



ASSESSMENT AND STUDY REGARDING THE FUTURE OF THE FIVE FLAGS CIVIC CENTER

June 19, 2018





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Ms. Marie L. Ware
Leisure Services Manager
City of Dubuque Leisure Services Department
2200 Bunker Hill Road
Dubuque, Iowa 52001

Dear Ms. Ware:

Conventions, Sports & Leisure International (CSL), in conjunction with Betsch Associates and FEH Design, has completed a report related to an assessment and study for the Five Flags Civic Center (FFCC). The attached report presents our research, analysis and findings and is intended to assist the City of Dubuque (City) and other related project stakeholders with the information necessary to make informed decisions regarding the future of the FFCC.

The analysis presented in this report is based on estimates, assumptions and other information developed from industry research, data provided by the City and other local project stakeholders, surveys of existing and potential facility users, discussions with industry participants, and analysis of competitive/comparable facilities and communities. The sources of information, the methods employed, and the basis of significant estimates and assumptions are stated in this report. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from those described and the variations may be material.

The findings presented herein are based on analysis of present and near-term conditions in the Dubuque area as well as existing interest levels by the potential base of users for an enhanced FFCC product. Any significant future changes in the characteristics of the local community, such as growth in population, corporate inventory, competitive inventory and visitor amenities/attractions, could materially impact the key market conclusions developed as a part of this study. As in all studies of this type, the estimated results are based on competent and efficient management of the FFCC and assume that no significant changes in the event markets or assumed immediate and local area market conditions will occur beyond those set forth in this report. Furthermore, all information provided to us by others was not audited or verified and was assumed to be correct.

This report has been prepared for the internal use of the City and should not be relied upon by any other party. The report has been structured to provide the City with a foundation of research and analysis to provide decision makers with the information necessary to strategically plan for Dubuque's future in the events and public assembly industries and should not be used for any other purpose. This report, its findings or references to CSL or its subcontracted team members may not be included or reproduced in any public offering statement or other financing document.

We sincerely appreciate the assistance and cooperation we have been provided in the compilation of this report and would be pleased to be of further assistance in the interpretation and application of our findings.

Very truly yours,

CSL International

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EXECUTIVE SUMMARY

Conventions, Sports and Leisure International (CSL), in conjunction with Betsch Associates and FEH Design, was retained by the City of Dubuque (City) to conduct an assessment and study of the Five Flags Civic Center (FFCC). This summary outlines the key findings associated with the study. The full written report should be reviewed in its entirety to gain an understanding of the study's methods, limitations and implications.

Introduction and Background

The FFCC has long-served as an important community asset for Dubuque and its residents. Its long history can be traced back to the mid-1800s with the opening of hotel and theater facilities in downtown Dubuque. Over the years, Five Flags has served as a critical gathering place in Dubuque, hosting thousands of entertainment, performing arts, sports, conventions, and civic events. The two primary elements of the current Five Flags Civic Center are the 4,000-seat Arena and the 700-seat historic performing arts Theater.

In the decades since the last major investment in Five Flags, significant changes have occurred within the event facility industry nationwide. At the same time, additional new event, sports and entertainment facilities have been developed elsewhere in Dubuque and in the region. As such, the City of Dubuque is interested in determining the most appropriate path forward as it relates to the Five Flags Civic Center and its ongoing role in Dubuque.

Specifically, the purpose of this study is to assess the FFCC's current physical state and programmatic orientation, and conduct a study of market demand, supportable program, financial, economic, naming rights/sponsorship and feasible development scenarios relating to the future of the Five Flags Civic Center.

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

- ✓ Experience garnered through more than 1,000 event facility and mixed-use evaluation and planning projects throughout the country.
- ✓ Local market visit at the outset of the project, including community and site tours.
- ✓ Visual physical facility inspection and condition assessment of the FFCC.
- ✓ Research and analysis of local market conditions, existing facilities and infrastructure, and industry trends.
- ✓ Benchmarking research and analysis of facility data and interviews conducted with management of over 30 competitive and comparable arena and theater facilities located throughout the region and country.
- ✓ Comparative analysis of socioeconomic data from competitive/comparable facility markets.
- ✓ In-person interviews, meetings and public forums with Dubuque area individuals, including representatives of municipal government, visitor and event industries, local companies, event producing organizations, and community groups.
- ✓ Online survey of over 1,087 Dubuque and community residents.
- ✓ Completed telephone interviews with more than 30 representatives of organizations and groups that represent potential users of multipurpose arena and theater facility space in Dubuque.

Current Five Flags Civic Center

The FFCC has long-served as an important community asset for Dubuque and its residents. The two primary elements of the current Five Flags Civic Center are the 4,000-seat Arena and the 700-seat historic performing arts Theater. The FFCC is owned by the City of Dubuque and is managed via contract by a leading national third-party private management company, SMG.

On a per square foot and per seat basis, the FFCC's recent annual financial operating performance is consistent with or slightly better than the average comparable facility located in similar markets, despite industry substandard product characteristics. Event and attendance attraction are showing favorable trends in recent years and financial operating performance is stable, which is indicative of an experienced and efficient management team and approach.

Nevertheless, the FFCC is attracting a lower than average level of event activity in both the Theater and Arena relative to comparable facility averages, which would be expected, given the FFCC's age, substandard physical product, accommodated event mix, and functional/marketability challenges.

There are a number of important weaknesses and challenges with the existing physical facility product that negatively impact marketability, event accommodation, delivery of services, attendee experience, and operating efficiency. Communities throughout the region and country continue to invest in new, expanded and improved event facility products. The "state-of-the-industry", in terms of product quality, layout, amenities, and functionality continues to rise.

Current FFCC management has demonstrated creativity and efficiency in its approach in attracting events, maximizing revenues, and containing expenses with an aging and increasingly substandard facility product. In the competitive event facility environment (regionally and nationwide), with each passing year without major capital investment, the FFCC's challenges and inefficiencies become more stark and impactful, and ultimately will not be able to be mitigated or countered even with a competent and creative management team.

Local Market Conditions

The strength of the local market, in terms of its socioeconomic and demographic attributes, can provide an indication of a community's ability to draw and accommodate large numbers of sports, entertainment, convention, arts, cultural, civic and other spectator event attendees. A community's hospitality infrastructure in terms of hotels, restaurants, entertainment and other such factors contribute heavily to the potential success of event facilities.

Throughout the country, spectator/entertainment/arts event venues, such as the FFCC, are often located in downtown central business districts. These locations often provide the highest density of walkable visitor amenities, such as restaurants, bars, nightlife, retail with character, and other such items. The FFCC's location on Main Street in the center core of the downtown is considered the ideal location for this type of venue in the Dubuque destination.

The recent addition of local supply of high-quality, specialized event facility products (through the development of the Grand River Center and the Mystique Community Ice Center) is consistent with trends seen throughout the country relating to the development of more specialized facilities to better serve certain tenants and event types, thereby delivering better experiences and greater value to specific consumers (attendees, exhibitors, spectators and participants). The FFCC Arena, like many multipurpose facilities of its vintage, was designed for maximum flexibility, which allows for the technical accommodation of a wide

variety of event types and uses. However, given that facility and amenity requirements differ significantly among specific event types/segments, the result of the FFCC's flexibility is that a number of event types/segments are not optimally served relative to modern industry standards. The development of quality convention and ice facilities in Dubuque has relieved the need for the FFCC Arena to accommodate much of its former flat floor and ice events/usage that were critical in previous years. These issues are important in considering future FFCC program and development opportunities.

Competitive & Comparable Facilities

While the nearest competitive fixed-seat entertainment venues are located approximately 75 miles away in Cedar Rapids and the Quad Cities, the competitive environment within Iowa and the regional area for arena venues that compete for touring entertainment acts is considered moderate to moderately-high. A number of quality arena venues exist in the regional area that are attractive for touring shows. Dubuque's population within a short driving distance is lower than average among the competitive and comparable set, which will always serve to govern the upside potential for attracting levels of promoted touring entertainment event levels relative to larger markets. It is believed that the largest regional markets will continue to host a significant level of non-local event activity, but Dubuque and the FFCC—even while possessing significant facility limitations relative to modern facilities—have demonstrated that Dubuque can compete for a number of these events.

Eighteen comparable arena facilities and 17 comparable theater facilities were analyzed in order to draw inferences for a potential expanded/improved FFCC. Dubuque generally ranks among the lower tier in terms of several demographic variables and performance metrics; however, limited competition in the immediate region and historical successes in event attraction (despite an aging and substandard FFCC product) suggest that a number of events are sustainable and it is able to draw attendees from further distances to a greater degree than other comparable markets.

Market Demand

Three of the City's five initial requested scenarios to be considered under this study involve either the permanent removal from service of the FFCC Arena or its relocation to an alternate site elsewhere in Dubuque. Based on the entirety of the research, community outreach, and analysis conducted for this study, there are not any obvious and compelling reasons to demolish the FFCC Arena and redevelop the site for an alternate use. Important reasons for this rationale include:

- a) Market demand exists for a multipurpose entertainment/spectator arena in Dubuque. It is clear that a such a facility is desired by many citizens and viewed as an important quality of life element.
- b) There are important efficiencies involved with the co-location and co-management of the Theater and the Arena at the current FFCC site. Costs to operate the FFCC Theater alone (without the synergy and benefits of the FFCC Arena) would be higher than the operating costs that are currently attributed to it under its shared operating model.
- c) The FFCC's current location in the core of the downtown central business district is the ideal location in Dubuque for such a facility. The location maximizes synergy from an attendee and an economic perspective, leveraging a pedestrian-friendly environment with a density of nearby visitor amenities, attractions and transportation/parking infrastructure. It serves to draw people into the downtown core, enhancing the downtown's overall health. The prospect of abandoning an ideal arena site, that has benefitted from decades of product/infrastructure investment and branding, to rebuild elsewhere in a less desirable location in Dubuque is not logical.

- d) Under a scenario where the FFCC Arena is demolished and no replacement facility is developed elsewhere in the community, the Dubuque market would lose many, if not the majority, of the events hosted at the FFCC, and the associated economic activity generated in the downtown and throughout the community by their attendees. Further, it would be expected that more Dubuque citizens would elect to leave the community to attend entertainment and sports events in other communities, as a result (thereby resulting in further erosion of local economic spending).
- e) In cities larger than Dubuque, property values and demand for developable land parcels located in downtown central business district cores are often significantly higher than that presently exist in Dubuque's downtown. Current downtown land supply, demand and prices do not suggest that the costs and lost economic impact (quantifiable and intangible) for the City related to demolishing the FFCC Arena and disposing of the land asset to a potential private party would be mitigated by sale proceeds and the benefit generated by any ultimate alternate private development.

As a result of these factors, it is believed that the highest-and-best-use of the FFCC asset (building and land) is a multipurpose civic/entertainment/arts complex. As such, the emphasis of the remaining concept development and cost/benefit analysis focused on FFCC Arena and Theater improvement, expansion and/or redevelopment scenarios.

Key conclusions associated with the detailed market analysis include the following:

1. Market support exists for both Arena and Theater components. Market research and analysis conducted for this study indicates that demand exists for both the arena and performing arts theater functions in Dubuque that the FFCC provides. These types of facilities would be expected to continue to have important roles in the Dubuque marketplace into the foreseeable future.
2. Local quality of life and economic activity would be negatively impacted without a venue serving these roles. The FFCC has long-served an important role in Dubuque and the region, accommodating a significant portion of local sports, entertainment and performing arts event demand, including certain activity that other local event facilities could not, or would not, accommodate. Important events, entertainment opportunities, attendance, and community exposure would be lost and negatively impacted without either of these types of facilities. Should the FFCC be decommissioned and no other replacements are developed, other local venues would not be able to sufficiently accommodate the FFCC's displaced activity.
3. The FFCC Theater is an historic asset that should be protected. The FFCC Theater continues to serve an important market niche for a small fixed-seating venue space in Dubuque. It has been and continues to serve as an important asset to the local performing arts. Improvements to the FFCC Theater are not expected to significantly increase market share or attendance; however, impactful enhancements could be made to support spaces associated with the Theater to improve its efficiency, financial performance, and marketability.
4. The FFCC's current location is ideal for an entertainment/sports/arts complex. The existing location maximizes synergy from an attendee and an economic perspective, leveraging a pedestrian-friendly environment with a density of nearby visitor amenities, attractions and transportation/parking infrastructure. It serves to draw people into the downtown core, enhancing the downtown's overall health. In most cases, cities who are planning new arena and/or theater facilities first look to their downtown central business districts for available development parcels, given the high density of amenities and a walkable environment.
5. Significant upgrades to the FFCC Arena product are needed to better compete for and serve spectator and entertainment event segments. While the FFCC Arena was originally designed to accommodate a wide variety of event types and uses, modern industry expectations nationwide have led toward the development and gravitation to more specialized-purpose facilities. In recent

years, Dubuque has partially responded to these trends, through the development of the Grand River Center (conventions/meetings/exhibitions) and the Mystique Community Ice Center (ice sports and rec). The result is that spectator/entertainment events remain as the key current and potential future target event segment for the FFCC Arena.

6. The FFCC Arena has exceeded its practical life. At a minimum, significant investment is required to shift the facility closer to state-of-the-industry standards to address deferred capital repair/replacement items, improve operating efficiency and functionality, and allow it to continue accommodating existing event activity and grow future market share. Failure to do so will likely result in continued erosion of market share and diminishing event, performance and attendance levels at the FFCC Arena. Further, a minimum capital repair/replacement expenditures will be necessary in the near-term just to address life safety issues and maintain minimum operational functionality.
7. The FFCC Arena physical product and functionality is industry substandard. There are many aspects of the existing FFCC Arena that do not conform, or are substandard, relative to state-of-the-industry arenas (in the competitive environment and nationwide). In many respects, the FFCC Arena possess attributes that are more consistent with a multipurpose flat floor exhibition facility than with a modern spectator/entertainment arena. As will be discussed further in the subsequent chapter, given the existing FFCC's footprint and structural elements, it likely would be significantly challenging—if not impossible—to renovate the existing FFCC Arena structure into a state-of-the-industry sports/entertainment arena. An expanded site area and a major redevelopment likely would be necessary to meet minimum requirements for a long-term sports/entertainment venue solution.
8. Investment in FFCC enhancements or redevelopment would be expected to drive new activity and positive impacts. A distinct opportunity exists for Dubuque to capture new sports, entertainment and performing arts events with a new/improved event facility product—specifically, through a modern arena venue that is more consistent with state-of-the-industry standards, allowing it to protect existing business and compete for new business.
9. The highest-and-best-use of the FFCC asset (building and land) is a multipurpose civic/entertainment/arts complex. Based on the entirety of the research, community outreach, and analysis conducted for this study, there are not any compelling reasons to demolish the FFCC Arena and redevelop the site for an alternate use. There is not believed to be any apparent compelling alternate use or more attractive economic opportunity for the City and its citizens to consider permanent retirement or relocation of a long-standing, productive community asset in the heart of Dubuque's downtown. These findings are also consistent with the Arts and Culture Master Plan that was previously adopted by the City Council.

Development Options & Concepts

Based on the market analysis, key attributes of a market supportable program for a FFCC arena include:

- State-of-the-industry, spectator arena
- Seating capacity of between 6,000 and 8,000 (5,000 to 7,000 fixed seats)
- Some flexible seating to retain access to flat floor space
- Premium seating and other hospitality areas
- Enhance patron experience – ingress/egress, WiFi, food & beverage, ADA, etc.
- Upgraded back-of-house, load-in/out and other support facilities

Based on the previous analyses undertaken, key attributes of a market supportable facility program for a FFCC theater include:

- Retention of historic Theater
- Refurbish seating and make 2nd Balcony seating functional
- Modest expansion of Bijou Black Box Theater
- Address capital improvement project items
- Enhance patron experience – lobby, WiFi, F&B, etc.
- Upgraded back-of-house facilities

In order to accommodate an industry standard event facility complex that meets the identified market supportable programmatic elements, the optimal solution would involve an expanded site and redevelopment of the FFCC Arena. A renovation of the existing FFCC arena would not deliver a state-of-the-industry product, nor could a desirable renovation solution be executed without expanding the FFCC's footprint. Whether the solution to address the FFCC Arena is to expand or redevelop, the logical expansion direction would be northwest across West 5th Street.

Based on these market and program analysis conclusions, along with collaboration among the project team and the City, four primary facility investment scenarios were identified for additional analysis.

- Scenario 1 effectively represents a minimum, status quo scenario, recognizing that a certain level of expenditures will be required in the near term and in the foreseeable future on deferred maintenance and future capital repair/replacement items to keep the FFCC safe and operational by current standards.
- Scenario 2 involves a limited FFCC renovation (no expansion of facility footprint).
- Scenario 3 represents a renovated complex with an expanded Arena.
- Scenario 4 involves a renovated complex and a fully redeveloped Arena (including new street-side retail opportunities).

Scenarios 3 and 4 both represent northwest expansion projections that would involve a block-long closure of West 5th Street and development on a significant portion of the block opposite the current FFCC across West 5th; however, neither scenario would require the relocation of Ecumenical Tower.

Based on industry standards and a review of parking supply in downtown Dubuque, it is not believed that the development of additional parking structures or lots will be necessary for any of the identified FFCC development scenarios. Conversely, downtown Dubuque's volume, availability and pricing of parking supply nearby the FFCC is considered a product strength relative to other comparable venues located throughout the region and country.

Cost/Benefit Analysis

A detailed cost/benefit analysis was performed for each of the four identified FFCC scenarios. Results conclude that each of the scenarios would be expected to provide quantifiable benefits to Dubuque (with the greatest impacts generated by Scenarios 3 and 4). These quantifiable benefits often serve as the "return on investment" of public dollars that are contributed to develop these destination and constituent facilities. The exhibit on the following page presents a simplified summary of return-on-investment, casting total economic output (direct, indirect and induced spending) against total costs (upfront and ongoing) assumed to be borne by the public sector to implement each of the four analyzed FFCC scenarios.

The comparison includes the total estimated costs that will likely need to be borne by the public sector to implement each of the four scenarios, for a stabilized year of operations (assumed third full year of operations), as well as cumulated costs over 15 years of operations. Benefits have been presented in terms of annual total economic output (a sum of direct, indirect and induced visitor spending) in Dubuque. Costs have been presented in terms of construction debt service (assuming the entire construction debt would be bonded debt) and operating subsidy needed per scenario. Specifically, a 30-year term and a 3.5 percent tax exempt annual interest rate have been assumed for the hypothetical debt associated with each scenario. However, importantly, there may be an opportunity to utilize funding sources and financing mechanism (in part or in full) that would not require the issuance of traditional public sector bonded debt (in part or in full). In that event, the cost of capital would be reduced and overall annual costs would lower. Likewise, in the event that other non-public sector funds are contributed to the project to defray costs, the annual costs estimated to be borne by the public sector would also be lower than indicated.

Summary of Key Estimated Costs and Benefits by Scenario (in 2018 dollars)

QUANTIFIABLE COSTS	Scenario 1		Scenario 2		Scenario 3		Scenario 4	
	Stabilized Yr	15-Yr Total	Stabilized Yr	15-Yr Total	Stabilized Yr	15-Yr Total	Stabilized Yr	15-Yr Total
Capital Costs:								
Hard Construction Costs	--	\$7,595,000	--	\$22,461,000	--	\$42,639,865	--	\$62,086,717
Soft Construction Costs	--	1,139,250	--	3,369,150	--	6,395,980	--	9,313,008
Private Contribution	--	0	--	0	--	0	--	0
Total Cost	--	\$8,734,250	--	\$25,830,150	--	\$49,035,845	--	\$71,399,725
Ongoing Operations:								
Operating Revenues	\$410,000	\$6,150,000	\$570,457	\$8,556,848	\$1,137,160	\$17,057,400	\$1,531,060	\$22,965,900
Operating Expenses	1,266,000	18,990,000	1,381,603	20,724,045	1,798,852	26,982,780	2,002,457	30,036,855
Total Operating Costs	\$856,000	\$12,840,000	\$811,147	\$12,167,198	\$661,692	\$9,925,380	\$471,397	\$7,070,955
Ongoing Costs:								
Debt Service	\$475,000	\$7,125,000	\$1,404,000	\$21,060,000	\$2,666,000	\$39,990,000	\$3,882,000	\$58,230,000
Operating Deficit	856,000	12,840,000	811,147	12,167,198	661,692	9,925,380	471,397	7,070,955
Total Annual Costs	\$1,331,000	\$19,965,000	\$2,215,147	\$33,227,198	\$3,327,692	\$49,915,380	\$4,353,397	\$65,300,955

QUANTIFIABLE BENEFITS	Scenario 1		Scenario 2		Scenario 3		Scenario 4	
	Stabilized Yr	15-Yr Total	Stabilized Yr	15-Yr Total	Stabilized Yr	15-Yr Total	Stabilized Yr	15-Yr Total
Ongoing Quantifiable Benefits:								
Direct Spending	\$2,389,169	\$39,767,949	\$3,055,223	\$57,451,919	\$4,753,391	\$93,366,988	\$5,737,937	\$118,198,937
Indirect/Induced Spending	910,680	16,358,899	1,161,888	25,409,268	1,806,039	42,241,584	2,185,052	54,836,739
Total Output	\$3,299,850	\$56,126,848	\$4,217,111	\$82,861,187	\$6,559,429	\$135,608,572	\$7,922,990	\$173,035,675
Personal Income (earnings)	\$1,062,529	\$18,170,303	\$1,357,070	\$26,957,921	\$2,114,236	\$44,246,488	\$2,554,431	\$56,565,355
Employment (full & part-time jobs)	49	788	63	1,082	97	1,724	117	2,141

As shown, aggregated annual costs (debt service plus operating subsidy) for the four scenarios over 15 years range from \$20.0 million for Scenario 1 (status quo) to \$65.3 million for Scenario 4—or a difference of \$45.3 million.

An investment in FFCC renovation/expansion/redevelopment will represent new economic impact to Dubuque and the surrounding region, particularly when considering aggregate impacts over time and more significantly for Scenarios 3 and 4. The exhibit also depicts the cumulative net new economic impacts estimated to result from the construction and operations of the FFCC scenarios estimated for a stabilized year (third full year of operations) and in the aggregate over a 15-year period. Over a 15-year period, the cumulative economic output (new direct, indirect and induced spending) over the 15-year period is estimated to range between \$56.1 million for Scenario 1 (status quo) to \$173.0 million for Scenario 4—or a difference of \$116.9 million.

Importantly, while not specifically estimated under this analysis, it is believed that an approximately equivalent amount of Scenario 1 economic impacts would be annually lost to Dubuque should the FFCC be demolished and not replaced. In this eventuality, many of the major entertainment/sports/spectator events held in the current FFCC would be lost to Dubuque if the FFCC was demolished and not replaced. However, some events (particularly smaller events, meetings, civic, etc.) may find other host venues in Dubuque. The result will likely be that much of the Scenario 1 economic impacts would disappear under a demolish/no replacement scenario. Further, the "lost" impact of local residents now having to leave Dubuque to travel to other regional cities to attend entertainment events (due to the loss of the local market's primary spectator event facility) has not been quantified, but would also represent reduction in economic impact. The net, incremental result of combining these two factors would likely roughly approximate, or even exceed, the total loss indicated by the Scenario 1 economic impact figures.

It is important to recognize the quantifiable economic impacts associated with the annual operations of entertainment/spectator/arts facilities, such as the FFCC, measured under this type of analysis are typically lower than other types of event facility products, such as convention centers, that emphasize generating nonlocal events and hotel room nights. A community's decision to invest in arena and theater facility projects are often driven in large part by a recognition of the importance of providing quality entertainment and arts and culture options for community residents. Many of these reasons relate to enhancing quality of life, education and culture, and serve to elevate the community's profile and brand as a quality place to live, work, learn, play and visit.

In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in projects of this nature, particularly those involving existing venues with a long history of service in the local community. These include issues pertaining to quality of life (through attracting entertainment events that would not otherwise travel to the area and hosting civic and private events), ancillary economic development facilitation, employment opportunities, community pride and other such issues.

1.0. INTRODUCTION

Conventions, Sports and Leisure International (CSL), in conjunction with Betsch Associates and FEH Design, was retained by the City of Dubuque (City) to conduct an assessment and study of the Five Flags Civic Center (FFCC).

Study Overview & Objectives

The FFCC has long-served as an important community asset for Dubuque and its residents. Its long history can be traced back to the mid-1800s with the opening of hotel and theater facilities in downtown Dubuque. Over the years, Five Flags has served as a critical gathering place in Dubuque, hosting thousands of entertainment, performing arts, sports, conventions, and civic events. The two primary elements of the current Five Flags Civic Center are the 4,000-seat Arena and the 700-seat historic performing arts Theater.



In the decades since the last major investment in Five Flags, significant changes have occurred within the event facility industry nationwide. At the same time, additional new event, sports and entertainment facilities have been developed elsewhere in Dubuque and in the region. As such, the City of Dubuque is interested in determining the most appropriate path forward as it relates to the Five Flags Civic Center and its ongoing role in Dubuque.

Specifically, the purpose of this study is to assess the FFCC's current physical state and programmatic orientation, and conduct a study of market demand, supportable program, financial, economic, naming rights/sponsorship and feasible development scenarios relating to the future of the Five Flags Civic Center.

At the direction of the City, these scenarios include:

1. Demolish Five Flags Civic Center except for the historic theater to allow for redevelopment of site.
2. Redevelopment / leasing of Five Flags Civic Center except for historic theater for private tenancy or ownership.
3. Renovation of current footprint of Five Flags Civic Center buildings.
4. Renovation of the existing buildings with expansion of square footage either current or expanded footprint.
5. Relocation of existing Five Flags Civic Center to another location fitting with current sustainability and growth plans for the City of Dubuque.

An important objective of the study is to provide the City and stakeholder decision-makers with a thorough study relying on defensible, factual research and analysis of the existing FFCC, its future potential, and market supportable options that will best serve to protect the interests of the City and its citizens.

Study Methods

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

- ✓ Experience garnered through more than 1,000 event facility and mixed-use evaluation and planning projects throughout the country.
- ✓ Local market visit at the outset of the project, including community and site tours.
- ✓ Visual physical facility inspection and condition assessment of the FFCC.
- ✓ Research and analysis of local market conditions, existing facilities and infrastructure and industry trends.
- ✓ Benchmarking research and analysis of facility data and interviews conducted with management of over 30 competitive and comparable arena and theater facilities located throughout the region and country.
- ✓ Comparative analysis of socioeconomic data from competitive/comparable facility markets.
- ✓ In-person interviews, meetings and public forums with Dubuque area individuals, including representatives of municipal government, visitor and event industries, local companies, event producing organizations, and community groups.
- ✓ Online survey of over 1,087 Dubuque and community residents.
- ✓ Completed telephone interviews with more than 30 representatives of organizations and groups that represent potential users of multipurpose arena and theater facility space in Dubuque.

Conclusions of a particular event facility project's feasibility can be assessed in various ways, including:

- Market feasibility – the facility's ability to attract and support levels of event activity and patronization that are consistent with or in excess of industry standards.
- Financial feasibility – the ability of the facility to "break-even" or generate an operating profit focusing only on direct facility-related operating revenues and expenses.

- Economic spending – the facility’s ability to generate new spending activity in the local community (i.e., direct and indirect spending that is attributable to out-of-town visitors that would not otherwise occur in the local area).
- Tax generation – the ability of the facility to generate new tax revenue for the local area (i.e., tax revenue resulting from direct, indirect and induced spending that is attributable to out-of-town visitors that would not otherwise occur in the local area).
- Costs/benefits/return on investment – the facility’s ability to generate new revenues (i.e., from taxes, operating income and ancillary facility-related revenues, etc.) in excess of quantifiable facility-related costs (i.e., construction costs, operating costs, marketing costs, public sector contribution, etc.).
- Intangible benefits/public good – the ability of the facility to represent an important resource for the local community, regardless of financial or economic concerns. These types of benefits add to the local community’s “quality of life” in the same way that libraries, museums and recreational parks do, without consideration of the economic impacts that the facility might generate.

When evaluating the feasibility of a public assembly facility, such as multipurpose event facilities, communities throughout the country have differed in the specific criteria that best reflects the definition of “feasible” for their community. For instance, one community may focus more on the ability of the project to be operationally self-supportive or require below a certain threshold of public sector contribution, rather than the intangible “public good” aspects the project would provide local residents. The research, data, information and analysis provided through this study is intended to allow the City and other community constituents to draw their own informed conclusions concerning the “feasibility” of public sector investment in the FFCC.

This market and economic assessment provides a foundation of research to give the City and other decision-makers the information necessary to strategically plan for Dubuque’s future in the event facility industry. Importantly, this research provides direction not only as to the facility components that may be supportable from a market demand perspective, but also the visitor amenities surrounding Dubuque’s primary public assembly facility, including hotel support.

2.0. FFCC SITUATION & OPERATIONS ANALYSIS

The purpose of this chapter is to inventory and analyze key elements of the current FFCC product, its current market orientation, and its historical operating performance. Understanding the current strengths and challenges of the existing FFCC product, along with current and historical utilization levels, event mix and other such characteristics is important to provide a basis from which to evaluate short and long-term market demand characteristics for Dubuque and the FFCC, and to help make informed decisions regarding the optimal business plan for the future of the facilities.

Five Flags Civic Center History

The FFCC began as a hotel on the corner of Fourth and Main Street named the City Hotel in the 1840's. In 1862, William G. Stewart purchased the building and began converting it into a theater. Over the next 45 years, the venue endured a number of different owners and name changes, until the original structure was destroyed in a fire in April 1910. The existing theater was designed and built by C.W. and George L. Rapp of Chicago, who were highly regarded as some of America's premier theater architects.

The theater continued to operate in a variety of capacities until 1969 when it was earmarked for demolition as part of Dubuque's 12-block downtown urban renewal program. Those opposed to the demolition believed the facility was an irreplaceable treasure, and began obtaining private donations to combine a restored theater with a new exhibition-arts facility for an all-purpose civic center on the block bordered by Fourth, Fifth, Main, and Locust Streets. A steering committee officially launched a fund drive in December 1971 to renovate the venue and build an adjoining arts arcade and exhibition hall.

In November, 1972, the Orpheum was placed on the National Register of Historic Places. The theater was restored in 1975, renamed the Five Flags Theater and reopened March 13, 1976. Shortly thereafter, a bond referendum was held for the construction of the Five Flags Civic Center, to be attached to the existing theater. An overwhelming 70 percent majority approved of the project.

The development included necessary theater support room improvements, upgrades to the locker rooms, storage space and administrative offices. The complex was connected to and designed to complement the restored theater. The new Civic Center opened its doors in 1979, alongside the restored Theater on Fourth and Main taking up a full city block. The bond was a \$3.7 million project. Additional upgrades and renovations were completed in 2005 at a cost of just over \$2.0 million.


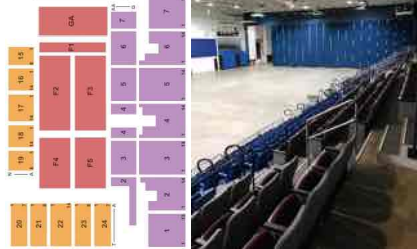




In August 2003, an analysis of Five Flags took place to determine what could be done to hold the line on expenses or reduce the property tax supporting that operation. After weighing the advantages and disadvantages of all options considered, the City contracted SMG in April 2004 to privately manage Five Flags Civic Center. The current management agreement ends June 30, 2019 and has a possible five-year extension clause with SMG.

An important clause implemented with the Management Agreement that remains today is that the FFCC will not compete with the Grand River Center for conferences, conventions, dinners, banquets, meetings, receptions and flat floor events. A later amendment added a non-compete clause that included national political events. Additionally, in October 2009, the FFCC entered into another non-compete agreement, this time for ice-related events that were otherwise able to be held at the newly constructed Dubuque Ice and Recreation Center.

Over its lifespan, the FFCC has served the Dubuque community and surrounding region as a site of thousands of sporting events, concerts, theatrical performances, family shows, ice shows, civic events, religious events, and other such events.

Analysis of Current Product & Recent Operations

The Five Flags Civic Center is a City-owned multicomponent event facility, presently managed via contract by a leading national third-party private management company, SMG. In terms of common event industry vernacular, the FFCC primarily consists of an arena and a performing arts theater. The FFCC also integrates some smaller flat floor space for meetings, banquets and other types of activities, as well as a black-box theater, but these spaces are secondary to its function/role as an arena and theater venue. Specifically, the FFCC consists of a 4,000-seat Arena, a 711-seat Theater, 1,950-square feet of meeting space and a 1,700-square foot black box theater.

