345,600	28	20,000	81,271	45
Prospect Park Bandshell	Brooklyn, NY	19,149,600	1	7,000	37,253	76	DTE Energy Music Theatre	Clarkston, MI	4,271,400	29	15,724	179,287	24
Williamsburg Park	Brooklyn, NY	19,149,600	1	7,000	20,438	99	Sydney Myer Music Bowl	Melbourne, AUS	4,170,000	30	25,000	101,257	38
Hollywood Bowl	Los Angeles, CA	13,075,100	6	5,700	321,165	5	Woodland Park Zoo	Seattle, WA	3,563,400	31	2,600	39,526	71
Greek Theatre	Los Angeles, CA	13,075,100	6	17,383	234,868	12	White River Amphitheatre	Auburn, WA	3,563,400	31	16,000	33,239	80
Verizon Wireless Amptheatre	Irvine, CA	13,075,100	6	18,000	140,584	31	Kindl-Buehne Wuhlheide	Berlin, GER	3,520,100	33	17,000	80,023	46
Pacific Amphitheatre	Costa Mesa, CA	13,075,100	6	18,500	62,380	59	Waldbuhne Berlin	Berlin, GER	3,520,100	33	23,000	66,017	53
First Midweset Bank Amphitheatre	Tinley Park, IL	9,552,600	10	28,589	258,966	9	Minnesota Zoo Amphitheater	Apple Valley, MN	3,363,300	35	1,500	40,227	70
Ravinia Festival at Ravinia Park	Highland Park, IL	9,552,600	10	3,400	106,758	37	Mystic Amphitheater	Prior Lake, MN	3,363,300	35	8,357	25,288	88
Charter One Pavilion	Chicago, IL	9,552,600	10	7,500	33,479	79	Cricket Wireless Amphitheatre	Chula Vista, CA	3,192,600	37	19,492	186,388	22
Gexa Energy Pavilion	Dallas, TX	6,709,200	13	20,111	192,275	19	Humphrey's Concerts By The Bay	San Diego, CA	3,192,600	37	1,390	57,262	61
Cynthia Woods Mitchell Pavilion	The Woodlands, TX	6,251,200	14	16,040	390,808	2	Open Sky Theater @ Harrah's	Valley Center, CA	3,192,600	37	3,500	38,320	74
Susquehanna Bank Center	Camden, NJ	6,022,200	15	25,000	312,274	6	1-800 Ask Gary Amphitheatre	Tampa, FL	2,867,300	40	20,000	168,717	26
Mann Center For Performing Arts	Philadelphia, PA	6,022,200	15	7,200	94,366	39	Verizon Wireless Amph. St. Louis	Maryland Hts, MO	2,821,400	41	12,000	199,773	17
Filene Center At Wolf Trap	Vienna, VA	5,828,900	17	7,000	367,005	3	Tanzbrunnen Koel	Cologne, GER	2,818,200	42	2,500	31,554	84
Jiffy Lube Live	Bristow, VA	5,828,900	17	25,000	214,359	15	Blossom Music Center	Cuyahoga Falls, OH	2,755,600	43	18,500	221,416	14
Cruzan Amphitheatre	W Palm Beach, FL	5,761,800	19	19,000	146,349	29	Merriweather Post Pavilion	Columbia, MD	2,750,200	44	19,316	143,219	30
Molson Canadian Amphitheatre	Toronto, ONT	5,583,100	20	16,000	326,204	4	Pier Six Pavilion	Baltimore, MD	2,750,200	44	4,200	20,170	100
Aaron's Amphitheatre At Lakewood	Atlanta, GA	5,465,000	21	19,000	195,481	18	Red Rocks Amphitheatre	Morrison, CO	2,665,500	46	9,450	503,876	1
Verizon Wireless Amph. @ Encore Park	Alpharetta, GA	5,465,000	21	12,000	157,743	28	Comfort Dental Amphitheatre	Englewood, CO	2,665,500	46	16,823	65,255	55
Chastain Park Amphitheatre	Atlanta, GA	5,465,000	21	6,700	72,466	49	First Niagara Pavillion	Burgettstown, PA	2,362,800	48	18,000	206,935	16
Comcast Center	Mansfield, MA	4,635,500	24	19,900	236,635	11	McMenamins Edgefield Amphitheater	Troutdale, OR	2,298,100	49	4,500	76,601	47
Bank Of America Pavilion	Boston, MA	4,635,500	24	5,000	29,164	86	Oregon Zoo Amphitheatre	Portland, OR	2,298,100	49	9,500	42,965	67

Source: Pollstar

Exhibit continued on following page

2. LOCAL MARKET CHARACTERISTICS

Top 100 Amphitheaters

2012 Ticket Sales

Venue	Location	Market Population	Rank	Seating Capacity	Ticket Sales	Rank	Venue	Location	Market Population	Rank	Seating Capacity	Ticket Sales	Rank
Whitewater Amphitheatre	New Braunfels, TX	2,256,800	51	5,500	75,827	48	Anselmo Valencia Tori Amphitheatre	Tucson, AZ	1,000,300	76	5,000	34,225	78
Floores Country Store Outdoor Stage	Helotes, TX	2,256,800	51	2,000	39,160	72	Hard Rock Casino Presents The Pavilion	Albuquerque, NM	912,100	77	8,400	66,130	52
River State Amphitheater	Brisbane, AUS	2,150,000	53	9,000	22,559	93	Harrah's Casino- Stir Concert Cove	Council Bluffs, IA	890,800	78	3,000	52,778	64
Riverbend Music Center	Cincinnati, OH	2,146,500	54	20,500	308,317	7	Saratoga Performing Arts Center	Saratoga Springs, NY	872,000	79	25,000	224,914	13
PNC Pavilion At Riverbend	Cincinnati, OH	2,146,500	54	4,100	21,967	95	Fraze Pavilion For the Perf. Arts	Kettering, OH	849,700	80	4,300	81,663	44
Starlight Theatre	Kansas City, MO	2,072,500	56	8,105	55,513	62	PNC Plaza At Steelstacks	Bethlehem, PA	829,000	81	7,200	47,736	65
Jacobs Pavilion at Nautica	Cleveland, OH	2,056,600	57	5,000	24,604	90	Toyota Pavilion At Montage Mountain	Scranton, PA	562,500	82	17,600	39,127	73
Shoreline Amphitheatre	Mountainview, CA	1,900,200	58	22,000	254,336	10	Star Pavilion	Hershey, PA	556,800	83	8,000	21,998	94
The Mountain Winery	Saratoga, CA	1,900,200	58	2,500	20,792	97	Arkansas Music Pavilion	Fayetteville, AR	486,400	84	6,400	25,216	89
The Backyard	Austin, TX	1,863,300	60	7,500	30,713	85	Santa Barbara Bowl	Santa Barbara, CA	430,600	85	4,500	117,760	36
Verizon Wireless Amphitheatre	Charlotte, NC	1,839,500	61	19,500	186,699	21	Ford Park Pavilion	Beaumont, TX	392,500	86	14,000	40,286	69
Klipsch Music Center	Noblesville, IN	1,804,500	62	24,000	308,223	8	Cuthbert Amphitheater	Eugene, OR	356,500	87	6,000	41,666	68
Farm Bureau Live At Virginia Beach	Virginia Beach, VA	1,695,200	63	20,000	131,357	33	Tuscaloosa Amphitheatre	Tuscaloosa, AL	223,900	88	7,470	58,067	60
Ntelos Wireless Pavilion	Portsmouth, VA	1,695,200	63	7,500	27,646	87	Ntelos Wireless Pavilion	Charlottesville, VA	208,100	89	4,983	20,729	98
Marcus Amphitheater	Milwaukee, WI	1,569,000	65	23,000	33,237	81	Amphitheatre At The Warf	Orange Beach, AL	192,000	90	10,000	43,746	66
St. Augustine Amphitheatre	Saint Augustine, FL	1,376,200	66	3,493	83,485	43	Sleep Train Amphitheatre	Wheatland, CA	169,200	91	18,500	31,905	83
Snowden Grove Amphitheater	Southaven, MS	1,336,400	67	10,000	23,272	92	Les Schwab Amphitheater	Bend, OR	162,400	92	8,000	23,925	91
Oklahoma City Zoo Amphitheatre	Oklahoma City, OK	1,306,800	68	10,000	36,903	77	Bangor Waterfront Pavilion	Bangor, ME	153,500	93	12,800	52,876	63
Comcast Theatre	Hartford, CT	1,213,700	69	30,000	192,217	20	Tanglewood	Lenox, MA	129,500	94	6,000	64,724	56
Time Warner Cable Music Pavilion	Raleigh, NC	1,202,600	70	7,000	159,207	27	Alpine Valley Music Theatre	East Troy, WI	103,700	95	3,700	93,368	41
Usana Amphitheatre	Salt Lake City, UT	1,171,400	71	20,000	63,045	58	Gorge Amphitheatre	Quincy, WA	93,500	96	20,000	63,070	57
Red Butte Garden	Salt Lake City, UT	1,171,400	71	2,800	20,857	96	Bethel Woods Center For The Arts	Bethel, NY	77,500	97	5,000	133,186	32
Oak Mountain Amphitheatre	Pelham, AL	1,136,700	73	10,289	37,458	75	Meadowbrook U.S. Cellular Pavilion	Gilford, NH	60,400	98	6,500	70,898	51
Artpark Amphitheatre	Lewiston, NY	1,131,800	74	4,300	93,893	40	Darien Lake Performing Arts Center	Darien Center, NY	59,900	99	21,800	176,170	25
Constellation- Marvin Sands PAC	Canandaigua, NY	1,055,900	75	15,000	124,493	34	Lake Tahoe Outdoor Arena At Harveys	Stateline, NV	47,600	100	7,200	65,734	54

Source: Pollstar

2. LOCAL MARKET CHARACTERISTICS

As shown, markets of varying sizes are currently supporting amphitheaters ranked among the top 100 in concert ticket sales. Dayton's metropolitan area would rank 80th among the top 100 amphitheater markets. However, it should be noted that the market is already home to one amphitheater ranked among the top 100, the Frazee Pavilion in Kettering.

TRANSPORTATION ACCESS

Transportation access is vital to the success of any live entertainment venue. Ease of access is important from the perspective of attracting patrons on a local and regional basis, while the location of a market and venue factor heavily as concert promoters choose venues based on how the market fits in the context of the overall routing of an act. The map on the following page illustrates The Music Center at The Heights's location relative to regional markets and major transportation arteries.

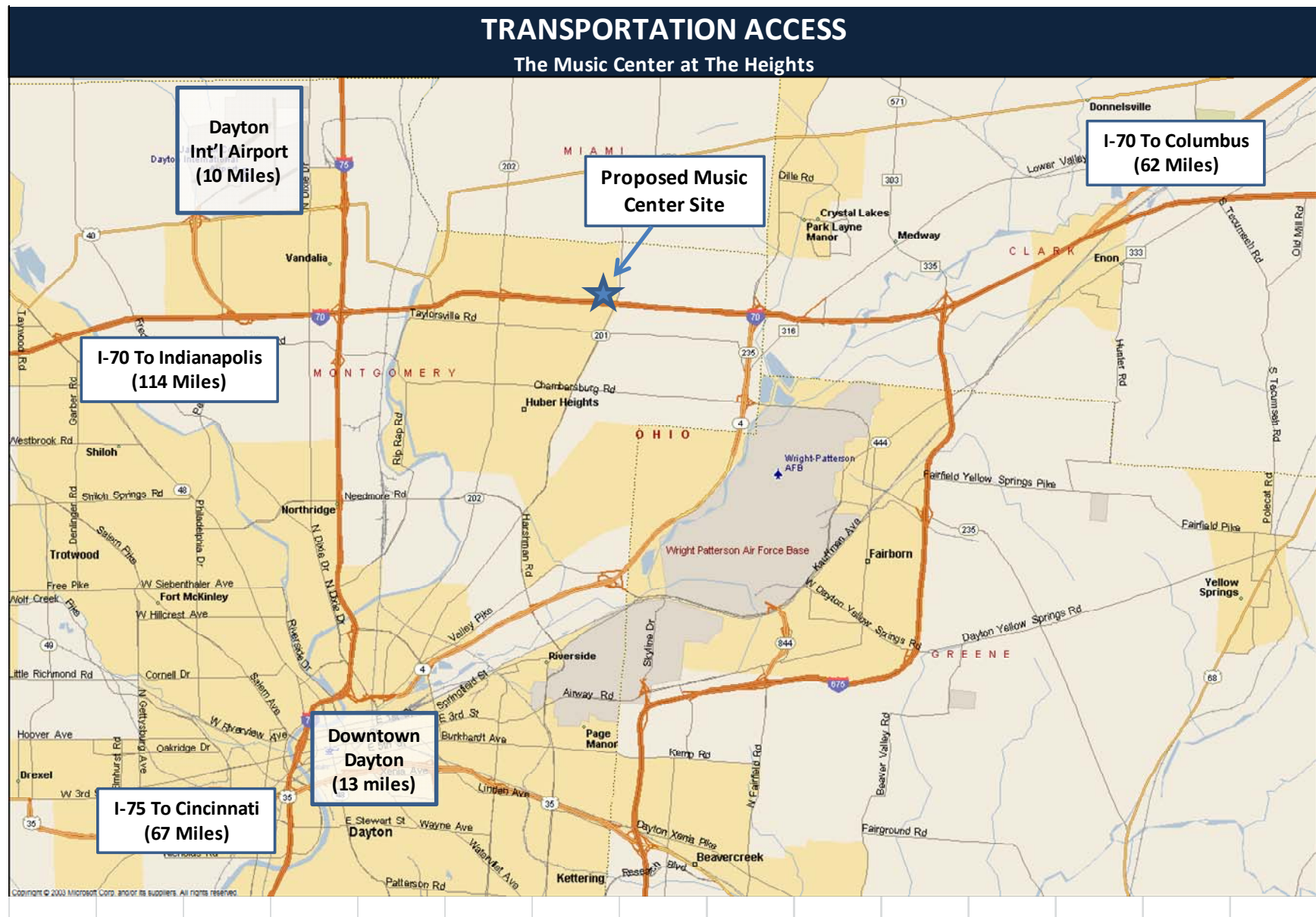
Huber Heights is positioned in relatively close proximity to three major markets: Columbus 62 miles to the east, Cincinnati 67 miles to the south and Indianapolis 114 miles to the west. This proximity, along with the Interstate highway access linking these markets to The Music Center at The Heights site, could make the facility a convenient stop for touring events routing through the region. However, artists and promoters may choose not to play the Dayton market if their tour already includes stops in Columbus and/or Cincinnati due to the proximity of those markets. Therefore, The Music Center at The Heights will likely compete with venues in Columbus and Cincinnati for events routing through the region.

In terms of local access, The Music Center at The Heights site appears to be well positioned to draw patrons from the regional market. The facility would enjoy a visible location along Interstate Highway 70, which links to major north/south arteries such as Interstate 70 five miles to the west, Highway 4/Highway 235 three miles to the east and Interstate Highway 675 six miles to the east. The visibility of the site may also have a positive impact on the value associated with naming rights and other sponsorship opportunities associated with the venue. The site is approximately 10 miles from the Dayton International Airport and 13 miles from downtown Dayton.

Beyond the local market, the interstate highway system connects Huber Heights to several regional markets that could represent sources of ticket sales for events held at The Music Center at The Heights. The table to the right summarizes the mileage and drive times between Huber Heights and several regional markets.

REGIONAL MARKET DRIVE TIME			
The Music Center at The Heights			
City	Distance (miles)	Drive Time (hours)	CBSA Population ⁽¹⁾
Dayton, OH	13	0:19	849,700
Springfield, OH	18	0:25	136,900
Columbus, OH	62	1:03	1,883,900
Cincinnati OH	67	1:14	2,146,500
Lima, OH	70	1:12	105,800
Marion, OH	82	1:43	65,800
Muncie, IN	86	1:30	117,600
Chillicothe, OH	90	1:30	78,400
Anderson, IN	101	1:52	130,700
Findlay, OH	103	1:38	75,300
Indianapolis, IN	114	1:51	1,804,500
Marion, IN	124	2:13	69,400
⁽¹⁾ A Core-Based Statistical Area is a geographical area consisting of a county or counties that have a high degree of economic and social integration and is determined by the U.S. Office of Management and Budget.			
Source: Google Maps; Claritas.			

2. LOCAL MARKET CHARACTERISTICS



2. LOCAL MARKET CHARACTERISTICS

CLIMATE

Weather conditions can have a significant impact on the operations of an outdoor event venue in a variety of ways. For example, the outdoor season for amphitheaters located in northern climates is typically much shorter than markets located in the southern regions of the country. The typical outdoor concert season in Ohio runs from late May (Memorial Day) through early September (Labor Day). In addition to impacting the length of the outdoor season, inclement weather during the outdoor concert season can adversely impact walk-up ticket sales or can result in the cancellation of an event. The current design of The Music Center at The Heights includes covering over all seats, which will help mitigate the impact of rain and other inclement weather. However, because the facility will be open-sided, climate and weather conditions will still impact its operating season.

The chart to the right summarizes the mean daily minimum and maximum temperature and precipitation by month for the Dayton market.

As shown, the mean temperature ranges from a low of 58.5 to a high of 78.7 degrees Fahrenheit during the outdoor concert season in Dayton. The mean monthly precipitation is 3.7 inches, with a mean of six days per month having at least 0.1 inches of precipitation during the outdoor concert season.

Dayton, like many other cities in the greater Ohio region, experiences a continental climate, characterized by four distinct seasons, with significant variations in temperature and precipitation between them. The area shares many climatic characteristics with the remainder of the Ohio Valley region, such as slightly warmer winters and increased precipitation that is more evenly spread throughout the year.

The Memorial Day to Labor Day operating season (May to September) is characterized by relatively pleasant, temperate weather, which could make The Music Center at The Heights an attractive entertainment option for area residents.

*Typical
Outdoor
Concert
Season*

SEASONAL CLIMATE				
Dayton CBSA				
Month	Mean Temperature		Mean	Mean
	Daily Minimum	Daily Maximum	Precipitation (Inches)	Precipitation (Days) ⁽¹⁾
January	19.0	33.7	2.6	6
February	22.4	38.2	2.3	5
March	31.2	49.3	3.3	7
April	40.4	60.7	4.0	8
May	51.1	71.2	4.2	9
June	60.2	80.1	4.2	7
July	64.4	84.2	3.8	7
August	62.2	82.3	3.5	5
September	54.6	75.6	2.7	5
October	43.5	63.5	2.7	5
November	34.3	50.1	3.3	6
December	24.4	38.5	3.1	7
Average Month During Outdoor Season				
	58.5	78.7	3.7	6
Note: Precipitation includes both rain and snow.				
(1) Mean number of precipitation days equal to mean number of days with at least 0.1 inches of precipitation.				
Source: RSS Weather & National Climate Data Center				

2. LOCAL MARKET CHARACTERISTICS

COMPETITIVE ENTERTAINMENT VENUES

The number and type of local and regional facilities that would possibly compete for the limited supply of events, spectators, and attendees within the marketplace will impact the market potential for The Music Center at The Heights. The purpose of this section is to assess facilities in The Music Center at The Heights' primary and secondary market area that could provide some level of competition to the proposed facility.

The table to the right presents a summary of local and regional live entertainment venues and their anticipated degree of potential competition with The Music Center at The Heights.

- Several venues in the Dayton metropolitan area currently host touring entertainment events and will provide varying levels of competition with The Music Center at The Heights. As an outdoor concert venue with a capacity similar to that of The Music Center at The Heights, Frazee Pavilion in Kettering represents the most direct potential local competitor. However, Frazee

COMPETITION					
The Music Center at The Heights					
Facility	Location	Distance From Huber Hts. (in Miles)	Facility Type	Seating Capacity	Anticipated Degree of Potential Competition
Primary Market Competition:					
Frazee Pavilion	Kettering	20	Amphitheater (outdoor)	4,300	High
Nutter Center	Dayton	15	Arena (indoor)	10,400	Moderate
Hara Arena	Dayton	15	Arena (indoor)	5,500	Low
Schuster Performing Arts Center	Dayton	15	Theater (indoor)	2,300	Low
University of Dayton Arena	Dayton	15	Arena (indoor)	13,435	Low
Secondary Market Competition:					
Lifestyle Communities Pavilion	Columbus	60	Amphitheater (indoor/outdoor)	2,200/4,400	High
PNC Pavilion at Riverbend	Cincinnati	75	Amphitheater (outdoor)	4,100	High
Cintas Center	Cincinnati	60	Arena (indoor)	10,250	Moderate
Clark State Comm. College PAC	Springfield	15	Theater (indoor)	1,500	Moderate
Crouse Performance Hall	Lima	70	Theater (indoor)	1,784	Moderate
Nationwide Arena	Columbus	60	Arena (indoor)	18,500	Moderate
Riverbend Music Center	Cincinnati	75	Amphitheater (outdoor)	20,500	Moderate
Schottenstein Center	Columbus	65	Arena (indoor)	18,809	Moderate
U.S. Bank Arena	Cincinnati	65	Arena (indoor)	17,556	Moderate
Aronoff Center for the Arts	Cincinnati	65	Theater (indoor)	2,719	Low
Beulah Park	Grove City	60	Racetrack (outdoor)	25,000	Low
Celeste Center	Columbus	65	Arena (indoor)	10,200	Low
Cincinnati Gardens	Cincinnati	60	Arena (indoor)	10,200	Low
Cincinnati Music Hall	Cincinnati	65	Theater (indoor)	3,400	Low
Crew Stadium	Columbus	65	Stadium (outdoor)	20,145	Low
Franklin County Veterans Memorial	Columbus	60	Theater (indoor)	3,916	Low
Huntington Park	Columbus	60	Stadium (outdoor)	10,000	Low
John D. Millett Hall	Oxford	55	Arena (indoor)	9,200	Low
Mershon Auditorium	Columbus	65	Theater (indoor)	2,500	Low
Newport Music Hall	Columbus	65	Theater (indoor)	1,200	Low
Ohio Stadium	Columbus	65	Stadium (outdoor)	100,000	Low
Ohio Theater	Columbus	60	Theater (indoor)	2,779	Low
Palace Theater	Columbus	60	Theater (indoor)	2,827	Low
Southern Theater	Columbus	60	Theater (indoor)	1,900	Low
Taft Theater	Cincinnati	65	Theater (indoor)	2,500	Low
TimberWolf Amphitheatre	Mason	50	Amphitheater (outdoor)	9,400	Low
Source: Pollstar					

2. LOCAL MARKET CHARACTERISTICS

Pavilion offers limited fixed seating, does not have a protective canopy over the seating area and does not have immediate on-site parking, three elements that are envisioned to be included in The Music Center at The Heights's building program. These amenities may provide The Music Center at The Heights with a competitive advantage over Frazee Pavilion.

- The greater Dayton area is home to two collegiate arenas that host entertainment events in addition to collegiate athletic events. Of the two, the Nutter Center at Wright State University hosts a higher number of touring concert events and therefore will likely represent a higher degree of competition than the University of Dayton Arena. Both venues primarily host events during the late fall, winter and early spring seasons, which will reduce their competition with The Music Center at The Heights, which will operate primarily during the summer.
- Dayton's Hara Arena also hosts touring concerts and has a capacity that is more similar to that of The Music Center at The Heights than the other indoor arenas in the market. However, Hara Arena is relatively antiquated and does not provide the level of amenities associated with the market's more modern concert venues. In recent years, Hara Arena has focused largely on specific niches such as hard rock concerts, and is unlikely to compete directly with The Music Center at The Heights for the majority of acts.
- The Schuster Performing Arts Center is the Dayton market's primary theater-style venue, hosting performances by the Dayton Philharmonic, the Dayton Opera, and the Dayton Ballet, as well as Broadway shows and touring concert acts. Because the Schuster Center hosts a limited number of touring concerts and has a smaller capacity than The Music Center at The Heights, competition between the two venues is likely to be limited.
- Beyond the Dayton metropolitan area, the secondary market for The Music Center at The Heights is home to several venues of varying types, sizes and event characteristics. Both Columbus and Cincinnati are home to outdoor music venues similar in size to The Music Center at The Heights. Columbus's Lifestyle Communities Pavilion is an indoor/outdoor concert venue with 2,200 indoor seats, expandable to 4,400 when opened to create an open-air environment. Cincinnati is home to the PNC Pavilion, a 4,100-seat covered concert pavilion. Both of these venues could compete directly with The Music Center at The Heights for touring events seeking an open air venue with a capacity of approximately 4,000 seats in the central/southwest Ohio region.
- Cincinnati is also home to the Riverbend Music Center, an outdoor venue with a capacity of 18,500. The larger size of the Riverbend Music Center will limit the extent to which it competes with The Music Center at The Heights in Huber Heights, but the two venues may compete for certain acts seeking an outdoor venue in the region.
- Both the Cincinnati and Columbus markets are home to multiple indoor sports and entertainment arenas that host concerts and other touring events. Each of these arenas could compete with The Music Center at The Heights for certain touring acts. However, their larger capacities, indoor configurations and generally lower utilization rates during the summer months may mitigate this competition to some degree.

2. LOCAL MARKET CHARACTERISTICS

- Two theater venues located within approximately an hour's drive from Huber Heights (the Clark State Community College Performing Arts Center in Springfield and the Crouse Performance Hall in Lima) host touring concert events in addition to fine arts performances. While the limited capacities of these venues may reduce the extent to which they compete with The Music Center at The Heights, both could provide some level of competition for events seeking small to mid-sized venues in the area.

The characteristics of The Music Center at The Heights' market are considered together with an assessment of the historical operations of comparable facilities, industry trends, and interviews with potential facility users to estimate demand.

Executive Summary

1. Introduction
2. Local Market Characteristics
3. Live Music Industry Overview
4. Music Venue Case Studies
5. Estimated Demand & Building Program Validation
6. Financial Projections
7. Economic and Fiscal Impacts
8. Management Options

Appendix - Financial Model

3. LIVE MUSIC INDUSTRY OVERVIEW

3. OVERVIEW OF LIVE MUSIC INDUSTRY

The live music industry includes concert promotion and/or production of music events or tours. To initiate live music events or tours, booking agents directly contract with artists to represent them for defined periods. Booking agents then contact promoters, who will contract with them or directly with artists to arrange events. Booking agents generally receive fixed or percentage fees from performers for their services. Promoters earn revenue primarily from the sale of tickets. Artists are paid by the promoter under one of several different formulas, which may include fixed guarantees and/or a percentage of ticket sales or event profits. Additionally, promoters may also reimburse artists for certain costs of production, such as sound and lights. Under guaranteed payment formulas, promoters assume the risks of unprofitable events. Promoters may renegotiate lower guarantees or cancel events because of insufficient ticket sales to reduce their losses. Promoters can also reduce the risk of losses by entering into global or national touring agreements with artists and including the right to offset lower ticket revenue shows with higher performing shows on the tour in the determination of overall artist fees.

For live music tours, between one and four months typically elapse between booking artists and the first performances. Promoters, in conjunction with artists, managers and booking agents, set ticket prices and advertise events. Promoters market events, sell tickets, rent or otherwise provide venues and arrange for local production services, such as stages and sets.

Venue operators typically contract with promoters to rent their venues for specific events on specific dates and receive fixed fees or percentages of ticket sales as rental income. Additionally, venue operators provide services such as concessions, parking, security, ushering and ticket-taking, and receive some or all of the revenues from concessions, merchandise, venue sponsorships, parking and premium seats.

The viability of a music venue is impacted by overall trends in the live music industry. In order to provide a perspective from which to assess how these trends may impact the operations of The Music Center at The Heights, this section presents an overview of the live music industry. Specifically, this section includes a summary of:

- Concert Venues;
- Concert Economics;
- Concert Promoters;
- Concert Patron Profile;
- Concert Tickets Sales Revenue;
- Concert Total Tickets Sold;
- Concert Ticket Prices;
- Top 200 Grossing Artists;
- Amphitheater Trends and Performance; and,
- Summary.

3. OVERVIEW OF LIVE MUSIC INDUSTRY

CONCERT VENUES

In the live music industry, venues generally consist of stadiums, amphitheaters, arenas, music theaters, clubs and festival sites. The following provides a description of each live music venue type.

Stadiums:	Stadiums are multi-purpose facilities, often housing local sports teams. Stadiums typically have 30,000 or more seats and can be open-air or enclosed. Although stadiums are typically the largest venues available for live music, they are not specifically designed for live music. Only a very limited number artists each year draw enough fans to justify a stadium tour.
Amphitheaters:	Amphitheaters are generally outdoor venues with between 5,000 and 30,000 seats that are primarily used during the summer season. Amphitheaters are popular venues for live music because they are designed specifically for concert events with better sightlines, acoustics, a permanent stage, permanent rigging and other amenities. Given their setup, amphitheaters often have a lower event cost structure than more multi-purpose venues that require more resources to set up in a concert mode.
Arenas:	Arenas are indoor venues that are used as multi-purpose facilities, often housing local sports teams. Arenas typically have a seating capacity between 5,000 and 20,000 seats. Because they are indoors, arenas can offer certain venue amenities and weather protection that outdoor venues cannot. However, given their multi-purpose nature of arenas, live music artists must compete with sports tenants and a variety of other events to secure desired dates.
Music Theaters:	Music theaters are indoor venues that are built primarily for music events. These venues typically have a seating capacity between 1,000 and 6,500 seats. Because they generally do not have as large a capacity as other venues, they do not offer as much economic upside on a per show basis. However, because music theaters can be used year-round, unlike most amphitheaters, they can generate annual profits similar to those of an amphitheater. Music theaters often present less risk to concert promoters because they have lower fixed costs associated with hosting a concert and may provide a more appropriately-sized venue for many artists.

3. OVERVIEW OF LIVE MUSIC INDUSTRY

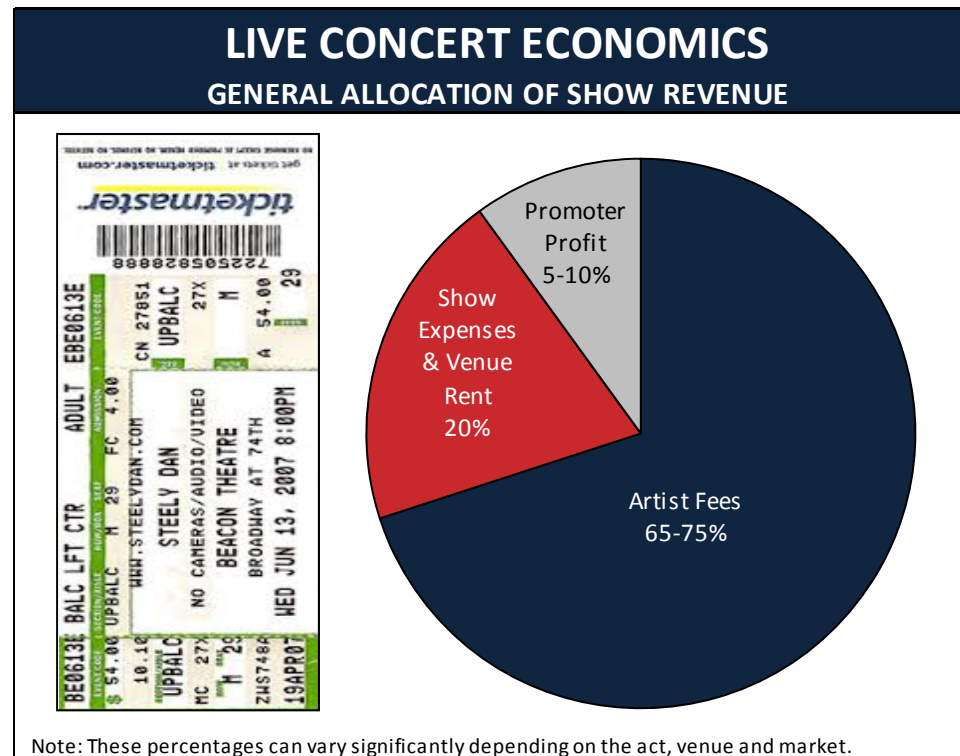
Clubs:	Clubs are indoor venues that are built primarily for music events but may also include comedy clubs. These venues typically have a seating capacity of less than 1,000 and, oftentimes, do not have fixed seating. Because of their small size, clubs do not offer much economic upside, but they also represent less risk to a concert promoter because they have lower fixed costs associated with hosting a concert and may also provide a more appropriate size venue for developing artists. Clubs can also be used year-round and have the ability to generate higher profits per year, even though per show profits are lower.
Festival Sites:	Festival sites are outdoor locations used primarily in the summer season to stage day-long or multi-day concert events featuring several artists. Depending on the location, festival site capacities can range from 10,000 to 120,000. Festivals are becoming more and more popular because of the value provided to the fan by packaging several artists for a full-day or multi-day event. While festival sites only host a few events each year, they can provide higher operating income because of the sheer volume of fans that can be accommodated and the lower costs associated with producing the event and maintaining the site.

CONCERT ECONOMICS

The economics of the concert industry have changed substantially as acts have demanded higher compensation or guarantees, which has resulted in an upward pressure on tickets prices in order to generate higher gross ticket sales. The upward trend in ticket prices has increased gross ticket sales to record levels, but has negatively impacted the attendance per concert over the past several years. The result of these trends has generally served to result in lower margins for concert promoters and live music venues.

The graphic on the following page illustrates a general breakdown of the allocation of live music ticket revenues. As illustrated in the chart, live music ticket revenues are generally allocated between the artist, show expenses (including venue rent) and the promoter. While each deal is unique and can vary considerably from event to event and market to market, concert ticket revenue is generally allocated as follows: approximately 60 to 70 percent of the ticket price is paid to the artist (either through a flat guarantee or a percentage of ticket revenues); approximately 20 percent pays for show expenses including staffing, utilities, facility rent and other such costs, and approximately 10 to 20 percent is retained by the promoter.

3. OVERVIEW OF LIVE MUSIC INDUSTRY



As previously mentioned, the venue operator generally receives revenue from rent, facility fees, premium seating, ticket sales rebates, concessions, merchandise, parking and advertising/sponsorships.

CONCERT PROMOTERS

The concert industry has experienced a significant consolidation of promoters, with fewer promoters selling more tickets than ever before. The table on the following page summarizes the ticket sales of the top 100 promoters worldwide.

3. OVERVIEW OF LIVE MUSIC INDUSTRY

Overall, the top 100 promoters worldwide accounted for over 89 million tickets sold in 2012, with Live Nation and AEG Live (the two largest promoters) accounting for over 35 million, or nearly 40 percent, of the tickets sold among the top 100 promoters.

In the past, live music venues would typically have multiple booking agents and promoters booking acts in their venues. Over the past 10 years, organizations such as Live Nation or AEG Live have taken control of more acts, through organic growth and acquisition of other promoters, and have sought exclusive rights to book a particular venue, altering the former “free market” relationships among artists, promoters and venues. However, the trend toward exclusivity seems to be waning, as these entities have become more willing to work with each other to maximize revenues. For example, a concert act controlled by Live Nation may be more likely than in years past to play a venue operated by AEG if both entities feel there is an opportunity for a mutually beneficial agreement.

Live Nation is the leading live music event promoter in the world and owns, operates, has booking rights and/or has an equity investment in approximately 133 concert venues, approximately 47 of which are amphitheaters. They annually produce over 22,000 events for over 2,300 artists worldwide. Their relationships/ownership positions with a significant number of live entertainment venues have given them the opportunity to create block-booking arrangements with its facilities across the U.S.

Top 100 Promoters					
Worldwide Ticket Sales					
Rank	Account	Ticket Sales	Rank	Account	Ticket Sales
1	Live Nation	25,183,453	51	Undercover (Germany)	317,158
2	AEG Live	10,261,139	52	Knitting Factory Entertainment	310,877
3	OCESA/ CIE (MEXICO)	3,878,321	53	Frontier Touring Company (Australia)	303,948
4	Feld Entertainment	2,769,606	54	First Avenue Productions	289,862
5	T4F- Time For Fun (South America)	2,428,014	55	Beaver Productions	289,322
6	Marek Liebenberg Konzertagentur (Germany)	2,229,468	56	Outback Concerts	284,866
7	SJM (United Kingdom)	1,757,950	57	Starr Hill Presents	280,026
8	Evenko (Canada)	1,496,832	58	Steve Litman Presents	277,267
9	C3 Presents	1,489,079	59	Rush Concerts	276,387
10	MCD Productions (Ireland)	1,202,451	60	Adrian Bohm Presents (Australia)	275,731
11	MSG Entertainment	1,188,149	61	Superfly Presents	269,748
12	Evenpro/ Water Brother Int'l (South America)	1,185,784	62	Bill Silva Presents	239,746
13	The Bowery Presents	1,184,493	63	Greenland Productions (Canada)	239,271
14	Jam Productions	1,115,587	64	Andrew Hewitt Company	237,123
15	FKP Scorpio Konzertproduktionen (Germany)	1,051,602	65	Monqui Presents	236,028
16	Zignia Live (Mexico)	976,198	66	Doctor Music (Australia)	235,311
17	Broadway Across America	952,531	67	Broadway Across Canada	226,268
18	Nederlander Concerts	940,471	68	Dainty Group (Australia)	223,520
19	Chugg Entertainment (Australia)	922,526	69	Contra Promotions (Germany)	223,351
20	Another Planet Entertainment	906,537	70	Insomniac	222,631
21	Frank Productions	903,701	71	Hennipen Theatre Trust	215,608
22	Premier Productions	878,134	72	Nous Productions (France)	205,441
23	NS2	846,459	73	Red Mountain Entertainment	201,509
24	3A Entertainment (United Kingdom)	828,119	74	Ruth Eckerd Hall Presents	199,674
25	BB Promotion (Germany)	777,551	75	DG Medios Y Espectaculos (Chile)	197,672
26	Metropolis Music	775,149	76	SBS Entertainment	194,801
27	XYZ Live Eventos (Brazil)	677,958	77	Higher Grounds Presents	193,288
28	MagicSpace Entertainment	658,217	78	Rams Head Promotions	190,097
29	Kikis Kleiner Tourneeservice (Germany)	585,404	79	Gerard Drouot Productions (France)	181,561
30	Off The Kerb Productions (United Kingdom)	565,017	80	Concertburo Zahlmann (Germany)	181,184
31	Semmel Concerts (Germany)	555,711	81	True West	180,317
32	Marshall Arts (United Kingdom)	552,906	82	Green Machine Concerts	176,918
33	Professional Facilities Management	516,674	83	Cardenas Marketing Network	174,311
34	Icon Entertainment Group	496,978	84	Greenhouse Talent (Belgium)	167,177
35	Crossroads Presents	481,166	85	DF Concerts (United Kingdom)	165,887
36	I.M.P. / Seth Hurwitz	472,749	86	Mike Thrasher Presents	164,748
37	S2BN Entertainment	458,462	87	Productions J (Canada)	163,061
38	AC Entertainment	454,894	88	Larry Magid Entertainment	157,081
39	Caesars World Entertainment	444,202	89	DEAG Entertainment (Germany)	156,531
40	Peter Rieger Konzertagentur (Germany)	428,792	90	Bluefest (Australia)	154,607
41	Police Productions	424,326	91	Bill Blumenreich Presents	151,310
42	Big Concerts (South Africa)	412,387	92	SLP Concerts	147,208
43	Tate Entertainment	388,685	93	PSE (Belgium)	146,449
44	Phil McIntyre Entertainments (U.K.)	385,924	94	Jade Presents	145,650
45	Good News Productions (Switzerland)	383,223	95	Kilimanjaro (United Kingdom)	143,828
46	PromoWest Productions	369,757	96	Mills Entertainment	143,789
47	Michael Coppel Presents (Australia)	366,082	97	Global Spectrum	143,060
48	The Union (Canada)	358,230	98	Stage Entertainment Touring Productions	141,094
49	Barley Arts Promotion (Italy)	355,934	99	Alias (France)	137,752
50	Aiken Promotions (Ireland)	352,196	100	Cincinnati Symphony Orchestra	137,089

Source: Pollstar.

3. OVERVIEW OF LIVE MUSIC INDUSTRY

In order to maximize the national touring concert business at The Music Center at The Heights, strong consideration should be given to forming a partnership with a leading promoter (such as Live Nation or AEG) or local /regional promoters (such as the Cincinnati Symphony Orchestra) to either manage the venue or provide exclusive or preferred booking arrangements for the venue. In Ohio, AEG manages the U.S. Bank Arena in downtown Cincinnati. Live Nation has relationships with the following Ohio venues:

Live Nation Venue Relationships				
State of Ohio				
Venue	Location	Venue Type	Capacity	Relationship
Blossom Music Center	Cleveland	Amphitheater	19,600	15 Year Lease (exp. 2014)
House of Blues	Cleveland	Club	1,200	20 Year Lease (exp. 2024)
Jacobs Pavilion	Cleveland	Amphitheater	4,500	Booking agreement
Riverbend Music Center	Cincinnati	Amphitheater	20,500	Booking agreement
PNC Pavilion	Cincinnati	Amphitheater	4,000	Booking agreement
Bogart's	Cincinnati	Club	1,500	10 Year Lease (exp. 2012)
Source: Live Nation Entertainment, Inc.				

CONCERT PATRON PROFILE

Based on research conducted by Simons Market Research Bureau, approximately 29 percent of the U.S. population, ages 15 and older, reported attending at least one live music concert in a recent year.

Approximately 20 percent of the U.S. population identified themselves as “*Occasional Goers*”, meaning they attended one concert in the past year. “*Concert Goers*” are those that reported attending two concerts in the past year and represent six percent of the U.S. population. Those attending three or more concerts in the past 12 months are “*Concert Aficionados*”, which represent three percent of the U.S. population.

3. OVERVIEW OF LIVE MUSIC INDUSTRY

On average, concert fans attend 2.2 concerts per year. In terms of total concert ticket sales, the concert aficionados buy 24 percent of the tickets, concert goers buy 19 percent of the tickets and occasional concert goers buy 57 percent of the tickets.

The table to the right summarizes the percentage of adults in the top U.S. metropolitan areas who reported attending, on average, at least one concert annually, according to International Demographics. Overall, approximately 20 percent of adults reported attending at least one concert annually. In Dayton, the percentage of adults indicating they attend, on average, at least one concert annually was 14.7 percent, ranking 75th among more than 100 markets analyzed by International Demographics (the top 80 markets have been included in the table). Nearby metropolitan areas such as Cincinnati and Toledo reported similar percentages as Dayton.

