Convention, Event, & Sports Facilities & Tourism

Market Analysis & Feasibility Report
Tuscaloosa, Alabama

April 2022

JOHNSON CONSULTING

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Introduction & Executive Summary

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Introduction

Transmittal Letter

Re: Convention, Event, & Sports Facilities & Tourism: Market Analysis & Feasibility Study

Dear City of Tuscaloosa:

C.H. Johnson Consulting, Inc. (Johnson Consulting) is pleased to submit this report to you regarding the the economy and demography of the area, industry trends, case studies, and local and regional markets analysis for a convention, event, and/or sports facility. Pursuant to our engagement, this report fulfills the scope of work outlined in the project proposal submitted by Johnson Consulting to the City of Tuscaloosa on January 8, 2020.

Johnson Consulting has no responsibility to update this report for events and circumstances occurring after the date of this report. As the ongoing impacts of the global COVID-19 pandemic impact is still uncertain, our report outlines our assumptions based on experience from previous economic disruptions, but the actual impact will not be known for the foreseeable future. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between projected results and actual results. Because events and circumstances frequently do not occur as expected, those differences may be material. This report is intended for the Clients' internal use and cannot be used for project underwriting purposes without Johnson Consulting's written consent.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely,

C.H. Johnson Consulting, Inc.

C.H. Johnson Consulting, Inc

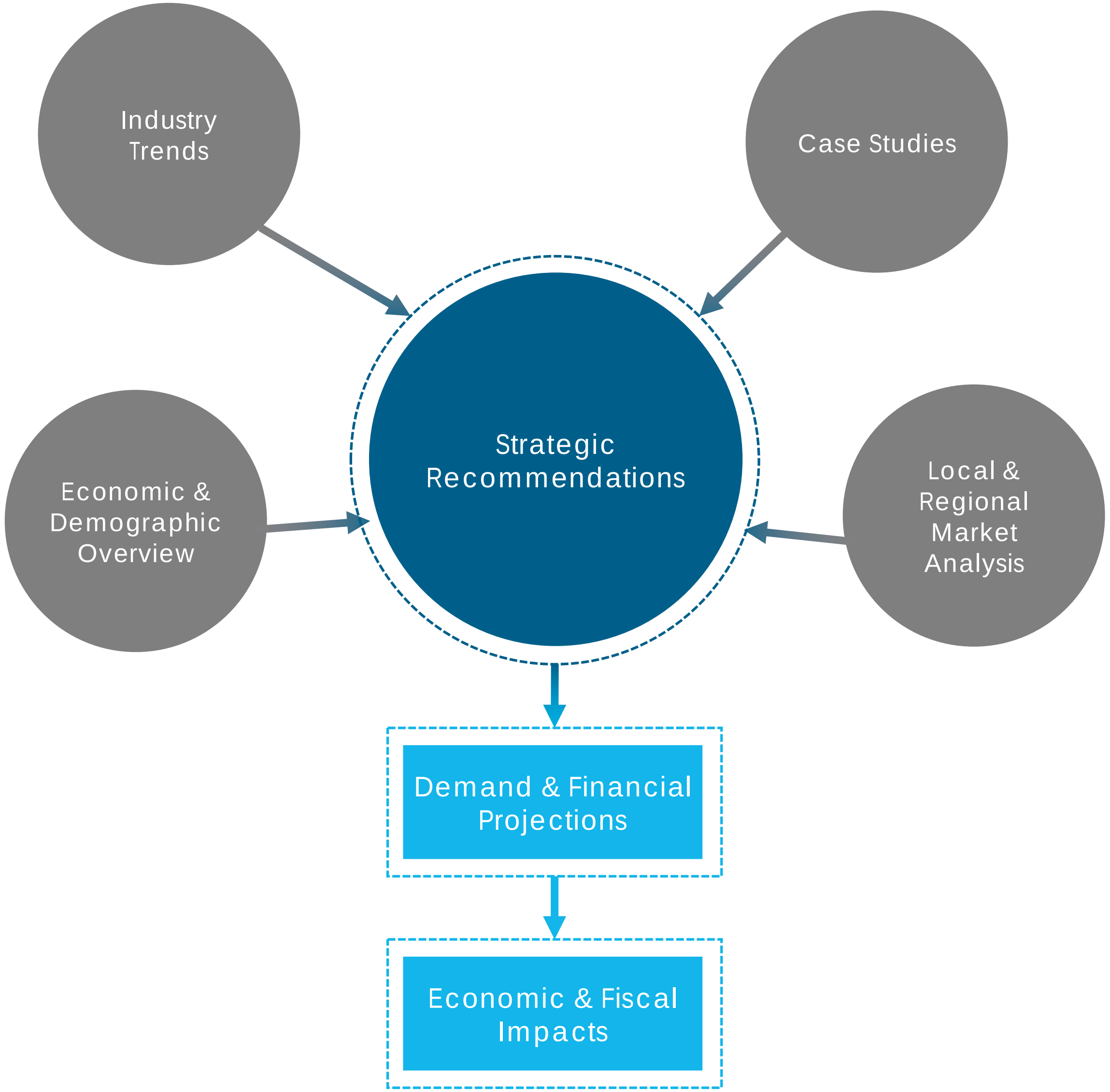
Introduction

Study Introduction & Methodology

Johnson Consulting was retained by the City of Tuscaloosa to conduct a study analyzing the economy and demography of the area, industry trends, case studies, and local and regional markets for a convention/sports facility. The study aims to foster the ability of the City of Tuscaloosa to make informed decisions regarding the development and continuing operation of said facility. The proposal document submitted to the City by Johnson Consulting outlines a detailed list of services for the study. Broadly, the objective of this study is to answer the following questions:

- What is the local market's potential capacity to support a new convention/sports facility?
- What can broader industry trends and specific case studies offer in terms of best practices for the proposed facility?
- How could the facility operate from a demand and financial perspective?
- What economic and fiscal impacts could be generated by the facility?

In order to answer the questions above, Johnson Consulting developed and executed a comprehensive methodology for the study, which is illustrated by the figure on the right. The observations, analysis, and conclusions of the study will be presented throughout the remaining sections of this report.



Introduction

Project Introduction

Tuscaloosa is located in western Alabama, approximately an hour drive west of Birmingham, and is home to a population of roughly 100,000 residents, making it the fifth most populated city in the state. Tuscaloosa is the largest city in Tuscaloosa County, and is the central hub for economic activity in the county. Tuscaloosa County is very well located and has a steady growing population base, a relatively young population, strong household income, and has made concerted efforts to develop their core downtown district and riverfront, all of which are strong attributes to support a convention center and sports complex.

There has been a dedicated effort among the city of Tuscaloosa and supporting stakeholders to develop an event center and sports complex in Tuscaloosa, since current inventory does not appear to meet demand in the region. The City of Tuscaloosa has developed a Framework Comprehensive Plan to manage and facilitate the growth and expansion of the city. This comprehensive plan has been considered by Johnson Consulting and is referenced throughout this document. The goal is to provide recommendations that are in-line with the City's comprehensive plan, that remain economically feasible and sustainable. There is a perceived base of economic activity to support the expansion of event and sports tourism industries in the region, which can continue to grow with proper infrastructure in place. This study will evaluate the most viable scale, site location, and financial opportunities for the proposed project.

This following report provides a comprehensive analysis of event center and sports opportunities in Tuscaloosa.

Introduction

In addition to this project introduction and methodology review, this report contains the following sections:

Section 2 – Includes an economic and demographic overview of Tuscaloosa, and greater regional market. This section also provides an overview of prior Tuscaloosa developments that will impact the demand potential of a new facility in the area. The information in this section is essential for understanding the ability of the marketplace to support new facilities.

Section 3 – Provides an analysis of the current hotel, meetings, and sports market. This includes an analysis of the strengths, weaknesses, opportunities, and threats (SWOT) posed by a new facility. This section also provides inventories and detailed case studies for local competitive facilities in order to understand how well-served the market is across these facility types. This analysis identifies opportunity gaps in the marketplace, and evaluates the demand potential across facility types.

Section 4 – Provides an overview of trends in the event center and sports tourism industries. Understanding the future of these economic sectors is important for providing quality recommendations that will match market projections and assure that these facilities are feasible and competitive. Understanding the outlook and future trajectory of these industries is crucial in analyzing the demand potential of a new facility.

Section 5 – Highlights key themes and takeaways from interviews with relevant local, regional, and national stakeholders, and analyzes data from a survey administered to state and local association & event industry leaders and stakeholders. This section provides valuable input from people who know the meetings & event and sports tourism industry best, and lays a solid framework for understanding the market dynamics in Tuscaloosa.

Section 6 – Provides inventories and detailed case studies for national competitive facilities in order to understand how well-served the market is across these facility types. Understanding national market trends will provide context for the direction of event and sports tourism trends as a whole, and can serve as a barometer for appropriate recommendations.

Section 7 – Presents the preliminary recommended program of a new facility in Tuscaloosa, including a discussion of most suitable sites within the city, and provides demand and financial projections for operating these facilities.

Executive Summary
Project Introduction

Tuscaloosa, Alabama is a mid-sized city with a growing population of younger, well-earning individuals. The corporate base is strong and continues to grow in its most prominent industries. These indicators have created increased demand for event center and sports tourism markets, two industries commonly found to be expanding in growing cities.

A directed audit of the current facility inventory and market in Tuscaloosa has indicated a clear gap in the event space market. Based off inventory alone, there is a clear opportunity area for event and meeting space that services groups in the 20,000 – 40,000 sf range. To confirm these findings, a series of over 50 survey responses and meetings with potential stakeholders and event users was conducted. Engagement with the community further solidifies these findings, and indicates that a space of this size would result in high utilization and fulfill a need in the market.

A similar analysis for the sports tourism market was conducted. Initial audits of the area show a list of competitive facilities in the region. While Tuscaloosa has a strong sports and athletics culture that is nationally recognized, the number of regional facilities and lack of air transport access could be limiting factors for large scale sports tourism demand. Early indications show that integration with the event center for indoor sports, predominantly cheerleading and dance competition, would be a feasible source of programming to support utilization of the space.

In order to optimize the utilization and economic impact of the space, it is recommended to be built on a site that would meet site selection criteria and provide economies of scale such as the future Saban Center. The proximity to supporting facilities and the surging growth in the core downtown district will allow the space to be properly marketed, serviced, and supported to bring business, tourism, and economic generation to the city.

Executive Summary

Economic and Demographic Implications

Tuscaloosa exhibits favorable economic, demographic, and market indicators across the board in terms of evaluating the potential for a community's ability to support new events amenities, as well as to attract business to such a facility. There is a substantial and growing population base in the County, as well as within the 30-, 60-, and 240-minute drive time areas. The area is younger, relatively well-educated and has higher median household incomes that indicate a propensity to spend comparatively high amounts on entertainment and recreation. There is a healthy diversity of businesses in the area, and the presence of both the University of Alabama and Stillman College adds vibrancy to the city's character. Together, these factors will contribute to the area's robust, resilient, and diverse economic base that is home to healthy industry clusters, particularly in Education, Healthcare, and Manufacturing. The City of Tuscaloosa is also investing into the economic development of the community with investments across the City and with a key focus on the continued development of the riverfront and the downtown core of the city. All these factors are indicative of a market with a solid demand base for meetings, conferences, and other types of events.

As referenced, with the presence of UA Athletics, there's an adherent interest and cache for the City of Tuscaloosa within the sports industry. This sports culture coupled with the growing local and regional demographic trends creates a strong foundation for continued success in the sports tourism industry.

A few areas of observation that require continued focus and support include attracting commercial air service to Tuscaloosa, ideally with a direct flight to and from Atlanta, and thinking about how best to balance the proximity to Birmingham to maximize the positives and minimize competition. This applies to both meeting events and sports tourism.

Executive Summary

Key Tuscaloosa and Alabama Event Facility Inventory

It is necessary to evaluate the inventory in the Tuscaloosa market relative to the inventory of facilities in the State of Alabama to understand the competitive landscape of the market and to identify if there are any gaps in facility size and corresponding areas of opportunity for the proposed event center in Tuscaloosa.

The table at right highlights the largest event facilities throughout the state, as well as the largest facilities in Tuscaloosa. These facilities are plotted in the Area of Opportunity (AOO) chart on the next page.

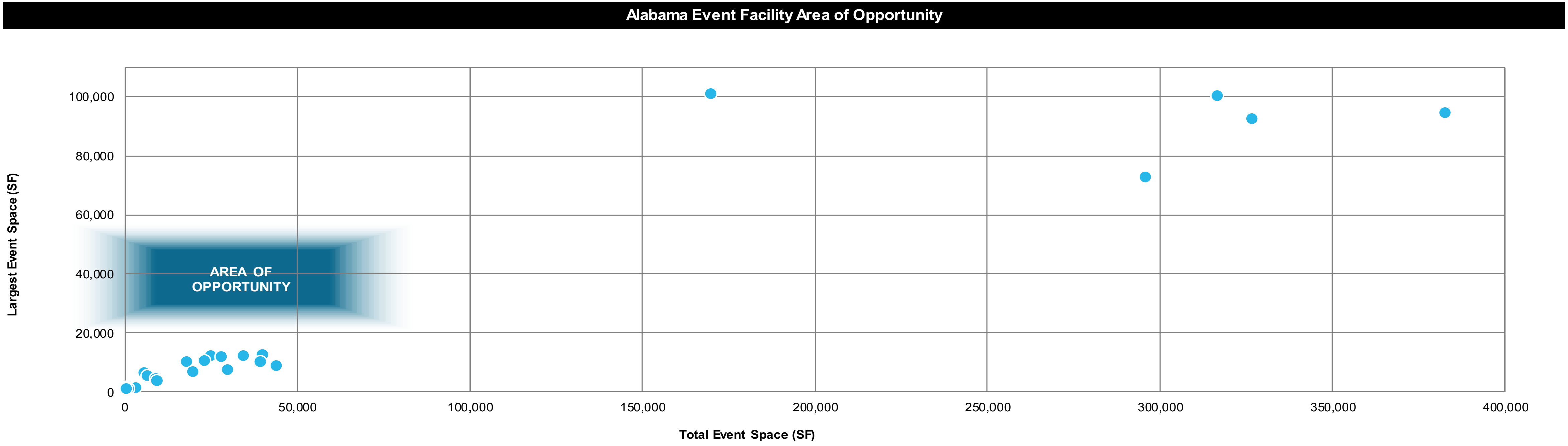
Alabama Event Facility Area of Opportunity

Venue	City	Largest Event Space (sf)	Total Event Space (sf)
Von Braun Center	Huntsville	100,800	170,000
Mobile Convention Center	Mobile	100,000	317,000
Sheraton Birmingham Hotel	Birmingham	94,266	382,909
Birmingham-Jefferson Convention Complex	Birmingham	92,234	327,000
Renaissance Montgomery	Montgomery	72,520	296,069
The Lodge at Gulf State Park	Gulf Shores	12,160	40,000
Marriott Shoals Conference Center	Florence	11,840	34,772
Daphne Civic Center	Daphne	11,800	25,000
Sheraton Resort Panama City	Panama City, FL	11,600	28,127
Bryant Conference Center UA	**Tuscaloosa**	**10,044**	**23,189**
Renaissance Mobile Riverview	Mobile	10,000	39,438
Renaissance Birmingham Ross Bridge Resort and Spa	Birmingham	9,800	18,005
Perdido Beach Resort	Orange Beach	8,500	44,000
Pelham Civic Center	Pelham	7,000	30,000
Dixon Conference Center	Auburn	6,519	20,000
Tuscaloosa River Market	**Tuscaloosa**	6,000	6,000
Embassy Suites by Hilton Tuscaloosa Downtown	**Tuscaloosa**	**5,243**	**6,726**
Hotel Capstone	**Tuscaloosa**	**4,200**	**9,328**
Northriver Yacht Club	**Tuscaloosa**	**3,240**	**9,546**
Wingate by Wyndham Tuscaloosa	**Tuscaloosa**	**1,200**	**1,350**
Hilton Garden Inn Tuscaloosa	**Tuscaloosa**	**1,152**	**3,518**
Greystone Inn & Suites	**Vance**	**1,100**	**1,100**
Yellowhammer Inn & Conference Center	**Tuscaloosa**	**700**	**1,200**
Hampton by Hilton Inn Tuscaloosa-East	**Tuscaloosa**	**660**	**660**

Note: Bold type indicates a facility located in Tuscaloosa.

Source: Cvent, Pollstar, Relevant Facilities, Johnson Consulting

Executive Summary - Identified Area of Opportunity for Tuscaloosa Event Center



Taking the buildings listed on the prior page, the largest single event space for each building is plotted on the Y-Axis and the total event space is plotted on the X-Axis. The primary axis to focus on is the Y-Axis of the largest event space. The area of opportunity figure above and the table on the prior page also show that there is a heavy concentration of venues in the 5,000 – 12,000 sf in the state but then a major gap in facilities until you get to the 72,000 sf ballroom at the Renaissance Montgomery.

According to the area of opportunity chart, and additional interviews and research presented in upcoming sections, the target for the largest space at the proposed new event center should be in the 20,000 to 40,000 sf range. The research and data indicate that the lower target for a 20,000 sf multi-purpose hall, plus additional meeting rooms and support areas, is most appropriate size for the Tuscaloosa market. This will not duplicate what is already existing in the market, will provide a space that can comfortably seat 1,000 people for a banquet event or up to 100, 10x10 exhibit booths, provide a size of venue that is currently lacking in the state, and will be of the size category that can target the highest number of events in the local and regional market.

Executive Summary - Community Engagement Overview

These entities interviewed represent a broad spectrum of community leaders and representatives of the educational, corporate, civic, performing arts, and meetings and events sectors that are familiar with Tuscaloosa County and its demand, infrastructure, political dynamics, history, and community culture.

The following entities were engaged through interviews, focus groups and/or surveys between October 21, 2021 and January 9, 2022:

- **Alabama Council of Association Executives**
- **Alabama Fire College**
- **Alabama Historical Association**
- **Alabama Restaurant and Hospitality Association**
- **Alabama Retail Association**
- **Alabama Society of Civil Engineers**
- **Alabama Travel Council**
- **Alabama Vegetation Management Society**
- **Association of County Commissions of Alabama**
- **Bama Bounders**
- **Bryant Conference Center**
- **Business Council of Alabama**
- **Centers for Disease Control and Prevention**
- **Chamber of Commerce Association of Alabama**
- **City of Tuscaloosa**
- **Convention South**
- **DCH Regional Medical Center**
- **Embassy Suites Tuscaloosa Downtown**
- **Empowering Brands**
- **Experience, LLC**
- **GAF**
- **Group Travel Family**
- **Isenhour International**
- **League of Municipalities**
- **League of Women Voters of Alabama**
- **Nick's Kids**
- **Nucor Steel**
- **Pfifer Incorporated**
- **Tuscaloosa River Market Management**
- **Rural Tourism Conference**
- **Saban Center**
- **Shelton State CC**
- **Southern Christian Writers Conference**
- **Southeast Tourism Society**
- **Tuscaloosa Amphitheater Management**
- **L & L Marine**
- **Tuscaloosa Parks & Recreation Authority (PARA)**
- **Tuscaloosa Public Schools**
- **Tuscaloosa Tourism & Sports (TTS)**
- **UA – Culverhouse School of Business**
- **UA – Recreation**
- **UA – Special Events**
- **USA Softball – Alabama**
- **Level Elite Sports**
- **USSSA Alabama Softball**
- **Western Alabama Chamber of Commerce**
- **West Alabama Mountain Biking Association**

Executive Summary

Community Outreach & Engagement Implications

Based on the over 50 survey responses and the significant interviews and outreach done at the local, state, regional and national levels, in addition to the research and findings from the prior sections of this report, Johnson Consulting is of the strong opinion that there is a strong demand opportunity and interest for a new and larger event center in Tuscaloosa. To provide enough opportunity to attract the widest range of event types and sizes, the proposed event center is recommended to have a multi-purpose hall that is flexible in the range of events that it can host and offer 20,000 sf of net usable space. In addition to the large multi-purpose hall, it is recommended that a variety of meeting and break out spaces be developed that can be used for smaller sessions and events and also be flexible in how they can be used to support the largest space and special events.

Food and beverage functions are also extremely important and there needs to be adequate kitchen and equipment to host banquets and other food and beverage events. There also needs to be adequate pre-function and lobby space, storage and back of house space, and outdoor event spaces to accommodate the latest trends in the meetings and events industry. Additional program recommendations are located in section 6 of this report.

Executive Summary

Sports Recommendations

1. **The current recommendation of 20,000 sf is not conductive for large basketball/ volleyball events. The size constraints would limit the number of actual courts, thus impact breadth and scale**

2. **Consider cheerleading, dance, gymnastics and wrestling as part of the recommended 20,000 sf hall. Pickleball may be another consideration but again would be limited by the size and space**

3. **Leverage existing assets and consider the development of a strategic master plan for Sokol Park, Bowers Park, and The Phelps Center**

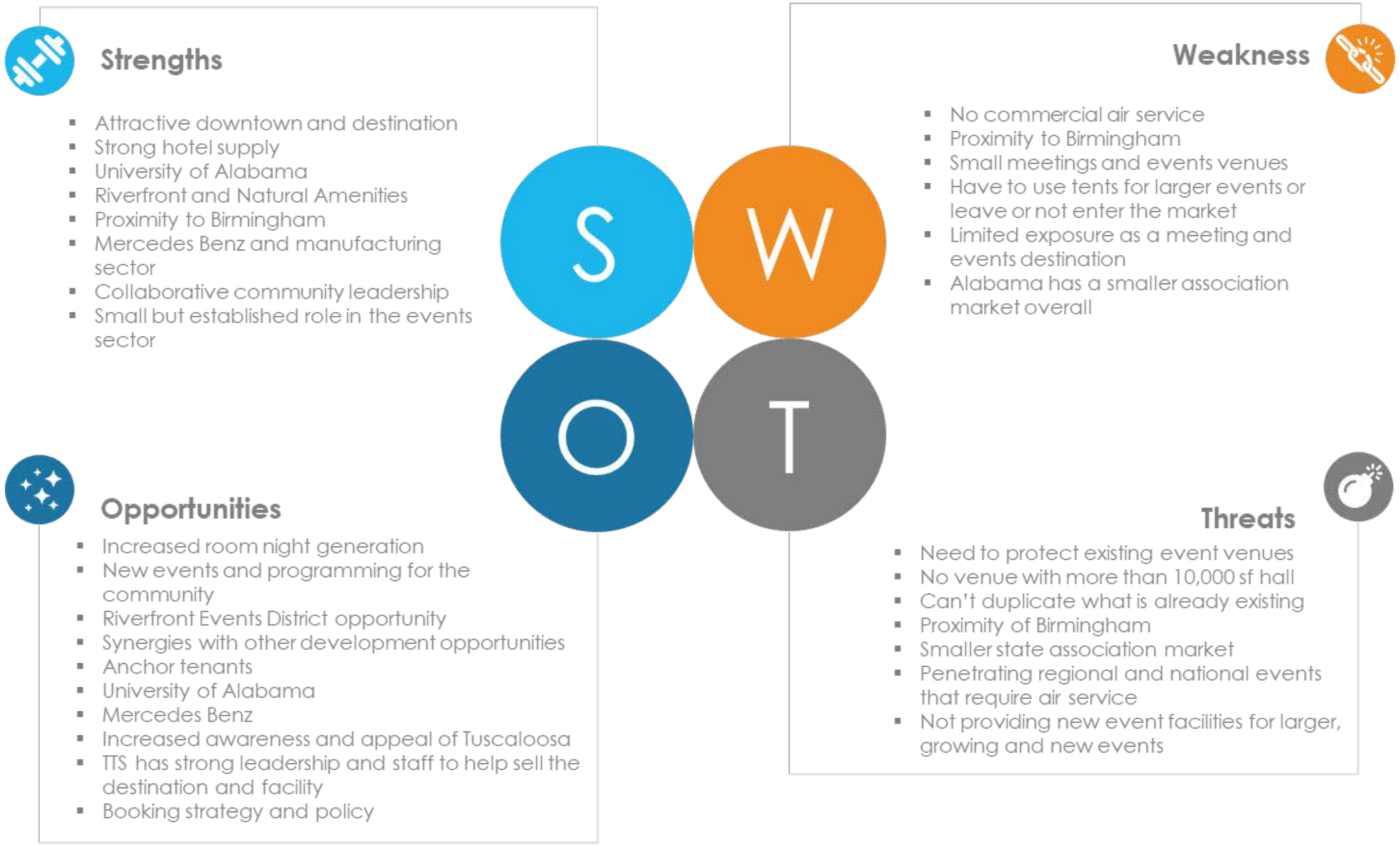
The recommendations later in this report go into further detail about the market opportunity, costs, and economic and fiscal impact for a renovation master plan at Sokol and Bowers Park.

Executive Summary

Meetings Market Rationale

The rationale that supports the feasibility of the proposed Tuscaloosa Event Center from a market perspective can be summarized by the figure to the right, which pulls from the most salient observations and conclusions in this report. The graphic sorts these points into a "SWOT" analysis, which outlines the market's strengths, weaknesses, opportunities, and threats in the context of the proposed development of an event center in Tuscaloosa. As shown, there are a number of existing strengths that support the project's market viability, as well as several opportunities which could come to fruition if the project is executed properly.

There are also a few threats to market viability if the project is not properly executed, as well as some existing weaknesses in the market. Some of these considerations, like hotel supply and demand, facility supply and demand, and community interest, are heavily intertwined with the development of the project, while others rely more on other independent, overarching economic factors. Overall, the project's feasibility from a market-driven perspective is favorable. The following pages will provide additional context to the layers of demand and financial assumptions that we see as most appropriate to supporting the proposed project.



Executive Summary - Strategic Recommendations

Event Center Demand Strategy

Local Events: Through interviews, surveys, and outreach, it was made evident that there are a number of events already existing in the Tuscaloosa community and surrounding areas that could be attracted to a new event center. These events are currently being held in a variety of other facilities throughout the area that are able to accommodate some of the event-related needs, but often underaccommodate in some respect, whether it be the size, configuration, location, or aesthetics of the facility, or the quality or scope of the services offered by the facility. These events are hosted by a variety of user types, including corporate, non-profit, and Social, Military, Education, Religious, Fraternal and Ethnic (SMERFE) users. Picture a corporate product launch or annual conference, non-profit gala fundraiser, a wedding banquet, a military reunion, an education conference, a religious convention, a Greek life banquet or a cultural festival. The mid-size and large events from these users must leave Tuscaloosa to host their event or can't locate their event in the area due to a lack of facilities.

Additionally, there are capacity and date availability challenges at the existing smaller event venues in the market that include the Bryant Conference Center, River Market, Hotel Capstone and the Embassy Suites. By adding a larger venue with a specific mandate for larger events, these capacity and date availability challenges will be largely relieved, and this venue will actually complement and help the other venues in the community.

A new facility also tends to lead to the proliferation of additional events in the local area that spring up as a result of having an attractive facility. Ultimately, local event planners or host organizations want to hold events in Tuscaloosa but are restricted by the limited inventory of facilities in which the event can be hosted. This is amplified by the near unanimous agreement by local event planners during interviews held during the study process that a new larger facility for Tuscaloosa is needed and would be attractive for their events. This is further supported by the results of our survey work highlighted in this report.

Several other demand layers and recommendations that will support the success of the Tuscaloosa Event Center are detailed on the following pages.

Executive Summary - Strategic Recommendations

Event Center Demand Strategy

Regional, State, and National Events: The convention, conference, and meetings industry consists of a large universe of events that rotate to various locations on a regular basis. Similar to local event organizers, common demand segments in this industry are corporate, association, non-profit, and SMERFE, among others, but in a larger format for either a regional convention or national tradeshow. Tuscaloosa Tourism and Sports (TTS) has expressed that they receive Requests for Proposals (RFPs) for these and other events that can't be converted due to the lack of an appropriate event facility in Tuscaloosa. TTS has expressed confidence in being able to attract these events with the addition of a new and larger event center.

Consumer Shows, Entertainment Events, and Sporting Events: There are also some unique opportunities in Tuscaloosa for the event center that can round out the demand strategy for the project. These include:

- Consumer shows like a car show, home and garden show, and art show
- Entertainment events like concerts, festivals, and performances
- Sporting events like smaller cheer competitions, wrestling, etc.

Since a new performing arts center and indoor sports venue will not be present in the market, we anticipate that these event types can find use of the proposed event center.

Partnerships: A successful operation for the proposed Tuscaloosa Event Center should leverage partnerships with nearby corporations, educational institutions, and other entities to attract these types of events, as well as Tuscaloosa's destination appeal that stems from beautiful downtown, historic UA campus, and its attractive outdoor offerings. Tuscaloosa hotels are strong in their offerings and well located to support the event center and the presence of a convention center can help to foster synergies between event activity and demand for hotel rooms throughout the entire county through the compression of hotel rooms demand for medium and large events. Ultimately, these are events that would need to be attracted to Tuscaloosa, which is accomplished by 1) having an attractive event facility in Tuscaloosa, 2) having a sophisticated sales and marketing operation to sell the facility and 3) locating the facility in the most attractive setting in terms of sizing, location, and programming.

Executive Summary

Cost Estimate

The total gross building area for the proposed project is 72,800 square feet. National construction costs for this building type are projected to be $530 per/sf and resulting in a hard cost of $38.6 million. Soft costs are projected to be 15 percent of hard costs and equal $5.8 million. This results in a projected total cost budget of $44.4 million.

This is a high-level cost estimate and is subject to change with market conditions and program modifications.

Recommended Tuscaloosa Event Center Program

	Size/ Capacity	
Divisible Multi-Purpose Hall	20,000	sf
Meeting Rooms SF		
Meeting Room #1	740	
Meeting Room #2	740	
Meeting Room #3	1,800	
Meeting Room #4	3,000	
Meeting Rooms	6,280	sf
Total Net Usable SF	**26,280**	**sf**
Pre-Function & Back of House*	46,520	sf
Total Gross Building Area	**72,800**	**sf**

**Not included in the program total.*

Source: Johnson Consulting

High Level Project Cost Budget*

	Area (SF)	Cost/sf	Cost Budget
Total Gross Building Area	72,800	$530	$38,584,000
Soft Costs**		15%	$5,787,600
Project Cost Budget			**$44,371,600**

**Land acquisition costs are not included.*

***Including FF&E, design, surveys, material testing, permits, and owner's contingency, totaling to 15% of additional cost, combined.*

Source: Johnson Consulting

Executive Summary

Meetings & Events Building Program Recommendations

- 20,000 sf net usable sub divisible multi-purpose hall.
- 4 meeting rooms ranging in size from 740 sf to 3,000 sf for a total of 6,280 sf of meeting room space. Larger rooms should be divisible.
- Significant pre-function area that can also serve as social space, gallery space and for light exhibits.
- Outdoor space that can be used for social events and exhibit events.
- Commercial kitchen.
- Back of house and service areas that are the correct scale for the front of house spaces.
- Sufficient loading dock supply that it is well located for efficiency. Truck marshalling strategy is needed.
- Sufficient parking.
- Future expansion, based on an initial project site of 5 acres.

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**Not included in the program total.*

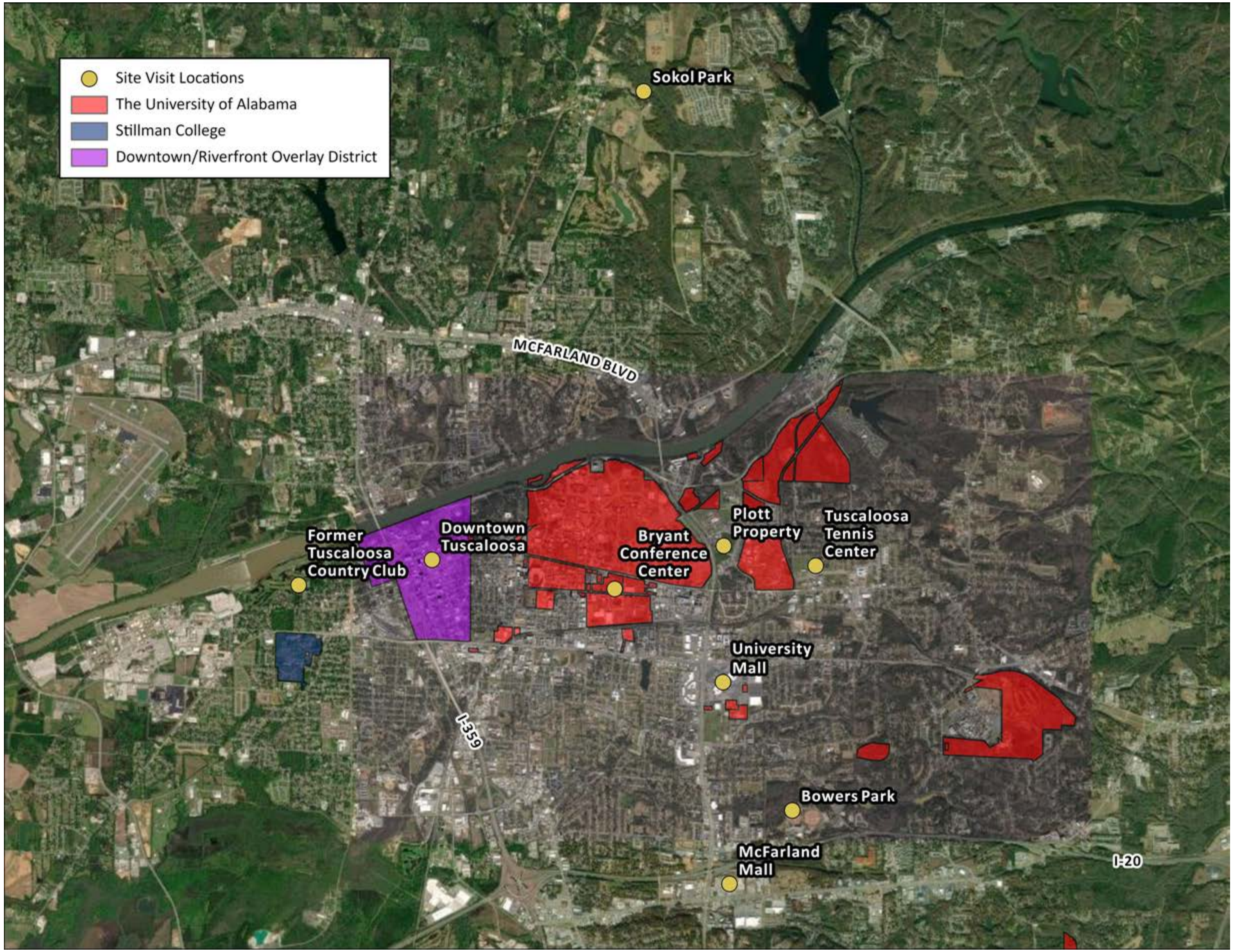
Source: Johnson Consulting

Executive Summary

Site Selection Criteria / Matrix

A survey of locations for the proposed venue was conducted across Tuscaloosa. The survey included 8 sites for evaluation that were included for both the potential indoor sports complex as well as the proposed events center. As the project advanced the Tuscaloosa Tennis Center was removed from consideration due to a new project on site.

The matrix ranks each of the seven sites based on 19 criteria that are critical to the development and operational effectiveness of an event center. The evaluation criteria includes five categories: Marketing Considerations, Project Development Considerations, Site Access, Site Cost and Finance Considerations.



Executive Summary

Site Selection

The matrix on the right shows how each potential site ranks with categories being scored as above, equal, or below average to the other sites.

It is recommended to be built on a site that would meet site selection criteria and provide economies of scale, such as the future Saban Center. It has all of the marketing considerations critical to meeting and event planners and is located in a setting that will be immensely attractive to convention and event attendees. This site area truly highlights the best of what Tuscaloosa has to offer and provides a connectivity to water and the outdoors that are becoming key variables in site selection.

Tuscaloosa Event Facility Site Analysis

	Priority	Former Tuscaloosa Country Club	Downtown Tuscaloosa	Bryant/UA	Plott Property	Sokol Park	Bowers Park	McFarland Mall
Marketing Considerations								
Proximity to headquarters hotel	Critical	Red	Green	Green	Red	Red	Red	Red
Concentration of quality hotel properties	Critical	Green	Green	Red	Red	Red	Gray	Gray
Hotels within shuttle distance (15 mins)	Critical	Gray	Green	Gray	Gray	Red	Gray	Gray
Adjacent land use compatibility	Critical	Green	Green	Gray	Red	Red	Gray	Gray
Proximity to retail & restaurants	Critical	Green	Green	Gray	Red	Red	Green	Green
Proximity to entertainment & recreational actitivies	Critical	Green	Green	Gray	Red	Red	Gray	Gray
Safety	Critical	Gray	Green	Green	Gray	Gray	Gray	Gray
Project Development Considerations								
Overall site capacity for recommended program	Critical	Gray	Gray	Red	Gray	Gray	Gray	Gray
Ability to leverage existing developments	Critical	Green	Green	Gray	Gray	Gray	Gray	Green
Parking	Important	Gray	Green	Red	Gray	Gray	Green	Green
Site Access								
Truck	Critical	Gray	Gray	Red	Gray	Gray	Gray	Gray
Pedestrian	Important	Red	Green	Green	Red	Red	Red	Red
Impact on traffic conditions	Important	Gray	Gray	Red	Gray	Gray	Gray	Gray
Taxi, bus and auto access	Important	Green	Green	Red	Gray	Gray	Green	Green
Overflow parking	Minor	Gray	Green	Red	Gray	Green	Green	Green
Site Development Costs								
Site acquisition cost	Critical	Red	Green	Red	Red	Gray	Gray	Red
Finance and Operations								
Ability to finance	Critical	Gray	Green	Gray	Gray	Gray	Gray	Gray
Partnership Opportunities	Critical	Gray	Green	Green	Gray	Gray	Gray	Red
Ability to tap into public funding tools (TIF's, EZ's etc.)	Critical	Gray	Gray	Gray	Gray	Gray	Gray	Gray

Legend								
Better than other sites	Green	6	15	4	0	1	4	5
Equal to average of other sites	Gray	10	4	7	12	11	13	10
Worse than other sites	Red	3	0	8	7	7	2	4

Executive Summary

Facility Recommendations

The recommended program for Tuscaloosa Event Center includes a 20,000 square foot multi-purpose hall (divisible into sub-sections) and 6,280 square feet of meeting rooms, totaling to 26,280 square feet of function space. The program also calls for significant pre-function area and outdoor space that can also serve as social space, gallery space and for light exhibits, as well as commercial kitchen and sufficient back-of-house, service, loading, and parking areas. Gross building area is estimated at 72,800 square feet, with a possibility of future expansion. Construction budget is estimated at $44.4 million.

Demand, Financial, and Impact Projections

The table on the right summarizes the projected event demand, attendance, and operating revenue and expenses, as well as the estimated economic and fiscal impact. As shown, upon opening, the proposed Tuscaloosa Event Center is projected to accommodate 209 events generating over 99,000 attendees in Year 1, increasing to 233 events generating over 123,600 attendees in Year 5. The facility is projected to operate at a net operating deficit of ($390,000) in Year 1, and improving to ($236,000) in Year 5 – while generating significant economic and fiscal impact, not only from its construction but also from its annual operations. Construction impact is estimated to include 813 construction job-years, over $22.2 million in total spending, $3.7 million in increased earning for additional 82 jobs, and over $2.2 million in sales tax revenues. Upon opening, the facility's impact is estimated to include over $17.4 million in total spending, $2.9 million in increased earning, 65 jobs, and over $1.5 million in sales and lodging tax revenues in Year 1 alone – and these impacts are expected to increase every year.

Demand Projections and Impact Estimates

		Year 1	Year 3	Year 5
Event Demand				
Exhibit Events		36	40	44
Non-Exhibit Events		173	181	189
Total		**209**	**221**	**233**
Attendance				
Exhibit Event Attendance		47,000	53,818	59,900
Non-Exhibit Event Attendance		52,125	58,374	63,682
Total		**99,125**	**112,192**	**123,582**
Operating Revenue and Expenses ($000)				
Operating Revenue		$1,824	$2,076	$2,335
Operating Expenses		$2,214	$2,388	$2,572
Net Operating Income		**($390)**	**($312)**	**($236)**
	Construction Period	**Year 1**	**Year 3**	**Year 5**
Economic Impact Estimates ($000)				
Construction Jobs (FTE)	813	-	-	-
Total Spending	**$21,975**	**$17,472**	**$20,464**	**$23,387**
Increased Earnings	$3,691	$2,935	$3,438	$3,929
Employment (FTE Jobs)	82	65	73	80
Fiscal Impact Estimates ($000)				
Sales Tax Revenue	$2,197	$1,191	$1,395	$1,594
Lodging Tax Revenue	na	$317	$371	$425
Total	**$2,197**	**$1,507**	**$1,766**	**$2,018**

Source: Johnson Consulting

Note: This table includes the applicable Sales Tax Rates for the State (4%), County (3%), and City (3%), along with City Lodging Tax (11%) within the above projections.

Section 2
Economic and Demographic Analysis

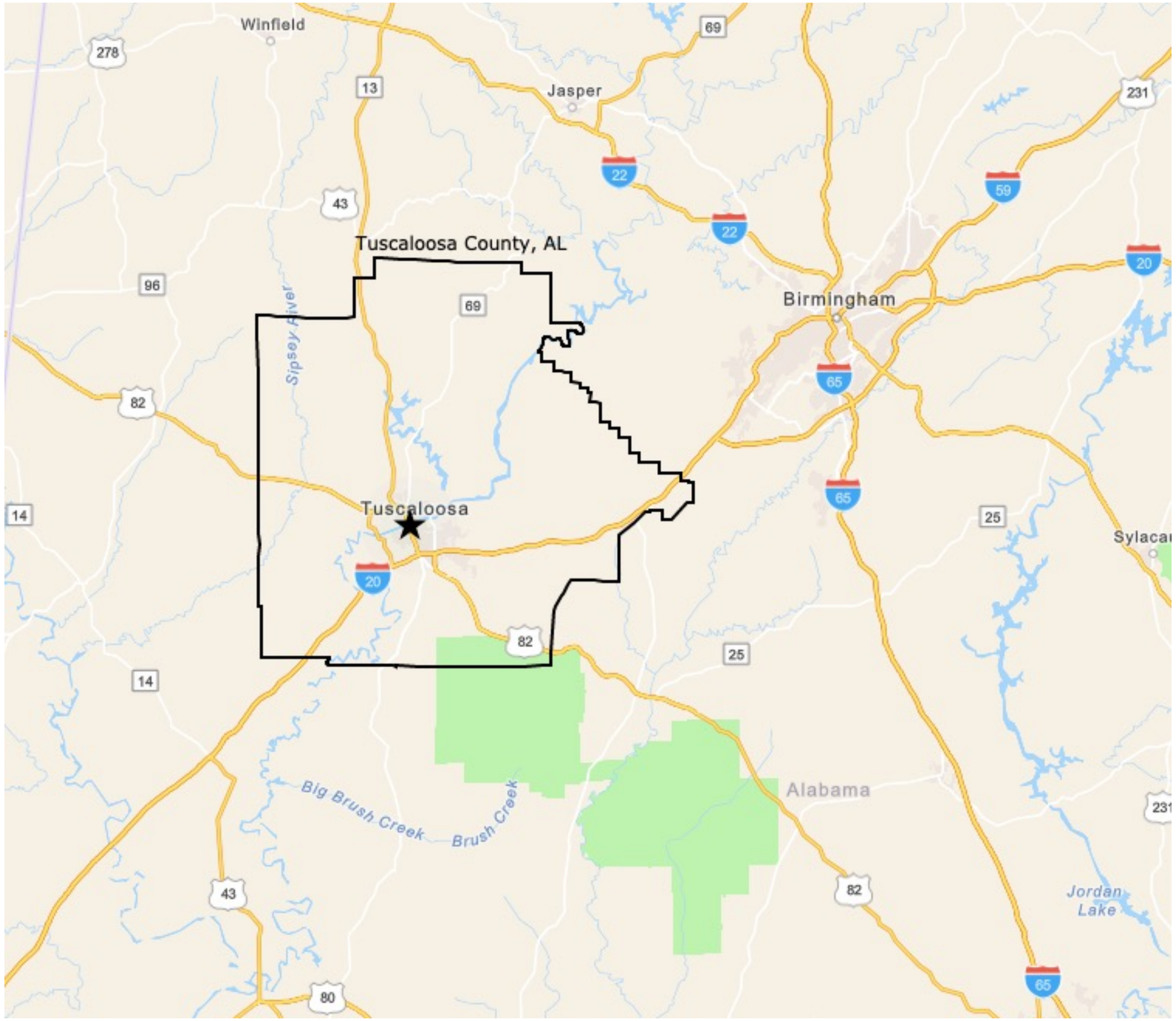
JOHNSON CONSULTING

Economic & Demographic Trends

Overview

In order to analyze the opportunities for a possible new event center and/or sports facility in Tuscaloosa, Johnson Consulting conducted a detailed analysis of the demographic and economic conditions in the City and County metropolitan region. While characteristics such as population, employment, education, and income are not the only predictors of performance for these types of facilities, they provide insight into the capacity of a market to provide ongoing support for such facilities and activities. In addition, the size and role of a marketplace, its civic leadership, proximity to other metropolitan areas, transportation concentrations, and the location of competing and/or complementary attractions, directly influence the scale and quality of new, expanded, or renovated facilities that can be supported within a given market.

The map at right shows the City of Tuscaloosa (starred) in the County and West Alabama region.



Economic & Demographic Trends

Accessibility and Transportation

The map on the top right shows Tuscaloosa in relation to Alabama, Mississippi, and Georgia and various drive time radii. The 30-minute drive time is synonymous with the Tuscaloosa County in this analysis. The 1-hour drive time area includes Montgomery, Birmingham, and its general metro areas. Montgomery, AL and Eastern area of Mississippi fall within the 2-hour drive time, and the 4-hour drive time area extends out to Jackson, MS, Atlanta, GA, and Memphis and Nashville, TN, making Tuscaloosa well positioned for drive to activities.

Tuscaloosa, Alabama is within Tuscaloosa County, Alabama. Tuscaloosa is the fifth-largest city in Alabama and is known for being home to the University of Alabama, the oldest and largest of the state's public universities, and a historic downtown and a number of cultural and natural attractions.

Tuscaloosa is accessible through multiple modes of transportation:

- **Air:** Tuscaloosa is located an hour southwest of Birmingham Shuttlesworth International Airport (BHM) via Interstate 20. BHM is the largest and busiest airport in the state of Alabama, with 1.5 million enplanements in 2019. The airport's enplanement count has increased at an average rate of 1.7% since 2014 - another sign of a growing market. Lack of direct air service to Tuscaloosa is a significant challenge. Also located an hour and fifteen minutes northwest of Tuscaloosa is the Golden Triangle Regional Airport (GTR) in Columbus, MS. At GTR, Delta Airlines, the airport's main commercial carrier, has been in service the community since 2000.

- **Transit:** The Tuscaloosa Transit Authority (TTA) operates a bus system that services the local area and provides a demand response service.

- **Highway:** Tuscaloosa is situated near I-59/20's nexus with state highway 82, creating both north-south and east-west connections throughout the Tuscaloosa area and beyond.