ARENA	THEATER	OTHER EVENT SPACE
 	 	 
Total Capacity: 4,000 Floor: 238' x 92' Floor space: 24,500 sf Stage: 60' x 40' Beam weight limit: 6,000 lbs	Total Capacity: 711 Lower level: 322 Mezzanine: 38 Balcony: 351	Meeting Rms: 1,950 sf (2 rms) Bijou Theater: 1,700 sf black box Other Space: 6 Dressing rms

Working with the City and FFCC management, a wide variety of information was collected regarding the FFCC product and historical operations. A facility-wide summary of annual number of events, event days, utilization days and attendance for the fiscal years 2012 through 2017 is presented in Exhibit 1 on the following page. The exhibit presents the number of events and event days that took place within event space at the FFCC during each of the past six fiscal years. Utilization days represent the total number of days that event space was occupied at the FFCC, including move-in/out and event days (the total number of days some event space was utilized at the FFCC, removing duplicate data for days in which multiple event spaces were used). Calendar Day Utilization is then calculated by dividing the number of Calendar Days Utilized by the total number of days in a given year.

Exhibit 1
Historical FFCC Operations Analysis –
Summary (FY 2012 – FY 2017)

FFCC EVENTS	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Total Number of Events	94	96	67	76	86	103
Total Event Days	153	158	113	117	109	170
Total Utilization Days	255	255	198	189	139	261
Calendar Day Utilization	69.9%	69.9%	54.2%	51.8%	38.1%	71.5%
Attendance	89,977	91,404	74,833	90,409	88,207	93,344

ARENA EVENTS	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Total Number of Events	55	56	40	45	59	66
Total Event Days	67	70	47	53	76	86
Total Utilization Days	89	89	65	67	102	105
Calendar Day Utilization	24.4%	24.4%	17.8%	18.4%	27.9%	28.8%
Attendance	66,631	67,552	57,031	67,539	71,840	69,473

THEATER EVENTS	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Total Number of Events	30	32	24	28	23	32
Total Event Days	60	56	45	49	33	66
Total Utilization Days	127	114	96	95	41	125
Calendar Day Utilization	34.8%	31.2%	26.3%	26.0%	11.2%	34.2%
Attendance	21,800	22,720	18,453	24,483	19,982	27,677

Between fiscal years 2012 and 2017, overall event activity at the FFCC has varied from a low of 67 events in FY 2014 to a high of 103 events in FY 2017. Furthermore, Calendar Day Utilization percentages fluctuated between 38.1 percent (in FY 2016) and 71.5 percent (in FY 2017). Overall, the number of events increased from FY 2012 to FY 2013, with a significant decrease in FY 2014 and steady increase from FY 2015 through FY 2017. The decrease that occurred in FY 2014 can be attributed in large part to the departure of the Eastern Iowa Outlaws Roller Derby, as well as a decrease in usage by the Dubuque Soccer Club, among other events.

The Arena has hosted an average of 54 events between fiscal years 2012 and 2017. Sporting events such as Dubuque Soccer Club, Eastern Iowa Outlaws Roller Derby, Dock Dogs Championships and Pinnacle Combat MMA have accounted for the largest number of Arena events, averaging approximately 67 percent of total events for the fiscal years reviewed.

Fiscal year events at the Theater have ranged from a low of 23 events in FY 2014 to a high of 32 events in fiscal years 2013 and 2017, averaging 28 events. Tenant performances, such as the Dubuque Symphony Orchestra and Rising Star Theatre Company have accounted for the largest portion of event activity at the Theater, averaging 38 percent of total fiscal year events for the years reviewed. Non-tenant performance, such as the Colts Youth Organization and Studio 5678 accounted for approximately 24 percent, followed closely by concerts with 17 percent.

Utilization days at the FFCC remained steady in fiscal years 2012 and 2013 with a total of 255 utilization days, declining through FY 2016 to a five-fiscal year low of 139 utilization days, and nearly doubling in FY 2017 with a total of 261 utilization days. Tenant performances accounted for the largest number of

utilization days, with sporting events and non-tenant performances also making up a large share of FFCC utilization days between FY 2012 and FY 2017.

Arena utilization days average approximately 86 days between fiscal years 2012 and 2017, with a low of 65 days in FY 2014 and a high of 105 utilization days in FY 2017. Sporting events accounted for the largest share of fiscal year utilization days, with an average of approximately 60 percent of total utilization days.

Theater utilization days peak in FY 2012 with a total of 127 utilization days, fluctuating through fiscal years 2013 and 2016, rebounding in FY 2017 with a total of 125 utilization days. Tenant performances accounting for the largest portion of activity, followed closely by non-tenant performances.

Event attendance at the FFCC has remained fairly consistent ranging from a low of 74,800 in FY 2014 to a high of 93,300 in FY 2017 despite the decrease in overall event activity. Sporting events have drawn the largest attendance levels among event types at the FFCC, accounting for an average of 50 percent total attendance at FFCC events during the fiscal years reviewed. Similarly, attendance levels at Arena and Theater events have remained relatively steady with Arena attendance averaging approximately 66,700 and Theater attendance averaging 22,500 between fiscal years 2012 and 2017.

In addition to analyzing historical event activity, we have analyzed the historical financial operations of the FFCC. Exhibit 2 below presents a summary of FFCC operating revenues, expenses and resultant net operating deficit for each of the past six full fiscal years.

Exhibit 2
Historical FFCC Operations Analysis –
Financial Operating Results (FY 2012 – 2017)

	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Operating Revenues						
Facility rent	\$ 243,157	\$ 157,104	\$ 113,671	\$ 109,115	\$ 108,063	\$ 118,488
Food service (net)	125,590	91,976	63,948	85,280	80,556	78,707
Contract service/other	21,470	56,660	59,128	62,404	62,979	45,785
Total Operating Revenues	390,217	305,740	236,747	256,799	251,598	242,980
Operating Expenses:						
Salaries and benefits	\$ 786,824	\$ 722,932	\$ 646,006	\$ 630,215	\$ 638,091	\$ 609,349
Contract labor	33,980	31,667	29,467	34,015	25,341	25,887
Utilities	177,562	183,324	186,702	184,036	166,079	162,282
Repair & maintenance	30,552	24,575	18,362	27,055	20,837	37,537
General & administrative	75,276	74,625	70,080	71,970	74,695	67,654
Supplies	22,330	14,505	13,942	13,767	15,125	13,611
Insurance	45,632	45,188	42,248	38,392	26,293	22,151
Other	82,571	78,638	82,000	86,454	105,075	108,300
Total Operating Expenses	1,254,727	1,175,454	1,088,807	1,085,904	1,071,536	1,046,771
Net Operating Deficit	(864,510)	(869,714)	(852,060)	(829,105)	(819,938)	(803,791)

As presented, the FFCC has operated at an annual deficit ranging from approximately \$803,800 in FY 2012 to nearly \$870,000 in FY 2016. Like the FFCC, the large majority of publicly-owned arena, theater, convention center, and civic center facilities located throughout the country generate an annual financial operating deficit. On a per square foot and per seat basis, the FFCC's annual financial operating deficit is consistent with or slightly better than the average comparable facility located in similar markets, which is an indication of management's emphasis on operating cost containment and/or City budget mandates. However, the FFCC is attracting a lower than average level of event activity in both the Theater and Arena relative to comparable facility averages, which would be expected, given the FFCC's age, substandard physical product, accommodated event mix, and functional/marketability challenges.

Current Challenges

While the FFCC has long-served as a productive community asset and economic generator, there are a number of important weaknesses and challenges with the existing physical facility product that negatively impact marketability, event accommodation, delivery of services, attendee experience, and operating efficiency. Communities throughout the region and country continue to invest in new, expanded and improved event facility products. The "state-of-the-industry", in terms of product quality, layout, amenities, and functionality continues to rise.



Current FFCC management has demonstrated creativity and efficiency in its approach in attracting events, maximizing revenues, and containing expenses with an aging and increasingly substandard facility product. In the competitive event facility environment (regionally and nationwide), with each passing year without major capital investment, the FFCC's challenges and inefficiencies become more stark and impactful, and ultimately will not be able to be mitigated or countered even with a competent and creative management team.

The Project Team conducted tours and a visual inspection of the FFCC at the outset of the study. Interviews were conducted with FFCC staff, including key management, sales and marketing, booking/scheduling, and operations personnel. The following key challenges were noted during this process and represent key concerns associated with the existing FFCC product. Challenges are organized into four categories: (A) life safety concerns, (B) issues affecting operating efficiency, (C) issues impacting patron experience, and (D) issues impacting event marketability. The following represents a summary of the key issues/concerns noted:

A) Life Safety Concerns

Reviews of the existing infrastructure and FFCC facility setup have revealed concerns that pose a potential risk among attendees of arena and/or theater events.

There are numerous safety concerns with the existing exterior footprint of the FFCC that presents a risk to event attendees. The current building setback offers limited sidewalk space and there are no protective bollards around the building that protect patrons pre- and post-event.

Additionally, building entrances/exits present a challenge with events that draw a large attendance. Issues with ingress/egress pose a potential safety risk in the instance that attendees need to evacuate the FFCC quickly.

Within the exterior, safety concerns with the limited space within the lobby and gathering areas present challenges during inclement weather, exacerbated by insufficient shelter space within the FFCC.

B) Issues Affecting Operating Efficiency

In addition to safety concerns, current inefficiencies with the FFCC hinder the ability of the facility to operate at its full potential.

From an event planner perspective, there is only one ten-foot door available for them to load and unload their equipment. The lack of dock or multiple doors to load-in/out can be constraining. Additionally, the lack of storage and back stage areas pose issues for events that require space to store equipment containers while utilizing the facility.

For multipurpose facilities, food and beverage sales account for a large portion of revenue. Current issues such as the limited storage space and placement relative to point of sales, the lack of a full kitchen and food prep areas as well as the poor concession stand design do not optimize food and beverage revenue generation.

Further challenges include the additional time and labor required to lay down decking under the west side of seating, inefficient electrical and lighting systems as well as an inadequate exhaust system.

C) Issues Impacting Patron Experience

In today's environment, the experience provided to event attendees is critical to the success of a multipurpose facility. As such, current conditions at the FFCC do not provide an ideal experience

that many competitive state-of-the-industry facilities offer, putting the FFCC at a competitive disadvantage. Things such as a mailing address that better aligns with the main entrance of the FFCC, better identification of the location of the main entrance and box office, a larger/enhanced promenade and a lobby for the Theater would create an easier and better arrival experience for patrons.

Other issues such as the lack of restrooms, lack of ADA accessible locations, WiFi access and Theater acoustics are important to address as they greatly affect the overall patron experience.

Additionally, the lack of traditional premium seating in the current FFCC represents a missed opportunity in terms of revenue, marketability, and patron experience. Creating premium seating areas or hospitality areas would not only provide a better experience to event attendees, but could provide critical additional revenue streams for the FFCC.

D) Issues Impacting Event Marketability

The marketability of a multipurpose facility to attract national and regional touring events is important given the highly competitive environment throughout the region. There are multiple challenges with the FFCC Arena that decrease its desirability among competitive venues.

The limited seating capacity and challenging configuration for shows with more than 3,500 seats make it difficult to market the FFCC to large national touring events.

The low ceiling height as well as the rigging capabilities are not ideal and more expensive to produce large shows.

The Arena cannot create ice during warm-weather months (June through August). During the months when it is possible, ice making is expensive to execute and maintain, and requires the approval of the Dubuque Community Ice and Recreation Center, Inc. Board (DICE), per agreement.

The historic Theater also presents challenges for events considering the Dubuque market. There currently are no points above the stage in fly space to rig speakers as well as no wing space within the Theater making it difficult to produce performances that require sufficient space for speaker systems.

Other Center challenges include a lack of state-of-the-industry green/dressing rooms for performers and no existing product/merchandise display space.

Conclusions

The FFCC has long-served as an important community asset for Dubuque and its residents. The two primary elements of the current Five Flags Civic Center are the 4,000-seat Arena and the 700-seat historic performing arts Theater. The FFCC is owned by the City of Dubuque and is managed via contract by a leading national third-party private management company, SMG.

On a per square foot and per seat basis, the FFCC's recent annual financial operating performance is consistent with or slightly better than the average comparable facility located in similar markets, despite industry substandard product characteristics. Event and attendance attraction are showing favorable trends in recent years and financial operating performance is stable, which is indicative of an experienced and efficient management team and approach.

Nevertheless, the FFCC is attracting a lower than average level of event activity in both the Theater and Arena relative to comparable facility averages, which would be expected, given the FFCC's age, substandard physical product, accommodated event mix, and functional/marketability challenges.

There are a number of important weaknesses and challenges with the existing physical facility product that negatively impact marketability, event accommodation, delivery of services, attendee experience, and operating efficiency. Communities throughout the region and country continue to invest in new, expanded and improved event facility products. The "state-of-the-industry", in terms of product quality, layout, amenities, and functionality continues to rise.

Current FFCC management has demonstrated creativity and efficiency in its approach in attracting events, maximizing revenues, and containing expenses with an aging and increasingly substandard facility product. In the competitive event facility environment (regionally and nationwide), with each passing year without major capital investment, the FFCC's challenges and inefficiencies become more stark and impactful, and ultimately will not be able to be mitigated or countered even with a competent and creative management team.



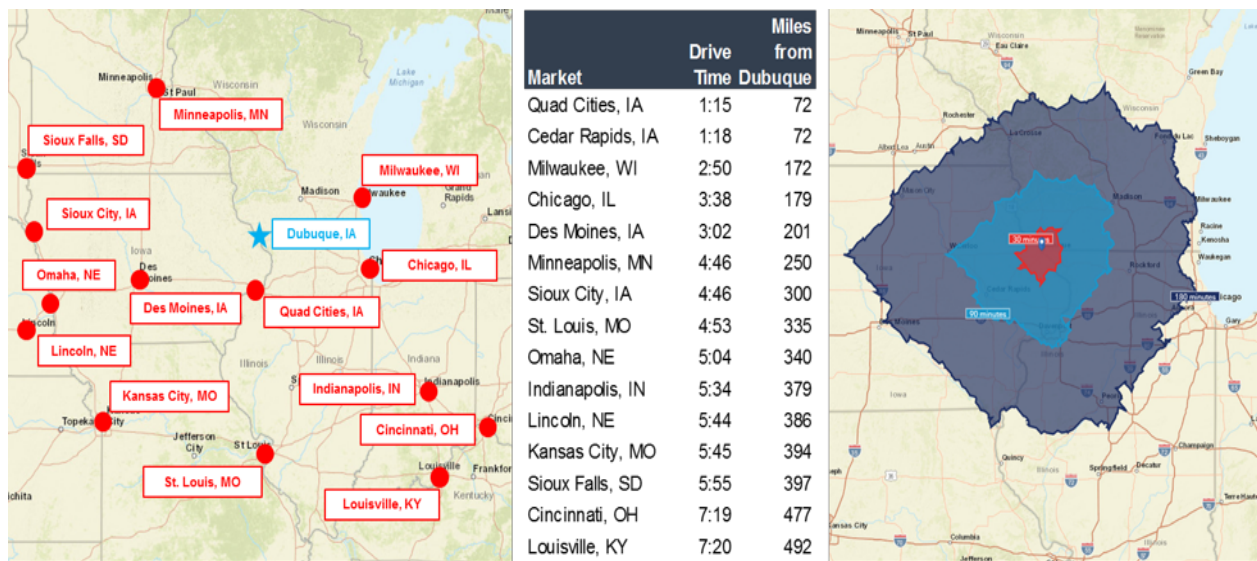
3.0. ANALYSIS OF LOCAL MARKET CONDITIONS

The strength of the local market, in terms of its socioeconomic and demographic attributes, can provide an indication of a community's ability to draw and accommodate large numbers of sports, entertainment, convention, arts, cultural, civic and other spectator event attendees. A community's hospitality infrastructure in terms of hotels, restaurants, entertainment and other such factors contribute heavily to the potential success of event facilities. An analysis of these attributes was conducted as they relate to the market potential for an enhanced FFCC product in Dubuque.

Location and Transportation

Exhibit 1 illustrates the location of Dubuque and its regional markets and the approximate drive time to/from Dubuque. Additionally, the exhibit demonstrates the markets and land area captured within 30-, 90- and 180-minute estimated driving distances. These rings will be utilized throughout the report while analyzing and comparing demographic and socioeconomic variables.

Exhibit 1
Location & Transportation – Driving Distance to Regional Cities



Source: Google Maps, Esri, 2017

As shown, Dubuque is located at the confluence of Highways 20 and 61, connecting the city to Waterloo to the west, Davenport and Moline to the south and Madison to the northeast. Other population centers located within 400 miles include Milwaukee, Chicago, Des Moines, Minneapolis, St. Louis, Omaha, Kansas City, Indianapolis, Sioux Falls, Louisville, Cincinnati and Lincoln.

Demographics

Specific demographic and socioeconomic information that can provide an indication of the ability of a market to support a multipurpose event facility includes population, age, household income and corporate base. Promoters/planners of spectator events (and other events that tend to draw largely from the local driving area) often consider these factors when selecting the appropriate markets for their events.

Exhibit 2 provides a summary of key demographic characteristics estimated for the city of Dubuque, Dubuque County, markets captured in 30-, 60-, and 180-minute drive time rings around the city of Dubuque, the state of Iowa, and a United States benchmark.

Exhibit 2
Demographics – Dubuque Area Summary

Demographic Variable	Dubuque	Dubuque County	30-Minute	90-Minute	180-Minute	Iowa	U.S.
Population (2000)	58,338	89,143	118,493	1,152,678	7,032,854	2,926,324	281,421,906
Population (2010)	58,058	93,653	124,680	1,212,579	7,491,742	3,046,355	308,745,538
Population (2017)	60,595	99,216	131,119	1,261,089	7,640,187	3,173,649	323,580,626
% Change (2000-2017)	3.9%	11.3%	10.7%	9.4%	8.6%	8.5%	15.0%
Population (2022 est.)	62,433	103,374	135,295	1,291,940	7,771,841	3,280,109	337,326,118
% Change (2017-2022)	3.0%	4.2%	3.2%	2.4%	1.7%	3.4%	4.2%
Avg. Household Inc. (2017)	\$62,900	\$69,509	\$67,825	\$74,738	\$74,576	\$70,305	\$77,008
Avg. Household Inc. (2022 est.)	\$68,540	\$76,146	\$74,435	\$84,246	\$81,393	\$77,701	\$84,021
% Change (2017-2022)	9.0%	9.5%	9.7%	12.7%	9.1%	10.5%	9.1%
Median Age (2017, in years)	38.6	39.3	38.5	40.1	38.6	38.7	38.0
Businesses (2017)	3,129	4,584	6,223	50,505	320,914	145,204	13,207,211
Employees (2017)	51,509	66,767	82,694	731,046	4,339,653	1,803,022	162,998,347
Employee/Residential Pop. Ratio	0.85:1	0.67:1	0.63:1	0.54:1	0.57:1	0.57:1	0.50:1

Source: Esri, 2017

The population of the city of Dubuque is approximately 60,600, while future projections based on U.S. Census data estimate Dubuque's population to be approximately 62,400 in 2022. The estimated population within a 30-minute drive of Dubuque is approximately 131,100, which is an estimated 10.7 percent increase over the 2000 population within that radius. This growth is slightly higher than the estimated 8.5 increase throughout the state of Iowa though slightly lower than the 15.0 percent increase for the United States as a whole. The population base within the 90- and 180-minute drive time rings is estimated at 1.3 million and 7.6 million, respectively.

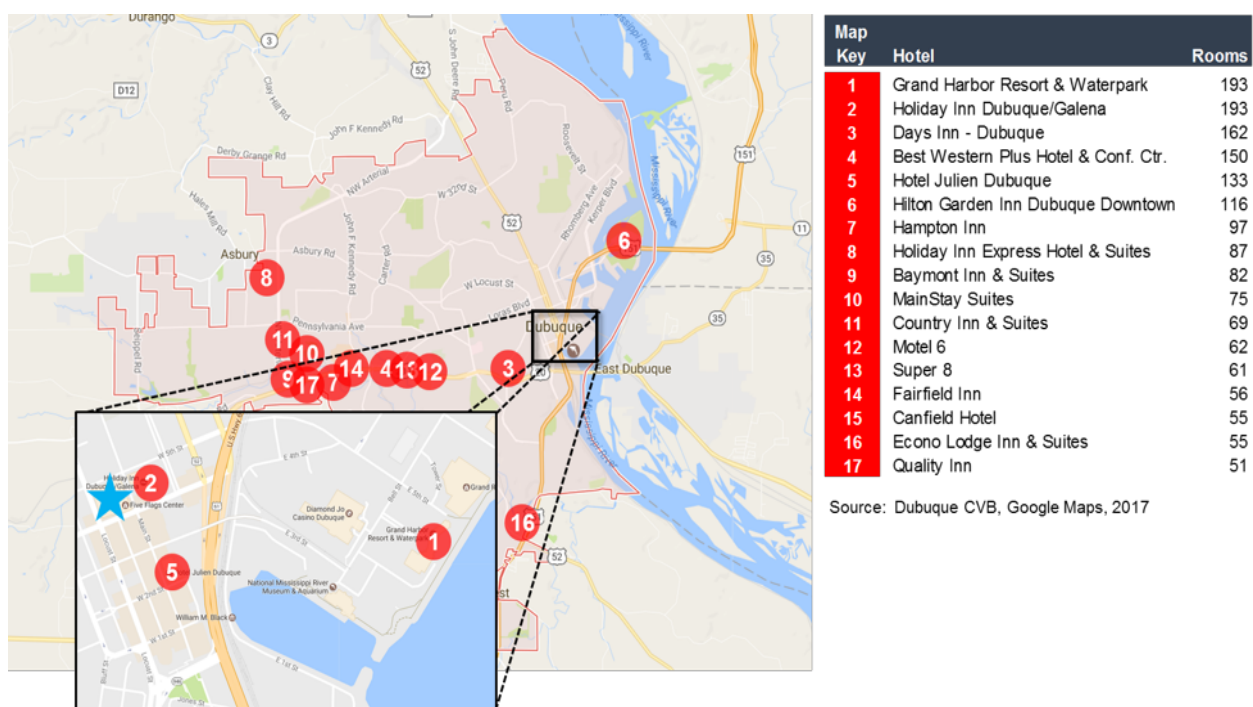
Average household income among Dubuque residents approximates \$62,900, which is approximately 18 percent (approximately \$14,100) less than the national average, 11 percent (approximately \$7,400) less than the state average, and 10 percent (approximately \$6,600) less than the average in Dubuque County.

Local Event Facility and Hotel/Lodging Inventory

A community's hospitality infrastructure, in terms of hotels, restaurants, entertainment and other such factors, contributes heavily to the potential success of an event facility. The marketability of any event facility increases when there exists the support of amenities and infrastructure within close proximity.

This supporting hospitality infrastructure also plays a key role in generating the desired economic impact of added event space, particularly when considering an events center project, such as the potential renovation/redevelopment of the FFCC. A paramount component of this hospitality infrastructure is the local inventory of quality hotel properties. As such, the primary hospitality infrastructure within Dubuque is outlined in Exhibit 3.

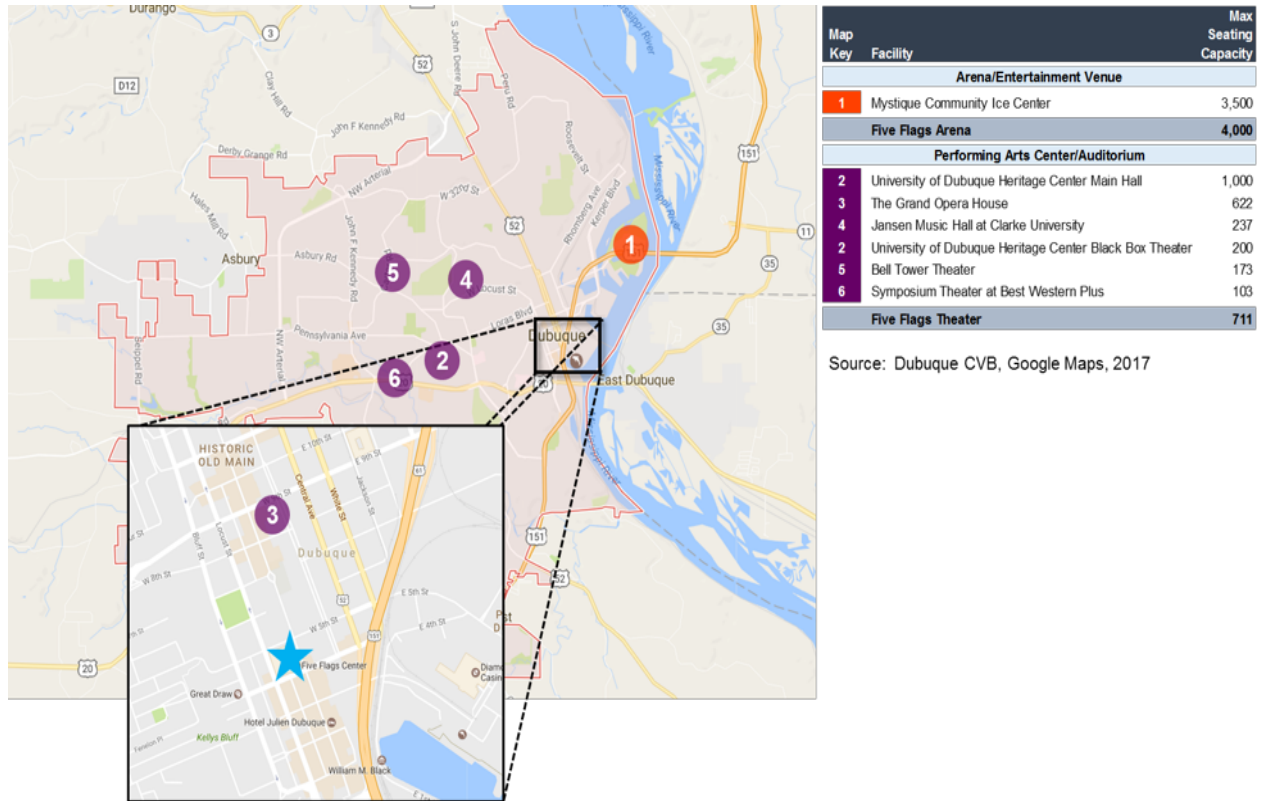
Exhibit 3
Lodging – Dubuque Area Hotels



As shown, there are 17 lodging properties in Dubuque with 50 or more sleeping rooms, six of which offer more than 100 guestrooms. Overall, Dubuque offers nearly 1,700 total hotel guestrooms; however, only three of these properties (offering 519 total sleeping rooms) are located in downtown Dubuque. The majority of the sleeping room inventory is located along U.S. Route 20, west of downtown Dubuque. The property closest to the FFCC is the 193-room Holiday Inn Dubuque, which is situated directly across Main Street and connected to the FFCC via underground tunnel. The 133-room Hotel Julien Dubuque is also located within close walking distance. The 193-room Grand Harbor Resort & Waterpark and the Grand River Center located on the Mississippi River's shoreline is within moderate walking distance.

The number of potentially competitive event facilities capable of hosting local or touring spectator event performances is an important consideration with respect to the overall viability of a potentially renovated/redeveloped FFCC. Exhibit 4 outlines the key facilities throughout Dubuque with elements of fixed seating.

Exhibit 4 Dubuque – Key Existing Event Facilities

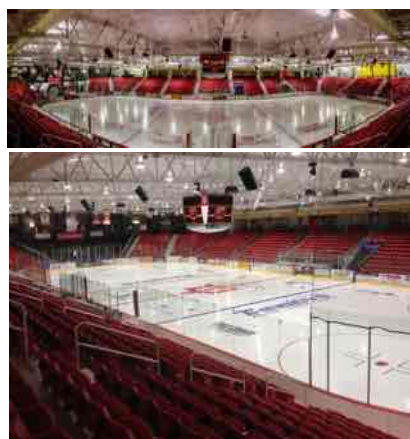




As shown, there are six existing theaters and one arena within the Dubuque area with capacities greater than 100 that may present some level of competition for hosting promoted concerts, theater performances and other touring events in Dubuque.

Additionally, the Mississippi Moon Bar at Diamond Jo Casino and the Q Showroom at the Q Casino are host to touring concerts and events with approximate capacities of 600 for general admission standing room.

Exhibit 5 summarizes facility offerings within the Mystique Community Ice Center, the University of Dubuque Heritage Center and the Grand Opera House.

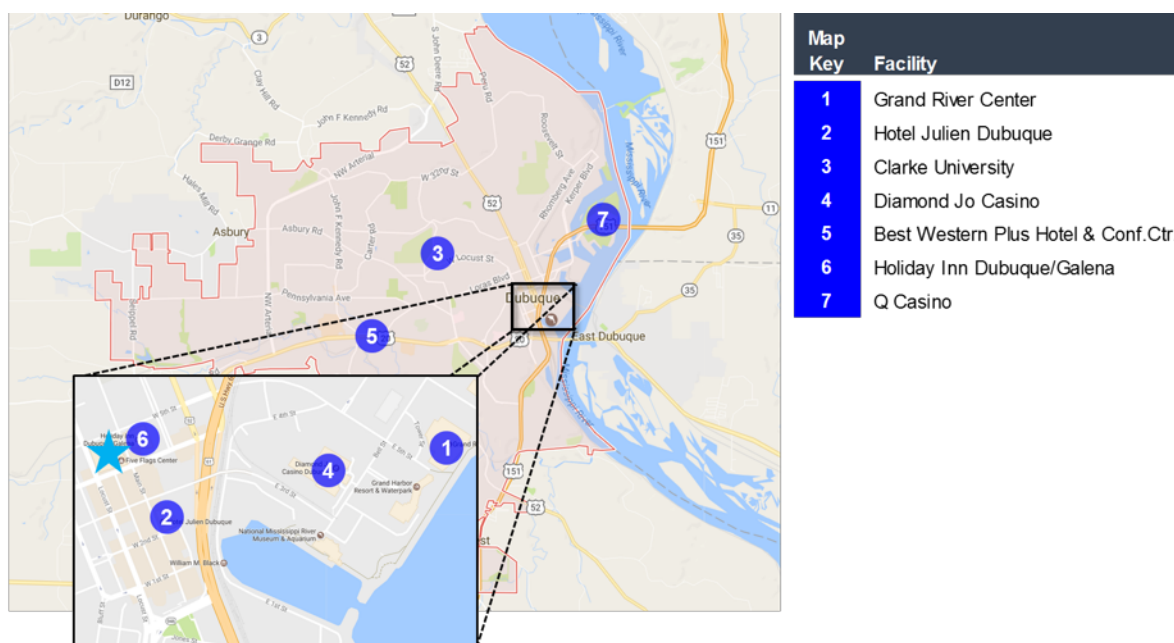
Exhibit 5 Dubuque – Summary of Key Existing Event Facilities

		
<p>FACILITY: MYSTIQUE COMMUNITY ICE CENTER</p> <p>Owner: City of Dubuque</p> <p>Operator: Dubuque Community Ice & Rec. Center, Inc.</p> <p>Key Facility Components:</p> <ul style="list-style-type: none"> • 1 NHL ice arena • 3,079 fixed seating capacity • 3,500 max seating capacity • 11 luxury suites <p>Other Notes:</p> <ul style="list-style-type: none"> • Opened in 2010 at a total cost of approximately \$7.1 million. • Funding through P3 including a \$1.1 million contribution from the Dubuque Racing Association (Mystique Casino); \$3.3 million from Northern Lights Hockey, LLC, owners of the Fighting Saints and other individual and corporate donors throughout Dubuque • Home to the Dubuque Fighting Saints. 	<p>FACILITY: HERITAGE CENTER</p> <p>Owner: University of Dubuque</p> <p>Operator: University of Dubuque</p> <p>Key Facility Components:</p> <ul style="list-style-type: none"> • 80,000 sf facility • 1,000-seat Main Hall • 200-seat Black Box Theater <p>Other Notes:</p> <ul style="list-style-type: none"> • Host to University performances, local and touring shows (such as Third Eye Blind, Cantus Vocal Ensemble, Paul Reiser, etc.), and other events. 	<p>FACILITY: THE GRAND OPERA HOUSE</p> <p>Owner: The Grand Opera House Foundation</p> <p>Operator: The Grand Opera House Foundation</p> <p>Key Facility Components:</p> <ul style="list-style-type: none"> • 622 seating capacity <p>Other Notes:</p> <ul style="list-style-type: none"> • Opened in 1890 • Host to local performances such as concerts, plays, etc.