Additional information related to ticket buying habits of live music concert attendees reported by Simons Market Research Bureau or Live Nation includes:

- Concert attendees use a variety of sources to obtain information about upcoming concerts including websites, radio, word-

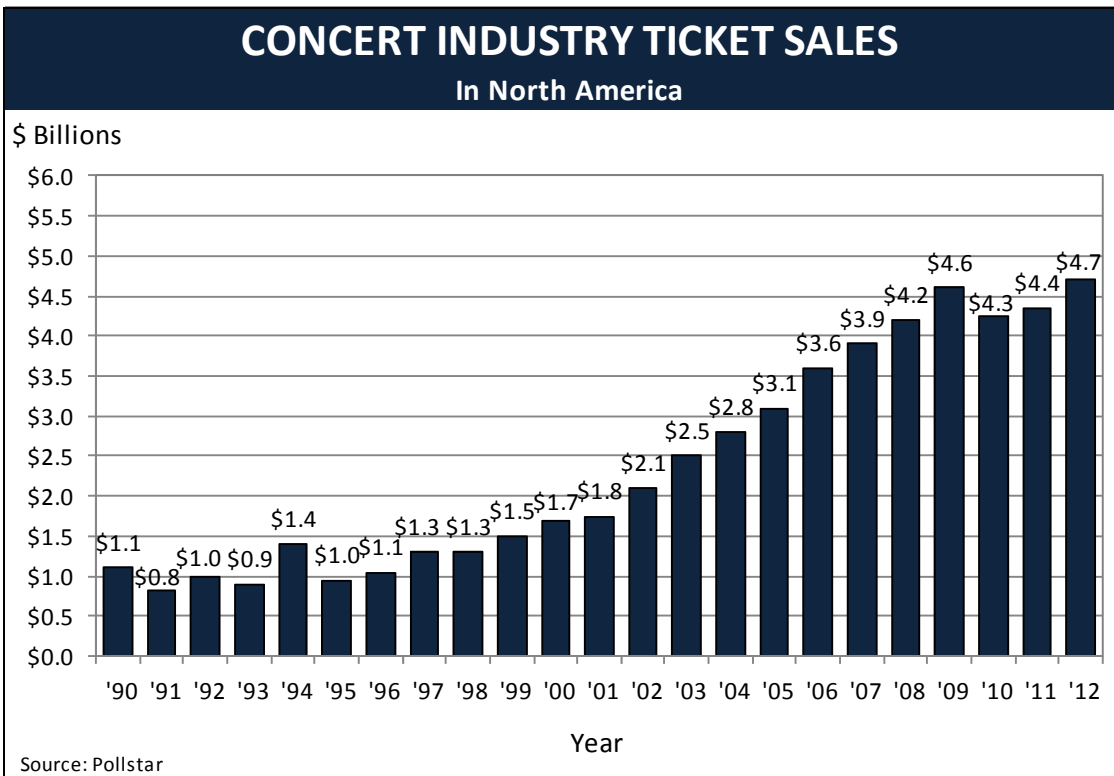
Concert Attendance By Metropolitan Area					
Percentage of Adults Attending at Least One Concert Annually					
Rank	Metropolitan Area	Percentage of Adults Attending 1+ Concerts	Rank	Metropolitan Area	Percentage of Adults Attending 1+ Concerts
1	Albany-Schenectady-Troy, New York	28.4%	41	Orange County, California	19.2%
2	Buffalo, New York	27.4%	42	St. Louis, Missouri	19.1%
3	Omaha-Council Bluffs, Nebraska	26.3%	43	Boise, Idaho	18.8%
4	Reno, Nevada	26.1%	44	Allentown-Bethlehem, Pennsylvania	18.7%
5	Salt Lake City, Utah	25.8%	45	Kansas City, Missouri	18.7%
6	Charlotte, North Carolina	25.2%	46	Atlanta, Georgia	18.4%
7	Southern New Hampshire	25.2%	47	Baltimore, Maryland	18.4%
8	Nashville, Tennessee	25.0%	48	Jacksonville, Florida	18.4%
9	Ann Arbor, Michigan	24.8%	49	Spokane, Washington	18.4%
10	Portland, Oregon	24.4%	50	Los Angeles, California	18.3%
11	Seattle-Tacoma, Washington	23.8%	51	Peoria, Illinois	18.3%
12	New Orleans, Louisiana	23.7%	52	Minneapolis-St. Paul, Minnesota	18.2%
13	Denver, Colorado	23.6%	53	Dallas-Ft. Worth, Texas	18.1%
14	Austin, Texas	23.1%	54	Little Rock, Arkansas	18.1%
15	Boston, Massachusetts	22.7%	55	Norfolk-Virginia Beach-Newport News, Virginia	18.0%
16	Las Vegas, Nevada	22.7%	56	Orlando, Florida	18.0%
17	Tampa-St. Petersburg, Florida	22.3%	57	Phoenix, Arizona	18.0%
18	Indianapolis, Indiana	22.2%	58	Tucson, Arizona	18.0%
19	Syracuse, New York	22.2%	59	San Antonio, Texas	17.9%
20	Detroit, Michigan	22.0%	60	Greenville-Spartanburg, South, Carolina	17.8%
21	Eugene-Springfield, Oregon	22.0%	61	Memphis, Tennessee	17.8%
22	Milwaukee-Racine, Wisconsin	21.8%	62	Miami-Ft. Lauderdale, Florida	17.7%
23	Chicago, Illinois	21.6%	63	Washington, D.C.	17.5%
24	Tulsa, Oklahoma	21.6%	64	Houston, Texas	17.1%
25	San Francisco, California	21.3%	65	Ft. Myers-Naples, Florida	17.0%
26	Raleigh-Durham, North Carolina	21.0%	66	San Jose, California	16.9%
27	Madison, Wisconsin	20.9%	67	Grand Rapids, Michigan	16.7%
28	San Diego, California	20.6%	68	Rochester, New York	16.6%
29	Cleveland, Ohio	20.5%	69	Birmingham, Alabama	16.5%
30	New York, New York	20.5%	70	Pittsburgh, Pennsylvania	16.1%
31	Columbia-Jefferson City, Missouri	20.4%	71	Lexington, Kentucky	16.0%
32	Riverside-San Bernardino, California	20.0%	72	Oklahoma City, Oklahoma	15.8%
33	Columbus, Ohio	19.8%	73	West Palm Beach, Florida	15.6%
34	Akron, Ohio	19.6%	74	Cincinnati, Ohio	14.7%
35	Philadelphia, Pennsylvania	19.6%	75	Dayton, Ohio	14.7%
36	Greensboro, North Carolina	19.5%	76	Toledo, Ohio	14.6%
37	Albuquerque, New Mexico	19.4%	77	Columbia, South Carolina	12.8%
38	Charleston, South Carolina	19.3%	78	Melbourne-Titusville-Cocoa, Florida	12.8%
39	Louisville, Kentucky	19.3%	79	Colorado Springs, Colorado	11.7%
40	Sacramento, California	19.3%	80	Ocala, Florida	8.3%

Source: International Demographics (www.themediaudit.com)

3. OVERVIEW OF LIVE MUSIC INDUSTRY

of-mouth, band/event website, band e-newsletter/fan club, alternatively weekly newspaper, promoter email and the local paper. Younger concert goers tend to obtain their information by social means, either through social media or through word-of-mouth, while older concert goers tend to obtain their information through newspapers or websites.

- The timing of a concert ticket purchase depends on the age demographic of the purchaser. Research by Live Nation indicates that older concert attendees are more likely to buy their tickets the day an event goes on sale, while younger concert attendees are much more likely to purchase their tickets closer to the show date.
- Live music concert attendees purchase their tickets from the following sources: internet (54 percent), venue box office (28 percent), phone center (12 percent) and kiosk (6 percent).
- The average number of people attending a concert together as a group is 2.7, while older concert attendees tend to go in pairs and younger concert attendees tend to go in groups of four or more.



CONCERT TICKET SALES REVENUE

Pollstar, a live music industry publication, estimates the size of the North American concert market hit a record \$4.7 billion (ticket sales) in 2012. This represents an eight percent increase over the previous year with most of the growth attributed to artists touring at more modest levels below the more high-profile superstars.

The table on the left illustrates the total annual concert industry ticket sales from 1990 to 2012, as estimated by *Pollstar*. Key highlights include:

3. OVERVIEW OF LIVE MUSIC INDUSTRY

- North American concert ticket sales grew from \$1.1 billion in 1990 to \$4.7 billion in 2012, representing a compounded annual growth rate of approximately 6.8 percent.
- Concert ticket sales increased the majority of years over the 23-year period, except on four occasions ('91, '93, '95 and '10).
- The top 100 concert tours accounted for \$2.5 billion in ticket sales, or about 54 percent of total industry tickets sales for live music.

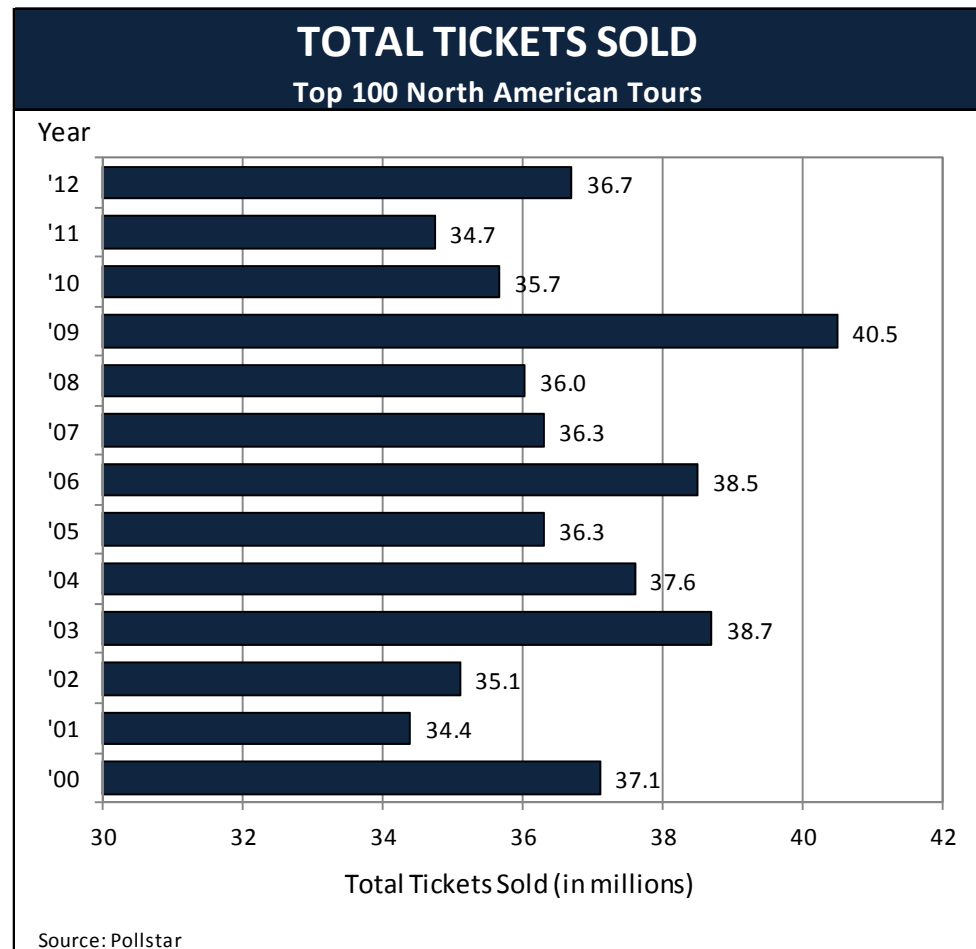
TOTAL CONCERT TICKETS SOLD

Total concert tickets sold increased to 36.7 million in 2012, an increase of more than five percent from the previous year, but still below the industry record of 40.5 million in 2009, as illustrated in the graph to the right.

According to *Pollstar*, total concert ticket sold have fluctuated from year to year since 2000, recording five times in which ticket sold increased year-over-year compared to seven times in which ticket sold declined year-over-year.

Total ticket sold are impacted by economic conditions, the number of touring acts that are on the road each year, and the number of concerts performed by each artist. Years in which the top 100 tours have played a higher number of shows have generally resulted in higher total attendance levels in those years.

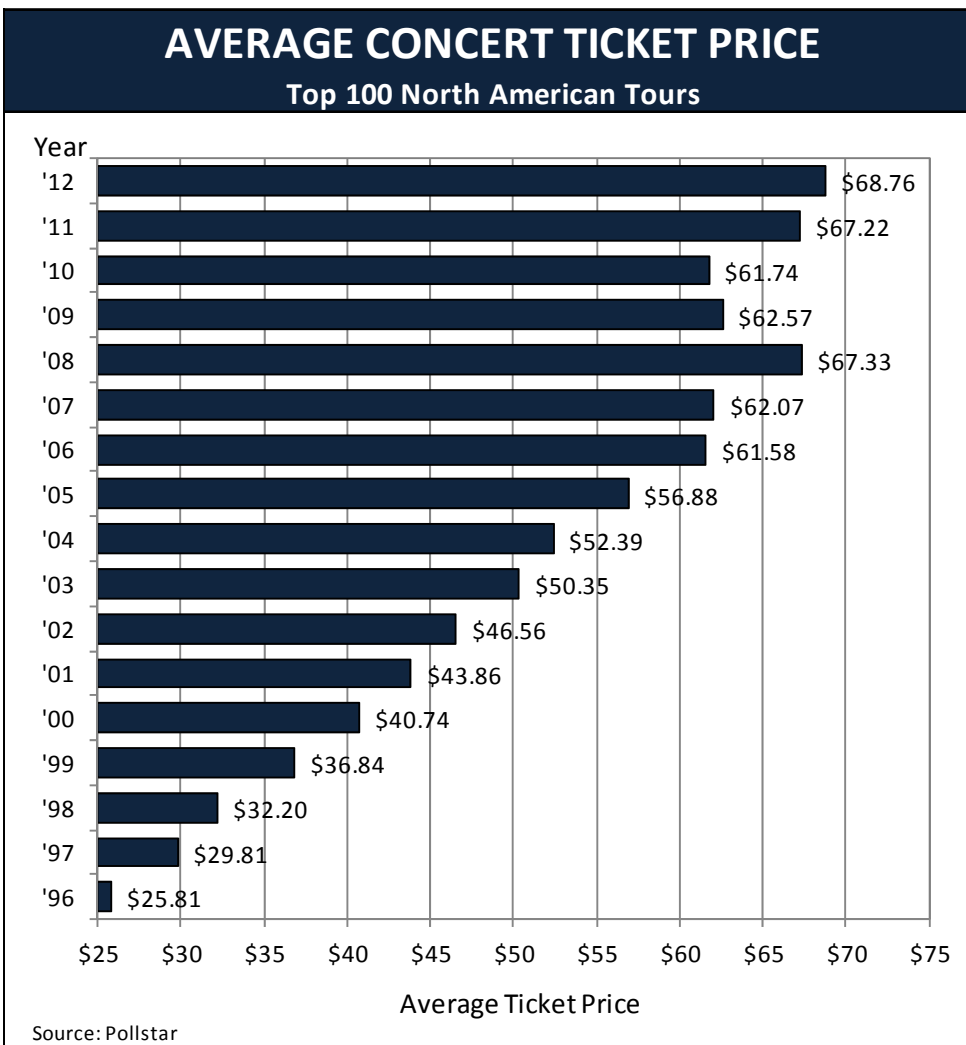
The total number of show performed by the top 200 tours was 9,941 last year. Overall, the average number of shows performed by the top 200 tours was 50 shows per artist.



3. OVERVIEW OF LIVE MUSIC INDUSTRY

CONCERT TICKET PRICES

Concert ticket prices are determined by concert promoters, in conjunction with artists, managers and booking agents, and are based on several factors including but not limited to the guarantee/percentage of ticket sales paid to an act, anticipated event expenses, the desired level of promoter profit and the anticipated attendance for the show, all in the context of what the promoter believes the market will bear.



The graph to the left summarizes the average ticket price of the top 100 tours nationwide over the past 17 years. It is important to note that these ticket prices do not include additional charges such as convenience or handling charges, facility fees, parking charges, or taxes which can add upwards of \$5 to \$15 to the cost of a ticket in many markets.

The average concert ticket price hit a record \$68.76 in 2012, an increase of \$1.54, or 2.3 percent, over last year. Over the past 17 years, the compounded annual growth rate in concert ticket prices was approximately 6.3 percent. During this same time period, the Consumer Price Index ("CPI") increased at an average annual rate of approximately 2.2 percent.

Although ticket prices grew steadily from 1996 to 2008, the decrease in ticket prices between 2008 and 2009 is attributed to a shift in the market and a response to the economic recession. Ticket prices rebounded in 2011 as the nation emerged from one of its worst recessions.

While the average ticket price of the top 200 tours was \$64.12 in 2012, the average ticket price for a large

3. OVERVIEW OF LIVE MUSIC INDUSTRY

percentage of tours (54 percent) was priced below \$60, particularly those artists not among the top 50 grossing acts.

It should be noted that average amphitheater ticket prices tend to be lower than arena or theater venue ticket prices as a large portion of the seating associated with an amphitheater is characterized by general admission lawn seating, which tends to be priced lower than prime, fixed seats that are covered.

The increase in concert ticket prices well beyond the changes in the consumer price index is attributed to several factors, including but not limited to:

- Realization by acts and promoters that patrons were willing to purchase tickets for more than face value from ticket brokers/scalpers in order to see their favorite acts;
- Increased guarantees demanded by artists as the income from album sales have decreased;
- Consolidation in the concert promotion business in which the largest promoters are paying higher guarantees in order to attract acts; and,
- The baby boomer generation, with higher disposable incomes, is more price elastic and is more willing to pay top dollar to see certain acts.

Industry insiders have expressed concerns over the escalation in concert ticket prices for the past several years and believe that many fans are being priced out of the market as evidenced by fewer sellouts and lower average attendance trends. Many promoters comprehend what is happening in the industry and price their acts accordingly; however, others still attempt to capitalize on a market willing to pay steeper ticket prices.

TOP GROSSING ARTISTS IN 2012

The tables on the following pages summarize the top 200 tours in 2012 in terms of gross ticket sales and include information such as the number of shows, average ticket price, average paid attendance, and total paid attendance for each artist.

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2012 TOP 200 GROSSING NORTH AMERICAN TOURS													
1 Through 100													
Gross Ticket Sales Rank	Gross Ticket Sales (\$MM)	Artist	Shows	Average Paid Attendance Per Show	Total Paid Attendance	Average Ticket Price	Gross Ticket Sales Rank	Gross Ticket Sales (\$MM)	Artist	Shows	Average Paid Attendance Per Show	Total Paid Attendance	Average Ticket Price
1	\$133.7	Madonna	45	17,545	789,515	\$169.38	51	\$18.3	Andrea Bocelli	9	12,042	108,381	\$168.43
2	\$112.9	Cirque du Soleil - "Michael Jackson"	130	8,153	1,059,916	\$106.52	52	\$18.3	The Rolling Stones	4	8,822	35,288	\$519.17
3	\$104.7	Bruce Springsteen & The E Street Band	52	21,729	1,129,914	\$92.68	53	\$17.2	"How to Train Your Dragon Live"	36	9,865	355,151	\$48.43
4	\$96.5	Kenny Chesney / Tim McGraw	23	47,191	1,085,382	\$88.87	54	\$17.2	Leonard Cohen	25	6,806	170,144	\$101.26
5	\$90.2	Roger Waters	42	19,606	823,448	\$109.48	55	\$16.9	The Who	21	9,373	196,837	\$85.86
6	\$54.8	Coldplay	40	15,671	626,858	\$87.35	56	\$16.9	Bob Dylan	60	3,979	238,768	\$70.78
7	\$51.0	Dave Matthews Band	53	17,199	911,528	\$55.95	57	\$16.8	Il Divo	56	3,390	189,830	\$88.50
8	\$49.9	Van Halen	50	9,703	485,172	\$102.85	58	\$16.4	"Vans Warped Tour"	41	13,448	551,357	\$29.78
9	\$40.7	Barbra Stresand	12	12,857	154,287	\$263.52	59	\$16.1	Iron Maiden	30	9,529	285,866	\$56.32
10	\$40.4	Elton John	52	6,454	335,631	\$120.37	60	\$15.4	Gigantes Tour - Mark Anthony	16	8,996	143,938	\$106.99
11	\$40.2	Justin Bieber	35	15,157	530,492	\$75.72	61	\$15.0	The Beach Boys	53	4,138	219,289	\$68.40
12	\$40.0	Jason Aldean	59	16,644	981,972	\$40.75	62	\$14.4	"American Idols Live"	45	5,616	252,703	\$56.90
13	\$39.7	Cirque du Soleil - "Dralion"	300	2,179	653,838	\$60.69	63	\$14.3	The Fresh Beat Band	168	2,396	402,565	\$35.60
14	\$39.0	Red Hot Chili Peppers	54	12,578	679,205	\$57.42	64	\$14.1	Def Leppard / Poison	41	5,307	217,592	\$64.80
15	\$36.3	Brad Paisley	56	14,171	793,576	\$45.74	65	\$14.1	Barry Manilow	47	4,383	206,019	\$68.44
16	\$36.3	Cirque du Soleil - "Amaluna"	211	1,901	401,006	\$90.44	66	\$13.9	Cirque du Soleil - "Kooza"	116	1,504	174,422	\$79.83
17	\$34.6	Celine Dion	52	4,104	213,422	\$162.12	67	\$13.1	One Direction	31	9,639	298,813	\$43.84
18	\$32.4	Lady Antebellum	66	11,298	745,666	\$43.47	68	\$13.1	Crosby, Stills & Nash	69	2,857	197,163	\$66.43
19	\$32.0	Drake	66	8,265	545,516	\$58.66	69	\$13.0	Bryan Adams	51	4,363	222,488	\$58.43
20	\$31.4	Cirque du Soleil - "Totem"	195	1,987	387,469	\$81.09	70	\$12.9	"Riverdance"	132	1,769	233,473	\$55.40
21	\$31.3	Zac Brown Band	55	12,265	674,568	\$46.40	71	\$12.9	Blake Shelton	42	6,354	266,859	\$48.34
22	\$31.2	Eric Church	101	7,795	787,282	\$39.63	72	\$12.8	Russell Peters	39	4,317	168,353	\$76.03
23	\$31.0	Aerosmith	33	9,287	306,475	\$101.15	73	\$12.8	Rod Stewart	22	4,653	102,359	\$125.05
24	\$30.7	Blue Man Group	309	1,844	569,763	\$53.90	74	\$12.5	Yanni	84	2,329	195,618	\$63.90
25	\$30.4	Cirque du Soleil - "Zarkana"	121	3,473	420,180	\$72.44	75	\$12.4	"Honda Civic Tour" / Linkin Park	18	40,523	729,411	\$17.00
26	\$29.8	Jimmy Buffett	36	8,990	323,631	\$92.08	76	\$12.4	Peter Gabriel	15	8,475	127,120	\$97.30
27	\$29.5	Nickelback	51	8,462	431,538	\$68.36	77	\$12.1	Willie Nelson	126	1,773	223,453	\$54.15
28	\$29.1	Rascal Flats	54	12,843	693,517	\$41.96	78	\$12.0	Train	57	4,868	277,456	\$43.25
29	\$28.5	Cirque du Soleil - "Quidam"	36	12,836	462,105	\$61.60	79	\$11.9	Furthur	38	5,774	219,419	\$54.06
30	\$28.1	Phish	37	13,425	496,729	\$56.57	80	\$11.8	Jason Mraz	49	4,644	227,579	\$51.85
31	\$28.0	Neil Diamond	37	7,891	291,970	\$95.90	81	\$11.4	James Taylor	24	8,138	195,323	\$58.43
32	\$27.5	Trans-Siberian Orchestra	131	4,113	538,759	\$51.04	82	\$11.3	Bonnie Raitt	74	2,720	201,313	\$56.37
33	\$27.2	Rush	36	9,466	340,766	\$79.82	83	\$11.1	George Strait	12	13,643	163,716	\$67.80
34	\$34.4	Carrie Underwood	55	8,959	492,727	\$69.77	84	\$11.0	Sugarland	36	6,548	235,717	\$46.66
35	\$25.8	Paul McCartney	7	28,881	202,169	\$127.62	85	\$11.0	New Edition	64	2,853	182,602	\$60.24
36	\$25.8	Journey	57	7,473	425,953	\$60.57	86	\$10.7	Florence & The Machine	38	6,545	248,694	\$43.10
37	\$25.3	Mana	30	10,341	310,236	\$81.70	87	\$10.5	Pitbull	40	5,201	208,044	\$50.47
38	\$23.3	Vicente Fernandez	19	9,641	183,176	\$127.20	88	\$9.8	Ricardo Arjona	15	9,339	140,084	\$69.85
39	\$23.1	Jeff Dunham	91	5,322	484,276	\$47.70	89	\$9.6	Ron White	188	1,020	191,751	\$49.97
40	\$23.1	Toby Keith	38	15,972	606,936	\$38.06	90	\$9.4	Gabriel Iglesias	123	1,902	234,005	\$40.17
41	\$22.9	Radiohead	25	15,852	396,297	\$57.77	91	\$9.4	Romeo Santos	16	8,125	130,006	\$71.93
42	\$22.7	The Black Keys	48	9,979	479,004	\$47.39	92	\$9.2	Rain - A Tribute to the Beatles	134	1,384	185,474	\$49.71
43	\$22.6	Neil Young & Crazy Horse	28	8,814	246,805	\$91.57	93	\$9.2	Luis Miguel	14	7,737	108,324	\$84.93
44	\$22.2	Miranda Lambert	71	9,103	646,288	\$34.35	94	\$9.1	Juan Gabriel	15	8,982	134,734	\$67.54
45	\$21.2	Enrique Iglesias / Jennifer Lopez	24	11,071	265,705	\$79.70	95	\$8.9	Jerry Seinfeld	134	800	107,228	\$83.00
46	\$21.0	Metallica	15	19,892	298,375	\$70.42	96	\$8.4	Rise Against	85	2,767	235,162	\$35.72
47	\$19.1	Cirque du Soleil - "Ovo"	142	1,812	257,364	\$74.34	97	\$8.4	Wilco	56	2,994	167,664	\$50.10
48	\$19.1	KISS / Motley Crue	41	6,715	275,335	\$69.37	98	\$8.1	Bassnectar	60	3,733	223,964	\$36.29
49	\$18.4	Big Time Rush	71	7,259	515,399	\$35.62	99	\$8.1	Tool	18	7,175	129,145	\$62.72
50	\$18.4	Kevin Hart	69	4,307	297,205	\$61.91	100	\$8.1	Rod Stewart / Stevie Nicks	9	9,993	89,940	\$90.06

Source: Pollstar.

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2012 Top 200 Grossing North American Tours (cont'd)													
101 Through 200													
Gross Ticket Sales Rank	Gross Ticket Sales (\$MM)	Artist	Shows	Average Paid Attendance Per Show	Total Paid Attendance	Average Ticket Price	Gross Ticket Sales Rank	Gross Ticket Sales (\$MM)	Artist	Shows	Average Paid Attendance Per Show	Total Paid Attendance	Average Ticket Price
101	\$8.0	Eagles	5	15,890	79,450	\$100.69	151	\$5.3	Jim Gaffigan	56	2,049	114,744	\$46.18
102	\$7.6	"Star Academie"	9	15,943	143,487	\$53.08	152	\$5.2	Boston	33	3,797	125,301	\$41.37
103	\$7.6	Luke Bryan	28	8,017	224,476	\$33.80	153	\$5.2	Lady Gaga	2	30,548	61,096	\$84.51
104	\$7.4	Kelly Clarkson	40	3,557	142,280	\$52.23	154	\$5.1	Cirque du Soleil - "Saltimbanco"	48	1,829	87,792	\$58.10
105	\$7.4	Jay-Z	8	15,132	121,056	\$60.81	155	\$5.0	Bigbang	2	20,138	40,276	\$123.38
106	\$7.3	LMFAO	25	6,415	160,375	\$45.52	156	\$5.0	Bill Mayer	49	1,758	86,142	\$58.04
107	\$7.2	Casting Crowns	59	4,250	250,750	\$28.63	157	\$5.0	"Mythbusters"	34	2,833	96,322	\$51.91
108	\$7.1	Tiesto	59	2,420	142,780	\$49.59	158	\$4.9	Jackson Browne	40	2,012	80,480	\$60.46
109	\$7.2	Rammstein	21	5,012	105,252	\$68.41	159	\$4.9	George Lopez	45	2,248	101,160	\$48.43
110	\$7.1	"Rock Star Energy Drink Uproar Festival"	28	8,196	229,488	\$30.82	160	\$4.9	Jack White	29	3,317	96,193	\$50.94
111	\$7.1	Trey Songz	42	2,504	105,168	\$67.50	161	\$4.8	John Mellencamp	14	4,391	61,474	\$78.74
112	\$7.1	The Avett Brothers	53	3,540	187,620	\$37.84	162	\$4.6	Buddy Guy / Jonny Lang	55	1,655	91,025	\$50.81
113	\$7.0	Hedley	36	4,134	148,824	\$47.03	163	\$4.6	Jane's Addiction	67	1,476	98,892	\$46.51
114	\$7.0	Alan Jackson	46	3,106	142,876	\$48.99	164	\$4.4	Bill O'Reilly / Dennis Miller	12	3,137	37,644	\$116.03
115	\$6.9	Scorpions	22	5,978	131,516	\$52.83	165	\$4.4	Fiona Apple	61	1,322	80,642	\$54.57
116	\$6.9	B.B. King	77	1,393	107,261	\$64.32	166	\$4.3	Bon Iver	22	4,674	102,828	\$41.92
117	\$6.7	Norah Jones	38	3,462	131,556	\$51.11	167	\$4.3	Kathy Griffin	39	1,823	71,097	\$60.48
118	\$6.8	The Moody Blues	47	2,139	100,533	\$67.64	168	\$4.3	My Morning Jacket	21	4,830	101,430	\$41.92
119	\$6.7	Earth, Wind & Fire	43	2,629	113,047	\$59.27	169	\$4.2	Ringo Starr & His All Starr Band	22	2,858	62,876	\$67.15
120	\$6.7	Mike Epps	70	1,782	124,740	\$53.71	170	\$4.2	Alejandro Sanz	4	19,368	77,472	\$53.95
121	\$6.7	Johnny Reid	29	4,216	122,264	\$54.80	171	\$4.2	ZZ Top	41	1,622	66,502	\$63.14
122	\$6.6	Maroon 5	8	11,024	88,192	\$74.43	172	\$4.2	Sublime With Rome	36	3,898	140,328	\$29.93
123	\$6.5	Mumford & Sons	15	8,553	128,295	\$51.04	173	\$4.1	Diana Krall	35	1,591	55,685	\$73.63
124	\$6.5	Alejandro Fernandez	7	14,450	101,150	\$64.26	174	\$4.1	Stevie Nicks	15	3,255	48,825	\$83.97
125	\$6.5	Steve Aoki	139	1,460	202,940	\$32.03	175	\$4.1	Styx	56	2,126	119,056	\$34.44
126	\$6.5	Styx/REO Speedwagon/Ted Nugent	34	5,546	188,564	\$34.42	176	\$4.0	Direks Bentley	47	2,499	117,453	\$34.05
127	\$6.4	Straight No Chaser	107	1,489	159,323	\$40.16	177	\$4.0	Michael Flatley's "Lord of the Dance"	36	2,083	74,988	\$53.34
128	\$6.4	John Fogerty	25	3,996	99,900	\$64.06	178	\$4.0	Tony Bennett	36	1,270	45,720	\$87.47
129	\$6.4	Foster the People	27	6,501	175,527	\$36.46	179	\$3.9	Gotye	53	2,067	109,551	\$35.60
130	\$6.4	Dukes of September Rhythm Revue	41	2,475	101,475	\$62.63	180	\$3.9	"Gigantour" / Megadeth	27	2,965	80,055	\$48.71
131	\$6.3	Daughtry	57	2,244	127,908	\$49.25	181	\$3.9	Prince	1	21,509	21,509	\$181.16
132	\$6.2	Rodney Carrington	74	1,730	128,020	\$48.14	182	\$3.8	Lyle Lovett	73	901	65,773	\$57.79
133	\$6.1	Wiz Khalifa	47	3,253	152,891	\$39.90	183	\$3.8	Counting Crows	57	1,540	87,780	\$43.28
134	\$6.1	Roberto Carlos	16	6,083	97,328	\$62.48	184	\$3.7	Demi Lovato	28	3,629	101,612	\$35.93
135	\$6.0	Pretty Lights	44	4,040	177,760	\$33.75	185	\$3.7	Skrillex	19	4,035	76,665	\$48.56
136	\$6.0	"Winter Jam" / Skillet	47	11,420	536,740	\$11.10	186	\$3.7	"So You Think You Can Dance"	27	2,400	64,800	\$56.66
137	\$6.0	Avicii	74	1,947	144,078	\$41.65	187	\$3.6	Aretha Franklin	16	3,010	48,160	\$74.74
138	\$5.9	Heart	47	2,786	130,942	\$44.71	188	\$3.6	Trace Adkins	47	1,571	73,837	\$48.41
139	\$5.9	Celtic Woman	74	1,357	100,418	\$58.75	189	\$3.6	Tedeschi Trucks Band	26	2,598	67,548	\$52.86
140	\$5.9	Widespread Panic	7	4,349	30,443	\$193.80	190	\$3.6	Death Cab For Cutie	34	2,458	83,572	\$43.08
141	\$5.8	Martina McBride	60	1,778	106,680	\$54.38	191	\$3.5	Nicki Minaj	22	2,231	49,082	\$71.32
142	\$5.8	Kelly Clarkson / The Fray	31	3,926	121,706	\$47.66	192	\$3.4	Tech N9ne	122	966	117,852	\$28.85
143	\$5.7	Guns N' Roses	18	3,481	62,658	\$91.14	193	\$3.3	Social Distortion	65	1,569	101,985	\$32.35
144	\$5.7	Shania Twain	10	4,001	40,010	\$142.63	194	\$3.2	Kaskade	42	1,813	76,146	\$42.03
145	\$5.7	Glen Campbell	92	1,375	126,500	\$45.06	195	\$3.1	Simple Plan	21	3,600	75,600	\$41.01
146	\$5.6	Theresa Caputo	35	2,563	89,705	\$62.66	196	\$3.1	Rusko	77	1,349	103,873	\$29.85
147	\$5.6	Tom Petty & The Heartbreakers	10	8,369	83,690	\$66.91	197	\$3.0	Motley Crue	3	12,008	36,024	\$83.13
148	\$5.6	Chicago	50	1,703	85,150	\$65.76	198	\$3.0	Ian Anderson	33	1,456	48,048	\$62.42
149	\$5.5	"Batman Live"	12	13,995	167,940	\$32.75	199	\$2.9	Maze Feat. Frankie Beverly	8	5,569	44,552	\$65.95
150	\$5.4	Wiz Khalifa / Mac Miller	12	16,513	198,156	\$27.21	200	\$2.9	Alison Krauss + Union Station	21	2,272	47,712	\$61.47

Source: Pollstar.

3. OVERVIEW OF LIVE MUSIC INDUSTRY

The top 200 tours represent approximately two-thirds of the ticket sales in the concert industry (approximately \$3.1 billion out of \$4.7 billion in ticket sales) and are expected to comprise some of the acts that could be hosted at The Music Center at The Heights. Among the top 200 tours in 2012, the average artist played 50 shows, drew an average paid attendance of 9,941 per show and charged an average ticket price of \$64.12.

Given that The Music Center at The Heights is envisioned to seat 4,500, an analysis of the top 200 touring shows indicates that the Huber Heights venue could accommodate approximately 55 percent of the average attendance of the top 200 touring shows. Among the top touring acts whose average attendance is less than 5,000 per show, the average artist played 62 shows, drew an average paid attendance of 2,689 per show and charged an average ticket price of \$58.94.

AMPHITHEATER TRENDS AND PERFORMANCE

In general, the busiest season for live-performances and concerts spans Memorial Day to Labor Day. A number of artists prefer to book the majority of their shows in the summer months utilizing outdoor venues such as amphitheaters. Most artists and live-entertainment promoters feel there is an excess of competition during the autumn and winter months for the arena-touring circuit due to sporting events being held in conjunction at the arenas. The touring schedule is a significant consideration when promoters/acts decide on what type of venue to book.

Trends in the industry related to various venues in which acts can perform have changed over the years. Due to the increasing level of venue development, artists and shows have more options than in years past. Venues ranging from festival sites, stadiums, amphitheaters, arenas, theaters, and clubs are available. Many touring acts focus on spring and summer dates targeting amphitheater venues.

Outdoor amphitheaters, or “sheds”, have grown in popularity as a live performance venue since their broad introduction in the 1970s and early 1980s. The surge of development in the 1980s and early 1990s reflected the needs of the live music market, which sought to provide the “baby boomer” market with a low cost outdoor experience that was reminiscent of the Woodstock era. Many communities viewed amphitheaters as civic amenities and as places of gathering for families and friends. Major concert promoters also embraced the concept, becoming owners and operators of such venues while additionally capturing associated parking, concession and merchandise revenues.

Large-scale amphitheater development continued to grow during the 1990s; however, new construction has stagnated over the past 10 to 15 years potentially due to a variety of factors including increasing capital costs, tightening concert economics, dwindling appetite for publicly-funded projects and other such factors. However, the development of smaller, community-based amphitheaters has continued during this time because of their lower development costs, focus on community-based events and mid-to-lower tier national touring acts and other such factors.

3. OVERVIEW OF LIVE MUSIC INDUSTRY

The following table summarizes the top 100 amphitheatres worldwide, according to ticket sales reported by *Pollstar*. The table includes each amphitheater's market population, seating capacity and the number of total tickets sold in 2012. It is important to note that *Pollstar* does not often track the performance and attendance levels of local events such as community symphonic performances, holiday festivals and other events which would serve to increase the utilization of the top 100 amphitheatres presented herein.

Top 100 Amphitheaters											
2012 Ticket Sales											
Rank	Venue	Location	Population	Seating Capacity	Ticket Sales	Rank	Venue	Location	Population	Seating Capacity	Ticket Sales
1	Red Rocks Amphitheatre	Morrison, CO	2,665,500	9,450	503,876	26	1-800 Ask Gary Amphitheatre	Tampa, FL	2,867,300	20,000	168,717
2	Cynthia Woods Mitchell Pavilion	The Woodlands, TX	6,251,200	16,040	390,808	27	Time Warner Cable Music Pavilion	Raleigh, NC	1,202,600	7,000	159,207
3	Filene Center At Wolf Trap	Vienna, VA	5,828,900	7,000	367,005	28	Verizon Wireless Amph. At Encore Park	Alpharetta, GA	5,465,000	12,000	157,743
4	Molson Canadian Amphitheatre	Toronto, ONT	5,583,100	16,000	326,204	29	Cruzan Amphitheatre	West Palm Beach, FL	5,761,800	19,000	146,349
5	Hollywood Bowl	Los Angeles, CA	13,075,100	5,700	321,165	30	Merriweather Post Pavilion	Columbia, MD	2,750,200	19,316	143,219
6	Susquehanna Bank Center	Camden, NJ	6,022,200	25,000	312,274	31	Verizon Wireless Amptheatre	Irvine, CA	13,075,100	18,000	140,584
7	Riverbend Music Center	Cincinnati, OH	2,146,500	20,500	308,317	32	Bethel Woods Center For The Arts	Bethel, NY	77,500	5,000	133,186
8	Klipsch Music Center	Noblesville, IN	1,804,500	24,000	308,223	33	Farm Bureau Live At Virginia Beach	Virginia Beach, VA	1,695,200	20,000	131,357
9	First Midweset Bank Amphitheatre	Tinley Park, IL	9,552,600	28,589	258,966	34	Constellation- Marvin Sands PAC	Canandaigua, NY	1,055,900	15,000	124,493
10	Shoreline Amphitheatre	Mountainview, CA	1,900,200	22,000	254,336	35	PNC Bank Arts Center	Holmdel, NJ	19,149,600	17,500	123,442
11	Comcast Center	Mansfield, MA	4,635,500	19,900	236,635	36	Santa Barbara Bowl	Santa Barbara, CA	430,600	4,500	117,760
12	Greek Theatre	Los Angeles, CA	13,075,100	17,383	234,868	37	Ravinia Festival at Ravinia Park	Highland Park, IL	9,552,600	3,400	106,758
13	Saratoga Performing Arts Center	Saratoga Springs, NY	872,000	25,000	224,914	38	Sydney Myer Music Bowl	Melbourne, AUS	4,170,000	25,000	101,257
14	Blossom Music Center	Cuyahoga Falls, OH	2,755,600	18,500	221,416	39	Mann Center For Performing Arts	Philadelphia, PA	6,022,200	7,200	94,366
15	Jiffy Lube Live	Bristow, VA	5,828,900	25,000	214,359	40	Artpark Ampitheatre	Lewiston, NY	1,131,800	4,300	93,893
16	First Niagara Pavillion	Burgettstown, PA	2,362,800	18,000	206,935	41	Alpine Valley Music Theatre	East Troy, WI	103,700	3,700	93,368
17	Verizon Wireless Amph. St. Louis	Maryland Heights, MO	2,821,400	12,000	199,773	42	Greek Theatre	Berkeley, CA	4,458,000	6,162	92,156
18	Aaron's Amphitheatre At Lakewood	Atlanta, GA	5,465,000	19,000	195,481	43	St. Augustine Ampitheatre	Saint Augustine, FL	1,376,200	3,493	83,485
19	Gexa Energy Pavilion	Dallas, TX	6,709,200	20,111	192,275	44	Fraze Pavilion For the Perf. Arts	Kettering, OH	849,700	4,300	81,663
20	Comcast Theatre	Hartford, CT	1,213,700	30,000	192,217	45	Ashley Furniture HomeStore Pavilion	Phoenix, AZ	4,345,600	20,000	81,271
21	Verizon Wireless Amphitheatre	Charlotte, NC	1,839,500	19,500	186,699	46	Kindl-Buehne Wuhlheide	Berlin, GER	3,520,100	17,000	80,023
22	Cricket Wireless Amphitheatre	Chula Vista, CA	3,192,600	19,492	186,388	47	McMenamins Edgefield Amphitheater	Troutdale, OR	2,298,100	4,500	76,601
23	Nikon At Jones Beach Theatre	Wantagh, NY	19,149,600	15,000	183,962	48	Whitewater Amphitheatre	New Braunfels, TX	2,256,800	5,500	75,827
24	DTE Energy Music Theatre	Clarkston, MI	4,271,400	15,724	179,287	49	Chastain Park Amphitheatre	Atlanta, GA	5,465,000	6,700	72,466
25	Darien Lake Performing Arts Center	Darien Center, NY	59,900	21,800	176,170	50	Rumsey Playfield / Central Park	New York, NY	19,149,600	2,000	71,055

Source: Pollstar

Source: Pollstar

Exhibit continued on the next page

3. OVERVIEW OF LIVE MUSIC INDUSTRY

Top 100 Amphitheaters (cont'd)											
2012 Ticket Sales											
Rank	Venue	Location	Population	Seating Capacity	Ticket Sales	Rank	Venue	Location	Population	Seating Capacity	Ticket Sales
51	Medowbrook U.S. Cellular Pavilion	Gilford, NH	60,400	6,500	70,898	76	Prospect Park Bandshell	Brooklyn, NY	19,149,600	7,000	37,253
52	Hard Rock Casino Presents The Pavilion	Albuquerque, NM	912,100	8,400	66,130	77	Oklahoma City Zoo Amphitheatre	Oklahoma City, OK	1,306,800	10,000	36,903
53	Waldbuhne Berlin	Berlin, GER	3,520,100	23,000	66,017	78	Anselmo Valencia Tori Amphitheatre	Tucson, AZ	1,000,300	5,000	34,225
54	Lake Tahoe Outdoor Arena At Harveys	Stateline, NV	47,600	7,200	65,734	79	Charter One Pavilion @ Northernly Island	Chicago, IL	9,552,600	7,500	33,479
55	Comfort Dental Amphitheatre	Englewood, CO	2,665,500	16,823	65,255	80	White River Amphitheatre	Auburn, WA	3,563,400	16,000	33,239
56	Tanglewood	Lenox, MA	129,500	6,000	64,724	81	Marcus Amphitheater	Milwaukee, WI	1,569,000	23,000	33,237
57	Gorge Amphitheatre	Quincy, WA	93,500	20,000	63,070	82	San Manuel Amphitheater	Devore, CA	4,391,500	65,000	32,117
58	Usana Amphitheatre	Salt Lake City, UT	1,171,400	20,000	63,045	83	Sleep Train Amphitheatre	Wheatland, CA	169,200	18,500	31,905
59	Pacific Amphitheatre	Costa Mesa, CA	13,075,100	18,500	62,380	84	Tanzbrunnen Koel	Cologne, GER	2,818,200	2,500	31,554
60	Tuscaloosa Amphitheatre	Tuscaloosa, AL	223,900	7,470	58,067	85	The Backyard	Austin, TX	1,863,300	7,500	30,713
61	Humphrey's Concerts By The Bay	San Diego, CA	3,192,600	1,390	57,262	86	Bank Of America Pavilion	Boston, MA	4,635,500	5,000	29,164
62	Starlight Theatre	Kansas City, MO	2,072,500	8,105	55,513	87	Ntelos Wireless Pavilion	Portsmouth, VA	1,695,200	7,500	27,646
63	Bangor Waterfront Pavilion	Bangor, ME	153,500	12,800	52,876	88	Mystic Amphitheater	Prior Lake, MN	3,363,300	8,357	25,288
64	Harrah's Casino- Stir Concert Cove	Council Bluffs, IA	890,800	3,000	52,778	89	Arkansas Music Pavilion	Fayetteville, AR	486,400	6,400	25,216
65	PNC Plaza At Steelstacks	Bethlehem, PA	829,000	7,200	47,736	90	Jacobs Pavilion at Nautica	Cleveland, OH	2,056,600	5,000	24,604
66	Amphitheatre At The Warf	Orange Beach, AL	192,000	10,000	43,746	91	Les Schwab Amphitheater	Bend, OR	162,400	8,000	23,925
67	Oregon Zoo Amphitheatre	Portland, OR	2,298,100	9,500	42,965	92	Snowden Grove Amphitheater	Southaven, MS	1,336,400	10,000	23,272
68	Cuthbert Amphitheater	Eugene, OR	356,500	6,000	41,666	93	River State Amphitheater	Brisbane, AUS	2,150,000	9,000	22,559
69	Ford Park Pavilion	Beaumont, TX	392,500	14,000	40,286	94	Star Pavilion	Hershey, PA	556,800	8,000	21,998
70	Minnesota Zoo Amphitheater	Apple Valley, MN	3,363,300	1,500	40,227	95	PNC Pavilion At Riverbend	Cincinnati, OH	2,146,500	4,100	21,967
71	Woodland Park Zoo	Seattle, WA	3,563,400	2,600	39,526	96	Red Butte Garden	Salt Lake City, UT	1,171,400	2,800	20,857
72	Floores Country Store Outdoor Stage	Helotes, TX	2,256,800	2,000	39,160	97	The Mountain Winery	Saratoga, CA	1,900,200	2,500	20,792
73	Toyota Pavilion At Montage Mountain	Scranton, PA	562,500	17,600	39,127	98	Ntelos Wireless Pavilion	Charlottesville, VA	208,100	4,983	20,729
74	Open Sky Theater @ Harrah's	Valley Center, CA	3,192,600	3,500	38,320	99	Williamsburg Park	Brooklyn, NY	19,149,600	7,000	20,438
75	Oak Mountain Amphitheatre	Pelham, AL	1,136,700	10,289	37,458	100	Pier Six Pavilion	Baltimore, MD	2,750,200	4,200	20,170

Source: Pollstar

Source: Pollstar

Overall, the top performing amphitheaters have varying capacities, are located in a wide range of market sizes and have reported a wide range of ticket sales. Specifically, the top performing amphitheaters are located in market sizes ranging from 47,600 to 19.1 million (averaging 3.8 million), have seating capacities ranging from 1,390 seats to 65,000 seats (averaging 12,395) and sold 20,170 to 503,876 tickets in 2012 (averaging 111,300).