Economic & Demographic Trends

Population

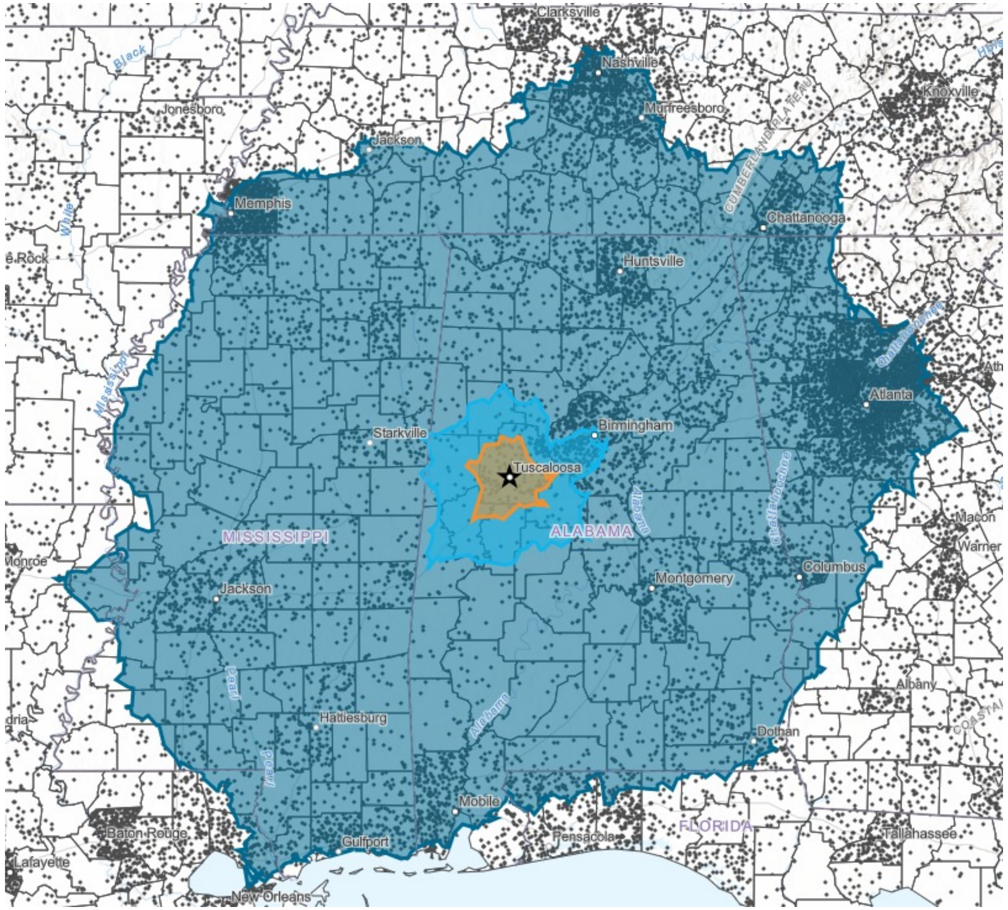
Large and growing population bases are a critical component of ensuring the success of any convention/sports facility. A solid population base is critical to ensuring strong attendance numbers, attracting conferences, tradeshows, Social, Military, Education, Religious, Fraternal, Ethnic (SMERFE) events, entertainment events, and other events, including sports events and tournaments.

As shown in the table at right, the population of Tuscaloosa County was 210,906 in 2020. The 1- and 4-hour drive time catchment areas had populations ranging from nearly 466,000 to over 17.5 million. Since 2000, all these local market areas have experienced population growth. Between 2000 and 2025, the population of Tuscaloosa County is forecasted to grow at an average rate of 1.2% per year. Population growth has also been experienced for the drive time areas, which have growth rates forecasted at 0.2% and 1.0% per year, respectively. The Tuscaloosa County growth rate is above that of the State of Alabama (0.6% per year) and of the nationwide average (0.8% per year). Tuscaloosa County's increasing population density (represented in the map at right) and steady population growth are positive signs that the market could support additional event and sports facilities.

Population

	2000	2010	2020	2025	CAGR
United States	281,421,906	308,745,538	333,793,107	346,021,282	0.8%
Alabama	4,447,100	4,779,736	5,028,316	5,144,798	0.6%
Tuscaloosa County, AL	164,875	194,656	210,906	219,478	1.2%
1-Hour Drive Time	452,611	455,137	466,251	471,157	0.2%
4-Hour Drive Time	14,386,456	16,182,650	17,595,392	18,341,469	1.0%

Sources: Esri, Johnson Consulting



Note: Each dot = 1,000 people

30-minute drive
1-hour drive
4-hour drive

Economic & Demographic Trends

Income

Income, although not a strict predictor of convention or sports facility performance, are important attributes for benchmarking the economic stability of the market. High income markets have a significant advantage when it comes to attracting new businesses, and are also more likely to have thriving nightlife, retail, and tourism scenes. The table on the top right quantifies the median household income for Tuscaloosa County and the drive time catchment areas relative to state and national averages. As shown, the median household income within Tuscaloosa County was over $55,000 as of 2020. This exceeds the statewide median of nearly $50,000 and is below the national average of just over $62,000. Income levels in Tuscaloosa County are projected to grow at a rate (1.2%) that is above state averages, but below national averages between 2020 and 2025, a reflection of a stable economic trajectory of the market.

Age

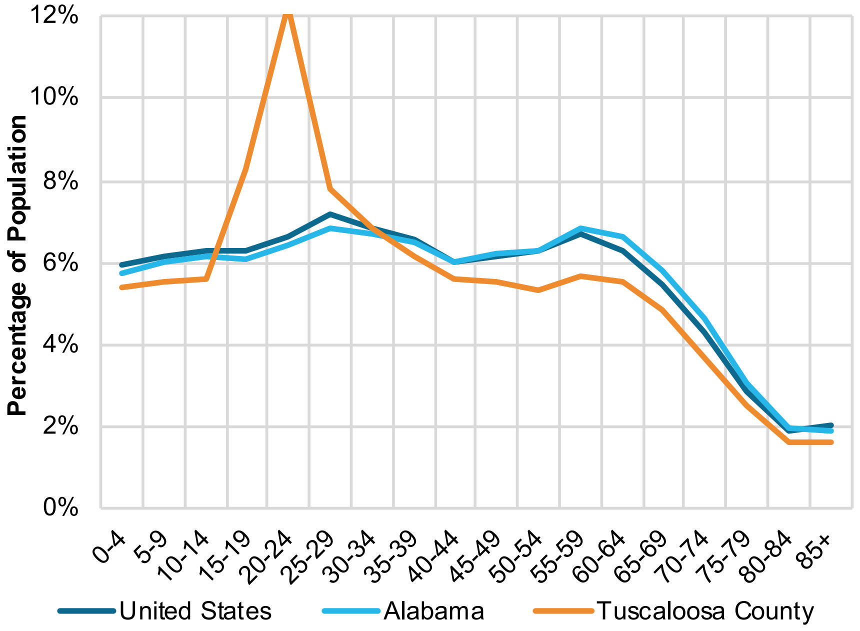
Age is another important demographic indicator to consider when evaluating the market. Event centers and sports venues host events that cater to all ages, and mixed-use real estate can incorporate elements that appeal to a wide variety of age groups. The key is to achieve a balance that works within the social and economic context of the market. As shown in the chart on the bottom right, Tuscaloosa County, AL has a higher concentration of individuals age 15-29 compared to both state and national averages and a lower concentration of individuals above the age of 40. Tuscaloosa County is known for its high concentration of college aged individuals due to the location of the University of Alabama within this county. A successful convention/sports facility should devise a sales and marketing plan that plays to the family-centric age profile and the college aged individuals of the market to ensure strong attendance numbers and support from the local and regional community.

Median Household Income

	2020	2025	CAGR
United States	$62,203	$67,325	1.6%
Alabama	$50,554	$53,473	1.1%
Tuscaloosa County, AL	**$55,380**	**$58,854**	**1.2%**
1-Hour Drive Time	**$52,336**	**$55,753**	**1.3%**
4-Hour Drive Time	**$55,911**	**$60,274**	**1.5%**

Sources: Esri, Johnson Consulting

Age Distribution



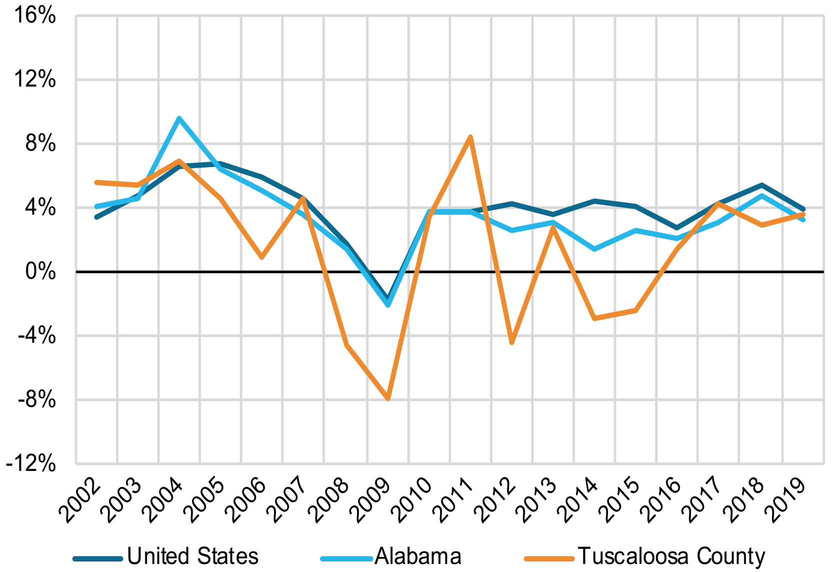
Sources: Esri, Johnson Consulting

Economic & Demographic Trends

Gross Domestic Product

Gross Domestic Product (GDP) measures the total size of a region's economy by quantifying the total value of goods produced and services provided in a given time period. The chart on the right shows the GDP Year-On-Year growth for Tuscaloosa County relative to that of the state of Alabama and U.S. as a whole between 2002 and 2019. As shown, Tuscaloosa County's GDP is much more volatile than Alabama or the U.S. Tuscaloosa County grew slower than the national average in many of the first few years and seemed to be more severely affected by financial crisis of 2008 and 2009. Tuscaloosa County recovered and outperformed the state and national average in 2011 and 2012, however since 2012 it has been growing slower than the state and national averages. The impact of the COVID-19 pandemic on Tuscaloosa County's GDP is yet to be known, although it can be anticipated that the GDP of all 3 comparative geographies will be negatively impacted when the 2020 numbers are released. Tuscaloosa County's gravity in manufacturing, higher education, and healthcare could be beneficial, as they are not industries that were as deeply affected by the pandemic.

Gross Domestic Product Year-On-Year Growth

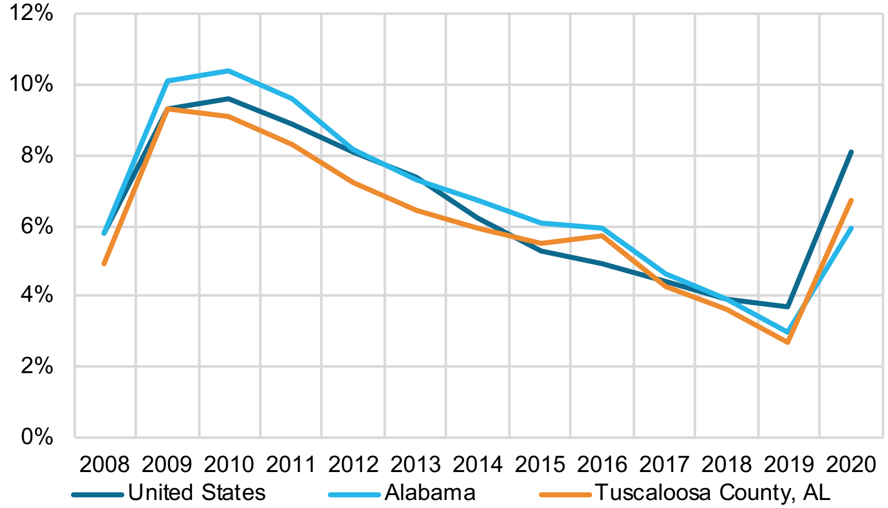


Sources: Bureau of Economic Analysis, Johnson Consulting

Unemployment

Unemployment is a good indicator that can be used to evaluate the strength of the economy. On the figure on the right, the unemployment rates for Tuscaloosa County, Alabama and the United States are graphed. In general, these three regions have unemployment rates that move together, with little degree of difference between the three. However, it should be noted that from 2009 to 2014, Tuscaloosa County experienced a lower unemployment rate than Alabama and the United States. In 2020, due to the pandemic, all three unemployment rates increased dramatically, with the United States increasing more so than Tuscaloosa County and Alabama. In the future, one could expect the unemployment rate to decrease again as the country begins to return to pre-Covid operations, and the unemployment rate in Tuscaloosa County should be between 4%- 7%.

Unemployment Rate



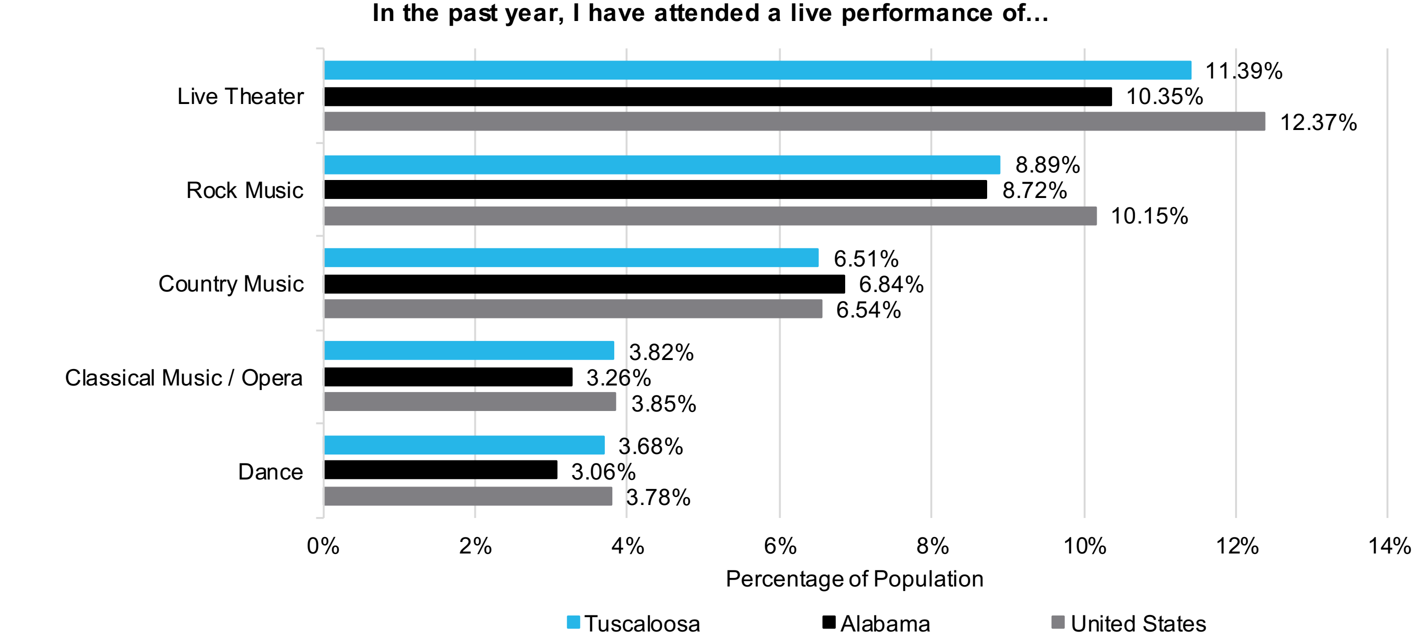
Sources: Bureau of Labor Statistics, Johnson Consulting

Economic & Demographic Trends

Entertainment Consumer Behavior

As entertainment and social activities are contemplated as a layer of demand for the proposed event center, it is important to understand the spending patterns on leisure activity in Tuscaloosa relative to the State and Nationally. Live theater ranks as the consumer behavior with the highest percentage of residents participating in and at a higher level than at the state but slightly below national spending levels. Spending levels for rock and country music are the next two activities most participated in and round out the top three performance categories for Tuscaloosa, Alabama and the U.S.

City of Tuscaloosa
Consumer Behavior (2021)



Sources: Johnson Consulting, Esri

Economic & Demographic Trends

Location Quotients by Industry Sector

As of 2020, nearly 84,500 workers are employed by employers within Tuscaloosa County, AL. The top 5 industries with the most employees are:

- Health Care & Social Assistance
- Retail
- Accommodations & Food Services
- Manufacturing
- Public Administration

The table on the right contains a location quotient analysis of the number of employees in Tuscaloosa County by industry sector relative to that of the U.S. as a whole. Location quotients of 1 indicate similar relative concentration of that particular industry in Tuscaloosa County, while values higher than 1 indicate higher concentrations of that industry, and values lower than 1 indicate lower concentrations of that industry. The location quotient values are color-coded accordingly. As shown, Tuscaloosa County has a high concentration of industries such as Information, Agriculture, Forestry, Fishing, and Hunting, Mining, and Public Administration. A market's employment and economic concentrations within certain industries provides insight into its long-term economic stability, and can inform about industry and market sectors to target for events at event facilities.

Employment Location Quotient by Industry Sector

Sector	Tuscaloosa County, AL	United States	Location Quotient
Healthcare & Social Assistance	14,454	21,843,026	1.1
Retail	11,730	19,266,352	1.1
Accommodation and Food Services	8,965	13,810,415	1.1
Manufacturing	7,575	11,480,503	1.1
Public Administration	6,429	8,811,577	1.3
Education	6,018	12,226,014	0.9
Other Services	4,432	8,544,829	0.9
Construction	4,591	6,610,064	1.2
Professional, Scientific, & Technical	3,928	10,110,089	0.7
Information	3,505	3,676,325	1.6
Real Estate, Rental, & Leasing	2,654	3,940,337	1.2
Finance & Insurance	2,108	5,855,576	0.6
Wholesale	1,995	5,939,077	0.6
Transportation & Warehousing	1,873	3,598,684	0.9
Arts, Entertainment, & Recreation	1,103	3,901,139	0.5
Administrative & Support	1,501	3,746,043	0.7
Agriculture, Forestry, Fishing, and Hunting	487	659,267	1.3
Utilities	396	614,321	1.1
Management of Companies	241	374,977	1.1
Mining	272	352,254	1.3
Unclassified	207	759,955	0.5
Total Employees	**84,464**	**146,120,824**	

Source: Esri, Johnson Consulting

Economic & Demographic Trends

Major Employers

The table on the right displays Tuscaloosa County's major employers. This list, taken with the Location Quotient data discussed on the previous page, reflects the market's strength in the Education, Healthcare, and Manufacturing fields. These entities are important because they represent potential users of the new facilities, as well as potential partners for things like naming rights, advertising, and sponsorships. Mercedes-Benz – a Fortune Global 500 company – is a particularly strong presence in terms of employment and influence in the region, and could be a potential user and partner in a new facility. Collectively, these industries and employers represent a diverse, well balanced, and stable economic base in Tuscaloosa County.

Another benefit of the proposed event center will be to add a new economic engine into the Tuscaloosa economy that will help diversify the economic clusters of the market and also to help draw in outside visitors and spending to Tuscaloosa. New outside visitors to the market will also be exposed to the significant cultural, tourism, entertainment and outdoor offerings of the Tuscaloosa market that have made it competitive in recruiting international companies to locate in Tuscaloosa.

Major Employers in Tuscaloosa County

Employer	Industry	Employment
University of Alabama	Education	11,403
Mercedes-Benz	Manufacturing	3,900
DCH Regional Medical Center	Healthcare	3,315
County Schools	Education	2,277
City Schools	Education	1,446
Warrior Met Coal	Mining	1,387
Michelin/BF Goodrich	Manufacturing	1,348
City of Tuscaloosa	Public Administration	1,289
Veterans Administration Hospital	Healthcare	1,277
Phifer	Manufacturing	1,204
SMP Automotive Systems	Manufacturing	1,107
ARD Logistics	Manufacturing	768
Brose Tuscaloosa	Manufacturing	645

Source: The Chamber of Commerce of West Alabama, Johnson Consulting

Economic & Demographic Trends

Higher Education Institutions

Tuscaloosa County is home to the first and largest University of Alabama campus, with 38,100 students at various undergraduate and graduate levels, almost doubling the number of students since passing the enrollment milestone of 20,000 students in 2003. UA is also a significant meetings and conference producer and consumer and will be an important partner if the proposed venue is viable. Tuscaloosa is also home to a branch of Shelton State Community College, as well as Stillman College, a historically black liberal arts college. The table at right highlights key details about the major colleges, technical schools, and universities located in Tuscaloosa County.

Education & Health Sectors

This data, as well as preceding data on Location Quotients by Industry Sector and Major Employers, highlights that Tuscaloosa County's economic base is largely rooted in education and health. On the health side, Tuscaloosa County is home to the 583-bed DCH Regional Medical Center, a public, not-for-profit hospital and medical campus that services West Alabama. Tuscaloosa also has the Veterans Affairs Medical Center, a significant employer and provider of primary, long-term, and mental health care services.

Influential institutions such as these are powerful potential partners for Tuscaloosa in a new events and/ or sports facility. The health sector, in particular, is a major meetings and event producer, as well as a consumer. These organizations could host events and sponsor trade shows and conventions, occupy potential adjacent commercial space, serve as advertising/ naming rights partners, and more.

University of Alabama

Major Colleges, Technical Schools and Universities - Tuscaloosa County	
	Enrollment
Two-Year Colleges & Technical Schools	
Shelton State Community College	4,201
Four-Year Colleges & Universities	
Stillman College	861
University of Alabama	38,100
Source: Respective Facility Websites, Johnson Consulting	

Economic & Demographic Trends

Framework Comprehensive Plan

Tuscaloosa developed their Framework Comprehensive Plan in 2018 to define a long-term vision for Tuscaloosa and set the direction for the city's growth and development for the coming decades. The process included both the creation of the Framework Comprehensive Plan and a rewrite of the city's zoning and land development regulations. This Plan serves as a guide for decision makers and the community for future development and many aspects of serving the community's needs. It is both comprehensive—taking a long-term view of a broad range of topics—and strategic—serving as an action Plan to move the community forward. The Framework Comprehensive Plan is an opportunity to consider policies over a broad range of topics for the entire city in light of current needs, opportunities, and best practices. Specifically, the Framework Comprehensive Plan addresses six chapters with goals that address a series of needs to create sustainable growth in Tuscaloosa. Many of these goals are directly in line with the development of a proposed event and sports center in the city, and have been considered in this report.

MANAGE/FACILITATE GROWTH

The Framework Plan mentions goals to manage and facilitate growth in the city, including in the downtown and University districts. Implementing an Event center in Tuscaloosa would promote growth in any of the districts mentioned within the plan. The site selection matrix within this report includes potential sites throughout Tuscaloosa, and can be considered in line with this plan to make informed decisions on ensuring new growth.

Economic & Demographic Trends

Framework Comprehensive Plan Continued

CREATE NEIGHBORHOODS THAT SERVE COMMUNITY NEEDS

This report indicates a clear area of opportunity for an event center in Tuscaloosa. This kind of amenity would support neighborhood enrichment and could serve as a community hub to further serve the needs outlined in the Comprehensive Plan.

SUPPORT INITIATIVES AND EFFORTS THAT IMPROVE CONNECTIVITY WITH THE REGION

A weakness derived from the market analysis was a lack of direct air transit access in Tuscaloosa. The Framework Comprehensive Plan outlines plans to improve and grow Tuscaloosa National Airport, along with other shuttle and local transit systems. An event center could provide incentive to implement these improvements, as well as provide sustainable users to make these improvements more feasible. Tuscaloosa has a wealth of opportunity regionally just north of the city, as well as capturing the Western Alabama and Eastern Mississippi market.

STRENGTHEN CULTURAL AND EXPERIENCE VENUES IN THE CITY

An event center is a natural place to implement programming for increasing cultural experiences within Tuscaloosa. Having facility space for local or regional events would further establish the culture that the City envisions.

Economic & Demographic Trends

Framework Comprehensive Plan Continued

OFFER LOCATIONS AND SPACES FOR A RANGE OF BUSINESS TYPES

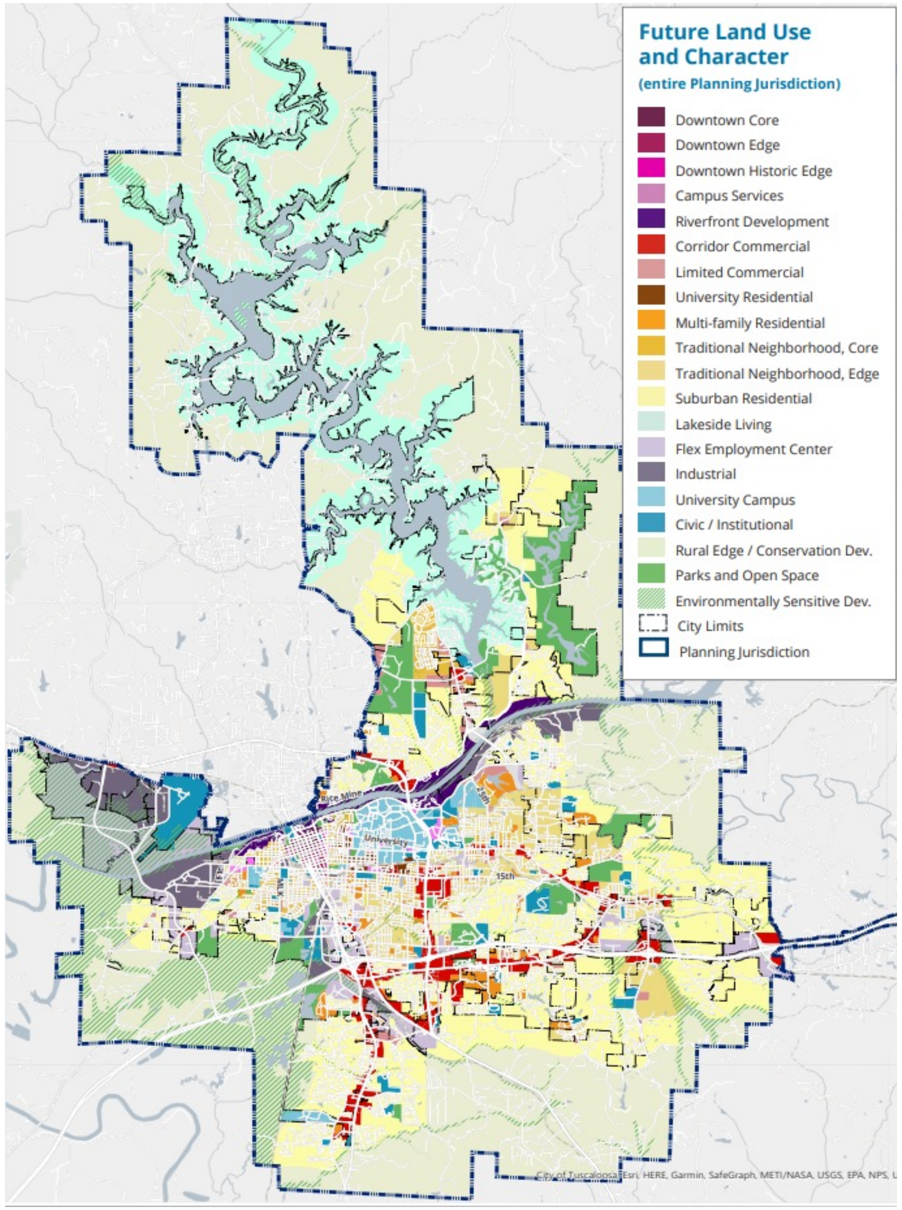
Events such as trade shows and job fairs are commonly held in event venues and conference centers. These types of events could help promote the corporate strengths in Tuscaloosa, introduce new industries to the region, and spur development around the facility. All of these factors aim to help business grow in the city and the region as a whole.

DEVELOP THE TOURISM SECTOR WITH MORE YEAR-ROUND OPPORTUNITIES

An event center can be a strong tourism economy generator in any city. Having year-round events programmed will attract visitors both regionally and nationally, which creates direct economic spending at the venue, as well as indirect spending across the city. Strong economic impact could be seen from a well established event center. Ancillary tourism may also be developed around the inclusion of an event center, and further grow Tuscaloosa as a destination for people to visit.

IMPLICATIONS

These goals along with others have been strongly considered in the recommendations Johnson Consulting has established in this report. Ensuring that these decisions are in-line with the future growth strategies for the City of Tuscaloosa is crucial to the success of this project and create a strong synergy for sustainable development moving forward.

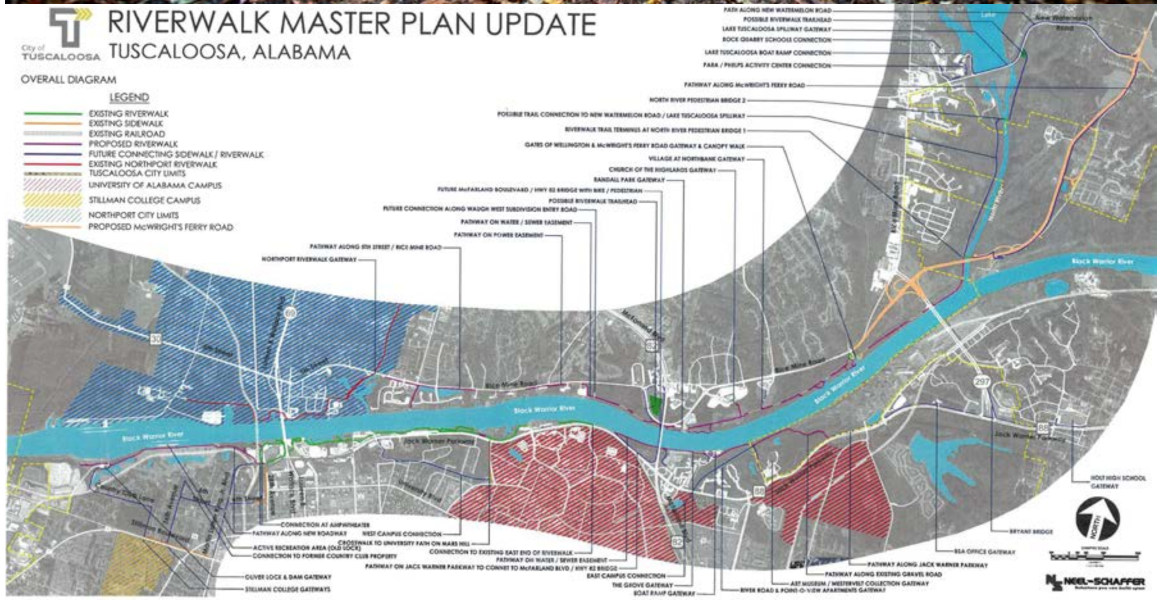


Local Developments

Tuscaloosa River Walk

The Tuscaloosa River Walk is a 4.5-mile trail along the southern bank of the Black Warrior River. The trail extends from Capital Park on the west end to Manderson Landing on the east end. The trail is ideally located just north of many downtown Tuscaloosa attractions, including the University of Alabama and the Bryant-Denny Stadium.

Along the trail, there are several community amenities and attractions of note. There is a playground, splash pad, and plenty of picnic tables for community use. The Tuscaloosa Amphitheater – a 7,470-seat outdoor venue – as well as the Tuscaloosa River Market, site of the Tuscaloosa Farmers Market, and the Tuscaloosa Public Library are all on the trail's west end. There are several restaurants scattered along the River Walk, east of the Tuscaloosa River Market. The massive Queen City Park is located along the river, as is the Park at Manderson Landing, on the far east side. The River Walk connects several of Tuscaloosa's main destinations, and – with its blend of retail and recreation options – has become a destination in and of itself. River District Park, a new park that will serve as an outdoor extension of the Saban Center, had its ground broken in Fall of 2021.



JOHNSON CONSULTING

Local Developments

University Boulevard/Downtown Tuscaloosa

University Boulevard is often referred to as Tuscaloosa's "main street", with its many retail, civic, and entertainment destinations which encapsulate much of Tuscaloosa's downtown. The Boulevard is also home to many hotels, restaurants, and cultural institutions that add to Tuscaloosa's vibrancy.

Just south of University Boulevard, the Bama Theatre has been a center of cultural activity in Tuscaloosa and West Alabama since 1937. The Bama Theatre is adjacent to Harrison Galleries and the Children's Hands-On Museum, as well as Government Plaza. To the east of these attractions is the Druid City Music Hall – a premium 1,050-capacity live music venue.

Economic & Demographic Analysis

Implications

Tuscaloosa exhibits favorable economic, demographic, and market indicators across the board in terms of evaluating the potential for a community's ability to support new events amenities, as well as to attract business to such a facility. There is a substantial and growing population base in the County, as well as within the 30-, 60-, and 240-minute drive time areas. The area is younger, relatively well-educated and has higher median household incomes that indicate a propensity to spend comparatively high amounts on entertainment and recreation. There is a healthy diversity of businesses in the area, and the presence of the University of Alabama adds vibrancy to the city's character. Together, these factors will contribute to the area's robust, resilient, and diverse economic base that is home to healthy industry clusters, particularly in Education, Healthcare, and Manufacturing. The City of Tuscaloosa is also contributing to the economic development of the community with investments across the City and with a key focus on the continued development of the riverfront and the downtown core of the city. All these factors are indicative of a market with a solid demand base for meetings, conferences, and other types of events.

As referenced, with the presence of UA Athletics, there's an inherent interest and cache for the City of Tuscaloosa within the sports industry. This sports culture coupled with the growing local and regional demographic trends create a strong foundation for continued success in the sports tourism industry.

A few areas of observation that require continued focus and support include attracting commercial air service to Tuscaloosa, ideally with a direct flight to and from Atlanta, and thinking about how best to balance the proximity to Birmingham to maximize the positives and minimize competition. This applies to both meeting events and sports tourism.

Section 3
Hotel, Meetings & Sports Market Analysis

JOHNSON CONSULTING

Hotel, Meetings & Sports Analysis

Overview

Section 3 provides a detailed review of the hotel, meetings, and sports markets in Tuscaloosa and the region. This includes a review of the existing inventory of all three types of facilities, the current performance of facilities, where available, and a profile of key facilities that currently support the tourism economy of Tuscaloosa.

Pictured at right, are two key venues that support the meetings and sports markets, the Tuscaloosa River Market and Bowers Park respectively, that will be profiled in this section.

Section 3.1
Hotel Market Overview

JOHNSON
CONSULTING

Local and Regional Market Analysis

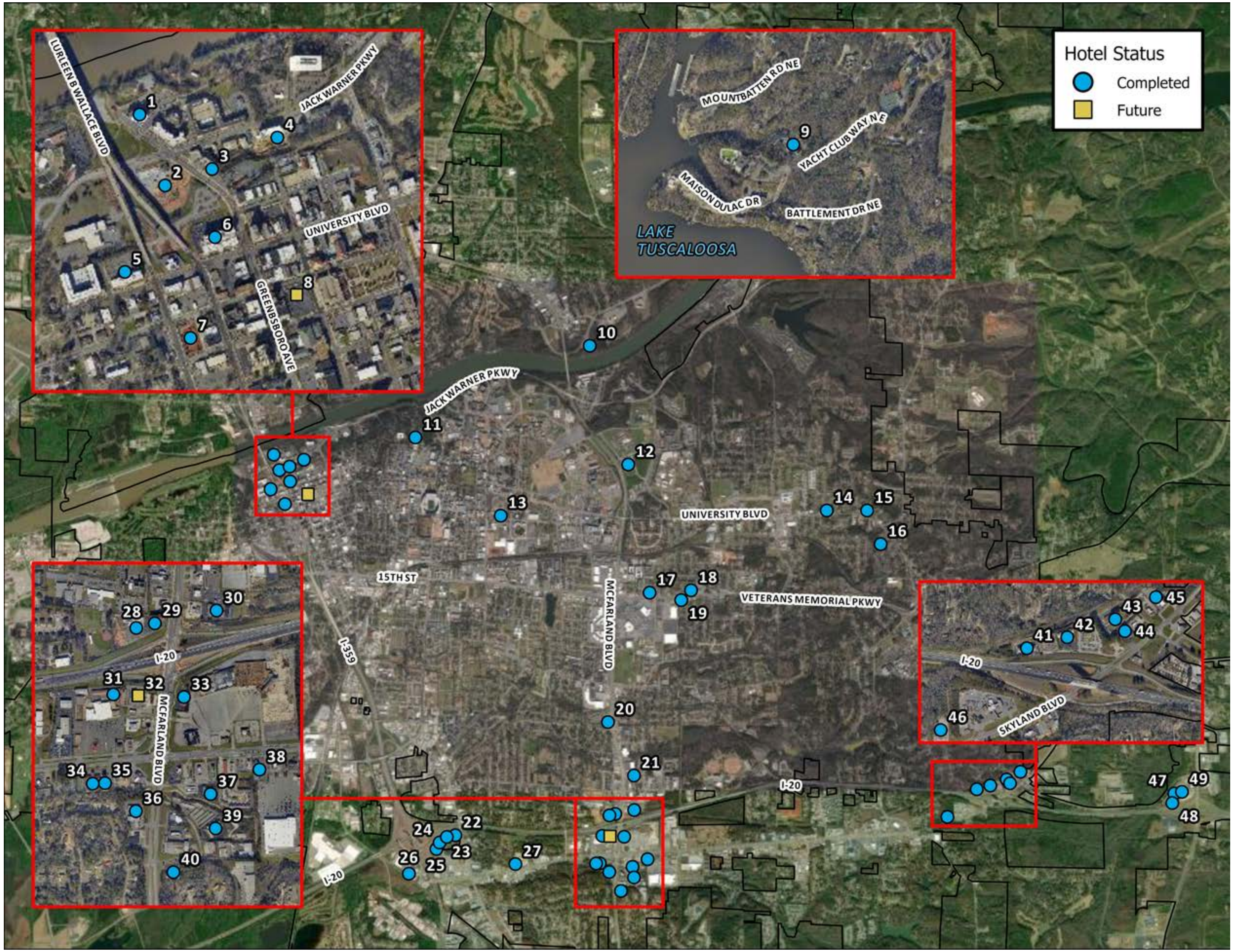
Tuscaloosa Completed and Future Hotels

Hotels are an important component of evaluating the proposed convention/sport facility's market potential. Hotels are needed in relatively close proximity to the facility site in order to provide lodging for attendees, as well as players and their families. In addition, a hotel could be one component of the future facility.

In all there are 49 current and planned properties with a total of 4,151 hotel rooms. There are a few primary concentrations of hotels, along I-59/20, downtown Tuscaloosa and around the University of Alabama.

The majority of properties along I-59/20 are economy and limited service properties that have less than 100 rooms. This area is represented by properties 20-49 on the bottom edge of the map.

The balance of the properties, # 1-19, are larger and higher quality and are located proximate to downtown and UA.



JOHNSON CONSULTING

Local and Regional Market Analysis

Largest Tuscaloosa Hotels

There is a healthy supply of existing hotel rooms within a quick driving distance from the the city of Tuscaloosa. As shown in the table on the top right, among the 15 largest hotels in the Tuscaloosa area there are 1,944 rooms. This includes a wide variety of hotel class options, however there are no hotels that are classified as “luxury” in Tuscaloosa.

In addition to the strong supply of existing hotels, there are six new hotels in the development pipeline within Tuscaloosa County – these lodgings will add nearly 700 hotel rooms to the area. These properties will provide additional lodging options that are convenient for Tuscaloosa County patrons and event attendees and are also evidence that the hotel market is strong enough to warrant additional investment. The big caveat here is that the COVID-19 pandemic has had a significant impact on the hotel market as demonstrated by the performance metrics on the following page.

Hotels with 100+ Rooms within Tuscaloosa County

Hotel	Class	Built (Renovated)	# of Rooms
Embassy Suites by Hilton Tuscaloosa Downtow	Upper Upscale	2015	154
Hotel Capstone	Upper Upscale	1986(2013)	148
Hilton Garden Inn Tuscaloosa	Upscale	2007	126
WoodSpring Suites Tuscaloosa	Economy	2008	124
Motel 6 Tuscaloosa	Economy	1983	124
InTown Suites Tuscaloosa	Economy	2001	124
AC Hotels by Marriot Tuscaloosa	Upscale	2021	120
Travelodge Tuscaloosa	Economy	1982(2002)	120
Best Western University Inn	Midscale	1974	117
Homewood Suites by Hilton	Upscale	2021	114
Home2 Suites by Hilton Tuscaloosa	Upper Midscale	2014	113
Residence Inn Tuscaloosa	Upscale	2019	111
Holiday Inn Express & Suites	Upper Midscale	2004	109
Americas Best Value Inn Tuscaloosa	Economy	1973	106
La Quinta Inns & Suites Tuscaloosa	Upper Midscale	2018	102
Hotel Indigo Tuscaloosa Downtown	Upper Upscale	2016	101
Total			**1,913**

Sources: CoStar, Johnson Consulting

Hotel Pipeline within Tuscaloosa County

Hotel	Location	Class	Phase	Opening	Number of Rooms
The Alamite, Tuscaloosa	Tuscaloosa, AL	Upper Upscale	Under Construction	Apr-22	110
Courtyard Northport	Northport, AL	Upscale	Under Construction	Jan-23	104
Holiday Inn Express & Suites Tuscaloosa East	Cottondale, AL	Upper Midscale	Under Construction	Jun-21	95
Holiday Inn Tuscaloosa	Tuscaloosa, AL	Upper Midscale	Final Planning	Mar-22	90
element Tuscaloosa	Tuscaloosa, AL	Upscale	Final Planning	Jan-22	89
Avid Tuscaloosa	Tuscaloosa, AL	Midscale	Final Planning	Jun-22	87
Total					**575**

Sources: CoStar, Johnson Consulting

Local and Regional Market Analysis

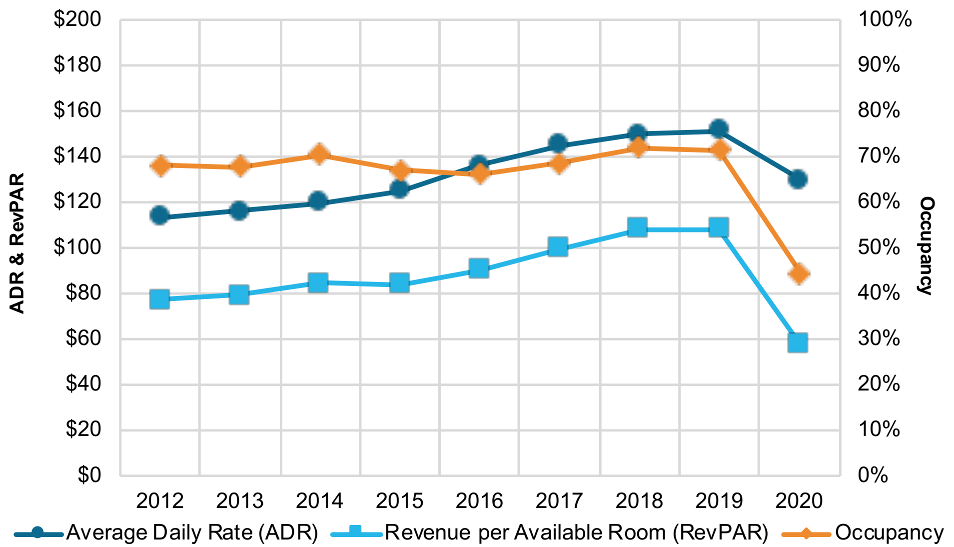
Hotel Performance Indicators

In order to evaluate the potential for a new facility in Tuscaloosa, the performance of hotels already in the area must be analyzed. As shown in the graphs on the right, Tuscaloosa County hotels generally experienced an improvement in performance between 2012 and 2019. The graphs are split between the upscale segments on the top right and midscale segments on the bottom right. During this time period, the upscale segment experienced an increase in occupancy (3.5% increase), ADR (33.4% increase), and RevPAR (40.2% increase), while the midscale segment also grew across all three measures (increases of 5.7%, 25.5%, and 36.9%, respectively).

As expected, these indicators took a dive in 2020 as a result of the COVID-19 pandemic. There are many unknowns that remain in terms of the pace of the recovery trajectory, but every indicator points to a faster-than-expected recovery thanks to a robust vaccine rollout, record-setting levels of government spending and assistance programs, and an economy that experts expect to roar back in the coming year or two.

As of now, there are no hotels planned to be built in connection with the convention/sports facility, however in the future there may be demand for a hotel with easy access to the facility.

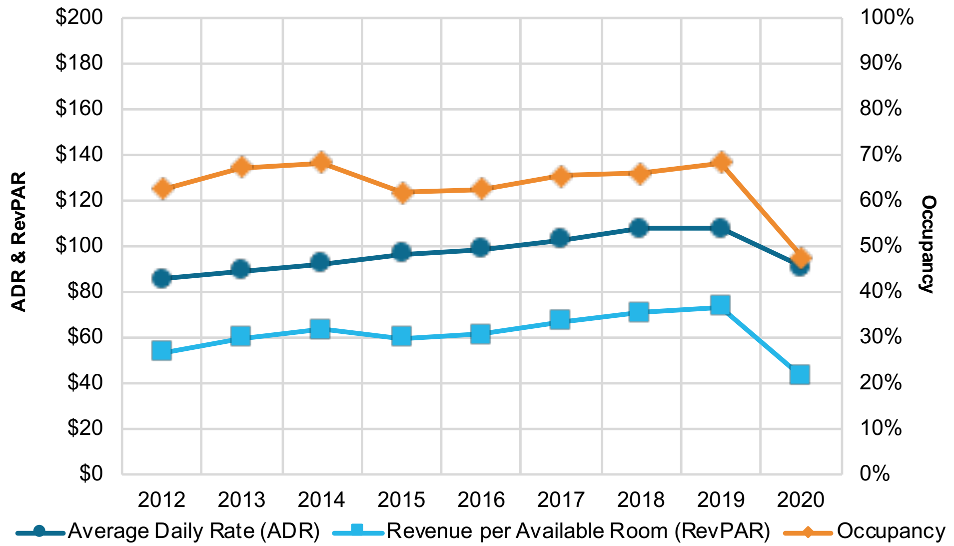
Tuscaloosa County Upscale Hotel Market Performance



Note: Includes upscale and upper upscale hotels within Tuscaloosa County

Sources: CoStar, Johnson Consulting

Tuscaloosa County Midscale Hotel Market Performance



Note: Includes midscale and upper midscale hotels within Tuscaloosa County

Sources: CoStar, Johnson Consulting

Section 3.2
Meetings Market & SWOT Analysis

JOHNSON CONSULTING

Local and Regional Market Analysis

Meeting & Event Space Inventory

The table at right highlights all meeting and event spaces, including those at hotels such as the Embassy Suites and the Hotel Capstone. The non-hotel spaces range in type from Parks and Recreation community centers and historical buildings to theaters and restaurants and can be seen in the table on the right. Only facilities with capacities 100 and over were considered.

The are four primary events venues in the Tuscaloosa market, the Bryant Conference center with a 10,000 sf ballroom and meeting rooms, the River Market with a 6,000 sf multi-purpose hall, Embassy Suites with a 5,000 sf ballroom and a board room, and the Hotel Capstone with a 4,000 sf ballroom and meeting rooms.

The largest venue, the Bryant Conference Center, can host a sit-down banquet for about 640 people and is in high demand with a heavy focus on UA events. The other three largest venues can host less than 500 people for a seated banquet. For seated events that are larger than 640 people tents are needed, a key indicator that more space is needed, or the events leave the market or do not consider Tuscaloosa for their event.

Meeting & Event Facilities within Tuscaloosa County

Facility	Type	Largest Contiguous Event Space	Total Event Space	Capacity (seated)
Bryant Conference Center UA	Conference Center	10,044	23,189	640
River Market	Venue	6,000	6,000	320
Embassy Suites by Hilton Tuscaloosa Downtown	Hotel	5,243	6,726	370
Hotel Capstone	Hotel	4,200	9,328	300
Northriver Yacht Club	Country Club	3,240	9,546	320
Wingate by Wyndham Tuscaloosa	Hotel	1,350	1,350	100
Hilton Garden Inn Tuscaloosa	Hotel	1,152	3,518	64
Greystone Inn & Suites	Hotel	1,100	1,100	50
Yellowhammer Inn & Conference Center	Hotel	700	1,200	-
Hampton by Hilton Inn Tuscaloosa-East	Hotel	660	660	30
Cypress Pavillion	Pavillion	-	4,000	250
McDonald Hughes Community Center	Community Center	-	-	550
Ferguson Center UA	Student Center	-	-	325
Mercedes Benz Visitors Center	Visitors Center	-	-	300
The University Club	Historical Landmark	-	-	250
Druid Music Hall	Theater	-	-	250
Drish House	Historical Landmark	-	-	200
Half Shell Oyster House	Restaurant	-	-	200
Phelps Community Center	Community Center	-	-	150
Belk Activity Center Bowers Park	Community Center	-	-	140
Smith Hall UA	Museum	-	-	120
District Room	Restaurant	-	-	120

Sources: CoStar, Pollstar, Relevant Facilities, Johnson Consulting

Local Case Studies

The River Market

Overview: Located on the River Walk in downtown Tuscaloosa, the River Market is a popular event space, owned and managed by the City of Tuscaloosa. The River Market is home to the Tuscaloosa Farmers Market.