The Mystique Community Ice Center is currently home to the Fighting Saints hockey team, a previous tenant at the FFCC. The Heritage Center and the Grand Opera House are theaters that compete for certain local and non-local event and utilization activity with the FFCC Theater.

In terms of facilities offering sizeable flat floor meeting/exhibition space, the Dubuque area currently offers a number of event facilities, including meeting space within hotel facilities and event space at specialized area facilities that would compete for conventions, meetings, amateur sports and recreation usage, and other events. Exhibit 6 presents a listing of the primary Dubuque area facilities that offer flat floor meeting space for rental.

Exhibit 6 Local Facilities – Dubuque Area Meeting Facilities

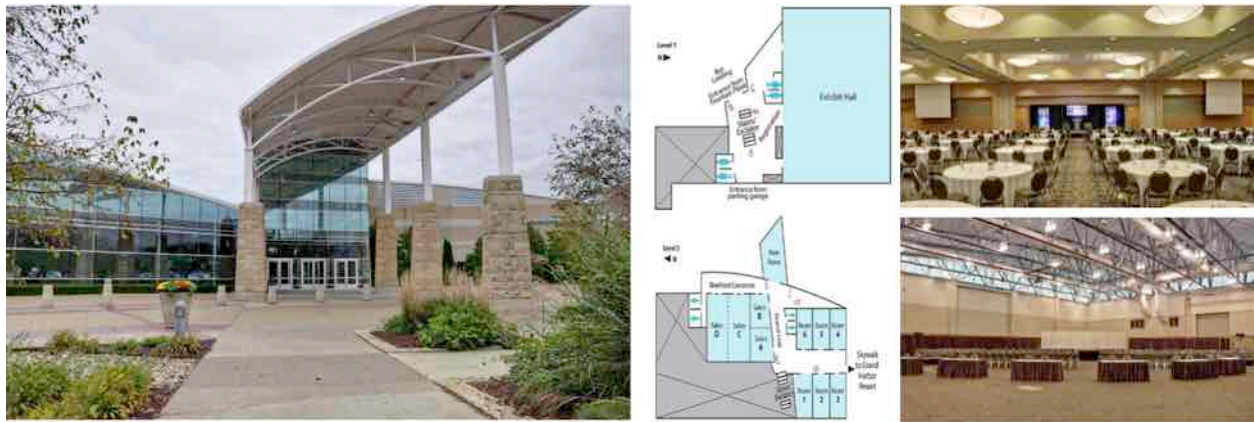


Map Key	Facility	Exhibit Space	Meeting Space	Multipurpose/ Ballroom Space	Total Sellable Space	Largest Exhibit Space	Largest Ballroom Space	Largest Contig. Space	No. of Meeting Rooms	Rooms at HQ Hotel
1	Grand River Center	30,000	12,000	12,000	54,000	30,000	12,000	30,000	6	193
2	Hotel Julien Dubuque	0	6,900	6,300	13,200	0	6,300	6,300	5	133
3	Clarke University	0	9,200	0	9,200	5,600	0	5,600	5	-
4	Diamond Jo Casino	0	800	5,000	5,800	0	5,000	5,000	2	-
5	Best Western Plus Hotel & Conf.Ctr.	0	4,200	4,000	8,200	0	4,000	4,000	5	150
6	Holiday Inn Dubuque/Galena	0	12,500	0	12,500	0	0	3,100	10	193
7	Q Casino	0	5,400	0	5,400	0	0	2,800	2	116
Average		30,000	7,300	6,800	15,500	17,800	6,800	8,100	5	160
Five Flags Civic Center		24,500	3,700	5,000	33,200	24,500	5,000	24,500	3	193

Source: Dubuque CVB, Google Maps, 2017

As presented, there are seven primary meeting facilities that exist in the Dubuque market that offer more than 5,000 total square feet of flat floor space. Overall, the downtown Dubuque market offers nearly 108,000 square feet of meeting and flat floor event space. The Grand River Center is the largest facility in the market. Detailed information of the Grand River Center is provided on the following page.

The Grand River Center (GRC) opened in 2003 at a total cost of \$51.3 million. The Grand River Center was constructed in 2003. The project was funded publicly and privately with \$51.3 million. Nearly \$20.0 million came in the form of a grant from Vision Iowa, a state fund created to assist projects that provide recreational, cultural, entertainment and educational attractions. The City of Dubuque contributed over \$5.0 million via issued debt and the remaining cost of \$25.0 million was covered by private developer, Platinum Hospitality Group. The Center project was part of a larger \$188 million development initiative that was spearheaded by public and private enterprises to revitalize and develop the Port of Dubuque.



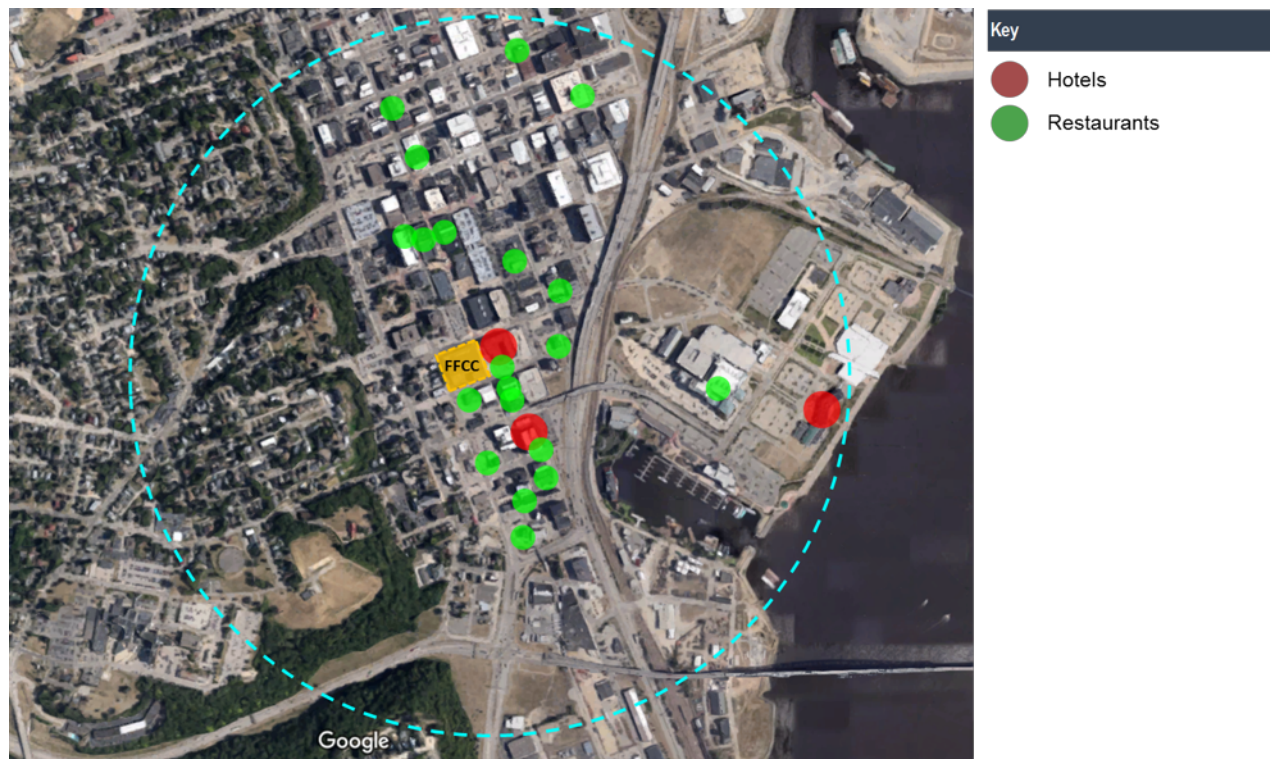
The Grand River Center offers a total of 54,000 square feet of total sellable space that includes 30,000 square feet of exhibit space, 12,000 square feet of ballroom space and 12,000 square feet of meeting space. The Grand River Center's largest contiguous space is approximately 30,000 square feet. The connected Grand Resort and Waterpark offers 193 guestrooms.

In recent years, the GRC has hosted an average of more than 800 events and nearly 174,000 attendees annually.

An important clause implemented with the Management Agreement that remains today is that the FFCC will not compete with the Grand River Center for conferences, conventions, dinners, banquets, meetings, receptions and flat floor events. A later amendment added a non-compete clause that included national political events. While this policy (and the similar non-compete clause implemented for the Mystique Community Ice Center) is reasonable and important to protect the public investment in the City's other newer facility products, it has had certain important impacts on event levels/mix and financial operating performance of the FFCC since their implementation.

The marketability of any event facility increases when there exists the support of amenities and infrastructure within close proximity. This supporting hospitality infrastructure also plays a key role in generating the desired economic impact of facility upgrades and enhancements. The following exhibit presents an aerial overview of the available hotels and restaurants within one-half mile of the FFCC.

Exhibit 7
Existing Visitor Amenities Within ½ Mile of the FFCC



In addition to the approximately 500 hotel rooms, within one-half mile of the FFCC, there are more than 20 full-service restaurants. These, in addition to other nearby bars, nightlife and entertainment establishments provide patrons with things to do pre- and post-event. Throughout the country, spectator/entertainment/arts event venues, such as the FFCC, are often located in downtown central business districts. These locations often provide the highest density of walkable visitor amenities, such as restaurants, bars, nightlife, retail with character, and other such items. The FFCC's location on Main Street in the center core of the downtown is considered an ideal location for this type of venue in the Dubuque destination. From an industry best practices standpoint, many modern event venues actually integrate street-level retail and restaurant space within the actual event venue itself to capture additional income streams and best utilize valuable street-level square footage in dense downtown environments.

Conclusions

The strength of the local market, in terms of its socioeconomic and demographic attributes, can provide an indication of a community's ability to draw and accommodate large numbers of sports, entertainment, convention, arts, cultural, civic and other spectator event attendees. A community's hospitality infrastructure in terms of hotels, restaurants, entertainment and other such factors contribute heavily to the potential success of event facilities.

Throughout the country, spectator/entertainment/arts event venues, such as the FFCC, are often located in downtown central business districts. These locations often provide the highest density of walkable visitor amenities, such as restaurants, bars, nightlife, retail with character, and other such items. The FFCC's location on Main Street in the center core of the downtown is considered the ideal location for this type of venue in the Dubuque destination.

The recent addition of local supply of high-quality, specialized event facility products (through the development of the Grand River Center and the Mystique Community Ice Center) is consistent with trends seen throughout the country relating to the development of more specialized facilities to better serve certain tenants and event types, thereby delivering better experiences and greater value to specific consumers (attendees, exhibitors, spectators and participants). The FFCC Arena, like many multipurpose facilities of its vintage, was designed for maximum flexibility, which allows for the technical accommodation of a wide variety of event types and uses. However, given that facility and amenity requirements differ significantly among specific event types/segments, the result of the FFCC's flexibility is a number of event types/segments are not optimally served relative to modern industry standards. The development of quality convention and ice facilities in Dubuque has relieved the need for the FFCC Arena to accommodate much of its former flat floor and ice events/usage that were critical in previous years. These issues are important in considering future FFCC program and development opportunities.

4.0. COMPETITIVE AND COMPARABLE FACILITIES AND MARKETS

This chapter provides an analysis of various physical characteristics and resources of both competitive and comparable facilities and communities. The data helps place the Five Flags Civic Center Arena and Theater within a competitive and comparable market context with respect to facility space and other related community features. Data was compiled and analyzed on a set of competitive and comparable arena and theater facilities to obtain insight into the physical and operational characteristics of these facilities. The research and analysis presented in this chapter is divided into the following sections:

- Competitive Facilities
- Comparable Arena Facilities
- Comparable Performing Arts Theater Facilities

Competitive Facilities

The market potential of the FFCC is affected by the number and type of facilities competing for the finite supply of events, spectators and participants within the regional marketplace. In order to better understand the competition faced by Dubuque and the FFCC, information was collected on the physical and operational characteristics of select venues in the regional area that may compete with the FFCC for events to varying degrees. Exhibit 1 presents the 15 regional arena facilities identified as competitors, their total seating capacity and their location relative to the FFCC.

Exhibit 1
Competitive State/Regional Arena Facilities

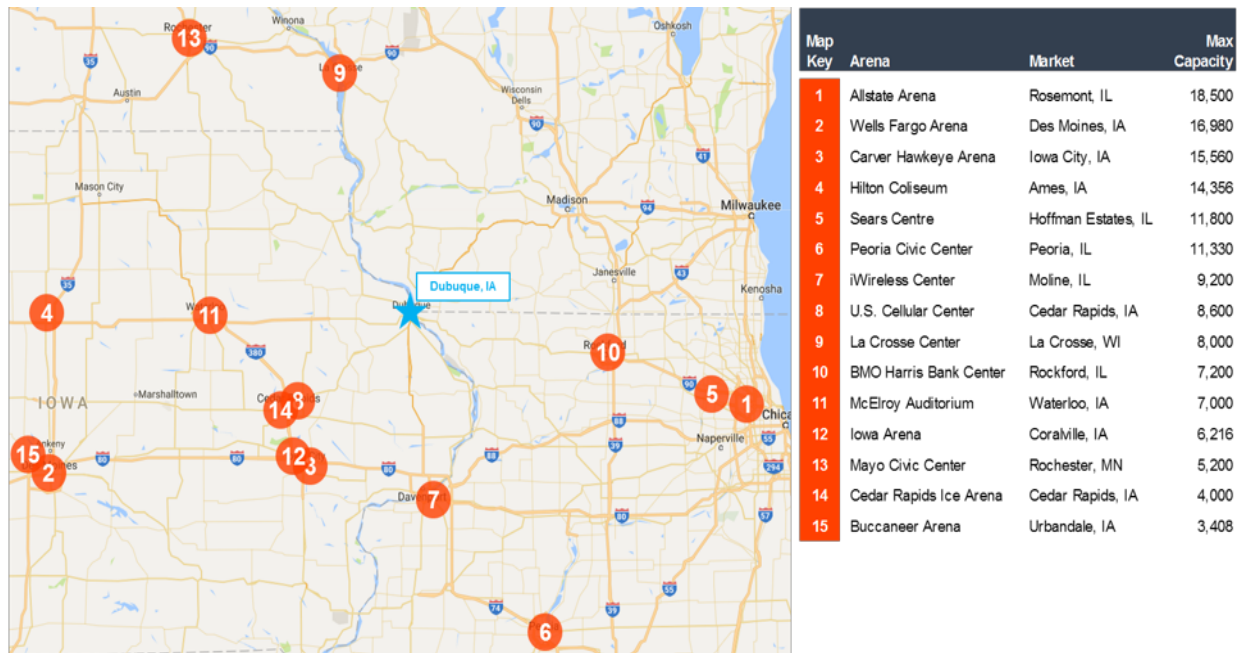


Exhibit 2
Summary of Competitive State/Regional Arena Facilities

Map Key	Arena	Market	Miles to FFCC	Year Opened	Max Capacity
1	Allstate Arena	Rosemont, IL	163	1980	18,500
2	Wells Fargo Arena	Des Moines, IA	193	2005	16,980
3	Carver Hawkeye Arena	Iowa City, IA	87	1983/2011	15,560
4	Hilton Coliseum	Ames, IA	182	1971	14,356
5	Sears Centre	Hoffman Estates, IL	146	2006	11,800
6	Peoria Civic Center	Peoria, IL	167	1982	11,330
7	iWireless Center	Moline, IL	76	1993	9,200
8	U.S. Cellular Center	Cedar Rapids, IA	72	1979/2013	8,600
9	La Crosse Center	La Crosse, WI	118	1980	8,000
10	BMO Harris Bank Center	Rockford, IL	92	1981	7,200
11	McElroy Auditorium	Waterloo, IA	93	1919	7,000
12	Iowa Arena	Coralville, IA	85	2019	6,216
13	Mayo Civic Center	Rochester, MN	167	1938	5,200
14	Cedar Rapids Ice Arena	Cedar Rapids, IA	74	2000	4,000
15	Buccaneer Arena	Urbandale, IA	199	1961/2008	3,408
Average			128	1981	9,823
Median			118	1982	8,600
Five Flags Arena			-	1979	4,000

As shown, the capacities of the identified competitive arenas range from a low of 3,400 seats at the Buccaneer Arena in Urbandale, Iowa to a high of 18,500 seats at the Allstate Arena in Rosemont, Illinois. It is important to note that the average maximum seating capacity among competitive arenas is approximately 9,800 seats, more than twice the size of the maximum capacity currently available within the FFCC Arena. Additionally, the Iowa Arena in Coralville, Iowa is currently in the final planning stages and will be open in 2019. The estimated 6,200-seat arena may offer some additional competition for touring events in the future. The only two arenas to have opened since 2000 are the Wells Fargo Arena in Des Moines (IA) and the Sears Centre in Hoffman Estates (IL). The Buccaneer Arena in Urbandale (IA) was renovated in 2008. A summary of recent event activity among a select number of arenas reviewed are presented below and on the following page.

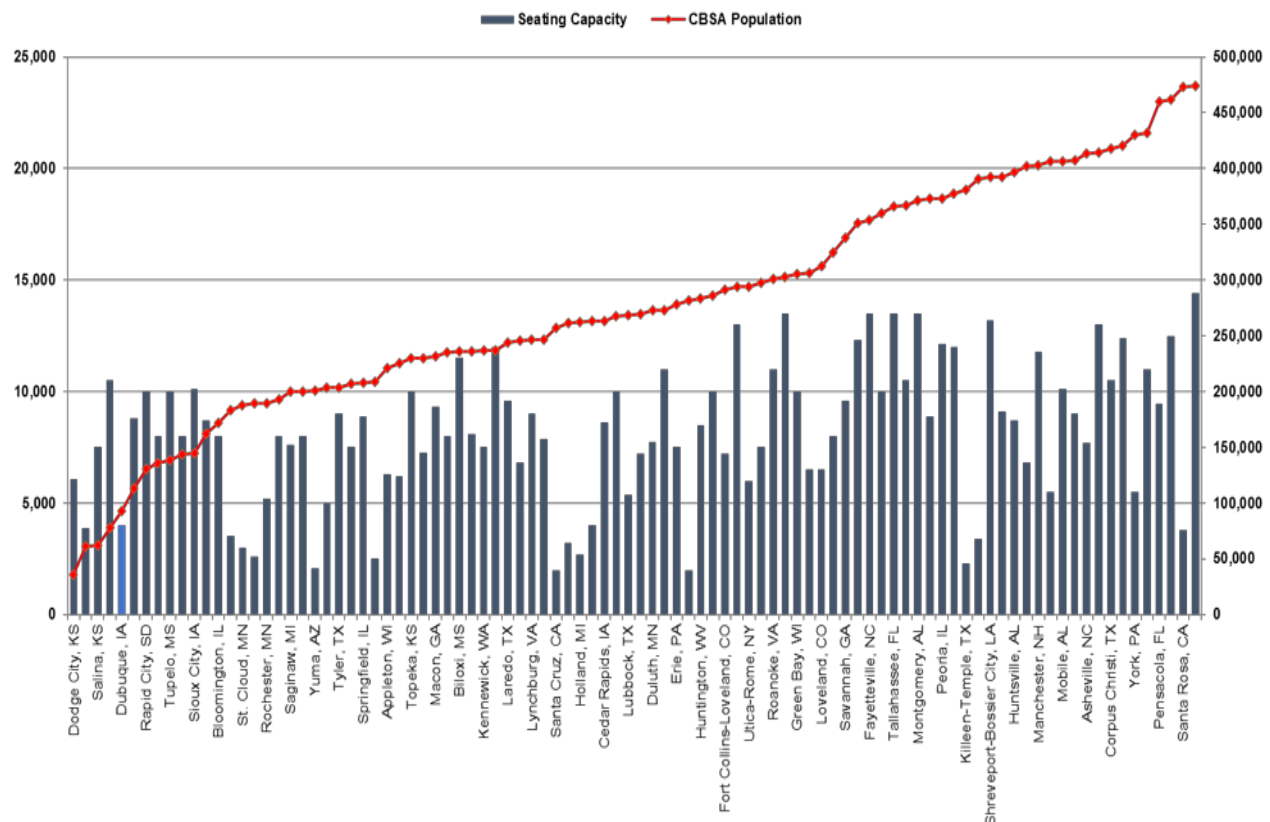
- Wells Fargo Arena (Des Moines, IA) – Site of large regional tournaments including NAIA Track and Field Championships, Mid-American Conference Volleyball Championships, USA Volleyball Junior Men’s Training, and Penn State versus Ohio State Men’s Volleyball. Hosted approximately 145 events in a recent year.
- Tyson Events Center (Sioux City, IA) – In recent years has hosted an average of 120 events, drawing attendance of approximately 192,000 annually.
- La Crosse Center (La Crosse, WI) – In recent years, the La Crosse Center has hosted an average of 200 events annually drawing an average attendance of 90,000 annually. The Center will soon undergo a \$40 million renovation and expansion project.

- Mayo Civic Center (Rochester, MN) – In 2015, the Mayo Civic Center had an estimated \$48 million economic impact on the Rochester Community with approximately 265 total events, 40,000 hotel room nights generated, 288,200 attendees to the Civic Center and 17,000 jobs associated with the MCC.
- Sears Centre (Hoffman Estates, IL) – In recent years, the Sears Centre hosted a total of 83 events with total attendance of approximately 306,200.

Comparable Arena Facilities

In order to identify comparable facilities throughout the country, it is useful to understand the seating capacities of arenas currently operating in markets of a similar size to Dubuque. Exhibit 3 summarizes the capacities of arenas located in markets with CBSA (core-based statistical area) populations ranging in size from 30,000 to 500,000. Dubuque and the capacity of the FFCC Arena are plotted and highlighted in the chart below.

Exhibit 3
Seating Capacity vs. Population



The total average seating capacity among the markets presented in above is approximately 8,200. Of the 94 markets and facilities plotted, Dubuque ranks 90th in terms of CBSA population size. When organized by seating capacity, Dubuque ranks 81st. Although there are several examples of large arenas in smaller cities, as well as small arenas in metropolitan areas, there is a general trend to have larger capacity venues

in more densely populated areas. Relative to comparable markets throughout the country, the seating capacity of the Dubuque Arena ranks at the low end of the spectrum based on the market's CBSA population as well as arena seating capacity.

Certain inferences can be made by reviewing arena facilities operating in markets throughout the country of a similar size or geographic positioning. Each of the 18 listed facilities is located in a market that is similar to the Dubuque area, with respect to population size, geographic proximity to other metropolitan areas, and/or facility size/characteristics. As available, physical facility and operational data was obtained and analyzed from these facilities. Exhibit 4 summarizes key characteristics of each comparable facility.

**Exhibit 4
Comparable Arena Facilities – Summary**

Arena	Market	Year Opened	Max Arena Capacity
Infinite Energy Arena	Duluth, GA	1992	13,000
Ford Center	Evansville, IN	2011	11,000
American Bank Center	Corpus Christi, TX	2004	10,000
Kay Yeager Coliseum	Wichita Falls, TX	2003	10,000
Tyson Events Center	Sioux City, IA	2003	9,657
Ford Arena	Beaumont, TX	2003	9,000
Propst Arena at VBC	Huntsville, AL	1975	9,000
US Cellular Coliseum	Bloomington, IL	2006	8,000
Mid-America Center	Council Bluffs, IA	2002	8,000
La Crosse Center	La Crosse, WI	1980	8,000
Budweiser Event Center	Loveland, CO	2003	7,200
Silverstein Eye Centers Arena	Independence, MO	2009	7,000
Swiftel Center	Brookings, SD	2001	6,500
Verizon Wireless Center	Mankato, MN	1995	6,500
Prescott Valley Event Center	Prescott Valley, AZ	2006	6,200
Sanford Center	Bemidji, MN	2010	6,000
United Wireless Arena	Dodge City, KS	2011	4,935
Central National Bank Center	Enid, OK	2013	3,782
Average		2002	8,000
Median		2003	8,000
Five Flags Arena		1979	4,000

As shown above, each facility displays the location, year opened and maximum seating capacities. The 4,000 seats at the FFCC is most comparable to capacities available at the United Wireless Center in Dodge City (KS) and the Central National Bank in Enid, Oklahoma. Excluding the FFCC, with the exception of four, all of the comparable venues have opened since 2000.

The average seating maximum seating capacity among comparable arena facilities is approximately 8,000 seats, two times the current maximum capacity of the FFCC Arena. The FFCC Arena ranks second to last among the identified comparable facilities in terms of maximum seating capacity offered.

Case study information pertaining to a selection of these facilities is provided at the conclusion of this report in the Appendix A.

Demographic Benchmarking

A primary component in assessing the current success of the FFCC Arena as well as the potential success of a renovated/redeveloped arena in Dubuque is the demographic and socioeconomic profile of the local market. To gain an understanding of the relative strength of the Dubuque market area, it is useful to compare various demographic and socioeconomic characteristics among the comparable markets supporting similar arena venues.

Exhibit 5 summarizes the population, average household income, median age and corporate base present within the city, 30-minute drive time, 90-minute drive time and 180-minute drive time of the venues in the 18 comparable markets, as well as where Dubuque fits in relative to those comparable markets.

Exhibit 5
Comparable Arena Facilities – Demographics Summary

	Comparable Markets				Dubuque, IA		
	Low	High	Average	Median	Estimate	% of Avg.	Rank (out of 19)
Population							
City	14,300	332,400	177,400	63,000	61,100	34%	11
30-Minute Drive	38,200	1,705,300	243,200	299,100	134,300	55%	13
90-Minute Drive	167,600	6,520,500	662,600	1,505,400	1,276,900	193%	10
180-Minute Drive	1,201,600	18,460,900	2,423,500	5,987,200	8,539,200	352%	6
Average Household Income							
City	\$51,900	\$86,800	\$55,100	\$64,100	\$63,700	116%	10
30-Minute Drive	\$63,900	\$95,100	\$70,000	\$68,600	\$69,300	99%	10
90-Minute Drive	\$61,500	\$82,000	\$74,500	\$71,500	\$75,300	101%	8
180-Minute Drive	\$67,700	\$84,300	\$83,900	\$70,700	\$79,500	95%	7
Median Age							
City	25.1	40.7	35.3	35.8	38.9	110%	4
30-Minute Drive	30.6	39.3	35.4	35.8	38.9	110%	3
90-Minute Drive	34.5	43.0	36.7	37.3	40.1	109%	4
180-Minute Drive	33.8	39.1	37.8	37.7	38.8	103%	2
Corporate Base							
City	1,100	11,000	2,600	2,200	2,800	108%	10
30-Minute Drive	1,500	72,400	5,300	10,300	5,600	106%	11
90-Minute Drive	8,600	239,800	27,000	37,100	51,300	190%	10
180-Minute Drive	52,400	640,600	267,300	208,800	320,500	120%	4

Source: Esri Demographic Report, 2017

As shown, the average population within a 30-minute drive of the comparable arena facility markets is 243,200. Dubuque has a population of approximately 134,300 within a 30-minute drive. When considering city and 30-minute drive times, Dubuque ranks below the average comparable facility market, but consistent with the median comparable market. However, the estimated 8.5 million population within a 180-minute drive of Dubuque ranks more favorably among the markets reviewed. Average household incomes, median age and corporate base are also displayed to help better demonstrate the market conditions of Dubuque relative to the 18 other comparable facility markets. The average household income within the City of Dubuque and corporate base is slightly higher than the average among the markets reviewed. These factors are important when considering the potential disposable income among residents and sponsorship/naming rights opportunities among local businesses.

Event Level Benchmarking

In addition to the surrounding market demographics, it is also useful to analyze event and attendance levels of comparable arena facilities. Exhibit 6 presents the event and attendance levels at 13 different comparable facilities for which data was made available.

Exhibit 6
Comparable Arena Facilities – Recent Year Event and Attendance Levels

Facility	Tenant Sports	Concerts	Family/ Ice Shows	Non-Tenant Sports	Community/ Religious	Other	Total Events	Total Attendance
Facility A	39	17	2	25	71	55	209	685,200
Facility B	57	23	16	22	45	9	172	675,686
Facility C	38	50	19	0	0	24	131	334,305
Facility D	36	13	17	8	39	3	116	297,647
Facility E	40	9	6	15	19	23	112	326,127
Facility F	0	20	7	72	5	0	107	441,251
Facility G	33	12	11	17	10	20	103	383,300
Facility H	42	14	17	5	12	11	101	357,881
Facility I	45	17	3	6	21	8	100	826,289
Facility J	38	16	23	7	4	11	99	384,521
Facility K	54	13	8	3	9	8	95	362,909
Facility L	5	7	20	20	15	26	93	215,113
Facility M	36	12	1	5	0	1	55	328,407
Average	36	17	12	16	19	15	115	432,203

The average comparable facility hosts approximately 115 events annually. This level is nearly two times larger the 66 events that were held at the FFCC Arena in FY 2017. Among the average 115 annual events of comparable facilities, approximately 31 percent were Tenant Sports, 15 percent were Concerts, 10 percent were Family/Ice Shows, 14 percent were Non-Tenant Sports, 17 percent were Civic/Religious events and 13 percent were Other events. The FFCC's lower event levels relative to the identified comparable facilities is due in large measure to its lack of a major primary sports tenant and industry substandard condition of the facility. In consideration of this, it is our opinion that FFCC management has done well to attract the events and attendance that it has in recent years.

The comparable venues analyzed generated an average of approximately 3,760 attendees per event, resulting in approximately 432,200 attendees annually. The FFCC Arena in comparison generated an average of approximately 1,050 per event (72 percent less) and approximately 69,500 total attendees, which ranks last among compared arena facilities.

Penetration Analysis

Another helpful exercise in identifying a market's seating venue capacity and appropriate positioning is a market penetration analysis of select comparable facilities and their capacities in relation to their market population. The exhibit below presents each selected comparable facility and total capacity relative to their market size within a 30- and 90-minute drive time compared to the FFCC and Dubuque market.

Exhibit 7
Comparable Arena Facilities – Population Market Penetration

			30-Minute Drive		90-Minute Drive	
Market	Facility	Total Capacity	Population	Ratio of Population to Capacity	Population	Ratio of Population to Capacity
Duluth, GA	Infinite Energy Arena	14,800	1,705,318	115	6,520,544	441
Independence, MO	Silverstein Eye Centers Arena	9,167	1,173,014	128	2,802,710	306
Council Bluffs, IA	Mid-America Center	11,770	830,085	71	1,505,375	128
Loveland, CO	Budweiser Event Center	9,000	591,185	66	3,959,025	440
Corpus Christi, TX	American Bank Center	9,341	407,640	44	736,345	79
Huntsville, AL	Propst Arena at VBC	6,539	405,547	62	1,555,971	238
Beaumont, TX	Ford Arena	10,000	348,702	35	3,333,928	333
Evansville, IN	Ford Center	13,000	299,101	23	1,004,563	77
Sioux City, IA	Tyson Events Center	7,000	243,159	35	662,627	95
Bloomington, IL	US Cellular Coliseum	9,146	192,852	21	1,686,981	184
Wichita Falls, TX	Kay Yeager Coliseum	13,295	152,335	11	636,660	48
La Crosse, WI	La Crosse Center	19,100	136,610	7	651,376	34
Dubuque, IA	Five Flags Civic Center	4,000	134,327	34	1,276,858	319
Prescott Valley, AZ	Prescott Valley Event Center	9,998	132,021	13	1,851,785	185
Mankato, MN	Verizon Wireless Center	15,900	111,061	7	1,910,272	120
Enid, OK	Central National Bank Center	15,951	66,504	4	993,372	62
Bemidji, MN	Sanford Center	14,800	45,501	3	167,550	11
Brookings, SD	Swiftel Center	13,000	44,675	3	497,412	38
Dodge City, KS	United Wireless Arena	23,500	38,246	2	179,043	8
Average (1)		12,520	384,640	40	1,703,090	160
Average (2)		13,120	175,020	20	964,150	90
30-Minute Market Penetration (1)		3,360	Note: Ratios indicate the ratio of population to seating capacity. The 30-minute and 90-minute radii represent concentric rings from each market's event facility. (1) Excludes Dubuque (2) Excluding Dubuque and markets with a 30-minute drive population over 500,000 and/or 90-minute drive population over 2,000,000. Source: Esri 2017			
30-Minute Market Penetration (2)		6,720				
90-Minute Market Penetration (1)		7,980				
90-Minute Market Penetration (2)		14,190				
AVERAGE		8,060				

As shown, the average arena capacity among comparable markets approximates 12,520, and 13,120 when excluding markets with a 30-minute drive population of over 500,000 and/or 90-minute drive population over 2.0 million. Utilizing the ratio of population to capacity among markets reviewed and applying this to Dubuque's 30- and 90-minute drive populations respectively, it is estimated that an arena venue in Dubuque could support a total capacity ranging from 3,360 to 6,720 based on the population within 30 minutes of the FFCC, or between 8,000 and 14,200 based on the population within a 90-minute drive. Importantly, the analysis in Exhibit 7 does not take into consideration demand specific to the Dubuque market, local or regional competition for events or other such factors, and is purely presented here to provide context for a discussion on potential supportable capacities at a new or expanded arena in Dubuque.