Focusing on smaller capacity amphitheaters with seating capacities ranging from 4,000 to 5,000 seats (comparable to The Music Center at The Heights), the top performing comparable-sized amphitheaters are located in market sizes ranging from 77,500 to 4.6 million (averaging 1.6 million) and sold 20,170 to 133,186 tickets in 2012 (averaging 59,451).

3. OVERVIEW OF LIVE MUSIC INDUSTRY

SUMMARY

As noted previously, the concert industry has undergone significant changes over the past several years, which has impacted the operations of amphitheaters and live entertainment venues nationwide. A summary of key trends that have emerged from the concert industry include:

- The size of the North American concert market hit a record \$4.7 billion in ticket sales in 2012. This represents an eight percent increase over the previous year.
- Total concert tickets sold reached 36.7 million in 2012, an increase of more than five percent from the previous year, but still below the industry record of 40.5 million in 2009.
- Talent costs have increased substantially, resulting in an upward trend in ticket prices and a downward trend in attendance. As a result, the margins generated to promoters and concert venues have decreased.
- Venue operators have increasingly relied on revenue from rent, facility fees, ticket sales rebates, concessions, merchandise, parking and advertising/sponsorships to generate operating profits.
- The average concert ticket price for the top 100 North American tours was \$68.76 in 2012, an increase of 2.3 percent over the previous year.
- Approximately 29 percent of the U.S. population, ages 15 and older, reported attending at least one concert each year. According to research conducted by International Demographics, 14.7 percent of the Dayton, Ohio metropolitan adult population reported attending at least one concert annually. This percentage ranks 75th among more than 100 major markets included in this research.
- The concert industry has experienced a significant consolidation of promoters, with fewer promoters controlling more artists than ever before. Strong consideration should be given to forming a partnership with a leading promoter, such as Live Nation or AEG, to either manage The Music Center at The Heights or provide exclusive or preferred booking arrangements for the venue.
- Amphitheaters can be a popular option for touring acts for a variety of reasons including:
 - low event costs relative to arenas, performance halls or stadiums;
 - seasonality of amphitheater season coincides with popular summer tours
 - capacities provide ample seats to keep ticket prices lower;

3. OVERVIEW OF LIVE MUSIC INDUSTRY

- o variety of ticket prices available due to lawn seating versus covered, permanent seating appeals to a wider socioeconomic spectrum;
 - o less competition for dates with other event types that are hosted at other multi-purpose facilities such as arenas or stadiums; and,
 - o comparatively low development costs relative to arenas or theaters has encouraged private and/or public-private development of amphitheaters by concert promoters that control bookings for many of the “A” and “B” concert acts.
- Large-scale amphitheater development has slowed over the past decade due to increasing capital costs, tightening concert economics, dwindling appetite for publicly-funded projects and other such factors. However, the development of smaller, community based amphitheaters has continued during this time because of their lower development costs, focus on community-based events and mid-to-lower tier national touring acts and other such factors.

National live music industry trends are considered together with local market characteristics, interest from local and national event promoters, and the historical operating results of amphitheaters located in comparable markets to estimate the potential demand and resulting financial operations of The Music Center at The Heights.

Executive Summary

1. Introduction
2. Local Market Characteristics
3. Live Music Industry Overview
4. Music Venue Case Studies
5. Estimated Demand & Building Program Validation
6. Financial Projections
7. Economic and Fiscal Impacts
8. Management Options

Appendix - Financial Model

4. MUSIC VENUE CASE STUDIES

4. MUSIC VENUE CASE STUDIES

The purpose of this section is to present an overview of outdoor music venues that can be considered comparable to the proposed Music Center at the Heights. An assessment of the physical, operating and financial characteristics of comparable amphitheaters provides a framework from which to benchmark the potential operations of the Music Center at The Heights. The venues included in this analysis consist of facilities that are similar in size to the facility being contemplated in Huber Heights, several of which are located in markets similar in size to the Huber Heights/Dayton market.

Physical, operating, and financial characteristics were reviewed for the following comparable facilities:

- PNC Pavilion (Cincinnati, OH);
- Frazee Pavilion (Kettering, OH);
- Cuthbert Amphitheater (Eugene, OR);
- Jacobs Pavilion at Nautica (Cleveland, OH);
- Koka Booth Amphitheater (Cary, NC); and,
- Mesa Amphitheatre (Mesa, AZ).

The table on the following page summarizes key characteristics of comparable music venues. The remainder of this section consists of case studies providing additional detail on each facility's physical and operational characteristics.

4. MUSIC VENUE CASE STUDIES

Comparable Amphitheater Summary

	PNC Pavilion	Fraze Pavilion	Cuthbert Amphitheater	Jacobs Pavilion at Nautica	Koka Booth Amphitheatre	Mesa Amphitheatre	Average
Location	Cincinnati, OH	Kettering, OH	Eugene, OR	Cleveland, OH	Cary, NC	Mesa, AZ	
75-Mile Market Population	4,265,300	5,553,300	1,099,800	4,500,600	4,205,700	4,384,900	4,001,600
Year Opened	2008	1991	1982	1987	2001	1978	1991
Seating Capacity:							
Fixed	4,100	3,030	1,500	5,000	0	0	2,300
Lawn (open air)	0	1,370	4,000	0	7,000	5,000	2,900
Total	4,100	4,400	5,500	5,000	7,000	5,000	5,200
2012 Concert Information ⁽¹⁾							
Concerts	7	31	14	8	3	6	12
Total Paid Attendance	22,000	81,700	41,700	24,600	11,500	21,900	33,900
Average Attendance	3,100	2,600	3,000	3,100	3,800	3,700	3,200
Sellouts	1	8	1	2	0	3	3
Total Annual Events	n/a	53	17	n/a	74	38	46
Total Annual Attendance	n/a	173,300	55,000	n/a	112,000	65,000	101,300
Facility Management:							
Owner	Non-Profit	City	City	Private	City	City	
Operator	Non-Profit	City	Private	Private	Private	City	

(1) Information as reported by Pollstar. May not be inclusive of all concert activity at the venue.

4. MUSIC VENUE CASE STUDIES

PNC PAVILION

PNC Pavilion is located in Cincinnati, approximately eight miles southeast of downtown. The 4,100-seat facility opened in 2008 and was constructed adjacent to the Riverbend Music Center, a 20,500-seat amphitheater venue. Both facilities are owned and operated by Music and Event Management, Inc. (MEMI), a wholly owned subsidiary of the Cincinnati Symphony Orchestra. While the venue is affiliated with the Symphony, it hosts concerts in a variety of popular musical genres.

The construction cost of the PNC Pavilion was \$6.8 million. Cost savings were achieved by sharing restrooms, concession and parking facilities with the 20,000-seat Riverbend Music Center. MEMI received \$3.25 million from the State of Ohio toward the construction of the facility. The remaining \$3.55 million was privately funded.

All of the Pavilion's 4,100 seats are fixed seats and are located under a protective roof, similar to the proposed design of the Music Center at The Heights. The facility also offers 28 box suites ranging in capacity from four to six seats. Boxes are sold on a season basis with prices of \$9,000 for a four-person box and \$13,500 for a six-person box. The price includes tickets to all Pavilion events, as well as preferred VIP parking and entrance and access to a member's only club, restrooms and bar area.

In 2012, Pollstar reported that the Pavilion hosted seven concerts with paid attendance ranging from approximately 2,100 to 4,300. Total paid attendance at these concerts approximately 22,000, or 3,100 per event. These event and attendance figures may exclude certain events not reported by Pollstar. Full event and attendance information for PNC Pavilion was not available.

Key Characteristics: PNC Pavilion



Location:	Cincinnati, Ohio
Capacity:	4,100 (All Fixed)
Year Opened:	2008
Owner:	MEMI
Operator:	MEMI
Annual Events:	7 *
Annual Attendance:	22,000 *

* Based on Pollstar reporting. May exclude certain events.

4. MUSIC VENUE CASE STUDIES

FRAZE PAVILION

Located approximately six miles south of downtown Dayton, Frazee Pavilion in Kettering opened in 1991. The pavilion has a total seating capacity of 4,400, including 1,600 chair back seats, 1,370 lawn seats, 1,000 bleacher seats and 430 Gold Circle Seats and is the centerpiece of Lincoln Park Civic Commons, which features a pond, fountains, walking paths and reflecting pools.

The amphitheater is owned and operated by the City of Kettering. Construction costs totaled approximately \$5.0 million and included \$4.0 million in private donations and approximately \$1.0 million from the City's capital reserve fund. Frazee Pavilion is named after Ernie Frazee, who invested \$600,000 in the construction of the venue. The City of Kettering is currently investing \$1.5 million on improvements to the Pavilion and the surrounding Lincoln Park Civic Commons, the most significant renovations made since the Pavilion opened in 1991. Among the improvements impacting the Pavilion are a new spotlight tower and sound area and renovations to the Civic Commons concession building.

The pavilion offers a membership program for its 1,600 chair back seats, ranging from \$200 and \$850 per year, which gives the member first right of refusal to purchase tickets for their seats. The pavilion also includes a patio that can be rented on event nights for \$300 to \$450 for city residents and \$375 to \$550 for non-residents. Patrons renting the patio on event days are required to purchase a minimum of 30 tickets. Parking at the facility is free of charge for all events and is available in City-owned lots, a local high school and along select side streets adjacent to the facility.

In 2012, the Pavilion hosted 31 touring concerts, drawing more than 81,000 attendees. The facility typically hosts 25 to 30 ticketed events per year, as well as numerous festivals and a free concert series. Total attendance, including ticketed and free events, typically ranges from 150,000 to 200,000 per year.

In 2011, the Pavilion generated approximately \$3.9 million in revenue and incurred approximately \$3.6 million in expenses, resulting in an operating profit of approximately \$300,000, representing the fourth surplus year the Pavilion has experienced since opening in 1991. The facility formerly incurred annual operating losses, but has improved its financial operations in recent years in part through taking event services, sponsorships and event booking in-house rather than sharing those revenues with a third party. Historically, the City of Kettering annual budgets \$300,000 to subsidize the operations of the Frazee, but has not needed it in recent years.

Key Characteristics: Frazee Pavilion



Location:	Kettering, Ohio
Capacity:	4,400 (2,030 fixed; 1,000 bleacher; 1,370 lawn)
Year Opened:	1991
Owner:	City of Kettering
Operator:	City of Kettering
Annual Events:	53
Annual Attendance:	173,300

4. MUSIC VENUE CASE STUDIES

CUTHBERT AMPHITHEATER

Located in the Hult Center for the Performing Arts, the Cuthbert Amphitheater opened in 1982 in Alton Baker Park in Eugene, Oregon. The Park and Amphitheater are located across the Willamette River from downtown Eugene and near the University of Oregon's athletic facilities. The facility has a total seating capacity of approximately 5,500, including 1,500 fixed seats and 4,000 lawn seats.

The amphitheater is owned by the City of Eugene and operated by Kesey Management. Following substantial losses and a lack of concert activity, the City hired Kesey Management to operate the facility in 2005. Representatives indicated that the partnership has been extremely successful due to the lack of financial risk to the City and the ability of the private management company to work quickly and efficiently and use their contacts in the music industry to bring in a large number of profitable events.

Premium seating consists of 200 VIP reserved seats located at the front of the stage that cost between \$50 and \$100 depending on the show.

The amphitheater hosted 14 touring concerts in 2012. Attendance at these events totaled approximately 42,000, or 3,000 per event. Including non-ticketed events, facility management indicated that the amphitheater hosted approximately 17 events and drew attendance of 50,000 to 60,000 in 2012.

City officials indicated that the original costs of construction are unknown because development of the amphitheater was part of a larger City construction project. Renovations to the amphitheater were completed in 2009 and included the replacement of wooden benches with fixed seats and an additional grass berm. The project cost \$300,000 and was paid for by the City's capital fund and contributions from the Hult Center.

Kesey Management declined to provide information related to the financial operations of the facility citing confidentiality issues. The City does not provide any cash subsidy towards operation of the amphitheater, but is responsible for maintenance, day-to-day repairs and capital improvements.

Key Characteristics: Cuthbert Amphitheatre



Location:	Eugene, OR
Capacity:	5,500 (1,500 fixed, 4,000 lawn)
Year Opened:	1982
Owner:	City of Eugene
Operator:	Kesey Management
Annual Events:	17
Annual Attendance:	55,000

4. MUSIC VENUE CASE STUDIES

JACOBS PAVILION AT NAUTICA

The 5,500-seat Jacobs Pavilion at Nautica (formerly known as the Plain Dealer Pavilion) was built in 1987 and is located at Nautica Flats, which is a mixed-use development located along the Cuyahoga River in downtown Cleveland. Nautica Flats Entertainment Complex opened in 1987 and contains a variety of entertainment venues including restaurants and clubs and a half-mile long boardwalk along the river. In 2002, approximately \$5 million was invested in the facility to replace the stage, construct a new grandstand and add a fabric roof over the seating area. The venue is owned and operated by Jacob Investments with concerts promoted through an arrangement with Live Nation.

The facility offers 16 box suites ranging in size from four to six seats. Boxes are priced at an average annual fee of \$11,000, which includes tickets to all public events.

In 2012, Pollstar reported that the Jacobs Pavilion hosted eight concerts and drew approximately 24,604 paid attendees. The facility averaged 3,100 paid attendees per concert and sold out two shows. The venue generated gross gate revenue of approximately \$1.3 million during the eight concert performances in 2012. Due to the private nature of the facility's ownership and operations, information on additional revenues and the facility's operating budget were not made available.

Key Characteristics: Jacobs Pavilion at Nautica



Location:	Cleveland, OH
Capacity:	5,000 (All fixed)
Year Opened:	1987
Owner:	Jacobs Entertainment, Inc.
Operator:	Jacobs Entertainment, Inc.
Annual Events:	8 *
Annual Attendance:	24,600 *

* Based on Pollstar reporting. May exclude certain events.

4. MUSIC VENUE CASE STUDIES

KOKA BOOTH AMPHITHEATRE

Opened in 2001, Koka Booth Amphitheatre is situated on 14 acres of parkland adjacent to Symphony Lake, approximately 12 miles west of Raleigh, North Carolina. The amphitheater has a total seating capacity of 7,000, which includes only lawn and temporary seating. Although the amphitheater does not have permanent seating, it offers approximately 1,000 reserved seats (uncovered lawn chairs) in front of the main stage. Lawn chairs can also be rented for \$5.00 per chair for all events. The amphitheater is owned by the Town of Cary and operated privately by SMG.

The Amphitheatre was built at a cost approximately \$16.2 million, including \$12.8 million in construction, \$1.4 million in land acquisition and \$1.9 million in services, equipment and other supplies. Since 2004, the facility has undergone approximately \$757,000 in improvements, including infrastructure upgrades, a new kitchen and other related equipment. The Town of Cary financed the initial project costs and the costs of the 2004 renovation through contributions from its general fund.

Premium seating consists of approximately 400 VIP table seats located on the crescent deck, which is elevated and situated behind the lawn seating. VIP table seats are available for \$1,600 to \$6,000, including VIP parking, four to six event tickets, access to a VIP café and in-seat wait service.

In 2012, the facility hosted 74 events, including 12 national touring concerts, seven other concerts (including North Carolina Symphony Orchestra performances), five festivals, 17 rentals and 33 community events (including a Movies by Moonlight series). Total attendance these events was approximately 112,000.

In 2012, the amphitheater generated approximately \$737,000 in revenues, including \$440,000 in event revenues and \$297,000 from sponsorships and other not directly attributable to events. Operating expenses totaled approximately \$911,000, resulting in a total operating loss of approximately \$174,000.

Key Characteristics: Koka Booth Amphitheatre



Location:	Cary, NC
Capacity:	7,000 (0 fixed, 7,000 lawn)
Year Opened:	2001
Owner:	Town of Cary
Operator:	SMG
Annual Events:	74
Annual Attendance:	112,000

4. MUSIC VENUE CASE STUDIES

MESA AMPHITHEATRE

The Mesa Amphitheatre opened in 1978 in Mesa, a suburb of Phoenix. The facility was fully funded by the City of Mesa, which continues to own and operate the venue. The Amphitheatre has a capacity of 5,000, consisting entirely of grass berm seating.

The facility offers a VIP area located behind the berm seating. The VIP area has a capacity of 30 to 50 guests, who have access to an exclusive bar area. Tickets for the VIP area are typically sold for a 100 percent premium over regular priced tickets.

The facility did not report attendance levels to Pollstar in 2012. However, in 2011 Pollstar reported that the Amphitheatre hosted six touring concerts, with total attendance of 21,900. Based on discussions with facility management, the facility hosted 38 total events in 2012, including various national and local concerts. Total attendance approximated 65,000.

The facility's rental rate is the greater of \$1,200 or 12 percent of gross ticket sales. However, facility management indicated that they often engage in co-promotion agreements with concert promoters, so the published rental rate is subject to negotiation and is rarely used.

While detailed financial data was not made available, facility management indicated that the facility is self-supporting, generating modest annual operating profits.

Key Characteristics: Mesa Amphitheatre



Location:	Mesa, Arizona
Capacity:	5,000 (0 fixed, 5,000 lawn)
Year Opened:	1978
Owner:	City of Mesa
Operator:	City of Mesa
Annual Events:	38
Annual Attendance:	65,000

Executive Summary

1. Introduction
2. Local Market Characteristics
3. Live Music Industry Overview
4. Music Venue Case Studies
5. Estimated Demand & Building Program Validation
6. Financial Projections
7. Economic and Fiscal Impacts
8. Management Options

Appendix - Financial Model

5. ESTIMATED DEMAND & BUILDING PROGRAM VALIDATION

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

The purpose of this section is to estimate the potential utilization of the proposed Music Center and to evaluate the building program elements included in the preliminary design for the facility. This section is divided into the following components:

- Estimated Demand
- Building Program Validation

ESTIMATED DEMAND

In order to estimate the potential utilization of the proposed Music Center, interviews were conducted with concert and promoters and other organizations that could represent potential users of the facility. Based on these discussions, the types of events that could utilize the proposed Music Center can generally be classified into one of the following event categories:

- National Touring Concerts
- Local and Regional Concerts
- Festivals
- Other Ticketed Events
- Private Rentals

The following is a discussion of the market potential for each event category based on discussions with event promoters, information collected from comparable concert venues, the unique characteristics of the Huber Heights/greater Dayton market, and other such considerations.

National Touring Concerts

Concerts will likely represent one of the largest event segments hosted at the proposed Music Center. For purposes of this report, concerts are assumed to include a variety of genres including rock, pop, alternative, country, rap, and comedy among others.

In order to assess potential demand for concerts specific to the proposed Music Center, event promoters with knowledge of and experience in the live music industry in Dayton and the surrounding region were contacted to assess their potential interest in booking concerts at the proposed facility.

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

Specifically, key representatives from the following touring concert promotions companies were contacted:

- AEG Live;
- Backstreet Booking;
- Fogg Entertainment;
- Jam Productions;
- Live Nation;
- Outback Concerts;
- Police Productions;
- Premier Productions;
- Rush Concerts; and,
- Trans-Fusion Entertainment.

Promoters generally indicated that, while Dayton is not considered a top-tier market, it has been a successful secondary market, particularly in the country and rock music genres. Major acts would likely bypass the Dayton market, focusing their efforts on larger markets with larger facilities. However, a 4,500-seat venue in the Dayton market would be positioned to capture second and third-tier acts. Given the stratification of the concert market, in which relatively few acts are capable of selling out large venues, these second and third-tier acts represent an attractive niche comprised of a relatively large number of acts.

Promoters offered mixed feedback on the Dayton market's existing concert venues. The Nutter Center at Wright State University is generally considered the highest quality concert facility in the market. Hara Arena is largely considered to be outdated, although it still holds a niche hosting primarily hard rock shows. As the only major outdoor venue in the market, Frazee Pavilion is uniquely positioned to capture summer concert tours, particularly those that are specifically seeking an outdoor venue. However, promoters indicated that Frazee Pavilion is somewhat lacking in amenities, with no fixed seating and no covering over any of the seats. The sound quality at Frazee Pavilion was also generally described as subpar. A covered pavilion with fixed seating and more modern amenities may be better suited to capture outdoor concert demand in the market.

Competition with venues in Columbus and Cincinnati (and to a lesser extent, Indianapolis), will impact the operations of the proposed Music Center. Generally, concert promoters have found that people are willing to drive from a smaller market to a larger market to attend a major concert event, but people who reside in larger markets are less inclined to travel to smaller markets to attend a concert. However, promoters contacted for this study indicated that venues in the Dayton market have historically overcome this trend and have been successful in drawing a portion of attendees from the larger Cincinnati and Columbus markets.

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

The location of the proposed Music Center in a highly visible location could have a positive impact on its ability to attract events given the advertising advantages associated with a marquee visible from Interstate Highway 70. Further, its location within the mixed-use Heights development could have a positive impact on the facility's event levels over the long term, particularly if The Heights succeeds in becoming a popular destination for area residents. However, promoters indicated that the quality of the acts will ultimately drive the Center's ability to attract attendees. One concern noted was that a mixed-use development could potentially decrease food and beverage revenue typically spent at the performance venue if patrons elect to eat or drink before or after the show at local establishments.

Ultimately, the number of touring concerts held at the proposed Music Center will depend largely on the ability of facility management to attract events. Contracting management of the facility a national or regional organization that is able to leverage its contacts in the concert industry to bring events to the Music Center would likely have a significant positive impact on the facility's concert levels. Alternatively, efforts could be made to reach an exclusive booking arrangement with a major promoter in order to drive concert activity to the venue. Additional discussion of the impact of potential management alternatives on event levels can be found in the Management Options section of this report.

Based on discussions with promoters and a review of the historical event activity at comparable concert venues, the following table summarizes the estimated number of concerts and associated attendance that could be held at the proposed Music Center during its first five years of operations.

NATIONAL TOURING CONCERTS					
Estimated Demand					
	2014 *	2015	2016	2017	2018
Number of Performances	8	10	12	12	12
Average Paid Attendance	3,250	3,000	2,750	2,750	2,750
Total Paid Attendance	26,000	30,000	33,000	33,000	33,000
Average Ticket Price	\$40.00	\$41.20	\$42.44	\$43.71	\$45.02
Concessions Per Cap	\$9.50	\$9.79	\$10.08	\$10.38	\$10.69
Merchandise Per Cap	\$5.00	\$5.15	\$5.30	\$5.46	\$5.63
* partial year of operations					

It is estimated that the proposed Music Center could host eight touring concerts and draw approximately 26,000 paid admissions in the first year of operations, which is assumed to be a partial year of operations. Concert activity is estimate to increase to 12 concerts with a total of 33,000

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

paid admissions by the fifth year of operations. These normalized year concert and attendance levels are near the average utilization of comparable facilities reviewed in this report (approximately 12 events and 34,000 annual paid attendees).

Local and Regional Concerts

In addition to touring concerts, many amphitheaters and concert pavilions host a number of local and regional musical performances. Typically, these events consist of “fine arts” genres such as orchestra, jazz, chamber music, opera, pops, theatrical productions and other types of performing arts. In order to assess potential demand for performing arts events at the proposed Music Center, local and regional organizations were contacted to assess their potential interest in booking events at the proposed facility.

The Schuster Center for the Performing Arts is currently the primary performing arts venue in the Dayton market. As an indoor venue with a theater configuration, the Center is designed for such performances and is anticipated to continue to host the majority of fine arts events in the market. However, many arts organizations in other markets hold a summer concert series or other similar performances at outdoor venues. The Dayton Philharmonic Orchestra formerly hosted an outdoor series at Frazee Pavilion, but the series was discontinued for financial reasons. Representatives of the Dayton Performing Arts Alliance indicated that they would consider reviving an outdoor series in Huber Heights, although the event would depend on the ability to reach agreeable rental terms.

Another potential source of fine arts concerts is through a potential partnership with the Cincinnati Symphony Orchestra and its subsidiary, Music and Event Management, Inc. (MEMI). Based on discussions with project representatives, MEMI has indicated an interest in the Music Center project. There may be potential for the facility to host occasional summer concerts by the Cincinnati Symphony Orchestra through a partnership with MEMI. However, it should be noted that this may reduce the viability of a potential summer concert series by the Dayton Orchestra.

The following table summarizes the estimated number of performing arts and local events and associated attendance estimated to be hosted by the proposed Music Center during its first five years of operations.

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

LOCAL / REGIONAL CONCERTS Estimated Demand					
	2014 *	2015	2016	2017	2018
Number of Performances	2	3	4	4	4
Average Paid Attendance	2,500	2,250	2,000	2,000	2,000
Total Paid Attendance	5,000	6,750	8,000	8,000	8,000
Average Ticket Price	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26
Concessions Per Cap	\$6.00	\$6.18	\$6.37	\$6.56	\$6.75
Merchandise Per Cap	\$1.00	\$1.03	\$1.06	\$1.09	\$1.13
* partial year of operations					

It is estimated that the proposed Music Center could host two local and regional concerts and draw 5,000 paid admissions in the first year of operations, increasing to four events and a total of 8,000 paid admissions by the fifth year of operations.

Festivals

Local community events may also represent a significant event segment at the proposed Music Center. For purposes of this report, this segment is assumed to include a variety of events including festivals, holiday celebrations, food tasting events and other similar events. Examples of existing events in the region include the Dayton Music Fest and the Downtown Dayton Revival Festival. Other common festivals held at comparable venues include festivals celebrating specific musical genres (blues, bluegrass, etc.), BBQ Fests, children's festivals and various other events appealing to various groups. Festivals may be held on a single day or may include multi-day events.

Based on discussions with City representatives, there appears to be interest in hosting festivals and other community events during the summer months at the proposed Music Center. The facility would be well suited to host such events, which could utilize the concert stage for musical performances while taking advantage of the surrounding green space to host ancillary festival activities. In this way, while the Music Center could serve as the primary "hub", event functions could be expanded throughout the surrounding area as well.

A significant advantage of such events is they can be independently produced by the venue or an affiliated organization such as a City events department, making them less dependent on the whims of the concert industry. These events would also further the City's goal of driving

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

additional visitation and traffic to The Heights development, and could help increase the perception of the Music Center as an asset for the community as a whole.

The following table summarizes the estimated number of festivals and associated attendance during the first five years of operations. It should be noted that these estimates assume that certain events may be multi-day events. Further, it is assumed that the day-long or multi-day nature of these events and the use of surrounding space to host additional event-related functions will allow attendance levels to exceed the stated capacity of the Music Center in many cases.

FESTIVALS					
Estimated Demand					
	2014 *	2015	2016	2017	2018
Number of Performances	2	4	6	6	6
Average Paid Attendance	5,000	5,000	5,000	5,000	5,000
Total Paid Attendance	10,000	20,000	30,000	30,000	30,000
Average Ticket Price	\$15.00	\$15.45	\$15.91	\$16.39	\$16.88
Concessions Per Cap	\$8.00	\$8.24	\$8.49	\$8.74	\$9.00
Merchandise Per Cap	\$1.00	\$1.03	\$1.06	\$1.09	\$1.13
* partial year of operations					

As shown above, it is estimated that the proposed Music Center could host two festivals drawing 10,000 paid admissions in the partial first year of operations, increasing to six events and 30,000 paid admissions by the fifth year.

Other Ticketed Events

Beyond music concerts and festivals, amphitheaters and concert pavilions can host a variety of other events including speaking engagements, comedic performances, movie nights and other such events. Based on a review of event activity at comparable venues, the table on the following page summarizes the estimated number of other ticketed events and associated attendance during the first five years of operations.

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

OTHER TICKETED EVENTS					
Estimated Demand					
	2014 *	2015	2016	2017	2018
Number of Performances	2	3	4	4	4
Average Paid Attendance	1,500	1,500	1,500	1,500	1,500
Total Paid Attendance	3,000	4,500	6,000	6,000	6,000
Average Ticket Price	\$15.00	\$15.45	\$15.91	\$16.39	\$16.88
Concessions Per Cap	\$5.00	\$5.15	\$5.30	\$5.46	\$5.63
Merchandise Per Cap	\$1.00	\$1.03	\$1.06	\$1.09	\$1.13
* partial year of operations					

It is estimated that the proposed Music Center could host two miscellaneous ticketed events and draw 3,000 paid admissions in the first year of operations, increasing to four other ticketed events and a total of 6,000 paid admissions by the fifth year of operations.

Private Rentals

In addition to ticketed events, many amphitheaters and similar venues generate additional revenue by renting the facility to outside organizations for private events. Examples of private rentals could include uses such as corporate meetings, banquets, meetings, wedding receptions, graduations and other such uses.

While school districts sometimes prefer to hold graduations indoors to ensure that the events will not be disrupted by inclement weather, the covered nature of the proposed Music Center may make it more attractive than traditional outdoor venues. Huber Heights Schools representatives indicated that their graduation ceremonies are currently held at Wright State University's Nutter Center. The facility generally works well for their events. While the capacity is significantly larger than needed, the facility is offered at a nominal rental rate and provides marshaling space for the graduates to line up prior to the ceremony. School officials indicated they could consider holding graduations at the proposed Music Center in the future, but it would be dependent on the cost to rent the facility and other factors such as the degree of protection from the elements, an indoor area for graduates to line up. Other area school districts may also represent opportunities for outside rentals of the Music Center.

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

Based on a review of private rental activity at comparable facilities, the following table summarizes the estimated number of private rentals and associated attendance that are estimated to be hosted by the proposed Music Center during the first five years of operations.

PRIVATE RENTALS Estimated Demand					
	2014 *	2015	2016	2017	2018
Number of Performances	4	6	8	8	8
Average Paid Attendance	1,000	1,000	1,000	1,000	1,000
Total Paid Attendance	4,000	6,000	8,000	8,000	8,000
Average Ticket Price	0	0	0	0	0
Concessions Per Cap	\$1.50	\$1.55	\$1.59	\$1.64	\$1.69
Merchandise Per Cap	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
* partial year of operations					

It is estimated that the proposed Music Center could host four private rentals and draw 4,000 attendees in the first year of operations, increasing to eight private rental and 8,000 attendees by the fifth year of operations.

Summary of Estimated Demand

Within this section, estimates of event and attendance levels have been presented for several event categories that represent the primary sources of potential utilization for the proposed Music Center. The following table summarizes the estimated total utilization of the proposed Music Center through its first five years of operations.

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

ESTIMATED DEMAND The Music Center at The Heights					
Annual Events					
	2014 *	2015	2016	2017	2018
National Touring Concerts	8	10	12	12	12
Local / Regional Concerts	2	3	4	4	4
Fesitvals	2	4	6	6	6
Other Ticketed Events	2	3	4	4	4
Private Rentals	4	6	8	8	8
Total Events	18	26	34	34	34
Total Annual Attendance					
	2014 *	2015	2016	2017	2018
National Touring Concerts	26,000	30,000	33,000	33,000	33,000
Local / Regional Concerts	5,000	6,750	8,000	8,000	8,000
Fesitvals	10,000	20,000	30,000	30,000	30,000
Other Ticketed Events	3,000	4,500	6,000	6,000	6,000
Private Rentals	4,000	6,000	8,000	8,000	8,000
Total Attendance	48,000	67,250	85,000	85,000	85,000
* partial year of operations					

As depicted in the table, it is estimated that the proposed Music Center could attract 18 events and 48,000 attendees in its initial partial year of operations, increasing to 34 events and 85,000 attendees by the third year of operations.

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

BUILDING PROGRAM VALIDATION

The preliminary building program for the proposed Music Center includes 4,500 fixed seats, all of which would be covered by a roof structure. It is assumed that the facility would be designed to incorporate a level of amenities and services that would allow it to host major touring concerts and the other types of events discussed previously in this section. The purpose of this section is to evaluate the proposed building program elements on the basis of their appropriateness for the Huber Heights/greater Dayton market and to provide recommendations regarding potential modifications or additions to the building program that should be considered. Specific building program elements discussed herein include:

- Seating Capacity
- Premium Seating
- Parking
- Other Building Program Elements

Seating Capacity

The seating capacity of a music venue plays a critical role in the success of the venue. A facility must be “right sized” for its market when considering the size of the market, the degree of competition and the types of events and concert acts the facility envisions attracting. A seating capacity that is too small may limit a venue’s ability to maximize its market potential. However, a venue with excess capacity will be more expensive to construct and operate and may have an adverse impact on sightlines, sound quality and the overall patron experience.

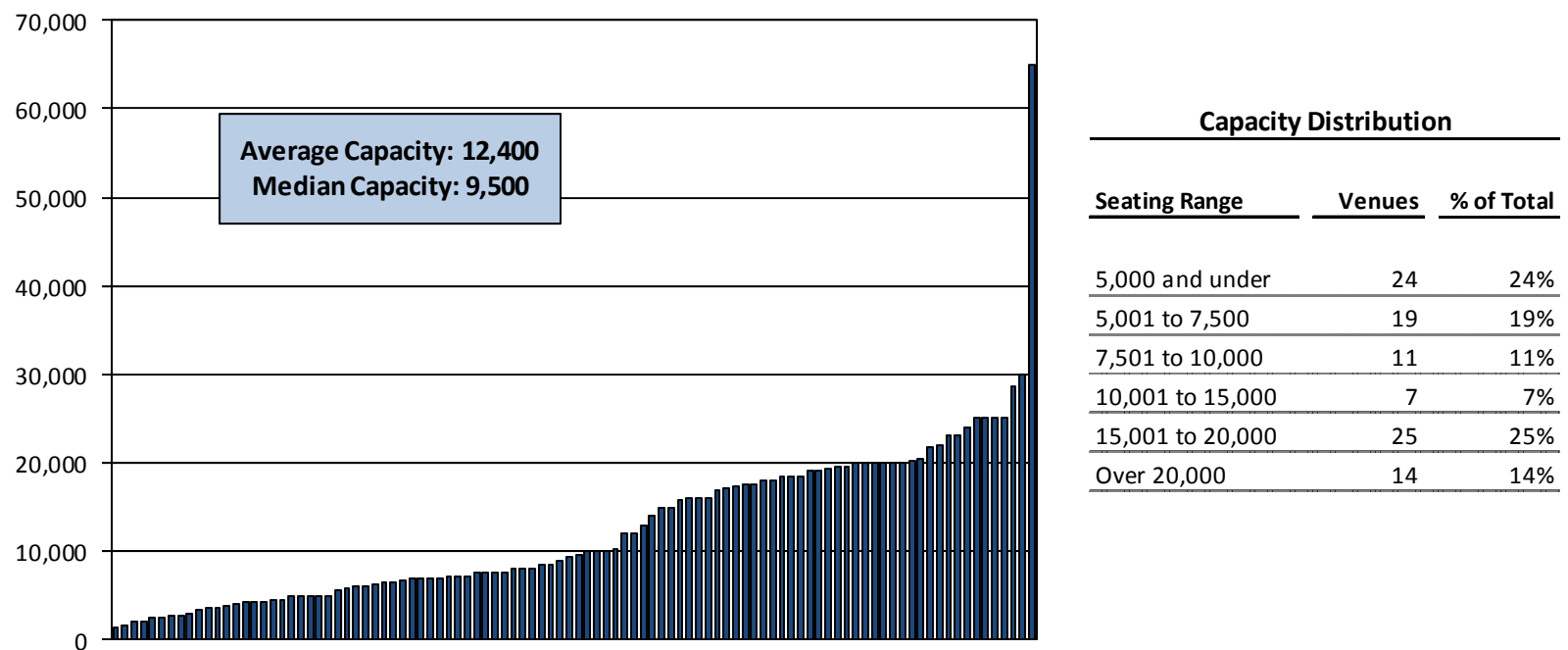
In order to evaluate the proposed Music Center’s envisioned capacity of 4,500 seats, industry data was compiled related to the seating capacities of the top 100 amphitheater venues of 2012, average attendance levels at the top 200 concert tours of 2012, historical paid attendance levels at comparable venues, and the capacities of existing Dayton-area concert venues.

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

Seating Capacities of Top 100 Amphitheaters

The following chart summarizes the seating capacities of the top 100 amphitheaters in 2012 in terms of gross ticket sales in 2012 according to Pollstar. The total capacities stated in the chart include both fixed and lawn seating as well as both covered and uncovered seating.

Seating Capacities of the Top 100 Grossing Amphitheaters of 2012



Source: Pollstar

The seating capacities of the top grossing amphitheaters of 2012 range from a low of 1,390 to a high of 65,000. Nearly one-fourth of these facilities have seating capacities of 5,000 seats or fewer. This indicates that facilities with capacities similar to the envisioned 4,500-seat capacity of the proposed Music Center can attract events and generate ticket revenues that are among the top facilities in the country.

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

Typically, approximately 40 percent of amphitheater seats are covered, reserved seats, while approximately 60 percent are open-air, general admission lawn seats. It is important to note that the fixed, covered seats in an amphitheater are usually the highest priced seats in the facility. Therefore, promoters and building operators generally prefer more fixed seats in order to generate higher gross ticket sales, provided the market can support higher ticket prices. The fixed nature of all seating at the proposed Music Center may help maximize the level of ticket revenue that can be generated as compared to what might be generated by a venue with a similar capacity but with fewer fixed and/or covered seats.

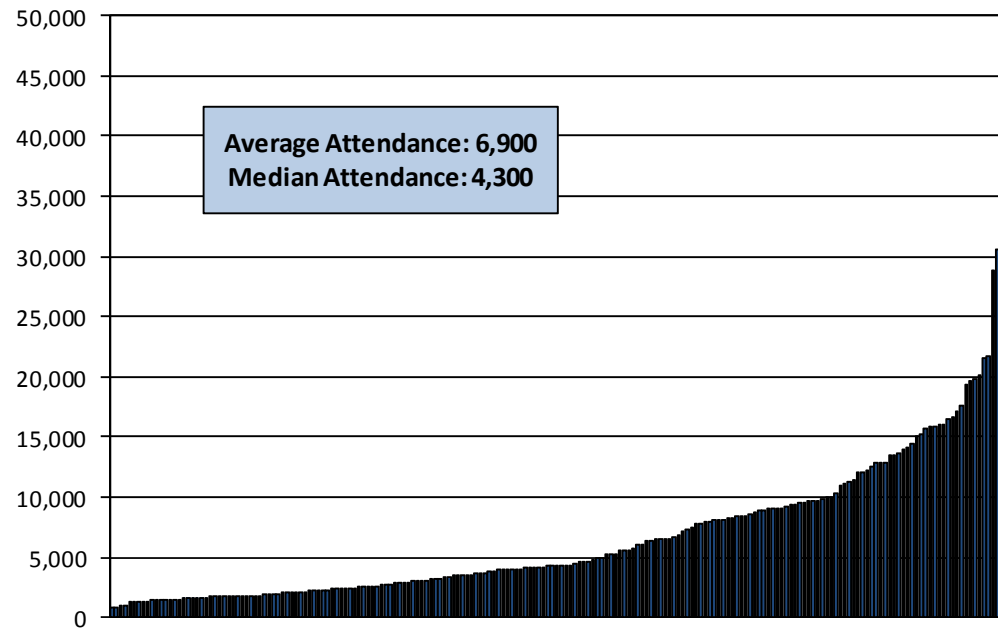
Top 200 Concert Tour Attendance

The music and concert industries have undergone significant changes over the past several years as the rise of new musical genres and the increasing segmentation of the music market has resulted in fewer acts capable of selling out venues with large capacities. This trend has increased the importance of smaller venues that provide a more appropriate and cost effective venue for small to mid-level touring acts. To determine the historical seating demand for major concert acts, an analysis of the average paid attendance for the top 200 concert tours of 2012 was conducted.