Demand: The Tuscaloosa River Market holds community programming as well as private events year-round. Event demand and attendance for the Tuscaloosa River Market facilities is provided at Right.

Facilities: The 6,000 sf Tuscaloosa River Market can accommodate 400 seated guests, 800 guests in an auditorium format, and 3,000 guests in an open space format, including outdoor space.

Observations: The Tuscaloosa River Market is well-utilized and appropriately sized and scaled for its mission, and are accessible and attractive from both a meeting planner and guest perspective. In interviews, stakeholders voiced that the Tuscaloosa River Market was often unavailable and challenging to rent at peak times.

River Market Four-Year Event Attendance

	2018	2019	2020	2021
Number of Private Events Hosted	171	152	80	124
Private Event Attendance	44,808	35,474	16,947	23,388
Number of Farmers Markets Hosted	83	78	104	158
Farmers Market Attendance	57,750	58,000	24,650	43,500
Total Events	254	230	184	282
Total Attendance	102,558	93,474	41,597	66,888

Source: City of Tuscaloosa

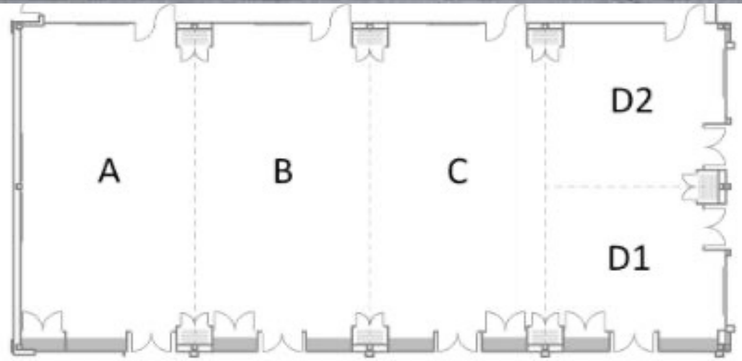
Local Case Studies

Embassy Suites Tuscaloosa (Tuscaloosa, AL)

Overview: The Embassy Suites Tuscaloosa is located on University Boulevard in downtown Tuscaloosa, proximate to many of Tuscaloosa's primary attractions – including the River Walk, the Amphitheater, the River Market, the Bama Theatre, and the University of Alabama campus. The facility was built in 2015.

Facilities: The Embassy Suites has 154 rooms, all of which are suites. The hotel also has an on-site restaurant, Side by Side. The Embassy Suites also has 5,352 sf of meeting room space, all of which can be joined into a full ballroom or subdivided into individual rooms.

Observations: The Embassy Suites is one of the premier event spaces in Tuscaloosa with its high-quality event space and amenities, such as its on-site restaurant. Its location is also critically in Tuscaloosa's business district, adjacent to many of the city's most popular attractions. The Embassy Suites' ballroom space is well-sized for the market at just over 5,000 sf, but is unable to accommodate larger events that require more contiguous space. Embassy Suites fills a need for downtown event space, separate from the University of Alabama's Bryant Conference Center which is often booked with University-affiliated programming. However, given the demand for Tuscaloosa's downtown as an events destination, there is arguably still unmet demand for new meeting and event inventory in the 5,000 sf and above size category.



Meeting Room	Square Feet	Theater	Classroom	Rounds	Conference
A	1334	80	70	80	40
B	1334	80	70	80	40
C	1332	80	70	80	40
D	1363	80	70	80	40
D1	638	40	30	40	20
D2	725	40	30	40	20
Full Ballroom	5352	600	450	350	-
Boardroom	522	-	-	-	12

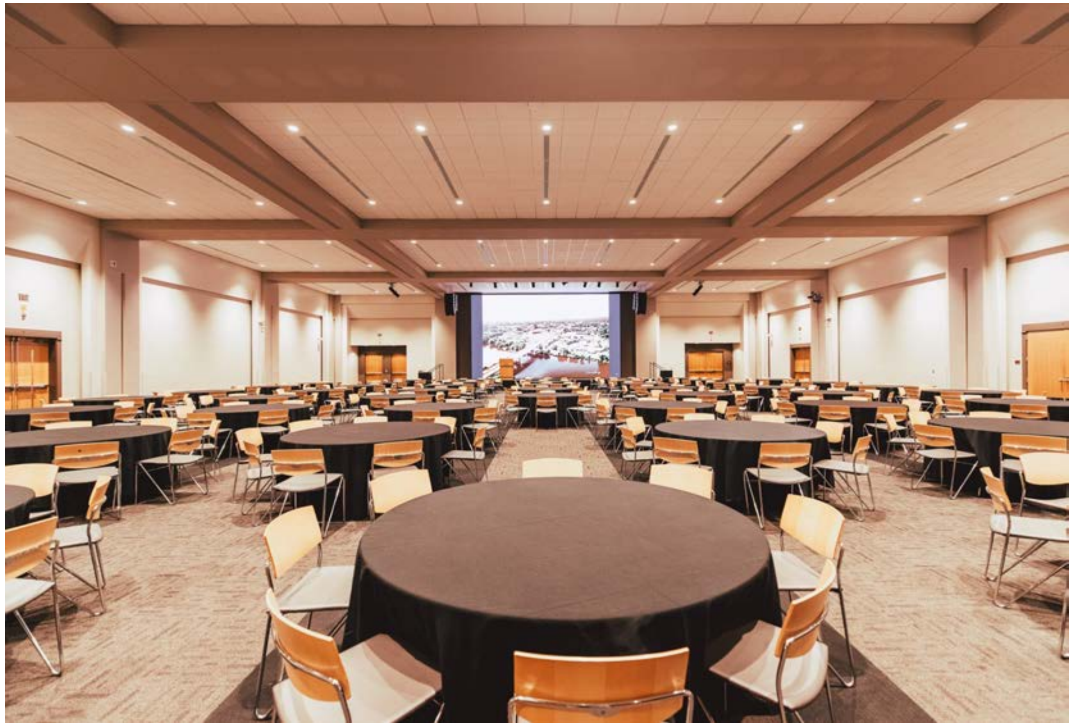
Local Case Studies

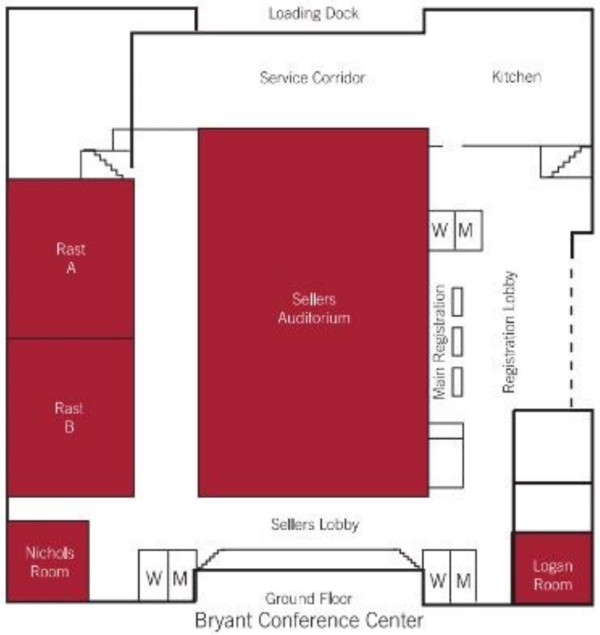
Bryant Conference Center (Tuscaloosa, AL)

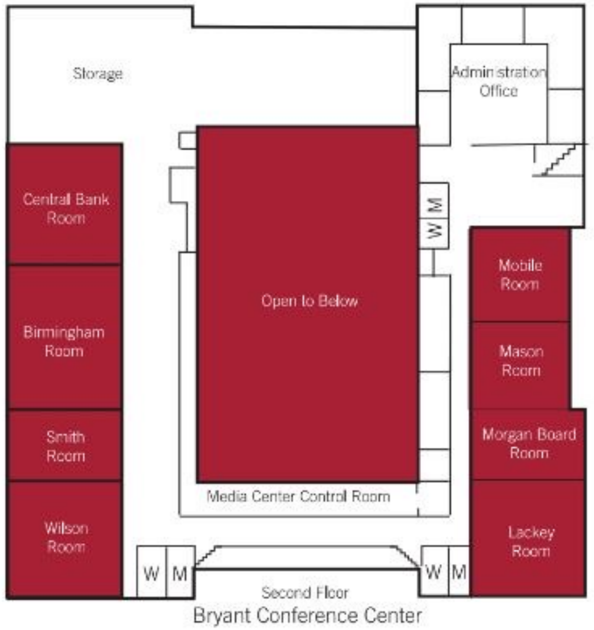
Overview: The Bryant Conference Center (BCC) is located in the College of Continuing Studies at the University of Alabama. The facility was built in 1986 as part of a campus expansion plan, which would ultimately also include an attached hotel (the Hotel Capstone), and the Bryant Museum, the Alumni Hall.

Facilities: The BCC offers over 23,000 sf of total event space, with the largest being the 10,000 sf Sellers Auditorium. The map at bottom right provides the layout of the BCC.

Observations: The BCC was built in response a demand for rentable meeting and event space on the University of Alabama campus. The BCC is one of the largest contiguous event spaces in the state, and has earned a reputation as a high-quality conference space in Western Alabama. Due to this space being owned and operated by the University, the BCC is limited in its public availability. The University keeps an active events calendar, and the BCC is often booked out and unavailable far in advance. As a result, meeting planners are often left renting smaller spaces or having to hold events in other markets with more inventory.







OTHER SPACES:

- Balcony
- Coat Closet
- Courtyard
- Kitchen
- Rast Patio
- Registration Desk*
- Registration Lobby*

*included

Alabama Event Facility Inventory

Now that the preceding pages have outlined the inventory of event facilities in the Tuscaloosa market, it is necessary to evaluate those venues relative to the inventory of facilities in the State of Alabama to understand the competitive landscape of the market and to identify if there are any gaps in facility size and corresponding areas of opportunity for the proposed event center in Tuscaloosa.

The table at right highlights the largest event facilities throughout the state, as well as the largest facilities in Tuscaloosa. These facilities are plotted in the Area of Opportunity (AOO) chart on the next page.

Alabama Event Facility Area of Opportunity

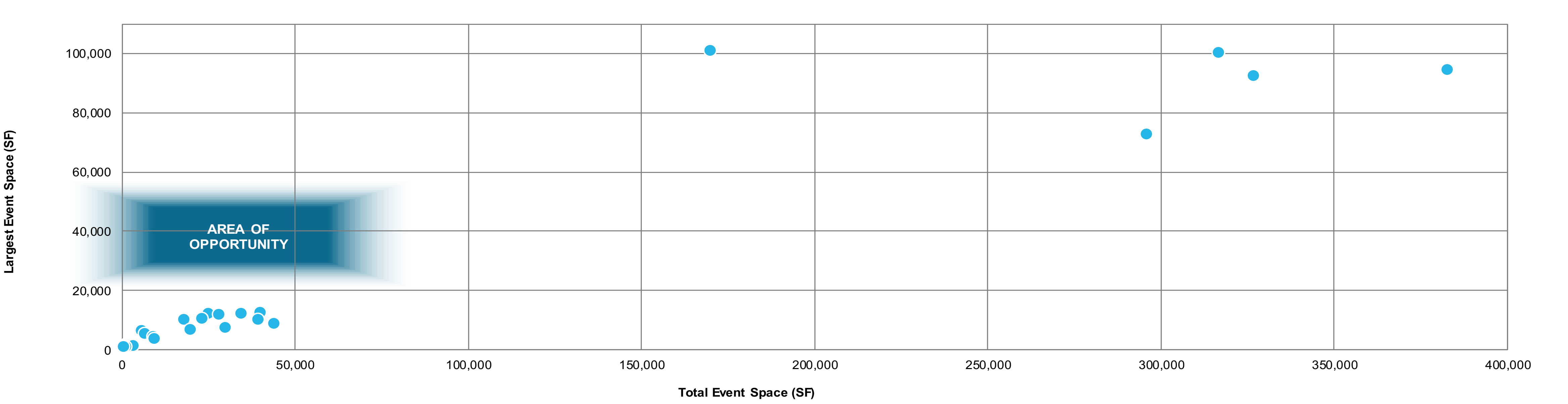
Venue	City	Largest Event Space (sf)	Total Event Space (sf)
Von Braun Center	Huntsville	100,800	170,000
Mobile Convention Center	Mobile	100,000	317,000
Sheraton Birmingham Hotel	Birmingham	94,266	382,909
Birmingham-Jefferson Convention Complex	Birmingham	92,234	327,000
Renaissance Montgomery	Montgomery	72,520	296,069
The Lodge at Gulf State Park	Gulf Shores	12,160	40,000
Marriott Shoals Conference Center	Florence	11,840	34,772
Daphne Civic Center	Daphne	11,800	25,000
Sheraton Resort Panama City	Panama City, FL	11,600	28,127
Bryant Conference Center UA	**Tuscaloosa**	**10,044**	**23,189**
Renaissance Mobile Riverview	Mobile	10,000	39,438
Renaissance Birmingham Ross Bridge Resort and Spa	Birmingham	9,800	18,005
Perdido Beach Resort	Orange Beach	8,500	44,000
Pelham Civic Center	Pelham	7,000	30,000
Dixon Conference Center	Auburn	6,519	20,000
Tuscaloosa River Market	**Tuscaloosa**	6,000	6,000
Embassy Suites by Hilton Tuscaloosa Downtown	**Tuscaloosa**	**5,243**	**6,726**
Hotel Capstone	**Tuscaloosa**	**4,200**	**9,328**
Northriver Yacht Club	**Tuscaloosa**	**3,240**	**9,546**
Wingate by Wyndham Tuscaloosa	**Tuscaloosa**	**1,200**	**1,350**
Hilton Garden Inn Tuscaloosa	**Tuscaloosa**	**1,152**	**3,518**
Greystone Inn & Suites	**Vance**	**1,100**	**1,100**
Yellowhammer Inn & Conference Center	**Tuscaloosa**	**700**	**1,200**
Hampton by Hilton Inn Tuscaloosa-East	**Tuscaloosa**	**660**	**660**

Note: Bold type indicates a facility located in Tuscaloosa.

Source: Cvent, Pollstar, Relevant Facilities, Johnson Consulting

Identified Area of Opportunity for Tuscaloosa Event Center

Alabama Event Facility Area of Opportunity



Taking the buildings listed on the prior page, the largest single event space for each building is plotted on the Y-Axis and the total event space is plotted on the X-Axis. The primary axis to focus on is the Y-Axis of the largest event space. The area of opportunity figure above and the table on the prior page also show that there is a heavy concentration of venues in the 5,000 – 12,000 sf in the state but then a major gap in facilities until you get to the 72,000 sf ballroom at the Renaissance Montgomery.

According to the area of opportunity chart, and additional interviews and research presented in upcoming sections, the target for the largest space at the proposed new event center should be in the 20,000 to 40,000 sf range. The research and data indicate that the lower target for a 20,000 sf multi-purpose hall, plus additional meeting rooms and support areas, is most appropriate size for the Tuscaloosa market. This will not duplicate what is already existing in the market, will provide a space that can comfortably seat 1,000 people for a banquet event or up to 100, 10x10 exhibit booths, provide a size of venue that is currently lacking in the state, and will be of the size category that can target the highest number of events in the local and regional market.

Tuscaloosa Lost Business

Building upon the inventory analysis and the area of opportunity identified, there is also a significant amount of lost events that are interested in the market but that cannot be accommodated. While it is difficult to quantify the amount of demand that exists for event space from all segments of demand, the event RFPs that the Tuscaloosa Tourism & Sports Commission (TTS) has been unable to convert can provide a foundation. These statistics are referred to as “lost business”.

The “lost business” data provided by TTS only captures existing business that was lost due to the pandemic in 2020 – it does not capture the RFPs that elected not to hold their events in Tuscaloosa at all. The table at right presents Tuscaloosa’s lost business data in 2020. While 2020 is an outlier year and is not representative of a typical year for the TTS, it still provides an illustration and a scale of the current impact, revenue, and room nights, without a new events facility.

As shown, during this time period, Tuscaloosa lost out on $603,158 in total investment, equating to $56.7M in total economic impact, $836,401 in tax revenue to the City, $41,250 tax revenue to the County, and 33,987 room nights. To provide a sense of scale, an event center with a 20,000 sf multi-purpose hall can generate 30,000 room nights on its own.

Many future inbound leads could be attracted to Tuscaloosa if a suitable event facility existed, and the presence of such a facility would undoubtedly increase the volume of inbound leads as the facility becomes known throughout the event market as an attractive place to hold events. It is also recommended that a system be established by TTS to track inbound leads and track win/loss rate.

Lost Business - 2020

Category	Total
TEF Investment (TEF Acct)	$188,638
TTS Community Devl (Operations Acct)	$0
TTS Event Mgmt (Operations Acct)	$443,795
Total Investment	$603,158
TTSC Revenue Created	$29,275
Total Economic Impact	$56,672,918
Total City Tax Revenue	$836,401
# Room Nights	33,987
Total County Tax Revenue	$41,250

Source: Tuscaloosa Tourism & Sports Commission

Tuscaloosa Meetings and Events SWOT Analysis

Strengths

- Attractive downtown and destination
- Strong hotel supply
- University of Alabama
- Riverfront and Natural Amenities
- Proximity to Birmingham
- Mercedes Benz and manufacturing sector
- Collaborative community leadership
- Small but established role in the events sector

Weakness

- No commercial air service
- Proximity to Birmingham
- Small meetings and events venues
- Have to use tents for larger events or leave or not enter the market
- Limited exposure as a meeting and events destination
- Alabama has a smaller association market overall

S W O T

Opportunities

- Increased room night generation
- New events and programming for the community
- Riverfront Events District opportunity
- Synergies with other development opportunities
- Anchor tenants
- University of Alabama
- Mercedes Benz
- Increased awareness and appeal of Tuscaloosa
- TTS has strong leadership and staff to help sell the destination and facility
- Booking strategy and policy

Threats

- Need to protect existing event venues
- No venue with more than 10,000 sf hall
- Can't duplicate what is already existing
- Proximity of Birmingham
- Smaller state association market
- Penetrating regional and national events that require air service
- Not providing new event facilities for larger, growing and new events

Tuscaloosa Meetings and Events SWOT Analysis

Tuscaloosa Meetings and Events – Strengths

There are a significant number of strengths to the Tuscaloosa market that provide a strong case for attracting meeting and events to the market. The appeal of downtown Tuscaloosa, the riverfront and the University of Alabama are all top quality and will be very attractive to meeting and event planners when evaluating Tuscaloosa to other destinations for their event. Factors of consideration include walkability, restaurants and entertainment, access to green space. Layering in the good quality and supply of hotel rooms throughout the City and with soon to be over 1,000 hotel rooms within walking distance of downtown is a major asset as well. The City is also very accessible as a drive-to destination from a number of major cities within a four hour drive. This is important given the limited air access to Tuscaloosa, visitors that require air service could utilize Birmingham given its close proximity.

Focusing on the economic strength of the market, the diverse and strong market sectors present in Tuscaloosa are also all heavy events and meetings planners and attendees. This includes education, manufacturing, and health care with some of the most identifiable brands in education and auto manufacturing. The advancement of the community has also been fostered by a strong collaborative community leadership that has worked hard to attract development, corporations and growth to the City, which has a strong track record of achievement.

Finally, Tuscaloosa is known in the meetings and events market in the region, but on a smaller scale. The event venues currently in inventory are well run, marketed and maintained, giving Tuscaloosa a stepping stone into competing in a larger capacity in this important sector with a new larger facility.

Strengths

- Attractive downtown and destination
- Strong hotel supply
- University of Alabama
- Riverfront and Natural Amenities
- Proximity to Birmingham
- Mercedes Benz and manufacturing sector
- Collaborative community leadership
- Small but established role in the events sector

Tuscaloosa Meetings and Events SWOT Analysis

Tuscaloosa Meetings and Events – Weaknesses

As the evaluation and planning for the proposed event center proceeds, it is critical to identify weaknesses present in the market that can limit the success of the event center and to plan ways to address the identified weaknesses. The first obstacle to mitigate is the lack of commercial air service to the market place which is important but less so given the size of the proposed event center and the strong population base within a four hour driving radius. The City and other partners are working to bring commercial air access to the market. Another weakness relates to the proximity of Birmingham. This applies for both air service and event facilities, which are strong in Birmingham. Getting an event planner/attendee to fly into Birmingham to attend a convention in Tuscaloosa and bypassing the venues in Birmingham will be a challenge, but will not be insurmountable given quality facilities, amenities and marketing to address this.

Another current weakness for attracting events to Tuscaloosa is the limited size of event venues that causes planners to not consider Tuscaloosa for their larger events. This also applies to the retention of events that are growing and that outgrow these facilities and have to leave the market or pay a high price to use a tent for a larger event, which is not practical year round. The addition of a new larger event center will address these weaknesses.

A final structural weakness is the overall size of the Alabama association market, which is limited when compared to larger states like Texas or Florida, with 1,000's of local, regional, national and international associations present. However, there are still significant numbers of local and regional associations that are present on the Alabama market that rotate around the state on an annual basis that are interested in Tuscaloosa.

Weakness

- No commercial air service
- Proximity to Birmingham
- Small meetings and events venues
- Have to use tents for larger events or leave or not enter the market
- Limited exposure as a meeting and events destination
- Alabama has a smaller association market overall

Tuscaloosa Meetings and Events SWOT Analysis

Tuscaloosa Meetings and Events – Opportunities

There are significant opportunities related to the development of a new event center that include the development of new events and programming for the community, which will serve as a tool for retention and attraction of the workforce. The proposed event center can also maximize the ability for area hotels to increase room night generation, especially as a significant number of new hotel rooms will be added to supply over the next coming few years and the project will support all areas of the city regardless of location through the compression of hotel room nights throughout the hotels in the market.

The event center will also serve as an anchor to help support the downtown and riverfront area, retail and dining, and other existing and planned developments throughout the City. These developments are working to increase the profile and attractiveness of the destination, which will help to attract events and attendees to events located in Tuscaloosa. There is also the strong opportunity to develop a number of partnerships with major employers in the market and also with potential anchor users of the facility.

There is also an opportunity to develop a robust operating and marketing platform that uses the best assets of the City and of TTS to develop a booking strategy and policy with a focus on key performance indicators that ensure the success of the mission of the event center, increased visitation and room night generation.

Opportunities

- Increased room night generation
- New events and programming for the community
- Riverfront Events District opportunity
- Synergies with other development opportunities
- Anchor tenants
- University of Alabama
- Mercedes Benz
- Increased awareness and appeal of Tuscaloosa
- TTS has strong leadership and staff to help sell the destination and facility
- Booking strategy and policy

Tuscaloosa Meetings and Events SWOT Analysis

Tuscaloosa Meetings and Events – Threats

The threats related to the proposed event center are most notable by the consequences of not developing the project. This would include the continuation of not being able to pursue and attract events that need more than 10,000 sf of net usable space. There is only one venue in the market that allows this, the Bryant Conference Center, and it has a lot of competition for date availability. The other smaller venues are also well used, so there is limited additional capacity in the market. Another threat is developing something of the size scale of what is already present in the market as this would cause undue competition to these existing operations as well as not be able to penetrate a new category of event size or allow existing events to grow and new events to be created. Another threat is to make sure the City and TTS are prepared and well staffed to launch, market and sell this major undertaking.

The other threats have also been identified as strengths, weaknesses and/or opportunities and include the overall scale of the meetings and state association market, lack of commercial air service, and proximity to Birmingham.

Threats

- Need to protect existing event venues
- No venue with more than 10,000 sf hall
- Can’t duplicate what is already existing
- Proximity of Birmingham
- Smaller state association market
- Penetrating regional and national events that require air service
- Not providing new event facilities for larger, growing and new events

Section 3.3
Sports Market Analysis

JOHNSON
CONSULTING

Local and Regional Market Analysis

Entertainment & Sports Venues

There are 15 rentable event/sporting facilities in the Tuscaloosa area, ranging in size from holding a capacity of 350 to 15,000 persons. In terms of indoor sporting venues, there are about 8 basketball courts throughout Tuscaloosa that would be suitable for a lower level youth sports tournament (assuming they would not rent the arena facilities). However, there are no more than 2 basketball courts at the same location, therefore these venues would not be suitable for large scale basketball tournaments.

There are also several outdoor sporting venues in Tuscaloosa many of which are part of the Tuscaloosa park system or local community centers. These facilities have both adult and youth softball fields as well as multipurpose fields that are typically used for soccer. The outdoor facility with the most baseball/softball fields in a single location would be the Bower's Park Ball Field Complex with 8 fields (4 adult/4 youth).

In terms of entertainment, Tuscaloosa has several high-quality indoor and outdoor venues. The 7,294-capacity Amphitheater is a City owned and operated facility that attracts mid-range touring acts. University of Alabama Coleman Coliseum hosts concerts periodically, and is able to accommodate large acts such as Bob Dylan and Led Zeppelin. Tuscaloosa also has smaller, high-quality venues such as the Bama Theatre, managed by the local Arts Council. The Bama Theatre primarily hosts community and performing arts related events.

Entertainment and Sporting Venues within Tuscaloosa County

Venue	Type	Seating Capacity	Attributes
Tuscaloosa Amphitheater	Amphitheater	7,294	Outdoor venue
Coleman Coliseum UA	Arena	15,000	1 basketball court
Foster Auditorium UA	Arena	3,800	1 basketball court
Shelton State Humphrey Center	Arena	1,800	1 basketball court
Belk Activity Center Bowers Park	Community Center	350	2 basketball courts
Bobby Miller Activity Center	Community Center	-	6 baseball fields/1 soccer/ 1 basketball
McAbee Activity Center	Community Center	375	2 basketball courts
Shelton State Martin Complex	Outdoor Sporting	-	softball and baseball field
Bower's Park Ball Field Complex	Outdoor Sporting	-	4 adult softball/4 youth softball
Sokol Park North	Outdoor Sporting	-	4 youth softball/4 multipurpose
Sokol Park South	Outdoor Sporting	-	4 adult softball/2 youth softball/ 2 multipurpose
Bama Theatre	Theater	1,000	-
Frank Moody Music Building UA	Theater	938	-
Morgan Auditorium UA	Theater	600	-
Rowand Johnson Building UA	Theater	305	-

Sources: Pollstar, Relevant Facilities, Johnson Consulting

Local Venue Profile

The Amphitheater Overview: Located in the heart of the River Walk in downtown Tuscaloosa, the Tuscaloosa Amphitheater (the Amp) is a successful live entertainment facility and is owned and managed by the City of Tuscaloosa.

Demand: The Amp holds community programming as well as private events year-round. Event attendance for the Amp is provided at right.

Facilities: The Amp has a capacity of 7,470.

Observations: The Amp is well-utilized facilities and appropriately sized and scaled for its intended functions, and are accessible and attractive from both a meeting planner and guest perspective.

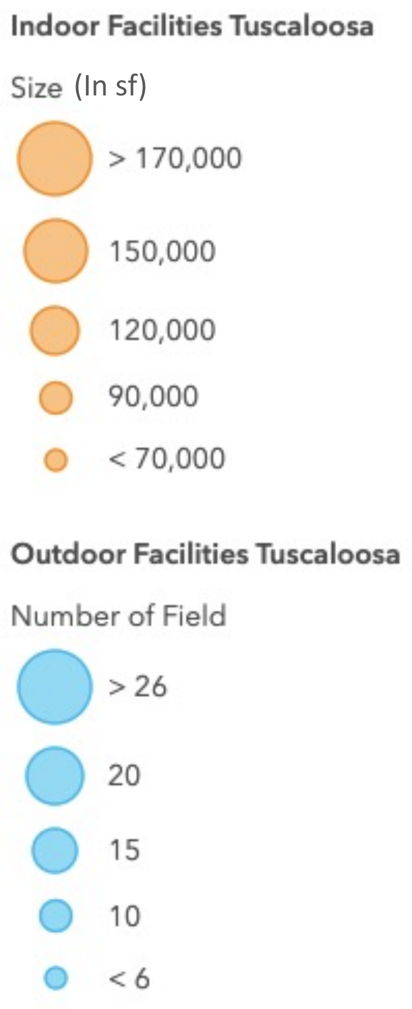
Amphitheater Four-Year Event Attendance

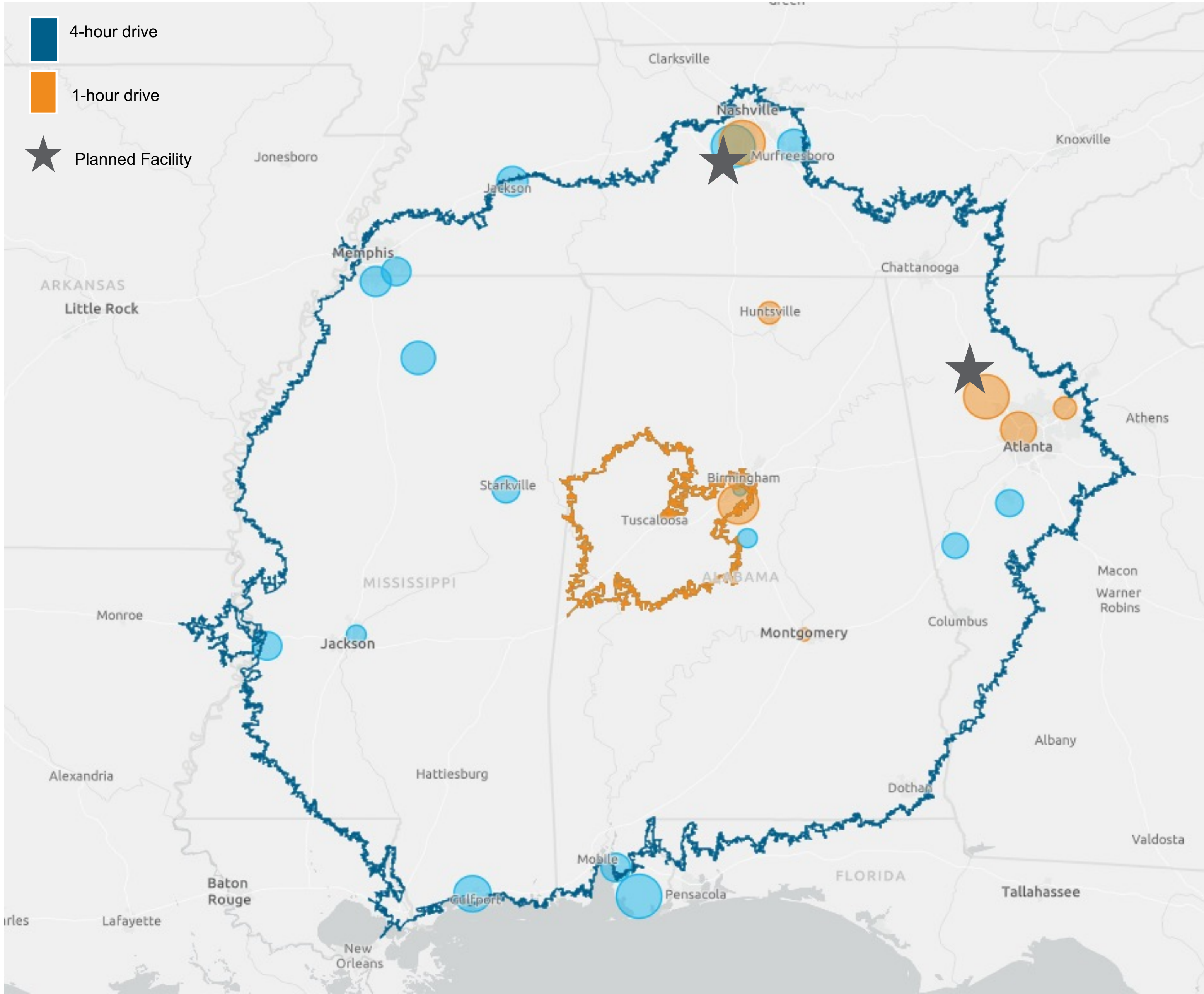
	2018	2019	2020	2021
Number of Concerts Hosted	16	13	0	15
Concert Attendance	76,176	66,727	0	64,537
Number of Private Events Hosted	6	1	8	5
Private Event Attendance	29,970	3,500	15,045	24,625
Total Attendance	110,439	70,227	15,045	89,162

Source: City of Tuscaloosa

Local and Regional Market Analysis

Sports Venues





Regional Sports Facilities

Birmingham Crossplex – Birmingham, AL

Year Opened: 2011

Ownership/ Management: City of Birmingham

Size: 750,000 sf

Cost: $46M

Facilities: The Birmingham Crossplex is an indoor multi-purpose athletic and meeting facility in Birmingham, AL. The Crossplex has a 6-lane, hydraulically banked track, which can be converted to 8 lanes for spring/ hurdle events. The track can also be converted to 9 indoor volleyball courts. Besides the indoor track, the Crossplex also the following facilities: a natatorium with an Olympic-sized swimming pool; a 5,000-seat, 20,000 sf arena; and a 5,000 sf meeting hall. The Crossplex is able to host large tournaments, concerts, and other events, including the upcoming World Games 2022.

Regional Sports Facilities

Birmingham Crossplex – Birmingham, AL

(Continued)

Rental Rates: Not available.

Demand: In the Crossplex's first year of operations, the facility generated an estimated $13M in economic impact. Between 2019 and 2022, the Crossplex was awarded the opportunity to host 13 NCAA championship events. In total, the championships are estimated to bring 5,300 student athletes, officials, coaches, trainers, and administrators, attract 18,800 room nights, and generate $23M in total economic impact for the City of Birmingham. Since the Crossplex opened, the facility has generated a significant amount of hotel room stays and tax revenue, and has contributed to Birmingham's rise as a destination for sports – particularly NCAA-level tournaments and competition – as well as recreation.

Regional Sports Facilities

Hoover Met Complex – Hoover, AL

Year Opened: 2017

Ownership/ Management: City of Hoover; SFM

Size: 155,000 sf

Cost: $80M

Facilities: The Hoover Met Complex is a massive indoor-outdoor facility in Hoover, AL, roughly 10 miles south of Birmingham, AL. The Complex is adjacent to the 10,800-seat Hoover Metropolitan Stadium, which is home to the SEC Baseball Tournament. The complex has 5 NCAA-regulation sized baseball and softball fields, 5 full-size fields, and 16 hardcourt tennis courts. The Hoover Met's indoor facility, the Finley Center, has 11 basketball courts which can be converted to 17 volleyball courts, in addition to an indoor climbing center, a track, and 1,600 sf of flexible meeting space. The Complex also has an RV Park with 170 parking sites with full water, sewer, and hook-ups.

Regional Sports Facilities

Hoover Met Complex – Hoover, AL (Continued)

Rental Rates:

- Indoor courts: $65 - $85/hour
- Outdoor rectangular fields: $85 - $100/hour
- Baseball fields: $750 - $850/day

Demand: The Hoover Met Complex was built adjacent to the longstanding Hoover Met Stadium, which was built in 1987. In 2019, the Complex generated an estimated $49M in economic impact. Largely due to the COVID-19 pandemic, the Complex's economic impact in 2020 dropped, to $35.7M. Nonetheless, the facility has been successful in serving the community as well as attracting out-of-town visitors to Hoover. The facility has generated a significant amount of hotel room stays and tax revenue for the city, and has contributed to Hoover's rise as a destination for sports and recreation.

Regional Sports Facilities

Sand Mountain Park – Albertville, AL

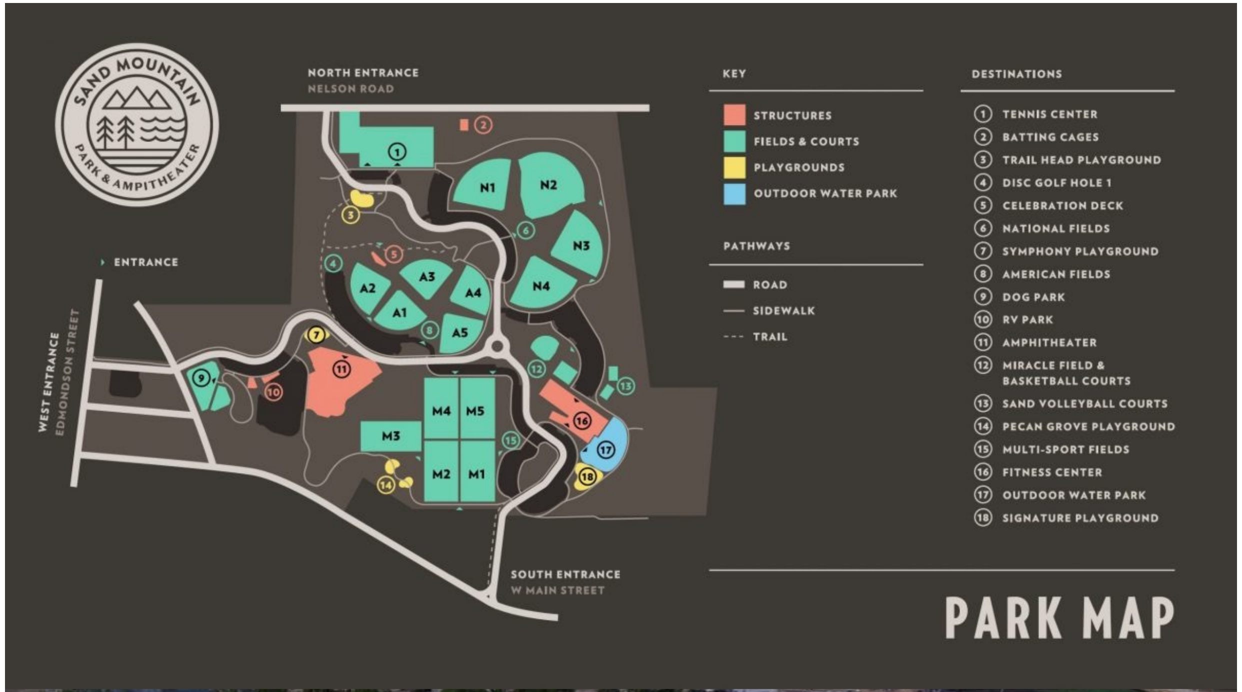
Year Opened: 2021

Ownership/ Management: City of Albertville; SFM

Size: 129 acres

Cost: $58M

Facilities: Sand Mountain Park is an indoor-outdoor facility in Albertville, AL, roughly 45 miles southeast of Huntsville, AL and 65 miles northeast of Birmingham, AL. The Complex includes 50 buildings, 4 baseball fields, 5 softball fields, 5 muti-purpose fields, 16 tennis courts, a 9,000-seat capacity amphitheater and a 103,000-square-foot recreation center that includes four basketball courts, eight volleyball courts, 2 racquetball courts, and 8-lane competition pool, fitness areas, concessions, wet and dry locker rooms and conference rooms. Adjacent to the recreation center will be an outdoor pool area that includes playgrounds, pools and a lazy river water feature. The park also features an RV park and campground site.



Regional Sports Facilities

Sand Mountain Park – Albertville, AL (Continued)

Rental Rates:

- Day Pass: $15/day
- Fitness Membership: $59 - $109/month
- Field Rates: Not Available

Demand: The Complex generated an estimated $72M in economic impact from construction of the park, which included approximately 500 created jobs. The park exceeded expectations regarding economic impact for Marshall County in its first year, generating $14.2 million from October 2020 – September 2021. The facility has been successful in serving the local community as well as becoming a sports tourism destination for Albertville. The facility has generated a significant amount of hotel room stays and tax revenue for the city, and will continue to do so with an estimated $42 million brought in annually.

Regional Sports Facilities

Foley Sports and Event Center – Foley, AL

Year Opened: 2009

Ownership: City of Foley

Size: 89 acres

Cost: $27M

Facilities: Foley Sports and Event Center is an indoor-outdoor facility in Foley, AL, roughly 40 miles southeast of Mobile, AL. The Complex includes 15 multi-purpose fields and a championship field that seats 2,00 with ability to expand to 10,000. The site also includes a 104,000 sf indoor complex with court space for 6 basketball courts or 12 volleyball courts. The indoor facility also is designed to accommodate concerts, banquets, and trade show events.

Regional Sports Facilities

Foley Sports and Event Center – Foley, AL (Continued)

Rental Rates: Not Available

Development: The project was developed in two phases, the first being the indoor/outdoor sports complex, and the second including 94 specialty retail shops, 6 themed restaurants, and "county fair" with 15 rides. It was estimated that the project created 150 jobs during phase I construction, and an additional 65 permanent jobs once complete. The City of Foley pledged the full amount for these complexes, as it has categorized it as one of its sport tourism projects. The project was also awarded $10 million from the State of Alabama to develop the infrastructure leading to the site.

Tuscaloosa Sports SWOT Analysis

Strengths

- Strong and affordable hotel supply
- University of Alabama and existing sports “niche”
- Proximity to Birmingham
- Collaborative community leadership
- Strong baseball & Softball exposure
- Size, breadth, and location of Sokol park

Weakness

- No commercial air service
- Proximity to Birmingham
- Sports facilities are all spread out
- No tournament quality complex today
- Later entrance, many surrounding regions have established venues
- No large scale (80,000 sf) indoor venue available

S W O T

Opportunities

- Increased room night generation
- Diversify the tourism demand base with the ability to host large scale sports tournaments
- Leverage University of Alabama for appeal and identify in the sports world
- Leverage existing asset such Sokol with a dedicated Master plan for future improvements and development of that park.
- Serve as catalyst for additional family entertainment options
- TTS has strong leadership and staff to help sell the destination and facility

Threats

- Larger regional tournament quality venues continue to grow their market share.
- Seasonality of the market. UA game weekend absorb room nights availability
- Proximity of Birmingham
- Limited existing family entertainment options
- Additional sports facility development nearby
- Cost of development and return on investment

Tuscaloosa Sports SWOT Analysis

Tuscaloosa Sports – Strengths

There are a significant number of strengths to the Tuscaloosa market that provide a strong case for attracting sports and recreation facilities. The appeal of downtown Tuscaloosa, the athletics culture, and the University of Alabama are all top quality and will be very attractive to youth sports organizers and participating families when evaluating Tuscaloosa to other destinations for their events. Factors of consideration include demand, participation, and local competing complexes. The City is also very accessible as a drive-to destination from a number of major cities within a four hour drive.

Focusing on the economic strength of the market, the diverse and strong market demand is prime for a large scale sports facility in the region. The proximity to a major market like Birmingham can help draw a wider range of competition and facility users. Youth sports is a growing market, and communities with strong athletic presence have leverage to promote high level local sports programs and attract regional talent to the area.

Finally, Tuscaloosa is known in sports market regionally and nationally from the University of Alabama's reputation. The sports venues currently in inventory are well run, marketed and maintained, giving Tuscaloosa a stepping stone into competing in a larger capacity in this important sector with a new larger facility.

Strengths

- Strong and affordable hotel supply
- University of Alabama and existing sports "niche"
- Proximity to Birmingham
- Collaborative community leadership
- Strong baseball & Softball exposure
- Size, breadth, and location of Sokol park

Tuscaloosa Sports SWOT Analysis

Tuscaloosa Sports – Weaknesses

There are a number of areas that may prohibit strong potential for a sports complex in Tuscaloosa. The limited air access and visitors requiring air service may interfere with national attraction to the facility, but this may be circumvented by the ability to utilize air service in Birmingham given its close proximity.

While Tuscaloosa has an inventory of sports complexes, they are spread out across the city and region, with no central destination to attract large scale tournaments and events. A majority of the venues are of smaller scale, with most residents having to travel out of the market to participate in high level athletics of large scale. Quality of venues is also a limiting factor. None of the facilities accounted for have tournament level complexes, both in terms of size and capacity for visitors.

The strong athletics presence in Tuscaloosa does not appear to currently have the sports and recreation infrastructure to support it. This could limit growth and stunt demand, as well as detract economic impact by lost dollars spent on league fees, tournament registration, and indirect impact through retail and hospitality spending.

Weakness

- No commercial air service
- Proximity to Birmingham
- Sports facilities are all spread out
- No tournament quality complex today
- Later entrance, many surrounding regions have established venues
- No large scale (80,000 sf) indoor venue available

Tuscaloosa Sports SWOT Analysis

Tuscaloosa Sports – Opportunities

Tuscaloosa is in a prime opportunity to become a major market for sports and recreation. The growing hotel market would be able to sustain the increased number of room nights for weekend tournaments, which would only help support more growth in the market as a tourism destination. This is a sector of the tourism market that is currently underserved with a major of the sports tourism market share being leaked to regional communities like Birmingham and Hoover, primarily due to lack facilities suitable to host such events and tournaments.

The University of Alabama is a strong brand and is known nationally for its sports culture. Partnership and collaboration with the University would leverage the brand and create a continuous pipeline for sports participation from youth all the way into adulthood. Events such as camps, clinics, and development teams are options for synergy between the University and the community, which would further grow the region as a sports destination.

There is strong leadership and staffing capacity to service and market a new sports facility in Tuscaloosa. With a sound plan for further expansion, Tuscaloosa can create a sustainable network for youth sports and leverage that network to further catalyze family entertainment facilities in the area. Ancillary development around the complex would only strengthen the market and expand the economic impact.

Opportunities

- Increased room night generation
- Diversify the tourism demand base with the ability to host large scale sports tournaments
- Leverage University of Alabama for appeal and identify in the sports world
- Leverage existing asset such Sokol with a dedicated Master plan for future improvements and development of that park.
- Serve as catalyst for additional family entertainment options
- TTS has strong leadership and staff to help sell the destination and facility

Tuscaloosa Sports SWOT Analysis

Tuscaloosa Sports – Threats

Strong competition in the market could be a threat to capturing market share for sports and recreation in the region. While the proximity to Birmingham can increase the population catchment area, they also have long-standing sporting venues of tournament quality and of larger scale. An indoor venue would allow for year-round activity and programming for the facility, but the demand for hotel space and activity during University of Alabama game weekends could make for difficult booking and availability.

Additional facilities in the area are a direct threat to market share capture, and could shrink Tuscaloosa's utilization rate and number of event days. Planning for an appropriate size and layout of the facility is crucial to capture the intended market for the complex.

Development costs and implied return on investment are critical for the success of any project. It is important that the right scale and cost are proposed for ideal returns that are sustainable to the longevity of the facility. Overspending or overbuilding are not always the answer to fit an established need.

Threats

- Larger regional tournament quality venues continue to grow their market share.
- Seasonality of the market. UA game weekend absorb room nights availability
- Proximity of Birmingham
- Limited existing family entertainment options
- Additional sports facility development nearby
- Cost of development and return on investment

Section 4
Industry Trends

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Industry Trends

Introduction

This section provides insight into the meetings, events, and sports industry, including an industry overview along with research and trends, such as historical statistics, the current state of these industries, and future market trends. Further, this section focuses on the impact of broader economic conditions, as well as the overall health of these industries, and will address the impact of the COVID-19 pandemic.

Section 4.1
Meetings & Events Industry

JOHNSON CONSULTING

Meeting & Events Industry Analysis

Primary Types of Facilities

- **Hotel and Meeting Room Facilities:** Many markets have developed a multipurpose or small convention or conference center complex within or adjacent to a hotel, as a means of improving the lure of the hotel and subsidizing its operations. These facilities, which have been undertaken in markets of varying sizes, are frequently developed through public-private partnerships whereby the public sector may assemble land, build parking, and fund meeting space components as a way to execute a project. Often the various project elements are developed as a joint project, in terms of timing, but in some markets, the public elements have been built first with the hotel coming later.

- **Conference Centers:** These facilities provide a specialized combination of meeting spaces, high-tech amenities, and services in support of training and education initiatives. Most conference centers are operated in conjunction with a hotel, although some are part of a university and a small number operate as standalone venues.

- **Convention Centers:** These facilities combine the meeting capabilities of a conference center with exhibit space. These facilities are designed to meet the broad needs of the Meetings, Incentive, Convention, and Exhibition (M.I.C.E.) industry and primarily serve as economic development enterprises for the community. Their mission is to bring outside visitors and associated spending into the community, although they may also host large locally oriented consumer events

- **Exposition Halls:** These facilities focus exclusively on product and consumer shows that require little meeting space. Pure exposition halls generally exist in markets that have other convention and/or meeting venues available or in situations where the private sector has responded to a lack of supply by developing an inexpensive facility. Fairgrounds also offer facilities that are exposition-oriented.