State-of-the-Industry Arena Facilities

The following information has been assembled to highlight key nationwide industry trends as they relate to modern arena facility design, functionality, amenities, and aesthetics. The difference between the current condition of the FFCC and these modern facilities that have been built throughout the region and country begin to bring into context some of the competitive challenges the FFCC increasingly faces for retaining current and attracting new events and attendees.

A) Entry

In today's modern event facility design, facility entries are more than mere portals to exit the outdoor elements. They are showpieces that tell an attendee "you've arrived." They are identifiable at a significant distance so that attendees are not left wondering where they should enter the building; entries typically include significant glass elements that permit significant lighting for the interior, but also provide those outside with glimpses of the exciting activities going on inside. There should always be ample plaza space for gathering and queuing, and ideally there exists a vestibule to help in maintaining the interior temperature and humidity levels. Examples of state-of-the industry entries, in comparison to the current FFCC entry, are provided below.

Exhibit 8 Comparable Arena Facilities – State of the Industry Comparison – Entry

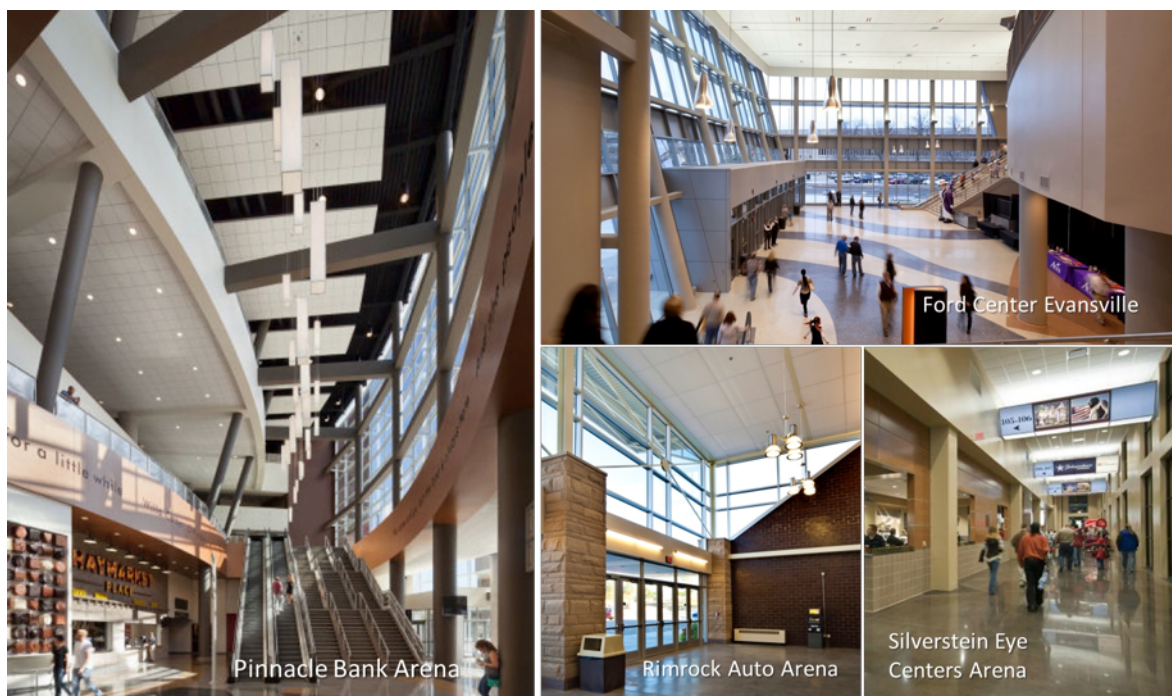


As shown, the current entries for the FFCC are undistinguished, as they are in the middle of the structure with limited noticeable signage. The entries consist of aging storefront glass with no architectural or lighting enhancements, reflective of a typical industrial and utilitarian design of the FFCC's vintage.

B) Entry/Lobby

Modern lobby design includes areas that are spacious, well appointed, well-lit with natural light as well as LED fixtures, and display informative and visually pleasing signage. Finishes are more upscale nowadays, and the generous amount of space provides for not only significant gatherings, but also can double as its own event space, offer areas for sponsor displays (revenue generation), and provide enough space for event producers to host their own sponsors, merchandise sales, or other promotional activities. Exhibit 9 provides examples of these designs.

Exhibit 9 Comparable Arena Facilities – State of the Industry Comparison – Entry/Lobby

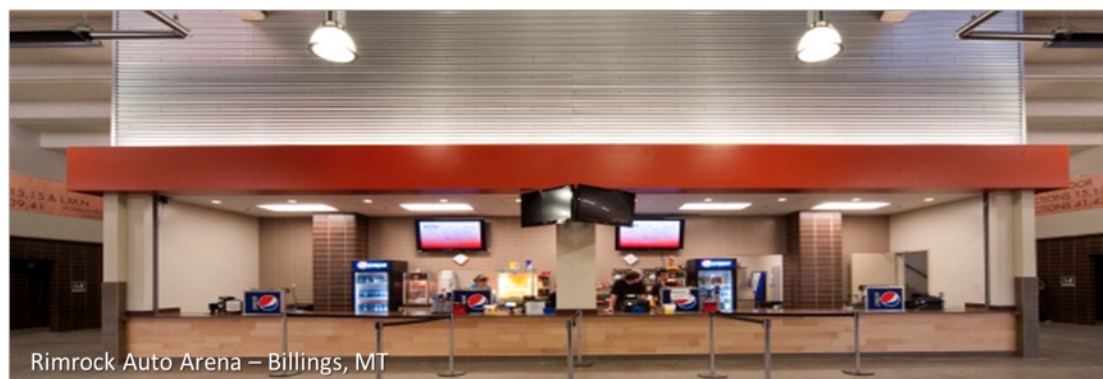
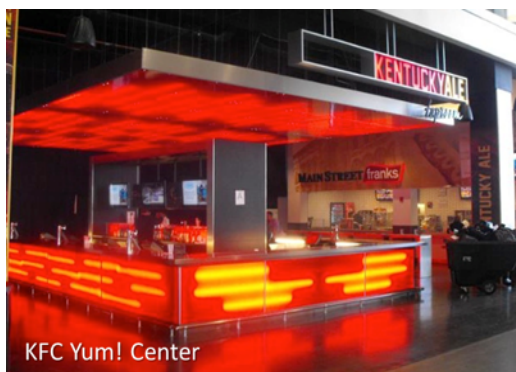


The FFCC offers an outdated lobby that does little to enhance the overall guest experience, relative to more modern and state-of-the-industry venues noted above. In the FFCC, there is no clear “front door” and, given the compact overall site, functionality and layout is considered industry substandard.

C) Concessions

Food service is continually evolving and becoming an increasingly critical element to facility operating profitability or cost containment. All-inclusive pricing that includes admission ticket, parking and food and beverage is gaining traction, necessitating the design of buildings that create neighborhoods or zones conducive to facilitating different levels of seating, price points and amenities. Mobile apps are being used to order food and beverage from your seat that may be either delivered by the arena staff or picked-up in a special line, bypassing the general concession crowds. Digitized menu boards are being used to employ dynamic pricing and/or food offerings depending on demand. The fare being offered at sports and entertainment arenas has expanded considerably from hot dogs, hamburgers, popcorn, nachos, sodas and beer. Today, sports and entertainment arenas are offering a much more diverse food and beverage menu that offers farm-to-table concepts, local craft beers, partnerships with famous chefs and other concepts to drive value for the food and beverage experience. Exhibit 10 displays some examples below. It is important to note that not every arena should feel compelled to do everything mentioned here, but should consider what would work best in their particular marketplace given the event activity, tenant partnership, and available resources.

Exhibit 10 Comparable Arena Facilities – State of the Industry Comparison – Concessions



Updating food and beverage and other hospitality-related options offers the FFCC a significant opportunity for future attendance growth and revenue generation. The FFCC Arena offers fewer points of sale and lacks many of the technological and sponsorship/branding implementations that other modern arena venues in operation throughout the country do.

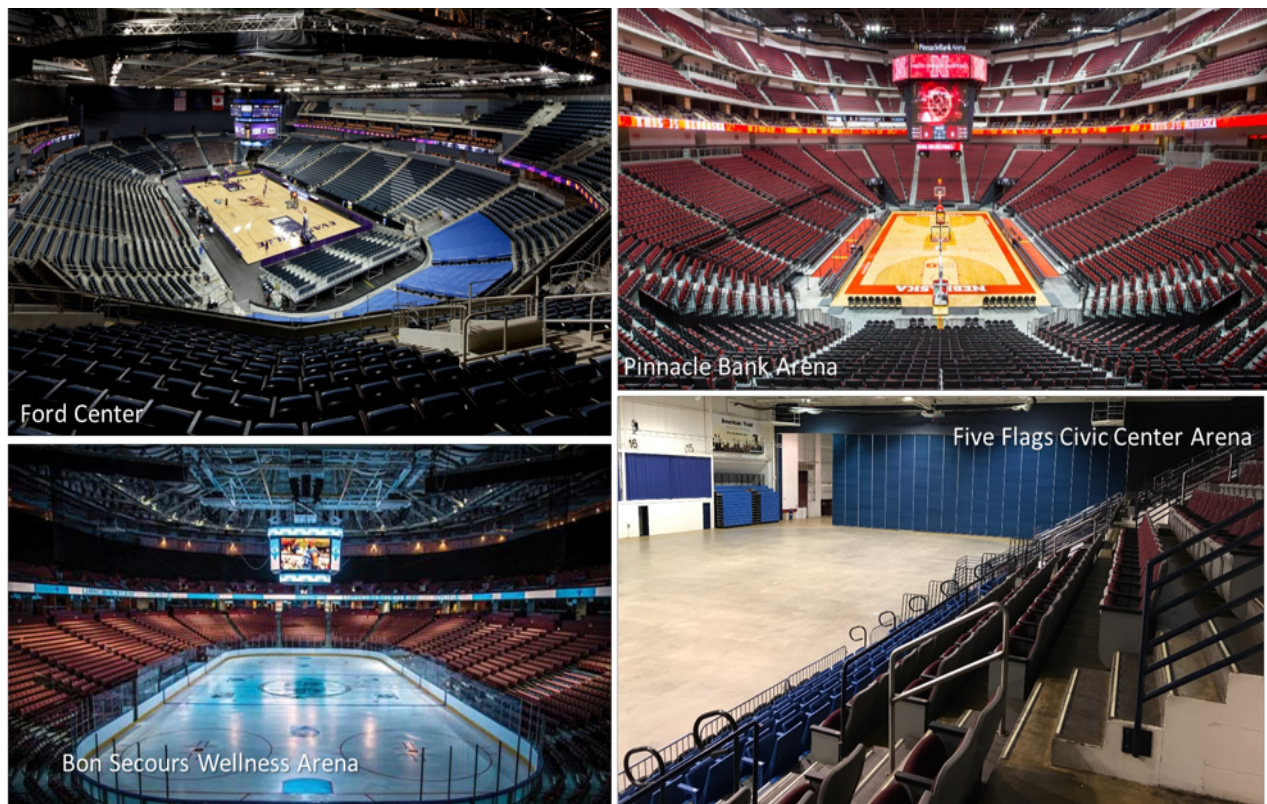
D) Capacity/Seating

Many arenas are being designed with state-of-the-art retractable seating in the lower bowl to provide flexibility to provide larger floor space for certain events such as motor sports, equestrian events, consumer shows and youth athletic sport tournaments. Many acts in the concert industry are moving towards a general admission floor seating model for small to mid-sized acts. Retractable seating that can expand the general admission floor capacity on an arena floor increases the marketability of the venue for additional concerts. Retractable and fixed seating is also cushioned with cup holders for each seat.

Newer and renovated venues are typically designed to include state-of-the-art curtaining systems that allow arena management to effectively reduce seating capacity of the venue by curtaining off the upper bowl or providing half-house or theater-style configurations within a larger arena.

The rigging capacity requirements for sports and entertainment venues are increasing as concert and other entertainment event shows become more elaborate, requiring more sound and lighting equipment to be hung from the structural support. Modern arenas typically have rigging capacities often exceeding 100,000 to 125,000 lbs. Exhibit 11 shows multiple examples of state-of-the-art seating bowls as well as the FFCC Arena to provide a basis of comparison.

Exhibit 11 Comparable Arena Facilities – State of the Industry Comparison – Capacity/Seating



E) Premium Seating & Premium Areas

Diversification of premium seating products from more traditional suites and club seats to include loge boxes, theater boxes, ledge tables, courtside clubs and other products that provide a broader spectrum of experiences and price points to more effectively penetrate the market and maximize revenues.

Past conventional wisdom designed premium seating on an exclusive mezzanine-level seating area. Now premium seating patrons are demanding the best seats in the house and premium inventory is being designed in the lower seating bowl and at courtside/on-ice locations. Bunker suites, courtside clubs, and clubs seats in the lower bowl are all designed to bring the highest-paying customers closest to the on-court or on-ice action. Exhibit 12 provides examples of premium seating options in newly built arena facilities. The FFCC presently lacks premium seating and could be an important consideration with any new/expanded Arena venue in terms of enhancing revenue streams and positioning the venue to potentially attract one or more minor league sports tenants.

Exhibit 12 Comparable Arena Facilities – State of the Industry Comparison – Premium Seating



KFC Yum! Center



Pinnacle Bank Arena



Ford Center



Incorporating a founder's suite program or building signature partners into the design of a facility is being done to maximize private revenues raised to fund the construction of public assembly facilities. Even on a more simple note, having a club or other entertainment space for the highest paying ticket holders is now the standard in modern arena designs, a few examples are shown below in Exhibit 13. These areas will have upscale finishes, restrooms, food and beverage offerings, multiple television screens, and well attired and engaging wait staff. Ideally there is a view to the bowl, but in a situation when this is not possible due to design or space constraints, this club or entertainment space is within a short walk of the premium seats.

Exhibit 13
Comparable Arena Facilities –
State of the Industry Comparison – Premium Areas



Comparable Theater Facilities

Additionally, certain inferences can be made by reviewing theater facilities operating in similar-sized markets throughout the country. The facilities reviewed were selected based on their characteristics, mission/market orientation, total seating, and the size and location of the markets in which they are located. Exhibit 14 summarizes the key characteristics of the 17 selected comparable facilities and markets analyzed.

Exhibit 14
Comparable Theater Facilities – Summary

Theater	Market	Year Opened	Max Theater Capacity
Durham Performing Arts Center	Durham, NC	2008	2,712
Kay Yeager Coliseum	Wichita Falls, TX	1927	2,700
American Bank Center	Corpus Christi, TX	1979/2004	2,500
Adler Theater	Davenport, IA	1931	2,400
Coronado Performing Arts Center	Rockford, IL	1927	2,310
Event Center at Verizon Wireless Center	Mankato, MN	2016	2,100
Rialto Square Theatre	Joliet, IL	1926	1,966
Mark C. Smith Concert Hall at VBC	Huntsville, AL	1975	1,955
Wagner Noël Performing Arts Center	Midland, TX	2011	1,800
The Georgia Theatre	Athens, GA	1977	1,000
Barrymore Theatre	Madison, WI	1929	800
Peery Egyptian Theater	Ogden, UT	1924	800
The Bijou Theater	Knoxville, TN	1909	750
Infinite Energy Theater	Duluth, GA	2003	708
Paramount Theatre	Saint Cloud, MN	1921	700
Oshkosh Grand Opera House	Oshkosh, WI	1883	688
Sioux Falls Orpheum Theatre Center	Sioux Falls, SD	1913	688
Average		1949	1,600
Median		1928	1,800
Five Flags Theater		1910	711

The facilities listed above comprise a broad range facilities—from historic theaters to recently-constructed/renovated theaters, some also share a facility with an adjoining arena venue. These theater facilities are analyzed to help benchmark the operations, event levels and financials of the current and potential future scenarios of the FFCC Theater.

The total seating capacity ranges from 688 in both the Oshkosh Grand Opera House in Oshkosh, Wisconsin and the Sioux Falls Orpheum Theatre Center in Sioux Falls, South Dakota to 2,712 in the Durham Performing Arts Center in Durham, North Carolina. The average total capacity is approximately 1,600 among the select theaters. As a historic theater with an emphasis on local arts productions and uses, the FFCC Theater ranks near the bottom relative to the comparable set of facilities reviewed.

Demographic Benchmarking

A primary component in assessing the current success of the FFCC Theater as well as the potential success of a newly constructed/renovated Theater in Dubuque is the demographic and socioeconomic profile of the local market. To gain an understanding of the relative strength of the Dubuque market area, it is again useful to compare various demographic and socioeconomic characteristics among the comparable markets supporting similar theaters. Exhibit 15 summarizes the population, average household income, median age and corporate base present within the city, 30-minute drive time, 90-minute drive time and 180-minute drive time of the theater facilities in the 17 comparable markets, as well as where Dubuque fits in relation to those comparable markets.

Exhibit 15
Comparable Theater Facilities – Demographics Summary

	Comparable Markets				Dubuque, IA		
	Low	High	Average	Median	Estimate	% of Avg.	Rank (out of 18)
Population							
City	30,000	332,400	145,900	129,800	61,100	42%	16
30-Minute Drive	111,100	1,705,300	499,100	353,200	134,300	27%	17
90-Minute Drive	559,900	9,663,100	2,990,900	2,231,900	1,276,900	43%	14
180-Minute Drive	1,499,200	18,677,100	9,560,400	8,674,700	8,539,200	89%	10
Average Household Income							
City	\$54,400	\$90,600	\$68,300	\$65,000	\$63,700	93%	11
30-Minute Drive	\$64,100	\$95,300	\$77,900	\$76,300	\$69,300	89%	15
90-Minute Drive	\$61,800	\$97,500	\$77,800	\$75,400	\$75,300	97%	10
180-Minute Drive	\$63,800	\$86,100	\$77,200	\$80,500	\$79,500	103%	10
Median Age							
City	26.7	38.9	33.7	34.4	38.9	116%	1
30-Minute Drive	31.0	39.8	36.0	35.8	38.9	108%	4
90-Minute Drive	30.2	42.2	37.5	37.7	40.1	107%	3
180-Minute Drive	30.5	40.3	37.1	37.8	38.8	105%	3
Corporate Base							
City	1,600	12,000	5,900	4,600	2,800	47%	15
30-Minute Drive	4,500	72,400	18,200	12,400	5,600	31%	16
90-Minute Drive	20,400	336,000	107,700	77,600	51,300	48%	13
180-Minute Drive	54,800	645,400	334,100	330,300	320,500	96%	10

Source: Esri, 2017

As shown, the average population within a 30-minute drive of the 17 comparable theater facility markets is just below 500,000. Dubuque's population of approximately 134,300 within a 30-minute drive of the Dubuque area is at the bottom of comparable markets. Additionally, Dubuque ranks near the bottom for city, 30-, 90- and 180-minute drive times based on population size among comparable markets. Average household incomes, median age and corporate base are also displayed to help better demonstrate the market conditions of Dubuque relative to the 17 other comparable facility markets.

Event Level Benchmarking

In addition to the surrounding market demographics of the selected theater facilities, it is also useful to analyze event and attendance levels of each venue. Exhibit 16 presents recent year event and attendance levels at eight different comparable theaters in a recent year.

Exhibit 16
Comparable Theater Facilities – Recent Year Event and Attendance Levels

Facility	Tenant Performance	Concerts	Non-Tenant Performance	Other	Total Events	Total Attendance
Facility A	7	39	66	29	141	412,000
Facility B	20	28	5	31	84	65,711
Facility C	24	32	16	6	78	174,594
Facility D	-	-	-	-	74	66,667
Facility E	4	21	12	24	61	77,313
Facility F	25	21	9	1	56	100,000
Facility G	20	11	6	-	37	60,814
Facility H	-	-	-	-	25	30,387
Average	17	25	19	18	70	123,436

Among the comparable facilities reviewed, there was an average of approximately 70 events each year, of which, approximately 24 percent were Tenant Performances, 36 percent were Concerts, 27 percent were Non-Tenant Performances and approximately 26 percent were Other events. FFCC Theater in comparison to the other facilities ranks eighth in total number of events in FY 2017, a total of 38 less events than the average.

The comparable venues analyzed generated an average of approximately 1,780 attendees per event, resulting in approximately 123,400 attendees annually. The FFCC Theater generated an average of approximately 870 per event with a total attendance of 27,680, approximately 78 percent less than the average of comparable theater facilities.

Penetration Analysis

Another important measure of a market's seating venue capacity and position is a market penetration analysis of select comparable facilities and their capacities in relation to their market. The exhibit below present each selected comparable facility and total capacity relative to their market size within a 30- and 90-minute drive time compared to the FFCC and Dubuque market.

Exhibit 17
Comparable Theater Facilities – Population Market Penetration

		30-Minute Drive			90-Minute Drive	
Market	Facility	Total Capacity	Population	Ratio of Population to Capacity	Population	Ratio of Population to Capacity
Duluth, GA	Infinite Energy Theater	708	1,705,318	2,409	6,520,544	9,210
Durham, NC	Durham Performing Arts Center	2,712	1,039,832	383	4,328,171	1,596
Knoxville, TN	The Bijou Theater	750	609,186	812	1,664,193	2,219
Ogden, UT	Peery Egyptian Theater	800	567,331	709	2,643,155	3,304
Madison, WI	Barrymore Theatre	800	517,033	646	3,342,977	4,179
Corpus Christi, TX	American Bank Center	2,500	407,640	163	736,345	295
Huntsville, AL	Mark C. Smith Concert Hall at VBC	1,955	405,547	207	1,555,971	796
Davenport, IA	Adler Theater	2,400	341,446	142	1,328,774	554
Midland, TX	Wagner Noël Performing Arts Center	1,800	328,992	183	559,861	311
Oshkosh, WI	Oshkosh Grand Opera House	688	299,835	436	2,553,438	3,711
Athens, GA	The Georgia Theatre	1,000	264,224	264	4,014,593	4,015
Sioux Falls, SD	Sioux Falls Orpheum Theatre Center	688	243,159	353	662,627	963
Saint Cloud, MN	Paramount Theatre	700	204,890	293	3,551,507	5,074
Wichita Falls, TX	Kay Yeager Coliseum	2,700	152,335	56	636,660	236
Dubuque, IA	Five Flags Theater	711	134,327	189	1,276,858	1,796
Mankato, MN	Event Center at Verizon Wireless Center	2,100	111,061	53	1,910,272	910
Average (1)		1,490	479,860	470	2,400,610	2,490
Average (2)		1,540	274,380	180	1,367,750	1,140
30-Minute Market Penetration (1)		290	Note: Ratios indicate the ratio of population to seating capacity. The 30-minute and 90-minute radii represent concentric rings from each market's event facility. (1) Excludes Dubuque (2) Excluding Dubuque and markets with a 30-minute drive population over 500,000 and/or 90-minute drive population over 2,000,000. Source: Esri2017			
30-Minute Market Penetration (2)		750				
90-Minute Market Penetration (1)		510				
90-Minute Market Penetration (2)		1,120				
AVERAGE		670				

As shown, the average theater capacity among comparable markets approximates 180, and 1,140 when excluding markets with a 30-minute drive population of over 500,000 and/or 90-minute drive population over 2.0 million. Utilizing the ratio of population to capacity among markets reviewed and applying this to Dubuque's 30- and 90-minute drive populations respectively, it is estimated that a theater venue in Dubuque could support a total capacity ranging from 290 to 750 based on the population within 30 minutes of the FFCC, or between 510 and 1,120 based on the population within a 90-minute drive. As previously noted, the analysis does not take into consideration demand specific to the Dubuque market, local or regional competition for events or other such factors and is purely presented here to provide context for a discussion on potential supportable capacities at an arena in Dubuque.

State-of-the-Industry Facilities

As was shown with respect to arena facilities, the following information has been assembled to highlight key nationwide industry trends as they relate to modern performing arts theater design, functionality, amenities, and aesthetics.

A) Entry

In today's theater design, facility entries tend to be signature pieces that are visible from a distance, clearly indicating to the arriving guest where to go. Exhibit 18 displays a few examples of this. They may be large, modernistic glass edifices, or they could be a stone façade with arched openings leading to the entry doors. There are many times canopies protect arriving guests from the elements, while a marquee above the entrance both informs patrons and acts as a beacon for arriving guests. There may even be lighting elements that highlight the area, indicating to guests their destination. Ideally there will be a vestibule at the entry that will allow better control of interior environmental conditions. Exhibit 18 provides examples of state-of-the-industry theater entrances relative to the FFCC Theater entrance.

Exhibit 18 Comparable Theater Facilities – State of the Industry Comparison – Entry



The historic facade of the FFCC Theater's exterior and entrance is iconic and represents signature elements that would not be desirable to disrupt under any expansion/renovation scenario.

B) Entry/Lobby

Modern lobby design includes areas that are spacious, well appointed, well-lit with natural light as well as LED fixtures, and display informative and visually pleasing signage. Finishes are more upscale (carpeting, glass, stone), and the generous amount of space allocated provides for not only significant gatherings, but also can serve as an event space, offer areas (either wall space or floor space) for sponsor/donor recognition, and provide enough space for circulation to restrooms, concession stands and bars. Examples of this can be seen below in Exhibit 19.

Exhibit 19 Comparable Theater Facilities – State of the Industry Comparison – Entry/Lobby



Currently, there is very limited lobby space available within the FFCC Theater, which is important not only to the safety of event attendees but also for the overall patron experience. Given the FFCC's current constrained site and positioning of the FFCC Theater entrance immediately fronting Main Street, it does not appear that it would be practical to materially expand the FFCC Theater's lobby volume.

C) Box Office

Box office and ticket window design today includes constructing windows that are easily accessible from a parking area (even if short-term parking), that are located such that guests cannot enter the building without authorization from the ticket window area, that are protected from the elements, that have windows ADA height with appropriate communication devices, and are secured from possible theft (e.g. bullet proof glass). Additionally, there is electronic signage that can easily change from event to event. Exhibit 20 displays state-of-the-art box office offerings at comparable theater facilities in respect to the box office of the FFCC Theater.

Exhibit 20 Comparable Theater Facilities – State of the Industry Comparison – Box Office

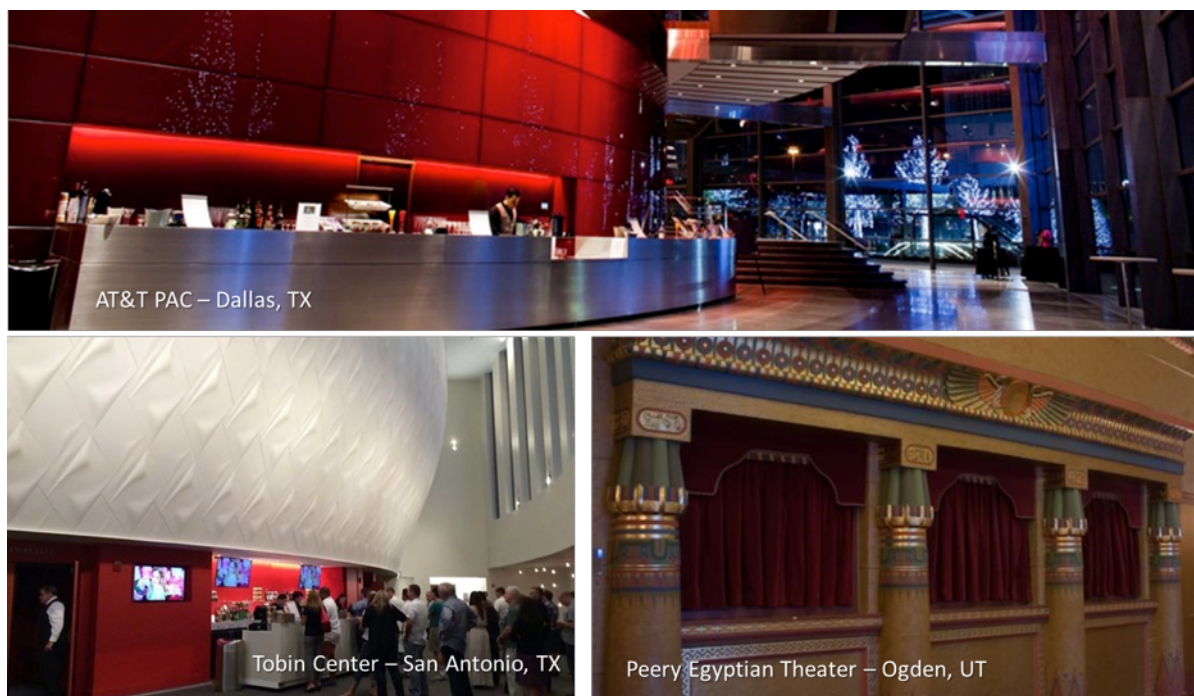


The FFCC Theater's box office is located in the shared lobby space with the Arena and is relatively non-descript and utilitarian in nature, lacking some of the modern aesthetics and advertising elements that newer facilities offer.

D) Concessions

In theaters, foodservice has typically included a very limited and basic menu, due to the fact that events are not “come and go” like one would find in sporting events (with breaks between periods) or concerts (breaks between acts and intermissions). Also, since many venues do not permit food and drinks in the theater, items must be consumed quickly. Therefore, we have found offerings to include beverages, prepackaged foods, and items requiring limited cooking requirements like popcorn or pretzels. Today’s foodservice design includes the acceptance of credit cards at all points-of-sale, and many venues of this type offer a pre-order option so that guests do not have to wait in line. Also, it is preferable to offer something of local flavor. Today’s design standards dictate all counters would be at ADA height so as not to highlight the difference in patrons’ physical abilities, as well as be able to serve all patrons at all points of sale. Exhibit 21 presents examples of modern concessions within comparable theater facilities.

Exhibit 21 Comparable Theater Facilities – State of the Industry Comparison – Concessions



Limitations with the FFCC Theater’s food service offerings is largely a function of the lack of available lobby, pre-function, and circulation space immediately in the Theater, negatively affecting the venue’s ability to drive revenues and enhance guest experience.

E) Capacity/Seating

Seating in state-of-the-industry performing arts facilities is designed to be cushioned and upholstered, set on a slope that offers ideal sightlines, is constructed with reliable seat lift mechanisms, maintains adequate legroom between rows, and offers some degree of flexibility by having some seats closer to the stage be removable. Also, there are premium seats in box-type settings in order to accommodate sponsor, donors, or others who have the resources to pay a premium for private seats and access to other amenities, as shown below in Exhibit 22. The premium seats become more critical when there is a regular tenant where guests may seek to attend every performance.

Exhibit 22 Comparable Theater Facilities – State of the Industry Comparison – Capacity/Seating



Although the seats in the Theater have some age and wear, they are cushioned, upholstered, and offer good sightlines. There is a noticeable absence of premium seats or boxes, however, which represents the potential for lost revenue. The top level balcony seats have not been in service and available for events for many years. While this seating area has some important sightline and accessibility limitations, the unused top level balcony could represent a renovation item that could add some additional seating capacity and associated revenue under an expansion scenario.