The following exhibit summarizes the average paid attendance for each of the top 200 tours. In considering this data, it is important to note that the top 200 tours played in a wide range of facilities with varying capacities including theaters, arenas, amphitheaters and stadiums. Additionally, the data presented herein represents the average attendance for a particular tour with attendance for a particular performance subject to variances depending on the market and seating capacity of the venue played. Finally, the data presented herein represents paid attendance. Actual, or turnstile attendance, could be higher or lower depending on the number of complimentary tickets and no-shows. However, the data presented herein is useful in understanding the general seating demand of the top 200 tours.

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

Average Paid Attendance per Performance at the Top 200 Concert Tours of 2012



Attendance Distribution

Average Attendance	Acts	% of Total	Cumulative Percent
2,500 and under	56	28%	28%
2,501 to 5,000	53	27%	55%
5,001 to 7,500	21	11%	65%
7,501 to 10,000	31	16%	81%
10,001 to 15,000	18	9%	90%
15,001 to 20,000	14	7%	97%
Over 20,000	7	4%	100%

Source: Pollstar

The average paid attendance of the Top 200 tours of 2012 ranged significantly, from 800 to 47,200. Overall, the average attendance of the top 200 tours was approximately 6,900 while the median approximated 4,300. More than half of the top 200 tours drew average attendance of less than 5,000. These are the acts that could best be accommodated by a facility with a capacity of 4,500 seats, which is the preliminary proposed capacity of the Music Center.

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

Concert Attendance at Comparable Venues

The Music Venue Case Studies section of this report detailed the physical and operational characteristics of several outdoor music venues with capacities similar to that of the proposed Music Center. Understanding attendance trends at these facilities can provide additional insight as to the appropriate seating capacity for a facility in Huber Heights. The following table summarizes paid attendance levels at touring concerts held at each venue in 2012 according to information reported by Pollstar.

Touring Concert Attendance at Comparable Venues

Facility	Total Capacity	2012 Concerts	2012 Ticket Sales			Sellouts ⁽¹⁾
			Low	High	Average	
Koka Booth Amphitheatre	7,000	3	1,786	5,027	3,818	0
Mesa Amphitheatre ⁽²⁾	5,000	6	2,328	4,980	3,649	3
PNC Pavilion	4,100	7	2,132	4,294	3,138	1
Jacobs Pavilion	5,000	8	1,306	4,189	3,076	2
Cuthbert Amphitheater	5,500	14	1,224	4,649	2,976	1
Fraze Pavilion	4,300	31	611	4,244	2,634	8
Average	5,150	12	1,565	4,564	3,215	3

(1) The capacity of a venue can vary from event to event based on the configuration required for a particular event. The numbers in the "Sellouts" column represent the number of times ticket sales for a concert equalled or exceeded the venue's capacity for that particular concert.

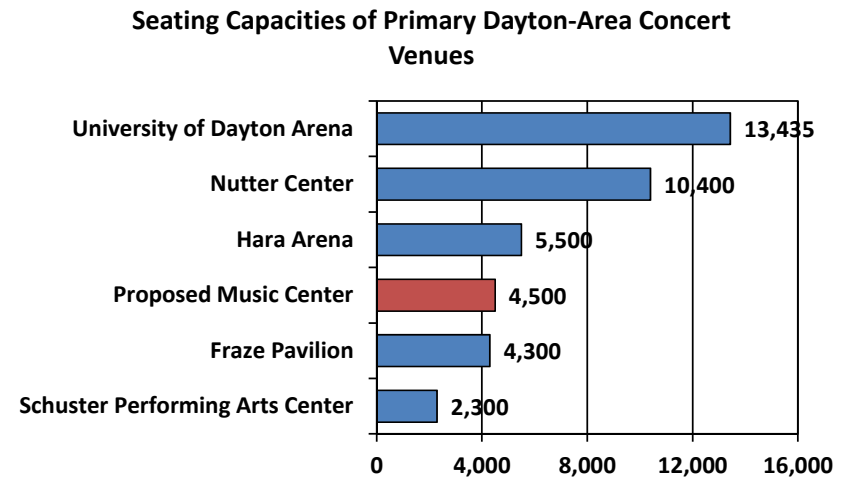
(2) The Mesa Amphitheatre did not report attendance statistics to Pollstar in 2012; therefore, 2011 data has been used.

As shown, average attendance at touring concerts held at comparable venues ranged from approximately 2,600 to 3,800 tickets sold per event. On average, only one-fourth of events attained "sell-out" status, indicating that the respective capacities of these venues were generally adequate to meet ticket demand. While facilities with larger capacities than the 4,500-seat proposed capacity of the Music Center were able to draw attendance in excess of 4,500 for certain events, the overall average attendance was below 4,000 at each venue. This would appear to indicate that increasing the Music Center's capacity beyond 4,500 seats would not necessarily result in a significant increase in overall average attendance levels.

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

Local Concert Venue Capacities

The seating capacities of existing local concert venues can be an important factor in evaluating the potential capacity of the proposed Music Center. The table to the right summarizes the capacities of the Dayton market's primary concert facilities. As shown, the market is home to two indoor arenas with capacities in excess of 10,000. These arenas, particularly the Nutter Center, are likely to continue to be the preferred venues for larger acts playing the Dayton market. On the opposite end of the spectrum the Schuster Center has a capacity of 2,300, slightly more than half of the proposed Music Center's potential capacity of 4,500. Given its smaller seating capacity and primary focus on fine arts events, the Schuster Center is sufficiently differentiated from the proposed Music Center to minimize potential competition between the two venues.



Two existing venues, Hara Arena and Frazee Pavilion, have capacities relatively similar to that of the proposed Music Center. This could result in these facilities competing for certain events. Promoters' decisions among these facilities will likely be based on considerations such as a preference for an indoor versus outdoor venue, the location and accessibility of the venues, the level of amenities and services provided, and perhaps most importantly, the cost to rent the venues.

Premium Seating

Premium seating often represents a significant ancillary revenue source for amphitheaters and other such event venues. Premium seating at amphitheaters typically consists of box seats, which are typically open-air seating areas for four to eight individuals with upscale seating and food and beverage service. Box seats can be sold individually by event or can be priced to include tickets and parking passes to all amphitheater events. Box seats can also be packaged with naming and sponsorship packages to provide an additional amenity for corporate partners.

Each of the comparable facilities offers some level of VIP experience, including a VIP area at the Mesa Amphitheatre, patios at Frazee Pavilion, VIP boxes at PNC Pavilion and Jacobs Pavilion, and VIP seats at Cuthbert Amphitheatre and Koka Booth Amphitheatre. VIP seating inventories range from approximately 80 to 400 seats, with most venues offering 100 to 200 VIP seats.

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

For purposes of this analysis, a total of 10 private boxes have been assumed with an average of four seats per box. It should be noted that amphitheaters often provide other premium type seats such as Golden Circle seats or other season ticket type offerings in prime areas of the venue. These areas are often part of the seating manifest resulting in ticket revenue that is shared with the act and promoters. Therefore, these types of seats and their associated value are factored into the average ticket prices assumed in this report.

Parking

The availability of sufficient parking will be critical to the success of the proposed Music Center. Patrons' experiences with parking and access represent their first and last impressions of a venue when attending an event. Therefore, the convenience of a venue's parking facilities can impact patrons' willingness to make return visits to future events.

Industry standards indicate that approximately one parking space should be provided for every three seats at an event venue. Given the proposed Music Center's envisioned capacity of 4,500 seats, it is estimated that approximately 1,500 parking spaces would be needed to support the requirements of larger events. Project representatives indicated that 1,500 paved parking spaces are planned adjacent to the Music Center, with an additional 500 semi-paved spaces located in close proximity to the venue. This inventory would appear to be more than adequate to support a 4,500-seat venue.

While sufficient parking will be available throughout The Heights development, some of these parking spaces may be shared with other businesses and establishments located within the development, making it difficult to assess parking charges specifically for vehicles entering to attend a Music Center event. Based on discussions with project representatives, a parking fee may be added to the price of each ticket as a means of recouping parking revenue that could have been generated if the facility had dedicated parking lots. This is an increasingly common practice in the industry, particularly for venues with limited parking under their control. For purposes of this analysis, a \$2.00 per ticket parking fee has been assumed for major touring concert events, with a \$1.50 per ticket fee assumed for all other ticketed events. No parking charges are assumed to apply for private rentals.

5. ESTIMATED DEMAND AND BUILDING PROGRAM VALIDATION

Other Building Program Elements

The following are other building program considerations that will be important to the success of the proposed Music Center.

- Permanent stage with rigging grid capable of holding required poundage (up to 50,000) of touring acts with appropriate stage clearance.
- Sufficient number and quality dressing rooms including one (1) star dressing room and up to three (3) small dressing rooms. These could be provided off-site, but nearby. Alternatively or additionally, space should be provided backstage or stage side to allow for tour bus parking to serve as dressing room facilities for acts.
- Permanent or temporary fencing to secure the Music Center for ticketed events.
- Sufficient concession points of sale should be provided to maximize per capita revenues. Industry standards dictate that there should be approximately one concession point of sale for every 300 seats (approximately 15 points of sale, assuming 4,500 total seats). Consideration may be given to utilizing temporary points of sale set up on an event-by-event basis to reduce upfront development costs. Temporary stands would also provide flexibility for use during festivals that may extend beyond the footprint of the Music Center itself.
- Sufficient restrooms should be provided to ensure an enjoyable patron experience. Industry standards dictate that there should be one water closet per 50 seats and one urinal per 100 seats.
- Sufficient loading areas to allow acts to efficiently move in/out stage equipment.
- Ability to accommodate state-of-the-art audio, video and lighting equipment associated with major concert tours.
- Sufficient power for stage equipment and buses.
- Sufficient storage space for equipment, materials, supplies and other needs.
- Administrative office space for full-time and seasonal staff (can potentially be provided off-site).
- Ticket or box office space for walk-up sales, will call and other ticketing needs.

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6. FINANCIAL PROJECTIONS

6. FINANCIAL PROJECTIONS

The purpose of this section is to present estimated operating revenues and expenses for The Music Center at The Heights for the first five years of operations. Since detailed facility design, configuration, and cost estimates have not yet been finalized, the assumptions used in this analysis are based on the results of the market analysis, industry trends, knowledge of the marketplace, financial results from comparable facilities and discussions with City officials and other project stakeholders.

This presentation is designed to assist the City and other project representatives in estimating the financial attributes of The Music Center at The Heights and cannot be considered to be a presentation of expected future results. Accordingly, this analysis may not be useful for any other purpose. The assumptions disclosed herein are not all inclusive, but are those deemed to be significant; however, there will be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material.

The presentation of financial operating results is divided into the following components:

- Five-Year Financial Pro Forma;
- Key Operating Revenue Assumptions;
- Key Operating Expense Assumptions; and,
- Sensitivity Analysis.

Key assumptions used to estimate the potential financial operations of The Music Center at The Heights include, but are not limited to the following:

- The facility will open by July 1, 2014 and operate during a portion of the outdoor concert season. The first full-year of operations will be 2015.
- The facility will contain approximately 4,500 total seats consisting of a combination of reserved, fixed and temporary seating (all covered).
- The facility will be developed as a quality, state-of-the-art venue with the necessary acoustics, stage configuration, rigging capacities, flexible seating configurations, and back-of-house space to accommodate the needs of various types of users.
- The facility will be owned by the City and will be exempt from property taxes.

6. FINANCIAL PROJECTIONS

- The facility will be aggressively marketed, providing competitive rental rates and, as necessary, co-promoting or initiating in-house promotions to maximize the usage of the venue.
- The facility will be operated by competent third-party facility management company that have extensive industry relationships with key concert promoters and booking agents. This could include exclusive or preferred booking arrangements with organizations that guarantee a certain number of concerts will be booked each year the venue.
- Approximately 1,500 paved and 500 semi-paved parking spaces would be located adjacent to the venue and under direct control of venue management, with additional spaces provided throughout The Heights mixed-use development.
- There are no significant or material changes in the supply or quality of existing venues in the marketplace or new preferred or exclusive booking arrangements with key concert promoters at competitive venues.
- There are no significant or material changes to current trends in the live entertainment industry.

Additional detailed physical development planning must be completed before more precise estimations of The Music Center at The Heights operating costs can be made. Also, upon completion of preliminary planning, revenue and expense assumptions should be updated to reflect changes to assumptions made herein. These changes could significantly affect the analysis of future operating results.

FIVE-YEAR FINANCIAL PRO FORMA

The table on the following page presents the estimated operating revenues and expenses for the first five years of operations for The Music Center at The Heights, assuming the venue will be open by July 1, 2014 and operate during a portion of the 2014 outdoor concert season. The first full year of operations will be 2015.

As shown in the table, in its first year of operations The Music Center at The Heights is estimated to generate operating revenues of approximately \$1.4 million and incur operating expenses of \$1.5 million, resulting in a net operating deficit of approximately \$119,900. The operating performance of The Music Center at The Heights is expected to improve through the first five years of operations as the venue reaches a stabilized year of operations. By year five, the venue is estimated to generate revenues of \$2.5 million and incur operating expenses of \$2.2 million, resulting in operating income of approximately \$213,900. It is important to note that these estimates do not include payments associated with any potential debt service related to the facility, but does include a self-funded contribution to a capital reserve account in order to maintain the facility as a pre-eminent outdoor live music venue in south eastern Ohio.

6. FINANCIAL PROJECTIONS

The remainder of this section presents an overview of key revenue and expense assumptions used to estimate the potential financial operating results of The Music Center at The Heights as well as a sensitivity analysis to determine the impact that varying key assumptions can have on the financial operations of the venue. The full financial model (including all key assumptions) is presented in Appendix A.

KEY OPERATING REVENUE ASSUMPTIONS

Revenue sources generated by The Music Center at The Heights are expected to consist of facility rentals, facility fees, ticket rebates, box office fees, event services, parking, food and beverage, merchandise, box seats, sponsorships and other income. A brief description of each revenue source is provided below.

Facility Rental

It is expected that rent will be charged for most events hosted at The Music Center at The Heights. For most events, facility rent is typically based on a base daily rental fee or a percentage of gross ticket sales. Rental rates will likely vary depending on the type of event (i.e. commercial, not-for-profit, community events, etc.) and the portion of the facility used (i.e. full-house, half-house, stage/backstage, plaza areas, parking lots, meeting rooms, etc.). The number of events, facility rental rates, paid attendance and ticket prices assumed in this study are based on an analysis of events, ticket prices, attendance and rental rates at comparable amphitheatres, local competitive facilities, discussions with promoters and industry trends.

5-YEAR OPERATING PRO FORMA

The Music Center at The Heights

	2014 *	2015	2016	2017	2018
Total Events	18	26	34	34	34
Total Annual Paid Attendance	48,000	67,250	85,000	85,000	85,000
REVENUES:					
Facility Rental	\$141,000	\$187,500	\$231,800	\$237,400	\$243,200
Facility Fee (per ticket)	\$70,000	\$91,300	\$110,000	\$110,000	\$110,000
Ticket Rebates	\$35,000	\$46,100	\$56,900	\$59,900	\$63,000
Box Office Fees	\$20,100	\$37,600	\$58,600	\$65,600	\$72,600
Event Services	\$235,400	\$347,900	\$466,300	\$480,300	\$494,700
Parking	\$79,000	\$106,900	\$132,000	\$132,000	\$132,000
Food and Beverage	\$378,000	\$532,500	\$682,700	\$703,200	\$724,300
Merchandise	\$148,000	\$186,700	\$221,700	\$228,400	\$235,200
Premium Seating	\$44,800	\$65,900	\$88,300	\$90,900	\$93,600
Sponsorships	\$240,000	\$247,200	\$254,600	\$262,300	\$270,100
Other	\$15,000	\$15,500	\$15,900	\$16,400	\$16,900
TOTAL REVENUES	\$1,406,300	\$1,865,100	\$2,318,800	\$2,386,400	\$2,455,600
EXPENSES:					
Direct Costs:					
Food and Beverage	\$207,900	\$292,900	\$375,500	\$386,700	\$398,300
Merchandise	\$133,200	\$168,000	\$199,600	\$205,500	\$211,700
Premium Seating	\$29,100	\$42,200	\$55,600	\$56,400	\$57,200
Parking Expenses	\$11,900	\$16,000	\$19,800	\$19,800	\$19,800
Event Marketing	\$50,000	\$51,500	\$53,000	\$54,600	\$56,300
Event Expenses	\$215,700	\$318,900	\$427,500	\$440,300	\$453,500
Total Direct Expenses	\$647,800	\$889,500	\$1,131,000	\$1,163,300	\$1,196,800
Indirect Costs:					
Salaries & Wages	\$273,400	\$281,600	\$290,000	\$298,700	\$307,700
General and Administrative	\$250,000	\$309,000	\$318,300	\$327,800	\$337,700
Utilities	\$55,000	\$56,700	\$58,300	\$60,100	\$61,900
Insurance	\$80,000	\$82,400	\$84,900	\$87,400	\$90,000
Repairs and Maintenance	\$40,000	\$41,200	\$42,400	\$43,700	\$45,000
Capital Reserve	\$180,000	\$185,400	\$191,000	\$196,700	\$202,600
Total Indirect Costs	\$878,400	\$956,300	\$984,900	\$1,014,400	\$1,044,900
TOTAL EXPENSES	\$1,526,200	\$1,845,800	\$2,115,900	\$2,177,700	\$2,241,700
NET INCOME/(LOSS)					
FROM OPERATIONS	(\$119,900)	\$19,300	\$202,900	\$208,700	\$213,900

* Partial year of operations. Venue expected to be opened in June of 2014.

6. FINANCIAL PROJECTIONS

For purposes of this analysis, average ticket price assumptions for ticketed events in the initial year of operations at The Music Center at The Heights range from \$10.00 to \$40.00 and rental rate assumptions approximate 10 percent of gate receipts or flat fees ranging from \$2,500 to \$10,000 per day, whichever is greater.

Facility Fees

Most live music venues charge a facility fee in addition to the ticket price. Facility fees are monetary charges that are added to the base price of every ticket sold with proceeds directly allocated to fund specific improvements at the venue. Facility fees charged at live music venues typically range from \$1.00 to \$3.50 per ticket, depending on the event type. Local competitive facilities ranged from no charge to a \$2.00 facility fee charge for certain events.

For purposes of this analysis, average facility fees ranging from \$1.00 to \$2.00 per ticket sold, depending on the event type, was assumed to be charged for all ticketed events held at The Music Center at The Heights.

Convenience Charges

Ticket service providers for live music venues, such as Live Nation's Ticketmaster or Etix.com, typically contract with venues for multi-year periods to serve as a source for ticket sales and distribution. Ticket service providers typically charge a convenience charge and handling charge per ticket purchased through their ticketing system which primarily includes online sources but also includes sources such as phone, outlet and box offices. A sampling of convenience charge and handling fees at local concert venues indicated a range from approximately \$5.00 to \$10.00 per ticket. Facilities customarily negotiate to receive a portion of the convenience charge per ticket from the ticket service provider.

For purposes of this analysis, it is assumed 85 percent of tickets sold at The Music Center for The Heights for national touring concerts, theatre performing arts events, and other ticket events and 30 percent of community event tickets will be sold by a ticketing service. Further, it is assumed that the average convenience charges per ticket are assumed to range from \$3.00 to \$5.00 per ticket and The Music Center at The Heights will receive a rebate equal to 25 percent of the total convenience charges for tickets sold by the ticket provider.

6. FINANCIAL PROJECTIONS

Box Office Fees

Live music venues typically collect a fee or commission on tickets sold through their own box office. For purposes of this analysis, it is assumed that The Music Center at The Heights would collect a box office fee or commission equal to \$1.50 per ticket sold through the box office in the first year, increasing by 25 cents each year thereafter. Based on a review of industry data, it is estimated that 15 percent of event tickets for national touring concerts, theatre and performing arts events, and other ticketed events and that 70 percent of community event tickets would be sold through the amphitheatre box office.

Event Services

Event services provided by The Music Center at The Heights are assumed to include personnel (police, emergency medical technicians, box office, ticket takers, ushers, security, stagehands, janitors, etc.), utilities, contract services, equipment rental, insurance and other services. Event service expenses (operations and production expenses) are assumed to be charged back to the event promoter with an average of a 10 percent mark-up, for all events except private rentals/community events.

Parking

It is anticipated that parking will be charged to event attendees and will be added to the ticket price and other fees at the time of ticket purchase. For purposes of this analysis, it is assumed that up to 1,500 parking spaces will be provided by the venue and under direct control of venue management. This assumption reflects an industry standard of one parking space per three seats in the venue. Depending on the event, it is assumed that a \$1.50 to \$2.00 parking charge will be added to each ticket sold.

Collecting parking charges at the time of ticket sales increases traffic flow and parking ingress/egress on event day. Further, it reduces event day staffing needs and the opportunity for parking fee theft by parking lot attendants.

6. FINANCIAL PROJECTIONS

Food and Beverage

Concessions revenue consists of food and beverage sales during events hosted at The Music Center at The Heights. Gross food and beverage sales are estimated based on projected turnstile (or actual) attendance and per capita concession revenue assumptions by event type. Per capita concession spending assumptions were based on an analysis of per capita spending at comparable live music venues throughout the country. Gross per capita food and beverage spending assumptions ranged from \$1.50 for private/community events to \$10.00 for national touring concerts.

Merchandise

Merchandise revenue consists of t-shirt and other novelty item sales. Gross merchandise revenues are estimated based on projected turnstile (or actual) attendance and per capita merchandise spending by event type. Per capita merchandise spending assumptions were based on an analysis of per capita spending at comparable live music venues throughout the country. Gross per capita merchandise spending assumptions ranged from \$0.00 for private rentals to \$5.00 for touring concerts.

Box Seats

Premium seating areas in outdoor live music venue typically consist of box seats. Box seats are open-air covered seating areas for 4 to 6 individuals that are separated by a bulkhead. Box seats typically provide seats and tables, upscale food and beverage offerings and wait service.

Box seat assumptions used in this analysis are based on box seat inventory and pricing at comparable amphitheaters located in similar markets throughout the country and factoring in local market demographic and socioeconomic characteristics. For purposes of this analysis, it is assumed that The Music Center at The Heights would have 10 boxes containing 4 seats each. Box seat prices are assumed to be \$100 per seat per ticketed event in the first year of operations and include tickets and food and beverages. It is assumed that 80 percent of the boxes will be sold, on average, for ticketed events.

6. FINANCIAL PROJECTIONS

Sponsorships

Sponsorship revenues include signage, print programs, video screens and other advertising as well as event title sponsorships, title sponsorship of a series, facility naming rights, pouring rights and other sponsorships.

Sponsorship revenues were analyzed for other comparable outdoor live music venues. Based on these benchmarks and recognizing the potential value of an electronic marquee visible from Interstate I-70, it is estimated that The Music Center at The Heights could generate approximately \$300,000 in gross sponsorships revenues in the first year of operations. The ability to generate this level of estimated revenue assumes that facility naming rights and title sponsorship of a series will be secured.

Other Income

Other income includes revenues generated from credit card fees and other miscellaneous such sources. Other income is estimated to be \$15,000 in the first year of operations.

KEY OPERATING EXPENSE ASSUMPTIONS

Outdoor live music venue operating expenses typically comprise two broad categories: direct event expenses and indirect (or overhead) expenses. Direct event expenses include costs such as food and beverage, merchandise, premium seating fulfillment, parking, commissions, event marketing, and event expenses. Indirect overhead expenses include non-event related costs such as administrative salaries and benefits, utilities, insurance, repairs and maintenance, facility management fees and other such costs.

Direct Event Expenses

Direct event expenses represent event-specific expenses associated with operating The Music Center at The Heights and include food and beverage expenses, merchandise expenses, parking expenses, box seat fulfillment, event marketing and event expenses.

6. FINANCIAL PROJECTIONS

Food and Beverage, Merchandise and Parking Expense

Food and beverage, merchandise and parking operations can be operated either in-house or outsourced to a third-party provider. In order to estimate expenses associated with providing these services, operating margins experienced at other outdoor live music venues with respect to food and beverage, merchandise and parking expenses were reviewed.

Based on industry standards, costs associated with food and beverage operation costs were assumed to be 55 percent of gross food and beverage sales, merchandise operation costs and event promoter share were assumed to total 95 percent of gross merchandise sales, and parking operation costs were assumed to be 15 percent of gross parking sales.

Box Seat Expenses

Included in the price of the box seat ticket prices are tickets, food and beverage and the box seat premium price. Box seat expenses include the value of tickets (average of \$35 per ticket), food and beverage (average per capita of \$20) and sales commissions (10 percent).

Event Marketing

Event marketing expenses include those expenses associated with advertising events to be hosted at The Music Center at The Heights. Such expenses include radio and newspaper advertisements, billboard advertisements and other marketing methods. It has been assumed that management of The Music Center at The Heights will seek to minimize its risk and will be selective in its co-promotion or self-promoted bookings and that venue's website, email database, local press and the highly visible marquee along Interstate 70 will be used to effectively minimize event marketing expenses.

Event Expenses

Event expenses are expected to comprise event staff wages and benefits as well as other overhead expenses that are directly tied to an event. Event staff salaries and benefits include expenses associated with part-time event personnel. Typical event personnel required to service outdoor live music events include police, emergency medical technicians, box office personnel, ushers, ticket takers, security,

6. FINANCIAL PROJECTIONS

stagehands, janitorial crews and other such staff. Other staff related to concessions, merchandise and parking operations have been accounted for in the cost of goods associated with these revenue sources.

Other event related expenses include expenses such as utilities, contract services, advertising and promotions, equipment rental, insurance and other such expenses. In order to estimate these expenses, the expense level of comparable outdoor live music venues was reviewed to determine an average expense per event.

It should be noted that for purposes of this analysis, the event expenses presented herein are net of the artist/promoter guarantee or share of tickets. As a result, the revenue also presented in this analysis does not include gross ticket sales, but rather only the venue's revenue from facility rent.

Indirect (Overhead) Expenses

Overhead expenses represent non-event specific expenses associated with operating The Music Center at The Heights and include administrative salaries and benefits, utilities, insurance, repairs and maintenance and a capital reserve.

Administrative Salaries and Benefits

Salaries, wages and benefits include expenses for full-time personnel, excluding event-related personnel expenses. Based on our research, the typical season outdoor live music venue has a full and part-time (non-event) staff of approximately 4.5 full-time equivalent positions, including three full-time positions (Managing Director, a Director of Sales & Marketing, and Administrative Assistant) and three part-time positions (Director of Productions & Operations, Production & Operations Manager and Box Office Manager). Salaries are estimated to range from \$25,000 to \$80,000 per year, depending on the position. Benefit costs, which are in addition to salaries, are assumed to be 30 percent of salaries and wages.

6. FINANCIAL PROJECTIONS

General and Administrative

General and administrative expenses include a variety of expenses expected to be incurred during the operations of The Music Center at The Heights. Examples of general and administrative expenses including advertising, facility management fees, postage, printing, service agreements, supplies and other costs.

Other Overhead Expenses

Other overhead expenses include utilities, insurance, repairs and maintenance and a capital reserve. It has been assumed that the City-owned facility would incur no water or sewer costs.

SENSITIVITY ANALYSIS

The live music business is very competitive and dependent on rapidly changing public tastes and dependent on the availability of popular artists and events. Various risks associated with the live music entertainment business can adversely affect the financial performance of The Music Center at The Heights, leading to potential decreases in overall revenue, the number of sponsors, event attendance, ticket prices, fees and profit margins. These risks could include, but are not limited to:

- The live music industry is dependent on relationships with key promoters, executives, managers, and artists and any adverse changes in these relationships could adversely affect the financial operations of The Music Center at The Heights.
- The Music Center at The Heights will compete with other forms of entertainment for consumers' discretionary spending and within the industry against other venues and promoters to book artists.
- The live music industry is subject to unfavorable fluctuations in operating costs, including increased guarantees to artists, which may or may not be able to be passed through to The Music Center at The Heights' customers via ticket prices.
- Competitive venues may offer more favorable terms in order to book event activity which could adversely affect the marketability of The Music Center at The Heights relative to its competitors.

6. FINANCIAL PROJECTIONS

- Technological changes or innovations that offer more attractive entertainment options than live music venues can offer, which could lead to a reduction in attendance at live events, a loss of ticket sales or to lower ticket prices.
- General economic conditions could worsen which could cause consumers to reduce discretionary spending and sponsors to limit their advertising expenditures.
- Unfavorable changes in labor conditions which may require The Music Center at The Heights to spend more to retain and attract key employees.
- The operations of an outdoor live music venue is seasonal in nature and The Music Venue at The Heights, while covered, could be negatively impacted by poor weather conditions (cold, rain, etc.) that may result in poor attendance or cancelled events.
- Public concerns over terrorism and other security incidents could deter consumer and corporate support or increase insurance costs substantially in the future.
- There are inherent risks associated with producing live music events. As a result, personal injuries and accidents could occur and the venue/City could be subject to claims and liabilities for personal injuries.
- The attractiveness of The Music Center at The Heights could deteriorate over time due to the age of the venue and/or deferred maintenance issues.

To gain an understanding of the potential impact to The Music Center at The Heights's estimated net operating income associated with fluctuations in key study assumptions, a sensitivity analysis has been completed. The sensitivity analysis compares the operating revenue, operating expenses and resulting net income from operations before any applicable debt service payments that could result based on differing event levels, attendance levels and changes to operating expense, rental rate and naming rights assumptions.

The table on the following page summarizes the results of the sensitivity analysis. As summarized in the table, variations in several event, attendance and/or financial metrics could result in higher operating losses or reduced profit margins. The City should be prepared to allocate some portion of its budget to a "rainy day" fund (perhaps \$150,000 to \$200,000) to cover potential shortfalls in the event that the financial performance of the Music Center falls short of projections in a given year. As will be discussed in the following section of this report, the incremental tax revenues estimated to accrue to the City as a result of Music Center operations would likely cover the costs associated with the fund in years in which it becomes necessary to utilize it.

6. FINANCIAL PROJECTIONS

SENSITIVITY ANALYSIS The Music Center at The Heights					
Variable	2014 *	2015	2016	2017	2018
Base Analysis					
Total Operating Revenues	\$1,406,300	\$1,865,100	\$2,318,800	\$2,386,400	\$2,455,600
Total Operating Expenses	<u>\$1,526,200</u>	<u>\$1,845,800</u>	<u>\$2,115,900</u>	<u>\$2,177,700</u>	<u>\$2,241,700</u>
Net Income (Loss) From Operations	(\$119,900)	\$19,300	\$202,900	\$208,700	\$213,900
Reduced National Touring Concerts - 4 Fewer Events Each Year					
Total Operating Revenues	\$1,014,400	\$1,487,200	\$1,956,100	\$2,013,700	\$2,072,700
Total Operating Expenses	<u>\$1,324,840</u>	<u>\$1,649,398</u>	<u>\$1,924,943</u>	<u>\$1,981,457</u>	<u>\$2,039,667</u>
Net Income (Loss) From Operations	(\$310,440)	(\$162,198)	\$31,157	\$32,243	\$33,033
Increased National Touring Concerts - 4 More Events Each Year					
Total Operating Revenues	\$1,798,139	\$2,242,776	\$2,681,325	\$2,758,961	\$2,838,594
Total Operating Expenses	<u>\$1,727,356</u>	<u>\$2,042,029</u>	<u>\$2,306,785</u>	<u>\$2,374,287</u>	<u>\$2,443,815</u>
Net Income (Loss) From Operations	\$70,783	\$200,747	\$374,540	\$384,673	\$394,779
Reduced Attendance - 20 percent reduction					
Total Operating Revenues	\$1,224,110	\$1,617,194	\$2,012,379	\$2,065,960	\$2,120,906
Total Operating Expenses	<u>\$1,441,574</u>	<u>\$1,729,318</u>	<u>\$1,968,526</u>	<u>\$2,026,233</u>	<u>\$2,085,672</u>
Net Income (Loss) From Operations	(\$217,464)	(\$112,123)	\$43,853	\$39,726	\$35,234
Increased Attendance - 20 percent increase					
Total Operating Revenues	\$1,591,840	\$2,119,436	\$2,639,838	\$2,716,931	\$2,796,131
Total Operating Expenses	<u>\$1,611,027</u>	<u>\$1,962,304</u>	<u>\$2,263,173</u>	<u>\$2,329,482</u>	<u>\$2,397,780</u>
Net Income (Loss) From Operations	(\$19,187)	\$157,131	\$376,665	\$387,450	\$398,351
Increased Operating Expenses - 20 percent					
Total Operating Revenues	\$1,428,665	\$1,898,450	\$2,363,848	\$2,432,792	\$2,503,503
Total Operating Expenses	<u>\$1,686,484</u>	<u>\$2,030,798</u>	<u>\$2,316,376</u>	<u>\$2,384,399</u>	<u>\$2,454,464</u>
Net Income (Loss) From Operations	(\$257,818)	(\$132,348)	\$47,472	\$48,393	\$49,039
Reduced Facility Rental Rates - 25 percent					
Total Operating Revenues	\$1,335,752	\$1,771,258	\$2,202,846	\$2,267,620	\$2,334,036
Total Operating Expenses	<u>\$1,526,098</u>	<u>\$1,845,714</u>	<u>\$2,115,864</u>	<u>\$2,177,872</u>	<u>\$2,241,741</u>
Net Income (Loss) From Operations	(\$190,346)	(\$74,456)	\$86,982	\$89,748	\$92,295
No Naming Rights Agreement					
Total Operating Revenues	\$1,246,252	\$1,700,208	\$2,148,992	\$2,211,490	\$2,275,562
Total Operating Expenses	<u>\$1,526,098</u>	<u>\$1,845,714</u>	<u>\$2,115,864</u>	<u>\$2,177,872</u>	<u>\$2,241,741</u>
Net Income (Loss) From Operations	(\$279,846)	(\$145,506)	\$33,128	\$33,618	\$33,821
* Partial year of operations					

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7. ECONOMIC AND FISCAL IMPACTS

7. ECONOMIC AND FISCAL IMPACTS

While many of the perceived benefits of an outdoor live music venue are intangible, including local and regional media exposure, affordable entertainment opportunities for local residents and enhanced community pride, the construction and operation of an outdoor live music venue can provide quantifiable benefits to the City of Huber Heights, Montgomery County and the State of Ohio. These quantifiable benefits often serve as the “return on investment” of public dollars that are contributed to develop these facilities. Quantifiable measurements of the effects that The Music Center at The Heights could have on the local economy are characterized in terms of *economic impacts* and *fiscal impacts*.

DIRECT SPENDING

Direct spending represents the primary spending that would occur as a result of the construction and operations of The Music Center at The Heights. Direct spending occurs in three ways:

- *Construction Spending* – Construction materials, labor, design and professional fees, and other soft cost spending are generated during the planning and construction of The Music Center at The Heights. For purposes of this study, preliminary construction cost estimates were provided by the City of Huber Heights.
- *Music Center Operations Spending* – Direct spending is generated by patrons during events hosted at The Music Center at The Heights on items such as tickets, concessions, merchandise and parking. Venue operations would also generate direct spending through premium seating, naming rights, sponsorships and other sources.
- *Ancillary Community Spending* - Outside The Music Center at The Heights, direct spending is generated by patrons, event staff, and artists on lodging, food and beverages, retail, entertainment, transportation, and other items in connection with their activities at The Music Center at The Heights.

The graphic on the following page illustrates the primary sources of direct spending anticipated to be associated with the construction and operations of The Music Center at The Heights.

7. ECONOMIC AND FISCAL IMPACTS

Gross direct spending would flow to various economic entities, including the venue, venue service providers, restaurants, hotel operators, retail businesses and other such entities. However, some of the spending that occurs in connection with the ongoing operations of The Music Center at The Heights would not fully impact the economy. As such, reductions must be made to gross direct spending to reflect the amount of direct spending associated with the venue that is considered net new to the economy. These adjustments include:

- Leakage** – Leakage represents the portion of gross spending estimated to occur outside the defined geographic area, which is the City, County and State in this analysis. Immediate leakage occurs when initial direct expenditures occur outside the area, such as an out-of-town fan that patronizes a hotel or restaurant located outside the measured economy's boundaries. Leakage also occurs when initial local spending is used immediately to pay for non-local goods, services, etc. Examples of this type of secondary leakage include ticket sales allocated to non-local promoters or artists, or concessionaire profits retained by companies based outside of the City, County or State.

- Displacement** – Displacement refers to spending that would have likely occurred anyway in the local market without the presence of the venue. Examples of displaced spending would include spending by City, County or State residents in connection with their attendance at The Music Center at The Heights (tickets, food and beverage, merchandise, etc.) that would have been spent within the City, County or

DIRECT SPENDING SOURCES



Construction Spending

- Materials
- Supplies
- Labor
- Professional Fees



Operations Spending

Venue Operations Spending:

- Ticket Sales
- Premium Seats
- Concessions
- Merchandise
- Sponsorship
- Parking
- Fees
- Other



Ancillary Community Spending:

- Lodging
- Restaurants
- Bars
- Service
- Retail
- Entertainment
- Transit
- Other

7. ECONOMIC AND FISCAL IMPACTS

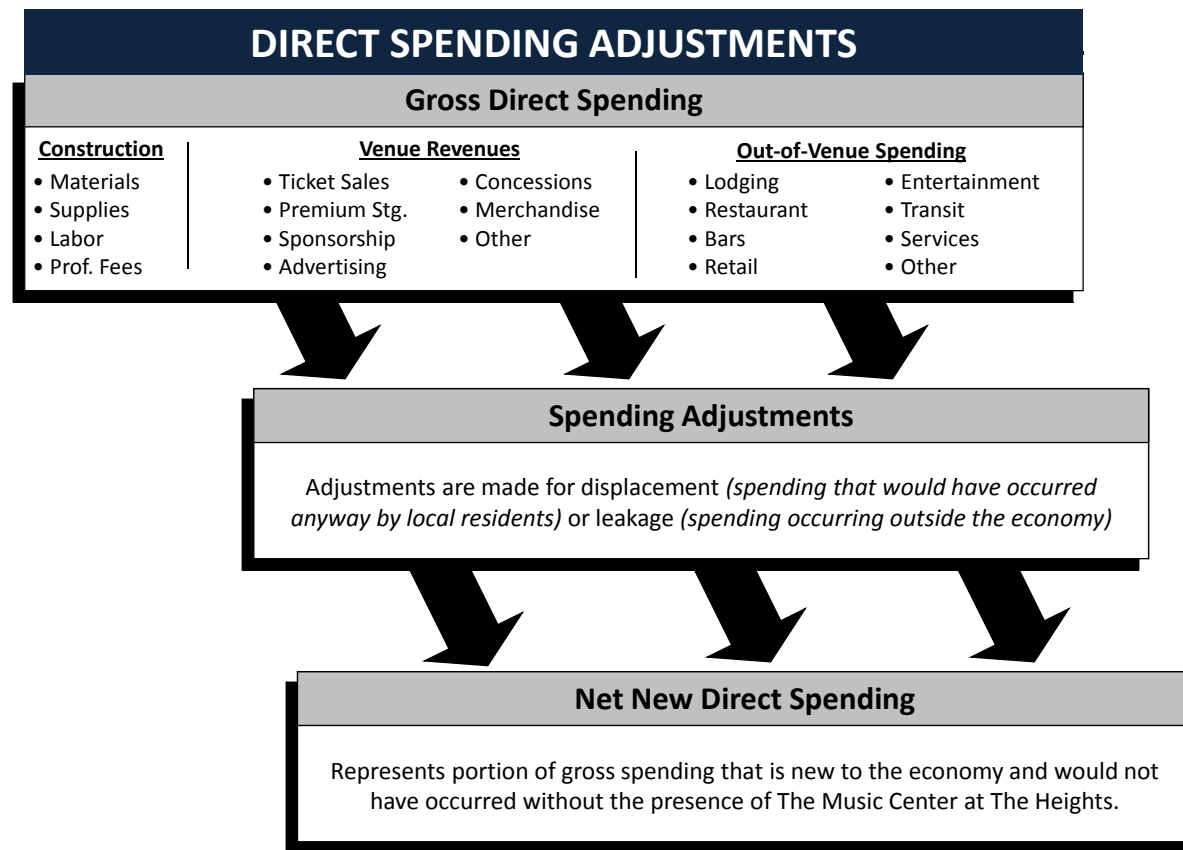
State anyway on other items (movies, restaurants, shopping, etc.) if they did not attend events at The Music Center at The Heights. Another example of displaced spending would include out-of-facility spending by fans visiting from outside of the City, County or State whose primary purpose for visiting was something other than attending an event at The Music Center at The Heights and who would have spent their money in some other form in the City, County or State. The concept of displacement is oftentimes referred to as the substitution effect.

As illustrated in the graphic below, the flow of *gross* direct spending is adjusted to reflect only the spending that is considered *net new* to the local economy. The resulting spending after all adjustments, as summarized above, is referred to throughout the remainder of this analysis as *net new* direct spending.

MULTIPLIER EFFECTS

Economic impacts are further increased through re-spending of the *direct spending*. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with *direct spending* and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy. Each is discussed in more detail as follows:

Indirect effects consist of the re-spending of the initial or direct expenditures. These indirect impacts extend further as the



7. ECONOMIC AND FISCAL IMPACTS

dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings, or pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time. This progression is termed *leakage* and reduces the overall economic impact.

Indirect impacts occur in a number of areas including the following:

- wholesale industry as purchases of food and merchandise products are made;
- transportation industry as the products are shipped from purchaser to buyer;
- manufacturing industry as products used to service the venue, vendors and others are produced;
- utility industry as the power to produce goods and services is consumed; and,
- other such industries.