- **Events Centers:** Events centers, or arenas, are used as multi-purpose facilities to host a wide range of events, from small to mid-size conventions, and trade shows, to sporting events, concerts, and banquets. These facilities typically host many more locally oriented events than dedicated exhibit and ballroom space within convention centers. Events centers also incorporate breakout and meeting rooms, and often have a full commercial kitchen to cater banquet events.

Meeting & Events Industry Analysis

Types of Events

Conference centers and multipurpose event facilities are, as the name implies, able to accommodate many different types of events. The matrix below categorizes each type of event that can occur in these types of facilities, at the broadest of levels, and describes some of the key characteristics of each event type.

	Conventions & Conferences	**Exhibitions & Trade Shows**	**Meetings & Assemblies**	**Consumer Shows**	**Entertainment Events**	**Sporting Events**
Purposes	Networking Education Idea Sharing	Sale of Goods & Services Advertising Networking	Organizational Business Idea Sharing Networking	Sale of Goods & Services Advertising Community Partnerships	Entertainment Arts & Culture Leisure	Tournaments & Competitions Recreation Leisure
Facility Types	Hotels Convention Centers	Hotels Convention Centers Expo Centers Fairgrounds	Hotels Convention Centers Arenas Theaters	Hotels Convention Centers Expo Centers	Arenas & Stadiums Theaters & Amphitheaters Convention Centers	Arenas & Stadiums Convention Centers Sports Complexes
Event Duration	2 - 5 Days	3 - 6 Days	1 - 2 Days	2 - 5 Days	1 - 3 Days	1 - 3 Days
Visitor Stay	2 - 4 Days	1 - 3 Days	1 - 2 Days	1 - 2 Days	1 Day	1 - 2 Days
Visitor Type	Industry Specific	Industry Specific	Organization Specific	General Public	General Public	General Public
Visitor Origin	Mostly Non-Local	Mostly Non-Local	Local & Non-Local	Mostly Local	Mostly Local	Mostly Local
Economic Impact	$$$$$	$$$$$	$$$$	$$$	$$$	$$$

Meeting & Events Industry Analysis

Types of Event Sponsors

The conference and events industry includes a wide variety of event types that are sponsored by different types of businesses and organizations, including:

Corporations: Business meetings are an integral part of the meetings industry. They represent the majority of meetings held throughout the world, and topics can be as wide-ranging as the industries themselves. For the purposes of this report, corporate meetings will refer to off-site conferences, sales, and incentive meetings, such as the events that are often held at hotels.

Associations: Trade and business associations represent certain industries and strive to keep members informed about current issues related to their industry. Associations sponsor meetings and conventions to serve this educational and informational purpose, and also assist in marketing efforts by holding trade shows where members can display and sell their products.

Educational Institutions: Universities are increasingly recognizing that more continuing education occurs at meetings, rather than in classroom settings, and are becoming an important player in developing and sponsoring continuing education activities and conferences.

Government: All levels of government hold meetings for the purpose of education, discussion of issues, and policy deliberation. In many locations, governments also create and sponsor trade shows in order to support sectors of the economy.

Independent Show Organizers, Incentive Houses, and Publishing Companies: The meetings industry has grown so large that it now supports a growing number of organizations that specialize in the business of producing meeting events. These businesses may work on behalf of corporations and associations, and handle all aspects of a meeting, from booking attendees to event operations.

Social, Military, Education, Religious, Fraternal, and Ethnic (SMERFE) Organizations: These organizations typically sponsor convention or assembly events that are not always business-related and tend to be geared more towards social networking and discussion of issues.

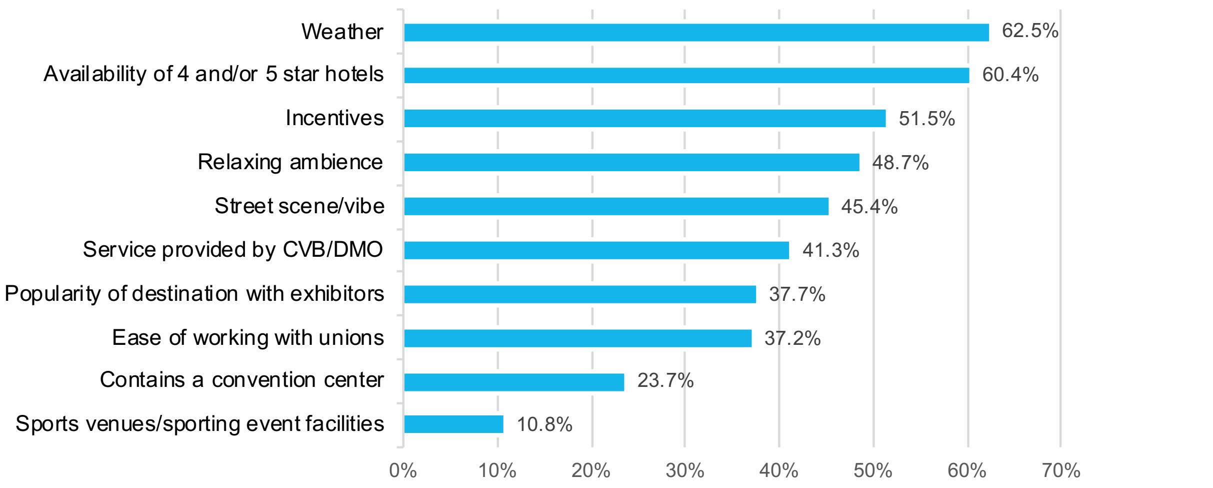
Meeting & Events Industry Analysis

Destination Selection Criteria

Data from a recent Destination Analysts, Inc. survey of approximately 830 event planners identifies the criteria that are most important to planners when selecting a destination for their events. The figure on the upper right presents the most important destination attributes according to event planners. As shown, the top 5 are geographic location, meeting facilities, quality and price of hotel accommodations, and the overall cost of holding an event in that destination.

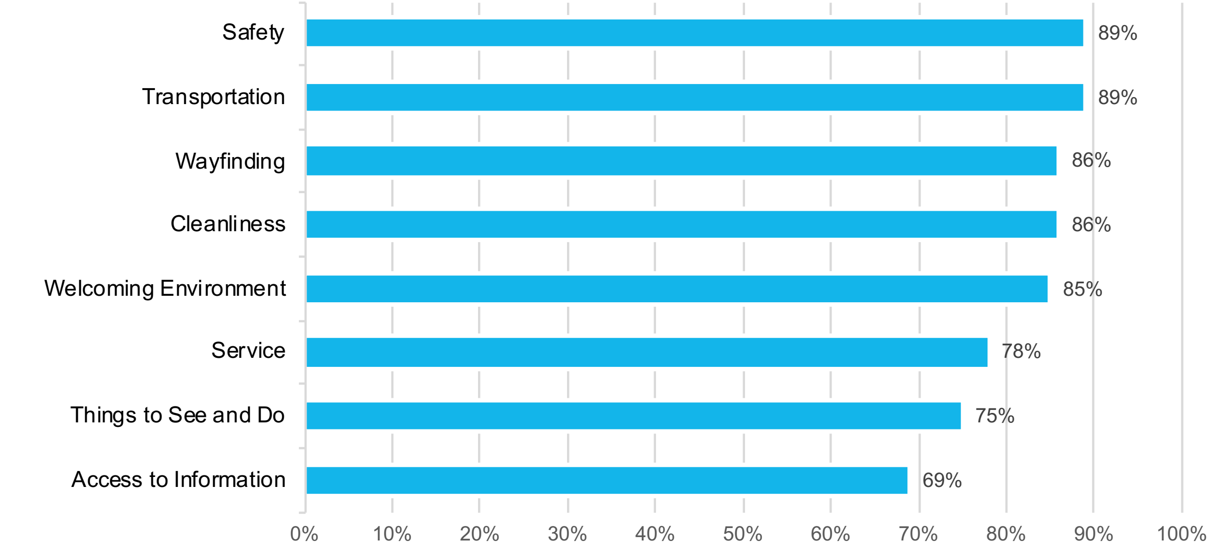
As it relates to attendees, the figure on the lower right presents the most important destination selection criteria based upon data from the Experience Institute's survey of nearly 9,000 convention, meeting and exhibition attendees. As shown, the top three are the destination's safety, transportation, and wayfinding. These should be viewed as strategic investments by facilities in order to improve attendee experience.

Importance of Destination Attributes for Event Planners



Sources: Destination Analysts, Johnson Consulting

Importance of Destination Attributes for Event Attendees



Sources: The EXPERIENCE Institute, Johnson Consulting

Meeting & Events Industry Analysis

Nationwide Trends

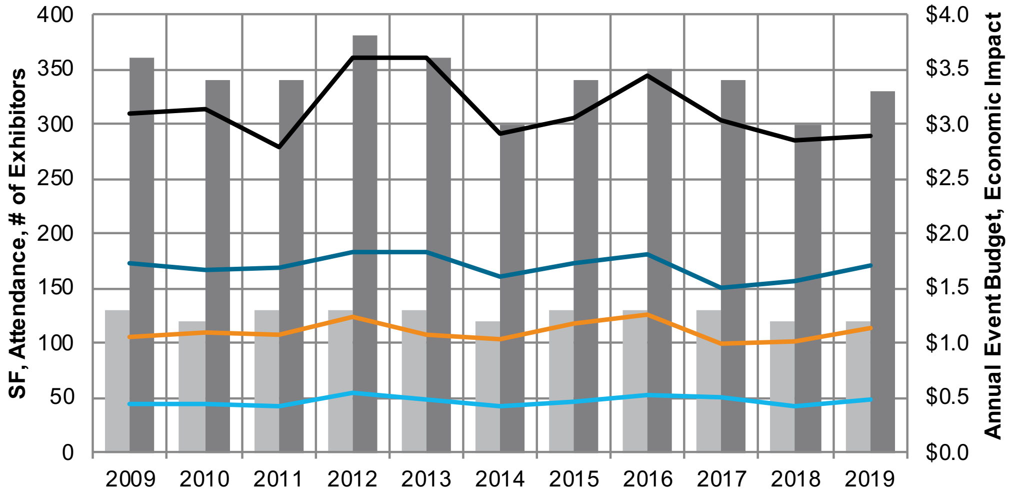
This section provides insight into the nationwide conference and meetings industry, based upon two sources of published data that are widely respected in the industry – 1) Professional Convention Management Association (PCMA), whose members host conferences and meetings across a range of industries, and 2) Center for Exhibition Industry Research (CEIR), which tracks exhibition events.

Over the past decade, the convention, meetings and exhibition industry has demonstrated relative stability across a variety of measures. Data from the PCMA's Meetings Market Survey, shown on the top right, indicates slight increases in the square footage requirements of organizations' largest events and attendance at organizations' largest events. Slight contraction is indicated in the number of exhibitors, total hotel room pickup, annual event budget, and economic impact.

The exhibitions industry has also enjoyed steady growth in recent years, following declines that resulted from nationwide economic conditions. In 2018, the exhibition industry finally once again entered an expansion phase that surpassed its previous peak. This data is supported by the Center for Exhibition Industry Research's (CEIR) Index Report for the exhibition industry, which is summarized on the bottom right. Exhibitions are defined as events with at least 3,000 net square feet of exhibit space and 10 or more exhibitors. This report compiles data from over 600 events that occurred in North America, representing 14 industry sectors.

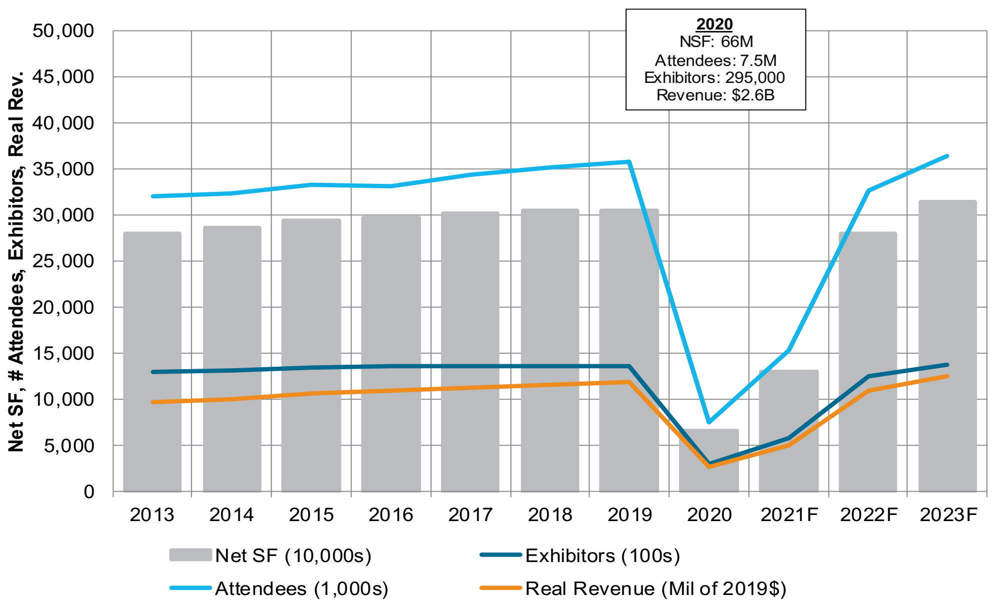
The 2021 CEIR Index Report indicates a drastic decline across all index indicators in 2020 – net square footage declined by 78.3%, exhibitors by 78.4%, attendees by 79%, and real revenues by 78.2%, for an overall index decline of 78.5%. According to the index, 2021-2023 are anticipated to represent recovery years, with the overall index increasing by 97.5% in 2021 and 115.5% in 2022.

Conference & Meetings Industry Trends



Sources: PCMA, Johnson Consulting

Exhibition Industry Trends



Sources: 2021 CEIR Index Report, Johnson Consulting

Meeting & Events Industry Analysis

Nationwide Trends – COVID-19 Impact

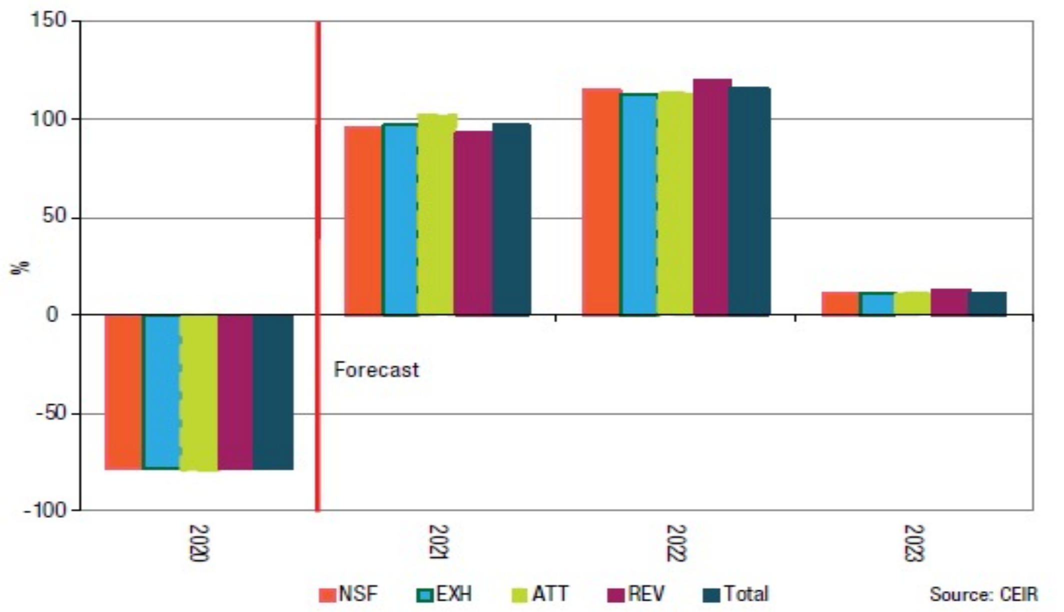
The 2021 CEIR Index Report offered the following insights into the future of the exhibition industry:

- **Full recovery by 2024:** CEIR asserts that, "strong underlying macroeconomic factors should lay a firm foundation for the industry as exhibitions re-open". In the best case scenario, the exhibition industry will fully recover by 2024 or sooner. The cancellation rate will continue to be a critical determining factor in exhibition performance, as it was in 2020. By 2023, the impact of COVID-19 should largely diminish – the CEIR Total Index is expected to exceed the pre-pandemic level by 2.5%.

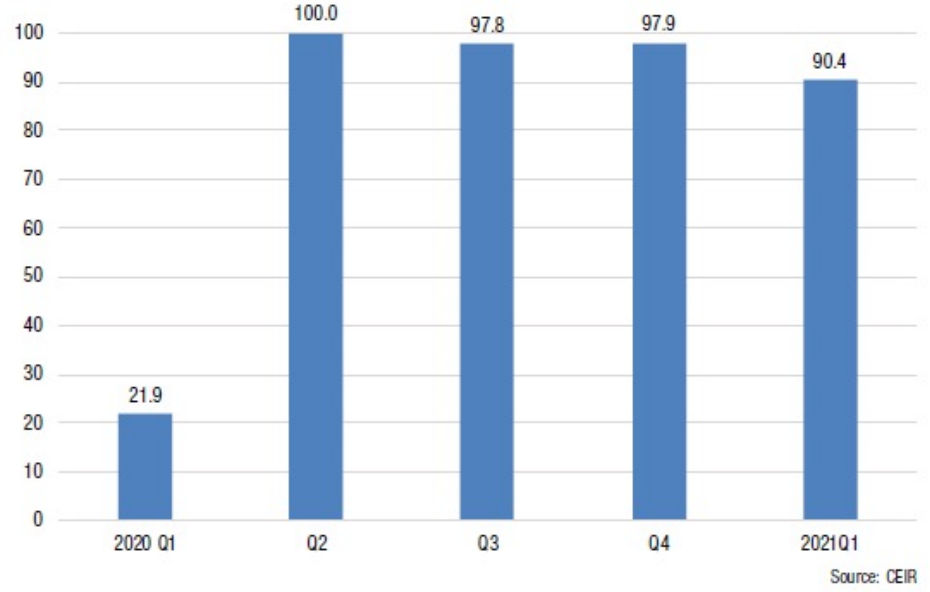
- **ID, FD, and GS to lead the recovery:** In 2023, the top three performing sectors are expected to be Industrial/ Heavy Manufacturing (ID), Food (FD), and Discretionary Consumer Goods and Services (GS), while the bottom three sectors are expected to be Education (ED), Consumer Goods and Retail Trade (CG), and Business Services (BZ).

- **Variants continue to be a wildcard:** Potential future variants still pose a threat to the recovery pace. These surges influence both the cancellation rate, as well as the performance of completed events.

CEIR Index for the Overall Industry, 2020-2023
Percent Change



Cancellation Rate of In-Person Events, Q1 2020-Q1 2021
Percent



Meeting & Events Industry Analysis

Nationwide Trends – COVID-19 Impact

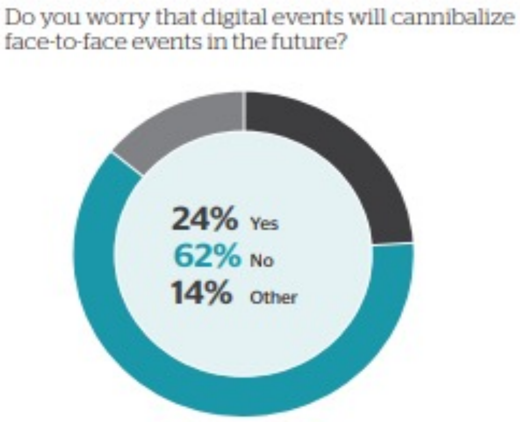
PCMA offered the following insights gathered in its 2020 COVID-19 Survey, and in its more recent COVID-19 Recovery Dashboard Survey from September 2021:

- **Return of face-to-face (F2F) events:** In the 2020 survey of event planners, PCMA found that, by a wide margin, respondents believed that virtual events would not cannibalize F2F events. This is an optimistic outlook, even as planners reported they were otherwise concerned about the time horizon for return to "normal" events.

- **Pent-up demand for F2F events:** In the 2020 survey of event planners, PCMA found that respondents were somewhat divided on people's comfort with travel for events. Roughly a third of respondents believe there is pent-up demand to meet, while nearly half of respondents noted that people are still hesitant to travel. One quarter of respondents marked "Other", and the vast majority of those respondents said there would be a combination of both. These people argued that, as much as planners want to return to "normal", their travel is largely dependent on vaccination, and sanitary practices and protocols at events. Since conventions have returned and vaccines have rolled out, the widespread enthusiasm for large events indicates that there is significant pent-up demand in this industry, but that people are now having to weigh the dangers of the new, potentially more contagious variants.

- **Planners growing less anxious, more resilient:** Between surveys conducted by PCMA in August 2021 and September 2021, planners and suppliers indicated that they felt less anxious about the future of events. More planners in September 2021 indicated that they think it's necessary to develop soft skills – including resilience in times of crisis – to succeed professionally in an economic recovery.

- **Planners tired of "wait and see":** Between August and September 2021, the proportion of planners who said they were canceling their F2F event in the coming months due to the Delta variant more than doubled – from 11% to 23%. However, the number of planners who indicated they were moving forward with a F2F event in Fall 2021 also increased. This attitude can be summed up as, "Enough already." Many planners are tired of the "wait and see" approach that characterized 2020 and much of 2021.



Meeting & Events Industry Analysis

The Future of Meetings & Events

The preceding pages have established that the conference and events segment bounces back from hard times like September 11 and the 2008 recession, as will happen with the recovery from the pandemic. The period from now until full recovery provides an opportunity for planning and development for meeting venues that will help aid in the economic recovery and create jobs and trade, an extremely important element of a market's overall tourism strategy. Moving forward into the future, this segment will be presented with new challenges and opportunities. The Professional Convention Management Association (PCMA) and Marriott International released a report establishing 5 overarching trends that will define the future of the industry, as follows:

Emotional Intelligence: Designing with the end-user in mind. Meetings and events will need to move past reactive adjustments to adopt a proactive approach to personalized experiences, understanding the needs of participants before they arrive.

Orchestrated Serendipity: Engineering and embracing the unexpected for more meaningful moments. Experiences must embrace freedom and surprise, freeing consumers from the constant constraint of schedules or agendas. By embracing the unexpected, we can engage participants and leave a lasting impression.

Multimodal Design: Designing for adaptation and iteration. Every event has a unique objective and audience, and a space must reflect each event's specific personality and needs. Space is critical to any event and should be designed to adapt to the ways that participants will engage.

Bigger than Oneself: Acting on a meaningful message. You can't just provide content anymore. Every event must have a message. Participants want to understand what's important to a business, and experience events that deliver that message down to the smallest detail.

Clear Sense of Place: Leveraging geography for deeper enrichment. The most memorable events celebrate local surrounding, enriching visitors, exposing them to the local culture, and connecting them with the community to increase engagement.

Events and facilities that harness these trends will be well-situated for success in the years to come.

Meetings and Event Trend Implications

The meetings and events industry, like any, is subject to the expansion and contraction of the national and global economies. While the industry suffered during the economic recession of 2008, it had rebounded to pre-recession levels and was continuing to grow and in many respects, served as a catalyst for economic recovery and growth prior to the beginning of the pandemic in 2020. Indeed, the convention, meetings and exhibition industry plays a critical role in providing stability and propelling economies forward even as business and economic cycles fluctuate. The industry is a driver of global innovation with an enormous economic impact and convention and event centers will continue to serve as venues for the exchange of knowledge, culture, and capital – a defining component of economic innovation. The industry is also directly reflective of supply chain health, and is deeply affected by logistics disruptions; when bottlenecks occur, the events industry is heavily impacted. Accordingly, convention centers and other types of meeting and event venues should be viewed as strategic investments in the future of our communities as we reopen and rebound from the impacts that the pandemic created.

In any given year, there are millions of events and performances happening throughout North America and around the world in the meetings and events industry. Despite being mature industries, these markets have enjoyed periods of stability and modest growth as the industry recovers from a downturn, expands and then contracts, leading to the cycle repeating itself which is evidenced by the data published by PCMA, CEIR, Pollstar, and Americans for the Arts. This data indicates long-term stability over decades across many indicators that measure events, event budgets, ticket sales, attendance, and revenue, and forecasts rebounds to be made as the COVID-19 pandemic subsides. While it is difficult to forecast exactly when the meetings and events will fully rebound, it is anticipated to be in 2023/2024. The facilities recommended within this report will have a development timeline that will allow them to enter the market when it has recovered and growing, given the significant time that would be required to navigate the financing, planning, design, and construction phases of development. This will allow Tuscaloosa to enter the meetings market as it returns to full strength and to fully benefit from the proposed facility. Tuscaloosa is well-positioned to capitalize on the long-term health of these industries by making strategic investments in facilities to host these activities. These facilities would certainly provide a public amenity to the existing Tuscaloosa community, and will also attract regional and national activity, generate significant economic and fiscal impacts, and catalyze future growth in the community.

Section 4.2
Sports Industry Trends

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Sports Industry Facility Trends

Sports Tourism

Throughout the past decade, youth sports facilities aimed at generating tourism through large multi-day tournaments have become increasingly common, as their magnitude is often able to draw demand from surrounding states, and sometimes the entire country. While generating sports tourism demand relies on several factors, the generally accepted standard for a facility to qualify as a sports tourism facility for each surface type as follows:

- **Baseball/Softball Facility:** 10 or more surfaces
- **Basketball/Volleyball Facility:** 6 or more surfaces
- **Soccer/Multipurpose Facility:** 10 or more surfaces

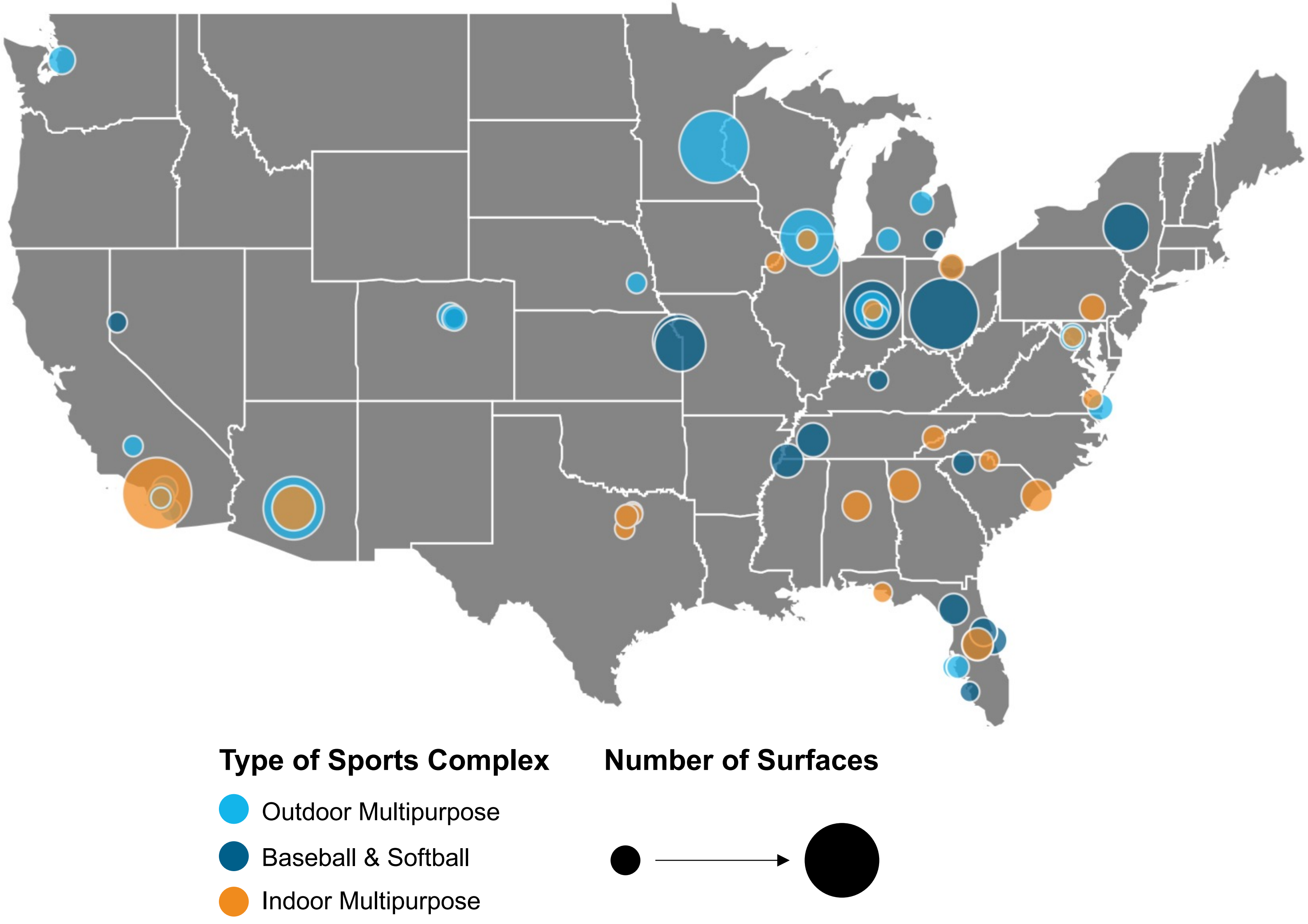
The number of surfaces is not necessarily the only determining factor for whether a facility will generate sports tourism. Other factors that influence the success of sports tourism facilities include:

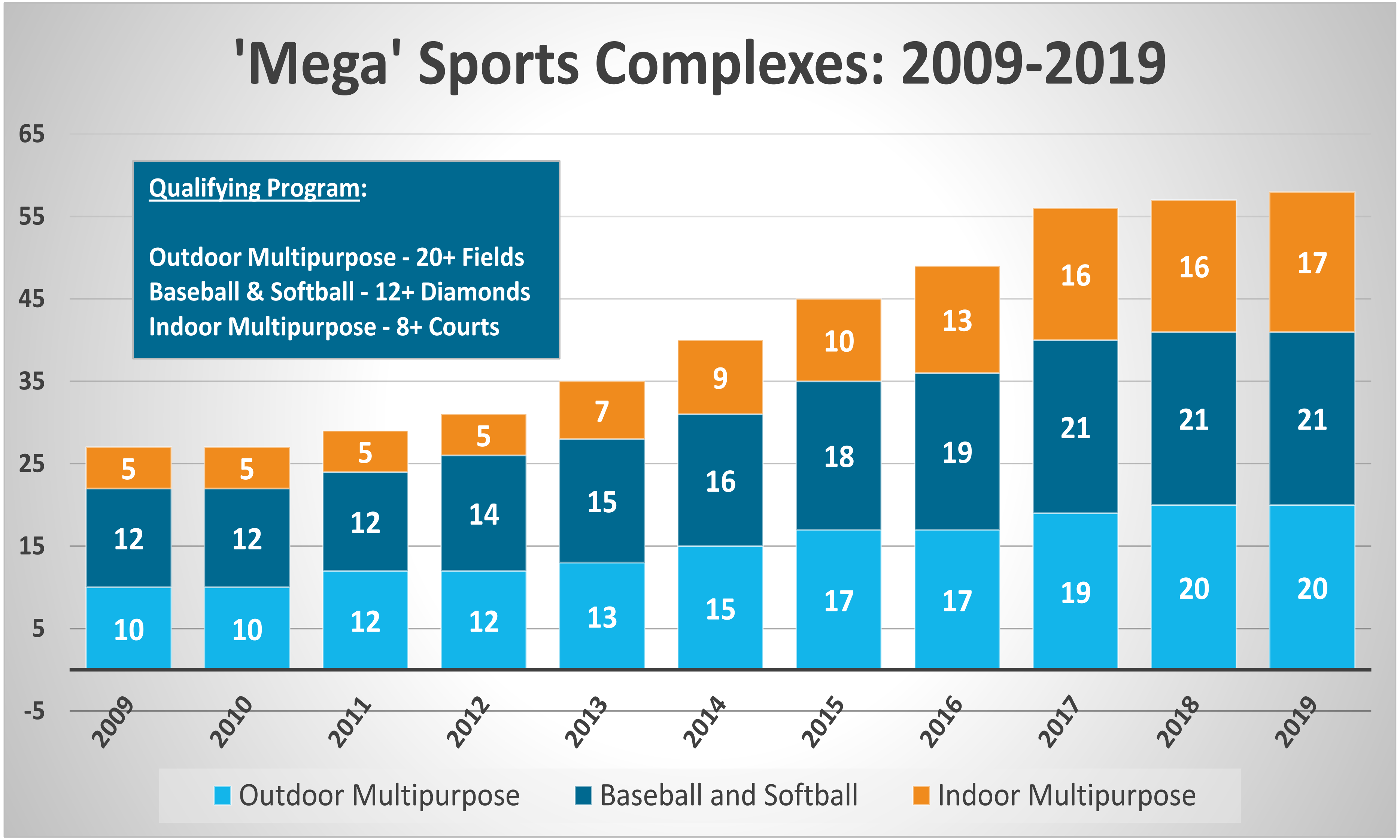
- **Strategic location**: Facilities that have major metropolitan areas within close proximities (~4-hour drive time) are accessible to larger amounts of people, and thus have more opportunities to host larger events, and can rely on steady local and regional events to provide consist demand and out of town visitors.
- **Proximity to other competitive sports tourism facilities**: While a sports tourism facility with an ideal strategic location near a major US city may initially seem like an ideal development, it is possible that similar facilities have already been developed nearby and would represent significant competition for a new facility.
- **Quality**: The quality of the surfaces is often a major selling point for the most prominent sports tourism facilities in the country. Significant investment in the development and upkeep of top-quality surfaces and buildings, as well as other features such as lighting, parking, and management are essential for acquiring major events that bring in visitors from farther destinations.
- **Partnerships and sponsorships**: Gaining recognition through an affiliation with a well-known sports team (e.g.. NBA, NFL, or MLB team) or prominent athletic/sports-based company (e.g. Nike, Under Armour, Gatorade) can help propel a facility to national recognition, depending on the prominence of the sponsor/partner.

Sports Industry Facility Trends

Mega Sports Complexes

Sports Tourism facilities are often referred to as “mega sports complexes,” since they consist of many surfaces to accommodate large numbers of teams and participants. These facilities attract large tournaments and special events, usually hosting such events on weekends. During the week, some of these facilities will host events, leagues, and practices for local park district, recreational little leagues, or travel teams to generate additional revenues. However, priority scheduling will be given to the travel tournaments that will generate economic and fiscal impacts for the local communities. The goal of sports tourism facilities is to attract events and visitors from outside of the region and/or state in order to generate additional room nights and introduce new dollars to the community.





240%
Indoor Multipurpose Growth

75%
Baseball & Softball Growth

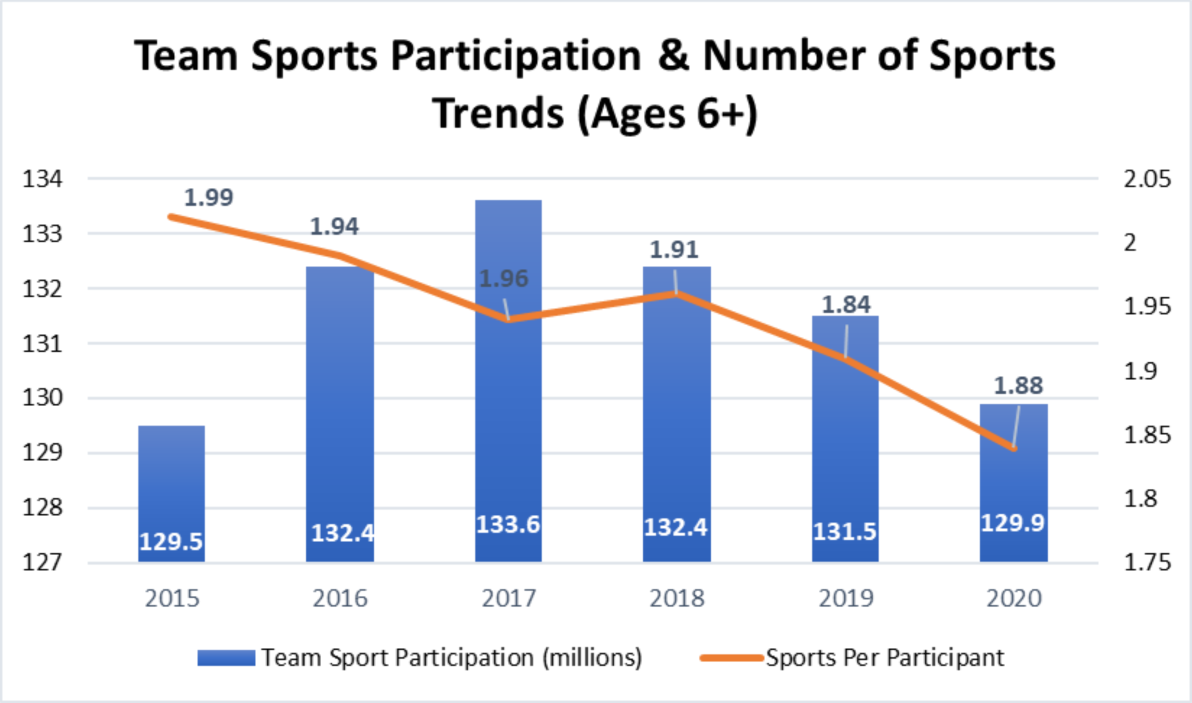
100%
Outdoor Multipurpose Growth

Industry Trends

Sports Industry Participation Trends

While there are many factors that contribute to fluctuation among youth sports participants, most of them center around single sports specialization among youths as well as rising costs to play sports. Sports specialization in the youth sports industry is something that is becoming increasingly popular today. Whereas children before would grow up playing multiple different sports, today they stick to playing one sport throughout the entire year. This can skew the total participation numbers as children used to count as a participant for every sport that they participated in. This type of information is critical for understanding potential local demand.

Over the last five years, the number of sports per participant has decreased by about .3 sports. While that does not seem like it is a significant decrease, it represents a total of approximately 9 million in lost participants due to specialization. The year-round specialization in sports has had a significant influence in the increase in the number of tournaments and showcase events nationally, which in turn has caused the cost to play competitive travel sports to increase as well. The goal of a potential collegiate scholarship is more commonly being realized as sports tournaments or national showcases have begun to cause a de-emphasis of high school sports nationally.



Sports Industry Trends

Sports Industry Participation by Sport

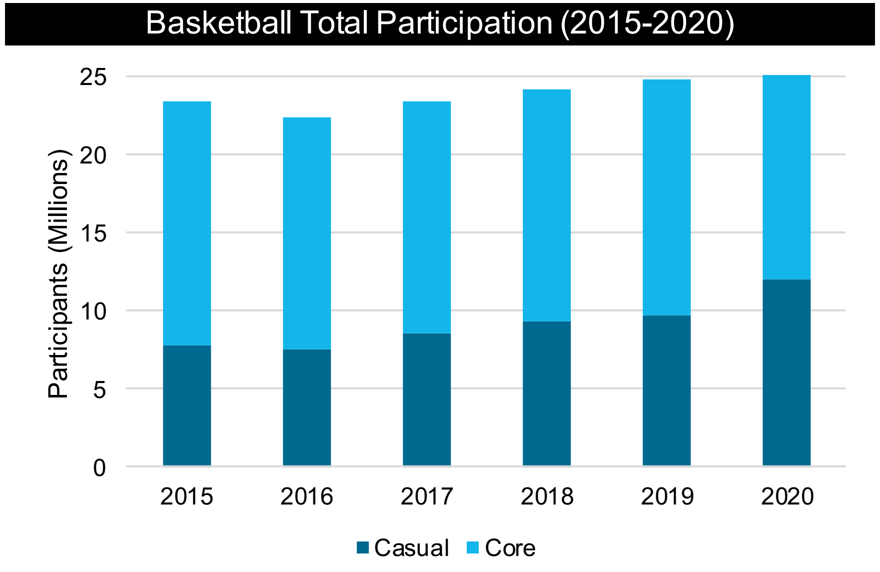
The following figures show total participation among individuals 6 years and older in a given sport, by “core” versus “casual” participation type. A core participant is defined as more avid and will participate 13 or more times throughout the course of a year, thereby generating the most demand from a youth sports travel standpoint through tournaments, leagues, show cases, and exhibition games among other events. A casual participant is defined as an individual who participates in a given sport at least once per year. The sports identified in this section are a combination of indoor and outdoor sports that are particularly popular in the Tuscaloosa area, and which could be accommodated in new sports facility.

Basketball

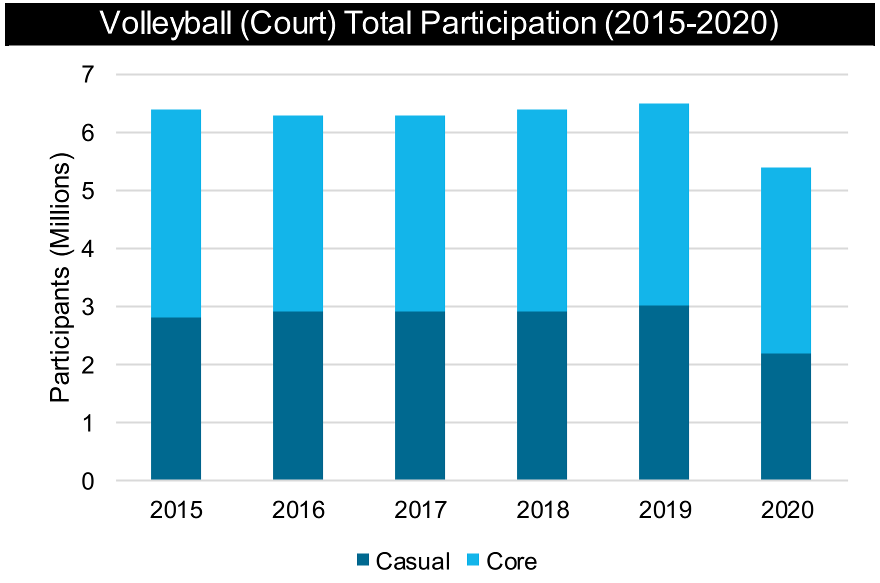
Basketball is one of the primary sports played on hardcourt surfaces and is especially advantageous as courts can easily be adapted to accommodate additional event demand. In 2020, total basketball participation was 27.8 million, over half of whom were core participants. This marked a 6-year high in terms of number of participants and indicates an overall upwards trend.

Hard Court Volleyball

Volleyball, like basketball, gives a facility the opportunity to capture additional indoor event demand. In 2020, total volleyball participation was 5.4 million, representing a decrease from the total number of participants since the most recent peak of 6.5 million participants in 2019. Notwithstanding this, volleyball remains a stable market and can be expected to maintain this level of participation going forward.



Sources: 2021 SFIA U.S. Trends in Team Sports, Johnson Consulting



Sources: 2021 SFIA U.S. Trends in Team Sports, Johnson Consulting

Sports Industry Trends

Cheerleading

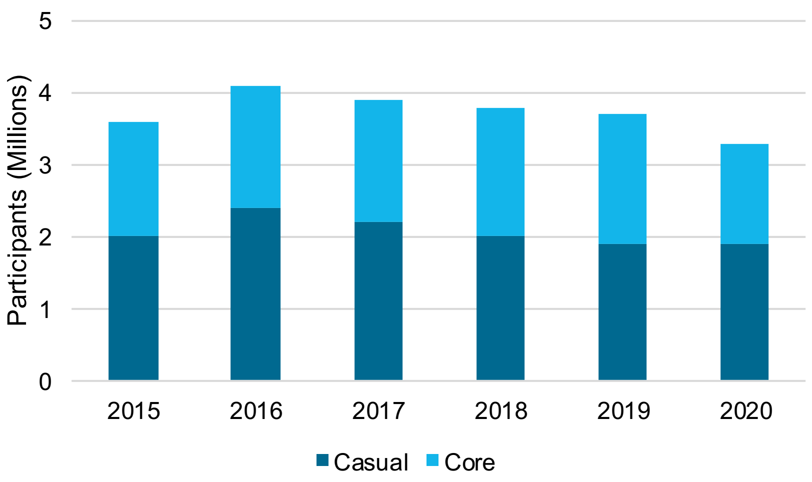
Cheerleading competitions occur on indoor multi-purpose floors that can be covered with mats and provide adequate seating for spectators. This configuration could be similar to a basketball or volleyball tournament or a gymnastics or dance competition. In 2020, there were a total of 3.3 million cheerleading participants. In 2016, the sport saw a 6-year high with a total participation of 4.1 million. In the future it could be expected that the total participation in cheerleading will be in the range of 3.5-4.5 million participants.

Gymnastics

Gymnastics competitions can be held on a multi-purpose floor with mats, similar to cheerleading. However, gymnastics generally has much more equipment required for a competition than cheerleading or dance. Because of this requirement for additional equipment, a facility that hosts gymnastics competitions should provide enough space to house this equipment during a competition.

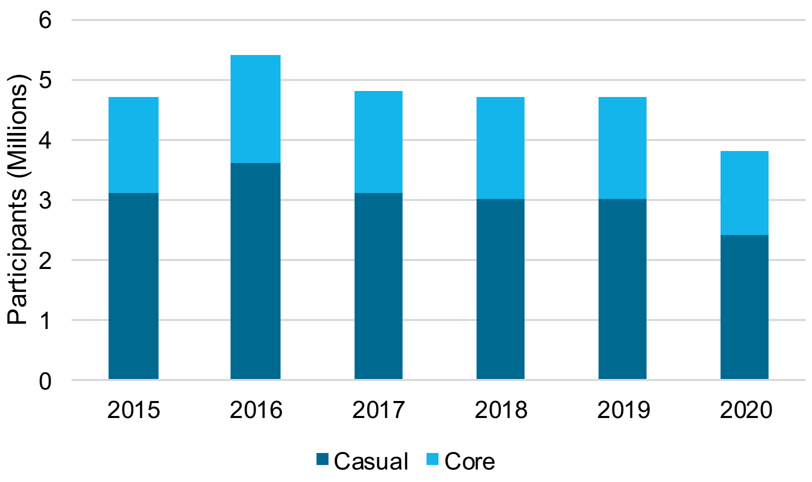
In 2020, total gymnastics participation was 3.8 million participants, representing a 6-year low for the sport. If this downward trend continues, this could result in major losses in gymnastics participation in the next few years.

Cheerleading Total Participation (2015-2020)



Sources: 2021 SFIA U.S. Trends in Team Sports, Johnson Consulting

Gymnastics Total Participation (2015-2020)



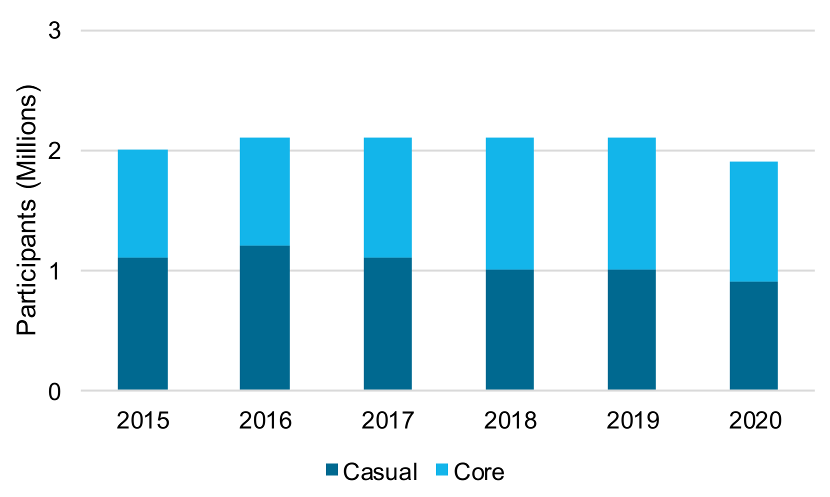
Sources: 2021 SFIA U.S. Trends in Team Sports, Johnson Consulting

Sports Industry Trends

Lacrosse

Lacrosse can be played on multi-purpose outdoor fields, as well as the sport specific field. Box lacrosse can be played on indoor fields. Since lacrosse can be played on multiple surfaces, the facility has more opportunities to host different types of events. The total participation for lacrosse decreased slightly from 2.1 million participants in 2019 to 1.9 million participants in 2020. However, the breakdown of “core” and “casual” participants shows that most of the players are core participants. With more core participants, attendance at these events will be significant.