Conclusions

While the nearest competitive fixed-seat entertainment venues are located approximately 75 miles away in Cedar Rapids, the competitive environment within Iowa and the regional area for arena venues that compete for touring entertainment acts is considered moderate to moderately-high. A number of quality arena venues exist in the regional area that are attractive for touring shows. Dubuque's population within a short driving distance is lower than average among the competitive and comparable set, which will always serve to govern the upside potential for attracting levels of promoted touring entertainment event levels relative to larger markets. It is believed that the largest regional markets will continue to host a significant level of non-local event activity, but Dubuque and the FFCC—even while possessing significant facility limitations relative to modern facilities—have demonstrated that Dubuque can compete for a number of these events.

Eighteen comparable arena facilities and 17 comparable theater facilities were analyzed in order to draw inferences for a potential expanded/improved FFCC. Dubuque generally ranks among the lower tier in terms of several demographic variables and performance metrics; however, limited competition in the immediate region and historical successes in event attraction (despite an aging and substandard FFCC product) suggest that a number of events are sustainable and it is able to draw attendees from further distances to a greater degree than other comparable markets.



5.0. MARKET DEMAND ANALYSIS

The purpose of this chapter is to evaluate the market demand associated with the FFCC. The overall market analysis consisted of detailed research and analysis, including a comprehensive set of market-specific information derived from the following:

- ✓ Experience garnered through more than 1,000 event facility and mixed-use evaluation and planning projects throughout the country.
- ✓ Local market visit at the outset of the project, including community and site tours.
- ✓ Visual physical facility inspection and condition assessment of the FFCC.
- ✓ Research and analysis of local market conditions, existing facilities and infrastructure and industry trends.
- ✓ Benchmarking research and analysis of facility data and interviews conducted with management of over 30 competitive and comparable arena and theater facilities located throughout the region and country.
- ✓ Comparative analysis of socioeconomic data from competitive/comparable facility markets.
- ✓ In-person interviews, meetings and public forums with Dubuque area individuals, including representatives of municipal government, visitor and event industries, local companies, event producing organizations, and community groups.
- ✓ Online survey of over 1,087 Dubuque and community residents.
- ✓ Completed telephone interviews with more than 30 representatives of organizations and groups that represent potential users of multipurpose arena and theater facility space in Dubuque.

The types of facility products serving the events industry are diverse. Communities of all sizes throughout the country are home to event facilities that serve a wide assortment of event segments, attendees, exhibitors, participants, and spectators. Beyond broad variation in the physical facility products offered, there are a multitude of differences in structure/approach to operating mission, policies, procedures, sales and marketing, funding, financial/economic performance goals and other such items.

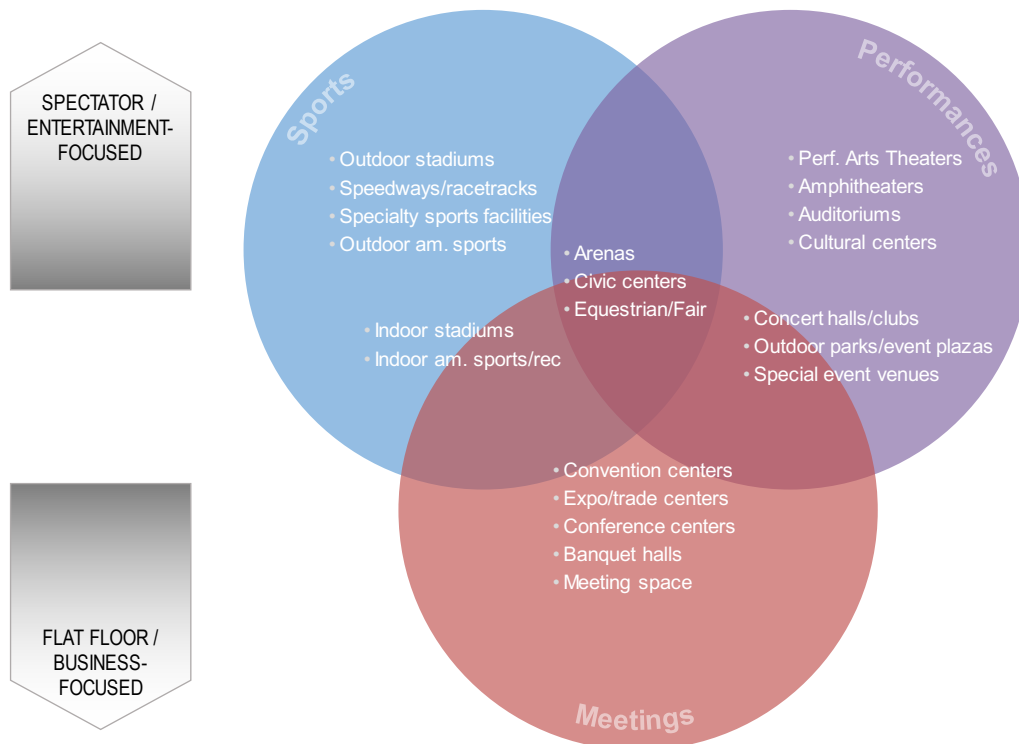
As the public assembly and multipurpose event venue industries continue to evolve, facilities continue to expand the types of events they are able to accommodate. This diversification is increasingly important in generating incremental revenue for the facility, driving economic activity for the community and mitigating risk associated with fluctuations (both seasonal and cyclical) in demand inherent to different types of event activity.

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

This discussion begins to lay the groundwork for some important issues that will likely affect the types of events that may be attracted to a potentially renovated/redeveloped FFCC. The type, level of finish, configuration, and amenities of the space offered in any potential facility will play a strong role in determining the ability of the FFCC to attract and accommodate certain types of events and their corresponding attendees.

The exhibit below illustrates how specific types of industry-typical event facilities fit within the framework of events that traditionally consider utilizing event space at a multipurpose event venue such as the FFCC. As shown, event facilities situated near the top of the diagram tend to be facilities that are more spectator/entertainment event-oriented, while those facilities located near the bottom of the diagram tend to be those that do not integrate fixed seating and are instead flat floor venues that focus on conventions, meetings, tradeshow and other such events.

**Exhibit 1
Traditional Event Types**



While facilities employ varying degrees of flexibility and multipurpose space, allowing them to technically accommodate events from all three general categories (for instance, arenas and civic centers), any event facility will possess attributes that will allow it to better compete/serve certain event types, while being less competitive/efficient/effective in other segments. As such, it is critical to determine the primary event segment(s) that present the greatest opportunity for driving event activity at a renovated/redeveloped FFCC. We can then analyze the physical and operational elements required to attract these events and measure the opportunity and likelihood of attracting incremental activity from secondary and tertiary event segments.

The focus of much of the remainder of this chapter is focused on the data obtained from the four primary surveys/interview techniques deployed for this study:

1. The Online Community Survey. Web-based interactive survey advertised by the City, FFCC, and various other Dubuque-based groups and open to any participant. Information gathered largely represents opinions by Dubuque citizens, most of which have attended numerous FFCC events in the past.
2. User Group Survey — Spectator and Entertainment Events. Telephone interviews were completed among promoters/representatives of touring concerts, family shows, theatrical productions, non-tenant sporting events and other promoted shows.
3. User Group Survey — Amateur Sports Organizations. Telephone interviews of representatives of amateur and youth sports organizations, clubs, programs, and leagues were conducted.
4. User-Group Survey — Flat-Floor and Other Event Space Users. Telephone interviews were conducted among a variety of consumer, civic, cultural, special event, and other such events that represent the segment of demand that cannot be accommodated within the Grand River Center.

A summary of the market demand research, key organizations interviewed, and analysis and conclusions for facility type is provided below and on the following pages.

Community Survey Analysis

The purpose of this section is to provide a summary of the survey research conducted with Dubuque-area community members concerning the current and potential future FFCC. A primary objective of the survey was to ascertain interest levels and opinions of Dubuque community members and other local stakeholders regarding likes and dislikes of the current FFCC and opinions as to the future of the facility.

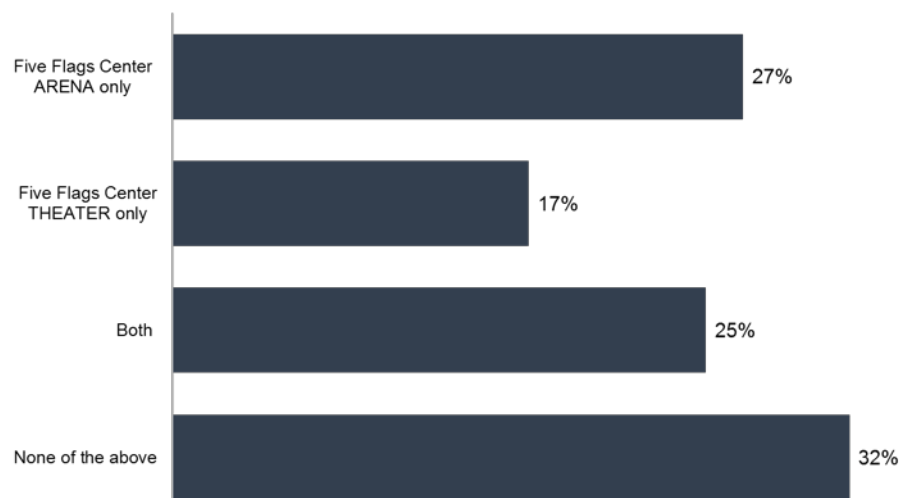
With the assistance of the City of Dubuque, Dubuque Area Chamber of Commerce, Dubuque Main Street, Greater Dubuque Development Corporation, Travel Dubuque and the management of FFCC, a link to an online survey was distributed for the purposes of gathering direct feedback on the proposed project. The online survey remained open from June 15, 2017 through June 27, 2017 and a total of 1,087 responses were received. Additional detail concerning Community Survey questionnaire and responses received is provided in Appendix C.

Community members were initially asked a series of questions in order to form a demographic profile of respondents. Highlights include:

- Approximately 25 percent of respondents reside within the Ward 1, which represents southwest and west Dubuque. Approximately 33 percent of respondents live either within the first ring of zip codes or further outside of Dubuque. The remaining respondents were fairly well distributed among Wards 2, 3 and 4.
- Nearly 50 percent of respondents are between the ages of 25 and 44.
- The average household size among respondents is 2.8 people.
- Approximately 41 percent of responding households have children under the age of 18.
- Nearly 60 percent of responding households indicated an annual household income between \$50,000 and \$149,999, evenly distributed between three stratifications of \$50,000 to \$74,999, \$75,000 to \$99,999 and \$100,000 to \$149,999.
- Approximately 93 percent of respondents are Caucasian.

Following these and other introductory questions, respondents were asked whether they had attended an event at the FFCC Arena, Theater or both in the past 12 months. Responses are summarized in the exhibit below.

Exhibit 2
Five Flags Civic Center Events – Past 12 Months



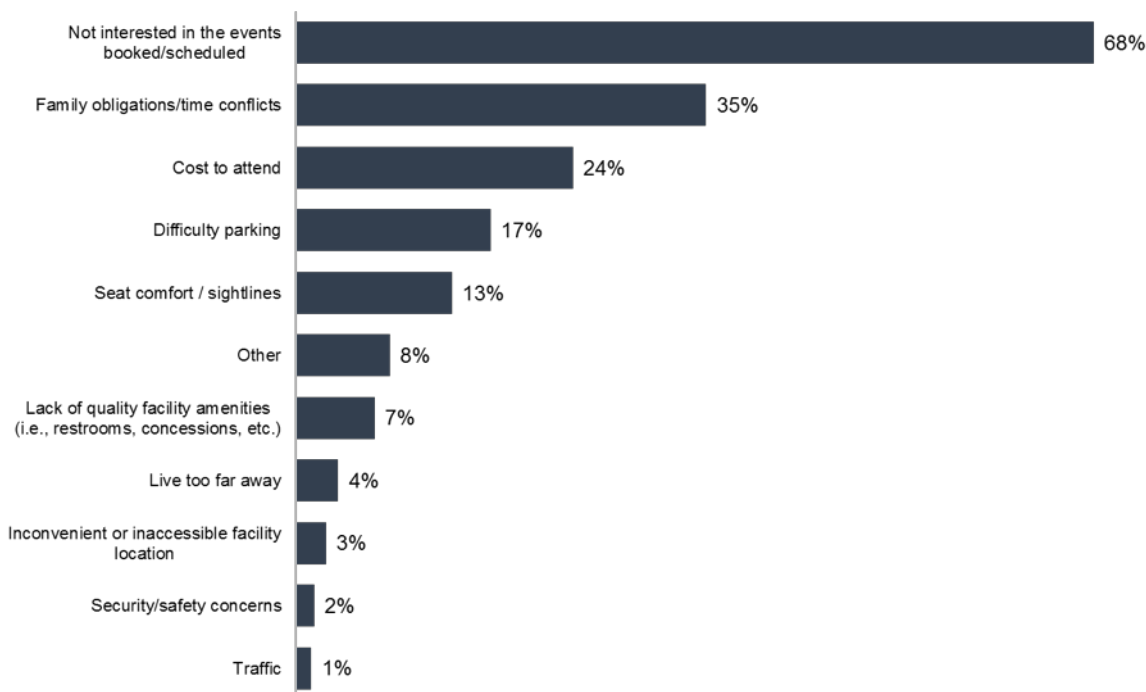
Note: Results shown representative of 1,087 survey respondents.
Source: CSL Community Survey, 2017

As shown, approximately 68 percent of respondents have been to an event at the FFCC within the past 12 months. An estimated 52 percent of respondents have attended an event at the FFCC Arena, while 42 percent indicated having attended an event at the FFCC Theater.

Among respondents having attended an event at the FFCC Arena, approximately 48 percent attended just one event, with 29 percent of respondents attending two events and 11 percent attending three events. Similarly, approximately 46 percent of respondents indicated having been to only one FFCC Theater event within the past 12 months, with 24 percent having attended two events. Approximately 15 percent of respondents have been to five or more Theater events within the past 12 months.

Respondents were then asked why they have not attended more events at the FFCC, responses are presented below.

Exhibit 3
Reasons for NOT Attending More FFCC Events



Note: Results shown representative of 1,087 survey respondents.
Source: CSL Community Survey, 2017

As shown, nearly 70 percent of community members do not attend more events at the FFCC because they are not interested in the events being booked/scheduled at the FFCC. Among responses that can be addressed through a renovated/redeveloped FFCC are the respondents indicating that cost to attend was a factor (24 percent), difficulty in parking (17 percent), issues with the seat comfort/sightlines (13 percent) and the overall lack of quality facility amenities (i.e., restrooms, concessions, etc.; seven percent).

To better understand the user experience within the FFCC, respondents who have attended either an Arena *or* a Theater event at the FFCC within the past 12 months were asked to rate their satisfaction on a scale of 1 to 5, with 1 being “very dissatisfied” and 5 being “very satisfied”, with certain elements of the complex. Responses are summarized below.

Exhibit 4
Five Flags Civic Center Facility and Location Satisfaction Ratings

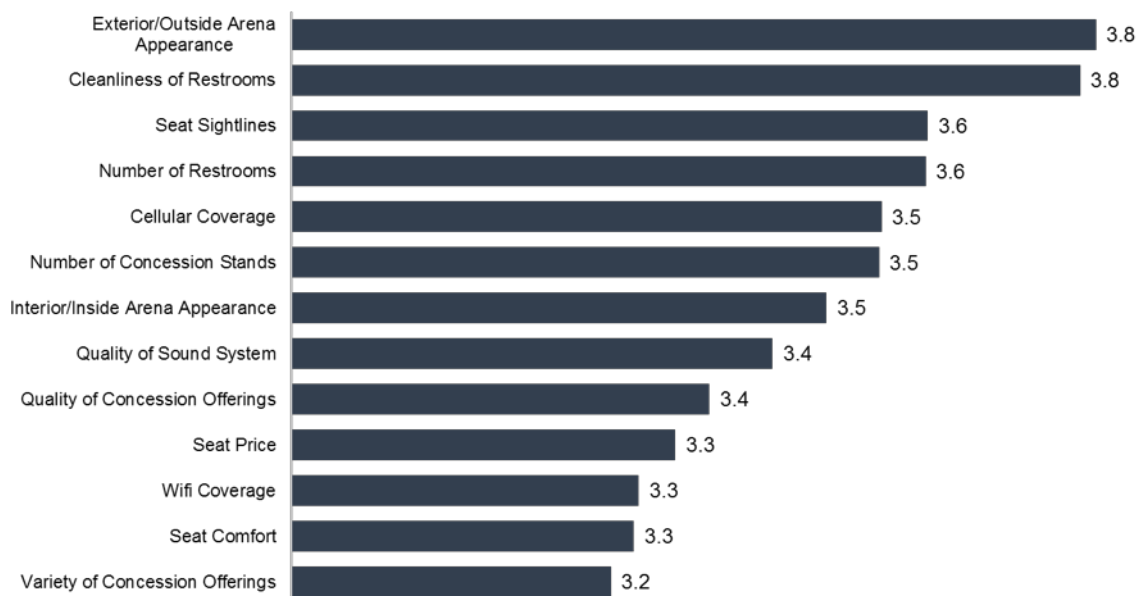


Note: Results shown representative of 1,087 survey respondents.
Source: CSL Community Survey, 2017

Typically, ratings exceeding 4.0 indicate a relatively strong/positive overall ranking among respondents (indicating a relatively robust set of 4’s and 5’s from respondents), while rankings between 3.5 and 4.0 typically indicate somewhat more moderate or indifferent views (a few more 3’s and somewhat fewer 5’s). Anything below a 3.5 typically indicates a product or service that is in need of added attention. Overall, the FFCC received relatively high marks with respect to security and safety, while the downtown area was viewed highly as having good access to things to do pre- and post-event, with both receiving average scores in excess of 4.0. However, improving the guest experience as they access parking around the FFCC is an element that could be addressed with any future facility improvements.

Respondents were then asked about their satisfaction of offerings specific to the FFCC Arena, as summarized below.

Exhibit 5
Five Flags Civic Center Satisfaction Ratings – ARENA Events



Note: Results shown representative of 962 survey respondents having been to a Five Flags Civic Center event within the past five (5) years.
Source: CSL Community Survey, 2017

Overall, the FFCC Arena received moderate to poor rankings in terms of the overall satisfaction with the venue, suggesting a desire among local stakeholders in improving/renovating the facility and its offerings. Guest experience and hospitality-related elements received the lowest overall average rankings, with items such as sound system quality, concession quality and variety, seat comfort and Wi-Fi coverage receiving some of the lowest rankings. Importantly, offerings such as the exterior Arena appearance and cleanliness of restrooms received relatively high ratings among attendees of FFCC Arena events.

A similar rating exercise was also completed with attendees of FFCC Theater events, as summarized below in Exhibit 6.

Exhibit 6
Five Flags Civic Center Satisfaction Ratings – THEATER Events

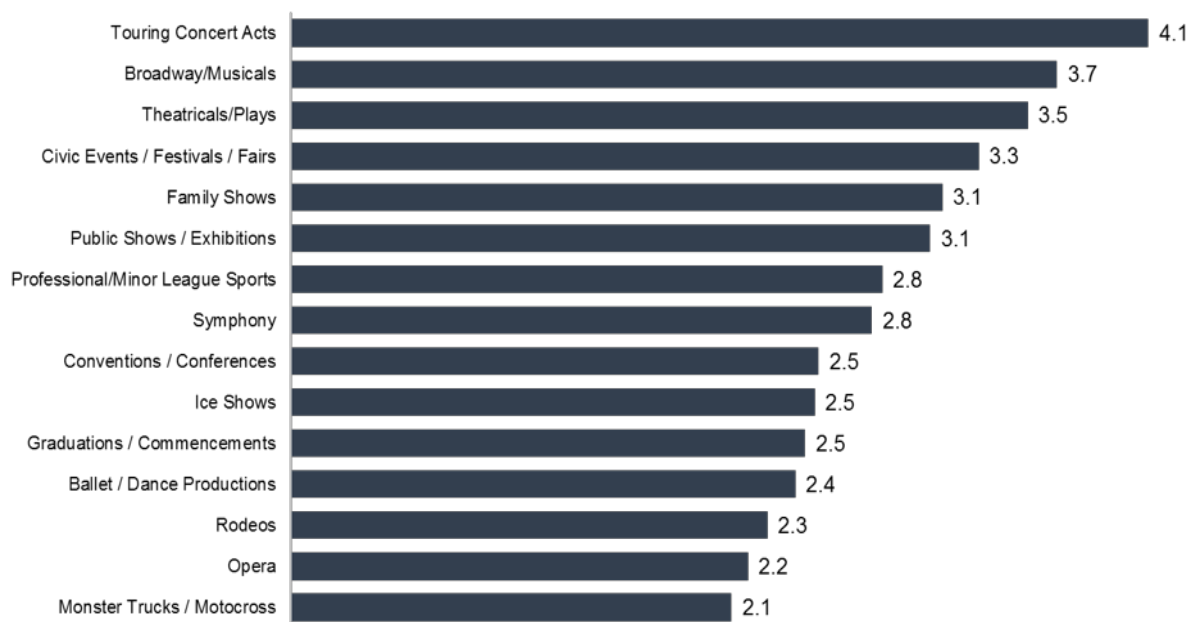


Note: Results shown representative of 962 survey respondents having been to a Five Flags Civic Center event within the past five (5) years.
Source: CSL Community Survey, 2017

As shown, there is a fairly consistent ranking among Arena and Theater attendees, with slightly higher satisfaction with the historic façade and interior of the Theater. It will be important to preserve these historic and iconic elements with any potential renovation and redevelopment of the FFCC Theater. The relatively low rankings among hospitality and food service options are a staple of more modern theater and arena event venue, and are indicative of the evolving preferences among event attendees.

As previously discussed, approximately 68 percent of respondents indicated that the reason they do not attend more events at the FFCC is due to their lack of interest in the types of events occurring at the FFCC. As such, respondents were asked to rank their level of anticipated interest in attending or participating in a variety of potential events and types of events. Exhibit 7 summarizes the level of interest noted among respondents.

Exhibit 7
Level of Interest in Attending Events – by Event Type

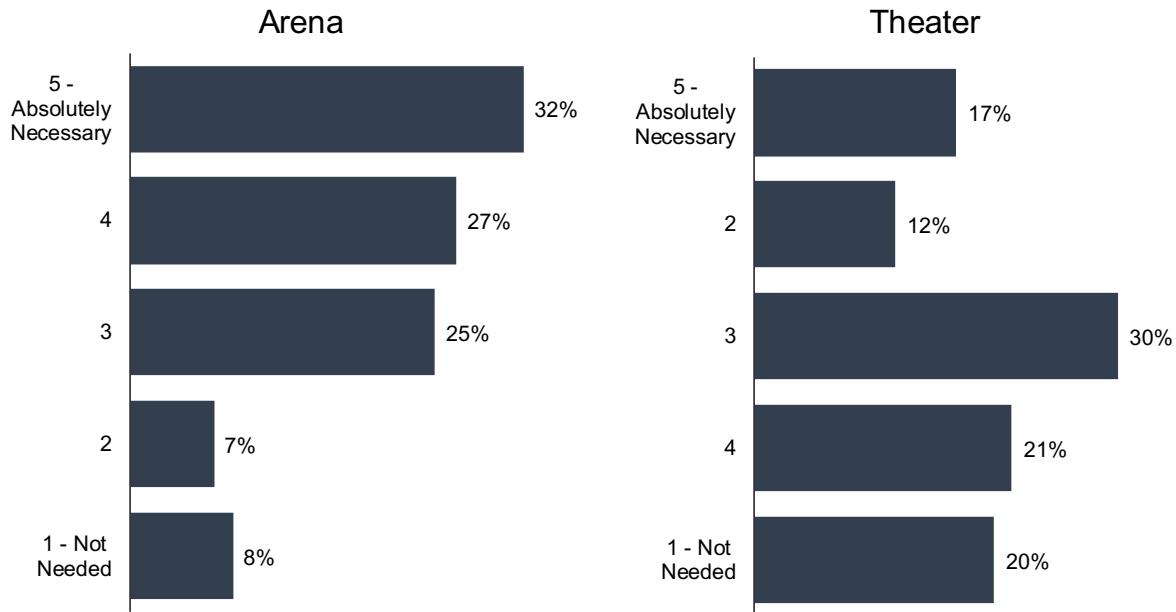


Note: Results shown representative of 1,087 survey respondents.
Source: CSL Community Survey, 2017

Touring concert acts, Broadway shows/musicals and theatrical plays received the highest overall average ranking among respondents, while events such as rodeos, operas and monster truck/motocross generally received low overall interest levels. We discuss the opportunities and likelihood associated with attracting these types of events, assuming a redeveloped/renovated FFCC, in the subsequent sections of this chapter.

With the overall low fan experience currently perceived by the community, it is important to gauge the interest in future investment in the FFCC. As such, respondents were asked whether they felt renovating/redeveloping the FFCC Arena and Theater was necessary. Exhibit 8, on the following page, summarizes these responses on a scale of 1 to 5, with 1 being not needed whatsoever and 5 being absolutely necessary.

Exhibit 8
Importance of Renovating/Redeveloping the FFCC Arena and Theater



As shown, approximately 59 percent of respondents ranked the importance of renovating/redeveloping the FFCC Arena as a 4 or higher, with an overall average rating of 3.7. Conversely, 41 percent of respondents rated the importance of renovating/redeveloping the FFCC Theater a two or lower, with an overall average ranking of 3.0.

Tenant Sports

Minor league and/or collegiate sports tenants often provide significant utilization and revenue for major spectator/entertainment arena throughout the country. In past years, the FFCC has hosted several minor league sports tenants, including the Saints (Tier 1 junior hockey team of the USHL, now the Fighting Saints) who relocated to the Mystique Community Ice Center. There are a wide variety of professional and junior level sports and leagues throughout the country—representing many sports, including hockey, basketball, indoor football, indoor soccer, futsal, lacrosse, volleyball, and other such sports.

There are no local university/college candidates with men’s and women’s athletic programs that could serve as a logical candidate for a major sports tenant at an improved or new FFCC Arena. Given the size of the Dubuque market and its geographic location, the number of candidates in the minor league sports realm is limited—particularly, without a modern arena facility with critical amenities such as premium seating, sponsorship/signage, VIP areas, and sufficient ceiling heights and center hung scoreboards, etc. Should a new state-of-the-industry arena be developed to replace the FFCC Arena, attracting a minor league sports tenant would be possible, and could contribute positively to event levels, attendance and revenue generation, but should not be relied upon as a permanent anchor in a new or improved arena facility in Dubuque.

Spectator and Entertainment Events

Market-driven events are defined as those events that are affected by local market forces and characteristics. The number of market-driven events in a given community is typically a function of the size of the marketplace and the number of available facilities to host these events. Promoted and touring shows such as concerts, comedy acts, family shows, rodeos, sporting events and competitions, motor sports, and other ticketed events were analyzed as part of this research effort. A sample of the organization contacted are presented below.

AEG	Live Nation	Retro Rewind Car Show
Buzz Entertainment Group	LMG	Rising Star Theater Company
Colts	Mammoth Entertainment	Roberts Group
Dancing with the Stars	Monster Truck Entertainment	Rocklands Entertainment
Dubuque Symphony Orchestra	Moscow Ballet	Seven Four Promotions
Dueling Dogs/ Dock Dogs	Mossbrucker Rodeo	Stonebridge Productions
Farnsworth Entertainment	Music Men Barbershop Quartet	Top Billing Entertainment
Feld Entertainment Inc	On Cue Entertainment	Traxxas Monster Truck tour
Fly By Night Productions	Outback Comedy	Vstar
JDIFF	Pinnacle Combat MMA	WWE Raw

Concerts

Concerts often represent some of the most highly visible and well-attended events at multi-purpose arenas and, in certain cases, theater facilities. In addition to the FFCC, the region currently features several venues capable of hosting mid-to-large sized concerts including U.S. Cellular Center, iWireless Center, Carver Hawkeye Arena, BMO Harris Bank Center, La Crosse Center, Wells Fargo Arena and Mayo Civic Center, among other venues. When choosing a routing pattern among a competitive set of venues and market such as these, concert and live entertainment promoters tend to consider the following factors: ability to sell tickets, ability to generate ancillary revenue (e.g., through alcohol, other food and beverage, and merchandise sales; through enhanced opportunities for sponsorships, etc.), backstage space/amenities, accommodations from local event staff, event space and configuration, rigging capacity, venue ticketing system and other such factors.

Interviews were conducted with concert promoters representing a wide range of music and live entertainment genres to gauge the market potential for concerts to be hosted at a renovated/redeveloped FFCC, relative to the competitive set of facilities identified. Overall, concert promoters indicated limited to moderate levels of demand for the Dubuque market due to the large number of existing facilities within the state and region that can accommodate larger touring acts. However, it was noted among promoters that if the FFCC Arena were to be renovated/redeveloped and offered state-of-the-industry accoutrements, some opportunity exists for a more intimate sized facility. Importantly, respondents who had previously hosted events at the FFCC indicated a high desire to return to the Dubuque market, suggesting that a renovated/redeveloped FFCC Arena that could generate interest from new promoters and promoted acts may present significant and lasting effects in the market.

Interviews among promoters with a potential interest or history in utilizing FFCC Theater space also indicated a somewhat moderate overall level of demand for renovated/redeveloped theater space in Dubuque. Promoters noted the small capacity of the Theater as a governor of the type and size of event candidates, but cautioned against any changes that would affect the intimate atmosphere and historic nature of the venue. Some demand was noted for additional performance space in the form of flexible, black box theater space. Assuming renovations were made to the FFCC Theater, promoters indicated a potential opportunity to moderately increase the number of annual performances and/or attract a slightly larger audience for the average FFCC Theater event.

Family Shows

Family shows cater to spectators of all ages and include events such as the Harlem Globetrotters, Shrine Circus, Sesame Street Live!, Marvel Universe Live! and Disney on Ice (i.e., Frozen, Princesses and Heroes, Finding Dory, Toy Story, etc.). These events are usually held over consecutive days, with between one and three shows per day and two to six total performances per stop. Family show touring seasons often run between October and May and depending on the market and facility capacity/availability, generally draw a few thousand spectators per performance.

In order to understand the market potential for attracting additional family shows to the FFCC, several leading family show promoters were contacted. Typical drawing power for family show events extends somewhat further out from the typical drawing radius of concerts or other promoted events, with families generally accustomed to living further on the periphery of a given market. Additionally, key facility needs among family show producers include rigging capabilities that allow for the cast to “fly-in” stage props and a large event floor (minimum 85' x 200') to accommodate stages, floor seating and in some cases, circus rings. Most family show events require a minimum of 3,000 seats but usually prefer more and look for markets with at least 100,000 or more residents. Markets with younger median ages and appropriate venues tend to host a more robust family show schedule than older markets with less favorable demographics or host venues.

Similar to discussions with promoters of concerts, family show promoters indicated a limited to moderate level of demand, largely due to the population base of the Dubuque market. It will be important to demonstrate that a renovated/redeveloped FFCC Arena is capable of drawing well for family shows. It is likely that initial runs of family shows will offer a limited number of dates to minimize promoter risk; however, this directly affects the incentive for promoters to route shows through Dubuque rather than more established markets throughout the region. The FFCC Theater is too small a venue for most family show promoters to consider using on a consistent basis.

Other Promoted Events

Other promoted events typically hosted at arenas include a variety of events including, but not limited to motorsports, professional wrestling, dog/cat shows, and rodeos, among other events that on average draw from 30 to 50 miles away. While events such as wrestling are generally one-time performances, other events such as rodeos and motocross events have the potential to conduct ticketed performances over several days at each tour stop. These types of events often find success in niche markets and other events may have the ability to draw non-local patrons, and therefore may not have the same population or demographic requirements of certain other events. If a rodeo or motorsports event finds success in a market one year, they are more likely to return the following year and potentially include additional event days.

Particularly with events such as motorsports or rodeos, many lower level seats are often removed from circulation due to safety requirements. While the FFCC Arena can currently accommodate some motocross events, AV, seating and guest experience enhancements are necessary to keep this group returning. Further, larger motorsports (e.g., monster trucks) require additional seating capacity (minimum of 6,000 fixed seats) to provide an opportunity to generate the necessary return-on-investment for promoters to consider the market.