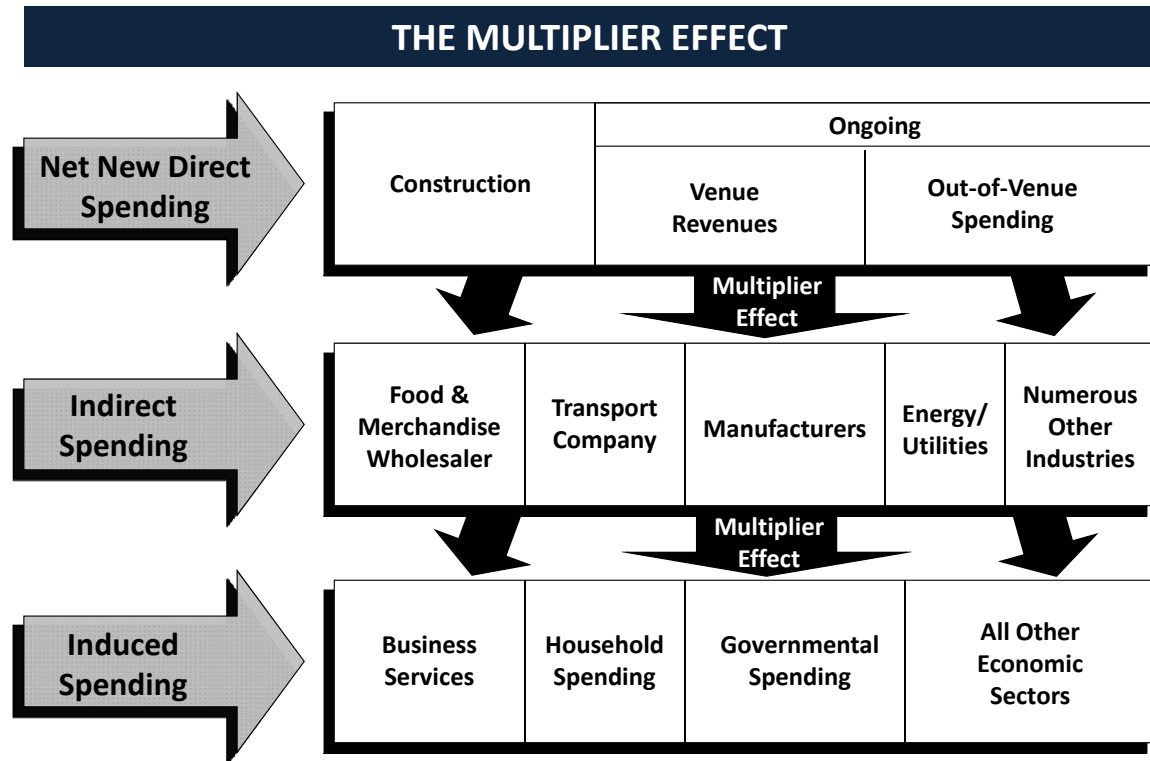
Induced effects consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with the operations of The Music Center at The Heights. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment and population are generated, and spending occurs in virtually all business, household and governmental sectors. This represents the induced spending impacts generated by direct expenditures.

Indirect and induced effects are calculated by applying the appropriate multipliers to the net new direct spending estimates. The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. Generally, an area which is capable of producing a wide range of goods and services within its borders will have high multipliers, a positive correlation existing between the self-sufficiency of an area's economy and the higher probability of re-spending occurring within the region. If a high proportion of the expenditures must be imported from another geographical region, lower multipliers will result. The graphic on the following page illustrates the flow of direct spending through the successive rounds of re-spending including indirect and induced effects.

7. ECONOMIC AND FISCAL IMPACTS

The multiplier estimates used in this analysis are based on the IMPLAN system. IMPLAN, which stands for *Impact Analyses and Planning*, is a computer software package that consists of procedures for estimating local input-output models and associated databases. Input-output models are a technique for quantifying interactions between firms, industries and social institutions within a local economy.

IMPLAN was originally developed by the U.S. Forest Service in cooperation with the Federal Emergency Management Agency and the U.S. Department of the Interior's Bureau of Land Management to assist in land and resource management planning. Since 1993, the IMPLAN system has been developed under exclusive rights by the Minnesota Implan Group, Inc. which licenses and distributes the software to users. Currently, there are thousands of licensed users in the United States including universities, government agencies, and private companies.



The economic data for IMPLAN comes from the system of national accounts for the United States based on data collected by the U. S. Department of Commerce, the U.S. Bureau of Labor Statistics, and other federal and state government agencies. Data are collected for 440 distinct producing industry sectors of the national economy corresponding to the Standard Industrial Categories (SICs).

Industry sectors are classified on the basis of the primary commodity or service produced. Corresponding data sets are also produced for each county and zip code in the United States, allowing analyses at both the city and county level and for geographic aggregations such as clusters of contiguous cities, counties, individual states, or groups of states. For purposes of this analysis, economic multipliers specific to Huber Heights were used.

7. ECONOMIC AND FISCAL IMPACTS

Data provided for each industry sector include outputs and inputs from other sectors; value added, employment, wages and business taxes paid; imports and exports; final demand by households and government; capital investment; business inventories; marketing margins and inflation factors (deflators). These data are provided both for the 440 producing sectors at the national level and for the corresponding sectors at the local level. Data on the technological mix of inputs and levels of transactions between producing sectors are taken from detailed input-output tables of the national economy. National and local level data are the basis for IMPLAN calculations of input-output tables and multipliers for geographic areas. The IMPLAN software package allows the estimation of the multiplier effects of changes in final demand for one industry on all other industries within a local economic area.

The economic multipliers specific to Huber Heights for those industries that would be directly impacted by The Music Center at The Heights construction and operations are presented in the table on the right.

The multiplier effects estimated in this analysis include:

- **Total Output** represents the total direct, indirect, and induced spending effects generated by The Music Center at The Heights. Total output is calculated by multiplying the appropriate total output multiplier by the estimated direct spending within each industry.
- **Personal Earnings** represent the wages and salaries earned by employees of businesses impacted by The Music Center at The Heights. Personal earnings are calculated by multiplying the appropriate personal earnings multiplier by the estimated direct spending within each industry.
- **Employment** is expressed in terms of total jobs and includes both full and part-time jobs. Employment is calculated by dividing the appropriate employment multiplier by one million, and then multiplying by the estimated direct spending within each industry.

ECONOMIC MULTIPLIERS			
Huber Heights			
Industry	Total Output Multiplier	Employment Multiplier	Personal Earnings Multiplier
Construction	1.56096	14.02146	0.68183
Performing Arts	1.64590	40.79370	0.67160
Food and Beverage	1.52028	23.59584	0.51333
Hotel	1.63336	16.16652	0.47995
Retail	1.47330	25.62889	0.61731
Transportation	1.52739	25.35809	0.73162
Miscellaneous	1.70505	16.81718	0.67335
Notes:			
- Total output and personal earnings multipliers are applied to direct spending within each industry.			
- Employment multiplier is divided by 1 million and applied to direct spending within each industry			
Source: IMPLAN.			

7. ECONOMIC AND FISCAL IMPACTS

FISCAL IMPACTS

In addition to the economic impacts that could be generated by The Music Center at The Heights, fiscal revenues could be generated to the City, County and State from a variety of sources. In preparing estimates of fiscal impacts, revenues generated to the City, County and State from *direct, indirect and induced spending* were examined. Fiscal revenues estimated herein include the following sources: income taxes (State and City), sales taxes (State and County), and hotel/motel taxes (County and City).

Although there may be other tax revenues generated as a result of the construction and operations of The Music Center at The Heights, the sources outlined above represent the most relevant and significant sources as it relates to this analysis. The tax rates utilized herein for estimating fiscal impacts are the prevailing rates as of the date of this report. It has been assumed that construction materials will not be subject to sales taxes due to City ownership of the project.

SUMMARY OF ECONOMIC AND FISCAL IMPACTS

Gross Impacts

The table on the following page presents a summary of the gross economic impact and fiscal revenues estimated to be generated by The Music Center at The Heights during construction and over the first 30 years of operations.

Overall, The Music Center at the Heights is estimated to generate \$280 million in cumulative gross direct spending during construction and the first 30 years of operations. It is anticipated that that a large portion of this spending would occur at The Heights development, either at the music venue itself or nearby restaurants, bars, hotels, service stations, retail, entertainment and other establishments in connection with patrons attending events at the music center.

Through multiplier effects, new direct spending associated with The Music Center at The Heights is estimated to generate \$444 million in total output (direct, indirect and induced spending) and support an average of 183 full and part-time jobs each year that generate \$176 million in new personal earnings during construction and the first 30 years of operations. Gross income, sales and hotel/motel tax revenues estimated to be generated to the City, County and State are estimated to total \$26.7 million during construction and the first 30 years of operations.

7. ECONOMIC AND FISCAL IMPACTS

ESTIMATED GROSS ECONOMIC AND FISCAL IMPACTS																
The Music Center at The Heights																
Year	Direct Spending	Total Output	Jobs	Personal Earnings	Tax Revenues	Year	Direct Spending	Total Output	Jobs	Personal Earnings	Tax Revenues					
2013	\$12,000,000	\$18,731,505	168	\$8,181,944	\$149,892	2029	\$9,128,526	\$14,507,222	184	\$5,708,537	\$922,726					
2014	\$9,700,072	\$15,259,105	203	\$6,419,299	\$447,065	2030	\$9,402,382	\$14,942,438	184	\$5,879,793	\$950,408					
2015	\$4,973,897	\$7,910,414	153	\$3,117,892	\$502,473	2031	\$9,684,453	\$15,390,712	184	\$6,056,186	\$978,920					
2016	\$6,208,430	\$9,865,219	184	\$3,882,551	\$627,930	2032	\$9,974,987	\$15,852,433	184	\$6,237,872	\$1,008,288					
2017	\$6,398,966	\$10,168,696	184	\$4,001,667	\$646,993	2033	\$10,274,237	\$16,328,006	184	\$6,425,008	\$1,038,536					
2018	\$6,594,642	\$10,480,326	184	\$4,123,968	\$666,597	2034	\$10,582,464	\$16,817,846	184	\$6,617,759	\$1,069,692					
2019	\$6,792,481	\$10,794,735	184	\$4,247,687	\$686,595	2035	\$10,899,938	\$17,322,381	184	\$6,816,291	\$1,101,783					
2020	\$6,996,255	\$11,118,577	184	\$4,375,118	\$707,193	2036	\$11,226,936	\$17,842,053	184	\$7,020,780	\$1,134,837					
2021	\$7,206,143	\$11,452,135	184	\$4,506,372	\$728,408	2037	\$11,563,744	\$18,377,314	184	\$7,231,403	\$1,168,882					
2022	\$7,422,327	\$11,795,699	184	\$4,641,563	\$750,261	2038	\$11,910,656	\$18,928,634	184	\$7,448,345	\$1,203,948					
2023	\$7,644,997	\$12,149,570	184	\$4,780,810	\$772,768	2039	\$12,267,976	\$19,496,493	184	\$7,671,796	\$1,240,067					
2024	\$7,874,347	\$12,514,057	184	\$4,924,234	\$795,952	2040	\$12,636,015	\$20,081,388	184	\$7,901,950	\$1,277,269					
2025	\$8,110,577	\$12,889,479	184	\$5,071,961	\$819,830	2041	\$13,015,096	\$20,683,829	184	\$8,139,008	\$1,315,587					
2026	\$8,353,895	\$13,276,163	184	\$5,224,120	\$844,425	2042	\$13,405,548	\$21,304,344	184	\$8,383,178	\$1,355,054					
2027	\$8,604,511	\$13,674,448	184	\$5,380,843	\$869,758	CUMULATIVE						\$279,717,143	\$444,039,903	183	\$175,960,203	\$26,677,983
2028	\$8,862,647	\$14,084,681	184	\$5,542,269	\$895,850	NPV						\$151,808,812	\$240,790,140	183	\$95,918,971	\$13,829,885
Notes: - Includes both construction and operations impacts.																
- Job estimates include both full and part-time jobs. The cumulative job estimate represents an the average number jobs generated on an annual basis.																
- NPV calculation assumes a 4.0 percent discount rate (the City's approximate cost of capital)																

Net New Impacts – City of Huber Heights

The table on the following page presents a summary of the net new economic and fiscal impact estimated to be generated to the City by The Music Center at The Heights during construction and over the first 30 years of operations. Overall, The Music Center at the Heights is estimated to generate \$244 million in cumulative new direct spending in the City of Huber Heights during construction and the first 30 years of operations. Through multiplier effects, new direct spending associated with The Music Center at The Heights is estimated to generate \$387 million in new total output (direct, indirect and induced spending) and support an average of 162 new full and part-time jobs that generate \$153 million in new personal earnings during construction and the first 30 years of operations. New income and hotel tax revenues generated to the City of Huber Heights are estimated to total \$6.9 million during construction and the first 30 years of operations.

7. ECONOMIC AND FISCAL IMPACTS

ESTIMATED NET NEW ECONOMIC AND FISCAL IMPACTS - CITY OF HUBER HEIGHTS											
The Music Center at The Heights											
Year	Direct Spending	Total Output	Jobs	Personal Earnings	Tax Revenues	Year	Direct Spending	Total Output	Jobs	Personal Earnings	Tax Revenues
2013	\$3,600,000	\$5,619,451	50	\$2,454,583	\$48,327	2029	\$8,310,683	\$13,192,816	168	\$5,190,780	\$239,861
2014	\$5,196,065	\$8,213,728	134	\$3,362,249	\$120,203	2030	\$8,560,004	\$13,588,601	168	\$5,346,503	\$247,057
2015	\$4,542,353	\$7,216,511	140	\$2,844,191	\$131,223	2031	\$8,816,804	\$13,996,259	168	\$5,506,898	\$254,469
2016	\$5,652,207	\$8,971,387	168	\$3,530,405	\$163,170	2032	\$9,081,308	\$14,416,147	168	\$5,672,105	\$262,103
2017	\$5,825,672	\$9,247,372	168	\$3,638,719	\$168,158	2033	\$9,353,747	\$14,848,631	168	\$5,842,268	\$269,966
2018	\$6,003,814	\$9,530,771	168	\$3,749,930	\$173,281	2034	\$9,634,359	\$15,294,090	168	\$6,017,536	\$278,065
2019	\$6,183,929	\$9,816,694	168	\$3,862,427	\$178,479	2035	\$9,923,390	\$15,752,913	168	\$6,198,062	\$286,407
2020	\$6,369,447	\$10,111,195	168	\$3,978,300	\$183,834	2036	\$10,221,092	\$16,225,500	168	\$6,384,004	\$294,999
2021	\$6,560,530	\$10,414,531	168	\$4,097,649	\$189,349	2037	\$10,527,725	\$16,712,265	168	\$6,575,524	\$303,849
2022	\$6,757,346	\$10,726,967	168	\$4,220,579	\$195,029	2038	\$10,843,556	\$17,213,633	168	\$6,772,790	\$312,965
2023	\$6,960,066	\$11,048,776	168	\$4,347,196	\$200,880	2039	\$11,168,863	\$17,730,042	168	\$6,975,974	\$322,354
2024	\$7,168,868	\$11,380,239	168	\$4,477,612	\$206,907	2040	\$11,503,929	\$18,261,943	168	\$7,185,253	\$332,024
2025	\$7,383,934	\$11,721,646	168	\$4,611,940	\$213,114	2041	\$11,849,047	\$18,809,801	168	\$7,400,810	\$341,985
2026	\$7,605,452	\$12,073,296	168	\$4,750,299	\$219,507	2042	\$12,204,518	\$19,374,095	168	\$7,622,835	\$352,245
2027	\$7,833,616	\$12,435,495	168	\$4,892,808	\$226,092	CUMULATIVE					
2028	\$8,068,624	\$12,808,559	168	\$5,039,592	\$232,875	NPV					
							\$243,710,950	\$386,753,354	162	\$152,549,821	\$6,948,781
							\$127,816,582	\$202,782,469	162	\$80,145,671	\$3,608,219

Notes: - Includes both construction and operations impacts.
 - Job estimates include both full and part-time jobs. The cumulative job estimate represents an the average number jobs generated on an annual basis.
 - NPV calculation assumes a 4.0 percent discount rate (the City's approximate cost of capital)

Net New Impacts – Montgomery County

The table on the following page presents a summary of the net new economic and fiscal impact estimated to be generated to Montgomery County by The Music Center at The Heights during construction and over the first 30 years of operations. Overall, The Music Center at the Heights is estimated to generate \$120 million in cumulative new direct spending in Montgomery County during construction and the first 30 years of operations. Through multiplier effects, new direct spending associated with The Music Center at The Heights is estimated to generate \$190 million in new total output (direct, indirect and induced spending) and support an average of 78 new full and part-time jobs that generate \$75 million in new personal earnings during construction and the first 30 years of operations. New sales and hotel tax revenues generated to Montgomery County are estimated to total \$1.9 million during construction and the first 30 years of operations.

7. ECONOMIC AND FISCAL IMPACTS

ESTIMATED NET NEW ECONOMIC AND FISCAL IMPACTS - MONTGOMERY COUNTY											
The Music Center at The Heights											
Year	Direct Spending	Total Output	Jobs	Personal Earnings	Tax Revenues	Year	Direct Spending	Total Output	Jobs	Personal Earnings	Tax Revenues
2013	\$2,600,000	\$4,058,493	36	\$1,772,755	\$0	2029	\$4,035,502	\$6,419,871	80	\$2,512,753	\$66,998
2014	\$2,986,878	\$4,718,440	72	\$1,944,033	\$27,081	2030	\$4,156,567	\$6,612,467	80	\$2,588,135	\$69,008
2015	\$2,225,029	\$3,542,102	68	\$1,389,127	\$36,536	2031	\$4,281,264	\$6,810,841	80	\$2,665,779	\$71,078
2016	\$2,744,695	\$4,365,826	80	\$1,709,051	\$45,611	2032	\$4,409,702	\$7,015,166	80	\$2,745,753	\$73,210
2017	\$2,828,875	\$4,500,029	80	\$1,761,456	\$46,986	2033	\$4,541,993	\$7,225,621	80	\$2,828,125	\$75,407
2018	\$2,915,333	\$4,637,851	80	\$1,815,266	\$48,401	2034	\$4,678,253	\$7,442,390	80	\$2,912,969	\$77,669
2019	\$3,002,793	\$4,776,987	80	\$1,869,724	\$49,853	2035	\$4,818,601	\$7,665,661	80	\$3,000,358	\$79,999
2020	\$3,092,876	\$4,920,296	80	\$1,925,816	\$51,348	2036	\$4,963,159	\$7,895,631	80	\$3,090,369	\$82,399
2021	\$3,185,663	\$5,067,905	80	\$1,983,590	\$52,889	2037	\$5,112,054	\$8,132,500	80	\$3,183,080	\$84,871
2022	\$3,281,233	\$5,219,942	80	\$2,043,098	\$54,475	2038	\$5,265,415	\$8,376,475	80	\$3,278,572	\$87,417
2023	\$3,379,670	\$5,376,541	80	\$2,104,391	\$56,110	2039	\$5,423,378	\$8,627,769	80	\$3,376,929	\$90,039
2024	\$3,481,060	\$5,537,837	80	\$2,167,522	\$57,793	2040	\$5,586,079	\$8,886,603	80	\$3,478,237	\$92,741
2025	\$3,585,492	\$5,703,972	80	\$2,232,548	\$59,527	2041	\$5,753,661	\$9,153,201	80	\$3,582,584	\$95,523
2026	\$3,693,056	\$5,875,091	80	\$2,299,525	\$61,312	2042	\$5,926,271	\$9,427,797	80	\$3,690,062	\$98,388
2027	\$3,803,848	\$6,051,344	80	\$2,368,510	\$63,152	CUMULATIVE					
2028	\$3,917,963	\$6,232,884	80	\$2,439,566	\$65,046	NPV	\$119,676,363	\$190,277,533	78	\$74,759,683	\$1,920,865
							\$63,330,440	\$100,645,094	78	\$39,662,547	\$1,028,350
Notes: - Includes both construction and operations impacts.											
- Job estimates include both full and part-time jobs. The cumulative job estimate represents an the average number jobs generated on an annual basis.											
- NPV calculation assumes a 4.0 percent discount rate.											

Net New Impacts – State of Ohio

The table on the following page presents a summary of the net new economic and fiscal impact estimated to be generated to the State of Ohio by The Music Center at The Heights during construction and over the first 30 years of operations. Overall, The Music Center at the Heights is estimated to generate \$34 million in cumulative new direct spending in the City of Huber Heights during construction and the first 30 years of operations. Through multiplier effects, new direct spending associated with The Music Center at The Heights is estimated to generate \$55 million in new total output (direct, indirect and induced spending) and support an average of 21 new full and part-time jobs that generate \$22 million in new personal earnings during construction and the first 30 years of operations. New income and sales tax revenues generated to the State of Ohio are estimated to total \$1.9 million during construction and the first 30 years of operations.

7. ECONOMIC AND FISCAL IMPACTS

ESTIMATED NET NEW ECONOMIC AND FISCAL IMPACTS - STATE OF OHIO											
The Music Center at The Heights											
Year	Direct Spending	Total Output	Jobs	Personal Earnings	Tax Revenues	Year	Direct Spending	Total Output	Jobs	Personal Earnings	Tax Revenues
2013	\$3,800,000	\$5,931,643	53	\$2,590,949	\$0	2029	\$1,003,166	\$1,595,968	19	\$615,484	\$64,638
2014	\$2,302,849	\$3,607,902	39	\$1,544,445	\$25,877	2030	\$1,033,261	\$1,643,847	19	\$633,949	\$66,577
2015	\$545,054	\$867,658	16	\$335,339	\$35,124	2031	\$1,064,258	\$1,693,162	19	\$652,967	\$68,574
2016	\$682,405	\$1,085,538	19	\$418,685	\$43,994	2032	\$1,096,186	\$1,743,957	19	\$672,556	\$70,632
2017	\$703,270	\$1,118,794	19	\$431,488	\$45,326	2033	\$1,129,072	\$1,796,276	19	\$692,733	\$72,751
2018	\$724,708	\$1,152,961	19	\$444,639	\$46,696	2034	\$1,162,944	\$1,850,164	19	\$713,515	\$74,933
2019	\$746,449	\$1,187,550	19	\$457,978	\$48,097	2035	\$1,197,832	\$1,905,669	19	\$734,920	\$77,181
2020	\$768,843	\$1,223,176	19	\$471,717	\$49,540	2036	\$1,233,767	\$1,962,839	19	\$756,968	\$79,497
2021	\$791,908	\$1,259,872	19	\$485,869	\$51,026	2037	\$1,270,780	\$2,021,724	19	\$779,677	\$81,881
2022	\$815,665	\$1,297,668	19	\$500,445	\$52,557	2038	\$1,308,904	\$2,082,376	19	\$803,067	\$84,338
2023	\$840,135	\$1,336,598	19	\$515,458	\$54,133	2039	\$1,348,171	\$2,144,847	19	\$827,159	\$86,868
2024	\$865,339	\$1,376,696	19	\$530,922	\$55,757	2040	\$1,388,616	\$2,209,193	19	\$851,974	\$89,474
2025	\$891,300	\$1,417,997	19	\$546,850	\$57,430	2041	\$1,430,274	\$2,275,469	19	\$877,533	\$92,158
2026	\$918,039	\$1,460,537	19	\$563,255	\$59,153	2042	\$1,473,183	\$2,343,733	19	\$903,859	\$94,923
2027	\$945,580	\$1,504,353	19	\$580,153	\$60,928	CUMULATIVE	\$34,455,907	\$54,647,650	21	\$21,532,108	\$1,852,818
2028	\$973,947	\$1,549,483	19	\$597,557	\$62,755	NPV	\$20,211,004	\$31,993,546	21	\$12,772,257	\$953,615

Notes: - Includes both construction and operations impacts.
 - Job estimates include both full and part-time jobs. The cumulative job estimate represents an the average number jobs generated on an annual basis.
 - NPV calculation assumes a 4.0 percent discount rate.

NON-QUANTIFIABLE BENEFITS

In addition to the quantifiable benefits generated from the construction and operations of The Music Center at The Heights, some benefits cannot be quantitatively measured. Potential qualitative benefits for the local and regional market area could include:

- providing diversified, affordable entertainment alternatives for families in the local area;
- spurring private-sector construction of subsequent phases of The Heights mixed-used development

7. ECONOMIC AND FISCAL IMPACTS

- serving as an additional attraction that could enhance tourism in Huber Heights;
- providing opportunities for non-profit organizations to partner with The Music Center at The Heights to raise funds for various causes;
- providing new advertising and business-development opportunities for local businesses; enhancing community pride, self-image, exposure and reputation; and,
- other such benefits.

ADDITIONAL DEVELOPMENT IMPACTS

While the quantifiable net new impacts of The Music Center at The Heights will be important to the City, County and State, more substantial benefits are expected to be generated upon the full build-out of The Heights mixed-use development. Neither the impacts associated with construction of other components of The Heights development nor ongoing impacts generated by businesses and residents of The Heights outside of those directly related to Music Center operations have been included or quantified in this analysis.

Project representatives anticipate that the construction and operations of the Music Center at The Heights will serve to accelerate the development of The Heights development by providing a destination and critical mass (approximately 85,000 patrons annually estimated in this report) of activity to support other commercial development. While The Music Center at The Heights will certainly create exposure, excitement and momentum for The Heights mixed-use development, there are numerous other factors that will impact the timing and amount of development of The Heights including the current and expected number of residents in the immediate area, traffic counts near the site, economic conditions, availability of favorable financing and many other factors.

Numerous other communities have used amphitheaters, music pavilions and other such public assembly venues to help spur and support mixed-use development projects. In many cases, these venues consist of relatively small “concert greens” that host primarily local events and are intended to serve as a community gathering spot while generating visitation to surrounding development. In other cases, the facilities associated with such development projects have been more substantial concert venues similar to the vision for The Music Center at The Heights. The following are two case studies illustrating communities in which a mid-sized outdoor concert venue has played an integral role in supporting a larger mixed-use development.

7. ECONOMIC AND FISCAL IMPACTS

Henderson Pavilion – Henderson, Nevada

The Henderson Pavilion was constructed by the City of Henderson, Nevada, in 2002 as a centerpiece of the master-planned community of Green Valley. The Pavilion has a total capacity of nearly 4,000, consisting of 2,444 fixed seats and an overflow grass seating area that can accommodate an additional 1,500 spectators.



The District at Green Valley Storefronts

The District at Green Valley Ranch was constructed in two phases, completed in 2004 and 2005. The District is anchored on the west by the Green Valley Ranch hotel and casino. The District development consists of more than 500,000 square feet of restaurant and retail space, approximately 60,000 square feet of over-retail office space and 88 residential units. Amenities such as the Pavilion, the Multigenerational Center and Aquatic Complex and the existing hotel and casino, as well as the site's location adjacent to Interstate Highway 215, have helped make The District at Green Valley Ranch a popular destination for local residents and non-local visitors.

The Pavilion was constructed as part of a community complex that also includes the Henderson Multigenerational Center and Aquatic Complex the Paseo Verde Library and the Henderson West Community Police Station. The community complex is surrounded on three sides by residential development. Immediately to the north of the Pavilion is the District at Green Valley Ranch, a mixed use development consisting of shopping, dining, entertainment, residences and office space with a pedestrian-friendly main street plaza and a central park.

**Henderson Pavilion
and Surrounding Development**



7. ECONOMIC AND FISCAL IMPACTS

nTelos Wireless Pavilion – Charlottesville, Virginia

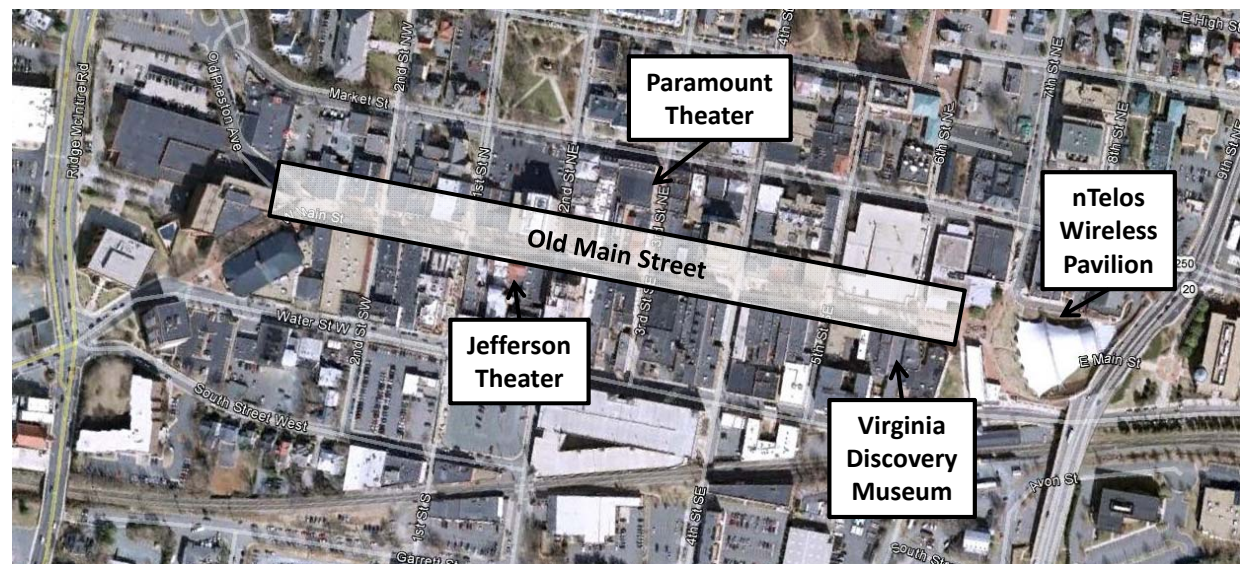
The 3,800-seat nTelos Wireless Pavilion opened in 2005 in Charlottesville, Virginia. The amphitheater venue is located on the east end of Charlottesville's Downtown Mall, an urban park that features more than 120 shops and 30 restaurants located in historic buildings on old Main Street Charlottesville. In addition to dining and retail establishments, the Downtown Mall also includes other attractions such as the Paramount and Jefferson Theaters and the Virginia Discovery Museum.



The old Main Street area was originally converted to a pedestrian mall in 1976. In 2007, the City of Charlottesville implemented a comprehensive, \$7.5 million rehabilitation project that was ultimately completed in 2009.

nTelos Wireless Pavilion and Charlottesville Downtown Mall

The Pavilion hosts several national touring concerts each year, as well as community events such as Fridays After Five, a series of free community concerts featuring a variety of musical genres. The construction of the Pavilion and the visitors it attracts to the Downtown Mall helped spearhead the renovation project and have continued to help drive the critical mass of visitors necessary to support the existing and new establishments in the area.



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8. MANAGEMENT OPTIONS

8. MANAGEMENT OPTIONS

The purpose of this section of the report is to present an overview of various options regarding the potential management and operations of The Music Center at The Heights. Each potential management structure has its own unique advantages and disadvantages, which should be considered when making decisions regarding the management of the venue.

COMPARABLE FACILITY MANAGEMENT

The organizational structures at comparable facilities can provide a framework for project stakeholders to determine an appropriate organizational structure for The Music Center at The Heights. The following exhibit summarizes the ownership and management of comparable amphitheaters.

Comparable Facility Ownership and Management Overview

Venue	Location	Ownership		Management	
		Public	Private	Public	Private
PNC Pavilion	Cincinnati, OH		X		X
Fraze Pavilion	Kettering, OH	X		X	
Cuthbert Amphitheater	Eugene, OR	X			X
Jacobs Pavilion	Cleveland, OH		X		X
Koka Booth Amphitheatre	Cary, NC	X			X
Mesa Amphitheatre	Mesa, AZ	X		X	
Percent of Total		67%	33%	33%	67%

As shown, while the majority of comparable amphitheaters are publicly owned, two-thirds are privately managed. Specifically, the comparable venues can each be classified in one of three ways:

1. Public ownership and management:

- The Fraze Pavilion is owned by the City of Kettering, which established a new City department specifically to oversee the operations of the venue.
- The Mesa Amphitheatre is owned by the City of Mesa and operated through the City's Parks, Recreation and Commercial Facilities Department.

8. MANAGEMENT OPTIONS

2. Public ownership with private management:

- The Cuthbert Amphitheater is owned by the City of Eugene, who operated the venue from its opening in 1982 through 2005, when the City retained Kesey Management to stem financial operating losses and flagging concert activity.
- The Koka Booth Amphitheatre is owned by the City of Cary and operated by SMG, a private management firm that manages numerous arenas, stadiums, convention centers and other event and assembly venues across the country.

3. Private ownership and management:

- The PNC Pavilion and the adjacent Riverbend Music Theater are owned and operated by Music and Event Management, Inc. (MEMI), a wholly owned subsidiary of the Cincinnati Symphony Orchestra.
- Jacobs Pavilion is owned and operated by the Nautica Entertainment Complex, which is privately owned by Jacobs Investments Inc.

PUBLIC MANAGEMENT

Public management of amphitheaters and other live entertainment venues was commonplace prior to the early 1990's. Facility operational control within a government is typically accomplished either by creating a separate department that is responsible for amphitheater management or by designating facility management responsibility to a department that already exists within the government. Often a government will already have other existing public assembly facilities such as arenas, auditoriums or theaters under their control prior to the development of a new facility. In these cases, the governmental departments currently overseeing the other public assembly facilities often assumes control the new venue as well.

An advantage of public management pertains to the ability of the government entity to maintain control of all aspects of facility operations. Within this structure, the management's primary responsibility is to the city/county/state government and the facility. The ability to combine the purchase of goods and services with other governmental departments provides an advantage in maximizing purchasing power and rate structures. In addition, the ability to use governmental employees from other departments when needed can be advantageous. Further, assuming day-to-day management of the facility is also handled internally, the need to pay additional fees to a management contractor is not required.

Conversely, a number of potential disadvantages can be associated with the management of the facility within a governmental department. The primary disadvantages relate to the additional burden placed on governmental departments and the additional level of bureaucracy sometimes

8. MANAGEMENT OPTIONS

required to facilitate building operating decisions. The decisions made regarding the operation of a facility may be slowed due to the nature of the particular governmental department in terms of requirements for approvals and other regulations and procedures. When competing with other facilities and markets for potential events, this aspect can sometimes hinder a facility's ability to effectively compete.

Additionally, municipal government entities may lack the expertise needed to operate a sophisticated event venue, particularly if the municipality does not currently operate any similar venues. The Music Center at The Heights will require an operator with knowledge of the concert and entertainment event industry, the ability to attract events and negotiate event terms, and various other skill sets unique to the concert venue industry. Should the City choose to operate the facility, this expertise would likely need to be acquired through the hiring of experienced venue management staff.

Summary: Public Management	
Advantages:	Disadvantages
• Owner control • Financial support • Coordination of staff/support functions • Purchasing economies of scale	• Lack of outside/private sector investment • Civic service constraints • Contract approval requirements • Changing political policies • Lack of incentives • Limited flexibility • Potential lack of industry expertise

Based on discussions with project representatives, it is unlikely that public management would be a feasible option for The Music Center at The Heights. However, the City can provide assistance in the form of maintenance services, the development and management of festivals and other community events utilizing the venue, and other such support.

8. MANAGEMENT OPTIONS

PRIVATE/CONTRACT MANAGEMENT

Intense and increasing levels of competition among facilities coupled with increased pressure from governmental entities for facilities to break even has forced many governments to attempt changes in the fundamental process of managing live entertainment venues. As a result, numerous amphitheaters and concert pavilions across the country have contracted day-to-day operations to private management companies.

Oftentimes, contract management supplies full facility management services, consulting and project services. Under full or contract management, the facility owner retains all of the rights and privileges of ownership while the contract management firm performs assigned management functions. The owner sets policies while the contract management firm establishes procedures in order to implement the policies. In this way, while the public sector cedes direct control of the venue, it is able to protect its interests through the procedures and terms laid out in the operating contract.

The contract management company is typically an agent of the hiring body (either a government department or an Authority). The firm is usually compensated with a flat annual fee plus incentive payments designed to reward the contractor for producing desired results. Incentives could be based on achieving specific revenue goals, attendance, events, room night generation or other targets. Operating contracts usually stipulate that operating budgets must be submitted by the management company to the governing body of the facility for approval. The governing body is responsible for providing the funds necessary to operate the facility.

Because management contracts often include financial incentives for the private management firm, the manager may prioritize the financial operations of the venue over potential public sector goals such as the creation of economic impacts and the availability of the facility to community organizations and non-profits. This may apply to The Music Center at The Heights, which the City envisions will host events that increase visitation to The Heights development. Should the City of Huber Heights choose to retain private management for the Music Center, it will be important to specify and potentially incentivize these goals within the terms of the management agreement.

Contract management organizations are typically responsible for various key operational and fiscal factors such as policies and directives, organizational structure, leadership, job classifications, competition, scheduling and booking, finance and accounting and capital repairs. In addition to the day-to-day operations of the venue, a number of contract management firms also offer project services such as pre-opening management services, operational audit services and marketing support as alternatives to full facility management.

A less comprehensive public/private partnership opportunity that can represent an alternative to contract management is the formation of an event booking partnership with a management firm or an event promoter. Under such an arrangement, the public sector retains operational control of a facility but agrees to an exclusive partnership with a private entity (typically a major concert promotion firm) to book events at the

8. MANAGEMENT OPTIONS

venue. This allows the facility to take advantage of the promoter's industry connections and capture the events controlled by that promoter when playing in the facility's market area.

Summary: Private Management	
Advantages:	Disadvantages
• Greatest operating autonomy • Efficiency incentives • Network of relationships to leverage event bookings • Internal network of knowledge and experience • More independence in negotiations • Greater staffing resources • More objective criteria for accountability • More efficient procurement process • Design and pre-opening services • Less financial risk for owner	• Potential loss of direct control by the City • Profit motive versus economic impact motive • Facility management fees • Management personnel turnover • Corporate resources spread among several facilities

Private management of The Music Center at The Heights would appear to be a feasible option. One possible scenario could involve an open-bid process by which the City would solicit proposals from private management companies such as Live Nation, AEG Live, SMG, Global Spectrum, and Music and Event Management, Inc., among others, and work to acquire the agreement that most benefits the City, its taxpayers and The Music Center at The Heights financially.

MUSIC CENTER MANAGEMENT RECOMMENDATION

Based on discussions with City personnel, it is assumed that the City of Huber Heights will retain ownership of The Music Center at The Heights. Given the City's lack of experience in operating public assembly venues on the scale of The Music Center at The Heights and the importance of experienced management in operating and booking similar venues, it is recommended that the City consider retaining private management for the Music Center.

It is our understanding that City representatives have discussed The Music Center at The Heights project with representatives of MEMI, which owns and operates the PNC Pavilion and Riverbend Music Center in Cincinnati on behalf of the Cincinnati Symphony Orchestra. A partnership or management agreement with MEMI could allow The Music Center at The Heights to take advantage of MEMI's experience in operating similar venues, as well as MEMI's booking partnership with Live Nation, one of the nation's leading concert promoter organizations. Such a partnership

8. MANAGEMENT OPTIONS

or management arrangement could also reduce competition between PNC Pavilion and The Music Center at The Heights, although the terms of the partnership or management agreement would need to be structured to ensure that the routing of events through The Music Center at The Heights and PNC Pavilion is fair and equitable.

As an alternative, the City could consider procuring third party management through an open bid or request for proposals process. This would allow management firms such as Live Nation, AEG Live, SMG, Global Spectrum and others (potentially including MEMI) to submit management proposals. The City could then select the firm that provides the best value in terms of management expertise, financial terms and other considerations.

These options would potentially allow the City to maximize the national touring concert event potential, manage the competition among regional facilities and to achieve economies-of-scale associated with the operations of multiple facilities. The operational agreement could include a base annual management fee paid to the management entity and additional incentives tied to the number of touring concerts and attendance generated.