Lacrosse Total Participation (2015-2020)

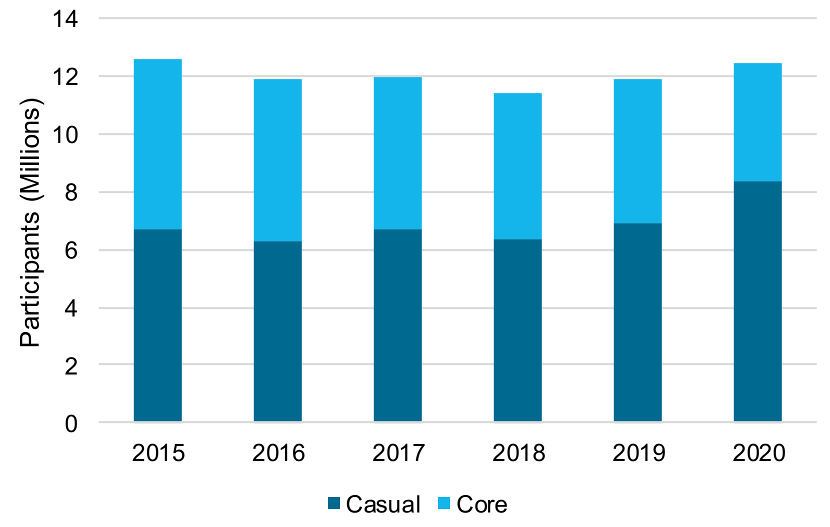


Sources: 2021 SFIA U.S. Trends in Team Sports, Johnson Consulting

Outdoor Soccer

Outdoor soccer participation is shown in the figure to the right. These multi-purpose fields are advantageous for facilities, as they generate more event demand. In 2020, outdoor soccer had a total of 12.5 million participants -- an increase from 2019 and close to the 6-year high of 12.6 million participants in 2015. This is a positive trajectory for the sport.

Soccer (Outdoor) Total Participation (2015-2020)



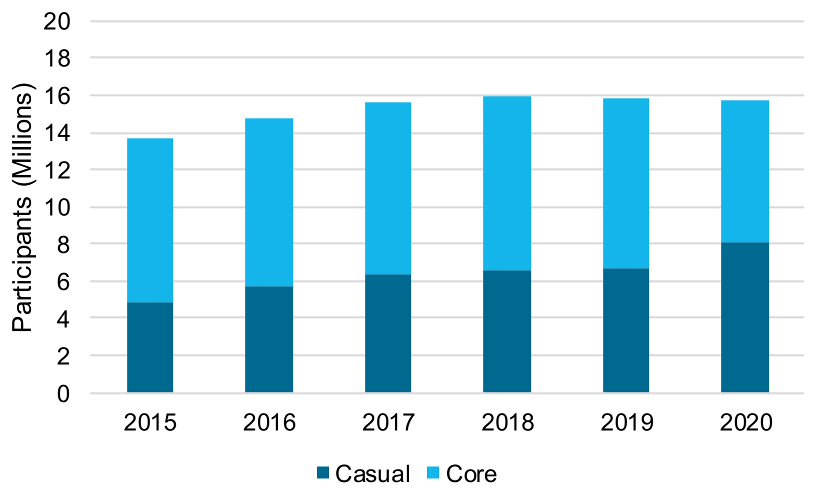
Sources: 2021 SFIA U.S. Trends in Team Sports, Johnson Consulting

Sports Industry Trends

Baseball

Unlike volleyball or basketball, baseball fields are usually not multipurpose. Baseball participation has increased every year from 2015-2019, but decreased slightly in 2020. In 2020, there was a total of 15.7 million baseball participants, with 8.1 million of them being ”core” participants. This large number of core participants will draw more attendees, increasing the overall revenue of the facility. Baseball continues to be a strong national market, and is particularly popular in the Tuscaloosa area.

Baseball Total Participation (2015-2020)

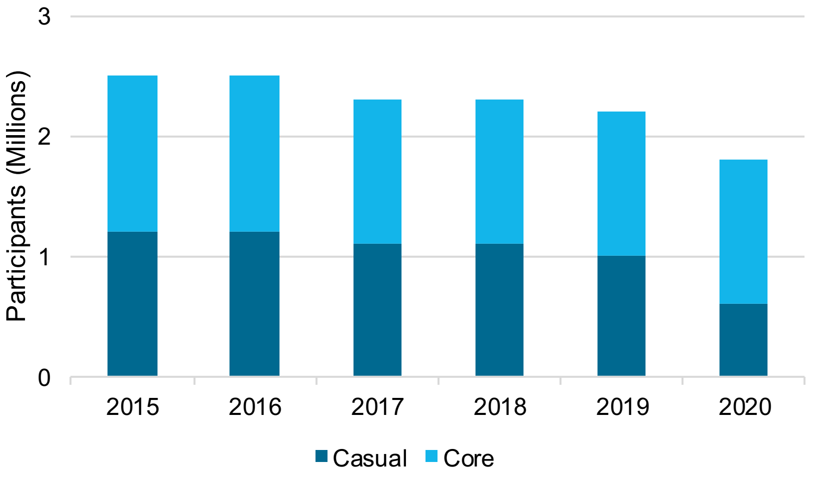


Sources: 2021 SFIA U.S. Trends in Team Sports, Johnson Consulting

Softball

Similar to baseball, softball is played on single purpose outdoor fields. The sport consists of fastpitch and slow pitch games, with the fastpitch trends shown on the right. In 2020, total fastpitch softball participation was at a 6-year low. Slow pitch participation was 1.8 million in 2020. The breakdown of ”core” and “casual” participants is roughly the same, with core participants being slightly lower. Both fast- and slow-pitch softball have seen decreases in participants since 2015.

Softball (Fast-Pitch) Total Participation (2015-2020)



Sources: 2021 SFIA U.S. Trends in Team Sports, Johnson Consulting

Sports Market Penetration

Market Penetration

In order to analyze the market size and demand potential for various sports in 30-minute, 1-, and 4-hour drive time markets around the Tuscaloosa , the consulting team conducted a market penetration analysis. After calculating the total market of potential sports participants (defined in this analysis as individuals aged 5-44) in 2021 and 2026, participation rates were derived for target sports. These participation rates are published by Esri, and are specific to the aforementioned drive time markets. The target sports – soccer, lacrosse, baseball, softball, basketball, and volleyball– are traditional indoor and outdoor sports that are particularly popular in the Tuscaloosa area. Of the target sports, soccer had the highest estimated participation rate across all drive-time radii (~4.5 percent), followed by baseball (~3.5 percent), and basketball (~3.5 percent). This data reinforces the popularity of traditional sports in the Tuscaloosa area, and provides a rough estimate for the market size and demand for these individual sports.

Target Market Demand - Sports

	Year	Total Potential Market	% Participated in Sports (ALL; last 12 months)	% Participated in Soccer	% Participated in Lacrosse**	% Participated in Baseball	% Participated in Softball	% Participated in Basketball	% Participated in Volleyball	Total Market (All Sports)
30-Minute Drive	**Target Primary Market Area Demand: Under 60**									
	2021	**150,444**	17.4%	4.6%	0.6%	3.5%	2.4%	3.5%	2.8%	**26,192**
	2026	**153,518**	17.4%	4.6%	0.6%	3.5%	2.4%	3.5%	2.8%	**26,727**
1 Hour Drive	**Target Primary Market Area Demand: Under 60**									
	2021	**472,967**	16.8%	3.9%	0.6%	3.5%	2.5%	3.5%	2.8%	**79,411**
	2026	**472,419**	16.8%	3.9%	0.6%	3.5%	2.5%	3.5%	2.8%	**79,319**
4-Hour Drive	**Target Primary Market Area Demand: Under 60**									
	2021	**13,176,931**	17.1%	4.0%	0.6%	3.6%	2.4%	3.6%	2.9%	**2,253,255**
	2026	**13,384,601**	17.1%	4.0%	0.6%	3.6%	2.4%	3.6%	2.9%	**2,288,767**

***National participation in indicated sport from SFIA's 2021 Team Sports Report, since regional numbers were not available for each market.*

Source: Esri BAO, SFIA, Johnson Consulting

Sports Market Penetration

Market Penetration, Cont'd

Johnson Consulting used the target market size and demand analysis to project the total penetration that a new sports facility in Tuscaloosa could conservatively capture from within a 30-minute, 1-, and 4-hour drive time. The following penetration rates were reasonably assumed for such a facility: 30 percent for a 30-minute drive time; 15 percent for 1-hour drive time; and 7 percent for a 4-hour drive time. These penetration rates are assumed to be the average market percentages that a new facility in Tuscaloosa could draw from their projected drive time markets.

The total penetration is derived from the penetration rates applied to the total net population in the markets. The total penetration for these respective markets for 2026 are 8,018, 7,889, and 154,661, respectively. This results in a total net penetration in 2026 of 170,568.

Final Demand Analysis - Sports					
	Target Primary Market Area Demand: Under 60				
30-Minute Drive	Year	Total Market	Total NET Population	Estimated Market Penetration	**Total Penetration**
	2021	26,192	26,192	**30%**	**7,858**
	2026	26,727	26,727	**30%**	**8,018**
	Target Primary Market Area Demand: Under 60				
1 Hour Drive	Year	Total Market	Total NET Population	Estimated Market Penetration	**Total Penetration**
	2021	79,411	53,219	**15%**	**7,983**
	2026	79,319	52,592	**15%**	**7,889**
	Target Primary Market Area Demand: Under 60				
4-Hour Drive	Year	Total Market	Total NET Population	Estimated Market Penetration	**Total Penetration**
	2021	2,253,255	2,173,844	**7.0%**	**152,169**
	2026	2,288,767	2,209,448	**7.0%**	**154,661**
Total Penetration (2021 NET)					**168,010**
Total Penetration (2026 NET)					**170,568**

Source: Esri BAO, SFIA, Johnson Consulting

Sports Tourism Industry Trends Implications

The first thing necessary for a successful sports tourism facility is the local demand needed to provide steady utilization and rental revenue. This represents the baseline revenue, and is how facilities can expect to make money during weekdays and the periods of the year without larger, tourism-generating tournaments. This generally includes renting out surfaces to teams for practice, league play, or local tournaments when the facility is not otherwise being utilized. The next layer of demand is regional tournaments, which draw participants from within the 90-minute drive time radius. This may result in some overnight visitors, and will likely see increased food and beverage sales, but generally participants (and their families) will just budget extra time to drive to and from the facility each day. The final layer of demand is larger regional or national tournaments that draw overnight visitors and generate tourism from outside of the 90-minute drive time radius. While these events can be highly competitive to host, they provide a substantial number of overnight visitors (and thus hotel tax revenue for the municipality), as well as increased spending in the area. These events are also less frequent, which adds to the competitive nature of hosting them.

As it relates locally in Tuscaloosa as well as nationally, the sports tourism industry has been one of the most resilient sectors of the tourism industry. The recovery and return of youth sports events and tournaments occurred at a greater pace than what we have seen in the conventions and meetings industry In fact, some outdoor and single athlete sports such as golf and tennis had seen a significant uptick in participation throughout the pandemic. In 2008, during the economic recession, the sports industry saw very little contraction and proved to be one of few industry's that had actually experienced growth throughout that recession. This same resiliency was illustrated again coming out of the pandemic, with youth sporting tournaments and the sports tourism sector as a whole being one of few industries to remain active and early adopters of the return to play. Another observation found through our work and research nationally in this industry is the increased wiliness to expand the normal drive-time thresholds, caused by the limitations and stoppages of commercial flights that were mandated during the pandemic, which has created a consumer behavior that is more accustom to driving greater distances to participate in larger regional tournaments. This bodes well for a market such as Tuscaloosa, with its limited commercial flight capacity and its centralize location within the State of Alabama.

Section 5
Community Engagement Summary

JOHNSON CONSULTING

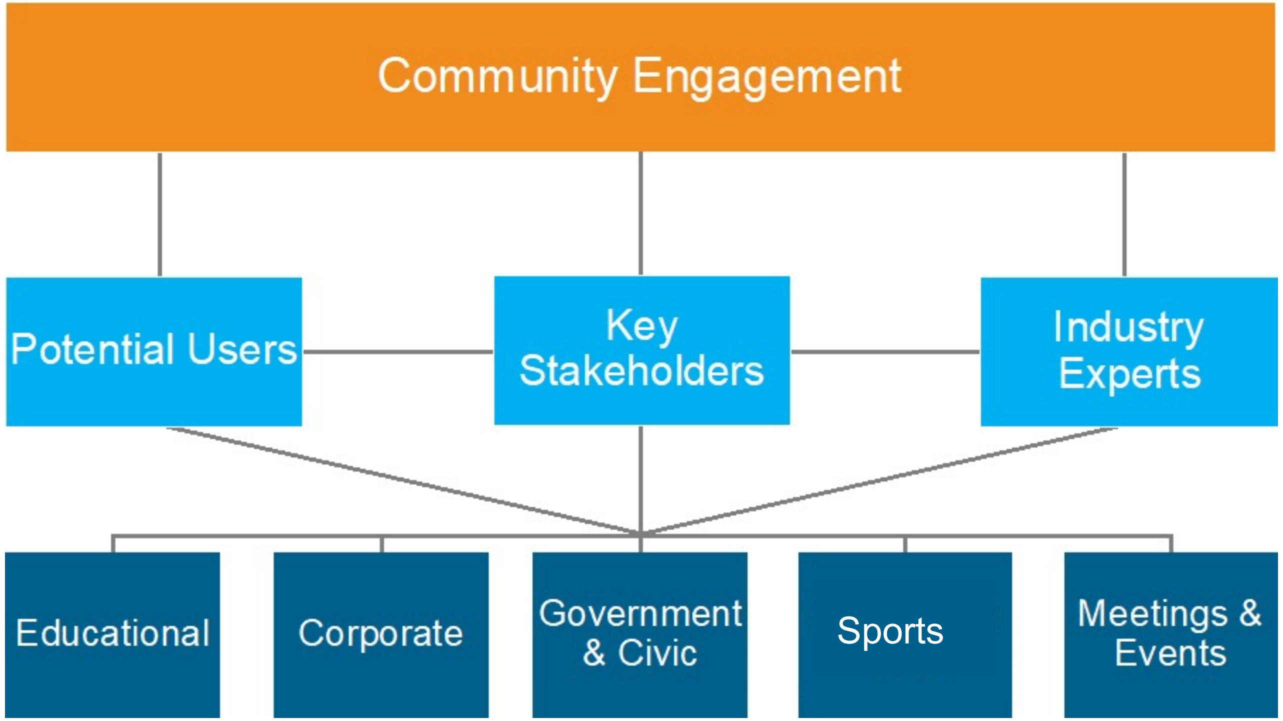
Community Engagement Overview

Introduction

The engagement of community stakeholders in Tuscaloosa County was emphasized as a priority of this study from the outset. As with any project of this magnitude, it is crucially important to engage with a wide variety of individuals and organizations throughout the community in order to foster a sense of buy-in and inform the study's observations, conclusions, and recommendations. Johnson Consulting engaged the community via two methods: individual interviews conducted in person or via Zoom, and online surveys. The following subsections expand on these methods of engagement and outline the findings of each.

Interview Summary

Beginning with the Tuscaloosa County site visit beginning with our kickoff in October 2021 and continuing throughout the duration of the project's completion, the Consulting Team conducted more than 50 interviews and focus groups with a variety of potential users – including education, corporate and medical users – of the proposed facility, key stakeholders in the Greater Tuscaloosa community, and industry experts in their respective convention, meetings, events, and sports industries. These engagements helped us to understand the meeting and events and sports demand that exists in Tuscaloosa County, the facilities that are currently serving that demand, and the market opportunities that exist for the proposed facility. The figure at right outlines the scope of the community engagement effort, including the types of entities that were targeted.



Community Engagement Overview – Meetings and Events & Sports

These entities interviewed represent a broad spectrum of community leaders and representatives of the educational, corporate, civic, performing arts, and meetings and events sectors that are familiar with Tuscaloosa County and its demand, infrastructure, political dynamics, history, and community culture.

The following entities were engaged through interviews, focus groups and/or surveys between October 21, 2021 and January 9, 2022:

- **Alabama Council of Association Executives**
- **Alabama Fire College**
- **Alabama Historical Association**
- **Alabama Restaurant and Hospitality Association**
- **Alabama Retail Association**
- **Alabama Society of Civil Engineers**
- **Alabama Travel Council**
- **Alabama Vegetation Management Society**
- **Association of County Commissions of Alabama**
- **Bama Bounders**
- **Bryant Conference Center**
- **Business Council of Alabama**
- **Centers for Disease Control and Prevention**
- **Chamber of Commerce Association of Alabama**
- **City of Tuscaloosa**
- **Convention South**
- **DCH Regional Medical Center**
- **Embassy Suites Tuscaloosa Downtown**
- **Empowering Brands**
- **Experience, LLC**
- **GAF**
- **Group Travel Family**
- **Isenhour International**
- **League of Municipalities**
- **League of Women Voters of Alabama**
- **Nick's Kids**
- **Nucor Steel**
- **Pfifer Incorporated**
- **Tuscaloosa River Market Management**
- **Rural Tourism Conference**
- **Saban Center**
- **Shelton State CC**
- **Southern Christian Writers Conference**
- **Southeast Tourism Society**
- **Tuscaloosa Amphitheater Management**
- **L & L Marine**
- **Tuscaloosa Parks & Recreation Authority (PARA)**
- **Tuscaloosa Public Schools**
- **Tuscaloosa Tourism & Sports (TTS)**
- **UA – Culverhouse School of Business**
- **UA – Recreation**
- **UA – Special Events**
- **USA Softball – Alabama**
- **Level Elite Sports**
- **USSSA Alabama Softball**
- **Western Alabama Chamber of Commerce**
- **West Alabama Mountain Biking Association**

Top Community Engagement Takeaways - Meetings and Events & Sports

1. Tuscaloosa needs a bigger event venue to grow existing local events and to be able to develop new events.

2. A larger event venue is needed to attract rotating association events and statewide/regional events.

3. Tuscaloosa needs a larger social space that can complement University football weekends, fraternity/sorority events and special events like large weddings, banquets and fundraisers.

4. Businesses and organizations are tired of having to leave the market for larger events.

5. The University of Alabama year-round events calendar alone – between its various colleges and organizations – is close to capacity with current event facilities, and places constraints on other local organizations' ability to use popular Tuscaloosa event spaces such as the Tuscaloosa River Market, the Bryant Conference Center, Embassy Suites, and others.

6. Tuscaloosa has a strong hotel supply to provide room blocks to support a larger event center.

7. There is concern about the lack of commercial air service and the proximity of Birmingham.

Top Community Engagement Takeaways - Meetings and Events & Sports

Continued

8. Tuscaloosa is a strong drive to market given the major metro areas within a 4 hour drive time.

9. Tuscaloosa has a unique “hometown” character with its vibrant downtown, university campus, riverfront, entertainment amenities (i.e. the Amphitheater, the Bama Theatre), and high-quality retail and hospitality options.

10. It is rich in natural assets that are unique experiences and serve as tourism drivers (i.e. the River Walk, Lake Tuscaloosa).

11. It is home to the University of Alabama which is huge selling point for tournaments and other sporting events.

12. Tuscaloosa is a popular tournament destination, and organizers are often hard-pressed to find available dates for their events.

13. There are high-quality facilities to host practices, games, and tournaments, but is – in many cases – lacking the size of facilities needed in order to attract large events. In particular, state and national tournaments need many surfaces in one location in order to hold their events in Tuscaloosa.

14. Tuscaloosa loses tournament business to other Alabama destinations with more centralized sports facilities. Sports focus group members mentioned that they often choose to hold events at the following venues: the Foley Sports Complex and Foley Event Center (Foley, AL), the Florence Sportsplex (Florence, AL), the Hoover Met Complex (Hoover, AL), Sand Mountain Park (Albertville, AL), and the Birmingham Crossplex (Birmingham, AL) among others.

Section 5.1
Meetings & Events Surveys

JOHNSON CONSULTING

Community Engagement – Meetings & Events

Survey Process

In an effort to gauge the potential for locally, regionally, and nationally driven event demand that could be accommodated in Tuscaloosa, Johnson Consulting worked with the Western Alabama Chamber of Commerce, the Tuscaloosa Tourism & Sports Commission, and the City of Tuscaloosa to conduct a survey of association & event industry leaders and stakeholders. Johnson Consulting distributed two, very similar surveys – one to local Tuscaloosa meeting & event planners which ran from December 5, 2021 to January 9, 2021, and the other to state associations, and association and trade organization management companies that represent events throughout the state, regionally, and nationally, which ran from December 5, 2021 to December 19, 2021. Surveys were distributed to all individuals via email. The survey to local stakeholders garnered 24 responses, while the other survey to state stakeholders garnered 31 responses – both good response rates and in line with other surveys conducted by Johnson Consulting.

The following pages will summarize the results of the survey, question by question for each survey.

Community Engagement – Meetings & Events

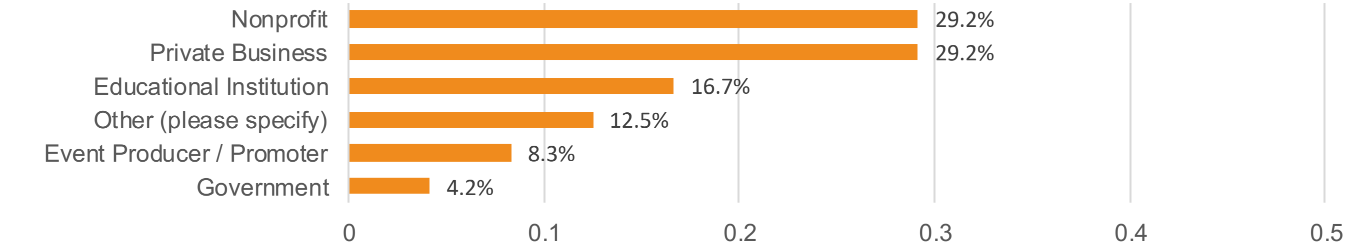
Type of Organization

Survey respondents were asked questions regarding the type of organization they represent, and the frequency of their events.

Local – As shown in the top chart, nearly one-third local of respondents (29.2 percent) represented a non-profit organization, and another one-third (29.2 percent) represented a private business.

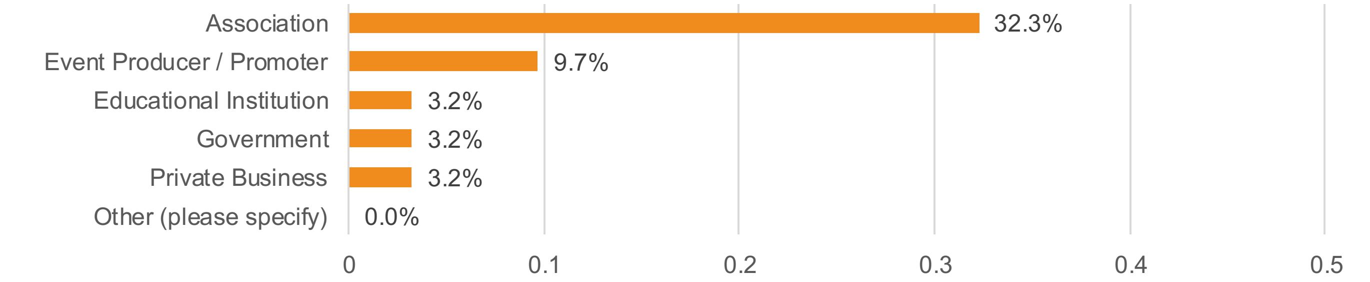
State/Regional – Among state respondents, shown on the bottom right chart, roughly one-third (32.3 percent) of respondents belong to associations.

Local: What type of organization do you represent?



Source: Johnson Consulting

State: What type of organization do you represent?



Source: Johnson Consulting

Community Engagement – Meetings and Events

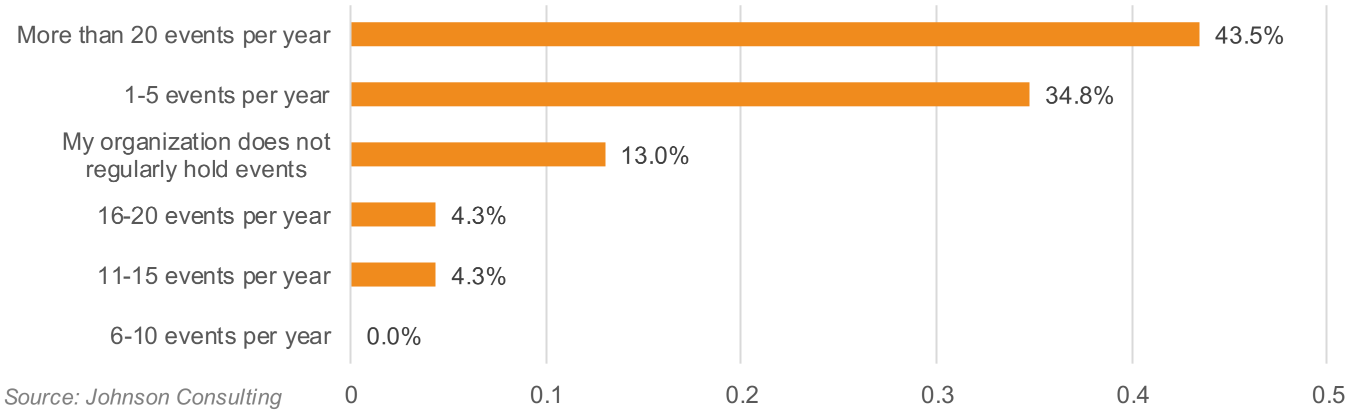
Frequency of Events

Respondents were then asked about the frequency with which respondents hold events.

Local – Nearly half (43.5 percent) of local respondents hold over 20 events per year. Over one-third (34.8 percent) of respondents host 1-5 events per year. This represents over a hundred events represented based on the number of responses received.

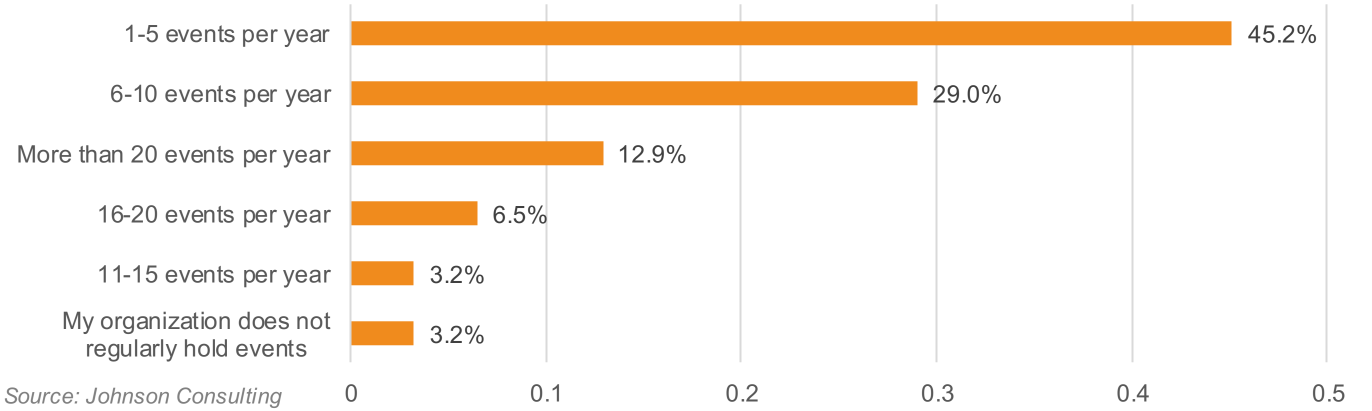
State/Regional – Among state respondents, roughly half (45.2 percent) indicated that they hold 1-5 events per year, followed by 29 percent with 6 to 10 events per year and 12.9 percent having more than 20 events per year. Similar to the local survey, the state and regional respondents represent well over 100 events on an annual basis.

Local: How many events does your organization hold per year?



Source: Johnson Consulting

State: How many events does your organization hold per year?



Source: Johnson Consulting

Community Engagement – Meetings & Events

Event and Space Types

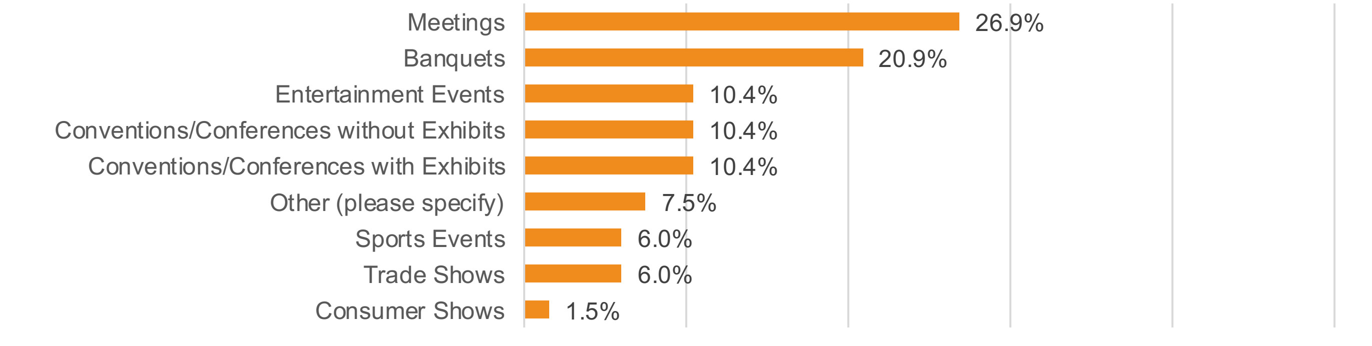
Survey respondents were then asked about the types of events that their organizations typically hold.

Local – As shown on the top right figure, among local respondents, meetings are the most common type of event (26.9 percent), followed by banquets (20.9 percent). Conventions/Conferences with and without exhibits and entertainment events all came in third with 10.4 percent of respondents respectively.

State/Regional – Among state respondents, meetings are the most common type of event (29.3 percent), followed by conventions/ conferences with exhibits (24.4 percent) and without exhibits at 13.4 percent.

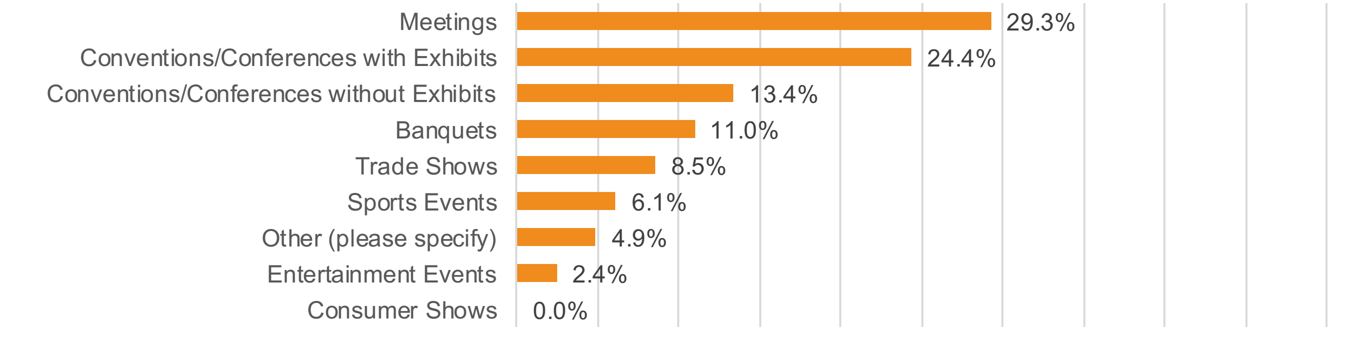
These responses help define the event types that should be targeted for both local and regional events.

Local: What type(s) of events does your organization hold? Select all that apply.



Source: Johnson Consulting

State: What type(s) of events does your organization hold? Select all that apply.



Source: Johnson Consulting

Community Engagement – Meetings & Events

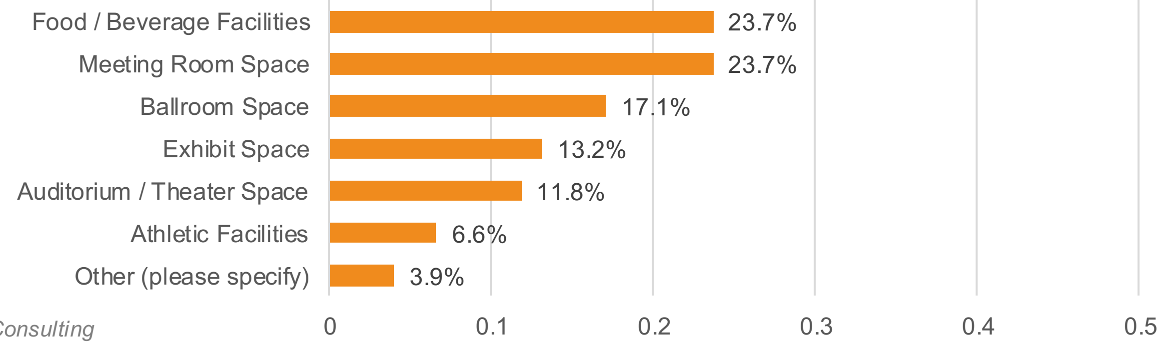
Event and Space Types

This question asked about the types of spaces that are needed for their events.

Local – Local respondents indicated that the most common space was food/beverage facilities and meeting space (both 23.7 percent, respectively). This is followed by ballroom space with 17.1 percent.

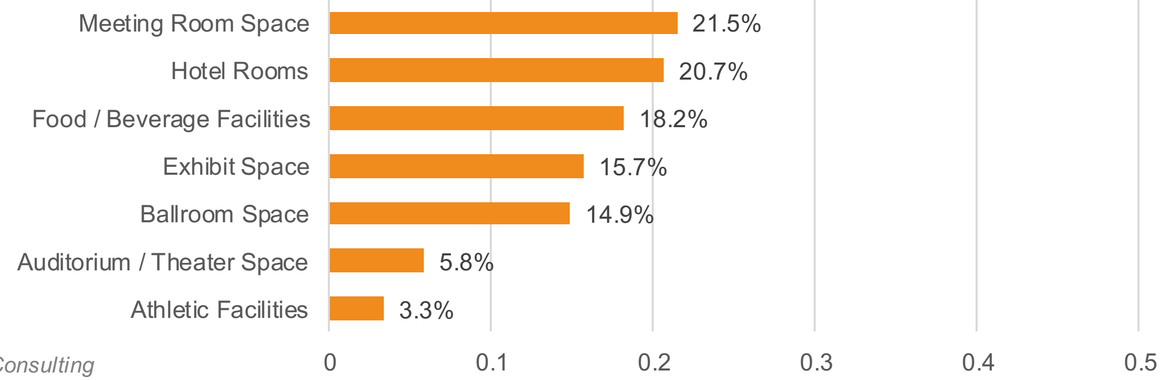
State/Regional – Among state respondents, the most often required spaces were meeting rooms (21.5 percent), followed by hotel rooms (20.7 percent).

Local: Which of the following spaces do your event(s) require? Check all that apply.



Source: Johnson Consulting

State: Which of the following spaces do your event(s) require? Check all that apply.



Source: Johnson Consulting

Community Engagement – Meetings & Events

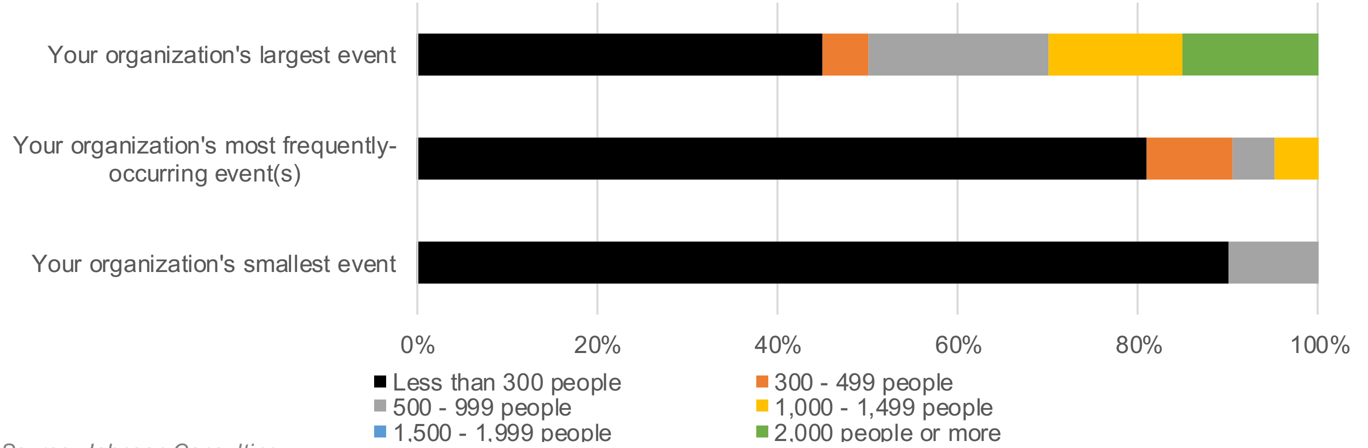
Average Attendance

This question is significant in gauging the size of spaces needed by planners. Planners needing larger spaces opt to rent tents to accommodate more people, or choose to leave the market for a place with more inventory (i.e. Birmingham).

Local – As shown at right for local respondents, in the case of largest events, the gray, yellow, and green cohorts (500 – 2,000+ people) represent about half of respondents. Among the three largest color categories (gray, yellow, green), only the Bryant Conference center can serve a portion of the gray respondents up to 640 people for a seated meal event.

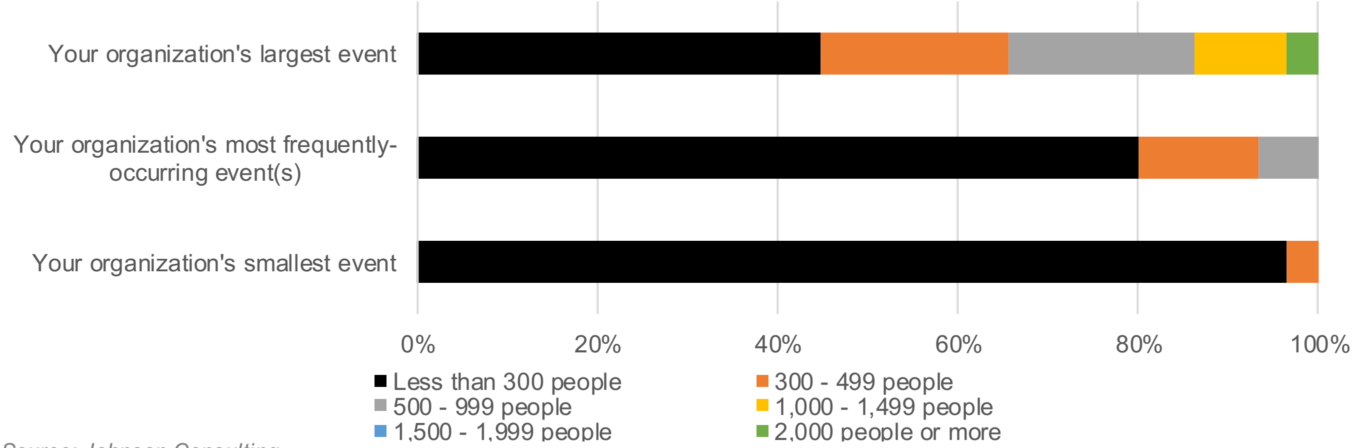
State/Regional – For the state and regional respondents, the attendance ranges also need to factor in the ability to allow adequate space for exhibit booths in addition to space for circulation and food function. This reflects the higher proportion of events with exhibits cited earlier by respondents.

Local: On average, how many people attend your organization's events?



Source: Johnson Consulting

State: On average, how many people attend your organization's events?



Source: Johnson Consulting

Community Engagement – Meetings & Events

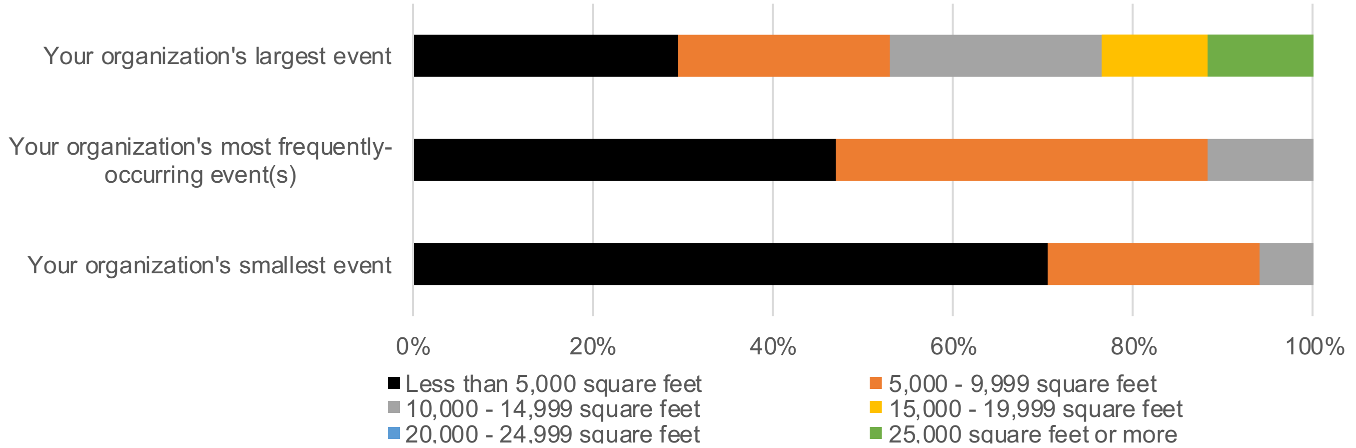
Average Square Footage

The information on this page will be a significant input into the size recommendations for the proposed event center.

As shown at right, roughly half of respondents from both groups need more than 10,000 sf for their largest event. This sizing currently cannot be accommodated in one contiguous space in the Tuscaloosa market.

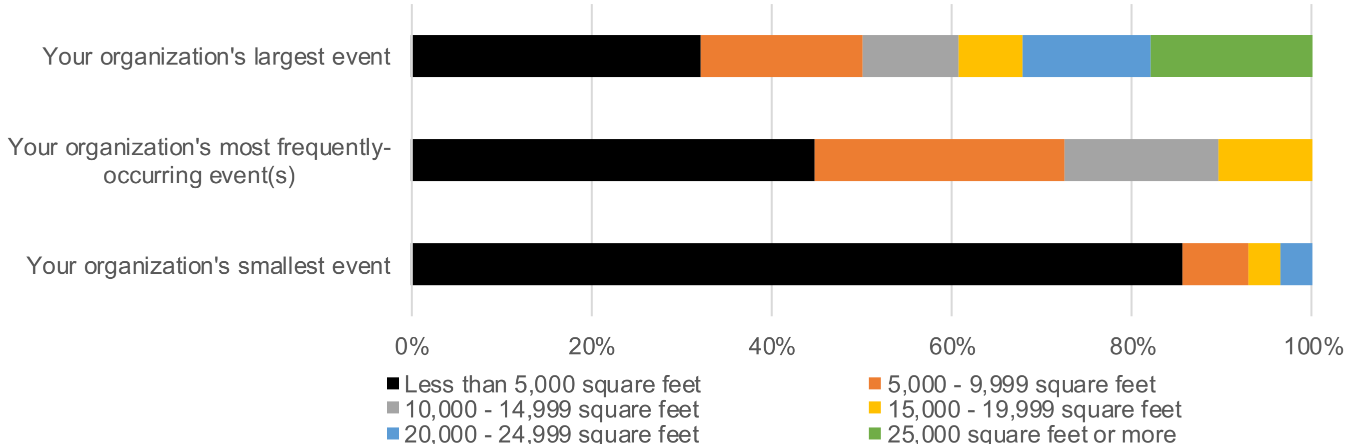
In the case of most frequently occurring events, the vast majority of both groups needed 9,999 sf or less. There is, however, a sizable cohort from the state planners (30 percent) that require 10,000 - 19,999 sf for their most frequently-occurring event that reflects the higher proportion of events with exhibits cited earlier by respondents.

Local: On average, what square footage of space is required for your organization's events?



Source: Johnson Consulting

State: On average, what square footage of space is required for your organization's events?



Source: Johnson Consulting

Community Engagement – Meetings & Events

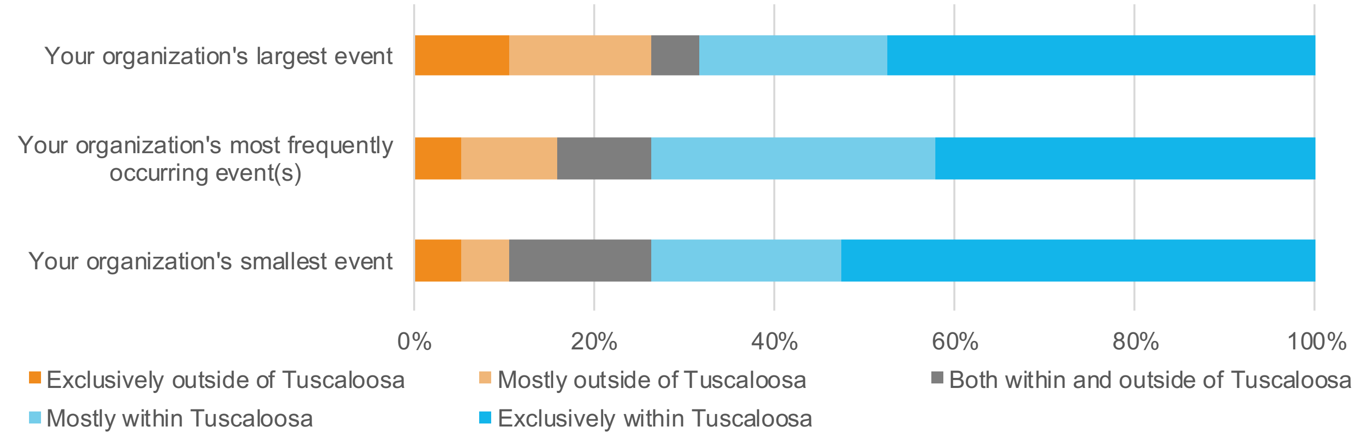
Event Locations

Local – As shown at right, a majority of local organizations' events have taken place both within and outside of Tuscaloosa. This question touches on a key issue, and a primary motivating factor for this project – Tuscaloosa County has a few, high-quality, event facilities that can accommodate events, but not enough to keep up with demand for the location.

State/Regional – Among state respondents, Tuscaloosa currently receives a small share of respondents' largest and most frequently occurring events, and a somewhat larger share of their smallest events.

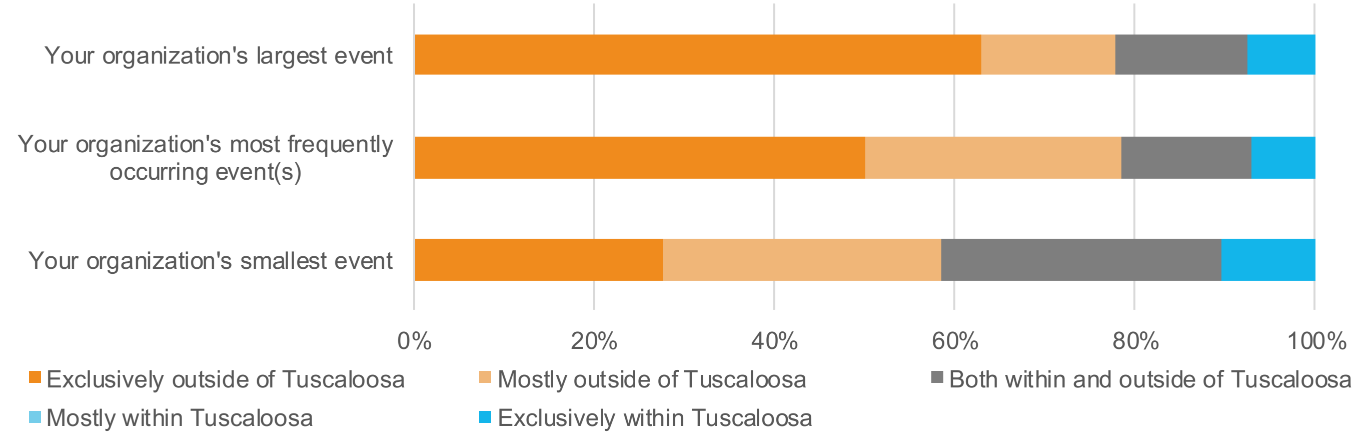
This question touches on a key challenge for Tuscaloosa. The market has facilities that are often too small to accommodate state and regional events, and lack prime date availability.