Amateur Sports Tournaments/Events

Another core event market for a renovated/redeveloped FFCC is indoor amateur/youth sports tournaments and events including basketball, volleyball, wrestling, gymnastics, martial arts, dance and indoor soccer. Key representatives from local and non-local youth sports organizations, as well as regional and national tournament organizers were interviewed in person and/or by telephone to assess their potential interest in utilizing a renovated/redeveloped FFCC. A summary of the market surveys conducted is provided below and on the following pages. A sampling of organizations contacted as part of this study included:

AAU - Boys Basketball	Iowa AAU Taekwondo Championship	Netlynx Sports
AAU Gymnastics	Iowa Amateur Athletic Union	Performance Volleyball
AAU Junior Olympic Games	Iowa Games	Studio 5678
AAU Volleyball	Iowa Games - Basketball	The Experience - Elite 100 Tournament
AAU Wrestling	Iowa Games - Martial Arts	Tri-State Elite Basketball
AKKA Karate	Iowa Games - Volleyball	United States Youth Volleyball League
Dubuque Dance	Iowa High School Athletic Association	Universal Cheerleaders Association
Dubuque Gymnastics Club	Junior Volleyball Association - National	Universal Dance Association
EYAS Gymnastics	Lee Pamulak Middle School Nat'l Duals	USA Gymnastics
Heart of America Volleyball	Mid America Youth Basketball	USA Wrestling
IA State Boy's basketball tourney	Midwest Starz Dance Competitions	USSSA Basketball
Iowa AAU	National Cheerleaders Association	USSSA Taekwondo
Iowa AAU Folkstyle State Duals	NCAA Wrestling National Champs	Winter IA Games
Iowa AAU Girls Basketball Reg. Tourney	NCAA Wrestling Regionals	Youth Volleyball Association

There were varying degrees of demand among event organizers representing the various sports organizations and interests surveyed in terms of utilizing the event space within a renovated/redeveloped FFCC for their tournaments, meets, competitions, etc. It was noted that there is a general lack of a single indoor facility in the greater Dubuque market capable of hosting large state and regional tournaments. Further, amateur sports event organizers generally noted the accessibility of the Dubuque market to the communities throughout eastern Iowa, southeastern Minnesota, southwestern Wisconsin and northwestern Illinois, as well as relatively good access to large metropolitan markets in throughout the region as a strength of the community. However, the general lack of hotel rooms within close proximity to the FFCC, accessibility issues of the facility within the downtown core, preference for major destination markets and pricing relative to other regional indoor sports facilities were noted as potential challenges with increasing the FFCC's presence within the sports tourism market segment. Specific demand by sport are provided below and on the following pages.

Basketball Demand

Basketball is the leading participatory team sport in the U.S. Based on national statistics, there are approximately 25.5 million individuals that participated at least once in basketball last year. Of this amount, approximately 22 percent (5.7 million) were considered frequent participants, having participated 25 or more days in the last year.

Tournaments typically feature 10 to 12 athletes and coaches per team, and 1.5 spectators per athlete. In order to be able to host most basketball tournaments, access to a minimum of 6 to 8 courts is necessary (however, like the FFCC Arena, most modern arena facilities are only able to accommodate 2 to 3 full-size basketball courts on the arena floor). Typical sizes for youth/tournament basketball courts range from approximately 5,000 square feet per court, up to nearly 10,000 square feet for championship court requirements (which incorporates additional surrounding space for seating, scorer's tables, benches, etc.). Additional requirements include temporary/bleacher seating for 20 to 40 people per court, bathroom

facilities, space for temporary concessions, lobby/registration space, small meeting facilities, dividing walls/curtains for courts, and at least five feet of distance between courts. Further, it was noted that planners prefer a facility that would offer reasonable highway access and be within 15 minutes of at least 150 to 200 hotel rooms.

Conversations with basketball organizers suggest that the majority of existing facilities are well suited to accommodate local community demand; however, the lack of a critical mass within each of these facilities limits the opportunity to market and attract larger regional and national tournaments. State and regional basketball planners noted a moderate level of demand in utilizing a renovated/redeveloped FFCC, with low interest levels noted among national basketball organizers.

Volleyball Demand

There are approximately 10.1 million individuals in the United States that participated at least once in volleyball within the past year, of which approximately 34 percent (3.4 million) were considered frequent participants, having participated 25 or more days in the last year. Approximately 70 percent (7.1 million) played volleyball at least 13 times last year. Volleyball participation rates continue to grow among young girls, and many communities have introduced youth boys' volleyball teams and leagues as well.

Typically, it is possible to fit two youth/tournament volleyball courts within one youth/tournament basketball court. Volleyball tournaments typically consist of teams with 10 to 12 players per team, and can attract 60 to 70 teams within a 6 to 8 court facility and an average of 1.5 spectators per athlete. Volleyball organizers from regional and national levels indicated an overall moderate level of demand for additional court space in the greater Dubuque area. One prominent regional tournament organizer noted that they would consider hosting a regional volleyball tournament that could attract 1,500 athletes within a renovated/redeveloped FFCC that could accommodate a minimum of 16 volleyball courts.

Other Indoor Sports Demand

There are a variety of other indoor sports that typically require a critical mass of flat floor space and accompanying seating in which to host large tournaments, meets, competitions, exhibitions and other such events. Currently, the FFCC hosts a number of annual amateur wrestling events. Event organizers surveyed generally indicated that the potential exists to attract additional wrestling meets and tournaments to a renovated/redeveloped FFCC. One particular example noted that the current FFCC space offerings are adequate for smaller tournaments, but limit the ability to grow these tournaments. Should sufficient space be made available, there is an opportunity to host at least one or two additional tournaments drawing up to 2,000 participants per event. Wrestling tournaments tend to last two to three days, and are typically start either Friday night or Saturday morning, and run through Sunday.

Gymnastics presents another potential opportunity for hosting meets/competitions in a renovated/redeveloped FFCC Arena. The gymnastics season typically runs from October to May with meets typically requiring at least 20,000 square feet of contiguous flat floor space to host tournaments, but prefer closer to 40,000 square feet for larger meets and competitions (e.g., four teams or more, hosting both boys and girls gymnastics programs, etc.). In speaking with organizers of one regional gymnastics competition promoter, the space available at the FFCC is adequate for hosting their smallest event, but has limited their ability to grow the meet. If the FFCC were to be expanded, opportunity exists to nearly double their participation from 400 to 700 competitors, as well as presenting an opportunity to extend the competition with one or more additional day.

Conversations with dance tournament organizers noted that there is a potential to attract one or two annual dance competitions that could draw between 300 to 1,000 participants. The minimum amount of space needed in order to accommodate their event is approximately 20,000 square feet of space, with preference for two separate spaces offering between 12,000 to 20,000 square feet of space each. However, this is a market segment that can be accommodated within the Grand River Center's event space, suggesting that any potential FFCC Arena or Theater space usage would occur only when specific dates are not available at the Grand River Center.

Another opportunity is presented with martial arts organizations, which run year-round programs, typically with a greater emphasis during the summer months. However, organizers of martial arts tournaments noted that Dubuque is generally too small of a market to host regional or national events which are typically held in large convention centers located in major destination markets.

Indoor Soccer Demand

Another important segment of potential indoor amateur sports space demand originates from the Dubuque Soccer Association, which currently utilizes the FFCC for practice during the winter months. Local soccer groups indicate the need for a large indoor space with some type of synthetic turf would allow for increased usage during winter months, and provide an opportunity to host state and regional soccer events. While sufficient demand likely does not exist for dedicated indoor turf space within the FFCC at this time, consideration could be given to investing in a rolled turf option to be able to accommodate this market segment. Importantly, consideration would also have to be given to providing adequate storage space for this turf during other FFCC Arena functions.

Flat Floor Events

Beyond concerts/entertainment events as well as indoor amateur sports tournaments, multipurpose arenas such as the FFCC are commonly used for flat floor events. Dubuque currently has a state-of-the-industry convention center in the Grand River Center with an operational mandate of generating room nights and local market protected status within the convention event category. As such, events such as consumer/public, civic, special events, and large community events often receive a lower booking priority and require event space elsewhere in the market at a venue not directly tied to generating overnight stays. Having identified a significant number of these event promoters, we completed in-depth phone surveys with organizations that utilize flat floor space for their events, including:

Apparel Markets	Colts	Marv Kraus Promotions
City Expo	Kwik Trip	Midwest Pharmacy Expo
City of Dubuque	Iowa Home and Patio Show	Miller
City Spirit Lunch	Iowa Meat Processors Association	Mission of Mercy Dental Clinic
Central IA Gem and Mineral Show	Just Between Friends Consignment Sale	Retro Rewind
Dubuque High School	Mac Shows	Toys for Tots

The overall survey data indicates a moderate level of interest among flat floor event organizers for a renovated/redeveloped FFCC with high local interest, moderate interest among regional events and low interest among national events. The majority of the market of events with a potential interested in utilizing FFCC Arena flat floor event space could be accommodated with approximately 30,000 square feet of contiguous exhibit space. While this would position the venue to be able to attract groups in excess of 2,000 attendees, the majority of events would average 400 attendees. Nearly all interested events noted

demand for breakout event space and an on-site catering option (or at least kitchen facilities) to better facilitate hospitality provisions for events.

Among event planners not interested in the Dubuque market, concerns primarily centered around the limited regional population immediately surrounding Dubuque and its location on the eastern border (rather than the center) of the state. Those who expressed a positive interest in Dubuque and a renovated/redeveloped FFCC, identified as a strength its location in downtown Dubuque, including the variety of downtown entertainment, retail and food offerings available nearby.

Alternate Uses / Redevelopment of the FFCC Arena Site

Three of the City's five initial requested scenarios to be considered under this study involve either the permanent removal from service of the FFCC Arena or its relocation to an alternate site elsewhere in Dubuque.

Based on the entirety of the research, community outreach, and analysis conducted for this study, there are not any obvious and compelling reasons to demolish the FFCC Arena and redevelop the site for an alternate use. Important reasons for this rationale include:

- a) Market demand exists for a multipurpose entertainment/spectator arena in Dubuque. It is clear that a such a facility is desired by many citizens and viewed as an important quality of life element.
- b) There are important efficiencies involved with the co-location and co-management of the Theater and the Arena at the current FFCC site. Costs to operate the FFCC Theater alone (without the synergy and benefits of the FFCC Arena) would be higher than the operating costs that are currently attributed to it under its shared operating model.
- c) The FFCC's current location in the core of the downtown central business district is the ideal location in Dubuque for such a facility. The location maximizes synergy from an attendee and an economic perspective, leveraging a pedestrian-friendly environment with a density of nearby visitor amenities, attractions and transportation/parking infrastructure. It serves to draw people into the downtown core, enhancing the downtown's overall health. The prospect of abandoning an ideal arena site, that has benefitted from decades of product/infrastructure investment and branding, to rebuild elsewhere in a less desirable location in Dubuque is not logical.
- d) Under a scenario where the FFCC Arena is demolished and no replacement facility is developed elsewhere in the community, the Dubuque market would lose many, if not the majority, of the events hosted at the FFCC, and the associated economic activity generated in the downtown and throughout the community by their attendees. Further, it would be expected that more Dubuque citizens would elect to leave the community to attend entertainment and sports events in other communities, as a result (thereby resulting in further erosion of local economic spending).
- e) In cities larger than Dubuque, property values and demand for developable land parcels located in downtown central business district cores are often significantly higher than that presently exist in Dubuque's downtown. Current downtown land supply, demand and prices do not suggest that the costs and lost economic impact (quantifiable and intangible) for the City related to demolishing the FFCC Arena and disposing of the land asset to a potential private party would be mitigated by sale proceeds and the benefit generated by any ultimate alternate private development.

As a result of these factors, it is believed that the highest-and-best-use of the FFCC asset (building and land) is a multipurpose civic/entertainment/arts complex. As such, the emphasis of the remaining concept development and cost/benefit analysis focused on FFCC Arena and Theater improvement, expansion and/or redevelopment scenarios.

Conclusions

Key conclusions associated with the detailed market analysis of the FFCC include the following:

1. Market support exists for both Arena and Theater components. Market research and analysis conducted for this study indicates that demand exists for both the arena and performing arts theater functions in Dubuque that the FFCC provides. These types of facilities would be expected to continue to have important roles in the Dubuque marketplace into the foreseeable future.
2. Local quality of life and economic activity would be negatively impacted without a venue serving these roles. The FFCC has long-served an important role in Dubuque and the region, accommodating a significant portion of local sports, entertainment and performing arts event demand, including certain activity that other local event facilities could not, or would not, accommodate. Important events, entertainment opportunities, attendance, and community exposure would be lost and negatively impacted without either of these types of facilities. Should the FFCC be decommissioned and no other replacements are developed, other local venues would not be able to sufficiently accommodate the FFCC's displaced activity.
3. The FFCC Theater is an historic asset that should be protected. The FFCC Theater continues to serve an important market niche for a small fixed-seating venue space in Dubuque. It has been and continues to serve as an important asset to the local performing arts. Improvements to the FFCC Theater are not expected to significantly increase market share or attendance; however, impactful enhancements could be made to support spaces associated with the Theater to improve its efficiency, financial performance, and marketability.
4. The FFCC's current location is ideal for an entertainment/sports/arts complex. The existing location maximizes synergy from an attendee and an economic perspective, leveraging a pedestrian-friendly environment with a density of nearby visitor amenities, attractions and transportation/parking infrastructure. It serves to draw people into the downtown core, enhancing the downtown's overall health. In most cases, cities who are planning new arena and/or theater facilities first look to their downtown central business districts for available development parcels, given the high density of amenities and a walkable environment.
5. Significant upgrades to the FFCC Arena product are needed to better compete for and serve spectator and entertainment event segments. While the FFCC Arena was originally designed to accommodate a wide variety of event types and uses, modern industry expectations nationwide have led toward the development and gravitation to more specialized-purpose facilities. In recent years, Dubuque has partially responded to these trends, through the development of the Grand River Center (conventions/meetings/exhibitions) and the Mystique Community Ice Center (ice sports and rec). The result is that spectator/entertainment events remain as the key current and potential future target event segment for the FFCC Arena.
6. The FFCC Arena has exceeded its practical life. At a minimum, significant investment is required to shift the facility closer to state-of-the-industry standards to address deferred capital repair/replacement items, improve operating efficiency and functionality, and allow it to continue accommodating existing event activity and grow future market share. Failure to do so will likely result in continued erosion of market share and diminishing event, performance and attendance levels at the FFCC Arena. Further, a minimum capital repair/replacement expenditures will be necessary in the near-term just to address life safety issues and maintain minimum operational functionality.
7. The FFCC Arena physical product and functionality is industry substandard. There are many aspects of the existing FFCC Arena that do not conform, or are substandard, relative to state-of-the-industry arenas (in the competitive environment and nationwide). In many respects, the FFCC Arena possess attributes that are more consistent with a multipurpose flat floor exhibition facility

than with a modern spectator/entertainment arena. As will be discussed further in the subsequent chapter, given the existing FFCC's footprint and structural elements, it likely would be significantly challenging—if not impossible—to renovate the existing FFCC Arena structure into a state-of-the-industry sports/entertainment arena. An expanded site area and a major redevelopment likely would be necessary to meet minimum requirements for a long-term sports/entertainment venue solution.

8. Investment in FFCC enhancements or redevelopment would be expected to drive new activity and positive impacts. A distinct opportunity exists for Dubuque to capture new sports, entertainment and performing arts events with a new/improved event facility product—specifically, through a modern arena venue that is more consistent with state-of-the-industry standards, allowing it to protect existing business and compete for new business.
9. The highest-and-best-use of the FFCC asset (building and land) is a multipurpose civic/entertainment/arts complex. Based on the entirety of the research, community outreach, and analysis conducted for this study, there are not any compelling reasons to demolish the FFCC Arena and redevelop the site for an alternate use. There is not believed to be any apparent compelling alternate use or more attractive economic opportunity for the City and its citizens to consider permanent retirement or relocation of a long-standing, productive community asset in the heart of Dubuque's downtown. These findings are also consistent with the Arts and Culture Master Plan that was previously adopted by the City Council.

6.0. ANALYSIS OF DEVELOPMENT OPTIONS & CONCEPTS

The purpose of this section is to build on conclusions reached with regard to market demand to analyze and identify improved/expanded FFCC scenarios that are market supportable in Dubuque. Pursuant to direction provided by the City, these scenarios include varying levels of investment and physical facility renovation, expansion and/or redevelopment, for the purpose of comparison.

Driven by the conclusion that an event venue complex is needed in Dubuque that services both arena and theater roles, a market supportable program of the physical FFCC facility product is outlined herein, based on industry best practices for arena and performing arts theater complexes and market demand that is unique to Dubuque. This program is translated and adjusted as required for the size, location and geographical constraints imposed by, or likely for, each scenario, to be subsequently discussed. Potential construction costs and site issues are also assessed for the scenarios.

Market Supportable Program

Based on the previous analyses undertaken, key attributes of a market supportable facility program for a FFCC arena include:

- State-of-the-industry, spectator arena
- Seating capacity of between 6,000 and 8,000 (5,000 to 7,000 fixed seats)
- Some flexible seating to retain access to flat floor space
- Premium seating and other hospitality areas
- Enhance patron experience – ingress/egress, WiFi, food & beverage, ADA, etc.
- Upgraded back-of-house, load-in/out and other support facilities

Based on the previous analyses undertaken, key attributes of a market supportable facility program for a FFCC theater include:

- Retention of historic Theater
- Refurbish seating and make 2nd Balcony seating functional
- Modest expansion of Bijou Black Box Theater
- Address capital improvement project items
- Enhance patron experience – lobby, WiFi, F&B, etc.
- Upgraded back-of-house facilities

Analysis of Development Scenarios

In order to accommodate an industry standard event facility complex that meets the identified market supportable programmatic elements, the optimal solution would involve an expanded site and redevelopment of the FFCC Arena. A renovation of the existing FFCC arena would not deliver a state-of-the-industry product, nor could a desirable renovation solution be executed without expanding the FFCC's footprint.

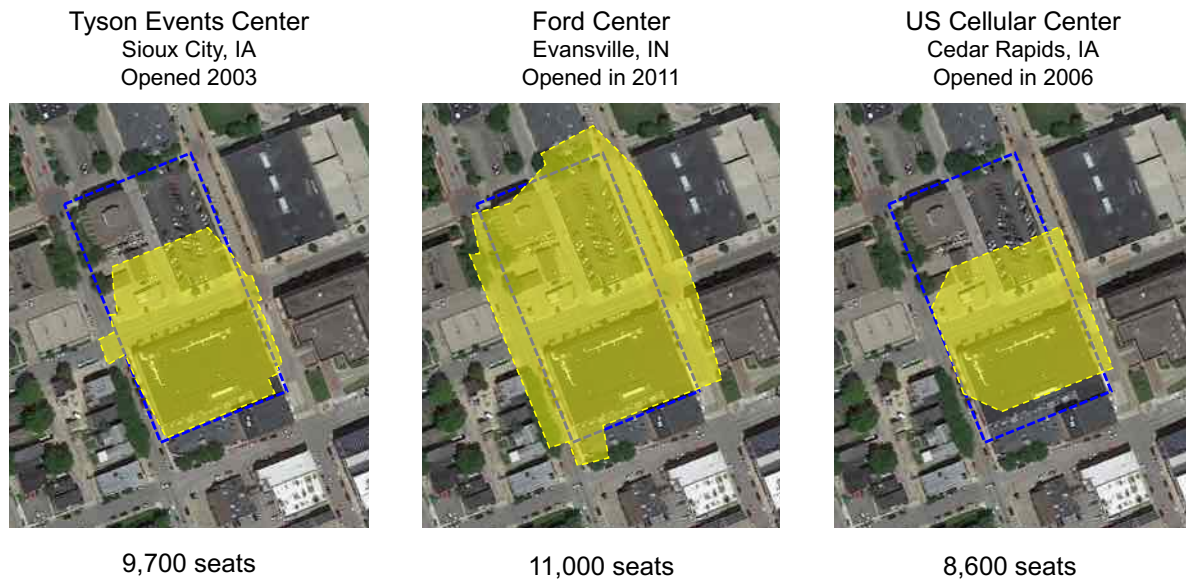
Whether the solution to address the FFCC Arena is to expand or redevelop, the logical expansion direction would be northwest across West 5th Street. Any expansion/redevelopment solution in this direction would most likely involve closure or reroute of West 5th between Locust and Main to accommodate the project at grade. Exhibit 1 illustrates the existing FFCC and the hypothetical expansion area/direction.

Exhibit 1
FFCC Site Layout and Theoretical Expansion Opportunity



Nearly all modern spectator/entertainment arenas throughout the country are larger than the FFCC Arena (and the total FFCC itself). In fact, modern arenas with capacities less than 10,000 seats often occupy sites two to four times larger than the FFCC's current footprint. Exhibit 2 illustrates examples of the footprints of three comparable arenas superimposed over the current FFCC Arena (and theoretical expansion parcel).

Exhibit 2 Modern Arena Footprint Examples



Therefore, based on these market and program analysis conclusions, along with collaboration among the project team and the City, four primary facility investment scenarios were identified for additional analysis. Scenario 1 effectively represents a "status quo", or minimum, scenario in the analysis, as a certain amount of expenditures will have to be made in the near term and in the foreseeable future on deferred maintenance and future capital repair/replacement items to keep the FFCC safe and operational by current standards. Scenario 2 involves a limited FFCC renovation. Scenario 3 represents a renovated complex with an expanded Arena. Scenario 4 involves a renovated complex and a redeveloped Arena.

- **Scenario 1:**
Status Quo with Deferred Maintenance
(4,000 Arena seating capacity)
- **Scenario 2:**
Deferred Maintenance and Limited Renovation
(4,000 Arena seating capacity)
- **Scenario 3:**
Deferred Maintenance, Theater Renovation and Arena Expansion
(5,600 Arena seating capacity, 4,600 fixed seats, 4 private suites)
- **Scenario 4:**
Deferred Maintenance, Theater Renovation and New Arena Construction
(6,000 Arena seating capacity, 5,000 fixed seats, 8 private suites, 2 party suites)

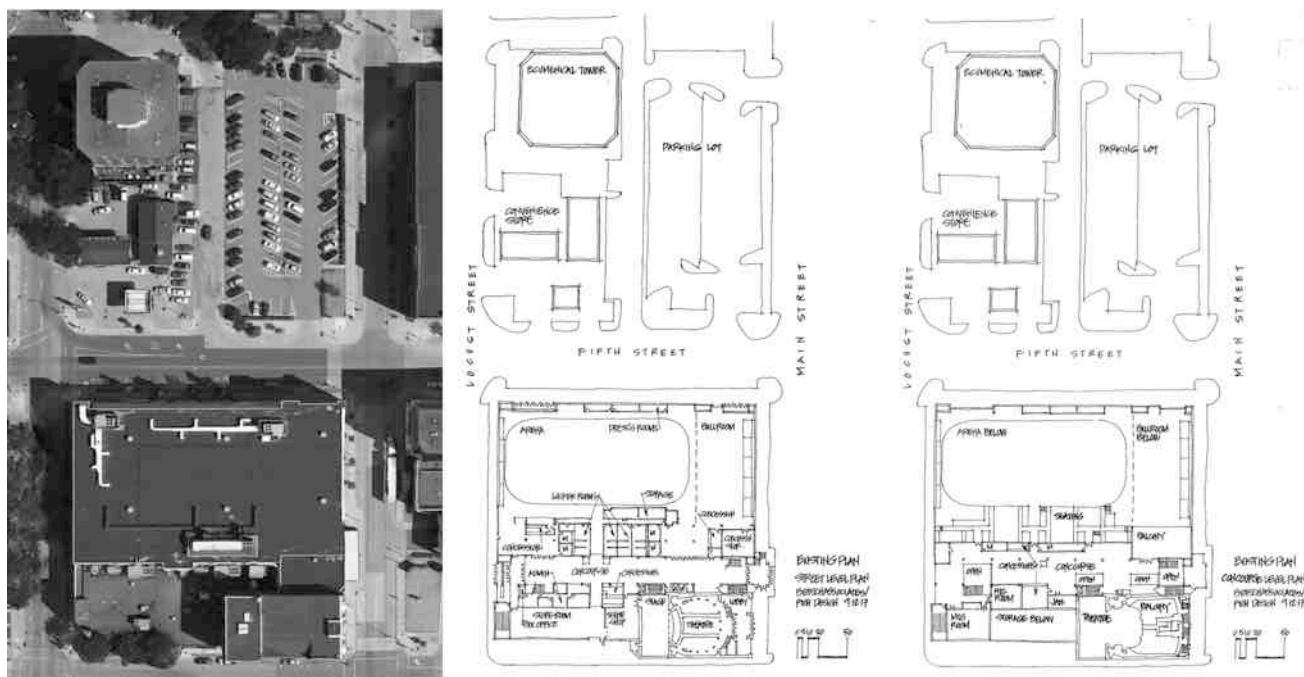
In collaboration with CSL, Betsch Associates and FEH Design developed layout and concept schemes for the identified scenarios, along with programmatic detail and preliminary construction cost estimates (to be outlined in the subsequent chapter). This information is summarized below and on the following pages. Appendix D provides larger illustrations of these concepts, along with alternate concepts that were initially developed by the Project Team, but were determined not to be viable/suitable for additional consideration.

Scenarios 1 and 2

Scenario 1 is based upon addressing the deferred maintenance items for the theatre and arena to continue the operation of the existing Center and restore worn out building systems. It includes major items such as the necessary replacement of the theatre and arena HVAC package units, arena lighting system, theatre stage lighting and dimmers, theatre and arena stage curtains, arena and theatre roofs, the elevator, and general repainting. The floor plans for the existing FFCC are contained in this study. Exhibit 3 displays an overview of the existing FFCC, with the street level floor plan presented in the center, and the concourse level plan shown on the right.

Scenario 2 is based upon adding some limited renovation to the arena and theatre to the deferred maintenance in Scenario 1. The renovation items are planned to address life safety and code compliance, to improve building security, to enhance event marketability and patron amenities, and to make building operations more efficient. It includes better ADA access, improved fall protection, elevator access to all levels, a new security and surveillance system, updated box office, air conditioning and heating in the locker rooms, new operable walls, new telescopic seating, new theatre dressing rooms in the basement, black box theatre upgrades, existing toilet renovation, replacement of concourse finishes, updated wi-fi system, concession stand renovation, fixed arena seating replacement, theatre seating replacement, arena and theatre sound system replacement, increased electrical system capacity, and replacement of the theatre steam HVAC system. However, it did not include an increase in the seating capacity of the arena.

Exhibit 3
Scenario 1 & 2 (Existing FFCC, No Significant Physical Facility Changes)



Scenario 3

Scenario 3 involves an expansion of the FFCC Arena, renovation of the FFCC Theater, and addressing remaining applicable deferred maintenance items.

Exhibit 4 Scenario 3 (Theater Renovation and Arena Expansion)

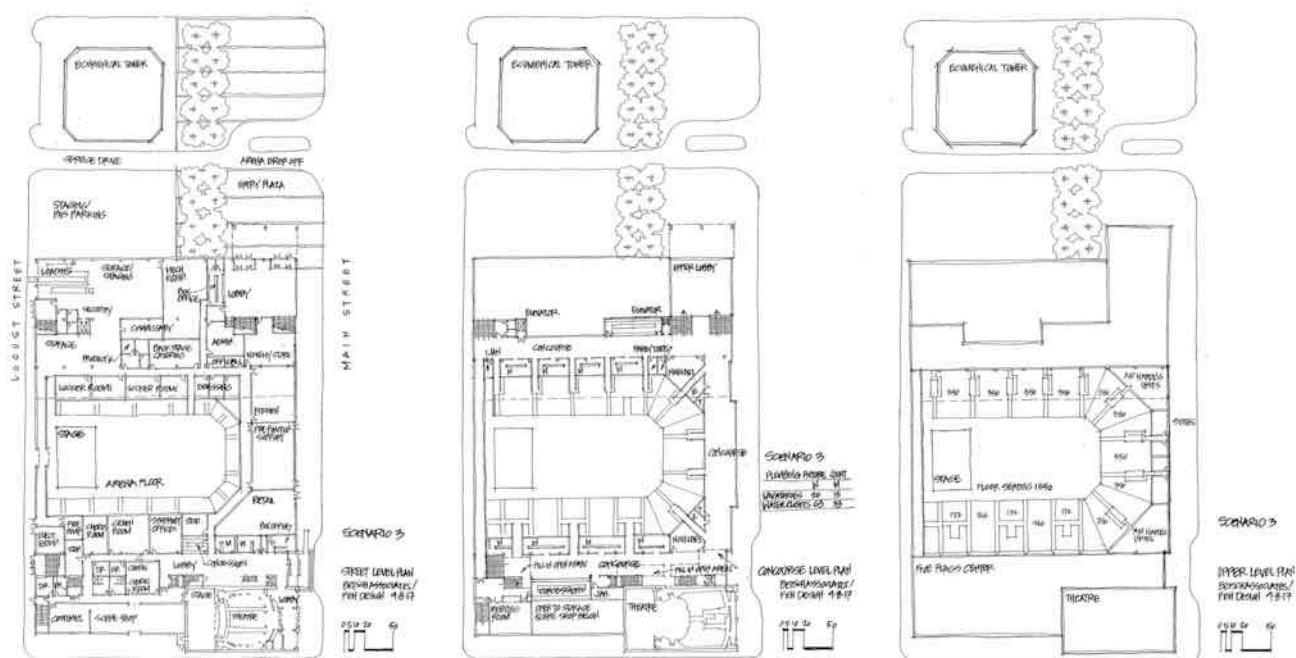


Exhibit 4, on the previous page, displays an overview of the Scenario 3, with the street level floor plan presented on the left, and the concourse level plan shown in the middle, and the upper level plan displayed on the right. A preliminary exterior concept rendering of this scenario is also shown, indicating approximate size, site configuration, and relationship to the greater site area. The illustration shows the reoriented Arena entry and public ingress/egress points to the north, as well as the opportunity to create an attractive plaza and modern gathering space to the north.

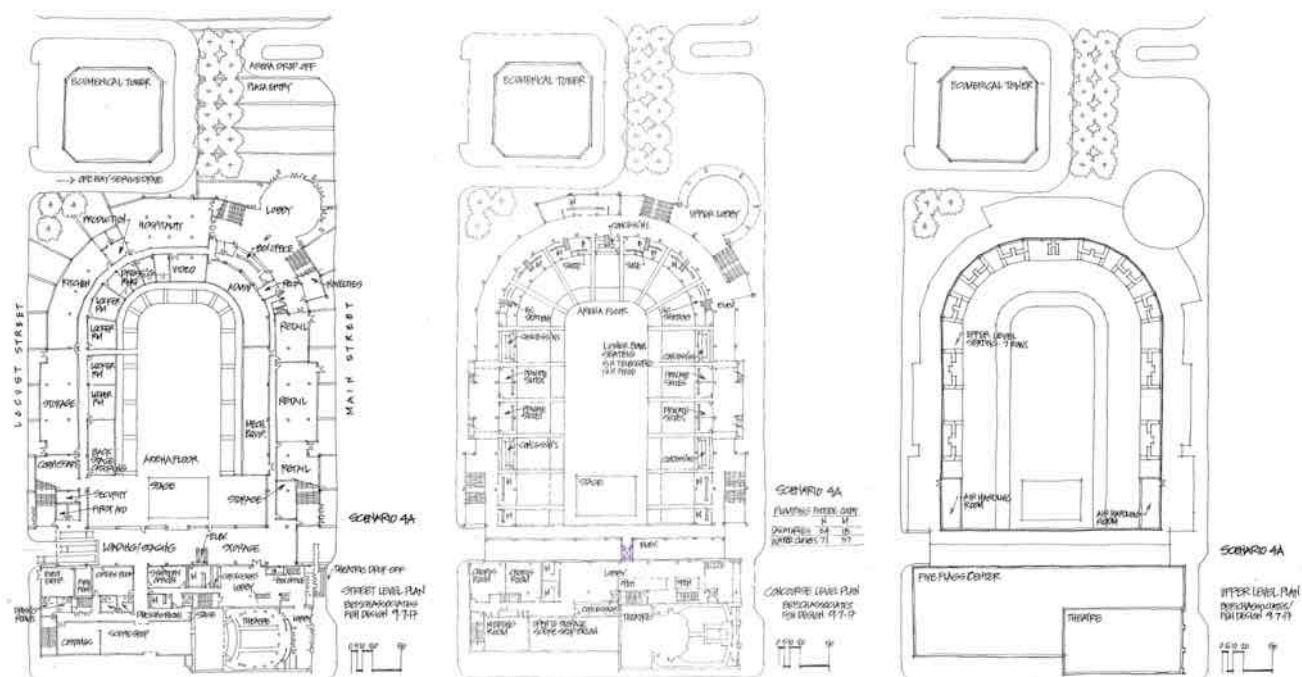
Scenario 3 would involve the purchase of the adjacent convenience store, closing of Fifth Street north of the Center, renovation of the existing FFCC Theater, renovation of the existing FFCC Arena bowl to expand the seating capacity to 5,600, and construction of new arena support areas north of the existing FFCC. It does not have all of the deferred maintenance arena items in Scenarios 1 and 2 since many of the needs have been alleviated by the construction of the new back-of-house areas and new building systems. This scenario includes a new security and surveillance system, replacement of the telescopic seating, replacement of roof structure to raise the clear rigging height inside the arena, new locker rooms, new production areas, new commissary, new storage areas, new loading docks, and renovation of the street level of the Center to expand the support areas for the theatre and provide space for new offices for the symphony.