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APPENDIX - FINANCIAL MODEL

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
Salary inflation	3.0%				
Other expense inflation	3.0%				
Revenue increase per year	3.0%				
FACILITY RENT					
<u>National Touring Concerts</u>					
Performances	8	10	12	12	12
Average paid attendance	3,250	3,000	2,750	2,750	2,750
Total paid attendance	26,000	30,000	33,000	33,000	33,000
Average ticket price	\$40.00	\$41.20	\$42.44	\$43.71	\$45.02
Total gross ticket revenue	\$1,040,000	\$1,236,000	\$1,400,388	\$1,442,400	\$1,485,672
Rent - Flat	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Rent - Percentage of Tickets	10%	10%	10%	10%	10%
Facility Rent	\$104,000	\$123,600	\$140,039	\$144,240	\$148,567
<u>Local / Regional Concerts</u>					
Performances	2	3	4	4	4
Average paid attendance	2,500	2,250	2,000	2,000	2,000
Total paid attendance	5,000	6,750	8,000	8,000	8,000
Average ticket price	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26
Total gross ticket revenue	\$50,000	\$69,525	\$84,872	\$87,418	\$90,041
Rent - Flat	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Rent - Percentage of Tickets	10%	10%	10%	10%	10%
Facility Rent	\$6,000	\$9,000	\$12,000	\$12,000	\$12,000
<u>Festivals</u>					
Performances	2	4	6	6	6
Average paid attendance	5,000	5,000	5,000	5,000	5,000
Total paid attendance	10,000	20,000	30,000	30,000	30,000
Average ticket price	\$15.00	\$15.45	\$15.91	\$16.39	\$16.88
Total gross ticket revenue	\$150,000	\$309,000	\$477,405	\$491,727	\$506,479
Rent - Flat	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
Rent - Percentage of Tickets	10%	10%	10%	10%	10%
Facility Rent	\$15,000	\$30,900	\$47,741	\$49,173	\$50,648
<u>Other Ticketed Events</u>					
Performances	2	3	4	4	4
Average paid attendance	1,500	1,500	1,500	1,500	1,500
Total paid attendance	3,000	4,500	6,000	6,000	6,000
Average ticket price	\$15.00	\$15.45	\$15.91	\$16.39	\$16.88
Total gross ticket revenue	\$45,000	\$69,525	\$95,481	\$98,345	\$101,296
Rent - Flat	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Rent - Percentage of Tickets	10%	10%	10%	10%	10%
Facility Rent	\$6,000	\$9,000	\$12,000	\$12,000	\$12,000
<u>Private Rentals</u>					
Performances	4	6	8	8	8
Average paid attendance	1,000	1,000	1,000	1,000	1,000
Total paid attendance	4,000	6,000	8,000	8,000	8,000
Average ticket price	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total gross ticket revenue	\$0	\$0	\$0	\$0	\$0
Rent - Flat	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Rent - Percentage of Tickets	0%	0%	0%	0%	0%
Facility Rent	\$10,000	\$15,000	\$20,000	\$20,000	\$20,000
TOTAL FACILITY RENT	\$141,000	\$187,500	\$231,779	\$237,413	\$243,215

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
FACILITY FEES					
<u>National Touring Concerts</u>					
Performances	8	10	12	12	12
Average paid attendance	3,250	3,000	2,750	2,750	2,750
Total paid attendance	26,000	30,000	33,000	33,000	33,000
Average Facility Fee per Ticket	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Total Facility Fees	\$52,000	\$60,000	\$66,000	\$66,000	\$66,000
<u>Local / Regional Concerts</u>					
Performances	2	3	4	4	4
Average paid attendance	2,500	2,250	2,000	2,000	2,000
Total paid attendance	5,000	6,750	8,000	8,000	8,000
Average Facility Fee per Ticket	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Facility Fees	\$5,000	\$6,750	\$8,000	\$8,000	\$8,000
<u>Festivals</u>					
Performances	2	4	6	6	6
Average paid attendance	5,000	5,000	5,000	5,000	5,000
Total paid attendance	10,000	20,000	30,000	30,000	30,000
Average Facility Fee per Ticket	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Facility Fees	\$10,000	\$20,000	\$30,000	\$30,000	\$30,000
<u>Other Ticketed Events</u>					
Performances	2	3	4	4	4
Average paid attendance	1,500	1,500	1,500	1,500	1,500
Total paid attendance	3,000	4,500	6,000	6,000	6,000
Average Facility Fee per Ticket	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Facility Fees	\$3,000	\$4,500	\$6,000	\$6,000	\$6,000
<u>Private Rentals</u>					
Performances	4	6	8	8	8
Average paid attendance	1,000	1,000	1,000	1,000	1,000
Total paid attendance	4,000	6,000	8,000	8,000	8,000
Average Facility Fee per Ticket	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Facility Fees	\$0	\$0	\$0	\$0	\$0
TOTAL FACILITY FEES	\$70,000	\$91,250	\$110,000	\$110,000	\$110,000

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
CONVENIENCE CHARGES					
<u>National Touring Concerts</u>					
Performances	8	10	12	12	12
Average paid attendance	3,250	3,000	2,750	2,750	2,750
Total paid attendance	26,000	30,000	33,000	33,000	33,000
Percentage of Tickets Sold by Ticketing Service	85%	85%	85%	85%	85%
Average Convenience Charge	\$5.00	\$5.25	\$5.50	\$5.75	\$6.00
Total Convenience Charge Revenue	\$110,500	\$133,875	\$154,275	\$161,288	\$168,300
Percentage Rebated to Music Center	25%	25%	25%	25%	25%
Total Convenience Charge Rebates	\$27,625	\$33,469	\$38,569	\$40,322	\$42,075
<u>Local / Regional Concerts</u>					
Performances	2	3	4	4	4
Average paid attendance	2,500	2,250	2,000	2,000	2,000
Total paid attendance	5,000	6,750	8,000	8,000	8,000
Percentage of Tickets Sold by Ticketing Service	85%	85%	85%	85%	85%
Average Convenience Charge	\$3.00	\$3.25	\$3.50	\$3.75	\$4.00
Total Convenience Charge Revenue	\$12,750	\$18,647	\$23,800	\$25,500	\$27,200
Percentage Rebated to Music Center	25%	25%	25%	25%	25%
Total Convenience Charge Rebates	\$3,188	\$4,662	\$5,950	\$6,375	\$6,800
<u>Festivals</u>					
Performances	2	4	6	6	6
Average paid attendance	5,000	5,000	5,000	5,000	5,000
Total paid attendance	10,000	20,000	30,000	30,000	30,000
Percentage of Tickets Sold by Ticketing Service	30%	30%	30%	30%	30%
Average Convenience Charge	\$3.00	\$3.25	\$3.50	\$3.75	\$4.00
Total Convenience Charge Revenue	\$9,000	\$19,500	\$31,500	\$33,750	\$36,000
Percentage Rebated to Music Center	25%	25%	25%	25%	25%
Total Convenience Charge Rebates	\$2,250	\$4,875	\$7,875	\$8,438	\$9,000
<u>Other Ticketed Events</u>					
Performances	2	3	4	4	4
Average paid attendance	1,500	1,500	1,500	1,500	1,500
Total paid attendance	3,000	4,500	6,000	6,000	6,000
Percentage of Tickets Sold by Ticketing Service	85%	85%	85%	85%	85%
Average Convenience Charge	\$3.00	\$3.25	\$3.50	\$3.75	\$4.00
Total Convenience Charge Revenue	\$7,650	\$12,431	\$17,850	\$19,125	\$20,400
Percentage Rebated to Music Center	25%	25%	25%	25%	25%
Total Convenience Charge Rebates	\$1,913	\$3,108	\$4,463	\$4,781	\$5,100
<u>Private Rentals</u>					
Performances	4	6	8	8	8
Average paid attendance	1,000	1,000	1,000	1,000	1,000
Total paid attendance	4,000	6,000	8,000	8,000	8,000
Percentage of Tickets Sold by Ticketing Service	0%	0%	0%	0%	0%
Average Convenience Charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Convenience Charge Revenue	\$0	\$0	\$0	\$0	\$0
Percentage Rebated to Music Center	25%	25%	25%	25%	25%
Total Convenience Charge Rebates	\$0	\$0	\$0	\$0	\$0
TOTAL TICKET REBATES	\$34,975	\$46,113	\$56,856	\$59,916	\$62,975

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
BOX OFFICE FEES					
<u>National Touring Concerts</u>					
Performances	8	10	12	12	12
Average paid attendance	3,250	3,000	2,750	2,750	2,750
Total paid attendance	26,000	30,000	33,000	33,000	33,000
Percentage of Tickets Sold by Box Office	15%	15%	15%	15%	15%
Average Box Office Fee	\$2.00	\$2.25	\$2.50	\$2.75	\$3.00
Total Box Office Fee Revenue	\$7,800	\$10,125	\$12,375	\$13,613	\$14,850
<u>Local / Regional Concerts</u>					
Performances	2	3	4	4	4
Average paid attendance	2,500	2,250	2,000	2,000	2,000
Total paid attendance	5,000	6,750	8,000	8,000	8,000
Percentage of Tickets Sold by Box Office	15%	15%	15%	15%	15%
Average Box Office Fee	\$1.50	\$1.75	\$2.00	\$2.25	\$2.50
Total Box Office Fee Revenue	\$1,125	\$1,772	\$2,400	\$2,700	\$3,000
<u>Festivals</u>					
Performances	2	4	6	6	6
Average paid attendance	5,000	5,000	5,000	5,000	5,000
Total paid attendance	10,000	20,000	30,000	30,000	30,000
Percentage of Tickets Sold by Box Office	70%	70%	70%	70%	70%
Average Box Office Fee	\$1.50	\$1.75	\$2.00	\$2.25	\$2.50
Total Box Office Fee Revenue	\$10,500	\$24,500	\$42,000	\$47,250	\$52,500
<u>Other Ticketed Events</u>					
Performances	2	3	4	4	4
Average paid attendance	1,500	1,500	1,500	1,500	1,500
Total paid attendance	3,000	4,500	6,000	6,000	6,000
Percentage of Tickets Sold by Box Office	15%	15%	15%	15%	15%
Average Box Office Fee	\$1.50	\$1.75	\$2.00	\$2.25	\$2.50
Total Box Office Fee Revenue	\$675	\$1,181	\$1,800	\$2,025	\$2,250
<u>Private Rentals</u>					
Performances	4	6	8	8	8
Average paid attendance	1,000	1,000	1,000	1,000	1,000
Total paid attendance	4,000	6,000	8,000	8,000	8,000
Percentage of Tickets Sold by Box Office	0%	0%	0%	0%	0%
Average Box Office Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Box Office Fee Revenue	\$0	\$0	\$0	\$0	\$0
TOTAL BOX OFFICE FEES	\$20,100	\$37,578	\$58,575	\$65,588	\$72,600

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
FOOD AND BEVERAGE					
<u>National Touring Concerts</u>					
Performances	8	10	12	12	12
Average Paid Attendance	3,250	3,000	2,750	2,750	2,750
Turnstile as % of Paid Factor	100%	100%	100%	100%	100%
Average Turnstile Attendance	3,250	3,000	2,750	2,750	2,750
Total Turnstile Attendance	26,000	30,000	33,000	33,000	33,000
Per Capita Spending - Food and Beverages	\$9.50	\$9.79	\$10.08	\$10.38	\$10.69
Total Gross Food and Beverage Revenue	\$247,000	\$293,550	\$332,592	\$342,570	\$352,847
Cost of Goods %	55%	55%	55%	55%	55%
Cost of Goods Amount	\$135,850	\$161,453	\$182,926	\$188,413	\$194,066
Net Food and Beverage Revenue	\$111,150	\$132,098	\$149,666	\$154,156	\$158,781
<u>Local / Regional Concerts</u>					
Performances	2	3	4	4	4
Average Paid Attendance	2,500	2,250	2,000	2,000	2,000
Turnstile as % of Paid Factor	100%	100%	100%	100%	100%
Average Turnstile Attendance	2,500	2,250	2,000	2,000	2,000
Total Turnstile Attendance	5,000	6,750	8,000	8,000	8,000
Per Capita Spending - Food and Beverages	\$6.00	\$6.18	\$6.37	\$6.56	\$6.75
Total Gross Food and Beverage Revenue	\$30,000	\$41,715	\$50,923	\$52,451	\$54,024
Cost of Goods %	55%	55%	55%	55%	55%
Cost of Goods Amount	\$16,500	\$22,943	\$28,008	\$28,848	\$29,713
Net Food and Beverage Revenue	\$13,500	\$18,772	\$22,915	\$23,603	\$24,311
<u>Festivals</u>					
Performances	2	4	6	6	6
Average Paid Attendance	5,000	5,000	5,000	5,000	5,000
Turnstile as % of Paid Factor	100%	100%	100%	100%	100%
Average Turnstile Attendance	5,000	5,000	5,000	5,000	5,000
Total Turnstile Attendance	10,000	20,000	30,000	30,000	30,000
Per Capita Spending - Food and Beverages	\$8.00	\$8.24	\$8.49	\$8.74	\$9.00
Total Gross Food and Beverage Revenue	\$80,000	\$164,800	\$254,616	\$262,254	\$270,122
Cost of Goods %	55%	55%	55%	55%	55%
Cost of Goods Amount	\$44,000	\$90,640	\$140,039	\$144,240	\$148,567
Net Food and Beverage Revenue	\$36,000	\$74,160	\$114,577	\$118,015	\$121,555
<u>Other Ticketed Events</u>					
Performances	2	3	4	4	4
Average Paid Attendance	1,500	1,500	1,500	1,500	1,500
Turnstile as % of Paid Factor	100%	100%	100%	100%	100%
Average Turnstile Attendance	1,500	1,500	1,500	1,500	1,500
Total Turnstile Attendance	3,000	4,500	6,000	6,000	6,000
Per Capita Spending - Food and Beverages	\$5.00	\$5.15	\$5.30	\$5.46	\$5.63
Total Gross Food and Beverage Revenue	\$15,000	\$23,175	\$31,827	\$32,782	\$33,765
Cost of Goods %	55%	55%	55%	55%	55%
Cost of Goods Amount	\$8,250	\$12,746	\$17,505	\$18,030	\$18,571
Net Food and Beverage Revenue	\$6,750	\$10,429	\$14,322	\$14,752	\$15,194
<u>Private Rentals</u>					
Performances	4	6	8	8	8
Average Paid Attendance	1,000	1,000	1,000	1,000	1,000
Turnstile as % of Paid Factor	100%	100%	100%	100%	100%
Average Turnstile Attendance	1,000	1,000	1,000	1,000	1,000
Total Turnstile Attendance	4,000	6,000	8,000	8,000	8,000
Per Capita Spending - Food and Beverages	\$1.50	\$1.55	\$1.59	\$1.64	\$1.69
Total Gross Food and Beverage Revenue	\$6,000	\$9,270	\$12,731	\$13,113	\$13,506
Cost of Goods %	70%	70%	70%	70%	70%
Cost of Goods Amount	\$4,200	\$6,489	\$8,912	\$9,179	\$9,454
Net Food and Beverage Revenue	\$1,800	\$2,781	\$3,819	\$3,934	\$4,052
TOTAL GROSS FOOD & BEVERAGE REVENUE	\$378,000	\$532,510	\$682,689	\$703,170	\$724,265

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
MERCHANDISE					
<u>National Touring Concerts</u>					
Performances	8	10	12	12	12
Average Paid Attendance	3,250	3,000	2,750	2,750	2,750
Turnstile as % of Paid Factor	100%	100%	100%	100%	100%
Average Turnstile Attendance	3,250	3,000	2,750	2,750	2,750
Total Turnstile Attendance	26,000	30,000	33,000	33,000	33,000
Per Capita Spending - Merchandise	\$5.00	\$5.15	\$5.30	\$5.46	\$5.63
Total Gross Merchandise Revenue	\$130,000	\$154,500	\$175,049	\$180,300	\$185,709
Cost of Goods/Event %	90%	90%	90%	90%	90%
Cost of Goods/Event Amount	\$117,000	\$139,050	\$157,544	\$162,270	\$167,138
Net Merchandise Revenue	\$13,000	\$15,450	\$17,505	\$18,030	\$18,571
<u>Local / Regional Concerts</u>					
Performances	2	3	4	4	4
Average Paid Attendance	2,500	2,250	2,000	2,000	2,000
Turnstile as % of Paid Factor	100%	100%	100%	100%	100%
Average Turnstile Attendance	2,500	2,250	2,000	2,000	2,000
Total Turnstile Attendance	5,000	6,750	8,000	8,000	8,000
Per Capita Spending - Merchandise	\$1.00	\$1.03	\$1.06	\$1.09	\$1.13
Total Gross Merchandise Revenue	\$5,000	\$6,953	\$8,487	\$8,742	\$9,004
Cost of Goods/Event %	90%	90%	90%	90%	90%
Cost of Goods/Event Amount	\$4,500	\$6,257	\$7,638	\$7,868	\$8,104
Net Merchandise Revenue	\$500	\$695	\$849	\$874	\$900
<u>Festivals</u>					
Performances	2	4	6	6	6
Average Paid Attendance	5,000	5,000	5,000	5,000	5,000
Turnstile as % of Paid Factor	100%	100%	100%	100%	100%
Average Turnstile Attendance	5,000	5,000	5,000	5,000	5,000
Total Turnstile Attendance	10,000	20,000	30,000	30,000	30,000
Per Capita Spending - Merchandise	\$1.00	\$1.03	\$1.06	\$1.09	\$1.13
Total Gross Merchandise Revenue	\$10,000	\$20,600	\$31,827	\$32,782	\$33,765
Cost of Goods/Event %	90%	90%	90%	90%	90%
Cost of Goods/Event Amount	\$9,000	\$18,540	\$28,644	\$29,504	\$30,389
Net Merchandise Revenue	\$1,000	\$2,060	\$3,183	\$3,278	\$3,377
<u>Other Ticketed Events</u>					
Performances	2	3	4	4	4
Average Paid Attendance	1,500	1,500	1,500	1,500	1,500
Turnstile as % of Paid Factor	100%	100%	100%	100%	100%
Average Turnstile Attendance	1,500	1,500	1,500	1,500	1,500
Total Turnstile Attendance	3,000	4,500	6,000	6,000	6,000
Per Capita Spending - Merchandise	\$1.00	\$1.03	\$1.06	\$1.09	\$1.13
Total Gross Merchandise Revenue	\$3,000	\$4,635	\$6,365	\$6,556	\$6,753
Cost of Goods/Event %	90%	90%	90%	90%	90%
Cost of Goods/Event Amount	\$2,700	\$4,172	\$5,729	\$5,901	\$6,078
Net Merchandise Revenue	\$300	\$464	\$637	\$656	\$675
<u>Private Rentals</u>					
Performances	4	6	8	8	8
Average Paid Attendance	1,000	1,000	1,000	1,000	1,000
Turnstile as % of Paid Factor	100%	100%	100%	100%	100%
Average Turnstile Attendance	1,000	1,000	1,000	1,000	1,000
Total Turnstile Attendance	4,000	6,000	8,000	8,000	8,000
Per Capita Spending - Merchandise	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Gross Merchandise Revenue	\$0	\$0	\$0	\$0	\$0
Cost of Goods/Event %	90%	90%	90%	90%	90%
Cost of Goods/Event Amount	\$0	\$0	\$0	\$0	\$0
Net Merchandise Revenue	\$0	\$0	\$0	\$0	\$0
TOTAL GROSS MERCHANDISE REVENUE	\$148,000	\$186,688	\$221,728	\$228,380	\$235,231

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
PARKING					
<u>National Touring Concerts</u>					
Number of Performances	8	10	12	12	12
Average Tickets Sold Per Event	3,250	3,000	2,750	2,750	2,750
Total Annual Tickets Sold	26,000	30,000	33,000	33,000	33,000
Parking Charge per Ticket Sold	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Total Gross Parking Revenue	\$52,000	\$60,000	\$66,000	\$66,000	\$66,000
Cost of Goods %	15%	15%	15%	15%	15%
Cost of Goods Amount	\$7,800	\$9,000	\$9,900	\$9,900	\$9,900
Net Parking Revenue	\$44,200	\$51,000	\$56,100	\$56,100	\$56,100
<u>Local / Regional Concerts</u>					
Number of Performances	2	3	4	4	4
Average Tickets Sold Per Event	2,500	2,250	2,000	2,000	2,000
Total Annual Tickets Sold	5,000	6,750	8,000	8,000	8,000
Parking Charge per Ticket Sold	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
Total Gross Parking Revenue	\$7,500	\$10,125	\$12,000	\$12,000	\$12,000
Cost of Goods %	15%	15%	15%	15%	15%
Cost of Goods Amount	\$1,125	\$1,519	\$1,800	\$1,800	\$1,800
Net Parking Revenue	\$6,375	\$8,606	\$10,200	\$10,200	\$10,200
<u>Festivals</u>					
Number of Performances	2	4	6	6	6
Average Tickets Sold Per Event	5,000	5,000	5,000	5,000	5,000
Total Annual Tickets Sold	10,000	20,000	30,000	30,000	30,000
Parking Charge per Ticket Sold	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
Total Gross Parking Revenue	\$15,000	\$30,000	\$45,000	\$45,000	\$45,000
Cost of Goods %	15%	15%	15%	15%	15%
Cost of Goods Amount	\$2,250	\$4,500	\$6,750	\$6,750	\$6,750
Net Parking Revenue	\$12,750	\$25,500	\$38,250	\$38,250	\$38,250
<u>Other Ticketed Events</u>					
Number of Performances	2	3	4	4	4
Average Tickets Sold Per Event	1,500	1,500	1,500	1,500	1,500
Total Annual Tickets Sold	3,000	4,500	6,000	6,000	6,000
Parking Charge per Ticket Sold	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
Total Gross Parking Revenue	\$4,500	\$6,750	\$9,000	\$9,000	\$9,000
Cost of Goods %	15%	15%	15%	15%	15%
Cost of Goods Amount	\$675	\$1,013	\$1,350	\$1,350	\$1,350
Net Parking Revenue	\$3,825	\$5,738	\$7,650	\$7,650	\$7,650
<u>Private Rentals</u>					
Number of Performances	4	6	8	8	8
Average Tickets Sold Per Event	1,000	1,000	1,000	1,000	1,000
Total Annual Tickets Sold	4,000	6,000	8,000	8,000	8,000
Parking Charge per Ticket Sold	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Gross Parking Revenue	\$0	\$0	\$0	\$0	\$0
Cost of Goods %	15%	15%	15%	15%	15%
Cost of Goods Amount	\$0	\$0	\$0	\$0	\$0
Net Parking Revenue	\$0	\$0	\$0	\$0	\$0
TOTAL GROSS PARKING REVENUE	\$79,000	\$106,875	\$132,000	\$132,000	\$132,000

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
PREMIUM SEATING						
Number of Boxes Available		10	10	10	10	10
Average Percentage Sold		80%	80%	80%	80%	80%
Average Number of Boxes Sold per Event		8	8	8	8	8
Number of Seats/Box		4	4	4	4	4
Number of Shows (excludes private rentals)		14	20	26	26	26
Price per Seat		\$100.00	\$103.00	\$106.09	\$109.27	\$112.55
Total Box Seat Revenue		44,800	65,920	88,267	90,915	93,642
Purchase of Tickets from Promoters	\$35.00	(\$15,680)	(\$22,400)	(\$29,120)	(\$29,120)	(\$29,120)
Box Seat Catering	\$20.00	(\$8,960)	(\$13,184)	(\$17,653)	(\$18,183)	(\$18,728)
Commissions on Box Seat Sales	10%	(\$4,480)	(\$6,592)	(\$8,827)	(\$9,091)	(\$9,364)
Total Box Seat Expenses		(\$29,120)	(\$42,176)	(\$55,600)	(\$56,394)	(\$57,213)
Net Box Seat Sales		\$15,680	\$23,744	\$32,667	\$34,520	\$36,430
SPONSORSHIPS						
Title Naming Rights		200,000	\$206,000	\$212,180	\$218,545	\$225,102
Presenting Sponsors		50,000	\$51,500	\$53,045	\$54,636	\$56,275
Beer		15,000	\$15,450	\$15,914	\$16,391	\$16,883
Soft Drink		15,000	\$15,450	\$15,914	\$16,391	\$16,883
Wine		5,000	\$5,150	\$5,305	\$5,464	\$5,628
VIP Club		10,000	\$10,300	\$10,609	\$10,927	\$11,255
Others		5,000	\$5,150	\$5,305	\$5,464	\$5,628
Gross Sponsorships		300,000	309,000	318,270	327,818	337,653
Sales Commission	20%	60,000	61,800	63,654	65,564	67,531
Net Sponsorships		240,000	247,200	254,616	262,254	270,122
EVENT / OVERHEAD COSTS						
<u>Wages - Event-Day Staff</u>						
Police		\$25.00	\$25.75	\$26.52	\$27.32	\$28.14
EMT		\$45.00	\$46.35	\$47.74	\$49.17	\$50.65
Box Office		\$12.00	\$12.36	\$12.73	\$13.11	\$13.51
Ushers		\$10.00	\$10.30	\$10.61	\$10.93	\$11.26
Ticket Takers		\$10.00	\$10.30	\$10.61	\$10.93	\$11.26
Security		\$15.00	\$15.45	\$15.91	\$16.39	\$16.88
Stagehands		\$12.50	\$12.88	\$13.26	\$13.66	\$14.07
Cleanup		\$10.00	\$10.30	\$10.61	\$10.93	\$11.26
Other		\$15.00	\$15.45	\$15.91	\$16.39	\$16.88

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

			2014	2015	2016	2017	2018
EVENT DAY COST PER EVENT							
<u>National Touring Concerts</u>							
Utilities	\$2,000		\$2,000	\$2,060	\$2,122	\$2,185	\$2,251
Contract Services	\$1,250		\$1,250	\$1,288	\$1,326	\$1,366	\$1,407
Advertising and Promotion	\$1,000		\$1,000	\$1,030	\$1,061	\$1,093	\$1,126
Equipment Rental	\$1,500		\$1,500	\$1,545	\$1,591	\$1,639	\$1,688
Insurance (cost per attendee)	\$0.40		\$1,300	\$1,236	\$1,167	\$1,202	\$1,238
Other Expenses	\$1,000		\$1,000	\$1,030	\$1,061	\$1,093	\$1,126
Personnel:							
Police	5hr	3	\$375	\$386	\$398	\$410	\$422
EMT	5hr	2	\$450	\$464	\$477	\$492	\$506
Box Office	4hr	4	\$192	\$198	\$204	\$210	\$216
Ushers	5hr	13	\$650	\$670	\$690	\$710	\$732
Ticket Takers	5hr	3	\$150	\$155	\$159	\$164	\$169
Security	5hr	13	\$975	\$1,004	\$1,034	\$1,065	\$1,097
Stagehands	12hr	15	\$2,250	\$2,318	\$2,387	\$2,459	\$2,532
Cleanup	5hr	7	\$350	\$361	\$371	\$382	\$394
Other	8hr	2	\$240	\$247	\$255	\$262	\$270
Subtotal - Personnel		62	5,632	5,801	5,975	6,154	6,339
Personnel Benefits		35%	1,971	2,030	2,091	2,154	2,219
Total - Personnel			7,603	7,831	8,066	8,308	8,557
TOTAL EVENT DAY EXPENSES PER EVENT			\$15,653	\$16,020	\$16,394	\$16,886	\$17,393
MARKUP FACTOR			1.10	1.10	1.10	1.10	1.10
EVENT SERVICES REVENUE PER EVENT			\$17,219	\$17,622	\$18,034	\$18,575	\$19,132
<u>Local / Regional Concerts</u>							
Utilities	\$2,000		\$2,000	\$2,060	\$2,122	\$2,185	\$2,251
Contract Services	\$1,250		\$1,250	\$1,288	\$1,326	\$1,366	\$1,407
Advertising and Promotion	\$1,000		\$1,000	\$1,030	\$1,061	\$1,093	\$1,126
Equipment Rental	\$1,500		\$1,500	\$1,545	\$1,591	\$1,639	\$1,688
Insurance (cost per attendee)	\$0.40		\$1,000	\$927	\$849	\$874	\$900
Other Expenses	\$1,000		\$1,000	\$1,030	\$1,061	\$1,093	\$1,126
Personnel:							
Police	5hr	3	\$375	\$386	\$398	\$410	\$422
EMT	5hr	2	\$450	\$464	\$477	\$492	\$506
Box Office	5hr	3	\$180	\$185	\$191	\$197	\$203
Ushers	5hr	10	\$500	\$515	\$530	\$546	\$563
Ticket Takers	5hr	3	\$150	\$155	\$159	\$164	\$169
Security	5hr	5	\$375	\$386	\$398	\$410	\$422
Stagehands	12hr	12	\$1,800	\$1,854	\$1,910	\$1,967	\$2,026
Cleanup	8hr	5	\$400	\$412	\$424	\$437	\$450
Other	6hr	1	\$90	\$93	\$95	\$98	\$101
Subtotal - Personnel		44	4,320	4,450	4,583	4,721	4,862
Personnel Benefits		35%	1,512	1,557	1,604	1,652	1,702
Total - Personnel			5,832	6,007	6,187	6,373	6,564
TOTAL EVENT DAY EXPENSES PER EVENT			\$13,582	\$13,886	\$14,197	\$14,623	\$15,062
MARKUP FACTOR			1.10	1.10	1.10	1.10	1.10
EVENT SERVICES REVENUE PER EVENT			\$14,940	\$15,275	\$15,617	\$16,085	\$16,568

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

			2014	2015	2016	2017	2018
EVENT DAY COST PER EVENT							
<u>Festivals</u>							
Utilities	\$2,000		\$2,000	\$2,060	\$2,122	\$2,185	\$2,251
Contract Services	\$1,250		\$1,250	\$1,288	\$1,326	\$1,366	\$1,407
Advertising and Promotion	\$1,000		\$1,000	\$1,030	\$1,061	\$1,093	\$1,126
Equipment Rental	\$1,500		\$1,500	\$1,545	\$1,591	\$1,639	\$1,688
Insurance (cost per attendee)	\$0.40		\$2,000	\$2,060	\$2,122	\$2,185	\$2,251
Other Expenses	\$1,000		\$1,000	\$1,030	\$1,061	\$1,093	\$1,126
Personnel:							
Police	5hr	5	\$625	\$644	\$663	\$683	\$703
EMT	5hr	2	\$450	\$464	\$477	\$492	\$506
Box Office	5hr	7	\$420	\$433	\$446	\$459	\$473
Ushers	5hr	20	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126
Ticket Takers	5hr	5	\$250	\$258	\$265	\$273	\$281
Security	5hr	20	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688
Stagehands	12hr	15	\$2,250	\$2,318	\$2,387	\$2,459	\$2,532
Cleanup	8hr	10	\$800	\$824	\$849	\$874	\$900
Other	6hr	1	\$90	\$93	\$95	\$98	\$101
Subtotal - Personnel		85	7,385	7,607	7,835	8,070	8,312
Personnel Benefits		35%	2,585	2,662	2,742	2,824	2,909
Total - Personnel			9,970	10,269	10,577	10,894	11,221
TOTAL EVENT DAY EXPENSES PER EVENT			\$18,720	\$19,281	\$19,860	\$20,456	\$21,069
MARKUP FACTOR			1.10	1.10	1.10	1.10	1.10
EVENT SERVICES REVENUE PER EVENT			\$20,592	\$21,209	\$21,846	\$22,501	\$23,176
<u>Other Ticketed Events</u>							
Utilities	\$2,000		\$2,000	\$2,060	\$2,122	\$2,185	\$2,251
Contract Services	\$1,250		\$1,250	\$1,288	\$1,326	\$1,366	\$1,407
Advertising and Promotion	\$1,000		\$1,000	\$1,030	\$1,061	\$1,093	\$1,126
Equipment Rental	\$1,500		\$1,500	\$1,545	\$1,591	\$1,639	\$1,688
Insurance (cost per attendee)	\$0.40		\$600	\$618	\$637	\$656	\$675
Other Expenses	\$1,000		\$1,000	\$1,030	\$1,061	\$1,093	\$1,126
Personnel:							
Police	5hr	2	\$250	\$258	\$265	\$273	\$281
EMT	5hr	2	\$450	\$464	\$477	\$492	\$506
Box Office	5hr	2	\$120	\$124	\$127	\$131	\$135
Ushers	5hr	6	\$300	\$309	\$318	\$328	\$338
Ticket Takers	5hr	2	\$100	\$103	\$106	\$109	\$113
Security	5hr	6	\$450	\$464	\$477	\$492	\$506
Stagehands	12hr	10	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688
Cleanup	8hr	3	\$240	\$247	\$255	\$262	\$270
Other	6hr	1	\$90	\$93	\$95	\$98	\$101
Subtotal - Personnel		34	3,500	3,605	3,713	3,825	3,939
Personnel Benefits		35%	1,225	1,262	1,300	1,339	1,379
Total - Personnel			4,725	4,867	5,013	5,163	5,318
TOTAL EVENT DAY EXPENSES PER EVENT			\$12,075	\$12,437	\$12,810	\$13,195	\$13,591
MARKUP FACTOR			1.10	1.10	1.10	1.10	1.10
EVENT SERVICES REVENUE PER EVENT			\$13,283	\$13,681	\$14,091	\$14,514	\$14,950

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

			2014	2015	2016	2017	2018
EVENT DAY COST PER EVENT							
<u>Private Rentals</u>							
Utilities			\$0	\$0	\$0	\$0	\$0
Contract Services			\$0	\$0	\$0	\$0	\$0
Advertising and Promotion			\$0	\$0	\$0	\$0	\$0
Equipment Rental			\$0	\$0	\$0	\$0	\$0
Insurance (cost per attendee)	\$0.00		\$0	\$0	\$0	\$0	\$0
Other Expenses			\$0	\$0	\$0	\$0	\$0
Personnel:							
Police	5hr	1	\$125	\$129	\$133	\$137	\$141
EMT	5hr	1	\$225	\$232	\$239	\$246	\$253
Box Office	5hr	0	\$0	\$0	\$0	\$0	\$0
Ushers	5hr	0	\$0	\$0	\$0	\$0	\$0
Ticket Takers	5hr	0	\$0	\$0	\$0	\$0	\$0
Security	5hr	2	\$150	\$155	\$159	\$164	\$169
Stagehands	12hr	0	\$0	\$0	\$0	\$0	\$0
Cleanup	8hr	2	\$160	\$165	\$170	\$175	\$180
Other	6hr	0	\$0	\$0	\$0	\$0	\$0
Subtotal - Personnel		6	660	680	700	721	743
Personnel Benefits		35%	231	238	245	252	260
Total - Personnel			891	918	945	974	1,003
TOTAL EVENT DAY EXPENSES PER EVENT			\$891	\$918	\$945	\$974	\$1,003
MARKUP FACTOR			-	-	-	-	-
EVENT SERVICES REVENUE PER EVENT			\$0	\$0	\$0	\$0	\$0

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
STAFFING					
<u>Average FTE Headcount</u>					
Managing Director - FT	1.0	1.0	1.0	1.0	1.0
Director of Productions & Operations - PT	0.5	0.5	0.5	0.5	0.5
Director of Sales & Marketing - FT	1.0	1.0	1.0	1.0	1.0
Administrative Assistant - FT	1.0	1.0	1.0	1.0	1.0
Production & Operations Manager - PT	0.5	0.5	0.5	0.5	0.5
Box Office Manager - PT	0.5	0.5	0.5	0.5	0.5
Total FTE Headcount	4.5	4.5	4.5	4.5	4.5
<u>Salaries - Full-Time Equivalent Salary</u>					
Managing Director - FT	\$80,000	\$82,400	\$84,872	\$87,418	\$90,041
Director of Productions & Operations - PT	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275
Director of Sales & Marketing - FT	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648
Administrative Assistant - FT	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138
Production & Operations Manager - PT	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765
Box Office Manager - PT	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138
Total Salaries & Wages	\$202,500	\$208,575	\$214,832	\$221,277	\$227,916
Benefits	35%	35%	35%	35%	35%
Total Compensation	\$273,375	\$281,576	\$290,024	\$298,724	\$307,686
OTHER INDIRECT COSTS					
<u>Overhead Expenses</u>					
Utilities					
Electricity	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138
Natural Gas	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883
Water and Sewer	\$0	\$0	\$0	\$0	\$0
Telephone	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883
Insurance	\$80,000	\$82,400	\$84,872	\$87,418	\$90,041
Repairs and Maintenance	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020
GENERAL AND ADMINISTRATIVE					
Advertising and Sales	\$20,000	\$30,900	\$31,827	\$32,782	\$33,765
Data Processing/Web Site	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883
Dues and Subscriptions	\$3,000	\$3,090	\$3,183	\$3,278	\$3,377
Equipment Rental	\$3,000	\$3,090	\$3,183	\$3,278	\$3,377
Facility Management Fee	\$70,000	\$103,000	\$106,090	\$109,273	\$112,551
Misc./Other	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255
Postage and Delivery	\$3,000	\$3,090	\$3,183	\$3,278	\$3,377
Printing	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255
Professional Fees (Accounting/Legal)	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510
Security	\$7,000	\$10,300	\$10,609	\$10,927	\$11,255
Service Agreements	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138
Special Events	\$0	\$0	\$0	\$0	\$0
Supplies	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510
Telephone	\$8,000	\$8,240	\$8,487	\$8,742	\$9,004
Training	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255
Trash Removal/Pest Control	\$7,000	\$10,300	\$10,609	\$10,927	\$11,255
Travel	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753
Uniform	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628
Vehicles	\$8,000	\$12,360	\$12,731	\$13,113	\$13,506
Total	\$250,000	\$309,000	\$318,270	\$327,818	\$337,653

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
EVENT PROFIT/LOSS:						
	<u>National Touring Concerts</u>					
Revenues						
Facility Rental		\$104,000	\$123,600	\$140,039	\$144,240	\$148,567
Facility Fee (per ticket)		52,000	60,000	66,000	66,000	66,000
Ticket Rebates		27,625	33,469	38,569	40,322	42,075
Box Office Fees		7,800	10,125	12,375	13,613	14,850
Event Services		137,748	176,218	216,405	222,897	229,584
Parking		52,000	60,000	66,000	66,000	66,000
Food and Beverage		247,000	293,550	332,592	342,570	352,847
Merchandise		130,000	154,500	175,049	180,300	185,709
Total Revenues		758,173	911,462	1,047,028	1,075,941	1,105,632
Expenses						
Event Staff						
Police		3,000	3,863	4,774	4,917	5,065
EMT		3,600	4,635	5,729	5,901	6,078
Box Office		1,536	1,978	2,444	2,518	2,593
Ushers		5,200	6,695	8,275	8,523	8,779
Ticket Takers		1,200	1,545	1,910	1,967	2,026
Security		7,800	10,043	12,413	12,785	13,168
Stagehands		18,000	23,175	28,644	29,504	30,389
Cleanup		2,800	3,605	4,456	4,589	4,727
Other		1,920	2,472	3,055	3,147	3,241
Total Event Staff		45,056	58,010	71,700	73,851	76,066
Employee Benefits	35%	15,770	20,303	25,095	25,848	26,623
Parking Expenses	15.0%	7,800	9,000	9,900	9,900	9,900
Food and Beverage Expenses	55.0%	135,850	161,453	182,926	188,413	194,066
Merchandise Expenses	90.0%	117,000	139,050	157,544	162,270	167,138
Utilities		16,000	20,600	25,462	26,225	27,012
Contract Services		10,000	12,875	15,914	16,391	16,883
Advertising and Promotion		8,000	10,300	12,731	13,113	13,506
Equipment Rental		12,000	15,450	19,096	19,669	20,259
Insurance		10,400	12,360	14,004	14,424	14,857
Other Expenses		8,000	10,300	12,731	13,113	13,506
Total Expenses		385,876	469,700	547,101	563,217	579,816
Total Net Event Profit		\$372,298	\$441,761	\$499,927	\$512,724	\$525,815
Net Profit Per Event		\$46,537	\$44,176	\$41,661	\$42,727	\$43,818

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
EVENT PROFIT/LOSS:						
	<u>Local / Regional Concerts</u>					
Revenues						
Facility Rental		\$6,000	\$9,000	\$12,000	\$12,000	\$12,000
Facility Fee (per ticket)		5,000	6,750	8,000	8,000	8,000
Ticket Rebates		3,188	4,662	5,950	6,375	6,800
Box Office Fees		1,125	1,772	2,400	2,700	3,000
Event Services		29,880	45,825	62,467	64,341	66,271
Parking		7,500	10,125	12,000	12,000	12,000
Food and Beverage		30,000	41,715	50,923	52,451	54,024
Merchandise		5,000	6,953	8,487	8,742	9,004
Total Revenues		87,693	126,801	162,227	166,608	171,099
Expenses						
Event Staff						
Police		750	1,159	1,591	1,639	1,688
EMT		900	1,391	1,910	1,967	2,026
Box Office		360	556	764	787	810
Ushers		1,000	1,545	2,122	2,185	2,251
Ticket Takers		300	464	637	656	675
Security		750	1,159	1,591	1,639	1,688
Stagehands		3,600	5,562	7,638	7,868	8,104
Cleanup		800	1,236	1,697	1,748	1,801
Other		180	278	382	393	405
Total Event Staff		8,640	13,349	18,332	18,882	19,449
Employee Benefits	35%	3,024	4,672	6,416	6,609	6,807
Parking Expenses	15%	1,125	1,519	1,800	1,800	1,800
Food and Beverage Expenses	55%	16,500	22,943	28,008	28,848	29,713
Merchandise Expenses	90.0%	4,500	6,257	7,638	7,868	8,104
Utilities		4,000	6,180	8,487	8,742	9,004
Contract Services		2,500	3,863	5,305	5,464	5,628
Advertising and Promotion		2,000	3,090	4,244	4,371	4,502
Equipment Rental		3,000	4,635	6,365	6,556	6,753
Insurance		2,000	2,781	3,395	3,497	3,602
Other Expenses		2,000	3,090	4,244	4,371	4,502
Total Expenses		49,289	72,379	94,234	97,007	99,863
Total Net Event Profit		\$38,404	\$54,423	\$67,993	\$69,601	\$71,236
Net Profit Per Event		\$19,202	\$18,141	\$16,998	\$17,400	\$17,809

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
EVENT PROFIT/LOSS:						
	<u>Festivals</u>					
Revenues						
Facility Rental		\$15,000	\$30,900	\$47,741	\$49,173	\$50,648
Facility Fee (per ticket)		10,000	20,000	30,000	30,000	30,000
Ticket Rebates		2,250	4,875	7,875	8,438	9,000
Box Office Fees		10,500	24,500	42,000	47,250	52,500
Event Services		41,183	84,838	131,075	135,007	139,057
Parking		15,000	30,000	45,000	45,000	45,000
Food and Beverage		80,000	164,800	254,616	262,254	270,122
Merchandise		10,000	20,600	31,827	32,782	33,765
Total Revenues		183,933	380,513	590,133	609,903	630,092
Expenses						
Event Staff						
Police		1,250	2,575	3,978	4,098	4,221
EMT		900	1,854	2,864	2,950	3,039
Box Office		840	1,730	2,673	2,754	2,836
Ushers		2,000	4,120	6,365	6,556	6,753
Ticket Takers		500	1,030	1,591	1,639	1,688
Security		3,000	6,180	9,548	9,835	10,130
Stagehands		4,500	9,270	14,322	14,752	15,194
Cleanup		1,600	3,296	5,092	5,245	5,402
Staff Managers		180	371	573	590	608
Total Event Staff		14,770	30,426	47,008	48,419	49,871
Employee Benefits	35%	5,170	10,649	16,453	16,947	17,455
Parking Expenses	15%	2,250	4,500	6,750	6,750	6,750
Food and Beverage Expenses	55%	44,000	90,640	140,039	144,240	148,567
Merchandise Expenses	90.0%	9,000	18,540	28,644	29,504	30,389
Utilities		4,000	8,240	12,731	13,113	13,506
Contract Services		2,500	5,150	7,957	8,195	8,441
Advertising and Promotion		2,000	4,120	6,365	6,556	6,753
Equipment Rental		3,000	6,180	9,548	9,835	10,130
Insurance		4,000	8,240	12,731	13,113	13,506
Other Expenses		2,000	4,120	6,365	6,556	6,753
Total Expenses		92,690	190,805	294,592	303,227	312,121
Total Net Event Profit		\$91,244	\$189,708	\$295,541	\$306,676	\$317,971
Net Profit Per Event		\$45,622	\$47,427	\$49,257	\$51,113	\$52,995

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
EVENT PROFIT/LOSS:						
<u>Revenues</u>						
Facility Rental		\$6,000	\$9,000	\$12,000	\$12,000	\$12,000
Facility Fee (per ticket)		3,000	4,500	6,000	6,000	6,000
Ticket Rebates		1,913	3,108	4,463	4,781	5,100
Box Office Fees		675	1,181	1,800	2,025	2,250
Event Services		26,565	41,043	56,366	58,057	59,798
Parking		4,500	6,750	9,000	9,000	9,000
Food and Beverage		15,000	23,175	31,827	32,782	33,765
Merchandise		3,000	4,635	6,365	6,556	6,753
Total Revenues		60,653	93,392	127,821	131,201	134,667
<u>Expenses</u>						
Event Staff						
Police		500	773	1,061	1,093	1,126
EMT		900	1,391	1,910	1,967	2,026
Box Office		240	371	509	525	540
Ushers		600	927	1,273	1,311	1,351
Ticket Takers		200	309	424	437	450
Security		900	1,391	1,910	1,967	2,026
Stagehands		3,000	4,635	6,365	6,556	6,753
Cleanup		480	742	1,018	1,049	1,080
Staff Managers		180	278	382	393	405
Total Event Staff		7,000	10,815	14,853	15,298	15,757
Employee Benefits	35%	2,450	3,785	5,198	5,354	5,515
Parking Expenses	15%	675	1,013	1,350	1,350	1,350
Food and Beverage Expenses	55%	8,250	12,746	17,505	18,030	18,571
Merchandise Expenses	90.0%	2,700	4,172	5,729	5,901	6,078
Utilities		4,000	6,180	8,487	8,742	9,004
Contract Services		2,500	3,863	5,305	5,464	5,628
Advertising and Promotion		2,000	3,090	4,244	4,371	4,502
Equipment Rental		3,000	4,635	6,365	6,556	6,753
Insurance		1,200	1,854	2,546	2,623	2,701
Other Expenses		2,000	3,090	4,244	4,371	4,502
Total Expenses		35,775	55,242	75,825	78,059	80,361
Total Net Event Profit		\$24,878	\$38,150	\$51,995	\$53,142	\$54,306
Net Profit Per Event		\$12,439	\$12,717	\$12,999	\$13,285	\$13,576

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
EVENT PROFIT/LOSS:						
<u>Revenues</u>						
Facility Rental		\$10,000	\$15,000	\$20,000	\$20,000	\$20,000
Facility Fee (per ticket)		0	0	0	0	0
Ticket Rebates		0	0	0	0	0
Box Office Fees		0	0	0	0	0
Event Services		0	0	0	0	0
Parking		0	0	0	0	0
Food and Beverage		6,000	9,270	12,731	13,113	13,506
Merchandise		0	0	0	0	0
Total Revenues		16,000	24,270	32,731	33,113	33,506
<u>Expenses</u>						
Event Staff						
Police		500	773	1,061	1,093	1,126
EMT		900	1,391	1,910	1,967	2,026
Box Office		0	0	0	0	0
Ushers		0	0	0	0	0
Ticket Takers		0	0	0	0	0
Security		600	927	1,273	1,311	1,351
Stagehands		0	0	0	0	0
Cleanup		640	989	1,358	1,399	1,441
Staff Managers		0	0	0	0	0
Total Event Staff		1,240	1,916	2,631	2,710	2,791
Employee Benefits	35%	434	671	921	948	977
Parking Expenses	15%	0	0	0	0	0
Food and Beverage Expenses	55%	3,300	5,099	7,002	7,212	7,428
Merchandise Expenses	90.0%	0	0	0	0	0
Utilities		0	0	0	0	0
Contract Services		0	0	0	0	0
Advertising and Promotion		0	0	0	0	0
Equipment Rental		0	0	0	0	0
Insurance		0	0	0	0	0
Other Expenses		0	0	0	0	0
Total Expenses		4,974	7,685	10,554	10,870	11,197
Total Net Event Profit		\$11,026	\$16,585	\$22,177	\$22,242	\$22,310
Net Profit Per Event		\$2,757	\$2,764	\$2,772	\$2,780	\$2,789