Local: Where have your organization's event(s) taken place?



Source: Johnson Consulting

State: Where have your organization's event(s) taken place?



Source: Johnson Consulting

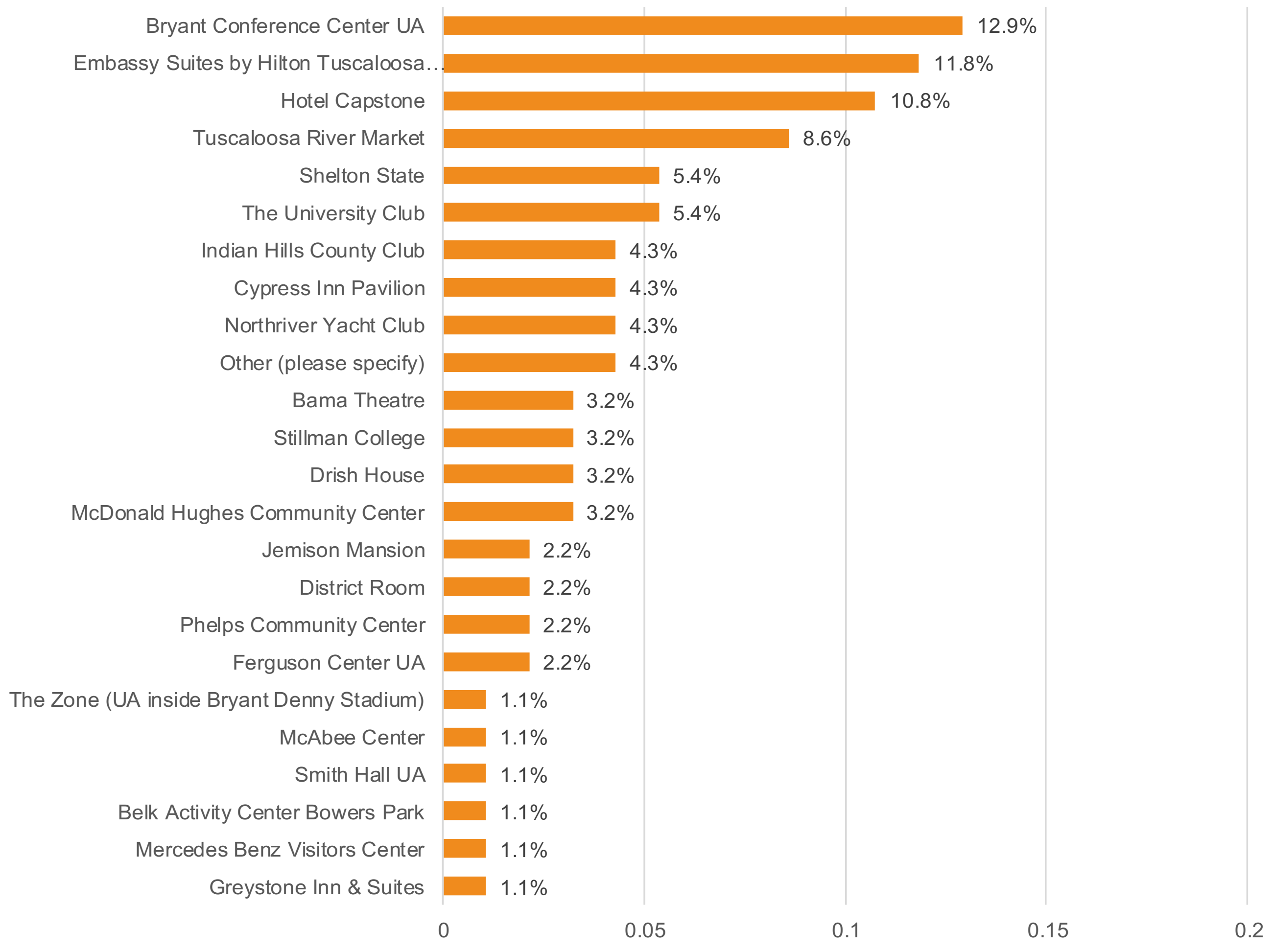
Community Engagement – Meetings & Events

Local Event Locations

Local planners were asked to indicate which facilities they have rented in the past for events within Greater Tuscaloosa. The top venues rented in Greater Tuscaloosa include the following:

- Bryant Conference Center (13 percent)
- Embassy Suites (12 percent)
- Hotel Capstone (11 percent)
- Tusacloosa River Market (9 percent)

Local: If your organization has held events within greater Tuscaloosa, where did they occur? Select all that apply.



Source: Johnson Consulting

Community Engagement – Meetings & Events

State Event Locations

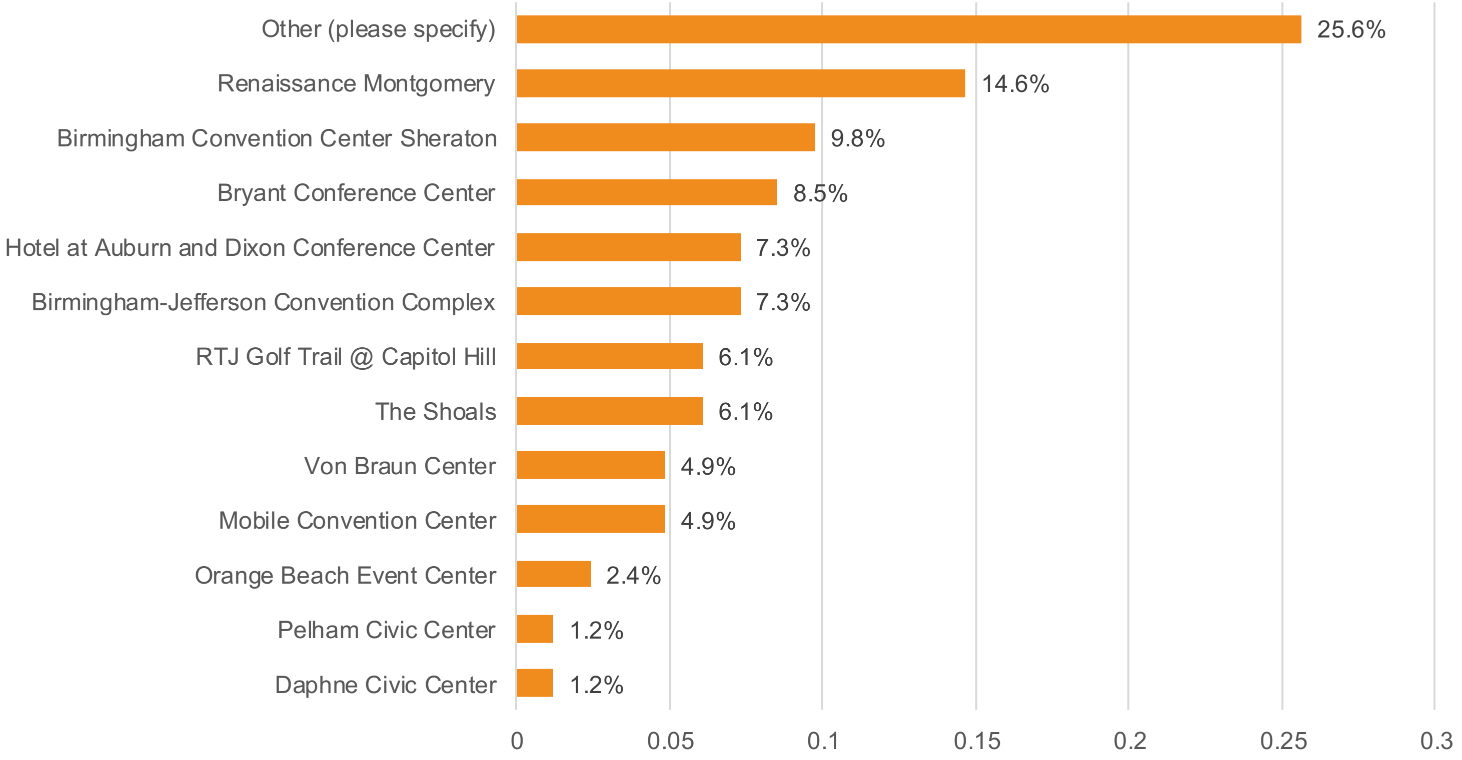
State planners were then asked to indicate which facilities they have rented in the past for events in Alabama, including venues in Tuscaloosa. The positive ranking of the Bryant Conference Center indicates that meeting planners are interested in Tuscaloosa.

The top venues rented in the state include the following:

- The Renaissance Montgomery (14.6 percent)
- Birmingham Convention Center Sheraton (9.8 percent)
- Bryant Conference Center (8.5 percent)

“Other” venues mentioned include the Grand Hotel (Point Clear, AL), the Lodge at Gulf State Park (Gulf Shores, AL), and Perdido Beach Resort (Orange Beach, AL).

State: When your organization hosts events in Alabama, where are these events typically held? Select all that apply.



Source: Johnson Consulting

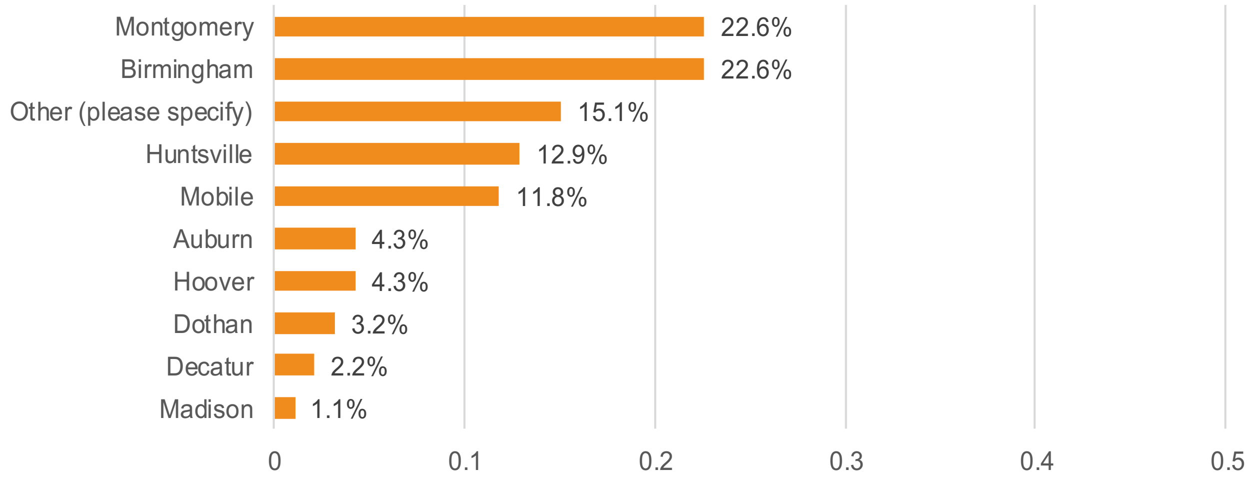
Community Engagement – Meetings & Events

State Markets

State planners were asked to indicate in which market areas outside of Tuscaloosa they have held events in the past. Outside of Tuscaloosa, respondents most frequently hold events in Birmingham (22.6 percent), Montgomery (22.6 percent), Huntsville (12.9 percent), and Mobile (11.8 percent). These markets have ample inventory of facilities of various sizes, including facilities that are 10,000 sf or greater.

“Other” markets that respondents indicated include Orange Beach, Gulf Shores, Florence, and Point Clear.

State: When your organization hosts events in Alabama outside of Tuscaloosa, in which market area(s) are these events typically held? Select all that apply.



Source: Johnson Consulting

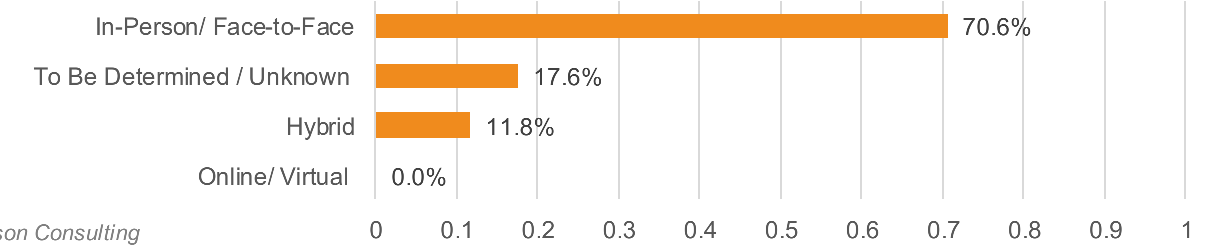
Community Engagement – Meetings & Events

2022 Event Plans

In this next batch of questions, respondents provided insight on 2022 meeting plans. In the top figure at right, more than three-quarters (70.6 percent) of local respondents indicated that their 2022 annual meeting/ conference would be held in-person. Among state planners, 85.2 percent of respondents indicated that their 2022 annual meeting/ conference will be in-person/ face-to-face.

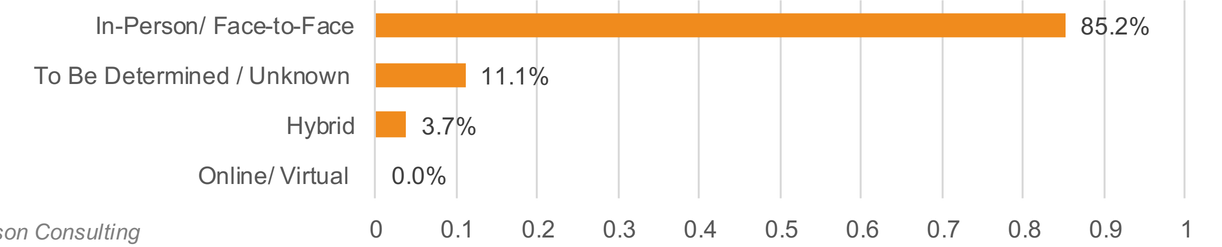
Given that the majority of these events are already moving back to in-person formats, there should be a healthy stream of demand ready to be tapped into in coming years as more and more events move back to in-person formats.

Local: What are your current plans for the format of your organization's 2022 annual meeting / conference / largest event?



Source: Johnson Consulting

State: What are your current plans for the format of your organization's 2022 annual meeting / conference / largest event?



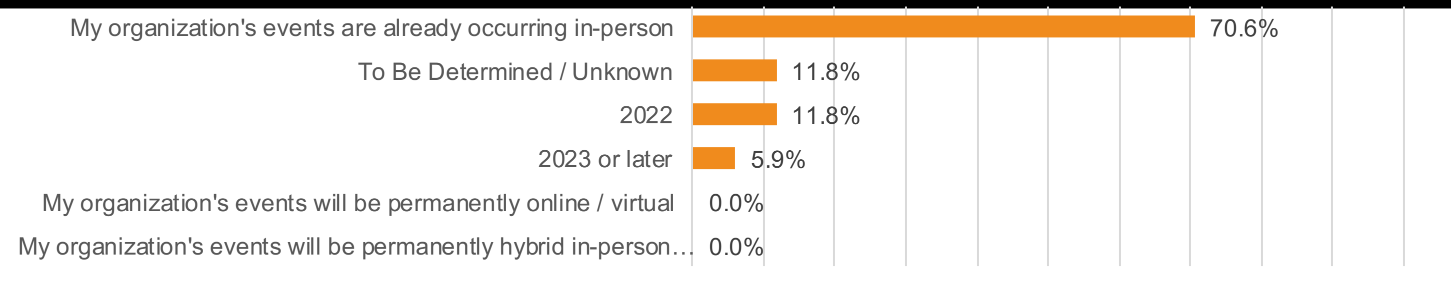
Source: Johnson Consulting

Community Engagement – Meetings & Events

Timeline for Return to "Normal"

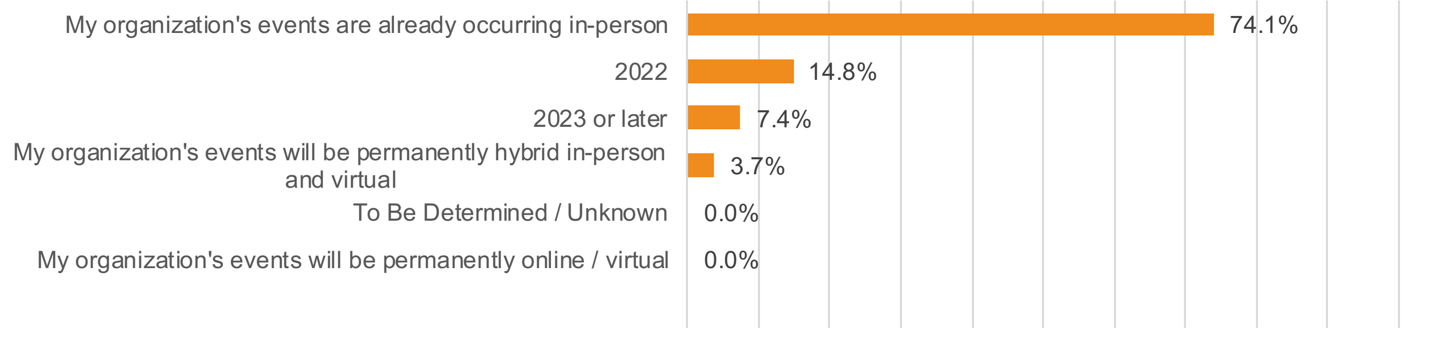
Next, respondents were asked to indicate when they anticipated events would return to primarily in-person/ face-to-face/ "normal" formats. The vast majority – 70.6 percent of local planners and 74.1 percent of state planners – noted that their events are already in-person. These findings are positive, and illustrate a move back to in-person event formats that would provide opportunity for Tuscaloosa County to capture pent-up event demand.

Local: When do you think your organization's events will return to "normal" in primarily in-person / face-to-face formats?



Source: Johnson Consulting

State: When do you think your organization's events will return to "normal" in primarily in-person / face-to-face formats?



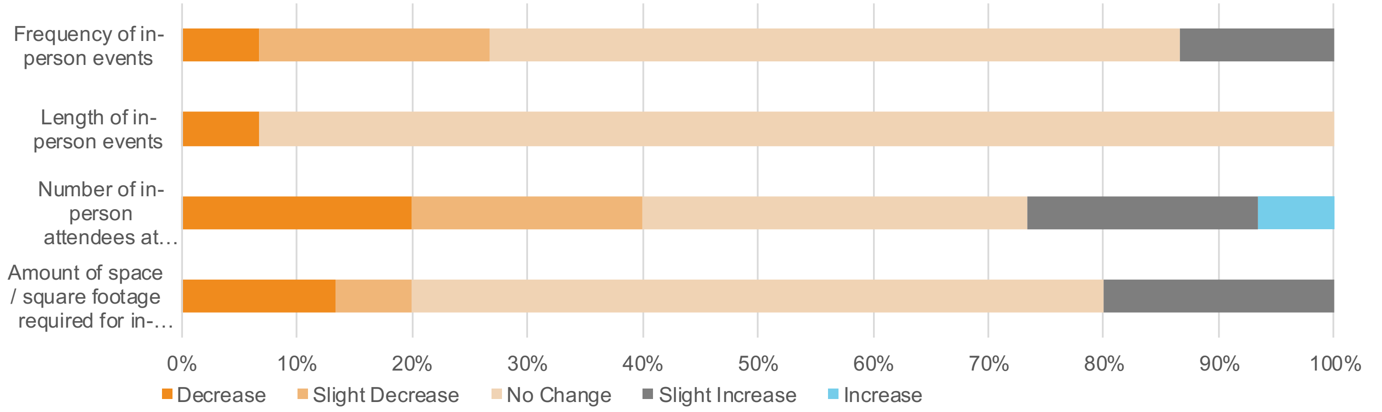
Source: Johnson Consulting

Community Engagement – Meetings & Events

Pandemic-Related Changes

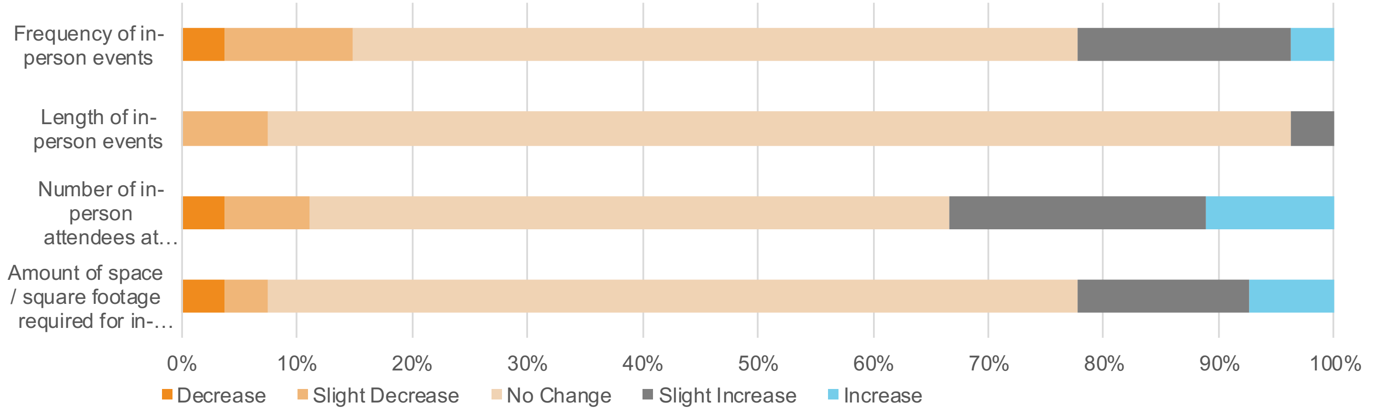
In this final question, respondents were asked how events are expected to change, if at all, after the COVID-19 pandemic. The majority of respondents in both surveys indicated that they expect frequency, length, and amount of space/ square footage needed not to change between pre- and post-pandemic. A sizable portion of respondents (roughly 15 percent) in each survey also indicated that they believe there will be a slight increase in number of in-person attendees at events. This question is critical in helping to determine appropriate facility size and programming into the future.

Local: Compared to your organization's in-person events that occurred before the COVID-19 pandemic began, how will your organization's post-pandemic, in-person events change, if at all, in terms of the following attributes:



Source: Johnson Consulting

State: Compared to your organization's in-person events that occurred before the COVID-19 pandemic began, how will your organization's post-pandemic, in-person events change, if at all, in terms of the following attributes:



Source: Johnson Consulting

Access Intelligence: National Event Management Outlook

About the Study

Access Intelligence Research & Consulting's Q4 2021 Event Management Outlook Study provides insights on some of the important issues and challenges facing the industry. This report is based on surveys conducted in November 2021. The surveys received responses from a diverse group of 115 organizations. A similar study was conducted in the summer of 2021 and some of these findings are also included.

ACCESS INTELLIGENCE
RESEARCH & CONSULTING

The report covers:

- Industry outlook with a focus on attendance
- In-person event reactivation status
- How key challenges are shifting
- Pros and cons related to venue services
- Supply chain impact on exhibitors
- New event launch outlook
- and more

Insight #1: 2021 live in-person event attendance compared to 2019 level – the average recovery has been two-thirds vs. 59% as of summer 2021

Events held in 2021, up to November, have recovered 66% of their pre-pandemic attendance base, according to an average of responses from leading event producers. The lowest response in the data set was 30% and the high was 130%. The responses range widely based on industry, event location and audience demographics. Some events are essentially back to normal, while others are very far from their pre-pandemic size and scope.

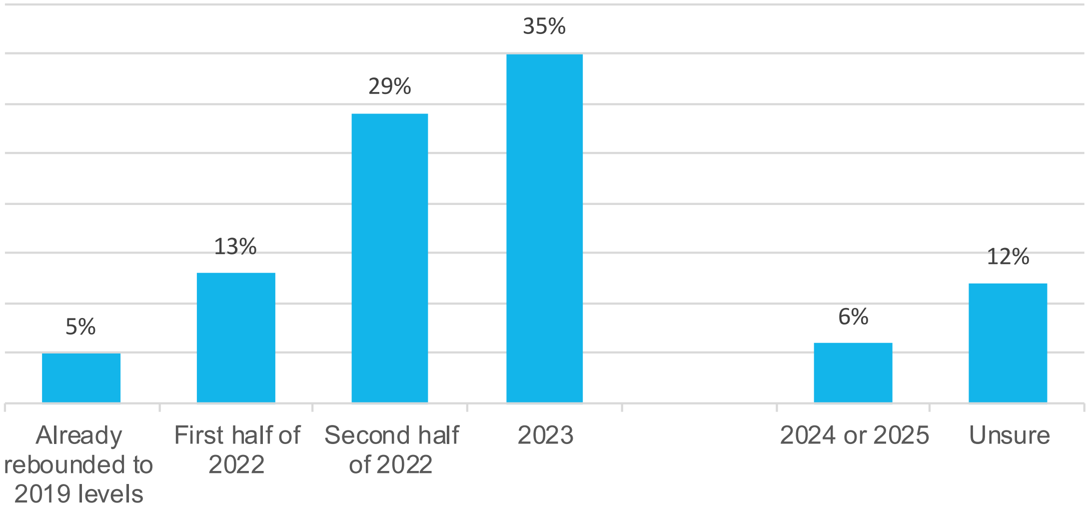
	August 2021 Finding	November 2021
Average in-person attendance recovery vs. 2019	**59%**	**66%**

Survey Question: If you have held a live in-person event in 2021, on a percentage basis, how has the in-person attendance level compared to when the event was last held assuming in 2019 or early 2020?

Insight #2: When will in-person attendance recover to 2019 levels?

Thirty-five percent of event management executives forecast 2023 as the year when attendance at their most important events will reach levels last seen in 2019. Yet, 42% expect this important level to be reached in 2022, and a total of 18% say their events are at or exceeding pre-pandemic attendance levels.

When Live In-Person Attendance is Expected to Recover to 2019 Levels

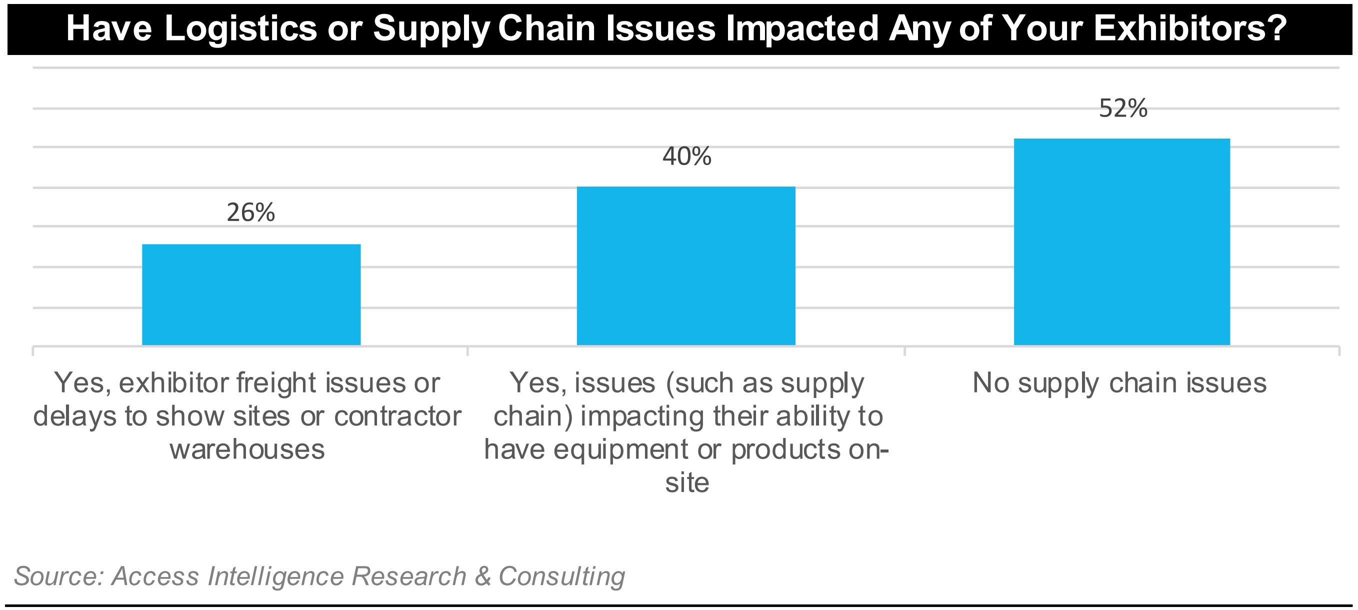


Source: Access Intelligence Research & Consulting

Survey Question: For your largest most important in-person event, when do you think your total number of in-person attendees will match or be roughly equivalent to the level seen in 2019 or in the most recent pre-pandemic fiscal period?

Insight #3: Supply chain issues have been impacting at least some exhibitors, according to nearly half of event management groups

Just under half of event producers say at least some of their exhibitors have been impacted by supply chain or logistical issues. The primary challenge relates to bottlenecks impacting some exhibitors' ability to have equipment or products on-site at events.



Survey Question: Have any logistics or supply chain issues faced by your exhibitors meaningfully impacted their participation at your events?

Insight #4: There have been a number of meaningful shifts in the key challenge areas for the in-person event business

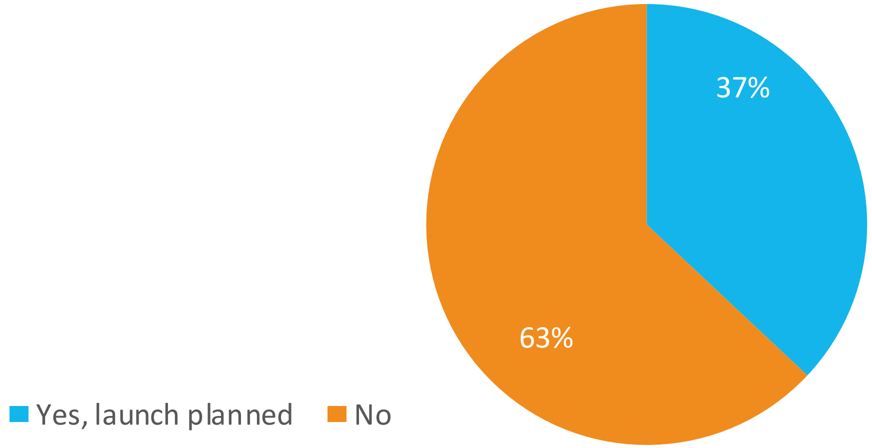
Over the past few months event producers have become more concerned about air travel capacity issues as well as international visitor access. It's good news that a smaller percentage of the industry is less worried about low attendance due to the pandemic, yet over half of event producers understandably are still concerned about this critical issue. Also good news is that there is reduced concern about online alternatives replacing in-person events. But clearly there are still many challenges facing the industry.

Key Issues and Challenges	Summer 2021	Nov. 2021	Difference
Areas of Increasing Concern			
Air travel issues (pricing, availability, airlift, access)	29%	45%	16%
International visitor travel access	21%	32%	11%
Hotel availability and pricing	29%	35%	6%
Pandemic-related: increased costs for health, safety	40%	45%	5%
Areas of Reduced Concern			
Pandemic-related: low attendance	72%	58%	-14%
Replacement of events with online alternatives	42%	30%	-12%
Gov./corp. restrictions on travel and meetings	58%	49%	-9%

Insight #5: Over one-third of event producers are planning to launch a completely new in-person event over the next two years

Just over one-third of event producers say their organizations are planning to launch a completely new in-person event in either 2022 or 2023. This is a fairly high percentage and reflects the need to serve changing industry sectors, but also confidence in the future of in-person events.

% Event Management Groups Planning a New In-Person Event Launch



Source: Access Intelligence Research & Consulting

Survey Question: Are you planning to launch a completely new live in-person event over the next two years?

Community Outreach & Engagement

Meetings and Event Implications

Based on the over 50 survey responses and the significant interviews and outreach done at the local, state, regional and national levels, in addition to the research and findings from the prior sections of this report, Johnson Consulting is of the strong opinion that there is a strong demand opportunity and interest for a new and larger event center in Tuscaloosa. To provide enough opportunity to attract the widest range of event types and sizes, the proposed event center is recommended to have a multi-purpose hall that is flexible in the range of events that it can host and offer 20,000 square feet of net usable space. In addition to the large multi-purpose hall, it is recommended that a variety of meeting and break out spaces be developed that can be used for smaller sessions and events and also be flexible in how they can be used to support the largest space and special events.

Food and beverage functions are also extremely important and there needs to be adequate kitchen and equipment to host banquets and other food and beverage events. There also needs to be adequate pre-function and lobby space, storage and back of house space, and outdoor event spaces to accommodate the latest trends in the meetings and events industry. Additional program recommendations are located in section 6 of this report.

Section 5.2
Sports

JOHNSON CONSULTING

Community Engagement Takeaways - Sports

In order to gauge market demand for sports in Tuscaloosa, the Consulting Team worked with Tuscaloosa Tourism and Sports (TTS) and organized a focus group of local and regional sports industry experts. These individuals included club organizers, tournament organizers, and coaches, among others. The following are takeaways from these participating individuals:

TUSCALOOSA COUNTY….

- Is home to the University of Alabama which is huge selling point for tournaments and other sporting events.
- Is a popular tournament destination, and organizers are often hard-pressed to find available dates for their events.
- Has high-quality facilities to host practices, games, and tournaments, but is – in many cases – lacking the size of facilities needed in order to attract large events. In particular, state and national tournaments need many surfaces in one location in order to hold their events in Tuscaloosa.
- Loses tournament business to other Alabama destinations with more centralized sports facilities. Sports focus group members mentioned that they often choose to hold events at the following venues: the Foley Sports Complex and Foley Event Center (Foley, AL), the Florence Sportsplex (Florence, AL), the Hoover Met Complex (Hoover, AL), Sand Mountain Park (Albertville, AL), and the Birmingham Crossplex (Birmingham, AL) among others.

Section 6
National Case Studies

JOHNSON
CONSULTING

Case Studies

In order to understand the operating characteristics for a potential convention center district in Tuscaloosa, this section presents case study profiles of a set of national comparable facilities, as well as the markets within which they operate. The key characteristics of these case studies are provided in the following profiles, and include:

- Location, size, character, and attributes of the market and the areas adjacent to the facility
- Location, size, character, and attributes of the facility
- Ownership, operations, and management structure of the facility
- A demand profile, including the number of events, type of events, and total attendance, as available
- A financial profile, including operating revenues and expenses as well as supplementary non-operating revenues such as public subsidy, grants, and private contributions, as available

This information provides insight into the scale and operating parameters of a facility that could be realistically feasible in Tuscaloosa, as well as some general parameters within which the facilities could reasonably expect to operate in terms of demand and financial performance. These venues were selected for a variety of reasons such as the program of spaces, operation and management structure, market similarities, geographic proximity, and key lessons to be learned about how to optimize demand potential and financial sustainability.


Bryant Conference Center


River Market

Section 6.1
National Meetings & Event Case Studies

JOHNSON CONSULTING

National Case Studies

Lake Terrace Convention Center (Hattiesburg, MS)

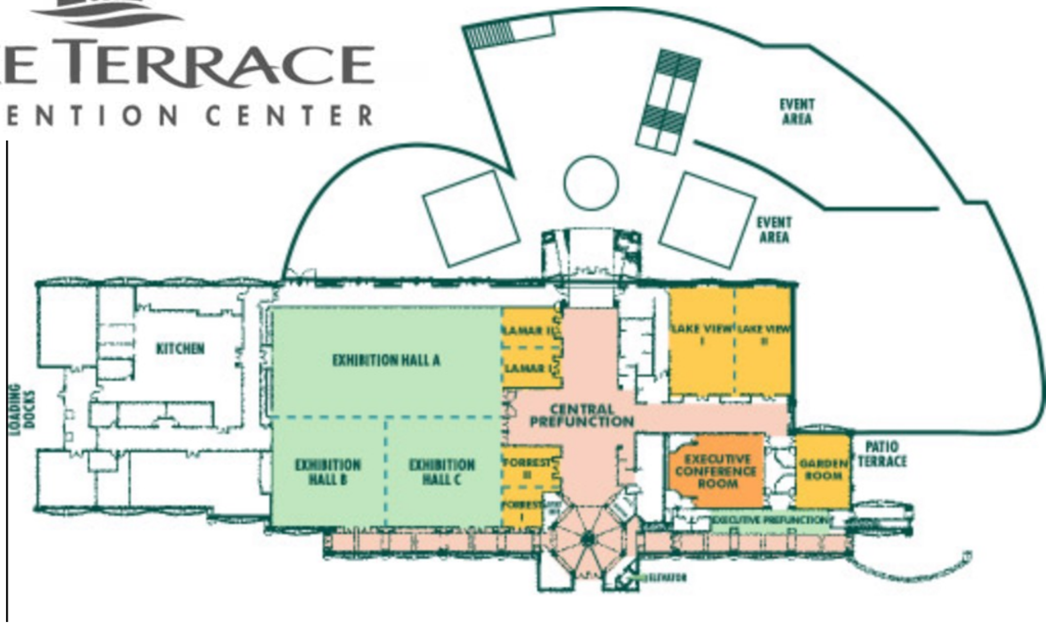
Overview: Located to the northwest of downtown Hattiesburg, at the intersection of Interstate 59 and U.S. Highway 49, Lake Terrace Convention Center (LTCC) opened in 1998. The site comprises 32-acres of parkland and incorporates a 2-acre lake. The LTCC has emerged as an important economic resource for the community. The Hattiesburg community is a center for medical services for the region and the location of the University of Southern Mississippi.

Facilities: The LTCC offers 14,755 sf of exhibit space, 7,936 sf of meeting space, and 6,100 sf of outdoor event space overlooking the lake, along with pre-function space, a full-service kitchen, and administrative space. Also part of the LTCC campus is The Lawn at Lake Terrace which offers 191,000 sf of lawn space for live entertainment events.

Demand: On an annual basis, the facility hosts an average of 800 events, attracting around 220,000 attendees, indicating a high level of utilization and generating around 20,000 room nights annually.

Recent events: Kohler, Marshall University Football, MAPE/PREPS 2019 Partnership Conference, National Guard, YELLOW RIBBON 1st 155th CAB, Hub City Beatdown III, Meeting And Events International Pharmaceutical Meeting, World Harvest Ministries Global Conference, Borden Dairy, iHeartMedia Radio.

LAKE TERRACE
CONVENTION CENTER



Lake Terrace Convention Center
Estimated Demand Schedule

	# Events	# Event Days	Attendance	Average Attendance Per Event
Conferences/ Conventions	76	141	24,283	355
Meetings	423	506	30,841	73
Trade Shows	13	27	57,393	4,529
Banquets	137	141	29,805	217
Consumer Shows	2	4	1,979	937
Miscellaneous	42	69	5,458	129
Performances/ Sports	81	302	58,638	721
Receptions	65	92	13,603	208
TOTAL	**841**	**1,283**	**222,000**	**264**

Source: Lake Terrace Convention Center, Johnson Consulting

National Case Studies

Lake Terrace Convention Center (Hattiesburg, MS)

Mission: **“**Our mission is to grow the economy of Hattiesburg by hosting exceptional meetings, conventions and events that improve the quality of life of residents and visitors alike.”

Oversight and Management: The LTCC is overseen by the Hattiesburg Convention Commission (HCC). The HCC is comprised of seven commissioners, an executive director and legal counsel. The HCC oversees a portfolio of 10 venues on behalf of the City of Hattiesburg.

Observations: The LTCC was built in response to growing demand for meeting space and to attract new dollars and add room nights to the area. Since opening, the LTCC has earned a reputation as a high quality, service-focused convention and civic center. This service distinction, the environment and setting of the Center, and affordability of the Hattiesburg market have allowed the CVB and LTCC staff attract a high volume of events and provide a strong contribution to the local economy. The LTCC is an excellent example of how well performing a venue can be that is not associated with a major metro area and is a great model for the proposed Tuscaloosa event center and the City’s growing portfolio of assets.

National Comparable Case Studies

St. Charles Convention Center – St. Charles, MO

The St. Charles Convention Center is in suburban St. Louis, a 10-minute drive from Lambert St. Louis International Airport and a 30-minute-drive northwest of the downtown area. St. Charles offers a suburban location that is on the edge of St. Louis and that is closer to the capital City of Jefferson City, providing a convenient location for groups and associations in Jefferson City that need to meet close to their St. Louis membership base.

The center has approximately 58,000 sf of combined exhibit hall, ballroom, and meeting space. The center is attached to an Embassy Suites Hotel, an all-suite, 296-room facility managed by Atrium Hospitality. The facility opened in 2005 and is operated by Spectra. The Convention Center is owned by the City of St. Charles and its Convention and Sports Facilities Authority. The facility was funded via a sales tax Tax Increment Financing (TIF) mechanism and a 5% County-wide hotel tax. The money comes directly to the Authority and is governed by the Oversight Board. Spectra submits an annual budget which is approved by the Oversight Board. The funds are dedicated specifically to debt service payments and operations.

The St. Charles Convention Center is one of the highest performing convention centers of its size in the country. In 2019, the facility achieved an overall occupancy of 57%, with the exhibit hall having the highest occupancy rate (62%). In the same year, the facility hosted 193 events and welcomed 322,134 guests, with over one-third of these events being meetings and one-third of attendees at consumer shows. Conventions, the final third of total demand, are the center’s primary revenue and room night generator, accounting for $2.5M in gross event revenue (32%). In total, the facility had $7.9M in operating revenue and $7.8M in total expenses, resulting in a net income of $112,705. For more information on the event mix, income, and room nights generated at St. Charles in 2019, see the following pages.

National Case Studies

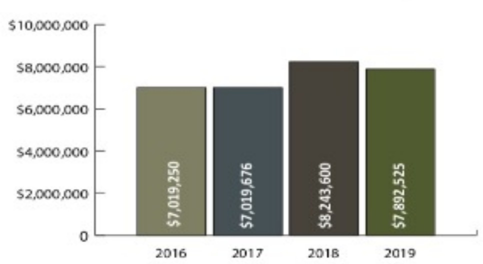
St. Charles Convention Center – St. Charles, MO, Cont.

2019 Financial & Demand Performance

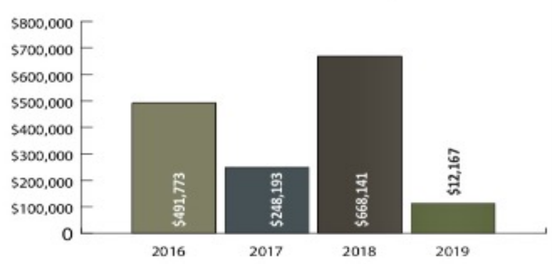
	ACTUAL	BUDGET	VARIANCE
Income			
Rental Revenue	$1,382,389	$1,434,443	$(52,056)
Service Revenue	$ 932,339	$ 870,669	$ 61,670
Ancillary Revenue	$5,473,370	$5,241,823	$ 231,548
Other Revenue	$ 104,427	$ 56,000	$ 48,427
Total Gross Operating Revenue	**$7,892,525**	**$7,602,937**	**$ 289,589**
Expenses			
Event Expenses	$ 2,279823	$2,113,330	$(166,493)
Personnel	$3,667,180	$3,629,054	$ (38,126)
Operating Expenses	$1,832,817	$1,760,015	$ (72.803)
Total Expenses	**$7,779,820**	**$7,502,399**	**($277,421)**
Net Income (Loss)	**$ 112,705**	**$ 100,538**	**$ 12,167**

Spectra's trend of surpassing budgeted financial expectations continued in 2019. For the ninth year in a row Spectra operated the St. Charles Convention Center at a net profit.

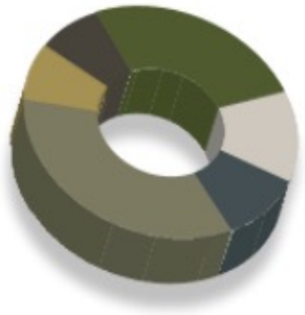
Gross Revenue Four Year History



Net Income Four Year History

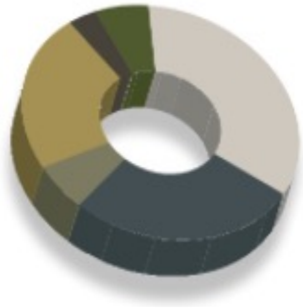


EVENTS BY TYPE



Event Type	# of Events	Percentage
Banquet	50	26%
Consumer Show	25	13%
Convention	29	11%
Meeting	66	34%
Special Event	16	8%
Trade Show	16	8%
Total:	**193**	

ATTENDANCE BY TYPE



Event Type	Attendance #	Percentage
Banquet	21,158	7%
Consumer Show	109,512	34%
Convention	88,404	27%
Meeting	19,390	6%
Special Event	72,609	23%
Trade Show	11,061	3%
Total:	**322,134**	

Case Studies

Gateway Convention Center

Overview: Located in downtown Collinsville, Illinois, the Gateway Convention Center (GCC), pictured on the above right, is 20 minutes from downtown St. Louis. The GCC opened in the 1990's and underwent two expansions after 1995. In 2006, the center had its third expansion, adding more than 45,000 sf. The GCC also benefits from its location within the Collinsville Hospitality District, offering over 900 hotel rooms and 20 restaurants, serving to increase visitation to the venue.

Ownership/ Management: The GCC is and owned and operated by the City of Collinsville.

Facilities: The GCC comprises over 48,000 sf of leasable event space. The breakdown of the event space is as follows: 24,945 sf of total exhibit space 18,300 sf of total ballroom space and 4,786 sf of total meeting room space.

Demand: The GCC hosts over 300 events annually including, consumer shows, trade shows, public events, concerts, sporting events, and eSports tournaments.

Revenues & Expenses: In 2019, the GCC reported $1.4 million in revenues and $2.3 million in expenses, resulting in a net operating loss of eight hundred and eighty six thousand dollars.

National Case Studies

South Padre Island Convention Center – South Padre Island, TX

Overview: Located in downtown of the resort city South Padre Island, Texas on a waterfront site overlooking the Laguna Madre Bay, South Padre Island Convention Center (SPICC) first opened in 1992, offering approximately a total of 33,500 sf of function space. The SPICC has served as the primary exhibit and meetings facility in the community. It is owned by City Of South Padre Island and last underwent a renovation in 2012.

Facilities: The SPICC offers 22,500 sf of exhibit space, 9,816 sf of meeting space in seven meeting rooms, a 230-seat theater, a 4,776 sf sun terrace, and 500 parking space.

Demand: On an annual basis (pre-Covid pandemic), the facility hosts over 80 events, utilizing around 180 event-days and attracting around 50,000 attendees.

Revenue and Expenses: In FYE 2019, the SPICC reported $1.5 million in revenues and $1.6 million in expenses, resulting in a net operating loss of $120,000.

Observations: With the Covid pandemic starting to get under control, the SPICC has been re-considering an expansion to the facility, to strengthen the resort city's competitive position and embrace the future of South Padre Island as a prominent destination for event planners.