Scenario 4

Scenario 4 involves the development of a new FFCC Arena, renovation of the FFCC Theater, and addressing remaining applicable deferred maintenance items.

Exhibit 5
Scenario 4 (Theater Renovation and New Arena Construction)



Scenario 4 would involve the purchase of the adjacent convenience store, closing Fifth Street north of the Center, renovation of the existing theatre, demolition of the arena portion of the FFCC, and construction of a new 6,000-seat Arena with new support areas in its place. It has even fewer of the deferred maintenance items in Scenarios 1 and 2 since many of the needs have been alleviated by the construction of the new arena. This scenario will maintain the Ecumenical Tower on its site north of the Center and allow for creation of a new lobby entrance and plaza in the northeast corner of the site. The remaining portion of the FFCC will be renovated into support areas for the theatre and provide space for new offices for the symphony. Additionally, conforming to industry best practices for modern event facility development, this scenario also provides new street-side retail activation and leasable opportunities.

Issues Related to Parking

A question that often arises in communities that are considering new or expanded event facility projects—particularly those in downtown urban cores—relates to the availability of sufficient parking and related impacts. The availability of sufficient parking is normally important to the success of event facilities. Based on industry standards, it is often recommended that one parking space be available for approximately every three (3) seats. Therefore, based on a FFCC Scenario 4 maximum seating capacity of 6,000 seats, approximately 2,000 parking spaces could be required to serve the FFCC for high demand events. In a rare situation where all FFCC spaces (Arena, Theater and Meeting Rooms) could theoretically be occupied by maximum attended activities, total industry standard parking space requirements could rise to 2,500.

The required parking spaces can be provided in a combination of on-site spaces directly controlled by arena management and existing or new parking within a reasonable walking distance (5 to 10 minutes) of the arena. Dispersing parking thorough the immediate area would serve to encourage patronage of area businesses within the downtown area by attendees in connection with FFCC attendance.

Provided by the City's Transportation Services Department, the following map outlines key downtown Dubuque parking proximate to the FFCC.



As shown in the previous map, there are a number of parking opportunities nearby the FFCC. Specifically, there are nearly 7,000 parking spaces within a 15-minute walk of the FFCC (more than 4,000 of which are free of charge after 5:00pm or 6:00pm—times after which the majority of FFCC attendees will be arriving for most events).

While latent downtown Dubuque parking demand may be high during daytime working hours Monday through Friday for certain lots, ramps, and street spaces, it is important to first recognize that the vast majority of high attendance events are entertainment/spectator events that occur in the evening hours or on weekends. This supply and demand pattern is typical for nearly all entertainment/spectator event venues and tends to benefit event facilities that are located in central business districts of downtowns.

Adjusted for seating capacity, the parking supply proximate to a hypothetical Scenario 4 FFCC is more plentiful and less costly than that associated with most comparable arena venues located in other markets throughout the country. A sample of the estimated parking supply serving some successful comparable venues, with a comparison to the FFCC, includes:

City, State	Facility	Seating Capacity	Parking Spaces Needed (1)	Estimated Proximate Supply (2)	Coverage Percentage
Evansville, IN	Ford Center	11,000	3,667	4,000	109%
Corpus Christi, TX	American Bank Center	10,000	3,333	4,200	126%
Beaumont, TX	Ford Arena	9,000	3,000	5,000	167%
Bemidji, MN	Sanford Center	6,000	2,000	1,200	60%
Prescott Valley, AZ	Prescott Valley Event Center	6,200	2,067	3,000	145%
Dodge City, KS	United Wireless Arena	4,935	1,645	1,600	97%
Dubuque, IA	FFCC (Existing)	4,000	1,333	6,500	488%
Dubuque, IA	FFCC (Scenario 3)	5,600	1,867	6,500	348%
Dubuque, IA	FFCC (Scenario 4 - arena only)	6,000	2,000	6,500	325%
Dubuque, IA	FFCC (Scenario 4 - max concurrent events)	7,000	2,333	6,500	279%

(1) Extrapolation based on industry typical recommendation of 1 parking space per 3 seats

(2) Estimated parking supply within reasonable walking distance, based on conversations with city officials and/or facility management.

Based on industry standards and a review of parking supply in downtown Dubuque, it is not believed that the development of additional parking structures or lots will be necessary for any of the identified FFCC development scenarios. Conversely, downtown Dubuque's volume, availability and pricing of parking supply nearby the FFCC is considered a product strength relative to other comparable venues located throughout the region and country.

Conclusions

Based on the market analysis, key attributes of a market supportable facility program for a FFCC arena include:

- State-of-the-industry, spectator arena
- Seating capacity of between 6,000 and 8,000 (5,000 to 7,000 fixed seats)
- Some flexible seating to retain access to flat floor space
- Premium seating and other hospitality areas
- Enhance patron experience – ingress/egress, WiFi, food & beverage, ADA, etc.
- Upgraded back-of-house, load-in/out and other support facilities

Based on the previous analyses undertaken, key attributes of a market supportable facility program for a FFCC theater include:

- Retention of historic Theater
- Refurbish seating and make 2nd Balcony seating functional
- Modest expansion of Bijou Black Box Theater
- Address capital improvement project items
- Enhance patron experience – lobby, WiFi, F&B, etc.
- Upgraded back-of-house facilities

In order to accommodate an industry standard event facility complex that meets the identified market supportable programmatic elements, the optimal solution would involve an expanded site and redevelopment of the FFCC Arena. A renovation of the existing FFCC arena would not deliver a state-of-the-industry product, nor could a desirable renovation solution be executed without expanding the FFCC's footprint. Whether the solution to address the FFCC Arena is to expand or redevelop, the logical expansion direction would be northwest across West 5th Street.

Based on these market and program analysis conclusions, along with collaboration among the project team and the City, four primary facility investment scenarios were identified for additional analysis.

- Scenario 1 effectively represents a minimum, status quo scenario, recognizing that a certain level of expenditures will be required in the near term and in the foreseeable future on deferred maintenance and future capital repair/replacement items to keep the FFCC safe and operational by current standards.
- Scenario 2 involves a limited FFCC renovation (no expansion of facility footprint).
- Scenario 3 represents a renovated complex with an expanded Arena.
- Scenario 4 involves a renovated complex and a fully redeveloped Arena.

Scenarios 3 and 4 both represent northwest expansion projections that would involve a block-long closure of West 5th Street and development on a significant portion of the block opposite the current FFCC across West 5th; however, neither scenario would require the relocation of Ecumenical Tower.

Based on industry standards and a review of parking supply in downtown Dubuque, it is not believed that the development of additional parking structures or lots will be necessary for any of the identified FFCC development scenarios. Conversely, downtown Dubuque's volume, availability and pricing of parking supply nearby the FFCC is considered a product strength relative to other comparable venues located throughout the region and country.

7.0. COST/BENEFIT ANALYSIS

This chapter presents an analysis of estimated capital costs, utilization and attendance levels, financial operating results, and economic impacts associated with each of the previously identified FFCC scenarios. This section presents an analysis of estimated utilization and costs/benefits associated with the FFCC under the four identified scenarios. Initially, based on the results of the market demand, building program, and development options analyses, modeling and analysis was performed to generate performance estimates for the FFCC. We have presented performance estimates for the FFCC for a stabilized year and over a 15-year projection period (commencing upon the first full year of operations after completion of the expansion/development indicated by the scenario). A stabilized year of operation is assumed to occur by the third full year of operation. All dollar figures are represented in terms of 2018 dollars.

Estimated Event and Use Levels

A detailed market, financial and economic model was developed. Based on the market analysis completed and the program assumptions discussed herein, Exhibit 1 presents a summary of the estimated annual event levels, event days, and utilization days (move-in days, event days, and move-out days) by event type for the FFCC during a stabilized year and over a 15-year projection period.

Exhibit 1
Estimated FFCC Utilization by Scenario

	STABILIZED YEAR				15 YEAR CUMULATIVE			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 1	Scenario 2	Scenario 3	Scenario 4
NUMBER OF EVENTS								
Community/Religious	4	6	7	7	60	90	105	105
Concerts	13	15	19	20	195	225	285	300
Convention/Tradeshow	2	4	6	6	30	60	90	90
Family/Ice Shows	5	7	10	12	75	105	150	180
Meetings/Banquets	8	15	30	50	120	225	450	750
Non-Tenant Performance	6	10	17	20	90	150	255	300
Public/Consumer Show	2	3	5	5	30	45	75	75
Sporting Events	31	40	52	60	465	600	780	900
Tenant Performance	16	20	26	26	240	300	390	390
Other	16	18	22	24	240	270	330	360
Total	103	138	194	230	1,545	2,070	2,910	3,450
EVENT DAYS								
Community/Religious	4	6	7	7	60	90	105	105
Concerts	14	16	20	22	210	242	307	323
Convention/Tradeshow	3	6	9	9	45	90	135	135
Family/Ice Shows	6	8	12	14	90	126	180	216
Meetings/Banquets	8	15	30	50	120	225	450	750
Non-Tenant Performance	14	23	40	47	210	350	595	700
Public/Consumer Show	3	5	8	8	45	68	113	113
Sporting Events	38	49	64	74	570	735	956	1,103
Tenant Performance	59	74	96	96	885	1,106	1,438	1,438
Other	3	5	8	8	45	68	113	113
Total	152	207	293	333	2,280	3,100	4,391	4,995
UTILIZATION DAYS								
Community/Religious	6	9	11	11	90	135	158	158
Concerts	15	17	22	23	225	260	329	346
Convention/Tradeshow	6	12	18	18	90	180	270	270
Family/Ice Shows	7	10	14	17	105	147	210	252
Meetings/Banquets	12	23	45	75	180	338	675	1,125
Non-Tenant Performance	16	27	45	53	240	400	680	800
Public/Consumer Show	5	8	13	13	75	113	188	188
Sporting Events	47	61	79	91	705	910	1,183	1,365
Tenant Performance	124	155	202	202	1,860	2,325	3,023	3,023
Other	23	26	32	35	345	388	474	518
Total	261	346	479	536	3,915	5,194	7,188	8,043

As shown in the previous exhibit, it is estimated that annual event levels at the FFCC, during a stabilized year of operation, would range between 103 and 230 total events, depending on the scenario. Total annual utilization days would range between 261 and 536, depending on the scenario. Scenario 1 effectively represents a status quo case, which approximates current event and utilization levels at the existing FFCC. Noteworthy differences among the scenarios include increased accommodation of key entertainment/spectator events (such as concerts, family shows and sporting events) under Scenarios 3 and 4. While it remains a future possibility (particularly under a Scenario 4 project), for projection purposes, a primary sports tenant (i.e., minor league sports franchise or university/college sports team) has not been assumed.

Exhibit 2 presents a summary of the estimated attendee days by event type for the FFCC by scenario in a stabilized year and over the 15-year projection period. A portion of the total attendee base represents non-local attendees (i.e., attendees that do not reside in Dubuque) and a modest portion of these non-local attendees represent visitors that require overnight lodging. As such, estimates relative to non-local attendee days and hotel room nights have also been presented.

Exhibit 2 Estimated FFCC Attendance & Hotel Room Nights by Scenario

	STABILIZED YEAR				15 YEAR CUMULATIVE			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 1	Scenario 2	Scenario 3	Scenario 4
ATTENDEE DAYS								
Community/Religious	7,126	10,800	14,700	16,100	106,890	162,000	220,500	241,500
Concerts	11,006	14,538	35,808	51,692	165,092	218,077	537,115	775,385
Convention/Tradeshow	3,225	4,200	11,250	13,500	48,375	63,000	168,750	202,500
Family/Ice Shows	7,608	11,760	18,000	23,760	114,120	176,400	270,000	356,400
Meetings/Banquets	1,699	3,750	7,500	12,500	25,485	56,250	112,500	187,500
Non-Tenant Performance	8,463	15,167	26,775	31,500	126,945	227,500	401,625	472,500
Public/Consumer Show	5,081	7,650	12,701	12,701	76,208	114,750	190,519	190,519
Sporting Events	48,387	68,645	81,166	93,653	725,812	1,029,677	1,217,492	1,404,798
Tenant Performance	58,469	73,750	105,463	115,050	877,035	1,106,250	1,581,938	1,725,750
Other	4,548	7,088	11,550	15,750	68,217	106,313	173,250	236,250
Total	155,612	217,348	324,913	386,207	2,334,179	3,260,217	4,873,688	5,793,101
ATTENDEE DAYS (NON-LOCAL)								
Community/Religious	713	1,080	1,470	1,610	10,689	16,200	22,050	24,150
Concerts	3,302	4,362	10,742	15,508	49,528	65,423	161,135	232,615
Convention/Tradeshow	1,613	2,100	5,625	6,750	24,188	31,500	84,375	101,250
Family/Ice Shows	2,282	3,528	5,400	7,128	34,236	52,920	81,000	106,920
Meetings/Banquets	425	938	1,875	3,125	6,371	14,063	28,125	46,875
Non-Tenant Performance	1,269	2,275	4,016	4,725	19,042	34,125	60,244	70,875
Public/Consumer Show	1,524	2,295	3,810	3,810	22,862	34,425	57,156	57,156
Sporting Events	9,677	13,729	16,233	18,731	145,162	205,935	243,498	280,960
Tenant Performance	11,694	14,750	21,093	23,010	175,407	221,250	316,388	345,150
Other	1,364	2,126	3,465	4,725	20,465	31,894	51,975	70,875
Total	33,863	47,182	73,730	89,122	507,950	707,735	1,105,945	1,336,826
HOTEL ROOM NIGHTS								
Community/Religious	143	216	294	322	2,138	3,240	4,410	4,830
Concerts	495	654	1,611	2,326	7,429	9,813	24,170	34,892
Convention/Tradeshow	538	700	1,875	2,250	8,063	10,500	28,125	33,750
Family/Ice Shows	152	235	360	475	2,282	3,528	5,400	7,128
Meetings/Banquets	85	188	375	625	1,274	2,813	5,625	9,375
Non-Tenant Performance	190	341	602	709	2,856	5,119	9,037	10,631
Public/Consumer Show	61	92	152	152	914	1,377	2,286	2,286
Sporting Events	645	915	1,082	1,249	9,677	13,729	16,233	18,731
Tenant Performance	1,754	2,213	3,164	3,452	26,311	33,188	47,458	51,773
Other	364	567	924	1,260	5,457	8,505	13,860	18,900
Total	4,427	6,121	10,440	12,820	66,403	91,811	156,604	192,296

As shown, upon stabilization, total annual attendee days would be expected to reach as high as 386,000 under Scenario 4, while annual hotel room nights generated are estimated at approximately 12,800 under Scenario 4 (or an increase of more than 8,000 over existing FFCC levels).

Estimated Capital Costs

A preliminary order-of-magnitude capital and construction cost analysis was performed by Betsch Associates and FEH Design, with participation by CSL, City representatives, and FFCC management. The analysis included consideration of pending deferred maintenance and major capital requirements that will need to be addressed during the 15-year projection period. A detailed review of these items, including the identification of a reasonable timing/sequencing allocation, was conducted, and adjustments were made to remove items which would be addressed or no longer needed under Scenarios 3 and 4 involving expansion and/or new build development.

Construction costs tend to vary widely among comparable event facility projects. Many variables exist that influence actual realized construction costs, including type of facility, size, components, level of finish, integrated amenities, costs of goods and services in the local market, location and topography of the site, ingress/egress issues, costs implications related to the existing FFCC site and integration with existing facilities and infrastructure, and other such aspects. Additional architectural costing analysis would be required to refine these estimates, particularly those related to demolition, infrastructure and renovation aspects.

Exhibit 4 presents a comparison of a summary of preliminary order-of-magnitude capital costs for each of the four identified scenarios. Presented in terms of 2018 dollars, a summary by major cost type is shown in terms of upfront costs (i.e., construction costs and immediate deferred maintenance costs), as well as costs through Year 15 of the projection period (i.e., construction costs, deferred maintenance, and upcoming assumed capital repair/replacement costs). A detailed line item breakdown of preliminary estimated capital costs by scenario is provided in Appendix E.

Exhibit 4
Preliminary Cost Capital Cost Comparison
(Order-of-Magnitude, 2018 dollars)

Upfront Capital Costs

Cost By Type	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Expansion/Construction	\$0	\$0	\$33,982,865	\$55,067,217
Deferred Maintenance	\$4,070,000	\$4,070,000	\$1,712,000	\$1,712,000
Life Safety / Code Compliance	\$0	\$484,000	\$350,000	\$350,000
Security	\$0	\$435,000	\$300,000	\$300,000
Event Marketability	\$0	\$3,815,500	\$1,982,500	\$682,500
Patron Amenities	\$0	\$5,297,500	\$795,000	\$457,500
Operations	\$5,000	\$2,102,500	\$1,010,000	\$1,010,000
Hard Construction Costs	\$4,075,000	\$16,204,500	\$40,132,365	\$59,579,217
Soft Construction Costs	\$611,250	\$2,430,675	\$6,019,855	\$8,936,883
Total Construction Costs	\$4,686,250	\$18,635,175	\$46,152,220	\$68,516,100

Upfront Plus Capital Costs Years 1-15

Cost By Type	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Expansion/Construction	\$0	\$0	\$33,982,865	\$55,067,217
Deferred Maintenance	\$7,590,000	\$7,590,000	\$3,027,000	\$3,027,000
Life Safety / Code Compliance	\$0	\$583,000	\$425,000	\$425,000
Security	\$0	\$580,000	\$400,000	\$400,000
Event Marketability	\$0	\$4,440,500	\$2,407,500	\$1,107,500
Patron Amenities	\$0	\$6,800,000	\$1,262,500	\$925,000
Operations	\$5,000	\$2,467,500	\$1,135,000	\$1,135,000
Hard Construction Costs	\$7,595,000	\$22,461,000	\$42,639,865	\$62,086,717
Soft Construction Costs	\$1,139,250	\$3,369,150	\$6,395,980	\$9,313,008
Total Construction Costs	\$8,734,250	\$25,830,150	\$49,035,845	\$71,399,725

Based on comparable facility data adjusted for estimated Dubuque conditions and the identified facility program, total order-of-magnitude capital costs for Scenario 1 (representing the minimum required to sustain FFCC operations over the next 15 years) approximates \$8.7 million in 2018 dollars. This would be considered a minimum figure, as it should be expected that certain capital repair/replacement needs beyond those identified for this exercise will materialize over the next 15 years.

Total upfront capital costs (immediate deferred maintenance costs plus renovation costs) associated with Scenario 2 are estimated at \$18.6 million. Total upfront capital costs (immediate deferred maintenance costs plus construction and renovation costs) associated with Scenarios 3 and 4 are estimated at \$46.2 and \$68.5 million.

Over the 15-year projection period, total cumulative capital costs range from \$8.7 million (Scenario 1) to \$71.4 million (Scenario 4).

Estimated Financial Operations

An analysis of the estimated financial operations of the FFCC by scenario was conducted. This financial operating analysis only considers revenues and expenses generated through the operation of the FFCC itself and does not consider other potential ancillary income that may be related to the project (such as incremental tax revenue, parking income, admissions surcharges, interest income, or contractually-obligated streams such as naming rights, retail leases and other such items, etc.), nor does it consider other non-operating costs, such as construction costs (i.e., debt service) and ongoing capital repair/replacement funding.

This analysis is designed to assist project representatives in assessing the financial effects of the FFCC under the identified scenarios and cannot be considered a presentation of expected future results. Accordingly, the analysis of potential financial operating results may not be useful for other purposes. The assumptions disclosed herein are not all inclusive, but are those deemed to be significant. Because events and circumstances frequently do not occur as expected, there usually will be differences between estimated and actual results and these differences may be material.

As with all new/expanded event facility projects, an initial startup period is assumed before event levels are anticipated to stabilize. Financial operating estimates prepared in this section reflect a stabilized year of operation (assumed to occur by the third full year of operation), shown in 2018 dollars. This analysis has been developed to reflect "net" operations. For instance, reimbursed event expenses and associated event revenues are not presented, rather, they are assumed to "pass through" the financial operating estimates developed in this section. Per capita revenue and expense assumptions were also developed using comparable facility data and industry experience with similar projects, along with consideration of the unique attributes of the Dubuque marketplace and specific conditions envisioned for the facility.

Working with City representatives and FFCC management, detailed historical event and financial operating data associated with the FFCC was obtained and analyzed for this study. Scenario 1 effectively represents the current operations of the FFCC.

As in all studies of this type, the estimated results are based on competent and efficient facility management and assume that no significant changes in the various event markets will occur beyond those set forth in this report.

Operating Revenues

The primary sources of operating revenue for the FFCC include space rental, food and beverage, contract service, and other revenue. For purposes of this financial operating analysis, no parking revenue has been assumed to be retained by the facility. The assumptions regarding the individual revenue components are also based on a review of the operations of comparable facilities throughout the country and industry trend data.

Facility Rent

Facility rent income is typically based on a daily rental fee or, in some cases, 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, etc.). The number of events, rental rates, paid attendance and ticket prices assumed in this study are based on an analysis of historical FFCC operations, projected events, ticket prices, attendance and rental rates at comparable venues, regional competitive facilities, discussions with promoters and industry trends.

Food and Beverage

Food and beverage (F&B) revenue consists of the sale of various food service (concessions and catering) items at the FFCC. Revenue assumptions are based on historical FFCC operations and estimated event and attendance levels and estimated per capita spending for various event types. Estimated food service revenue is presented in terms of net revenue retained by the FFCC. To calculate gross revenue, the net revenue figure would be divided by 35 percent (reflecting cost of goods sold and associated expenses).

Advertising/Sponsorships

Advertising and sponsorship revenues are derived from the sale of signage related to scoreboards, scorer's table, concourse, interior and exterior fascia, courtside (dorna signage), dasher boards, vomitories, outdoor marquee displays and promotions. Ultimately, the rates charged for advertising and sponsorships at the FFCC will be determined by factors such as the particular scenario pursued, the number events and attendance at the facility, if any facility events are broadcasted (television, radio, etc.), and the amount of tie-ins such as program advertising and public address announcements that are included with advertising packages. Advertising and sponsorship revenues were analyzed for other comparable venues. Contractually-obligated income associated specifically with the potential sale of naming rights is not included in this projection of financial operations, as it would be assumed to be used to defray the capital debt obligations borne by the public sector.

Premium Seating

Scenarios 3 and 4 assume the development of premium seating. This revenue stream represents the net income generated from the annual and per event lease of private suites, party suites, loge seating and other premium areas developed.

Contract Service & Other

Contract service consists of charges to event management and exhibitors for event-related services, such as providing electrical hook-ups and other utilities, leasing of equipment, and providing security and cleaning services. Estimated service and equipment revenue is based on historical FFCC operations, comparable facility financial operations, and estimates of the number of events, attendance, square footage used, assumed future growth rates and receipts at comparable facilities. Other revenue includes miscellaneous operating revenue items, including but not limited to merchandise sales, credit card fees, equipment rentals, and other such items.

Operating Expenses

The estimated operating expenses for the FFCC are based on historical operating expenses at the FFCC, industry standards and those experienced at competitive/comparable facilities. Specifically, historical and comparable facility operating expense data was analyzed on a per square foot and per seat basis.

Salaries and Benefits

Estimated salaries, wages and benefits include compensation for full- and part-time employees (excluding event personnel costs passed through to the event promoter or organizer). Employee benefits include payments for employee hospitalization programs, unemployment compensation, workers' compensation, and FICA. This analysis is based on historical FFCC operations and the financial operations of comparable and competitive facilities, adjusted for the FFCC's size and event levels by scenario. It has been assumed that the FFCC will be staffed with personnel levels similar to that of other similar, well-managed sports/entertainment/spectator venues.

Contract Labor

Expenses associated with contract labor derived from outsourcing to contractors or other service providers that is not reimbursed by FFCC renters, including certain temporary or event day service contractors and part-time event day employees that may include ticket takers, ushers, concession workers, security, EMT and others.

Utilities

Utilities often represent one of the largest expenses incurred by events center operators. Costs estimates for events center utilities include electricity, gas, water and steam. The estimates are based on historical FFCC operations, industry averages and the assumption that any new FFCC capital investment will include current industry standard energy-saving components.

Repairs and Maintenance

Expenses related to repairs and maintenance reflect routine expenditures that are necessary for normal facility operations. Historical FFCC operating expenses were analyzed, along with an assessment and allocation between items that would be considered capital expenses versus operating expenses. Scenarios 3 and 4 assume that annual maintenance costs in the early years of the project period are relatively low, reflecting the large capital investment in facility product and infrastructure. It is likely that such costs will increase incrementally over time as the facility depreciates.

General and Administrative

General and administrative expenses include various day-to-day costs such as subscriptions, staff training, dues, staff travel, staff tuition reimbursement, licenses and permits, bad debt charges and other such items. This category also includes costs related to administrative business-related expenses such as postage, administrative supplies, administrative furniture and fixtures, auto allowances, administrative travel, memberships and maintenance of the administrative space.

Supplies

Costs for materials and supplies for the FFCC include those materials, supplies and equipment used for facility operations and its administrative offices. The analysis of materials and supplies expense is based on historical FFCC levels, competitive/comparable facility operations and the levels of facility space.

Insurance

Insurance expense includes typical property and liability insurance coverage necessary for the operation of the FFCC. The analysis of insurance expense is based on historical FFCC operations, competitive/comparable facility expense data, with adjustments for local market conditions.

Other Expenses

Other expenses include costs associated with private management and for services including accounting and legal functions and other non-recurring consulting and service provision.

Summary of Estimated Financial Operations

Exhibit 5 below presents a summary of the estimated financial operating results for the FFCC by scenario in a stabilized year and over a 15-year projection period (commencing upon the first full year of operations after completion of the expansion/development indicated by the scenario). Figures are presented in 2018 dollars. These figures only represent the annual operations of the facility scenarios and do not include construction debt service payments, capital repair/replacement reserve funding obligations, or other non-operating expenses.

Exhibit 5
Estimated Financial Operating Results by Scenario (in 2018 dollars)

	STABILIZED YEAR				15 YEAR CUMULATIVE			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 1	Scenario 2	Scenario 3	Scenario 4
OPERATING REVENUES								
Facility Rent	\$245,000	\$339,815	\$595,350	\$810,460	\$3,675,000	\$5,097,225	\$8,930,250	\$12,156,900
Food & Beverage	130,000	184,730	346,060	418,600	1,950,000	2,770,950	5,190,900	6,279,000
Advertising/Sponsorships	20,000	25,000	105,000	135,000	300,000	375,000	1,575,000	2,025,000
Premium Seating	0	0	45,000	110,000	0	0	675,000	1,650,000
Contract Service & Other	15,000	20,912	45,750	57,000	225,000	313,673	686,250	855,000
Total Operating Revenue	\$410,000	\$570,457	\$1,137,160	\$1,531,060	\$6,150,000	\$8,556,848	\$17,057,400	\$22,965,900
OPERATING EXPENSES								
Salaries & Benefits	\$780,000	\$828,672	\$1,009,710	\$1,130,220	\$11,700,000	\$12,430,080	\$15,145,650	\$16,953,300
Contract Labor	35,000	47,145	63,350	70,980	525,000	707,175	950,250	1,064,700
Utilities	180,000	201,240	251,388	282,420	2,700,000	3,018,600	3,770,820	4,236,300
Repair & Maintenance	30,000	39,570	60,600	64,560	450,000	593,550	909,000	968,400
General & Administrative	75,000	81,150	112,050	120,105	1,125,000	1,217,250	1,680,750	1,801,575
Supplies	20,000	24,880	45,840	48,160	300,000	373,200	687,600	722,400
Insurance	46,000	50,646	64,814	70,012	690,000	759,690	972,210	1,050,180
Other	100,000	108,300	191,100	216,000	1,500,000	1,624,500	2,866,500	3,240,000
Total Operating Expenses	\$1,266,000	\$1,381,603	\$1,798,852	\$2,002,457	\$18,990,000	\$20,724,045	\$26,982,780	\$30,036,855
NET OPERATING PROFIT/DEFICIT	(\$856,000)	(\$811,147)	(\$661,692)	(\$471,397)	(\$12,840,000)	(\$12,167,198)	(\$9,925,380)	(\$7,070,955)

As shown in the exhibit, the current FFCC (Scenario 1) is generating a net operating deficit of approximately \$856,000 annually. As mentioned previously in this report, on a per square foot and per seat basis, the FFCC's recent annual financial operating performance is consistent with or slightly better than the average comparable facility located in similar markets, despite industry substandard product characteristics. The annual net operating deficit under Scenario 2 would be expected to be consistent or slightly lower than the current FFCC. The net operating deficit under Scenarios 3 and 4 would be expected to improve to approximately (\$662,000) and (\$472,000), respectively, reflecting greater event and attendance levels, higher profile events, improved revenue generating opportunities, and improved operating efficiencies.

Estimated Economic Impacts

Often, the primary “benefits” associated with event facilities relate to the quantifiable, incremental economic impacts generated in a local community and economy through their construction and ongoing operation. As such, when attempting to quantify “incremental” economic impact from event facility operations, it is normal industry practice to only attribute impacts to spending associated with “visitors” to a given market (i.e., persons that do not reside in the local area), rather than including spending by “locals” (i.e., persons that reside in the local area) in the calculation. The theory is that a facility attendee that is a local resident would likely have otherwise spent their disposable income on some other discretionary purchase in the local community anyway. This results in a more conservative estimation of economic impact, as the focus is on spending by visitors who would have not even been in the local community if it were not for the subject event facility that was host to the event they chose to travel to and attend. The following chart outlines key economic impact concepts and metrics.

Economic Impact Analysis Concepts and Metrics

A) Construction (one-time)	B) In-Facility (ongoing)	C) Out-of-Facility (ongoing)
<p>Construction materials, labor, design and professional fees, and other soft cost spending are generated during the planning and construction of the subject facility.</p> <ol style="list-style-type: none"> 1. Direct Spending <ul style="list-style-type: none"> • Materials • Labor 2. Indirect & Induced Spending 3. Output (direct + indirect + induced spending) 4. Employment (full & part-time jobs) 5. Earnings (personal income) 6. Tax Revenue <ul style="list-style-type: none"> • Sales & use taxes 	<p>Direct spending is generated through the operations of the subject facility (represented through operating revenues) driven by events and patronage. This spending occurs with respect to both event and non-event items, such as rentals, admissions, food and beverage, merchandise, sponsorship and advertising, education, and retail leases.</p> <ol style="list-style-type: none"> 1. Direct Spending <ul style="list-style-type: none"> • Room & Space Rentals • Food & Beverage • Retail & Merchandise • Entertainment • Sponsorship & Advertising • Contract & Other Services 2. Indirect & Induced Spending 3. Output (direct + indirect + induced spending) 4. Employment (full & part-time jobs) 5. Earnings (personal income) 6. Tax Revenue <ul style="list-style-type: none"> • Sales & use taxes • Excise, gaming & other taxes 	<p>Outside the subject facility itself, additional direct spending is generated in city, county and regional areas by visitors, spectators, attendees, participants, event staff, and exhibitors users on lodging, food and beverages, retail, entertainment, transportation, etc. in connection with their visit to the area.</p> <ol style="list-style-type: none"> 1. Direct Spending <ul style="list-style-type: none"> • Lodging • Restaurants/Bars • Retail • Entertainment/Gaming • Transit • Services/Other 2. Indirect & Induced Spending 3. Output (direct + indirect + induced spending) 4. Employment (full & part-time jobs) 5. Earnings (personal income) 6. Tax Revenue <ul style="list-style-type: none"> • Lodging taxes • Sales & use taxes • Car rental & transit taxes • Excise, gaming & other taxes

For purposes of this analysis, results of the economic impact analyses are measured in terms of the following categories:

- **Total output** represents the total direct, indirect and induced spending effects generated by the project. This calculation measures the total dollar change in output that occurs in the local economy for each dollar of output delivered to final demand.
- **Personal earnings** represents the wages and salaries earned by employees of businesses associated with or impacted by the project. In other words, the multiplier measures the total dollar

change in earnings of households employed by the affected industries for each additional dollar of output delivered to final demand.