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
FINANCIAL PRO FORMA					
TOTAL EVENTS	18	26	34	34	34
TOTAL PAID ATTENDANCE	48,000	67,250	85,000	85,000	85,000
TOTAL TURNSTILE ATTENDANCE	48,000	67,250	85,000	85,000	85,000
REVENUES					
Facility Rental	\$141,000	\$187,500	\$231,779	\$237,413	\$243,215
Facility Fee (per ticket)	\$70,000	\$91,250	\$110,000	\$110,000	\$110,000
Ticket Rebates	\$34,975	\$46,113	\$56,856	\$59,916	\$62,975
Box Office Fee	\$20,100	\$37,578	\$58,575	\$65,588	\$72,600
Event Services	\$235,377	\$347,924	\$466,312	\$480,301	\$494,710
Parking	\$79,000	\$106,875	\$132,000	\$132,000	\$132,000
Food and Beverage	\$378,000	\$532,510	\$682,689	\$703,170	\$724,265
Merchandise	\$148,000	\$186,688	\$221,728	\$228,380	\$235,231
Box Seats	44,800	65,920	88,267	90,915	93,642
Sponsorships	240,000	247,200	254,616	262,254	270,122
Other	15,000	\$15,450	\$15,914	\$16,391	\$16,883
TOTAL REVENUES	1,406,252	1,865,008	2,318,736	2,386,327	2,455,643
EXPENSES					
Direct Costs:					
Food and Beverage	207,900	292,881	375,479	386,743	398,346
Merchandise	133,200	168,019	199,555	205,542	211,708
Box Seats	29,120	42,176	55,600	56,394	57,213
Parking Expenses	11,850	16,031	19,800	19,800	19,800
Event Marketing	50,000	\$51,500	\$53,045	\$54,636	\$56,275
Event Expenses	215,653	318,881	427,472	440,296	453,505
Total Direct Costs	647,723	889,487	1,130,951	1,163,412	1,196,847
Indirect Costs:					
Salaries & Wages	\$273,375	\$281,576	\$290,024	\$298,724	\$307,686
General and Administrative	250,000	309,000	318,270	327,818	337,653
Utilities	55,000	56,650	58,350	60,100	61,903
Insurance	80,000	82,400	84,872	87,418	90,041
Repairs and Maintenance	40,000	41,200	42,436	43,709	45,020
Capital Reserve	180,000	\$185,400	\$190,962	\$196,691	\$202,592
Total Indirect Costs	878,375	956,226	984,913	1,014,460	1,044,894
TOTAL EXPENSES	\$1,526,098	\$1,845,714	\$2,115,864	\$2,177,872	\$2,241,741
EBITDA	(\$119,846)	\$19,294	\$202,872	\$208,455	\$213,903
MARGIN	-8.5%	1.0%	8.7%	8.7%	8.7%

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
TOTAL EVENTS					
National Touring Concerts	8	10	12	12	12
Local / Regional Concerts	2	3	4	4	4
Festivals	2	4	6	6	6
Other Ticketed Events	2	3	4	4	4
Private Rentals	4	6	8	8	8
Total	18	26	34	34	34
ANNUAL PAID ATTENDANCE					
National Touring Concerts	26,000	30,000	33,000	33,000	33,000
Local / Regional Concerts	5,000	6,750	8,000	8,000	8,000
Festivals	10,000	20,000	30,000	30,000	30,000
Other Ticketed Events	3,000	4,500	6,000	6,000	6,000
Private Rentals	4,000	6,000	8,000	8,000	8,000
Total	48,000	67,250	85,000	85,000	85,000
ANNUAL ACTUAL ATTENDANCE					
National Touring Concerts	26,000	30,000	33,000	33,000	33,000
Local / Regional Concerts	5,000	6,750	8,000	8,000	8,000
Festivals	10,000	20,000	30,000	30,000	30,000
Other Ticketed Events	3,000	4,500	6,000	6,000	6,000
Private Rentals	4,000	6,000	8,000	8,000	8,000
Total	48,000	67,250	85,000	85,000	85,000
PERCENTAGE OF ATTENDEES FROM HUBER HEIGHTS					
National Touring Concerts	5%	5%	5%	5%	5%
Local / Regional Concerts	10%	10%	10%	10%	10%
Festivals	10%	10%	10%	10%	10%
Other Ticketed Events	10%	10%	10%	10%	10%
Private Rentals	20%	20%	20%	20%	20%
PERCENTAGE OF ATTENDEES FROM OUTSIDE HUBER HEIGHTS					
Daytripper					
National Touring Concerts	92%	92%	92%	92%	92%
Local / Regional Concerts	87%	87%	87%	87%	87%
Festivals	87%	87%	87%	87%	87%
Other Ticketed Events	87%	87%	87%	87%	87%
Private Rentals	79%	79%	79%	79%	79%
Overnighter					
National Touring Concerts	3%	3%	3%	3%	3%
Local / Regional Concerts	3%	3%	3%	3%	3%
Festivals	3%	3%	3%	3%	3%
Other Ticketed Events	3%	3%	3%	3%	3%
Private Rentals	2%	2%	2%	2%	2%
ANNUAL ATTENDEES FROM HUBER HEIGHTS					
National Touring Concerts	1,300	1,500	1,650	1,650	1,650
Local / Regional Concerts	500	675	800	800	800
Festivals	1,000	2,000	3,000	3,000	3,000
Other Ticketed Events	300	450	600	600	600
Private Rentals	800	1,200	1,600	1,600	1,600
Total	3,900	5,825	7,650	7,650	7,650
ANNUAL ATTENDEES FROM OUTSIDE HUBER HEIGHTS					
Daytrippers					
National Touring Concerts	23,920	27,600	30,360	30,360	30,360
Local / Regional Concerts	4,350	5,873	6,960	6,960	6,960
Festivals	8,700	17,400	26,100	26,100	26,100
Other Ticketed Events	2,610	3,915	5,220	5,220	5,220
Private Rentals	3,140	4,710	6,280	6,280	6,280
Total	42,720	59,498	74,920	74,920	74,920
Overnighters					

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
National Touring Concerts	780	900	990	990	990
Local / Regional Concerts	150	203	240	240	240
Festivals	300	600	900	900	900
Other Ticketed Events	90	135	180	180	180
Private Rentals	60	90	120	120	120
Total	1,380	1,928	2,430	2,430	2,430
PERCENTAGE OF ATTENDEES FROM MONTGOMERY COUNTY					
National Touring Concerts	50%	50%	50%	50%	50%
Local / Regional Concerts	60%	60%	60%	60%	60%
Festivals	60%	60%	60%	60%	60%
Other Ticketed Events	60%	60%	60%	60%	60%
Private Rentals	70%	70%	70%	70%	70%
PERCENTAGE OF ATTENDEES FROM OUTSIDE MONTGOMERY COUNTY					
Daytrippers					
National Touring Concerts	47%	47%	47%	47%	47%
Local / Regional Concerts	37%	37%	37%	37%	37%
Festivals	37%	37%	37%	37%	37%
Other Ticketed Events	37%	37%	37%	37%	37%
Private Rentals	29%	29%	29%	29%	29%
Overnighters					
National Touring Concerts	3%	3%	3%	3%	3%
Local / Regional Concerts	3%	3%	3%	3%	3%
Festivals	3%	3%	3%	3%	3%
Other Ticketed Events	3%	3%	3%	3%	3%
Private Rentals	2%	2%	2%	2%	2%
ANNUAL ATTENDEES FROM MONTGOMERY COUNTY					
National Touring Concerts	13,000	15,000	16,500	16,500	16,500
Local / Regional Concerts	3,000	4,050	4,800	4,800	4,800
Festivals	6,000	12,000	18,000	18,000	18,000
Other Ticketed Events	1,800	2,700	3,600	3,600	3,600
Private Rentals	2,800	4,200	5,600	5,600	5,600
Total	26,600	37,950	48,500	48,500	48,500
ANNUAL ATTENDEES FROM OUTSIDE MONTGOMERY COUNTY					
Daytrippers					
National Touring Concerts	12,220	14,100	15,510	15,510	15,510
Local / Regional Concerts	1,850	2,498	2,960	2,960	2,960
Festivals	3,700	7,400	11,100	11,100	11,100
Other Ticketed Events	1,110	1,665	2,220	2,220	2,220
Private Rentals	1,140	1,710	2,280	2,280	2,280
Total	20,020	27,373	34,070	34,070	34,070
Overnighters					
National Touring Concerts	780	900	990	990	990
Local / Regional Concerts	150	203	240	240	240
Festivals	300	600	900	900	900
Other Ticketed Events	90	135	180	180	180
Private Rentals	60	90	120	120	120
Total	1,380	1,928	2,430	2,430	2,430
PERCENTAGE OF ATTENDEES FROM STATE OF OHIO					
National Touring Concerts	90%	90%	90%	90%	90%
Local / Regional Concerts	90%	90%	90%	90%	90%
Festivals	90%	90%	90%	90%	90%
Other Ticketed Events	95%	95%	95%	95%	95%
Private Rentals	95%	95%	95%	95%	95%

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
PERCENTAGE OF ATTENDEES FROM OUTSIDE STATE OF OHIO					
Daytrippers:					
National Touring Concerts	9%	9%	9%	9%	9%
Local / Regional Concerts	9%	9%	9%	9%	9%
Festivals	9%	9%	9%	9%	9%
Other Ticketed Events	4%	4%	4%	4%	4%
Private Rentals	4%	4%	4%	4%	4%
Overnighters:					
National Touring Concerts	2%	2%	2%	2%	2%
Local / Regional Concerts	2%	2%	2%	2%	2%
Festivals	2%	2%	2%	2%	2%
Other Ticketed Events	2%	2%	2%	2%	2%
Private Rentals	1%	1%	1%	1%	1%
ANNUAL ATTENDEES FROM STATE OF OHIO					
National Touring Concerts	23,400	27,000	29,700	29,700	29,700
Local / Regional Concerts	4,500	6,075	7,200	7,200	7,200
Festivals	9,000	18,000	27,000	27,000	27,000
Other Ticketed Events	2,850	4,275	5,700	5,700	5,700
Private Rentals	3,800	5,700	7,600	7,600	7,600
Total	43,550	61,050	77,200	77,200	77,200
ANNUAL ATTENDEES FROM OUTSIDE STATE OF OHIO					
Daytrippers					
National Touring Concerts	2,210	2,550	2,805	2,805	2,805
Local / Regional Concerts	425	574	680	680	680
Festivals	850	1,700	2,550	2,550	2,550
Other Ticketed Events	105	158	210	210	210
Private Rentals	170	255	340	340	340
Total	3,760	5,236	6,585	6,585	6,585
Overnighters					
National Touring Concerts	390	450	495	495	495
Local / Regional Concerts	75	101	120	120	120
Festivals	150	300	450	450	450
Other Ticketed Events	45	68	90	90	90
Private Rentals	30	45	60	60	60
Total	690	964	1,215	1,215	1,215
Average Length of Stay	1.5	1.5	1.5	1.5	1.5
Percentage of New Spending Captured in Huber Heights	70%	70%	70%	70%	70%
Percentage of New Spending Captured in Montgomery County	90%	90%	90%	90%	90%
Percentage of New Spending Captured in State of Ohio	100%	100%	100%	100%	100%

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
OUT-OF-FACILITY DAILY PER CAPITA SPENDING					
Local Spending:					
Hotels	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Restaurants/Bars	\$5.00	\$5.15	\$5.30	\$5.46	\$5.63
Retail	\$2.50	\$2.58	\$2.65	\$2.73	\$2.81
Transit	\$1.50	\$1.55	\$1.59	\$1.64	\$1.69
Other	\$1.00	\$1.03	\$1.06	\$1.09	\$1.13
Total	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26
Visitor - Daytripper:					
Hotels	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Restaurants/Bars	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26
Retail	\$5.00	\$5.15	\$5.30	\$5.46	\$5.63
Transit	\$3.00	\$3.09	\$3.18	\$3.28	\$3.38
Other	\$2.00	\$2.06	\$2.12	\$2.19	\$2.25
Total	\$20.00	\$20.60	\$21.22	\$21.85	\$22.51
Visitor - Overnighter					
Hotels	\$30.00	\$30.90	\$31.83	\$32.78	\$33.77
Restaurants/Bars	\$20.00	\$20.60	\$21.22	\$21.85	\$22.51
Retail	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26
Transit	\$5.00	\$5.15	\$5.30	\$5.46	\$5.63
Other	\$15.00	\$15.45	\$15.91	\$16.39	\$16.88
Total	\$80.00	\$82.40	\$84.87	\$87.42	\$90.04
GROSS DIRECT SPENDING					
<u>In-Facility</u>					
Tickets	\$1,240,015	\$1,614,540	\$1,962,681	\$2,021,561	\$2,082,208
Facility Fee	\$70,000	\$91,250	\$110,000	\$110,000	\$110,000
Ticket Rebates	\$139,900	\$184,453	\$227,425	\$239,663	\$251,900
Box Office Fees	\$20,100	\$37,578	\$58,575	\$65,588	\$72,600
Food & Beverage	\$378,000	\$532,510	\$682,689	\$703,170	\$724,265
Merchandise	\$148,000	\$186,688	\$221,728	\$228,380	\$235,231
Parking	\$79,000	\$106,875	\$132,000	\$132,000	\$132,000
Premium Seats	15,680	23,744	32,667	34,520	36,430
Sponsorships	300,000	309,000	318,270	327,818	337,653
Other	15,000	15,450	15,914	16,391	16,883
Event Services	\$235,377	\$347,924	\$466,312	\$480,301	\$494,710
Total	\$2,641,072	\$3,450,012	\$4,228,260	\$4,359,391	\$4,493,879
<u>Out-of-Facility</u>					
Hotels	\$62,100	\$89,340	\$116,009	\$119,490	\$123,074
Restaurants/Bars	\$488,100	\$702,383	\$912,745	\$940,128	\$968,332
Retail	\$244,050	\$351,191	\$456,373	\$470,064	\$484,166
Transit	\$144,360	\$207,737	\$269,957	\$278,055	\$286,397
Other	\$120,390	\$173,234	\$225,086	\$231,838	\$238,794
Total	\$1,059,000	\$1,523,885	\$1,980,170	\$2,039,575	\$2,100,762
TOTAL GROSS SPENDING	\$3,700,072	\$4,973,897	\$6,208,430	\$6,398,966	\$6,594,642

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
GROSS INDIRECT & INDUCED SPENDING						
<u>In-Facility</u>						
Tickets	0.646	\$800,925	\$1,042,830	\$1,267,694	\$1,305,725	\$1,344,896
Facility Fee	0.646	\$45,213	\$58,938	\$71,049	\$71,049	\$71,049
Ticket Rebates	0.646	\$90,361	\$119,138	\$146,894	\$154,798	\$162,702
Box Office Fees	0.646	\$12,983	\$24,272	\$37,834	\$42,363	\$46,892
Food & Beverage	0.520	\$196,667	\$277,056	\$355,192	\$365,848	\$376,823
Merchandise	0.473	\$70,048	\$88,359	\$104,944	\$108,092	\$111,335
Parking	0.527	\$41,664	\$56,364	\$69,615	\$69,615	\$69,615
Premium Seats	0.646	\$10,128	\$15,336	\$21,099	\$22,297	\$23,530
Sponsorships	0.646	\$193,770	\$199,583	\$205,570	\$211,737	\$218,090
Other	0.646	\$9,688	\$9,979	\$10,279	\$10,587	\$10,904
Event Services	0.646	\$152,030	\$224,724	\$301,190	\$310,226	\$319,533
Total		\$1,623,476	\$2,116,580	\$2,591,359	\$2,672,336	\$2,755,369
<u>Out-of-Facility</u>						
Hotels	0.633	\$39,331	\$56,584	\$73,475	\$75,680	\$77,950
Restaurants/Bars	0.520	\$253,950	\$365,438	\$474,886	\$489,133	\$503,807
Retail	0.473	\$115,509	\$166,219	\$216,001	\$222,481	\$229,155
Transit	0.527	\$76,133	\$109,558	\$142,371	\$146,643	\$151,042
Other	0.705	\$84,881	\$122,138	\$158,696	\$163,457	\$168,361
Total		\$569,805	\$819,937	\$1,065,430	\$1,097,393	\$1,130,315
TOTAL GROSS INDIRECT & INDUCED SPENDING		\$2,193,281	\$2,936,517	\$3,656,789	\$3,769,729	\$3,885,684
GROSS TOTAL OUTPUT						
<u>In-Facility</u>						
Tickets	1.646	\$2,040,940	\$2,657,371	\$3,230,375	\$3,327,286	\$3,427,105
Facility Fee	1.646	\$115,213	\$150,188	\$181,049	\$181,049	\$181,049
Ticket Rebates	1.646	\$230,261	\$303,591	\$374,319	\$394,460	\$414,602
Box Office Fees	1.646	\$33,083	\$61,850	\$96,409	\$107,950	\$119,492
Food & Beverage	1.520	\$574,667	\$809,566	\$1,037,881	\$1,069,018	\$1,101,088
Merchandise	1.473	\$218,048	\$275,047	\$326,672	\$336,472	\$346,566
Parking	1.527	\$120,664	\$163,239	\$201,615	\$201,615	\$201,615
Premium Seats	1.646	\$25,808	\$39,080	\$53,766	\$56,817	\$59,960
Sponsorships	1.646	\$493,770	\$508,583	\$523,840	\$539,556	\$555,742
Other	1.646	\$24,688	\$25,429	\$26,192	\$26,978	\$27,787
Event Services	1.646	\$387,407	\$572,648	\$767,502	\$790,527	\$814,243
Total		\$4,264,548	\$5,566,592	\$6,819,619	\$7,031,728	\$7,249,249
<u>Out-of-Facility</u>						
Hotels	1.633	\$101,431	\$145,924	\$189,485	\$195,169	\$201,024
Restaurants/Bars	1.520	\$742,050	\$1,067,821	\$1,387,632	\$1,429,261	\$1,472,139
Retail	1.473	\$359,559	\$517,410	\$672,373	\$692,545	\$713,321
Transit	1.527	\$220,493	\$317,294	\$412,328	\$424,698	\$437,439
Other	1.705	\$205,271	\$295,373	\$383,782	\$395,295	\$407,154
Total		\$1,628,805	\$2,343,822	\$3,045,600	\$3,136,968	\$3,231,077
TOTAL GROSS OUTPUT		\$5,893,353	\$7,910,414	\$9,865,219	\$10,168,696	\$10,480,326

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
GROSS DIRECT EMPLOYMENT:						
<u>In-Facility</u>						
Tickets	34.682	42	53	62	62	62
Facility Fee	34.682	2	3	3	3	3
Ticket Rebates	34.682	5	6	7	7	8
Box Office Fees	34.682	1	1	2	2	2
Food & Beverage	19.3777	7	10	12	12	12
Merchandise	21.5616	3	4	4	4	4
Parking	20.8420	2	2	3	2	2
Premium Seats	34.682	1	1	1	1	1
Sponsorships	34.682	10	10	10	10	10
Other	34.682	1	1	1	1	1
Event Services	34.682	8	11	15	15	15
Total		80	101	120	120	121
<u>Out-of-Facility</u>						
Hotels	10.6534	1	1	1	1	1
Restaurants/Bars	19.3777	9	13	16	16	16
Retail	21.5616	5	7	9	9	9
Transit	20.8420	3	4	5	5	5
Other	10.2231	1	2	2	2	2
Total		19	27	34	34	34
TOTAL GROSS DIRECT EMPLOYMENT		99	128	154	154	154
GROSS INDIRECT & INDUCED EMPLOYMENT						
<u>In-Facility</u>						
Tickets	6.112	7	9	11	11	11
Facility Fee	6.112	0	1	1	1	1
Ticket Rebates	6.112	1	1	1	1	1
Box Office Fees	6.112	0	0	0	0	0
Food & Beverage	4.218	2	2	3	3	3
Merchandise	4.067	1	1	1	1	1
Parking	4.516	0	0	1	1	1
Premium Seats	6.112	0	0	0	0	0
Sponsorships	6.112	2	2	2	2	2
Other	6.112	0	0	0	0	0
Event Services	6.112	1	2	3	3	3
Total		15	18	22	22	22
<u>Out-of-Facility</u>						
Hotels	5.513	0	0	1	1	1
Restaurants/Bars	4.218	2	3	4	4	4
Retail	4.067	1	1	2	2	2
Transit	4.516	1	1	1	1	1
Other	6.594	1	1	1	1	1
Total		5	7	8	8	8
TOTAL GROSS INDIRECT & INDUCED EMPLOYMENT		19	25	30	30	30

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
GROSS TOTAL EMPLOYMENT						
<u>In-Facility</u>						
Tickets	40.794	49	62	73	73	73
Facility Fee	40.794	3	4	4	4	4
Ticket Rebates	40.794	6	7	8	9	9
Box Office Fees	40.794	1	1	2	2	3
Food & Beverage	23.596	9	12	15	15	15
Merchandise	25.629	4	5	5	5	5
Parking	25.358	2	3	3	3	3
Premium Seats	40.794	1	1	1	1	1
Sponsorships	40.794	12	12	12	12	12
Other	40.794	1	1	1	1	1
Event Services	40.794	9	13	17	17	17
Total		95	120	142	142	143
<u>Out-of-Facility</u>						
Hotels	16.167	1	1	2	2	2
Restaurants/Bars	23.596	11	16	20	20	20
Retail	25.629	6	8	11	11	11
Transit	25.358	4	5	6	6	6
Other	16.817	2	3	3	3	3
Total		24	33	42	42	42
TOTAL GROSS EMPLOYMENT		119	153	184	184	184
GROSS DIRECT EARNINGS						
<u>In-Facility</u>						
Tickets	0.436	\$540,185	\$703,339	\$854,999	\$880,648	\$907,068
Facility Fee	0.436	\$30,494	\$39,751	\$47,919	\$47,919	\$47,919
Ticket Rebates	0.436	\$60,944	\$80,353	\$99,073	\$104,404	\$109,735
Box Office Fees	0.436	\$8,756	\$16,370	\$25,517	\$28,572	\$31,627
Food & Beverage	0.3395	\$128,312	\$180,761	\$231,739	\$238,691	\$245,852
Merchandise	0.4579	\$67,769	\$85,484	\$101,529	\$104,575	\$107,712
Parking	0.5493	\$43,391	\$58,702	\$72,502	\$72,502	\$72,502
Premium Seats	0.436	\$6,831	\$10,344	\$14,231	\$15,038	\$15,870
Sponsorships	0.436	\$130,688	\$134,609	\$138,647	\$142,807	\$147,091
Other	0.436	\$6,534	\$6,730	\$6,932	\$7,140	\$7,355
Event Services	0.436	\$102,537	\$151,565	\$203,138	\$209,232	\$215,509
Total		\$1,126,442	\$1,468,007	\$1,796,225	\$1,851,528	\$1,908,238
<u>Out-of-Facility</u>						
Hotels	0.2483	\$15,417	\$22,179	\$28,800	\$29,664	\$30,554
Restaurants/Bars	0.3395	\$165,686	\$238,424	\$309,831	\$319,126	\$328,700
Retail	0.4579	\$111,750	\$160,810	\$208,972	\$215,241	\$221,698
Transit	0.5493	\$79,291	\$114,101	\$148,275	\$152,724	\$157,305
Other	0.4221	\$50,817	\$73,123	\$95,010	\$97,860	\$100,796
Total		\$422,960	\$608,636	\$790,888	\$814,615	\$839,054
TOTAL GROSS DIRECT EARNINGS		\$1,549,402	\$2,076,644	\$2,587,114	\$2,666,143	\$2,747,292

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
GROSS INDIRECT & INDUCED EARNINGS						
<u>In-Facility</u>						
Tickets	0.236	\$292,613	\$380,991	\$463,144	\$477,038	\$491,349
Facility Fee	0.236	\$16,518	\$21,533	\$25,957	\$25,957	\$25,957
Ticket Rebates	0.236	\$33,013	\$43,526	\$53,667	\$56,554	\$59,442
Box Office Fees	0.236	\$4,743	\$8,868	\$13,822	\$15,477	\$17,132
Food & Beverage	0.174	\$65,725	\$92,591	\$118,703	\$122,264	\$125,932
Merchandise	0.159	\$23,594	\$29,761	\$35,347	\$36,407	\$37,500
Parking	0.182	\$14,407	\$19,490	\$24,072	\$24,072	\$24,072
Premium Seats	0.236	\$3,700	\$5,603	\$7,709	\$8,146	\$8,596
Sponsorships	0.236	\$70,793	\$72,916	\$75,104	\$77,357	\$79,678
Other	0.236	\$3,540	\$3,646	\$3,755	\$3,868	\$3,984
Event Services	0.236	\$55,543	\$82,101	\$110,038	\$113,339	\$116,739
Total		\$584,188	\$761,026	\$931,318	\$960,481	\$990,382
<u>Out-of-Facility</u>						
Hotels	0.232	\$14,388	\$20,700	\$26,879	\$27,686	\$28,516
Restaurants/Bars	0.174	\$84,869	\$122,127	\$158,704	\$163,465	\$168,369
Retail	0.159	\$38,906	\$55,986	\$72,753	\$74,936	\$77,184
Transit	0.182	\$26,326	\$37,884	\$49,231	\$50,708	\$52,229
Other	0.251	\$30,248	\$43,524	\$56,552	\$58,249	\$59,996
Total		\$194,737	\$280,221	\$364,120	\$375,043	\$386,295
TOTAL GROSS INDIRECT & INDUCED EARNINGS		\$778,925	\$1,041,248	\$1,295,438	\$1,335,524	\$1,376,676
GROSS TOTAL EARNINGS						
<u>In-Facility</u>						
Tickets	0.672	\$832,798	\$1,084,330	\$1,318,142	\$1,357,687	\$1,398,417
Facility Fee	0.672	\$47,012	\$61,284	\$73,876	\$73,876	\$73,876
Ticket Rebates	0.672	\$93,957	\$123,879	\$152,739	\$160,958	\$169,177
Box Office Fees	0.672	\$13,499	\$25,238	\$39,339	\$44,049	\$48,758
Food & Beverage	0.513	\$194,037	\$273,351	\$350,442	\$360,955	\$371,784
Merchandise	0.617	\$91,362	\$115,245	\$136,876	\$140,982	\$145,212
Parking	0.732	\$57,798	\$78,192	\$96,574	\$96,574	\$96,574
Premium Seats	0.672	\$10,531	\$15,947	\$21,939	\$23,184	\$24,466
Sponsorships	0.672	\$201,481	\$207,525	\$213,751	\$220,164	\$226,769
Other	0.672	\$10,074	\$10,376	\$10,688	\$11,008	\$11,338
Event Services	0.672	\$158,080	\$233,667	\$313,176	\$322,572	\$332,249
Total		\$1,710,630	\$2,229,034	\$2,727,543	\$2,812,009	\$2,898,620
<u>Out-of-Facility</u>						
Hotels	0.480	\$29,805	\$42,879	\$55,679	\$57,350	\$59,070
Restaurants/Bars	0.513	\$250,554	\$360,551	\$468,536	\$482,592	\$497,069
Retail	0.617	\$150,655	\$216,795	\$281,725	\$290,177	\$298,882
Transit	0.732	\$105,617	\$151,985	\$197,506	\$203,432	\$209,535
Other	0.673	\$81,065	\$116,648	\$151,562	\$156,109	\$160,792
Total		\$617,697	\$888,858	\$1,155,008	\$1,189,658	\$1,225,348
TOTAL GROSS EARNINGS		\$2,328,326	\$3,117,892	\$3,882,551	\$4,001,667	\$4,123,968

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
GROSS SALES TAX REVENUES					
Gross Taxable Sales					
Tickets	\$1,240,015	\$1,614,540	\$1,962,681	\$2,021,561	\$2,082,208
Concessions	\$378,000	\$532,510	\$682,689	\$703,170	\$724,265
Merchandise	\$148,000	\$186,688	\$221,728	\$228,380	\$235,231
Hotel	\$62,100	\$89,340	\$116,009	\$119,490	\$123,074
Restaurant	\$488,100	\$702,383	\$912,745	\$940,128	\$968,332
Retail	\$244,050	\$351,191	\$456,373	\$470,064	\$484,166
Total Direct Taxable Spending	\$2,560,265	\$3,476,652	\$4,352,226	\$4,482,792	\$4,617,276
Indirect Taxable Sales					
Indirect & Induced Spending	\$2,193,281	\$2,936,517	\$3,656,789	\$3,769,729	\$3,885,684
Percentage Taxable	30%	30%	30%	30%	30%
Total Indirect & Induced Taxable Spending	\$657,984	\$880,955	\$1,097,037	\$1,130,919	\$1,165,705
Total Taxable Sales	\$3,218,249	\$4,357,607	\$5,449,262	\$5,613,711	\$5,782,981
Total Sales Tax Rate	7.0%	7.0%	7.0%	7.0%	7.0%
Estimated Net New Income Tax Revenue	\$225,277	\$305,032	\$381,448	\$392,960	\$404,809
GROSS INCOME TAX REVENUES					
Gross Earnings:					
Direct	\$1,549,402	\$2,076,644	\$2,587,114	\$2,666,143	\$2,747,292
Indirect & Induced	\$778,925	\$1,041,248	\$1,295,438	\$1,335,524	\$1,376,676
Total	\$2,328,326	\$3,117,892	\$3,882,551	\$4,001,667	\$4,123,968
Percentage Earned					
Direct	100%	100%	100%	100%	100%
Indirect & Induced	100%	100%	100%	100%	100%
Gross Earnings Earned in Huber Heights					
Direct	\$1,549,402	\$2,076,644	\$2,587,114	\$2,666,143	\$2,747,292
Indirect & Induced	\$778,925	\$1,041,248	\$1,295,438	\$1,335,524	\$1,376,676
Total	\$2,328,326	\$3,117,892	\$3,882,551	\$4,001,667	\$4,123,968
Total Income Tax Rate	5.96%	5.96%	5.96%	5.96%	5.96%
Estimated Gross Income Tax Revenue	\$138,768	\$185,826	\$231,400	\$238,499	\$245,789
GROSS HOTEL/MOTEL TAX REVENUE					
Total Hotel Room Spending	\$62,100	\$89,340	\$116,009	\$119,490	\$123,074
Percentage Room Nights in Huber Heights	100%	100%	100%	100%	100%
Total Hotel Room Spending in Huber Heights	\$62,100	\$89,340	\$116,009	\$119,490	\$123,074
City Hotel/Motel Tax Rate	13%	13%	13%	13%	13%
Estimated Gross Income Tax Revenue	\$8,073	\$11,614	\$15,081	\$15,534	\$16,000

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
NET NEW DIRECT SPENDING: HUBER HEIGHTS					
<u>In-Facility</u>					
Tickets	\$1,139,264	\$1,474,694	\$1,786,040	\$1,839,621	\$1,894,809
Facility Fee	\$64,313	\$83,346	\$100,100	\$100,100	\$100,100
Ticket Rebates	\$128,533	\$168,476	\$206,957	\$218,093	\$229,229
Box Office Fees	\$18,467	\$34,323	\$53,303	\$59,685	\$66,066
Food & Beverage	\$347,288	\$486,386	\$621,247	\$639,885	\$659,081
Merchandise	\$135,975	\$170,517	\$201,773	\$207,826	\$214,061
Parking	\$72,581	\$97,618	\$120,120	\$120,120	\$120,120
Premium Seats	\$14,406	\$21,687	\$29,727	\$31,414	\$33,151
Sponsorships	\$275,625	\$282,235	\$289,626	\$298,314	\$307,264
Other	\$13,781	\$14,112	\$14,481	\$14,916	\$15,363
Event Services	\$216,253	\$317,788	\$424,344	\$437,074	\$450,186
Total	\$2,426,485	\$3,151,182	\$3,847,717	\$3,967,046	\$4,089,430
<u>Out-of-Facility</u>					
Hotels	\$43,470	\$62,538	\$81,207	\$83,643	\$86,152
Restaurants/Bars	\$477,540	\$685,157	\$888,705	\$915,366	\$942,827
Retail	\$224,280	\$321,733	\$417,284	\$429,802	\$442,696
Transit	\$134,568	\$193,040	\$250,370	\$257,881	\$265,618
Other	\$89,723	\$128,704	\$166,925	\$171,932	\$177,090
Total	\$969,581	\$1,391,171	\$1,804,491	\$1,858,625	\$1,914,384
TOTAL NET NEW DIRECT SPENDING	\$3,396,065	\$4,542,353	\$5,652,207	\$5,825,672	\$6,003,814

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
NET NEW INDIRECT & INDUCED SPENDING: HUBER HEIGHTS						
<u>In-Facility</u>						
Tickets	0.646	\$735,850	\$952,503	\$1,153,601	\$1,188,210	\$1,223,856
Facility Fee	0.646	\$41,539	\$53,833	\$64,655	\$64,655	\$64,655
Ticket Rebates	0.646	\$83,019	\$108,819	\$133,673	\$140,866	\$148,059
Box Office Fees	0.646	\$11,928	\$22,169	\$34,429	\$38,550	\$42,672
Food & Beverage	0.520	\$180,688	\$253,058	\$323,225	\$332,921	\$342,909
Merchandise	0.473	\$64,357	\$80,706	\$95,499	\$98,364	\$101,315
Parking	0.527	\$38,278	\$51,482	\$63,350	\$63,350	\$63,350
Premium Seats	0.646	\$9,305	\$14,008	\$19,201	\$20,290	\$21,412
Sponsorships	0.646	\$178,026	\$182,296	\$187,069	\$192,681	\$198,461
Other	0.646	\$8,901	\$9,115	\$9,353	\$9,634	\$9,923
Event Services	0.646	\$139,677	\$205,259	\$274,083	\$282,306	\$290,775
Total		\$1,491,569	\$1,933,248	\$2,358,137	\$2,431,826	\$2,507,386
<u>Out-of-Facility</u>						
Hotels	0.633	\$27,532	\$39,609	\$51,433	\$52,976	\$54,565
Restaurants/Bars	0.520	\$248,456	\$356,476	\$462,379	\$476,250	\$490,538
Retail	0.473	\$106,152	\$152,276	\$197,500	\$203,425	\$209,528
Transit	0.527	\$70,969	\$101,806	\$132,042	\$136,003	\$140,083
Other	0.705	\$63,259	\$90,742	\$117,690	\$121,220	\$124,857
Total		\$516,368	\$740,909	\$961,043	\$989,875	\$1,019,571
TOTAL NET NEW INDIRECT & INDUCED SPENDING		\$2,007,936	\$2,674,157	\$3,319,180	\$3,421,700	\$3,526,957
NET NEW TOTAL OUTPUT: HUBER HEIGHTS						
<u>In-Facility</u>						
Tickets	1.646	\$1,875,113	\$2,427,197	\$2,939,641	\$3,027,830	\$3,118,665
Facility Fee	1.646	\$105,852	\$137,179	\$164,755	\$164,755	\$164,755
Ticket Rebates	1.646	\$211,553	\$277,295	\$340,630	\$358,959	\$377,288
Box Office Fees	1.646	\$30,395	\$56,493	\$87,732	\$98,235	\$108,738
Food & Beverage	1.520	\$527,976	\$739,444	\$944,472	\$972,806	\$1,001,990
Merchandise	1.473	\$200,332	\$251,223	\$297,271	\$306,189	\$315,375
Parking	1.527	\$110,860	\$149,100	\$183,470	\$183,470	\$183,470
Premium Seats	1.646	\$23,711	\$35,695	\$48,927	\$51,704	\$54,563
Sponsorships	1.646	\$453,651	\$464,531	\$476,695	\$490,996	\$505,725
Other	1.646	\$22,683	\$23,227	\$23,835	\$24,550	\$25,286
Event Services	1.646	\$355,930	\$523,047	\$698,427	\$719,379	\$740,961
Total		\$3,918,054	\$5,084,430	\$6,205,854	\$6,398,872	\$6,596,816
<u>Out-of-Facility</u>						
Hotels	1.633	\$71,002	\$102,146	\$132,639	\$136,619	\$140,717
Restaurants/Bars	1.520	\$725,996	\$1,041,633	\$1,351,084	\$1,391,617	\$1,433,365
Retail	1.473	\$330,432	\$474,009	\$614,784	\$633,227	\$652,224
Transit	1.527	\$205,537	\$294,846	\$382,412	\$393,884	\$405,701
Other	1.705	\$152,981	\$219,446	\$284,614	\$293,153	\$301,947
Total		\$1,485,948	\$2,132,081	\$2,765,534	\$2,848,500	\$2,933,955
TOTAL NET NEW OUTPUT		\$5,404,002	\$7,216,511	\$8,971,387	\$9,247,372	\$9,530,771

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
NET NEW DIRECT EMPLOYMENT: HUBER HEIGHTS						
<u>In-Facility</u>						
Tickets	34.682	38	48	57	57	57
Facility Fee	34.682	2	3	3	3	3
Ticket Rebates	34.682	4	6	7	7	7
Box Office Fees	34.682	1	1	2	2	2
Food & Beverage	19.378	7	9	11	11	11
Merchandise	21.562	3	3	4	4	4
Parking	20.842	1	2	2	2	2
Premium Seats	34.682	0	1	1	1	1
Sponsorships	34.682	9	9	9	9	9
Other	34.682	0	0	0	0	0
Event Services	34.682	7	10	13	13	13
Total		74	93	109	110	110
<u>Out-of-Facility</u>						
Hotels	10.653	0	1	1	1	1
Restaurants/Bars	19.378	9	13	16	16	16
Retail	21.562	5	7	8	8	8
Transit	20.842	3	4	5	5	5
Other	10.223	1	1	2	2	2
Total		18	25	31	31	31
TOTAL NET NEW DIRECT EMPLOYMENT		92	117	141	141	141
NET NEW INDIRECT & INDUCED EMPLOYMENT: HUBER HEIGHTS						
<u>In-Facility</u>						
Tickets	6.112	7	8	10	10	10
Facility Fee	6.112	0	0	1	1	1
Ticket Rebates	6.112	1	1	1	1	1
Box Office Fees	6.112	0	0	0	0	0
Food & Beverage	4.218	1	2	2	2	2
Merchandise	4.067	1	1	1	1	1
Parking	4.516	0	0	0	0	0
Premium Seats	6.112	0	0	0	0	0
Sponsorships	6.112	2	2	2	2	2
Other	6.112	0	0	0	0	0
Event Services	6.112	1	2	2	2	2
Total		13	17	20	20	20
<u>Out-of-Facility</u>						
Hotels	5.513	0	0	0	0	0
Restaurants/Bars	4.218	2	3	3	3	3
Retail	4.067	1	1	2	2	2
Transit	4.516	1	1	1	1	1
Other	6.594	1	1	1	1	1
Total		4	6	7	7	7
TOTAL NET NEW INDIRECT & INDUCED EMPLOYMENT		18	23	27	27	27

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
NET NEW TOTAL EMPLOYMENT: HUBER HEIGHTS						
<u>In-Facility</u>						
Tickets	40.794	45	57	67	67	67
Facility Fee	40.794	3	3	4	4	4
Ticket Rebates	40.794	5	6	8	8	8
Box Office Fees	40.794	1	1	2	2	2
Food & Beverage	23.596	8	11	13	13	13
Merchandise	25.629	3	4	5	5	5
Parking	25.358	2	2	3	3	3
Premium Seats	40.794	1	1	1	1	1
Sponsorships	40.794	11	11	11	11	11
Other	40.794	1	1	1	1	1
Event Services	40.794	9	12	16	16	16
Total		87	109	129	130	130
<u>Out-of-Facility</u>						
Hotels	16.167	1	1	1	1	1
Restaurants/Bars	23.596	11	15	19	19	19
Retail	25.629	6	8	10	10	10
Transit	25.358	3	5	6	6	6
Other	16.817	1	2	3	3	3
Total		22	31	39	39	39
TOTAL NEW EMPLOYMENT		109	140	168	168	168
NET NEW DIRECT EARNINGS: HUBER HEIGHTS						
<u>In-Facility</u>						
Tickets	0.436	\$496,295	\$642,418	\$778,049	\$801,390	\$825,432
Facility Fee	0.436	\$28,016	\$36,308	\$43,606	\$43,606	\$43,606
Ticket Rebates	0.436	\$55,993	\$73,393	\$90,156	\$95,007	\$99,859
Box Office Fees	0.436	\$8,045	\$14,952	\$23,220	\$26,000	\$28,780
Food & Beverage	0.339	\$117,887	\$165,104	\$210,882	\$217,209	\$223,725
Merchandise	0.458	\$62,263	\$78,079	\$92,391	\$95,163	\$98,018
Parking	0.549	\$39,866	\$53,617	\$65,977	\$65,977	\$65,977
Premium Seats	0.436	\$6,276	\$9,448	\$12,950	\$13,685	\$14,441
Sponsorships	0.436	\$120,070	\$122,950	\$126,169	\$129,954	\$133,853
Other	0.436	\$6,003	\$6,147	\$6,308	\$6,498	\$6,693
Event Services	0.436	\$94,206	\$138,437	\$184,856	\$190,402	\$196,114
Total		\$1,034,918	\$1,340,853	\$1,634,565	\$1,684,890	\$1,736,497
<u>Out-of-Facility</u>						
Hotels	0.248	\$10,792	\$15,525	\$20,160	\$20,765	\$21,388
Restaurants/Bars	0.339	\$162,101	\$232,577	\$301,671	\$310,721	\$320,043
Retail	0.458	\$102,697	\$147,321	\$191,073	\$196,805	\$202,710
Transit	0.549	\$73,912	\$106,028	\$137,517	\$141,643	\$145,892
Other	0.422	\$37,872	\$54,327	\$70,460	\$72,573	\$74,751
Total		\$387,374	\$555,777	\$720,881	\$742,508	\$764,783
TOTAL NET NEW DIRECT EARNINGS		\$1,422,293	\$1,896,630	\$2,355,446	\$2,427,398	\$2,501,280