South Padre Island Convention Center Demand and Utilization by Type of Event

# of Events	2018	2019
Convention / Tradeshow	0	10
Conference / Social	23	13
Concert / Special Event	42	24
Sports & Recreation	13	17
Meeting / Training / Black Box	8	16
Total	**86**	**80**
# of Event Days	**2018**	**2019**
Convention / Tradeshow	0	24
Conference / Social	53	26
Concert / Special Event	95	64
Sports & Recreation	26	35
Meeting / Training / Black Box	15	30
Total	**189**	**179**
Attendance	**2018**	**2019**
Convention / Tradeshow	0	3,775
Conference / Social	8,900	8,900
Concert / Special Event	30,585	19,000
Sports & Recreation	11,300	14,500
Meeting / Training / Black Box	780	3,750
Total	**51,565**	**49,925**

Source: South Padre Island Convention Center

South Padre Island Convention Center Financial Statements ($000)

	2018	2019
Convention Center Revenue		
Rental Fees	$276	$215
F&B Service Commissions**	27	20
A/V Rental Commissions	0.4	0.0
Equipment Rental	0.4	0.0
Sub-Total Convention Center Revenue	**$304**	**$235**
Supporting Revenue		
Hotel/ Motel Occupancy Tax	$1,752	$1,266
Other Non-Property Taxes	6	0
Fees and Services	1	0
Miscellaneous	41	15
Other Financing Sources	0.4	0.0
Sub-Total Supporting Revenue	**$1,801**	**$1,281**
Total Revenue	**$2,105**	**$1,516**
Expenses		
Personnel Services	$484	$544
Goods and Supplies	60	53
Repairs and Maintenance	187	183
Miscellaneous Services	488	595
Other Expenses***	189	261
Total Expenses	**$1,407**	**$1,636**
Net Income (Deficit)	**$697**	**($120)**

**Fiscal year runs from October 1st thru September 30th.*
***Include Concession Commissions and Catering Commissions.*
****Include Equipment (>$5,000 Outlay), Other Services, Miscellaneous Adjustments.*
Source: City of South Padre Island, Johnson Consulting

National Case Studies – Under Development

The Soundside (Dare County, NC)

Overview: The community of Dare County, NC has a high level of interest in an improved event venue, including indoor and outdoor space, with numerous synergistic opportunities identified among the various groups. Of critical importance to the local community is a design that is respective of the unique setting provided by the subject site, enhancing public access, maintaining water views and providing green space. While there were mixed opinions regarding the desire for an onsite hotel, lodging growth near the site, as market demand increases, would be strategic for The Soundside.

Program: It is recommended that a net useable ±30,000 sf multi-purpose event venue be contemplated for The Soundside site. This would complement the existing outdoor event space and ideally would be supported by a ±200 room hotel, which would also serve to fill a gap in the marketplace for hotel accommodations. If designed appropriately, the multi-purpose event venue could be used for sporting tournaments, consumer shows, music events, trade shows and occasional conventions, and could serve different roles during different seasons. More specifically, consumer shows, trade shows and entertainment events could be booked throughout the year, while during shoulder seasons and winter months, the same event types could be held and supplemented by sporting events and occasional conventions.

National Case Studies – Implications

The case studies demonstrate the various models that can be pursued among convention and event center facilities. In terms of the program of these facilities, they primarily focus on large meetings and conventions. Each facility was conceptualized in order to serve the needs of the community and market area within which they operate, providing event spaces without replicating or cannibalizing demand from the other existing facilities in the market. These facilities host hundreds of events that draw tens or even hundreds of thousands of attendees each year and have a wide array of financial models that are employed to fund capital and operational expenses. These facilities do not typically generate large operating profits – in fact, many require non-operating revenue to balance their operating budgets, which can come in the form of public subsidy, grants, or private contributions. Another current and important trend going forward is the location of convention facilities as part of mixed-use developments with high-quality amenities that are walkable and connected to the outdoors. This is what has made the facilities in St. Charles, Collinsville and the proposed project in Dare County so appealing to meeting and event planners. Additionally, there are economies to be gained by co-locating convention center and hotel facilities from development and financing strategy, and with a well-thought-out rental rate structure, robust sales and marketing operation, and additional ancillary revenue streams, the need for operating subsidy can be minimized.

The management and oversight of these facilities is also an important consideration and is needed to ensure the proper stewardship of the investment of public resources. The case studies demonstrate a range of different management and oversight options that include direct city management in the case of the Gateway Center in Collinsville. In St. Charles, a city created authority that uses a private management company for operations is the ownership and management structure with the management company reporting to the authority and the authority reporting to the City. There is also an additional relationship with the facilities and the local Convention and Visitors Bureau (CVB). Often times the CVB is the primary seller of facility space 18-months and out and the building sells the space 18-months and in. This allows the CVB to have a longer lead time to attract conventions and tradeshows that plan further out in time and the building to have control of the calendar as the event horizon gets closer so that they can infill with local events and social business that do not book as far out.

Overall, the case study facilities provide examples of where these types of facilities have been developed in other similar markets and provide a window within which Tuscaloosa's proposed event center can expect to operate.

Section 6.2

National Indoor & Outdoor Sports Venues Case Studies

JOHNSON CONSULTING

National Sports Facilities

Sports Force Parks – Sandusky, OH

Year Opened: 2017

Ownership/ Management: Cedar Fair, Sports Force Parks

Size: Indoor (185,000 sf) Outdoor (57 Acres)

Cost: $57.5 Million ($23.5 Million outdoor, $28 Million indoor)

Facilities: Sports Force Parks is a family oriented tourism destination with a focus on sports as well as entertainment for the whole family. Included in the park is eight (8) youth baseball diamonds and four (4) full-sized diamonds. Sports Force Parks also has eleven (11) softball fields, all of which are synthetic turf. All of the baseball and softball fields come equipped with batting cages and bullpens as well. For soccer and lacrosse, Sports Force Parks has eight (8) full-sized soccer fields, five (5) of which are lighted. They also have ten (10) separate youth soccer fields, all of which have lights to play at night.

National Sports Facilities

Sports Force Parks – Sandusky, OH (Continued)

Rental Rates: Not Available

Demand: In its first year of operation, Sports Force Parks drew 111,000 visitors and generated $22.3 million in economic impacts. This surpassed their projections of $16 million. In 2017, approximately 1,300 youth sports teams visited Sports Force Parks.

National Sports Facilities

Paradise Coast Sports Complex and Entertainment Center – Naples, FL

Year Opened: 2021

Ownership/ Management: Collier County; SFM

Size: 175 acres

Cost: $150M

Facilities: Paradise Coast Sports Complex and Entertainment Center is an outdoor sports facility in Naples, FL, roughly 40 miles south of Fort Meyers, FL. The Complex is being developed in three phases. After completion in 2023, the site will host 19 artificial turf fields, able to host soccer, lacrosse, football, and a variety of other sports. The complex also has a 2,500 seat stadium field for championship level games. Six of the fields are convertible to baseball/softball diamonds, with an additional 5 youth sized diamonds. The complex also features a multipurpose lawn area, locker rooms, concessions, a fitness pavilion, and a social club with food and amenities.

National Sports Facilities

Paradise Coast Sports Complex and Entertainment Center – Naples, FL (Continued)

Rental Rates: Not Available

Demand: In its opening year, the park hosted 80,000 visitors, was responsible for the booking of 120,000 local hotel rooms and had a $56 million impact on the community. Between April and September 2021, the park hosted a total of 26 tournaments, which brought in more than 1,600 teams consisting of 225,000 athletes. The summer season brought an economic impact exceeding $50 million and the sports park hosted 43 tournaments between October and December 2021. It was also announced in early 2022 that an indoor facility will begin development soon to neighbor the park and increase their footprint in the youth sports community.

National Sports Facilities

Publix Sports Park – Panama City Beach, FL

Year Opened: 2018

Ownership/Management: Panama City Beach Convention & Visitors Bureau, St. Joe Company and Bay District Schools; SFM

Size: 160 acres

Cost: $41M

Facilities: Publix Sports Park is an outdoor sports complex located in Panama City Beach, FL. The Complex consists of 13 multipurpose fields, 9 of which are artificial turf, including 2 championship caliber stadiums that seat up to 1,500 people each. Creative design allows for 5 of the fields to support baseball/softball diamonds. The park was renamed to Publix Sports Park in February 2022, when the company announced the naming rights deal of $500,000 over 5 years to be funded towards the complex. The park also host multiple festivals throughout the year including the Pepsi Gulf Coast Jam and the Thunder Beach Motorcycle Rally.

National Sports Facilities

Publix Sports Park – Panama City Beach, FL

(Continued)

Rental Rates: Not Available

Demand: The PCBSC hosts a variety of leagues and tournaments in sports such as soccer, baseball, softball, lacrosse, football, and other sports ranging from age 3 to 45+. Once the indoor facility is completed and the complex has stabilized after a few years of operation, it is projected to host 74 events, stimulate over 111,000 hotel room nights, and generate more than $2.6 million in revenue per year. The same study calculates a total economic impact of $309 million over the project's first 10 years of operations.

National Sports Facilities

Rocky Top Sports World– Gatlinburg, TN

Year Opened: 2014

Ownership/ Management: Sevier County and the City of Gatlinburg; SFM

Size: 80 acres; 86,000 sf

Cost: $20M

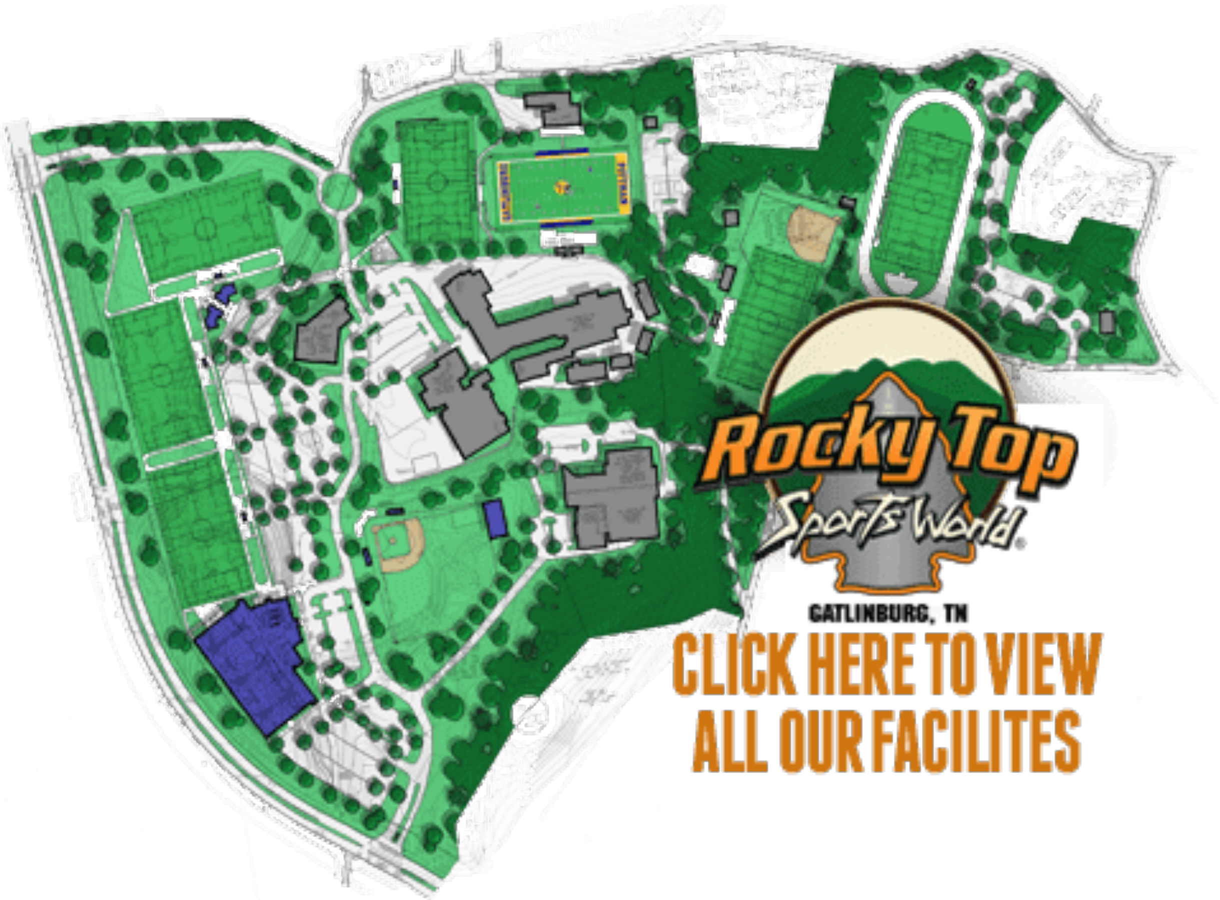
Facilities: Rocky Top Sports World is a large indoor-outdoor sports campus in the eastern Tennessee city of Gatlinburg, located roughly 1 hour from Knoxville at the gateway to the Smoky Mountains. Outdoors, the complex features 6 synthetic, fully lit turf fields, 1 natural field, and a championship stadium field with a press box and seating for 1,500 spectators. Indoors, the complex features 10 basketball courts and17 volleyball courts. There is also an indoor/outdoor grill area on-site. Additionally, the facility is complete with fitness and training centers, a community center, and a library. In addition to offering parking on-site, there is a trolley that provides transportation between the venue and downtown Gatlinburg.

National Sports Facilities

Rocky Top Sports World – Gatlinburg, TN (Continued)

Rental Rates: Not available.

Demand: Rocky Top Sports World has consistently been regarded as a top sports facility in the southern U.S., due to the quality of its facilities, its scenic location, and its proximity to attractive tourism amenities. Rocky Top was voted a 2019 Champion of Economic Impact in Sports Tourism by Sports Destination Management and has received numerous other awards. In 2019, Rocky Top hosted roughly 60 tournaments. In FY 2020-2021, Rocky Top welcomed over 135,000 visitors, and contributed $46.9 million in economic impact.



National Case Studies - Implications

The facility inventories for sports and recreation in Tuscaloosa County reveals that, in line with the anecdotal evidence that was gathered in the community engagement process, there is an unclear market opportunity for a large scale sports tourism destination in Tuscaloosa. Although there are a significant number of sports facilities across the region, the size and growth trajectory of Tuscaloosa is not sufficient to capture a significant market share, mostly due to the inventory and scale of larger tournament facilities within close proximity and the draw to the Birmingham metro area. However, there is a notable shortage of sports facilities within the County, particularly regarding indoor complexes. The magnitude of this shortage will impact the size recommendation for a new facility, which will be addressed in the following sections of this report.

The case studies demonstrate the various models that can be pursued among sports and recreation facilities. In terms of the program of these facilities, they primarily focus on large sports destinations that host both indoor and outdoor competition. Each facility was conceptualized in order to serve the needs of the community and market area within which they operate, providing sports facilities without replicating or cannibalizing demand from the other existing facilities in the market. These facilities host hundreds of events that draw tens or even hundreds of thousands of attendees each year and have a wide array of financial models that are employed to fund capital and operational expenses. These facilities may generate large operating profits – and initial development and funding can come in the form of public subsidy, grants, or private contributions. There are economies to be gained by co-locating an event center and indoor recreation space from development and financing strategy, and with a well-thought-out rental rate structure, robust sales and marketing operation. This would meet a much needed market demand and could generate a greater operational revenue for the event center. Overall, the case study facilities provide examples of where these types of facilities have been developed in other similar markets and provide a window within which Tuscaloosa could operate effectively.

There are several site options in Tuscaloosa that can offer the opportunity to have strengthened sports and recreation facilities, with the help of a well-positioned master plan to renovate some of the existing parks including Sokol Park, Bowers Park, and the Phelps Center.

Section 7

Recommendations, Site Analysis, Demand & Financial Projections

JOHNSON CONSULTING

Recommendations & Projections

Introduction

In this section, Johnson Consulting details the rationale that supports the project's feasibility from a market and demand perspective, the detailed program of spaces within the recommended facility, and the potential sites on which the facility could be located. These recommendations are based on the observations, analysis, and conclusions in the preceding sections of this report, which will be summarized in order to provide a coherent rationale for the facility-related recommendations. These recommendations will also be used as the basis for the operational and financial projections, as well as the economic and fiscal impacts, which are all provided later in this section.

Section 7.1
Strategic Recommendations

JOHNSON CONSULTING

Top 3 Sports Recommendations

1. **The current recommendation of 20,000 sf is not conducive for large basketball/volleyball events. The size constraints would limit the number of actual courts, thus impacting breadth and scale**

2. **Consider cheerleading, dance, gymnastics and wrestling as part of the recommended 20,000 sf hall. Pickleball may be another consideration but again would be limited by the size and space**

3. **Leverage existing assets and consider the development of a strategic master plan for Sokol Park, Bowers Park, and the Phelps Center**

The following recommendations go into further detail about the market opportunity, costs, and economic and fiscal impact for a renovation master plan at Sokol and Bowers Park.

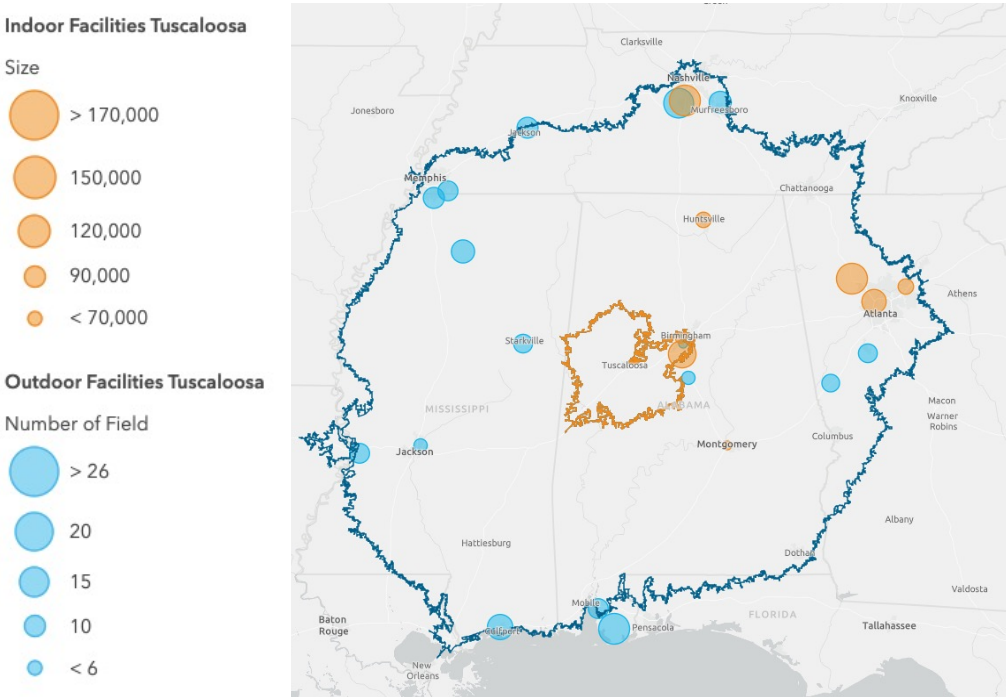
Strategic Recommendations

Market Opportunity & Demand Strategy

Johnson Consulting believes the City of Tuscaloosa has a significant opportunity to continue to grow its market share of the sports and recreation tourism industry. One of the more limiting factors against this growth potential is the lack of sizable and quality venues for both indoor and outdoor sports. Our analysis initially focused on the opportunity for a large scale multi-purpose indoor venue suitable to host large regional and national tournaments. Our research and market assessment of the regional inventory of facilities found several existing competitive indoor sports facilities within the primary market segment of within an hour drive from the City of Tuscaloosa as well as additional inventory within the regional market segment of a 4-hour drive time. Given the proximity and existing market share these regional competitive venues have, we feel the market opportunity for a new large multipurpose indoor is limited.

However, as it relates to outdoor venues, we feel there is more opportunity and available regional market share to be had should there be a focus on enhancing existing outdoor sports facility assets within the City of Tuscaloosa. Particularly Bowers Park and Sokol Park, we would suggest the consideration for a masterplan/feasibility study be done for each as it relates to their ability to be planned and renovated into a state of the art regional sports complex.

As suggested upon further exploration in determining if either park should be developed or expanded, the shortfall of supply and the potential sources of demand (local and regional use) suggest that a larger facility with 12+ multipurpose surfaces , 9+ baseball/softball would provide the local and regional community with a valuable asset. This would certainly be an opportunity for a growing hotel market that would be able to sustain the increased number of room nights for weekend tournaments, which would only help support more growth in the market as a tourism destination further.



Sports Recommendations

Potential Economic & Fiscal Impact of Regional Sports Complex

Johnson Consulting has put together some preliminary projections of economic and fiscal impact of what a potential state-of-the-art, renovated Bowers and Sokol Park masterplan as a regional sports complex may be. The intent of this analysis is to allow appropriate policy decisions to be made as it relates to any future considerations for either park. This analysis mainly takes into consideration the operations of the sports complex, noting that ancillary uses and development that may be master planned for later phases may ultimately influence greater economic development to either site.

It is important to note that the following projections are preliminary in nature and may change upon a fully commissioned market and financial feasibility study. The economic and fiscal impact estimates were based on past experience as well as comparable sports facilities in the U.S. Additionally, these projection estimates include assumptions based on what percentage of the capital dollars will be spent locally as well as the local tax rates.

Revenue Generation

A regional sports complex will rely almost entirely upon regional and national tournaments in order to generate revenue. Because of this, they will need to spend heavily on marketing because if they are not able to attract the appropriate number of teams each weekend, they will fail to generate enough return to make this complex viable. It will still be important to generate week-night demand through local youth and adult leagues, practices, and overall field rental. However, with such a large development, this demand will not generate enough revenue to make the complex self-sufficient. Also, looking at the local market, it will be critical not to overprice the complex for local leagues, tournaments, and practices.

Sports Recommendations

Construction Impacts

In addition to the ongoing annual impacts from the operation of the sports facilities, the construction of an improved and renovated regional sports tourism complex would create a one-time economic and fiscal impact. Typically, only hard construction costs are included in an impact analysis. For the purposes of this analysis, we assumed a construction cost estimate of approximately $25 million. Construction jobs are estimated based on the amount spent on construction labor. In absence of an actual construction cost detailed rundown, labor costs are assumed to amount to 55 percent of construction hard costs, while the remaining 45 percent goes to material costs. In construction projects, labor costs typically make up 55 percent to 60 percent of total hard costs, while material costs make up the remaining 40 percent to 45 percent. Applying this ratio to the $25 million construction hard cost amount, labor costs are estimated to amount to $13.75 million (material costs are estimated to amount to $11.25 million).

Economic and fiscal impact is estimated based on the amount spent on construction material and construction jobs. In absence of an actual construction vendor/supplier list, which would indicate where all materials are purchased from, this analysis conservatively assumes that 80 percent of material costs, or $9 million, is spent locally. Applying the multipliers to this amount, such spending on materials is estimated to generate $15.3 million of total spending and $3 million of increased earnings in the economy. Tax revenues are estimated to amount to $1.3 million.

Estimated One-Time Impact from Regional Sports Complex

		Multiplier or Tax Rate		Amount
1	**Regional Sports Complex Development Costs**			$25,000,000
	Economic Impact			
2	% Spent on Labor			55.0%
3	Spending on Construction Labor			$13,750,000
4	Average Contruction Wages			$30,000
5	# of Construction Jobs			**458**
6	% Spent on Materials			45.0%
7	% Spent Locally			75.0%
8	Direct Construction Spending			$8,438,000
9	Indirect Spending	0.272	*per $1 of Line 8*	$2,298,000
10	Induced Spending	0.195	*per $1 of Line 8*	$1,646,000
11	**Total Spending**			**$12,382,000**
12	Increased Earnings	*0.247*	*per $1 of Line 8*	$2,080,000
13	Employment (in FTE Jobs)	*5.446*	*per $1 million of Line 8*	46
	Fiscal Impact			
14	State Sales Tax	*4.00%*	*of Line 11*	$495,000
15	County Sales Tax	*3.00%*	*of Line 11*	371,000
16	City Sales Tax	*3.00%*	*of Line 11*	371,000
17	Total Sales Tax Revenue			**$1,237,000**

Source: Johnson Consulting

Sports Recommendations

Annual Economic Impacts

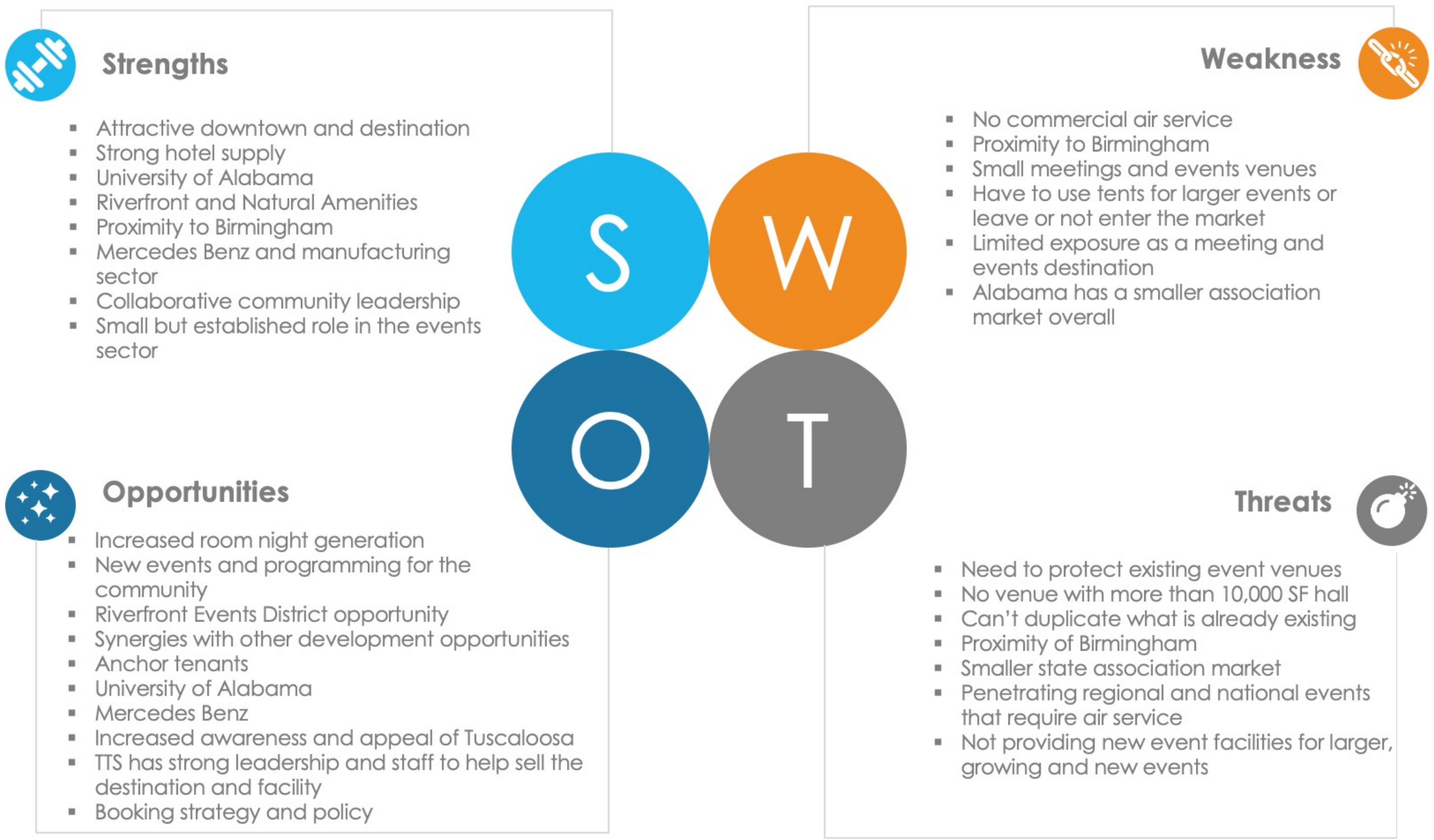
The estimated economic and fiscal impact at the proposed Regional Sports Complex on an annual basis will be mainly driven by the projected number of events as well as the projected number of attendees and spectators, which will be influenced ultimately by what a final program may be. For the purpose of these preliminary projections, Johnson Consulting relied on similar sized facilities as those proposed/renovated into a Regional Sports Complex in Tuscaloosa. Based on the benchmarks from similar venues as well as our experience projecting economic and fiscal impacts for similar venues both nationally and throughout the State of Alabama as well as neighboring states such as Mississippi, Tennessee, Georgia and Florida, Johnson Consulting is of the opinion the proposed Regional Sport Complex could have similar economic benefit. As is typical, these types of venues take a few years to mature to stabilized operations and gain exposure on the national tournament market, thus we are of the opinion the annual economic and fiscal impacts at a Regional Sport Complex in Tuscaloosa could range from approximately $15 million to $30 million once the facility has fully stabilized.

Event Center Recommendations

Meetings Market Rationale

The rationale that supports the feasibility of the proposed Tuscaloosa Event Center from a market perspective can be summarized by the figure to the right, which pulls from the most salient observations and conclusions in the preceding sections of this report. The graphic sorts these points into a "SWOT" analysis, which outlines the market's strengths, weaknesses, opportunities, and threats in the context of the proposed development of an event center in Tuscaloosa. As shown, there are a number of existing strengths that support the project's market viability, as well as several opportunities which could come to fruition if the project is executed properly.

There are also a few threats to market viability if the project is not properly executed, as well as some existing weaknesses in the market. Some of these considerations, like hotel supply and demand, facility supply and demand, and community interest, are heavily intertwined with the development of the project, while others rely more on other independent, overarching economic factors. Overall, the project's feasibility from a market-driven perspective is favorable in the opinion of the Consulting Team. The following pages will provide additional context to the layers of demand and financial assumptions that we see as most appropriate to supporting the proposed project.



Strategic Recommendations

Event Center Demand Strategy

Local Events: Through interviews, surveys, and outreach, it was made evident that there are a number of events already existing in the Tuscaloosa community and surrounding areas that could be attracted to a new event center. These events are currently being held in a variety of other facilities throughout the area that are able to accommodate some of the event-related needs, but often underaccommodate in some respect, whether it be the size, configuration, location, or aesthetics of the facility, or the quality or scope of the services offered by the facility. These events are hosted by a variety of user types, including **corporate, non-profit, and Social, Military, Education, Religious, Fraternal and Ethnic** (SMERFE) users. Picture a corporate product launch or annual conference, non-profit gala fundraiser, a wedding banquet, a military reunion, an education conference, religious convention, a Greek life banquet or a cultural festival. The mid-size and large events from these users must leave Tuscaloosa to host their event or cannot locate their event in the area due to a lack of facilities.

Additionally, there are capacity and date availability challenges at the existing smaller event venues in the market that include the Bryant Conference Center, Tuscaloosa River Market, Hotel Capstone and the Embassy Suites. By adding a larger venue with a specific mandate for larger events, these capacity and date availability challenges will be largely relieved.

A new facility also tends to lead to the proliferation of additional events in the local area that spring up as a result of having an attractive facility to be held in. Ultimately, local events are events for which the event planner or host organization wants to hold the event in Tuscaloosa but is restricted by the limited inventory of event facilities in which the event can be hosted. This is further amplified by the near unanimous agreement by local event planners during interviews held during the study process that a new larger facility for Tuscaloosa is needed and would be attractive for their events. This is further supported by the results of our survey work highlighted in the prior section of this report.

Several other demand layers and recommendations that will support the success of the Tuscaloosa Event Center are detailed on the following pages.

Strategic Recommendations

Event Center Demand Strategy

Regional, State, and National Events: The convention, conference, and meetings industry consists of a large universe of events that rotate to various locations on a regular basis. Similar to local event organizers, common demand segments in this industry are corporate, association, non-profit, and SMERFE, among others, but in a larger format for either a regional convention or national tradeshow. TTS has expressed that they receive Requests for Proposals (RFPs) for these and other events that can't be converted due to the lack of an appropriate event facility in Tuscaloosa. TTS has expressed confidence in being able to attract these events with the addition of a new and larger event center.

Consumer Shows, Entertainment Events, and Sporting Events: There are also some unique opportunities in Tuscaloosa for the event center that can round out the demand strategy for the project. These include:

- Consumer shows like a car show, home and garden show, and art show
- Entertainment events like concerts, festivals, and performances
- Sporting events like smaller cheer competitions, wrestling, etc.

Since a new performing arts center and indoor sports venue will not be present in the market, we anticipate that these event types can find use of the proposed event center.

Partnerships: A successful operation for the proposed Tuscaloosa Event Center should leverage partnerships with nearby corporations, educational institutions, and other entities to attract these types of events, as well as Tuscaloosa's destination appeal that stems from beautiful downtown, historic UA campus and its attractive outdoor offerings. Tuscaloosa hotels are strong in their offerings and well located to support the event center and the presence of a convention center can help to foster synergies between event activity and demand for hotel rooms throughout the entire county through the compression of hotel rooms demand for medium and large events. Ultimately, these are events that would need to be attracted to Tuscaloosa, which is accomplished by 1) having an attractive event facility in Tuscaloosa, 2) having a sophisticated sales and marketing operation to sell the facility and 3) locating the facility in the most attractive setting in terms of sizing, location, and programming,

Meetings & Events Building Program Recommendations

- 20,000 sf net usable sub divisible multi-purpose hall.
- 4 meeting rooms ranging in size from 740 sf to 3,000 sf for a total of 6,280 sf of meeting room space. Larger rooms should be divisible.
- Significant pre-function area that can also serve as social space, gallery space and for light exhibits.
- Outdoor space that can be used for social events and exhibit events.
- Commercial kitchen.
- Back of house and service areas that are the correct scale for the front of house spaces.
- Sufficient loading dock supply that it is well located for efficiency. Truck marshalling strategy is needed.
- Sufficient parking.
- Future expansion.

Recommended Tuscaloosa Event Center Program		
	Size/ Capacity	
Divisible Multi-Purpose Hall	20,000	sf
Meeting Rooms SF		
Meeting Room #1	740	
Meeting Room #2	740	
Meeting Room #3	1,800	
Meeting Room #4	3,000	
Meeting Rooms	6,280	sf
Total Net Usable SF	**26,280**	**sf**
Pre-Function & Back of House*	46,520	sf
Total Gross Building Area	**72,800**	**sf**

**Not included in the program total.*

Source: Johnson Consulting

Other Recommendations

1. **Ensure that the City and Tuscaloosa Tourism & Sports (TTS) have the right sales, marketing and staffing to effectively sell the building.**

2. **Conduct a strategic plan for TTS that includes Key Performance Indicators (KPI's) for the overall destination and the event center.**

3. **Locate in proximity to largest concentration of high-quality hotel rooms.**

4. **Locate in proximity to quality entertainment and dining options.**

5. **Proximity to downtown and UA is a positive.**

6. **If possible, co-locate on Saban Center site as it best fits economies of scale and meets the site selection criteria.**

Cost Estimate

The total gross building area for the proposed project is 72,800 square feet. National construction costs for this building type are projected to be $530 per/sf and resulting in a hard cost of $39.6 million. Soft costs are projected to be 15 percent of hard costs and equal $5.8 million. This results in a projected total cost budget of $44.4 million.

This is a high-level cost estimate and is subject to change with market conditions and program modifications.

Recommended Tuscaloosa Event Center Program		
	Size/ Capacity	
Divisible Multi-Purpose Hall	20,000	sf
Meeting Rooms SF		
Meeting Room #1	740	
Meeting Room #2	740	
Meeting Room #3	1,800	
Meeting Room #4	3,000	
Meeting Rooms	6,280	sf
Total Net Usable SF	**26,280**	**sf**
Pre-Function & Back of House*	46,520	sf
Total Gross Building Area	**72,800**	**sf**

**Not included in the program total.*

Source: Johnson Consulting

High Level Project Cost Budget*			
	Area (SF)	Cost/sf	Cost Budget
Total Gross Building Area	72,800	$530	$38,584,000
Soft Costs**		15%	$5,787,600
Project Cost Budget			**$44,371,600**

**Land acquisition costs are not included.*

***Including FF&E, design, surveys, material testing, permits, and owner's contingency, totaling to 15% of additional cost, combined.*

Source: Johnson Consulting

Section 7.2
Site Analysis

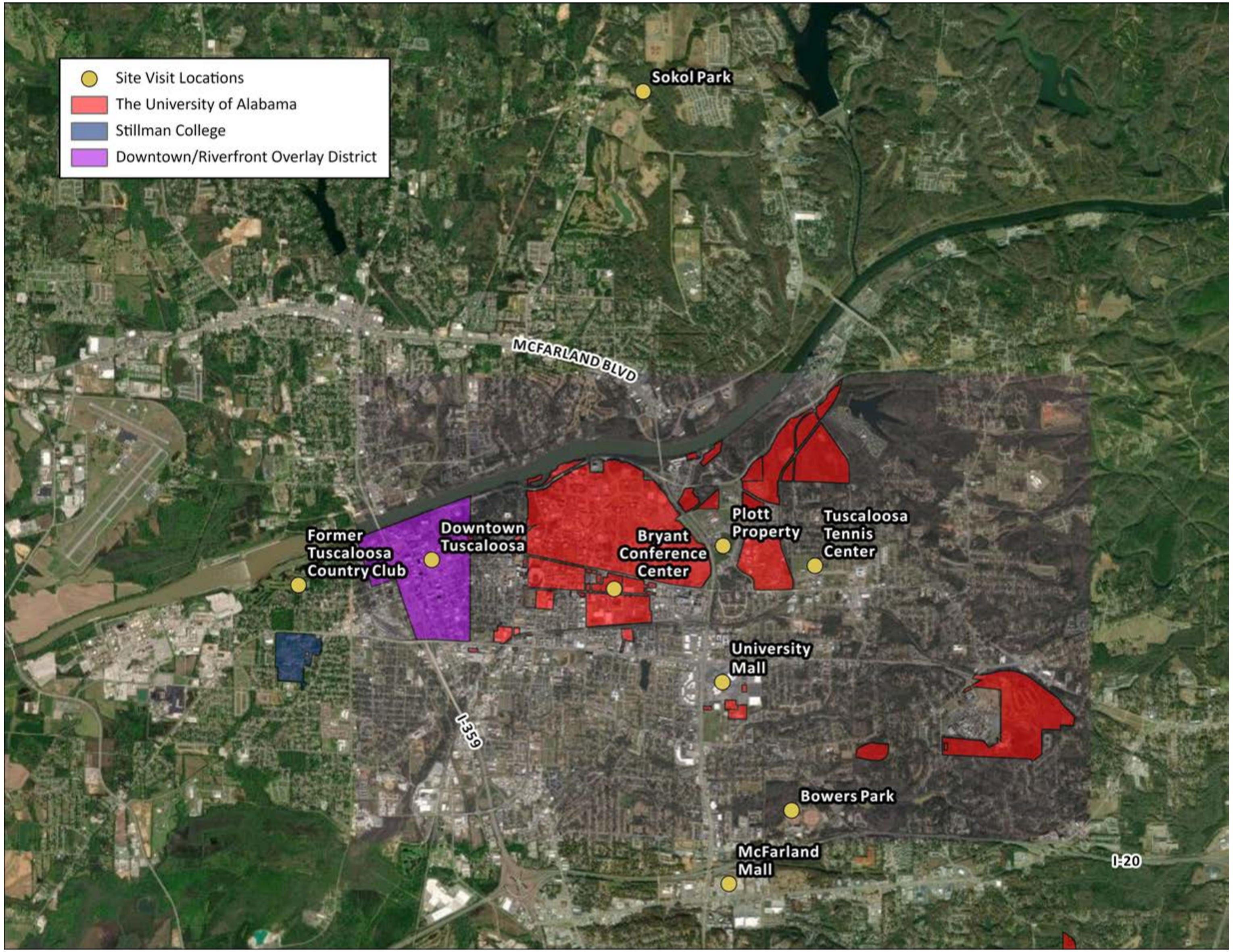
JOHNSON CONSULTING

Site Evaluation

Site Selection Criteria / Matrix

A survey of locations for the proposed venue was conducted across Tuscaloosa. The survey included 8 sites for evaluation that were included for both the potential indoor sports complex as well as the proposed events center. As the project advanced the Tuscaloosa Tennis Center was removed from consideration due to a new project on site.

The matrix ranks each of the seven sites based on 19 criteria that are critical to the development and operational effectiveness of an event center. The evaluation criteria includes five categories: Marketing Considerations, Project Development Considerations, Site Access, Site Cost and Finance Considerations.



Site Evaluation

Site Selection Criteria

Each site is evaluated relative to the others for the various considerations and green represents better than other sites, gray represents equal to other sites and red is worse than other sites. Marketing Considerations are deemed most critical to the success of a site.

A tabulation of the the various colors allows for a ranking of sites with the best site having the most number of green markings and the fewest red. This ranking results in Downtown Tuscaloosa being the clear top site for the proposed event center as it has better infrastructure and potential than the other sites in most categories.

The majority of the other sites were all relatively equal to one another, with the Former Tuscaloosa Country Club and McFarland Mall, respectively, having the next most green items largely due to hotel supply, access to shopping and dining, but still far behind the downtown location with a headquarters hotel and proximity of quality hotels. It should be noted that for site capacity for the recommended program, all sites excluding the Bryant/UA site are suitable to house the estimated 5 acres necessary, and have all been scored as average. Any additional space was not accounted for, and would be at the discretion of the client for best fit regarding future developments.

The following pages will provide a rationale for the ranking of each site by consideration.

The matrix on the following page shows a further breakdown of how each possible selection was analyzed and scored. The seven sites were scored on an array of variables that were adjusted by priority, and then compared against the other possible sites. In all, each variable was scored as above average, average, or below average in comparison to the other sites' potentials.

Site Evaluation

Site Selection Matrix

Tuscaloosa Event Facility Site Analysis

	Priority	Former Tuscaloosa Country Club	Downtown Tuscaloosa	Bryant/UA	Plott Property	Sokol Park	Bowers Park	McFarland Mall
Marketing Considerations								
Proximity to headquarters hotel	Critical	Red	Green	Green	Red	Red	Red	Red
Concentration of quality hotel properties	Critical	Green	Green	Red	Red	Red	Gray	Gray
Hotels within shuttle distance (15 mins)	Critical	Gray	Green	Gray	Gray	Red	Gray	Gray
Adjacent land use compatibility	Critical	Green	Green	Gray	Red	Red	Gray	Gray
Proximity to retail & restaurants	Critical	Green	Green	Gray	Red	Red	Green	Green
Proximity to entertainment & recreational actitivies	Critical	Green	Green	Gray	Red	Red	Gray	Gray
Safety	Critical	Gray	Green	Green	Gray	Gray	Gray	Gray
Project Development Considerations								
Overall site capacity for recommended program	Critical	Gray	Gray	Red	Gray	Gray	Gray	Gray
Ability to leverage existing developments	Critical	Green	Green	Gray	Gray	Gray	Gray	Green
Parking	Important	Gray	Green	Red	Gray	Green	Green	Green
Site Access								
Truck	Critical	Gray	Gray	Red	Gray	Gray	Gray	Green
Pedestrian	Important	Red	Green	Green	Red	Red	Red	Red
Impact on traffic conditions	Important	Gray	Gray	Red	Gray	Gray	Gray	Gray
Taxi, bus and auto access	Important	Green	Green	Red	Gray	Gray	Green	Green
Overflow parking	Minor	Gray	Green	Red	Gray	Green	Green	Green
Site Development Costs								
Site acquisition cost	Critical	Red	Green	Red	Red	Gray	Gray	Red
Finance and Operations								
Ability to finance	Critical	Gray	Green	Gray	Gray	Gray	Gray	Gray
Partnership Opportunities	Critical	Gray	Green	Green	Gray	Green	Green	Red
Ability to tap into public funding tools (TIF's, EZ's etc.)	Critical	Gray	Gray	Gray	Gray	Gray	Gray	Gray

Legend		Former Tuscaloosa Country Club	Downtown Tuscaloosa	Bryant/UA	Plott Property	Sokol Park	Bowers Park	McFarland Mall
Better than other sites	Green	6	15	4	0	3	5	6
Equal to average of other sites	Gray	10	4	7	12	9	12	9
Worse than other sites	Red	3	0	8	7	7	2	4

Site Evaluation

Former Tuscaloosa Country Club

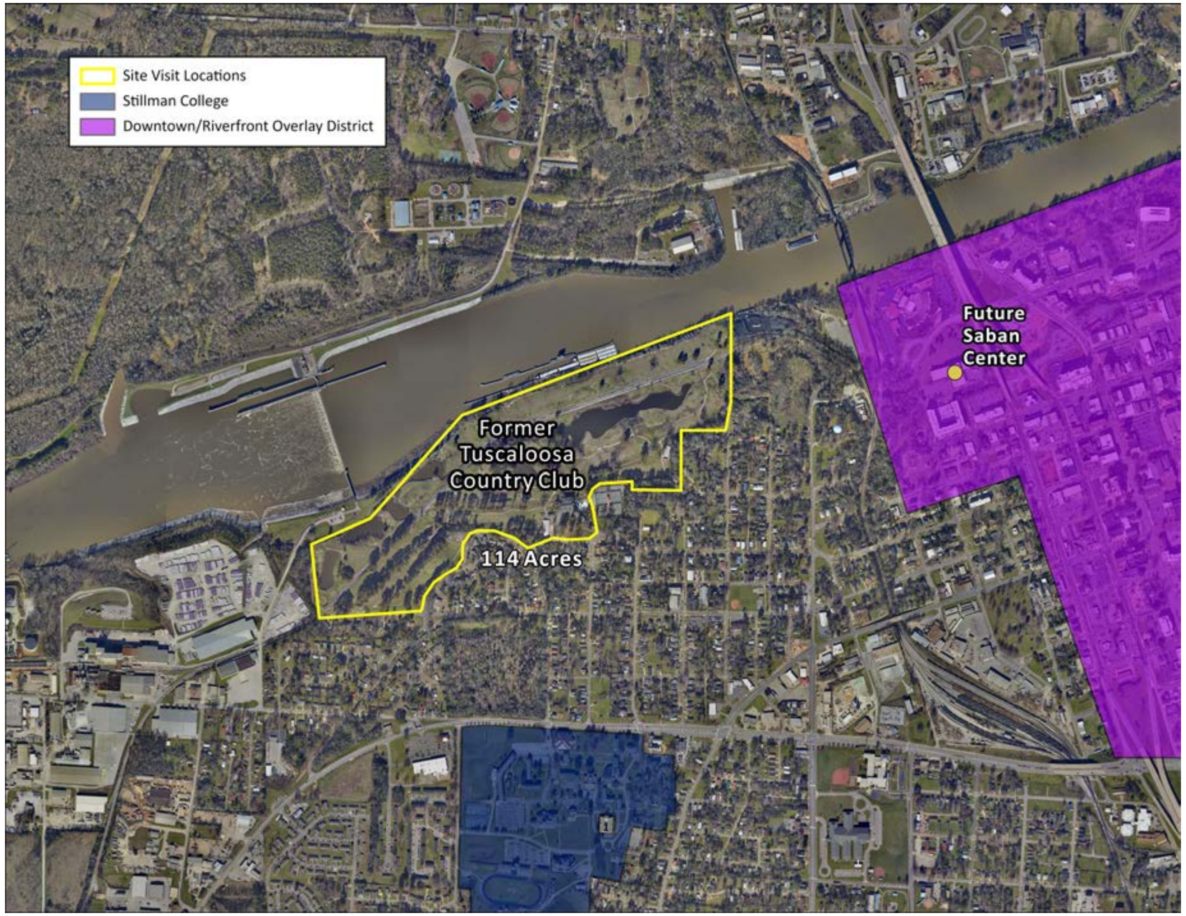
This is a large site with good proximity to the assets of the riverfront and downtown. It does not have direct proximity to a headquarter hotel. Assuming a location of the facility on the east edge of the site, it is relatively close to the high quality concentration of hotels, restaurants, retail and recreational activities in this area.

The negatives of this site include the cost of acquisition and the infrastructure and improvements that would be needed to make the site shovel ready for the project.