- **Employment** represents the number of full- and part-time jobs. The employment multiplier measures the total change in the number of jobs in the local economy for each additional \$1.0 million of output delivered to final demand.

The initial spending of new dollars into an economy begins a series in which the dollars are cycled through the economy. The re-spending of the dollars is estimated by using the economic multipliers discussed above and applying them to the amount of direct, or initial, spending. The multiplier illustrates that spending in a defined economy will lead to additional spending until that dollar has completed its cycle through leakage. Leakage represents the portion of a dollar spent in areas outside the designated economy.

As previously mentioned, this analysis only considers "net new" economic impact. This impact is derived solely by visitors attending or participating in FFCC events that do not reside in Dubuque. For conservative purposes, our approach to economic impact estimation does not consider any spending by facility attendees/participants if they reside in Dubuque. It has been assumed that any spending by these local residents would represent "displaced" spending, that would have otherwise been spent locally on other products and services.

The existing FFCC annually generates economic impact in Dubuque associated the attraction of visitors to the city, and their spending in it, that would have not otherwise traveled to Dubuque if it were not for the event they chose to attend at the FFCC. Further, the construction and the subsequent operations of a renovated/expanded/redeveloped FFCC (particularly under Scenarios 3 and 4) will generate significant new economic impact in Dubuque particularly when considering aggregate impacts over time. Exhibit 6 depicts the cumulative net new economic impacts estimated to be generated under the four identified FFCC scenarios for a stabilized year (assumed Year 3 of operations) and cumulative over a 15-year period.

Exhibit 6 Summary of Estimated Economic Impacts by Scenario (in 2018 dollars)

	STABILIZED YEAR				15 YEAR CUMULATIVE			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 1	Scenario 2	Scenario 3	Scenario 4
CONSTRUCTION IMPACTS								
Direct Spending	\$0	\$0	\$0	\$0	\$3,930,413	\$11,623,568	\$22,066,130	\$32,129,876
Indirect/Induced Spending	0	0	0	0	2,698,693	7,980,952	15,151,005	22,060,956
Total Output	\$0	\$0	\$0	\$0	\$6,629,105	\$19,604,520	\$37,217,136	\$54,190,832
Personal Income (earnings)	\$0	\$0	\$0	\$0	\$2,232,366	\$6,601,867	\$12,532,955	\$18,248,886
Employment (full & part-time jobs)	0	0	0	0	47	139	264	385
IN-FACILITY IMPACTS								
Direct Spending	\$418,949	\$556,898	\$981,891	\$1,261,536	\$6,284,232	\$8,353,470	\$14,728,371	\$18,923,038
Indirect/Induced Spending	175,071	231,217	405,107	523,757	2,626,072	3,468,258	6,076,610	7,856,361
Total Output	\$594,020	\$788,115	\$1,386,999	\$1,785,293	\$8,910,304	\$11,821,728	\$20,804,980	\$26,779,399
Personal Income (earnings)	\$213,230	\$284,059	\$501,893	\$643,484	\$3,198,446	\$4,260,889	\$7,528,395	\$9,652,256
Employment (full & part-time jobs)	9	12	22	28	136	183	325	414
OUT-OF-FACILITY IMPACTS								
Direct Spending	\$1,970,220	\$2,498,325	\$3,771,499	\$4,476,402	\$29,553,304	\$37,474,882	\$56,572,487	\$67,146,023
Indirect/Induced Spending	735,609	930,670	1,400,931	1,661,295	11,034,135	13,960,057	21,013,969	24,919,422
Total Output	\$2,705,829	\$3,428,996	\$5,172,430	\$6,137,696	\$40,587,439	\$51,434,939	\$77,586,456	\$92,065,444
Personal Income (earnings)	\$849,299	\$1,073,011	\$1,612,343	\$1,910,948	\$12,739,491	\$16,095,165	\$24,185,138	\$28,664,213
Employment (full & part-time jobs)	40	51	76	89	604	760	1,135	1,342
TOTAL ECONOMIC IMPACTS								
Direct Spending	\$2,389,169	\$3,055,223	\$4,753,391	\$5,737,937	\$39,767,949	\$57,451,919	\$93,366,988	\$118,198,937
Indirect/Induced Spending	910,680	1,161,888	1,806,039	2,185,052	16,358,899	25,409,268	42,241,584	54,836,739
Total Output	\$3,299,850	\$4,217,111	\$6,559,429	\$7,922,990	\$56,126,848	\$82,861,187	\$135,608,572	\$173,035,675
Personal Income (earnings)	\$1,062,529	\$1,357,070	\$2,114,236	\$2,554,431	\$18,170,303	\$26,957,921	\$44,246,488	\$56,565,355
Employment (full & part-time jobs)	49	63	97	117	788	1,082	1,724	2,141

As shown in the exhibit on the previous page, over a 15-year period, it is estimated that Scenario 4 would generate \$173 million in economic output (direct, indirect, and induced spending) in Dubuque. This represents approximately \$117 million in incremental economic output over 15 years relative to Scenario 1 (status quo).

Importantly, while not specifically estimated under this analysis, it is believed that an approximately equivalent amount of Scenario 1 economic impacts would be annually lost to Dubuque should the FFCC be demolished and not replaced. In this eventuality, many of the major entertainment/sports/spectator events held in the current FFCC would be lost to Dubuque if the FFCC was demolished and not replaced. However, some events (particularly smaller events, meetings, civic, etc.) may find other host venues in Dubuque. The result will likely be that much of the Scenario 1 economic impacts would disappear under a demolish/no replacement scenario. Further, the "lost" impact of local residents now having to leave Dubuque to travel to other regional cities to attend entertainment events (due to the loss of the local market's primary spectator event facility) has not been quantified, but would also represent reduction in economic impact. The net, incremental result of combining these two factors would likely roughly approximate, or even exceed, the total loss indicated by the Scenario 1 economic impact figures.

In addition to the more quantifiable benefits, some benefits related to the construction and operations of the new, renovated and redeveloped multipurpose event facilities cannot be quantitatively measured. Beyond the economic activity and jobs indirectly provided, these types of non-quantifiable impacts of a project of this nature and scope can serve to elevate Dubuque's profile and brand as a visitor destination and as a quality place to live, work, learn and play.

In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in projects of this nature, particularly those involving existing venues with a long history of service in the local community. These include issues pertaining to quality of life (through attracting entertainment events that would not otherwise travel to the area and hosting civic and private events), ancillary economic development facilitation, employment opportunities, community pride and other such issues.

Potential non-quantifiable benefits could include:

- *Potential Transformative and Iconic Effects* – Elevating the quality, profile, and exposure to national, regional and local audiences of a key local event facility can have important transformative and residual impacts on the Dubuque community and destination, in terms of quality of life, community prestige, perception by visitors and non-locals, and other such effects.
- *Quality of Life for Residents* – New/enhanced event and public assembly facilities provide diversified activities for local residents and families, which can make Dubuque a more attractive and enjoyable place to reside. Quality public assembly facilities can contribute to enhancing community pride, self-image, exposure and reputation. All these items can assist in retaining and attracting an educated workforce, particularly younger adults who often desire quality entertainment, cultural, leisure and recreational amenities.
- *New Visitation* – New visitors will be attracted to the area because of an event in the expanded/improved arena and performing arts facility products. These attendees, in turn, may elect to return to the area later with their families, etc. for a vacation after visiting the area for the first time.
- *Spin-Off Development* – Private sector investment can be induced in the areas surrounding event facilities, such as arenas and performing arts centers, spurred by increased volume of visitors to the event facility, representing additions to the local tax base. Enhanced economic growth and ancillary private sector development near the FFCC could be more likely should the City elect to invest in a major FFCC improvement project.

- *Anchor for Revitalization* – Key event facility project development can oftentimes anchor larger downtown or community-wide master development plans.
- *Other Benefits* – Increased synergy with the other local event, entertainment and hospitality facilities can lead to increased tourism activity in communities. Likewise, the proposed FFCC investment would be expected to enhance affordable entertainment, cultural, educational and leisure alternatives for families in Dubuque.

Estimated Costs/Benefits & Conclusions

Based on the cost/benefit analysis completed for this study, the identified FFCC scenarios are each expected to provide quantifiable benefits to Dubuque (with the greatest impacts generated by Scenarios 3 and 4). These quantifiable benefits often serve as the “return on investment” of public dollars that are contributed to develop these destination and constituent facilities.

Exhibit 7 presents a simplified summary of return-on-investment, casting total economic output (direct, indirect and induced spending) against total costs (upfront and ongoing) assumed to be borne by the public sector to implement each of the four analyzed FFCC facility scenarios.

Exhibit 7
Summary of Key Estimated Costs and Benefits by Scenario
(in 2018 dollars)

QUANTIFIABLE COSTS	Scenario 1		Scenario 2		Scenario 3		Scenario 4	
	Stabilized Yr	15-Yr Total	Stabilized Yr	15-Yr Total	Stabilized Yr	15-Yr Total	Stabilized Yr	15-Yr Total
Capital Costs:								
Hard Construction Costs	--	\$7,595,000	--	\$22,461,000	--	\$42,639,865	--	\$62,086,717
Soft Construction Costs	--	1,139,250	--	3,369,150	--	6,395,980	--	9,313,008
Private Contribution	--	0	--	0	--	0	--	0
Total Cost	--	\$8,734,250	--	\$25,830,150	--	\$49,035,845	--	\$71,399,725
Ongoing Operations:								
Operating Revenues	\$410,000	\$6,150,000	\$570,457	\$8,556,848	\$1,137,160	\$17,057,400	\$1,531,060	\$22,965,900
Operating Expenses	1,266,000	18,990,000	1,381,603	20,724,045	1,798,852	26,982,780	2,002,457	30,036,855
Total Operating Costs	\$856,000	\$12,840,000	\$811,147	\$12,167,198	\$661,692	\$9,925,380	\$471,397	\$7,070,955
Ongoing Costs:								
Debt Service	\$475,000	\$7,125,000	\$1,404,000	\$21,060,000	\$2,666,000	\$39,990,000	\$3,882,000	\$58,230,000
Operating Deficit	856,000	12,840,000	811,147	12,167,198	661,692	9,925,380	471,397	7,070,955
Total Annual Costs	\$1,331,000	\$19,965,000	\$2,215,147	\$33,227,198	\$3,327,692	\$49,915,380	\$4,353,397	\$65,300,955

QUANTIFIABLE BENEFITS	Scenario 1		Scenario 2		Scenario 3		Scenario 4	
	Stabilized Yr	15-Yr Total	Stabilized Yr	15-Yr Total	Stabilized Yr	15-Yr Total	Stabilized Yr	15-Yr Total
Ongoing Quantifiable Benefits:								
Direct Spending	\$2,389,169	\$39,767,949	\$3,055,223	\$57,451,919	\$4,753,391	\$93,366,988	\$5,737,937	\$118,198,937
Indirect/Induced Spending	910,680	16,358,899	1,161,888	25,409,268	1,806,039	42,241,584	2,185,052	54,836,739
Total Output	\$3,299,850	\$56,126,848	\$4,217,111	\$82,861,187	\$6,559,429	\$135,608,572	\$7,922,990	\$173,035,675
Personal Income (earnings)	\$1,062,529	\$18,170,303	\$1,357,070	\$26,957,921	\$2,114,236	\$44,246,488	\$2,554,431	\$56,565,355
Employment (full & part-time jobs)	49	788	63	1,082	97	1,724	117	2,141

As shown, aggregated annual costs (debt service plus operating subsidy) for the four scenarios over 15 years range from \$20.0 million for Scenario 1 (status quo) to \$65.3 million for Scenario 4—or a difference of \$45.3 million.

Within the previous exhibit, the comparison includes the total estimated costs that will likely need to be borne by the public sector to implement each of the four scenarios, for a stabilized year of operations (assumed third full year of operations), as well as cumulated costs over 15 years of operations. Benefits have been presented in terms of annual total economic output (a sum of direct, indirect and induced visitor spending) in Dubuque. Costs have been presented in terms of construction debt service (assuming the entire construction debt would be bonded debt) and operating subsidy needed per scenario. Specifically, a 30-year term and a 3.5 percent tax exempt annual interest rate have been assumed for the hypothetical debt associated with each scenario. However, importantly, there may be an opportunity to utilize funding sources and financing mechanism (in part or in full) that would not require the issuance of traditional public sector bonded debt (in part or in full). In that event, the cost of capital would be reduced and overall annual costs would lower. Likewise, in the event that other non-public sector funds are contributed to the project to defray costs, the annual costs estimated to be borne by the public sector would also be lower than indicated.

An investment in FFCC renovation/expansion/redevelopment will represent new economic impact to Dubuque and the surrounding region, particularly when considering aggregate impacts over time and more significantly for Scenarios 3 and 4. The exhibit on the previous page also depicts the cumulative net new economic impacts estimated to result from the construction and operations of the FFCC scenarios estimated for a stabilized year (third full year of operations) and in the aggregate over a 15-year period. Over a 15-year period, the cumulative economic output (new direct, indirect and induced spending) over the 15-year period is estimated to range between \$56.1 million for Scenario 1 (status quo) to \$173.0 million for Scenario 4—or a difference of \$116.9 million.

It is important to recognize the quantifiable economic impacts associated with the annual operations of entertainment/spectator/arts facilities, such as the FFCC, measured under this type of analysis are typically lower than other types of event facility products, such as convention centers, that emphasize generating nonlocal events and hotel room nights. A community's decision to invest in arena and theater facility projects are often driven in large part by a recognition of the importance of providing quality entertainment and arts and culture options for community residents. Many of these reasons relate to enhancing quality of life, education and culture, and serve to elevate the community's profile and brand as a quality place to live, work, learn, play and visit.

In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in projects of this nature, particularly those involving existing venues with a long history of service in the local community. These include issues pertaining to quality of life (through attracting entertainment events that would not otherwise travel to the area and hosting civic and private events), ancillary economic development facilitation, employment opportunities, community pride and other such issues.

8.0 NAMING RIGHTS AND SPONSORSHIP OPPORTUNITIES ANALYSIS

Naming rights partnerships are agreements in which a company places its name or logo on a specific venue, and in return, pays an annual fee to the venue's owner or manager. Regional examples of naming rights partnerships for arena and civic complex venues include:

- U.S. Cellular Center, Cedar Rapids, Iowa
- Tyson Events Center, Sioux City, Iowa
- TaxSlayer Center, Moline, Illinois
- Grossinger Motors Arena, Bloomington, Illinois
- Dow Event Center, Saginaw, Michigan
- Indiana Farmers Coliseum, Indianapolis, Indiana
- Huntington Center, Toledo, Ohio
- AMSOIL Arena, Duluth, Minnesota

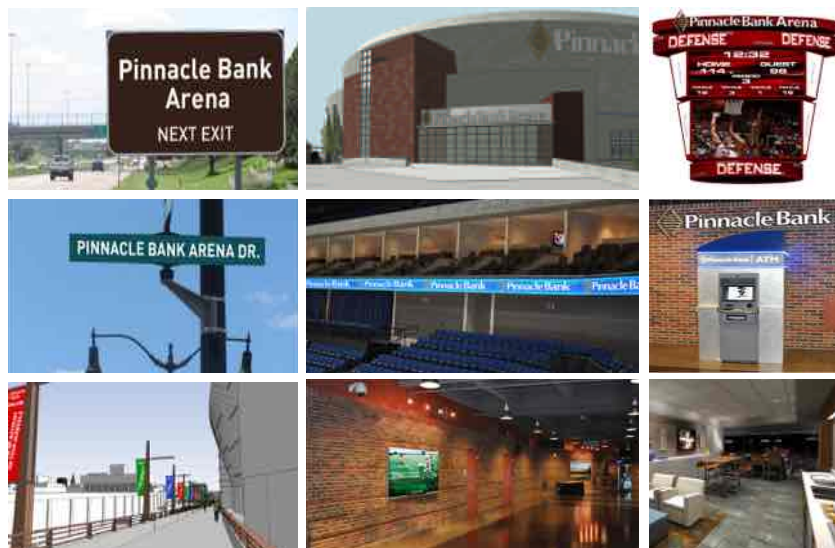
Typically, these types of deals are done on a more intermediate or long-term basis (e.g. 20 to 30 years), while renewals typically are done on shorter terms (i.e. 10 years or less). Along with the naming of the facility, a naming rights partner typically receives a variety of exposure opportunities, including landmarks, scoreboard signage, exterior facility signage, digital marquee signage, directional signage, opportunities for activation and product sampling, hospitality benefits, inclusion in the venue's media buy and editorial media coverage.

The growth in naming rights can be attributed to facilities and teams looking for new revenues. As properties put a greater emphasis on the importance of naming rights, decision-makers at corporations began to see naming rights as an effective method for achieving specific marketing objectives.

Naming rights marketing is particularly valuable because of its effectiveness in introducing new products, helping new or established products contend with competitive brands, and increasing corporate brand awareness. However, the real value lies in the borrowed imagery of a property and the unique media exposure a brand receives through the agreement. A corporation's ability to associate their brand directly to a team, facility or event is an important component in the value of naming rights agreements.

Naming and sponsorship opportunities often present with modern arena and event venues include:

- Facility Entrance
- Façade Landmark
- Arena Roof
- On-Court/Ice Logos
- Static Scoreboard
- Backlit Tunnel Signage
- Scoreboard Underbelly
- Arena Seats
- Concourse Signs
- Exterior Door Decal
- Display Area
- Digital Fascia Signage
- Center-hung Video Boards
- Arena Floor Maps
- Trash Receptacles
- Staff Uniform
- ATM Machines



The naming rights and sponsorship package value that any event venue will be able to command depends, in large part, on the following factors:

1. Profile of sports tenant(s):
One or more high profile sports tenants (major university or minor league professional team) is typically critical in maximizing naming rights values. The sports teams drive media coverage, which in turn, drives demand and the value of the naming and sponsorship opportunity.
2. Comparable deals:
A potential partner will analyze comparable deals in collegiate athletics and other sports industries throughout North America.
3. Market size and media coverage:
Sponsors are willing to pay more for naming rights for arenas that generate a considerable amount of media coverage—from television, radio, print and online. Larger markets typically generate greater exposure for a naming rights partner.
4. Broadcast exposure:
National and regional broadcast exposure is often available to successful tenant teams and those in large markets. Sponsors are willing to pay a premium for naming rights to facilities that receive a high degree of such broadcast exposure.
5. Newness of the facility:
New or substantially renovated/expanded arenas can command higher naming rights fees; these tend to be state-of-the-art and architecturally significant. Properties can face obstacles in renaming older facilities that have been known by a certain name for an extended period of time.
6. Number of events:
The more events hosted at a facility on an annual basis, the greater the attendance, the more value to a naming rights partner. The type of events hosted at an arena can also impact the amount a venue can command for naming rights.
7. Historical success:
A tenant team's historical success (i.e. number of playoff/tournament appearances) typically has an impact on the overall value of a venue's naming rights.
8. Qualitative value:
Qualitative facility factors provide corporations opportunities to align their brand with the image, emotions, popularity and lifestyle evoked by a facility property and product.

The term and value of naming rights and sponsorship package transactions associated with comparable arena and civic event facility products have widely varied. To provide some context and understanding of the scope of these deals, the three exhibits on the following pages present summaries of 25 comparable facility naming rights transactions, sorted by the estimated annual fee paid in Exhibit 1, by seating capacity in Exhibit 2, and by CBSA (core-based statistical area) population in Exhibit 3.

Exhibit 1
Summary of Comparable Facility Naming Rights Transactions (sorted by annual fee)

Facility	Location	CBSA Population	Opened	Arena Capacity	Term Start	Term End	Term Length	Total Fee	Annual Fee
Ricoh Coliseum	Toronto, ON	5,600,000	1921	7,851	2003	2018	15	\$10,000,000	\$1,000,000
Indiana Farmers Coliseum	Indianapolis, IN	1,595,377	1939	8,200	2014	2024	10	\$6,000,000	\$600,000
Santa Ana Star Center	Rio Rancho, NM	764,869	2006	7,500	2006	N/A	5	\$2,500,000	\$500,000
SECU Arena	Towson, MD	2,753,149	2013	5,200	2013	2023	10	\$4,750,000	\$475,000
TaxSlayer Center	Moline, IL	377,277	1993	9,200	2007	2017	10	\$4,250,000	\$425,000
Dow Event Center	Saginaw, MI	209,327	1972	5,500	2014	2024	10	\$4,200,000	\$420,000
U.S. Cellular Center	Cedar Rapids, IA	267,799	1979	9,000	2012	2022	10	\$3,800,000	\$380,000
1stBank Center	Broomfield, CO	2,528,842	2006	6,500	2011	N/A	5	\$1,750,000	\$350,000
Germain Arena	Estero, FL	608,182	1998	7,186	2004	2024	20	\$7,000,000	\$350,000
Huntington Center	Toledo, OH	608,711	2008	9,341	2010	2017	6	\$2,100,000	\$350,000
Angel of the Winds Arena	Everett, WA	3,338,639	2003	8,149	2018	2028	10	\$3,400,000	\$340,000
MassMutual Center	Springfield, MA	688,495	1972	6,900	2005	2020	15	\$5,000,000	\$333,333
ShoWare Center	Kent, WA	3,407,848	2009	6,500	2009	2019	10	\$3,175,000	\$317,500
AMSOIL Arena	Duluth, MN	279,227	2010	6,726	2010	2030	20	\$6,000,000	\$300,000
CenturyLink Center	Boise, ID	637,896	1997	5,732	2005	2020	15	\$4,000,000	\$266,667
WesBanco Arena	Wheeling, WV	144,986	1977	5,400	2003	2023	10	\$2,500,000	\$250,000
Ford Park Event Center	Beaumont, TX	377,991	2003	9,100	2005	N/A	5	\$1,250,000	\$250,000
Mohegan Sun Arena at Casey Plaza	Wilkes-Barre, PA	549,808	1999	9,700	2010	2020	10	\$2,375,000	\$237,500
Santander Arena	Reading, PA	408,000	2001	9,000	2001	N/A	15	\$3,000,000	\$200,000
Grossinger Motors Arena	Bloomington, IL	167,699	2006	8,000	2017	2022	5	\$875,000	\$175,000
Tyson Events Center	Sioux City, IA	143,837	2003	9,000	2014	2024	30	\$4,000,000	\$133,333
Bojangles' Coliseum	Charlotte, NC	1,720,586	1955	9,065	2012	2021	10	\$1,250,000	\$125,000
First Arena	Elmira, NY	90,413	2000	3,700	2005	N/A	10	\$1,000,000	\$100,000
CURE Insurance Arena	Trenton, NJ	5,855,076	1999	8,600	2017	N/A	N/A	N/A	N/A
Big Sandy Superstore Arena	Huntington, WV	286,517	1977	9,000	2013	2017	5	N/A	N/A
AVERAGE		1,336,422	1990	7,602	2010	2022	11	\$3,659,783	\$342,536
MEDIAN		608,711	1999	7,500	2009	2022	10	\$3,800,000	\$350,000
Five Flags Civic Center	Dubuque, IA	99,216	1979	4,000					

Exhibit 2
Summary of Comparable Facility Naming Rights Transactions (sorted by arena seating capacity)

Facility	Location	CBSA Population	Opened	Arena Capacity	Term Start	Term End	Term Length	Total Fee	Annual Fee
Mohegan Sun Arena at Casey Plaza	Wilkes-Barre, PA	549,808	1999	9,700	2010	2020	10	\$2,375,000	\$237,500
Huntington Center	Toledo, OH	608,711	2008	9,341	2010	2017	6	\$2,100,000	\$350,000
TaxSlayer Center	Moline, IL	377,277	1993	9,200	2007	2017	10	\$4,250,000	\$425,000
Ford Park Event Center	Beaumont, TX	377,991	2003	9,100	2005	N/A	5	\$1,250,000	\$250,000
Bojangles' Coliseum	Charlotte, NC	1,720,586	1955	9,065	2012	2021	10	\$1,250,000	\$125,000
U.S. Cellular Center	Cedar Rapids, IA	267,799	1979	9,000	2012	2022	10	\$3,800,000	\$380,000
Santander Arena	Reading, PA	408,000	2001	9,000	2001	N/A	15	\$3,000,000	\$200,000
CURE Insurance Arena	Trenton, NJ	5,855,076	1999	8,600	2017	N/A	N/A	N/A	N/A
Big Sandy Superstore Arena	Huntington, WV	286,517	1977	9,000	2013	2017	5	N/A	N/A
Tyson Events Center	Sioux City, IA	143,837	2003	9,000	2014	2024	30	\$4,000,000	\$133,333
Indiana Farmers Coliseum	Indianapolis, IN	1,595,377	1939	8,200	2014	2024	10	\$6,000,000	\$600,000
Angel of the Winds Arena	Everett, WA	3,338,639	2003	8,149	2018	2028	10	\$3,400,000	\$340,000
Grossinger Motors Arena	Bloomington, IL	167,699	2006	8,000	2017	2022	5	\$875,000	\$175,000
Ricoh Coliseum	Toronto, ON	5,600,000	1921	7,851	2003	2018	15	\$10,000,000	\$1,000,000
Santa Ana Star Center	Rio Rancho, NM	764,869	2006	7,500	2006	N/A	5	\$2,500,000	\$500,000
Germain Arena	Estero, FL	608,182	1998	7,186	2004	2024	20	\$7,000,000	\$350,000
MassMutual Center	Springfield, MA	688,495	1972	6,900	2005	2020	15	\$5,000,000	\$333,333
AMSOIL Arena	Duluth, MN	279,227	2010	6,726	2010	2030	20	\$6,000,000	\$300,000
1stBank Center	Broomfield, CO	2,528,842	2006	6,500	2011	N/A	5	\$1,750,000	\$350,000
ShoWare Center	Kent, WA	3,407,848	2009	6,500	2009	2019	10	\$3,175,000	\$317,500
CenturyLink Center	Boise, ID	637,896	1997	5,732	2005	2020	15	\$4,000,000	\$266,667
Dow Event Center	Saginaw, MI	209,327	1972	5,500	2014	2024	10	\$4,200,000	\$420,000
WesBanco Arena	Wheeling, WV	144,986	1977	5,400	2003	2023	10	\$2,500,000	\$250,000
SECU Arena	Towson, MD	2,753,149	2013	5,200	2013	2023	10	\$4,750,000	\$475,000
First Arena	Elmira, NY	90,413	2000	3,700	2005	N/A	10	\$1,000,000	\$100,000
AVERAGE		1,336,422	1990	7,602	2010	2022	11	\$3,659,783	\$342,536
MEDIAN		608,182	1999	8,149	2010	2022	10	\$3,400,000	\$333,333
Five Flags Civic Center	Dubuque, IA	99,216	1979	4,000					\$182,739

Exhibit 3 Summary of Comparable Facility Naming Rights Transactions (sorted by population)

Facility	Location	CBSA Population	Opened	Arena Capacity	Term Start	Term End	Term Length	Total Fee	Annual Fee
CURE Insurance Arena	Trenton, NJ	5,855,076	1999	8,600	2017	N/A	N/A	N/A	N/A
Ricoh Coliseum	Toronto, ON	5,600,000	1921	7,851	2003	2018	15	\$10,000,000	\$1,000,000
ShoWare Center	Kent, WA	3,407,848	2009	6,500	2009	2019	10	\$3,175,000	\$317,500
Angel of the Winds Arena	Everett, WA	3,338,639	2003	8,149	2018	2028	10	\$3,400,000	\$340,000
SECU Arena	Towson, MD	2,753,149	2013	5,200	2013	2023	10	\$4,750,000	\$475,000
1stBank Center	Broomfield, CO	2,528,842	2006	6,500	2011	N/A	5	\$1,750,000	\$350,000
Bojangles' Coliseum	Charlotte, NC	1,720,586	1955	9,065	2012	2021	10	\$1,250,000	\$125,000
Indiana Farmers Coliseum	Indianapolis, IN	1,595,377	1939	8,200	2014	2024	10	\$6,000,000	\$600,000
Santa Ana Star Center	Rio Rancho, NM	764,869	2006	7,500	2006	N/A	5	\$2,500,000	\$500,000
MassMutual Center	Springfield, MA	688,495	1972	6,900	2005	2020	15	\$5,000,000	\$333,333
CenturyLink Center	Boise, ID	637,896	1997	5,732	2005	2020	15	\$4,000,000	\$266,667
Huntington Center	Toledo, OH	608,711	2008	9,341	2010	2017	6	\$2,100,000	\$350,000
Germain Arena	Estero, FL	608,182	1998	7,186	2004	2024	20	\$7,000,000	\$350,000
Mohegan Sun Arena at Casey Plaza	Wilkes-Barre, PA	549,808	1999	9,700	2010	2020	10	\$2,375,000	\$237,500
Santander Arena	Reading, PA	408,000	2001	9,000	2001	N/A	15	\$3,000,000	\$200,000
Ford Park Event Center	Beaumont, TX	377,991	2003	9,100	2005	N/A	5	\$1,250,000	\$250,000
TaxSlayer Center	Moline, IL	377,277	1993	9,200	2007	2017	10	\$4,250,000	\$425,000
Big Sandy Superstore Arena	Huntington, WV	286,517	1977	9,000	2013	2017	5	N/A	N/A
AMSOL Arena	Duluth, MN	279,227	2010	6,726	2010	2030	20	\$6,000,000	\$300,000
U.S. Cellular Center	Cedar Rapids, IA	267,799	1979	9,000	2012	2022	10	\$3,800,000	\$380,000
Dow Event Center	Saginaw, MI	209,327	1972	5,500	2014	2024	10	\$4,200,000	\$420,000
Grossinger Motors Arena	Bloomington, IL	167,699	2006	8,000	2017	2022	5	\$875,000	\$175,000
WesBanco Arena	Wheeling, WV	144,986	1977	5,400	2003	2023	10	\$2,500,000	\$250,000
Tyson Events Center	Sioux City, IA	143,837	2003	9,000	2014	2024	30	\$4,000,000	\$133,333
First Arena	Elmira, NY	90,413	2000	3,700	2005	N/A	10	\$1,000,000	\$100,000
AVERAGE		1,336,422	1990	7,602	2010	2022	11	\$3,659,783	\$342,536
MEDIAN		608,711	1999	8,000	2010	2022	10	\$3,400,000	\$340,000
Five Flags Civic Center	Dubuque, IA	99,216	1979	4,000					\$28,665

As shown in the exhibits, of the 25 comparable facility naming rights transactions considered, the median market size is just over 600,000 and the median total fee paid was approximately \$3.8 million over 10 years. A hypothetical extrapolation applying the average comparable market population and naming rights fee to Dubuque's population would suggest an annual fee of approximately \$183,000 for a comparable arena facility in Dubuque. However, it is important to recognize some important factors that could potentially lower the ultimate valuation or (or demand for) a possible FFCC opportunity. The most important of which is the lack of a high profile primary sports tenants (that many of the comparable facilities possess). The second of which is to the degree that the any expanded/improved FFCC product is still perceived as the "Five Flags Civic Center" by the local and regional marketplace. A long history with an established facility, location, name and brand can work to lower demand and the valuation of a potential deal. Nevertheless, particularly if Scenarios 3 or 4 are pursued and even without a high profile sports tenant, a substantially upgraded and highly visible facility product located in the heart of Dubuque's downtown should present an opportunity for a naming/sponsorship transaction that could either assist in defraying the public sector's funding obligation.

APPENDIX A: COMPARABLE FACILITY CASE STUDIES



APPENDIX B: COMPARABLE MARKET DEMOGRAPHIC DATA



APPENDIX C: COMMUNITY SURVEY RESPONSES



APPENDIX D: ARCHITECTURAL CONCEPT AND LAYOUT RENDERINGS



APPENDIX E: CAPITAL COST ESTIMATES