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
NET NEW INDIRECT & INDUCED EARNINGS: HUBER HEIGHTS						
<u>In-Facility</u>						
Tickets	0.236	\$268,838	\$347,991	\$421,461	\$434,105	\$447,128
Facility Fee	0.236	\$15,176	\$19,668	\$23,621	\$23,621	\$23,621
Ticket Rebates	0.236	\$30,331	\$39,756	\$48,837	\$51,464	\$54,092
Box Office Fees	0.236	\$4,358	\$8,099	\$12,578	\$14,084	\$15,590
Food & Beverage	0.174	\$60,385	\$84,571	\$108,020	\$111,260	\$114,598
Merchandise	0.159	\$21,677	\$27,183	\$32,166	\$33,131	\$34,125
Parking	0.182	\$13,236	\$17,802	\$21,906	\$21,906	\$21,906
Premium Seats	0.236	\$3,399	\$5,118	\$7,015	\$7,413	\$7,823
Sponsorships	0.236	\$65,041	\$66,601	\$68,344	\$70,395	\$72,507
Other	0.236	\$3,252	\$3,330	\$3,417	\$3,520	\$3,625
Event Services	0.236	\$51,030	\$74,990	\$100,135	\$103,139	\$106,233
Total		\$536,723	\$695,109	\$847,499	\$874,037	\$901,248
<u>Out-of-Facility</u>						
Hotels	0.232	\$10,072	\$14,490	\$18,815	\$19,380	\$19,961
Restaurants/Bars	0.174	\$83,033	\$119,132	\$154,524	\$159,160	\$163,935
Retail	0.159	\$35,754	\$51,289	\$66,522	\$68,517	\$70,573
Transit	0.182	\$24,541	\$35,204	\$45,659	\$47,029	\$48,440
Other	0.251	\$22,542	\$32,336	\$41,939	\$43,197	\$44,493
Total		\$175,942	\$252,452	\$327,460	\$337,284	\$347,402
TOTAL NET NEW INDIRECT & INDUCED EARNINGS		\$712,664	\$947,560	\$1,174,959	\$1,211,321	\$1,248,650
NET NEW TOTAL EARNINGS: HUBER HEIGHTS						
<u>In-Facility</u>						
Tickets	0.672	\$765,133	\$990,409	\$1,199,510	\$1,235,495	\$1,272,560
Facility Fee	0.672	\$43,192	\$55,976	\$67,227	\$67,227	\$67,227
Ticket Rebates	0.672	\$86,323	\$113,149	\$138,993	\$146,472	\$153,951
Box Office Fees	0.672	\$12,402	\$23,052	\$35,799	\$40,084	\$44,370
Food & Beverage	0.513	\$178,272	\$249,674	\$318,902	\$328,469	\$338,323
Merchandise	0.617	\$83,939	\$105,263	\$124,557	\$128,294	\$132,142
Parking	0.732	\$53,102	\$71,419	\$87,883	\$87,883	\$87,883
Premium Seats	0.672	\$9,675	\$14,565	\$19,965	\$21,097	\$22,264
Sponsorships	0.672	\$185,111	\$189,550	\$194,513	\$200,349	\$206,359
Other	0.672	\$9,256	\$9,478	\$9,726	\$10,017	\$10,318
Event Services	0.672	\$145,236	\$213,427	\$284,990	\$293,540	\$302,346
Total		\$1,571,641	\$2,035,961	\$2,482,064	\$2,558,928	\$2,637,744
<u>Out-of-Facility</u>						
Hotels	0.480	\$20,864	\$30,015	\$38,975	\$40,145	\$41,349
Restaurants/Bars	0.513	\$245,134	\$351,709	\$456,195	\$469,881	\$483,978
Retail	0.617	\$138,451	\$198,610	\$257,595	\$265,323	\$273,283
Transit	0.732	\$98,453	\$141,232	\$183,177	\$188,672	\$194,332
Other	0.673	\$60,415	\$86,663	\$112,399	\$115,771	\$119,244
Total		\$563,316	\$808,229	\$1,048,341	\$1,079,791	\$1,112,185
TOTAL NET NEW EARNINGS		\$2,134,957	\$2,844,191	\$3,530,405	\$3,638,719	\$3,749,930

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
NET NEW INCOME TAX REVENUES: HUBER HEIGHTS					
Net New Earnings					
Direct	\$1,422,293	\$1,896,630	\$2,355,446	\$2,427,398	\$2,501,280
Indirect & Induced	\$712,664	\$947,560	\$1,174,959	\$1,211,321	\$1,248,650
Total	\$2,134,957	\$2,844,191	\$3,530,405	\$3,638,719	\$3,749,930
Percentage Earned in Huber Heights					
Direct	100%	100%	100%	100%	100%
Indirect & Induced	25%	25%	25%	25%	25%
Gross Earnings Earned in Huber Heights					
Direct	\$1,422,293	\$1,896,630	\$2,355,446	\$2,427,398	\$2,501,280
Indirect & Induced	\$178,166	\$236,890	\$293,740	\$302,830	\$312,162
Total	\$1,600,459	\$2,133,520	\$2,649,186	\$2,730,228	\$2,813,442
City Income Tax Rate	6%	6%	6%	6%	6%
Estimated Net New Income Tax Revenue	\$95,387	\$127,158	\$157,891	\$162,722	\$167,681
NET NEW HOTEL/MOTEL TAX REVENUE					
Total Hotel Room Spending	\$43,470	\$62,538	\$81,207	\$83,643	\$86,152
Percentage Room Nights in Huber Heights	50%	50%	50%	50%	50%
Total Hotel Room Spending in Huber Heights	\$21,735	\$31,269	\$40,603	\$41,821	\$43,076
City Hotel/Motel Tax Rate	3%	13%	13%	13%	13%
Estimated Gross Income Tax Revenue	\$652	\$4,065	\$5,278	\$5,437	\$5,600
NET NEW DIRECT SPENDING: MONTGOMERY COUNTY					
<u>In-Facility</u>					
Tickets	\$552,840	\$703,435	\$842,798	\$868,082	\$894,125
Facility Fee	\$31,208	\$39,757	\$47,235	\$47,235	\$47,235
Ticket Rebates	\$62,372	\$80,364	\$97,659	\$102,914	\$108,169
Box Office Fees	\$8,961	\$16,372	\$25,153	\$28,164	\$31,175
Food & Beverage	\$168,525	\$232,008	\$293,155	\$301,949	\$311,008
Merchandise	\$65,983	\$81,337	\$95,213	\$98,069	\$101,011
Parking	\$35,221	\$46,564	\$56,682	\$56,682	\$56,682
Premium Seats	\$6,991	\$10,345	\$14,028	\$14,823	\$15,643
Sponsorships	\$133,750	\$134,628	\$136,669	\$140,769	\$144,992
Other	\$6,688	\$6,731	\$6,833	\$7,038	\$7,250
Event Services	\$104,939	\$151,586	\$200,240	\$206,247	\$212,434
Total	\$1,177,478	\$1,503,128	\$1,815,665	\$1,871,974	\$1,929,725
<u>Out-of-Facility</u>					
Hotels	\$55,890	\$80,406	\$104,408	\$107,541	\$110,767
Restaurants/Bars	\$217,440	\$307,347	\$394,909	\$406,757	\$418,959
Retail	\$108,720	\$153,673	\$197,455	\$203,378	\$209,480
Transit	\$63,369	\$89,524	\$114,993	\$118,442	\$121,996
Other	\$63,981	\$90,951	\$117,265	\$120,783	\$124,406
Total	\$509,400	\$721,901	\$929,030	\$956,901	\$985,608
TOTAL NET NEW DIRECT SPENDING	\$1,686,878	\$2,225,029	\$2,744,695	\$2,828,875	\$2,915,333

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
NET NEW INDIRECT & INDUCED SPENDING: MONTGOMERY COUNTY						
<u>In-Facility</u>						
Tickets	0.646	\$357,079	\$454,348	\$544,363	\$560,694	\$577,514
Facility Fee	0.646	\$20,157	\$25,679	\$30,509	\$30,509	\$30,509
Ticket Rebates	0.646	\$40,286	\$51,907	\$63,078	\$66,472	\$69,866
Box Office Fees	0.646	\$5,788	\$10,575	\$16,246	\$18,191	\$20,136
Food & Beverage	0.520	\$87,681	\$120,710	\$152,524	\$157,099	\$161,812
Merchandise	0.473	\$31,230	\$38,497	\$45,064	\$46,416	\$47,808
Parking	0.527	\$18,575	\$24,557	\$29,893	\$29,893	\$29,893
Premium Seats	0.646	\$4,515	\$6,682	\$9,060	\$9,574	\$10,104
Sponsorships	0.646	\$86,389	\$86,956	\$88,274	\$90,923	\$93,650
Other	0.646	\$4,319	\$4,348	\$4,414	\$4,546	\$4,683
Event Services	0.646	\$67,780	\$97,909	\$129,335	\$133,215	\$137,211
Total		\$723,800	\$922,168	\$1,112,760	\$1,147,533	\$1,183,188
<u>Out-of-Facility</u>						
Hotels	0.633	\$35,398	\$50,926	\$66,128	\$68,112	\$70,155
Restaurants/Bars	0.520	\$113,130	\$159,908	\$205,465	\$211,629	\$217,978
Retail	0.473	\$51,457	\$72,733	\$93,455	\$96,259	\$99,147
Transit	0.527	\$33,420	\$47,214	\$60,645	\$62,465	\$64,339
Other	0.705	\$45,110	\$64,125	\$82,677	\$85,158	\$87,712
Total		\$278,515	\$394,905	\$508,371	\$523,622	\$539,331
TOTAL NET NEW INDIRECT & INDUCED SPENDING		\$1,002,315	\$1,317,073	\$1,621,131	\$1,671,154	\$1,722,519
NET NEW TOTAL OUTPUT: MONTGOMERY COUNTY						
<u>In-Facility</u>						
Tickets	1.646	\$909,919	\$1,157,784	\$1,387,161	\$1,428,776	\$1,471,639
Facility Fee	1.646	\$51,366	\$65,435	\$77,745	\$77,745	\$77,745
Ticket Rebates	1.646	\$102,658	\$132,271	\$160,737	\$169,386	\$178,035
Box Office Fees	1.646	\$14,749	\$26,947	\$41,399	\$46,355	\$51,311
Food & Beverage	1.520	\$256,206	\$352,718	\$445,678	\$459,049	\$472,820
Merchandise	1.473	\$97,213	\$119,834	\$140,277	\$144,485	\$148,820
Parking	1.527	\$53,796	\$71,121	\$86,576	\$86,576	\$86,576
Premium Seats	1.646	\$11,506	\$17,027	\$23,088	\$24,398	\$25,747
Sponsorships	1.646	\$220,139	\$221,583	\$224,943	\$231,691	\$238,642
Other	1.646	\$11,007	\$11,079	\$11,247	\$11,585	\$11,932
Event Services	1.646	\$172,719	\$249,496	\$329,574	\$339,462	\$349,645
Total		\$1,901,278	\$2,425,296	\$2,928,425	\$3,019,507	\$3,112,913
<u>Out-of-Facility</u>						
Hotels	1.633	\$91,288	\$131,331	\$170,536	\$175,652	\$180,922
Restaurants/Bars	1.520	\$330,570	\$467,254	\$600,374	\$618,386	\$636,937
Retail	1.473	\$160,177	\$226,407	\$290,910	\$299,637	\$308,626
Transit	1.527	\$96,789	\$136,738	\$175,638	\$180,907	\$186,334
Other	1.705	\$109,091	\$155,077	\$199,942	\$205,941	\$212,119
Total		\$787,915	\$1,116,807	\$1,437,401	\$1,480,523	\$1,524,939
TOTAL NET NEW OUTPUT		\$2,689,193	\$3,542,102	\$4,365,826	\$4,500,029	\$4,637,851

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
NET NEW DIRECT EMPLOYMENT: MONTGOMERY COUNTY						
<u>In-Facility</u>						
Tickets	34.682	19	23	27	27	27
Facility Fee	34.682	1	1	1	1	1
Ticket Rebates	34.682	2	3	3	3	3
Box Office Fees	34.682	0	1	1	1	1
Food & Beverage	19.378	3	4	5	5	5
Merchandise	21.562	1	2	2	2	2
Parking	20.842	1	1	1	1	1
Premium Seats	34.682	0	0	0	0	0
Sponsorships	34.682	5	4	4	4	4
Other	34.682	0	0	0	0	0
Event Services	34.682	4	5	6	6	6
Total		36	44	52	52	52
<u>Out-of-Facility</u>						
Hotels	10.653	1	1	1	1	1
Restaurants/Bars	19.378	4	6	7	7	7
Retail	21.562	2	3	4	4	4
Transit	20.842	1	2	2	2	2
Other	10.223	1	1	1	1	1
Total		9	12	15	15	15
TOTAL NET NEW DIRECT EMPLOYMENT		45	56	67	67	67
NET NEW INDIRECT & INDUCED EMPLOYMENT: MONTGOMERY COUNTY						
<u>In-Facility</u>						
Tickets	6.112	3	4	5	5	5
Facility Fee	6.112	0	0	0	0	0
Ticket Rebates	6.112	0	0	1	1	1
Box Office Fees	6.112	0	0	0	0	0
Food & Beverage	4.218	1	1	1	1	1
Merchandise	4.067	0	0	0	0	0
Parking	4.516	0	0	0	0	0
Premium Seats	6.112	0	0	0	0	0
Sponsorships	6.112	1	1	1	1	1
Other	6.112	0	0	0	0	0
Event Services	6.112	1	1	1	1	1
Total		6	8	9	9	9
<u>Out-of-Facility</u>						
Hotels	5.513	0	0	1	1	1
Restaurants/Bars	4.218	1	1	2	2	2
Retail	4.067	0	1	1	1	1
Transit	4.516	0	0	0	0	0
Other	6.594	0	1	1	1	1
Total		2	3	4	4	4
TOTAL NET NEW INDIRECT & INDUCED EMPLOYMENT		9	11	13	13	13

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
NET NEW TOTAL EMPLOYMENT: MONTGOMERY COUNTY						
<u>In-Facility</u>						
Tickets	40.794	22	27	31	31	31
Facility Fee	40.794	1	2	2	2	2
Ticket Rebates	40.794	2	3	4	4	4
Box Office Fees	40.794	0	1	1	1	1
Food & Beverage	23.596	4	5	6	6	6
Merchandise	25.629	2	2	2	2	2
Parking	25.358	1	1	1	1	1
Premium Seats	40.794	0	0	1	1	1
Sponsorships	40.794	5	5	5	5	5
Other	40.794	0	0	0	0	0
Event Services	40.794	4	6	7	7	7
Total		42	52	61	61	61
<u>Out-of-Facility</u>						
Hotels	16.167	1	1	2	2	2
Restaurants/Bars	23.596	5	7	9	9	9
Retail	25.629	3	4	5	5	5
Transit	25.358	2	2	3	3	3
Other	16.817	1	1	2	2	2
Total		11	15	19	19	19
TOTAL NEW EMPLOYMENT		53	68	80	80	80
NET NEW DIRECT EARNINGS: MONTGOMERY COUNTY						
<u>In-Facility</u>						
Tickets	0.436	\$240,833	\$306,436	\$367,146	\$378,161	\$389,506
Facility Fee	0.436	\$13,595	\$17,319	\$20,577	\$20,577	\$20,577
Ticket Rebates	0.436	\$27,171	\$35,009	\$42,543	\$44,832	\$47,121
Box Office Fees	0.436	\$3,904	\$7,132	\$10,957	\$12,269	\$13,581
Food & Beverage	0.339	\$57,206	\$78,755	\$99,511	\$102,497	\$105,572
Merchandise	0.458	\$30,214	\$37,244	\$43,598	\$44,906	\$46,253
Parking	0.549	\$19,345	\$25,576	\$31,133	\$31,133	\$31,133
Premium Seats	0.436	\$3,045	\$4,507	\$6,111	\$6,458	\$6,815
Sponsorships	0.436	\$58,265	\$58,647	\$59,537	\$61,323	\$63,163
Other	0.436	\$2,913	\$2,932	\$2,977	\$3,066	\$3,158
Event Services	0.436	\$45,714	\$66,035	\$87,230	\$89,847	\$92,542
Total		\$502,205	\$639,593	\$771,320	\$795,068	\$819,420
<u>Out-of-Facility</u>						
Hotels	0.248	\$13,875	\$19,961	\$25,920	\$26,698	\$27,499
Restaurants/Bars	0.339	\$73,810	\$104,329	\$134,052	\$138,074	\$142,216
Retail	0.458	\$49,783	\$70,367	\$90,414	\$93,126	\$95,920
Transit	0.549	\$34,806	\$49,172	\$63,160	\$65,055	\$67,007
Other	0.422	\$27,007	\$38,391	\$49,498	\$50,983	\$52,513
Total		\$199,280	\$282,219	\$363,045	\$373,936	\$385,154
TOTAL NET NEW DIRECT EARNINGS		\$701,485	\$921,812	\$1,134,365	\$1,169,004	\$1,204,574

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
NET NEW INDIRECT & INDUCED EARNINGS: MONTGOMERY COUNTY						
<u>In-Facility</u>						
Tickets	0.236	\$130,456	\$165,993	\$198,879	\$204,846	\$210,991
Facility Fee	0.236	\$7,364	\$9,382	\$11,146	\$11,146	\$11,146
Ticket Rebates	0.236	\$14,718	\$18,964	\$23,045	\$24,285	\$25,525
Box Office Fees	0.236	\$2,115	\$3,863	\$5,935	\$6,646	\$7,357
Food & Beverage	0.174	\$29,302	\$40,341	\$50,972	\$52,502	\$54,077
Merchandise	0.159	\$10,519	\$12,967	\$15,178	\$15,634	\$16,103
Parking	0.182	\$6,423	\$8,492	\$10,337	\$10,337	\$10,337
Premium Seats	0.236	\$1,650	\$2,441	\$3,310	\$3,498	\$3,691
Sponsorships	0.236	\$31,562	\$31,769	\$32,250	\$33,218	\$34,215
Other	0.236	\$1,578	\$1,588	\$1,613	\$1,661	\$1,711
Event Services	0.236	\$24,763	\$35,771	\$47,252	\$48,669	\$50,129
Total		\$260,450	\$331,570	\$399,919	\$412,442	\$425,282
<u>Out-of-Facility</u>						
Hotels	0.232	\$12,950	\$18,630	\$24,191	\$24,917	\$25,665
Restaurants/Bars	0.174	\$37,808	\$53,440	\$68,665	\$70,725	\$72,847
Retail	0.159	\$17,332	\$24,498	\$31,477	\$32,422	\$33,394
Transit	0.182	\$11,556	\$16,326	\$20,971	\$21,600	\$22,248
Other	0.251	\$16,075	\$22,851	\$29,462	\$30,346	\$31,257
Total		\$95,720	\$135,745	\$174,767	\$180,010	\$185,410
TOTAL NET NEW INDIRECT & INDUCED EARNINGS		\$356,171	\$467,315	\$574,686	\$592,452	\$610,692
NET NEW TOTAL EARNINGS: MONTGOMERY COUNTY						
<u>In-Facility</u>						
Tickets	0.672	\$371,289	\$472,429	\$566,026	\$583,007	\$600,497
Facility Fee	0.672	\$20,960	\$26,701	\$31,723	\$31,723	\$31,723
Ticket Rebates	0.672	\$41,889	\$53,973	\$65,588	\$69,117	\$72,647
Box Office Fees	0.672	\$6,018	\$10,996	\$16,893	\$18,915	\$20,937
Food & Beverage	0.513	\$86,508	\$119,096	\$150,484	\$154,998	\$159,648
Merchandise	0.617	\$40,732	\$50,211	\$58,776	\$60,539	\$62,356
Parking	0.732	\$25,768	\$34,067	\$41,470	\$41,470	\$41,470
Premium Seats	0.672	\$4,695	\$6,948	\$9,421	\$9,955	\$10,506
Sponsorships	0.672	\$89,827	\$90,416	\$91,787	\$94,541	\$97,377
Other	0.672	\$4,491	\$4,521	\$4,589	\$4,727	\$4,869
Event Services	0.672	\$70,477	\$101,806	\$134,482	\$138,516	\$142,671
Total		\$762,656	\$971,163	\$1,171,239	\$1,207,510	\$1,244,702
<u>Out-of-Facility</u>						
Hotels	0.480	\$26,825	\$38,591	\$50,111	\$51,615	\$53,163
Restaurants/Bars	0.513	\$111,618	\$157,769	\$202,717	\$208,799	\$215,063
Retail	0.617	\$67,114	\$94,865	\$121,892	\$125,548	\$129,315
Transit	0.732	\$46,362	\$65,498	\$84,131	\$86,655	\$89,255
Other	0.673	\$43,082	\$61,242	\$78,960	\$81,329	\$83,769
Total		\$295,000	\$417,965	\$537,812	\$553,946	\$570,564
TOTAL NET NEW EARNINGS		\$1,057,656	\$1,389,127	\$1,709,051	\$1,761,456	\$1,815,266

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
NET NEW SALES TAX REVENUES: MONTGOMERY COUNTY					
Net New Taxable Sales					
Tickets	\$552,840	\$703,435	\$842,798	\$868,082	\$894,125
Concessions	\$168,525	\$232,008	\$293,155	\$301,949	\$311,008
Merchandise	\$65,983	\$81,337	\$95,213	\$98,069	\$101,011
Hotel	\$55,890	\$80,406	\$104,408	\$107,541	\$110,767
Restaurant	\$217,440	\$307,347	\$394,909	\$406,757	\$418,959
Retail	\$108,720	\$153,673	\$197,455	\$203,378	\$209,480
Total Direct Taxable Spending	\$1,169,398	\$1,558,207	\$1,927,938	\$1,985,776	\$2,045,350
Indirect Taxable Sales					
Indirect & Induced Spending	\$1,002,315	\$1,317,073	\$1,621,131	\$1,671,154	\$1,722,519
Percentage Taxable	30%	30%	30%	30%	30%
Total Indirect & Induced Taxable Spending	\$300,695	\$395,122	\$486,339	\$501,346	\$516,756
Total Taxable Sales in Montgomery County	\$1,470,093	\$1,953,329	\$2,414,278	\$2,487,123	\$2,562,105
Sales Tax Rate: Montgomery County	1.5%	1.5%	1.5%	1.5%	1.5%
Estimated Net New Income Tax Revenue	\$22,051	\$29,300	\$36,214	\$37,307	\$38,432
NET NEW HOTEL/MOTEL TAX REVENUE					
Total Hotel Room Spending	\$55,890	\$80,406	\$104,408	\$107,541	\$110,767
Percentage Room Nights in Montgomery County	90%	90%	90%	90%	90%
Total Hotel Room Spending in Montgomery County	\$50,301	\$72,365	\$93,968	\$96,787	\$99,690
City Hotel/Motel Tax Rate	10%	10%	10%	10%	10%
Estimated Gross Income Tax Revenue	\$5,030	\$7,237	\$9,397	\$9,679	\$9,969
NET NEW DIRECT SPENDING: STATE OF OHIO					
<u>In-Facility</u>					
Tickets	\$114,960	\$148,850	\$180,105	\$185,508	\$191,073
Facility Fee	\$6,490	\$8,413	\$10,094	\$10,094	\$10,094
Ticket Rebates	\$12,970	\$17,005	\$20,870	\$21,993	\$23,116
Box Office Fees	\$1,863	\$3,464	\$5,375	\$6,019	\$6,662
Food & Beverage	\$35,044	\$49,094	\$62,647	\$64,526	\$66,462
Merchandise	\$13,721	\$17,211	\$20,347	\$20,957	\$21,586
Parking	\$7,324	\$9,853	\$12,113	\$12,113	\$12,113
Premium Seats	\$1,454	\$2,189	\$2,998	\$3,168	\$3,343
Sponsorships	\$27,813	\$28,488	\$29,206	\$30,082	\$30,985
Other	\$1,391	\$1,424	\$1,460	\$1,504	\$1,549
Event Services	\$21,821	\$32,076	\$42,791	\$44,075	\$45,397
Total	\$244,849	\$318,068	\$388,005	\$400,038	\$412,380
<u>Out-of-Facility</u>					
Hotels	\$31,050	\$44,670	\$58,005	\$59,745	\$61,537
Restaurants/Bars	\$58,300	\$83,713	\$108,530	\$111,786	\$115,140
Retail	\$29,150	\$41,857	\$54,265	\$55,893	\$57,570
Transit	\$16,455	\$23,625	\$30,626	\$31,544	\$32,491
Other	\$23,045	\$33,122	\$42,974	\$44,264	\$45,592
Total	\$158,000	\$226,986	\$294,400	\$303,232	\$312,329
TOTAL NET NEW DIRECT SPENDING	\$402,849	\$545,054	\$682,405	\$703,270	\$724,708

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
NET NEW INDIRECT & INDUCED SPENDING: STATE OF OHIO						
<u>In-Facility</u>						
Tickets	0.646	\$74,252	\$96,142	\$116,330	\$119,819	\$123,414
Facility Fee	0.646	\$4,192	\$5,434	\$6,520	\$6,520	\$6,520
Ticket Rebates	0.646	\$8,377	\$10,984	\$13,480	\$14,205	\$14,930
Box Office Fees	0.646	\$1,204	\$2,238	\$3,472	\$3,887	\$4,303
Food & Beverage	0.520	\$18,233	\$25,543	\$32,594	\$33,572	\$34,579
Merchandise	0.473	\$6,494	\$8,146	\$9,630	\$9,919	\$10,217
Parking	0.527	\$3,863	\$5,196	\$6,388	\$6,388	\$6,388
Premium Seats	0.646	\$939	\$1,414	\$1,936	\$2,046	\$2,159
Sponsorships	0.646	\$17,964	\$18,400	\$18,864	\$19,430	\$20,013
Other	0.646	\$898	\$920	\$943	\$972	\$1,001
Event Services	0.646	\$14,094	\$20,718	\$27,639	\$28,468	\$29,322
Total		\$150,510	\$195,135	\$237,795	\$245,226	\$252,846
<u>Out-of-Facility</u>						
Hotels	0.633	\$19,666	\$28,292	\$36,738	\$37,840	\$38,975
Restaurants/Bars	0.520	\$30,333	\$43,555	\$56,466	\$58,160	\$59,905
Retail	0.473	\$13,797	\$19,811	\$25,684	\$26,454	\$27,248
Transit	0.527	\$8,678	\$12,459	\$16,151	\$16,636	\$17,135
Other	0.705	\$16,248	\$23,352	\$30,299	\$31,208	\$32,144
Total		\$88,721	\$127,469	\$165,338	\$170,298	\$175,407
TOTAL NET NEW INDIRECT & INDUCED SPENDING		\$239,231	\$322,604	\$403,134	\$415,524	\$428,253
NET NEW TOTAL OUTPUT: STATE OF OHIO						
<u>In-Facility</u>						
Tickets	1.646	\$189,212	\$244,992	\$296,434	\$305,327	\$314,487
Facility Fee	1.646	\$10,681	\$13,846	\$16,614	\$16,614	\$16,614
Ticket Rebates	1.646	\$21,347	\$27,989	\$34,349	\$36,198	\$38,046
Box Office Fees	1.646	\$3,067	\$5,702	\$8,847	\$9,906	\$10,965
Food & Beverage	1.520	\$53,276	\$74,637	\$95,241	\$98,098	\$101,041
Merchandise	1.473	\$20,215	\$25,357	\$29,977	\$30,876	\$31,803
Parking	1.527	\$11,187	\$15,050	\$18,501	\$18,501	\$18,501
Premium Seats	1.646	\$2,393	\$3,603	\$4,934	\$5,214	\$5,502
Sponsorships	1.646	\$45,777	\$46,888	\$48,070	\$49,512	\$50,998
Other	1.646	\$2,289	\$2,344	\$2,404	\$2,476	\$2,550
Event Services	1.646	\$35,916	\$52,794	\$70,430	\$72,542	\$74,719
Total		\$395,359	\$513,203	\$625,800	\$645,264	\$665,225
<u>Out-of-Facility</u>						
Hotels	1.633	\$50,716	\$72,962	\$94,742	\$97,585	\$100,512
Restaurants/Bars	1.520	\$88,633	\$127,268	\$164,996	\$169,946	\$175,045
Retail	1.473	\$42,947	\$61,667	\$79,949	\$82,347	\$84,817
Transit	1.527	\$25,133	\$36,084	\$46,777	\$48,180	\$49,626
Other	1.705	\$39,293	\$56,474	\$73,273	\$75,472	\$77,736
Total		\$246,721	\$354,455	\$459,738	\$473,530	\$487,736
TOTAL NET NEW OUTPUT		\$642,080	\$867,658	\$1,085,538	\$1,118,794	\$1,152,961

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
NET NEW DIRECT EMPLOYMENT: STATE OF OHIO						
<u>In-Facility</u>						
Tickets	34.682	4	5	6	6	6
Facility Fee	34.682	0	0	0	0	0
Ticket Rebates	34.682	0	1	1	1	1
Box Office Fees	34.682	0	0	0	0	0
Food & Beverage	19.378	1	1	1	1	1
Merchandise	21.562	0	0	0	0	0
Parking	20.842	0	0	0	0	0
Premium Seats	34.682	0	0	0	0	0
Sponsorships	34.682	1	1	1	1	1
Other	34.682	0	0	0	0	0
Event Services	34.682	1	1	1	1	1
Total		7	9	11	11	11
<u>Out-of-Facility</u>						
Hotels	10.653	0	0	1	1	1
Restaurants/Bars	19.378	1	2	2	2	2
Retail	21.562	1	1	1	1	1
Transit	20.842	0	0	1	1	1
Other	10.223	0	0	0	0	0
Total		3	4	5	5	5
TOTAL NET NEW DIRECT EMPLOYMENT		10	13	16	16	16
NET NEW INDIRECT & INDUCED EMPLOYMENT: STATE OF OHIO						
<u>In-Facility</u>						
Tickets	6.112	1	1	1	1	1
Facility Fee	6.112	0	0	0	0	0
Ticket Rebates	6.112	0	0	0	0	0
Box Office Fees	6.112	0	0	0	0	0
Food & Beverage	4.218	0	0	0	0	0
Merchandise	4.067	0	0	0	0	0
Parking	4.516	0	0	0	0	0
Premium Seats	6.112	0	0	0	0	0
Sponsorships	6.112	0	0	0	0	0
Other	6.112	0	0	0	0	0
Event Services	6.112	0	0	0	0	0
Total		1	2	2	2	2
<u>Out-of-Facility</u>						
Hotels	5.513	0	0	0	0	0
Restaurants/Bars	4.218	0	0	0	0	0
Retail	4.067	0	0	0	0	0
Transit	4.516	0	0	0	0	0
Other	6.594	0	0	0	0	0
Total		1	1	1	1	1
TOTAL NET NEW INDIRECT & INDUCED EMPLOYMENT		2	3	3	3	3

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
NET NEW TOTAL EMPLOYMENT: STATE OF OHIO						
<u>In-Facility</u>						
Tickets	40.794	5	6	7	7	7
Facility Fee	40.794	0	0	0	0	0
Ticket Rebates	40.794	1	1	1	1	1
Box Office Fees	40.794	0	0	0	0	0
Food & Beverage	23.596	1	1	1	1	1
Merchandise	25.629	0	0	0	0	0
Parking	25.358	0	0	0	0	0
Premium Seats	40.794	0	0	0	0	0
Sponsorships	40.794	1	1	1	1	1
Other	40.794	0	0	0	0	0
Event Services	40.794	1	1	2	2	2
Total		9	11	13	13	13
<u>Out-of-Facility</u>						
Hotels	16.167	0	1	1	1	1
Restaurants/Bars	23.596	1	2	2	2	2
Retail	25.629	1	1	1	1	1
Transit	25.358	0	1	1	1	1
Other	16.817	0	1	1	1	1
Total		3	5	6	6	6
TOTAL NEW EMPLOYMENT		12	16	19	19	19
NET NEW DIRECT EARNINGS: STATE OF OHIO						
<u>In-Facility</u>						
Tickets	0.436	\$50,080	\$64,843	\$78,459	\$80,812	\$83,237
Facility Fee	0.436	\$2,827	\$3,665	\$4,397	\$4,397	\$4,397
Ticket Rebates	0.436	\$5,650	\$7,408	\$9,091	\$9,581	\$10,070
Box Office Fees	0.436	\$812	\$1,509	\$2,342	\$2,622	\$2,902
Food & Beverage	0.339	\$11,896	\$16,665	\$21,265	\$21,903	\$22,561
Merchandise	0.458	\$6,283	\$7,881	\$9,317	\$9,596	\$9,884
Parking	0.549	\$4,023	\$5,412	\$6,653	\$6,653	\$6,653
Premium Seats	0.436	\$633	\$954	\$1,306	\$1,380	\$1,456
Sponsorships	0.436	\$12,116	\$12,410	\$12,723	\$13,105	\$13,498
Other	0.436	\$606	\$621	\$636	\$655	\$675
Event Services	0.436	\$9,506	\$13,973	\$18,641	\$19,200	\$19,776
Total		\$104,431	\$135,340	\$164,830	\$169,905	\$175,109
<u>Out-of-Facility</u>						
Hotels	0.248	\$7,708	\$11,090	\$14,400	\$14,832	\$15,277
Restaurants/Bars	0.339	\$19,790	\$28,416	\$36,841	\$37,946	\$39,084
Retail	0.458	\$13,348	\$19,166	\$24,848	\$25,593	\$26,361
Transit	0.549	\$9,038	\$12,976	\$16,821	\$17,326	\$17,846
Other	0.422	\$9,727	\$13,981	\$18,140	\$18,684	\$19,244
Total		\$59,611	\$85,629	\$111,049	\$114,381	\$117,812
TOTAL NET NEW DIRECT EARNINGS		\$164,042	\$220,969	\$275,879	\$284,286	\$292,921

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
NET NEW INDIRECT & INDUCED EARNINGS: STATE OF OHIO						
<u>In-Facility</u>						
Tickets	0.236	\$27,128	\$35,125	\$42,500	\$43,775	\$45,089
Facility Fee	0.236	\$1,531	\$1,985	\$2,382	\$2,382	\$2,382
Ticket Rebates	0.236	\$3,061	\$4,013	\$4,925	\$5,190	\$5,455
Box Office Fees	0.236	\$440	\$818	\$1,268	\$1,420	\$1,572
Food & Beverage	0.174	\$6,093	\$8,536	\$10,893	\$11,220	\$11,556
Merchandise	0.159	\$2,187	\$2,744	\$3,244	\$3,341	\$3,441
Parking	0.182	\$1,336	\$1,797	\$2,209	\$2,209	\$2,209
Premium Seats	0.236	\$343	\$517	\$707	\$748	\$789
Sponsorships	0.236	\$6,563	\$6,722	\$6,892	\$7,099	\$7,312
Other	0.236	\$328	\$336	\$345	\$355	\$366
Event Services	0.236	\$5,149	\$7,569	\$10,098	\$10,401	\$10,713
Total		\$54,159	\$70,162	\$85,462	\$88,138	\$90,882
<u>Out-of-Facility</u>						
Hotels	0.232	\$7,194	\$10,350	\$13,440	\$13,843	\$14,258
Restaurants/Bars	0.174	\$10,137	\$14,556	\$18,871	\$19,437	\$20,020
Retail	0.159	\$4,647	\$6,673	\$8,651	\$8,910	\$9,178
Transit	0.182	\$3,001	\$4,308	\$5,585	\$5,753	\$5,925
Other	0.251	\$5,790	\$8,322	\$10,797	\$11,121	\$11,455
Total		\$30,769	\$44,208	\$57,343	\$59,064	\$60,836
TOTAL NET NEW INDIRECT & INDUCED EARNINGS		\$84,928	\$114,370	\$142,805	\$147,202	\$151,718
NET NEW TOTAL EARNINGS: STATE OF OHIO						
<u>In-Facility</u>						
Tickets	0.672	\$77,207	\$99,968	\$120,959	\$124,588	\$128,325
Facility Fee	0.672	\$4,358	\$5,650	\$6,779	\$6,779	\$6,779
Ticket Rebates	0.672	\$8,711	\$11,421	\$14,016	\$14,770	\$15,524
Box Office Fees	0.672	\$1,251	\$2,327	\$3,610	\$4,042	\$4,474
Food & Beverage	0.513	\$17,989	\$25,201	\$32,158	\$33,123	\$34,117
Merchandise	0.617	\$8,470	\$10,625	\$12,560	\$12,937	\$13,325
Parking	0.732	\$5,358	\$7,209	\$8,862	\$8,862	\$8,862
Premium Seats	0.672	\$976	\$1,470	\$2,013	\$2,127	\$2,245
Sponsorships	0.672	\$18,679	\$19,132	\$19,615	\$20,203	\$20,809
Other	0.672	\$934	\$957	\$981	\$1,010	\$1,040
Event Services	0.672	\$14,655	\$21,543	\$28,739	\$29,601	\$30,489
Total		\$158,590	\$205,502	\$250,292	\$258,043	\$265,991
<u>Out-of-Facility</u>						
Hotels	0.480	\$14,903	\$21,439	\$27,840	\$28,675	\$29,535
Restaurants/Bars	0.513	\$29,927	\$42,972	\$55,711	\$57,383	\$59,104
Retail	0.617	\$17,995	\$25,839	\$33,499	\$34,504	\$35,539
Transit	0.732	\$12,039	\$17,285	\$22,406	\$23,079	\$23,771
Other	0.673	\$15,517	\$22,302	\$28,937	\$29,805	\$30,699
Total		\$90,380	\$129,837	\$168,393	\$173,444	\$178,648
TOTAL NET NEW EARNINGS		\$248,970	\$335,339	\$418,685	\$431,488	\$444,639

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

	2014	2015	2016	2017	2018
NET NEW SALES TAX REVENUES: STATE OF OHIO					
Net New Taxable Sales					
Tickets	\$114,960	\$148,850	\$180,105	\$185,508	\$191,073
Concessions	\$35,044	\$49,094	\$62,647	\$64,526	\$66,462
Merchandise	\$13,721	\$17,211	\$20,347	\$20,957	\$21,586
Hotel	\$31,050	\$44,670	\$58,005	\$59,745	\$61,537
Restaurant	\$58,300	\$83,713	\$108,530	\$111,786	\$115,140
Retail	\$29,150	\$41,857	\$54,265	\$55,893	\$57,570
Total Direct Taxable Spending	\$282,224	\$385,395	\$483,898	\$498,415	\$513,368
Indirect Taxable Sales					
Indirect & Induced Spending	\$239,231	\$322,604	\$403,134	\$415,524	\$428,253
Percentage Taxable	30%	30%	30%	30%	30%
Total Indirect & Induced Taxable Spending	\$71,769	\$96,781	\$120,940	\$124,657	\$128,476
Total Taxable Sales in State of Ohio	\$353,994	\$482,176	\$604,838	\$623,073	\$641,844
Sales Tax Rate: State of Ohio	5.0%	5.0%	5.0%	5.0%	5.0%
Estimated Net New Income Tax Revenue	\$17,700	\$24,109	\$30,242	\$31,154	\$32,092
NET NEW INCOME TAX REVENUES: STATE OF OHIO					
Net New Earnings					
Direct	\$164,042	\$220,969	\$275,879	\$284,286	\$292,921
Indirect & Induced	\$84,928	\$114,370	\$142,805	\$147,202	\$151,718
Total	\$248,970	\$335,339	\$418,685	\$431,488	\$444,639
Percentage Earned in State of Ohio					
Direct	100%	100%	100%	100%	100%
Indirect & Induced	50%	50%	50%	50%	50%
Gross Earnings Earned in State of Ohio					
Direct	\$164,042	\$220,969	\$275,879	\$284,286	\$292,921
Indirect & Induced	\$42,464	\$57,185	\$71,403	\$73,601	\$75,859
Total	\$206,506	\$278,154	\$347,282	\$357,887	\$368,780
City Income Tax Rate	3.96%	3.96%	3.96%	3.96%	3.96%
Estimated Net New Income Tax Revenue	\$8,178	\$11,015	\$13,752	\$14,172	\$14,604

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
		2013	2014	Total		
Months		8	4	12		
GROSS CONSTRUCTION IMPACTS:						
Estimated project costs		\$12,000,000	\$6,000,000	\$18,000,000		
Percentage materials		40%	40%	40%		
Percentage labor		60%	60%	60%		
Amount materials		\$4,800,000	\$2,400,000	\$7,200,000		
Amount labor		\$7,200,000	\$3,600,000	\$10,800,000		
Total output	1.561	\$18,731,505	\$9,365,752	\$28,097,257		
Employment	14.021	168	84	252		
Earnings	0.682	\$8,181,944	\$4,090,972	\$12,272,916		
Income Tax Rate		2%	2%	2%		
Percentage of Indirect/Induced Earnings Taxable		30%	30%	30%		
Income Tax Revenues						
Direct		\$144,000	\$72,000	\$216,000		
Indirect & Induced		\$5,892	\$2,946	\$8,837		
Total		\$149,892	\$74,946	\$224,837		
NET NEW CONSTRUCTION IMPACTS: HUBER HEIGHTS						
Percentage spent in City:						
Materials		25%	25%	25%		
Labor		33%	33%	33%		
Amount spent in City:						
Materials		\$1,200,000	\$600,000	\$1,800,000		
Labor		\$2,400,000	\$1,200,000	\$3,600,000		
		\$3,600,000	\$1,800,000	\$5,400,000		
Total output	1.561	\$5,619,451	\$2,809,726	\$8,429,177		
Employment	14.021	50	25	76		
Earnings	0.682	\$2,454,583	\$1,227,292	\$3,681,875		
Income Tax Rate		2%	2%	2%		
Percentage of Indirect/Induced Earnings Taxable		30%	30%	30%		
Income Tax Revenues						
Direct		\$48,000	\$24,000	\$72,000		
Indirect & Induced		\$327	\$164	\$491		
Total		\$48,327	\$24,164	\$72,491		

THE MUSIC CENTER AT THE HEIGHTS

Financial Model

		2014	2015	2016	2017	2018
NET NEW CONSTRUCTION IMPACTS: MONTGOMERY COUNTY						
		2013	2014	Total		
	Months	8	4	12		
Percentage spent in County:						
	Materials	33%	33%	33%		
	Labor	50%	50%	50%		
Amount spent in City:						
	Materials	\$800,000	\$400,000	\$1,200,000		
	Labor	\$1,800,000	\$900,000	\$2,700,000		
		\$2,600,000	\$1,300,000	\$3,900,000		
Total output	1.561	\$4,058,493	\$2,029,246	\$6,087,739		
Employment	14.021	36	18	55		
Earnings	0.682	\$1,772,755	\$886,377	\$2,659,132		
Income Tax Rate						
		2%	2%	2%		
Percentage of Indirect/Induced Earnings Taxable						
		30%	30%	30%		
Income Tax Revenues						
	Direct	\$36,000	\$18,000	\$54,000		
	Indirect & Induced	-\$163	-\$82	-\$245		
	Total	\$35,837	\$17,918	\$53,755		
NET NEW CONSTRUCTION IMPACTS: STATE OF OHIO						
Percentage spent in City:						
	Materials	67%	67%	67%		
	Labor	100%	100%	100%		
Amount spent in City:						
	Materials	\$1,200,000	\$600,000	\$1,800,000		
	Labor	\$2,600,000	\$1,300,000	\$3,900,000		
		\$3,800,000	\$1,900,000	\$5,700,000		
Total output	1.561	\$5,931,643	\$2,965,822	\$8,897,465		
Employment	14.021	53	27	80		
Earnings	0.682	\$2,590,949	\$1,295,474	\$3,886,423		
Income Tax Rate						
		2%	2%	2%		
Percentage of Indirect/Induced Earnings Taxable						
		30%	30%	30%		
Income Tax Revenues						
	Direct	\$52,000	\$26,000	\$78,000		
	Indirect & Induced	-\$54	-\$27	-\$81		
	Total	\$51,946	\$25,973	\$77,919		