Tuscaloosa Event Facility Site Analysis

	Priority	Former Tuscaloosa Country Club
Marketing Considerations		
Proximity to headquarters hotel	Critical	
Concentration of quality hotel properties	Critical	
Hotels within shuttle distance (15 mins)	Critical	
Adjacent land use compatibility	Critical	
Proximity to retail & restaurants	Critical	
Proximity to entertainment & recreational actitivies	Critical	
Safety	Critical	
Project Development Considerations		
Overall site capacity for recommended program	Critical	
Ability to leverage existing developments	Critical	
Parking	Important	
Site Access		
Truck	Critical	
Pedestrian	Important	
Impact on traffic conditions	Important	
Taxi, bus and auto access	Important	
Overflow parking	Minor	
Site Development Costs		
Site acquisition cost	Critical	
Finance and Operations		
Ability to finance	Critical	
Partnership Opportunities	Critical	
Ability to tap into public funding tools (TIF's, EZ's etc.)	Critical	

Legend		
Better than other sites		6
Equal to average of other sites		10
Worse than other sites		3



Site Evaluation

Downtown Tuscaloosa

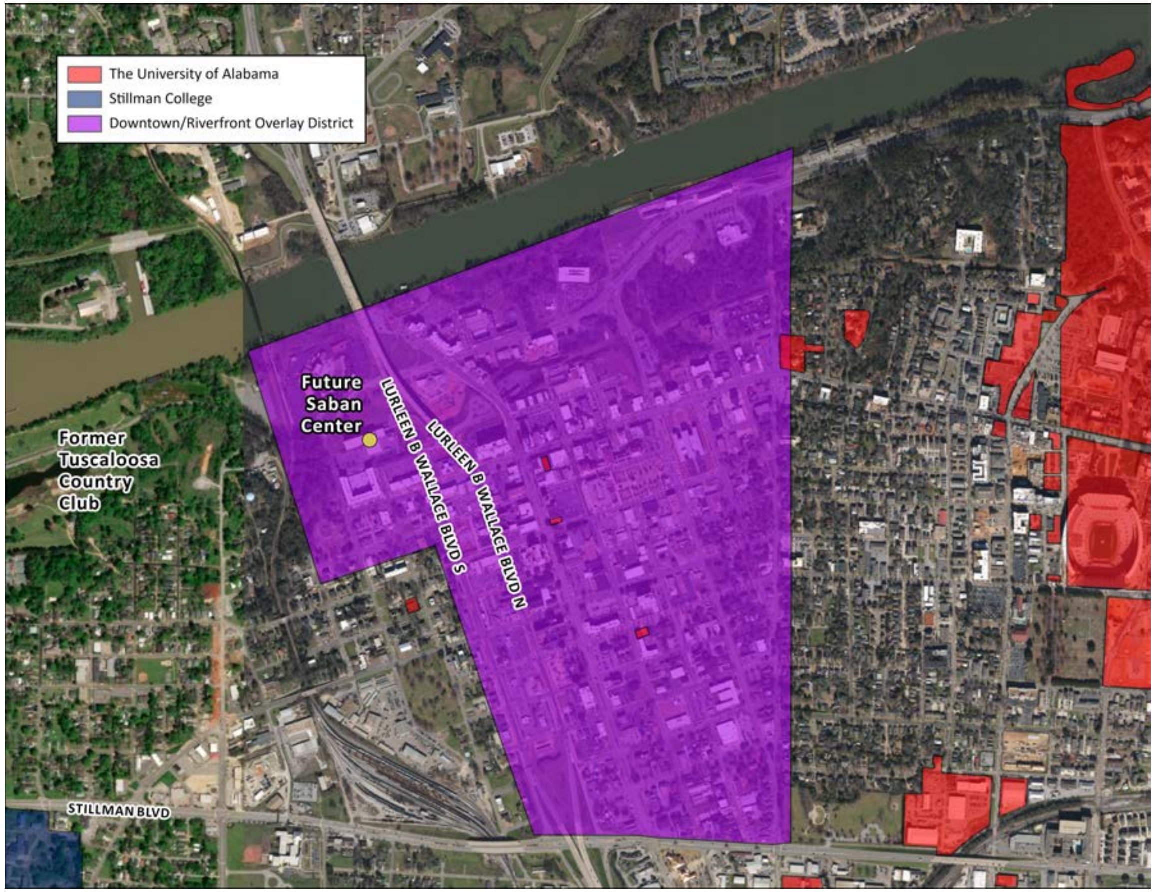
Downtown Tuscaloosa scored all green on the marketing considerations given the proximity to several convention quality hotels and strong synergies with adjacent land uses, retail and restaurants, entertainment and recreational activities and safety.

The downtown area also scores very favorably in the other scoring criteria with only four areas deemed to be equal to other sites, which include overall site capacity, truck access, impact on traffic conditions, and ability to access public funding. None of the factors evaluated were deemed to be worse than other sites.

Tuscaloosa Event Facility Site Analysis

	Priority	Downtown Tuscaloosa
Marketing Considerations		
Proximity to headquarters hotel	Critical	
Concentration of quality hotel properties	Critical	
Hotels within shuttle distance (15 mins)	Critical	
Adjacent land use compatibility	Critical	
Proximity to retail & restaurants	Critical	
Proximity to entertainment & recreational actitivies	Critical	
Safety	Critical	
Project Development Considerations		
Overall site capacity for recommended program	Critical	
Ability to leverage existing developments	Critical	
Parking	Important	
Site Access		
Truck	Critical	
Pedestrian	Important	
Impact on traffic conditions	Important	
Taxi, bus and auto access	Important	
Overflow parking	Minor	
Site Development Costs		
Site acquisition cost	Critical	
Finance and Operations		
Ability to finance	Critical	
Partnership Opportunities	Critical	
Ability to tap into public funding tools (TIF's, EZ's etc.)	Critical	

Legend		
Better than other sites		15
Equal to average of other sites		4
Worse than other sites		0



Site Evaluation

Bryant/UA

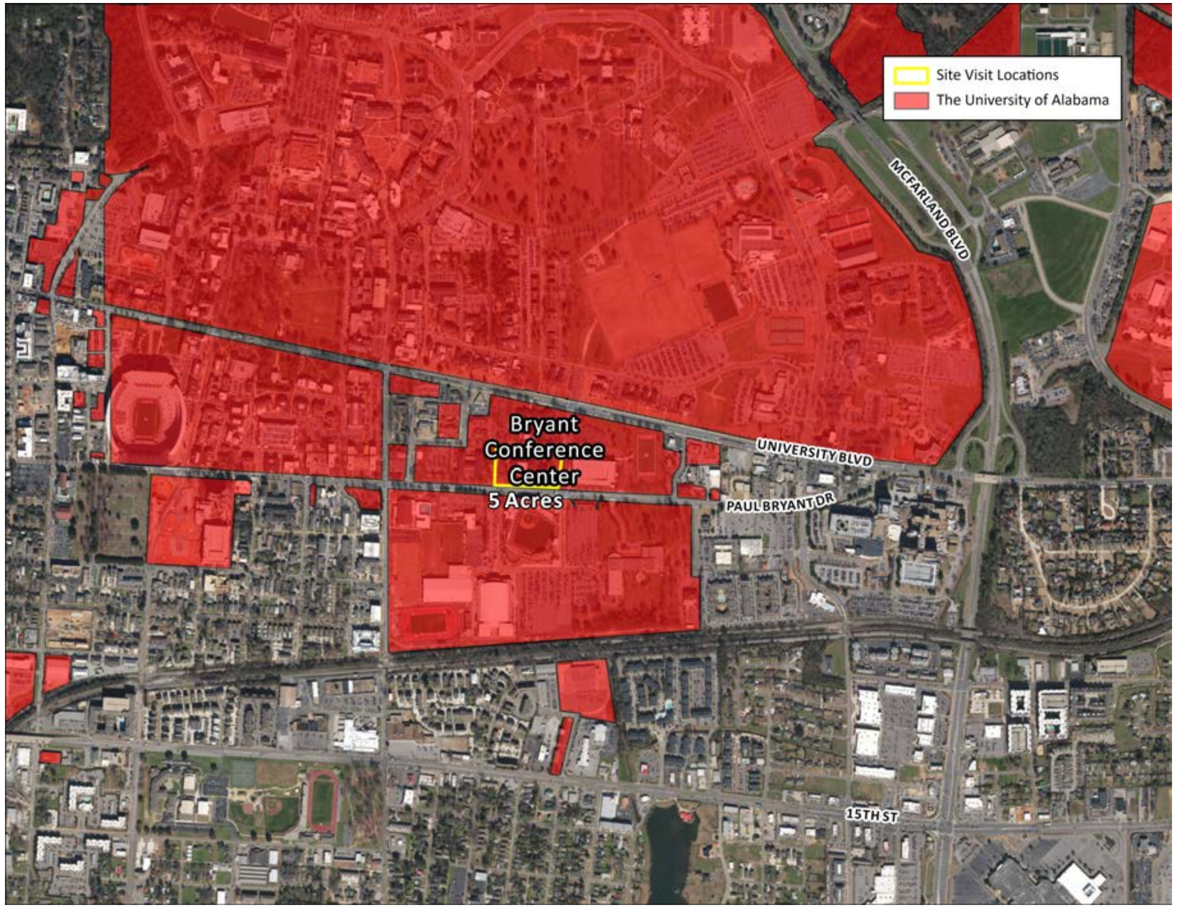
The UA campus was also evaluated as part of the study and while it has some positives like proximity to the Capstone hotel, a headquarters hotel for the Bryant Conference Center, safety, pedestrian access and partnership opportunities, there are a lot of challenges with this site for the proposed event center.

These challenges include a lack of hotel supply concentration, overall site capacity to build the project, limited site access for transportation and parking and high cost of land.

Tuscaloosa Event Facility Site Analysis

	Priority	Bryant/UA
Marketing Considerations		
Proximity to headquarters hotel	Critical	
Concentration of quality hotel properties	Critical	
Hotels within shuttle distance (15 mins)	Critical	
Adjacent land use compatibility	Critical	
Proximity to retail & restaurants	Critical	
Proximity to entertainment & recreational actitivies	Critical	
Safety	Critical	
Project Development Considerations		
Overall site capacity for recommended program	Critical	
Ability to leverage existing developments	Critical	
Parking	Important	
Site Access		
Truck	Critical	
Pedestrian	Important	
Impact on traffic conditions	Important	
Taxi, bus and auto access	Important	
Overflow parking	Minor	
Site Development Costs		
Site acquisition cost	Critical	
Finance and Operations		
Ability to finance	Critical	
Partnership Opportunities	Critical	
Ability to tap into public funding tools (TIF's, EZ's etc.)	Critical	

Legend		
Better than other sites		4
Equal to average of other sites		7
Worse than other sites		8



Site Evaluation

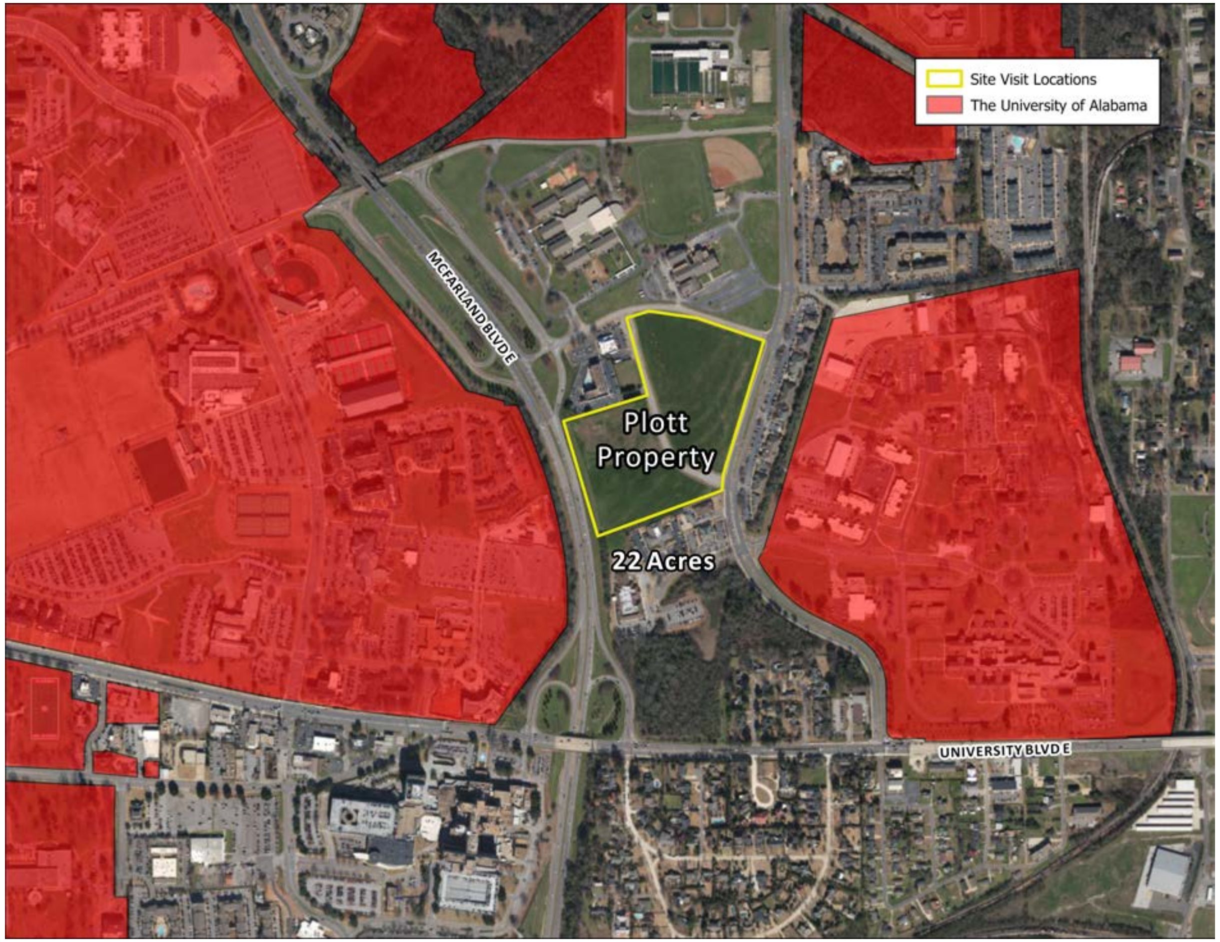
Plott Property

Compared to the other sites evaluated, the Plott property was equal to or worse than the other sites evaluated. There is also a real challenge with the marketing considerations with the Plott site that makes it unsuitable as a potential site for the event center.

Tuscaloosa Event Facility Site Analysis

	Priority	Plott Property
Marketing Considerations		
Proximity to headquarters hotel	Critical	
Concentration of quality hotel properties	Critical	
Hotels within shuttle distance (15 mins)	Critical	
Adjacent land use compatibility	Critical	
Proximity to retail & restaurants	Critical	
Proximity to entertainment & recreational actitivies	Critical	
Safety	Critical	
Project Development Considerations		
Overall site capacity for recommended program	Critical	
Ability to leverage existing developments	Critical	
Parking	Important	
Site Access		
Truck	Critical	
Pedestrian	Important	
Impact on traffic conditions	Important	
Taxi, bus and auto access	Important	
Overflow parking	Minor	
Site Development Costs		
Site acquisition cost	Critical	
Finance and Operations		
Ability to finance	Critical	
Partnership Opportunities	Critical	
Ability to tap into public funding tools (TIF's, EZ's etc.)	Critical	

Legend		
Better than other sites		0
Equal to average of other sites		12
Worse than other sites		7



Site Evaluation

Sokol Park

As the map on the right indicates, Sokol Park is relatively isolated and not well located for an event center that has critical marketing considerations that are not able to be addressed. This site was largely considered for the addition of an indoor sports venue which would have significant synergies with the infrastructure of Sokol Park. It is possible that the development of a master plan or additional feasibility study could address ways for the park to be better marketed for events or additional use.

The land available at this site would be better utilized for additional sports fields and tournament infrastructure.

Tuscaloosa Event Facility Site Analysis

	Priority	Sokol Park
Marketing Considerations		
Proximity to headquarters hotel	Critical	
Concentration of quality hotel properties	Critical	
Hotels within shuttle distance (15 mins)	Critical	
Adjacent land use compatibility	Critical	
Proximity to retail & restaurants	Critical	
Proximity to entertainment & recreational actitivies	Critical	
Safety	Critical	
Project Development Considerations		
Overall site capacity for recommended program	Critical	
Ability to leverage existing developments	Critical	
Parking	Important	
Site Access		
Truck	Critical	
Pedestrian	Important	
Impact on traffic conditions	Important	
Taxi, bus and auto access	Important	
Overflow parking	Minor	
Site Development Costs		
Site acquisition cost	Critical	
Finance and Operations		
Ability to finance	Critical	
Partnership Opportunities	Critical	
Ability to tap into public funding tools (TIF's, EZ's etc.)	Critical	

Legend		
Better than other sites		3
Equal to average of other sites		9
Worse than other sites		7

Site Evaluation

Bowers Park

Similar to Sokol Park, Bowers park was largely included when the indoor sports venue was still under consideration. Bowers Park is also proximate to I-59/20 and McFarland Mall so it has a similar access to the hotel, retail and restaurants that are located in this area.

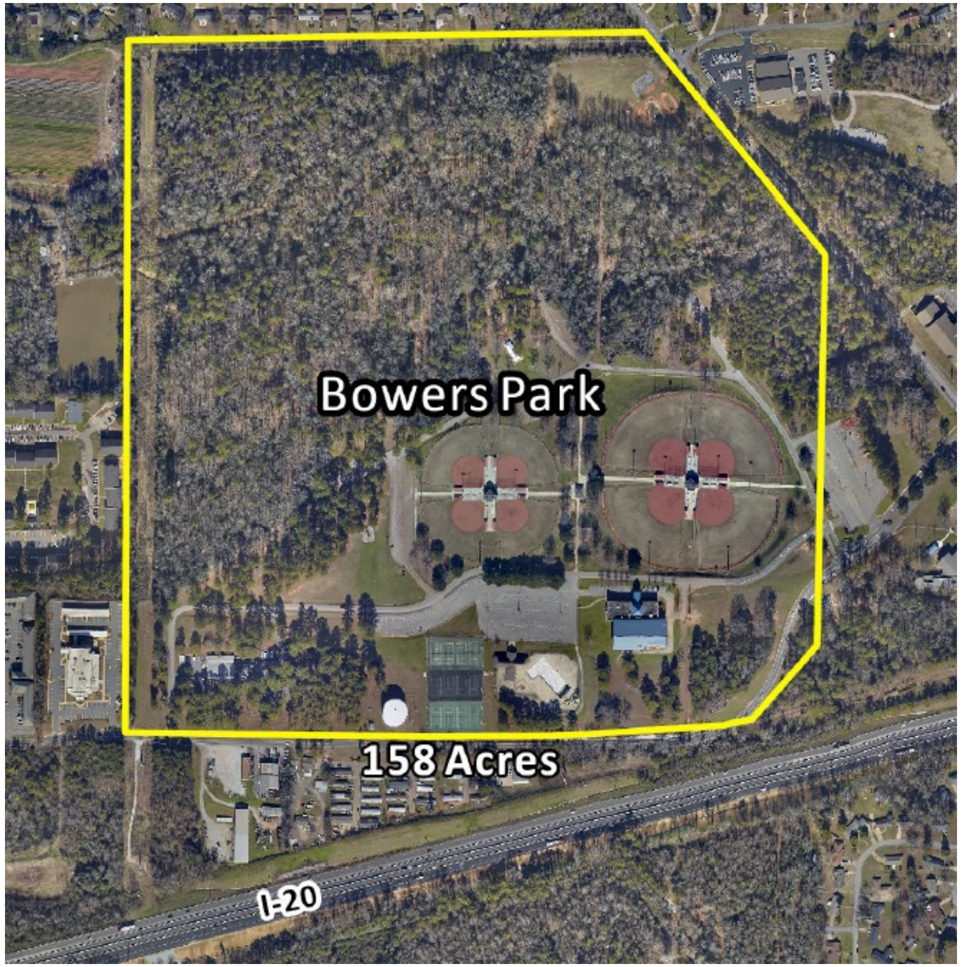
The land available at this site would be better utilized for additional sports fields and tournament infrastructure.

Tuscaloosa Event Facility Site Analysis

	Priority	Bowers Park
Marketing Considerations		
Proximity to headquarters hotel	Critical	Red
Concentration of quality hotel properties	Critical	Gray
Hotels within shuttle distance (15 mins)	Critical	Gray
Adjacent land use compatibility	Critical	Gray
Proximity to retail & restaurants	Critical	Green
Proximity to entertainment & recreational actitivies	Critical	Gray
Safety	Critical	Gray
Project Development Considerations		
Overall site capacity for recommended program	Critical	Gray
Ability to leverage existing developments	Critical	Gray
Parking	Important	Green
Site Access		
Truck	Critical	Gray
Pedestrian	Important	Red
Impact on traffic conditions	Important	Gray
Taxi, bus and auto access	Important	Green
Overflow parking	Minor	Green
Site Development Costs		
Site acquisition cost	Critical	Gray
Finance and Operations		
Ability to finance	Critical	Gray
Partnership Opportunities	Critical	Green
Ability to tap into public funding tools (TIF's, EZ's etc.)	Critical	Gray

Legend

Better than other sites	Green	5
Equal to average of other sites	Gray	12
Worse than other sites	Red	2



Site Evaluation

McFarland Mall

McFarland Mall has some positive attributes like the proximity of hotel rooms, retail and restaurants but their quality is a notch below what is expected for a first class event center and what is needed to be selected by a meeting and event planner.

There are also some significant challenges that include a busy road network that is not conducive to the pedestrian environment and districts that are now a key part of event center development. There is also no proximate HQ hotel which would need to be developed as part of the project. There are also significant site acquisition costs and limited partnership opportunities.

Tuscaloosa Event Facility Site Analysis

	Priority	McFarland Mall
Marketing Considerations		
Proximity to headquarters hotel	Critical	
Concentration of quality hotel properties	Critical	
Hotels within shuttle distance (15 mins)	Critical	
Adjacent land use compatibility	Critical	
Proximity to retail & restaurants	Critical	
Proximity to entertainment & recreational actitivies	Critical	
Safety	Critical	
Project Development Considerations		
Overall site capacity for recommended program	Critical	
Ability to leverage existing developments	Critical	
Parking	Important	
Site Access		
Truck	Critical	
Pedestrian	Important	
Impact on traffic conditions	Important	
Taxi, bus and auto access	Important	
Overflow parking	Minor	
Site Development Costs		
Site acquisition cost	Critical	
Finance and Operations		
Ability to finance	Critical	
Partnership Opportunities	Critical	
Ability to tap into public funding tools (TIF's, EZ's etc.)	Critical	

Legend		
Better than other sites		6
Equal to average of other sites		9
Worse than other sites		4

JOHNSON CONSULTING

Site Evaluation

Implications

It is Johnson Consulting's clear recommendation that Downtown Tuscaloosa is the best site to locate the proposed event center. It has all of the marketing considerations critical to meeting and event planners and is located in a setting that will be immensely attractive to convention and event attendees. This site area truly highlights the best of what Tuscaloosa has to offer and provides a connectivity to water and the outdoors that are becoming key variables in site selection. It is recommended to be built on a site that would meet site selection criteria and provide economies of scale, such as the future Saban Center.

There is also tremendous synergy with the existing public assembly assets in the downtown area that will allow for unique programming opportunities and partnerships that will be part of the pitch to planners and attendees. This can include concerts and live entertainment at the amphitheater, a festival in a nearby park, and a special cocktail reception at a nearby venue such as the Tuscaloosa River Market, to name a few. This site location also limits the requirement for a HQ hotel or additional hotels to support the project, given the walkability of room supply.

Tuscaloosa Event Facility Site Analysis

	Priority	Former Tuscaloosa Country Club	Downtown Tuscaloosa	Bryant/UA	Plott Property	Sokol Park	Bowers Park	McFarland Mall
Marketing Considerations								
Proximity to headquarters hotel	Critical	Red	Green	Green	Red	Red	Red	Red
Concentration of quality hotel properties	Critical	Green	Green	Red	Red	Red	Gray	Gray
Hotels within shuttle distance (15 mins)	Critical	Gray	Green	Gray	Gray	Red	Gray	Gray
Adjacent land use compatibility	Critical	Green	Green	Gray	Red	Red	Gray	Gray
Proximity to retail & restaurants	Critical	Green	Green	Gray	Red	Red	Green	Green
Proximity to entertainment & recreational actitivies	Critical	Green	Green	Gray	Red	Red	Gray	Gray
Safety	Critical	Gray	Green	Green	Gray	Gray	Gray	Gray
Project Development Considerations								
Overall site capacity for recommended program	Critical	Gray	Gray	Red	Gray	Gray	Gray	Gray
Ability to leverage existing developments	Critical	Green	Green	Gray	Gray	Gray	Gray	Green
Parking	Important	Gray	Green	Red	Gray	Green	Green	Green
Site Access								
Truck	Critical	Gray	Gray	Red	Gray	Gray	Gray	Green
Pedestrian	Important	Red	Green	Green	Red	Red	Red	Red
Impact on traffic conditions	Important	Gray	Gray	Red	Gray	Gray	Gray	Gray
Taxi, bus and auto access	Important	Green	Green	Red	Gray	Gray	Green	Green
Overflow parking	Minor	Gray	Green	Red	Gray	Green	Green	Green
Site Development Costs								
Site acquisition cost	Critical	Red	Green	Red	Red	Gray	Gray	Red
Finance and Operations								
Ability to finance	Critical	Gray	Green	Gray	Gray	Gray	Gray	Gray
Partnership Opportunities	Critical	Gray	Green	Green	Gray	Green	Green	Red
Ability to tap into public funding tools (TIF's, EZ's etc.)	Critical	Gray	Gray	Gray	Gray	Gray	Gray	Gray
Legend								
Better than other sites	Green	6	15	4	0	3	5	6
Equal to average of other sites	Gray	10	4	7	12	9	12	9
Worse than other sites	Red	3	0	8	7	7	2	4

Section 7.3
Demand & Financial Projections

JOHNSON CONSULTING

Demand & Financial Projections

In order to quantify the economic and fiscal impact of Tuscaloosa Event Center, Johnson Consulting put together demand and financial projections for the facility's operations. These projections are based on experience in selected convention and event centers most comparable to the proposed facility in Tuscaloosa and Johnson Consulting's experience in the hospitality and conference center industry.

Event Demand

As shown on the top right, the proposed Tuscaloosa Event Center is estimated to host 209 events in Year 1, which can be expected to grow to 221 events by Year 3 and 233 events by Year 5 as the market continues to grow and the facility develops its reputation as an attractive meeting venue. The market's characteristics, location, high-end amenities, and event center's program of spaces make it most attractive to meetings, conferences, banquets, and social events, with the possibility to attract larger conventions, trade shows, consumer shows, public events, and sports and entertainment events on a less frequent basis.

Attendance

The table on the bottom right shows the projected event attendance for the Tuscaloosa Event Center. Average attendance per event varies depending on event type, with consumer shows and public events being the largest and meetings/conference being the smallest due to the frequency of smaller individual meetings. As shown, this equates to total annual attendance numbers of over 99,000 in Year 1, which can be expected to grow to over 112,000 by Year 3 and 123,500 by Year 5.

Projected Event Demand

Event Type	Year 1	Year 3	Year 5
Exhibit Events			
Conventions/Trade Shows	20	22	24
Consumer Shows/Public Events	16	18	20
Subtotal Exhibit Events	**36**	**40**	**44**
Non-Exhibit Events			
Meetings/Conferences	102	106	110
Banquets/Social	61	63	65
Sports/Entertainment/Other Events	10	12	14
Subtotal Non-Exhibit Events	**173**	**181**	**189**
Total	**209**	**221**	**233**

Source: Johnson Consulting

Projected Attendance

Event Type	Year 1	Year 3	Year 5
Exhibit Events			
Conventions/Trade Shows	15,000	16,918	18,600
Consumer Shows/Public Events	32,000	36,900	41,300
Subtotal Exhibit Events	**47,000**	**53,818**	**59,900**
Non-Exhibit Events			
Meetings/Conferences	17,850	19,080	19,910
Banquets/Social	16,775	17,766	18,460
Sports/Entertainment/Other Events	17,500	21,528	25,312
Subtotal Non-Exhibit Events	**52,125**	**58,374**	**63,682**
Total	**99,125**	**112,192**	**123,582**

Source: Johnson Consulting

Demand & Financial Projections

Projected Operating Pro Forma

The table at right shows Johnson Consulting's projections of the proposed Tuscaloosa Event Center's operating revenues and expenses.

Total operating revenues at the proposed venue, accounting for the cost of goods sold, are projected to be $1.8 million in Year 1, increasing to $2.1 million in revenue in Year 3, $2.3 million in Year 5, and $2.75 million in Year 10. These figures are consistent with those recorded for comparable venues. Total expenses at the proposed venue, based on the stated assumptions, are projected to be $2.2 million in Year 1, increasing to $2.4 million in expenses in Year 3, $2.6 million in Year 5, and $2.9 million in Year 10. The ratio of revenues to expenses at the proposed venue is consistent with similar facilities.

After consideration of all operating revenues and expenses, the proposed venue is projected to operate at a net operating deficit of ($390,000) in Year 1, improving to a deficit of ($236,000) in Year 5, and ($174,000) in Year 10, before debt service.

Projected Operating Revenue and Expenses ($000, Inflated)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues										
Rental (Space & Equipment)	$1,039	$1,102	$1,168	$1,236	$1,307	$1,347	$1,404	$1,446	$1,506	$1,536
Food & Beverage (Net)	523	565	607	647	687	710	744	768	804	822
Contract Service	209	219	230	241	252	261	268	277	285	290
Advertising/Sponsorship	35	42	50	58	67	70	73	76	78	80
Other	18	19	20	21	23	23	24	25	26	27
Total Revenues	**$1,824**	**$1,948**	**$2,076**	**$2,204**	**$2,335**	**$2,411**	**$2,513**	**$2,592**	**$2,699**	**$2,756**
per Square Foot ($/sf)	***$42***	***$44***	***$47***	***$50***	***$53***	***$55***	***$57***	***$59***	***$61***	***$63***
Expenses										
Rental (Space & Equipment)	$623	$661	$701	$742	$784	$808	$842	$868	$904	$922
Salaries, Wages, and Benefits	832	849	866	883	901	919	937	956	975	994
Utilities	193	205	216	229	241	249	258	266	277	282
Repairs and Maintenance	195	206	218	230	243	251	261	268	279	285
General and Administrative	180	184	187	191	195	199	203	207	211	215
Insurance	58	59	60	61	63	64	65	66	68	69
Management & Professional Fees	79	80	82	84	85	87	89	91	92	94
CapEx	43	44	46	47	48	49	50	51	53	54
Other	11	11	12	12	13	13	13	14	14	14
Total Expenses	**$2,214**	**$2,300**	**$2,388**	**$2,479**	**$2,572**	**$2,637**	**$2,718**	**$2,787**	**$2,873**	**$2,930**
Net Operating Profit	**($390)**	**($351)**	**($312)**	**($275)**	**($236)**	**($226)**	**($205)**	**($195)**	**($173)**	**($174)**

Source: Johnson Consulting

The preceding projections are in line with comparable facilities, from both a demand and operating statement perspective, and are considered to be fair and reasonable. There are a myriad of policy, management and operating decisions to be made from this point forward. Many of these are material and could affect demand and financial performance of the proposed venue.

Demand & Financial Projections

Event Attributes

As shown on the right, Johnson Consulting used a variety of assumptions regarding the attributes of the events occurring in the Tuscaloosa Event Center, which varied depending on the type of event. These attributes represent the average attribute for that type of event and include the number of show days (number of days the event is taking place), the number of move in/out days, and the average square footage utilized by the event.

Event Attributes

Event Type	Show Days	Move In/Out Days	Average sf Used
Exhibit Events			
Conventions/Trade Shows	2.10	0.90	20,000
Consumer Shows/Public Events	2.20	0.55	20,000
Non-Exhibit Events			
Meetings/Conferences	1.50	0.50	8,800
Banquets/Social	1.10	0.40	10,000
Sports/Entertainment/Other Events	1.10	0.40	20,000

Source: Johnson Consulting

Demand & Financial Projections

Operating Revenue Assumptions

The table on the top right shows the assumptions underlying the projected operating revenue, including rental rate and food and beverage per caps.

Projected Operating Revenue

The table on the bottom right shows Johnson Consulting's projections of the proposed Tuscaloosa Event Center's operating revenue. The largest revenue category is space and equipment rental, followed by food and beverage (net). As shown, Johnson Consulting projects the facility to generate approximately $1.8 million in revenue in Year 1, $2.1 million in revenue in Year 3, and $2.3 million in revenue by Year 5. These numbers equate to $42, $47, and $53 per square foot of the event center function space, respectively.

Operating Revenue Assumptions

Line Item	Assumptions	
Rental (Space & Equipment)		
Multi-Purpose Hall (20,000 SF)	$6,600	/ show-day
Meeting Room #1 (740 SF)	$250	/ show-day
Meeting Room #2 (740 SF)	$250	/ show-day
Meeting Room #3 (1,800 SF)	$600	/ show-day
Meeting Room #4 (3,000 SF)	$1,000	/ show-day
Food & Beverage (Gross)		
Gross F&B Revenue:		
Conventions/Trade Shows	$10.00	per cap
Consumer Shows/Public Events	$5.00	per cap
Meetings/Conferences	$10.00	per cap
Banquets/Social	$15.00	per cap
Sports/Entertainment/Other Events	$5.00	per cap
COGS, Labor, & Expenses	60%	of gross F&B sales
Contract Service	$1,000	/ event
Advertising/ Sponsorship	$35,000	annually
Other	1%	of total revenue

Source: Johnson Consulting

Projected Operating Revenue ($000, Inflated)

	Year 1	Year 3	Year 5
Revenues			
Rental (Space & Equipment)	$1,039	$1,168	$1,307
Food & Beverage (Net)	523	607	687
Contract Service	209	230	252
Advertising/Sponsorship	35	50	67
Other	18	20	23
Total Revenues	**$1,824**	**$2,076**	**$2,335**
per Square Foot ($/sf)	***$42***	***$47***	***$53***

Source: Johnson Consulting

Demand & Financial Projections

Operating Expense Assumptions

The table at right shows the assumptions underlying the projected operating expenses.

Projected Operating Expenses

The table on the bottom right shows Johnson Consulting's projections of proposed Tuscaloosa Event Center's operating expenses. The largest expense category is Salaries, Wages and Benefits, followed by Event Labor and Equipment Rental. As shown, Johnson Consulting projects the facility to generate approximately $2.21 million in expenses in Year 1, $2.38 million in expenses in Year 3, and $2.57 million in expenses in Year 5.

Operating Cost Assumptions

Line Item	Assumptions	
Rental (Event Labor & Equipment)	60%	of Rental Revenue
Salaries, Wages, and Benefits	$832,000	annually
Utilities	$38.00	/ 1,000 of gross SF-days
Repairs and Maintenance	$38.30	/ 1,000 of gross SF-days
General and Administrative	$6.85	/ SF of function space
Insurance	$2.20	/ SF of function space
Materials and Supplies	$0.00	/ 1,000 of gross SF-days
Management & Professional Fees	$3.00	/ SF of function space
CapEx	$43.00	40.8% Share of Saban Center
Other	0.5%	of total expense

Source: Johnson Consulting

Projected Operating Expenses ($000, Inflated)

	Year 1	Year 3	Year 5
Expenses			
Rental (Event Labor & Equipment)	$623	$701	$784
Salaries, Wages, and Benefits	832	866	901
Utilities	193	216	241
Repairs and Maintenance	195	218	243
General and Administrative	180	187	195
Insurance	58	60	63
Management & Professional Fees	79	82	85
CapEx	43	46	48
Other	11	12	13
Total Expenses	**$2,214**	**$2,388**	**$2,572**

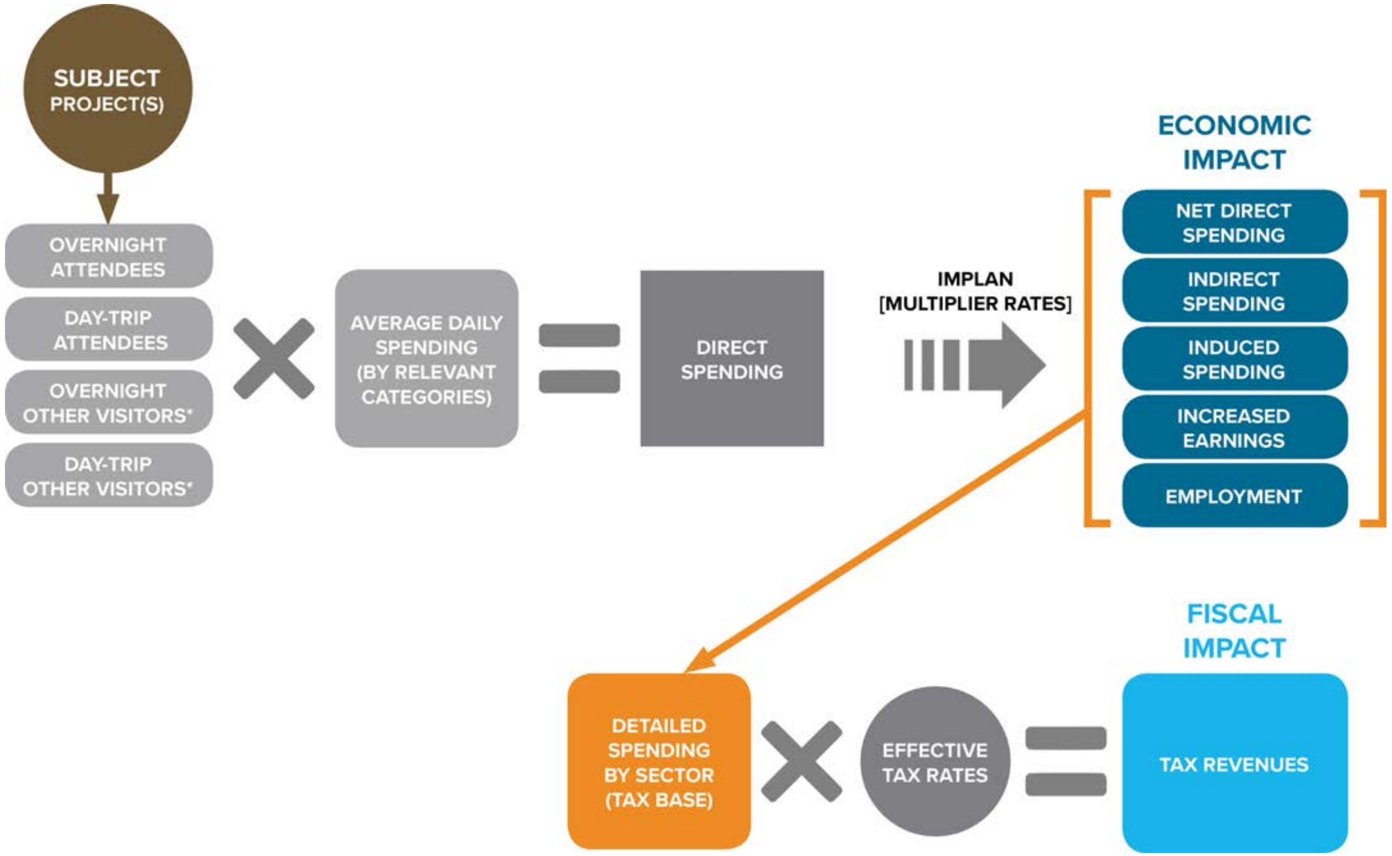
Source: Johnson Consulting

Economic & Fiscal Impacts

Introduction to Economic & Fiscal Impact

Economic Impact is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events. For the purpose of this analysis, impact totals are discussed in terms of the Tuscaloosa County economy. The levels of impacts are described as follows:

- **Direct Spending** – spending that occurs as a direct result of the facility's operation (example: attendee purchases meal at restaurant nearby)
- **Indirect Spending** – re-spending of the initial direct expenditures on goods and services (example: restaurant purchases more food from supplier)
- **Induced Spending** – changes in local consumption due to the personal spending by employees whose incomes are supported by direct and indirect spending (example: waiter at the restaurant has more personal income to spend)
- **Increased Earnings** – measures increased employee and worker compensation related to the facility's operation
- **Employment** – measures the number of full-time equivalent (FTE) jobs supported in the local economy as a result of the facility's operation
- **Fiscal Impact** – reflects tax revenues to local and state governments that result from the facility's operation



Indirect spending, induced spending, increased earnings, and employment are estimated using a set of IMPLAN multiplier rates. IMPLAN is a nationally recognized model commonly used to estimate such economic impacts, in which an input-output model analyzes the commodities and income that normally flow through the various sectors of the economy.

Economic & Fiscal Impacts

Annual Impact from Operations (Conference Center)

As shown on the the right, Johnson Consulting's impact analysis projects that the operation of the proposed Tuscaloosa Event Center will generate a significant annual economic and fiscal impact for the County and the greater community. The following impacts can be expected annually by Year 5 of the facility's operation:

- Over 200,000 visitor-days
- Over 34,000 hotel room nights

Projected Visitor-Days			
Event Type	**Year 1**	**Year 3**	**Year 5**
Exhibit Events			
Conventions/Trade Shows	31,500	35,528	39,060
Consumer Shows/Public Events	70,400	81,180	90,860
Subtotal Exhibit Events	**101,900**	**116,708**	**129,920**
Non-Exhibit Events			
Meetings/Conferences	26,775	28,620	29,865
Banquets/Social	18,453	19,543	20,306
Sports/Entertainment/Other Events	19,250	23,681	27,843
Subtotal Non-Exhibit Events	**64,478**	**71,843**	**78,014**
Total	**166,378**	**188,551**	**207,934**

Source: Johnson Consulting

Projected Room Nights					
	% Out-of-Town	**% Lodgers**	**Year 1**	**Year 3**	**Year 5**
Exhibit Events					
Conventions/Trade Shows	70%	70%	15,435	17,409	19,139
Consumer Shows/Public Events	15%	70%	7,392	8,524	9,540
Subtotal Exhibit Events			**22,827**	**25,933**	**28,679**
Non-Exhibit Events					
Meetings/Conferences	20%	65%	3,481	3,721	3,882
Banquets/Social	5%	65%	600	635	660
Sports/Entertainment/Other Events	5%	65%	626	770	905
Subtotal Non-Exhibit Events			**4,707**	**5,126**	**5,447**
Total			**27,534**	**31,059**	**34,126**

Source: Johnson Consulting

Economic & Fiscal Impacts

Annual Impact from Operations

As shown on the the right, Johnson Consulting's impact analysis projects that the operation of the proposed Tuscaloosa Event Center will generate an even greater annual economic and fiscal impact for the County's economy. The following impacts can be expected annually by Year 5 of the facility's operation:

- Approximately $2.3 million in on-site direct spending (corresponding to the facility's projected operating revenues)
- Approximately $13.6 million in off-site direct spending (including spending on lodging, food and incidentals, and car rental/rideshare/taxi)
- Nearly $16 million in direct spending
- Approximately $7.4 million in indirect and induced spending, for a sum of approximately $23.4 million in total spending
- Approximately 80 jobs supported per year, resulting in approximately $3.9 million in increased earnings for those employees
- Approximately $2.0 million in tax revenue for state and local governments (including sales and use tax and lodging tax)

Estimated Annual Economic & Fiscal Impact from Event Center Operations

	Economic Impact	Rate/ Assumption		Year 1	Year 3	Year 5
1	Visitor-Days			166,378	188,551	207,934
2	Room Nights	50%	of Total	27,534	31,059	34,126
3	**On Site Spending ($000)**			**$1,824**	**$2,076**	**$2,335**
	Off Site Spending ($000)					
4	On Lodging	*$104.50*	*(a)*	$2,877	$3,377	$3,860
5	On Food and Incidentals	*$40.00*	*(b)*	6,655	7,847	9,003
6	On Car Rental/Rideshare/Taxi	*$20.00*	*(c)*	551	646	739
7	**Subtotal Off Site Spending ($000)**			**$10,083**	**$11,870**	**$13,602**
8	**Total Direct Spending ($000)**			**$11,907**	**$13,946**	**$15,937**
9	Indirect Spending ($000)	*0.272*	*of Line 8*	3,242	3,797	4,340
10	Induced Spending ($000)	*0.195*	*of Line 8*	2,323	2,721	3,110
11	**Total Spending ($000)**			**$17,472**	**$20,464**	**$23,387**
12	Increased Earnings ($000)	*0.247*	*of Line 8*	$2,935	$3,438	$3,929
13	Increased Employment (FTE)	*5.45*	*of Line 8*	65	73	80
	Fiscal Impact	**Rate/ Assumption**		**Year 1**	**Year 3**	**Year 5**
	Sales Tax					
14	State Sales Tax	*4.00%*	*of Line 8*	$476	$558	$637
15	County Sales Tax	*3.00%*	*of Line 8*	357	418	478
16	City Sales Tax	*3.00%*	*of Line 8*	357	418	478
17	Total Sales Tax	*10.00%*		$1,191	$1,395	$1,594
18	**City Lodging Tax**	*11.00%*	*of Line 4*	317	371	425
19	**Total Tax Revenues**			**$1,507**	**$1,766**	**$2,018**

Notes:

a) Per Room Night (Line 2), based on US GSA Per Diem, Business Travel News Corporate Travel Index, adjusted.

b) Per Visitor-Day (Line 1), based on US GSA Per Diem minus on site food spending

c) Per Room Night (Line 2), based on US GSA Per Diem, Business Travel News Corporate Travel Index, adjusted.

Source: IMPLAN, Johnson Consulting

Economic & Fiscal Impacts

One-Time Impact from Construction

As shown on the the right, Johnson Consulting's impact analysis projects that the proposed Tuscaloosa Event Center will generate a significant one-time economic and fiscal impact for the County and its surrounding economies as a result of the facility's construction, budgeted at $44.4 million. These impacts are summarized below:

- Approximately 813 construction jobs
- Approximately $15 million in direct construction spending and $7.0 million in indirect and induced spending, for a total of over $22.0 million in spending
- Approximately 82 full-time equivalent jobs supported per year, resulting in over $3.7 million in increased earnings for those employees
- Nearly $2.2 million in state and local sales tax revenue

Estimated One-Time Impact from Event Center Construction

		Multiplier or Tax Rate		Amount
1	**Conference Center Development Costs**			$44,371,600
	Economic Impact			
2	% Spent on Labor			55.0%
3	Spending on Construction Labor			$24,404,000
4	Average Contruction Wages			$30,000
5	# of Construction Jobs			**813**
6	% Spent on Materials			45.0%
7	% Spent Locally			75.0%
8	Direct Construction Spending			$14,975,000
9	Indirect Spending	0.272	*per $1 of Line 8*	$4,078,000
10	Induced Spending	0.195	*per $1 of Line 8*	$2,922,000
11	**Total Spending**			**$21,975,000**
12	Increased Earnings	*0.247*	*per $1 of Line 8*	$3,691,000
13	Employment (in FTE Jobs)	*5.446*	*per $1 million of Line 8*	82
	Fiscal Impact			
14	State Sales Tax	*4.00%*	*of Line 11*	$879,000
15	County Sales Tax	*3.00%*	*of Line 11*	659,000
16	City Sales Tax	*3.00%*	*of Line 11*	659,000
17	Total Sales Tax Revenue			**$2,197,000**

Source: Johnson Consulting

Economic & Fiscal Impacts

Summary and Key Findings

The table on the right summarizes Johnson Consulting's projected economic and fiscal impacts for the proposed Tuscaloosa Event Center, including its one-time impact of construction and its annual impact of operations (using Year 5 as an average). The figures presented are the same as what is presented on the preceding pages just combined for conciseness.

The analysis shows that the proposed Event Center is expected to generate significant economic and fiscal impact. During its construction, it is expected to generate 813 construction jobs, $22.2 million in total spending, 82 jobs resulting in approximately $3.7 million of increased earnings, and nearly $2.2 million in sales tax revenues. Upon opening (using Year 5 as an example), the proposed Event Center is expected to generate $23.4 million in total spending, 80 jobs resulting in approximately $3.9 million of increased earnings, and over $2.0 million in sales and lodging tax revenues.

Other Impact Considerations

It is important to note that the economic and fiscal impacts presented in this analysis do not include additional property tax revenue that could be generated by the project, depending on the structure of a potential public-private partnership. These impacts also do not include the unquantifiable benefits that the project can provide such as providing an attractive facility for community events, attracting new employers and residents to the County, and other more qualitative impacts.

Summary of Event Center Impacts

	One-Time Impact of Construction	Annual Impact of Facility Operations
Economic Impact		
Construction Jobs	813	na
Direct Spending	$14,975,000	$15,937,000
Indirect & Induced Spending	$4,078,000	$7,450,000
Total Spending	**$21,975,000**	**$23,387,000**
Increased Earnings	$3,691,000	$3,929,000
Employment (in FTE Jobs)	82	80
Fiscal Impact		
Sales Tax	$2,197,000	$1,594,000
City Lodging Tax	na	$425,000
Total	**$2,197,000**	**$2,019,000**

Source: IMPLAN, Johnson Consulting